ROC ADVISORY GROUP

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Asking price
$1,700,000

No. of Units
32

OFFERING MEMORANDUM

7042-48 S Michigan Ave, Chicago, IL 60637

Exclusively Marketed by
Kevin Rocio

Founder
ROC Advisory Group
@properties commercial

(312) 972-4381
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Content

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Kevin Rocio

Founder
ROC Advisory Group

Kevin Rocio is a seasoned real estate professional in Chicago, renowned for his extensive experience in commercial real estate, encompassing sales, leasing, and advisory services. As a leader at the ROC Advisory Group with @properties Commercial, Kevin has earned a stellar reputation for his expertise, dedication, and profound knowledge of local market trends. His strategic insights and commitment to client success make him a trusted advisor in the industry.

In 2019, Kevin received the prestigious Commercial Achievement Awards from both the Chicago Association of Realtors and the National Association of Realtors, recognizing his exceptional contributions and unwavering commitment to excellence in the field.

Since 2012, Kevin has been consistently recognized as a top-producing Realtor, earning annual top producer awards.

Kevin's achievements highlight his dedication and excellence in the real estate industry. His consistent recognition over the years underscores his commitment to providing exceptional service to his clients.

The Chicago Association of REALTORS® acknowledges top producers annually, celebrating those who have demonstrated outstanding sales performance and professionalism in the field.

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Executive Summary

7042-48 S MICHIGAN AVE

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Offering Summary

Offering Summary

Address	**7042-48 South Michigan Avenue, Chicago, IL 60637**
Submarket	**Greater Grand Crossing, Cook County**
Type	**Multifamily, 32 units**
Building SF	**Approx. 22,400 SF**
Unit Mix	**6x 2bd/1ba (900 SF) | 20x 1bd/1ba (700 SF) | 6x Studio (500 SF)**
APN	**20-22-321-024-0000 & 20-22-321-025-0000**
Year Built	**1925**
Porches	**Replaced 2007, permitted repairs 2019**
Electrical	**6 breakers per panel**

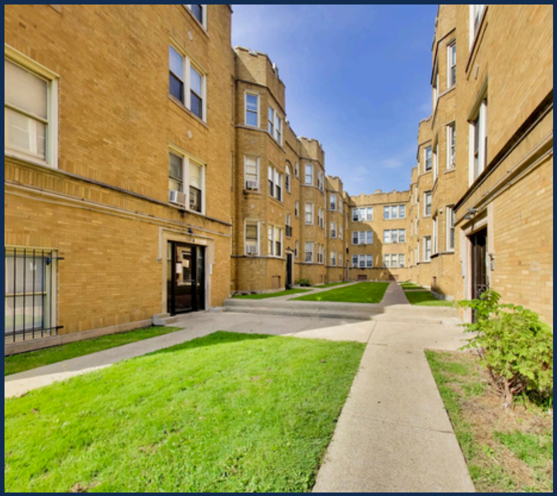
Financial Summary

Asking Price	**$1,700,000**
Price/Unit	**$53,125**
Price PSF	**$75.89**
Year 1 NOI	**$130,998 (7.71% cap)**
Mark-to-Market NOI	**$161,280 (9.49% cap)**
Pro Forma NOI	**$210,116 (12.36% cap)**
Occupancy	**30 of 32 units, 94%**
Financing	**75% LTV at 6.5% on a 30Y amortization**

Investment Highlights

Sub-$60K/Unit Basis, Income in Place

$53,125 per unit on 32 units with 30 occupied at close. Two vacancies are the only lease-up.



Rent Roll Below Market

Current average $822/unit-mo vs. $904 mark-to-market and $1,050 pro-forma (computed). Marking to market alone lifts NOI 23%; pro-forma NOI is 60% above Year 1. Cap moves 7.71% to 9.49% to 12.36% at the asking price.

Workforce-Rental Demand Profile

Greater Grand Crossing is 63.7% renter-occupied, 41% of households have no vehicle, and 25.8% commute by transit. Health Care (25.3%) and Education (17.4%) anchor local employment; the Loop is the largest work destination.

Property Overview

7042-48 S MICHIGAN AVE

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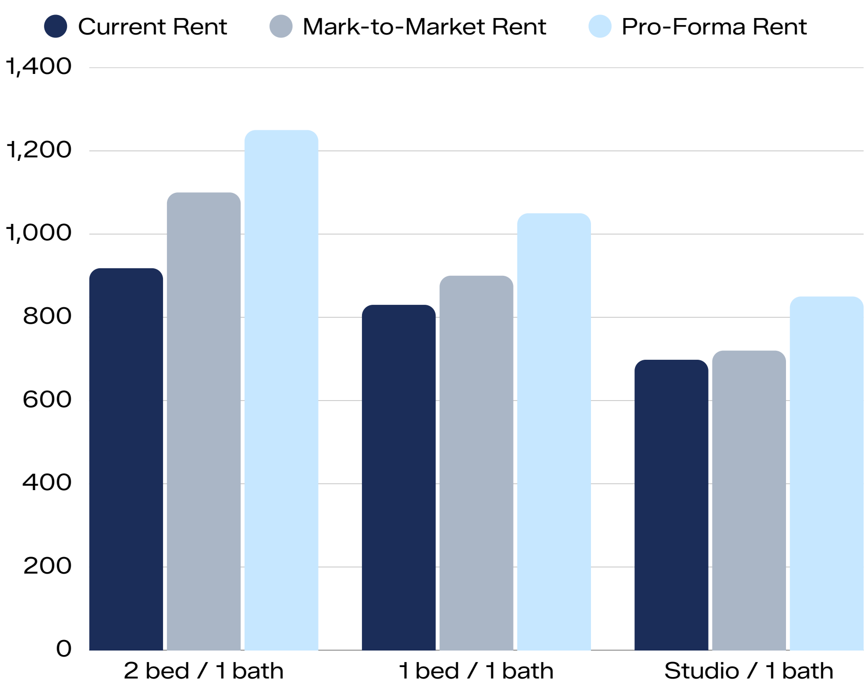
Unit Mix and Rent Analysis

