

**COMPLETE APPRAISAL IN A  
SUMMARY REPORT  
OFFICE PROPERTY**

**SBC BUILDING  
2401 WEST GRACE  
CHICAGO, COOK COUNTY, IL 60618**

**PREPARED FOR:  
MR. J. STEPHEN SUNDBY  
DIRECTOR-REAL ESTATE TRANSACTIONS  
AT&T SERVICES, INC.  
7159 SAN PEDRO, ROOM 202  
SAN ANTONIO, TX 78216**

**EFFECTIVE DATE OF THE APPRAISAL:  
MARCH 23, 2006**

**INTEGRA REALTY RESOURCES – CHICAGO  
FILE NUMBER: 07060012**



**SBC BUILDING  
CHICAGO, ILLINOIS**

April 27, 2006

Mr. J. Stephen Sundby  
Director-Real Estate Transactions  
AT&T Services, Inc.  
7159 San Pedro, Room 202  
San Antonio, TX 78216

SUBJECT: Market Value Appraisal  
SBC Building  
2401 West Grace  
Chicago, Cook County, IL 60618  
Integra Realty Resources – Chicago File No. 07060012

Dear Mr. Sundby:

Integra Realty Resources – Chicago is pleased to transmit the summary report of a complete appraisal of the referenced property. The purpose of this appraisal is to develop an opinion of the market value of the fee simple estate of the property as of March 23, 2006, the effective date of the appraisal.

This report complies with the reporting requirements for a summary appraisal report set forth under Standards Rule 2-2(b) of the *Uniform Standards of Professional Appraisal Practice (USPAP)*, and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute. As such, it presents only summary discussions of the data, reasoning, and analyses that are used in the appraisal process. Supporting documentation concerning the data, reasoning, and analyses is retained in our file. The depth of discussion contained in this report is specific to the needs of the client and the intended use of the appraisal as noted herein.

The site has an area of 2.12 acres; it is improved with a four-story office building constructed in 1960, containing 93,086 square feet of gross building area and 93,086 square feet of rentable area. As of the effective date of the appraisal, the property is 100.00% owner occupied by SBC. At the client's request, we have estimated an opinion of the fee simple estate of the property in a sale leaseback scenario with SBC. We assume that SBC will sign a lease at market rent for 100% of the subject.

Mr. J. Stephen Sundby  
AT&T Services, Inc.  
April 27, 2006  
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Based on the analyses and conclusions in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed herein, it is our opinion that the market value of the fee simple estate of the property, as of March 23, 2006, is

**THIRTEEN MILLION SIX HUNDRED THOUSAND DOLLARS  
(\$13,600,000).**

The preceding value conclusion is subject to the following Extraordinary Assumptions and Hypothetical Conditions:

1. We assume that SBC will execute a market rent lease for 100% of the subject.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

**INTEGRA REALTY RESOURCES – CHICAGO**

  
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## SUMMARY OF SALIENT FACTS AND CONCLUSIONS

### PART ONE

<b>Property</b>	SBC Building 2401 West Grace Chicago, Cook County, IL 60618
<b>Census Tract Number</b>	17031-0504.00-1
<b>Property Tax Identification Number(s)</b>	13-24-207-014-0000
<b>Owner of Record</b>	Illinois Bell Telephone Company
<b>Date of the Report</b>	April 27, 2006
<b>Effective Date of the Appraisal</b>	March 23, 2006
<b>Land Area</b>	2.12 acres; 92,400 square feet.
<b>Gross Building Area (GBA)</b>	93,086 square feet.
<b>Rentable Area (RA)</b>	93,086 square feet.
<b>Current Occupancy</b>	100.00% owned occupied.
<b>Year Built</b>	1960
<b>Zoning Designation</b>	C2-2 (Motor Vehicle-Related Commercial District).
<b>Floodplain Map Panel Number and Date</b>	17031C0404F; 11/6/2000
<b>Floodplain Designation</b>	Zone X - Outside of 100-year flood plain.
<b>Real Estate Taxes</b>	\$317,429
<b>Highest and Best Use as Improved</b>	Continued office use.
<b>Property Rights Appraised</b>	Fee simple estate.
<b>Estimated Exposure Time and Marketing Period</b>	6-12 months; 6-12 months.
<b>Market Value Indications</b>	
<b>Cost Approach</b>	Not applied.
<b>Sales Comparison Approach</b>	\$13,700,000
<b>Income Capitalization Approach</b>	\$13,600,000
<b>Market Value Conclusion</b>	<b>\$13,600,000 (\$146.10 per SF of RA).</b>

