

# GREAT REALTY ADVISORS

## Real Property Appraisal

Of:

11200-32 S. Edbrooke Avenue (PIN 25-22-107-032-0000)  
44,200 SF

And

11201-19 S. Michigan Avenue (PIN#'s 25-22-107-001-0000, 25-22-107-002-0000,  
25-22-107-003-0000, 25-22-107-004-0000)  
30,070 SF

Chicago, Illinois 60628

Date of Value: October 13, 2022

For:

City of Chicago  
Department of Planning and Development  
121 N LaSalle Street, Room 1003  
Chicago, IL 60624

By:

Richard Knitter, MAI  
Great Realty Advisors  
401 N. Michigan Avenue, Suite 1200, Chicago, IL 60611  
(312) 64-GREAT (312) 644-7328  
3009 35<sup>th</sup> Street, Suite 300, Oak Brook, IL 60523  
(630) 323-9000  
E-mail: [knitter@greatrealty.com](mailto:knitter@greatrealty.com)

401 N. Michigan Ave., Suite 1200, Chicago, IL 60611 (312) 64-GREAT (312) 644-7328  
3009 35th Street, Suite 300, Oak Brook, IL 60523 (630) 323-9000  
e-mail: [knitter@greatrealty.com](mailto:knitter@greatrealty.com)

Ms. Cynthia A. Garza  
 Department of Planning and Development  
 Real Estate Services  
 City Hall, Room 1003  
 121 North LaSalle Street  
 Chicago, IL 60602

October 13, 2022

Re: 11200-32 S. Edbrooke Avenue (PIN 25-22-107-032-0000) 44,200 SF  
 11201-19 S. Michigan Avenue (PIN#'s 25-22-107-001-0000, 25-22-107-002-0000,  
 25-22-107-003-0000, 25-22-107-004-0000) 30,070 SF  
 Chicago, Illinois 60628  
 Date of Value: October 13, 2022

Ms. Garza,

In accordance with your request, we have prepared this appraisal report for the above referenced property. The purpose of this appraisal is to estimate the “As Is” market value as of October 13, 2022, the date of inspection. The intended use of this appraisal is to assist the client in their internal management decisions regarding the property. The intended user is the City of Chicago Department of Planning and Development.

The subject properties are located on adjacent sites, at the southeast corner of South Michigan Avenue and East 112<sup>th</sup> Street. The subject sites are adjacent (separated by a public alley) bordered by Michigan Avenue on the east, 112<sup>th</sup> Street on the north and South Edbrooke Avenue on the east. The subject sites encompass almost ½ of the city block. The subject sites are located in the West Pullman Community Area, Chicago, Cook County, Illinois. The West Pullman Community Area boundaries are generally considered to be 115<sup>th</sup> Street, on the east by the former Illinois Central Railroad, on the south by the Calumet River and Riverdale, on the west by Calumet Park, Blue Island and Ashland Avenue. The subject sites are located one mile west of I-94 (Bishop Ford Freeway) and two miles east of Interstate 57. The subject is located 15 miles south of the City Chicago’s Central Downtown area known as the “Loop”.

The detail for the subject sites is summarized below.

<u>Address</u>	<u>PIN#'s</u>	<u>Frontage</u>	<u>SF</u>	<u>Zoning</u>
11200-32 S. Edbrooke Avenue	25-22-107-032-0000	S. Edbrooke Avenue - 287 ft.	44,200 SF	B1-3
11201-19 S. Michigan Avenue	25-22-107-001-0000 25-22-107-002-0000 25-22-107-003-0000 25-22-107-004-0000	S. Michigan Avenue - 192 ft. East 112 <sup>th</sup> Street -160 ft.	30,070 SF	B1-3 (assumed)

The subject sites were part of the Gately’s Peoples store building, which was once considered the largest department store on South Michigan Avenue. The property had been mostly vacant since 1994 when a fire necessitated its demolition in 2019. The subject sites are within the area that is the focus of redevelopment targeted with the City of Chicago’s three-year \$750 million Invest South/West program, which targets for improvements 10 South and West Side neighborhood commercial corridors.

**Zoning** - According to the City of Chicago the **11200-32 South Edbrooke Avenue** subject property is situated in an area zoned B1-3 Neighborhood Shopping District. The B1, Neighborhood Shopping District is intended to accommodate a broad range of small-scale retail and service uses. B1 zoning is intended to be applied in compact nodes at the intersection of two or more major streets or in a cohesive linear fashion along relatively narrow streets that have low traffic speeds and volumes (compared to multi-lane, major streets). The B1 district is intended to exhibit the physical characteristics of storefront-style shopping streets that are oriented to pedestrians. The B1 district permits residential dwelling units above the ground floor. The B1 district can be combined with the dash 1, dash 1.5, dash 2, dash 3 or dash 5 bulk and density designations (see Sec. 17-3-0401).

Minimum Lot Area per Unit:	2,500 SF/Dwelling units
Maximum # of Efficiency Units:	10%
Maximum FAR:	1.2
Maximum Building Height:	38 ft.