Unit	Type	SF	Current Rent	Current PSF	M2M Rent	Pro-Forma Rent	Pro-Forma PSF
7042-1A	2 bed / 1 bath	900	$900	$1.00	$1,100	$1,250	$1.39
7042-1B	1 bed / 1 bath	700	$790	$1.13	$900	$1,050	$1.50
7042-1C	1 bed / 1 bath	700	$900	$1.29	$900	$1,050	$1.50
7042-1G	1 bed / 1 bath	700	$850	$1.21	$900	$1,050	$1.50
7042-2A	2 bed / 1 bath	900	$900	$1.00	$1,100	$1,250	$1.39
7042-2B	1 bed / 1 bath	700	$765	$1.09	$900	$1,050	$1.50
7042-2C	1 bed / 1 bath	700	$700	$1.00	$900	$1,050	$1.50
7042-3A	2 bed / 1 bath	900	$1,000	$1.11	$1,100	$1,250	$1.39
7042-3B	1 bed / 1 bath	700	$790	$1.13	$900	$1,050	$1.50
7042-3C (vacant)	1 bed / 1 bath	700	$900 scheduled	$1.29	$900	$1,050	$1.50
7044-1A	1 bed / 1 bath	700	$850	$1.21	$900	$1,050	$1.50
7044-1B	Studio / 1 bath	500	$700	$1.40	$720	$850	$1.70
7044-2A	1 bed / 1 bath	700	$900	$1.29	$900	$1,050	$1.50
7044-2B	Studio / 1 bath	500	$720	$1.44	$720	$850	$1.70
7044-3A	1 bed / 1 bath	700	$900	$1.29	$900	$1,050	$1.50
7044-3B	Studio / 1 bath	500	$680	$1.36	$720	$850	$1.70
7046-1A	1 bed / 1 bath	700	$860	$1.23	$900	$1,050	$1.50
7046-1B	Studio / 1 bath	500	$720	$1.44	$720	$850	$1.70
7046-2A	1 bed / 1 bath	700	$800	$1.14	$900	$1,050	$1.50
7046-2B	Studio / 1 bath	500	$720	$1.44	$720	$850	$1.70
7046-3A	1 bed / 1 bath	700	$800	$1.14	$900	$1,050	$1.50
7046-3B	Studio / 1 bath	500	$650	$1.30	$720	$850	$1.70
7048-1A	2 bed / 1 bath	900	$1,100	$1.22	$1,100	$1,250	$1.39
7048-1B	1 bed / 1 bath	700	$785	$1.12	$900	$1,050	$1.50
7048-1C	1 bed / 1 bath	700	$750	$1.07	$900	$1,050	$1.50
7048-1G (vacant)	1 bed / 1 bath	700	$900 scheduled	$1.29	$900	$1,050	$1.50
7048-2A	2 bed / 1 bath	900	$850	$0.94	$1,100	$1,250	$1.39
7048-2B	1 bed / 1 bath	700	$900	$1.29	$900	$1,050	$1.50
7048-2C	1 bed / 1 bath	700	$790	$1.13	$900	$1,050	$1.50
7048-3A	2 bed / 1 bath	900	$760	$0.84	$1,100	$1,250	$1.39
7048-3B	1 bed / 1 bath	700	$760	$1.09	$900	$1,050	$1.50
7048-3C	1 bed / 1 bath	700	$900	$1.29	$900	$1,050	$1.50
Total	**32 units**	**22,400**	**$26,290/mo**	**$1.17 avg**	**$28,920/mo**	**$33,600/mo**	**$1.50 avg**

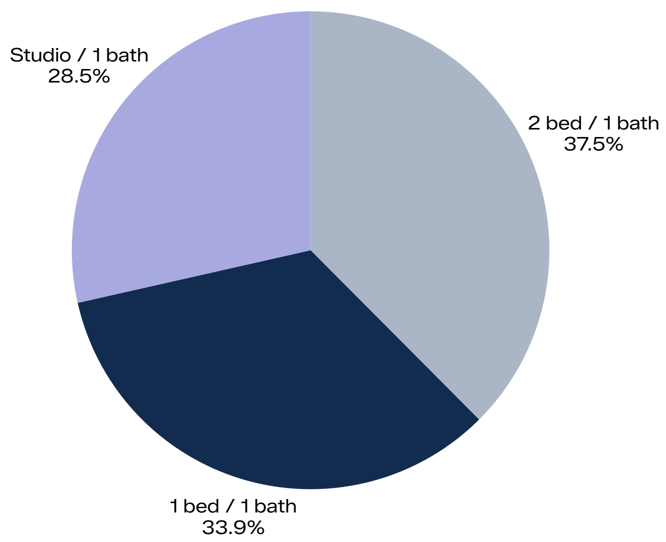
Annualized: $315,480 current | $347,040 mark-to-market | $403,200 pro-forma. All PSF computed.

