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HOUSING & COMMERCIAL NEEDS ASSESSMENT

Chicago State University

February 7, 2025

SBFRIEDMAN

VISION
ECONOMICS
STRATEGY
FINANCE
IMPLEMENTATION

01 INTRODUCTION

CHICAGO STATE UNIVERSITY

The most affordable public university in Chicago

Chicago State University ("CSU" or the "University") is a comprehensive, public university that provides access to higher education for students of diverse backgrounds and educational needs. The University is located in the Roseland community area of Chicago and is the only U.S. Department of Education-designated four-year Predominantly Black Institution (PBI) in Illinois.

CSU prides itself as being a broad access university. Per the Illinois Board of Higher Education, CSU is the most affordable public university in Chicago, and a Harvard economist found that CSU is in the top 4% of public and private universities in the United States in terms of graduates' economic mobility.

The University is focused on promoting equity, educational and economic opportunities. It contributes $1.6 billion annually to the Illinois economy (CSU Economic Impact Study, FY 2018-19).

CSU CORDELL REED STUDENT UNION

Source: Chicago State University

Source: Chicago State University

CSU COMMUNITY

2,300 enrolled students & nearly 600 employees

In 2023, there were over 2,300 enrolled students, nearly 600 employees and 5 colleges – Health Sciences, Arts and Science, Business, Education, and Pharmacy. The University predominantly serves students from the South Side of Chicago, but also has students from 31 other states. Furthermore, the number of international students is increasing. Much of the student body is from historically disinvested and underserved communities. Many students experience social and economic hardships and are at-risk of or experiencing housing insecurity while enrolled.

In the spirit of increasing educational outcomes, improving health and well-being, and addressing disparity issues, CSU is seeking to increase its enrollment to 5,300 students in the near term.

EMIL AND PATRICIA A. JONES CONVOCATION CENTER

Source: Chicago State University

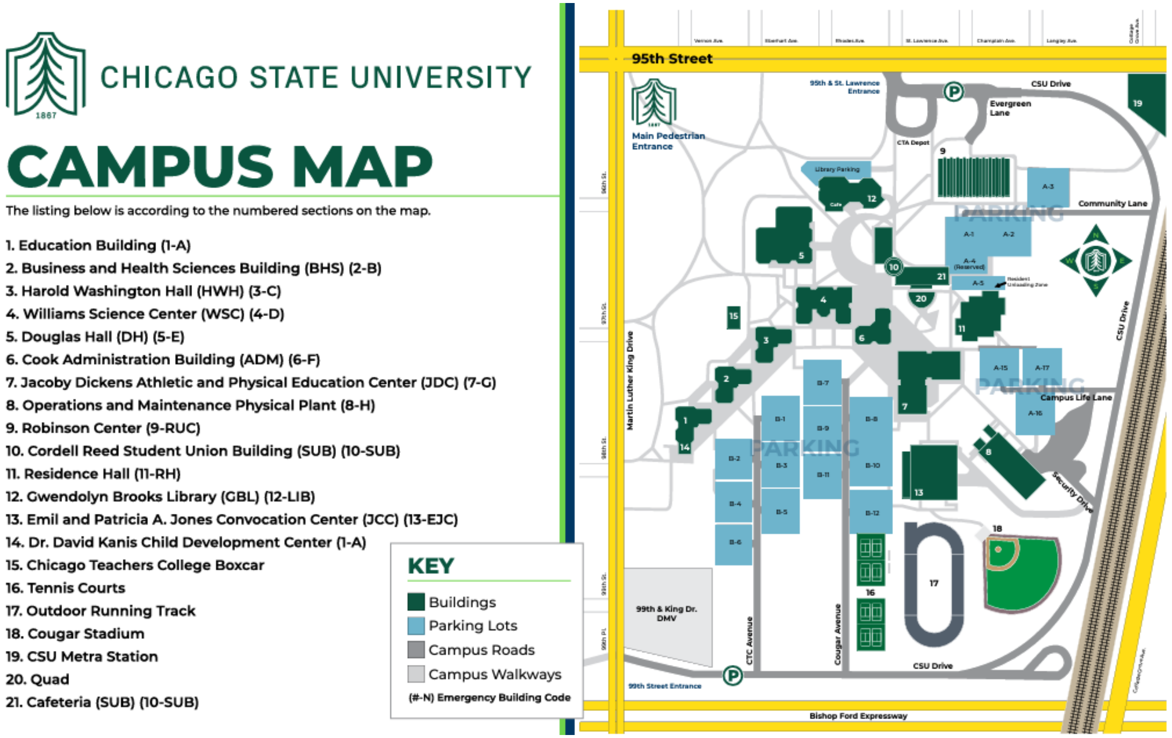
Source: Chicago State University

CSU CAMPUS

161 acres of academic, athletic, housing and support facilities

The University campus is bounded by 95th Street on the north, the Metra Electric Main Line and Blue Island Branch on the east, the Bishop Ford Freeway (Interstate 94) on the south, and Martin Luther King Jr. Drive on the west. University buildings are centrally located on campus, while the north and west portions of campus are wooded open space. The campus is located adjacent to Metra's 95th Street Chicago State University commuter rail station and is within walking distance of the Chicago Transit Authority's (CTA) 95th/Dan Ryan rapid transit 'L' station.

Historically, the University has largely been a commuter campus, with only 250 beds of on-campus housing and limited commercial offerings both on campus and in the surrounding neighborhood. This is limiting the ability to attract and retain students who are seeking campus environments with the physical spaces to meet their daily needs. Furthermore, the lack of on-campus housing limits the ability of the University to offer students with challenging home lives a secure and safe environment to focus on their studies.



Source: Chicago State University

95TH STREET CORRIDOR

Vision for campus-edge "university village" development

In 2023, the University completed a Facilities Master Plan that defined opportunities to begin to address the campus community's unmet needs. The 95th Street Corridor Development Framework Plan, a concurrent planning effort, conducted in partnership with the City of Chicago (the "City") Department of Planning and Development, focused on leveraging recent investments in the nearby Metra and CTA stations to facilitate equitable transit-oriented development (ETOD).

Collectively, the two plans established a vision for a campus-edge "university village" development along the 95th Street Corridor that could serve both CSU's campus community and the surrounding neighborhoods. The goal of the planning efforts is to drive investment in the historically disinvested and underserved community, while also providing much needed housing and commercial amenities.

CSU is committed to strategically supporting economic development in the area by creating a modern, thriving hub for students, faculty, families and the community at large. The 95th Street Corridor Development Framework Plan specifically identified four potential development sites on CSU property along the 95th Street Corridor.

The enclosed Housing and Commercial Needs Assessment further evaluates the feasibility of new development on these sites, and on the CSU campus overall.

CSU OPPORTUNITY SITES WITHIN THE 95TH STREET CORRIDOR

Source: 95th Street Corridor Development Framework Plan

Source: 95th Street Corridor Development Framework Plan, Chicago State University 2023 Facilities Master Plan, City of Chicago

02 DEMOGRAPHIC & MARKET DYNAMICS

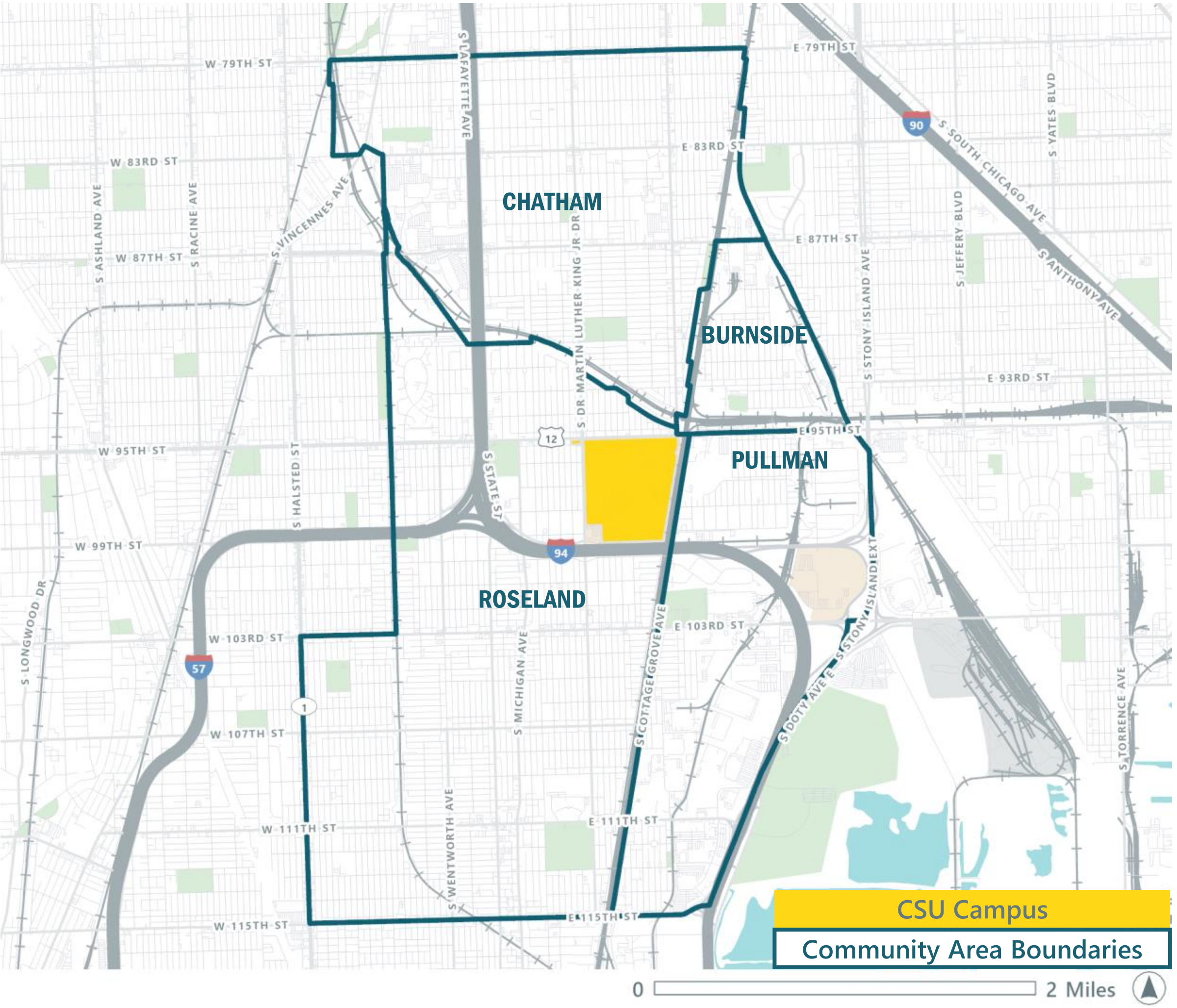
COMMUNITY / MARKET AREA

CSU is adjacent to four City-defined community areas

The University is an anchor in the Roseland community area and is adjacent to three other City-defined community areas: Burnside, Chatham and Pullman. To understand demographics, the real estate market, and other community dynamics in the area immediately surrounding the CSU campus, SB Friedman identified the four community areas as the primary market area for any new development occurring along the 95th Street Corridor (the "Market Area"). A primary market area is defined as the geography from which new real estate development is likely to attract most of its users.

The Market Area is generally bounded by 79th Street to the north, 115th Street to the south, Halsted Street to the west, and Doty Island/Stony Island Ave to the east. Within the Market Area, there are geographic barriers such as the interstate and multiple railroad lines that likely limit the movements of Market Area participants or create perceived barriers that influence whether participants frequent one location over another.

95th SREET CORRIDOR MARKET AREA



Source: City of Chicago, Esri, SB Friedman

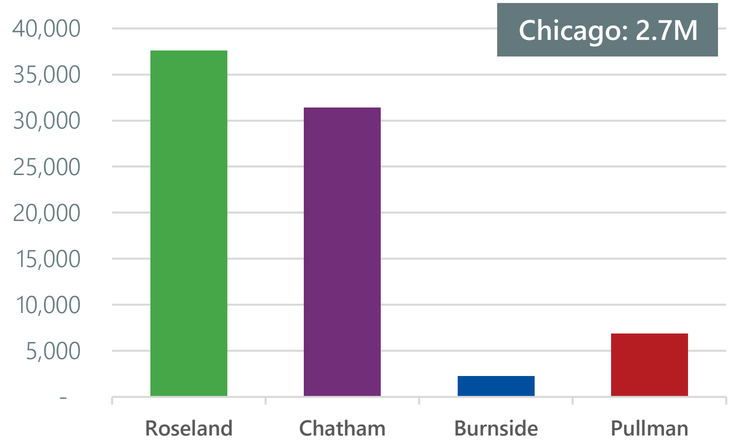
MARKET AREA DEMOGRAPHICS

Demographic & socioeconomic characteristics vary throughout the Market Area

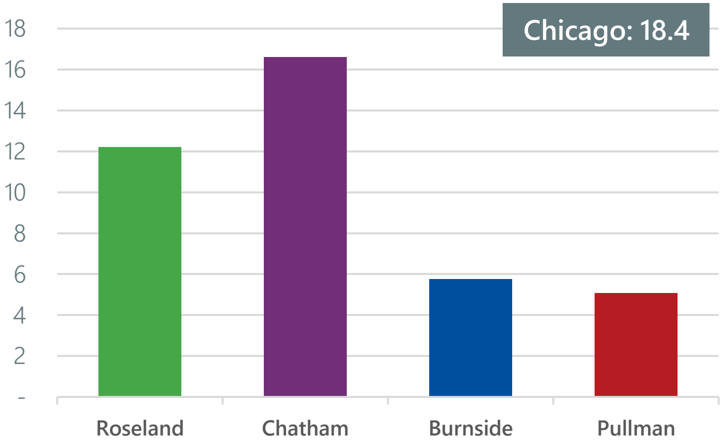



ROSELAND	CHATHAM	BURNSIDE	PULLMAN
Most populated community area within the Market Area.	Highest population density in the Market Area.	Smallest community area by population and geographic area.	Community area with the highest median household income and lowest population density.

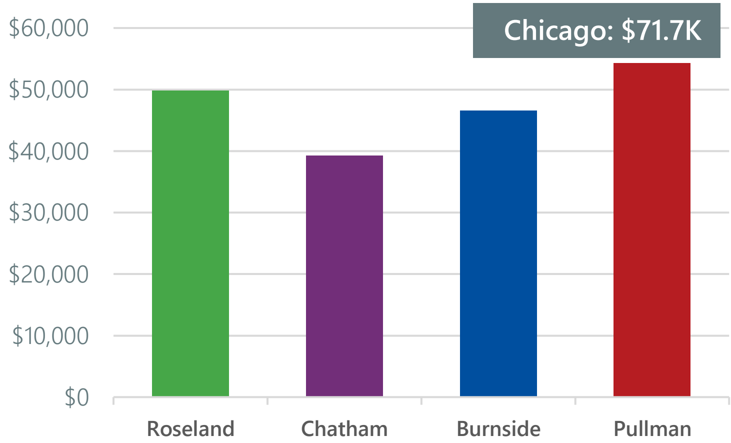
POPULATION



RESIDENTS PER ACRE



MEDIAN HOUSEHOLD INCOME



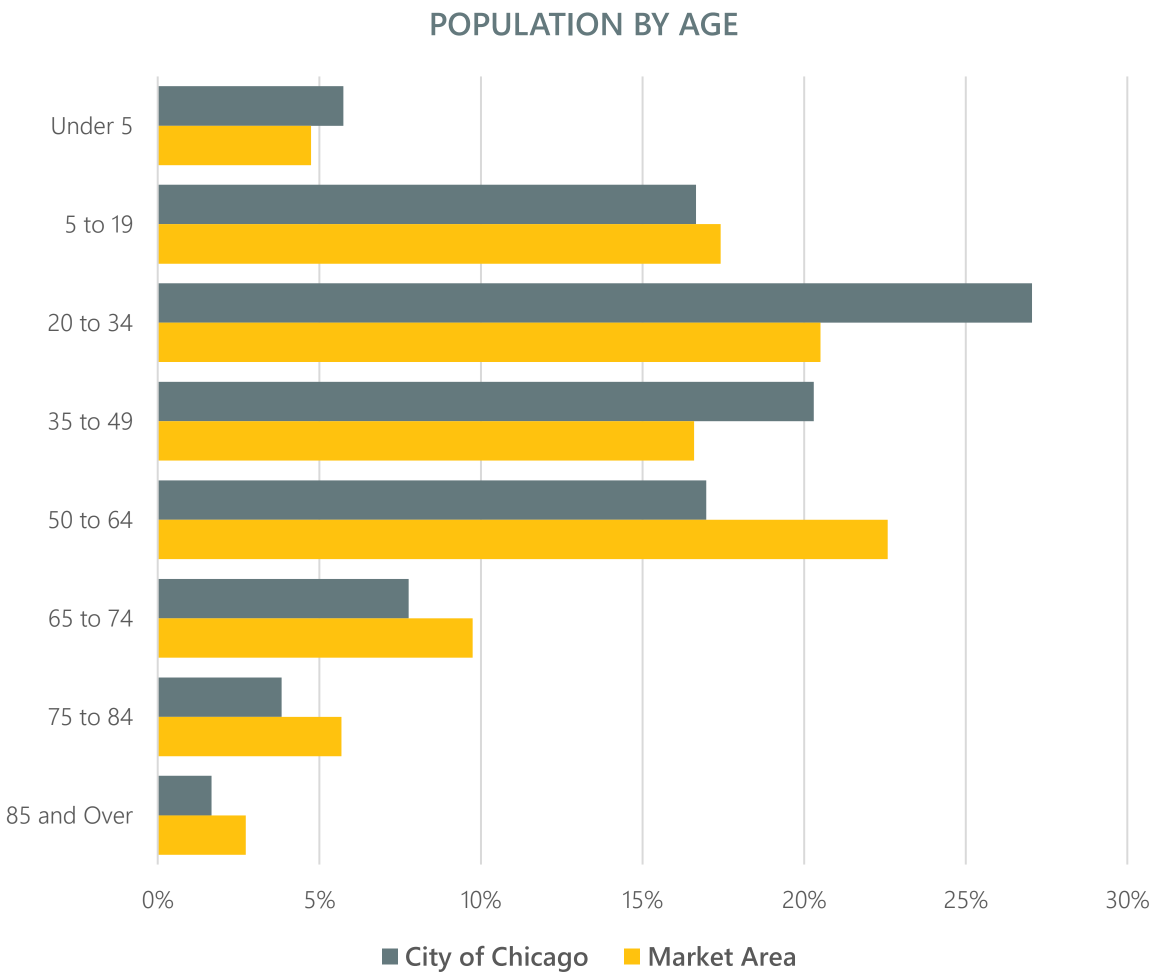
Source: American Community Survey 2018-2022, City of Chicago, CMAP, Esri, SB Friedman

RESIDENT AGE

Median age of residents in the Market Area is higher than Chicago overall

The Market Area has a higher share of residents over the age of 50 (41%) compared to Chicago overall (30%).

