

THE HOME DEPOT

CARPENTERSVILLE, IL
(CHICAGO MSA)



AFFILIATED BUSINESS DISCLOSURE AND CONFIDENTIALITY AGREEMENT

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your acknowledgment that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property (“Owner”) or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc. If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

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This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented “as is” without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements

are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property’s suitability for your needs. ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

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ALL PARCEL LINES ON SITE PLAN AND AERIALS ARE APPROXIMATE.

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THE
HOME
DEPOT

CARPENTERSVILLE, IL

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EXECUTIVE SUMMARY



CBRE's Net Lease Property Group is pleased to exclusively present the opportunity to acquire 100% fee simple interest in a 102,083-square foot Home Depot located at the intersection of Huntley Road and Route 31 in Carpentersville, Illinois. Carpentersville is located in Kane County, approximately 40 miles northwest of downtown Chicago. The trade area boasts an impressive demographic profile, with over 146,000 area residents earning an average household income of \$101,102 within a 5-mile radius.

The Home Depot is on a long-term absolute NNN ground lease and currently has over 4 years of term remaining. The lease has a corporate guaranty (S&P: "A/Stable") and includes strong rental increases, six 5-year renewal options, and zero landlord responsibilities.

The asset is situated directly north of Spring Hill Mall, a 587,000-square foot super regional mall. Spring Hill Mall recently underwent a \$40 million renovation in 2016, introducing a brand new 35,000-square foot theater, three new restaurants, and exciting national retailers. Tenants within the mall include Kohl's, Cinemark, Barnes & Noble, H&M and many others.

The Home Depot is the largest home improvement specialty retailer in the world with 2,290 stores in all 50 states, the District of Columbia, Puerto Rico, U.S. Virgin Islands, 10 Canadian provinces, and Mexico. The company offers customers over 250,000 products that can be special ordered in addition to 35,000 different kinds of building materials, home improvement supplies, appliances, and lawn and garden products sold in stores. The company (NYSE: HD) had fiscal year ending January 2020 sales of \$110 billion and is currently ranked #26 on the Fortune 500 list.



FINANCIAL OVERVIEW

Offering Price:	\$4,583,000
Cap Rate:	6.00%
Rent:	\$275,000
Lease Structure:	Absolute NNN Ground Lease
Lot Size:	± 12.98 Acres / 565,409 Square Feet
Building Size:	102,083 Square Feet
Tenant:	Home Depot U.S.A., Inc.

Guaranty:	Corporate
Lease Term Remaining:	4 Years, 7 Months
Lease Commencement:	December 15, 2004
Lease Expiration:	January 31, 2025
Renewal Options:	Six, 5-Year Options
Rental Increases:	10% in Year 11 of Base Term, 15% in Option 1 and 7% in Option 2-6.
Landlord Responsibilities:	None

RENT SCHEDULE

Lease Year	Lease Dates			Annual Rent	Monthly Rent
1-10	12/16/2004	to	1/31/2015	\$250,000.00	\$20,833.33
11-20	2/1/2015	to	1/31/2025	\$275,000.00	\$22,916.67
Option 1: 21-25	2/1/2025	to	1/31/2030	\$316,250.00	\$26,354.17
Option 2: 26-30	2/1/2030	to	1/31/2035	\$338,387.00	\$28,198.92
Option 3: 31-35	2/1/2035	to	1/31/2040	\$362,074.00	\$30,172.83
Option 4: 36-40	2/1/2040	to	1/31/2045	\$387,419.00	\$32,284.92
Option 5: 41-45	2/1/2045	to	1/31/2050	\$414,539.00	\$34,544.92
Option 6: 46-50	2/1/2050	to	1/31/2055	\$443,556.00	\$36,963.00

You are solely responsible for independently verifying the information in this Memorandum. ANY RELIANCE ON IT IS SOLELY AT YOUR OWN RISK

TREMENDOUS OPPORTUNITY:

The Home Depot has been a tenant at this location since 2003 and has over 4 years of term remaining. The lease includes a strong 15% rent increase in the first option period and 7% increases in the other five consecutive option periods.

