



128-140 S. 2ND STREET

128-140 S. 2nd Street
DeKalb, Illinois 60115

APPRAISAL REPORT

Date of Report: July 31, 2023
Colliers File #: ORD230367



PREPARED FOR
Matthew D. Rose
Donahue & Rose, PC,
as counsel for the City of DeKalb
9501 W. Devon Ave., Ste. 702
Rosemont, IL 60018

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

LETTER OF TRANSMITTAL

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

71 S. Wacker Drive, Suite 3700
Chicago, IL 60606 USA
MAIN+1 312 602 6160
FAX +1 312 346 6669
WEB www.colliers.com/valuationadvisory



July 31, 2023

Matthew D. Rose
Donahue & Rose, PC,
as counsel for the City of DeKalb
9501 W. Devon Ave., Ste. 702
Rosemont, IL 60018

RE: 128-140 S. 2nd Street
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DeKalb, Illinois 60115

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Mr. Rose:

Pursuant with our engagement, the above captioned property was appraised utilizing best practice appraisal principles for this property type. This appraisal report satisfies the scope of work and requirements agreed upon by the City of DeKalb and Colliers International Valuation & Advisory Services.

At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). Our appraisal format provides a detailed description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Fee Simple	July 26, 2023	\$370,000

The subject is 128-140 S. 2nd Street, a multi-tenant, mixed use, retail/commercial property totaling 18,484 SF of NRA located on a 0.25-acre site at 128-140 S. 2nd Street in DeKalb, Illinois. The improvements were built in 1890, are in fair condition, and have a remaining economic life of 8 years based on our estimate. Deferred maintenance items that were observed by the appraiser during the on-site inspection include damage/deterioration of the exterior walls, windows, and interior finishes (primarily the ceiling and flooring on the second floor). Additional items of deferred maintenance related to the building mechanicals or structure may exist; however, a property conditions report or testing of these items was not available. No remediation or repair

cost estimates were available during the course of this appraisal, and thus the subject's "fair" condition qualification is intended to include consideration of these items.

The subject property has a multi-tenant design that is currently partially owner-occupied by D-N-J Properties Inc. The subject owner currently uses a portion of the ground floor as an office and machine/wood shop and a majority of the second floor as storage/personal use. The remainder of the property is comprised of rentable retail storefronts and storage space. As of the effective date of value, only one retail space is leased to a third-party tenant with a reported expiration date of June 30, 2027. An analysis of this lease is not warranted as a market investor would not purchase the subject property for the short-term income stream (less than 5 years remaining) associated with one existing lease. There are also reportedly multiple in-place storage agreements that are rented on a month-to-month or annual basis by residential tenants from other buildings owned by D-N-J Properties. As will be illustrated in our analysis, the subject's Highest and Best Use As-Improved is deemed to be the interim use as a retail/storage property until market conditions warrant redevelopment or conversion to a mixed-use residential/retail use.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, "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". *USPAP* defines a Hypothetical Condition as, "that 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".

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at our opinion of value are fully discussed below. We advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

EXTRAORDINARY ASSUMPTIONS

We were not provided a rent roll or lease documents to verify the subject's square footage or tenancy/occupancy. The building space areas are based on estimates provided by the property contact and ownership. Should professional building plans indicate materially different measurements, we reserve the right to revisit our conclusions accordingly.

HYPOTHETICAL CONDITIONS

This Appraisal Report is not contingent on any hypothetical conditions.

RELiance LANGUAGE

The Appraisal 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. Colliers International Valuation & Advisory Services 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 the Appraisal prepared by Colliers International Valuation & Advisory Services or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that Colliers International Valuation & Advisory Services will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Colliers International Valuation & Advisory

Services, by a party satisfactory to Colliers International Valuation & Advisory Services. Colliers International Valuation & Advisory Services does 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 Colliers International Valuation & Advisory Services with an Indemnification Agreement and/or Non-Reliance letter.

Colliers International Valuation & Advisory Services hereby expressly grants to Client the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any.

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The signatures below indicate our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

**COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES**



Michelle Lee, MAI
Valuation Services Director
Certified General Real Estate Appraiser
State of Illinois License #553.002577
+1 312 602 6164
michelle.lee@colliers.com



Anthony Guth, MAI
Managing Director | Chicago
Certified General Real Estate Appraiser
State of Illinois License #553.001886
+1 312 602 6159
tony.guth@colliers.com

LETTER OF TRANSMITTAL

INTRODUCTION	1
Executive Summary	1
Aerial Photograph	3
Subject Property Photographs	4
Identification of Appraisal Assignment	10
Scope of Work	12
DESCRIPTIONS & EXHIBITS	14
Regional Map	14
Regional Analysis	15
Local Area Map	21
Local Area Analysis	22
Site Description	31
Plat Map	33
Zoning Map	34
Flood Map	35
Improvement Description	37
Assessment & Taxation	40
Zoning Analysis	42
Market Analysis	43
Highest & Best Use	62
VALUATION	65
Valuation Methods	65
Income Approach	67
Overview of Contract Rents	68
Market Rent Analysis	68
Retail/Office Lease Summation Table	70
Comparable Retail/Office Lease Map	71
Comparable Rent Data Sheets	74
Income & Expense Analysis	76
Vacancy & Credit Loss	77
Expense Comparable Table	77
Conclusion of Operating Expenses	78
Development of Capitalization Rate	79
Direct Capitalization Conclusion	82
Adjustments to Value	82
Lease-Up Analysis	83
Income Approach Conclusion	84
Sales Comparison Approach	85
Sales Summation Table	86
Sales Location Map	87
Sales Data Sheets	88
Sales Comparison Approach Conclusion	96
Land Valuation	97
Land Sale Summation Table	98
Land Sales Location Map	99
Land Sales Data Sheets	100
Land Sales Valuation Conclusion	104
Reconciliation of Value Conclusions	105

CERTIFICATION

ASSUMPTIONS & LIMITING CONDITIONS

ADDENDA

Engagement Letter

Subject Data

Valuation Glossary

Qualifications of Appraisers

Qualifications of Colliers International Valuation & Advisory Services

GENERAL INFORMATION

Property Name	128-140 S. 2nd Street
Property Type	Retail / Commercial - Mixed Use Retail/Commercial
Address	128-140 S. 2nd Street
City	DeKalb
State	Illinois
Zip Code	60115
County	DeKalb
Core Based Statistical Area (CBSA)	Chicago-Naperville-Elgin, IL-IN-WI
Market	Chicago
Submarket	Western East-West Corridor
Latitude	41.929832
Longitude	-88.752594
Number Of Parcels	1
Assessor Parcel	08-23-163-013
Total Taxable Value	\$65,829
Census Tract Number	13.00

SITE INFORMATION

Land Area	Acres	Square Feet
Usable	0.25	11,034
Unusable	0.00	0
Excess	0.00	0
<u>Surplus</u>	<u>0.00</u>	<u>0</u>
Total	0.25	11,034
Topography	Level at street grade	
Shape	Irregular	
Access	Average	
Exposure	Average	
Current Zoning	Central Business District (CBD)	
Flood Zone	Zone X (Unshaded)	
Seismic Zone	Low Risk	

IMPROVEMENT INFORMATION

Gross Building Area SF (GBA)	18,484 SF
Net Rentable Area (NRA)	18,484 SF
Floor Plate SF	10,124 SF
Total Number Of Stories	2
Year Built	1890
Quality	Average
Condition	Fair
Building Class	C
Type Of Construction	Brick
Land To Building Ratio	0.6 : 1
Site Coverage Ratio	91.8%
Parking Type	None

HIGHEST & BEST USE

As Vacant	Development Of A Mixed-Use Residential Property As Market Conditions Warrant
As Improved	Hold As Interim Retail/Storage Use Until Market Conditions Warrant Redevelopment Or Conversion To Mixed-Use Residential Property

EXPOSURE TIME & MARKETING PERIOD

Exposure Time	12 to 18 Months
Marketing Period	12 to 18 Months

VALUATION SUMMARY

VALUATION INDICES	AS-IS MARKET VALUE
INTEREST APPRAISED	FEE SIMPLE
DATE OF VALUE	JULY 26, 2023
INCOME CAPITALIZATION APPROACH	
Direct Capitalization	\$380,000
Direct Capitalization \$/SF	\$21/SF
NOI Proforma	\$73,483
NOI \$/SF	\$3.98/SF
Capitalization Rate	11.50%
INCOME CONCLUSION	\$380,000
Income Conclusion \$/SF	\$21/SF
SALES COMPARISON APPROACH	
SALES CONCLUSION	\$370,000
Sales Conclusion \$/SF	\$20/SF
FINAL VALUE CONCLUSION	
FINAL VALUE	\$370,000
\$/SF	\$20/SF
LAND VALUATION	
LAND VALUE	\$100,000
Value/SF	\$9.00





FRONT (WEST) FAÇADE



FRONT (WEST) FAÇADE



SINGLE-STORY SECTION - SOUTH FAÇADE



TWO-STORY SECTION - SOUTH FAÇADE



TWO-STORY SECTION - SOUTH FAÇADE



EAST FAÇADE

SUBJECT PROPERTY PHOTOGRAPHS

CONTINUED

ORD230367



NORTH FAÇADE



NORTH FAÇADE



GROUND FLOOR STOREFRONTS



DRIVE-IN DOOR



NORTH ALONG 2ND STREET



SOUTH ALONG 2ND STREET

SUBJECT PROPERTY PHOTOGRAPHS

CONTINUED

ORD230367



MAINTENANCE SHOP



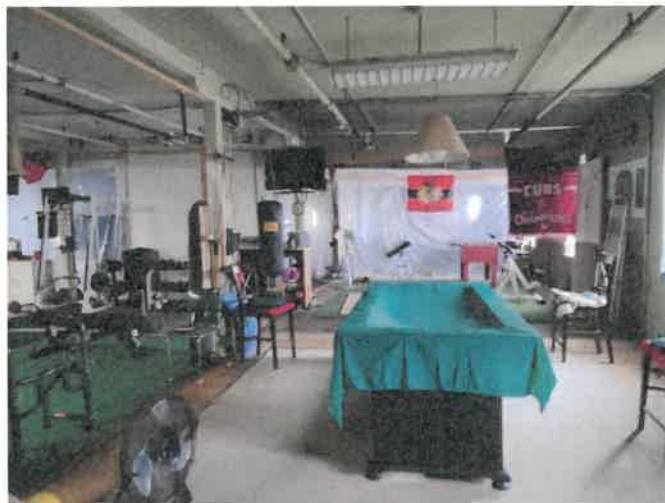
OWNER-OCCUPANT - OFFICE



OWNER-OCCUPANT - OFFICE



2ND FLOOR STORAGE



2ND FLOOR STORAGE



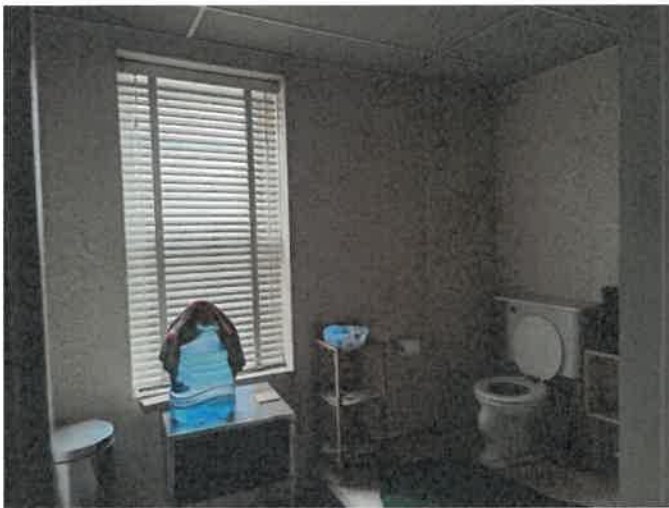
2ND FLOOR STORAGE



2ND FLOOR STORAGE



2ND FLOOR STORAGE



2ND FLOOR RESTROOM



VACANT STOREFRONT SPACE



VACANT STOREFRONT SPACE



VACANT STOREFRONT SPACE



VACANT STOREFRONT SPACE



REAR GROUND FLOOR STORAGE



REAR GROUND FLOOR STORAGE



REAR GROUND FLOOR STORAGE



REAR GROUND FLOOR STORAGE



METERS



OCCUPIED STOREFRONT SPACE



OCCUPIED STOREFRONT SPACE

PROPERTY IDENTIFICATION

The subject is 128-140 S. 2nd Street, a multi-tenant, mixed use, retail/commercial property totaling 18,484 SF NRA located on a 0.25-acre site at 128-140 S. 2nd Street in DeKalb, DeKalb County, Illinois. The assessor's parcel number is: 08-23-163-013.

The legal description of the subject property is as follows: LOT 67 OF BLOCK 11 OF THE COUNTY CLERK'S SUBDIVISION OF BLOCKS 11, 12, 13 AND 14 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "C" OF PLATS, PAGE 42, SITUATED IN DEKALB COUNTY, ILLINOIS.

CLIENT IDENTIFICATION

The client of this specific assignment is the City of DeKalb.

PURPOSE

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest.

INTENDED USE

The intended use of this appraisal is to assist the client in making internal business decisions related to this asset (estimating market value).

INTENDED USERS

Intended users of this report include the City of DeKalb and Donahue & Rose, PC, as counsel for the City of DeKalb. Use of this report by third parties and other unintended users is not permitted. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

ASSIGNMENT DATES

Date of Report	July 31, 2023
Date of Inspection	July 26, 2023
Valuation Date - As-Is	July 26, 2023

PERSONAL INTANGIBLE PROPERTY

No personal property or intangible items are included in this valuation.

PROPERTY AND SALES HISTORY**Current Owner**

The subject title is currently recorded in the name of D-N-J Properties Inc., who acquired title to the property on May 29, 2002 as improved for \$150,000, as recorded in Document No. 2002010242 of the DeKalb County Deed Records.

Three-Year Sales History

Research of the applicable public records, private data services and an interview of the current owner revealed that the subject property has not transferred during the past three years of the effective date of value stated in this report.

Subject Sale Status

The subject property is currently listed for sale at \$795,000. As of the effective date, it had been listed for about two months. According to CoStar, the property was also listed for sale in October 2017 for \$499,500 for about 12 months before the listing was removed. We note that the City of DeKalb made an offer in June 2023 for \$275,000 with a counter-offer from the subject owner of \$475,000. Neither offer was accepted. We were informed that a contract for sale in the amount of \$596,250 was reported as of June 15, 2023; however, we were not provided a complete copy of the contract for verification, and the contract has reportedly been terminated. Based on a comparison with other current listings, the subject appears to be priced above market levels considering its fair condition and utilization. As a result, the asking price is well above the As-Is Market Value arrived upon herein.

DEFINITIONS

This section summarizes the definitions of value, property rights appraised, and value scenarios that are applicable for this appraisal assignment. All other applicable definitions for this assignment are located in the Valuation Glossary section of the Addenda.

DEFINITIONS OF VALUE

Given the scope and intended use of this assignment, the following definition of value is applicable:

Market Value

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:

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

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the fee simple interest.

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.²

VALUE SCENARIOS**As-Is Value**

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.³

¹ Interagency Appraisal and Evaluation Guidelines, December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472

² The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022

³ The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022

INTRODUCTION

The appraisal development and reporting processes requires gathering and analyzing information about those assignment elements necessary to properly identify the appraisal problem to be solved. The scope of work decision must include the research and analyses that are necessary to develop credible assignment results given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed. The scope of work for this appraisal assignment is outlined below:

- › The appraisers analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends. The local area was further studied to assess the general quality and condition, and emerging development trends for the real estate market. The immediate market area was inspected and examined to consider external influences on the subject.
- › The appraisers confirmed and analyzed legal and physical features of the subject property including sizes of the site and improvements, flood plain data, seismic zone, zoning, easements and encumbrances, access and exposure of the site, and construction materials and condition of the improvements. This process also included estimating the remaining economic life of the improvements, analysis of the subject's site coverage and parking ratios compared to market standards, a process to identify deferred maintenance and a conclusion of the subject's overall functional utility.
- › The appraisers completed retail and apartment market analyses that included market and sub-market overviews. The overviews analyzed supply/demand conditions using vacancy, absorption, supply change and rent change statistics. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- › The appraisers conducted a Highest and Best Use analysis, determining the highest and best use of the subject property As-Vacant and As-Improved. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject property. Development of the Highest and Best Use As-Improved explored potential alternative treatments of the property including demolition, expansion, renovation, conversion, and continued use "as-is."
- › The appraisers confirmed and analyzed financial features of the subject property including tax and assessment records. This information as well as trends established by confirmed market indicators was used to forecast performance of the subject property.
- › Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. As a result, this appraisal developed the Income (Direct Capitalization) and Sales Comparison approaches to value. The resulting value indicators were reconciled within the Analysis of Value Conclusions section. The appraisal develops an opinion of the As-Is Market Value of the subject property's fee simple interest. The reasoning for including or excluding traditional approaches to value is developed within the Valuation Methodology section.
- › Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are fully described within this document.
- › We understand the Competency Rule of USPAP and the authors of this report meet the standards.
- › No one provided significant real property appraisal assistance to appraisers signing this certification.

SOURCES OF INFORMATION

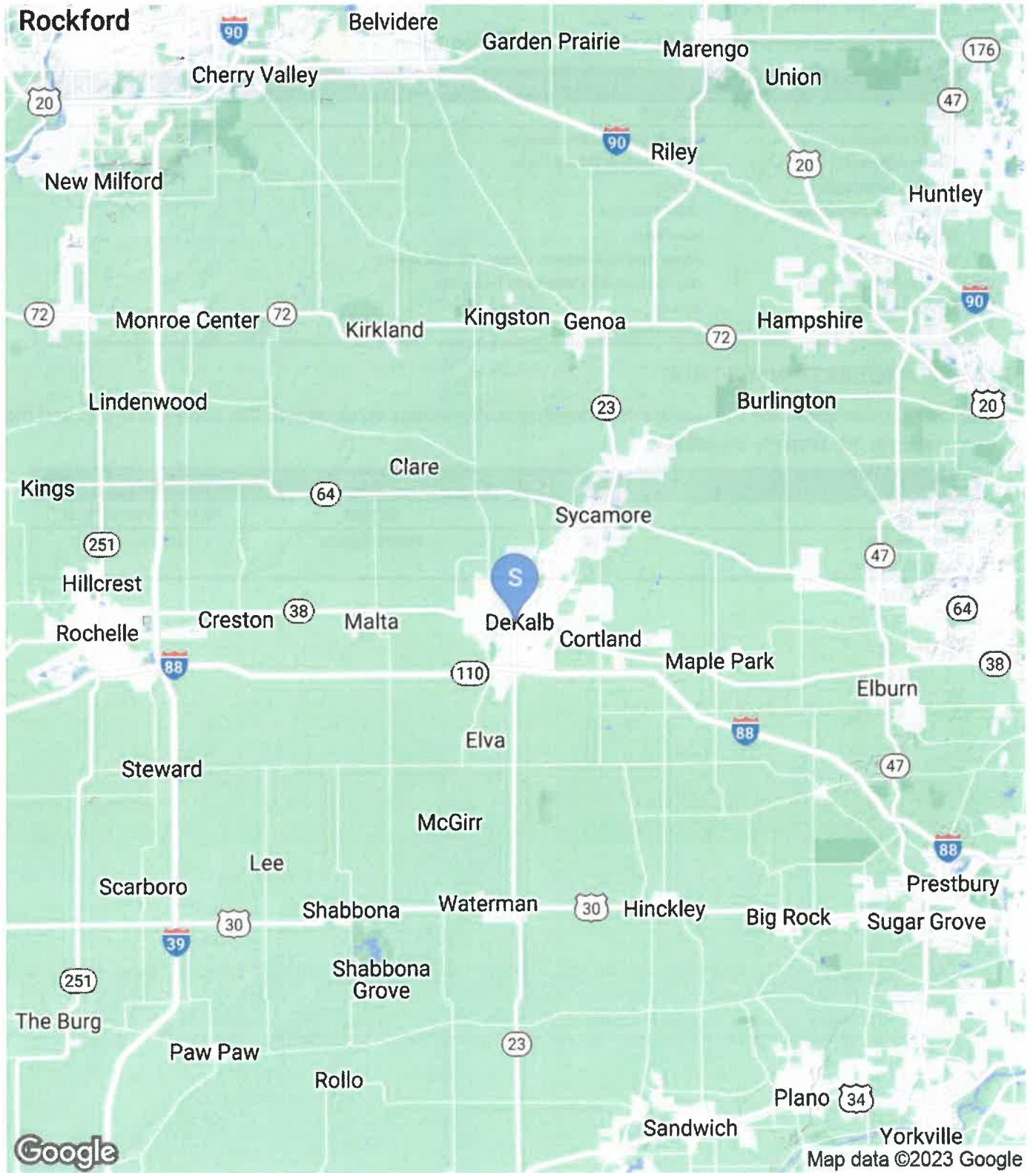
The following sources were contacted to obtain relevant information:

SOURCES OF INFORMATION	
ITEM	SOURCE
Tax Information	DeKalb County Tax Assessor
Zoning Information	City of DeKalb Zoning Code
Site Size Information	Survey
Building Size Information	Client-Provided
Flood Map	InterFlood
Demographics	Pitney Bowes/Gadberry Group - GroundView®
Comparable Information	See Comparable Datasheets for details
Legal Description	Survey
Other Property Data	Client-Provided

SUBJECT PROPERTY INSPECTION

The following table illustrates the Colliers International professionals involved with this appraisal report and their status related to the property inspection.

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Michelle Lee, MAI	Yes	Interior/Exterior	July 26, 2023
Anthony Guth, MAI	No	-	-



INTRODUCTION

The Chicago-Naperville-Elgin IL-IN-WI MSA is located along the southwestern shoreline of Lake Michigan in the northeastern section of the state of Illinois, the northwestern corner in the state of Indiana and the southeastern section in the state of Wisconsin. The 14 counties that make up the MSA include: Cook, DeKalb, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will in Illinois, Jasper, Lake, Newton and Porter in Indiana and the county of Kenosha in Wisconsin. As typical of a Midwest location, the Chicago MSA experiences the distinct changes of the seasons; hot, humid summers, cold, snowy and windy winters, with springs and autumns that fluctuate between sunny and mild to volatile temperature fluctuations.



The Chicago-Naperville-Elgin, IL-IN-WI MSA has an expanded economy based on finance, insurance, printing/publishing, manufacturing, and food processing. Approximately 400 corporate headquarters make their home in the Chicago metropolitan area, with numerous Fortune 500 companies in Illinois. The Loop, or Chicago Loop, is the historic commercial center with theater and shopping for downtown Chicago and is the second largest commercial business district in the United States, after New York City's Midtown Manhattan. Company headquarters within the Chicago CBD include Chase Bank, Google, United Continental Holdings, Blue Cross and Blue Shield Association, McDonald's, as well as the Chicagoland Chamber of Commerce and over 20 foreign consulates. In addition, the Loop serves as the seat of government for the city of Chicago and Cook County.

DEMOGRAPHIC ANALYSIS

The following is a demographic study of the region sourced by Pitney Bowes/Gadberry Group - GroundView®, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of geographical areas. Demographic changes are often highly correlated to changes in the underlying economic climate. Periods of economic uncertainty necessarily make demographic projections somewhat less reliable than projections in more stable periods. These projections are used as a starting point, but we also consider current and localized market knowledge in interpreting them within this analysis. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

Population

According to Pitney Bowes/Gadberry Group - GroundView®, a Geographic Information System (GIS) Company, the Chicago-Naperville-Elgin metropolitan area had a 2022 total population of 9,513,600 and experienced an annual growth rate of -0.5%, which was higher than the Illinois annual growth rate of -0.5%. The metropolitan area accounted for 75.2% of the total Illinois population (12,655,598). Within the metropolitan area the population density was 1,304 people per square mile compared to the lower Illinois population density of 225 people per square mile and the lower United States population density of 93 people per square mile.

POPULATION			
YEAR	US	IL	CBSA
2020 Total population	331,501,080	12,785,245	9,601,605
2022 Total Population	334,017,687	12,655,598	9,513,600
2027 Total Population	344,637,383	12,576,252	9,531,923
2020 - 2022 CAGR	0.4%	(0.5%)	(0.5%)
2022 - 2027 CAGR	0.6%	(0.1%)	0.0%

Source: Pitney Bowes/Gadberry Group - GroundView®

POPULATION DENSITY			
YEAR	US	IL	CBSA
2022 Per Square Mile	93	225	1,304
2027 Per Square Mile	96	223	1,307

Source: Pitney Bowes/Gadberry Group - GroundView®

The 2022 median age for the metropolitan area was 37.86, which was 1.37% younger than the United States median age of 38.38 for 2022. The median age in the metropolitan area is anticipated to grow by 0.42% annually, increasing the median age to 38.66 by 2027.

MEDIAN AGE			
YEAR	US	IL	CBSA
2022	38.38	38.46	37.86
2027	39.16	39.24	38.66
CAGR	0.40%	0.40%	0.42%

Source: Pitney Bowes/Gadberry Group - GroundView®

Education

Ranked among the top "National Universities" in the U.S. by U.S. News & World Report, Chicago's top universities include Northwestern University; University of Chicago; Loyola University Chicago; DePaul University; Illinois Institute of Technology; and University of Illinois at Chicago. These and other local institutions of higher education contribute to creating a world center of learning and research.

The University of Illinois at Chicago and The University of Chicago are among the top employers in the area with a combined employment of approximately 25,000. With approximately 16,000 students attending the University of Illinois at Chicago annually and 16,000 attending the University of Chicago, these institutions of higher education contribute to the impact of the regional economy.

Household Trends

The 2022 number of households in the metropolitan area was 3,671,948. The number of households in the metropolitan area is projected to grow by 0.5% annually, increasing the number of households to 3,769,252 by 2027. The 2022 average household size for the metropolitan area was 2.55, which was 0.84% larger than the United States average household size of 2.53 for 2022. The average household size in the metropolitan area is anticipated to retract by 0.48% annually, reducing the average household size to 2.49 by 2027.

NUMBER OF HOUSEHOLDS			
YEAR	US	IL	CBSA
2022	129,171,249	5,010,949	3,671,948
2027	134,179,366	5,099,408	3,769,252
CAGR	0.8%	0.4%	0.5%

Source: Pitney Bowes/Gadberry Group - GroundView®

AVERAGE HOUSEHOLD SIZE			
YEAR	US	IL	CBSA
2022	2.53	2.47	2.55
2027	2.51	2.41	2.49
CAGR	(0.11%)	(0.47%)	(0.48%)

Source: Pitney Bowes/Gadberry Group - GroundView®

The Chicago-Naperville-Elgin metropolitan area had 35.18% renter occupied units, compared to the lower 33.66% in Illinois and the higher 35.54% in the United States.

HOUSING UNITS			
	US	IL	CBSA
Owner Occupied	64.46%	66.34%	64.82%
Renter Occupied	35.54%	33.66%	35.18%

Source: Pitney Bowes/Gadberry Group - GroundView®

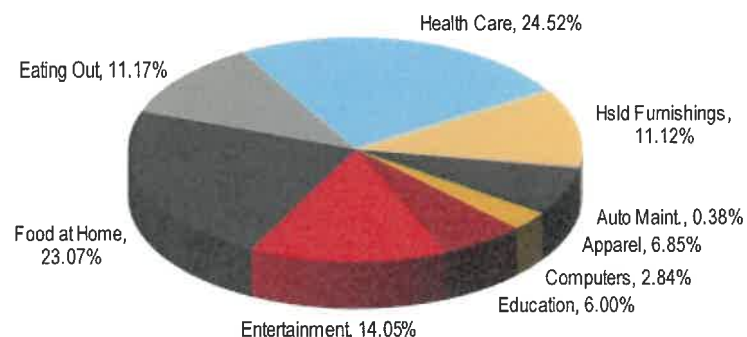
The 2022 median household income for the metropolitan area was \$84,193, which was 18.0% higher than the United States median household income of \$71,362. The median household income for the metropolitan area is projected to grow by 4.6% annually, increasing the median household income to \$105,436 by 2027.

As is often the case when the median household income levels are higher than the national average, the cost of living index is also higher. According to the American Chamber of Commerce Researchers Association (ACCRA) Cost of Living Index, the Chicago-Naperville-Elgin, IL-IN-WI MSA's cost of living is 122.0 compared to the national average score of 100. The ACCRA Cost of Living Index compares groceries, housing, utilities, transportation, health care and miscellaneous goods and services for over 300 urban areas.

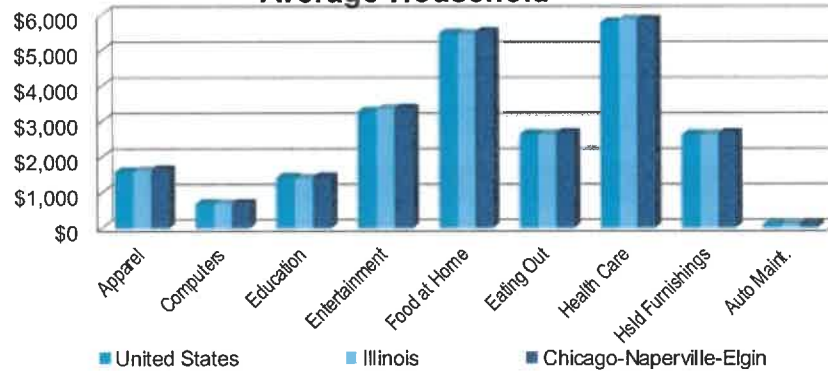
MEDIAN HOUSEHOLD INCOME			
YEAR	US	IL	CBSA
2022	\$71,362	\$76,287	\$84,193
2027	\$89,318	\$95,711	\$105,436
CAGR	4.6%	4.6%	4.6%

Source: Pitney Bowes/Gadberry Group - GroundView®

Consumer Spending Chicago-Naperville-Elgin



**Consumer Spending Comparison
Average Household**



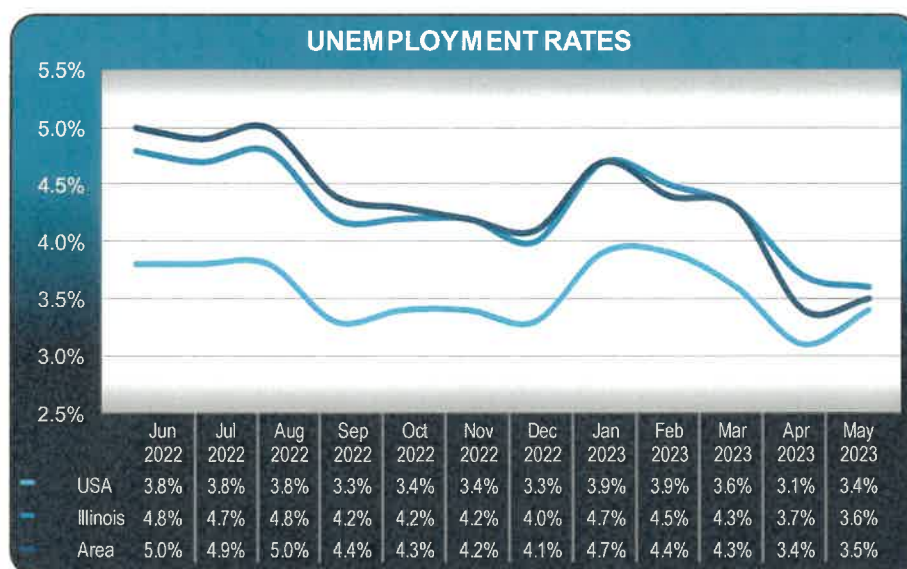
EMPLOYMENT

Total employment has increased annually over the past decade in the state of Illinois by 0.4% and increased annually by 0.6% in the area. From 2021 to 2022, unemployment decreased in Illinois by 1.5% and decreased by 1.6% in the area. In the state of Illinois, unemployment has decreased over the previous month by 0.6% and decreased by 0.9% in the area.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2013 - 2022

TOTAL EMPLOYMENT					UNEMPLOYMENT RATE		
Year	Illinois		Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Statistical Area		United States*	Illinois	Chicago-Naperville- Elgin, IL-IN-WI Metropolitan Statistical Area
	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2013	5,961,201	(0.5%)	4,466,499	0.4%	7.4%	9.1%	9.1%
2014	6,049,059	1.5%	4,540,603	1.7%	6.2%	7.2%	7.2%
2015	6,119,934	1.2%	4,597,498	1.3%	5.3%	6.0%	6.0%
2016	6,172,672	0.9%	4,648,894	1.1%	4.9%	5.9%	5.8%
2017	6,237,933	1.1%	4,730,600	1.8%	4.4%	4.9%	4.9%
2018	6,270,844	0.5%	4,752,024	0.5%	3.9%	4.4%	4.1%
2019	6,289,513	0.3%	4,769,053	0.4%	3.7%	4.0%	3.9%
2020	5,759,004	(8.4%)	4,355,645	(8.7%)	8.1%	9.3%	9.7%
2021	5,980,444	3.8%	4,547,430	4.4%	5.3%	6.1%	6.2%
2022	6,176,876	3.3%	4,734,602	4.1%	3.6%	4.6%	4.6%
CAGR	0.4%	-	0.6%	-	-	-	-

Source: U.S. Bureau of Labor Statistics *Unadjusted Non-Seasonal Rate



The preceding chart depicts unemployment trends in the region, Illinois, and the nation. Rates for Illinois and the Chicago market remain higher than the national average.

TOP EMPLOYERS		
EMPLOYER NAME	EMPLOYEES	INDUSTRY
U.S. Government	52,316	Government
Chicago Public Schools	40,119	Education
City of Chicago	31,020	Government
Amazon	27,050	Retail
Advocate Aurora Health	25,906	Healthcare
Northwestern Memorial Healthcare	24,053	Healthcare
Cook County	21,820	Government
University of Chicago	20,781	Education
Walmart Inc.	18,500	Retail
Walgreens Boot Alliance	16,817	Retail

Source: Crain's 2022 Book of Lists

The preceding chart depicts the top employers in the metropolitan area. Principal employers are spread throughout different sectors, including public administration, education, healthcare, and wholesale/retail trade. The Chicago Public School District, along with the local and federal government, make up the largest employers in the region. Chicago Public School District serves approximately 390,000 students and superintends 600 schools in the area.

The growing trend in employment is in the healthcare and retail sectors. The largest healthcare employer, Advocate Aurora Health, provides care for more cancer and pediatric patients than any other health system in Illinois. Named as one of the nation's top 10 health systems by Thompson Reuters, Advocate operates the largest trauma network in Illinois, has more than 250 sites throughout the state, and employs over 25,000 in the Chicago Metropolitan area alone. Amazon has expanded rapidly in the Chicago region, reportedly increasing its employment (including employees at Whole Foods Markets locations) by 62.9% from last year.

AIRPORT STATISTICS

The following chart summarizes the local airport statistics.

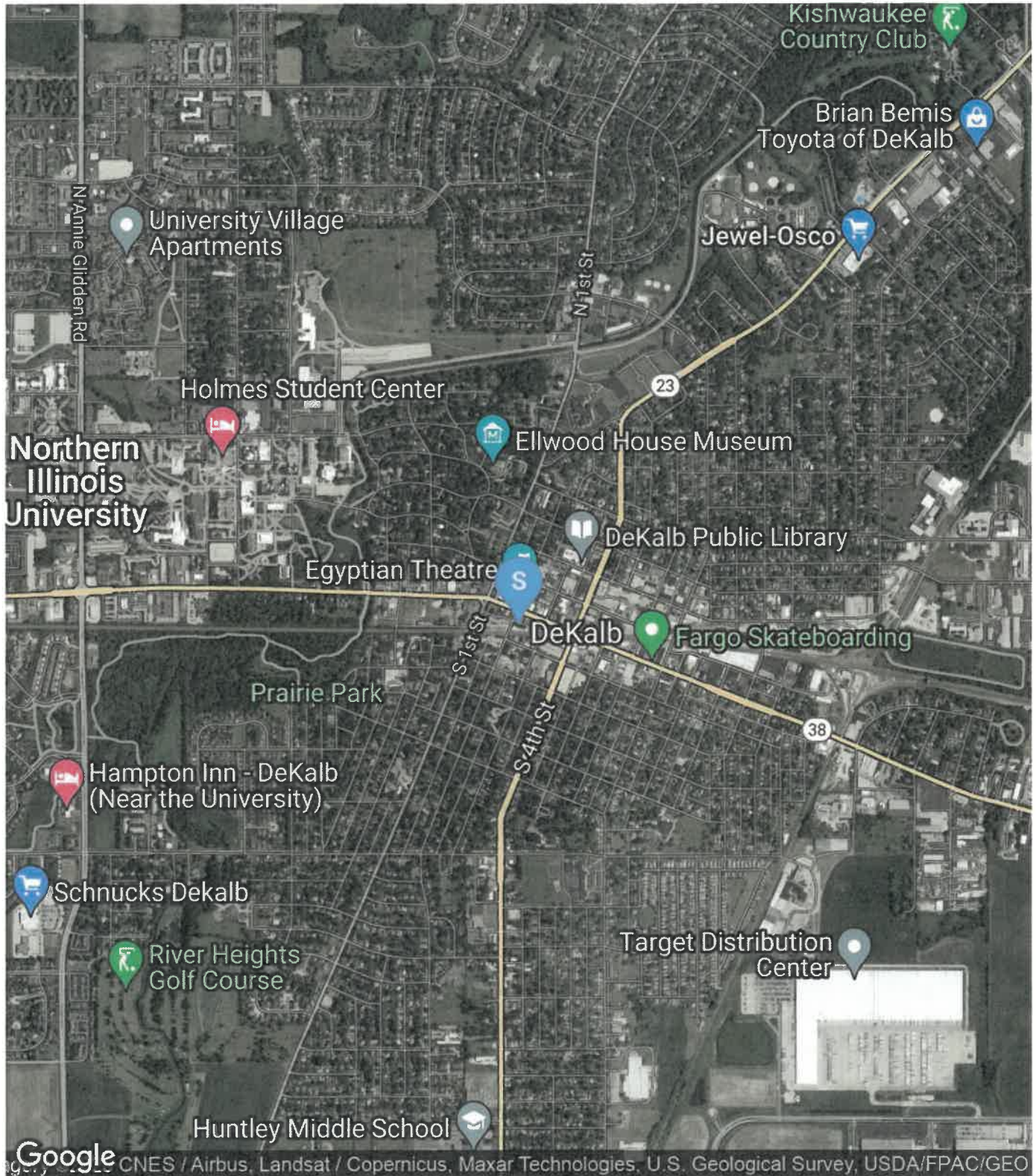
CHICAGO O'HARE INTERNATIONAL AIRPORT (ORD)		
YEAR	ENPLANED PASSENGERS	% CHG
2011	31,892,301	-
2012	32,171,795	0.9%
2013	32,317,835	0.5%
2014	33,686,811	4.2%
2015	36,305,668	7.8%
2016	37,589,899	3.5%
2017	38,593,028	2.7%
2018	39,873,927	3.3%
2019	40,871,223	2.5%
2020	14,606,034	(64.3%)
2021	26,350,976	80.4%

Source: U.S. Department of Transportation

SUMMARY

In summary, the Chicago MSA has a diverse culture and business climate with a workforce that combines and unites to create and maintain an economic stronghold in America's heartland while having the ability to affect regions not only locally, but nationally and internationally.

