

Longwood Plaza Shopping Center

43597 West Half Day Rd
Deerfield, IL 60015



- ❖ Longwood Plaza Shopping Center Located In Prime Area of Affluent Deerfield, IL
- ❖ Site Comprised of Four Buildings and Anchored By a Grocery Store and Bank
- ❖ Total Size of Shopping Site is 12 Acres
- ❖ Excellent Access to I-94 and High Traffic Counts Make This a Desirable Location
- ❖ Over sized lot offers excellent parking ratio for shoppers and employees
- ❖ Solid Tenants with Low Turnover and Long-term Leases

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ANALYSIS

Analysis Date: May 2006
Scenario: 30% Financing

PROPERTY

Property: Longwood Plaza Shopping Center
Property Address: 43597 West Half Day Rd
 Deerfield, IL 60015

PURCHASE INFORMATION

Property Type: Commercial
Purchase Price: \$11,750,000
Fair Market Value: \$11,750,000
Tenants: 23
Total Rentable Sq. Ft.: 41,967
Resale Valuation: 7.25% (capitalization of noi)
Resale Expenses: 5%

FINANCIAL INFORMATION

Down Payment: \$3,525,000
Passive Loss Rules: No
Closing Costs: \$12,300

LOANS

	Debt	Term	Rate	Payment	LO Costs
Fixed	\$8,225,000	20 yrs	7.25%	\$65,008.42	

INCOME & EXPENSES

Gross Operating Income: \$1,363,643
Monthly GOI: \$113,637
Total Annual Expenses: (\$445,660)
Monthly Expenses: (\$37,138)

CONTACT INFORMATION

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DISCLAIMER: All information is believed to be accurate.

The calculations and data presented are deemed to be accurate, but not guaranteed. They are intended for the purpose of illustrative projections and analysis. The information provided is not intended to replace or serve as substitute for any legal, accounting, investment, real estate, tax or other professional advice, consultation or service. The user of this software should consult with a professional in the respective legal, accounting, tax or other professional area before making any decisions.

Highly Sought After Location in Deerfield
Perfect Location with High Traffic Counts

Longwood Plaza Shopping Center was originally constructed in 1987-1988 and consists of five buildings, totally 41,967 square feet of leasable space. This property is a true neighborhood center, located in one of the most established, affluent suburbs in the greater Chicago area (Deerfield). Having been developed over the past fifteen years, this will always be a perfectly located center. This shopping center is located on the west side of Half Day Road, which is the borderline between Deerfield and Northbrook. Access is very good with Half Day Road intersecting with 119th Street a few blocks north, I-94 slightly more than one mile north and 123rd Street to the south.



In addition to the five buildings that make up this property, there is a 63,000 square foot Dominic's Grocery Store and a Bank of America branch that sit on the property. The total area, including the grocery store and bank, is approximately 12 acres. The current owners of the shopping center purchased it in November of 2000. A new roof was installed throughout the center in 2004, carrying a 15-year warranty. The landscape sprinkler system was replaced in 2003. The parking lot is either re-sealed or striped on alternating years.

The Longwood Plaza Shopping Center sits in the center of prosperous Deerfield. Deerfield's continued economic success can be partially attributed to its continual focus on quality of life issues. A very high priority for the City is to provide its citizens and businesses with first-rate infrastructure and public services. HD-Lan Park opened in late 2003, and Harms Park opened in 2004. Harms Park features an amphitheater and an alpine lodge that will seat 300 people. Deerfield's outstanding public art, unsurpassed in Northern Chicago, continues to set our community apart in the suburban marketplace. A further benefit to our community is the fact that Deerfield is also surrounded by a multitude of first-rate health care facilities that offer some of the area's highest quality treatment for our citizens.

