

Residential Market Analysis
-- Strategy Planning Guidelines --
Kankakee County, Illinois

Prepared on behalf of:

Economic Alliance of Kankakee County
200 East Court Street, Suite 507
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TRACY CROSS & ASSOCIATES, INC.
REAL ESTATE MARKET ANALYSIS

INTRODUCTION

At the request of the Economic Alliance of Kankakee County, Tracy Cross & Associates, Inc. evaluated the market potential for residential development throughout Kankakee County, Illinois. Specifically focusing upon new construction housing opportunities, this analysis establishes the following:

- ☐ Conclusions regarding the depth of the market for residential development throughout Kankakee County based upon pertinent economic, demographic, and residential trends which define the marketplace.
- ☐ Conclusions regarding the overall marketability of new housing units (both for rent and for sale) over the next several years. These conclusions are based upon factors associated with location, depth of market, segmentation variables, growth and income characteristics of area households, residential market conditions, etc.
- ☐ Detailed recommendations regarding those housing forms viewed to hold measurable market support near- to mid-term – and those that could be successfully introduced at various locations throughout the county. These recommendations, which address all segments of the rental and for sale housing markets extending from younger profiles through active adults/empty nesters, include product types, plan styles/sizes, features/amenities, etc., along with benchmark rental rates and price points necessary to achieve acceptable levels of absorption.
- ☐ An overall development matrix outlining the most marketable mix of residential uses throughout the county to facilitate land planning, approvals, architecture, financial modeling, marketing, merchandising, developer/builder guidance, etc.
- ☐ A geographic positioning strategy for the suggested housing products throughout the county.

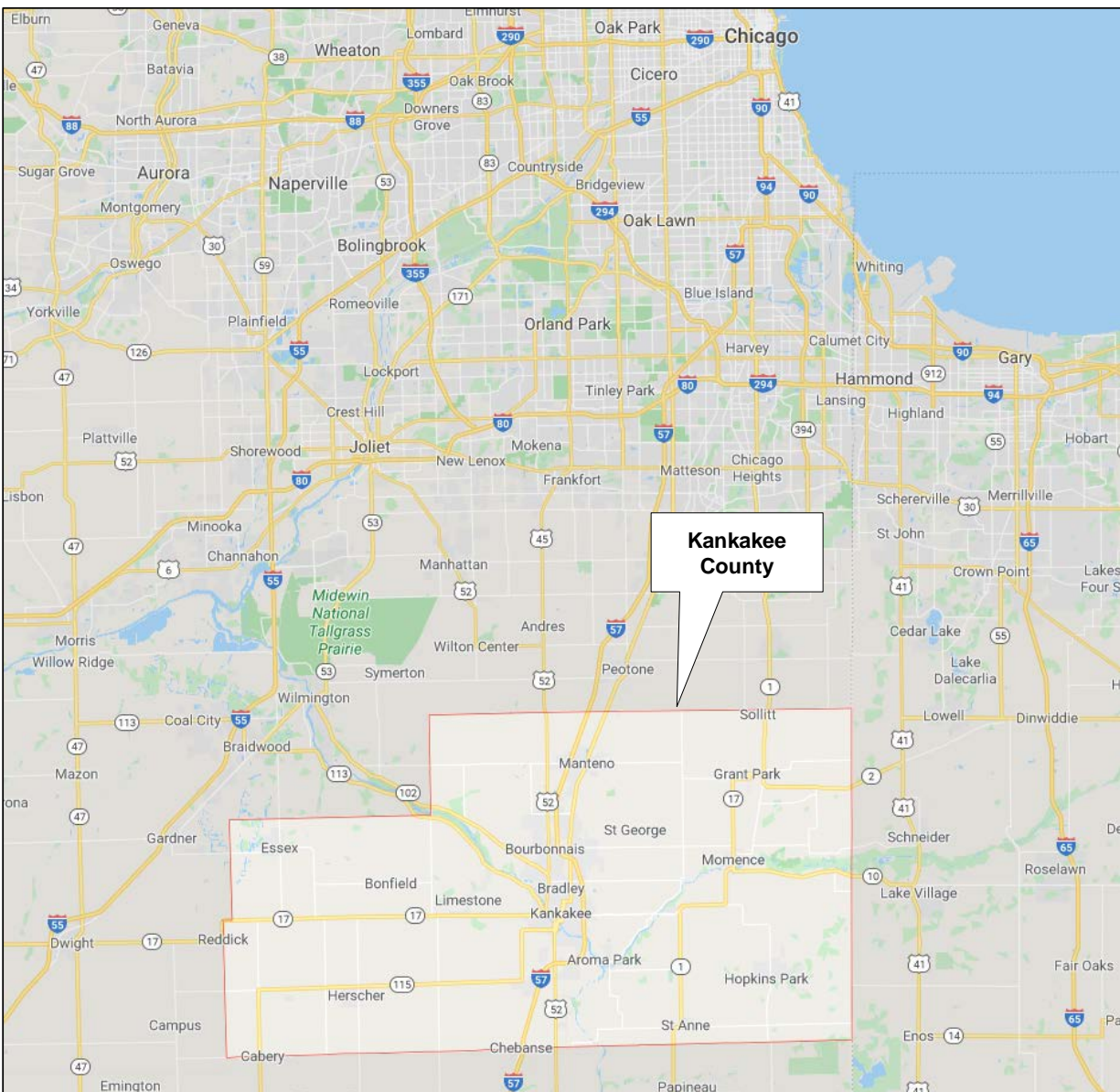
WORK PLAN

The work plan for this assignment involved a series of inter-related research investigations as summarized below:

- ☐ A thorough field examination of the Kankakee County housing market including nearby areas as applicable.
- ☐ A detailed analysis of all relevant employment, demographic, and residential trends/statistics including a comprehensive evaluation of key socio-economic and income variables of area households.
- ☐ A thorough assessment of both the rental apartment and for sale sectors of the local housing market and adjoining areas.
- ☐ A demand forecast for residential development in Kankakee County over the next several years segmented by housing form.
- ☐ A case study evaluation of “like” residential initiatives throughout similar markets in the Midwest in order to assess trends, products, performance levels, etc.

KANKAKEE COUNTY

Kankakee County is situated 40 miles south of Chicago and directly east of northwest Indiana. In November 2022, the county supported an estimated population base of 109,729 persons distributed among 39,645 households. The city of Kankakee, which is located in the center of the county, is the county seat and one of the more densely populated areas of the region. In November 2022, the city of Kankakee carried a population base of 25,339 persons distributed among 8,884 households. Other heavily populated areas include Bradley, Bourbonnais, and Manteno, which together contain an overall population base of 43,199 persons distributed among 15,165 households. Kankakee, Bradley, Bourbonnais, and Manteno, collectively, account for over 60 percent of all households county-wide. These municipalities align the heavily traveled Interstate 57 transportation corridor.

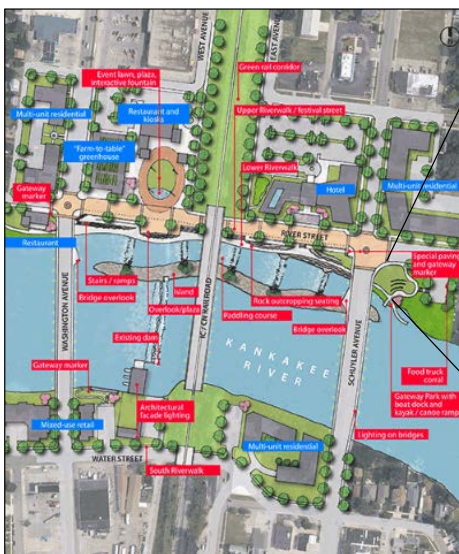


UNDERLYING POTENTIALS FOR NEW HOUSING DEVELOPMENT

Based upon a detailed analysis of those economic, demographic, residential and demand-related variables expected to influence the development of new market rate housing throughout Kankakee County, while giving full consideration to the size, location and environment of the various municipalities that comprise the jurisdiction, the opportunity for new residential development over the next several years is viewed as *strong*. This favorable conclusion is founded on the basis of the following key factors, which lay the foundation for the recommendations that follow:

Location and Environment

- ☐ Kankakee County, together with its major cities/villages of Kankakee, Bradley, Bourbonnais, and Manteno, already maintain the necessary base of infrastructure and ancillary support mechanisms to serve future residents of new construction housing at multiple locations. These include “in-place” shopping facilities, services, restaurants, night spots, employment centers, schools, healthcare, major transportation systems, and recreation/entertainment venues.
- ☐ At the same time, ample developable/re-developable land is available throughout the county (and within municipal boundaries) to accommodate new construction and/or residential adaptive reuse housing forms. This includes both urban and suburban locations considering the established urban core that defines the city of Kankakee, coupled with its various suburban counterparts.
- ☐ Situated south of and contiguous to the greater Chicago/Northwest Indiana region, which is readily accessible via Interstate 57 and other arterials, Kankakee County will continue to enjoy its alignment with this major metropolitan area.
- ☐ Economic activity is being aggressively promoted throughout Kankakee County. This includes new business openings and/or expansions; downtown Kankakee redevelopment initiatives such as *The Currents of Kankakee* riverfront project; and the influx of new retailers/service providers county-wide. Overall, local government and other agencies are committed to advancing economic growth throughout the area.



Population and Households

- Kankakee County is a rather sizeable component of northeastern Illinois. Again, it currently supports an estimated November 2022 population base of 109,729 persons distributed among 39,645 households. As highlighted in the following table, household additions in Kankakee County were positive during the 2000-2010 period totaling 3,329, or 333 yearly. More recently, and directly impacted by the national recession which began in late 2007 and lingered through 2014, along with the recent Covid-19 pandemic, the market area's household base showed negative growth between 2010 and 2022. However, according to estimates provided by Environics Analytics through its review of recent Census information and the Census Bureau's annual American Community surveys, household growth in Kankakee County is expected to move back into positive territory over the next five years with 222 new households forecast annually through 2027.

**POPULATION AND HOUSEHOLD TRENDS
KANKAKEE COUNTY, ILLINOIS**

Area	2000	2010	2022 (Estimate)	2027 (Projected)	Average Annual Change		
					2000 - 2010	2010 - 2022	2022 - 2027
Population							
Kankakee County	103,833	113,449	109,729	111,670	+962	-310	+388
Households							
Kankakee County	38,182	41,511	39,645	40,753	+333	-156	+222

Source: U.S. Census Bureau, Environics Analytics and Tracy Cross & Associates, Inc.

- Relative to households by age classification, there is currently a *rather large* base of existing households among each of the various age categories in Kankakee County. The depth of households by age group (as outlined in the adjacent text table) provides the initial foundation for the introduction of *diversified housing products* throughout the market. In other words, the depth of household profiles in each age category bodes well for product diversification and differentiation. It is important to note that the total number of households in the 55-64, Under 35 and 64-75 age classifications represent the largest factions.

