

CONFIDENTIAL OFFERING MEMORANDUM

Newly Renovated 20 Unit Multifamily Complex

2703-2707 Pine Street // Pekin, IL 61554



EXCLUSIVELY OFFERED BY:

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AUCTION DETAILS

The sale of Pekin Apartments located at 2703-2707 Pine Street in the city of Pekin, IL, will take place through a secure online open bid web portal on the Ten-X.com web platform ("The Auction"). The auction is scheduled to begin September 6, 2022 with the closing time for all bidding to fall between 1:00 PM and 5:00 PM (Eastern Standard Time) on September 8, 2022.

THIS SCHEDULE IS SUBJECT TO FURTHER REVISION BY THE SELLER AND/OR TEN-X.COM IN THEIR SOLE AND ABSOLUTE DISCRETION. ALL PROSPECTIVE BIDDERS ARE ENCOURAGED TO FREQUENTLY CHECK THE SPECIFIC PROPERTY LANDING PAGE ON THE TEN-X.COM WEBSITE FOR ANY CHANGES.

GETTING STARTED

- STEP 1** Create a free profile at <https://www.ten-x.com/commercial/signup/>
- STEP 2** Once you have confirmed your email, return to www.Ten-X.com homepage, use the search box at the top and search "Pekin Apartments".
- STEP 3** Find a specific asset webpage by selecting the photo or asset address within the search list, here you are able to view the property details, photos, and due diligence materials.

ACCESSING DUE DILIGENCE MATERIALS

- STEP 4** On the asset webpage, scroll down to "Document Vault".
- STEP 5** If you "Agree" with the terms of the digital Confidentiality Agreement, simply click accept to be granted access to the Document Vault.
- STEP 6** Review Due Diligence items for the property. Contact listing brokers with any questions.
- STEP 7** **There will be no due diligence contingency period allowed for the winning bidder.**

BECOME AN APPROVED BIDDER

- STEP 1** Click on "Register To Bid"
- STEP 2** Answer qualification form
- STEP 3** Submit the following to the Ten-X.com registration team via fax or email:
 - ▶ Proof of Funds
 - ▶ Bidding / Purchasing entity documentation that provides legal authority to sign a contract on behalf of the entity. (Including a Certificate of Good Standing along with a copy of the Corporate Resolution).
- STEP 4** Submit fully refundable participation deposit.

CONTACT INFORMATION

For all details and Auction Terms and Conditions, visit www.Ten-X.com.
For Auction related questions, please contact: Derek Rudd // Asset Manager // O: 949.208.9770 // E: drudd@ten-x.com

Offering Summary

Baum Realty Group ("Baum Realty") is pleased to present the Pekin Apartments ("Property") a 20-unit multifamily complex built in 1972 and recently renovated in 2021. The property is located in Pekin, IL approximately 10 miles south of Peoria, IL in central Illinois in Tazewell County. The Property is 2 miles from UnityPoint Health, the major hospital system and 4 miles from East Court Village, the major retail corridor. The tenant mix and city of Pekin is primarily targeted toward workforce housing.

The current ownership has invested over \$220,000 in capital improvements since acquiring the property and implemented a new property manager that has done an excellent job maintaining the building and would be willing to stay on for the new owner. The current owner has leased approximately half the building since renovations and has gradually started increasing the asking rental rate. Although most all the renovations have been completed and with new rents established, the rent for each unit is still below market for comparable properties in the submarket.

The property is positioned for an investor looking to acquire a recently renovated property that is set up to achieve NOI growth within 1 year. With the heavy lift complete and the lease up of the remaining units expected to occur in the next 30-60 days, the new owner can bump rents in the next leasing season.

