

OFFERING MEMORANDUM



Hermosa: 6 Unit Value-Add

4220 W. Armitage Ave, Chicago, IL 60639



DISCLAIMER

The information contained in this offering is proprietary and confidential and intended only for the use of the party receiving it from Kiser Group. It is not to be distributed to without the written approval of Kiser Group.

The purpose of this offering is to provide summary information to prospective investors and to establish a preliminary level of interest in the property. THE INFORMATION IS **NOT** A SUBSTITUTE FOR A THOROUGH DUE DILIGENCE INVESTIGATION BY A PROSPECTIVE INVESTOR. The offering is not intended to be comprehensive or to contain all the information needed or required by a prospective investor. All financial projections are based on assumptions and predictions and may thus be subject to material variation.

Neither Kiser Group nor the Owner nor any of their respective agents, employees, officers, or principals have made or will make any REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION in the offering, including but not limited to number of legal units, income and expenses of the property; projected financial performance of the property; size and square footage of the property; presence or absence of contaminating substances, lead, PCB's or asbestos; compliance with State, Federal, Municipal or other local regulations; compliance with the Americans with Disabilities Act; existence of lead-based paint hazards; physical condition or age of the property or improvements; suitability for prospective investors' intended use; or financial condition or occupancy plans of tenants.

ALL POTENTIAL INVESTORS ARE RESPONSIBLE TO TAKE APPROPRIATE STEPS TO VERIFY ALL INFORMATION SET FORTH HEREIN AND CONDUCT THEIR OWN THOROUGH DUE DILIGENCE BEFORE PURCHASING THE PROPERTY. Potential investors assume all risk for any inaccuracies or inconsistencies.

STATE OF ILLINOIS AGENCY AND DUAL AGENCY DISCLOSURE

Kiser Group has designated a Kiser Group Agent/Licensee to represent the Owner of the subject property in the sale of that property. That designated agent is the listing agent for the property. **If there is no other Kiser Group agent/licensee or cooperating broker representing the Buyer, the listing agent will also be deemed to represent the Buyer in the transaction, unless the Buyer states in writing otherwise.**

As a potential Buyer of the property, you should be informed that Illinois requires the following disclosure and consent regarding dual agency:

Representing more than one party to a transaction presents a conflict of interest since both clients may rely upon the agent/licensee's advice and the client's respective interests may be adverse to each other. Agent/Licensee will undertake this representation only with the written consent of ALL clients in the transaction. Any agreement between the clients as to a final contract price or terms and other terms is a result of negotiations between the clients acting in their own best interest and on their own behalf.

Buyer hereby acknowledges that Agent/Licensee has explained the implications of dual representation, including the risks involved, and understands that Buyer has been advised to seek independent advice from its advisors or attorneys before signing any documents in this transaction.

WHAT AN AGENT/ LICENSEE CAN DO FOR CLIENTS WHEN ACTING AS A DUAL AGENT:

1. Treat all clients honestly. 2. Provide information about the property to the buyer. 3. Disclose all latent material defects in the property that are known to the Agent/Licensee. 4. Disclose financial qualification of the buyer to the seller. 5. Explain real estate terms. 6. Help the buyer arrange for property inspections. 7. Explain closing costs and procedures. 8. Help the buyer compare financing alternatives. 9. Provide information about comparable properties that have sold so both clients may make educated decisions on what price or terms to accept or offer.

WHAT AN AGENT/LICENSEE CANNOT DISCLOSE TO CLIENTS WHEN ACTING AS A DUAL AGENT:

1. Confidential information that Agent/Licensee may know about a client, without that client's permission. 2. The price or terms the seller will take other than the listing price or terms without permission of the seller. 3. The price or terms the buyer is willing to pay without permission of the buyer. 4. A recommended or suggested price or terms the buyer should offer. 5. A recommended or suggested price or terms the seller should counter with or accept.

If either client is uncomfortable with this disclosure and the dual representation please let Agent/Licensee know.

You are not required to accept a dual agency representation. By accepting a dual agency relationship, you understand this form and voluntarily consent to Agent/Licensee acting as a dual agent (that is, to represent BOTH the seller and buyer) should that become necessary.

STATE OF ILLINOIS DISCLOSURE REGARDING CONTEMPORANEOUS OFFERS

A Kiser Group Agent/Licensee is permitted under Illinois state law to show alternative properties to prospective buyers and to show properties in which a client is interested as a buyer to other prospective buyers. Accordingly, the Kiser Group Agent/Licensee representing you as a potential buyer for a property may also be showing that property to other potential buyers and making or preparing contemporaneous offers or contracts to purchase that property for other buyers. If you request to be represented by a different agent/licensee, you shall be referred to another designated agent of Kiser Group.

