

DEERBROOK SHOPPING CENTER

Deerfield, Illinois



MID-AMERICA®



GROCERY-ANCHORED OPPORTUNITY WITH SIGNIFICANT UPSIDE POTENTIAL

INVESTMENT HIGHLIGHTS

Mid-America Real Estate Corporation has been retained by the owner to sell the 100% fee simple interest in Deerbrook Shopping Center, a Jewel-Osco anchored shopping center in Deerfield, an affluent North Shore community with an unbeatable demographic profile. The center presents investors with the opportunity to purchase a high performing grocery anchored asset with an outstanding national tenancy and immediate value add and redevelopment opportunities.

Location SWC of Lake Cook Road & Waukegan Road
Deerfield (Chicago North Shore), Illinois

Traffic Counts: Lake Cook Road – 33,100 VPD
Waukegan Road (IL 43) – 23,200 VPD
Interstate 94 – 54,800 VPD

Offering GLA: 428,612 SF

Grocery Anchor: Jewel-Osco

Tenants: Marshalls, Floor & Décor, Sky Zone, Office Depot, Starbucks, Panera, Noodles & Company, Sleep Number, City BBQ, Mattress Firm, Subway, Dave's Hot Chicken (At Lease)

WALT: 8.4 years

Year Built: 1963; Renovated 2017 (inline)
1993, 2014, 2018, 2020 (outlots)



SHOPPING CENTER ENHANCEMENT OPPORTUNITIES



Approach #1: Redevelopment of Entire Shopping Center

An investor can redevelop one of the most prominent shopping centers on Chicago's North Shore. Following the natural expiration of The Dump (9/30/2025) and Hobby Lobby (9/30/2025), an investor can redevelop and release the spaces to accommodate one or more tenants that could include wholesale, furniture, entertainment, health & wellness, among other uses. The offering also includes the opportunity to ground lease the 2.5-acre vacant land fronting Waukegan Road and construct a new 25,000 SF anchor box adjacent to Office Depot.

Approach #2: Sell The Dump and Hobby Lobby Boxes to Owner-User and Reimagine and Enhance Remainder of Shopping Center

Given a replacement cost of approximately \$150 PSF to construct the 187,045 box spaces and underground parking structure, an investor can sell the entire parcel to an owner-user or developer. An investor can then add value through the lease up of the existing shop vacancies, ground lease of the 2.5-acre vacant land, and construction of 25,000 SF of new retail space adjacent to Office Depot.

METRICS

APPROACH #1:

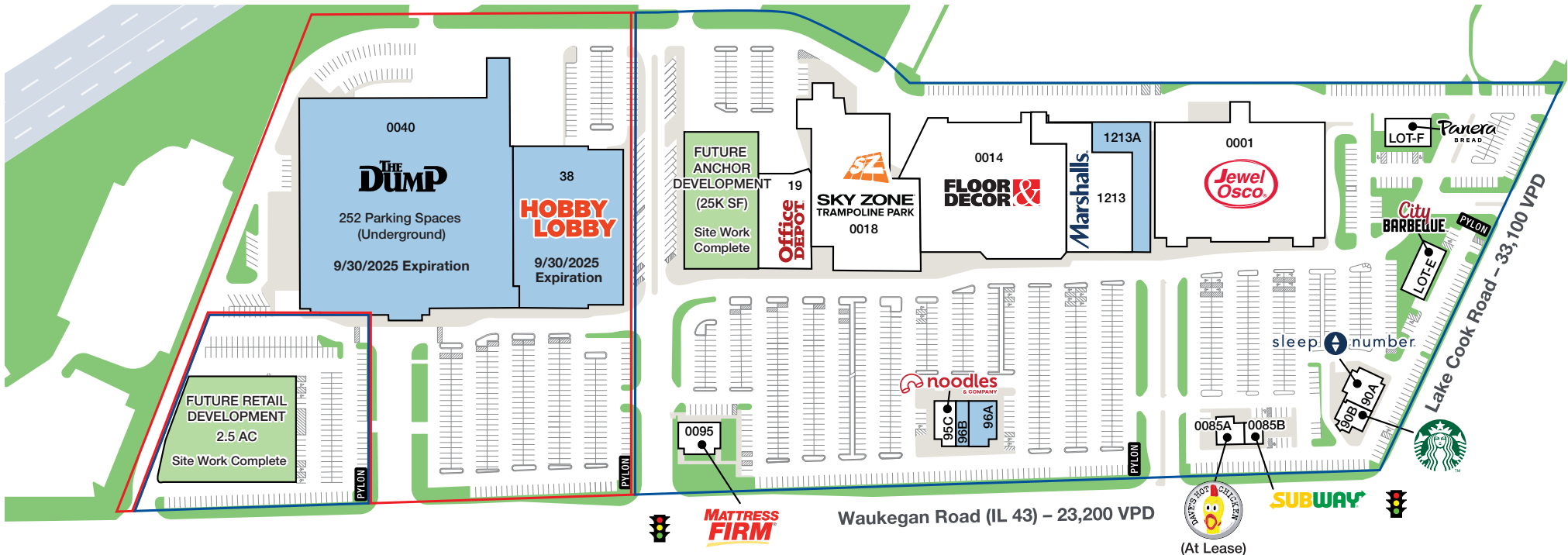
In-Place NOI:	\$2,325,344
Stabilized (Year 4) NOI:	\$6,005,279
10-Year CAGR:	11.2%

