



## MULTIFAMILY REPORT

# Chicago Market Slows

January 2023



**Construction Volume Dips**

**Demand Keeps Stable Pace**

**Rent Gains Decrease from Mid-2022**

# CHICAGO MULTIFAMILY



## Fundamentals Decelerate, Stabilize

Chicago's multifamily market followed national patterns, as inflation and other economic headwinds produced noticeable effects. The metro's rent growth recorded only a 0.1% uptick on a trailing three-month basis through November but also remained 20 basis points ahead of the national rate. The average rent reached \$1,816, \$97 above the U.S. average.

Economic improvements continued through the year, as the metro's unemployment rate clocked in at 4.4% in October, preliminary data from the Bureau of Labor Statistics shows. This was a 70-basis-point drop from January 2022, but still behind the 3.7% U.S. rate. Over a 12-month period ending in September, the metro's labor pool expanded by 4.4%—20 basis points higher than the national rate—representing an addition of 202,600 jobs across all sectors. The \$3.6 billion project to extend the Red Line in South Side Chicago received a funding boost. The city council approved a Transit Tax Increment Financing district, which is expected to fund \$959 million of the total cost.

Construction activity slowed down in 2022, with developers bringing 5,866 units online year-to-date through November—a 1.5% expansion of stock. This was a 15.3% drop from the same period in 2021 and 50 basis points below the U.S. rate of construction. Meanwhile, investor appetite remained high, as \$3 billion in multifamily sales was generated during this period.

## Market Analysis | January 2023

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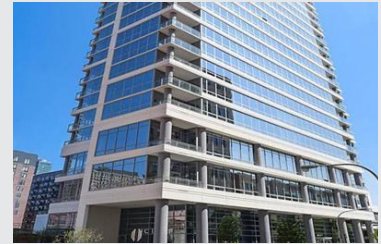
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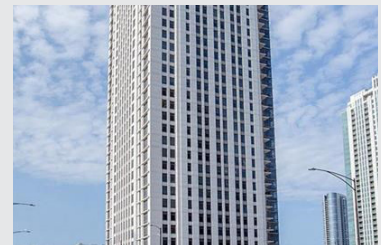
### Recent Chicago Transactions

#### The Elle



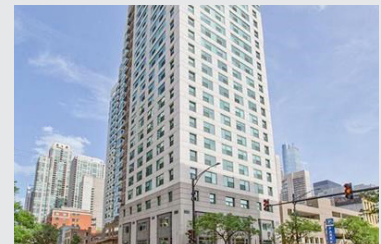
City: Chicago  
Buyer: Waterton  
Purchase Price: \$170 MM  
Price per Unit: \$342,742

#### Echelon Chicago



City: Chicago  
Buyer: Morguard North American Residential  
Purchase Price: \$133 MM  
Price per Unit: \$380,000

#### West77



City: Chicago  
Buyer: FPA Multifamily  
Purchase Price: \$89 MM  
Price per Unit: \$292,763

#### Reserve at Glenview



City: Glenview  
Buyer: Mesirow Financial  
Purchase Price: \$88 MM  
Price per Unit: \$366,736