

FOR SALE

402 E State Street | Rockford, IL 61104

±16,000 SF | Historic Mixed-Use | 100% Leased | Value-Add



THREE FLOORS + LOWER LEVEL

±4,000 SF / FLOOR

EAST STATE STREET ELEVATION

51 feet of frontage · corner at N 1st Street

ROCKFORD ART DELI

A 1901 CORNER BUILDING IN THE MIDDLE OF DOWNTOWN ROCKFORD'S REINVESTMENT WAVE

100% LEASED · MONTH-TO-MONTH · BELOW-MARKET RENTS · ELEVATOR-SERVED · C-4 DOWNTOWN COMMERCIAL

±16,000

TOTAL SQUARE FEET

1901

YEAR BUILT

3 + LL

STORIES

100%

LEASED

\$96M+

DOWNTOWN PROJECTS UNDERWAY

INVESTMENT HIGHLIGHTS

- ◆ 100% leased to two established users — immediate cash flow
- ◆ Both tenancies are month-to-month at below-market rents — mark-to-market from day one
- ◆ ±4,000 SF floor plates across three levels plus a full basement
- ◆ Elevator-served with 3-phase power and separate gas metering per floor
- ◆ Corner exposure — 51' on E State Street, 87' on N 1st Street
- ◆ 2025 real estate taxes of only \$7,536

LOCATION HIGHLIGHTS

- ◆ Walking distance to the \$45.6M News Tower Lofts redevelopment on the same street
- ◆ More than \$96 million of downtown residential projects delivered or underway
- ◆ Anchored inside a genuine E State Street arts and entertainment corridor
- ◆ Chicago-Rockford passenger rail targeted for service by end of 2027
- ◆ Zoned C-4 Downtown Commercial

DAKOTA NILSON

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THE OFFERING

402 E State Street is a **three-story, elevator-served 1901 corner building** in the heart of Downtown Rockford, fully leased to two established users on **month-to-month agreements at below-market rents**. The building offers $\pm 4,000$ SF floor plates across three levels plus a full lower level – a rare combination of in-place income, immediate mark-to-market upside, and a location three blocks from the largest historic redevelopment underway in the city.

RENT ROLL & BUILDING STACK

LEVEL	OCCUPANT	APPROX. SF	LEASE STRUCTURE	STATUS
Third Floor	Tenant in place	$\pm 4,000$	Month-to-month	OCCUPIED
Second Floor	Rockford Art Deli	$\pm 4,000$	Month-to-month	OCCUPIED
First Floor	Rockford Art Deli – retail & production	$\pm 4,000$	Month-to-month	OCCUPIED
Lower Level	Storage & building support	$\pm 4,000$	—	SUPPORT
TOTAL GROSS BUILDING AREA		$\pm 16,000$	100% leased	$\pm 12,000$ SF above grade

Areas are approximate and provided by ownership. Buyer to verify all areas, tenancies, lease terms and rents through due diligence.

ADDRESS	GROSS BUILDING AREA
402 E State Street Rockford, IL 61104	$\pm 16,000$ SF ($\pm 12,000$ above grade)
YEAR BUILT	STORIES
1901 – historic masonry	Three plus full lower level
TYPICAL FLOOR PLATE	SITE AREA
$\pm 4,000$ SF	± 0.10 Acres
FRONTAGE	ZONING
51' E State St / 87' N 1st St	C-4 Downtown Commercial
OCCUPANCY	LEASE STRUCTURE
100% Leased – two tenants	Month-to-month – below market
2025 REAL ESTATE TAXES	PRICE
\$7,536	Upon Request

THE ANCHOR TENANT

Rockford Art Deli occupies the first and second floors. Founded in **2004**, it is a screen-printing and custom apparel business and artist collective – a designated **Illinois Made** maker and a Foundational Member of the Greater Rockford Chamber of Commerce. The storefront doubles as public-facing retail, and the business operates a second location in Loves Park.

