

APPRAISAL REPORT

OF

*VACATION OF THE ENTIRE EAST/WEST ALLEY
NORTH OF MADISON STREET
BETWEEN S. SCOVILLE AND S. EAST AVENUES IN
OAK PARK, ILLINOIS*

BY

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February 22, 2019

Ms. Nancy Bufalino
c/o Fenwick High School
505 Washington Boulevard
Oak Park, IL 60302

RE: Vacation of the entire east/west alley
North of Madison Street between
S. Scoville and S. East Avenues in
Oak Park, Illinois

Dear Ms. Bufalino:

Pursuant to your request, we have completed an appraisal report of the property located at the above referenced location.

The subject site consists of the proposed vacation of the east/west alley north of Madison Street between S. Scoville and S. East Avenues. The alley under appraisal is 15' x 366.2' and consists of 5,493± square feet of total land area. The site is zoned I, Institutional District in Oak Park, Illinois.

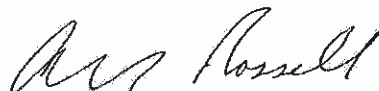
The accompanying report describes in detail the method of appraisal and contains data gathered in our investigation. All dimensions were based on a review of tax maps and survey provided and we have relied on their accuracy.

This appraisal report is not intended for federally related financing purposes but has been presented in conformance with the provisions of the Uniform Standards of Professional Appraisal Practice.

In our opinion, the Market Value in fee simple interest encumbered by easements of the subject property, expressly subject to the Assumptions and Limiting Conditions contained in this report, as of February 21, 2019, is:

TWENTY-ONE THOUSAND HUNDRED DOLLARS
(\$21,000)

Respectfully submitted,



Alan J. Rossell
Certified General Real Estate Appraiser,
#553.001801, Expiration Date 09/30/19

***VACATION OF THE EAST/WEST ALLEY
NORTH OF MADISON STREET
BETWEEN S. SCOVILLE AND S. EAST AVENUES IN
OAK PARK, ILLINOIS***



***LOOKING WEST
ALONG ALLEY***



NORTH ON EAST AVENUE



SOUTH ON EAST AVENUE



NORTH ON SCOVILLE



SOUTH ON SCOVILLE



NORTH OF ALLEY



SOUTH OF ALLEY



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SUMMARY OF CONCLUSIONS

<u>ASSIGNMENT:</u>	To provide an opinion of the fee simple market value of the property encumbered by easements as described herein. This report and the opinion of value are to be used solely by the client as a basis for a contemplated purchase from the Village of Oak Park, Illinois.	
<u>LOCATION:</u>	The entire east/west alley located north of Madison Street between S. Scoville and S. East Avenues in Oak Park, Illinois.	
<u>PERMANENT INDEX NUMBER:</u>	None	
<u>PROPERTY RIGHTS APPRAISED:</u>	Fee Simple Estate encumbered by easements.	
<u>LAND AREA:</u>	5,493± square feet	
<u>ZONING:</u>	I, Institutional District	
<u>HIGHEST AND BEST USE:</u>	Combine with adjacent parcels.	
<u>VALUE INDICATORS:</u>	<u>Cost Approach:</u>	Not Applicable
	<u>Income Capitalization Approach:</u>	Not Applicable
	<u>Sales Comparison Approach:</u>	\$ 21,000
<u>FINAL OPINION OF VALUE:</u>	\$21,000	
<u>DATE OF VALUATION:</u>	February 21, 2019	
<u>DATE OF INSPECTION:</u>	February 21, 2019	
<u>DATE OF REPORT:</u>	The date of the report is consistent with the date found on the transmittal letter preceding this appraisal report.	

PURPOSE OF THE APPRAISAL/INTENDED USER

The purpose of this appraisal is to provide an opinion of the Market Value of the fee simple estate encumbered by easements of the real estate described in this report as defined herein. This report and the opinion of value is to be used solely by the client, Fenwick High School, as a basis for a contemplated purchase to assist the needs of Fenwick High School and for submittal to the trustees of the Village of Oak Park, Illinois. There are no other authorized uses or users of this report. Acceptance of, and/or use of this appraisal report constitutes acceptance of all of the Assumptions and Limiting Conditions contained in this report.

EXTRAORDINARY ASSUMPTIONS

The Uniform Standards of Professional Appraisal Practice defines an extraordinary assumption as an assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinion or conclusion. In preparation of this report, the following extraordinary assumptions were utilized in completing the assignment:

1. That there is no environmental contamination located on the site to be acquired.
2. The land area of the subject and comparable sales was from the tax maps and we have relied on their accuracy.

DEFINITION OF MARKET VALUE

Market Value is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

DEFINITION OF MARKET VALUE - Continued

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Sources: *The Appraisal of Real Estate*. 13th. Chicago: Appraisal Institute, 2008. Print.; *The Dictionary of Real Estate Appraisal*. 5th. Chicago: Appraisal Institute, 2010. Print.; "Code of Federal Regulations." *Title 12 Banks and Banking, Chapter I, Comptroller of the Currency, Department of the Treasury, Part 34, Real Estate Lending and Appraisals, 34.42, Definitions, (g) and Title 12 Banks and Banking, Chapter V, Office of Thrift Supervision, Department of the Treasury, Part 564, Appraisals, 564.2, Definitions, (g)*. 01 JAN 2004. National Archives and Records Administration. 16 Apr 2009 <<http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi?title=200412>>. This definition is compatible with the RTC, FDIC, FRS and NCUA definitions of market value as well as the definition referenced in the *Uniform Standards of Professional Appraisal Practice (USPAP)*.

PROPERTY RIGHTS APPRAISED

The property rights considered in this appraisal make up the fee simple estate, "the absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."¹ However, if the property is acquired, it will be subject to sub-surface and surface easements which will restrict its usage.

DEFINITION OF EASEMENT

According to the *Dictionary of Real Estate Appraisal*, 5th Edition, an easement is defined as "The right to use another's land for a stated purpose".

¹ *The Dictionary of Real Estate Appraisal*, 5th Edition, page 78, Published 2010 by the Appraisal Institute.

DEFINITION OF EASEMENT – Continued

The alley, once acquired, will be subject to perpetual easements both below and above the surface for repair and maintenance of utilities. In addition, the two properties at the northwest corner of Madison Street and S. Scoville Avenue will have a 160 foot perpetual easement for pedestrian and vehicular access. As such, no construction can be accomplished over the entire easement area. In reality, due to the restricted usage, the interest acquired is more reflective of a surface easement for ingress and egress to a proposed parking structure.

SCOPE OF THE APPRAISAL

The following steps were followed in arriving at the final opinion of value included in the appraisal report of the subject property.

1. After receiving the assignment, a preliminary search of all available resources was made to determine market trends, influences and other significant factors pertinent to the subject property.
2. A physical inspection of the site was performed. Although care was exercised while at the subject, the appraiser is not an expert in such matters as pest control, structural engineering, hazardous waste, etc., and no warranty is given to these elements. As needed, inspections by various professionals within these fields might be recommended with the final opinion of value subject to their findings.
3. The subject under appraisal consists of a 15 foot by 366.2± foot entire east/west alley located between S. Scoville and S. East Avenues and north of Madison Street. Our appraisal assignment is to estimate the market value of the 5,493± square foot portion of this alley area for a contemplated purchase by Fenwick High School from the Village of Oak Park.
4. The site, being a public thoroughfare and right-of-way, in most instances, would be available only to the adjacent property owners and as such, would have a limited if a not non-existent market. The value is primarily the value the site contributes to the adjacent property owners or to the Village of Oak Park in furtherance of its community goals. Due to its very narrow width, utility is minimal. In addition, it will be encumbered by sub-surface and surface easements which extend into perpetuity which prevents any construction on the site. Its utility is limited only for ingress and egress into the adjoining properties.
5. A second review of the data was then performed with the most relevant factors extracted and considered. The sales were examined and transfer information involved in the transactions were analyzed. Market factors were weighed and their influence on the subject property was determined.
6. Our appraisal assignment is to appraise vacant land. As such, only the Sales Comparison Approach to Value was utilized. The Cost and Income Capitalization Approaches to value are not applicable methods of valuation for land.

SCOPE OF THE APPRAISAL - Continued

7. The appraisal report was then delivered to the client, Fenwick High School, which constituted the completion of the assignment.

DATE OF INSPECTION

February 21, 2019

INTENT OF REPORT

The intent of this report is to comply with the 2017-2019 Uniform Standards of Professional Appraisal Practice, as adopted by the Appraisal Standards Board of the Appraisal Foundation.

COMPETENCY OF THE APPRAISER

The appraisers have the appropriate knowledge and experience to complete this assignment competently. See attached qualifications of the appraisers in the addendum of this report.

PROHIBITED INFLUENCES

The appraisal assignment was not based upon a requested minimum valuation, specific valuation or approval of a loan. Employment of the appraiser was not conditioned upon the appraiser producing a specific value or value within a given range. Neither employment nor compensation are based upon approval of any related loan application.

SELF CONTAINMENT

This appraisal report is not intended to be a self contained document, but contains sufficient information necessary to enable the reader to understand the appraiser's opinion.

SELF CONTAINMENT - Continued

Supporting documentation has been maintained in the appraiser's files. Any third party studies referred to, such as pest, hazardous materials, or structural reports have been verified by the appraiser to the extent the assumptions and conclusions are used.

PERSONAL PROPERTY

Any personal property involved in the transaction have been excluded from the valuation of the real property. Should a transaction which includes personal property of sufficient value to affect the market value of the real property be evident, a separate assessment of the property fixtures or intangible items will be included with the report as a separate valuation.

LEGAL DESCRIPTION

The following legal description was taken from a survey by Schomig Land Surveyors, LTD and we recommend verification prior to any use what-so-ever.

ALL OF THE 15' PUBLIC ALLEY LYING BETWEEN AND ADJOINING LOTS 13 TO 19 AND LOT 12 AND LOT 20 AND VACATED 15' PUBLIC ALLEY IN BLOCK 4 IN EAST AVENUE ADDITION TO OAK PARK, A SUBDIVISION OF BLOCKS 52 TO 54 AND 59 TO 61 IN VILLAGE OF RIDGELAND, A SUBDIVISION OF THE EAST ½ OF THE EAST ½ OF SECTION 7 AND THE NORTHWEST ¼ AND THE WEST ½ OF THE WEST ½ OF THE SOUTHWEST ¼ OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

HISTORY OF THE PROPERTY

The property is currently owned by the Village of Oak Park and utilized as a public right of way.

HISTORY OF THE PROPERTY - Continued

The Village is considering selling the alley to facilitate future use by Fenwick High School. It has limited use by the citizens of Oak Park and actually creates an additional cost for maintenance to the Village of Oak Park. It serves minimal, if any, public need at this time except for access to Fenwick properties and two buildings at the northwest corner of S. Scoville Avenue and Madison Street and conveyance of utility lines. It will be requiring maintenance in the near future.

MARKETING PERIOD AND EXPOSURE TIME

The Definition of Market Value requires that a reasonable time be allowed for exposure in the open market. This exposure time is presumed to have occurred prior to the date of the appraisal, while the estimated marketing period occurs after the date of appraisal.

Exposure time and marketing period could be the same, given a stable market environment with no change anticipated in market conditions. However, in many instances this is not the case. If the market is improving, the marketing period would most likely be less than the exposure period. If the market conditions were anticipated to worsen, however, the opposite may be true. The housing market is beginning to show some signs of improvement and local real estate brokers are reporting an increase in prices, shorter marketing times and a lack of inventory. Financing developments, however, is still difficult.

In this case, both market and exposure times are equal and are estimated to be six to nine months for a typical parcel of land. However, in this instance, the subject is a narrow piece of land with only limited utility to anyone other than adjoining property owners. It has a limited, if a non-existent, market appeal and utility and an extended marketing time would be anticipated.

REGIONAL MAP



CHICAGOLAND REGIONAL INFORMATION

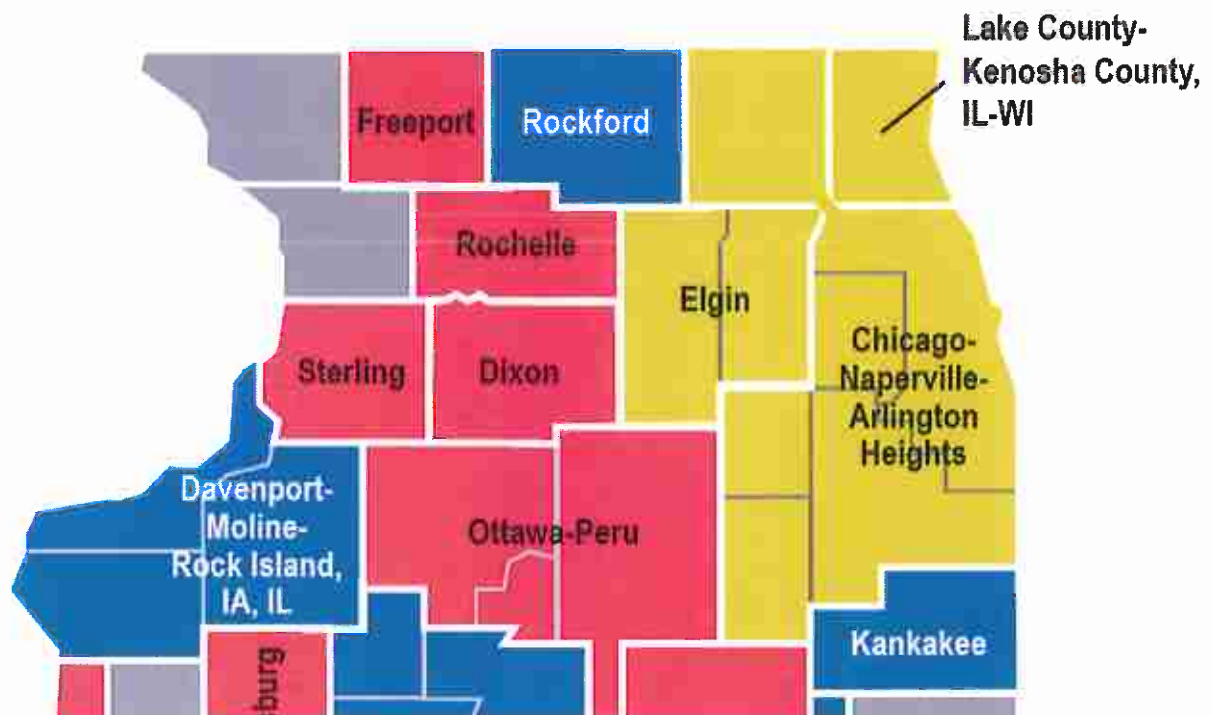


CHICAGO-NAPERVILLE-ELGIN IL-IN-WI MSA:

Cook County, IL
DeKalb County, IL
DuPage County, IL
Grundy County, IL
Jasper County, IN

Kane County, IL
Kendall County, IL
Kenosha County, WI
Lake County, IL
Lake County, IN

McHenry County, IL
Newton County, IN
Porter County, IN
Will County, IL



Population Statistics

POPULATION GROWTH			
	Chicago MSA	Illinois	United States
2017 Population Estimate:	9,533,040	12,802,023	327,167,434
Population-2010:	9,461,550	12,830,632	308,745,538
% Growth 2010-2018:	0.8%	-0.2%	5.5%

Source: US Census Bureau website

POPULATION GROWTH		
County	2017 Population Estimate	% Change April, 2010 to 2017 Estimate
Cook	5,211,263	0.3%
Lake	703,520	-0.01%
DeKalb	104,733	-0.4%
DuPage	930,128	1.4%
Grundys	50,586	1.04%
Kane	534,667	3.8%
Kendall	126,218	10.1%
McHenry	309,122	0.1%
Will	692,661	2.2%

Source: US Census Bureau website

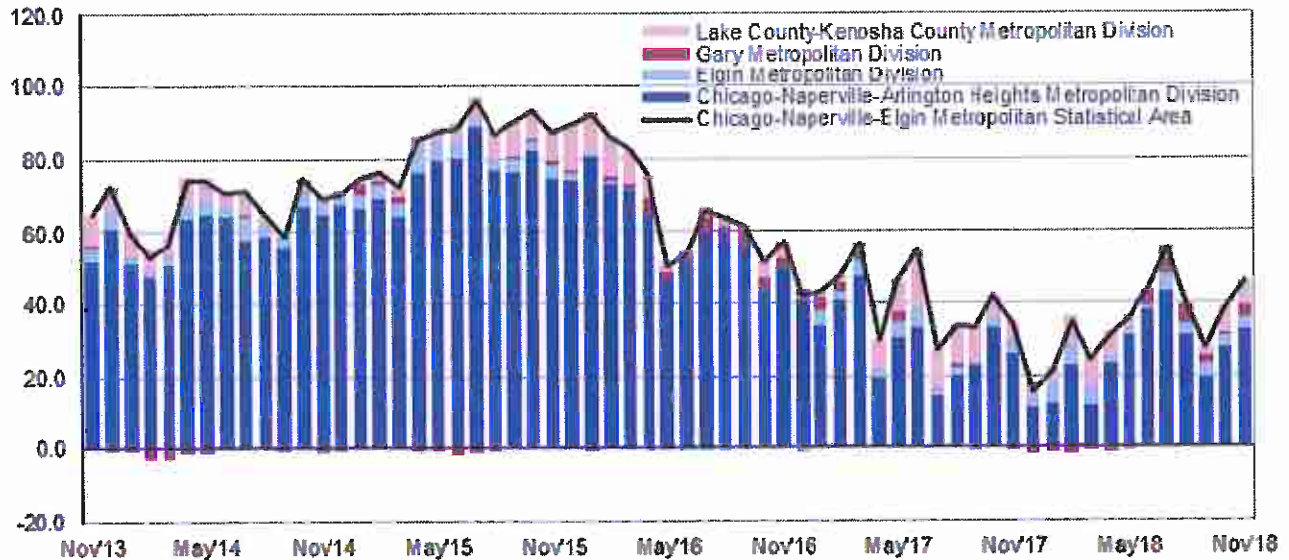
Chicago Area Employment – November, 2018

Local Rate of Employment Growth Below National Average

Total nonfarm employment for the Chicago-Naperville-Elgin, Ill.-Ind.-Wis. Metropolitan Statistical Area stood at 4,804,300 in November 2018, up 45,700, or 1.0 percent, over the year, the U.S. Bureau of Labor Statistics reported today. During the same period, the national job count increased by 1.6 percent. Assistant Commissioner for Regional Operations Charlene Peiffer noted that the Chicago metropolitan area has had over-the-year employment increases each month since October 2010.

