

WAUKEGAN, IL



ALDI

OFFERING
MEMORANDUM



EXCLUSIVELY OFFERED BY:

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NET LEASE INVESTMENTS



SAMPLE PHOTO

DISCLAIMER

Cushman & Wakefield has been retained as exclusive advisor to the Seller for the sale of the ALDI parcel (the “Property”), approximately 18,500± square feet on 2.19± acres located at the SWC Waukegan Rd. & Lakehurst Rd., Waukegan, IL 60085.

This Offering Memorandum has been prepared by Cushman & Wakefield for use by a limited number of parties and does not purport to provide a necessarily complete summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective investors may need or desire. All projections have been developed by Cushman & Wakefield, the Owner, and designated sources and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Cushman & Wakefield, therefore, are subject to variation. No representation is made by Cushman & Wakefield or Owner as to the accuracy or completeness of the information contained herein, and nothing contained herein is, or shall be relied on as, a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be correct, Owner and its employees disclaim any responsibility for inaccuracies and expect prospective purchasers to exercise independent due diligence in verifying all such information. Further, Cushman & Wakefield, Owner, and its employees disclaim any and all liability for representations and warranties, expressed and implied, contained in, and omitted from, this

Offering Memorandum or any other written or oral communication transmitted or made available to the recipient. This Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the package. Analysis and verification of the information contained in this package is solely the responsibility of the prospective purchaser.

Additional information and an opportunity to inspect the Property will be made available upon written request to interested and qualified prospective investors.

Owner and Cushman & Wakefield each expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers regarding the Property and/or terminate discussions with any entity at any time with or without notice. Owner shall have no legal commitment or obligation to any entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase of the Property has been fully executed, delivered, and approved by Owner and its legal counsel, and any conditions to Owner’s obligations thereunder have been satisfied or waived. Cushman & Wakefield is not authorized to make any representations or agreements on behalf of Owner.

This Offering Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public (such contents as so

limited herein are called the “Contents”), are of a confidential nature. By accepting the package, you agree (i) to hold and treat it in the strictest confidence, (ii) not to photocopy or duplicate it, (iii) not to disclose the package or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Owner or Cushman & Wakefield, (iv) to not use the package or any of the contents in any fashion or manner detrimental to the interest of Owner or Cushman & Wakefield, and (v) to return it to Cushman & Wakefield immediately upon request of Cushman & Wakefield or Owner.

The information contained herein has been obtained from the owner of the property or from other sources we deem reliable. We have no reason to doubt its accuracy, but we do not guarantee it.

If you have no further interest in the Property, please return this Investment Offering Memorandum forthwith.

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SURROUNDING RETAIL

PROPERTY OVERVIEW



EXECUTIVE SUMMARY

INVESTMENT OVERVIEW

OFFERING TERMS

PRICE
\$2,850,000

CAP
4.74%

ANNUAL RENT
\$135,000



SAMPLE PHOTO

TENANT:	ALDI, Inc.
LOCATION:	1050 S Waukegan Rd Waukegan, IL 60085
APN:	07-36-103-023
BUILDING SIZE:	18,500± square feet
LAND SIZE:	2.19± acres
YEAR BUILT:	2018
LEASE TYPE:	NNN Ground Lease

LEASE TERM:	20 years
LEASE COMMENCEMENT:	September 1, 2018 (estimate)
LEASE EXPIRATION:	August 31, 2038 (estimate)
OPTIONS:	Six (6) five (5) year terms
RENT INCREASES:	7.5% every 5 years
BASE RENT:	\$135,000

LEASE YEARS	ANNUAL RENT	CAP RATE
1 - 5	\$135,000	4.74%
6 - 10	\$145,125	5.09%
11 - 15	\$156,009	5.47%
16 - 20	\$167,710	5.88%
Option 1	\$180,288	6.33%
Option 2	\$193,810	6.80%
Option 3	\$208,346	7.31%
Option 4	\$223,972	7.86%
Option 5	\$240,770	8.45%
Option 6	\$258,827	9.08%

LOCATION HIGHLIGHTS

INVESTMENT OVERVIEW

NEW LONG-TERM NNN GROUND LEASE / STRONG INTRINSIC VALUE

- » 20 year lease term commenced in 2018
- » Purchase price below replacement cost of land and improvements
- » Triple Net Ground lease provides for a management free, passive investment

