Hospital Sisters
HEALTH SYSTEM

406 Hartman Ln, O'Fallon, IL 62269

Single-Tenant Net Leased Investment Opportunity

Offering Memorandum

A+ (S&P) Rated Tenant | High-Yielding Offering 11.35% Cap Rate | Fully Redeveloped in 2021

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MAIN PLACE PROPERTIES

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Table of Contents

406 Hartman Ln

PROPERTY OVERVIEW

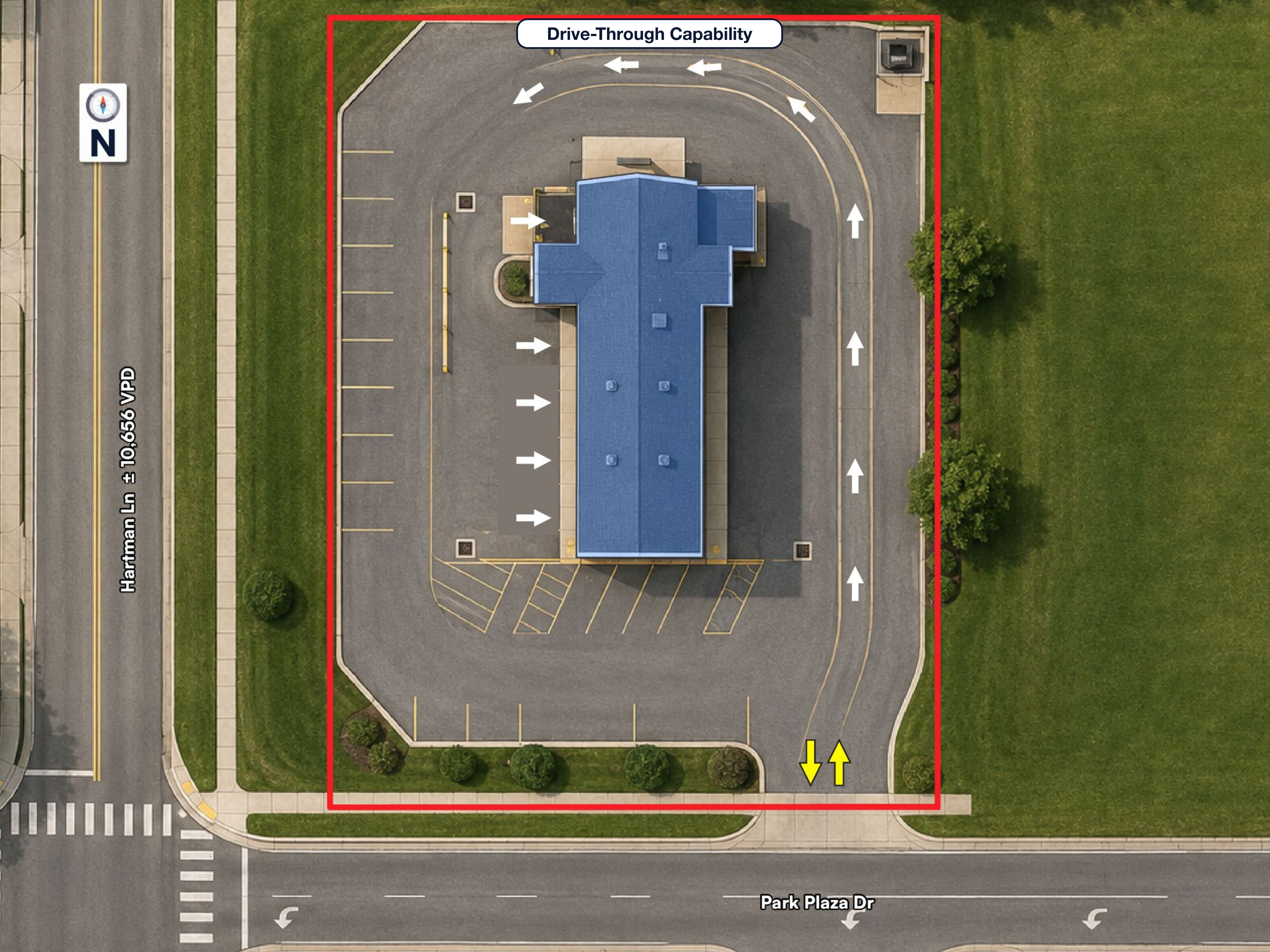
HSHS Administration Center
406 Hartman Ln, O'Fallon, IL 62269

