



TRACY CROSS & ASSOCIATES, INC.

**Residential Market Analysis
--- Madison Gunderson Place ---
Oak Park, Illinois**

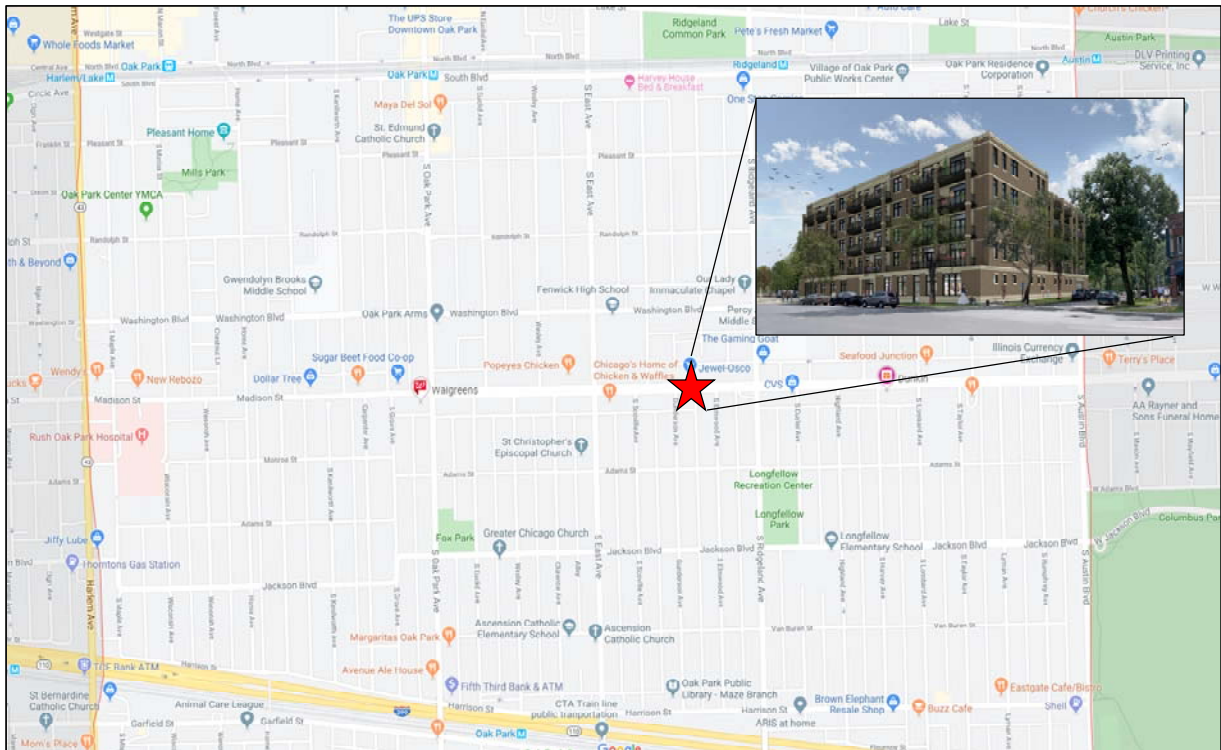
NOVEMBER 2019

INTRODUCTION

At the request of Michigan Avenue Real Estate Group, Tracy Cross & Associates, Inc. evaluated the market potential for residential development in Oak Park, Illinois. Specifically, this analysis addresses the marketability of moderate-density apartments within an approximate 20,700 square foot redevelopment parcel located at 435 Madison Street at Gunderson Avenue.



**GEOGRAPHIC DELINEATION: MADISON GUNDERSON PLACE
-- OAK PARK, ILLINOIS --**



Source: Michigan Avenue Real Estate Group and Google Maps

REAL ESTATE MARKET ANALYSIS
1920 N. THOREAU DRIVE, SUITE 150
SCHAUMBURG, IL 60173-4174
T 847.925.5400 F 847.925.5415
www.tcrossinc.com

Overall, this analysis establishes the following:

- Conclusions regarding the depth of the Oak Park area for new construction multifamily development during the 2019-2024 forecast period based upon pertinent economic, demographic and residential construction trends which define the marketplace.
- Conclusions regarding the marketability of 48 rental apartments to be distributed within a five-story mixed-use building to structured parking at grade. These conclusions are based upon factors associated with the location of the property, the performance of proximate newer construction rental developments, and the near term outlook for apartment development in Oak Park and its near west suburban environs.
- A benchmark rental strategy and attendant absorption forecast to competitively position the conceptualized Morgan Gunderson Place Apartments relative to similar and newer apartment developments throughout the marketplace.
- Alternative benchmark rent strategies and attendant absorption forecasts to enable further financial modeling.

General Limiting Conditions

Tracy Cross & Associates, Inc. has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources, including interviews with developers and their agents, government officials, and other third parties. Although Tracy Cross & Associates, Inc. believes all information in this study is correct, it does not warrant the accuracy of such information and assumes no responsibility for inaccuracies in the information provided by third parties.

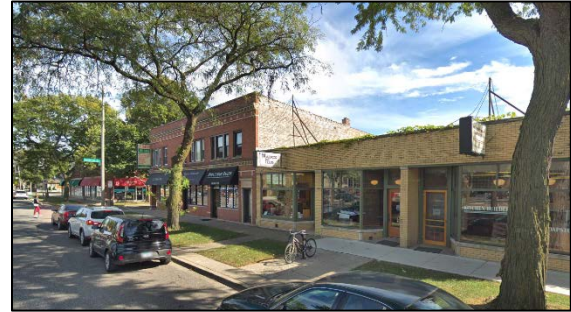
Conclusions and recommendations established in this analysis represent a professional opinion and are based upon forecasts into the future which could be significantly altered by outside occurrences. These include, among others, the possible interplay of unforeseen social, economic, physical/environmental, and governmental actions. In this regard, Tracy Cross & Associates, Inc., its owners, and its employees shall be held harmless of changes in conditions that may materially result from these occurrences.

THE SUBJECT PROPERTY AND ITS ENVIRONS

The subject property consists of an approximate 20,700 square foot redevelopment parcel located at the southeast intersection of Madison Street and Gunderson Avenue in Oak Park, Illinois. The existing one-story buildings, which currently represent automotive repair and upholstery businesses, will be razed for redevelopment. A public alleyway aligns the eastern boundary of the site and separates the property from commercial venues aligning Madison Street as well as adjoining residential neighborhoods. Access for service and delivery vehicles, along with resident ingress to the private parking structure will be provided by Gunderson Avenue.



Madison Street represents a primary commercial corridor of Oak Park which supports a variety of population-serving businesses including grocery, pharmacy, fast casual food outlets, banking facilities, gas station/marts, daycare, salons, and other service providers within steps of the subject property.



The property is also enhanced by its proximity to both the Chicago Transit Authority's Blue and Green Line commuter rail systems, which may be accessed approximately six blocks west at Oak Park Avenue or eight blocks northeast at South Boulevard and Ridgeland, respectively. In addition, METRA's UP West Line commuter station is within one mile north at Harlem Avenue and North Boulevard. From these transit stations, travel times to the city of Chicago average 15 minutes. The property is also served by the CTA's Route 20/Madison, 311/Oak Park Avenue, and 305/East Roosevelt Road bus routes which link the area with regional employment centers, as well as the Forest Park and Oak Park transit hubs. Five major medical campuses are within a mere 3.5 miles of the site, including Rush Oak Park Hospital and West Suburban Hospital in Oak Park itself, MacNeal Hospital in neighboring Berwyn, and the Rush/University of Illinois/John Stroger Cook County medical campuses aligning the I-290/Eisenhower Expressway in Chicago's Near West Side. These medical campuses represent major regional employers. In addition, O'Hare International Airport and Chicago Midway Airport are within a short 7.5 miles northwest and due south of the subject site, respectively.



Rush Oak Park Hospital

Overall, the site occupies an **excellent** location relative to employment, shopping, services and recreation, while its alignment with Madison Street affords an ideal marketing window for Michigan Avenue Real Estate Group.

Oak Park has experienced heightened levels of rental apartment construction in recent years, concentrated in its downtown district. Prior to 2008, for example, the newest rental developments of scale in the village included the 15-story, 234-unit *100 Forest Place*, along with the 125-unit *Oak Park City Apartments* at Lake Street and Euclid Avenue, which were built in 1986 and 1987, respectively. In late-2008, the 204-unit *Oak Park Place* at Harlem Avenue and Lake Street was introduced, followed more recently by *The Emerson*, *Vantage*, *Albion at Oak Park* and *Eleven33* which were all introduced during the 2016-2019 period. These four newer developments all represent high-density, amenity-enhanced mixed-use projects which (collectively) brought 1,069 new apartment units to Oak Park over the last four years. These developments are further detailed in later sections of this report.