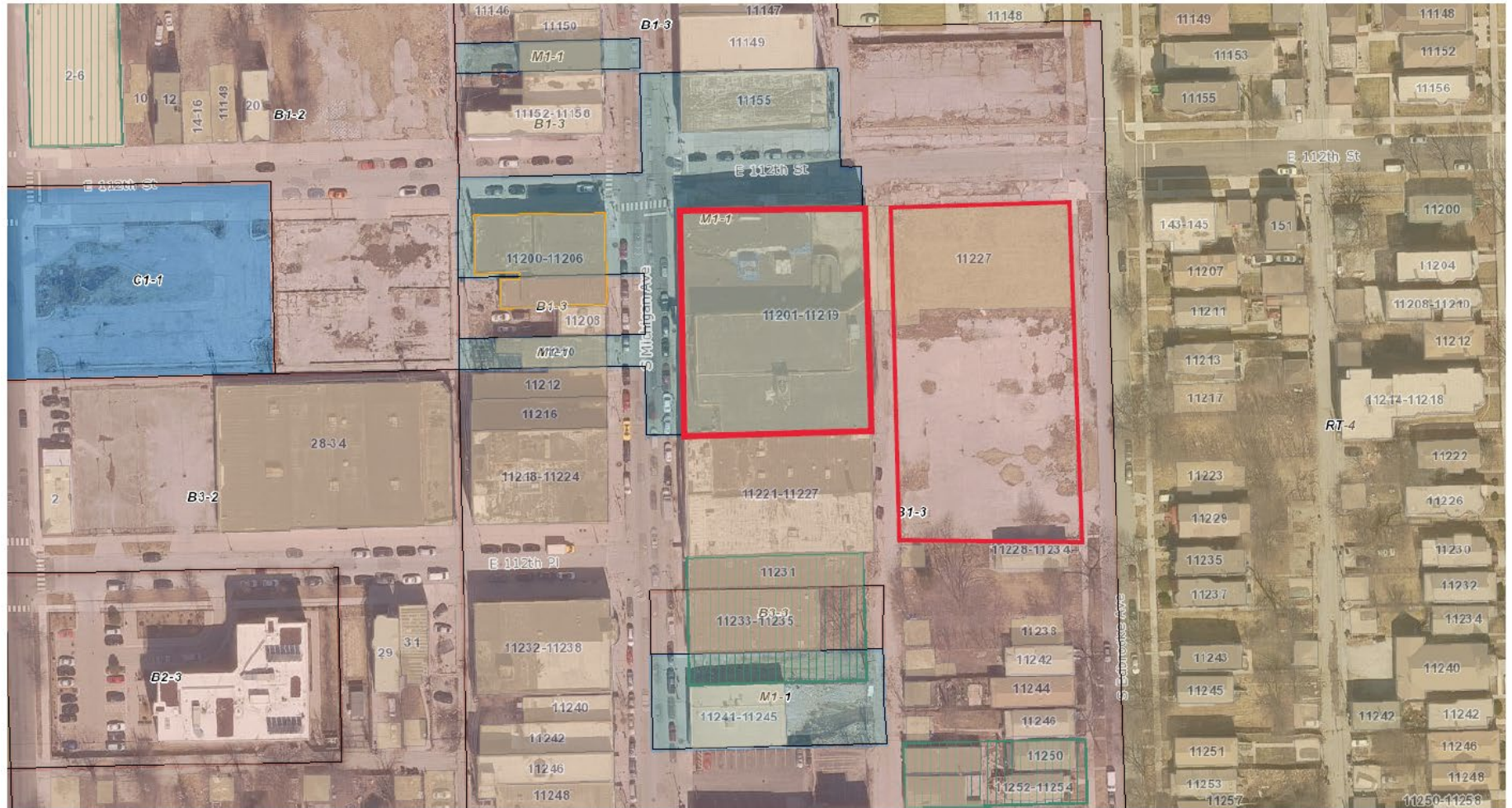
Based on the wishes of the client this subject component needs to be appraised at a highest best use for *“single family houses and/or townhomes”*. The current zoning ordinance could be problematic as the *B1 district (by right) permits residential dwelling units above the ground floor(only). Moreover, with a minimum lot area requirement of 2,500 SF per dwelling unit the site would allow for 17.68 dwelling units. Should the developer acquire a variance for ground floor dwelling units, the current zoning would work as far as the desired density is concerned. The subject site could be approved for 17 single family buildings measuring 3,000 SF each.*

According to the City of Chicago, the **11201-19 South Michigan Avenue** subject component is situated in an area zoned M1, Limited Manufacturing/Business Park District. The primary purpose of the M1, Limited Manufacturing/Business Park district is to accommodate low-impact manufacturing, wholesaling, warehousing and distribution activities that occur within enclosed buildings. **This zoning ordinance is antiquated and out of touch with the neighborhood and the intentions of development.** Not coincidentally the B1-3 Neighborhood Shopping District ordinance that covers the 11200-32 South Edbrooke Avenue site should be extended west to Michigan Avenue covering the 11201-19 South Michigan Avenue subject component. The B1, Neighborhood Shopping District is intended to accommodate a broad range of small-scale retail and service uses. B1 zoning is intended to be applied in compact nodes at the intersection of two or more major streets or in a cohesive linear fashion along relatively narrow streets that have low traffic speeds and volumes (compared to multi-lane, major streets). **The B1 district is intended to exhibit the physical characteristics of storefront-style shopping streets that are oriented to pedestrians. The B1 district permits residential dwelling units above the ground floor.** The B1 district can be combined with the dash 1, dash 1.5, dash 2, dash 3 or dash 5 bulk and density designations (see Sec. 17-3-0401).

Minimum Lot Area per Unit:	2,500 SF/Dwelling units
Maximum # of Efficiency Units:	10%
Maximum FAR:	1.2
Maximum Building Height:	38 ft.

Based on the wishes of the client this subject component needs to be appraised at a highest best use for *“will be a mixed-use development”*. *The mixed-use intentions of the development plans fit exactly into the intent of the B1-3 zoning ordinance. The zoning map appears on the following page.*

Zoning Map

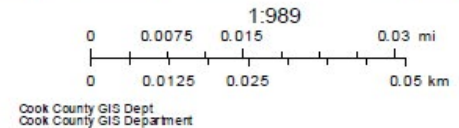


The subject sites are highlighted

Tax Map  
Cook County CookViewer



October 13, 2022



11200-32 South Edbrooke Avenue (PIN 25-22-107-032-0000)  
11201-19 South Michigan Avenue (PIN#'s 25-22-107-001-0000, 25-22-107-002-0000,  
25-22-107-003-0000, 25-22-107-004-0000)

Subject Photos



11201-19 South Michigan Avenue facing southeast



11201-19 South Michigan Avenue facing east

Subject Photos



11200-32 South Edbrooke Avenue facing southwest



11200-32 South Edbrooke Avenue facing south

**Subject Photos**



Interior view of 11201-19 South Michigan Ave (11200-32 South Edbrooke Avenue is in the background)



View of South Michigan Avenue facing north



---

## **Appraisal Problem and Valuation Approach**

The objective of this appraisal report is to estimate the market value of the subject property as of October 13, 2022, the date of inspection.

When valuing the subject property as vacant land, the Sales Comparison Approach is the most relevant of the three most widely used when sale comparables are available and therefore, the Cost and Income Capitalization Approaches were not emphasized in this analysis as there are sale comparable information available.

The market value of the subject is estimated, via the Sales Comparison Approach. This approach is based upon the assumption that a prudent buyer would not pay more for a property than it would cost to acquire a comparable substitute property. Additionally, this approach involves direct comparison of the property being appraised to other similar type properties that have sold or are currently offered for sale. Since no two properties are ever identical, adjustments for differences in quality, location, size, and market appeal are often necessary.