Burnside has the highest median age (46.3) within the Market Area, followed by Pullman (43.7), Chatham (41.4) and Roseland (40.2). Comparatively, the median age for the city of Chicago is 35.3.



Source: ACS 2018-2022 5-Year Estimates, CMAP, SB Friedman

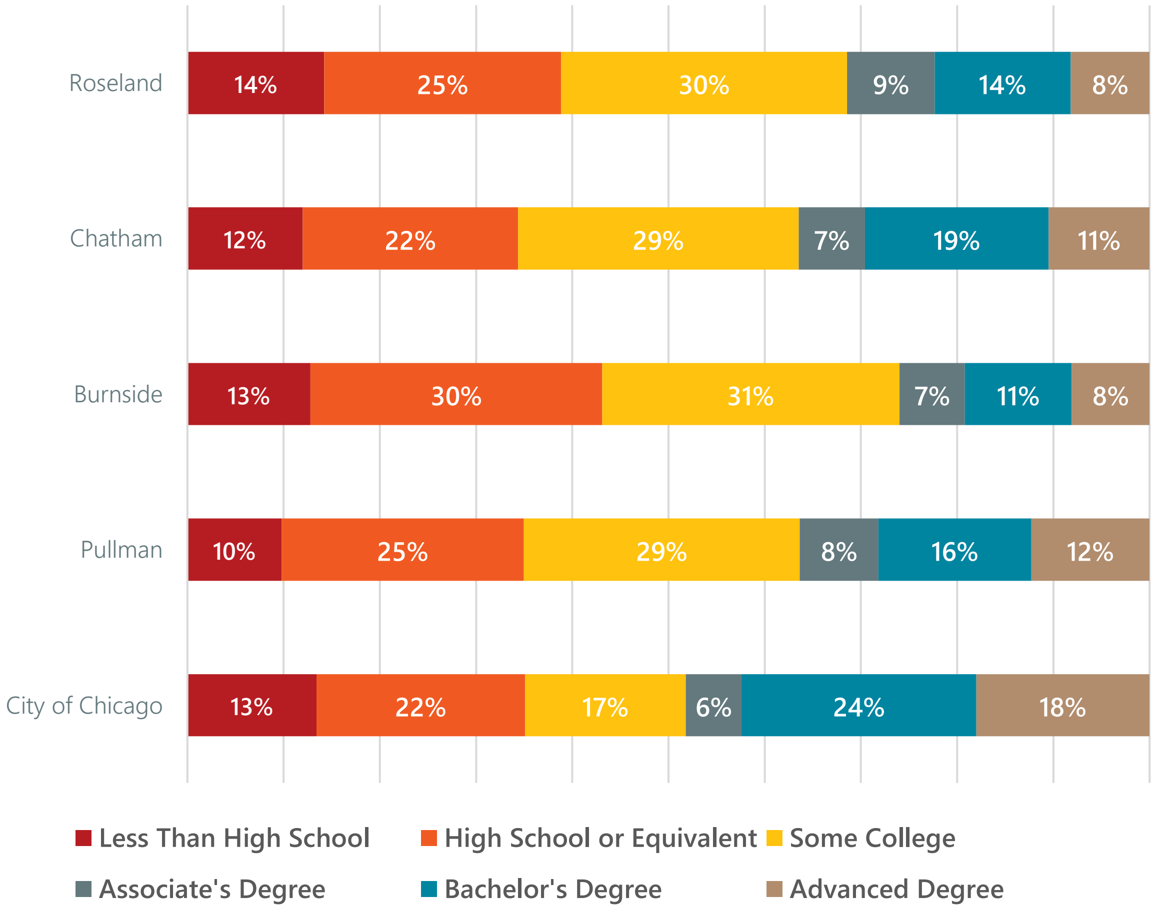
EDUCATIONAL ATTAINMENT

Educational attainment is lower in the Market Area compared to Chicago overall

In the Market Area, 26% of residents over 25 years old hold a Bachelor's Degree or higher, compared to 42% of residents over the age of 25 in the city overall.

However, there is a larger proportion of residents in the Market Area who have either completed some college or finished an Associate's Degree than the city overall.

EDUCATIONAL ATTAINMENT BY COMMUNITY AREA (2022)



Source: ACS 2018-2022 5-Year Estimates, CMAP, SB Friedman

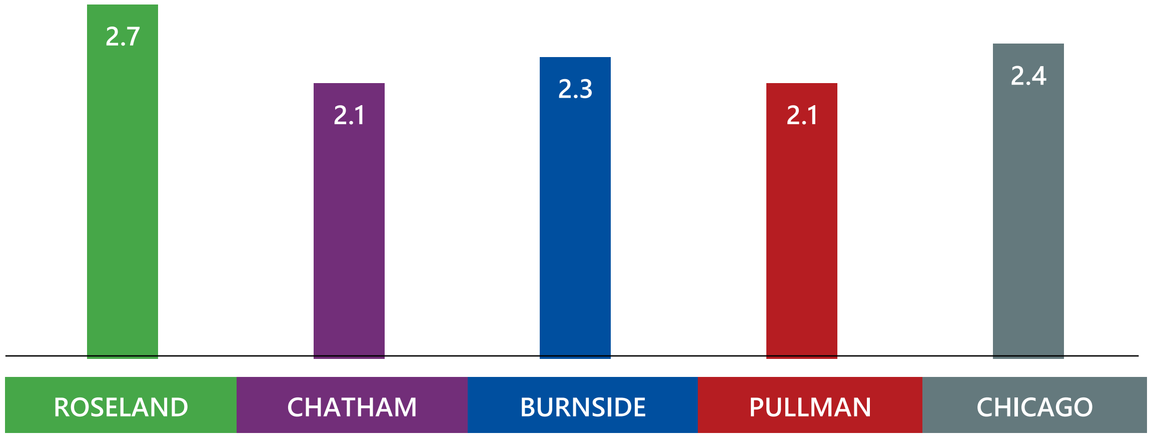
HOUSEHOLD COMPOSITION

Households in the Market Area average 2.1 - 2.7 occupants

The average household size within the Market Area varies by community area. Roseland is the only community area within the Market Area with an average household size larger than the average for the city. Burnside, Pullman and Chatham have smaller average household sizes than the city overall. This is likely associated with the higher median age in the Market Area relative to Chicago overall.

The Market Area has a similar proportion of family households (52%) as the city overall (51%). However, Roseland has the highest proportion of family households (61%) within the Market Area, aligning with the larger average household size. Chatham and Burnside have the lowest proportion of family households within the Market Area, 43% and 45%, respectively.

AVERAGE HOUSEHOLD SIZE



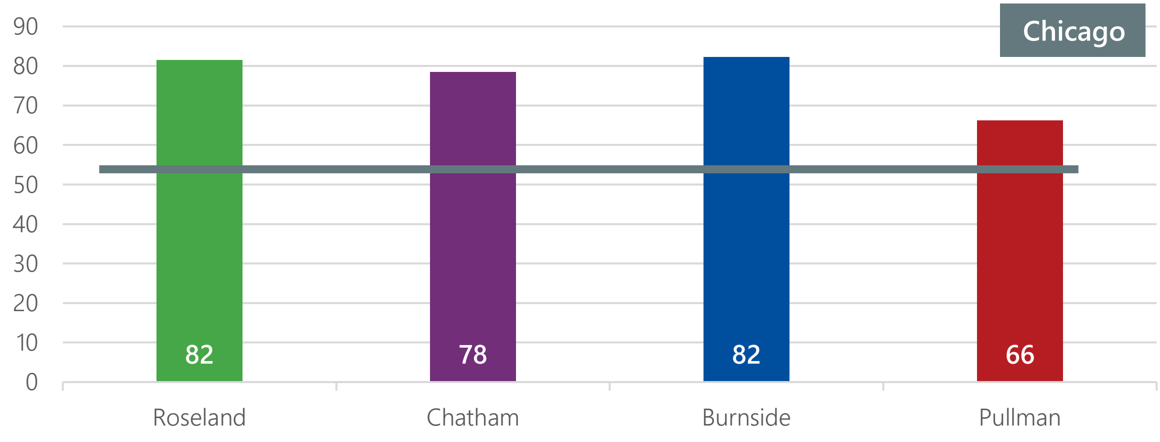
Source: ACS 2018-2022 5-Year Estimates, CMAP, SB Friedman

HARDSHIP INDEX

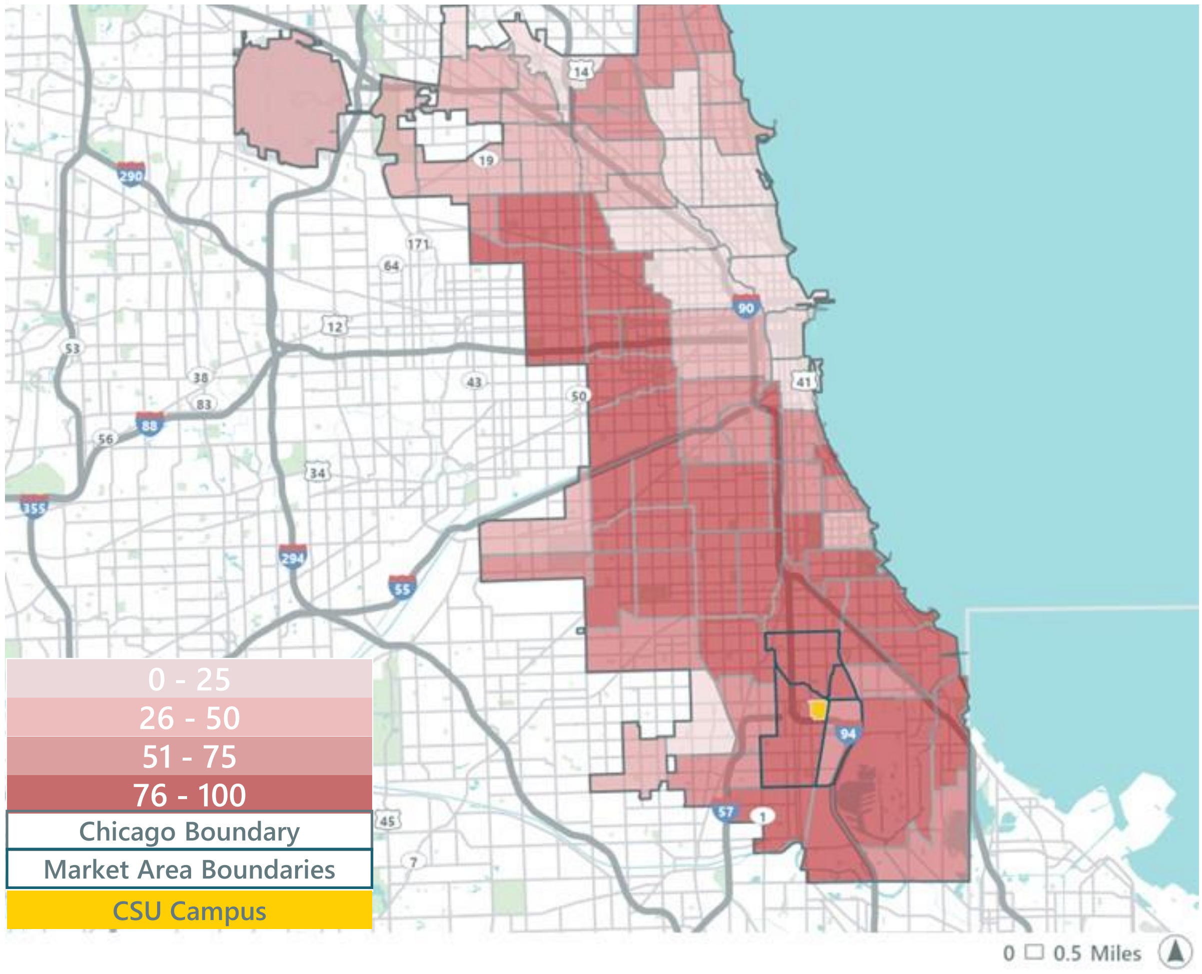
The Market Area experiences a higher degree of hardship compared to the city overall

As noted on page 15, the median household income in each of the community areas that comprise the Market Area is lower than the median household income for the city overall. The Hardship Index is an economic and social indicator that considers unemployment, education, per capita income, crowded housing, poverty and age dependency into a composite score. High scores are correlated with measures of economic hardship and poor health outcomes

HARDSHIP INDEX BY COMMUNITY AREA



HARDSHIP INDEX BY COMMUNITY AREA



Source: ACS 2018-2022 5-Year Estimates, Chicago Health Atlas, Esri, Metopia, SB Friedman

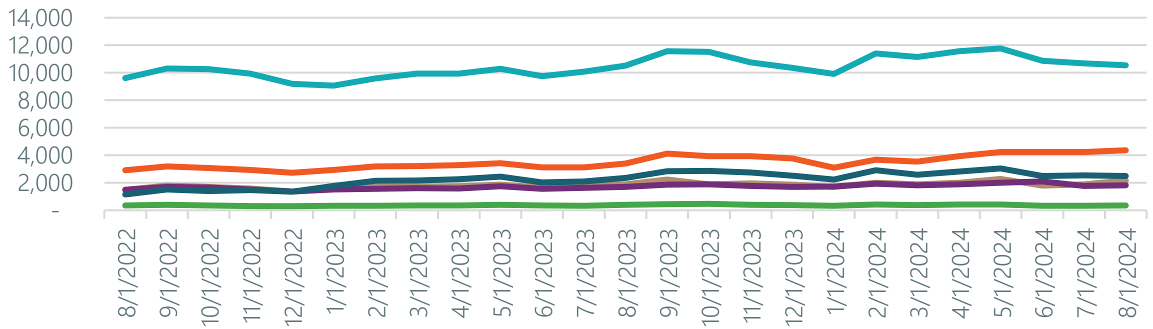
TRANSIT CONNECTIVITY

Market Area commuters utilize well frequented CTA bus and rail routes near the CSU campus

CTA's #4 Cottage Grove bus route had an average ridership of over 10,000 passengers per weekday in 2023. Other nearby CTA bus routes, the #100 Jeffery Manor Express, #111 111th/King Drive, #115 Pullman/115th, #95 95th, and #X4 Cottage Grove Express had combined average weekday ridership of nearly 9,700 in 2023.

