



**Real Estate Market Analysis & Development Planning Study:
Cass Avenue Investigative Area**

Phase I: 1 N. Cass Avenue & 2 W. Burlington Avenue

Westmont, Illinois

**PREPARED FOR:
Village of Westmont**

DECEMBER 30, 2015

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I. Background to the Assignment

At the request of the Village of Westmont, Illinois, Residential Planning Partners, LLC investigated the market potential for new housing and commercial space within the Village's Downtown District. The subject of this assignment consists of the two redevelopment areas located generally at the northeast and northwest corners of Cass Avenue and Burlington Avenue – designated as 1 N. Cass Avenue and 2 W. Burlington Avenue, respectively – as well as the remainder of the Cass Avenue corridor stretching from Burlington Avenue to Norfolk Street. Collectively, these three subject sites are here designated as the *Cass Avenue Investigative Area*.

This assignment is divided into two phases. Phase I focuses on redevelopment potentials for the 1 N. Cass Avenue and 2 Burlington Avenue properties. The objectives of Phase I are to provide the following:

- A thorough evaluation of the subject parcels, including their suitability and marketability in terms of mixed-use/TOD development.
- An analysis and assessment of current and projected demographic and socioeconomic conditions within the market/trade area as a whole.
- An analysis of area commercial and residential market conditions and trends, including product, price, and occupancy characteristics.
- A target market analysis and forecasts of demand for new commercial space and residential units.
- Detailed guidance on development potentials within the subject sites, addressing the extent of supportable commercial square footage and number of supported residential units by type (rental and/or for sale).
- Detailed development criteria for all recommended space, including building scale and character, unit size, plan mix, and level of features and amenities.
- A benchmark rental rate and/or purchase price structure for all commercial space and residential products recommended, provided as a tool for subsequent financial modeling.

Our Phase I findings and recommendations are contained within this report.

Phase II, to follow this report, will build on the work completed in Phase I and will encompass guidance on further development potentials and strategies along the additional portions of the Cass Avenue corridor included within the investigative area.

Our work for this assignment encompassed a series of interrelated research investigations, including (but not limited to) the following:

- A thorough evaluation of the Cass Avenue Investigative Area, Downtown Westmont generally, and its environs with regard to their suitability for residential and commercial development;
- An analysis of market area demographic and socioeconomic conditions and trends;
- An analysis of local and regional economic and employment conditions, along with an investigation of factors that have the potential to impact residential and commercial demand within the foreseeable future;
- Analyses of area housing and commercial market conditions and trends;
- An assessment of current supply conditions and demand potentials in both the housing and commercial sectors for the near and mid-term.

Section II of the following report summarizes our market findings, conclusions regarding development potentials within Downtown Westmont, and recommendations regarding the development of new residential units and commercial space within the subject sites. **Section III** provides an orientation to Westmont generally, as well as the defined investigative area and the wider defined Primary Market Area (PMA).

Sections IV summarizes our research and analysis regarding market fundamentals, including background demographic and socioeconomic trends and other factors as they relate to development potentials within Downtown Westmont and the PMA generally.

Sections V and **VI** provide extensive market information and analysis for the residential and commercial sectors, respectively, as well as more detailed discussions of our findings and recommendations.

The conclusions and recommendations provided within this report were based on a variety of analyses. Methodology included, where applicable, a modified sales comparison approach and statistical modeling utilizing regression analysis.

Current demographic and socio-economic estimates and five-year projections cited within this report are from Esri Business Analyst, provided by Esri, Inc. U.S. Census Bureau statistics cited are the most recent vintages available and are derived from the Decennial Census (for longer term population trend data) and from the 2009-2013 American Community Survey, Five-Year Estimates. Extensive field work and interviews with municipal officials, local leasing professionals, and other stakeholders provided rich contextual support for conclusions regarding market conditions and potentials within the investigative area. Additional information related to housing market trends was gleaned from Reis, Inc. and local apartment and for sale home listing services. Likewise, valuable information on commercial market trends was gleaned from recent market reports provided by the global commercial broker CBRE and from information on available properties provided by local brokers. Sources for other secondary data analyzed are noted throughout the report.

The Village of Westmont has undertaken many planning studies over the last 15 years – many of these specific to the Downtown District. Our background research included a thorough review of these studies, which were invaluable in gaining an effective understanding of the Village’s planning and development goals pertaining to the Downtown area as well as the development context in general Village-wide. Our review of prior planning studies included the following:

- *Village of Westmont Transit Oriented Development Study* (2000, Farr Associates)
- *Westmont Downtown Transit Oriented Development Districts* (2012, Farr Associates)
- *Redevelopment Plan & Program, Tax Increment Financing District, Central Business District* (2013, Teska Associates, Inc.)
- *CBD TIF Housing Impact Study* (2013, Teska Associates, Inc.)
- *Village of Westmont Comprehensive Plan* (2013, Houseal Lavigne Associates)

Finally, it should be noted that, in addition to undertaking this substantial planning work, the Village should be commended for its work to date in supporting and enhancing the Downtown housing and commercial environment. These efforts have results in significant infrastructure investment and include ongoing marketing and economic development undertakings.

II. Summary of Findings, Conclusions, and Opportunities

This section of our report provides a brief summary of our market findings and conclusions and guidance regarding primary opportunities for the subject sites. More detailed discussions and supportive rationale for all guidance given can be found in **Section V** (residential market) and **Section VI** (commercial/retail market).

Key Market Findings

With its many key assets, Downtown Westmont is well-positioned for growth. Chief among these are its accessibility, character, walkable TOD environment, and recent investments in infrastructure and aesthetic improvements.

In addition, the Downtown District already benefits from a significant concentration of noted restaurants and arts-related destinations. These categories serve local residents and bring others into Downtown. Building off these strengths is a business development strategy that makes sense.

Opportunity exists in both the residential and commercial sectors for new development in Downtown Westmont. However, development planning must take into account current market realities that will limit development scale and achievable rent levels.

Subject Site Opportunities

1 N. Cass Avenue

With its strategic location on a hard corner, signalized intersection, significant Cass Avenue frontage, and proximity to the Metra station, the potential land assemblage designated as 1 N. Cass Avenue is seen as the primary redevelopment opportunity in Downtown Westmont. Mixed-use development would be the most appropriate use for western portions of the site. However, given the relatively large size of the site – assuming the realignment of Burlington Avenue and the full assemblage of all available parcels – we recommend a *phased approach* to redevelopment.

Phase I would encompass a mixed-use building oriented to Cass Avenue with rental apartments and ground floor commercial space, along with parking required for both uses. Up to 75 apartments and 15,000 square feet of commercial space could be supported within a near to mid-term development timeframe (i.e., one to five years).

An apartment plan portfolio of one and two bedroom unit types is recommended, ranging from 750 to 1,200 square feet in size. Suggested benchmark base monthly rents (excluding options, upgrades, or premiums) range from \$1,350 for the smallest one bedroom units to \$1,750 for the largest two bedroom units, averaging \$1,550 across the group. Target markets will include singles and couples age 25-44 along with downsizing empty nesters age 65-74.

The recommended commercial space should be oriented to Cass Avenue. Businesses likely to be attracted to the space would include eating and drinking places, specialty food stores, and other specialty retail boutiques. Certain service providers would also be appropriate ground floor tenants, particularly if they serve as amenities for tenants in the apartments above. The target market for commercial tenants consists primarily of local, independent merchants and operators. Market rents for this new space should be less than \$20 per square foot on a net basis.

Phase II (which could, if financing and development scheduling allow, be undertaken concurrently with Phase I), would include space for non-retail commercial uses on the eastern portion of the subject site, along the newly aligned sections of Burlington Avenue. Targeted uses for this space could include medical, office, or other personal or professional services that would serve area residents and increase daytime traffic.

It should be noted that formal land planning is beyond the scope of this study. While it is assumed, based on our review of past redevelopment plans proposed for the subject site, that the maximum supported number of apartment units and commercial space, along with an adequate number of accessible parking spaces, could be appropriately configured on the site, site planning by qualified professionals will be necessary to determine the most viable and desirable development scenario(s).

2 W. Burlington Avenue

The 2 W. Burlington Avenue property, as it currently exists, represents a stable and appropriate usage for Westmont's Downtown District. Nine of the ten commercial spaces are currently occupied by a variety of business types, many of them representing long term tenants. Moreover, all ten studio and one bedroom apartments are occupied.

Based on our analysis of area commercial and residential market potentials, we recommend upgrades to the property as opposed to redevelopment. It is considered unlikely that a complete redevelopment of the property would be feasible in the foreseeable future. This broad conclusion is based on a number of factors, chief among them the following:

- In order to achieve financial feasibility, redevelopment of the property as a new mixed-use building would almost certainly require a substantial increase in residential unit density. Assuming the redevelopment of the 1 N. Cass Avenue subject site is undertaken as recommended, residential market potentials for Downtown Westmont would not support an additional large scale rental apartment project. Nor is a mixed-use building with for sale condominiums supported, as the market for new condominiums in Westmont remains essentially frozen.
- Likewise, near to mid-term commercial market potentials do not warrant the creation of an immediate need to fill up to 10,000 square feet of commercial space (assumed for any redevelopment scenario) on top of the up to 15,000 square feet suggested for Phase I of the 1 N. Cass Avenue property. (Note that, while redevelopment of the 2 W. Burlington property would

not technically add to downtown commercial space inventory, it is assumed that many of the current tenants, if displaced, would be relocated elsewhere or cease to exist altogether and would not, in either case, be viable tenants for rent levels necessary to justify the cost of new construction.)

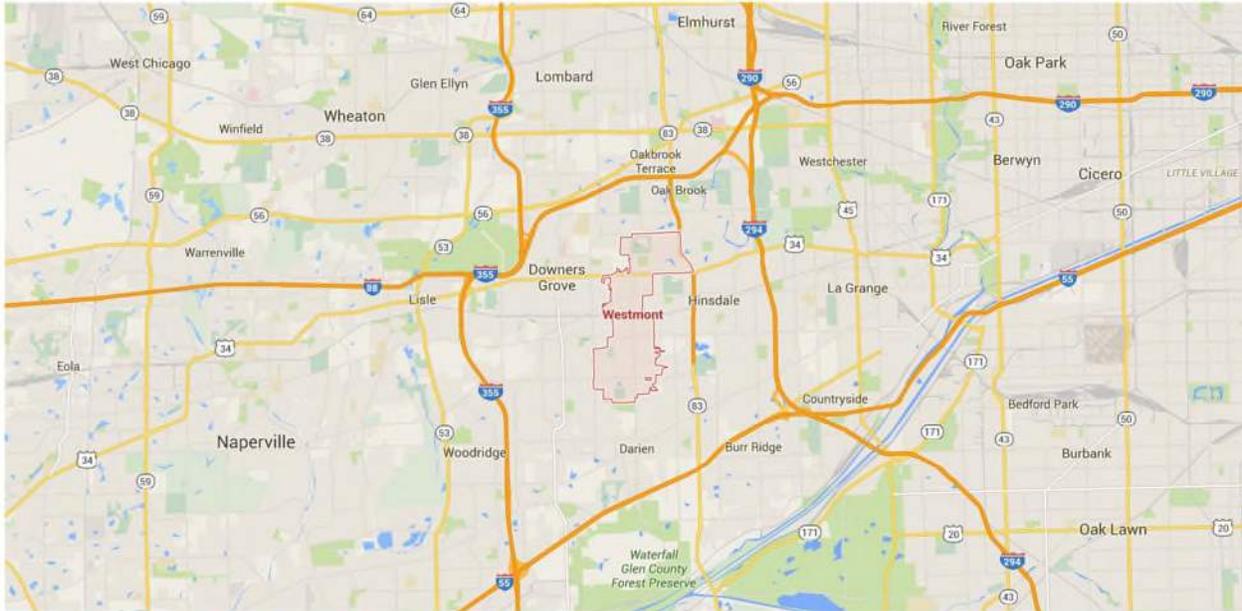
It should also be noted that the vintage 1925 building that makes up the bulk of the property adds character to the Downtown District that would be difficult – if not impossible – to replicate as new construction.

For these reasons, it is suggested that the best – and most appropriate – use for the property would be renovation and updates to improve the usability, attractiveness, marketability, and rent potential of both the apartment units and commercial spaces.

III. Introduction

Located in southeast DuPage County approximately 23 miles southwest of Chicago’s Loop, the Village of Westmont is home to approximately 24,700 people by current estimates. The Village is bordered by the villages of Oak Brook to the north, Clarendon Hills and Willowbrook to the east, the City of Darien to the south, and the Village of Downers Grove to the west.

Geographic Orientation: Village of Westmont and Environs



Source: Residential Planning Partners, LLC; map by Google

Early transportation infrastructure development – first the plank road from Chicago that later became Ogden Avenue (U.S. Route 34), then the Chicago, Burlington, and Quincy Railroad branch line that linked Chicago to Aurora – helped spur the initial development of the Westmont area, allowing for agricultural trade with the City of Chicago.

The Village of Westmont was incorporated in 1921 but remained below 10,000 residents until the 1970s, when the outward path of residential development from Chicago brought suburbanization to southeast DuPage County and caused the population of the Village to nearly double in size within a decade.

Today, Westmont is firmly established as a commuter community, with its strategic location near one of Metropolitan Chicago’s largest concentrations of employment, along Metra’s BNSF commuter line, and within a nexus of regional freeways and important arterials.

Downtown Westmont

Westmont’s 2013 Comprehensive Plan noted the role of the Downtown Subarea as the “heartbeat” of the Village and cited recent investment in the area, including significant new and updated civic facilities such as the Village Hall, Metra station, community park and fountain, and police and fire facility.

The Cass Avenue Investigative Area forms Downtown’s mixed-use core, and the Cass/Burlington intersection has been identified as its primary focus. The Comprehensive Plan noted the need for continued downtown improvements and policy changes geared toward encouraging private investment while maintaining the traditional downtown character of the district.

In 2000, with support from the Regional Transportation Authority (RTA), Westmont undertook a study of transit-oriented development (TOD) within its Downtown. The resulting plan sought to increase residential density and commercial vitality within the TOD area by fostering new mixed-use development and encouraging an improved retail mix. Even with this plan in place, however, economic decline continued in the Downtown area over the next decade. As a result, in 2013 the Village formed the *Village of Westmont Central Business District Tax Increment Financing (TIF) Redevelopment Project Area* and adopted a *Tax Increment Redevelopment Plan and Program* for the area that includes all of Downtown. The goal of this plan is to “strengthen the residential, retail, and office components of the Project Area through the maintenance and improvement of existing facilities and the redevelopment of existing obsolete buildings or vacant land for new uses.” The Redevelopment Plan builds off of – and is consistent with – the goals set forth in the 2013 *Village of Westmont Comprehensive Plan* – most pointedly, the goal to expand the Downtown residential population and commercial offerings.

Subject Site Orientation

The two redevelopment sites that are the subject of this report encompass the 2.0 (+/-) acres located at the northeast corner of the Cass Avenue/Burlington Avenue intersection (here designated as 1 N. Cass Avenue) and the 0.3 (+/-) acres located at the northwest corner of the same intersection (here designated as 2 W. Burlington Avenue).

