

OFFERING MEMORANDUM

# **TORRENCE AVE 19 UNIT PORTFOLIO**

18381, 18350 & 18422 TORRENCE AVENUE, LANSING, IL 60438



**ANDREW O'CONNELL** 

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Notice: Unless a Consent to Dual Agency has been signed by both parties to a transaction for this property Andrew O'Connell represents the Landlord only, and not the Tenant.

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Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by LM Commercial Real Estate in compliance with all applicable fair housing and equal opportunity laws.





# **SECTION 1** PROPERTY INFORMATION

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**EXECUTIVE SUMMARY** 



#### **PROPERTY OVERVIEW**

LM Commercial is pleased to present the sale of 18381, 18350 & 18422 Torrence Ave - Lansing, IL. This is a portfolio sale of three co-located buildings for a total of 19 Units. The 18381 Torrence building is six total units comprised of 4 (1 Bed/1 Bath) & 2 (2 Bed/1 Bath) Units; the 18350 Torrence Ave buildings is a total of seven units comprised of 5 (1 Bed/1 Bath) & 2 (2 Bed/1 Bath) Units; and the 18422 Torrence buildings is a total of six units comprised of 2 (1 Bed/1 Bath) & 4 (2 Bed/1 Bath) Units. The total portfolio of nineteen units with a total unit mix of 11 (1 Bed/1 Bath) & 8 (2 Bed/1 Bath) Units. These properties are located within close proximity from each other which facilitates for property management. The 18381 & 18422 are traditional brick six unit buildings with common area hallways and 18350 is a brick seven unit California Style building.

#### LOCATION OVERVIEW

These properties are located in Lansing, Illinois which is a South Suburb of Chicago located along the border of Illinois and Indiana. The property has excellent access to Il Route 83/ Torrence Ave, which connects I-80, I-94, I-294, I-394, and US-6 at the Torrence Ave interchange located within a mile of the property. The quick highway access provides easy accessibility to both Chicago Metropolitan and Northwest Indiana and the surrounding areas. The property is within two miles of major retail centers in River Oaks Mall, Wal-Mart, Home Depot, LA Fitness, and an ample supply of restaurants and entertainment.



### TORRENCE AVE 19 UNIT PORTFOLIO | 4

### **INVESTMENT OVERVIEW**

Sale Price:	\$1,140,000
Number of Units:	19
Price Per Unit:	\$60,000
NOI:	\$75,348
Cap Rate:	6.8%
Building SF:	11,625 SF
Land SF:	23,750 SF

#### **PROPERTY HIGHLIGHTS**

- These buildings provide new ownership a great Value-Add opportunity to increase the buildings below market rents.
- Excellent access to Chicago and the Greater Metropolitan Area with Direct Highway Access off of Torrence Ave.
- Strong rental market in Lansing, IL will continue to have strong Occupancy Rates.
- Close proximity to the Torrence Ave retail corridor, and plenty of amenities.
- The current long term ownership has consistently managed and maintained the portfolio, with no capital improvements needed.







### FOR SALE

18381, 18350 & 18422 TORRENCE AVENUE, LANSING, IL 60438

### **ADDITIONAL PHOTOS**





TORRENCE AVE 19 UNIT PORTFOLIO | 6

### FOR SALE

18381, 18350 & 18422 TORRENCE AVENUE, LANSING, IL 60438

# **ADDITIONAL PHOTOS**







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# **SECTION 2** LOCATION INFORMATION