The market value conclusion is subject to the following Extraordinary Assumptions and Hypothetical Conditions:

1. We assume that SBC will execute a market rent lease for 100% of the subject.

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**PART TWO**


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<b>Land Valuation</b>	\$6,600,000 (\$71.50/Square Foot).
<b>Sales Comparison Approach:</b>	
<b>Number of Sales</b>	4
<b>Range of Dates of Sale</b>	March, 2005 - October, 2005
<b>Range of Prices per Unit (Unadjusted)</b>	\$130.56 - \$151.82
<b>Range of Prices per Unit (Adjusted)</b>	\$136.30 - \$155.83
<b>Indicated Value by Sales Comparison Approach</b>	\$13,700,000 (\$147.18 per SF of RA).
<b>Income Approach:</b>	
<b>Potential Gross Income (PGI)</b>	\$1,664,281 (\$17.88 per SF of RA).
<b>Stabilized % Vacancy &amp; Collection Loss</b>	3.00%
<b>Effective Gross Income (EGI)</b>	\$1,614,352 (\$17.34 per SF of RA).
<b>Operating Expenses</b>	\$799,351 (\$8.59 per SF of RA).
<b>Operating Expense Ratio</b>	49.5% of EGI.
<b>Net Operating Income (NOI)</b>	\$815,001 (\$8.76 per SF of RA).
<b>Capitalization Rate Applied and Value</b>	6%; \$13,600,000 (\$146.10 per SF of RA).
<b>Indicated Value by Income Approach</b>	\$13,600,000 (\$146.10 per SF of RA).

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## GENERAL INFORMATION

### IDENTIFICATION OF SUBJECT

The property is a four-story office building with a rentable area of 93,086 square feet. The street address is 2401 West Grace, Chicago, IL 60618. The site has an area of 2.12 acres, or 92,400 square feet. It is further identified by the assessment office as 13-24-207-014-0000.

### CURRENT OWNERSHIP AND SALES HISTORY

According to public records, the owner of record is Illinois Bell Telephone Company. To the best of our knowledge, no sale or transfer of ownership has occurred within the past three years, and as of the effective date of this appraisal, the property is not subject to an agreement of sale or option to buy, nor is it listed for sale.

### PURPOSE, PROPERTY RIGHTS AND EFFECTIVE DATE

The purpose of the appraisal is to develop an opinion of the market value of the fee simple interest in the property as of the effective date of the appraisal, March 23, 2006. "Market value" is defined in the addenda. Unless otherwise stated, all factors pertinent to a determination of value are considered as of this date.

### INTENDED USE AND INTENDED USER

This appraisal report is prepared for Mr. J. Stephen Sundby, Director-Real Estate Transactions, AT&T Services, Inc., 7159 San Pedro, Room 202, San Antonio, TX, for use in asset evaluation. It is not intended for any other use or user.

**SCOPE OF APPRAISAL**

To perform this assignment, we took the following steps to gather, confirm, and analyze relevant data.

- Physically inspected the property and the surrounding market area. An inspection of the property was conducted by Eric L. Enloe on March 23, 2006. Jeffrey G. Pelegrin, MAI, has not personally inspected the subject.
- Collected factual information about the property and the surrounding market, and confirmed that information with various sources.
- Performed a highest and best use analysis of the subject site as though vacant, and of the property as improved.
- Analyzed market information and developed indications of value under all applicable approaches.
- Reconciled all indications of value into a conclusion of value as of the effective date of the appraisal.

