

OFFERING MEMORANDUM

99-Year Ground Sale Leaseback | River North Submarket Chicago



STREAM CAPITAL PARTNERS

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TRANSACTION SUMMARY

| | |
|------------------------|-------------|
| Cap Rate: | 5.00% |
| Annual Rent: | \$300,000 |
| Purchase Price: | \$6,000,000 |

Lease Specifications

| | |
|-----------------------------------|-----------------------------------------------|
| Lease Type: | NNN - Ground Lease |
| Landlord Responsibilities: | None |
| Initial Lease Term: | 99 years |
| Lease Commencement: | Upon closing |
| Rental Increases: | 1.5% per year |
| Features: | Located in highest income zip code in Chicago |

Property Specifications

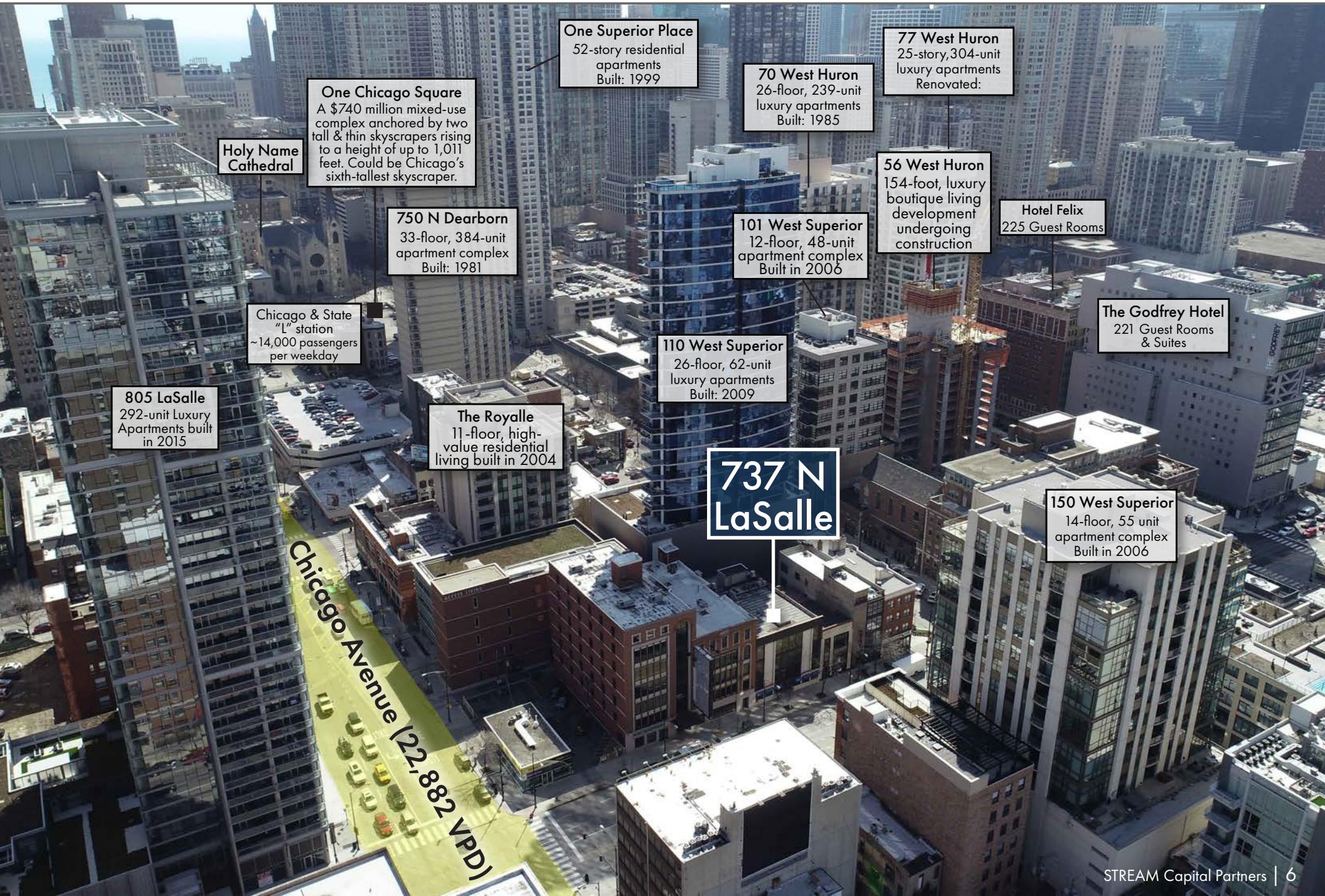
| | |
|-------------------------|-----------------------------------------------------|
| Address: | 737 N LaSalle, Chicago, IL |
| Subarket: | River North |
| Building Size: | 14,800 square feet ~20,000 SF including basement |
| Air Rights: | 30,000 square feet |
| Land Size: | |
| 17-09-204-004-0000 | 0.0549 acres |
| 17-09-204-005-0000 | 0.0547 acres |
| Total Land Size: | 0.1096 acres |



