

## OFFERING MEMORANDUM

# 601 Dempster St, Evanston, IL 60201

Redevelopment Opportunity



# Project Overview



601 Dempster Street is an infill mixed-use property located along Evanston's established Dempster Street corridor. The site combines existing income with zoning capacity that supports a materially larger development program, creating multiple value paths tied to density, scale, and entitlement execution.

The property offers:

## **Income in place during planning & approvals**

Existing retail and residential tenancy generates current cash flow that helps offset carrying costs while entitlement, design, and predevelopment efforts are advanced. Below market rents offer opportunity for increased revenue.

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## **Zoning capacity with defined density pathway**

Updated M2 zoning under Envision Evanston 2045 provides significant opportunity for density with in place zoning, a more straightforward review and approval process, reducing entitlement risk and simplifying the path to development.

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## **Site configuration suited to vertical development**

The corner parcel provides frontage and depth that support efficient building layouts and vertical circulation.

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The asset operates today while offering longer-term value tied to redevelopment consistent with surrounding land use patterns.

# Existing Site



The site is improved with a fully leased, partially two-story mixed-use structure that provides interim income while preserving redevelopment flexibility.

## 601 Dempster Property Details

Building Size	12,113 SF (partial two-story)
Lot Size	20,037 SF
Current Use	Mixed-Use Retail & Residential
Commercial Tenancy	10 neighborhood-serving commercial tenants
Residential	Second-floor residence (owner-occupied)
Occupancy	Fully leased

## Zoning Summary (Existing Conditions)

Zoning	M2
Allowed Uses	Mixed-Use Commercial & Residential
Max FAR	2.0 - Additional density desired by Evanston
Entitlement Process	Streamlined under new Evanston zoning





# Potential Development



## Zoning & Entitlements

The property is subject to the City of Evanston's zoning ordinance and applicable municipal entitlement processes. Any future redevelopment would be evaluated based on applicable zoning regulations, site characteristics, surrounding context, and City review criteria in effect at the time of application.

Evanston's zoning regulations are subject to ongoing review and interpretation, including consideration of transit-oriented development (TOD) principles where applicable. Development outcomes are not prescriptive and would be determined solely through formal municipal review and approval processes. The site's proximity to transit infrastructure may be reviewed as part of such processes, subject to City policies and standards then in effect.

### Vertical Scale Potential

Potential building height and massing evaluated through zoning controls, design review, and discretionary approvals.

### Residential Density Considerations

Potential residential density informed by zoning standards, site constraints, and entitlement outcomes.

### Building Configuration & Activation

Potential vertical residential configurations with ground-floor uses and parking solutions, evaluated through municipal review.

Illustrative program parameters are subject to entitlement and site plan approval.

# Potential Development



## Development Economics Overview

Illustrative redevelopment assumptions highlight the relationship between construction cost, stabilized performance, and implied land value.

Total Development Cost	Approximately \$79.2 million
Stabilized NOI	Approximately \$7.5 million annually
Implied Stabilized Value	Approximately \$145.6 million
Exit Assumption	5.15% Capitalization Rate
Implied Residual Land Value	Approximately \$7.2 million

The land value supported by redevelopment assumptions is directionally consistent with current as-is valuation ranges, providing pricing support under both operating and redevelopment scenarios.

## Development Positioning

The site's zoning capacity, underutilized density, and surrounding precedent position it for a redevelopment program aligned with Evanston's recent residential growth patterns. Interim income from the existing improvements provides flexibility during entitlement and design, while the long-term value is driven by scale, density, and execution.

# Location Analysis



## Demographics

The area surrounding the property is characterized by a large, established residential base with balanced renter and owner occupancy and household incomes that support current rent levels.

Population & Households	0.5 Mile Radius	1 Mile Radius	2 Mile Radius
Population	10,946	35,397	98,106
Households	5,794	16,276	41,401
Families	2,211	7,087	20,828
Average Household Size	1.75	1.93	2.17
Median Age	39.9	34.7	37.1

Income Profile	0.5 Mile Radius	1 Mile Radius	2 Mile Radius
Median Household Income	\$91,173	\$98,201	\$84,856
Average Household Income	\$145,597	\$145,453	\$131,865

Occupancy Mix	0.5 Mile Radius	1 Mile Radius	2 Mile Radius
Owner-Occupied	2,412 (41.6%)	7,444 (45.7%)	20,100 (48.5%)
Renter-Occupied	3,382 (58.4%)	8,832 (54.3%)	21,301 (51.5%)
Total Occupied Units	5,794	16,276	41,401

# Location Analysis



## Housing Market Conditions

The surrounding multifamily market reflects limited recent supply activity and stable pricing conditions within the submarket.