Chart 1. Total nonfarm employment, over-the-year net change in the Chicago metropolitan area and its divisions, November 2013–November 2018

Net change (in thousands)

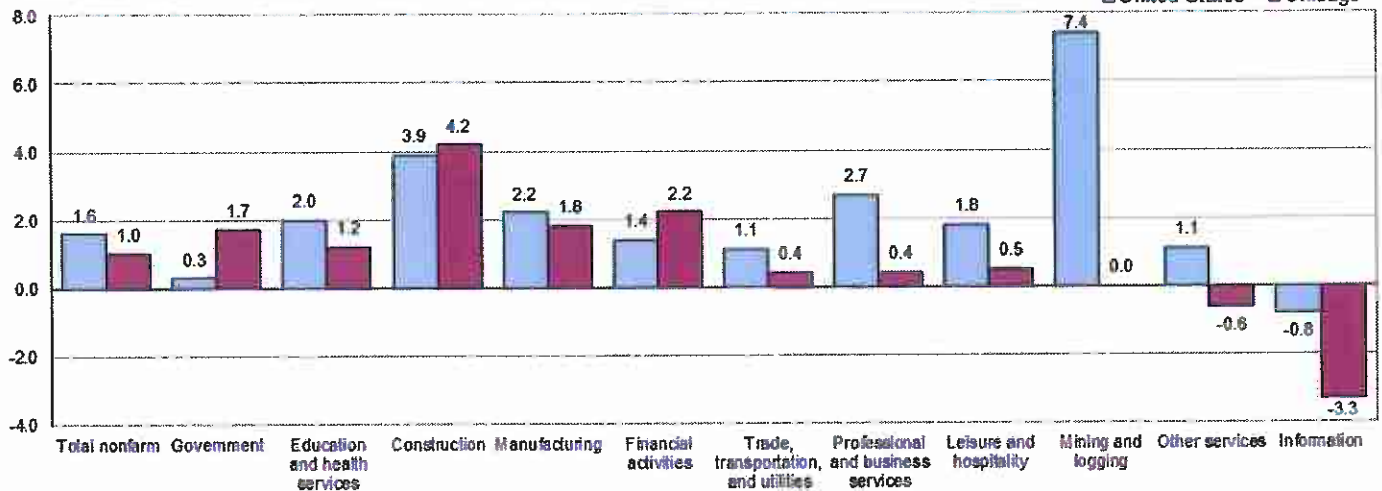


Source: U.S. Bureau of Labor Statistics.

The Chicago metropolitan area is made up of four metropolitan divisions—separately identifiable employment centers within the larger metropolitan area. The Chicago-Naperville-Arlington Heights Metropolitan Division, which accounted for 80 percent of the area's workforce, added 32,300 jobs from November a year ago. In the Lake County-Kenosha County, Ill.-Wis. Metropolitan Division, employment was increased by 6,500 jobs over the year. Employment in the Elgin, Ill. Metropolitan Division increased by 3,400 over the year, while employment in the Gary, Ind. Metropolitan Division increased by 3,500 from November a year ago.

Chart 2. Total nonfarm and selected industry supersector employment, over-the-year percent change, United States and the Chicago metropolitan area, November 2018

Percent change



Source: U.S. Bureau of Labor Statistics.

Industry employment

In the greater Chicago metropolitan area, government had the largest employment gain from November 2017 to November 2018, adding 9,300 jobs. The Chicago area's 1.7-percent rate of job growth in government was higher than the nationwide advance of 0.3 percent. (See chart 2.)

Education and health services employment added 8,900 jobs, the second-largest employment gain in the Chicago area from November 2017 to November 2018. Local employment growth in the education and health services supersector was concentrated in the Chicago division, which added 9,800 jobs. The Chicago area's 1.2-percent rate of job growth was lower than the 2.0-percent national gain.

Three other local supersectors each gained at least 6,700 jobs: construction (+7,600), manufacturing (+7,600), and financial activities (+6,700). The Chicago area's construction industry job growth rate of 4.2 percent was higher than the 3.9-percent national increase. Employment in Chicago's manufacturing industry grew by 1.8 percent; nationally, employment in this industry grew by 2.2 percent over the year. The financial activities supersector's local job growth rate of 2.2 percent was higher than the 1.4-percent national increase. Financial activities employment was concentrated in the Chicago division, which added 5,800 jobs in this supersector.

Two Chicago area supersectors lost more than 1,000 jobs since last November: information (-2,600, down 3.3 percent) and other services (-1,200, down 0.6 percent). Nationally, employment in the information sector decreased by 0.8 percent, while other services employment rose by 1.1 percent from the previous November.

Employment in the 12 largest metropolitan areas

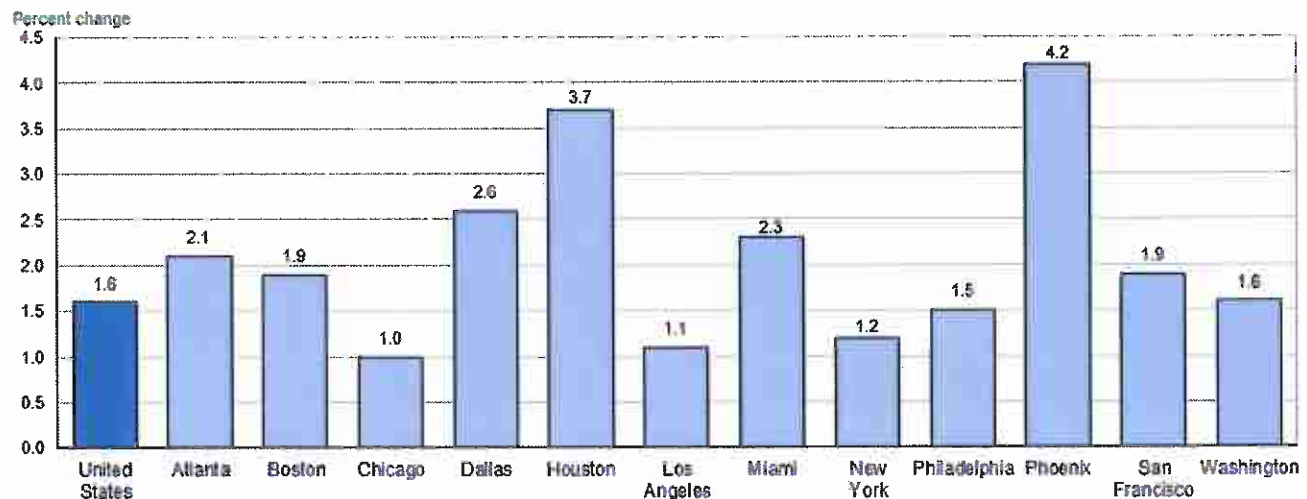
Chicago was 1 of the nation's 12 largest metropolitan statistical areas in November 2018. All 12 areas had over-the-year job growth during the period, with the rates of job growth in 8 areas matching or exceeding the national increase of 1.6 percent. Phoenix-Mesa-Scottsdale had the fastest rate of job growth, up 4.2 percent, followed by Houston-The Woodlands-Sugar Land at 3.7 percent. Chicago had the slowest rate of job growth, up 1.0 percent, followed by Los Angeles-Long Beach-Anaheim at 1.1 percent. (See chart 3 and table 2.)

Houston added the largest number of jobs over the year, 114,400, followed by New York-Newark-Jersey City, with 113,000 jobs. Philadelphia-Camden-Wilmington had the smallest employment gain over the year, adding 43,200 jobs. Annual gains in the remaining eight metropolitan areas ranged from 94,700 in Dallas-Fort Worth-Arlington to 45,700 in Chicago.

Over the year, professional and business services added the most jobs in seven areas: Atlanta-Sandy Springs-Roswell, Boston-Cambridge-Nashua, Dallas, Houston, Phoenix, San Francisco-Oakland-Hayward, and Washington-Arlington-Alexandria.

Information lost the most jobs in five areas: Atlanta, Chicago, Houston, New York, and Philadelphia. Dallas, Phoenix, and Washington had no annual job losses in any supersector from November a year ago.

Chart 3. Total nonfarm employment, over-the-year percent change, United States and 12 largest metropolitan areas, November 2018



Source: U.S. Bureau of Labor Statistics.

*Source: bls.gov

Midwest Economy - Labor Force Statistics

Civilian labor force in the Midwest, seasonally adjusted (in thousands)

Area (Links provide news releases)	Back data	Dec 2017	Oct 2018	Nov 2018	Dec 2018	Dec 2017 to Dec 2018	
						Net change	Percent change
United States		160,636	162,694	162,821	163,240	2,604	1.6
Midwest		34,809.7	34,930.7	34,936.1	34,949.1	139.4	0.4
Illinois		6,500.4	6,488.1	6,499.4	(P) 6,500.9	(P) 0.5	(P) 0.0
Indiana		3,320.3	3,402.2	3,404.5	(P) 3,406.1	(P) 85.8	(P) 2.6
Iowa		1,674.9	1,688.2	1,689.7	(P) 1,691.9	(P) 17.1	(P) 1.0
Kansas		1,478.5	1,485.0	1,487.1	(P) 1,489.9	(P) 11.4	(P) 0.8
Michigan		4,900.2	4,892.0	4,893.1	(P) 4,896.0	(P) -2.2	(P) 0.0
Minnesota		3,069.8	3,095.1	3,092.1	(P) 3,093.4	(P) 23.5	(P) 0.8
Missouri		3,048.4	3,065.5	3,065.7	(P) 3,066.6	(P) 18.2	(P) 0.6
Nebraska		1,007.1	1,018.3	1,020.9	(P) 1,024.2	(P) 17.1	(P) 1.7
North Dakota		413.6	403.1	402.4	(P) 402.1	(P) -11.4	(P) -2.8
Ohio		5,782.0	5,770.5	5,765.7	(P) 5,767.0	(P) -15.1	(P) -0.3
South Dakota		456.3	458.7	459.2	(P) 460.0	(P) 3.7	(P) 0.8
Wisconsin		3,158.3	3,163.9	3,156.4	(P) 3,149.0	(P) -9.2	(P) -0.3

Footnotes

(P) Preliminary

Source: [Local Area Unemployment Statistics](#)

The State and regional data above are a product of the Local Area Unemployment Statistics (LAUS) program, a Federal-State cooperative program in which total employment and unemployment are measured for approximately 7,200 areas.

Unemployment rates in the Midwest, seasonally adjusted (in percent)

Area (Links provide news releases)	Back data	Dec 2017	Oct 2018	Nov 2018	Dec 2018	Net change Dec 2017 to Dec 2018
United States		4.1	3.8	3.7	3.9	-0.2
Midwest		4.1	3.6	3.6	3.7	-0.4
Illinois		4.9	4.2	4.2	(P) 4.3	(P) -0.6
Indiana		3.4	3.5	3.6	(P) 3.6	(P) 0.2
Iowa		2.9	2.4	2.4	(P) 2.4	(P) -0.5
Kansas		3.5	3.3	3.2	(P) 3.3	(P) -0.2
Michigan		4.7	3.9	3.9	(P) 4.0	(P) -0.7
Minnesota		3.3	2.8	2.8	(P) 2.8	(P) -0.5
Missouri		3.7	3.1	3.0	(P) 3.1	(P) -0.6
Nebraska		2.9	2.8	2.8	(P) 2.8	(P) -0.1

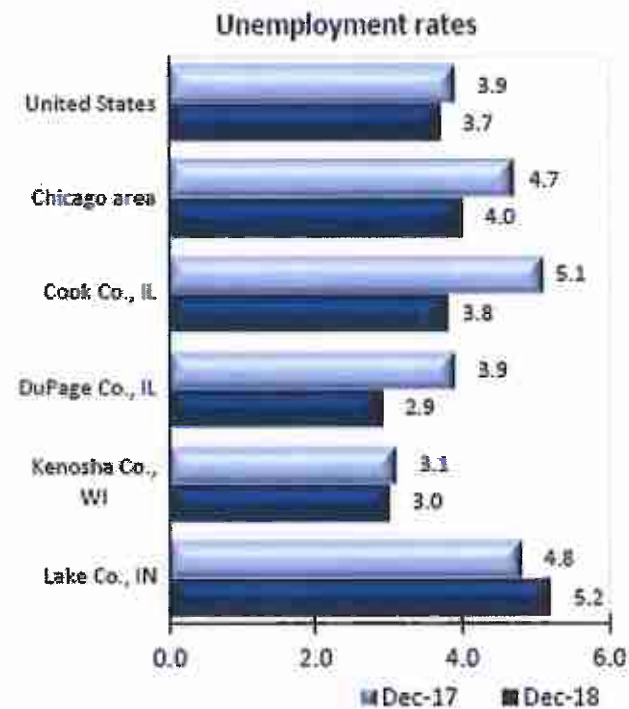
Footnotes

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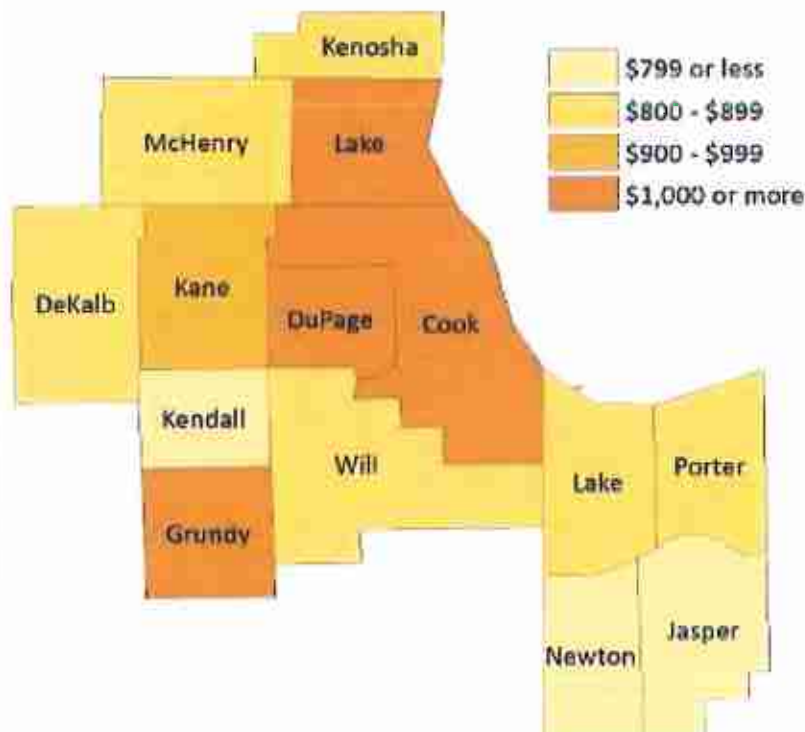
Unemployment rates for the Chicago area,
selected area counties, and the nation



Source: U.S. BLS, Local Area Unemployment Statistics.