Unit Mix and Rent Analysis

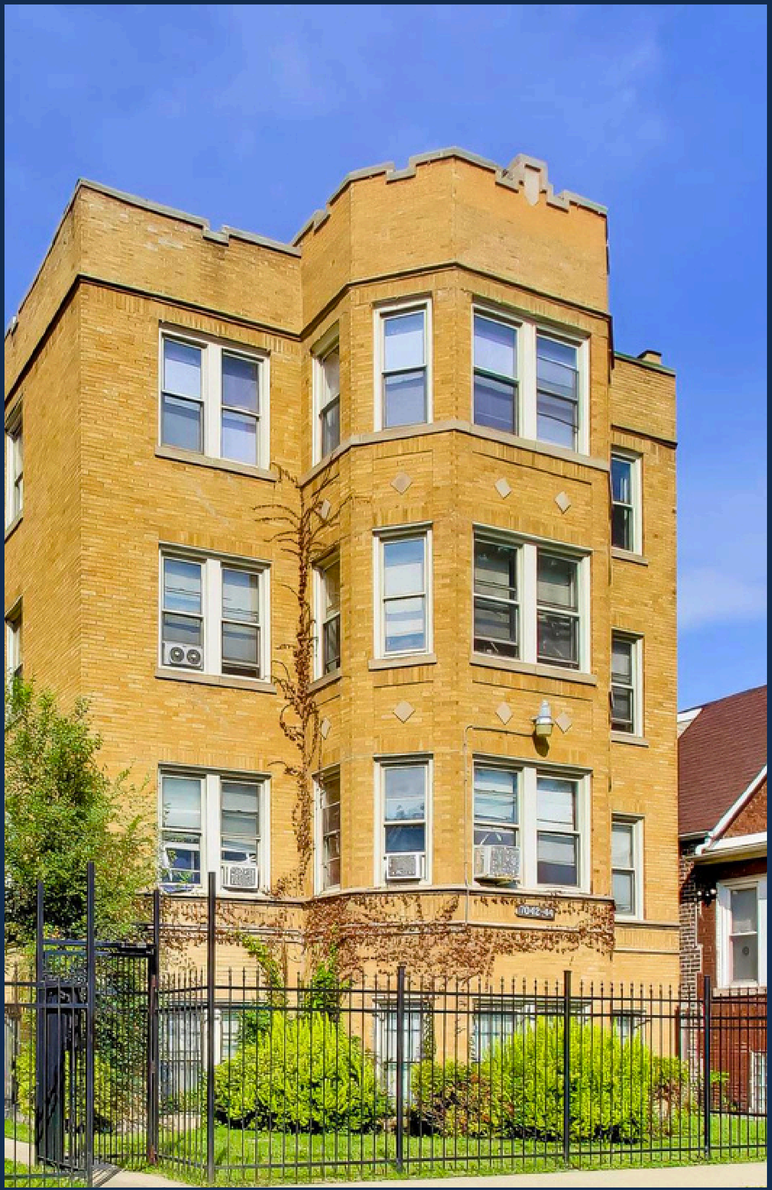
Current vs. Mark-to-Market vs. Pro-Forma Rent