**HOUSEHOLDS BY AGE GROUP: 2022
-- KANKAKEE COUNTY, ILLINOIS --**

Age Range	Total Households
Under 35	7,166
35-44	6,165
45-54	6,569
55-64	7,521
65-74	6,881
75-84	3,659
85 and over	1,684
Total	39,645

Source: Environics Analytics: 2022 Demo. Snapshot

- ❑ The current composition of area households lends additional support to the development of a variety of residential product forms county-wide. As highlighted in the following table, there is an ample number of one- and two- person households (for both rental housing and for sale attached products such as duplexes, condominiums and/or townhomes), and also a significant number of three- and four-person households (for certain attached for sale housing products as well as single family detached residences).

Most notable among all household classifications are one- and two-person occupied housing units which, together, comprise nearly 60 percent of total households in Kankakee County.

**2022 COMPOSITION OF AREA HOUSEHOLDS:
KANKAKEE COUNTY, ILLINOIS**

Attribute	Kankakee County, IL
Total Households	39,645
1-Person Household	10,292
2-Person Household	12,762
3-Person Household	6,607
4-Person Household	5,299
5-Person Household	2,815
6 or More Person Household	1,870
1 Person Households	
Percent	26.0
Number	10,292
2 Person Households	
Percent	32.2
Number	12,762

Source: Environics Analytics: 2022 Demographic Snapshot

Incomes

- ❑ Households in Kankakee County support slightly lower incomes than the nation as a whole as evidenced by an estimated 2022 median of \$66,700, a level 5.3 percent below the \$70,443 median noted for the United States. *Upon close examination of area incomes in the county, nearly 45 percent of all current households earn between \$35,000 and \$99,999 annually, which represents the mainstream of the market (the heart of the workforce), i.e., those earning between 50 and 150 percent of the county's median. This signifies the threshold of the market and a target point where most new market rate housing should be initially directed.*

**HOUSEHOLDERS BY AGE AND INCOME: 2022
-- KANKAKEE COUNTY, ILLINOIS --**

Income Range	Number of Households by Age of Householder							
	Total Households	Under 35	35 - 44	45 - 54	55 - 64	65 - 74	75 - 84	85 and Over
Under \$15,000	3,652	744	271	398	708	712	504	315
15,000 - 24,999	3,280	531	389	281	458	675	570	376
25,000 - 34,999	3,073	680	448	309	370	586	456	224
35,000 - 49,999	5,213	851	661	664	856	1,182	700	299
50,000 - 74,999	6,595	1,688	1,111	876	1,005	1,139	570	206
75,000 - 99,999	5,224	914	829	944	1,048	1,001	357	131
100,000 - 124,999	4,332	546	718	1,130	1,108	581	202	47
125,000 - 149,999	3,146	595	792	663	683	272	109	32
150,000 - 199,999	3,031	378	492	808	786	423	118	26
200,000 and Over	2,099	239	454	496	499	310	73	28
Total	39,645	7,166	6,165	6,569	7,521	6,881	3,659	1,684
Median	\$66,700	\$60,970	\$80,532	\$95,331	\$83,806	\$55,049	\$41,138	\$31,399

Sources: U.S. Bureau of the Census; Environics Analytics; and Tracy Cross & Associates, Inc.

Housing Stock and Recent Residential Construction

- ❑ From a physical perspective, new housing development throughout Kankakee County would represent a welcome addition to an otherwise aging housing stock. In other words, the limited amount of new construction offerings *of any major scale* in the last 15+/- years has disenfranchised local area residents, not to mention those relocating to the area for work. As highlighted in the following text table, a full 96.5 percent of the housing stock in the county was built prior to 2010. In fact, almost 65 percent of the housing stock in Kankakee County was constructed prior to 1980.

**HOUSING UNITS BY YEAR STRUCTURE BUILT
-- KANKAKEE COUNTY, ILLINOIS --**

Year Built	Total Housing Units	
	Number	Percent
2010 or Later	1,593	3.5
2000-2009	5,924	13.2
1990-1999	5,651	12.6
1980-1989	2,890	6.4
1970-1979	7,591	16.9
1960-1969	5,551	12.4
1950-1959	5,432	12.1
1940-1949	2,376	5.3
1939 or Earlier	7,871	17.5
Total	44,879	100.0

Source: Environics Analytics: 2022 Demographic Snapshot

- ❑ The aging of the housing stock, together with the overall lack of new supply in recent years, is also evident when reviewing recent building permit trends. For example, Kankakee County has recorded an average of just 114 residential permit authorizations annually since 2007, down nearly 80 percent compared to number of permits authorized per annum between 2000 and 2007. As depicted in **Exhibit 1**, residential construction activity has fallen below the 100-unit mark in 8 of the last 13 years.
- ❑ As also outlined in Exhibit 1, residential construction activity in Kankakee County, again as measured by building permit authorizations, has clearly favored single family housing, which includes single-address duplexes, townhomes, and villas. The multifamily sector has been virtually ignored with the exception of a few affordable housing developments introduced in the last several years county-wide.

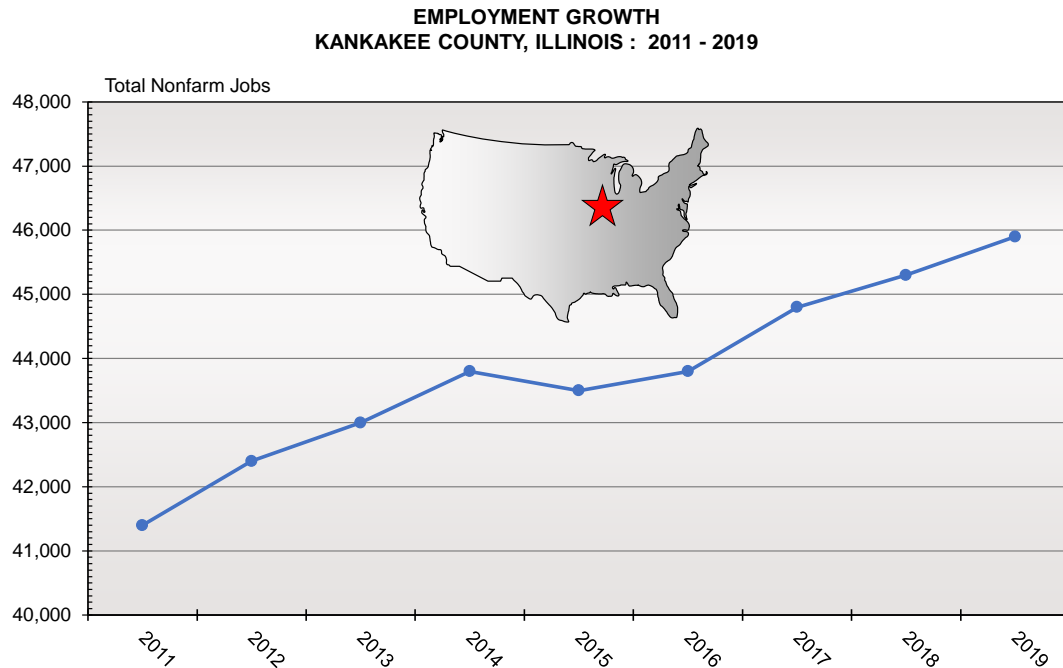
**TRENDS IN RESIDENTIAL BUILDING PERMITS
-- KANKAKEE COUNTY --**

Year	Kankakee County, IL		
	Total	Single Family	Multi-Family
2000	389	313	76
2001	453	405	48
2002	468	379	89
2003	671	583	88
2004	651	543	108
2005	827	725	102
2006	630	590	40
2007	408	382	26
2008	194	168	26
2009	96	94	2
2010	71	59	12
2011	62	54	8
2012	72	66	6
2013	112	112	0
2014	127	115	12
2015	89	89	0
2016	86	86	0
2017	198	88	110
2018	157	101	56
2019	85	85	0
2020	93	91	2
2021	140	140	0
Annual Average			
2000 - 2021	276	239	37

Source: U.S. Department of Commerce, Bureau of the Census: *C-40 Construction Reports* and Tracy Cross & Associates, Inc.

Employment

- ❑ The more modest level of residential construction activity in recent years is clearly a function of supply when considering Kankakee County's stable, albeit cyclical, economy. While one cannot discount the effect that the Great Recession had on the county's economy, along with the recent Covid-19 pandemic, nearly 5,000 net new workers were added during the 2011-2019 period as highlighted below:



Source: U.S. Department of Labor, Bureau of Labor Statistics

- ❑ Like practically every market in the country, Kankakee County was recently affected by the Covid-19 pandemic and ensuing economic constraints, compounded by lockdowns and periods of social unrest. Specifically, in 2020, the county experienced year-over-year job losses of 2,900 or 6.3 percent of total nonfarm employment, which compares with the 5.8 percent contraction witnessed nationwide during the same 12-month period. On a more positive note, however, Kankakee County economic recovery was evident in 2021 and during the first nine months of 2022 – *erasing a number of the job losses experienced during the pandemic.*
- ❑ Regardless of recent gains/losses in employment, Kankakee County still maintains a base of 40,000+ jobs, yet little new construction housing has been made available to these workers. In addition, given the proximity of Will County, Illinois to the north (accessible via I-57) we would be remiss not to mention the significant employment base in this adjoining area where some 210,000 jobs are represented.

Conventional Housing Demand

- ❑ During the 2022-2027 timeframe, construction requirements for new housing in Kankakee County will average 440 units annually. This 440-unit forecast can be tied to household growth levels estimated at 222 yearly through 2027, along with 200+/- units representing the replacement of residences lost to demolition and abandonment and the need to provide a vacancy allowance for filtering or movement from one residence to another. Of the 440 units expected to be constructed annually in the county during the 2022-2027 forecast period, 230 will/could occur among for sale housing forms with 210 represented in the rental apartment sector. As detailed in the following text table, annual for sale housing demand will be distributed among 150 single family detached homes and 80 in the attached sector, i.e., duplexes, condominiums, and townhomes.

**RESIDENTIAL ABSORPTION POTENTIALS BY PRODUCT TYPE
-- KANKAKEE COUNTY, ILLINOIS --
2022 - 2027**

Product Type	Annual	Total Through 2027
Total	440	2,200
For Sale	230	1,150
Single Family Detached	150	750
Townhome/Duplex/Condominium	80	400
For Rent	210	1,050

Source: Tracy Cross & Associates, Inc.

- ❑ Given supply-side constraints throughout the county, while also considering the limited amount of pipeline activity market-wide, it is highly likely that demand will exceed supply near term. This market reality bodes well for new housing initiatives across the county *if properly planned and executed*. In fact, outside of two multifamily projects proposed in downtown Kankakee by J. Jeffers & Company, along with two or three new for sale developments (or new phases) by Curwick Homes in the Bradley/Bourbonnais area, there are virtually no other developments of *significant scale* in planning throughout the county.
- ❑ Moreover, not only is “derived demand” likely to outstrip supply near term, but the base of residential construction requirements could actually be *much higher, i.e., double* during any given year where properly positioned supply is made available. This *upside potential* factors pent-up demand; possible increases in household growth; and spillover potentials from areas outside the county.

