

4% Annual Rent Increases | Corporate Guarantee



**HSHS**  
Medical Group

**Single-Tenant Medical Office Building**  
5 Ludwig Dr | Fairview Heights, IL 62208

**\$1,255,500**

  
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# DEAL SUMMARY



**HSHS  
Medical Group**

## Address

5 Ludwig Dr  
Fairview Heights, IL 62208

**Asking Price**  
\$1,255,500

**Cap Rate**  
7.40%

**NOI**  
\$92,907

**Lease Term**  
~5 Years

**Price Per SF**  
\$247

**Rent Increases**  
4% Annually

**Lease Type**  
NN

**Guarantor**  
Corporate



# LEASE SUMMARY



<b>Tenant Name</b>	Hospital Sisters Health System
<b>Lease Guarantor</b>	HSHS Medical Group, Inc (Corporate)
<b>Address</b>	5 Ludwig Dr Fairview Heights, IL 62208
<b>Lease Commencement</b>	8/1/2013
<b>Lease Expiration</b>	7/31/2030
<b>Lease Type</b>	NN
<b>Landlord Responsibilities</b>	Structure, exterior entrances & lighting, roof, and parking lot repairs/resurfacing exceeding \$4,000
<b>Tenant Responsibilities</b>	Parking lot repairs less than \$4,000, utilities, insurance, HVAC, and taxes
<b>Building Size</b>	5,080 SF
<b>Rent Per SF</b>	\$18.29
<b>Lot Size</b>	1.26 AC
<b>Year Built / Renovated</b>	1992 / 2013
<b>Rent Increases</b>	4% Annually
<b>Renewal Options</b>	None



# RENT SCHEDULE



Term	Rent Per SF	Monthly Rent	Annual Rent	Increase	In-Place Cap Rate
8/1/2025 - 7/31/2026	\$18.29	\$7,742	\$92,907	~	7.50%
8/1/2026 - 7/31/2027	\$19.02	\$8,052	\$96,623	4%	7.70%
8/1/2027 - 7/31/2028	\$19.78	\$8,374	\$100,488	4%	8.00%
8/1/2028 - 7/31/2029	\$20.57	\$8,709	\$104,507	4%	8.32%
8/1/2029 - 7/31/2030	\$21.40	\$9,057	\$108,687	4%	8.66%
					<b>5-Year Blended Cap Rate</b>
					<b>8.02%</b>



# INVESTMENT HIGHLIGHTS



## ► **Corporate Guarantee | Investment Grade Tenant (S&P: A+)**

Hospital Sisters Health System (HSHS) boasts an “A+” credit rating from both S&P and Fitch Ratings. The reputable nonprofit healthcare provider operates 15 hospitals in Illinois and Wisconsin, including two children’s hospitals and an integrated network of nearly 2,300 physicians.

## ► **Exceptionally Rare 4% Annual Rent Increases**

Offering features above-market 4% annual rent increases, allowing the investor to achieve compounding yields and offset inflation over the current term and option period.

## ► **Recent Lease Extension | 11+ Year Operating History**

HSHS Medical Group recently exercised its second five-year option, demonstrating its long-term commitment to the site. The tenant has been operating at this location since 2013.

## ► **Recession & E-Commerce Resistant Tenant | Essential Business**

Healthcare is a resilient industry with demand remaining steady or growing during economic downturns. HSHS provides high-demand medical services including heart and vascular, hospice, mammogram, and home health.

## ► **Recent Capital Improvements | New Roof Installed 2020**

In August 2020, a new roof was installed with brand-new gutters and soffits, reducing the risk of a large capital expense due to deferred maintenance for any prospective owner. The property is currently undergoing additional improvements, including clearing out underbrush and trees surrounding the property line, as well as the installation of new parking lot and building lighting.

## ► **Nonprofit Stability**

As a nonprofit organization, HSHS has a 150-year track record of stability and commitment to its mission to serve its communities.

