

# Lake Grove Village Apartments

Chicago, IL



458 UNITS | 70% LIHTC ONLY, 20% HAP, 10% MARKET-RATE



# The Offering

## Property Summary

Address	3555 S Cottage Grove Ave
City, State	Chicago, IL 60653
Year Built / Renovated	1972 / 1999
Number of Units	458 Units
Tenancy Type	Family
Average Unit Size	724 SF
Total SF	331,680 SF
Buildings	8: 3 Mid-Rise/Tower + 5 Garden
Acres	6.6
Current Density (Units/Acre)	69.4

## Construction Summary

	High Rise	Garden-Style
Foundation	Concrete slab on grade, cast-in-place	Cast-in-place, reinforced concrete foundations and footings
Framing	Steel truss joints	Steel truss joints
Parking	Surface	Surface
Roof	Steel roof decking	Steel roof decking
Building Type	3 Mid-Rise	5 Walk-Up

## Utility Information

SERVICE	SOURCE	PAID BY
Heat	Gas / Electric (Building 3526)	Tenant
Cooking	Gas / Electric (Building 3526)	Tenant
Hot Water	Gas / Electric (Building 3526)	Tenant
Air Conditioning	Electric	Tenant
Electricity	--	Tenant
Water/Sewer	--	Landlord

## EXECUTIVE SUMMARY

## Affordable Summary

Affordable type	70% LIHTC Only @ 60% AMI, 20% HAP, 10% Market-Rate
Year Placed-in-service	1999
End of Year 15	December 31, 2013
LIHTC Expiration	December 31, 2028
HAP Renewal Type	Option 2
Most Recent Renewal	September 1, 2025
HAP Expiration	August 31, 2035

## AMI & Max Rent Growth

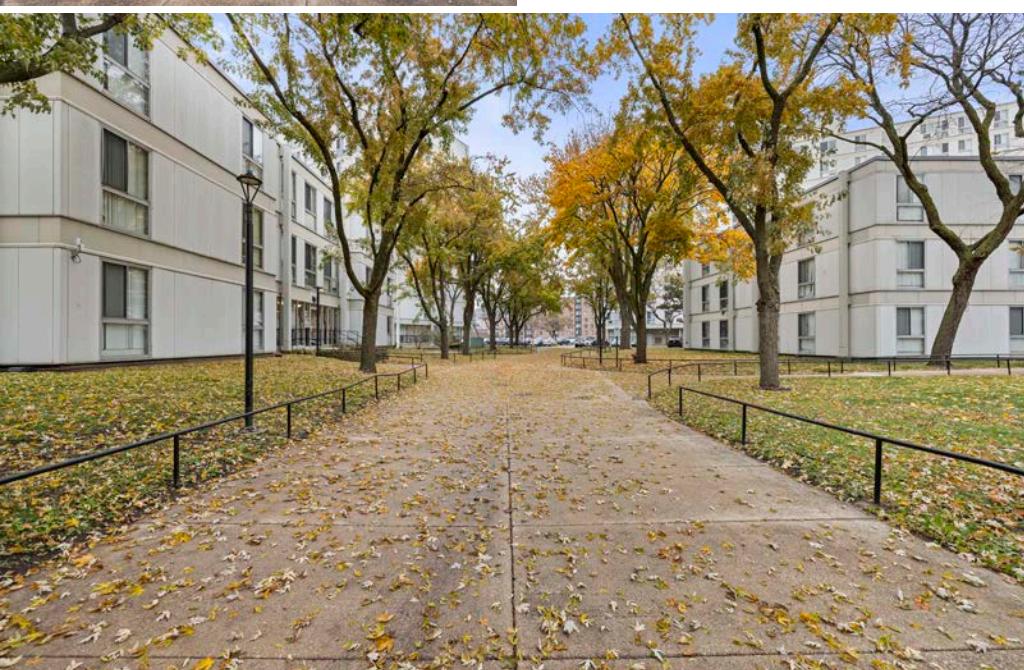
YEAR	AMI	% Change	Income Limit	% Change	60% AMI Max Rent <sup>1</sup>
2025	\$119,900	+7.0%	\$63,150	+6.8%	\$1,705
2024	\$112,100	-0.2%	\$59,150	+0.0%	\$1,597
2023	\$112,300	+4.2%	\$59,150	+4.2%	\$1,597
2022	\$107,800	+15.7%	\$56,750	+15.7%	\$1,532
2021	\$93,200	+2.4%	\$49,050	+2.4%	\$1,324
2020	\$91,000	+2.1%	\$47,900	+2.1%	\$1,293

