



Grace Terrace Property Values Addendum

Full Circle Communities (FCC) heard concerns regarding the impact Grace Terrace could potentially have on neighboring property values. It has been our experience that neighboring property values are not negatively impacted by the properties we develop. Furthermore, this finding was recently supported by a 2022 study published in the Journal of Housing Economics¹ that concluded properties built under the low-income housing tax credit (LIHTC) program in Illinois “generate positive price spillover effects on the surrounding neighborhoods.” The study found that LIHTC developments have a positive effect in both low-income and higher-income areas, noting that “development is not worse and often better”.

To demonstrate that properties are not negatively impacted by affordable housing, FCC collected single-family property sales data from the Multiple Listing Service (MLS) to compare values over time. The search included single-family homes within a 1-mile radius of five affordable housing properties: two properties in Arlington Heights not owned by FCC and three properties owned by FCC located in the Chicagoland area. The search was conducted to look at closed sales prices from the year the affordable development was built through the end of 2023 for each property.

The average home value appreciation rate in Illinois for the last ten years (2013-2023) is 4.11%² per year, and 6.11% for the last five years (2019-2023). The average appreciation rate in Arlington Heights for the last ten years (2013-2023) is 4.28%³ and 5.15% for the last five years (2019-2023).

Based on the data collected, home values of the homes within one mile of all five affordable housing developments increased on par with or above the average rate in Illinois. When we focus on the home values for the homes surrounding the two affordable housing developments in Arlington Heights, we see that they appreciated higher than both the Illinois and Arlington Heights averages. The data and analysis demonstrate that affordable housing does not have a negative impact on home values of surrounding properties. More detail can be found below.

Heart’s Place (Arlington Heights, IL)

Year	Average Sale Price	% Increase	Average annual increase within 1-mile of Heart’s Place (2019-2023)	
2019	\$331,021		8.05%	
2020	\$347,135	4.87%		
2021	\$402,810	16.04%		
2022	\$435,282	8.06%		
2023	\$449,296	3.22%		
			VAH Average (2019-2023)	IL Average (2019-2023)
			5.15%	6.11%

Heart’s Place is owned by UpHoldings, LLC. It is an 18-unit permanent supportive housing development serving persons with disabilities.

¹ [Effects of Concentrated LIHTC developments of surrounds house prices](#). Journal of Housing Economics, 2022, vol. 56, issue C.

² [Annual House Price Indexes by State](#). Federal Housing Finance Agency, 4/2/2024.

³ Multiple Listing Service (MLS) search for single family homes sold from 2013-2023 in the Village of Arlington Heights, 4/10/24.



Linden Place (Arlington Heights, IL)

Year	Average Sale Price	% Increase
2013	\$ 305,344	
2014	\$ 325,688	6.66%
2015	\$ 314,375	-3.47%
2016	\$ 356,731	13.47%
2017	\$ 359,639	0.82%
2018	\$ 356,644	-0.83%
2019	\$ 367,069	2.92%
2020	\$ 373,253	1.68%
2021	\$ 439,295	17.69%
2022	\$ 439,007	-0.07%
2023	\$ 479,897	9.31%

Average annual increase within 1-mile of Linden Place (2013-2023)
4.82%

VAH Average (2013-2023)
4.24%

IL Average (2013-2023)
4.11%

Linden Place is an independent living, Senior Citizen and multi-family community managed by Pacific Management.

FCC Property- Pearl Street Commons (McHenry, IL)

Year	Average Sale Price	% Increase
2017	\$172,175	
2018	\$188,814	9.66%
2019	\$198,935	5.36%
2020	\$219,050	10.11%
2021	\$242,708	10.80%
2022	\$278,738	14.84%
2023	\$275,606	-1.12%

Average annual increase within 1-mile of Pearl Street Commons (2017-2023)
8.28%

IL Average (2017-2023)
5.07%

Pearl Street Commons is the most comparable property in Full Circle's portfolio. It is 25 units of permanent supportive housing for veterans and persons with disabilities with similar rent and income restrictions.

FCC Property- 1212 Larkin (Elgin, IL)

Year	Average Sale Price	% Increase
2019	\$ 192,023	
2020	\$ 210,424	9.58%
2021	\$ 230,760	9.66%
2022	\$ 251,894	9.16%
2023	\$ 265,032	5.22%

Average annual increase within 1-mile of 1212 Larkin (2019-2023)
8.41%

IL Average (2019-2023)
6.11%

1212 Larkin is a LIHTC development with 47 units of integrated permanent supportive housing project designed for persons with disabilities and families.



FCC Property- Milwaukee Ave Apartments (Chicago, IL)

Year	Average Sale Price	% Increase
2014	\$ 378,760	
2015	\$ 392,645	3.67%
2016	\$ 441,624	12.47%
2017	\$ 452,239	2.40%
2018	\$ 492,094	8.81%
2019	\$ 492,152	0.01%
2020	\$ 539,492	9.62%
2021	\$ 590,862	9.52%
2022	\$ 648,276	9.72%
2023	\$ 653,028	0.73%

Average annual increase within 1-mile of Milwaukee Ave Apartments (2014-2023)
6.33%

IL Average (2014-2023)
4.50%

Milwaukee Ave Apartments is a LIHTC development with 32 units of integrated permanent supportive housing project designed for persons with disabilities and families.