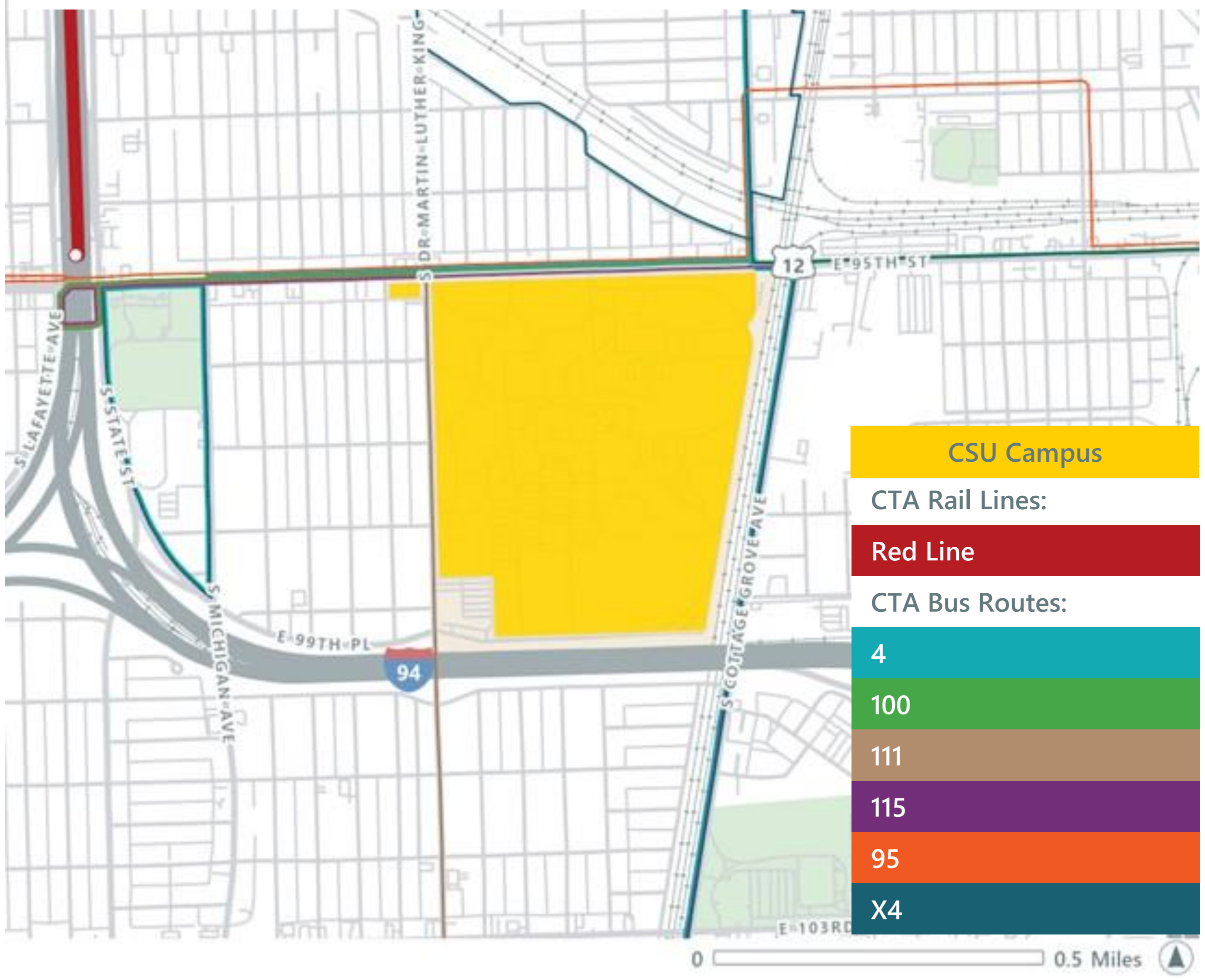
Additionally, the University is located approximately half a mile from the 95th/Dan Ryan Red Line station which connects north through Downtown. In September 2024, the most recent month of available ridership data, there were approximately 4,900 average weekday station entries at 95th/Dan Ryan. Ridership is expected to increase as the CTA completes the Red Line Extension south to 130th Street. The University provides shuttle service to the 95th/Dan Ryan Red Line station for faculty, staff and students.

AVERAGE BUS RIDERSHIP BY ROUTE PER WEEKDAY



Source: CTA, Regional Transit Authority

CTA ROUTES NEAR CAMPUS



TRANSIT CONNECTIVITY

The Market Area is served by the Metra Electric Line

Several Metra Electric Line stations are located within the Market Area, including the 95th Street Chicago State University station which is adjacent to the CSU campus. According to the Regional Transit Authority (RTA), there were approximately 50 boardings or departures at the station on an average weekday in 2018, the last year in which survey data was collected for the station.

The station is undergoing a $33.4M renovation. Planned improvements include the replacement of the current platform and stairs, the construction of a new street-level entrance with retail square footage, a new platform with a full-length canopy, a new elevator, and improved connectivity to the nearby campus. The renovation is anticipated to be completed in 2027.

PLANNED RENOVATION OF 95TH STREET METRA STATION

Source: Metra

Source: Metra, RTA, SB Friedman

C – MARKET AREA HOUSING DYNAMICS

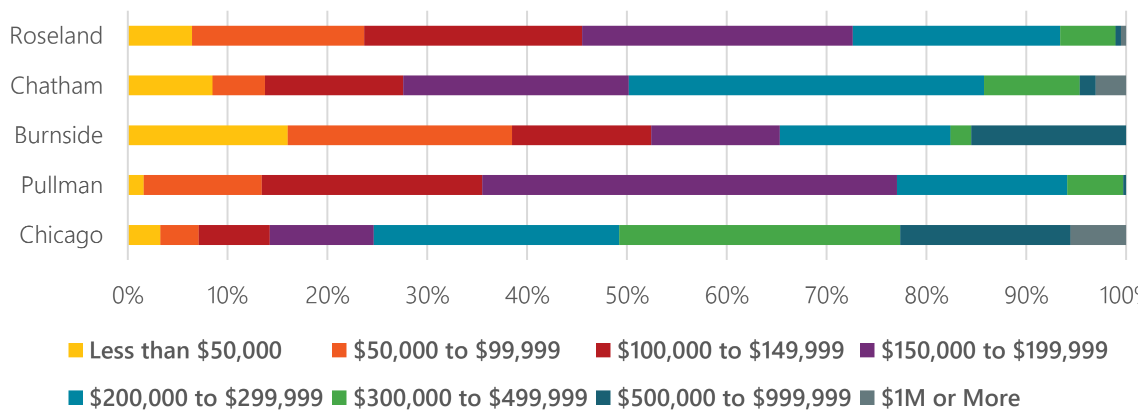
OVERALL HOUSING VALUES

The Market Area is more affordable relative to the city overall

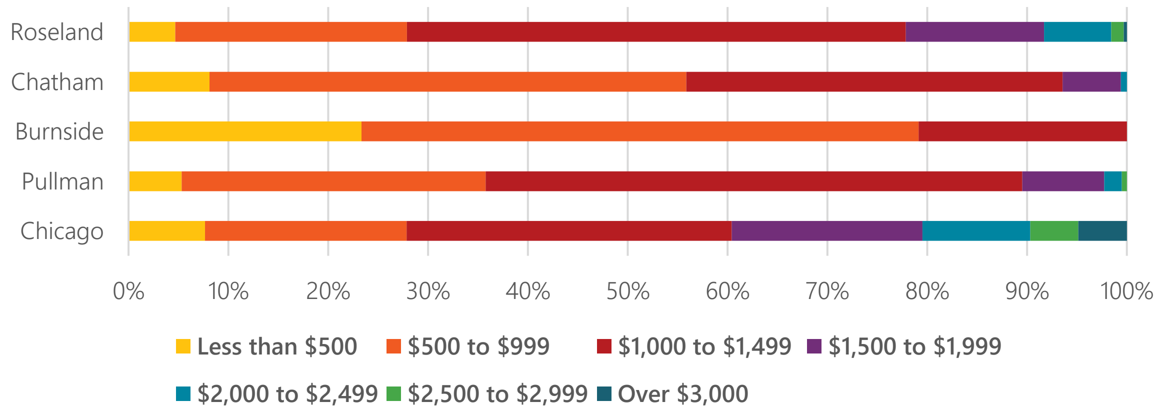
Approximately, 64% of owner-occupied homes are valued below $200,000 within the Market Area compared to only 25% of owner-occupied homes in the city overall.

Rents within the Market Area are also lower than the city overall. Approximately 45% of rental units within the Market Area have monthly gross rents under $1,000, compared to only 28% of rental units in the city.

AVERAGE HOME VALUE BY COMMUNITY AREA



GROSS RENT BY COMMUNITY AREA



Source: ACS 2018-2022 5-Year Estimates, SB Friedman

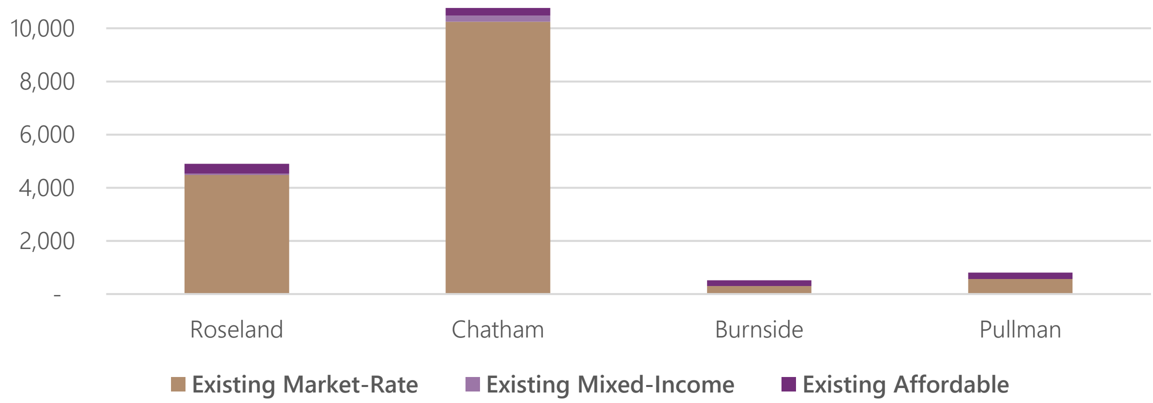
RENTAL HOUSING INVENTORY

Multifamily units in the Market Area are located primarily in Chatham and Roseland

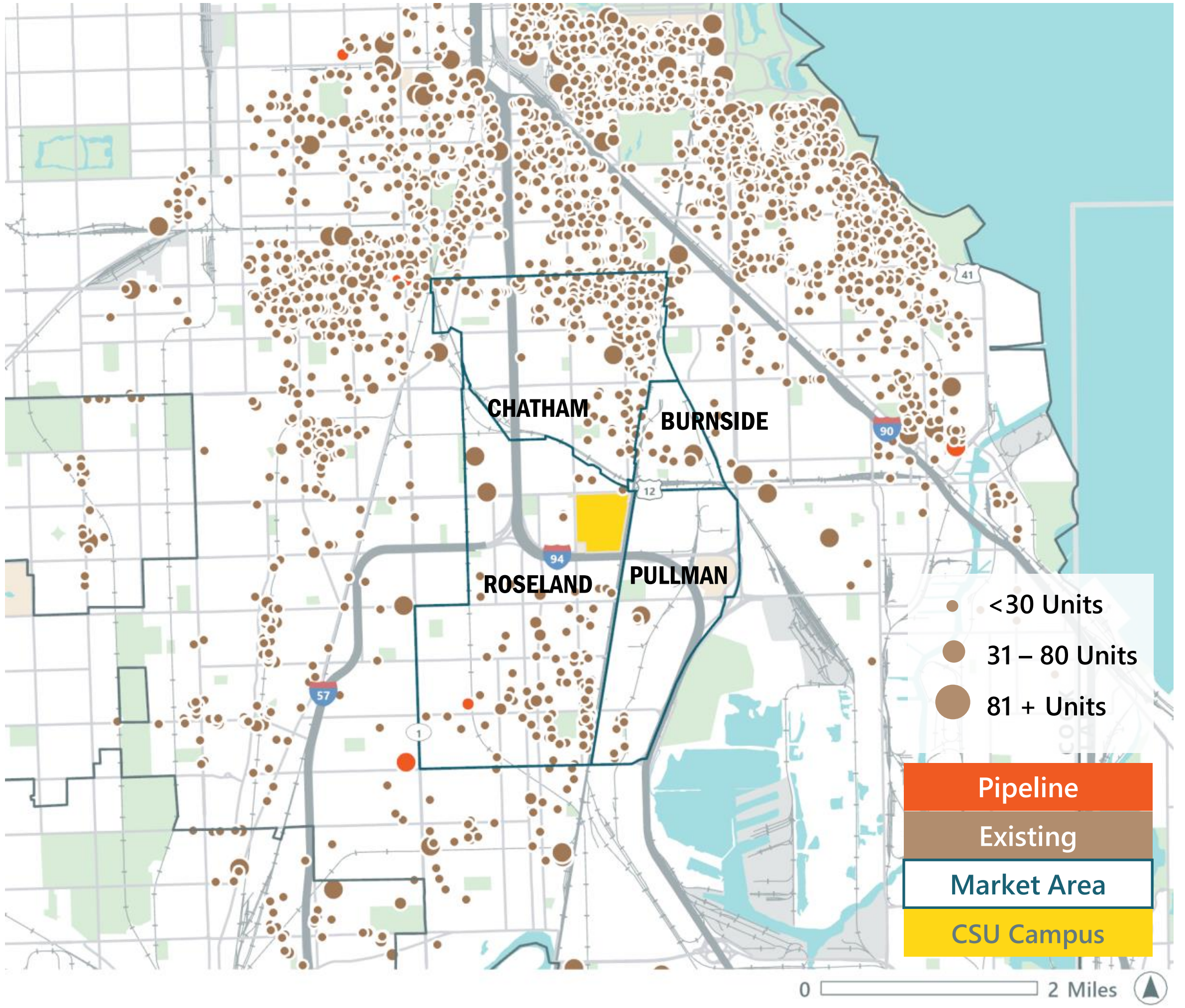
There are nearly 17,000 multifamily rental units in the Market Area. Chatham has the most multifamily apartment units in the Market Area with nearly 10,800 units, followed by Roseland with over 4,900 units.

There are significant geographic barriers between the CSU campus and much of the multifamily inventory within the Market Area, including the I-94 Expressway and two railroads.

EXISTING INVENTORY BY RENT TYPE



MULTIFAMILY HOUSING WITHIN THE BROADER MARKET



Source: CoStar, SB Friedman

RENTAL HOUSING MISMATCH

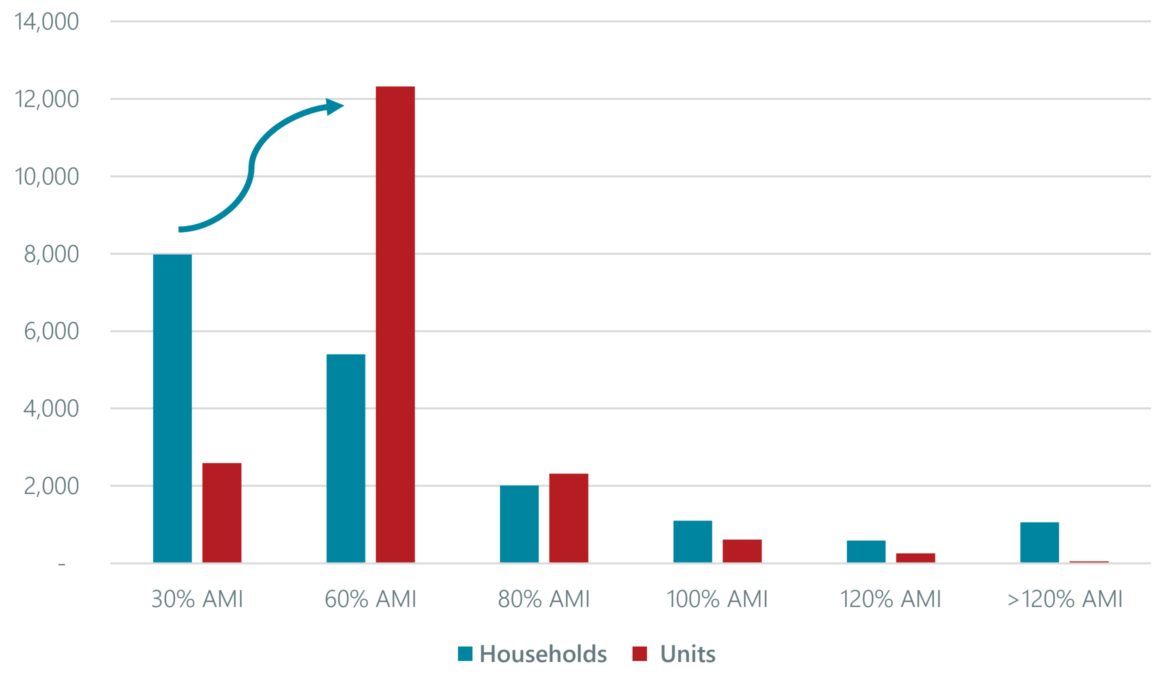
The Market Area is experiencing a housing gap at the lowest and highest incomes

SB Friedman analyzed the relationship between renter households at different income cohorts relative to the number of rental housing units affordable at that income level. This housing mismatch analysis incorporates a commonly accepted housing affordability principle that a household should spend no more than 30% of its gross income on housing costs. Households who exceed that 30% threshold are considered housing cost burdened.

