



OFFERING MEMORANDUM

Service King

216 S. Harlem Avenue | Peotone, Illinois

Marcus & Millichap
DOHERTY HOUSTON
INDUSTRIAL GROUP

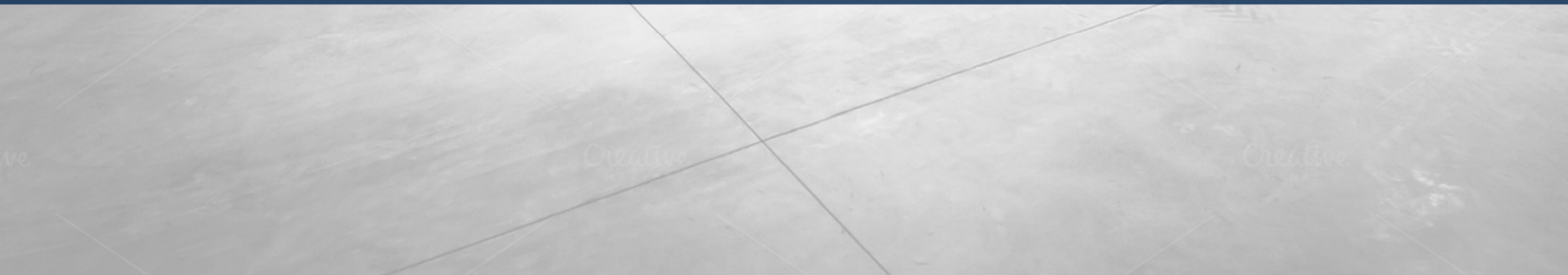
Table of Contents



	Section	Page
Financial Analysis	01	
Offering Summary		4
Investment Summary		5
Property Summary		6
Tenant Profile	02	
Tenant Profile		8
Location Overview	03	
Property Photos		10
Location Map		13
Aerial		14
Market Overview		15
Demographics		20



PEOTONE FINANCIAL ANALYSIS



Offering Summary

216 S. Harlem Avenue • Peotone, Illinois

Marcus & Millichap is pleased to present this Service King facility located in Peotone, Illinois. The subject property is a 12,500-square-foot facility sitting on 1.00 acre located on South Harlem Avenue. There are over seven years remaining on the lease, as well as three, five-year options to renew. The current lease has a ten percent rent increase in 2021.

Service King Collision Repair Centers®, with more than 40 years of experience in the automotive repair industry, is a leading national operator of comprehensive, high-quality collision repair facilities. The organization is consistently recognized for its commitment to customer satisfaction, quality workmanship and giving back to the industry through innovative training and recruiting initiatives. Service King traces its roots back to Dallas, Texas and founder Eddie Lennox who opened the very first Service King in 1976. Today, Service King operates locations in 24 states across the United States.

Peotone, Illinois is a small, rural community conveniently nested in Will County just south of Chicago. Peotone is located between Interstate 57 and Illinois Route 50. Peotone welcomes growth in business and general economic development. Its workforce is well educated with a strong work ethic. Bordered on two sides by the Interstate 57 interchange and a four-lane state highway, movement of raw materials and product is fuel and time efficient.

Chicago-Naperville-Elgin is one of the largest metros in the nation. Also known as the Greater Chicagoland area, it is bounded to the east by Lake Michigan, expands over a 5,000-square-mile region in northeastern Illinois and extends into Wisconsin and Indiana. The metro houses 9.6 million people and comprises 14 counties. The city of Chicago contains 2.7 million residents. The greatest growth during the past 20 years occurred in the western portion of the region. In recent years, however, businesses are relocating back into the city to attract young workers, supporting the development of high-rise residential and office towers in the downtown Chicago.