AUCTION INFORMATION:

Auction dates: 9/6/22 - 9/8/22

Starting Bid: \$225,000

All property tours are to be registered with Tyler Dechter 24 hours in advance tyler@baumrealty.com, 847.767.3342



Offering Highlights

RECENTLY IMPROVED

Current ownership has implemented over \$220k in capital improvements over the past year including the following:

- ▶ Fresh paint in all interior units
- ▶ Updated kitchen and appliances in all units
- ▶ New trim and vinyl siding installed
- ▶ Updated all bathrooms
- ▶ New tear off roof system installed
- ▶ New flooring
- ▶ 80 new vinyl windows
- ▶ All new entry doors
- ▶ Open living room / kitchen to create more modern floor plan
- ▶ Replacement of 5 water heaters
- ▶ Touch up paint on the exterior
- ▶ New exterior landscaping

CONVENIENT LOCATION

The Property is conveniently located just off Broadway St. The US Social Security Administration, The Dirksen Congressional Center, Camp of Champions USA, Illinois Long Term Care Management, Broadmoor Jr. High School, Schramm School, Bridgeway Inc, Kroger Foods, Pekin Community High School, and Mineral Springs Park are all within a 5-minute drive of the Property.

FREE AND CLEAR FINANCING

The Property is being offered to the market free and clear of existing debt allowing new ownership to maximize returns with a new loan.

CASH FLOW WITH RENTAL UPSIDE

This unique offering is free of major deferred maintenance allowing an investor to focus on improving the Property's performance through rental increases, increased lease-up initiative, and operating expense reductions.

HIGHLIGHTS

- ▶ 20 units, all 1-bed / 1-bath units
- ▶ Stable multifamily opportunity with consistent tenant base with rental rate increase opportunities in the future.
- ▶ Average household income of Pekin is \$70,288 and the median household income is \$56,157





Property Details

TOTAL RENTAL UNITS:	20 units
YEAR BUILT:	1967
ZONING:	Comm Residential
COUNTY:	Tazewell
TAXES:	2021: \$11,587 2020: \$11,481
LOT SIZE:	25,900 SF
PINS:	05-05-31-305-042
OCCUPANCY:	75%*
AVG. MKT. RENTAL RATE:	1 bed / 1 bath - \$573
AVG RENT ROLL RENT:	1 bed / 1 bath - \$537

*Continued lease up is currently underway

RENT ROLL AS OF 7/24/2022

2703 Pine Street								
Unit	Lease Start	Lease End	Bed/Bath	Rent Cycle	Rent Start	Rent	Recurring Charges	
1	-	-	1 Bed/1 Bath	-	-	\$ -	\$ -	
2	-	-	1 Bed/1 Bath	-	-	\$ -	\$ -	
3	-	-	1 Bed/1 Bath	-	-	\$ -	\$ -	
4	5/27/2021	7/31/2022	1 Bed/1 Bath	Monthly	5/27/21	\$ 550.00	\$ 550.00	
5	4/20/2021	At Will	1 Bed/1 Bath	Monthly	4/20/21	\$ 495.00	\$ 495.00	
6	6/7/2022	12/6/2023	1 Bed/1 Bath	Every six months	6/7/22	\$ 3,300.00	\$ 3,300.00	
7	4/29/2022	10/29/2022	1 Bed/1 Bath	Every six months	4/29/22	\$ 3,300.00	\$ 3,300.00	
8	4/25/2022	4/30/2023	1 Bed/1 Bath	Monthly	4/25/22	\$ 500.00	\$ 500.00	
Total for 2703 Pine Street						\$ 8,145.00	\$ 8,145.00	

2705 Pine Street								
Unit	Lease Start	Lease End	Bed/Bath	Rent Cycle	Rent Start	Rent	Recurring Charges	
9	6/1/2022	5/31/2023	1 Bed/1 Bath	Monthly	6/1/22	\$ 500.00	\$ 500.00	
10	6/9/2022	10/8/2022	1 Bed/1 Bath	Quarterly	6/9/22	\$ 2,437.45	\$ 2,437.45	
11	-	-	1 Bed/1 Bath	-	-	\$ -	\$ -	
12	7/1/2022	6/30/2023	1 Bed/1 Bath	Monthly	7/1/22	\$ 500.00	\$ 500.00	
Total for 2705 Pine Street						\$ 3,437.45	\$ 3,437.45	

