

ABSOLUTE NNN INVESTMENT OPPORTUNITY

Innophos | 17-Years Remaining | Chicago MSA | Warehouse + Lab | 348,500 SF



The Offering

JLL is pleased to offer for sale the fee simple interest in a mission-critical industrial asset located at 700 State Street in Chicago Heights, Illinois (the “Property”). Featuring over 17-years of remaining absolute triple net lease term, the Property is 100% leased to Innophos, Inc. (“Innophos”, “Company”, or “Tenant”), the industry-leading manufacturer of specialty phosphates and ingredients. Strategically positioned next to a key Innophos manufacturing facility, the Property provides distribution, warehousing, lab space, and quality assurance for finished goods.

Situated within the largest industrial market in the United States, the Property enjoys convenient access to key regional infrastructure including Class I rail, the CN Chicago Intermodal Terminal, and Interstates, 57, 94/294, and 80. Moreover, the Property’s submarket (Far South Cook) has sound fundamentals, having experienced 4.7% average annual rent growth and 5.3% vacancy rate over the last three years.

Interested investors have the exciting opportunity to capitalize on an attractive combination of mission-critical industrial product, long-term absolute NNN lease structure, industry-leading tenancy, and enhanced residual value appreciation due to the Property’s highly connected Chicagoland location.

Investment Summary

Address	700 State Street, Chicago Heights, IL 60411
Building Size	348,593 SF (including 23,250 SF QA/QC laboratory)
Site Area	12.9 Acres
Building Type	Industrial: Distribution / Warehouse / Lab
Year Built	1999
Tenant	Innophos, Inc.
Guarantor	Innophos Holdings, Inc. (S&P: B / Stable Moody’s: B2 / Stable)
Lease Structure	Absolute NNN
Lease Expiration	12/31/2038
Remaining Term¹	17.3 Years
Current NOI (PSF)¹	\$1,483,500 (\$4.26)
Escalations	10% every 5 years (next escalation 1/1/2024)
Renewal Options	4 x 5-year options at FMV

(1) As of October 1, 2021



Top National Industrial Market with Record Low Vacancy

The Chicago industrial market is the **largest in the country** with over 1.2 billion square feet of inventory, making it the largest in the country. Chicago has long been a **target for core institutional investors** given its central US location, large and educated population base, and substantial economic impact on the overall U.S. GDP. Intense occupier demand has driven Chicago's **vacancy to an all-time low of 4.9%** as of Q2 2021. Owners are benefiting tremendously from the tight supply environment, with rent increasing **4% year-over-year to \$5.49 PSF (29% higher than Innophos' current rent)**.

The Far South Cook submarket borders Indiana to the east and is in close proximity to major interstates and a dense population of consumers. Over the past three years, the submarket has achieved **4.7% annual average rent growth and nearly two million square feet of delivered space**, while retaining an average 5.3% vacancy rate. Investors and occupiers continue to be drawn to the submarket's above average rental growth, advanced logistical connectivity, and historically strong net absorption.



4.9% market vacancy rate, a record breaking low

4.7% submarket annual rent growth (3-year avg)

1MM square feet submarket TTM net absorption

\$1B investment by Ford in Chicago plants (2019)

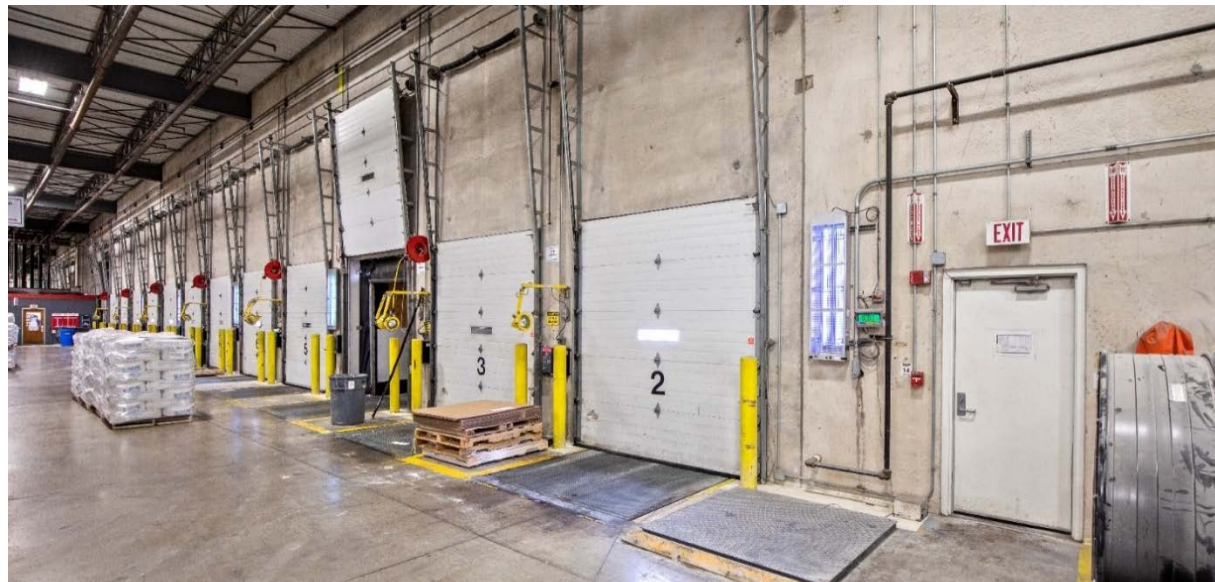
#3 ranked market for intermodal container handling

