

~~\$11,975,000~~ | STERLING, IL | ±486K SF VALUE-ADD INDUSTRIAL | **SUBSTANTIAL UPSIDE**

SERVING CHICAGO MSA/QUAD CITIES/ROCKFORD & MILWAUKEE

FLEXIBLE USE/ZONE | MANUFACTURING/WAREHOUSE/STORAGE/DISTRIBUTION & RETAIL/OFFICE

POST AUCTION:

Call for Highest & Best Offers

**±\$20M-\$23M PROFORMA
READY FOR OWNER/USER OR
LEASE-UP COMPLETION**

DWG CAPITAL GROUP
CRE BROKERAGE
INVESTMENT SALES. CAPITAL MARKETS. DONE.



**67%+ BELOW
REPLACEMENT COST**

**SUBSTANTIAL VALUE-ADD
UPSIDE/PROFIT**

**IN-PLACE DAY 1 INCOME
& MANAGEMENT**

**301 W 3RD ST
±486,952 SF**

**MAJOR CAP EX RECENTLY COMPLETED:
ROOF, POWER, STRUCTURAL and MORE**

**4160 VOLTS/480 POWER+
21 DOCK DOORS | 3 DRIVE-IN**

A MIDWEST BEST-PRICED INSTITUTIONAL-QUALITY ASSET | STRATEGICALLY LOCATED NEAR 10 MAJOR MSAs

DWG CAPITAL GROUP: JUDD DUNNING | 310.261.8428 | 214.726.6822

MIKE PAYTONJIAN | 817.901.5417

THE STERLING LANDMARK @ 301



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DWG CAPITAL GROUP INVESTMENT SALES.
CAPITAL MARKETS.
DONE.

JUDD DUNNING

LA: 310.261.8428 | TX: 972.738.8586

JDUNNING@DWG-RE.COM

CHRISTOPHER R SCANLAN

PRESIDENT

ILLINOIS LICENSED BROKER

CSCANLAN@LIHTCGROUP.COM

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EXECUTIVE SUMMARY | THE STERLING LANDMARK @ 301

THE OFFERING

The Sterling Landmark @ 301 in Sterling, Illinois, presents a rare opportunity for sophisticated investors to capitalize on **significant value-add upgrades already completed** or for new owner-users seeking a strong presence in the Midwest industrial market. Exclusively offered by auction by CREXI and presented by **DWG Capital Group and in association with The LIHTC Group**, this property is an exceptional choice for discerning industrial investors.

The asset combines immediate cash flow potential with substantial long-term upside, offering a competitive edge in the market. Priced well below replacement cost, this property provides an ideal value-add opportunity with room for further tenant optimization and property enhancements. Unlocking this potential could project a stabilized value of approximately \$20–\$23 million, offering attractive returns.

With its strategic location and significant growth potential, the Sterling Landmark @ 301 is a compelling investment for those seeking to capitalize on the strength of the Midwest industrial sector.

PROPERTY OVERVIEW

301 W. 3rd St in Sterling, IL, is a 3-story industrial property comprising ±486,952 SF of rentable area on 7.16 acres of land. The property was expanded over six times between original construction and final expansion in 1977 followed by a renovation in 2023. A majority of the site was recently upgraded with new roofing and extensive tenant improvements, transforming this institutionally-sized legacy property into a versatile, multi-use distribution, manufacturing, warehousing, office and retail facility capable of generating outsized returns.

THE LOCATION & MARKET

Situated in Northwestern Illinois along the Rock River, Sterling offers convenient access to major cities like Chicago, Rockford, and the Iowa-Illinois Quad Cities. Situated approximately 100 miles west of Chicago, 55 miles southwest of Rockford, 55 miles east of the Quad Cities, and 70 miles north of Peoria, the city benefits from its proximity to key urban centers. Interstate 88 and U.S. Highway 30 provide easy transportation links to neighboring areas, while Illinois Route 40 and Illinois Route 2 offer quick access to Rockford and Peoria.