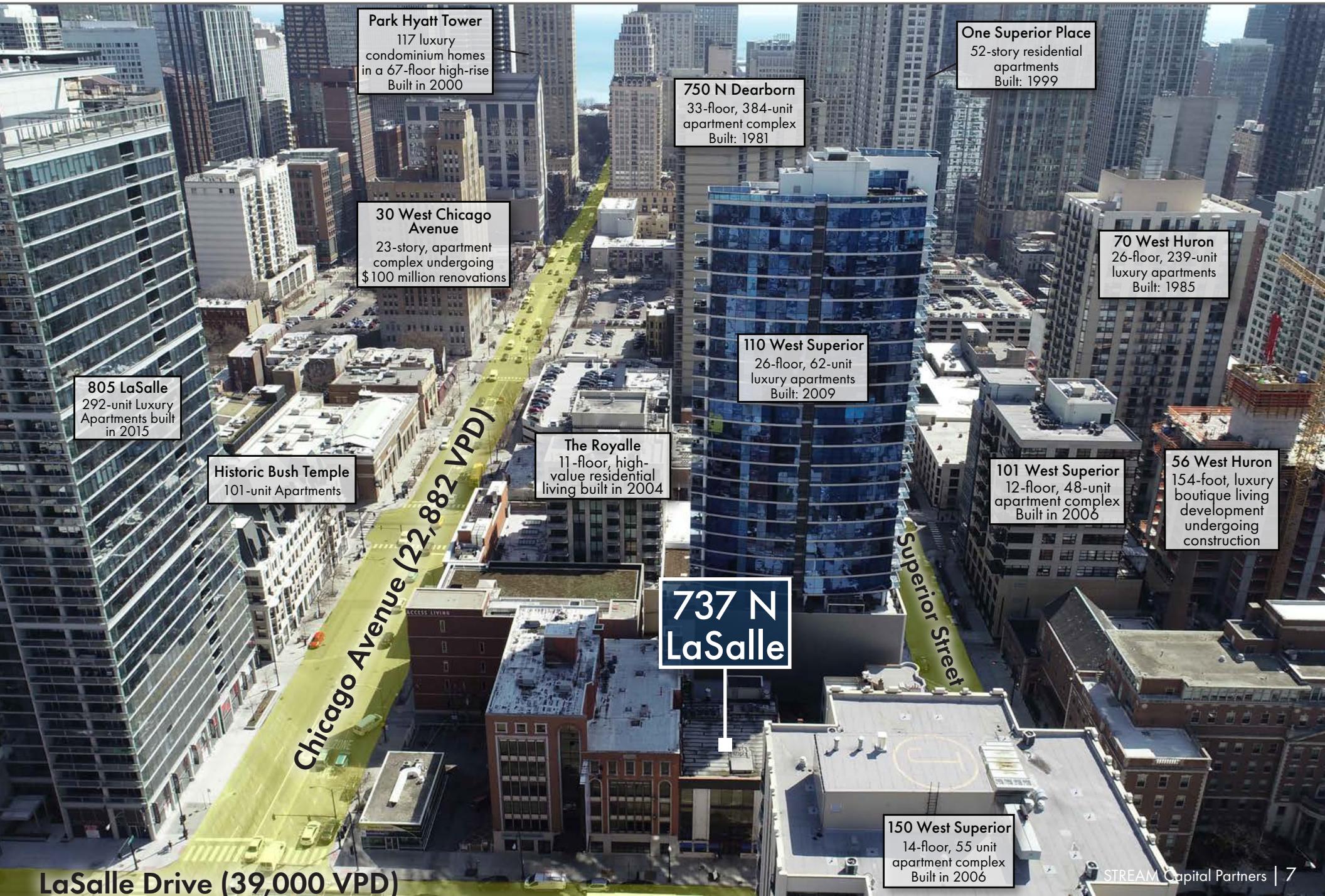
AERIAL VIEW



AERIAL VIEW



AERIAL VIEW



AERIAL VIEW



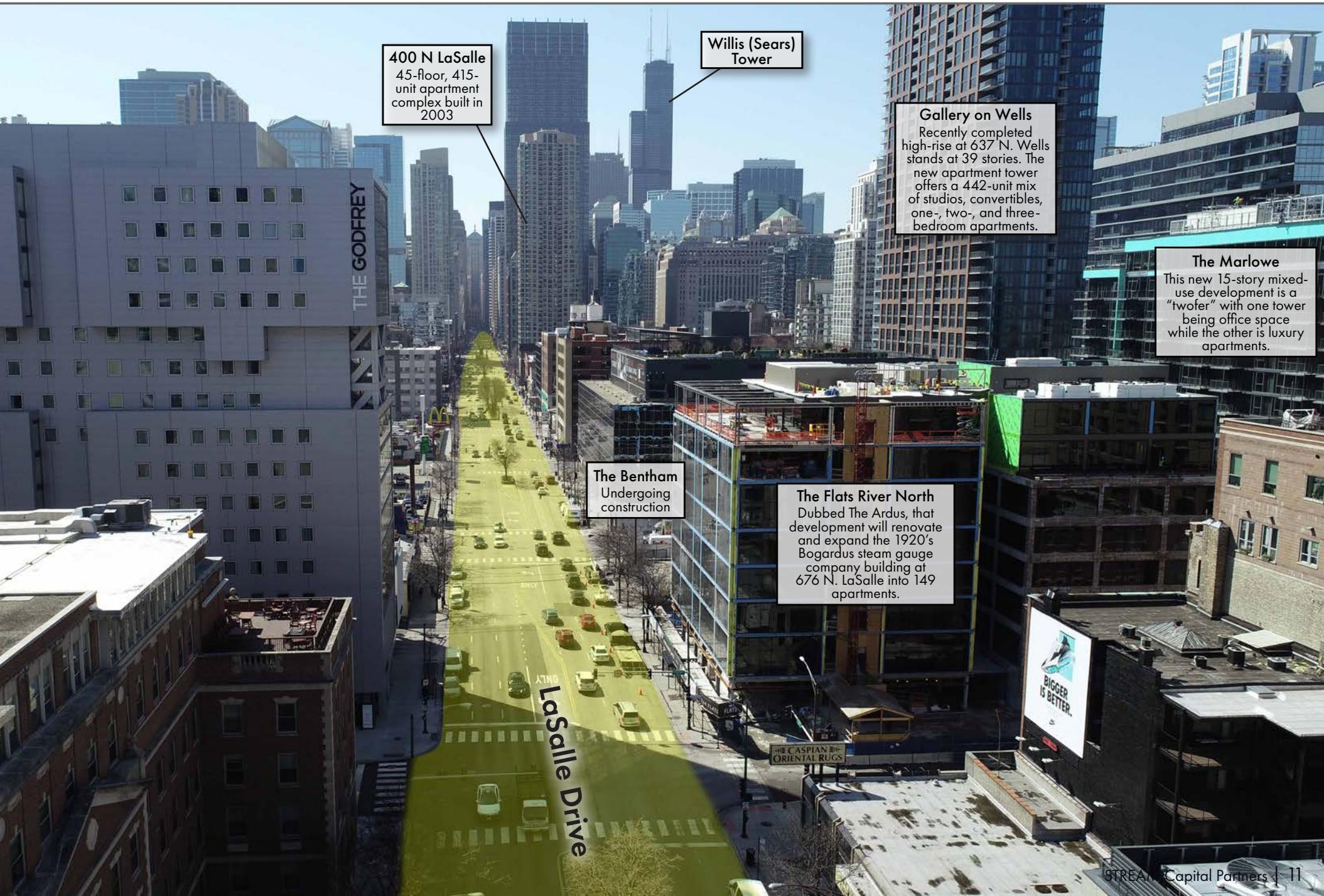
AERIAL VIEW



AERIAL VIEW



AERIAL VIEW



RIVER NORTH CONSTRUCTION



8 East Huron

Designed by architects Valerio Dewalt Train Associates, the new 26-story tower will feature 101 rentals, 31 parking stalls, and 2,756 square feet of ground level retail space.



Hubbard221

This new mixed-use development is a “twofer” with one tower being office space while the other is luxury apartments.

While the dozens of tower cranes have been spotted at construction sites all over the city, downtown's River North area has been a major benefactor of Chicago's high-rise construction boom. Since the deep