The Competitive Marketplace

- ❑ In Kankakee County, and specifically the municipalities of Kankakee, Bradley, Bourbonnais and Manteno, there are no new/newer market rate apartment communities of *scale*, yet more than 12,000 renter households are represented county-wide, i.e., with very little new product to choose from. With the exception of several scattered-site apartment buildings constructed periodically over the last few years and/or smaller developments, nothing of any significant size has been introduced in 30 years, and certainly nothing with true community orientation or amenity enhancements. Instead, most local renters desirous of market rate housing are generally relegated to older-stock apartments or single family/townhome/villa rental units.

- ❑ Among a representative sampling of several existing, older-stock market rate apartment complexes with at least 30 total units, occupancy levels stand at 100 percent (with waiting lists), reflecting *extremely tight market conditions*. In a normal or balanced market, vacancies of 5.0 or 6.0 percent are typically required for filtering or movement between communities. *Please note that rent levels among this selected group have increased by 15.4 percent over the last 18 months.*

**COMPOSITE SUMMARY: SELECTED APARTMENT COMMUNITIES
KANKAKEE COUNTY, ILLINOIS
NOVEMBER 2022**

Development	Location	Management Company	Year Built	Total Units	Number Vacant	Percent Vacant	Average Unit Size (Sq. Ft.)	Average Posted Base Monthly Rent	
								\$	\$/Sq. Ft.
Townhomes of Deerpath	Bradley	Deerpath Properties	1990	42	0	0.0	1,450	\$1,300	\$0.90
Stratford Manor	Bradley	Stratford Properties	1967	36	0	0.0	650	750	1.15
North Rivers Drive	Kankakee	EMP Properties, LLC	1976	36	0	0.0	983	995	1.01
Sherwood Forest	Kankakee	Zinger Property Group	1975	80	0	0.0	922	1,127	1.22
Total/Weighted Avg:	---	---	---	194	0	0.0	997	\$1,070	\$1.07

Source: Tracy Cross & Associates, Inc.

- ❑ The newest rental community to be introduced in Kankakee County, albeit of a more modest scale, is a 26-unit townhome development located in Bradley. This rental community, Sunset Point, was fully leased before construction was completed earlier this year and is currently 100 percent occupied with a waiting list. At Sunset Point, each townhome includes two bedrooms; contains roughly 1,050 square feet of living space; and maintains a base lease rate of \$1,600 per month (including a one-car garage). This translates to a value ratio of \$1.52 per square foot – some 30 percent higher than older stock product.



- ❑ As it relates to the **ownership sector** of the market, supply-side constraints are also apparent, especially for moderately priced mainstream product. Overall, new construction for sale development throughout Kankakee County is generally characterized by smaller- to modest-scale broker- or builder-represented communities reflecting conventional single family and duplex/townhome/condominium subdivisions or scattered-site suburban developments. The communities that do exist are directed to both primary and lifestyle consumer segments which (in many cases) have been marketed in phases over extended periods of time (and most recently at higher price points). Overall, there are limited developments actively marketing new units in proprietary communities of scale, although a few exist, primarily those by Curwick Homes.

- ❑ In the entirety of Kankakee County, single family building permits which, again, include single family detached homes as well as single-address townhomes, duplexes, and condominium/villa units, has hovered around 90 units annually over the last few years, despite demand potentials being stronger. This lack of new construction for sale development activity is due, in large part, to the higher price points that now accompany most newly built for sale homes which, in turn, has resulted in more modest sales volumes. In fact, most individual subdivisions throughout the county are generating sales volumes of less than 6 homes per year with only one or two developments posting volumes in the 8-12 unit-per-year range, again by Curwick Homes.
- ❑ New construction **single family detached** closing activity throughout Kankakee County has been generally steady over the last three years, mainly because of the moderate number of new developments entering the market and, to a certain extent, their prices. As highlighted in the following text table, between 22 and 28 new construction single family detached homes are sold/closed annually in the county (through the local multiple listing service), with a median price point of roughly \$340,000 most recently. Given the limited amount of new construction development (overall), together with higher underlying currents of demand, the median closing price has been rising rapidly, while the average marketing time of a new single family home (days on market) has dropped precipitously.

NEW CONSTRUCTION SINGLE FAMILY CLOSINGS
KANKAKEE COUNTY, ILLINOIS
2020-OCTOBER 2022

Price Range	2020		2021		Jan-Oct 2022 (Annualized)	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under \$200,000	4	18.2	---	---	---	---
200,000 - 249,999	4	18.2	6	22.2	---	---
250,000 - 299,999	8	36.4	10	37.0	10	35.7
300,000 - 349,999	6	27.3	6	22.2	5	17.9
350,000 - 399,999	---	---	1	3.7	6	21.4
400,000 - 449,999	---	---	1	3.7	3	10.7
450,000 - 499,999	---	---	3	11.1	2	7.1
500,000 - 549,999	---	---	---	---	2	7.1
550,000 - 599,999	---	---	---	---	---	---
600,000 - 699,999	---	---	---	---	---	---
700,000 & Above	---	---	---	---	---	---
Total	22	100.0	27	100.0	28	100.0
Median	----- \$268,680 -----		----- \$287,567 -----		----- \$339,943 -----	
Avg. Days on Market	----- 142 -----		----- 47 -----		----- 15 -----	

Source: Northeastern Illinois Multiple Listing Service

Please note that new construction closings recorded by the multiple listing service do not include all proprietary subdivision activity among single family developments, especially where individual lots are sold directly to the end consumer, who in turn, builds a semi-custom or custom home.

- While the limited amount of new single family development (of scale) is keeping volumes in the more modest ranges, especially when demand is stronger, so, too, is the overall higher price position of the new construction homes being built (as mentioned earlier). In fact, with the median price of a new single family closing (as recorded through the multiple listing service) standing at nearly \$340,000 during the first ten months of 2022, there is a disconnect with the distribution of household incomes, which is putting pressure on the existing home market, i.e. the resale sector. For example, the median closing price among new construction units in Kankakee County is now \$150,000 higher than that of a resale counterpart. As a result, prices in the existing home market have been increasing rapidly (up 20.9 percent since 2020) and the average “days on market” are low. As highlighted in the following text table, the average market time of an older-stock single family resale closing during the January-October 2022 period stood at just 29 days, down from 43 days in 2021 and 69 days in 2020. For reference, the typical marketing time for a single family detached resale in the Midwest ranges from 72-90 days.

**SINGLE FAMILY RESALE CLOSINGS
KANKAKEE COUNTY, ILLINOIS
2020-OCTOBER 2022**

Price Range	2020		2021		Jan-Oct 2022 (Annualized)	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under \$150,000	548	46.3	474	37.8	388	32.5
150,000 - 199,999	256	21.6	282	22.5	251	21.0
200,000 - 249,999	169	14.3	183	14.6	182	15.3
250,000 - 299,999	111	9.4	151	12.1	155	13.0
300,000 - 349,999	48	4.1	69	5.5	94	7.9
350,000 - 399,999	27	2.3	47	3.8	55	4.6
400,000 - 449,999	12	1.0	17	1.4	34	2.8
450,000 - 499,999	7	0.6	9	0.7	11	0.9
500,000 - 549,999	3	0.3	5	0.4	7	0.6
550,000 - 599,999	2	0.2	8	0.6	6	0.5
600,000 - 699,999	---	---	4	0.3	6	0.5
700,000 & Above	---	---	4	0.3	4	0.3
Total	1,183	100.0	1,253	100.0	1,193	100.0
Median	----- \$158,564 -----		----- \$177,111 -----		----- \$191,666 -----	
Avg. Days on Market	----- 69 -----		----- 43 -----		----- 29 -----	

Source: Northeastern Illinois Multiple Listing Service

- In the **duplex/condominium/townhome** sector, a similar condition exists in Kankakee County relative to pricing differentials between new construction units and resales, although attached sector supply is so low that it may not paint a full picture. Nevertheless, as highlighted in the following text table, there are currently only 4-6 new attached units being sold annually market-wide through the multiple listing service, again a very modest volume because of limited supply in this sector, although certain communities are selling attached units outside the multiple listing service. Overall, prices among new construction attached homes are up 22.2 percent over the last two years.

NEW CONSTRUCTION DUPLEX/CONDOMINIUM/TOWNHOME CLOSINGS
KANKAKEE COUNTY, ILLINOIS
2020-OCTOBER 2022

Price Range	2020		2021		Jan-Oct 2022 (Annualized)	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under \$100,000	---	---	---	---	---	---
100,000 - 149,999	---	---	---	---	---	---
150,000 - 199,999	---	---	---	---	---	---
200,000 - 249,999	3	75.0	4	66.7	1	25.0
250,000 - 299,999	1	25.0	2	33.3	2	50.0
300,000 - 349,999	---	---	---	---	1	25.0
350,000 - 399,999	---	---	---	---	---	---
400,000 - 449,999	---	---	---	---	---	---
450,000 - 499,999	---	---	---	---	---	---
500,000 & Above	---	---	---	---	---	---
Total	4	100.0	6	100.0	4	100.0
Median	----- \$225,000 -----		----- \$235,000 -----		----- \$274,999 -----	
Avg. Days on Market	----- 80 -----		----- 76 -----		----- 71 -----	

Source: Northeastern Illinois Multiple Listing Service

- ☐ Limited supply in the new construction attached sector is, again, putting pressure on the existing home market as evidenced by duplex/condominium/townhome resale closings averaging 18 days on market during the January-October 2022 period, down from 38 days in 2021 and 69 days in 2020. As highlighted in the following text table, prices among attached sector resales have risen 22.4 percent since 2020.

DUPLEX/CONDOMINIUM/TOWNHOME RESALE CLOSINGS
KANKAKEE COUNTY, ILLINOIS
2020-OCTOBER 2022

Price Range	2020		2021		Jan-Oct 2022 (Annualized)	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under \$100,000	8	12.9	3	4.2	3	4.9
100,000 - 149,999	18	29.0	13	18.1	11	18.0
150,000 - 199,999	25	40.3	35	48.6	18	29.5
200,000 - 249,999	9	14.5	15	20.8	24	39.3
250,000 - 299,999	1	1.6	2	2.8	4	6.6
300,000 - 349,999	1	1.6	4	5.6	1	1.6
350,000 - 399,999	---	---	---	---	---	---
400,000 & Above	---	---	---	---	---	---
Total	62	100.0	72	100.0	61	100.0
Median	----- \$160,049 -----		----- \$178,497 -----		----- \$195,931 -----	
Avg. Days on Market	----- 69 -----		----- 38 -----		----- 18 -----	

Source: Northeastern Illinois Multiple Listing Service

- ❑ The limited amount of *new construction* product in the overall market, especially at price points more in-line with typical “new versus resale” differentials, is also having an impact on overall inventory levels. For example, among all residential resales in the market (both detached and attached excluding new construction), inventory levels are generally low. For example, with only 174 single family and duplex/condominium/townhome listings reported on November 15, 2022, and with closing activity totaling 1,254 units during the January-October 2022 period (annualized), resale inventory levels in Kankakee County stand at just 1.67 months, which falls well below the typical three- to four-month inventory period that exists in more normal, or balanced, existing home markets. As highlighted below, the most notable areas of imbalance can be found in the lower to moderate price points.

