

RVG Commercial News

Commercial Real Estate Appraisers

The Value of Agriculture Properties

On our daily travels through the neighborhoods and countryside we traverse as real estate appraisers, we can't help but notice the change that spring has brought. It is especially evident along the roads where the fields have been recently plowed or planted. Soon we'll be ticking through the seasons with the eruption of sprouts, knee-high corn, pumpkins and the gradual harvesting of crops that comes in the fall.

As farm product consumers, it's a delight. As service providers to the agriculture industry, RVG Commercial knows it is a lot of hard work that requires planning, market monitoring, stamina and adaptability.



Now, according to the Illinois Society of Professional Farm Managers and Rural Appraisers, the job might be even harder in 2017. Land values in Illinois and in the Midwest in general have shown steady decline over the last five years. The society's latest Illinois Farmland Values & Lease Trends report indicates more of the same.

Farmland price declines are associated with lower farmland returns, which impacts lease and rent rates.

"When it comes to valuing agricultural properties, there are myriad variables to consider," notes commercial appraiser Ted Schneller, IFAS. "You really have to be familiar with the industry and stay on top of trends in

related economies." Schneller is part of RVG Commercial's agriculture appraisal team and has been appraising farmland and various ag properties for more than 40 years.

From a hog finishing farm in Sandwich, to a large fertilizer spreading operation in Ottawa or grain elevators in Wisconsin, RVG Commercial appraisers have the experience. They know the industry and the unique opportunities and challenges each property may present. ♦

Whether you're buying, selling, trading, dividing or settling an estate, contact an RVG appraiser to help value your land. Call our main office at 630-513-6150, or visit our website — RVGCommercial.com.

Internet Shapes Fate of Bank Branches

Not too long ago, financial institutions' marketing strategies included upping visibility and access via new locations. But, like the fate of the local book store, those locations are beginning to disappear as banks turn their focus to satisfying increasing demand for electronic products and services.

According to JLL's 2017 Banking Outlook report, "Branch numbers and square feet will

continue to decline, even in growth markets, as banks look to find more effective ways to meet customer expectations – and manage their costs."

In terms of numbers, the report indicates that bank branches in Chicago-area counties have decreased by over 9 percent since 2013, and by 4.2 percent across all the major markets it surveyed. It also notes that the industry could expect to see another 20 percent reduction

in existing branches. Former Barclays CEO Antony Jenkins said last fall that, globally, banks will reduce branches by 20 percent to 50 percent over the next decade.

"The most significant industry challenge right now in the evolution of the banking sector isn't technology but real estate," the JLL report states. "This overall shift could save the banking industry \$8.3 bil-

lion annually in direct real estate costs alone."

Currently the cost of making a deposit with a teller is ten times the cost of making it at an ATM and 100 times the cost of making a deposit from a mobile device.

"We've definitely noticed a decrease in bank branches in our area," says RVG principal Ed Kling, MAI. "But I don't think

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From the President's Desk

Over the last five years, RVG Commercial has gone through many changes. Most significantly, in 2011 we went from being singularly focused on commercial real estate appraisal and consulting, to combining those services with a commercial real estate brokerage, merging with Milner & Associates based in DeKalb.

Since the Milner addition, RVG has merged with Cornerstone Realty Advisers, and RJ Schmitt and Associates, giving us staffed offices in St. Charles, Sycamore, Wheaton, Lake in the Hills, and Chicago.

We now have a staff of 19 commercial appraisers (six of whom are MAI designated), seven residential appraisers, and six commercial real estate brokers. We have over 300 years of experience between us! In addition, some

on our staff have extensive experience with assessors' offices in multiple counties. While we continue to work with lenders throughout Illinois and Wisconsin, RVG's tax assessment appeal appraisal work has grown substantially and is a primary focus for the company.

RVG's staff size and experience offer competency in many property types for advalorem valuation, including hotels, airports, city center high rise offices, marinas, race tracks, corporate campuses, hospitals and apartments. We also have extensive experience with a variety of agriculture related properties.

With five offices between Chicago and Sycamore (DeKalb), we are uniquely qualified by location within tax jurisdictions. Given the reach of our offices and scope of our work, we successfully serve all of Illinois and surrounding states, and continue to be known for quality reports from highly qualified appraisers. ♦

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they will go away completely. In fact there has been an increase in community bank applications since Donald Trump was elected. Banks in need of a brick and mortar presence, though, are more

likely to utilize existing free-standing or in-line space."

The downsizing issue is one that is bound to affect the banking industry and commercial real estate for the foreseeable future. "Downsizing and reconfiguring these branches is not easy and

could ultimately result in surplus, unproductive space from the bank's perspective," notes the JLL report. Just as consumers now turn to the Internet for their news or Amazon for their novels, so too will they forgo their bank branch for electronic options. ♦

"The most significant industry challenge right now in the evolution of the banking sector isn't technology but real estate."

Latest RVG Commercial Real Estate Closings



15 W. College Ave., Arlington Heights
38,500 Sq. Ft. Industrial Building (May 2017)



Lukens Road Farm, Sycamore
126.3 Acres with Pole Barn (May 2017)



Empire & Swanberg, St. Charles
110 Acres Farmland (April 2017)

RVG Commercial Locations

Main

40W117 Campton Crossings Dr.
St. Charles, IL 60175
(630) 513-6150

Chicago

7742 W. Higgins Ave., C-130
Chicago, IL 60631
(773) 594-1000

Lake in the Hills

9109 Trinity Dr.
Lake in the Hills, IL 60156
(224) 848-4330

Sycamore

1731 DeKalb Ave.
Sycamore, IL 60115
(815) 754-4000

Wheaton

610 W. Roosevelt Rd., Unit C2
Wheaton, IL 60187
(630) 765-7606

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