



Social Security Administration

10718 S Robert Rd | Palos Hills, IL 60465

Offering Memorandum

Colliers

Disclaimer

Colliers International Brokerage Company ("Broker") has been retained as the exclusive advisor and broker for this offering.

This Offering Memorandum has been prepared by Broker for use by a limited number of parties and does not purport to provide a necessarily accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective Buyers may need or desire. All projections have been developed by Broker and designated sources and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Seller and therefore are subject to variation. No representation is made by Broker or the Seller as to the accuracy or completeness of the information contained herein, and nothing contained herein shall be relied on as a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be correct, the Seller and its employees disclaim any responsibility for inaccuracies and expect prospective purchasers to exercise independent due diligence in verifying all such information. Further, Broker, the Seller and its employees disclaim any and all liability for representations and warranties, expressed and implied, contained in or omitted from the Offering Memorandum or any other written or oral communication transmitted or made available to the Buyer. The Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the Offering Memorandum. Analysis and verification of the information contained in the Offering Memorandum are solely the responsibility of the prospective Buyer. Additional information and an opportunity to inspect the Property will be made available upon written request to interested and qualified prospective Buyers.

By accepting the Offering Memorandum, you agree to indemnify, defend, protect and hold Seller and Broker and any affiliate of Seller or Broker harmless from and against any and all claims, damages, demands, liabilities, losses, costs or expenses (including reasonable attorney's fees, collectively "Claims") arising, directly or indirectly from any actions or omissions of Buyer, its employees, officers, directors or agents.

Buyer shall indemnify and hold Seller and Broker harmless from and against any claims, causes of action or liabilities, including, without limitation, reasonable attorney's fees and court costs which may be incurred with respect to any claims for other real estate commissions, broker's fees or finder's fees in relation to or in connection with the Property to the extent claimed, through or under Seller.

The Seller and Broker each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time with or without notice. The Seller shall have no legal commitment or obligations to any entity reviewing the Offering Memorandum or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered, and approved by the Seller and its legal counsel, and any conditions to the Seller's obligation thereunder have been satisfied or waived.

The Offering Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting the Offering Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not photocopy or duplicate it, that you will not disclose the Offering Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make an offer and from whom you have obtained an agreement of confidentiality) without prior written authorization of the Seller or Broker, and that you will not use the Offering Memorandum or any of the contents in any fashion or manner detrimental to the interest of the Seller or Broker.

No employee of seller or at the Subject Property is to be contacted without the written approval of the listing agents and doing so would be a violation of this confidentiality agreement.

Broker has created cash flow projections for the Property using Argus Financial Software. Neither Broker nor the Seller make any representation, warranty or guaranty of the economic value of the Property through the cash flow projections contained in this Offering or the associated Argus computer files.

Broker and their prospective buyers agree not to contact the tenants, their employees or customers of any business on the Property without prior permission from the Landlord.

Social Security Administration

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Investment Overview

The Ficke Team of Colliers is pleased to present to qualified investors the Social Security Administration (SSA) located at 10718 S Robert Road, Palos Hills, Illinois. This single-tenant property consists of 9,331 rentable square feet developed in 2004 as a build-to-suit for the GSA/SSA that includes 60 parking spaces and sits on 1.14 acres.

The GSA Exercised their five (5) years renewal option effective July 27, 2023, expiring June 26, 2028, and firm-term through June 27, 2028. This lease includes a unique real estate tax structure for the GSA to reimburse landlord \$51,227.19 for tax rent in addition to the difference between the actual real estate taxes and the tax base of \$54,290.81 throughout the lease term, assisting the landlord to defray increases in real estate taxes. This is an excellent opportunity for an investor to acquire a stabilized cash flow with rent guaranteed by the U.S. Government (S&P AA+ credit rating).



Investment Highlights



Lease guaranteed with the full faith and credit of the U.S. Government (S&P AA+ credit rating)



Build-to-Suit for the GSA/SSA in 2004



Remaining Term of 4.35 Years



GSA reimburses landlord annual real estate tax rent in addition to the difference between the actual taxes and the tax base



Well-maintained masonry building



Palos Hills is a southwest suburb of Chicago, Illinois

Tenant Overview

10718 S Robert Rd | Palos Hills, IL 60465



The SSA is an independent agency of the U.S. federal government that administers Social Security, a social insurance program consisting of retirement, disability, and survivors' benefits. To qualify for most of these benefits, most workers pay Social Security taxes on their earnings; the claimants' benefits are based on the wage earners contributions.

