

IV. SOCIOECONOMIC AND MARKET CONTEXT

(NOTE: This section was prepared by Goodman Williams Group)

In mid-2006, Goodman Williams Group was retained by the City of Oak Forest and RSC & Associates to analyze the commercial and residential development potential of the surface parking lot located at the intersection of 159th Street and Cicero Avenue. The Gateway project proposed for that site will be a transit-oriented, mixed-use development that will include a new Metra station and public amenities as well as restaurants, retail stores, and residential condominiums. The developers hope to break ground on the first phase later in 2007.

In addition to spearheading development of this key site, the City of Oak Forest is updating its city-wide comprehensive plan. The City has retained the planning firm HNTB to guide this effort. HNTB, in turn, has contracted with Goodman Williams Group to provide market input into this planning process. Building off the market analyses completed for the Gateway assignment, Goodman Williams Group has completed assessments of the commercial and residential development potential in the City.

This chapter summarizes the market context and identifies development opportunities along the city's main commercial corridors. It is intended to update and supplement The Gateway Market Analysis.

SOCIOECONOMIC ANALYSIS

The City of Oak Forest

Oak Forest is a community of approximately 28,000 located in the southern reaches of Cook County, approximately 22 miles south of the Loop. The intersection of Cicero Avenue and 159th Street, is within 1.5 miles from both the 159th St. and 167th Street interchanges with Interstate 57 (Exits 348 and 346). Interstate 57 merges with the Dan Ryan Expressway at 95th Street as it heads toward Downtown Chicago. Interstate 80 is also easily accessible via either I-57 or at the Harlem Avenue interchange in Tinley Park, seven miles to the southwest.

Oak Forest is predominantly a residential community with commercial districts stretching along Cicero Avenue from the 159th to 149th and



along 159th Street from Cicero to Oak Park Avenue. The City of Oak Forest is surrounded on three sides by the Tinley Creek division of the Cook County Forest Preserve. Midlothian to the north is the only community that shares a sizable boundary with Oak Forest. Other nearby communities include: Tinley Park and Orland Park to the west, Markham to the east, and Country Club hills to the south.

Population and Household Trends

The following table presents population totals for Oak Forest and seven of its neighboring communities together with projections prepared by the Northeastern Illinois Planning Commission. The City of Oak Forest had a 2000 population of 28,051 roughly 16% of the total in the eight municipalities. All these South Suburban communities are anticipating significant population growth from 2000 through 2030, with the greatest gains forecast in Orland Park and Tinley Park, which have more developable land.

TABLE 6: MUNICIPAL POPULATION TRENDS AND PROJECTIONS

| | 1990 Population | 2000 Population | % Change 1990- 2000 | 2030 Projection | Projected Growth 2000-2030 | % Change 2000- 2030 |
|--------------------|--------------------|--------------------|------------------------------|--------------------|----------------------------------|------------------------------|
| Oak Forest | 26,203 | 28,051 | 7.05% | 33,040 | 4,989 | 17.8% |
| Country Club Hills | 15,431 | 16,169 | 4.8% | 19,139 | 2,970 | 18.4% |
| Crestwood | 10,823 | 11,251 | 4.0% | 12,801 | 1,550 | 13.8% |
| Markham | 13,136 | 12,620 | -3.9% | 14,322 | 1,702 | 13.5% |
| Midlothian | 14,372 | 14,315 | -0.4% | 16,577 | 2,262 | 15.8% |
| Orland Hills | 5,510 | 6,779 | 23.0% | 7,474 | 695 | 10.3% |
| Orland Park | 35,720 | 51,077 | 43.0% | 70,713 | 19,636 | 38.4% |
| Tinley Park | 37,121 | 48,401 | 30.4% | 63,889 | 15,488 | 32.0% |
| TOTAL | 158,316 | 188,663 | 19.2% | 237,955 | 49,292 | 26.1% |

Source: U.S. Census and Northeastern Illinois Planning Commission for projections



Demographic Characteristics

As reported in the 2000 Census, Oak Forest had comparatively few minority residents. Hispanics comprised less than 6.0% of the population and African Americans 3.6 percent. Approximately 30% of the households in the City had school-aged children living at home. Median household income in the Census was reported to be just over \$60,000. The Census reported the median age of residents in Oak Forest to be 35.6, slightly older than the Cook County median age of 33.6.

TABLE 7: SELECT DEMOGRAPHIC AND HOUSEHOLD CHARACTERISTICS - 2000 CENSUS

| | City of Oak Forest | |
|--------------------------------------|--------------------|---------|
| | Number | Percent |
| Population | 28,051 | 100.0% |
| Hispanic or Latino | 1,645 | 5.9% |
| Race (partial list) | | |
| White alone | 25,353 | 90.4% |
| Black or African-American alone | 1,021 | 3.6% |
| Asian alone | 744 | 2.7% |
| Households | 9,990 | 100.0% |
| Family Households | 7,335 | 73.4% |
| Married Couple family | 5,972 | 59.8% |
| Married Couple with Children at Home | 3,011 | 30.1% |
| Occupied Housing Units | 9,785 | 100.0% |
| Owner occupied | 7,991 | 81.7% |
| Renter occupied | 1,794 | 18.3% |
| Average Household Size | 2.8 | |
| Median Household Income | \$60,073 | |
| Median Age | 35.6 | |

Sources: U.S. Census



2006 estimates by ScanUS indicate that Hispanics have come to comprise 9.8% of the population in the City, while another 7.4% of the population is Black.

Household Incomes

The median household income in Oak Forest in 2006 is estimated to be \$69,347. A breakdown of households by income shows that 41.3% of households have incomes between \$50,000 and \$100,000. Oak Forest has comparatively few high-income households, having only 6.6% of its households with incomes above \$150,000. An estimated 12.4% of households have incomes below \$25,000, many of which are likely to be seniors.

TABLE 8: ESTIMATED 2006 HOUSEHOLD INCOMES FOR OAK FOREST

| | <u>Households</u> | <u>Percent</u> |
|-----------------------------------|-------------------|----------------|
| Income Less than \$15,000 | 549 | 5.5% |
| Income \$15,000 - \$24,999 | 694 | 6.9% |
| Income \$25,000 - \$34,999 | 722 | 7.2% |
| Income \$35,000 - \$49,999 | 1,325 | 13.2% |
| Income \$50,000 - \$74,999 | 2,217 | 22.1% |
| Income \$75,000 - \$99,999 | 1,917 | 19.2% |
| Income \$100,000 - \$149,999 | 1,923 | 19.2% |
| Income \$150,000 - \$249,999 | 553 | 5.5% |
| Income \$250,000 - \$499,999 | 88 | 0.9% |
| Income \$500,000 and over | 24 | 0.2% |
| Total | 10,012 | 100.0% |
| | | |
| 2006 Est. Median Household Income | \$69,347 | |