The 1 N. Cass Avenue property represents a redevelopment opportunity that would require the assemblage of two privately owned properties together with a public surface parking lot owned by the Village. One of the privately-owned properties houses an auto repair business, while the other contains a multi-tenant building with four retail spaces, one of which is currently vacant. Redevelopment of the site would also require – as has been proposed in previous Village planning documents, the realignment of Burlington Avenue, which currently divides the parking lot from the two privately owned properties. The resulting two-acre site is seen as one of the primary



redevelopment opportunities for Downtown Westmont, with the potential to establish an anchor to the mixed-use core.



The 2 W. Burlington Avenue property currently contains two two-story mixed-use buildings and one one-story commercial building that are being offered for sale together through Marcus & Millichap. Together, the buildings contain 10 studio and one bedroom apartments along with 9,294 square feet of ground floor retail space distributed among nine spaces, the largest of which (3,250 square feet on the corner of Cass and Burlington avenues) is occupied by Westmont Pharmacy. The asking price for the property is \$1,625,000. Current rents range from \$450 to \$650 per month for the apartments and from \$13.54 to \$19.43 per square foot per year (modified gross) for the commercial spaces. All of the apartments and all but one 700 square foot commercial space are currently occupied.

1 N. Cass Avenue & 2 W. Burlington Avenue Subject Sites



(Note: Area outlines are approximate.)
Source: DuPage County, IL and Residential Planning Partners, LLC

The two subject sites are advantageously located on a hard corner, signaled intersection with direct access to Westmont’s Metra station. Average daily traffic counts (as reported by the Illinois Department of Transportation in 2012) are 14,400 vehicles along Cass Avenue, 2,850 along Burlington Avenue east of

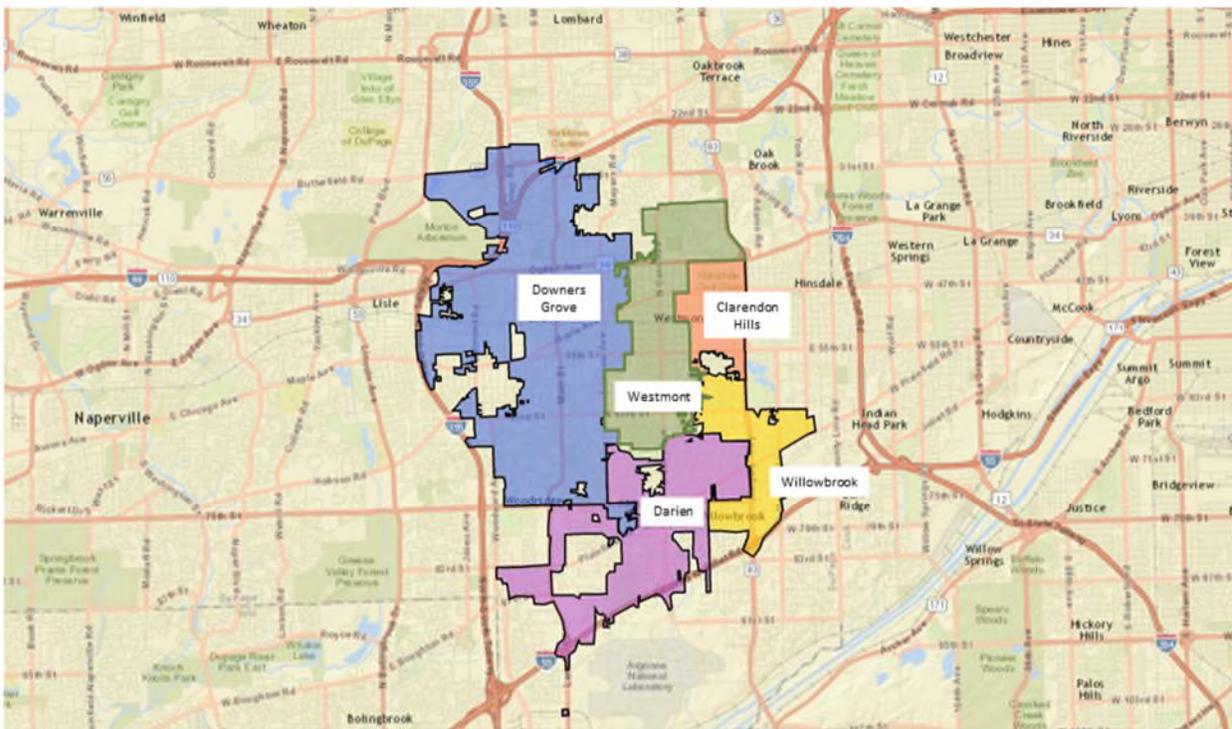
Cass, and 950 along Burlington Avenue west of Cass. In addition, the Westmont Metra station is served by four different Pace bus routes (661, 662, 665, and 715). Average weekday boardings at the station, as measured by Metra in Spring 2014, were 1,070, making the station the tenth busiest among the 25 stations on the BNSF line (excluding Union Station).

As mentioned previously, Westmont lies within a nexus of regional freeways, including Interstate 88 (Ronald Reagan Memorial Tollway) to the north, I-294 (Tri-State Tollway) to the east, I-55 (Stevenson Expressway) to the south, and I-355 (Veterans Memorial Tollway) to the west. Each of these freeways can be accessed within four to five miles of the subject sites. In addition, Illinois Route 83 (Kingery Highway) and U.S. Route 34 (Ogden Avenue) are major regional arterials lying to the east and north of Downtown Westmont, respectively.

Primary Market Area

The Primary Market Area (PMA) utilized for our demographic and socioeconomic analyses is here defined as an area encompassing – along with the Village of Westmont – the villages of Clarendon Hills, Willowbrook, and Downers Grove and the City of Darien. The majority of the PMA lies within a three mile radius of Downtown Westmont.

Downtown Westmont Primary Market Area (PMA)



Source: Residential Planning Partners; map by Esri, Inc.

This *Downtown Westmont PMA* has been established based on the following: 1) Demographic, geographic, and socioeconomic linkages between the five municipalities; 2) Recent trends in localized

residential and commercial development throughout the area; 3) Proximity to regional employment concentrations (primarily aligning I-88); 4) Commutation patterns along area freeways and via Metra's BNSF commuter line; and 5) Information gleaned generally on local geographic mobility, customs, and propensities.

Approximately 75 percent of market support for any new residential units introduced within the subject sites can be expected to emanate from within the defined PMA.

Additionally, for the purposes of commercial market analysis, a separate *Downtown Westmont Retail Trade Area* (RTA) has been defined. The Retail Trade Area is smaller than the five-community PMA, with this difference due to the fact that consumers generally consider convenience and proximity when making retail choices, while households look at larger, community-based geographies when considering housing choices. The defined Retail Trade Area (which is bounded generally by 31st Street to the north, Highway 83 to the east, 75th Street to the south, and Main Street/Highland Ave to the west) is fully discussed in **Section VI** of this report.

IV. Background to the Market

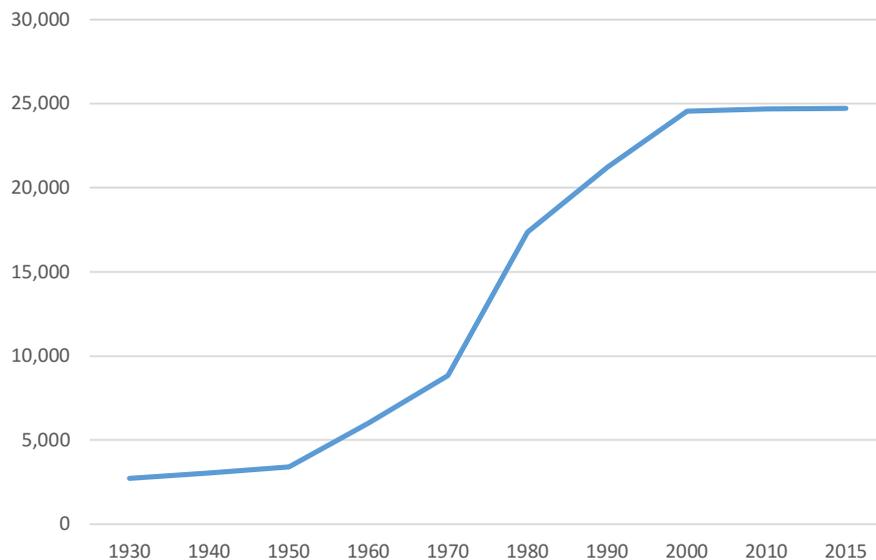
The Village of Westmont, home to 24,718 people by current estimates, is located in southeast DuPage County, approximately three miles west of the DuPage-Cook county line. The Village encompasses roughly six square miles of land stretching generally from 35th Street to the north to 67th Street to the south and from Richmond Avenue and IL-83 to the east to Cumnor Road and Fairview Avenue to the west.

Population & Household Trend

The Village experienced rapid development in the latter half of the 20th century as the regional transportation network grew, transforming Westmont from a small agricultural community into a thriving commuter village. By the turn of the century, however, the Village was largely built-out, with new development occurring primarily within infill locations. While population growth continues today, it is at a much more modest level.

Population Growth

Village of Westmont, IL

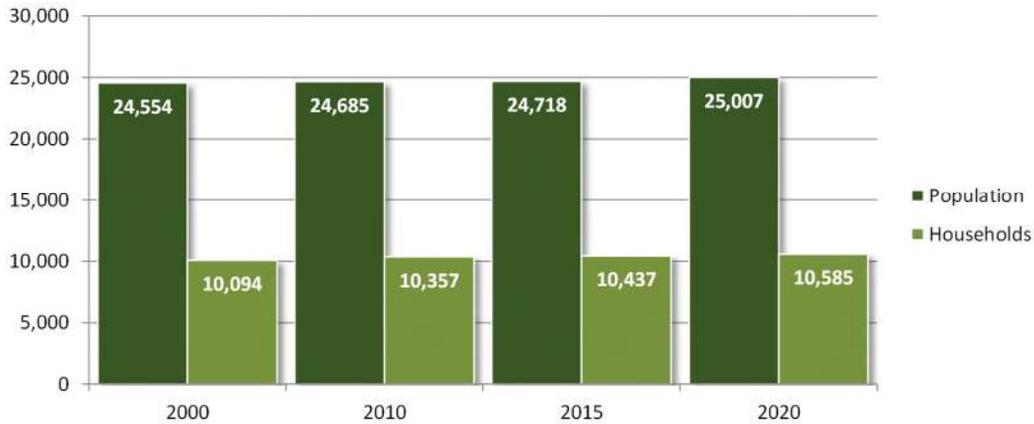


Source: U.S. Census Bureau; Esri, Inc. (2015 estimate)

Westmont is home to 10,437 households by current year estimates, representing the addition of just 80 households over the last five years. However, the pace of household growth is projected to increase over the next five years, with the Village adding another 148 households by 2020.

Population & Household Trend

Village of Westmont, IL



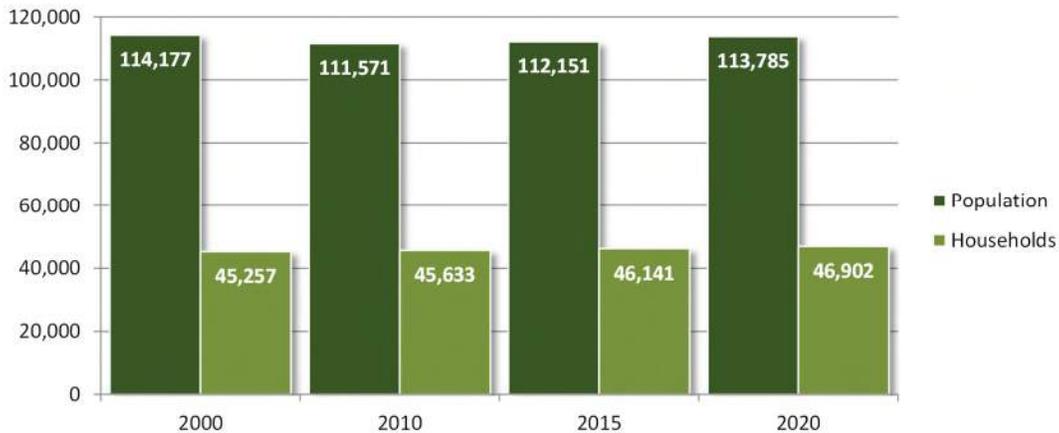
Source: U.S. Census Bureau; Esri, Inc. (2015 estimates, 2020 projections)

Meanwhile, by current estimates nearly 114,000 people reside within the five municipalities that make up the defined Downtown Westmont Primary Market Area (see **Section III**), distributed among almost 47,000 households.

The PMA lost residents between 2000 and 2010 (though the number of households continued to grow due to a decrease in average household size); however, population growth has once again resumed – albeit at a modest pace. Growth rates are projected to increase somewhat over the mid-term, with the PMA growing at an average annual pace of roughly 350 people and 150 households per year from 2015 to 2020.

Population & Household Trend

Downtown Westmont PMA



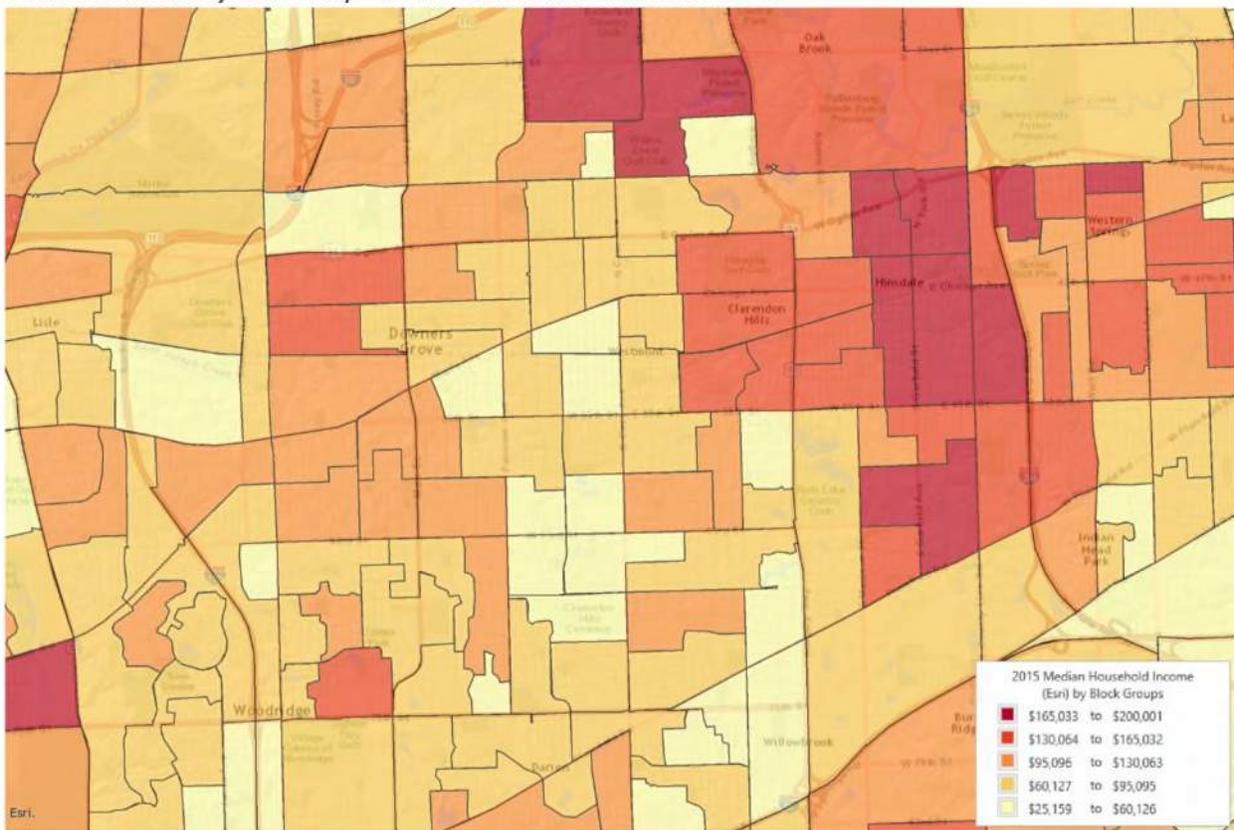
Source: U.S. Census Bureau; Esri, Inc. (2015 estimates, 2020 projections)

Household Income

According to Census Bureau estimates, as of the 2013 American Community Survey the median income for all households within the PMA stood at \$73,547 (in 2013 dollars), approximately 30 percent higher than the Chicago Metropolitan Region (\$56,650) and Illinois as a whole (\$56,797). Within Westmont itself, however, the median household income stood much lower, at \$58,663.

