



NEW TESLA COLLISION REPAIR CENTER INDUSTRIAL NET LEASE INVESTMENT OPPORTUNITY

10.0 YEARS PRIMARY TERM | \$747K YEAR 1 NOI | 44,094 SF | 2.50% ANNUAL ESCALATIONS



View facing East



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THE OFFERING

Jones Lang LaSalle Americas, Inc. (“JLL”) is pleased to exclusively offer for sale the fee simple interest in the newly-renovated Tesla Collision Repair Center at 675 Heathrow Drive, Lincolnshire, IL 60069 (the “Property”) – an affluent northern suburb of Chicago. This 44,094 square foot flex industrial site on 2.7 acres is being redeveloped for Tesla to operate a collision repair service center, part of Tesla’s broader mission to bring its collision repair services “in-house”.

As Tesla continues to deliver more cars, customer demand for mission-critical maintenance and collision repairs will rise in tandem. As such, Tesla announced in 2021 its plan to open collision centers throughout the country to support its growing customer base while also generating an additional recession-resistant income stream for the business.

The subject Property will be 100% net-leased to Tesla, Inc. (NASDAQ: TSLA; Market Cap: ±\$920 billion) for an initial primary term of 10 years with three (3) 5-year renewal options, providing investors with a passive, long-term income stream with annual contractual increases from the market-leading, electric vehicle manufacturer.



INVESTMENT HIGHLIGHTS

CORPORATE GUARANTY FROM MARKET-LEADING TENANCY

Tesla continues to experience strong growth as its production has ramped up and the global population shifts to electric vehicles. Currently, Tesla's market capitalization over \$900 billion makes it by far the most valuable automaker in the world and the credit rating agencies are bullish - over the last two years, Tesla's corporate credit rating has been upgraded by five notches, currently a favorable BB+ (S&P) and Ba1 (Moody's) rating with a positive outlook as of January 2022.

MISSION CRITICAL COLLISION CENTER TO SUPPORT GROWING CUSTOMER BASE

In 2021, Tesla announced its plan to open several collision repair centers throughout the country, finally bringing its repair services "in-house" to best serve its customer base while also generating additional income by providing ongoing, recession-resistant maintenance and collision repair services.

NEW 2022 RENOVATION WITH SIGNIFICANT TENANT INVESTMENT

The exterior and interior is being re-purposed by the Landlord to meet Tesla's needs for the operation. While the Landlord has invested significant dollars into the site based on Tesla specifications, Tesla also plans to invest substantial dollars prior to rent commencement to further build-out the space.

OPTIMAL NET LEASE STRUCTURE WITH RARE ANNUAL RENT INCREASES

The Property is subject to an ideal double net lease with limited landlord responsibility. While most Tesla leases on the market feature 10% increases every 5-years; the Subject lease features rare 2.50% annual rental escalations, driving enhanced cash-on-cash yield for investors.

PROPERTY OVERVIEW

44,094 SF

GLA

100%

Occupancy

1992 / 2022

Year Built /
Renovated

10 Years

Primary
Lease Term

Masonry

Exterior
Construction

Net

Lease
Structure

New LED

Interior
Fixtures

2017

New Roof &
Warranty

\$14,940,000

Price

5.00%

Cap Rate

Representative Photo



PROPERTY & LEASE OVERVIEW

Tenant	Tesla, Inc.
Guarantor	Corporate
Address	675 Heathrow Drive
City / State	Lincolnshire, Illinois 60069
Building Size	44,094 SF (42,774 existing bldg. SF / 1,320 SF expansion garage on south end of bldg.)
Total Lot Size	2.7 Acres
Building Type	Light Industrial
Year Built / Renovated	1992 / 2022
Clear Heights	22'
Loading	2 interior docks / 3 drive-in doors
Parking	86 spaces (1.95 per 1,000 SF)
Lease Expiration (Exp.)	July 30, 2032
Lease Structure	Fee Simple NN Lease
Year 1 Base Rent PSF	\$747,000 \$16.94 PSF
Rent Abatement	Base Rent to be abated for Months 1-3 following the Commencement Date
Rental Increases	2.50% Annually
Renewal Options	3 x 5 Years
Landlord Obligations	Repairs and replacement to Building Structure & Parking Area

