

EAST/WEST

CORPORATE CENTER

Naperville, IL

EXECUTIVE SUMMARY

1751 W. DIEHL

1771 W. DIEHL



Jones Lang LaSalle
Americas (Illinois), L.P. ("JLL")

Executive Summary

Jones Lang LaSalle Americas (Illinois) L.P. (“JLL”) has been exclusively retained to offer the unique opportunity to acquire East/West Corporate Center (the “Property”), a two (2) building Class A office park located in the prestigious western suburbs of Chicago. Prominently situated adjacent to the 4-way interchange of I-88 and US Route 59, the Property consists of 225,895 rentable square feet (“RSF”) and is leased to fifteen (15) tenants, with nearly 50% of the net rentable office area occupied by investment grade, publicly traded companies.

East/West Corporate Center is located in Naperville, one of the most highly regarded cities in the US, recently being named the #3 Best City to Live in America as of 2020. The Property benefits from a DuPage County address and is an attractive low-rise suburban alternative in today’s post-COVID market. Currently 77.5% leased across the two (2) buildings, East/West Corporate Center provides investors the opportunity to acquire a value-add asset with significant lease-up potential at a substantial discount to replacement cost.

KEY PROPERTY STATISTICS

ADDRESS	1751 W. DIEHL RD.	1771 W. DIEHL RD.	
CITY	Naperville, IL	Naperville, IL	
YEAR BUILT / RENOVATED	1982 / 2008	1986 / 2008	
STORIES	4	3	TOTAL/AVG.
RENTABLE AREA	137,398 RSF	88,497 RSF	225,895 RSF
OCCUPANCY	89.7%	58.4%	77.5%
TENANTS	9	6	15
LAND AREA (ACRES)	5.83	9.96	15.79
PARKING RATIO (PER 1,000 RSF)	4.6	4.6	4.6





SOUTHWEST FACING VIEW FROM I-88

EAST/WEST

CORPORATE CENTER

BEST-OF-THE-BEST TENANCY

The Property features an enviable roster of fifteen (15) tenants comprised of investment grade and publicly traded companies benefiting a trophy office park such as East/West Corporate Center. Nearly two-thirds - 62.3% - of the leased RSF at the Property is headquartered tenants. Approximately 36% of the total net rentable area and almost half of the existing rentable office area represents investment grade credit. The weighted average tenure among these three (3) investment grade, publicly traded tenants is over 11.5 years, highlighting the desirability of the asset for high-profile companies.

Pivotal Home Solutions HQ at East/West Corporate Center

Pivotal Home Solutions[®]

Subsidiary of American Water Works Company (NYSE: AWK)

\$844 MILLION IN REVENUES

S&P: A
Moody's: Baa1

JUUL LABS

Subsidiary of Altria Group, Inc. (NYSE: MO)

\$6.4 BILLION IN REVENUES

S&P: BBB
Moody's: A3

Hormel

(NYSE: HRL)