As shown in the following map of median household income by Census Block Group (the smallest reporting unit utilized by the Census Bureau), areas of greater affluence within the PMA are concentrated within northwestern Downers Grove and in Clarendon Hills.

Household Income by Block Group – Downtown Westmont PMA & Environs



Source: Esri, Inc.

A more nuanced analysis of income by housing tenure shows sharp income inequality between owner and renter households. In fact, within both the Village of Westmont and the PMA as a whole, the median income of renter households is more than 50 percent lower than their owner counterparts.

Households by Housing Tenure & Income
 Village of Westmont, IL

Income	Owner		Renter		Total	
	HH	%	HH	%	HH	%
Less than \$5,000	87	1.6	204	4.0	291	2.8
\$5,000 - \$9,999	44	0.8	160	3.1	204	2.0
\$10,000 - \$14,999	136	2.6	250	4.9	386	3.7
\$15,000 - \$19,999	73	1.4	371	7.3	444	4.3
\$20,000 - \$24,999	188	3.5	298	5.8	486	4.7
\$25,000 - \$34,999	473	8.9	1,032	20.2	1,505	14.5
\$35,000 - \$49,999	413	7.8	746	14.6	1,159	11.1
\$50,000 - \$74,999	948	17.9	1,155	22.7	2,103	20.2
\$75,000 - \$99,999	833	15.7	446	8.7	1,279	12.3
\$100,000 - \$149,999	1,107	20.9	194	3.8	1,301	12.5
\$150,000 or More	1,007	19.0	242	4.7	1,249	12.0
Total	5,309	100.0	5,098	100.0	10,407	100.0
Median	\$83,758		\$39,726		\$58,663	

Source: U.S. Census Bureau

Households by Housing Tenure & Income
 Downtown Westmont PMA

Income	Owner		Renter		Total	
	HH	%	HH	%	HH	%
Less than \$5,000	415	1.3	506	4.0	921	2.0
\$5,000 - \$9,999	302	0.9	390	3.1	692	1.5
\$10,000 - \$14,999	559	1.7	1,083	8.5	1,642	3.6
\$15,000 - \$19,999	893	2.7	607	4.8	1,500	3.3
\$20,000 - \$24,999	1,076	3.3	773	6.1	1,849	4.1
\$25,000 - \$34,999	2,095	6.4	1,929	15.2	4,024	8.8
\$35,000 - \$49,999	2,767	8.4	1,996	15.7	4,763	10.5
\$50,000 - \$74,999	5,000	15.2	2,855	22.4	7,855	17.2
\$75,000 - \$99,999	4,572	13.9	1,185	9.3	5,757	12.6
\$100,000 - \$149,999	6,927	21.1	861	6.8	7,788	17.1
\$150,000 or More	8,215	25.0	545	4.3	8,760	19.2
Total	32,821	100.0	12,730	100.0	45,551	100.0
Median	\$93,165		\$43,121		\$73,547	

Source: U.S. Census Bureau

That said, however, more than 20 percent of renter households within both the Village and PMA as a whole have incomes ranging from \$50,000 to \$75,000, while 17 percent of Village and 20 percent of PMA renter households have incomes above \$75,000.

Population Age Dynamics

Like many areas within suburban Chicago, the PMA is aging. The current estimated median age of PMA residents stands at 43.7 years, 3.1 percent higher than the 2010 Census figure and indicative of the influence exerted by the aging of the Baby Boomers. Currently, just over one third of PMA residents are 55 years old or older. The median age is expected to increase to 44.6 years by 2020, when nearly 37 percent of PMA residents will be 55 years old or older. The dramatic rise in older residents within the PMA is demonstrated in the following table. As shown, by 2020 the area is expected to have 21 percent more residents between the ages of 75 and 84 and 20 percent more residents age 65-74 than it does today.

Population by Age - Downtown Westmont PMA

Age (Years)	2010		2015 ⁽¹⁾		2020 ⁽²⁾		Change (2015-2020)	
	Pop.	Percent of Tot.	Pop.	Percent of Tot.	Pop.	Percent of Tot.	Gain/Loss	Percent
0-4	6,092	5.5	5,652	5.0	5,619	4.9	-33	-0.6
5-9	6,788	6.1	6,651	5.9	6,231	5.5	-420	-6.3
10-14	7,216	6.5	7,239	6.5	7,092	6.2	-147	-2.0
15-19	6,844	6.1	6,599	5.9	6,420	5.6	-179	-2.7
20-24	5,678	5.1	5,904	5.3	5,430	4.8	-474	-8.0
25-34	12,811	11.5	12,484	11.1	12,553	11.0	69	0.6
35-44	14,276	12.8	13,302	11.9	14,156	12.4	854	6.4
45-54	18,393	16.5	16,401	14.6	14,800	13.0	-1,601	-9.8
55-64	15,692	14.1	17,304	15.4	17,150	15.1	-154	-0.9
65-74	8,959	8.0	11,313	10.1	13,586	11.9	2,273	20.1
75-84	5,681	5.1	5,867	5.2	7,107	6.2	1,240	21.1
85+	3,141	2.8	3,426	3.1	3,640	3.2	214	6.2
Total	111,571	100.0	112,142	100.0	113,784	100.0	1,642	1.5
Med. Age	42.4		43.7		44.6		---	

⁽¹⁾ Estimate

⁽²⁾ Projection

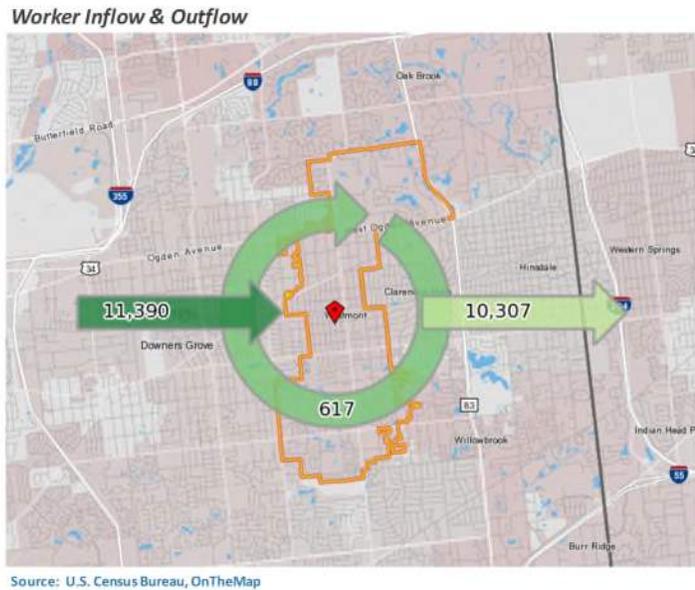
Source: U.S. Census Bureau, Esri, Inc. (2015 estimates, 2020 projections)

Meanwhile, the PMA is expected to experience declines in the number of children and young adults, while residents age 25-34 – the primary target market for much rental housing – will increase only modestly. More robust growth will be seen in the 35-44 year age cohort, which is expected to grow 6.4 percent by 2020.

Area Employment Patterns

According to Census data, 10,924 people living within the Village of Westmont are employed. More than 94 percent of these workers (10,307) are employed outside the Village, with the remainder (617 workers) employed within it. Additionally, 11,390 workers live outside the Village but commute into it for work.

Among workers who commute out of the Village, the top destination is the City of Chicago, which sees a daily inflow of nearly 2,331 workers who reside within Westmont. Downers Grove and Naperville rank second and third, with inflows of 655 and 343 workers, respectively. Together, these top three destinations represent more than 30 percent of employment for those living within Westmont and commuting outside of it for work.



Worker Job Locations

Village of Westmont, IL

Location	No.	Percent
Chicago	2,331	21.3
Downers Grove	655	6.0
Westmont	617	5.6
Naperville	343	3.1
Oak Brook	322	2.9
Hinsdale	265	2.4
Lisle	241	2.2
Lombard	196	1.8
Bolingbrook	181	1.7
Schaumburg	162	1.5
Other Locations	5,611	51.4
Total	10,924	100.0

Source: U.S. Census Bureau: OnTheMap data.

Among the more than 12,000 people employed within Westmont itself, nearly 12 percent (1,410) live in the City of Chicago. Westmont itself ranks second among places of residence, with 617 workers, while Downers Grove and Naperville rank third and fourth, with 546 and 392 workers, respectively.

Worker Place of Residence

Village of Westmont, IL

Location	No.	Percent
Chicago	1,410	11.7
Westmont	617	5.1
Downers Grove	546	4.5
Naperville	392	3.3
Bolingbrook	346	2.9
Aurora	290	2.4
Woodridge	261	2.2
Joliet	225	1.9
Darien	204	1.7
Hinsdale	183	1.5
Other Locations	7,533	62.7
Total	12,007	100.0

Source: U.S. Census Bureau: OnTheMap data.

V. Residential Market Analysis & Recommendations

This section of the report explores residential market fundamentals and the competitive environment within Westmont and the PMA. It provides a forecast of new home demand for the near to mid-term. Finally, it provides a detailed discussion of our market findings, conclusions, and recommendations.

Residential Market Fundamentals

Housing Occupancy

Renter households make up an estimated 49 percent of all households in Westmont – an unusually high renter occupancy rate for a suburban municipality. By contrast, renter occupancy rates within neighboring Clarendon Hills and Downers Grove are 24.2 percent and 21.6 percent, respectively, while the renter occupancy rate for the entire Downtown Westmont PMA stands at 27.9 percent.

Housing Occupancy Characteristics

Downtown Westmont PMA & Village of Westmont

Attribute	PMA	Village of Westmont
Total Housing Units	48,486	11,274
Occupied Housing Units	45,551	10,407
Owner-Occupied	32,821	5,309
Percent	72.1	51.0
Renter-Occupied	12,730	5,098
Percent	27.9	49.0
Vacant Housing Units	2,935	867
Vacancy Rate (%)	6.1	7.7
Homeowner Vacancy Rate (%)	2.4	2.6
Rental Vacancy Rate (%)	4.4	4.4

Source: U.S. Census Bureau

Housing vacancy rates within the PMA stand at 2.4 percent for ownership units and 4.4 percent for rental units. By most standards, these are considered moderately high for ownership units and low for rental units. (Research shows that normal vacancy rates within most balanced markets average 1.5 percent for ownership units and 7.4 percent for rental units over the long term.) Vacancies within Westmont itself for the most part mirror those within the PMA as a whole, at 2.6 percent for ownership units and 4.4 percent for renter units.

Housing Characteristics

Within Westmont, 66 percent of owner-occupied housing units consist of detached single family homes, while just under 17 percent are attached single family homes (e.g., townhomes or duplexes) and 17.5 percent are located in multi-family buildings of two or more units. Among renter-occupied housing units,

the vast majority (83 percent) are located in multi-family buildings, with just 11.5 percent consisting of detached single family homes and 5.5 percent comprised of attached single family homes.

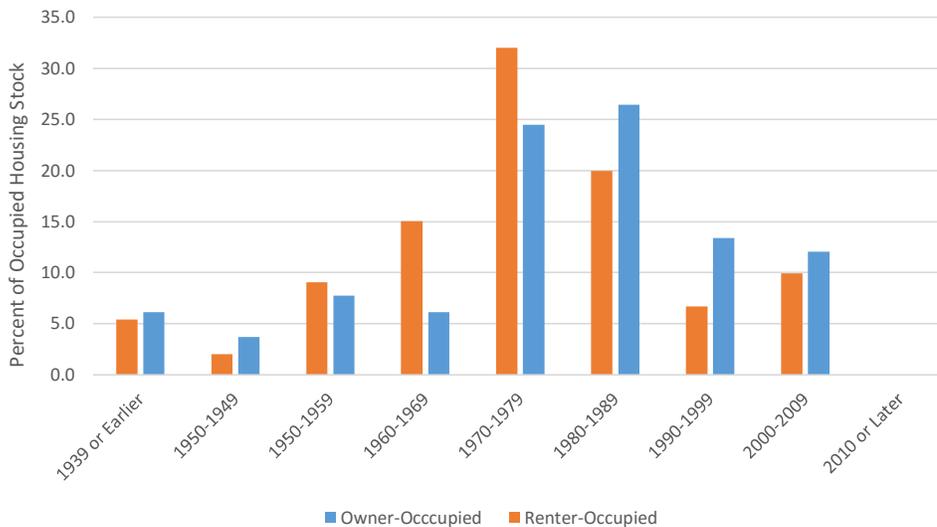
Tenure by Housing Type Village of Westmont, IL



Source: U.S. Census Bureau

Nearly 51 percent of owner-occupied homes and 52 percent of renter-occupied homes within the Village were built during the 1970s and 1980s. In addition, 15 percent of renter-occupied homes were built during the 1960s. The development of new homes declined dramatically after 1989; however, newer homes built between 1990 and 2009 are not uncommon within the Village.

Housing Stock by Tenure & Year Built Village of Westmont, IL



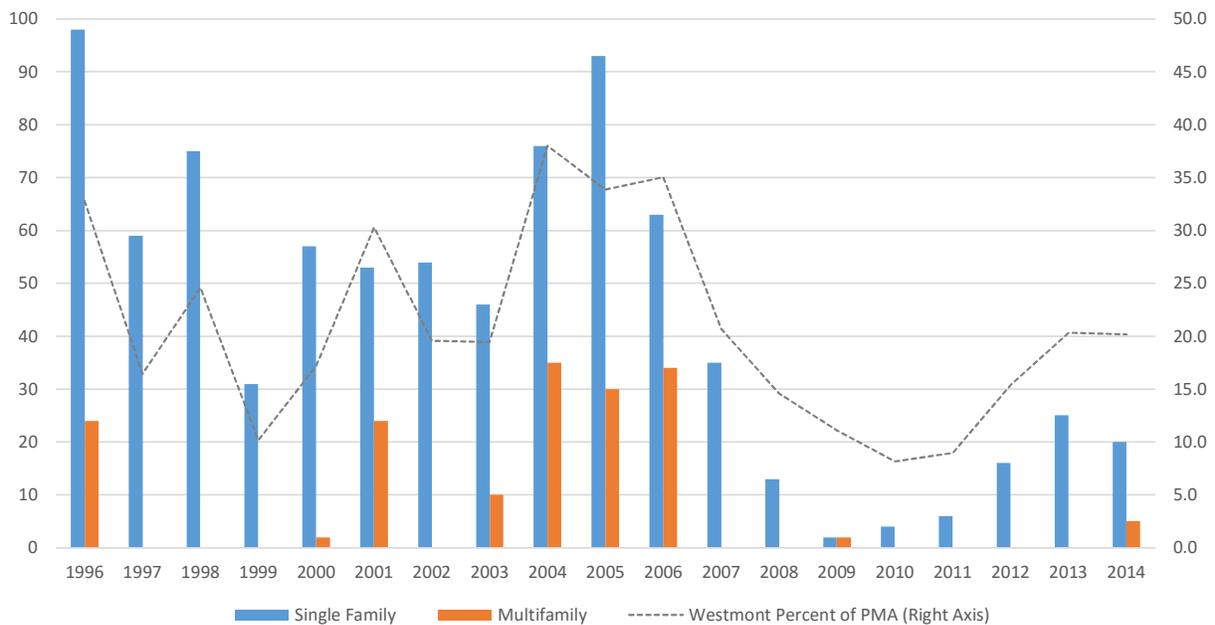
Source: U.S. Census Bureau

Residential Construction Trend

As measured by the issuance of residential building permits, new home construction within Westmont generally declined through the late 1990s, then increased in the run-up to the housing market bubble, reaching a cyclical high in 2005. As in so many suburban municipalities, construction volumes tumbled in the wake of the market collapse and have recovered only modestly since. Notably, the multifamily sector, which saw elevated volumes in 2004 through 2006 (primarily with the construction of the **Ashton Grove** and **Richmond Station** condominium developments), has remained essentially dormant since 2006.

