

# CITIBANK GROUND LEASE (MATTRESS FIRM SUBLEASE)

691 BROOK FOREST AVENUE, SHOREWOOD, ILLINOIS

**VALUE ADD OPPORTUNITY - Future Landlord Has a Number of Different Avenues to Increase NOI:**

Oversized Parcel - Site May Be Split Into 2 Single-Tenant Parcels of Approximately .86 Acres Each or Be Redeveloped As-Is to Accommodate a Larger Building

Buyer Will Collect Rent Through 2022 - Approx. \$500K in Rent Remaining to Be Paid

Future Landlord May Renegotiate and Extend Mattress Firm in October 2022 When Citibank Lease Expires



OFFERING MEMORANDUM

Current Seller/Landlord is Also Open to Ground Lease/Build-to-Suit  
Redevelopment/Backfill Opportunity - Lease Expires October 2022

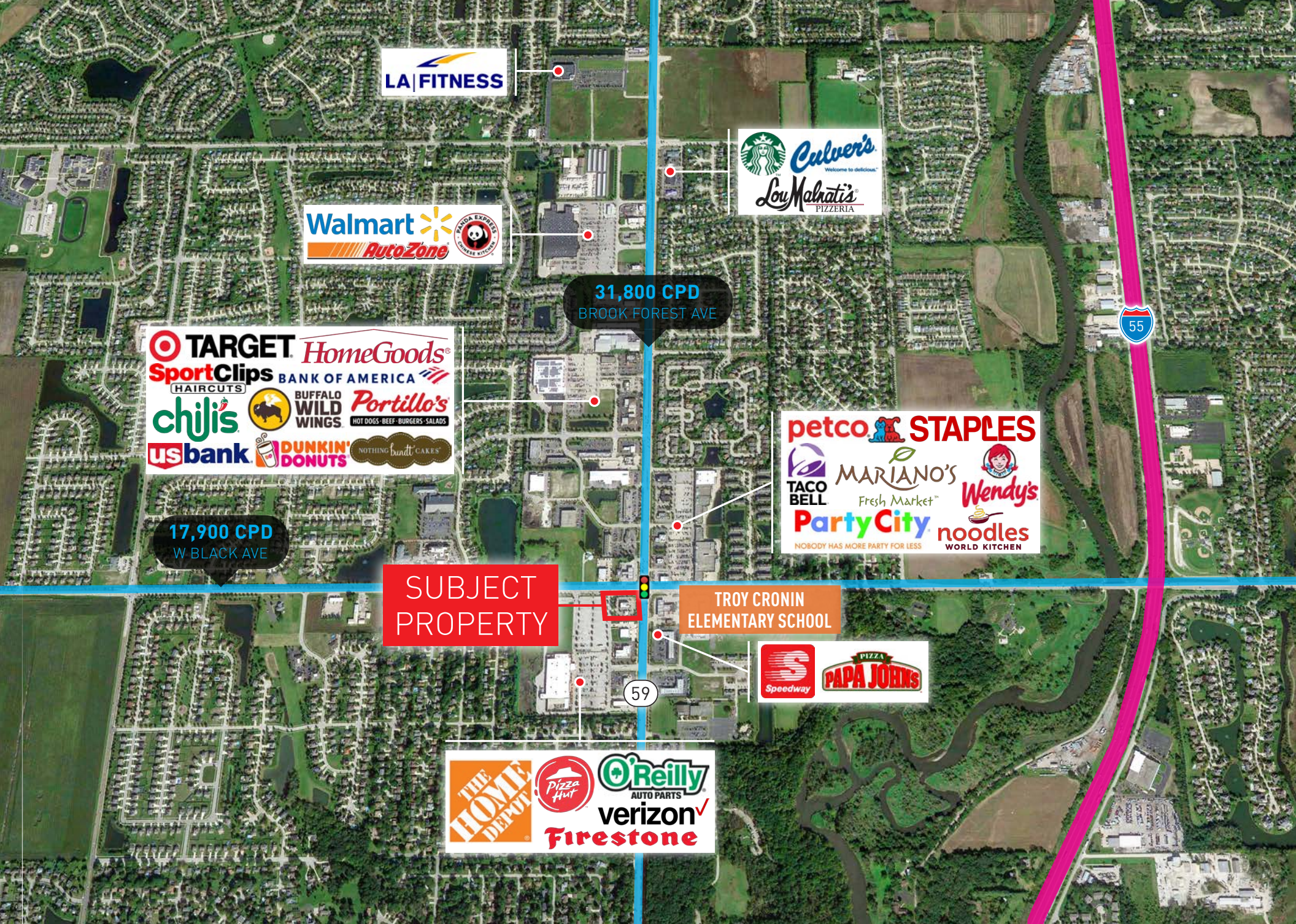
Marcus & Millichap





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LA FITNESS

Walmart  
AutoZone

Starbucks  
Culver's  
Lou Malnati's PIZZERIA

31,800 CPD  
BROOK FOREST AVE

Target  
SportClips  
HomeGoods  
Bank of America  
chijis  
Buffalo Wild Wings  
Portillo's  
US Bank  
Dunkin' Donuts

17,900 CPD  
W BLACK AVE

SUBJECT  
PROPERTY

TROY CRONIN  
ELEMENTARY SCHOOL

Petco  
Staples  
Taco Bell  
Mariano's  
Wendy's  
Party City  
Noodles  
World Kitchen

The Home Depot  
Pizza Hut  
O'Reilly Auto Parts  
Verizon  
Firestone

Speedway  
Papa John's



FUTURE DEVELOPMENT

31,800 CPD  
BROOK FOREST AVE



17,900 CPD  
W BLACK AVE



SUBJECT  
PROPERTY

+/-1.71 ACRE LOT



FUTURE DEVELOPMENT



TROY CRONIN  
ELEMENTARY SCHOOL



OFFICES

59

MCDONALD'S

Star Nails

Firestone



# Executive Summary

691 Brook Forest Avenue, Shorewood, IL 60404

## FINANCIAL SUMMARY

<b>Price</b>	<b>\$3,252,000</b>
Cap Rate	8.0%
Building SF	4,800 SF
Net Cash Flow	8.0% \$260,150
Year Built	2007
Land/Lot Size	+/- 1.71 Acres

## LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Ground Lease
Tenant	Citibank, N.A. (Subleased to Mattress Firm)
Lease Commencement Date	October 1, 2007
Lease Expiration Date	September 30, 2022
Lease Term Remaining	2 Years
Rental Increases	10% Every 5 Years
Renewal Options	4, 5 Year Options*