THE PROPOSED DEVELOPMENT

As conceptualized by Michigan Avenue Real Estate Group, Madison Gunderson Place will consist of 48 apartments distributed within a five-story residential building to include 49 private structured parking spaces at grade. Parking allocations translate to an enclosed parking ratio of 1.0 space per residential unit which is fully consistent with the transit-oriented nature of the proposed community and is viewed as sufficient. The first floor will also include a residential lobby, leasing office and mail/package room with technology concierge. Maintenance service will be available 24-hours a day. Utilizing energy-efficient construction technologies, the development will feature architectural design aesthetics complimentary to its Oak Park environs including balconies with clear glass handrail systems. As summarized in the following text table, residential design concepts primarily consist of two bedroom two bath designs, along with a modicum of one bedroom plan types, which range in unit size from 856 to 1,272 square feet. Overall, Madison Gunderson Place will provide 54,960 net leasable square feet, with the average apartment residence containing 1,145 square feet of living area, *exclusive* of balcony.



PROPOSED RESIDENTIAL MATRIX: MADISON GUNDERSON PLACE



Plan Type	Total Units	Percent of Total	Bedrooms/ Baths	Net Rentable Square Feet	
				Per Unit	Total
Plan A	4	8.3	1 / 1.0	856	3,424
Plan B-1	8	16.7	2 / 2.0	1,113	8,904
Plan B-2	12	25.0	2 / 2.0	1,130	13,560
Plan B-3 ⁽¹⁾	4	8.3	2 / 2.0	1,136	4,544
Plan B-4	4	8.3	2 / 2.0	1,150	4,600
Plan B-5	4	8.3	2 / 2.0	1,230	4,920
Plan B-6	8	16.7	2 / 2.0	1,240	9,920
Plan B-7 ⁽¹⁾	4	8.3	2 / 2.0	1,272	5,088
Total/Average:	48	100.0	---	1,145	54,960

⁽¹⁾ Indicates a corner-unit orientation.

Source: Michigan Avenue Real Estate Group Concept Schematic dated 10/1/2019.



All apartments are expected to feature quality interior appointments commensurate with new construction apartment development throughout the region. These include nine-foot ceiling height, plank-style engineered wood flooring in kitchens and living areas, with carpeted bedrooms and bedroom-wing hallways; designer kitchens with quartz or granite countertops/islands, ceramic tile backsplash, stainless steel undermount sinks, energy-efficient stainless steel kitchen and laundry appliances; walk-in master bedroom closets; and designer baths with ceramic tile flooring, quartz/granite vanity tops, ceramic bath/shower surrounds and frameless glass shower doors. All apartments will provide internet/cable connectivity, some level of Smart technology, and adequate secondary closeting. Water/refuse collection will be included in the monthly rent with the resident billed directly for all other utilities.



Construction of Madison Gunderson Place is expected to commence in 2020 in anticipation of initial occupancies in the spring of 2022.

A BENCHMARK RENTAL STRATEGY

The market potential for rental apartment development within the Madison Street property is viewed as **favorable** based upon the strength of the region's rental apartment sector and the property's **excellent** location proximate to significant concentrations of employment, healthcare, dining, shopping, entertainment and recreation, along with access to multiple modes of transportation. This general conclusion also considers the expectation of continued economic growth during the 2019-2024 forecast period, along with sustaining demand for rental apartment construction in the marketplace through the forecast period and beyond. Despite these strengths, however, competition from existing, larger-scale developments not only in Oak Park but throughout the general near west area, coupled with new rental projects now under construction and/or in the planning pipeline, will require careful product positioning in order to ensure both acceptable levels of initial absorption and sustainable occupancies long term.

For purposes of pro forma analysis, **Exhibit 1** forwards a benchmark rental strategy to competitively position the conceptualized 48-unit Madison Gunderson Place in context with new construction alternatives throughout the greater near west region. For clarity, posted benchmark *base rents* are *established on Floor 2 and include corner-unit premiums* as well as one (1) assigned enclosed parking space per residence. As shown, benchmark posted base rents extend from \$2,020 to \$2,950 and average \$2,648 monthly which includes a 1,145 square foot apartment. This yields a value ratio of \$2.31 per square foot. Benchmark rents are presented in November 2019 dollars. Again, benchmark rents include an assigned, enclosed parking space and premiums for a corner-unit orientation, but do not include premiums for floor location, pet fees, administrative fees or other landlord-provided services. Exhibit 1 further outlines suggested premiums and incremental fees for consideration, as well as the level of standard finishes assumed to be included in the monthly rent.

A FORECAST OF ABSORPTION

Assuming for analytical purposes market introduction in 2022, at November 2019 benchmark base rents the conceptualized development will achieve an overall absorption rate of 7.6 units per month, enabling the 48-unit community to generate a stabilized occupancy level of 95.0 percent or 46 units occupied within a six-month timeframe **from first occupancy**. This leasing period assumes extensive marketing commence with site improvements and three- to six- months of lease reservations prior to initial deliveries. While the





A BENCHMARK RENTAL STRATEGY^(1:2): MADISON GUNDERSON PLACE
-- OAK PARK, IL --



MULTI-STORY ELEVATOR-SERVED BUILDING WITH STRUCTURED PARKING: 48 UNITS

Plan Designation	A-1	B-1	B-2	B-3 ⁽¹⁾	B-4	B-5	B-6	B-7 ⁽¹⁾
Number of Units	4	8	12	4	4	4	8	4
Percent Distribution	8.3	16.7	25.0	8.3	8.3	8.3	16.7	8.3
Bedrooms	1	2	2	2	2	2	2	2
Baths	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Plan Size (Sq. Ft.)	856	1,113	1,130	1,136	1,150	1,230	1,240	1,272
Benchmark Posted <i>Base</i> Monthly Rent ⁽¹⁾	\$2,020	\$2,570	\$2,610	\$2,660	\$2,655	\$2,825	\$2,850	\$2,950
Per Sq. Ft.	\$2.36	\$2.31	\$2.31	\$2.34	\$2.31	\$2.30	\$2.30	\$2.32

Community Summary ^(1:2)	Absorption at Benchmark
Total Number of Units: 48 Total Net Leasable Square Feet: 54,960 Weighted Average Unit Size (Sq. Ft.): 1,145 Average Posted <i>Base</i> Rent/Sq. Ft.⁽¹⁾: \$2,648 Rent/Sq. Ft.⁽¹⁾: \$2.31 Estimated Overall Average Posted Rent⁽²⁾: \$2,666 Rent/Sq. Ft.⁽²⁾: \$2.33	Average Monthly Absorption to Stabilization: 7.6 (In Units) Months to Stabilization: 6.0 (46 Total Units at 95% Occupancy)

Benchmark Standard Features / Community Amenities / Suggested Premiums

<ul style="list-style-type: none"> ■ Individually Controlled Heat/Air Conditioning ■ Internet/Cable/Smart Technology Connectivity ■ Ten-Foot Ceiling Height ■ Designer Finishes Throughout ■ Plank-Style Engineered Wood Flooring in Kitchen/Living Areas ■ Carpeted Bedrooms and Bedroom-wing Hallways ■ Walk-In Master Bedroom Closet w/Organizer; Adequate Secondary Closets ■ Designer Baths with Ceramic Flooring, Quartz/Granite Vanity Top, Frameless Glass Shower Doors, Ceramic Tub/Shower Surround ■ Designer Kitchen Cabinetry and Lighting ■ Quartz/Granite Kitchen Countertop/Island ■ Energy Efficient Stainless Steel Appliances <ul style="list-style-type: none"> - Range - Dishwasher - Refrigerator - Microwave/Hood Vent - Full-Size Washer and Dryer ■ Undermount Stainless Steel Sink with Garbage Disposal ■ Balcony 	<ul style="list-style-type: none"> ■ LEED-Certified Construction Technologies ■ Non-Smoking Environment ■ Secured Reception Lobby ■ Secured Mail/Package Room with Technology Concierge ■ Secured Bicycle Storage ■ Water/Refuse Service Included ■ Individually Metered Utilities ■ Assigned Enclosed Single Parking Space Included (Value at \$125 per Month) ■ On-Site Leasing/Management Office ■ 24-Hour Maintenance Service <p align="center">Suggested Premiums/Incremental Fees:</p> <ul style="list-style-type: none"> ■ View Premium: \$25 to \$50 (Assumes maximum of 15% or +/-7 Units) ■ Corner-Unit Premium: Included (Value at \$50 per Month) ■ Floor Premium: Floors 3 and 4 @ \$10; Floor 5 @ \$20 ■ Pet Fees (Deposit/Mo. Rent): \$350 / \$30
--	---

⁽¹⁾ Benchmark base rents are presented in November 2019 dollars and **include** premiums for corner-unit orientation and one (1) assigned enclosed parking space per residence. **They do not include** premiums for floor or enhanced views. Nor do they include incremental revenues derived from pet fees, administrative fees or other landlord-provided services.

⁽²⁾ Overall posted rents, which are presented in November 2019 dollars, **include estimates of floor and corner-unit premiums only. They do not include** premiums for enhanced views or revenues derived from pet fees, administrative fees or other landlord-provided services.

⁽³⁾ Benchmark rents and absorption forecast **assume a minimum** of 49 enclosed/structured parking spaces will be provided as outlined in the Concept Plan dated 10/1/2019. Proposed parking allocations yield an *enclosed* parking ratio of 1.0 space per residential unit which is viewed as sufficient.

marketplace is expected to maintain balance during the 2019-2024 forecast period, over the course of lease-up it may be necessary to offer a nominal discount or lease incentive on *select units* as the market dictates. Also, while it is understood that unit counts may vary with final design and approvals, it is strongly suggested that a *proportionate ratio of unit types and plan sizes be maintained* in order to achieve the forecasted rates of absorption.



