

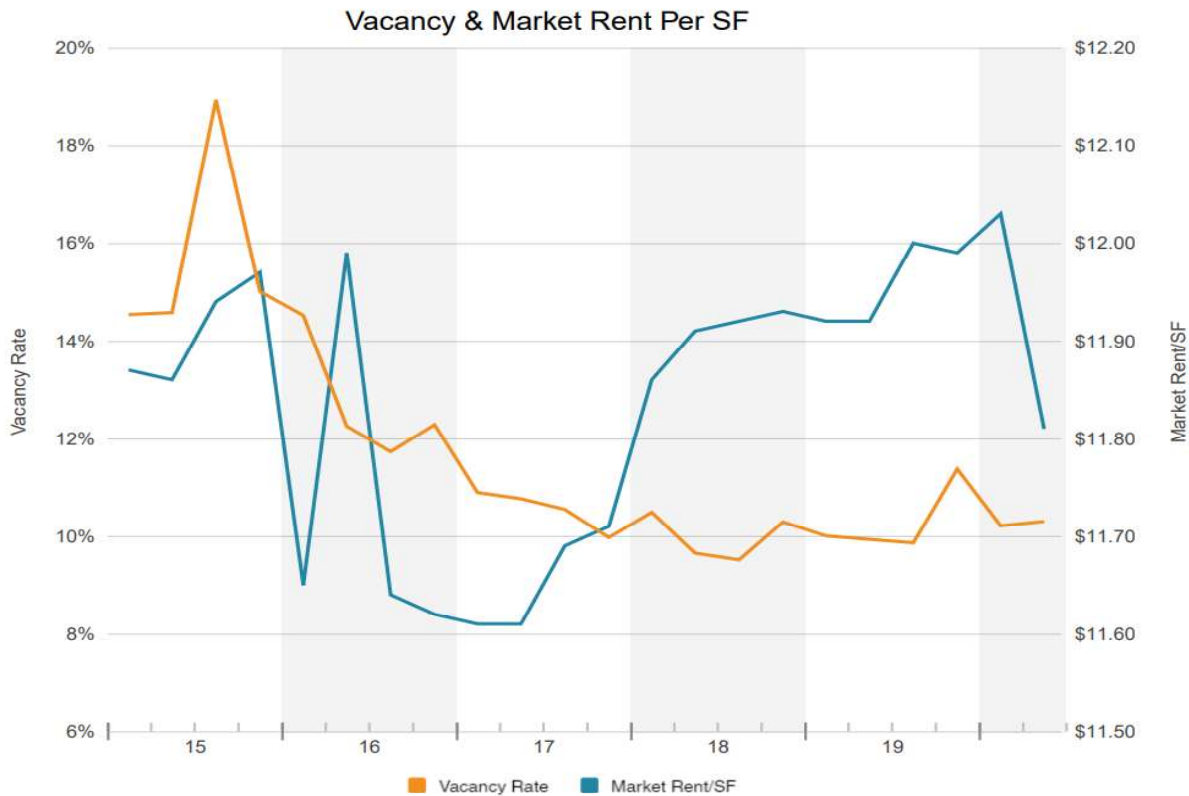
MARKET ANALYSIS

The following tables display information from a CoStar-generated report, which includes market data from all of its reported retail properties within Chicago Heights.

