

OFFERING MEMORANDUM



Marcus & Millichap

15633 SOUTH LAGRANGE ROAD
ORLAND PARK, ILLINOIS

Marcus & Millichap

PARMACEK TEAM

PROPERTY
ANALYSIS

DXL | SLEEP NUMBER

15633 SOUTH LAGRANGE ROAD | ORLAND PARK, ILLINOIS 60462

OFFERING PRICE

\$3,439,658

CAP RATE

8.5%

VITAL DATA

Price

\$3,439,658

Cap Rate

8.5%

Cash-on-Cash Return

13.16%

Price/SF

\$341.57

Gross Square Feet

10,070

Occupancy

100%

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present this retail shopping center located at 15633 South LaGrange Road in Orland Park, Illinois. The center is leased to DXL Men's Apparel, menswear designed for the Big & Tall operating under a triple-net lease, with two five-year renewal and 10 percent rental increases in each five year option. Sleep Number, a U.S. based manufacturer that manufactures the Sleep Number, foundations and bedding accessories is operating under a triple-net lease, with one five-year renewal option left and a 10 percent increase in the last option period. Both tenants recently exercised their five year option, demonstrating their commitment to the location.

The subject property is located on the outparcel to a Lowe's Home Improvement store and strategically located along La Grange Road/US Highway 45 near the signalized, hard corner intersection of 159th Street with a combined 35,800 vehicles passing each day. La Grange Road/ US Highway 45 is a dominant north-south thoroughfare in the near-southwestern suburbs of Chicago, within one of the suburb's densest and most active retail trade areas.

Orland Park offers over 11 million square feet of retail including Lake View Plaza, Orland Park Place, Orland Square Mall and Orland Park Crossing. Lake View Plaza is directly across La Grange Road and is anchored by Value City along with a tenant mix including Bob's Discount Furniture, Best Buy, Shoe Carnival, Petco, Golf Galaxy, Ulta, Joann Fabrics and more. Orland Park Place is approximately one-half mile from the subject property and features tenants as Dick's Sporting Goods, Nordstrom Rack, Ross Dress for Less, Stein Mart, Kohl's, Old Navy, Bed Bath & Beyond, which increases consumer draw and promotes crossover shopping to the trade area.