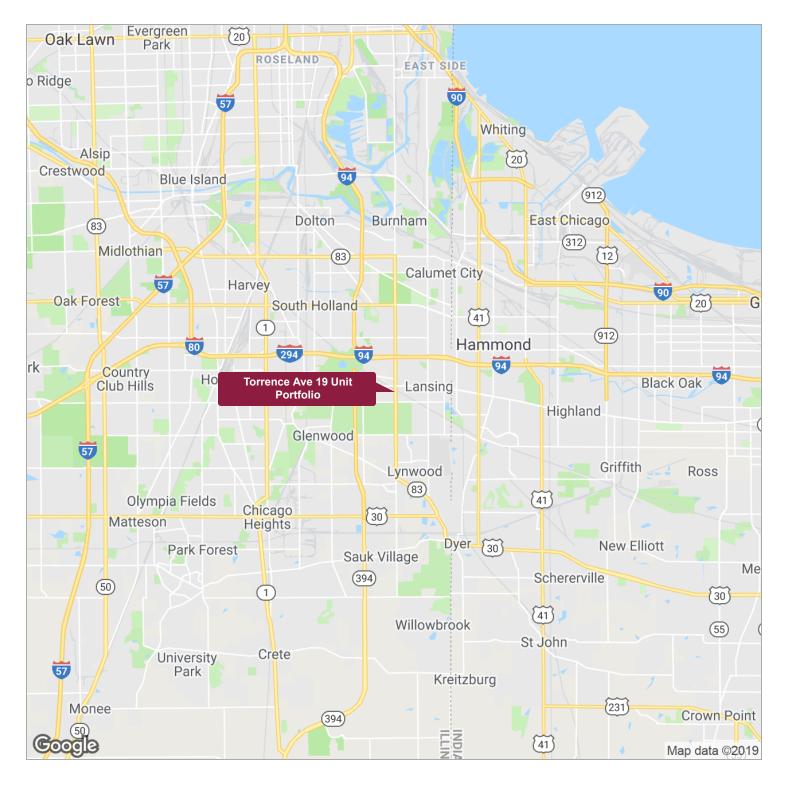
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# **REGIONAL MAP**





### TORRENCE AVE 19 UNIT PORTFOLIO | 9

## **RETAILER MAP**



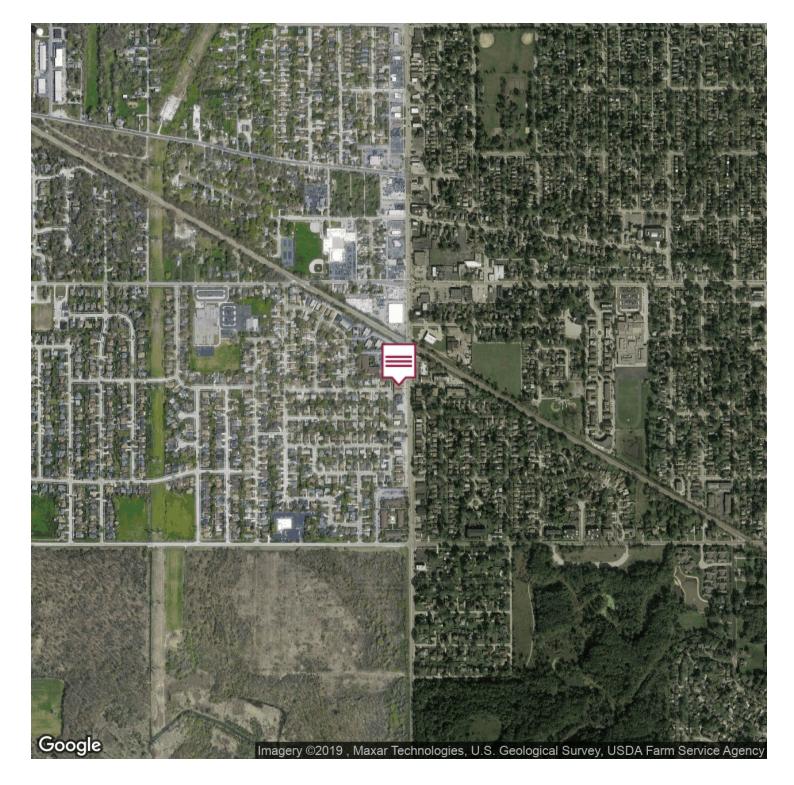
Map data ©2019 Imagery ©2019 , IndianaMap Framework Data, Landsat / Copernicus, Maxar Technologies, U.S. Geological Survey, USDA Farm Service Agency

### Lagestee-Mulder Commercial Real Estate

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## **AERIAL MAPS**





TORRENCE AVE 19 UNIT PORTFOLIO | 11

# **CITY INFORMATION**



#### LANSING, IL

Located just 30 miles from the Chicago downtown loop, Lansing is an economically and socially diverse community made up of college graduates, skilled tradesmen, and Seniors who have been invested in the community for decades. With a population of over 28,000, the community is strategically located in the center of the dynamic Interstate 80 Corridor, allowing business to take advantage of a regional population of 9 million people. Metro Chicago is one the world's finest transportation centers, and Lansing provides convenient access to O'Hare International Airport, Midway International Airport, and global intermodal facilities via two Interstates.Lansing, Illinois... it's the best of both worlds. Small town charm, deep-seated family values, top-notch education systems and a select regional location await those who investigate the resources of this community. Look slightly beyond Lansing and discover rich economic, educational medical, and cultural potential to enhance the quality resources enjoyed by all who live and work in Lansing.