RELOCATION OF STRONG PERFORMING STORE / DOMINANT NATIONAL GROCER

- » New prototype building under construction
- » Relocation of well performing store
- » ALDI projected to be 3rd largest grocery chain in USA by 2022
- » New location will allow the sale of alcohol which is expected to significantly increase sales

CHICAGO MSA LOCATION WITH STRONG DEMOGRAPHICS

- » Located 30 miles north of Chicago on the shores of Lake Michigan
- » Daytime population approximately 200,000 within 5 miles
- » Average HHI over \$86,500 within 5 miles

PRIME RETAIL HUB / REGIONAL DESTINATION LOCATION

- » Adjacent to Fountain Square Shopping Center anchored by Walmart Supercenter
- » East of Interstate 94 with an average daily traffic volume of 115,500
- » 3.5 miles southeast of Six Flags Great America, a 300 acre amusement park with 2.95 million visitors in 2016

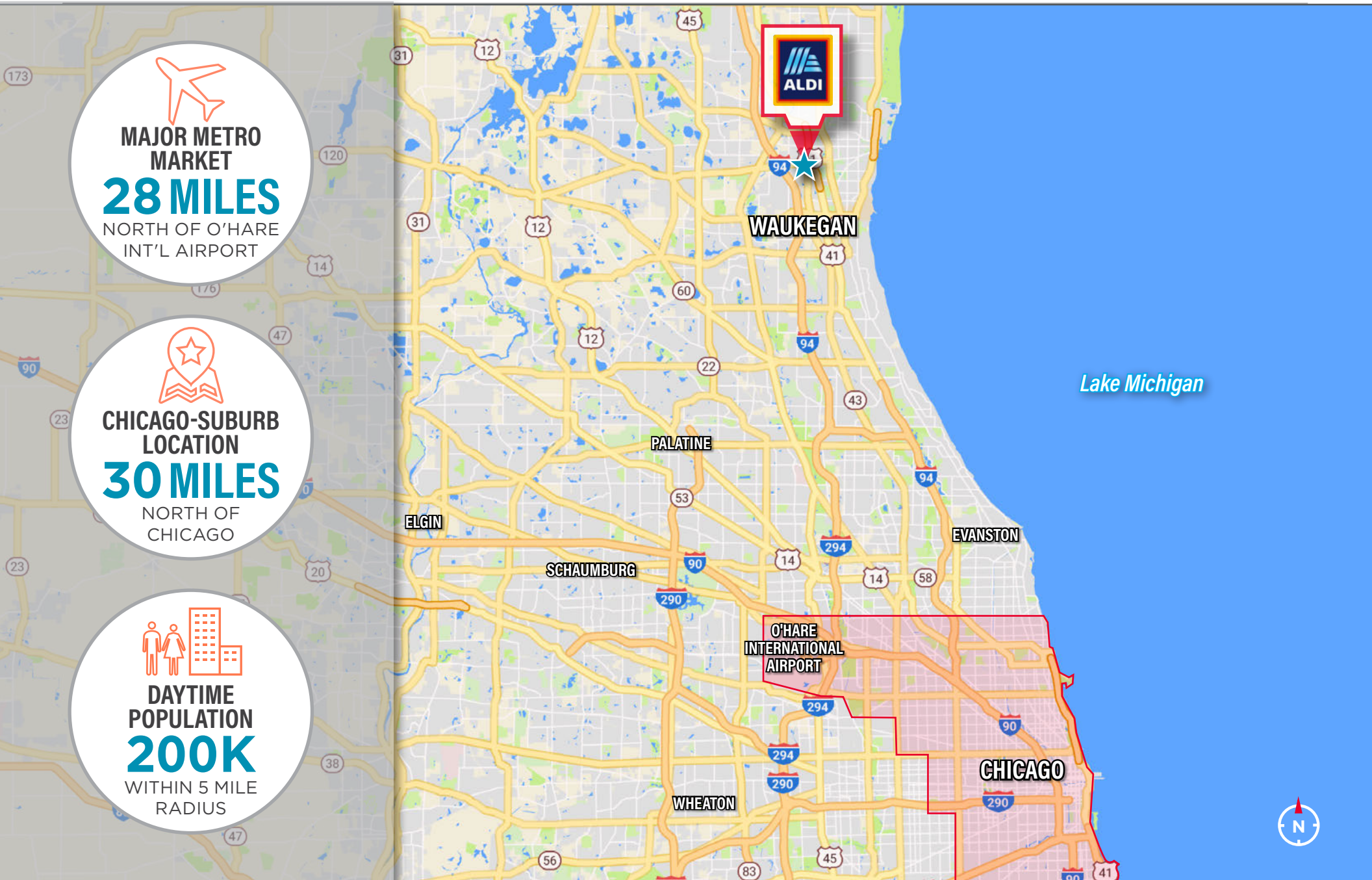
HIGH TRAFFIC LOCATION WITH STRONG VISIBILITY