\$2.4 BILLION IN REVENUES

S&P: A
Moody's: A1

**Revenues as of Q1 2020*



1751 W. DIEHL - SUITE 400



CONSIDERABLE RENT GROWTH AT THE PROPERTY

✓ 91% increase in contractual rents across the office park since 2010

10.1%
RENT GROWTH
PER YEAR

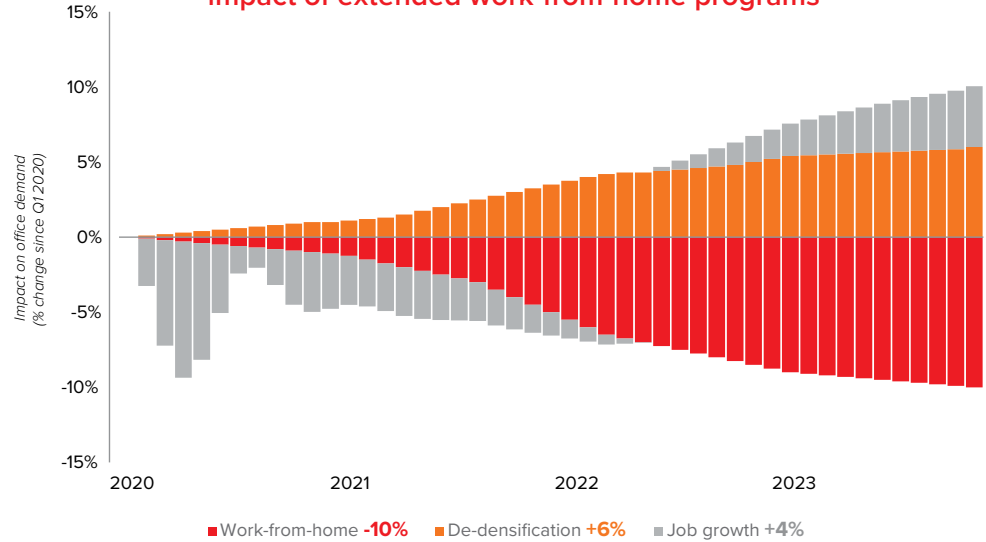


ATTRACTIVE LOW-RISE SUBURBAN ALTERNATIVE IN TODAY'S POST-COVID MARKET

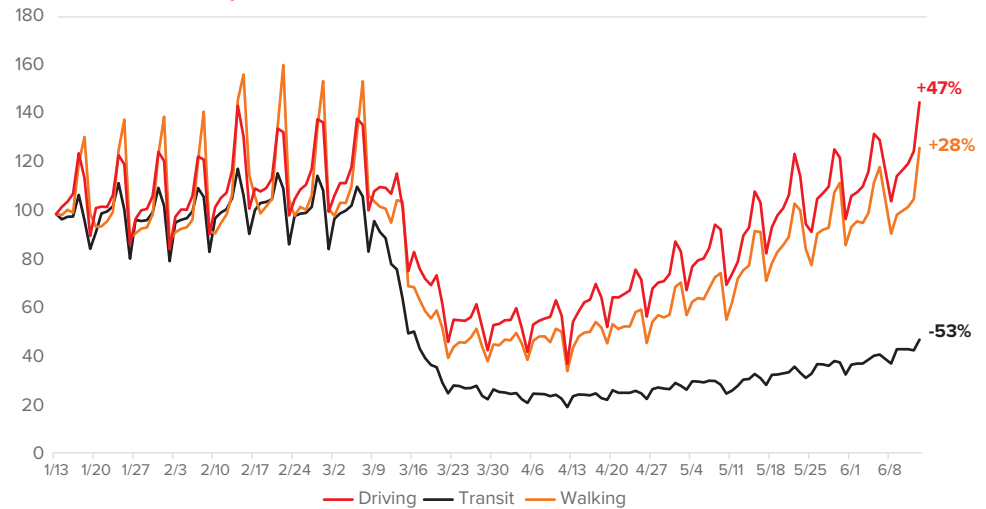
Challenges related to urban density, vertical building movement, and public transportation may impair the central business districts of gateway cities like Chicago. Densely populated regions may see an uptick in suburban demand as workers avoid high-rise buildings and public transit. Companies looking to de-densify over the next few years will enable the unique prospect of investors to lease up the current vacancy with tenants looking to move satellite offices to the suburbs. Additionally, the office park's 3-4 story structure offers existing and future tenants more flexibility and a less dense environment when their employees do return to the office.

Across the US, driving has increased 47% since January of this year, whereas public transit is down 53%

Future job creation and de-densification will counterbalance the impact of extended work-from-home programs



Driving has increased substantially more than public transit relative to baseline levels





1751 W. Diehl

Parking Garage

1771 W. Diehl

SOUTHEAST FACING AERIAL OF THE PROPERTY



EAST/WEST

CORPORATE CENTER

FULL AMENITY SET = LEASING VELOCITY

Since 2011, tenant demand has been concentrated in the highest-quality properties in the best locations of suburban Chicago. In fact, assets rich in amenities have most recently shown a 32% increase in rents and are on average 790 bps lower in vacancy relative to the overall suburban market.