### **DEMOGRAPHICS MAP**

Blue	Island	Whiting		
Orland Park		Calumet City		(12)
Tinley Park	Harvey South Holla	nd Hammond (912)		Portage
355 80 57	394	Lansing Highland	9	Hobart
New Lenox Frankfort Matteso	Chicago Heights		55	130
		Schererville	Merrillville	(30)
<b>Coogle</b> (45) (50	and the	-St John	- 65	Map data ©2019

POPULATION	1 MILE	3 MILES	5 MILES
Total population	10,353	69,437	220,256
Median age	37.3	38.7	37.3
Median age (male)	34.3	36.6	35.0
Median age (Female)	39.8	40.4	38.8
HOUSEHOLDS & INCOME	1 MILE	3 MILES	5 MILES
HOUSEHOLDS & INCOME Total households	<b>1 MILE</b> 4,086	<b>3 MILES</b> 27,272	<b>5 MILES</b> 82,705
Total households	4,086	27,272	82,705

\* Demographic data derived from 2010 US Census





# **SECTION 3** FINANCIAL ANALYSIS

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### FINANCIAL SUMMARY

INVESTMENT OVERVIEW	18381 TORRENCE AVE	18350 TORRENCE AVE	18422 TORRENCE AVE	PORTFOLIO ACTUALS
Price	\$360,000	\$420,000	\$360,000	\$1,140,000
Price per Unit	\$60,000	\$60,000	\$60,000	\$60,000
GRM	6.8	7.2	6.5	6.8
CAP Rate	5.7%	6.9%	7.9%	6.8%
Cash-on-Cash Return (yr 1)	3.33 %	7.58 %	12.42 %	7.84 %
Total Return (yr 1)	\$6,983	\$15,360	\$15,160	\$34,970
Debt Coverage Ratio	1.17	1.65	1.64	1.41
OPERATING DATA	18381 TORRENCE AVE	18350 TORRENCE AVE	18422 TORRENCE AVE	PORTFOLIO ACTUALS
Gross Scheduled Income	\$53,160	\$58,200	\$55,740	\$167,100
Other Income	\$1,200	\$1,200	\$1,200	\$3,600
Total Scheduled Income	\$54,360	\$59,400	\$56,940	\$170,700
Vacancy Cost	\$2,658	\$2,910	\$2,787	\$8,355
Gross Income	\$51,702	\$56,490	\$54,153	\$162,345
Operating Expenses	\$31,309	\$27,720	\$25,583	\$84,911
Net Operating Income	\$20,392	\$28,770	\$28,570	\$77,433
Pre-Tax Cash Flow	\$2,999	\$11,377	\$11,177	\$22,355
FINANCING DATA	18381 TORRENCE AVE	18350 TORRENCE AVE	18422 TORRENCE AVE	PORTFOLIO ACTUALS
Down Payment	\$90,000	\$150,000	\$90,000	\$285,000
Loan Amount	\$270,000	\$270,000	\$270,000	\$855,000
Debt Service	\$17,393	\$17,393	\$17,393	\$55,078
Debt Service Monthly	\$1,449	\$1,449	\$1,449	\$4,589
Principal Reduction (yr 1)	\$3,983	\$3,983	\$3,983	\$12,614



### **FINANCIAL SUMMARY**

INVESTMENT OVERVIEW	PORTFOLIO ACTUALS	PORTFOLIO PRO FORMA
Price	\$1,140,000	\$1,140,000
Price per Unit	\$60,000	\$60,000
GRM	6.8	6.2
CAP Rate	6.8%	7.9%
Cash-on-Cash Return (yr 1)	7.84 %	12.3 %
Total Return (yr 1)	\$34,970	\$47,655
Debt Coverage Ratio	1.41	1.64
OPERATING DATA	PORTFOLIO ACTUALS	PORTFOLIO PRO FORMA
Gross Scheduled Income	\$167,100	\$185,400
Other Income	\$3,600	\$4,500
Total Scheduled Income	\$170,700	\$189,900
Vacancy Cost	\$8,355	\$9,270
Gross Income	\$162,345	\$180,630
Operating Expenses	\$84,911	\$90,511
Net Operating Income	\$77,433	\$90,118
Pre-Tax Cash Flow	\$22,355	\$35,040
FINANCING DATA	PORTFOLIO ACTUALS	PORTFOLIO PRO FORMA
Down Payment	\$285,000	\$285,000
Loan Amount	\$855,000	\$855,000
Debt Service	\$55,078	\$55,078
Debt Service Monthly	\$4,589	\$4,589
Principal Reduction (yr 1)	\$12,614	\$12,614