WHY IT TRADES

- ◆ Income in place from day one – no lease-up risk
- ◆ **Month-to-month structure** gives a buyer complete flexibility to re-tenant, restructure or occupy
- ◆ Rents are below market; the spread is the value-add
- ◆ Low fixed carry – **\$7,536** in 2025 taxes on $\pm 16,000$ SF

THE VALUE-ADD THESIS

Buy occupied, low-basis square footage in a downtown that is being rebuilt around it — and control every lease from closing.

01

Income From Day One

The building is **100% leased**. Unlike a vacant historic shell, this asset carries itself while a buyer works through repositioning, permits or a historic tax credit application.

02

Month-to-Month Is the Asset

Both tenancies are month-to-month. A buyer can mark rents to market, sign term leases at today's rates, recapture a floor for their own use, or reposition the whole building — **without waiting out a lease**.

03

Below-Market Rents

Ownership represents in-place rents as below market. In a downtown where new lofts are leasing at **\$1,360–\$1,800 per month** and the News Tower is marketing retail at roughly \$800 per month including utilities, the mark-to-market spread is the return.

04

Efficient, Repeatable Floor Plates

Four stacked **±4,000 SF plates** served by an elevator is the ideal geometry for downtown conversion — retail or maker space at grade, office or studio above, residential on top, storage below.

05

Systems Already Addressed

Roof resealed in **May 2026**. Gas and electrical infrastructure updated. **Three-phase service** and **separate gas metering per floor** — the two things that make a floor-by-floor re-tenanting practical.

06

Very Low Fixed Carry

\$7,536 in 2025 real estate taxes across ±16,000 SF. Low fixed expense keeps break-even occupancy low and protects downside through any repositioning period.

07

A Real Corridor, Not a Hoped-For One

214, 218, 331, 402 and 510 E State Street are all arts, music or creative uses today. The 400 block is an established creative district — the demand driver is already operating, not projected.

08

Capital Is Arriving on This Street

The **\$45.6M News Tower Lofts** — 80 market-rate apartments and 12 retail spaces — sits three blocks west at 99 E State Street, approved January 2026 with construction targeted for 2027.

THE DOWNTOWN CONTEXT

\$96M+

DOWNTOWN RESIDENTIAL
PROJECTS
DELIVERED OR UNDERWAY

~2,900

DOWNTOWN RESIDENTS TODAY
— THE BASE BEING BUILT ON

176

NEW DOWNTOWN APARTMENTS
IN THE CURRENT PIPELINE

2027

TARGET FOR CHICAGO-
ROCKFORD
PASSENGER RAIL SERVICE

PRICING UPON REQUEST

Rent roll, operating history and building documentation are available to qualified buyers on request. Contact **Dakota Nilson** at 312.838.8873 to schedule a tour or receive the due diligence package.

THE BUILDING

BUILDING SYSTEMS & CONSTRUCTION

COMPONENT	DETAIL
Construction	Masonry, built 1901
Stories	Three + full lower level
Typical floor plate	±4,000 SF
Vertical transportation	Passenger elevator
HVAC	Central air
Electrical service	Three-phase , updated
Gas metering	Separate meter per floor
Roof	Resealed May 2026
Natural light	Skylights
E State Street frontage	51 feet
N 1st Street frontage	87 feet
Zoning	C-4 Downtown Commercial

Systems information provided by ownership. Buyer to verify condition, capacity, elevator certification and code compliance through inspection and municipal review.

WHAT THE GEOMETRY MAKES POSSIBLE

Four stacked ±4,000 SF plates on a single elevator is an unusually clean structure for a building of this age. Two features carry disproportionate weight for a buyer:

- ◆ **Separate gas metering per floor.** Floors can be leased, occupied or converted independently without re-plumbing the building or estimating utility allocations.
- ◆ **Three-phase electrical service.** Supports production, fabrication and maker uses at grade — the reason the current anchor tenant can run screen-printing equipment on site.
- ◆ **Elevator service to all levels.** Makes the third floor genuinely leasable as office, studio or residential rather than a discount walk-up.
- ◆ **Corner exposure on two streets** — 51' of E State Street glass line plus 87' along N 1st.

