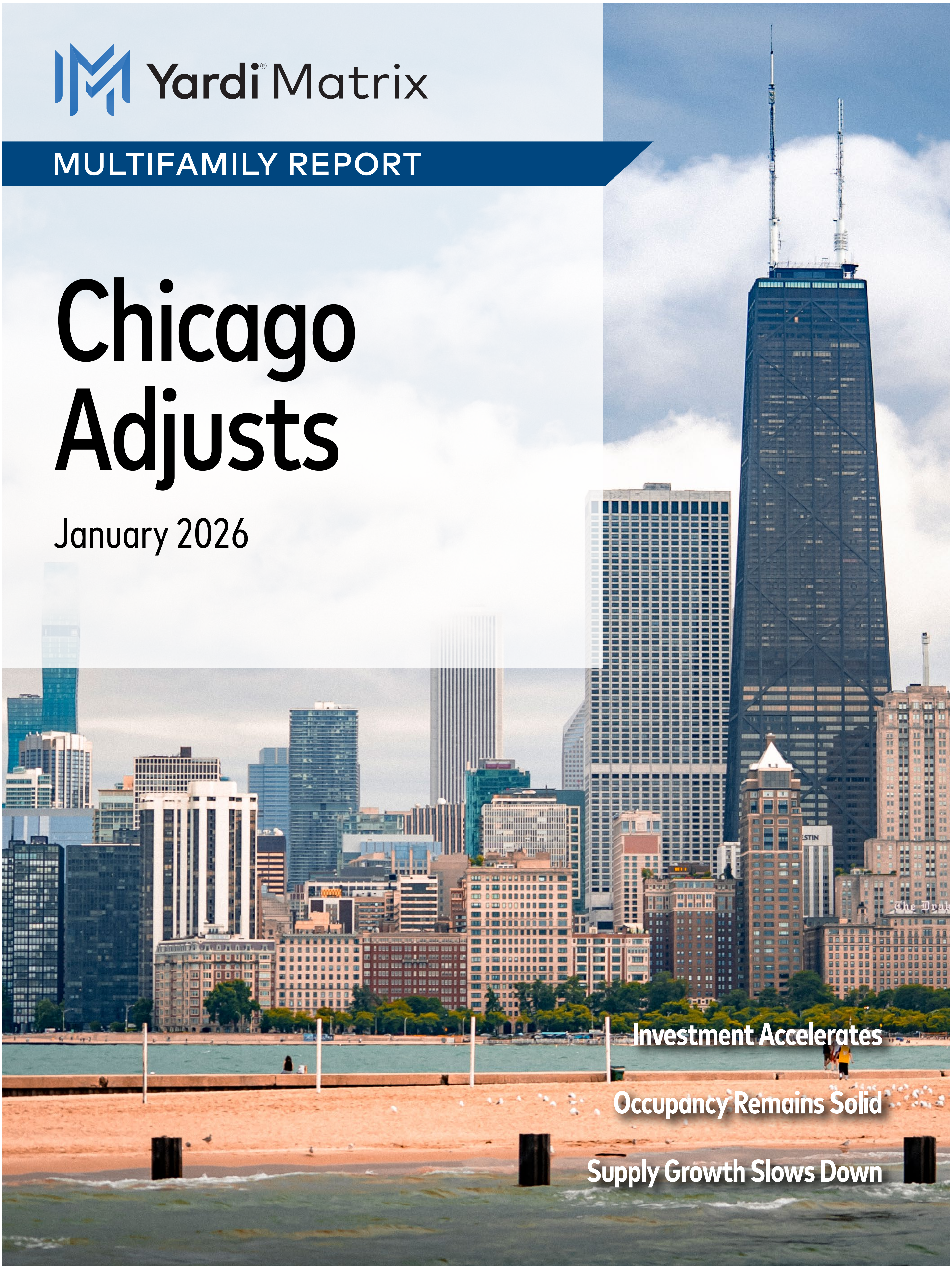
Yardi Matrix

MULTIFAMILY REPORT

# Chicago Adjusts

January 2026



Investment Accelerates

Occupancy Remains Solid

Supply Growth Slows Down

# CHICAGO MULTIFAMILY

Yardi Matrix

## Rents Slow Down, Occupancy Stays Strong

Chicago's average advertised asking rent slid 0.1%, on a trailing three-month basis through November 2025, to $2,037, 20 basis points above the U.S. figure. On a year-over-year basis, however, the metro's performance remained solid, with rates up 3.8%, behind only New York City among all major markets tracked by Yardi Matrix. Occupancy for stabilized assets was up 40 basis points year-over-year through October, to 96.3%—160 basis points ahead of the U.S. average and a solid indicator of the market's strength, considering more than 20,000 units were added in 2023 and 2024 combined.