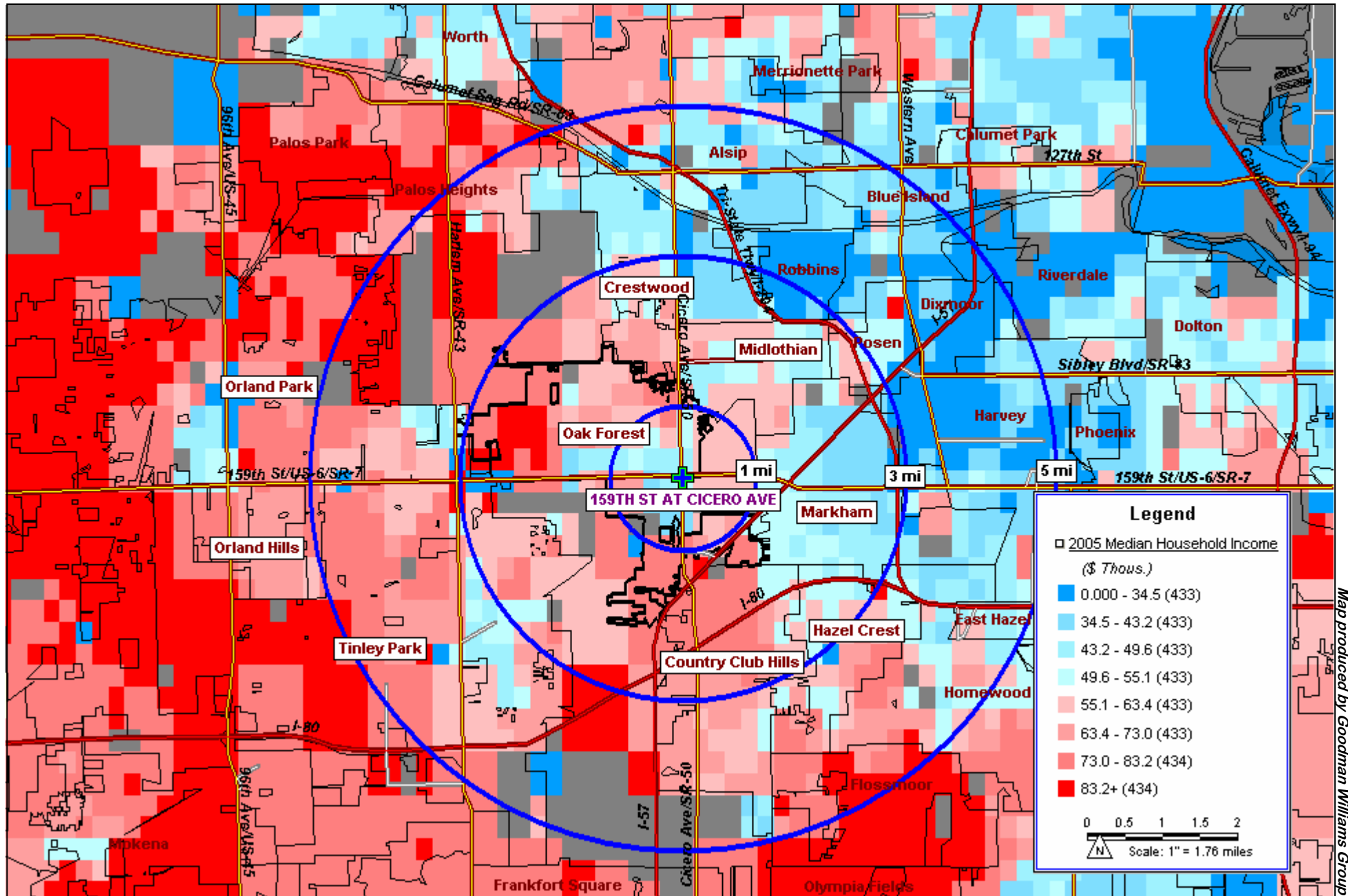
Sources: Claritas

Two maps follow that illustrate patterns of median household income and population density in this portion of the Southern Suburbs. These demographic characteristics are of particular interest to retailers and developers. The following conclusions can be drawn from these maps:



Figure 10: Median Household Income – Oak Forest Area

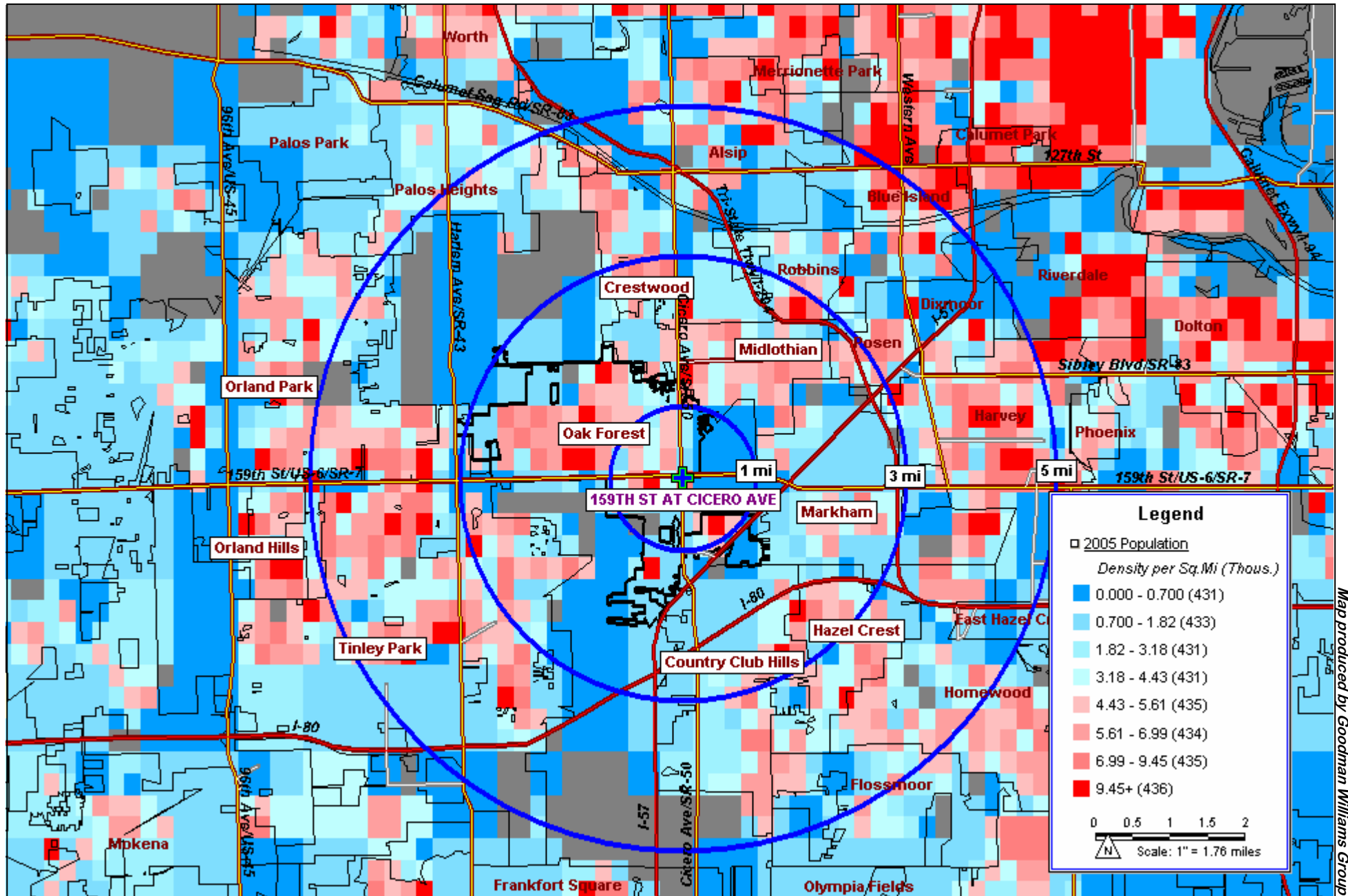
Scan/US, Inc.



Map produced by Goodman Williams Group

Figure 11: Population Density – Oak Forest Area

Scan/US, Inc.



Map produced by Goodman Williams Group

- The most affluent households of Oak Forest, which appear on the map in the darker shades of pink and red, are located in its western portion, and in the communities of Orland Park, Orland Hills, and Tinley Park. Country Club Hills and communities to the southeast also have comparatively high median household incomes. Lower-income households dominate in the communities to the north and east of Oak Forest.
- The population density map for the Oak Forest area reveals the impact of the Forest Preserves surrounding the city.

The table on the following page compares a number of demographic and economic characteristics of Oak Forest to those of neighboring South Suburban communities. In comparison to these other communities, the following characteristics of Oak Forest are noteworthy:

- With more than 28,000 residents, Oak Forest is the third largest community in this market area. Tinley Park and Orland Park, both of which have more than 53,000 residents, are the two largest communities.
- Traditionally, the communities west of I-57 have been predominantly white, while those to the east have been predominantly African-American. Markham, Hazel Crest, and Country Club Hills are majority African-American. Oak Forest and adjacent communities to the north and west have comparatively few minority households.
- Approximately 5.4% of Oak Forest's housing stock is made up of condominium units. Single-family homes dominate these suburban communities, with only Crestwood having a sizable percentage of multifamily units.
- As will be discussed in the retail market analysis, Oak Forest has a relatively limited inventory of retail space. With Orland Square mall and extensive retail development along La Grange Road, Orland Park has taxable retail sales nine times the amount in Oak Forest.



TABLE 9: COMPARISON OF SELECTED SOUTH SUBURBAN COMMUNITIES

| <u>Community</u> | <u>Population (2006 Est.)</u> | <u>% Hispanic (2006 Est.)</u> | <u>% Black (2006 Est.)</u> | <u>Median HH Income (2006 Est.)</u> | <u>Weekday Metra Boardings (2002)</u> | <u>Condos as % of Housing Stock (2000)</u> | <u>Taxable Retail Sales (2005)</u> |
|--------------------|-----------------------------------|-----------------------------------|--------------------------------|---|---|--|--|
| Oak Forest | 28,170 | 9.8% | 7.4% | \$67,522 | 1,591 | 5.4% | \$195,978,494 |
| Orland Hills | 7,277 | 9.7% | 8.3% | \$69,918 | --- | 0.0% | \$166,440,068 |
| Crestwood | 11,112 | 7.6% | 8.8% | \$52,692 | --- | 33.6% | \$370,387,417 |
| Markham | 12,461 | 7.1% | 66.9% | \$46,293 | --- | 0.0% | \$119,186,495 |
| Midlothian | 13,948 | 10.6% | 9.4% | \$57,127 | 1,179 | 4.1% | \$208,207,686 |
| Hazel Crest | 14,462 | 7.5% | 61.4% | \$58,860 | 608 | 1.1% | \$56,013,510 |
| Country Club Hills | 16,737 | 5.8% | 65.0% | \$63,525 | --- | 2.4% | \$36,674,867 |
| Tinley Park | 53,582 | 7.9% | 6.9% | \$70,998 | 3,490** | 9.4% | \$1,031,045,173 |
| Orland Park | 53,972 | 7.5% | 5.0% | \$78,570 | 919* | 9.6% | \$1,780,050,131 |

* Combined total for three stations located within the Village of Orland Park

** Combined total for two stations located within the Village of Tinley Park

Sources: ScanUS for 2006 estimates, 2000 U.S. Census, Metra, State of Illinois Department of Revenue, Goodman Williams Group.