INVESTMENT HIGHLIGHTS

Property Highlights

- **Investment-Grade Healthcare Tenant | S&P A+ Credit Rating:** Hospital Sisters Health System (HSHS) carries an A+ investment-grade credit rating from S&P Global Ratings and operates 14 hospitals with a significant presence throughout Illinois and Wisconsin.
- **2% Annual Rental Increases:** The lease provides for 2% annual rent growth, delivering consistent contractual NOI growth throughout the remaining lease term.
- **Redeveloped in 2021:** The property was fully redeveloped in 2021 for HSHS, providing investors with a modern administrative facility and limiting near-term capital requirements.
- **11.35% Going-In Cap Rate | Near-Term Optionality:** Offered at an 11.35% cap rate with approximately two years of lease term remaining, the investment provides an attractive combination of substantial current yield, contractual rent growth, and near-term flexibility for investors.
- **Established Retail Corridor:** The surrounding trade area features a strong concentration of national retailers and restaurants, including Walmart, Home Depot, CVS, Starbucks, Culver's, Denny's, and Hardee's, reinforcing the property's established commercial location.
- **Affluent Demographics:** The property benefits from a strong surrounding consumer base, with average household incomes exceeding $107,932 within the immediate trade area.

N
Lincoln Crossing
Walmart Supercenter
sam's club
PETSMART
THE HOME DEPOT
HAWAIIAN BROS
Culver's
Goodwill
Academy SPORTS + OUTDOORS
ALDI
TACO BELL
Hardee's
Dawn Elser Elementary
±330 Students
Subject Property
Ford
CHEVROLET
Steak n Shake
PAPA JOHN'S
LA QUINTA INNS & SUITES
Comfort INN & SUITES
extended STAY AMERICA
Denny's
SONIC
CVS pharmacy
meineke
DOING CAR CARE RIGHT
Lincoln Hwy ± 25,400 VPD
INTERSTATE 64
± 77,700 VPD
HSHS St. Elizabeth's Hospital
±144 Beds | ±1,175 Employees
at home
The Home Décor Superstore
BMW
TOYOTA
HONDA
CARMAX
Hampton by Hilton
Bella
Hilton Garden Inn
TOWNEPLACE SUITES MARRIOTT
FirstWatch
DEWEY'S PIZZA
WAHAKA MARGARITA BAR & GRILL
Global Brew TAP HOUSE
LA-Z-BOY
TEXAS ROADHOUSE
YUMMY BOWL
Fairfield BY MARRIOTT
DOGWOOD social house
OUTBACK STEAKHOUSE
MENARDS
TARGET
JIMMY JOHN'S
crumbl cookies
WING STOP
CHICKEN SALAD CHICK
POPEYES
McALISTER'S DELI
FIVE GUYS BURGERS and FRIES
DISCOUNT TIRE
Google Earth


Drive-Through Capability
N
Hartman Ln ± 10,656 VPD
Park Plaza Dr

406 Hartman Ln
O'Fallon, IL 62269

±3,246 SF
GLA

2021
Year Renovated

±10,656 VPD
Hartman Ln

NN
Lease Type

±0.91 AC
Lot Size

FINANCIAL OVERVIEW

HSHS Administration Center
406 Hartman Ln, O'Fallon, IL 62269

FINANCIAL SUMMARY

$975,000 List Price	**11.35%** Cap Rate	**±2 Years** Term Remaining	**$110,629** NOI

Property Details

Tenant Trade Name	HSHS Administration Center
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NN
Roof, Structure, HVAC	Landlord
Rent Commencement Date	4/26/2021
Lease Expiration Date	4/25/2028
Initial Term	7 Years
Term Remaining on Lease	±2 Years
Increase	2% annually
Options	Two, 5-Year Options

FINANCIAL SUMMARY

Annualized Operating Data

Date	Monthly Rent	Annual Rent	Increases	Cap Rate
04/26/2026 - 04/25/2027	$9,219.07	$110,628.90	-	11.35%
04/26/2027 - 04/25/2028	$9,403.46	$112,841.47	2.00%	11.57%
Option 1				
04/26/2028 - 04/25/2029	$9,591.53	$115,098.30	2.00%	11.8%
04/26/2028 - 04/25/2030	$9,783.36	$117,400.27	2.00%	12.0%
04/26/2028 - 04/25/2031	$9,979.02	$119,748.28	2.00%	12.3%
04/26/2028 - 04/25/2032	$10,178.60	$122,143.24	2.00%	12.5%
04/26/2028 - 04/25/2033	$10,382.18	$124,586.11	2.00%	12.8%
Option 2				
04/26/2028 - 04/25/2034	$10,589.82	$127,077.83	2.00%	13.0%
04/26/2028 - 04/25/2035	$10,801.62	$129,619.38	2.00%	13.3%
04/26/2028 - 04/25/2036	$11,017.66	$132,211.77	2.00%	13.6%
04/26/2028 - 04/25/2037	$11,238.00	$134,856.01	2.00%	13.8%
04/26/2028 - 04/25/2038	$11,462.76	$137,553.13	2.00%	14.1%

