

2025 Annual Lease & Purchase Option Report

January 1, 2026 – December 31, 2026



Introduction

In accordance with 20 ILCS 405/405-300(4), the Bureau of Property Management (“BoPM”) on behalf of the Department of Central Management Services (“CMS”) for The State of Illinois (the “State”) has prepared an analysis of leased properties with 100% State of Illinois occupancy. These properties are currently leased by the State of Illinois with 100% occupancy by a state agency and are set to expire in 2026.

Each property was analyzed using key factors, including the total cost to lease versus the total cost to acquire the property over a 10-year lease term. To determine the total cost of a 10-year lease, the current lease was broken into the base rent and negotiated escalations, operating expenses and any negotiated escalations, and any tenant improvement costs. A review of the market in the specific location of the current leased property was performed to determine the cost of acquiring a property. This included currently available and historic sales, when available, of comparable properties in the same market.

When the total cost of a lease is compared to the total cost to acquire a property, the state must also consider that the risks cannot be known until acquisition. The State may not be able to acquire the property at market value, and the full cost of renovating and maintaining the property may be much higher than planned. The State must also consider the property's current and future disposition in the total acquisition cost. With a lease in place, the State can amend or terminate a lease based on property values and market trends.

The State continues its efforts to reduce its footprint with the implementation of space standards, effective as of September 1, 2020. In addition to the post-pandemic workplace strategies, these standards have increased remote work practices and allowed the state to reduce the overall footprint of space needs. As these decreases in space needs are recognized in reducing leased space, many agencies have reduced the needed square footage and combined spaces to share with other agencies. The State continues to review current space needs to continue the reduction of occupied space by the State in accordance with the new space standards and remote work policies.

Definitions

Acquisition: This refers to the purchase of a building.

Base Operating Expense (OpEx): The cost per square foot to operate within a space. Costs include but are not limited to utilities, fire protection, janitorial services, building maintenance, and waste pickup.

Base Rental Rate: Rental rate that does not include operating expenses, real estate taxes, and utilities.

Capital Repairs and Renovations (CR&R): Funds used to purchase, maintain, or improve long-term physical assets.

Initial Capital Expenditure (CapEx): The costs incurred to improve property that is acquired after closing.

Initial Capital Repairs and Renovations: Refers to the significant, permanent improvement made to a property at the beginning of ownership.

Operational Expense Escalation (OpEx): The increase in costs associated with base operating expense.

Rental Rate Escalation: The negotiated rate increase of rent over the term of the lease.

SF: Square Foot

Tenant Improvement (TI): The cost associated with changes made to the rental space by a tenant.

Total Buildout Cost: The expense incurred to fully finish and prepare a commercial space for occupancy.

Total Ongoing Capital Expense (CapEx): The sum of a company's recurring expenditures to maintain and upgrade long-term assets.

For each property, BoPM has identified the lowest cost acceptable alternatives:

1. **Continue to lease:** The current lease is the most cost-efficient alternative for the location. Neither purchasing the asset nor any identified alternatives are as cost-effective as the existing lease. Even if the State opts to continue leasing the subject property, the State should consider conducting a portfolio assessment to determine the actual space requirements for its users in the market and surrounding markets. Given that the State recently adopted new space standards, the State may be able to reduce its space needs and identify opportunities to consolidate its office spaces.

2. **Consider acquisition:** Acquiring the subject asset is more cost-effective than leasing the asset. However, prior to any asset purchase, the State should consider conducting a portfolio assessment to determine the actual space requirements for its users in the market and surrounding markets, as well as the condition of the existing building.

Property	City	Lowest Acceptable Alternative
400 Roundtree	Hillsboro	Continue to Lease
1245 S Main St	Monmouth	Continue to Lease
108 Denny Dr	Anna	Continue to Lease
821 W Main St	Galesburg	Continue to Lease
5608 W 7 th Pl	Burbank	Continue to Lease
1231 S West St	Only	Continue to Lease
1035 Stevenson Dr	Springfield	Continue to Lease
100 S Grand Ave E	Springfield	Continue to Lease
830 S Spring	Springfield	Continue to Lease
1000 Cheney St	Taylorville	Continue to Lease
1550 S 4 th	Lincoln	Continue to Lease
301-325 S Date St	Gibson City	Continue to Lease
2100 Eastdale	Springfield	Consider acquisition
4700 Rodger	Springfield	Continue to Lease
833-835 S Spring	Springfield	Continue to Lease

400 Roundtree St, Hillsboro, IL



To assess whether the State should continue leasing or purchasing the building, the total cost of leasing the property must be compared to the total acquisition cost. The analysis first calculates the cost of a new lease over a 10-year term. Then, the study estimates the maximum purchase price for the building, whereby the total cost to acquire equals the cost to lease. The analysis then explores properties elsewhere in the market to gauge whether this price is achievable; that is, based on market data if the current owner of the building is likely to sell the property to the State at or below this price. If this is not possible, then the analysis recommends that the State continue to lease the property. The analysis uses the following assumptions based on a review of the local real estate market.

Property Details	
Property Address:	400 Rountree St, Hillsboro
Lease Number:	L6767
Property Type:	Office
Building Size (RSF):	6070
Year Built:	1959
Using Agency:	DHS
Lease Commencement	
Date:	2/1/2021
Lease/Option End Date:	1/31/2026
Demographics	
Population:	1 Mile: 3,541
	5 Miles: 6,770
Median Household	
Income:	1 Mile: \$62,600
	5 Miles: \$61,459

Based on a review of the local real estate market, where available, the analysis uses the following assumptions.

400 Roundtree Street, Hillsboro	
Rentable Square Feet (sf total):	6,070
Lease Term (year):	10
Base Rental Rate (\$ sf year)	\$ 11.00
Rental Rate Escalation (% year)	1%
Base OpEx (\$ sf year)	\$ 5.60
OpEx Escalation (% year)	2%
Tenant Improvement (TI) (\$ sf)	\$ 0.00
Landlord TI Allowance (\$ sf)	\$ 0.00
Initial Capital Repairs and Renovations (\$ sf)	\$ 60.00
Routine Capital Repairs and Renovations (CR&R) (\$ sf year)	\$ 1.00
CR&R Escalation	2%

Using these assumptions, the total cost to the State to renew its lease for another 10-year term would be \$1,118,071. This includes all costs associated with rent, operating costs, and any build-out or capital costs the State may incur as part of the lease.

Total Cost to Lease 400 Roundtree	
	\$ 738,424
Total Rent Cost	
<u>+ Total OpEx</u>	<u>\$379,647</u>
Total Cost (Real)	\$ 1,118,071

If the State chooses to acquire the property and decides to renovate, a baseline of \$60/SF is used for capital repairs. This estimate includes building materials, doors and windows, and "specialties" (e.g., drinking fountains, fire hoses and alarms, extinguisher cabinets, etc.) It does not reflect the actual scope of work a building may need; further assessment of State facilities would be required.

