



MULTIFAMILY REPORT

Chicago Plays Catch-Up

September 2022

Rent Growth Catches Up To US

Construction Starts Improve

Per-Unit Prices Advance Y-o-Y



CHICAGO MULTIFAMILY



Room for Improvement in Chicago's Fundamentals

Chicago's rental market continued on a solid trajectory, but relative to other gateway markets, it is still playing catch-up. Rents in the metro advanced 1.1% on a trailing three-month (T3) basis through July, to \$1,814, exceeding the U.S. rate by 10 basis points after lagging for the first half of the year. On a year-over-year basis, rents were up 9.6%, 300 basis points behind the U.S. figure and behind most other major metros.

The metro's unemployment rate reached 4.8% as of June, according to preliminary data from the Bureau of Labor Statistics, having increased 70 basis points from its lowest point in April (4.1%). Still, the metro is faring better compared to 2021—over the 12 months ending in May, Chicago added 212,100 jobs, representing a 4.9% increase. Chicago launched its first citywide plan in over 50 years. Dubbed "We Will Chicago," the 10-year framework aims to reduce the city's social and economic inequities. Following policy discussions, a public feedback process and an estimated \$4 million to create it, the plan will be implemented in 2023.

Multifamily transactions amounted to \$1.4 billion for the first seven months of 2022, down 14% year-over-year, after 2021 saw a record \$3.9 billion in sales. Development activity stayed strong, as Chicago had 16,196 units under construction, more than 75% of which target Lifestyle renters.

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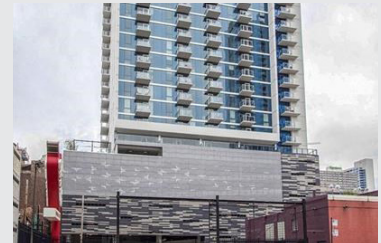
Recent Chicago Transactions

Bourbon Square



City: Palatine
Buyer: Albion Residential
Purchase Price: \$139 MM
Price per Unit: \$227,614

Oakwood Chicago River North



City: Chicago
Buyer: Cortland
Purchase Price: \$105 MM
Price per Unit: \$227,614

Mount Prospect Gardens



City: Mount Prospect
Buyer: Bayshore Properties
Purchase Price: \$50 MM
Price per Unit: \$144,622

Mandalane



City: Wheeling
Buyer: Ansonia Properties
Purchase Price: \$46 MM
Price per Unit: \$311,904