Overall, the Chicago region is attractive to potential investors as it offers a vibrant atmosphere, supported by top universities, urban attractions, and a history of stability. Real estate in the Chicago area market should ultimately enjoy relative strength in terms of value stability and appreciation for the foreseeable future.



INTRODUCTION

In this section of the report, we provide details about the local area and describe the influences that bear on the real estate market as well as the subject property. A map of the local area is presented on the prior page. Below are insights into the local area based on fieldwork, interviews, demographic data and experience working in this market.

LOCAL AREA PROFILE

The subject property is located in DeKalb, Illinois, within DeKalb County. The city of DeKalb is a suburban community located 60 miles west of Chicago, 29 miles northwest of Aurora, and 40 miles southeast of Rockford. According to the U.S. Census Bureau, it has a land area of 16.15 square miles and a 2020 population census of 40,290.

DEMOGRAPHIC PROFILE

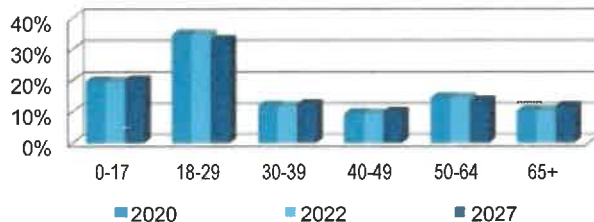
Below is a demographic study of the area, sourced by *Pitney Bowes/Gadberry Group - GroundView®*, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

LOCAL AREA DEMOGRAPHICS

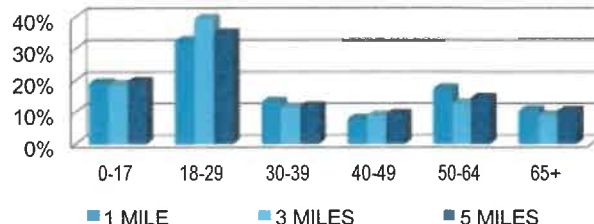
DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION				AVERAGE HOUSEHOLD INCOME			
2010 Population	14,235	46,395	59,232	2022	\$80,824	\$75,568	\$79,333
2020 Population	12,740	42,650	55,305	2027	\$96,725	\$93,737	\$98,575
2022 Population	12,541	42,808	55,196	Change 2022-2027	19.67%	24.04%	24.25%
2027 Population	12,208	41,706	53,883	MEDIAN HOUSEHOLD INCOME			
Change 2010-2020	(10.50%)	(8.07%)	(6.63%)	2022	\$54,231	\$50,897	\$56,303
Change 2020-2022	(1.56%)	0.37%	(0.20%)	2027	\$62,398	\$63,160	\$70,117
Change 2022-2027	(2.66%)	(2.57%)	(2.38%)	Change 2022-2027	15.06%	24.09%	24.54%
POPULATION 65+				PER CAPITA INCOME			
2020 Population	1,359	3,841	5,677	2022	\$36,043	\$32,665	\$33,912
2022 Population	1,313	3,865	5,672	2027	\$44,311	\$41,526	\$43,172
2027 Population	1,471	4,247	6,245	Change 2022-2027	22.94%	27.13%	27.31%
Change 2020-2022	(3.38%)	0.62%	(0.09%)	2022 HOUSEHOLDS BY INCOME			
Change 2022-2027	12.03%	9.88%	10.10%	<\$15,000	12.6%	16.9%	14.9%
NUMBER OF HOUSEHOLDS				\$15,000-\$24,999	10.6%	11.1%	10.3%
2010 Households	5,211	16,501	21,636	\$25,000-\$34,999	11.6%	10.8%	10.2%
2020 Households	5,240	16,019	21,138	\$35,000-\$49,999	12.8%	10.7%	10.8%
2022 Households	5,288	16,471	21,695	\$50,000-\$74,999	17.1%	16.6%	16.5%
2027 Households	5,342	16,658	21,920	\$75,000-\$99,999	11.3%	9.2%	10.0%
Change 2010-2020	0.56%	(2.92%)	(2.30%)	\$100,000-\$149,999	13.7%	13.2%	14.0%
Change 2020-2022	0.92%	2.82%	2.64%	\$150,000-\$199,999	2.6%	6.1%	8.0%
Change 2022-2027	1.02%	1.14%	1.04%	\$200,000 or greater	7.7%	5.5%	5.2%
HOUSING UNITS (2022)				MEDIAN HOME VALUE			
Owner Occupied	2,380	6,765	10,379	AVERAGE HOME VALUE	\$147,727	\$164,978	\$167,415
Renter Occupied	2,924	9,714	11,322	HOUSING UNITS BY UNITS IN STRUCTURE			
HOUSING UNITS BY YEAR BUILT				1, detached	2,638	6,847	9,965
Built 2010 or later	21	144	215	1, attached	255	1,467	2,312
Built 2000 to 2009	293	2,680	3,965	2	374	538	697
Built 1990 to 1999	497	2,702	3,544	3 or 4	416	904	1,182
Built 1980 to 1989	423	1,808	2,246	5 to 9	529	2,308	2,721
Built 1970 to 1979	968	3,443	4,416	10 to 19	329	1,729	1,828
Built 1960 to 1969	732	1,879	2,290	20 to 49	171	884	975
Built 1950 to 1959	453	1,139	1,622	50 or more	388	1,401	1,468
Built 1940 to 1949	310	526	687	Mobile home	203	401	553
Built 1939 or earlier	1,591	2,150	2,710	Boat, RV, van, etc.	0	0	0

Source: Pitney Bowes/Gadberry Group - GroundView®

POPULATION GROWTH BY AGE - 5 MILES



POPULATION BY AGE



Transportation Routes

Major traffic arteries are shown in the chart below:

MAJOR ROADWAYS & THOROUGHFARES			
HIGHWAY	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
Interstate 88	east-west	Interstate Highway	This is within 2 miles of the subject property.
SURFACE STREETS	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
Lincoln Highway (Route 38)	east-west	Commercial Corridor	This is just down the street from the subject property.
4th Street (Route 23)	northeast-southwest	Commercial Corridor	This is within a quarter mile of the subject property.
Annie Glidden Road	north-south	Primary Arterial	This is within a mile of the subject property.

Public transportation is available near the subject property and is provided by the City of DeKalb public bus system, with bus stops along nearby thoroughfares.

Economic Factors

DeKalb is home to Northern Illinois University, the city's largest employer and Illinois's third-largest campus. Other large employers include Northwestern Medicine, General Electric, Monsanto, the local school district, and a large retail district along Route 23 (shared with Sycamore) that includes Walmart, Target, Lowe's, Best Buy, Meijer, Kohl's, Ross, and other chain and local stores.

DeKalb is also home to warehouses and distribution centers for several major companies, including Target, 3M, Nestlé, and Ferrara Candy Company, in part due to DeKalb's proximity to major highways such as I-88 and I-39. 3M's complex serves as the distribution hub for three of 3M's four business units and export operations to North America, Europe, Africa, the Middle East and Latin America.

Community Services

Community services and facilities are readily available in the surrounding area. These include public services such as fire stations, hospitals, police stations, and schools (all ages).

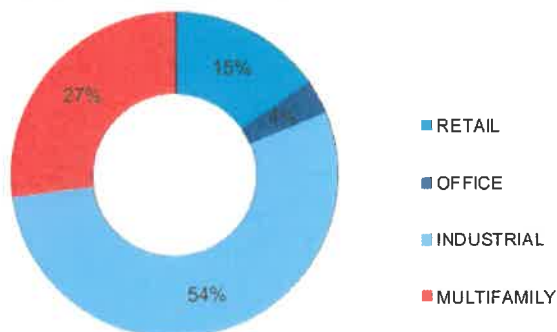
IMMEDIATE AREA PROFILE

This section discusses uses and development trends in the immediate area that directly impact the performance and appeal of the subject property.

Predominant Land Uses

Significant development in the immediate area consists of office, retail, industrial, mixed-use, entertainment, and institutional uses along major arterials that are interspersed with multi-family complexes and single-family residential development removed from arterials. The local area has a mix of commercial uses nearby and the composition is shown in the following graph.

COMMERCIAL AREA COMPOSITION



©CoStar

Multi-Family Development

The following chart shows a summary of multi-family data by type in the immediate area from CoStar.

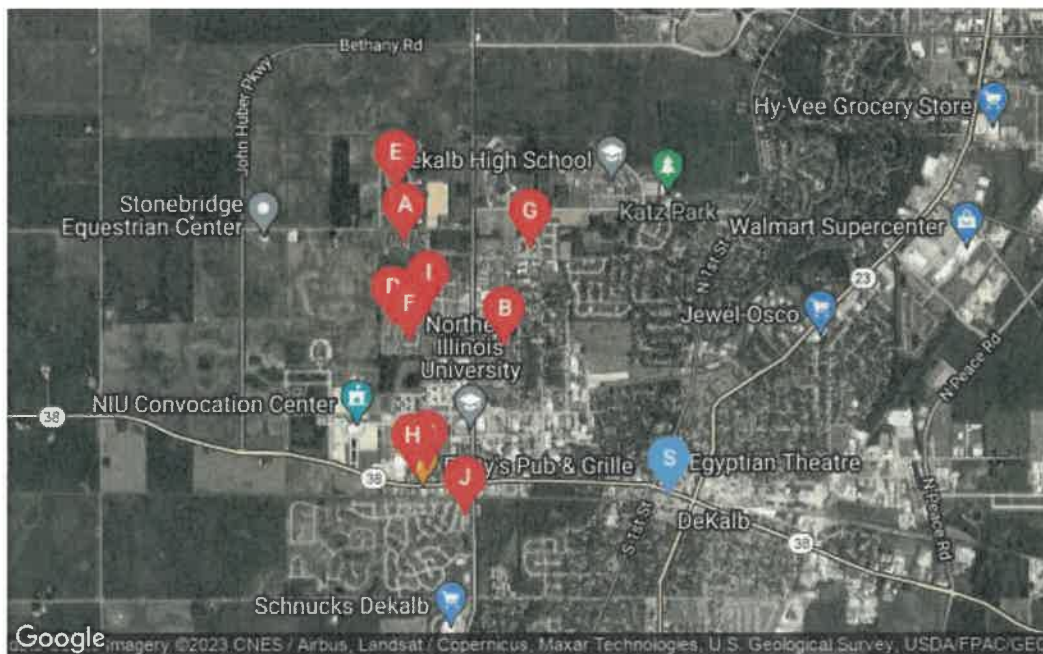
MULTIFAMILY SUMMARY			
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT
A	1	36,598	1997
B	33	2,601,747	1995
C	92	3,314,865	1972
TOTAL	126	5,953,210	1978

Source: CoStar

The largest three multi-family properties are at 1400 Twombly Road, 722 North Annie Glidden Road and 1307 West Lincoln Highway with an NRA of 714,138 SF, 350,000 SF and 309,378 SF that were built in 1967, 0 and 1966, respectively. The closest large multi-family property in proximity to the subject is at 352 Deerpath Lane East with an NRA of 140,800 SF that was built in 2003. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest multi-family properties in the immediate area from CoStar.

LARGEST MULTIFAMILY PROPERTIES						
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	STORIES	YEAR BUILT
Suburban Apartments	2.0 Miles	A	B	714,138	3	1967
University Village Apartments	1.2 Miles	B	B	350,000	2	-
Lincolnshire West	1.3 Miles	C	B	309,378	3	1966
Cambridge Square	1.8 Miles	D	B	292,586	2	2001
Eden's Garden Apartments	2.2 Miles	E	C	259,732	2	-
Eco Park	1.6 Miles	F	C	240,702	3	1993
Amber Manor Apartments	1.5 Miles	G	C	182,400	3	1970
Gideon Court Apartments	1.4 Miles	H	C	143,490	5	-
Varsity Square Apartments	1.6 Miles	I	C	141,300	2	1970
Mason Townhouse Suites	1.1 Miles	J	C	140,800	1	2003

Source: CoStar



Retail Development

The following chart shows a summary of retail data by type in the immediate area from CoStar.

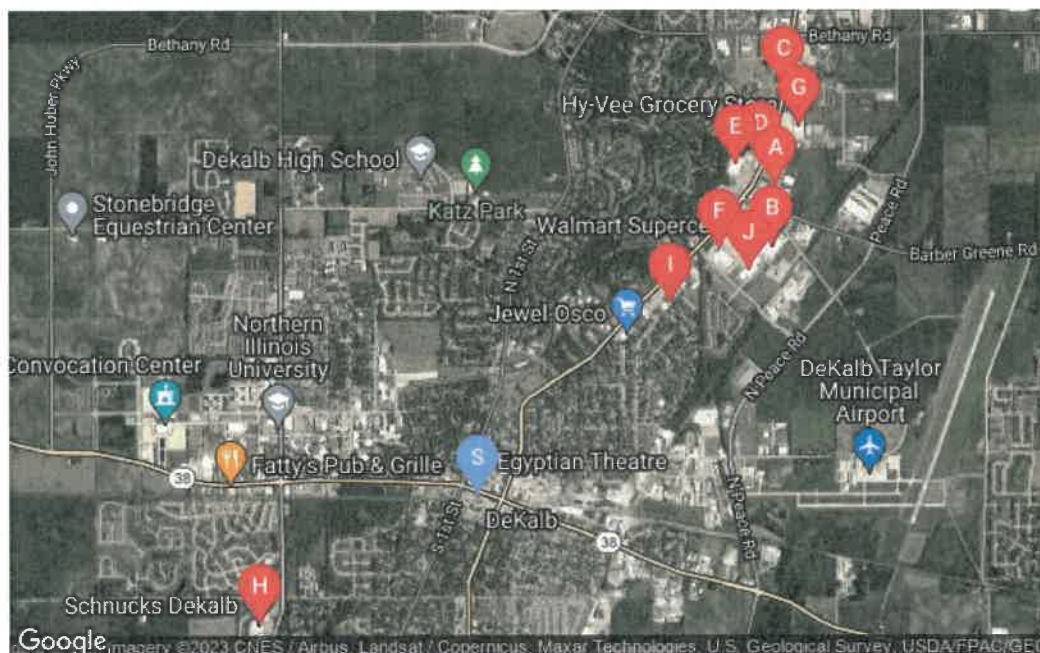
RETAIL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
Strip Center	7	77,313	1970	95.9	\$12.00
Community Center	13	758,064	1987	80.8	\$21.00
Neighborhood Center	9	381,622	1991	83.6	\$12.50
Power Center	9	539,603	1999	95.4	-
General Retail	167	1,624,345	1973	95.1	\$12.49
TOTAL	205	3,380,947	1975	93.7	\$13.03

Source: CoStar

The majority of large retail properties are located along Sycamore Road (Route 23). Retail properties surrounding the subject property are primarily mixed-use retail buildings due to its location in Downtown DeKalb. The largest retail properties include Northland Plaza (anchored by Hobby Lobby), DeKalb Market Square (anchored by Walmart), and Oakland Place (anchored by Target). The following chart and map show the subject property and its location relative to the 10 largest retail properties in the immediate area from CoStar.

LARGEST SHOPPING CENTERS						
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT
Northland Plaza	2.3 Miles	A	Community Center	255,114	80.4	1968
DeKalb Market Square - Walmart Super Center	2.1 Miles	B	Power Center	202,000	100.0	1997
Oakland Place - Route 23	2.8 Miles	C	General Retail	157,889	100.0	2019
Oakland Place - 2341-2577 Sycamore	2.4 Miles	D	Community Center	155,730	74.4	2004
Oakland Place - Target	2.3 Miles	E	Community Center	129,144	100.0	2009
DeKalb Market Square - 2050 Sycamore	1.9 Miles	F	Power Center	125,000	100.0	1997
Sycamore Plaza	2.7 Miles	G	Neighborhood Center	124,413	100.0	1977
Glidden Crossing	1.4 Miles	H	Neighborhood Center	98,683	92.4	2008
DeKalb Shopping Center	1.5 Miles	I	Community Center	96,283	89.8	1985
DeKalb Market Square - 2070 Sycamore	1.9 Miles	J	Power Center	75,399	100.0	2002

Source: CoStar



Office Development

The following chart shows a summary of office data by class in the immediate area from CoStar.

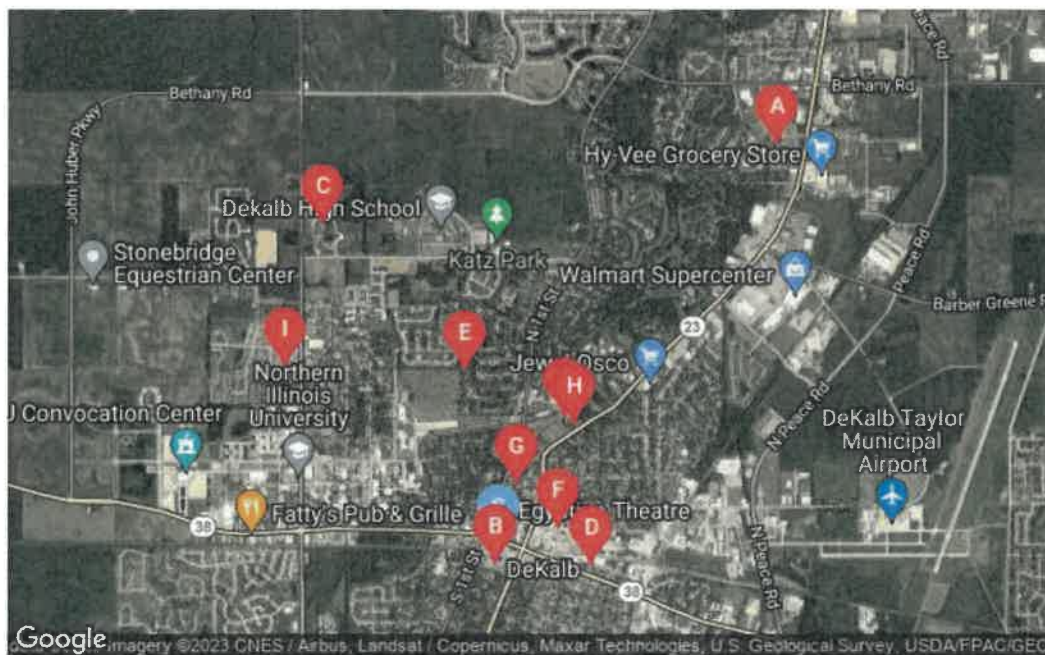
OFFICE SUMMARY					
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
A	1	114,613	1994	100.0	-
B	22	285,725	1960	97.5	\$11.88
C	43	341,884	1965	97.9	\$10.17
TOTAL	66	742,222	1964	97.8	\$10.75

Source: CoStar

The majority of office properties in the immediate area are Class B/C buildings of less than 40,000 SF. The largest two office properties consist of medical office buildings. The following chart and map show the subject property and its location relative to the 10 largest office properties in the immediate area from CoStar.

LARGEST OFFICE BUILDINGS						
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	% LEASED	YEAR BUILT
Office Building	2.6 Miles	A	A	114,613	100.0	1994
Office Building	0.1 Miles	B	B	36,000	100.0	1950
Office Building	2.0 Miles	C	B	31,680	100.0	-
Office Building	0.5 Miles	D	C	25,000	100.0	-
Hillcrest Centre	1.0 Miles	E	C	24,523	100.0	1987
Office Building	0.3 Miles	F	C	24,050	100.0	1956
Office Building	0.3 Miles	G	B	24,000	100.0	1900
Office Building	0.8 Miles	H	B	19,981	90.8	1987
Office Building	1.5 Miles	I	C	18,087	100.0	2000
Office Building	0.8 Miles	J	B	16,595	100.0	-

Source: CoStar



Industrial Development

The following chart shows a summary of industrial data by type in the immediate area from CoStar.

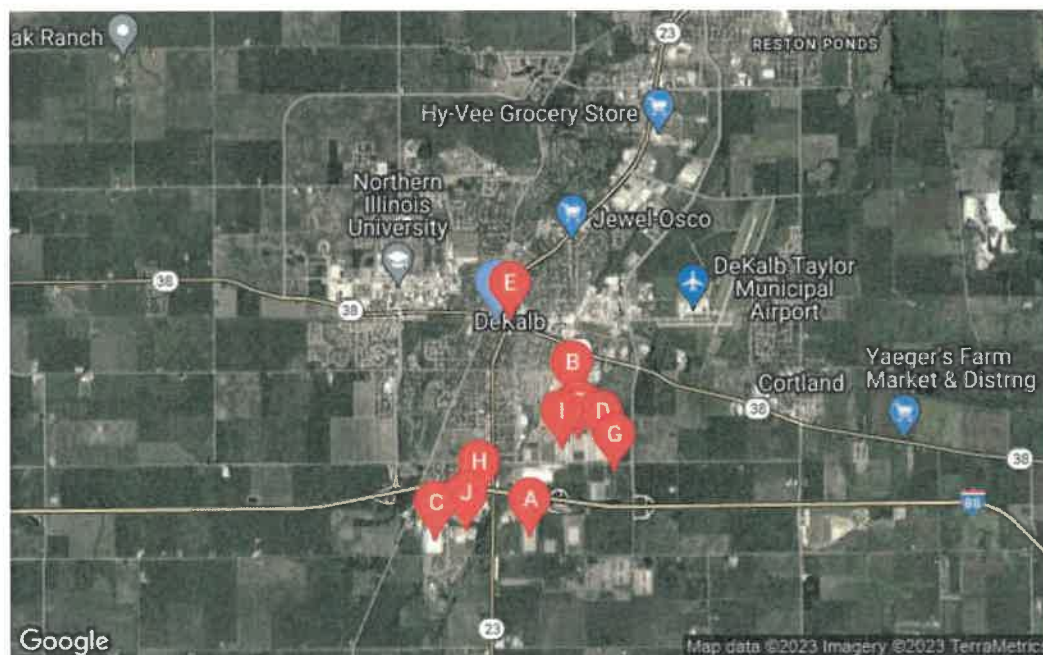
INDUSTRIAL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
Industrial	83	11,795,547	1976	99.1	\$10.90
Flex	6	141,325	1962	100.0	-
TOTAL	89	11,936,872	1975	99.1	\$10.90

Source: CoStar

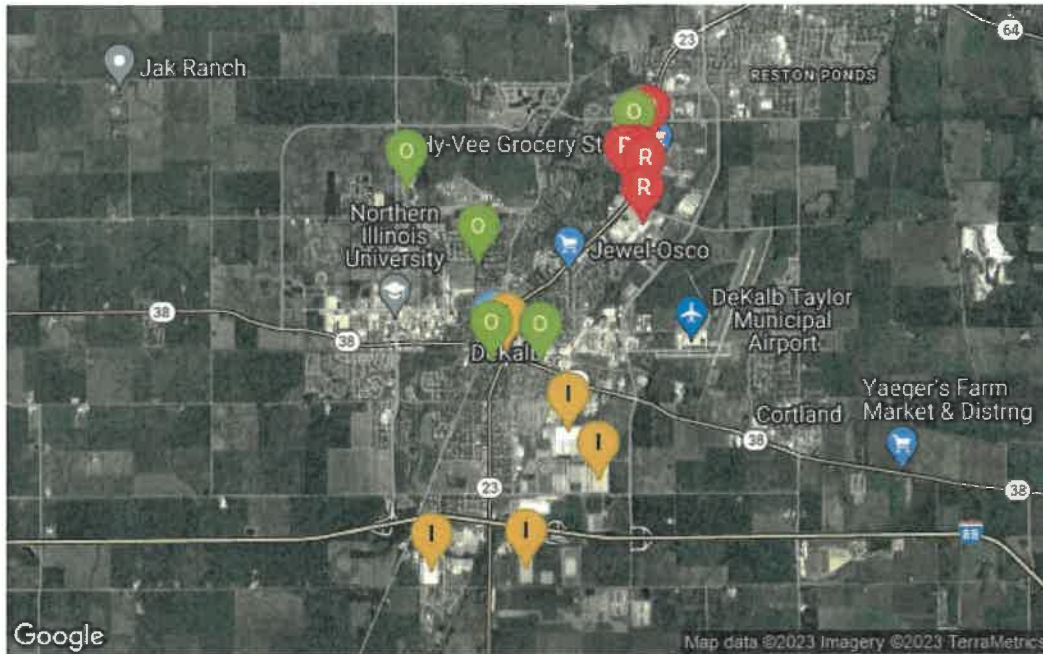
Industrial development in the immediate area is mainly concentrated around Interstate 88. The majority of the largest industrial properties in the immediate area are distribution facilities, with the largest three buildings serving as distribution centers for Ferrara Candy, Target, and Goodyear. The following chart and map show the subject property and its location relative to the 10 largest industrial properties in the immediate area from CoStar.

LARGEST INDUSTRIAL PROPERTIES						
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT
Ferrara Candy	2.4 Miles	A	Industrial	1,660,000	100.0	2021
Park 88 West	1.2 Miles	B	Industrial	1,424,876	100.0	2010
Goodyear Tire & Rubber Company	2.5 Miles	C	Industrial	1,005,767	100.0	1999
Park 88	1.8 Miles	D	Industrial	978,120	100.0	2016
Industrial Building	0.1 Miles	E	Industrial	860,939	100.0	1993
Industrial Building	1.6 Miles	F	Industrial	650,760	100.0	2011
Industrial Building	2.1 Miles	G	Industrial	543,246	100.0	-
Industrial Building	2.0 Miles	H	Industrial	489,000	100.0	-
Park 88	1.6 Miles	I	Industrial	410,400	100.0	2007
Industrial Building	2.3 Miles	J	Industrial	400,000	100.0	-

Source: CoStar



The following map shows the subject property and the five largest retail, office, and industrial properties in the immediate area from CoStar.



SUBJECT PROPERTY ANALYSIS

The following discussion draws context and analysis on how the subject property is influenced by the local and immediate areas.

Subject Property Analysis

The uses adjacent to the property are noted below:

- › **North** - Mixed-Use Commercial (206-226 E. Lincoln Highway)
- › **South** - Union Pacific Railway & Mixed-Use Commercial (203-213 Grove St.)
- › **East** - Mixed-Use Commercial (230-260 E. Lincoln Highway)
- › **West** - Government (City Hall - 111 S. 2nd St.) & Surface Parking

Access

The subject is located within two miles from Interstate 88. Public transportation is provided by the City of DeKalb public bus system, with bus stops along nearby thoroughfares. Based on our field work, the subject's access is rated average compared to other properties with which it competes.

Visibility

The subject has a mid-block location along a minor arterial within Downtown DeKalb. It is also located adjacent to a railway crossing. In comparison to competitive properties, the subject property has average visibility.

Subject Conclusion

Trends in the local and immediate areas, adjacent uses and the property's specific location features indicate an overall typical external influence for the subject, which is concluded to have an average position in context of competing properties.

SUMMARY

Overall, the condition and appeal of the market area generally supports residential and commercial development. Growth in the Downtown DeKalb area is physically restricted by the lack of undeveloped sites, and new projects have been accomplished by redevelopment of under-improved properties. Considering the subject's location, exposure, and accessibility, the subject is concluded to have an average position as a development site.

General Description The subject site consists of one parcel. As noted below, the subject site has 11,034 SF (0.25 AC) of land area. The area is estimated based on a professional survey dated May 28, 2002.

Assessor Parcel 08-23-163-013

Number Of Parcels 1

Land Area	Acres	Square Feet
Primary Parcel	0.25	11,034
Unusable Land	0.00	0
Excess Land	0.00	0
<u>Surplus Land</u>	<u>0.00</u>	<u>0</u>
Total Land Area	0.25	11,034

Shape Irregular - See Plat Map For Exact Shape

Topography Level at street grade

Drainage Assumed Adequate

Utilities All available to the site

Street Improvements

S. 2nd Street

Street	Direction	No. Lanes	Street Type	Curbs	Sidewalks	Streetlights	Center Lane	Gutters
Primary Street	one-way	one-lane	minor arterial	✓	✓	✓	✓	✓

Frontage

98.63 feet along 2nd Street

Traffic Counts

S. 2nd Street

	DATE	SOURCE	COUNT
	2021	IDOT	550
TOTAL			550

Accessibility

The accessibility of the subject is rated as average. The subject is located within two miles from Interstate 88. Public transportation is provided by the City of DeKalb public bus system, with bus stops along nearby thoroughfares.

Exposure

The subject has average exposure. The subject has a mid-block location along a minor arterial within Downtown DeKalb. It is also located adjacent to a railway crossing.

Seismic

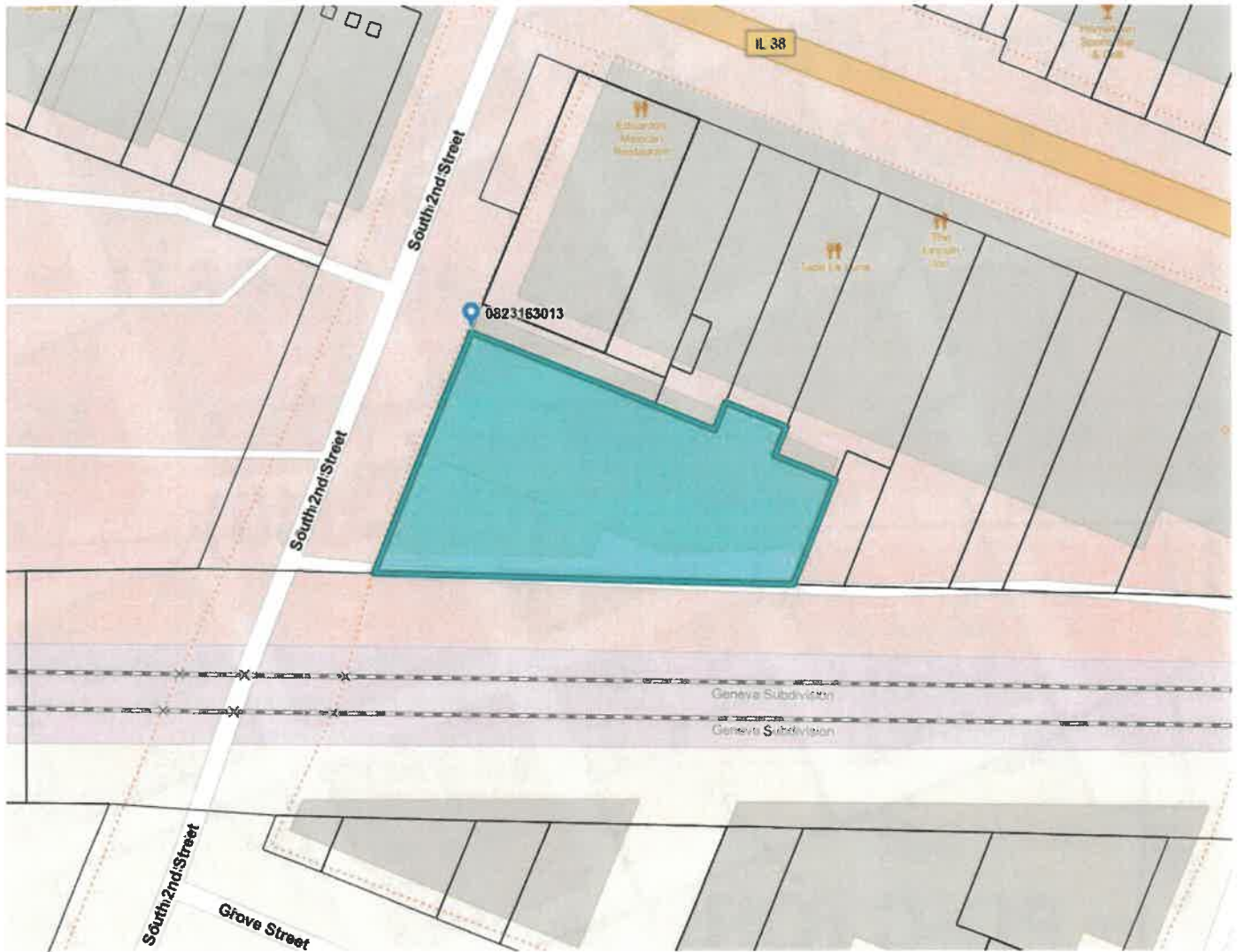
The subject is in a low risk zone.

Flood Zone

Zone X (Unshaded). This is referenced by Community Number 170182, Panel Number 17037C0242E, dated January 02, 2009. Zone X (unshaded) is a moderate and minimal risk area. Areas of moderate or minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local stormwater drainage systems are not normally considered in a community's flood insurance study. The failure of a local drainage system can create areas of high flood risk within these zones. Flood insurance is available in participating communities, but is not required by regulation in these zones. Nearly 25-percent of all flood claims filed are for structures located within these zones. Minimal risk areas outside the 1-percent and .2-percent-annual-

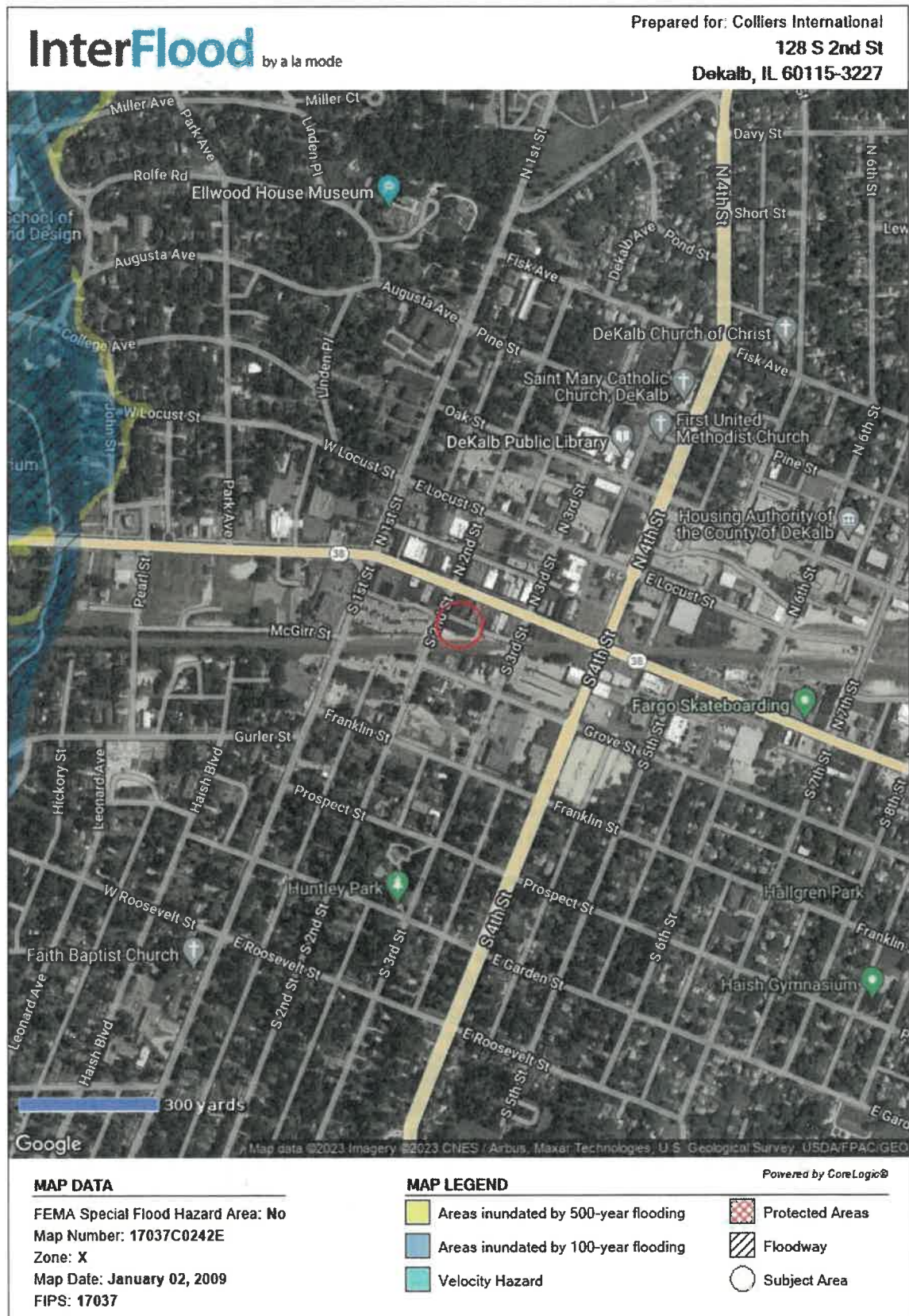
	<p>chance floodplains. No BFEs or base flood depths are shown within these zones. (Zone X (unshaded) is used on new and revised maps in place of Zone C.)</p>
Site Rating	<p>Overall, the subject site is considered an average mixed-use retail site in terms of its location, exposure, and access to employment, education and shopping centers, recognizing its location within Downtown DeKalb.</p>
Easements	<p>A preliminary title report was not available for review. During the on-site inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there is no negative value impact on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.</p>
Soils	<p>A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.</p>
Hazardous Waste	<p>We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.</p>

PLAT MAP



The map shows a grid-like street pattern with several streets labeled, including S 5TH ST running vertically on the right side. The lots are numbered with addresses. A red arrow points from the left towards a central lot, which is labeled "SUBJECT". This lot is situated between a red-colored area (PD-C) and an orange-colored area (GC). Other nearby lots have addresses such as 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 8

FLOOD MAP



SURVEY



INTRODUCTION

The information presented below is a basic description of the existing improvements. This information is used in the valuation of the property. Reliance has been placed upon information provided by sources deemed dependable for this analysis. It is assumed that there are no hidden defects, and that all structural components are functional and operational, unless otherwise noted. If questions arise regarding the integrity of the improvements or their operational components, it may be necessary to consult additional professional resources.