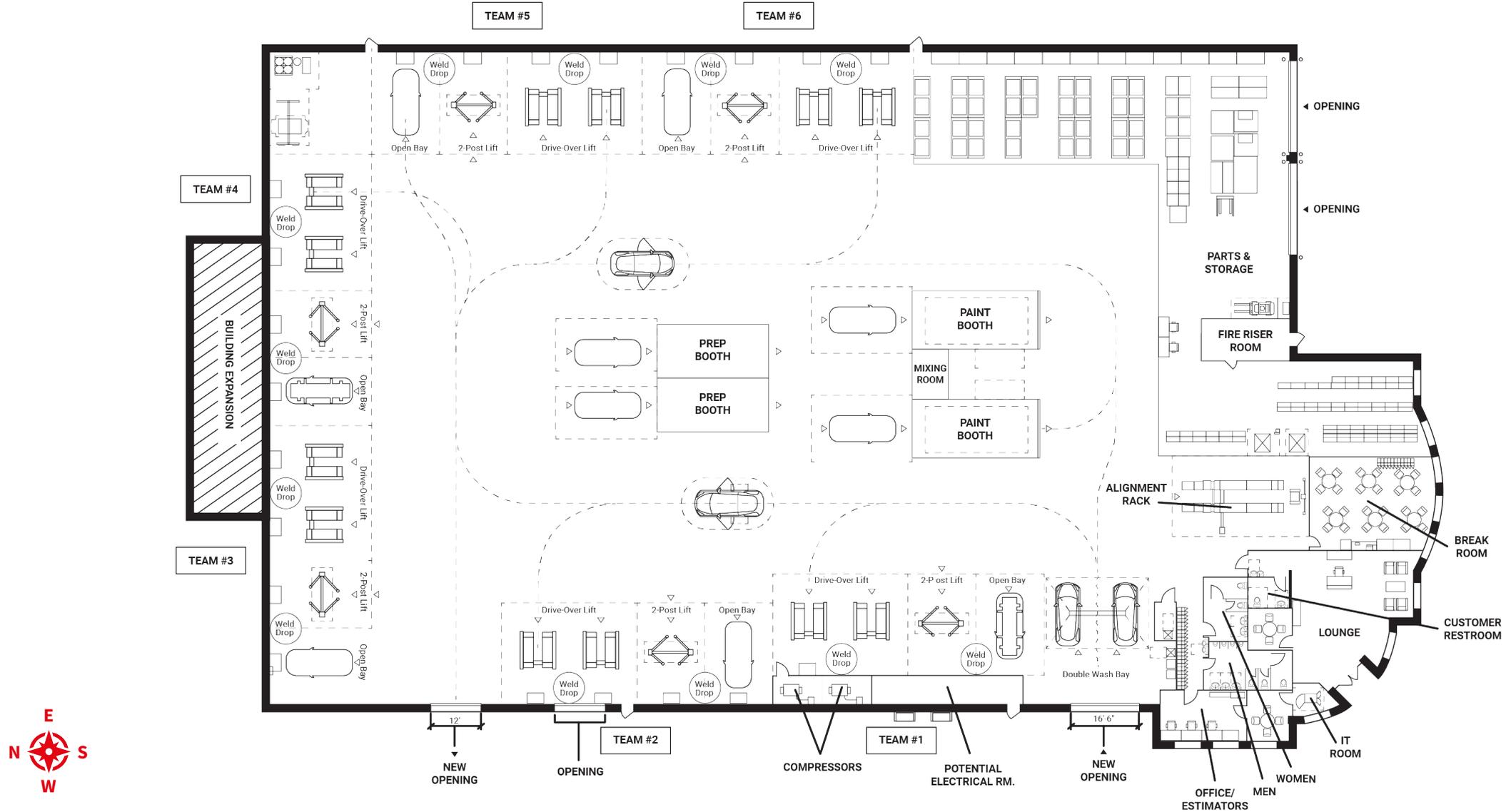
*Certain identified landlord work (i.e., signage) remains to final Village of Lincolnshire approval