- » Average daily traffic volume of 24,800 on South Waukegan Road
- » Excellent visibility at the signalized intersection of Waukegan Road and Lakehurst Road



AREA MAP

PROPERTY OVERVIEW



SURROUNDING RETAIL

PROPERTY OVERVIEW



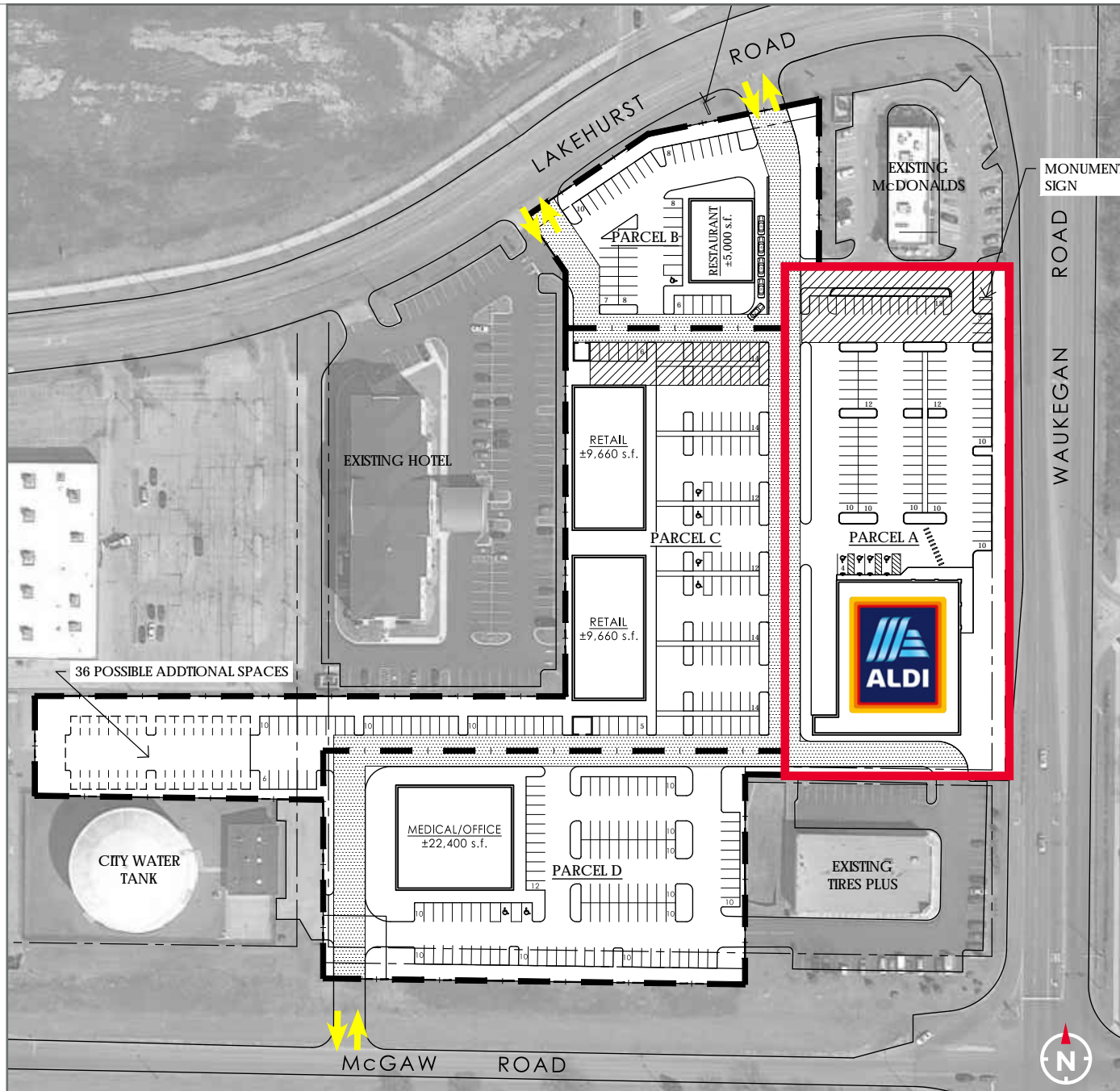
SURROUNDING RETAIL

PROPERTY OVERVIEW



SITE PLAN

PROPERTY OVERVIEW



TENANT PROFILE

PROPERTY OVERVIEW



ALDI, Inc.

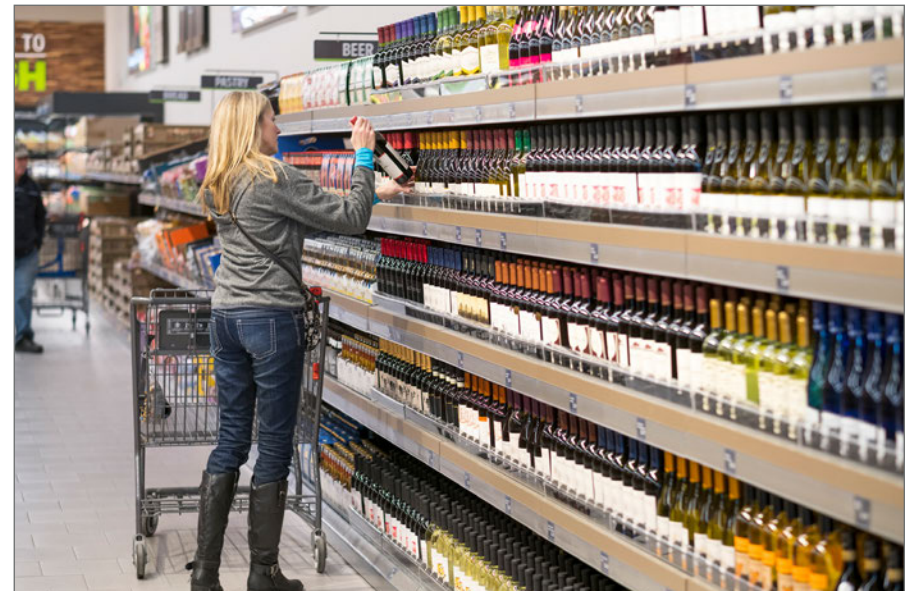
# OF U.S. LOCATIONS (2017):	1,750+
#OF EMPLOYEES (2016):	25,000+
2017 ESTIMATED SALES (\$BIL):	\$13.6

Founded by the Albrecht family, the first ALDI store opened in 1961 in Germany, making ALDI the first discounter in the world. Headquartered in Batavia, Illinois, ALDI now has more than 1,750 stores across 35 states, employs over 25,000 people and has been steadily growing since opening its first US store in Iowa in 1976. More than 40 million customers visit the retailer each month.

And with more demand comes more stores. Over the past decade ALDI has nearly doubled in size, and the company has announced plans to expand to 2,500 locations by the end of 2022, which would make it the third largest U.S. grocery chain by store count.

ALDI's no-frills grocery shopping experience focuses on customers first - delivering high quality food they're proud to serve their family, responsive customer service, everyday low prices and a quick-and-easy shopping experience with only four to five aisles and all the essentials. ALDI carries the weekly must-haves and displays them in their designed shipping boxes to help save time and resources to restock shelves. Shoppers will find more than 90 percent of the groceries offered are under ALDI's exclusive brands, hand-selected by ALDI to ensure that their products meet or exceed the national brands on taste, quality and, of course, price.

ALDI also continues to increase its offering of fresh and sustainable seafood, specialty wines and cheeses, organic items from its SimplyNature line, and award-winning Little Journey baby products. ALDI was the first grocery store to offer all of its exclusive products free of certified synthetic colors, added trans-fat and added MSG.



Website: <https://www.aldi.us/>

THE ADVANTAGE IN THE GROCERY INDUSTRY

"THIS IS WHY ALDI'S GROCERIES ARE SO CHEAP"

(msn.com)

ALDI AVOIDS BRAND NAMES

At most supermarkets, you'll find tons of big-brand items, but at Aldi, a whopping 90 percent of the products are private label. By avoiding brand names, Aldi can skip going through another company and offer you cheaper prices.

