



CSL Plasma

SUBWAY

QPS EMPLOYMENT GROUP



3800

E. STATE STREET

ROCKFORD, IL

CBRE

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3800

E.STATE STREET

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EXECUTIVE SUMMARY

Located on the Miracle Mile section of Rockford's dominant retail corridor, 3800 – 4010 E. State St. Shopping Center is an iconic shopping center that has been a well known gathering point since its construction in the 1960's.

A long time home for many local businesses, the center has received interest from national brands in recent years, including CSL Plasma in 2017, The Salvation Army in 2019, and for 5 years served as the Amazon hiring facility until it consolidated this function into its latest distribution center in mid 2025. The free-standing Subway and On State restaurants continue to bring traffic to the center's front door, and being located just to the east of Rockford's primary DMV, provides a steady flow of visitors to the immediate area.

3800 – 4010 E. State St. is poised to begin its next phase of management and development and offers an exceptional opportunity for an engaged, hands on owner seeking significant upside.

PROPERTY OVERVIEW

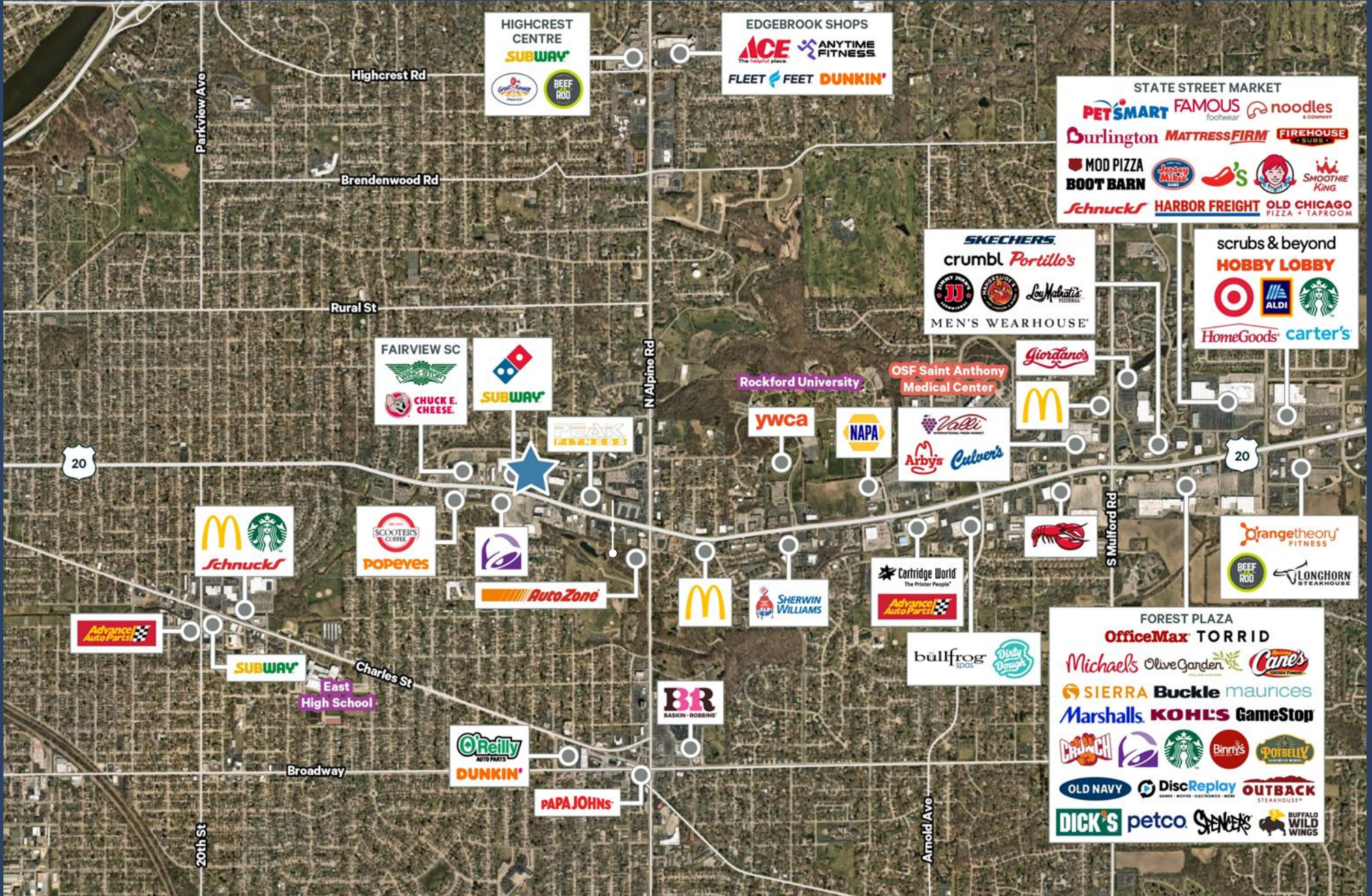
Rentable SF	126,648 SF
# Stores	32
Occupancy	70.43%
Parking	Parking Spaces, 3.40/1,000 SF
NOI	\$349,796
Asking Price	\$4,000,000
Asking Price per SF	\$31.60/SF
Cap Rate	8.74%