BASIS BENCHMARK

±12,000 SF

of leasable area above grade, plus a ±4,000 SF lower level for storage and building support — all carried against \$7,536 of 2025 real estate taxes.

THREE WAYS TO UNDERWRITE IT

PATH A

Hold & Mark to Market

Keep both tenants in place and convert the month-to-month agreements to term leases at market rent. The lowest-effort path: no vacancy, no capital, and the spread between in-place and market rent is captured on signature.

PATH B

Owner-User Plus Income

Occupy one or two floors — a creative firm, studio, professional office or maker business — and keep the balance leased. Month-to-month tenancies mean a buyer can take possession of a floor on short notice rather than waiting years.

PATH C

Historic Conversion

Pursue federal and state historic rehabilitation credits and convert the upper floors to residential lofts over ground-floor retail — the exact model being executed at News Tower, Nu-State, Chick House and the Watch Factory.

Repositioning paths are illustrative. Any conversion or change of use will require City of Rockford zoning, building and life-safety review, and historic tax credit eligibility must be confirmed with the Illinois SHPO and the National Park Service.



First floor retail — pressed-tin ceilings, timber structure and original wood floors.



Production and gathering space serving the ground-floor retail operation.

FLOORS ONE & TWO • ±8,000 SF

RETAIL & PRODUCTION

@properties[®]
COMMERCIAL



402 E State Street from the corner — three stories of masonry with a continuous storefront glass line at grade.



Second floor — open production and inventory area under exposed structure.



Clear-span floor plate — the geometry that makes floor-by-floor re-tenanting practical.

WHAT THE PHOTOS SHOW A BUYER

- ◆ Original **pressed-tin ceilings** and heavy timber structure intact
- ◆ Wide, column-light floor plates suited to retail, studio or office
- ◆ Continuous storefront glazing along the E State Street elevation
- ◆ Character finishes that support a **historic tax credit** application

THIRD FLOOR & LOWER LEVEL • ±8,000 SF

RESIDENTIAL & SUPPORT



The third floor is already built out and occupied as a finished residential level — hardwood floors, a full kitchen, multiple baths and skylit living space. For a buyer, that is more than an income line: it is **proof that residential use works in this building**, on the same floor plate the rest of downtown Rockford is converting to lofts.



Third floor — open living area with original hardwood and high ceilings.



Full kitchen in place on the third floor.



Skylit interior rooms — the building carries natural light to the top floor.

WHY THE THIRD FLOOR MATTERS

Every comparable conversion downtown — News Tower, Nu-State, Chick House, the Watch Factory — is spending capital to create exactly what this floor already is. A buyer acquires it finished, occupied and generating rent.