THEY HAVE A SMALL SELECTION, WHICH MEANS SMALLER STORES

Did you know that Aldi only offers a selection of 900 core products? Since they don't have national brands, they have less to warehouse and display in the store. This means having smaller stores compared to most other grocery retailers, and in return, smaller rent prices!

THEY TAKE LESS TIME RESTOCKING SHELVES

Aldi's design was specifically made for minimal stocking and upkeep. Other stores may have beautiful displays, but employees have to constantly restock them. At Aldi, making it much easier for employees to restock.

THEY USE BOXES, MILK RACKS AND PRE-PACKAGED PRODUCE

Boxes aren't the only way Aldi saves time (and money). Products such as milk and even produce help reduce the upkeep at an Aldi store. Milk already comes in racks, and produce is pre-packaged and ready for checkout.

ALDI CUSTOMERS BRING THEIR OWN BAGS

Aldi doesn't bother buying as many plastic bags as other stores, thanks to their bag policy. If you end up using an Aldi plastic bag, you'll have to pay for it. This is to encourage customers to bring their own bags—keeping the store a green environment and putting money back into customer pockets.

THEY HAVE FEWER WORKERS

Aldi will often schedule only two or three staff at a time. That's nothing compared to the number of employees you'll see at other markets. With the way Aldi is designed, not as many workers are needed to stock the shelves or keep things in order. This also allows the store to pay those few employees a decent paycheck.

THEY HAVE A SMART SHOPPING-CART RENTAL SYSTEM

No need to have someone working the shopping carts all the time with a system like Aldi's! In order to use a cart, you must put a coin in the cart to unlock it. This gives people an incentive to return the cart and get their money back. Didn't know about that? Well, here are next time.

THEY'RE ABOUT CONSUMERS, NOT PROFITS

Unlike most supermarkets, Aldi doesn't charge suppliers for shelf space and keeps their terms simple. Aldi claims it wants "to suck the profitability out of the [supermarket] industry in favor of the consumer." Every decision the company makes always has the customer in mind, and it pays off.