DISCLOSURE AND CONSENT TO DUAL AGENCY (DESIGNATED AGENCY)

NOTE TO CONSUMER: THIS DOCUMENT SERVES THREE PURPOSES. FIRST, IT DISCLOSES THAT A REAL ESTATE LICENSEE MAY POTENTIALLY ACT AS DUAL AGENT, THAT IS, REPRESENT MORE THAN ONE PARTY TO THE TRANSACTION. SECOND, THIS DOCUMENT EXPLAINS THE CONCEPT OF DUAL AGENCY. THIRD, THIS DOCUMENT SEEKS YOUR CONSENT TO ALLOW THE REAL ESTATE LICENSEE TO ACT AS A DUAL AGENT. A LICENSEE MAY LEGALLY ACT AS A DUAL AGENT ONLY WITH YOUR CONSENT. BY CHOOSING TO SIGN THIS DOCUMENT, YOUR CONSENT TO DUAL AGENCY REPRESENTATION IS PRESUMED.

The undersigned _____, ("Licensee"), may undertake a dual
(insert name(s) of Licensee undertaking dual representation)
representation (represent both the seller or landlord and the buyer or tenant) for the sale or lease of property. The undersigned acknowledge they were informed of the possibility of this type of representation. Before signing this document please read the following:

Representing more than one party to a transaction presents a conflict of interest since both clients may rely upon Licensee's advice and the client's respective interests may be adverse to each other. Licensee will undertake this representation only with the written consent of ALL clients in the transaction.

Any agreement between the clients as to a final contract price and other terms is a result of negotiations between the clients acting in their own best interests and on their own behalf. You acknowledge that Licensee has explained the implications of dual representation, including the risks involved, and understand that you have been advised to seek independent advice from your advisors or attorneys before signing any documents in this transaction.

WHAT A LICENSEE CAN DO FOR CLIENTS WHEN ACTING AS A DUAL AGENT

1. Treat all clients honestly.
2. Provide information about the property to the buyer or tenant.
3. Disclose all latent material defects in the property that are known to the licensee.
4. Disclose financial qualification of the buyer or tenant to the seller or landlord.
5. Explain real estate terms.
6. Help the buyer or tenant to arrange for property inspections.
7. Explain closing costs and procedures.
8. Help the buyer compare financing alternatives.
9. Provide information about comparable properties that have sold so both clients may make educated decisions on what price to accept or offer.

WHAT LICENSEE CANNOT DISCLOSE TO CLIENTS WHEN ACTING AS A DUAL AGENT

1. Confidential information that Licensee may know about a client, without that client's permission.
2. The price or terms the seller or landlord will take other than the listing price without permission of the seller or landlord.
3. The price or terms the buyer or tenant is willing to pay without permission of the buyer or tenant.
4. A recommended or suggested price or terms the buyer or tenant should offer.
5. A recommended or suggested price or terms the seller or landlord should counter with or accept.

If either client is uncomfortable with this disclosure and dual representation, please let Licensee know. You are not required to sign this document unless you want to allow the Licensee to proceed as Dual Agent in this transaction.

By signing below, you acknowledge that you have read and understand this form and voluntarily consent to Licensee acting as a Dual Agent (that is, to represent BOTH the seller or landlord and the buyer or tenant) should that become necessary.

CLIENT: _____

CLIENT: _____

Date: _____

Date: _____

LICENSEE: _____

Date: _____

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SECTION 1

PROPERTY INFORMATION

The information contained herein has been secured by sources believed to be reliable. Kiser Group, however, makes no representation or warranty, expressed or implied, as to the accuracy of the information. Buyer assumes all risk for any inaccuracies.