PROPERTY SUMMARY

Name:	The Sterling Landmark @ 301
Address:	301 W. 3rd St, Sterling, IL 61081
County:	Whiteside County
Purchase Price:	\$11,975,000 ±\$24.59/SF
Proforma Rental Rate:	\$3.75 NNN
Potential NOI:	\$1,830,000
Stabilized Value:	±\$23,612,903 ±\$48.40 PSF
Gross Leasable Area:	±486,952 SF
Land Area:	±7.16 AC, ±312,100 SF
Zoning:	NB Subdistrict TN-CR
Built Reno:	1914, 1970 2023-2024

Initially recognized for its mills, Sterling evolved into the Hardware Capital of the World as its industrial sector expanded. The region boasts a skilled workforce of over 540,000, specializing in agribusiness, manufacturing, and logistics.

Additionally, Sterling's strategic location near major railway networks facilitates efficient domestic and international shipments, making it an attractive destination for businesses across various industries.

The Sterling Landmark combines historical charm with modern functionality, is close to major transport hubs, and offers versatile space, making it an attractive option for businesses tapping into Chicago's critical industrial role.

DEAL HIGHLIGHTS & VALUE-ADD PROFORMA STRATEGIES

DEAL HIGHLIGHTS

• LEGACY ASSET MODERNIZED

±486,952 SF institutionally-quality asset with a majority of upgrades completed and significant value-add upside remaining for sophisticated new purchaser.

• STRATEGIC LOCATION

Direct access to over 10 major Midwest MSAs, including nearby Chicago, enhancing logistical capabilities.

• FLEXIBLE ZONING & UTILITY

Pro-business city with non-restrictive zoning, accommodating diverse uses with high power for manufacturing suitable for a variety of business operations.

• OPTIMIZED PHYSICAL FEATURES

Higher ceilings, multiple elevators, 18 docks for additional storage income.

• ECONOMIC ADVANTAGE

The asset is offered far below replacement cost at \$24.59 PSF at 67% below return costs.

• EXCELLENT STABILIZED PROFORMA VALUE

With a projected stabilized NOI of \$1,830,000 at a 7.75% cap rate, the asset's adjusted bank valuation is estimated at \$23,612,903, providing a compelling value-add proposition. Potential pro forma exit values range between \$20M–\$23M.

• DIVERSE FLOOR PLAN

The Sterling Landmark @ 301 has approximately ±486,952 square feet of rentable area, attracting a wide range of potential tenants offering an excellent blend of historical charm with modern functionality.

• LEASING OPPORTUNITIES

Diverse spaces available, including a significant retail area, all featuring competitive rates and high functionality.

THREE PATHS TO PROFIT AND HIGHEST & BEST USE

• FOR THE SOPHISTICATED VALUE-ADD INVESTOR

The Sterling Landmark @ 301 in Sterling, Illinois, is a compelling opportunity with a promising high-yielding IRR (Initial Rate of Return). Boasting of upgrades already completed, and the opportunity for further value-enhancing tenant and property improvements, this property offers a pathway to significant profits. With potential rents of ±\$3.75/SF (equivalent to ±\$5.25/SF gross rents minus ±\$1.50/SF operating expenses), and a fully stabilized value of approximately ±\$48.40/SF in a market averaging \$61 per square foot, this ±486,952 SF institutional-sized asset features versatile multi-use zoning.

• FOR THE FULL OWNER-USER

The Sterling Landmark @ 301 offers an outstanding opportunity for an owner seeking to establish a dominant presence in the region. With most upgrades completed, the property ensures immediate performance and substantial potential, presenting a wise investment well below replacement cost, perfectly suited for full operational utilization.

• FOR THE PARTIAL OWNER-USER INVESTOR

This property represents an excellent strategic choice. By occupying part of the building and leasing out the remainder, owners can achieve profitable partial occupancy. This model provides a balanced approach for maximizing returns at both the business and real estate levels.