APPROACH #2:

In-Place NOI:	\$3,353,265
Stabilized (Year 4) NOI:	\$4,313,061
10-Year CAGR:	3.8%
5-Year CAGR:	5.8%

Likely Owner-User Categories: Sporting Goods, Health Club, Furniture Store, Entertainment, Wholesale Retailer

Approach #2: Buyer would also receive proceeds from the sale of The Dump / Hobby Lobby boxes to buy down their cost basis in the shopping center.





Dominant Grocery Anchor

Deerbrook Shopping Center is anchored by a high performing, full-service Jewel-Osco, which recently extended its lease through 2035, with options through 2060, and offers pharmacy services, DriveUp & Go grocery pickup, grocery delivery, and more. Jewel-Osco is the market-leading grocer in Chicago, and this standout location generates outstanding sales. The tenant has been operating at the center since 1968 and added nearly 16,000 SF to its premises in 2016.



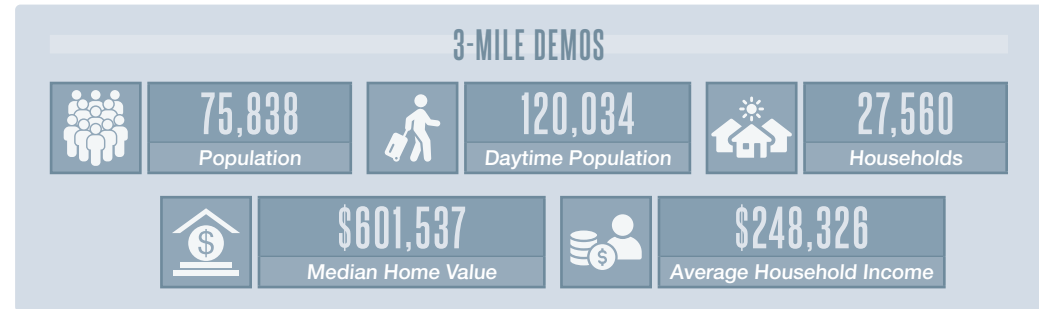
Desirable Rent Roll

The subject offering features a highly desirable rent roll consisting of longstanding retailers and recent additions. Marshalls performs extremely well at this location and has term through 2031. Floor & Décor and Sky Zone recently signed leases totaling more than 101,000 square feet and support excellent daytime and evening traffic to the center. The offering also features popular fast-casual restaurants and contemporary retailers, including Starbucks, Panera Bread, Sleep Number, Noodles & Company, and Dave's Hot Chicken (At Lease).



Unparalleled Demographics

The surrounding area boasts one of the most affluent demographic profiles in the country with its desirable North Shore location. There are over 70,600 residents enjoying an average household income of \$248,300 with median home values of \$601,500 within a 3-mile radius. The daytime population in that same radius is also 176% higher than the resident population, reflecting a healthy local workforce and strong daytime demographics.