**RESALE INVENTORY ANALYSIS IN MONTH'S SUPPLY
KANKAKEE COUNTY, ILLINOIS**

Price Range	Resale Closings 2021	Current Resale Listings As of 11/15/2022	Months of Inventory
Under \$150,000	402	58	1.73
150,000 - 199,999	269	32	1.43
200,000 - 249,999	206	24	1.40
250,000 - 299,999	159	17	1.28
300,000 - 349,999	95	10	1.26
350,000 - 399,999	55	9	1.96
400,000 - 449,999	34	4	1.41
450,000 - 499,999	11	5	5.45
500,000 - 549,999	7	4	6.86
550,000 - 599,999	6	3	6.00
600,000 - 699,999	6	3	6.00
700,000 & Above	4	5	15.00
Total	1,254	174	1.67

Source: Northeastern Illinois Multiple Listing Service

A SUMMARY OF CONCLUSIONS

As outlined in the previous paragraphs, tables and graphs, future residential development potentials throughout Kankakee County are considered strong. Specifically, Kankakee County, and areas in and around Kankakee, Bradley, Bourbonnais, and Manteno in particular, are *well suited* for the introduction new *market rate* residential development over the next 5+ years including rental apartments and various forms of conventional for sale housing. This favorable conclusion is based upon: 1) more than adequate demand support for a variety of new construction housing options; 2) notable supply-side constraints; 3) an ample base of existing (and future) households with diverse demographic profiles; 4) tightness (and certain disjointedness) in both the rental and for sale sectors of the market; 5) in-place employment, shopping/services, entertainment, recreation and transportation; and 6) the opportunity to introduce new and differentiated housing product in a market where such product is needed. Note: recent surveys with Kankakee County employers also indicated an overwhelming need for new housing to serve their workers.

Overall, the Economic Alliance of Kankakee County is in a position to help guide future residential development efforts in a direction of discipline and insight as it relates to specific products that meet the demands of the market relative to unit types/styles, rent/price positioning, etc.

A PLANNING STRATEGY

With the local housing market showing growth potential during the next several years, and especially considering the supply-side constraints that exist today, practically any ***well designed and properly positioned*** new conventional residential product form could be introduced within a number of areas throughout the county. However, from a strategic planning perspective, the following paragraphs provide specific product guidelines for establishing the most practical and marketable hierarchy of mainstream conventional housing within development/redevelopment areas throughout the county – to serve as a guide for future planning and implementation efforts as the Economic Alliance of Kankakee County (and other stakeholders) review various proposals and/or seek builder/development partners.

Urban Apartments

Taking the lead from a number of successful apartment endeavors throughout the Midwest where developers have capitalized on opportunities in underserved markets containing urban cores, full consideration should be given to promoting and supporting various ***mid- to higher-density density rental apartment*** product forms at several locations within the core of downtown Kankakee, i.e., multi-floor product with some form of structured parking. This generic product form, which consists of multiple residential floors over/around structured parking, is not only widely accepted throughout various urban areas in the Midwest, but it represents a building configuration whereby at least one-to-one enclosed parking can typically be provided in an efficient and cost-effective manner, and at a strong density. Ideally, individual floorplans for any mid- to higher-density apartment program in and around the downtown area should be broad and varied ranging from small studio units starting around 450 square feet, extending through a variety of one- and two-bedroom alternatives, and ending with three-bedroom residences containing roughly 1,350 square feet.



A broad mix of unit types and sizes for mid- to higher-density apartments in downtown Kankakee will allow this product to capture the full breadth of renter profiles with attentive focus directed toward Millennials, also known as Echo Boomers or Generation Y, along with Centennials, also known as Generation Z (i.e., younger singles and couples without children), together with empty-nesters and non-traditional households such as divorcees, middle-age singles, never-nested couples, singles living together as couples in a roommate condition, transitional families, etc.

If elevated properly, the mid-to higher-density concept can exemplify tasteful, urban architecture, and be very complimentary to other development and/or redevelopment initiatives throughout Kankakee. This product concept can also be combined with first floor retail space if offered within pedestrian-oriented areas.

Suburban Rental Idioms

Outside of downtown Kankakee, and primarily in areas of Bradley, Bourbonnais, and Manteno near concentrations of employment and shopping, two different market rate rental housing developments should be considered, one consisting of a two-story walkup idiom directed to all renter households and the other representing a value-oriented ranch villa program targeting the active adult aged 55-74, but not restricted to this segment since other profiles will find this product desirable. Together, these two product forms, which are extremely efficient and cost effective to build, will allow for a broad and varied mix of unit types, sizes, and rents capable of penetrating the threshold of mainstream renter households in the suburban marketplace. In other words, the introduction of these two new construction product lines throughout the county, like the downtown apartments, would allow the full breadth of mainstream renter profiles to be targeted.

The **two-story garden apartment program** would consist of a “private entry” product with a component of attached, direct-access garages. In this regard, one of the most successful garden-style developments in the Midwest consists of a series of eight-unit buildings (each with four direct-access one-car garages) or 16-unit buildings (each with eight direct-access one-car garages). With just 50 percent direct-access garages suggested per structure, two different versions of the garden apartment building should be designed in order for each of the individual floorplans to be offered *with a direct access garage* in one of the two building types. By following this formula, each plan offering would have a 50 percent representation of direct-access one-car garages.



Individual designs for the garden apartment product should be broad and varied consisting of eight (8) plan offerings including one-, two- and three-bedroom options ranging in size from 600 to 1,250 square feet. Please note that this product line would also be accompanied by buildings with optional detached garages. As such, renter profiles could elect either surface parking only; a detached garage; or a unit with an attached garage, thus giving future residents a full continuum of rental options to choose from as it relates to their choice of parking cast against their desired (or needed) monthly payment based upon income.

The **ranch villa apartment program**, which would target households aged 55+, although not restricted to this consumer segment, would consist of direct-entry single-level ranch-type townhome plans, each with a one-car attached garage. Modeled, in part, after very successful empty nester ranches in multiple markets throughout the Midwest, this product line would consist of four different plan designs ranging from a one-bedroom residence at 725 square feet to a three-bedroom unit with 1,275 square feet. This product line would be configured in 3-, 4-, 5- and 6-unit buildings (duplexed where necessary).



Mirroring competitive counterparts overall, size increments between floorplans (for both rental products) should not exceed 200 square feet (and be narrower in most instances). This discipline will keep lease rate differentials between plans small and in concert with the gradual upward movement of mainstream/workforce household incomes.

For Sale Townhomes/Rowhomes

Representing the first of four product lines in the “for sale” sector of the mainstream market, and in an effort to establish an overall hierarchy of ownership product starting with an alternative that should be able to achieve price points directly in-line with the lower-end of the qualitative distribution of mainstream incomes, is an efficiently designed mid-density **townhome/rowhome series**. This product line would include three separate three-story plan types, each with two main living areas configured over an integral two-car garage and a finished lower level, all with rear-load garages. Plan sizes for this series, which will average 1,400 square feet, should range from 1,200 to 1,550 square feet including finished lower levels. This can be achieved in very efficient and cost effective 20' wide modules. With rear-entry garages, individual buildings are generally designed to face one another, thus allowing for a small pedestrian greenway between buildings, or they can be configured fronting a street for maximum density. Combined, the three individual plan offerings will be capable of attracting a broad range of buyer profiles, with attentive focus directed toward young singles and couples without children, couples in their initial stages of family formation and young families.

Architecturally, the townhome/rowhome product line can support either a traditional elevation scheme, or it can command something more contemporary/urban oriented, i.e., at the builder's discretion and dependent upon cost and location, i.e., urban or suburban. Overall, this product line can achieve a density of 12-14 units per acre, thus allowing builders to distribute land and development costs across more units – in an attempt to offer price points that align the middle of the market in terms of incomes.



For Sale Ranch Villas

Representing a “cost conscious” maintenance-free attached product line directed toward the more mature, move-down home purchasers aged 55-74+, a very efficient **attached ranch villa** for sale series is recommended, primarily for suburban locations. This product line, which could be configured in 3-, 4- or 5-unit buildings (duplexed only where necessary) would consist exclusively of single-level ranch plans, each with a front-load two-car garage and a small, but usable, back-yard or patio area. Ranging in size from 1,350 to 1,650 square feet, the average attached villa unit would carry 1,500 square feet of living space. These homes would be configured slab-on-grade, although certain lots could/should be designated to accommodate optional basements. While directed toward the move-down consumer or empty-nester, this product line would be capable of attracting other segments of the market as well and should not be age-restricted like the one-car garage ranch villa rentals. Ultimately, the goal of creating a two-car garage villa product (as opposed to straight duplex or complicated four-plex buildings) would be to achieve a higher-density which, again, would allow costs to be distributed across more units – ultimately leading to more competitive prices. Overall, this product concept represents a more efficient version of a few similar developments currently being offered in Kankakee County, i.e., Courtyards at Cobblestone and Meadowbrook in Bourbonnais.



Small Lot For Sale Single Family

In the single family sector, and representing a departure from the current larger-lot semi-custom/custom home development currently represented among the scattered few new construction developments throughout Kankakee County, would be an urban/suburban detached product line, most with rear-load garages. Representing a derivation of the neo-traditional planning concept, i.e., Traditional Neighborhood Development (TND), this ***small lot single family series***, ideally, would be comprised of two single-level “ranch” plans, two traditional two-story units (with second floor master bedrooms) and one two-story unit with a first-floor master bedroom, all with optional basements. Ranging in size from 1,500 to 1,900 square feet, and averaging roughly 1,700 square feet across the group, homes in this series should be approximately 30’-35’ wide configured on 40’-45’ wide homesites. In various areas of the Midwest, this particular product line has been extremely successful as it has allowed new construction single family housing (through density and unit sizes) to meet a mainstream or workforce price point – one not typically seen among more traditional counterparts. Because of the escalation of new construction single family prices in Kankakee County, and the overall limited amount of activity in general, a similar strategy is warranted. The small lot single family product line will be able to attract a broad spectrum of mainstream detached home purchasers including young childless married couples, couples in their initial stages of family formation, and young families. And, with the incorporation of several ranch plans and a two-story master-down design, this program will be in a position to also appeal to the 55 and older empty-nester segment desirous of detached housing. In addition, it can be offered in urban redevelopment areas found in and around downtown Kankakee as well as outlying, more suburban markets. While most homes should accommodate rear-load garages to maximize density, a plan or two could be configured with a front-load garage if land planning calls for such a configuration.



