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City of Markham

16313 Kedzie Parkway
(Honorable Evans R. Miller Parkway)
Markham, Illinois 60428

Phone: 708.331.4905

Fax: 708.331.8667

Police: 708.331.2171



ROGER A. AGPAWA
Mayor

JENNIFER COLES
City Clerk

BELINDA RICHARDSON
City Treasurer

CERTIFICATION

I, Jennifer Coles, do hereby certify that I am the duly elected and qualified City Clerk of the

City of Markham, Illinois, County of Cook.

I further certify that the attached is a true and correct copy of \_\_\_\_\_

Ordinance 20-O-2255 An Ordinance Conveying Property to Plum Creek LP and to Vacate an Area at Approximately 155th Street and Turner Inside the City of Markham.

Passed by the City Council of the City of Markham, at their Regular Meeting on the 1st Day of April, 2020.

In witness whereof, I have hereunto set my hand and affixed the seal of the City of Markham, this 22nd day of July, 2020 at Markham, Illinois.

Jennifer Coles, City Clerk (with signature)



Doc# 2023116002 Fee \$138.00
RHSP FEE: \$1.00 RPRF FEE: \$1.00
EDWARD M. MOODY
COOK COUNTY RECORDER OF DEEDS
DATE: 08/18/2020 09:41 AM PG: 0



RECORDING FEE 133.00
DATE 8-7-2020 COPIES 6x
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## ORDINANCE NO. 20-0-2055

### **AN ORDINANCE CONVEYING PROPERTY TO PLUM CREEK MARKHAM LP AND TO VACATE AN AREA AT APPROXIMATELY 155<sup>TH</sup> STREET AND TURNER INSIDE THE CITY OF MARKHAM**

**WHEREAS**, the City of Markham desire to convey property described in the attached plat of survey referenced as Exhibit "1" and incorporated herein which is commonly known as the area located at 155<sup>th</sup> Street and Turner.

**WHEREAS**, the City of Markham previously passed resolution 14-R-490 involving the conveyance of 61 property index numbers at 155<sup>th</sup> and Turner in the City of Markham to which inadvertently included property being used by the City. The City will be repealing that Ordinance and in its place considering this Ordinance conveying 55 property index numbers at 155<sup>th</sup> Street and Turner in the City of Markham.

**WHEREAS**, Plum Creek of Markham LLC has appeared before Markham City Council as Plum Creek Markham Supportive Care LLC and as Plum Creek Markham LP and they have asked that if this Ordinance is approved that the conveyance be done in the name of Plum Creek Markham LP.

**WHEREAS**, on December 18, 2019, the City of Markham passed Ordinance 19-O-2248 to vacate area at approximately 155<sup>th</sup> Street and Turner that included approval of a special use permit to operate a senior supportive living facility and approval of a final plat. Although 19-O-2248 obtained a majority of the votes, the portion pertaining to the vacation can only be passed by an affirmative vote of at least three-fourths of Alderman. In regards to the vacation, Ordinance 19-O-2248 did not pass.

**WHEREAS**, attached as Exhibit "2" and incorporated herein, is the plat of vacation for reconsideration of the elected officials.

**WHEREAS**, the City of Markham obtained three appraisals by licensed appraisers. The first appraisal attached as Exhibit "3" and incorporated herein was completed by Daniel Costello in the amount of \$460,000, the second appraisal attached as Exhibit "4" and incorporated herein was completed by Integra Realty Resources in the amount of \$700,000 and the third appraisal attached as Exhibit "5" and incorporated herein was completed by Pahroo Appraisal & Consultancy, LLC. The average price of the appraisals are \$413,000.

**NOW, THEREFORE, BE IT ORDAINED**, by the Mayor and the City Council of the City of Markham as follows:

#### **SECTION 1: REPEAL PRIOR RESOLUTION**

Resolution 14-R-490 is repealed.

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**SECTION 2: PLAT OF VACATION**

The plat of vacation located in Exhibit "2" is herein approved.

**SECTION 3: CONVEYANCE OF 155<sup>TH</sup> STREET AND TURNER**

The Mayor is authorized and directed to execute the deeds in the attached Exhibit "6" to Plum Creek Markham LP once the developer pays the City of Markham \$413,000 in certified funds on or before April 17, 2020. The deeds issued to the developer will contain the following land restriction: That this property will only be used to operate a senior supportive living facility unless the City of Markham approves another use. The property will be conveyed with six quitclaim deeds because the Cook County Recorder of Deeds does not allow more than ten property index numbers on one deed. The deeds in Exhibit "6" includes legal descriptions assuming that the plat of vacation in Exhibit "2" has been recorded. The recordation numbers in the legal descriptions for those property index numbers where land that was vacated vested to it will be placed in the legal descriptions prior to recording the deeds. A line to complete the recordation number has been placed in the aforesaid legal descriptions in the deeds for the recordation number.

**SECTION 4: PREAMBLES**

The preambles of this Ordinance are incorporated herein by reference as is fully set forth.

**SECTION 5: CHALLENGE(S)**

If any section, paragraph, subdivision, clause sentence or provision of this Ordinance shall be adjudged by any Court of competent jurisdiction to be invalid, such judgment shall not affect, impair, invalidate, or nullify the remainder thereof, which remainder shall remain and continue in full force and effect.

**SECTION 6: PASSAGE**

This Ordinance shall become effective immediately after its adoption, approval and publication as required by law.

**PASSED BY THE CITY COUNCIL OF THE CITY OF MARKHAM, ILLINOIS**

**THIS** 1<sup>st</sup> **DAY OF** April, **2020.**

MOTIONED BY: Ald. Jones

SECONDED BY: Ald. Barron

**VOTING AYE**

Ald. Jones

**VOTING NAY**

Ald. Hampton

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Ald. BARRON  
MAYOR AGRAWA

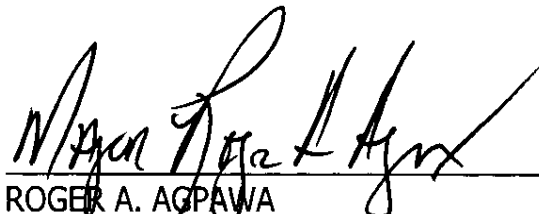
Ald. McDowell  
\_\_\_\_\_

**ABSENT**


Ø  
\_\_\_\_\_

\_\_\_\_\_

APPROVED BY ME THIS 1<sup>st</sup> DAY OF April, 2020.

  
\_\_\_\_\_  
ROGER A. AGRAWA  
MAYOR OF THE CITY OF MARKHAM

**ATTEST:**

  
\_\_\_\_\_  
JENNIFER COLES  
CLERK OF THE CITY OF MARKHAM

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**COOK COUNTY  
RECORDER OF DEEDS**

Property of Cook County Clerk's Office

**COOK COUNTY  
RECORDER OF DEEDS**



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RECORDER OF DEEDS**

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**COOK COUNTY  
RECORDER OF DEEDS**

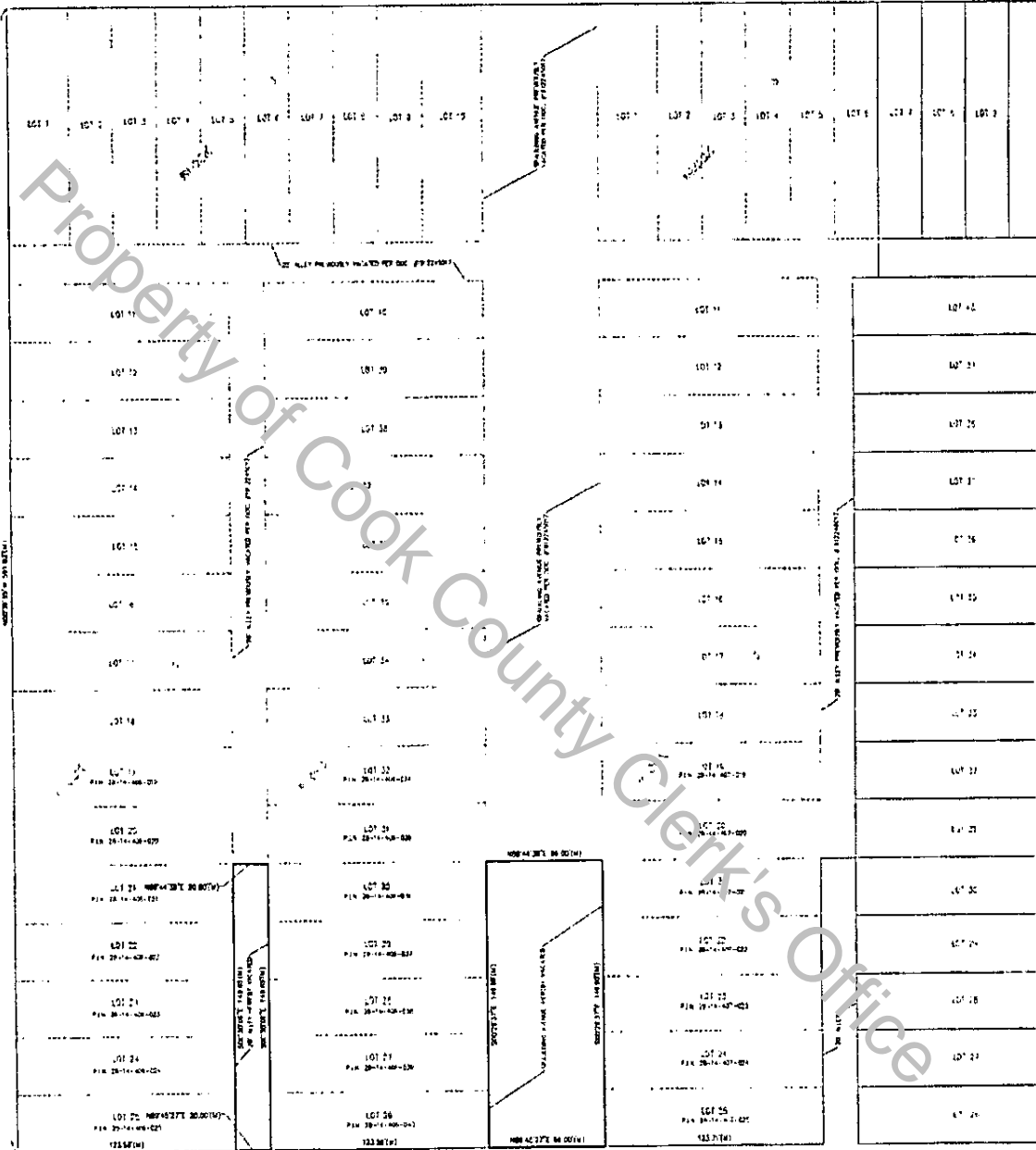
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**Vanderstappen**  
**Land Surveying, Inc.**  
 1117 N. Halsted St.  
 Chicago, IL 60642  
 Tel: 312.467.1111  
 Fax: 312.467.1112  
 www.vanderstappen.com

This plat of Subdividing Avenue being Eastern and adjacent to Lots 25 through 30 in Block 3 and Part part of the North-South Alley being Eastern of and adjacent to Lots 21 through 25 in Block 3 all in The Crescent Park North 72nd Addition, a subdivision of the Northeast Quarter of the Southeast Quarter of Section 14, Township 38 North, Range 12, East of the Third Principal Meridian, South of the Indian Boundary Line, according to the Plat of Subdivision thereof recorded June 15, 1928 in Document Number 8304255 in Cook County Illinois.

155TH STREET

TURNER AVENUE



156TH STREET

**I DO NOT FIND ANY DELINQUENT GENERAL TAXES UNPAID  
 CURRENT GENERAL TAXES DELINQUENT SPECIAL ASSESSMENTS  
 OR UNPAID CURRENT SPECIAL ASSESSMENTS AGAINST THE  
 STREETS AND ALLEYS INCLUDED IN THE ABOVE PLAT.**

CITY COUNCIL CERTIFICATE

STATE OF ILLINOIS } SS  
 COUNTY OF COOK }

Ordinance No. \_\_\_\_\_ adopted this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_  
 Approved by the Mayor and City Council of the City of Northbrook, Illinois at a meeting held  
 this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

By \_\_\_\_\_  
 Mayor  
 Attest: \_\_\_\_\_  
 City Clerk

The herein described section 1 and part of (A) and access easements of record own and serve the property described herein.

The City of Northbrook, Illinois reserves unto itself as a corporate municipality and to any public utility, their successors and assigns, the right to maintain and reconstruct these respective facilities for, under, across and along these parts of the public streets and alleys as herein depicted, with the right of access thereto at any and all times for any and all such purposes as may be reasonably required for the efficient operation of said facilities.

*[Signature]*  
 COUNTY CLERK

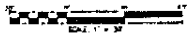
DATE: July 23, 2020

REVISED PER ALLIANCE COMMENTS - 12/10/19 APD  
 REVISED BOUNDARY AND LEGAL - 10/21/19 APD  
 SURVEYING CERTIFICATE

STATE OF ILLINOIS } SS  
 COUNTY OF MCHenry }

I, Arthur Gramercy, an Illinois Professional Land Surveyor, do hereby certify that I have prepared the herein shown plat for the purpose of recording the public street and alleys in the herein shown area, a plat designated by the City of Northbrook, Illinois to record this Plat of Vacation.

*[Signature]*  
 Certificate No. 025-00301



CLIENT: PLANNING AND SURVEYING, INC.  
 DRAWN BY: [Name] CHECKED BY: [Name]  
 SCALE: 1" = 20' DATE: 11/23/20  
 STATUS: PENDING APPROVAL  
 P.L.N. NO. 111751-4 18 205  
 FIELDWORK COMP. BY: [Name]



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RECORDER OF DEEDS**

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**COOK COUNTY  
RECORDER OF DEEDS**

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**COSTELLO**  
Valuation & Advisory

## AN APPRAISAL OF REAL PROPERTY

Vacant Land  
155<sup>th</sup> Street and Turner Avenue  
Markham, Illinois 60428

Costello V&A File No. 20-032

### PERTINENT DATES:

"As Is" Valuation Date: February 2, 2020  
Report Date: March 6, 2020

### PREPARED FOR:

Ms. Michelle Broughton-Fountain  
Law Office of Michelle Broughton-Fountain  
19150 S. Kedzie Avenue, Suite 103B  
Flossmoor, Illinois 60422

### PREPARED BY:

Costello Valuation & Advisory  
1370 W. Grand Avenue  
Chicago, Illinois 60642

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March 6, 2020

Ms. Michelle Broughton-Fountain  
Law Office of Michelle Broughton-Fountain  
19150 S. Kedzie Avenue, Suite 103B  
Flossmoor, Illinois 60422

RE: An Appraisal of Real Property

Vacant Land  
155<sup>th</sup> Street and Turner Avenue  
Markham, Illinois 60428

Costello V&A File No.: 20-032

Dear Ms. Broughton-Fountain,

At the request and authorization of the client, Costello Valuation & Advisory has prepared an appraisal to determine the market value of the referenced property and presented our analysis in the following Narrative Appraisal Report. Based on the intended use and in consideration of the subject's physical and economic characteristics, we have prepared an appropriate scope of work that will provide for a credible market value opinion.

The significant elements of the scope of work include: i) an observation of the subject and its surroundings; ii) a collection, verification and analysis of sales and rental data; iii) an analysis of the subject's existing and/or pro-forma economic operating characteristics; and iv) completion of the appropriate approaches to value.

The subject property is a 252,996 square foot, or 5.808 acre, vacant land site. The site is owned M. Municipal Property by the City of Markham, Illinois.

The fee simple interest of the property is appraised. Data, information, and calculations leading to the value conclusion(s) are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

Based on the analysis contained in the following report, and after considering the extraordinary assumptions and hypothetical conditions listed in the Executive Summary section of this report, the opinion of value for the subject is concluded as follows:

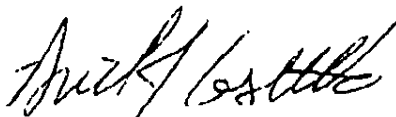
**UNOFFICIAL COPY****CVA****MARKET VALUE CONCLUSION**

<b>Appraisal Premise</b>	<b>Interest Appraised</b>	<b>Date of Value</b>	<b>Value Conclusion</b>
Market Value - As Is	Fee Simple	February 2, 2020	\$460,000

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Title XI Regulations, and all applicable local and state requirements.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if Costello Valuation & Advisory can be of further service, please contact us.

Respectfully submitted,

**COSTELLO VALUATION & ADVISORY**


Daniel Costello, MAI  
 President  
 Certified General Real Estate Appraiser  
 IL-553.001706  
 Exp. September 30, 2021  
 Phone: 312-964-5110  
 E-Mail: dcostello@costellovaluation.com

**COSTELLO**  
**Valuation & Advisory**

COSTELLO VALUATION ADVISORY  
 1370 W. Grand Avenue | Chicago, Illinois 60642  
 PHONE: 312-964-5110

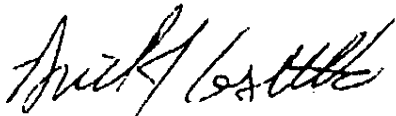
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## CERTIFICATION

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our 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.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
8. Daniel Costello, MAI made a personal inspection of the property that is the subject of this report.
9. No one provided significant real property appraisal assistance to the people signing this certification.
10. The appraiser(s) has performed no other services, as an appraiser or in any other capacity regarding the subject property within the three-year period immediately preceding the date of acceptance of this assignment.
11. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, Daniel Costello, MAI has completed the continuing education program of the appraisal institute.
14. The appraiser(s) are currently licensed in the state where the subject is located.