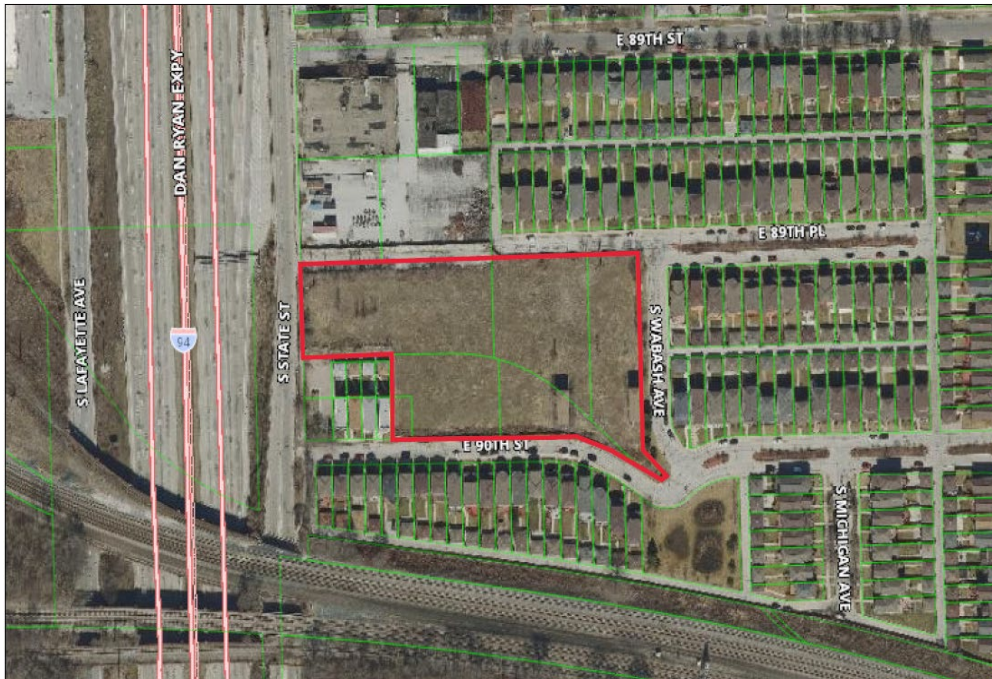
The reliability of this technique is dependent upon the availability of comparable sales data, the verification of the sales data, the degree of comparability of each sale with the subject properties, the date of sale in relation to the date of the appraisal, taking into account market changes during the interim, and consideration of any atypical conditions affecting the price or terms of the sale.

The price a typical purchaser pays is usually the result of an extensive shopping process in which available alternatives are compared. The property purchased typically represents the best available balance between the buyer's specifications and the purchase price. Hence, carefully verified and analyzed data will generally provide good evidence of value if it represents typical actions and reactions of buyers and sellers active in the market.

### **“As Is” Land Value via the Sales Comparison Approach**

An extensive search for sales of properties similar in character to the subject was conducted. The search for comparable land sales was highly focused in the subject's immediate market. There were several sales located within close proximity to the subject property. While some of these sales had buildings located on the sites, the sales were redevelopment sales.

<b>Land Sales Comparable No. 1</b>	
<b>Location</b>	42 E 90 <sup>th</sup> St. Chicago, IL 60619
<b>Date of Sale</b>	10/26/2021
<b>Sale Price</b>	\$1,200,000
<b>Seller</b>	AMOS FIN LLC
<b>Buyer</b>	SATCHELBANKS LLC
<b>Terms</b>	REO Sale
<b>Size</b>	165,001 SF
<b>Zoning</b>	RM 4.5
<b>Topography</b>	Level
<b>Utilities</b>	All to site
<b>Frontage</b>	580 ft. E. 89 <sup>th</sup> Place
<b>Structures</b>	Vacant graded, divided
<b>Price per Square Foot</b>	\$7.27/SF
<p>This comparable is located 2.75 miles north of the subject. This property is the remaining inventory of the 62-unit Chatham Crossing Subdivision. The plan is for includes 32 single-family lots, 8 multifamily lots proposed for 3-flat buildings (24 units). The larger subdivision has 580 feet of frontage on south side of 89<sup>th</sup> Place and 280 feet on the east side of State Street. This sale was verified with Cook County Document # 2130241021.</p>	



<b>Land Sales Comparable No. 2</b>	
<b>Location</b>	11624-28 South Halsted St. Chicago, IL
<b>Date of Sale</b>	12/29/2021
<b>Sale Price</b>	\$70,000
<b>Seller</b>	BRIDGEVIEW PROP MGMT LLC
<b>Buyer</b>	LIGHTS OF ZION MINISTERS
<b>Terms</b>	Cash
<b>Size</b>	24,262 SF
<b>Zoning</b>	B3-1
<b>Topography</b>	Level
<b>Utilities</b>	All to site
<b>Frontage</b>	150 ft. South Halsted St.
<b>Structures</b>	Vacant
<b>Price per Square Foot</b>	\$2.89/SF
<p>This comparable is located 1.5 miles southwest of the subject in the West Pullman community between 116<sup>th</sup> and 117<sup>th</sup> Street on Halsted Avenue. The property is a former carwash that had been vacant for an extended period. This sale was verified with Cook County Document # 2136318244.</p>	



<b>Land Sales Comparable No. 3</b>	
<b>Location</b>	1 W. 103 <sup>rd</sup> St. Chicago, IL
<b>Date of Sale</b>	02/09/2021
<b>Sale Price</b>	\$230,000
<b>Seller</b>	Seven Star Prop LLC
<b>Buyer</b>	Not available
<b>Terms</b>	All cash
<b>Size</b>	20,071 SF
<b>Zoning</b>	B1-1
<b>Topography</b>	Level
<b>Utilities</b>	All to site
<b>Frontage</b>	126 ft. on S State 159 ft. W 103 <sup>rd</sup> St.
<b>Structures</b>	Vacant
<b>Price per Square Foot</b>	\$11.46/SF
<p>This comparable is the sale of a corner lot located 1.5 miles north of the subject on a similar street. This site has 126 ft. of frontage on South State and 159 ft. of frontage on W. 103<sup>rd</sup> St. This property has similar zoning as the subject. This sale was verified by Neil Haleem the selling broker, Network Property Management LLC.</p>	