#1 U.S. railroad hub with 14 freight lines

Industry-leading Tenancy with Premier Private Equity Sponsorship

Innophos is a leading global producer of specialty phosphates and ingredients with over **100 years of experience and customers in 70 countries worldwide**. As **North America's only vertically integrated specialty phosphate producer**, the Company is a clear market leader and boasts deep relationships with the top global consumer products companies. Innophos' product catalog is immense and has applications across the food & beverage, health & nutrition, and industrial spaces.

In 2018, leading middle-market private equity firm One Rock Capital Partners purchased the Company for nearly **\$1 billion** dollars to capitalize on Innophos' long track record of success and innovation. One Rock was drawn to **Innophos' enviable, market-leading positions and comprehensive manufacturing and R&D capabilities**. Innophos stands to benefit from enhanced flexibility which will allow for pursuit of continued growth in its core end markets and the strengthening of its existing operational and commercial abilities.



(1) TTM 3/31/2021

120 year operating history

12 plants globally

100s of products

Customers in **70 countries**



The Property's lab space is used to conduct quality assurance, quality control, and other testing activity on the products manufactured out of the neighboring chemical plant. The lab enables Innophos to achieve and maintain high levels of accuracy and consistency within its product catalog.

Mission Critical and Functional Industrial Warehouse

- Sole warehouse and distribution facility serving one of Innophos' primary manufacturing facilities, located adjacent to the Property
- Highly desirable industrial attributes, including **25 docks**, **2 overhead doors**, **27-foot clear height** and **68 parking spaces**
- Features **23,250 square feet of quality assurance lab space**, serving as the primary QA/QC laboratory for Innophos' manufacturing facility located down the street
- Distribution facility is **operated by third party logistics company** Ryder System, Inc. on site, providing the Tenant with **operational efficiencies** achieved through a leading logistics company responsible for management of day-to-day operations



Highly Connected Location in 3rd Largest US City

A bold metropolis, Chicago is the cultural compass of the Midwest, the nation's third largest metropolitan and home to more than 9.5 million people. With one of the world's largest and most diversified economies, Chicago has 3.6 million employees and a gross metro product of \$770 billion, which if compared to a country, would be 21st highest worldwide ahead of Taiwan & Poland.