---

Daniel Costello, MAI  
 President  
 Certified General Real Estate Appraiser  
 IL-553.001706  
 Exp. September 30, 2021

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FILE PHOTOGRAPHS

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**VIEW OF SUBJECT FACING SOUTHEAST FROM 155<sup>TH</sup> STREET**



**REAR VIEW OF SUBJECT SITE**

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SUBJECT PHOTOGRAPHS

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**FACING NORTH ON TURNER AVENUE**

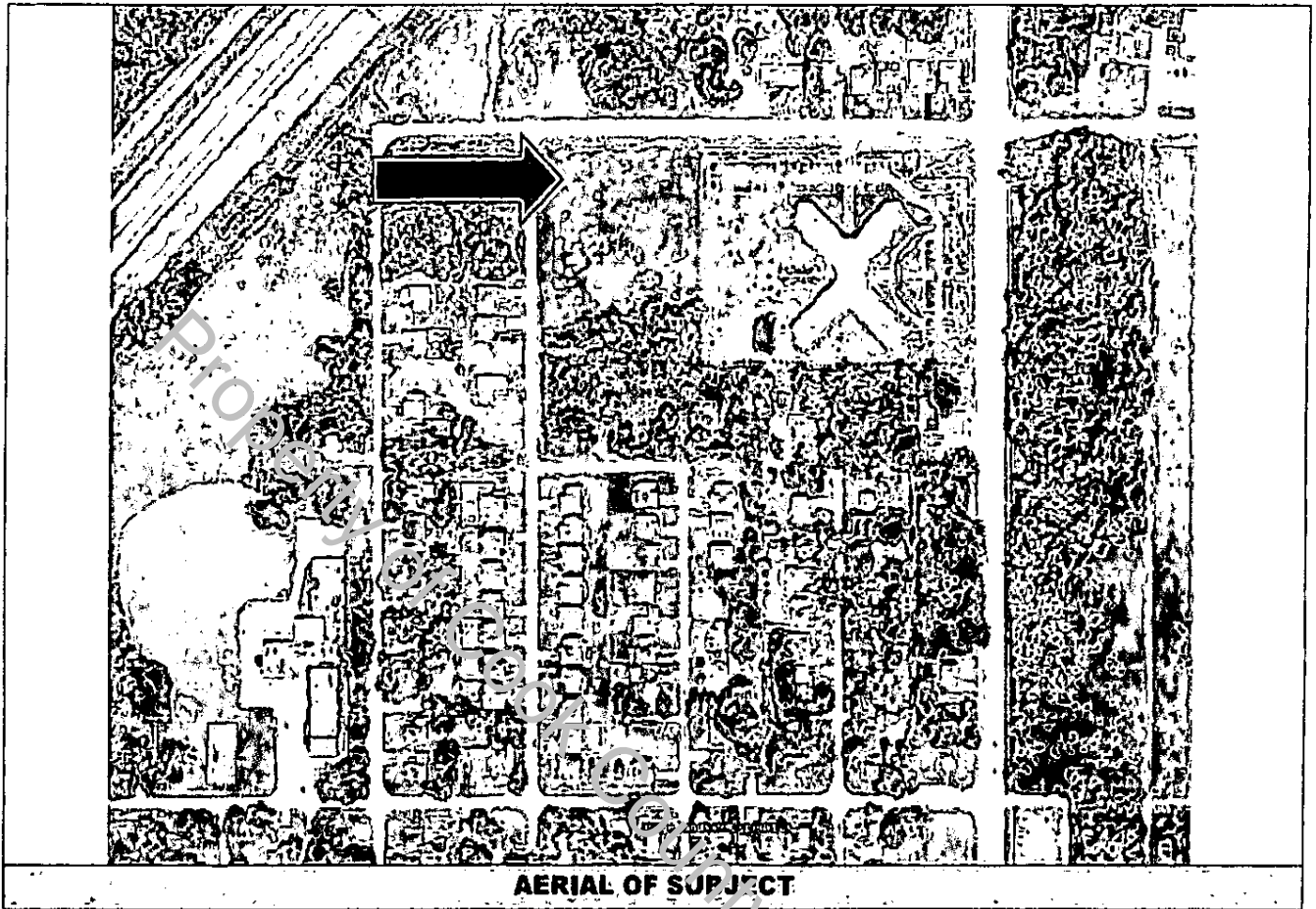


**FACING EAST ON 156<sup>TH</sup> STREET**

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EXECUTIVE SUMMARY

**CVA****EXECUTIVE SUMMARY****LOCATION AND PHYSICAL PROPERTY CHARACTERISTICS**

Location	Vacant Land 155th Street & Turner Avenue Markham, IL 60428
County	Cook County
Metropolitan Statistical Area	Chicago MSA
Market Area	South Suburban

**Appraisal Data**

Effective Valuation Date - As Is	February 2, 2020
Report Date	March 6, 2020
Highest & Best Use - As Vacant	Residential / Commercial
Highest & Best Use - As Improved	N/A

**Physical Characteristics**

Land Area (Gross)	5.808 Ac. - 252,996 SF
Land Area (Net)	5.808 Ac. - 252,996 SF
Surplus/Excess Land Area	0.000 Ac. - 0 SF
Zoning	M, Municipal Property

**VALUATION SUMMARY**

<b>Valuation Data - As Is</b>	<b>\$ Nominal</b>	<b>\$/SF of Land</b>
Land Sales Comparison Approach	\$460,000	\$1.82
<b>Reconciled Market Values</b>	<b>\$ Nominal</b>	<b>\$/SF of Land</b>
Reconciled Market Value - "As Is"	\$460,000	\$1.82
Est. Exposure Time	12 months	

**SUMMARY OF DETAILED VALUATION PARAMETERS**

Land Sales Comparison Approach ("As Is")	Indication	Adj. Range
<i>Direct Sales Comparison</i>		
No. of Land Comparable Sales	6	
Concluded Per Unit Price	\$1.80	(\$1.70 - \$2.04)
As Is Value Conclusion (Rounded)	\$460,000	\$1.82
Concluded Value via Land Sales Comparison Approach	\$460,000	\$1.82

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## VALUATION HIGHLIGHT

The subject property is a 252,996 square foot, or 5.808 acre, land site that has minor improvements. The site is zoned M, Municipal Property by the City of Markham.

## SWOT ANALYSIS

SWOT is an acronym for the internal strengths and weaknesses of an asset and the environmental (external) opportunities and threats facing that property. Based on our analysis of the subject property we have identified the following strengths, weaknesses, opportunities and threats.

### Strengths

- The subject has relatively good access, as it located approximately less than a mile from I-57 and I-294, which both have full interchanges at 159<sup>th</sup> Street.
- There is a relatively newly constructed senior living facility immediately to the east. Many of the single family residential properties to the south and east appear to have been constructed in the early 2000s.

### Weaknesses

- The population in the far south suburbs has been generally declining over the past two decades.
- Tax rates in the surrounding area are higher than the county average.

### Opportunities

- Land and rental rates are affordable in the subject's respective submarket.

### Threats

- A downturn in market conditions could have a negative impact on the property.

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## EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

### Extraordinary Assumptions

Extraordinary assumptions are defined in the Uniform Standards of Professional Appraisal Practice as

"...an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions."

Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. The use of extraordinary assumptions can have an effect on the concluded value(s) presented herein.

This appraisal employs the following extraordinary assumptions:

The appraiser was not provided with a copy of the deed restrictions, if any, for the subject site. We have assumed that there are no detrimental easements impacting the subject property.

The appraiser was provided with an ALTA survey that indicated land area of 5.808 acres, which we have assumed to be accurate. We did not make land measurements in the field. The survey is included in the addenda of the report.

### Hypothetical Conditions

Hypothetical conditions are defined in the Uniform Standards of Professional Appraisal Practice as

"...that which is contrary to what exists but is supposed for the purpose of analysis."

Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in the analysis.

This appraisal employs the following hypothetical conditions: None.

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## INTRODUCTION

In the following section, we identify the subject property and ownership, the intended use and user(s) of the appraisal, the property rights appraised, dates of value, definition of market value, scope of work, and estimate of exposure and marketing time.

## IDENTIFICATION OF THE PROPERTY

The subject property is a 252,996 square foot, or 5.808 acre, land site. The site is zoned M, Municipal Property by the City of Markham, Illinois.

SUBJECT IDENTIFICATION	
Component	Detail
Address	155th Street & Turner Avenue
City	Markham
County	Cook
MSA	Chicago MSA
Submarket	South Suburban
Township	Bremen

## CURRENT OWNERSHIP HISTORY

According public records on the Cook County Recorder of Deeds, there have been no sales of the subject in the past three years prior to the date of value.

OWNERSHIP HISTORY AND TRANSACTION SUMMARY	
Current Ownership	City of Markham
Listing Status	Not Listed

## INTENDED USE AND USERS OF THE APPRAISAL

The intended use of this appraisal is for the client and any interested parties. The intended user(s) of this report include the Client and any interested parties.

## PROPERTY RIGHTS APPRAISED

We have appraised the fee simple interest of the subject property.

The following definition is from the Dictionary of Real Estate Appraisal, Fifth Edition (2010), published by the Appraisal Institute.

*Fee Simple Interest: 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.*

Additional appraisal definitions applicable to the analysis presented herein are presented in the Addenda.

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## RELEVANT DATES

The date of inspection of the subject property was February 2, 2020. The date of the report is March 6, 2020. The date of value is February 2, 2020.

## DEFINITION OF MARKET VALUE

As defined by the Office of the Comptroller of the Currency under 12 CFR, Part 34, Sub-part C – Appraisals, 34.42 Definitions (g), 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:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
- 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.”

This definition of market value is generally accepted by agencies regulating financial institutions in the United States.

## SCOPE OF WORK

The scope of work refers to the type and extent of research and analyses employed in the appraisal assignment and presented in the appraisal report.

This appraisal is presented in the form of a narrative appraisal report. That is, this report incorporates, to the fullest extent possible, practical explanation of the data, reasoning and analysis that were used to develop the opinion of value.

## The Extent to Which the Property was Identified

The subject property was identified via their legal description, United States postal address(es), and permanent real estate index number(s).

## The Extent to Which the Property was Inspected

The subject property and surrounding neighborhood was inspected on February 2, 2020.

## The Type and Extent of Data Researched

We physically observed the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process; expanded this knowledge through interviews with regional and/or local market

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participants, and available published data and other various resources. To this extent, we conducted all applicable regional and/or local research with respect to:

- Exposure and marketing time;
- Neighborhood and land use trends;
- Demographic trends;
- Market trends relative to the subject property type;
- Flood zone status;
- Zoning requirements and compliance;
- Real estate tax data;
- Comparable listing and sales data.

The data has been analyzed and confirmed with sources assumed to be reliable.

## **The Type and Extent of Analyses Applied**

We analyzed the property and market data gathered through the use of accepted market-derived methods and procedures, employed the appropriate approaches to value, and correlated and reconciled the results into an estimate of market value, as defined within the appraisal report.

## **SIGNIFICANT APPRAISAL ASSISTANCE OR CONTRIBUTION**

No one provided significant real property appraisal assistance to the persons signing this report.

## **EXPOSURE AND MARKETING TIME**

Current appraisal guidelines require an estimate of a reasonable time period in which the subject property could be brought to market and sold. This reasonable time frame can either be examined historically or prospectively. In a historic analysis, this is referred to as exposure time. Exposure time always precedes the date of value with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure / marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. It is different for various types of real estate and under various market conditions.

In estimating an appropriate exposure / marketing time for the subject property, we considered the following:

- Comparable sales (exposure time);
- PriceWaterhouseCooper's Investor Survey (marketing time); and
- Interviews with market participants (exposure and marketing times).

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The marketing period of the national industrial market over the previous year as reported by PriceWaterhouseCooper's (formerly Korpacz) is presented below.

<b>RETAIL AVERAGE MARKETING PERIOD</b>			
<b>National Warehouse Market</b>			
<b>Quarter</b>	<b>Range (Mos.)</b>		<b>Avg. (Mos.)</b>
4Q 2018	1	- 9	3.80
3Q 2018	1	- 9	4.20
4Q 2017	1	- 9	3.80

\* Source: PriceWaterhouseCoopers Real Estate Investor Survey

The 4<sup>th</sup> Quarter 2018, FV/C Real Estate Investor Survey indicates an average marketing period for the National Warehouse Market at 3.80 months. The quoted marketing time for this property type is 1 to 9 months. The marketing time has been relatively stable over recent quarters.

Based on this analysis, we have concluded an exposure/marketing time of 12 months or less would be considered reasonable for the subject property. This exposure/marketing time reflects current economic conditions, current real estate investment market conditions, the terms and availability of financing for real estate acquisitions, and property and market-specific factors. It assumes that the subject property is (or has been) actively and professionally marketed. The exposure/marketing time would apply to all valuation premises included in this report.





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## WHITE COLLAR

Office-using industries will be the labor market's workhorse. Job creation will be greatest in lower-paying administrative and support services, but higher-paying jobs in professional services and finance are also in store. The Quarterly Census of Employment and Wages, a near-complete count of jobs, suggests initial financial services estimates are overstated, but payrolls rose modestly through the first half of 2017 and will remain on an upward path.

A flurry of expansions and relocations will extend tech-related job growth in the urban core. Resources such as shared work space and access to investors have gained prevalence, nurturing existing companies and fostering entrepreneurs. The dynamic startup culture has drawn venture capital funding that will fuel further gains. According to PwC, Illinois venture capital funding rose by two-thirds in 2017 from a year earlier, and most of that is funneled into Chicago.

## WINNERS AND LOSERS

Rising online sales will, on balance, help Chicago. Transportation and warehousing employment will benefit from the rise of e-commerce and increasing demand for materials handling, warehousing and order fulfillment. A central location and transportation advantages such as an airport with direct connections around the globe have made Chicago a hub for distribution and logistics. Even as job growth tapers off in the years ahead, Chicago will benefit from transportation investments and construction of warehouses as well as spillover from recent large-scale job gains.

Some of the same factors that fuel logistics growth will squeeze struggling brick-and-mortar retailers. Lost market share in the age of e-commerce combined with unfavorable consumer fundamentals will cause retail to underperform the region and the U.S. Fortunately, transportation and warehousing pays on average two-thirds more than retail in Chicago.

## TAXES

The federal tax overhaul that went into effect this year is a mixed bag, but long-term impacts skew to the downside. Lower corporate tax rates will add to Chicago's growth in the short term. Coupled with a tightening labor market, the personal tax cut many residents will receive will help boost disposable income and consumer spending. Other provisions put the metro division at a disadvantage. The new law limits the deductibility of state and local taxes and mortgage interest, which will push down house prices in high-income, high-tax parts of the country such as Chicago. Local single-family house prices are about 10% below their peak compared with 10% above nationally, and this aspect of the tax plan will weigh on the already-sluggish housing recovery.

Selected market statistics are presented below.

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## MARKET STATISTICS

Chicago-Naperville-Arlington Heights, IL												
2011	2012	2013	2014	2015	2016	INDICATORS	2017	2018	2019	2020	2021	2022
403.1	411.2	411.9	420.4	429.0	434.8	Gross metro product (\$ bil)	440.4	452.3	461.6	464.1	476.0	487.7
1.6	2.0	0.2	2.0	2.1	1.3	% change	1.3	2.7	2.1	0.5	2.6	2.4
3,414.4	3,465.9	3,524.1	3,583.0	3,656.7	3,712.3	Total employment (ths)	3,735.9	3,773.6	3,804.7	3,809.2	3,818.2	3,847.3
1.4	1.5	1.7	1.7	2.1	1.5	% change	0.6	1.0	0.8	0.1	0.2	0.8
10.1	9.3	9.3	7.2	6.0	5.9	Unemployment rate (%)	4.8	4.6	4.1	4.6	5.2	5.3
4.6	5.6	2.4	6.5	4.8	1.8	Personal income growth (%)	2.3	4.4	4.6	3.8	3.8	4.1
57.9	58.6	59.9	61.2	63.1	65.6	Median household income (\$ ths)	68.6	71.0	73.2	75.4	77.5	79.8
7,295	7,320	7,338	7,344	7,337	7,324	Population (ths)	7,316	7,316	7,319	7,320	7,320	7,324
0.3	0.3	0.2	0.1	-0.1	-0.2	% change	-0.1	0.0	0.1	0.0	0.0	0.1
-20.1	-18.4	-2.0	-25.9	-44.0	-51.0	Net migration (ths)	-43.8	-36.1	-30.7	-34.2	-34.7	-29.6
2,427	3,120	4,090	1,435	4,467	4,581	Single-family permits (#)	4,538	6,812	9,985	10,140	11,872	12,507
2,855.0	3,127.0	3,782.0	6,779.3	7,129.0	10,491.0	Multifamily permits (#)	11,440.2	11,299.0	9,966.6	8,627.1	9,236.0	9,663.8
152	148	150	158	164	171	FHFA house price (1995Q1=100)	179	182	183	187	184	202

## CONCLUSION

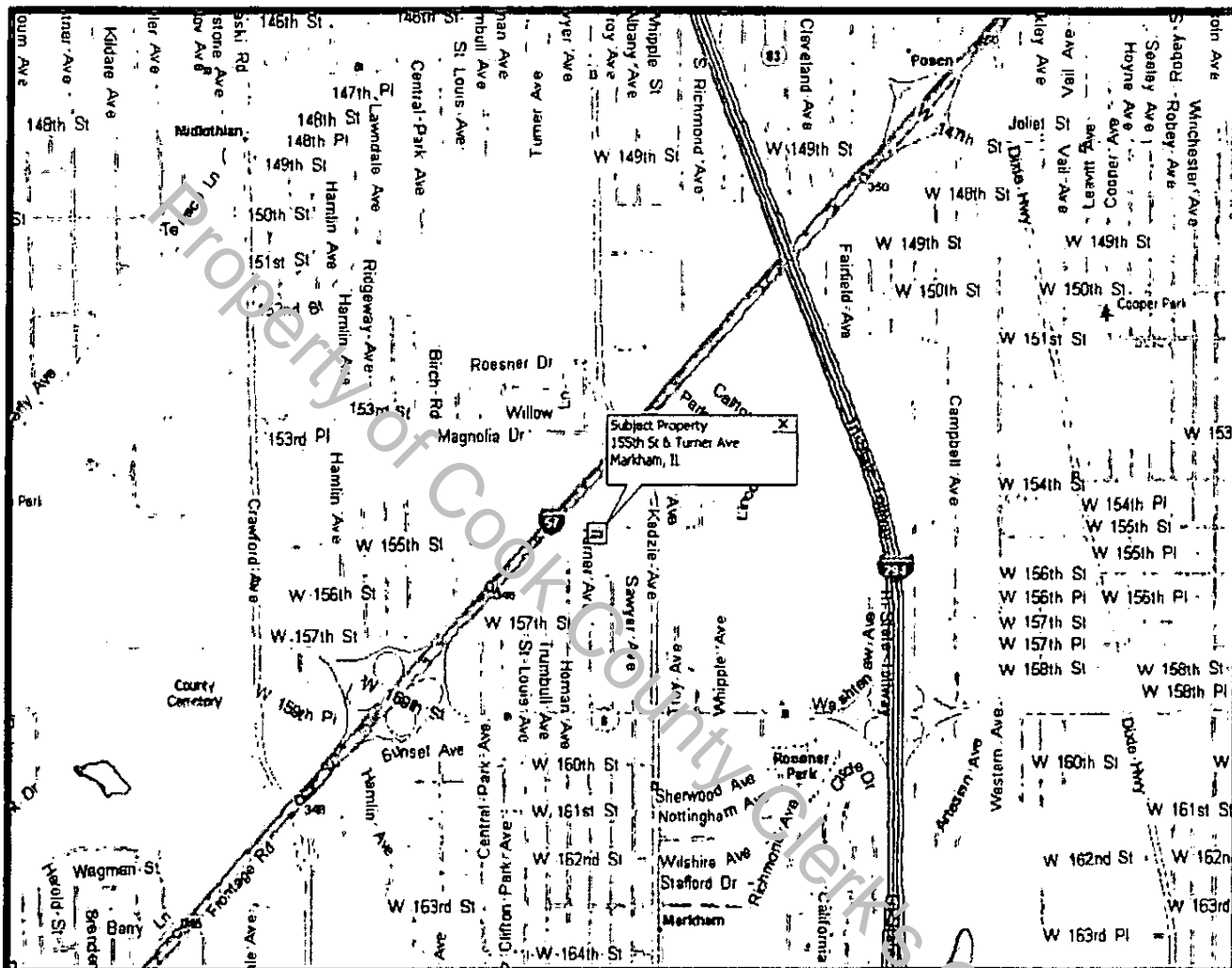
Chicago-Naperville-Arlington Heights will fare better than its in-state peers over the next several years. To be a solid performer longer term, Chicago must navigate its fiscal challenges without doing lasting damage to its business climate.

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## NEIGHBORHOOD ANALYSIS

The street map and aerial map below depict the subject's physical location within the neighborhood.