## ► **Strong Demographics | Immediate Interstate Access**

The site is strategically located in a busy commercial corridor less than one mile from St. Clair Square mall, the largest shopping mall in Southern Illinois. The subject property has immediate access to Interstate 64, and more than 105,000 residents support its 5-mile radius.



# TENANT PROFILE



Since 1875, the Hospital Sisters of St. Francis have been caring for patients in Illinois, Wisconsin and other locations in the United States and across the world. The foundational mission principles of Hospital Sisters Health System (HSHS) embody the belief that every life is a sacred gift and every human being is a unity of body, mind and spirit. These principles are the basis for HSHS to provide high-quality, cost-effective and compassionate health care for millions of people in Illinois and Wisconsin.

Today, with 13 hospitals, scores of community-based health centers and clinics, over 1,000 physician partners, and more than 11,000 colleagues, HSHS is committed to its mission **“to reveal and embody Christ’s healing love for all people through our high-quality Franciscan health care ministry.”** HSHS continues to advance its mission through its care integration strategy by working closely with physician partners in Illinois and Wisconsin to deliver high-quality, patient-centered care. Together, we strive to ensure each patient who enters our system has seamless access to health and wellness programs, primary and specialty care, and acute and post-acute care. Through their commitment to our care integration strategy, HSHS physician partners coordinate closely with our hospital and clinic colleagues to provide our patients with holistic care that meets their individual needs.



WEBSITE	<a href="http://www.hshs.org">www.hshs.org</a>
HEADQUARTERS	Springfield, IL
FOUNDED IN	1875