TENANT OVERVIEW

Year Founded
1875

Headquarters
Springfield, Illinois

Ownership Status
Private / Nonprofit

Employees
11,000+

Locations
14 Hospitals

Credit Rating
A+ (S&P Global)

Annual Revenue
~$2.9 billion

Hospital Sisters
HEALTH SYSTEM

Tenant Overview

Hospital Sisters Health System (HSHS) is a prominent, nonprofit Catholic health system providing comprehensive healthcare services throughout Illinois and Wisconsin. Headquartered in Springfield, Illinois, HSHS operates a network of hospitals, outpatient facilities, and community-based health centers, delivering a broad range of medical services through an extensive network of physicians and healthcare professionals.

Why Invest in HSHS?

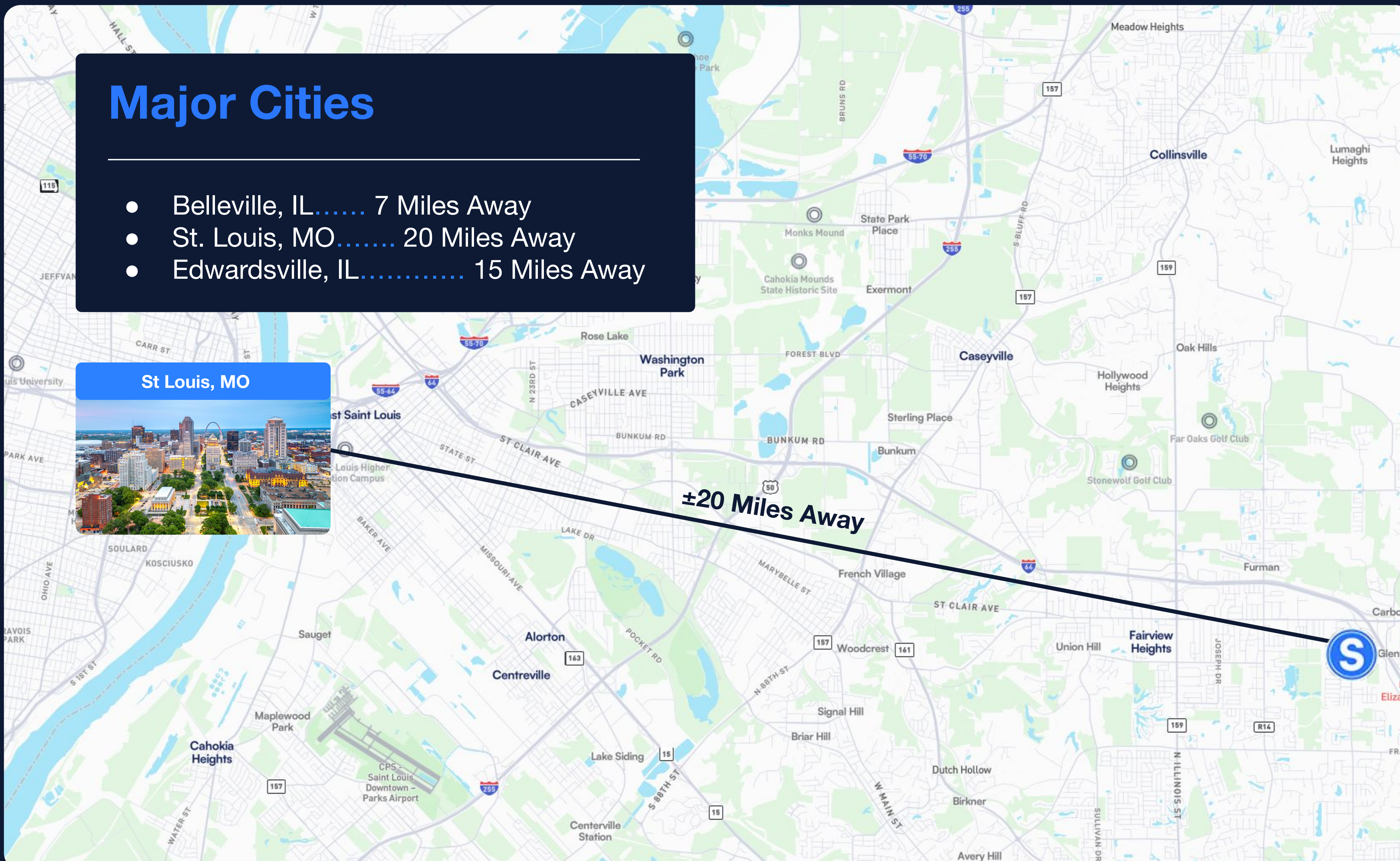
- **Strong Financial Foundation:** HSHS generates approximately $2.9 billion in annual revenue, providing substantial financial scale and resources to support its healthcare operations and long-term obligations.
- **Extensive Healthcare Network:** HSHS operates 14 hospitals alongside a broad network of outpatient and community-based facilities across Illinois and Wisconsin, creating a diversified regional healthcare platform.
- **Investment-Grade Credit:** HSHS carries A+ credit ratings from both S&P and Fitch, demonstrating strong credit quality and supporting its profile as a financially established healthcare system.
- **Essential, Mission-Critical Services:** As a major regional healthcare provider, HSHS delivers essential inpatient, outpatient, emergency, and specialty medical services, supporting consistent demand across the communities it serves.
- **Established Operating History & Market Presence:** With roots dating to 1875, HSHS has more than 150 years of operating history and has developed a significant presence throughout its core Midwestern markets.

