

# U.S. Bank NNN Portfolio – Infill Chicago MSA



- 3 Locations
- ±14,300 SF
- 6+ Years Remaining
- Outstanding Deposits: 21% Above the Cook County Median
- 'AA-' rated Investment-Grade Credit
- Attractive 2.5% Annual Rental Increases
- Absolute NNN Leases

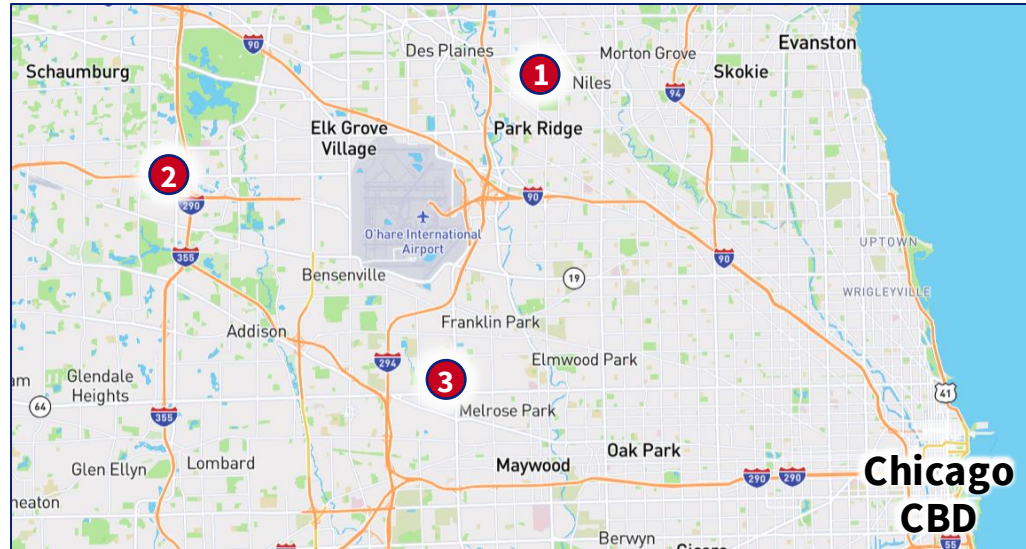
1) 8500 W. Dempster



3) 26 W. North



2) 1100 W. Devon





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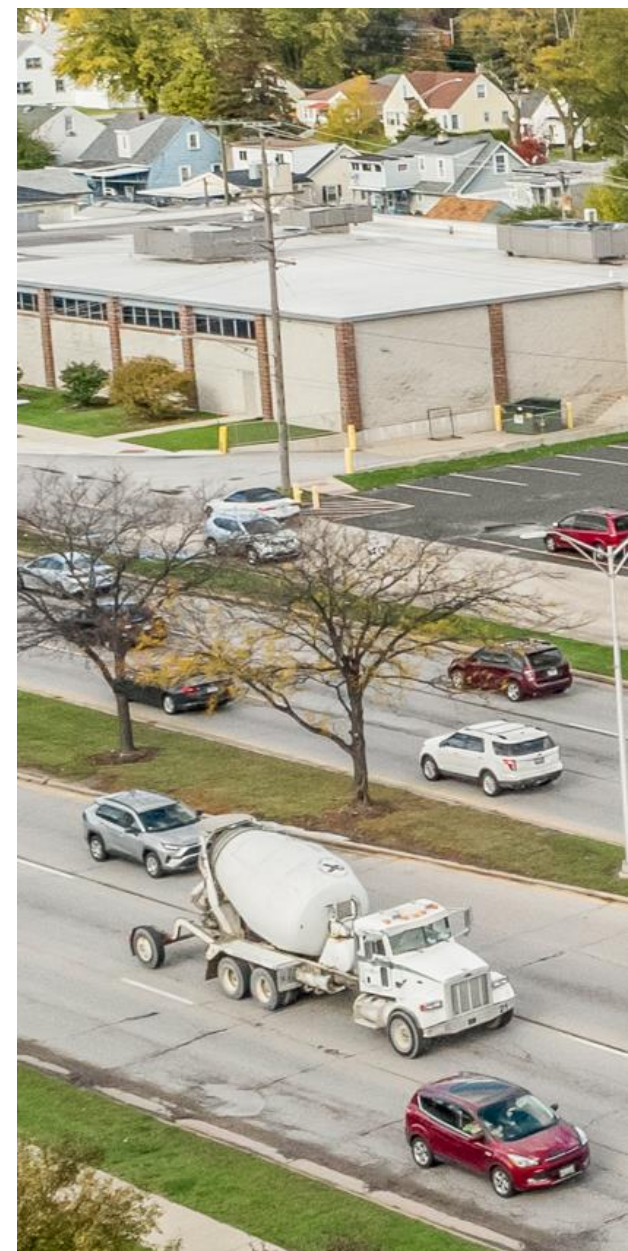