As discussed above, purchasing a property is only justifiable if the total cost of acquisition is less than the total cost of leasing. The total cost to acquire includes not only the contract purchase price but also capital investments and the operating cost of the property.

Total Cost to Acquire 400 Roundtree, Hillsboro	
2027 Market Acquisition Cost	\$303,500
Total Buildout Cost	\$364,200
Total Ongoing CapEx	\$447,948
Total Cost to Acquire	\$1,115,648

Using these assumptions, the State cannot acquire the property for a price less than the total leasing cost.

Hillsboro, IL, has a population of 5,773 people in Montgomery County. The following property sales indicate market prices for properties in Montgomery County. The comp property listed is considered inferior to the subject property, and an SF price of \$50 was used in this analysis.

Address	SF	Sales Price	Price PSF
110 W Main St, Caffeen	3,100	\$100,000	\$32
Average			\$ 32.00

1245 S Main St, Monmouth, IL 61462



To assess whether the State should continue leasing or purchasing the building, the total cost of leasing the property must be compared to the total acquisition cost. The analysis first calculates the cost of a new lease over a 10-year term. Then, the study estimates the maximum purchase price for the building, whereby the total cost to acquire equals the cost to lease. The analysis then explores properties elsewhere in the market to gauge whether this price is achievable; that is, based on market data if the current owner of the building is likely to sell the property to the State at or below this price. If this is not possible, then the analysis recommends that the State continue to lease the property. The analysis uses the following assumptions based on a review of the local real estate market.

Property Details	
Property Address:	1245 S Main St, Monmouth
Lease Number:	L6351
Property Type:	Office
Building Size (RSF):	4500
Year Built:	1900
Using Agency:	DHS
Lease Commencement	
Date:	4/1/2021
Lease/Option End Date:	3/31/2026
Demographics	
Population:	Monmouth: 8,567 Warren County: 16,185
Median Household	
Income:	Monmouth: \$58,099 Warren County: \$33,470

Based on a review of the local real estate market, where available, the analysis uses the following assumptions.

1245 S Main Street, Monmouth	
Rentable Square Feet (sf total):	4,500
Lease Term (year):	10
Base Rental Rate (\$ sf year)	\$ 8.56
Rental Rate Escalation (% year)	0.8%
Base OpEx (\$ sf year)	\$ 4.54
OpEx Escalation (% year)	2%
Tenant Improvement (TI) (\$ sf)	\$ -
Landlord TI Allowance (\$ sf)	\$ -
Initial Capital Repairs and Renovations (\$ sf)	\$ 60.00
Routine Capital Repairs and Renovations (CR&R) (\$ sf year)	\$ 1.00
CR&R Escalation	2%

Using these assumptions, the total cost to the State to renew its lease for another 10-year term would be \$708,556. This includes all costs associated with rent, operating costs, and any build-out or capital costs the State may incur as part of the lease.

Total Cost to Lease 1245 S Main Street, Monmouth	
	\$ 400,770
Total Rent Cost	
+ Total OpEx	\$ 307,785
Total Cost (Real)	\$ 708,555

If the State chooses to acquire the property and renovate, a baseline of \$60/SF is used for capital repairs. This estimate includes building materials, doors and windows, and "specialties" (e.g., drinking fountains, fire hoses and alarms, extinguisher cabinets, etc.) It does not reflect the actual scope of work a building may need; further assessment of State facilities would be required.

As discussed above, purchasing a property is only justifiable if the total cost of acquisition is less than the total cost of leasing. The total cost to acquire includes not only the contract purchase price but also capital investments and the operating cost of the property.

Total Cost to Acquire 1245 S Main	
2027 Market Acquisition Cost	\$400,500
Total Buildout Cost	\$270,000
Total Ongoing CapEx	\$307,785
Total Cost to Acquire	: \$978,285

Using these assumptions, the State cannot acquire the property for a price less than the total leasing cost.

The following property sales indicate market prices for properties in Monmouth.

Address	SF	Sales Price	Price PSF
260 N 11 th St	3,253	\$396,423	\$121.86
721 S Main St	7,775	\$437,099	\$56.22
Average			\$ 89.04

108 Denny Drive, Anna, IL 62906



To assess whether the State should continue leasing or purchasing the building, the total cost of leasing the property must be compared to the total acquisition cost. The analysis first calculates the cost of a new lease over a 10-year term. Then, the study estimates the maximum purchase price for the building, whereby the total cost to acquire equals the cost to lease. The analysis then explores properties elsewhere in the market to gauge whether this price is achievable; that is, based on market data if the current owner of the building is likely to sell the property to the State at or below this price. If this is not possible, then the analysis recommends that the State continue to lease the property. The analysis uses the following assumptions based on a review of the local real estate market.

Property Details	
Property Address:	108 Denny Dr, Anna
Lease Number:	L6360
Property Type:	Office
Building Size (RSF):	4900
Year Built:	1997
Using Agency:	DCFS
Lease Commencement	
Date:	4/12/2021
Lease/Option End Date:	4/11/2026
Demographics	
Population:	Anna: 4,136 Union County: 16,667
Median Household	
Income:	Anna: \$25,161 Union County: \$29,902

Based on a review of the local real estate market, where available, the analysis uses the following assumptions.

108 Denny Drive, Anna	
Rentable Square Feet (sf total):	4,900
Lease Term (year):	10
Base Rental Rate (\$ sf year)	\$ 10.87
Rental Rate Escalation (% year)	1.1%
Base OpEx (\$ sf year)	\$ 5.77
OpEx Escalation (% year)	2%
Tenant Improvement (TI) (\$ sf)	\$ -
Landlord TI Allowance (\$ sf)	\$ -
Initial Capital Repairs and Renovations (\$ sf)	\$ 60.00
Routine Capital Repairs and Renovations (CR&R) (\$ sf year)	\$ 1.00
CR&R Escalation	2%

Using these assumptions, the total cost to the State to renew its lease for another 10-year term would be \$956,877. This includes all costs associated with rent, operating costs, and any build-out or capital costs the State may incur as part of the lease.

Total Cost to Lease 108 Denny Drive, Anna	
	\$565,705
Total Rent Cost	
+ Total OpEx	<u>\$ 391,172</u>
Total Cost (Real)	\$ 956,877

If the State chooses to acquire the property and renovate, a baseline of \$60/SF is used for capital repairs. This estimate includes building materials, doors and windows, and "specialties" (e.g., drinking fountains, fire hoses and alarms, extinguisher cabinets, etc.) It does not reflect the actual scope of work a building may need; further assessment of State facilities would be required.

As discussed above, purchasing a property is only justifiable if the total cost of acquisition is less than the total cost of leasing. The total cost to acquire includes not only the contract purchase price but also capital investments and the operating cost of the property.

