PROJECT TEAM

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MASTER PLAN OVERVIEW

1. Detailed study of existing market conditions and regional real estate marketplace
2. Western Growth Area land-use plan
3. Design guidelines framework
4. PUD ordinance update
MARKET STUDY
Western Growth Area Master Plan
MARKET STUDY OVERVIEW

1. Community profile and study area
2. Demographic overview
3. Residential market trends
4. Retail market trends
5. Office market trends
6. Industrial market trends

VILLAGE OF
PALOS PARK
Village of Palos Park

- Residential community developed during post-war period of suburban expansion
- 11,000 acres of Cook County Forest Preserve
- Western Growth Area is an approximately 1,500-acre annexation area, completed 2016
STUDY AREA

- Area is largely undeveloped
- Contains three golf courses: Cog Hill Golf & Country Club, Gleneagles Country Club, and Mid-Iron Club
- Holy Family Villa & Poor Clare Monastery
- Limited existing residential and business development
- Calumet Sag Channel, Chicago Sanitary & Ship Canal, Illinois & Michigan Canal, and Des Plaines River run to the north
- Road connections include I-55, I-294, I-355, and I-80
Regional Context
Existing Land Use

- Agriculture / Undeveloped Land
- Forest Preserve
- Golf Course
- Park
- Single-Family Detached
- Religious Facilities
- Institutional / Care Housing
- Light Industrial
- Utilities
**Population**

- 2016 Census figures estimate a population of 4,934 persons in 1,935 households.
- Since 2000, Palos Park has grown annually by about one percent (0.78%).
- Cook County grew more slowly (0.13%) over the same time period.
Age characteristics

- Median age is 54.1 years in 2017
- Median age is projected to increase to 55.4 by 2022
- Median age in Cook County is projected to by 37.5 by 2022
- 65-74 age cohort is projected to grow the most over the next five years

Source: ESR Business Analysts; Housial Louvigné Associates
Income Distribution (2017 - 2022)

Palos Park

- Median HH income is high and is projected to grow by almost eight percent over the next five years from $95,451 to $103,076.

- Households earning higher incomes ($100,000+) are projected to increase the most over the next five years.

Source: ESRI Business Analytics; Houseal Lavigne Associates
DEMONGRAPHIC OVERVIEW

Education

- Nearly 45 percent of adults in Palos Park have a bachelor’s degree or higher
- The proportion of the population in Palos Park with at least an associate’s degree is 53 percent

Source: U.S. Census Bureau; Housecall Partners Associates
Distinctive locational factors

- Large undeveloped tracts of land
- Study area bordered by some newer residential neighborhoods
- Natural areas and forest preserve areas, access to Cal-Sag trail
- Conveniently located to airports, BNSF Willow Springs Intermodal Facility, Argonne National Laboratory, Metra rail lines, and Interstate access
RESIDENTIAL MARKET TRENDS

- Recent multifamily development has been focused on the Orland Park area
- The most recent largescale delivery, The Residences of Orland Park Crossing, leased up quickly despite having asking rents that are more than double the submarket average
- Multifamily developers have primarily built one- and two-bedroom units which appeals to empty nesters and middle-aged professionals
- Average rent across Southwest Cook County is approximately $1,000 per month
Housing need assessment

- Compares existing occupied housing units to household income to home value/rental rate (assumes 30 percent annual income spent on housing)

- The residential market area (RMA) for this analysis includes 10 municipalities: Hickory Hills, Homer Glen, Lemont, Orland Hills, Orland Park, Palos Heights, Palos Hills, Palos Park, Tinley Park, and Willow Springs
**RESIDENTIAL MARKET TRENDS**

**For-sale housing**

- Within the RMA, there is a demand for higher value, owner-occupied homes ($450,000+) and some mid- and lower-value homes ($0-$149,999)

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**Owner Housing Need** (2016)

**Palos Park**

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<th>Home Value</th>
<th>0-14,999</th>
<th>15,000 to 29,999</th>
<th>30,000 to 44,999</th>
<th>45,000 to 59,999</th>
<th>60,000 to 74,999</th>
<th>75,000 to 89,999</th>
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<th>105,000 to 119,999</th>
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<tr>
<td>Less than</td>
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<td>$50,000 to $54,999</td>
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</tbody>
</table>

Sources: U.S. Census Bureau, Housing Lavigne Associates
Rental housing

Among renter-occupied households there is a greater demand for housing available at the lower- and higher-end levels.
Multi-family trends

- Year-to-date asking rents in the submarket are $1.30 per square foot and have increased consistently since 2009 when the asking rent was $1.02 per square foot.