CORPORATE GUARANTY:

The absolute NNN ground lease has zero landlord responsibilities and a full corporate guaranty. The Home Depot has a credit rating of “A/Stable” by Standard & Poor’s.

OUTSTANDING DEMOGRAPHIC PROFILE:

Home Depot serves a five-mile primary trade area that benefits from a fundamentally strong demographic profile. Within the primary trade area there are over 146,000 permanent residents with an average household income of \$101,102, well above the national average.

DESIRABLE LOCATION:

The Home Depot is located off the corner of Huntley Road and Route 72, both primary arteries serving Carpentersville and the neighboring communities. The intersection has a combined traffic count of 38,800 vehicles. The asset is located in Kane County, which benefits from comparatively low real estate tax rates to nearby Cook County.

GROUND LEASE RENT:

The Home Depot pays \$275,000 annually at this location, well below what the brand pays nationally for similar locations.

SECURE TENANCY:

The Home Depot is the largest home improvement specialty retailer in the world with more than 2,290 stores in all 50 states, the District of Columbia, Puerto Rico, US Virgin Islands, Guam, 10 Canadian provinces, and Mexico. The company just reported strong 3rd quarter earnings and had fiscal year ending January 2020 sales of \$110 Billion.

DYNAMIC RETAIL CORRIDOR:

The asset is situated directly north of Spring Hill Mall, a 587,000-square foot super regional mall. Spring Hill Mall recently underwent a \$40 million renovation in 2016, introducing a brand new 35,000-square foot theater, three new restaurants, and exciting national retailers. Tenants within the mall include Kohl’s, Cinemark, Barnes & Noble, H&M, and many others.