Employment

Oak Forest is not a major employment center. According to the State of Illinois, private-sector employment in Oak Forest in 2006 amounted to 4,063, or 2.6% of total private-sector employment in South Suburban Cook County. This total does not include the employees of Cook County Hospital, the school district, or other public sector employers.

The following table lists the public and private-sector employers in the City of Oak Forest that have more than 50 employees.

TABLE 10: MAJOR EMPLOYERS IN OAK FOREST

| <u>Employer</u> | <u>Address</u> | <u>Driving Distance to Cicero and 159th (Miles)</u> | <u>Number of Employees</u> |
|----------------------------------|-------------------------------|---|--------------------------------|
| Oak Forest Hospital* | 15900 Cicero Ave. | 0.1 | 2,400 |
| Vicorp/Vicom 358 | 16425 Kilbourne Ave. | 2.3 | 225 |
| Frito-Lay | 4170 166 th Street | 2.1 | 200 |
| Food 4 Less | 5556 W. 159th St. | 1.0 | 140 |
| Jewel-Osco | 5616 W. 159th St. | 1.0 | 75 |
| Community Motors | 5900 W. 159th St. | 1.4 | 70 |
| Interstate Bank of Oak Forest | 15533 Cicero Ave. | 0.5 | 68 |
| Marquette Bank | 5700 W. 159th St. | 1.2 | 66 |
| Wille Brothers | 15800 Lamon Ave. | 0.5 | 65 |

* Located in Unincorporated Cook county

Source: Illinois Department of Commerce and Economic Opportunity

RETAIL MARKET ASSESSMENT

Retail Concentrations in Oak Forest

Oak Forest's commercial activities are concentrated along two corridors; one stretching along Cicero Avenue from 149th to 159th Streets and the other along 159th Street from Cicero to Oak Park Avenue. Most of the retail stores and restaurants along these corridors are free-standing or in small strip centers.

The largest shopping center in Oak Forest is located at the northeast corner of 159th Street and Central Avenue. *Oak Forest Commons*, with 115,000 square feet of gross leasable area, is anchored by a Food-4-Less



and also includes a Hollywood Video and Murray's Discount Auto. This center currently has four storefronts available for lease. A new Chase branch bank is being constructed on an out-lot in front of the shopping center, replacing a vacant Burger King Restaurant. A Jewel-Osco occupies the northwest corner of 159th and Central Avenue, and a Walgreen's is located on the southeast corner.

Oak Forest Business Licenses

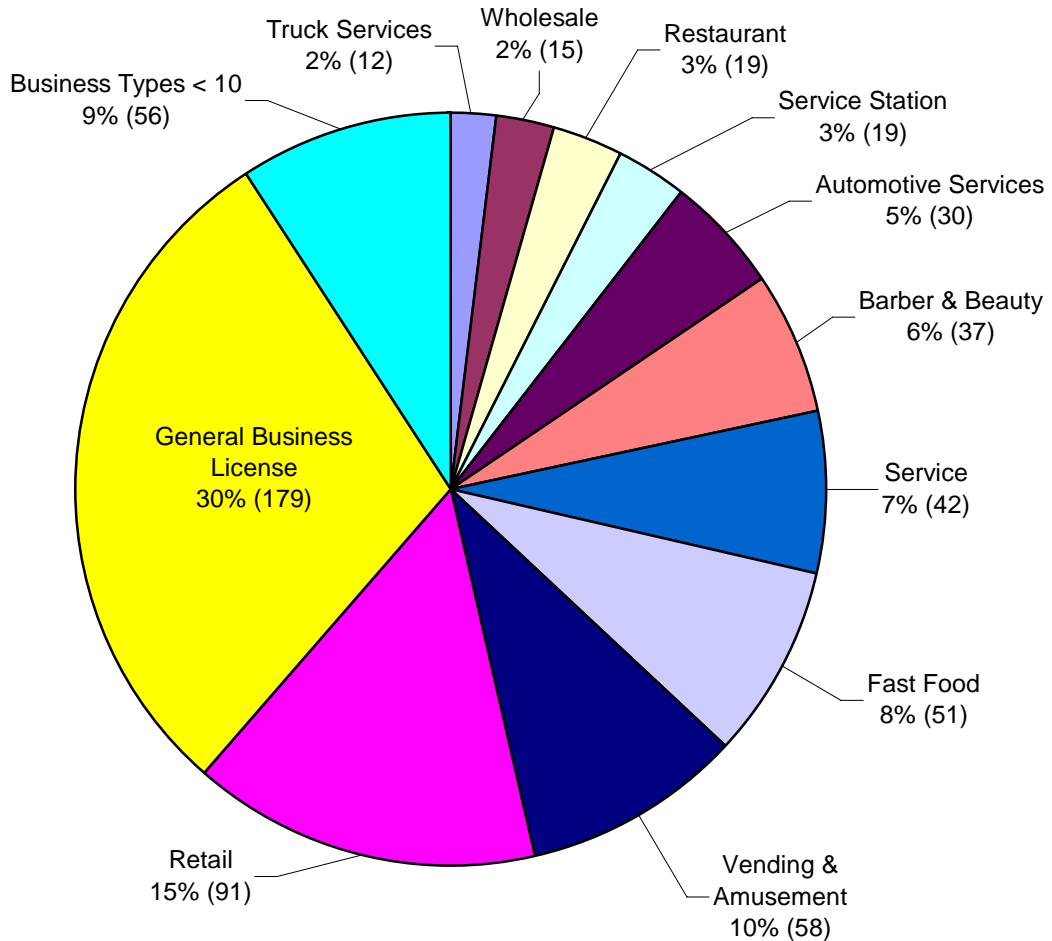
Goodman Williams Group obtained from the City a list of all businesses in Oak Forest that have a current business license. The following table provides a summary of the 609 total licenses by major category, which is illustrated by the pie chart on the following page.

| | | |
|--------------------------|-----|-------|
| Truck Services | 12 | 2.0% |
| Wholesale | 15 | 2.5% |
| Restaurant | 19 | 3.1% |
| Service Station | 19 | 3.1% |
| Automotive Services | 30 | 4.9% |
| Barber & Beauty | 37 | 6.1% |
| Service | 42 | 6.9% |
| Fast Food | 51 | 8.4% |
| Other | 56 | 9.2% |
| Vending & Amusement | 58 | 9.5% |
| Retail | 91 | 14.9% |
| General Business License | 179 | 29.4% |

Source: City of Oak Forest



Figure 12: Business Licenses in Oak Forest by Type



Source: City of Oak Forest "Current Businesses", February 2007

The following conclusions can be drawn from this business license information:

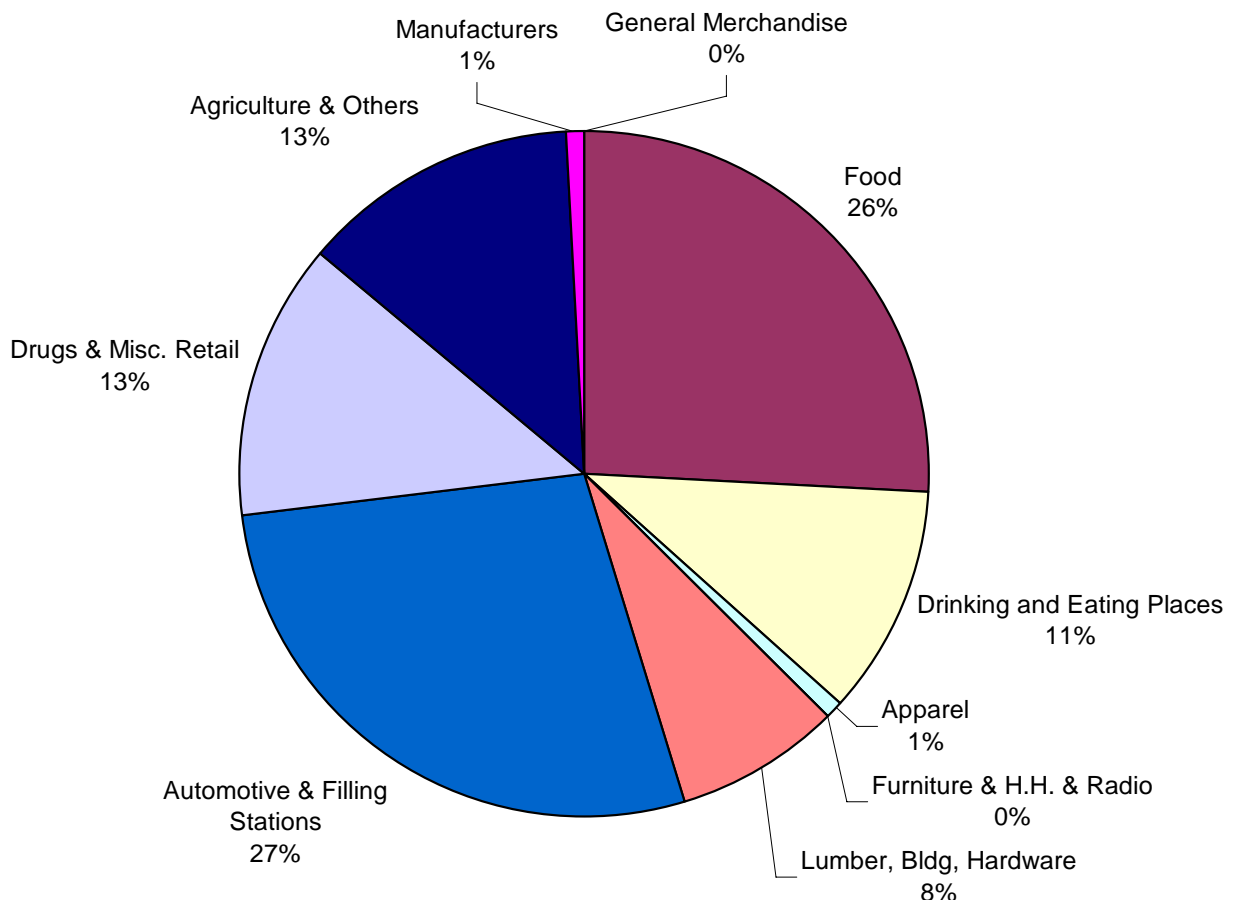
- The City issues 91 licenses for retail establishments, a relatively small percentage (15%) of total business licenses.
- Fast Food establishments outnumber restaurants by a count of 51 to 19. There are few full-service restaurants serving dinner in Oak Forest.
- Truck services, automotive services, and service stations have a significant presence in the City.