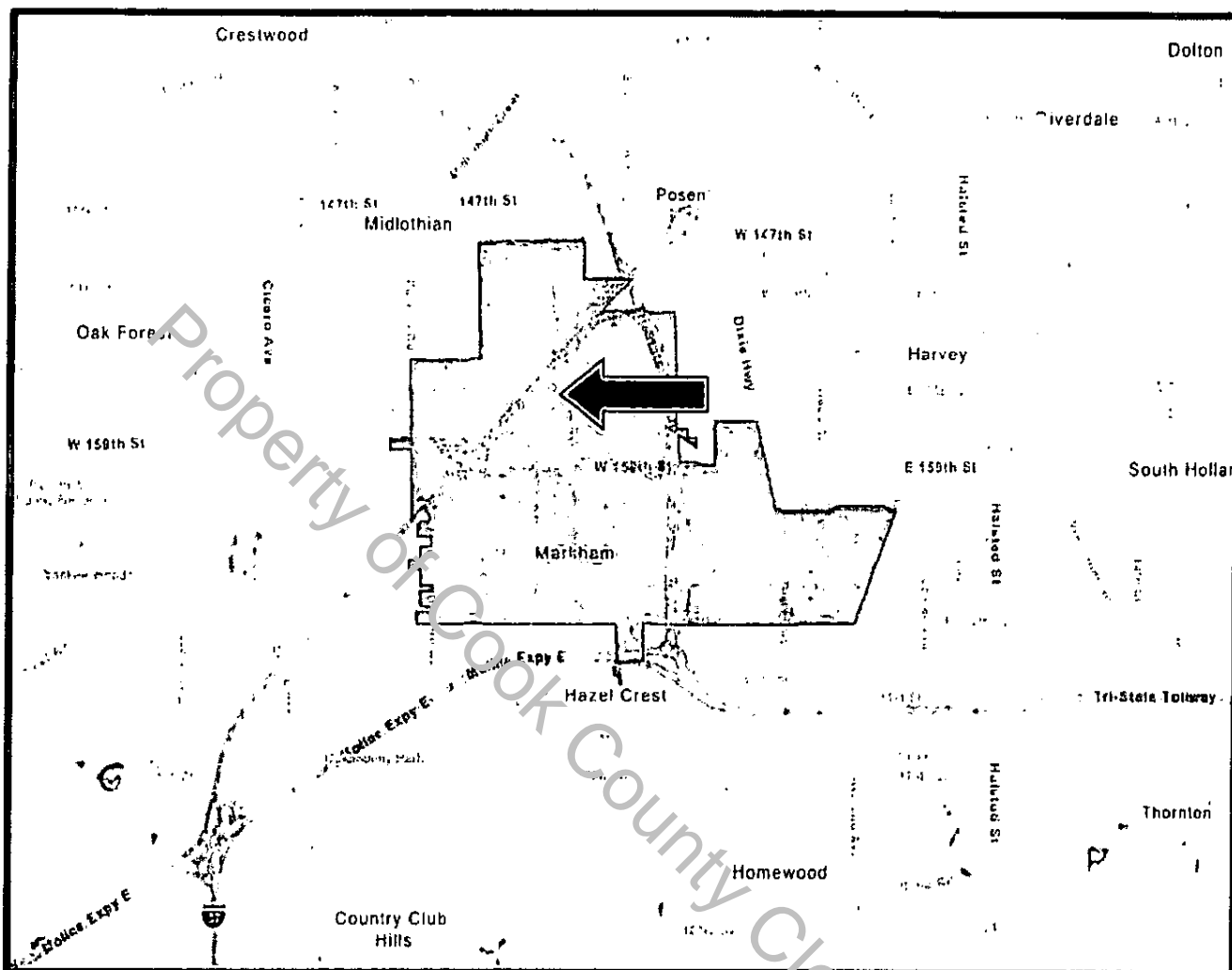


### LOCATION

The subject property is located in Markham, in the southern portion of Cook County, Illinois. Markham is a suburban community that is proximate to the region's highway, rail, and air transportation network and is located adjacent to Interstate 57, west of Interstate 294, and north of Interstate 80. The community is located approximately 13 miles south of Midway International Airport roughly 30 miles south of Chicago's central business district. Nearby jurisdictions include Midlothian to the north, Harvey to the east, Hazel Crest to the south, and Oak Forest to the west.

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**ACCESS**

Access to and from Markham is good. Interstate 57, which has a full interchange at 159th Street, blocks from the subject property. Interstate Tollway 294 is accessible with a full interchange at the eastern portion of the city that is 1.75 miles from the subject. Interstate 80 is accessible with a full interchange that is approximately 2.8 miles south of the subject via I-57. Interstate 94 is accessible with a full interchange roughly 6.8 miles east of the subject. These highways provide convenient access to Chicago's surrounding interstate network, the central business district, and Midway International Airport and O'Hare International Airport. 147th Street, 159th Street and 167th Street are primary east-west thoroughfares, while Cicero Avenue, Crawford Avenue and Kedzie Avenue are primary north-south roadways.

Direct access to the subject is average, as there is access from both 159th Place and Springfield Avenue. There are three curb cuts from Springfield Avenue and a wide curb cut on 159th Place. The subject has asphalt paving on the west and south side of the building. There are approximately 36 parking spaces on the front and side of the building that are not striped.

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## LAND USE PATTERNS AND TRENDS

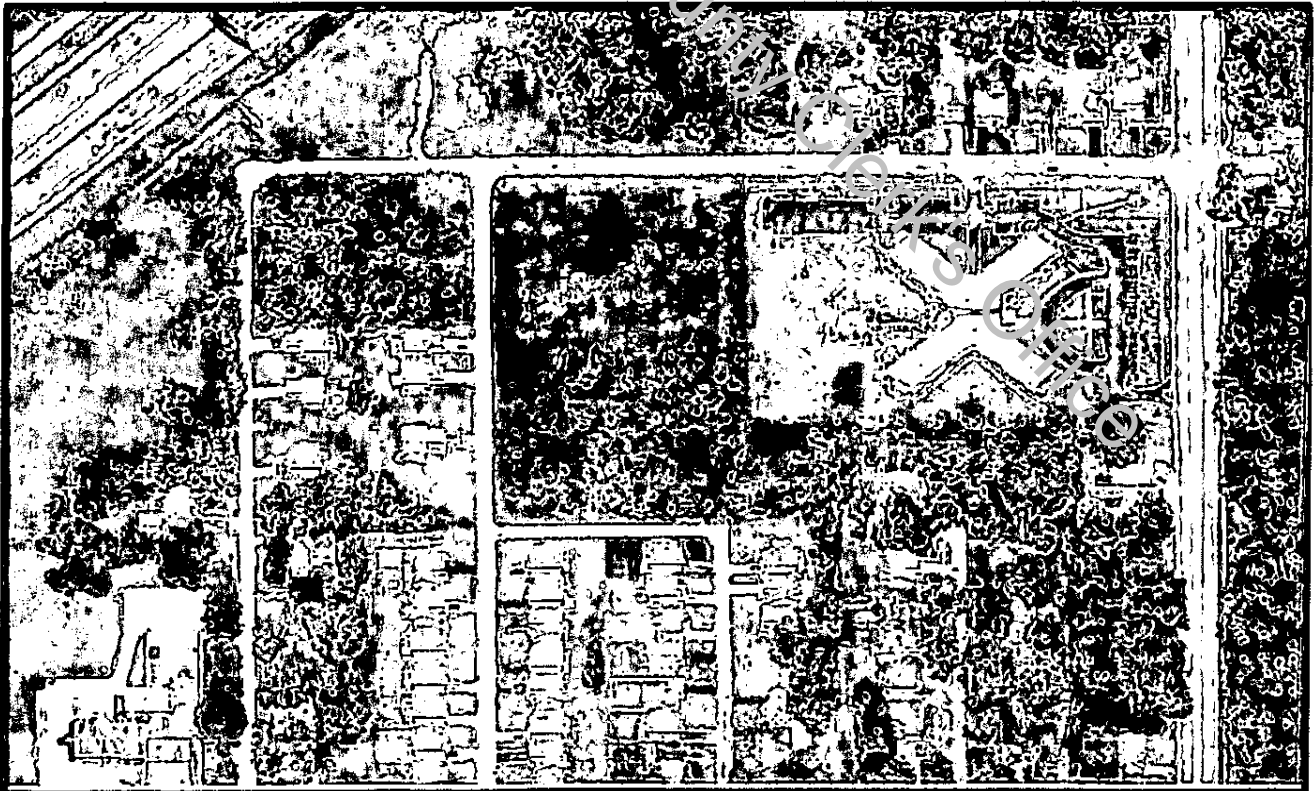
The subject is part of a residential area north of 159<sup>th</sup> Street and west of Kedzie Avenue. The area is also bordered by Interstate 57 on the north and west; and Interstate 294 to the east. The area is primarily developed with single family residences which appear to have been mostly built in the early 2000's. There is a senior living facility, the David Webb Jr. Senior Living Complex, that was built within the past 10 years.

Pace bus services the community with routes along primary arterials. Metra's ME line provides commuter rail service to the community with stations in Harvey and Hazel Crest to the east; and the Rock Island (RI) Line has stops to the west in Midlothian and Oak Forest.

## IMMEDIATE SUBJECT SURROUNDINGS

The following table summarizes our findings for this immediate surrounding area.

DIRECTION	LAND USE
North	Vacant land, residential, I-57
South	Single family residential
East	Senior living facility
West	Vacant land, single family residential



**UNOFFICIAL COPY****CVA****DEMOGRAPHIC PROFILE**

The following table summarizes the select neighborhood demographics in the one-, three- and five-mile concentric circles from the subject properties as well as the county, metropolitan statistical area, and the state.

<b>DEMOGRAPHIC ANALYSIS</b>						
	<b>1 Mile</b>	<b>3 Mile</b>	<b>5 Mile</b>	<b>Cook County</b>	<b>IL</b>	<b>Chicago MSA</b>
Population 2010	6,876	94,418	254,602	5,194,675	12,830,632	9,461,105
Population 2018 Estimate	6,810	90,182	245,374	5,223,023	12,915,181	9,601,766
Population 2023 Forecast	6,724	88,283	240,924	5,206,101	12,895,299	9,653,597
Historical Annual Growth % 2010-18	-0.12%	-0.56%	-0.45%	0.07%	0.08%	0.19%
Projected Annual Growth % 2018-23	-0.25%	-0.42%	-0.37%	-0.06%	-0.03%	0.11%
Households 2010	2,238	31,469	90,765	1,966,356	4,836,972	3,475,726
Household 2018 Estimate	2,231	30,009	87,678	1,990,263	4,891,691	3,544,865
Household 2023 Forecast	2,206	29,352	86,065	1,988,286	4,889,627	3,568,819
Historical Annual Growth % 2010-18	-0.04%	-0.58%	-0.43%	0.15%	0.14%	0.25%
Projected Annual Growth % 2018-23	-0.23%	-0.44%	-0.37%	-0.02%	-0.01%	0.13%
Median Household Income	\$44,873	\$49,596	\$55,066	\$62,360	\$63,871	\$69,900
Average Household Income	\$54,839	\$63,757	\$72,029	\$92,592	\$90,792	\$97,963
Per Capita Income	\$17,848	\$21,313	\$25,807	\$35,367	\$34,484	\$36,259
Average Household Size	3.07	2.97	2.78	2.58	2.58	2.66
% Owner-Occupied Housing	78.6%	68.3%	70.5%	55.3%	65.6%	64.0%
% Renter-Occupied Housing	21.4%	31.7%	29.5%	44.7%	34.4%	36.0%

Source: ESRI

**CONCLUSION**

As shown above, the population within one-, three-, and five-mile radii have generally shown negative trends since 2000, which is fairly typical for communities in the far south suburbs of Chicago. The neighborhood has an income demographic profile below the county and metro average. The subject's immediate surroundings include single-family residential homes, a senior living facility, residential lots and vacant land. There has been limited to no new construction in the immediate area due to limited demand.

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## APARTMENT MARKET ANALYSIS

The following market overview is taken from the CoStar market overviews based on Fourth Quarter 2018 historical trends and First Quarter 2019 projections.

### CHICAGO MARKET STATISTICS

The Chicago multifamily market tightened in 2019, as continued strong demand helped push average vacancies to their lowest level since 2015, despite another year of above-average construction activity. New demand formation hit an all-time high in 2019 of approximately 10,700 units thanks to the strong pace of millennial household formations and a continued preference for renting over ownership. The majority of new demand continues to flow into the Downtown and North Lakefront submarkets, which have garnered an outsized share of attention from developers and tenants alike. This demand is largely being driven by the influx of young professionals in Chicago's CBD and northern neighborhoods, who have overwhelmingly populated new 4 & 5 Star units. Over 70% of units leased during the past year were in the 4 & 5 Star segment. This strong demand has been enough to compress vacancies in the luxury market to their lowest level in over four years, though they remain elevated from a historical perspective due to numerous projects throughout the MSA still working toward stabilization. On the other end of the spectrum, the market for workforce housing remains tight, as consistent demand and minimal new supply have driven average vacancies in 3 Star and below assets to new cycle lows near 5.5%.

Despite strong demand and tighter fundamentals, rental growth remained relatively muted in 2019, with average rents increasing by less than 2% during the year. Unsurprisingly, rental growth was stronger in the lower-quality segments with tighter fundamentals and weakest in the fundamentally soft 4 & 5 Star segment, which is facing significant supply-side pressure. While new deliveries remained near historic highs in 2019, construction activity appears to finally be slowing, with the number of under construction units falling to its lowest level in four years at the end of 2019. New multifamily permitting activity has slowed as well, raising the prospects for a soft-landing from the recent supply surge. Developers continue to primarily target the Downtown and North Lakefront submarkets, though activity in the suburbs has picked up of late, especially near Metra rail stations.

Sales activity pulled back in 2019 to its lowest level in five years, which was entirely due to a decline in sales in the 4 & 5 Star segment. Total luxury asset sales fell by 50% on a year-over-year basis, as significant supply competition, soft rental growth, and growing concerns surrounding the magnitude of future tax increases led many core investors to take a step back from Chicago in 2019.

#### KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	97,906	10.1%	\$2,263	\$2,241	1,066	1,011	9,776
3 Star	200,664	6.0%	\$1,261	\$1,251	364	1,057	1,048
1 & 2 Star	195,892	5.5%	\$993	\$987	40	0	81
<b>Market</b>	<b>494,462</b>	<b>6.6%</b>	<b>\$1,434</b>	<b>\$1,422</b>	<b>1,470</b>	<b>2,068</b>	<b>10,907</b>

### VACANCY

For the second consecutive year, net absorption in Chicago eclipsed 10,000 units, as new demand formation hit a new record high in 2019. This record level of absorption was just enough to push vacancies lower throughout the Chicago



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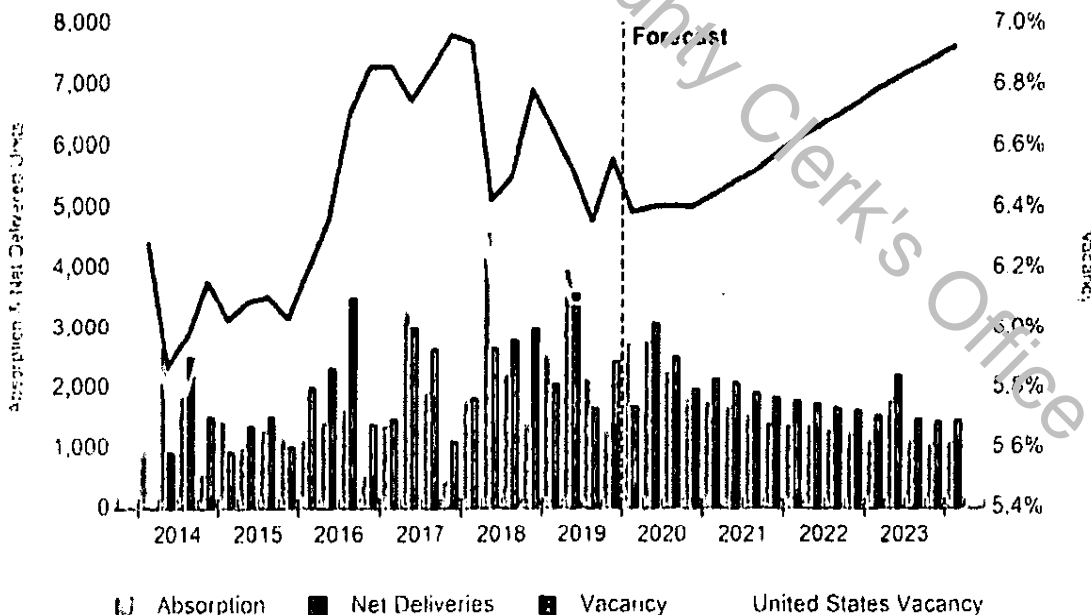


area, despite significant construction activity that resulted in the delivery of 9,700 units during the year. Metro-wide vacancies were near a four-year low heading into 2020, while the stabilized vacancy rate is near a 10-year low at 5.6%.

A significant portion of new demand can be attributed to the lease-up of new assets, especially in the Downtown and North Lakefront Submarkets. Nearly 70% of units leased over the past 12 months were in one of these two submarkets, which is consistent with the growth seen in well-paid jobs and young professionals filling them within these areas. When looking at suburban Cook County and the collar counties, new demand has been considerably lower, though new projects near Metra stations in affluent suburbs have generally performed well. That said, most suburban markets that have seen multiple luxury properties deliver in a short time span are struggling to generate the necessary demand to fill these units. It has generally been very good to be the first or second upscale project in a suburb, but third and fourth projects have largely struggled, outside of a few select areas. The strong demand for 4 & 5 Star units has helped push vacancies to a four-year low in the luxury segment, though they remain elevated due to multiple projects in lease-up. Meanwhile, demand for established 3 Star and below properties has increased steadily over the past few years, helping push vacancies to a new cycle low near 5.5%. Chicago, like many larger cities throughout the nation, has structurally tight vacancies in the workforce housing segment, a trend that is not likely to reverse anytime soon given a lack of new supply and growing pool of demand.

Looking forward, above-average demand should persist so long as job growth continues unabated and young households continue to favor renting over homeownership. In addition, the amount of construction activity occurring throughout the market has slowed, reducing near-term supply fears for most areas and segments within Chicago.

ABSORPTION, NET DELIVERIES & VACANCY



## CONSTRUCTION

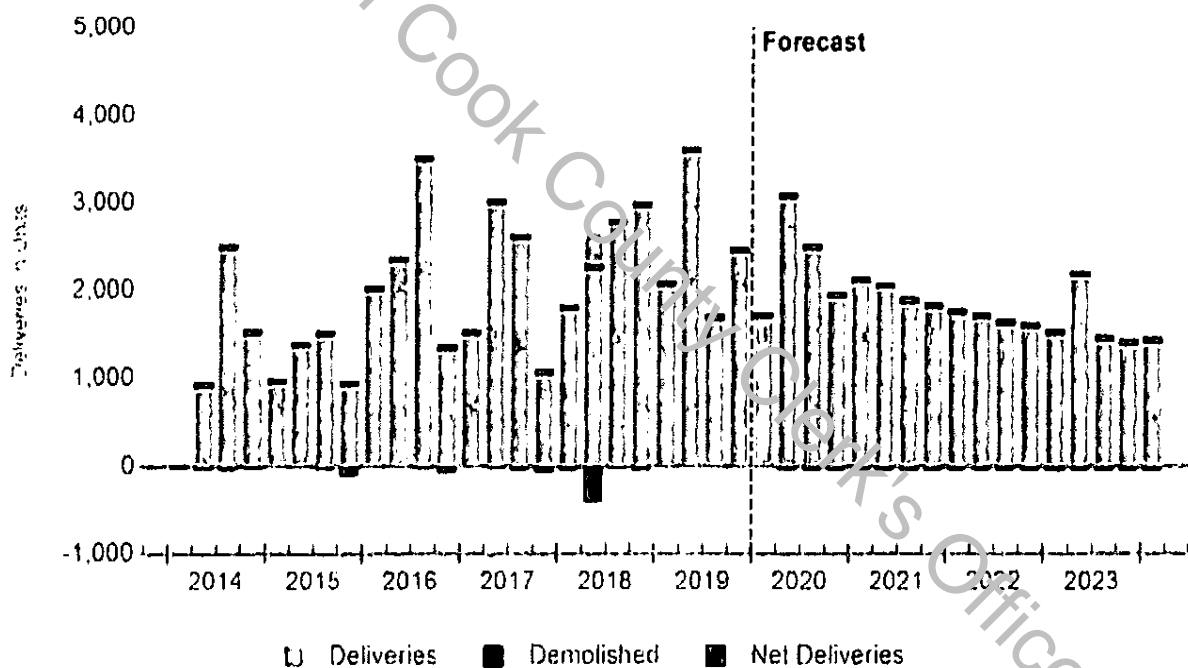
Chicago's supply surge has been heavily concentrated in the Downtown and North Lakefront submarkets, which have accounted for approximately 70% of all new supply within the MSA over the past year and remain two of the most

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active submarkets for new construction nationwide. Given the surge in both job and population growth within the CBD, Near West Side, and North Side, new supply has been filling at a relatively quick pace, which has only further elicited more supply in these regions. While 2019 is not expected to match the record level of new construction seen in 2018, over 9,500 units are expected to deliver this year. Geographically, the focus has shifted to the South Loop, as three large projects encompassing 1,500 units delivered within a few block radius. Suburban construction activity has largely been concentrated in the downtowns of demographically strong suburbs that provide access to the CBD via Metra rail lines. In fact, over 60% of suburban construction activity over the past five years has been located within a one-mile radius of a Metra train station, a fact that highlights just how focused developers have been on walkable and transit-friendly sites this cycle. Similar to trends seen throughout the country, high labor, land, and construction prices are pushing developers to build higher-end luxury product in Chicago, especially within the city. As such, approximately 75% of units under construction are 4 & 5 Star. In addition, high development costs appear to finally be taking their toll on overall construction activity, as a notable drop in under-construction units and multifamily permitting activity indicate this cycle's supply wave has likely crested.

