



## MULTIFAMILY REPORT

# Chicago Finds Its Footing

January 2022

PPU Declines

Deliveries Slow

Rent Gains Trail Nation





# CHICAGO MULTIFAMILY



## Small Steps Forward

While Chicago's multifamily market is showing positive signs, the metro's road to recovery will likely take some time. Rents averaged \$1,689 in November, though the metro's 0.5% rent growth, on a trailing three-month (T3) basis, places it significantly behind the national expansion of 1.0% during the same period. Working-class Renter-by-Necessity and Lifestyle rates grew by a respective 0.5% and 0.4%, to \$1,362 and \$2,315. Rising occupancy figures may place upward pressure on rents in the near term.

Chicago added nearly 117,000 jobs during the 12 months ending in September, for an overall gain of 2.7% year-over-year. Nearly every sector realized gains during this period, with the largest increases in leisure and hospitality (up 10.7% over the year) and professional and business services (4.1%). The metro's unemployment rate, at 5.4% in October, marked a drop following an upswing in June.

Transaction volume hit \$2.8 billion year-to-date through November, registering a 92% gain compared to 2020's total volume. Investors primarily targeted RBN assets, which accounted for more than two-thirds of the total. The metro's development activity has been somewhat muted; while nearly 16,500 units were under construction at the end of November, deliveries totaled 5,360 units year-to-date, far less than the deliveries recorded in any of the past five years.

## Market Analysis | January 2022

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### Recent Chicago Transactions

#### Dwell at Naperville



City: Naperville, Ill.  
Buyer: Inland Real Estate Group  
Purchase Price: \$122 MM  
Price per Unit: \$305,000

#### Birchwood on Sterling



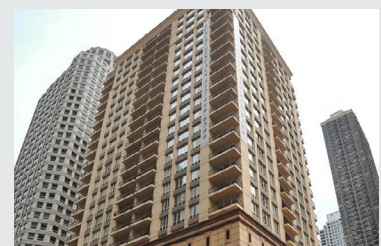
City: Palatine, Ill.  
Buyer: Albion Residential  
Purchase Price: \$108 MM  
Price per Unit: \$150,139

#### TGM Retreat at Danada



City: Wheaton, Ill.  
Buyer: TGM Associates  
Purchase Price: \$98 MM  
Price per Unit: \$332,203

#### The Bernardin



City: Chicago  
Buyer: Lincoln Property Co.  
Purchase Price: \$94 MM  
Price per Unit: \$550,956