

# 26TH & WABASH



INFORMATIONAL FLYER

**CBRE**

# EXECUTIVE SUMMARY

CBRE, as exclusive agent, is pleased to offer the opportunity to purchase **26th & Wabash**, a ground-floor, multi-tenant retail property located between the South Loop and Bronzeville.

The property features five tenant units, four of which are currently leased. Two of the units are long term (2026 and 2029) providing reliable cash flow to the property in approximately 52% of the space; The corner unit features a brand new 10 year lease with Salon Sevhn.

## VALUE-ADD OPPORTUNITY WITH BELOW MARKET RENTS

Only one tenant has a single five-year option, allowing the next investor the opportunity to capture market rent. Recently several tenants have signed leases at \$30-\$35 psf.

## CRAFT BREWERY SETTING UP HEADQUARTERS IN VICINITY

Moody Tonuge Brewery, a popular craft brewery formerly headquartered in the Pilsen neighborhood of Chicago, is moving its operations to 2515 S. Wabash, located just two buildings north of the property. The new location will feature a tap room and restaurant, following in the path of other Chicago-based breweries such as Revolution, Lagunitas, Goose Island and Half Acre – all of whom see tremendous patronage at their locations, thus bringing a good source of foot traffic to the submarket.

## PROXIMITY TO MERCY HOSPITAL & MEDICAL CENTER

The 292-bed general medical and surgical teaching hospital, the first chartered hospital in Chicago, is 1/10 of a mile east of the property. The hospital was named a “High Performing Hospital” for Heart Failure and COPD treatment in U.S. News and World report’s 2018-19 ratings. The hospital has an approximate total population of more than 720,000 individuals, equating to a consistent, year-round consumer base.



## MITIGATION OF RENTS IS SPREAD OVER MULTIPLE LEASES

The property currently consists of four separate leases, allowing for stable and consistent cash flow should a tenant vacate.

## SOUTH LOOP RESIDENTIAL EXPLOSION

Numerous high rise apartment and condominium buildings have been constructed in the South Loop since 2010, a trend which continues today. As of July 2019, more than 18,000 residential units are in development, being constructed or have been recently completed, demonstrating the high demand for luxury housing due to the rising population in the immediate area.