Total Cost to Acquire 108 Denny Drive, Anna	
2027 Market Acquisition Cost	\$294,000
Total Buildout Cost	\$294,000
Total Ongoing CapEx	\$458,966
Total Cost to Acquire	: \$1,046,966

Using these assumptions, the State cannot acquire the property for a price less than the total leasing cost.

Anna, IL, has a population of 4,136 people in Union County. The following property sales provide some indication of market prices for properties in Union County.

Address	SF	Sales Price	Price PSF
607 E Broad St, Jonesboro	9,014	544,500	\$60
Average			\$ 60

821 W. Main, Galesburg, IL 61401



To assess whether the State should continue leasing or purchase the building, the total cost of leasing the property must be compared to the total cost of acquisition. The analysis first calculates the cost of a new lease over a 10-year term. Then, the analysis estimates the maximum purchase price for the building whereby the total cost to acquire is equal to the cost to lease. The analysis then explores properties elsewhere in the market to gauge whether this price is achievable; that is, based on market data, if the current owner of the building is likely to sell the property to the State at our below this price. If this does not appear likely, then the analysis recommends that the State continue to lease the property. Based on a review of the local real estate market, the analysis uses the following assumptions.

Property Details	
Property Address:	821 W Main St, Galesburg
Lease Number:	L6712
Property Type:	Office
Building Size (RSF):	9300
Year Built:	1980
Using Agency:	DHS
Lease Commencement	
Date:	5/1/2021
Lease/Option End Date:	4/30/2026
Demographics	
Population:	Galesburg: 29,130 Knox County: 48,411
Median Household	
Income:	Galesburg: \$24,848 Knox County: \$29,089

Based on a review of the local real estate market, where available the analysis uses the following assumptions.

821 West Main Street, Galesburg	
Rentable Square Feet (sf total):	9,300
Lease Term (year):	10
Base Rental Rate (\$ sf year)	\$ 10.25
Rental Rate Escalation (% year)	2%
Base OpEx (\$ sf year)	\$ 3.55
OpEx Escalation (% year)	2%
Tenant Improvement (TI) (\$ sf)	\$ -
Landlord TI Allowance (\$ sf)	\$ -
Initial Capital Repairs and Renovations (\$ sf)	\$ 60.00
Routine Capital Repairs and Renovations (CR&R) (\$ sf year)	\$ 1.00
CR&R Escalation	2%

Using these assumptions, the total cost to the State to renew its lease for another 10-year term would be \$1,289,055. This includes all costs associated with rent, operating costs, and any build-out or capital costs the State may incur as part of the lease.

Total Cost to Lease 821 West Main Street, Galesburg	
	\$980,592
Total Rent Cost	308,463
<u>+ Total OpEx</u>	\$ 1,289,055
Total Cost (Real)	

If the State chooses to acquire the property, and chooses to renovate, a baseline of \$60/sf is used for capital repairs. This estimate includes items such as building materials, doors and windows, and "specialties" (e.g. drinking fountains, fire hoses and alarms, extinguisher cabinets, etc.) It does not reflect the actual scope of work a building may need; further assessment of State facilities would be required.

As discussed above purchasing a property is only justifiable if the total cost of acquisition is less than the total cost of leasing. Total cost to acquire includes not only the contract purchase price but also capital investments and operating cost of the property.

Total Cost to Acquire 821 West Main Street, Galesburg	
2027 Market Acquisition Cost	\$558,000
Total Buildout Cost	\$558,000
Total Ongoing CapEx	\$308,463
Total Cost to Acquire	\$1,424,463

Using these assumptions, the State should not consider acquiring the property for a price less than the total cost of leasing the property.

The following property sales provide some indication of market prices for properties in Galesburg. The comp properties listed are considered to be inferior to the subject property, a SF price of \$60 was used in this analysis.

Address	SF	Sales Price	Price PSF
102-108 E Main	4,760	\$150,000	\$31.50
1000 Monmouth Blvd	8,000	\$450,000	\$56.25
Average			\$ 43.88

5608 W 75 Pl, Burbank, IL 60459



To assess whether the State should continue leasing or purchase the building, the total cost of leasing the property must be compared to the total cost of acquisition. The analysis first calculates the cost of a new lease over a 10-year term. Then, the analysis estimates the maximum purchase price for the building whereby the total cost to acquire is equal to the cost to lease. The analysis then explores properties elsewhere in the market to gauge whether this price is achievable; that is, based on market data, if the current owner of the building is likely to sell the property to the State at our below this price. If this does not appear likely, then the analysis recommends that the State continue to lease the property. Based on a review of the local real estate market, the analysis uses the following assumptions.

Property Details	
Property Address:	5608 W 75th Pl, Burbank
Lease Number:	L4228
Property Type:	Office
Building Size (RSF):	10400
Year Built:	1992
Using Agency:	DES
Lease Commencement Date:	6/1/2021
Lease/Option End Date:	5/31/2026
Demographics	
Population:	Burbank: 28,164 Cook County: 5,087,072
Median Household Income:	Burbank: \$83,975 Cook County: \$81,797

Based on a review of the local real estate market, where available the analysis uses the following assumptions.

5608 West 75th PL, Burbank	
Rentable Square Feet (sf total):	10,400
Lease Term (year):	10
Base Rental Rate (\$ sf year)	\$ 16.53
Rental Rate Escalation (% year)	0.8%
Base OpEx (\$ sf year)	\$ 7.90
OpEx Escalation (% year)	2%
Tenant Improvement (TI) (\$ sf)	\$ -
Landlord TI Allowance (\$ sf)	\$ -
Initial Capital Repairs and Renovations (\$ sf)	\$ 60.00
Routine Capital Repairs and Renovations (CR&R) (\$ sf year)	\$ 1.00
CR&R Escalation	2%

Using these assumptions, the total cost to the State to renew its lease for another 10-year term would be \$2,332,397. This includes all costs associated with rent, operating costs, and any build-out or capital costs the State may incur as part of the lease.

Total Cost to Lease 5608 West 75th PL, Burbank	
	\$ 1,796,824
Total Rent Cost	
+ Total OpEx	<u>\$ 535,573</u>
Total Cost (Real)	\$ 2,332,397

If the State chooses to acquire the property, and chooses to renovate, a baseline of \$60/sf is used for capital repairs. This estimate includes items such as building materials, doors and windows, and "specialties" (e.g. drinking fountains, fire hoses and alarms, extinguisher cabinets, etc.) It does not reflect the actual scope of work a building may need; further assessment of State facilities would be required.

As discussed above purchasing a property is only justifiable if the total cost of acquisition is less than the total cost of leasing. Total cost to acquire includes not only the contract purchase price but also capital investments and operating cost of the property.

Total Cost to Acquire 5608 West 75 th PL, Burbank	
2027 Market Acquisition Cost	\$1,560,000
Total Buildout Cost	\$634,400
Total Ongoing CapEx	\$535,573
Total Cost to Acquire	\$1,729,973

Using these assumptions, the State cannot acquire the property for a price less than the total cost of leasing the property.

