



DEVELOPMENT
MARKET REPORT

2012 ANNUAL

DEVELOPMENT MARKET REPORT

INTRODUCTION

Welcome to the 2012 @report, an overview of market activity and pricing in eight core Chicago neighborhoods, prepared for our developer, investor and institutional clients.

Chicago's residential for-sale market pulled itself up off the mat last year and even managed to win a few rounds. After slogging through 2011, transaction volume soared in 2012 while prices finally began to show some bounce in certain submarkets. The city of Chicago experienced a 19% increase in units sold and a 6.7% gain in the average sales price in 2012, according to data from BrokerMetrics / MRED, LLC. In the areas covered by the @report, unit volume was up by 34%, with prices inching up 1%. Condo sales within the report area tracked similar gains.

With the huge surge in transactions, one of the big stories from 2012 was the lack of inventory. In the city, average months supply was down 42% from 2011. And a recent report from the National Association of REALTORS pegged months supply at its lowest level since April 2005.

Another major trend impacting the local for-sale market is the fevered pitch of multi-family development and investment. Institutional investors are pile-driving cap rates on core assets, while deep-pocketed private equity has brought a pseudo-institutional dynamic to non-core assets in the neighborhoods beyond downtown. The good news for the condo market is that apartment occupancies and rents are at all-time highs. In December, Crain's Chicago Business cited a study by Deutsche Bank in which the average Chicago apartment rent outstripped the average mortgage payment by 31%.

With pent-up demand and essentially no new condo deliveries since 2010, small-scale development has started anew. In neighborhoods like the West Loop, Lincoln Park and Lakeview, low-rise new-construction activity experienced a notable increase last year, and developers are making bigger plans.

Consistent with overall market activity, @properties saw strong sales last year in the developments we represent. At 10 East Delaware, we sold over 25 units and are down to our final four. We sold 20 units at 6 North Michigan in the Loop, and only the penthouse remains. Early last year, we took over sales at The Legacy at Millennium Park, overhauled the marketing, and sold \$30 million in nine months.

We are pleased to announce that we are now offering leasing and management services for apartment developers and owners. As with our condo-sales programs, our leasing programs are available with a full-complement of in-house, agency-quality marketing, including digital marketing, advertising and PR.

A couple of housekeeping notes regarding the report. First, new for 2012, we have added coverage of the Loop submarket. This year's Loop overview does not include quarterly data for 2011, but future reports will offer the quarterly comparison. Also, with the addition of the Loop, we have redrawn the borders for Streeterville (see Neighborhood Borders), and in order to make an accurate year-over-year comparison went back and applied these changes to the 2011 data.

The investments we have made over the past several years in marketing, technology, new offices and human resources underscore our optimism about the Chicago real estate market. We are as excited as ever about our business, our city and the opportunity to help make your next deal a great success!



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DEVELOPMENT MARKET REPORT

METHODOLOGY

WHAT'S INCLUDED

The @report uses MLS data to track the average price per square foot (PSF) for condominiums and townhomes in eight Chicago neighborhoods: the Gold Coast, River North, Streeterville, the South Loop, the West Loop, the Loop, Lakeview and Lincoln Park. Product is categorized by type of construction (new, resale and all); number of bedrooms (studios and 1s, 2s, 3+, and all); and status (closed, pending and active). Pending and active listings show for quarterly results only.

Data for each neighborhood is divided into three sections. The first section is an annual comparison of the average PSF for closed listings from 2012 vs. 2011. The second section is a quarterly comparison of the average PSF for closed listings only, from 2012 vs. 2011. The third section is a market dynamics report on Supply & Demand and Months Supply of Inventory over the past 24 months.

We also included a brief written summary of the data from each neighborhood.

PRICE PER SQUARE FOOT

Determining price per square foot obviously requires two inputs – the closed, pending or active price of the listing and its square footage. However a sizable number of listings are entered into the MLS without square footage. We have found this to be especially prevalent with some new-construction developments and in neighborhoods where there is a large percentage of older product (e.g. Lakeview and Lincoln Park). Rather than discarding all of this data, we use a number of sources, including third-party property databases, development websites and floor plans, and our own first-hand knowledge of properties (many of which we have represented), to discover square footage wherever possible. While this methodology is by no means perfect, we believe it provides a more accurate sample. Listings for which no reliable square footage measurement can be obtained are omitted from the report.

NUMBER OF TRANSACTIONS

In the @report, number of transactions refers to the number of listings for our sample, i.e. the number of listings for which we could determine square footage. It is not the total number of listings closed, active or pending in a given neighborhood, in a given timeframe. Because of our sample size, and the research we do to determine square footage for as many listings as possible, we believe that our year-over-year comparison of number of transactions on a percentage basis provides an accurate representation of market activity.

PRICE FLUCTUATIONS

It is important to consider price fluctuations within the context of number of transactions. This is especially the case for new-construction sales, as transaction volume has declined across the city. Obviously, when transaction volume is lower, one or two transactions can have a dramatic effect on price-per-square-foot averages. We try to address any anomalies in our neighborhood write-ups.

MARKET DYNAMICS

The data in the Market Dynamics sections for each neighborhood will likely differ from the data in the Pricing/# of Transactions tables. This is because the neighborhood borders used to generate these two separate parts of the report are not identical. Pricing/Transactions data is based on hand-drawn borders, while the tool that generates Market Dynamics data can only accept inputs for specific zip codes or MLS areas. Therefore, look to the Pricing/ Transactions matrices for more accurate, granular data based on the defined neighborhood borders. Look to Market Dynamics for additional context. (Think of the former as the play by play and the latter as the color commentary).

DEVELOPMENT MARKET REPORT

NEIGHBORHOOD BORDERS

Real estate is marketed according to neighborhood boundaries that often differ from the boundaries defined by standard MLS areas and Chicago zip codes. For example, River North, the Gold Coast, Streeterville and parts of Old Town all are included in the "8008" MLS area known as "Near North". For the @report, we drew neighborhood boundaries according to generally accepted marketplace conventions. Certain boundaries were shifted to include specific buildings or developments.

The @report neighborhood boundaries are as follows:

THE GOLD COAST includes the area bounded by North Avenue on the north, Dearborn Street on the west, the Lake on the east and Chicago Avenue on the south. The southern border is extended to Erie between Michigan Avenue and Dearborn Street, in order to include the Cathedral District and specifically the luxury high-rise buildings, the Fordham, Pinnacle and 55 E. Erie.

RIVER NORTH includes the area bounded by the Chicago River on the west and the south and Oak Street on the north (to include the Kingsbury Park development). The eastern border is Wells Street between Oak and Chicago, Dearborn between Chicago and Erie, and Michigan Avenue between Erie and the river. The west boundary is extended to include the Kinzie Park development and the RiverBend high-rise west of the Chicago River.

STREETERVILLE* includes the area bounded by Chicago Avenue on the north, the Chicago River on the south, Lake Michigan on the east and Michigan Avenue on the west. (161 E. Chicago is excluded because we considered it part of the Gold Coast).

THE SOUTH LOOP includes the area bounded by Harrison Street to the north, Cermak to the south and Lake Michigan to the East. The Western boundaries are the Chicago River south to 16th Street, State Street south to Archer Avenue, and Archer south to Cermak.

THE WEST LOOP includes the area bounded by Grand Avenue to the north, the Eisenhower Expressway to the south, the Chicago River to the east (excluding Kinzie Park and RiverBend), and Ashland Avenue to the west.

THE LOOP** includes the area bounded by East Wacker Drive to north, Harrison Street to the south, Lake Michigan to the east and the Chicago River to the west.

LAKEVIEW includes the area bounded by Irving Park Road to the north, Diversey Parkway to the south, Lake Michigan to the east and Ashland Avenue to the west.

LINCOLN PARK includes the area bounded by Diversey Parkway to the north, North Avenue to the south and Lake Michigan to the east. The western boundary is Ashland Avenue south to the Chicago River, and the River south to North Avenue. We have also included the area bounded by North Avenue on the north, Eastman Street on the south, Halsted Street on the east and Kingsbury Street on the west in order to include the SoNo condo tower.

* Streeterville's southern border has been pushed north of the river for the 2012 @report, and 2011 data was adjusted accordingly.

** The Loop is new to the 2012 @report.

GOLD COAST



GOLD COAST

INTRODUCTION

If the **GOLD COAST** is the bellwether of Chicago's luxury condo market, 2012 wasn't quite the breakthrough year that everyone was hoping for, at least based on price performance. The average price per square foot (PSF) fell 5% compared to 2011, clocking in at \$420.

Some of that decline was due to the new-construction market. In recent years pricing was buoyed by The Elysian, which saw its final developer units close in early 2012. Without those \$800-\$900 PSF sales, the average came back down last year. Ten East Delaware comprised the vast majority of new-construction closings, coming in at an average of \$668 PSF, and 50 East Chestnut posted an average of around \$690 with just a couple of developer sales.

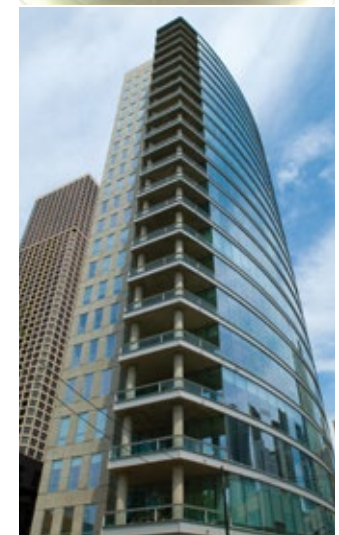
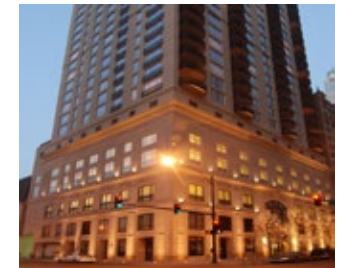
In the resale market, expectations of moderate price appreciation for 2012 were warranted after existing Gold Coast condos ticked up 1 percent in 2011. But even factoring in the record-setting \$15 million sale of a penthouse at Park Tower (800 N. Michigan), the market gave back that modest gain last year, falling to its 2010 level.

On the plus side, according to data from BrokerMetrics, total transactions rose approximately 23% vs. 2011, echoing the broader market. Sales were up in every single quarter of 2012 compared with the year earlier.

Back to that \$15 million penthouse – a nice, fat \$1,899 per square foot. While the deal certainly gave the market a thrill, it doesn't appear to herald a growing trend in uber-luxury condo sales downtown. Last year, five units traded at \$1,000+ PSF. This year, only four broke the millennium barrier: two at the Elysian, one at 209 East Lake Shore and the aforementioned Park Tower transaction. For the second straight year, none were new construction.

In 2012, we tracked 52 closings at \$2 million and over. In 2011, that number dropped to 40. Supply is partly to blame. In fact, we believe the perfect new product in the perfect location could bring more super-high-end buyers out of the woodwork. And while we tend to be quite optimistic about where the market is heading, we're still not convinced that sales north of \$1,000 PSF will be a common occurrence in the near term.

The top five buildings by price per square foot in the Gold Coast last year (minimum of 3 closed sales) were: Park Tower – 800 N. Michigan (\$1,052 including the \$15 million penthouse or \$780 not including the penthouse), The Elysian (\$936 PSF), 840 N. Lake Shore Drive (\$702), 50 East Chestnut (\$692) and 10 East Delaware (\$668).



GOLD COAST

CLOSED INVENTORY

2011 vs 2012



GOLD COAST CLOSED

	2011 PSF	2011 #TRANS	2012 PSF	2012 # TRANS	2012 VS. 2011 % CHANGE PSF	2012 VS. 2011 % CHANGE #
Attached All - Summary	\$440.00	619	\$420.00	800	-5%	29%
Attached All - 1 BR	\$278.00	195	\$276.00	274	-1%	41%
Attached All - 2BR	\$344.00	217	\$363.00	277	6%	28%
Attached All - 3+ BR	\$536.00	207	\$507.00	249	-5%	20%
Attached New - Summary	\$738.00	43	\$701.00	39	-5%	-9%
Attached New - 1 BR	\$670.00	8	\$641.00	5	-4%	-38%
Attached New - 2BR	\$886.00	1	\$617.00	3	-30%	200%
Attached New - 3 BR	\$739.00	34	\$709.00	31	-4%	-9%
Attached Resale Summary	\$403.00	576	\$398.00	761	-1%	32%
Attached Resale - 1 BR	\$257.00	187	\$269.00	269	5%	44%
Attached Resale - 2 BR	\$340.00	216	\$360.00	274	6%	27%
Attached Resale - 3 BR	\$488.00	173	\$477.00	218	-2%	26%

GOLD COAST

192

CLOSED INVENTORY

BY QUARTER

AVERAGE DAYS ON MARKET
(Closed Listings, 2012)

GOLD COAST

PRICE PER SQUARE FOOT

% CHANGE NO. OF TRANSACTIONS

	1Q 2012		2Q 2012		3Q 2012		4Q 2012		% CHANGE NO. OF TRANSACTIONS			
	Price	12vs11	Price	12vs11	Price	12vs11	Price	12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Closed All - Summary	\$381.00	-19%	\$415.00	-4%	\$434.00	4%	\$434.00	-3%	18%	18%	25%	57%
Closed All - 1 BR	\$267.00	-3%	\$268.00	-9%	\$286.00	14%	\$278.00	-3%	57%	2%	69%	42%
Closed All - 2BR	\$322.00	-15%	\$346.00	-2%	\$335.00	6%	\$413.00	18%	13%	26%	-14%	90%
Closed All - 3+ BR	\$482.00	-13%	\$491.00	-4%	\$539.00	1%	\$503.00	-6%	-12%	27%	35%	40%
Closed New - Summary	\$775.00	-1%	\$696.00	7%	\$677.00	-9%	\$670.00	-9%	-56%	-8%	29%	57%
Closed New - 1 BR	\$607.00	-8%	\$670.00	-2%	\$684.00	NA	\$621.00	-6%	-33%	-75%	NA	0%
Closed New - 2BR	NA	NA	NA	NA	\$515.00	NA	\$685.00	-23%	NA	NA	NA	100%
Closed New - 3 BR	\$792.00	0%	\$697.00	8%	\$694.00	-7%	\$670.00	-7%	-62%	22%	0%	60%
Closed Resale Summary	\$346.00	-12%	\$390.00	-5%	\$417.00	7%	\$419.00	0%	28%	20%	25%	57%
Closed Resale - 1 BR	\$254.00	8%	\$260.00	1%	\$281.00	12%	\$272.00	-2%	65%	8%	67%	43%
Closed Resale - 2 BR	\$322.00	-15%	\$346.00	-2%	\$331.00	4%	\$408.00	23%	29%	26%	-15%	90%
Closed Resale - 3 BR	\$419.00	-5%	\$456.00	-7%	\$521.00	5%	\$483.00	-5%	-9%	27%	40%	37%

GOLD COAST

PENDING INVENTORY

BY QUARTER

GOLD COAST

PRICE PER SQUARE FOOT

% CHANGE NO. OF TRANSACTIONS

	1Q 2012		1Q 12vs11		2Q 2012		2Q 12vs11		3Q 2012		3Q 12vs11		4Q 2012		4Q 12vs11		1Q 12vs11		2Q 12vs11		3Q 12vs11		4Q 12vs11	
	1Q 2012	1Q 12vs11	2Q 2012	2Q 12vs11	3Q 2012	3Q 12vs11	4Q 2012	4Q 12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11				
Pending All - Summary	\$446.00	NA	\$498.00	8%	\$394.00	-14%	\$457.00	9%	NA	13%	18%	17%												
Pending All - 1 BR	\$235.00	NA	\$277.00	2%	\$262.00	-3%	\$278.00	3%	NA	36%	-4%	-11%												
Pending All - 2BR	\$310.00	NA	\$381.00	12%	\$389.00	7%	\$384.00	6%	NA	-16%	68%	33%												
Pending All - 3+ BR	\$558.00	NA	\$609.00	5%	\$449.00	-20%	\$539.00	2%	NA	22%	6%	45%												
Pending New - Summary	\$842.00	NA	\$814.00	-4%	\$726.00	-4%	\$727.00	-4%	NA	0%	40%	33%												
Pending New - 1 BR	NA	NA	NA	NA	\$584.00	-14%	\$713.00	20%	NA	NA	0%	0%												
Pending New - 2BR	NA	NA	\$561.00	NA	\$574.00	NA	NA	NA	NA	NA	NA	NA												
Pending New - 3 BR	\$842.00	NA	\$853.00	0%	\$753.00	-1%	\$728.00	-5%	NA	-17%	25%	40%												
Pending Resale Summary	\$439.00	NA	\$472.00	14%	\$360.00	-16%	\$417.00	15%	NA	15%	17%	15%												
Pending Resale - 1 BR	\$235.00	NA	\$277.00	2%	\$253.00	-3%	\$260.00	0%	NA	36%	-4%	-12%												
Pending Resale - 2 BR	\$310.00	NA	\$374.00	10%	\$384.00	6%	\$384.00	6%	NA	-18%	64%	33%												
Pending Resale - 3 BR	\$550.00	NA	\$579.00	16%	\$384.00	-27%	\$489.00	13%	NA	34%	4%	47%												

GOLD COAST

ACTIVE INVENTORY

BY QUARTER

GOLD COAST

PRICE PER SQUARE FOOT

% CHANGE NO. OF TRANSACTIONS

	1Q 2012		2Q 2012		3Q 2012		4Q 2012		% CHANGE NO. OF TRANSACTIONS			
	1Q 2012	1Q 12vs11	2Q 2012	2Q 12vs11	3Q 2012	3Q 12vs11	4Q 2012	4Q 12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Active All - Summary	\$478.00	NA	\$519.00	-1%	\$495.00	-1%	\$452.00	-9%	NA	-13%	-22%	-54%
Active All - 1 BR	\$322.00	NA	\$360.00	1%	\$358.00	8%	\$339.00	-4%	NA	-6%	-26%	-65%
Active All - 2BR	\$428.00	NA	\$473.00	5%	\$457.00	8%	\$433.00	-12%	NA	-23%	-36%	-49%
Active All - 3+ BR	\$538.00	NA	\$573.00	-5%	\$533.00	-8%	\$493.00	-11%	NA	-8%	-5%	-47%
Active New - Summary	\$745.00	NA	\$905.00	2%	\$701.00	-3%	\$761.00	-15%	NA	6%	-30%	-94%
Active New - 1 BR	\$674.00	NA	\$868.00	-14%	\$698.00	11%	NA	NA	NA	67%	0%	NA
Active New - 2BR	\$585.00	NA	\$1,187.00	3%	\$726.00	-1%	NA	NA	NA	0%	0%	NA
Active New - 3 BR	\$760.00	NA	\$821.00	3%	\$698.00	-4%	\$761.00	-7%	NA	-9%	-43%	-90%
Active Resale Summary	\$466.00	NA	\$491.00	-2%	\$488.00	0%	\$450.00	-3%	NA	-15%	-22%	-49%
Active Resale - 1 BR	\$318.00	NA	\$311.00	-5%	\$346.00	6%	\$339.00	9%	NA	-8%	-27%	-59%
Active Resale - 2 BR	\$426.00	NA	\$436.00	3%	\$454.00	8%	\$433.00	-4%	NA	-24%	-36%	-45%
Active Resale - 3 BR	\$521.00	NA	\$554.00	-6%	\$527.00	-8%	\$489.00	-7%	NA	-8%	-3%	-43%