KEY FEATURES



Enhancement Opportunity

The subject offering provides an investor with the rare opportunity to reimagine a prominent grocery-anchored shopping center in Chicago's North Shore. There is a 135,855 SF anchor box currently occupied by The Dump, a popular furniture store, at the south end of the property that also features a generous sub-surface parking garage. A 51,190 SF anchor box currently occupied by Hobby Lobby (9/30/2025 expiration) is located adjacent to the 135,855 SF box and there is a development site fronting the anchor boxes along Waukegan Road that has been separately parceled with site prep complete. The center also features two outparcel vacancies and a junior box available for immediate lease-up. Additionally, an investor can develop a 25,000 SF anchor box on the land between Hobby Lobby and Office Depot.



Area Development Activity

The area surrounding Deerbrook Shopping Center is extremely active with commercial and residential development projects. Continental Properties is constructing a 254-unit community immediately behind the offering which will feature luxury apartment homes. The company broke ground in 2024 and has 13 other apartment communities in its development pipeline. A mixed-used development was recently completed at the southeast corner of Lake Cook and Waukegan Roads and includes Endeavor Health (NorthShore University Health System), Chick-fil-A, Walgreens, and medical offices. Pulte Group is in the process of constructing a single-family home community approximately one-mile west of the offering.



Recent Leasing Velocity

Deerbrook Shopping Center has experienced tremendous leasing velocity in the past year, underscoring its desirable positioning in the market and excellent co-tenancy. Recent activity includes Daves Hot Chicken (At Lease), Floor & Décor, and Sky Zone, which together account for more than 103,000 SF. The offering is the only power center in the immediate trade area and features a desirable rent roll consisting of national tenants, making Deerbrook Shopping Center an immediate choice for retailers entering or improving their positioning within the market.



Prominent Retail Market

Deerbrook Shopping Center is grocery-anchored center positioned at the southwest corner of Lake Cook and Waukegan Roads (56,300 VPD) in the affluent North Shore community of Deerfield. The retail trade area surrounding this intersection has experienced phenomenal growth and features excellent co-tenancy. Nearby retailers and traffic-driving restaurants include The Home Depot, Dollar Tree, Planet Fitness, Pet Supplies Plus, Chick-fil-A, Portillo's, and others.



LEASING PLAN



TENANT NAME	UNIT	SQUARE FEET
Jewel-Osco	0001	61,840
Floor & Décor	0014	59,142
Sky Zone	0018	41,966
Hobby Lobby (Vacating)	38	51,190
The Dump (Mutual Termination Right)	0040	135,855
Dave's Hot Chicken (At Lease)	0085A	2,200
Subway	0085B	1,200
Sleep Number	0090A	3,520
Starbucks Coffee	0090B	2,130
Mattress Firm	0095	4,000
Noodles & Company	0095C	2,800
Vacant	0096A	3,500
Vacant	0096B	1,700
Marshalls	1213	25,000
Vacant	1213A	8,579
Office Depot	19	15,490
City BBQ	LOT-E	4,000
Panera	LOT-F	4,500
TOTAL		428,612



LOCATION & MARKET

- The demographic profile surrounding Deerbrook Shopping Center is unmatched, drawing from Chicago's affluent North Shore communities of Deerfield and Northbrook.

DEMOGRAPHICS		
Distance from Subject:	3 miles	5 miles
2024 Population	70,605	165,575
2024 Households	27,560	64,173
2024 Median Home Value	\$601,537	\$602,286
2024 Daytime Demographics	120,034	263,981
2024 Average Household Income	\$248,326	\$225,929
2024 Median Household Income	\$178,279	\$154,467
2024 Per Capita Income	\$99,487	\$90,178
2024 Median Age	47.5	46.3

- The Village of Deerfield is located approximately 22 miles northwest of Chicago and is a prominent North Shore community featuring diverse housing options ranging from modern apartments to turn-of-the-century mansions, first-class schools, and a vast array of amenities and recreational opportunities, in addition to the area's robust retail landscape.
- The highly desirable geographic and demographic characteristics of the Deerfield/Northbrook sub-regional trade area support the incredible demand for retail space through the retention of existing tenants and attraction of new retailers. The trade area is extremely healthy with over 1.7 million square feet of retail space and an occupancy level of approximately 97%.