Within the Market Area, there is a deficit of approximately 5,390 housing units affordable to households earning below 30% of the Area Median Income (AMI) (approximately $700 rent per month). This indicates households are required to occupy more expensive housing units leading to higher proportions of cost-burdened renters.

Additionally, there are more households earning 100% AMI and above (over approximately $94,000 per year) than units that would be affordable to a household at that income. There is a gap of nearly 1,800 units at the highest end, meaning households are occupying more affordable units. Therefore, if units were built at the higher end of the market, some households may choose to live in the units freeing up more affordable units. However, it is important to note that this analysis is demographics-driven and does not consider the financial feasibility of housing development within the Market Area at this price point.

MARKET AREA RENTER OCCUPIED HOUSING MISMATCH [1]



[1] Assumed household size of 3 for calculation of median household income.
Source: ACS 2018-2022 5-Year Estimates, SB Friedman

CONCLUSIONS | DEMOGRAPHIC & MARKET DYNAMICS

New development will likely require public-private partnerships to be feasible

UNIVERSITY DYNAMICS

Chicago State University has had consistent enrollment of more than 2,300 students over the last several years. In line with the University's commitment to provide accessible education to underrepresented backgrounds, overall CSU's student body receive financial aid, with approximately 65% of students receiving aid reserved for students with exceptional financial need. The University employs 500 full-time faculty and staff, who share a diverse racial and ethnic background to the University's student body.

COMMUNITY DYNAMICS

The University is located within a Market Area which has been historically disinvested. The Market Area has a population which is older than the city overall and has been experiencing population loss at a higher rate than the city. Community areas within the Market Area have a lower median household income than the city and have a higher degree of economic and social hardship. Despite this, the Market Area has a workforce of nearly 29,000 who primarily commute outside of the Market Area for work. These employees benefit from the Market Area's access to public transit, with good connectivity including the Metra Electric, CTA Red Line, and several highly-frequented CTA bus routes.

MARKET AREA HOUSING DYNAMICS

Housing within the Market Area is relatively older compared to the rest of the city, and there is a high proportion of vacant units within the Market Area. These housing units are largely single-family homes which are occupied by owners rather than renters and are valued lower than housing in the rest of the city. Multifamily housing in the Market Area is primarily located in Chatham and Roseland, however, the majority of the multifamily inventory is separated from campus by significant geographic barriers including the interstate and several rail lines.

There appears to be need in the Market Area for 5,400 rental housing with rents below $700 as well as a gap of nearly 1,800 units at the highest end of the incomes analyzed. Therefore, if units were built at the higher end of the market, some households may choose to live in the units freeing up more affordable units. However, it is important to note that this analysis is demographics-driven and does not consider the financial feasibility of housing development within the Market Area at this price point.

Overall, it appears that the Market Area has not been experiencing the same level of investment as the city overall and that the existing housing supply and real estate market does not appear to be delivering product that meets the needs of the campus community. Given the socioeconomic characteristics and lack of recent investment in the Market Area, new development is likely going to be financially challenging and will require public-private partnerships.

03 CAMPUS HOUSING NEEDS ASSESSMENT

CAMPUS HOUSING NEEDS ASSESSMENT

Housing can be a strategy for university growth & an economic development tool for the Market Area

Development of the 95th Street corridor has the potential to drive investment in a historically disinvested and underserved community, while also providing much needed housing and commercial amenities for the CSU community.

Housing is key to facilitating a vibrant university village environment. Furthermore, the University has expressed a need and interest to have additional student housing given the strong correlation between student success and students residing on campus.

SB Friedman evaluated the need for student and employee housing, while also considering the real estate dynamics within the wider Market Area and at peer and competitive universities. A variety of metrics were used to quantify the demand for on-campus student beds, as well as how demand would increase given the growth aspirations outlined in the 2023 Facilities Master Plan.

This analysis leveraged information from CSU, interviews with the CSU administration and staff, and case study research. As a part of this analysis, CSU also distributed a survey to students, faculty and staff, and the community about housing and commercial needs.

CONCEPTUAL IMAGE FROM THE 95TH STREET DEVELOPMENT FRAMEWORK

Source: City of Chicago Department of Planning and Development

A – STUDENT HOUSING

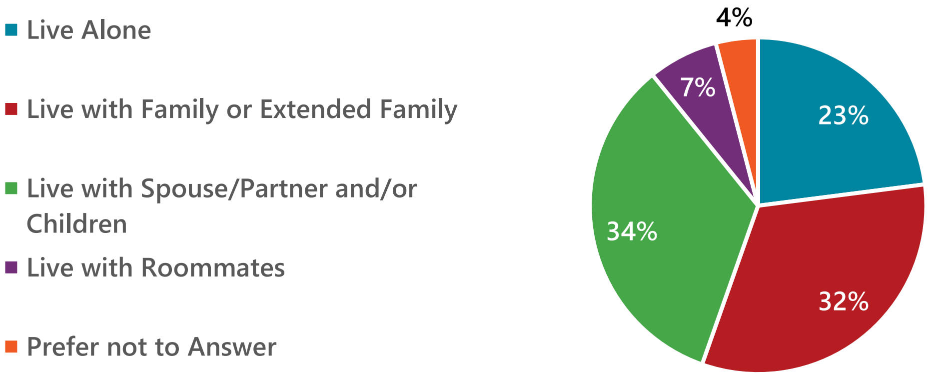
CURRENT STUDENT DYNAMICS

Many students live in neighborhoods close to the University

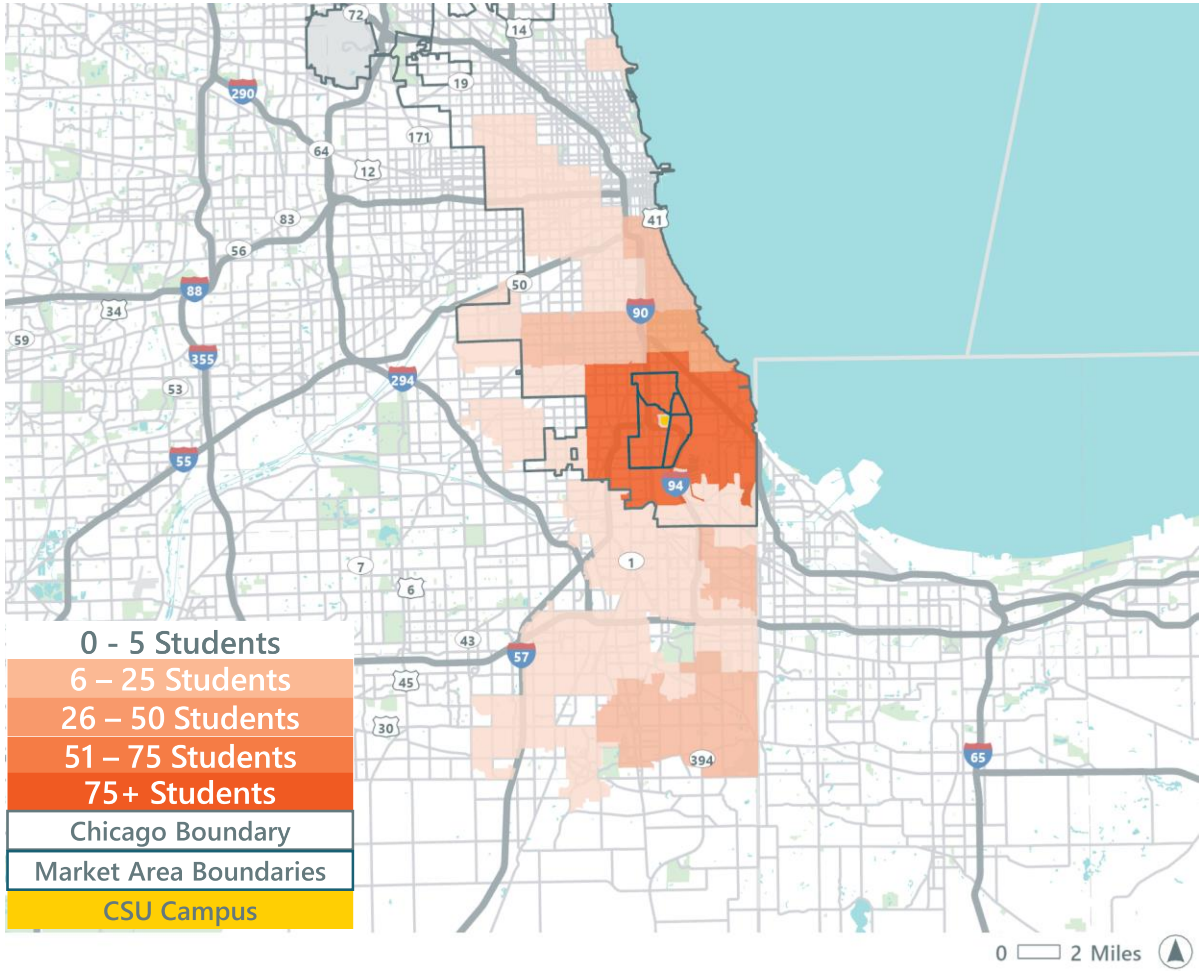
According to data provided by the University, approximately 65% of CSU students live within the city of Chicago. Approximately 21% of CSU students reside in zip codes which intersect the Market Area.

According to a Fall 2024 student survey, approximately 32% live with family or extended family and 34% live with a spouse and or partner. Approximately 23% live alone and 7% live with a roommate.

OFF-CAMPUS STUDENTS LIVING ARRANGEMENTS [1]



CHICAGO STATE UNIVERSITY ENROLLMENT BY ZIP CODE (2024)



[1] Student survey administered during Fall semester 2024, Off-Campus student respondents n=74.
Source: Chicago State University, SB Friedman, Student Survey Respondents

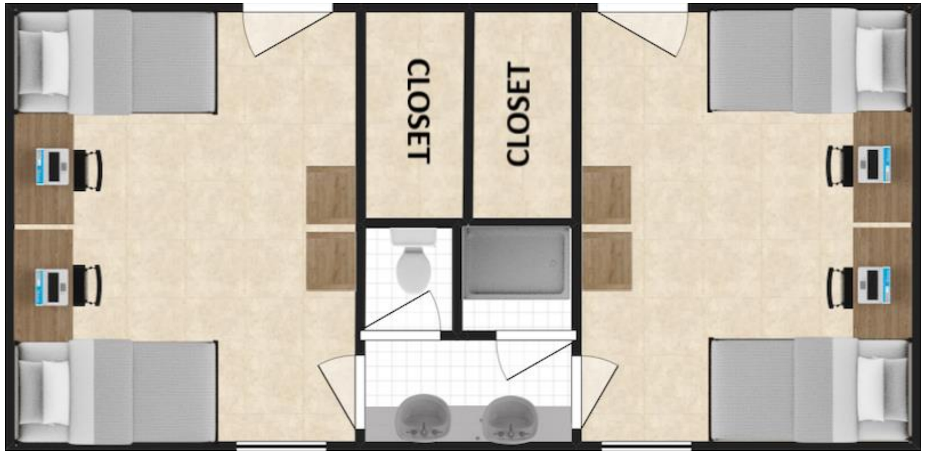
CURRENT STUDENT HOUSING DYNAMICS

Approximately 250 students currently reside in on-campus housing

Approximately 250 students reside on campus. These students are mostly undergraduate students and reside in the University's sole residence hall building, known as the "Residence Hall" or "RH." The three-story RH was built in 1994 and is located in the east-central portion of campus. The RH includes a study lounge, laundry facilities, a computer room, a mail room, and an office on-site, but does not include kitchens or modern communal areas.

According to the Facilities Conditions Assessment completed in January of 2023, the building remains in "good condition." However, members of the administrative staff indicated that there are issues due to deferred maintenance.

DOUBLE ROOM PHOTO AND FLOOR PLAN AT THE RH



Source: Chicago State University

Source: Chicago State University Residence Life, CSU Facilities Conditions Report 2023

CURRENT STUDENT HOUSING DYNAMICS

The RH is currently at capacity with a 90-bed waiting list

It is our understanding that the maximum capacity of RH is 300 students, while approximately 250 beds were available for use in Fall 2024. Students who reside on campus are primarily international students, those from outside of the region, athletes, marching band students, and participants in scholarship programs including RISE Academy and Call Me MISTER. According to administrative staff, these students receive priority on-campus housing.

According to administrative staff, there were nearly 90 students on the waitlist for on-campus housing in the Fall of 2024.

CSU does not currently provide on-campus family housing.

CURRENT RESIDENCE HALL CAPACITY AND RESIDENTS

Current Occupancy	
Maximum (Beds)	300
Real (Beds)	250
Existing On Campus Residents	
RISE Academy	140 – 150 Students
Athletics	>100
Other (Call Me MISTER, Marching Band, Diverse Scholars)	15 – 20
Graduate Students	<10
Current Need	
2024 Waitlist	90 Students

Source: Chicago State University Residence Life, SB Friedman

STUDENT HOUSING PREFERENCES

CSU students & applicants indicated a strong desire for on-campus housing

The student survey administered during Fall semester of 2024 found that of the 101 students that completed the survey (4% of current students), approximately 67% expressed an interest in living on campus for at least one year, and nearly 50% of students indicated an interest in living on campus all four years. In the same survey approximately 45% of graduate students expressed an interest in living on campus for at least one year. Approximately 80% of students interested in on-campus housing indicated they would want year-round housing on campus.

Additionally, in Academic Year 2024 [1], approximately 58% of all admitted applicants to the University indicated that they would be interested in living on campus. Administrative staff indicated that students who enroll at the University intending to live on campus and do not get a room in RH often do not ultimately enroll or leave the University, especially if they are not from the Chicago area and do not have the option to live locally.

TARGETS FROM SURVEY RESPONDENTS

Benchmarks	Today (2,300 students)	Target Enrollment (5,300 students)
67% of Current Freshman [2] 50% of Upperclassmen [3] 46% of Graduate Students [4]	1,165	2,685
Current Beds	-250	-250
Additional Beds Needed	**915**	**2,435**

TARGETS FROM ADMITTED APPLICANT DATA

Benchmarks	Today (2,300 students)	Target Enrollment (5,300 students)
58% of Current Freshman [5] 50% of Upperclassmen [3] 46% of Graduate Students [4]	1,125	2,595
Current Beds	-250	-250
Additional Beds Needed	**875**	**2,345**

[1] Academic Year 2024 includes total Fall, Spring, and Summer of 2024.
[2] 67% of current student respondents interested in living on campus, and current Freshman enrollment, student survey administered during Fall semester 2024, student respondents n=101.
[3] Upperclassmen includes Sophomore, Junior, and Senior Students, survey respondents interested in living on campus for all four years, student survey administered during Fall semester 2024, student respondents n=101.
[4] Graduate students interested in living on campus, student survey administered during Fall semester 2024, student respondents n=24.
[5]58% of admitted applicants and Fall 2023 Freshman enrollment.
Source: Chicago State University Residence Life, SB Friedman

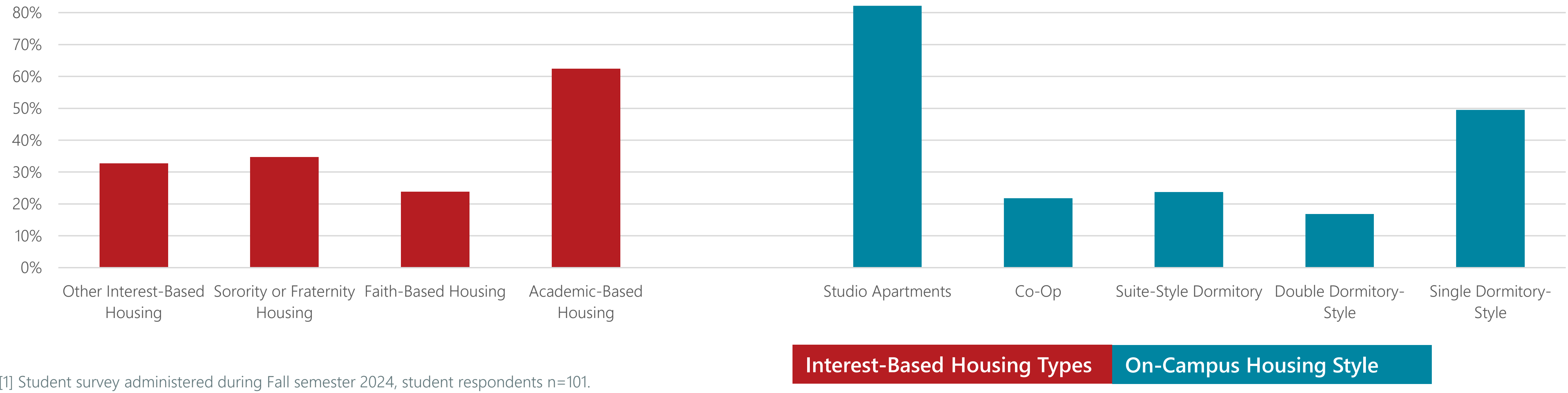
STUDENT HOUSING PREFERENCES

Survey respondents indicate preference for studio apartments and single dorms

The survey asked students what types of on-campus housing they would be interested in, and students were allowed to select multiple options. Approximately 83% of survey respondents expressed an interest in student apartments, followed by 50% interested in single, dormitory-style rooms.