Taxable Retail Sales

The pie chart below shows the Oak Forest total taxable retail sales for 2005 broken out by category. The largest category is Automotive and Filling Stations, contributing 27% of retail sales, followed by Food (26%) and Drugs and Miscellaneous Retail (13%) and Drinking and Eating Places (11%). Due to the proximity of Orland Square and the multitude of big box retailers in adjacent communities, Oak Forest retailers sell very little General Merchandise, Apparel, Furniture, and other comparison goods.

Figure 13: City of Oak Forest: 2005 Retail Sales by Category



Competitive Retail Alignment

Oak Forest is surrounded by major commercial concentrations located in the communities of Tinley Park and Orland Park to the west, Crestwood to the north, and Country Club Hills to the southeast. Large shopping centers located in these communities, combined with the Forest Preserve acreage that surrounds Oak Forest, will serve to limit future commercial development in the City.

The following bullets and [Table 12](#) provide information on the surrounding retail concentrations, whose locations are illustrated on the accompanying [Figure 14](#).

- ***Orland Square***, located in Orland Park, is a 1.21 million square feet super regional shopping center with more than 160 stores. Originally constructed in 1975, it is anchored by JC Penney, Sears, Macy's, and Carson Pirie Scott & Co.
- ***The LaGrange Road Corridor*** is an expanding corridor of retail development located primarily within Orland Park south of Orland Square Mall, with some associated development in Orland Hills. Orland Park Place, an 800,000-square-foot shopping center is anchored by Bed, Bath, and Beyond and Kohl's.
- ***Harlem Avenue and 159th Street*** is an intersection just west of Oak Forest where it borders Orland Park and Tinley Park. Park Place and Brentowne Mall have 408,000 and 356,000 square feet of space respectively, while Tinley Park Plaza is 250,000 square feet. Notable retailers located near this intersection include Sam's Club, Bally's Total Fitness, Menard's and Burlington Coat Factory.
- ***Rivercrest Center*** of Crestwood is an 816,000-square-foot shopping center anchored by Menard's, Big Kmart, Kohl's, Sears Outlet and Dominick's Finer Foods. The center was built in 1992 and renovated in 1999.
- ***Country Club Plaza***, which opened in June of 2006, is a 175,900-square-foot center anchored by a Wal-Mart Supercenter. Other notable tenants include a Guitar Center and a 16-screen Loews Theater.
- ***Brookside Marketplace*** is a new 466,546-square-foot shopping center anchored by a SuperTarget and a Best Buy. The center is located on the northwest corner of 191st Street and Harlem Avenue in Tinley Park, just south of Interstate 80.



**Table 12: Competitive Retail Alignment
Oak Forest and Surrounding Communities**

| Name | GLA* | Dist.** | Anchors / Notable Tenants | | |
|--|-----------|---------|---------------------------|----------------------------|---------------------------------|
| <u>Oak Forest</u> | | | | | |
| The White Hen Corner (Recently Closed) | 6,600 | 1.1 mi | | | |
| Oak Forest Commons III | 7,424 | 1.0 mi | Washington Mutual | Curves for Women | Quizno's |
| Oak Forest Shopping Center | 11,930 | 0.5 mi | P.K. Pantry | Delrock's Pub | |
| Golf View Shopping Center | 25,510 | 1.6 mi | Subway | | |
| Friendly Oaks Shopping Center | 35,000 | 1.0 mi | | | |
| Oak Forest Commons | 108,330 | 1.0 mi | Foods4Less | Hollywood Video | Murray's Auto |
| <u>Country Club Hills</u> | | | | | |
| Shops at Coopers Grove | 72,518 | 3.2 mi | Mother Goose Daycare | Check n' Go | |
| Country Club Plaza | 130,000 | 1.5 mi | Wal-Mart | Loews Theatres | Guitar Center |
| Heritage Plaza | 150,000 | 3.3 mi | Economy Furniture | Tru Value Hardware | |
| <u>Crestwood</u> | | | | | |
| Rivercrest Center | 815,552 | 3.5 mi | Big Kmart Menard's | Sears Outlet Dominick's | Kohl's |
| <u>Homewood</u> | | | | | |
| Homewood Square | 239,020 | 5.8 mi | Home Depot | Office Max | Target |
| <u>Markham</u> | | | | | |
| Gallery at Canterbury | 268,922 | 2.3 mi | AJ Wright | Big Lots | Fairplay Foods |
| <u>Midlothian</u> | | | | | |
| Mid Oak Plaza | 77,942 | 1.5 mi | Walgreens | | |
| <u>Orland Hills</u> | | | | | |
| Orland Towne Center | 261,417 | 5.4 mi | Wal-Mart | Circuit City | PetSmart |
| <u>Orland Park</u> | | | | | |
| The Village Green | 54,816 | 6.2 mi | Children's Palace | | |
| Dania Center | 60,000 | 6.1 mi | Dania Furniture | | |
| Park Hill Plaza | 62,100 | 5.4 mi | | | |
| Bobak Plaza | 75,085 | 8.0 mi | Bobak Plaza Grocery | Julia's Pancake House | |
| Orland Park Shopping Plaza | 82,000 | 6.4 mi | Randy's Market | | |
| Continental Center | 84,900 | 3.0 mi | | | |
| Park Pointe Plaza | 95,000 | 6.2 mi | | | |
| Ravinia Plaza | 107,787 | 6.1 mi | Border's | Pier 1 Imports | |
| Home Depot Plaza | 149,498 | 3.0 mi | Home Depot | Carpetland USA | First Midwest Bank |
| Orland Plaza | 150,000 | 5.7 mi | Jewel | First Midwest Bank | Value City Furniture |
| Lake View Plaza | 371,363 | 6.1 mi | Best Buy | Value City Furniture | Kohl's |
| Orland Park Place | 700,000 | 6.0 mi | Bed, Bath & Beyond | Kohl's | |
| Orland Square | 1,209,638 | 5.6 mi | JC Penney | Sears | Marshall Fields |
| <u>Tinley Park</u> | | | | | |
| Tinley Park Commons | 103,976 | 3.3 mi | Jewel | Allstate Insurance | |
| Tinley Park | 133,186 | 2.8 mi | Burlington Coat Factory | Hobby Lobby | The Orient - Restaurant |
| Park Center | 194,599 | 3.0 mi | Bally's | Cub Foods | Bud's Sports Place - Restaurant |
| Tinley Park Plaza | 250,017 | 3.0 mi | T.J. Maxx | Walt's Supermarket | Dollar Tree |
| Bremontowne Mall | 356,264 | 2.5 mi | Hancock Fabrics | Menard's | Arby's |
| Park Place | 408,000 | 3.0 mi | Sam's Club | Cub Foods | Bally's |
| Brookside Marketplace | 466,546 | 5.0 mi | Super Target | Best Buy | |

