



**2451 South Randall Road
Algonquin, IL 60102**

Confidential Offering Memorandum







Investment Summary & Property Overview

Ashley HomeStore

Algonquin, IL

Investment Highlights

ON-SITE RELOCATION WITH
BUILD-TO-SUIT
CONSTRUCTION & LONG TERM
LEASE

INDUSTRY LEADER IN
FURNITURE RETAIL &
MANUFACTURING

DENSE URBAN INFILL REAL
ESTATE WITH STRONG
RESIDENTIAL GROWTH

ROBUST LOCAL MARKET

POSITIVE RETAIL INDICATORS
IN SURROUNDING
SUBMARKET

The Offering

JLL is pleased to offer for sale the fee-simple interest in Ashley HomeStore (the “Property” or “Asset”) located in Algonquin, a suburb 40 miles northwest of Chicago. Ashley HomeStore, a subsidiary of the nation’s largest furniture manufacturer and retailers, has been on-site for the past 12 years. Ashley HomeStore strategically saw an opportunity to enter a highly lucrative market that boasts an educated and wealthy demographic in a primary retail location which serves Algonquin as well and its surrounding communities. Investors have the rare opportunity to acquire a Property in one of Illinois’ most stable retail corridors with an industry leading tenant.



Pricing

\$8,750,000

Cap Rate

8.00%

ON-SITE RELOCATION WITH BRAND NEW CONSTRUCTION & LONG TERM LEASE

- 10-year primary term commenced in July 2018 with limited landlord responsibilities
- ‘On-site’ relocation for tenant who has operated at this intersection for 18 years
- 10 percent rental increases every five years with four, five-year renewal option periods

INDUSTRY LEADING FURNITURE RETAILER & MANUFACTURER

- Asset operated as Ashley HomeStore, the nation's largest furniture manufacturer and retailer with 900 locations nationally
- Market leader with strong growth potential
- 7.6% revenue CAGR from 2013 to 2018 at the Ashley Furniture corporate level

DENSE SUBURBAN REAL ESTATE WITH STRONG RESIDENTIAL GROWTH

- 3-Mile Density
 - 40,000 residents with an annual average household income of \$130,000
- Less than 35 miles from Chicago O’Hare International Airport

ROBUST LOCAL MARKET

- “AAA” rating from Standard and Poor’s
 - Strong indicator of the Algonquin’s financial strength
- Average household income is approximately 2.0x the national average

POSITIVE RETAIL INDICATORS IN SURROUNDING SUBMARKET

- Net absorption surpassed net deliveries by approximately 4.0x from 2014 to 2018
- Vacancy has dropped by 320 basis points from 2014 to 2018