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3) 26 W. North



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# Executive Summary



1) 8500 W. Dempster



# Executive Summary



## The Offering

JLL is pleased to offer the fee-simple interest in the **Chicago U.S. Bank Portfolio**, which consists of three (3) U.S. Bank branch locations in the Chicago MSA (“Portfolio” or “Properties”). The Portfolio features three unique but identical, coterminous leases, all of which have been recently extended early by U.S. Bank. The early lease extensions demonstrate the Tenant’s commitment to the locations driven by **consistent deposit growth averaging a 10.7% CAGR across the Portfolio since 2017**. In addition to outstanding deposit growth, the Properties feature strategic, infill positioning in high-traffic retail corridors with outstanding surrounding density in the Chicago MSA, offering exposure to an average of **42,500 vehicles per day** and an average surrounding **5-mile population density of 297,159 residents**. Each of the three properties offers **drive-thru bank services** and outstanding underlying real estate situated on hard-corners, with large average parcel size of 0.95 acres across the Portfolio that provides for **highly attractive long-term redevelopment potential**. Furthermore, U.S. Bank (“Tenant” or “Company”) boasts an **investment-grade credit rating of ‘AA-’** by S&P, providing outstanding security to the long-term rent obligation coupled with the recent re-commitment via early rent extensions and the operating history at the locations that dates to 2012.

The Portfolio offers **over six (6) years of remaining lease term** guaranteed by U.S. Bank, with coterminous leases that expire 1/31/2028. Each property is on an attractive **Absolute NNN structure**, featuring **2.5% annual rent increases**, and two, five-year options. The Offering represents an opportunity to own real estate with exceptional underlying fundamentals at infill Chicago locations, consistent bank branch deposit growth, while providing secure and passive long-term income from a ‘AA-’ rated Tenant.

### Portfolio Overview

- 3 locations totaling ±14,300 SF
- 6.2 years of term remaining on Absolute NNN leases
- NOI of \$448,188 (\$31.34 PSF)<sup>(1)</sup>
- Annual rent increases of 2.5% beginning 2/1/2024

### Portfolio Highlights

- Premier “AA-”-rated investment-grade credit
- Excellent real estate fundamentals, with strong visibility – averaging 42,500 vehicles per day - and accessibility to major interstates
- Large site parcels averaging over more 0.95 acres across the Portfolio at attractive hard-corner intersections and infill Chicago MSA locations
- Average 5-mile population density for the portfolio of over 297,000 residents
- 10.7% CAGR in deposit growth since 2017 across the Portfolio
- Early lease extensions at the locations by the Tenant

**List Price: \$7,470,000**

**Cap Rate: 6.00%**

**NOI: \$448,188**



**2) 1100 W. Devon**



1. The Offering’s cap rate is applied to rent beginning 2/1/2023 – See following pages for further detail

# Executive Summary

## Investment Highlights

### High Investment-Grade Tenancy from U.S. Bank

- U.S. Bank is the fifth largest financial institution in North America, boasting 'AA-' credit rating from *S&P Global and Fitch Ratings*

### Over Six Years Remaining on Absolute NNN Leases with Attractive 2.5% Annual Rent Escalations

- The three leases are identical in structure, affording a future landlord with zero ongoing responsibility and attractive annual rent increases