## EASE OF ACCESS TO MULTITUDE OF TRANSIT OPTIONS

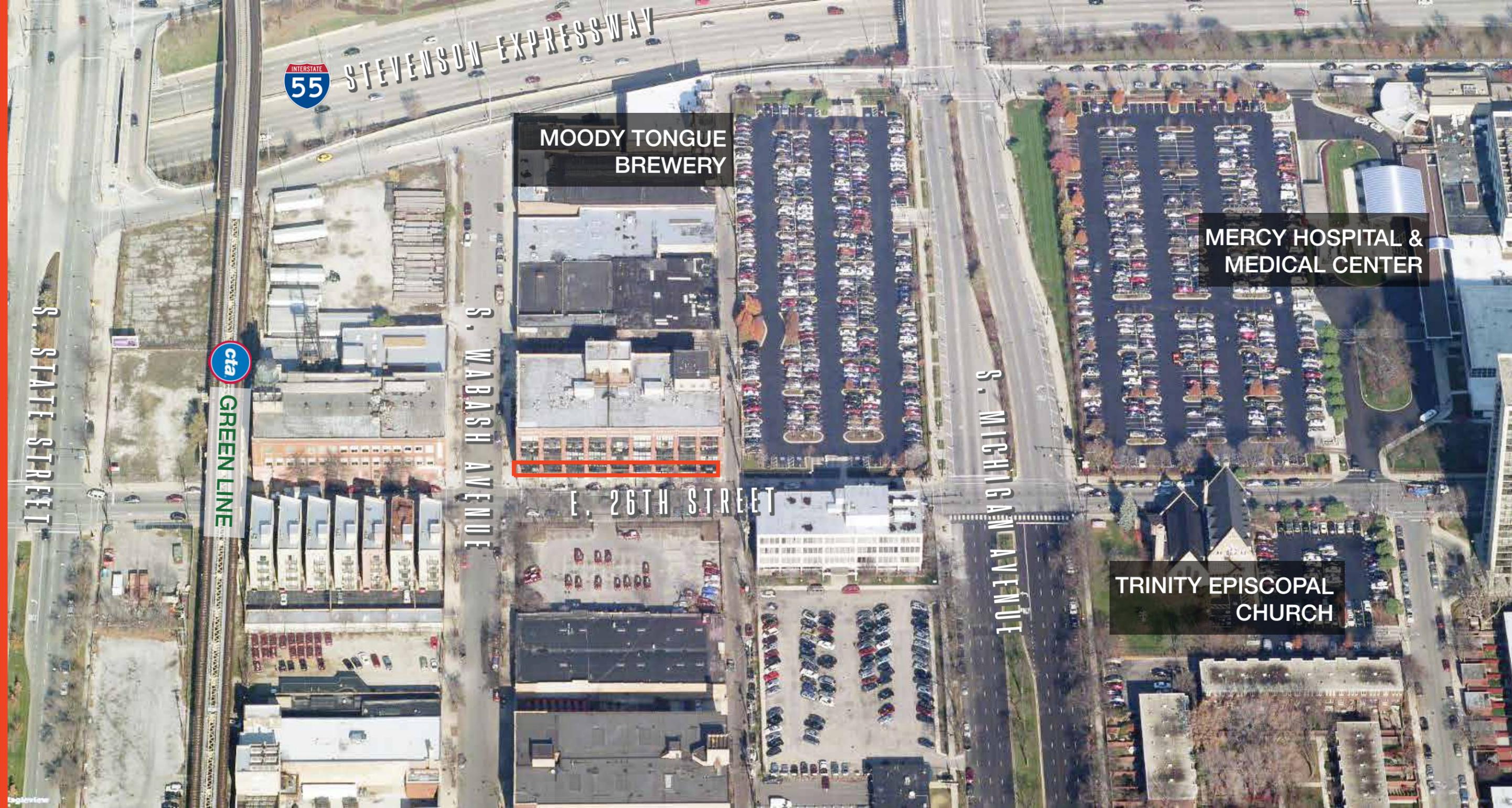
26th & Wabash is conveniently located near multiple transit options, most notably the I-55 Stevenson Expressway, which connects to every major Chicago-area highway, with the nearest westbound ramp located about half-a-mile from the property. Additionally, the property is located less than a block to four CTA bus routes and walking distance to the CTA Cermak-McCormick Green Line station and the 27th Street Metra Electric line station.

## Tenant Breakdown

ADDRESS	TENANT	SF	% of total GLA
42-44 E. 26th	Salon Sevhn <i>Lease Expiration: 5/31/2029; Rent PSF: \$20.07</i>	2,464	24.79%
46 E. 26th	Bronzeville Corporatium <i>Lease Expiration: 5/31/2020; Rent PSF: \$17.31</i>	1,400	14.09%
48 E. 26th	Wahe Guru Yoga <i>Lease Expiration: 9/31/2021; Rent PSF: \$17.14</i>	1,400	14.09%
52-54 E. 26th	Vacant	1,920	19.32%
56-58 E. 26th	Brothers Health Collective <i>Lease Expiration: 12/31/26; Rent PSF: \$18.00</i>	2,755	27.72%

# PROPERTY DESCRIPTION

<b>ADDRESS</b>	42-58 E 26th Street Chicago, IL 60616
<b>BUILDING TYPE</b>	6-Story Loft Condominium Building (offering is for first-floor commercial space only)
<b>OPERATING EXPENSE SHARE</b>	Condominium Association: 92% Commercial Property: 8%
<b>BUILDING SIZE</b>	65,600 square feet
<b>OFFERING GLA</b>	9,939 square feet
<b>FRONTAGE</b>	192' on E. 26th; 59' on S. Wabash
<b>TENANTS</b>	Salon Sevhn, Bronzeville Corporatium, Wahe Guru Yoga, Brothers Health Collective
<b>PIN</b>	17-27-123-025-0000
<b>TAXES</b>	2018: \$20,859; 2017: \$46,789
<b>ZONING</b>	M1-3
<b>WARD/ALDERMAN</b>	3rd/Pat Dowell



## MARKET OVERVIEW

### South Loop/Bronzeville

*26th & Wabash is located between two of Chicago's most historically, artistically, and culturally significant southside neighborhoods.*

#### SOUTH LOOP

Considered to be the southern edge of Downtown Chicago, the South Loop contains a wide assortment of attractions, venues and facets, all of which making it a destination of locals and tourists alike.