Average weekly wages for all industries by county

Chicago area, 2nd quarter 2018
(U.S. = \$1,055; Area = \$1,154)



Source: U.S. BLS, Quarterly Census of Employment and Wages.

CHICAGO AREA INFORMATION*

Chicago has one of the world's largest and most diversified economies, with more than four million employees and generating an annual gross regional product (GRP) of over \$609 billion. The city is an efficient economic powerhouse, home to more than 400 major corporate headquarters, including 36 in the Fortune 500. Among the most diverse economies in the nation, Chicago is a key player in every sector from risk management innovation to manufacturing to information technology to health services.

- The heart of a 14-county metropolitan area
- The Chicago (city) economy has expanded by an estimated 510 jobs year-over-year since March 2017. The largest gains were in the Wholesale Trade (+3,214), Educational & Health Services (+2,968), and Transportation, Warehousing & Utilities (+2,855) sectors.
- The City of Chicago's unemployment rate decreased from 5.0 in March 2017 to 4.5 in March 2018.
- Air Cargo Tonnage increased by 2.5% from 173,907 tons in March 2017 to 178,228 tons in March 2018.
- Patents issued in the City of Chicago increased YOY to 156 in March 2018
- Home to 9.6 million residents, a population that has grown by 4% (+393,491 people) since 2000
- 3+ million working-age adults are within a 50-minute commute of downtown Chicago

Centrally located, at the nexus between European and Asian markets, and the North American Free Trade zone Chicago provides non-stop service to more than 200 domestic and international destinations, has one of the largest public transportation systems in the US and serves as a hub for six of the seven major North American railroads and six major U.S. Interstates.

Trading Post

The most distinctive aspect of Chicago's financial services community is also among its oldest. The city's derivatives exchange community, which started with commodity futures trading at the Chicago Board of Trade in 1848, established the city as a global financial center. To this day, even though the trading of derivatives is conducted on an ever-expanding international scale, Chicago arguably remains the geographic center of global derivatives trading – in terms of markets, scale and talent.

- Chicago accounts for almost one fifth (20%) of the world's global derivatives trading market; 2X New York (10%) and nearly matching all of the exchanges in Europe combined. (20%)
- Chicago-based exchanges generated 4.9 billion in annual global derivatives trading volume with a national value of more than one quadrillion in 2017.
- Chicago-based Options Clearing Corporation clears all US options contracts – 4.3 billion in 2017 (the third highest volume on record).
- Chicago futures and options exchanges collectively dominate exchange-based derivatives trading, with more than half of exchange-based derivatives trading in North America

A Global City

Chicago is the top-ranking metropolitan area for foreign direct investment projects in the U.S. (#1) and the only North American agglomeration in the global top 20 (#7). Home to over 1,800 foreign-based companies and more than \$100 billion in foreign direct investment, Chicago has long been a hub of international business activity. International business resources include:

- 80+ Consulates/Consuls General
- 100+ international/ethnic Chambers of Commerce and international trade-based organizations
- 28 international sister cities
- Direct access to flights around the globe from Chicago's CBD to both airports
- Chicago provides easy access to the world with more than 1,400 daily departures out of Chicago's O'Hare & Midway airports to more than 230 cities worldwide.

Key Industries

- **Business Services:**

- Recent Wins:

- KPMG, announced plans to hire 500 employees by 2020, bringing its total staff in Chicago to 2,800
 - Braintree, expanded its Chicago headquarters by 20,000 Sq Ft in 2016 and is adding 360 employees
 - Sap America, invested \$8.8 million in its Chicago office and hired 158 employees

*Source: www.worldbusinesschicago.com

Why Chicago?

42 companies have relocated their headquarters to Chicago since 2011, making the city a natural fit for a diverse mix of business services. From 2015 to 2016, Chicago's business services sector gained 11,051 jobs, led by the Consulting Services and Computer Systems Design sectors.

Chicago is an efficient economic powerhouse, home to more than 400 major corporate headquarters, including 34 in the Fortune 500. There are more than 60,000 business services companies in the region. Many global business services companies are headquartered in Chicago, such as Deloitte, Mayer Brown and Aon Hewitt.

- **Manufacturing:**

Recent Wins:

- Whirlpool Corporation, signed a lease for 752,412 Sq Ft to house a new regional distributional center that will employ 60 people
- Atlantic Packaging, purchased a 378,443 Sq Ft facility to jump start its joint venture with StandFast Packaging
- Winpack Portion Packaging, Inc., purchased an additional 344,000 Sq Ft of industrial space
- Bombardier, leased an additional 238,192 Sq Ft of space in Des Plaines

Why Chicago?

Chicago is a leader among U.S. metros in many sectors of manufacturing, including food manufacturing, metals and plastics. Its central geographic location and convenient access to all major modes of transportation means that companies located in Chicago can easily reach local and global markets.

The strength of Chicago's manufacturing sector is tied to the many opportunities for collaboration and innovation that the city provides. Incubators like mHub and DMDII provide spaces for companies to try out new ideas and work within an ecosystem of advanced manufacturing.

With nearly a half million people employed in the manufacturing sector, Chicago provides a diverse and talented workforce. The intersection of talent, market access and innovation makes Chicago a natural choice for manufacturing.

- **Freight:**

Recent Wins:

- Tax Air Freight, leased a second distribution/warehouse space in Franklin Park totaling 55,251 Sq Ft
- Old Dominion Freight Lines, purchased an additional 78,830 Sq Ft of distribution/warehousing space in Chicago
- Saia LTL Freight, built a facility that totals 70,000 Sq Ft in the Mundelein/Grayslake area
- Pilot Air Freight, leased 138,086 Sq Ft of distribution/warehouse space in Northlake

Why Chicago?

Chicago's strategic location in the Midwest makes it a natural hub for freight services. In addition to convenient access to rail lines and highways, Chicago is also home to two international airports (O'Hare International Airport and Midway International Airport) that draw in freight activity from all parts of the globe. O'Hare Airport, for example, transported around 1,486,327.8 freight cargo tonnage in 2016 while Midway Airport transported 21,724.7 freight cargo tonnage in 2016. Freight impacts many of the region's sectors, including manufacturing, wholesale, and retail. As a result, it is imperative for Chicago to continue to bolster freight industry activity in the Midwest.

CHICAGOLAND REGIONAL INFORMATION- Continued

- **Biotech:**

Recent Wins:

- Horizon Pharma, expanded its U.S. headquarters in Chicago and added 400 jobs
- Vetter, started constructing a new \$320M production facility in 2016 with plans to add 300 jobs
- Valent, opened a new \$27 million, 85,000 Sq Ft research center in 2016

Why Chicago?

Chicago is a leader in the biotechnology sector with many companies choosing to locate their headquarters and research centers here. From 2015 to 2016, Chicago's biotechnology sector gained 1,423 jobs. Organizations in the Chicago metro received \$738.97 million in National Institutes of Health (NIH) grant funding in 2016. Northwestern University, University of Chicago and University of Illinois at Chicago were the largest Chicago area recipients, receiving \$268.05, \$162.88 and \$110.08 million, respectively.

Biopharmaceutical companies in Chicago received \$65 million in venture capital in 2016. In addition to having two of the world's top universities for life sciences – University of Chicago (#18) and Northwestern University (#39) – Chicago has a lower business cost for biotechnology/biomedical R&D than peer cities, including New York City, Los Angeles and Boston.

Advanced biotechnology research is thriving in Chicago. Argonne National Laboratory has an advanced photon source (APS), which allows researchers to build three-dimensional views of proteins. Argonne's APS was instrumental in helping AbbVie develop the HIV drug Kaletra. In 2016, the University of Chicago entered into a five-year collaboration agreement with Abbvie to advance medical research in oncology.

- **InfoTech:**

Recent Wins:

- Quality Technology Centers, purchased a 317,000 Sq Ft data center
- Quintessite, leased 108,544 Sq Ft of office space in Lombard

Why Chicago?

The Chicago region is globally competitive in the information technology sector with many of the nation's largest technology firms choosing to locate here. From 2015 to 2016 the number of employees in the information technology cluster increased by 3,538 and from 2014 to 2015 GRP in the cluster increased by 7.2%.

Chicago's entrepreneurial hub for digital startups, 1871, ranked 1st in the United States and 4th globally in the UBI Global list of Top University-Affiliated Business Incubators in 2015. 1871 has graduated at least 40 companies, which have in turn generated over 500 jobs.

In 2016, \$154.2M was invested into Chicago's information technology related industry segments*. This is a 23.5% YOY increase from the \$124.8M invested in those segments in 2015.

- **Health Services:**

Recent Wins:

- Rush University Medical Center, purchased 620,000 Sq Ft of space to accommodate a new outpatient center
- Outcome Health, increased their headquarters in Chicago by 334,000 Sq Ft
- Ann & Robert H. Lurie Children's Hospital, expanded its operations by 68,082 Sq Ft

Why Chicago?

Chicago is home to more than 40 national medical and health association headquarters, including the American Medical Association, the American Dental Association, and the American Hospital Association. Chicago's long-standing history as a central location for health care and medical professional organizations make it a strategic place for health care innovation.

A Talented Workforce

Chicago's affordable cost of living + world-class cultural & recreational options = excellent value for the city's vibrant & diverse workforce. Numerous studies point to a skilled workforce as a significant indicator of economic prosperity. Education is one of the key drivers behind a highly skilled and diversified workforce, and Chicago is not only concentrated in terms of educational institutions, but offers leading programs to prepare today's students for tomorrow's global opportunities.

- Two of the top business schools in the world (Booth School of Business and Kellogg School of Management)
- More than 714,000 people with bachelor's degrees or greater who live in the City of Chicago
- More than 145,000 college degrees conferred every year by nearly 138 Chicago area colleges and universities

Quality of Life

According to worldbusinesschicago.com, Chicago is a smart, dynamic city that offers a quality of life unparalleled by any other major metropolis, providing a true community with world class amenities for businesses and people. Described as an "urban value," Chicago's cost of living is lower than leading cities including New York, Los Angeles, Washington, D.C., Boston, and Philadelphia. Chicago's wide variety of places to live — from downtown high-rise condos, to traditional bungalows, to row homes, to rural farm houses — are conveniently linked to business opportunities by 7,200 miles of public transit serving nearly 2 million passengers annually. The city's unique character can be attributed to its people, its location/infrastructure, its collaborative business and government community, and an unprecedented array of arts and cultural resources, activities and destinations. Chicago's low cost of living and doing business ensures you can enjoy more of what the city has to offer.

- Outdoor Amenities
 - 26 miles of lakefront with an 18.5-mile lakefront trail
 - 570 parks and 24 beaches
 - Over 200 miles of bike lanes; 13,000 bike racks
- World-Class Dining & Hotels
 - Over 100 hotels with more than 41,000 hotel rooms
 - Over 7,300 restaurants and awarded "Restaurant City of 2017" by Bon Appetit
 - 26 Michelin Restaurants
- Arts & Culture
 - Nearly 40 museums and 200 art galleries
 - 200 theater companies and 220 dance companies
- Nightlife & Entertainment
 - Over 225 music venues
 - More than 400 neighborhood festivals
 - Over 30 downtown and neighborhood parades
- Sports
 - Chicago has been named as the Best Sports City by *Sporting News* three times, and is one of the few U.S. cities to have teams from all five major American professional team sports, including the 2016 World Series Champion Chicago Cubs, 2015 Stanley Cup Champion Chicago Blackhawks, Bears, White Sox, Bulls, Fire and Sky.

*Source: www.worldbusinesschicago.com

Chicago Industrial Market (CoStar 4th Quarter, 2018 Report)

According to Costar.com, the Chicago Industrial market ended the fourth quarter 2018 with a vacancy rate of 5.9%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 4,236,353 square feet in the fourth quarter. Vacant sublease space increased in the quarter, ending the quarter at 3,398,594 square feet. Rental rates ended the fourth quarter at \$6.02, an increase over the previous quarter. A total of 27 buildings delivered to the market in the quarter totaling 3,950,693 square feet, with 20,124,115 square feet still under construction at the end of the quarter.

Rental Rates

The average quoted asking rental rate for available Industrial space was \$6.02 per square foot per year at the end of the fourth quarter 2018 in the Chicago market area. This represented a 1.0% increase in quoted rental rates from the end of the third quarter 2018, when rents were reported at \$5.96 per square foot. The average quoted rate within the Flex sector was \$10.69 per square foot at the end of the fourth quarter 2018, while Warehouse rates stood at \$5.63. At the end of the third quarter 2018, Flex rates were \$10.52 per square foot, and Warehouse rates were \$5.57.

Sales Activity

Tallying industrial building sales of 15,000 square feet or larger, Chicago industrial sales figures fell during the third quarter 2018 in terms of dollar volume compared to the second quarter of 2018.

In the third quarter, 108 industrial transactions closed with a total volume of \$678,384,250. The 108 buildings totaled 9,700,620 square feet and the average price per square foot equated to \$69.93 per square foot. That compares to 115 transactions totaling \$705,235,743 in the second quarter. The total square footage was 11,933,862 for an average price per square foot of \$59.10.

Total year-to-date industrial building sales activity in 2018 is down compared to the previous year. In the first nine months of 2018, the market saw 321 industrial sales transactions with a total volume of \$2,013,270,391. The price per square foot has averaged \$63.55 this year. In the first nine months of 2017, the market posted 296 transactions with a total volume of \$2,042,498,453. The price per square foot averaged \$61.17.

Cap rates have been lower in 2018, averaging 7.51%, compared to the first nine months of last year when they averaged 8.26%.

One of the largest transactions that has occurred within the last four quarters in the Chicago market is J.P. Morgan's disposition of their Kraft Foods Industrial Portfolio at 1700 N Edgelawn Dr, 2303 W Indian Trail Rd and 2180-2380 Sullivan Rd. This portfolio, consisting of three buildings totaling 1,692,653 square feet, sold for \$150,600,000 or \$88.97 per square foot. The property sold on 1/4/2018 at a 5.75% cap rate to The Blackstone Group.

Source: www.costar.com

Chicago Retail Market (CoStar 4th Quarter, 2018 Report)

According to Costar.com, the Chicago retail market did not experience much change in market conditions in the fourth quarter 2018. The vacancy rate went from 5.9% in the previous quarter to 6.0% in the current quarter. Net absorption was positive 100,909 square feet, and vacant sublease space decreased by 82,334 square feet. Quoted rental rates decreased from third quarter 2018 levels, ending at \$16.05 per square foot per year. A total of 42 retail buildings with 581,514 square feet of retail space were delivered to the market in the quarter, with 1,984,856 square feet still under construction at the end of the quarter.

Rental Rates

Average quoted asking rental rates in the Chicago retail market are down over previous quarter levels, and up from their levels four quarters ago. Quoted rents ended the fourth quarter 2018 at \$16.05 per square foot per year. That compares to \$16.07 per square foot in the third quarter 2018, and \$15.85 per square foot at the end of the first quarter 2018. This represents a 0.1% decrease in rental rates in the current quarter, and a 1.25% increase from four quarters ago.

Sales Activity

Tallying retail building sales of 15,000 square feet or larger, Chicago retail sales figures rose during the third quarter 2018 in terms of dollar volume compared to the second quarter of 2018.

In the third quarter, 67 retail transactions closed with a total volume of \$479,572,955. The 67 buildings totaled 3,887,459 square feet and the average price per square foot equated to \$123.36 per square foot. That compares to 50 transactions totaling \$433,981,406 in the second quarter 2018. The total square footage in the second quarter was 3,626,494 square feet for an average price per square foot of \$119.67.