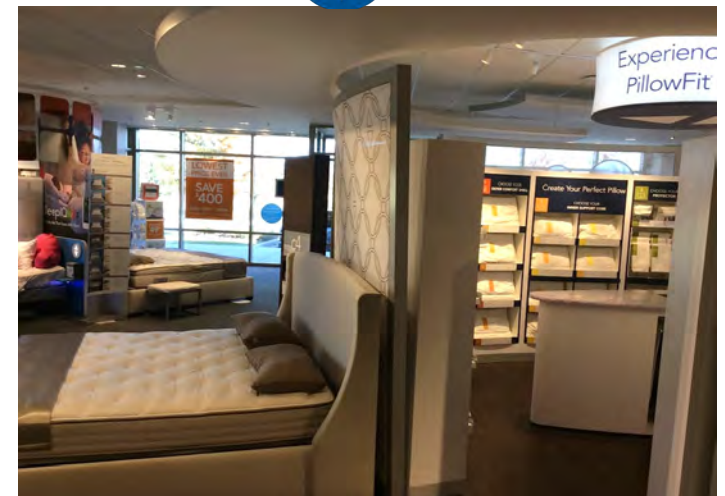
INVESTMENT HIGHLIGHTS



DXL
MENS APPAREL



sleep  number



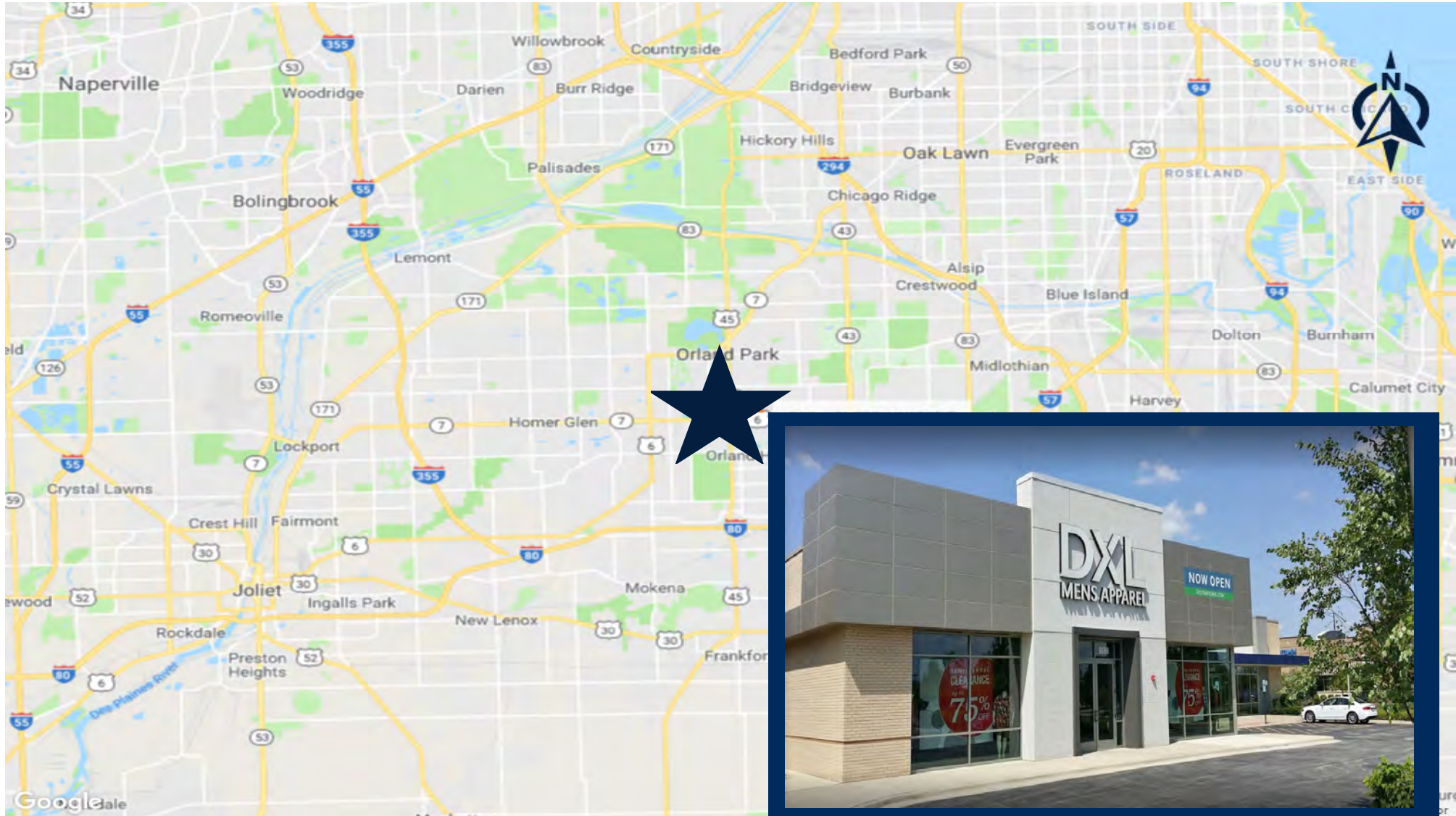
- ▶ Both Tenants Recently Exercised One of Their Five-Year Options demonstrating their commitment to the Location
- ▶ Corporate Guaranteed Leases
- ▶ Outlot to Lowe's Home Improvement Store
- ▶ Other nearby Parcels include Jersey Mike's Sub's, T-Mobile, and Chick-Fil A
- ▶ All Tenants Operate Under Triple-Net Leases Reimbursing Their Pro-Rata Share of Expenses
- ▶ Near Signalized Intersection with over 35,800 VPD | High Visibility
- ▶ Affluent Area | Average Household Income of \$109,000 Within Three Miles