### Outstanding History of Deposit Growth Across the Portfolio and an Early Lease Extension from the Tenant

- Each of the three properties has seen consecutive years of deposit growth dating back to 2017, growing at a 10.7% CAGR average across the Portfolio
- The banks collectively average over \$96.6M in annual on-site deposits, 21% higher than the median for U.S. Banks in Cook County in 2021

### Long-Term Intrinsic Real Estate Value Appreciation on Large Infill Parcels in the Chicago MSA

- The banks are all very well-located within the Chicago MSA, featuring attractive long-term redevelopment potential on large sites

### Major Retail Corridors with Strong Vehicle Counts & Surrounding Density

- Neighboring tenants include major credit retailers, with an average of 42,500 VPD across the Portfolio and over 297,000 residents within 5-miles





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# Tenant Overview



3) 26 W. North



# Tenant Overview



## U.S. Bank

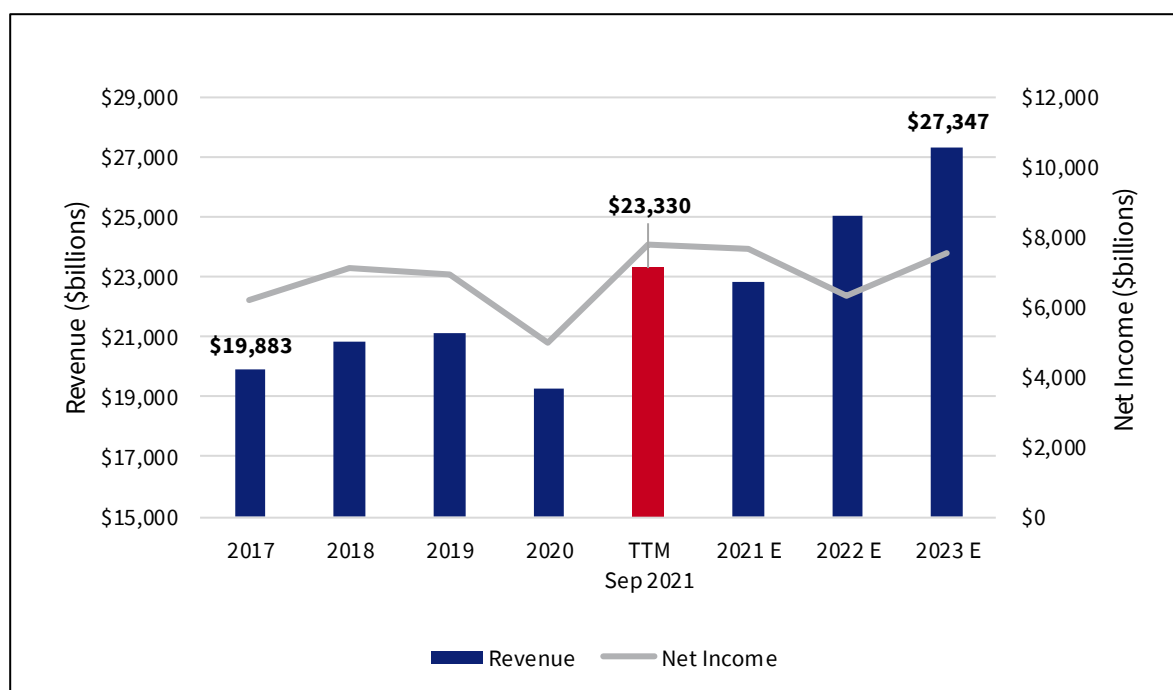
U.S. Bancorp, with nearly 70,000 employees and \$550 billion in assets as of June 30, 2021, is the parent company of U.S. Bank National Association. The Minneapolis-based company serves millions of customers locally, nationally, and globally through a diversified mix of businesses: Consumer and Business Banking; Payment Services; Corporate & Commercial Banking; and Wealth Management and Investment Services. The company has been recognized for its approach to digital innovation, social responsibility, and customer service, including being named one of the 2021 World's Most Ethical Companies and Fortune's most admired superregional bank.