<b>Land Sales Comparable No. 4</b>	
<b>Location</b>	2148 W. 109 <sup>th</sup> St. Chicago, IL
<b>Date of Sale</b>	02/21/2020
<b>Sale Price</b>	\$130,000
<b>Seller</b>	Lynn D. Arthur TRUST
<b>Buyer</b>	Noel Deane
<b>Terms</b>	All cash
<b>Size</b>	9,373 SF
<b>Zoning</b>	RS-1
<b>Topography</b>	Level
<b>Utilities</b>	All to site
<b>Frontage</b>	235 ft. South Bell
<b>Structures</b>	Vacant, irregular
<b>Price per Square Foot</b>	\$13.87/SF
<p>This is the sale of an irregularly shaped residential site located 4.0 miles west of the subject. This is a large site with inferior zoning when compared to the subject. This sale was verified with Cook County Document #2005246023.</p>	



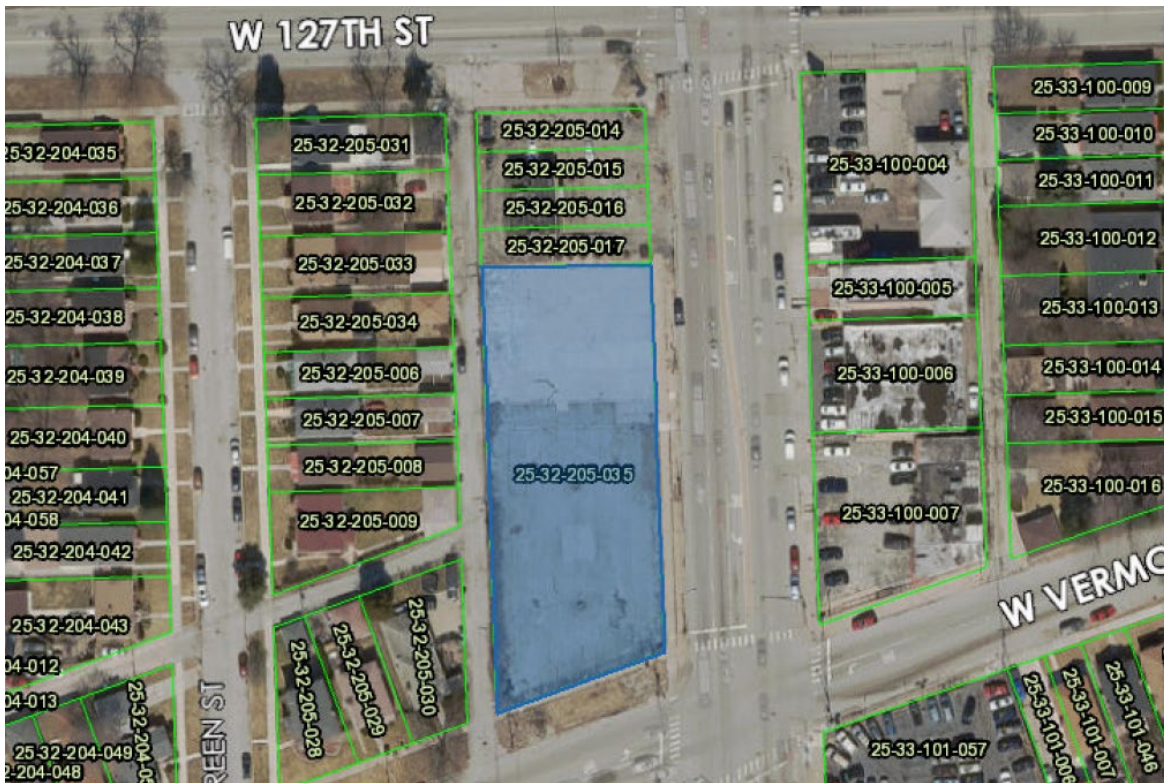
<b>Land Sales Comparable No. 5</b>	
<b>Location</b>	1637 W. 100 <sup>th</sup> Place Chicago, IL
<b>Date of Sale</b>	08/13/2020
<b>Sale Price</b>	\$60,000
<b>Seller</b>	Thomas McGuire
<b>Buyer</b>	DVAN PROP MGMT LLC
<b>Terms</b>	All cash
<b>Size</b>	6,600 SF
<b>Zoning</b>	RS-1
<b>Topography</b>	Level
<b>Utilities</b>	All to site
<b>Frontage</b>	50 ft. W. 100 <sup>th</sup> Place
<b>Structures</b>	Vacant
<b>Price per Square Foot</b>	\$9.09/SF
<p>This comparable is the recent sale of a larger vacant residential site located 4.1 miles west of the subject property. We have included it to illustrate the lower end of the value for larger vacant land in the subject market area. This sale was verified with Cook County Assessor Warranty Deed #2022606206.</p>	



<b>Land Sales Comparable No. 6</b>	
<b>Location</b>	10000 South Halsted St. Chicago, IL
<b>Date of Sale</b>	11/18/2019
<b>Sale Price</b>	\$150,000
<b>Seller</b>	BELL JAMES C JR
<b>Buyer</b>	CHICAGO SKY RLTY LLC
<b>Terms</b>	All cash
<b>Size</b>	13,875 SF
<b>Zoning</b>	B3-1
<b>Topography</b>	Level
<b>Utilities</b>	All to site
<b>Frontage</b>	125 ft. South Halsted St.
<b>Structures</b>	Vacant graded
<b>Price per Square Foot</b>	\$10.81/SF
<p>This comparable is located 3.0 miles northwest of the subject. This site was sold with a small building on it at the time of sale however this is a redevelopment parcel. This site has slightly superior zoning. This sale was verified with Cook County Document # 1932217041.</p>	