2707 Pine Street								
Unit	Lease Start	Lease End	Bed/Bath	Rent Cycle	Rent Start	Rent	Recurring Charges	
13	12/3/2021	12/31/2022	1 Bed/1 Bath	Monthly	12/3/21	\$ 500.00	\$ 500.00	
14	12/14/2021	12/31/2022	1 Bed/1 Bath	Monthly	12/14/21	\$ 500.00	\$ 500.00	
15	3/11/2022	3/31/2023	1 Bed/1 Bath	Monthly	3/11/22	\$ 500.00	\$ 500.00	
16	-	-	1 Bed/1 Bath	-	-	\$ -	\$ -	
17	11/1/2021	4/30/2023	1 Bed/1 Bath	Monthly	5/1/22	\$ 525.00	\$ 525.00	
18	7/1/2022	6/30/2023	1 Bed/1 Bath	Monthly	7/1/22	\$ 500.00	\$ 500.00	
19	6/13/2022	6/30/2023	1 Bed/1 Bath	Monthly	6/13/22	\$ 500.00	\$ 500.00	
20	7/8/2022	7/31/2023	1 Bed/1 Bath	Monthly	7/8/22	\$ 500.00	\$ 500.00	
Total for 2707 Pine Street						\$ 3,525.00	\$ 3,525.00	

INCOME STATEMENT

Stabilized Proforma	
Income	
Rent Income	\$ 122,414.90
Utility Income	\$ 3,600.00
Total Income	\$ 126,014.90
Expense	
Management Fees	\$ 6,300.75
Landscaping	\$ 250.00
Leasing Fee	\$ 6,000.00
Property Tax	\$ 11,453.00
Lawn Care	\$ 1,626.00
Maintenance	\$ 1,200.00
Plumbing	\$ 804.00
Preventative Maintenance	\$ 360.00
Snow Removal	\$ 1,830.00
Total for Maintenance	\$ 29,823.75
Utilities	
Gas/Electric	\$ 10,068.00
Trash	\$ 1,176.00
Water	\$ 3,760.00
Total for Utilities	\$ 5,004.00
Total Expense	\$ 44,827.75
Pro Forma Net Operating Income	\$ 81,187.16

RENT COMPARABLES

Property Specific Rent Comparables			1 Bed			
Property Address	Rating	Yr Built	Units	Avg Unit SF	Asking Rent - 1 Bed	Rent/SF
324 Buena Vista Ave	2 Stars		29	550	\$590	\$1.07
316-320 S 4th St	2 Stars		21	549	\$558	\$1.02
222 Sunnyridge Ct	2 Stars	1975	23	647	\$463	\$0.72
528 Henrietta St	3 Stars	1962	10	360	\$464	\$1.29
911 Hamilton St	2 Stars	1961	5		\$520	
1025 Florence Ave	2 Stars	1989	26		\$537	
740 Prince St	3 Stars	1969	16		\$647	

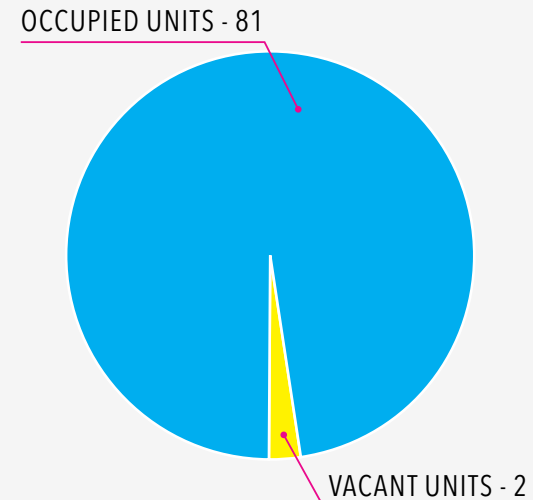
Some properties include 2 & 3 bedroom units as well. Their rents were not used to calculate Rent/SF.

Changes Past Year in Rent Comps	1 Bed
YOY Rent Growth	5%
YOY Vacancy Rate Change	0.40%