Approximately 63% of survey respondents selected an interest in academic-based housing. Academic-based housing includes residential programs that connect students in similar majors, areas of study, or other university groups. The survey indicated moderate interest in sorority and fraternity housing, faith-based housing, or other on-campus housing communities directed towards specific student groups.

HOUSING STYLE AND INTEREST-BASED HOUSING PREFERENCES [1]



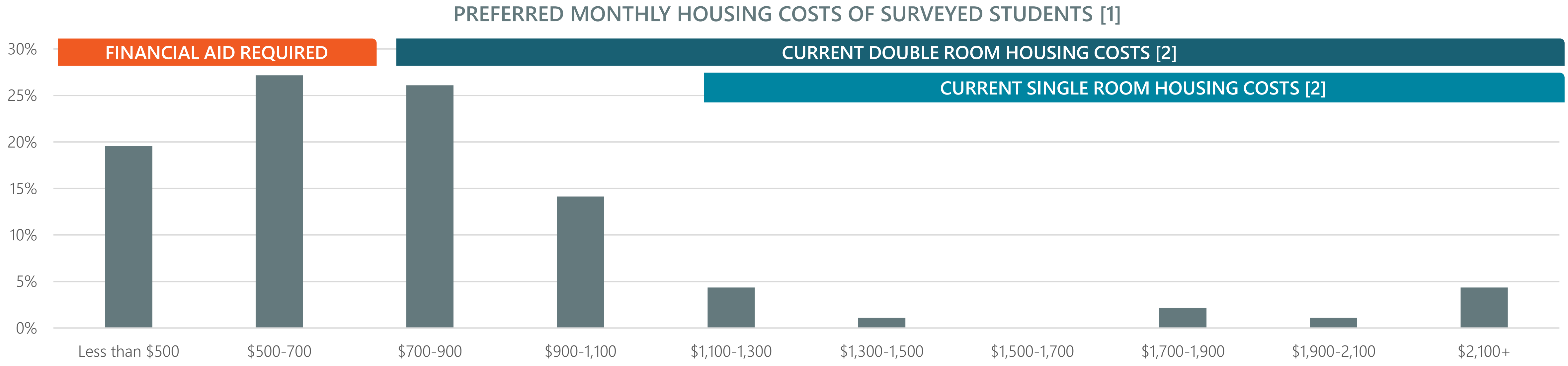
[1] Student survey administered during Fall semester 2024, student respondents n=101.
Source: Chicago State University, Inside Higher Ed, SB Friedman, Student Survey Respondents

STUDENT HOUSING PREFERENCES

47% of students interested in living on-campus would require financial aid to afford current rates

The Fall 2024 student survey asked students what they would be willing and able to pay for monthly housing costs if they chose to live on-campus. While these responses are self-reported, the results indicate that approximately 53% of student survey respondents would be willing and able to pay the current rates for a double room. Student survey responses, however, indicated a strong preference for studio apartments and single dormitory-style units, while only 13% of students would be willing and able to pay current rates for a single room[1,2].

The University currently offers scholarships for students living on-campus to assist in covering housing costs, and it is anticipated that approximately 47% of students interested in living on-campus would require some sort of financial aid to afford it.

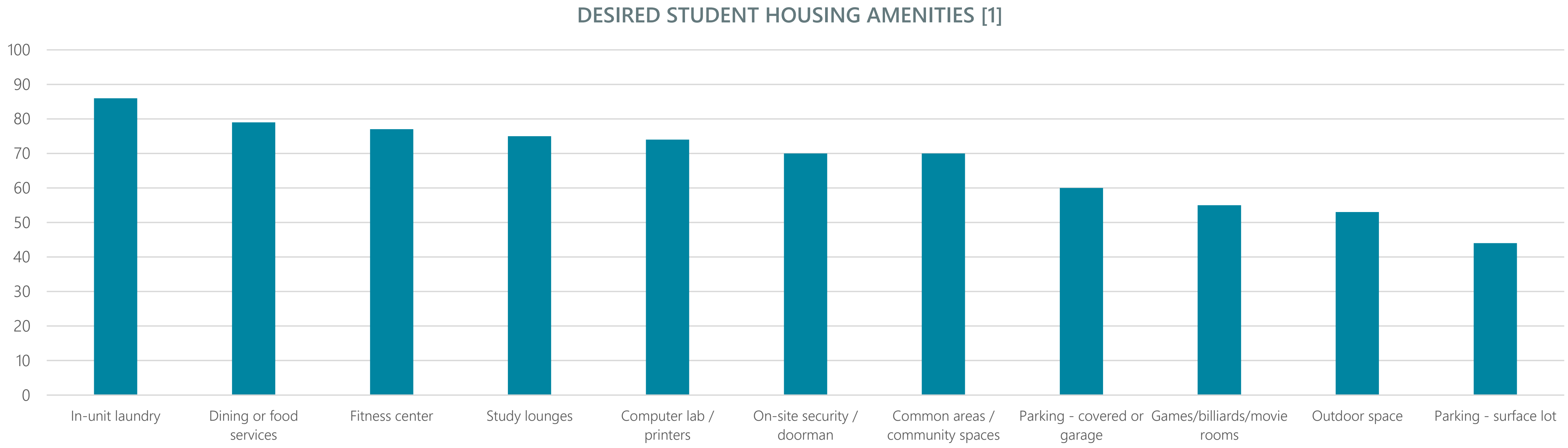


[1] Students who responded to Monthly Housing Costs question on Fall 2024 survey, student respondents n=92.
[2] Assumes four months in the semester cost of housing.
Source: Chicago State University, SB Friedman, Student Survey Respondents

STUDENT HOUSING PREFERENCES

Survey respondents indicate a desire for amenitized on-campus housing

The student survey asked if students were to choose to live in new on-campus housing which amenities they would like to see included. Survey respondents could select an unlimited number of responses. Approximately 86% of student survey respondents selected in-unit laundry. More than 70% of respondents selected dining or food services, fitness center, study lounges, computer lab / printers, and one-site security / doorman. Less than 50% of respondents selected parking.



[1] Student survey administered during Fall semester 2024, all student responses, n=101.
Source: Chicago State University, SB Friedman, Student Survey Respondents

STUDENT HOUSING CASE STUDIES – PEER INSTITUTIONS

On-campus housing serves 6-27% of the total student body


Source: Chicago State University


Source: Governors State


Source: American Campus Communities


Source: Morgan State University

	Chicago State University	Governors State University	Northeastern Illinois University	Morgan State University
Location	Chicago, IL	University Park, IL	Chicago, IL	Baltimore, MD
Total Enrollment (Fall 2022)	2,317	4,427	5,756	9,101
Total Undergraduate Enrollment (Fall 2022)	1,450 (63%)	2,609 (59%)	4,207 (73%)	7,609 (84%)
Undergraduate Transfer Enrollment (Fall 2022) (% of undergraduates)	173 (12%)	432 (17%)	584 (14%)	415 (5.5%)
Student-to-Faculty Ratio	11:1	10:1	9:1	17:1
Average Annual In-State Cost After Aid (2022-2023)	$9,852	$10,833	$14,669	$15,350
On-Campus Student Housing Beds	250 [1]	280 [2]	440 [3]	2,400 [4]
Beds / Total Students	Current Enrollment: 10.8% Enrollment Target 4.7%	6.3%	7.6%	26.4%
Beds / Undergraduate Students	17.2%	10.7%	10.5%	31.5%

[1] Chicago State University Department of Student Affairs
[2] Governors State University Department of Campus Life, https://www.govst.edu/Campus_Life/University_Housing/Rates_Contracts_and_Policies/Floor_Plans_and_Rates/
[3] Northeastern University, https://www.neiu.edu/news/northeastern-illinois-university-opens-its-first-residence-hall-nest
[4] Morgan State University Office of Residence Life and Housing
Source: National Center for Education Statistics College Navigator Fall 2022, SB Friedman

STUDENT HOUSING CASE STUDIES – COMPETITOR INSTITUTIONS

On-campus housing serves 10-36% of the total student body

Source: Chicago State University


Source: UIC


Source: Illinois State University


Source: NIU

	Chicago State University	University of Illinois Chicago	Northern Illinois University	Illinois State University
Location	Chicago, IL	Chicago, IL	Dekalb, IL	Normal, IL
Total Enrollment (Fall 2022)	2,317	33,747	15,649	20,683
Total Undergraduate Enrollment (Fall 2022)	1,450 (63%)	21,807 (65%)	11,429 (73%)	18,055 (87%)
Undergraduate Transfer Enrollment (Fall 2022) (% of undergraduates)	173 (12%)	2,110 (10%)	1,252 (11%)	1,773 (10%)
Student-to-Faculty Ratio	11:1	18:1	14:1	19:1
Average Annual In-State Cost After Aid (2022-2023)	$9,852	$11,499	$13,533	$20,871
On-Campus Student Housing Beds	250 [1]	3,400 [2]	3,500 [3]	7,350 (Est.) [4]
Beds / Total Students	Current Enrollment: 10.8% Enrollment Target 4.7%	10.1%	22.4%	35.5%
Beds / Undergraduate Students	17.2%	15.6%	30.6%	40.7%

[1] Chicago State University Department of Student Affairs
[2] University of Illinois at Chicago, https://today.uic.edu/media-advisory-move-in-day-2023/
[3] NIU Housing and Residential Services, https://www.niu.edu/housing/halls/index.shtml
[4] U.S. News and World Report, https://www.usnews.com/best-colleges/illinois-state-university-1692/student-life#:~:text=Illinois%20State%20University%20has%20a,of%20students%20live%20off%20campus.
Source: National Center for Education Statistics College Navigator Fall 2022, SB Friedman

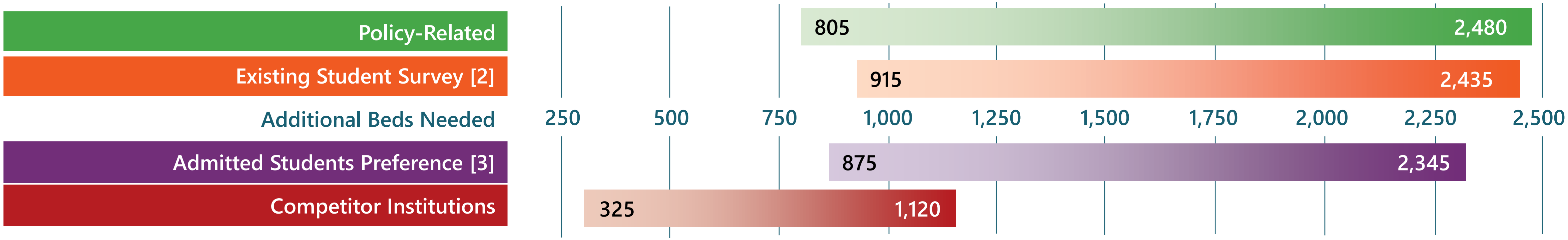
STUDENT HOUSING NEEDS

Minimum need for 300 beds with the potential for up to 2,500 beds as enrollment increases

SB Friedman evaluated multiple metrics to estimate the unmet need for on-campus housing. Ultimately, there appears to be a need today for a minimum of 300 beds; however, that estimate increases when accounting for admitted student and survey respondent preferences, as well as the several student cohorts for which CSU has expressed a policy-level desire to provide on-campus housing. Interviews and admissions data indicates that additional on-campus housing is needed for CSU to achieve a target enrollment of 5,300. With the higher enrollment, a minimum of 1,100 beds appears to be needed, with up to 2,500 beds needed when accounting for student and survey respondent preferences, or policy-related objectives.

On-campus student housing could be in a variety of formats such as traditional dorms, studio apartments, larger apartments for students with families, and interest-based housing. Approximately 27% of student survey respondents indicated an interest in family housing; therefore, it would appropriate to target 15-25% of new housing units for students with families. It is important to note that approximately 53% of students would be willing and able to pay the current rates for a double room at RH, while only 13% would be willing and able to pay current rates for a single room. Therefore, additional financial support will likely be needed to offset the occupancy costs of any new housing facilities.

ON-CAMPUS STUDENT HOUSING TARGETS [1]



[1] Nets out the existing 250 student beds.
[2] Includes projected Undergraduate and Graduate school beds based on the student survey administered in the Fall of 2024 and current enrollment by class rank.
[3] 67% of Freshman based on admitted applicant data, remaining Undergraduate and Graduate student beds determined by student survey administered in the Fall of 2024 and current enrollment by class rank.
Source: Chicago State University Residence Life, SB Friedman

B – FACULTY & STAFF HOUSING

CURRENT FACULTY & STAFF HOUSING DYNAMICS

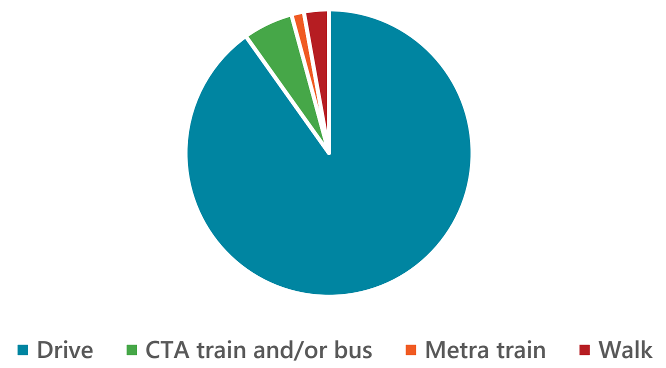
CSU faculty and staff typically drive 30 minutes or less to get to work, and live with family members

Of the approximately 600 CSU employees, 57 responded to the Housing and Commercial Needs Survey. Additionally, 9 faculty and staff members completed the student survey. Based on the 71 survey responses, approximately 91% of respondents travel to campus from home by driving. Approximately 5% utilized CTA transit and 1% utilized the Metra.

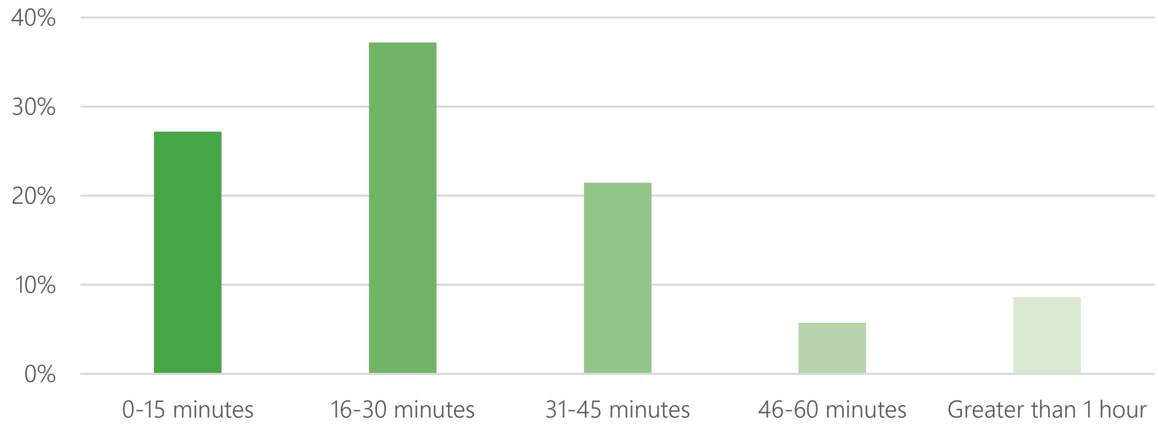
The majority of survey respondents commute less than 30 minutes to campus, regardless of their chosen mode of transportation.

Over 54% of faculty and staff survey respondents indicated that they lived with their immediate family (with a spouse, with a spouse and their children, or with their children), and 13% live with extended family members. Approximately 19% of CSU employees who responded to the housing survey indicated that they live alone and nearly 10% lived with roommates.

MODE OF TRAVEL TO WORK FOR CSU FACULTY AND EMPLOYEES [1]



COMMUTE TIME FOR CSU FACULTY AND EMPLOYEES [2]



[1] Faculty and staff survey administered during Fall semester 2024 with additional faculty responses from student survey, n=71
[2] Faculty and staff respondents, n=70
Source: Faculty and Staff Survey Respondents

FACULTY & STAFF HOUSING PREFERENCES

Faculty and staff indicate a preference for transitional housing for when they first arrive on campus

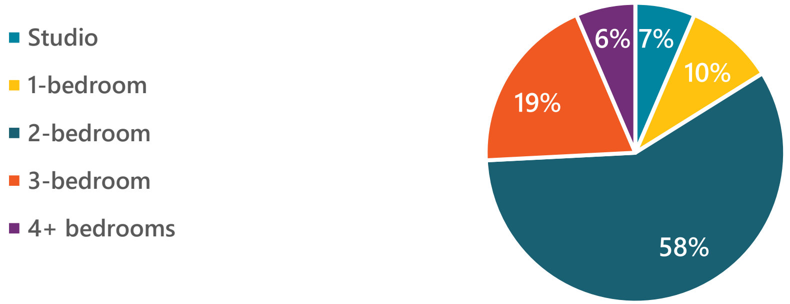
Of the 33% of CSU faculty and staff who indicated they would be interested in on-campus faculty and staff housing; more were interested in transitional housing for new employees (75%) than permanent on-campus faculty and staff housing (25%).