View facing Southwest

RENT SCHEDULE

<u>Period</u>	<u>Monthly</u>	<u>Annual</u>	<u>Y/Y Growth</u>
Year 1	\$62,250	\$747,000	-
Year 2	\$63,806	\$765,675	2.5%
Year 3	\$65,401	\$784,817	2.5%
Year 4	\$67,036	\$804,437	2.5%
Year 5	\$68,712	\$824,548	2.5%
Year 6	\$70,430	\$845,162	2.5%
Year 7	\$72,191	\$866,291	2.5%
Year 8	\$73,996	\$887,948	2.5%
Year 9	\$75,846	\$910,147	2.5%
Year 10	\$77,742	\$932,901	2.5%
FIRST RENEWAL OPTION			
Year 11	\$79,685	\$956,223	2.5%
Year 12	\$81,677	\$980,129	2.5%
Year 13	\$83,719	\$1,004,632	2.5%
Year 14	\$85,812	\$1,029,748	2.5%
Year 15	\$87,958	\$1,055,491	2.5%
SECOND RENEWAL OPTION			
Year 16	\$90,157	\$1,081,879	2.5%
Year 17	\$92,410	\$1,108,926	2.5%
Year 18	\$94,721	\$1,136,649	2.5%
Year 19	\$97,089	\$1,165,065	2.5%
Year 20	\$99,516	\$1,194,192	2.5%
THIRD RENEWAL OPTION			
Year 21	\$102,004	\$1,224,046	2.5%
Year 22	\$104,554	\$1,254,648	2.5%
Year 23	\$107,168	\$1,286,014	2.5%
Year 24	\$109,847	\$1,318,164	2.5%
Year 25	\$112,593	\$1,351,118	2.5%





Note: Floor plan reflected above remains subject to final interior layout decisions to be determined by Tesla prior to lease commencement.

TENANT OVERVIEW



Tesla is a **market-leading multinational electric vehicle manufacturer and clean energy company** that sells a range of electric vehicle models, Powerwall and Powerpack solar-powered batteries, solar panels, solar roof tiles, and other related products.

In 2021, Tesla's total revenue was \$53.8 billion, representing 71% growth compared to 2020. Further, the Company's **EBITDA increased 117% year-over-year** to \$9.3 billion in 2021. With its manufacturing expertise, cutting-edge technologies and soaring production volumes, Tesla is now able to make its products more affordable for more people, helping to **further accelerate company profits** and the world's supply of clean energy into the future.

As Tesla's vehicle deliveries continue to increase around the globe, **demand for Tesla's service center and repair locations** will accelerate as well.

RECENT CREDIT-RATING UPGRADES

- In January 2022, *Moody's upgraded Tesla's credit rating to Ba1* with a positive outlook. Standard & Poor's has increased Tesla's credit rating by five notches over the past two years - most recently to BB+ in October 2021.

DOMINANT MARKET CAPITALIZATION VS. PEERS

- As of February 2022, Tesla's market cap is over \$927 billion. This compared to competitors Ford (market cap: \$72B), General Motors (\$75B), and Toyota (\$323B).

ELECTRIC VEHICLE MARKET

According to the International Energy Agency, more than 6.5 million electric cars were sold around the world in 2021 – more than double the number sold in 2020 and more than triple what sold in 2019.

According to a Bloomberg New Energy Finance study, zero-emission vehicles will account for 70% of new passenger vehicles globally by 2040.

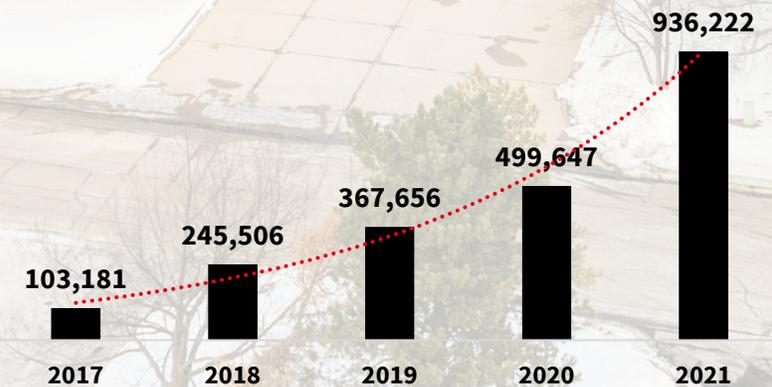
In addition to gas savings, the sticker price of EVs is getting lower thanks to federal tax credits that can knock as much as \$7,500 off the price. Additionally, EVs are projected to get even more affordable in the coming years attributable to battery and technology advancements.