Unit Mix Revenue

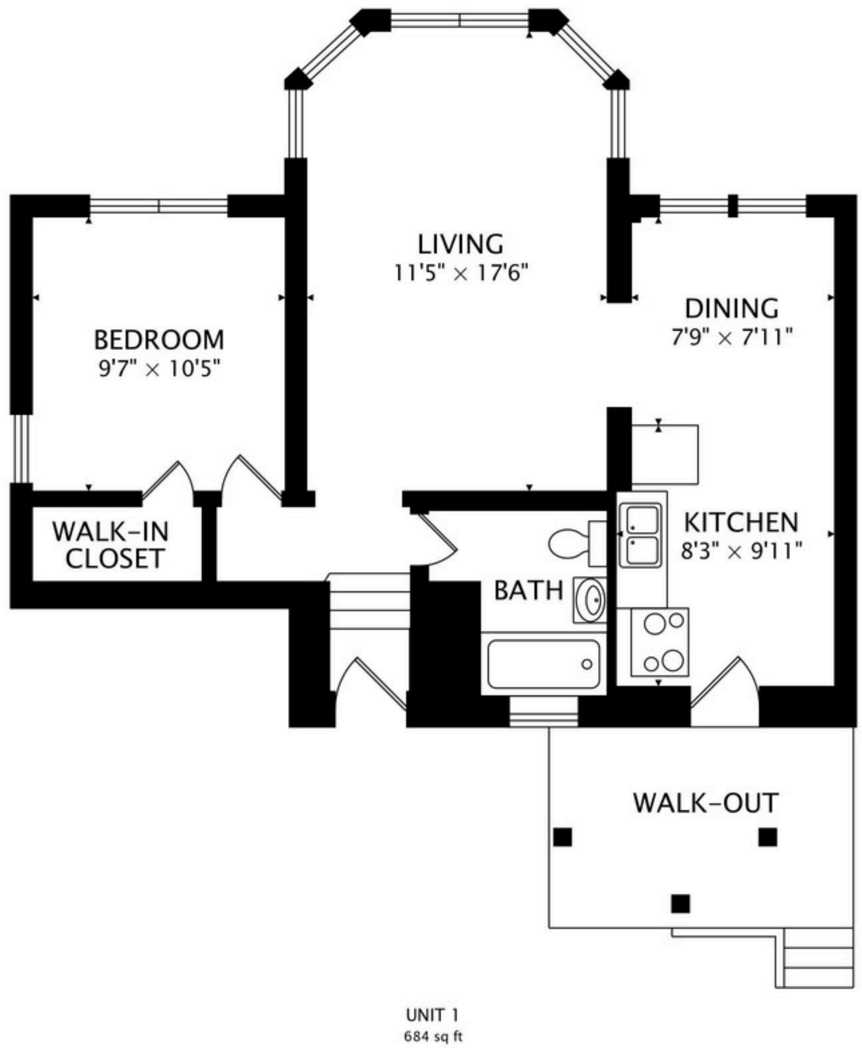


Property Features

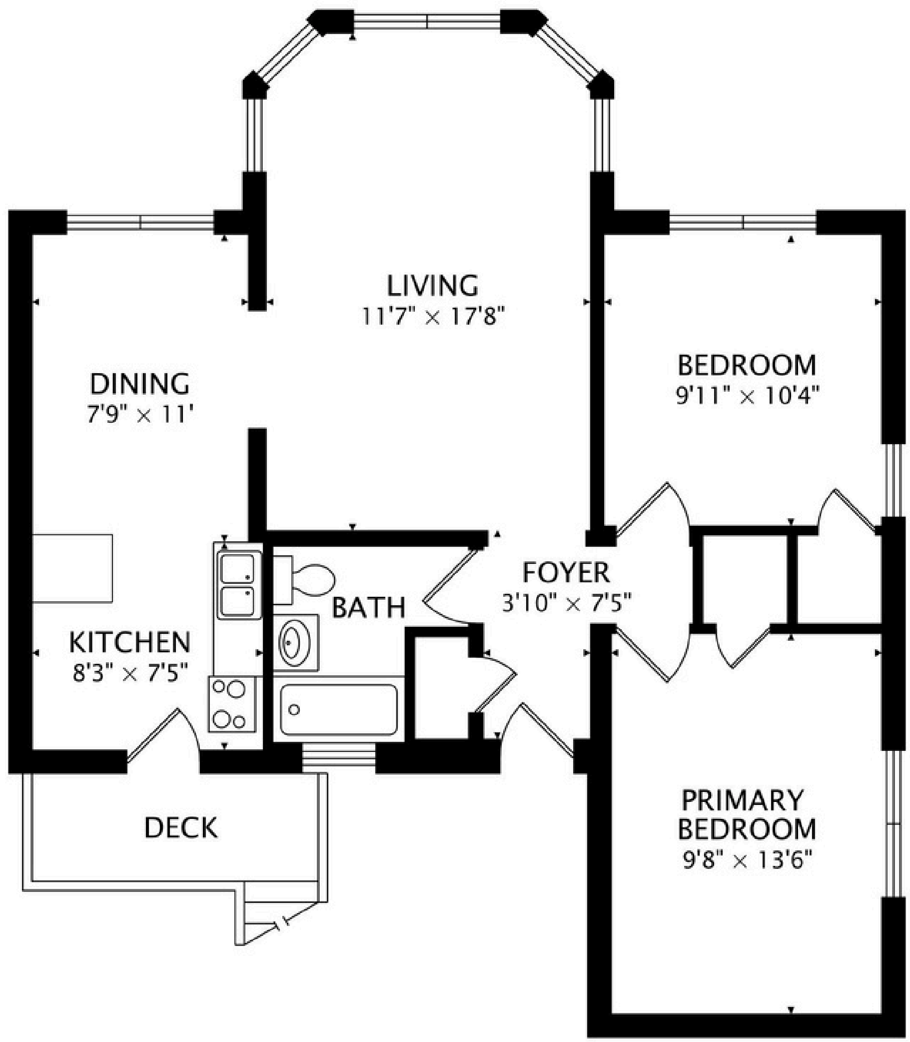


Building Structure	**Courtyard building with 4 entrances (7042, 7044, 7046, 7048)**
Original Construction	**1925**
Porches	**Replaced in 2007 with permitted repairs in 2019**
Electrical	**6 breakers per panel**