\* Citibank has vacated the site and signed a sublease with Mattress Firm that runs concurrent to the scheduled lease expiration of September 30, 2022. Seller is under the assumption that Citibank will not execute their lease option and the Landlord will be in a position to renegotiate a new lease with Mattress Firm or redevelop the site at the expiration of the lease. There is enough land to expand the building if necessary and it is located on a prime lighted hard corner.

## ANNUALIZED OPERATING DATA

<b>Lease Years</b>	<b>Annual Rent</b>	<b>Cap Rate</b>
Current - 9/30/2022	\$260,150.00	8.00%
<b>Options</b>	<b>Annual Rent</b>	<b>Cap Rate</b>
Option 1	\$286,165.00	8.80%
Option 2	\$314,781.50	9.68%
Option 3	\$346,259.65	10.65%
Option 4	\$380,885.62	11.71%

<b>Base Rent</b>	<b>\$260,150</b>
<b>Net Operating Income</b>	<b>\$260,150</b>
<b>Total Return</b>	<b>8.0% \$260,150</b>







# Property Description



## INVESTMENT HIGHLIGHTS

- » **Absolute Triple-Net (NNN) Ground Lease**
- » 10% Rental Increases Every 5 Years
- » **Value Add Opportunity - Future Landlord Has a Number of Different Avenues to Increase NOI**
- » Oversized Parcel – Site May Be Split Into 2 Single-Tenant Parcels of Approximately .86 Acres Each or Be Redeveloped As-Is to Accommodate a Larger Building
- » Buyer Will Collect Rent Through 2022 - Approx. \$500K in Rent Remaining to Be Paid
- » Future Landlord May Renegotiate and Extend Mattress Firm in October 2022 When Citibank Lease Expires
- » **Infill Population - 150,529 Residents within a 5-Mile Radius**
- » Current Seller/Landlord is Also Open to Ground Lease/Build-to-Suit Redevelopment/Backfill Opportunity - Lease Expires October 2022
- » **Excellent Signalized Hard Corner - Visible to 49,700+ Cars/Day**
- » Situated 1 Mile West of Interstate-55, a Primary Connecting Arterial Between Shorewood and Chicago
- » **Average Household Income Exceeds \$108,000 within a 3-Mile Radius**
- » Forty Minutes South of Chicago, Easily Accessible via Interstate-55
- » **Strong Daytime Population - 142,474 Employees in Surrounding Area**