This is a complete appraisal in a summary report that complies with the reporting requirements set forth under Standards Rule 2-2(b) of the *Uniform Standards of Professional Appraisal Practice (USPAP)*, and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in our file. The depth of discussion contained in this report is specific to the needs of the client and the intended use of the appraisal as noted herein.

# ECONOMIC ANALYSIS

## CHICAGO MSA AREA ANALYSIS

### INTRODUCTION

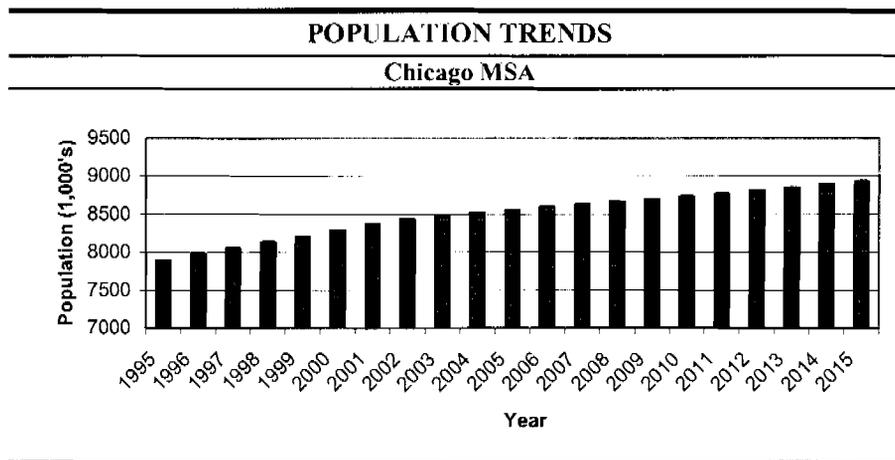
The Chicago metropolitan area, consisting of a six-county region, is the nation’s third largest metropolitan area, encompassing over 4,600 square miles of land area and is located at the southwest end of Lake Michigan. This six-county region, made up of Cook, DuPage, Kane, Lake, McHenry and Will Counties, forms the subject’s regional economic environment.

The economic vitality of the surrounding area, and the immediate neighborhood encompassing the subject property, is an important consideration in estimating future real estate demand and income potential. Historic social, economic, governmental, and environmental forces, which reflect the quantity and quality of real estate demand, provide a basis from which future estimates of demand can originate.

The subject property is located in the Chicago CBD in the central part of Cook County. It is located in the City North submarket. Our evaluation of historical, current and projected trends will focus on a comparison of the Chicago MSA to the State of Illinois. A detailed demographic analysis of the Chicago MSA and the State of Illinois was conducted using information provided by the *National Planning Association*, a recognized industry source. Information supplied includes employment, population, environmental, governmental services, and income data.

### POPULATION

Historical and projected population trends for the Chicago MSA are charted below:



The population of the Chicago MSA increased at a compounded annual rate of 0.63% from 2000 to 2005. For the same time period, the State of Illinois grew at a compounded annual rate of approximately 0.46%. Over the last ten years the Chicago MSA's average annual compound change was 0.82%, compared to 0.59% for the State of Illinois.

Looking ahead, both the Chicago MSA and the State of Illinois are anticipated to experience continued growth, with future population estimates reflecting growth rates less than those experienced in the past. For the period 2005 to 2015, the populations of the Chicago MSA and the the State of Illinois are expected to increase by an average annual compound rate of 0.44% and 0.34%, respectively. For the next five years, the population of the Chicago MSA should grow faster than the ten year average.