Executive Summary



OFFERING SUMMARY

Sale Price: \$425,000

Number Of Units: 6

Price/Unit: \$70,833

Price/SF: \$91.40

Year 1 NOI: \$41,459

Year 1 Cap Rate 9.75%

Additional Photos

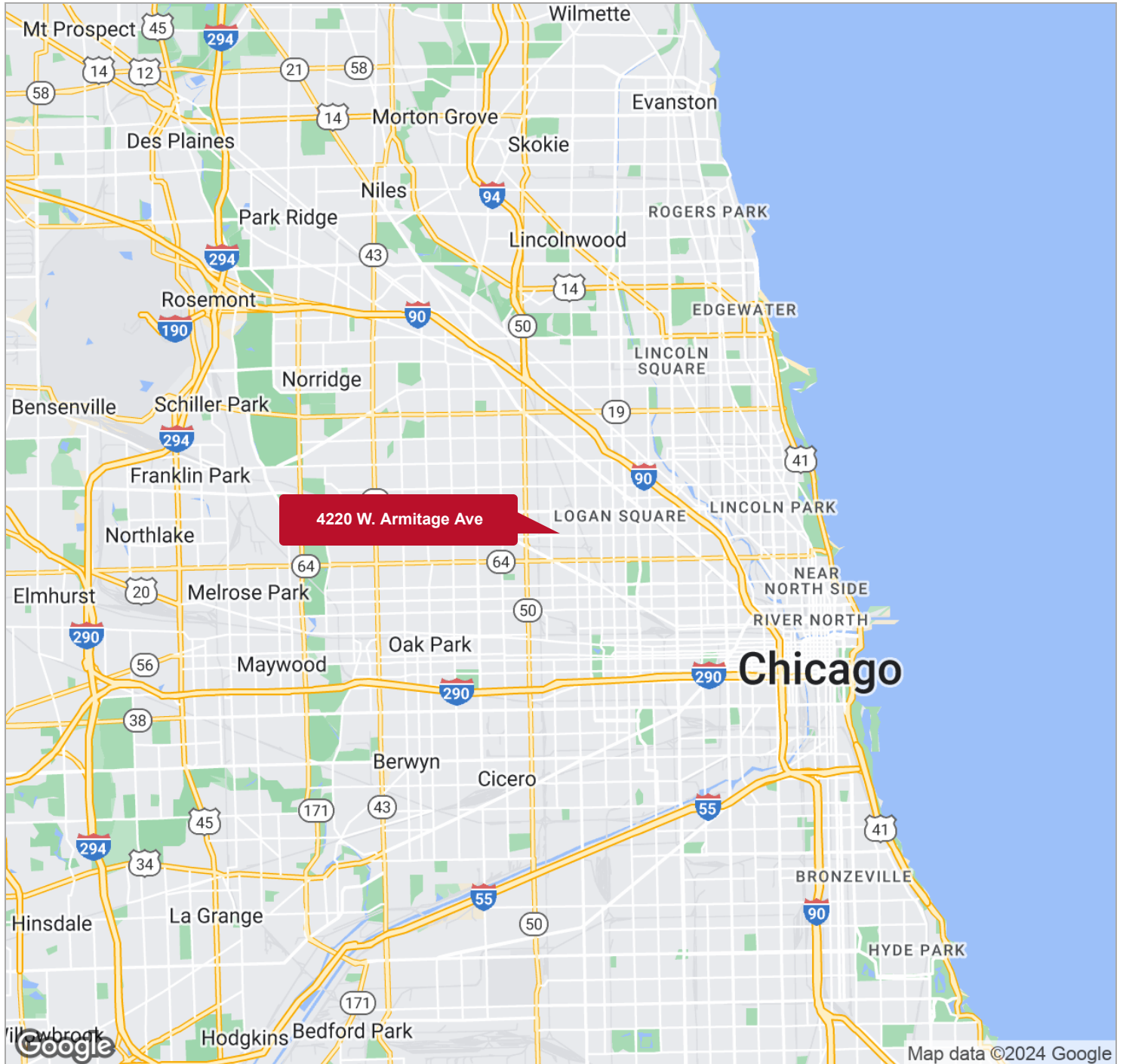


SECTION 2

LOCATION INFORMATION

The information contained herein has been secured by sources believed to be reliable. Kiser Group, however, makes no representation or warranty, expressed or implied, as to the accuracy of the information. Buyer assumes all risk for any inaccuracies.