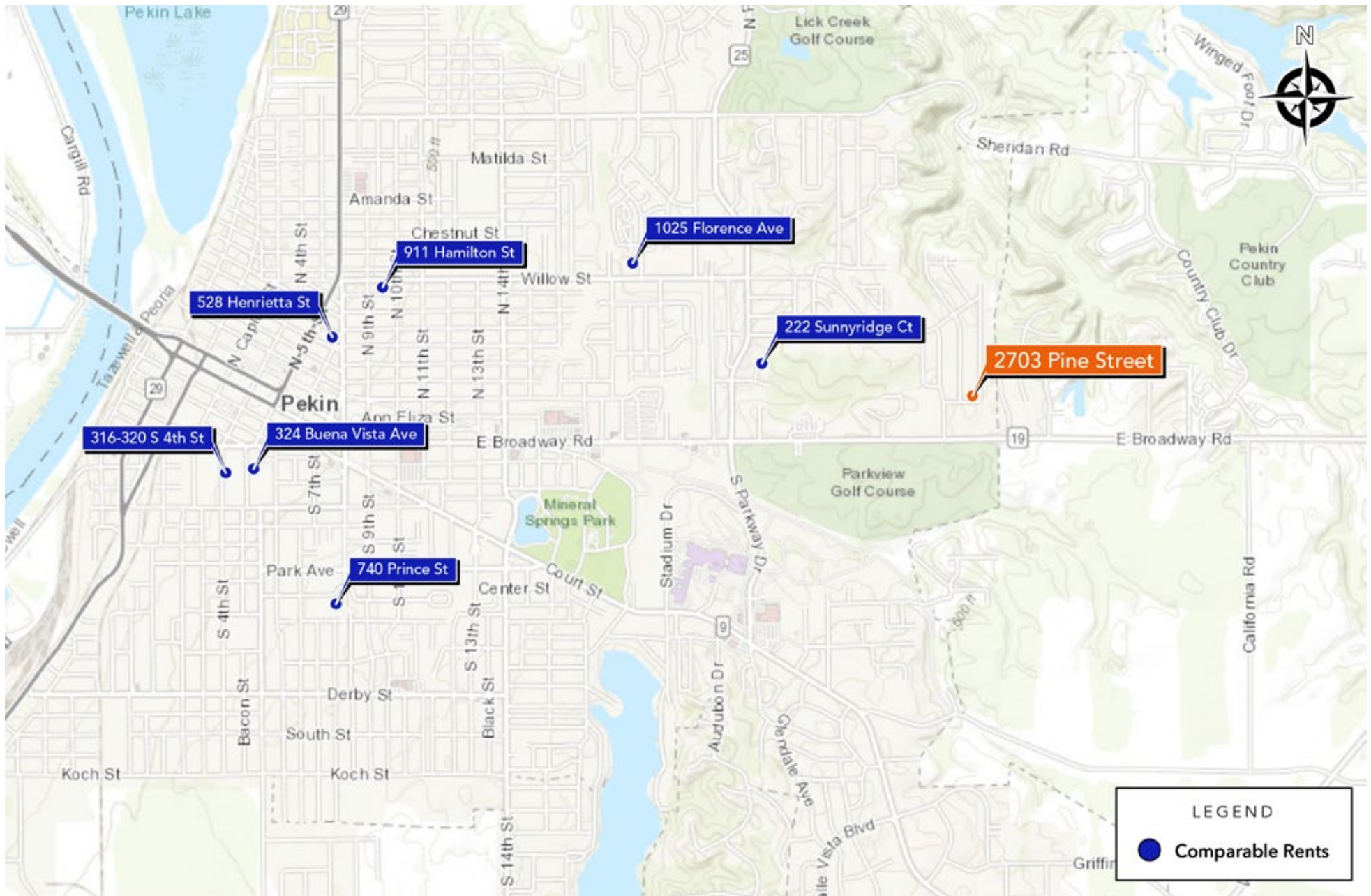
Current Conditions in Rent Comps	1 Bed
Total Number of Units	83
Total Number of Occupied Units	81
Total Number of Vacant Units	2
Vacancy Rate	1.80%
Asking Rent Per Unit	\$544
Asking Rent Per SF	\$1.02
Effective Rent Per Unit	\$573
Effective Rent Per SF	\$1.02
Concessions	0.30%

OCCUPIED VS VACANT 1-BED UNITS

PEKIN, ILLINOIS



*Information & Data provided by CoStar.



MARKET FUNDAMENTALS

According to data provided by CoStar the multifamily market in Pekin averages 97.1% occupancy with no supply anticipated to be delivered in the foreseeable future. Furthermore, this submarket boasted an impressive 7.5% rent growth as of Q2 2022. The Tazewell County rent per square foot falls at \$0.99 PSF as compared to the Peoria rent of \$1.04 PSF. The average rent for a 1 bedroom 1 bath is \$573 per month.