**PROPERTY
OVERVIEW**

PROPERTY OVERVIEW

BUILDING DETAILS	
Foundation:	Concrete
Construction Type:	Masonry
Structural Frame:	Steel
Exterior Walls:	Brick
Roof:	Flat, Rubber Membrane
Building Height:	35'
Clear Height:	14'-16'
Dock Height Doors:	18 External
Truck-Hight Dock Doors:	3 Drive-Ins
HVAC:	3 Units
Elevators:	3+ Freight
Sprinklers:	Wet System Installed
Year Built Renovated:	1914/1970 2023-2024

PROPERTY DETAILS	
Name:	The Sterling Landmark @ 301
Type:	Industrial/Manufacturing
Class:	C
Zoning:	M-1 (Highly Flexible Use via City)
Gross Rentable Area:	±486,952 SF
Land Area:	±7.6 AC ±312,100 SF
Floor Area Ratio:	1.57 (GBA.Land SF)
Parking:	60 Surface Spaces
Parking Ratio:	0.12 (Spaces/1,000 SF GBA)
APN:	11-21-386-013, 023, 028, 029
County:	Whiteside County

TENANCY DETAILS	
NO. Buildings:	1
Stories:	3
Occupancy Type:	Multi-Tenant
Tenant Size Range:	3,000 SF - 202,038 SF
Occupancy:	48% Leased
Rentable Area:	±486,952 SF 25 Suites
Basement	171,057 SF 8 Suites
1st Floor	174,220 SF 9 Suites
2nd Floor	141,675 SF 8 Suites



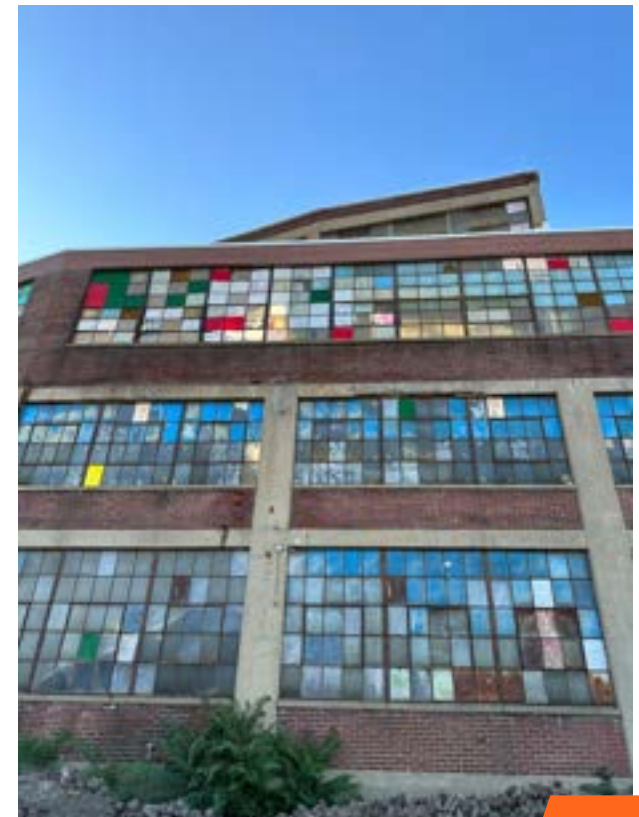
THE STERLING LANDMARK

HISTORICAL CHARACTER & MODERN UTILITY

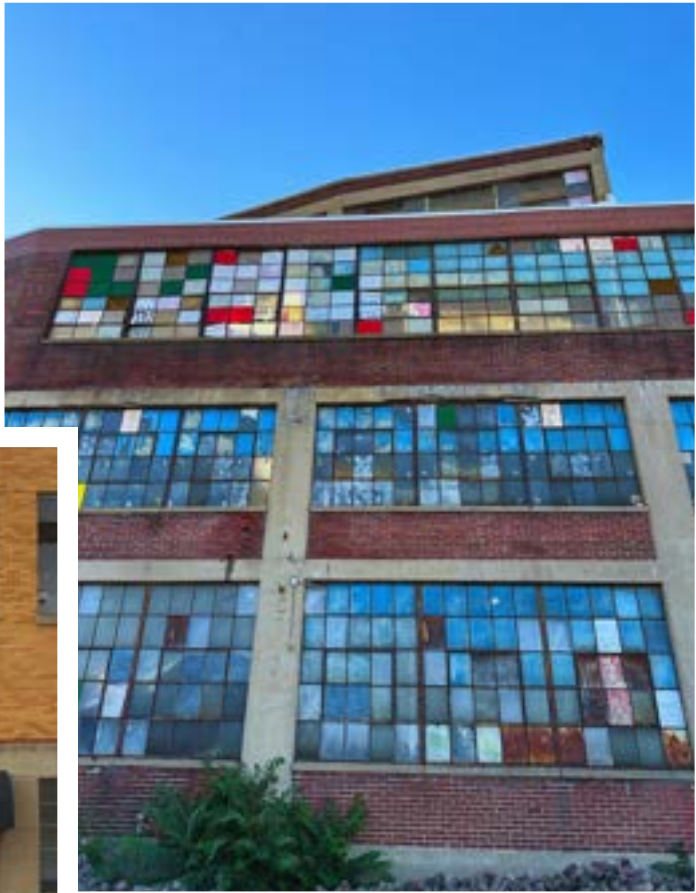
The Sterling Landmark @ 301 merges historical charm with modern functionality. Originally built in the early 20th century, the property has seen major renovations in 1970 and again in 2023-24, preserving its historical aesthetics while updating it to meet contemporary standards.