Of those interested in on-campus housing, the majority are seeking moderate-size units of two-bedrooms or larger, likely to accommodate family members.

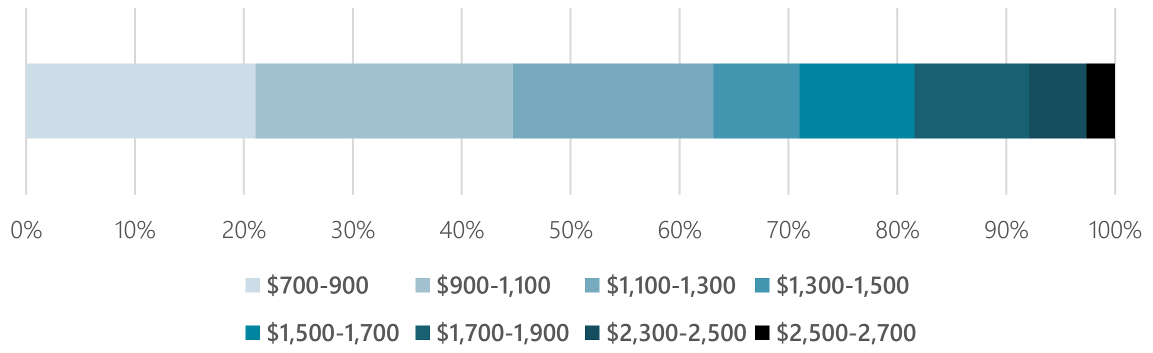
Of those interested in on-campus housing, there is a range of price points preferred by faculty and staff. However, the survey responses represent a small share of all university employees.

Based on survey results, it seems that employee housing may be able to be served by rental housing near campus.

PREFERRED UNIT SIZE FOR ON-CAMPUS EMPLOYEE HOUSING [1]



PREFERRED MONTHLY OCCUPANCY COSTS FOR ON-CAMPUS EMPLOYEE HOUSING [2]



[1] Faculty and staff survey responses, n=62.
[2] Faculty and staff survey responses indicating interest in living on campus, n=44.
Source: Faculty and Staff Survey Respondents

FACULTY & STAFF HOUSING NEEDS

Projected unmet need based on survey data from faculty and staff survey

The projected need for faculty and staff housing at CSU is based on survey respondent data. The survey garnered a response from approximately 10% of all faculty and staff, including part-time employees.

It appears there is limited desire for employee housing at CSU. Rather, survey respondents indicated a desire for transitional housing for when they first arrive on campus. Of those interested in on-campus housing, nearly 60% of respondents are interested in two-bedroom units and respondents provided a range of preferred housing costs.

Given the short-term nature of transitional housing, this need could be fulfilled through a small number of traditional rental units included within a larger project, such as family housing for students. It would also be appropriate for these units to be separated from traditional on-campus dormitory housing for students.

Conversations with staff also indicated a limited supply of hotels and short-term rentals for visiting families. A small supply of transitional housing units may double as short-term rentals for visiting families, professors, or scholars.

C – CAMPUS HOUSING CONCLUSIONS

OVERALL CAMPUS HOUSING NEEDS CONCLUSIONS

Unmet need for on-campus student housing and potential need for additional rental housing

Currently, there is unmet need for additional student housing on CSU's campus as evident by the waitlist and the strong desire amongst admitted applicants and current students to live on campus. In addition, the University's 2023 Facilities Master Plan indicates a target enrollment of approximately 5,300 students. The construction of more student housing on campus will contribute to the University's attractiveness to a wider range of applicants, while supporting the University's policy goals of providing housing for students in its growing athletics and RISE Academy programs.

Based on survey responses, students with an interest of living on campus prefer housing with a higher level of amenities than offered at RH. New development along 95th with residential amenities including a modern fitness center, community and study areas, and a range of room types would be an attractive housing option for CSU students.

At this time, there does not appear to be a significant need for permanent employee housing on campus. However, there may be unmet need for short-term or transitional housing for new employees and visiting faculty as they begin their tenure at the University.

STUDENT HOUSING	EMPLOYEE HOUSING
Latent unmet need for a minimum of 300 on-campus student beds with potential need for an additional 1,100+ student beds if CSU attracts a larger student body. These estimates increase to a maximum of 2,500 beds when accounting for the target enrollment, as well as admitted student and survey respondent preferences, or policy-related objectives. On-campus student housing could be in a variety of formats such as more traditional dorms, studio apartments, larger apartments for students with families, and interest-based housing options. It would appropriate to target 15-25% of new housing units for students with families.	Limited need for employee housing, although some interest in transitional housing. Transitional housing could be accommodated through a small number of traditional rental units included within a larger project, such as family housing for students. It would also be appropriate for these units to be separated from traditional on-campus dormitory housing for students.

04 COMMERCIAL NEEDS ASSESSMENT

COMMERCIAL NEEDS ASSESSMENT

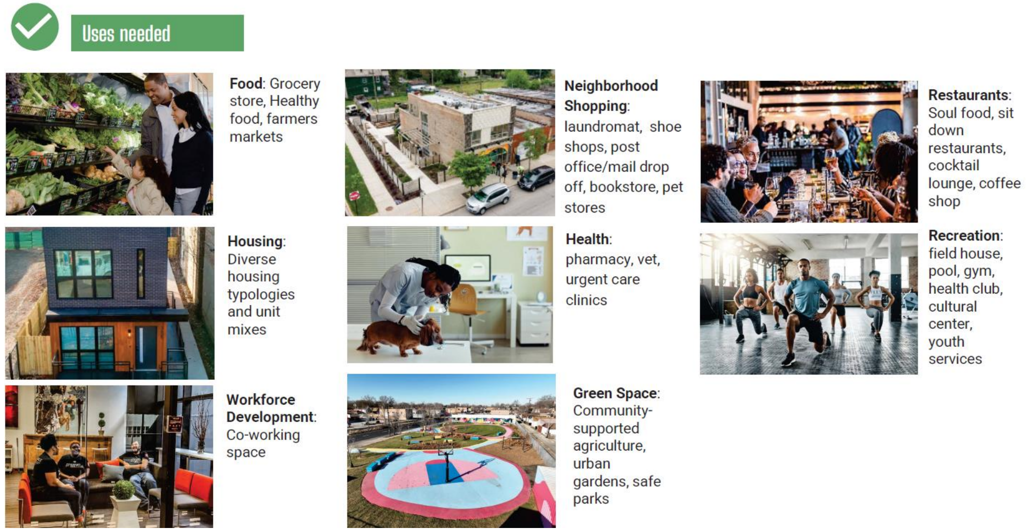
Campus edge commercial uses can serve the CSU campus community and the wider Market Area

The 95th Street Corridor is envisioned as a university village which drives investment to the region by increasing economic activity through new businesses, jobs, and housing within a vibrant campus community. Commercial uses and amenities identified by the 95th Street Corridor Development Framework Plan include food, neighborhood shopping, restaurants, housing, health, recreation, workforce development and green space.

A successful retail strategy should cater to students, faculty and staff, and the wider Market Area. The growth in students on campus would also support potential retail development.

SB Friedman utilized a range of methodologies and data sources to understand the need for retail and service-oriented tenants near CSU's campus. Case studies were explored to understand the various retail options that are often near university campuses. The existing retail landscape was evaluated to understand the market dynamics at play within the larger Market Area, including the relationship between resident spending and retail supply. Furthermore, SB Friedman relied on student and faculty and staff survey data to understand preferences and desires for retail, restaurants, amenities and services near and adjacent to campus.

COMMERCIAL USES AND AMENITY NEEDS IDENTIFIED THROUGH 95TH STREET CORRIDOR PLANNING WORK



Source: 95th Street Corridor Plan Public Meeting (July 10)

Source: 95th Street Corridor Development Framework Plan, SB Friedman

CURRENT ON-CAMPUS COMMERCIAL OFFERINGS

Limited commercial offerings are available on the CSU campus

A cafeteria/dining hall is located in the Student Union Building and is operated by Love's Leafy Bean. The State of Illinois requires universities to offer three meals per day for students residing on campus. While on-campus students are required to select a meal plan, staff indicated that many students who do not live on campus do not participate. Furthermore, it is our understanding that faculty and staff rarely eat at the cafeteria/dining hall. According to administrative staff, there is not sufficient usage to expand on-campus dining options in an efficient manner.

Furthermore, there is not an on-campus bookstore to purchase school supplies or CSU-branded merchandise. It is our understanding that a small amount of retail space will be included within the renovated Metra station which will carry a limited selection of these items.

Source: Chicago State University

MEAL OFFERINGS

Weekdays

- Breakfast: 8am to 10am
- Lunch: 11am to 2:30pm
- Dinner: 5pm to 8pm

Weekends

- Brunch: 10am to 12pm
- Dinner: 3pm to 6pm

MEAL PLANS

- 17 meals per week
- 15 meals per week
- 10 meals per week

Source: Chicago State University

CAMPUS COMMUNITY VISIT TRENDS

CSU is most active during regular business hours during the week

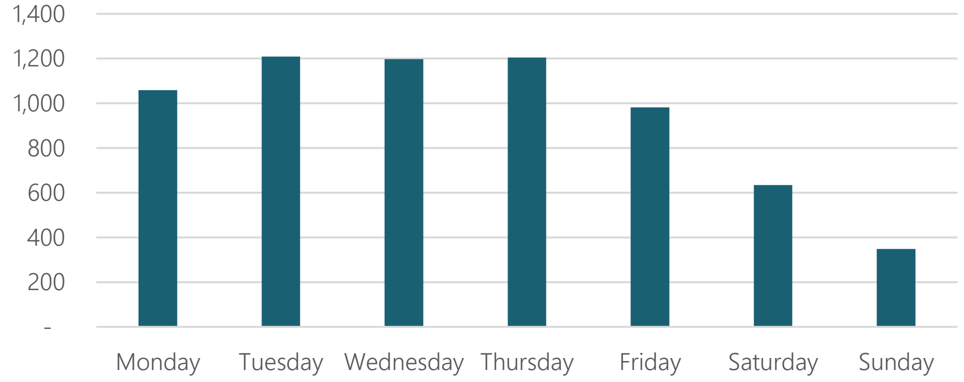
There were approximately 1.1 million visits to campus between December 1st, 2023, and December 1st, 2024, according to Placer.ai. Approximately 1/3 of those visits are by 2,600 uniquely identified students and employees that regularly visit the CSU campus, on average 123 times per year. The remaining visits include 360,000 visitors who visit 2-3 times per year.

Students and employees of the University are most likely to be on campus between 9am and 5pm on Monday through Friday. On average, there are nearly 1,200 students and employees on campus on Tuesday, Wednesday and Thursday.

On average, students and employees stay on campus for approximately 9.5 hours, and the median stay of students and employees on campus was approximately 7 hours.

According to Placer.ai, the most popular destinations on campus for students and employees were the Chicago State Cafeteria, the Residence Hall, the Chicago State Library, and the Emil and Patricia Jones Convocation Center.

AVERAGE DAILY VISITS TO CSU BY STUDENTS AND EMPLOYEES [1]



Data collected for the period of December 1st, 2023 to December 1st 2024 for "employees" and "residents" of CSU according to Placer.ai.
[1] Total visits divided by 50 weeks per year, with the assumption that campus is closed for about two weeks of winter break during the year.
Source: Placer.ai, SB Friedman

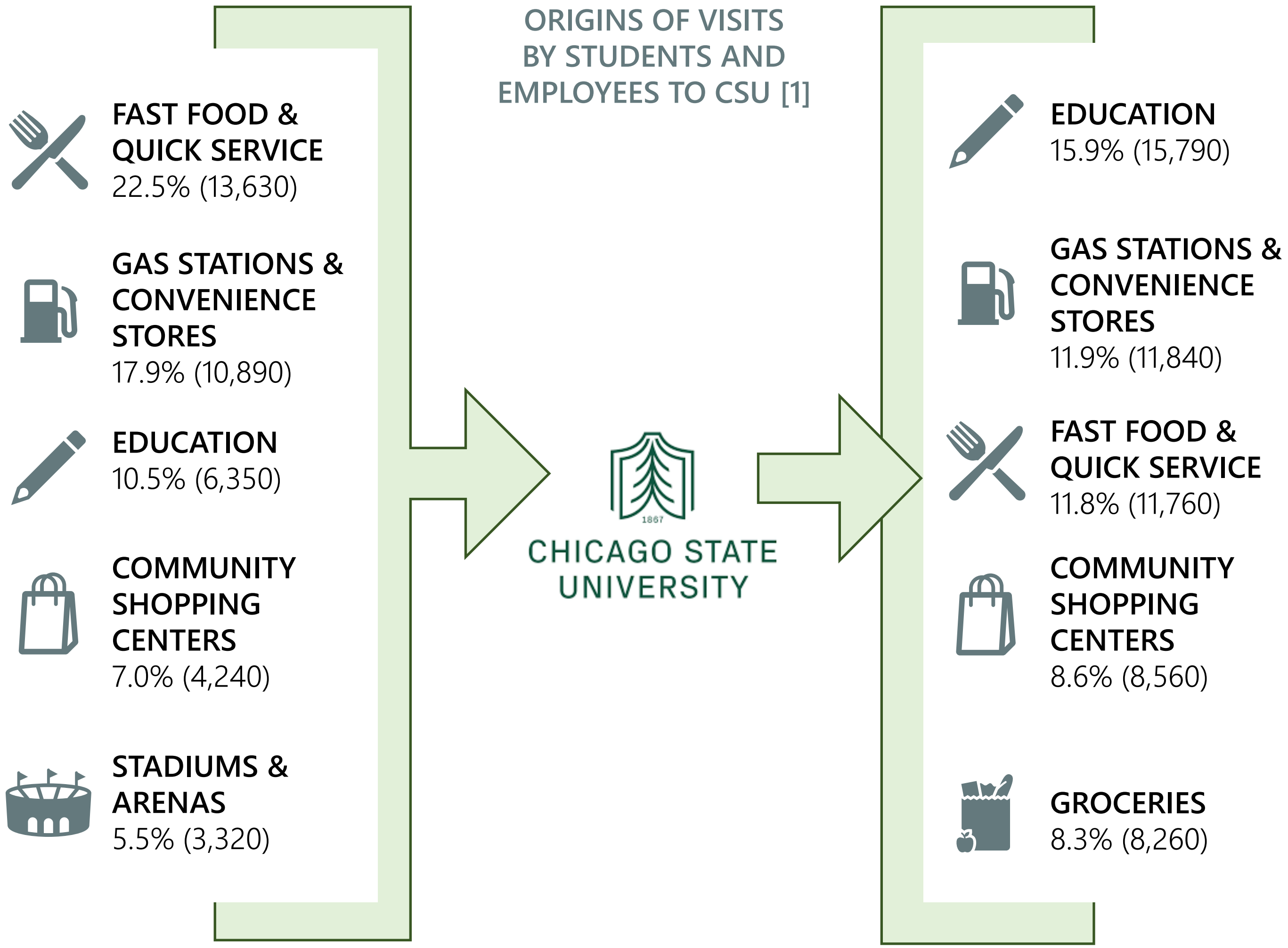
CAMPUS COMMUNITY CONSUMER TRENDS

Outside of visitors who came from home or work, many go to/from food and convenience stores

Most visits from students and employees to the CSU campus originate from home (61.9%) or work (12.3%), according to Placer.ai data. Of those visits that did not originate at home or work, nearly 23% came from fast food and quick service restaurants and nearly 18% came from gas stations or convenience stores.

After visiting campus, students and employees also primarily travel to home (47.7%) or work (14.1%). Of those visits that are not followed by home or to work, 16% are to other education institutions, and nearly 12% to both gas stations and convenience stores or fast food and quick service restaurants. Popular origins and destinations for students and employees visiting campus include SuperSave, BP and Mobil Convenience Stores, McDonald's, Burger King and Popeyes, as well as retailers within community shopping centers.

Of the 2,600 students and employees identified by Placer.ai, 55.7% visited Walmart on S. Doty Avenue throughout the year, 53.6% visited the 87th Street Shopping Center, 52.5% visited the 91st Street Mall (NW corner of 95th Street and Western Avenue), and 51.3% visited the Evergreen Plaza Shopping Center (SW corner of 95th Street and Western Avenue).



