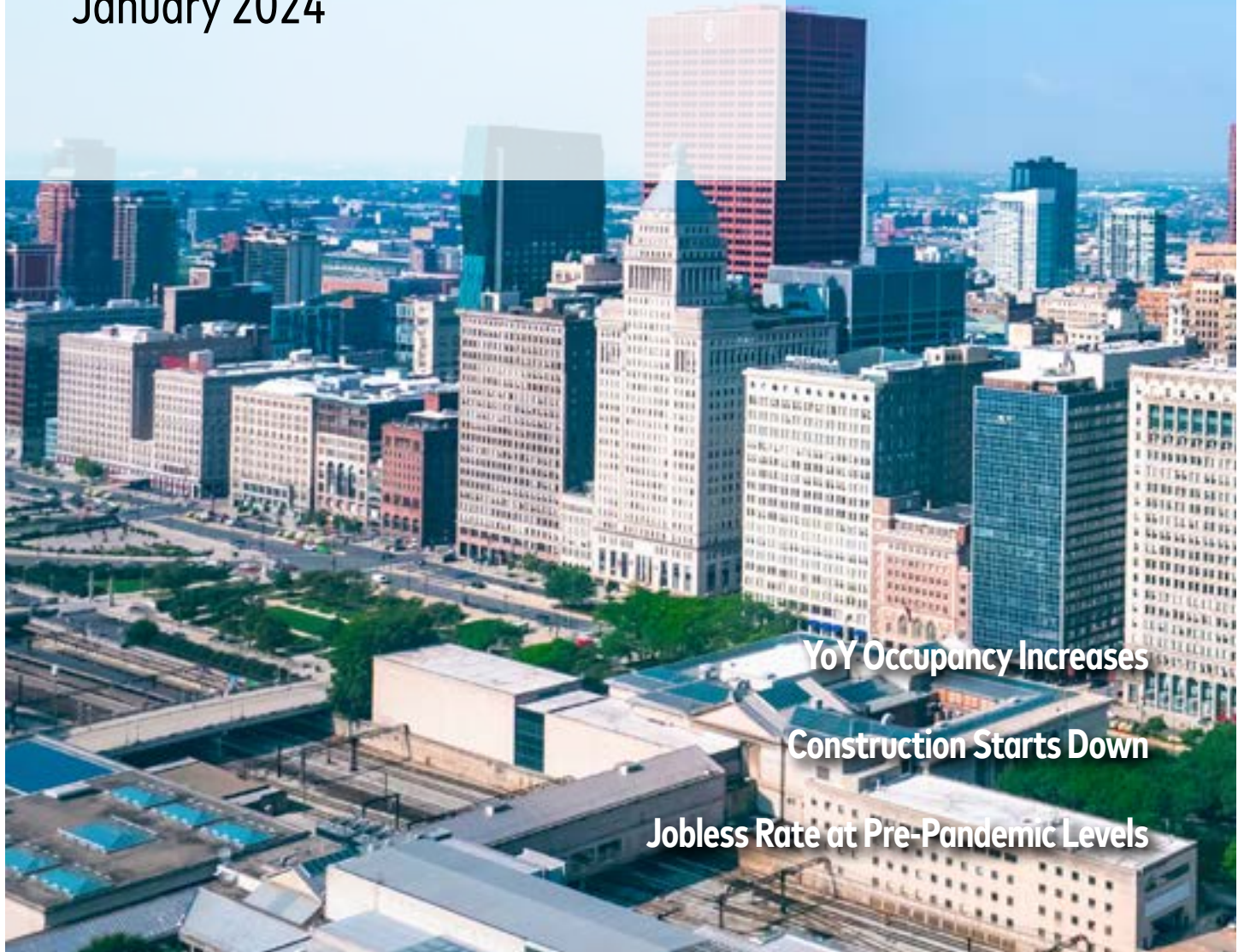




MULTIFAMILY REPORT

Chicago's Strength

January 2024



YoY Occupancy Increases

Construction Starts Down

Jobless Rate at Pre-Pandemic Levels

CHICAGO MULTIFAMILY



Chicago Rents Stall, Construction Steady

As the economy slowed in the latter half of 2023, major multifamily markets geared up for more challenging times. Chicago weathered the storm, with some fundamentals still close to historic averages. On a trailing three-month basis through November, rents were down 0.3%, just 10 basis points lower than the national rate. Demand for multifamily remained positive, with occupancy up 40 basis points year-over-year through October, to 95.7%.

Chicago's workforce expanded by 1.6% on a 12-month basis through September, amounting to 66,500 new jobs. Although lagging national figures, Chicago's economic growth maintained historic, pre-pandemic levels, with unemployment reaching 4.4% in October, preliminary data from the Bureau of Labor Statistics shows. The education and health services sector was the metro's strongest performer, with 35,400 jobs gained, or a 4.8% expansion. Developers started work on a new cancer research center at UChicago's Medicine Center near Hyde Park. The \$815 million facility is scheduled to open in 2027.

Despite a slower pace, Chicago did not see the dramatic shifts in supply dynamics seen in other major markets. A total of 6,324 units came online year-to-date through November, down 13.2% year-over-year. The metro had 16,183 units under construction and an additional 85,000 in the planning and permitting stages.

Market Analysis | January 2024

Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Tudor Scolca-Seuşan

Associate Editor

Recent Chicago Transactions

727 West Madison



City: Chicago
Buyer: Ponte Gadea
Purchase Price: \$232 MM
Price per Unit: \$470,528

The Oaks of Vernon Hill



City: Vernon Hills, Ill.
Buyer: Nuveen Real Estate
Purchase Price: \$103 MM
Price per Unit: \$305,803

Westmont Village



City: Westmont
Buyer: FPA Multifamily
Purchase Price: \$96 MM
Price per Unit: \$172,043

The Woodlands of Crest Hill



City: Crest Hill
Buyer: Oso Capital
Purchase Price: \$95 MM
Price per Unit: \$130,136