The SSA is headquartered in Woodlawn, Maryland. The agency includes 10 regional offices, eight processing centers, and approximately 1,300 field office, and 37 Teleservice Centers. As of 2018, about 60,000 people were employed by the SSA, with a budget of \$1.06 trillion.

Service Areas & Benefits

- Retirement
- Disability (SSDI)
- Supplemental Security Income (SSI)
- Medicare
- Spouses, Children & Survivor Benefits
- Medicaid

Tenant	Square Feet	% Building Share	Lease Commencement	Firm Lease Expiration	Soft Lease Expiration	Annual Rent PSF	Total Rent Per Month	Total Rent Per Year
SSA	9,331	100%	6/27/2003	6/27/2025	6/26/2028	\$45.20	\$35,144.95	\$421,739.40

Property Overview

10718 S Robert Rd | Palos Hills, IL 60465

Property Summary	
Property Address	10718 S Robert Rd Palos Hills, IL 60465
Lot Size	1.14 acres
Rentable Square Feet	9,331
Year Built/Renovated	2004
Ownership Type	Fee Simple

Lease Summary	
Lease Type	Modified Gross
Rentable Square Feet	9,331
Lease Commencement	06/27/2003
Lease Expiration (Firm)	06/27/2025
Term Remaining (Firm)	1.35 years
Lease Expiration (Total)	06/26/2028
Term Remaining (Total)	4.35 years



Financials Rent Schedule

10718 S Robert Rd | Palos Hills, IL 60465

Rentable Square Feet	9,331
Real Estate Tax Base	\$51,227.19
Real Estate Tax Percentage	100%

7/27/2023 - 6/27/2025 (Renewal - Firm Term)	\$/SF	Annual	Monthly
Shell Rent	\$27.51	\$256,695.81	\$21,391.32
Operating Costs	\$12.20	\$113,816.40	\$9,484.70
Real Estate Tax Base	\$5.49	\$51,227.19	\$4,268.93
Total	\$45.20	\$421,739.40	\$35,144.95

6/28/2025 - 6/26/2028 (Renewal - Soft Term)	\$/SF	Annual	Monthly
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Financials Pro Forma Cash Flow

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For the Years Ending		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Total
		Dec-2024	Dec-2025	Dec-2026	Dec-2027	Dec-2028	Dec-2029	Dec-2030	Dec-2031	Dec-2032	Dec-2033	Dec-2034	
Rental Revenue		\$/SF											
Scheduled Base Rent	[1]	\$27.51	256,696	256,696	256,696	256,696	269,816	282,365	282,365	282,365	282,365	282,365	2,990,791
Total Rental Revenue		\$27.51	256,696	256,696	256,696	256,696	269,816	282,365	282,365	282,365	282,365	282,365	2,990,791
Other Tenant Revenue													
OpEx Rent	[2]	\$12.82	119,630	123,817	128,150	132,636	137,278	142,083	147,056	152,203	157,530	163,043	1,572,175
RE Tax Base		\$5.49	51,227	51,227	51,227	51,227	51,227	51,227	51,227	51,227	51,227	51,227	563,499
RE Tax Reimbursement	[3]	\$6.33	59,103	62,413	65,822	69,333	72,950	76,675	80,512	84,465	88,535	92,728	849,584
Total Other Tenant Revenue		\$24.64	229,960	237,457	245,199	253,196	261,455	269,985	278,795	287,894	297,292	306,999	2,985,257
Effective Gross Revenue		\$52.15	486,656	494,153	501,895	509,892	531,271	552,351	561,161	570,260	579,658	589,364	5,976,049
Operating Expenses	[4]												
Cleaning		\$1.97	18,342	18,892	19,459	20,043	20,644	21,263	21,901	22,558	23,235	23,932	234,921
Landscape Services		\$0.37	3,486	3,591	3,698	3,809	3,923	4,041	4,162	4,287	4,416	4,548	44,648
HVAC Maintenance		\$1.03	9,627	9,916	10,213	10,520	10,835	11,160	11,495	11,840	12,195	12,561	123,299
Security/Life Safety		\$0.25	2,375	2,446	2,520	2,595	2,673	2,753	2,836	2,921	3,009	3,099	30,418
Ground & Lot		\$1.36	12,682	13,063	13,455	13,858	14,274	14,702	15,143	15,598	16,066	16,548	162,433
General R&M		\$1.09	10,181	10,486	10,801	11,125	11,458	11,802	12,156	12,521	12,897	13,283	130,391
Utilities		\$2.90	27,059	27,871	28,707	29,569	30,456	31,369	32,310	33,280	34,278	35,306	346,572
Real Estate Taxes		\$11.82	110,330	113,640	117,049	120,560	124,177	127,903	131,740	135,692	139,763	143,955	1,413,083
Property Insurance		\$0.81	7,562	7,789	8,022	8,263	8,511	8,766	9,029	9,300	9,579	9,866	96,851
Management Fee	[5]	\$1.56	14,600	14,825	15,057	15,297	15,938	16,571	16,835	17,108	17,390	17,681	179,281
Total Operating Expenses		\$23.17	216,244	222,518	228,981	235,639	242,890	250,331	257,608	265,105	272,826	280,781	2,761,897
Net Operating Income	[5]	\$28.98	270,412	271,635	272,914	274,253	288,381	302,019	303,552	305,155	306,831	308,583	3,214,151