### Market Snapshot

**3,389 units**  
Total Multifamily Inventory

**3.8%**  
Vacancy Rate

**\$2,320 per unit**  
Market Rent

**100**  
Existing Buildings

### Recent Operating Performance

**34 units**  
12-month Absorption

**4.1%**  
Vacancy Rate (Prior Period)

**+4.3%**  
Market Rent Growth (12 months)

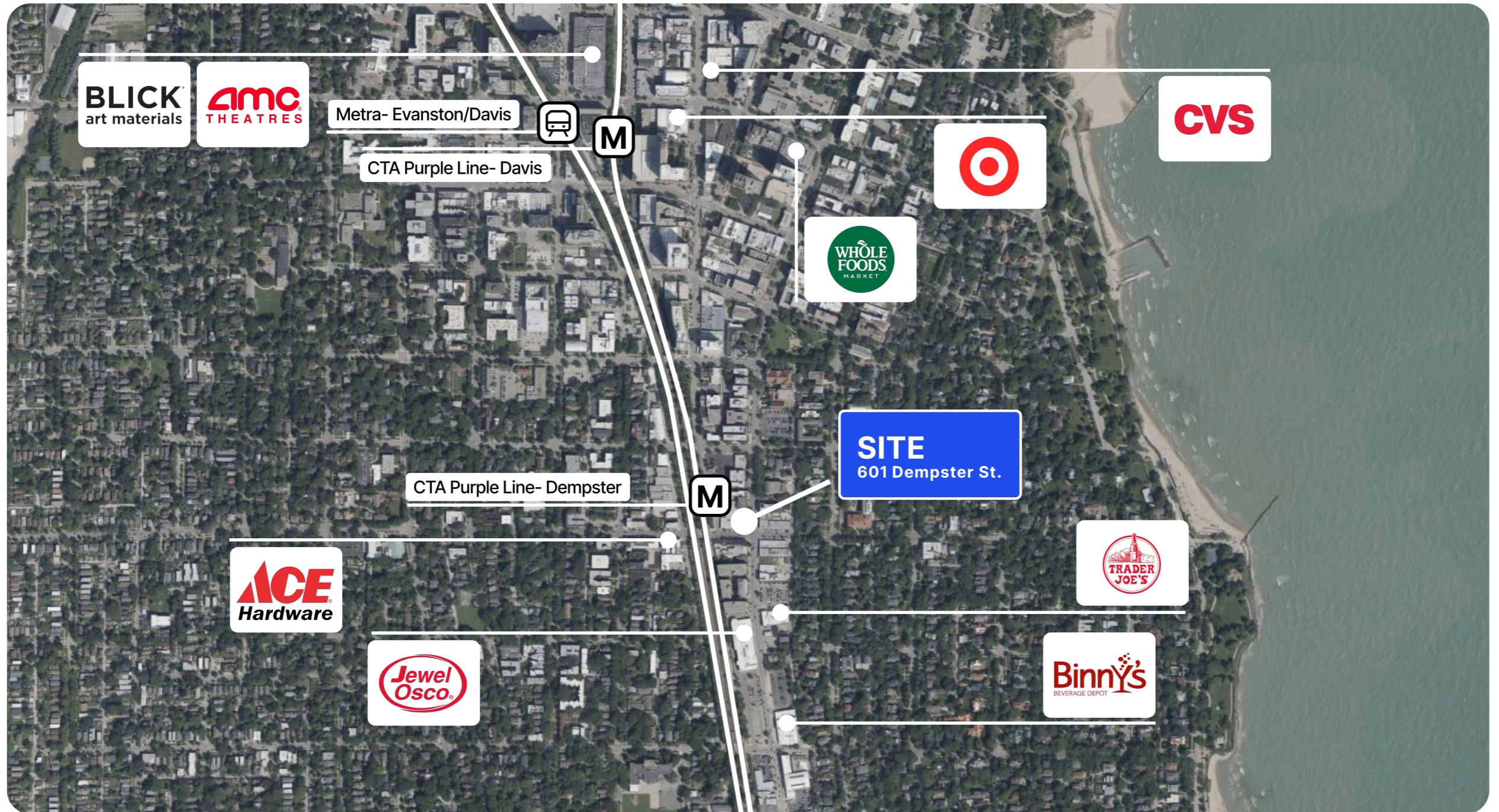
### Supply Conditions

**0**  
Units Under Construction

**0**  
12-month Construction Starts

**27**  
12-month Delivered Units

# Aerial Map



# Comparable Projects



Recent multifamily developments in Evanston provide relevant benchmarks for scale, site efficiency, and achievable rents in transit-accessible, infill locations. The projects below reflect a range of building sizes and unit counts that inform potential redevelopment outcomes at 601 Dempster Street.



Address	900 Clark Street	1621 Chicago Avenue	605 Davis Street	740 Main Street
Units	358	110	419	120
Site Area	0.64 acres	0.50 acres	0.28 acres	0.65 acres
Building Area	405,000 SF	300,000 SF	399,596 SF	192,742 SF
Market Rent Range	Studios \$2,981 1BR \$3,580 2BR \$4,509 3BR \$6,180	Studios \$2,200 1BR \$2,750 2BR \$3,800	Studios \$2,200 1BR \$2,750 2BR \$3,801	Studios \$2,981 1BR \$3,580 2BR \$4,509 3BR \$6,180
Affordable Rent Reference*	Studios \$1,325 1BR \$1,419 2BR \$1,703 3BR \$1,968	Studios \$1,325 1BR \$1,419 2BR \$1,703 3BR \$1,968	Studios \$1,325 1BR \$1,419 2BR \$1,703 3BR \$1,968	Studios \$1,325 1BR \$1,419 2BR \$1,703 3BR \$1,968

*\*Affordable rents shown for reference only and reflect typical income-restricted pricing structures within Evanston.*

# Proforma Development Budget



The proforma development budget is provided for illustrative purposes only and reflects a high-level estimate based on generalized assumptions. It is not intended to represent a final construction budget, financing plan, or guaranteed cost outcome.