A FORECAST OF ABSORPTION BY TIME PERIOD
-- MADISON GUNDERSON PLACE --

Monthly Absorption in Units -- A 48-Unit Prototype --			
	Monthly Rate	Total Units	Cumulative Total
Months 1 - 3 ⁽¹⁾	11.7	35	35
Months 4 - 6	3.7	11	46
Average Absorption Rate:	7.6 Units / Month		
Months to Stabilization (46 units @ 95% Occupancy)	6.0 Months		
(1) Lease reservation marketing, assumed to commence at least three (3) months prior to initial occupancy, are factored into this forecast.			

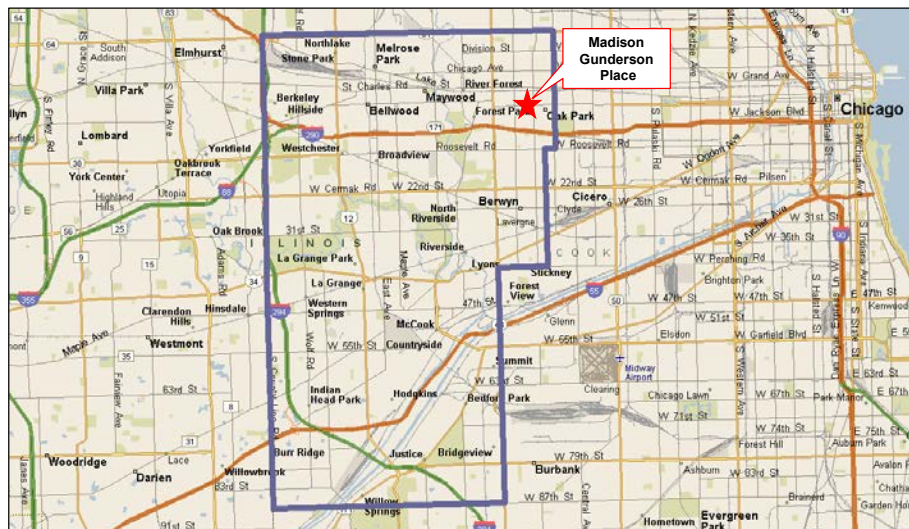
Source: Tracy Cross & Associates, Inc.

MARKET SUPPORT

For purposes of this analysis, the *Oak Park Market Area* is defined as the townships of Oak Park, River Forest, Berwyn, Proviso and Lyons in west suburban Cook County. This defined area forms a homogeneous component of the near west suburbs defined by its dependence upon like sources of employment and transportation, socio-economic similarities in demographic and household composition, and the alignment and location of newer rental developments which will serve as sources of competition. The following paragraphs summarize market fundamentals which support the benchmark rent strategy and absorption forecast:



GEOGRAPHIC DELINEATION: THE OAK PARK MARKET AREA



Source: Microsoft Streets & Trips and Tracy Cross & Associates, Inc.



- First and foremost, the subject property lies within the shadows of an abundance of employment opportunities. According to the Illinois Department of Employment Security, for example, in 2018 there were some 2.28 million *private sector* jobs within convenient commuting distance of Oak Park, representing *nearly two-thirds* of total private sector employment in the six-county Chicago metro area. As summarized in the following text table, the city of Chicago alone has accounted for roughly 40.0 percent of net private sector job growth in the region over the last three years. As might be expected, these jobs have been concentrated in the Central Business District and Outer Business Ring, reflecting corporate headquarters development as well as suburban relocations to the city. In addition, west suburban areas serving Oak Park also experienced steady levels of employment growth during the 2015-2018 timeframe, concentrated along the I-294/I-88 corridor in Cook and DuPage counties. The proposed development is expected to enter the market at a time of tangible yet reserved economic growth which will continue to have a positive influence upon the rental sector.

PRIVATE SECTOR EMPLOYMENT TRENDS: CHICAGO METROPOLITAN REGION
2000 - 2018

Area	Total Private Sector Employment					Average Annual Change			
	2000	2005	2010	2015	2018	2000 - 2005	2005 - 2010	2010 - 2015	2015 - 2018
Six-County Chicago Metro Area⁽¹⁾	3,487,542	3,333,380	3,133,051	3,444,928	3,596,871	-30,832	-40,066	62,375	50,648
City of Chicago	1,155,978	1,065,215	1,011,151	1,136,426	1,197,131	-18,153	-10,813	25,055	20,235
<i>Central District/Outer Bus. Ring</i>	528,868	483,088	479,199	563,691	612,914	-9,156	-778	16,898	16,408
<i>Remainder of City</i>	627,110	582,127	531,952	572,735	584,217	-8,997	-10,035	8,157	3,827
Suburban Areas Serving Oak Park	1,337,812	1,264,140	1,148,911	1,253,101	1,288,209	-14,734	-23,046	20,838	11,703
<i>Suburban Cook County⁽²⁾</i>	813,787	744,299	664,001	709,634	727,038	-13,898	-16,060	9,127	5,801
<i>DuPage County</i>	524,025	519,841	484,910	543,467	561,171	-837	-6,986	11,711	5,901
<i>Kane County</i>	165,760	171,148	155,665	171,928	180,588	1,078	-3,097	3,253	2,887
<i>Lake County</i>	264,402	276,112	257,955	280,238	289,394	2,342	-3,631	4,457	3,052
<i>McHenry County</i>	74,530	80,802	74,895	78,173	81,866	1,254	-1,181	656	1,231
<i>Will County</i>	118,186	133,432	155,494	183,597	208,838	3,049	4,412	5,621	8,414

⁽¹⁾ Includes Cook, DuPage, Kane, Lake, McHenry, and Will counties in Illinois.
⁽²⁾ Includes West Suburban, Northwest Suburban and Southwest Suburban Cook County as defined by IDES.

Source: Illinois Department of Employment Security: *Where Workers Work 2018*

- Our conclusion assumes market introduction in 2022, balancing a well-conceived apartment development with strong renter construction requirements over the 2019-2024 forecast period. Specifically, the defined Oak Park Market Area could support construction of 235 new rental units annually (or a total of 1,175 units through 2024) without creating market weakness **if competitive rents are maintained**.

ANNUAL RENTAL CONSTRUCTION REQUIREMENT SUMMARY: 2019 - 2024
-- OAK PARK MARKET AREA --

Attribute	Number
Expected Annual Household Growth	218
Expected Annual Renter Household Growth @ 60.0 Percent of Total ⁽¹⁾	130
Annual Vacancy Requirement to Maintain Balance in the Market ⁽²⁾	30
Annual Replacement Demand @ 0.3 Percent of 2019 Rental Inventory	75
Derived Annual Construction Requirement	235

⁽¹⁾ Determined by applying the expected percentage of new renter households to the expected number of new household additions from 2019 through 2024.
⁽²⁾ A balanced marketplace generally requires vacancies in the range of 5.0 to 6.0 percent; represents annualized estimate applied to total market area renter households over the five-year forecast period.

Source: Tracy Cross & Associates, Inc.

This new construction requirement reflects likely renter household growth over the five-year



forecast period, multifamily construction trends over the past three decades, replacement demand, as well as a 5.0 to 6.0 percent vacancy allowance necessary to maintain market balance. The 225-unit yearly rental construction requirement represents more than adequate support for the proposed Madison Gunderson Place Apartments.

- ❑ The forecasted pace of absorption can also be supported by turnover in the market area’s existing rental stock. As noted in Appendix A1, in 2019 an estimated 29,821 market area households were renters. Of these, approximately 9,000 will move annually, with at least 50 percent of these mobile households remaining renters, staying in the local area and thus representing part of the subject development’s pool of prospective residents. Hence, the forecasted overall absorption rate of 7.6 units per month represents *less than 2.0 percent* of aggregate new construction requirements and turnover potentials.

- ❑ As detailed in Appendices A1 and A2, more than one-half of householders in the Oak Park Market Area represent profile lifestyle age categories of “Under 35” and between “45 and 74” and lending support to the proposed development initiative. Overall, householders in the Oak Park Market Area reflect a relatively young median age of 52.5 years. Analysis of household composition also reveals that more than one-half of resident market area households, and nearly 70.0 percent of households in Oak Park itself, consist of persons living alone or in two-person arrangements, consistent with unit types proposed for Madison Gunderson Place.



HOUSEHOLD COMPOSITION: 2019
-- OAK PARK MARKET AREA --

Attribute	Oak Park Market Area		Village of Oak Park	
	Number	Percent	Number	Percent
Total Households	95,059	100.0	24,228	100.0
1-Person Household	27,367	28.8	9,037	37.3
2-Person Household	27,358	28.8	7,169	29.6
3-Person Household	15,038	15.8	3,474	14.3
4-Person Household	13,603	14.3	3,004	12.4
5-Person Household	7,041	7.4	1,136	4.7
6-Person Household	2,906	3.1	293	1.2
7 or More Person Household	1,746	1.8	115	0.5
Total 1- and 2-Person Households	54,725	57.6	16,206	66.9

Source: U.S. Department of Commerce, Bureau of the Census: Census 2010; Envirionics Analytics

- ❑ Market area householders support an estimated 2019 median annual income of \$79,781, with householders in Oak Park currently earning an estimated \$90,885 per annum. More importantly, just over one-half of market area households (52.8 percent or 28,309 households) earn at least \$100,000 per annum, incomes requisite to support the benchmark rents established for the Madison Gunderson Place Apartments.