Chicago's employment growth was 0.5% year-over-year through August, 30 basis points below the U.S. average. Unemployment clocked in at 4.2% in September—its lowest point over the previous 12 months, according to data from the Bureau of Labor Statistics. Chicago added 25,700 net jobs over the 12-month period ending in August. Education and health services led gains, with 18,100 jobs added. A $20 billion economic boost is expected to come from the development of the Illinois Quantum and Microelectronics Park, which broke ground in September.

A total of 3,838 units came online this year through November across the metro, 0.9% of existing stock and 190 basis points below the national rate. Meanwhile, transaction activity remained strong, with $3.1 billion in assets trading in 2025 through November.

### Market Analysis | January 2026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### Recent Chicago Transactions

Left Bank at K Station

City: Chicago
Buyer: Hines interests
Purchase Price: $151 MM
Price per Unit: $334,812

Fox Valley Villages

City: Aurora, Ill.
Buyer: Standard Real Estate Investments
Purchase Price: $93 MM
Price per Unit: $221,905

Aurora at Summerfield

City: Aurora, Ill.
Buyer: DRA Advisors
Purchase Price: $88 MM
Price per Unit: $239,432

The Annabelle

City: Chicago
Buyer: J&J Equities
Purchase Price: $8 MM
Price per Unit: $125,806

## RENT TRENDS

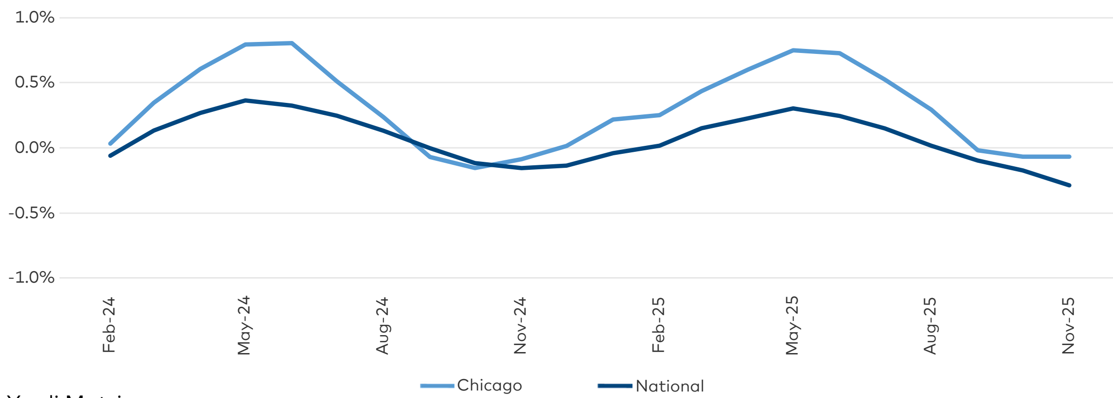
- Chicago's average advertised asking rent was down 0.1%, on a trailing three-month (T3) basis through November 2025, to $2,037. Meanwhile, the U.S. figure slid 0.3%, to $1740. The metro's rate had been ahead of the national average for the previous 11 months. Year-over-year, the average asking rate in Chicago was up 3.8% through November, placing the metro second among major markets, trailing only New York City (5.7%). The national year-over-year figure was 0.2%.

- Quality segments moved at different paces through November 2025. Advertised asking rents for upscale, Lifestyle assets ticked down 0.2%, to $2,632. Meanwhile, rents for working-class, Renter-by-Necessity properties remained flat for the third consecutive month, at $1,646.

- The metro's average overall occupancy in stabilized properties was up 40 basis points year-over-year, to 96.3% as of October, 160 basis points above the national average. RBN occupancy remained unchanged, at 96.3%. Despite most new construction taking shape in the upscale quality segment, its average occupancy increased 70 basis points year-over-year, to 96.2%.