## DELIVERIES & DEMOLITIONS



## ECONOMY

With its diverse economy, Chicago has benefited from the long national economic growth cycle. Chicago has been further aided by its position as a national distribution hub and the largest city in the Midwest. With unemployment at a 50-year low, Chicago's labor market is historically tight, and while Chicago has created thousands of new jobs over the past year, growth has pulled back in numerous sectors. The most prominent slowdown has been in the construction and information sectors. The pullback in construction employment has coincided with an overall pullback in construction activity throughout the MSA, while the information sector had shed jobs for numerous consecutive years in Chicago as a result of a shrinking news and media industry.

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Growth should pick up in 2020, however, as numerous companies have announced large upcoming expansions. These companies include tech powerhouses such as Uber, Salesforce, Google, Amazon, and Facebook. Many of these companies have cited Chicago's deep talent pool and relative labor and space cost savings as motivations behind their expansions. It hasn't just been West Coast tech companies expanding in the city, though, as Chicago's own suburban companies have followed the national trend of urbanization and relocated all or a significant portion of their staff to CBD, including companies such as McDonald's, Motorola, and Walgreens.

This flow of jobs has been largely driven by the significant increase in well-educated millennials populating downtown and neighborhoods near CBD. In fact, while headlines often cover the overall declining population within the Chicago MSA, there is significant bifurcation in population growth throughout the area. The downtown core and Near West Side and North Side neighborhoods have seen strong population growth over the past 10 years, with a significant majority of this population growth coming from well-educated millennials. In fact, some areas such as Fulton Market have seen such strong growth that over 70% of the total population within the zip code now consists of millennials with at least a bachelor's degree.

The downtown core has also seen an outsized share of job growth within Chicago this cycle, as the most recent figures from the Illinois Department of Employment Security report that private employment grew by nearly 3% annually between 2010 and 2019, significantly higher than local or regional averages. The suburbs of Chicago and surrounding counties have seen their population totals stay relatively flat over the past 10 years, with a few exceptions seeing growth, such as Oak Park, Evanston, and the far outer edges of the MSA. Otherwise, both population and job growth have been stagnant in the suburbs. The majority of population decline that is most often reported overwhelmingly comes from Chicago's Far West Side and South Side areas that are grappling with poverty, crime, and a lack of economic opportunity.

An unfortunate headwind to growth in Chicago is the local and state fiscal situation, with both the City of Chicago and the State of Illinois facing significant unfunded pension liabilities and budget deficits. While the City of Chicago was able to plug a significant budget shortfall for 2020, significant pressures will remain over the coming years, largely due to pension contributions that are expected to double over the next five years.

An increased real estate tax levy would be a double whammy to commercial real estate owners in Cook County, who are also facing significant increases in tax assessment values as a new Cook County Tax Assessor reveals that many commercial properties in Cook County were significantly undervalued by the previous regime. The move back towards market-based valuation principals in the townships reassessed by the new Assessor in 2019 resulted in many properties seeing their assessed values skyrocket, some by more than 100%. Cook County's tax system does not rely on a millage rate like much of the nation, but rather first determines the tax levy and then divides the burden relative to assessment values. Thus, while the increase in assessed values does not equate directly to an increase in taxes, the properties that see higher assessment increases will pay a greater share of the burden. Given the residential market in Cook County has significantly underperformed the commercial market over the past three years (so much so that condo deconversions have become a regular occurrence), it is expected that most commercial owners throughout the County will face higher taxes in the coming years.

While the employment picture is positive and the growth occurring in the downtown core has driven a new generation of capital and talent into Chicago's economy, fiscal and tax issues are expected to continue to dampen investor sentiment towards Chicago so long as the uncertainty remains.

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## SOUTHERN COOK COUNTY SUBMARKET STATISTICS

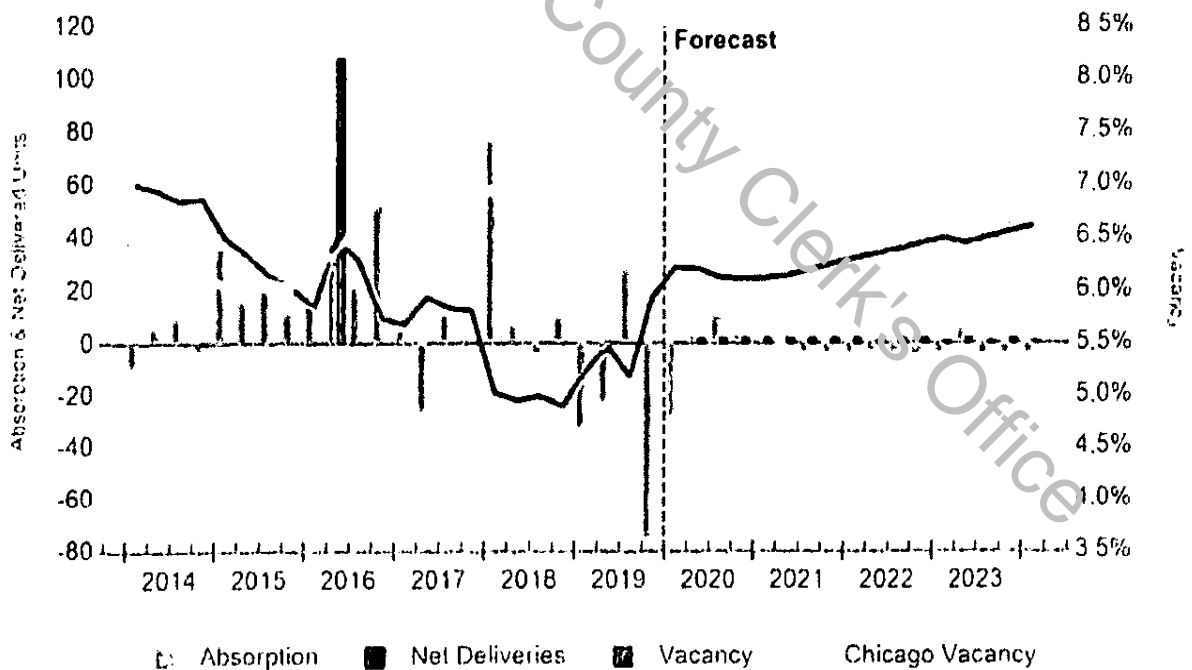
### KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	108	1.9%	\$1,849	\$1,842	0	0	0
3 Star	2,725	5.4%	\$1,022	\$1,017	(3)	0	0
1 & 2 Star	7,211	6.5%	\$887	\$883	(19)	0	0
<b>Submarket</b>	<b>10,044</b>	<b>6.2%</b>	<b>\$947</b>	<b>\$943</b>	<b>(22)</b>	<b>0</b>	<b>0</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.1%	7.2%	6.4%	9.8%	2004 Q3	4.4%	2000 Q1
Absorption Units	(108)	(3)	(19)	130	2016 Q4	(156)	2003 Q4
Delivered Units	0	6	6	108	2017 Q1	0	2019 Q4
Demolished Units	0	3	0	48	2013 Q3	0	2019 Q4
Asking Rent Growth (YOY)	3.6%	1.9%	1.7%	5.8%	2001 Q4	-0.8%	2009 Q4
Effective Rent Growth (YOY)	3.9%	1.9%	1.8%	5.7%	2001 Q4	0.9%	2009 Q4
Sales Volume	\$69.2 M	\$27.0 M	N/A	\$68.9 M	2019 Q4	\$785.0 K	2010 Q4

### ABSORPTION, NET DELIVERIES & VACANCY

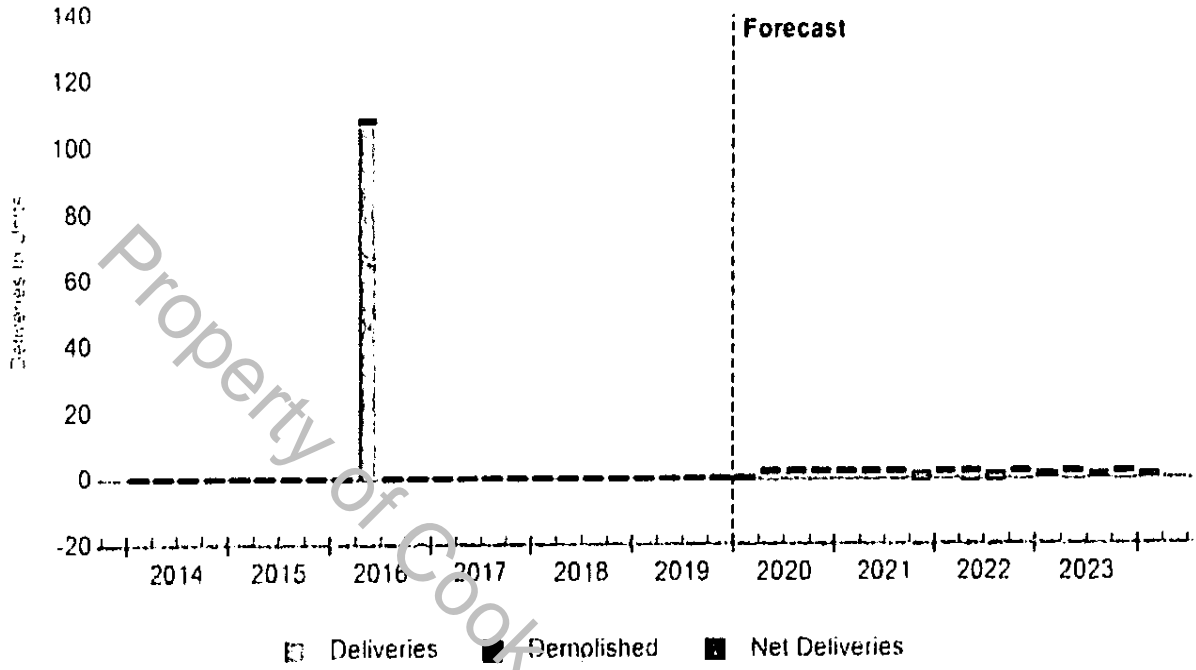


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## DELIVERIES & DEMOLITIONS



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Report Date: 11/15/23

## VACANCY

The following table details the vacancy rates in the metro area and the subject's submarket.

MARKET VACANCY RATE INDICATIONS	
	Current
Metro Area - Total	6.6%
Metro Area - 4 & 5 Star	10.1%
Metro Area - 3 Star	6.0%
Metro Area - 1 & 2 Star	5.5%
Southern Cook County - Total	6.2%
Southern Cook County - 4 & 5 Star	1.9%
Southern Cook County - 3 Star	5.4%
Southern Cook County - 1 & 2 Star	6.5%
Source: CoStar	

## CONCLUSION

Prospects for the general market appear stable. Over the long run, employment, population and household growth should foster slight positive absorption of units in the Greater Chicago Area and limited absorption in the submarket. There has not been any recent construction deliveries in the subject submarket in recent years, reflecting limited demand.

**UNOFFICIAL COPY****CVA****SITE ANALYSIS**

The subject property is comprised of 252,996 square feet, or 5.808 acres of vacant land located on the south side of 155<sup>th</sup> Street in Markham. The following description is based on our property inspection, assessment records, and information provided by property owner.

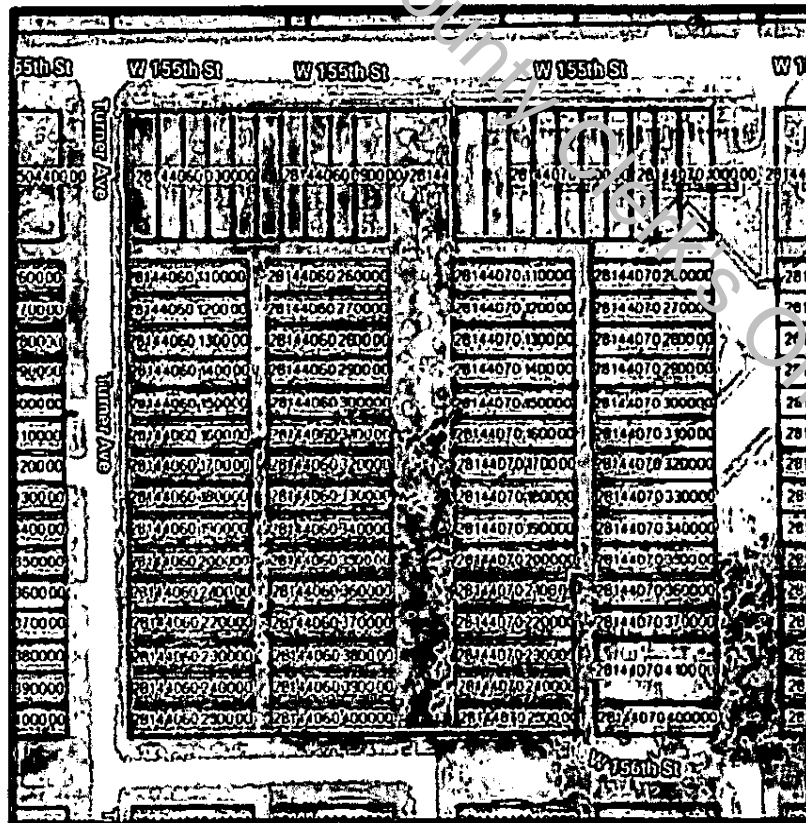
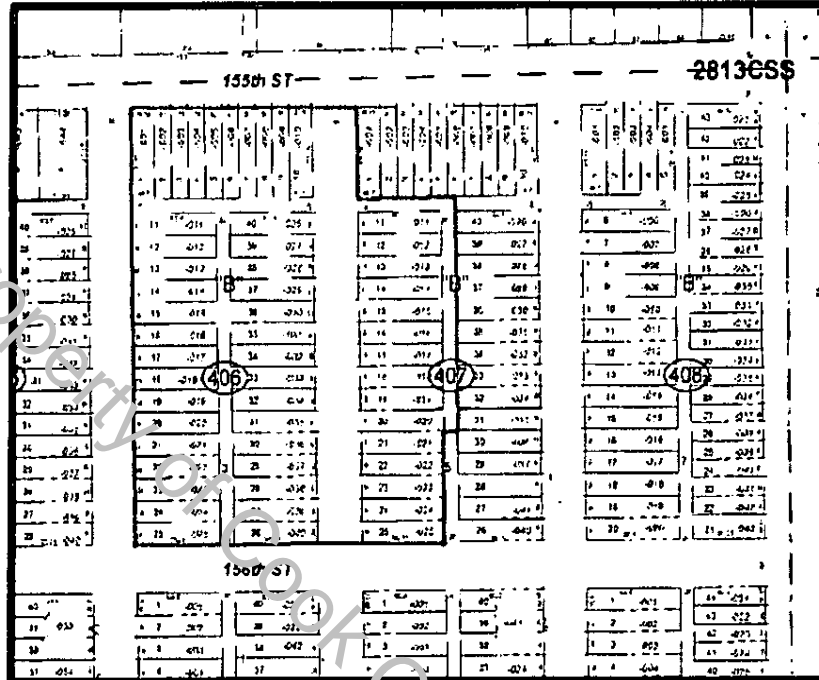
<b>SITE SUMMARY</b>		
<b>Land Data</b>		
Gross Site Area	5.808 Acres	252,996 SF
Excess Site Area	0.000 Acres	0 SF
Net Site Area	5.808 Acres	252,996 SF
Source	Aerial Measurement	
Shape	Generally Rectangular	
Accessibility	Average	
Corner Lot	Yes	
Visibility	Average	
Topography	Level, at street grade	
<b>Infrastructure</b>		
Primary Road	155 <sup>th</sup> Street	
Primary Road Frontage	334 Feet	
Secondary Road	Turner Avenue	
Secondary Road Frontage	592 Feet	
Curbs & Gutters	No	
Traffic Lanes	One lane in each direction	
Traffic Signal	No	
<b>Utilities</b>		
Water	Municipal	
Sewer	Municipal	
Natural Gas	Available	
Electricity	Available	
<b>Flood Information</b>		
Flood Map Panel	170310727J	
Flood Map Date	August 19, 2008	
Flood Zone	Zone X	
Flood Zone Description	Area of minimal flood hazard, outside the Special Flood Hazard Area (SFHA) and higher than the elevation of the 0.2% Annual Chance Flood.	

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## TAX PARCEL MAPS





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## FLOOD MAP

### Flood Zone Determination Report

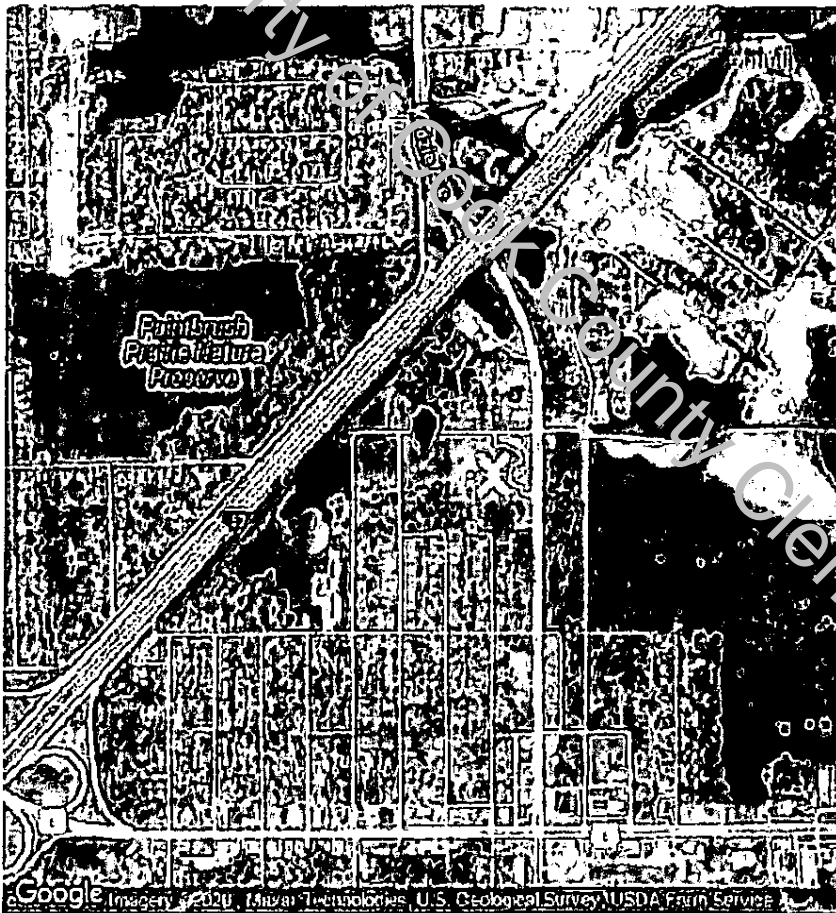
Flood Zone Determination: **OUT**

PANEL DATE

August 19, 2008

MAP NUMBER

170310727J




X500 or B Zone

 A Zone

 V Zone

 D Zone

 Floodway

 CBRA

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<b>LEGAL DESCRIPTION:</b>	The legal description is included on the Plat of Survey that is included in the addenda of the report.
<b>SITE SHAPE AND LAND AREA:</b>	The site is generally rectangular in shape. The total land area is 252,996 square feet, or 5.808 acres. The land area for the site is based on the Plat of Survey that is included in the addenda of the report.
<b>FRONTAGE, ACCESS AND VISIBILITY:</b>	155 <sup>th</sup> Street is a secondary residential, east/west that is accessible from Kedzie Avenue. Turner Avenue and Spaulding Avenue are secondary, north/south residential streets. The surrounding area primarily consists of single-family residences, vacant residential lots and vacant land.
<b>TOPOGRAPHY AND DRAINAGE:</b>	The site is generally level and at street grade. The topography of the site is not seen as an impediment to the development of the property. During our inspection of the site, we observed no drainage problems and assume that none exist.
<b>UTILITIES:</b>	All utilities are available to the site in adequate quality and quantity to service the highest and best use as if vacant and as improved.
<b>SOIL CONDITIONS:</b>	A soil report was not provided for use in this appraisal. We are not qualified to render a technical opinion regarding soil conditions. It is assumed that the load-bearing capacity is sufficient to support any reasonably probable improvements.
<b>WETLANDS:</b>	Based on our site inspection we do not suspect the presence of any regulated wetlands on the subject site. If subsequent engineering findings reveal the presence of other or greater on-site regulated wetlands, it could materially affect the subject's value. We recommend a wetlands survey by a competent engineering firm.
<b>HAZARDOUS SUBSTANCES:</b>	We have not observed the existence of potentially hazardous material or underground storage tanks that may be present on or near the site. However, it is noted that we did not conduct an extensive search for said items, and are not qualified to detect such materials or underground storage tanks. The existence of hazardous materials or underground storage tanks may have an effect on the value of the property. Therefore, for the purpose of this appraisal, we specifically assume that the property is not affected by any hazardous materials and/or underground storage tanks that may be present on or near the property.