NO. OF LOCATIONS  
**13 Hospitals**

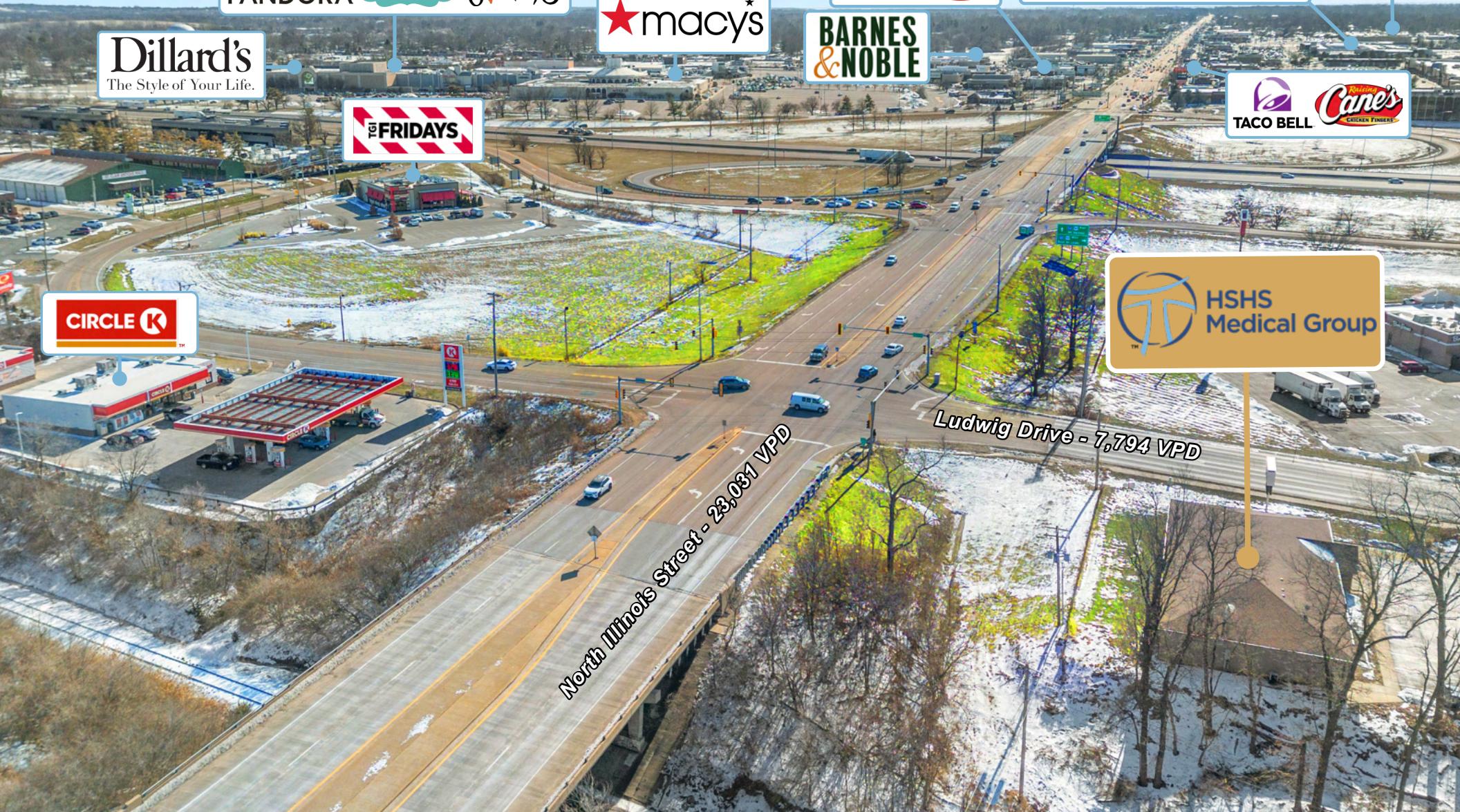


LOCATED IN  
**IL & WI**



NO. OF EMPLOYEES  
**13,000+ Employees**

# PROPERTY AERIAL



# PROPERTY AERIAL



# LOCATION OVERVIEW - Fairview Heights, IL



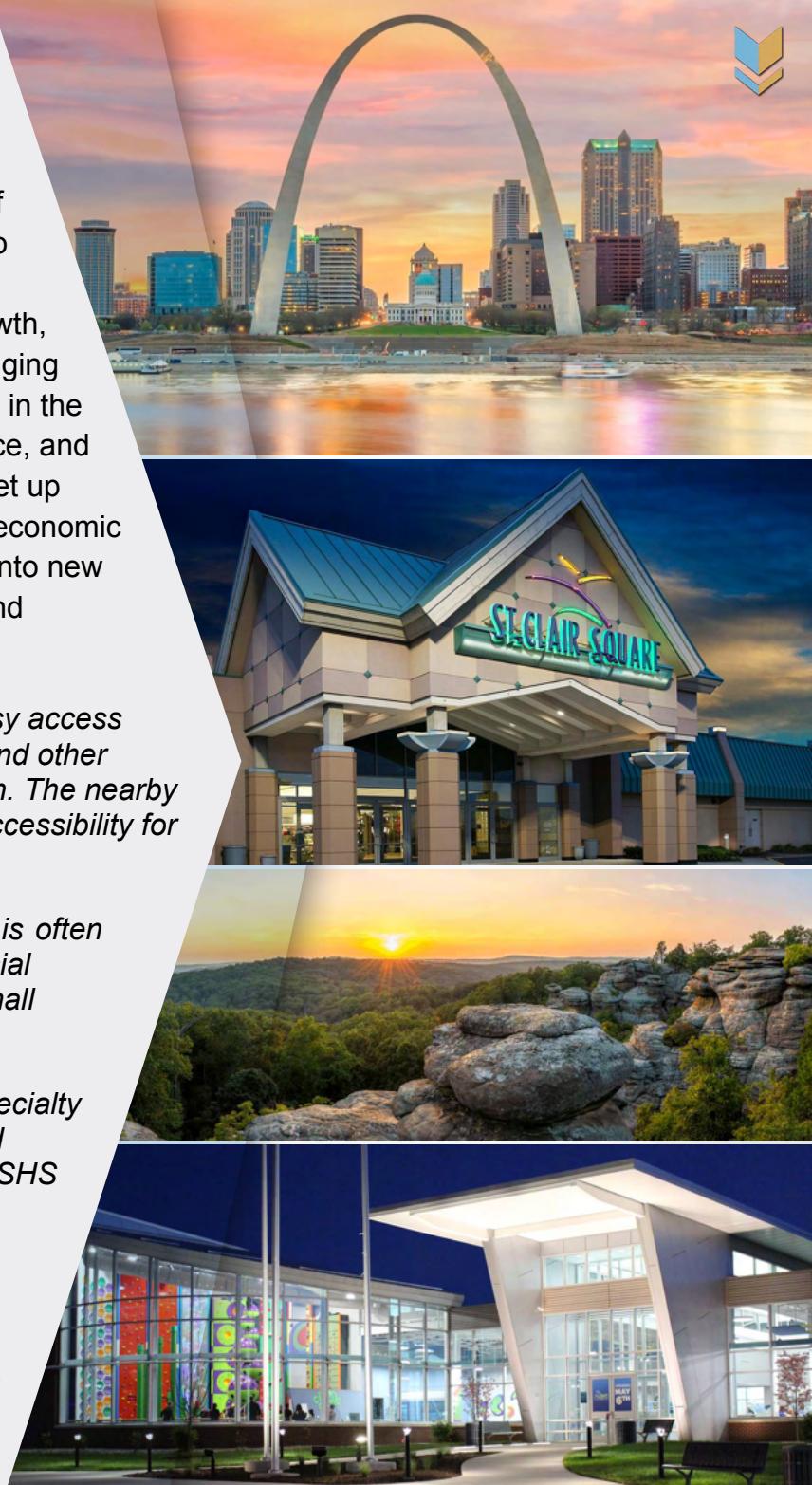
Fairview Heights, located just 12 miles outside of St. Louis, is rapidly becoming one of the region's most attractive places for business. Its prime location, with easy access to major highways like Interstates 64, 255, and 55, makes it an ideal spot for companies looking to reach both regional and national markets. The city has seen consistent growth, fueled by a diverse economy and a business-friendly environment. With industries ranging from retail to healthcare to logistics, Fairview Heights is becoming a key business hub in the St. Louis metro area. The combination of affordable operating costs, a skilled workforce, and modern infrastructure makes it a prime location for businesses looking to expand or set up new operations. Fairview Heights continues to invest in its infrastructure and support economic diversification, focusing on maintaining its position as a retail leader while expanding into new industries. Its proactive approach to economic development ensures steady growth and resilience in an evolving market.

- Location & Accessibility** - Fairview Heights benefits from a prime location with easy access to major highways, including Interstate 64, making it easily accessible to St. Louis and other major markets, making it attractive for businesses reliant on logistics and distribution. The nearby MidAmerica St. Louis Airport and St. Louis Lambert International Airport enhance accessibility for both goods and people.
- Retail Sector** - The retail sector is the primary economic driver as Fairview Heights is often referred to as the "Retail Hub of Southwestern Illinois" due to its extensive commercial developments. St. Clair Square Mall is the centerpiece of the city's economy. This mall attracts shoppers from across the region and serves as a major employment center.
- Healthcare Sector** - Fairview Heights is home to numerous primary care clinics, specialty medical offices, urgent care centers, and outpatient facilities that serve the local and regional population. Major nearby hospitals, such as Memorial Hospital Belleville, HSHS St. Elizabeth's Hospital in O'Fallon, and Anderson Hospital, provide advanced care options and specialty services, contributing to the healthcare economy.