HOUSEHOLD AGE AND INCOME CHARACTERISTICS: 2019
-- OAK PARK MARKET AREA --

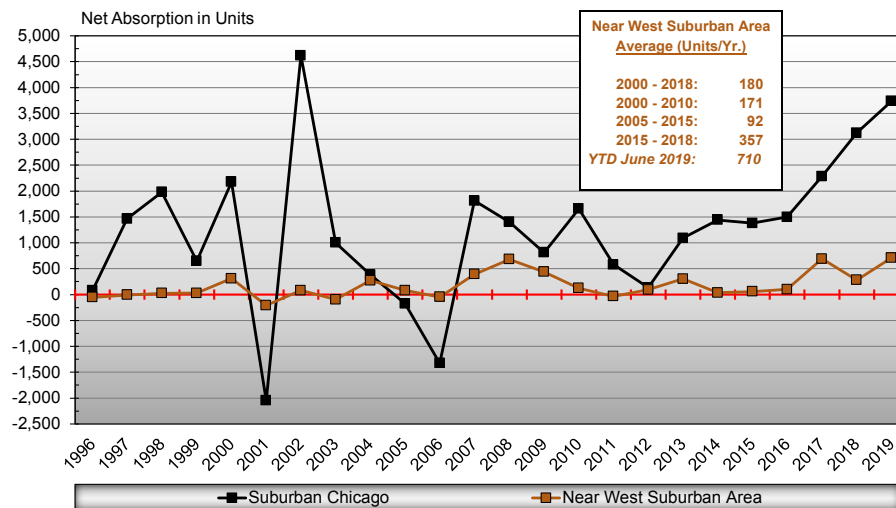
Attribute	Total Households					
	Oak Park Market Area			Village of Oak Park		
	Number	Percent	Median	Number	Percent	Median
Total Households	95,059	100.0	\$79,781	24,228	100.0	\$90,885
Under 25 Years	2,557	2.7	42,486	678	2.8	32,797
25 - 34 Years	12,386	13.0	74,987	3,324	13.7	79,228
35 - 44 Years	16,455	17.3	99,140	4,422	18.3	123,727
45 - 54 Years	18,689	19.7	104,408	4,947	20.4	118,429
55 - 64 Years	20,010	21.1	91,394	4,904	20.2	98,591
65 - 74 Years	14,725	15.5	65,617	3,758	15.5	77,807
75 - 84 Years	6,939	7.3	40,641	1,490	6.1	41,092
85 Years and Over	3,298	3.5	29,040	705	2.9	26,721
Total Households Under 35 Years	14,943	15.7	\$69,426	4,002	16.5	\$71,362
With Incomes of \$100,000 or More	4,537	30.4	---	1,411	35.3	---
Total Households Aged 45 to 74 Years	38,699	40.7	\$122,646	9,851	40.7	\$138,235
With Incomes of \$100,000 or More	23,772	61.4	---	6,751	68.5	---

Source: Environics Analytics and Tracy Cross & Associates, Inc.

Chicago's suburban rental marketplace continues to reflect strong levels of net absorption. Since 2000 and through 2018, for example, the suburban marketplace averaged a net absorption of 1,093 units yearly. As shown in the following graphic, net absorption in the more localized near west suburbs (which include the Oak Park Market Area) has averaged 180 units yearly since 2000, alone accounting for 16.5 percent of net suburban Chicago absorption over the last 18 years. Notably, net absorption in the near west suburban area during the more recent 2015-2018 period advanced to an annual average of 357 units, recording a net absorption of 691 units in 2017, *the highest annual level noted in this localized suburban area since 1995*. Moreover, during the June 2018-June 2019 period, net absorption advanced to the 710 unit mark. Recent net absorption levels are attributed in large part to increased occupancies among existing post-1985 developments, coupled with accelerated new construction of late, concentrated in areas east of I-355.



NET ABSORPTION: POST-1985 RENTAL APARTMENT DEVELOPMENTS
-- NEAR WEST SUBURBAN AREA --



Source: Tracy Cross & Associates, Inc.



- ❑ From a practical standpoint, however, Madison Gunderson Place will experience its strongest levels of competitive influence from eight new construction and/or fully renovated apartment developments marketing in Oak Park itself and in nearby La Grange which share commonalities in terms of access to multiple modes of transit, sources of employment, and strong in-place ancillary shopping, dining and entertainment. As previously noted, these localized urban-oriented developments were built and/or fully renovated during the 2008-2019 timeframe and all represent amenity-enhanced moderate- to high-density product forms with structured parking available for an incremental fee. All are within walking distance of public transit and offer a broad range of plan types and unit sizes thus expanding market appeal from an affordability standpoint. **Exhibit 2** provides a geographic orientation of the eight newer developments, along with projects now under construction and/or in the planning pipeline in proximate near west *suburban* areas, while a composite summary of each is provided in Appendix A3. This appendix table also summarizes characteristics of newer apartment developments of similar scale which are marketing in the Near West and West Town community areas of Chicago as these latter communities may represent a source of competitive substitution.

- ❑ **Exhibits 3 and 4** illustrate the competitive benchmark positioning of the proposed development (in both whole dollars and for comparable footage) relative to newer localized communities. For example,
 - On a comparable footage basis, and when *adjusted* to reflect the value of enclosed parking benchmark rents appropriately position Madison Gunderson Place below the six new construction developments in the marketplace. This competitive posture balances the proposed quality new construction alternative with variances in location, project scale and levels of community amenities. However, adjusted benchmark rents also position Madison Gunderson Place well above the two renovated projects in downtown Oak Park for comparable footage. As noted on Appendix A3, the six newer *stabilized* developments reflect a vacancy rate of 3.0 percent, indicative of *tight* market conditions and lending support to the projected absorption period of roughly 4.5 months. Also, while not specifically addressed in this analysis, benchmark rents also stand *well above* newer near west suburban projects found *west* of I-294 where whole dollar posted rents currently average \$2,131 or \$2.15 per square foot.

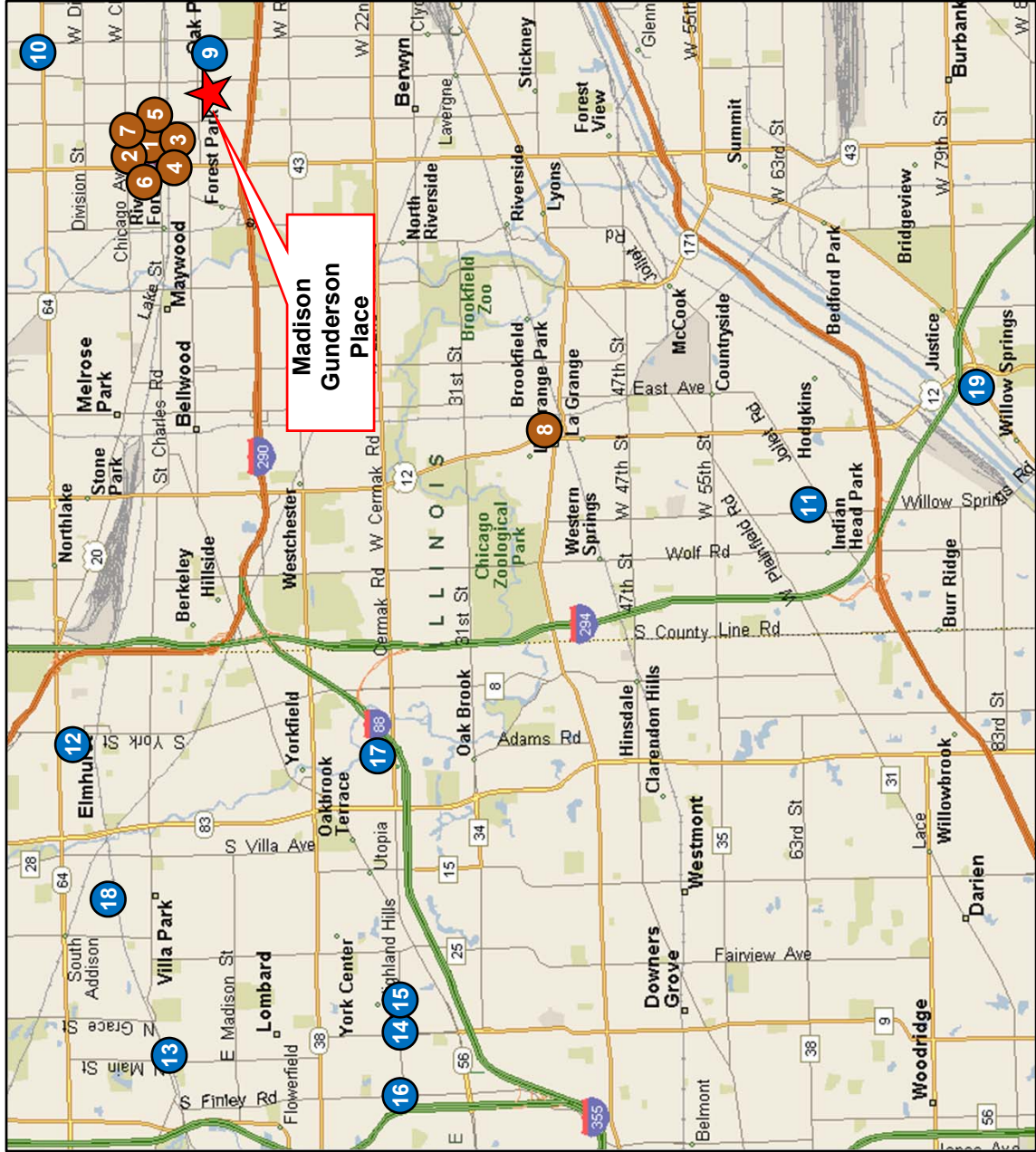
 - Similarly, Appendices A4 and A5 illustrate the competitive value positioning of Madison Gunderson Place relative to projects of similar scale and design marketing throughout the Near West and West Town neighborhoods of Chicago. As shown, many of these latter communities also include enclosed parking in the rent structure, with the benchmark rent structure representing a strong competitive positioning in both whole dollars *and* for comparable footage relative to these potential urban alternatives.