U.S. Bancorp's banking subsidiary, U.S. Bank National Association, is engaged in the general banking business, principally in domestic markets. U.S. Bank National Association, with \$431 billion in deposits as of Q3 2021, provides a wide range of products and services to individuals, businesses, institutional organizations, governmental entities and other financial institutions. Commercial and consumer lending services are principally offered to customers within the Company's domestic markets, to domestic customers with foreign operations and to large national customers operating in specific industries targeted by the Company, such as healthcare, utilities, oil and gas, and state and municipal government.

### BUSINESS SEGMENT



### REVENUE VS. NET INCOME





# Tenant Highlights

## U.S. Bank has Benefitted from the Cyclical Rebound in spend activity

- Excluding COVID impacted travel, hospitality and entertainment sectors, volumes in each of U.S. Bank's payments businesses exceeded 2019 pre-pandemic levels in Q3 2021

## Leading Position in the Industry

- U.S. Bank ranks #5 in the U.S. banking industry as measured by Assets, Deposits, and Market Value

## Highly Rated Credit Profile from all of the Major Ratings Agencies<sup>(1)</sup>

**MOODY'S**  
**A1**

(1) U.S. Bank National Association LT Issuer Rating

**S&P Global**  
Ratings  
**AA-**

**FitchRatings**  
**AA-**

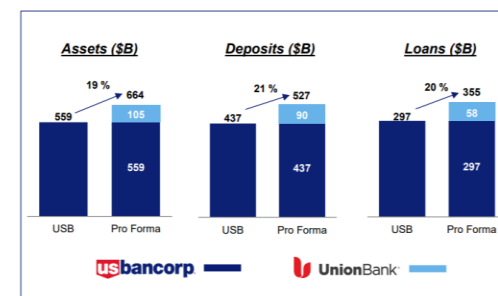
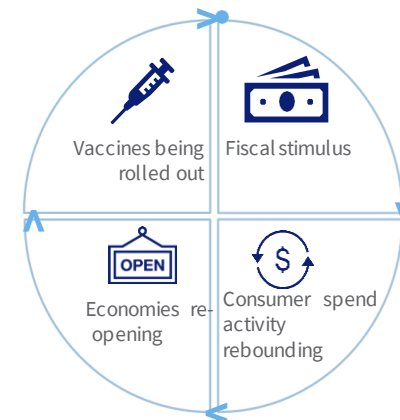
**DBRS**  
Insight beyond the rating.  
**AA**  
**(high)**

## Strategic Acquisition of MUFG Bank to Enhance Scale in Attractive Markets

- U.S. Bancorp to acquire MUFG Union Bank for \$8 Billion, with anticipated closing of 1H 2022
- Strengthened footprint in attractive growth markets (California, Oregon, Washington)
- Improves returns and accelerates long-term growth of the U.S. Bank brand

## Strong Q3 2021 Earnings Momentum

- Net income was \$2,028 million for the third quarter of 2021, which was \$448 million higher than the \$1,580 million for the third quarter of 2020, and \$46 million higher than the \$1,982 million for the second quarter of 2021.
- The increase in net income year-over-year was primarily due to lower provision for credit losses driven by a reserve release, a result of continued improvement in the global economy, as well as strong credit and collateral performance.









# *Lease Abstract*

2) 1100 W. Devon



# Lease Abstracts

The Portfolio of three properties contains three (3) separate leases that are coterminous and share identical terms. The terms are listed out below

Summary of Lease Terms	
Tenant	U.S. Bank National Association
Premises	3 Properties (listed in Executive Summary)
RSF	±14,300 SF across all Properties
Lease Structure	Absolute NNN Leases <i>All rental payable under the lease shall be absolutely net to landlord so that the lease shall yield the specific Base Rent</i>
Primary Term Expiration	1/31/2028
Remaining Lease Term	Over 6 years
NOI	\$448,188 (\$31.34 PSF); see property summary pages for further details
Rental Escalations	2.5% annually for the early extension term, with the first rent increase on 2/1/2024 <b><i>Varies over the next two years</i></b> , see property summary pages for further details
Renewal Options	<ul style="list-style-type: none"> <li>• 2 x 5-year periods with renewal notification with one years' notice by the Tenant</li> <li>• Next renewal option begins 2/1/2028</li> </ul>
Maintenance	Tenant will: (i) will keep the Premises and every part thereof and all buildings at any time situated thereon in a clean and wholesome condition and good state of repair; (ii) keep the improvements at any time situated upon the Premises and all sidewalks and areas adjacent thereto, as well as in the area thereof safe, secure and conformable to the lawful and valid requirements of any municipality; (iii) make at its own expense all additions, improvements, alterations and repairs on the Premises and on and to the appurtenances thereof required by any lawful authorities or which may be made necessary by the act or neglect of any other person or corporation (public or private), including supporting the streets and alleys adjoining the Premises and shoring up and protecting any building or strengthening the foundations of any building at any time situated on the Premises
Repairs	Tenant covenants and agrees, at its own expense, to keep the building or buildings and all improvements on the Premises at all times in good repair, order and condition. Tenant covenants and agrees that in case of damage to or of the machinery, fixtures and equipment thereof, by fire or other casualty, it will promptly at its own expense repair, restore or rebuild the same.