The summary table presents aggregated cost categories, while the following page provides a preliminary line-item cost breakdown for reference. Estimated costs are subject to change based on design, entitlement outcomes, construction methodology, market conditions, labor and material pricing, and timing. Any future development would require further analysis, detailed design, and pricing validation.

	Budget Amount	\$/RSF
Project Subtotal	\$64,006,000	\$283.21
Insurance	\$2,257,178	\$9.99
Fee	\$3,585,440	\$15.86
<b>Project Total</b>	<b>\$75,444,249</b>	<b>\$333.82</b>
Contingency	\$3,772,212	\$16.69
Total Soft Cost	\$3,772,212	\$333.82
<b>Net Capital Requirement</b>	<b>\$79,216,461</b>	<b>\$350.52</b>

All figures are illustrative only and subject to change. Prospective purchasers should independently verify all assumptions and cost estimates.

# Proforma Development Budget – Cost Detail



	Budget Amount	\$/RSF
<b>Division 1 - General Conditions</b>		
Permits	\$150,000	\$0.66
General Conditions	\$5,445,630	\$24.10
<b>Subtotal</b>	<b>\$5,595,630</b>	<b>\$24.76</b>
<b>Division 2 - Site Work</b>		
Excavation	\$850,000	\$3.76
Landscape & Fencing	\$150,000	\$0.66
Paving	\$350,000	\$1.55
Sidewalks	\$200,000	\$0.88
<b>Subtotal</b>	<b>\$1,550,000</b>	<b>\$6.86</b>
<b>Division 3 - Concrete</b>		
Concrete	\$5,000,000	\$22.12
<b>Subtotal</b>	<b>\$5,000,000</b>	<b>\$22.12</b>
<b>Division 4 - Masonry</b>		
Shafts, Stairs	\$2,000,000	\$8.85
<b>Subtotal</b>	<b>\$2,000,000</b>	<b>\$8.85</b>
<b>Division 5 - Metals</b>		
Structural	\$4,500,000	\$19.91
<b>Subtotal</b>	<b>\$4,500,000</b>	<b>\$19.91</b>
<b>Division 6 - Woods and Plastics</b>		
Framing, Drywall, Insulation	\$6,000,000	\$26.55
Casework	\$3,600,000	\$15.93
<b>Subtotal</b>	<b>\$9,600,000</b>	<b>\$42.48</b>
<b>Division 7 - Thermal &amp; Moisture Protection</b>		
Roof	\$900,000	\$3.98
Façade Systems	\$4,000,000	\$17.70
<b>Subtotal</b>	<b>\$4,900,000</b>	<b>\$21.68</b>