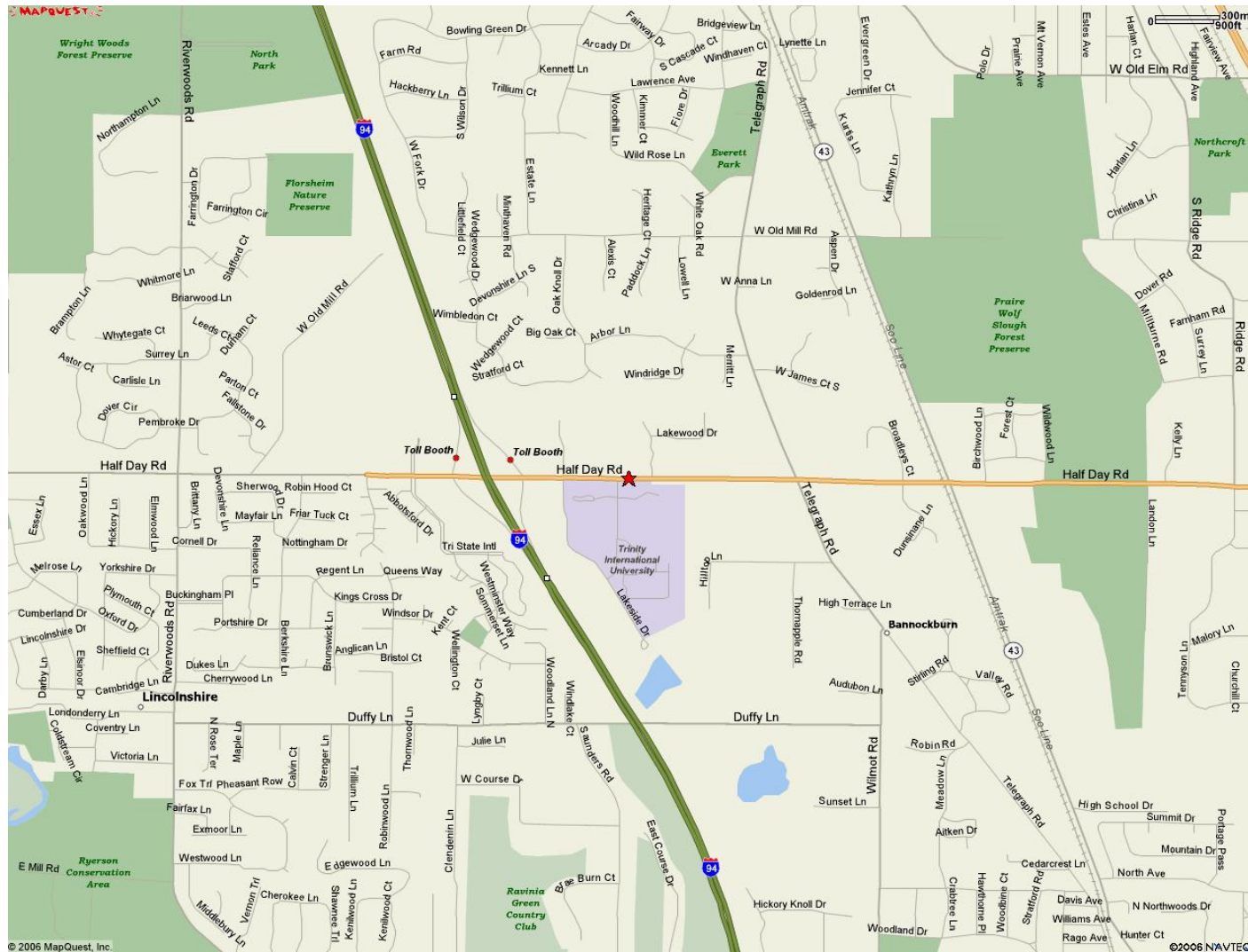
Superb Shopping Mall
Excellent Investment Opportunity



Aerial of Longwood Plaza Shopping Center



Location of Five Buildings that Comprise the Property



ACQUISITION COSTS

Purchase Price, Points and Closing	\$11,762,300
Investment - Cash	\$3,537,300
First Loan	\$8,225,000

INVESTMENT INFORMATION

Purchase Price	\$11,750,000
Price per Tenant	\$510,870
Price per Sq.Ft.	\$279.98

INCOME, EXPENSES & CASH FLOW

Gross Scheduled Income	\$1,377,335
Total Vacancy and Credits	(\$13,692)
Operating Expenses	(\$445,660)
Net Operating Income	\$917,983
Debt Service	(\$780,101)
Cash Flow Before Taxes	\$137,882
Total Interest (Debt Service)	(\$590,081)
Depreciation and Amortization	(\$239,271)

FINANCIAL INDICATORS

Cash on Cash Return Before Taxes	3.90%
Optimal Internal Rate of Return (yr 1)	15.18%
Present Value at 8.0%	\$11,987,708
Debt Coverage Ratio	1.18
Capitalization Rate	7.81%
Gross Rent Multiplier	8.53
Gross Income / Rentable SF	\$32.82
Gross Expenses / Rentable SF	(\$10.62)
Operating Expense Ratio	32.68%