PEKIN'S COMPETITIVE ADVANTAGE

The Pekin-Peoria Metropolitan Service Area has a population of approximately 400,000 people and is the home to a manufacturing industry cluster with Caterpillar and Komatsu, as well as growing healthcare services through UnityPoint and OSF Saint Francis healthcare facilities. Pekin is also home to the following nationally and regionally known companies:

Pekin Insurance – One of the most successful insurance providers in the country with 7,000+ agents

Pacific Ethanol – The second largest producer and marketer of ethanol in the U.S.

Excalibur Seasonings – Inventor and producer of seasonings and marinades

Winpak – The largest producer of die-cut lids that cover single-serve containers of food

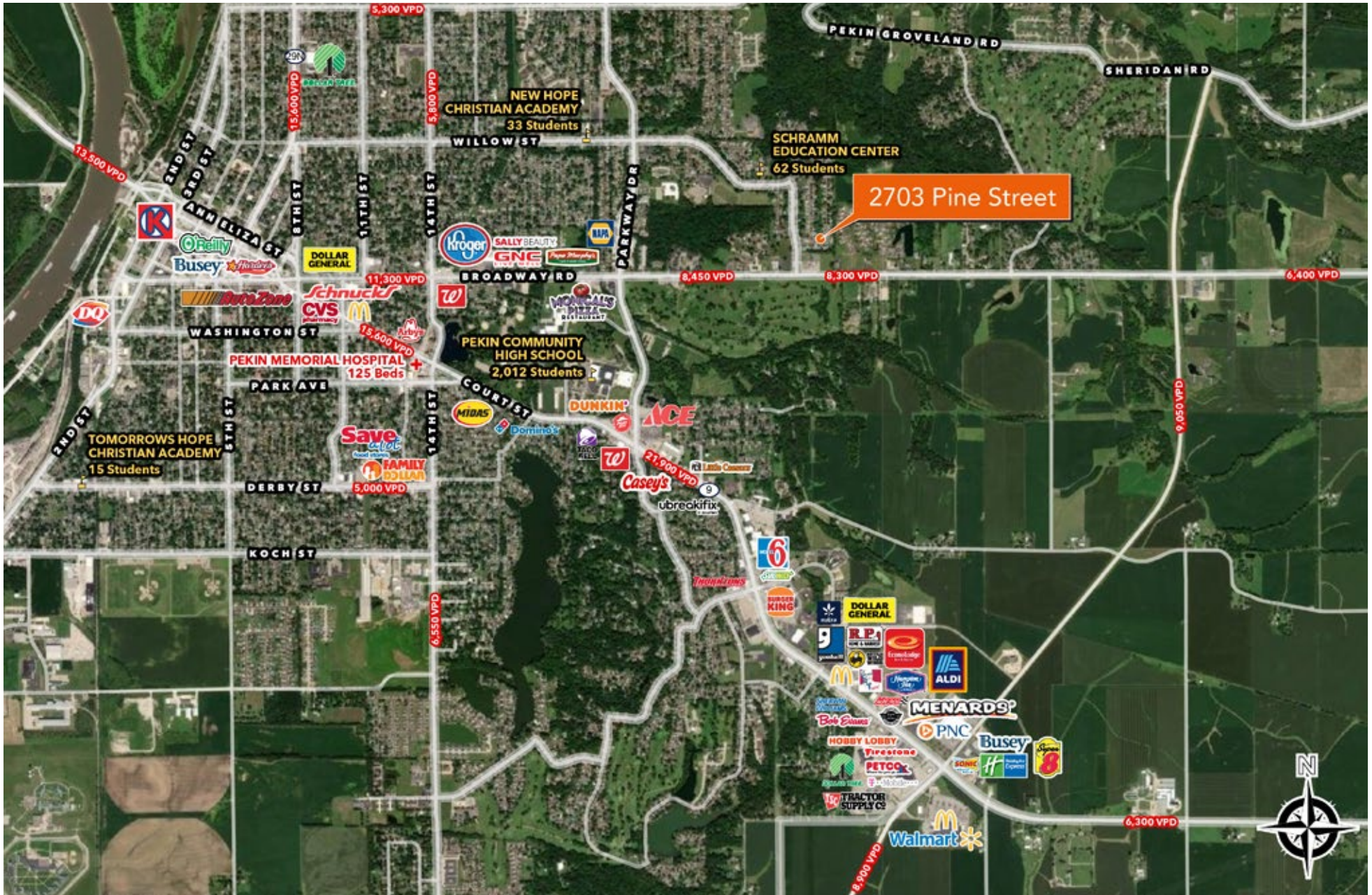
Hanna Stee – A leader in tubing and pre-painted coil industry for over 50 years.