Source: CoStar House/ Lavigne Associates.
RESIDENTIAL MARKET TRENDS

Residential market takeaways

- The RMA (of which Palos Park is included) has a significant demand for additional housing, with projected demand for over 2,300 new homes by 2040.
- Rental and occupancy rates are increasing in the RMA.
- For both owners and renters there, is a need for more affordable housing, however, this need is more significant for renters than for owners.
- The housing analysis forecasts a need for higher-value units (for-sale and rental).
- An older population represents potential demand for senior housing units.
Retail

- Retail rents in Palos Park are higher on average than the region but tend to vary more from year to year.
- Vacancy rates in Palos Park are very low and are lower than those in the overall region.
Retail market takeaways

- New retail development in the study area will primarily follow and support new housing within the growth area and in the immediate vicinity.
- While there appears to be a retail surplus in the larger market area, the primary market area demonstrates potential for some neighborhood-oriented retail development.
- Market study shows that retail demand for the study area is in the range of 58,000 to 116,000 square feet over the next five years.
Office

- Palos Park makes up just 3.8 percent of the total office inventory in the submarket which is, however, a larger share in comparison to its retail market share.
**Office Market Trends**

**Office market takeaways**

- The future of office development is more variable than the retail market, however, target-sector analysis indicates that office space could be incorporated into future development.

- Office demand analysis shows that the study area could potentially **add 25,000 square feet of office space** over the next five years, building out approximately 5,000 square feet of office space per year.

- The ratio of demand for retail in comparison to office space appears to be around **4:1**.
Industrial

- Industrial rents in the submarket are higher than in the Chicago region, averaging $5.85 per square foot over the past decade compared to $5.06 per square foot in the wider region.

- The submarket makes up just 1.2 percent of the total industrial space inventory in the Chicago region.

*Does not include flex space
Absorption and vacancy rates are correlated in the Submarket—where vacancy increased in 2017, absorption decreased.
Industrial market takeaways

- New industrial development, while not a target business sector for Palos Park, does have some limited opportunity in the Western Growth Area.

- Industrial demand analysis shows that the study area could potentially **16,000 square feet of industrial inventory** over the next five years, building out approximately 3,300 square feet of space per year.

- Even a single industrial user could potentially exceed this projection, provided that the site conditions for industrial development are suitable.
OPPORTUNITIES & CONSTRAINTS

Western Growth Area Master Plan
Opportunities & Constraints

Development Opportunities
- Developable Areas
- Residential Opportunities
- Retail / Mixed-Use
- Industrial Opportunity
- Golf / Hospitality Redevelopment Opportunity
- High Volume Capacity Roads (Daily Trips > 10,000)
- Potential Road & Trails Connection

Recreation Opportunities
- Parks / Forest Preserves / Golf Courses
- Trail System
- Trail Connection Opportunity

Study Area Constraints
- Wetlands / Water Features
- Conflicting Land Uses
- Existing Industrial Area
- Palos Park Utility Boundary
- Overhead Utility Corridor
NEXT STEPS
Western Growth Area Master Plan
NEXT STEPS

1. Market study (October 2018) ✔
2. Existing conditions analysis (November 2018) ✔
3. Western Growth Area Master Plan (In Progress)
4. Community engagement (December 2018)
5. Design guidelines framework (Early 2019)
6. PUD ordinance update (Early 2019)
QUESTIONS AND DISCUSSION

VILLAGE OF
PALOS PARK