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## CONCLUSION

The subject site is generally rectangular in shape with frontage along the south side of 155<sup>th</sup> Street, the north side of 156<sup>th</sup> Street and the east side of Turner Avenue. The site includes portions of vacated Spaulding Avenue. The site appears suited for residential development similar to that found in the general area. The site is not located in a flood risk area. Based upon the foregoing, we are not aware of any physical issues with the subject site that would prevent it from being developed with its highest and best use.

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## ZONING

The applicable zoning information for the subject is summarized as follows:

ZONING SUMMARY	
Component	Detail
Zoning Jurisdiction	Markham
Zoning Code	M
Zoning Description	Municipal Property
Zoning Change	Possible

### M, Municipal Property

The appraisers are not experts in the interpretation of complex zoning ordinances but the subject property appears to be a conforming use based on a review of public information. Please note that the determination of compliance is beyond the scope of a real estate appraisal. It is recommended that local planning and zoning personnel be contacted regarding more specific information that might be applicable to the subject.

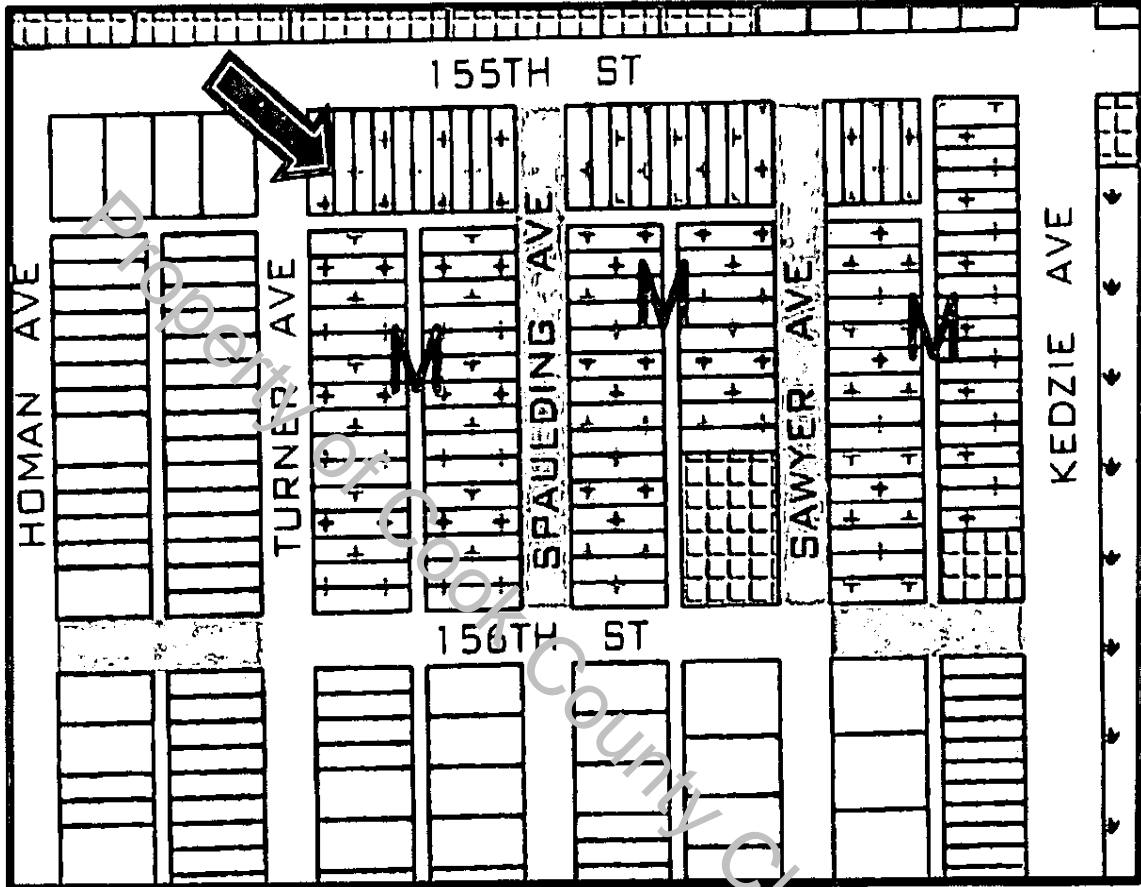
In addition, we know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist, however, is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or title company can usually uncover such restrictive covenants. Thus, we recommend a title search to determine if any such restrictions do exist. It is assumed the property would be rezoned in accordance with any potential development.

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## ZONING MAP

The following map shows the demarcation of the subject's zoning based on the Markham zoning department:



**"M" MUNICIPAL PROPERTY**

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## ASSESSMENT & TAXES

### INTRODUCTION

Real estate tax assessments are administered by the Cook County Assessor and the property is within Bremen Township and the City of Markham, which together comprise the composite tax rate.

### TAX PROCESS

Real estate taxes in this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The taxes in Cook County are determined by multiplying the assessed value by the applicable tax rate. The tax rate is determined each year.

### SUBJECT TAXATION

The assessed values in Cook County are based upon the current conversion assessment rate of 25% of the Assessor's market value for commercial properties and 10% for residential properties. The subject PINs are currently owned by the City of Markham and are exempt from real estate taxes and there is no current assessment or real estate tax bill.

### CONCLUSION

The tax rate for the subject's location is 24.520%, which is much higher than many locations in the metro area, which a local broker stated has a negative impact on new development.

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## HIGHEST & BEST USE

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- Legally permissible;
- Physically possible;
- Financially feasible; and
- Maximum profitability

Highest and best use analysis involves assessing the subject both as if vacant and as improved.

### AS VACANT

#### Legally Permissible

The subject site is zoned M, Municipal Property by the City of Markham. For any privately owned development it is assumed the property would be rezoned in accordance with the proposed development. Given prevailing land use patterns in the area and the current zoning, residential and development are given further consideration in determining the highest and best use of the site, as though vacant.

#### Physically Possible

The subject is adequately served by utilities, has an adequate shape and size, sufficient access, etc., to be a separately developable site. The subject site would support a site layout for any of the legally probable uses, which include residential uses. There are no known physical reasons why the subject site would not support any of these legally probable developments.

#### Financially Feasible

The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally permissible and physically possible land uses versus the cost to create the uses. There has been relatively little development in the south suburban submarket in recent years. However, the property immediately to the east was constructed in approximately 2010 and the residential properties to the south are single family homes that appear to have been mostly constructed in the 2000s. Development may be financially feasible depending on the proposed use.

#### Maximum Profitability

The final test of highest and best use of the site as though vacant is that the use be maximally productive, yielding the highest returns to the land. In the case of the subject as if vacant, the analysis has indicated that residential or commercial development would be most appropriate.

### CONCLUSION: HIGHEST AND BEST USE AS VACANT

Based on the information presented above and upon information contained in the market and neighborhood analysis, we conclude that the highest and best use of the subject as if vacant, would be for residential or commercial development. Depending on the proposed use a holding period may be indicated.

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## APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

### COST APPROACH

The cost approach is based upon the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when relatively unique or specialized improvements are located on the site and for which there exist few sales or leases of comparable properties.

### SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

### INCOME CAPITALIZATION APPROACH

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time.

### METHODOLOGY APPLICABLE TO THE SUBJECT

In valuing the subject, a land sales comparison approach to value was utilized. Land sales comparison is considered the most applicable method of valuing the property and the omission of any other approaches does not adversely affect the value indication of the subject site.

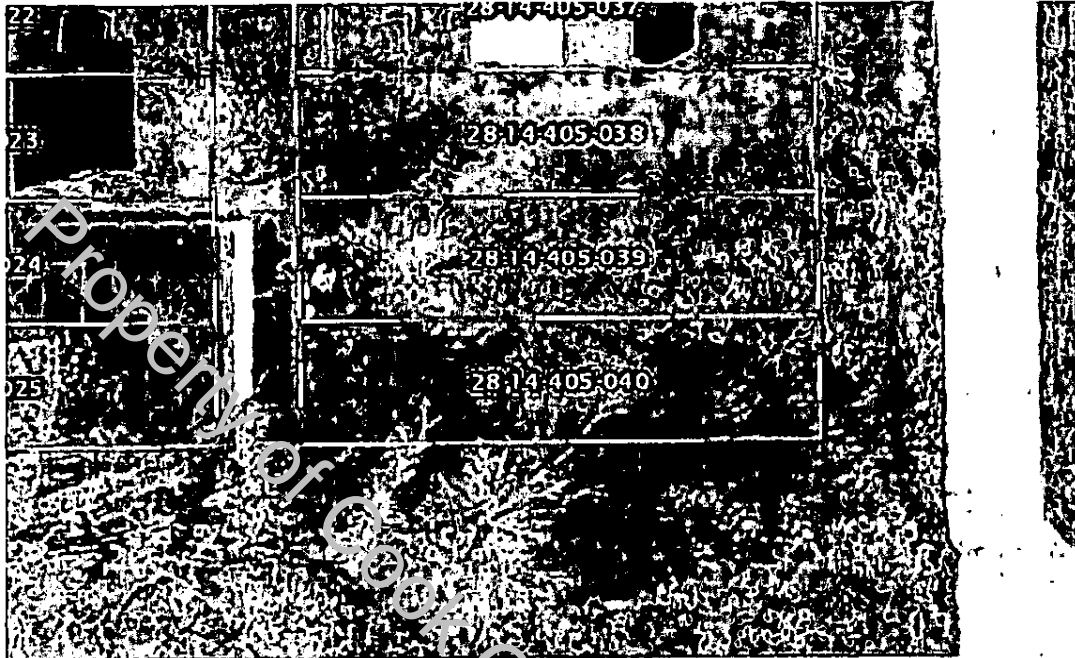




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**LAND COMPARABLE 1**



**Location Data**

Address: 15552 Turner Avenue  
 City: Markham  
 County: Cook  
 State: IL  
 Market: Chicago  
 Cluster/Submarket: South Suburban  
 Parcel Number: 28-14-405-038 thru 040

**Sale Data**

Transaction Type: Listing  
 Date: Current  
 Marketing Time: 133 Days  
 Grantor: Owner of Record  
 Grantee: N/A  
 Document No: N/A  
 Asking Price: \$19,898  
 Property Rights: Fee Simple  
 Financing: Typical  
 Conditions of Sale: Arm's Length

**Physical Data**

Acres: 0.25 Acres  
 Land SF: 11,070 SF  
 Topography: Level  
 Shape: Rectangular  
 Corner or Interior: Interior  
 Utilities: All Available  
 Zoning: R-3 Single Family

**Use at Time of Sale**

Use at Time of Sale: Vacant Land  
**Analysis**  
 Asking Price: \$19,898  
 Price Per Acre: \$78,298  
 Price Per SF: \$1.80  
 Verification: Published Listing

**Comments**

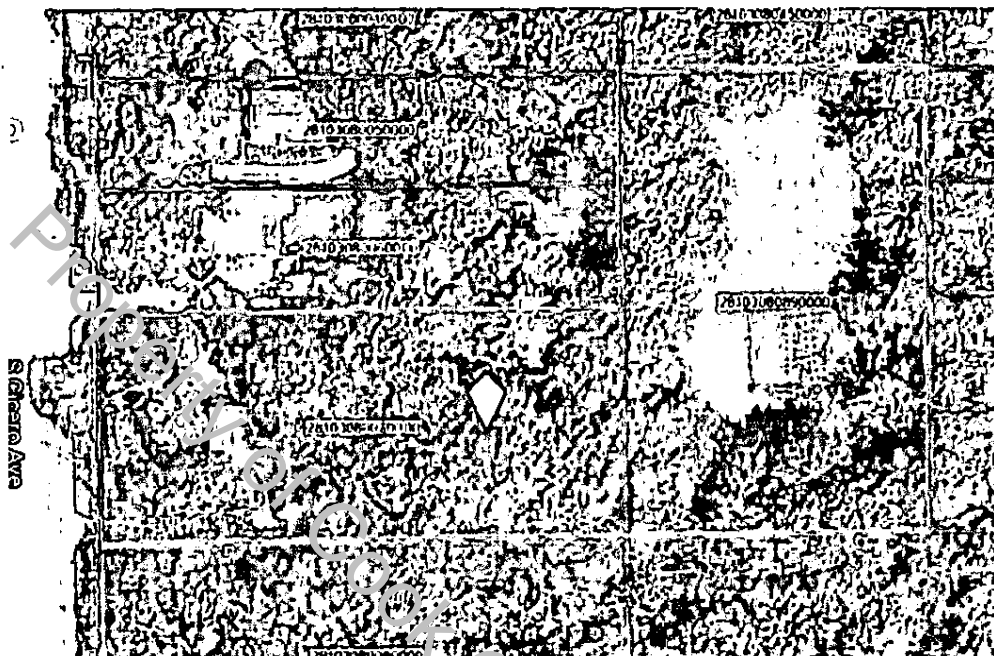
The listing of a vacant land site comprised of three adjacent lots in a residential location in Markham. The site is located in an area developed with single family homes and the zoning is R-3, Single Family District. The site is listed by Daniel Vainisi who said he recently a home in this location but interest in the land has been slow. He stated a high tax rate is a negative factor.

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**LAND COMPARABLE 2**



**Location Data**

Address **14951 Cicero Avenue**  
 City **Oak Forest**  
 County **Cook**  
 State **IL**  
 Market **Chicago**  
 Cluster/Submarket **South Suburban**  
 Parcel Number **28-10-308-007, 009**

**Physical Data**

Acres **1.81 Acres**  
 Land SF **78,844 SF**  
 Topography **Level**  
 Shape **Irregular**  
 Corner or Interior **Interior**  
 Utilities **County - Available**  
 Zoning **R-5 Single Family**

**Sale Data**

Transaction Type **Listing**  
 Date **Current**  
 Marketing Time **952 Days**  
 Grantor **Current Owner**  
 Grantee **N/A**  
 Document No **N/A**  
 Asking Price **\$210,000**  
 Property Rights **Fee Simple**  
 Financing **Typical**  
 Conditions of Sale **Arm's Length**  
 Req Capital Cost **N/A**  
 Use at Time of Sale **Single Family / Vacant**

**Sales Analysis**

Asking Price **\$210,000**  
 Price per Acre **\$116,022**  
 Price per Land SF **\$2.66**  
 Verification **Published Listing**

**Comments**

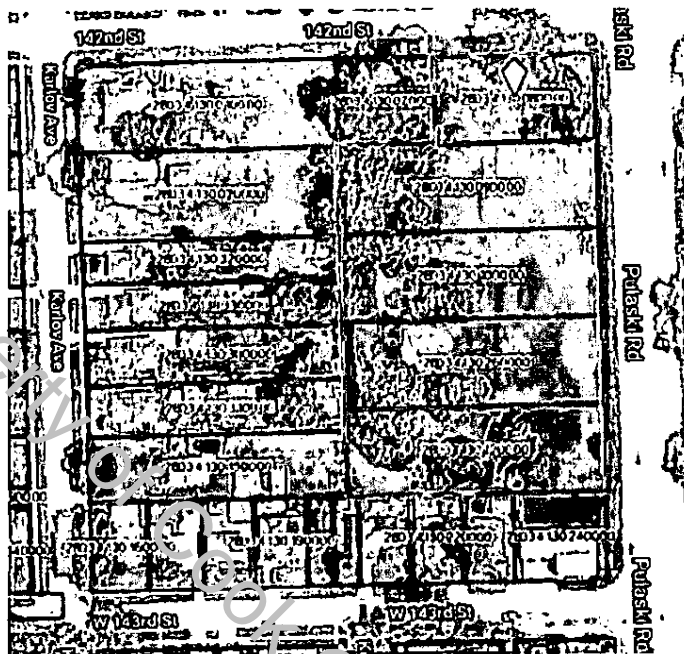
The property has been listed for sale for over 2.5 years by Keller Williams Realty. The site is currently improved with a cottage home and is being marketed for residential redevelopment. The site is in Unincorporated Cook County and zoned R-5 Single Family.



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**LAND COMPARABLE 4**



**Location Data**

Address 14200-14280 Pulaski Road  
 City Crestwood  
 County Cook  
 State IL  
 Market Chicago  
 Cluster/Submarket South Suburban  
 Parcel Number 28-03-413-008 thru 012

**Physical Data**

Acres 3.20 Acres  
 Land SF 139,392 SF  
 Topography Level  
 Shape Generally Rectangular  
 Corner or Interior Corner  
 Utilities All Available  
 Zoning Commercial

**Sale Data**

Transaction Type Listing  
 Date Active  
 Marketing Time 240 Days  
 Grantor Village of Crestwood  
 Grantee N/A  
 Document No N/A  
 Asking Price \$279,000  
 Property Rights Fee Simple  
 Financing Typical  
 Conditions of Sale Arm's Length  
 Req Capital Cost N/A  
 Use at Time of Sale Vacant  
**Sales Analysis**  
 Price \$279,000  
 Price per Acre \$87,188  
 Price per Land SF \$2.00  
 Verification Published Listing

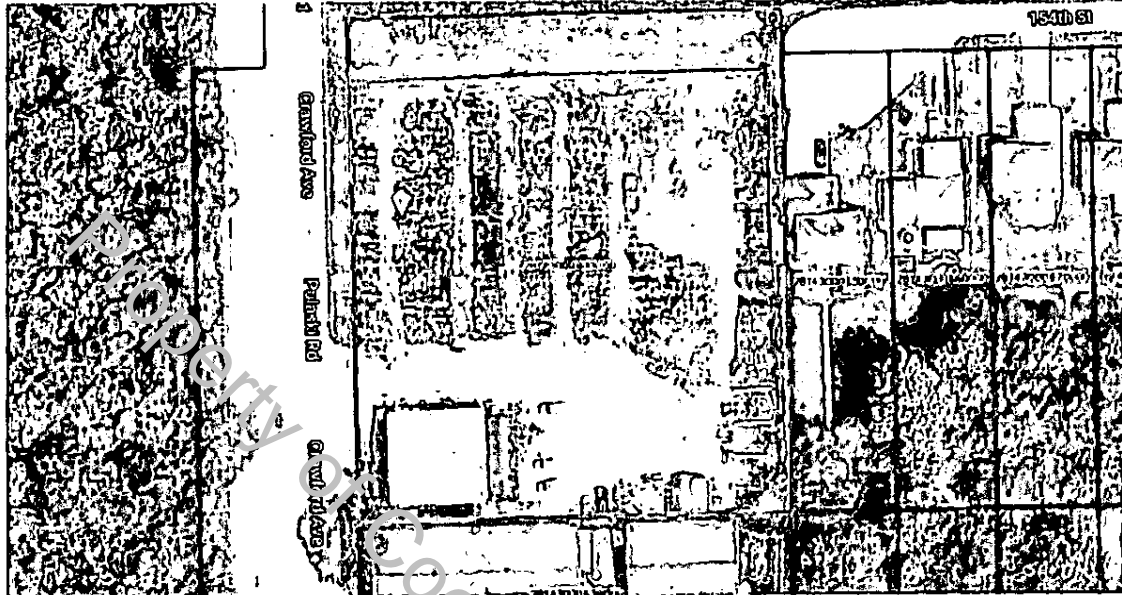
**Comments**

The current listing of a generally rectangular site at the corner of 1472nd Street and Pulaski Road in Crestwood. The site is owned by the Village of Crestwood and is being marketed for sale by Chuck Groebe of Coldwell Banker Commercial.

