Marcus & Millichap

UNANCHORED NEIGHBORHOOD STRIP CENTER

MARK TO MARKET UPSIDE IN RENTS | GROWING COMMUNITY | HIGH AVERAGE HH INCOME

265 W PEACE ROAD, SYCAMORE, IL 60178

Marcus & Millichap

Exclusively Listed By

Mitchell Kiven
Managing Director Investments
Downtown Chicago
Direct: (312) 624-7006
mitchell.kiven@marcusmillichap.com
License: IL 475.164486

Eric P. Bell
Executive Managing Director Investments
Chicago Oakbrook
Direct: (630) 570-2157
eric.bell@marcusmillichap.com
License: IL 475.144220

Jordan Callaway
Senior Director Investments
Chicago Oakbrook
Direct: (630) 570-2156
jordan.callaway@marcusmillichap.com
License: IL 471.020981

Broker of Record

Steven Weinstock
Broker of Record
Chicago Oakbrook
Direct: (630) 570-2200
steven.weinstock@marcusmillichap.com
License: IL 475.011175

INVESTMENT HIGHLIGHTS

100% Occupied Neighborhood Strip Center offered at a 7.60% cap rate, positioned at a signalized intersection, across the street from the Jewel Grocery Store in Sycamore, Illinois

Average rents are quite low at ~$15 gross, with a wide range in what tenants are currently paying – indicating significant upside can be achieved by marking rents to market

Built in 2008, the property is currently undergoing a significant renovation project to update the roof

Most of the tenant leases feature fixed annual increases ranging from 2-4% annually

The liquor store tenant positioned on the endcap is paying below $12 per square foot in gross rent

Notably low acquisition basis of $155 per square foot

Abundant new construction of single-family homes in Sycamore as housing costs in inner and outer ring Chicago suburbs have grown prohibitively expensive

High annual household incomes of $116,000 within a 3-mile radius

EXECUTIVE SUMMARY

Marcus & Millichap is pleased to present the opportunity to purchase the fee simple interest in a 100% occupied neighborhood strip center located in Sycamore, Illinois. With an average suite size of 2,000 square feet, this retail property features a mix convenience-based retailers that are the lifeblood of this asset class. Positioned at a signalized intersection, across the street from Sycamore's primary grocery store, the underlying fundamentals of the real estate would be impossible to recreate elsewhere in this market and would certainly cost more than the $155 per square foot that comprise the asking price.

All tenant leases feature annual increases, ranging between 2% and 4%, building in incremental upside that should compound over a new owner's hold period. Average in-place rents are strikingly low as well. The liquor store on the endcap is paying below $12 per square foot gross, while the nail salon tenant in an interior suite is paying $25 per square foot. This indicates what is achievable at this property as the next owner will have the opportunity to either enjoy fixed annual increases from existing tenants, or mark rents to market as leases roll.

Ownership sold the easternmost endcap unit to the tenant in 2012. As a result, the property is subject to an association which is also controlled by ownership. Control of the association will simultaneously be conveyed at the time of sale along with the subject property. The owner of the endcap pays 20% of overall common area maintenance expenses based on their pro rata share of the building.

Sycamore is a growing community sandwiched between the western suburbs of Chicago and Dekalb, the home of Northern Illinois University. With optimal average household incomes of $116,000 annually and a pronounced increase in new single family home construction, the demographics of this market continue to strengthen and further bolster service and convenience oriented neighborhood retail.