Traditional For Sale Single Family

A second single family product line should also be considered, consisting of a more ***traditional single family series*** with front-access, two-car garages and optional basements. This product line should be comprised of two single-level “ranch” plans and four traditional two-story units. Ranging in size from 1,750 to 2,400 square feet, and averaging roughly 2,050 square feet across the group, homes in this program should be configured on 50’-60” wide homesites. These modest lot sizes would, once again, assist in reducing costs, thus allowing for a more competitive price position. Together, the six single family plans will also appeal to a wide range of single family home purchasers including young childless married couples, couples in their initial stages of family formation, and first- and second-time move up families. And, with the inclusion of two ranch plans on small low-maintenance lots, this series will appeal to the 55 and older empty-nester segment as well. *While the price points for this product line will align the upper end of mainstream incomes, they provide a reasonably priced move-up alternative in an effort to alleviate pressure among area resales and open up more options for the bulk of the workforce in the existing home market.*



It is important to note that with proper land planning and architecture, smaller single family lots (both TND and traditional) can still provide for aesthetically appealing community orientation and, most importantly, at the price points not widely represented in the new construction single family sector of the market – price points necessary for the bulk of household incomes.

For a detailed outline of each recommended mainstream housing idiom including individual product/plan criteria, unit sizes, rents/prices, features, etc., consult **Exhibits 2 through 8**. As depicted, plan offerings are broad and varied, and reflect some of the best-selling floorplan alternatives among successful “like” products throughout the Midwest.

When reviewing these tables, please note that the rents reflected for the various apartment products (as footnoted) do not include extras such as additional premiums, pet fees, etc. – which will be billed separately. When factored, overall revenue per apartment unit will actually be higher.

It is important to point out that the detailed planning guidelines and rent/price suggestions for the various mainstream housing products are not arbitrary, but rather *strategic*. Specially, these guidelines will allow four important goals to be met. First, the continuum of home types, styles and rents/prices will directly align mainstream household incomes in the market. Second, the suggested products will allow any designated development area in to achieve maximum unit counts, which will help minimize raw land costs or distributions per unit. Third, the product lines (collectively) represent a very straightforward and logical hierarchy of for rent and for sale residential forms that “step well” from one to the other with very little overlap in order to alleviate any significant cross-competition between products. Finally, each product line will be capable of achieving a successful absorption or sales rate at the assigned rents/prices. While the scale of each development will, in large part, dictate the rate of absorption or sales, the adjacent table provides a general guide for planning purposes.

**ABSORPTION / SALES SUMMARY - RECOMMENDED HOUSING PRODUCTS
KANKAKEE COUNTY, ILLINOIS**

Product Line	Estimated Total Units Per Development Or Development Area	Monthly Absorption/ Sales Potential (In Units) At Benchmark Rents/Prices ⁽¹⁾
Mid- To Higher-Density Apartments	50-150+	5.0-15.0+
Garden Apartments	100-200+	10.0-20.0+
Ranch Villa Rentals	40-80+	4.0-8.0+
For Sale Townhomes/Rowhomes	30-60+	1.0-1.5+
For Sale Attached Ranch Villas	30-60+	1.0-1.5+
For Sale Small Lot Single Family	30-60+	1.0-1.5+
For Sale Traditional Single Family	30-60+	1.0-1.5+
⁽¹⁾ Actual absorption/sales rate will be dependent upon total unit count within development or development area, i.e., each actual marketing unit.		


Source: Tracy Cross & Associates, Inc.

The forecast ranges presented above assume a 3- to 4-month pre-leasing period for the any apartment community (prior to initial deliveries), along with a similar pre-sale period for the ownership units. They also assume professional, aggressive, and all-encompassing marketing/leasing/sales campaigns and a continuous construction cycle/delivery schedule of all products

Note: the various housing products can be developed individually throughout the county, i.e., in smaller-to moderate-size parcels, or combined in larger master-planned communities that can accommodate multiple product lines (and amenities). In reference to the latter, one element currently lacking in most existing new construction for sale developments in Kankakee County is true community orientation.

PRODUCT CRITERIA AND BENCHMARK RENTS: MID- TO HIGHER-DENSITY MARKET RATE RENTAL APARTMENTS
-- A 50- TO 150-UNIT PROTOTYPE --
KANKAKEE COUNTY, ILLINOIS

2

Product Line Summary									
Product Form:		Multiple Residential Floors Over/Around Structured Parking (w/Elevator)							
Total Units:		50-150+							
Enclosed Parking:		50-150+							
Density in Units Per Acre:		30.0+							
Average Plan Size (Sq. Ft.):		870							
Average Benchmark Base Monthly Rent (Floor 1 Only):		\$1,434							
Per Sq. Ft.:		\$1.65							
Average Benchmark Monthly Rent (All Floors):		\$1,454							
Per Sq. Ft.:		\$1.67							
									
Plan Detail									
Plan Designation	A	B	C-1	C-2	D	E-1	E-2	E-3	F
Percent Distribution	10.0	15.0	15.0	10.0	10.0	10.0	10.0	10.0	10.0
Plan Type	Studio	Junior 1BR	1BR	1BR	1BR Den	2BR	2BR	2BR	3BR
Bedroom/Bath Mix	--/1.0	1/1.0	1/1.0	1/1.0	1+Den/1.0	2/2.0	2/2.0	2/2.0	3/2.0
Unit Size (Sq. Ft.)	450	550	650	750	900	1,050	1,150	1,250	1,350
Benchmark Rent Per Floor: ⁽¹⁾									
Floor 5	\$970	\$1,090	\$1,210	\$1,330	\$1,510	\$1,690	\$1,810	\$1,930	\$2,050
Floor 4	\$960	\$1,080	\$1,200	\$1,320	\$1,500	\$1,680	\$1,800	\$1,920	\$2,040
Floor 3	\$950	\$1,070	\$1,190	\$1,310	\$1,490	\$1,670	\$1,790	\$1,910	\$2,030
Floor 2	\$940	\$1,060	\$1,180	\$1,300	\$1,480	\$1,660	\$1,780	\$1,900	\$2,020
Floor 1	\$930	\$1,050	\$1,170	\$1,290	\$1,470	\$1,650	\$1,770	\$1,890	\$2,010
Average:	\$950	\$1,070	\$1,190	\$1,310	\$1,490	\$1,670	\$1,790	\$1,910	\$2,030
Per Sq. Ft.:	\$2.11	\$1.95	\$1.83	\$1.75	\$1.66	\$1.59	\$1.56	\$1.53	\$1.50
Features and Amenities									
UNIT STANDARDS			KITCHEN FEATURES				BATH/POWDER ROOM STANDARDS		
<ul style="list-style-type: none">■ Painted Trim■ Luxury Plank Flooring in Living Areas■ "White" Interior Paint Finish■ Direct Wire Smoke Detectors■ Cable/Satellite/Telephone Access■ Carpeting in Bedrooms■ High-Speed Internet Connectivity■ Air Conditioning■ Designer Door Hardware■ Designer Lighting Package■ Private Balcony			<ul style="list-style-type: none">■ Wood Cabinetry■ Luxury Plank Flooring■ Four Burner Cooktop■ Self Clean Single Oven-Stainless Steel■ Built-In Dishwasher-Stainless Steel■ Refrigerator with Ice-Maker-Stainless Steel■ Garbage Disposal■ Microwave with Vent■ Granite or Quartz Countertops■ Stainless Steel Sink				<ul style="list-style-type: none">■ Ceramic Flooring■ Granite or Quartz Vanity Tops■ Wood Cabinetry■ Ceramic Tub/Shower Surround■ Framed Glass Mirror Over Vanity		
CLOSETS, UTILITIES, AND STORAGE			GENERAL BUILDING FEATURES/AMENITIES						
<ul style="list-style-type: none">■ Walk-In MBR Closet (Per Plan)■ Laminate Closet Shelving■ Washer/Dryer (Stacked or Side-by-Side)■ Linen Closet(s)■ Programmable Thermostat■ Storage Lockers			<ul style="list-style-type: none">■ Architecturally-Enhanced Exteriors■ Secured Access Entry■ Community Room w/Kitchen■ Fitness Center■ E-Lounge w/Coffee Bar■ Fireside Lounge & Grilling Stations■ Swimming Pool/Deck Area (Larger Communities Only)				<ul style="list-style-type: none">■ Extensive Landscaping/Hardscaping■ Dog Wash Area in Garage■ Wi-Fi in All Common Areas■ Enclosed Parking Leased Separately at \$95 Per Space■ Adequate Open Parking		
⁽¹⁾ Benchmark monthly rents, which are presented in November 2022 dollars, include premiums for floor (assuming five residential levels); however, they do not include additional floor premiums for buildings with more than five residential levels, nor do they include incremental premiums for corner units or enhanced views. Benchmark rents also exclude enclosed garage parking, application/administration fees, pet fees, storage rental, or utilities, all of which would be separate charges.									

Source: Tracy Cross & Associates, Inc.