Total retail center sales activity in 2018 was down compared to 2017. In the first nine months of 2018, the market saw 172 retail sales transactions with a total volume of \$1,293,097,296. The price per square foot averaged \$114.29. In the same first nine months of 2017, the market posted 152 transactions with a total volume of \$1,507,101,941. The price per square foot averaged \$173.51.

Cap rates have been higher in 2018, averaging 7.73% compared to the same period in 2017 when they averaged 7.56%.

One of the largest transactions that has occurred within the last four quarters in the Chicago market is the sale of 2155 W 22nd St in Oak Brook. This 176,920 square foot retail center, The Shops at Oak Brook Place, sold for \$91,300,000, or \$516.05 per square foot. The property sold on 4/27/2018. Sold by Canadian Real Estate Investment, Choice Properties now holds ownership stakes. The center is occupied by tenants such as TJ Maxx, Old Navy, Nordstrom Rack, Nike Factory Store, DSW and Cost Plus World Market.

Source: www.costar.com

Chicago Office Market (CoStar 4th Quarter, 2018 Report)

According to Costar.com, the Chicago Office market ended the fourth quarter 2018 with a vacancy rate of 11.9%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 884,246 square feet in the fourth quarter. Vacant sublease space increased in the quarter, ending the quarter at 3,077,775 square feet. Rental rates ended the fourth quarter at \$24.79, an increase over the previous quarter. A total of 12 buildings delivered to the market in the quarter totaling 567,771 square feet, with 7,507,567 square feet still under construction at the end of the quarter.

Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$24.79 per square foot per year at the end of the fourth quarter 2018 in the Chicago market area. This represented a 1.3% increase in quoted rental rates from the end of the third quarter 2018, when rents were reported at \$24.48 per square foot.

The average quoted rate within the Class-A sector was \$28.22 at the end of the fourth quarter 2018, while Class-B rates stood at \$21.58, and Class-C rates at \$19.65. At the end of the third quarter 2018, Class-A rates were \$27.82 per square foot, Class-B rates were \$21.42, and Class-C rates were \$19.39.

The average quoted asking rental rate in Chicago's CBD was \$33.89 at the end of the fourth quarter 2018, and \$20.18 in the suburban markets. In the third quarter 2018, quoted rates were \$33.43 in the CBD and \$20.05 in the suburbs.

Sales Activity

Tallying office building sales of 15,000 square feet or larger, Chicago office sales figures fell during the third quarter 2018 in terms of dollar volume compared to the second quarter of 2018.

In the third quarter, 28 office transactions closed with a total volume of \$1,013,855,000. The 28 buildings totaled 5,888,014 square feet and the average price per square foot equated to \$172.19 per square foot. That compares to 49 transactions totaling \$1,914,121,788 in the second quarter 2018. The total square footage in the second quarter was 9,400,146 square feet for an average price per square foot of \$203.63.

Total office building sales activity in 2018 was up compared to 2017. In the first nine months of 2018, the market saw 111 office sales transactions with a total volume of \$4,296,755,688. The price per square foot averaged \$199.52. In the same first nine months of 2017, the market posted 90 transactions with a total volume of \$1,752,232,156. The price per square foot averaged \$176.04.

Cap rates have been lower in 2018, averaging 7.25% compared to the same period in 2017 when they averaged 8.20%.

One of the largest transactions that has occurred within the last four quarters in the Chicago market is the sale of Prudential Plaza in Chicago. This 2,204,607-square-foot office building sold for \$680,000,000, or \$308.44 per square foot. The property sold on 4/3/2018, at a 6% cap rate. Sold by The 601W Companies and Berkley Properties, Sterling Bay and Wanxiang America Real Estate Group now hold ownership stakes. The building is occupied by tenants such as CBS Radio and Leydig, Voit & Mayer.

Source: www.costar.com

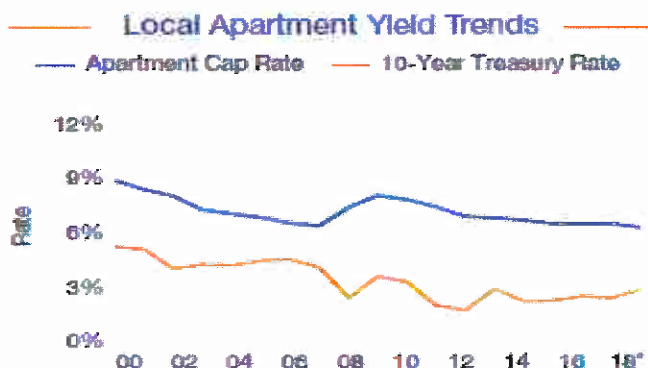
Apartment Market*

Tech companies boost their presence. Corporate expansions and relocations continue to support job growth in the Chicago metro. Tech firms, in particular, are increasing their staffs and bringing many higher-paying jobs to the market. The Solstice and Yello companies are growing their workforce and software firm Salesforce is considering opening an office in downtown Chicago. The move could potentially bring 5,000 additional jobs to the area. Healthy employment growth is fueling household formation metrowide and underpinning the need for quality housing. Elevated property taxes and high costs, however, are making homeownership unaffordable for many, boding well for apartment demand. In particular, young professionals entering the workforce have a 65 percent propensity to rent.

Vacancy declines in 2018 after flurry of construction weighed on the rate. Increased demand for rentals lowered vacancy during the 12 months ending in June. The decline was the first in two years as elevated construction hampered improvement. More than 17,000 apartments were built since 2016 and even more are on the way this year and next. Despite the rising pace of construction, demand will outpace supply this year, supporting vacancy improvement and healthy rent growth.

Multifamily 2018 Outlook

- **Construction:** Deliveries pick up slightly from the 8,800 apartments completed in 2017. The largest project is the nearly 500-unit Alta Roosevelt located in The Loop.
- **Vacancy:** The net absorption of more than 11,500 rentals will cut vacancy 40 basis points this year to 5.4 percent. Last year, vacancy rose 50 basis points.
- **Rents:** The average effective rent rises in 2018 to \$1,463 per month. The rate of growth is on par with 2017's 4.5 percent increase.



Investment Trends

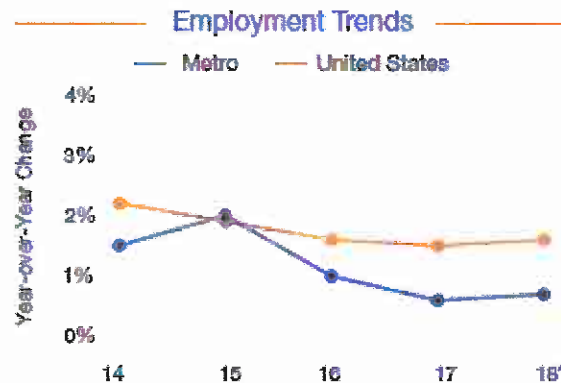
- The number of sales metrowide declined slightly since last October as investors waited for clarity surrounding tax reform earlier this year. Limited listings also slowed transaction velocity in Chicago during this time. Moving forward, some owners may place their properties on the market to capitalize on elevated pricing. The average price per unit is roughly 45 percent higher than the previous cyclical peak.
- Demand persists for apartments in northern suburbs near the waterfront. Popular areas include Ukrainian Village, Logan Square and Lakeview. Assets in these areas typically change hands with first-year returns in the mid-5 percent band.
- Buyers looking for lower entry costs and first-year returns up to 200 basis points higher than the metrowide average are looking to assets in southern lakefront locations.

*Source: Marcus and Millichap 4th Quarter, 2018 Report

Employment Trends:

0.7% increase in total employment Y-O-Y

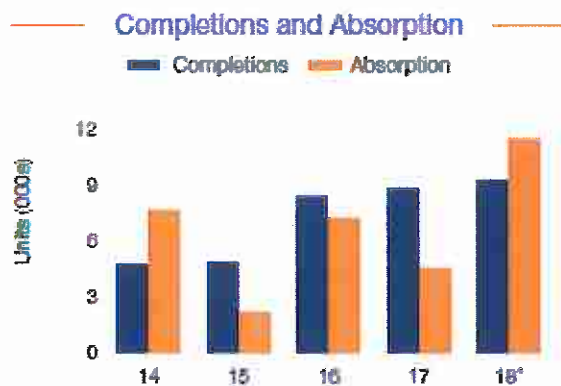
- Roughly 30,700 positions were added during 12-month period ending in September, after 32,400 jobs were created during the prior year. The unemployment rate rested at 3.9 percent in the third quarter.
- The manufacturing and construction sectors led job gains during the past four quarters with each adding more than 8,000 jobs.



Construction Trends:

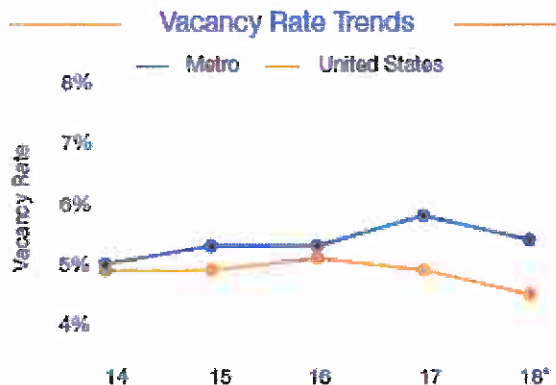
8,600 units completed Y-O-Y

- Completions declined moderately since last October after 8,900 apartments were delivered in the previous year.
- More than 16,300 units are underway marketwide with expected completion dates scheduled through 2020. Of these deliveries, roughly 5,000 apartments are to be finalized in The Loop.



Vacancy Rate Trends:
20 basis point increase in vacancy Y-O-Y

- Net absorption of more than 9,000 units cut vacancy during the past 12 months to 4.9 percent in the third quarter, erasing the 20-basis-point increase recorded the prior year.
- Vacancy improvement was greatest in Class A spaces, declining 80 basis points during the previous four quarters to 5.3 percent.



Rent Trends:
4.2% increase in effective rents Y-O-Y

- Building on a 3.9 percent increase the prior year, the average effective rent climbed to \$1,482 per month during the year ending in September.
- Several suburban submarkets posted above-average rent growth. In Central Cook County, effective rent jumped 7.2 percent to \$1,289 per month. Vacancy plummeted 110 base points in the area to 3.4 percent.



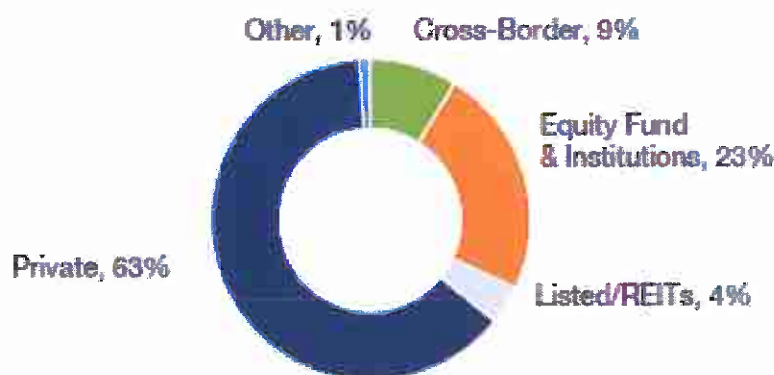
Sales Trends:

Institutional Buyers Remain Active as Steady Rent Growth and Tight Vacancy Lure Investors

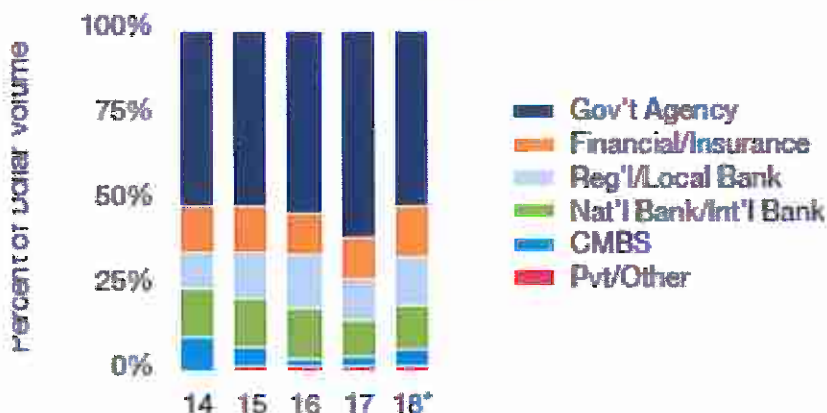
- The average price declined 6.8 percent during the past 12 months to \$154,000 per unit. The decline was primarily led by Class B properties where average prices fell 12 percent.
- Cap rates in the metro compressed 20 basis during the past four quarters to the low-6 percent band.

Outlook: Healthy property performance continues to attract institutional and larger buyers as transactions increased for assets in the \$20 million-plus range. Properties with first-year returns in the low-5 percent band were targeted.

3Q18 Apartment Acquisitions By Buyer Type



Apartment Mortgage Originations By Lender



Through 2Q
include sales \$2.5 million and greater
Sources: CoStar Group, Inc.; Real Capital Analytics

Capital Markets

- **Fed pushes overnight lending rate higher, cites economic strength in case for additional increases.** The Federal Reserve increased the federal funds rate by 25 basis points in late September, lifting the Fed funds rate to 2 percent. Remarks from the Fed highlight a robust economy, spurred by accommodative fiscal stimulus, while inflation remains broadly in line with expectations. Provided the economy continues to perform as expected, the Fed is likely to increase rates in December, as well as up to three times next year.
- **Benchmark interest rates, lending costs push higher post-Fed meeting.** After the Federal Reserve lifted overnight rates and maintained a positive economic outlook, long-term interest rates have pushed higher. The 10-Year Treasury yield has quickly traded toward the 3.25 percent range, which is prompting lenders to pass on the increased cost to borrowers. However, fierce competition for loans is also leading to some cost absorption among lenders. While greater borrowing costs may prompt buyers to seek higher cap rates, strong economic performance should enable rent growth above inflation. As a result, sellers remain committed to higher asking prices, which is widening an expectation gap as property performance and demand trends remain positive.
- **The capital markets environment continues to be highly competitive.** Government agencies remain the largest source of funds, commanding slightly over 50 percent market share. National and regional banks control approximately a quarter of the market. Pricing resides in the high-4 percent realm with maximum leverage of 75 percent. Portfolio lenders will typically require loan-to-value ratios closer to 70 percent with interest rates in the low-5 percent range. The passage of tax reform and rising fiscal stimulus will keep the U.S. economy growing, underpinning strong rental demand and supporting a national apartment vacancy rate of 4.6 percent at the end of 2018.

Source: Marcus and Millichap 4th Quarter, 2018 Report

HOUSING MARKET*

A report released November 27, 2018 by realtor.com forecasts that the Chicago-Naperville-Elgin Metropolitan Area will experience the worst housing market slowdown among 100 of the nation's metropolitan areas in 2019.

As mortgage rates continue creeping up, home sales are expected to slow nationwide. However, the slowdown is anticipated to be nearly four times worse in Chicago than in the rest of the nation.

Illinois homeowners are subject to the highest overall tax burden in the country, including the second highest property taxes in the nation. They're also weathering the largest permanent income tax hike in state history. As these costs rise, the value of homeownership falls relative to other areas, reducing demand for housing.

The combination of steeply declining home sales and values lands the Chicagoland housing market at the bottom for 2019.

Why is housing demand declining faster in Chicago? The poor health of the state's – and Chicago's – real estate market is due to a variety of factors.

Outmigration. For starters, the Illinois population has been declining for four consecutive years, second only to West Virginia. The Chicago metro area was the only one of the 10 largest metro areas to experience population decline last year. While births still outpace deaths in Illinois and Chicago, the population has been declining due to persistent outmigration.

Property taxes. For decades, Illinois property taxes have skyrocketed compared to home values, growing 43 percent faster than home values statewide and 76 percent faster than home values in Cook County. The dramatic rise in property taxes has resulted in Illinoisans now paying the second-highest rates in the nation.

Both the median price and the number of homes sold locally will fall in 2019, according to the forecast released by realtor.com.

**Source: illinoispolicy.org and chicagobusiness.com*

This is a return to 100th place for Chicago, which also ranked at the bottom of the list in the forecast for 2017.

Only three metro areas on the list of 100 are forecast to go negative next year on both prices and number of sales, and their decreases add up to smaller hits on their markets than in Chicago.