HIGHER RENTS
IN AMENITY RICH
BUILDINGS VS THE
OVERALL SUBURBS



LESS IN VACANCY FOR
CLASS A AMENITIZED
BUILDINGS VS THE
OVERALL SUBURBS



LOBBY

Best-in-Class Amenity Package



TENANT CAFE
& LOUNGE



CONFERENCING FACILITY



STRUCTURED
PARKING



PROFESSIONALLY MANAGED
FITNESS CENTER

\$5MM+

IN CAPITAL EXPENDITURES AT
THE PROPERTY SINCE 2015

\$2.8MM	TENANT IMPROVEMENTS
\$883K	PARKING IMPROVEMENTS
\$777K	COMMISSIONS
\$550K	BUILDING IMPROVEMENTS



CAFE



STRUCTURED PARKING



Continued outward millennial migration has pressured owners to renovate and amenitize in an attempt to draw young talent

CLASS A AMENITIES DRIVE DEMAND

East/West Corporate Center offers an unparalleled suite of on-site and walkable amenities, including the proposed \$200 million mixed-use development just north across I-88 at CityGate West. The planned 100 acre live-work-play community will feature additional retail, residential, hospitality, and entertainment. These distinctive and highly desirable amenities help to position the Property as one of the most prominent office parks in the East/West Corridor submarket.

THE FLIGHT TO QUALITY IN THE SUBURBS HAS CREATED DEMAND FOR AMENITIZED CLASS A OFFICE SPACE

Renovated office product in the suburbs this year continues to illustrate owners' demand to reposition themselves to suit a changing office tenant demographic, as the top priority for companies in the suburbs continues to be recruiting and retaining young top talent, especially the millennial population.



Millennials create demand for offices that are more like cafes



Suburban residents want urban amenities



*Inspirational office design:
A way to retain millennials*

THE WALL STREET JOURNAL.

Suburban offices woo millennials with food, fitness and fun

THE WALL STREET JOURNAL.

Amenity-laden buildings are suburban landlords' latest tool to attract tenants

FITNESS CENTER



EXCELLENT HIGHWAY FRONTAGE AND VISIBILITY FROM THE I-88 / US ROUTE 59 INTERCHANGE

The Property is located on Diehl Road and is perfectly visible from the I-88 and US Route 59 thoroughfares. East/West Corporate Center is less than a fifteen (15) minute drive to both Downtown Naperville and Downtown Lisle, two of the most desirable communities to work, shop, and live in suburban Chicago. Naperville and Lisle offer picturesque public spaces, a wide range of executive and affordable housing stock, prime connectivity, and plentiful retail amenities. East/West Corporate Center provides tenants with easy access to the combined offerings of both prestigious communities.