## DEMOGRAPHICS

1-mile

3-miles

5-miles

### Population

2025 Projection	9,295	72,757	152,690
2020 Estimate	9,025	71,948	150,529
Growth 2020 - 2025	3.00%	1.12%	1.44%

### Households

2025 Projection	3,303	24,695	53,193
2020 Estimate	3,166	24,174	52,104
Growth 2020 - 2025	4.34%	2.15%	2.09%

### Income

2020 Est. Average Household Income	\$105,010	\$108,346	\$99,101
2020 Est. Median Household Income	\$91,542	\$93,977	\$84,510
2020 Est. Per Capita Income	\$36,842	\$36,449	\$34,405



# Tenant Overview



**MATTRESSFIRM**

Houston, Texas    1986    2,000+    [www.mattressfirm.com](http://www.mattressfirm.com)

Headquarters    Founded    Locations    Website

Mattress Firm operates and franchises over 2,000 stores through its brands including Mattress Firm, Sleepy's, and Sleep Train across 49 states with 80 distribution centers. Mattress Firm, Inc. is an operating subsidiary of the parent company, Mattress Firm Holding Corporation, which was acquired by Steinhoff International Holdings N.V. for \$3.8 billion as of September 2016.

Founded in 1986, Mattress Firm set out to be a different kind of mattress retailer, focused on creating a unique shopping experience for the customer with a large selection of quality, brand name bedding products, competitive pricing, and knowledgeable, well-trained associates.

**citibank**

New York City, New York    1812    2,600+    [www.citi.com](http://www.citi.com)

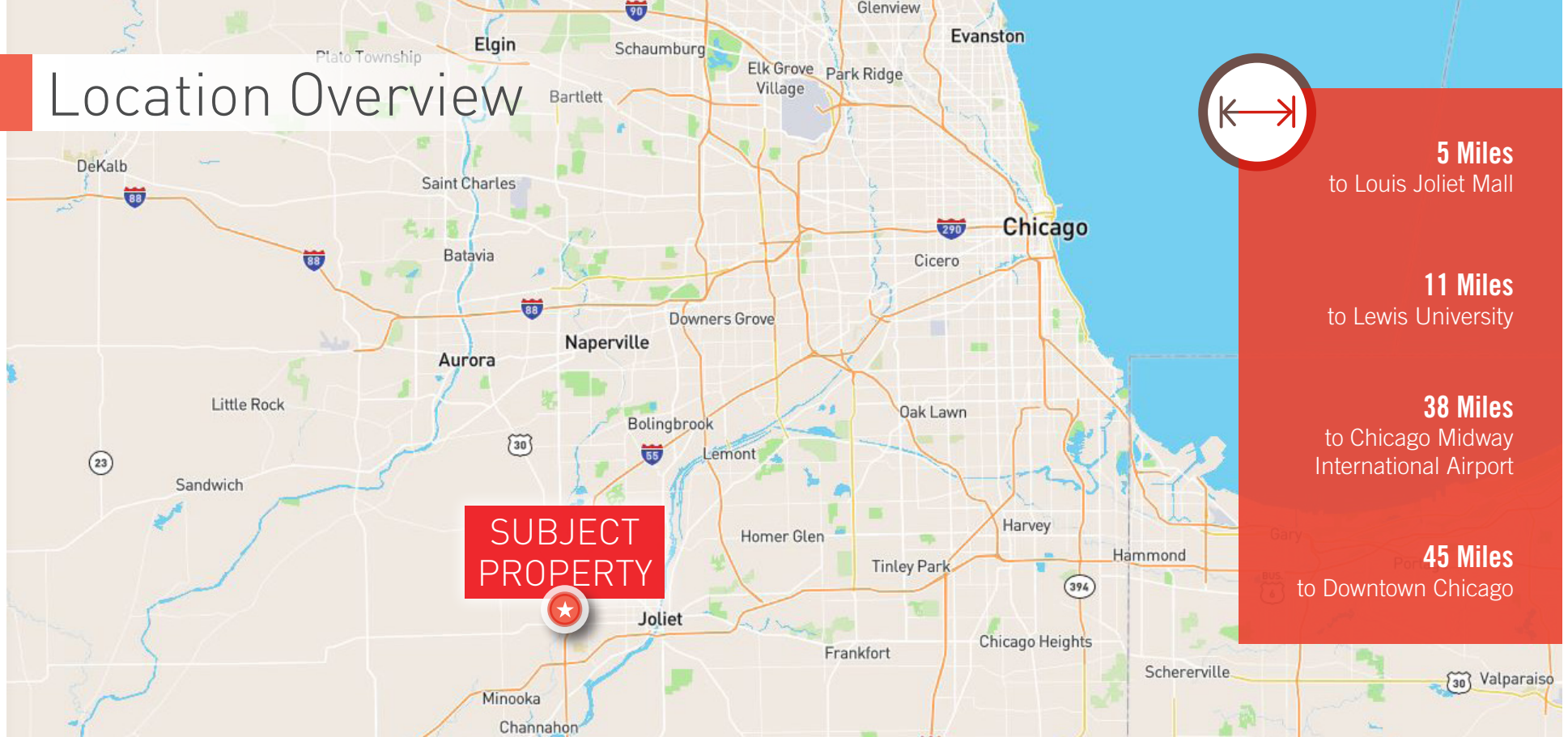
Headquarters    Founded    Locations    Website