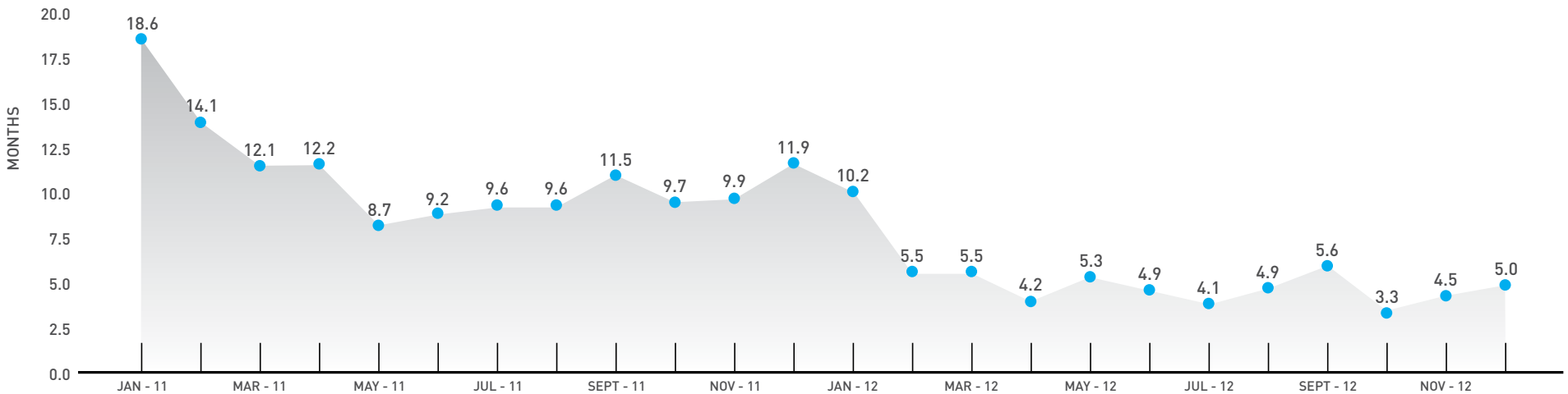
GOLD COAST

MARKET DYNAMICS MONTHS SUPPLY OF INVENTORY - UC CALCULATION

JAN 2011 – DEC 2012

Source Broker Metrics®

MSI-UC
-79.3%



● MSI-UC

KEY INFORMATION: MSI-UC

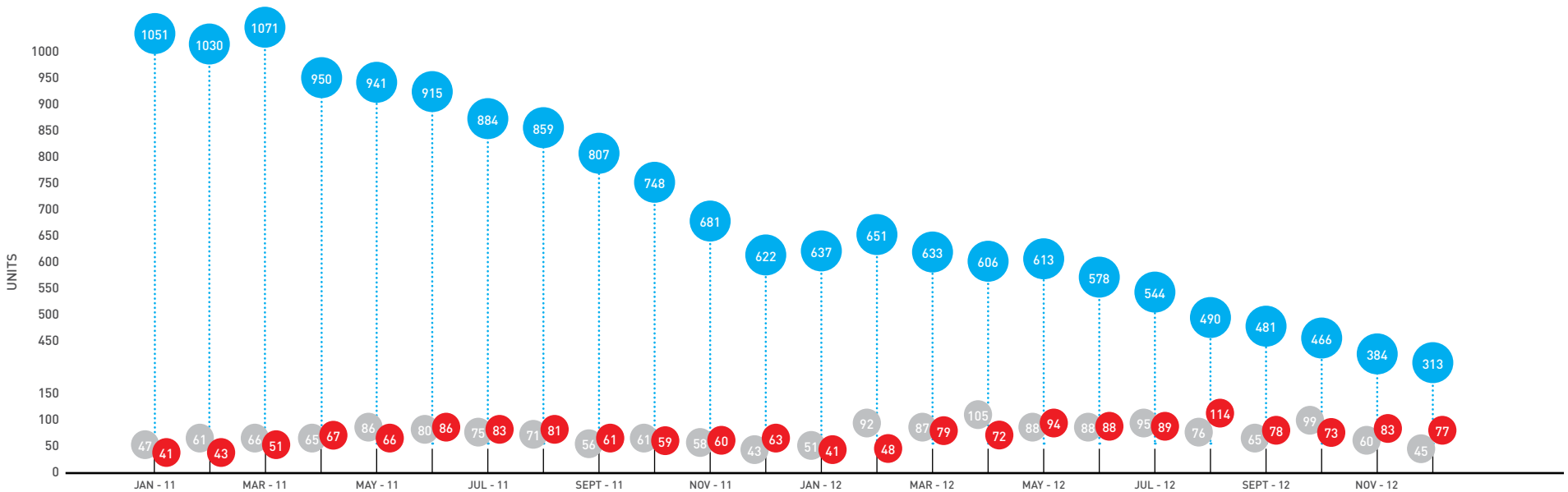
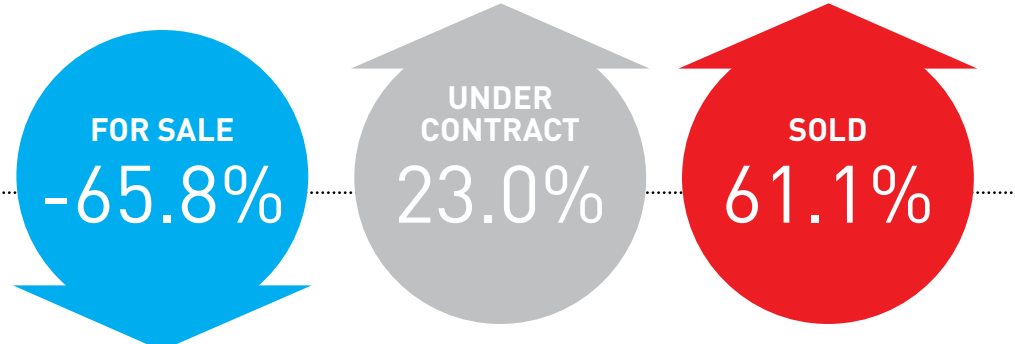
MONTHLY CHANGE	MONTHLY %	TOTAL CHANGE	TOTAL % CHANGE
-0.48	-3.45	-10.94	-79.34

GOLD COAST

MARKET DYNAMICS SUPPLY AND DEMAND - NO. OF UNITS (FS, UC, SOLD)

JAN 2011 - DEC 2012

Source Broker Metrics®



- FOR SALE
- UNDER CONTRACT
- SOLD

KEY INFORMATION: MSI-UC

	MONTHLY CHANGE	MONTHLY %	TOTAL CHANGE	TOTAL % CHANGE
FOR SALE	-30.06	-2.86	-691.44	-65.75
UNDER CONTRACT	0.64	1.00	14.76	22.95
SOLD	1.44	2.66	33.10	61.09

RIVER NORTH



RIVER NORTH

INTRODUCTION

The three most important words in **RIVER NORTH** real estate these days are “Apartments. Apartments. Apartments.” The needle is pinned to the right with rents, occupancies, investment sales and construction all going full tilt. The condo market is almost an afterthought, but also appears to be heading in the right direction, helped along by a rent-vs.-own imbalance that makes buying a condominium almost a no-brainer.

The average price per square foot of a River North condominium in 2012 rose to \$326, an 11% increase over the previous 12 months. Transaction volume was also way up with the number of closings in our survey jumping by 25% vs. 2011.

In the new-construction market, the final developer units at 757 Orleans and Silver Tower were gone by midyear, with the remaining 39 at Orleans being sold to a Florida-based investor that is operating them as rentals. That leaves Trump and a handful of units at Superior 110. With product skewed toward the high end, the average PSF for new construction registered \$499 in 2012, up from \$364 a year ago. The 2012 price was more akin to 2010 when new condos averaged \$465 a foot.

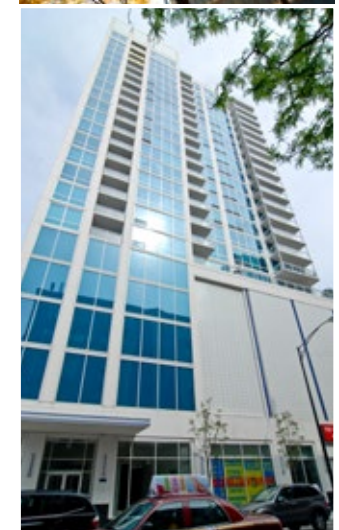
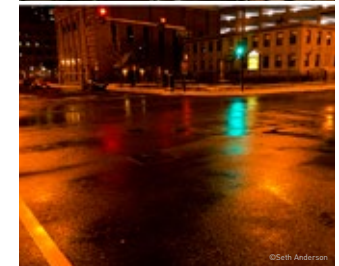
Our analysis of Trump closings from the MLS – both developer and resale – yielded an average price per square foot of \$720, although the developer has kept a number of closings out of the system.

Resales also posted strong gains – both in terms of price and units sold. The average price per square rose to \$303, up 9% over 2011, and the number of resale transactions rose 46%. Distressed sales still made up 20% of the market last year (down from about 25% in 2011).

Condo inventory in River North is incredibly tight. With the exception of January and February, Months Supply of Inventory remained below 4 months for all of 2012. In January 2013, MSI was only 1.2 months, meaning it would take less than 40 days to deplete River North’s condo inventory at the current pace of sales. We anticipate that number will rise only slightly as new listings come on this spring. Condos are also selling much faster than a year ago with average market time during the second half of 2012 at less than 100 days.

Meanwhile, apartment developers and investors show no signs of slowing down. Last year, an institutional investor paid almost \$500,000 per door for Parc Huron, a luxury apartment building at 469 W. Huron. The per-unit price topped the late 2011 sales of EnV (\$483,000) and Flair Tower (\$439,000).

It may make more financial sense to own rather than rent, but it looks like “owning rentals” makes the most financial sense these days. And that means it could be a while before we see the next condo conversion or sell-off of investor-held condo units in River North.



RIVER NORTH

CLOSED INVENTORY

2011 vs 2012



RIVER NORTH CLOSED

	2011 PSF	2011 #TRANS	2012 PSF	2012 # TRANS	2012 VS. 2011 % CHANGE PSF	2012 VS. 2011 % CHANGE #
Attached All - Summary	\$295.00	576	\$326.00	720	11%	25%
Attached All - 1 BR	\$269.00	295	\$283.00	311	5%	5%
Attached All - 2BR	\$301.00	239	\$322.00	339	7%	42%
Attached All - 3+ BR	\$337.00	42	\$396.00	70	18%	67%
Attached New - Summary	\$364.00	128	\$499.00	66	37%	-48%
Attached New - 1 BR	\$325.00	85	\$409.00	26	26%	-69%
Attached New - 2BR	\$377.00	39	\$512.00	24	36%	-38%
Attached New - 3 BR	\$557.00	4	\$539.00	16	-3%	300%
Attached Resale Summary	\$277.00	448	\$303.00	654	9%	46%
Attached Resale - 1 BR	\$243.00	210	\$270.00	285	11%	36%
Attached Resale - 2 BR	\$287.00	200	\$305.00	315	6%	58%
Attached Resale - 3 BR	\$310.00	38	\$354.00	54	14%	42%

RIVER NORTH

115

CLOSED INVENTORY

BY QUARTER

**AVERAGE DAYS
ON MARKET**
(Closed Listings, 2012)

RIVER NORTH

PRICE PER SQUARE FOOT

% CHANGE NO. OF TRANSACTIONS

	1Q 2012		2Q 2012		3Q 2012		4Q 2012		% CHANGE NO. OF TRANSACTIONS			
	Price	% 12vs11	Price	% 12vs11	Price	% 12vs11	Price	% 12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Closed All - Summary	\$315.00	15%	\$321.00	13%	\$335.00	10%	\$333.00	7%	14%	53%	13%	12%
Closed All - 1 BR	\$259.00	10%	\$270.00	3%	\$305.00	10%	\$297.00	3%	13%	19%	-4%	-7%
Closed All - 2BR	\$288.00	-4%	\$312.00	5%	\$333.00	9%	\$354.00	18%	18%	66%	35%	42%
Closed All - 3+ BR	\$457.00	67%	\$396.00	37%	\$397.00	14%	\$336.00	-12%	0%	314%	0%	25%
Closed New - Summary	\$449.00	39%	\$440.00	39%	\$674.00	83%	\$501.00	12%	-18%	-42%	-70%	-82%
Closed New - 1 BR	\$313.00	15%	\$318.00	7%	\$600.00	86%	\$449.00	21%	0%	-72%	-77%	-91%
Closed New - 2BR	\$339.00	-5%	\$434.00	28%	\$655.00	66%	\$739.00	60%	-75%	-18%	-63%	-75%
Closed New - 3 BR	\$524.00	60%	\$514.00	26%	\$914.00	87%	\$429.00	-48%	250%	500%	0%	0%
Closed Resale Summary	\$286.00	10%	\$303.00	12%	\$298.00	6%	\$324.00	17%	21%	92%	46%	38%
Closed Resale - 1 BR	\$250.00	10%	\$265.00	11%	\$270.00	8%	\$291.00	16%	15%	75%	39%	28%
Closed Resale - 2 BR	\$285.00	1%	\$295.00	3%	\$299.00	6%	\$346.00	23%	47%	88%	64%	54%
Closed Resale - 3 BR	\$385.00	44%	\$367.00	32%	\$346.00	6%	\$322.00	3%	-50%	283%	0%	30%

RIVER NORTH

PENDING INVENTORY

BY QUARTER

RIVER NORTH

PRICE PER SQUARE FOOT

% CHANGE NO. OF TRANSACTIONS

	1Q 2012		2Q 2012		3Q 2012		4Q 2012		% CHANGE NO. OF TRANSACTIONS			
	Price	% 12vs11	Price	% 12vs11	Price	% 12vs11	Price	% 12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Pending All - Summary	\$328.00	9%	\$340.00	21%	\$307.00	8%	\$438.00	37%	309%	11%	16%	-38%
Pending All - 1 BR	\$261.00	-8%	\$304.00	17%	\$291.00	9%	\$295.00	6%	140%	-19%	-6%	-53%
Pending All - 2BR	\$315.00	7%	\$336.00	18%	\$302.00	7%	\$366.00	32%	462%	43%	59%	-29%
Pending All - 3+ BR	\$397.00	-1%	\$398.00	20%	\$343.00	4%	\$674.00	12%	1000%	88%	13%	25%
Pending New - Summary	\$524.00	62%	\$477.00	50%	\$493.00	29%	\$470.00	-31%	40%	-42%	-67%	-83%
Pending New - 1 BR	\$312.00	-4%	\$357.00	16%	\$528.00	33%	NA	NA	-33%	-65%	-70%	-100%
Pending New - 2BR	\$555.00	72%	\$541.00	61%	NA	NA	NA	NA	50%	0%	-100%	NA
Pending New - 3 BR	\$576.00	NA	\$470.00	NA	\$455.00	40%	\$470.00	-45%	NA	NA	0%	-50%
Pending Resale Summary	\$302.00	3%	\$325.00	18%	\$298.00	10%	\$437.00	59%	396%	24%	29%	-35%
Pending Resale - 1 BR	\$256.00	-3%	\$298.00	23%	\$274.00	17%	\$295.00	8%	214%	-4%	9%	-47%
Pending Resale - 2 BR	\$291.00	2%	\$311.00	12%	\$302.00	7%	\$366.00	32%	570%	50%	65%	-29%
Pending Resale - 3 BR	\$358.00	-11%	\$393.00	19%	\$330.00	0%	\$705.00	183%	800%	75%	14%	100%

RIVER NORTH

ACTIVE INVENTORY

BY QUARTER

RIVER NORTH

PRICE PER SQUARE FOOT

% CHANGE NO. OF TRANSACTIONS

	1Q 2012		2Q 2012		3Q 2012		4Q 2012		% CHANGE NO. OF TRANSACTIONS			
	1Q 2012	1Q 12vs11	2Q 2012	2Q 12vs11	3Q 2012	3Q 12vs11	4Q 2012	4Q 12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Active All - Summary	\$421.00	NA	\$459.00	41%	\$409.00	15%	\$480.00	19%	NA	-51%	-49%	-55%
Active All - 1 BR	\$336.00	NA	\$393.00	37%	\$333.00	-2%	\$377.00	-3%	NA	-63%	-38%	-38%
Active All - 2BR	\$378.00	NA	\$435.00	37%	\$444.00	27%	\$492.00	43%	NA	-54%	-58%	-63%
Active All - 3+ BR	\$522.00	NA	\$537.00	37%	\$422.00	11%	\$528.00	8%	NA	0%	-37%	-59%
Active New - Summary	\$534.00	NA	\$608.00	80%	\$734.00	49%	\$882.00	110%	NA	-70%	-56%	-91%
Active New - 1 BR	\$402.00	NA	\$489.00	54%	\$588.00	12%	\$725.00	65%	NA	-80%	-63%	-80%
Active New - 2BR	\$598.00	NA	\$713.00	107%	\$750.00	67%	NA	NA	NA	-73%	-30%	-100%
Active New - 3 BR	\$563.00	NA	\$481.00	38%	\$759.00	51%	\$935.00	102%	NA	0%	-78%	-86%
Active Resale Summary	\$411.00	NA	\$443.00	36%	\$349.00	6%	\$463.00	16%	NA	-48%	-48%	-48%
Active Resale - 1 BR	\$328.00	NA	\$303.00	7%	\$298.00	-4%	\$360.00	-6%	NA	-61%	-39%	-33%
Active Resale - 2 BR	\$360.00	NA	\$391.00	25%	\$370.00	9%	\$492.00	43%	NA	-51%	-60%	-57%
Active Resale - 3 BR	\$519.00	NA	\$541.00	37%	\$360.00	10%	\$491.00	-2%	NA	0%	-19%	-52%