1) 2 Bedroom Gross Max Rents

## Contract Rent Summary

In-Place Contract Rents <sup>1</sup>	JLL Proj. OCAF	2026 150% SAFMR
\$1,765	4.2%	\$1,947

1) Effective September 2025



## Offering Procedures

**TOUR SCHEDULE:**

Please contact Doug Childers (doug.childers@jll.com), Michael Fox (michael.fox@jll.com), or Kevin Girard (kevin.girard@jll.com) to schedule a tour. Under no circumstances are Investors allowed to visit the Property without approval from JLL. Failure to adhere to this request will be taken into consideration by the Seller when offers are selected.

**OFFER DATE:**

To Be Announced

**BEST & FINAL:**

Upon review of the initial offers submitted, if appropriate, a select group of Investors will be notified of their participation within the Best and Final Round.

**TERMS AND CONDITIONS:**

The Property is offered on an "as is" basis, subject to the existing rent, income, age, and occupancy restrictions required by the existing LIHTC LURA and HAP Contract.

**APPROVALS:**

Approval from HUD and IHDA will be required of a prospective Buyer. However, approval shall not be unnecessarily withheld from Investors.

**SELECTION AND CRITERIA:**

The prospective Investor will be selected by the Owner, in its sole and absolute discretion, on the basis of a complement of factors, including, but not limited to, purchase price; the Investor's financial strength/balance sheet capacity; level of discretion to invest funds; ability to close in a timely fashion; experience in closing similar transactions; reputation within the industry and the extent to which due diligence is completed.

# Investment Highlights



## STRONG, ORGANIC RENT GROWTH POTENTIAL

- **\$350+** spread between in-place lease rents (LIHTC only) and 2025 max LIHTC rents
- **70%** of units are LIHTC only and rent restricted at 60% AMI
- **\$675+** spread between in-place LIHTC lease rents and market-rate comparables



## HAP CONTRACT AND LIHTC RENT ADVANTAGE DEMONSTRATE AFFORDABLE DEMAND

- **8% Turnover (T12)**
- **Average Resident Tenure of 7.5+ Years**
- **Stable Annual Rent Increases**
- **Hedge against Inflation via OCAF**
- **Implicit Government Guaranty**
- **Significant rent adv. on LIHTC-only units (\$600+)**



## RECENT SIGNIFICANT CAPITAL INVESTMENT

- **\$177,250+** in major plumbing work in 2025
- **\$52,850+** in fire systems upgrades in 2025
- **\$300,000+** in Interior Renovations across 50+ Units
- **\$1.35M** Electrification Project Scheduled to be completed in 2Q2026



## AFFORDABLE PRESERVATION OPPORTUNITY

- **LIHTC LURA expiration: 2028**
- Eligible for basis boost in QCT
- Ability to push rents on both LIHTC and HAP units following tax credit rehab
- **JLL est. a \$215+ renovation premium for HAP units following a LIHTC rehab**



## PREMIUM CHICAGO METRO ENSURES CONSISTENT DEMAND

- **2,700,000+** Chicago MSA Population
- **3rd largest** metropolitan area in the U.S.
- **31** Fortune 500 company headquarters
- **126,000+** unit shortage of Affordable Housing in Chicago
- **4.7% vacancy rate** in the Chicago MSA



## Community Amenities

- On-Site Laundry Room
- Playground
- Computer room
- On-Site Leasing Office
- 24/7 Security, Fully-Fenced

## Apartment Amenities

- Fully-Equipped Kitchens Include:
  - Gas Range
  - Refrigerator
  - Stainless Steel Appliances
- Full-sized Tub/Shower