INVESTMENT HIGHLIGHTS

- The Nation's Third Largest Collision Center Chain with 345 Locations in 24 States
- The Blackstone Group Purchased Majority Ownership of Service King in 2014
- 7.6 Years of Lease Term Remaining
- 10% Rent Increase in 2021
- Over 30 Years of Operating History as a Collision Center



Investment Summary

216 S. Harlem Avenue • Peotone, Illinois

OFFERING SUMMARY

Price:	\$915,641
Capitalization Rate:	7.25%
Price Per SF:	\$73.25
Price Per SF of Land:	\$21.02

LEASE SUMMARY

Tenant:	Service King
Gross Leasable Area:	12,500 Square Feet
Lot Size:	1.00 Acres
Lease Type:	Double Net
Lease Commencement:	March 1, 2015
Lease Expiration:	February 28, 2028
Lease Term:	13 Years
Term Remaining on Lease:	7.6 Years
Rent Increases:	10% Increase in 2021
Renewal Options:	Three, Five-Year Options
Landlord Responsibilities:	Roof & Structure & Base Year Taxes
Tenant Responsibilities:	Maint., Insurance, Partial Taxes

Annualized Operating Information

Base Rental Income	\$78,399
Taxes of 2014 Base Year	(\$12,015)
Net Operating Income	\$66,384

Base Rent Schedule

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$78,399	\$6,533	\$6.27	7.25%
3/1/2021 to 2/28/2028	\$86,239	\$7,187	\$6.90	8.11%

Renewal Options

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
1st Option				
3/1/2028 to 2/28/2033	\$94,863	\$7,905	\$7.59	9.05%
2nd Option				
3/1/2033 to 2/28/2038	\$104,350	\$8,696	\$8.35	10.08%
3rd Option				
3/1/2038 to 2/28/2043	\$114,780	\$9,565	\$9.18	11.22%



Property Summary

216 S. Harlem Avenue • Peotone, Illinois

PROPERTY INFORMATION

Property Type:	Net Leased Auto Repair
Gross Leasable Area:	12,500 Square Feet
Lot Size:	1.00 Acres
Year Built/Renovated:	1981/1995
Construction Type:	Metal
Building Height:	12'
Drive-In Doors:	Ten
Parcel ID:	20-24-408-011
County:	Will
Zoning:	Commercial





TENANT PROFILE

Tenant Profile

216 S. Harlem Avenue • Peotone, Illinois



THE CARLYLE GROUP

GLOBAL ALTERNATIVE ASSET MANAGEMENT

GENERAL INFORMATION

TENANT NAME:	SERVICE KING COLLISION REPAIR
PARENT COMPANIES:	THE CARLYLE GROUP (MINORITY) THE BLACKSTONE GROUP (MAJORITY)
HEADQUARTERED:	RICHARDSON, TEXAS
LOCATIONS:	345 LOCATIONS IN 24 STATES
YEAR FOUNDED:	1983
WEBSITE:	WWW.SERVICEKING.COM

The Carlyle Group is a global investment firm with deep industry expertise that deploys private capital across four business segments: Corporate Private Equity, Real Assets, Global Credit and Investment Solutions. With \$217 billion of assets under management as of March 31, 2020, Carlyle's purpose is to invest wisely and create value on behalf of its investors, portfolio companies and the communities in which we live and invest.

The Blackstone Group®

The Blackstone Group is one of the world's leading investment firms. Their asset management business, with \$538 billion in assets under management, include investment vehicles focused on private equity, real estate, public debt and equity, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis.