“The real estate market will be a reflection of what we’re seeing in the Chicago economy in general,” said Danielle Hale, the author of the report and chief economist for Realtor.com, which is operated by California-based Move in partnership with the National Association of Realtors.

The number of home sales in the Chicago area will fall 7.4 percent in 2019, according to Hale’s forecast, and the median sale price will be down 1.9 percent.

One important factor holding down inventory is the Chicago area’s high proportion of homeowners who are so far underwater on their mortgage that they can’t afford to sell.

In both of the past two years the forecast came close to what actually happened in the Chicago area, though it appears to have been slightly more optimistic on sales than the market proved, and slightly more pessimistic on prices.

CONCLUSION

In general, the national as well as the local economy is still strong, but rising interest rates and the uncertain political and trade climate is creating downward pressures. In addition, while financing is still readily available, interest rates have been increasing. Considering all factors affecting the real estate market, real estate values should generally remain stable or increase slightly in the near future in most market segments. However, there are a number of concerns including increasing apartment concessions being provided by owners to maintain occupancy. There have also been a number of major retailers that have gone out of business recently resulting in a significant amount of space that is or will be vacant in the near future.

LOCATION MAP



AREA INFORMATION - OAK PARK*

Oak Park's convenient location, only nine miles west of the Loop, as well as transportation and a wide array of housing, attracts many home buyers.

The village is rich in history and has produced a number of famous people, among them author Edgar Rice Burroughs, world-renowned architect Frank Lloyd Wright, McDonald's founder Ray Kroc, chemist Percy Julian, whose research led to the development of the drug Cortisone, and Ernest Hemingway, whose boyhood home was recently opened as a museum.

Oak Park is known for its architecture. The town has three national historic districts which contain over 300 noteworthy buildings. Guided and self-guided cassette tours of the area are available and in June and August there are architectural bicycle tours. In addition to the Prairie School designs, Oak Park has an extensive collection of Victorian houses as well as other classic styles.

Village attractions include a farmers' market, held every Saturday from the beginning of June until the end of October, that features seasonal fruits and vegetables from a four-state area. "A Day in Our Village" is another popular summer festival, highlighting a myriad of community organizations and featuring food and entertainment. The village has received a "Tree City, U.S.A." award every year since 1984.

Schools. Children attend district 97 elementary schools. Teenagers attend Oak Park-River Forest High School in district 200.

** Excerpts from Living in Greater Chicago Web Site.*

AREA INFORMATION - Continued

Transportation. Convenient transportation is part of what draws residents to the village. The Eisenhower Expressway (I- 290) has entrances and exits at Austin and Harlem avenues. Drivers may expect an easy 30-minute trip to the Loop and 35 minutes to reach either Midway or O'Hare airports. Rail commuters may choose the Lake Street or Congress El or the Metra and expect a 20-minute trip to the Loop. Bus service is also available.

NEIGHBORHOOD DESCRIPTION

Neighborhood is defined by the Dictionary of Real Estate Appraisal, 5th Edition, pg. 133, as "A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises."

More specifically, the subject under appraisal is the entire east/west alley between S. Scoville and S. East Avenues and north of Madison Street, in the Ridgeland Historic District of Oak Park.

To the north of the alley is a parcel currently used by Fenwick High School for parking and the high school building and to the south is more parking, also owned by Fenwick.

Commercial improvements and mixed-use buildings are situated along Madison Street and multi-family housing is situated along East and Scoville Avenues.

This area has consistently experienced good demand for housing due to its access to public transportation and easy access to the Eisenhower Expressway and CTA Rapid Transit.

The subject area is convenient to the Primary Business District of Oak Park which includes shopping, recreational and cultural facilities. Recent growth in the subject area and some recent planned developments in the community assure a long term upward trend in real estate values.

Market Conditions

Currently, the real estate market has recovered in this area. In the last year, sales volumes appear to have been increasing but it is still difficult to obtain financing because of stricter lending requirements and guidelines.

NEIGHBORHOOD DESCRIPTION - Continued

Trend Analysis

Neighborhoods generally experience four stages:

- (1) growth - a period which the neighborhood gains public favor and acceptance,
- (2) stability - a period of equilibrium without market gains or losses,
- (3) decline - a period of diminishing demand,
- (4) revitalization - a period of renewal, modernization, and increasing demand.

From our observation of the real estate values and trends in the immediate neighborhood, it is our opinion that the area had been experiencing gentrification due to the desirability of the neighborhood.

There was renovation of the older buildings in the area and some new construction was apparent prior to the collapse of the housing market in late 2007/early 2008. The entire economy has been in a severe recession and the housing market has now recovered in this area. New multi-family developments have been recently constructed and several residential developments are in the process of construction. Based upon these analyses, we feel that the area is in a stage of revitalization. Real estate values should remain stable or increase modestly during the near future in this area.

SITE DESCRIPTION

LOCATION:

The subject site consists of the proposed vacation of the east/west alley north of Madison Street between S. Scoville and S. East Avenues. The alley under appraisal is 15' x 366.2' and consists of 5,493± square feet of total land area. The site is zoned I, Institutional District in Oak Park, Illinois.

SHAPE:

Rectangular.

TOPOGRAPHY:

Generally level and at grade with surrounding improvements.

LENGTH:*

366.2± feet.

WIDTH:*

15± feet.

FRONTAGE:*

15 feet on the east side of S. East Avenue and 15 feet on the west side of S. Scoville Avenue.

LAND AREA:

5,493± square feet.

ZONING:

I, Institutional

UTILITIES:

The site has gas, electric, water, sewer and telephone available to the site.

* Per Tax map and Plat of Vacation.

SITE DESCRIPTION -- Continued

STREETS:

S. Scoville and S. East Avenues are two lane north/south secondary roadways. The alley under appraisal is accessed 123± feet north of Madison Street.

SOIL AND SUBSOIL:

No soil tests have been provided, nor have we been provided with information pertaining to the quality of the soil. This appraisal is subject to tests indicating positive conditions for development.

REAL ESTATE TAX INFORMATION:

Permanent Index Number: None

Total 2017 Real Estate Taxes
(Payable in 2018) Exempt

EASEMENTS, ENCROACHMENTS,
RESTRICTIONS, ETC.:

There were no apparent adverse easements, encroachments, restrictions or the like, observed or reported to us. Typical utility easements are assumed. This appraisal is subject to their being no adverse conditions from any such factors impacting the subject.

FLOOD PLAIN:

According to officials from the Village of Oak Park, no area of the community is located in a FEMA designated flood hazard area and no panel is printed.

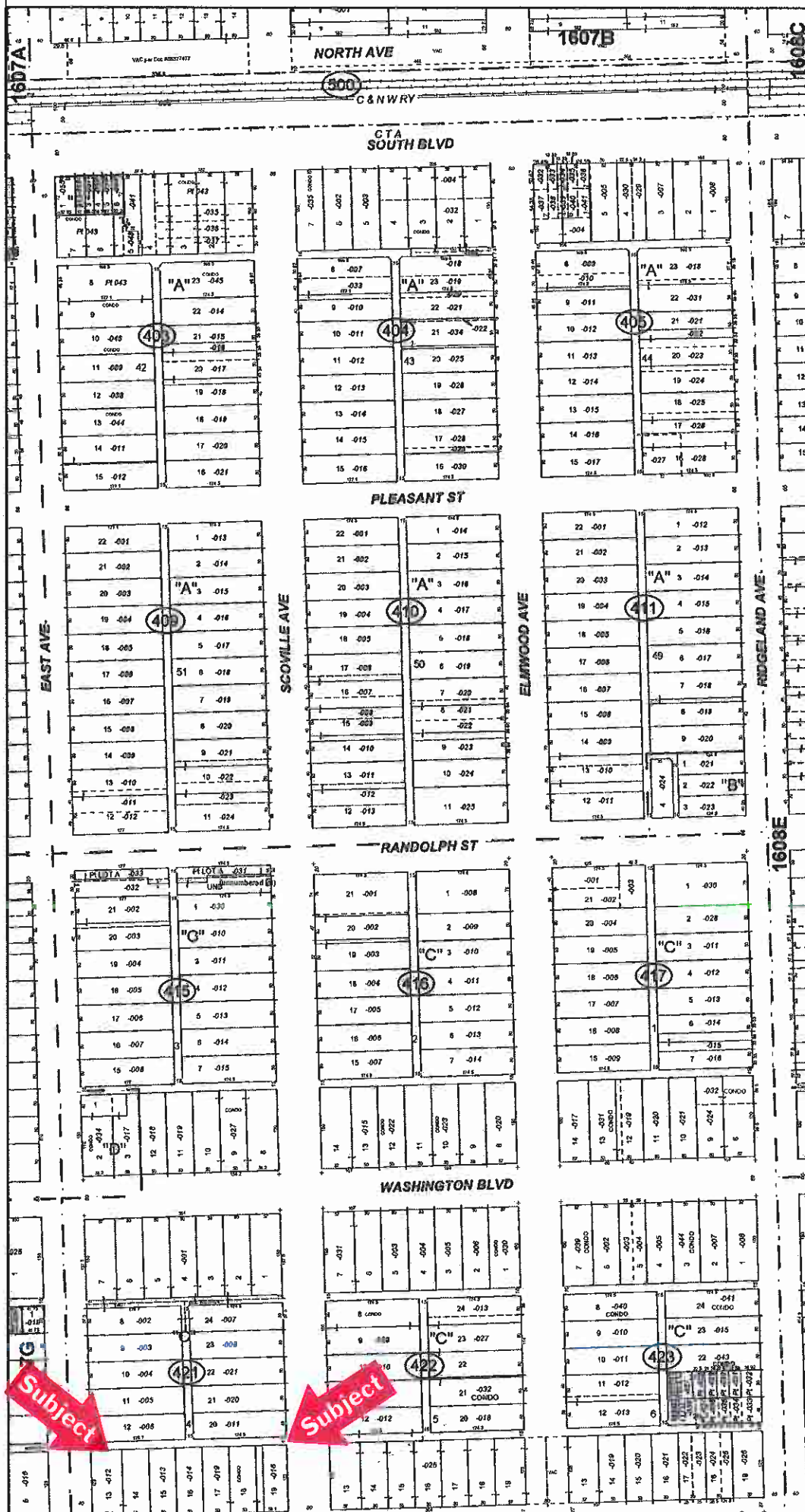
SITE DESCRIPTION – Continued

ENVIRONMENTAL:

This appraisal is subject to the subject property having no environmentally hazardous materials or conditions and predicated upon the subject being free and clear of environmental contamination.

EASEMENTS/RESTRICTIONS:

Currently, the alley contains utility runs and the Village of Oak Park retains perpetual easements for their maintenance and repair. The two properties on the northwest corner of Madison Street and S. Scoville Avenue will have a 160 foot perpetual easement for pedestrian and vehicular access. As such, no construction can be accomplished over the entire easement area. It's usage is limited to only ingress and egress into other portions of Fenwick properties.



"A"

VILLAGE OF RIDGELAND, a sub. of the E.1/2 of the E.1/2 of Sec. 7 and of the N.W.1/4 and the W.1/2 of the W.1/2 of the S.W.1/4 of Sec. 8-30-13.

Rec. Doc. 9999999999

"B"

BERT BRIGGS SUB. of Lots 10 & 11 in Bk. 49 in Village of Ridgeland (see "A").

Rec. Doc. 9999999999

"C"

EAST AVE. ADD. TO OAK PARK, a sub. of Bkls. 52 to 54 and 59 to 61 in Village of Ridgeland (see "A").

Rec. Doc. 9999999999

"D"

JOHN T. HALL'S SUB. of Lots 13 & 14 in Bk. 3 of East Ave. Add. (see "C").

Rec. Doc. 9999999999

"E"

BARCLAY RESUB. of part of Lots 5, 6 and 7 in Bk. 42 of Village of Ridgeland (see "A").

Rec. 03/31/1987 Doc. 87168503

CONDOMINIUM: 16-07-403-043

PARK EAST CONDOMINIUM

Rec. 06/25/1978 Doc. 24600637

Unit	Unit	Unit
106-1 = 1001	106-2 = 1002	106-3 = 1003
106-4 = 1004	110-1 = 1005	110-2 = 1006
110-3 = 1007	112-1 = 1008	112-2 = 1009
112-3 = 1010	112-4 = 1011	114-1 = 1012
114-2 = 1013	114-3 = 1014	116-1 = 1015
116-2 = 1016	116-3 = 1017	116-4 = 1018
118-1 = 1019	118-2 = 1020	118-3 = 1021
P-1 = 1022	P-2 = 1023	P-3 = 1024
P-4 = 1025	P-5 = 1026	P-6 = 1027
P-7 = 1028	P-8 = 1029	P-9 = 1030
P-10 = 1031	P-11 = 1032	P-12 = 1033
P-13 = 1034	P-14 = 1035	P-15 = 1036
P-16 = 1037	P-17 = 1038	P-18 = 1039
P-19 = 1040	P-20 = 1041	P-21 = 1042
P-22 = 1043	P-23 = 1044	P-24 = 1045
P-25 = 1046	P-26 = 1047	P-27 = 1048
P-28 = 1049	P-29 = 1050	P-30 = 1051
P-31 = 1052	P-32 = 1053	

CONDOMINIUM: 16-07-403-044

134 SOUTH EAST AVE CONDOMINIUM

Rec. 06/25/1978 Doc. 24604580

Unit	Unit
1 = 1001	2 = 1002

CONDOMINIUM: 16-07-403-045

SCOVILLE MANOR CONDOMINIUM

Rec. 06/27/1978 Doc. 24616628

Unit	Unit	Unit
1-S = 1001	2-S = 1002	3-S = 1003
1-N = 1004	2-N = 1005	3-N = 1006
1-G = 1007	2-G = 1008	3-G = 1009
1-O = 1010	2-O = 1011	3-O = 1012

CONDOMINIUM: 16-07-403-046

VILLA MIRANDA CONDOMINIUM

Rec. 06/27/1978 Doc. 25681187

Unit	Unit	Unit	Unit
1 = 1001	2 = 1002	3 = 1003	4 = 1004
5 = 1005	6 = 1006	7 = 1007	8 = 1008

CONDOMINIUM: 16-07-404-032

109 ELMWOOD CONDOMINIUM

Rec. 11/07/1980 Doc. 25686682

Unit	Unit	Unit	Unit
1 = 1001	2 = 1002	3 = 1003	4 = 1004
7 = 1005	8 = 1006	9 = 1007	10 = 1008
11 = 1009	12 = 1010	13 = 1011	14 = 1012
16 = 1013	17 = 1014	18 = 1015	19 = 1016
20 = 1017	21 = 1018	22 = 1019	23 = 1020
25 = 1021	26 = 1022	27 = 1023	28 = 1024
29 = 1025	30 = 1026		

CONDOMINIUM: 16-07-404-035

SCOVILLE TERRACE CONDOMINIUM

Rec. 06/26/1984 Doc. 84758695

Unit	Unit
104-0A = 1001	104-1A = 1002
104-2A = 1003	104-3A = 1004
106-1B = 1005	106-2B = 1006
106-3B = 1007	106-1C = 1008
106-2C = 1009	106-3C = 1010
110-1D = 1011	110-2D = 1012
110-3D = 1013	P-1 = 1014



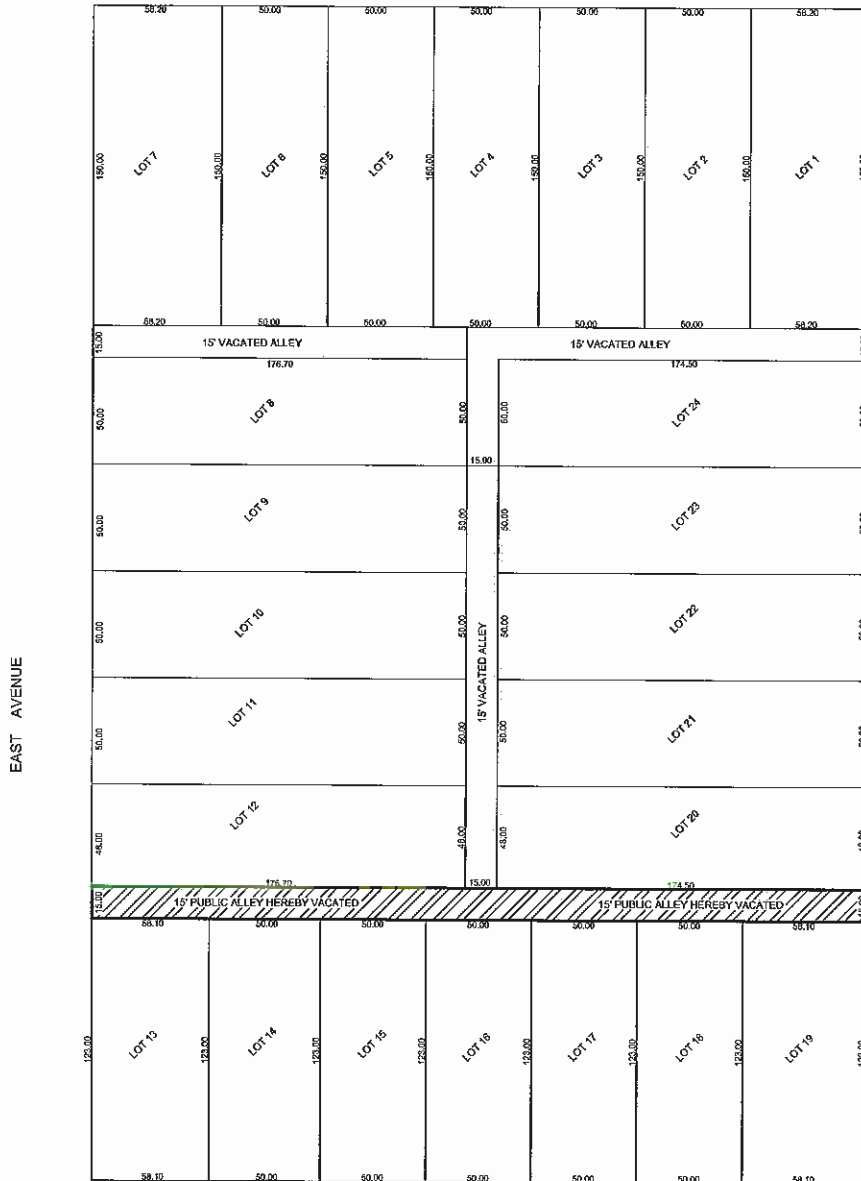
RUSSELL W. SCHOMIG, PLS
WILLIAM K. SCHOMIG

SCHOMIG LAND SURVEYORS, LTD.