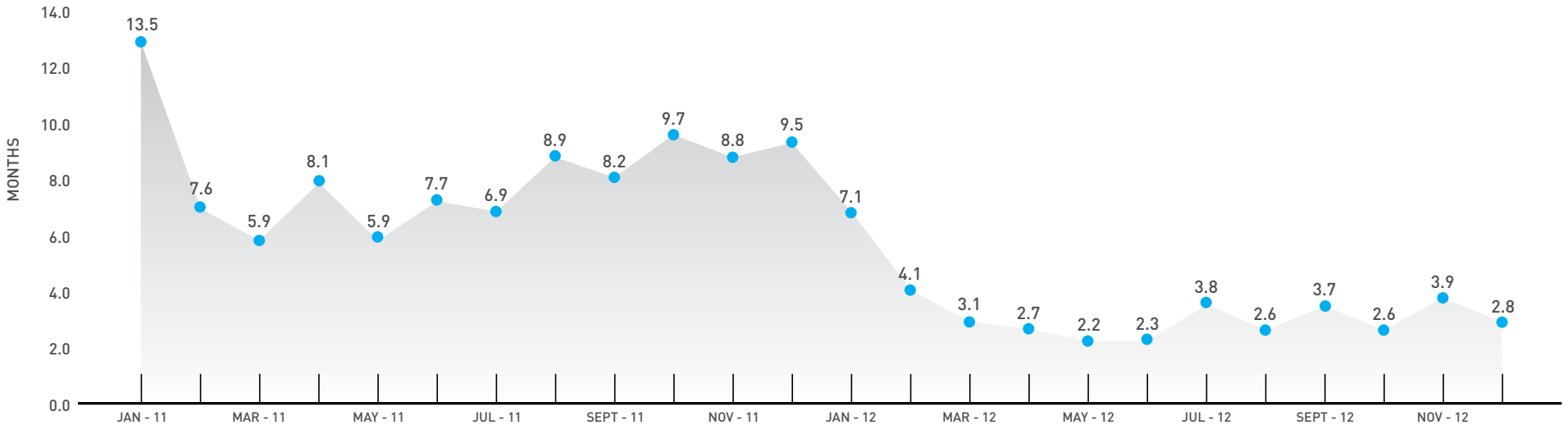
RIVER NORTH

MARKET DYNAMICS MONTHS SUPPLY OF INVENTORY - UC CALCULATION

JAN 2011 - DEC 2012

Source Broker Metrics®

MSI-UC
-78.2%



● MSI-UC

KEY INFORMATION: MSI-UC

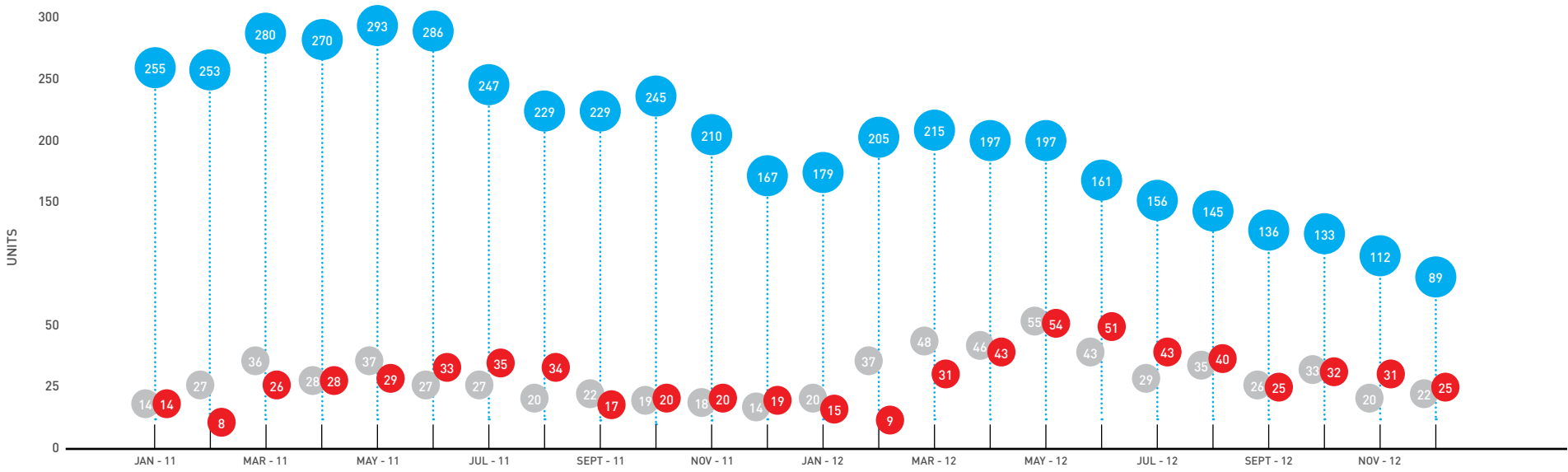
MONTHLY CHANGE	MONTHLY %	TOTAL CHANGE	TOTAL % CHANGE
-0.33	-3.40	-7.58	-78.19

RIVER NORTH

MARKET DYNAMICS SUPPLY AND DEMAND - NO. OF UNITS (FS, UC, SOLD)

JAN 2011 - DEC 2012

Source Broker Metrics®



- FOR SALE
- UNDER CONTRACT
- SOLD

KEY INFORMATION: MSI-UC

	MONTHLY CHANGE	MONTHLY %	TOTAL CHANGE	TOTAL % CHANGE
FOR SALE	-7.55	-2.60	-173.58	-59.78
UNDER CONTRACT	0.35	1.38	8.04	31.80
SOLD	0.71	3.53	16.41	81.11

STREETERVILLE



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STREETERVILLE

INTRODUCTION

NOTE: With the addition of the Loop neighborhood to our 2012 market report, we have redrawn our **STREETERVILLE** map. Our new southern boundary for Streeterville is the Chicago River, and everything from Lakeshore East south now is included within the Loop. To get an accurate year-over-year comparison, we went back and adjusted 2011 Streeterville numbers.

Streeterville's tightening inventory, lack of new condo construction and climbing rents led to a predictable outcome, as the area's for-sale market turned in a stable performance in 2012.

The average price per square foot for Streeterville condos rose 2% to \$383 PSF, with new-construction ticking up 1% and resales gaining 3%. Transaction volume also increased 20% over 2011.

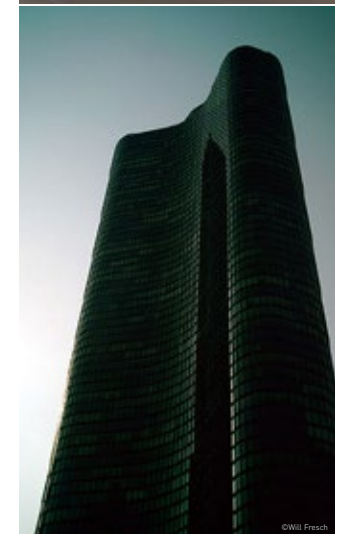
For-sale new construction in the neighborhood is winding down with less than a half-dozen developer units remaining at 600 N. Lake Shore Drive, Parkview Tower (505 N. McClurg) completed, and the final developer units at 550 N. St. Clair going in a bulk sale (more on that in a minute).

We tracked 40 new-construction closings through the MLS in 2012 at an average PSF of \$508. Most of those occurred at 600 LSD. We also took a look at the combined new and resale transactions in a number of new and newer Streeterville buildings last year, revealing that 600 Lake Shore and the two riverfront towers at 415 and 445 E. North Water topped neighborhood pricing at \$518 PSF. Next in line was the Helmut Jahn-designed 600 N. Fairbanks at \$506 PSF. Then there's a big drop-off into the \$400s with the older Sandz/Belgravia project at 530 N. Lake Shore (\$432), Fairbanks at Cityfront Center (\$419), and 505 McClurg (\$416).

That makes the bulk purchase of the last eight units at 550 N. St. Clair at a reported \$385 per square foot one of the more interesting transactions in the neighborhood in 2012. Recent closings in the building are in the mid \$300s PSF range, and while five of the eight units in the bulk sale are larger floor plans which will fetch a higher PSF, the market did resist these units for seven years. Obviously, the deal was underwritten as a rental and will no doubt yield a steady return for the family fund that made the purchase. Still, it's a fascinating commentary on the market. Put a renter in a busted condo and, voila! You have an institutional-quality apartment asset.

Speaking of which, there will soon be plenty of competition in this category. Related Midwest, Optima and DRW Holdings all have cranes swinging in Streeterville, and Golub plans to break ground on a project this year, bringing a total of more than 1,600 high-end units to the neighborhood. Again, the own-vs.-rent calculation makes financial sense for buyers.

Months Supply of Inventory in the 60611 zip code (which also includes parts of the Gold Coast and River North for our report) averaged 7.3 in 2012, quite a bit higher than neighborhoods like the West Loop and River North, and average market time was second highest behind the Gold Coast. Bank sales comprised 10% of the sales in the neighborhood, a relatively low percentage compared to other downtown areas.



STREETERVILLE

CLOSED INVENTORY

2011 vs 2012



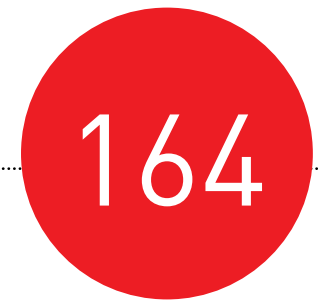
STREETERVILLE CLOSED

	2011 PSF	2011 #TRANS	2012 PSF	2012 # TRANS	2012 VS. 2011 % CHANGE PSF	2012 VS. 2011 % CHANGE #
Attached All - Summary	\$377.00	271	\$383.00	326	2%	20%
Attached All - 1 BR	\$320.00	114	\$323.00	157	1%	38%
Attached All - 2BR	\$389.00	104	\$365.00	113	-6%	9%
Attached All - 3+ BR	\$459.00	53	\$465.00	56	1%	6%
Attached New - Summary	\$503.00	34	\$508.00	40	1%	18%
Attached New - 1 BR	\$415.00	5	\$439.00	17	6%	240%
Attached New - 2BR	\$456.00	10	\$461.00	6	1%	-40%
Attached New - 3 BR	\$532.00	19	\$551.00	17	4%	-11%
Attached Resale Summary	\$352.00	237	\$362.00	286	3%	21%
Attached Resale - 1 BR	\$277.00	109	\$306.00	140	10%	28%
Attached Resale - 2 BR	\$364.00	94	\$360.00	107	-1%	14%
Attached Resale - 3 BR	\$408.00	34	\$432.00	39	6%	15%

STREETERVILLE

CLOSED INVENTORY

BY QUARTER



**AVERAGE DAYS
ON MARKET**
(Closed Listings, 2012)

STREETERVILLE

PRICE PER SQUARE FOOT

% CHANGE NO. OF TRANSACTIONS

	1Q 2012		2Q 2012		3Q 2012		4Q 2012		% CHANGE NO. OF TRANSACTIONS			
	Price	12vs11	Price	12vs11	Price	12vs11	Price	12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Closed All - Summary	\$364.00	-6%	\$371.00	2%	\$399.00	7%	\$387.00	1%	17%	0%	36%	30%
Closed All - 1 BR	\$297.00	-1%	\$311.00	10%	\$352.00	25%	\$319.00	13%	93%	48%	15%	31%
Closed All - 2BR	\$343.00	-8%	\$342.00	-10%	\$372.00	0%	\$387.00	8%	-24%	-34%	48%	82%
Closed All - 3+ BR	\$437.00	-3%	\$469.00	17%	\$472.00	-2%	\$480.00	1%	8%	-13%	90%	-33%
Closed New - Summary	\$468.00	35%	\$534.00	12%	\$501.00	-4%	\$658.00	17%	100%	-21%	129%	-92%
Closed New - 1 BR	\$432.00	-1%	\$413.00	5%	\$454.00	21%	NA	NA	500%	200%	300%	-100%
Closed New - 2BR	\$409.00	22%	\$506.00	17%	\$445.00	-9%	NA	NA	-80%	-71%	50%	-100%
Closed New - 3 BR	\$495.00	NA	\$572.00	11%	\$554.00	-6%	\$658.00	26%	NA	0%	67%	-90%
Closed Resale Summary	\$337.00	-14%	\$333.00	-1%	\$380.00	8%	\$380.00	17%	9%	5%	27%	63%
Closed Resale - 1 BR	\$257.00	-8%	\$300.00	8%	\$326.00	19%	\$319.00	21%	77%	43%	0%	41%
Closed Resale - 2 BR	\$340.00	-11%	\$328.00	-10%	\$367.00	1%	\$387.00	11%	-10%	-25%	48%	94%
Closed Resale - 3 BR	\$407.00	-9%	\$398.00	16%	\$446.00	0%	\$460.00	22%	-33%	-20%	100%	80%

STREETERVILLE

PENDING INVENTORY

BY QUARTER

STREETERVILLE

PRICE PER SQUARE FOOT

% CHANGE NO. OF TRANSACTIONS

	1Q 2012		2Q 2012		3Q 2012		4Q 2012		% CHANGE NO. OF TRANSACTIONS			
	1Q 2012	1Q 12vs11	2Q 2012	2Q 12vs11	3Q 2012	3Q 12vs11	4Q 2012	4Q 12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Pending All - Summary	\$364.00	-9%	\$404.00	5%	\$425.00	4%	\$355.00	1%	78%	36%	-13%	17%
Pending All - 1 BR	\$288.00	16%	\$352.00	27%	\$308.00	3%	\$328.00	18%	88%	11%	-35%	10%
Pending All - 2BR	\$339.00	-16%	\$376.00	-4%	\$416.00	1%	\$323.00	-3%	111%	90%	36%	50%
Pending All - 3+ BR	\$470.00	1%	\$477.00	-10%	\$581.00	9%	\$450.00	8%	17%	57%	-29%	-20%
Pending New - Summary	\$416.00	-14%	\$439.00	-27%	\$537.00	0%	NA	NA	-25%	50%	-70%	NA
Pending New - 1 BR	\$429.00	NA	\$449.00	14%	\$389.00	-10%	NA	NA	NA	300%	100%	NA
Pending New - 2BR	\$473.00	7%	\$442.00	-25%	NA	NA	NA	NA	-50%	200%	-100%	NA
Pending New - 3 BR	\$366.00	-28%	\$426.00	-33%	\$667.00	27%	NA	NA	-50%	-50%	-83%	NA
Pending Resale Summary	\$360.00	-5%	\$398.00	22%	\$414.00	24%	\$355.00	14%	100%	34%	3%	42%
Pending Resale - 1 BR	\$274.00	10%	\$333.00	23%	\$294.00	1%	\$328.00	29%	75%	0%	-40%	22%
Pending Resale - 2 BR	\$333.00	-15%	\$365.00	-1%	\$414.00	20%	\$323.00	0%	157%	78%	64%	71%
Pending Resale - 3 BR	\$483.00	8%	\$486.00	22%	\$547.00	-4%	\$450.00	31%	50%	200%	400%	33%

STREETERVILLE

ACTIVE INVENTORY

BY QUARTER

STREETERVILLE

PRICE PER SQUARE FOOT

% CHANGE NO. OF TRANSACTIONS

	1Q		2Q		3Q		4Q		% CHANGE NO. OF TRANSACTIONS			
	2012	12vs11	2012	12vs11	2012	12vs11	2012	12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Active All - Summary	\$421.00	NA	\$417.00	-7%	\$406.00	1%	\$432.00	3%	NA	-42%	-49%	-43%
Active All - 1 BR	\$346.00	NA	\$350.00	-1%	\$348.00	0%	\$353.00	7%	NA	-37%	-69%	-56%
Active All - 2BR	\$413.00	NA	\$419.00	4%	\$395.00	1%	\$400.00	3%	NA	-37%	-14%	-12%
Active All - 3+ BR	\$493.00	NA	\$475.00	-11%	\$457.00	0%	\$531.00	8%	NA	-56%	-54%	-55%
Active New - Summary	\$539.00	NA	\$542.00	5%	\$585.00	10%	\$597.00	3%	NA	-69%	-72%	-92%
Active New - 1 BR	\$398.00	NA	\$400.00	-11%	NA	NA	NA	NA	NA	-57%	-100%	-100%
Active New - 2BR	\$480.00	NA	\$533.00	3%	\$520.00	25%	NA	NA	NA	-71%	200%	-100%
Active New - 3 BR	\$664.00	NA	\$614.00	15%	\$648.00	11%	\$597.00	-6%	NA	-75%	-78%	-86%
Active Resale Summary	\$412.00	NA	\$404.00	-7%	\$392.00	2%	\$429.00	10%	NA	-37%	-47%	-36%
Active Resale - 1 BR	\$343.00	NA	\$345.00	0%	\$348.00	3%	\$353.00	9%	NA	-34%	-66%	-53%
Active Resale - 2 BR	\$408.00	NA	\$412.00	5%	\$386.00	-1%	\$400.00	4%	NA	-33%	-18%	-9%
Active Resale - 3 BR	\$479.00	NA	\$450.00	-15%	\$431.00	3%	\$526.00	19%	NA	-48%	-46%	-40%