NORTHWEST FACING AERIAL



PROPERTY DESCRIPTION



- Originally developed in 1968 as an enclosed mall, the offering has been reimagined over the course of its nearly six-decade operating history, the most recent renovation occurring in 2017. Deerbrook Shopping Center features 428,612 square feet of leasable area across the 212,017 square foot inline portion, the six outlot spaces totaling 29,550 square feet, and the 187,045 square foot boxes ready for redevelopment at the southern end of the property. There is also an opportunity to construct an approximately 25,000-square foot anchor box adjacent to Office Depot. An investor could ground lease, sell separately, or construct a retail building on the 2.5-acre land site fronting Waukegan Road.
- The shopping center features unbeatable visibility given its prominent positioning at the intersection of Lake Cook and Waukegan Roads (56,300 VPD). There are many points of ingress and egress, including four entrances along Waukegan Road, one of which is fully signalized and two contain dedicated turn lanes, and two entrances along Lake Cook Road. There is also shared access via Deerfield Park Plaza west of the center.



- Deerbrook Shopping Center is located along several major thoroughfares and regional transportation options. Lake Cook Road connects the offering to the North Shore communities of Highland Park and Glencoe. Waukegan Road (IL-43) is a major thoroughfare that connects Downtown Chicago with its far northern suburbs. Interstate 94 (58,400 VPD) merges with Waukegan Road just south of the offering and provides regional access throughout Northern Illinois and Wisconsin. The Metra Milwaukee District North Lake Cook Road station is located less than one-half mile west and connects commuters to Downtown Chicago in under one hour.
- The 254-unit Lake Cook Crossing located immediately adjacent to the offering is expected to begin pre-leasing in summer 2025. The development will feature studios up to three-bedroom apartments catering to young professionals and families who will do the majority of their shopping at Deerbrook Shopping Center.



- Deerbrook Shopping Center is a grocery-anchored shopping center featuring Jewel-Osco operating on a long-term lease. The center features an unbeatable mix of popular national tenants that include Marshalls, Floor & Décor, Sky Zone, Office Depot, Starbucks, Panera, Dave's Hot Chicken (At Lease), and others.
- As the dominant retail destination serving Northbrook, Deerfield, Northfield, and surrounding communities, the center enjoys strong tenant retention and performance. Jewel-Osco has served as the center's grocery anchor since 1969, and the center boasts a weighted average tenant tenure of more than 17 years.
- Deerbrook Shopping Center has experienced continual tenancy upgrades with the additions of Sky Zone (2025), Floor & Décor (2024), Marshalls (2021), and Dave's Hot Chicken (At Lease).
- Jewel-Osco is the #1 grocer in Chicago with a market share of nearly 23% and 188 locations throughout the MSA. Jewel-Osco is part of the Albertsons family of brands (NYSE: ACI), the second largest grocery chain in the United States. Albertsons operates nearly 2,300 grocery stores in 34 states under popular banners that include Jewel-Osco, Albertsons, Safeway, Vons, Tom Thumb, Randalls, and others. The company employs more than 285,000 associates and reported FY 2024 revenue of \$79.9 billion.
- There are six outparcels totaling 29,550 square feet that front the property along Lake Cook and Waukegan Roads. Outparcel tenants include Starbucks, Panera Bread (freestanding), City BBQ (freestanding), Sleep Number, Noodles & Company, and others. Three of the outparcel suites totaling 7,400 square feet are available for immediate lease up, providing an investor with a value-add opportunity.
- The Dump (135,855 SF) and Hobby Lobby (51,190 SF) are currently operating on leases that expire 9/30/2025. Upon the expiration of these leases, an investor can reimagine the southern end of the shopping center by redeveloping and leasing the spaces or sell the parcel to an owner-user as part of a basis-reduction strategy.



RECENT LEASING ACTIVITY



Renewal
through 2035



New Lease



SKY ZONE
TRAMPOLINE PARK

New Lease



At Lease



EAST FACING AERIAL



For further information contact owner's exclusive representatives.

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