

Yardi® Matrix

# Chicago's Climb

Multifamily Report Winter 2019

Price Per Unit Peaks

Deliveries Slow Down

Rent Growth Accelerates



# CHICAGO MULTIFAMILY

## Market Analysis

Winter 2019

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## Demand Fuels Rent Growth

Rent growth in Chicago continued to accelerate and reached 3.2% year-over-year as of January—the highest rate in the last two-and-a-half years—due to increasing demand, particularly for Lifestyle units, and a slighter rate of deliveries in 2018.

The metro added 45,700 jobs in the 12 months ending in November. Gains were led by the government (9,300) and health and education services (8,900) sectors, as Chicago's largest employers added to their staff. The manufacturing segment followed, with 7,600 positions added in the same period and more growth expected in 2019, as Ford is investing \$1 billion in local SUV production, planning to add 500 jobs. Chicago's tech sector continued to improve, with a projected 2,000 jobs set to be created in the 2018-to-2019 interval. Millennial-friendly companies such as Upwork, Convene and Coca-Cola are among the newest arrivals in Fulton Market, the city's hot office district.

Development activity is still strong in the Midwestern metro, even though the number of completions declined to 6,700 units in 2018, from 7,800 in 2017. The forecast for the year ahead illustrates an expanded construction rate, with 10,500 apartments lined up for delivery in 2019. Consequently, the rent growth rate is projected to slow down to 2.4% this year.

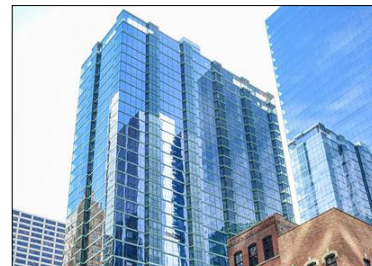
## Recent Chicago Transactions

ReNew Wheaton Center



City: Wheaton, Ill.  
Buyer: FPA Multifamily  
Purchase Price: \$131 MM  
Price per Unit: \$172,823

Linea



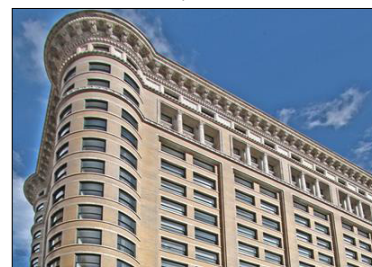
City: Chicago  
Buyer: Pacific Reach  
Purchase Price: \$121 MM  
Price per Unit: \$456,981

The Belden-Stratford



City: Chicago  
Buyer: Mansueto Properties  
Purchase Price: \$106 MM  
Price per Unit: \$356,902

Arc at Old Colony



City: Chicago  
Buyer: Deutsche Asset & Wealth Management  
Purchase Price: \$77 MM  
Price per Unit: \$560,584