ROBUST CONSTRUCTION

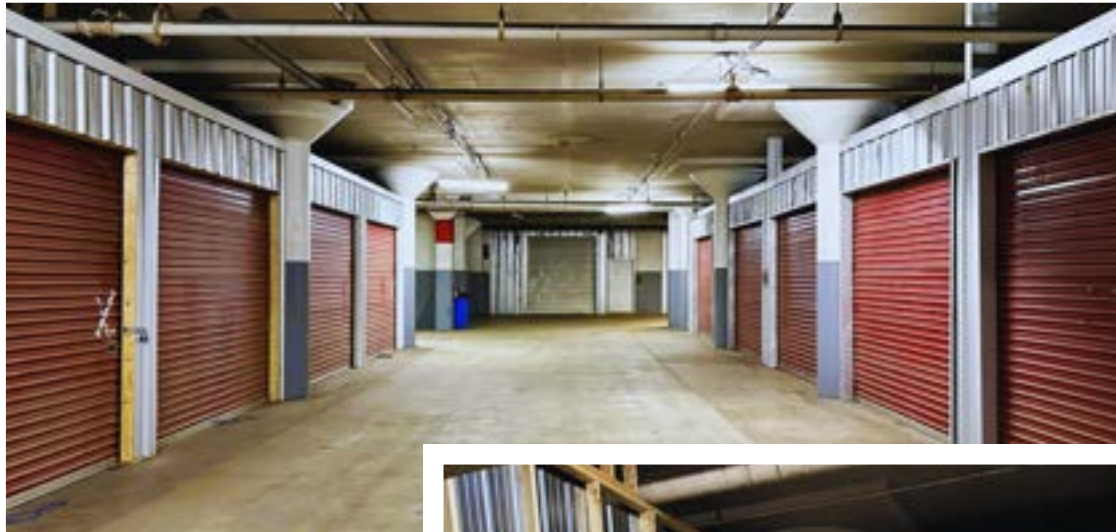
The facility boasts a solid concrete foundation, masonry walls, a steel structural frame, and a classic brick exterior, all under a flat roof with a rubber membrane for optimal protection from the elements.



PROPERTY PHOTOS



PROPERTY PHOTOS



IN-PLACE TENANCY OVERVIEW

IN-PLACE TENANCY:

STRATEGICALLY POSITIONED FOR GROWTH

Current interim starting in-place is \$378,000, consisting of approximately \pm \$200,000 from seasonal storage and \pm \$178,800 from leases all under 2 years intentionally for larger tenancy. The property has been greatly improved under new ownership, with deferred maintenance and upgrades already made in excess of \$3.1 million. For a new purchaser there is significant "meat on the bone" for phase 2 of the project and further success and near turn profit.