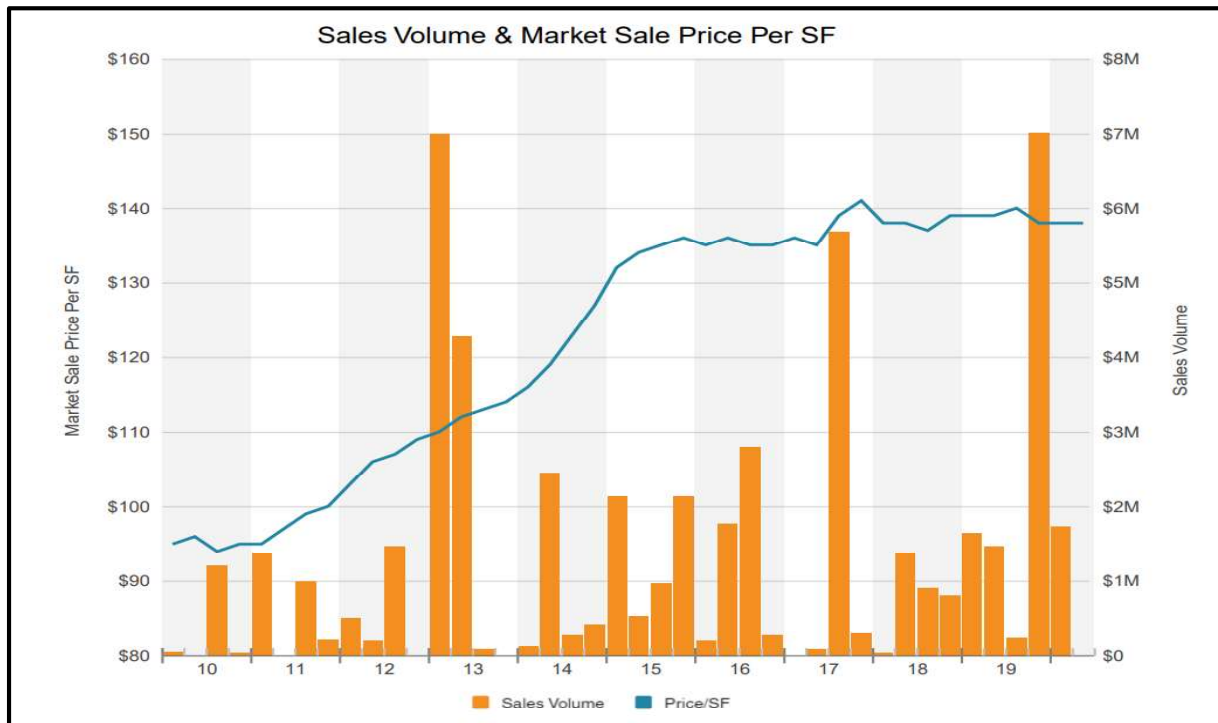
INVENTORY SF 1.7M +0% Prior Period 1.7M	UNDER CONSTRUCTION SF 0 - Prior Period 0	12 MO NET ABSORPTION SF (3.9K) -454.4% Prior Period 1.1K	VACANCY RATE 10.2% +0.2% Prior Period 10.0%	MARKET RENT/SF \$11.95 +0.2% Prior Period \$11.92	MARKET SALE PRICE/SF \$138 -0.5% Prior Period \$139	MARKET CAP RATE 7.8% +0.1% Prior Period 7.7%
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Availability	Inventory	Sales Past Year	Demand
Vacant SF: 177K ↑	Existing Buildings: 195 ↓	Asking Price Per SF: \$38 ↓	12 Mo Net Absorp % of Inventory: -0.2% ↑
Sublet SF: 7.3K ↓	Under Construction Avg SF: -	Sale to Asking Price Differential: -11.1% ↓	12 Mo Leased SF: 22.3K ↓
Availability Rate: 11.8% ↓	12 Mo Demolished SF: 0 ↓	Sales Volume: \$10.4M ↓	Months on Market: 12.5 ↓
Available SF: 205K ↓	12 Mo Occupancy % at Delivery: -	Properties Sold: 15 ↓	Months to Lease: -
Available Asking Rent/SF: \$15.44 ↓	12 Mo Construction Starts SF: 0 ↓	Months to Sale: 15.2 ↓	Months Vacant: -
Occupancy Rate: 89.8% ↓	12 Mo Delivered SF: 0 ↓	For Sale Listings: 23 ↓	24 Mo Lease Renewal Rate: 82.6%
Percent Leased Rate: 89.8% ↓	12 Mo Avg Delivered SF: -	Total For Sale SF: 225K ↓	Population Growth 5 Yrs: -1.6%

This information includes 195 existing buildings, which currently have an average vacancy rate of 10.2% that is relatively consistent with the five-year average of 10.19% (*not shown in the above table*). This data also suggests that asking rental rates have remained relatively stable over the past couple of years. The following graph illustrates these vacancy and rental rates.



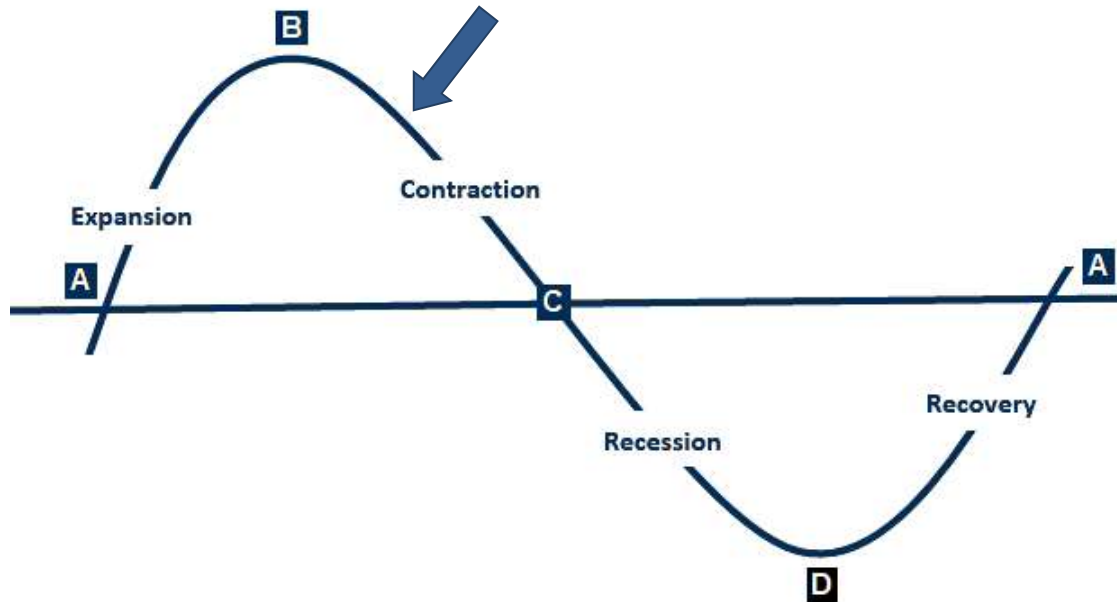
The following graph illustrates CoStar’s reported sales for the aforementioned data.