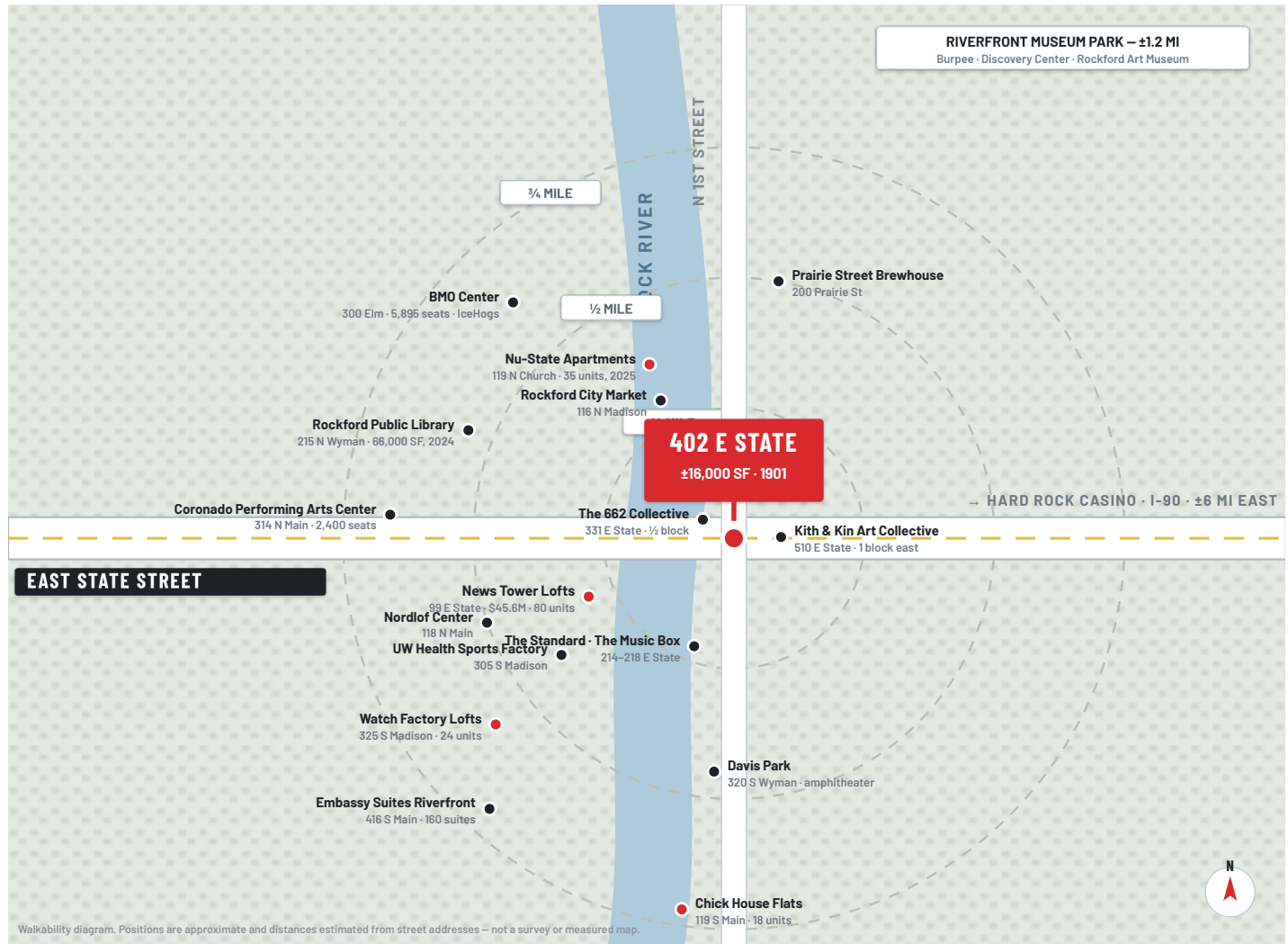


±4,000 SF lower level — dry storage and building support serving the tenants above.

DOWNTOWN LOFT RENTS FOR REFERENCE

COMPARABLE	ASKING
Nu-State Apartments — opened 2025	\$1,360-\$1,800/mo
Chick House Flats — delivering 2027	From \$1,500/mo
Rockford median gross rent	\$985/mo

WHAT'S WITHIN WALKING DISTANCE



INSIDE A QUARTER MILE

- ◆ **The 662 Collective** — 331 E State St, event space, half a block west
- ◆ **Kith & Kin Art Collective** and **Misty Lane Ceramics** — 510 E State St, one block east
- ◆ **The Standard** (260 guests) and **The Music Box** — 214–218 E State St
- ◆ **News Tower Lofts** — 99 E State St, the \$45.6M / 80-unit redevelopment three blocks west