CURRENT TENANTS



CURRENT AND FORWARD LEASING OPPORTUNITY:

FLEXIBLE REPOSITIONING OPPORTUNITY

- A new purchaser can reposition the entire site at new rents for external tenants or its own use as none of the current in-place leases are in excess of 2 years making the site very attractive for multiple forward strategic business plans
- \pm 130,000 square feet on the second floor
- \pm 57,000 square feet on the first floor with four dock doors for additional loading and access.
- \pm 11,000 square feet of artisan space on the ground floor retail space





**AREA
OVERVIEW**

CHICAGO INDUSTRIAL MARKET TRENDS

5.6%

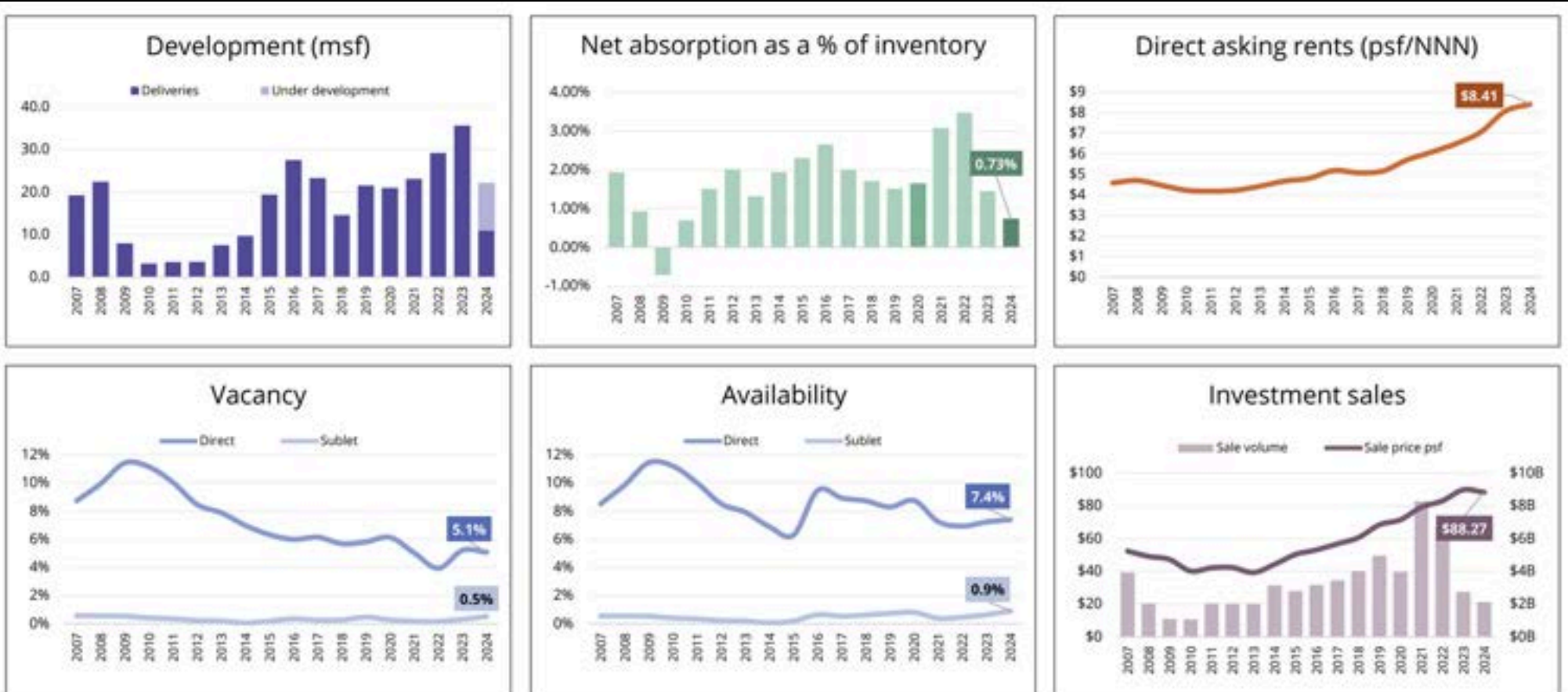
Vacancy Remains Stable

33 MSF

Leasing Activity Returns to Pre-Covid Levels

-54%

Decreased Construction Pipeline



GET TO KNOW **STERLING, IL**

A LOOK INTO **STERLING**

ABOUT THE AREA

Situated along the Rock River, Sterling (population 15,370) is located in Northwestern Illinois on the eastern edge of Whiteside County, one of the largest counties in the state. The City is approximately 100 miles due west of the Chicago loop, 55 miles southwest of Rockford, Illinois, 55 miles East of the Iowa-Illinois Quad Cities, and 70 miles north of Peoria. It is 35 miles East of the Mississippi River, which forms the western boundary of Whiteside County. Interstate 88 and U.S. Highway 30 both run just south of the City limits, providing quick access to the Illinois-Iowa Quad City area and the Chicago area. Illinois Route 40 and Illinois Route 2 both run through the City of Sterling and provide quick access to Rockford and Peoria. Officially established in 1857, Sterling has been a city of hard-working people, deeply rooted in local industry since that time. Originally home to a few mills powered by the river, the industrial base grew with the country, and the small City of Sterling soon became the Hardware Capital of the World.