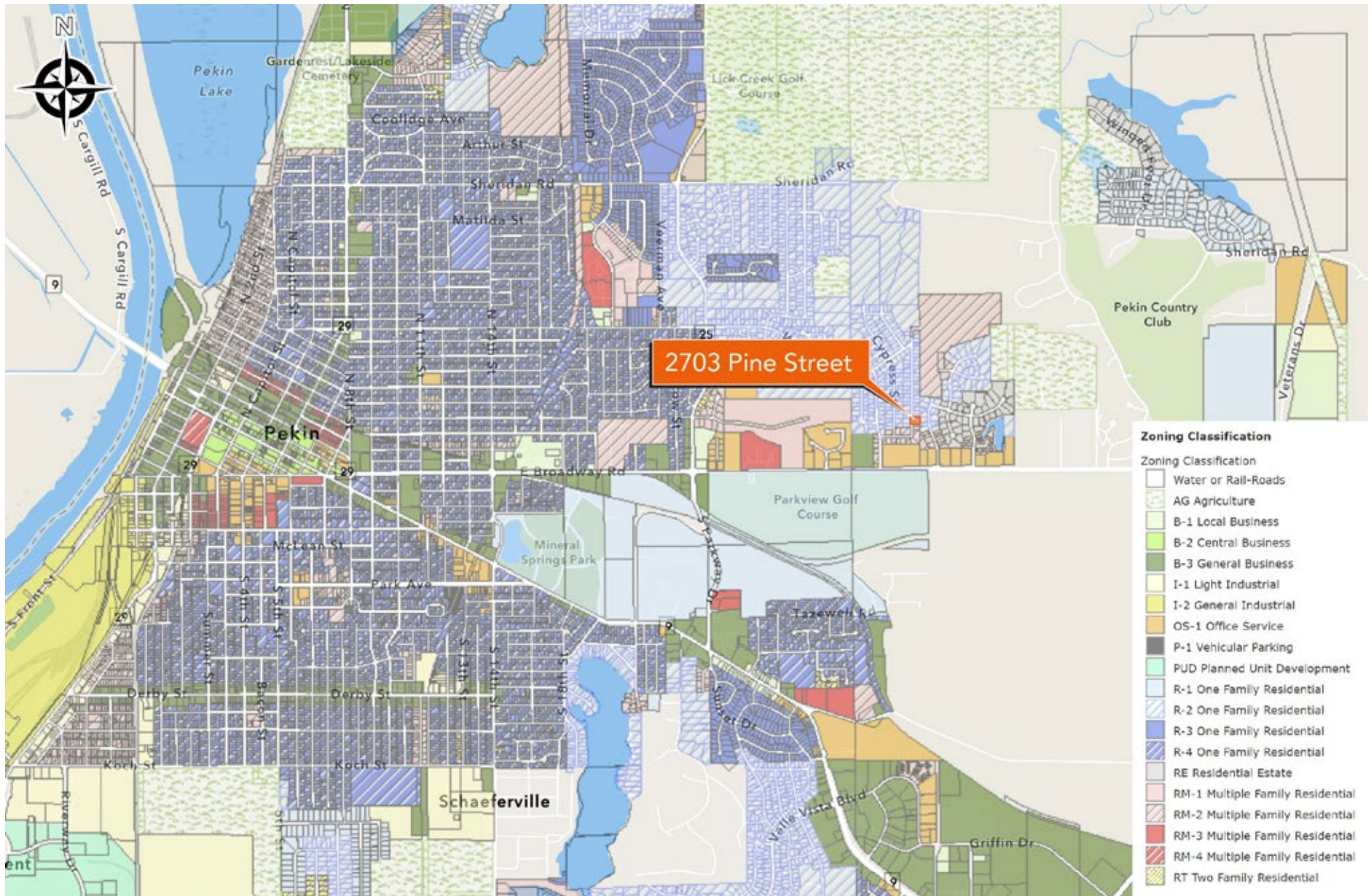
More than 34,000 people call Pekin home. Located on the banks of the Illinois River, Pekin sits halfway between Chicago and St. Louis (about 165 miles from each), a few hours from Indianapolis, and just 10 miles south of Peoria. Pekin is a Main Street City, and the Metropolitan Service Area contains a population of nearly 350,000.