FOX RIVER

8TH STREET
28,900 VPD

HIBBETT SPORTS
EXCLUSIVELY LICENSED BY THE STATE OF MISSISSIPPI

Red Lobster

H&M

GNC

CLAIRE'S

JOYCE'S

Bath & Body Works

Advocate Health Care

LIFEZONE 300

DOLLAR TREE

LI-HAUL

SALLY BEAUTY SUPPLY

WALGREENS

verizon

FedEx Office

planet fitness

Advance Auto Parts

DUNKIN' DONUTS

ROSATI'S

hair cutters

Jewel-Osco

LA FITNESS

Olive Garden

First American Bank

THE CHILDREN'S PLACE

SPRING HILL MALL

CINEMARK

Foot Locker

THE HOME DEPOT

zumiez

BARNES & NOBLE BOOKSELLERS

AÉROPOSTALE

boostmobile

T-Mobile

Victoria's Secret

KAY

rue21

Panera Bread

Denny's

POPEYES

LOUISIANA RESTAURANT

CHASE BANK

ALDI

Pizza Hut

Firestone

SHERWIN-WILLIAMS

FIFTH THIRD BANK

AutoZone

ups

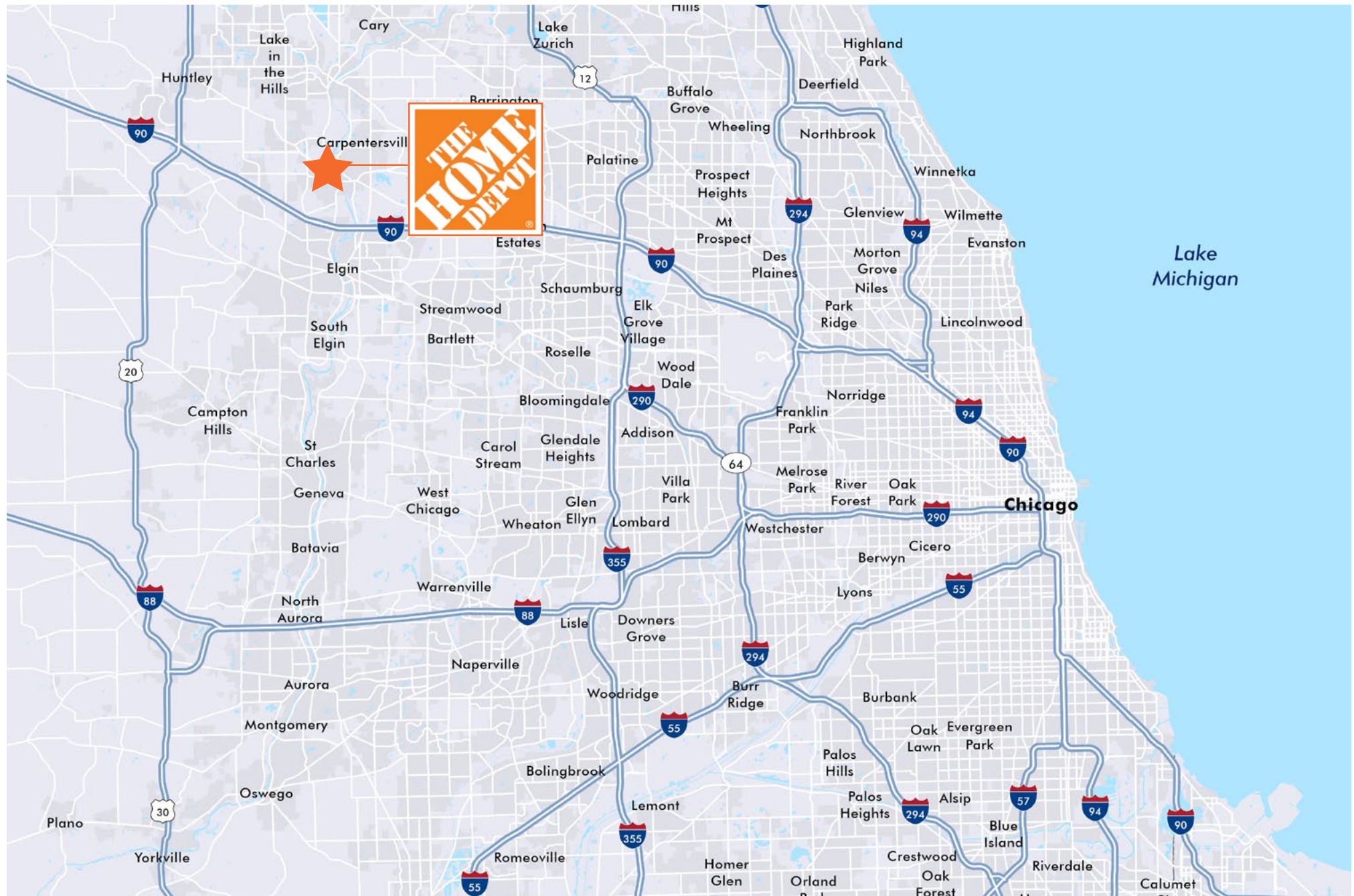
Merlin

MIDAS

SportClips

HAIRCUTS

HUNTLEY ROAD
14,300 VPD



THE
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CARPENTERSVILLE, IL

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PROPERTY DESCRIPTION



The Home Depot is the largest home improvement specialty retailer in the world with more than 2,290 stores in all 50 states, the District of Columbia, Puerto Rico, U.S. Virgin Islands, 10 Canadian provinces, and Mexico. The Home Depot offers customers over 250,000 products that can be special ordered in addition to 35,000 different kinds of building materials, home improvement supplies, appliances, and lawn and garden products sold in stores. A typical store averages 105,000 square feet of indoor retail space and is interconnected with an e-commerce business that offers more than one million products for DIY customers, professional contractors, and the industry's largest installation business for the Do-It-For-Me customer. The Home Depot was founded in 1978 and is headquartered in Atlanta, GA. The company (NYSE: HD) had fiscal year ending January 2020 sales of \$110 billion. The Home Depot is currently ranked #26 on the Fortune 500 list and has been a part of the Fortune 500 for more than 25 consecutive years.