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LOCATION OVERVIEW

Property Photos

216 S. Harlem Avenue • Peotone, Illinois





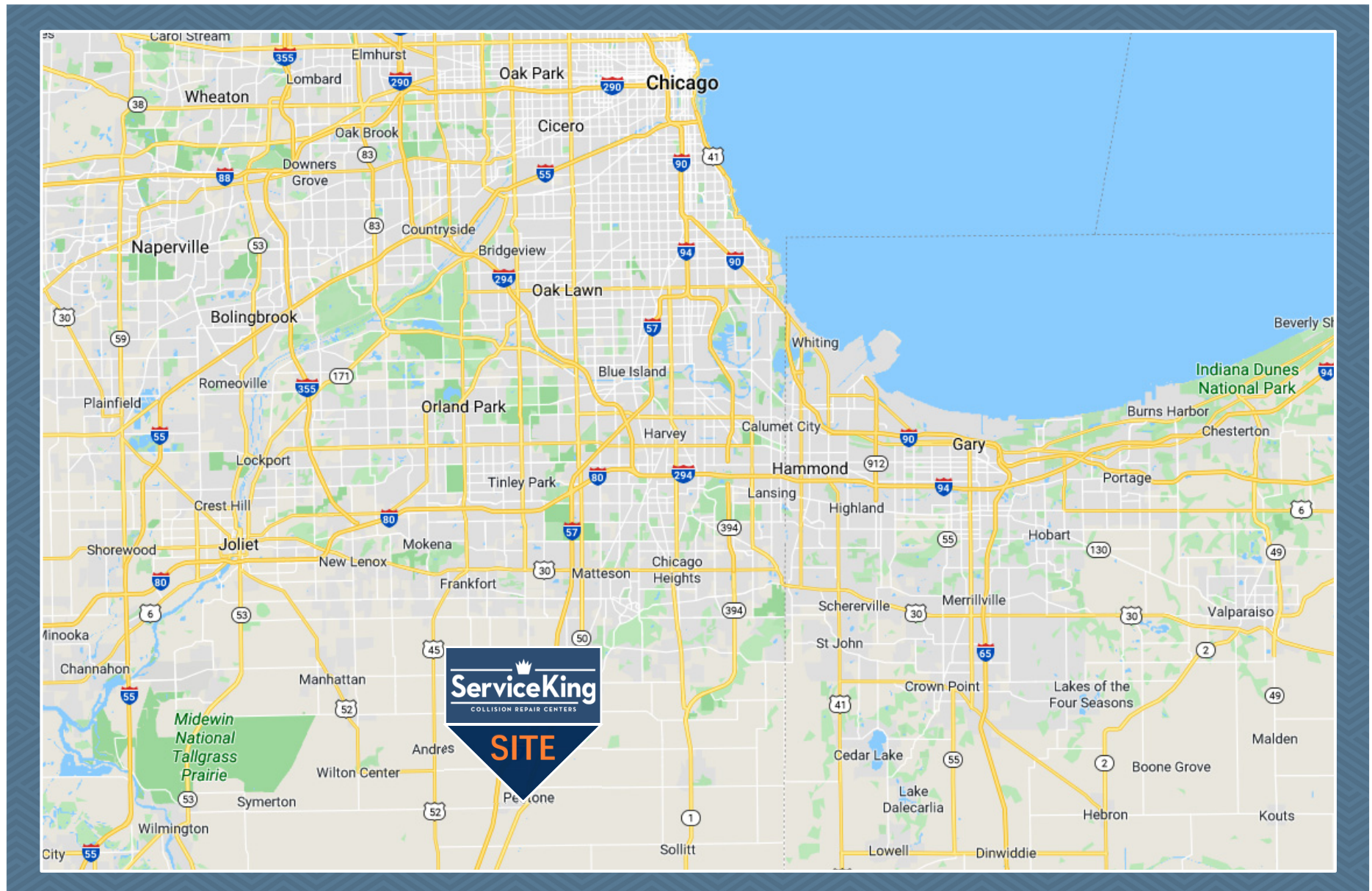
Property Photos

216 S. Harlem Avenue • Peotone, Illinois



Location Map

216 S. Harlem Avenue • Peotone, Illinois





Chicago-Naperville-Elgin is one of the largest metros in the nation. Also known as the Greater Chicagoland area, it is bounded to the east by Lake Michigan, expands over a 5,000-square-mile region in northeastern Illinois and extends into Wisconsin and Indiana. The metro houses 9.6 million people and comprises 14 counties. The city of Chicago contains 2.7 million residents. The greatest growth during the past 20 years occurred in the western portion of the region. In recent years, however, businesses are relocating back into the city to attract young workers, supporting the development of high-rise residential and office towers in the downtown Chicago.

METRO HIGHLIGHTS



Third-Largest Metropolitan Area

The metro population trails only to New York City and Los Angeles in size. Growth in the metro has slowed in recent years.



Wealth of Intellectual Capital

The number of corporate headquarters in Chicago is second only to New York City. There are 33 Fortune 500 companies based locally.



Large, Diverse Employment Base

The Chicago metro employs 4.8 million workers in an array of industries, including the growing tech and logistics sectors.





