

# GC Realty Presents



725 N Central Avenue, Wood Dale, IL 60191

*Offering Memorandum*

PROPRIETARY AND CONFIDENTIAL

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# Site Facade



**DuPage County**

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# Investment Opportunity

|                            |   |
|----------------------------|---|
| Address                    | 725 N Central Avenue<br>Wood Dale, IL 60191                     |
| Land Area                  | +/- 0.87 Acres  |
| Price/Equity Req'd         | \$2,000,000/ \$700,000 (35%)                                    |
| Investment Strategy        | Value-Add. 1 of 3 Leases Expired with Rent<br>23% Under Market. |
| Building Sqft/ Office Sqft | ± 18,190/ 3,600   |
| Year Built                 | 1985  |
| Clear Height               | 15 Ft   |
| Loading                    | 2 Docks/3 DIDs (10'x12')  |
| Construction/Roof          | Masonry/ Great Condition  |
| Taxes                      | \$36,523 (2022)/ \$2.01 psf                                     |
| PIN                        | 03-10-110-016   |
| Cost psf/ Cap Rate         | \$110 psf/ 7.18% (ProForma)                                     |

GC Realty & Development LLC has the exclusive opportunity to offer a 3 Unit Class B Warehouse with units ranging from 3,800 sqft to 9,500 sqft in Wood Dale, IL. This highly sought after area is situated right next door to O'Hare Airport in **DuPage County** and has access to all major expressways.

This property presently consists of 3 long standing, credit worthy tenants with in-place rent of \$10.33 psf. 2 of 3 tenants just renewed their leases at or near market rates, and the third tenant's lease just expired. Current market rent for that unit is 30% higher, respectively at \$12.75 psf. Add value by immediately increasing rent with minimal chance of vacancy or move into the 5,000 SF unit and use the additional units to offset debt costs.

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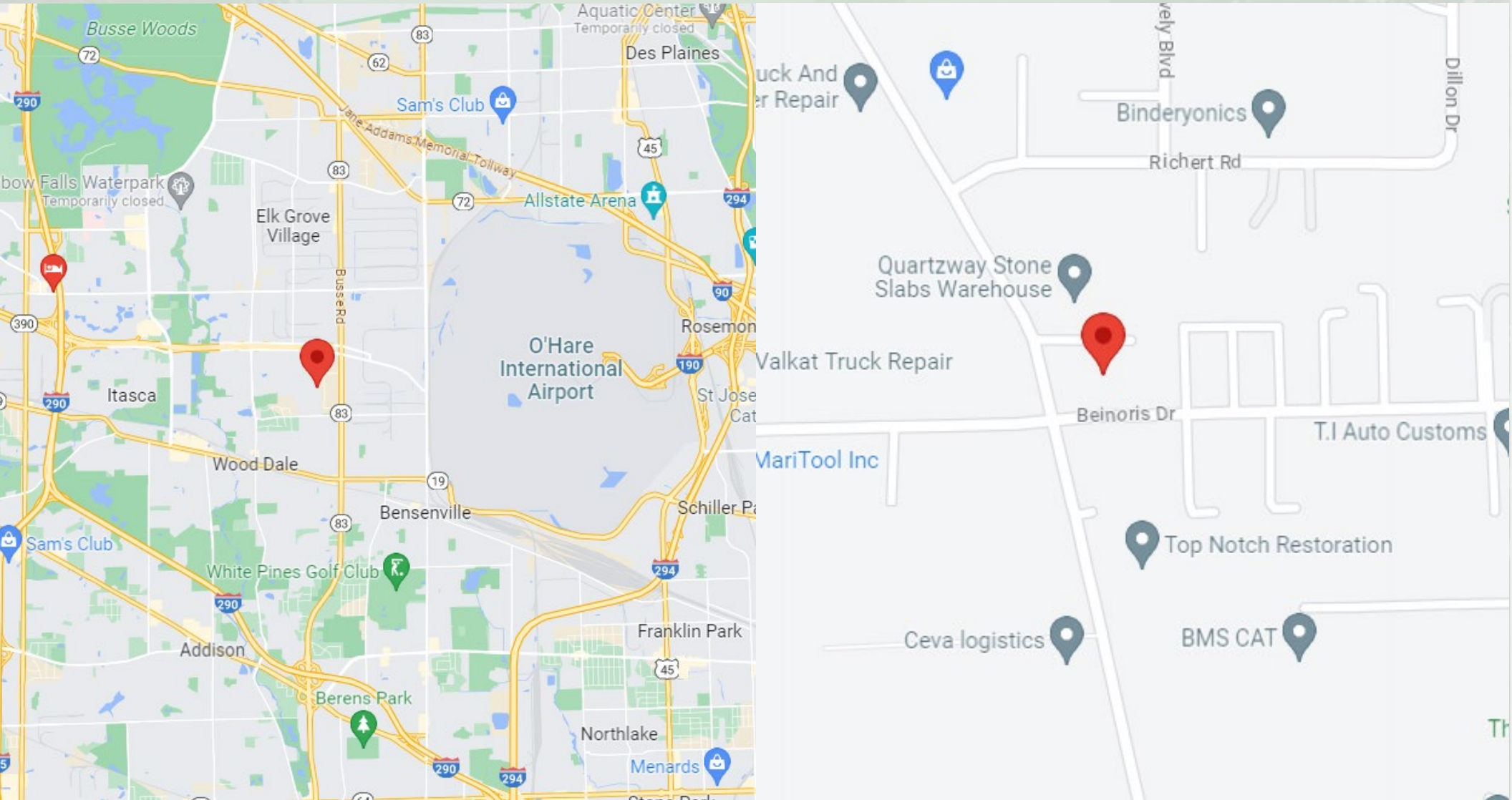