SITE PLAN



Location

251 Springhill Road
Carpentersville (Kane County), IL
60110

General Description

One-story, single tenant retail building

Year Built

2004

Building Size

102,083 Square Feet

Land Area

± 12.9664 Acres / 564,815 Square Feet

PIN

03-22-152-003

Parking

Surface parking is provided for 502 vehicles, or 4.9 spaces per 1,000 SF of GLA.

Access

The Property can be accessed from driveway entrances off Huntley Road to the north, Western Avenue to the east, Elm Avenue to the west and Spring Hill Ring Road to the south.

Traffic Counts

Huntley Road — 14,300 VPD

Western Avenue — 30,200 VPD

Main Street — 22,500 VPD

Flood Zone

According to the flood hazard maps published by the FEMA, the site is within Zone X as indicated on Community Map Panel No. 17089C0156H dated August 3, 2009. Zone X, an area that is determined to be outside the 100-and 500-year floodplains.





THE
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CARPENTERSVILLE, IL

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MARKET OVERVIEW

Carpentersville, located 40 miles northwest of downtown Chicago, stretches along the banks of the Fox River, north of Interstate 90. The asset is located in a submarket that has experienced steady growth since the year 2000. The Home Depot is strategically located southwest of the Huntley Road and Western Avenue/8th Street intersection. Huntley Road runs from the northwest to southeast and just east of Western Avenue, Huntley Road turns into Main Street. Huntley Road is a primary artery with daily traffic counts exceeding 14,300 vehicles per day. Western Avenue/8th Street is a primary north-south artery with 24,500 vehicles passing by per day.

The asset's location is ideal as these major north/south and east/west arteries provide residents of neighboring communities with convenient access to the retail corridor. Additionally, Home Depot benefits from being located in the heart of the trade area's primary retail corridor which is anchored by Spring Hill Mall. Retailers within the corridor include Kohl's, Cinemark, LA Fitness, Jewel-Osco, Barnes & Noble, Dollar Tree and Petco among others.

PRIMARY TRADE AREA

The Home Depot draws the majority of its customer base from a three-mile radius trade area based on population concentration and the location of competing properties. The primary trade area encompasses the majority of Carpentersville as well as portions of Algonquin, Gilberts, Sleepy Hollow, and West Dundee.

The primary trade area has the following characteristics:

- The area has a current population of 55,575. This population base has experienced steady growth in recent years; nearly 18% since 2000. The population is expected to increase an additional 3.5% in the next five years.
- The number of households, currently at 17,440, is expected to increase 3.8% over the next five years.
- The current median age of the population is 33.9 years. 41% of the population is between the ages of 25 and 54, the peak earning years.
- The area's average and median household incomes are \$96,558 and \$73,601, respectively. 49% of the households have annual incomes between \$75,000 and \$150,000 and over 16% of the households have annual incomes above \$150,000.
- Approximately 94% of the housing units are owner occupied. Furthermore, 51% of the housing units' range in value from \$200,000 to \$400,000 and the average home value is \$262,767.

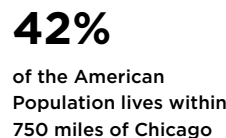
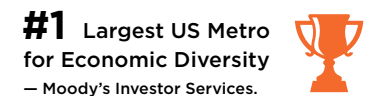
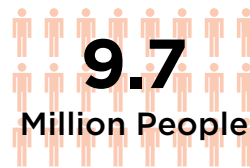
MARKET OVERVIEW

Chicago is one of the most attractive and dynamic markets in the nation. Chicago boasts an attractive retail market, with the third largest economy in the nation and over \$127.9 billion in annual retail sales (2018 metro Chicago sales; Melaniphy). The market's vibrant business climate, central geographic location, diversified economy and available human resources have helped Chicago achieve a prominent position as a world-class city in finance, international trade, manufacturing, transportation, culture and the arts.