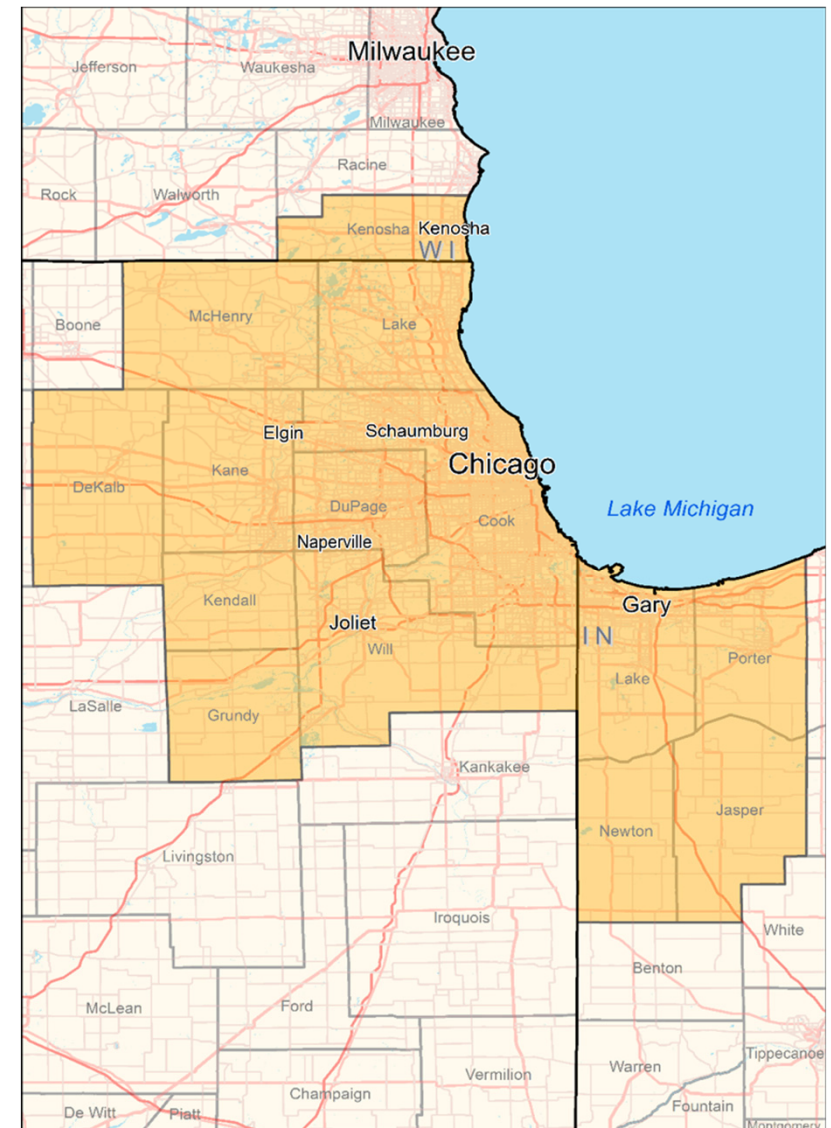
TRANSPORTATION

- The region's transit network ranks among the largest and most efficient in the world.
- The vast network of freeways, centralized location, a large rail-truck intermodal facility, and the Port of Chicago contribute to the metro's position as a major distribution and logistics hub.
- Chicago is the nation's premier freight rail hub, with four carriers — BNSF, Union Pacific, CSX, and Norfolk Southern — that service the region.
- Amtrak routes originate from Union Station, while the Metra commuter rail and the Chicago L provide passenger service throughout the metro area and beyond.
- International airports include O'Hare, Midway and Gary/Chicago. Also 16 smaller airports also provide air service for the region.



ROUGHLY
40%

OF ILLINOIS RESIDENTS LIVE IN THE SUBURBS OF CHICAGO, MANY OF WHOM COMMUTE TO INTO THE CITY FOR WORK

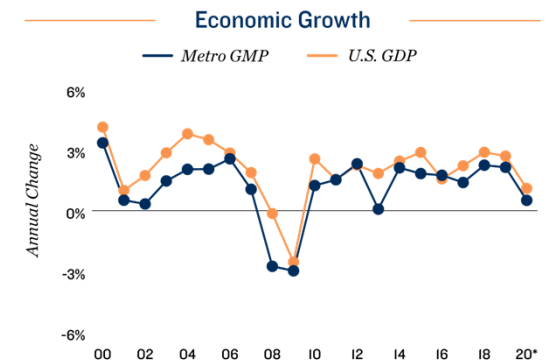


ECONOMY

- The metro has one of the biggest economies in the nation and is buoyed by its distribution, finance, manufacturing operations and growing high-tech sectors.
- Fortune 500 companies headquartered in the metro include Boeing, Walgreens, Allstate and McDonald's.
- The area is a major global tourist and convention destination. Last year, a record 57.7 million people visited the metro, supporting 500,600 jobs in the leisure and hospitality sector.
- Large tech firms such as Amazon, Groupon and Google attract startup companies.
- The workforce is considered one of the most diverse and well trained among major U.S. metros.