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# Property Overviews



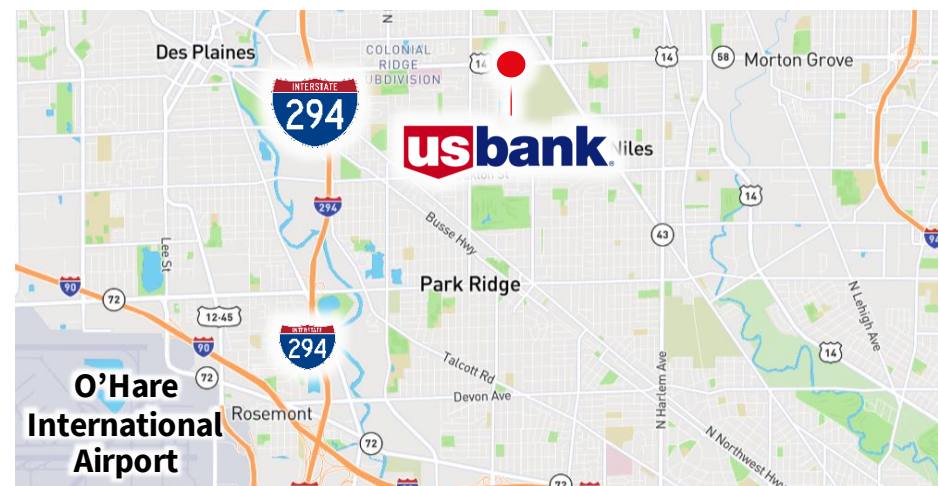
3) 26 W. North



# #1 – Niles, IL – 8500 W. Dempster

## Property Summary

Tenant	U.S. Bank
Property Address	8500 W. Dempster Avenue
City, State	Niles, IL
Building Size (SF)	±4,200 SF
Site Size (AC)	0.91
Year Built	NA
Lease Type	NNN
NOI <sup>(1)</sup>	\$109,628
Rent PSF	\$26.10
Lease Expiration	1/31/2028
Remaining Term (years)	6+ years
Rent Escalations	2.5% on 2/1/2024 and annually into options
Option Periods	2 x 5 years



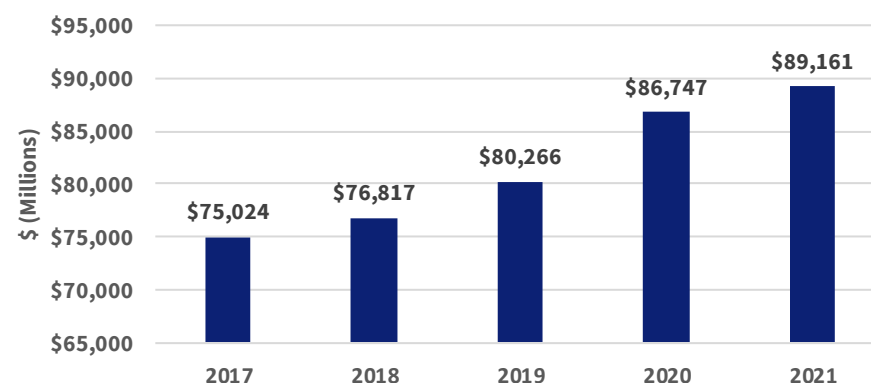
## Demographics

	1-Mile	3-Miles	5-Miles
2021 Population	23,383	148,105	345,625
Median HHI	\$72,163	\$83,349	\$85,961
Average HHI	\$100,389	\$117,458	\$119,538
Vehicles Per Day	39,100		