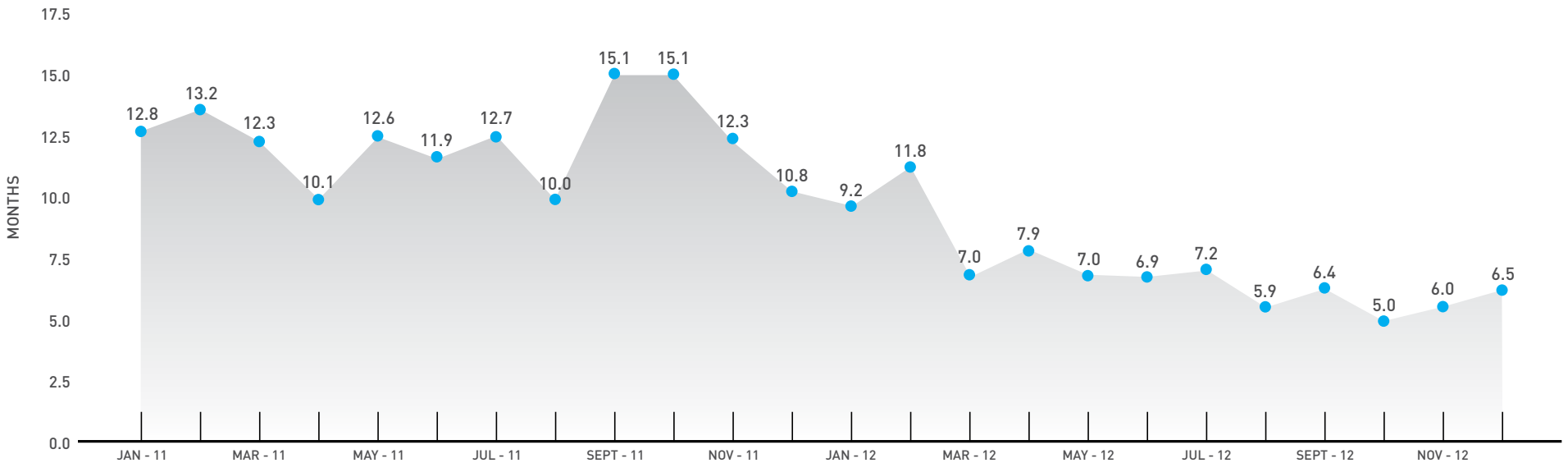
STREETERVILLE

MSI-UC
-60.1%

MARKET DYNAMICS
MONTHS SUPPLY OF INVENTORY - UC CALCULATION

JAN 2011 – DEC 2012

Source Broker Metrics®



● MSI-UC

KEY INFORMATION: MSI-UC

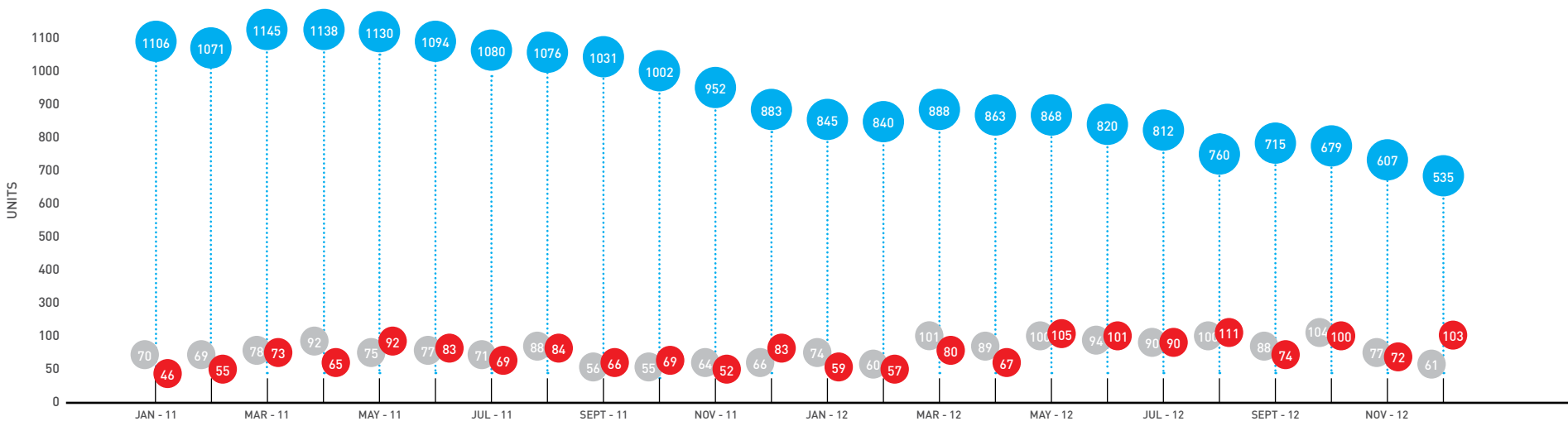
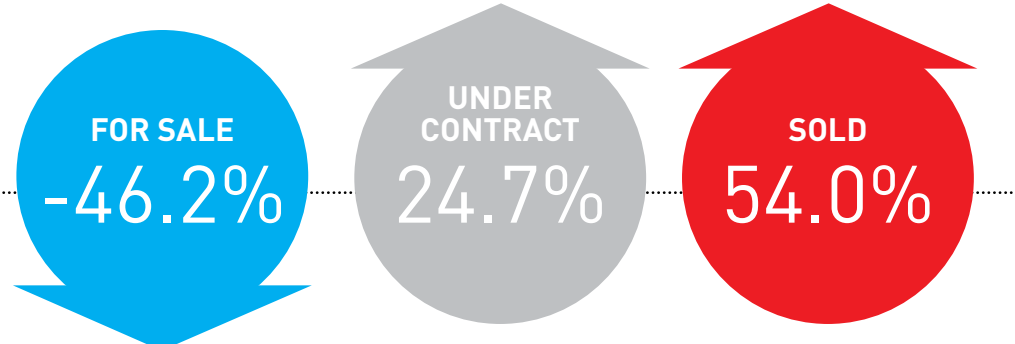
MONTHLY CHANGE	MONTHLY %	TOTAL CHANGE	TOTAL % CHANGE
-0.37	-2.61	-8.43	-60.09

STREETERVILLE

MARKET DYNAMICS SUPPLY AND DEMAND - NO. OF UNITS (FS, UC, SOLD)

JAN 2011 - DEC 2012

Source Broker Metrics®

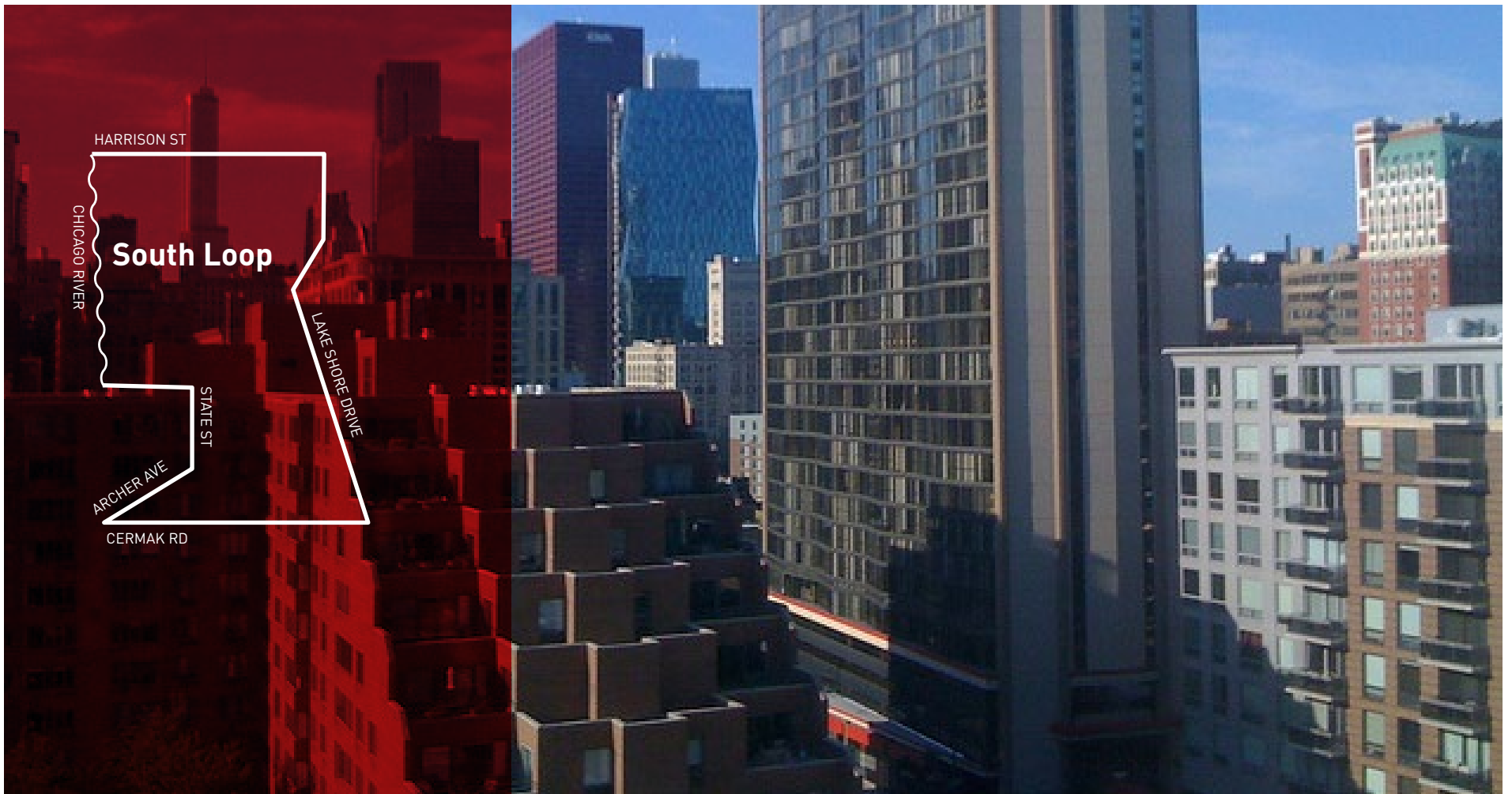


- FOR SALE
- UNDER CONTRACT
- SOLD

KEY INFORMATION: MSI-UC

	MONTHLY CHANGE	MONTHLY %	TOTAL CHANGE	TOTAL % CHANGE
FOR SALE	-23.89	-2.01	-549.46	-46.23
UNDER CONTRACT	0.76	1.08	17.42	24.73
SOLD	1.43	2.35	32.91	54.03

SOUTH LOOP



©David Wilson

SOUTH LOOP

INTRODUCTION

Are you ready for **SOUTH LOOP 2.0**? Last year the neighborhood was a prime candidate to star in the hit TV Series, "The Walking Dead." But lately signs of life abound.

The average price per square foot rose a healthy 6% last year to \$246, up from \$233 PSF in 2011. Comparing only re-sales from 2012 to 2011, prices surged 10% PSF. Transaction volume experienced big gains too, jumping 46%. The increase occurred despite a total blackout in new-construction sales activity.

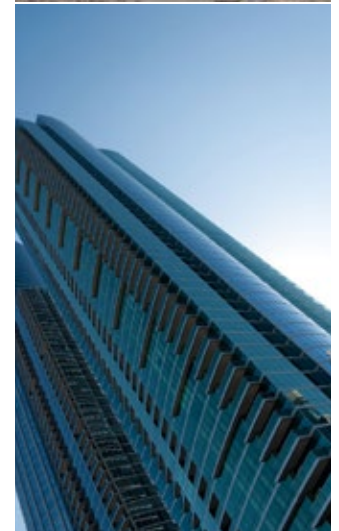
Like many downtown submarkets, the South Loop appeared to gain strength as the year progressed. Prices rose 1% in the first quarter versus the year-earlier period, 7% in the second quarter, 2% in the third, and 12% in the fourth. After a slow start, unit sales also gained momentum throughout the year, with 4Q12 volume up 75% over 4Q11. To see such a large increase in transaction volume without a drop in prices is very encouraging, especially since distressed market activity picked up last year.

The MLS showed 214 distressed sales last year vs. 134 in 2011, a 60% jump. Short sales represented the majority of those transactions, demonstrating banks' willingness to let more owners off the hook. The average price per square foot for distressed condo sales in the South Loop in 2012 was \$201, up 2.5% from the 2011 average of \$196 PSF.

Of course, the big story in the South Loop is Related Midwest's acquisition and repositioning of three failed condo towers in Central Station: 1901 S. Calumet, 1629 S. Prairie and the 50-story 1201 S. Prairie. The developer is making upgrades to building common areas, and will re-spec some units while selling others as-is.

As of this writing, the new offerings had not been formally introduced, but prices are expected to fall in the \$300 to \$325 PSF range for the 1901 S. Calumet and 1629 S. Prairie buildings and around \$425 PSF for 1201 S. Prairie. The price adjustments are less severe than some observers anticipated.

At this point, there is strong reason to believe that Related's strategy of holding the line on pricing will be successful. Demand is up, supply is down, and once again, the current state of the rental market makes owning a very attractive proposition from the standpoint of a monthly payment. That may spell a graceful exit for these three building, but the average owner in the South Loop still must contend with what has to be a huge overhang of shadow inventory.



SOUTH LOOP

CLOSED INVENTORY

2011 vs 2012



SOUTH LOOP CLOSED

	2011 PSF	2011 #TRANS	2012 PSF	2012 # TRANS	2012 VS. 2011 % CHANGE PSF	2012 VS. 2011 % CHANGE #
Attached All - Summary	\$233.00	357	\$246.00	522	6%	46%
Attached All - 1 BR	\$205.00	114	\$211.00	154	3%	35%
Attached All - 2BR	\$236.00	180	\$246.00	288	4%	60%
Attached All - 3+ BR	\$247.00	63	\$270.00	80	9%	27%
Attached New - Summary	\$336.00	32	\$407.00	1	21%	-97%
Attached New - 1 BR	\$310.00	6	NA	0	NA	-100%
Attached New - 2BR	\$305.00	17	\$407.00	1	33%	-94%
Attached New - 3 BR	\$376.00	9	NA	0	NA	-100%
Attached Resale Summary	\$223.00	325	\$246.00	522	10%	61%
Attached Resale - 1 BR	\$200.00	108	\$211.00	154	5%	43%
Attached Resale - 2 BR	\$230.00	163	\$246.00	288	7%	77%
Attached Resale - 3 BR	\$229.00	54	\$270.00	80	18%	48%

SOUTH LOOP

CLOSED INVENTORY

BY QUARTER

125

**AVERAGE DAYS
ON MARKET**
(Closed Listings, 2012)

SOUTH LOOP

PRICE PER SQUARE FOOT

% CHANGE NO. OF TRANSACTIONS

	1Q 2012		2Q 2012		3Q 2012		4Q 2012		% CHANGE NO. OF TRANSACTIONS			
	Price	% 12vs11	Price	% 12vs11	Price	% 12vs11	Price	% 12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Closed All - Summary	\$231.00	1%	\$250.00	7%	\$245.00	2%	\$252.00	12%	4%	53%	56%	75%
Closed All - 1 BR	\$218.00	9%	\$198.00	-4%	\$205.00	-2%	\$227.00	11%	-13%	12%	65%	100%
Closed All - 2BR	\$220.00	-6%	\$248.00	-2%	\$255.00	10%	\$252.00	13%	13%	91%	74%	61%
Closed All - 3+ BR	\$286.00	16%	\$280.00	24%	\$258.00	-2%	\$267.00	9%	11%	30%	4%	82%
Closed New - Summary	\$407.00	43%	NA	NA	NA	NA	NA	NA	-92%	-100%	-100%	NA
Closed New - 1 BR	NA	NA	NA	NA	NA	NA	NA	NA	-100%	-100%	NA	NA
Closed New - 2BR	\$407.00	41%	NA	NA	NA	NA	NA	NA	-88%	-100%	NA	NA
Closed New - 3 BR	NA	NA	NA	NA	NA	NA	NA	NA	-100%	-100%	-100%	NA
Closed Resale Summary	\$228.00	6%	\$247.00	12%	\$245.00	7%	\$252.00	12%	28%	68%	62%	75%
Closed Resale - 1 BR	\$218.00	14%	\$198.00	-1%	\$205.00	-2%	\$227.00	11%	-7%	19%	65%	100%
Closed Resale - 2 BR	\$215.00	-1%	\$248.00	2%	\$255.00	10%	\$252.00	13%	55%	110%	74%	61%
Closed Resale - 3 BR	\$286.00	18%	\$280.00	34%	\$258.00	11%	\$267.00	9%	43%	53%	26%	82%

SOUTH LOOP

PENDING INVENTORY

BY QUARTER

SOUTH LOOP

PRICE PER SQUARE FOOT

% CHANGE NO. OF TRANSACTIONS

	1Q 2012		2Q 2012		3Q 2012		4Q 2012		% CHANGE NO. OF TRANSACTIONS			
	1Q 2012	1Q 12vs11	2Q 2012	2Q 12vs11	3Q 2012	3Q 12vs11	4Q 2012	4Q 12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Pending All - Summary	\$246.00	4%	\$243.00	-4%	\$244.00	11%	\$237.00	5%	291%	23%	35%	-20%
Pending All - 1 BR	\$191.00	-19%	\$203.00	6%	\$221.00	9%	\$193.00	1%	214%	28%	24%	-19%
Pending All - 2BR	\$232.00	-5%	\$253.00	5%	\$245.00	10%	\$228.00	5%	408%	51%	34%	-20%
Pending All - 3+ BR	\$297.00	31%	\$273.00	-7%	\$279.00	7%	\$302.00	4%	238%	-42%	125%	-25%
Pending New - Summary	NA	NA	NA	NA	NA	NA	NA	NA	-100%	-100%	NA	NA
Pending New - 1 BR	NA	NA	NA	NA	NA	NA	NA	NA	-100%	NA	NA	NA
Pending New - 2BR	NA	NA	NA	NA	NA	NA	NA	NA	-100%	-100%	NA	NA
Pending New - 3 BR	NA	NA	NA	NA	NA	NA	NA	NA	-100%	-100%	NA	NA
Pending Resale Summary	\$246.00	14%	\$243.00	6%	\$244.00	11%	\$237.00	5%	407%	32%	35%	-20%
Pending Resale - 1 BR	\$191.00	-8%	\$203.00	6%	\$221.00	9%	\$193.00	1%	340%	28%	24%	-19%
Pending Resale - 2 BR	\$232.00	1%	\$253.00	6%	\$245.00	10%	\$228.00	5%	500%	60%	34%	-20%
Pending Resale - 3 BR	\$297.00	43%	\$273.00	11%	\$279.00	7%	\$302.00	4%	350%	-27%	125%	-25%

SOUTH LOOP

ACTIVE INVENTORY

BY QUARTER

SOUTH LOOP

PRICE PER SQUARE FOOT

% CHANGE NO. OF TRANSACTIONS

	1Q		2Q		3Q		4Q		% CHANGE NO. OF TRANSACTIONS			
	2012	12vs11	2012	12vs11	2012	12vs11	2012	12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Active All - Summary	\$333.00	16%	\$282.00	-9%	\$298.00	-14%	\$315.00	3%	20%	-66%	-69%	-69%
Active All - 1 BR	\$253.00	-3%	\$242.00	-14%	\$268.00	-7%	\$293.00	13%	-8%	-73%	-73%	-72%
Active All - 2BR	\$282.00	0%	\$272.00	-3%	\$277.00	-15%	\$288.00	9%	9%	-62%	-74%	-71%
Active All - 3+ BR	\$405.00	31%	\$309.00	-14%	\$317.00	-21%	\$337.00	-5%	100%	-66%	-52%	-64%
Active New - Summary	\$482.00	20%	NA	NA	NA	NA	NA	NA	139%	-100%	-100%	-100%
Active New - 1 BR	\$345.00	1%	NA	NA	NA	NA	NA	NA	-13%	-100%	-100%	-100%
Active New - 2BR	\$354.00	-7%	NA	NA	NA	NA	NA	NA	25%	-100%	-100%	-100%
Active New - 3 BR	\$534.00	0%	NA	NA	NA	NA	NA	NA	1200%	-100%	-100%	-100%
Active Resale Summary	\$281.00	3%	\$274.00	-3%	\$298.00	9%	\$315.00	15%	3%	-55%	-54%	-62%
Active Resale - 1 BR	\$239.00	-2%	\$242.00	0%	\$268.00	10%	\$293.00	19%	-8%	-58%	-65%	-67%
Active Resale - 2 BR	\$270.00	0%	\$272.00	0%	\$277.00	3%	\$288.00	15%	7%	-58%	-62%	-68%
Active Resale - 3 BR	\$317.00	9%	\$309.00	-4%	\$317.00	7%	\$337.00	9%	12%	-43%	-21%	-47%