View facing North

TESLA AT-A-GLANCE

Company / Tenant:	Tesla, Inc.
Year Founded:	2003
Headquarters:	Austin, TX
Ownership Type:	Public (Nasdaq: TSLA)
Credit Ratings:	S&P: BB+ / Moody's: Ba1
Sector:	Automaker
Employees:	70,757 (as of 2020)
Revenue (2021):	\$53.8 billion
Gross Profit Margin:	\$13.6 billion 25.3%
EBITDA Margin:	\$9.3 billion 17.2%
Net Income Margin:	\$5.5 billion 10.3%
Cash and Equivalents	\$17.6 billion

Total Car Deliveries

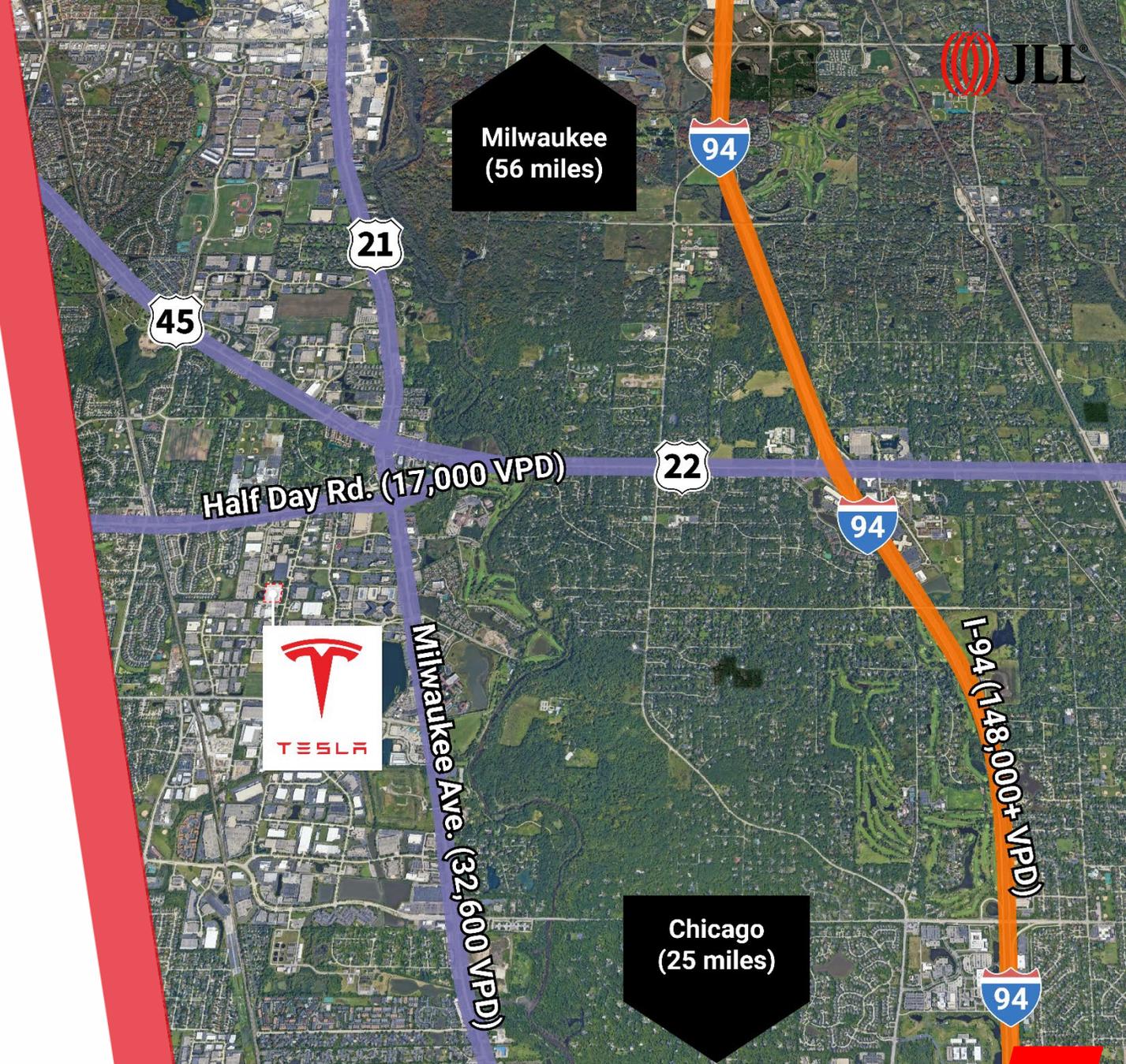


LOCATION OVERVIEW

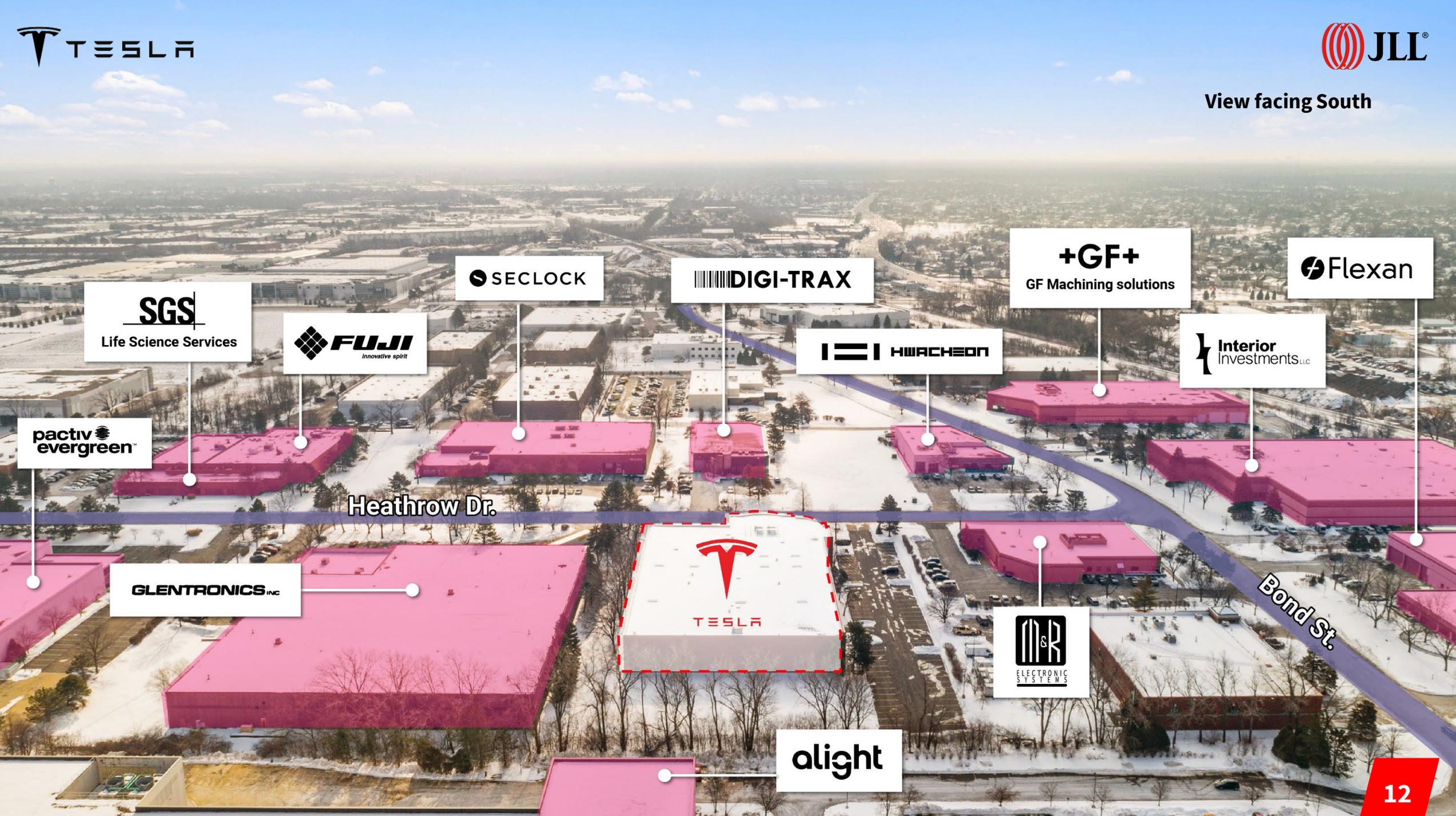
The subject Property is strategically located in a dense industrial park just off Half Day Rd (17,000+ VPD) and approximately three miles west of Interstate 94 (148,000+ VPD), the main north-south highway running through Illinois from Wisconsin to Indiana via downtown Chicago.