Asset & Tenant Overview

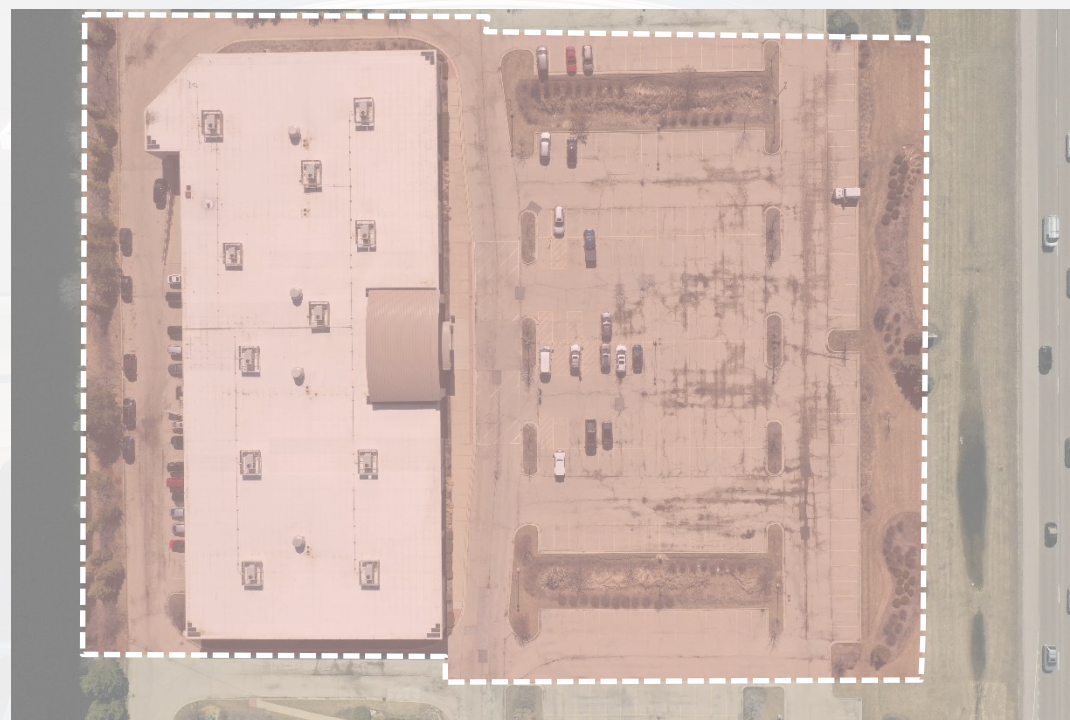
Property & Lease Overview

Price / PSF	\$8,750,000 / \$175
Cap Rate	8.00%
Tenant	Rockledge Furniture LLC
Corporate Entity	Ashley Furniture Industries Inc.
Address	2451 South Randall Road Algonquin, IL 60632
Building Size	50,000 SF
Parcel Size	4.51 Acres
Ownership Interest	Fee-Simple
Year Built	2006
Lease Term Expiration	8.00 Years 4/5/2027
Lease Structure	NN
Landlord Responsibilities	Roof and Structure
Rent/SF	\$14.00
Increases	4% increase on April 4, 2022
Renewal Options	1 x 5 years
Parking Ratio	4.0/1000 SF
ROFR / Lease Termination	Tenant has ROFR and the right to terminate the lease on April 5, 2022
2018 Algonquin Sales	\$11,472,000
Rent-to-Sales Ratio	6.10%

Rental Schedule

20-YEAR PRIMARY TERM

BEGIN	END	ANNUAL RENT	RENT PSF
Current	4/5/2022	\$700,000	\$14.00
4/6/2022	4/5/2027	\$728,000	\$14.56
OPTION PERIODS			
4/6/2027	4/5/2032	\$952,342	\$19.04



Ashley Furnitures

Founded in 1945 and headquartered in Arcadia, WI, Ashley Furniture Industries (the “Parent”) is a vertically integrated furniture company that operates worldwide. The Parent manufactures or imports upholstered furniture, leather and hardwood pieces, mattresses, and other furniture through its diverse business segments, that include living room furniture, bedroom furniture, home accents, dining room furniture, home office furniture, and mattresses.

Ashley Furniture Industries is the largest furniture manufacturer in the United States with over 300 acres of manufacturing and distribution space. The Parent's significant scale allows it to offer an expansive product portfolio that contains over 7,000 items, allowing them to attract consumers with a variety of tastes and budgets. The industries fragmented nature has allowed the Parent to rapidly increase its market share, mainly due to the Parent's market leader position, and future ability to improve operating leverage through computer integration and inventory control systems.

Ashley HomeStore

Founded by the father and son duo, Ron and Todd Wanek opened the first Ashley HomeStore in Anchorage Alaska in 1997. Since then, Ashley HomeStore has become the largest home furniture retailer in North America, operating through both corporately and independently owned stores in over 900 locations and 45 countries.

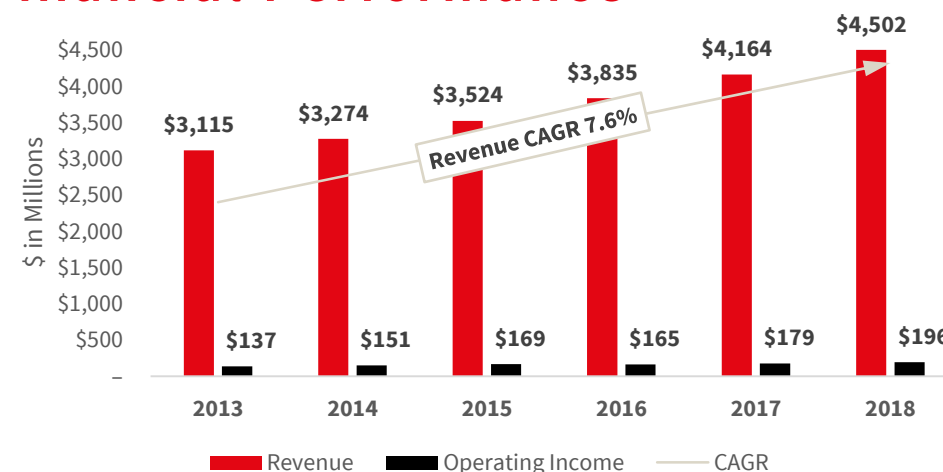
Rockledge Furniture LLC

Owned and operated by the President & CEO of Ashley Furniture Industries, Todd Wanek, Rockledge Furniture LLC is a separate entity that currently manages approximately 15 Ashley HomeStore retail locations.