3800 – 4010 E. State St. offers a solid and profitable foundation poised for increased occupancy and profitability.

3800

E. STATE STREET



MARKET & INVESTMENT HIGHLIGHTS

With a healthy combination of long time tenants and new arrivals as well as national brands partnered with locally based businesses, 3800 – 4010 E. State St. has maintained a strong presence in Rockford's east side retail offerings. The E. State St. corridor has been the dominant retail corridor for the Rockford MSA and, with its wealth of tenants, is expected to remain so for the foreseeable future. With E. State Streets growth now reaching I-90 to the east, new demand is shifting back west with tenants infilling openings in established centers. Surrounded by housing that is now seeing a younger owner as new buyers purchase well-built existing homes in long-time desirable neighborhoods, 3800 – 4010 is well positioned to see a resurgence in demand for convenient shopping from the surrounding population.

Starting at 8.74%, 3800 – 4010 is expected to see NOI return climb to just over 16% during the projected 5-year holding period. Leveraged cash returns have the potential to grow to over 25% .

While being offered at a 8.74% current cap rate at 70.43% occupancy, 3800 – 4010 E. State St. offers an exceptional opportunity for an engaged investor to achieve substantially higher above market returns.



CASH FLOW PROJECTIONS

Fiscal Year Ending - May 31	2027	2028	2029	2030	2031	2032
Physical Occupancy	70.43%	72.48%	93.68%	96.91%	98.79%	99.77%
Overall Economic Occupancy [1]	71.07%	73.65%	87.48%	89.49%	89.78%	89.92%
Weighted Average Market Rent	\$6.99	\$7.13	\$7.28	\$7.42	\$7.57	\$7.72
Weighted Average In Place Rent [2]	\$6.33	\$6.61	\$6.74	\$7.17	\$7.24	\$7.43
Total Operating Expenses PSF Per Year	\$1.99	\$2.04	\$2.12	\$2.17	\$2.22	\$2.26
Lease SF Expiring (Initial Term Only)	550	14,500	35,265	3,781	12,065	0
Lease SF Expiring (Cumulative %)	0.43%	11.88%	39.73%	42.71%	52.24%	52.24%