TENANT SUMMARY

PEACE ROAD PLAZA

$2,500,000
LIST PRICE

7.60%
CAP RATE

$155.42
PRICE/SF

Tenant	Suite	Suite Size (SF)	% GLA Share	Lease Start Date	Lease End Date	Annual Rent PSF	Monthly Rent	Annual Rent	Changes On	Changes To	Lease Type	Expense Reimbursements	Renewal Options
Liquor Store	101	2,520	15.7%	5/1/24	4/30/27	$11.90	$2,500	$30,000	N/A	N/A	Gross	$0	2 - 5YR Options
Treehouse Pie Company	102	1,400	8.7%	8/1/25	7/31/30	$20.57	$2,400	$28,800	Aug-2027	$30,000	Gross	$0	None
Kingfisher Fitness	103	2,800	17.4%	12/1/23	11/30/28	$11.09	$2,588	$31,050	Dec-2026	$32,137	Gross	$0	1 - 5YR Option
Little Caesar's Pizza	104	1,400	8.7%	5/1/13	4/30/28	$18.48	$2,156	$25,872	May-2027	$26,389	Gross	$0	1 - 5YR Option
LV Nails & Spa	105	1,400	8.7%	9/1/19	8/31/29	$25.60	$2,987	$35,839	Sep-2027	$36,552	Gross	$0	None
Pachamama Peru	106	1,750	10.9%	4/1/24	3/31/27	$19.98	$2,913	$34,957	N/A	N/A	Gross	$0	1 - 3YR Option
Yuur Lont Candle Co	107	1,750	10.9%	4/1/23	3/31/29	$14.76	$2,152	$25,829	Apr-2027	$26,604	Gross	$0	
Greenhouse	108-109	3,065	19.1%	6/1/24	5/31/29	$8.78	$2,243	$26,919	Jun-2027	$27,726	NNN	$11,621	1 - 5YR Option
Totals/Averages		16,085				$14.88	$19,939	$239,267				$11,621	
	Occupied Tenants: 8			Occupied GLA: 100%									

OPERATING STATEMENT

Income	Year 1		Per SF	Year 2		Per SF
Scheduled Base Rental Income	240,879		14.98	246,005		15.29
Expense Reimbursement Income (NNN)						
CAM	3,314		0.21	3,413		0.21
Insurance	2,124		0.13	2,187		0.14
Real Estate Taxes	6,183		0.38	6,369		0.40
Total Reimbursement Revenue	$11,621	17.0%	$0.72	$11,969	17.0%	$0.74
Tom & Jerry's REA Contribution	5,707		0.35	5,878		0.37
Effective Gross Revenue	$258,207		$16.05	$263,853		$16.40
Operating Expenses						
Common Area Maintenance (CAM)						
Utilities	1,387		0.09	1,428		0.09
Trash Removal	6,019		0.37	6,200		0.39
Repairs & Maintenance	2,060		0.13	2,122		0.13
Landscaping	4,984		0.31	5,134		0.32
Snow Removal	2,941		0.18	3,029		0.19
Insurance	11,145		0.69	11,479		0.71
Real Estate Taxes	32,449		2.02	33,422		2.08
Management Fees	7,325	3.0%	0.46	7,739	3.0%	0.48
Total Expenses	$68,310		$4.25	$70,553		$4.39
Net Operating Income	**$189,898**		**$11.81**	**$193,299**		**$12.02**

PRICING & RETURN METRICS

Summary

Price	**$2,500,000**
Down Payment (30%)	$750,000
Number of Suites	8
Price Per SqFt	$155.42
Gross Leasable Area (GLA)	16,085 SF
Lot Size	2.21 Acres
Year Built	2008
Occupancy	100.00%

Returns

	Year 1	Year 2
Cap Rate	7.60%	7.73%
Cash-on-Cash	6.41%	6.87%
Debt Coverage Ratio	1.34	1.36

Proposed New Financing

Loan Amount (70% LTV)	$1,750,000
Loan Type	Conventional
Interest Rate	6.50%
Amortization	25 Years
Year Due	2031