Tenant Overview

Tenant	Rockledge Furniture LLC
Corporate Entity	Ashley Furnitures Industries
Type	Furniture Manufacturer & Retailer
Founded	1997
Headquarters	Arcadia, WI
# of Ashley HomeStore Locations	900
Company Website	https://www.ashleyfurniture.com/

Ashley Furnitures Industries Inc Financial Performance



Source: IBIS World





*Location
Overview*

ALGONQUIN OVERVIEW

Nestled along the Fox River and less than 35 miles from Chicago O'Hare International Airport, Algonquin (the "Village") is a village known for its beautiful landscape as well as its fiscally sound government. Professional organizations often recognize the Village for its budget presentation, performance management, excellence in financial reporting, accountability, and transparency. The strategic planning of the Village has allowed it to offer a variety of property types for interested corporate entities, including corporate campuses, a premier retail corridor, medical office campus, and a manufacturing park.

Furthermore, the high-quality school districts, access to some of the best parks, and variety of work opportunities have attracted a highly educated and wealthy population that boasts an average annual household income of \$130,000. As a result, the robust demographics have attracted a variety of retailers and increase demand for the local area as evidenced by net absorption surpassing net deliveries by almost 4.0x, the vacancy rate dropping by 320 basis points, and market rents increasing by a CAGR of 1% from 2014 to 2018.

LOCAL HIGHLIGHTS

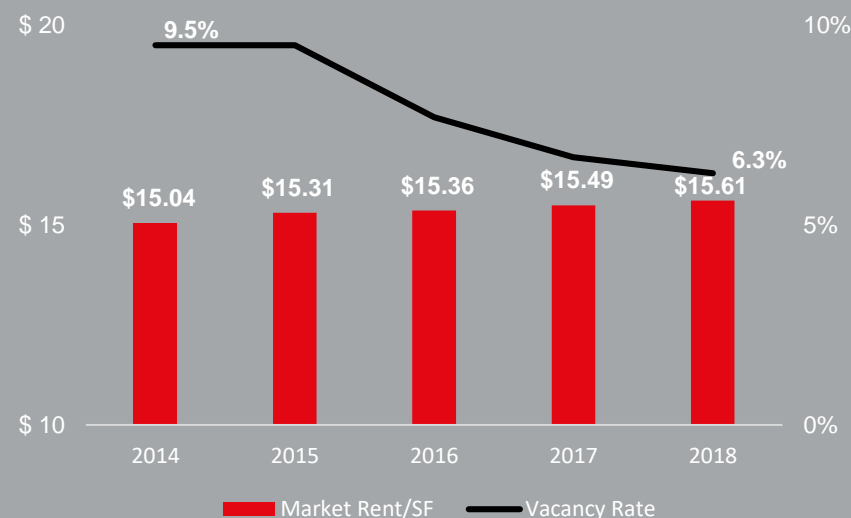
- "AAA" rating from Standard and Poor's
- Average household income that is approximately 2.0x the national average
- Honored by the Metropolitan Mayor Caucus for being the statewide leader in environmental stewardship
- Revitalized downtown and significant redevelopment corridor will continue to attract corporate entities
- Randall Road is expanding to six lanes from Harnish Drive to Polaris Drive

Local Demographic Snapshot

	1-Mile	3-Mile	5-Mile
2018 Total Population	8,822	39,458	143,069
Avg. Household Income	\$130,848	\$132,768	\$106,119
Some College or higher	81.3%	80.7%	70.7%

Far Northwest Retail Submarket

Current # of Buildings	2,432
Current Inventory	33.2M SF
2014 - 2018 Deliveries	1,370,900
2014 - 2018 Net Absorption	4,359,500
2018 Current Vacancy	6.3%
2018 Quoted Market Rent PSF	\$15.61



Algonquin Road (35,200 VPD)

LIFETIME
FITNESS
Stein Mart
Office
DEPOT



meijer



TARGET

KOHL'S Pier 1 imports

HomeGoods Payless
SHOESOURCE

JCPenney TJ-maxx
SALLY BEAUTY
five BELOW Binny's
BEVERLY HILLS DEPOT

Harnish Drive (2,950 VPD)

Walmart

County Line Road (6,750 VPD)

ROSS TRADER JOE'S GNC
DSW
DICK'S SPORTING GOODS
OLD NAVY
BED BATH & BEYOND
ULTA BEAUTY
Art Van

JO-ANN
fabric and craft stores

Randall Road (40,300 VPD)

HOBBY LOBBY

enterprise

the
great
escape

Ashley

the
roomplace





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