- ❑ As might be expected, the 7.6-units monthly absorption forecast is lower than absorption levels generated by newer localized developments during their respective stabilization periods. As summarized in the following text table, for example, absorption rates among the four newer stabilized projects averaged 11.6 units per month reflecting the larger scale of these projects, coupled with broader continuums of plan types and unit sizes, as well as variances in location and levels of amenities. To this point, in relative terms, the projected absorption rate appropriately reflects variances between the two newest Oak Park developments, namely *Albion at Oak at Oak Park* which is generating an initial absorption rate of 18.0 units per month since occupancies began in August 2019, as well as *Eleven33* where initial absorption rates average 18.8 units monthly. However, as detailed in Appendix A3, each of these communities is also marketing aggressive lease incentives to encourage lease-up.





GEOGRAPHIC ORIENTATION: NEWER APARTMENT DEVELOPMENTS -- OAK PARK MARKET AREA --



Key	Development	Total Units
1	100 Forest Place	234
2	Albion at Oak Park	265
3	Eleven33	263
4	The Emerson	271
5	Oak Park City	125
6	Oak Park Place	200
7	Vantage	270
8	Uptown La Grange	254

Projects Under Construction/In Planning

9	TBD Madison & Lyman (Appr'd)	23
10	TBD 6033 North Avenue (CS)	24
11	Clocktower Pointe (2020)	23
12	183 Addison (PP)	214
13	Lilac Station (Appr'd)	115
14	Yorktown Apartments III (Appr'd)	78
15	Yorktown Commons (Appr'd)	336
16	Woodmoor (UC)	288
17	Oak Brook Commons (Appr'd)	250
18	Garden Station (On Hold)	230
19	Willow Glen Lofts (Appr'd)	224
★	MADISON GUNDERSON PLACE	48

Source: Tracy Cross & Associates, Inc.



Rent/Value Analysis
Newer Apartment Developments
Oak Park Market Area
June 2019



Rent/value analysis uses a scatter diagram to graphically represent a set of observations found in today's marketplace, specifically the square footage of units offered and their associated rent levels. Regression analysis is then used to fit a line through the set of market observations that represent the "best fit" or average market line. This market line can then be used to predict the performance of a new, untested product line or offer explanations regarding the occupancy/absorption rates of currently available product lines.



Rent/Value Analysis
Newer Apartment Developments
Oak Park Market Area
June 2019

Plan Size (Sq. Ft.)	Average Market Rent	Development/Location	Year Built/ Renovated	Total Units	Average Plan Size (Sq. Ft.)	Average Posted Rent		Average Market Rent	Variance From Market	Vacancy Rate / Absorption (Units/Mo.)
						Dollars	Rent per Sq. Ft.			
400	1,182	(2) Albion at Oak Park/Oak Park	2019	265	819	\$2,341	\$2.86	\$2,075	\$+266	(18.0/Mo.)
500	1,395	(2) Eleven 33/Oak Park	2019	263	834	2,160	2.59	2,107	+53	(18.8/Mo.)
600	1,608	---- Market ----								
700	1,821	Oak Park Place/Oak Park	2016	1,523 / 254	861	2,164	2.51	2,164	0	3.3 / (18.4/Mo.)
800	2,034	The Emerson/Oak Park	2008	200	799	2,025	2.53	2,032	-7	0.5
900	2,247	Vantage/Oak Park	2017	271	841	2,099	2.50	2,122	-23	0.7
1,000	2,460	Uptown La Grange/La Grange	2016	270	894	2,089	2.34	2,235	-146	7.8
1,100	2,673	(1) Madison Gunderson Place-Bnmk Base	2022	48	961	2,225	2.32	2,377	-152	3.5
1,200	2,886	(3) Oak Park City/Oak Park	1987/2007-08	125	846	2,523 (1)	2.20	2,769	-246	7.6/Mo. Fcst
1,300	3,099	(3) 100 Forest Place/Oak Park	1986	234	917	1,810	2.14	2,132	-322	3.2
1,400	3,312					1,907	2.08	2,284	-377	1.7
1,500	3,525									
1,600	3,738									
1,700	3,951									
1,800	4,164									
1,900	4,377									
2,000	4,590									

Slope: \$2.13 per sq. ft.

(1) Benchmark posted base rents have been adjusted downward \$125 to reflect the value of enclosed parking included in the monthly rent; utilized for analytical purposes only.
 (2) Absorption rate reflects occupancies through November 13, 2019.
 (3) Development not included in derivation of market line.



ABSORPTION TRENDS: SELECT NEWER APARTMENT DEVELOPMENTS
-- OAK PARK MARKET AREA - JUNE 2019 --

Development/Location	Total Units	Commenced Occupancies (Month/Year)	Stabilization (Month/Year)	Average Unit Absorption Per Month Since Opening
Oak Park Place/Oak Park	200	November 2008	December 2010	6.9
Vantage/Oak Park	270	August 2016	May 2018	11.9
Uptown La Grange/La Grange	271	May 2017	April 2019	10.7
The Emerson/Oak Park	271	September 2017	November 2018	17.0
Total Units/Average Unit Absorption:	1,012	---	---	11.6
Average Development Size:	253	---	---	---

Source: Tracy Cross & Associates, Inc.

- ❑ On a cautionary note, it cannot be overstated that *in whole dollars* benchmark rents position Madison Gunderson Place among the **highest posted rents** in the whole of the near west suburbs, some \$400 higher (on average) than amenity-enhanced counterparts locally as well as in transit-oriented and/or mixed-use locales in Downers Grove, Elmhurst, Lombard, Oakbrook Terrace and Wheaton. These variances suggest that Michigan Avenue Real Estate Group *must maintain an aggressive marketing posture through stabilization and a judicious approach to rent growth thereafter* in order to maintain a competitive advantage in the marketplace. To this point, and consistent with new projects now undergoing lease-up throughout the general area, in order to achieve the projected absorption rate, it may be necessary to also offer some form of incentive such as one month free with a 13-month lease through stabilization, while planning for similar promotions thereafter as competitive conditions dictate.

- ❑ The conceptualized apartment development *fully addresses* current and expected future trends in the residential marketplace; is representative of the newest urban apartment offerings in the region; and is designed to appeal across a broad spectrum of consumer segments, including not only younger professional singles and childless couples, but also more mature consumers desirous of a lifestyle environment. To this point, lifestyle rental alternatives are generating strong interest among consumers between the ages of 45 and 74 given, in most cases, the high level of amenities and/or concierge services available to residents. Several national multifamily developments report that up to 45.0 percent of their leasing activity now reflects these lifestyle age cohorts. Lending support to absorption potentials at Madison Gunderson Place, it is again noted that roughly 56.0 percent of Oak Park Market Area householders align age categories between 45 and 74, while American Community Survey estimates derived from the 2010 Census reveal that roughly 40.0 percent of the market area's *existing renters* also reflect these profile age categories. That said, and with specific focus upon potential profile mature/move-down consumer segments, factors related to mobility and lifestyle preferences indicate that despite the aging of the general population, householders in their maturing lifecycle move infrequently. In fact, most householders in age categories of 55 and older are completely satisfied with their current residence, with less than 6.0 percent moving on an annual basis. The projected absorption pace reflects mobility factors among profile cohort consumer groups, limited plan differentiation versus the market as a whole, coupled with a benchmark rent strategy which positions the community at the highest income echelons of profile consumer segments where demand levels begin to thin. For this reason, it is strongly recommended that dedicated marketing efforts begin with site improvements, with lease reservations beginning *at least three (3) months prior to initial deliveries*.