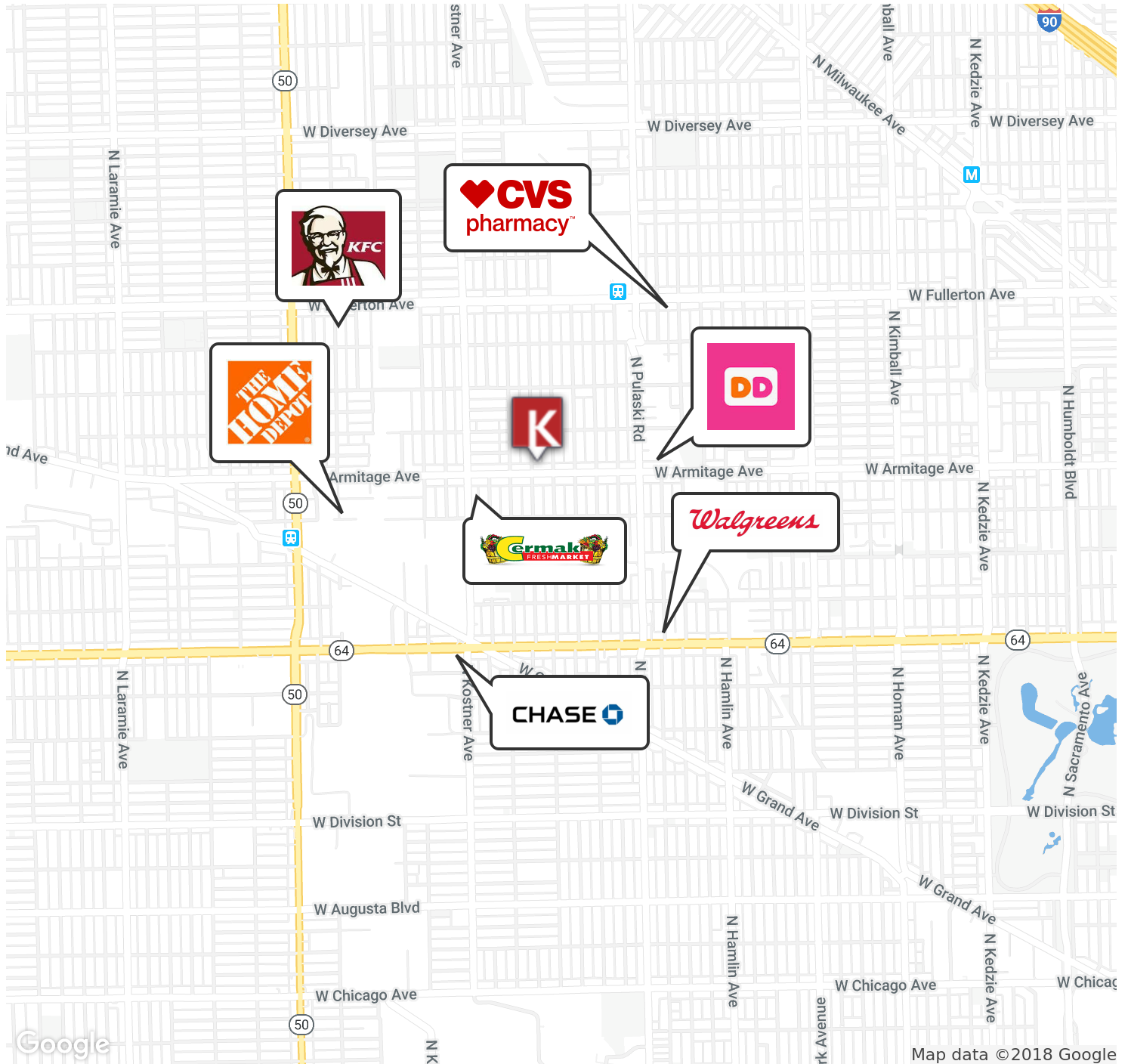
Regional Map




Location Maps



Retailer Map



The background image shows a three-story brick building on a city street. The ground floor has a storefront with a sign that reads "CENTRO CRISTIANO SHALON" in red letters. Below the sign, it says "Shalon Christian Center". The address "4220" is visible on the yellow-painted ground floor. There are four windows on the second and third floors. To the left is another brick building, and to the right is a white building partially obscured by a tree. A black car is parked on the street to the right.

SECTION 3 | FINANCIAL ANALYSIS

Financial Summary

INVESTMENT OVERVIEW

	CURRENT	PROFORMA
Price	\$425,000	\$425,000
Price per Unit	\$70,833	\$70,833
GRM	8.6	6.1
CAP Rate	5.5%	9.8%
Cash-on-Cash Return (yr 1)	3.63 %	20.78 %
Total Return (yr 1)	\$8,994	\$27,220
Debt Coverage Ratio	1.2	2.14

OPERATING DATA

	CURRENT	PROFORMA
Gross Scheduled Income	\$49,620	\$69,600
Vacancy Cost	\$0	\$3,480
Gross Income	\$47,253	\$66,120
Operating Expenses	\$24,020	\$24,661
Net Operating Income	\$23,233	\$41,459
Pre-Tax Cash Flow	\$3,852	\$22,078

FINANCING DATA

	CURRENT	PROFORMA
Down Payment	\$106,250	\$106,250
Loan Amount	\$318,750	\$318,750
Debt Service	\$19,381	\$19,381
Debt Service Monthly	\$1,615	\$1,615
Principal Reduction (yr 1)	\$5,142	\$5,142



Income & Expenses

INCOME SUMMARY	CURRENT	PROFORMA
Rental Income	\$49,740	\$69,600
Vacancy (5%)	-\$2,487	-\$3,480
GROSS INCOME	\$47,253	\$66,120

EXPENSE SUMMARY	CURRENT	PROFORMA
Taxes	\$7,703	\$7,934
Insurance	\$2,831	\$2,915
Gas	\$2,205	\$2,271
Electric	\$851	\$876
Water	\$2,745	\$2,827
Mgmt/Janitor	\$3,500	\$3,500
Decorating	\$1,200	\$1,200
Maint/Repair	\$1,350	\$1,350
Reserves	\$1,162	\$1,162
Miscellaneous	\$473	\$626
GROSS EXPENSES	\$24,020	\$24,661
NET OPERATING INCOME	\$23,233	\$41,459



Rent Roll

UNIT NUMBER	UNIT BED	UNIT BATH	UNIT SIZE (SF)	CURRENT RENT	CURRENT RENT (PER SF)	MARKET RENT	MARKET RENT/SF
Church	0	1	900	\$600	\$0.67	\$900	\$1.00
2F	3	1	900	\$920	\$1.02	\$1,100	\$1.22
3F	3	1	900	\$650	\$0.72	\$1,100	\$1.22
1R	1	1	650	\$670	\$1.03	\$850	\$1.31
2R	2	1	650	\$625	\$0.96	\$925	\$1.42
3R	2	1	650	\$680	\$1.05	\$925	\$1.42
Totals/Averages			4,650	\$4,145	\$0.89	\$5,800	\$1.27

SECTION 4

SALE COMPARABLES

The information contained herein has been secured by sources believed to be reliable. Kiser Group, however, makes no representation or warranty, expressed or implied, as to the accuracy of the information. Buyer assumes all risk for any inaccuracies.