POPULATION TRENDS COMPARISON					
State of Illinois			Chicago MSA		
		%		%	
	Year	Population (000's)	Change	Population (000's)	Change
<b>Historical</b>	1995	12,008.4		7,886.8	
	2000	12,440.8	3.6%	8,294.0	5.2%
	2001	12,512.3	0.6%	8,369.9	0.9%
	2002	12,586.5	0.6%	8,433.5	0.8%
	2003	12,653.5	0.5%	8,491.8	0.7%
<b>Current</b>	2004	12,694.3	0.3%	8,521.9	0.4%
	<b>2005</b>	<b>12,730.8</b>	<b>0.3%</b>	<b>8,556.9</b>	<b>0.4%</b>
	2006	12,769.0	0.3%	8,592.5	0.4%
<b>Projected</b>	2007	12,809.6	0.3%	8,629.5	0.4%
	2008	12,852.8	0.3%	8,668.0	0.4%
	2009	12,889.4	0.3%	8,701.7	0.4%
	2010	12,927.9	0.3%	8,736.3	0.4%
	2015	13,165.8	1.8%	8,937.6	2.3%
<b>Average Annual Compound Change</b>	<b>Historical</b>				
		Past 5 years	0.46%		0.63%
		Past 10 years	0.59%		0.82%
	<b>Projected</b>				
		Next 5 years	0.31%		0.42%
		Next 10 years	0.34%		0.44%

Source: NPA Data Services, Inc.; compiled by IRR

## EMPLOYMENT

Employment trends for both the Chicago MSA and the State of Illinois should follow a pattern similar to the population trends for these areas, although at higher rates of increase. From 2000 to 2005, the Chicago MSA employment grew at an average annual compound rate of 0.33% compared to 0.16% for the the State of Illinois. These figures indicate that the Chicago MSA surpassed the State of Illinois in employment growth over the last five years. Looking back ten years, the Chicago MSA employment grew at an average annual compound rate of 1.11%, compared to the State of Illinois growth rate of 0.93%.

Over the next five and ten years the Chicago MSA employment growth should exceed the State of Illinois growth rate. From 2005 to 2010, the Chicago MSA should grow by a 1.40% average annual growth rate, while the long term projection, 2005 to 2015, is for a 1.19% increase. For the same periods, employment in the State of Illinois is expected to grow at average annual compound rates of 1.28% and 1.08%, respectively. Employment gains are a strong indicator of economic health and generally correlate with real estate demand. Historically, the Chicago MSA has exceeded the State of Illinois's growth rate, suggesting that the Chicago MSA's relative position is strengthening.

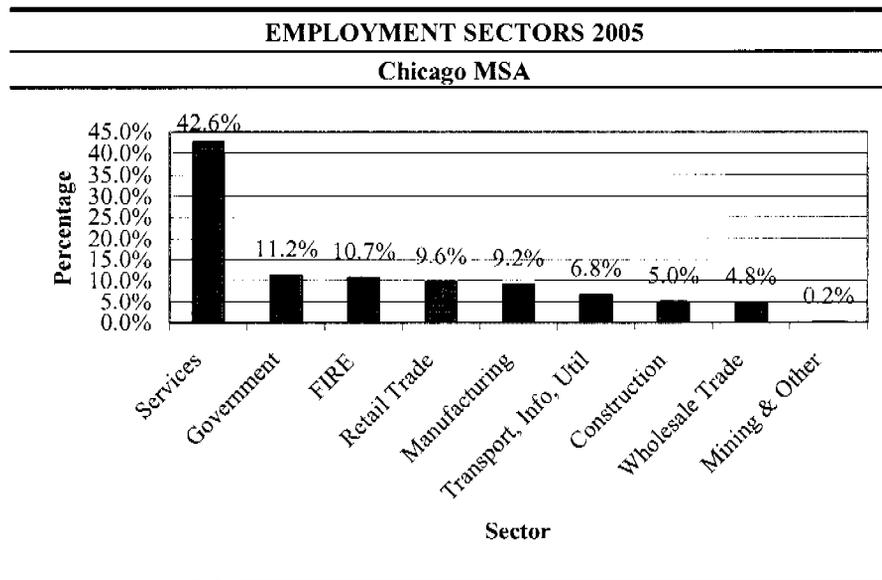
Employment trends for the Chicago MSA and the the State of Illinois are presented below.