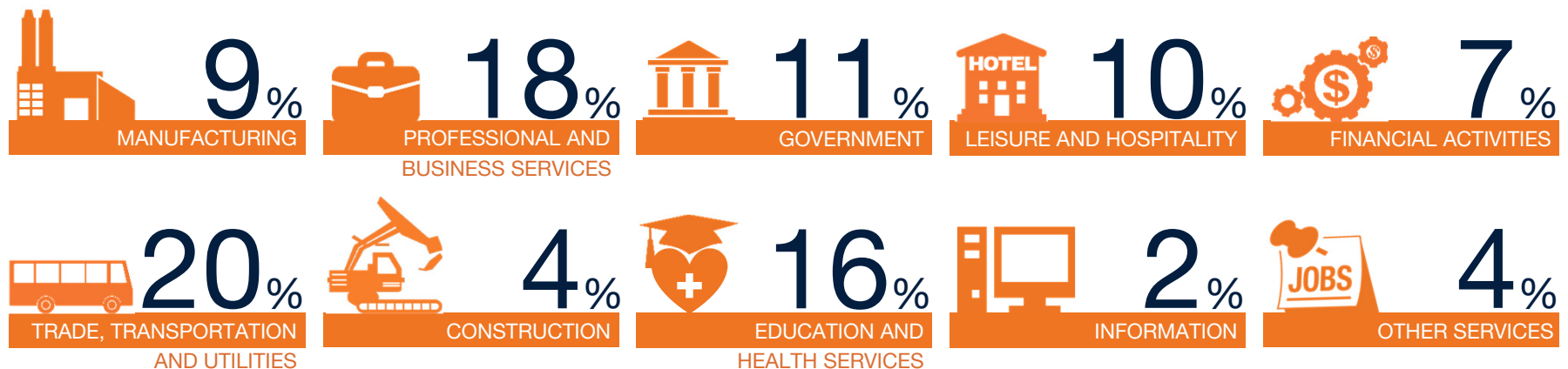
MAJOR AREA EMPLOYERS

Amazon.com, Inc.
Advocate Aurora Health
Walmart
Northwestern University
United Continental Holdings Inc.
American Airlines.
Walgreens Boots Alliance, Inc.
Abbott Labs
JPMorgan Chase
University of Chicago



* Forecast

SHARE OF 2019 TOTAL EMPLOYMENT

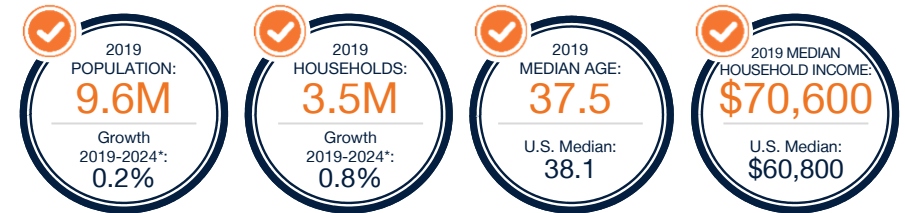




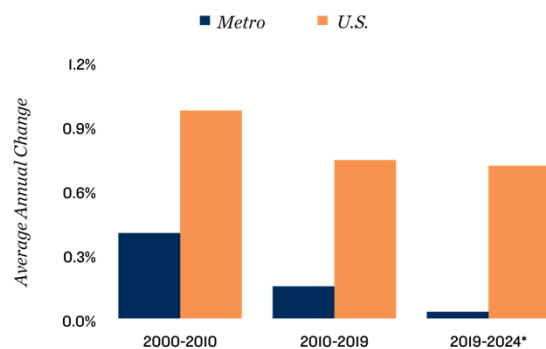
DEMOGRAPHICS

- Chicago is the third most populous metro in the U.S. with 9.6 million residents. During the next five years, gains will remain below the U.S. rate of growth.
- World-class education institutions including Northwestern University and the University of Chicago help provide a skilled labor pool. Nearly 36 percent of residents age 25 and older hold a bachelor's degree and of these, 14 percent have also earned a graduate or professional degree, which is well above the national level.
- Younger professionals moving to the market for employment provide a skilled workforce and contribute to a median age that is below that of the U.S. and a household income above the national level.
- More people are renting as thousands of new apartments are completed. As a result, the local homeownership at 60 percent has declined in recent years.