Based on the CoStar figures, sales volume has been fluctuating since 2010 with a related upward trend in average price-per-square-foot. However, prices appear to have stabilized since 2015. Market research contradicts these trends, which is not uncommon as CoStar data is often imperfect and requires further verification of property characteristics and/or transaction details. In addition, most market participants link general economic trends with real estate trends. Our sales research and/or discussions with market participants suggest that although there is a relative shortage in the existing supply, due to increased demand over the past few years, prices paid have remained relatively flat.

Please refer to the Scope of Work regarding the current Novel Coronavirus (COVID-19) pandemic/outbreak.

Real Estate Cycles



Segment	Name	Characteristics
A to B	Expansion	Growing demand, rental rates climbing above replacement cost, decreasing vacancy, concessions not prevalent, high profit potential stimulating new construction
<i>Comment:</i>		<i>When the real estate cycle begins to expand, market participants have enthusiasm, which is generally followed by exhilaration. At the peak of the market, they have a sense of euphoria.</i>
B to C	Contraction	Weakening demand, stable-to-declining occupancy levels, stable rents with some concessions beginning to occur, profit potential is shrinking resulting in a slowdown of new construction
<i>Comment:</i>		<i>Once the market has peaked, there is generally a sense of unease relating to when the “bubble” will burst. In the beginning of this cycle, there is usually denial, which is then followed by pessimism.</i>
C to D	Recession	Declining demand, increasing vacancy, falling rental rates, concessions prevalent, new construction is virtually halted
<i>Comment:</i>		<i>The struggles of the real estate market in this cycle are often magnified and as the market recedes. As a result, there are high levels of panic and despair.</i>
D to A	Recovery	Strengthening demand, positive occupancy trends, increasing rental rates, concessions shrinking, new construction beginning to occur
<i>Comment:</i>		<i>Market participants are skeptical, but hopeful. A recovering real estate market provides relief and optimism.</i>

NOTE: The above graph is not meant to depict actual volatility or rate of change. In addition, the arrow is merely the appraiser’s opinion of where the cycle is currently (as of the effective date of this report).

A Brief Market Analysis Summary

Historical performance is often a lagging indicator of current trends. Therefore, our future projections of the market are based on our opinion of what might be, as a result of the data we analyzed.

Market Characteristics and Projections		
Market Analysis Sector	Past-Current (Change)	Current-Future (Projection)
Supply	Nominal; new construction has been minimal overall.	Stable; There are no buildings under construction and no anticipation of any new buildings coming into the market soon.
Absorption	Stable; occupancy has remained relatively stable over the past few years with no signs of change in the coming terms	Stable; vacancy is expected to remain level in the near term.
Rental Rates	Stable; despite a general increase in years past, rental rates have remained somewhat stable over the past couple of years.	Stable; rental rates should continue to be stable in the near term as vacancy also stays level.
Affordability	Stable; mortgage rates have continued to be at, or near, historical lows	Negative; low mortgage rates are expected to continue into the near future. However, brokers have reported changes to down payment and/or escrow requirements, due to the current Covid-19 situation, which will likely have an adverse impact on affordability.
Sale/Asking Prices	Stable; prices have generally remained stable over the past few years	Stable; sale prices are expected to be stable in the near future as vacancy and rental rates both remain level.
Marketability	Positive; marketing time has decreased in recent years, due to good demand and somewhat of a supply shortage.	Negative; Although supply is expected to remain low, time on the market will likely increase due to the ongoing Covid-19 pandemic that is currently impacting the immediate area and overall economy.

As of the date of this report, the Covid-19 coronavirus pandemic is impacting daily life in the subject’s market area, as well as throughout the United States. Schools and many businesses are closed and travel restrictions are in place. Real estate market conditions in the subject’s area may be influenced during this unprecedented time, but there is currently no available data regarding the extent, if any, of the impact. Overall, there is adequate demand for similar, multi-unit residential properties with stable trends being anticipated, but negative trends could be a reality for the immediate future.