UNIT MIX ANALYSIS: SELECTED NEWER APARTMENT FLATS
-- OAK PARK MARKET AREA - JUNE 2019 --

Unit Type	Madison Gunderson Place				Selected Newer Apartment Flats ⁽¹⁾			
	Total Units		Plan Size (Sq. Ft.)		Total Units		Plan Size (Sq. Ft.)	
	Number	Percent	Range	Average	Number	Percent	Range	Average
Studio	---	---	---	---	207	13.6	478 - 619	547
Convertible/JR-1	---	---	---	---	94	6.2	516 - 727	649
One Bedroom	4	8.3	856	856	657	43.1	626 - 921	753
One Bedroom+Den	---	---	---	---	100	6.6	798 - 1,238	914
Two Bedroom	44	91.7	1,113 - 1,272	1,171	409	26.9	920 - 1,496	1,153
Two Bedroom+Den	---	---	---	---	42	2.8	1,124 - 1,559	1,305
Three Bedroom	---	---	---	---	14	0.9	1,500 - 1,783	1,619
Three Bedroom+Den	---	---	---	---	---	---	---	---
Total/Averages:	48	100.0	856 - 1,272	1,145	1,523	100.0	478 - 1,783	861

⁽¹⁾ Includes The Albion, Eleven 33, The Emerson, Oak Park Place, and Vantage in Oak Park; Uptown La Grange in La Grange.

Source: Michigan Avenue Real Estate Group and Tracy Cross & Associates, Inc.

- ❑ For added perspective, Appendix A6 delineates pertinent feature and amenity characteristics, and summarizes the range of leasing requirements and other incremental fees currently in effect among the seven *newest construction* and/or moderate-scale rental communities in the greater Oak Park CMA. These feature and/or amenity characteristics are consistent with those proposed by Michigan Avenue Real Estate Group and factored into the benchmark rental strategy and absorption forecast.
- ❑ Lastly, the benchmark rent strategy and absorption forecast also consider an *intensely competitive environment* marked by periods of accelerated apartment construction. This pattern of development will continue for the foreseeable future and intensify short term as, apart, from the proposed Madison Gunderson Place, there are currently eleven *announced* rental projects and no fewer than 1,805 new apartment units under construction and/or in various stages of the planning pipeline in west suburban areas proximate to Oak Park (Appendix A7). Of these, six projects and a collective 1,009 units are expected to begin lease reservation marketing and/or occupancy within the next 12 to 18 months, reinforcing the necessity to maintain an aggressive marketing approach through stabilization and beyond. While it is acknowledged that only two boutique projects totaling 47 units are planned in Oak Park itself, several developments in west suburban Lombard and Oak Brook (in particular) will offer plan styles and amenity-enhanced living environments which also have an appeal to profile mature/move-down and or discretionary income consumers. The marketplace, however, is expected to maintain balanced occupancies despite the number of units which could be introduced over the 2019-2024 timeframe, save for short periods should multiple developments come on-line within six to nine months of one another.

ALTERNATIVE BENCHMARK RENT STRATEGIES

To reiterate, benchmark strategies are established to provide a competitive position in the marketplace and allow for an acceptable absorption period for the proposed 48-unit development. As these lease rates may differ from Michigan Avenue Real Estate Group's financial objectives, the following text table outlines



alternative benchmark strategies and attendant absorption forecasts to assist in continued pro forma financial modeling.



ALTERNATIVE RENT/ABSORPTION SCENARIOS: MADISON GUNDERSON PLACE
-- OAK PARK, ILLINOIS --

A 48-Unit Development						
Benchmark Posted <i>Base Rent</i> ⁽¹⁾ for an 1,145 Sq. Ft. Residence		Variance From Benchmark	Anticipated Monthly Absorption		Average Monthly Absorption Rate ⁽¹⁾	Months to Stabilization @ 95% (46 Units)
\$	\$/Sq. Ft.		First Three (3) Months of Occupancy	Thereafter		
\$2,748	\$2.40	+\$100	9.8	3.1	5.4	8.5
2,723	2.38	+75	10.3	3.3	6.1	7.5
2,698	2.36	+50	10.8	3.4	6.5	7.1
2,673	2.33	+25	11.2	3.5	7.2	6.4
2,648	2.31	Benchmark	11.6	3.6	7.6	6.0
2,623	2.29	-25	11.9	3.9	8.2	5.6
2,598	2.27	-50	12.2	4.2	9.0	5.1
2,573	2.25	-75	12.6	4.7	9.8	4.7
2,548	2.23	-100	13.0	5.2	10.7	4.3

⁽¹⁾ Benchmark posted base rents are presented in November 2019 dollars. They *include* premiums for corner-unit orientation and one (1) assigned enclosed parking space per residence. They do not include premiums for floor or enhanced views, or incremental revenues derived from pet fees, administrative fees, etc.

⁽²⁾ Starting at the first month of occupancy. Marketing and lead list generation assumed to commence with site improvements. Lease reservations, which are anticipated to begin *at least* three (3) months prior to initial occupancies, are factored into this forecast.

Source: Tracy Cross & Associates, Inc.

It is again noted that the benchmark rents and associated absorption potentials are presented in current 2019 dollars. Looking forward, it is quite probable that market area rents will continue to advance, albeit at a much moderated pace over the forecast period, or in the range of 1.5 to 3.0 percent annually. For pro forma comparisons, assuming market introduction in 2022 and barring unforeseen economic turmoil, an average 2.0 percent annual rent growth applied to the benchmark rent strategy for the 48-unit development would yield an average *posted* base rent of \$2,812 or \$2.46 per square foot at market introduction, *excluding incremental revenue sources*.

In closing, our firm has endeavored to present a benchmark rental strategy which will competitively position Madison Gunderson Place in the marketplace and maximize levels of economic return. Further, the positioning of the development is intended to enable the community to not only achieve a reasonable initial absorption, but also to *sustain occupancies* in the 94.0 to 96.0 percent range over the long term in what will remain a highly competitive landscape.





A1

POPULATION, HOUSEHOLDS, TENURE, AND INCOME: 2019
 -- OAK PARK MARKET AREA --

Attribute/Year	Oak Park Market Area	Village of Oak Park	Attribute/Year	Oak Park Market Area	Village of Oak Park
Population					
2000	243,182	52,524	2000	93,793	23,079
2010	246,989	51,878	2010	92,719	22,670
2019	250,005	50,864	2019	95,059	24,228
2024	249,026	50,156	2024	96,149	24,953
Average Annual Change			Average Annual Change		
2000 - 2010	381	-65	2000 - 2010	-107	-41
2010 - 2019	335	-113	2010 - 2019	260	173
2019 - 2024	-196	-142	2019 - 2024	218	145
2019 Household Tenure					
Total Housing Units	101,493	25,536	Total Households	95,059	24,228
Total Occupied	93,089	24,228	Under \$25,000	14,071	3,933
Owner Occupied	63,268	14,542	25,000 - 34,999	6,883	1,224
Percent	68.0	60.0	35,000 - 49,999	9,753	1,959
Renter Occupied	29,821	9,686	50,000 - 74,999	14,331	3,245
Percent	32.0	40.0	75,000 - 99,999	12,051	2,680
Vacant	8,404	1,308	100,000 and Over	37,970	11,187
Percent	8.3	5.1	Median	\$79,781	\$90,885
2019 Household Size					
Total Population	250,005	50,864	Total Workers Age 16+	117,753	24,549
In Group Quarters	2,648	389	Less than 30 Minutes	50,292	8,450
In Households	247,357	50,475	30 - 44 Minutes	34,879	8,199
Total Households	95,059	24,228	45 - 59 Minutes	17,757	4,800
Average Persons Per Household	2.60	2.08	60 or More Minutes	14,825	3,100
			Average Minutes to Work	35.8	38.0

Source: U.S. Department of Commerce, Bureau of Economic Analysis; Census 2000 and Census 2010; Environics Analytics; and Tracy Cross & Associates, Inc.



HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER: 2019 ESTIMATE
-- OAK PARK MARKET AREA --

Age of Householder	2019 Income													
	Under \$25,000		\$25,000 - 34,999		\$35,000 - 49,999		\$50,000 - 74,999		\$75,000 - 99,999		\$100,000 and Over			
	Number of Households	Percent of Total Households	Number of Households	Percent of Total Households	Number of Households	Percent of Total Households	Number of Households	Percent of Total Households	Number of Households	Percent of Total Households	Number of Households	Percent of Total Households		
Oak Park Market Area														
15 - 24 Years	673	0.71	407	0.43	362	0.38	612	0.64	240	0.25	263	0.28		
25 - 34 Years	1,564	1.65	1,021	1.07	1,520	1.60	2,089	2.20	1,918	2.02	4,274	4.50		
35 - 44 Years	1,379	1.45	890	0.94	1,430	1.50	2,243	2.36	2,360	2.48	8,153	8.58		
45 - 54 Years	1,605	1.69	748	0.79	1,549	1.63	2,583	2.72	2,443	2.57	9,761	10.27		
55 - 64 Years	2,595	2.73	1,058	1.11	1,763	1.85	2,907	3.06	2,484	2.61	9,203	9.68		
65 - 74 Years	2,743	2.89	1,312	1.38	1,748	1.84	2,375	2.50	1,739	1.83	4,808	5.06		
75 - 84 Years	2,091	2.20	955	1.00	1,004	1.06	1,105	1.16	646	0.68	1,138	1.20		
85 Years & Over	1,421	1.49	492	0.52	377	0.40	417	0.44	221	0.23	370	0.39		
Total	14,071	14.80	6,883	7.24	9,753	10.26	14,331	15.08	12,051	12.68	37,970	39.94	95,059	\$79,781
Village of Oak Park														
15 - 24 Years	295	1.22	55	0.23	64	0.26	145	0.60	50	0.21	69	0.28		
25 - 34 Years	504	2.08	206	0.85	324	1.34	553	2.28	395	1.63	1,342	5.54		
35 - 44 Years	405	1.67	154	0.64	254	1.05	539	2.22	429	1.77	2,641	10.90		
45 - 54 Years	473	1.95	120	0.50	317	1.31	592	2.44	592	2.44	2,853	11.78		
55 - 64 Years	721	2.98	181	0.75	354	1.46	652	2.69	572	2.36	2,424	10.00		
65 - 74 Years	703	2.90	252	1.04	370	1.53	500	2.06	459	1.89	1,474	6.08		
75 - 84 Years	499	2.06	160	0.66	197	0.81	192	0.79	137	0.57	305	1.26		
85 Years & Over	333	1.37	96	0.40	79	0.33	72	0.30	46	0.19	79	0.33		
Total	3,933	16.23	1,224	5.05	1,959	8.09	3,245	13.39	2,680	11.06	11,187	46.17	24,228	\$90,885

Source: Environics Analytics and Tracy Cross & Associates, Inc.