Operating Data

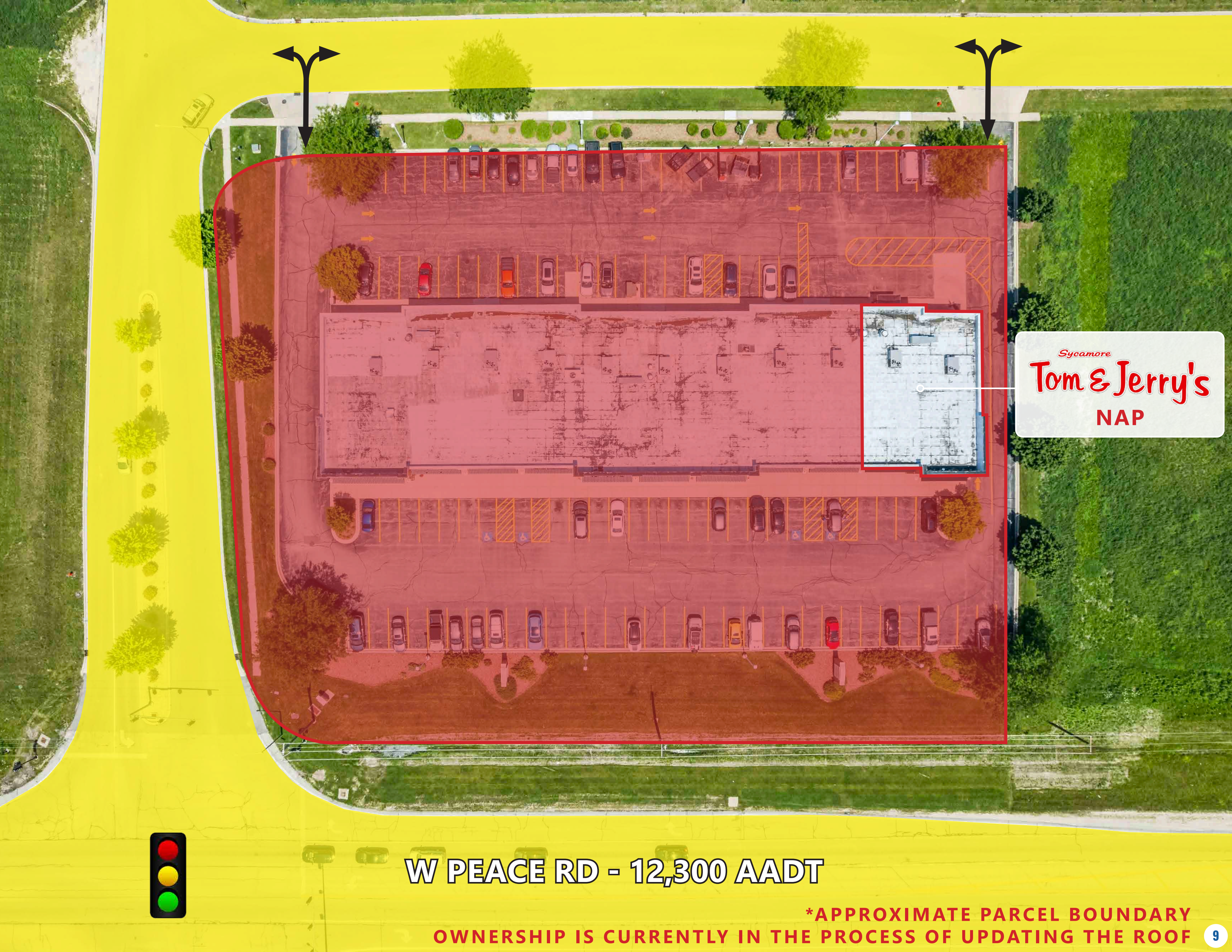
Income		Year 1		Year 2
Scheduled Base Rental Income		$240,879		$246,005
Total Reimbursement Income	4.8%	$11,621	4.9%	$11,969
Other Income		$5,707		$5,878
Effective Gross Revenue		$258,207		$263,853
Less: Operating Expenses	26.5%	($68,310)	26.7%	($70,553)
Net Operating Income		$189,898		$193,299
Debt Service		($141,794)		($141,794)
Net Cash Flow After Debt Service	6.41%	$48,104	6.87%	$51,506
Principal Reduction		$28,894		$30,829
Total Return	10.27%	$76,998	10.98%	$82,335

Operating Expenses	Year 1	Year 2
CAM	$17,391	$17,913
Insurance	$11,145	$11,479
Real Estate Taxes	$32,449	$33,422
Management Fee	$7,325	$7,739
Total Expenses	$68,310	$70,553
Expenses/SF	$4.25	$4.39

AERIAL & SURROUNDING RETAIL

Demographics | 3-Mile Radius

2025 Population	17,156
2025 Daytime Population	15,134
2025 Avg. Household Income	$116,138



*APPROXIMATE PARCEL BOUNDARY
OWNERSHIP IS CURRENTLY IN THE PROCESS OF UPDATING THE ROOF

LOCATION OVERVIEW

Sycamore, IL

Sycamore is a historic community in northern Illinois and the county seat of DeKalb County, located approximately 60 miles west of downtown Chicago and 30 miles southeast of Rockford. Established in the 1830s and named after the sycamore trees that once lined the nearby Kishwaukee River, the city grew as a governmental, commercial, and agricultural hub for the surrounding region.

