



MULTIFAMILY REPORT

Chicago Outlines Recovery Path

Summer 2021

Rental Rates on Upward Trend

Transaction Activity on the Rebound

Deliveries Favor Lifestyle Segment

CHICAGO MULTIFAMILY



Gateway Markets Begin Recovery, Chicago Follows Suit

As Illinois nears the final steps in the state's reopening plan, the road to economic recovery is slowly gaining ground. As is the case with other hard-hit gateway markets, Chicago's rebound is gradually taking shape. Although faced with challenges through 2020, the metro's multifamily fundamentals have endured—as of April, rents were up 0.5% on a trailing three-month basis, to \$1,532, above the \$1,417 U.S. average.

In the 12 months ending in February, Chicago lost a combined 394,300 jobs, for an 8.4% contraction. As of March, unemployment stood at 7.1% in Illinois and 7.7% in metro Chicago, both behind the 6.0% U.S. rate. The \$1.9 trillion American Rescue Plan allocated an estimated \$7.5 billion in direct aid to Illinois and \$5.5 billion to local governments, including \$1.8 billion earmarked for the city of Chicago.

Chicago had 16,959 rental units under construction as of April, with 86% of those targeting high-income renters. In total, Yardi Matrix expects 7,855 units to come online across the metro this year, virtually on par with deliveries recorded in 2020. Meanwhile, investment sales were off to a solid start in 2021, with 22 assets totaling 4,760 units trading for \$522 million in the first quarter of the year.

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Contacts

Jeff Adler

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

Jack Kern

Director of Research
and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Ron Brock, Jr.

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

Author

Timea-Erika Papp

Senior Associate Editor

Recent Chicago Transactions

Circle Park



City: Chicago
Buyer: Related Cos.
Purchase Price: \$98 MM
Price per Unit: \$234,450

Windsor Lakes



City: Woodridge, Ill.
Buyer: Morgan Properties
Purchase Price: \$80 MM
Price per Unit: \$104,987

Aspen Ridge



City: West Chicago, Ill.
Buyer: RuMe Holdings
Purchase Price: \$28 MM
Price per Unit: \$111,249

Wing Park



City: Elgin, Ill.
Buyer: Cunat
Purchase Price: \$24 MM
Price per Unit: \$128,804