<b>NON-FARM EMPLOYMENT TRENDS COMPARISON</b>					
<b>State of Illinois</b>			<b>Chicago MSA</b>		
<b>Year</b>	<b>Employment (000's)</b>	<b>% Change</b>	<b>Employment (000's)</b>	<b>% Change</b>	
	1995	6,737.2		4,648.8	
<b>Historical</b>	2000	7,334.9	8.9%	5,104.8	9.8%
	2001	7,304.6	-0.4%	5,090.3	-0.3%
	2002	7,222.0	-1.1%	5,028.0	-1.2%
	2003	7,148.3	-1.0%	4,996.9	-0.6%
	2004	7,264.0	1.6%	5,091.1	1.9%
<b>Current</b>	<b>2005</b>	<b>7,393.1</b>	<b>1.8%</b>	<b>5,188.9</b>	<b>1.9%</b>
	2006	7,501.7	1.5%	5,272.0	1.6%
<b>Projected</b>	2007	7,612.9	1.5%	5,356.9	1.6%
	2008	7,710.2	1.3%	5,432.1	1.4%
	2009	7,792.7	1.1%	5,496.4	1.2%
	2010	7,877.3	1.1%	5,562.1	1.2%
	2015	8,231.0	4.5%	5,840.4	5.0%
<b>Average Annual Compound Change</b>	<b>Historical</b>				
		Past 5 years		0.33%	
		Past 10 years		1.11%	
	<b>Projected</b>				
		Next 5 years		1.40%	
	Next 10 years		1.19%		

Source: NPA Data Services, Inc.; compiled by IRR

The following chart depicts the current distribution of employment by industry. In 2005, the largest employment sectors in the Chicago MSA are:

- Services (42.6%)
- Government (11.2%)
- FIRE (10.7%)
- Retail Trade (9.6%)



By comparison, the State of Illinois's largest employment sectors are Services (41.1%), Government (12.6%), Retail Trade (10.4%), and FIRE (9.8%).

Over the past four years, the largest meaningful percentage gains in employment within the Chicago MSA occurred within the Services and FIRE sectors with annual average compound growth rates of 1.72% and 1.21% respectively.

For the State of Illinois, the largest meaningful gains in employment over the past four years also occurred within the Services and FIRE sectors with annual average compound growth rates of 1.52% and 1.01% respectively.

We are unable to examine more than four years of historical trends in employment sectors because the US Department of Commerce switched from the Standard Industrial Classification (SIC) system of employment categories to the North American Industrial Classification System (NAICS) in 2001. NAICS employment categories differ from those of the SIC system, making it difficult to compare pre-2001 and post-2001 data.

Ten year projections for the Chicago MSA show Mining & Other related employment leading all other sectors with FIRE second. The forecast for the State of Illinois has Mining & Other related employment leading all other sectors with FIRE second.

EMPLOYMENT SECTOR TRENDS								
Chicago MSA								
	2001	2005	%		2015	Change Rate		
			of Total	2010		'01-'05	'05-'10	'05-'15
Total Employment	5,090.3	5,188.9	100%	5,562.1	5,840.4	0.48%	1.40%	1.19%
Services	2,065.5	2,211.7	42.6%	2,410.7	2,569.1	1.72%	1.74%	1.51%
Government	556.5	580.8	11.2%	620.2	649.9	1.08%	1.32%	1.13%
FIRE	526.9	552.9	10.7%	610.3	658.1	1.21%	2.00%	1.76%
Retail Trade	501.2	498.3	9.6%	523.9	540.3	-0.15%	1.01%	0.81%
Manufacturing	550.7	475.3	9.2%	465.3	445.7	-3.61%	-0.43%	-0.64%
Transport, Info, Util	361.7	350.4	6.8%	381.4	405.9	-0.79%	1.71%	1.48%
Construction	261.6	259.5	5.0%	274.6	284.7	-0.20%	1.14%	0.93%
Wholesale Trade	258.8	250.7	4.8%	265.1	275.0	-0.79%	1.13%	0.93%
Mining & Other	7.3	9.3	0.2%	10.6	11.9	5.95%	2.84%	2.54%
Ttl Non-Mfg.	4,539.6	4,713.6	90.8%	5,096.8	5,394.7	0.94%	1.58%	1.36%
Ttl Office-Related*	3,148.8	3,345.4	64.5%	3,641.2	3,877.1	1.53%	1.71%	1.49%