Residential Building Permit Issuances

Village of Westmont, IL



Source: U.S. Census Bureau

On average during this period, Westmont accounted for 20.9 percent of total permit issuances within the PMA. The Village’s share spiked from 2004 to 2006 as multifamily development bolstered Village construction volumes, then fell to just over eight percent in the trough of the housing market crisis. However, since this time, Westmont has regained much of its market position, and commanded more than 20 percent of area construction volumes during 2013 and 2014 as single family home development rose. Year-to-date through September (the most recent month for which permitting data is available), the Village has issued 17 permits, a volume consistent with the same period during 2013 and 2014.

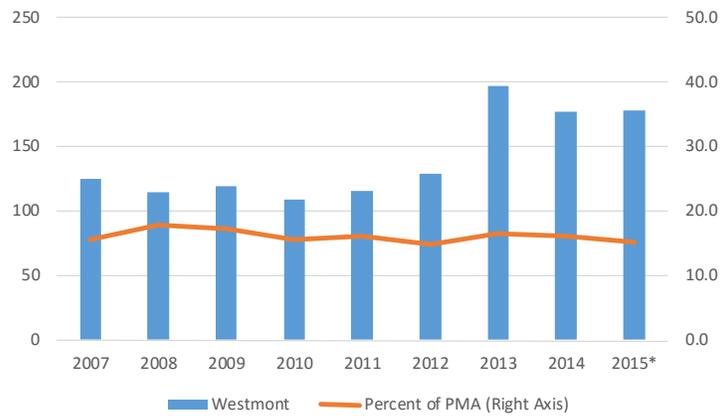
For Sale Market Overview

Data from the local Multiple Listing System (MLS) show that in both the detached and attached for sale sectors Westmont has recovered from cyclical lows seen during the recessionary years. Current sales volumes have, in fact, risen considerably above those seen in 2007 when the region stood on the verge of the housing market collapse.

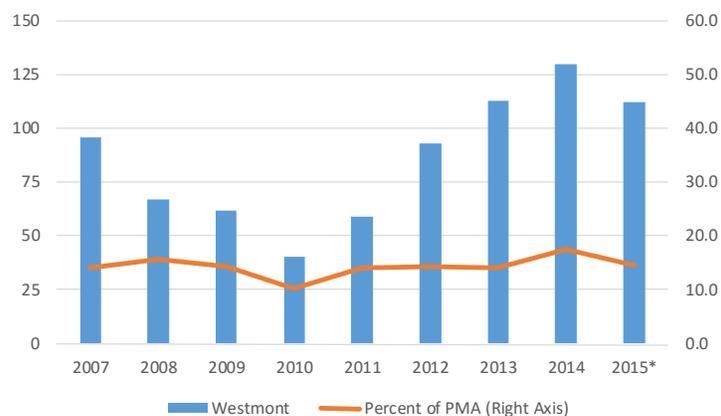
Meanwhile, the Village has maintained a fairly steady share of total sales throughout the PMA at roughly 16 percent in the detached sector and 14 percent in the attached sector.

Home Sales Trends by Sector – Village of Westmont, IL

Detached



Attached



*Seasonally adjusted, annualized rate through December 4.

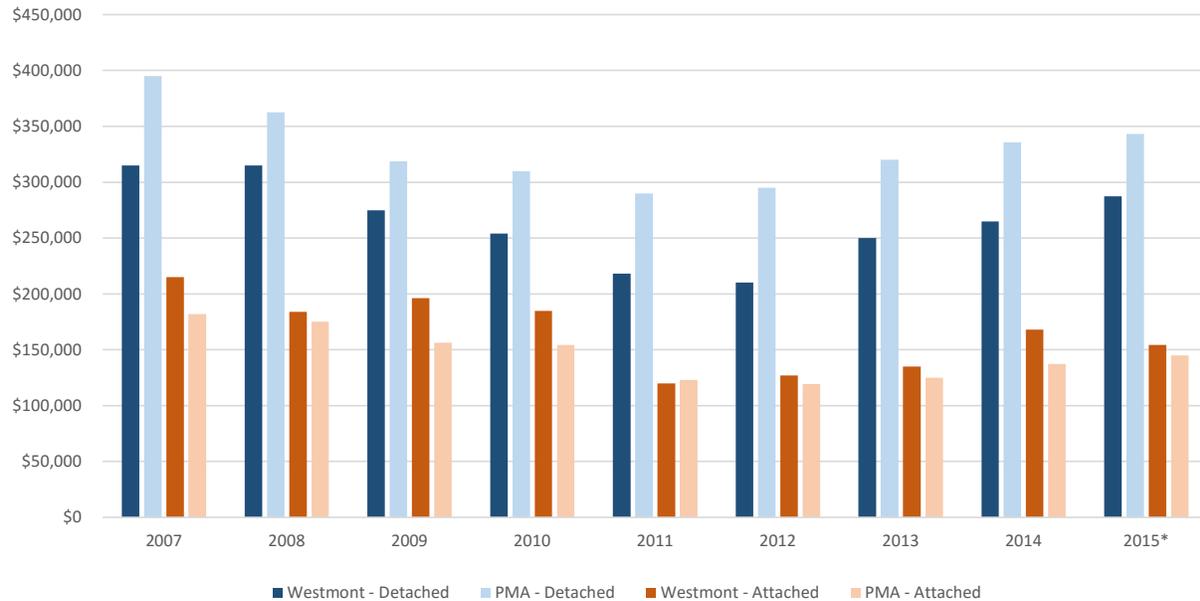
Source: [Midwest Real Estate Data](#)

While home sales have recovered in terms of volume, however, the same cannot be said for sale price. Within Westmont, in fact, both the detached and attached sectors remain significantly below price levels seen in 2007. More specifically, the median price of detached homes sold within the Village year to date

stands at \$287,300, some 8.8 percent below 2007 levels, while the median sale price of attached homes, at \$154,450, is nearly 29 percent below 2007. Within the attached sector, in fact, sale prices year to date have softened somewhat compared to 2014 levels.

Median Sale Price by Sector

Westmont & Downtown Westmont PMA



*Through December 4.

Source: [Midwest Real Estate Data](#)

Recent Multifamily For Sale Development

While a large proportion of attached sales within Westmont are for single family forms (generally townhomes, rowhomes, and duplexes), our analysis included an investigation of two more recent multifamily for sale developments, both located along the Cass Avenue corridor.

- Located at 36 S. Cass Avenue in Downtown Westmont, **Richmond Station** was built in 2007 by D. TK Development, LLC as a mixed-use development with ground floor retail, enclosed private parking, and 24 condominium units. The condominiums were originally offered from the low \$400,000s; however, only one unit was sold (for \$425,000). This unit subsequently went into foreclosure and was purchased by the original developer in 2014, who once again owns all of the units. All of the units have been entered into the rental market. Four two bedroom, two bath units are currently available at rents ranging from \$2,100 to \$2,200, or \$1.51 to \$1.67 per square foot.
- Ashton Grove Condominiums**, located at Cass Avenue and 67th Street, was built in 2006 by Kase Ryan Builders, LLC. This mid-rise development contains two buildings and a total of 31 condominium units. The units were originally offered from the \$330,000s. By the end of 2012

just 20 of the units had sold (at a sales pace of just 0.2 units per month), and prices had been lowered, generally to the mid-\$200,000s to \$270,000s. At this time, the developer still owns ten of the units.

Rental Market Overview

In terms of the multifamily apartment market, the Village of Westmont lies within Metro Chicago's *Downers Grove Submarket*. As defined by Reis, the national provider of multifamily market information, the Downers Grove Submarket includes the area bounded by I-88 to the north, I-294 to the east, I-55 to the south, and I-355 to the west. The submarket includes the entirety of the Downtown Westmont PMA, as well as portions of Oak Brook, Hinsdale, Burr Ridge, and Woodridge. Very little apartment development is found in portions of the submarket outside the PMA, however, and thus the submarket as a whole can be considered comparable to the PMA for the purpose of analysis.

Located within the submarket are 24 market rate apartment developments of significant scale (defined as 40 or more units), together encompassing 13,598 units. The submarket is characterized by older apartment communities, with nearly 50 percent of unit inventory built in the 1970s and another 30 percent built earlier than 1970 – though several older developments have received renovations within the last 15 years. No new apartments have been added to the submarket since 2009, when **Residences at the Grove** was completed in Downers Grove, and no apartments at all were built in the years from 1990 to 2008.

Market Rate Apartment Inventory Trend⁽¹⁾

Downers Grove Submarket

Year	Inventory (Units)	Comple-tions	Vacant Units	Vacancy Rate (Percent)	Vacancy Change (BPS)	Net Units Absorbed	Avg. Asking Rent		Average Effective Rent
							\$	Change (Percent)	
1995	13,786	0	441	3.2	--	14	\$692	-0.5	\$682
1996	13,786	0	400	2.9	-30	41	719	1.9	709
1997	13,786	0	331	2.4	-50	69	734	3.2	729
1998	13,786	0	317	2.3	-10	14	756	-0.5	753
1999	13,786	0	179	1.3	-100	138	782	1.9	779
2000	13,786	0	262	1.9	60	-83	832	3.2	827
2001	13,786	0	524	3.8	190	-262	859	4.1	829
2002	13,786	0	869	6.3	250	-345	877	3.2	813
2003	13,786	0	965	7.0	70	-96	860	3.3	784
2004	13,786	0	841	6.1	-90	124	879	-0.5	802
2005	13,627	0	859	6.3	20	-177	882	1.9	805
2006	13,509	0	784	5.8	-50	-43	920	3.2	846
2007	13,328	0	826	6.2	39	-223	967	4.1	878
2008	13,328	0	693	5.2	-100	133	988	3.2	902
2009	13,598	270	1156	8.5	330	-193	987	3.3	904
2010	13,598	0	832	6.1	-238	324	995	-0.5	915
2011	13,598	0	653	4.8	-132	179	1,010	1.9	933
2012	13,598	0	585	4.3	-50	68	1,025	3.2	953
2013	13,598	0	435	3.2	-110	150	1,035	4.1	966
2014	13,598	0	408	3.0	-20	27	1,057	3.2	990
2015 ⁽²⁾	13,598	0	340	2.5	-50	68	1,055	3.3	993
Total/Average		270	605	4.4	-3	-3	---	2.5	---

⁽¹⁾Includes market rate rental developments with 40 or more units.

⁽²⁾Estimate for the year.

Source: Reis, Inc.

The average asking rent submarket wide currently stands at \$1,055 for 903 square feet of living space, or \$1.17 per square foot. Average effective rent levels stand at \$933. Asking rent growth has averaged 2.2 percent annually over the last 20 years, and 1.2 percent over the last five years, though rent levels through the end of 2015 are expected to be essentially flat to 2014. Submarket vacancy rates, meanwhile, have fallen for six straight years, from a cyclical high of 8.5 percent reached in 2009, to a low of 2.5 percent for the current year – evidence of rising demand in a market where new supply is lacking.

Apartment Rent & Vacancy Trend - Downers Grove Submarket



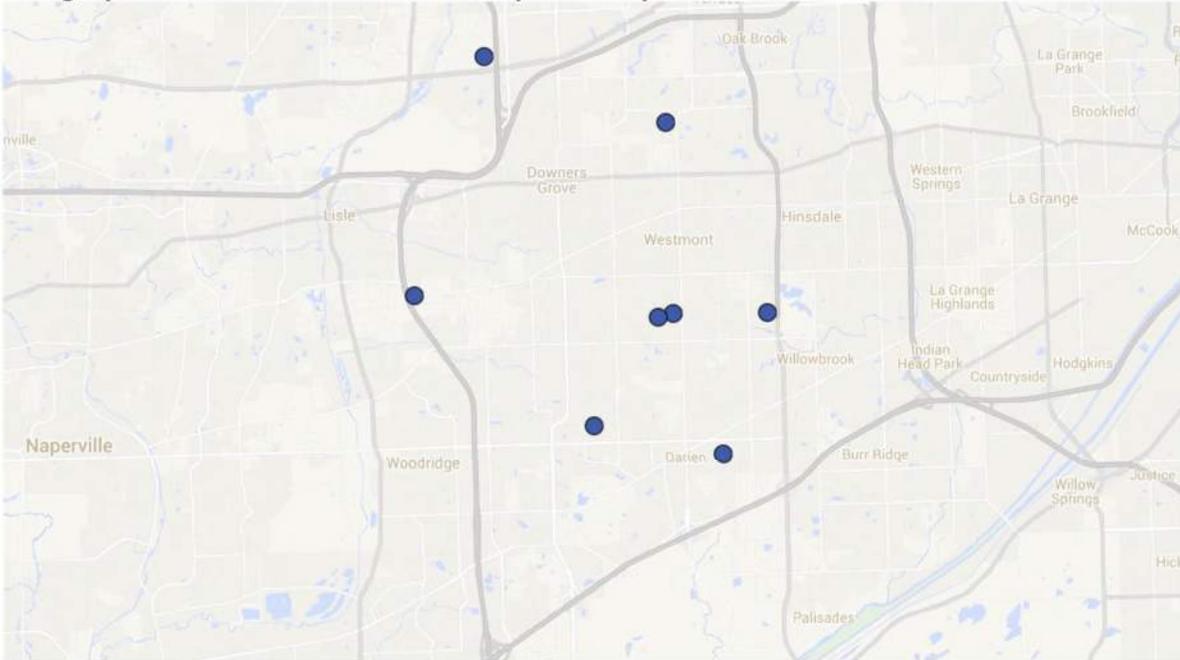
Source: Residential Planning Partners, LLC and Reis, Inc.

Current Market Conditions - PMA

In order to facilitate a full understanding of the market potential for new apartment units within the PMA, we selected for special in-depth analysis a representative sample of those developments deemed *most comparable* to any units expected to be developed within the subject site.

This group of eight market comparables includes properties located in four of the five PMA municipalities, with the largest representation from Westmont and Downers Grove (three communities each). One community is located in Clarendon Hills, and one is in Darien.