The eastern edge of the neighborhood is occupied by the Museum Campus, containing the Field Museum of Natural History, the Adler Planetarium and the Shedd Aquarium, combining to draw nearly 4 million visitors in 2018. The campus sits on the southern edge of Grant Park, Chicago's second largest park at 319 acres and home to the Taste of Chicago, Chicago Blues Festival and Lollapalooza. A little further south, nature enthusiasts can find refuge at Northerly Island, while Soldier Field serves as home to the National Football League's Chicago Bears, as well as world-class concerts and events. Finally, McCormick Place is the Chicago area's premier convention center, with 2.6 million square feet of exhibition space, the largest convention center in North America. The center holds marquee events year round, such as the Chicago Auto Show, the International Home and Housewares Show, and the National Restaurant Association Show.

Whereas "Millionaire's Row," located along South Michigan Avenue, was the site of Chicago's wealthy elite during the late 1800s, the South Loop has also seen a renaissance of upscale residential activity. Developers constantly are erecting luxury high-rise condominiums and apartment buildings, highlighted by the two tower, 1,450-unit NEMA Chicago and mega developments "The 78" and "Riverline", which will deliver nearly 14,000 more residences.

#### BRONZEVILLE

Bronzeville is the gateway to Chicago's southside and has evolved from a sanctuary for African Americans escaping southern oppression in the early 20th century to a neighborhood with its own identity and culture.

The area was once home to Pulitzer Prize winner Gwendolyn Brooks, jazz musician Louis Armstrong and civil rights activist Ida B. Wells, the namesake of the recently re-named major street formerly known as Congress Parkway. Today, Bronzeville is known for its Victorian Era mansions, newly opened coffee shops and restaurants, and some of the most acclaimed works of public art commissioned by the City of Chicago, including the Bronzeville Walk of Fame, the Victory Monument and "Monument to the Great Northern Migration".





The 78



Riverline



NEMA Chicago

ericbow

## RESIDENTIAL OVERVIEW

With more than 18,000 luxury residential units either planned, under construction or recently completed, **26th & Wabash** will have no shortage of an active, attentive consumer basis.

The vast majority of these units will come courtesy of the mega development know as “The 78”. The 13,000,000 square-foot project will be set along 62 acres bounded by the Chicago River and S. Clark St., and is estimated to contain 10,000 residential units in addition to new roads, retail, and a CTA red line stop.

Directly north, the Riverline development will add an additional 3,750 apartment units – 2,700 in the northern portion and 1,050 in the southern part – spread out over 3.49 million square feet. The project’s first phase has already commenced with the completion of The Cooper, a 29-story, 478-unit residential building.

The South Loop also can lay claim to the tallest apartment building in the city, courtesy of NEMA Chicago. The first of the two towers is nearly complete and features 800 apartments over 76 stories. The second tower is planned to featured more than 650 condominiums and is slated to break ground sometime after the first tower is completed.

Other notable developments include Essex on the Park, which delivered 479 apartment units and 271 hotel rooms in March 2019; the 346-unit Alta Grand Central which is scheduled to be completed in 2020; and the Paragon Chicago, which will provide 500 luxury apartments over 57 stories.

## MOODY TONGUE OVERVIEW

*In early 2019, Moody Tongue Brewing announced it was closing its Pilsen tasting room. Later this summer, it will open a 25,000-square-foot space less than a block from **26th & Wabash**, transforming the area in the process.*

The brewery, which opened in 2014 under acclaimed brewmaster Jared Rouben, is known for its “culinary brewing” – an approach that uses the mindset of a chef during the brewing process. Rouben is a classically trained chef and worked in Michelin-starred restaurants Martini House and Per Se. Upon moving to Chicago, he became the Brewmaster at Goose Island Brewery and created the Farmers’ Market Series and Chef Collaboration Series in which he brewed custom beers for Chicago-based celebrity chefs such as Rick Bayless and Stephanie Izard.