[1] Excludes visitors who came to campus from Home or Work.
Data collected for the period of December 1st, 2023 to December 1st 2024.
Source: Placer.ai, SB Friedman

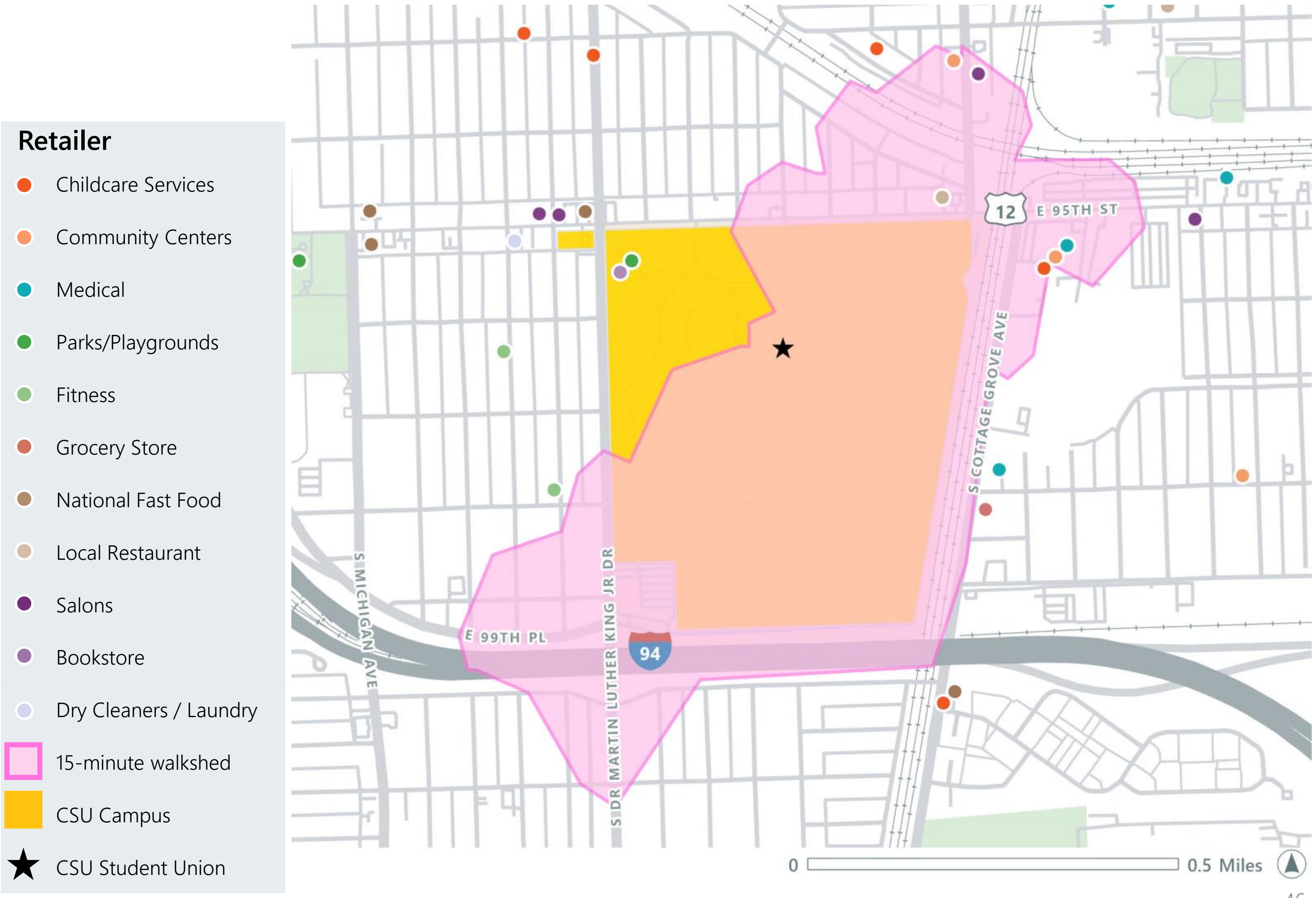
CURRENT OFF-CAMPUS COMMERCIAL OFFERINGS

Limited commercial offerings are available directly adjacent to campus

There are limited retail offerings within a 15-minute walk of the Student Union. The 15-minute walkshed from the student union is quite limited due to the location of pathways through campus and physical barriers, including the interstate and rail lines. Additionally, 95th Street is auto-oriented which can make smaller ground-floor retail challenging.

An analysis of the retail typologies indicates that nearby retail offerings do not meet the day-to-day needs of the CSU campus community. To identify gaps in commercial offerings, SB Friedman compared CSU on-campus and adjacent commercial offerings with those offered at the same peer and competitive universities analyzed for housing-related purposes. With the exception of Governors State University, which is in a more rural context, each of these institutions have a greater number of offerings, including on-campus restaurants, pharmacies, coffee, tea and snack shops, fast casual and fast-food restaurants, local full-service restaurants, and other retail options.

RETAIL WITHIN A 15-MINUTE WALK OF THE STUDENT UNION



Source: Data Axle, Esri, SB Friedman

COMMERCIAL CASE STUDIES – PEER INSTITUTIONS

Peer institutions have more on-campus offerings in addition to campus-adjacent development

Source: Chicago State University


Source: Governors State


Source: American Campus Communities

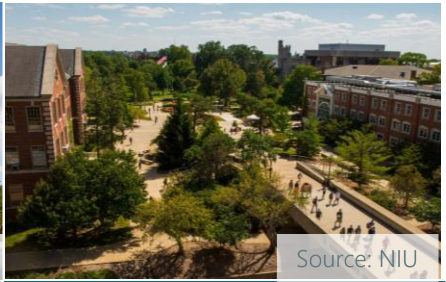
Source: Morgan State University

	Chicago State University	Governors State University	Northeastern Illinois University	Morgan State University
Location	Chicago, IL	University Park, IL	Chicago, IL	Baltimore, MD
Count of On-Campus Dining Halls	1	1	1	2
On-Campus Restaurants	N/A	N/A	N/A	7 Restaurants
Campus Retailers	N/A	1 Convenience Store	N/A	4 Convenience Stores, 1 Bookstore
Sample of Restaurants On Campus [1]	N/A	The C-Store at Prairie Place	N/A	WOW American Eats, Chick-fil-A, Deli-cious, B'rito
On-Campus and Campus-Adjacent Dining and Retail (<0.5 Miles) [1, 2]				
Convenience	2	1	1	4
Pharmacy	0	0	1	0
Coffee, Tea and Snack Shops	0	0	2	2
Fast Casual and Fast Food Restaurants	3	0	3	12
Local Full-Service Restaurants	0	0	8	0
Other Retail	0	1	5	2

[1] Included in above count
[2] Count of establishments within a 0.5 mile radius of campus building.
Source: Data Axle, Esri, SB Friedman

COMMERCIAL CASE STUDIES – COMPETITOR INSTITUTIONS

Competitor institutions, though larger, indicate the commercial typologies desired by students



	Chicago State University	University of Illinois Chicago	Northern Illinois University	Illinois State University
Location	Chicago, IL	Chicago, IL	Dekalb, IL	Normal, IL
Count of On-Campus Dining Halls	1	2	4	2
On-Campus Restaurants	N/A	12 Restaurants, 4 Cafes	5 Restaurants, 2 Cafes	8 Restaurants, 2 Cafes
Campus Retailers	N/A	4 Convenience Stores, 1 Bookstore	1 Convenience Store, 1 Bookstore	1 Bookstore
Sample of Restaurants On Campus [1]	N/A	Subway, Chik-fil-a, Panda Express, Dunkin, Starbucks	Einstein's Bagels, Three Sons Bistro, East Side Café', Starbucks, Qdoba	Subway (4), Starbucks (2), Qdoba, The Landing, Timbers Grill, McAlister's Deli
On-Campus and Campus-Adjacent Dining and Retail (<0.5 Miles)[1,2]				
Convenience	2	6	1	1
Pharmacy	0	2	1	2
Coffee, Tea and Snack Shops	0	17	9	7
Fast Casual and Fast Food Restaurants	3	46	19	10
Local Full-Service Restaurants	0	12	12	6
Other Retail	1	31	8	5

[1] Included in above count
[2] Count of establishments within a 0.5-mile radius of campus building.
Source: Data Axle, Esri, SB Friedman

MARKET AREA COMMERCIAL DYNAMICS

Limited new retail development within and around the Market Area with shopping centers nearby

There is more than 3.8 million square feet of retail within the Market Area, with an additional 33,300 square feet that is proposed or under construction.

Retail development is concentrated along major streets like Michigan Avenue, Cottage Grove Avenue, 79th Street and 103rd Street. There are also retail clusters nearby, within or adjacent to the Market Area.

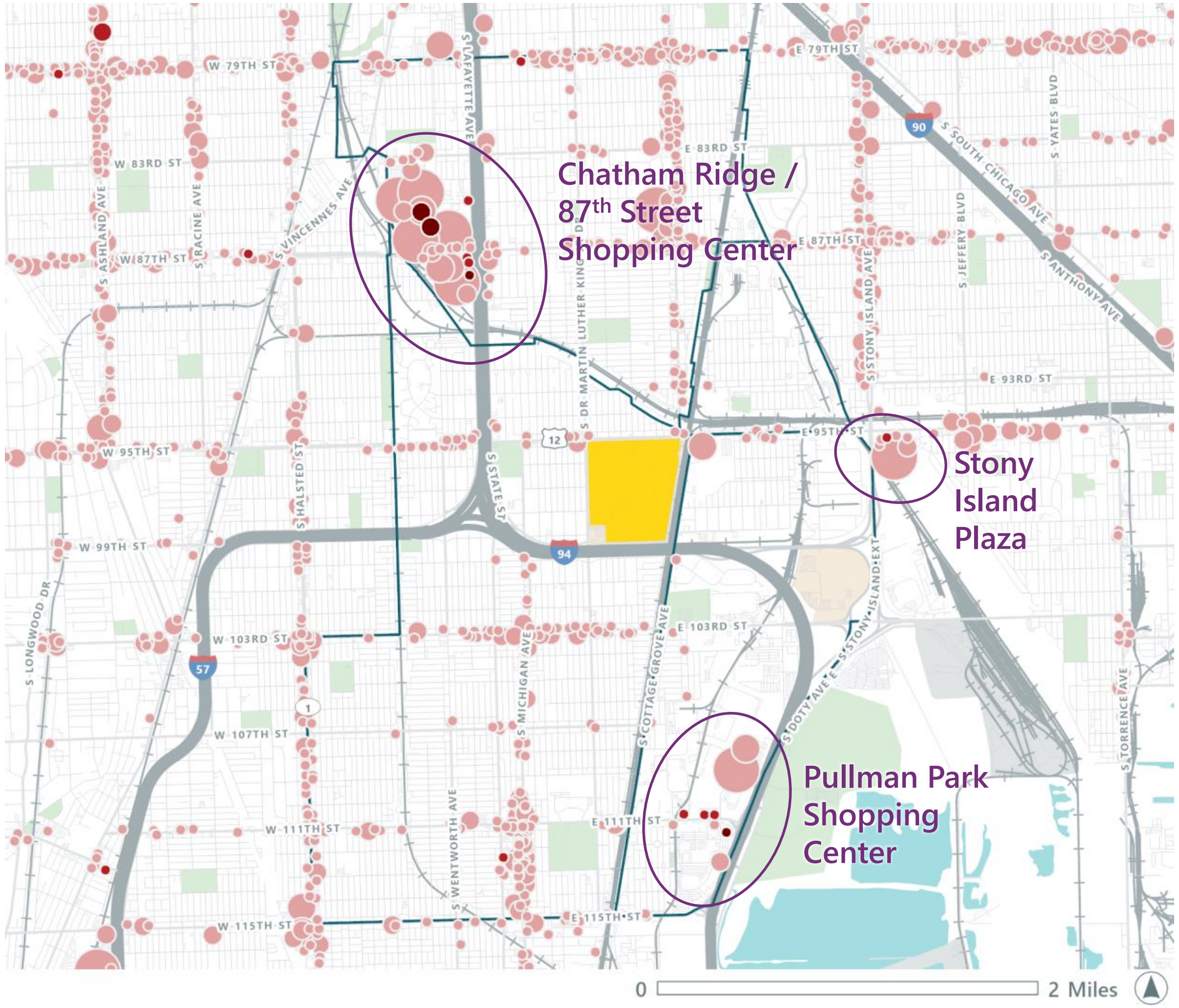
- Chatham Ridge Shopping Center, at 87th Street just west of I-94 is within a 10-minute drive from campus. The shopping center contains a Home Depot, Jewel-Osco, Food 4 Less, Lowe's Home Improvement, and many other retailers.
- Pullman Park is a growing retail cluster which includes a Walmart Super Center and Dollar Tree.
- Stony Island Plaza, east along 95th Street near Stony Island Avenue, includes a Jewel Osco and other stores.

There has been limited new retail developed since 2014 within the Market Area. There are three new retail developments proposed within or adjacent to Chatham Ridge Shopping Center. A Chick-fil-A is currently under construction near the Pullman Park Shopping Center.

RETAIL WITHIN THE MARKET AREA

Retail Points

- Existing
- Built in 2015 or later
- Proposed or Under Construction
- <10,0001 SF
- 10,001 – 50,000 SF
- 50,001 – 100,000 SF
- >100,000 SF
- Market Area
- CSU Campus



RETAIL OPPORTUNITY IN THE MARKET AREA

The demand for retail outweighs the supply in the Market Area by nearly $324M

According to an analysis of Claritas 2024 data, there is an opportunity for additional retail in the Market Area. Nearly $324 million in spending by Market Area residents is leaking to stores outside of the Market Area.

Based on this leakage, there appears to be an opportunity for 3-5 full-service restaurants, 3-6 snack and nonalcoholic beverage bars, 1 bookstore, and 1 general merchandise store within the wider Market Area. There is also leakage related to sporting goods stores and office supplies and stationery, but the leakage within the Market Area may not be sufficient to support new establishments.

Some of the retail types with reported leakage (i.e., restaurants, snacks and non-alcoholic beverage bars (coffee shops), and bookstores) would be appropriate for campus-edge development, as further evidenced by the campus case study research.

Interestingly, there is a reported surplus, indicating more supply than demand in the Market Area and that people are traveling into the Market Area, for grocery stores and limited-service restaurants. This is likely occurring within the established retail clusters noted on the previous page.

$324M

Retail and food/drink **leakage** from the Market Area

Key Retailers with Leakage	Opportunity	Potential Supportable Stores
Full-service restaurants	**$17.1M leakage**	**3-5**
Snack and non-alcoholic beverage bars	**$6.0M leakage**	**3-6**
Bookstores	**$2.1M leakage**	**1**
General merchandise stores	**$52.9M leakage**	**1**
Sporting goods stores	**$8.1M leakage**	**<1**
Office supplies and stationery	**$1.4M leakage**	**<1**

Given potential supportable stores in the Market Area which spans four community areas, campus-adjacent retail could potentially capture:

- **1-2 full-service restaurant(s),**
- **1-2 snack and non-alcoholic beverage bar(s), and**
- **1 bookstore.**

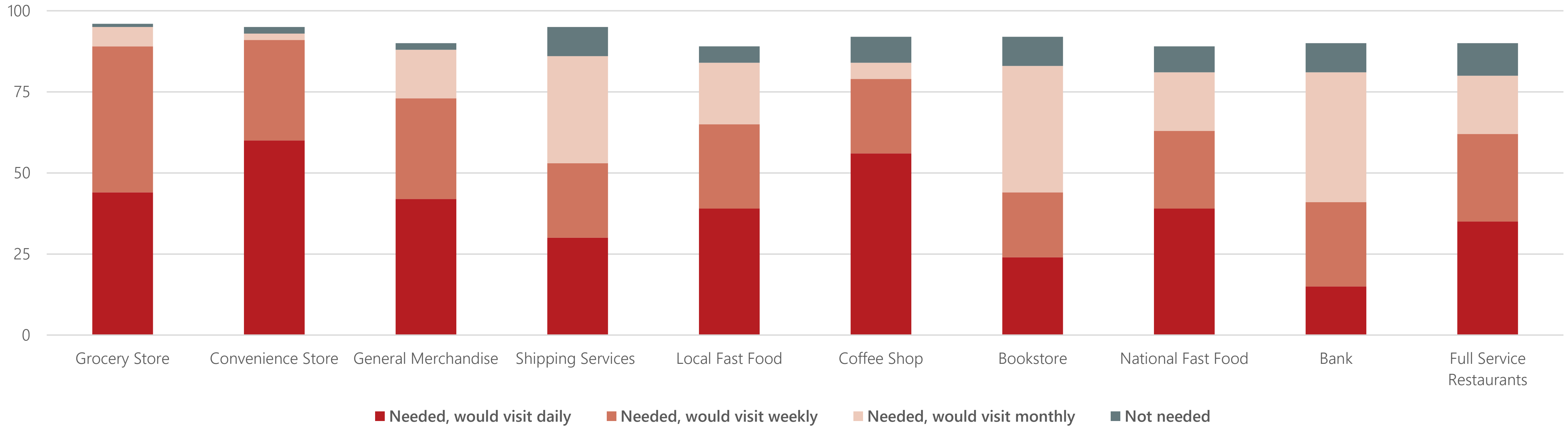
Source: Claritas, Placer.ai, SB Friedman

STUDENT RETAIL & RESTAURANT PREFERENCES

Desire for many retail and restaurant options

Students were asked what additional neighborhood retail and restaurant options they would like to see developed on/near campus and how frequently they would visit each establishment. The highest demand for retail and restaurants (aggregate of daily, weekly and monthly) are grocery stores, convenient stores and general merchandise stores (98% or more of respondents indicated they would like to see these uses developed and would frequent at least monthly). According to student survey data, the highest demand for daily retail and restaurants are coffee shops and convenience stores (more than 65% of respondents who indicated these uses were needed indicated they would visit daily). Grocery is the highest weekly demand. The highest demand for monthly retail are a bank and bookstore.