Today, much of that history is still with us, but the City has matured and diversified. The community is now a strong blend of industry, commercial and retail business, and residential areas. In fact, Sterling has become a regional retail hub. Sterling has an abundance of indoor and outdoor recreational opportunities. The Rock River provides plenty of summertime fun for boaters, skiers, paddlers, and fishermen. Kayak, fish, hike, bike or walk the Hennepin Feeder Canal, a 29-mile canal and path that connects to the 105-mile Hennepin Canal. There are golf courses, indoor/outdoor tennis and pickleball courts, a pump track, walking paths, and trails. There are 4 State Parks within 40 miles plus additional State Recreation areas. The Sterling Park District also operates a marina, a dog park, and an indoor pool, along with fitness centers, and an abundance of recreation programming.



GET TO KNOW **WHITESIDE COUNTY, IL**

REASONS TO BE HERE



Located in the heart of the nation, close to the Chicago metro area and all of its urban amenities



Serviced by a well-maintained network of U.S. and state highways, including five interstate roadways



Successful location for agribusinesses, manufacturing, and logistics



A lower cost of living bolsters business and has helped employers attract and retain qualified and competent employees.



Strategically positioned along railways operated by five of the largest railroad companies in the U.S., as well as three smaller regional railroads



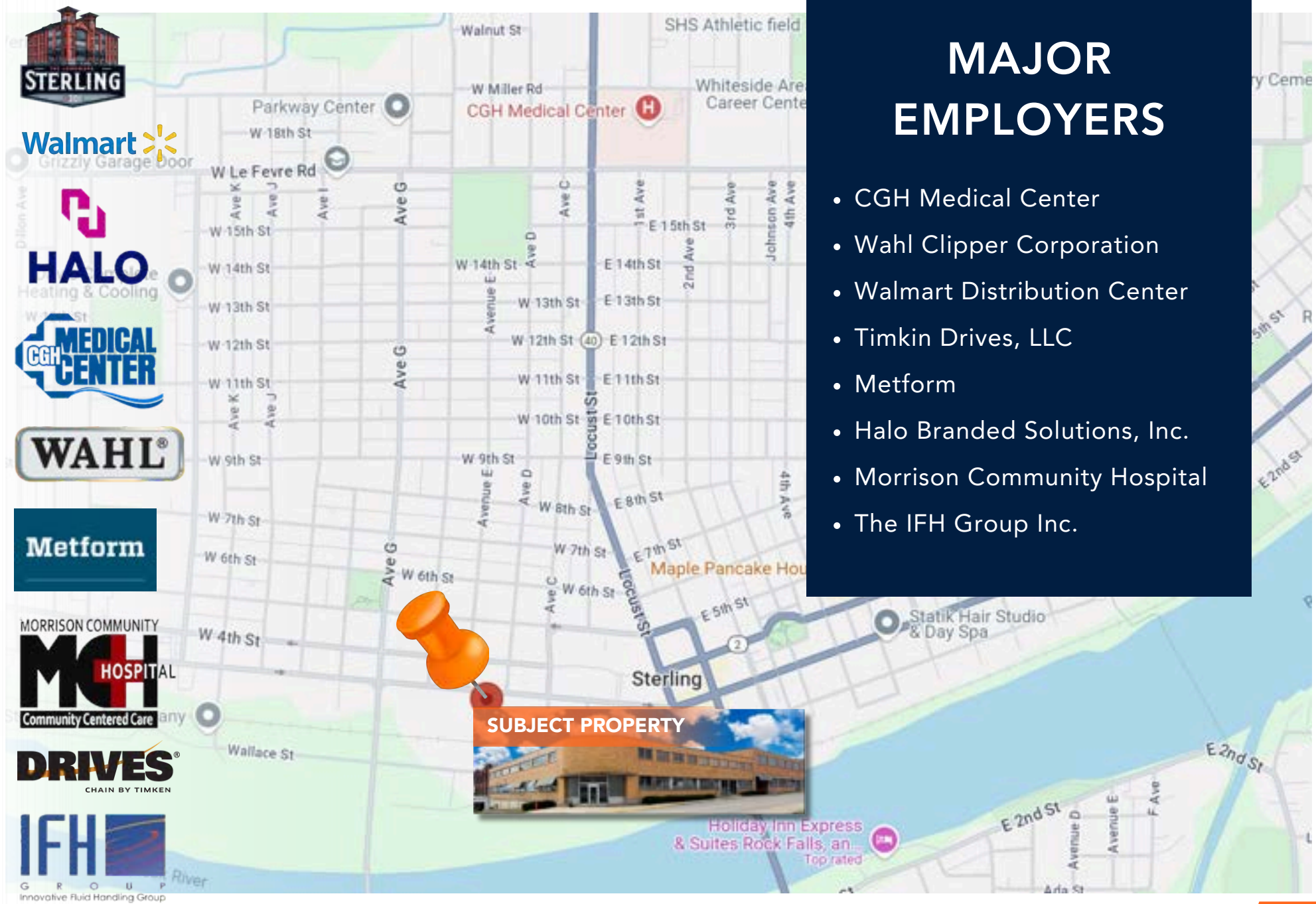
The Mississippi River, which supports shipment of more than half of all grain exports, nearly a quarter of all oil and gas shipments and about 20% of U.S. coal, allows ease of access to global markets via the Gulf of Mexico.