\*Includes FIRE, Services and Government

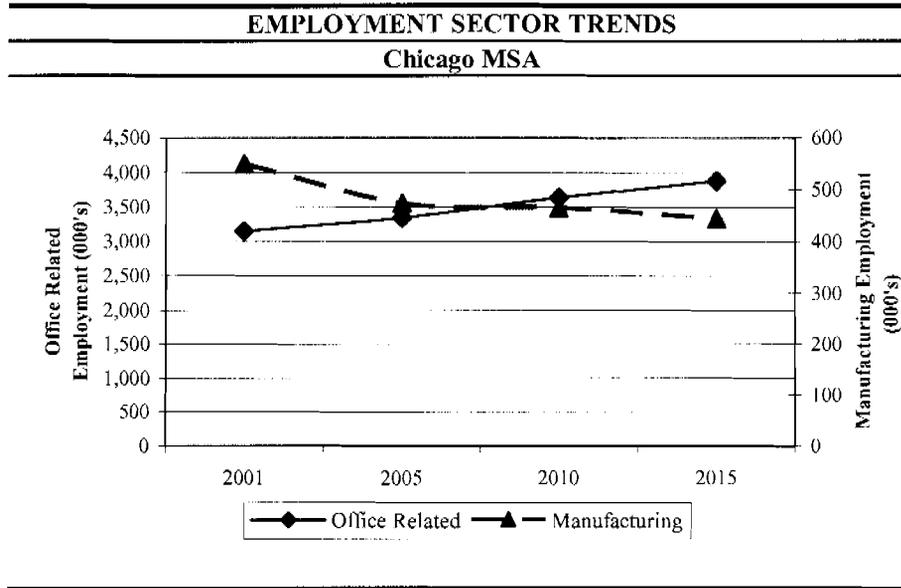
(Numbers in thousands (000's))

EMPLOYMENT SECTOR TRENDS								
State of Illinois								
	2001	2005	%		2015	Change Rate		
			of Total	2010		'01-'05	'05-'10	'05-'15
Total Employment	7,304.6	7,393.1	100%	7,877.3	8,231.0	0.30%	1.28%	1.08%
Construction	387.8	382.5	5.2%	403.0	416.4	-0.35%	1.05%	0.85%
FIRE	699.2	728.0	9.8%	797.7	855.0	1.01%	1.85%	1.62%
Government	900.5	930.3	12.6%	987.0	1,029.0	0.82%	1.19%	1.01%
Manufacturing	836.5	724.3	9.8%	713.0	687.0	-3.54%	-0.31%	-0.53%
Mining & Other	21.4	25.1	0.3%	28.2	31.0	4.05%	2.35%	2.10%
Retail Trade	771.6	766.7	10.4%	806.3	831.8	-0.16%	1.01%	0.82%
Services	2,858.1	3,036.2	41.1%	3,284.0	3,478.6	1.52%	1.58%	1.37%
Transport, Info, Util	492.0	473.3	6.4%	512.0	542.5	-0.97%	1.58%	1.38%
Wholesale Trade	337.5	326.8	4.4%	346.1	359.6	-0.80%	1.16%	0.96%
Ttl Non-Mfg.	6,468.1	6,668.8	90.2%	7,164.3	7,543.9	0.77%	1.44%	1.24%
Ttl Office-Related*	4,457.8	4,694.5	63.5%	5,068.6	5,362.6	1.30%	1.55%	1.34%

\*Includes FIRE, Services and Government

(Numbers in thousands (000's))

In the following chart, we focus on trends in two broad employment sectors: office-related and manufacturing employment. For purposes of this analysis, we define office-related employment as the total number of jobs in the FIRE, Services and Government sectors. While not all employment in these sectors is office-related, office employment trends tend to mirror the trends in these three categories combined. In the Chicago MSA, office-related employment is growing while manufacturing employment is declining. This indicates a shift toward a more service-based economy, which is consistent with the national trend.