Geographic Orientation: Selected Comparable Apartment Communities



Source: Residential Planning Partners; map by Google, Inc.

Together, the eight properties encompass more than 3,100 units, with an average of 389 units per development. The properties were built between 1968 and 2009, with the majority built in the 70s and 80s. While the majority of the properties are traditional suburban-style garden apartments (i.e., consisting of buildings with two to three stories), one is four stories and two are mid-rise developments of six and seven stories.

Just one of the developments – Residences at the Grove – can be considered true Class A (a classification generally reserved for the newest investment-grade properties, often with extensive amenities and charging the highest rents in the market). The remainder are representative of Class B developments. However, the communities selected for this analysis generally offer updated units and significant levels of community amenities and are therefore considered to be at the top of their class for the market area.

Average base monthly asking rents among the group range from \$1,145 to \$1,886 on a whole dollar basis, and \$1.09 to \$1.89 on a rent per square foot basis. For the group, the average rent stands at \$1,389 for 956 square feet of living space, or \$1.45 per square foot. Generally speaking, the highest rents are commanded by the Downers Grove developments, averaging \$1.61 per square foot – with this higher average heavily influenced by rent levels at Residences at the Grove.

Current occupancies among the communities range from 93.5 percent for **Bristol Club** in Downers Grove to 98.8 percent for **TGM Willowbrook** in Clarendon Hills. Across the group, 83 units are vacant, for an overall occupancy rate of 97.3 percent – considered tight.

Apartment Development Summary Characteristics

Selected Comparable Apartment Communities

Property Name	Location	Year Built	Size (Units)	Floors	Average Plan Size (Sq. Ft.)	Average Base Mo. Rent	Average Rent/Sq. Ft.	Vacant Units	Occ. Rate (%)
Bristol Club	Downers Grove	1989	420	2	881	\$1,285	\$1.46	27	93.5
Brook Hill	Westmont	1974	408	2	1,142	1,528	1.34	9	97.7
Courts of the Falling Waters	Downers Grove	1971	242	2	838	1,145	1.37	12	94.9
Farmingdale	Darien	1982	240	4	1,280	1,396	1.09	4	98.3
Fountains at Stone Crest	Westmont	1968	400	2	944	1,149	1.22	5	98.7
Residences at the Grove	Downers Grove	2009	294	7	996	1,886	1.89	6	97.9
TGM Willowbrook	Clarendon Hills	1986	712	2	832	1,321	1.59	9	98.8
Twin Lake Towers	Westmont	1974	396	6	1,075	1,319	1.23	10	97.4
Total/Average	---	---	3,112	--	956	\$1,389	\$1.45	83	97.3

Source: Residential Planning Partners, LLC and Reis, Inc.

A more detailed analysis of rental rates by plan type shows that, across all of the developments, one bedroom plans average 788 square feet in size and \$1,216 in rent, or \$1.55 per square foot. Two bedroom plans average 1,097 square feet in size and \$1,562 in rent, or \$1.42 per square foot. Studio and three bedroom plans, which have very little representation within the comparables group, average \$1,039 and \$1,647 in rent, respectively.

Rent by Plan Type

Representative Market Comparables

Plan Type (Bed/Bath)	No. of Plans	Percent of Total	Avg. Size (SF)	Avg. Base Mo. Rent	Avg. Rent Per SF
Studio	2	4.2	479	\$1,039	\$2.16
1-Bed	22	45.8	788	1,216	1.55
2-Bed	20	41.7	1,097	1,562	1.42
3-Bed	4	8.3	1,416	1,647	1.17
Tot./Avg.	48	100.0	957	\$1,389	\$1.45

Source: Residential Planning Partners, LLC

Planned Development

In addition to the performance of the current rental and for sale markets within the PMA, we investigated a number of for sale and rental developments planned or proposed for downtown TOD areas located within the PMA (primarily in Downers Grove). These developments, detailed below, represent potential sources of competitive influence or substitution for any new rental apartments developed within the Study Area.

- Nu-Living Property Management is planning a 48-unit mixed-use development, located at 904 Curtiss Street in Downers Grove, to be called **Adriatic Grove**. As currently envisioned, the development will include 48 rental apartments and three ground floor retail spaces in a five story

building. The unit mix will include one, two, and three bedroom unit types. Approval for the project was granted by the Village Council in November of 2015, with construction expected to begin in 2016.

- Holladay Properties is moving forward with **Burlington Station**, a five story, 89-unit rental apartment development to be located at 5100 Forest Avenue in Downers Grove. The development is to include one and two bedroom units, with proposed rents ranging from \$1,250 to \$2,500. It will feature an amenities deck with fitness center and outdoor kitchen. Approval for the project was received in August of 2015, and construction is expected to begin in the spring of 2016.



- A 55-unit condominium development to be called **Marquis on Maple** is now under construction at 940 Maple Avenue in Downers Grove. The unit mix is to include 44 two bedroom units starting at \$375,000 and 11 three bedroom units starting at \$475,000. Underground parking will be included.

- Phase II of **New922** is well under construction at 922 Warren Avenue in Downers Grove. This second phase of 14 townhomes continues the development, with Phase I developed in 2008. The two and three bedroom townhomes range from 1,750 to 2,416 square feet and are priced from \$393,500 to \$539,900. To date, contracts have been taken on six of the 14 units.



- One apartment development is under consideration in Downtown Clarendon Hills. To be located at 9 Walker Avenue, the development, as currently envisioned, will feature 35 one and two bedroom apartments and seven two-story live/work units in a four story building. A public hearing is scheduled for December 17, 2015, at the conclusion of which the Village Zoning Board of Appeals/Plan Commission will forward its findings and recommendations to the Board of Trustees.
- Finally, within Westmont itself, approval has been granted for **Westmont Gardens Townhomes** a 22-unit townhome development to be located at 408-414 N. Cass Avenue. The development will consist of four buildings and is to include 14 two bedroom units and eight three bedroom units.

New Home Demand Potentials

New home demand is supported first and foremost by household growth—that is, the increase in the total number of resident households either by in-migration (movement into a market area) or the formation of new households within the market.

As discussed above, the PMA is expected to add 761 new households over the next five years, creating demand for new housing. Further, as any housing stock ages, homes inevitably fall into obsolescence and disrepair and are subject to demolition. Others are destroyed by fire or man-made or natural disaster. On average, in markets across the nation, roughly 0.26 percent of the existing housing stock is lost each year, creating replacement demand for new homes.

Finally, a third (though smaller) factor contributing to new home demand based on household growth is the need to retain a certain amount of vacancy within the market for the purpose of efficient unit turn. As discussed previously, research shows that balanced vacancy rates are 1.5 percent for ownership homes and 7.4 percent for rental units.

Our derivation of rental housing demand potentials supported by household growth – factoring in current housing tenure rates, expected housing unit loss due to abandonment and demolition, and the need to retain vacancy balance – suggests that the PMA will experience demand for approximately 1,010 new ownership units and 435 new rental units over the next five years.

This forecast assumes that normal economic conditions will prevail throughout the forecast period.

Derivation of Rental Unit Demand Potentials

2016-2020

Downtown Westmont PMA

Households, CY Estimate	46,141
Households, 5Y Projection	46,902
Projected HH Growth	761
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Expected Loss, Units (0.26%/year)	637
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Gross Housing Demand, Units	1,398
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Ownership Units (71.1%)	994
Vacancy Requirement (1.5 Percent)	15
Total Ownership Demand	1,009
Average Per Year	202
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Rental Units (28.9%)	404
Vacancy Requirement (7.4 Percent)	30
Total Rental Demand	434
Average Per Year	87
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*Source: Residential Planning Partners, LLC
 (Household and housing tenure estimates and projections from Esri, Inc.)*

Residential Market Conclusions

Recommendations: 2 W. Burlington Avenue

According to an Offering Memorandum from Marcus & Millichap, the 2 W. Burlington Avenue property contains ten studio and one bedroom apartments. Current rents range from \$400 to \$450 for the studio units and from \$450 to \$650 for the one bedroom units. All ten units are currently occupied.

Based on our analysis of the area residential market and, in particular, rental market potentials, it is considered unlikely that a feasible redevelopment opportunity for the 2 W. Burlington Avenue property will exist for the foreseeable future.

Primary support for this conclusion comes from the fact that the redevelopment of the site as a new mixed-use property would almost certainly require a *substantial* increase in unit density to render such a project financially feasible (after acquisition and demolition costs are factored in). And while the larger 1 N. Cass Avenue site represents a significant opportunity for the development of new rental apartments, near to mid-term market potentials are not strong enough to support the introduction of two large scale mixed-use properties within Downtown Westmont.

Furthermore, the Offering Memorandum notes that current rents for the ten apartments are below market and suggests that achievable rents (presumably if the apartments were updated) would range from \$700 to \$900 – which our analysis of the area rental market supports. Thus, the best use for the 2 W. Burlington Avenue property is seen as renovation of the existing building to bring the apartments up to market value and to preserve the character of the vintage 1925 building, which adds intrinsic value to Downtown Westmont.

Recommendations: 1 N. Cass Avenue

The 1 N. Cass Avenue subject site benefits from its downtown TOD location one block from the Westmont Metra station, as well as from superior access, visibility, proximity to downtown commercial amenities, and connectivity to the regional auto-oriented transportation network. We thus find that the site is well-suited to multifamily development.

More specifically, we find adequate market support for the near to mid-term (i.e., one to five years) introduction of *up to 75 rental apartments* in a mixed-use development within the subject site. This figure is derived from the numerous analyses detailed within this report, and is supported by current and projected market conditions along with market area demographic trends and projections. It represents our conclusion regarding the maximum number of units that could be absorbed within a reasonable timeframe at rental rates that would support the cost of new construction.

As discussed above, overall five-year rental demand within the PMA is expected to equate to 434 units. Full absorption of 75 units within the proposed development would equate to 17.3 percent of five-year demand, which is considered reasonable, given the expected appeal of the subject site location.

Moreover, a total of 172 new apartment units in three different development projects are currently in the planning or proposal stages elsewhere within the PMA. Even if all three of these developments are built within the forecast period, a surplus demand of 262 units will remain. A Downtown Westmont development of 75 units would need only capture 29 percent of this remaining demand – again, considered achievable, particularly given the fact that, outside of the proposed developments in downtown Downers Grove and Clarendon Hills described above, no other apartments are planned elsewhere within the PMA.

Conversely, we find minimal potential for the successful development of for sale condominiums within the subject site. This conclusion is based on persistent weakness in the multifamily for sale sector throughout most areas of suburban Chicago, as well as the experience of the condominium market within Westmont itself – most notably that of Richmond Station and Ashton Grove Condominiums, as discussed previously. Furthermore, the 55 condominiums planned for Marquis on Maple in Downers Grove are expected to more than satisfy market demand potentials for condominiums within the PMA in the near to mid-term.

Target Markets

Three primary target markets are expected to make up a substantial proportion of the tenant base for any new apartments developed within the subject site: 1) Singles and couples age 25 to 34; 2) Singles and couples age 35 to 44 who may be in temporary employment situations, transitional life stages, or who choose rental housing for other reasons; 3) Downsizing empty-nesters age 65 to 74.

Household incomes among all target market groups will for the most part range between \$50,000 and \$100,000.

Given these target markets, ample demographic support exists for the recommended apartment units. For example, as demonstrated in the following analysis of householders by age and income, nearly 6,300 existing households within the PMA fall into one of the three specified target markets – equating to nearly 14 percent of all PMA households.

Households by Income & Age of Householder

Downtown Westmont PMA

Household Income	Age of Householder						
	Less than 25	25-34	35-44	45-54	55-64	65-74	75 or More
Less than \$15,000	110	389	318	391	678	580	861
\$15,000-\$24,999	117	384	402	463	623	585	971
\$25,000-\$34,999	106	499	445	480	550	569	931
\$35,000-\$49,999	157	766	664	641	751	908	1,484
\$50,000-\$74,999	140	868	964	1,108	1,335	1,482	1,037
\$75,000-\$99,999	76	876	1,027	1,063	1,274	1,071	396
\$100,000-\$149,999	76	878	1,355	2,122	2,144	954	502
\$150,000-\$199,999	20	317	904	1,227	1,419	336	124
\$200,000 or More	9	220	1,028	1,649	1,527	616	172
Total	811	5,197	7,107	9,144	10,301	7,101	6,478
Median	\$40,556	\$63,978	\$92,082	\$106,755	\$98,490	\$62,846	\$38,523

(Shaded areas represent primary target markets.)

Source: Residential Planning Partners, LLC and Esri, Inc. (2015 estimates)

Development Planning Guidelines

Based on our analyses of rental market characteristics within the PMA, together with the primary target market criteria provided above for the proposed apartments, we recommend a portfolio of five to seven unit plan types ranging from 750 to 1,200 square feet in size, averaging approximately 975 square feet across the portfolio, with an overall mix of roughly 45 percent one bedroom units and 55 percent two bedroom units. Suburban locations such as Westmont offer little support for studio units. Additionally, families with children are not expected to make up a significant portion of the target market for any apartments developed within the subject site. Therefore, no studio or three bedroom units are recommended. (These recommendations, it should be noted, are in line with the existing unit mix throughout the PMA.)

In order to achieve market acceptance, the level of unit finishes and included features should be consistent with consumer expectations for newer apartments in smaller scale developments and include nine-foot ceiling heights; granite or equivalent countertops; upgraded flooring throughout the unit; upgraded appliance package with dishwasher, microwave, and refrigerator with ice maker; balcony; and in-unit washer and dryer. Extensive community amenities are difficult to support in apartment developments of less than 100 units; however, if possible, a fitness center and resident storage (including a bike room) should be offered. An accommodation for resident gathering space would also enhance the marketability of the proposed development. Finally, garage parking should be available to all tenants.

Suggested Benchmark Pricing Structure

Suggested benchmark base monthly rents for the proposed apartments range from \$1,350 for the smallest one bedroom units to \$1,750 for the largest two bedroom units, averaging \$1,550 across the group.

The suggested benchmark rent levels are supported by an analysis of current competitive price alignments among the eight area communities (discussed previously) that are considered the *most comparable* to the proposed apartments.

As demonstrated in **Exhibit 1**, when statistical analysis utilizing a regression model is employed to illustrate relative market positioning on a price-value (i.e., rent to unit size) basis, the proposed development will, at suggested rent levels, be positioned well above market averages for comparable square footage. Specifically, the proposed apartments will be positioned 17.2 percent (\$228) above the market as a whole. This positioning is considered appropriate, however, given the new construction status of the proposed apartments and the prime TOD location of the subject site.

The proposed units will, however, be positioned considerably *below* Residences at the Grove, which is a relatively new, highly amenitized large scale development in northern Downers Grove that identifies closely with higher end developments in surrounding communities such as Oakbrook Terrace, Lombard, Lisle, and Naperville.

Furthermore, when compared to current asking rents for the units currently available for rent at Richmond Station, the proposed apartments will, at benchmark rent levels, be positioned comparably on a price per square foot basis but much lower on a whole dollar basis. The four Richmond Station units currently available (at asking rents of \$2,000 to \$2,100) represent a vacancy rate of nearly 17 percent for the 24-unit development. Our more conservative whole dollar rent pricing is deemed more in line with market price tolerances.

Finally, it should be noted that the suggested rent structure represents pricing levels *at base*. It does not include premiums for floor, view, or corner unit condition, all of which have the potential – in a well-conceived building design – to enhance both the marketability of the proposed development and its revenue-earning potential.