AERIALS

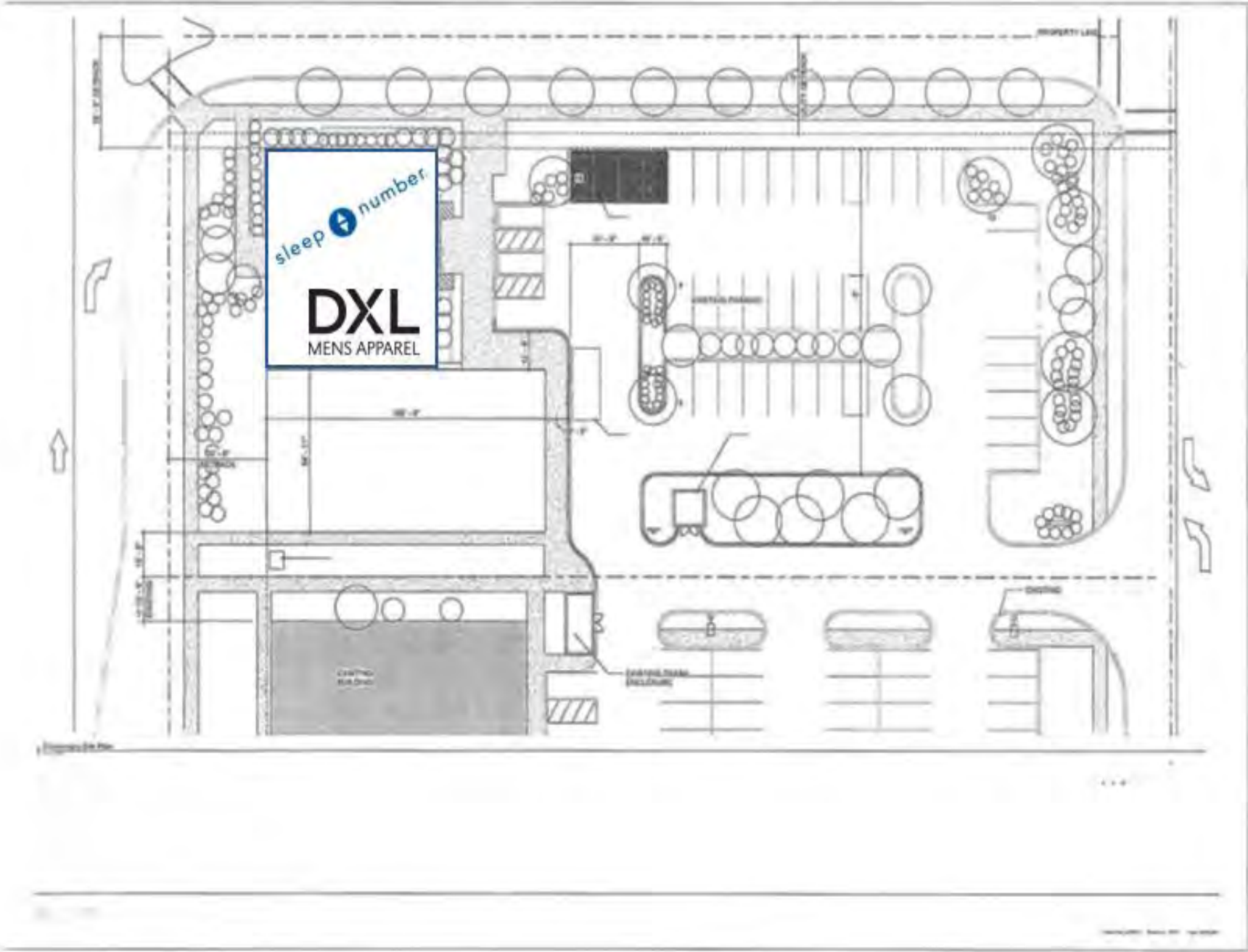




LOCAL MAP



SITE PLAN



SITE PLAN



DXL

MENS APPAREL



Built For You.