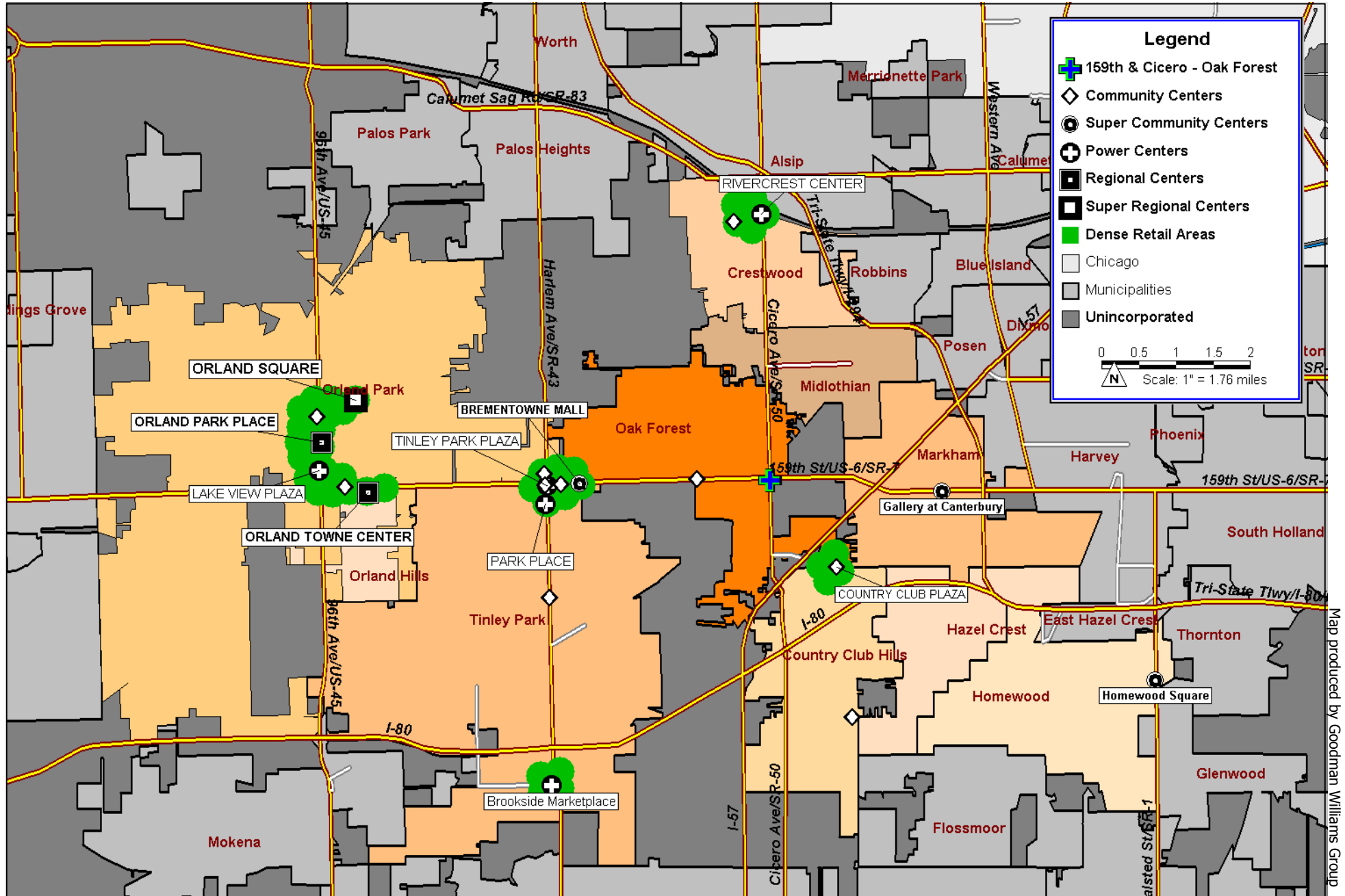
*Shopping centers > 50,000 GLA

**Distance from the corner of Cicero and 159th St.

Source: Goodman Williams Group

Figure 14: Competitive Retail Alignment

Scan/US, Inc.



Map produced by Goodman Williams Group

The amount of retail development in the communities surrounding Oak Forest is further illustrated in [Figure 15](#), which shows annual taxable retail sales from 1999 to 2005. The two communities with the most retail space, Orland Park and Tinley Park, both generated more than \$1 billion in sales in 2005, with Orland Park reaching close to \$1.8 billion. Taxable retail sales in Oak Forest were just under \$196 million in 2005, down from \$222 million in 2001. The relocation of a Honda dealership in 2002 contributed to Oak Forest's decline in sales.

Retail Opportunity Analysis

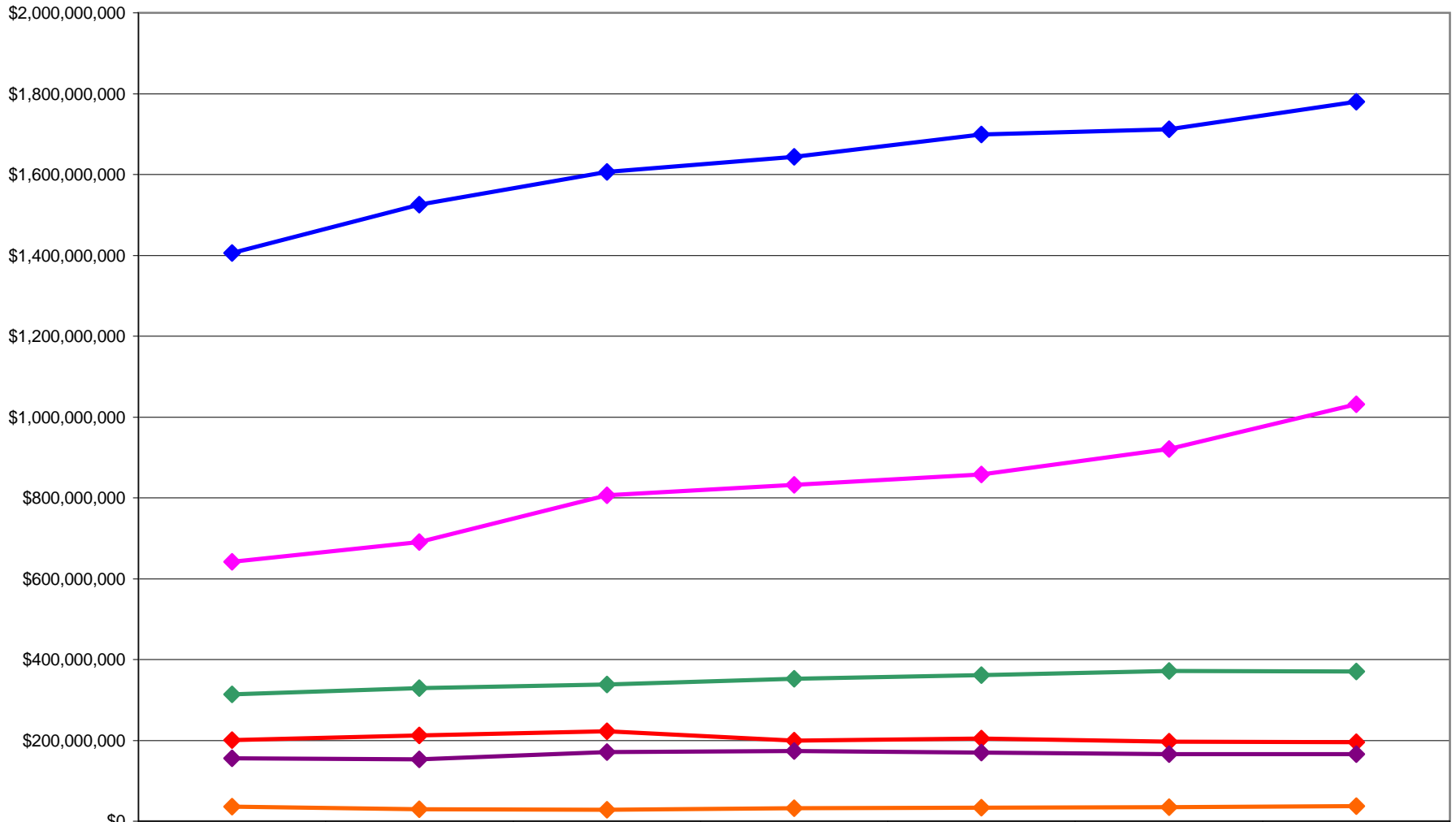
One indicator of the potential for additional retail development is an opportunity (or gap) analysis, which compares the expenditure potential and retail sales estimates within a given trade area. For this exercise, we limited our trade area to the City of Oak Forest, recognizing that much of the retail in Oak Forest would serve primarily local households.

Claritas, Inc., a data firm used by many national retailers, estimates that in 2006, the 10,012 households in Oak Forest had an aggregate income of just over \$786 million. Of that total, retail expenditures comprise an estimated 60% or approximately \$476 million.

The expenditure potential figures are based on estimates of what households typically spend for various types of retail items, using sources such as the Consumer Expenditure Survey. These estimates of demand are then compared to retail sales estimates (the supply). If the expenditure potential exceeds the sales estimates in a particular category, it may indicate an opportunity for additional retail development that can capture those dollars. When the opposite is true, and sales estimates exceed expenditure potential, the existing stores in that category are attracting patrons from outside the trade area. While additional retail developments are still possible in that case, it is indicative of a more competitive market, and new projects would have to be carefully analyzed relative to the competition and the business strategies of individual retailers.



Figure 15: Annual Taxable Retail Sales 1999 - 2005



| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| —◆— Oak Forest | \$201,180,882 | \$212,082,375 | \$222,103,726 | \$199,330,935 | \$205,088,889 | \$196,988,115 | \$195,978,494 |
| —◆— Country Club Hills | \$36,411,813 | \$29,998,576 | \$27,889,423 | \$32,232,630 | \$34,021,885 | \$35,250,612 | \$36,674,867 |
| —◆— Crestwood | \$314,054,455 | \$329,477,142 | \$337,971,201 | \$352,185,951 | \$361,404,505 | \$371,566,743 | \$370,387,417 |
| —◆— Orland Hills | \$155,384,441 | \$153,386,555 | \$170,450,842 | \$173,662,388 | \$169,171,802 | \$165,787,167 | \$166,440,068 |
| —◆— Orland Park | \$1,405,711,594 | \$1,525,704,255 | \$1,606,604,243 | \$1,643,688,547 | \$1,698,399,852 | \$1,711,664,084 | \$1,780,050,131 |
| —◆— Tinley Park | \$641,799,928 | \$690,992,736 | \$806,778,102 | \$831,705,695 | \$857,416,809 | \$920,652,457 | \$1,031,045,173 |

As shown in [Table 13](#), most retail categories are showing greater expenditure potential than sales, an indication of the extent to which the retail establishments in surrounding communities are capturing dollars from Oak Forest households. Only two categories appear in red, suggesting a surplus—Health and Personal Care and Foodservice and Drinking Places. The numbers for the latter category may be skewed by the food service operations at Gaelic Park.