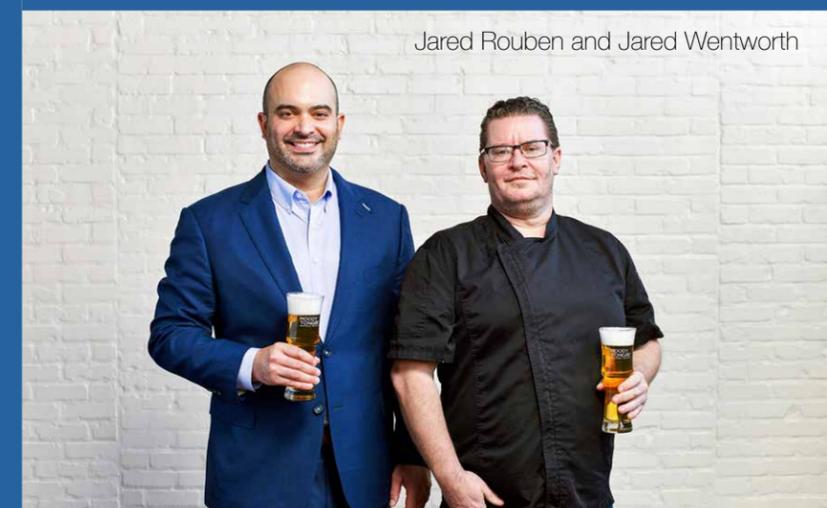
With the relocation to 2515 S. Wabash, the former home of the Baderbrau Brewery, Rouben, along with executive chef Jared Wentworth, will take his passion for food even further. Upgrading from a 9,500 square-foot space, the new location will feature an upscale restaurant called “The Dining Room at Moody Tongue”, as well as a more casual bar/restaurant, aptly known as “The Bar at Moody Tongue.”

The upscale 25-seat “Dining Room” will feature a 10-course tasting menu with beer pairings for about \$135 per person. Wentworth, who was the former executive chef at Michelin-starred Longman & Eagle, will produce gourmet cuisine using seasonal produce and luxury ingredients. Meanwhile, the 80-seat “Bar” will offer a more casual experience for patrons, while still offering elevated cuisine, such as foie gras butter-laced skillet fried chicken and Tunisian-spiced romanesco.

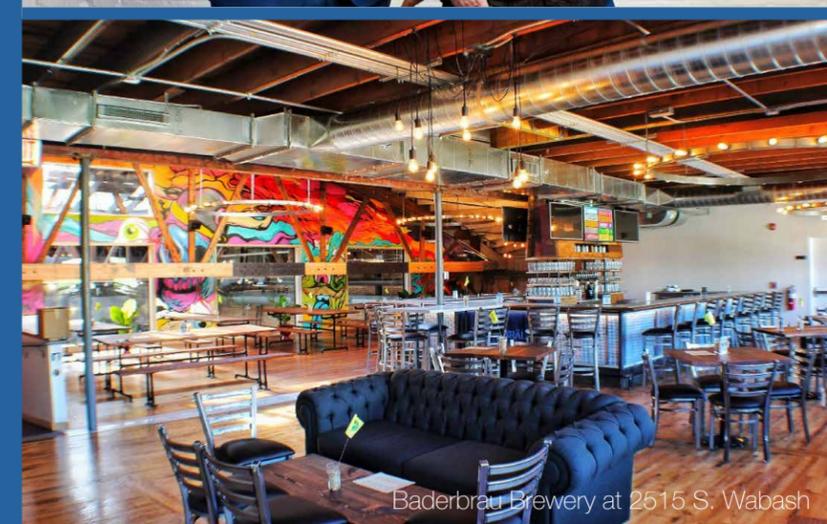
The concept is the first of its kind in the South Loop/Bronzeville neighborhoods and follows other craft breweries such as Revolution in Logan Square and Lagunitas in North Lawndale, all of which draw large crowds to their respective locales, and, in turn, neighborhoods on a daily basis.