# Site Aerial





# Site Location



# Rent Roll

| Tenant Name                | Unit | Status | Sqft          | %of Bldg.     | Rent (monthly)  | Rent/sqft (annual) | Market Rent/sqft | Escalation   | Lease Type | Lease Start | Lease End          | Option  | Notes              |
|----------------------------|------|--------|---------------|---------------|-----------------|--------------------|------------------|--------------|------------|-------------|--------------------|---------|--------------------|
| ATM Solutions Inc          | 271  | Rented | 4,921         | 27.1%         | \$4,025         | 9.82               | 12.75            | 0%           | MG         | 3/1/2023    | Expired            | None    |                    |
| Wastewater Acquisition LLC | 725  | Rented | 9,409         | 51.7%         | \$9,063         | 11.56              | 11.56            | 0%           | MG         | 3/1/2024    | 2/28/2026          | 2 - 1yr | 3% esc. on options |
| HTP Raw Materials          | 261  | Rented | 3,860         | 21.2%         | \$2,573         | 8.00               | 8.00             | 3%           | MG         | 11/1/2023   | 12/31/2029         | 1 - 3yr | 3% esc. on option  |
| <b>3 units</b>             |      |        | <b>18,190</b> | <b>100.0%</b> | <b>\$15,661</b> | <b>10.33</b>       | <b>11.13</b>     | <b>0.49%</b> |            | <b>WALT</b> | <b>21.7 months</b> |         |                    |