freeze of the recession thawed out, numerous new high-rises have been constructed in River North, and many more are still on the way.

RIVER NORTH CONSTRUCTION



One Chicago Square

Expected to cost more than \$700 million, the two-tower project would occupy the block just west of Holy Name, at State and Superior streets, and include 900 apartments and condominiums, a health club and spa, and a grocery store. It would be one of the biggest housing projects ever built in downtown Chicago, with one tower rising 76 stories and the other rising 45.

A developer took the wraps of its ambitious plan to turn the large parking lot across from Chicago's Holy Name Cathedral in River North into a \$740 million mixed-use complex anchored by two very tall and thin skyscrapers. Rising to a height of up to 1,011 feet, the taller of the pair would become the Windy City's sixth tallest building if approved and constructed as proposed.



Renderings of One Chicago Square

RIVER NORTH CONSTRUCTION



3eleven

Just making its debut this year, 3eleven, the new 25-story tower at 311 W. Illinois Street boasts 245 rental apartments, a 109-stall parking garage, and 3,100 square feet of ground-level retail space.



Gallery on Wells

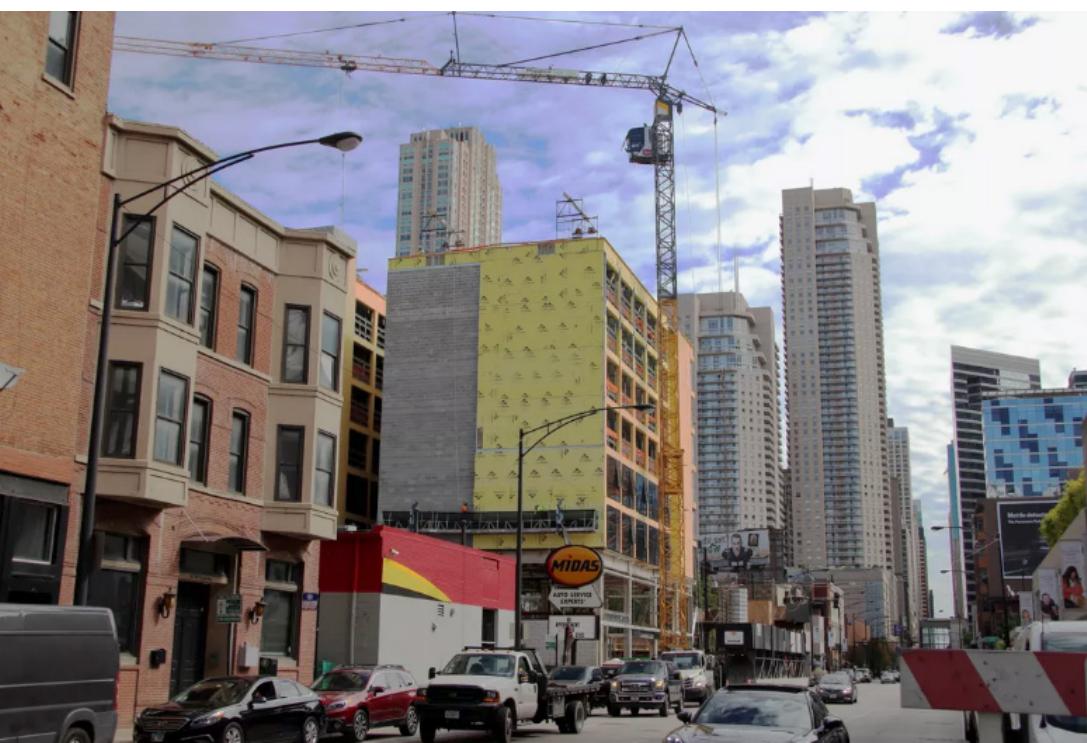
This recently completed high-rise at 637 N. Wells Street has just opened to renters. Standing at 39 stories, the new apartment tower offers a 442-unit mix of studios, convertibles, one-, two-, and three-bedroom apartments.