Units	Unit Description	SF	In-Place Lease / Contract Rents	2025 Max LIHTC Rents <sup>1</sup>	JLL Proj. 2026 Max Rent Growth	JLL Proj. 2026 Max LIHTC Rents <sup>1</sup>	JLL Est. 2026 OCAF	JLL Proforma Blended Per Unit Market Rent	JLL Proforma Annual Market Rents
41	1 Bedroom, 1 Bath (A) HAP	500	\$1,637	--	--	--	4.2%	\$1,694	\$833,679
53	1 Bedroom, 1 Bath (A) 60% AMI	500	\$1,120	\$1,292	1.3%	\$1,309	--	\$1,125	\$715,688
12	1 Bedroom, 1 Bath (A) Market-Rate	500	\$1,202	--	--	--	--	\$1,352	\$194,706
2	1 Bedroom, 1 Bath (A) 60% AMI (CLIHTF)	500	\$1,405	\$1,292	1.3%	\$1,309	--	\$1,426	\$34,226
10	1 Bedroom, 1 Bath (B) HAP	600	\$1,670	--	--	--	4.2%	\$1,728	\$207,383
43	1 Bedroom, 1 Bath (B) 60% AMI	600	\$1,063	\$1,292	1.3%	\$1,309	--	\$1,047	\$540,436
1	1 Bedroom, 1 Bath (B) Market-Rate	600	\$1,350	--	--	--	--	\$1,500	\$18,000
1	2 Bedroom, 1 Bath (A) HAP	720	\$1,755	--	--	--	4.2%	\$1,816	\$21,794
19	2 Bedroom, 1 Bath (A) 60% AMI	720	\$1,154	\$1,556	1.3%	\$1,576	--	\$1,188	\$270,881
2	2 Bedroom, 1 Bath (B) HAP	750	\$1,775	--	--	--	4.2%	\$1,837	\$44,084
44	2 Bedroom, 1 Bath (B) 60% AMI	750	\$1,233	\$1,556	1.3%	\$1,576	--	\$1,212	\$639,735
8	2 Bedroom, 1 Bath (B) Market-Rate	750	\$1,362	--	--	--	--	\$1,512	\$145,104
17	2 Bedroom, 1 Bath (C) HAP	810	\$1,862	--	--	--	4.2%	\$1,927	\$393,097
74	2 Bedroom, 1 Bath (C) 60% AMI	810	\$1,224	\$1,556	1.3%	\$1,576	--	\$1,229	\$1,091,337
15	2 Bedroom, 1 Bath (C) Market-Rate	810	\$1,428	--	--	--	--	\$1,578	\$284,058
2	2 Bedroom, 1 Bath (C) 60% AMI (CLIHTF)	810	\$1,250	\$1,556	1.3%	\$1,576	--	\$1,269	\$30,450
16	2 Bedroom, 1 Bath (D) HAP	850	\$1,871	--	--	--	4.2%	\$1,937	\$371,811
37	2 Bedroom, 1 Bath (D) 60% AMI	850	\$1,230	\$1,556	1.3%	\$1,576	--	\$1,251	\$555,356
1	2 Bedroom, 1 Bath (D) 60% AMI (CLIHTF)	850	\$2,250	\$1,556	1.3%	\$1,576	--	\$2,284	\$27,405
5	3 Bedroom, 1 Bath (A) HAP	950	\$2,355	--	--	--	4.2%	\$2,437	\$146,224
46	3 Bedroom, 1 Bath (A) 60% AMI	950	\$1,491	\$1,805	1.3%	\$1,828	--	\$1,442	\$795,711
8	3 Bedroom, 1 Bath (A) Market-Rate	950	\$1,586	--	--	--	--	\$1,736	\$166,632
1	3 Bedroom, 1 Bath (A) 60% AMI (CLIHTF)	950	\$1,450	\$1,805	1.3%	\$1,828	--	\$1,472	\$17,661
<b>458</b>	<b>Totals / Averages</b>	<b>724</b>	<b>\$1,350</b>	<b>\$1,512</b>	<b>1.3%</b>	<b>\$1,532</b>	<b>4.2%</b>	<b>\$1,373</b>	<b>\$7,545,457</b>

<sup>1</sup>) Max LIHTC rents take into account applicable utility allowances.