The Chicago MSA has matured into a broad-based and diversified economy that was rated the #1 Largest US Metro for Economic Diversity by Moody's

Investor Services. Chicago has one of the world's largest economies with nearly 4.6 million employees and a gross regional product of more than \$640 billion, which places the Chicago economy as the 22nd largest in the world. Due to this economic diversification, Chicago tends to experience fewer seasonal and cyclical peaks and valleys and is somewhat insulated against major downturns.

The Windy City, as it has been nicknamed, welcomes in over 52 million international and domestic visitors each year who come to see attractions including Chicago's numerous parks, art galleries, architectural wonders, professional sports teams, universities, and more.



WHY CHICAGO?

- Chicago has a strong, globally diverse economy larger than that of many countries.
- Chicago's industry mix most closely matches that of the nation, with no single industry employing more than 20% of the workforce.
- Chicago is one of the most cost-effective cities in the world for doing business, ahead of New York and Los Angeles, according to KPMG.
- Chicago's affordable cost of living and world-class cultural and recreational opportunities make it an excellent value for the city's vibrant and diverse workforce.
- Chicago is a central transportation hub with direct flights between more than 200 cities worldwide, and direct connections to six major U.S. Interstates.
- Chicago is hub of international business activity, with more than 1,800 foreign-based companies and more than \$100 billion in foreign direct investment.

DEMOGRAPHICS

The Chicago metropolitan statistical area is home to over 9.6 million residents, making it the third most populous MSA in the nation. The population is projected to grow 0.54% over the next five years to 9.65 million. Residents earn an average household income of \$97,963; nearly 8% higher than the state average of \$90,792 and 12% higher than the national average of \$87,393.

TRANSPORTATION

Chicago is one of the primary transportation hubs in the United States. Chicago is home to O'Hare International Airport, the 3rd busiest airport in the nation. According to the Chicago Department of Aviation, in 2016 the airport serviced nearly 78 million passengers to and from 208 destinations around the world via more than 48 passenger carriers. Chicago is also home to Midway International Airport, which serviced more than 22 million passengers via five passenger carriers to 75 destinations in the US, Mexico, Jamaica, the Dominican Republic and Canada.

Several major interconnected expressways and interstate highways pass through the Chicago area. Interstates 80, 88 and 290 are the main east/west routes. Interstates 55 and 57 provide access to the south and southwestern suburban areas. Communities to the north and northwest are accessed via Interstates 90 and 94. North/south travel between the western suburbs is facilitated by Interstates 294 and 355.



MARKET OVERVIEW

DEEP AND EDUCATED LABOR POOL

The Chicago MSA is well educated with 60 colleges and universities in the area. Chicago also has a higher population under the age of 24 than New York, San Francisco, Washington D.C., Los Angeles, Boston, and Philadelphia.

TOP 10 GRADUATE BUSINESS SCHOOLS

RANK	SCHOOL
1 (Tie)	Harvard University, Boston, MA
1 (Tie)	University of Chicago (Booth), Chicago, IL
3	University of Pennsylvania (Wharton), Philadelphia, PA
4	Stanford University, Stanford, CA
5	Massachusetts Institute of Technology (Sloan), Cambridge, MA
6	Northwestern University (Kellogg), Evanston, IL
7 (Tie)	University of California-Berkeley (Haas), Berkeley, CA
7 (Tie)	University of Michigan-Ann Arbor (Ross), Ann Arbor, MI
9	Columbia University, New York, NY
10	Dartmouth College (Tuck), Hanover, NH