Property Type	Retail / Commercial - Mixed Use Retail/Commercial
Design	Multi-Tenant Partially Owner-Occupied
Number of Buildings	1
Number of Stories	2
Net Rentable Area (NRA)	18,484 SF
Gross Building Area (GBA)	18,484 SF
Floor Plate	10,124 SF
Building Class	C
Site Coverage Ratio	91.8%
Land to Building Ratio	0.6 : 1
Parking	None
Year Built	1890
Age/Life Analysis	
Actual Age	133 Years
Effective Age	30 Years
Economic Life	40 Years
Remaining Life	10 Years
Quality	Average
Condition	Fair
Basic Construction	Brick
Foundation	Reinforced concrete slab
Framing	Wood post and beam
Exterior Walls	Brick and vinyl siding
Roof	Sealed rubber membrane
Insulation	Assumed to be standard and to code for both walls and ceilings
Heating	Forced Air
Air Conditioning	Window units
Lighting	Fluorescent
Interior Walls	Drywall and paneling
Electrical	Each tenant is separately metered.

IMPROVEMENT DESCRIPTION

CONTINUED

ORD230367

Ceilings	Mix of drywall, suspended acoustical tile, and unfinished ceilings
Windows	Single-hung windows
Doors	Wood and glass panel exterior entrances; wood interior door
Flooring	Mix of vinyl, ceramic tile, concrete, and unfinished floors
Plumbing	Standard plumbing for a retail building
Fire Protection	The subject has a fire sprinkler system.
Elevators	None
Landscaping	Asphalt paving, concrete sidewalks, concrete curbing, and unpaved access drive to garage door
Build-out/TIs	<p>The subject property has a multi-tenant design that is currently partially owner-occupied by D-N-J Properties Inc. The subject owner currently uses a portion of the ground floor as an office and machine/wood shop and a majority of the second floor as storage/personal use. The second floor is primarily open with minimal build-out and would not be considered usable in its current condition and layout except as storage space. The remainder of the property is comprised of rentable retail storefronts and storage space. The vacant retail storefronts have dated finishes, while the leased retail space (beauty salon tenant) has an updated interior.</p>
Parking	<p>The subject property does not have a paved parking lot; however, there is an unpaved access drive at the south end of the property that leads to the garage door. The subject is located in the CBD zoning district of DeKalb, which does not require on-site parking for commercial properties due to the availability of public lots and street parking.</p>
Deferred Maintenance	<p>Based on the onsite inspection by the field appraiser, the following deferred maintenance items were noted: damage/deterioration of the exterior walls, windows, and interior finishes (primarily the ceiling and flooring on the second floor). Additional items of deferred maintenance related to the building mechanicals may exist; however, a property conditions report or testing of these items was not available. No remediation or repair cost estimates were available during the course of this appraisal, and thus the subject's "fair" condition qualification is intended to include consideration of these items.</p>
Functional Design	<p>The overall subject building is underutilized, and the current build-out and equipment/mechanicals of the property are dated and in fair condition. Similar two-story mixed-use buildings in the Downtown DeKalb area typically feature fully built-out apartments on the upper levels, whereas the subject's second floor is currently used as storage space. Conversion of the storage use to residential use, however, is not currently financially feasible due to high construction costs. As will be illustrated in greater detail later in this analysis, the subject's Highest and Best Use As-Improved is deemed to be the existing retail/storage use in the interim until market conditions warrant redevelopment or conversion to a mixed-use residential/retail use.</p>

IMPROVEMENT DESCRIPTION

CONTINUED

ORD230367

Hazardous Materials

This appraisal assumes that the improvements are constructed free of all hazardous waste and toxic materials, including (but not limited to) asbestos. Please refer to the Assumptions and Limiting Conditions section regarding this issue.

ADA Compliance

This analysis assumes that the subject complies with all ADA requirements. Please refer to the Assumptions and Limiting Conditions section regarding this issue.

INTRODUCTION

Assessment of real property is established by an assessor that is an appointed or elected official charged with determining the value of each property. The assessment is used to determine the necessary rate of taxation required to support the municipal budget. A property tax is a levy on the value of property that the owner is required to pay to the municipality in which it is situated. Multiple jurisdictions may tax the same property.

The subject property is located within DeKalb County. The assessed value and property tax for the current year are summarized in the following table.

ASSESSMENT & TAXES						
Tax Year	2022			Tax Rate	10.10570%	
Tax Rate Area	DK62			Taxes Current	Yes	
Taxes SF Basis	Net Rentable Area					
APN	LAND	IMPV	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
08-23-163-013	\$37,091	\$28,738	\$65,829	\$0	\$65,829	\$6,652
Totals	\$37,091	\$28,738	\$65,829	\$0	\$65,829	\$6,652
Total/SF	\$2.01	\$1.55	\$3.56	\$0.00	\$3.56	\$0.36
Total Base Tax						\$6,652
Total Base Tax Per SF						\$0.36

Source: DeKalb County Assessment & Taxation

SUBJECT PROPERTY ANALYSIS

The total taxable value for the subject property is \$65,829 or \$3.56/SF. There are no exemptions in place. Total taxes for the property are \$6,652 or \$0.36/SF.

As part of the scope of work, we researched assessment and tax information related to the subject property. The following are key factors related to local assessment and taxation policy. The subject property is assessed at 33.33%. Assessments are subject to equalization which is the application of a factor or multiplier which brings the equalized value of the property in line with market values. The most current, available equalization factor is 1.0 as reported by the State of Illinois.

Taxes are payable one year in arrears, meaning that property owners pay taxes each year based on the prior year's assessment and tax rates. The annual tax bill is due in two equal installments typically due in the Spring and Fall.

DeKalb County reassesses real property every four years. The subject was reassessed in 2019. The next scheduled reassessment is scheduled for 2023.

In addition to scheduled reassessments, properties in DeKalb County may be reassessed upon sale, conversion, renovation or demolition. The basis for market value in Illinois assessment matters is not to be based on the sale prices of individual parcels^[1]; Assessors are prohibited from this type of assessment ("sale chasing") when other properties are not assessed in the same manner. Sales prices of similar properties provide an objective basis for estimating a parcel's market value, and the sales comparison approach to valuation is effective when there are sufficient sales to provide a reliable basis for comparison. The Sales Comparison Approach is the most useful for a mass appraisal approach; revenue-producing properties will also be valued through the income approach. Although the income and cost approaches are useful for certain property types, Illinois case law expresses a preference for the Sales Comparison Approach when evidence of such sales is available.

^[1] Walsh v. Property Tax Appeal Board, 181 Ill. 2d 228 (1998) – In the Walsh case, the Illinois Supreme Court ruled that the uniformity clause of the Illinois Constitution was violated when some properties in Tazewell County were assessed based on their sale prices while other properties were assessed using mass appraisal method.

According to the DeKalb County Treasurer's Office, real estate taxes for the subject property are current as of the date of this report.

TAX COMPARABLES

To determine if the assessment and taxes on the subject property are reasonable, we considered historical information, as well as information from similar properties in the market. They are illustrated in the table below.

TAX COMPARABLES								
	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4	LOW	HIGH	AVG
Property Name	128-140 S. 2nd Street	323 E. Lincoln Highway	201 N. 6th Street	151 N. 4th Street	117 N. 7th Street	-	-	-
Address	128-140 S. 2nd Street	323 E. Lincoln Highway	201 N. 6th Street	151 N. 4th Street	117 N. 7th Street	-	-	-
City, State	DeKalb, IL	DeKalb, IL	DeKalb, IL	DeKalb, IL	DeKalb, IL	-	-	-
Year Built	1890	1884	1890	1961	1957	1884	1961	1923
NRA	18,484	21,404	16,000	13,380	7,378	7,378	21,404	14,541
Taxable Value ¹	\$65,829	\$81,767	\$80,853	\$74,151	\$52,395	-	-	-
Taxable \$/SF	\$3.56	\$3.82	\$5.05	\$5.54	\$7.10	\$3.82	\$7.10	\$5.38
Total Taxes	\$6,652	\$8,263	\$8,171	\$7,493	\$5,295	-	-	-
Taxes Per SF	\$0.36	\$0.39	\$0.51	\$0.56	\$0.72	\$0.39	\$0.72	\$0.54

¹ Subject's taxable value based on current taxes

The comparable properties reflect taxes ranging from \$0.39 to \$0.72/SF with an average of \$0.54/SF of NRA. The taxes for the subject property are slightly below this range.

CONCLUSION

After reviewing the assessment and taxes of comparable properties, we determined that the subject property is assessed below the market due to its underutilization/vacancy. This supports our Highest & Best Use conclusion, which is determined to be the interim use as retail/storage until market conditions warrant redevelopment or conversion to a mixed-use residential/retail use. Upon redevelopment or conversion, the property would be re-assessed.

INTRODUCTION

Zoning requirements typically establish permitted and prohibited uses, building height, lot coverage, setbacks, parking and other factors that control the size and location of improvements on a site. The zoning characteristics for the subject property are summarized below:

ZONING SUMMARY	
Municipality Governing Zoning	City of DeKalb Planning & Zoning Department
Current Zoning	Central Business District (CBD)
Permitted Uses	Permitted uses within this zoning district include retail, entertainment, hospitality, medical, office, multifamily (above ground floor), and institutional uses.
Current Use	Mixed Use Retail/Commercial
Is Current Use Legally Permitted?	Yes
Zoning Change	Not Likely
ZONING REQUIREMENTS	
Conforming Use	The subject's improvements represent a legal, conforming use.
Minimum Site Area (SF)	No minimum, except for residential dwellings
Minimum Yard Setbacks	
Front (Feet)	No minimum; however, no building shall be set back further than the average of the buildings on either side (if only one adjacent building exists, new building shall match the existing building)
Rear (Feet)	No minimum, unless abutting a residential district or upon an alley separating the lot from a residential district (20 feet)
Side (Feet)	No minimum, unless abutting a residential district or upon an alley separating the lot from a residential district (20 feet)
Maximum Site Coverage	No limitation
Maximum Building Height	6 stories or 90 feet
Parking Requirement	
Spaces Required	No minimum for subject location

Source: City of DeKalb Planning & Zoning Department

ZONING CONCLUSIONS

Based on the interpretation of the zoning ordinance, the subject property is a legally permitted, conforming use that could be rebuilt if unintentionally destroyed.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our analysis correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence. Please note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

INTRODUCTION

The market analysis section provides a comprehensive study of supply/demand conditions, examines transaction trends, and interprets ground level information conveyed by market participants. Based on these findings and an analysis of the subject property, conclusions are drawn with regard to the subject's competitive position within the marketplace.

As previously noted, the subject's Highest & Best Use as of the current date is to hold the existing retail/storage use in the interim until market conditions warrant redevelopment or conversion to a mixed-use residential/retail use. Thus, this section provides a study of retail and multifamily supply/demand conditions, market participant interviews and transaction trends.

Below is a list of the various sections covered in the following Retail and Apartment Market Analyses:

- › Chicago Retail Market
- › Western EW Corridor Retail Submarket
- › Chicago Apartment Market
- › Far Northwest Chicago Suburbs Apartment Submarket
- › Broker / Market Participant Interviews
- › Transaction Trends
- › Subject Property Analysis

CHICAGO RETAIL MARKET

The following is an analysis of supply/demand trends in the Chicago Retail market using information provided by CoStar, widely recognized as a credible source for tracking market statistics. The table below presents historical data for key market indicators.

CHICAGO HISTORICAL STATISTICS (LAST TEN YEARS)					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2013	573,815,926 SF	3,431,466 SF	(577,300) SF	7.7%	\$15.33/SF
2014	575,875,173 SF	3,998,959 SF	5,988,189 SF	7.7%	\$15.50/SF
2015	577,750,107 SF	4,224,516 SF	3,848,176 SF	7.3%	\$15.69/SF
2016	578,984,783 SF	4,304,824 SF	4,792,286 SF	6.6%	\$15.59/SF
2017	580,954,069 SF	3,547,895 SF	4,585,022 SF	6.0%	\$15.64/SF
2018	582,817,514 SF	3,783,664 SF	1,410,146 SF	5.9%	\$16.31/SF
2019	584,030,052 SF	2,660,146 SF	780,753 SF	6.1%	\$16.73/SF
2020	586,039,350 SF	2,678,284 SF	(126,673) SF	6.2%	\$16.63/SF
2021	585,280,342 SF	1,793,978 SF	2,476,413 SF	6.1%	\$17.35/SF
2022	585,884,191 SF	1,494,295 SF	2,906,563 SF	5.7%	\$18.22/SF
CAGR	0.2%	-	-	-	1.7%

*Supply numbers based on information which is amended/updated on an on-going basis by Costar.

Source: Costar®

Over the past ten years, the Chicago retail market was stable where there was generally balance in prevailing retail supply/demand conditions. Over this time period, the market inventory increased by 2.1%. Further, there was positive net absorption (4.5% change), vacancy rates between 5.7% and 7.7%, and a considerable net increase of the asking average rent (1.7% CAGR).

Analysis of the data indicates the Chicago retail market has gone through three distinctive trends over the past ten years.

TEN YEAR HISTORICAL TREND ANALYSIS				
PERIOD	ADDED SUPPLY	NET ABSORPTION	VACANCY	ASKING RENT
2013-2022	31,918,027 SF	26,083,575 SF	7.7%→5.7%	\$15.33→\$18.22
10 Yrs	5.6%	4.5%	-1.9%	18.9%
2013-2019	25,951,470 SF	20,827,272 SF	7.7%→6.1%	\$15.33→\$16.73
7 Yrs	4.5%	3.6%	-1.6%	9.1%
2020-2020	2,678,284 SF	(126,673) SF	6.2%→6.2%	\$16.63→\$16.63
1 Yrs	0.5%	0.0%	0.0%	0.0%
2021-2022	3,288,273 SF	5,382,976 SF	6.1%→5.7%	\$17.35→\$18.22
2 Yrs	0.6%	0.9%	-0.4%	5.0%

The seven year period from 2013 to 2019 was highlighted with increased supply, positive net absorption, a net decrease of vacancy rates, and a net increase of asking rent in the market. The next one year period during 2020 featured increased supply, negative net absorption, a slight increase of vacancy rates, and a slight decrease of asking rent levels. This year marks the beginning of the COVID-19 pandemic period. The most recent two year period from 2021 to 2022 featured a net decrease of supply, positive net absorption, a decrease of vacancy rates, and a considerable increase of asking rent levels.

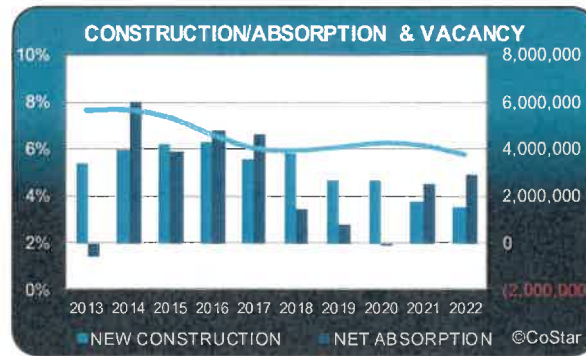
Over the past ten years, the market had a compound annual growth rate (CAGR) of 0.2% per year. Vacancy ranged from 5.7% to 7.7% with an average of 6.5%. Vacancy decreased from 7.7% in 2013 to 6.1% in 2019, increased to 6.2% in 2020, and decreased from 6.1% in 2021 to 5.7% in 2022.



Over the past ten years, asking rent levels increased at a CAGR of 1.7% and hit a low of \$15.33/SF in 2013 and a high in 2022 at \$18.22/SF.



In the past ten years, a total of 31,918,027 SF was added to the supply as new construction. Total inventory increased by 12,068,265 SF with 26,083,575 SF of net absorption achieved during the same period.



CHICAGO TRAILING FOUR QUARTER PERFORMANCE					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2022 Q3	585,669,816 SF	330,693 SF	254,439 SF	5.8%	\$18.27/SF
2022 Q4	585,884,191 SF	465,307 SF	2,012,802 SF	5.5%	\$18.43/SF
2023 Q1	586,044,716 SF	179,796 SF	984,725 SF	5.3%	\$18.71/SF
2023 Q2	586,168,355 SF	231,346 SF	1,085,106 SF	5.1%	\$18.59/SF

Source: Costar®

As of Q2 2023, the Chicago market had a total retail inventory of 586,168,355 SF with 29,945,815 SF vacant, indicating a current vacancy rate of 5.1%. There was 231,346 SF completed last quarter, whereas there was 1,207,142 SF added in the last year.

Over the past four quarters, the Chicago retail market experienced a moderate increase of supply. In addition, there was positive net absorption, a decrease of vacancy rates, and a slight net increase of asking rent in the marketplace.



Key supply/demand statistics for the most recent quarter, last year and historical averages are summarized below.

CHICAGO MARKET TREND ANALYSIS			
	Q2 2023	2022	Last 10
Total SF	586,168,355	585,884,191	581,143,151
Vacant SF	29,945,815	33,571,164	37,902,156
Market Vacancy	5.1%	5.7%	6.5%
Construction Growth Rate	0.04%	0.26%	0.21%
Absorption Rate	0.2%	0.5%	0.4%
Average Asking Rent/SF	\$18.59	\$18.22	\$16.30

Source: Costar®

Vacancy

The Q2 2023 vacancy rate (5.1%) is slightly lower than last year (5.7%) and slightly lower than the average vacancy over the past ten years (6.5%). The historic vacancy trend indicates stable long-term demand for retail

space in the Chicago market. The most recent vacancy trends demonstrate superior market conditions in comparison to the historic trend and suggest continued stability moving forward.

Supply

The inventory grew by 0.04% during Q2 2023, whereas the growth rate was 0.26% last year. Over the past ten years, the Chicago retail market grew at a CAGR of 0.21%. The historic trend demonstrates a nominal growth rate that was generally supported. The most recent trends show similar growth in comparison to the historic trend in reaction to the current economic conditions. As summarized in the table below, there are 88 retail projects under construction in the Chicago retail market totaling 1,408,603 SF, which represents 0.2% of supply that will be added in the near term. The construction activity in the market appears to be at a level that will reasonably be supported by the market. Based on this evidence, it appears that supply side issues do not represent a threat to the stability of supply/demand conditions in the market.

CHICAGO RETAIL CONSTRUCTION ACTIVITY SUMMARY

STATUS	NO. OF PROJECTS	SIZE (SF)	% OF SUPPLY
Under Construction	88	1,408,603	0.2%

Source: Costar®

Absorption

During Q2 2023, net absorption was 0.2%, and net absorption was 0.5% over the last year. The Chicago retail market has established an overall trend of stable absorption (0.4%) over the past ten years. The historic absorption trend indicates stable long-term demand for retail space in the Chicago market. The most recent absorption trends demonstrate similar market conditions in comparison to the historic trend and suggest continued stability moving forward.

Chicago Market Conclusion

Based on the preceding analysis, the Chicago retail market demonstrates sound fundamentals. Analysis of supply and demand factors indicates the market is currently stable with no evidence to prove this will change any time soon. The greatest strength of the market appears to be its low vacancy rates and stable absorption trends.

WESTERN EW CORRIDOR RETAIL SUBMARKET OVERVIEW

The following is an analysis of supply/demand trends in the Western EW Corridor Retail submarket using information provided by CoStar. The table below presents historical data for key market indicators.

WESTERN EW CORRIDOR HISTORICAL STATISTICS (LAST TEN YEARS)					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2013	55,374,431 SF	169,053 SF	(155,219) SF	8.6%	\$15.15/SF
2014	56,018,791 SF	697,773 SF	690,608 SF	9.2%	\$14.60/SF
2015	56,336,753 SF	374,293 SF	761,891 SF	8.6%	\$14.59/SF
2016	56,437,790 SF	203,933 SF	215,809 SF	8.0%	\$14.30/SF
2017	56,687,433 SF	312,621 SF	(163,543) SF	8.0%	\$14.67/SF
2018	56,864,444 SF	225,438 SF	292,427 SF	8.5%	\$15.65/SF
2019	57,186,581 SF	345,889 SF	582,645 SF	8.2%	\$15.38/SF
2020	57,581,664 SF	385,230 SF	267,987 SF	8.0%	\$15.23/SF
2021	57,175,776 SF	290,915 SF	(408,368) SF	8.5%	\$15.69/SF
2022	57,518,740 SF	342,964 SF	835,156 SF	7.6%	\$16.28/SF
CAGR	0.4%	-	-	-	0.7%

*Supply numbers based on information which is amended/updated on an on-going basis by Costar.

Source: Costar®

Over the past ten years, the Western EW Corridor retail submarket was stable where there was generally balance in prevailing retail supply/demand conditions. Over this time period, the submarket inventory increased by 3.9%. Further, there was positive net absorption (5.3% change), vacancy rates between 7.6% and 9.2%, and a net increase of the asking average rent (0.7% CAGR).

Analysis of the data indicates the Western EW Corridor retail submarket has gone through three distinctive trends over the past ten years.

TEN YEAR HISTORICAL TREND ANALYSIS				
PERIOD	ADDED SUPPLY	NET ABSORPTION	VACANCY	ASKING RENT
2013-2022	3,348,109 SF	2,919,393 SF	8.6%→7.6%	\$15.15→\$16.28
10 Yrs	6.0%	5.3%	-1.1%	7.5%
2013-2019	2,329,000 SF	2,224,618 SF	8.6%→8.2%	\$15.15→\$15.38
7 Yrs	4.2%	4.0%	-0.4%	1.5%
2020-2021	676,145 SF	(140,381) SF	8.0%→8.5%	\$15.23→\$15.69
2 Yrs	1.2%	-0.2%	0.5%	3.0%
2022-2022	342,964 SF	835,156 SF	7.6%→7.6%	\$16.28→\$16.28
1 Yrs	0.6%	1.5%	0.0%	0.0%

The seven year period from 2013 to 2019 was highlighted with increased supply, positive net absorption, a slight net decrease of vacancy rates, and a slight net increase of asking rent in the submarket. The next two year period from 2020 to 2021 featured an increase then decrease of supply, negative net absorption, an increase of vacancy rates, and an increase of asking rent levels. This period marks the first two years of the COVID-19 pandemic. The most recent one year period during 2022 featured increased supply, positive net absorption, a decrease of vacancy rates, and an increase of asking rent levels. These trends indicate the submarket is recovering from the impacts of the COVID-19 pandemic.

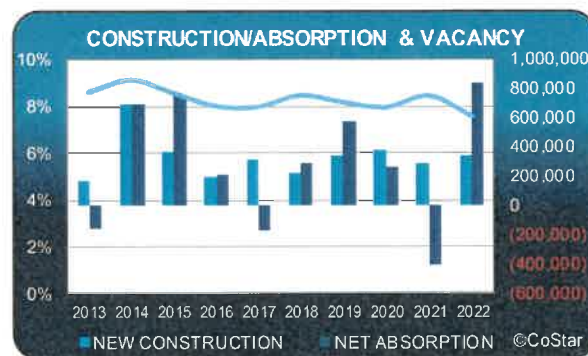
Over the past ten years, the submarket had a compound annual growth rate (CAGR) of 0.4% per year. Vacancy ranged from 7.6% to 9.2% with an average of 8.3%. Vacancy decreased from 8.6% in 2013 to 8.2% in 2019, increased from 8.0% in 2020 to 8.5% in 2021, and decreased to 7.6% in 2022.



Over the past ten years, asking rent levels grew at a CAGR of 0.7% and hit a low of \$14.30/SF in 2016 and a high in 2022 at \$16.28/SF.



In the past ten years, a total of 3,348,109 SF was added to the supply as new construction. Total inventory increased by 2,144,309 SF with 2,919,393 SF of net absorption achieved during the same period.



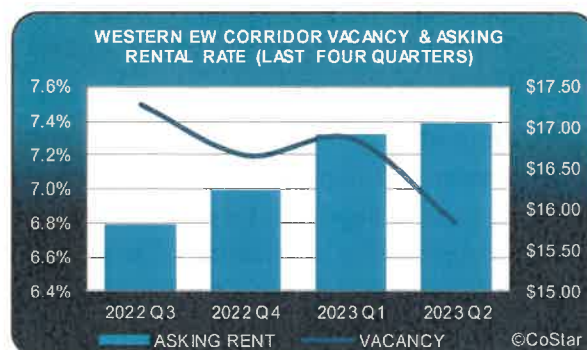
The following table summarizes the trailing four quarter performance of the Western EW Corridor submarket.

WESTERN EW CORRIDOR TRAILING FOUR QUARTER PERFORMANCE					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2022 Q3	57,362,197 SF	83,500 SF	209,282 SF	7.5%	\$15.81/SF
2022 Q4	57,518,740 SF	156,543 SF	312,503 SF	7.2%	\$16.24/SF
2023 Q1	57,518,740 SF	0 SF	(71,171) SF	7.3%	\$16.92/SF
2023 Q2	57,520,636 SF	35,401 SF	291,212 SF	6.8%	\$17.06/SF

Source: Costar®

As of Q2 2023, the Western EW Corridor submarket had a total retail inventory of 57,520,636 SF with 3,899,751 SF vacant, indicating a current vacancy rate of 6.8%. There was 35,401 SF completed last quarter, whereas there was 275,444 SF added in the last year.

Over the past four quarters, the Western EW Corridor retail submarket experienced a moderate increase of supply. There was also positive net absorption, a decrease in vacancy rates, and an increase of asking rent in the marketplace.



Key supply/demand statistics for the most recent quarter, last year and historical averages are summarized below.

WESTERN EW CORRIDOR MARKET TREND ANALYSIS			
	Q2 2023	2022	Last 10
Total SF	57,520,636	57,518,740	56,718,240
Vacant SF	3,899,751	4,359,920	4,716,122
Market Vacancy	6.8%	7.6%	8.3%
Construction Growth Rate	0.1%	0.6%	0.4%
Absorption Rate	0.5%	1.5%	0.5%
Average Asking Rent/SF	\$17.06	\$16.28	\$15.15

Source: Costar®

Vacancy

The Q2 2023 vacancy rate (6.8%) is slightly lower than last year (7.6%) and lower than the average vacancy over the past ten years (8.3%). The historic vacancy trend indicates stable long-term demand for retail space in the Western EW Corridor submarket. The most recent vacancy trends demonstrate superior market conditions in comparison to the historic trend and suggest continued stability moving forward.

Supply

The inventory grew by 0.1% during Q2 2023, whereas the growth rate was 0.6% last year. Over the past ten years, the Western EW Corridor retail submarket grew at a CAGR of 0.4%. The historic trend demonstrates a nominal growth rate that was generally supported. The most recent trends show similar growth in comparison to the historic trend in reaction to the current economic conditions. As summarized in the table below, there are 11 retail projects under construction in the Western EW Corridor retail submarket totaling 57,189 SF, which represents 0.1% of supply that will be added in the near term. Of these projects, there is only one property under construction in the DeKalb/Sycamore area. This property is a freestanding outlot building at 551 S. Peace Road in Sycamore. Given these factors and its proposed quality, it is not anticipated to directly compete with the subject property upon completion. The construction activity in the submarket appears to be at a level that will reasonably be supported by the market. Based on this evidence, it appears that supply side issues do not represent a threat to the stability of supply/demand conditions in the market.

WESTERN EW CORRIDOR RETAIL CONSTRUCTION ACTIVITY SUMMARY			
STATUS	NO. OF PROJECTS	SIZE (SF)	% OF SUPPLY
Under Construction	11	57,189	0.1%

Source: Costar®

Absorption

During Q2 2023, net absorption was 0.5%, and net absorption was 1.5% over the last year. The Western EW Corridor retail market has established an overall trend of stable absorption (0.5%) over the past ten years. The historic absorption trend indicates stable long-term demand for retail space in the Western EW Corridor submarket. The most recent absorption trends demonstrate similar market conditions in comparison to the historic trend and suggest continued stability moving forward.

Western EW Corridor Submarket Conclusion

Based on the preceding analysis, the Western EW Corridor retail submarket demonstrates sound fundamentals. Analysis of supply and demand factors indicates the market is currently stable with no evidence to prove this will change any time soon. The greatest strength of the submarket appears to be its stable absorption trends and low vacancy levels. Overall, the submarket appears to not have been as severely impacted by the COVID-19 pandemic as other retail submarkets. The submarket vacancy rate has steadily decreased since 2021 and should continue to place upward pressure on asking rent levels.

CHICAGO METRO APARTMENT MARKET ANALYSIS

The following is an analysis of supply/demand trends in the Chicago Apartment Market using information provided by MPF Research, widely recognized as a market leader in Apartment data and statistics. Through their coverage of the MPF-100, a collection of the 100 largest primary and secondary markets in the US, data is primarily sourced at the floor-plan, transaction level. This is made possible through MPF's sister company relationship with RealPage, the developers of YieldStar and OneSite revenue and property management software suites, resulting in access to access individual lease transactions for roughly 3.7 million units.

We will first analyze the metro market, followed by the submarket.

Current Market Snapshot

The table below presents a current quarter snapshot of key indicators for the Chicago Metro Market.

CHICAGO-NAPERVILLE-ELGIN MARKET AT A GLANCE									2023 Q1
	TOTAL UNITS	OCCUP- ANCY (%)	ABSORP. (UNITS)	NEW INV. (UNITS)	REMOVALS (UNITS)	INVENTORY UNITS Δ	INVENTORY % Δ	UNDER CONST.	NEAR-TERM DELIVERIES ¹
INVENTORY	750,284	95.3%	1,424	1,623	0	1,623	0.2%	15,655	8,783
	BY VINTAGE					BY STYLE			
CATEGORY	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL
Occupancy	94.5%	95.7%	95.6%	95.8%	95.8%	95.7%	95.2%	94.7%	95.3%
Quarterly Occ. Δ	-0.2%	-0.4%	0.0%	0.3%	0.0%	0.0%	0.4%	-0.2%	0.0%
Annual Occ. Δ	-1.7%	-2.2%	-1.9%	-2.3%	-0.6%	-2.2%	-1.4%	-1.4%	-1.8%
Rent (\$/mo.)	\$2,442	\$1,745	\$1,734	\$1,447	\$1,443	\$1,517	\$1,886	\$2,375	\$1,886
Rent (\$/sf)	\$2.72	\$1.90	\$2.04	\$1.73	\$1.98	\$1.71	\$2.10	\$3.00	\$2.21
Annual Revenue Δ ²	2.7%	2.5%	5.3%	5.5%	5.8%	4.4%	4.8%	3.5%	3.9%
% Offering Concessions	15.9%	13.3%	15.4%	7.6%	5.5%	8.6%	9.4%	17.7%	12.1%
Avg. Concession	6.1%	4.1%	5.1%	2.6%	5.4%	3.0%	7.0%	6.2%	5.3%
Qtr. Same-Property Rent Δ	0.3%	0.3%	0.6%	1.8%	1.5%	1.3%	1.5%	0.1%	0.7%
Ann. Same-Property Rent Δ	4.5%	4.8%	7.1%	7.8%	6.4%	6.5%	6.2%	4.9%	5.7%

Source: MPF Research® ¹ Delivering within next four quarters. ² Annual Revenue Change = Annual Occ. Change + Annual Rent Change

Occupancy

As presented, the Chicago-Naperville-Elgin market maintains a current inventory of 750,284 units, up approximately 0.20% (1,623 units) from the previous quarter. The current market-wide occupancy rate of 95.3% is indicated through a range extending from 94.5% to 95.8% across all property styles and vintages. When compared to the previous quarter, the market-wide average occupancy rate has decreased 0.0%. On a current-quarter annualized basis, occupancy rates have decreased 1.8%.

Rental Rates / Revenue

On a per unit basis, rental rates by vintage range from a low of \$1,443 per month to a high of \$2,442 per month. When analyzed on the basis of style, rental rates range from \$1,517 (low-rise) to \$2,375 (high-rise). In total, the market-wide inventory-weighted average rental rate is \$1,886 per unit per month. On a per square foot basis, rental rates range from a low of \$1.73 to a high of \$2.72 when analyzing property vintage and \$1.71 to \$3.00 when analyzed by property style. In aggregate, the market-wide average rental rate is \$2.21 per square foot. Annual revenue change, defined as annual occupancy change plus annual rent change represents an increase of 3.9% versus the previous same-quarter annual period.

Concessions

Analyzed by vintage, the percentage of properties currently offering concessions range from 5.5% (pre-1970s) to 15.9% (2000+). When singularly analyzing property style, this range shifts to a low of 8.6% (low-rise) to a high of 17.7% (high-rise). An aggregate, market-wide average of 12.1% is indicated.

The average concession given ranges from 2.6% to 6.1% (vintage) and 3.0% to 7.0% (style) of potential gross

income. An inventory-weighted average across all vintages and styles of 5.3% of potential gross income is indicated.

Trailing Metro Performance

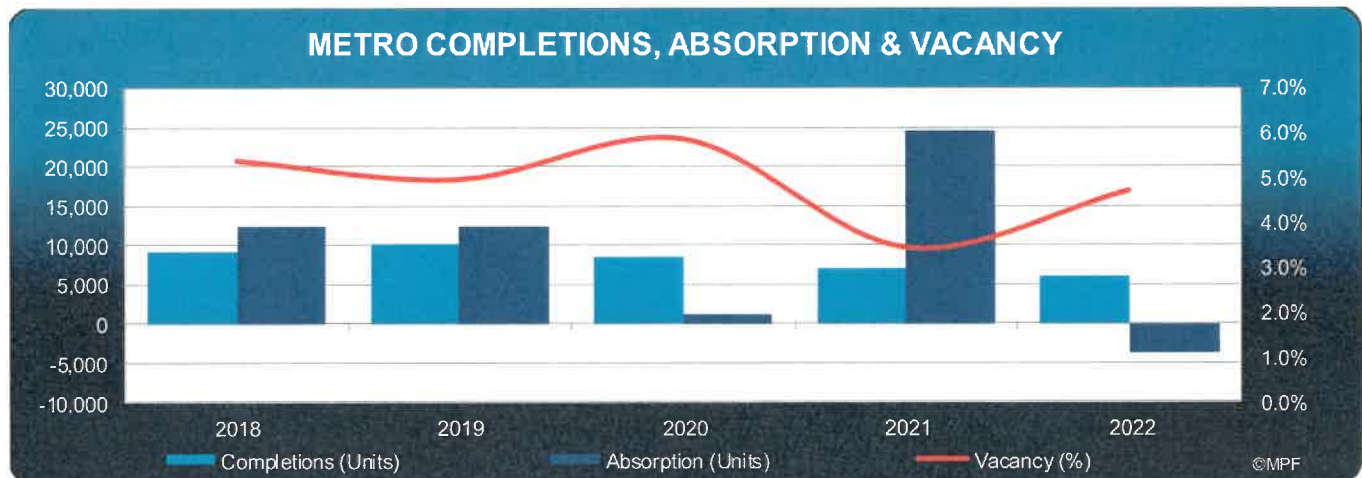
Key supply/demand, occupancy, rental rate, and concession statistics for available trailing annual and quarterly periods are summarized below.