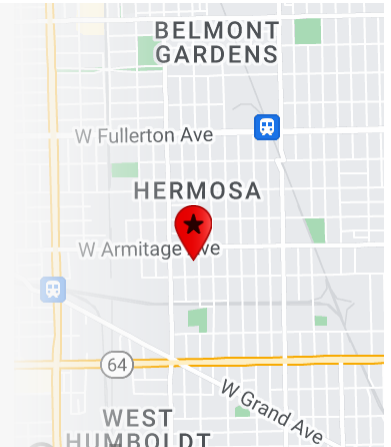
Sale Comps

Subject Property

4220 W. Armitage Ave | Chicago, IL 60639



Sale Price:	\$425,000	Building SF:	4,650 SF
Price PSF:	\$91.40	No. Units:	6
Price / Unit:	\$70,833	GRM:	6.11
Cap:	9.76%	NOI:	\$41,459



4814 W. Belden St.

4814 W. Belden St. | Chicago, IL 60639



Sale Price:	\$550,000	Building SF:	5,800 SF
Price PSF:	\$94.83	No. Units:	6
Price / Unit:	\$91,666	CAP:	8.8%
Closed:	10/31/2016		

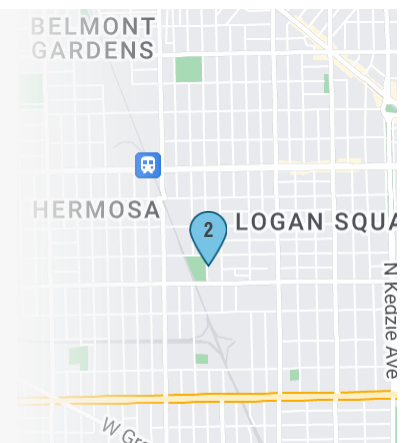


3804 W. Dickens Ave.

3804 W. Dickens Ave. | Chicago, IL 60639



Sale Price:	\$1,110,000	Building SF:	7,500 SF
Price PSF:	\$148.00	No. Units:	10
Price / Unit:	\$111,000	CAP:	7%
Closed:	03/10/2016		



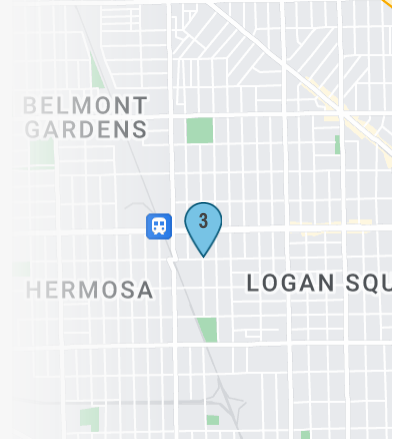
Sale Comps

2332 N. Avers Ave.

2332 N. Avers Ave. | Chicago, IL 60639



Sale Price:	\$585,000	Building SF:	4,800 SF
Price PSF	\$121.88	No. Units	6
Price / Unit	\$97,500	Closed:	08/15/2016

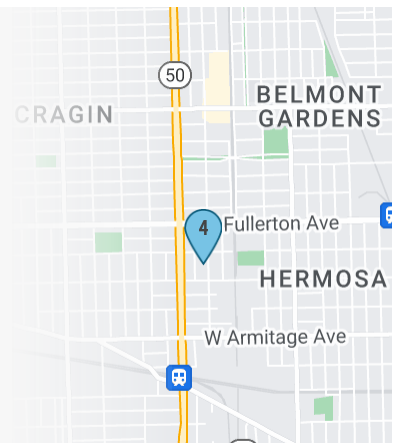


4642 W. Belden Ave.

4642 W. Belden Ave. | Chicago, IL 60639

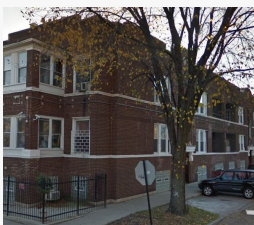


Sale Price:	\$635,000	Building SF:	5,600 SF
Price PSF	\$113.39	No. Units	8
Price / Unit	\$79,375	CAP:	7.57%
Closed:	08/16/2016		

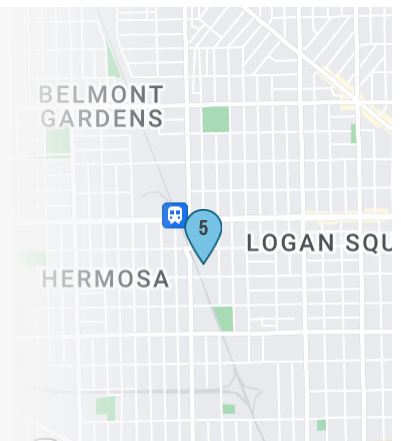


3901-09 W. Belden

3901-09 W. Belden | Chicago, IL 60647




Sale Price:	\$890,000	Building SF:	4,600 SF
Price PSF	\$193.48	No. Units	7
Price / Unit	\$127,142	Closed:	10/25/2016