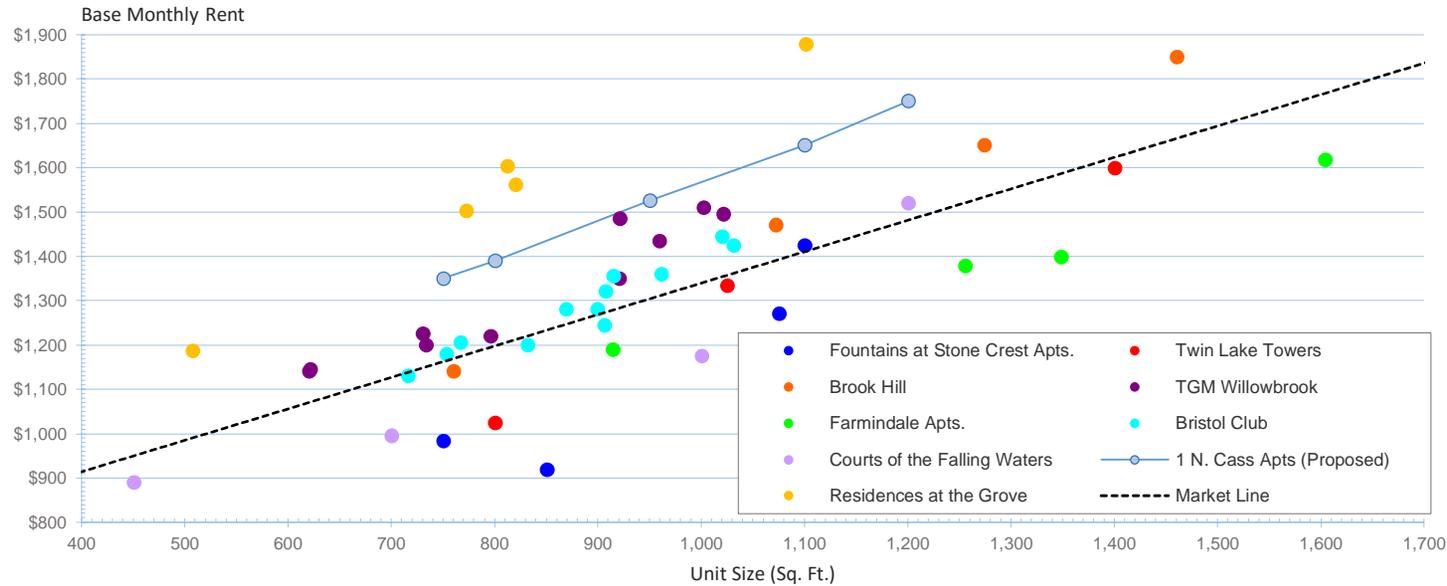
Unit Absorption

At benchmark rent levels, the 1 N. Cass Avenue apartments can be expected to absorb at a rate of between 5.5 and 6.5 units monthly, resulting in a total lease-up timeframe of roughly one year to reach stabilized occupancy (defined as 95 percent occupancy, or 71 units). This lease-up timeframe does not include three initial months of pre-leasing prior to first lease signings.

This forecast, supported by the recent experience of comparable apartment communities elsewhere in suburban Chicago, as well as current and projected market conditions over the next two to three years, is

[EXHIBIT 1]

Pricing Positioning Analysis – Closest Market Comparables, Downtown Westmont PMA



How to Read This Graph

The points on the graph represent the relative rent and unit size positions of all available plans among the group of most comparable market area rental communities. Regression analysis is used to establish a trendline representing market movement for the group. The slope of the line represents a dollar/square foot value.

Development	Location	Total Units	Average Unit Size (Sq. Ft.)	Average Base Mo. Rent	Average Rent at Market ⁽¹⁾	Rent Position ⁽²⁾	
						\$	%
Residences at the Grove ⁽³⁾	Downers Grove	294	996	\$1,886	\$1,337	\$549	41.0
TGM Willowbrook	Clarendon Hills	712	832	1,321	1,220	101	8.2
Brook Hill	Westmont	408	1,142	1,528	1,440	88	6.1
Bristol Club	Downers Grove	420	881	1,285	1,255	30	2.4
Twin Lake Towers	Westmont	396	1,075	1,319	1,393	-74	-5.3
Courts of the Falling Waters	Downers Grove	242	838	1,145	1,224	-79	-6.5
Farmingdale	Darien	240	1,280	1,396	1,538	-142	-9.2
Fountains at Stone Crest	Westmont	400	944	1,149	1,300	-151	-11.6
Market Average	---	389	1,099	\$1,835	\$1,835	--	--
<i>1 N. Cass Avenue Apts. (Proposed)</i>	<i>Westmont</i>	<i>75</i>	<i>975</i>	<i>\$1,550</i>	<i>\$1,322</i>	<i>\$228</i>	<i>17.2</i>

⁽¹⁾Represents the average price per development if priced in accordance with market averages.

⁽²⁾Represents variance of actual price to market.

⁽³⁾Not utilized in the derivation of the market line.

considered conservative. It should be noted, however, that external forces and unexpected events can – and regularly do – impact the actual performance of residential developments. These could include unexpected shocks to the local or regional economies. Actual absorption velocities can also be affected by the physical characteristics of the apartments as built, changes in the expected development and delivery timeframe, marketing and leasing efforts, and others factors both intrinsic and extrinsic to the development process.

VI. Commercial Market Findings & Recommendations

This chapter explores the retail and commercial market trends that will impact future commercial development in Downtown Westmont generally, as well as on the subject sites at the intersection of Cass and Burlington Avenues.

Commercial Market Overview

Downtown Westmont is primarily a neighborhood-serving commercial district with a traditional downtown feel. Cass Avenue from Naperville Road on the north to Richmond Street on the south is the core of this Downtown commercial district. The BNSF rail line intersects Cass just south of Burlington Avenue. As will be discussed in more detail, the mix of businesses in the Downtown include a healthy number of restaurants, predominantly independently-owned retail establishments, and service businesses.

Retail Market Indicators: Far West Suburbs

The global real estate firm CBRE provides quarterly overviews of retail market trends in the City of Chicago and ten suburban submarkets. The Village of Westmont falls into their Far West Suburban submarket, which is situated west of I-294 between I-90 on the north and I-55 on the south.

Retail Statistics - Metro Chicago & Far West Suburbs

Area	No. of Properties	Gross Building Area (SF)	Vacant Area (SF)	Vacancy Rate (Percent)	Avg. Asking Lease Rate Range	
					Low	High
Far West Suburbs	134	21,301,207	2,520,237	11.8	\$14.29	\$17.73
Total	719	121,564,207	11,354,494	9.3	\$16.77	\$19.36

Source: CBRE - Chicago Retail Marketview Q3 2015

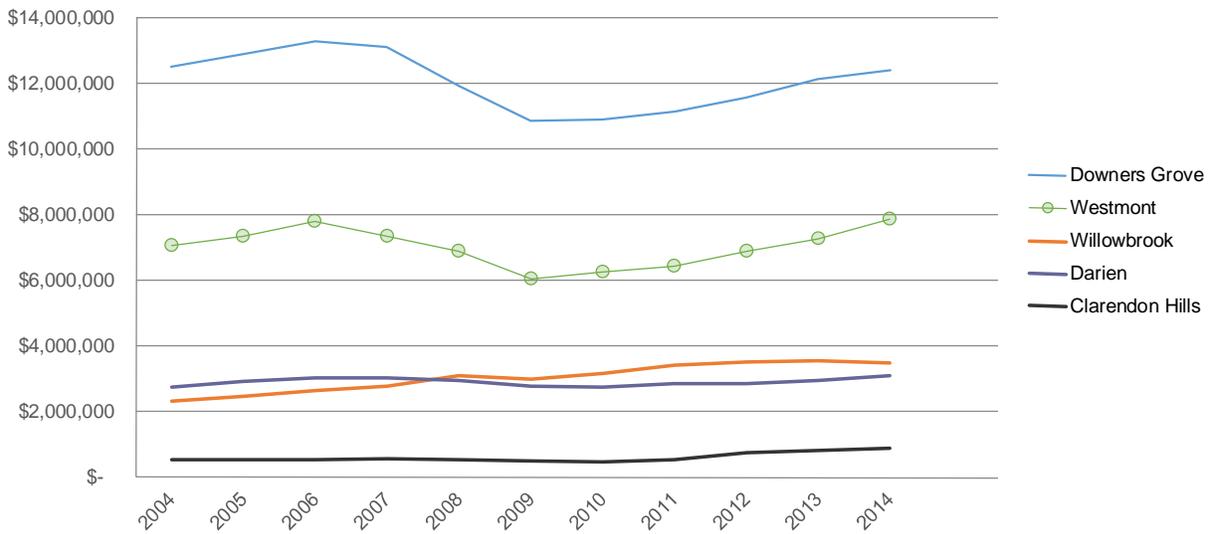
The vacancy rate for the 21.3 million square feet of retail space in the Far West suburban inventory is 11.8 percent, high compared to the average for the metropolitan area. Net rents for these investment-grade properties in the Far West suburban market are lower than in other suburban and City submarkets, averaging less than \$15.00 per square foot on a net basis.

CBRE notes that consumer confidence rose in 2015, and retail sales increased throughout the region. In general, rents also increased while vacancy rates dropped in the Metropolitan Chicago market overall, based in large measure on the continued expansion of Mariano's and other grocery stores. New restaurants, both quick-service national chains and locally owned establishments, are also helping to fuel demand for retail space.

Retail Sales Tax Trends

The following graph shows retail sales tax trends from the Illinois Department of Revenue for Westmont and the four adjacent communities in the Primary Market Area. In 2014, the Village of Westmont collected \$7.85 million in retail sales tax. This is higher than the sales taxes collected in Willowbrook, Darien, and Clarendon Hills, but nearly \$4.6 million less than the total in Downers Grove. The Great Recession caused a significant drop in retail sales tax revenue for Westmont and Downers Grove in 2008 and 2009, but Westmont has recovered, and sales tax levels in 2014 rebounded to the level achieved in 2006.

Retail Sales Tax Trends – Westmont & Surrounding Communities



Source: Illinois Department of Revenue

As shown in the following table, Westmont’s numerous car dealerships are its major sales tax contributors, with the Automotive & Filling Station category accounting for 62.0 percent of Westmont’s retail sales tax in 2014. Stores selling General Merchandise, Apparel, and Hardware, as well as Manufacturers generated the least sales tax revenue.

2014 Retail Sales Tax by Category
 Village of Westmont

Category	Taxes	Percent of Total
Automotive & Filling Station	\$4,869,090	62.0
Food	816,314	10.4
Drugs & Misc. Retail	815,075	10.4
Drinking and Eating Places	512,686	6.5
Agriculture & All Others	397,589	5.1
Furniture & H.H. & Radio	298,917	3.8
Lumber, Bldg, Hardware	82,479	1.1
Manufacturers	38,551	0.5
Apparel	19,046	0.2
General Merchandise	4,168	0.1
Total	\$7,853,915	100.0

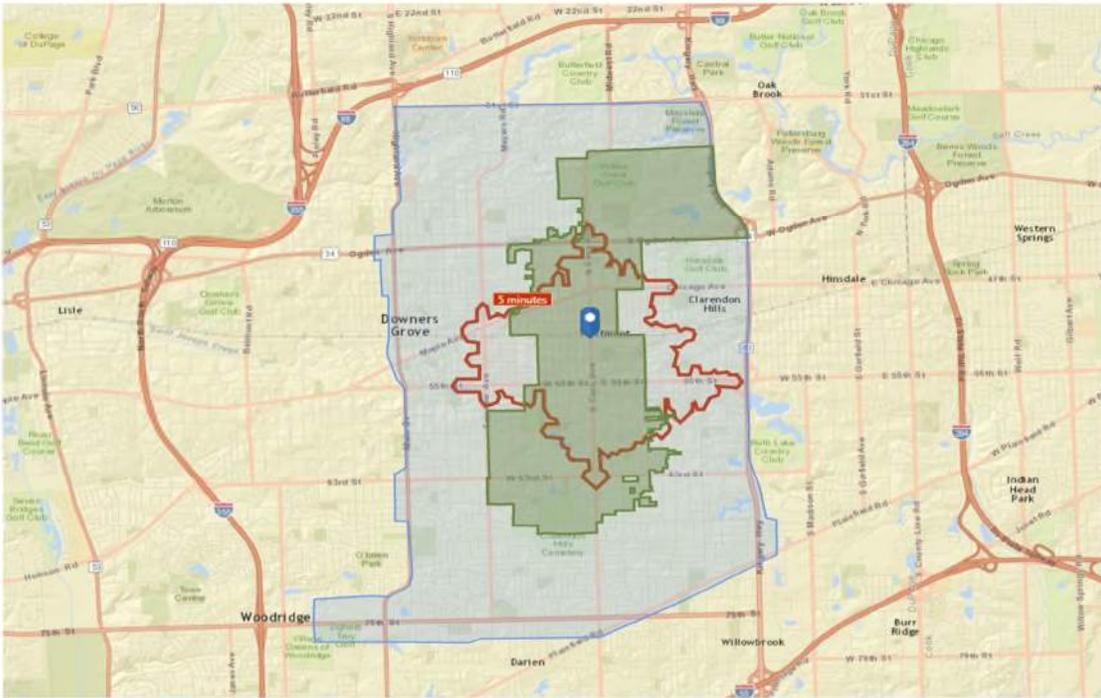
Source: Illinois Department of Revenue

Retail Trade Area

The International Council of Shopping Centers (ICSC) defines a Retail Trade Area (RTA) as the area that provides 60 percent to 80 percent of the patronage for area businesses. As noted previously in this report, the Retail Trade Area supporting Downtown Westmont’s commercial space is smaller than the PMA delineated for our residential market analysis.

Our Downtown Westmont Retail Trade Area is based on nearby commercial areas, natural boundaries, and major highway and arterial roads. As shown on the accompanying map in blue, the boundaries of the RTA are generally 31st Street to the north, Highway 83 to the east, 75th Street to the south, and Main Street/Highland Ave to the west. The map also depicts a five-minute drive time from the Westmont Metra Station in red, an area slightly smaller than our designated RTA.

Downtown Westmont Retail Trade Area (RTA)



Source: Residential Planning Partners; map by Esri, Inc.

Current Market Conditions

Competitive Retail Corridors

An analysis of opportunities for additional retail along Cass Avenue in Downtown Westmont must consider the other commercial districts and shopping centers located in the retail trade area. These various destinations are competing with Downtown Westmont for residents' dollars as well as for retailers. The major auto-oriented corridors in and around Westmont include the following:

Ogden Avenue Corridor. Ogden Avenue (US-34) is a major commercial corridor extending through the Western suburbs, and the portion traversing Westmont contains a number of shopping centers and large-format auto-oriented retailers. Average daily traffic counts along the corridor are high, at nearly 32,000 vehicles. The shopping center on the northeast corner of Ogden and Cass Avenues, for example, is anchored by Hobby Lobby, Micro Center, and a Jewel-Osco. A number of automobile dealerships are also located along Ogden, contributing significantly to the Village's sales tax revenue. The restaurants along Ogden are predominantly national franchises.