Historical Supply/Demand

The following table highlights the trailing annual and quarterly supply, construction, and absorption metrics.

HISTORICAL SUPPLY/DEMAND ANALYSIS						CHICAGO-NAPERVILLE-ELGIN MARKET			
PERIOD	TOTAL UNITS	OCCUP-ANCY (%)	ABSORP. (UNITS)	NEW INV. (UNITS)	REMOVALS (UNITS)	INVENTORY UNITS Δ	INVENTORY % Δ	UNDER CONST.	NEAR-TERM DELIVERIES ¹
2018	717,339	94.6%	12,339	9,112	1,074	8,038	1.1%	16,788	10,003
2019	727,310	95.0%	12,472	10,206	235	9,971	1.4%	14,869	8,465
2020	735,613	94.1%	1,251	8,555	252	8,303	1.1%	11,578	6,818
2021	742,572	96.6%	24,669	6,959	0	6,959	0.9%	13,316	5,437
2022	748,661	95.3%	-3,756	6,089	0	6,089	0.8%	16,292	8,279
2022 Q2	746,010	96.7%	-1,050	1,750	0	1,750	0.2%	13,962	6,101
2022 Q3	747,559	95.8%	-5,160	1,549	0	1,549	0.2%	15,866	7,552
2022 Q4	748,661	95.3%	-2,794	1,102	0	1,102	0.1%	16,292	8,279
2023 Q1	750,284	95.3%	1,424	1,623	0	1,623	0.2%	15,655	8,783

Source: MPF Research® ¹ Delivering within next four quarters.



Metro Occupancy, Rental Rate, and Concession Trends

OCCUPANCY						CHICAGO-NAPERVILLE-ELGIN METRO			
PERIOD	BY VINTAGE					BY STYLE			TOTAL
	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	
2018	93.7%	94.7%	94.7%	95.1%	95.4%	94.9%	95.4%	93.9%	94.6%
2019	93.9%	95.5%	95.0%	95.4%	96.1%	95.4%	95.0%	94.5%	95.0%
2020	92.5%	95.9%	94.2%	94.7%	95.1%	95.8%	93.7%	91.7%	94.1%
2021	96.2%	97.7%	96.8%	97.1%	95.7%	97.6%	96.2%	95.4%	96.6%
2022	94.7%	96.0%	95.6%	95.5%	95.8%	95.7%	94.8%	94.9%	95.3%
2022 Q2	96.1%	97.3%	96.9%	97.5%	96.2%	97.5%	96.3%	95.8%	96.7%
2022 Q3	95.4%	96.4%	96.2%	95.9%	95.8%	96.3%	95.2%	95.4%	95.8%
2022 Q4	94.7%	96.0%	95.6%	95.5%	95.8%	95.7%	94.8%	94.9%	95.3%
2023 Q1	94.5%	95.7%	95.6%	95.8%	95.8%	95.7%	95.2%	94.7%	95.3%

Source: MPF Research®

EFFECTIVE RENT (\$/UNIT)						CHICAGO-NAPERVILLE-ELGIN METRO			
PERIOD	BY VINTAGE					BY STYLE			TOTAL
	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	
2018	\$2,155	\$1,438	\$1,411	\$1,134	\$1,154	\$1,161	\$1,473	\$2,016	\$1,507
2019	\$2,154	\$1,458	\$1,467	\$1,168	\$1,204	\$1,195	\$1,533	\$2,063	\$1,550
2020	\$1,988	\$1,416	\$1,361	\$1,173	\$1,168	\$1,228	\$1,498	\$1,836	\$1,473
2021	\$2,267	\$1,615	\$1,587	\$1,289	\$1,281	\$1,374	\$1,698	\$2,150	\$1,707
2022	\$2,433	\$1,744	\$1,729	\$1,423	\$1,421	\$1,497	\$1,865	\$2,368	\$1,873
2022 Q2	\$2,421	\$1,696	\$1,677	\$1,374	\$1,377	\$1,456	\$1,841	\$2,317	\$1,829
2022 Q3	\$2,469	\$1,733	\$1,746	\$1,414	\$1,428	\$1,500	\$1,884	\$2,387	\$1,882
2022 Q4	\$2,433	\$1,744	\$1,729	\$1,423	\$1,421	\$1,497	\$1,865	\$2,368	\$1,873
2023 Q1	\$2,442	\$1,745	\$1,734	\$1,447	\$1,443	\$1,517	\$1,886	\$2,375	\$1,886

Source: MPF Research®

EFFECTIVE RENT (\$/SF)						CHICAGO-NAPERVILLE-ELGIN METRO			
PERIOD	BY VINTAGE					BY STYLE			TOTAL
	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	
2018	\$2.42	\$1.53	\$1.65	\$1.36	\$1.58	\$1.32	\$1.68	\$2.57	\$1.78
2019	\$2.41	\$1.53	\$1.73	\$1.40	\$1.61	\$1.34	\$1.74	\$2.64	\$1.83
2020	\$2.23	\$1.54	\$1.57	\$1.40	\$1.57	\$1.38	\$1.70	\$2.35	\$1.73
2021	\$2.54	\$1.76	\$1.87	\$1.53	\$1.74	\$1.55	\$1.90	\$2.73	\$2.01
2022	\$2.71	\$1.90	\$2.03	\$1.70	\$1.94	\$1.69	\$2.07	\$2.99	\$2.20
2022 Q2	\$2.70	\$1.85	\$1.97	\$1.64	\$1.86	\$1.64	\$2.04	\$2.93	\$2.14
2022 Q3	\$2.75	\$1.89	\$2.05	\$1.69	\$1.96	\$1.69	\$2.08	\$3.02	\$2.21
2022 Q4	\$2.71	\$1.90	\$2.03	\$1.70	\$1.94	\$1.69	\$2.07	\$2.99	\$2.20
2023 Q1	\$2.72	\$1.90	\$2.04	\$1.73	\$1.98	\$1.71	\$2.10	\$3.00	\$2.21

Source: MPF Research®

PERCENT OF PROPERTIES OFFERING CONCESSIONS						CHICAGO-NAPERVILLE-ELGIN METRO			
PERIOD	BY VINTAGE					BY STYLE			TOTAL
	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	
2018	28.7%	25.9%	36.9%	19.7%	21.3%	23.5%	22.8%	31.3%	26.3%
2019	30.2%	32.6%	35.7%	27.6%	14.7%	30.8%	32.8%	22.6%	28.0%
2020	34.0%	36.4%	40.0%	31.8%	29.1%	24.8%	40.2%	45.2%	33.8%
2021	28.7%	8.1%	25.8%	14.5%	15.8%	10.0%	24.7%	34.7%	21.1%
2022	17.3%	16.1%	19.3%	11.0%	5.3%	11.4%	14.2%	18.3%	14.4%
2022 Q2	12.8%	4.8%	15.9%	7.7%	10.7%	5.3%	16.8%	17.1%	11.2%
2022 Q3	14.6%	3.8%	11.7%	8.5%	14.7%	5.4%	17.7%	18.3%	11.8%
2022 Q4	17.3%	16.1%	19.3%	11.0%	5.3%	11.4%	14.2%	18.3%	14.4%
2023 Q1	15.9%	13.3%	15.4%	7.6%	5.5%	8.6%	9.4%	17.7%	12.1%

Source: MPF Research®

CONCESSIONS AS PERCENT OF PGI						CHICAGO-NAPERVILLE-ELGIN METRO			
PERIOD	BY VINTAGE					BY STYLE			TOTAL
	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	
2018	4.8%	4.7%	4.7%	4.4%	3.8%	4.7%	4.2%	4.6%	4.6%
2019	5.4%	2.8%	4.6%	3.9%	5.1%	3.9%	5.7%	5.3%	4.7%
2020	10.1%	6.3%	8.1%	5.6%	6.6%	5.0%	8.3%	10.0%	8.1%
2021	6.8%	4.5%	4.7%	3.5%	6.8%	3.6%	6.9%	6.4%	5.9%
2022	5.9%	1.4%	5.1%	2.2%	5.6%	2.7%	5.4%	6.1%	4.9%
2022 Q2	8.1%	3.7%	5.3%	2.8%	4.3%	2.4%	7.0%	7.2%	6.3%
2022 Q3	6.5%	2.4%	2.6%	2.3%	3.1%	2.3%	5.2%	5.4%	4.8%
2022 Q4	5.9%	1.4%	5.1%	2.2%	5.6%	2.7%	5.4%	6.1%	4.9%
2023 Q1	6.1%	4.1%	5.1%	2.6%	5.4%	3.0%	7.0%	6.2%	5.3%

Source: MPF Research®

Metro Construction Activity

CONSTRUCTION ACTIVITY SUMMARY		CHICAGO-NAPERVILLE-ELGIN METRO
CATEGORY	UNITS UNDER CONSTRUCTION	UNITS COMPLETED ¹
Conventional (Market)	18,262	4,795
Affordable	1,138	465
Senior	680	1,069
Student	0	0
TOTAL	20,080	6,329

Source: MPF Research® ¹Properties completed in the last 4 quarters

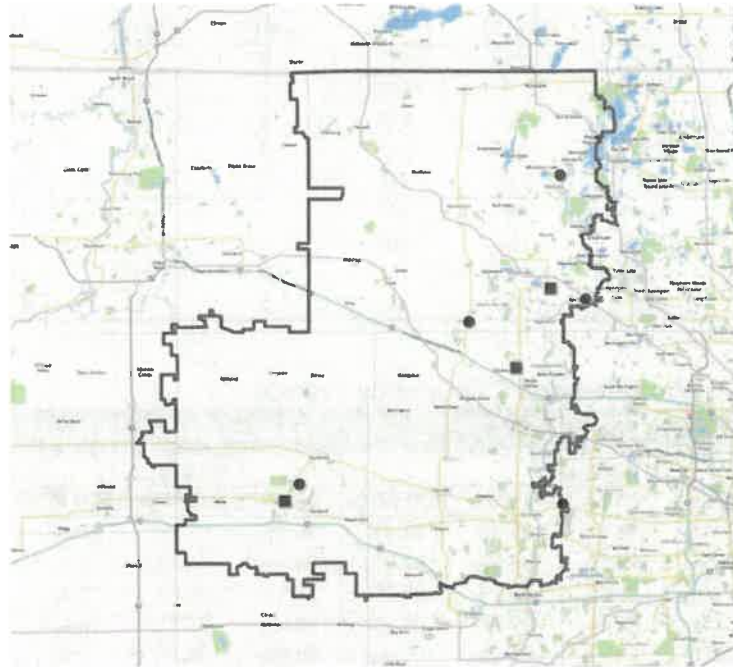
Within the Chicago-Naperville-Elgin Metro area, there are a total of 18,262 conventional units currently under construction highlighted by activity in The Loop, Evanston/Rogers Park/Uptown and Streeterville/River North submarkets. There are currently 806 units under construction within the subject's submarket and 454 units have delivered within the past four quarters.

Market Conclusion

Based on the preceding analysis, the Chicago apartment market demonstrates sound fundamentals. Analysis of supply and demand factors indicates the market is currently stable with no evidence to prove this will change any time soon. The greatest strength of the market appears to be its low vacancy rates.

FAR NORTHWEST CHICAGO SUBURBS APARTMENT SUBMARKET OVERVIEW

The subject is located within the Far Northwest Chicago Suburbs submarket outlined below.



The table below presents a current quarter snapshot of the key indicators within the submarket.

FAR NORTHWEST CHICAGO SUBURBS SUBMARKET AT A GLANCE								2023 Q1	
	TOTAL UNITS	OCCUPANCY (%)	ABSORP. (UNITS)	NEW INV. (UNITS)	REMOVALS (UNITS)	INVENTORY Δ (UNITS)	INVENTORY Δ (%)	UNDER CONST.	NEAR-TERM DELIVERIES ¹
INVENTORY	30,521	96.0%	103	84	0	84	0.3%	546	306
CATEGORY	BY VINTAGE					BY STYLE			TOTAL
	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	
Occupancy	94.9%	96.8%	94.6%	97.3%	96.2%	96.0%	97.6%	n.a.	96.0%
Quarterly Occ. Δ	-0.2%	-0.2%	-0.5%	0.6%	0.4%	0.0%	1.6%	n.a.	0.1%
Annual Occ. Δ	-3.0%	-2.4%	-4.2%	-1.6%	-0.7%	-2.4%	0.6%	n.a.	-2.4%
Rent (\$/mo.)	\$1,909	\$1,327	\$1,502	\$1,237	\$1,217	\$1,520	\$1,919	n.a.	\$1,528
Rent (\$/sf)	\$1.86	\$1.43	\$1.63	\$1.44	\$1.69	\$1.65	\$1.82	n.a.	\$1.65
Annual Revenue Δ ²	3.6%	2.2%	-3.6%	5.5%	2.0%	3.1%	3.4%	n.a.	3.1%
% Offering Concessions	1.7%	0.0%	38.4%	0.0%	24.2%	5.8%	24.5%	n.a.	6.1%
Avg. Concession	8.0%	n.a.	4.8%	n.a.	7.0%	6.1%	7.9%	n.a.	6.2%
Qtr. Same-Property Rent Δ	2.0%	1.3%	-0.8%	1.6%	2.3%	1.7%	0.0%	n.a.	1.6%
Ann. Same-Property Rent Δ	6.6%	4.6%	0.6%	7.2%	2.6%	5.6%	2.8%	n.a.	5.5%

Source: MPF Research® ¹ Delivering within next four quarters. ² Annual Revenue Change = Annual Occ. Change + Annual Rent Change

Trailing Submarket Performance

Key supply/demand, occupancy, rental rate, and concession statistics for available trailing annual and quarterly periods are summarized below.

Historical Supply/Demand

HISTORICAL SUPPLY/DEMAND ANALYSIS					FAR NORTHWEST CHICAGO SUBURBS SUBMARKET				
PERIOD	TOTAL UNITS	OCCUPANCY (%)	ABSORP. (UNITS)	NEW INV. (UNITS)	REMOVALS (UNITS)	INVENTORY UNITS Δ	INVENTORY % Δ	UNDER CONST.	NEAR-TERM DELIVERIES ¹
2018	28,429	96.1%	1,149	820	0	820	3.0%	1,057	562
2019	28,991	95.3%	318	562	0	562	2.0%	795	695
2020	29,686	96.1%	886	695	0	695	2.4%	474	250
2021	29,957	98.6%	1,009	271	0	271	0.9%	592	480
2022	30,437	95.9%	-329	480	0	480	1.6%	630	291
2022 Q2	30,167	97.9%	-38	112	0	112	0.4%	580	389
2022 Q3	30,262	96.3%	-394	95	0	95	0.3%	805	364
2022 Q4	30,437	95.9%	59	175	0	175	0.6%	630	291
2023 Q1	30,521	96.0%	103	84	0	84	0.3%	546	306

Source: MPF Research® ¹ Delivering within next four quarters

Submarket Occupancy, Rental Rate, and Occupancy Trends

OCCUPANCY ANALYSIS						FAR NORTHWEST CHICAGO SUBURBS SUBMARKET					
PERIOD	BY VINTAGE					BY STYLE			SUBMARKET	METRO	VERSUS
	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL	TOTAL	METRO
2018	94.6%	96.0%	96.5%	96.9%	96.2%	96.1%	92.1%	97.7%	96.1%	94.6%	●
2019	92.2%	96.7%	96.5%	95.9%	96.9%	95.3%	93.7%	n.a.	95.3%	95.0%	●
2020	96.0%	96.9%	93.8%	96.1%	97.2%	96.1%	96.8%	n.a.	96.1%	94.1%	●
2021	98.2%	98.3%	99.6%	99.1%	97.8%	98.6%	98.2%	n.a.	98.6%	96.6%	●
2022	95.1%	97.0%	95.2%	96.7%	95.8%	95.9%	95.7%	n.a.	95.9%	95.3%	●
2022 Q2	96.6%	98.4%	99.2%	99.1%	96.6%	98.0%	93.3%	n.a.	97.9%	96.7%	●
2022 Q3	95.2%	97.0%	97.0%	98.1%	94.5%	96.3%	93.3%	n.a.	96.3%	95.8%	●
2022 Q4	95.1%	97.0%	95.2%	96.7%	95.8%	95.9%	95.7%	n.a.	95.9%	95.3%	●
2023 Q1	94.9%	96.8%	94.6%	97.3%	96.2%	96.0%	97.6%	n.a.	96.0%	95.3%	●

Source: MPF Research® Legend: ● Outperforming ● Underperforming ● Similar

EFFECTIVE RENT (\$/UNIT)						FAR NORTHWEST CHICAGO SUBURBS SUBMARKET					
PERIOD	BY VINTAGE					BY STYLE			SUBMARKET	METRO	VERSUS
	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL	TOTAL	METRO
2018	\$1,431	\$1,080	\$1,149	\$921	\$990	\$1,089	\$1,890	\$1,455	\$1,097	\$1,507	●
2019	\$1,471	\$1,109	\$1,284	\$1,004	\$1,024	\$1,166	\$1,793	n.a.	\$1,170	\$1,550	●
2020	\$1,553	\$1,129	\$1,263	\$1,023	\$1,024	\$1,201	\$2,070	n.a.	\$1,207	\$1,473	●
2021	\$1,786	\$1,222	\$1,341	\$1,067	\$1,133	\$1,348	\$1,839	n.a.	\$1,357	\$1,707	●
2022	\$1,872	\$1,310	\$1,515	\$1,218	\$1,190	\$1,495	\$1,919	n.a.	\$1,503	\$1,873	●
2022 Q2	\$1,834	\$1,290	\$1,411	\$1,114	\$1,220	\$1,409	\$1,961	n.a.	\$1,419	\$1,829	●
2022 Q3	\$1,877	\$1,302	\$1,580	\$1,141	\$1,234	\$1,480	\$1,952	n.a.	\$1,488	\$1,882	●
2022 Q4	\$1,872	\$1,310	\$1,515	\$1,218	\$1,190	\$1,495	\$1,919	n.a.	\$1,503	\$1,873	●
2023 Q1	\$1,909	\$1,327	\$1,502	\$1,237	\$1,217	\$1,520	\$1,919	n.a.	\$1,528	\$1,886	●

Source: MPF Research® Legend: ● Outperforming ● Underperforming ● Similar

EFFECTIVE RENT (\$/SF)						FAR NORTHWEST CHICAGO SUBURBS SUBMARKET					
PERIOD	BY VINTAGE					BY STYLE			SUBMARKET	METRO	VERSUS
	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL	TOTAL	METRO
2018	\$1.40	\$1.15	\$1.26	\$1.13	\$1.37	\$1.24	\$1.52	\$1.85	\$1.24	\$1.78	●
2019	\$1.43	\$1.18	\$1.37	\$1.22	\$1.42	\$1.30	\$1.45	n.a.	\$1.30	\$1.83	●
2020	\$1.50	\$1.20	\$1.36	\$1.26	\$1.42	\$1.34	\$1.67	n.a.	\$1.34	\$1.73	●
2021	\$1.75	\$1.30	\$1.41	\$1.32	\$1.58	\$1.49	\$1.75	n.a.	\$1.50	\$2.01	●
2022	\$1.82	\$1.41	\$1.64	\$1.41	\$1.65	\$1.62	\$1.82	n.a.	\$1.63	\$2.20	●
2022 Q2	\$1.79	\$1.39	\$1.49	\$1.35	\$1.69	\$1.56	\$1.86	n.a.	\$1.57	\$2.14	●
2022 Q3	\$1.83	\$1.40	\$1.71	\$1.38	\$1.71	\$1.62	\$1.85	n.a.	\$1.63	\$2.21	●
2022 Q4	\$1.82	\$1.41	\$1.64	\$1.41	\$1.65	\$1.62	\$1.82	n.a.	\$1.63	\$2.20	●
2023 Q1	\$1.86	\$1.43	\$1.63	\$1.44	\$1.69	\$1.65	\$1.82	n.a.	\$1.65	\$2.21	●

Source: MPF Research® Legend: ● Outperforming ● Underperforming ● Similar

PERCENT OF PROPERTIES OFFERING CONCESSIONS						FAR NORTHWEST CHICAGO SUBURBS SUBMARKET					
PERIOD	BY VINTAGE					BY STYLE			SUBMARKET	METRO	VERSUS
	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL	TOTAL	METRO
2018	11.5%	16.7%	0.0%	0.0%	37.0%	10.8%	100.0%	9.1%	11.6%	26.3%	●
2019	70.4%	19.9%	24.4%	16.8%	22.3%	31.7%	100.0%	n.a.	32.2%	28.0%	●
2020	12.8%	16.4%	0.0%	24.3%	24.2%	16.9%	0.0%	n.a.	16.8%	33.8%	●
2021	8.4%	0.0%	0.0%	0.0%	20.5%	4.9%	0.0%	n.a.	4.9%	21.1%	●
2022	6.1%	0.0%	38.4%	0.0%	24.2%	6.7%	61.3%	n.a.	7.8%	14.4%	●
2022 Q2	3.1%	0.0%	0.0%	0.0%	22.4%	2.7%	56.4%	n.a.	3.7%	11.2%	●
2022 Q3	9.9%	0.0%	0.0%	0.0%	14.9%	4.6%	56.4%	n.a.	5.6%	11.8%	●
2022 Q4	6.1%	0.0%	38.4%	0.0%	24.2%	6.7%	61.3%	n.a.	7.8%	14.4%	●
2023 Q1	1.7%	0.0%	38.4%	0.0%	24.2%	5.8%	24.5%	n.a.	6.1%	12.1%	●

Source: MPF Research® Legend: ● Outperforming ● Underperforming ● Similar

CONCESSIONS AS PERCENT OF PGI						FAR NORTHWEST CHICAGO SUBURBS SUBMARKET					
PERIOD	BY VINTAGE					BY STYLE			SUBMARKET	METRO	VERSUS
	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL	TOTAL	METRO
2018	4.0%	1.3%	n.a.	n.a.	2.1%	2.0%	5.6%	8.3%	2.4%	4.6%	●
2019	5.6%	1.7%	2.4%	4.0%	4.0%	4.7%	4.4%	n.a.	4.7%	4.7%	●
2020	2.5%	1.1%	n.a.	6.1%	1.9%	3.6%	n.a.	n.a.	3.6%	8.1%	●
2021	0.8%	n.a.	n.a.	n.a.	2.5%	1.5%	n.a.	n.a.	1.5%	5.9%	●
2022	4.2%	n.a.	5.4%	n.a.	6.4%	5.5%	5.2%	n.a.	5.4%	4.9%	●
2022 Q2	0.8%	n.a.	n.a.	n.a.	6.7%	6.7%	0.8%	n.a.	5.0%	6.3%	●
2022 Q3	4.3%	n.a.	n.a.	n.a.	2.7%	4.2%	1.7%	n.a.	3.8%	4.8%	●
2022 Q4	4.2%	n.a.	5.4%	n.a.	6.4%	5.5%	5.2%	n.a.	5.4%	4.9%	●
2023 Q1	8.0%	n.a.	4.8%	n.a.	7.0%	6.1%	7.9%	n.a.	6.2%	5.3%	●

Source: MPF Research® Legend: ● Outperforming ● Underperforming ● Similar

Submarket Construction Activity

The following projects are listed as being currently under construction within the submarket.

CONSTRUCTION ACTIVITY			FAR NORTHWEST CHICAGO SUBURBS SUBMARKET			
PROPERTY NAME	PROPERTY TYPE	NO. OF UNITS	NO. OF STORIES	PROJECT STATUS	START DATE	FINISH DATE
Agora Tower	Conventional	94	4	Completion	7/1/20	11/1/22
Reserve Randall Road II	Conventional	80	2	Completion	6/1/21	6/1/22
The Springs at Three Oaks	Conventional	280	2	Completion	10/1/20	5/1/22
Arista Residences	Conventional	61	4	Under Construction	3/1/22	12/1/23
Authentix McHenry	Conventional	288	2	Under Construction	9/1/21	4/1/23
Fox River Grove I	Conventional	100	5	Under Construction	1/1/22	3/1/24
Springs at St Charles	Conventional	320	2	Under Construction	9/1/22	3/1/25
The Cornell	Conventional	37	3	Under Construction	5/1/22	10/1/23
City Hall Suites	Conventional	65	3	Under Construction	1/1/23	8/1/24
TOTAL UNITS:		1,325				

Source: MPF Research®

Within the submarket, there are total of 1,325 conventional projects under construction. The City Hall Suites development is located in Downtown DeKalb near the subject property.

Far Northwest Chicago Suburbs Submarket Conclusion

Overall, the Far Northwest Chicago Suburbs apartment market demonstrates sound fundamentals. Occupancy rates have been historically high averaging around 95.0% and this trend is expected to continue due a stable workforce. Rental rates have increased over the past year as well. While building permits for new multi-family construction have remained steady over the past three years, given the strong occupancy levels, it does not appear that new product will pose a threat to the current supply.

BROKER / MARKET PARTICIPANT INTERVIEWS

Interviews with brokers and other market participants were conducted to put previously discussed trends and data into better context of what is really occurring in the marketplace.

Leasing Perspective

Suburban downtown/business districts generally feature boutique characteristics and primarily draw interest from the more local, "mom-and-pop" type retail and office users for whom this location offers convenience for both themselves and their customer base. As indicated by these sources, while regional/national corporate users tend to utilize full brokerage services who negotiate more aggressively for free rent and TI allowances, local tenants, in contrast, frequently lease space in as-is condition with little to no landlord contributions to build-out, either moving into the space untouched, or using their own funds for whatever adjustments in the physical space are deemed appropriate. Owner-paid tenant improvements, if provided, are typically provided in turnkey condition (paint, carpet, demising walls, etc.), for which the build-out cost typically ranges between \$5/SF to \$15/SF. The most typical leasing commission for these suburban downtown districts is 5.0% to 6.0% of base rent over the term of the lease or variable based on lease years (ex: 7% of the first year's rent and 3% of rent thereafter). The general rent escalations achieved in the market are being reported at \$0.50/SF or 2.0% to 3.0% annually; however, recent negotiations have also been reflective of flat rates for the first two to three years as an incentive, with escalations for the remaining years of the lease term if longer.

Sales Perspective

According to the market participants, sale transactions have been low over the past six months for the subject property type, with most activity being seen from regional and local buyers. Multi-tenant investment opportunities in the current environment are considered appealing when the property is stabilized with quality tenancy or the buyer can justify the capital and time it will take to lease up vacancies. The market participants reported that quality investment opportunities are currently in greatest demand with investors placing more importance on a property's tenant quality, remaining weighted average lease term, and occupancy level. When looking at value-add investments, the spread between buyers' and sellers' pricing expectations remain wide and little activity is reported. Owner-user sales are also prevalent in this market. Developers have also been active within the Downtown DeKalb market, acquiring underutilized properties for redevelopment. This property type is considered to have somewhat limited availability, with few listings offered within the marketplace. Based on these factors, conditions favor buyers in regard to negotiating sale terms. Marketing periods are ranging from 3 to 18 months, with stabilized investment sales typically selling within 12 months. Capitalization rates for stabilized B/C assets ranged from 8.00% to 11.50%, on average, with the higher end of the range indicative of older buildings with short remaining lease terms. Downtown suburban mixed-use properties with a multifamily component generally trade at lower rates due to the diversification of risk. Currently, however, cap rates are seeing increases in the range of 25 to 200 bps, depending on liquidity of the asset, due to higher interest rates/borrowing costs and higher equity return expectations on a risk-adjusted return basis. The market is more selective on deals in the current interest rate environment, with less transaction activity due to concerns of a coming recession. Lower LTVs of 60% to 65% are typical, with more emphasis on debt coverage levels. The most typical sales commission for this property type is between 2% and 4% of the sale price, depending on the size of the deal.

Our discussions with multiple local brokers in the DeKalb market (RVG Commercial Realty and Adolph Miller Real Estate) reported that the subject property would trade at a lower unit price than recent mixed-use residential sales in the downtown districts of DeKalb and Sycamore. The subject's large storage component and fair condition limit its potential buyer pool as a market investor would not pay the same amount for a property without a residential component/requiring significant rehab costs as a fully built-out property generating higher commercial and/or apartment revenue. Pricing for the subject property would most likely fall closer in line with mixed-use office/retail/warehouse uses in the downtown area.

TRANSACTION TRENDS

Sales Volume

The volume of sale transactions for similar assets has been low over the past six months within the marketplace. This assertion is supported by the comparable sales that were selected for the Sales Comparison Approach. These sales are somewhat recent transactions, which provide support for the reported market sales activity. Sales volume is directly impacted by the activity levels of sellers and buyers of this property type.

Seller Activity

Based on research completed on various listing sources including CoStar and LoopNet, properties similar to the subject in terms of pricing and overall investment appeal have somewhat limited availability, with few listings offered within the marketplace. This trend was confirmed during the market participant interview process and represents the general sentiment of market participants interviewed for this and other assignments.

Most Probable Buyer Profile/Activity

In the open market, the subject property type would command most interest from regional and local developers that are actively pursuing similar redevelopment properties. There is currently moderate buyer demand for substitute properties of the subject based on the volume of sale transactions and reports by buyers, sellers and other market participants during confirmation of market transactions. The most probable buyer is a regional or local developer.

Transaction Trends Conclusion

Based on the preceding analysis, there is an established sales market for the subject property. As previously discussed, the velocity of sale transactions has been low over the past six months. Currently there is moderate buyer demand, while there is somewhat limited availability for this property type on the supply side.

SUBJECT PROPERTY ANALYSIS

This market analysis has examined historical and current supply/demand trends for the subject property type on market and submarket levels. Further, the subject's competitive dataset was profiled and analyzed to gain perspective of supply/demand conditions for properties in direct competition with the subject. Market participant interviews were conducted to provide ground level support of what is really occurring in the marketplace. Next, transaction trends were researched and analyzed. The final step will be to draw conclusions from the market data and analyses based on their perceived influence on the subject property.

The subject is a Retail / Commercial (Mixed Use Retail/Commercial) asset with a total net rentable area of 18,484 SF. The subject property has a partially owner-user design for D-N-J Properties Inc. The subject owner currently uses a portion of the ground floor as an office and machine/wood shop and a majority of the second floor as storage/personal use. The remainder of the property is comprised of rentable retail storefronts and storage space. As of the effective date of value, only one retail space is leased to a third-party tenant with a reported expiration date of June 30, 2027. An analysis of this lease is not warranted as a market investor would not purchase the subject property for the short-term income stream (less than 5 years remaining) associated with one existing lease. There are also reportedly multiple in-place storage agreements that are rented on a month-to-month or annual basis by residential tenants from other buildings owned by D-N-J Properties. As will be illustrated in our analysis, the subject's Highest and Best Use As-Improved is deemed to be the interim use as a retail/storage property until market conditions warrant redevelopment or conversion to a mixed-use residential/retail use.

Tenant Appeal Conclusion

Based on our analysis of the subject property and investigation of comparable properties in the marketplace, the subject is considered to have below average overall tenant appeal with a relatively weak competitive position for attracting and retaining tenants.

Buyer Appeal Conclusion

Based on our analysis of the subject property and investigation of substitute properties in the marketplace, the subject is considered to have below average overall buyer appeal with a relatively weak competitive position if the asset was exposed to the open market. However, as a redevelopment property, the subject is considered to have average to above average overall buyer appeal to developers if the asset was exposed to the open market.

General Vacancy Conclusion

As summarized in the table below this market analysis relied on various published data sources and field research for assessing how supply/demand conditions influence the long-term vacancy estimate of the subject property.

GENERAL VACANCY CONCLUSION			
CoStar	2023 Q3	LAST YR	10 YR AVG
Chicago Market	5.1%	5.7%	6.5%
Western East-West Corridor Submarket	6.8%	7.6%	8.3%
GENERAL VACANCY RATE CONCLUSIONS			10.0%

Based on the subject's size, location and appeal, the submarket analysis findings warrant primary consideration. The submarket level analysis indicated a CoStar vacancy rate of 6.8% and an average vacancy rate of 8.3% over the past ten years. As of the effective date of this appraisal, the subject property is partially owner-occupied, and only one retail space is leased. There are also reportedly several storage agreements in place. Based on our analysis of supply/demand trends and considering the subject's actual performance, a general vacancy rate above the submarket indication is concluded at 10.0%. In addition, a credit and collection loss charge of 2.0% is applied for a total vacancy and credit loss rate of 12.0%.

VACANCY & CREDIT LOSS	
General Vacancy Rate	10.0%
Credit Loss Conclusion	2.0%
Total	12.0%

EXPOSURE TIME & MARKETING PERIOD

Exposure time is defined as "An opinion, based on supporting market data, of the length of time that 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." (The Dictionary of Real Estate Appraisal, Appraisal Institute, 2022). Reasonable exposure time is impacted by the aggressiveness and effectiveness of a property's exposure to market participants, availability and cost of financing, and demand for similar investments. Exposure time is best established based the recent history of marketing periods for comparable sales, discussions with market participants and information from published surveys.

The following information was taken into consideration to develop estimates of exposure time and marketing period for the subject property:

EXPOSURE TIME & MARKETING PERIOD						
SOURCE	QUARTER	RANGE		AVG	LAST Q	LAST YR
PriceWaterhouse Coopers						
National Strip Shopping Center	1Q 23	1.0	to 18.0	6.4	7.1	6.8
Market Participant	3Q 23	3.0	to 18.0	12.0	-	-
Comparable Sales Dataset		2.0	to 17.0	9.0		
AVERAGE		2.0	to 17.7	9.1	7.1	6.8

The availability of acquisition financing factors into exposure time. In recent quarters, financing has been available for well-positioned commercial real estate, particularly for stabilized assets within core MSAs and owner/user deals. For second tier or marginal properties, financing has been available but subject to more stringent requirements. Based on review of the local capital market, we conclude that adequate financing options would have been available to consummate a sale of the property on the date of value.

Exposure Time Conclusion

The preceding information generally supports an exposure time range from one to 18 months for Retail / Commercial (Mixed Use Retail/Commercial) properties. The subject property is of average quality and is in fair condition. Based on its overall physical and locational characteristics, the subject has below average overall appeal to investors and/or partial owner/users. However, as a redevelopment property, the subject is considered to have average to above average overall buyer appeal to developers if the asset was exposed to the open market. Considering these factors, a reasonable estimate of exposure time for the subject property is 12 to 18 months.

Marketing Period Conclusion

Marketing period is very similar to exposure time but reflects a projected time period to sell the property, rather than a retrospective estimate. We have reviewed open listings and discussed the market with local participants, and given the nature of the subject property, we feel that a time period of 12 to 18 months is supported for the subject's marketing period.

INTRODUCTION

The highest and best use of an improved property is defined as that reasonable and most probable use that will support its highest present value. The highest and best use, or most probable use, must be legally permissible, physically possible, financially feasible, and maximally productive. This section develops the highest and best use of the subject property As-Vacant and As-Improved.

AS-VACANT ANALYSIS

Legal Factors

The legal factors that possibly influence the highest and best use of the subject site are discussed in this section. Private restrictions, zoning, building codes, historic district controls, and environmental regulations are considered, if applicable to the subject site. Permitted uses of the subject's CBD (Central Business District) zoning were listed in the Zoning Analysis section and include a wide range of multi-residential and commercial uses. The potential use that meets the requirements of the legal permissibility test is a mixed-use development.

Physical & Locational Factors

Regarding physical characteristics, the subject site is irregular in shape and has level topography with average access and average exposure. The subject is surrounded by mixed-use residential and commercial developments due to its location in Downtown DeKalb. Given the subject's location and surrounding uses, the subject site is desirable for a mixed-use development. Of the outright permitted uses, physical and locational features best support development of a mixed-use residential property as market conditions warrant for the site's highest and best use as-vacant.

Feasibility Factors

The financial feasibility of those uses that meet the legal and physical tests discussed is analyzed further in this section. Supply and demand conditions affect the financial feasibility of possible uses. Indicators of feasibility, which typically indicate favorable or non-favorable supply and demand conditions, include construction financing and proposed projects. In recent quarters, there has been new mixed-use multifamily development in the Downtown DeKalb area. This is evidence that new construction is feasible at this time. Financial feasibility factors generally support a one- to three-year hold prior to development.

As-Vacant Conclusion

Based on the previous discussion, the subject's highest and best use as-vacant is concluded to be development of a mixed-use residential property as market conditions warrant.

AS-IMPROVED ANALYSIS

Legal Factors

The subject property, as-improved, is a mixed use retail/commercial project that is zoned CBD (Central Business District). The subject's improvements represent a legal, conforming use. The legal factors influencing the highest and best use of the property support the subject's use as-improved.

Physical & Locational Factors

The physical and locational characteristics of the subject improvements have been previously discussed in this report. In summary, the subject's improvements were constructed in 1890 and have a remaining economic life of 8 years based on our estimate. The project is of average quality construction and in fair condition. The overall building is underutilized as a large portion of the property is used for storage with dated and minimal build-out, whereas similar two-story buildings in the Downtown DeKalb area typically have fully built-out upper levels for apartment use. Physical and locational factors influencing the highest and best use of the property do not support the subject's use as-improved.