Begin Date	End Date	Annual Rent	Monthly	PSF	% Increase
2/1/2022	1/31/2023	\$131,554	\$10,963	\$31.32	-
<b>2/1/2023<sup>(1)</sup></b>	<b>1/31/2024</b>	<b>\$109,628</b>	<b>\$9,136</b>	<b>\$26.10</b>	-
2/1/2024	1/31/2025	\$112,369	\$9,364	\$26.75	2.50%
2/1/2025	1/31/2026	\$115,178	\$9,598	\$27.42	2.50%
2/1/2026	1/31/2027	\$118,057	\$9,838	\$28.11	2.50%
2/1/2027	1/31/2028	\$121,009	\$10,084	\$28.81	2.50%
Option 1	1/31/2033	Five-Year Option - Continue 2.5% annual Increases			
Option 2	1/31/2038	Five-Year Option - Continue 2.5% annual Increases			

- The Offering's cap rate is applied to rent beginning 2/1/2023 - Future Ownership benefits from a higher going-in yield due to the elevated rent through 1/31/2023

## Annual Branch Deposits



- Deposits have grown by nearly 19% since 2017, representing a 4.4% CAGR.
- The bank ranks in the top 50% of all U.S. Banks in Chicago's Cook County as measured by total deposits in 2021 (out of 84 banks) and ranks as the #1 U.S. Bank in Niles, IL
- The closest U.S. Bank is over two miles away



# #1 – Niles, IL – 8500 W. Dempster



Advocate  
Lutheran General Hospital<sup>®</sup>  
We are Advocate Aurora Health



CHEVROLET



TOYOTA

Mobil

Portillo's  
HOT DOGS • BEER • BURGERS • SALADS



TONY'S  
Fresh Market



usbank



W. Dempster  
39,100 VPD

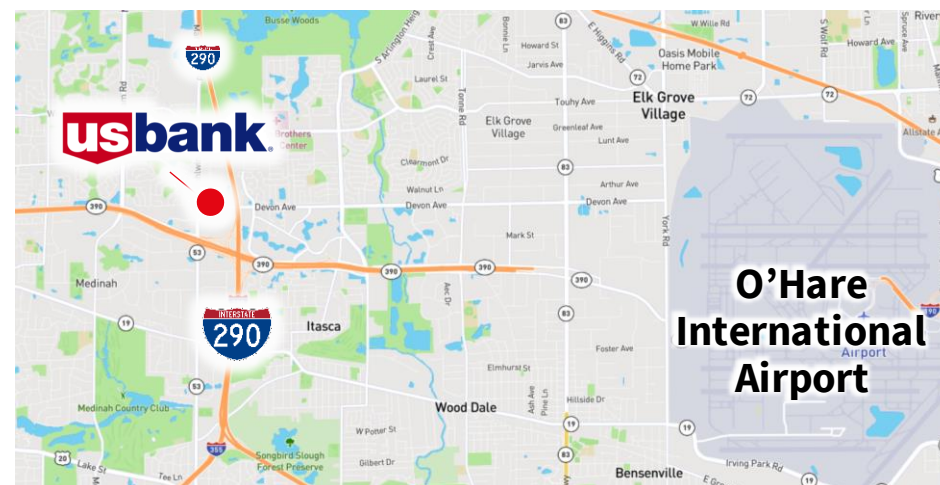
N. Greenwood: 22,000 VPD



## #2 – Elk Grove Village, IL – 1100 W. Devon Ave.

### Property Summary

Tenant	U.S. Bank
Property Address	1100 W. Devon Avenue
City, State	Elk Grove Village
Building Size (SF)	±4,800 SF
Site Size (AC)	1.04
Year Built	1977
Lease Type	NNN
NOI <sup>(1)</sup>	\$155,343
Rent PSF	\$32.36
Lease Expiration	1/31/2028
Remaining Term (years)	6+ years
Rent Escalations	2.5% on 2/1/2024 and annually into options
Option Periods	2 x 5 years