The Village of Lincolnshire is in south-central Lake County, approximately 25 miles from downtown Chicago. Encompassing ±4.4 square miles, Lincolnshire is characterized by above average household earnings, highly educated residents and a diverse population comprised of all ages, occupations, and backgrounds.

LOCAL DEMOGRAPHIC SNAPSHOT			
	1-Mile	3-Miles	5-Miles
2022 Population	5,041	61,024	181,693
# of Households	1,806	23,279	68,911
Avg. HH Income	\$169,348	\$166,866	\$144,524



View facing South



SGS
Life Science Services

FUJI
innovative spirit

SECLOCK

DIGI-TRAX

+GF+
GF Machining solutions

Flexan

pactiv evergreen

HWACHEON

Interior Investments LLC

Heathrow Dr.

GLENTRONICS INC

TESLA

M&R
ELECTRONIC SYSTEMS

Bond St.

alight

WHY CHICAGO?

Widely recognized as the cultural hub of the Midwestern United States, Chicago is the third largest metro area in the United States with 9.5 million residents. Approximately 84 million people, equivalent to 27% of the total U.S. population, live within 500 miles of Chicago. The city of Chicago also ranks as the third-most populous in the U.S., with over 2.7 million residents and is considered to be one of the most important business centers in the world. The city is an international hub for finance, commerce, industry, technology, telecommunications, and transportation. Considered to be one of the world's largest and most diverse economies, no single industry employs more than 20% of the workforce.

#1

Best Big Cities In The U.S. For The Fourth Consecutive Year

#1

Top U.S. City For Corporate Relocations And Expansion Projects For The Seventh Consecutive Year

#2

American Cities Of The Future (2019/20)

#3

Largest Metro Areas In The U.S. By Population

INDUSTRIAL MARKET OVERVIEW

CHICAGO INDUSTRIAL MARKET 2021

Total Inventory	1,254,452,425 SF
Total Vacancy	3.5%
Under Construction	28,770,332 SF
YTD Net Absorption	45,931,476 SF

As one of the most diverse economies in the country, Chicago's local economy is insulated from downturns in any one sector. Considered the industrial hub of the Midwest, the Chicago industrial market remains the most influential in the region due to its vast size, low-cost labor force, and proximity to three of the nation's busiest transcontinental freeways.

Chicago MSA's industrial vacancy continues to compress into historically low territory falling to 3.5% at year-end 2021. With nearly 46 million SF of absorption for the year, Chicago has blown past the combined 2019 and 2020 tally primarily driven by several large corporate occupiers expanding their footprint across the Chicago market. Some of the largest household names taking on more space include Best Buy, LG Electronics, Home Depot, Tesla, and Walgreens, with these space commitments indicating the health and positive outlook of the Chicago industrial market

LAKE COUNTY INDUSTRIAL SUBMARKET

Located north of downtown Chicago and bordering Lake Michigan, the Lake County submarket is one of Chicago's largest submarkets with ±75.0 million SF accounting for 6% of Chicago's total industrial base. Lake County is the largest county in the state and is bisected by I-94 and served by three Metra lines.

The submarket is characterized by higher finish mixed-use industrial and service-oriented enterprises tied to the surrounding affluent residential areas. This market also has a rich history of higher-end manufacturing driven by the technology, medical and pharmaceutical industries which benefit from the highly skilled labor pool in the market. Lake County is a land constrained submarket with the Forest Preserve controlling 3.0% of the total land area



View facing Southwest



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