# Strong, Organic Rent Upside

The Property delivers an iron-clad revenue stream insulated from typical market volatility and offers Investors a stable return due to the in-place rents and rents achieved by nearby comparable properties. On the LIHTC units specifically, the current spread to 2025 max rents is \$350+. Given the additional spread to market-rate rents of \$330+, an Investor is well-positioned to capitalize on the organic rent growth potential on 80% of the rent roll.



**\$351 / 30%**  
Spread between In-Place  
LIHTC Lease Rents and 2025  
max rents



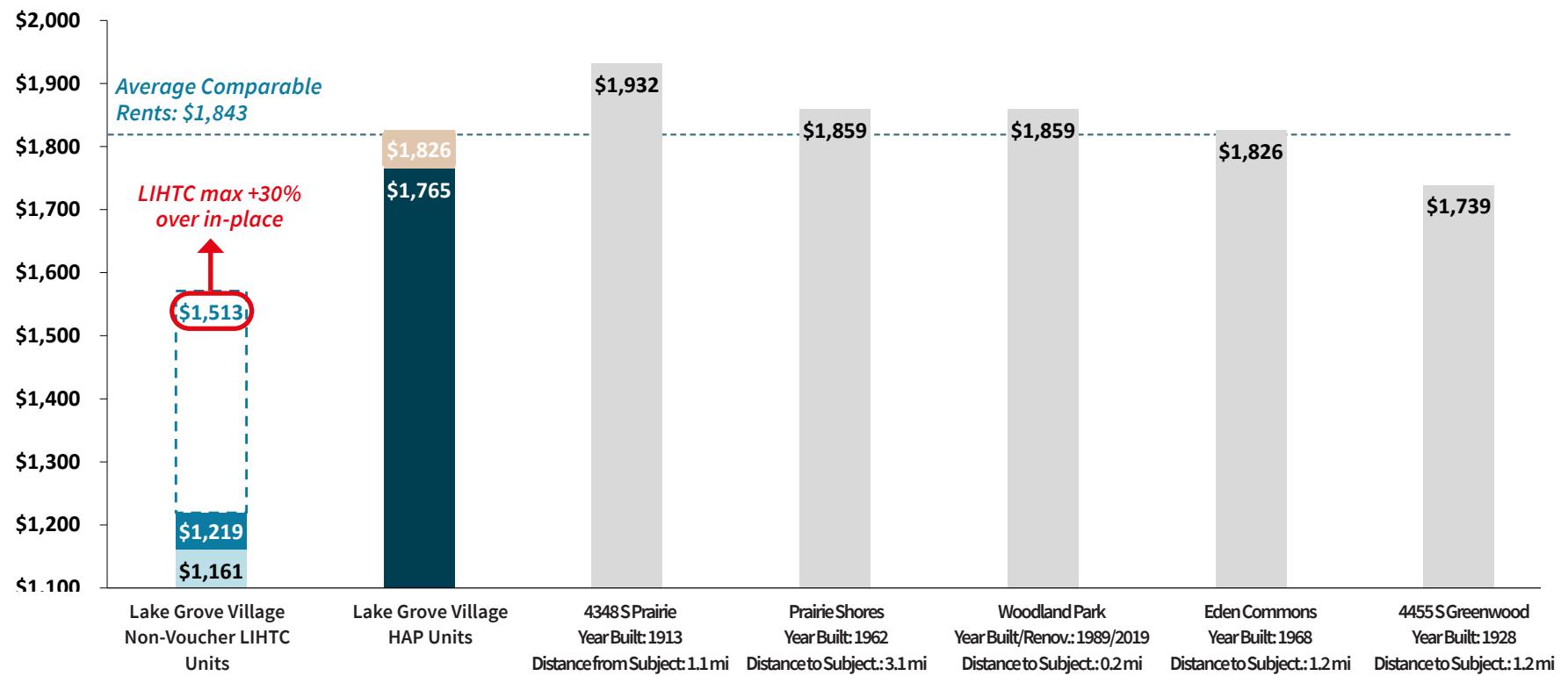
**\$682 / 59%**  
Spread between In-Place  
LIHTC Lease Rents and market-  
rate comparables