Citibank ("Citi") is the consumer division of financial services multinational Citigroup. Citi was founded in 1812 as the City Bank of New York, and later became First National City Bank of New York. Today, Citibank serves over 100 million customers through more than 2,600 branches in 19 countries. Citi is the world's largest credit card issuer, and has been ranked #1 in Customer Satisfaction by the American Customer Satisfaction Index.

Citi provides consumers, corporations, governments, and institutions with a broad range of financial services and products. Citi ended the Third Quarter of 2020 with \$17.3 billion in revenues and \$3.2 billion in net income.



# Location Overview



Shorewood is a village in Troy Township, Will County, Illinois, located at the intersection of I-80 and I-55. The Village of Shorewood has easy access to the Chicago loop, which is only forty minutes north on I-55. The population as of 2019 was estimated to be just over 17,500 people. Growing out of its origins as a resort community along the scenic DuPage River, Shorewood has emerged as a regional leader in high-caliber residential development. Shorewood has beautifully equipped parks and a town center that boasts a splash park, and bandstand on a series of lakes.

The city of Chicago is located in the northeast portion of the state of Illinois, along the shorelines of Lake Michigan. Chicago is the nation's third-largest city, trailing

only New York and Los Angeles, with a population exceeding 2.7 million in 2018. At nearly 10 million people, Chicago's metropolitan area is the third most populous in the nation. The city is one of the world's great economic centers, with a diverse employment base, robust transportation network, and renowned tourist attractions that enhance Chicago's reputation on the global stage.

The professional, scientific, and technical services sector is a major employment generator for the city of Chicago, which contains 36 Fortune 500 companies, including Boeing, Walgreens, and McDonald's. Additionally, the city has developed a burgeoning tech scene. Companies are attracted to the city for its young, talented labor force that is generated by an array of well-respected institutions, including Northwestern University and the University of Chicago.



# [ exclusively listed by ]

**Chris N. Lind**

Senior Vice President  
602 687 6780  
chris.lind@marcusmillichap.com

**Mark J. Ruble**

Executive Managing Director  
602 687 6766  
mruble@marcusmillichap.com

**Jamie A. Medress**

Executive Managing Director  
602 687 6778  
jmedress@marcusmillichap.com

**Steven Weinstock**

Broker of Record  
License #: 471.011175

Offices Nationwide  
[www.marcusmillichap.com](http://www.marcusmillichap.com)

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