909 EAST 31st STREET
LA GRANGE PARK, ILLINOIS 60526
E-MAIL: SCHOMIG-SURVEY@SBCGLOBAL.NET
WEB: WWW.LAND-SURVEY-NOW.COM
PHONE: 708-352-1452
FAX: 708-352-1454

ALL OF THE 15' PUBLIC ALLEY LYING BETWEEN AND ADJOINING LOTS 13 TO 19 AND LOT 12 AND LOT 20 AND VACATED 15' PUBLIC ALLEY IN BLOCK 4 IN EAST AVENUE ADDITION TO OAK PARK, A SUBDIVISION OF BLOCKS 52 TO 54 AND 59 TO 61 IN VILLAGE OF RIDGELAND, A SUBDIVISION OF THE EAST 1/2 OF THE EAST 1/2 OF SECTION 7 AND THE NORTHWEST 1/4 AND THE WEST 1/2 OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

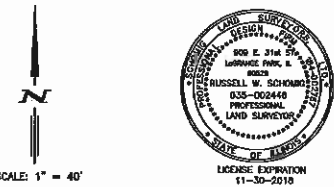
WASHINGTON BOULEVARD



EXISTING EASEMENTS OR RIGHTS-OF-WAY AND RESERVATION OF EASEMENT

THE PROPERTY VACATED PURSUANT TO THIS PLAT OF VACATION IS SUBJECT TO ANY EXISTING EASEMENTS OR RIGHTS-OF-WAY OF PUBLIC RECORD IN THE NAME OF THE VILLAGE OF OAK PARK, COOK COUNTY, ILLINOIS ("VILLAGE"), AND TO UTILITY COMPANIES OPERATING UNDER FRANCHISE FROM THE VILLAGE AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS JOINTLY AND SEVERALLY, GRANTING THE RIGHT TO MAINTAIN, REPAIR, CONSTRUCT, RECONSTRUCT AND RELOCATE ANY RESPECTIVE FACILITIES OR EQUIPMENT IN, UNDER, ACROSS AND ALONG THOSE PARTS OF THE PUBLIC ALLEY AS HEREIN VACATED WITH THE RIGHT OF ACCESS THERETO AT ALL TIMES FOR ANY AND ALL SUCH PURPOSES AS MAY BE REASONABLY REQUIRED FOR THE MAINTENANCE, REPAIR, CONSTRUCTION, RECONSTRUCTION AND RELOCATION OF SAID FACILITIES OR EQUIPMENT.

AN EASEMENT IS HEREBY RESERVED FOR AND GRANTED TO THE VILLAGE AND TO UTILITY COMPANIES OPERATING UNDER FRANCHISE FROM THE VILLAGE AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS JOINTLY AND SEVERALLY, OVER AND UNDER THE PROPERTY VACATED PURSUANT TO THIS PLAT OF VACATION FOR THE PERPETUAL RIGHT, PRIVILEGE AND AUTHORITY TO CONSTRUCT, RECONSTRUCT, REPAIR, INSPECT, MAINTAIN AND OPERATE VARIOUS UTILITY TRANSMISSION AND DISTRIBUTION SYSTEMS AND COMMUNITY ANTENNA TELEVISIONS SYSTEMS AND ALL NECESSARY CONNECTIONS, APPLIANCES AND OTHER STRUCTURES AND APPURTENANCES AS MAY BE DEEMED NECESSARY BY SAID VILLAGE AND FOR ANY AND ALL MUNICIPAL PURPOSES, OVER, UPON, ALONG, UNDER AND THROUGH SAID PROPERTY, TOGETHER WITH RIGHT OF ACCESS TO THE PROPERTY TO DO ANY OF THE ABOVE WORK. THE VILLAGE OF OAK PARK HEREBY RESERVES A PERPETUAL EASEMENT FOR THE EXCLUSIVE USE AND BENEFIT OF ITSELF AND THE OWNERS OR OCCUPANTS OF THE PROPERTY LOCATED AT THE NORTHWEST CORNER OF MADISON STREET AND SCOVILLE AVENUE, COMMONLY KNOWN AS 437-443 SOUTH SCOVILLE AVENUE AND 505-512 MADISON STREET, PROPERTY INDEX NUMBERS 16-07-421-016-00000 AND 16-07-421-016-00000, AND ANY OF THEIR OFFICERS, AGENTS, REPRESENTATIVES, EMPLOYEES, LICENSEES, SUCCESSORS, OR ASSIGNED FOR PEDESTRIAN AND VEHICULAR ACCESS ON THE PAVED SURFACE PROVIDING ACCESS TO THE SCOVILLE AVENUE PUBLIC RIGHT-OF-WAY, WHICH SHALL BE MAINTAINED IN PERPETUITY AS A PAVED SURFACE, FOR A DISTANCE OF ONE HUNDRED SIXTY (160) FEET FROM THE EAST PROPERTY LINE ALONG SCOVILLE AVENUE AT A WIDTH OF FIFTEEN (15) FEET. THE RIGHT IS ALSO GRANTED TO CUT DOWN, PRUN OR REMOVE ANY TREES, SHRUBS OR OTHER PLANTS THAT INTERFERE WITH THE OPERATION OF THE UTILITIES OR PUBLIC INGRESS AND EGRESS OVER AND ON THE PROPERTY. NO PERMANENT BUILDINGS SHALL BE PLACED ON SAID PROPERTY, NOR SHALL THE SAME BE USED FOR ANY PURPOSES, BUSINESS, LANDSCAPING, OR OTHER PURPOSES THAT DO NOT THEN OR LATER INTERFERE WITH THE AFORESAID USES AND RIGHTS. ALL INSTALLATIONS SHALL BE SUBJECT TO THE ORDINANCES OF THE VILLAGE OF OAK PARK. AN EASEMENT IS HEREBY RESERVED FOR AND GRANTED TO THE VILLAGE OF OAK PARK AND OTHER GOVERNMENTAL AUTHORITIES HAVING JURISDICTION OF THE LAND OVER ENTIRE EASEMENT AREA FOR INGRESS, EGRESS AND THE PERFORMANCE OF ANY AND ALL MUNICIPAL AND OTHER GOVERNMENTAL SERVICES.



SCALE 1" = 40'

MADISON STREET

SURVEYORS CERTIFICATE

STATE OF ILLINOIS } ss.
COUNTY OF COOK }

I, RUSSELL W. SCHOMIG AN ILLINOIS LICENSED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT I HAVE SURVEYED AND PREPARED THIS PLAT OF VACATION FROM OFFICIAL RECORDS AND THIS PLAT IS A TRUE AND CORRECT PRESENTATION OF THE SAME.

FURTHERMORE, I DESIGNATE THE VILLAGE OF OAK PARK, TO ACT AS MY AGENT, FOR THE PURPOSES OF RECORDING THIS DOCUMENT.

SURVEYED: JUNE 14TH, 2017.
PLAT OF VACATION: MAY 25TH, 2018.

ORDERED BY: FENWICK HIGH SCHOOL.

Russell W. Schomig
RUSSELL W. SCHOMIG; PROFESSIONAL ILLINOIS LAND SURVEYOR LICENSE # 035-002446

PLAT NUMBER: 170594-V-1 ROLL: 108-107 FC: 2856.

VILLAGE BOARD CERTIFICATE

STATE OF ILLINOIS } ss.
COUNTY OF COOK }

APPROVED BY THE PRESIDENT AND VILLAGE BOARD OF THE VILLAGE OF OAK PARK, ILLINOIS AT A MEETING HELD:

ON THE _____ DAY,
OF _____ 2018.

BY: _____
PRESIDENT

BY: _____
PLEASE PRINT NAME

BY: _____
VILLAGE CLERK

BY: _____
PLEASE PRINT NAME

COOK COUNTY CLERK'S CERTIFICATE

STATE OF ILLINOIS } ss.
COUNTY OF COOK }

I, THE UNDERSIGNED, AS COOK COUNTY CLERK, COOK COUNTY, ILLINOIS, DO HEREBY CERTIFY THAT THERE ARE NO DELINQUENT TAXES, NO UNPAID OR FORFEITED TAXES, AND NO REDEEMABLE TAX SALES AGAINST ANY OF THE LAND DEPICTED HEREON. I FURTHER CERTIFY THAT I HAVE RECEIVED ALL STATUTORY FEES IN CONNECTION WITH THE PLAT DEPICTED HEREON, GIVEN UNDER MY HAND AND SEAL OF THE COOK COUNTY CLERK AT CHICAGO, ILLINOIS.

THIS _____ DAY,
OF _____ 2018.

BY: _____
CLERK

BY: _____
PLEASE PRINT NAME

COOK COUNTY RECORDER OF DEEDS CERTIFICATE

STATE OF ILLINOIS } ss.
COUNTY OF COOK }

I, THE UNDERSIGNED, AS RECORDER OF DEEDS FOR COOK COUNTY, ILLINOIS, DO HEREBY CERTIFY THAT INSTRUMENT NO. _____ WAS RECORDED BY THE COOK COUNTY RECORDER OF DEEDS, COOK COUNTY, ILLINOIS, ON

THE _____ DAY,
OF _____ 2018.

BY: _____
COOK COUNTY RECORDER OF DEEDS

BY: _____
PLEASE PRINT NAME

ZONING

According to the zoning department of the Village of Oak Park, the alley area is zoned I, Institutional District. A summary of pertinent zoning restrictions as they apply to the subject property are as follows:

The I, Institutional Zoning District is intended to accommodate governmental uses, larger public and private educational facilities on sites typically over one acre in size, cultural facilities and similar uses located within the village.

PERMITTED USES:

This zoning classification has only a minimal amount of permitted uses. Some of the permitted uses are museums, community centers, educational facilities, places of worship, cultural offices and some temporary uses.

MINIMUM LOT AREA:

10,000 square feet

MAXIMUM BUILDING HEIGHT:

45 feet

YARD REQUIREMENTS:

Front: 15 feet.

Side: 10 feet.

Rear: 25 feet.

There are variations to the above and the zoning ordinance should be checked for precise details.

OAK PARK ZONING MAP

Adopted September 16, 2017



LEGEND

- R-1 Single Family
- R-2 Single Family
- R-3.50 Single Family
- R-3.90 Single Family
- R-4 Single Family
- R-4.50 Single Family
- R-5.50 Multi-Family
- R-6 Multi-Family
- NC Neighborhood Commercial
- GC General Commercial
- HS Harrison Street
- SR Riverside Street
- RR Roosevelt Road
- OT Downtown
- H-Highland
- OS Open Space
- F-Industrial

HISTORIC DISTRICTS

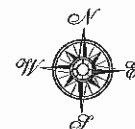
- Frank Lloyd Wright
- Oaklawn
- Ridgeland - Oak Park

PLANNED DEVELOPMENTS

- 1 100 Forest Place 1984-O-30
- 2 Dicks Place 1985-O-79
- 3 Elmwood Avenue Townhomes 2008-O-42
- 4 Madison Street Townhomes 2004-O-40, 2003-O-35
- 5 Dicks Terrace 2001-O-14, 2002-O-15, 2003-O-22
- 6 Maple Square Townhomes 2001-O-40
- 7 Ridgeland Station Phase B 2002-O-01, 2003-O-41
- 8 Belmont Village 2003-O-42
- 9 The Ridgeland 2003-O-26
- 10 The Oak Park Open Club 2004-O-36, 2007-O-13, 2007-O-14
- 11 WhiteCo Residential 2005-O-14, 2005-O-11 [Oak Park Place]
- 12 Clarence Square Townhomes 2005-O-41
- 13 Madison Street Townhomes 2005-O-45
- 14 Garden Grove Townhomes 2007-O-21
- 15 The Home Avenue Townhomes 2007-O-42, 2013-O-26
- 16 Westlens Development 2003-O-54, 2013-O-07
- 17 Madison Highlands 2009-O-46
- 18 Lake and Forest Development 2010-O-14, 2010-O-01, 2012-O-44
- 19 Grove Avenue Apartments 2011-O-26, 2012-O-17
- 20 Residences of Maple Place 2014-O-32
- 21 Oak Park Oaks 2014-O-43
- 22 Oak Park Station ORD 16-135
- 23 Lincoln Development ORD 16-025029
- 24 District House ORD 16-057
- 25 Atrium of Oak Park ORD 17-010
- 26 Rush Oak Park Hospital ORD 17-253

TRANSPORTATION

- Streets
- >200 (Expressway)
- Railroad
- CTA BLUE LINE
- CTA GREEN LINE



0 450 900 1,800 Feet

DISCLAIMER: This drawing is neither a legally recorded map nor a survey, and is not intended to be used as such. This drawing is a compilation of records, information and data located in various village, county, state and federal offices, and other sources, affecting the land area displayed and is to be used for reference purposes only. The Village of Oak Park shall not be responsible for any inaccuracies therein contained. If discrepancies are found, please contact the Oak Park Development Customer Services Department.

HIGHEST AND BEST USE ANALYSIS

Highest and best use analysis is an economic study of market forces focused on the subject property. An understanding of market behavior is critical to the concept of the highest and best use. It is defined as follows²

“The reasonably probable and legal use of vacant land or an improved property, that is physically possible, appropriately supported, financially feasible and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”

Another source defines Highest and Best Use as³:

"the reasonably probable and legal use of vacant land or an improved property, that is legally permissible, physically possible, appropriately supported, financially feasible, and that results in the highest value."

Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specific use to the community or community development goals as well as the benefits of that use to individual property owners. Hence, in certain situations the highest and best use of land may be for parks, greenbelts, preservation, conservation, wildlife habitats, and the like.

There are four criteria property must meet to be the highest and best use. These are applicable to both vacant land and improved property. The highest and best use must be:

² Source: The Dictionary of Real Estate Appraisal, 5th Edition, page 93.

³ The Appraisal of Real Estate, 13th Edition, page 278, Published 2008 by the Appraisal Institute.

HIGHEST AND BEST USE- Continued

As is indicated within these definitions, there are two concepts of highest and best use : 1) of land or a site as though vacant, and 2) of improved property. Essentially, the highest and best use of land, or a site as though vacant, will be the use for which a purchaser who is willing to pay the highest price will develop the land or site. An improved property will most often be the highest and best use as improved, provided that its value exceeds the value of its land or site as though vacant. Generally, once a property's site value exceeds the value as improved, the highest and best use as improved becomes "as vacant", and most often the improvements are demolished to allow the site to be redeveloped to its highest and best use.