63rd Street Corridor. The newly designated South Westmont Business District is located along 63rd Street south of Downtown. Various economic development initiatives, including the establishment of a TIF district, are helping this corridor attract new business to older, auto-oriented centers and available sites. One of those centers with multiple vacancies is the Westmont Village Center, located at the northwest

corner of Cass and W. 63rd Street. A new Mariano's grocery store is under construction due west of this center at 150 W. 63rd Street.

75th Street Corridor near Lemont Road in Downers Grove. Community-scale shopping centers and big box retailers are located along the 75th Street Corridor. At the intersection with Lemont Road anchor retailers include Kohls, Five Below, The RoomPlace, Toys R Us, Marshalls, Shop and Save Market, Best Buy, and XSport Fitness.

In addition, the traditional downtowns of Downers Grove and Clarendon Hills also compete with Downtown Westmont. These neighboring downtowns are also served by Metra stations and feature a mix of commercial uses. Downtown Downers Grove is larger than either of the other two, and draws from a larger trade area.

Retail Trade Area Leakage Analysis

One approach to quantifying the potential demand for additional retail in Westmont is to determine the expenditure potential of households within the RTA and compare it to estimates of actual sales. If certain categories are "leaking" sales to other shopping districts outside the trade area, (shown in green on the table below), this may represent an opportunity for additional stores. Conversely, if sales exceed the trade area's expenditure potential in various categories (shown in red on the table), the existing stores are attracting dollars from a larger area. This would indicate a more competitive retail environment, but does not necessarily preclude additional retailers in this category.

The following leakage analysis of the RTA estimates that the 31,129 households in the area spend nearly \$1.7 billion annually on retail purchases and food and drink. Existing establishments within the RTA have sales totaling approximately \$1.8 billion, indicating that the area is attracting dollars into the area. Included among those categories that are attracting dollars, however, are Motor Vehicles & Parts Dealers, which is attracting nearly \$256 million in sales, and Non-Store Retailers, which is attracting more than \$73 million in sales. If we subtract the retail gap in these two large categories from the total, the RTA area is, in fact, *leaking sales* in the remaining categories in the amount of approximately \$250 million.

General Merchandise stores and Clothing and Clothing Accessories stores are the two categories that are leaking the greatest amount of sales. It is likely that this relates to the fact that households in the RTA are shopping at Yorktown Center and Oakbrook Center, the two proximate regional malls located on Butterfield Road, for these purchases.

Food Services & Drinking Places is another category that is leaking sales, although this appears to be primarily due to leakage among Limited-Service as opposed to Full-Service restaurants.

Retail Leakage Analysis - Downtown Westmont Retail Trade Area

Summary Demographics	
2015 Population	76,489
2015 Households	31,129
2015 Median Disposable Income	\$55,860

Industry Summary	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap
Total Retail Trade and Food & Drink	\$1,726,359,799	\$1,805,137,160	-\$78,777,361
Total Retail Trade	\$1,549,743,701	\$1,647,407,198	-\$97,663,497
Total Food & Drink	\$176,616,099	\$157,729,962	\$18,886,137

By Category:

Motor Vehicle & Parts Dealers	\$352,093,867	\$608,033,919	-\$255,940,052
Gasoline Stations	\$102,636,836	\$50,987,204	\$51,649,632
Furniture & Home Furnishings Stores	\$46,490,407	\$28,030,388	\$18,460,019
Electronics & Appliance Stores	\$80,147,801	\$95,913,362	-\$15,765,561
Bldg Materials, Garden Equip. & Supply Stores	\$81,656,501	\$43,824,387	\$37,832,114
Food & Beverage Stores	\$291,409,393	\$358,064,061	-\$66,654,668
Grocery Stores	\$257,327,118	\$329,806,779	-\$72,479,661
Specialty Food Stores	\$15,656,867	\$18,048,516	-\$2,391,649
Beer, Wine & Liquor Stores	\$18,425,408	\$10,208,766	\$8,216,642
Health & Personal Care Stores	\$76,961,923	\$80,188,821	-\$3,226,898
Clothing & Clothing Accessories Stores	\$85,433,921	\$35,920,377	\$49,513,544
Sporting Goods, Hobby, Book & Music Stores	\$46,013,342	\$32,384,848	\$13,628,494
General Merchandise Stores	\$282,188,314	\$115,277,756	\$166,910,558
Miscellaneous Store Retailers	\$52,166,356	\$73,010,201	-\$20,843,845
Food Services & Drinking Places	\$176,616,099	\$157,729,962	\$18,886,137
Full-Service Restaurants	\$97,724,082	\$109,088,061	-\$11,363,979
Limited-Service Eating Places	\$67,324,146	\$44,985,986	\$22,338,160
Special Food Services	\$3,975,725	\$2,525,764	\$1,449,961
Drinking Places - Alcoholic Beverages	\$7,592,145	\$1,130,152	\$6,461,993
Non Store Retailers	\$52,545,038	\$125,771,874	-\$73,226,836

Source: Esri Business Analyst

Westmont Leakage Analysis

We conducted a separate Leakage Analysis for the Village of Westmont alone. The Village clearly benefits from the heavy volume of automotive sales, which attracts an estimated \$380 million in sales from non-Westmont households. Electronics & Appliance Stores and Full-Service Restaurants also attract dollars from outside the community. Those categories leaking the most sales included General Merchandise and Clothing & Clothing Accessories Stores. Again, Yorktown Center and Oakbrook Center are major destinations that are impacting leakage estimates in both these categories.

Retail Leakage Analysis - Village of Westmont, IL

Summary Demographics	
2015 Population	24,718
2015 Households	10,437
2015 Median Disposable Income	\$47,779

Industry Summary	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap
Total Retail Trade and Food & Drink	\$465,628,408	\$917,368,114	-\$451,739,706
Total Retail Trade	\$418,022,736	\$850,350,249	-\$432,327,513
Total Food & Drink	\$47,605,672	\$67,017,865	-\$19,412,193

By Category:

Motor Vehicle & Parts Dealers	\$94,206,231	\$474,117,286	-\$379,911,055
Gasoline Stations	\$28,157,064	\$29,057,053	-\$899,989
Furniture & Home Furnishings Stores	\$12,416,922	\$14,894,692	-\$2,477,770
Electronics & Appliance Stores	\$21,345,384	\$56,748,596	-\$35,403,212
Bldg Materials, Garden Equip. & Supply Stores	\$20,890,596	\$17,672,059	\$3,218,537
Food & Beverage Stores	\$80,016,013	\$77,094,433	\$2,921,580
Grocery Stores	\$70,749,037	\$72,637,641	-\$1,888,604
Specialty Food Stores	\$4,304,697	\$3,133,280	\$1,171,417
Beer, Wine & Liquor Stores	\$4,962,279	\$1,323,512	\$3,638,767
Health & Personal Care Stores	\$20,916,108	\$22,675,493	-\$1,759,385
Clothing & Clothing Accessories Stores	\$23,100,284	\$7,430,531	\$15,669,753
Sporting Goods, Hobby, Book & Music Stores	\$12,256,221	\$6,798,781	\$5,457,440
General Merchandise Stores	\$76,588,356	\$1,201,886	\$75,386,470
Miscellaneous Store Retailers	\$14,139,894	\$19,432,100	-\$5,292,206
Food Services & Drinking Places	\$47,605,672	\$67,017,865	-\$19,412,193
Full-Service Restaurants	\$26,314,272	\$50,614,359	-\$24,300,087
Limited-Service Eating Places	\$18,235,635	\$15,046,464	\$3,189,171
Special Food Services	\$1,032,709	\$873,067	\$159,642
Drinking Places - Alcoholic Beverages	\$2,023,056	\$483,975	\$1,539,081

*Excludes non-store retailers

Source: Esri Business Analyst

Downtown Westmont Commercial Conditions

The Westmont Chamber of Commerce and Tourism Bureau provided us with a current list of businesses operating in the Downtown area. We divided these establishments into the categories shown in the table below.

Business Establishments by Category
 Downtown Westmont

Category	Number	Percent of Total
Personal & Household Services	31	23.0
Retail Stores	26	19.3
Professional Services / Office	23	17.0
Food Services and Drinking Places	21	15.6
Government / Institutional	10	7.4
Auto-Related Businesses	3	2.2
Manufacturing	1	0.7
<i>Vacant</i>	<i>20</i>	<i>14.8</i>
Total	135	100.0

Source: Westmont Chamber of Commerce & Tourism Bureau, Nov. 2015

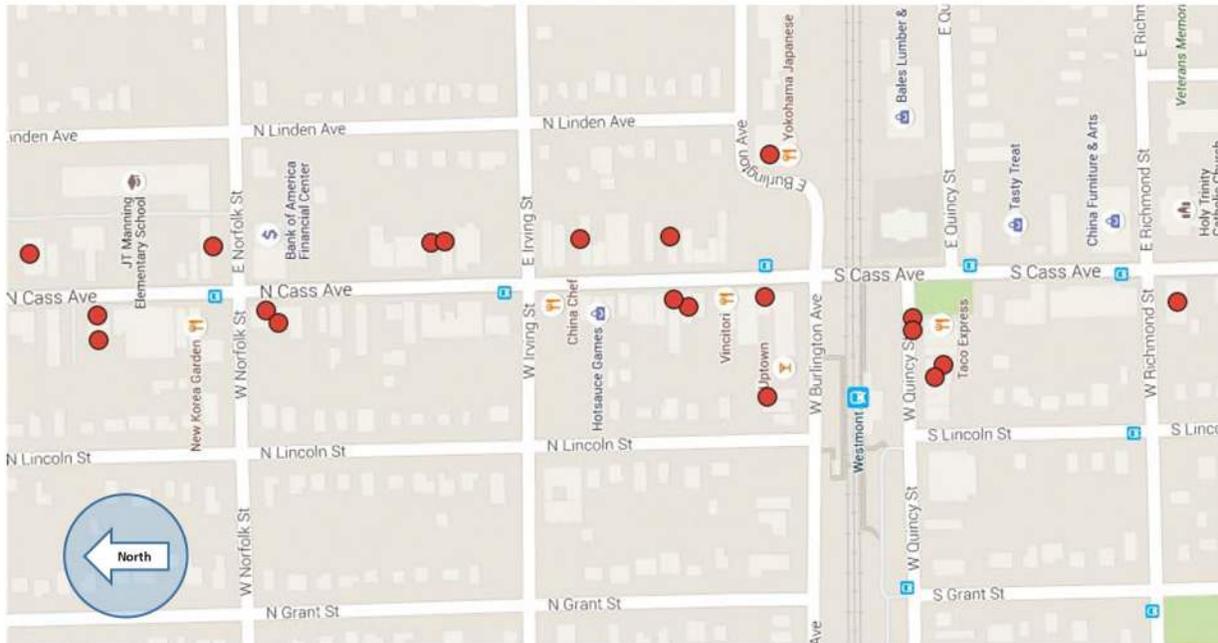
A total of 26 storefronts in Downtown Westmont (19.3 percent) are occupied by retailers, and another 21 (15.6 percent) are restaurants or bars. As is evident from the complete list of businesses included in Appendix A, most of these are independently owned and operated, as opposed to national franchises. The leakage analyses for both the trade area and the Village of Westmont show that full-service restaurants are attracting dollars into the community. Rather than indicating a possible over-supply of restaurants, however, these two factors together instead suggest that Downtown Westmont has a notable concentration of independent restaurants that attract area residents and commuters, and which could be further developed as a dining, drinking, and entertainment hub.

Personal & Household Services, Government and Institutional offices, and Professional Service firms occupy a combined 47.4 percent of Downtown spaces. While these establishments do not generate sales tax, many of them bring people into Downtown Westmont, helping to support the area restaurants and stores.

A number of the business establishments in Downtown Westmont offer goods or services related to the arts, including two dance studios, one dance store, two musical instrument stores, and one art studio. The concentration of arts-related uses may help distinguish Westmont as a unique destination and draw repeat customers to patronize other Downtown businesses as well.

A total of 20 storefronts were reported as vacant, for a rate of 14.8 percent (again, based on number of establishments, not square footage). This is a relatively high vacancy rate, but as shown on the map below, the vacancies are generally spread throughout the Downtown District. Several of these vacancies are located on W. Quincy Street south of the railroad tracks.

Vacant Commercial Space – Downtown Westmont



Source: Westmont Chamber of Commerce & Tourism Bureau, Nov. 2015

Commercial Market Conclusions

Downtown Westmont will continue to function as a neighborhood shopping district that offers convenience retail and services to nearby residents, and specialty stores and restaurants that attract people into Downtown. Its traditional, pedestrian-oriented environment proximate to the Metra Station differentiates it from the more auto-oriented Ogden Avenue and 63rd Street corridors.

In the near-term, we found opportunities for Westmont to capture additional retailers, primarily small-scale independent operators, in the following retail categories:

- **Eating and Drinking Places.** While there is no leakage in the full-service restaurant category, Downtown Westmont has established itself as a location for quality local restaurants. The potential exists for both additional full-service and limited service restaurants, as well as bars with live entertainment.
- **Specialty Foods.** Small shops selling food items such as donuts or candy would also be appropriate along Cass Avenue, as would wine shops or stores selling craft beers.
- **Home Furnishings, Sporting Goods, Hobby, Apparel and Accessories, and other specialty boutiques,** perhaps targeting children or another niche market.

Most of the current stores located along Cass Avenue, particularly the older ones, are small in size, with square footages typically in the 1,000 to 3,000 square foot range. If we assume an average store size of

just over 2,000 square feet, we see potential demand in the near-term for approximately ten new stores offering 20,000 – 25,000 square feet of retail space. This conclusion is based on the previously discussed leakage analyses, estimates of appropriate capture rates for the various merchandise categories, and typical sales per square foot calculations for the types of retailers that locate in suburban downtowns.

In addition to retailers, more service businesses would be welcome tenants in Downtown Westmont, particularly if they meet the needs of local residents and serve to attract people into the downtown. The following types of businesses tend to be most supportive of downtown retail corridors.

- **Medical offices**, including dentists and physical therapy providers. The term “medtail” is increasingly being used by shopping center owners and their leasing agents to describe these types of tenants.
- **Exercise studios**. In addition to the existing dance studios in Downtown Westmont, other space catering to youth (martial arts, for example) and/or studios targeting adults would also be appropriate.
- **Daycare**. Proximity to the train station might be attractive to some working parents.
- **Laundry and dry cleaning/tailoring**. These or other personal service businesses could also benefit from proximity to the Metra station.

Recommendations: 2 W. Burlington Avenue

2 West Burlington has 9,294 square feet of ground floor commercial space in nine storefronts. The tenants are listed in the table below. Only one of the spaces is currently vacant. Westmont Pharmacy, an independent pharmacy, occupies the corner space and has been a tenant in the building for more than 35 years.

Current rents for the commercial spaces are between \$13.40 and \$19.43 per square foot per year on a modified gross basis (tenant pays utility costs in addition to base rent).

The diversity of tenants and the fact that only one 700 square foot space is vacant suggests that this location has been able, and should continue to be able, to support a variety of commercial uses that are appropriate and contribute to the vitality of Downtown Westmont. Exterior improvements to the building would only enhance the appeal of the property to businesses and shoppers alike, and add to the character of the downtown.

Together with upgraded apartments above, this mixed-use development represents not only an appropriate use of this key downtown parcel, but arguably the highest and best use from a financial standpoint.