The city's location provides excellent regional accessibility. Sycamore is situated at the intersection of Illinois Routes 23 and 64 and is just minutes from Interstate 88, which offers direct access to Chicago's western suburbs and the greater metropolitan area. Interstate 90 is also located nearby, while Chicago O'Hare International Airport can be reached in about an hour. These transportation advantages have helped support both residential growth and continued business investment throughout the community.

Sycamore's economy is anchored by a diverse mix of manufacturing, agriculture, healthcare, education, and retail industries. The city is home to several industrial employers and benefits from its proximity to Northern Illinois University in neighboring DeKalb, which serves as a major source of employment and economic activity for the region. As the county seat, Sycamore also maintains a strong presence of government offices, professional services, and civic institutions, contributing to a stable and well-rounded economic base.

In addition to its economic strengths, Sycamore offers a variety of recreational and cultural amenities. The downtown district features locally owned shops, restaurants, and landmarks centered around the iconic DeKalb County Courthouse. Residents and visitors alike enjoy the city's numerous parks, golf courses, and recreational trails, as well as access to the Kishwaukee River and surrounding natural areas.

Overall, Sycamore combines historic charm, regional connectivity, and a diverse economic foundation. Its strategic location, quality of life, and strong community identity continue to make it one of the most desirable places to live and do business in DeKalb County.

In the News

- Sycamore continues to strengthen its position as an industrial and employment hub through the ongoing expansion of the Sycamore Business Park along the Peace Road corridor. The business park has attracted a growing mix of manufacturing, distribution, and logistics companies. The city has prioritized industrial development as a key component of its long-term economic strategy, helping diversify the local economy while creating new employment opportunities and supporting future business investment.
- In 2026, Sycamore announced Project Balsam, a proposed $6.5 million manufacturing investment expected to create new jobs. The project reflects continued confidence in Sycamore's business climate and reinforces the city's reputation as a desirable location for advanced manufacturing. Local officials have also indicated that another manufacturer is evaluating the community for a future expansion, signaling continued industrial growth and private investment.
- Sycamore continues to experience steady residential growth through the expansion of neighborhoods such as Reston Ponds and North Grove Crossings. These developments are adding new single-family homes that support population growth and strengthen the community's long-term consumer base. The continued construction of new housing reflects sustained demand for residential development.

Location Highlights

Sycamore Population
~19,135

50 Miles to O'Hare International Airport

Northern Illinois University Enrollment
~16,078 Students

Median Home Value
$274,908

Average Household Income ~ $116,138

DEMOGRAPHICS

POPULATION	1 MILE	3 MILES	5 MILES
2030 Projection	3,954	17,299	26,722
2025 Estimate	3,879	17,156	26,510
2020 Census	3,897	16,939	26,288
2010 Census	3,517	16,620	25,882
2025 Daytime Population	2,711	15,134	25,807
HOUSEHOLDS			
2030 Projection	1,401	7,109	10,650
2025 Estimate	1,383	7,023	10,528
Average Household Size	2.8	2.5	2.5
2020 Census	1,349	6,861	10,303
2010 Census	1,208	6,535	10,046
RETAIL EXPENDITURE			
Household Average	$42,892	$34,353	$33,684

HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
Average	$147,695	$116,138	$113,240
Median	$121,302	$96,114	$92,863
Per Capita	$52,475	$45,587	$44,405
EDUCATIONAL ATTAINMENT			
High School Graduate	16.6%	17.9%	19.7%
Some College	20.7%	21.2%	21.0%
Associate Degree Only	6.5%	9.6%	10.3%
Bachelor’s Degree Only	33.3%	28.6%	26.7%
Graduate Degree	18.9%	18.3%	17.1%

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