Despite the apparent “opportunities,” shown in the table, it is unlikely that Oak Forest will be able to attract significant amounts of new comparison goods retailing or large-scale discounters, given the competitive retail alignment and the lack of large sites. New stores entering the market, particularly those with a large footprint, will likely choose to be adjacent to the existing malls or concentrations of big boxes, or in new greenfield developments where rapid population growth is occurring.

Nonetheless, select retail categories do present opportunities for additional businesses along 159th Street and Cicero Avenue, as discussed below.

- ***Full-Service Restaurants.*** Oak Forest has issued licenses for 19 restaurants, but the community has few full-service restaurants serving lunch and dinner.
- ***Limited-Service Restaurants.*** Small eateries including bakeries, sandwich shops, or coffee shops, would be appropriate tenants.
- ***Small-Scale Food and Beverage*** stores would also likely find market support, selling baked goods, candy/ice cream/yogurt, and other specialty items.
- ***Clothing and Clothing Accessories.*** Smaller apparel retailers catering to the middle-market are another potential type of retailer for this market. Options might include local entrepreneurs or national chains selling shoes, children’s apparel, and bridal/formal wear, for example.
- ***Dollar or Variety Stores.*** These stores fall in the General Merchandise category, and do not need as much square footage as discount department stores such as Wal-Mart or Target.
- ***Miscellaneous Retailers.*** Independent stores selling such items as cards/stationery, office supplies, party-goods, kitchenware, fabrics or window treatments, and other home-related items.



Table 13: 2006 Retail Opportunity Analysis for the City of Oak Forest

| | Demand (Consumer Expenditures) | Supply (Retail Sales) | Opportunity Gap/Surplus |
|------------------------------------|---|----------------------------------|------------------------------------|
| Total Retail Sales | \$476,282,859 | \$316,402,472 | \$159,880,387 |
| Motor Vehicle and Parts Dealers | \$92,424,932 | \$57,778,131 | \$34,646,801 |
| Furniture and Home Furnishings | \$13,265,643 | \$7,485,157 | \$5,780,486 |
| Electronics and Appliance | \$11,427,640 | \$1,423,063 | \$10,004,577 |
| Building Material, Garden Equip | \$58,360,885 | \$48,416,170 | \$9,944,715 |
| Food and Beverage | \$53,803,706 | \$44,829,110 | \$8,974,596 |
| Health and Personal Care | \$21,716,506 | \$28,494,313 | (\$6,777,807) |
| Gasoline Stations | \$47,768,424 | \$34,282,507 | \$13,485,917 |
| Clothing and Clothing Accessories | \$23,368,821 | \$2,664,072 | \$20,704,749 |
| Sporting Goods, Hobby, Book, Music | \$8,716,330 | \$3,163,678 | \$5,552,652 |
| General Merchandise | \$58,264,922 | \$14,068,443 | \$44,196,479 |
| Miscellaneous Store Retailers | \$12,626,727 | \$3,281,590 | \$9,345,137 |
| NonStore Retailers | \$28,744,279 | \$0 | \$28,744,279 |
| Foodservice and Drinking Places | \$45,794,044 | \$70,516,238 | (\$24,722,194) |
| 2006 Demographics | | | |
| Households | 10,012 | | |
| Average Household Size | 2.78 | | |
| Median Household Income | \$69,347 | | |

Claritas' RMP data are derived from two major sources. The demand data are based on the Consumer Expenditure Survey, which is fielded by the U.S. Bureau of Labor Statistics. The supply data are based on the Census of Retail Trade, which is made available by the U.S. Census.

The difference between demand and supply represents the opportunity gap or surplus available in each retail category. When the demand is greater than (**less than**) the supply, there is an opportunity gap (**surplus**) in that category. A positive value signifies an opportunity, while a negative value signifies a surplus.

Source: Goodman Williams Group and Claritas, Inc.

Other Commercial Businesses

Oak Forest's business districts have a sizable number of consumer service providers, including beauty salons, dry cleaners, packaging/shipping businesses, and diet centers. The market likely can support additional personal service businesses.

Professional services are also appropriate tenants in retail centers that offer visible, well-located space. While it is unlikely that demand will be strong enough to support a multi-story medical or professional office building in the near future, additional space for dentists, medical professionals, realtors, accountants, tax-preparers, and attorneys will be warranted as the population in Oak Forest grows and the commercial corridors are enhanced. Additional free-standing financial service institutions and day-care centers are also an option, provided appropriate sites are available.

Commercial Development Opportunities

Filling vacancies in existing retail centers along Cicero and 159th Street should be a high priority for the City. Staff should work closely with existing landlords and commercial brokers to ensure that vacancies or shuttered commercial buildings do not become a blighting influence and that new retailers are directed to key locations. An inventory of available properties is maintained on the City's website.

In addition to filling vacancies, several significant infill development sites offer the potential to upgrade and diversify the commercial offerings in Oak Forest.

- ***The Gateway site at 159th and Cicero.*** Approximately 53,000 square feet of commercial space are planned for this site. Likely tenants will include a pharmacy, coffee shop, bank, and restaurant on individual pads, and smaller in-line stores along the Metra tracks with residential units above. This development has the potential to raise the bar for commercial development in Oak Forest.
- ***Oak Fest site.*** Located along 159th Street east of Oak Forest Commons shopping center, this site contains 4.8 acres exclusive of the adjacent church property. Approximately 50,000 square feet of commercial space could be accommodated at this location. This new retail could be configured as a strip center with multiple tenants or it could be developed with one or two



free-standing retail boxes. Small and medium-size boxes could include stores in the following categories: bed/bath, sporting goods, office supply, or party goods.

- **167th and Cicero.** Approximately 40 acres bounded by 167th Street, Cicero, and I-57 have the potential to be assembled and annexed into Oak Forest. Future commercial development at this location could tie in to the commercial development located along 167th Street just east of I-57 in Country Club Hills, which includes the AMC Loews Cineplex and Wal-Mart Supercenter.

RESIDENTIAL MARKET ASSESSMENT

Oak Forest Housing Profile

Oak Forest’s residential neighborhoods were developed primarily in the 1960s and 70s. According to the 2000 Census, 60.1% of the housing stock consists of single family homes. The multi-tenant inventory in Oak Forest includes both rental apartments and condominium units, most of which are in relatively small buildings containing between five and 49 units. The following table provides additional information from the 2000 Census.

TABLE 14: PROFILE OF OAK FOREST HOUSING STOCK

| | <u>Number of Units</u> | <u>Percent</u> |
|---------------------------------------|----------------------------|----------------|
| Total Housing Units | 9,990 | 100.0% |
| Occupied Units | 9,735 | 100.0% |
| Owner-Occupied | 7,941 | 81.6% |
| Renter-Occupied | 1,794 | 18.4% |
| Vacant | 255 | 2.6% |
| Building Size | | |
| Single Family (Attached and Detached) | 7,507 | 60.1% |
| Buildings with 2-4 units | 237 | 1.9% |
| Buildings with 5-49 units | 2,071 | 16.6% |
| Buildings with 50 or more units | 93 | 0.7% |
| Mobile Home | 82 | 0.7% |