Summary Lease Analysis



Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Lease Revenue										
Base Rental Income	\$709,080	\$709,080	\$709,080	\$709,080	\$709,080	\$709,080	\$709,080	\$709,080	\$709,080	\$709,080
Lease-up Vacancy	(\$13,692)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent Abatement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Turnover Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expense Reimbursements	\$172,895	\$178,528	\$181,135	\$183,789	\$186,491	\$189,241	\$192,042	\$194,892	\$197,795	\$200,750
Potential Lease Costs										
Tenant Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lease Commissions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Lease Cash Flow	\$868,283	\$887,608	\$890,215	\$892,869	\$895,571	\$898,321	\$901,122	\$903,972	\$906,875	\$909,830
Additional Information										
Sq. Ft. Expires	0	2,098	19,504	20,760	27,618	39,507	39,507	39,507	39,507	41,967
Dollars Expires	\$0	\$24,216	\$282,420	\$305,892	\$423,456	\$673,416	\$673,416	\$673,416	\$673,416	\$709,080

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Property Value	\$12,661,834	\$12,955,315	\$13,018,813	\$13,083,581	\$13,149,644	\$13,217,029	\$13,285,761	\$13,355,868	\$13,427,377	\$13,500,317
Resale Expenses	(\$633,092)	(\$647,766)	(\$650,941)	(\$654,179)	(\$657,482)	(\$660,851)	(\$664,288)	(\$667,793)	(\$671,369)	(\$675,016)
Proceeds b/f Debt Payoff	\$12,028,742	\$12,307,549	\$12,367,872	\$12,429,402	\$12,492,162	\$12,556,178	\$12,621,473	\$12,688,075	\$12,756,008	\$12,825,301
Original Property Value	\$11,750,000	\$11,750,000	\$11,750,000	\$11,750,000	\$11,750,000	\$11,750,000	\$11,750,000	\$11,750,000	\$11,750,000	\$11,750,000
Capital Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation	(\$228,868)	(\$478,543)	(\$728,217)	(\$977,891)	(\$1,227,566)	(\$1,477,240)	(\$1,726,914)	(\$1,976,589)	(\$2,226,263)	(\$2,475,937)
Adjusted Tax Basis	\$11,521,132	\$11,271,457	\$11,021,783	\$10,772,109	\$10,522,434	\$10,272,760	\$10,023,086	\$9,773,411	\$9,523,737	\$9,274,063
Resale Tax Gain (Loss)	\$507,610	\$1,036,092	\$1,346,089	\$1,657,293	\$1,969,728	\$2,283,418	\$2,598,388	\$2,914,664	\$3,232,272	\$3,551,238
Resale Tax Benefit (Cost)	(\$57,217)	(\$119,636)	(\$182,054)	(\$244,473)	(\$306,891)	(\$369,310)	(\$431,729)	(\$494,147)	(\$556,566)	(\$618,984)
Loan Principal Balance	(\$8,034,980)	(\$7,830,716)	(\$7,611,140)	(\$7,375,106)	(\$7,121,379)	(\$6,848,633)	(\$6,555,442)	(\$6,240,275)	(\$5,901,483)	(\$5,537,295)
Net Proceeds from Resale	\$3,936,545	\$4,357,198	\$4,574,678	\$4,809,823	\$5,063,892	\$5,338,235	\$5,634,302	\$5,953,653	\$6,297,960	\$6,669,021
Resale Cap Rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%