PRODUCT CRITERIA AND BENCHMARK RENTS - TWO-STORY GARDEN APARTMENTS

**-- A 100- TO 200-UNIT PROTOTYPE --
KANKAKEE COUNTY, ILLINOIS**

Product Line Summary

Product Form:

Two-Story Garden Apartments

(8- or 16-Unit Buildings with 4 or 8 Direct Access One-Car Garages Per Building)

Density in Units Per Acre:

16.0

Average Plan Size (Sq. Ft.):

925

Average Benchmark Base Rent w/50 % Garages:

\$1,565

Per Sq. Ft.:⁽¹⁾

\$1.69



Plan Detail

Plan Designation	A-1	A-2	A-3	B	C-1	C-2	C-3	D
Percent Distribution	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Plan Type	1BR	1BR	1BR	1BR DEN	2BR	2BR	2BR	3BR
Bedroom/Bath Mix	1/1.0	1/1.0	1/1.0	1+Den/1.0	2/2.0	2/2.0	2/2.0	3/2.0
Unit Size (Sq. Ft.)	600	700	775	875	975	1,075	1,150	1,250
Benchmark Base Rent w/o Garage: ⁽¹⁾	\$1,125	\$1,245	\$1,335	\$1,455	\$1,575	\$1,695	\$1,785	\$1,905
Per Sq. Ft.: ⁽¹⁾	\$1.88	\$1.78	\$1.72	\$1.66	\$1.62	\$1.58	\$1.55	\$1.52
Benchmark Base Rent w/ Garage:⁽²⁾	\$1,225	\$1,345	\$1,435	\$1,555	\$1,675	\$1,795	\$1,885	\$2,005
Per Sq. Ft.:⁽²⁾	\$2.04	\$1.92	\$1.85	\$1.78	\$1.72	\$1.67	\$1.64	\$1.60

Unit Features and Community Amenities

UNIT STANDARDS

- Painted Trim
- Plank Flooring in Living Areas
- "White" Interior Paint Finish
- Direct Wire Smoke Detectors
- Cable/Satellite Access
- High-Speed Internet Connectivity
- USB Ports
- Air Conditioning
- Quality Door Hardware
- Quality Lighting Package
- Private Balcony/Patio

KITCHEN FEATURES

- Quality Wood Cabinetry
- Plank Flooring
- Self Clean Range Oven
- Built-In Dishwasher
- Refrigerator with Ice-Maker
- Garbage Disposal
- Microwave with Vent
- Hard Surface Countertops
- Stainless Steel Sink

BATH/POWDER ROOM STANDARDS

- Plank Flooring
- Hard Surface Vanity Tops
- Quality Cabinetry
- Ceramic Tub/Shower Surround
- Framed Glass Mirror Over Vanity

CLOSETS, UTILITIES, AND STORAGE

- Walk-In MBR Closet (Per Plan)
- Wire Closet Shelving
- Full Size Washer/Dryer (Stacked or Side-by-Side)
- Storage Area (Either In-Unit or Separate)
- Linen Closet(s)
- Programmable Thermostat

COMMUNITY FEATURES/AMENITIES (SHARED W/RANCH VILLA RENTALS)

- Architecturally-enhanced Exteriors
- Secured Access Entry Per Unit
- Clubhouse w/ Community Room, Kitchen, Fitness Center, E-Lounge, Etc.
- Outdoor Fireside Lounge & Grilling Stations
- Outdoor Swimming Pool/Deck Area
- Dog Park & Dog Washing Station
- Trail System
- Sport Courts/Playground
- Extensive Landscaping/Hardscaping
- Wi-Fi in all Common Areas
- Direct Access Garages at 50%
- Adequate Surface Parking
- Detached Garages @ \$65 Monthly Per Space

⁽¹⁾ Benchmark base monthly rents, which are presented in November 2022 dollars, reflect the posted base rents for units without direct access garages. They do not include potential premiums for corner units, floor or view. They also do not include application/administration fees, pet fees, storage rental, utilities, or detached garages.

⁽²⁾ Benchmark base monthly rents, which are presented in November 2022 dollars, reflect the posted base rents for units with direct access garages. They do not include potential premiums for corner units, floor or view. They also do not include application/administration fees, pet fees, storage rental, utilities, or detached garages.

PRODUCT CRITERIA AND BENCHMARK RENTS - RANCH VILLA RENTALS

-- A 40- TO 80-UNIT PROTOTYPE --
KANKAKEE COUNTY, ILLINOIS

Product Line Summary

Product Form:	Single-Level Ranch Villas w/Attached One-Car Garages (3-, 4-, 5- and/or 6-Unit Buildings-Duplexed Where Necessary)
Density in Units Per Acre:	10.0
Average Plan Size (Sq. Ft.):	1,000
Average Benchmark Base Rent:	\$1,775
Per Sq. Ft.:⁽¹⁾	\$1.78



Plan Detail

Plan Designation	A	B-1	B-2	C
Percent Distribution	25.0	25.0	25.0	25.0
Plan Type	1BR	1BR DEN	2BR	3BR
Bedroom/Bath Mix	1/1.0	1+Den/1.0	2/2.0	3/2.0
Unit Size (Sq. Ft.)	725	925	1,075	1,275
Benchmark Base Rent: ⁽¹⁾	\$1,445	\$1,685	\$1,865	\$2,105
Per Sq. Ft.: ⁽¹⁾	\$1.99	\$1.82	\$1.73	\$1.65

Unit Features and Community Amenities

UNIT STANDARDS

- Painted Trim
- Plank Flooring in Living Areas
- "White" Interior Paint Finish
- Direct Wire Smoke Detectors
- Cable/Satellite Access
- High-Speed Internet Connectivity
- USB Ports
- Air Conditioning
- Quality Door Hardware and Lighting Package
- Private Patio

KITCHEN FEATURES

- Quality Wood Cabinetry
- Plank Flooring
- Self Clean Range Oven
- Built-In Dishwasher
- Refrigerator with Ice-Maker
- Garbage Disposal
- Microwave with Vent
- Hard Surface Countertops
- Stainless Steel Sink

BATH/POWDER ROOM STANDARDS

- Plank Flooring
- Hard Surface Vanity Tops
- Quality Cabinetry
- Ceramic Tub/Shower Surround
- Framed Glass Mirror Over Vanity

CLOSETS, UTILITIES, AND STORAGE

- Walk-In MBR Closet (Per Plan)
- Wire Closet Shelving
- Full Size Washer/Dryer (Stacked or Side-by-Side)
- Storage Area (Either In-Unit or Separate)
- Linen Closet(s)
- Programmable Thermostat

COMMUNITY FEATURES/AMENITIES (ONLY IF SHARED WITH GARDEN APTS)⁽²⁾

- Architecturally-enhanced Exteriors
- Secured Access Entry Per Unit
- Clubhouse w/ Community Room, Kitchen, Fitness Center, E-Lounge, Etc.
- Outdoor Fireside Lounge & Grilling Stations
- Outdoor Swimming Pool/Deck Area
- Trail System
- Dog Park
- Dog Washing Station
- Sport Courts/Playground
- Extensive Landscaping/Hardscaping
- Wi-Fi in all Common Areas
- Direct Access Garages at 100%
- Additional Surface Parking

⁽¹⁾ Benchmark base monthly rents, which are presented in November 2022 dollars, reflect the posted base rents, each of which includes an attached one-car garage. They do not include potential premiums for corner units or view. They also do not include application/administration fees, pet fees, storage rental, or utilities.

⁽²⁾ If ranch villa rentals are developed in a separate proprietary community, amenities would be scaled back based upon total unit count.

PRODUCT CRITERIA AND BENCHMARK PRICES - FOR SALE TOWNHOMES/ROWHOMES

5

**-- A 30- TO 60-UNIT PROTOTYPE --
KANKAKEE COUNTY, ILLINOIS**

Product Line Summary			
Product Form:	Townhomes/Rowhomes		
Garage Condition:	2-Car (Rear Load)		
Lower Level of Townhomes/Rowhomes:	Finished		
Density in Units Per Acre:	12.0+		
Average Plan Size (Sq. Ft.):	1,400		
Average Benchmark Base Price: ⁽¹⁾ Per Sq. Ft.:	\$223,990 \$159.99		
Average Anticipated Closing Price: ⁽²⁾ Per Sq. Ft.:	\$237,400 \$169.57		
Plan Detail			
Plan Designation	A	B	C
Plan Style	3-Story	3-Story	3-Story
Bedrooms	2	2+Loft	3
Baths	2.5	2.5	2.5
Unit Size (Sq. Ft.)	1,200	1,450	1,550
Benchmark Base Price: ⁽¹⁾ Per Sq. Ft.:	\$209,990 \$174.99	\$226,990 \$156.54	\$234,990 \$151.61
Anticipated Closing Price: ⁽²⁾ Per Sq. Ft.:	\$222,600 \$185.50	\$240,600 \$165.93	\$249,100 \$160.71
Features and Amenities			
UNIT STANDARDS <ul style="list-style-type: none">■ Luxury Plank Flooring in Main Living Areas■ Carpeting in Bedroom Areas■ "White" Interior Paint Finish■ Painted Trim■ Direct-Wire Smoke Detectors Per Code■ Cable/Satellite/Telephone Prewire■ Paneled Doors■ High-Speed Internet Connectivity■ Air Conditioning■ Designer Door Hardware■ Designer Lighting Package■ Private Balcony		KITCHEN FEATURES <ul style="list-style-type: none">■ Quality Cabinetry■ Luxury Plank Flooring■ Four Burner Cooktop■ Self Clean Single Oven-Stainless Steel■ Built-In 5-Cycle Dishwasher-Stainless Steel■ Refrigerator with Ice-Maker-Stainless Steel■ Garbage Disposal■ Microwave with Vent■ Granite or Quartz Countertops■ Double Bowl Stainless Steel Sink	
CLOSETS, UTILITIES, AND LAUNDRY <ul style="list-style-type: none">■ Walk-In MBR Closet (Per Plan)■ Laminate Closet Shelving■ Washer/Dryer Hook-Up■ Linen Closet(s)■ Programmable Thermostat		BATH/POWDER ROOM STANDARDS <ul style="list-style-type: none">■ Ceramic Flooring■ Granite or Quartz Vanity Tops■ Quality Cabinetry■ Ceramic Tub/Shower Surround■ Framed Glass Mirror Over Vanity	
		BUILDING FEATURES/AMENITIES <ul style="list-style-type: none">■ Architecturally-Enhanced Exteriors■ Extensive Hardscaping/Landscaping■ Finished Lower Level■ Front-Oriented Sidewalks■ Pocket Parks (If Possible)	
<div><div>⁽¹⁾ Benchmark base sales prices, which are presented in November 2022 dollars, do not include options, upgrades or premiums.</div><div>⁽²⁾ Includes an estimate for options, upgrades and premiums, i.e. 6.0 percent above the base sales price.</div></div>			

Source: Tracy Cross & Associates, Inc.