**70%**  
LIHTC Only  
units at  
60% AMI



**20%**  
Option 2 HAP Units  
eligible for 5-year MUTMs



# HAP Contract & Rent Advantage Provide Stable Operations

92 Units (20%) at Lake Grove Village are encumbered by an Option 2 Project-Based Section 8 (HAP) Contract. The HAP program allows for annual rent increases via an Operating Cost Adjustment Factor (OCAF), which is based on inflation. Some HAP contracts (including Option 2 like on Lake Grove Village) allow for Mark-up-to-Market (MUTM) adjustments to contract rents every five years. As a result, HAP contracts are **inflation-protected vehicles** with an **implicit government guarantee** that ensures consistently strong occupancy, low turnover, and protection from typical market volatility. **Both House and Senate FY26 budget proposals reject steep cuts to the program proposed by the current administration.**

**8%**

Rent Roll Turnover  
(Past 12 Months)

**3.9%**

Avg. Annual Growth to HUD budget  
from 2015+ under both Democratic  
and Republican administrations

**\$682 / 59%**

Significant rent advantage on  
LIHTC-only units

**+7.5**

Average Tenure of All  
Residents at the Property (Years)



# Significant Capital Investment History

Current ownership has invested significant capital into ensuring the long-term viability of the Property, including significant rehab in 53 units in 2025, an electrification project, replacement of water supply risers, among other projects.

## Capex Summary

**\$177,250+**

Major Plumbing Improvements (e.g. replacement of 16 risers)

**\$52,850+**

Fire Protection Systems (fire panel replacement and vent hood fire suppression)

**\$304,000+**

Extensive Renovation of 53 Units

**\$1,350,000+**

Electrification Project

## In-Unit Scope of Rehab

Renovated Units are achieving a **\$112** premium

- New Stoves & Refrigerators
- New Carpet & Plank Floors
- New Kitchen & Medicine Cabinets\*
- New Light Fixtures
- New Counter tops\*

\* Select Units



## Lake Grove Village Electrification Project

The Property is currently implementing a grant-funded electrification initiative in the 3526 building, converting all gas-powered unit appliances, hot water systems, and heating systems to electric operations. The cost of the project is \$1.35M with an Elevate Energy grant covering about 97% of the costs.

## Project Scope

- **Est. Completion Date: April 2026**
- Install new transformer
- Convert gas heating and domestic hot water heaters to electric heat pump systems
- Install electric stoves in each unit
- Ventilation modifications in each apartment
- Remove AC sleeves (heat pumps will also provide cooling)