**Square Feet % Occupied**      **100.0%**  
**Square Feet % Vacant**        **0.0%**

# Offering Highlights

| <b>Offering Price</b>       | <b>Cap Rate</b> | <b>ProForma Cap Rate</b> | <b>ProForma Cash-on-Cash</b> | <b>ProForma 10yr IRR</b> |
|-----------------------------|-----------------|--------------------------|------------------------------|--------------------------|
| <b>\$2,000,000</b>          | <b>6.60%</b>    | <b>7.18%</b>             | <b>4.76%</b>                 | <b>15.20%</b>            |
| Price psf                   |                 |                          |                              | <b>\$109.95</b>          |
| Total Square Feet           |                 |                          |                              | <b>18,190 sf</b>         |
| Current Rental Rate (psf)   |                 |                          |                              | <b>\$10.33</b>           |
| Current Vacancy             |                 |                          |                              | <b>0%</b>                |
| <b>ProForma Assumptions</b> |                 |                          |                              |                          |
| Market Rental Rate (psf)    | *Weighted       |                          |                              | <b>\$11.13</b>           |
| Taxes Grossed @             |                 |                          |                              | <b>105%</b>              |
| Revenue/Expense Growth Rate |                 |                          |                              | <b>3.0/2.0%</b>          |
| ProForma Vacancy            |                 |                          |                              | <b>0.0%</b>              |
| Exit Cap Rate               |                 |                          |                              | <b>7.00%</b>             |
| <b>Financing</b>            |                 |                          |                              |                          |
| LTV                         |                 |                          |                              | <b>65%</b>               |
| Loan Amount                 |                 |                          |                              | <b>\$1,300,000</b>       |
| Loan Type                   |                 |                          |                              | <b>New</b>               |
| Interest Rate               |                 |                          |                              | <b>7.00%</b>             |
| Amortization                |                 |                          |                              | <b>25 years</b>          |
| Year Due                    |                 |                          |                              | <b>2029</b>              |
| First Year DSCR             |                 |                          |                              | <b>1.30</b>              |



# Operating Projections

| 725 N Central Avenue, Wood Dale, IL 60191 |                         |               |              | ProForma                        |                              |               |              |
|---|-------------------------|---------------|--------------|---------------------------------|------------------------------|---------------|--------------|
| T-12                                      | Actual Annual Cash Flow |               |              | Year 1                          | Annual Cash Flow Projections |               |              |
|   | Dollar Amount           | Price Per SF  | % of Revenue |                                 | Dollar Amount                | Price Per SF  | % of Revenue |
| <b>Annual Income</b>                      | \$187,932               | 10.33         | 100%         | <b>Annual Income</b>            | \$202,391                    | 11.13         | 100%         |
| Other Revenue (CAM)                       | \$0                     | 0.00          | 0%           | Other Revenue (CAM)             | \$0                          | 0.00          | 0%           |
| <b>Gross Effective Revenue</b>            | <b>\$187,932</b>        | <b>10.33</b>  | <b>100%</b>  | <b>Gross Effective Revenue</b>  | <b>\$202,391</b>             | <b>11.13</b>  | <b>100%</b>  |
| <b>Operating Expenses</b>                 |                         |               |              | <b>Operating Expenses</b>       |                              |               |              |
| Real Estate Taxes                         | \$36,523                | 2.01          | 19.43%       | Real Estate Taxes               | \$38,349                     | 2.11          | 18.95%       |
| Insurance                                 | \$3,638                 | 0.20          | 1.94%        | Insurance                       | \$3,711                      | 0.20          | 1.83%        |
| General Maintenance*                      | \$3,759                 | 0.21          | 2.00%        | General Maintenance             | \$4,048                      | 0.22          | 2.00%        |
| Landscape/Snow                            | \$3,638                 | 0.20          | 1.94%        | Landscape/Snow                  | \$3,711                      | 0.20          | 1.83%        |
| Security/Fire Alarm                       | \$910                   | 0.05          | 0.48%        | Security/Fire Alarm             | \$928                        | 0.05          | 0.46%        |
| Utilities                                 | \$0                     | 0.00          |              | Utilities                       | \$0                          | 0.00          |              |
| Other                                     | \$0                     | 0.00          |              | Other                           | \$0                          | 0.00          |              |
| Management Fees*                          | \$7,517                 | 0.41          | 4.00%        | Management Fees                 | \$8,096                      | 0.45          | 4.00%        |
| <b>Total Operating Expenses</b>           | <b>\$55,984</b>         | <b>3.08</b>   | <b>29.8%</b> | <b>Total Operating Expenses</b> | <b>\$58,842</b>              | <b>3.23</b>   | <b>29.1%</b> |
| <b>Net Operating Income</b>               | <b>\$131,948</b>        | <b>7.25</b>   | <b>70.2%</b> | <b>Net Operating Income</b>     | <b>\$143,549</b>             | <b>7.89</b>   | <b>70.9%</b> |
| Debt Obligation                           | -\$110,258              | 6.06          | 58.7%        | Debt Obligation                 | -\$110,258                   | 6.06          | 54.5%        |
| <b>Net Cash Flow</b>                      | <b>\$21,690</b>         | <b>1.19</b>   | <b>11.5%</b> | <b>Net Cash Flow</b>            | <b>\$33,292</b>              | <b>1.83</b>   | <b>16.4%</b> |
| <b>DSCR</b>                               | <b>1.20</b>             |               |              | <b>DSCR</b>                     | <b>1.30</b>                  |               |              |
| <b>Valuation Matrix</b>                   |                         |               |              | <b>Valuation Matrix</b>         |                              |               |              |
|   | 6.50%                   | \$2,029,965   | 111.60       |                                 | 6.50%                        | \$2,208,448   | 121.41       |
|   | 7.00%                   | \$1,884,968   | 103.63       |                                 | 7.00%                        | \$2,050,702   | 112.74       |
|   | 7.50%                   | \$1,759,303   | 96.72        |                                 | 7.50%                        | \$1,913,989   | 105.22       |
| <b>Purchase Price</b>                     | <b>\$2,000,000</b>      | <b>109.95</b> |              | <b>Purchase Price</b>           | <b>\$2,000,000</b>           | <b>109.95</b> |              |