RIVER NORTH CONSTRUCTION



Renelle on the River

Construction on this new upscale condo development is just getting started. The upcoming 18-story building landed a full construction permit estimated at \$52 million. Developed by Chicago's Belgravia Group and designed by bKL Architecture, Renelle features 50 high-end, three- and four-bedroom residences. According to its developers, condominium pricing starts around \$1.3 million and can well exceed \$3 million for some of the roomier, higher floor penthouse units.



Moxy Hotel

Moxy Hotels will open its first location in the Midwest in Chicago's River North neighborhood, the brand announced with new details earlier in December. The project was kept under wraps, even as construction started, but the 156-room hotel at 530 N. LaSalle has set an official opening for June 2018.

RIVER NORTH CONSTRUCTION



400 W Huron

This newly completed 15-story condo tower features only 26 units. However, 400 W. Huron has helped to kickstart the low-density, low unit count but high-end condo market that has emerged in River North over the last few years.



640 N Wells

The new luxury apartment tower's offset stacked structure stands at 23 stories and delivers 250 new apartments and 8,000 square feet of ground-level retail to the River North neighborhood.

RIVER NORTH CONSTRUCTION



The Arduis

North Side developer Cedar Street Cos. are transforming a former office building and adding a new glassy addition to make way for 149 new apartments on LaSalle Street. Dubbed Flats River North, the new development will feature just 31 parking spaces and will boast a large rooftop amenity deck as well as 10,000 square feet of ground level retail space.



Found Hotel

This former SRO is currently undergoing a transformation into a new boutique hotel. Located at 611 N. Wells, the four-story structure reopened this month as the Found Hotel and feature 60 guest rooms, a ground floor cafe, and a basement speakeasy. The 25,000-square-foot Olympia Building is situated in the heart of River North's high-rise construction boom with the new 640 N. Wells and Gallery on Wells located nearby.

RIVER NORTH CONSTRUCTION



The Ronsley

LG Development is converting a long-empty warehouse on Kingsbury Street in River North into luxury condos, and now the company is lining up buyers for the 41 residences. The Ronsley and a handful of other projects in River North are delivering 41 new for-sale inventory for the area.



The Hudson

The recently completed rental tower delivers another 240 apartments to the neighborhood's luxury rental market.

