



## 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 Life-style 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.

## Market Analysis | Summer 2021

### Contacts

#### Jeff Adler

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

#### Jack Kern

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

#### Ron Brock, Jr.

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

### Author

#### Jeff Hamann

Senior Associate Editor

### 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