

Freeport, IL Social Security Administration Office

4 East Linden Street, Freeport, IL 61032-3306

Located in Stephenson County

Sales Price: \$ 446,000 CAP Rate 8.50%



This building was constructed new for the Social Security Administration (SSA). This is a single tenant federal government lease. The General Services Administration (GSA) serves as the contracting office for the SSA. GSA has a long-standing reputation as a tenant with a high renewal probability. Historical data published by GSA indicates their retention rate is typically 95%.

The subject property is in Freeport, IL which is the county seat and largest city of Stephenson County. The population was 25,638 at the 2010 census.

The current lease began December 10, 2016 and continues for five years to December 9, 2021. GSA recently requested the owner to provide them a renewal option to extend the lease five more years, to December 9, 2026. They advised the owner the tenant (Social Security Administration Office) wanted to ensure they could continue occupying the property without any disruptions. The tenant further

stated the property was in good condition and they did not require any tenant improvements or modifications to the building layout and furnishings.

The building consists of 3,550 rentable square feet (RSF) which yields 3,100 ANSI/BOMA square feet of Office Area. There are 15 surface parking spaces located on the property for use by the tenant.

Building Size – 3,550 rentable square feet, yielding 3,100 of ANSI/BOMA square feet office space all located on one floor.

Parking Area: Fifteen (15) parking spaces are reserved for the exclusive use of the Government.

Lease Term – The lease term runs from December 10, 2016 and ends December 9, 2021.

Renewal Options: A five year option is available to the tenant to extend occupancy to December 9, 2026.

Termination Rights: The Government may terminate after the third year of the base term.

Annual Rent – Operating Costs – Net Operating Income Estimates

	Firm Term	Non-Firm Term
Shell Rent	\$ 55,025	\$ 55,025
Operating Costs	\$ 23,317	\$ 23,317
Tenant Improvement Rent	<u>\$ 0</u>	<u>\$ 0</u>
Total Annual Rent	\$ 78,342	\$ 78,342

Net Operating Income Estimates

Rent	\$ 79,704	Includes CPI increases
Minus		
Operating Costs (2 year avg)	\$ 37,706	Pro Forma Estimates
Maintenance Reserve	\$ 888	Estimated at \$.25/sf
Management Fee	<u>\$ 3,200</u>	Estimated at 4% of the Rent
NOI	\$ 37,910	

Note: Information contained herein was obtained from sources deemed reliable but is provided w0thout any representations nor warranties as to its accuracy by Real Estate Asset Counseling, Inc. or its principals.