RIVER NORTH CONSTRUCTION



110 West Huron Street

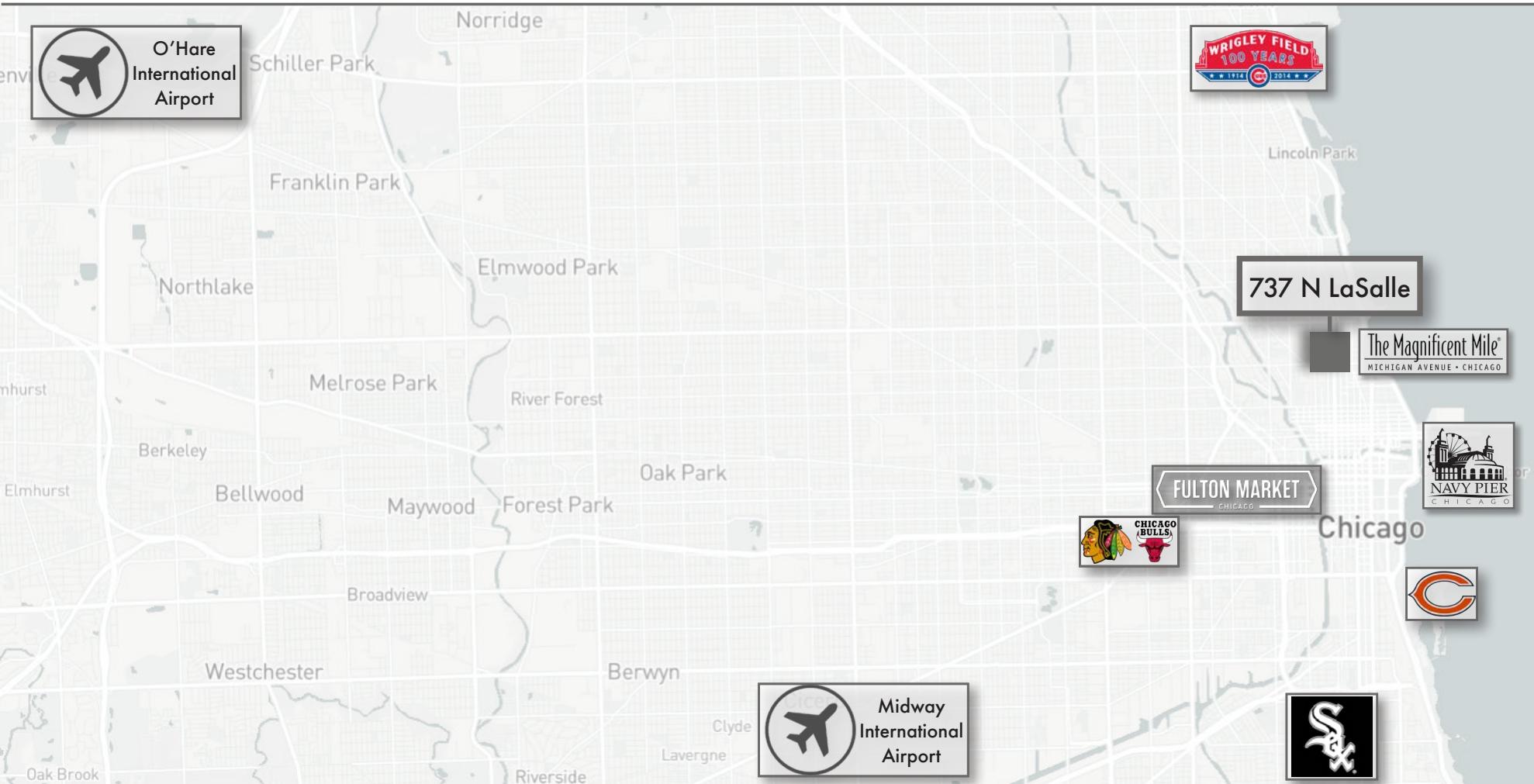
Yet one more hotel is joining the slew of new offerings for River North. Located just across the street from competing hotels such as the Godfrey and Felix, the upcoming 17-story hotel for Huron Street will feature 206 guest rooms, ground floor retail space, a rooftop restaurant, and no on-site parking.



Marlowe

This new 15-story mixed-use development is a “twofer” with one tower being office space while the other is luxury apartments.

METROPOLITAN MAP



Distance from Subject Property

| | | | |
|----------------------|-----------|------------------------------|-----------|
| The Magnificent Mile | 0.7 miles | Wrigley Field | 5.6 miles |
| Navy Pier | 1.7 miles | Guaranteed Rate Field | 6.6 miles |
| Fulton Market | 1.7 miles | Midway International Airport | 12 miles |
| United Center | 2.8 miles | O'Hare International Airport | 15 miles |