The following property sales provide some indication of market prices for properties in Burbank. The comp property listed is considered to be superior to the subject property, a SF price of \$150 was used in this analysis.

Address	SF	Sales Price	Price PSF
8150 S Cicero	8,000	\$1,599,000	\$199.88
Average			\$ 199.88

1231 S West St, Olney, IL 62450



To assess whether the State should continue leasing or purchase the building, the total cost of leasing the property must be compared to the total cost of acquisition. The analysis first calculates the cost of a new lease over a 10-year term. Then, the analysis estimates the maximum purchase price for the building whereby the total cost to acquire is equal to the cost to lease. The analysis then explores properties elsewhere in the market to gauge whether this price is achievable; that is, based on market data, if the current owner of the building is likely to sell the property to the State at our below this price. If this does not appear likely, then the analysis recommends that the State continue to lease the property. Based on a review of the local real estate market, the analysis uses the following assumptions.

Property Details	
Property Address:	1231 S West St, Olney
Lease Number:	L6365
Property Type:	Office
Building Size (RSF):	5100
Year Built:	1900
Using Agency:	DNR
Lease Commencement Date:	7/1/2021
Lease/Option End Date:	6/30/2026
Demographics	
Population:	Olney: 8,512 Richland County: 15,488
Median Household Income:	Olney: \$29,718 Richland County: \$33,116

Based on a review of the local real estate market, where available the analysis uses the following assumptions.

1231 South West Street, Olney	
Rentable Square Feet (sf total):	5,100
Lease Term (year):	10
Base Rental Rate (\$ sf year)	\$ 4.24
Rental Rate Escalation (% year)	1%
Base OpEx (\$ sf year)	\$ 1.53
OpEx Escalation (% year)	2%
Tenant Improvement (TI) (\$ sf)	\$ -
Landlord TI Allowance (\$ sf)	\$ -
Initial Capital Repairs and Renovations (\$ sf)	\$ 60.00
Routine Capital Repairs and Renovations (CR&R) (\$ sf year)	\$ 1.00
CR&R Escalation	2%

Using these assumptions, the total cost to the State to renew its lease for another 10-year term would be \$331,949. This includes all costs associated with rent, operating costs, and any build-out or capital costs the State may incur as part of the lease.

Total Cost to Lease 1231 South West Street, Olney	
	\$ 228,225
Total Rent Cost	
+ Total OpEx	\$ 103,724
Total Cost (Real)	\$ 331,949

If the State chooses to acquire the property, and chooses to renovate, a baseline of \$60/sf is used for capital repairs. This estimate includes items such as building materials, doors and windows, and "specialties" (e.g. drinking fountains, fire hoses and alarms, extinguisher cabinets, etc.) It does not reflect the actual scope of work a building may need; further assessment of State facilities would be required.

As discussed above purchasing a property is only justifiable if the total cost of acquisition is less than the total cost of leasing. Total cost to acquire includes not only the contract purchase price but also capital investments and operating cost of the property.

Total Cost to Acquire 1231 South West Street, Olney	
2027 Market Acquisition Cost	\$153,000
Total Buildout Cost	\$306,000
Total Ongoing CapEx	\$169,016
Total Cost to Acquire	\$628,016

Using these assumptions, the State cannot acquire the property for a price less than the total cost of leasing the property.

Olney, IL has a population of 8,512 people. There are currently no other buildings available in this market that can be used for comparable. An acquisition cost is estimated to be \$30 SF in this market.

1035 Stevenson Dr, Springfield, IL 62703



To assess whether the State should continue leasing or purchase the building, the total cost of leasing the property must be compared to the total cost of acquisition. The analysis first calculates the cost of a new lease over a 10-year term. Then, the analysis estimates the maximum purchase price for the building whereby the total cost to acquire is equal to the cost to lease. The analysis then explores properties elsewhere in the market to gauge whether this price is achievable; that is, based on market data, if the current owner of the building is likely to sell the property to the State at our below this price. If this does not appear likely, then the analysis recommends that the State continue to lease the property. Based on a review of the local real estate market, the analysis uses the following assumptions.

Property Details	
Property Address:	1035 Stevenson Dr, Springfield
Lease Number:	L6364
Property Type:	Office & Warehouse
Building Size (RSF):	40000
Year Built:	1956
Using Agency:	SFM
Lease Commencement Date:	7/1/2021
Lease/Option End Date:	6/30/2026
Demographics	
Population:	1 Mile: 6,448 5 Miles: 120,247
Median Household Income:	1 Mile: \$55,446 5 Miles: \$59,098

Based on a review of the local real estate market, where available the analysis uses the following assumptions.

1035 Stevenson Drive, Springfield	
Rentable Square Feet (sf total):	40,000
Lease Term (year):	10
Base Rental Rate (\$ sf year)	\$ 19.50
Rental Rate Escalation (% year)	4%
Base OpEx (\$ sf year)	\$ 3.74
OpEx Escalation (% year)	2%
Tenant Improvement (TI) (\$ sf)	\$ -
Landlord TI Allowance (\$ sf)	\$ -
Initial Capital Repairs and Renovations (\$ sf)	\$ 60.00
Routine Capital Repairs and Renovations (CR&R) (\$ sf year)	\$ 1.00
CR&R Escalation	2%

Using these assumptions, the total cost to the State to renew its lease for another 10-year term would be \$1,104,709. This includes all costs associated with rent, operating costs, and any build-out or capital costs the State may incur as part of the lease.

Total Cost to Lease 1035 Stevenson Drive, Springfield	
	\$ 4,200,456.00
Total Rent Cost	
+ Total OpEx	<u>\$ 253,549.94</u>
Total Cost (Real)	\$ 4,454,005.94

If the State chooses to acquire the property, and chooses to renovate, a baseline of \$60/sf is used for capital repairs. This estimate includes items such as building materials, doors and windows, and "specialties" (e.g. drinking fountains, fire hoses and alarms, extinguisher cabinets, etc.) It does not reflect the actual scope of work a building may need; further assessment of State facilities would be required.

As discussed above purchasing a property is only justifiable if the total cost of acquisition is less than the total cost of leasing. Total cost to acquire includes not only the contract purchase price but also capital investments and operating cost of the property.

Total Cost to Acquire 1035 Stevenson Drive, Springfield	
2027 Market Acquisition Cost	\$3,332,400
Total Buildout Cost	\$2,440,000
Total Ongoing CapEx	\$253,550
Total Cost to Acquire	\$6,025,950

Using these assumptions, the State cannot acquire the property for a price less than the total cost of leasing the property.

The following property sales provide some indication of market prices for properties in Springfield.