REGIONAL OVERVIEW MAP



STERLING OVERVIEW MAP



MAJOR EMPLOYERS

- CGH Medical Center
- Wahl Clipper Corporation
- Walmart Distribution Center
- Timkin Drives, LLC
- Metform
- Halo Branded Solutions, Inc.
- Morrison Community Hospital
- The IFH Group Inc.

THE STERLING LANDMARK @ 301

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**ABOUT
DWG CAPITAL GROUP**

DWG CAPITAL GROUP INVESTMENT SALES.
CAPITAL MARKETS.
DONE.

A DYNAMIC FINANCIAL SERVICES PLATFORM

Through our financial platform, clients have access to solutions that seamlessly support their real estate and business objectives.

CAPITAL MARKETS

COMMERCIAL REAL ESTATE / INVESTMENT SALES AND CAPITAL MARKETS ADVISORY

OUR FIRM: DWG Capital Group is a fully integrated commercial real estate advisory and capital markets platform of services for owners and users of real estate from ranging from private local owners to prominent multinational corporations and institutional investors. Headquartered in Los Angeles, DWG Capital Group's seasoned strategic relationship platform of 11 seasoned CRE veterans enables our team to effectively serve the property requirements of ALL our Owners, Investors, Developers, Private Equity Groups and Lenders from California to across the US. Regardless of how seasoned our clients are at selling, buying or joint venturing commercial real estate can be a monumental endeavor. DWG Capital Group ensures every client gets the professional, intelligent service they deserve coupled with a strong, seasoned advisory **based on what matters most: Our clients per transaction highest yield outcome coupled with a comprehensive overall real estate portfolio advisory focused on our client's overall long term security.** As a highly seasoned group of Capital Markets Advisors and Brokers who are also active Developers and Investors ourselves, DWG Capital Group brings decades of both sophisticated institutional and personal experience to every assignment **with same care as if it was our very own real estate endeavor.**

Investment Sales, Capital Markets. DONE.

OUR TEAM: DWG Capital Group's team was formed and now led by Judd Dunning, (former NGKF Capital Group / ARA Managing Director) who launched DWG Capital Group in order to combines the very best of his DWG brokers highly seasoned capital market and investment sale expertise and many decades of extensive hands-on commercial real estate advisory experience to ensure that all our DWG clients receive and are assisted to execute only the highest and best real estate portfolio strategies possible.