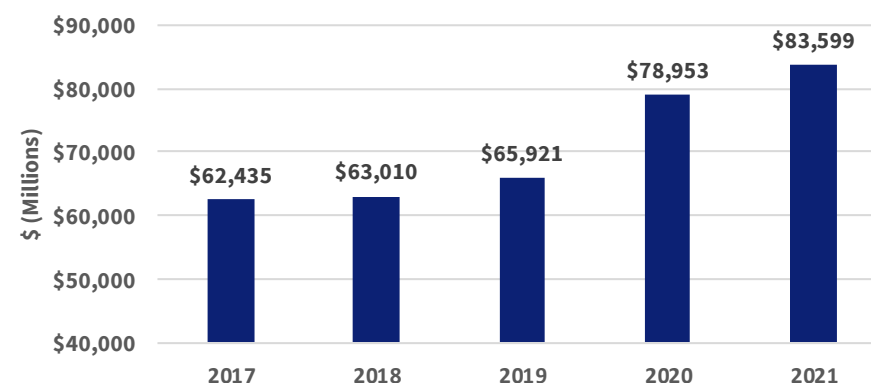
### Demographics

	1-Mile	3-Miles	5-Miles
2021 Population	9,154	71,943	227,466
Median HHI	\$87,848	\$88,650	\$79,934
Average HHI	\$107,996	\$112,136	\$101,373
Vehicles Per Day	30,600		

Begin Date	End Date	Annual Rent	Monthly	PSF	% Increase
2/1/2022	1/31/2023	\$186,412	\$15,534	\$38.84	-
<b>2/1/2023<sup>(1)</sup></b>	<b>1/31/2024</b>	<b>\$155,343</b>	<b>\$12,945</b>	<b>\$32.36</b>	-
2/1/2024	1/31/2025	\$159,227	\$13,269	\$33.17	2.50%
2/1/2025	1/31/2026	\$163,208	\$13,601	\$34.00	2.50%
2/1/2026	1/31/2027	\$167,288	\$13,941	\$34.85	2.50%
2/1/2027	1/31/2028	\$171,470	\$14,289	\$35.72	2.50%
Option 1	1/31/2033	Five-Year Option - Continue 2.5% annual Increases			
Option 2	1/31/2038	Five-Year Option - Continue 2.5% annual Increases			

- The Offering's cap rate is applied to rent beginning 2/1/2023 - Future Ownership benefits from a higher going-in yield due to the elevated rent through 1/31/2023

### Annual Branch Deposits



- Deposits have grown by nearly 34% since 2017, representing a 7.6% CAGR.
- The bank ranks in the top 47% of all U.S. Banks in Illinois as measured by total deposits in 2021 (out of 172 banks) and ranks as the #1 U.S. Bank in Elk Grove Village, IL
- The closest U.S. Bank is over two and a half miles away