	[3] FY 2027 \$/SF/YR						
REVENUES							
Scheduled Base Rent							
Gross Potential Rent	\$6.39	\$808,955	\$841,355	\$876,626	\$916,215	\$923,417	\$943,633
Absorption & Turnover Vacancy	(1.93)	(244,753)	(216,691)	(49,939)	(30,364)	(15,527)	(3,516)
Free Rent	0.00	0	(17,867)	(26,942)	(5,775)	(2,580)	(895)
Total Scheduled Base Rent	4.45	564,202	606,798	799,744	880,075	905,310	939,222
Expense Recoveries	0.29	37,156	48,900	86,751	107,609	115,556	120,520
TOTAL GROSS REVENUE	4.75	601,358	655,697	886,496	987,684	1,020,866	1,059,741
General Vacancy Loss	0.00	0	0	(43,704)	(71,440)	(88,112)	(102,809)
EFFECTIVE GROSS REVENUE	4.75	601,358	655,697	842,791	916,244	932,754	956,932
OPERATING EXPENSES							
Utilities	(0.08)	(10,261)	(10,466)	(10,675)	(10,889)	(11,107)	(11,329)
Rep & Maint - Building	(0.11)	(13,877)	(14,154)	(14,437)	(14,726)	(15,021)	(15,321)
Rep & Maint - Parking	(0.11)	(13,663)	(13,936)	(14,215)	(14,499)	(14,789)	(15,085)
Management Fee	(0.14)	(18,041)	(19,671)	(25,284)	(27,487)	(27,983)	(28,708)
Insurance	(0.13)	(16,404)	(16,732)	(17,066)	(17,408)	(17,756)	(18,111)
Taxes	(1.42)	(179,317)	(182,903)	(186,561)	(190,293)	(194,098)	(197,980)
TOTAL OPERATING EXPENSES	(1.99)	(251,562)	(257,862)	(268,239)	(275,302)	(280,753)	(286,534)
NET OPERATING INCOME	\$2.76	\$349,796	\$397,835	\$574,552	\$640,942	\$652,001	\$670,398
CAPITAL COSTS							
Tenant Improvements	0.00	0	(55,181)	(74,909)	(14,417)	(5,053)	(1,510)
Leasing Commissions	0.00	0	(21,515)	(30,187)	(7,144)	(2,332)	(966)
Capital Reserves	(0.20)	(25,330)	(25,330)	(25,330)	(25,330)	(25,330)	(25,330)
TOTAL CAPITAL COSTS	(0.20)	(25,330)	(102,026)	(130,426)	(46,890)	(32,714)	(27,806)
OPERATING CASH FLOW	\$2.56	\$324,467	\$295,810	\$444,127	\$594,052	\$619,287	\$642,593
ACQUISITION & RESIDUAL SALE							
Purchase Price	(\$4,000,000)	0	0	0	0	0	All Cash
Net Residual Value [4]	0	0	0	0	0	7,729,297	IRR
CASH FLOW BEFORE DEBT	(\$4,000,000)	\$324,467	\$295,810	\$444,127	\$594,052	\$8,348,584	22.46%
MARKET LOAN [5]							
Loan Funding / Payoff	3,000,000	0	0	0	0	(2,587,699)	
Loan Fees	(30,000)	0	0	0	0	0	Leveraged
Annual Debt Service	0	(279,108)	(279,108)	(279,108)	(279,108)	(279,108)	IRR
CASH FLOW AFTER DEBT	(\$1,030,000)	\$45,359	\$16,702	\$165,019	\$314,944	\$5,481,777	44.69%

NOI Return	8.74%	9.95%	14.36%	16.02%	16.30%
NOI Metrics					
Annual % Change in NOI	-	13.73%	44.42%	11.56%	1.73%
Compound Annual Growth Rate (CAGR)	-	13.73%	28.16%	22.37%	16.84%
Return on Cost	8.69%	9.64%	13.49%	14.89%	15.03%
Untrended Return on Cost (@ Market)	19.02%	18.55%	17.98%	17.78%	17.65%
UNLEVERAGED Cash Return	8.11%	7.40%	11.10%	14.85%	15.48%
LEVERAGED Cash Return	4.40%	1.62%	16.02%	30.58%	33.03%
Debt Coverage Ratio (NOI)	1.25x	1.43x	2.06x	2.30x	2.34x
Rolling - All Cash IRR	22.78%	35.65%	29.89%	24.99%	22.46%
Rolling - Leveraged IRR	65.39%	94.01%	68.66%	52.72%	44.69%

[1] This figure takes into account vacancy/credit loss, absorption vacancy, turnover vacancy, and rent abatements.