## **INCOME & EXPENSES**

UNIT TYPE	COUNT	% TOTAL	SIZE (SF)	RENT	<b>RENT/SF</b>	MARKET RENT	MARKET RENT/SF
1 Bed/1 Bath	11	57.9	600	\$665	\$1.11	\$750	\$1.25
2 Bed/2 Bath	8	42.1	800	\$845	\$1.06	\$900	\$1.13
Totals/Averages	19	100%	13,000	\$14,075	\$1.08	\$15,450	\$1.19
INCOME SUMMARY	1838	1 TORRENCE AVE	1835	0 TORRENCE AVE	1842	2 TORRENCE AVE	PORTFOLIO ACTUALS
Rental Income		\$53,160		\$58,200		\$55,740	\$167,100
Laundry Income		\$1,200		\$1,200		\$1,200	\$3,600
Gross Income		\$54,360		\$59,400		\$56,940	\$170,700
EXPENSE SUMMARY	1838	1 TORRENCE AVE	1835	0 TORRENCE AVE	1842	2 TORRENCE AVE	PORTFOLIO ACTUALS
Real Estate Taxes		\$15,233		\$13,220		\$12,410	\$40,863
Electric		\$591		\$641		\$832	\$2,064
Gas		\$3,114		\$2,712		\$2,492	\$8,318
Water		\$3,246		\$2,014		\$955	\$6,215
Sewer		\$547		\$439		\$366	\$1,552
Scavenger		\$613		\$600		\$600	\$1,813
Janitor		\$815		\$815		\$815	\$2,445
Lawncare		\$797		\$797		\$797	\$2,391
Snow Removal		\$625		\$625		\$625	\$1,875
Repairs		\$2,500		\$2,500		\$2,500	\$7,500
Insurance		\$3,000		\$3,132		\$2,966	\$9,098
Village Inspection		\$225		\$225		\$225	\$775
Gross Expenses		\$31,309		\$27,720		\$25,583	\$84,911
Net Operating Income		\$20,392		\$28,770		\$28,570	\$77,433



## **INCOME & EXPENSES**

UNIT TYPE	COUNT	% TOTAL	SIZE (SF)	RENT	<b>RENT/SF</b>	MARKET RENT	MARKET RENT/SF
1 Bed/1 Bath	11	57.9	600	\$665	\$1.11	\$750	\$1.25
2 Bed/2 Bath	8	42.1	800	\$845	\$1.06	\$900	\$1.13
Totals/Averages	19	100%	13,000	\$14,075	\$1.08	\$15,450	\$1.19
INCOME SUMMARY				PORTFOL	IO ACTUALS		PORTFOLIO PRO FORMA
Rental Income Laundry Income					\$167,100 \$3,600		\$185,400 \$4,500
Gross Income					\$170,700		\$189,900
EXPENSE SUMMARY				PORTFOL	IO ACTUALS		PORTFOLIO PRO FORMA
Real Estate Taxes					\$40,863		\$40,863
Electric					\$2,064		\$3,064
Gas					\$8,318		\$8,81
Water					\$6,215		\$6,91
Sewer					\$1,552		\$2,05
Scavenger					\$1,813		\$2,11
Janitor					\$2,445		\$2,94
Lawncare					\$2,391		\$3,39
Snow Removal					\$1,875		\$1,97
Repairs					\$7,500		\$8,50
Insurance					\$9,098 \$775		\$9,09 \$77
Village Inspection							
Gross Expenses					\$84,911		\$90,51
Net Operating Income					\$77,433		\$90,118