DXL Men's Apparel proudly offers the clothes you want that you just can't find elsewhere – menswear designed for your build and your proportions. While other stores end at size XL, that's where we begin. Thanks to DXL's one-stop shop with thousands of clothing options, you'll always put your best foot forward. We provide one of the most extensive assortments of XL men's clothing and shoes around. From value-priced labels to high-end designer brands, there's something to fit every taste and every budget.

DXL offers timeless brands like Polo Ralph Lauren, Lacoste, Levi's, Cutter & Buck, and Nautica. You'll find celebrated designer labels like Michael Kors, Jack Victor, True Religion, Lucky Brand Jeans, Robert Graham, and Cole Haan. DXL's own brands, including Oak Hill, Harbor Bay, Synrgy, and True Nation, give you exclusive options. DXL is the only retailer that carries designer clothing, from Brooks Brothers, Lacoste, and Michael Kors, to Reebok and True Religion, in your size. We also feature Lucky Brand Jeans in exclusive washes you just won't find anywhere else. With the most sizes available – Waists 38-64, Big Sizes XL-7XL, Tall Sizes XLT-6XLT, plus shoes in extended sizes 10-16 and widths to 5E – putting together the perfect wardrobe has never been easier. When you visit one of our 200+ store locations or go to our web site to shop, you'll see that DXL puts the man behind the clothes first. Our in-house style experts are available to share the latest clothing trends or help you create a classic, versatile outfit. We also offer expert tailoring, so you're guaranteed the most customized fit imaginable.

Built To Do Our Part.

Beginning in 2005, Destination XL Group, Inc. made a commitment to continually support St. Jude Children's Research Hospital in its fight to save children's lives. St. Jude stands by its singular promise of serving all children, regardless of their ability to pay.

DXL Group supports this mission by taking part in several fundraising efforts throughout each year. From participating in the annual St. Jude Walk/Run to End Childhood Cancer to supporting St. Jude's Thanks and Giving in-store campaigns, and organizing internal fundraising events, DXL has raised more than \$10 million to date for St. Jude. DXL corporate staff, store employees, and customers. In 2017, we committed to raising \$12 million for a new, cutting-edge light microscopy center.

Our efforts help to ensure that no family ever receives a bill from St. Jude for treatment, travel, housing, or food – because all a family should have to worry about is getting their child healthy. Source: www.dxl.com



Sleep Number

Sleep Number is a U.S. based manufacturer that manufactures the Sleep Number and Comfortaire Beds as well as foundations and bedding accessories. The company is based in Minneapolis, Minnesota. In addition to its Minnesota headquarters, Sleep Number has manufacturing and distribution facilities in South Carolina and Utah.

The leader in sleep innovation, Sleep Number delivers proven, quality sleep through effortless, adjustable comfort and biometric sleep tracking. Sleep Number's revolutionary 360 smart bed and proprietary SleepIQ technology platform are proving the connection between sleep and well-being. With one of the most comprehensive databases of biometric consumer sleep data, and as the winner of J.D. Power's 2018 Mattress Satisfaction Report, Sleep Number is improving lives by individualizing sleep experiences. And with a commitment to improving the lives of over 1 million youth by 2025, Sleep Number is redefining the future of health and wellness - for everyone. Source: www.sleepnumber.com

TENANT SUMMARY

| TENANT | SUITE | SQUARE FEET | % BLD SHARE | LEASE COMM. | DATES EXP. | MONTHLY RENT/SF | TOTAL RENT/ MONTH | TOTAL RENT/ YEAR | CHANGES ON | CHANGES TO (YR) | LEASE TYPE | EXPENSE REIMBURSE | RENEWAL OPTIONS |
|---------------------|-------|--------------------|-------------|-------------|------------|----------------------|-------------------|--------------------|------------|-----------------|------------|-------------------|---|
| *Sleep Number | 15631 | 4,570 | 45.4% | 12/19/14 | 12/31/24 | \$36.30 | \$12,568 | \$165,888 | NA | NA | NNN | \$87,430 | One,(5Yr.) w/10% rental increases in each 5-Year option |
| **DXL Men's Apparel | 15633 | 5,500 | 54.6% | 3/1/15 | 8/31/25 | \$23.00 | \$10,542 | \$126,500 | NA | NA | NNN | \$103,033 | Two, (5Yr.), w/10% increases in each option |
| | | 10,070 | | | | \$27.54 | \$23,109 | \$292,388 | | | | \$190,463 | |
| Occupied Tenants: 2 | | Occupied GLA: 100% | | | | Unoccupied Tenants:0 | | Unoccupied GLA: 0% | | | | | |