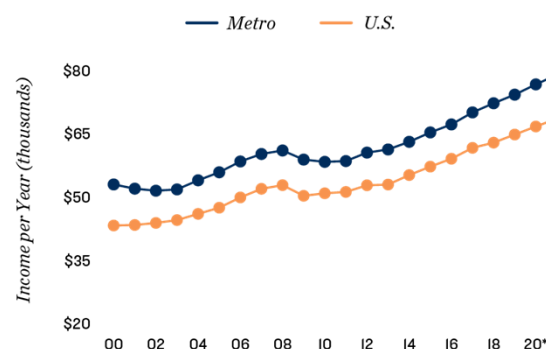
QUICK FACTS



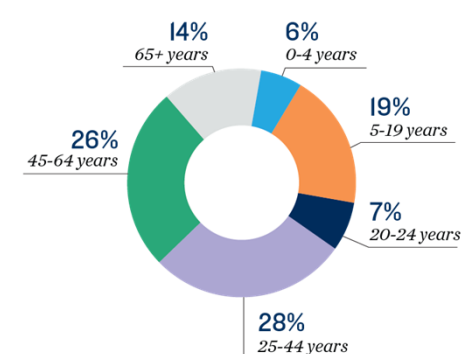
Population Growth



Median Household Income



2019 Population by Age



* Forecast



QUALITY OF LIFE

The Chicago metro has something to offer every one of its residents and visitors, whether it is legendary blues and jazz music, cultural and educational venues, professional sports, dining, entertainment, shopping or recreational amenities.

The Chicago area's relative affordability is largely due to its lower housing costs. The median home price is significantly less than in other cities of its size and is below that of many smaller cities, including Seattle and Denver.

Cultural activities and artistic venues underpin the metro's cosmopolitan lifestyle. The region is home to various well-known museums, including the world-class Field Museum, Shedd Aquarium, Art Institute of Chicago and Adler Planetarium. The theater scene rivals the world's best, and troupes, dance companies, symphony orchestras and music venues abound.