Alternative Uses & Feasibility Factors

In addition to legal and physical considerations, analysis of the subject property as-improved requires the treatment of two important issues: 1) consideration of alternative uses for the property; and 2) the marketability of the most probable use. The five possible alternative treatments of the property are demolition, expansion, renovation, conversion, and the subject's use as-improved.

- › **Demolition** The subject improvements contribute significant value above the current land value. Therefore, demolition is not applicable in this case.
- › **Expansion** The subject property comprises approximately 0.25 acres (11,034 SF) and is improved with a mixed-use retail development. The subject site does not contain additional site area for expansion. Therefore, expansion of the subject is not considered a viable option.
- › **Renovation** The subject property is approximately 133 years old and is in fair condition. Renovating the subject is an option. However, the feasibility of said renovation would depend on the scope of work and the associated costs. Based on the scope of work agreed upon for this assignment, we have valued the subject in its as-is condition.
- › **Conversion** Conversion to a mixed-use residential/retail use is applicable to this property and supported by local multifamily supply/demand trends; however, the estimated cost to convert is currently not feasible due to high construction costs, local demographic trends, and market apartment rents. According to local cost comparables and broker estimates, the current cost to convert the subject's second floor for apartment use would likely fall in the range of \$100/SF to \$125/SF. Programs such as tax increment financing (TIF), however, could be used to provide significant capital assistance for new construction and adaptive reuse projects.
- › **Continued Use "As-Is"** The final option is the continued use of the property "As-Is." The subject's potential buyer pool includes investor or partial owner-user buyers and residential developers looking to redevelop or convert the existing improvements to a mixed-use apartment use. The subject's continued use as a retail/storage property may be legally permitted, physically possible, and financially feasible to an investor or partial owner-user to the extent that the existing improvements fully satisfy the functional needs of a potential buyer, in which case the price paid may be higher than our value estimate. The subject's conversion to a mixed-use residential/retail use is also legally permitted and physically possible, and this use potentially offers a significantly higher return to the land; however, despite stable demand, high construction costs have limited development activity in the market for multifamily uses. Given the preceding factors, the highest and best use of the subject property in its current condition would be to hold as an interim mixed-use retail/storage use until market conditions warrant redevelopment or conversion to a mixed-use residential use.

Among the five alternative uses, the subject's interim use as a retail/storage property until market conditions warrant redevelopment or conversion to a mixed-use residential use is supported to be its Highest and Best Use.

Marketability Factors

Based on our analysis of the subject property and investigation of comparable properties in the marketplace, the subject is considered to have below average overall tenant appeal with a relatively weak competitive position for attracting and retaining tenants. Based on our analysis of the subject property and investigation of substitute properties in the marketplace, the subject is considered to have below average overall buyer appeal to investors and/or partial owner-users. However, as a redevelopment property, the subject is considered to have average to above average overall buyer appeal to developers if the asset was exposed to the open market.

As-Improved Conclusion

Based on the previous discussion, the highest and best use of the subject property as-improved is concluded to be hold as interim retail/storage use until market conditions warrant redevelopment or conversion to mixed-use residential property.

INTRODUCTION

The following presentation of the appraisal process deals directly with the valuation of the subject property. The following paragraphs describe the standard approaches to value that were considered for this analysis.

INCOME APPROACH

The Income Approach is based on the premise that properties are purchased for their income producing potential. It considers both the annual return on the invested principal and the return of the invested principal. This valuation technique entails careful consideration of contract rents currently in place, projected market rents, other income sources, vacancy allowances, and projected expenses associated with the efficient operation and management of the property. The relationship of these income estimates to property value, either as a single stream or a series of projected streams, is the essence of the income approach. The two fundamental methods of this valuation technique include Discounted Cash Flow and Direct Capitalization.

› Discounted Cash Flow (DCF)

The DCF analysis models a property's performance over a buyer's investment horizon from the date of acquisition through the projected sale of the property at the end of the holding period. Net cash flows from property operations and the reversion are discounted at a rate reflective of the property's economic and physical risk profile.

› Direct Capitalization

This method analyzes the relationship of one year's stabilized net operating income to total property value. The stabilized net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over a buyer's investment horizon. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

Characteristics specific to the subject property warrant that this valuation technique is developed. Development of the Income Approach is a specific scope requirement of this assignment. The current retail/storage use is generating nominal rental income as the subject property is partially owner-occupied and has only one retail tenant and some storage revenue. The subject's highest and best use as-improved is concluded to be retail/storage use in the interim until market conditions warrant redevelopment or conversion to a mixed-use residential use. The potential revenue and associated costs regarding a potential multifamily conversion are highly speculative as a prospective design/unit mix and the associated market rents have not been established or approved, and a feasibility analysis regarding the ideal improvement is beyond the scope of this analysis. As a result, the Income Approach analysis is reflective of the subject in its as-is condition.

The Direct Capitalization method is used in this analysis. Discounted Cash Flow analysis does not contribute substantially to estimating value beyond the direct capitalization method and is not used in this analysis.

SALES COMPARISON APPROACH

The Sales Comparison Approach is based on the principle of substitution, which asserts that no one would pay more for a property than the value of similar properties in the market. This approach analyzes comparable sales by applying transactional and property adjustments in order to bracket the subject property on an appropriate unit value comparison. The sales comparison approach is applicable when sufficient data on recent market transactions is available. Alternatively, this approach may offer limited reliability because many properties have unique characteristics that cannot be accounted for in the adjustment process.

Characteristics specific to the subject property warrant that this valuation technique to be developed. Development of the Sales Comparison Approach is a specific scope requirement of this assignment. Sufficient sales data is available to provide a credible value estimate by the Sales Comparison Approach. Based on this reasoning, the Sales Comparison Approach is presented within this appraisal.

LAND VALUATION

Development land in the subject marketplace is most often valued utilizing the Sales Comparison Approach. Characteristics specific to the subject property warrant that a site value is developed. Due to land value trends in the subject market area, the subject site is valued to test highest & best use considerations. Within the Site Valuation section, the subject is valued as one marketable economic site.

COST APPROACH

The Cost Approach is a set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised. For investment properties, this valuation technique is most often relied upon as a test of financial feasibility for proposed construction.

Characteristics specific to the subject property do not warrant that this valuation technique is developed. Development of the Cost Approach is not a specific scope requirement of this assignment. The Cost Approach has limited applicability due to the age of the improvements and lack of market based data to support an estimate of accrued depreciation. Based on the preceding information, the Cost Approach will not be presented.

RECONCILIATION OF VALUE CONCLUSIONS

The Income (Direct Capitalization) and Sales Comparison approaches are used to value the subject property, which will be reconciled into the final opinion of market value in the Analysis of Value Conclusions section.

INTRODUCTION

The Income Approach is based on the premise that properties are purchased for their income producing potential. It considers both the annual return on the invested principal and the return of the invested principal. This valuation technique entails careful consideration of contract rents currently in place, projected market rents, other income sources, vacancy allowances, and projected expenses associated with the efficient operation and management of the property. The relationship of these income estimates to property value, either as a single stream or a series of projected streams, is the essence of the income approach. As previously discussed within the Valuation Methods section, the Direct Capitalization method is used in this analysis, and Discounted Cash Flow analysis is not developed.

The subject's current retail/storage use is generating nominal rental income as the subject property is partially owner-occupied and has only one retail tenant and some storage revenue. The subject's highest and best use as-improved is concluded to be retail/storage use in the interim until market conditions warrant redevelopment or conversion to a mixed-use residential use. The potential revenue and associated costs regarding a potential multifamily conversion are highly speculative as a prospective design/unit mix and the associated market rents have not been established or approved, and a feasibility analysis regarding the ideal improvement is beyond the scope of this analysis. As a result, the Income Approach analysis is reflective of the subject in its as-is condition.

Direct Capitalization

This method analyzes the relationship of one year's stabilized net operating income to total property value. The stabilized net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over a buyer's investment horizon. The first step in the direct capitalization method is to estimate the subject's durable rental income through reconciliation of the subject's in-place lease terms and market rent analysis. Next, we analyze other income items including reimbursements and miscellaneous revenue. Then, vacancy allowance and operating expenses are estimated based on analysis of the subject and market indicators. Finally, the resulting net operating income is capitalized at an appropriate supported rate. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

Given the appraisal problem and defined scope of work, the following table summarizes the value scenarios and Income Approach methods developed within this appraisal report:

INCOME APPROACH VALUE SCENARIOS		
VALUE	METHODS USED	
SCENARIO	DCF	DIRECT CAP
As-Is Market Value		✓

Income Approach Framework

The following identifies the primary sections and order in which the Income Approach is developed.

- Overview of Contract Rents
- Market Rent Analysis
- Contract Income Risk Analysis
- Income & Expense Analysis
- Capitalization Rate Analysis
- Direct Capitalization
- Adjustments to Value

OVERVIEW OF CONTRACT RENTS

This section provides an overview of the subject's existing leases, current leasing activity and asking rents for any vacant space as applicable. Analysis of in-place lease terms is an integral step for developing the rental income conclusion for investment properties that operate with a blend of short, intermediate and long-term leases, all of which influence net operating income potential.

Rent Roll

The following Rent Roll Summary reflects a breakdown of the subject spaces.

RENT ROLL SUMMARY				AS OF JULY 2023
SUITE	TENANT NAME	TOTAL NRA (SF)	% OF NRA	TENANT GROUP
1st Floor	Retail/Office	10,124	54.8%	Retail/Office
2nd Floor	Storage	8,360	45.2%	Storage
TOTAL NRA		18,484	100.0%	

We were not provided a rent roll or lease documents to verify the subject's square footage or tenancy/occupancy. The building space areas above are based on estimates provided by the property contact and ownership.

The subject property has a multi-tenant design that is currently partially owner-occupied by D-N-J Properties Inc. The subject owner currently uses a portion of the ground floor as an office and machine/wood shop and a majority of the second floor as storage/personal use. In accordance with the definition of market value, the owner-occupied space was modeled at the projected market rent and terms.

The remainder of the property is comprised of rentable retail storefronts and additional storage space. As of the effective date of value, only one retail space is leased to a third-party tenant at a current rent of \$8.73/SF gross with a reported expiration date of June 30, 2027. An analysis of this lease is not warranted as a market investor would not purchase the subject property for the short-term income stream (less than 5 years remaining) associated with one existing lease. Further, the in-place storage agreements are rented on a month-to-month or annual basis by residential tenants from other buildings owned by D-N-J Properties. As a result, the subject property would most likely be viewed as a value-add opportunity as though vacant.

Asking Rent

The subject ownership reported asking rents for the remaining vacant retail spaces between \$7.95/SF and \$8.95/SF on a gross basis (tenant pays utilities). The asking rates assume the tenants accept the spaces in as-is condition.

Pending Leasing Activity

There are currently no pending leases within the subject property.

MARKET RENT ANALYSIS

Having discussed the subject's current income producing capability in detail through an analysis of the subject rent roll, it is appropriate to examine competitive comparable properties within the market. This allows for a comparison of the subject property's contracts to what is attainable in the current market. Risks associated with anomalies between the subject rent roll and current market terms will be addressed in the Contract Income Risk Analysis section that follows the Market Rent Analysis section.

Analysis by Tenant Category

Within the Overview of Contract Rents section, the subject tenant spaces were segregated into tenant categories defined by correlating Market Leasing Assumptions (MLAs). For each MLA, we provide a specific analysis,

described below, as a rent module. In each rent module, we derive an opinion of market rent and correlating lease terms for each MLA included in our analysis.

- **Retail/Office Analysis** - Comparable Retail/Office leases are used to derive market rent for the Retail/Office categories.

In addition to market rent analyses presented on the preceding tenant categories, the subject also has storage spaces that are not commonly analyzed through analysis of rent comparables. Market rent projections for these spaces are discussed separately ahead.

Adjustment Process

Quantitative adjustments are made to the comparable leases. The following adjustments or general market trends were considered for the basis of market rent analysis.

Transactional Adjustments	If warranted, the comparable leases were adjusted for varying lease structures, atypical concessions and market conditions. The adjustment for rent concession equivalency quantifies the differences between market standard free rent and tenant improvement allowances compared to those of the lease transaction, which were divided by the comparable's lease term, and applied to the beginning "face" rent of the comparable lease. The market conditions adjustment is explained at the end of this section.
Property Adjustments	Quantitative percentage adjustments were made for location and physical characteristics such as size, age, condition, exposure and parking ratio. Where possible the adjustments applied are based on paired data or other statistical analysis. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject site.
Tenant Space Adjustments	The lease comparables were further adjusted to the subject to account for tenant space specific characteristics such as size and space functionality.

Transactional market conditions adjustment was based on a review of historical sale data, market participant interviews and review of current versus historical pricing. Based on our research, the following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT			
Per Year As Of	July 2023	(As-Is)	0%

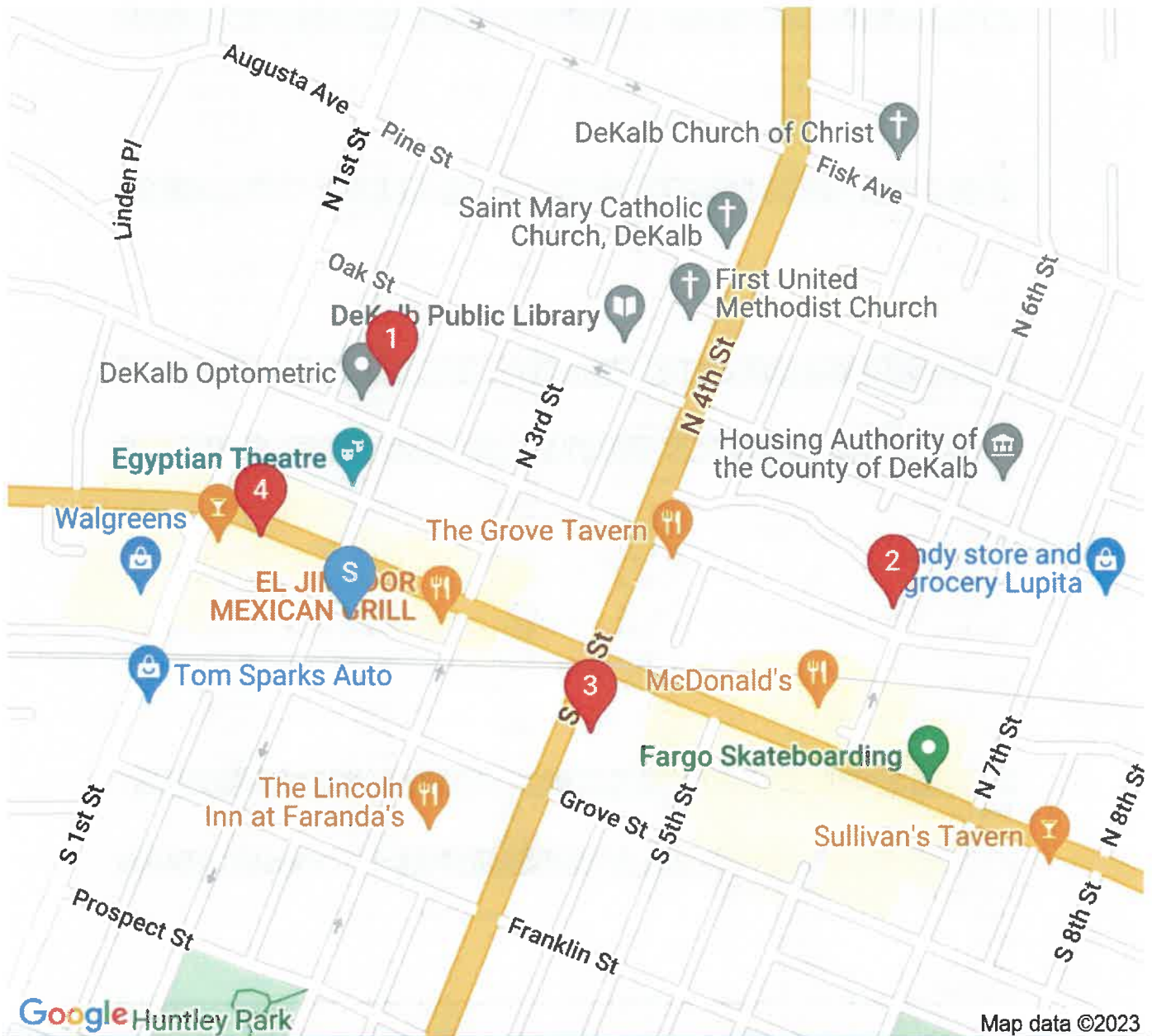
The market has exhibited value stability during the time from the oldest lease date up through the effective valuation date; therefore, a market conditions adjustment is not warranted.

ANALYSIS OF COMPARABLE RETAIL/OFFICE LEASES

The Retail/Office lease analysis is used to derive an opinion of market rent and correlating leasing assumptions for the Retail/Office category. The following table includes a summary of the comparables selected for this analysis, including relevant listings and actual leases at competing properties. Following the table is an adjustment grid, analysis and our conclusion. Datasheets containing more details of the comparables are presented later in this section.

RETAIL/OFFICE LEASE SUMMATION TABLE					
COMPARABLE	SUBJECT	LEASE 1	LEASE 2	LEASE 3	LEASE 4
Name	128-140 S. 2nd Street	205 N. 2nd Street	201 N. 6th Street	126 S. 4th Street	128 E. Lincoln Highway
Address	128-140 S. 2nd Street	205 North 2nd Street	201 N 6th St	126 South 4th Street	128 East Lincoln Highway
City	DeKalb	DeKalb	DeKalb	DeKalb	DeKalb
State	IL	IL	IL	IL	IL
Zip	60115	60115	60115	60115	60115
PHYSICAL INFORMATION					
NRA	18,484	11,910	16,000	4,890	7,056
Location	Average	Average	Average	Average	Average
Quality	Average	Average/Good	Fair	Average	Average/Good
Condition	Fair	Average	Fair	Average	Average
Exposure	Average	Average	Average	Average/Good	Average/Good
Access	Average	Average	Average	Average	Average
Parking Ratio	0.0	1.0	-	-	.6
Year Built	1890	1976	1890	1974	1931
Stories	2	2	2	1	2
LEASE INFORMATION					
Floor		1	1	1	1
Commencement Date		Listing	8/1/2023	5/18/2023	3/1/2022
Lease Type		Listing	New	New	New
Lease Status		Listing	Signed	Signed	Signed
Rate Type		Gross	FSG	FSG	Gross
Size (SF)		900	1,600	1,531	3,000
Rent (\$/SF/Yr.)		\$10.00	\$9.00	\$14.00	\$9.00

COMPARABLE RETAIL/OFFICE LEASE MAP



Map data ©2023

COMPARABLE KEY

COMP	DISTANCE	ADDRESS	LEASE DATE	SF	\$/SF
SUBJECT	-	128-140 S. 2nd Street, DeKalb, IL	-	-	-
No. 1	0.1 Miles	205 North 2nd Street, DeKalb, IL	Listing	900	-
No. 2	0.3 Miles	201 N 6th St, DeKalb, IL	8/1/2023	1,600	-
No. 3	0.1 Miles	126 South 4th Street, DeKalb, IL	5/18/2023	1,531	-
No. 4	0.1 Miles	128 East Lincoln Highway, DeKalb, IL	3/1/2022	3,000	-

RETAIL/OFFICE LEASE ADJUSTMENT TABLE

COMPARABLE	SUBJECT	LEASE 1	LEASE 2	LEASE 3	LEASE 4
Name	128-140 S. 2nd Street	205 N. 2nd Street	201 N. 6th Street	126 S. 4th Street	128 E. Lincoln Highway
Address	128-140 S. 2nd Street	205 North 2nd Street	201 N 6th St	126 South 4th Street	128 East Lincoln Highway
City	DeKalb	DeKalb	DeKalb	DeKalb	DeKalb
NRA	18,484	11,910	16,000	4,890	7,056
LEASE INFORMATION					
Commencement Date		Listing	8/1/2023	5/18/2023	3/1/2022
Lease Type		Listing	New	New	New
Lease Status		Listing	Signed	Signed	Signed
Rate Type		Gross	FSG	FSG	Gross
Size (SF)		900	1,600	1,531	3,000
Rent (\$/SF/Yr.)		\$10.00	\$9.00	\$14.00	\$9.00
TRANSACTIONAL ADJUSTMENTS					
Lease Type		Similar	Higher	Higher	Similar
Market Conditions¹		Similar	Similar	Similar	Similar
PROPERTY ADJUSTMENTS					
Location	Average	Average	Average	Average	Average
<i>Adjustment</i>		Similar	Similar	Similar	Similar
Quality	Average	Average/Good	Fair	Average	Average/Good
<i>Adjustment</i>		Sl. Superior	Inferior	Similar	Sl. Superior
Condition	Fair	Average	Fair	Average	Average
<i>Adjustment</i>		Superior	Similar	Superior	Superior
Exposure	Average	Average	Average	Average/Good	Average/Good
<i>Adjustment</i>		Similar	Similar	Sl. Superior	Sl. Superior
Access	Average	Average	Average	Average	Average
<i>Adjustment</i>		Similar	Similar	Similar	Similar
Age	1890	1976	1890	1974	1931
<i>Adjustment</i>		New er	Similar	New er	New er
TENANT SPACE ADJUSTMENTS					
Size (Tenant)		900	1,600	1,531	3,000
<i>Adjustment</i>		Similar	Similar	Similar	Similar
TOTAL ADJUSTED RENT		Sl. Superior	Sl. Inferior	Superior	Superior
STATISTICS	UNADJUSTED				
LOW	\$9.00		Lease Type	Gross	
HIGH	\$14.00				
MEDIAN	\$9.50				
AVERAGE	\$10.50				

¹ Market Conditions Adjustment - Compound annual change in market conditions: 0%

Date of Value (for adjustment calculations): 7/26/23

Retail/Office Lease Analysis

Comparable 1 reflects an active listing. This property is of superior overall quality and condition with a newer age. Overall, this comparable is considered to be slightly superior to the subject.

Comparable 2 has a full service gross lease structure, which includes an estimate of all reimbursable expenses in the base rental rate. This is as compared to the subject's gross lease structure, for which the tenant pays for utilities. As a result, full service gross rents are typically higher than gross rents. This comparable is of inferior overall quality. Considering these factors, this comparable is considered to be slightly inferior to the subject.

Comparable 3 has a full service gross lease structure, which includes an estimate of all reimbursable expenses in the base rental rate. This is as compared to the subject's gross lease structure, for which the tenant pays for utilities. As a result, full service gross rents are typically higher than gross rents. This is a newer property that is in superior condition. It also benefits from its location along a major arterial (4th Street). Considering these factors, this comparable is considered to be superior to the subject.

Comparable 4 is a newer property that is of superior overall quality and condition. It also benefits from its location along a major arterial (Lincoln Highway). Considering these factors, this comparable is considered to be superior to the subject.

RETAIL/OFFICE SPACE MARKET RENT CONCLUSION

Based on the results of the preceding analysis, Comparable 1 and Comparable 2 are given primary consideration for the lease rate conclusion.

The following table summarizes the analysis of the comparable leases and the Retail/Office market rent conclusion.

RETAIL/OFFICE LEASE CONCLUSION TABLE		
LEASE	LEASE RATE	OVERALL COMPARISON
1	\$10.00	PRIMARY
2	\$9.00	PRIMARY
3	\$14.00	SECONDARY
4	\$9.00	SECONDARY
ASKING		CONCLUSION
Retail/Office	\$7.95 - \$8.95	\$9.00
Storage	Negotiable	\$3.00

¹Cumulative

The subject ownership reported asking rents for the remaining vacant retail spaces between \$7.95/SF and \$8.95/SF on a gross basis (tenant pays utilities). The asking rents assume the tenants accept the spaces in as-is condition. The market rent conclusion is slightly higher than the asking rent range as it reflects some level of turnkey build-out to attract tenancy in line with the market.

As previously mentioned, the subject also has storage spaces that are not commonly analyzed through analysis of rent comparables. These are currently rented on a month-to-month or annual basis by residential tenants from other buildings owned by D-N-J Properties. Rental rates for these spaces can vary significantly by building. Discussions with local brokers indicate storage rents can range between \$3/SF and \$6/SF, depending on condition. Due to the subject's fair condition and atypical amount of storage space, we projected storage rent at the low end of the indicated market range.

Comparable Rent Data Sheets

The following pages present the rent comparable data sheets that were used in the prior analysis.

COMPARABLE 1**PHYSICAL INFORMATION**

Name	205 N. 2nd Street
Address	205 North 2nd Street
City, State, Zip Code	DeKalb, IL, 60115
MSA	Chicago-Naperville-Egin, IL-IN-WI
Net Rentable Area (NRA)	11,910
Year Built	1976
Occupancy	92.4%
Site Size	7,841 SF
Parking Spaces	12
Parking Ratio	1.00
Building Class	C
Floors	2

**205 N. 2ND STREET****CONFIRMATION**

Source	Leasing Broker
Date	07/28/2023

REMARKS

This is a two-story mixed-use residential/office/retail property in Downtown DeKalb.

TENANT NAME	RATE TYPE	SIZE	START DATE	TERM	LEASE RATE	ADJ LEASE RATE
Current Listing	Gross	900	Listing	Negotiable	\$10.00	

COMPARABLE 2**PHYSICAL INFORMATION**

Name	201 N. 6th Street
Address	201 N 6th St
City, State, Zip Code	DeKalb, IL, 60115
MSA	Chicago-Naperville-Egin, IL-IN-WI
Net Rentable Area (NRA)	16,000
Year Built	1890
Occupancy	0.0%
Site Size	14,102 SF
Site Coverage	82%
Building Class	C
Floors	2

**201 N. 6TH STREET****CONFIRMATION**

Source	Leasing Broker
Date	07/27/2023

REMARKS

This is a mixed-use office/retail/warehouse property in Downtown DeKalb. The corner ground floor space was previously used as a bakery. It has 23,200 SF of GBA and 16,000 SF of NRA. It features two drive-in doors and a loading dock door.

TENANT NAME	RATE TYPE	SIZE	START DATE	TERM	LEASE RATE	ADJ LEASE RATE
	FSG	1,600	08/01/2023		\$9.00	

INCOME APPROACH

CONTINUED

ORD230367

COMPARABLE 3

PHYSICAL INFORMATION

Name	126 S. 4th Street
Address	126 South 4th Street
City, State, Zip Code	DeKalb, IL, 60115
MSA	Chicago-Naperville-Egin, IL-IN-WI
Net Rentable Area (NRA)	4,890
Year Built	1974
Occupancy	100.0%
Site Size	6,098 SF
Building Class	C
Floors	1



126 S. 4TH STREET

CONFIRMATION

Source Leasing Broker

Date 07/27/2023

REMARKS

This is a single-story office/retail property in Downtown DeKalb. This is a plug n' play space. All utilities are included in the rental rate.

TEENANT NAME	RATE TYPE	SIZE	START DATE	TERM	LEASE RATE	ADJ LEASE RATE
	FSG	1,531	05/18/2023		\$14.00	

COMPARABLE 4

PHYSICAL INFORMATION

Name	128 E. Lincoln Highway
Address	128 East Lincoln Highway
City, State, Zip Code	DeKalb, IL, 60115
MSA	Chicago-Naperville-Egin, IL-IN-WI
Net Rentable Area (NRA)	7,056
Year Built	1931
Occupancy	57.5%
Site Size	4,433 SF
Site Coverage	80%
Parking Spaces	4
Parking Ratio	0.60
Floors	2



128 E. LINCOLN HIGHWAY

CONFIRMATION

Source Leasing Broker

Date 07/27/2023

REMARKS

This is a mixed-use property in Downtown DeKalb. It has ground floor retail/office space and 7 apartments on the second floor.

TEENANT NAME	RATE TYPE	SIZE	START DATE	TERM	LEASE RATE	ADJ LEASE RATE
	Gross	3,000	03/01/2022		\$9.00	

POTENTIAL GROSS RENT

Our analysis and conclusions of the subject's potential gross rent are detailed as follows:

POTENTIAL GROSS RENT SUMMARY						AS OF JULY 2023		
TENANT	TOTAL NRA (SF)	% OF NRA	TENANT CATEGORY	MARKET RENT	BASIS FOR PROFORMA	RENT FORECAST		
						\$/SF(MO.)	\$/SF(YR.)	ANNUAL
Retail/Office	10,124	54.8%	Retail/Office	\$9.00	Market	\$0.75	\$9.00	\$91,116
Storage	8,360	45.2%	Storage	\$3.00	Market	\$0.25	\$3.00	\$25,080
TOTAL	18,484	100.0%				\$0.52	\$6.29	\$116,196

(1) Potential rent at current market levels, reflected on an annual basis.

INCOME & EXPENSE ANALYSIS

The preceding sections estimated potential gross rent and addressed risk factors associated with the rental income of the subject property. The following section presents our analysis and conclusions for other revenue, vacancy and credit loss and operating expenses. These are summarized in the following table, along with our estimate of income and expenses on a stabilized basis.

SUBJECT PROFORMA			
YEAR	COLLIERS FORECAST		
	PROFORMA		
INCOME ITEMS	TOTAL	\$/SF	%EGI
Market Rent	\$116,196	\$6.29	113.6%
TOTAL RENTAL INCOME	\$116,196	\$6.29	113.6%
TOTAL GROSS INCOME	\$116,196	\$6.29	113.6%
General Vacancy	(\$11,620)	(\$0.63)	(11.4%)
Credit & Collection Loss	(\$2,324)	(\$0.13)	(2.3%)
EFFECTIVE GROSS INCOME	\$102,252	\$5.53	100.0%
EXPENSE ITEMS			
Real Estate Taxes	(\$6,786)	(\$0.37)	(6.6%)
Property Insurance	(\$3,697)	(\$0.20)	(3.6%)
Common Area Maintenance	(\$13,293)	(\$0.72)	(13.0%)
Management Fees	(\$4,090)	(\$0.22)	(4.0%)
TOTAL EXPENSES	(\$27,865)	(\$1.51)	(27.3%)
NET OPERATING INCOME	\$74,387	\$4.02	72.7%

Expense Reimbursements

Based on our analysis of the subject and reported historical operations, there are no expense reimbursements present. The base lease payments are inclusive of all operating expenses except utilities, which are paid directly by tenants.

Additional Revenue

Based on our analysis of the subject's operations, there are no additional revenue generators present.

VACANCY & CREDIT LOSS

General vacancy was discussed in depth in the market analysis section of this report. Please reference that discussion for a full analysis. Our general vacancy and credit loss conclusions are summarized in the following table and are intended to mirror behavior of typical purchasers of the subject.

VACANCY & CREDIT LOSS	
General Vacancy Rate	10.0%
Credit Loss Conclusion	2.0%
Total	12.0%

ANALYSIS OF OPERATING EXPENSES

The operating expenses for the subject property were presented previously. The following chart summarizes comparable expenses.

EXPENSE COMPARABLES															
COMPARABLE	COMP 1		COMP 2		COMP 3		COMP 4		COMP 5		COMP 6		LOW	HIGH	AVG
State	IL		IL		IL		IL		IL		IL		-	-	-
Expense Year	Stabilized		2022		2022		2022		2021		2021		2021	2022	2022
Actual/Budget	Proforma		Actual		Actual		Actual		Budget		Actual		-	-	-
Net Rentable Area	13,380		112,507		8,683		13,000		12,000		16,045		8,683	112,507	29,269
Year Built	1961		1936		1980		1940		1972		1980		1936	1980	1962
EFFECTIVE GROSS INCOME	\$6.19		\$6.99		\$11.17		\$26.42		\$10.05		\$15.77		\$6.19	\$26.42	\$12.77
EXPENSE ITEMS	\$/SF	%EGI	\$/SF	%EGI	\$/SF	%EGI	\$/SF	%EGI	\$/SF	%EGI	\$/SF	%EGI	LOW	HIGH	AVG
Real Estate Taxes	\$0.68	11.1%	\$0.94	13.4%	\$2.05	18.4%	\$2.24	8.5%	\$0.92	9.1%	\$3.19	20.2%	\$0.68	\$3.19	\$1.67
Property Insurance	\$0.30	4.9%	\$0.33	4.7%	-	-	\$0.69	2.6%	\$0.13	1.2%	\$0.34	2.2%	\$0.13	\$0.69	\$0.36
Common Area Maintenance	\$0.52	8.3%	\$0.44	6.3%	\$0.89	8.0%	\$4.57	17.3%	\$1.34	13.3%	\$2.11	13.4%	\$0.44	\$4.57	\$1.64
Management Fees	\$0.32	5.1%	\$0.26	3.7%	\$0.43	3.8%	\$1.08	4.1%	-	-	\$0.75	4.8%	\$0.26	\$1.08	\$0.57
%EGI	5.1%		3.7%		3.8%		4.1%		-		4.8%		3.7%	5.1%	4.3%
TOTAL EXPENSES (\$/SF)	\$1.82	29.4%	\$1.97	28.2%	\$3.37	30.2%	\$8.58	32.5%	\$2.38	23.7%	\$6.39	40.5%	\$1.82	\$8.58	\$4.08

CONCLUSION OF OPERATING EXPENSES

In the following section we discuss the individual expense conclusions for the subject property.

EXPENSE ANALYSIS & CONCLUSIONS

REAL ESTATE TAXES

YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/SF	%EGI	COMP	\$/SF	%EGI
				1	\$0.68	11.1%
				2	\$0.94	13.4%
				3	\$2.05	18.4%
				4	\$2.24	8.5%
				5	\$0.92	9.1%
				6	\$3.19	20.2%
CONCLUSION	\$6,786	\$0.37	6.6%	AVG	\$1.67	13.4%

ANALYSIS

The concluded taxes are based on the current taxes of the subject adjusted to reflect next years tax burden. Please refer to the Assessments and Taxes section for additional details.

PROPERTY INSURANCE

YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/SF	%EGI	COMP	\$/SF	%EGI
				1	\$0.30	4.9%
				2	\$0.33	4.7%
				3	\$0.00	0.0%
				4	\$0.69	2.6%
				5	\$0.13	1.2%
				6	\$0.34	2.2%
CONCLUSION	\$4,601	\$0.25	4.5%	AVG	\$0.30	2.6%

ANALYSIS

This expense includes all premiums and costs incurred for insurance covering structures, public liability, rental value, equipment and bonding of employees. The conclusion is based on the expense comparable information.

COMMON AREA MAINTENANCE

YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/SF	%EGI	COMP	\$/SF	%EGI
				1	\$0.52	8.3%
				2	\$0.44	6.3%
				3	\$0.89	8.0%
				4	\$4.57	17.3%
				5	\$1.34	13.3%
				6	\$2.11	13.4%
CONCLUSION	\$13,293	\$0.72	13.0%	AVG	\$1.64	11.1%

ANALYSIS

This consists of all expenses related to the common area maintenance of the subject including the costs of payroll, employee benefits, service contracts, and maintenance materials and supplies purchased for the subject. The conclusion is based on the expense comparable information.

MANAGEMENT FEES

YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/SF	%EGI	COMP	\$/SF	%EGI
				1	\$0.32	5.1%
				2	\$0.26	3.7%
				3	\$0.43	3.8%
				4	\$1.08	4.1%
				5	\$0.00	0.0%
				6	\$0.75	4.8%
CONCLUSION	\$4,090	\$0.22	4.0%	AVG	\$0.47	3.6%

ANALYSIS

This expense reflects the professional management service for the subject. The conclusion is based on the expense comparable information.

TOTAL EXPENSES	LOW	HIGH
EXPENSE COMPARABLES \$/SF	\$1.82	\$8.58
EXPENSE COMPARABLES %EGI	23.7%	40.5%
TOTAL EXPENSES \$/SF	\$1.56	
TOTAL EXPENSES %EGI	28.1%	
TOTAL EXPENSES	\$28,770	

CONCLUSION

The projected expense level is supported by the comparable range on a %EGI basis, the primary indicator for this type of analysis. Overall, they are deemed reasonable for purposes of this analysis.