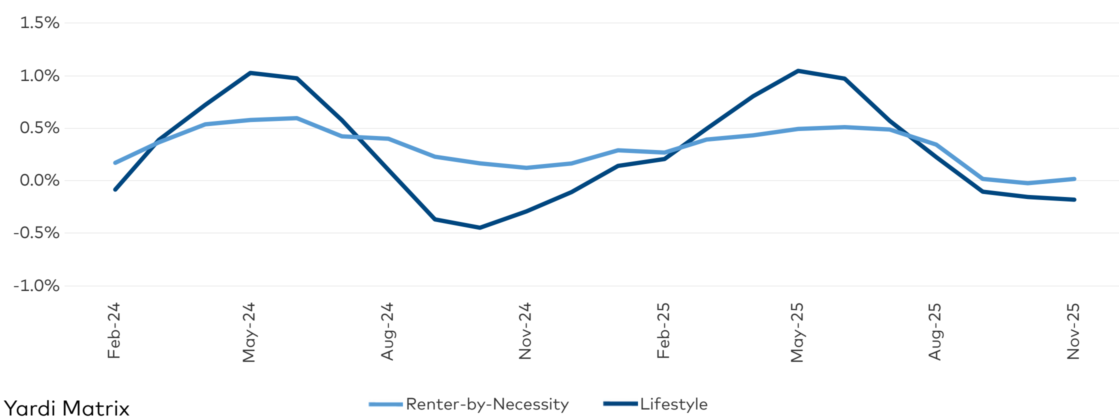
- Among the 104 Chicago submarkets tracked by Yardi Matrix, a few stood out with stronger year-over-year growth for advertised asking rents. The Near North Side remains the most expensive area, with rates up 5.5% through November, to $3,013. Loop (up 5.3% to $2,881) and the Near South Side (up 8.1% to $2,862) rounded out the top three.

**Chicago vs. National Rent Growth** (Trailing 3 Months)




Source: Yardi Matrix

**Chicago Rent Growth by Asset Class** (Trailing 3 Months)




Source: Yardi Matrix

## ECONOMIC SNAPSHOT

- Chicago employment growth was 0.5% year-over-year through August, 30 basis points below the U.S. rate and marking the third consecutive month at the same level. This was on the heels of a tepid 12 months for job growth, as the rate had not exceeded the 0.5% figure in this period.
- The area's unemployment rate stood at 4.2% as of September, 10 basis points below the U.S. figure, according to data from the BLS. This was the lowest point over the previous 12 months. Illinois' figure stood at 4.4%.
- Chicago added 25,700 net jobs over a 12-month period ending in August. Education and health services led with 18,100 positions added, followed by government (8,400) and leisure and hospitality (7,500). Still, the metro lost 20,500 jobs across three sectors, with trade, transportation and utilities recording the largest loss (-10,500).
- Developers broke ground on the Illinois Quantum and Microelectronics Park back in late September. Construction will take place at the former U.S. Steel South Works plant in Chicago's Far South Side. The facility, which will be anchored by PsiQuantum, is the largest concentration of quantum activity in North America. The project is expected to generate a $20 billion economic impact for the region, while creating thousands of jobs.

### Chicago Employment Share by Sector

| | | Current Employment | |
|---|---|---|---|
| Code | Employment Sector | (000) | % Share |
| 65 | Education and Health Services | 808.5 | 16.4% |
| 90 | Government | 563.4 | 11.4% |
| 70 | Leisure and Hospitality | 515.6 | 10.4% |
| 15 | Mining, Logging and Construction | 203 | 4.1% |
| 55 | Financial Activities | 326.3 | 6.6% |
| 50 | Information | 78.8 | 1.6% |
| 80 | Other Services | 201.6 | 4.1% |
| 30 | Manufacturing | 430.6 | 8.7% |
| 60 | Professional and Business Services | 832.4 | 16.9% |
| 40 | Trade, Transportation and Utilities | 977 | 19.8% |

Sources: Yardi Matrix, Bureau of Labor Statistics

## Population

- Chicago lost 40,756 residents, or 0.4% of its population, between 2021 and 2022. Meanwhile, the U.S. rate of expansion grew by 0.4%.
- The metro's population expanded by more than 100,000 residents in the last decade ending in 2022.