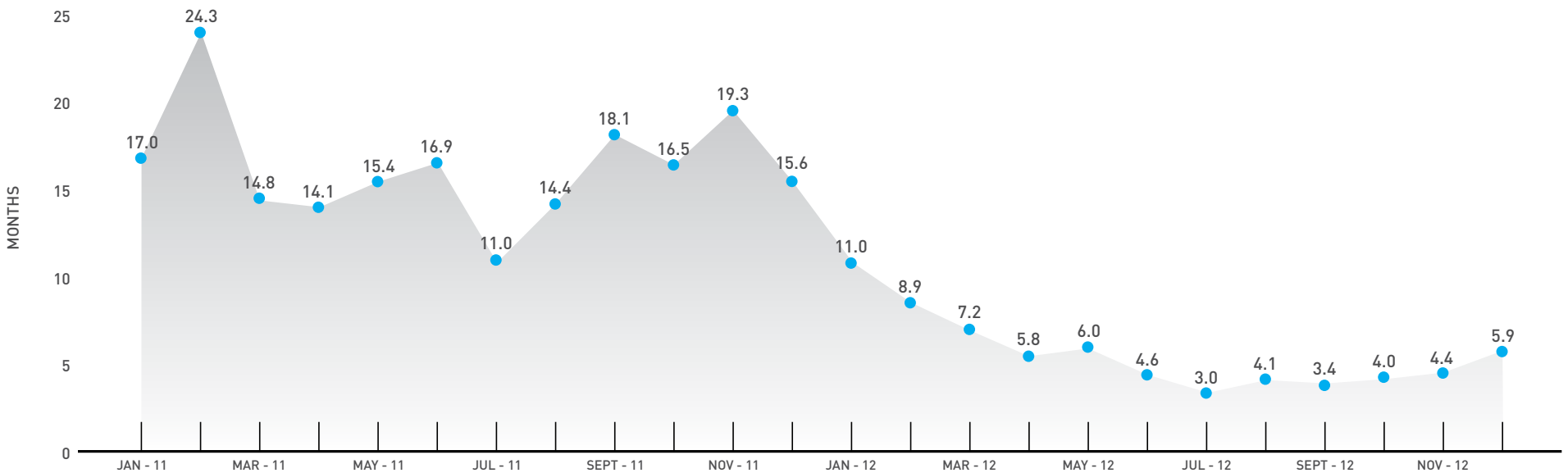
SOUTH LOOP

MARKET DYNAMICS MONTHS SUPPLY OF INVENTORY - UC CALCULATION

JAN 2011 - DEC 2012

Source Broker Metrics®

MSI-UC
-87.5%



● MSI-UC

KEY INFORMATION: MSI-UC

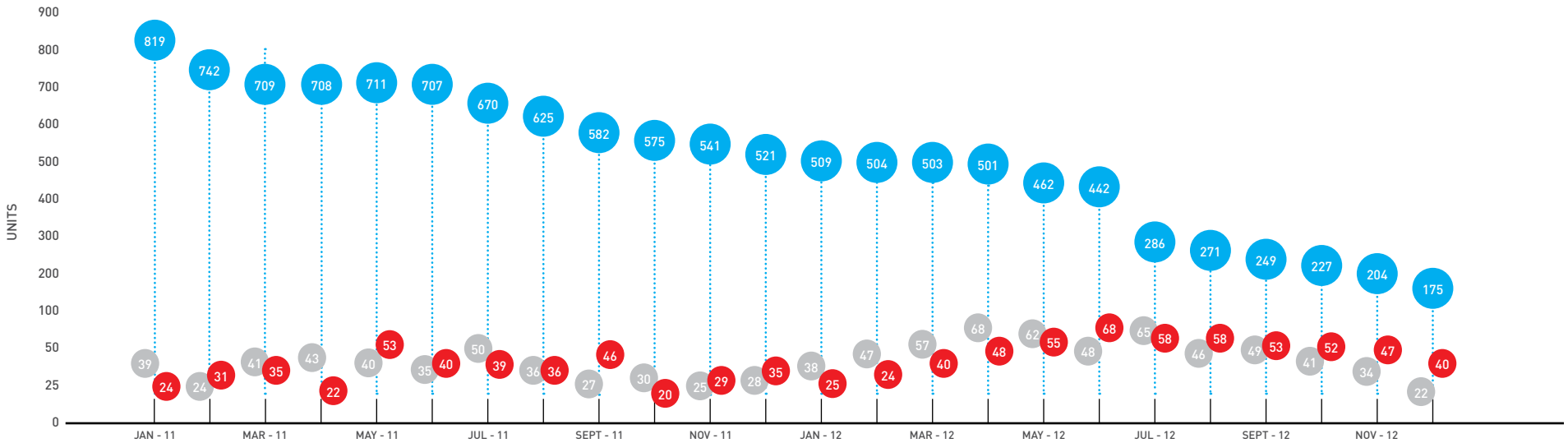
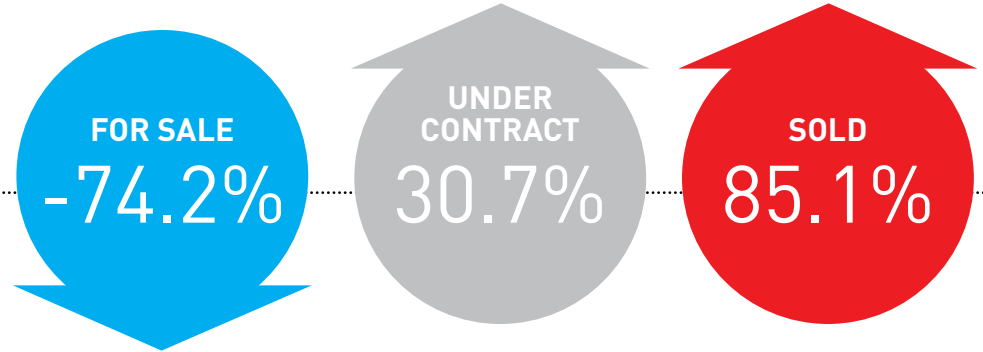
MONTHLY CHANGE	MONTHLY %	TOTAL CHANGE	TOTAL % CHANGE
-0.75	-3.80	-17.21	-87.48

SOUTH LOOP

MARKET DYNAMICS SUPPLY AND DEMAND - NO. OF UNITS (FS, UC, SOLD)

JAN 2011 - DEC 2012

Source Broker Metrics®



- FOR SALE
- UNDER CONTRACT
- SOLD

KEY INFORMATION: MSI-UC

	MONTHLY CHANGE	MONTHLY %	TOTAL CHANGE	TOTAL % CHANGE
FOR SALE	-26.13	-3.23	-600.91	-74.18
UNDER CONTRACT	0.48	1.34	11.05	30.73
SOLD	1.06	3.70	24.35	85.14

WEST LOOP/ FULTON RIVER DISTRICT



WEST LOOP/ FULTON RIVER DISTRICT

INTRODUCTION

Indulge us for a moment if you will, and take a ride in our time machine back to 1998. It's Friday night. Marché. You're seated at a window table dressed in your favorite maroon-on-maroon Regis Philbin shirt-and-tie combo. You're discussing your latest home run development deal when a hush falls over the crowd. In walks Scottie Pippen, long and lanky, followed by a jangling commotion of crushed velvet and stainless steel that can only be Dennis Rodman. And finally, after a long pause and a collective gasp...MJ. Four-button suit, diamond earring, big cigar.

A victory meal in the **WEST LOOP**, the hottest spot in town.

Flash forward 15 years. Marché is history. The crimson beacon above Redlight has been replaced by a giant spinning goat. And no one's sure if that scruffy kid standing next to you is running a startup or the valet stand. But one thing's for sure. The West Loop has that electric feel again.

Okay, so maybe the market isn't ready to absorb hundreds of new condos (or the 1,850 apartments in the pipeline), but things are happening and they feel good. The new Hillshire Brands HQ and Fulton Cold Storage building bookend a burgeoning corporate/tech corridor with the potential to bring thousands of jobs to the area. Randolph Street is once again the dining epicenter of the city. And next year, the neighborhood's cool factor will go through the roof with the opening of SoHo House.

As for housing, it's turning a corner. Condo prices began to recover last year, rising 2% on a per-square-foot basis to \$238, after falling 10% in 2011. Months Supply of Inventory dipped below 4 months in June and stayed there for the remainder of the year. The West Loop is neck and neck with River North as the most supply-constrained submarket downtown.

The lack of inventory has been a welcome event for the few developers and investors with for-sale product to move. Belgravia's success with larger, three-bedroom layouts at CA23 prompted them to open a third phase. Meanwhile, Sennco announced its intention to begin re-marketing condominiums at Emerald. And there was frenzied bidding for the remaining unsold units at PURE (24 S. Morgan).

New-construction PSF jumped from \$259 in 2011 to \$296 in '12. This is because 2012 new-construction was marked by low volume and more upscale product (CA23), while the preceding years saw a high volume of entry-level product. Total new-construction closings fell from 91 in 2011 to 14 last year. Even with that drop-off, the total number of closings in the West Loop rose by 20%, thanks to resales, which increased by almost half. Distressed transactions were up 37% in 2012, led primarily by short sales.

So what's the next hot trend for one of the city's trendiest neighborhoods? Apartments, of course. No less than a dozen significant deals are on the boards comprising more than 1,850 units. It's unlikely they will all be built. But when the first new Class A building opens its doors in 2014 or 2015, it's reasonable to expect rents approaching \$3 PSF, which will blow wide open the gap between the cost to rent vs. own in the neighborhood.



WEST LOOP/ FULTON RIVER DISTRICT



CLOSED INVENTORY

2011 vs 2012

WEST LOOP CLOSED

	2011 PSF	2011 #TRANS	2012 PSF	2012 # TRANS	2012 VS. 2011 % CHANGE PSF	2012 VS. 2011 % CHANGE #
Attached All - Summary	\$234.00	462	\$238.00	551	2%	19%
Attached All - 1 BR	\$237.00	155	\$233.00	182	-2%	17%
Attached All - 2BR	\$229.00	226	\$233.00	279	2%	23%
Attached All - 3+ BR	\$241.00	81	\$252.00	90	5%	11%
Attached New - Summary	\$259.00	91	\$296.00	14	14%	-85%
Attached New - 1 BR	\$249.00	53	NA	0	NA	-100%
Attached New - 2BR	\$248.00	30	NA	0	NA	-100%
Attached New - 3 BR	\$308.00	8	\$296.00	14	-4%	75%
Attached Resale Summary	\$230.00	371	\$236.00	537	3%	45%
Attached Resale - 1 BR	\$231.00	102	\$233.00	182	1%	78%
Attached Resale - 2 BR	\$227.00	196	\$233.00	279	3%	42%
Attached Resale - 3 BR	\$235.00	73	\$246.00	76	5%	4%

WEST LOOP/ FULTON RIVER DISTRICT

124

CLOSED INVENTORY

BY QUARTER

**AVERAGE DAYS
ON MARKET**
(Closed Listings, 2012)

WEST LOOP

PRICE PER SQUARE FOOT

% CHANGE NO. OF TRANSACTIONS

	1Q 2012		2Q 2012		3Q 2012		4Q 2012		% CHANGE NO. OF TRANSACTIONS			
	Price	% 12vs11	Price	% 12vs11	Price	% 12vs11	Price	% 12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Closed All - Summary	\$233.00	-6%	\$233.00	0%	\$241.00	3%	\$245.00	7%	86%	7%	1%	23%
Closed All - 1 BR	\$227.00	-12%	\$228.00	-5%	\$227.00	-6%	\$251.00	16%	105%	6%	-3%	4%
Closed All - 2BR	\$226.00	-4%	\$225.00	-3%	\$239.00	3%	\$240.00	9%	79%	9%	8%	43%
Closed All - 3+ BR	\$245.00	-5%	\$252.00	10%	\$257.00	8%	\$253.00	-2%	69%	0%	-16%	17%
Closed New - Summary	\$283.00	0%	\$301.00	16%	\$304.00	15%	\$303.00	22%	-33%	-79%	-94%	-95%
Closed New - 1 BR	NA	NA	NA	NA	NA	NA	NA	NA	-100%	-100%	-100%	-100%
Closed New - 2BR	NA	NA	NA	NA	NA	NA	NA	NA	NA	-100%	-100%	-100%
Closed New - 3 BR	\$283.00	-16%	\$301.00	-11%	\$304.00	-6%	\$303.00	13%	300%	600%	-50%	-67%
Closed Resale Summary	\$230.00	-7%	\$230.00	1%	\$240.00	5%	\$245.00	8%	100%	32%	27%	51%
Closed Resale - 1 BR	\$227.00	-12%	\$228.00	-3%	\$227.00	-6%	\$251.00	22%	165%	50%	77%	62%
Closed Resale - 2 BR	\$226.00	-4%	\$225.00	0%	\$239.00	4%	\$240.00	9%	79%	47%	21%	49%
Closed Resale - 3 BR	\$238.00	-6%	\$242.00	8%	\$254.00	14%	\$251.00	-2%	50%	-24%	-10%	33%

WEST LOOP/ FULTON RIVER DISTRICT

PENDING INVENTORY

BY QUARTER

WEST LOOP

PRICE PER SQUARE FOOT

OF TRANSACTIONS IN SURVEY

	1Q 2012		2Q 2012		3Q 2012		4Q 2012		# OF TRANSACTIONS IN SURVEY			
	Price	% 12vs11	Price	% 12vs11	Price	% 12vs11	Price	% 12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Pending All - Summary	\$245.00	1%	\$233.00	0%	\$250.00	10%	\$259.00	14%	54%	-2%	12%	-12%
Pending All - 1 BR	\$223.00	-8%	\$222.00	3%	\$255.00	16%	\$270.00	20%	52%	-12%	-3%	-45%
Pending All - 2BR	\$226.00	-5%	\$224.00	-3%	\$234.00	6%	\$244.00	13%	25%	15%	31%	18%
Pending All - 3+ BR	\$285.00	10%	\$277.00	12%	\$270.00	12%	\$281.00	16%	243%	-37%	25%	0%
Pending New - Summary	\$302.00	14%	\$288.00	2%	\$282.00	13%	\$315.00	20%	-33%	-79%	-71%	-50%
Pending New - 1 BR	NA	NA	NA	NA	NA	NA	NA	NA	-100%	-100%	-100%	-100%
Pending New - 2BR	NA	NA	NA	NA	NA	NA	NA	NA	-100%	-100%	-100%	-100%
Pending New - 3 BR	\$302.00	NA	\$288.00	-8%	\$282.00	2%	\$315.00	23%	NA	-33%	25%	100%
Pending Resale Summary	\$235.00	0%	\$229.00	3%	\$248.00	56%	\$253.00	14%	90%	16%	32%	-7%
Pending Resale - 1 BR	\$223.00	-3%	\$222.00	9%	\$255.00	19%	\$270.00	23%	113%	15%	25%	-36%
Pending Resale - 2 BR	\$226.00	-1%	\$224.00	-2%	\$234.00	6%	\$244.00	16%	90%	33%	39%	27%
Pending Resale - 3 BR	\$270.00	4%	\$272.00	22%	\$266.00	14%	\$265.00	10%	43%	-38%	25%	-20%

WEST LOOP/ FULTON RIVER DISTRICT

ACTIVE INVENTORY

BY QUARTER

WEST LOOP

PRICE PER SQUARE FOOT

OF TRANSACTIONS IN SURVEY

	1Q 2012		2Q 2012		3Q 2012		4Q 2012		# OF TRANSACTIONS IN SURVEY			
	Price	% 12vs11	Price	% 12vs11	Price	% 12vs11	Price	% 12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Active All - Summary	\$253.00	2%	\$263.00	4%	\$266.00	4%	\$268.00	5%	-35%	-56%	-55%	-59%
Active All - 1 BR	\$246.00	-6%	\$264.00	3%	\$263.00	6%	\$293.00	26%	-43%	-59%	-58%	-55%
Active All - 2BR	\$247.00	3%	\$260.00	6%	\$249.00	2%	\$247.00	-3%	-35%	-58%	-51%	-56%
Active All - 3+ BR	\$269.00	5%	\$266.00	3%	\$307.00	5%	\$290.00	7%	-10%	-39%	-61%	-72%
Active New - Summary	\$284.00	2%	NA	NA	\$362.00	31%	\$394.00	30%	-89%	-100%	-87%	-88%
Active New - 1 BR	NA	NA	NA	NA	NA	NA	NA	NA	-100%	-100%	-100%	-100%
Active New - 2BR	NA	NA	NA	NA	NA	NA	NA	NA	-100%	-100%	-100%	-100%
Active New - 3 BR	\$284.00	14%	NA	NA	\$362.00	22%	\$394.00	24%	200%	-100%	-70%	-80%
Active Resale Summary	\$252.00	2%	\$263.00	5%	\$260.00	2%	\$260.00	3%	-28%	-52%	-51%	-57%
Active Resale - 1 BR	\$246.00	-5%	\$264.00	4%	\$263.00	7%	\$293.00	27%	-28%	-54%	-54%	-54%
Active Resale - 2 BR	\$247.00	5%	\$260.00	6%	\$249.00	2%	\$247.00	-3%	-31%	-57%	-48%	-55%
Active Resale - 3 BR	\$268.00	5%	\$266.00	5%	\$289.00	-1%	\$258.00	-2%	-17%	-33%	-57%	-70%