DEVELOPMENT OF CAPITALIZATION RATE

The going-in capitalization rate, also known as overall rate (OAR), can be determined using several sources and methods. In developing our opinion of OAR, the following techniques were used:

- › Comparable Sales
- › Investor Surveys
- › Band of Investment Technique

Comparable Sales

In the following table presents a summary of supplemental mixed-use comparable sales that reflect leased fee transfers not used in our Sales Comparison Approach and the capitalization rates from each of those sales:

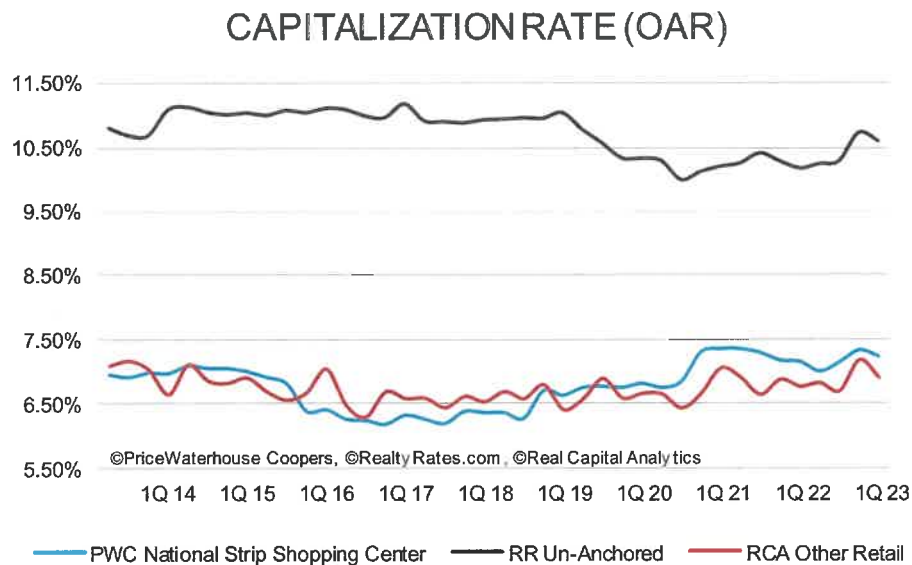
CAPITALIZATION RATE COMPARABLES (OAR)										
NAME	CITY	ST	SALE DATE	YR BLT	NRA	\$/SF	SALE PRICE	NOI	NOI/SF	CAP RATE
SS1 1926 Waukegan Road	Glenview	IL	April 21, 2023	1980	13,600	\$55	\$750,000	\$78,300	\$5.76	10.44%
SS2 100-108 Railroad Avenue	Leland	IL	March 31, 2023	1905	11,726	\$30	\$355,000	\$42,440	\$3.62	11.95%
SS3 506 N. Seymour Avenue	Mundelein	IL	March 1, 2023	1970	8,445	\$72	\$607,000	\$71,415	\$8.46	11.77%
SS4 301-305 W. Main Street	Ottawa	IL	August 1, 2022	1885	12,600	\$65	\$825,000	\$82,561	\$6.55	10.01%
SS5 120 W. Main Street	West Dundee	IL	June 30, 2022	1900	5,100	\$67	\$340,000	\$39,619	\$7.77	11.65%
SS6 1000 S. State Street	Lockport	IL	March 4, 2022	1882	13,176	\$27	\$355,000	\$33,881	\$2.57	9.54%
SS7 3435 Ridge Road	Lansing	IL	November 18, 2021	1931	5,200	\$42	\$219,000	\$28,032	\$5.39	12.80%
SS8 18-20 W. Main Street	Plano	IL	June 10, 2021	1905	8,184	\$43	\$355,000	\$37,772	\$4.62	10.64%
SS9 3944 Main Street	McHenry	IL	May 3, 2021	1930	5,280	\$68	\$360,000	\$36,972	\$7.00	10.27%
SS10 715 E. State Street	Geneva	IL	February 2, 2021	1950	14,000	\$45	\$625,000	\$65,375	\$4.67	10.46%
LOW			February 2, 2021							9.54%
HIGH			April 21, 2023							12.80%
AVERAGE			April 9, 2022							10.95%
MEDIAN			May 2, 2022							10.55%
SUBJECT	DeKalb	IL		1890	18,484				\$3.54	

The comparables above reflect a capitalization rate range of 9.54% to 12.80% with an average of 10.95% and median of 10.55%. In comparison to the subject's projected NOI/SF indication of \$3.54/SF, Comparables SS2, SS6, SS8, and SS10 are considered to be most similar. Comparables SS5 and SS6 are most comparable with respect to utility/condition. The comparable sales range in date from February 2021 through April 2023. There has been limited recent investment activity in the market due to recent interest rate hikes and soft retail supply/demand conditions. Due to the preceding factors, cap rates have since increased and are projected to trend upward in the latter half of 2023 and into 2024. Overall, considering the subject's location, quality, and utility, we would anticipate the subject's capitalization rate to lie within the range of 10.00% to 12.00%.

Investor Surveys

The potential investor pool for the subject asset includes national, regional and local investors. While all of these groups place emphasis on local cap rates, regional and national investors would also strongly consider national cap rate trends from investor surveys due to the potential to invest in other regions that are offering competitive rates of return.

The following graph provides a historical illustration of capitalization rate statistics as surveyed by investors that we considered to be relevant to the subject property.



The following table provides the most recent survey results from investors and our independent market participant interview.

CAPITALIZATION RATE SURVEYS (OAR)						
SOURCE	QUARTER	RANGE		AVG	LAST Q	LAST YR
PriceWaterhouse Coopers						
National Strip Shopping Center	1Q 23	5.00%	to 10.00%	7.23%	7.33%	7.15%
RealtyRates.com						
Un-Anchored	1Q 23	6.17%	to 13.94%	10.60%	10.73%	10.17%
Real Capital Analytics						
Other Retail Retail	1Q 23			6.89%	7.16%	6.75%
Market Participant Interview						
Market Participants	3Q 23	8.50%	to 12.50%	10.00%	-	-
AVERAGE		6.56%	to 12.15%	8.68%	8.41%	8.02%

According to the interviewed market participants from the Market Participant Interview section of this report, capitalization rates for stabilized assets generally ranged from 8.00% to 11.50% last year, with the higher end of the range indicative of older buildings with short remaining lease terms; however, cap rates are currently being underwritten higher, depending on the liquidity of the asset, due to higher interest rates/borrowing costs and perceived risk in the market. Few brokers are willing to quote a cap rate range due to the lack of recent sales data and limited investment activity but have noted cap rates may have increased anywhere between 25 to 200 bps from the year prior, with further decompression over the next year. We also spoke with lenders that reported a general cap rate increase range of 75 to 125 bps from the year prior. Based on the preceding information, a cap rate range of 8.50% to 12.50% is estimated.

Band of Investment Technique

Because most properties are purchased with debt and equity capital, the overall capitalization rate must satisfy the market return requirements of both investment positions. Lenders must anticipate receiving a competitive interest rate commensurate with the perceived risk of the investment or they will not make funds available. Lenders also require that the principal amount of the loan be repaid through amortization payments. Similarly,

equity investors must anticipate receiving a competitive equity cash return commensurate with the perceived risk or they will invest their funds elsewhere.

To analyze the capitalization rate from a financial position, the Band of Investment Technique is used. Available financing information indicates the following terms:

BAND OF INVESTMENT ASSUMPTIONS	
Loan Amortization Period	20 Years
Interest Rate	6.50%
Loan-to-Value (LTV) Ratio	65%
Mortgage Constant	8.95%

Equity dividend rates vary depending upon motivations of buyers and financing terms. The previous terms and an appropriate equity dividend rate are used in the Band of Investments calculations, which are presented on the following chart.

BAND OF INVESTMENT CALCULATION					
Mortgage Component	65%	x	8.95%	=	5.815%
Equity Component	35%	x	15.00%	=	5.250%
Indicated Capitalization Rate					11.065%
INDICATED CAPITALIZATION RATE					11.07%

Capitalization Rate Conclusion

Taking all factors into consideration, the following table summarizes the various capitalization rate indicators and provides the final capitalization rate conclusion.

CAPITALIZATION RATE CONCLUSION (OAR)						
SOURCE	QUARTER	RANGE		AVG	LAST Q	LAST YR
Supplemental Comparable Sales		9.54%	to 12.80%	10.95%	-	-
Investor Surveys	1Q 23	2.79%	to 5.99%	8.24%	8.41%	8.02%
Market Participants	3Q 23	8.50%	to 12.50%	10.00%	-	-
Band of Investment Technique				11.07%	-	-
AVERAGE		6.95%	to 10.43%	10.06%	8.41%	8.02%
CAPITALIZATION CONCLUSION (FEE SIMPLE)				11.50%		

In the final analysis, with primary emphasis on the comparable data and market participant interviews, we arrive at a market, fee simple capitalization rate of 11.50% for the subject property, considering its location, quality, condition, and utility, as well as the upward pressure on cap rates due to recent interest rate hikes.

DIRECT CAPITALIZATION CONCLUSION

This method analyzes the relationship of one year's stabilized net operating income to total property value. The stabilized net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over a buyer's investment horizon. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

The pro-forma reflecting the subject's stabilized operations is presented in the following table.

DIRECT CAPITALIZATION SUMMATION TABLE					
INCOME ITEMS	%PGI	%EGI	\$/SF(MO.)	\$/SF(YR.)	TOTAL
Market Rent			\$0.52	\$6.29	\$116,196
TOTAL RENTAL INCOME			\$0.52	\$6.29	\$116,196
POTENTIAL GROSS INCOME (PGI)	100.0%	113.6%	\$0.52	\$6.29	\$116,196
VACANCY & CREDIT LOSS					
General Vacancy	(10.0%)		(\$0.05)	(\$0.63)	(\$11,620)
Credit & Collection Loss	(2.0%)		(\$0.01)	(\$0.13)	(\$2,324)
TOTAL VACANCY & CREDIT LOSS	(12.0%)		(\$0.06)	(\$0.75)	(\$13,944)
EFFECTIVE GROSS INCOME (EGI)	88.0%	100.0%	\$0.46	\$5.53	\$102,252
EXPENSE ITEMS					
Real Estate Taxes	(5.8%)	(6.6%)	(\$0.03)	(\$0.37)	(\$6,786)
Property Insurance	(4.0%)	(4.5%)	(\$0.02)	(\$0.25)	(\$4,601)
Common Area Maintenance	(11.4%)	(13.0%)	(\$0.06)	(\$0.72)	(\$13,293)
Management Fees	(3.5%)	(4.0%)	(\$0.02)	(\$0.22)	(\$4,090)
TOTAL EXPENSES	(24.8%)	(28.1%)	(\$0.13)	(\$1.56)	(\$28,770)
NET OPERATING INCOME (NOI)	63.2%	71.9%	\$0.33	\$3.98	\$73,483
Capitalization Rate					11.50%
Capitalized Value					\$638,980
INDICATED VALUE				\$35/SF	\$640,000
Lease- Up Costs				From Lease-Up Analysis	
Rent Loss	(125.0%)	(142.0%)	(\$0.65)	(\$7.86)	(\$145,245)
Expense Carry	(30.9%)	(35.2%)	(\$0.16)	(\$1.95)	(\$35,962)
Tenant Improvements	(61.0%)	(69.3%)	(\$0.32)	(\$3.83)	(\$70,868)
Leasing Commissions	(9.9%)	(11.2%)	(\$0.05)	(\$0.62)	(\$11,456)
Total Lease-Up Costs	(226.8%)	(257.7%)	(\$1.19)	(\$14.26)	(\$263,531)
Present Value @ 3.00% Discount Rate	(210.4%)	(239.1%)	(\$1.10)	(\$13.23)	(\$244,512)
Entrepreneurial Profit	(10.5%)	(12.0%)	(\$0.06)	(\$0.66)	(\$12,226)
TOTAL LEASE-UP COSTS	(221.0%)	(251.1%)	(\$1.16)	(\$13.89)	(\$256,738)
AS-IS MARKET VALUE				\$21/SF	\$380,000

Rounded to nearest \$10,000

ADJUSTMENTS TO VALUE

To reflect conditions in effect at the subject property as the date of value, adjustments to the capitalized value were necessary for lease up costs. The following discussion summarizes our support of the value adjustments.

Lease-Up Analysis

The subject property has a multi-tenant design that is currently partially owner-occupied by D-N-J Properties Inc. The subject owner currently uses a portion of the ground floor as an office and machine/wood shop and a majority of the second floor as storage/personal use. In accordance with the definition of market value, the owner-occupied space was modeled at the projected market rent and terms.

The remainder of the property is comprised of rentable retail storefronts and additional storage space. As of the effective date of value, only one retail space is leased to a third-party tenant at a current rent of \$8.73/SF gross with a reported expiration date of June 30, 2027. An analysis of this lease is not warranted as a market investor would not purchase the subject property for the short-term income stream (less than 5 years remaining) associated with one existing lease. Further, the in-place storage agreements are rented on a month-to-month or annual basis by residential tenants from other buildings owned by D-N-J Properties. As a result, the subject property would most likely be viewed as a value-add opportunity as though vacant.

As such, lease-up costs associated with the subject achieving stabilization are warranted in arriving to the As-Is Market Value. Based on our research of prevailing supply/demand conditions and the subject's competitive position in the marketplace, we have projected a period of 30 months for the vacant space to be absorbed. This will require an average absorption rate of 616 SF per month.

In light of the subject's current partial owner-user design, however, the estimated rent loss and expense carry costs were reduced by 50%. The tenant improvement and leasing commission costs were also only applied to the retail/office portion of the subject property as these lease-up costs are atypical for storage agreements.

The lease-up cost analysis calculates rent loss, tenant improvements, leasing commissions and free rent based on our discussions with local leasing brokers previously supported in the Market Participant Interviews section. The lease-up costs were discounted at 3.00%.

The lease-up costs reflect the actual costs associated with leasing up the vacant space. When warranted an additional provision for entrepreneurial profit is used to mirror investor behavior related to risks of investing in a property with vacancy. The subtotaled lease-up costs were adjusted 5.0% to account for entrepreneurial profit incentive.

LEASE-UP COSTS	
ASSUMPTIONS	VALUE
Lease-Up Period Months	30
Vacant Space SF	18,484 SF
Market Rent \$/SF	\$6.29/SF
Leasing Commissions %	6%
Tenant Improvements \$/SF	\$7/SF
Lease Term Years	3 Years
Free Rent Months	0 Mos. Free
Average SF Leased Per Month	616
Rent Loss	\$145,245
Expense Carry	\$35,962
Tenant Improvements	\$70,868
Leasing Commissions	\$11,456
Free Rent	\$0
Sub Total Lease-Up Costs	\$263,531
Present Value @ 3.00% Discount Rate	\$244,512
Entrepreneurial Profit @ 5.0%	\$12,226
TOTAL LEASE-UP COSTS	\$260,000

Rounded to nearest \$10,000

INCOME APPROACH CONCLUSION

The following table summarizes the opinion for market value that was developed by the direct capitalization method of the income approach.

VALUATION INDICES	AS-IS MARKET VALUE
INTEREST APPRAISED	FEE SIMPLE
DATE OF VALUE	JULY 26, 2023
INCOME CAPITALIZATION APPROACH	
Direct Capitalization	\$380,000
Direct Capitalization \$/SF	\$21/SF
NOI Proforma	\$73,483
NOI \$/SF	\$3.98/SF
Capitalization Rate	11.50%
INCOME CONCLUSION	\$380,000
Income Conclusion \$/SF	\$21/SF

INTRODUCTION

The Sales Comparison Approach is based on the principle of substitution, which asserts that a buyer would not pay more for a property than the value of similar properties in the market. This approach analyzes comparable sales by applying transactional and property adjustments to bracket the subject property within an appropriate unit value comparison.

UNIT OF COMPARISON

The most relevant unit of comparison is the price per square foot of NRA. This indicator best reflects the analysis used by buyers and sellers in this market for improved properties with similar design and utility.

COMPARABLE SELECTION

We completed a thorough search for similar improved sales in terms of property type, location, physical characteristics, and date of sale. In selecting comparables, emphasis was placed on confirming recent improved sales of properties that match the highest and best use, and buyer/seller profile of the subject property.

The selected comparables reported similar utility to the subject property. Our discussions with multiple local brokers in the DeKalb market (RVG Commercial Realty and Adolph Miller Real Estate) reported that the subject property would trade at a lower unit price than recent mixed-use residential sales in the downtown districts of DeKalb and Sycamore. The subject's large storage component and fair condition limit its potential buyer pool as a market investor would not pay the same amount for a property without a residential component/requiring significant rehab costs as a fully built-out property generating higher commercial and/or apartment revenue. Pricing for the subject property would most likely fall closer in line with mixed-use office/retail/warehouse uses in the downtown area.

Overall, the sales selected represent the best comparables available for this analysis.

ADJUSTMENT PROCESS

Quantitative adjustments are made to the comparable sales. The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments in the sequence shown below:

Property Rights Transferred	The valuation of the subject site was completed on a fee simple basis. If warranted, leased fee, leasehold and/or partial interest sales were adjusted accordingly.
Financing Terms	The subject property was valued on a cash equivalent basis. Adjustments were made to the comparables involving financing terms atypical of the marketplace.
Conditions of Sale	This adjustment accounts for extraordinary motivation on the part of the buyer or seller often associated with distressed sales.
Expenditures After Purchase	Adjustments were applied if physical conditions warranted expenditures on the part of the buyer to bring the comparable up to functional standards. Most often this adjustment accounts for costs associated with deferred maintenance.
Market Conditions	Market conditions adjustments were based on a review of historical sale data, market participant interviews and review of current versus historical pricing. Based on our research, the following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT

Per Year As Of	July 2023	(As-Is)	0%
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The market has exhibited value stability during the time from the oldest sale date up through the effective valuation date; therefore, a market conditions adjustment is not warranted.

Property Adjustments

Quantitative percentage adjustments are also made for location and physical characteristics such as size, age, site and parking ratios, access, exposure, quality and condition, as well as other applicable elements of comparison. Where possible the adjustments applied are based on paired data or other statistical analysis. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject property.

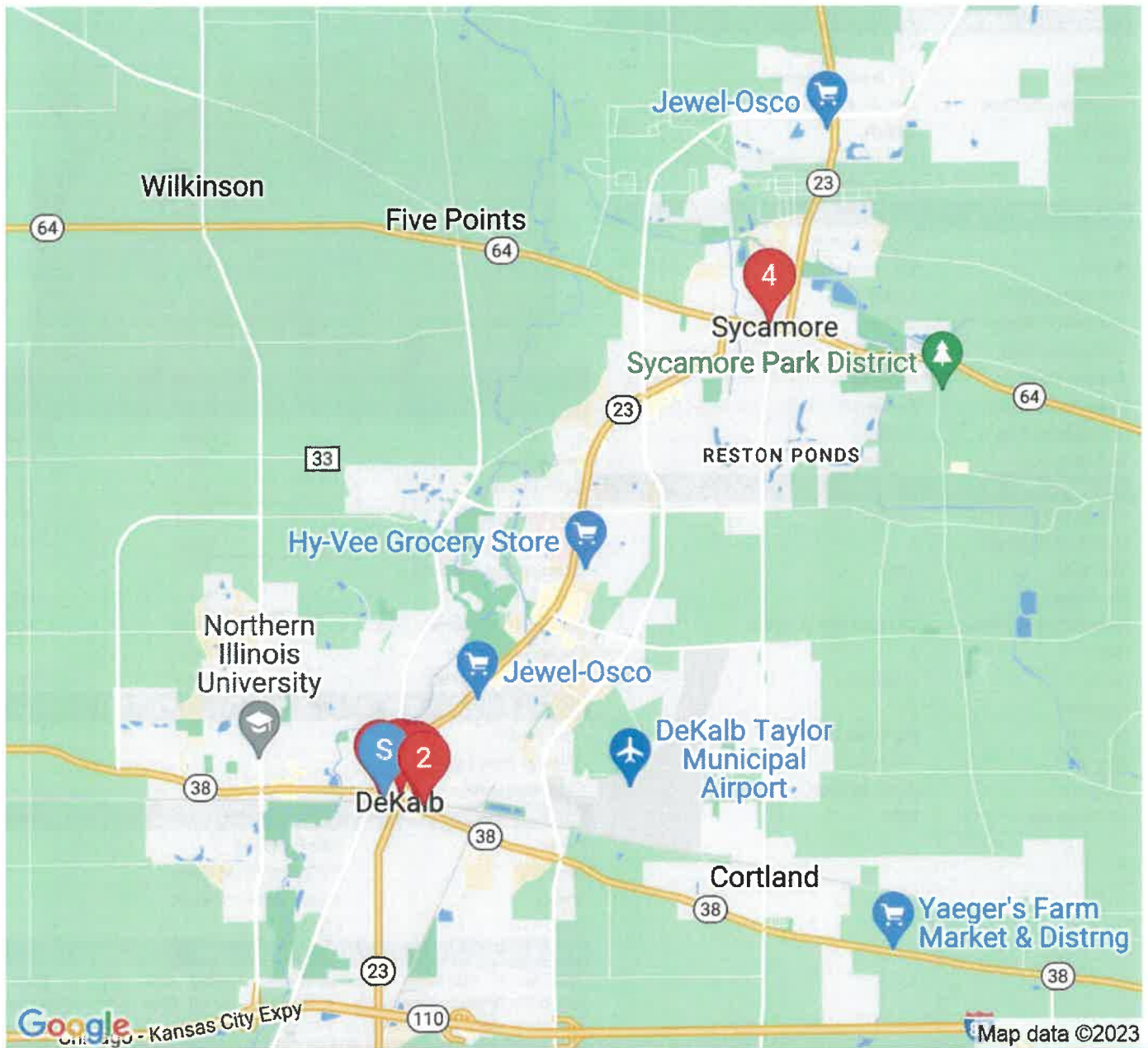
PRESENTATION

The following Sales Summation Table, Location Map and datasheets summarize the improved sales data. Following these items, the comparable sales are adjusted for applicable elements of comparison and the opinion of value by the Sales Comparison Approach is concluded.

IMPROVED SALES SUMMATION TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	128-140 S. 2nd Street	151 N. 4th Street	117 N. 7th Street	150-156 E. Lincoln Highway	341 W. State Street	521 E. Locust Street	201 N. 6th Street
Address	128-140 S. 2nd Street	151 North 4th Street	117 North 7th Street	150-156 E. Lincoln Highway	341 West State Street	521 East Locust Street	201 N 6th St
City	DeKalb	DeKalb	DeKalb	DeKalb	Sycamore	DeKalb	DeKalb
State	IL	IL	IL	IL	IL	IL	IL
Zip	60115	60115	60115	60115	60178	60115	60115
County	DeKalb	DeKalb	DeKalb	DeKalb	DeKalb	DeKalb	DeKalb
PHYSICAL INFORMATION							
NRA (SF)	18,484	13,380	7,378	8,800	5,800	9,440	16,000
Land Area (AC)	0.25	0.18	0.15	0.10	0.12	0.31	0.32
L:B Ratio	0.6	0.6	0.9	0.5	0.9	1.4	0.9
Location	Average	Average	Average	Average	Average	Average	Average
Quality	Average	Average	Average	Average	Average/Good	Average	Fair
Condition	Fair	Fair	Fair	Fair/Average	Fair/Average	Average	Fair
Exposure	Average	Average/Good	Average	Average/Good	Average/Good	Average	Average
Access	Average	Average	Average	Average	Average	Average	Average
Parking Ratio	0.0	1.3	-	-	0.7	-	-
Year Built	1890	1961	1957	1975	1910	1905	1890
Stories	2	2	-	2	2	2	2
SALE INFORMATION							
Date	Listing	6/15/2022	2/11/2022	7/9/2021	6/28/2021	4/2/2021	
Status	Listing	Recorded	Recorded	Recorded	Recorded	Recorded	
Marketing Period	15 Mos.	8 Mos.	2 Mos.	3 Mos.	-	17 Mos.	
Rights Transferred	Fee Simple	Fee Simple	Leased Fee	Fee Simple	Fee Simple	Fee Simple	
Transaction Price	\$260,000	\$144,500	\$225,000	\$210,000	\$300,000	\$167,000	
Analysis Price	\$260,000	\$144,500	\$225,000	\$210,000	\$300,000	\$167,000	
\$/SF NRA	\$19	\$20	\$26	\$36	\$32	\$10	

SALES LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	ADDRESS	SALE DATE	\$/SF
SUBJECT	-	128-140 S. 2nd Street, DeKalb, IL	-	-
No. 1	0.1 Miles	151 North 4th Street, DeKalb, IL	Listing	\$19
No. 2	0.4 Miles	117 North 7th Street, DeKalb, IL	6/15/2022	\$20
No. 3	0.0 Miles	150-156 E. Lincoln Highway, DeKalb, IL	2/11/2022	\$26
No. 4	5.3 Miles	341 West State Street, Sycamore, IL	7/9/2021	\$36
No. 5	0.3 Miles	521 East Locust Street, DeKalb, IL	6/28/2021	\$32
No. 6	0.3 Miles	201 N 6th St, DeKalb, IL	4/2/2021	\$10

COMPARABLE 1**LOCATION INFORMATION**

Name	151 N. 4th Street
Address	151 North 4th Street
City, State, Zip Code	DeKalb, IL, 60115
County	DeKalb
MSA	Chicago-Naperville-Egin, IL-IN-WI
APN	08-23-160-031

SALE INFORMATION

Buyer	Current Listing
Seller	Owner of Record
Transaction Date	Listing
Transaction Status	Listing
Transaction Price	\$260,000
Analysis Price	\$260,000
Rights Transferred	Fee Simple
Conditions of Sale	Listing
Marketing Time	15 Months

PHYSICAL INFORMATION

Leasable Area (NRA)	13,380
Number of Buildings	1
Year Built	1961
No. of Floors	2
Parking Spaces / Ratio	18 (1.3/1,000 SF NRA)
Class	C
Quality	Average
Condition	Fair
Site Size	0.2 Acres (7,875 SF)
Access	Average
Exposure	Average/Good
Site Coverage	85%

**151 N. 4TH STREET****OPERATING INCOME**

	TOTAL	PER SF
Rent Income	N/Av	N/Av
Other Income	N/Av	N/Av
Gross Income	N/Av	N/Av
Vacancy & Credit Loss @ N/Av	N/Av	N/Av
Effective Gross Income	N/Av	N/Av
Expenses	N/Av	N/Av
Net Operating Income	N/Av	N/Av
Occupancy at Sale	0.0%	
Expense % of GI / EGI	N/Av	N/Av

ANALYSIS INFORMATION

Price per SF	\$19
Adjusted Price per SF	
Capitalization Rate	

CONFIRMATION

Name	Sam Patterson
Company	RVG Commercial Realty
Source	Seller's Broker; Owner
Date	07/28/2023

REMARKS

This is a mixed-use office/apartment building that was a former armory/factory/auto dealership. It features ground floor office units and apartment space on the 2nd floor with parking in the lower level. The NRA does not include the 6,690 SF lower level. The apartments were reported by the listing broker to be vacant and in need of full rehab (mostly demolished with plumbing, framing, and 50% of drywall in place). In 2021, the estimated cost of exterior repairs was reported at around \$155,000. This property previously sold in 2021 for \$212,500.

SALES APPROACH

CONTINUED

ORD230367

COMPARABLE 2

LOCATION INFORMATION

Name	117 N. 7th Street
Address	117 North 7th Street
City, State, Zip Code	DeKalb, IL, 60115
County	DeKalb
MSA	Chicago-Naperville-Elgin, IL-IN-WI
APN	08-23-327-004

SALE INFORMATION

Buyer	Thomas & Cindy Garland
Seller	ROBERT J COOK REVOCABLE DECLARATI
Transaction Date	06/15/2022
Transaction Status	Recorded
Transaction Price	\$144,500
Analysis Price	\$144,500
Recording Number	2022005830
Rights Transferred	Fee Simple
Conditions of Sale	Arms-Length
Marketing Time	8 Months

PHYSICAL INFORMATION

Leasable Area (NRA)	7,378
Number of Buildings	1
Year Built	1957
% of Office Build-out	0%
Clear Height	30 Feet
Class	C
Grade Doors	2
Dock Doors	0
Quality	Average
Condition	Fair
Building Structure	Brick
Site Size	0.2 Acres (6,600 SF)
Access	Average
Exposure	Average
Site Coverage	0%



117 N. 7TH STREET

OPERATING INCOME

	<u>TOTAL</u>	<u>PER SF</u>
Rent Income	N/Av	N/Av
Other Income	N/Av	N/Av
Gross Income	N/Av	N/Av
Vacancy & Credit Loss @ N/Av	N/Av	N/Av
Effective Gross Income	N/Av	N/Av
Expenses	N/Av	N/Av
Net Operating Income	N/Av	N/Av
Occupancy at Sale	N/Av	
Expense % of GI / EGI	N/Av	N/Av

ANALYSIS INFORMATION

Price per SF	\$20
Adjusted Price per SF	
Capitalization Rate	

CONFIRMATION

Name	Paul Miller
Company	Adolph Miller Real Estate
Source	Seller's Broker
Date	07/28/2023

REMARKS

This is a former produce warehouse that is currently used as a flex/office property. There is commercial office space on the ground floor, as well as a contractor shop. The remainder is used for storage/warehouse. It also features a full basement (not included in NRA).

COMPARABLE 3**LOCATION INFORMATION**

Name 150-156 E. Lincoln Highway
 Address 150-156 E. Lincoln Highway
 City, State, Zip Code DeKalb, IL, 60115
 County DeKalb
 MSA Champaign-Urbana, IL
 APN 08-23-162-003, 08-23-162-004

SALE INFORMATION

Buyer East Lincoln Highway Properties, LLC
 Seller VALOS, WILLIAM JR
 Transaction Date 02/11/2022
 Transaction Status Recorded
 Transaction Price \$225,000
 Analysis Price \$225,000
 Recording Number 2022001787
 Rights Transferred Leased Fee
 Conditions of Sale Arms-Length
 Marketing Time 2 Months

PHYSICAL INFORMATION

Leasable Area (NRA) 8,800
 Number of Buildings 1
 Year Built 1975
 No. of Floors 2
 Quality Average
 Condition Fair/Average
 Site Size 0.1 Acres (4,400 SF)
 Access Average
 Exposure Average/Good
 Site Coverage 100%

**150-156 E. LINCOLN HIGHWAY****OPERATING INCOME**

	<u>TOTAL</u>	<u>PER SF</u>
Rent Income	N/Av	N/Av
Other Income	N/Av	N/Av
Gross Income	N/Av	N/Av
Vacancy & Credit Loss @ N/Av	N/Av	N/Av
Effective Gross Income	N/Av	N/Av
Expenses	N/Av	N/Av
Net Operating Income	N/Av	N/Av
Occupancy at Sale	100.0%	
Expense % of GI / EGI	N/Av	N/Av

ANALYSIS INFORMATION

Price per SF	\$26
Adjusted Price per SF	
Capitalization Rate	

CONFIRMATION

Name Paul Miller
 Company Adolph Miller Real Estate
 Source Seller's Broker
 Date 07/28/2023

REMARKS

This is a mixed-use property in Downtown DeKalb with ground floor retail and upper level apartments and storage. It underwent significant structural repairs in 2018. Approximately 2,000 SF of the property is storage area. The property was reportedly fully occupied at the time of sale. A bar and beauty salon leased the ground floor.

COMPARABLE 4**LOCATION INFORMATION**

Name	341 W. State Street
Address	341 West State Street
City, State, Zip Code	Sycamore, IL, 60178
County	DeKalb
MSA	Chicago-Naperville-Egin, IL-IN-WI
APN	06-32-255-067

SALE INFORMATION

Buyer	DL GOODELL INC
Seller	Richard & Roseann Para
Transaction Date	07/9/2021
Transaction Status	Recorded
Transaction Price	\$210,000
Analysis Price	\$210,000
Recording Number	2021009283
Rights Transferred	Fee Simple
Conditions of Sale	Arms-Length
Marketing Time	3 Months

PHYSICAL INFORMATION

Leasable Area (NRA)	5,800
Number of Buildings	1
Year Built	1910
No. of Floors	2
Parking Spaces / Ratio	4 (0.7/1,000 SF NRA)
Quality	Average/Good
Condition	Fair/Average
Site Size	0.1 Acres (5,400 SF)
Access	Average
Exposure	Average/Good
Site Coverage	67%

**341 W. STATE STREET****OPERATING INCOME**

	<u>TOTAL</u>	<u>PER SF</u>
Rent Income	N/Av	N/Av
Other Income	N/Av	N/Av
Gross Income	N/Av	N/Av
Vacancy & Credit Loss @ N/Av	N/Av	N/Av
Effective Gross Income	N/Av	N/Av
Expenses	N/Av	N/Av
Net Operating Income	N/Av	N/Av
Occupancy at Sale	0.0%	
Expense % of GI / EGI	N/Av	N/Av

ANALYSIS INFORMATION

Price per SF	\$36
Adjusted Price per SF	
Capitalization Rate	

CONFIRMATION

Name	Denise Weinmann
Company	RVG Commercial Realty
Source	Seller's Broker
Date	07/28/2023

REMARKS

This is a mixed-use property that has ground floor retail/commercial space and storage space on the 2nd floor. There is a one-story section at the rear of the property, and it also features a full unfinished lower level (not included in NRA). The property was vacant at sale. The upper level was reported to be in need of a full rehab.

COMPARABLE 5**LOCATION INFORMATION**

Name	521 E. Locust Street
Address	521 East Locust Street
City, State, Zip Code	DeKalb, IL, 60115
County	DeKalb
MSA	Chicago-Naperville-Elgin, IL-IN-WI
APN	08-23-184-016

SALE INFORMATION

Buyer	Andrew Sivwright & Lori Vandorsten
Seller	White Trust
Transaction Date	06/28/2021
Transaction Status	Recorded
Transaction Price	\$300,000
Analysis Price	\$300,000
Recording Number	2021008612
Rights Transferred	Fee Simple
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Leasable Area (NRA)	9,440
Number of Buildings	1
Year Built	1905
No. of Floors	2
% of Office Build-out	70%
Clear Height	14 Feet
Grade Doors	2
Dock Doors	0
Quality	Average
Condition	Average
Building Structure	Masonry
Site Size	0.3 Acres (13,460 SF)
Access	Average
Exposure	Average
Site Coverage	47%

**521 E. LOCUST STREET****OPERATING INCOME**

	<u>TOTAL</u>	<u>PER SF</u>
Rent Income	N/Av	N/Av
Other Income	N/Av	N/Av
Gross Income	N/Av	N/Av
Vacancy & Credit Loss @ N/Av	N/Av	N/Av
Effective Gross Income	N/Av	N/Av
Expenses	N/Av	N/Av
Net Operating Income	N/Av	N/Av
Occupancy at Sale	0.0%	
Expense % of GI / EGI	N/Av	N/Av

ANALYSIS INFORMATION

Price per SF	\$32
Adjusted Price per SF	
Capitalization Rate	

CONFIRMATION

Name	Denise Weinmann
Company	RVG Commercial Realty
Source	Seller's Broker
Date	07/28/2023

REMARKS

This is a live/work property with warehouse/office/storage space on the first floor and an office/apartment on the 2nd floor.

COMPARABLE 6**LOCATION INFORMATION**

Name	201 N. 6th Street
Address	201 N 6th St
City, State, Zip Code	DeKalb, IL, 60115
County	DeKalb
MSA	Chicago-Naperville-Egin, IL-IN-WI
APN	08-23-184-019

SALE INFORMATION

Buyer	Tayser Aldaas & Martha Perez
Seller	Resource Bank Trust 36010000804
Transaction Date	04/2/2021
Transaction Status	Recorded
Transaction Price	\$167,000
Analysis Price	\$167,000
Recording Number	2021005787
Rights Transferred	Fee Simple
Conditions of Sale	Arms-Length
Marketing Time	17 Months

PHYSICAL INFORMATION

Leasable Area (NRA)	16,000
Number of Buildings	1
Year Built	1890
No. of Floors	2
Class	C
Quality	Fair
Condition	Fair
Site Size	0.3 Acres (14,102 SF)
Access	Average
Exposure	Average
Site Coverage	82%

**201 N. 6TH STREET****OPERATING INCOME**

	<u>TOTAL</u>	<u>PER SF</u>
Rent Income	N/Av	N/Av
Other Income	N/Av	N/Av
Gross Income	N/Av	N/Av
Vacancy & Credit Loss @ N/Av	N/Av	N/Av
Effective Gross Income	N/Av	N/Av
Expenses	N/Av	N/Av
Net Operating Income	N/Av	N/Av
Occupancy at Sale	0.0%	
Expense % of GI / EGI	N/Av	N/Av

ANALYSIS INFORMATION

Price per SF	\$10
Adjusted Price per SF	
Capitalization Rate	

CONFIRMATION

Name	Sam Patterson
Company	RVG Commercial Realty
Source	Seller's Broker
Date	07/28/2023

REMARKS

This is a mixed-use office/retail/warehouse property in Downtown DeKalb. The corner ground floor space was previously used as a bakery. It has 23,200 SF of GBA and 16,000 SF of NRA. It features two drive-in doors and a loading dock door. The property was reportedly mostly vacant with short-term tenants at the time of sale.