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**LAND COMPARABLE 5**



**Location Data**

Address **15401 S Pulaski Road**  
 City **Markham**  
 County **Cook**  
 State **IL**  
 Market **Chicago**  
 Custer/Submarket **South Suburban**  
 Parcel Number **28-14-300-011**

**Physical Data**

Acres **1.72 Acres**  
 Land SF **74,923 SF**  
 Topography **Level**  
 Shape **Rectangular**  
 Corner or Interior **Interior**  
 Utilities **All Available**  
 Zoning **L-2 Light Manufacturing**

**Sale Data**

Transaction Type **Sale**  
 Date **April 22, 2019**  
 Marketing Time **582 Days**  
 Grantor **Five Daughters LLC**  
 Grantee **Land in Value**  
 Document No **1912201023**  
 Price **\$175,000**  
 Property Rights **Fee Simple**  
 Financing **Typical**  
 Conditions of Sale **Arm's Length**  
 Req Capital Cost **N/A**  
 Use at Time of Sale **Metal Building**

**Sales Analysis**  
 Price **\$175,000**  
 Price per Acre **\$101,744**  
 Price per Land SF **\$2.34**  
 Verification **Public Record Third Party**

**Comments**

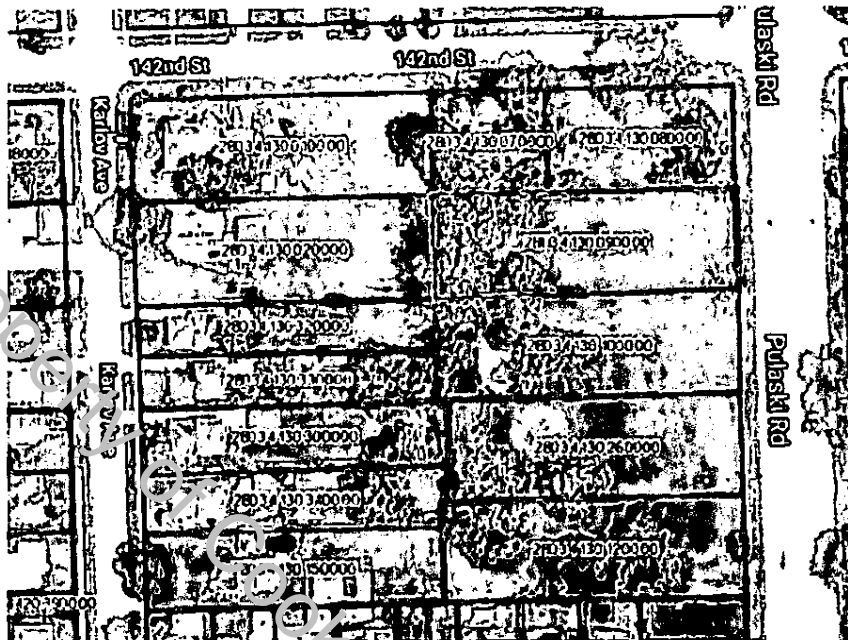
A rectangular site on Pulaski Road in Markham that is zoned industrial and was improved with a metal shed and some asphalt paving at the time of sale. There are residential properties to the north and east and automotive/light industrial metal buildings to the south. The site was marketed by Coldwell Banker Commercial for nearly two years prior to the sale. The original asking price was \$229,000, which was reduced to \$174,900.

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LAND VALUE

## LAND COMPARABLE 6



**Location Data**

Address 14210 Pulaski Road  
 City Crestwood  
 County Cook  
 State IL  
 Market Chicago  
 Cluster/Submarket South Suburban / Far South  
 Parcel Number 28-03-413-009

**Physical Data**

Acres 0.67 Acres  
 Land SF 29,185 SF  
 Topography Level  
 Shape Rectangular  
 Corner or Interior Interior  
 Utilities All Available  
 Zoning Commercial

**Sale Data**

Transaction Type Sale  
 Date May 29, 2018  
 Marketing Time 1,785 Days  
 Grantor Harper, Ruth  
 Grantee Village of Crestwood  
 Document No 1816208065  
 Sale Price \$55,000  
 Property Rights Fee Simple  
 Financing Typical  
 Conditions of Sale Assemblage  
 Req Capital Cost N/A  
 Use at Time of Sale Vacant

**Sales Analysis**

Price \$55,000  
 Price per Acre \$82,090  
 Price per Land SF \$1.88  
 Verification Public Record / Third Party

**Comments**

The sale of a rectangular parcel on Pulaski Road in Crestwood. The Village of Crestwood purchased the site to assemble with parcels to the north and south. The property was marketed for sale by Coldwell Banker Commercial prior to the sale with an asking price of \$73,000.

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### LAND SALES SUMMARY

The following table provides a brief summary of the land sales used in the valuation of the subject site.

LAND SALES SUMMARY							
	Land Sale No. 1	Land Sale No. 2	Land Sale No. 3	Land Sale No. 4	Land Sale No. 5	Land Sale No. 6	Subject
Address	15552 Tumar Avenue	14951 Cicero Avenue	5301 W 157th Street	14200-14280 Putaski Road	15401 S Putaski Road	14210 Putaski Road	155th Street & Turner Avenue
City	Markham	Oak Forest	Oak Forest	Crestwood	Markham	Crestwood	Markham
County	Cook	Cook	Cook	Cook	Cook	Cook	Cook
State	IL	IL	IL	IL	IL	IL	IL
Use at Time of Sale	Vacant Land	Single Family / Vacant	Vacant / Improved	Vacant	Metal Building	Vacant	
Conditions of Sale	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Assemblage	
Transaction Type	Listing	Listing	Listing	Listing	Sale	Sale	
Topography	Level	Level	Level	Level	Level	Level	Level
Shape	Rectangular	Irregular	Irregular	Generally Rectangular	Rectangular	Rectangular	Generally Rectangular
Utilities	All Available	County - Available	All Available	All Available	All Available	All Available	All Available
Zoning	R-3 Single Family	R-3 Single Family	C-1 / C-2 / R-6	Commercial	L-2 Light Manufacturing	Commercial	M
Marketing Time	133 Days	952 Days	580 Days	240 Days	582 Days	1,785 Days	
Sale Date	Current	Current	Active	Active	04/2019	05/2019	
Sale Price	\$10,898	\$210,000	\$449,000	\$279,000	\$175,000	\$25,000	
Land SF	11,070 SF	78,844 SF	217,800 SF	139,392 SF	74,923 SF	29,183 SF	252,896 SF
Acres	0.25 Acres	1.81 Acres	5.00 Acres	3.20 Acres	1.77 Acres	0.67 Acres	5.800 Acres
Price Per SF	\$1.80	\$2.66	\$2.06	\$2.00	\$2.34	\$1.88	
Verification	Published Listing	Published Listing	Published Listing	Published Listing	Public Record / Third Party	Public Record / Third Party	



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## ADJUSTMENT PROCESS

Due to the imperfect nature of real estate markets, we have analyzed the comparables through the application of adjustments based on qualitative comparison with positive or negative adjustments. The adjustments made are subjective and are based on market evidence as well the appraiser's research, judgment and experience. The adjustments are not based on a quantitative analysis tool such as "paired sales" due to the lack of paired sales data; or on multiple regression analysis, due to the lack of enough comparable sales to constitute a statistically valid sample. Therefore, the adjustments summarized on the following grid should be viewed as conveying subjective adjustment, and not the result of a quantitative analysis.

There has been a limited amount of land sales in the immediate area in recent years. As such, we extended our search into similar immediate environs as the subject property. In our final rating of the comparable sales we have considered the following items of comparability in forming our opinion of land value for the subject.

### Property Rights Conveyed

All of the land sales utilized in this analysis involved the transfer of the fee simple interest. No adjustments were required.

### Financial Terms

To the best of our knowledge, all of the sales utilized in this analysis were accomplished with cash or cash down to market-oriented financing. Therefore, no adjustment for financial terms is required for the land sales.

### Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. Comparables 1 to 4 are current listings and downward adjustments are required to reflect buyer/seller negotiations, as final sale prices are typically lower than asking prices. Sale 6 was purchased for assemblage purposes, which could potentially indicate an upward adjustment if the buyer is willing to pay a premium. The site was on the market for an extended period of time and we have not made an adjustment for this factor. Sale 5 was reported to be an "arms-length" transaction and no adjustment is required.

### Expenditures After Purchase

Comparables 1, 3 and 6 included in this analysis were essentially vacant sites and did not require adjustments for this unit of comparison. Comparables 2, 3 and 5 included some improvements. The expected costs of demolition for the improvements on each site would not be expected to add significantly to any potential development and no adjustments have been made for this factor.

### Market Conditions

This factor considers the differences in market conditions between the time of the comparable sale and the subject's date of value. For example, a comparable property which sold during a time of better market conditions would be superior to the subject as of the date of value. The closed land sales included in this analysis sold between May 2018 and April 2019. Land values have remained generally consistent over this time period and the date of value and no adjustments are required.

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## Location

An adjustment for location is required when the location characteristics of a comparable property are different from those of the subject property. Appropriate negative adjustments are necessary for those comparables considered superior in location versus the subject. Conversely, appropriate positive adjustments are made to those comparables considered inferior. The subject is situated on a low traffic street in a residential area with good interstate access. The comparable sales are all located in proximity to the subject. Sale 1 is in a similar location as the subject and not adjusted. Sales 2 and 3 have frontage on high traffic streets which may increase demand for certain uses and downward adjustments were applied. Sales 4, 5 and 6 are on a higher traffic street, but in mixed-use locations with residential properties in the immediate area and no adjustments were applied.

## Size

The size adjustment generally reflects the inverse relationship expressed between unit price and lot size. Smaller lots tend to sell for higher unit prices than larger lots, and vice versa. Hence, positive adjustments were made to larger land parcels, and negative adjustments were made to smaller land parcels when deemed appropriate. Comparables 1, 2, 4, 5 and 6 are smaller than the subject and downward adjustments are indicated. Comparable 3 is similar to the subject and does not require an adjustment.

## Shape

The subject is rectangular in shape. Comparable 3 is irregular and an upward adjustment is required. The remaining sales are rectangular and no further adjustments are indicated.

## Topography

The subject site is generally level and adjustments were made to the comparable sites as needed. All of the comparable sites are similar to the subject and no adjustments are indicated.

## Utilities to Site

Comparables 1, 3, 4, 5 and 6 had full access to public utilities at the time of sale and do not require adjustments for this factor. Sale 5 is located in unincorporated Cook County and may be on a well and septic system. Considering there is development on all the adjacent sites it would not be considered a significant factor and no adjustment was made.

## Zoning

The subject has M zoning as a municipally owned site. It is assumed the site would be rezoned for any potential development. The site is in a residential area and the proposed use would be senior living, which often can be on commercial or residential zoned sites. Given the lack of recent land sales in the immediate area we have included sales with multiple zoning classifications. It appears sites zoned for single-family development have lower market demand and value and upward adjustments are indicated for sales 1 and 2. The remaining sales include commercial and industrial zoned sites. Based on current demand trends we have not made any further adjustments for this factor as differences in zoning were not considered to be significant factors in the pricing or sales prices.

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**Site Utility**

Land parcels with greater utility generally sell for higher prices per square foot than land parcels with poor utility. No adjustments were required.

**Other**

Comparables 2 and 5 included structures that were being used and could add value to the land on an interim basis, and downward adjustments are indicated. No other adjustments have been made.

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## SUMMARY OF ADJUSTMENTS

Based on the comparative analysis, the following table summarizes the adjustments warranted to each land sale.

LAND SALES COMPARISON/ADJUSTMENT ANALYSIS							
Comparable	Subject	Land Sale 1	Land Sale 2	Land Sale 3	Land Sale 4	Land Sale 5	Land Sale 6
Address	155th Street & Turner Avenue	15552 Turner Avenue	14951 Cicero Avenue	5301 W 157th Street	14200-14260 Pulaski Road	15401 S Pulaski Road	14210 Pulaski Road
City	Markham	Markham	Oak Forest	Oak Forest	Crestwood	Markham	Crestwood
County	Cook	Cook	Cook	Cook	Cook	Cook	Cook
State	IL	IL	IL	IL	IL	IL	IL
Use at Sale		Vacant Land Single Family / Vacant	Vacant / Improved	Vacant / Improved	Vacant	Metal Building	Vacant
Proposed Use		N/Av	N/Av	N/Av	N/Av	N/Av	N/Av
Financing		Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Assemblage
Transaction Type		Listing	Listing	Listing	Listing	Sale	Sale
Shape	Generally Rectangular	Rectangular	Irregular	Irregular	Generally Rectangular	Rectangular	Rectangular
Utilities	All to Site	All Available	County - Available	All Available	All Available	All Available	All Available
Zoning	M	R-3 Single Family	R-5 Single Family	C-1 / C-2 / R-6	Commercial	L-2 Light Manufacturing	Commercial
Sale Price		\$19,898	\$210,000	\$449,000	\$279,000	\$175,000	\$55,000
Sale Date		Current	Current	Active	Active	4/22/2019	11/26/1979
Useable Acres	5.81 Ac.	0.25 Ac.	1.81 Ac.	5.00 Ac.	3.20 Ac.	1.72 Ac.	0.67 Ac.
Useable Land SF	252,996 SF	11,070 SF	78,844 SF	217,800 SF	139,392 SF	74,923 SF	29,185 SF
Sale Price Per SF		\$1.80	\$2.66	\$2.06	\$2.00	\$2.34	\$1.88
<b>Transaction Adjustments</b>							
Property Rights		Similar	Similar	Similar	Similar	Similar	Similar
Financing		0%	0%	0%	0%	0%	0%
Conditions of Sale		Listing	Listing	Listing	Listing	Similar	Similar
Expenditures After Purchase		0%	0%	0%	0%	0%	0%
Market Conditions (Time)		0%	0%	0%	0%	0%	0%
<b>Subtotal</b>		<b>\$1.62</b>	<b>\$2.40</b>	<b>\$1.86</b>	<b>\$1.80</b>	<b>\$2.34</b>	<b>\$1.88</b>
<b>Physical Adjustments</b>							
Location/Access/Exposure		Similar	Superior	Superior	Similar	Similar	Similar
Size		Smaller	Smaller	Similar	Smaller	Smaller	Superior
Shape		Similar	Similar	Inferior	Similar	Similar	Similar
Topography		Similar	Similar	Similar	Similar	Similar	Similar
Utilities		0%	0%	0%	0%	0%	0%
Zoning		Inferior	Inferior	Similar	Similar	Similar	Similar
Other		Similar	Superior	Similar	Similar	Superior	Similar
<b>Total Adjustments</b>		<b>5%</b>	<b>-15%</b>	<b>5%</b>	<b>-5%</b>	<b>-15%</b>	<b>-5%</b>
<b>Adjusted Price Per SF</b>		<b>\$1.70</b>	<b>\$2.04</b>	<b>\$1.96</b>	<b>\$1.71</b>	<b>\$1.99</b>	<b>\$1.79</b>

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## LAND ANALYSIS SUMMARY

The following chart summarizes the range in unit prices and the average unit prices, before adjustments and after adjustments, as well as the unit value conclusion.

LAND ADJUSTMENT ANALYSIS AND METRICS			
	Low	High	Average
Unadjusted Range	\$1.80	\$2.66	\$2.12
Adjusted Range	\$1.70	\$2.04	\$1.86
Concluded Land Sale Indication (\$/SF)			\$1.80

## LAND VALUE CONCLUSION

There has been limited demand for new development in the subject location in recent years and relatively few land sales. Local brokers indicated high tax rates are a negative factor towards new construction in this location. Considering there are more listings included in our analysis than closed sales we a unit value slightly below the adjusted average at \$1.80 per square foot is indicated.

Based upon our analysis of the land sales and knowledge of the local real estate market, we conclude that the indicated fee simple value (rounded) as of the effective date of value by the (land) sales comparison approach is as follows:

LAND VALUE CONCLUSION	
	Indicators
Subject Land Area - SF	252,996
Reconciled Land Value / SF	\$1.80
Reconciled Land Value (Rd)	\$460,000

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The value indications from the approaches to value are summarized as follows:

<b>SUMMARY OF VALUE CONCLUSIONS</b>	
	<b>As Is</b>
Land Sales Comparison Approach	\$460,000
<b>Reconciled Value</b>	<b>\$460,000</b>

In valuing the subject, a land sales comparison approach to value was utilized. Land sales comparison is considered the most applicable method of valuing the property and the omission of any other approaches does not adversely affect the value indication of the subject site.

<b>MARKET VALUE CONCLUSION</b>			
<b>Appraisal Premise</b>	<b>Interest Appraised</b>	<b>Date of Value</b>	<b>Value Conclusion</b>
Market Value - As Is	Fee Simple	February 2, 2020	\$460,000

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## ASSUMPTIONS & LIMITING CONDITIONS

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. Costello Valuation & Advisory is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. However, Costello Valuation & Advisory has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. Costello Valuation & Advisory professionals are not engineers and are not competent to judge matters of an engineering nature. Costello Valuation & Advisory has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of Costello Valuation & Advisory by ownership or management; Costello Valuation & Advisory inspected less than 100% of the entire interior and exterior portions of the improvements; and Costello Valuation & Advisory was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, Costello Valuation & Advisory reserves the right to amend the appraisal conclusions reported herein.
3. 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 appraisers. Costello Valuation & Advisory has no knowledge of the existence of such materials on or in the property. Costello Valuation & Advisory, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater 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.  
  
Costello Valuation & Advisory has inspected, as thoroughly as possible by observation, the land, however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.
4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to Costello Valuation & Advisory. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the Client, property owner, owner's representative, or persons designated by the Client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, Costello Valuation & Advisory has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, Costello Valuation & Advisory reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the Client should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify Costello Valuation & Advisory of any questions or errors.
6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions that occur subsequent to the date of the appraisal. However, Costello Valuation & Advisory will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. Costello Valuation & Advisory assumes no private deed restrictions, limiting the use of the subject in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. Costello Valuation & Advisory is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.

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11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. Costello Valuation & Advisory does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of Costello Valuation & Advisory.
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of Costello Valuation & Advisory to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming 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 estimates contained in this report is based, unless otherwise stated.
14. This study may not be duplicated in whole or in part without the specific written consent of Costello Valuation & Advisory nor may this report or copies hereof be transmitted to third parties without said consent, which consent Costello Valuation & Advisory reserves the right to deny. Exempt from this restriction is duplication for the internal use of the Client-addressee and/or transmission to attorneys, accountants, or advisors of the Client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of Costello Valuation & Advisory which consent Costello Valuation & Advisory reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a sale or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. Costello Valuation & Advisory shall have no accountability or responsibility to any such third party.
15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
18. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to Costello Valuation & Advisory unless otherwise stated within the body of this report. If the consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. Costello Valuation & Advisory assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or Client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor Costello Valuation & Advisory assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
20. Costello Valuation & Advisory assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, Costello Valuation & Advisory has not made a specific compliance survey and analysis of this property to determine whether it is in conformance 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 ADA. If so, this fact could have a negative effect on the value estimated herein. Since Costello Valuation & Advisory has no specific information relating to this issue, nor is Costello Valuation & Advisory qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.
24. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client proximately result in damage to Appraiser. The Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure



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of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover from the other reasonable attorney fees and costs.

25. The report is for the sole use of the Client; however, Client may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Appraiser is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow an appraisal report prepared by Costello Valuation & Advisory or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at our sole discretion and, if given, will be on condition that we will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to us, by a party satisfactory to us. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.
26. Provision of an Insurable Value by the appraiser does not change the intended use or user of the appraisal. The appraiser assumes no liability for the Insurable Value estimate provided and does not guarantee that any estimate or opinion will result in the subject being fully insured for any possible loss that may be sustained. The appraiser recommends that an insurance professional be consulted. The Insurable Value estimate may not be a reliable indication of the replacement or reproduction cost for any date other than the effective date of this appraisal due to changing costs of labor and materials and due to the changing building codes and governmental regulations and requirements.

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**COOK COUNTY  
RECORDER OF DEEDS**

Property of Cook County Clerk's Office

**ADDENDUM A**

**DEFINITIONS**

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## DEFINITIONS

The following definitions are derived from The Dictionary of Real Estate Appraisal, Fifth Edition, published by the Appraisal Institute.