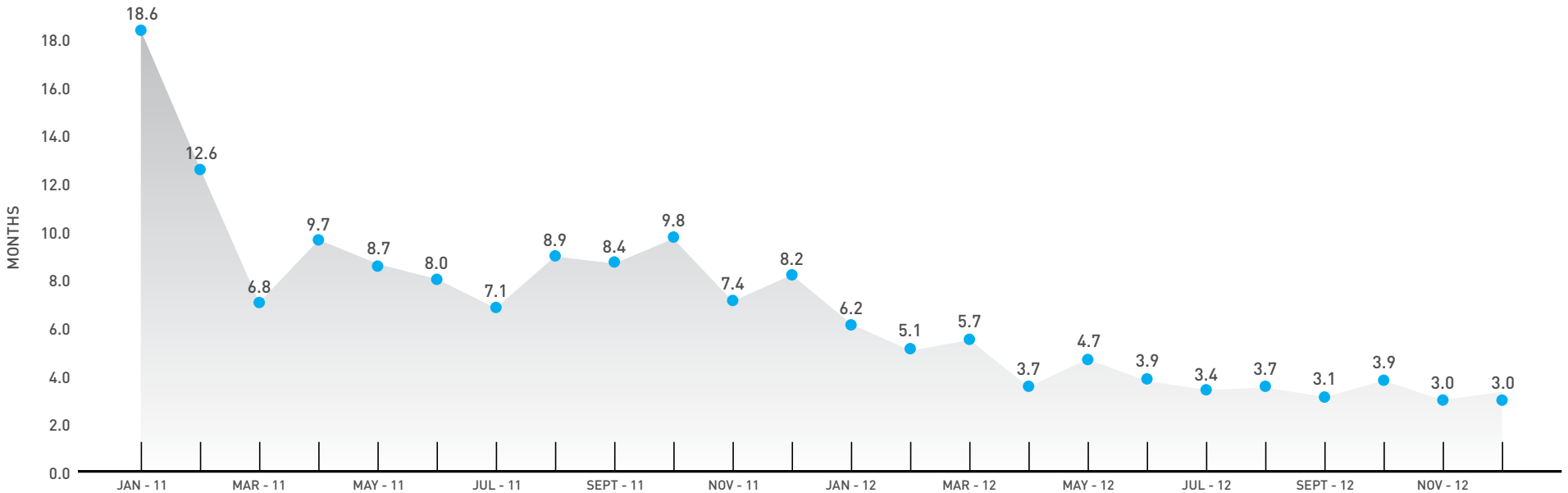
WEST LOOP/ FULTON RIVER DISTRICT

MSI-UC
-84.4%

MARKET DYNAMICS MONTHS SUPPLY OF INVENTORY - UC CALCULATION

JAN 2011 - DEC 2012

Source Broker Metrics®



● MSI-UC

KEY INFORMATION: MSI-UC

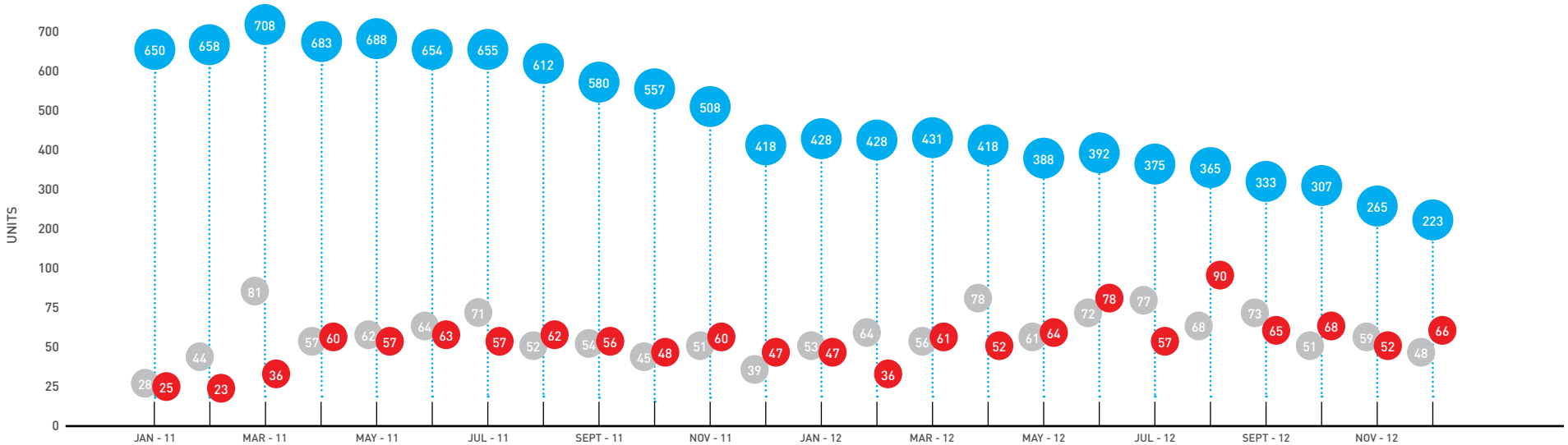
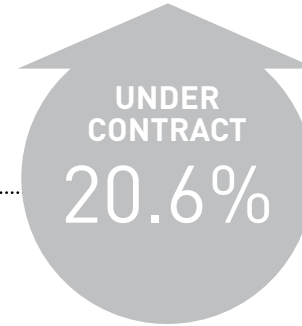
MONTHLY CHANGE	MONTHLY %	TOTAL CHANGE	TOTAL % CHANGE
-0.43	-3.67	-9.95	-84.45

WEST LOOP/ FULTON RIVER DISTRICT

MARKET DYNAMICS SUPPLY AND DEMAND - NO. OF UNITS (FS, UC, SOLD)

JAN 2011 - DEC 2012

Source Broker Metrics®



- FOR SALE
- UNDER CONTRACT
- SOLD

KEY INFORMATION: MSI-UC

	MONTHLY CHANGE	MONTHLY %	TOTAL CHANGE	TOTAL % CHANGE
FOR SALE	-20.42	-2.82	-496.73	-64.97
UNDER CONTRACT	0.48	0.90	10.97	20.61
SOLD	1.25	3.03	28.65	69.69

LAKEVIEW



©John Picken

LAKEVIEW

INTRODUCTION

LAKEVIEW experienced a huge increase in condo sales last year, but pricing did not feel the upward pull. The average price per square foot of a Lakeview condominium fell \$1 and was unchanged on a percentage basis compared with 2011, coming in at \$221. The resale market was lackluster, with prices falling 2% to \$215 PSF.

However a strong fourth quarter in which the average PSF was 9% higher than the year earlier period and 4% above the third-quarter average hopefully is a sign of good things to come.

Transaction volume was up led primarily by product at the lower end of the price spectrum. Condos under \$200,000 comprised 34% of all closed sales in 2012 vs. 28% in 2011. Yes, the total number of bank transactions did increase year over year, but they actually made up a lower percentage of sales: 18.2% vs. 19.6%.

Low-rise construction activity is the sun breaking through the clouds. While it is difficult to accurately track through the MLS, we estimate that new condo closings doubled in 2012 vs. the year earlier with prices increasing about 14% on a per-square-foot basis to \$337. Demand is strong as evidenced by days on market. The average market time for a new condo unit in Lakeview is 67 days compared with 147 days for all product.

Lakeview seems a prime candidate for the type of bite-sized condo development we see occurring in the West Loop at a project like CA23. The neighborhood has the advantages of good public schools and proximity to the lake and park. And the luxury market appears to be underserved with less than 1% of sales occurring above \$400 per square foot.

Of course, the only large-scale development underway in the neighborhood is apartments: JDL's 270-unit mid-rise at Halsted and Bradley. Another significant development site, the former Dominick's lot at 3030 N. Broadway, where first condos and then apartments were planned, remains embroiled in a foreclosure dispute.



LAKEVIEW

**CLOSED \$PSF
% CHANGE**
0%

CLOSED INVENTORY

2011 vs 2012

LAKEVIEW CLOSED

	2011 PSF	2011 #TRANS	2012 PSF	2012 # TRANS	2012 VS. 2011 % CHANGE PSF	2012 VS. 2011 % CHANGE #
Attached All - Summary	\$222.00	633	\$221.00	1020	0%	61%
Attached All - 1 BR	\$173.00	164	\$175.00	299	1%	82%
Attached All - 2BR	\$227.00	255	\$231.00	396	2%	55%
Attached All - 3+ BR	\$232.00	214	\$229.00	325	-1%	52%
Attached New - Summary	\$295.00	20	\$333.00	41	13%	105%
Attached New - 1 BR	NA	NA	NA	0	NA	NA
Attached New - 2BR	\$320.00	6	\$345.00	19	8%	217%
Attached New - 3 BR	\$288.00	14	\$327.00	22	14%	57%
Attached Resale Summary	\$219.00	613	\$215.00	979	-2%	60%
Attached Resale - 1 BR	\$173.00	164	\$175.00	299	1%	82%
Attached Resale - 2 BR	\$225.00	249	\$225.00	377	0%	51%
Attached Resale - 3 BR	\$228.00	200	\$223.00	303	-2%	52%

LAKEVIEW

CLOSED INVENTORY

BY QUARTER



**AVERAGE DAYS
ON MARKET**
(Closed Listings, 2012)

LAKEVIEW

PRICE PER SQUARE FOOT

% CHANGE NO. OF TRANSACTIONS

	1Q 2012		2Q 2012		3Q 2012		4Q 2012		% CHANGE NO. OF TRANSACTIONS			
	Price	% 12vs11	Price	% 12vs11	Price	% 12vs11	Price	% 12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Closed All - Summary	\$205.00	-4%	\$229.00	0%	\$218.00	-5%	\$226.00	9%	54%	83%	35%	80%
Closed All - 1 BR	\$158.00	-10%	\$176.00	-2%	\$178.00	3%	\$182.00	8%	33%	126%	98%	77%
Closed All - 2BR	\$217.00	-4%	\$239.00	5%	\$222.00	-5%	\$242.00	12%	39%	53%	48%	86%
Closed All - 3+ BR	\$212.00	-4%	\$236.00	-2%	\$232.00	-2%	\$231.00	7%	107%	96%	-8%	77%
Closed New - Summary	\$312.00	5%	\$316.00	1%	\$324.00	11%	\$362.00	31%	-33%	214%	-60%	200%
Closed New - 1 BR	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Closed New - 2BR	\$312.00	NA	\$315.00	-2%	NA	NA	\$392.00	NA	NA	80%	NA	NA
Closed New - 3 BR	NA	NA	\$317.00	5%	\$324.00	12%	\$340.00	23%	NA	550%	-50%	40%
Closed Resale Summary	\$204.00	-3%	\$220.00	-2%	\$217.00	-4%	\$216.00	6%	56%	77%	38%	76%
Closed Resale - 1 BR	\$158.00	-10%	\$176.00	-2%	\$178.00	3%	\$182.00	8%	33%	126%	98%	77%
Closed Resale - 2 BR	\$214.00	-5%	\$232.00	5%	\$222.00	-5%	\$228.00	5%	35%	51%	49%	71%
Closed Resale - 3 BR	\$212.00	0%	\$226.00	-5%	\$230.00	-2%	\$221.00	6%	130%	78%	-6%	81%

LAKEVIEW

PENDING INVENTORY

BY QUARTER

LAKE VIEW

PRICE PER SQUARE FOOT

OF TRANSACTIONS IN SURVEY

	1Q 2012		2Q 2012		3Q 2012		4Q 2012		# OF TRANSACTIONS IN SURVEY			
	1Q 2012	1Q 12vs11	2Q 2012	2Q 12vs11	3Q 2012	3Q 12vs11	4Q 2012	4Q 12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Pending All - Summary	\$237.00	NA	\$222.00	-8%	\$221.00	2%	\$233.00	13%	NA	61%	69%	13%
Pending All - 1 BR	\$188.00	NA	\$182.00	-2%	\$185.00	3%	\$185.00	15%	NA	168%	81%	6%
Pending All - 2BR	\$229.00	NA	\$225.00	-7%	\$238.00	9%	\$238.00	11%	NA	90%	42%	22%
Pending All - 3+ BR	\$258.00	NA	\$237.00	-5%	\$227.00	-3%	\$248.00	15%	NA	-7%	92%	10%
Pending New - Summary	\$315.00	NA	\$266.00	-13%	\$322.00	15%	\$365.00	NA	NA	17%	0%	NA
Pending New - 1 BR	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Pending New - 2BR	\$319.00	NA	\$385.00	16%	\$333.00	NA	\$363.00	NA	NA	0%	NA	NA
Pending New - 3 BR	\$314.00	NA	\$255.00	-16%	\$319.00	14%	\$370.00	NA	NA	20%	-25%	NA
Pending Resale Summary	\$223.00	NA	\$219.00	-8%	\$218.00	3%	\$221.00	7%	NA	64%	72%	5%
Pending Resale - 1 BR	\$182.00	NA	\$182.00	-2%	\$185.00	3%	\$185.00	15%	NA	168%	81%	6%
Pending Resale - 2 BR	\$221.00	NA	\$223.00	-7%	\$236.00	8%	\$220.00	2%	NA	93%	39%	7%
Pending Resale - 3 BR	\$240.00	NA	\$235.00	-4%	\$222.00	0%	\$237.00	10%	NA	-10%	114%	0%

LAKEVIEW

ACTIVE INVENTORY

BY QUARTER

LAKE VIEW

PRICE PER SQUARE FOOT

OF TRANSACTIONS IN SURVEY

	1Q 2012		2Q 2012		3Q 2012		4Q 2012		# OF TRANSACTIONS IN SURVEY			
	1Q 2012	1Q 12vs11	2Q 2012	2Q 12vs11	3Q 2012	3Q 12vs11	4Q 2012	4Q 12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Active All - Summary	\$240.00	NA	\$248.00	0%	\$235.00	-2%	\$242.00	3%	NA	-25%	-39%	-49%
Active All - 1 BR	\$213.00	NA	\$230.00	11%	\$195.00	-6%	\$216.00	-3%	NA	14%	-54%	-51%
Active All - 2BR	\$240.00	NA	\$251.00	-1%	\$237.00	2%	\$253.00	10%	NA	-24%	-32%	-42%
Active All - 3+ BR	\$249.00	NA	\$251.00	0%	\$242.00	-5%	\$240.00	0%	NA	-44%	-36%	-56%
Active New - Summary	\$325.00	NA	\$303.00	1%	\$266.00	-11%	\$347.00	16%	NA	-18%	-33%	67%
Active New - 1 BR	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Active New - 2BR	\$323.00	NA	\$318.00	-10%	NA	NA	\$446.00	39%	NA	0%	NA	-50%
Active New - 3 BR	\$327.00	NA	\$290.00	6%	\$266.00	-4%	\$331.00	26%	NA	-33%	100%	300%
Active Resale Summary	\$237.00	NA	\$245.00	0%	\$235.00	-2%	\$237.00	2%	NA	-25%	-39%	-51%
Active Resale - 1 BR	\$213.00	NA	\$230.00	11%	\$195.00	-6%	\$216.00	-3%	NA	14%	-54%	-51%
Active Resale - 2 BR	\$237.00	NA	\$247.00	-1%	\$237.00	2%	\$250.00	9%	NA	-25%	-31%	-42%
Active Resale - 3 BR	\$246.00	NA	\$249.00	-1%	\$242.00	-5%	\$232.00	-3%	NA	-45%	-37%	-60%