IMPROVED SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	128-140 S. 2nd Street	151 N. 4th Street	117 N. 7th Street	150-156 E. Lincoln Highway	341 W. State Street	521 E. Locust Street	201 N. 6th Street
Address	128-140 S. 2nd Street	151 North 4th Street	117 North 7th Street	150-156 E. Lincoln Highway	341 West State Street	521 East Locust Street	201 N 6th St
City, State	DeKalb, IL	DeKalb, IL	DeKalb, IL	DeKalb, IL	Sycamore, IL	DeKalb, IL	DeKalb, IL
Zip	60115	60115	60115	60115	60178	60115	60115
NRA (SF)	18,484	13,380	7,378	8,800	5,800	9,440	16,000
Land Area (AC)	0.25	0.18	0.15	0.10	0.12	0.31	0.32

SALE INFORMATION

Date	Listing	6/15/2022	2/11/2022	7/9/2021	6/28/2021	4/2/2021
Status	Listing	Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred	Fee Simple	Fee Simple	Leased Fee	Fee Simple	Fee Simple	Fee Simple
Analysis Price	\$260,000	\$144,500	\$225,000	\$210,000	\$300,000	\$167,000
\$/SF NRA	\$19	\$20	\$26	\$36	\$32	\$10

TRANSACTIONAL ADJUSTMENTS

Property Rights	Similar	Similar	Superior	Similar	Similar	Similar
Financing	Similar	Similar	Similar	Similar	Similar	Similar
Conditions of Sale	Superior	Similar	Similar	Similar	Similar	Similar
Expenditures After the Sale	Similar	Similar	Similar	Similar	Similar	Similar
Market Conditions¹	Similar	Similar	Similar	Similar	Similar	Similar

PROPERTY ADJUSTMENTS

Location	Average	Average	Average	Average	Average	Average	Average
<i>Adjustment</i>		Similar	Similar	Similar	Similar	Similar	Similar
Size	18,484	13,380	7,378	8,800	5,800	9,440	16,000
<i>Adjustment</i>		Similar	Smaller	Smaller	Smaller	Smaller	Similar
Quality	Average	Average	Average	Average	Average/Good	Average	Fair
<i>Adjustment</i>		Similar	Similar	Similar	Sl. Superior	Similar	Inferior
Condition	Fair	Fair	Fair	Fair/Average	Fair/Average	Average	Fair
<i>Adjustment</i>		Similar	Similar	Sl. Superior	Sl. Superior	Superior	Similar
Exposure	Average	Average/Good	Average	Average/Good	Average/Good	Average	Average
<i>Adjustment</i>		Sl. Superior	Similar	Sl. Superior	Sl. Superior	Similar	Similar
Access	Average	Average	Average	Average	Average	Average	Average
<i>Adjustment</i>		Similar	Similar	Similar	Similar	Similar	Similar
Age	1890	1961	1957	1975	1910	1905	1890
<i>Adjustment</i>		Newer	Newer	Newer	Similar	Similar	Similar
Utility							
<i>Adjustment</i>		Similar	Sl. Inferior	Sl. Superior	Sl. Superior	Sl. Superior	Inferior
TOTAL ADJUSTED PRICE		Similar	Similar	Sl. Superior	Superior	Sl. Superior	Inferior

STATISTICS UNADJUSTED

LOW	\$10
HIGH	\$36
MEDIAN	\$23
AVERAGE	\$24

¹ Market Conditions Adjustment: 0%

Date of Value (for adjustment calculations): 7/26/23

SALES COMPARABLE ANALYSIS

Comparable 1 is an active listing, for which finalized sales rarely achieve listing levels due to negotiations between parties. This comparable is reported to have similar utility as the subject property given that it has shell space on the second floor that was in the process of renovation for apartment use. It is also noted as a newer property with superior exposure level (Lincoln Highway frontage). Given the preceding factors, this comparable is deemed to be similar to the subject property.

Comparable 2 is a smaller property; smaller properties tend to transfer at higher unit prices due to economies of scale. Similar to the subject property, this comparable features ground floor office space, a contractor shop, and storage/warehouse space. This is a newer property with slightly inferior overall utility (lack of retail storefront space). Overall, this comparable is deemed to be similar to the subject property.

Comparable 3 is a leased fee sale, which generally trade at higher prices due to the associated income streams. It is a smaller and newer building in superior condition with frontage along a major arterial. It has superior utility given that the second floor is built-out and in use as apartments, whereas the subject's second floor is used for storage with minimal build-out; however, it was reported that the comparable also has a significant storage component (23% of NRA). Overall, this comparable is deemed to be slightly superior to the subject.

Comparable 4 is a smaller property that is considered to be superior with respect to its overall quality, condition, and exposure level (major arterial frontage). The listing broker reported that the second floor was in need of full rehab due to dated finishes. Due to the level of physical differences, this comparable is deemed to be superior to the subject.

Comparable 5 is a smaller property that is in superior condition. This comparable is comprised of warehouse/office/storage space on the ground floor and an office/apartment space on the second floor. It has a slightly higher utility rating due to the overall level of build-out. Overall, this comparable is deemed to be slightly superior to the subject.

Comparable 6 is a mixed-use office/retail/warehouse property that is of inferior overall quality. It has an inferior utility rating due to its light industrial component. Given the preceding factors, this comparable is deemed to be inferior to the subject.

SALES COMPARISON APPROACH CONCLUSION

Based on the results of the preceding analysis, Comparable 1, Comparable 2, and Comparable 3 are given primary consideration for the subject's opinion of value.

The following table summarizes the analysis of the comparables, reports the reconciled price per NRA value conclusion, and presents the concluded value of the subject property.

SALES COMPARISON APPROACH CONCLUSION (NRA)					
COMP	ANALYSIS		OVERALL		
	PRICE		COMPARISON		
1	\$19		PRIMARY		
2	\$20		PRIMARY		
3	\$26		PRIMARY		
4	\$36		SECONDARY		
5	\$32		SECONDARY		
6	\$10		SECONDARY		
		SUBJECT SF	\$/SF CONCLUSION		VALUE
AS-IS MARKET VALUE		18,484	x	\$20/SF =	\$370,000

¹Cumulative

Rounded to nearest \$10,000

SALES RANKINGS		
COMP	\$/SF	COMPARISON
6	\$10	Inferior
1	\$19	Similar
2	\$20	Similar
3	\$26	Sl. Superior
5	\$32	Sl. Superior
4	\$36	Superior

INTRODUCTION

As previously discussed within the Valuation Methods section, the subject is valued as one marketable economic site in this appraisal. Land value is influenced by a number of factors; most prominent of which is development and use potential. These factors, as well as others, are considered in the following analysis.

UNIT OF COMPARISON

The most relevant unit of comparison is the price per square foot. This indicator best reflects the analysis used by buyers and sellers in this market for land with similar utility and zoning in this marketplace.

COMPARABLE SELECTION

A thorough search was made for similar land sales in terms of proximity to the subject, size, location, development potential, and date of sale. In selecting comparables, emphasis was placed on confirming recent sales of commercial sites that are similar to the subject property in terms of location and physical characteristics. Overall, the sales selected represent the best comparables available for this analysis.

ADJUSTMENT PROCESS

Quantitative adjustments are made to the comparable sales. The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments in the sequence shown below:

Property Rights Transferred	The valuation of the subject site was completed on a fee simple basis. If warranted, leased fee, leasehold and/or partial interest land sales were adjusted accordingly.
Financing Terms	The subject site was valued on a cash equivalent basis. Adjustments were made to the comparables involving financing terms atypical of the marketplace.
Conditions of Sale	This adjustment accounts for extraordinary motivation on the part of the buyer or seller often associated with distressed sales and/or assemblages.
Expenditures After Purchase	Adjustments were applied if site conditions warranted expenditures on the part of the buyer to create a buildable site. Examples include costs for razing pre-existing structures, general site clearing and/or mitigation of environmental issues.
Market Conditions	Market conditions adjustments were based on a review of historical sale data, market participant interviews and review of current versus historical pricing. Based on our research, the following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT			
Per Year As Of	July 2023	(As-Is)	1%

The analysis applies an upward market conditions adjustment of 1% annually reflecting the conditions between the oldest comparable sale date up through the effective valuation date.

Property Adjustments

Quantitative percentage adjustments are also made for location and physical characteristics such as size, shape, access, exposure, topography, zoning and overall utility. Where possible the adjustments applied are based on

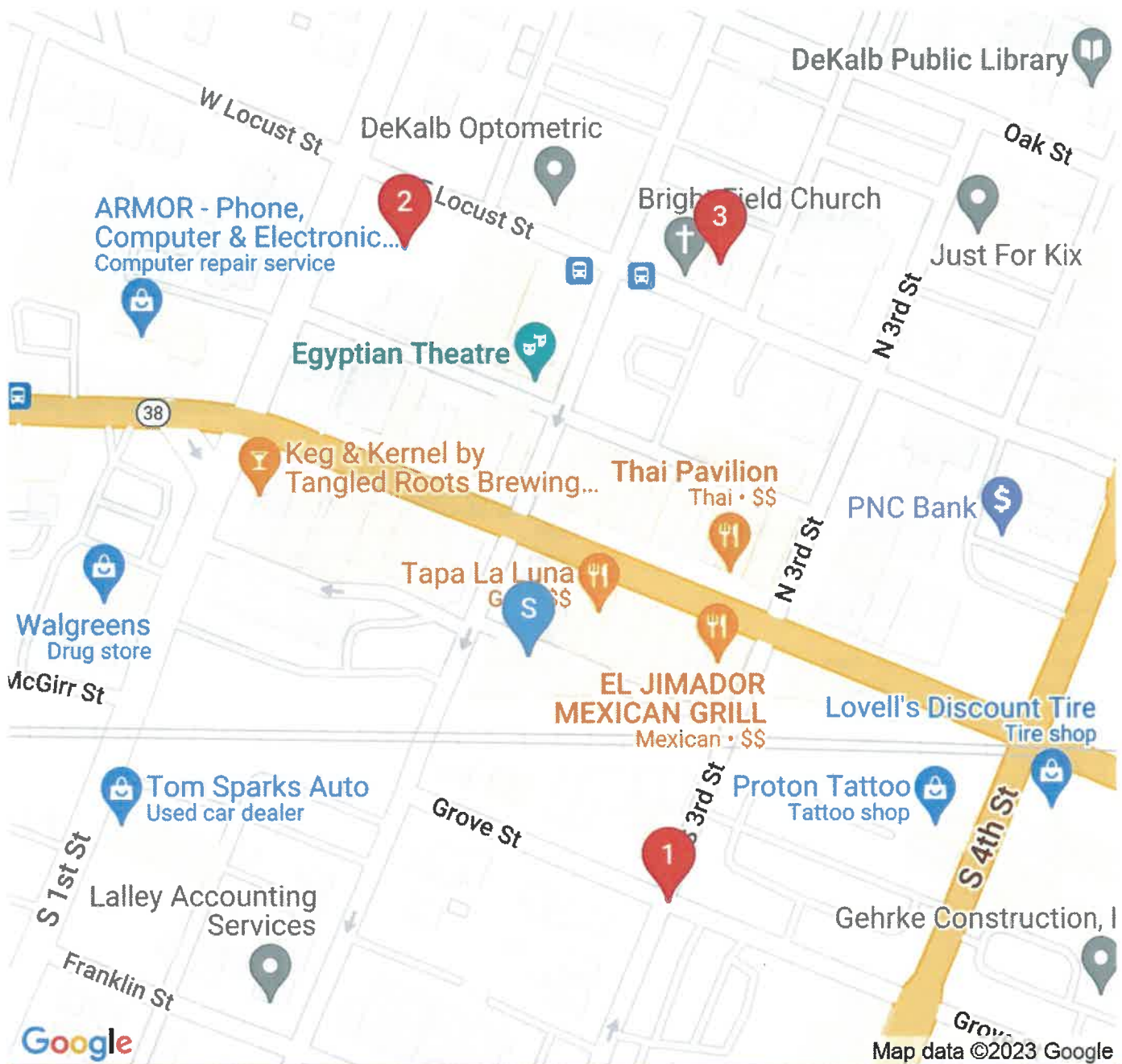
paired data or other statistical analysis. For example, location adjustments are based primarily on review of land values in the market areas for the comparables relative to the subject. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject site.

PRESENTATION

The following Land Sales Summation Table, Location Map and datasheets summarize the sales data used in this analysis. Following these items, the comparable land sales are adjusted for applicable elements of comparison and the opinion of site value is concluded.

LAND SALES SUMMATION TABLE				
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
Name	128-140 S. 2nd Street	Commercial Land	Commercial Land	Commercial Land
Address	128-140 S. 2nd Street	330 Grove Street	104 East Locust Street	211 East Locust Street
City	DeKalb	DeKalb	DeKalb	DeKalb
State	IL	IL	IL	IL
Zip	60115	60115	60115	60115
County	DeKalb	DeKalb	DeKalb	DeKalb
PHYSICAL INFORMATION				
Acres	0.25	0.71	0.38	0.08
SF	11,034	30,888	16,600	3,401
Location	Average	Average	Average	Average
Exposure	Average	Average	Fair/Average	Fair
Access	Average	Average	Average	Average
Shape	Irregular	Rectangular	Rectangular	Rectangular
Site Utility Rating	Average	Average	Average	Average
Zoning	CBD	CBD	CBD	CBD
Corner	No	Yes	Yes	No
Topography	Level	Level	Level	Level
Utilities	Yes	Yes	Yes	Yes
SALE INFORMATION				
Date		Listing	11/15/2019	12/18/2015
Status		Listing	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple
Transaction Price		\$300,000	\$119,500	\$20,000
Analysis Price		\$300,000	\$119,500	\$20,000
\$/SF Land		\$9.71	\$7.20	\$5.88

LAND SALES LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	ADDRESS	SALE DATE	ACRES	SF	\$/SF
SUBJECT	-	128-140 S. 2nd Street, DeKalb, IL	-	0.3	11,034	-
No. 1	0.1 Miles	330 Grove Street, DeKalb, IL	Listing	0.7	30,888	-
No. 2	0.1 Miles	104 East Locust Street, DeKalb, IL	11/15/2019	0.4	16,600	-
No. 3	0.1 Miles	211 East Locust Street, DeKalb, IL	12/18/2015	0.1	3,401	-
						-
						-
						-

COMPARABLE 1

LOCATION INFORMATION

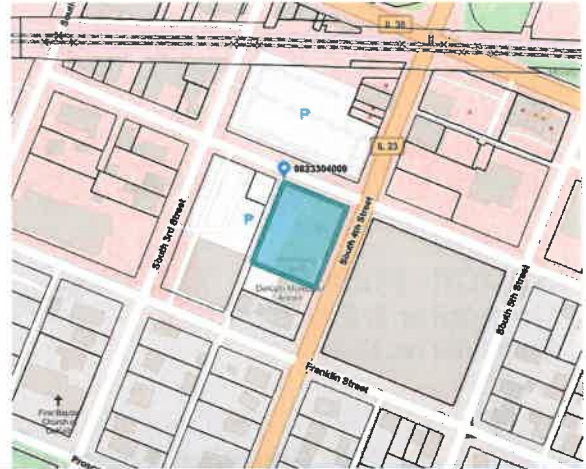
Name	Commercial Land
Address	330 Grove Street
City, State, Zip Code	DeKalb, IL, 60115
County	DeKalb
MSA	Chicago-Naperville-Elgin, IL-IN-WI
APN	08-23-304-009

SALE INFORMATION

Buyer	Current Listing
Seller	Owner of Record
Transaction Date	Listing
Transaction Status	Listing
Transaction Price	\$300,000
Analysis Price	\$300,000
Rights Transferred	Fee Simple
Conditions of Sale	Listing

PHYSICAL INFORMATION

Intended Use	Retail Land
Location	Average
Site Size (Net)	0.71 Acres (30,888 SF)
Site Size (Gross)	0.71 Acres (30,888 SF)
Zoning	CBD
Shape	Rectangular
Topography	Level
Access	Average
Exposure	Average
Corner	Yes
Utilities	Yes



COMMERCIAL LAND

ANALYSIS INFORMATION

Price	\$/Acre	\$/SF
Gross	\$422,535	\$9.71
Net	\$422,535	\$9.71

CONFIRMATION

Name	Mike Carpenter
Company	RVG Commercial
Source	Seller's Broker
Date	07/28/2023

REMARKS

This site is marketed as land value with pre-approval for drive-thru retail uses.

COMPARABLE 2

LOCATION INFORMATION

Name	Commercial Land
Address	104 East Locust Street
City, State, Zip Code	DeKalb, IL, 60115
County	DeKalb
MSA	Chicago-Naperville-Elgin, IL-IN-WI
APN	08-23-158-034

SALE INFORMATION

Buyer	PLAZA DEKALB LLC
Seller	City of DeKalb
Transaction Date	11/15/2019
Transaction Status	Recorded
Transaction Price	\$119,500
Analysis Price	\$119,500
Recording Number	2019010614
Rights Transferred	Fee Simple
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Intended Use	Commercial
Location	Average
Site Size (Net)	0.38 Acres (16,600 SF)
Site Size (Gross)	0.38 Acres (16,600 SF)
Zoning	CBD
Shape	Rectangular
Topography	Level
Access	Average
Exposure	Fair/Average
Corner	Yes
Utilities	Yes



COMMERCIAL LAND

ANALYSIS INFORMATION

Price	\$/Acre	\$/SF
Gross	\$313,648	\$7.20
Net	\$313,648	\$7.20

CONFIRMATION

Name	-
Company	-
Source	Assessor
Date	07/24/2023

REMARKS

This is a vacant commercial site in Downtown DeKalb.

COMPARABLE 3

LOCATION INFORMATION

Name	Commercial Land
Address	211 East Locust Street
City, State, Zip Code	DeKalb, IL, 60115
County	DeKalb
MSA	Chicago-Naperville-Egin, IL-IN-WI
APN	08-23-156-014

SALE INFORMATION

Buyer	Patrick J McLean
Seller	Elsa Ignelzi
Transaction Date	12/18/2015
Transaction Status	Recorded
Transaction Price	\$20,000
Analysis Price	\$20,000
Recording Number	2015011981
Rights Transferred	Fee Simple
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Intended Use	Commercial
Location	Average
Site Size (Net)	0.08 Acres (3,401 SF)
Site Size (Gross)	0.08 Acres (3,401 SF)
Zoning	CBD
Shape	Rectangular
Topography	Level
Access	Average
Exposure	Fair
Corner	No
Utilities	Yes



COMMERCIAL LAND

ANALYSIS INFORMATION

Price	<u>\$/Acre</u>	<u>\$/SF</u>
Gross	\$256,410	\$5.88
Net	\$256,410	\$5.88

CONFIRMATION

Name	-
Company	-
Source	Assessor
Date	07/24/2023

REMARKS

This is a vacant commercial site in Downtown DeKalb.

LAND SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
Name	128-140 S. 2nd Street	Commercial Land	Commercial Land	Commercial Land
Address	128-140 S. 2nd Street	330 Grove Street	104 East Locust Street	211 East Locust Street
City	DeKalb	DeKalb	DeKalb	DeKalb
Acres	0.25	0.71	0.38	0.08
SF	11,034	30,888	16,600	3,401
SALE INFORMATION				
Date		Listing	11/15/2019	12/18/2015
Status		Listing	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple
Analysis Price		\$300,000	\$119,500	\$20,000
Price/SF		\$9.71	\$7.20	\$5.88
TRANSACTIONAL ADJUSTMENTS				
Property Rights		Similar	Similar	Similar
Financing		Similar	Similar	Similar
Conditions of Sale		Superior	Similar	Similar
Expenditures After the Sale		Similar	Similar	Similar
Market Conditions¹		Similar	Sl. Inferior	Inferior
PROPERTY ADJUSTMENTS				
Location	Average	Average	Average	Average
<i>Adjustment</i>		Similar	Similar	Similar
Size	11,034	30,888	16,600	3,401
<i>Adjustment</i>		Larger	Similar	Smaller
Exposure	Average	Average	Fair/Average	Fair
<i>Adjustment</i>		Similar	Sl. Inferior	Inferior
Access	Average	Average	Average	Average
<i>Adjustment</i>		Similar	Similar	Similar
Shape	Irregular	Rectangular	Rectangular	Rectangular
<i>Adjustment</i>		Superior	Superior	Superior
Zoning	CBD	CBD	CBD	CBD
<i>Adjustment</i>		Similar	Similar	Similar
Corner	No	Yes	Yes	No
<i>Adjustment</i>		Superior	Superior	Similar
Utilities	Yes	Yes	Yes	Yes
<i>Adjustment</i>		Similar	Similar	Similar
TOTAL ADJUSTED PRICE		Sl. Superior	Sl. Inferior	Inferior
STATISTICS	UNADJUSTED			
LOW	\$5.88			
HIGH	\$9.71			
MEDIAN	\$7.20			
AVERAGE	\$7.60			

¹ Market Conditions Adjustment: 1%

Date of Value (for adjustment calculations): 7/26/23

LAND SALES ANALYSIS

Due to the limited recent land sales in the Downtown DeKalb market, we necessarily expanded our search to include older sales with similar CBD zoning.

Comparable 1 is an active listing, for which finalized sales rarely achieve listing levels due to negotiations between parties. It is a larger site; larger properties tend to transfer at lower unit prices due to economies of scale. It also benefits from its rectangular shape (superior site utility) and corner location. Overall, this comparable is deemed to be slightly superior to the subject site.

Comparable 2 transferred in November 2019. It has an inferior level of exposure but benefits from its rectangular shape (superior site utility) and corner location. Overall, this comparable is deemed to be slightly inferior to the subject site.

Comparable 3 transferred in December 2015. This is a smaller site with inferior exposure/frontage and a rectangular shape (superior site utility). Given the preceding factors, this comparable is deemed to be inferior to the subject site.

LAND VALUE CONCLUSION

Based on the results of the preceding analysis, Comparable 1 and Comparable 2 are given primary consideration for the subject's opinion of value.

The following table summarizes the analysis of the comparables, reports the reconciled price per square foot value conclusion, and presents the concluded value of the subject site.

CALCULATION OF LAND VALUE				
COMP	ANALYSIS PRICE	OVERALL COMPARISON		
1	\$9.71	PRIMARY		
2	\$7.20	PRIMARY		
3	\$5.88	SECONDARY		
COMPONENT	SUBJECT SF	\$ / SF CONCLUSION		VALUE
TOTAL PROPERTY	11,034	x	\$9.00 =	\$100,000
¹ Cumulative ² Additive		Rounded to nearest \$10,000		

To further support our conclusion of the As-Is Market Value of the subject, we have added the contributory value of the shell improvements to the land value. We note that the subject's existing interior build-out would likely be gutted and hold little to no value to a potential buyer, whether an investor, partial owner-user, or residential developer, given the overall condition and dated finishes. Per Marshall & Swift, the replacement cost for similar shell mixed-use retail buildings is approximately \$63/SF. Adding 5% for indirect costs and 5% for profit equates to a total cost of approximately \$69.46/SF. As the GBA of the improvements is 18,484 SF, the replacement cost of the shell building is \$1,283,852. Based on a total economic life of 40 years and an estimated effective age of 32 years, we have estimated the depreciated value of the existing shell improvements to be \$260,000, rounded.

ADJUSTED VALUE ESTIMATE	
COMPONENT	VALUE
LAND VALUE	\$100,000
CONTRIBUTORY VALUE OF SHELL IMPROVEMENTS	\$260,000
TOTAL LAND + SHELL IMPROVEMENTS VALUE	\$360,000

INTRODUCTION

The Reconciliation of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property. Understanding the profiles of potential buyers and their typical reliance on each approach to value strongly influences the weighting process.

In the open market, the subject property type would command most interest from regional and local buyers that are actively pursuing similar partial owner-user properties. There is currently moderate buyer demand for substitute properties of the subject based on the volume of sale transactions and reports by buyers, sellers and other market participants during confirmation of market transactions. The most probable buyer is an owner user.

Based on the overall quality of the data and analyses and considering the decision-making process of the typical buyer profile of the subject asset, the Sales Comparison approach warranted primary emphasis and the Income approach warranted secondary emphasis in developing our final opinion of market.

PRESENTATION OF VALUE CONCLUSIONS

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The following table summarizes our final opinion of the As-Is Market Value of the subject property's fee simple interest.

ANALYSIS OF VALUE CONCLUSIONS	
VALUATION INDICES	AS-IS MARKET VALUE
INTEREST APPRAISED	FEE SIMPLE
DATE OF VALUE	JULY 26, 2023
Sales Comparison Approach	\$370,000
Income Approach	\$380,000
FINAL VALUE CONCLUSION	\$370,000
\$/SF	\$20/SF
Exposure Time	12 to 18 Months
Marketing Period	12 to 18 Months

We certify that, to the best of our knowledge and belief:

- › The statements of fact contained in this report are true and correct.
- › The reported analyses, opinions, and conclusions of the signers are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- › The signers of this report has no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- › Michelle Lee, MAI has 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 acceptance of this assignment. Anthony Guth, MAI has 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 acceptance of this assignment.
- › The signers are not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- › The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- › The 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.
- › The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
- › Michelle Lee, MAI inspected the property that is the subject of this report. Anthony Guth, MAI did not inspect the property that is the subject of this report.
- › No one provided significant real property appraisal assistance to appraisers signing this certification.

CERTIFICATION

CONTINUED

ORD230367

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, Michelle Lee, MAI and Anthony Guth, MAI completed the continuing education program for Designated Members of the Appraisal Institute.



Michelle Lee, MAI
Valuation Services Director
Certified General Real Estate Appraiser
State of Illinois License #553.002577
+1 312 602 6164
michelle.lee@colliers.com

July 27, 2023

Date



Anthony Guth, MAI
Managing Director | Chicago
Certified General Real Estate Appraiser
State of Illinois License #553.001886
+1 312 602 6159
tony.guth@colliers.com

July 27, 2023

Date

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

- › The appraisers may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- › We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- › The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- › Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- › The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- › Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- › This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- › The appraisers may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.
- › The statements of value and all conclusions shall apply as of the dates shown herein.
- › There is no present or contemplated future interest in the property by the appraisers which is not specifically disclosed in this report.
- › Without the written consent or approval of the authors neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraisers and the firm with which the appraisers are connected.
- › This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.
- › The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- › The liability of Colliers International Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- › The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers International Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal

injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

- › The appraisers assume no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Colliers International Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- › An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- › A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.
- › This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.

Engagement Letter

Subject Data

Valuation Glossary

Qualifications of Appraisers

Qualifications of Colliers International Valuation & Advisory Services

Professional Service Agreement



71 S. Wacker Drive
Suite 3700
Chicago, IL 60606
Main: +1 312 602 6160
www.colliers.com/valuationadvisory

July 13, 2023

Michelle Lee, MAI
Valuation Services Director
Direct +1 224 628 4214
michelle.lee@colliers.com

Matthew D. Rose
Donahue & Rose, PC,
as counsel for the City of DeKalb
9501 W. Devon Ave., Ste. 702
Rosemont, IL 60018
312-541-1078
mrose@drlawpc.com

RE: Appraisal of 128-140 S. 2nd Street, DeKalb, IL

Dear Mr. Rose:

Thank you for considering Colliers International Valuation & Advisory Services, LLC for the assignment identified in the below stated Professional Service Agreement. Please sign one copy of the agreement and return it to me, thereby indicating your authorization for us to proceed with this assignment and your acceptance of the attached Terms and Conditions.

PROFESSIONAL SERVICE AGREEMENT
("Agreement")

Project	128-140 S. 2 nd Street, DeKalb, IL 60115 ("Property")
Location	128-140 S. 2 nd Street, DeKalb, IL 60115
Project Description	18,500 SF multi-tenant commercial building
Parties	Colliers International Valuation & Advisory Services, LLC ("CIVAS") and the City of DeKalb (herein at times referred to as "Client")
Intended User	The appraisal will be prepared for the City of DeKalb. Intended users include the Client and Donahue & Rose, PC, as counsel for the City of DeKalb. No other users are intended. It should be noted that if this engagement is directly with the owner of the Property, the Appraisal will not be accepted by federally insured lenders due to FIRREA Compliance, limiting the use of this report. Should this potentially impact your source of lenders, we recommend engagement be directed by a Federally Insured Lender.
Intended Use	The report to be performed under this Agreement ("Appraisal") is intended only for use in internal decision making (determining market value). The report is not intended for any other use.
Purpose	Market Value
Type of Appraisal	CIVAS will produce an Appraisal Report in which the appraiser's analysis and conclusions will be fully described within this document.
Rights Appraised	Fee Simple
Date of Value	Date of inspection

Professional Service Agreement

Continued

Scope of Work	<p>CIVAS and/or its designated affiliate will provide the Appraisal in accordance with USPAP, the Code of Ethics and Certifications Standards of the Appraisal Institute and State Licensing Laws. CIVAS will research relevant market data and perform analysis to the extent necessary to produce credible appraisal results.</p> <p>Based on our discussions with the Client, the Client has requested the following valuation scenarios:</p> <ul style="list-style-type: none"> › As Is <p>CIVAS anticipates developing the following valuation approaches:</p> <ul style="list-style-type: none"> › Sales Comparison Approach › Income Capitalization Approach (including Direct Capitalization analysis) <p>An interior/exterior observation of the subject property will be performed.</p> <p>Please note if it's a requirement per the client's underwriting guidelines to analyze and report all approaches to value, this will be performed although some approaches may be limited in application.</p> <p>The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request.</p>
Delivery	<p>Draft Appraisal: Delivered ten (10) business days from the date of authorization and receipt of property specific information.</p> <p>Final Appraisal: Delivered three (3) days after completion of client review and authorization to deliver final report(s).</p>
Professional Fee	\$5,500
Expenses	Fees include all associated expenses
No. of Reports	<p>One (1) Electronic Draft Appraisal and One (1) Electronic Final Appraisal.</p> <p>No printed copies will be delivered to the client.</p>
Retainer	No retainer is required.
Payment Terms	<p>CIVAS will invoice Client for the Appraisal in its entirety at the delivery of the draft report.</p> <p>Final payment is due and payable within five (5) business days upon delivery of the electronic copy of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of the draft report. If for any reason the client cancels the work before work was completed or for reasons beyond Colliers' control, then the client would pay for an agreed amount for work completed.</p>
Acceptance Date	These specifications are subject to modification if this Agreement is not accepted within three (3) business days from the date of this letter.

Terms and Conditions

The attached Terms and Conditions and Specific Property Data Request are deemed a part of this Agreement as though set forth in full herein. The following is a list of information needed to begin and complete our analysis. The Client signing this Agreement or the party sending the specific property data certifies that all the information provided is accurate and complete as of the date of this request, and that any updates, revisions or additional relevant information that comes into control or possession of the Client prior to the date on which the Appraisal is delivered shall be provided to CIVAS immediately. Please forward with the Agreement or as soon as possible.

- › Survey with Legal Description & Site Size
- › Title Report
- › Wetland Delineation Map (if applicable)
- › Engineering studies, soil tests or environmental assessments
- › Ground lease (if applicable)
- › Existing Building or Improvement Plans
- › Individual Floor or Unit Plans
- › Current County Property Tax Bill
- › Details on any Sale, Contract, or listing of the property in the past 3 years
- › Construction Cost/Budget (within past 3 years)
- › Detailed list of personal property items
- › Property Condition Report
- › Details regarding the historical and future replacement schedule (i.e., carpets, appliances, cabinetry, laundry facilities, HVAC, etc.)
- › Capital improvements history (2 years) & budget
- › Three year & YTD Income & Expenses
- › Current Budget
- › Detailed occupancy report for the past 3 years and YTD
- › Detailed current certified rent roll indicating any vacant units and in-place rents
- › Details regarding any pending changes to the rent roll including any negotiated side deals to delay or forgive rent payments
- › Aged Accounts/Delinquency Report
- › Details regarding any concessions currently being offered for new and existing tenants
- › Marketing plan and/or local competitive study, if available
- › Copy of recent Appraisals or Market Studies
- › Name and telephone number of property contact for physical inspection and additional information needed during the appraisal process
- › Property Contact _____

Professional Service Agreement

Continued

In addition to the items requested above, please forward any additional materials you would consider relevant in the analysis of the subject property.

The Appraisal 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 the stated Intended Use. CIVAS 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 the Appraisal prepared by CIVAS or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS, by a party satisfactory to CIVAS. CIVAS hereby expressly grants to client the right to copy the Appraisal and distribute it to employees of client and to your accountants/auditors in its entirety (but not component parts) without the need to provide CIVAS with an Indemnification Agreement and/or Non-Reliance letter.

The Appraisal requires CIVAS to submit a Summation of the Appraisal Findings in the form of a Letter of Transmittal along with the Summary of Salient Facts and Special/Limiting Conditions applicable to the Appraisal. This will be completed in conjunction with the Appraisal at the above stated fee.

If you have questions regarding the enclosed, please feel free to contact me. CIVAS appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.

I, **Matthew D. Rose**, agree to the above stated terms and authorize Colliers International Valuation & Advisory Services, LLC to prepare the above referenced appraisal.

Matthew D. Rose

Date: July 13, 2023

Matthew D. Rose
Donahue & Rose, PC, as counsel for the City of DeKalb

Respectfully,

Colliers International Valuation & Advisory Services, LLC



Michelle Lee, MAI
Valuation Services Director
Direct +1 224 628 4214
michelle.lee@colliers.com

Professional Service Agreement

Continued

Terms and Conditions

"T&C"

- 1) The Appraisal will be subject to Colliers International Valuation & Advisory Services, LLC's ("CIVAS") Assumptions and Limiting Conditions that are incorporated into each appraisal, and any Extraordinary Assumptions and Hypothetical Conditions that may be incorporated into each appraisal.
- 2) Any capitalized, non-defined words shall have the same meaning as defined in the Agreement to which these T&Cs are attached.
- 3) Client is defined as the party signing the Agreement and shall be responsible for payment of the fees stipulated in the Agreement. Payment of the fee for the Appraisal is not contingent on the appraised value(s) or the outcome of the report(s). Additional fees will be charged on an hourly basis for any work that may exceed the scope of this proposal, including performing additional valuation scenarios, additional research, and conference calls, meetings, deposition preparation, deposition, trial testimony or travel that may exceed the time allotted by CIVAS for an assignment of this nature. If CIVAS is requested to cease working on the Appraisal for any reason prior to the completion of the appraisal(s), CIVAS will be entitled to bill the Client for the time spent to date at CIVAS' hourly rates for the personnel involved. The Client will be billed a minimum \$500 or at a rate of \$250 per hour for associate time, \$300 per hour for valuation services director, \$400 per hour for managing director, and \$450 per hour for executive managing director. If the Client delays completion of the assignment beyond ninety (90) days, the fee may be renegotiated. This may result in the total fee exceeding the original agreed fee agreed upon cost.
- 4) Client agrees to pay all fees and expenses, including attorney's fees, incurred by CIVAS in connection with the collection or attempted collection of the fees and expenses. In the event Client fails to make payments when due and payable, the amount due shall bear interest at 1.5% per month or the maximum rate permitted in the state in which the CIVAS office executing the Agreement is located, whichever is lesser.
- 5) The fee is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. If a draft is requested, the fee is considered earned upon delivery of our draft report.
- 6) In the event that either party commences any legal action relating to the provisions of the Agreement, including collection, the prevailing party shall be entitled to its actual attorneys' fees and costs. The Agreement shall be governed by and construed in accordance with the laws of the state where the CIVAS office executing the Agreement is located. The venue of any action arising out of the Agreement shall be the county where the CIVAS office executing the Agreement is located. Client will have up to thirty (30) days from receipt of the Draft Appraisal to review and communicate its review to CIVAS. CIVAS reserves the right to bill Client for additional appraisal efforts that may arise from the Client not responding within this time period.
- 7) CIVAS does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to CIVAS by Client. In the event that any such information is inaccurate, misleading or incomplete, CIVAS shall have no responsibility or liability for any matters relating thereto (whether to the Client or to any third party).
- 8) CIVAS shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The Appraisal will not constitute a survey of the Property analyzed.
- 9) Client shall provide CIVAS with such materials with respect to the Appraisal as requested by CIVAS and which are in the possession or under the control of Client. Client shall provide CIVAS with sufficient access to the Property to be analyzed and hereby grants permission for entry, unless discussed in advance to the contrary.
- 10) The data gathered in the course of the Appraisal (except data furnished by Client) and the Appraisal prepared pursuant to the Agreement are, and will remain, the property of CIVAS. With respect to data provided by Client, such data shall be confidential, and CIVAS shall not disclose any information identified as confidential furnished to CIVAS. Notwithstanding the foregoing, CIVAS is authorized by Client to disclose all or any portion of the Appraisal and the related data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable CIVAS to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
- 11) Unless specifically noted, CIVAS does not assume any duty to analyze or examine the Property or adjacent property for the possible presence of toxic and/or hazardous substances or materials (including but not exclusive to asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material), or the cost of encapsulation or removal thereof) and accepts no liability regarding the issue. If such materials exist, CIVAS defers to the expertise of professionals specifically trained in analyzing the cost to remediate, which will not be a part of the appraisal fee proposal. The Appraisal will contain a comprehensive disclaimer to this effect.
- 12) CIVAS understands that there is no major or significant deferred maintenance in the Property which would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, and are not a part of the fee contemplated in the Agreement.
- 13) Client acknowledges that CIVAS is being retained hereunder as an independent contractor to perform the services described herein and nothing in the Agreement shall be deemed to create any other relationship between Client and CIVAS. The Agreement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal discussed herein.
- 14) Client agrees that its only remedy for losses or damages relating to the Agreement shall be limited to the amount of the appraisal fee paid by the Client and in no circumstances shall CIVAS be liable for any losses or damages in excess of this amount. Should the Client, or any other entitled party, make a claim against CIVAS, its directors, officers, employees and other affiliates and shareholders, relating to this engagement or the appraisal(s), the maximum damages recoverable from CIVAS, its directors, officers, employees and other affiliates and shareholders, shall be the amount of funds actually collected by CIVAS under the Agreement, and no claim shall be made for any consequential or punitive damages.

