



MULTIFAMILY REPORT

Chicago Multifamily Solid

September 2023

Rent Gains Among Highest in US

Occupancy Remains Healthy

Development Slows Down



CHICAGO MULTIFAMILY



Rent Growth Strong, Construction Slow

Chicago's fundamentals remained solid in the context of a wider economic slowdown. Rent development in the metro clocked in at 0.9% on a trailing three-month basis through July—60 basis points higher than the U.S. figure—with average rates at \$1,895. On a year-over-year basis, Chicago ranked fourth among all major metros tracked by Yardi Matrix, at 5.2%. Overall occupancy remained high, at 95.6% as of June, 60 basis points above the U.S. rate.

Chicago's unemployment rate was 4.3% in June. Although it inched up from the previous month, it remained 40 basis points lower than January's figure. Meanwhile, the U.S. rate stood at 3.6% and Illinois at 4.0%. Job growth slowed, as the market felt the impact of economic headwinds. Over the 12-month period ending in May, the metro's labor pool expanded 2.0%, with 81,900 jobs added. Most sectors recorded growth, led by leisure and hospitality (up 7.4% or 33,400 jobs) and education and health services (up 4.3% or 31,300 jobs).

Like most other major metros, Chicago's development activity also slowed, with new inventory accounting for 0.7% of existing stock, or 2,691 deliveries, this year through July. The figure was down 54.0% year-over-year, however, the supply pipeline remained strong, with 15,298 units under construction and an additional 89,000 in the planning and permitting stages.

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Recent Chicago Transactions

North Water



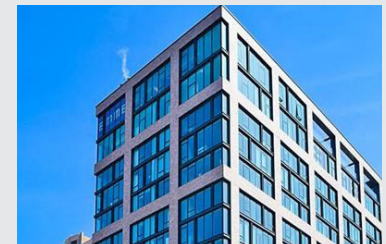
City: Chicago
Buyer: Crescent Heights
Purchase Price: \$173 MM
Price per Unit: \$434,719

Lake Meadows



City: Chicago
Buyer: Antheus Capital
Purchase Price: \$161 MM
Price per Unit: \$86,142

Emme



City: Chicago
Buyer: Hines Global Income Trust
Purchase Price: \$73 MM
Price per Unit: \$364,824

The Seneca



City: Chicago
Buyer: FPA Multifamily
Purchase Price: \$55 MM
Price per Unit: \$207,547