Source: US News & World Report, 2019

ALL LOCATED WITHIN THE CHICAGO MSA



LOYOLA
UNIVERSITY CHICAGO

Preparing people to lead extraordinary lives

UIC UNIVERSITY OF ILLINOIS
AT CHICAGO



DEPAUL UNIVERSITY



**THE UNIVERSITY OF
CHICAGO**



#2

**Best City to Get a College Degree
- The A.T. Kearney Global Cities Index**



65,000
in downtown
Chicago alone



60 Colleges
or Universities in the
Chicago MSA



325,000
Students

FORTUNE 500 COMPANIES IN THE CHICAGO MSA

RANK	COMPANY	LOCATION	REVENUES (\$M)
19	Walgreens Boots Alliance	Deerfield, IL	\$118,214
27	Boeing	Chicago, IL	\$93,392
45	Archer Daniels Midland	Chicago, IL	\$60,828
65	Caterpillar	Deerfield, IL	\$45,462
79	Allstate	Northbrook, IL	\$38,524
81	United Continental Holdings	Chicago, IL	\$37,736
92	Exelon	Chicago, IL	\$33,531
110	AbbVie	North Chicago, IL	\$28,216
111	Abbott Laboratories	Abbott Park, IL	\$27,390
117	Mondelez International	Deerfield, IL	\$25,896
121	US Foods Holding	Rosemont, IL	\$24,147
131	McDonald's	Oak Brook, IL	\$22,820
172	Sears Holdings	Hoffman Estates, IL	\$16,702
189	CDW	Lincolnshire, IL	\$15,192
204	Illinois Tool Works	Glenview, IL	\$14,314
263	Discover Financial Services	Riverwoods, IL	\$11,545
283	Baxter International	Deerfield, IL	\$10,561
287	W.W. Grainger	Lake Forest, IL	\$10,425
300	LKQ	Chicago, IL	\$9,848
320	Tenneco	Lake Forest, IL	\$9,274
321	Conagra Brands	Chicago, IL	\$9,239
342	Navistar International	Lisle, IL	\$8,570
349	Univar	Downers Grove, IL	\$8,254
356	Jones Lang LaSalle	Chicago, IL	\$7,932
357	Anixter International	Glenview, IL	\$7,927
392	Dover	Downers Grove, IL	\$7,830
406	R.R. Donnelley & Sons	Chicago, IL	\$6,940
436	Packaging Corp. of America	Lake Forest, IL	\$6,445
443	Motorola Solutions	Chicago, IL	\$6,380
446	TreeHouse Foods	Oak Brook, IL	\$6,307
450	Old Republic International	Chicago, IL	\$6,263
454	Arthur J. Gallagher	Rolling Meadows, IL	\$6,160
471	Ulta Beauty	Bolingbrook, IL	\$5,885
478	Ingredion	Westchester, IL	\$5,832
486	Northern Trust	Chicago, IL	\$5,716

INTERNATIONAL CORPORATE HUB RELOCATIONS



Historic multi-year trend of companies relocating from the suburbs or out of state to the downtown area of Chicago to compete in the tight labor market.



Recent examples include McDonald's, United Continental Holdings, Willis Group, Motorola (lenovo), ThyssenKrupp and ADM.