As the county seat for Tazewell County, Pekin enjoys a solid economic base and is home to many professional, industrial, and manufacturing jobs. Adjacent to the navigable Illinois River, Riverway Business Park occupies 395 acres.

Pekin incentives for economic development include Tax Increment Financing Districts, the Pekin Area Enterprise Zone and Foreign Trade Zone designations, and the Pekin Economic Development Investment Fund. Pekin's residents enjoy the benefits of a dual school district. District 108, a K-8 district, enrolls about 4,000 students, and employs more than 300 teachers. The district has embraced the Malcolm Baldrige criteria for Performance Excellence as its improvement model. Pekin Community High School District 303 sits on a 70-acre site and serves the educational needs of approximately 2000 students from Pekin and the surrounding area. The high school employs 140 teachers who provide instruction in over 220 courses including an array of Advanced Placement courses as well as Career and Technical Education programs of study. Encompassing over 2,500 acres of land in 13 parks, the Pekin Park District is the fifth largest park district in Illinois. The park district is expanding, too, by building a new 80-acre sports complex on Pekin's South side.









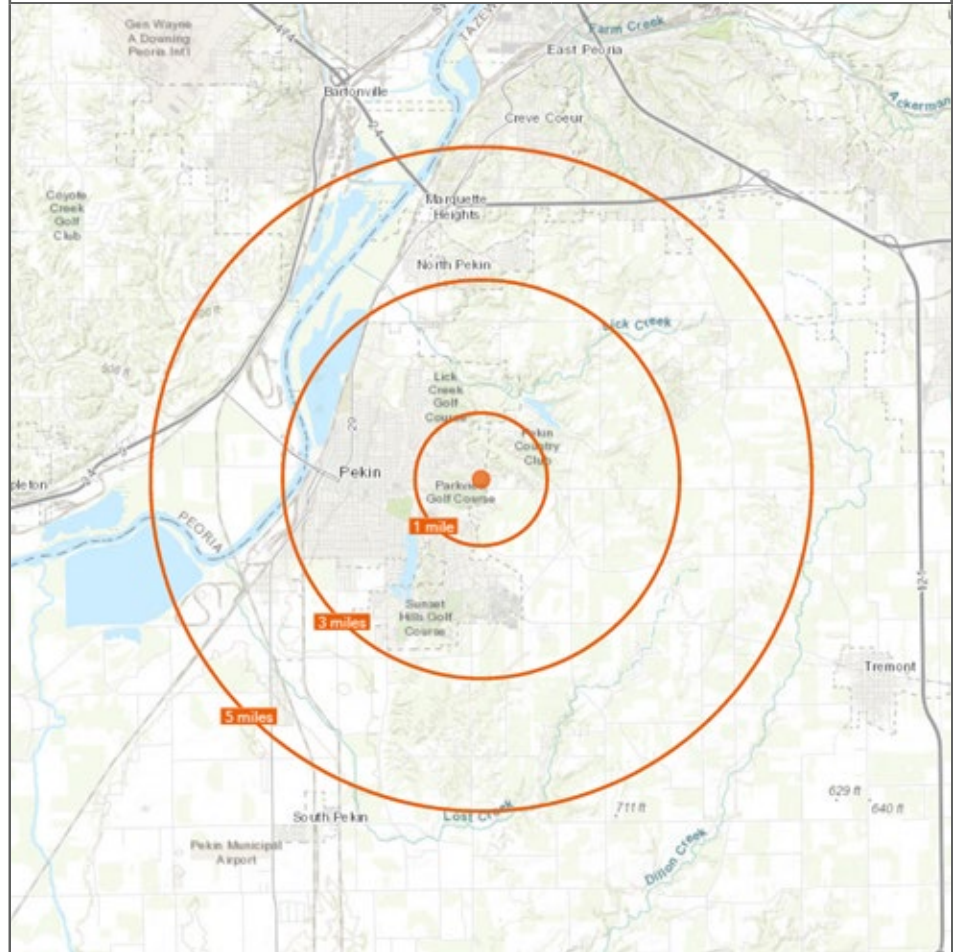
DEMOGRAPHIC SUMMARY

2000-2010 Census, 2021 Estimates with 2026 Projections

	1 mile	3 miles	5 miles	
Population	2022 Estimated Population	4,904	32,055	44,379
	2027 Projected Population	4,754	31,324	43,378
	2020 Population (U.S. Census)	5,007	32,603	45,114
	2010 Population (U.S. Census)	5,237	34,607	48,160
	2022 Median Age	43.3	41.6	41.7
Households	2022 Estimated Households	2,204	14,149	18,691
	2027 Projected Households	2,152	13,912	18,378
	2020 Total Households (U.S. Census)	2,244	14,318	18,911
	2010 Total Households (U.S. Census)	2,292	14,693	19,372
Income	2022 Average Household Income	\$83,524	\$77,472	\$79,140
	2022 Median Household Income	\$59,998	\$57,229	\$58,998
	2022 Per Capita Income	\$37,107	\$34,176	\$33,589
Business	2022 Total Businesses	134	1,118	1,401
	2022 Total Employees	2,346	14,460	17,493
	2022 Estimated Daytime Population	4,307	30,429	40,029
Education (Age 25+)	2022 Adult Population (Ages 25+)	3,461	22,842	31,935
	2022 Elementary (Level 0 to 8)	1.0%	1.5%	1.6%
	2022 Some High School (Level 9 to 11)	4.2%	6.2%	6.8%
	2022 High School Diploma	28.2%	29.9%	30.5%
	2022 Some College/No Degree	23.4%	22.5%	22.4%
	2022 Associate Degree	11.9%	11.7%	11.6%
	2022 Bachelor Degree	15.3%	14.9%	13.7%
	2022 Graduate Degree	10.7%	7.0%	6.6%
% Any College	61.2%	56.1%	54.3%	
Race & Ethnicity	2022 White Population	92.2%	92.7%	91.6%