Source: 2000 Census



Prices of Existing Homes

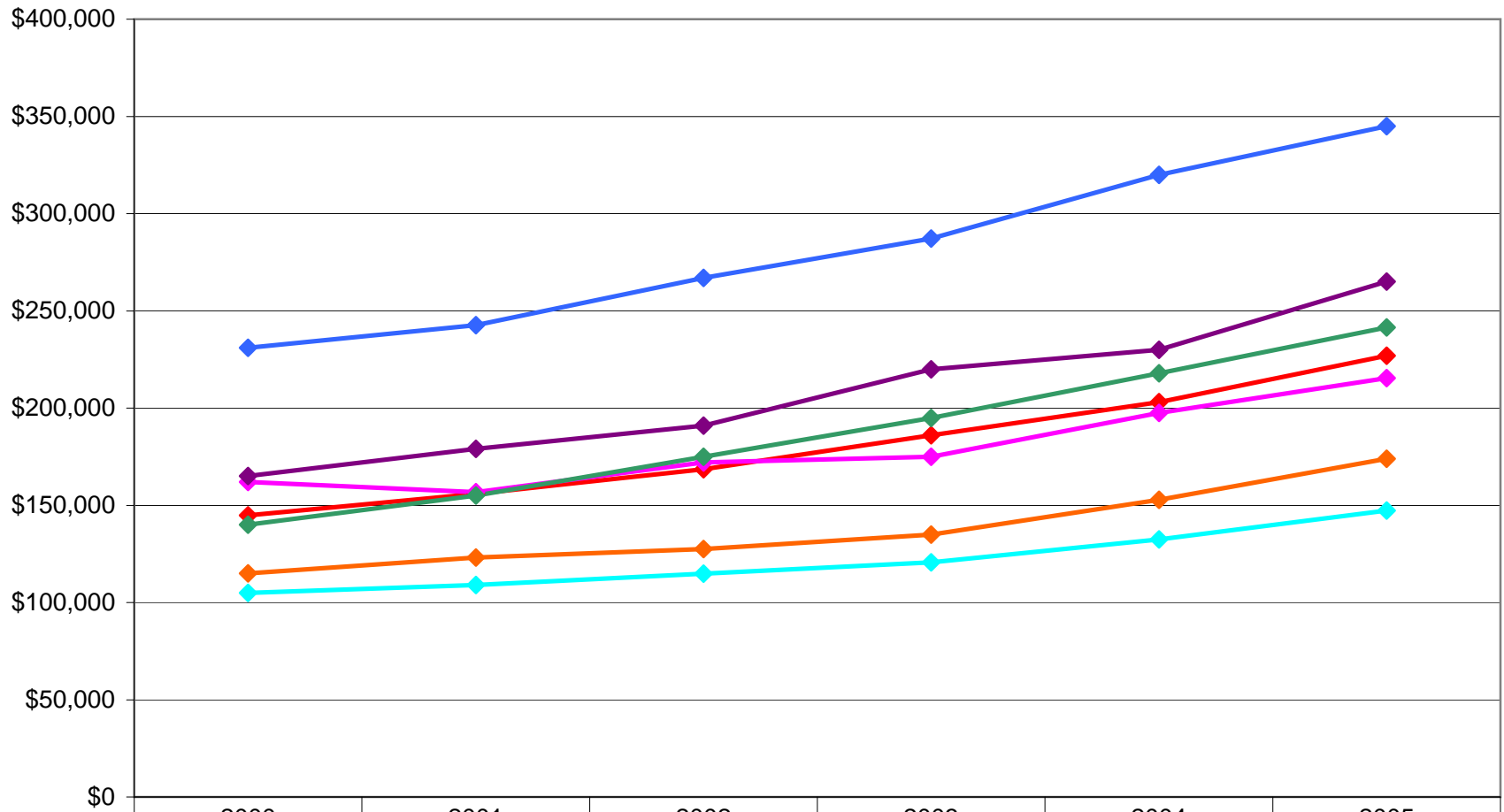
Housing prices in Oak Forest are relatively affordable, consistent with income levels in the community and the modest nature of the 1960s and 70s-vintage housing stock. The chart on the following page compares median single family home sales in Oak Forest and six neighboring communities from 2000 through 2004. These sales were reported by the Multiple Listing Service of Northern Illinois. The median price in Oak Forest in 2005 was \$227,000, higher than in Country Club Hills, Crestwood and Midlothian, but below the median prices in Orland Park, Tinley Park, and Orland Hills. During this five year period, the median price in Oak Forest appreciated at an annual rate of 9.4%.

A further examination of MLS data for Oak Forest shows the number of single family home sales broken out by price category. Of the 342 sales reported, only 96, or 28.1% were in excess of \$250,000; and 22, or 6.4% were in excess of \$300,000.

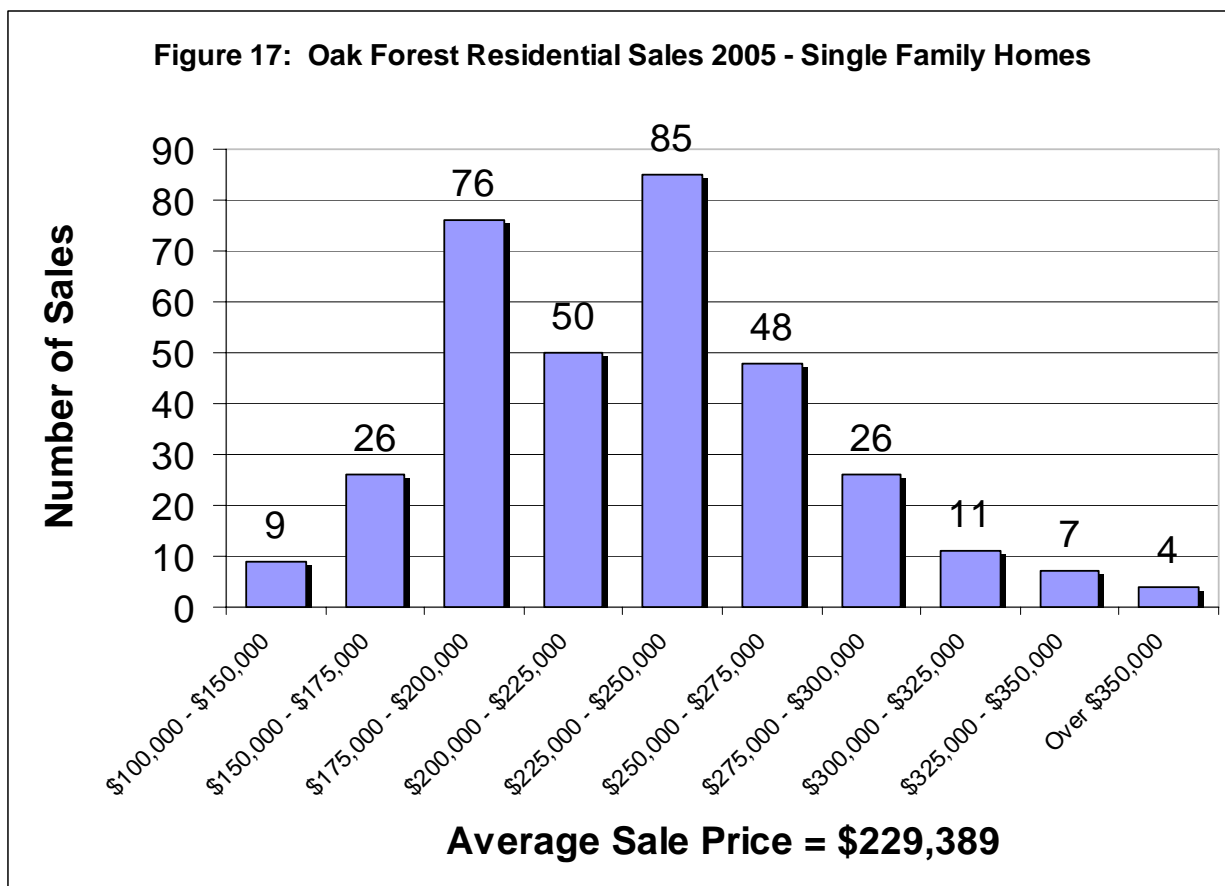
These home prices may affect the target market and pricing for new condominium units. Oak Forest residents who choose to sell their homes and buy condominium units in the community are unlikely to want to spend significantly more than the sale price of their older homes. Two wage-earner couples or households that have been considering other suburban and in-city neighborhoods, in contrast, may be more comfortable paying in excess of \$250,000 for a condominium unit.



Figure 16: Median Sale Prices for Detached Single Family Homes: 2000 - 2006



| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| —◆— Oak Forest | \$144,900 | \$155,900 | \$168,500 | \$186,000 | \$203,000 | \$227,000 |
| —◆— Country Club Hills | \$105,000 | \$109,000 | \$114,900 | \$120,625 | \$132,500 | \$147,250 |
| —◆— Crestwood | \$162,000 | \$156,750 | \$172,000 | \$175,000 | \$197,500 | \$215,500 |
| —◆— Midlothian | \$115,000 | \$123,200 | \$127,500 | \$135,000 | \$152,900 | \$174,000 |
| —◆— Orland Hills | \$140,000 | \$155,000 | \$175,000 | \$194,950 | \$217,900 | \$241,450 |
| —◆— Orland Park | \$231,000 | \$242,700 | \$267,000 | \$287,250 | \$320,000 | \$345,000 |
| —◆— Tinley Park | \$165,000 | \$179,000 | \$191,000 | \$219,900 | \$230,000 | \$265,000 |



Source: Multiple Listing Service of Northern Illinois

New Multifamily Developments

Forest Trails is the largest new condominium development in Oak Forest. Located at 15100 S. Oak Park Avenue, Forest Trails consists of eight mid-rise condominium buildings with a planned total of 133 units. The marketing for its initial phase began in 2003 with occupancy beginning in early 2004. Forest Trails is currently building the final phase of development. One-bedroom units are 1,100 square feet and range in price from \$205,000 to \$215,000. Two-bedroom units, which are 1,350 square feet, begin at \$215,000 and go as high as \$260,000.

The project, developed by the McCarthy Building Company, offers views of the forest preserve and easy access to its trails. The majority of buyers for this project moved from the South Suburbs or the Southwest Side of Chicago, and include a mix of young singles, young families and



older residents. Parking for residents is located in ground floor garages and additional spaces can be purchased in detached garages.

Additional information on Forest Trails, as well as three new condominium developments in neighboring Tinley Park, is included in Appendix G.

New Construction Permits

Over the past ten years, Oak Forest has permitted a total of 1,000 units. A total of 563 have been for single-family homes and 390 have been in buildings with five or more units. Most of these multifamily buildings are relatively small in size (fewer than 50 units) and were constructed by local builders.