The Chicago MSA accounted for approximately 69.00% of the State of Illinois’s employment in 1995. In 2005, the ratio is 70.09% and it is projected at 70.96% through 2015. This is an indication that the Chicago MSA is growing at a rate similar to the State of Illinois.

The Chicago MSA’s economy is not dependent on a particular sector. The employment base is varied, as are the major employers. Therefore, the Chicago MSA should be less susceptible to cyclical fluctuations that have occurred in other areas dominated by a single industry. The area’s major employers are listed on the following page.

Chicago Metropolitan Area Major Employers			
2004 Rank	Company	Current No. of Local Employees	Nature of Operations
1.	U.S. Government	88,000	Federal operations
2.	Chicago Public Schools	39,402	Public school district
3.	Jewel-Osco	36,749	Food-drug retailer
4.	City of Chicago	35,978	City government
5.	Cook County	26,505	County government
6.	Advocate Health Care	25,196	Health care
7.	United Parcel Service of America	19,563	Package delivery company
8.	State of Illinois	17,222	State government
9.	SBC Communications Inc.	17,000	Voice, data, networking and e-business services
10.	United Airlines	15,830	Airline transportation services
11.	Archdiocese of Chicago	15,484	Catholic diocese
12.	Abbott Laboratories	15,300	Health care company
13.	J.P. Morgan Chase & Co.	15,300	Financial services
14.	Motorola, Inc.	15,000	Mobile communications
15.	Wal-Mart Stores Inc.	14,320	Retail
16.	University of Chicago	12,964	Education
17.	Sears, Roebuck and Company	12,163	Retail
18.	University of Illinois at Chicago	12,043	Higher education
19.	Chicago Transit Authority	11,907	Public transportation system
20.	Target Corporation	11,000	Retail
21.	American Airlines	10,800	Airline transportation services
22.	Dominick's Finer Foods Inc.	10,682	Grocery retailer
23.	Allstate Insurance Company	10,323	Insurance carrier
24.	Walgreen Company	10,250	Pharmacy and drug store
25.	LaSalle Bank Corporation	9,369	Banking services
26.	Rush University Medical Center	8,455	Hospital patient care and research
27.	Northwestern University	7,207	Higher education
28.	Hewitt Associates Inc.	7,200	Outsourcing and consulting firm
29.	Evanston Northwestern Healthcare	7,036	Health care
30.	Exelon Corporation	6,646	Electric utilities
31.	Chicago Park District	6,463	Parks and facilities
32.	McDonald's Corporation	5,900	Fast-food
33.	Northwestern Memorial Hospital	5,812	Health care
34.	HSBC North America Holdings	5,800	Banking and financial services
35.	Alexian Brothers Health System	5,676	Health care ministry
36.	Aon Corporation	5,335	Insurance and risk management
37.	Northern Trust Corporation	5,326	Institutional services
38.	Harris Trust & Savings Bank	5,236	Institutional services
39.	Loyola University Health System	4,994	Private, academic health care institution
40.	Employco Group Ltd.	4,974	Payroll services
41.	Baxter International Inc.	4,788	Health care
42.	Laidlaw International Inc.	4,730	Transit service
43.	Illinois Tool Works Inc.	4,600	Developer & processor of engineered components
44.	Tribune Company	4,439	Media company
45.	Comcast Corporation	4,420	Cable communication systems
46.	BP America Inc.	4,400	Corporate communications
47.	Central DuPage Health	4,310	Health care
48.	Accenture Limited	4,277	Financial report analysts
49.	IBM Corporation	4,000	Networking
50.	Children's Memorial Hospital	3,783	Health care

Source: Crain's Chicago Business – Book of Lists 2005

## INCOME

Personal income is a significant factor in determining the real estate demand in a given market. From 2000 to 2005, the Chicago MSA's income grew at an average annual compound rate of 1.55%, compared to the State of Illinois average annual compound growth rate of 1.64%. The two market areas displayed a similar pattern in per capita income growth over the last ten years. The Chicago MSA's average annual compound growth rate was 2.32% as compared to 2.32% for the State of Illinois. Projections for the next five and ten year periods reflect growth rates for the Chicago MSA that are less than the anticipated gains for the State of Illinois. For the two time frames, 2005 to 2010 and 2005 to 2015, the Chicago MSA is anticipated to experience 2.55% and 2.15% average annual growth rates, respectively, compared to the projected growth rates of the State of Illinois of 2.61% and 2.21%.