Unit 1 Floor Plan

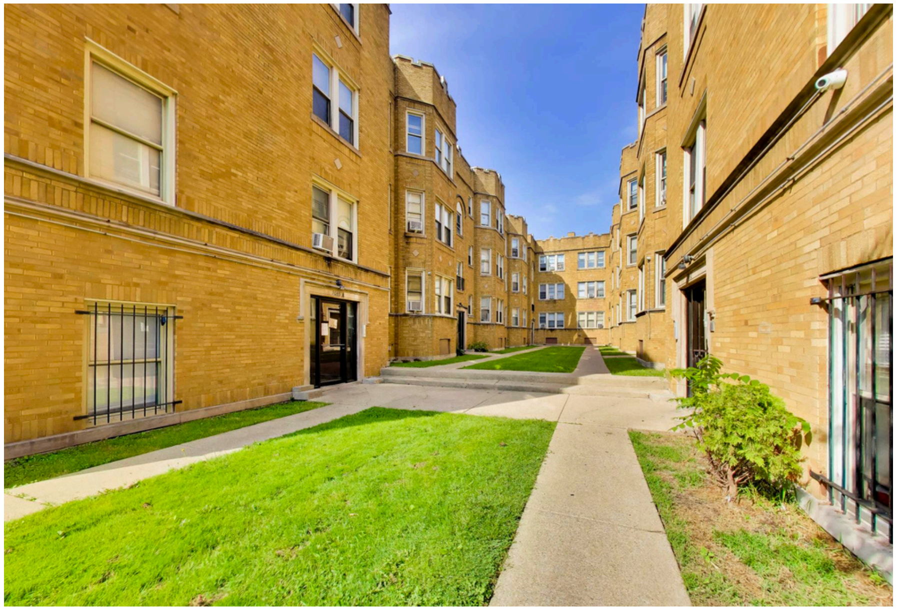


Unit 2 Floor Plan



UNIT 2
831 sq ft

Exterior

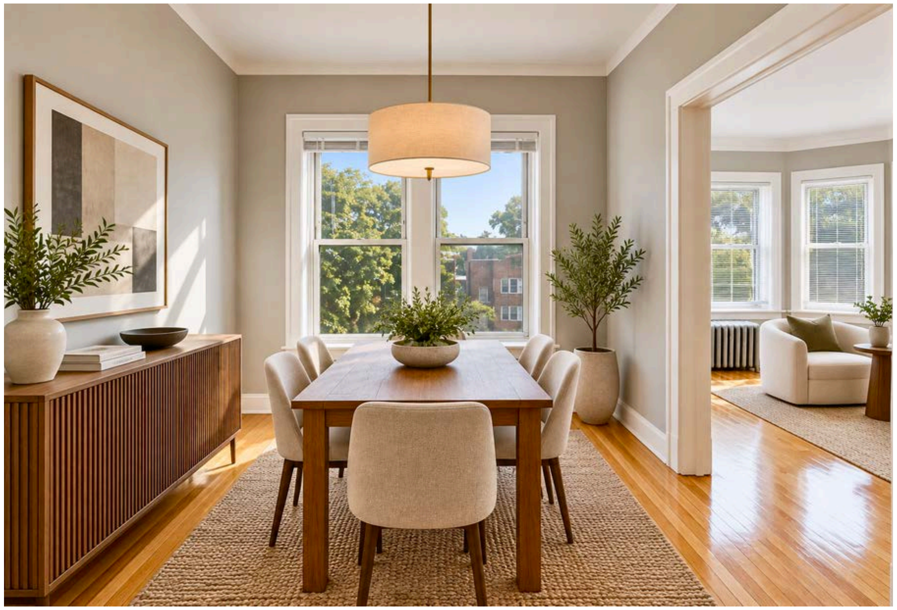


1 Bedroom (Staged)

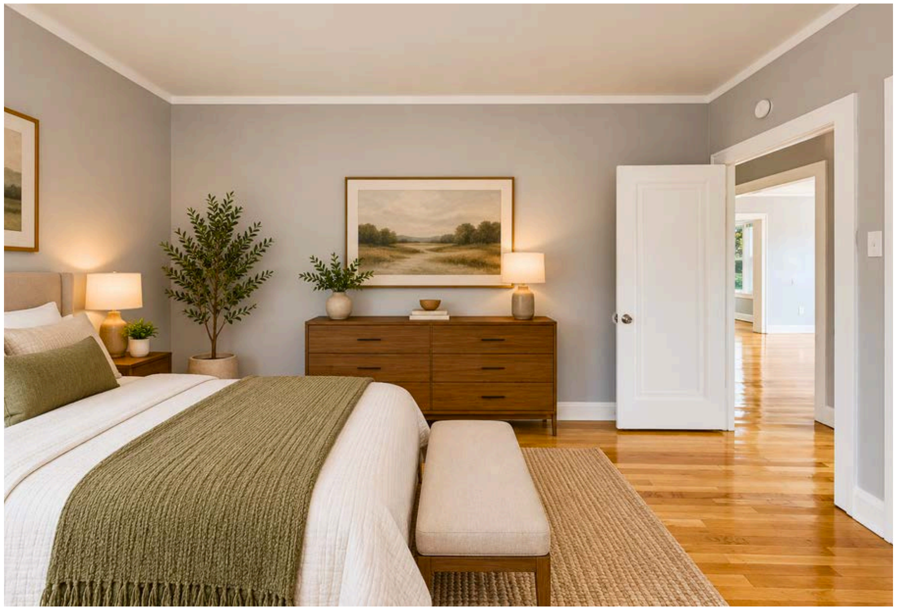
1 Bedroom (Staged)