There are four criteria property must meet to be the highest and best use. These are applicable to both vacant land and improved property. They must be:

1. Legally Permissible

It must be determined what legal uses are allowed for the subject property given its zoning. Potentially, deed restrictions, building codes, historic district controls, and environmental regulations may also impact what uses the subject property can be put to.

2. Physically Possible

Physical characteristics of vacant land can restrict development potential. Size, shape, topography, location in a Flood Zone, soil conditions, and other physical factors can limit the potential for development of a site. As improved, a property's design, size, and physical condition are factors that impact its value. Potentially, an improved property may reach a point where it should be converted to another use. A prime example of such a situation is in the City of Chicago where many older, multi-story, industrial/manufacturing buildings have been converted to residential/loft apartments and condominiums.

3. Financially Feasible

Having made an analysis of what potential uses are not legally permissible and physically possible, many uses have been eliminated from consideration. Those potential uses that meet the first two criteria are further analyzed so as to determine if the income or return on the property is sufficient to meet the operating expenses, financial obligation and capital amortization. Those uses that are expected to produce a positive return are considered financially feasible.

HIGHEST AND BEST USE- Continued

4. Maximally Productive

The use that produces the greatest return of all of those properties previously determined to be financially feasible, would be the maximally productive use.

When evaluating a property to determine it's highest and best use, two separate concepts must be explored:

- 1) The Highest and Best Use of the land if vacant,
and
- 2) The Highest and Best Use of the site as improved.

It is possible that the Highest and Best Use of the site as vacant would be different from the Highest and Best Use as improved. If this was the case, a judgement would then need to be made whether the current improvements maximize the value of the site or it if would be financially feasible to replace or modify the improvements with another use. The subject under appraisal is vacant land and, as such, there is only one Highest and Best Use Analysis, as vacant.

HIGHEST AND BEST USE - AS VACANT

1. Legally Permissible

Legal restrictions can take the form of zoning regulations or deed restrictions. No easements were observed although if they do exist, they are assumed to be ordinary utility, drainage or pipeline easements that would not negatively affect utility. The subject site is zoned I, Institutional District. This zoning classification would permit the construction of several types of commercial buildings. However, the property will be encumbered by perpetual easements which preclude any development on the land area.

2. Physically Possible

As noted, the subject site is a 5,493± square foot rectangular site. It is a level site, is not situated in a flood hazard area and appears to have soil quality suitable for development. All utilities are available to the subject and there are no known factors that would restrict development of the site, other than legal or zoning regulations. However, its small size would preclude any type of practical development.

HIGHEST AND BEST USE - Continued

3. Financially Feasible

There are numerous free-standing residential and commercial buildings in the area. The subject property is located in an older area built-up with a variety of residential and multi-family improvements. There appears to be demand for residential and commercial improvements. The alley site is too small for any practical development unless it is combined with an adjacent parcel.

4. Maximally Productive

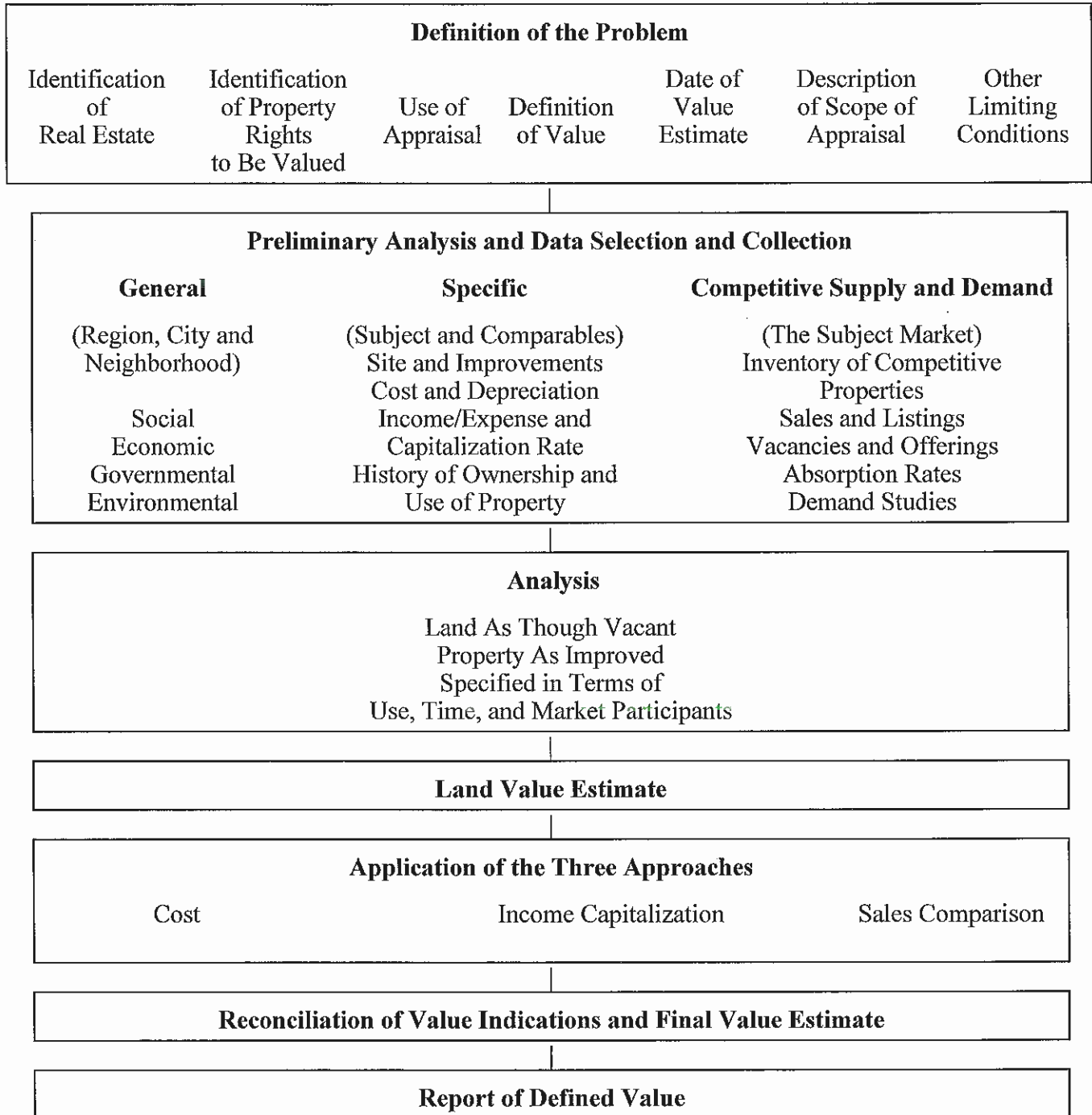
The use that creates the highest land value would be the highest and best use of the site as though vacant. Since development of the site is not legally permissible and not financially feasible and actually a detriment to the current owner, it follows that the maximally productive use of the site would be to combine it with adjacent parcels to further the needs of Fenwick High School, an educational institution serving Oak Park and the surrounding communities.

Conclusion

The highest and best use of the site - as vacant, is to combine it with the adjacent parcels to the north and south in furtherance of fulfilling a need for a local educational institution and relief from future maintenance expenses by the Village of Oak Park. Its utility is limited for ingress and egress into the larger site it would be part of.

THE VALUATION PROCESS

The valuation process is "a systematic procedure employed to provide the answer to a client's question about real property value."⁴ The following chart⁵ summarizes the procedure.



⁴ Source: The Appraisal of Real Estate, Twelfth Edition, pg. 69.

⁵ Ibid.

THE VALUATION PROCESS - Continued

The "Definition of the Problem", the "Preliminary Analysis and Data Selection and Collection", and the "Analysis" steps have already been identified and discussed herein.

The next step identified is the Land Value Estimate. This estimate is based upon the principle of substitution. This is the idea that the value of one property is based upon what other similar property has sold for. It assumes that there is a supply of other available properties competing with one another and that a potential purchaser would pay no more for one property than he would for a similar substitute property. This is the same theory and technique applicable to the Sales Comparison Approach.

The Cost Approach is based on the concept that a potential purchaser would pay no more for a property than what it would cost him to acquire a substitute site and construct the improvements new. For existing property, deductions for physical deterioration, functional and external obsolescence are often required. Whereas, our appraisal assignment is to value vacant land, this approach is not applicable.

The Income Capitalization Approach is based upon the concept that a property's present value is equivalent to its future benefits; that being its income stream and resale value. The conversion of the income stream and reversion into an indication of value is called capitalization. This approach is most useful when appraising an investment oriented property. While there are two methods of capitalization (direct and yield), the nature of the property being appraised, its income characteristics and lease terms are considered and a discussion can be made as whether only one or both methods should be utilized. The appraisal assignment is to appraise vacant land and this approach is not applicable.

THE VALUATION PROCESS - Continued

The Sales Comparison Approach is also based upon the principle of substitution, where a buyer would pay no more for one property than he would for a suitable substitute property. This approach is most useful when there is a number of recent sales that can be utilized. Whereas no two properties are identical, differences between the subject property and sale comparables are identified, analyzed and adjusted where necessary as indicated by the marketplace. A complete detailed explanation of this approach is contained in the Sales Comparison Approach section of this report. The Sales Comparison Approach is the only applicable approach in the valuation of vacant land.

SALES COMPARISON APPROACH TO VALUE

The Sales Comparison Approach is based upon the principle of substitution. It presumes that a competent buyer would not pay more for one property than he would for another similar type property. The Dictionary of Real Estate Appraisal, 5th Edition, page 175, Appraisal Institute, defines Sales Comparison Approach as follows:

"The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison."

The subject is a 5,493± square foot narrow parcel of land currently utilized as a public alley.

The value of the parcel under appraisal is how it contributes to the parcels it will be adjoined with. The alley's area contains 5,493 square feet and will be merged to two separate parcels containing a total of 176,837 square feet resulting in a combined site area of 182,330± square feet. Although there have recently been several sales of larger sites in the community, they were municipal driven with various incentives or requirements which could not adequately be adjusted for.

In the case of the subject property, the most applicable unit of comparison is the sale price per square foot of site area. The sales utilized herein are all located in the same general market area as the subject and are fairly similar in physical characteristics. However, due to the subject under appraisal being a very small size but to be combined with a much larger parcel, larger parcels from outside of the community were also considered in our analysis.

We have observed the following sales:

LAND SALE NUMBER 1

<u>LOCATION:</u>	206-212 Chicago Avenue Oak Park, Illinois
<u>PERMANENT INDEX NUMBER:</u>	16-05-323-024
<u>LOT SIZE:</u>	15,000± square feet
<u>ZONING:</u>	B-1/B-2, General Business District
<u>SALE DATE:</u>	January, 2018
<u>DOCUMENT NUMBER:</u>	17-2634077
<u>SALE PRICE:</u>	\$625,000
<u>PRICE PER SQUARE FOOT:</u>	\$41.67
<u>COMMENTS:</u>	This is a sale to a not for profit entity which constructed a multi-family housing project for unwed mothers. A commercial building was demolished.

LAND SALE NUMBER 2

<u>LOCATION:</u>	7505-7525 W. Grand Avenue Elmwood Park, Illinois
<u>PERMANENT INDEX NUMBERS:</u>	12-25-428-020 12-25-428-021
<u>LOT SIZE:</u>	42,253± square feet
<u>ZONING:</u>	C-1, General Commercial District
<u>SALE DATE:</u>	May, 2013
<u>DOCUMENT NUMBER:</u>	13-14922031
<u>SALE PRICE:</u>	\$1,200,000
<u>PRICE PER SQUARE FOOT:</u>	\$28.40
<u>COMMENTS:</u>	This older sale had a car wash and retail building on the site that was subsequently demolished by the purchaser. It had another car wash constructed. CoStar reported this sale at \$1,500,000 but the purchaser indicated that it was actually \$1,200,000 and we have utilized his figures as the property was conveyed by a quit claim deed and could not verify any other amount. This is a superior commercial location.

LAND SALE NUMBER 3

<u>LOCATION:</u>	7400-7412 W. Grand Avenue Elmwood Park, Illinois
<u>PERMANENT INDEX NUMBERS:</u>	12-25-419-041 thru 047
<u>LOT SIZE:</u>	24,812± square feet
<u>ZONING:</u>	B-2, General Business District
<u>SALE DATE:</u>	September, 2015
<u>DOCUMENT NUMBER:</u>	15-27855123
<u>SALE PRICE:</u>	\$600,000
<u>PRICE PER SQUARE FOOT:</u>	\$24.18
<u>COMMENTS:</u>	This vacant parcel was purchased by a banquet hall across the street to utilize as additional parking. It was on the market for over a year with an initial asking price of \$750,000. This zoning does not permit mixed-use development.

LAND SALE NUMBER 4

<u>LOCATION:</u>	4700 W. Lake Avenue Glenview, Illinois
<u>PERMANENT INDEX NUMBER:</u>	04-30-400-010
<u>LOT SIZE:</u>	171,670± square feet
<u>ZONING:</u>	B2 and part industrial changed to a Plan Development (R-18) to accommodate the construction of a senior memory care facility.
<u>SALE DATE:</u>	October, 2017
<u>DOCUMENT NUMBER:</u>	17-29115172
<u>SALE PRICE:</u>	\$3,500,000
<u>PRICE PER SQUARE FOOT:</u>	\$20.39
<u>COMMENTS:</u>	This is a fairly recent sale of a large site on a busy street in a different community. It was considered due to its large size and intended use to construct an assisted living facility, considered to be an institutional use. A commercial building required demolition.

LAND SALE NUMBER 5

<u>LOCATION:</u>	500-508 Lyman Avenue (SW Corner Madison and Lyman) Oak Park, Illinois
<u>PERMANENT INDEX NUMBERS:</u>	16-17-106-001 16-17-106-002 16-17-106-003 16-17-106-004
<u>LOT SIZE:</u>	17,846± square feet
<u>ZONING:</u>	M5, Madison Street
<u>SALE DATE:</u>	December, 2018
<u>DOCUMENT NUMBER:</u>	18-36513051
<u>SALE PRICE:</u>	\$665,000
<u>PRICE PER SQUARE FOOT:</u>	\$37.26
<u>COMMENTS:</u>	This vacant corner parcel is a short distance east on the same street but in a generally inferior residential and commercial location in the community. It was on the market at an asking price of \$699,000 but was listed for sale at one time for \$899,000. Taco Bell tried to purchase the property but the Village did not approve their intended use. It is reported that an apartment building is to be constructed.

LAND SALE NUMBER 6

<u>LOCATION:</u>	932-948 and 970 Madison Street Oak Park, Illinois
<u>PERMANENT INDEX NUMBERS:</u>	16-07-324-032 16-07-324-024
<u>LOT SIZE:</u>	41,650± square feet
<u>ZONING:</u>	Plan Development
<u>SALE DATE:</u>	January, 2018
<u>DOCUMENT NUMBER:</u>	18-01619074
<u>SALE PRICE:</u>	\$965,000*
<u>PRICE PER SQUARE FOOT:</u>	\$23.17
<u>COMMENTS:</u>	This parcel was village owned and was sold to Lexington Homes to construct 21 townhomes. This is a slightly superior location west of Oak Park Avenue. Purchase price relates to \$45,952 per unit.

* Includes a \$210,000 contribution to an affordable housing fund.

LAND SALE NUMBER 7

<u>LOCATION:</u>	1215 Waukegan Road Glenview, Illinois
<u>PERMANENT INDEX NUMBER:</u>	04-35-201-038
<u>LOT SIZE:</u>	100,600± square feet
<u>ZONING:</u>	PUD
<u>SALE DATE:</u>	July, 2017
<u>DOCUMENT NUMBER:</u>	17-23718048
<u>SALE PRICE:</u>	\$2,620,000
<u>PRICE PER SQUARE FOOT:</u>	\$26.04
<u>COMMENTS:</u>	This parcel was sold by the Village of Glenview to the Drake Group who planned to construct a 26 unit residential development of single family homes and townhouses. Purchase price relates to \$100,769 per unit.