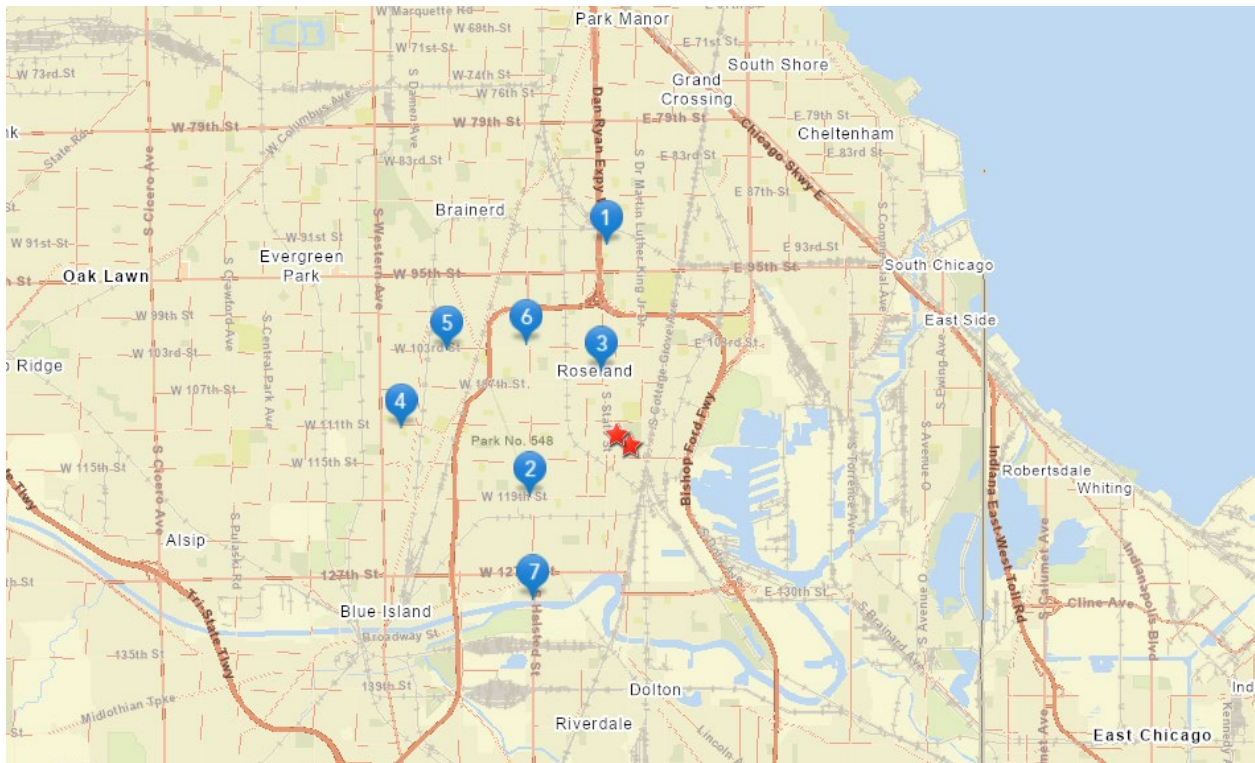


Land Sales Comparable No. 7	
<b>Location</b>	12730 South Halsted St. Chicago, IL
<b>Date of Sale</b>	12/30/2020
<b>Sale Price</b>	\$160,000
<b>Seller</b>	Shorebank
<b>Buyer</b>	Not available
<b>Terms</b>	REO Sale
<b>Size</b>	28,896 SF
<b>Zoning</b>	B3-1
<b>Topography</b>	Level
<b>Utilities</b>	All to site
<b>Frontage</b>	248 ft. South Halsted St.
<b>Structures</b>	Vacant
<b>Price per Square Foot</b>	\$5.54/SF
<p>This comparable is located 3.0 miles southwest of the subject in the West Pullman community between 127<sup>th</sup> and Vermont on Halsted. Property is zoned B3-1, which has more opportunities for development. This site has slightly superior zoning. This sale was verified by the selling broker Dorothy Wulf of Wulf Properties Realty Corp.</p>	





Sales Comparable Map



**Land Sales Summary/Adjustment Grid**

	<b>Subject</b>	<b>Comparable#1</b>	<b>Comparable#2</b>	<b>Comparable#3</b>	<b>Comparable#4</b>	<b>Comparable#5</b>	<b>Comparable#6</b>	<b>Comparable#7</b>
Property	11200-32 South Edbrooke 11201-19 South Michigan Chicago, Illinois	42 E 90 <sup>th</sup> Street. Chicago, IL	11624-28 South Halsted St. Chicago, IL	1 W. 103 <sup>rd</sup> St. Chicago, IL	2148 W. 109 <sup>th</sup> St. Chicago, IL	1637 W. 100 <sup>th</sup> Pl. Chicago, IL	10000 South Halsted St. Chicago, IL	12730 South Halsted St. Chicago, IL
Sale Date	<b>Date of Value</b> 10/13/2022	10/26/2021	12/29/2021	02/09/2021	02/21/2020	08/13/2020	11/18/2019	12/30/2020
Land Size	44,200 SF/30,070 SF	165,001 SF	24,262 SF	20,071 SF	9,373 SF	6,600 SF	13,875 SF	28,896 SF
Zoning	B3-1	RM 4.5	B3-1	B1-1	RS-3	RS-1	B3-1	B3-1
Shape	Regular	Irregular	Regular	Regular	Irregular	Regular	Regular	Regular
Orientation	Corner	Interior	Interior	Corner	Corner	Interior	Corner	Corner
Selling Price		\$1,200,000	\$70,000	\$230,000	\$130,000	\$60,000	\$1,653,750	\$160,000
Selling Price \$/SF		\$7.27/SF	\$2.89/SF	\$11.46/SF	\$13.87/SF	\$9.09/SF	\$10.81/SF	\$5.54/SF
Property Rights Conveyed		=	=	=	=	=	=	=
Financing Terms		=	=	=	=	=	=	=
Conditions of Sale		REO +++	=	=	=	=	=	REO +++
Market Conditions		=	=	=	=	=	=	=
Adjusted Selling Price \$/SF		\$8.36/SF	\$2.89/SF	\$11.46/SF	\$13.87/SF	\$9.09/SF	\$10.81/SF	\$6.37/SF
Zoning		=	=	=	++	++	=	=
Location		=	=	=	=	=	=	=
Size		++	--	--	--	---	--	--
Shape		+	=	=	=	+	=	=
Accessibility/Visibility		=	=	--	=	=	--	--
Frontage		=	=	=	=	=	=	=
Orientation		+	=	=	=	+	=	=
Net % Adjustment		20%	(10%)	(20%)	0%	0%	(20%)	(20%)
<b>Total Adj. Selling Price Per SF (Rounded)</b>		\$10.03/SF	\$2.60/SF	\$9.00/SF	\$14.00/SF	\$9.00/SF	\$9.00/SF	\$5.00/SF

+ Comparable is inferior to the subject warranting an increase to the comparable's unadjusted price/SF.

- Comparable is superior to the subject warranting a decrease to the comparable's unadjusted price/SF.

= Comparable is similar to the subject warranting no adjustment to the comparable's price/SF.

**Analysis of Sales:** In employing the Sales Comparison Approach, land transactions located in the subject’s market have been compiled. The selected comparable properties were chosen for a combination of the following factors including proximity to the subject, similar market, and similar physical characteristics based on the ability to verify the sale comparable data. The preceding sales are considered recent. Price per square foot is the primary unit of comparison in this analysis. Adjustments to the Sale Comparables were made for size, location, and demolition costs when applicable. There were several recent sales of similar sites within close proximity to the subject property. These sales were considered to be good indicators of value for the subject site as a vacant, redevelopment parcel.