- **Unparalleled Logistical Advantages:**

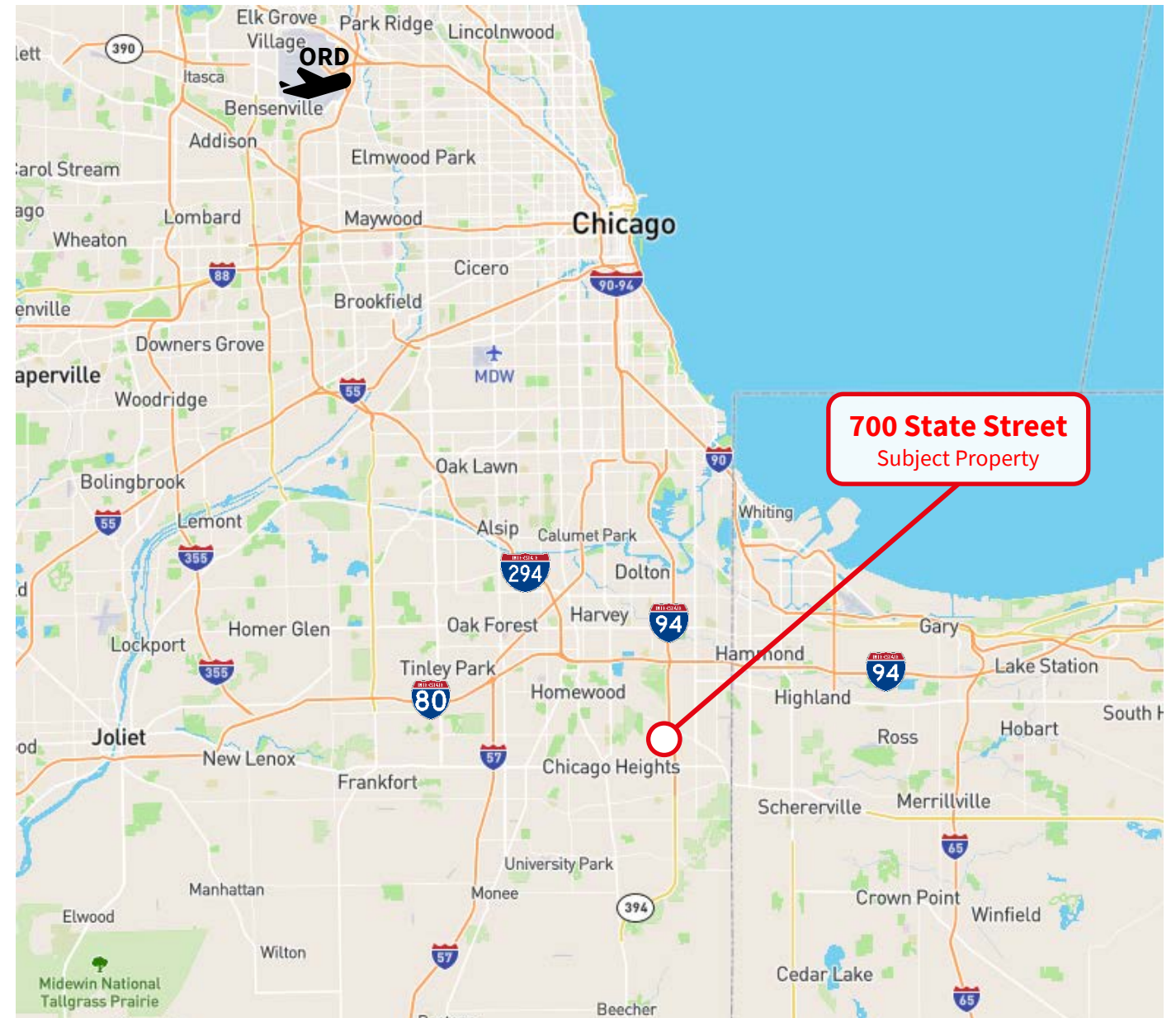
- Connectivity to all the major Midwest interstates:
 - 5 miles from the I-94 and I-294/I-80 juncture; 6.5-miles from I-57 to Memphis; 15-miles from I-65 to Indianapolis
- Within 10-miles of: CN Chicago Intermodal Terminal, Union Pacific Intermodal Terminal, two Indiana Harbor Belt Yards, and CSX Barr Yard
- 12-miles from the Indiana Harbor in East Chicago

- **Top National Economic Hub**

- #1 for Corporate Investment, totaling \$3B annually
- #1 Largest Railroad Hub and Largest Intermodal Port in the USA
- #1 for corporate relocations, expansions, and foreign direct investment
- #3 largest economy in the United States

- **The Property is in a densely populated commercial area of Chicago:**

- Population of 152 million within a 24-hour drive
- 157,000 population / 58,000 households in a 5-mile radius
- 4,300 businesses in a 5-mile radius



Optimal Absolute Triple Net Lease Structure

- 100% absolute triple net leased to Innophos and guaranteed by Innophos Holdings, Inc. for over 17-years of remaining term, expiring December 2038
- Four, five-year renewal options with fair market value resets, allowing future ownership to capitalize on the consistently strong rent growth present in the Chicago market
- No ownership responsibilities: Tenant will be responsible for all expenses, real estate taxes, maintenance, and repair or replacement of capital items



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