



MULTIFAMILY REPORT

Chicago's Second Wind

Summer 2021



Investment Bounces Back

Developers Target Urban Core

Lifestyle Rent Growth Accelerates

CHICAGO MULTIFAMILY



Picking Up the Pace

The Chicago multifamily market has begun its recovery, with rents up 1.6% on a trailing three-month (T3) basis to \$1,648 in July. Overall figures remain more than 9% higher than the national average of \$1,510. Reversing the trend from last year, Chicago's Lifestyle rents outperformed working-class Renter-by-Necessity rates, up 2.0% and 1.3%, respectively, on a T3 basis. This marks a reversal from 2020, when RBN growth largely remained flat, as upscale rents dropped in the wake of the health crisis.

The metro added 303,700 jobs during the 12 months ending in May, an overall gain of 7.3% year-over-year. More than one-third of this growth occurred in the leisure and hospitality sector, which has yet to recover to pre-pandemic levels. All but one employment sector reported gains, but an uptick in Chicago's unemployment rate to 9.2% in June—330 basis points above the national figure—underscores the metro's long road to recovery.

Although more than 16,000 units were under construction at the end of July, Chicago's development activity has slowed: Only seven multifamily projects had broken ground since January, and some 4,500 units are anticipated to deliver this year, a decline from the 7,969 units completed in 2020. Multifamily transactions through July totaled \$1.4 billion, an 11.5% increase compared to last year's overall activity, as investors overwhelmingly targeted RBN assets.

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Recent Chicago Transactions

McClurg Court Center



City: Chicago
Buyer: Trinity Property Consultants
Purchase Price: \$175 MM
Price per Unit: \$164,939

Glenmuir of Naperville



City: Naperville, Ill.
Buyer: Cantor Fitzgerald
Purchase Price: \$104 MM
Price per Unit: \$323,053

Riverstone



City: Bolingbrook, Ill.
Buyer: Alliant Capital
Purchase Price: \$94 MM
Price per Unit: \$118,504

Lakehaven



City: Carol Stream, Ill.
Buyer: Golub & Co.
Purchase Price: \$88 MM
Price per Unit: \$178,354