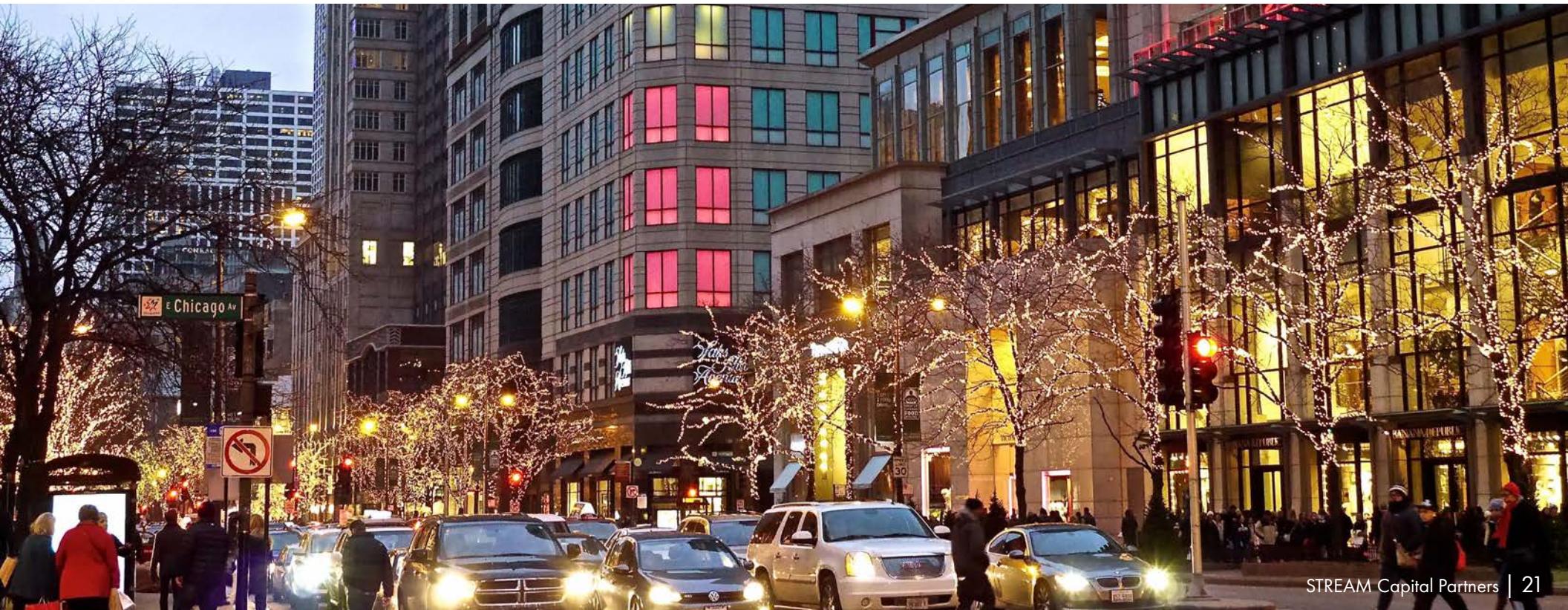
MARKET OVERVIEW

River North, home to the world famous Magnificent Mile, maintains its reputation among the hottest neighborhoods in Chicago. Located in the Near North community, River North which borders the Chicago Loop and Streeterville neighborhoods, is one of the fastest-growing areas in the city. Much of River North's popularity can be attributed to the variety of bars, clubs, shops, restaurants, and entertainment venues.

Beginning in the 1970s and 1980s, industrial warehouses began transforming into work spaces and studios for artists and entrepreneurs. Anchoring the neighborhood is the Merchandise Mart, which is a central hub for those commuting downtown, boutique shops, and an all-inclusive food hall. The Mart spans 2 blocks and attracts more than 3 million visitors per year.

The tech scene in River North continues to expand alongside rents. On average, office asking rents in Chicago rose 5 percent between 2015 and 2017, while rents in River North jumped 16 percent in this time frame. Tech companies continue to show a willingness to pay a premium for office space in the hottest tech submarkets as office space in tech hotspots is dwindling.

Chicago's high-tech employment growth between 2015 and 2016 outpaced the previous record growth between 2013 and 2014. Vacancy in the River North submarket remains extremely tight hovering around 4%.