- **Absorption Period:** The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- **Absorption Rate:** The rate at which properties for sale or lease have been or are expected to be successfully marketed, sold, or leased in a given area over a duration of time.
- **Ad Valorem Tax:** A tax levied in proportion to the value of the thing(s) being taxed; generally refers only to property taxes, although technically the term is applicable to income taxes, ad valorem tariffs, special property taxes, etc. Exclusive of exemptions, use value assessment provisions, and the like, the property tax is an ad valorem tax. (IAAO)
- **Assessed Value:** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.
- **Cash Equivalency:** An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash.
- **Contract Rent:** The actual rental income specified in a lease.
- **Disposition Value:** The most probable price that a specified interest in real property should bring under all of the following conditions: 1) Consummation of a sale will occur within a future exposure time specified by the client; 2) The property is subjected to market conditions prevailing as of the date of valuation; 3) Both the buyer and seller are acting prudently and knowledgeably; 4) The seller is under compulsion to sell; 5) The buyer is typically motivated; 6) Both parties are acting in what they consider their best interests; 7) An adequate marketing effort will be made during the exposure time specified by the client; 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 9) 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.
- **Effective Rent:** The rental rate net of financial concessions such as periods of no rent during the lease term and above- or below-market tenant improvements.
- **Excess Land:** Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued separately.
- **Excess Rent:** The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized at a higher rate in the income capitalization approach.
- **Exposure Time:** 1) The time a property remains on the market. 2) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.
- **Extraordinary Assumption:** An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP 2010-2011 ed.)
- **Fee Simple Estate:** 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.
- **Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.
- **Fractional Vacancy:** The amount of vacant space need in a market for its orderly operation. In a stabilized market, where supply and demand are in balance, fractional vacancy allows for move-in and move-outs. In markets for income-producing property, fractional vacancy measures the lost rental income as leases roll over and expire.

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- **Full Service Lease:** See gross lease.
- **General Vacancy:** A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.
- **Going Concern Value:** 1) The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern. 2) The value of an operating business enterprise. Goodwill may be separately measured but is an integral component of going-concern value when it exists and is recognizable.
- **Gross Building Area (GBA):** The total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region.
- **Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.
- **Hypothetical Condition:** That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2010-2011 ed.)
- **Investment Value:** The value of a property interest to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
- **Land-to-Building Ratio:** The proportion of land area to gross building area; one of the factors determining comparability of properties.
- **Lease:** A contract in which the rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
- **Leased Fee Interest:** A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord relationship.
- **Leasehold Interest:** The tenant's possessory interest created by a lease.
- **Lessee:** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.
- **Lessor:** One who conveys the rights of occupancy and use to others under a lease agreement.
- **Liquidation Value:** The most probable price which a specified interest in real property should bring under all of the following conditions: 1) Consummation of a sale within a short time period; 2) The property is subjected to market conditions prevailing as of the date of valuation; 3) Both the buyer is acting prudently and knowledgeably; 4) The seller is under extreme compulsion to sell; 5) The buyer is typically motivated; 6) Both parties are acting in what they consider to be their best interests; 7) A normal marketing effort is not possible due to the brief exposure time; 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 9) 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.
- **Market Rent:** The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement, including permitted uses, use restrictions, expense obligations, concessions, renewal and purchase options, and tenant improvements (TIs).
- **Market Value:** See body of report for market value definition used in this appraisal.
- **Marketing Time:** An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.)
- **Net Lease:** A lease in which the landlord passes on all expenses to the tenant.
- **Net Net Net Lease:** A lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called NNN, triple net lease or fully net lease.
- **Occupancy Rate:** 1) The relationship or ratio between the income received from the rented units in a property and the income that would be received if all the units were occupied. 2) The ratio of occupied space to total rentable space in the building.

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- **Overage Rent:** The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.
- **Prospective Opinion of Value:** A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or stabilized level of long-term occupancy.
- **Rentable Area:** For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which rent is based; calculated according to local practice.
- **Retrospective Value Opinion:** A value opinion effective as of a specified historical date. The term does not define a type of value. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."
- **Shell Rent:** The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes; mechanical systems, interior electric, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.
- **Surplus Land:** Land that is not currently needed to support the existing improvements 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.
- **Turnover Vacancy:** A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to re-lease the space is considered. Accordingly the income estimate reflects a component of vacancy and is not true potential gross income but some level of effective gross income.
- **Usable Area:** 1) For office buildings, the actual occupied area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.
- **Value In Use:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of appraisal. Value in use may or may not be equal to market value but is different conceptually.
- **Value Indication:** An opinion of value derived through application of the appraisal process.



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**ADDENDUM C**

**APPRAISERS QUALIFICATIONS**

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**DANIEL J. COSTELLO, MAI****President**

Costello Valuation & Advisory  
 1370 W. Grand Avenue  
 Chicago, IL 60642  
[dcostello@costellovaluation.com](mailto:dcostello@costellovaluation.com)

T 312.964-5110

**Years of Experience**

15 + Years

**Areas of Specialization**

- Property Tax
- Retail
- Office
- Industrial
- Multifamily
- Auto Dealerships
- Hotels

**Professional Background**

Daniel J. Costello, MAI, is the President of Costello Valuation & Advisory.

Prior to forming Costello Valuation & Advisory, Mr. Costello was the Managing Director of Landauer Valuation & Advisory; and an Associate Director at Cushman & Wakefield in Chicago.

Mr. Costello has valued and consulted on real estate for 15 years, which has included overseeing and training appraisers and testifying in court.

Experience extends over various property types:

- Retail (neighborhood / community centers, lifestyle centers, strip center and urban retail);
- Office (CBD, medical, suburban and business parks);
- Industrial (distribution warehouse, flex, manufacturing, and business parks);
- Multifamily (low-rise, suburban, urban high-rise)
- Hotels

**Professional Activities and Affiliations**

- MAI Designated member of the Appraisal Institute
- Illinois – State Certified General (No. 553.001706)
- Indiana – State Certified General (No. CG41200023)
- Iowa – State Certified General (No. CG03182)
- Wisconsin – State Certified General (No. 1776-10)
- Appraisal Institute Advisor

**Education**

Mr. Costello received his Bachelor of Arts degree in Mathematics from St. Mary's University of Minnesota, Winona, Minnesota in 1992. He has completed numerous courses through the Appraisal Institute's education program.

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**Valuation & Advisory**



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**State of Illinois**

**Department of Financial and Professional Regulation**  
Division of Real Estate


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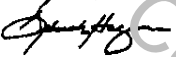
The person, firm, or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below:


EXPIRES:  
09/30/2021

**CERTIFIED GENERAL REAL ESTATE APPRAISER**

 DANIEL J COSTELLO  
4103 N MAJOR AVENUE  
CHICAGO, IL 60634



 DEBORAH HAGAN  
SECRETARY

 MARIO TRETTO, JR.  
ACTING DIRECTOR

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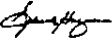
Department of Financial and Professional Regulation  
Division of Real Estate

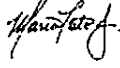
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**Integra Realty Resources**  
Chicago

**Appraisal of Real Property**

**Plum Creek Markham Supportive Living Center Site**  
Vacant Land  
ES Turner Ave, between 155th St and 156th St  
Markham, Cook County, Illinois 60428

**Prepared For:**  
City of Markham

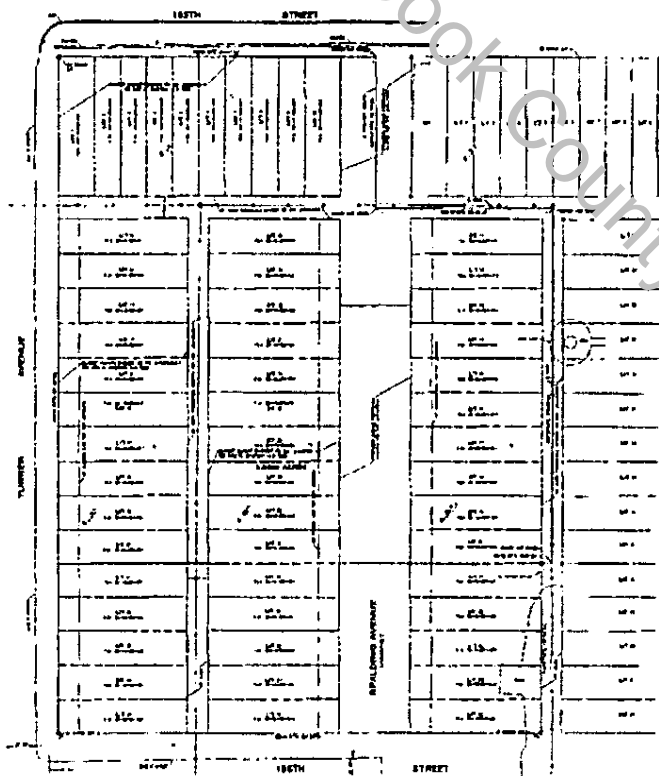
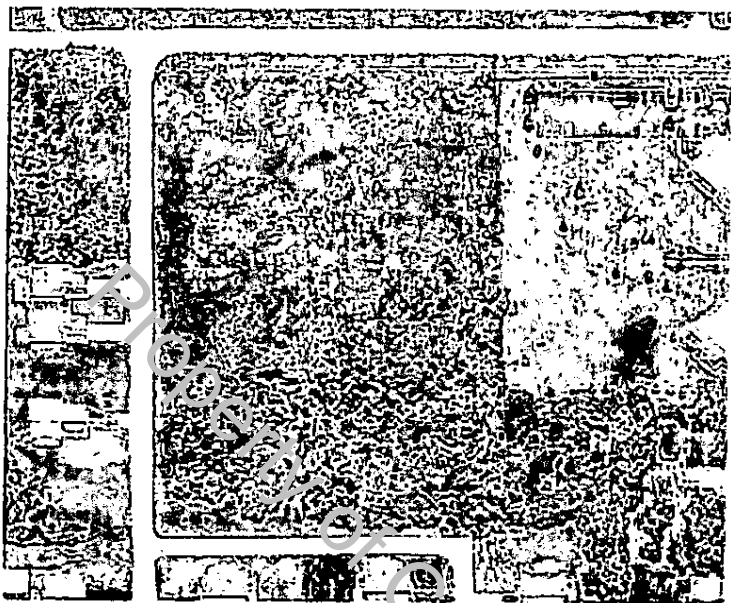
**Effective Date of the Appraisal:**  
March 12, 2020

**Report Format:**  
Appraisal Report – Standard Format

**IRR - Chicago**  
File Number: 194-2020-0316



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**Plum Creek Markham Supportive Living Center Site**  
ES Turner Ave, between 155th St and 156th St  
Markham, Illinois

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Integra Realty Resources

400 E Randolph Street  
Suite 715  
Chicago, IL 60601-7388T 312.565.0977  
F 312.565.3436  
www.irr.com

March 16, 2020

Mr. Roger A. Agpawa  
Mayor  
City of Markham  
16313 Kedzie Parkway  
Markham, IL 60428

**SUBJECT:** Market Value Appraisal  
Plum Creek Markham Supportive Living Center Site  
ES Turner Ave, between 155th St and 156th St  
Markham, Cook County, Illinois 60428  
IRR - Chicago File No. 194-2020-0316

Dear Mr. Agpawa:

Integra Realty Resources – Chicago is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value of the fee simple interest in the property. The client for the assignment is City of Markham, and the intended use is for internal planning and potential disposition.

The subject is a parcel of vacant land containing an area of 5.808 acres or 252,996 square feet. The property is currently owned by the City of Markham, and is slated for development of the Plum Creek Markham Supportive Living Center, a 100-unit age- and income-restricted supportive living building.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, applicable state appraisal regulations.

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

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Mr. Roger A. Agpawa  
 City of Markham  
 March 16, 2020  
 Page 2

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusion			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple	March 12, 2020	\$700,000

### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment of specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. The property is currently zoned M - Municipal Property, with no specific development criteria in place. As such, any development will be subject to approval by the City of Markham. For purposes of appraisal, we have assumed a development density of 100 apartment units for the site, which equates to 17.2 units per acre, which is consistent with the proposed development.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

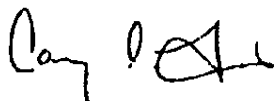
1. None.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Chicago



Cary Lannin  
 Director  
 Certified General Real Estate Appraiser  
 Illinois Certificate # 553.001676  
 Expires 9/30/21  
 Telephone: 312-565-3428  
 Email: clannin@irr.com



Ron DeVries, MAI, SRA, FRICS  
 Senior Managing Director  
 Certified General Real Estate Appraiser  
 Illinois Certificate # 553.000145  
 Expires 9/30/21  
 Telephone: 312-565-3432  
 Email: rdevries@irr.com



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## Summary of Salient Facts and Conclusions

1

## Summary of Salient Facts and Conclusions

Property Name	Plum Creek Markham Supportive Living Center Site		
Address	E5 Turner Ave, between 155th St and 156th St Markham, Cook County, Illinois 60428		
Property Type	Land - Commercial		
Owner of Record	City of Markham		
Tax ID	28-14-406-001 to -040		
Land Area	5.808 acres; 252,996 SF		
Zoning Designation	M, Municipal		
Highest and Best Use	Residential use		
Exposure Time; Marketing Period	6 to 9 months; 6 to 9 months		
Effective Date of the Appraisal	March 12, 2020		
Date of the Report	March 16, 2020		
Property Interest Appraised	Fee Simple		
Sales Comparison Approach			
Number of Sales	5		
Range of Sale Dates	Apr 15 to Sep 18		
Range of Prices per Unit (Unadjusted)	\$4,815 - \$16,000		
Market Value Conclusion	\$700,000		(\$7,000/Unit)

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than City of Markham may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. The property is currently zoned M - Municipal Property, with no specific development criteria in place. As such, any development will be subject to approval by the City of Markham. For purposes of appraisal, we have assumed a development density of 100 apartment units for the site, which equates to 17.2 units per acre, which is consistent with the proposed development.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.





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## Quality Assurance

Delivering superior value is a top priority at IRR and we place a premium on feedback from our valued clients. By learning more about your experience with IRR, we will be better able to serve your needs – to enhance our products, service offerings, and client communications.

Attached is a short survey applicable to this appraisal report and the service that you received. Please take a few minutes to share your experience of IRR with us. Your feedback will be reviewed by our Quality Control team. If you desire a follow-up telephone call, please provide your contact information and a member of our Quality Control team will contact you.

Access the online survey here: [quality.irr.com](http://quality.irr.com).

Thank you in advance for assisting us with this important endeavor. Please feel free to contact your Local Office using the contact information provided within the letter of transmittal or our Quality Control team at [quality@irr.com](mailto:quality@irr.com), with any questions or suggestions you may have.

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## General Information

### Identification of Subject

The subject is a parcel of vacant land containing an area of 5.808 acres or 252,996 square feet. The property is currently owned by the City of Markham, and is slated for development of the Plum Creek Markham Supportive Living Center, a 100-unit age- and income-restricted supportive living building.

#### Property Identification

Property Name	Plum Creek Markham Supportive Living Center Site
Address	ES Turner Ave, between 155th St and 156th St Markham, Illinois 60428
Tax ID	28-14-406-001 to -040 28-14-407-011 to -025
Owner of Record	City of Markham

A legal description of the property taken from the ALTA/NSPS Land Title Survey follows:

Lots 1 through 40 in Block 3, Lots 11 through 25 in Block 5 and part of the alleys adjacent to said blocks together with part of Spaulding Avenue in The Crescent Park Markham 12th Addition, a subdivision of the Northeast Quarter of the Southeast Quarter of Section 14, Township 36 North, Range 13, East of the Third Principal Meridian, South of the Indian Boundary Line, according to the Plat of Subdivision thereof recorded June 15, 1926 as Document Number 9308255, being described as follows: Beginning at the Northwest corner of said Lot 1 in Block 3; thence North 89 degrees 45 minutes 49 seconds East along the North line of said Block 3, a distance of 300.67 feet to the centerline of Spaulding Avenue Vacated in Document No. 1912245017; South 00 degrees 28 minutes 33 seconds East along said centerline, 131.75 feet to the centerline of an East-West Alley Vacated in Document No. 1912245017; thence North 89 degrees 45 minutes 49 seconds East along said centerline, 166.80 feet; to the centerline of the North-South Alley in said Block 5 Vacated in Document No. 1912245017; thence South 00 degrees 27 minutes 54 seconds East along said centerline, 310.09 feet to the North line of Lot 21 in said Block 5 extended Easterly; thence South 89 degrees 44 minutes 38 seconds West along the North line extended, 10.00 feet to the Northeast corner of said Lot 21; thence South 00 degrees 27 minutes 54 seconds East along the East line of Lots 21 through 25 in said Block 5, a distance of 149.93 feet to the Southeast corner of said Lot 25; thence South 89 degrees 45 minutes 27 seconds West along the South line of said Blocks 3 and 5, a distance of 456.86 feet to the Southwest corner of Lot 25 in said Block 3; thence North 00 degrees 31 minutes 30 seconds West along the West line of said Block 3, a distance of 591.82 feet to the Place of Beginning in Cook County Illinois.

### Sale History

To the best of our knowledge, no sales or transfers of ownership have taken place within a three-year period prior to the effective appraisal date. The property is not known to be currently listed for sale. The property is proposed to be development with an age- and income-restricted supportive living building, which will be developed by a third party. The City of Markham will be transferring the land to the developer for the project; however, the transfer price has not been determined to date.

### Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the market value of the fee simple interest in the property as of the effective date of the appraisal, March 12, 2020. The date of the report is March 16, 2020. The appraisal is valid only as of the stated effective date or dates.



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## 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:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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."

*(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)*

## Definition of As Is Market Value

As is market value is defined as, "The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date."

*(Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015); also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77471)*

## Definition of Property Rights Appraised

Fee simple estate is defined as, "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."

*Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015)*

## Intended Use and User

The intended use of the appraisal is for internal planning and potential disposition. The client and intended user is -. The appraisal is not intended for any other use or user. No party or parties other than the City of Markham may use or rely on the information, opinions, and conclusions contained in this report.



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## Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Interagency Appraisal and Evaluation Guidelines issued December 10, 2010;

## Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

## Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

## Scope of Work

The client requested that we use only the most applicable approach to value and exclude other approaches that we might consider to be appropriate valuation methods for the subject. To determine the appropriate scope of work, we considered the client's request in relation to the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

## Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Not Utilized



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The **sales comparison approach** is the most reliable valuation method for the subject due to the following:

- There is an active market for properties similar to the subject, and sufficient sales data is available for analysis.
- This approach directly considers the prices of alternative properties having similar utility.
- This approach is typically most relevant for owner-user properties.

The **income approach** is not applicable to the subject because:

- This approach does not reflect the primary analysis undertaken for vacant land.

The **cost approach** is not applicable to the valuation of vacant land property.

## Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make an effort to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

## Inspection

Cary Lannin made an inspection of the subject on March 12, 2020. Ron DeVries, MAI, SRA, FRICS did not inspect the subject.



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## Major Analysis Points

### Property Overview

The subject is a parcel of vacant land containing an area of 5.808 acres or 252,996 square feet. The property is currently owned by the City of Markham, and is slated for development of the Plum Creek Markham Supportive Living Center, a 100-unit age- and income-restricted supportive living building.

The property is located west of Kedzie Ave., located along the east side of Turner Ave. between 155<sup>th</sup> St. and 156<sup>th</sup> St. The property has historically been platted for single family residential development, but the individual lots will be assembled, and the roadways and alleys within the site vacated, to facilitate the development.

The property is currently zoned M - Municipal Property, with no specific development criteria in place. As such, any development will be subject to approval by the City of Markham. For purposes of appraisal, we have assumed a development density of 100 apartment units for the site, which equates to 17.2 units per acre, consistent with what is proposed.

The project has been in the planning process for some time, with a groundbreaking held in August 2018, for the 100-unit building on a ~2.5 acre. However, the development was delayed, with the project now back on track with construction of the 100-unit building on the current 5.808 acre site (subject property).

### Market Overview

The current population within a 3-mile radius of the subject is 90,423, and the average household size is 2.9. Population in the area has declined since the 2010 census, and this trend is projected to continue over the next five years. Median household income is \$49,322, which is lower than the household income for the Chicago MSA.

### Quantity and Quality of Data for Valuation Approaches Utilized

Adequate vacant land sales slated for age-restricted and/or income-restricted development were available for the valuation of the subject property.



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## Economic Analysis

### Chicago MSA Area Analysis

The subject is located in the Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Statistical Area, hereinafter called the Chicago MSA, as defined by the U.S. Office of Management and Budget. The Chicago MSA is 7,197 square miles in size, and is the third most populous metropolitan area in the nation.

#### Population

The Chicago MSA has an estimated 2020 population of 9,479,301, which represents little to no change from the 2010 census of 9,461,105. The population trend in the Chicago MSA contrasts with that of the State of Illinois which had a 0.1% average annual decrease in population over this time.