Sale Comps Summary

SUBJECT PROPERTY	PRICE	BLDG SF	PRICE/SF	PRICE/UNIT	# OF UNITS	
4220 W. Armitage Ave Chicago, IL 60639	\$425,000	4,650 SF	\$91.40	\$70,833	6	
SALE COMPS	PRICE	BLDG SF	PRICE/SF	PRICE/UNIT	# OF UNITS	CLOSE
1 4814 W. Belden St. Chicago, IL 60639	\$550,000	5,800 SF	\$94.83	\$91,666	6	10/31/2016
2 3804 W. Dickens Ave. Chicago, IL 60639	\$1,110,000	7,500 SF	\$148.00	\$111,000	10	03/10/2016
3 2332 N. Avers Ave. Chicago, IL 60639	\$585,000	4,800 SF	\$121.88	\$97,500	6	08/15/2016
4 4642 W. Belden Ave. Chicago, IL 60639	\$635,000	5,600 SF	\$113.39	\$79,375	8	08/16/2016
5 3901-09 W. Belden Chicago, IL 60647	\$890,000	4,600 SF	\$193.48	\$127,142	7	10/25/2016
TOTALS/AVERAGES	PRICE	PRICE/SF	PRICE/UNIT	# OF UNITS		
	\$754,000	\$133.22	\$101,891	7.4		



SECTION 5 | RENT COMPARABLES

Rent Comps

Subject Property

4220 W. Armitage Ave | Chicago, IL 60639

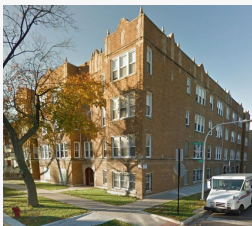


Lot Size:	0.07 AC	No. Units:	6
Avg. Rent/SF:	\$0.89	Avg. Size:	775 SF
Avg. Rent:	\$691		

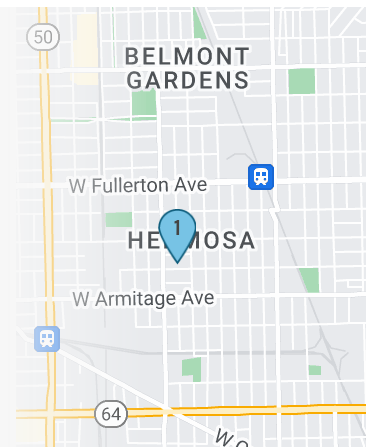


4300 W. Shakespeare Ave.

4300 W. Shakespeare Ave. | Chicago, IL 60639

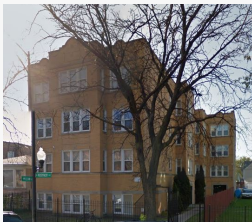


Bldg Size:	17,500 SF	No. Units:	25
Avg. Size	700 SF	Avg. Rent/SF	\$1.32
Avg. Rent	\$925		



2024 N. Kostner Ave.

2024 N. Kostner Ave. | Chicago, IL 60639



No. Units:	13	Avg. Size	750 SF
Avg. Rent/SF	\$1.53	Avg. Rent	\$1,150



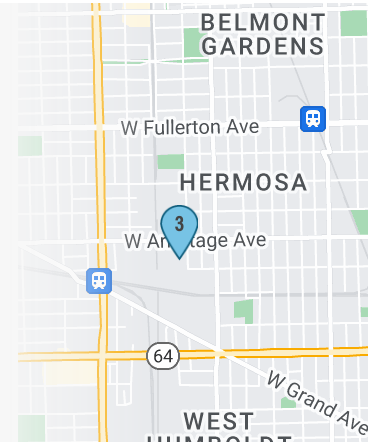
Rent Comps

4457 W Armitage

4457 W Armitage | Chicago, IL 60639



Bldg Size:	3,200 SF	No. Units:	4
Avg. Size	800 SF	Avg. Rent/SF	\$1.31
Avg. Rent	\$1,050		



4301 W. Fullerton Ave.

4301 W. Fullerton Ave. | Chicago, IL 60639

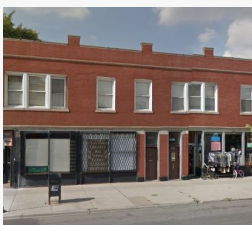


Bldg Size:	4,250 SF	No. Units:	5
Avg. Size	850 SF	Avg. Rent/SF	\$1.35
Avg. Rent	\$1,150		

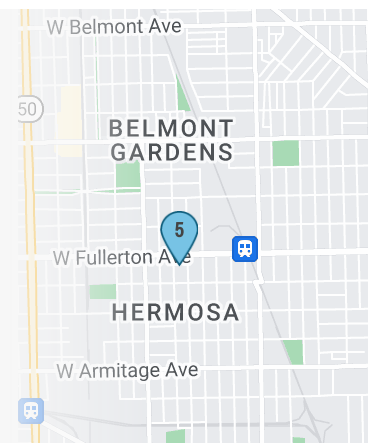


4224 W. Fullerton Ave.

4224 W. Fullerton Ave. | Chicago, IL 60639



Bldg Size:	6,300 SF	No. Units:	2
Avg. Size	770 SF	Avg. Rent/SF	\$1.19
Avg. Rent	\$920		