# **RENT ROLL**

UNIT NUMBER	UNIT BED	UNIT BATH	UNIT SIZE (SF)	CURRENT RENT	CURRENT RENT (PER SF)	MARKET RENT	MARKET RENT/SF
18381 Torrence Ave							
1	1	1	600	\$675	\$1.13	\$750	\$1.25
2	1	1	600	\$675	\$1.13	\$750	\$1.25
3	1	1	600	\$675	\$1.13	\$750	\$1.25
4	1	1	600	\$675	\$1.13	\$750	\$1.25
5	2	1	800	\$865	\$1.08	\$900	\$1.13
6	2	1	800	\$865	\$1.08	\$900	\$1.13
18350 Torrence Ave							
1	1	1	600	\$650	\$1.08	\$750	\$1.25
2	1	1	600	\$650	\$1.08	\$750	\$1.25
3	1	1	600	\$650	\$1.08	\$750	\$1.25
4	1	1	600	\$650	\$1.08	\$750	\$1.25
5	1	1	600	\$650	\$1.08	\$750	\$1.25
6	2	1	800	\$800	\$1.00	\$900	\$1.13
7	2	1	800	\$800	\$1.00	\$900	\$1.13
18422 Torrence Ave							
1	1	1	600	\$650	\$1.08	\$750	\$1.25
2	1	1	600	\$700	\$1.17	\$750	\$1.25
3	2	1	800	\$750	\$0.94	\$900	\$1.13
4	2	1	800	\$795	\$0.99	\$900	\$1.13
5	2	1	800	\$875	\$1.09	\$900	\$1.13
6	2	1	800	\$875	\$1.09	\$900	\$1.13
Totals/Averages			13,000	\$13,925	\$1.07	\$15,450	\$1.20





# **SECTION 4** SALE COMPARABLES

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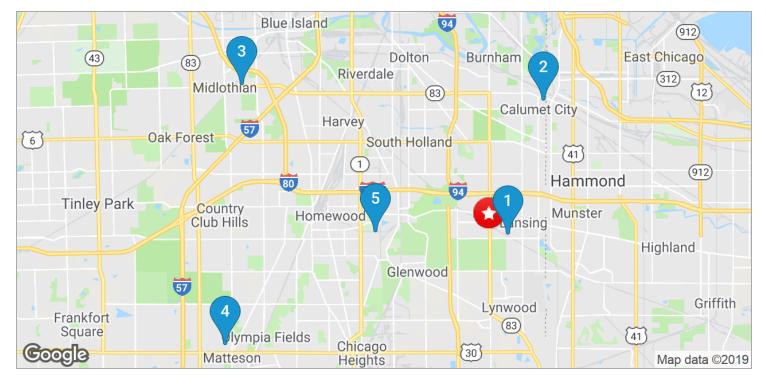
MULTI-FAMILY INVESTMENT BROKER 219.246.2340 ANTHONY@LMTEAM.COM

# SALE COMPS SUMMARY

	SUBJECT PROPERTY	PRICE	# OF UNITS	PRICE/UNIT		YEAR BUILT	BLDG SF	САР	GRM
	<b>Torrence Ave 19 Unit Portfolio</b> 18381, 18350 & 18422 Torrence Avenue Lansing, IL 60438	\$1,140,000	19	\$60,000		-	1 SF	6.79%	6.82
	SALE COMPS	PRICE	# OF UNITS	PRICE/UNIT	CLOSE	YEAR BUILT	BLDG SF	CAP	GRM
	<b>Lansing South Apartments</b> 18520 Wildwood Ave Lansing , IL 60438	\$2,500,000	40	\$62,500	09/15/ 2017	1965	29,600 SF	-	-
	<b>578 Douglas Ave</b> Calumet City, IL 60409	\$495,000	8	\$61,875	11/11/ 2016	1960	7,054 SF	-	-
3	<b>3546 W. 147th Street</b> Midlothian, IL 60445	\$580,000	8	\$72,500	08/12/ 2015	1967	5,200 SF	-	-
4	<b>4140-4144 Lindenwood Dr</b> Matteson, IL 60423	\$900,000	12	\$75,000	On Market	1973	9,600 SF	-	-
5	<b>647-651 Carroll Parkway</b> Glenwood, IL 60425	\$1,600,000	24	\$66,666	On Market	1967	58,349 SF	-	-
		PRICE	# OF UNITS	PRICE/UNIT	CLOSE	YEAR BUILT	BLDG SF	САР	GRM
	Totals/Averages	\$1,215,000	18.4	\$66,032			21,961 SF		