An examination of income per household reveals that, historically, the Chicago MSA has experienced a growth rate similar to that of the State of Illinois. Future projections predict slower growth for the Chicago MSA compared to the State of Illinois. In absolute dollars, the Chicago MSA's personal income historically has been above that of the State of Illinois, both on per capita and per household bases.

INCOME PER CAPITA COMPARISON					
State of Illinois			Chicago MSA		
	Year	Income/Capita <sup>1</sup>	% Change	Income/Capita <sup>1</sup>	% Change
Historical	1995	\$27,712		\$30,701	
	2000	\$32,148	16.0%	\$35,741	16.4%
	2001	\$32,208	0.2%	\$35,755	0.0%
	2002	\$31,957	-0.8%	\$35,154	-1.7%
	2003	\$31,438	-1.6%	\$34,691	-1.3%
Current	2004	\$33,762	7.4%	\$37,391	7.8%
	<b>2005</b>	<b>\$34,869</b>	<b>3.3%</b>	<b>\$38,603</b>	<b>3.2%</b>
Projected	2006	\$35,919	3.0%	\$39,749	3.0%
	2007	\$36,966	2.9%	\$40,888	2.9%
	2008	\$37,919	2.6%	\$41,920	2.5%
	2009	\$38,796	2.3%	\$42,864	2.3%
	2010	\$39,657	2.2%	\$43,787	2.2%
	2015	\$43,406	9.5%	\$47,762	9.1%
Average Annual Compound Change	<b>Historical</b>				
		Past 5 years	1.64%		1.55%
		Past 10 years	2.32%		2.32%
	<b>Projected</b>				
		Next 5 years	2.61%		2.55%
	Next 10 years	2.21%		2.15%	

<sup>1</sup> Income figures are stated in year 2000 constant dollars.

Source: NPA Data Services, Inc.; compiled by IRR

INCOME PER HOUSEHOLD COMPARISON					
State of Illinois			Chicago MSA		
Year	Income/Household <sup>1</sup>	% Change	Income/Household <sup>1</sup>	% Change	
1995	\$75,041		\$85,195		
2000	\$86,797	15.7%	\$99,333	16.6%	
2001	\$86,832	0.0%	\$99,312	0.0%	
2002	\$85,885	-1.1%	\$97,392	-1.9%	
2003	\$84,213	-1.9%	\$95,843	-1.6%	
2004	\$90,474	7.4%	\$103,234	7.7%	
<b>Current</b>	<b>2005</b>	<b>\$93,272</b>	<b>3.1%</b>	<b>\$106,384</b>	<b>3.1%</b>
	2006	\$95,907	2.8%	\$109,343	2.8%
	2007	\$98,523	2.7%	\$112,271	2.7%
	2008	\$100,877	2.4%	\$114,891	2.3%
<b>Projected</b>	2009	\$103,020	2.1%	\$117,261	2.1%
	2010	\$105,112	2.0%	\$119,563	2.0%
	2015	\$113,977	8.4%	\$129,191	8.1%
<b>Average Annual Compound Growth</b>	<b>Historical</b>				
	Past 5 years	1.45%		1.38%	
	Past 10 years	2.20%		2.25%	
	<b>Projected</b>				
	Next 5 years	2.42%		2.36%	
	Next 10 years	2.03%		1.96%	

<sup>1</sup> Income figures are stated in year 2000 constant dollars.

Source: NPA Data Services, Inc.; compiled by IRR

## CONCLUSION

Overall, the Chicago MSA and the State of Illinois have encountered some unstable economic times over the past several years. Although the population continues to grow, these areas saw very slow to some negative growth rates in both employment and income between 2000 and 2002. However, both employment and income saw more of a normal growth during 2003 and 2004, and projections call for a return to a more normal growth pattern over the next five to 10 years.