This analysis was based off the 2018 Actual numbers

* Sleep Number CAP: 5% over proceeding year excluding snow removal and utilities. Property Management fee not exceeding 4 percent of minimum rent of “Shopping Center”.

**DXL Men's Apparel : Administrative fee not to exceed 15 percent of all CAM items, excluding real estate taxes and insurance. CAM excludes the management fee, salaries, utilities, and administrative fees itself. CAM cost shall not exceed 105% of CAM costs for the immediately proceeding year

OPERATING DATA

| INCOME | YEAR 1 | PRICE PSF |
|-----------------------------------|------------------|----------------|
| Scheduled Base Rental Income | \$292,388 | \$29.04 |
| Expense Reimbursement Income | | |
| CAM | \$34,048 | \$3.38 |
| Insurance | \$8,850 | \$0.88 |
| Real Estate Taxes | \$133,479 | \$13.26 |
| Management Fee | \$14,086 | \$1.40 |
| Total Reimbursement | \$190,463 | 98.9% |
| DXL Administrative Fee | \$2,115 | \$0.21 |
| Effective Gross Revenue | \$484,966 | \$48.16 |
| OPERATING EXPENSES | YEAR 1 | PRICE PSF |
| Common Area Maintenance | | |
| Water Sewer | \$1,627 | \$0.16 |
| Fire & Safety Contract | \$1,986 | \$0.20 |
| Repairs & Maintenance | \$535 | \$0.05 |
| Landscaping | \$8,681 | \$0.86 |
| Snow Removal | \$14,680 | \$1.46 |
| Insurance | \$8,850 | \$0.88 |
| Real Estate Taxes | \$133,479 | \$13.26 |
| Management Fee | \$14,086 | 3.0% |
| Other Expenses - Non Reimbursable | \$472 | \$0.05 |
| Total Expenses | \$192,595 | \$19.13 |
| Expenses as of % of EGR | 39.7% | |
| Net Operating Income | \$292,371 | \$29.03 |

| INCOME | YEAR 1 |
|----------------------------------|--------------------|
| Scheduled Base Rental Income | \$292,388 |
| Total Reimbursement Income | 65.1% |
| DXL Administrative Fees | \$2,115 |
| Potential Gross Revenue | \$484,966 |
| Effective Gross Revenue | \$484,966 |
| Less: Operating Expenses | 41.0% |
| Net Operating Income | \$292,371 |
| Cash Flow | \$292,371 |
| Debt Service | (\$156,525) |
| Net Cash Flow After Debt Service | 13.16% |
| Principal Reduction | \$55,263 |
| Total Return | 18.75% |

| OPERATING EXPENSES |
|-----------------------------------|
| CAM |
| INSURANCE |
| REAL ESTATE TAXES |
| MANAGEMENT FEE |
| OTHER EXPENSES - NON REIMBURSABLE |
| TOTAL EXPENSES |
| EXPENSES PSF |

PRICING DETAILS

| THE OFFERING | |
|----------------------------------|--|
| Property | Strip Center |
| Property Address | 15633 South LaGrange Road Orland Park, Illinois 60462 |
| Price | \$3,439,658 |
| Capitalization Rate | 8.5% |
| Price/SF | \$341.57 |
| PROPERTY DESCRIPTION | |
| Year Built / Renovated | 2004 Renovated 2014 |
| Gross Leasable Area | 10,070 SF |
| Zoning | Commercial |
| Type of Ownership | Fee Simple |
| Lot Size | 1.46 |
| ANNUALIZED OPERATING INFORMATION | |
| INCOME | |
| Net Operating Income | \$292,371 |
| FINANCING | |
| Loan Amount | \$2,407,761 |
| Loan Type | New |
| Interest Rate | 4.25% |
| Amortization | 25 Years |
| Year Due | 2025 |