SALES COMPARISON APPROACH - Continued

SUMMARY OF COMPARABLE LAND SALES

Sale	Location	Zoning	Size/ Sq. Ft.	Date of Sale	Price Sq. Ft. of Land
1	206-212 Chicago Oak Park, IL	B1/B2	15,000	01/18	\$41.67
2	7505-25 W. Grand Elmwood Park, IL	C1	42,253	05/13	\$28.40
3	7400-12 W. Grand Elmwood Park, IL	B2	24,812	09/15	\$24.18
4	4700 W. Lake Glenview, IL	B2/PD	174,240	10/17	\$20.39
5	500-508 Lyman Oak Park, IL	MS	17,846	12/18	\$37.26
6	932-970 Madison Oak Park, IL	PD	41,650	01/18	\$23.17
7	1215 Waukegan Glenview, IL	PUD	100,600	07/17	\$26.04
Subject	E/W Alley between East and Scoville and north of Madison Oak Park, IL	I	176,837 <u>5,493*</u> 182,330	N/A	N/A

* Alley

ANALYSIS OF LAND SALES

The aforementioned land sales indicate a range of value from \$20.39 per square foot to \$41.67 per square foot of site area, prior to applying the necessary adjustments indicated by the market for differences between the comparable sales and the subject site. The lowest price per square foot is for the largest site.

SALES COMPARISON APPROACH - Continued

Analysis is made for the following factors:

- Property Rights Conveyed
- Financing Terms
- Conditions of Sale
- Market Conditions
- Location
- Physical and Economic Characteristics

Property Rights Conveyed

The subject site is being initially valued on a fee simple basis. All of the sales reportedly sold on a fee simple basis. Therefore, no adjustments are indicated for this factor.

Financing Terms

Above market and below market (or atypical) financing terms can sometimes impact the sale price of a property. In many cases, an owner who provides financing can negotiate to a greater purchase price than what would be considered market level. In other cases, when a seller provides financing, a higher than market level interest rate may be charged to the seller. In cases such as these, the sale price may actually be somewhat below market. No such terms were reported. As such, no adjustments are required.

Conditions of Sale

There are various factors that can alter the sale price of a property that would require adjustments to such a sale to make it reflective of a purely market level transaction. Such an example would be if a property sold based upon a lease option that is exercised, but with the sale price negotiated at an earlier time, perhaps when market conditions were not the same as at the time of the sale. This could then indicate a current purchase of a property, but with the value being indicative of a different market, and an adjustment would be necessary. No such conditions were noted in this category and no adjustment was warranted.

SALES COMPARISON APPROACH - Continued

Market Conditions

There are numerous factors that can influence the value of a property. Changes in economic conditions is one such factor. The land sales have sold between May, 2013 and December, 2018. The two highest sales are the most recent sales. However, they are also the smallest. Market conditions have been improving and Sales 2 and 3 are adjusted upward as they sold during inferior market conditions.

Location

Variations in locational attributes could indicate a differential in value to parcels of real estate. These variations can include being in different marketing areas, street locations, access, exposure, proximity to expressways and transportation, etc. In this case, the land sales utilized in this analysis are either located within Oak Park or the same general market area as the subject (as identified in the Neighborhood Description section of this report) except for Sales 4 and 7 which are in Glenview. The Glenview comparables were considered due to their larger size. As such, they have very similar general locational attributes in terms of being in similar market areas.

The Glenview sales appear to be in a superior general area when the per unit sale price of Sale 7 of \$100,769 is compared to the per unit sale price of Sale 6 which is \$45,952 per unit. Both sales were municipality owned parcels. Sales 2 and 3 are busier streets and Sale 6 is in a slightly superior location within the community. These sales are adjusted downward by varying degrees.

Sale 5 is a slightly inferior location in the community and is applied a small upward adjustment for that factor.

Sale 1 is roughly similar in locational attributes.

SALES COMPARISON APPROACH - Continued

Size/Utility

The subject site under appraisal contains 5,493± square feet but would be part of a larger site which would then contain 182,330 square feet. The subject has limited utility unless it is combined with an adjacent parcel. The comparable sales considered range in size from 15,000± square feet to 174,240± square feet. All sales, except Sale 4, are adjusted downward for the assembled parcels larger size. Larger properties typically sell for less on a per unit basis than their smaller counterparts, all other factors being equal.

Zoning

The subject site is zoned I, Institutional District. This is a restrictive zoning classification with limited uses. Although the comparable sales have varying zoning classifications, they are all superior in terms of permitted uses even if some institutional uses would be permitted. Only Sale 4 was purchased by an institutional type use. All sales, except Sale 4, are adjusted downward for their superior rights of use.

The grid on the following page summarizes our adjustments:

SALES COMPARISON APPROACH - Continued

ADJUSTMENT GRID

	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Sale Price Per Square Foot	\$41.67	\$28.40	\$24.18	\$20.39	\$37.26	\$23.17	\$26.04
<i>Adjustments</i>							
Property Rights Conveyed	=	=	=	=	=	=	=
Financing Terms	=	=	=	=	=	=	=
Conditions of Sale	=	=	=	=	=	=	=
Time/Market Conditions	=	Up	Up	=	=	=	=
Location	=	Down	Down	Down	Up	Down	Down
Lot Size	Down	Down	Down	=	Down	Down	Down
Zoning	Down	Down	Down	Down	=	Down	Down
OVERALL ADJUSTMENT	Down	Down	Down	=	Down	Down	Down

CONCLUSION

Typically, when estimating value of a parcel as small as the subject we must consider its contributory value as by itself, the site, due to its small size, would have minimal if any utility. As such, we considered the larger site it would be adjoined with. Due to its larger size, it is most similar to Sale 4 in Glenview which was purchased to build an assisted living center. The "YMCA parcel", which was surrounded by alleys on all four perimeters, recently sold for \$22.21 per square foot but multi-family housing was permitted. It lacked visibility but had a superior use.

SALES COMPARISON APPROACH - Continued

Several large parcels in the community have recently been sold but they had significant zoning changes making a comparison extremely difficult. After adjustments, if the entire Fenwick parcel, with the exception of the east/west alley, was vacant and available, we believe the parcel would have a value in the range of \$20.00 to \$21.00 per square foot which is at the lower end of the range.

176,837 square feet @ \$20.50 per square foot = \$3,625,158, say \$3,625,000	
182,330 square feet @ \$20.50 per square foot = \$3,737,765, say <u>\$3,376,000</u>	
Difference	\$ 113,000

The 5,493 square foot alley has minimal utility and failure to assemble it with the larger parcel would not impede any major development on the site. As such, it would be considered as surplus land and not needed to support the current improvements.

The Dictionary of Real Estate Appraisal, 5th Edition, page 191, defines surplus land as: "Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel."

Purchasers rarely pay full price for something considered to be surplus. We have noted that this discounted price is typically 20% to 30% of the actual value of a parcel on a square foot basis. Therefore, we have applied an appropriate discount to the base value to account for this factor.

$\$113,000 \times .25$ (discounted surplus land) = \$28,250

(Unencumbered by easements)

SALES COMPARISON APPROACH - Continued

However, this assumes a parcel in fee simple and unencumbered by any easements. The alley will be encumbered by a sub-surface and surface easement benefitting the Village of Oak Park as well as 160 feet at the eastern end providing for pedestrian and vehicular traffic for the benefit of two buildings at the corner. This portion of the alley is one way eastbound which means that traffic currently must access from the western alley entrance. There are only minimal benefits accruing to Fenwick by acquiring the alley.

1. Additional land area for the calculation of permissible building area or inclusion for open space.
2. Furtherance of future development plans.
3. Possibility of utilizing air space above alley.

The disadvantages of acquiring the alley will require future maintenance and unrelated parties utilizing the alley to service the two buildings on the corner.

Overall, the subject's right of use is most reflective of a surface easement as compared to a fee simple ownership. As such, an additional discount must be applied to our fee simple value. A review of various surface easements indicate a price paid ranging from 10% to 50% of the overall land value. We believe a 25% discount would be most appropriate due to the benefit it may provide in the future for the Fenwick expansion plans.

$$\$28,250 \times .25 \text{ (effect of easement)} = \$7,062, \text{ say } \$7,000$$

As Unencumbered	\$28,250
Less Effect of Easement	<u>(7,000)</u>
	\$21,000 (R)

INDICATED LAND VALUE (R)..... \$ 21,000
(Encumbered by Easements)

RECONCILIATION

Reconciliation is defined in The Dictionary of Real Estate Appraisal, 5th Edition, page 79, as follows:

"Final Reconciliation: The last phase in the development of a value opinion in which two or more value indications derived from market data are resolved into a final value opinion, which may be either a final range of value or a single point estimate."

Whereas in this appraisal report there are three value indications derived from market data, reconciliation is required. The three approaches to value reflect the following value indications:

Cost Approach.....	Not Applicable
Income Capitalization Approach.....	Not Applicable
Sale Comparison Approach	\$ 21,000

In the Sales Comparison Approach, good data was found and adjustments were extracted from the market.

The Sales Comparison Approach is given maximum emphasis in the final estimate of the subject's market value in Fee Simple interest encumbered by easements, as of February 21, 2019, which is:

TWENTY-ONE THOUSAND DOLLARS
(\$21,000)

ADDENDA

QUALIFICATIONS OF THE APPRAISER

QUALIFICATIONS OF ALAN J. ROSSELL

EDUCATION

Graduate - Northwestern University 1968

Bachelor Arts/Pre-Law/Political Science

Graduate - Realtors Institute of Illinois

GRI Designation Certificate 4207,	12/63/83
CRB Designation - National Association of Realtors Certificate 4862,	11/08/85

Triton College - (Appraisal Institute Curriculum) July, 1993

Appraisal Institute - Continuing Classes in:

Highest and Best Use, Report Writing, Capitalization Conservation and
Preservation Easements, USPAP and Continuing Education

Real Estate Brokers License (09/72)	#475.065642
Illinois Continuing Education Instructor License	#163-000133
Certified General Real Estate Appraiser	#553.001801

EXPERIENCE

- Real estate brokerage since 1969
- Site selection
- Appraisals of single family homes, condominiums, mixed-use commercial properties, apartment buildings, urban developments and easements
- Acquisition and liquidation services for financial institutions, Fannie Mae, and Mortgage Guaranty Insurance Corporation
- Property management of residential and multi-family buildings
- Consulting services for attorneys, real estate brokers, developers, accountants, and Village of Oak Park Residence Corporation
- Author of Various Continuing Education Classes

PROFESSIONAL AFFILIATIONS

Oak Park Board of REALTORS®

National Association of REALTORS®

Director, Multiple Listing Service of Northern Illinois

Triton College Real Estate Advisory Committee

Vice President -Board of Managers - Midwest Real Estate Data, LLC

Illinois Association of REALTORS®

Real Estate Educators Association

Associate Member, Appraisal Institute

Illinois Coalition of Appraisers

State of Illinois

Department of Financial and Professional Regulation Division of Real Estate

LICENSE NO.
553.001801

The person, firm, or corporation whose name appears on this certificate has complied with the provisions of the Illinois Real Estate Act and is hereby authorized to engage in the activities as indicated below.

EXPIRES:
09/30/2019

CERTIFIED GENERAL REAL ESTATE APPRAISER



ALAN J ROSSELL
1014 PLEASANT ST
OAK PARK, IL 60302



Bryan A. Schweider

BRYAN A. SCHWEIDER
SECRETARY

Kreg T. Allison

KREG T. ALLISON
DIRECTOR

The official status of this license can be verified at www.idpr.com

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ASSUMPTIONS AND LIMITING CONDITIONS

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions:

1. This report is to be used in whole and not in part. No part of this opinion is to be used in connection with any other opinion, sales media, public relations media, or any other public means of communication without the prior written consent of the undersigned.
2. The subject property is free and clear of all liens and encumbrances except as described herein.
3. Management and ownership are assumed to be competent and responsible.
4. We assume no responsibility for matters of a legal nature affecting the analysis or the title thereto, nor do we render any opinion as to the title, which is assumed to be good and merchantable. We urge legal counsel and qualified accounting specialists to confirm financial representations.
5. No survey of the subject property was undertaken. Sketches herein are not exact and are intended only to aid in visualizing the property and its location.
6. The appraiser has no personal interest in or bias with respect to the subject matter of the report or the parties involved.
7. The appraiser assumes that there is full compliance with all applicable federal, state, local and building environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. In stating his conclusions, the writer takes no responsibility for legal matters, questions of survey, or opinion of title. It is understood that in rendering this opinion, the appraisers are not required to give testimony or appear in court without additional compensation and that we are not required to give testimony or appear in court solely on the grounds of having made this opinion.
12. The appraiser has no present or contemplated future interest in the property and compensation for rendering this opinion is in no manner contingent upon the value reported.

ASSUMPTIONS AND LIMITING CONDITIONS - Continued

13. The appraiser assumes there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. He assumes no responsibility for engineering which might be required to discovered such factors.
14. To the best of the appraiser's knowledge and belief, the statements and facts contained in this report upon which the analysis, opinions, and conclusions expressed herein are based, are true and correct. However, no responsibility for accuracy of such items furnished us can be assumed by us, including the business statements, personal property, furnishings/fixtures lists, etc.
15. This appraisal sets forth all of the limiting conditions (imposed by the terms of the assignment) affecting the analysis, opinions and conclusions contained in this report.
16. The client (and/or his heirs and assigns) also agrees to take no legal action and to hold the appraiser harmless for any liability arising out of this document.
17. The appraiser makes no representation that this report of which these limiting conditions are a part, qualifies for or that the subject is entitled to preferential tax treatment and recommends that the client also seek competent legal and accounting opinions in that regard.
18. This appraisal has been made in accordance with the rules of professional ethics of the Appraisal Institute. No one other than the undersigned (except as stipulated), prepared the analysis, conclusions, and opinions concerning real estate that are set forth in this appraisal report.
19. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
20. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this factor could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.
21. Any or all of the following sources of information may have been utilized to facilitate completion of this appraisal: CoStar Group, Midwest Real Estate Data, LLC, Flood Insights, Ordinance.com, FEMA Flood Insurance Rate Maps, Living in Greater Chicago (published by Gary S. Meyers), Chicago Zoning Ordinance (Published by Index), First American Real Estate Solutions publications including Realty Atlas, Property and Building Atlas and Property Data Microfiche. Additional sources listed elsewhere may have been used and this report is subject to the accuracy of all such data. Verification is recommended before any use of this report.

ASSUMPTIONS AND LIMITING CONDITIONS - Continued

22. The appraiser is not an insurer of property value. The fees collected by the appraiser are based solely on the value of the service performed, and are unrelated to the value of the property. The appraiser makes no guaranty or warranty that sale or exchange of the property will result in receipt of the value expressed in the appraisal. In the event that the appraiser is found liable for losses on account of any act or omission done in making the appraisal, the appraiser's liability shall be limited to the fee collected as liquidated damages, and this liability shall be exclusive. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser assumes no responsibility for any costs incurred to discover or correct any deficiencies present in the property.
23. The contract for appraisal, consultation or analytical service, is fulfilled and the total fee payable upon completion of the report. The Appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties, except under separate and special arrangement and at additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees and charges regardless of issuing party.
24. Unless otherwise noted herein, the review appraiser has reviewed the report only as to general appropriateness of technique and format, and has not necessarily inspected the subject or market comparable properties. The appraiser and/or officers of the appraisal firm reserve the right to alter statements, analysis, conclusions or any value estimate in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown to us when the report was completed.
25. In the event the appraisal report is accepted by the lender, the appraiser will not be held liable by either the client or the lender for losses during the term of the loan. If updates are required by the lender, the lender and/or client will compensate the appraiser for any or all updates.
26. Acceptance of, and/or use of this appraisal report constitutes acceptance of the above conditions.

CERTIFICATION

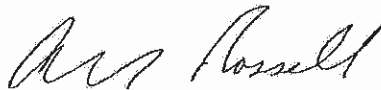
CERTIFICATION

I certify that, to the best of my knowledge and belief.....

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person signing this report.
- I have not provided a previous service regarding the subject property within the three years prior to this assignment.

In our opinion, the Market Value in fee simple interest encumbered by easements of the subject property expressly subject to all Assumptions and Limiting Conditions contained in this report, as of February 21, 2019 is \$21,000.

Respectfully submitted,



Alan J. Rossell
Certified General Real Estate Appraiser,
#553.001801, Expiration Date 09/30/19

INSPECTED
YES NO

 X