## #2 – Elk Grove Village, IL – 1100 W. Devon Ave.

Hamilton Lakes Business Park  
20,000+ Employees  
3.6 Million SF



BRIDGE

Three (3) State-of-the-Art  
Facilities Totaling 741,162 SF



30,600 VPD  
at the  
intersection

Local retail, office,  
and industrial flex



Nerge Road  
17,000 VPD



COUNTRY  
INN & SUITES  
BY RADISSON

Devon Ave.: 13,600 VPD



## #3 – Northlake, IL – 26 W. North Ave

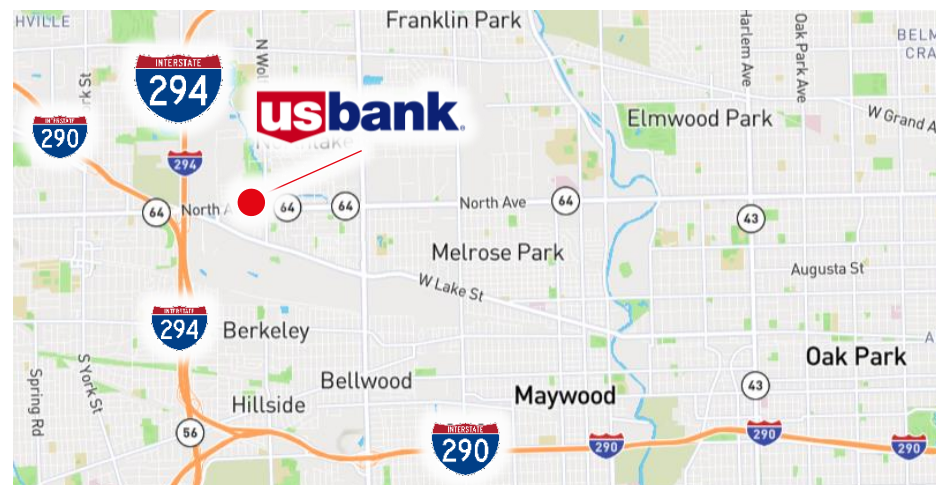
### Property Summary

Tenant	U.S. Bank
Property Address	26 W. North Avenue
City, State	Northlake, IL
Building Size (SF)	±5,300 SF
Site Size (AC)	0.89
Year Built	1960
Lease Type	NNN
NOI <sup>(1)</sup>	\$183,217
Rent PSF	\$34.57
Lease Expiration	1/31/2028
Remaining Term (years)	6+ years
Rent Escalations	2.5% on 2/1/2024 and annually into options
Option Periods	2 x 5 years

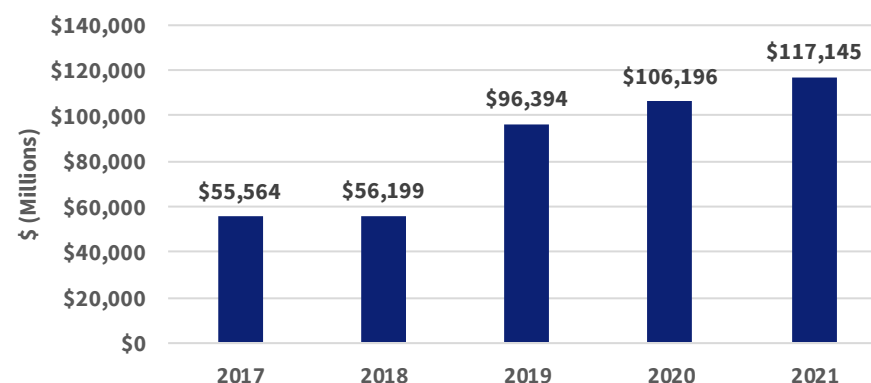
### Demographics

	1-Mile	3-Miles	5-Miles
2021 Population	10,062	135,874	318,385
Median HHI	\$64,102	\$71,872	\$72,821
Average HHI	\$76,022	\$99,003	\$97,694
Vehicles Per Day	58,000		

Begin Date	End Date	Annual Rent	Monthly	PSF	% Increase
2/1/2022	1/31/2023	\$183,217	\$15,268	\$34.57	-
2/1/2023	1/31/2024	\$183,217	\$15,268	\$34.57	-
2/1/2024	1/31/2025	\$187,797	\$15,649	\$35.43	2.50%
2/1/2025	1/31/2026	\$192,492	\$16,041	\$36.32	2.50%
2/1/2026	1/31/2027	\$197,305	\$16,442	\$37.23	2.50%
2/1/2027	1/31/2028	\$202,237	\$16,853	\$38.16	2.50%
Option 1	1/31/2033	Five-Year Option - Continue 2.5% annual Increases			
Option 2	1/31/2038	Five-Year Option - Continue 2.5% annual Increases			



### Annual Branch Deposits



- Deposits have grown at a 20.5% CAGR since 2017
- Deposits have more than doubled at the location due to a nearby U.S. Bank closure in 2018.
- The bank ranks in the top 30% of all U.S. Banks in Chicago's Cook County as measured by total deposits in 2021 (out of 84 banks) and ranks as the #1 U.S. Bank in Melrose Park, IL (Northlake)
- The closest U.S. Bank is over two miles away



# #3 – Northlake, IL – 26 W. North Ave





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