INSIDE THREE QUARTERS OF A MILE

- ◆ **BMO Center** — 5,895-seat arena, home of the AHL Rockford IceHogs
- ◆ **Coronado Performing Arts Center** — 2,400 seats, restored 1927 movie palace
- ◆ **Rockford Public Library** main branch — 66,000 SF, opened 2024
- ◆ **Embassy Suites Riverfront** — 160 suites and 20,000+ SF of meeting space
- ◆ **UW Health Sports Factory**, **Davis Park** and **Rockford City Market**

THE ARTS CORRIDOR

Most downtown investment pitches ask a buyer to believe in a corridor that doesn't exist yet. This one already does. Within roughly two blocks of 402 E State Street, five consecutive addresses on the same street are occupied by galleries, collectives, event spaces and music venues — and the building's own anchor tenant is one of them.

EAST STATE STREET — THE IMMEDIATE BLOCK

ADDRESS	USER	TYPE	FROM THE SITE
402 E State St	Rockford Art Deli — subject property	Screen printing, apparel, artist collective	SUBJECT
331 E State St	The 662 Collective	Event space	±½ block west
510 E State St	Kith and Kin Art Collective · Misty Lane Ceramics	Studios & gallery	±1 block east
214 E State St	The Standard	Event venue — 260 guests	±1½ blocks west
218 E State St	The Music Box	Live music venue	±1½ blocks west
99 E State St	News Tower Lofts — under redevelopment	227,000 SF — 80 apartments + 12 retail	±3 blocks west
213 W State St	State & Main — under renovation	Commercial + loft offices	West of the river

WHY THIS MATTERS TO AN INVESTOR

Creative and entertainment clusters are self-reinforcing. Each venue draws foot traffic the others convert, and the mix is difficult for a competing location to replicate quickly. The 400 block already has the two things a landlord wants: **an operating daytime user** in the subject building that brings retail visitors in during business hours, and **evening venues within a two-block walk** that extend activity past 6 p.m.

Downtown Rockford also operates a **Social District** permitting open containers in branded cups from 11 a.m. to 11 p.m. daily, with boundaries running from N. Church Street to N. 3rd Street. The subject property sits at N. 1st Street — buyers should confirm inclusion against the City's official district map.

NEARBY INSTITUTIONAL ANCHORS

VENUE	SCALE
BMO Center	5,895 seats
Coronado Performing Arts Center	2,400 seats
UW Health Sports Factory	Up to 3,700
Rockford Public Library, Main	66,000 SF
Embassy Suites Riverfront	160 suites
Prairie Street Brewhouse	Up to 300
Nordlof Center	Theater & black box
Riverfront Museum Park	Three museums

Distances estimated from street addresses; buyer to verify.

Six downtown Rockford redevelopment projects – representing more than **\$96 million** of committed capital and **176+ new residential units** – have delivered, started or been approved since 2024. Every one of them is inside a mile of 402 E State Street.

DOWNTOWN ROCKFORD DEVELOPMENT PIPELINE

PROJECT	ADDRESS	DEVELOPER	INVESTMENT	UNITS	STATUS
News Tower Lofts	99 E State St	Urban Equity Properties	\$45.6M	80 + 12 retail	APPROVED
Nu-State Apartments	119 N Church St	Urban Equity Properties	\$19.2M	35	OPEN 2025
Chick House Flats	119 S Main St	Urban Equity Properties	\$13.5M	18	BUILDING
Watch Factory Lofts	325 S Madison St	Emerson Development	\$7.2M	24	APPROVED
134 N Main Street	134 N Main St	Emerson Development	\$6.7M	9-13	APPROVED
State & Main	213 W State St	Urban Equity Properties	\$4.1M	Commercial	BUILDING
TOTAL COMMITTED CAPITAL			\$96.3M	176+	—

Compiled from published reporting on individual projects; not an official municipal total. Several projects received City of Rockford forgivable loans, TIF assistance and state historic tax credits.