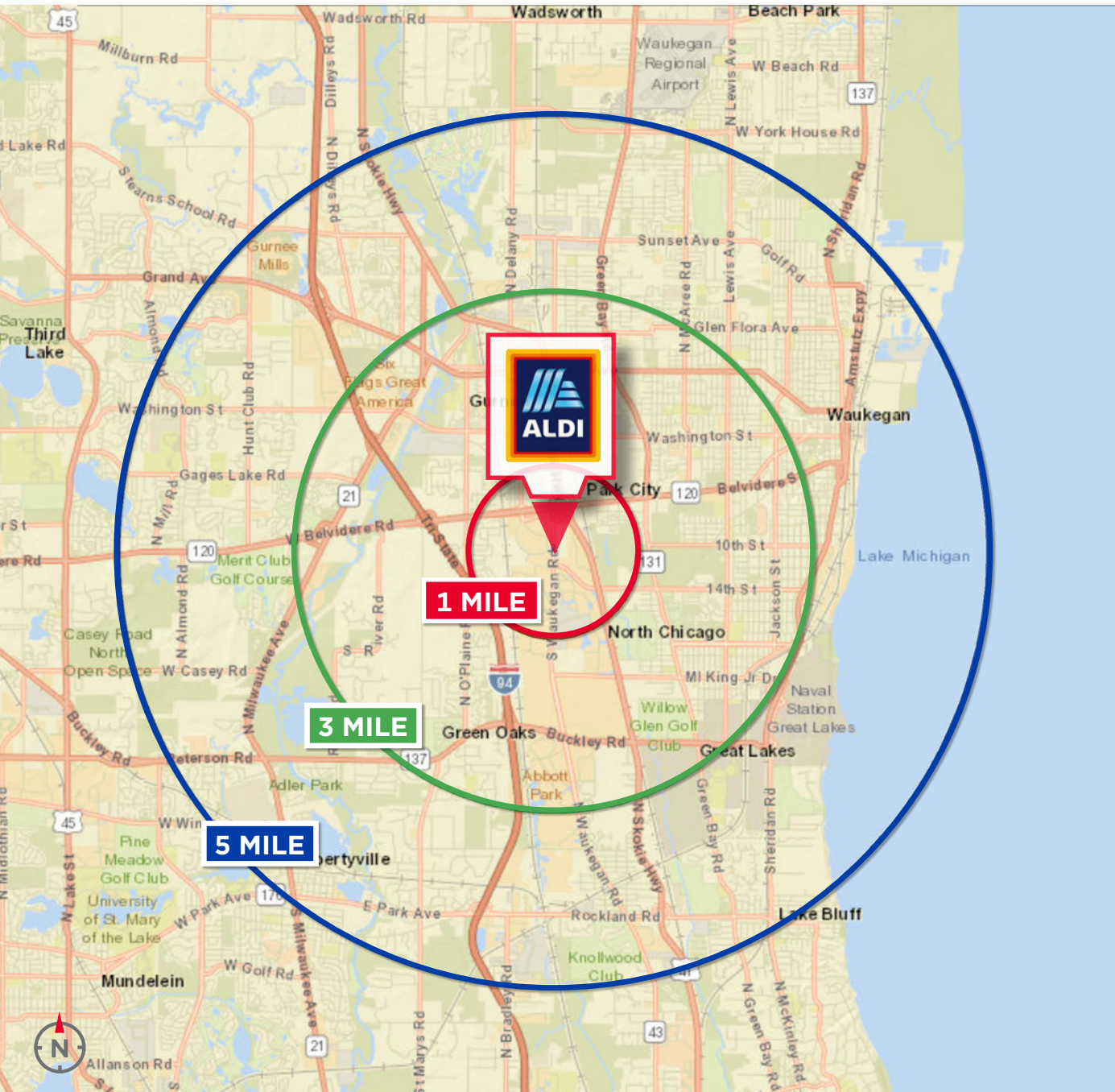
THEY USE ENERGY-EFFICIENT LIGHTING

Aldi announced its initiative to save money by remodeling some of the stores. A modern design (and even using open ceilings) will bring natural lighting into the store, making it environmentally friendly, too. They'll even use recycled materials, energy-saving refrigeration and LED lighting.

Reference: www.msn.com

DEMOGRAPHICS - 2017

AREA OVERVIEW



198,997

DAYTIME POPULATION - 5 MILES



TOTAL POPULATION

1 MILE	3 MILE	5 MILE
9,441	77,688	176,803

DAYTIME POPULATION

1 MILE	3 MILE	5 MILE
8,997	87,440	198,997

AVERAGE HH INCOME

1 MILE	3 MILE	5 MILE
\$65,933	\$71,675	\$86,598

WAUKEGAN - ILLINOIS

AREA OVERVIEW

Waukegan is the largest city in and county seat of Lake County, Illinois. It is part of the Chicago Metropolitan Area, the third largest metropolitan area in the US with an estimated MSA population of 9.5 million. As of the 2010 census estimate, the city of Waukegan had a population of 89,078. It is the ninth-largest city in Illinois by population, and it is the fifth-largest city on the western shore of Lake Michigan, after Chicago, Milwaukee, Green Bay, and Kenosha.

Located on the shores of Lake Michigan near Illinois' northern border, Waukegan is situated approximately 40 miles north of Chicago and 50 miles south of Milwaukee. Waukegan offers year-round special events and an emphasis on the arts. Stroll through downtown Waukegan featuring numerous art galleries, colorful murals and unique restaurants. Enjoy the monthly ArtWauk events showcasing downtown galleries. The historic Genesee Theatre, restored to its original splendor, hosts touring Broadway shows, along with headliner comedians and musical acts. Waukegan also features award-winning golf courses, parks and recreation including a public beach on Lake Michigan as well as an active charter fishing fleet sailing out of Waukegan Harbor.

Over the past 10 years, the City of Waukegan has enjoyed well over \$500 million in new development. Nevertheless, the best years lie

<http://www.waukeganil.gov/>
<http://www.waukeganchamber.org/>
<https://www.lakecountyil.gov/>
<https://www.visitlakecounty.org/>
https://en.wikipedia.org/wiki/Waukegan,_Illinois

ahead as the groundwork has been laid for redevelopment opportunities at the Fountain Square property, Waukegan's lakefront and downtown and any one of the several commercial and industrial areas throughout the community. Overall, the city expects to develop more than one million additional square feet of retail, hospitality, recreational, educational and cultural facilities over the next two decades.



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