TABLE 15: OAK FOREST RESIDENTIAL BUILDING PERMITS

| Year | Single-Family | 2 to 4 units | 5 or More Units | Total |
|------------------------|---------------|--------------|-----------------|-------|
| 1996 | 87 | 0 | 12 | 99 |
| 1997 | 64 | 0 | 24 | 88 |
| 1998 | 57 | 8 | 24 | 89 |
| 1999 | 89 | 0 | 42 | 131 |
| 2000 | 51 | 0 | 24 | 75 |
| 2001 | 62 | 0 | 25 | 87 |
| 2002 | 60 | 0 | 38 | 98 |
| 2003 | 29 | 12 | 38 | 79 |
| 2004 | 31 | 27 | 73 | 131 |
| 2005 | 20 | 0 | 38 | 58 |
| 2006 | 13 | 0 | 52 | 65 |
| Total | 563 | 47 | 390 | 1,000 |
| Ann. Average 1996-2006 | 51.2 | 4.3 | 35.5 | 90.9 |

Source: U.S. Census



Proposed Residential Projects

A number of residential projects have been proposed in the City, some of which are still working their way through the approval process. The table below lists six residential projects with a total of 232 units. The largest is the proposed Gateway Corridor Development with 158 units. The remaining projects are smaller condominium and townhouse developments.

TABLE 16: PROPOSED RESIDENTIAL DEVELOPMENTS IN OAK FOREST

| <u>Name</u> | <u>Location</u> | <u>Number of Units</u> | <u>Type</u> |
|------------------------------|-------------------------------------|------------------------|--------------|
| Townhouse Development | 5250 W 151st Street | 16 | Townhomes |
| Forest Creek Crossings | Kenton & 153rd Street | 23 | Townhomes |
| Townhouse Development | 6325 & 6345 W 147th Street | 25 | Townhomes |
| Oak Creek Condominiums | 15524-26 Cicero Avenue | 8 | Condominiums |
| Gateway Corridor Development | NWC Cicero Avenue & 159th Street | 158 | Condominiums |
| Beggar's Pizza | 156 th and Cicero Avenue | 2 | Apartments |
| Total | | 232 | |

Source: City of Oak Forest

Demand for New Multifamily Housing

Demand for rental apartments, for-sale condominiums and townhomes typically comes from the following types of households:

- Younger working households, most of which have no children living at home. The predominant age for these younger buyers is 25 to 34. Households in the 35-44 age range are more likely to have children living at home, making them candidates for single family detached homes.
- Households in the 45 to 64 age categories may be interested in downsizing. For some of them, selling their homes and moving to new condominiums may be an attractive option
- Senior households 65 and older might be interested in apartment or condominium living. Currently, Oak Forest has two age-restricted senior housing developments. Twin Pines Senior Living is located at 16138 Cicero Avenue and offers 15 one-bedroom apartments. Alden's Oak Forest Horizon Senior Living Community opened in February of 2004. The 85-unit, five-story



building at 14904 S. Cicero Ave. has one- and two-bedroom apartments with rents ranging from \$490 to \$825 per month.

Metropolis 2020, working with the South Suburban Mayors and Managers Association, is undertaking a study to assess current and future housing needs in the City of Oak Forest. Their preliminary analysis, summarized in [Figure 18](#), suggests a number of important findings:

- There appears to be pent-up demand for units in the most affordable categories as well as for higher-end rental and owner units. On the rental side, the study calculates a current need for 860 units with monthly rents in excess of \$910.
- On the ownership side, the study found pent-up demand for 2,112 units priced in excess of \$212,500.
- Future demand for higher-priced housing will increase through 2030 as the population grows.

Residential Development Opportunities

Oak Forest is a predominantly single-family residential community. Continued improvements to the existing housing stock will benefit current homeowners and help attract new households.

Within the business districts and areas that are zoned for multifamily, a number of new development opportunities will present themselves:

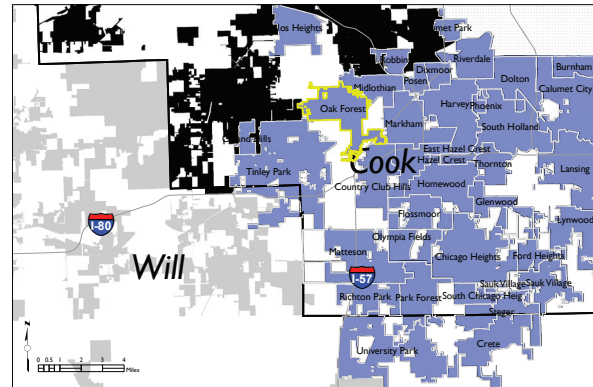
- The residential portion of the Gateway development at 159th and Cicero will include a total of 158 condominium units. The target market will be one and two-person working households, most of whom will be aged 25 to 43. To afford these new units, most buyers will have incomes above \$75,000.
- Additional multifamily units would be appropriate along 159th and Cicero, perhaps in mixed-use buildings with ground floor retail.
- An additional age-restricted senior development would also be appropriate in this community. Twin Pines Senior Living and Alden's Horizon Senior Living, which collectively offer 100 units, are the only such development currently in Oak Forest. Both developments are fully occupied.
- Attached townhomes can serve as a useful buffer between single-family neighborhoods and commercial development, while providing more variety in the housing stock. Urban-style townhomes with attached, rear-loaded garages would be appropriate along the commercial corridors.



Figure 18: OAK FOREST

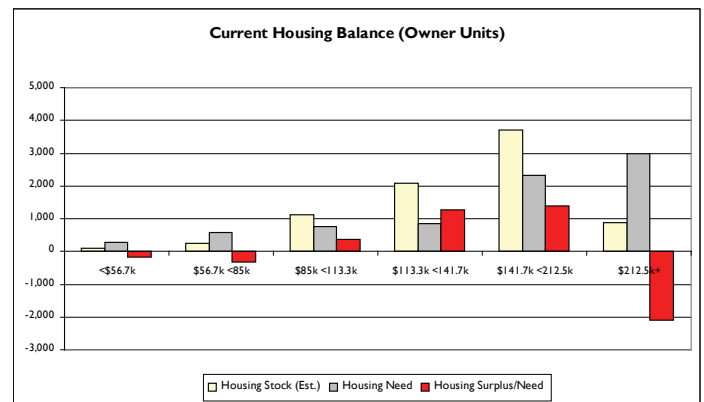
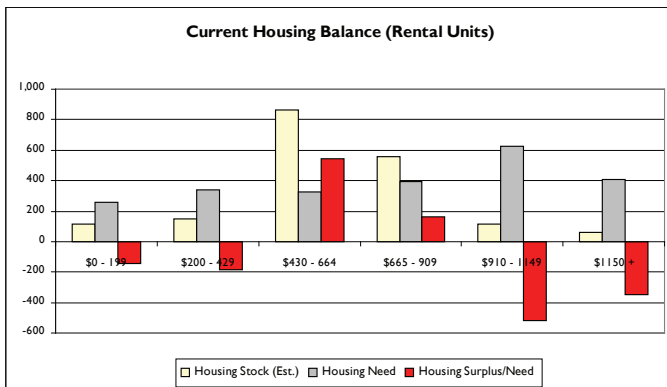
1 Current and Future Demographics

| | 2000 | 2030 | % change |
|------------|--------|--------|----------|
| Population | 28,051 | 33,040 | 18% |
| Households | 9,785 | 11,463 | 19% |



2 Current Need Summary by Tenure

| | Rental Units | | | | | | Total | Owner Units | | | | | | Total |
|-----------------------|--------------|-------------|-------------|-------------|--------------|---------|-------|-------------|----------------|-----------------|--------------------|--------------------|------------|-------|
| | \$0 - 199 | \$200 - 429 | \$430 - 664 | \$665 - 909 | \$910 - 1149 | \$1150+ | | <\$56.7k | \$56.7k - <85k | \$85k - <113.3k | \$113.3k - <141.7k | \$141.7k - <212.5k | \$212.5k + | |
| Current Stock (Est.) | 112 | 152 | 867 | 555 | 111 | 62 | 1,860 | 85 | 252 | 1,113 | 2,092 | 3,714 | 879 | 8,136 |
| Current Need | 256 | 339 | 325 | 395 | 627 | 407 | 2,349 | 270 | 578 | 745 | 836 | 2,312 | 2,991 | 7,732 |
| Current Surplus (Gap) | (144) | (186) | 542 | 160 | (515) | (345) | (488) | (185) | (326) | 368 | 1,256 | 1,403 | (2,112) | 404 |



3 Future Need Comparison by Tenure

| | Rental Units | | | | | | Total | Owner Units | | | | | | Total |
|-------------|--------------|-------------|-------------|-------------|--------------|---------|-------|-------------|----------------|-----------------|--------------------|--------------------|------------|-------|
| | \$0 - 199 | \$200 - 429 | \$430 - 664 | \$665 - 909 | \$910 - 1149 | \$1150+ | | <\$56.7k | \$56.7k - <85k | \$85k - <113.3k | \$113.3k - <141.7k | \$141.7k - <212.5k | \$212.5k + | |
| Future Need | 304 | 403 | 386 | 467 | 739 | 480 | 2780 | 325 | 700 | 897 | 1002 | 2747 | 3564 | 9237 |