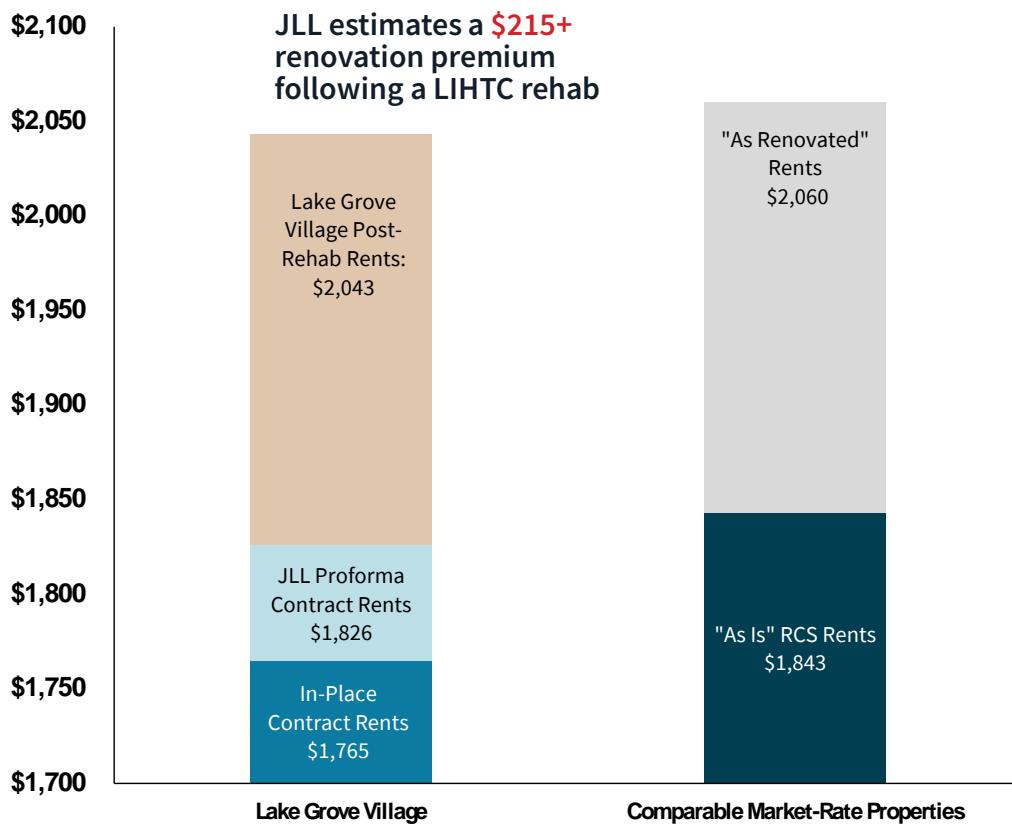
# Affordable Housing Preservation Opportunity

The guaranteed rental revenue provided by the HAP contract, coupled with the existing LIHTC units, makes Lake Grove Village a potential candidate for preservation and a contract rent increase using Low Income Housing Tax Credits (LIHTCs) and Tax Exempt Bond financing.

- ✓ LIHTC Equity offsets acquisition and renovation costs
- ✓ Eligible for the 130% basis boost due to location in a Qualified Census Tract

- ✓ Changes to the 50% test reduce buyer's risk around bond allocation
- ✓ **Expiration of the LIHTC LURA in 2028** makes Lake Grove Village a prime candidate for state and local soft funds

## Estimated Renovation Premium (HAP Units Only)



# Lake Grove Village Submarket Aerial



## Soldier Field

- Home of the NFL's Chicago Bears

2.6 miles



## McCORMICK PLACE

1.8 miles



5.3 miles



0.5 miles



## 35th-Bronzeville Green Line Station

miles



## Woodland Park

Market Rate  
Year Built/Renov.: 1989/2019  
Avg. Rent: \$1,863



2.4 miles

# Daniel Burnham Park

# Samuel Ellis Park

An aerial photograph showing a large, light-colored, multi-story building with several windows. The building is situated at the corner of a street intersection. A green rectangular box highlights the building, and a red diagonal line extends from the bottom right corner of the box towards the bottom left of the image, pointing towards the text "S Cottage Grove Ave". The surrounding area includes other buildings, trees, and a parking lot.

# Premium Chicago MSA Ensures Consistent Demand

The Chicago, IL MSA boasts a population of over 9.4 million and a GDP of over \$764 billion, making Chicago the 3rd largest economy in the U.S. and the 20th largest economy in the world. Chicago has been named the #1 metro for corporate relocation for the past 12 years – with businesses flocking to the area for the talented & educated workforce, low cost of living compared to other major metros in the U.S. and superb transit system.

3RD

Largest MSA in U.S.  
(U.S. Census Bureau)

2ND

Largest Public Transit System in U.S.  
(American Public Transportation Association)

3RD

Largest Economy in the U.S.  
(World Business Chicago)

31

Fortune 500 HQs  
(Fortune)

## MAJOR EMPLOYERS IN CHICAGO



Walgreens Boots Alliance



## PREMIUM METRO DRIVES AFFORDABLE HOUSING DEMAND

126K+

Shortage of Affordable Housing units

-8.6%

Total decline in annual LIHTC deliveries (2013-2024)

48%

Chicago MSA Households that are Rent Burdened

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