59

Proposed CityGate West Development

55,000
Vehicles Per Day

180,500
Vehicles Per Day



EAST/WEST
CORPORATE CENTER

59

Thirteen (13) Minute Drive
to Downtown Naperville



Diehl Road

Fourteen (14) Minute Drive
to Downtown Lisle





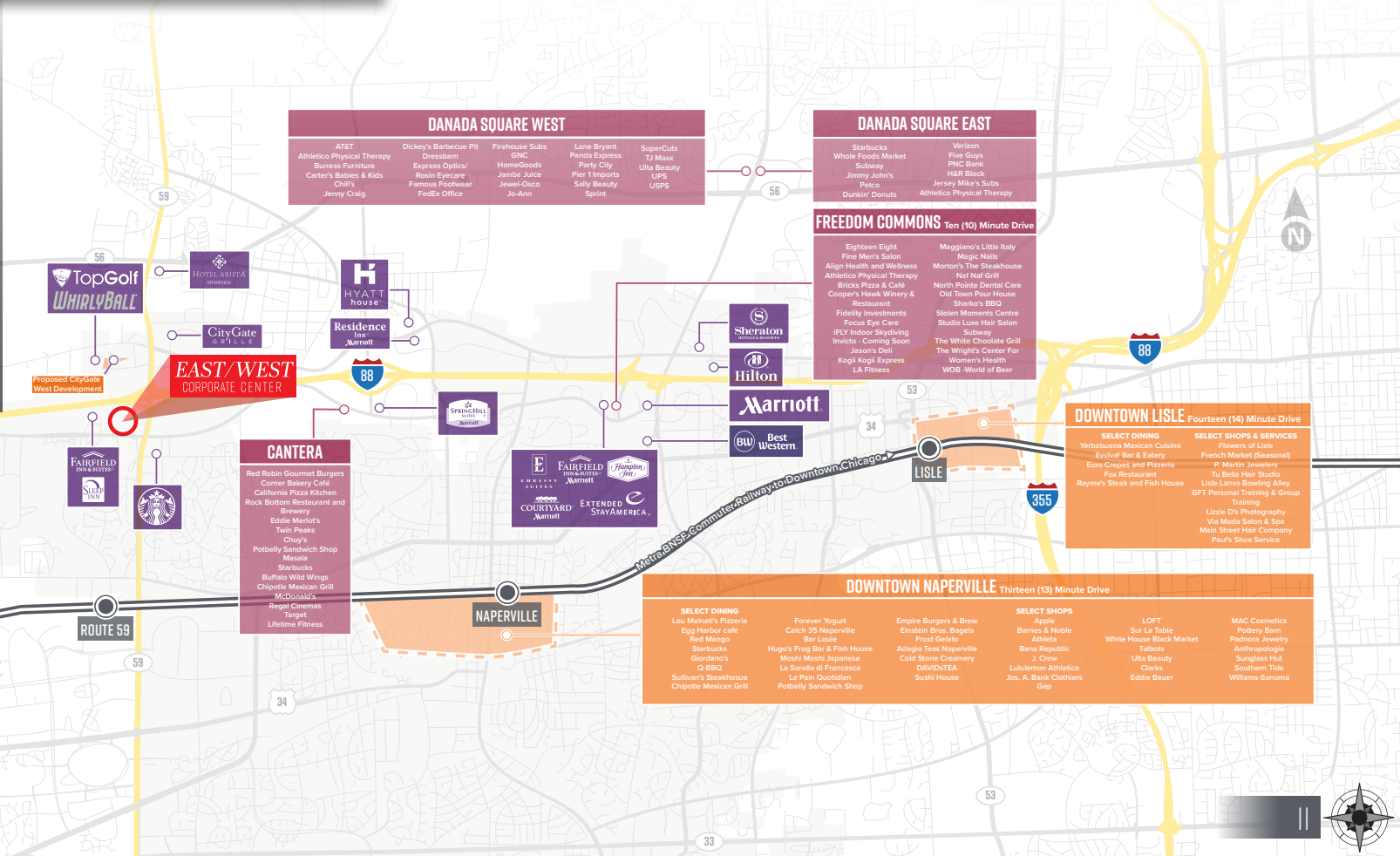
CITYGATE WEST

HIGHLY DESIRABLE PROXIMITY AND ACCESS TO AREA AMENITIES

Conveniently located just north of the Property, CityGate West will be a 100 acre development spanning the northwest quadrant of the I-88 and US Route 59 interchange. The \$200 million project has been proposed by Intercontinental Real Estate and Development (ICRED) and is set to be designed by Hitchcock Design Group and Civil & Environment Consultants. An extension of existing area amenities such as TopGolf and WhirlyBall, the art-focused development will feature entertainment venues, full-service hospitality and retail, and luxury living catered to both millennials and the empty-nester demographic. The investment in CityGate West serves as a leading indicator of Naperville and DuPage County's sustained growth through COVID-19.

"We're creating an art-inspired and economic hub on Naperville's northern boundary that will be a focal point for the region to live, work, play and stay."

CITYGATE WEST
 \$200 MILLION
 100+ ACRES



ESTABLISHED CORPORATE LOCATION IN ONE OF THE COUNTRY'S BEST RANKED CITIES

Located a short drive southeast of the Property, Downtown Naperville offers an abundance of high-end shopping, dining, services, and hospitality amenities, which cater to the area's affluent population. This vibrant community is home to over 300 businesses that range from internationally recognized retailers to one-of-a-kind local boutiques (including Apple, Pottery Barn, and lululemon). Naperville's diverse selection of dining options cater to nearly every taste. Select offerings range from the high-end Hugo's Frog Bar & Fish House to family friendly Chicago pizza staple, Giordano's.