PRODUCT CRITERIA AND BENCHMARK PRICES - FOR SALE ATTACHED RANCH VILLAS

6


**-- A 30- TO 60-UNIT PROTOTYPE --
KANKAKEE COUNTY, ILLINOIS**

Product Line Summary				
Product Form:		Attached Ranch Villas (3-, 4- and 5-Unit Buildings - Duplexed Where Necessary)		
Garage Condition:		2-Car (Front)		
Average Plan Size (Sq. Ft.):		1,400		
Average Benchmark Base Price: ⁽¹⁾		\$237,990		
Per Sq. Ft.:		\$169.99		
Average Anticipated Closing Price: ⁽²⁾		\$254,600		
Per Sq. Ft.:		\$181.86		
				
Plan Detail				
Plan Designation	A	B	C	
Plan Style	Ranch	Ranch	Ranch	
Bedrooms	2	2+Den	2+Den	
Baths	2	2	2	
Unit Size (Sq. Ft.)	1,300	1,400	1,500	
Benchmark Base Price: ⁽¹⁾	\$229,990	\$237,990	\$245,990	
Per Sq. Ft.:	\$176.92	\$169.99	\$163.99	
Anticipated Closing Price: ⁽²⁾	\$246,100	\$254,600	\$263,200	
Per Sq. Ft.:	\$189.31	\$181.86	\$175.47	
Features and Amenities				
UNIT STANDARDS		KITCHEN FEATURES		BATH/POWDER ROOM STANDARDS
<ul style="list-style-type: none">■ Luxury Plank Flooring in Main Living Areas■ Carpeting in Bedroom Areas■ "White" Interior Paint Finish■ Painted Trim■ Direct-Wire Smoke Detectors Per Code■ Cable/Satellite/Telephone Prewire■ Paneled Doors■ High-Speed Internet Connectivity■ Air Conditioning■ Designer Door Hardware■ Designer Lighting Package■ Private Patio Area		<ul style="list-style-type: none">■ Quality Cabinetry■ Luxury Plank Flooring■ Four Burner Cooktop■ Self Clean Single Oven-Stainless Steel■ Built-In 5-Cycle Dishwasher-Stainless Steel■ Refrigerator with Ice-Maker-Stainless Steel■ Garbage Disposal■ Microwave with Vent■ Hard Surface Countertops■ Double Bowl Stainless Steel Sink		<ul style="list-style-type: none">■ Ceramic Flooring■ Hard Surface Vanity Tops■ Quality Cabinetry■ Ceramic Tub/Shower Surround■ Framed Glass Mirror Over Vanity
CLOSETS, UTILITIES, AND LAUNDRY		HOME FEATURES/AMENITIES		
<ul style="list-style-type: none">■ Walk-In MBR Closet (Per Plan)■ Laminate Closet Shelving■ Washer/Dryer Hook-Up■ Linen Closet(s)■ Programmable Thermostat		<ul style="list-style-type: none">■ Architecturally-Enhanced Exteriors■ Extensive Hardscaping/Landscaping■ Basements Optional■ Pocket Parks (If Possible)		
<div><div>⁽¹⁾ Benchmark base sales prices, which are presented in November 2022 dollars, do not include options, upgrades or premiums.</div><div>⁽²⁾ Includes an estimate for options, upgrades and premiums, i.e. 7.0 percent above the base sales price.</div></div>				

Source: Tracy Cross & Associates, Inc.

PRODUCT CRITERIA AND BENCHMARK PRICES - SMALL LOT FOR SALE SINGLE FAMILY
-- A 30- TO 60-UNIT PROTOTYPE --
KANKAKEE COUNTY, ILLINOIS

7

Product Line Summary					
Product Form:		Single Family			
Lot Dimensions:		40'-45" x 100'-110'			
Garage Condition:		2-Car (Rear Load)			
Average Plan Size (Sq. Ft.):		1,700			
Average Benchmark Base Price: ⁽¹⁾		\$274,990			
Per Sq. Ft.:		\$161.76			
Average Anticipated Closing Price: ⁽²⁾		\$294,200			
Per Sq. Ft.:		\$173.06			
Plan Detail					
Plan Designation	A	B	C	D	E
Plan Style	Ranch	Ranch	2-Story	2-Story	2-Story (1st Floor MBR)
Bedrooms	2	2+Den	3	3 + Den	3 + Loft
Baths	2	2	2.5	2.5	2.5
Unit Size (Sq. Ft.)	1,500	1,600	1,700	1,800	1,900
Benchmark Base Price: ⁽¹⁾	\$262,990	\$268,990	\$274,990	\$280,990	\$286,990
Per Sq. Ft.:	\$175.33	\$168.12	\$161.76	\$156.11	\$151.05
Anticipated Closing Price: ⁽²⁾	\$281,400	\$287,800	\$294,200	\$300,700	\$307,100
Per Sq. Ft.:	\$187.60	\$179.88	\$173.06	\$167.06	\$161.63
Features and Amenities					
UNIT STANDARDS		KITCHEN FEATURES		BATH/POWDER ROOM STANDARDS	
<ul style="list-style-type: none">■ Luxury Plank Flooring in Main Living Areas■ Carpeting in Bedroom Areas■ "White" Interior Paint Finish■ Painted Trim■ Direct-Wire Smoke Detectors Per Code■ Cable/Satellite/Telephone Prewire■ Paneled Doors■ High-Speed Internet Connectivity■ Air Conditioning■ Designer Door Hardware■ Designer Lighting Package■ Private Patio Area		<ul style="list-style-type: none">■ Quality Cabinetry■ Luxury Plank Flooring■ Four Burner Cooktop■ Self Clean Single Oven-Stainless Steel■ Built-In 5-Cycle Dishwasher-Stainless Steel■ Refrigerator with Ice-Maker-Stainless Steel■ Garbage Disposal■ Microwave with Vent■ Granite or Quartz Countertops■ Double Bowl Stainless Steel Sink		<ul style="list-style-type: none">■ Ceramic Flooring■ Granite or Quartz Vanity Tops■ Quality Cabinetry■ Ceramic Tub/Shower Surround■ Framed Glass Mirror Over Vanity	
CLOSETS, UTILITIES, AND LAUNDRY		HOME FEATURES/AMENITIES			
<ul style="list-style-type: none">■ Walk-In MBR Closet (Per Plan)■ Laminate Closet Shelving■ Washer/Dryer Hook-Up■ Linen Closet(s)■ Programmable Thermostat		<ul style="list-style-type: none">■ Architecturally-Enhanced Exteriors■ Extensive Hardscaping/Landscaping■ Optional Basements■ Front-Oriented Sidewalks■ Pocket Parks (If Possible)			
<div><div>⁽¹⁾ Benchmark base sales prices, which are presented in November 2022 dollars, do not include options, upgrades or premiums.</div><div>⁽²⁾ Includes an estimate for options, upgrades and premiums, i.e. 7.0 percent above the base sales price.</div></div>					

⁽¹⁾ Benchmark base sales prices, which are presented in November 2022 dollars, do not include options, upgrades or premiums.

⁽²⁾ Includes an estimate for options, upgrades and premiums, i.e. 7.0 percent above the base sales price.

PRODUCT CRITERIA AND BENCHMARK PRICES - CONVENTIONAL FOR SALE SINGLE FAMILY

8

**-- A 30- TO 60-UNIT PROTOTYPE --
KANKAKEE COUNTY, ILLINOIS**

Product Line Summary						
Product Form:	Single Family					
Lot Dimensions:	55'-60' x 120'					
Garage Condition:	2-Car (Front)					
Average Plan Size (Sq. Ft.):	2,050					
Average Benchmark Base Price: ⁽¹⁾	\$322,490					
Per Sq. Ft.:	\$157.31					
Average Anticipated Closing Price: ⁽²⁾	\$345,100					
Per Sq. Ft.:	\$168.34					
						
Plan Detail						
Plan Designation	A	B	C	D	E	F
Plan Style	Ranch	Ranch	2-Story	2-Story	2-Story	2-Story
Bedrooms	3	3	3+Flex	4	4 + Loft	4 + Den
Baths	2.0	2.0	2.5	2.5	2.5	2.5
Unit Size (Sq. Ft.)	1,750	1,850	1,950	2,100	2,250	2,400
Benchmark Base Price: ⁽¹⁾	\$300,990	\$307,990	\$314,990	\$325,990	\$336,990	\$347,990
Per Sq. Ft.:	\$171.99	\$166.48	\$161.53	\$155.23	\$149.77	\$145.00
Anticipated Closing Price: ⁽²⁾	\$322,100	\$329,500	\$337,000	\$348,800	\$360,600	\$372,300
Per Sq. Ft.:	\$184.06	\$178.11	\$172.82	\$166.10	\$160.27	\$155.13
Features and Amenities						
UNIT STANDARDS		KITCHEN FEATURES		BATH/POWDER ROOM STANDARDS		
<ul style="list-style-type: none">■ Luxury Plank Flooring in Main Living Areas■ Carpeting in Bedroom Areas■ "White" Interior Paint Finish■ Painted Trim■ Direct-Wire Smoke Detectors Per Code■ Cable/Satellite/Telephone Prewire■ Paneled Doors■ High-Speed Internet Connectivity■ Air Conditioning■ Designer Door Hardware■ Designer Lighting Package■ Large Private Patio Area		<ul style="list-style-type: none">■ Quality Cabinetry■ Luxury Plank Flooring■ Four Burner Cooktop■ Self Clean Single Oven-Stainless Steel■ Built-In 5-Cycle Dishwasher-Stainless Steel■ Refrigerator with Ice-Maker-Stainless Steel■ Garbage Disposal■ Microwave with Vent■ Granite or Quartz Countertops■ Double Bowl Stainless Steel Sink		<ul style="list-style-type: none">■ Ceramic Flooring■ Granite or Quartz Vanity Tops■ Quality Cabinetry■ Ceramic Tub/Shower Surround■ Framed Glass Mirror Over Vanity		
CLOSETS, UTILITIES, AND LAUNDRY		HOME FEATURES/AMENITIES				
<ul style="list-style-type: none">■ Walk-In MBR Closet (Per Plan)■ Laminate Closet Shelving■ Washer/Dryer Hook-Up■ Linen Closet(s)■ Programmable Thermostat		<ul style="list-style-type: none">■ Architecturally-Enhanced Exteriors■ Extensive Hardscaping/Landscaping■ Basements Optional■ Pocket Parks (If Possible)				
<div><div>⁽¹⁾ Benchmark base sales prices, which are presented in November 2022 dollars, do not include options, upgrades or premiums.</div><div>⁽²⁾ Includes an estimate for options, upgrades and premiums, i.e. 7.0 percent above the base sales price.</div></div>						

Source: Tracy Cross & Associates, Inc.

MARKET POSITIONING

Please note that the benchmark rents/prices for the suggested housing products outlined in Exhibits 2 through 8 have been *carefully* established so that each product line can penetrate the middle of the new construction housing market based, primarily, on area incomes. In doing so, the three rental products have been positioned considerably higher than older stock, market rate communities *of scale* in Kankakee County, i.e., Stratford Manor, Sherwood Forest, etc. This *over market* variance is fully justified considering the older age of these competitors; their inferior unit features; the lack of community amenities, etc. This positioning strategy, when supported by area incomes, has proven successful in “like” markets throughout the Midwest.

At the same time, the various rental products will occupy similar value positions and/or whole dollar rents when compared to newer, smaller-scale developments in Kankakee County. For instance, at the 26-unit Sunset Point townhome rental project in Bradley, where all units were absorbed before construction was completed, the average one-car garage townhome rents for \$1,600 per month for 1,050 square feet.

Also, the suggested benchmark rents for the apartment and villa products in Kankakee County will fall *below* those being attained to the north in the south/southwest suburbs of Chicago where the average new/newer development (constructed in the last 10 years) currently supports a base rental rate of \$2,253 for 1,031 square feet of living area, or \$2.19 per square foot. This differential will allow Kankakee County to avoid leakage to the north, while also possibly inducing spillover to the south.

As positioned, the rental products can expect to achieve absorption rates consistent with typical lease-up trends in markets void of new product. For instance, among most apartment developments throughout similar Midwest locations, absorption rates *among properly positioned communities* with no direct competition and limited supply generally hover around 10 percent of their total unit counts.