Current Commercial Tenancy - 2 W. Burlington Property

Suite	Tenant	GLA (Sq. Ft.)	Tenant Since	Annual Rent	Rent/ SF/Yr.
8 N. Cass	Vacant	700	--	\$11,100	\$15.86
8 N. Cass	European Tailor	700	1997	11,100	15.86
2 N. Cass	Westmont Pharmacy	3,250	1980	63,156	19.43
4 W. Burlington	Westmont Corner Store	768	2013	11,028	14.36
6 W. Burlington	Moondragon	768	2009	11,460	14.92
8 W. Burlington	Edward Jones	768	2008	12,600	16.41
10 W. Burlington	Resale Store	700	2011	9,600	13.71
10A W. Burlington	Artistic Grooming	820	1998	11,700	14.27
10B W. Burlington	Farmers Insurance	820	1997	11,100	13.54
Total/Average	---	9,294	--	\$152,844	\$16.45

Source: Marcus & Millichap - Offering Memorandum

Recommendations: 1 N. Cass Avenue

Based on analysis of current retail market conditions within Westmont and the RTA generally – we see support in Downtown Westmont for new commercial spaces, particularly those that are located in mixed-use buildings containing residential units. The 1 N. Cass Avenue subject site – offering not only proximity to Westmont’s Metra station, but visibility and accessibility along the key Downtown commercial corridor and connectivity to the Downtown dining hub – provides just such an opportunity.

However, given the relatively large size of the subject parcel, along with a realistic estimate of commercial development potentials within the near term, we recommend a *two phase* approach to the redevelopment of the 1 N. Cass Avenue subject site.

Phase I

We find adequate near term support for up to 15,000 square feet of retail space with frontage primarily along Cass Avenue, to be developed within the subject site in a mixed-use building containing residential units.

While this amount of new commercial space could capture more than half of the projected retail demand for Downtown Westmont over the near term, locating such space on an existing surface parking lot close to the Metra station makes good sense from an urban design and marketability standpoint.

Presumably, the space will be oriented to Cass with visibility as well from Burlington. This orientation makes sense given the higher traffic counts on Cass Avenue, pedestrian activity, and the fact that Cass is the primary commercial corridor in Downtown Westmont. Providing free off-street parking will make this ground floor commercial space particularly attractive.

Retail businesses that would be drawn to such a development would most likely include those discussed above. In particular, eating and drinking establishments and specialty food stores would benefit from proximity to the Metra station and potential synergy with established Downtown restaurants. A yoga or

fitness studio might be considered an amenity to tenants living in the apartments above, thus helping it to compete successfully in the market.

Rents for this new ground floor commercial space cannot be significantly higher than current market rents, particularly since the target market for tenants is local, independent merchants and operators who tend to be price conscious. Market rents for this new space should be less than \$20 per square foot on a net basis.

This new commercial space, combined with up to 75 rental apartments above and appropriate parking for both uses, would represent a realistic near to mid-term development opportunity on the western portion of this key corner in Downtown Westmont.

Phase II

As discussed previously, the redevelopment of the eastern portion of the subject site would involve the reconfiguration of Burlington Avenue so that it extends east from Cass Avenue and intersects at a 90 degree angle with an extension of Linden Street. The back portion of this parcel is currently improved with a small strip shopping center containing four retail spaces, which would no longer be visible from Cass once development occurs on the Phase I portion of the site facing Cass. Current tenants include Hookah Lounge, Phoenix Nail Salon, and Yokohama Japanese restaurant. One space is currently vacant.

While measurable levels of market support exist for new retail space aligning Cass Avenue, little support is evident for additional retail space aligning Burlington Avenue on the east side of the subject site. This is due in large measure to the drop off in automobile traffic from 14,400 vehicles per day along Cass Avenue to 2,850 along Burlington Avenue east of Cass. However, assuming that adequate parking is made available, this portion of the site could be developed into a *non-retail* commercial building with one or more office tenants and/or medical or other service providers.

Thus, if Burlington Avenue and Linden Street are reconfigured and the existing small strip shopping center is demolished, a second phase of redevelopment would be possible. More specifically, the potential exists within this portion of the subject site to develop a new commercial building facing Burlington that would be attractive to the types of personal or professional service providers listed above that desire a downtown location and would serve to attract more people into the Downtown area.



Appendix A: Downtown Westmont Business Inventory Detail

Business Name	Address	Category
L & J Auto Repair	100 N. Cass Avenue	Auto-Related Businesses
Haraldsen's Garage	21 E. Burlington Avenue	Auto-Related Businesses
Jimmy's Citgo	260 N. Cass Avenue	Auto-Related Businesses
Westmont Restaurant	128 N. Cass Avenue	Food Services and Drinking Places
Amber Café	13 N. Cass Avenue	Food Services and Drinking Places
Vincitori Restaurant	14 N. Cass Avenue	Food Services and Drinking Places
J. Fleming's Absolutely Delicious Restaurant & Catering	18 N. Cass Avenue	Food Services and Drinking Places
Potbelly Pub	26 N. Cass Avenue	Food Services and Drinking Places
Coco Froyo	29 N. Cass Avenue	Food Services and Drinking Places
The Sweet & Savory Spot	31 N. Cass Avenue	Food Services and Drinking Places
China Chef Restaurant	42 N. Cass Avenue	Food Services and Drinking Places
Uptown Tavern	12 W. Burlington Avenue	Food Services and Drinking Places
Yokohama Restaurant	13 E. Burlington Avenue	Food Services and Drinking Places
Uncle Bub's Award Winning BBQ	132 S. Cass Ave	Food Services and Drinking Places
La Petite Sweet	15 S. Cass Avenue	Food Services and Drinking Places
Dolce's Pizzeria	15 W. Quincy Street	Food Services and Drinking Places
Tasty Treat/Everything Southwestern	19 S. Cass Avenue	Food Services and Drinking Places
Brewed Awakening Coffee House	19 W. Quincy Street	Food Services and Drinking Places
Korean Garden	204 N. Cass Avenue	Food Services and Drinking Places
Uncle Pete's Pizza	207 N. Cass Avenue	Food Services and Drinking Places
L & F Pizza	21 S. Cass Avenue	Food Services and Drinking Places
NEAT Kitchen + Bar	246 N. Cass Avenue	Food Services and Drinking Places
Bishop's Chili	250 N. Cass Avenue	Food Services and Drinking Places
Taco Express - Quincy Street	7 W. Quincy Street	Food Services and Drinking Places
The Commons Church	117 N. Cass Avenue	Government / Institutional
Knights of Columbus St. John's Council	25 N. Cass Avenue	Government / Institutional
Maercker School District 60	1 S. Cass Avenue	Government / Institutional
Holy Trinity Catholic Church and School	111 S. Cass Avenue	Government / Institutional
WSAC	17 W. Quincy Street	Government / Institutional
Village of Westmont	31 W. Quincy Street	Government / Institutional
Westmont Park District	75 E. Richmond Street	Government / Institutional
Westmont Chamber of Commerce & Tourism Bureau	One S. Cass Avenue	Government / Institutional
Illinois State Representative Patricia Bellock	One South Cass Avenue	Government / Institutional
Westmont Special Events Corporation	Westmont Centre	Government / Institutional

Rebco Machine Specialties	138 E. Quincy Street	Manufacturing
Toon Funeral Home	109 N. Cass Avenue	Personal & Household Services
Crystal's Underground Hair Design	132 N. Cass Avenue	Personal & Household Services
Weston Travel Agency, Inc.	134 N. Cass Avenue	Personal & Household Services
Karma Salon-Spa	15 N. Cass Avenue	Personal & Household Services
mbc Fitness Essentials, Inc.	28 N. Cass Avenue	Personal & Household Services
Paladino Photography	36 N. Cass Avenue	Personal & Household Services
J. Wilder Salon	36 N. Cass Avenue	Personal & Household Services
W. Suburban Funeral Home & Cremation Svcs.	39 N. Cass Avenue	Personal & Household Services
European Tailoring By Tanya	8 N. Cass Avenue	Personal & Household Services
Artistic Grooming	10 W. Burlington Ave #A	Personal & Household Services
Westmont Watch & Jewelry Repair	104 S. Cass Avenue	Personal & Household Services
Alicia Color and Design Hair Salon	110 S. Cass Avenue	Personal & Household Services
Flo's Tips and Toes	128 S. Cass Avenue	Personal & Household Services
The Barber Shop	128 S. Cass Avenue	Personal & Household Services
Phoenix Nail Salon	15 E. Burlington Avenue	Personal & Household Services
Kuts "N" Such Hair Design	15 S. Cass Avenue	Personal & Household Services
Hookah Lounge - Laodecia	19 E. Burlington Avenue	Personal & Household Services
Coumba African Hair Braiding	20 S. Cass Avenue	Personal & Household Services
Mackhard Barber Shop	20 W. Burlington Avenue	Personal & Household Services
K. H. Renovations, Inc.	205 N. Cass Avenue	Personal & Household Services
Arco Plumbing	206 N. Cass Avenue	Personal & Household Services
Salon Studio West	210 N. Cass Ave # C	Personal & Household Services
First Class Cuts	22 S. Cass Avenue	Personal & Household Services
Center for Dance	226 N. Cass Avenue	Personal & Household Services
Fabian's Paw Station	230 N. Cass Avenue	Personal & Household Services
Oakwood Electric & Generator	237 N. Cass Avenue	Personal & Household Services
Ah Sew!	239 N. Cass Avenue	Personal & Household Services
Leez Beauty and Barber Salon	24 S. Cass Avenue	Personal & Household Services
Flux Salon	245 N. Cass Avenue	Personal & Household Services
Expression Dance Studio	25 S. Cass Avenue	Personal & Household Services
Kitchen, Bath and Granite	32 & 34 S. Cass Avenue	Personal & Household Services
Luckhardt & Maze, Drs., Ltd.	136 N. Cass Avenue	Professional Services / Office
Bank of America - Westmont	139 N. Cass Avenue	Professional Services / Office
West Suburban Insurance Agency, Inc.	17 N. Cass Avenue	Professional Services / Office
Patrick C. Blaney, D.D.S.	19 N. Cass Avenue	Professional Services / Office
Immediate Care Center of Westmont	29 N. Cass Avenue	Professional Services / Office
Lakeview Dental Center	32 N. Cass Avenue	Professional Services / Office
Alkaye Media Group	38 N. Cass Avenue	Professional Services / Office

Westmont Family Dental	100 S. Cass Avenue	Professional Services / Office
Rage Agency	100 S. Cass Avenue #200	Professional Services / Office
Krimson Security and Fingerprinting	15 S. Cass Avenue	Professional Services / Office
Advanced Dental Care	18 W. Burlington Ave	Professional Services / Office
Realty Concepts, Inc.	205 N. Cass Avenue	Professional Services / Office
The Presentation Group	210 N. Cass Ave, Suite A	Professional Services / Office
Cass Family Dental	210 N. Cass Ave, Unit D	Professional Services / Office
Clemens Enterprises, Inc.	210 N. Cass Avenue #9	Professional Services / Office
Byline Bank	23 W. Quincy Street	Professional Services / Office
State Farm Insurance Ed Jordan	230 N. Cass Avenue	Professional Services / Office
Country Financial	232 N. Cass Avenue	Professional Services / Office
Dupage Urology Associates	251 N. Cass Avenue	Professional Services / Office
Golden Age Tax Advisors	30 S. Cass Avenue	Professional Services / Office
State Farm Insurance-Chas Matsei	44 S. Cass Avenue	Professional Services / Office
Farmers Insurance - Brad Whitacre	6 Indian Trail	Professional Services / Office
Edward Jones Investments	8 W. Burlington Avenue	Professional Services / Office
The Framemakers	10 N. Cass Avenue	Retail Stores
Westmont Floral, Inc.	116 N. Cass Avenue	Retail Stores
D. Pollack Glass & Mirror, Inc.	124 N. Cass Avenue	Retail Stores
No Corner Suns Art Studio	134 N. Cass Avenue	Retail Stores
Westmont Pharmacy & Home Medical Supplies	2 N. Cass Avenue	Retail Stores
30 North Antiques	30 N. Cass Avenue	Retail Stores
Uncle Jon's Music	33 N. Cass Avenue	Retail Stores
Hot Sauce Games	34 N. Cass Avenue	Retail Stores
Irv Kaplan Interior Design & Furniture	41 N. Cass Avenue	Retail Stores
Pleasantville Resale	10 W. Burlington Avenue	Retail Stores
Eclecticville	141 S. Cass Avenue	Retail Stores
Ace Hardware	20 E. Quincy Street	Retail Stores
Convenient Food Mart	200 N. Cass Avenue	Retail Stores
Mission Music Store	216 N. Cass Avenue	Retail Stores
Dilworth Windows & Doors	223 N. Cass Avenue	Retail Stores
C&C Vacuum	230 N. Cass Avenue	Retail Stores
Westmont Tile, Inc.	236 N. Cass Avenue	Retail Stores
K Clay Dance Supplies	245 N. Cass Ave #2	Retail Stores
Nature's Best Foods, Inc.	257 N. Cass Avenue	Retail Stores
7-11	301 N. Cass Avenue	Retail Stores
China Furniture & Art Inc.	35 S. Cass Avenue	Retail Stores
Musician's Workshop	37 W. Quincy Street	Retail Stores
Endure It!	37B W. Quincy Street	Retail Stores

Westmont Corner Store	4 W. Burlington Ave	Retail Stores
Burr Ridge Lighting	40-42 S. Cass Avenue	Retail Stores
The Moondragon	6 W. Burlington Avenue	Retail Stores
Vacant	111 N. Cass Avenue	Vacant
Vacant	113 N. Cass Avenue	Vacant
Vacant	138 N. Cass Avenue	Vacant
Vacant	140 N. Cass Avenue	Vacant
Vacant	20 N. Cass Avenue	Vacant
Vacant	21 N. Cass Avenue	Vacant
<i>(Project Pending)</i>	22 N. Cass Avenue	Vacant
Vacant	35 N. Cass Avenue	Vacant
Vacant	8.5 N. Cass Avenue	Vacant
Vacant	102 S. Cass Avenue	Vacant
Vacant	11 W. Quincy Street	Vacant
Vacant	13 W. Quincy Street	Vacant
Vacant	15 W. Quincy Street	Vacant
Vacant	16 W. Burlington Avenue	Vacant
Vacant	17 E. Burlington Avenue	Vacant
Vacant	203 N. Cass Avenue	Vacant
Vacant	220 N. Cass Avenue	Vacant
Vacant	222 N. Cass Avenue	Vacant
Vacant	229 N. Cass Avenue	Vacant
Vacant	9 W. Quincy Street	Vacant

Source: Westmont Chamber of Commerce & Tourism Bureau, Nov. 2015

Appendix B: Assumptions & Limiting Conditions

Data collection for this assignment took place in November and December of 2015. Information analyzed herein was obtained from a variety of sources deemed reliable at the time, but is not guaranteed. The estimates, projections, recommendations, and opinions provided were based on the information analyzed. No liability is assumed for the accuracy of said information. Client agrees to indemnify and hold harmless Residential Planning Partners, LLC, its owners, independent contractors, agents, employees, and assigns, from all liabilities they may be subject to as a result of these services.

Absorption forecasts and estimates of market potential provided in this report are based on the assumption that the properties will be developed in accordance with the recommendations given, with high caliber design, features, and amenities, and that the units will be professionally and aggressively marketed to the appropriate target markets. They also assume that normal economic conditions will prevail during the marketing of the properties. Unforeseen economic downturns can impact the performance of even the best housing developments.