RETAIL AND RESTAURANT DEMAND AND FREQUENCY – STUDENTS [1]



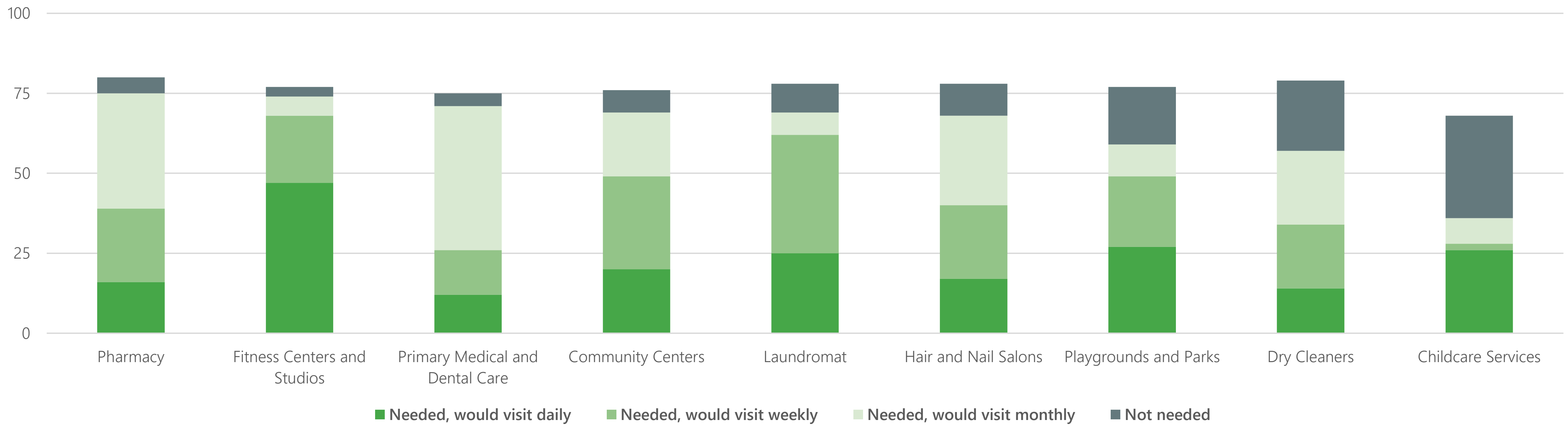
[1 Student survey administered during Fall semester 2024, all student responses, n=101
Source: SB Friedman, Student Survey Respondents

STUDENT SERVICE & AMENITY PREFERENCES

Desire for pharmacy, fitness centers, and other services and amenities

Students were asked what additional neighborhood services and amenities they would like to see developed on/near campus and how frequently they would visit each establishment. The highest demand for services and amenities (aggregate of daily, weekly and monthly) are a fitness center, primary medical and dental care, pharmacy and community centers (90% or more of respondents indicated they would like to see these uses developed and would frequent at least monthly). According to student survey data, the highest demand for daily services and amenities are childcare services and fitness centers/studios (more than 63% of respondents who indicated these uses are needed indicated they would visit daily). Laundromat is the highest weekly demand. The highest demand for monthly services and amenities is primary medical and dental care.

SERVICES AND AMENITIES DEMAND AND FREQUENCY – STUDENTS [1]



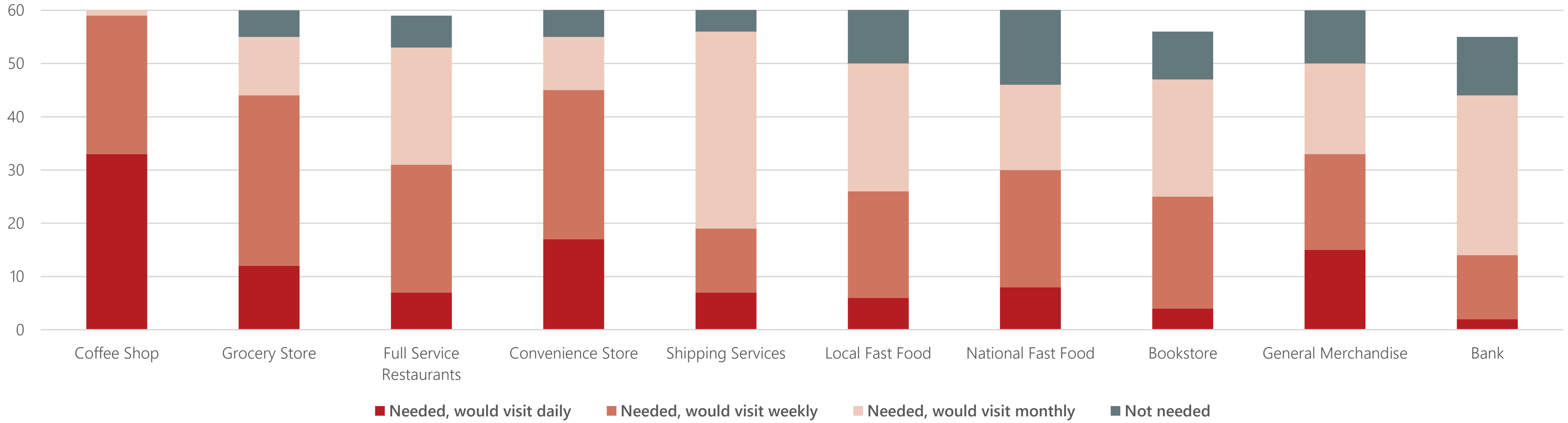
[1 Student survey administered during Fall semester 2024, all student responses, n=101
Source: SB Friedman, Student Survey Respondents

EMPLOYEE RETAIL & RESTAURANT PREFERENCES

Strong desire for a coffee shop that more than 90% of employees indicate they would visit at least weekly

Faculty and staff were asked what additional neighborhood retail and restaurant options they would like to see developed on/near campus and how frequently they would visit each establishment. The highest demand for retail and restaurants (aggregate of daily, weekly and monthly) are coffee shops, grocery stores, and full-service restaurants (90% or more of respondents indicated they would like to see these uses developed and would frequent at least monthly). According to employee survey data, the highest demand for daily retail and restaurant is a coffee shop (more than 50% of respondents who indicated this use was needed indicated they would visit daily). Grocery is the highest weekly demand. The highest demand for monthly retail are a bank and shipping services.

RETAIL AND RESTAURANT DEMAND AND FREQUENCY – EMPLOYEES [1]



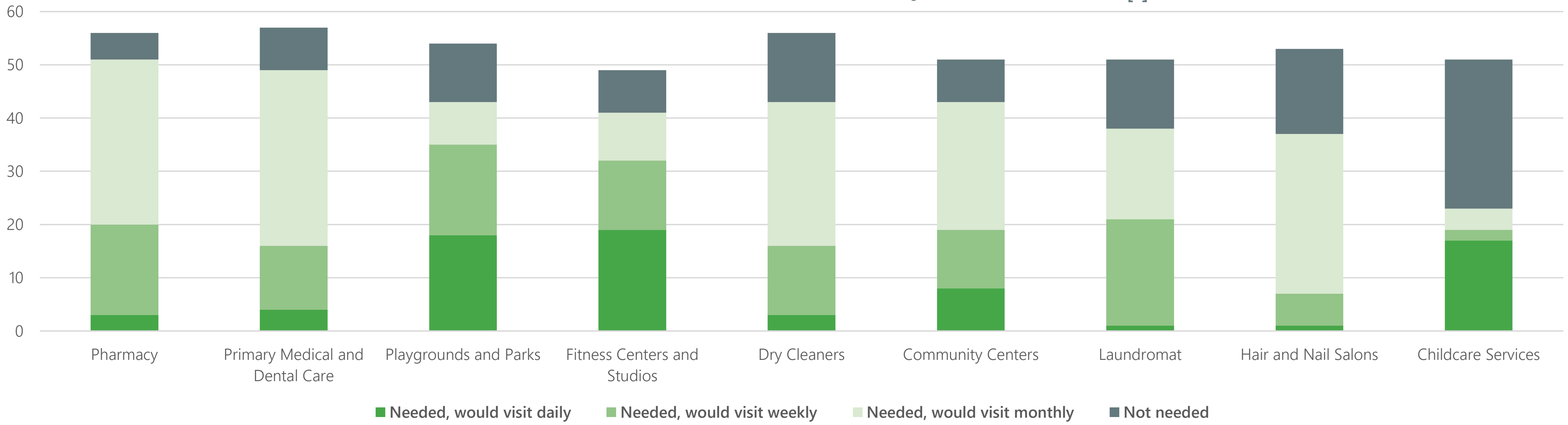
[1] Faculty and staff survey administered during Fall semester 2024 with additional faculty responses from student survey, n=71
Source: Employee Survey Respondents, SB Friedman

EMPLOYEE SERVICE & AMENITY PREFERENCES

91% of employees indicate a need for a pharmacy near CSU that they would visit at least monthly

Faculty and staff were asked what additional neighborhood services and amenities they would like to see developed on/near campus and how frequently they would visit each establishment. The highest demand for services and amenities (aggregate of daily, weekly, and monthly) are a pharmacy, primary medical and dental care, community centers, and fitness centers (84% or more of respondents indicated they would like to see these uses developed and would frequent at least monthly). According to employee survey data, the highest demand for daily services and amenities are childcare services (77% of respondents who indicated this use was needed indicated they would visit daily, though less than 45% of respondents indicated a desire for it). Laundromat is the highest weekly demand. The highest demand for monthly services and amenities are hair and nail salons, primary medical and dental care, dry cleaners, and pharmacy.

SERVICES AND AMENITIES DEMAND AND FREQUENCY – EMPLOYEES [1]



[1] Faculty and staff survey administered during Fall semester 2024 with additional faculty responses from student survey, n=71
Source: Employee Survey Respondents, SB Friedman

PROJECTED UNMET COMMERCIAL NEEDS

Outward facing retail on campus may catalyze future development and contribute to campus vibrancy

SB Friedman considered numerous demand vectors when projecting unmet need for commercial space on and adjacent to the CSU campus. The CSU campus is surrounded by geographic barriers such as the interstate and railroad lines, and 95th Street is auto-oriented, which makes it a more challenging retail environment. There are also three large retail clusters nearby that would be better positioned to attract new retail development that addresses the community's unmet needs. Certain retail uses on and adjacent to campus could address immediate retail needs of students, staff and the larger community and may catalyze future retail development in the area.

To be successful, commercial uses likely need to be positioned to capture market demand from both the CSU community and neighborhood residents, and in high-traffic and high-visibility areas. Based on survey results, students and faculty and staff are interested in additional retail, restaurants, services, and amenities. When considering the gaps in the retail market, the likely capture of demand on 95th Street, and common offerings found on or adjacent to college campuses, there appears to be unmet need for approximately 10,000 square feet of restaurant(s), coffee shop(s), and potentially a small grocery/convenience store. However, given the challenges in retail real estate dynamics, likely achievable rents, and the geographic barriers noted above, it is critical to phase development of this space in a manner that tests how the market will respond and does not result in the overbuilding of retail. Furthermore, we recommend building flexibility within commercial spaces to accommodate either third-party or University uses.

An additional 15,000 square feet of commercial space could likely be occupied by CSU-sponsored uses, such as a fitness center and bookstore, both of which are common in campus edge development and have been identified by survey respondents and interviews as an unmet need. Furthermore, CSU has identified space needs for a University quantum facility (3,000-5,000 square feet) and for a community outreach center associated with the Community Development program. We recommend that CSU identify additional outward-facing University uses that could activate the 95th Street corridor and generate foot traffic for commercial uses.

PROJECTED UNMET COMMERCIAL NEEDS

Retail Category	Space Notes	Square Feet
Traditional Retail	Restaurant(s), coffee shop(s), small grocery/convenience store	±10,000
CSU supported	Fitness center, bookstore	±7,000-10,000
University Uses	Quantum facility, community program associated with the Community Development certificate program	±5,000+
	TOTAL	**25,000**

05 CONCLUSIONS

CONCLUSIONS

Housing & Commercial Needs Assessment

The Market Area has not experienced the same level of investment as the city overall and the existing housing supply and real estate market does not appear to be delivering product that meets the needs of the campus community. Development of the 95th Street corridor has the potential to drive investment in a historically disinvested and underserved community, while also providing much needed housing and commercial amenities for the CSU community.

Housing is key to facilitating a vibrant university village environment. Furthermore, the University has expressed a need and interest to have additional student housing given the strong correlation between student success and students residing on campus. There appears to be unmet need today for a minimum of 300 beds; however, that estimate increases when accounting for admitted student and survey respondent preferences, as well as the several student cohorts for which CSU has expressed a policy-level desire to provide on-campus housing. Interviews and applicant data indicates that additional on-campus housing is needed for CSU to achieve a target enrollment of 5,300. With the higher enrollment, a minimum of 1,100 beds appears to be needed. These estimates increase to a maximum of 2,500 beds when accounting for the target enrollment, as well as admitted student and survey respondent preferences, or policy-related objectives.

On-campus student housing could be in a variety of formats such as traditional dorms, studio apartments, larger apartments for students with families, and interest-based housing. It would be appropriate to target 15-25% of new housing units for students with families. Transitional employee housing could be accommodated through a small number of traditional rental units included within a larger project, such as family housing for students.

Activated commercial space is also a critical component to achieve University goals. However, retail real estate dynamics are challenging, and it is critical to phase development in a manner that tests how the market will respond and does not result in the overbuilding of retail. To be successful, commercial uses likely need to be positioned to capture market demand from both the CSU community and Market Area residents, and in high-traffic and high-visibility areas.

SB Friedman evaluated a variety of market indicators and demand vectors and estimated unmet need for approximately 10,000 square feet of traditional retail space. An additional 15,000 square feet of commercial space could likely be occupied by CSU-sponsored uses, such as a fitness center and bookstore, as well as other outward-facing University uses that could activate the 95th Street corridor and generate foot traffic for commercial uses. Certain retail uses on and adjacent to campus could address immediate retail needs of students, staff and the larger community and may catalyze future retail development in the area.

Given the socioeconomic characteristics and lack of recent investment in the Market Area, new development is likely going to be financially challenging and will require public-private partnerships to be feasible.

06 APPENDIX

LIMITATIONS OF OUR ENGAGEMENT

Our report is based on estimates, assumptions and other information developed from research of the market, knowledge of the industry and meetings during which we obtained certain information. (Note: if client was source of significant information, then the 'meetings' phrase should specify the client alone or among others). The sources of information and bases of the estimates and assumptions are stated in the report. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will necessarily vary from those described in our report and the variations may be material.

The terms of this engagement are such that we have no obligation to revise the report or to reflect events or conditions which occur subsequent to the date of the report. These events or conditions include without limitation economic growth trends, governmental actions, additional competitive developments, interest rates and other market factors. However, we are available to discuss the necessity for revision in view of changes in the economic or market factors affecting the proposed project.

Our study did not ascertain the legal and regulatory requirements applicable to this project, including zoning, other state and local government regulations, permits and licenses. No effort was made to determine the possible effect on this project of present or future federal, state or local legislation, including any environmental or ecological matters.

Further, we neither evaluated management's effectiveness, nor are we responsible for future marketing efforts and other management actions upon which actual results will depend.

Our report is intended solely for your information and should not be relied upon by any other person, firm or corporation or for any other purposes. Neither the report nor its contents, nor any reference to our Firm, may be included or quoted in any offering circular or registration statement, appraisal, sales brochure, prospectus, loan or other agreement or any document intended for use in obtaining funds from individual investors.

Should you wish to indicate in an offering memorandum, prospectus or similar document that our firm prepared market and/or financial feasibility analyses regarding this project, the following statement may be used:

"In preparing its development plans and projections, the developer (or sponsor) conducted research and analysis, consulted various sources and obtained studies from third parties including SB Friedman Development Advisors. The information, estimates and projections contained in this prospectus are the conclusions of the developer (or sponsor) after consideration of the various sources noted. The developer (or sponsor) alone is responsible for these conclusions."

To obtain our permission to include this statement in a prospectus we must be permitted to review the offering materials including without limitation the identity and backgrounds of all principals, the description of the project, the market and financial projections utilized, and the text of the materials. We will be compensated at our current hourly rates for the time required to conduct such reviews and to provide our consent.

In no case does this permission include or imply the right to specifically cite the conclusions or recommendations of our report in such a document.

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