Notes to Cash Flow

- Analysis assumes Tenant will renew at 110% of previous shell rate with tax base unchanged due to unique structure for 10 Years/5 Firm
- Social Security Administration (SSA) - OpEx Base is \$113,816 - Cash Flow illustrates most recent increases and assumes future CPI increases are 3.5% annually
- Tenant pays a set RE Tax base of \$51,227 which is paid in addition to both shell rent and opex rental charges. Additionally, tenant reimburses landlord the additional real estate tax charges on any overage above the \$51,227
- Operating Expenses Source: 2023 Budget and T12 (Aug 2023) provided by ownership - Assume 3.0% YoY Growth
- Assume the Management Fee is 3.0% of Effective Gross Revenue



Palos Hills, IL Demographics

Cook County



County Population (2022)

5.11M+

Palos Hills Overview | 5 Mile Radius



Population

In the identified area, the current year population is 230,246. The 2010 Census population count in the area was 229,565, and 234,391 in 2020, a 0.2% annual growth rate. The rate of growth since 2020 was -0.6% annually. The five-year projection for the population in the area is 224,368 representing a change of -0.5% annually. Currently, the population is 48.8% male and 51.2% female.



Households

The household count in this area has changed from 88,221 in 2020 to 87,379 in the current year, a change of -0.32% annually. The five-year projection of households is 86,321, a change of -0.24% annually from the current year total. Average household size is currently 2.61, compared to 2.63 in the year 2020. The number of families in the current year is 58,008 in the specified area.



Households by income (Average)

Current average household income is \$101,777 in this area, compared to \$107,008 for all U.S. households. Average household income is projected to be \$117,247 in five years, compared to \$122,048 for all U.S. households.



Housing

Currently 76.8% of the 91,825 housing units in the area are owner occupied; 23.2% renter occupied; and 4.8% are vacant. 64.6% of the housing units in the US are owner occupied; 35.4% are renter occupied; and 10.0% are vacant. In 2010, there were 91,202 housing units in the area - 73.9% owner occupied, 21.1% renter occupied, and 5.0% vacant. The annual rate of change in housing units since 2020 is -0.2%. Median home value in the area is \$263,740, compared to a median home value of \$308,943 for the U.S. In five years, median home value in the area is projected to change to \$295,206, compared to a median home value of \$350,006 in the US.

Source: ESRI

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Pricing Details

List Price:
\$3,090,000
(\$331.15/sf)

Cap Rate:
8.75%

NOI:
\$270,412



Offering Instructions

10718 S Robert Rd | Palos Hills, IL 60465

Offers should be submitted via email to:

Geoff.Ficke@colliers.com , **Zack.Ficke@colliers.com** &

Debra.VanderWeit@colliers.com Please include the following:

1. Purchase price
2. Source of debt and equity
3. Earnest money deposit
4. Due diligence and closing timelines
5. Detailed list of contingencies including investment committee, appraisal, and/or Lender approval that may be required
6. Detailed list of closing cost responsibilities

Property Tours

By Appointment Only

Form of PSA

TBD

Title & Escrow

TBD



Thank you.

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