Looking forward, the Chicago MSA's population is projected to stay approximately the same from 2020-2025. The level population trend in the Chicago MSA differs from that of Illinois, which is projected to decrease at a 0.1% rate.

	Population			Compound Ann. % Chng	
	2010 Census	2020 Estimate	2025 Projection	2010 - 2020	2020 - 2025
United States	308,745,538	330,342,253	341,132,738	0.7%	0.6%
Illinois	12,830,632	12,690,998	12,637,906	-0.1%	-0.1%
Chicago et al, IL-IN-WI Metro	9,461,105	9,479,301	9,485,652	0.0%	0.0%

Source: Environics Analytics

#### Employment

Total employment in the Chicago MSA is currently estimated at 4,803,200 jobs. Between year-end 2008 and the present, employment rose by 320,400 jobs, equivalent to a 7.1% increase over the entire period. There were gains in employment in nine out of the past ten years despite the national economic downturn and slow recovery. The Chicago MSA's rate of employment growth over the last decade surpassed that of Illinois, which experienced an increase in employment of 4.8% or 285,200 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Chicago MSA has had a 7.5% average unemployment rate, which is the same as the rate for Illinois. The two areas are performing similarly according to this measure.

Recent data shows that the Chicago MSA unemployment rate is 3.5% in comparison to a 3.6% rate for Illinois, a positive sign for the Chicago MSA.



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## Chicago MSA Area Analysis

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Employment Trends						
Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Chicago MSA	% Change	Illinois	% Change	Chicago MSA	Illinois
2008	4,482,800		5,898,600		6.1%	6.3%
2009	4,266,000	-4.8%	5,628,700	-4.6%	10.2%	10.2%
2010	4,304,000	0.9%	5,687,200	1.0%	10.6%	10.4%
2011	4,365,600	1.4%	5,746,700	1.0%	9.9%	9.7%
2012	4,443,700	1.8%	5,824,200	1.3%	9.1%	9.0%
2013	4,516,000	1.6%	5,880,900	1.0%	9.1%	9.0%
2014	4,586,500	1.6%	5,969,900	1.5%	7.1%	7.1%
2015	4,676,000	2.0%	6,051,800	1.4%	5.9%	6.0%
2016	4,717,500	0.9%	6,084,400	0.5%	5.8%	5.8%
2017	4,755,000	0.8%	6,137,500	0.9%	4.9%	4.9%
2018	4,803,200	1.0%	6,183,800	0.8%	4.2%	4.3%
Overall Change 2008-2018	320,400	7.1%	285,200	4.8%		
Avg Unemp. Rate 2008-2018					7.5%	7.5%
Unemployment Rate - October 2019					3.5%	3.6%

Source: Bureau of Labor Statistics and Economy.com. Employment figures are from the Current Employment Survey (CES). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Major employers in the Chicago MSA are shown in the following table.

Major Employers - Chicago et al, IL-IN-WI Metro	
Name	Number of Employees
1 U.S. Government	42,152
2 Chicago Public Schools	36,415
3 City of Chicago	31,854
4 Cook County	22,438
5 Northwestern Memorial Healthcare	19,886
6 Advocate Aurora Health	19,513
7 University of Chicago	17,345
8 Amita Health	16,231
9 United Continental Holdings Inc.	14,582
10 Amazon.com Inc.	14,018
11 JP Morgan Chase & CO	13,795
12 State of Illinois	13,642
13 Walgreens Boots Alliance Inc.	12,311
14 Walmart Inc.	11,420
15 Northwestern University	10,865
16 Jewel-Osco	10,376
17 University of Illinois at Chicago	9,945
18 Abbot Laboratories	9,860
19 University of Chicago Medicine	9,737
20 Rush University Medical Center	9,628

Source: Crain's 2020





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## Gross Domestic Product

The Chicago MSA is the third largest metropolitan area economy in the nation based on Gross Domestic Product (GDP).

Economic growth, as measured by annual changes in GDP, has been somewhat higher in the Chicago MSA than Illinois overall during the past eight years. The Chicago MSA has grown at a 1.6% average annual rate while Illinois has grown at a 1.0% rate. As the national economy improves, the Chicago MSA continues to perform better than Illinois. GDP for the Chicago MSA rose by 1.5% in 2017 while Illinois' GDP rose by 0.4%.

The Chicago MSA has a per capita GDP of \$61,170, which is 5% greater than Illinois' GDP of \$58,217. This means that Chicago MSA industries and employers are adding relatively more value to the economy than their counterparts in Illinois.

Gross Domestic Product				
Year	(\$ Mil)		(\$ Mil)	
	Chicago MSA	% Change	Illinois	% Change
2010	522,483		694,961	
2011	529,660	1.4%	707,060	1.7%
2012	545,592	2.9%	720,702	1.9%
2013	543,675	-0.3%	724,616	0.5%
2014	552,838	1.7%	734,218	1.3%
2015	566,619	2.5%	740,808	0.9%
2016	574,603	1.4%	742,272	0.2%
2017	583,137	1.5%	745,292	0.4%
Compound % Chg (2010-2017)		1.6%		1.0%
GDP Per Capita 2017	\$61,170		\$58,217	

Source: Bureau of Economic Analysis and Economy.com; data released September 2018. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2009 dollars.

## Income, Education and Age

The Chicago MSA has a higher level of household income than Illinois. Median household income for the Chicago MSA is \$74,210, which is 8.7% greater than the corresponding figure for Illinois.

Median Household Income - 2020	
	Median
Chicago et al, IL-IN-WI Metro	\$74,210
Illinois	\$68,297
Comparison of Chicago et al, IL-IN-WI Metro to Illinois	+ 8.7%

Source: Envionics Analytics

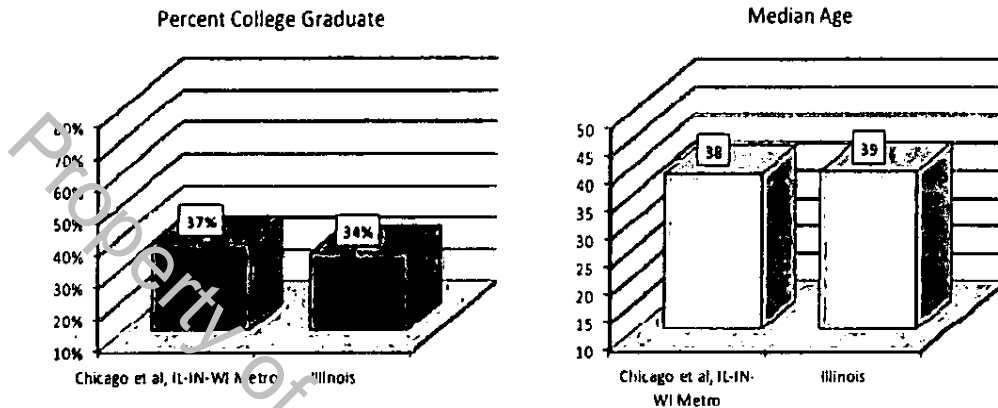
Residents of the Chicago MSA have a higher level of educational attainment than those of Illinois. An estimated 37% of Chicago MSA residents are college graduates with four-year degrees, versus 34% of



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Illinois residents. People in the Chicago MSA are slightly younger than their Illinois counterparts. The median age for the Chicago MSA is 38 years, while the median age for Illinois is 39 years.

## Education & Age - 2020



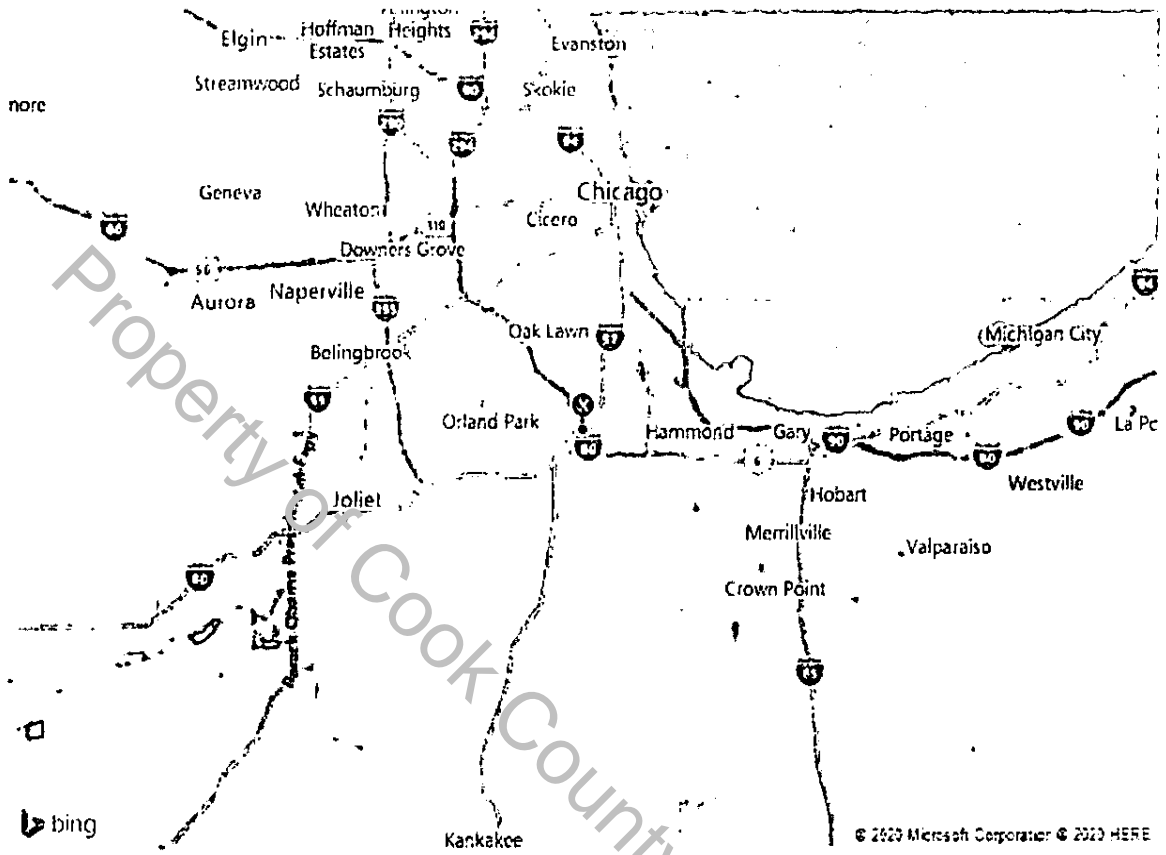
Source: Environics Analytics

## Conclusion

The Chicago MSA economy will be affected by a flat population base and higher income and education levels. The Chicago MSA experienced growth in the number of jobs over the past decade, and it is reasonable to assume that employment growth will occur in the future. Moreover, the Chicago MSA gains strength from being the third most populous metropolitan area in the country and having both a higher rate of GDP growth and a higher level of GDP per capita than Illinois overall. We anticipate that the Chicago MSA economy will improve and employment will grow, strengthening the demand for real estate.

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## Area Map



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## Surrounding Area Analysis

### Location

The subject is located in the City of Markham in the south suburbs of the City of Chicago.

### Access and Linkages

Arterial roadways include S. Kedzie Ave. and US Route 6. Primary highway access to the area is via I-57 and I-294, both accessible from US Route 6. Public transportation is provided by the Regional Transportation Authority (RTA). The RTA operates three transportation divisions; the Chicago Transit Authority (CTA), the Metra commuter rail, and the PACE suburban bus service. The CTA operates a network of trains and buses within the City of Chicago, while PACE operates a network of buses serving suburban Chicago, and the Metra commuter rail system operates a network of trains that service Chicago as well as the surrounding suburbs. As a whole the RTA services Cook, DuPage, Kane, Lake, McHenry and Will counties and operates over 5,200 buses and nearly 700 rail cars. Overall, the primary mode of transportation in the area is the automobile.

### Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics					
2020 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	Chicago et al, IL- IN-WI Metro	Illinois
Population 2010	6,970	94,022	255,193	9,461,105	12,830,632
Population 2020	7,024	90,423	246,582	9,479,301	12,690,998
Population 2025	7,041	89,161	243,408	9,486,652	12,637,906
Compound % Change 2010-2020	0.1%	-0.4%	-0.3%	0.0%	-0.1%
Compound % Change 2020-2025	0.0%	-0.3%	0.3%	0.0%	-0.1%
Households 2010	2,241	31,477	91,061	3,475,726	4,836,972
Households 2020	2,297	30,527	89,176	3,527,380	4,839,891
Households 2025	2,315	30,186	88,389	3,543,452	4,835,327
Compound % Change 2010-2020	0.2%	-0.3%	-0.2%	1.1%	0.0%
Compound % Change 2020-2025	0.2%	-0.2%	-0.2%	0.1%	0.0%
Median Household Income 2020	\$43,923	\$49,322	\$56,676	\$74,210	\$68,297
Average Household Size	3.0	2.9	2.7	2.6	2.6
College Graduate %	14%	17%	24%	37%	34%
Median Age	35	36	38	38	39
Owner Occupied %	78%	69%	71%	66%	67%
Renter Occupied %	22%	31%	29%	34%	33%
Median Owner Occupied Housing Value	\$119,562	\$134,244	\$155,713	\$260,699	\$210,591
Median Year Structure Built	1963	1964	1966	1969	1969
Average Travel Time to Work in Minutes	35	35	37	35	32

Source: Environics Analytics

As shown above, the current population within a 3-mile radius of the subject is 90,423, and the average household size is 2.9. Population in the area has declined since the 2010 census, and this trend is projected to continue over the next five years. This differs from the population of the Chicago MSA, which is projected to be flat, as discussed previously.

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Median household income is \$49,322, which is lower than the household income for the Chicago MSA. Residents within a 3-mile radius have a considerably lower level of educational attainment than those of the Chicago MSA, while median owner occupied home values are considerably lower.

## Land Use

In the subject's neighborhood, predominant land uses are single- and multifamily residential. Following is a summary of the land use immediately surrounding the subject.

Subject's Immediate Surroundings	
North	155 <sup>th</sup> Street, then a vacant site, then I-57, then predominantly single-family residential properties.
South	156 <sup>th</sup> Street, then predominantly single-family residential properties.
East	The David Webb Jr. senior living facility, then Gensburg-Markham Prairie Nature Preserve, a mix of single- and multifamily residential properties.
West	Turner Avenue, then predominantly single-family residential properties leading to I-57.

Other land use characteristics are summarized as follows:

Surrounding Area Land Uses	
Character of Area	Suburban
Predominant Age of Improvements	25-50 years
Predominant Quality and Condition	Average
Approximate Percent Developed	85%
Infrastructure/Planning	Average
Predominant Location of Undeveloped Land	In-fill development sites
Prevailing Direction of Growth	In-fill development sites

## Outlook and Conclusions

The area is in the stable stage of its life cycle. Recent development activity has been limited to site development for known users. We anticipate that property values will remain stable in the near future.



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## Surrounding Area Map



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## Property Analysis

### Land Description and Analysis

#### Location

The property is located west of Kedzie Ave., located along the east side of Turner Ave. between 155<sup>th</sup> St. and 156<sup>th</sup> St.

#### Land Area

The following table summarizes the subject's land area.

Land Area Summary		
Tax ID	SF	Acres
28-14-406-001 to -040	252,936	5.808
28-14-407-011 to -025		
Source: Engineering Report		

The property has historically been platted for single family residential development, but the individual lots will be assembled, and the roadways and alleys within the site vacated, to facilitate the development.

#### Shape and Dimensions

The site is rectangular in shape, with dimensions of 591.82 feet of frontage along S. Turner Ave. and 456.86 feet of frontage along W. 156<sup>th</sup> St. Site utility based on shape and dimensions is average.

#### Topography

The site is generally level and at street grade. The topography does not result in any particular development limitations.

#### Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that there are not any unusual drainage issues that would affect the development of the subject.

#### Flood Hazard Status

The following table provides flood hazard information.

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## Flood Hazard Status

---

Community Panel Number	17031C0727J
Date	August 19, 2008
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

---

## Environmental Hazards

An environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the subject. However, environmental issues are beyond our scope of expertise. It is assumed that the property is not adversely affected by environmental hazards.

## Ground Stability

A soils report was not provided for our review. Based on our inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the subject's soil bearing capacity is sufficient to support a variety of uses, including those permitted by zoning.

## Streets, Access and Frontage

Details pertaining to street access and frontage are provided in the following table.

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### Streets, Access and Frontage

---

Street	155th St	Turner Ave	156th St
Frontage Feet	301	592	457
Paving	Asphalt	Asphalt	Asphalt
Curbs	Concrete	Concrete	Concrete
Sidewalks	N/A	N/A	N/A
Lanes	2 way, 1 lane each way	2 way, 1 lane each way	2 way, 1 lane each way
Direction of Traffic	East/West	North/South	East/West
Condition	Average	Average	Average
Traffic Levels	Low	Low	Low
Signals/Traffic Control	None	None	None
Access/Curb Cuts	None	None	None
Visibility	Average	Average	Below average

---

## Utilities

The availability of utilities to the subject is summarized in the following table.



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Utilities	
Service	Provider
Water	Municipal
Sewer	Municipal
Electricity	ComEd
Natural Gas	Nicor
Local Phone	Various

## Zoning

The property is currently zoned M - Municipal Property, with no specific development criteria in place. As such, any development will be subject to approval by the City of Markham. The property had previously been approved for development, with a groundbreaking held in August 2018, and we assume the development is still possible under current zoning. For purposes of appraisal, we have assumed a development density of 100 supportive living units for the site, which equates to 17.2 units per acre.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

## Other Land Use Regulations

We are not aware of any other land use regulations that would affect the property.

## Potential Development Density

Based on the proposed age-restricted supportive living building for the site, the development potential of the site is 100 units.

## Easements, Encroachments and Restrictions

Based upon a review of the property survey, there do not appear to be any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

## Conclusion of Site Analysis

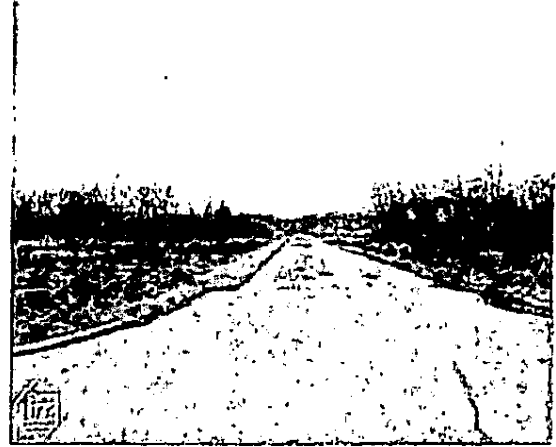
Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses. We are not aware of any other particular restrictions on development.



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View West on 155th St



View South on Turner Ave



View of Site



View of Site



View of Site



View of Site





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## Zoning Map



### LEGEND

	<b>"R-1" FAMILY SINGLE FAMILY RESIDENTIAL DISTRICTS</b> 80 FT.		<b>"L-3" MOTOR FRONT TERMINAL DISTRICTS</b>
	<b>"R-2" SINGLE FAMILY RESIDENTIAL DISTRICTS</b> 70 FT.		<b>"S" SCHOOL PROPERTY</b>
	<b>"R-3" SINGLE FAMILY RESIDENTIAL DISTRICTS</b> 60 FT.		<b>"P" PARK PROPERTY</b>
	<b>"R-4" SINGLE FAMILY RESIDENTIAL DISTRICTS</b> 45 FT.		<b>"M" MUNICIPAL PROPERTY</b>
	<b>"R-5A" GROUP HOUSE AND GARDEN APARTMENTS</b>		<b>MARKHAM - ILLINOIS PRAIRIE</b>
	<b>"C-1" NEIGHBORHOOD SHOPPING DISTRICTS</b>		<b>DEDICATED - UNIMPROVED ROADWAY</b>
	<b>"C-2" COMMUNITY SHOPPING DISTRICTS</b>		<b>T.L. TOT LOTS</b>
	<b>"C-3" HOTEL - OFFICE - RESEARCH</b>		<b>S.U. SPECIAL USE</b>
	<b>"L-1" LIGHT MANUFACTURING DISTRICTS</b>		<b>CHURCH</b>
	<b>"L-2" LIGHT MANUFACTURING DISTRICTS</b>		<b>VACATED ALLEY OR STREET</b>