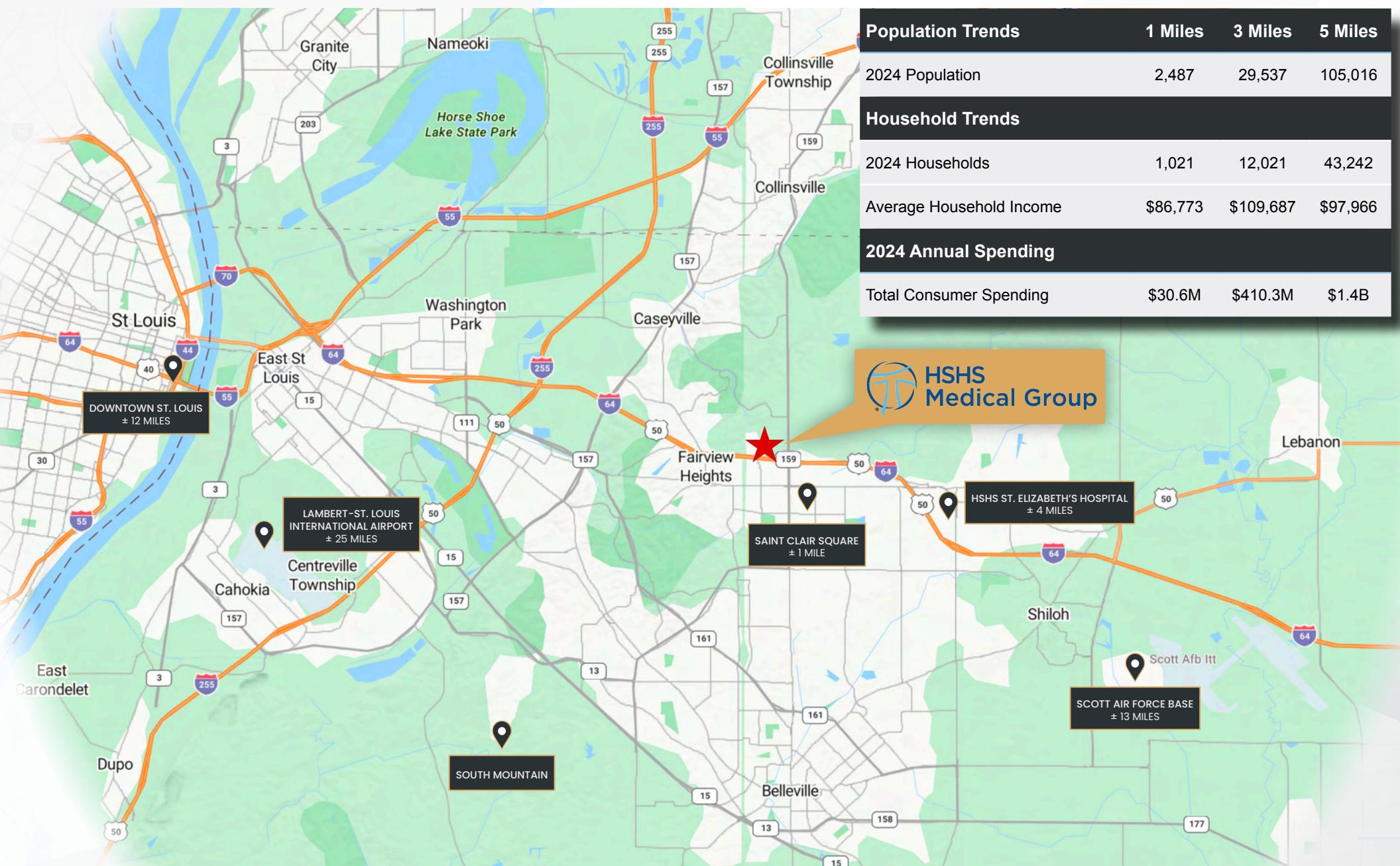
**20% Growth**  
In Business Activity

**15% INCREASE**  
2010-2023 Fairview Heights, IL  
Population Growth

**FASTEST**  
Growing City in the U.S.  
over the past decade



# DEMOGRAPHICS - Fairview Heights, IL





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