#1

BEST CITY TO RAISE A FAMILY IN AMERICA

#1

CITY IN AMERICA FOR BEST PUBLIC SCHOOL SYSTEM

#3

BEST CITY TO LIVE IN AMERICA

Niche, 2020

NAPERVILLE RIVERWALK



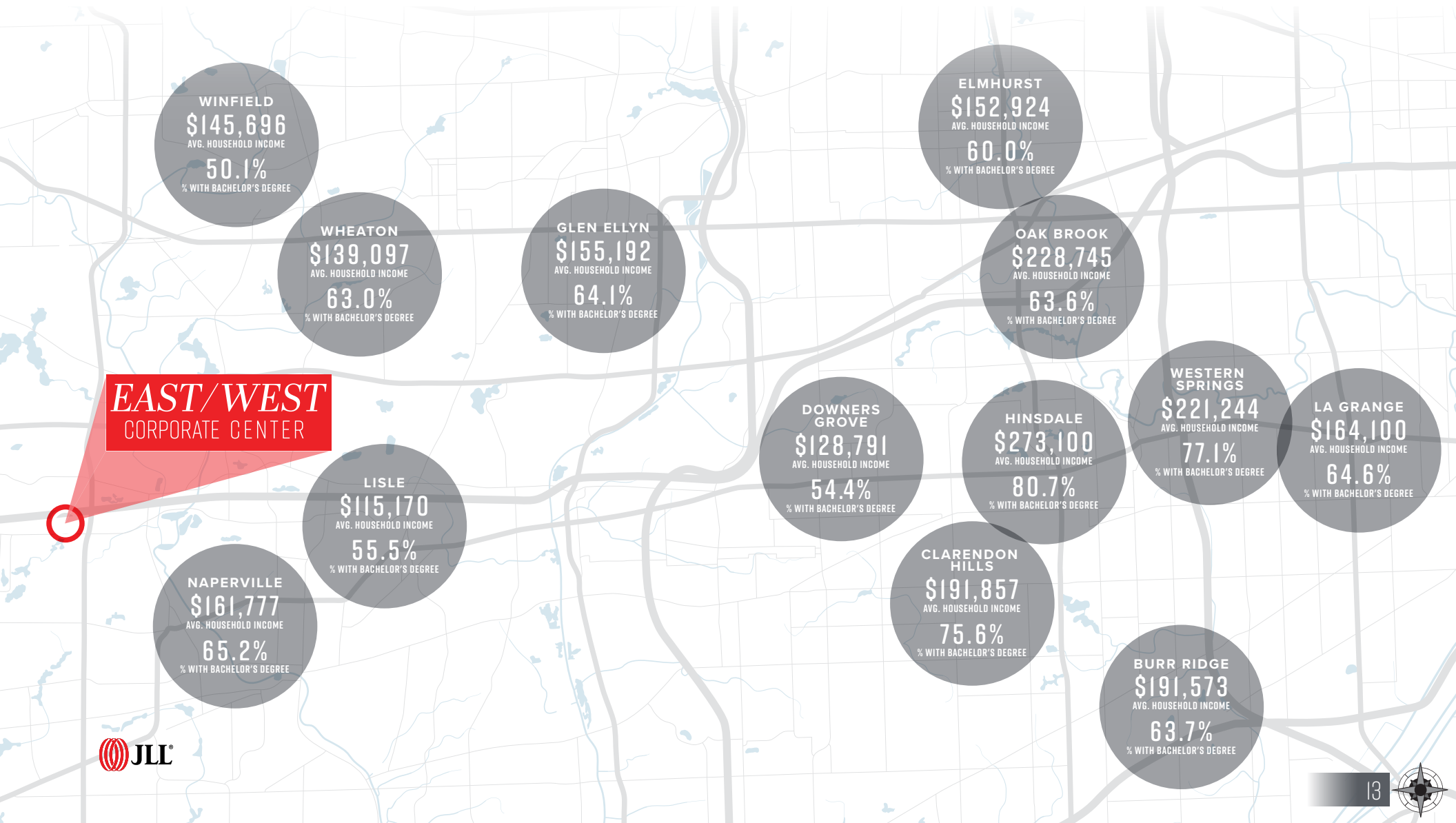
MILLENNIUM CARILLON

Naperville

- Naperville, the fifth (5th) largest city in the state of Illinois, has been ranked as both one of the wealthiest and safest cities in the US.
- Naperville has one of the strongest public school districts in the state and is known for their exceptional public and private schools.
- In 2019, Naperville was ranked **#12 on SmartAsset's list of where millennials are buying homes**, signaling that Naperville's population growth is not stopping anytime soon.
- In 2019, 7,957 building permits were issued in Naperville, demonstrating sustained future demand as developments struggle to keep up.