Footnotes: b/f = before

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	9.19	9.30	9.26	9.22	9.18	9.15	9.11	9.07	9.03	8.99
Capitalization Rate	7.81%	7.99%	8.03%	8.07%	8.11%	8.16%	8.20%	8.24%	8.28%	8.33%
Cash On Cash Return b/t	3.90%	4.50%	4.63%	4.76%	4.90%	5.04%	5.18%	5.32%	5.47%	5.62%
Cash On Cash Return a/t	3.90%	4.50%	4.63%	4.76%	4.90%	5.04%	5.18%	5.32%	5.47%	5.62%
Debt Coverage Ratio	1.18	1.20	1.21	1.22	1.22	1.23	1.23	1.24	1.25	1.25
Gross Income per Sq. Ft.	\$32.82	\$33.19	\$33.49	\$33.80	\$34.12	\$34.44	\$34.76	\$35.10	\$35.44	\$35.79
Expenses per Sq. Ft.	(\$10.62)	(\$10.81)	(\$11.00)	(\$11.20)	(\$11.40)	(\$11.60)	(\$11.81)	(\$12.03)	(\$12.24)	(\$12.46)
Net Income Multiplier	13.79	13.79	13.79	13.79	13.79	13.79	13.79	13.79	13.79	13.79
Operating Expense Ratio	32.68%	32.57%	32.85%	33.13%	33.41%	33.70%	33.98%	34.26%	34.55%	34.83%
Loan To Value Ratio	63.46%	60.44%	58.46%	56.37%	54.16%	51.82%	49.34%	46.72%	43.95%	41.02%

Footnotes: b/t = before taxes; a/t = after taxes

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Income	\$709,080	\$709,080	\$709,080	\$709,080	\$709,080	\$709,080	\$709,080	\$709,080	\$709,080	\$709,080
Expense Reimbursements	\$172,895	\$178,528	\$181,135	\$183,789	\$186,491	\$189,241	\$192,042	\$194,892	\$197,795	\$200,750
Miscellaneous Income	\$495,360	\$505,267	\$515,373	\$525,680	\$536,194	\$546,917	\$557,856	\$569,013	\$580,393	\$592,001
GROSS SCHEDULED INCOME	\$1,377,335	\$1,392,875	\$1,405,587	\$1,418,549	\$1,431,764	\$1,445,239	\$1,458,977	\$1,472,985	\$1,487,268	\$1,501,831
Lease-up Vacancy	(\$13,692)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GROSS OPERATING INCOME	\$1,363,643	\$1,392,875	\$1,405,587	\$1,418,549	\$1,431,764	\$1,445,239	\$1,458,977	\$1,472,985	\$1,487,268	\$1,501,831
Expenses										
Insurance	(\$16,734)	(\$17,069)	(\$17,410)	(\$17,758)	(\$18,113)	(\$18,476)	(\$18,845)	(\$19,222)	(\$19,607)	(\$19,999)
Powerwashing	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)
Repairs/Electrical	(\$10,461)	(\$10,566)	(\$10,671)	(\$10,778)	(\$10,886)	(\$10,995)	(\$11,105)	(\$11,216)	(\$11,328)	(\$11,441)
Trash Removal	(\$10,040)	(\$10,241)	(\$10,446)	(\$10,655)	(\$10,868)	(\$11,085)	(\$11,307)	(\$11,533)	(\$11,763)	(\$11,999)
Repairs/HVAC	(\$15,923)	(\$16,082)	(\$16,243)	(\$16,405)	(\$16,570)	(\$16,735)	(\$16,903)	(\$17,072)	(\$17,242)	(\$17,415)
Snow Removal	(\$17,823)	(\$17,823)	(\$17,823)	(\$17,823)	(\$17,823)	(\$17,823)	(\$17,823)	(\$17,823)	(\$17,823)	(\$17,823)
Administrative Fee	(\$14,529)	(\$14,820)	(\$15,116)	(\$15,418)	(\$15,727)	(\$16,041)	(\$16,362)	(\$16,689)	(\$17,023)	(\$17,363)
Banners	(\$5,636)	(\$5,692)	(\$5,749)	(\$5,807)	(\$5,865)	(\$5,923)	(\$5,983)	(\$6,043)	(\$6,103)	(\$6,164)
Landscaping	(\$23,294)	(\$23,760)	(\$24,235)	(\$24,720)	(\$25,214)	(\$25,718)	(\$26,233)	(\$26,757)	(\$27,293)	(\$27,838)
Lot Maintenance	(\$22,054)	(\$22,495)	(\$22,945)	(\$23,404)	(\$23,872)	(\$24,349)	(\$24,836)	(\$25,333)	(\$25,840)	(\$26,357)
Taxes - Real Estate	(\$252,959)	(\$258,018)	(\$263,179)	(\$268,442)	(\$273,811)	(\$279,287)	(\$284,873)	(\$290,570)	(\$296,382)	(\$302,309)
Repairs/Parking Lot	(\$19,178)	(\$19,370)	(\$19,563)	(\$19,759)	(\$19,957)	(\$20,156)	(\$20,358)	(\$20,561)	(\$20,767)	(\$20,975)