2 Bedroom (Staged)

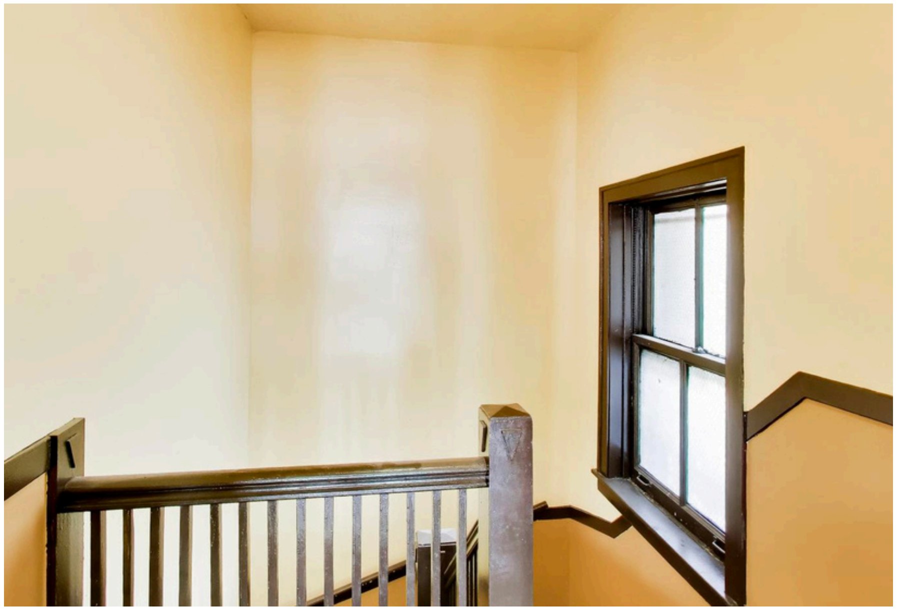
2 Bedroom (Staged)