STRONG DEMOGRAPHIC BASE IN CHICAGO'S EAST/WEST CORRIDOR

Large corporations such as Navistar International, Eby-Brown, Suncoke Energy, McMaster-Carr Supply, and DeVry Education are located in DuPage County, in part due to the lower property taxes. To the east and south of the Property is executive housing stock that includes Naperville, Lisle, Oak Brook, Hinsdale, Burr Ridge, Clarendon Hills, and more, placing executives within a short drive of their homes. The affluent neighborhoods surrounding the Property also create a strong employee hiring base for tenants looking to draw and retain talent.



EAST/WEST
CORPORATE CENTER



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DUPAGE COUNTY TAX ADVANTAGE

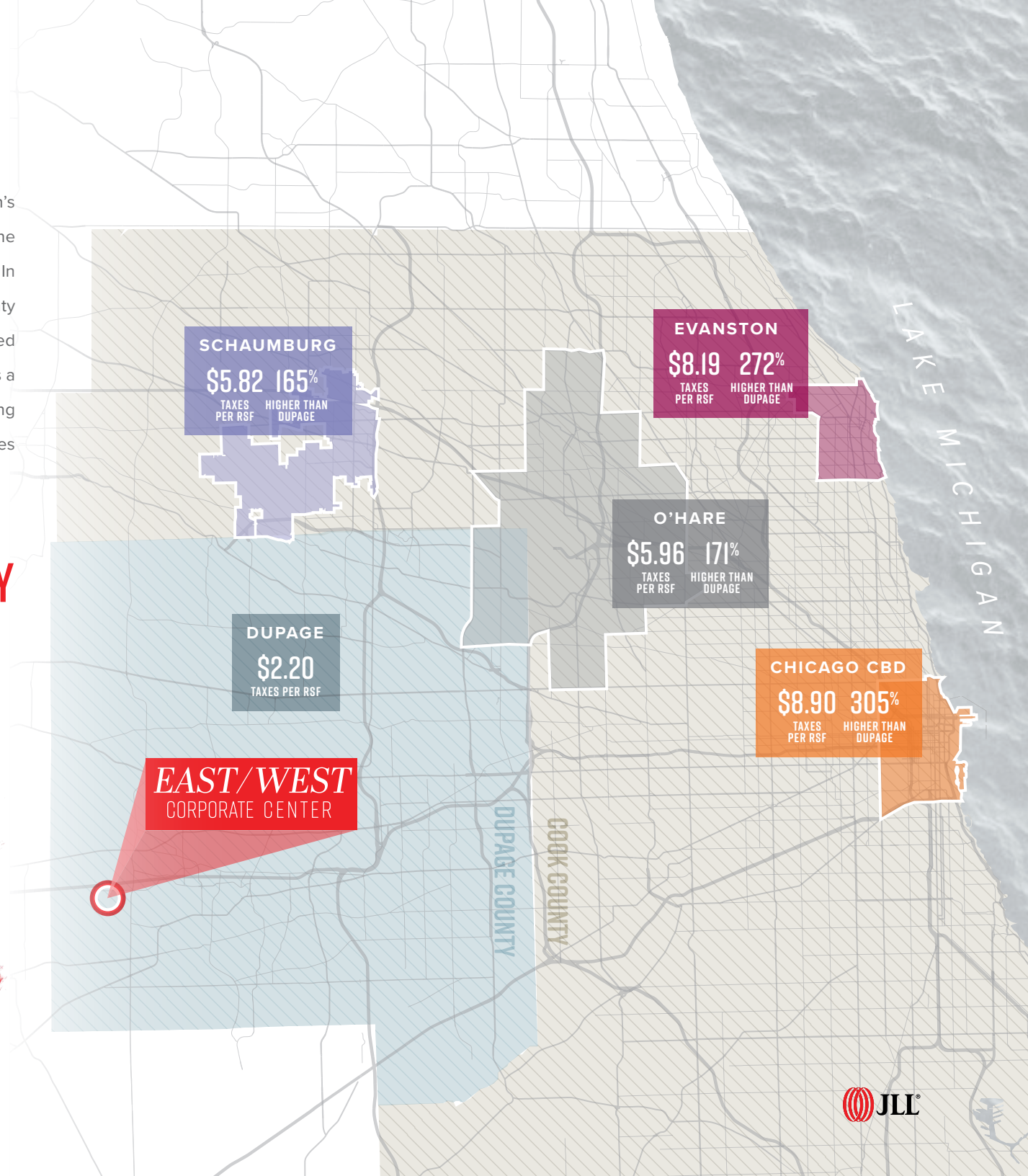
DuPage County has long been one of the nation's wealthiest counties and is widely recognized as one of the fastest growing counties in the Midwest. In contrast to neighboring counties, DuPage County boasts a balanced budget and has not raised property taxes for eleven (11) consecutive years. As a result, comparable Class A buildings in neighboring submarkets have property taxes up to three (3) times that of DuPage County.