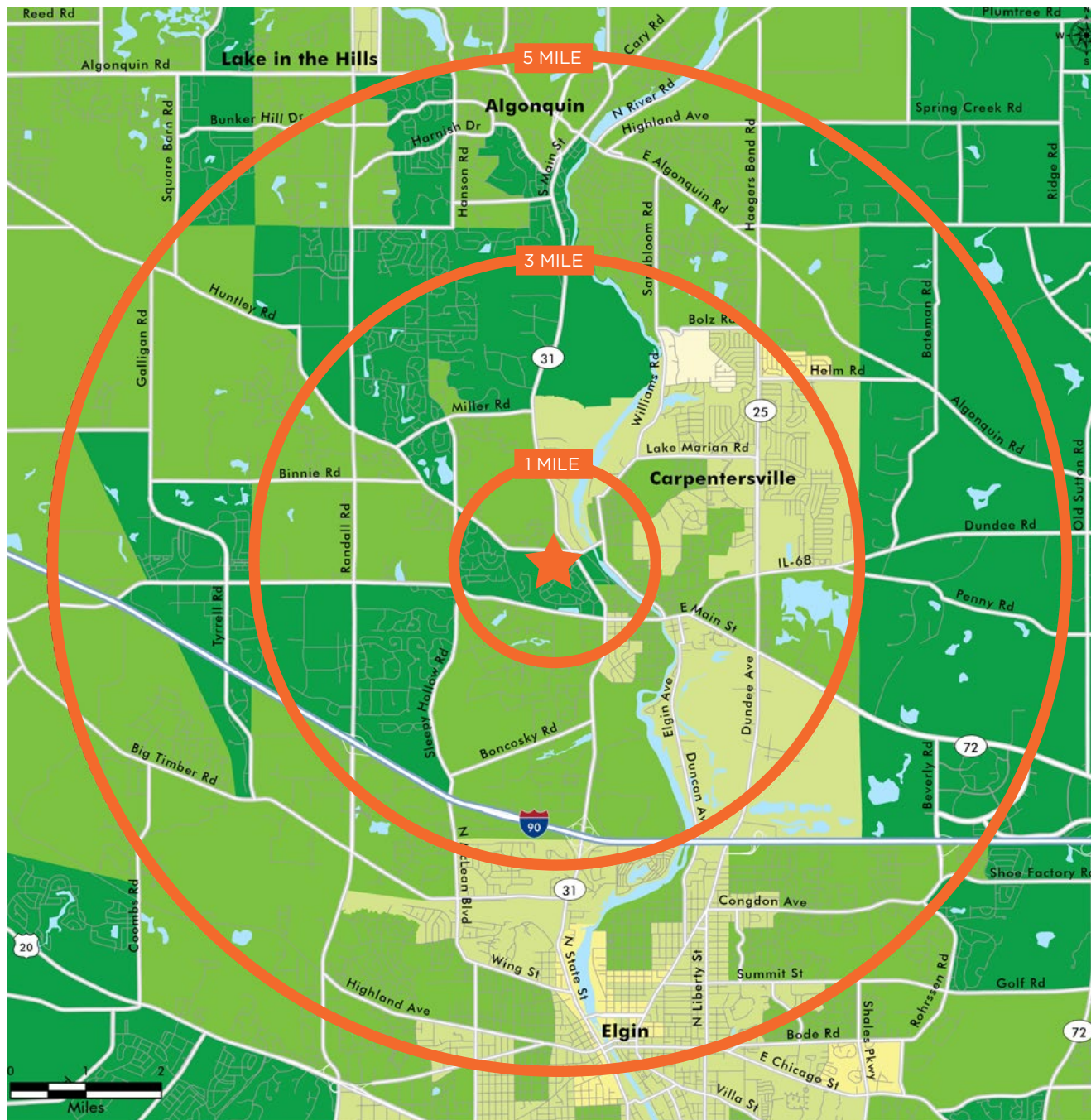


UNITED



In a move from Deerfield, Illinois to downtown, Walgreens recently announced their intention to move 1,800 jobs and relocate the corporate headquarters to Chicago's Old Post Office Building.