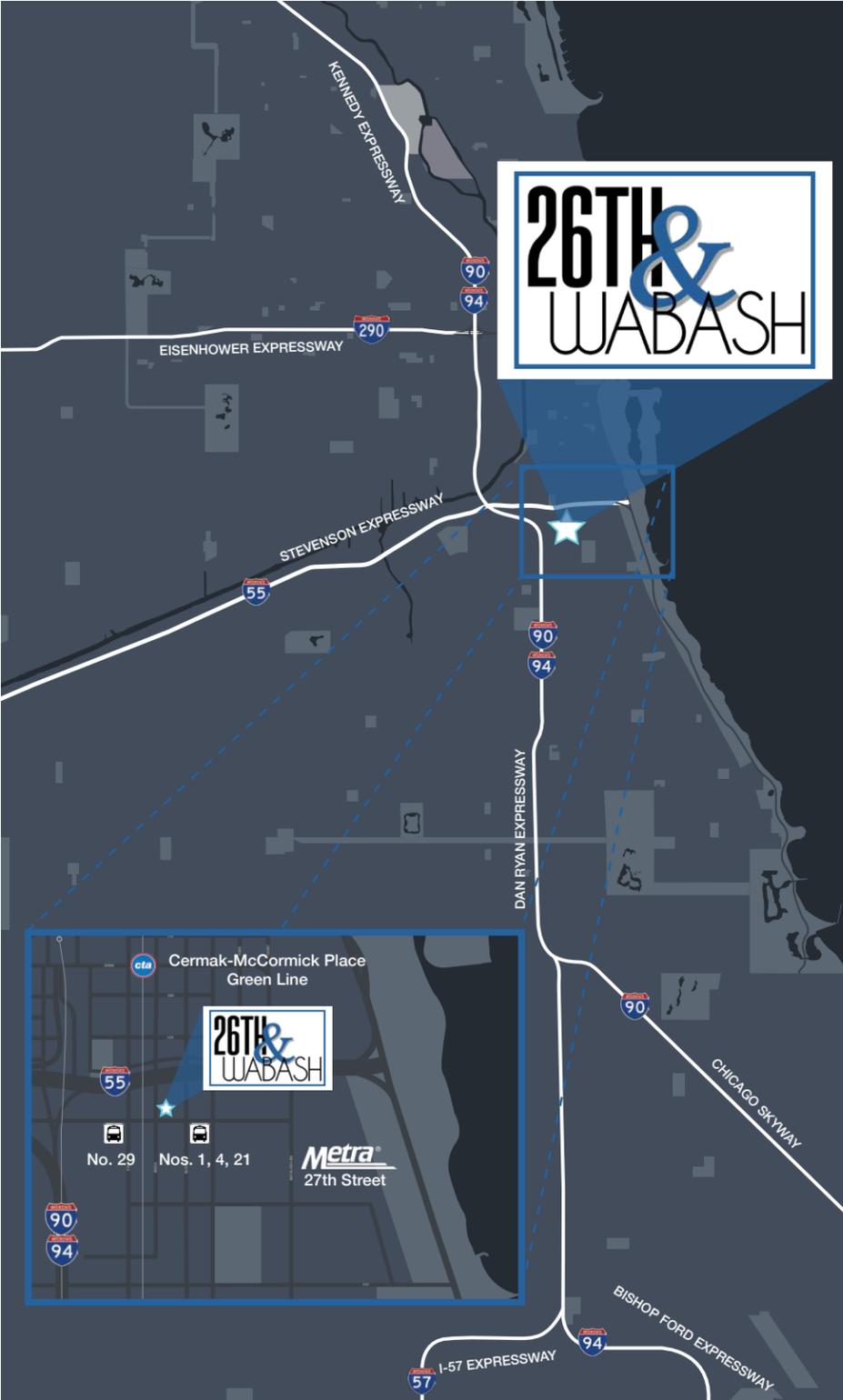
Moody Tongue's Pilsen location



Jared Rouben and Jared Wentworth



Baderbrau Brewery at 2515 S. Wabash



## TRANSPORTATION OVERVIEW

Due to its proximity to the Stevenson and Dan Ryan Expressways, Lake Shore Drive, CTA transit options and the 27th Street Metra Station, getting to/from **26th & Wabash** proves easy from any location.