COMPOSITE SUMMARY: REPRESENTATIVE NEWER APARTMENT DEVELOPMENTS
-- OAK PARK CMA --

Municipality/ Development	Year Built/ Renovated	Number of Units	Number Vacant	Percent Vacant	Average Unit Size (Sq. Ft.)	Average Posted June 2018	Rent Characteristics			Stabilized Developments ⁽¹⁾		
							June 2019		Number of Units	Number Vacant	Percent Vacant	
							Average Posted \$	Average Effective \$/Sq. Ft.				
Oak Park Market Area Total/Average:	---	1,882	346	18.4	866	\$2,044	\$2.43	\$2,037	\$2.35	1,354	41	3.0
La Grange	---	254	9	3.5	961	\$2,219	\$2.32	\$2,219	\$2.31	254	9	3.5
Uptown La Grange	2017	254	9	3.5	961	2,219	2.32	2,219	2.31	254	9	3.5
Oak Park	---	1,628	337	20.7	851	\$2,009	\$2.45	\$2,009	\$2.36	1,100	32	2.9
100 Forest Place	1986	234	4	1.7	917	1,880	2.08	1,903	2.08	234	4	1.7
Albion at Oak Park ⁽²⁾	2019	265	202	76.2	819	---	2.86	2,146	2.62	---	---	---
Eleven33 ⁽³⁾	2019	263	103	39.2	834	---	2.59	1,890	2.27	---	---	---
The Emerson ⁽⁴⁾	2017	271	2	0.7	841	2,103	2.50	2,083	2.48	271	2	0.7
Oak Park City	1987/2007-08	125	4	3.2	846	1,822	2.14	1,810	2.14	125	4	3.2
Oak Park Place	2008	200	1	0.5	799	1,894	2.53	2,025	2.53	200	1	0.5
Vantage ⁽⁵⁾	2016	270	21	7.8	894	2,198	2.34	2,089	2.34	270	21	7.8

Representative Newer Moderate-Scale Apartment Developments: Select City of Chicago Neighborhoods ⁽⁶⁾												
Chicago-Near West/West Town	---	1,159	22	1.9	972	\$2,745	\$2.84	\$2,747	\$2.83	1,159	22	1.9
Ashland Place/Near West	2018	47	2	4.3	1,185	2,657	2.24	2,657	2.24	47	2	4.3
Jackson Throop Place/Near West	2016	93	0	0.0	1,027	2,764	2.67	2,742	2.67	93	0	0.0
Luxe on Madison/Near West	2009; 2016	98	1	1.0	878	2,478	2.91	2,554	2.91	98	1	1.0
Madison Throop Place/Near West	2016	72	0	0.0	1,008	3,097	2.97	2,994	2.97	72	0	0.0
Monroe Aberdeen Place/Near West	2018	120	0	0.0	1,148	3,427	2.98	3,416	2.98	120	0	0.0
The Van Morgan/Near West	2014	26	3	11.5	1,183	2,840	2.55	3,016	2.55	26	3	11.5
The Warren/Near West	2014	52	0	0.0	1,123	2,651	2.13	2,394	2.13	52	0	0.0
The Aberdeen West Loop I/Near West	2013	27	0	0.0	1,132	2,953	2.67	3,017	2.67	27	0	0.0
The Aberdeen West Loop II/Near West	2014	51	1	2.0	1,001	2,843	3.01	3,011	3.01	51	1	2.0
1241 North Milwaukee/West Town	2017	60	4	6.7	1,029	2,929	2.76	2,839	2.76	60	4	6.7
Centrum Bucktown/West Town	2017	94	0	0.0	846	2,666	3.19	2,700	3.19	94	0	0.0
Luxe on Chicago/West Town	2016	60	2	3.3	750	2,315	3.17	2,375	3.17	60	2	3.3
Centrum Wicker Park/West Town	2016	55	1	1.8	986	2,595	2.77	2,736	2.77	55	1	1.8
Luxe on Chicago/West Town	2016	105	6	5.7	808	2,471	3.14	2,541	3.14	105	6	5.7
Seven 10 West/West Town	2018	33	0	0.0	1,394	3,061	2.21	3,085	2.21	33	0	0.0
Vision/West Town	2010	126	2	1.6	782	2,604	3.22	2,521	3.22	126	2	1.6
Wicker Park Connection II/West Town	2018	40	0	0.0	830	2,224	2.62	2,174	2.62	40	0	0.0
Wicker Park Lofts/West Town	2015	40	0	0.0	830	2,224	2.62	2,174	2.62	40	0	0.0

⁽¹⁾ Excludes rental programs currently undergoing renovation and/or new programs undergoing initial absorption.

⁽²⁾ Leasing commenced May 2019; initial occupancy August 2019. Absorbing at an overall rate of 18.0 units per month with 63 units occupied as of mid-November 2019.

⁽³⁾ Leasing commenced January 2019; initial occupancy March 2019. Absorbing at an overall rate of 18.8 units per month with 160 units occupied as of mid-November 2019.

⁽⁴⁾ Initial occupancy September 2017; stabilized November 2018 at an overall absorption rate of 17.0 units per month.

⁽⁵⁾ Initial occupancy August 2016; stabilized May 2018 at an overall absorption rate of 1.9 units per month.

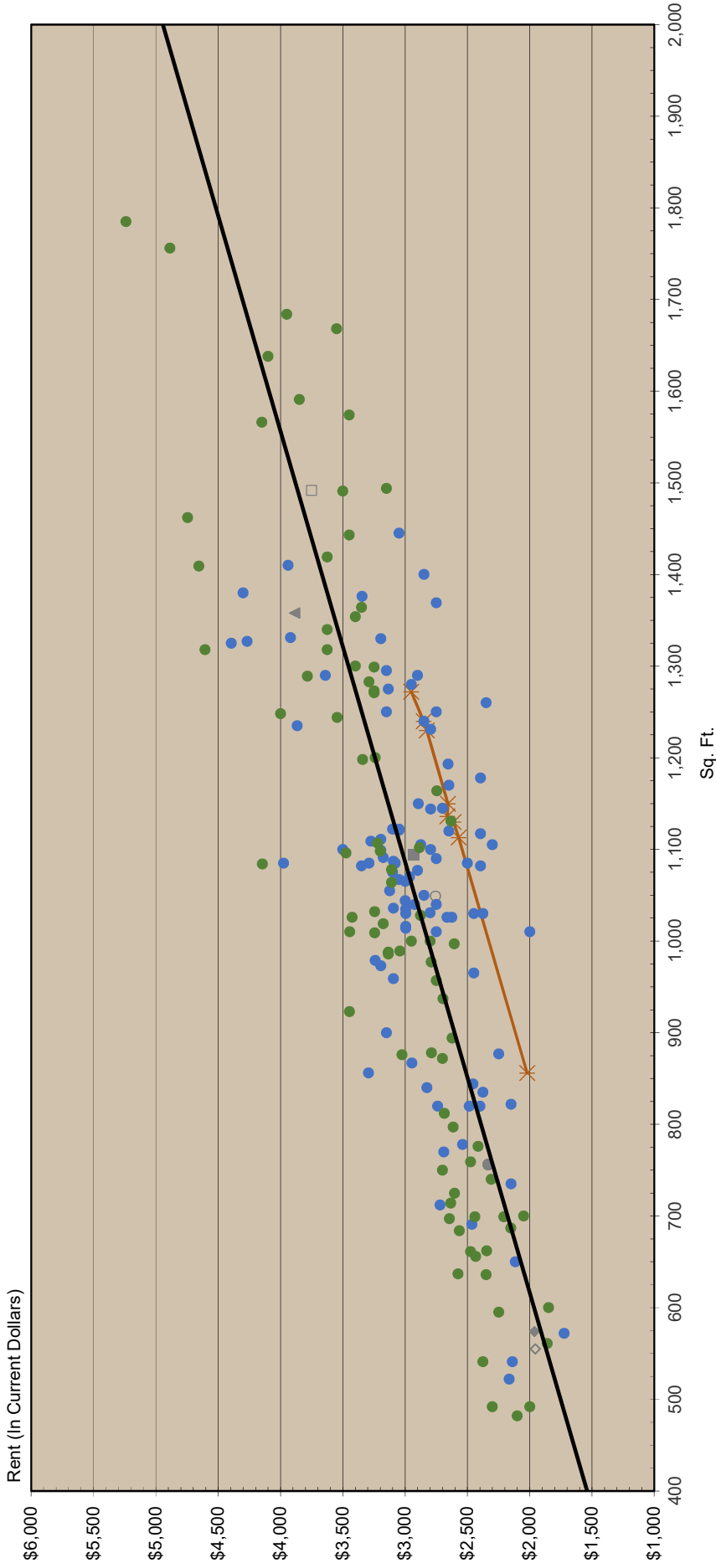
⁽⁶⁾ Developments not included in market area statistics; utilized for analytical purposes only.