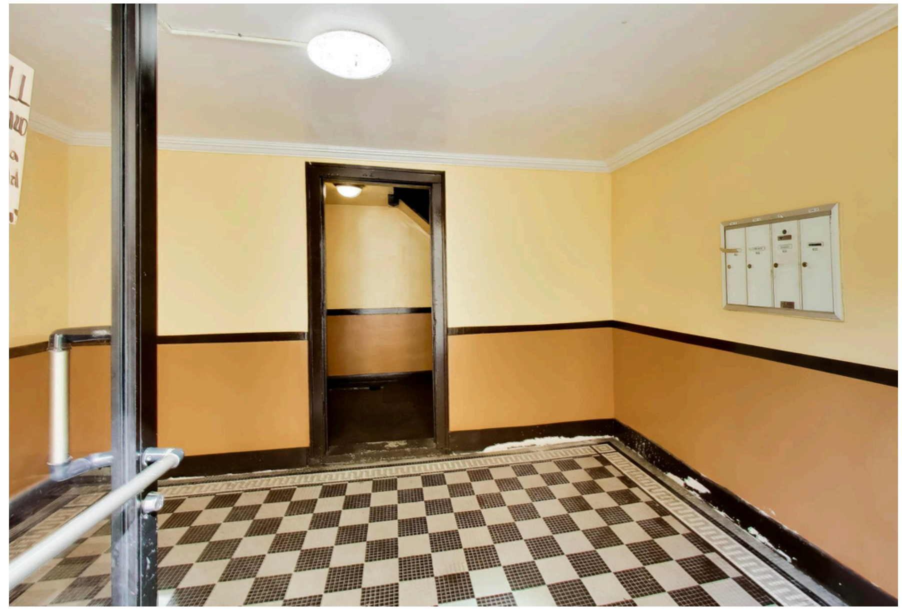



2 Bedroom (Staged)



Common Areas - Mechanicals





Location Overview

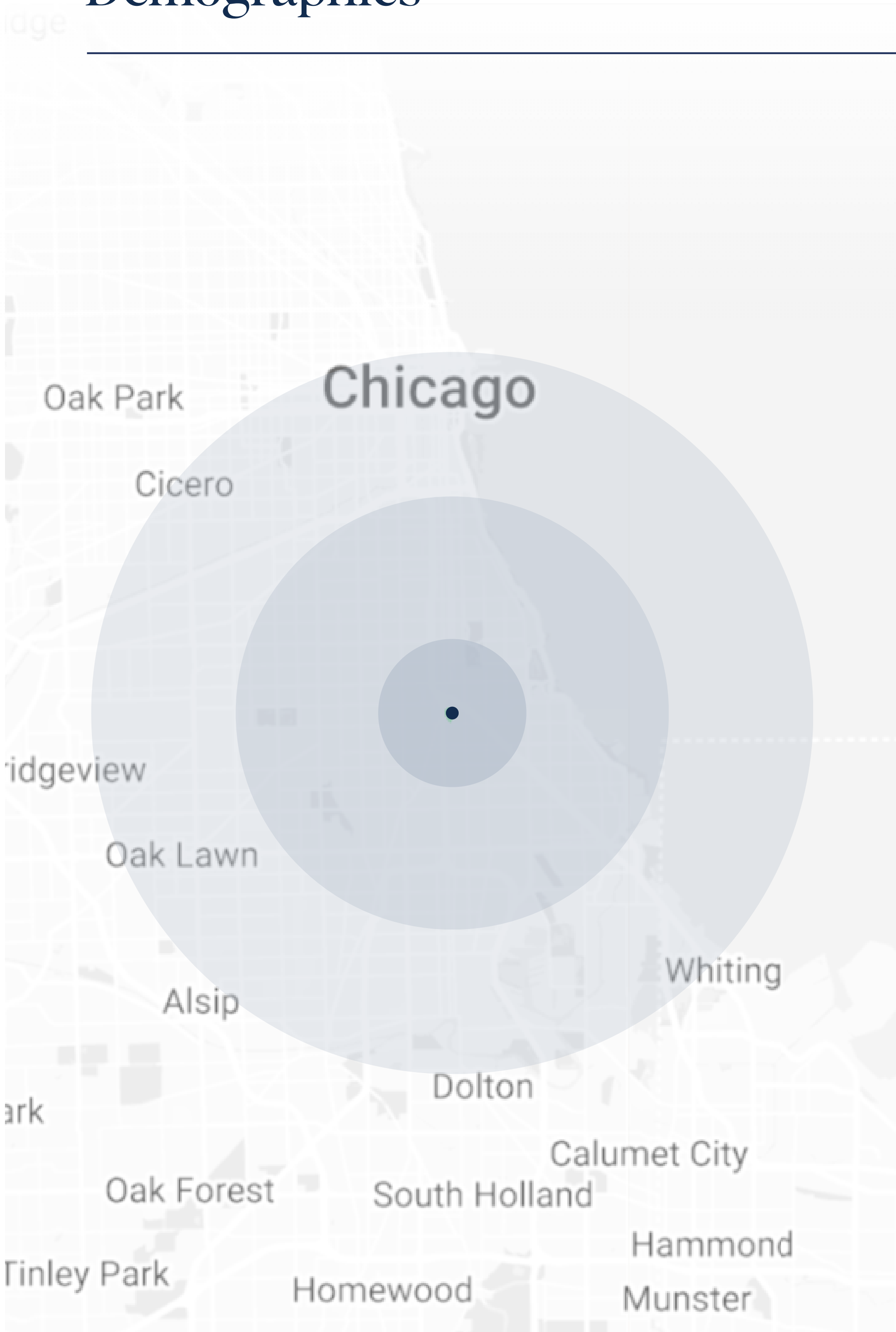
7042-48 S MICHIGAN AVE

Proximity at a Glance

Proximity at a Glance

Proximity at a Glance

Demographics



Metric	Greater Grand Crossing
Population	**29,143**
Households	**12,857**
Median Age	**38.7**
Median Household Income	**$37,962**
Per Capita Income	**$25,868**
Renter-Occupied Housing	**63.7%**
2-4 Unit Housing Stock	**~40% of units**
Median Year Built	**1937**
Transit Commute Share	**25.8%**