THE PATTERN BEHIND THE PROJECTS

Nearly every one of these is the same trade: **an obsolete historic building, bought at a low basis, converted to market-rate residential over ground-floor commercial, capitalized with historic tax credits and municipal participation.** News Tower is a 1930 newspaper plant. The Watch Factory dates to 1875. 134 N Main is roughly a century old.

402 E State Street is the same kind of building, on the same street as the largest of them, and it is **already producing income while a buyer decides which path to take.**

*Downtown Rockford counts roughly **2,900 residents** today. Urban Equity Properties – developer of three of the six projects above – has publicly set a target of **15,000 downtown residents over twenty years.***

WHAT DOWNTOWN RENTS TODAY

PRODUCT	ASKING
Nu-State Apartments – new lofts	\$1,360-\$1,800/mo
Chick House Flats – luxury	From \$1,500/mo
News Tower retail emporium	±\$800/mo incl. utilities
Rockford commercial – average asking	\$14.86/SF
Rockford commercial – range	\$6.00-\$25.71/SF

Residential figures from published project reporting. Commercial figures are an aggregate of active Rockford listings, not a formal market study, and are shown for context only.

GROCERY ANCHOR DELIVERED

City Center Market, a full grocery, opened on the ground floor of Nu-State Apartments in **September 2025** – the amenity downtown residential had been missing.

THE REGIONAL ENGINE



FOUR THINGS CHANGING ROCKFORD

Hard Rock Casino Rockford

Opened **August 29, 2024** at 7801 E State Street — the same street, at the I-90 interchange. A **\$300M+**, 175,000 SF facility with a 64,000 SF gaming floor and roughly **1,000 employees**. In 2025 it produced **\$146.2 million** in gaming revenue and **1.43 million admissions**, third among Illinois' 17 casinos, and paid the City of Rockford **\$8.74 million** in gaming tax. A **\$103M hotel and convention center** — 200-225 rooms plus 15,000 SF of meeting space — was bond-approved in May 2026 and targeted to open in late 2027.

Chicago–Rockford Passenger Rail

\$275 million from the Rebuild Illinois capital plan, with **Metra** selected as operator. Two round trips daily on a roughly two-hour run to Chicago Union Station, with **service anticipated by the end of 2027** — the first intercity passenger service to Rockford since 1981.

Stellantis Belvidere Assembly

Stellantis confirmed in **August 2026** that its investment in the Belvidere plant — roughly 20 miles east — has grown to **more than \$800 million** to build the next-generation Jeep Cherokee, with pilot production in the **first half of 2028** and retail production in the **second half of 2029**. More than \$60 million had already been spent through July 2026.

Chicago Rockford International Airport

Ranked **14th in the nation for cargo landed weight in 2024** at **3.1 billion pounds** — ahead of Atlanta Hartsfield-Jackson. Home to **UPS** (its second-largest North American hub) and **Amazon Air**, alongside a record **262,432 passengers** in 2024.

CITY OF ROCKFORD PROFILE

METRIC	VALUE
Population (July 2025 est.)	147,384
Households	61,324
Median household income	\$54,752
Per capita income	\$31,263
Median gross rent	\$985
Owner-occupied housing	54.9%
Downtown residents	±2,900

U.S. Census Bureau QuickFacts, 2020–2024 ACS five-year estimates; downtown population per published developer and city reporting.

MAJOR AREA EMPLOYERS

Collins Aerospace

UW Health

Mercyhealth

Woodward Inc.

Stellantis

UPS

Bergstrom Inc.

Rockford Toolcraft

Magna-Lock USA

Rockford Public Schools #205

Greater Rockford Chamber of Commerce. More than 18% of the regional workforce is employed in advanced manufacturing.

POPULATION TURNED THE CORNER

After decades of decline, Rockford **added roughly 700 residents between 2023 and 2024** according to Census Bureau estimates — the demographic backdrop behind the downtown residential pipeline.