Recently there have been sales of improved buildings along Michigan Avenue adjacent to the subject sites. Below we have summarized these sales applying a deduction for the demolition of the existing improvements. The data for these sales did not include the intentions of the buyer. It is possible some are being purchased for redevelopment given the surrounding activity. The implied value of the sites after demolition are calculated below.

Location	Sale Date	Selling Price	Building SF	Demolition *Costs	Indicated Land Value	Land SF	\$ per SF Land
233 E. 115 <sup>th</sup>	03/21/2021	\$100,000	6,300 SF	(\$31,500)	\$68,500	10,019	\$6.84/SF
11109 South Michigan	Contract	\$199,000	11,400 SF	(\$57,000)	\$142,000	11,400	\$12.46/SF
11151 South Michigan	09/15/2022	\$115,000	10,120 SF	(\$50,600)	\$64,400	6,251	\$10.00/SF

*We have conservatively estimated demolition @ \$5/SF which would include demolition and site clearing disposal costs and fees and permits.*

As illustrated above a value indication of land in the immediate subject neighborhood, extracted from the building shell sales would range from \$7.00/SF to \$12.00/SF.

Likewise, as illustrated in the redevelopment parcel land sales summary/adjustment grid on the previous page, the adjusted sales comparables fall into range of \$2.60/SF - \$14/SF with a median adjusted value of **\$9.00/SF** (and an average adjusted value of \$8.38/SF). The subject’s two corner location compelled a conclusion at the median adjusted range and concluded to **\$9.00/SF** for the subject sites. Our calculations are summarized further below.

<b>Land SF</b>	<b>x</b>	<b>\$/SF</b>	<b>=</b>	<b>Value Estimate</b>
44,200 SF		\$9.00/SF		\$397,800

**Estimated Market Value of the 11200-32 South Edbrooke Avenue**

**44,200 SF of vacant land via the**

**Sales Comparison Approach (Rounded): \$398,000**

<b>Land SF</b>	<b>x</b>	<b>\$/SF</b>	<b>=</b>	<b>Value Estimate</b>
<b>30,070 SF</b>		<b>\$9.00/SF</b>		<b>\$270,630</b>

**Estimated Market Value of the 11201-19 South Michigan Avenue**

**30,070 SFSF of vacant land via the**

**Sales Comparison Approach (Rounded): \$271,000**

We have performed a thorough investigation and analysis of local market conditions to arrive at a sound opinion of value. The attached report contains a summary of the data gathered in our investigation and describes in detail our analysis and conclusions. The appraisal is prepared according to the appraisal guidelines established by Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) and conforms to the Uniform Standards of Professional Appraisal Practice (USPAP). The appraisal report should only be used by sophisticated users who have the opportunity to obtain a full understanding of the assumptions underlying the analysis.

Based upon the information researched for this appraisal report, it is our opinion that the market value of the 11200-32 South Edbrooke Avenue, Chicago, Illinois property on an "As Is" basis, based on the accompanying assumptions and limiting conditions, as of October 13, 2022, the date of inspection, is:

**Three Hundred Ninety-Eight Thousand Dollars (\$398,000)**

Based upon the information researched for this appraisal report, it is our opinion that the market value of the 11201-19 South Michigan Avenue, Chicago, Illinois property on an "As Is" basis, based on the accompanying assumptions and limiting conditions, as of October 13, 2022, the date of inspection, is:

**Two Hundred Seventy-One Thousand Dollars (\$271,000)**

Respectfully Submitted,



---

Richard I. Knitter, MAI, CPM  
Principal  
IL State Certified Appraiser # 553-000586



---

Sherman T. Baker  
Appraiser  
IL State Certified Appraiser # 553-002238

**Table of Contents**

Executive Summary ..... 2  
Introduction..... 3  
    Zoning  
Subject Photographs..... 6  
Appraisal Problem and Valuation Approach ..... 9  
Land Valuation - Sales Comparison Approach..... 10  
Scope of the Appraisal ..... 22  
Market Value Defined  
Exposure Period  
Property Rights Appraised  
Subject History  
Highest and Best Use ..... 24  
Reconciliation ..... 26  
Assumptions and Limiting Conditions ..... 27  
Certification of Value ..... 29

**Addenda**

Qualifications

## **Scope of the Appraisal**

The scope of this appraisal report included the physical inspection of the subject site followed by the collection, verification and analysis of data pertinent to the methods of valuation utilized in this report.

Market data compiled for this report include a variety of vacant land comparables. The data are the result of research specific to the subject's area and surrounding areas. The data were verified by buyers, sellers, brokers, managers, government officials or other sources regarded as knowledgeable and reliable. Specifically, sales of vacant land were obtained from developers, brokers, private investors, as well as, by researching our files and various data service reports which outline transactions recorded in the subject's market area and other similar west side Chicago Neighborhoods. In most cases, sales information was verified by parties to the transaction. Emphasis was placed on transactions for which direct verification was available.

Information specific to the subject such as the site maps and property information were provided by the owner or client and were judged to be reliable. We have placed strong reliance on the accuracy of these documents in our valuation of the property and have assumed them to be correct. Specific estimates concerning land values are our judgment, based on our interpretation of the market data. The reasoning behind such estimates is illustrated within the approaches to value.

We have been supplied unit sizes at the proposed subject property by our client. We have confirmed this data with the architect plans and deemed these measurements to be reasonable. We have utilized this data in estimating value via the Sales Comparison Approach. Other information, such as tax records and zoning, was provided by governmental sources.

## **Market Value Defined**

Market Value is defined as "The most probable price which a property should bring in a competitive and open market under all condition's 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 are 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.

This definition of value conforms to FIRREA guidelines and the definition is taken from the 2010 Interagency Appraisal and Evaluation Guidelines.

## Exposure Period

We have estimated an overall marketing time for the subject of **3-12 months**. Considering the current economy, available financing in the real estate market, condition, and occupancy suggests favorable signs for marketing. These factors have been taken into consideration in the selection of price per square foot figures applied in the Sales Comparison Approach of this report.

## Property Rights Appraised

The appraisal is of the **fee simple** interest of the subject property for valuation purposes. A fee simple interest is defined as: "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." (*The Dictionary of Real Estate Appraisal*, Third Edition, 1993, Appraisal Institute, Page 140.)

## Subject History

The subject has been under current ownership for over three years, and no sales contract was provided. No listing for the subject was found and there have been no sales of the subject in the last three years.