### SALE COMPS MAP





SUBJECT PROPERTY 18381, 18350 & 18422 Torrence Avenue | Lansing, IL 60438



LANSING SOUTH APARTMENTS 18520 Wildwood Ave Lansing , IL 60438



**3546 W. 147TH STREET** Midlothian, IL 60445



**647-651 CARROLL PARKWAY** Glenwood, IL 60425



578 DOUGLAS AVE Calumet City, IL 60409



4140-4144 LINDENWOOD DR Matteson, IL 60423



#### TORRENCE AVE 19 UNIT PORTFOLIO | 22



# **SECTION 5** RENT COMPARABLES

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## **RENT COMPS SUMMARY**

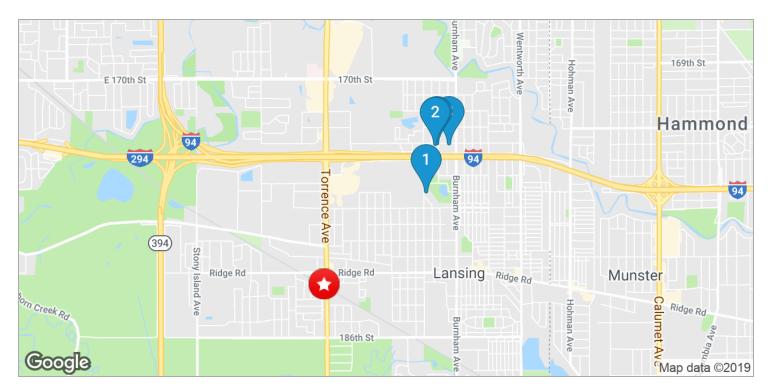


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SUBJECT PROPERTY	UNIT TYPE	MONTHLY RENT	UNIT SIZE	PRICE PER SF
<b>Torrence Ave 19 Unit Portfolio</b> 18381, 18350 & 18422 Torrence Avenue Lansing, IL 60438	Multifamily	\$740	684 SF	\$1.08
RENT COMPS	UNIT TYPE	MONTHLY RENT	UNIT SIZE	PRICE PER SF
<b>17701 Park Blvd</b> Lansing , IL 60438	2 Bed/ 1 Bath	\$1,000	900 SF	\$1.11
<b>3061 Bernice Ave</b> Lansing, IL 60438	2 Bed/ 1 Bath	\$900	900 SF	\$1.00
<b>3145 Bernice Ave</b> Lansing, IL 60438	2 Bed/ 1 Bath	\$1,050	672 SF	\$1.56
<b>3069 Bernice Rd</b> Lansing, IL 60438	3 Bed/ 2 Bath	\$975	900 SF	\$1.08
	UNIT TYPE	MONTHLY RENT	UNIT SIZE	PRICE PER SF
Totals/Averages	N/A	\$981	843 SF	\$1.19



### **RENT COMPS MAP**





#### SUBJECT PROPERTY

18381, 18350 & 18422 Torrence Avenue | Lansing, IL 60438



**17701 PARK BLVD** Lansing , IL 60438



**3145 BERNICE AVE** Lansing, IL 60438



**3061 BERNICE AVE** Lansing, IL 60438



**3069 BERNICE RD** Lansing, IL

60438



#### TORRENCE AVE 19 UNIT PORTFOLIO | 25



# SECTION 6 ADVISOR BIOS

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## **ADVISOR BIOS**

#### **ANDREW O'CONNELL**

**Director Of Investment Sales** 



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#### **ANTHONY SPANGLER**

Multi-Family Investment Broker



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#### **PROFESSIONAL BACKGROUND**

Andrew O'Connell is Director of Investment Sales, a Multi-Family Investment Specialist in the firm's Burr Ridge office. Mr. O'Connell specializes in Multi-Family properties throughout Suburban Chicagoland, primarily in DuPage, SW Cook, Will, Kendall and Kane Counties. He represents private investors, corporate and institutional buyers and sellers comprehensively throughout the investment sales process. Andrew has more than 12 years of experience in commercial real estate marketing and underwriting distressed assets and structured debt transactions for institutional commercial real estate firms.

#### **PROFESSIONAL BACKGROUND**

Anthony is a Commercial Broker specializing in Multi-Family properties primarily in northern Indiana and the south suburbs of Chicago. Anthony's detailed and hands-on experience provides a thorough knowledge base for meeting client needs, assisting with real estate issues and interfacing with building owners. As a Lansing, Illinois native, he is very familiar with the northern Indiana and south suburban Chicagoland markets.