INCENTIVES & DUE DILIGENCE

Nearly every downtown Rockford redevelopment listed in this brochure was capitalized with some combination of historic tax credits, municipal loans and TIF participation. A 1901 building in the downtown core is a strong candidate for the same programs — **subject to buyer verification of eligibility.**

PROGRAMS WORTH INVESTIGATING

PROGRAM	WHAT IT PROVIDES	STATUS FOR THIS PROPERTY
Federal Historic Rehabilitation Tax Credit	20% credit on qualified rehabilitation expenditures for certified historic structures	TO CONFIRM
Illinois Historic Preservation Tax Credit	State credit on qualified rehabilitation of certified historic structures	TO CONFIRM
River Edge Redevelopment Zone	8.25% sales tax exemption on building materials , property tax abatement and state historic credit access	TO CONFIRM
Tax Increment Financing	The City operates 29 TIF districts; nearby projects received forgivable loans and TIF advances	TO CONFIRM
Rockford Enterprise Zone	State and local incentives for qualifying investment	TO CONFIRM
Downtown Social District	Open-container district operating 11 a.m.-11 p.m. daily, N. Church to N. 3rd Street	LIKELY WITHIN

Neither ownership nor broker makes any representation as to eligibility for, or the value of, any program listed above. Confirm directly with the City of Rockford Community & Economic Development Department, the Illinois State Historic Preservation Office and qualified tax counsel.

BUYER DUE DILIGENCE CHECKLIST

- ◆ Tenant estoppels and verification of in-place rents and deposits
- ◆ Operating expense history, utilities and insurance
- ◆ C-4 permitted uses, height, parking and life-safety requirements
- ◆ Elevator certification and service history
- ◆ Environmental (Phase I) and building condition assessment
- ◆ Roof warranty documentation for the May 2026 work
- ◆ Historic designation status and National Register eligibility
- ◆ Confirmation of TIF, River Edge and Social District boundaries

THE COMPARABLE PLAYBOOK

The projects nearby show what the incentive stack has actually delivered in this market:

- ◆ **News Tower** — \$3M forgivable city loan, \$1M TIF advance, pay-as-you-go TIF increment, plus state and federal historic tax credits
- ◆ **Watch Factory Lofts** — \$620K redevelopment loan, \$1.4M no-interest TIF loan over 23 years, plus state historic credits
- ◆ **134 N Main Street** — \$580K forgivable loan and a \$1M no-interest TIF loan over 23 years

Per published reporting on each project. Terms vary by project and are negotiated individually with the City; no comparable terms are promised or implied for this property.

FOR SALE

402 E State Street
Rockford, Illinois 61104



±16,000	1901	100%	\$7,536
SQUARE FEET	YEAR BUILT	LEASED	2025 TAXES

THE OPPORTUNITY IN BRIEF

- ◆ **±16,000 SF** across three ±4,000 SF floors plus a ±4,000 SF lower level
- ◆ **100% leased** — income from day one, no lease-up risk
- ◆ Both tenancies **month-to-month at below-market rents**
- ◆ Elevator-served, three-phase power, separate gas metering per floor
- ◆ Third floor already finished and occupied as **residential**
- ◆ Corner exposure — **51' on E State, 87' on N 1st**
- ◆ Zoned **C-4 Downtown Commercial**; 1901 vintage supports historic credit review
- ◆ **Pricing upon request** — rent roll available to qualified buyers



SOURCES

Listing information and photography provided by ownership • U.S. Census Bureau QuickFacts • City of Rockford Community & Economic Development • River District Association • Rock River Current • Rockford Register Star • Greater Rockford Chamber of Commerce • Illinois Department of Transportation and chicagotorockfordrail.org • Chicago Rockford International Airport • Hard Rock Casino Rockford • Illinois Gaming Board reporting.

FOR MORE INFORMATION, CONTACT

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