\$264,000

MEDIAN HOME PRICE



70

MUSEUMS AND
ART GALLERIES



29 MILES

OF SHORELINE



* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



SPORTS



EDUCATION

DEPAUL UNIVERSITY

THE UNIVERSITY OF
CHICAGO

UIC
UNIVERSITY
OF ILLINOIS
AT CHICAGO

NORTHWESTERN
UNIVERSITY

LOYOLA
UNIVERSITY CHICAGO
AD • MAJORE • DEI • GLORIAM



ARTS & ENTERTAINMENT

ADLER
PLANETARIUM

Shedd
AQUARIUM

The Field
Museum
CHICAGO

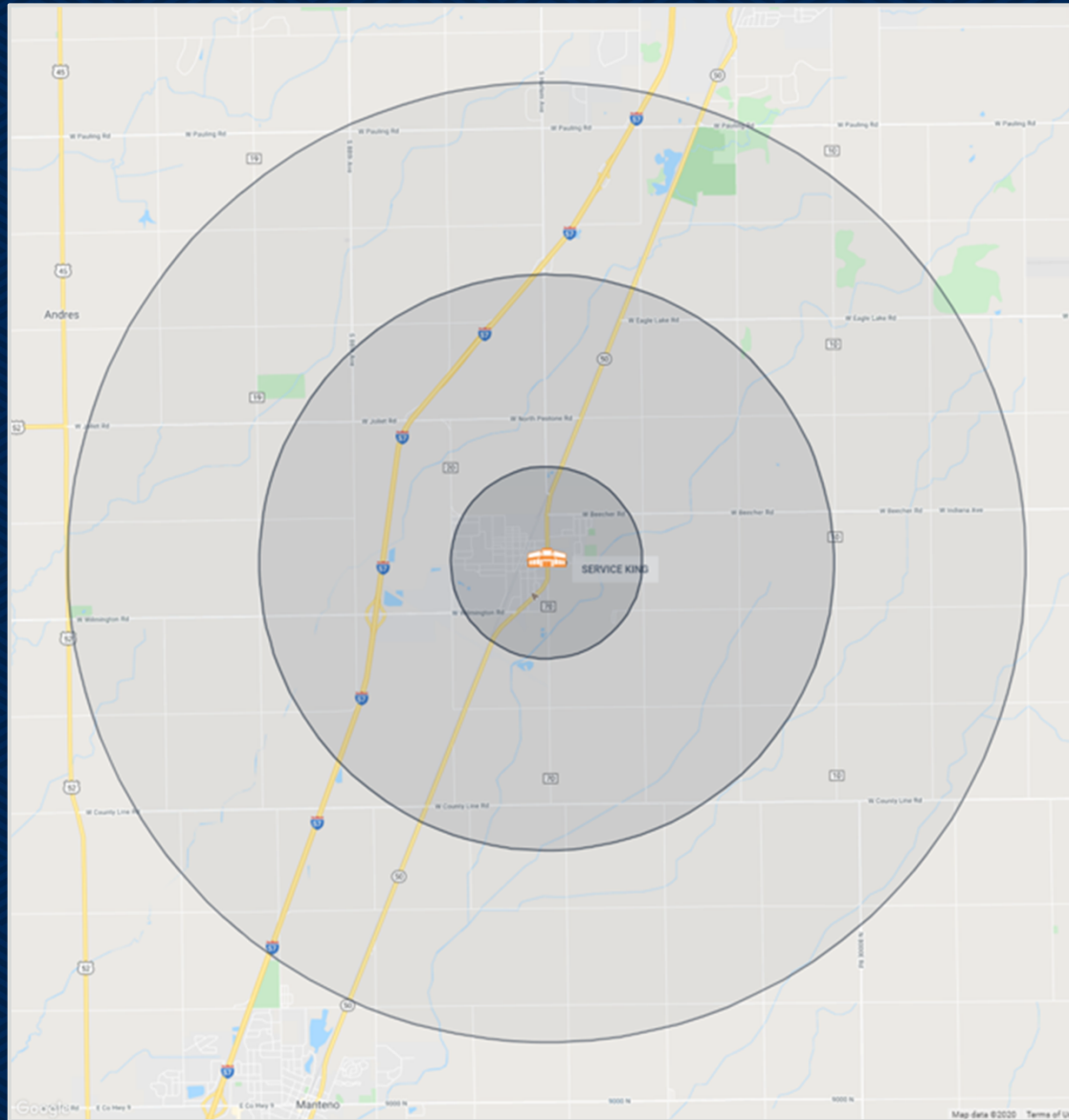
ART
INSTITUTE
CHICAGO

Demographics

216 S. Harlem Avenue • Peotone, Illinois



CREATED ON JULY 8, 2020



	1 Miles	3 Miles	5 Miles
POPULATION			
2024 Projection	3,170	5,185	7,076
2019 Estimate	3,116	5,097	6,937
2010 Census	3,044	4,966	6,736
2000 Census	2,855	4,429	5,766
INCOME			
Average	\$101,160	\$102,865	\$105,583
Median	\$83,896	\$84,738	\$85,628
Per Capita	\$39,064	\$38,664	\$38,211
HOUSEHOLDS			
2024 Projection	1,230	1,962	2,575
2019 Estimate	1,203	1,915	2,509
2010 Census	1,165	1,853	2,424
2000 Census	1,092	1,623	2,044
HOUSING			
2019	\$224,444	\$247,927	\$259,025
EMPLOYMENT			
2019 Daytime Population	3,465	4,738	5,687
2019 Unemployment	4.42%	4.48%	4.43%
2019 Median Time Traveled	33	35	36
RACE & ETHNICITY			
White	95.83%	95.57%	94.83%
Native American	0.00%	0.00%	0.00%
African American	0.79%	0.84%	1.45%
Asian/Pacific Islander	0.33%	0.36%	0.40%

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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