ORLAND PARK, ILLINOIS

Orland Park is a premier community located 25 miles southwest of Chicago's Loop. Orland Park continues its wave of growth and prosperity, from a historic, rural community to a dynamic corporate and commercial center. There is a variety of housing, including single-family homes, townhomes, condominiums and apartments. With good homes, low crime, above average schools and plenty to do, Orland Park combines the vibrancy of the city with the comforts of the suburbs.



Orland Park has won the unchallenged title of commercial center of the Chicago Southland suburban region; it is one of the top performing retail markets in the entire Midwest. The Village's commercial corridors of LaGrange Road (U.S. route 45) and 159th Street, house over five million square feet of Retail Development and surpass 50,000 cars per day.

The Village has an Economic Development Fund to assist local businesses. The program provides low interest financing to assist businesses that desire to locate or expand in Orland Park. The Village receives approximately \$28 million a year in Sales Tax Dollars, and it does not impose restaurant, local motor fuel, or utility taxes.

In 2006, Orland Park was awarded the title of "45th Best Place to Live In America" by Money magazine. It has also won the Climate Protection Award, City Livability Award, Arts Friendly Community Award, and Great Places in Illinois Award, among others. Facilities include hiking and biking trails, wildlife refuges, greenbelts, a Sportsplex and an aquatic center, Lake Sedgewick, an ice arena, golf courses, playing fields and parks, and more.

Orland Park is taking leadership with its green initiative by implementing the SmartLiving Orland Park program which is the village's comprehensive green initiative, providing environmentally based programs and resources for residents, businesses and government in an effort to conserve energy and promote sustainability. There are more than 70 malls, plazas and shopping centers, with additional shopping under construction, and more than 200 food-serving establishments. Orland Park provides access to several interstate highways, with the Interstate-80 east-west coast connector as its southern border. Metra's commuter rail system links residents to Chicago's Loop, and thereby to O'Hare and Midway airports. Source: www.orlandpark.org



DEMOGRAPHICS HIGHLIGHTS

77,141



POPULATION STATISTIC WITHIN A THREE -MILE RADIUS

\$108,362

AVERAGE HOUSEHOLD INCOME IN A
THREE-MILE RADIUS

63,304

TOTAL HOUSEHOLDS IN A FIVE MILE
RADIUS



DEMOGRAPHICS

| POPULATION | 1 Miles | 3 Miles | 5 Miles |
|-------------------------------|----------|-----------|-----------|
| ■ 2023 Projection | | | |
| Total Population | 8,615 | 80,400 | 179,006 |
| ■ 2018 Estimate | | | |
| Total Population | 8,762 | 77,141 | 170,110 |
| ■ 2010 Census | | | |
| Total Population | 8,722 | 76,316 | 168,040 |
| ■ 2000 Census | | | |
| Total Population | 8,896 | 75,371 | 155,339 |
| ■ Current Daytime Population | | | |
| 2018 Estimate | 12,853 | 69,319 | 149,252 |
| HOUSEHOLDS | 1 Miles | 3 Miles | 5 Miles |
| ■ 2023 Projection | | | |
| Total Households | 3,674 | 29,934 | 67,248 |
| ■ 2018 Estimate | | | |
| Total Households | 3,646 | 28,470 | 63,304 |
| Average (Mean) Household Size | 2.45 | 2.69 | 2.68 |
| ■ 2010 Census | | | |
| Total Households | 3,625 | 28,094 | 62,392 |
| ■ 2000 Census | | | |
| Total Households | 3,495 | 26,364 | 54,566 |
| ■ Occupied Units | | | |
| 2023 Projection | 3,674 | 29,934 | 67,248 |
| 2018 Estimate | 3,759 | 29,222 | 65,302 |
| HOUSEHOLDS BY INCOME | 1 Miles | 3 Miles | 5 Miles |
| ■ 2018 Estimate | | | |
| \$150,000 or More | 11.83% | 17.90% | 19.05% |
| \$100,000 - \$149,000 | 18.69% | 22.16% | 22.19% |
| \$75,000 - \$99,999 | 14.94% | 15.48% | 15.01% |
| \$50,000 - \$74,999 | 19.95% | 17.88% | 17.07% |
| \$35,000 - \$49,999 | 11.76% | 9.26% | 9.00% |
| Under \$35,000 | 22.83% | 17.33% | 17.68% |
| Average Household Income | \$89,330 | \$108,362 | \$111,130 |
| Median Household Income | \$69,962 | \$83,170 | \$84,779 |
| Per Capita Income | \$37,249 | \$40,073 | \$41,407 |