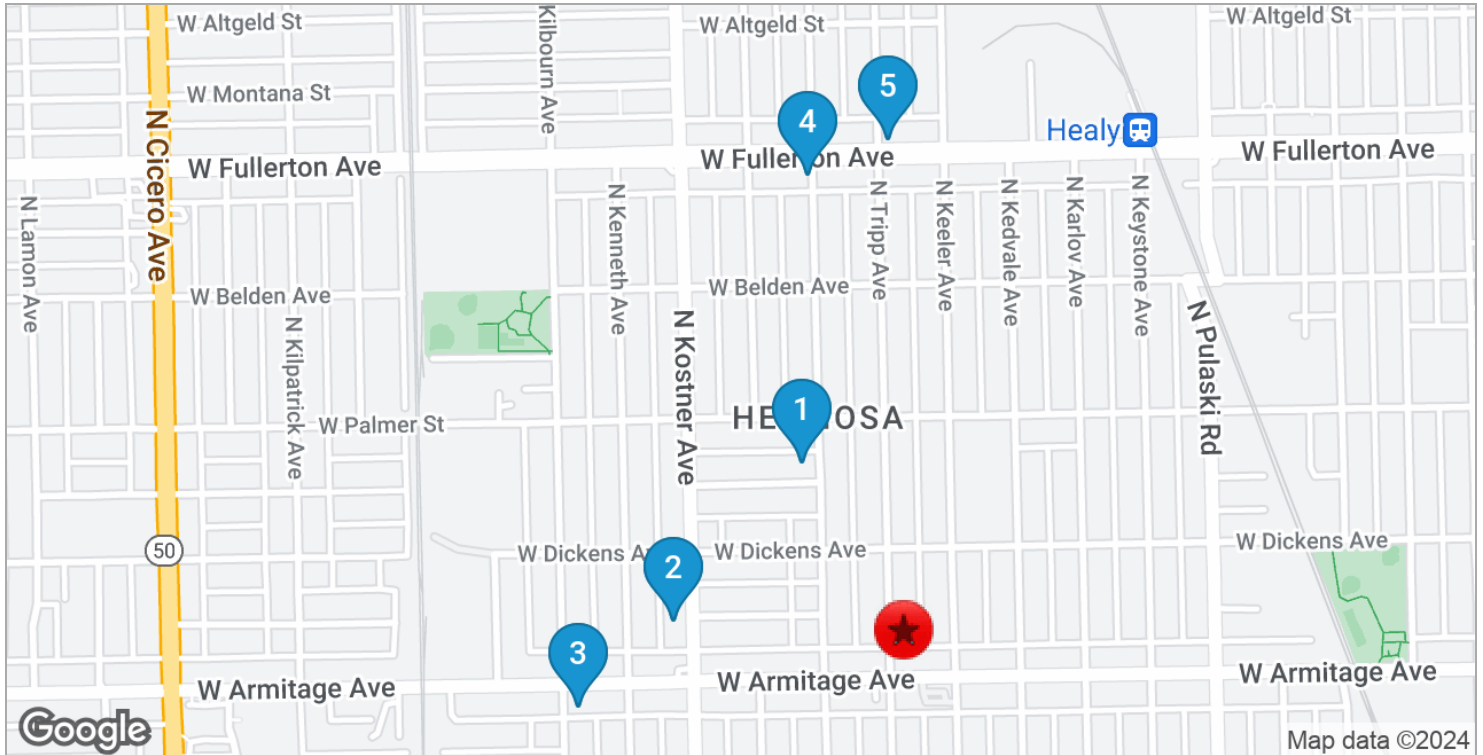




Rent Comps Summary

SUBJECT PROPERTY		RENT/SF	AVAILABLE SF	# OF UNITS
	4220 W. Armitage Ave Chicago, IL 60639	\$0.89	4,650 SF	6
RENT COMPS		RENT/SF	AVAILABLE SF	# OF UNITS
1	4300 W. Shakespeare Ave. Chicago, IL 60639	\$1.32	17,500 SF	25
2	2024 N. Kostner Ave. Chicago, IL 60639	\$1.53	9,750 SF	13
3	4457 W Armitage Chicago, IL 60639	\$1.31	1,600 SF	4
4	4301 W. Fullerton Ave. Chicago, IL 60639	\$1.35	4,250 SF	5
5	4224 W. Fullerton Ave. Chicago, IL 60639	\$1.19	3,850 SF	2
TOTALS/AVERAGES		\$1.34	7,390 SF	9.8