Address	SF	Sales Price	Price PSF
1035 Stevenson Dr	40,000	\$3,075,200	\$76.88
500 S 9 th	50,000	\$4,487,000	\$89.74
Average			\$ 83.31

100 South Grand Ave E, Springfield, IL 62702 #L4234



To assess whether the State should continue leasing or purchase the building, the total cost of leasing the property must be compared to the total cost of acquisition. The analysis first calculates the cost of a new lease over a 10-year term. Then, the analysis estimates the maximum purchase price for the building whereby the total cost to acquire is equal to the cost to lease. The analysis then explores properties elsewhere in the market to gauge whether this price is achievable; that is, based on market data, if the current owner of the building is likely to sell the property to the State at our below this price. If this does not appear likely, then the analysis recommends that the State continue to lease the property. Based on a review of the local real estate market, the analysis uses the following assumptions.

Property Details	
Property Address:	100 S Grand Ave E, Springfield
Lease Number:	L4234
Property Type:	Office
Building Size (RSF):	101700
Year Built:	1902
Using Agency:	DHS
Lease Commencement Date:	8/1/2021
Lease/Option End Date:	7/31/2026
Demographics	
Population:	1 Mile: 9,574 5 Miles: 113,495
Median Household Income:	1 Mile: \$39,052 5 Miles: \$56,618

Based on a review of the local real estate market, where available the analysis uses the following assumptions.

100 South Grand Ave E, Springfield	
Rentable Square Feet (sf total):	101,700
Lease Term (year):	10
Base Rental Rate (\$ sf year)	13
Rental Rate Escalation (% year)	0.8%
Base OpEx (\$ sf year)	\$ 1.77
OpEx Escalation (% year)	2%
Tenant Improvement (TI) (\$ sf)	\$ -
Landlord TI Allowance (\$ sf)	\$ -
Initial Capital Repairs and Renovations (\$ sf)	\$ 60.00
Routine Capital Repairs and Renovations (CR&R) (\$ sf year)	\$ 1.00
CR&R Escalation	2%

Using these assumptions, the total cost to the State to renew its lease for another 10-year term would be \$14,056,723. This includes all costs associated with rent, operating costs, and any build-out or capital costs the State may incur as part of the lease.

Total Cost to Lease 100 South Grand Ave E, Springfield	
	\$ 13,764,078
Total Rent Cost	
<u>+ Total OpEx</u>	\$292,645
Total Cost (Real)	\$ 14,056,723

If the State chooses to acquire the property, and chooses to renovate, a baseline of \$60/sf is used for capital repairs. This estimate includes items such as building materials, doors and windows, and "specialties" (e.g. drinking fountains, fire hoses and alarms, extinguisher cabinets, etc.) It does not reflect the actual scope of work a building may need; further assessment of State facilities would be required.

As discussed above purchasing a property is only justifiable if the total cost of acquisition is less than the total cost of leasing. Total cost to acquire includes not only the contract purchase price but also capital investments and operating cost of the property.

Total Cost to Acquire 100 South Grand Ave E, Springfield	
2027 Acquisition Cost	\$8,472,627
Total Buildout Cost	\$6,102,000
Total Ongoing CapEx	\$292,645
Total Cost to Acquire	\$14,867,272

Using these assumptions, the State cannot acquire the property for a price less than the total cost of leasing the property.

The following property sales provide some indication of market prices for properties in Springfield.

Address	SF	Sales Price	Price PSF
1035 Stevenson Dr	40,000	\$3,075,200	\$76.88
500 S 9 th	50,000	\$4,487,000	\$89.74
Average			\$ 83.31

830 S Spring St, Springfield, IL 62703



To assess whether the State should continue leasing or purchase the building, the total cost of leasing the property must be compared to the total cost of acquisition. The analysis first calculates the cost of a new lease over a 10-year term. Then, the analysis estimates the maximum purchase price for the building whereby the total cost to acquire is equal to the cost to lease. The analysis then explores properties elsewhere in the market to gauge whether this price is achievable; that is, based on market data, if the current owner of the building is likely to sell the property to the State at our below this price. If this does not appear likely, then the analysis recommends that the State continue to lease the property. Based on a review of the local real estate market, the analysis uses the following assumptions.

Property Details	
Property Address:	830 S Spring St, Springfield
Lease Number:	L4694
Property Type:	Office
Building Size (RSF):	9630
Year Built:	1988
Using Agency:	DEV
Lease Commencement Date:	8/1/2021
Lease/Option End Date:	7/31/2026
Demographics	
Population:	1 Mile: 14,757 5 Miles: 124,259
Median Household Income:	1 Mile: \$41,441 5 Miles: \$59,032

Based on a review of the local real estate market, where available the analysis uses the following assumptions.

830 S Spring Street, Springfield	
Rentable Square Feet (sf total):	9,630
Lease Term (year):	10
Base Rental Rate (\$ sf year)	\$ 15.09
Rental Rate Escalation (% year)	0.9%
Base OpEx (\$ sf year)	\$ 2.89
OpEx Escalation (% year)	2%
Tenant Improvement (TI) (\$ sf)	\$ -
Landlord TI Allowance (\$ sf)	\$ -
Initial Capital Repairs and Renovations (\$ sf)	\$ 60.00
Routine Capital Repairs and Renovations (CR&R) (\$ sf year)	\$ 1.00
CR&R Escalation	2%

Using these assumptions, the total cost to the State to renew its lease for another 10-year term would be \$1,803,699. This includes all costs associated with rent, operating costs, and any build-out or capital costs the State may incur as part of the lease.

Total Cost to Lease 830 S Spring Street, Springfield	
	\$ 1,525,854
Total Rent Cost	
+ Total OpEx	<u>\$ 277,844</u>
Total Cost (Real)	\$ 1,803,698.49

If the State chooses to acquire the property, and chooses to renovate, a baseline of \$60/sf is used for capital repairs. This estimate includes items such as building materials, doors and windows, and "specialties" (e.g. drinking fountains, fire hoses and alarms, extinguisher cabinets, etc.) It does not reflect the actual scope of work a building may need; further assessment of State facilities would be required.

As discussed above purchasing a property is only justifiable if the total cost of acquisition is less than the total cost of leasing. Total cost to acquire includes not only the contract purchase price but also capital investments and operating cost of the property.

Total Cost to Acquire 830 S Spring Street, Springfield	
2027 Market Acquisition Cost	\$1,165,230
Total Buildout Cost	\$577,800
Total Ongoing CapEx	\$277,845
Total Cost to Acquire	\$2,020,875

Using these assumptions, the State cannot acquire the property for a price less than the total cost of leasing the property.

The following property sales provide some indication of market prices for properties in Springfield.