DWG Capital Group is a client driven firm that executes a wide range of assignments from larger, institutional investment sales and debt / equity placements to local private middle market sales. **Judd Dunning** and all **DWG Capital Group Team Members:** DWG was originally formed by 10 former Top-5 institutional CRE firm brokers. Now independent and within DWG collectively bringing the very same high service standard, same national network of seasoned middle market and institutional clients, the same vast database of national buyers/sellers, the same debt and private equity and the same superior and sophisticated *Client-Centric Capital Markets and Investment Sales Advisory* to our clients we always have these last 20 years but doing so with even greater individual attention.

OUR TRACK RECORD



BUYING, SELLING OR LEASING NATIONWIDE?

DWG CAPITAL GROUP

INVESTMENT SALES.
CAPITAL MARKETS.
DONE.

\$2B

TOTAL CAREER
TRANSACTIONS

21

YEARS IN AMERICAN
INSTITUTIONAL REAL ESTATE

40

STATES TRANSACTED
WITHIN, NATIONWIDE



CLOSED!



CLOSED!



CLOSED!



CLOSED!



**SONY ANIMATION
STUDIOS**

LA OFFICE/FLEX INDUSTRIAL

\$160M

**MALIBU CROSSROADS
AREA JV**

CLASS A RETAIL

\$130M

**INLAND EMPIRE
MULTIFAMILY PORTFOLIO
RECAPITALIZATION/SALE**

\$118M

**\$3B
TENANT
NEW INDUSTRIAL LEASE
165K SF**

INDUSTRIAL | DEVELOPMENT | MULTIFAMILY | RETAIL | OFFICE | JOINT VENTURE | DEBT | EQUITY

OVER 15K+ UNITS SOLD | \$1B CLOSED PAST 24 MONTHS | LABJ CRE GOLD AWARD WINNER | COSTAR POWER BROKER



TRUSTED INSTITUTIONAL CRE ADVISORY

OFFERING AND CONDITIONS

DWG Capital Group is a licensed real estate broker, (License #01520854).

This Offering Memorandum has been prepared by DWG for use by a limited number of recipients. All information contained herein has been obtained from sources other than DWG, and neither Owner nor DWG, nor their respective equity holders, officers, employees and agents make any representations or warranties, expressed or implied, as to the accuracy or completeness of the information contained herein. Further, the Offering Memorandum does not constitute a representation that no change in the business or affairs of the property or the Owner has occurred since the date of the preparation of the Offering Memorandum. All analysis and verification of the information contained in the Offering Memorandum is solely the responsibility of the recipient.

DWG and Owner and their respective officers, directors, employees, equity holders and agents expressly disclaim any and all liability that may be based upon or relate to the use of the information contained in this Offering Memorandum. Additional information and an opportunity to inspect the property will be made available upon written request to interested and qualified prospective investors. Owner and DWG each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the property and/or terminate discussions with any entity at any time with or without notice. Owner shall have no legal commitment or obligations to any recipient reviewing this Offering Memorandum or making an offer to purchase the property unless and until such offer is approved by Owner, a written agreement for the purchase of the property

has been fully executed, delivered and approved by Owner and its legal counsel, and any obligations set by Owner thereunder have been satisfied or waived. The recipient ("Recipient") agrees that (a) the Offering Memorandum and its contents are confidential information, except for such information contained in the Offering Memorandum, which is a matter of public record, or is provided from sources available to the public (b) the Recipient, the Recipient's employees, agents and consultants (collectively, the "need to know parties") will hold and treat it in the strictest of confidence, and the Recipient and the need to know parties will not, directly or indirectly, disclose or permit anyone else to disclose its contents to any other person, firm, or entity without the prior written authorization of DWG and the Owner, and (c) the Recipient and the need to know parties will not use or permit to be used this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Owner or DWG or for any purpose other than use in considering whether to purchase the property. as terms of prospective buyers own elective review the information.

Nor DWG or Brokerage shall have any legal liabilities for the sale of the subject property or for any information proffered in DWG's highest and best efforts. The Recipient and the need to know parties agree to keep this Offering Memorandum and all confidential information contained herein permanently confidential and further agree to use this Offering Memorandum for the purpose set forth above. If the Recipient has no interest in the property, or if in the future the Recipient or owner discontinue such negotiations, the Recipient will return this Offering Memorandum to DWG.

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