Professional Service Agreement

Continued

- 15) If CIVAS or any of its employees receives a subpoena or other judicial notification to produce documents or provide testimony involving the Appraisal in connection with a lawsuit or related proceeding, CIVAS will notify the Client of receipt of the subpoena or notification. However, if CIVAS is not part of the lawsuit or proceedings, Client agrees to compensate CIVAS for the professional time required and to reimburse CIVAS for the expenses incurred in responding to any such subpoena or judicial notification, including any attorneys' fees, as they are incurred. CIVAS is to be compensated at the prevailing hourly rates of the personnel responding to the subpoena or command for testimony.
- 16) If expert witness testimony is required in connection with the Appraisal, the following hourly rates will apply. The Client will be billed at the rate of \$250 per hour for associate time, \$350 per hour for valuation services director, \$400 per hour for managing director, and \$450 per hour for executive managing director. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes appraisal report) and all meetings related to court testimony.
- 17) Client shall indemnify and hold CIVAS, its parent, subsidiaries, affiliates, its officers, directors, employees and agents ("CIVAS Indemnities"), fully harmless against all losses, damages, claims, and expenses of any kind whatsoever (including costs and reasonable attorneys' fees), sustained or incurred by a third party as a result of the negligence or intentional acts or omissions of Client (including any failure to perform any duty imposed by law), any misrepresentation, distortion or if Client fails to provide complete and accurate information to CIVAS, for which recovery is sought against the CIVAS Indemnities; however, such obligation to defend and indemnify shall not apply to the extent caused by the negligent act or willful misconduct of CIVAS. Client shall indemnify and hold CIVAS Indemnities harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the Appraisal to any third party. **LIMITATION OF LIABILITY.** EXCEPT FOR THE INDEMNIFICATION PROVISION ABOVE, ANYTHING IN THE AGREEMENT TO THE CONTRARY NOTWITHSTANDING, UNDER NO CIRCUMSTANCES WHATSOEVER SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER.
- 18) CIVAS agrees to maintain Professional Liability Insurance in the amount of \$1,000,000 and General Liability insurance in the amount of \$2,000,000, as well as Workers Compensation per local regulatory requirements. CIVAS will endeavor to provide Client with written notice regarding any cancellation of any such insurance. CIVAS will provide Client with certificates of insurance naming Client as an additional insured on the General Liability policy upon request.
- 19) The Appraisal and the name Colliers International Valuation & Advisory Services may not be used in any marketing or investment material or offering memoranda without CIVAS' prior written consent. CIVAS, its employees and appraisers have no liability to any recipients of any prepared material and disclaim all liability to any party other than the Client.
- 20) Unless CIVAS consents in writing, the Appraisal cannot be used by any party or for any purpose other than the Client for the purposes specified in the Agreement. Should the Client provide a copy of this Appraisal to any person or entity not authorized by CIVAS in writing, Client hereby agrees to hold CIVAS, its directors, officers, employees and other affiliates and shareholders, harmless from all damages, expenses, claims and costs, including any attorney's fees. The Client acknowledges that any opinions and conclusions expressed by the professionals of CIVAS pursuant to the Agreement are made as employees and not as individuals. CIVAS' responsibility is limited to the Client, and the use of the Appraisal or related product by third parties shall be solely at the risk of the Client and/or third parties.
- 21) The use of this appraisal shall be used only for the purpose as set forth in the Intended Use section of the Agreement. In the event that the client wishes to use this report or portions of this report for any other purpose such as, to become part of or be referenced in, any offering or other material intended for the review of others, or to be submitted to others, will be at the Client's sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS and the Client, by a party satisfactory to CIVAS and the Client. CIVAS does consent to Client submission of the complete Appraisal to rating agencies, loan participants or your accountants/auditors without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

Notice

To view current assessment information, use the Tax Year dropdown to select the current year.

Property Information

Parcel Number 08-23-163-013	Site Address 128 S 2ND ST DEKALB, IL 60115	Owner Name & Address D-N-J PROPERTIES INC 1225 AURORA WAY WHEATON, IL, 60189
Tax Year 2022 (Payable 2023) <input type="button" value="v"/>		
Sale Status None		
Property Class 0060 - Improved Commercial	Tax Code DK62 - City of DeKalb, TIF 3	Tax Status Taxable
Net Taxable Value 65,829	Tax Rate 10.105700	Total Tax \$6,652.48 <input type="button" value="Pay Taxes"/>
Township DeKalb Township Assessor Rich Dyer: (815) 758-5454	Acres 0.0000	Mailing Address
Legal Description COUNTY CLERKS SUB - LOT 67 BLOCK 11		

No Property Sketches

Billing

If paying without an original bill, please include a \$5.00 duplicate bill fee per parcel with the tax payment.

	1st Installment (Due 06/05/2023)	2nd Installment (Due 09/05/2023)	Totals
Tax Billed	\$3,326.24	\$3,326.24	\$6,652.48
Penalty Billed	\$0.00	\$0.00	\$0.00
Cost Billed	\$0.00	\$0.00	\$0.00
Drainage / SSA Billed	\$0.00	\$0.00	\$0.00
Total Billed	\$3,326.24	\$3,326.24	\$6,652.48
Amount Paid	\$3,326.24	\$0.00	\$3,326.24
Total Unpaid	\$0.00	\$3,326.24	\$3,326.24
Paid By	D-N-J PROPERTIES INC		
Date Paid	5/30/2023		

No Collector Notes

Assessments						
Level	Homesite	Non Farm Building	Farm Land	Farm Building	Mineral	Total
DOR Equalized	37,091	28,738	0	0	0	65,829
Department of Revenue	37,091	28,738	0	0	0	65,829
Board of Review Equalized	37,091	28,738	0	0	0	65,829
Board of Review	37,091	28,738	0	0	0	65,829
S of A Equalized	37,091	28,738	0	0	0	65,829
Supervisor of Assessments	34,788	26,954	0	0	0	61,742
Township Assessor	34,788	26,954	0	0	0	61,742
Prior Year Equalized	34,788	26,954	0	0	0	61,742

No Drainage / Special District Information

No Exemptions

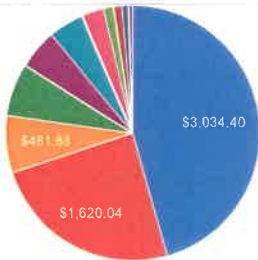
No Farmland Information

Related Names

Parcel Owner	D-N-J PROPERTIES INC 1225 AURORA WAY WHEATON, IL, 60189	
Mailing Flags	Tax Bill Delinquent Notice	Change Notice Exemption Notice

Taxing Bodies

District	Tax Rate	Extension
SCHOOL DISTRICT 428	6.093420	\$3,034.40
DEKALB TIF3	0.000000	\$1,620.04
COUNTY	0.967660	\$481.88
CITY OF DEKALB	0.895990	\$446.19
DEKALB PARK	0.677960	\$337.61
CC 523 KISHWAUKEE	0.608740	\$303.14
DE KALB LIBRARY	0.374540	\$186.51
DEKALB ROAD & BRIDGE	0.167800	\$83.56
DEKALB TOWNSHIP	0.141070	\$70.25
KISH. WATER RECLAM. DIST.	0.109370	\$54.46
FOREST PRESERVE	0.069150	\$34.44
TOTAL	10.105700	\$6,652.48



- SCHOOL DISTRICT...
- DEKALB TIF3
- COUNTY
- CITY OF DEKALB
- DEKALB PARK
- CC 523 KISHWAUKEE
- DE KALB LIBRARY
- DEKALB ROAD & B...
- DEKALB TOWNSHIP
- KISH. WATER RECL...
- FOREST PRESERVE

No Redemptions

No Redemption Information Exists for this Parcel.

Payment History

Tax Year	Total Billed	Total Paid	Amount Unpaid
2022	\$6,652.48	\$3,326.24	\$3,326.24
2021	\$6,832.46	\$6,832.46	\$0.00
2020	\$6,986.62	\$6,986.62	\$0.00

Show 6 More

Sales History

Year	Document #	Sale Type	Sale Date	Sold By	Sold To	Gross Price	Personal Property	Net Price
2002	2002010242	Arms Length Sale	5/29/2002			\$150,000.00	\$0.00	\$150,000.00

No Appraisal Information

No Corrections

CONTACT THE SUPERVISOR OF ASSESSMENTS' OFFICE AT 815-895-7120 FOR MORE INFORMATION.

Disclaimer

The information regarding assessments, sketches, and square footage is for general information purposes only and is submitted to our office by the specific Township Assessors. The DeKalb County Office of Assessments assumes no responsibility for errors or omissions. If this page is not populated, contact your Township Assessor for the information.

If you have any questions regarding any of these items, please contact your Township Assessor first.

[Listing of the Township Assessors and contact Phone Numbers PDF](#)

2022 DeKalb County Real Estate Tax Bill

BECKY SPRINGER
DEKALB COUNTY COLLECTOR
110 EAST SYCAMORE ST. - SYCAMORE, IL 60178

DUPLICATE

This is your real estate tax bill payable in two installments. This is the only bill you will receive.

Do You ...

- ✓ Wish to pay your bill online?
Please visit www.dekalbcounty.org
- ✓ Want to change your mailing address?
Please see reverse side.
- ✓ Have a question? Call our Property
Tax Helpline at 815-895-7337
- ✓ Wish to contact your township assessor?

08-23-163-013

D-N-J PROPERTIES INC
1225 AURORA WAY
WHEATON IL 60189

Site Address	2022 EQUALIZED ASSESSED VALUE	65,829	PARCEL NUMBER	08-23-163-013
128 S 2ND ST	- HOME IMPROVE./MISC. EXEMPTIONS	0	TAX CODE	DK62
DEKALB, IL 60115	- SENIOR ASSESSMENT FREEZE	0	FAIR MARKET VALUE	197,510
	- HOMESTEAD EXEMPTION LIMITED (OWNER OCC.)	0	TOWNSHIP MULTIPLIER	1.0662
130 S 2ND ST	- HOMESTEAD EXEMPTION (65 AND OVER)	0	STATE MULTIPLIER	1.0000
DEKALB, IL 60115	= NET TAXABLE VALUE	65,829	2021 EQUALIZED ASSESSED VALUE	61,742
	X TOTAL TAX RATE / \$100 VALUATION	10.10570	BACK TAXES OWED	NO
	= CURRENT TAX	6,652.48	FORFEITED	
	+ NON AD VALOREM TAX	0.00		
	= TOTAL 2022 TAX DUE	6,652.48		
First Installment Due Date 06/05/2023				
Amount	TAXING BODY	2021 TAX RATE	2021 AMOUNT	2022 TAX RATE
3,326.24	COUNTY	1.03065	513.24	0.96690
	COUNTY	0.00084	0.42	0.00076
	FOREST PRESERVE	0.07111	35.42	0.06696
	FOREST PRESERVE	0.00244	1.21	0.00219
	DEKALB TOWNSHIP	0.14864	74.02	0.14107
	DEKALB ROAD & BRIDGE	0.17298	86.14	0.16780
	CITY OF DEKALB	0.00000	0.00	0.00000
	CITY OF DEKALB	0.98612	491.07	0.89599
	DE KALB LIBRARY	0.38546	191.95	0.37454
	DEKALB PARK	0.62870	313.08	0.62826
	DEKALB PARK	0.06761	33.67	0.04970
	SCHOOL DISTRICT 428	6.46396	3,218.92	5.77769
	SCHOOL DISTRICT 428	0.34445	171.53	0.31573
	CC 523 KISHWAUKEE	0.63203	314.74	0.59802
	CC 523 KISHWAUKEE	0.01116	5.56	0.01072
	KISH. WATER RECLAM. DIST.	0.08767	43.66	0.07991
	KISH. WATER RECLAM. DIST.	0.03231	16.09	0.02946
	DEKALB TIF3	0.00000	1,321.74	0.00000
	Totals	11.06613	6,832.46	10.10570
				6,652.48
Farm Land				
0				
Non Farm Land				
37,091				
Acres				
0				
Farm Bldg.				
0				
Non Farm Bldg.				
28,738				
Bill #				
08-23-163-013				
				TOTAL 2022 TAX DUE \$6,652.48

2022 DeKalb County Real Estate Tax Bill

BECKY SPRINGER
DEKALB COUNTY COLLECTOR
110 EAST SYCAMORE ST. - SYCAMORE, IL 60178

2022 DeKalb County Real Estate Tax Bill

BECKY SPRINGER
DEKALB COUNTY COLLECTOR
110 EAST SYCAMORE ST. - SYCAMORE, IL 60178

PARCEL NUMBER	08-23-163-013	DUPLICATE	
Name	D-N-J PROPERTIES INC		
FIRST INSTALLMENT DUE DATE	06/05/2023	PAY THIS AMOUNT	\$0.00
SEND IN THE AMOUNT BELOW WHICH INCLUDES A 1.5% PER MONTH PENALTY			
IF POSTMARKED			
JUN 6 THRU JUL 5		\$0.00	
JUL 6 THRU AUG 5		\$0.00	
AUG 6 THRU SEP 5		\$0.00	
AFTER SEP 5		\$0.00	
www.dekalbcounty.org		Paid on 05/30/2023	Amount Paid: \$3,326.24



IF PAYING BY MAIL, DETACH THIS STUB AND ENCLOSE WITH YOUR PAYMENT.
PLEASE PUT YOUR PARCEL NUMBER ON YOUR CHECK

PARCEL NUMBER	08-23-163-013	DUPLICATE	
Name	D-N-J PROPERTIES INC		
2ND INSTALLMENT DUE DATE	09/05/2023	PAY THIS AMOUNT	\$3,326.24
SEND IN THE AMOUNT BELOW WHICH INCLUDES A 1.5% PER MONTH PENALTY			
IF POSTMARKED			
SEP 6 THRU SEP 19		\$3,376.13	
AFTER SEP 19		\$3,386.13	
www.dekalbcounty.org			



IF PAYING BY MAIL, DETACH THIS STUB AND ENCLOSE WITH YOUR PAYMENT.
PLEASE PUT YOUR PARCEL NUMBER ON YOUR CHECK

Valuation & Advisory Services

Direct: +1 206 695 4200
 Fax: +1 206 682 7938
 colliers.com

601 Union Street
 Suite 4800
 Seattle, WA 98101
 United States

Valuation Glossary 2023

Unless specified otherwise, these definitions were extracted from the following sources or publications:

The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022 (Dictionary).

Uniform Standards of Professional Appraisal Practice, 2020-2023 Edition (USPAP).

The Appraisal of Real Estate, Fifteenth Edition, Appraisal Institute, Chicago, Illinois, 2020 (15th Edition).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. *(Dictionary)*

Ad Valorem Tax

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. *(15th Edition)*

Arm's-length Transaction

A transaction between unrelated parties who are each acting in his or her own best interest. *(Dictionary)*

As-Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. *(Dictionary)*

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. *(Dictionary)*

Average Daily Room Rate (ADR)

In the lodging industry, the net rooms revenue derived from the sale of guest rooms divided by the number of paid occupied rooms. *(Dictionary)*

Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment. *(Dictionary)*

Cash-Equivalent Price

The sale price of a property that is equivalent to what a cash buyer would pay. *(Dictionary)*

Common Area

The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. *(Dictionary)*

Contract Rent

The actual rental income specified in a lease. *(15th Edition)*

Cost Approach

A set of procedures through which a value indication is derived for the fee simple estate by estimating the cost new as of the effective date of the appraisal to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. The contributory value of any site improvements that have not already been considered in the total cost can be added on a depreciated-cost basis. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property rights being appraised. *(Dictionary)*

Curable Functional Obsolescence

An element of depreciation; a curable defect caused by a flaw involving the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. *(Dictionary)*

Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property. *(Dictionary)*

Depreciation

In appraisal, a loss in the value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date. *(Dictionary)*

Direct Costs

Expenditures for the labor and materials used in the construction of improvements; also called *hard costs*. *(Dictionary)*

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate. *(Dictionary)*

Discount Rate

A rate of return on capital used to convert future payments or receipts into present value. *(Dictionary)*

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
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.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
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.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Easement

The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. *(15th Edition)*

Economic Life

The period over which improvements to real estate contribute to property value. *(Dictionary)*

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. *(Dictionary)*

Effective Date

The date on which the appraisal or review opinion applies (SVP) *(Dictionary)*

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. *(Dictionary)*

Effective Gross Income Multiplier (EGIM)

The ratio between the sale price (or value) of a property and its effective gross income. *(Dictionary)*

Effective Rent

The total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions - e.g. free rent, excessive tenant improvements, moving allowances, lease buyouts, cash allowances, and other lease incentives. *(15th Edition)*

Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property. *(Dictionary)*

Entrepreneurial Incentive

The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project. *(Dictionary)*

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur received for his or her contribution to a past project to compensate for his or her time, effort, knowledge, and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. *(Dictionary)*

Excess Land

Land that is not needed to serve or support the existing use. 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 has the potential to be sold separately and is valued separately. *(Dictionary)*

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the lessor and may reflect superior management, 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 or discounted at a higher rate in the income capitalization approach. *(15th Edition)*

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. *(Dictionary)*

Exposure Time

An opinion, based on supporting market data, of the length of time that 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. *(USPAP)*

Extraordinary Assumption

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. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. *(USPAP)*

External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent. There are two forms of external obsolescence: economic and locational. *(Dictionary)*

Fair Market Value

In nontechnical usage, a term that is equivalent to the contemporary usage of *market value*.

As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency or interpreted differently by court precedent. *(Dictionary)*

Feasibility Analysis

A study of the cost-benefit relationship of an economic endeavor. *(USPAP)*

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. *(Dictionary)*

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or 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. *(Dictionary)*

Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards. *(Dictionary)*

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. *(Dictionary)*

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. *(Dictionary)*

Going-concern

An established and operating business having an indefinite future life. *(Dictionary)*

Going-concern Value

An outdated label for 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* or *market value of the total assets of the business*. *(Dictionary)*

Gross Building Area (GBA)

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 market area of the type of property involved. *(Dictionary)*

Gross Leasable Area (GLA)

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. *(Dictionary)*

Gross Living Area (GLA)

Total area of finished, above-grade residential space area; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) *(Dictionary)*

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid (IVS). *(Dictionary)*

Hypothetical Condition

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. Hypothetical conditions are 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)*

Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. *(15th Edition)*

Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy involving the structure, materials, or design that cannot be practically or economically corrected as of the effective date of the appraisal. *(Dictionary)*

Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing

costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called *soft costs*. *(Dictionary)*

Interim Use

The use contemplated by the market participants that the subject real estate can be put to while waiting for certain subsequent factors to occur. *(Dictionary)*

Investment Value

The value of a property 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. *(Dictionary)*

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversion right when the lease expires. *(Dictionary)*

Leasehold Estate

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. *(Dictionary)*

Legal Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; sometimes known as a legally nonconforming use. *(Dictionary)*

Liquidation Value

The most probable price that a specified interest in property should bring under 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 and seller are 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 the local currency) or in terms of financial arrangements comparable thereto.
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.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area. *(Dictionary)*

Market Rent

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. *(Dictionary)*

Market Study

An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area. *(Dictionary)*

Market Value (Most Common Non-FRT)

The most probable price, as of a specific date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue distress. *(Dictionary)*

Market Value (Interagency Guidelines)

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:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Interagency Appraisal and Evaluation Guidelines, Federal Register, December 10, 2010.

Marketability Analysis

The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property. *(Dictionary)*

Neighborhood Analysis

The objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. *(Dictionary)*

Net Net Net Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as 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 lease*, *triple net lease*, or *fully net lease*. *(Dictionary)*

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). *(15th Edition)*

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. *(Dictionary)*

Off-site Costs

Costs incurred in the development of a project excluding on-site costs such as grading and construction of the building and other improvements; also called *common costs* or *off-site improvement costs*. *(Dictionary)*

On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. *(Dictionary)*

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 breakeven sales volume. *(15th Edition)*

Overall Capitalization Rate (OAR)

The relationship between a single year's net operating income expectancy and the total property price or value. *(Dictionary)*

Parking Ratio

The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. *(Dictionary)*

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. *(Dictionary)*

Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income. *(Dictionary)*

Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. *(Dictionary)*

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 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 achieved sellout or a stabilized level of long-term occupancy. *(Dictionary)*

Qualitative Adjustment

An indication that one property is superior, inferior, or similar to another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis. *(Dictionary)*

Quantitative Adjustment

In the application of the sales comparison and income capitalization approaches, a numerical (dollar or percentage) adjustment to the sale price, rent, or expense amount of a comparable property to account for the effect on value of a difference between each comparable property and the subject property. *(Dictionary)*

Rentable Area

The amount of space on which the rent is based; calculated according to local practice. *(Dictionary)*

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. *(Dictionary)*

Replacement Cost for Insurance Purposes

The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property (i.e., depreciation is not deducted). *(Dictionary)*

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same or similar materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. *(Dictionary)*

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* 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." *(Dictionary)*

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered vacant when an adequate supply of comparable sales is available. *(Dictionary)*

Scope of Work

The type and extent of research and analysis in an appraisal or appraisal review assignment. Scope of work includes, but is not limited to:

The extent to which the property is identified;

The extent to which tangible property is inspected;

The type and extent of data researched; and

The type and extent of analysis applied to arrive at opinions or conclusions. *(USPAP)*

Shopping Center Types

Neighborhood Shopping Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.

Community Shopping Center: A shopping center of 100,000 to 400,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.

Regional Shopping Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.

Super-Regional Center: A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. *(15th Edition)*

Sum of the Retail Values

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sales prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values* or *aggregate retail selling price*. *(Dictionary)*

Superadequacy

An excess in the capacity or quality of a structure or structural component; determined by market standards. *(Dictionary)*

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. *(Dictionary)*

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. *(Dictionary)*

Usable Area

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. *(Dictionary)*

Useful Life

The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. *(Dictionary)*

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income deductions due to vacancies, tenant turnover, and nonpayment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss*. *(Dictionary)*

Yield Capitalization

A method used to convert future benefits into present value by (1) discounting each future benefit at an appropriate yield rate, or (2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. *(Dictionary)*



Valuation Services Director
Valuation & Advisory Services

michelle.lee@colliers.com
Direct: +1 312 602 6164
Mobile: +1 224 628 4214
Fax: +1 312 346 6669
colliers.com

71 S. Wacker Drive
Suite 3700
Chicago, IL 60606
United States

Education or Qualifications

DePaul University Kellstadt
Graduate School of Business,
Chicago, Illinois, MBA, Real
Estate Finance and Investment

University of Illinois at Urbana-
Champaign, Champaign, Illinois,
Bachelor of Science in
Architectural Studies

State Certifications

Illinois
Indiana
Iowa
Minnesota
Wisconsin

Michelle S. Lee, MAI

Area of Expertise

Michelle Lee, MAI serves as a Valuation Services Director for Colliers International Valuation & Advisory Services in Chicago, Illinois. She has actively participated in the analysis of an array of commercial properties in the Midwest region, including assets throughout Illinois, Indiana, Iowa, and Minnesota. Assignments have included a variety of property types including offices, retail, mixed-use developments, industrial properties, land, residential subdivisions, residential estates, educational facilities, and senior housing facilities.

Office assignments include medical office buildings, CBD offices of all classifications (Class A/B/C), suburban offices, mixed-use office/retail developments, office complexes, and office/R&D properties. Residential assignments consist of single-family subdivisions and large residential estates. Experience with senior housing properties includes independent living, assisted living, memory care, skilled nursing, and CCRC facilities. Other specialized assignments include educational facilities and corporate campuses.

Affiliations or Memberships

MAI – Appraisal Institute, Sept 2022



Appraisal Institute Courses

Successful completion of all courses required for the Appraisal Institute's MAI designation.

Representative Projects

River North Office Loft Portfolio, Chicago, IL (CBD Office Loft)

Citadel Center, Chicago, IL (CBD Class A Office)

333 South Wabash, Chicago, IL (CBD Class A Office)

Ravenswood Mixed-Use, Chicago, IL (Mixed-Use Office/Multi-Family)

Triangle Plaza, Chicago, IL (Suburban Class A Office)

Towers at West End, St. Louis Park, MN (Suburban Office Complex)

University Commons, South Bend, IN (Medical Office)

Illinois Bone & Joint Portfolio, IL (Medical Office)

Illinois Science & Technology Park, Skokie, IL (Office/Lab/R&D)

Shorehaven Lutheran Homes, Oconomowoc, WI (CCRC)

Village Shores, Richfield, MN (ILF/ALF/MC/Retail)

Lexington Homes, Prospect Heights, IL (Residential Subdivision)

Former AT&T Campus, Hoffman Estates, IL (Corporate Campus)

Catherine Cook School, Chicago, IL (School Building)

Lutheran School of Theology, Chicago, IL (School Building)



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Managing Director | Chicago
Valuation & Advisory Services

tony.guth@colliers.com
Direct: +1 312 602 6159
Mobile: +1 708 975 0967
colliers.com

71 S. Wacker Drive, Suite 3700
Chicago, IL 60606
United States

Tony Guth, MAI

Area of Expertise

Tony serves as a Managing Director in the Chicago, Illinois office of Colliers Valuation & Advisory Services. He has completed valuation, advisory and consulting studies across a wide variety of property types, both domestically and internationally. He has experience with a broad range of assignments including valuations related to mortgage financing, financial and tax reporting, development feasibility/highest & best use analyses, due diligence, and litigation support.

Select assignments include:

- Quarterly and annual portfolio valuations and valuation reviews for a number of private equity funds and REITs
- Provided litigation support services on a variety of commercial real estate dispute and mediation matters and has testified as an expert witness
- Delivered several supply & demand and development feasibility studies to assist clients in the identification, evaluation and execution of asset monetization, cost reduction and revenue creation initiatives



Affiliations or Memberships

MAI – Appraisal Institute

Professional Background

Tony has more than 16 years of experience in the commercial real estate industry. He is a designated MAI and a certified general appraiser licensed in numerous states across the country.

Appraisal Institute Courses

- Successful completion of all courses required for the Appraisal Institute's MAI designation.

Education or Qualifications

BA Finance, University of Illinois
at Champaign Urbana

State Certifications

Alabama

Florida

Illinois

Kansas

Minnesota

Ohio

South Dakota

Wisconsin



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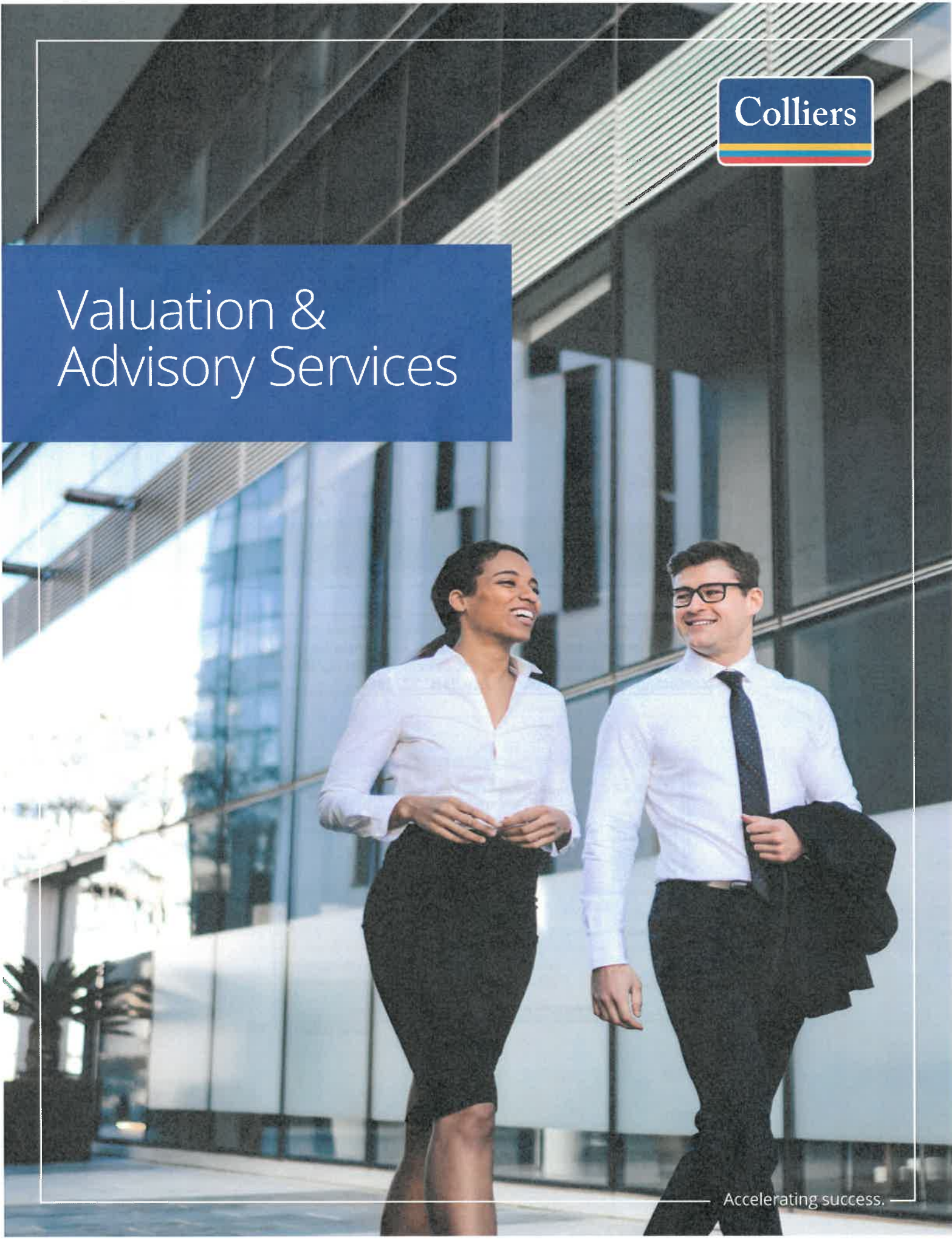


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Colliers

Valuation & Advisory Services

The background of the entire page is a photograph of a man and a woman in business attire walking and smiling in front of a modern glass-walled building. The woman is on the left, wearing a white shirt and a black skirt. The man is on the right, wearing a white shirt, a dark tie, and glasses, and is carrying a black jacket. The scene is brightly lit, suggesting daytime.

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Valuation & Advisory Services

Real estate valuations play a pivotal role in today's business climate. An accurate and well supported opinion of property value can mean the difference between reaching a critical goal—securing a loan, closing a sale, reporting to investors, choosing the best asset—or failing to achieve it altogether.

Colliers Valuation & Advisory Services' reports are designed to deliver insight into a property's fundamentals, its competition and the overall market dynamics affecting value. A solid valuation report can be a strategic asset for investors, lenders and owners, provided that it addresses both a property's unique characteristics and the most current market conditions.

Commitment to high-end client service, coupled with Colliers' unparalleled market intelligence and resources, differentiates us as the firm of choice in the real estate industry.

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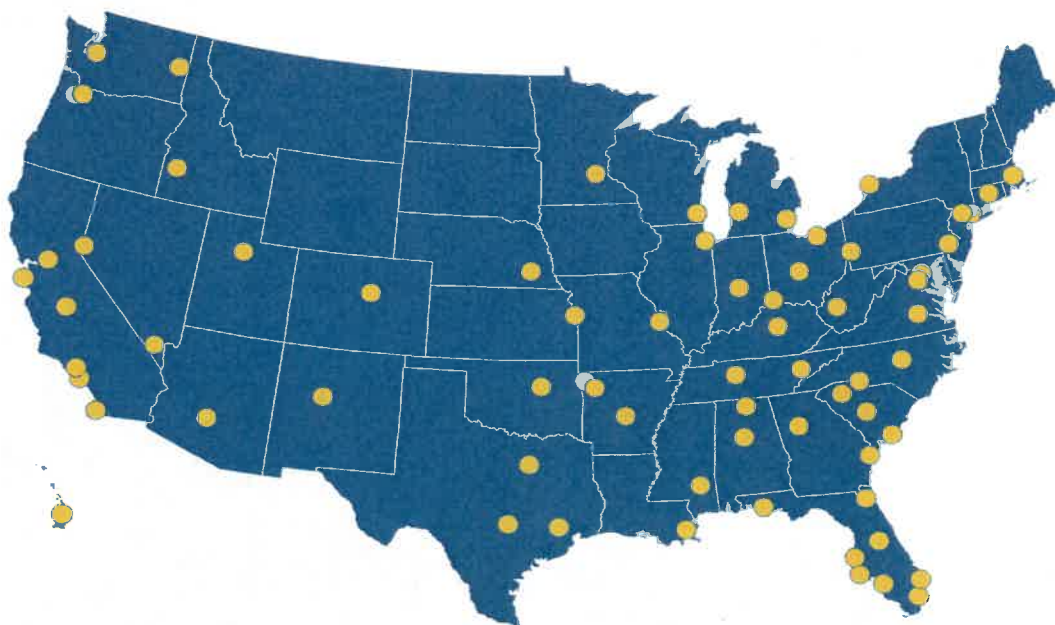
Our professionals share a commitment to deliver the highest level of service and consistent results. We go the extra mile for our clients, whether this means meeting a tight deadline or working with a complex and challenging property.

Technology

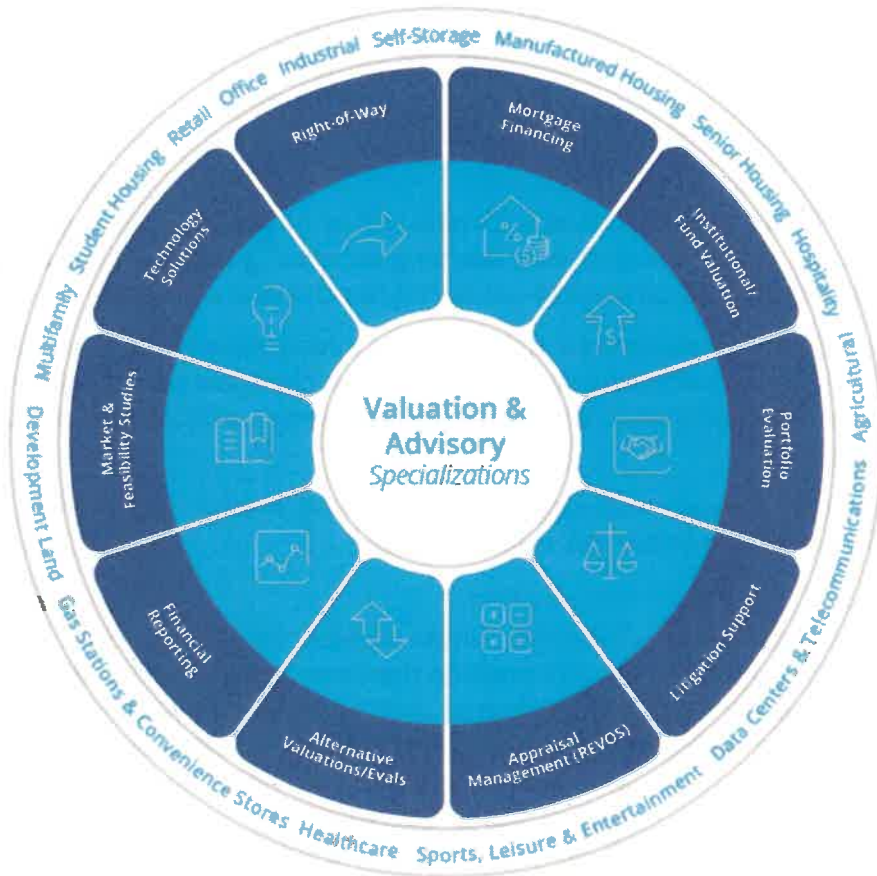
Our unmatched report creation technology speeds appraisals through the pipeline. This secure, centralized production system generates a wide range of reports and high volume portfolio orders without delays.

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Today's business climate places valuation in a more pivotal position than ever before. All our appraisals are evaluated and approved by an experienced review team to ensure our clients receive concise and timely appraisals. With clear, prompt reporting and a comprehensive, big picture approach, Colliers' valuation and advisory reports give our clients the information they need to make better business decisions.

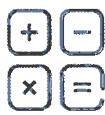


What We Do



400+

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30,000+

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estate brands by The
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Valuation & Advisory Services National Leadership

Jeremy Walling, MAI, MRICS
President | US
Valuation & Advisory Services
Jeremy.Walling@colliers.com
+1 312 371 4920

Jeff Shouse, MAI, CRE
Executive Vice President
Western US
Jeff.Shouse@colliers.com
+1 916 724 5531

Bruce Nell, MAI, AI-GRS, MRICS
Executive Managing Director
Advisory Services
Bruce.Nell@colliers.com
+1 614 437 4687

PJ Cusmano, MAI, MRICS
Executive Vice President
Eastern US
PJ.Cusmano@colliers.com
+1 813 229 1599

Jerry Gisclair, MAI, MRICS
Executive Vice President
US Client Relations & Service
Jerry.Gisclair@colliers.com
+1 813 871 8531

Anjanette "AJ" Hutson, MAI, AI-GRS
Executive Managing Director
Quality Assurance
+1 704 973 7202
aj.hutson@colliers.com

Our Experts

To learn more about our Regional and Market Valuation Experts, please click on or scan the QR code.



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