RIVER NORTH DEMOGRAPHICS

POPULATION ESTIMATE

1-MILE

92,118

3-MILE

339,546

5-MILE

639,522

ESTIMATED AVERAGE HOUSEHOLD INCOME

1-MILE

\$163,071

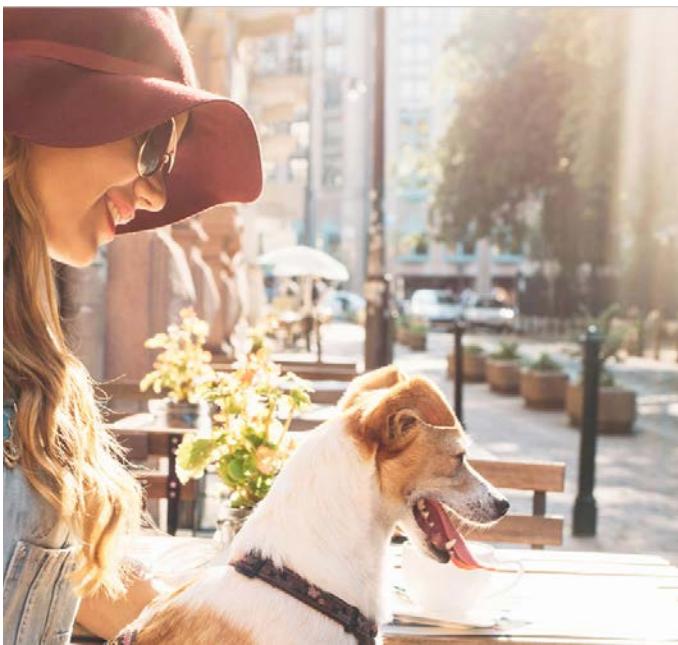
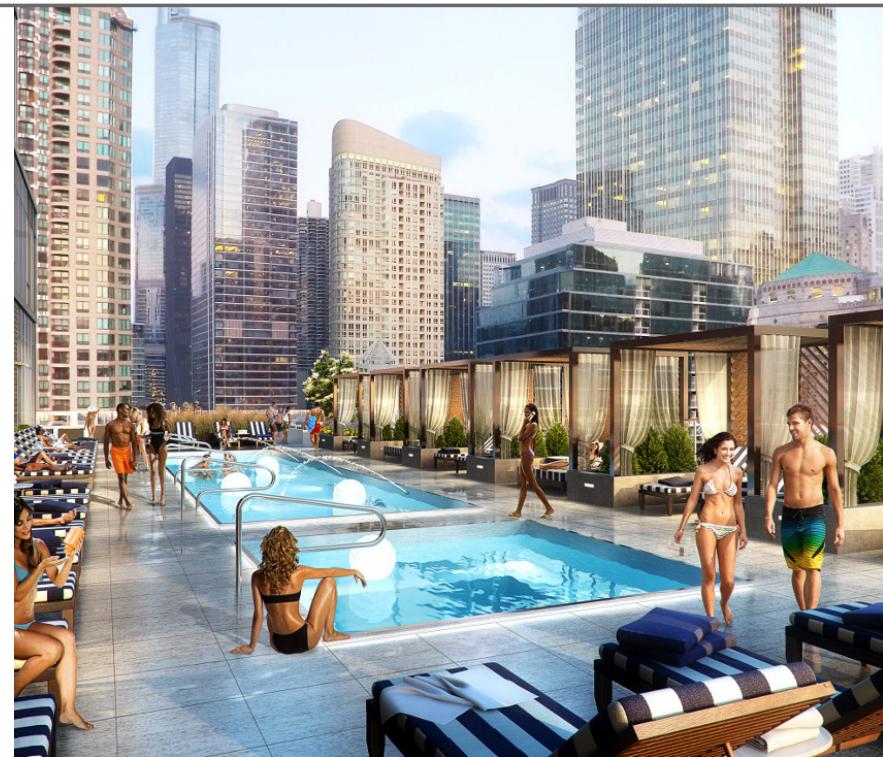
3-MILE

\$141,759

5-MILE

\$116,159

RIVER NORTH SCENE





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