Address	SF	Sales Price	Price PSF
345 N Main St	9,296	1,988,000	\$213.86
920 E North	15,251	\$1,200,000	\$17.14
2721 S Grand Ave East	7,000	\$933,320	\$133.33
Average			\$ 121.44

1100 N Cheney St, Taylorville, IL 61920



To assess whether the State should continue leasing or purchase the building, the total cost of leasing the property must be compared to the total cost of acquisition. The analysis first calculates the cost of a new lease over a 10-year term. Then, the analysis estimates the maximum purchase price for the building whereby the total cost to acquire is equal to the cost to lease. The analysis then explores properties elsewhere in the market to gauge whether this price is achievable; that is, based on market data, if the current owner of the building is likely to sell the property to the State at our below this price. If this does not appear likely, then the analysis recommends that the State continue to lease the property. Based on a review of the local real estate market, the analysis uses the following assumptions.

Property Details	
Property Address:	1100 N Cheney St, Taylorville
Lease Number:	L5600
Property Type:	Office
Building Size (RSF):	5249
Year Built:	2013
Using Agency:	DHS, HFS
Lease Commencement Date:	9/1/2021
Lease/Option End Date:	8/31/2026
Demographics	
Population:	Taylorville: 10,247 Christian County: 33,228
Median Household Income:	Taylorville: \$31,114 Christian County: \$32,901

Based on a review of the local real estate market, where available the analysis uses the following assumptions.

1100 North Cheney Street, Taylorville	
Rentable Square Feet (sf total):	5,249
Lease Term (year):	10
Base Rental Rate (\$ sf year)	\$ 11.29
Rental Rate Escalation (% year)	0.8%
Base OpEx (\$ sf year)	\$ 3.84
OpEx Escalation (% year)	2%
Tenant Improvement (TI) (\$ sf)	\$ -
Landlord TI Allowance (\$ sf)	\$ -
Initial Capital Repairs and Renovations (\$ sf)	\$ 60.00
Routine Capital Repairs and Renovations (CR&R) (\$ sf year)	\$ 1.00
CR&R Escalation	2%

Using these assumptions, the total cost to the State to renew its lease for another 10-year term would be \$941,142. This includes all costs associated with rent, operating costs, and any build-out or capital costs the State may incur as part of the lease.

Total Cost to Lease 1100 North Cheney Street, Taylorville	\$ 617,072
Total Rent Cost	<u>\$ 324,070</u>
+ Total OpEx	\$ 941,142
Total Cost (Real)	

If the State chooses to acquire the property, and chooses to renovate, a baseline of \$60/sf is used for capital repairs. This estimate includes items such as building materials, doors and windows, and "specialties" (e.g. drinking fountains, fire hoses and alarms, extinguisher cabinets, etc.) It does not reflect the actual scope of work a building may need; further assessment of State facilities would be required.

As discussed above purchasing a property is only justifiable if the total cost of acquisition is less than the total cost of leasing. Total cost to acquire includes not only the contract purchase price but also capital investments and operating cost of the property.

Total Cost to Acquire 1100 North Cheney Street, Taylorville	
2027 Market Acquisition Cost	\$524,900
Total Buildout Cost	\$320,189
Total Ongoing CapEx	\$374,070
Total Cost to Acquire	\$1,218,259

Using these assumptions, the State cannot acquire the property for a price less than the total cost of leasing the property.

Taylorville, IL has a population of 10,247 people. The following property sales provide some indication of market prices for properties in Christian County. The comp properties listed is considered to be superior to the subject property, a SF price of \$100 was used in this analysis.

Address	SF	Sales Price	Price PSF
222 W Main Cross St	7,100	\$259,000	\$36
315 N Webster	14,550	\$3,263,100	\$224
102 E Park	8,000	\$950,000	119
Average			\$ 126

1550 S 4th St, Lincoln, IL 62656



To assess whether the State should continue leasing or purchase the building, the total cost of leasing the property must be compared to the total cost of acquisition. The analysis first calculates the cost of a new lease over a 10-year term. Then, the analysis estimates the maximum purchase price for the building whereby the total cost to acquire is equal to the cost to lease. The analysis then explores properties elsewhere in the market to gauge whether this price is achievable; that is, based on market data, if the current owner of the building is likely to sell the property to the State at our below this price. If this does not appear likely, then the analysis recommends that the State continue to lease the property. Based on a review of the local real estate market, the analysis uses the following assumptions.

Property Details	
Property Address:	1550 S 4th St, Lincoln
Lease Number:	L4110
Property Type:	Office
Building Size (RSF):	4644
Year Built:	1924
Using Agency:	DHS
Lease Commencement Date:	10/1/2021
Lease/Option End Date:	9/30/2026
Demographics	
Population:	Lincoln: 13,072 Logan County: 27,590
Median Household Income:	Lincoln: \$29,946 Logan County: \$35,662

Based on a review of the local real estate market, where available the analysis uses the following assumptions.

1550 South 4th Street, Lincoln	
Rentable Square Feet (sf total):	4,644
Lease Term (year):	10
Base Rental Rate (\$ sf year)	\$ 10.95
Rental Rate Escalation (% year)	2%
Base OpEx (\$ sf year)	\$ 2.47
OpEx Escalation (% year)	2%
Tenant Improvement (TI) (\$ sf)	\$ -
Landlord TI Allowance (\$ sf)	\$ -
Initial Capital Repairs and Renovations (\$ sf)	\$ 60.00
Routine Capital Repairs and Renovations (CR&R) (\$ sf year)	\$ 1.00
CR&R Escalation	2%

Using these assumptions, the total cost to the State to renew its lease for another 10-year term would be \$890,277. This includes all costs associated with rent, operating costs, and any build-out or capital costs the State may incur as part of the lease.

Total Cost to Lease 1550 South 4th Street, Lincoln	\$ 726,418
Total Rent Cost	
<u>+ Total OpEx</u>	<u>\$ 163,859</u>
Total Cost (Real)	\$ 890,277

If the State chooses to acquire the property, and chooses to renovate, a baseline of \$60/sf is used for capital repairs. This estimate includes items such as building materials, doors and windows, and "specialties" (e.g. drinking fountains, fire hoses and alarms, extinguisher cabinets, etc.) It does not reflect the actual scope of work a building may need; further assessment of State facilities would be required.

As discussed above purchasing a property is only justifiable if the total cost of acquisition is less than the total cost of leasing. Total cost to acquire includes not only the contract purchase price but also capital investments and operating cost of the property.

Total Cost to Acquire 1550 South 4 th Street, Lincoln	
2027 Market Acquisition Cost	\$464,400
Total Buildout Cost	\$283,284
Total Ongoing CapEx	<u>\$ 163,859</u>
Total Cost to Acquire	\$911,543

Using these assumptions, the State cannot acquire the property for a price less than the total cost of leasing the property.

Lincoln, IL has a population of 13,072 people. The following property sales provide some indication of market prices for properties in Logan County. The comp properties listed are considered to be Superior to the subject property, a SF price of \$50 was used in this analysis.