MARKET OVERVIEW

HSHS Administration Center
406 Hartman Ln, O'Fallon, IL 62269

Major Cities

- Belleville, IL...... 7 Miles Away
- St. Louis, MO....... 20 Miles Away
- Edwardsville, IL........... 15 Miles Away



O'FALLON, IL

Total Population
32,656

Employed Population
15,600

Homeownership Rate
70.2%

Median Property Value
$295,700

Local Market Overview

O’Fallon, Illinois, serves as a prominent retail and service center within the Metro East region of the St. Louis metropolitan area. Retail activity is concentrated along the community’s primary commercial corridors, where national retailers, restaurants, grocery stores, automotive businesses, and neighborhood-serving uses benefit from established traffic patterns, strong residential growth, and convenient regional access. The local retail market is characterized by a mix of shopping centers, freestanding properties, and neighborhood-oriented retail developments. Demand is generally strongest for well-located properties offering good visibility, convenient ingress and egress, adequate parking, and proximity to complementary businesses, residential neighborhoods, and major transportation routes.

Overall, O’Fallon represents an established and attractive suburban retail market supported by its location within the greater St. Louis region and a substantial surrounding residential base. Continued commercial and residential activity, combined with convenient regional connectivity, helps support retail occupancy and ongoing investment in the market.

Population	1-Mile	3-Mile	5-Mile
Current Year Estimate	4,129	51,282	101,955
Households	**1-Mile**	**3-Mile**	**5-Mile**
Current Year Estimate	1,996	21,733	43,709
Income	**1-Mile**	**3-Mile**	**5-Mile**
Average Household Income	$107,932	$136,151	$126,322

SAINT LOUIS, MO MSA

Local Market Overview

The City of St. Louis is situated at the confluence of the Missouri and Mississippi Rivers, a location that has long shaped its identity as a center of commerce and culture. The city's most iconic landmark, the Gateway Arch, anchors the riverfront and serves as a symbol of the region's historic role in westward expansion.

St. Louis is a popular higher education hub, home to a broad range of colleges, universities, and technical institutions. Major institutions such as Washington University in St. Louis, Saint Louis University, and the University of Missouri–St. Louis contribute significantly to the area's talent pipeline, research activity, and innovation ecosystem.

The region maintains a strong presence in biotechnology, healthcare, advanced manufacturing, and professional services. Its strategic riverfront location and the Port of St. Louis support robust logistics and distribution networks, reinforcing the city's role as a key transportation and trade corridor within the Midwest.

Culturally, St. Louis offers a diverse mix of museums, attractions, and performing arts institutions, including the St. Louis Art Museum, the Missouri History Museum, the Saint Louis Zoo, and the internationally recognized Saint Louis Symphony Orchestra.

Market Demographics (5-Mile)

2.8 Million
Total Population

1.43 Million
Employed Population

$1.89 Billion
Medical Supplies & Prescription Drugs Spending

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3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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