[2] This figure does not include any amount related to expense reimbursements. Only Scheduled Base Rent and Fixed/CPI Increases are included in this calculation, which

[3] Based on 126,648 square feet.

[4] Net Residual Value is calculated by dividing Year 6 NOI by the Residual Cap Rate of 8.50% and applying a 2.00% Cost of Sale, with a resulting Net Residual Value of \$

[5] Market Debt based on 75% Loan-to-Value, 7.00% Interest Rate, 20-Year Amortization, and a 1.00% Loan Fee.

ROCKFORD MSA OVERVIEW

Located close to the Chicago metro area, but having its own defined market, the Rockford MSA encompasses just under 800 square miles and a population of approximately 334,124. The area's proximity to Chicago, as well as Madison and Milwaukee, WI, serve to keep the metro area vibrant and thriving with area businesses and professionals having significant interaction with these larger markets.

Rockford has long served as a regional retail draw with communities as far west as the Mississippi River coming to Rockford to shop. North, south and east data indicates that shoppers come from as far as an hour away to enjoy the easy and affordable shopping that Rockford provides. The area's lower cost of living relative to its larger neighbors also provides its residents with a higher disposable income available for shopping, restaurants and services.

The area enjoys a highly skilled workforce with concentrations in aerospace engineering and design, healthcare, logistics/distribution and manufacturing. The area employment opportunities include a healthy mix of professional and manufacturing/trade positions with regional, national and international companies as well as many businesses based in Rockford.

The area has three hospitals and four healthcare systems, a university, community college and numerous trade schools. Area amenities include an extensive park system, several city owned performance event venues, several large athletic facilities, two professional sports teams (hockey and baseball), water park and the 2024 opening of the Hard Rock Casino. The Chicago/ Rockford International Airport is in FTX #176, is home to UPS's 2nd largest US sorting station and provides commercial consumer flights daily.

All of the above not only benefit Winnebago and Boone County residents, but have a strong regional draw, bringing hundreds of thousands of visitors to the area annually. 2024 (latest data available) reached a record breaking \$523.4 MM in visitor spending with preliminary 2025 data indicating another record year.

CITY OF ROCKFORD DEMOGRAPHICS

DEMOGRAPHIC COMPREHENSIVE	1 MILE	3 MILES	5 MILES
POPULATION			
2025 Population	5,828	39,821	108,426
2030 Population - Projection	5,969	40,176	109,275
HOUSEHOLD INCOME			
Average Household Income	\$113,866	\$105,948	\$96,197
Median Household Income	\$127,434	\$119,134	\$108,615
HOUSEHOLDS			
2025 Households	2,628	17,143	45,567
2030 Households	2,691	17,255	45,755
HOUSING UNITS			
2025 Housing Units	2,755	17,996	48,396
2025 Vacant Housing Units	127	853	2,829
2025 Occupied Housing Units	2,628	17,143	45,567
EDUCATION			
2025 Population 25 and Over	4,320	29,600	79,371
HS and Associates Degrees	1,997	15,964	47,738
Bachelor's Degree or Higher	2,145	11,925	26,079
PLACE OF WORK			
2025 Businesses	390	1,451	4,229
2025 Employees	6,184	21,077	66,640

PROPERTY PHOTOS





3800
E. STATE
STREET

E State St

Morsay Dr

Lyman Ct

406.79
406.79
8.31
89.39
95.06
424.2
97.6
154.5
189.04
C-142.89
C-07.25
48.32
114.65
14.29
66.01
120.07
218.88
100.32
200
50.88
125.83
200.21
128.25
91.76
98.11
125.88
C-83.43
C-73.84
237.88
63.57
63.78
125.88



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