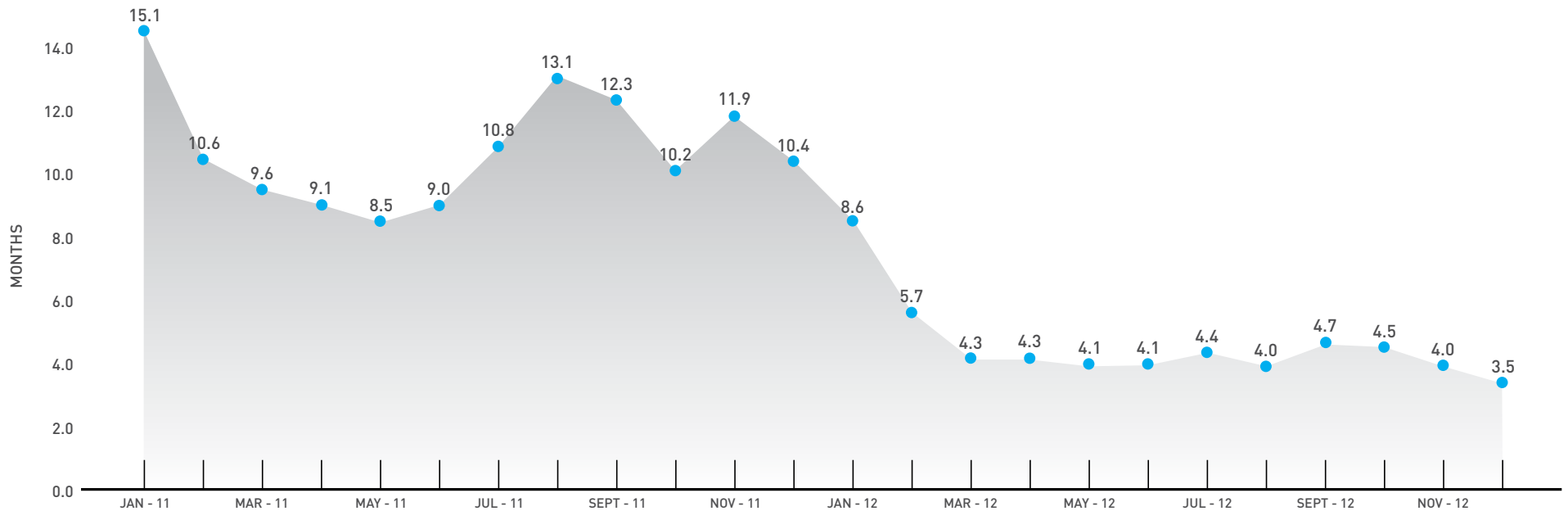
LAKEVIEW

MARKET DYNAMICS MONTHS SUPPLY OF INVENTORY - UC CALCULATION

JAN 2011 - DEC 2012

Source Broker Metrics®

MSI-UC
-76.5%



● MSI-UC

KEY INFORMATION: MSI-UC

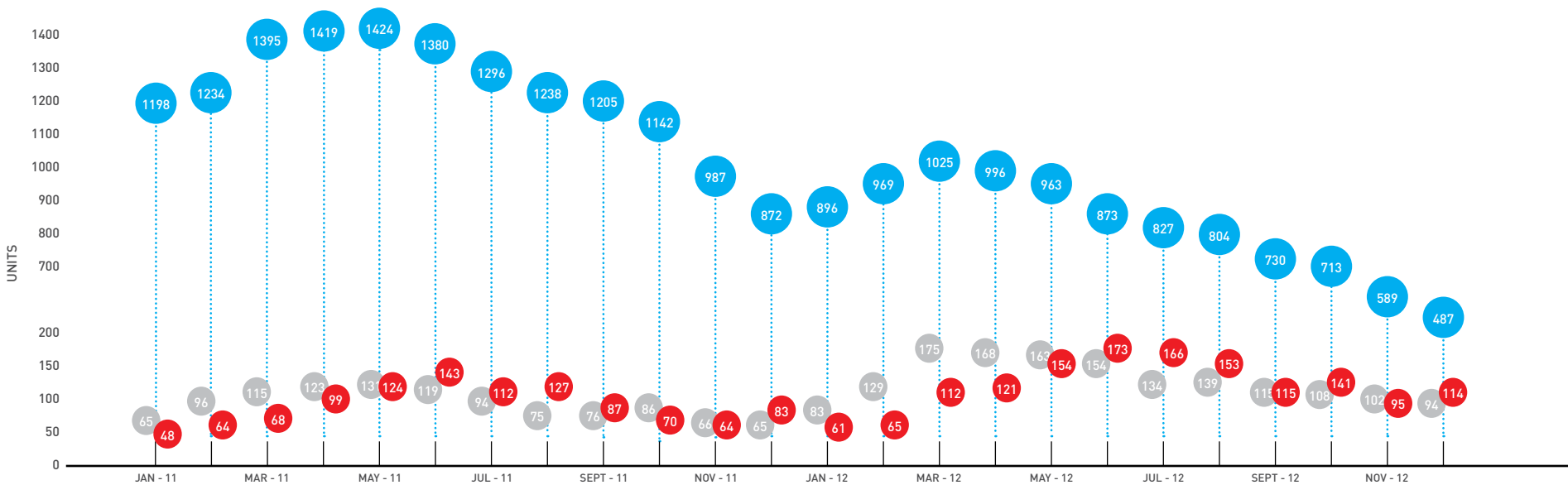
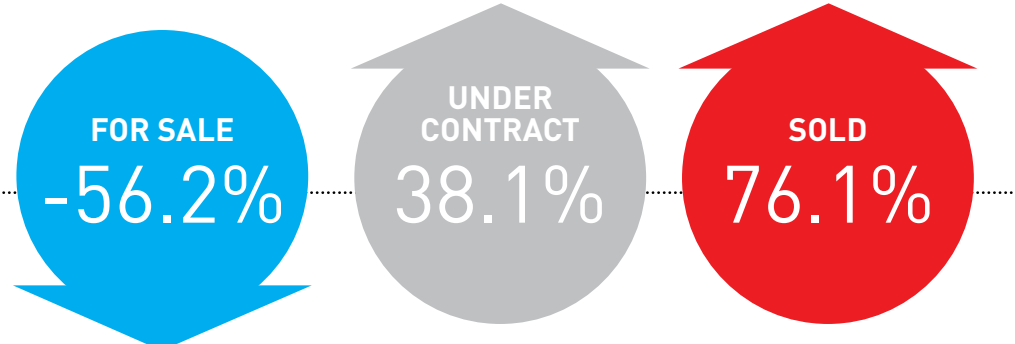
MONTHLY CHANGE	MONTHLY %	TOTAL CHANGE	TOTAL % CHANGE
-0.42	-3.32	-9.63	-76.47

LAKEVIEW

MARKET DYNAMICS SUPPLY AND DEMAND - NO. OF UNITS (FS, UC, SOLD)

JAN 2011 - DEC 2012

Source Broker Metrics®



- FOR SALE
- UNDER CONTRACT
- SOLD

KEY INFORMATION: MSI-UC

	MONTHLY CHANGE	MONTHLY %	TOTAL CHANGE	TOTAL % CHANGE
FOR SALE	-34.88	-2.44	-802.18	-56.18
UNDER CONTRACT	1.55	1.66	35.70	38.13
SOLD	2.56	3.31	58.79	76.08

LINCOLN PARK



LINCOLN PARK

INTRODUCTION

There's always more to **LINCOLN PARK** than what you see on its Lululemon-clad surface. A top-line view of pricing and transaction volume paints 2012 as a bounce-back year for the leafy neighborhood by the lake – and it was for certain factions (notably real estate brokers, apartment landlords and small developers). But for the average condo owner, 2012 was probably somewhat disappointing.

Lincoln Park condo prices rose 14% on a per-square-foot basis in 2012 to \$309. But the gain was almost entirely due to a single event: the first wave of closings at the new luxury high-rise development, 2550 N. Lakeview. Those transactions – about three dozen showed up in the MLS – came in at an average of \$757 per square foot, driving the overall average for new construction to \$545 PSF from \$341 last year.

If not for 2550, Lincoln Park condo prices would have slipped 1% in 2012.

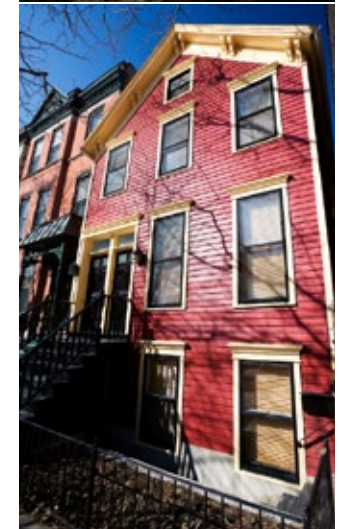
Understandably, most of the attention vis-à-vis new-construction is focused on this beautifully executed building overlooking North Pond, but a few blocks in, developers are having success with small-scale projects. We counted twice as many low-rise, new-construction closings in Lincoln Park last year compared with the year earlier.

Pricing on these units averaged \$349 per foot up from \$341 in 2011, with some product ranging up to \$450 PSF. These units are also being absorbed almost as quickly as they're being built. A new 3-flat on Burling was sold out prior to delivery, while a nine-unit development on Sheffield near Armitage had an average market time of 38 days, and a 3-unit on Wrightwood near Sheffield averaged 37 days on market. Luxury single-family builders are reporting stiff competition for land.

In the condo resale market, the average price per square foot fell 1.5% from \$265 in 2011 to \$261 last year. The drop is typical of the other neighborhoods in our report that have a higher ratio of older condo product (Gold Coast, Lakeview). Also, Lincoln Park currently does not face the extreme supply shortages of other neighborhoods in the report (although, anecdotally, brokers are saying more quality product is needed).

Another dynamic missing from the Lincoln Park market is the big pipeline of new apartments you see in the West Loop, River North and Streeterville. McCaffery Interests' proposal for approximately 900 high-rise units on the Children's Memorial Site was summarily shot down by Alderman Michele Smith. That leaves Sandz Development's 75 units at Lincoln and Webster (slated to deliver in late 2013) as the only game in town. It also means, in all likelihood, that Lincoln Park's condo recovery will not be fueled by a rent vs. own imbalance at the neighborhood level, but rather by the continued gradual absorption of luxury new construction.

In the meantime, deal flow continues at a healthy pace. Unit volume was way up in 2012 with 38% more closings than 2011. Months Supply of Inventory averaged 4.7 months throughout 2012, 56% less than the 2011 average. And the average market time for sold condos, including new construction, in Lincoln Park was 120 days in 2012, down from 149 days a year earlier.



LINCOLN PARK

CLOSED INVENTORY

2011 vs 2012



LINCOLN PARK CLOSED

	2011 PSF	2011 #TRANS	2012 PSF	2012 # TRANS	2012 VS. 2011 % CHANGE PSF	2012 VS. 2011 % CHANGE #
Attached All - Summary	\$270.00	489	\$309.00	675	14%	38%
Attached All - 1 BR	\$237.00	117	\$234.00	166	-1%	42%
Attached All - 2BR	\$268.00	189	\$285.00	276	6%	46%
Attached All - 3+ BR	\$277.00	183	\$343.00	233	24%	27%
Attached New - Summary	\$341.00	20	\$545.00	80	60%	300%
Attached New - 1 BR	NA	NA	NA	0	NA	NA
Attached New - 2BR	\$298.00	5	\$537.00	29	80%	480%
Attached New - 3 BR	\$352.00	15	\$547.00	51	55%	240%
Attached Resale Summary	\$265.00	469	\$261.00	595	-2%	27%
Attached Resale - 1 BR	\$237.00	117	\$234.00	166	-1%	42%
Attached Resale - 2 BR	\$267.00	184	\$255.00	247	-4%	34%
Attached Resale - 3 BR	\$270.00	168	\$273.00	182	1%	8%

LINCOLN PARK

120

CLOSED INVENTORY

BY QUARTER

**AVERAGE DAYS
ON MARKET**
(Closed Listings, 2012)

LINCOLN PARK

PRICE PER SQUARE FOOT

% CHANGE NO. OF TRANSACTIONS

	1Q 2012		2Q 2012		3Q 2012		4Q 2012		% CHANGE NO. OF TRANSACTIONS			
	Price	12vs11	Price	12vs11	Price	12vs11	Price	12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Closed All - Summary	\$275.00	2%	\$268.00	1%	\$331.00	17%	\$358.00	40%	14%	53%	31%	47%
Closed All - 1 BR	\$196.00	-11%	\$235.00	4%	\$248.00	-9%	\$237.00	10%	13%	43%	40%	71%
Closed All - 2BR	\$270.00	1%	\$267.00	1%	\$307.00	9%	\$290.00	17%	28%	59%	39%	56%
Closed All - 3+ BR	\$303.00	7%	\$274.00	0%	\$370.00	29%	\$428.00	61%	0%	55%	15%	27%
Closed New - Summary	\$328.00	-10%	\$357.00	9%	\$606.00	90%	\$661.00	85%	0%	186%	1400%	1000%
Closed New - 1 BR	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Closed New - 2BR	\$407.00	8%	\$421.00	43%	\$600.00	NA	\$656.00	NA	50%	350%	NA	NA
Closed New - 3 BR	\$300.00	-16%	\$327.00	-9%	\$608.00	91%	\$661.00	85%	-17%	120%	750%	800%
Closed Resale Summary	\$268.00	5%	\$257.00	-1%	\$260.00	-8%	\$263.00	5%	16%	48%	14%	27%
Closed Resale - 1 BR	\$196.00	-11%	\$235.00	4%	\$248.00	-9%	\$237.00	10%	13%	43%	40%	64%
Closed Resale - 2 BR	\$260.00	0%	\$250.00	-6%	\$257.00	-9%	\$256.00	3%	27%	51%	20%	44%
Closed Resale - 3 BR	\$304.00	15%	\$266.00	1%	\$267.00	-6%	\$279.00	7%	5%	48%	-11%	-13%

LINCOLN PARK

PENDING INVENTORY

BY QUARTER

LINCOLN PARK

PRICE PER SQUARE FOOT

% CHANGE NO. OF TRANSACTIONS

	1Q 2012		2Q 2012		3Q 2012		4Q 2012		% CHANGE NO. OF TRANSACTIONS			
	1Q 2012	1Q 12vs11	2Q 2012	2Q 12vs11	3Q 2012	3Q 12vs11	4Q 2012	4Q 12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Pending All - Summary	\$281.00	NA	\$311.00	-1%	\$326.00	11%	\$295.00	-13%	NA	15%	73%	3%
Pending All - 1 BR	\$227.00	NA	\$242.00	-3%	\$228.00	6%	\$244.00	29%	NA	50%	100%	-13%
Pending All - 2BR	\$269.00	NA	\$302.00	0%	\$317.00	5%	\$277.00	0%	NA	14%	105%	-10%
Pending All - 3+ BR	\$297.00	NA	\$334.00	1%	\$314.00	4%	\$317.00	-28%	NA	-3%	29%	37%
Pending New - Summary	\$436.00	NA	\$480.00	-16%	\$584.00	-1%	\$406.00	-34%	NA	67%	367%	-14%
Pending New - 1 BR	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Pending New - 2BR	\$444.00	NA	\$593.00	-18%	\$567.00	3%	\$522.00	27%	NA	50%	250%	-50%
Pending New - 3 BR	\$434.00	NA	\$457.00	-16%	\$594.00	3%	\$392.00	-40%	NA	75%	600%	0%
Pending Resale Summary	\$259.00	NA	\$279.00	-2%	\$267.00	0%	\$280.00	-3%	NA	12%	58%	5%
Pending Resale - 1 BR	\$227.00	NA	\$242.00	-3%	\$228.00	6%	\$244.00	29%	NA	50%	100%	-13%
Pending Resale - 2 BR	\$251.00	NA	\$279.00	0%	\$263.00	-2%	\$264.00	0%	NA	13%	89%	-5%
Pending Resale - 3 BR	\$270.00	NA	\$292.00	-1%	\$286.00	4%	\$300.00	-17%	NA	-11%	4%	62%

LINCOLN PARK

ACTIVE INVENTORY

BY QUARTER

LINCOLN PARK

PRICE PER SQUARE FOOT

% CHANGE NO. OF TRANSACTIONS

	1Q 2012		2Q 2012		3Q 2012		4Q 2012		% CHANGE NO. OF TRANSACTIONS			
	1Q 2012	1Q 12vs11	2Q 2012	2Q 12vs11	3Q 2012	3Q 12vs11	4Q 2012	4Q 12vs11	1Q 12vs11	2Q 12vs11	3Q 12vs11	4Q 12vs11
Active All - Summary	\$337.00	NA	\$373.00	19%	\$296.00	5%	\$444.00	35%	NA	-47%	-43%	-47%
Active All - 1 BR	\$259.00	NA	\$275.00	-5%	\$264.00	0%	\$329.00	22%	NA	-52%	-32%	-58%
Active All - 2BR	\$287.00	NA	\$287.00	-3%	\$282.00	-1%	\$329.00	18%	NA	-47%	-54%	-62%
Active All - 3+ BR	\$385.00	NA	\$432.00	31%	\$311.00	9%	\$506.00	32%	NA	-43%	-37%	-11%
Active New - Summary	\$571.00	NA	\$705.00	16%	\$335.00	-8%	\$923.00	65%	NA	25%	-58%	67%
Active New - 1 BR	\$520.00	NA	NA	NA	NA	NA	\$809.00	NA	NA	NA	NA	NA
Active New - 2BR	\$467.00	NA	\$431.00	-31%	\$428.00	-4%	\$673.00	NA	NA	50%	-67%	NA
Active New - 3 BR	\$581.00	NA	\$735.00	21%	\$324.00	-8%	\$979.00	75%	NA	33%	-56%	0%
Active Resale Summary	\$299.00	NA	\$320.00	8%	\$294.00	7%	\$302.00	1%	NA	-49%	-42%	-53%
Active Resale - 1 BR	\$255.00	NA	\$275.00	-4%	\$264.00	0%	\$242.00	-10%	NA	-52%	-32%	-63%
Active Resale - 2 BR	\$280.00	NA	\$280.00	-4%	\$279.00	-1%	\$277.00	-1%	NA	-48%	-53%	-68%
Active Resale - 3 BR	\$326.00	NA	\$353.00	18%	\$310.00	12%	\$324.00	-1%	NA	-49%	-35%	-13%

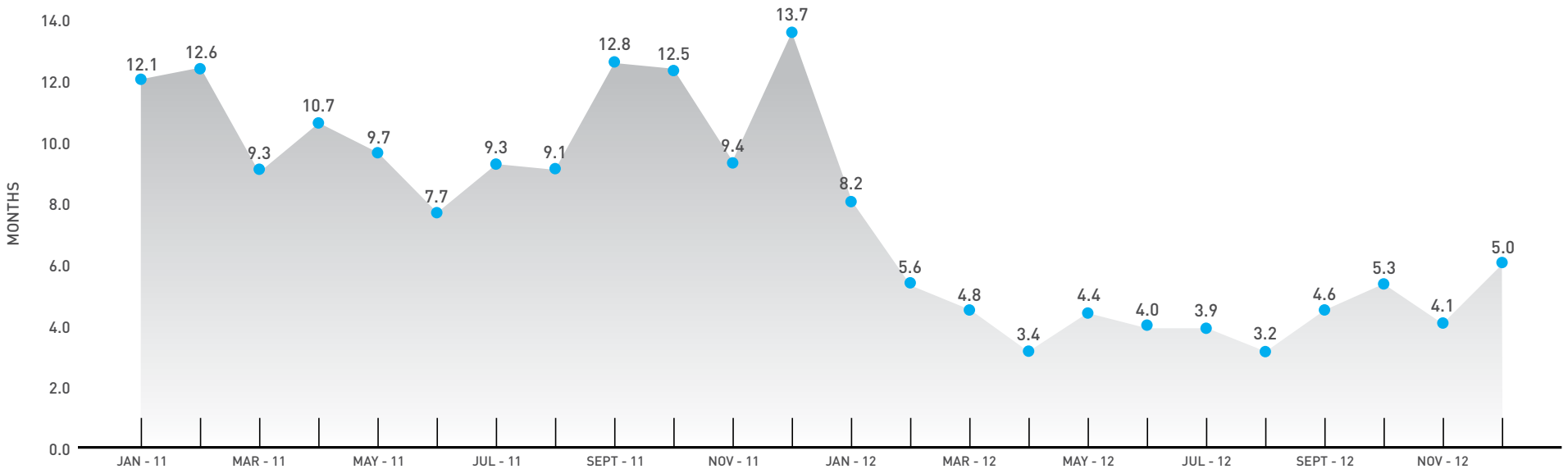
LINCOLN PARK

MSI-UC
-73.2%

MARKET DYNAMICS MONTHS SUPPLY OF INVENTORY - UC CALCULATION

JAN 2011 - DEC 2012

Source Broker Metrics®



● MSI-UC

KEY INFORMATION: MSI-UC

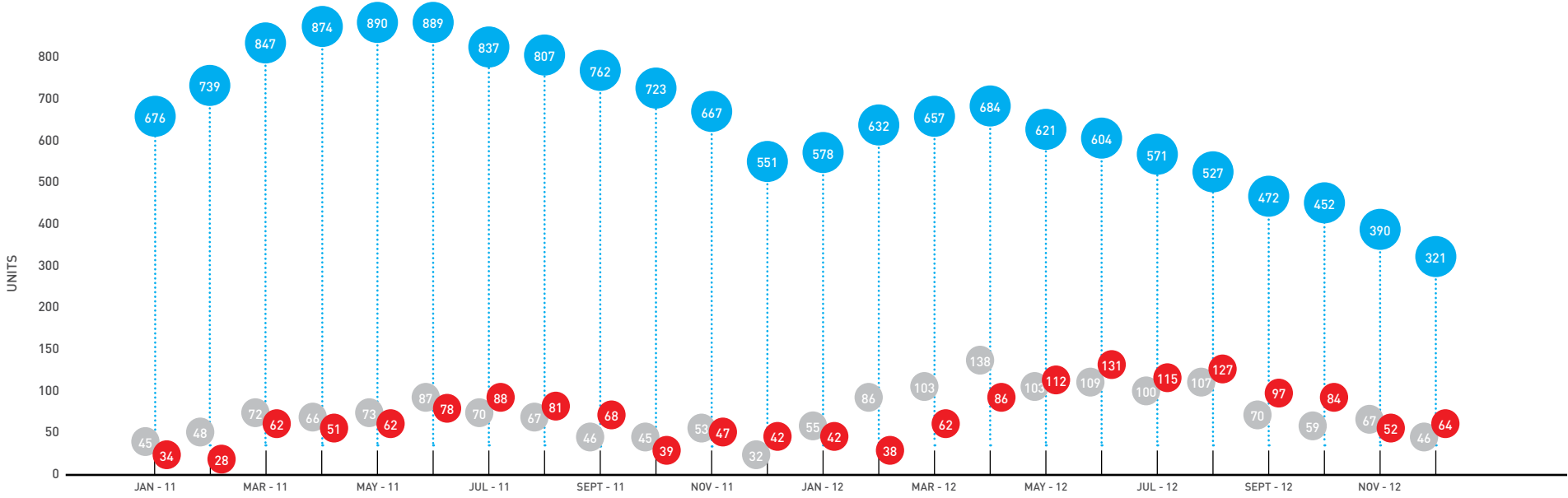
MONTHLY CHANGE	MONTHLY %	TOTAL CHANGE	TOTAL % CHANGE
-0.39	-3.18	-8.89	-73.16