HOUSEHOLD INCOME



AVERAGE HOUSEHOLD INCOME



1 MILE
\$103,880



3 MILES
\$96,558



5 MILES
\$101,102



HOUSEHOLDS EARNING OVER \$75,000 ANNUALLY



1 MILE
1,246 (53%)



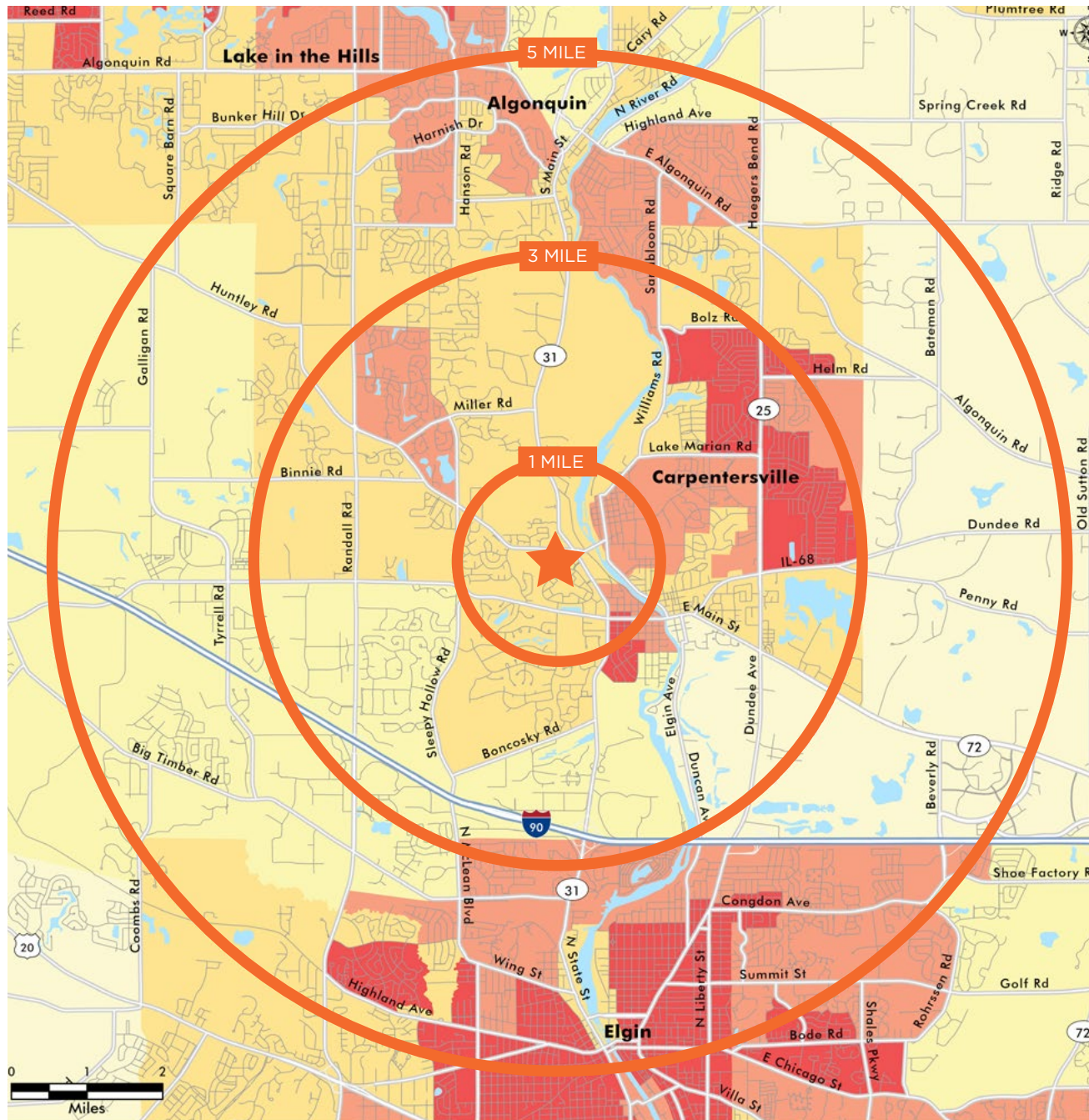
3 MILES
8,593 (49%)



5 MILES
25,183 (52%)

AVERAGE HOUSEHOLD INCOME

- Over \$125,000
- \$75,000 to \$125,000
- \$50,000 to \$75,000
- \$35,000 to \$50,000
- Less than \$35,000



2019 TOTAL POPULATION

1 MILE
6,222

3 MILES
55,575

5 MILES
146,965

DAYTIME POPULATION



5 MILE
155,301

POPULATION PER SQUARE MILE

- Over 5,000
- 2,500 to 5,000
- 1,000 to 2,500
- 500 to 1,000
- Less than 500

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