	2022 Black/African American Population	0.7%	0.7%	1.6%
	2022 Asian Population	0.8%	0.7%	0.7%
	2022 American Indian/Alaska Native Population	0.2%	0.3%	0.4%
	2022 Other Race	0.7%	0.7%	0.7%
	2022 Population of Two or More Races	5.3%	4.9%	4.9%
2022 Hispanic Population	25.2%	32.1%	38.8%	

Source: Esri, Esri and Infogroup, U.S. Census

KEY DEMOGRAPHICS	1 Mile	3 Miles	5 Miles
Estimated Population:	4,904	32,055	44,379
Daytime Population:	4,307	30,429	40,029
Estimated Households:	2,204	14,149	18,691
Average Household Income:	\$83,524	\$77,472	\$79,140



Confidentiality Disclosure

Baum Realty Group, LLC ("Baum Realty") has been retained as the exclusive broker by the Owner of Record ("the Owner") of 2703-2707 Pine Street in Pekin, IL in connection with the sale of certain properties ("the Property") as described in this Offering Memorandum.

This Offering Memorandum has been prepared by Baum Realty for use by a limited number of parties, and does not purport to provide a necessarily accurate summary of the physical or economic aspects 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 further, the Offering Memorandum is limited to the matters set forth therein. All budgets or projections have been developed by Baum Realty and Owner, and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Baum Realty and therefore are subject to variation. Each of Baum Realty and Owner makes no representation 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, Baum Realty and its employees, and Owner, and its trustees, officers, and employees disclaim any and all liability for representations and warranties, expressed and implied, contained in, or omissions from the Offering Memorandum or any other written or oral communication transmitted or made available to the recipient. The Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the Property Owner as of the date of preparation of the Offering Memorandum.

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

Owner expressly reserves the right, at its sole discretion, to reject any or 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 obligations to any entity reviewing the Offering Memorandum or making an offer to purchase the property unless and until such offer is approved by Owner and the Board of Trustees of Owner and 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 hereunder have been satisfied or waived.

This Offering Memorandum and the contents, except such information that is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Offering Memorandum, you acknowledge that you have executed, and have agreed to be bound by, the Confidentiality Agreement with Baum Realty and Owner.

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