## Real Estate Taxes

The subject is within the taxing jurisdiction of Cook County, Illinois. Taxes in Cook County are payable one year in arrears; i.e.; 2021 taxes will be payable in two installments in 2022. The taxes due in March are exactly 50% of the prior year's total taxes. Any adjustments are billed along with the remaining 50% in August. The PIN (Permanent Identification Numbers) of the site are:

<u>Address</u>	<u>PIN#’s</u>	<u>Frontage</u>	<u>SF</u>	<u>Zoning</u>
11200-32 South Edbrooke Avenue	25-22-107-032-0000	South Edbrooke Avenue - 287 ft.	44,200 SF	B1-3
11201-19 South Michigan Avenue	25-22-107-001-0000 25-22-107-002-0000 25-22-107-003-0000 25-22-107-004-0000	South Michigan Avenue - 192 ft. East 112 <sup>th</sup> Street -160 ft.	30,070 SF	B1-3 (assumed)

The current level of taxes potentially to be assessed at the subject property is inconsequential for this analysis. The subject properties are currently tax-exempt.

**Highest and Best Use**

Highest and best use as defined in The Appraisal of Real Estate, Eleventh Edition, page 297 is as follows:

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

In determining the highest and best use of the subject property, careful consideration was given to the economic, legal and social factors that motivate investors to develop, own, buy and sell, manage, and lease real estate.

In estimating the highest and best use of a vacant parcel of land there are essentially four stages of analysis:

1. **Legally Permissible Use** - What uses are permitted by zoning and deed restrictions on the site in question?
2. **Physically Possible Use** - What uses of the site in question are physically possible?
3. **Financially Feasible Use** - Which possible and permissible uses will produce a net return to the owner of the site?
4. **Maximally Productive Use** - Among the feasible uses, which will produce the highest net return or highest present worth of the site in question?

**Highest and Best Use, As If Vacant** - The subject property would be adaptable developed on its own or assembled with a surrounding site. The client has specifically requested the subject sites be valued based on the following.

According to the City of Chicago, the **11200-32 South Edbrooke Avenue** subject property is situated in an area zoned B1-3 Neighborhood Shopping District. The B1, Neighborhood Shopping District is intended to accommodate a broad range of small-scale retail and service uses. B1 zoning is intended to be applied in compact nodes at the intersection of two or more major streets or in a cohesive linear fashion along relatively narrow streets that have low traffic speeds and volumes (compared to multi-lane, major streets). The B1 district is intended to exhibit the physical characteristics of storefront-style shopping streets that are oriented to pedestrians. The B1 district permits residential dwelling units above the ground floor. The B1 district can be combined with the dash 1, dash 1.5, dash 2, dash 3 or dash 5 bulk and density designations (see Sec. 17-3-0401).

Minimum Lot Area per Unit:	2,500 SF/Dwelling units
Maximum # of Efficiency Units:	10%
Maximum FAR:	1.2
Maximum Building Height:	38 ft.



Based on the wishes of the client this subject component needs to be appraised at a highest best use for “*single family houses and/or townhomes*”. The current zoning ordinance could be problematic as the B1 district (by right) *permits residential dwelling units above the ground floor(only)*. Moreover, with a minimum lot area requirement of 2,500 SF per dwelling unit the site would allow for 17.68 dwelling units. Should the developer acquire a variance for ground floor dwelling units, the current zoning would work as far as the desired density is concerned. The subject site could be approved for 17 single family buildings measuring 3,000 SF each.

According to the City of Chicago, the **11201-19 South Michigan Avenue** subject component is situated in an area zoned M1, Limited Manufacturing/Business Park District. The primary purpose of the M1, Limited Manufacturing/Business Park district is to accommodate low-impact manufacturing, wholesaling, warehousing and distribution activities that occur within enclosed buildings. **This zoning ordinance is antiquated and out of touch with the neighborhood and the intentions of development.** Not coincidentally the B1-3 Neighborhood Shopping District ordinance that covers the 11200-32 South Edbrooke Avenue site should be extended west to Michigan Avenue covering the 11201-19 South Michigan Avenue subject component. The B1, Neighborhood Shopping District is intended to accommodate a broad range of small-scale retail and service uses. B1 zoning is intended to be applied in compact nodes at the intersection of two or more major streets or in a cohesive linear fashion along relatively narrow streets that have low traffic speeds and volumes (compared to multi-lane, major streets). **The B1 district is intended to exhibit the physical characteristics of storefront-style shopping streets that are oriented to pedestrians. The B1 district permits residential dwelling units above the ground floor.** The B1 district can be combined with the dash 1, dash 1.5, dash 2, dash 3 or dash 5 bulk and density designations (see Sec. 17-3-0401).

Minimum Lot Area per Unit:	2,500 SF/Dwelling units
Maximum # of Efficiency Units:	10%
Maximum FAR:	1.2
Maximum Building Height:	38 ft.

Based on the wishes of the client this subject component needs to be appraised at a highest best use for “*will be a mixed-use development*”. *The mixed-use intentions of the development plans fit exactly into the intent of the B1-3 zoning ordinance.*

**Reconciliation and Final Value Estimates**

In valuing the vacant land at the subject site only the Sales Comparison Approach to value was applicable. The indication of value is as follows:

			Total	Total	Total
			Estimated	Estimated	Est. Value
<u>Address</u>	<u>PIN#</u>		<u>Value \$/SF</u>	<u>Value</u>	<u>Rounded</u>
11200-32 South Edbrooke Avenue	25-22-107-032-0000	44,200 SF	\$9.00/SF	\$397,800	<b>\$397,800</b>
11201-19 South Michigan Avenue	25-22-107-001-0000 25-22-107-002-0000 25-22-107-003-0000 25-22-107-004-0000	30,070 SF	\$9.00/SF	\$270,630	<b>\$271,000</b>

---

### Assumptions and Limiting Conditions

This appraisal report has been prepared and is subject to, the following assumptions and limiting conditions:

- The value reported is only applicable to the purpose, function, date, and terms stated in this report and shall not be used for any other purpose.
- Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute.
- The appraisers have assumed that the readers of this report are well versed in real estate and are sophisticated and knowledgeable business individuals.
- No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there are no encroachments nor encumbrances unless noted in the report.
- Responsible ownership and competent property management are assumed.
- The information furnished by others is believed to be reliable, but no warranty is given for its accuracy. It is assumed that all information known to the client and relative to the valuation has been accurately furnished and that there are no undisclosed leases, agreements, liens, or other information affecting the valuation of the property.
- It is assumed that the property is in full compliance with all applicable federal, state, and local regulations and laws unless the lack of compliance is stated, described and considered in the appraisal report.
- The appraisers shall not be required to give testimony as a witness or to appear in any capacity in any legal or administrative hearing or procedure, or to have any continued service responsibility unless compensated, by the client of this report, in advance, according to their fee schedule then in effect.
- The appraisers are not engineers, no warranties are made by references to physical property characteristics in terms of quality, condition, cost, suitability, soil conditions, flood risk, obsolescence, etc., and no liability is assumed for any engineering related issues.
- Possession of this report or a copy thereof does not imply right of publication, nor use for any purpose by any other than our client, their participants, and their direct clients, without the written consent of Great Realty Advisors, Inc.