DUPAGE COUNTY TAX INCENTIVE

NO
2

MOST POPULOUS COUNTY
IN ILLINOIS SINCE 2010



SUBSTANTIAL DISCOUNT TO REPLACEMENT COST

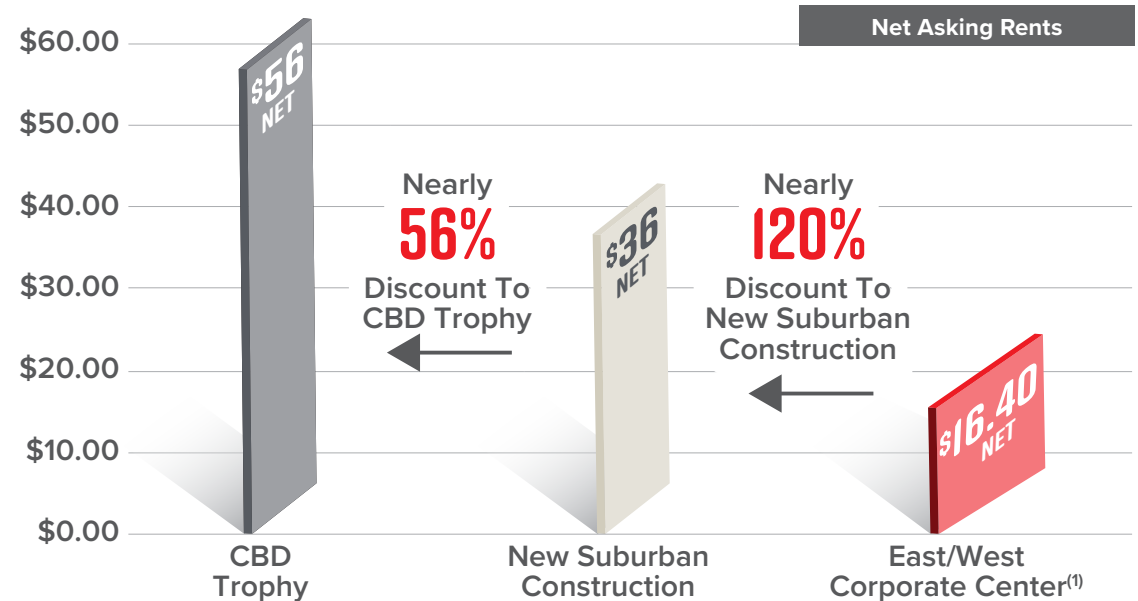
East/West Corporate Center provides investors the opportunity to acquire a Class A office park at a substantial discount to replacement cost, providing a competitive basis for years to come. Due to the lack of available land sites and the rising cost of construction, the replacement costs of similarly, well-located assets are approximately \$400 PSF. New developments would require net rents of \$36 PSF which is nearly a 120% premium to the Property's weighted average in-place net rents. This spread creates the ideal path to rent growth and a hedge against future speculative development in the area.

REPLACEMENT COST/RSF

LAND	\$40
CORE & SHELL	\$170
TENANT IMPROVEMENTS	\$100
PARKING	\$50
TOTAL HARD COSTS	\$360
LEASE COMMISSIONS	\$25
FINANCING COSTS	\$10
OTHER SOFT COSTS	\$5
TOTAL SOFT COSTS	\$40
TOTAL DEVELOPMENT COSTS (\$ PSF)	\$400
YIELD ON COST	9.0%
NET RENTS	\$36



1751 W. DIEHL



(1) Weighted average does not include GSA tenants.





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