Address	SF	Sales Price	Price PSF
401 N Limit	2,000	\$350,000	\$175
207 S McLean St	4,120	\$345,000	\$84
Average			\$ 130

301-325 S Date St, Gibson City, IL 60936



To assess whether the State should continue leasing or purchase the building, the total cost of leasing the property must be compared to the total cost of acquisition. The analysis first calculates the cost of a new lease over a 10-year term. Then, the analysis estimates the maximum purchase price for the building whereby the total cost to acquire is equal to the cost to lease. The analysis then explores properties elsewhere in the market to gauge whether this price is achievable; that is, based on market data, if the current owner of the building is likely to sell the property to the State at our below this price. If this does not appear likely, then the analysis recommends that the State continue to lease the property. Based on a review of the local real estate market, the analysis uses the following assumptions.

Property Details	
Property Address:	301-325 S Date St, Gibson City
Lease Number:	L5608
Property Type:	Office
Building Size (RSF):	18199
Year Built:	1897
Using Agency:	DNR
Lease Commencement	
Date:	10/1/2021
Lease/Option End Date:	9/30/2026
Demographics	
Population:	Gibson City: 3,396 Ford County: 13,250
Median Household Income:	Gibson City: \$32,565 Ford County: \$33,373

Based on a review of the local real estate market, where available the analysis uses the following assumptions.

301-325 South Date Street, Gibson City	
Rentable Square Feet (sf total):	18,199
Lease Term (year):	10
Base Rental Rate (\$ sf year)	\$ 5.30
Rental Rate Escalation (% year)	5%
Base OpEx (\$ sf year)	\$ 1.32
OpEx Escalation (% year)	2%
Tenant Improvement (TI) (\$ sf)	\$ -
Landlord TI Allowance (\$ sf)	\$ -
Initial Capital Repairs and Renovations (\$ sf)	\$ 60.00
Routine Capital Repairs and Renovations (CR&R) (\$ sf year)	\$ 1.00
CR&R Escalation	2%

Using these assumptions, the total cost to the State to renew its lease for another 10-year term would be \$1,075,783. This includes all costs associated with rent, operating costs, and any build-out or capital costs the State may incur as part of the lease.

Total Cost to Lease 301-325 South Date Street, Gibson City	\$ 986,295
Total Rent Cost	\$ 89,488
+ Total OpEx	<u>\$ 1,075,783</u>
Total Cost (Real)	

If the State chooses to acquire the property, and chooses to renovate, a baseline of \$60/sf is used for capital repairs. This estimate includes items such as building materials, doors and windows, and "specialties" (e.g. drinking fountains, fire hoses and alarms, extinguisher cabinets, etc.) It does not reflect the actual scope of work a building may need; further assessment of State facilities would be required.

As discussed above purchasing a property is only justifiable if the total cost of acquisition is less than the total cost of leasing. Total cost to acquire includes not only the contract purchase price but also capital investments and operating cost of the property.

Total Cost to Acquire 301-325 South Date Street, Gibson City	
2027 Acquisition Cost	\$545,970
Total Buildout Cost	\$1,091,940
Total Ongoing CapEx	\$89,488
Total Cost to Acquire	\$1,727,310

Using these assumptions, the State cannot acquire the property for a price less than the total cost of leasing the property.

Gibson City, IL has a population of 3,396 people. There are currently no other buildings available in this market that can be used for comparable. An acquisition price of \$30 SF is an estimate of what would be expected of this type of building in this market.

2100 Eastdale Ave, Springfield, IL 62703



To assess whether the State should continue leasing or purchase the building, the total cost of leasing the property must be compared to the total cost of acquisition. The analysis first calculates the cost of a new lease over a 10-year term. Then, the analysis estimates the maximum purchase price for the building whereby the total cost to acquire is equal to the cost to lease. The analysis then explores properties elsewhere in the market to gauge whether this price is achievable; that is, based on market data, if the current owner of the building is likely to sell the property to the State at our below this price. If this does not appear likely, then the analysis recommends that the State continue to lease the property. Based on a review of the local real estate market, the analysis uses the following assumptions.

Property Details	
Property Address:	2100 Eastdale Ave, Springfield
Lease Number:	L6626
Property Type:	Office & Warehouse
Building Size (RSF):	20000
Year Built:	1958
Using Agency:	DOT
Lease Commencement Date:	10/15/2021
Lease/Option End Date:	10/14/2026
Demographics	
Population:	Springfield: 112,544 Sangamon County: 193,491
Median Household Income:	Springfield: \$38,229 Sangamon County: \$41,399

Based on a review of the local real estate market, where available the analysis uses the following assumptions.

2100 Eastdale Avenue, Springfield	
Rentable Square Feet (sf total):	20,000
Lease Term (year):	10
Base Rental Rate (\$ sf year)	\$ 11.00
Rental Rate Escalation (% year)	0.6%
Base OpEx (\$ sf year)	\$ 1.31
OpEx Escalation (% year)	2%
Tenant Improvement (TI) (\$ sf)	\$ -
Landlord TI Allowance (\$ sf)	\$ -
Initial Capital Repairs and Renovations (\$ sf)	\$ 60.00
Routine Capital Repairs and Renovations (CR&R) (\$ sf year)	\$ 1.00
CR&R Escalation	2%

Using these assumptions, the total cost to the State to renew its lease for another 10-year term would be \$2,532,620. This includes all costs associated with rent, operating costs, and any build-out or capital costs the State may incur as part of the lease.

Total Cost to Lease 2100 Eastdale Avenue, Springfield	
	\$ 2,240,000
Total Rent Cost	
<u>+ Total OpEx</u>	<u>\$ 292,620</u>
Total Cost (Real)	\$ 2,532,620

If the State chooses to acquire the property, and chooses to renovate, a baseline of \$60/sf is used for capital repairs. This estimate includes items such as building materials, doors and windows, and "specialties" (e.g. drinking fountains, fire hoses and alarms, extinguisher cabinets, etc.) It does not reflect the actual scope of work a building may need; further assessment of State facilities would be required.

As discussed above purchasing a property is only justifiable if the total cost of acquisition is less than the total cost of leasing. Total cost to acquire includes not only the contract purchase price but also capital investments and operating cost of the property.

Total Cost to Acquire 2100 Eastdale Avenue, Springfield	
2027 Market Acquisition Cost	\$720,000
Total Buildout Cost	\$1,220,000
Total Ongoing CapEx	\$292,620
Total Cost to Acquire	\$2,232,620

Using these assumptions, the State may consider acquiring the property for a price less than the total cost of leasing the property.

The following property sales provide some indication of market prices for properties in Springfield.