# Operating Projections

7/1/2024

725 N Central Avenue, Wood Dale, IL 60191

10 Year Return

| Annual Cash Flow Projections |               | Year               |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|------------------------------|---------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                              | Equity Contr. | 1                  | 2                  | 3                  | 4                  | 5                  | 6                  | 7                  | 8                  | 9                  | 10                 |
| Annual Income                | \$700,000     | \$202,391          | \$208,462          | \$214,716          | \$221,158          | \$227,792          | \$234,626          | \$241,665          | \$248,915          | \$256,382          | \$264,074          |
| Annual Expenses              | \$0           | -\$58,842          | -\$60,018          | -\$61,195          | -\$62,372          | -\$63,549          | -\$64,726          | -\$65,903          | -\$67,079          | -\$68,256          | -\$69,433          |
| Annual Debt Obligation       | \$0           | -\$110,258         | -\$110,258         | -\$110,258         | -\$110,258         | -\$110,258         | -\$110,258         | -\$110,258         | -\$110,258         | -\$110,258         | -\$110,258         |
| Debt Payoff                  | \$0           | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | -\$949,553         |
| Sale Proceeds                | \$0           | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$2,780,582        |
| NOI                          | \$0           | \$143,549          | \$148,444          | \$153,521          | \$158,786          | \$164,243          | \$169,900          | \$175,762          | \$181,835          | \$188,126          | \$194,641          |
| Net Cash Flow                | -\$700,000    | \$33,291           | \$38,186           | \$43,263           | \$48,528           | \$53,986           | \$59,643           | \$65,505           | \$71,578           | \$77,869           | \$1,915,413        |
| DSCR                         | -             | 1.30               | 1.35               | 1.39               | 1.44               | 1.49               | 1.54               | 1.59               | 1.65               | 1.71               | 1.77               |
| <b>Building Value</b>        |               | <b>\$2,050,700</b> | <b>\$2,120,627</b> | <b>\$2,193,156</b> | <b>\$2,268,365</b> | <b>\$2,346,335</b> | <b>\$2,427,149</b> | <b>\$2,510,891</b> | <b>\$2,597,650</b> | <b>\$2,687,516</b> | <b>\$2,780,582</b> |
| <b>Value Psf</b>             |               | <b>112.74</b>      | <b>116.58</b>      | <b>120.57</b>      | <b>124.70</b>      | <b>128.99</b>      | <b>133.43</b>      | <b>138.04</b>      | <b>142.81</b>      | <b>147.75</b>      | <b>152.86</b>      |