LINCOLN PARK

MARKET DYNAMICS SUPPLY AND DEMAND - NO. OF UNITS (FS, UC, SOLD)

JAN 2011 - DEC 2012

Source Broker Metrics®

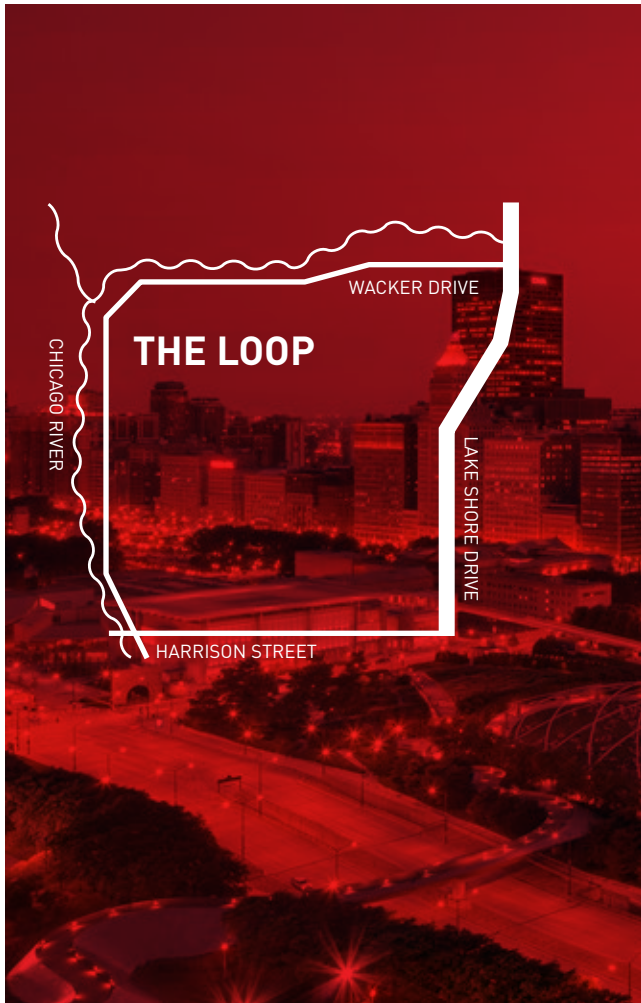


- FOR SALE
- UNDER CONTRACT
- SOLD

KEY INFORMATION: MSI-UC

	MONTHLY CHANGE	MONTHLY %	TOTAL CHANGE	TOTAL % CHANGE
FOR SALE	-19.39	-2.20	-445.92	-50.69
UNDER CONTRACT	1.18	2.00	27.19	45.91
SOLD	2.09	4.49	47.97	103.21

THE LOOP



©Tom Rossiter

THE LOOP

INTRODUCTION

THE LOOP tallied more than twice as many new-construction condo closings as any other Chicago neighborhood in 2012, and that was only one indicator of the submarket's surging momentum.

The area experienced an 8% increase in the average price per square foot of closed condos and a 37% jump in closed unit volume compared with 2011. Both the new-construction and resale markets experienced significant improvement, with developer-owned units posting a 4% gain on a per-square-foot basis to \$452, and re-sales jumping 14% from a year earlier to \$364. The average price per square foot for all closed condos in the Loop in 2012 was \$394, up from \$364 during the previous 12 months.

These across-the-board gains are being driven in large part by luxury sales. Last year, there were 77 sales above \$500 PSF in the Loop vs. 56 the year before – a 38% increase. And the trend continues on up the ladder: a 150% increase in sales over \$600 PSF (25 vs. 10); a 350% increase in sales over \$700 PSF (9 vs. 2); and at \$800-plus, there were 4 sales in '12 vs. none in '11. The top sale in 2012 on a per-square-foot basis was a three-bedroom unit at 340 East Randolph, which clocked in at \$946. The highest actual selling price for a condo in the Loop last year was \$3.05 million for one of the penthouses at The Legacy at Millennium Park.

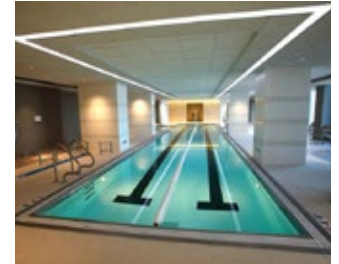
The total number of closed sales above both \$1 million and \$2 million more than doubled from 2011 to 2012. And three-bedroom condos posted outsized gains relative to other unit types, both in terms of price per square foot (+23%) and total number of closings (+49%).

The numbers, as well as our own first-hand experience at the Loop developments we represent – Six North Michigan and The Legacy at Millennium Park – confirm that luxury buyers are back. And they are coming in all shapes and sizes: singles, couples, move-ups, move-downs, second-home buyers, investors and even parents buying for their kids who are attending nearby colleges.

It's not only high-end product that's selling, however. Forty-seven closings showed up in the MLS for CMK's 235 Van Buren, and the average price per square foot came in at \$325 vs. \$315 the year before.

While the total number of bank sales increased slightly, the percentage relative to overall sales was only 15% vs. about 19% in 2011.

Other positive gauges include market time and Months Supply of Inventory, both of which were significantly lower in '12 than '11. And if sales center traffic in the early weeks of this year is any indication, then 2013 should be another year of improvement in the Loop.



THE LOOP

CLOSED INVENTORY

2011 vs 2012

THE LOOP CLOSED

	2012 PSF	2012 #TRANS
Attached All - Summary	\$394.00	531
Attached All - 1 BR	\$322.00	225
Attached All - 2BR	\$360.00	233
Attached All - 3+ BR	\$532.00	73
Attached New - Summary	\$452.00	164
Attached New - 1 BR	\$407.00	56
Attached New - 2BR	\$421.00	82
Attached New - 3 BR	\$538.00	26
Attached Resale Summary	\$364.00	367
Attached Resale - 1 BR	\$292.00	169
Attached Resale - 2 BR	\$325.00	151
Attached Resale - 3 BR	\$528.00	47

THE LOOP

CLOSED INVENTORY

BY QUARTER

160

**AVERAGE DAYS
ON MARKET**
(Closed Listings, 2012)

THE LOOP

PRICE PER SQUARE FOOT

	1Q 2012	2Q 2012	3Q 2012	4Q 2012
Closed All - Summary	\$393.00	\$405.00	\$395.00	\$380.00
Closed All - 1 BR	\$303.00	\$304.00	\$306.00	\$361.00
Closed All - 2BR	\$379.00	\$358.00	\$375.00	\$338.00
Closed All - 3+ BR	\$557.00	\$520.00	\$537.00	\$536.00
Closed New - Summary	\$453.00	\$460.00	\$441.00	\$453.00
Closed New - 1 BR	\$374.00	\$354.00	\$419.00	\$452.00
Closed New - 2BR	\$457.00	\$433.00	\$414.00	\$387.00
Closed New - 3 BR	\$570.00	\$540.00	\$506.00	\$555.00
Closed Resale Summary	\$358.00	\$380.00	\$373.00	\$337.00
Closed Resale - 1 BR	\$270.00	\$288.00	\$284.00	\$316.00
Closed Resale - 2 BR	\$318.00	\$316.00	\$350.00	\$315.00
Closed Resale - 3 BR	\$553.00	\$510.00	\$558.00	\$507.00

NO. OF TRANSACTIONS IN SURVEY

1Q 2012	2Q 2012	3Q 2012	4Q 2012
85	151	147	148
36	60	63	66
39	59	66	69
10	32	18	13
29	45	41	49
11	14	10	21
15	20	25	22
3	11	6	6
56	106	106	99
25	43	53	45
24	39	41	47
7	21	12	7

THE LOOP

PENDING INVENTORY

BY QUARTER

THE LOOP

PRICE PER SQUARE FOOT

	1Q 2012	2Q 2012	3Q 2012	4Q 2012
Pending All - Summary	NA	\$411.00	\$400.00	\$440.00
Pending All - 1 BR	NA	\$321.00	\$362.00	\$342.00
Pending All - 2BR	NA	\$349.00	\$362.00	\$413.00
Pending All - 3+ BR	NA	\$566.00	\$514.00	\$672.00
Pending New - Summary	NA	\$502.00	\$461.00	\$502.00
Pending New - 1 BR	NA	\$450.00	\$481.00	\$408.00
Pending New - 2BR	NA	\$386.00	\$423.00	\$446.00
Pending New - 3 BR	NA	\$574.00	\$496.00	\$704.00
Pending Resale Summary	NA	\$376.00	\$379.00	\$373.00
Pending Resale - 1 BR	NA	\$295.00	\$323.00	\$288.00
Pending Resale - 2 BR	NA	\$340.00	\$339.00	\$383.00
Pending Resale - 3 BR	NA	\$559.00	\$522.00	\$571.00

NO. OF TRANSACTIONS IN SURVEY

	1Q 2012	2Q 2012	3Q 2012	4Q 2012
NA	95	71	54	
NA	42	36	20	
NA	38	26	30	
NA	15	9	4	
NA	21	18	24	
NA	7	9	8	
NA	8	7	13	
NA	6	2	3	
NA	74	53	30	
NA	35	27	12	
NA	30	19	17	
NA	19	7	1	

THE LOOP

ACTIVE INVENTORY

BY QUARTER

THE LOOP

PRICE PER SQUARE FOOT

	1Q 2012	2Q 2012	3Q 2012	4Q 2012
Active All - Summary	NA	\$472.00	\$440.00	\$472.00
Active All - 1 BR	NA	\$378.00	\$390.00	\$409.00
Active All - 2BR	NA	\$410.00	\$377.00	\$400.00
Active All - 3+ BR	NA	\$601.00	\$524.00	\$536.00
Active New - Summary	NA	\$529.00	\$534.00	\$551.00
Active New - 1 BR	NA	\$451.00	\$454.00	\$458.00
Active New - 2BR	NA	\$426.00	\$412.00	\$432.00
Active New - 3 BR	NA	\$624.00	\$647.00	\$684.00
Active Resale Summary	NA	\$451.00	\$409.00	\$429.00
Active Resale - 1 BR	NA	\$356.00	\$376.00	\$367.00
Active Resale - 2 BR	NA	\$407.00	\$367.00	\$381.00
Active Resale - 3 BR	NA	\$588.00	\$472.00	\$471.00

NO. OF TRANSACTIONS IN SURVEY

	1Q 2012	2Q 2012	3Q 2012	4Q 2012
Active All - Summary	NA	140	147	94
Active All - 1 BR	NA	56	42	32
Active All - 2BR	NA	58	74	33
Active All - 3+ BR	NA	26	31	29
Active New - Summary	NA	33	34	34
Active New - 1 BR	NA	13	8	15
Active New - 2BR	NA	12	18	11
Active New - 3 BR	NA	8	8	8
Active Resale Summary	NA	107	113	60
Active Resale - 1 BR	NA	43	34	17
Active Resale - 2 BR	NA	46	56	22
Active Resale - 3 BR	NA	18	23	21

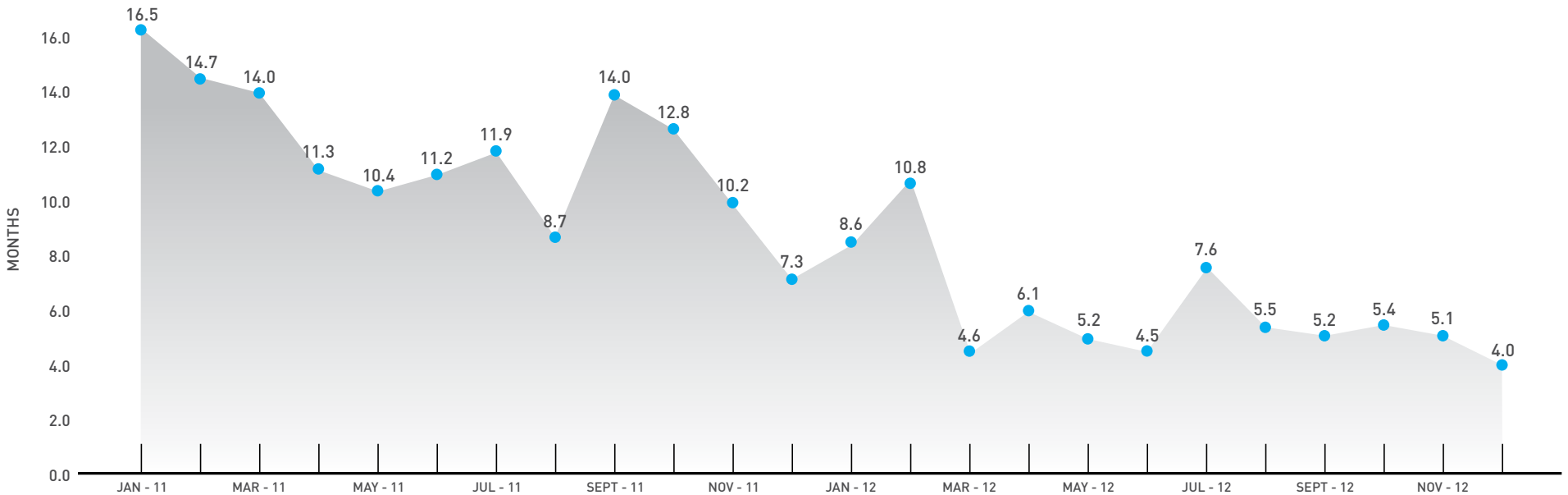
THE LOOP

MARKET DYNAMICS MONTHS SUPPLY OF INVENTORY - UC CALCULATION

JAN 2011 – DEC 2012

Source Broker Metrics®

MSI-UC
-75.2%



● MSI-UC

KEY INFORMATION: MSI-UC

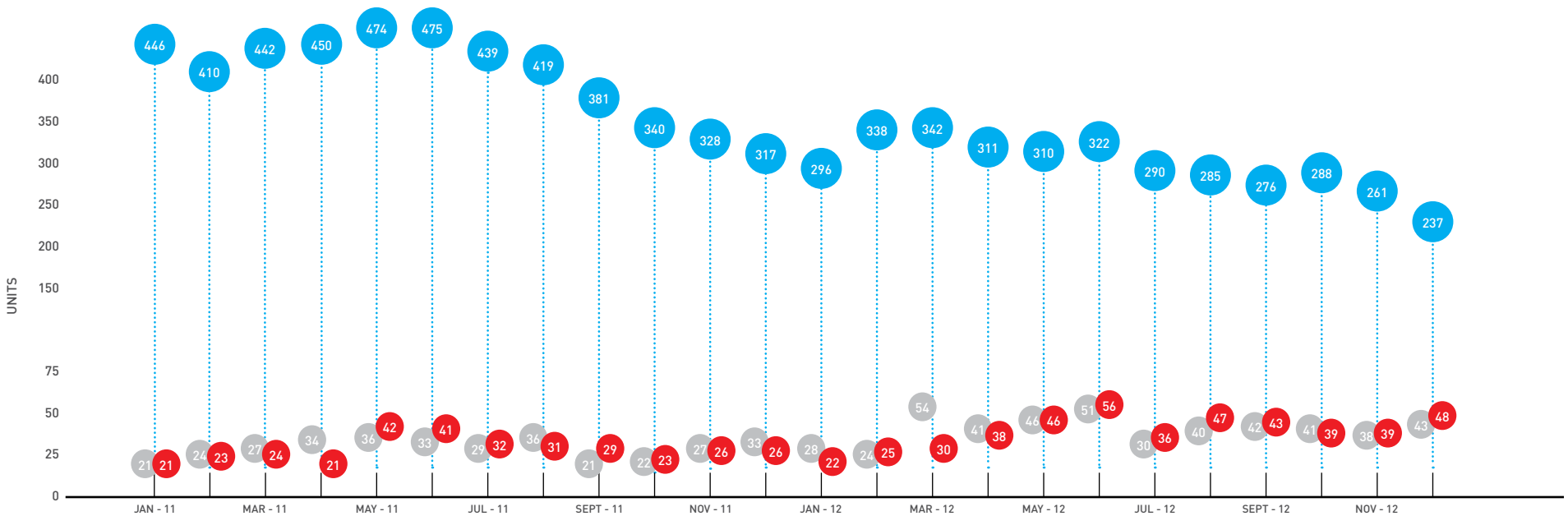
MONTHLY CHANGE	MONTHLY %	TOTAL CHANGE	TOTAL % CHANGE
-0.47	-3.27	-10.78	-75.16

THE LOOP

MARKET DYNAMICS SUPPLY AND DEMAND - NO. OF UNITS (FS, UC, SOLD)

JAN 2011 - DEC 2012

Source Broker Metrics®



- FOR SALE
- UNDER CONTRACT
- SOLD

KEY INFORMATION: MSI-UC

	MONTHLY CHANGE	MONTHLY %	TOTAL CHANGE	TOTAL % CHANGE
FOR SALE	-9.47	-2.05	-217.82	-47.15
UNDER CONTRACT	0.80	3.19	18.35	73.27
SOLD	1.01	4.64	23.17	106.62