Financials

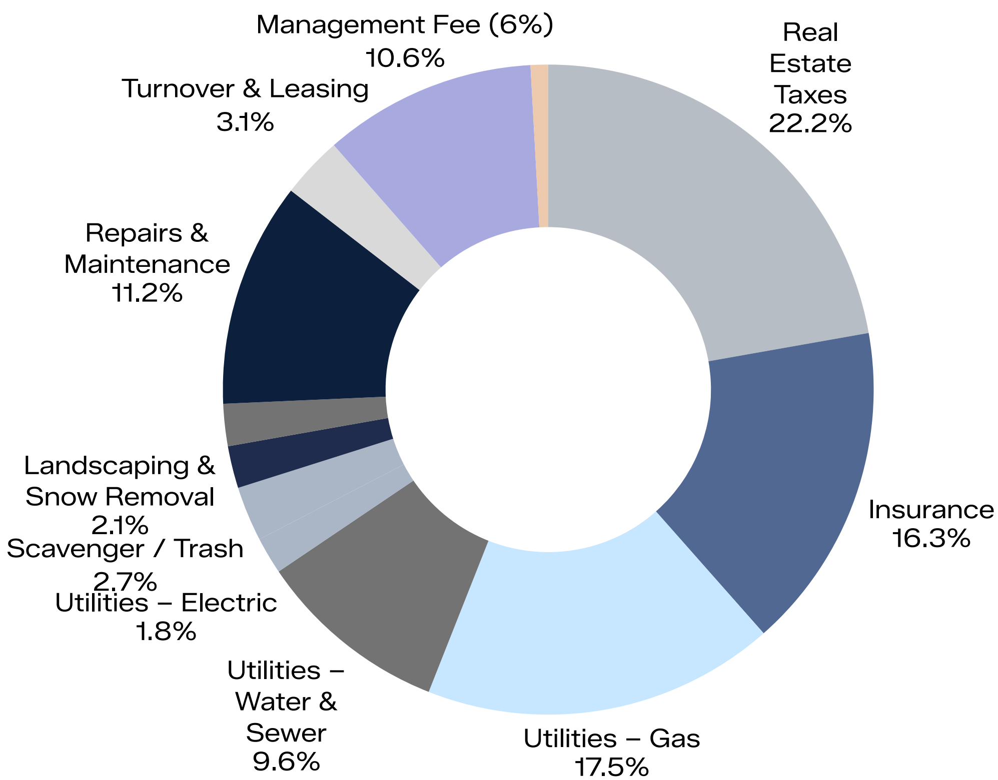
7042-48 S MICHIGAN AVE

Income and Expense Analysis

INCOME	2025 Financials	Year 1	Mark to Market	Pro-Forma
Gross Rental Income	$277,810	$315,480	$347,040	$403,200
Other Income	$1,496	$3,155	$3,470	$4,032
Total Effective Gross Income (assumes 5% vacancy)	**$279,306**	**$302,703**	**$332,985**	**$386,870**

EXPENSES				
Real Estate Taxes	$36,766	$38,138	$38,138	$38,138
Insurance	$26,120	$27,948	$27,948	$27,948
Utilities - Gas	$28,084	$30,050	$30,050	$30,050
Utilities - Water & Sewer	$15,334	$16,407	$16,407	$16,407
Utilities - Electric	$2,952	$3,159	$3,159	$3,159
Scavenger / Trash	$4,376	$4,683	$4,683	$4,683
Landscaping & Snow Removal	$0	$3,600	$3,600	$3,600
Janitor / Cleaning	$0	$3,600	$3,600	$3,600
Repairs & Maintenance*	$22,648	$19,200	$19,200	$19,200
Turnover & Leasing*	$0	$5,258	$5,258	$5,258
Management Fee (6%)	$0	$18,162	$18,162	$23,212
Legal / Professional Fees	$3,503	$1,500	$1,500	$1,500
Total Expenses	**$139,783**	**$171,705**	**$171,705**	**$176,755**
Expenses as % of EGI	50%	57%	52%	46%
Net Operating Income	**$139,523**	**$130,998**	**$161,280**	**$210,116**

Distribution of Expenses (Year 1)



Pricing & Cap Rate Summary

Price	As-Is Cap Rate	Year 1 Cap Rate	Mark-to-Market Cap Rate	Pro-Forma Cap Rate
$1,700,000	8.21%	7.71%	9.49%	12.36%

5-Year Projection

Growth Assumptions

Assumption	Rate
Income Growth Rate (Yr 3–5)	3.00%
Expense Growth Rate (Yr 3–5)	3.00%

5-Year Income Projection

Income	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Rental Income	$315,480	$347,040	$357,451	$368,175	$379,220
Other Income	$3,155	$3,470	$3,575	$3,682	$3,792
Total Effective Gross Income (5% vacancy)	**$302,703**	**$332,985**	**$342,974**	**$353,264**	**$363,862**

5-Year Expense Projection

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5
Real Estate Taxes	$38,138	$38,138	$39,282	$40,461	$41,674
Insurance	$27,948	$27,948	$28,787	$29,650	$30,540
Utilities – Gas	$30,050	$30,050	$30,951	$31,880	$32,836
Utilities – Water & Sewer	$16,407	$16,407	$16,899	$17,406	$17,928
Utilities – Electric	$3,159	$3,159	$3,254	$3,351	$3,452
Scavenger / Trash	$4,683	$4,683	$4,823	$4,968	$5,117
Landscaping & Snow Removal	$3,600	$3,600	$3,708	$3,819	$3,934
Janitor / Cleaning	$3,600	$3,600	$3,708	$3,819	$3,934
Repairs & Maintenance*	$19,200	$19,200	$19,776	$20,369	$20,980
Turnover & Leasing*	$5,258	$5,258	$5,416	$5,578	$5,746
Management Fee	$18,162	$18,162	$18,707	$19,268	$19,846
Legal / Professional Fees	$1,500	$1,500	$1,545	$1,591	$1,639
Total Expenses	**$171,705**	**$171,705**	**$176,856**	**$182,162**	**$187,626**
Expenses as % of EGI	56.7%	51.6%	51.6%	51.6%	51.6%

5-Year Projection

Net Operating Income

NOI	Year 1	Year 2	Year 3	Year 4	Year 5
Net Operating Income	$130,998	$161,280	$166,119	$171,102	$176,235

Debt Assumptions

Debt Assumption	Value
Purchase Price	$1,700,000
Loan-to-Value (LTV)	75.00%
Loan Amount	$1,275,000
Equity Required (25% down)	$425,000
Interest Rate (Annual)	6.50%
Amortization	30 Years
Monthly Payment (P&I)	$8,059
Annual Debt Service (P&I)	$96,706

Debt Service Coverage & Cash Flow

Metric	Year 1	Year 2	Year 3	Year 4	Year 5
Net Operating Income	$130,998	$161,280	$166,119	$171,102	$176,235
Annual Debt Service	$96,706	$96,706	$96,706	$96,706	$96,706
Debt Service Coverage Ratio (DSCR)	1.35x	1.67x	1.72x	1.77x	1.82x
Cash Flow Before Tax	$34,292	$64,574	$69,412	$74,396	$79,529
Cash-on-Cash Return	8.07%	15.19%	16.33%	17.50%	18.71%

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