Rent Comps Map



Subject Property

4220 W. Armitage Ave | Chicago, IL 60639

- | | | |
|---|---|--|
| <p>1 4300 W. Shakespeare Ave.</p> <p>Chicago, IL
60639</p> | <p>2 2024 N. Kostner Ave.</p> <p>Chicago, IL
60639</p> | <p>3 4457 W Armitage</p> <p>Chicago, IL
60639</p> |
| <p>4 4301 W. Fullerton Ave.</p> <p>Chicago, IL
60639</p> | <p>5 4224 W. Fullerton Ave.</p> <p>Chicago, IL
60639</p> | |

SECTION 6

DEMOGRAPHICS

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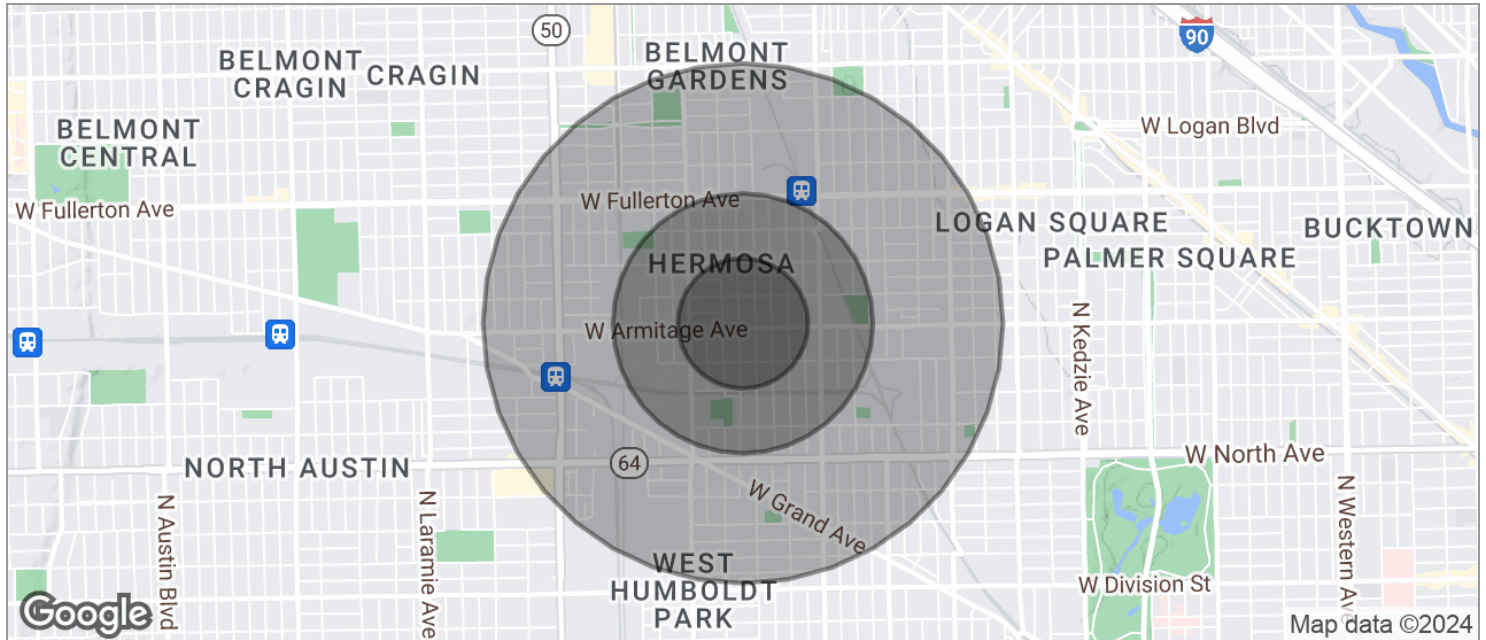
Demographics Report

	0.25 MILES	0.5 MILES	1 MILE
Total households	1,311	4,969	18,101
Total persons per hh	3.6	3.6	3.5
Average hh income	\$46,592	\$45,298	\$47,806
Average house value			\$309,826

	0.25 MILES	0.5 MILES	1 MILE
Total population	4,775	17,963	62,704
Median age	30.2	29.4	29.9
Median age (male)	28.5	28.3	29.3
Median age (female)	32.0	30.9	30.9

* Demographic data derived from 2020 ACS - US Census

Demographics Map



POPULATION	0.25 MILES	0.5 MILES	1 MILE
TOTAL POPULATION	4,775	17,963	62,704
MEDIAN AGE	30.2	29.4	29.9
MEDIAN AGE (MALE)	28.5	28.3	29.3
MEDIAN AGE (FEMALE)	32.0	30.9	30.9
HOUSEHOLDS & INCOME	0.25 MILES	0.5 MILES	1 MILE
TOTAL HOUSEHOLDS	1,311	4,969	18,101
# OF PERSONS PER HH	3.6	3.6	3.5
AVERAGE HH INCOME	\$46,592	\$45,298	\$47,806
AVERAGE HOUSE VALUE			\$309,826

* Demographic data derived from 2020 ACS - US Census



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