The for sale products, in turn, will also occupy competitive value positions, i.e., appropriately below conventional counterparts typically located in the suburban areas of Kankakee County where higher prices are resulting in more moderate sales volumes. For example, the townhomes/rowhomes and attached ranch villas will be positioned lower than, say, current offerings at Meadowbrook and Courtyards at Cobblestone, both in Bourbonnais, where price points generally range from \$275,000-\$300,000+ and sales per project are typically at or below 6 units per year on average.

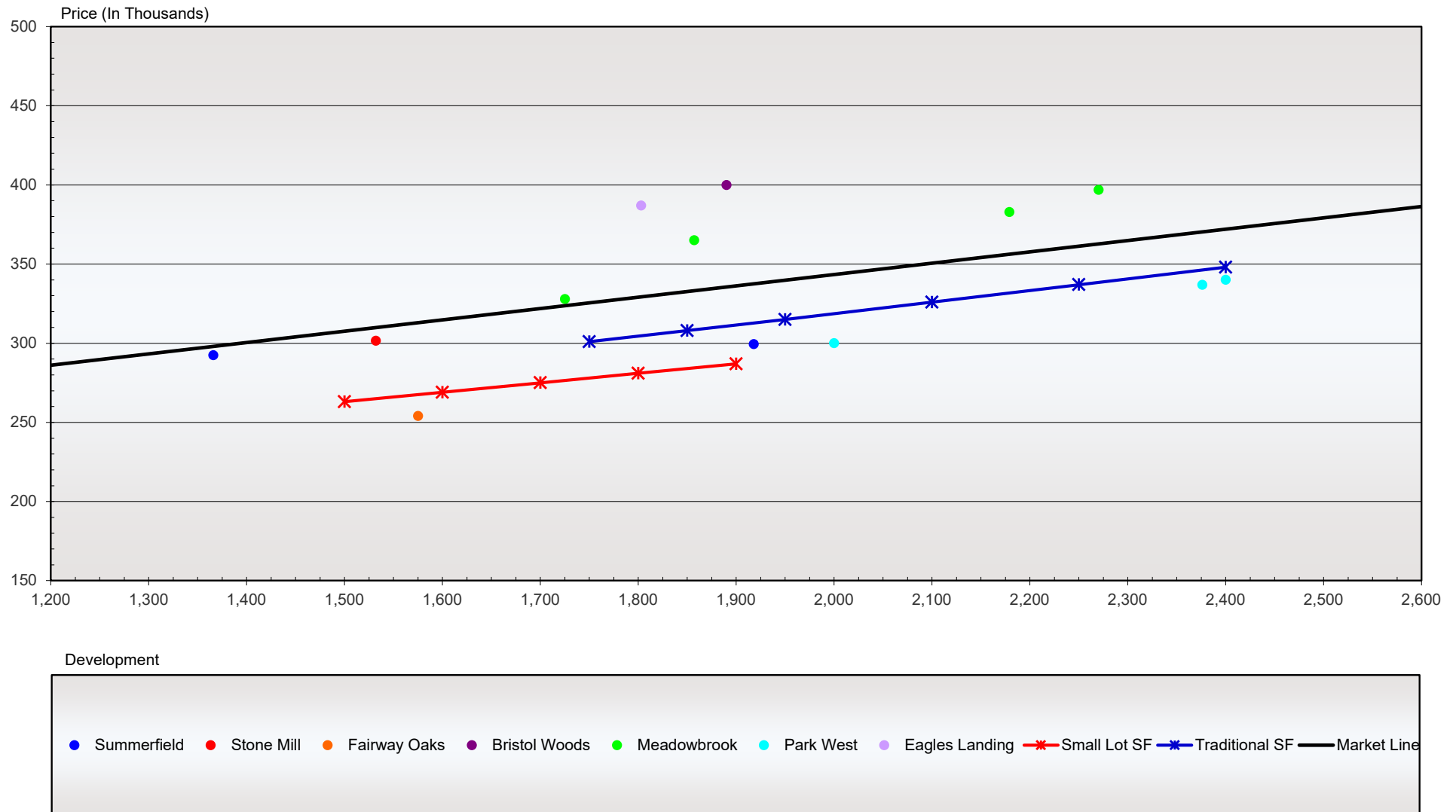
At the same time, the small lot and traditional single family product series have been positioned roughly 8-10 percent below the most moderately priced new construction single family residences being sold county-wide for comparable footage (see **Exhibit 9**). This comparative analysis excludes developments where home/lot package prices are above the \$400,000 and sales are extremely slow.

The suggested under market variances for all for sale product lines, albeit generally modest, are justified for two reasons. First, they will allow each program to generate a sales rate above the market average. Second, it will provide the necessary whole dollar price points for penetrating the threshold of household incomes throughout the county.

At the same time, the for sale products (as priced) will be positioned below competitive substitutes to the north/northeast in Will County, Illinois and Lake County, Indiana. This will help minimize leakage to these adjoining areas.

All told, the entire continuum of for rent and for sale product lines have been positioned to target those households earning between \$35,000 and \$100,000+ annually.

Price/Value Analysis
Recent New Construction Single Family Closings/Listings
Kankakee County, Illinois



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

A DISCIPLINED APPROACH TO PRODUCT DEVELOPMENT

From a very practical standpoint, it will take a combination of factors to achieve the rents/prices suggested for each mainstream product line based upon current costs of development and construction, although it can be accomplished (and must be accomplished) in order to penetrate the middle of the market and attain acceptable/successful absorption/sales rates. To assist in this endeavor, it will be imperative for all stakeholders to work closely with builders/developers so that the recommendations are followed as closely as possible. With this said, builders/developers will need to think differently in terms of land planning, development, and product design in order to *substantially reduce costs*, a key component to meeting the rent/price requirements. Provided below are key ingredients to bringing properly positioned mainstream housing to market, especially as it relates to the garden apartments, ranch villa rentals and all ownership products:

- ☐ Each product line must be efficient and cost effective to build from a design standpoint (value engineered). This can be achieved while still offering functional and desirable floorplans.
- ☐ The basis for design should be modeled after box-on-box/four-corner construction with no wasted space; however, exterior elevations should still be very appealing. Referencing the latter, a strong use of colors *not materials* is but one example of how quality can be portrayed to the consumer. This has been accomplished in numerous communities throughout the U.S. To reiterate, by creating value-oriented floorplans, we are not suggesting that quality be minimized, nor is there implication that overall curb appeal be comprised. It simply needs to be accomplished strategically.
- ☐ Once value-engineering has taken place, and efficient/cost effective plans and buildings are designed, these efficiencies must be conveyed to all subcontractors for bidding purposes. *This may become a critical element to ultimately achieving the suggested rents/prices.*
- ☐ The townhomes/rowhomes will not have basements, but rather finished lower levels (above grade). The for sale ranch villas and both single family products should be offered slab-on-grade as standard, although the option for a basement can be made available if the site will allow.
- ☐ In achieving higher densities, strong consideration should be placed on “to the street” product, smaller lots, along with front-to-back living (i.e., narrower units). At the same time, the mixing of products within neighborhood areas will help improve densities, while also establishing a desirable architectural landscape.
- ☐ Finally, outdoor living space for each residence (among all product lines) is essential, but need not be extensive. Specifically, private balconies for the apartments and townhomes/rowhomes will be sufficient, along with private courtyards/patios and side/back-yards for the attached ranch villa rentals, for sale villas, and the single family homes.

POTENTIAL INCENTIVES

Even with a disciplined planning and design approach, it is possible that some modest level of incentives/concessions might be necessary to bring the products (as positioned) to market. This will need to be determined through the planning and approval process but may include some form of land cost relief, Tax Increment Financing (TIF) assistance or something similar. Again, the seamless execution of our recommendations should allow rents/prices to be met without heavy incentives, but this is simply something to consider.

PRODUCT CLARIFICATIONS

Please keep in mind that while our mainstream product guidelines are very specific, there are a number of derivatives to each of the recommended generic forms that could evolve through the design efforts of individual builders/developers – or through the overall planning process. However, when considering any derivatives, it will still be important to follow the general parameters outlined for each of the recommended products relative to unit types, bedroom counts, rents, prices, etc., in order to ensure acceptable absorption and/or sales, and most importantly, the appeal to the mainstream of the market who are currently disenfranchised by the lack (or limited amount) of similar products.

In addition, consideration can be given to the introduction of other generic forms based upon the imbalance that exists market-wide between supply and demand – but done so with the same general planning strategy in mind – that being differentiation, efficiency, tasteful architecture, and rent/price positioning.

As it relates to downtown Kankakee, an opportunity for residential adaptive reuse apartments among older and/or historic buildings. In this regard, the criteria for the mid- to higher-density apartment product should be followed, although rents should be positioned roughly 5.0 percent below new construction counterparts.

OTHER CONSIDERATIONS

As outlined throughout this report, there is a clear opportunity (and need) to successfully introduce new market rate apartments/ranch villa rentals and mainstream for sale housing products throughout Kankakee County. However, it is important to point out that while middle incomes in the \$35,000 to \$100,000+ range represent the majority of households throughout Kankakee County, 25 percent of all households earn less than \$35,000 annually. Given this base of existing lower income households, continual consideration should also be given to affordable housing options as needed.

At the opposite end of the spectrum, there are also a notable number of households with higher incomes, i.e., \$100,000+. This segment will likely be satisfied by the semi-custom/custom home sector already in-place, although increased inventory in certain locations and/or as a component of a larger-scale master-planned community may be warranted – scaled appropriately.

GEOGRAPHIC POSITIONING

Based upon a physical evaluation of Kankakee County and its constituent municipalities, the following paragraphs present a very logical *initial* geographic positioning strategy for the suggested product lines.

- ☐ Downtown Kankakee (and its riverfront area) is an appropriate location for both new construction and residential adaptive apartment initiatives, along with pockets of for sale townhome/rowhomes and small lot single family product. Note: J. Jeffers & Co. is already capitalizing on this opportunity with two different rental projects in the pipeline.
- ☐ Bradley and Bourbonnais, primarily aligning IL-50 in and around its confluence with I-57, should be investigated for the introduction of garden apartments, ranch villa rentals and all for sale products. Because of this area's easy access, high visibility and proximity to employment and shopping, a large-scale, self-contained master-planned community (with multiple product lines) should also be considered at this general location.

- ☐ The area in and around the intersection of Division Street and I-57 (within close proximity to downtown Manteno), would also represent a strong location for new housing. This area's visibility, accessibility and proximity to employment, shopping, and services, would provide a strong foundation for multiple product lines.

CERTIFICATION AND SIGNATURE

This analysis represents our objective and independent opinion regarding the market potential for residential development throughout Kankakee County, Illinois as certified below:

TRACY CROSS & ASSOCIATES, INC.

An Illinois Corporation

By: _____

Erik A. Doerschling

Its: President & CEO

Date: November 23, 2022



GENERAL LIMITING CONDITIONS

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

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



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