Source: Tracy Cross & Associates, Inc.



A4

Rent/Value Analysis
Select Newer Apartment Flats
Chicago-Near West/West Town
June 2019



Program (Vacancy/Absorption)

- ◆ Studio
- ◆ JR-1/Convertible
- One Bedroom Flat
- One Bedroom+Den Flat
- Two Bedroom Flat
- Two Bedroom+Den Flat
- ▲ Three Bedroom Flat
- Chicago-Near West
- Chicago-West Town
- *— Madison Gunderson Place
- Market Line

Rent/value analysis uses a scatter diagram to graphically represent a set of observations found in today's marketplace, specifically the square footage of units offered and their associated rent levels. Regression analysis is then used to fit a line through the set of market observations that represent the "best fit" or average market line. This market line can then be used to predict the performance of a new, untested product line or offer explanations regarding the occupancy/absorption rates of currently available product lines.



A5

Rent/Value Analysis
 Select Newer Apartment Flats
 Chicago-Near West/West Town
 June 2019

Plan Size (Sq. Ft.)	Average Market Rent	Development/Community Area	Year Built/ Renovated	Total Units	Average Plan Size (Sq. Ft.)	Average Posted Rent ⁽¹⁾		Average Market Rent	Variance From Market	Vacancy Rate / Absorption (Units/Mo.)
						Dollars	Sq. Ft.			
400	\$1,538	Wicker Park Connection II/Chicago-West Town	2018	126	782	\$2,771	\$3.54	\$2,351	+\$420	1.6
500	1,751	Centrum Bucktown/Chicago-West Town	2017	94	846	2,900	3.43	2,488	+412	0.0
600	1,964	Centrum Wicker Park/Chicago-West Town	2016	60	750	2,625	3.50	2,283	+342	3.3
700	2,177	Monroe Aberdeen Place/Chicago-Near West	2018	120	1,148	3,416	2.98	3,131	+285	0.0
800	2,390	Luxe on Madison/Chicago-Near West	2009; 2016	98	878	2,799	3.19	2,556	+243	1.0
900	2,603	The Aberdeen West Loop II/Chicago-Near West	2014	51	1,001	3,011	3.01	2,818	+193	2.0
1,000	2,816	1241 North Milwaukee/Chicago-West Town	2017	60	1,029	3,039	2.95	2,877	+162	6.7
1,100	3,029	Madison Throop Place/Chicago-Near West	2016	72	1,008	2,994	2.97	2,833	+161	0.0
1,200	3,242	Seven 10 West/Chicago-West Town	2018	105	808	2,541	3.14	2,407	+134	5.7
1,300	3,455	Luxe on Chicago/Chicago-West Town	2016	55	986	2,861	2.90	2,786	+75	1.8
1,400	3,668									
1,500	3,881									
1,600	4,094									
1,700	4,307									
1,800	4,520	Wicker Park Lofts/Chicago-West Town	2015	40	830	2,374	2.86	2,453	-79	0.0
1,900	4,733	The Aberdeen West Loop I/Chicago-Near West	2013	27	1,132	3,017	2.67	3,097	-80	0.0
2,000	4,946	Jackson Throop Place/Chicago-Near West	2016	93	1,027	2,742	2.67	2,873	-131	0.0
		The Van Morgan/Chicago-Near West	2014	26	1,183	3,016	2.55	3,205	-189	11.5
		Vision/Chicago-West Town	2010	33	1,394	3,335	2.39	3,655	-320	0.0
		Madison Gunderson Place/Oak Park-Bnmk Base	2022	48	1,145	2,648	2.31	3,124	-476	7.6/Mo. Fcst
		Ashland Place/Chicago-Near West	2018	47	1,185	2,657	2.24	3,210	-553	4.3
		The Warren/Chicago-Near West	2014	52	1,123	2,394	2.13	3,078	-684	0.0

(1) As indicated, posted rents adjusted upward to reflect incremental fee for enclosed parking.
 (2) As indicated, posted rents adjusted upward to reflect incremental fee for assigned surface parking.
 (3) Benchmark posted rents include one (1) assigned enclosed parking space per residence.

Slope: \$2.13 per sq. ft.



DEVELOPMENT PROFILE: REPRESENTATIVE NEWER APARTMENT DEVELOPMENTS
-- OAK PARK CMA - JUNE 2019 --

Attribute							
Project Name Location Year Built Units Project Type/Number of Floors Average Unit Size Average Posted Base Rent Average Rent/Sq. Ft.	ALBION AT OAK PARK OAK PARK 2019 265 HIGHRISE / 19 FLOORS \$2,341 \$2.86	ELEVENS33 OAK PARK 2019 263 HIGHRISE / 12 FLOORS \$2,160 \$2.59	THE EMERSON OAK PARK 2017 271 HIGHRISE / 20 FLOORS \$2,099 \$2.50	UPTOWN LA GRANGE LA GRANGE 2017 254 MIDRISE / 5 FLOORS \$2,225 \$2.32	VANTAGE OAK PARK 2016 270 HIGHRISE / 21 FLOORS \$2,089 \$2.34	OAK PARK PLACE OAK PARK 2008 200 HIGHRISE / 14 FLOORS \$2,025 \$2.53	ASHLAND PLACE CHICAGO-NEAR WEST 2018 47 MIDRISE / 4 FLOORS \$2,657 \$2.24
Parking⁽¹⁾ Structured Assigned/General Shared Car/Charging Station Attached/Detached Garage Carport/Surface Assigned Utilities^(1,2) Water/Refuse Collection Gas Electric Cable/Satellite Premiums⁽¹⁾ Floor View Other Fees⁽¹⁾ Administrative/Application Security Deposit Pet Deposit/Pet Rent Storage: Central/Bike	Parking / Utilities / Incremental Fees						
Interior Features⁽¹⁾ Flooring: Common/Bedroom Kitchen Appliances/Washer-Dryer Kitchen Counters/Flooring Bath Counter/Flooring Patio/Balcony Community/Building Amenities⁽¹⁾ Clubroom/Gourmet Kitchen Fitness Center/WI-FI/E-Lounge Media Room/Business Center Doorman/Concierge Playground/Sport Court/Game Room Garden or Roof Terrace Fireside Lounge/Grill Area Swimming Pool Pet Park/Grooming Station	Standard Features and Community Amenities						

⁽¹⁾ Indicates incremental monthly fee as applicable.
⁽²⁾ Assumes tenant responsible for all utilities as standard unless otherwise indicated.



RENTAL APARTMENT PROJECTS IN PLANNING⁽¹⁾: NEAR WEST SUBURBAN AREAS PROXIMATE TO OAK PARK

Municipality/ Proposed Development	Location	Builder/Developer	Current Status ^(2,3)	Number of Units
Countryside Clocktower Pointe	10735 Clock Tower Drive	HP Ventures Group	Leasing 2019	23
Elmhurst 183 Addison	183-191 Addison Avenue	Lennar Multifamily Comm.	PP	214
Lombard Lilac Station Yorktown Apartments III Yorktown Commons Woodmoor	Main Street and Parkside Avenue 2201 Highland Avenue Grace Street and Yorktown Ring Road Finley Road and Oak Creek Drive	Holladay Properties AIMCO Residential Gilbane Development Urban Street Group	Approved Approved Approved UC	115 78 336 288
Oak Brook Oak Brook Commons	2111 McDonald Drive	Hines Interests LP	Approved	250
Oak Park TBD TBD	SE Corner Madison Street and Lyman Avenue 6033 North Avenue	Ambrosia Homes Noah Properties	Approved CS	23 24
Villa Park Garden Station (On Hold)	401 N. Ardmore Avenue	Golden Spike Development	FP	230
Willow Springs Willow Glen Lofts	Archer Avenue and Vana Street	West Point Builders	Approved	224
Total⁽⁴⁾				1,805

⁽¹⁾ Excludes age and/or income-restricted, service-enhanced, and congregate care senior developments.

⁽²⁾ As of 9/2019.

⁽³⁾ Status key: Concept Stage (CS); Preliminary Plat Approval (PP); Final Plat Approval (FP); Site Improvements started (INF); Permits issued/under construction (UC).

⁽⁴⁾ Excludes developments with unit counts and product idioms yet to be determined.