	Budget Amount	\$/RSF
<b>Division 8 - Doors &amp; Windows</b>		
Glass & Glazing	\$2,880,000	12.74
Doors, Frames and HW	\$1,440,000	\$6.37
<b>Subtotal</b>	<b>\$4,320,000</b>	<b>\$19.12</b>
<b>Division 9 - Finishes</b>		
Flooring	\$1,800,000	\$7.96
Paint	\$2,400,000	\$10.62
Wet Wall Tile for Bathroom	\$3,600,000	\$15.93
<b>Subtotal</b>	<b>\$7,800,000</b>	<b>\$34.51</b>
<b>Division 10 - Specialties</b>		
Accessories	\$480,000	\$2.12
<b>Subtotal</b>	<b>\$480,000</b>	<b>\$2.12</b>
<b>Division 11 - Equipment</b>		
Appliances	\$456,000	\$2.02
<b>Subtotal</b>	<b>\$456,000</b>	<b>\$2.02</b>
<b>Division 12 - Mechanical</b>		
HVAC	\$5,000,000	\$22.12
<b>Subtotal</b>	<b>\$5,000,000</b>	<b>\$22.12</b>
<b>Division 13 - Fire Protection</b>		
Interior Rough, Gas Lines & Fixtures	\$3,000,000	\$13.27
<b>Subtotal</b>	<b>\$3,000,000</b>	<b>\$13.27</b>
<b>Division 14 - Plumbing</b>		
Mains, Branches and Heads	\$4,000,000	\$17.70
<b>Subtotal</b>	<b>\$4,000,000</b>	<b>\$17.70</b>
<b>Division 15 - Electrical &amp; Fire Alarm</b>		
Main Gear	\$3,000,000	\$13.27
Units	\$8,400,000	\$37.17
<b>Subtotal</b>	<b>\$11,400,000</b>	<b>\$50.44</b>

# Proforma Retail Budget – Existing



Company	Suite	Monthly Rent	Annual Rent	SF	Rent PSF	TAX/CAM
Beauty Shop	607 Dempster	\$2,543	\$30,520	763	\$40.00	\$3,241.72
Crepe O'Clock	601 Dempster	\$5,500	\$66,000	1,650	\$40.00	\$7,010.27
Accounting Firm	609 Dempster	\$2,543	\$30,520	763	\$40.00	\$3,241.72
Modern Vibe	611 Dempster	\$3,037	\$36,440	911	\$40.00	\$3,870.52
Secret Treasures	603-605 Dempster	\$3,910	\$46,920	1,173	\$40.00	\$4,983.67
Bagel Art	615 Dempster	\$5,060	\$60,720	1,518	\$40.00	\$6,449.45
Shaker Traditions	613 Dempster	\$2,503	\$30,040	751	\$40.00	\$3,190.74
Taylor Shop	1306 Chicago	\$2,000	\$24,000	600	\$40.00	\$2,549.19
Apothecary	1304 Chicago	\$2,000	\$24,000	600	\$40.00	\$2,549.19
Parking		\$2,250	\$27,000	30	N/A	N/A
Apartment		\$4,000	\$48,000	3,384	\$14.18	N/A
<b>Totals</b>		<b>\$35,347</b>	<b>\$424,160</b>	<b>12,113</b>	<b>\$35.02</b>	<b>\$51,463.91</b>
2024 Payable 2025 Real Estate Taxes: \$4.24 PSF						

## Potential Investment Sale Pricing

6% CAP  
\$7,069,333

6.5% CAP  
\$6,525,538

7% CAP  
\$6,059,429

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