

**DOWNTOWN SUBURBAN
HISTORIC DEVELOPMENT**

A Unique Property with Unique Appraisal Features



OBJECTIVE

Listed in the National Register of Historic Places, this property was the first “planned shopping center” in the United States. Today, the property contains a wide variety of space users, from small businesses to upscale retail stores, offices, and rental apartments. The picturesque site features seven buildings on three separate parcels of land, separated by a central park area with a fountain owned by the city of Lake Forest.

APPRAISAL STRATEGY

The mixed-use property made for a complicated appraisal process. Argianas chose an income capitalization approach and entered each tenant’s contract terms and conditions into its Argus software, including individual lease agreements and expenses, as well as anticipated demand. Well versed in discounted cash flow techniques, Argianas performed a microanalysis of the property, projected income and expenses for the next five to ten years, and processed the data into a single present value figure.

UNIQUE APPRAISAL FEATURES

Situated in a Central Business District, this historical development is so unusual that there literally is no comparable property. While such unmatched charm and character may be a big draw for tenants, it is quite another matter for real estate appraisers. With more than 300 space users, Argianas detailed out 165 offices with an average 1,850 SF of space, as well as apartments and retail stores ranging from 400 SF to the anchor retail store at 14,781 SF.

ARGIANAS DIFFERENCE

Why was the ultimate challenge entrusted to Argianas? The lending institution knew the Argianas team would meticulously analyze its property. Indeed, the team used a five-tiered process that began with obtaining public records and quickly moved on to identifying additional sources, contracting with external experts in demographic information gathering and, finally, assembling and analyzing the data. What appeared to be a mind-boggling assignment was, in essence, reduced down to Argianas’ ability to find and manage the right data.

“We never do things ‘on average.’ We consider the averages, but we also know that statistics can be misleading. Our solution is to work with a multitude of data so that we create a sound property analysis.”

—Chuck Argianas



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