The property is located 675 ft (0.13 miles) south of the I-55 Stevenson Expressway with southbound (westbound) access via the 24th Street on-ramp half-a-mile northeast. The Stevenson is the major artery for the southwestern suburbs, carrying approximately three million vehicles per day in each direction, with the stretch closest to 26th & Wabash seeing about 131,000 vehicles per day. Southbound I-55 connects with the I-90/94 Dan Ryan Expressway, serving the southside of the city. Heading south on the Dan Ryan connects to I-57 and the I-94 Bishop Ford Expressways, leading to southern suburbs. North on the Dan Ryan connects to the I-90/94 Kennedy Expressway, serving downtown and the northside of Chicago, which also in turn connects to the I-94 Edens Expressway, serving the northern suburbs. Heading east on I-55 connects to the picturesque Lake Shore Drive, providing access to the Museum Campus, Grant Park, Lincoln Park, and numerous beaches and harbors along Lake Michigan.

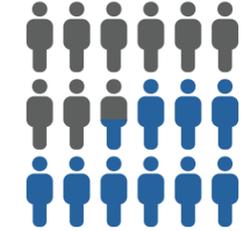
26th & Wabash also is located between two major Chicago streets, proving easy access to CTA bus routes. The No. 29 State St. route saw an annual ridership of 3,525,529 rides in 2018, while the Michigan Ave. stop contains the No. 1 Bronzeville/Union Station (432,980 rides), the No. 4 Cottage Grove (6,150,637 rides) and the No. 21 Cermak (2,811,182 rides). Additionally, the property is a 12-minute walk to Cermak-McCormick Place Green Line station.

Finally, the Metra's 27th Street Station, which serves the Metra Electric line running from University Park in the south suburbs to Millennium Station in Millennium Park, is located 0.6 miles directly east of the property. The line has seen a total of 7,533,144 rides over the past 12 months.

## CHICAGO BY THE NUMBERS

47%

CHICAGO POPULATION UNDER THE AGE OF 35



500,000

PEOPLE EMPLOYED IN THE CBD



4.3M

WORKFORCE WITHIN ALMOST 100,000 BUSINESSES

34

FORTUNE 500 HEADQUARTERS IN CHICAGO OR NEIGHBORING CITIES



400+

HEADQUARTERS OF MAJOR CORPORATIONS

52

FORTUNE 1000 HEADQUARTERS IN CHICAGO



2014 LARGEST GLOBAL ECONOMY IN THE WORLD



LARGEST US METRO FOR ECONOMIC DIVERSITY – MOODY'S INVESTOR SERVICES

3RD

INTERMODAL CONTAINER HANDLER IN THE WORLD AFTER HONG KONG AND SINGAPORE



34

MEDIAN AGE OF CHICAGO



42%

PERCENT OF THE AMERICAN POPULATION

NEARLY 40M

PEOPLE VISIT CHICAGO ANNUALLY



218 OF THE

"FASTEST GROWING COMPANIES" IN THE UNITED STATES

# CONTACTS

*For more information on **26th & Wabash** or to schedule a tour, please contact:*

Charlie Scharf

Associate

+1 312 935 1029

[charlie.scharf@cbre.com](mailto:charlie.scharf@cbre.com)

Keely Polczynski

Senior Vice President

+1 312 861 7870

[keely.polczynski@cbre.com](mailto:keely.polczynski@cbre.com)

© 2019 CBRE, Inc. All rights reserved. This information has been obtained from sources believed reliable, but has not been verified for accuracy or completeness. You should conduct a careful, independent investigation of the property and verify all information. Any reliance on this information is solely at your own risk. CBRE and the CBRE logo are service marks of CBRE, Inc. and/or its affiliated or related companies in the United States and other countries. All other marks displayed on this document are the property of their respective owners. Photos herein are the property of their respective owners and use of these images without the express written consent of the owner is prohibited.

**CBRE**