| Investor IRR Variance* |       | Interest Rates |      |      |      |      |      |
|------------------------|-------|----------------|------|------|------|------|------|
|                        | 15.2% | 6.0%           | 6.5% | 7.0% | 7.5% | 8.0% | 8.5% |
| Vacancy                | 2.5%  | 16%            | 15%  | 14%  | 14%  | 13%  | 13%  |
|                        | 5.0%  | 15%            | 14%  | 14%  | 13%  | 13%  | 12%  |
|                        | 7.5%  | 14%            | 13%  | 13%  | 12%  | 12%  | 11%  |
|                        | 10.0% | 13%            | 13%  | 12%  | 12%  | 11%  | 10%  |
|                        | 12.5% | 12%            | 12%  | 11%  | 11%  | 10%  | 10%  |
|                        | 15.0% | 12%            | 11%  | 10%  | 10%  | 9%   | 9%   |

| Investor IRR Variance* |       | Exit Cap Rate |      |      |      |      |      |
|------------------------|-------|---------------|------|------|------|------|------|
|                        | 15.2% | 6.0%          | 6.5% | 7.0% | 7.5% | 8.0% | 8.5% |
| Market Rent Psf        | 12.80 | 21%           | 20%  | 19%  | 19%  | 18%  | 17%  |
|                        | 12.24 | 20%           | 19%  | 18%  | 17%  | 16%  | 16%  |
|                        | 11.68 | 19%           | 18%  | 17%  | 16%  | 15%  | 14%  |
|                        | 11.13 | 17%           | 16%  | 15%  | 14%  | 13%  | 13%  |
|                        | 10.57 | 16%           | 15%  | 14%  | 13%  | 12%  | 11%  |
|                        | 10.01 | 14%           | 13%  | 12%  | 11%  | 10%  | 9%   |

\*Operating Assumptions Listed on Page 8



# Purchase Price Variance

| Purchase Price |                     | ProForma NOI* <b>\$143,549</b> |             |
|----------------|---------------------|--------------------------------|-------------|
| Variance       | Price               | Price Psf                      | Cap Rate    |
| 15%            | \$ 2,300,000        | \$126.44                       | 6.2%        |
| 12.5%          | \$ 2,250,000        | \$123.69                       | 6.4%        |
| 10%            | \$ 2,200,000        | \$120.95                       | 6.5%        |
| 7.5%           | \$ 2,150,000        | \$118.20                       | 6.7%        |
| 5.0%           | \$ 2,100,000        | \$115.45                       | 6.8%        |
| 2.5%           | \$ 2,050,000        | \$112.70                       | 7.0%        |
| <b>0%</b>      | <b>\$ 2,000,000</b> | <b>\$109.95</b>                | <b>7.2%</b> |
| -2.5%          | \$ 1,950,000        | \$107.20                       | 7.4%        |
| -5.0%          | \$ 1,900,000        | \$104.45                       | 7.6%        |
| -7.5%          | \$ 1,850,000        | \$101.70                       | 7.8%        |
| -10%           | \$ 1,800,000        | \$98.96                        | 8.0%        |
| -12.5%         | \$ 1,750,000        | \$96.21                        | 8.2%        |
| -15%           | \$ 1,700,000        | \$93.46                        | 8.4%        |

\*Operating Assumptions Listed on Page 8



# Market Overview

|                           |   |
|---------------------------|---|
| O'Hare Submarket Vacancy  | 3.0%, Overall Chicago Market Vacancy of 3.8%  |
| Submarket Rent Growth     | 8.6% YoY vs Average of 4.8% for the Past Decade   |
| Submarket Demand          | 12 mo. Net Absorption of 1.7M SF vs 920k Delivered  |
| Chicago Market as a Whole | 28.7M SF of Direct Net SF Positively Absorbed over the Past 12 mo. vs 25.9M Delivered.  |
| Demand Formation          | 30% Greater than the High set in 2006 and 2.5x the Metro's All Time Average.  |
| Driving Force             | Centralized Location and Unparalleled Rail and Highway Connectivity. Only U.S. City to Contain 6 Class 1 Railroads.   |
| Risks                     | Chicago's Vacancy is Expected to Rise Over the Proceeding Year Due to a Rush of Deliveries in Q4. In Addition, the Cost of Capital has Caused a Dip in Consumer Confidence as Well as Investors to Pull Back. |

\* Source: Costar

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