| HOUSEHOLDS BY EXPENDITURE | 1 Miles | 3 Miles | 5 Miles |
|--|----------|----------|----------|
| Total Average Household Retail Expenditure | \$78,386 | \$86,815 | \$85,703 |
| ■ Consumer Expenditure Top 10 Categories | | | |
| Housing | \$21,844 | \$23,740 | \$23,479 |
| Shelter | \$13,394 | \$14,474 | \$14,303 |
| Transportation | \$12,674 | \$14,900 | \$14,751 |
| Food | \$8,410 | \$9,399 | \$9,266 |
| Personal Insurance and Pensions | \$7,135 | \$8,179 | \$7,994 |
| Health Care | \$5,445 | \$6,017 | \$5,980 |
| Entertainment | \$4,315 | \$4,981 | \$4,854 |
| Utilities | \$4,309 | \$4,670 | \$4,631 |
| Apparel | \$2,273 | \$2,564 | \$2,508 |
| Household Furnishings and Equipment | \$1,862 | \$2,104 | \$2,084 |
| POPULATION PROFILE | 1 Miles | 3 Miles | 5 Miles |
| ■ Population By Age | | | |
| 2018 Estimate Total Population | 8,762 | 77,141 | 170,110 |
| Under 20 | 21.71% | 21.65% | 22.08% |
| 20 to 34 Years | 20.71% | 17.93% | 17.39% |
| 35 to 39 Years | 5.88% | 4.89% | 4.98% |
| 40 to 49 Years | 11.81% | 11.90% | 12.20% |
| 50 to 64 Years | 22.89% | 24.79% | 24.49% |
| Age 65+ | 17.00% | 18.85% | 18.85% |
| Median Age | 41.52 | 45.17 | 45.06 |
| ■ Population 25+ by Education Level | | | |
| 2018 Estimate Population Age 25+ | 6,339 | 55,758 | 122,427 |
| Elementary (0-8) | 2.02% | 1.73% | 1.67% |
| Some High School (9-11) | 3.02% | 3.26% | 3.54% |
| High School Graduate (12) | 28.82% | 26.99% | 26.97% |
| Some College (13-15) | 20.46% | 21.04% | 21.69% |
| Associate Degree Only | 11.93% | 9.62% | 9.14% |
| Bachelors Degree Only | 23.61% | 24.50% | 23.86% |
| Graduate Degree | 9.93% | 12.41% | 12.47% |

NON-ENDORSEMENT AND DISCLAIMER NOTICE

Non-Endorsements

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.

PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

Disclaimer

THIS IS A BROKER PRICE OPINION OR COMPARATIVE MARKET ANALYSIS OF VALUE AND SHOULD NOT BE CONSIDERED AN APPRAISAL. This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2018 Marcus & Millichap. All rights reserved.

DXL | SLEEP NUMBER
ORLAND PARK ILLINOIS
Activity ID: ZAA0370379



EXCLUSIVELY LISTED BY:

Marcus & Millichap

BROKER OF RECORD | Steven Weinstock
Marcus & Millichap
One Mid-America Plaza, Suite 200
Oakbrook Terrace, IL 60181
T: (630) 570-2250 | F: (630) 570-2323
License: IL 471.011175
Steven.Weinstock@marcusmillichap.com