**Assumptions and Limiting Conditions - Continued**

- The liability of Great Realty Advisors, Inc. is limited to our client, their participants and their direct clients. This appraisal was prepared specifically for the client to whom this appraisal was addressed. Third parties, who desire use of an appraisal of the subject property, should contact Great Realty Advisors, Inc., 401 N. Michigan Avenue, Suite 1200, Chicago, Illinois 60611, (312) 64-GREAT or 3009 35th Street, Suite 300, Oak Brook, Illinois 60523 (630) 323-9000.
- Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such material on or in the property. The appraiser is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there are no such materials on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
- Cash flow projections are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within the appraisal report. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may well vary from the projections contained herein. The appraisers do not warrant that these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of the appraisers. The appraisers are not trying to forecast the future but rather are attempting to replicate techniques utilized by market participants for properties similar to the subject.
- The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine if it is in conformity with the various detailed requirements of the ADA. It is possible that a detailed analysis of the requirements for the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we do not have direct evidence relating to this issue and are not experts in this field, we have not considered possible lack of compliance with the requirements of the ADA in estimating the value of the property.

## Signed Certification

We, Richard Knitter and Sherman Baker certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have not performed 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.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- That all market data pertaining to the final value estimate has been accumulated from various sources and where possible, personally examined and verified as to details, motivation and validity.
- That we have prepared and reviewed the analyses, conclusions and opinions concerning real estate contained in this report and fully concur with the final value estimate herein expressed.
- I, Richard Knitter, have made a personal inspection of the property that is the subject of this report. I, Sherman Baker, have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the persons signing this report.
- 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, Richard Knitter has completed the requirements of the continuing education program of the Appraisal Institute.

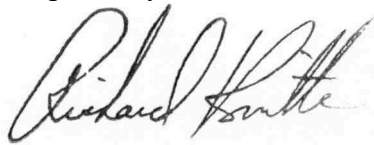
Based upon the information researched for this appraisal report, it is our opinion that the market value of the 11200-32 South Edbrooke Avenue, Chicago, Illinois property on an “As Is” basis, based on the accompanying assumptions and limiting conditions, as of October 13, 2022, the date of inspection, is:

**Three Hundred Ninety-Eight Thousand Dollars (\$398,000)**

Based upon the information researched for this appraisal report, it is our opinion that the market value of the 11201-19 South Michigan Avenue, Chicago, Illinois property on an “As Is” basis, based on the accompanying assumptions and limiting conditions, as of October 13, 2022, the date of inspection, is:

**Two Hundred Seventy-One Thousand Dollars (\$271,000)**

Respectfully Submitted,



Richard I. Knitter, MAI, CPM  
Principal  
IL State Certified Appraiser # 553-000586



Sherman T. Baker  
Appraiser  
IL State Certified Appraiser # 553-002238

**Addenda**

**Qualifications**

---

**Qualifications of Richard Knitter, MAI, CPM, FRICS, R/W-AC**

<b>Education:</b>	Master of Business Administration University of Southern California Los Angeles, CA
	Bachelor of Science, Finance-Real Estate University of Illinois Champaign-Urbana, IL
<b>Professional Affiliations:</b>	MAI - Member of the Appraisal Institute Designation CPM - Certified Property Manager of the Institute of Real Estate Management FRICS- Fellow of the Royal Institute of Chartered Surveyors R/W-AC International Right of Way Association Chicago Real Estate Council – Past President Appraisal Institute - Admissions Committee, Young Advisory Council Appointment, Demonstration Report Grader, National Research Committee, Ethics and Counseling, and local Chapter Board of Directors International Council of Shopping Centers Licensed Real Estate Managing Broker Urban Land Institute – Chicago Executive District Board American Real Estate Society – past Fellow, author, speaker University of IL Real Estate Alumni Forum - Past President NICAR – Past board member Appraisal Standards Board Member of the Appraisal Foundation
<b>Experience:</b>	Expert witness and valuation consulting experience on a variety of assignments for retail, office, industrial, mixed-use, and special-use projects. State Certified Real Estate Appraiser in: Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Ohio, and Wisconsin
<b>Articles Published And Presentations Made</b>	"What Clients Want From Appraisal Reports" Five Nation-wide Annual Surveys of Appraisal Clients Presented research at multiple American Real Estate Society Meetings; Teach online university courses since 2000 Presented seminars at the National IREM and National Appraisal Institute Conferences Selected to make presentations at the annual Chicago Market Update Meetings Selected to make presentation at national CMBS meeting in Atlanta and Chicago Appraisal issue presentations to banks Have provided expert witness testimony in an array of cases involving real estate valuation issues concerning environmental contamination, financial, market, tenancy, and other real estate valuation issues.



**Qualifications of Sherman T. Baker**

**Education:** Bachelor of Business Administration, Finance  
Eastern Michigan University  
Ypsilanti, MI

**Appraisal Education:** Courses completed include:

- IL I** Uniform Standards of Professional Appraisal Practice
  - IL II** Principals and Fundamental Concepts of Real Estate Appraisal
  - IL III** Application and Methods of Real Estate Appraisal
  - IL 300 GR** Real Estate Finance Statistics and Valuation Modeling
  - IL 405G** General Appraiser Report Writing & Case Studies
  - IL 403G** Income Capitalization Approach Part I
  - IL 404G** Income Capitalization Approach Part II
  - IL N400G** General Market Analysis and Highest & Best Use
  - IL 401G** General Appraiser Sales Comparison Approach
  - IL 402G** General Appraiser Site Valuation & Cost Approach
  - IL 550** Advanced Applications
- Quantitative Analysis
- United States Department of Housing and Urban  
Development MAP Valuation Technical Training

**Appraisal Experience:** IL State Certified Appraiser #553-002238

**Additional Experience:** Controller/Accounting Manager/Secretary Treasurer for various private retail entities for over 10 years.