Address	SF	Sales Price	Price PSF
3220 Stanton St	45,000	\$400,000	\$8.89
1700 Taylor Ave	20,000	\$1,400,000	\$70.00
1250 Taylor	42,000	\$1,200,000	\$28.57
Average			\$ 35.82

4700 Rodger St, Springfield, IL62703



To assess whether the State should continue leasing or purchase the building, the total cost of leasing the property must be compared to the total cost of acquisition. The analysis first calculates the cost of a new lease over a 10-year term. Then, the analysis estimates the maximum purchase price for the building whereby the total cost to acquire is equal to the cost to lease. The analysis then explores properties elsewhere in the market to gauge whether this price is achievable; that is, based on market data, if the current owner of the building is likely to sell the property to the State at our below this price. If this does not appear likely, then the analysis recommends that the State continue to lease the property. Based on a review of the local real estate market, the analysis uses the following assumptions.

Property Details	
Property Address:	4700 Rodger St, Springfield
Lease Number:	L5816
Property Type:	Warehouse
Building Size (RSF):	6000
Year Built:	1950
Using Agency:	ISP
Lease Commencement Date:	11/30/2021
Lease/Option End Date:	11/29/2026
Demographics	
Population:	1 Mile: 3,268 5 Miles: 84,858
Median Household Income:	1 Mile: \$79,127 5 Miles: \$64,711

Based on a review of the local real estate market, where available the analysis uses the following assumptions.

4700 Rodger Street, Springfield	
Rentable Square Feet (sf total):	6,000
Lease Term (year):	10
Base Rental Rate (\$ sf year)	\$ 6.92
Rental Rate Escalation (% year)	2%
Base OpEx (\$ sf year)	\$ 4.54
OpEx Escalation (% year)	2%
Tenant Improvement (TI) (\$ sf)	\$ -
Landlord TI Allowance (\$ sf)	\$ -
Initial Capital Repairs and Renovations (\$ sf)	\$ 60.00
Routine Capital Repairs and Renovations (CR&R) (\$ sf year)	\$ 1.00
CR&R Escalation	2%

Using these assumptions, the total cost to the State to renew its lease for another 10-year term would be \$738,036. This includes all costs associated with rent, operating costs, and any build-out or capital costs the State may incur as part of the lease.

Total Cost to Lease 4700 Rodger Street, Springfield	
	\$ 433,800
Total Rent Cost	
<u>+ Total OpEx</u>	<u>\$ 304,236</u>
Total Cost (Real)	\$ 738,036

If the State chooses to acquire the property, and chooses to renovate, a baseline of \$60/sf is used for capital repairs. This estimate includes items such as building materials, doors and windows, and "specialties" (e.g. drinking fountains, fire hoses and alarms, extinguisher cabinets, etc.) It does not reflect the actual scope of work a building may need; further assessment of State facilities would be required.

As discussed above purchasing a property is only justifiable if the total cost of acquisition is less than the total cost of leasing. Total cost to acquire includes not only the contract purchase price but also capital investments and operating cost of the property.

Total Cost to Acquire 4700 Rodger Street, Springfield	
2027 Market Acquisition Cost	\$216,000
Total Buildout Cost	\$360,000
Total Ongoing CapEx	\$304,235
Total Cost to Acquire	\$880,235

Using these assumptions, the State cannot acquire the property for a price less than the total cost of leasing the property.

Springfield, IL has a population of 112,544 people. The following property sales provide some indication of market prices for properties in Sangamon County. The comp property listed is considered to be inferior to the subject property, a SF price of \$50 was used in this analysis.

Address	SF	Sales Price	Price PSF
1250 Taylor St	42,000	\$1,200,000	\$29
1700 Taylor St	20,000	\$1,400,000	\$70
507 4 th St	8,500	\$90,000	\$11
Average			\$ 36

833-835 S Spring, Springfield, 62794



To assess whether the State should continue leasing or purchase the building, the total cost of leasing the property must be compared to the total cost of acquisition. The analysis first calculates the cost of a new lease over a 10-year term. Then, the analysis estimates the maximum purchase price for the building whereby the total cost to acquire is equal to the cost to lease. The analysis then explores properties elsewhere in the market to gauge whether this price is achievable; that is, based on market data, if the current owner of the building is likely to sell the property to the State at our below this price. If this does not appear likely, then the analysis recommends that the State continue to lease the property. Based on a review of the local real estate market, the analysis uses the following assumptions.

Property Details	
Property Address:	833-835 S Spring St, Springfield
Lease Number:	L4743
Property Type:	Office
Building Size (RSF):	20872
Year Built:	1989
Using Agency:	DVA
Lease Commencement Date:	1/1/2022
Lease/Option End Date:	12/31/2026
Demographics	
Population:	Springfield: 112,544 Sangamon County: 193,491
Median Household Income:	Springfield: \$38,229 Sangamon County: \$41,399

Based on a review of the local real estate market, where available the analysis uses the following assumptions.

833-835 South Spring Street, Springfield	
Rentable Square Feet (sf total):	20,872
Lease Term (year):	10
Base Rental Rate (\$ sf year)	\$ 14.00
Rental Rate Escalation (% year)	1.10%
Base OpEx (\$ sf year)	\$ 1.80
OpEx Escalation (% year)	2%
Tenant Improvement (TI) (\$ sf)	\$ -
Landlord TI Allowance (\$ sf)	\$ -
Initial Capital Repairs and Renovations (\$ sf)	\$ 60.00
Routine Capital Repairs and Renovations (CR&R) (\$ sf year)	\$ 1.00
CR&R Escalation	2%

Using these assumptions, the total cost to the State to renew its lease for another 10-year term would be \$3,461,489. This includes all costs associated with rent, operating costs, and any build-out or capital costs the State may incur as part of the lease.

Total Cost to Lease 833-835 South Spring Street, Springfield	\$ 3,041,885
Total Rent Cost	\$ 419,604
+ Total OpEx	<u>\$ 3,461,489</u>
Total Cost (Real)	

If the State chooses to acquire the property, and chooses to renovate, a baseline of \$60/sf is used for capital repairs. This estimate includes items such as building materials, doors and windows, and "specialties" (e.g. drinking fountains, fire hoses and alarms, extinguisher cabinets, etc.) It does not reflect the actual scope of work a building may need; further assessment of State facilities would be required.

As discussed above purchasing a property is only justifiable if the total cost of acquisition is less than the total cost of leasing. Total cost to acquire includes not only the contract purchase price but also capital investments and operating cost of the property.

Total Cost to Acquire 833-835 South Spring Street, Springfield	
2027 Market Acquisition Cost	\$2,534,696
Total Buildout Cost	\$1,273,192
Total Ongoing CapEx	\$419,604
Total Cost to Acquire	\$4,227,492

Using these assumptions, the State cannot acquire the property for a price less than the total cost of leasing the property.

The following property sales provide some indication of market prices for properties in Springfield.

Address	SF	Sales Price	Price PSF
345 N Main St	9,296	1,988,000	\$213.86
920 E North	15,251	\$1,200,000	\$17.14
2721 S Grand Ave East	7,000	\$933,320	\$133.33
Average			\$ 121.44