### Chicago vs. National Population

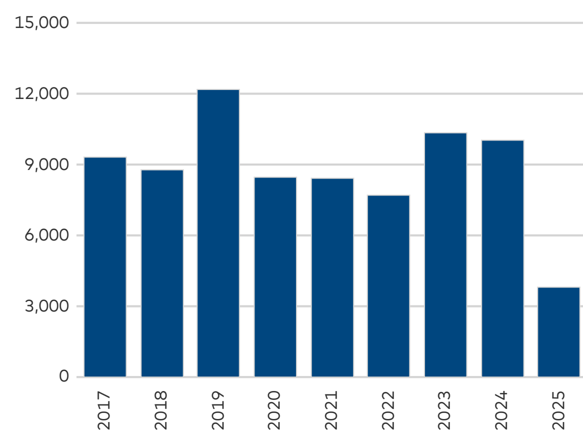
| | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| National | 324,697,795 | 326,569,308 | 329,725,481 | 331,097,593 |
| Chicago Metro | 9,508,605 | 9,478,801 | 9,607,711 | 9,566,955 |

Source: U.S. Census

## SUPPLY

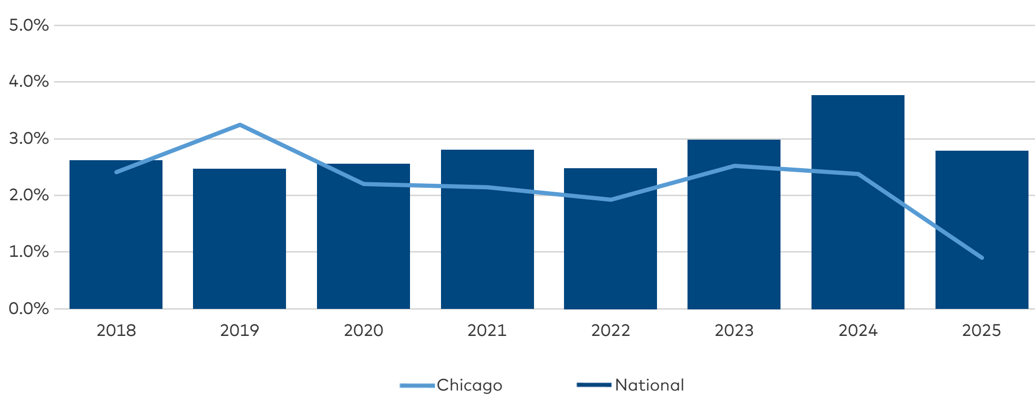
- Developers brought 3,838 units online in 2025 through November. This was 0.9% of existing stock and 190 basis points below the U.S. average. All but 10 of the 30 projects completed were Lifestyle, with units evenly distributed across urban and suburban areas. Activity slowed down, as the total number of completions was 53.4% less than the amount recorded in the same period in 2024. The previous two years combined saw the addition of more than 20,000 jobs to Chicago's inventory. Performance will likely remain at this level in the short term, as roughly 5,500 units are projected to come online in 2026, still below the 9,416-unit average of the past eight years.
- Chicago had 10,586 units under construction as of November, along with 84,000 in the planning and permitting stages. Nearly 90.0% of all units underway were in Lifestyle properties, while only about 8.9% were in fully affordable projects.
- After the previous five years' performance, the volume of construction starts returned closer to historic averages. Developers broke ground on 4,964 units across 26 properties in 2025 through November, relatively on par with the 4,225 units across 25 projects that started construction during the same period in 2024.
- Development was evenly split between urban and suburban submarkets. The Near North Side led the urban core with 1,091 units under construction, followed by the Near West Side (924 units). On the suburban side, McHenry–Round Lake led with 794 units.
- Related Cos. broke ground on 400 North Lake Shore Drive, the largest project underway in November. The 635-unit asset is slated for a January 2027 completion.

**Chicago Completions** (as of November 2025)




Source: Yardi Matrix

**Chicago vs. National Completions as a Percentage of Total Stock** (as of November 2025)




Source: Yardi Matrix

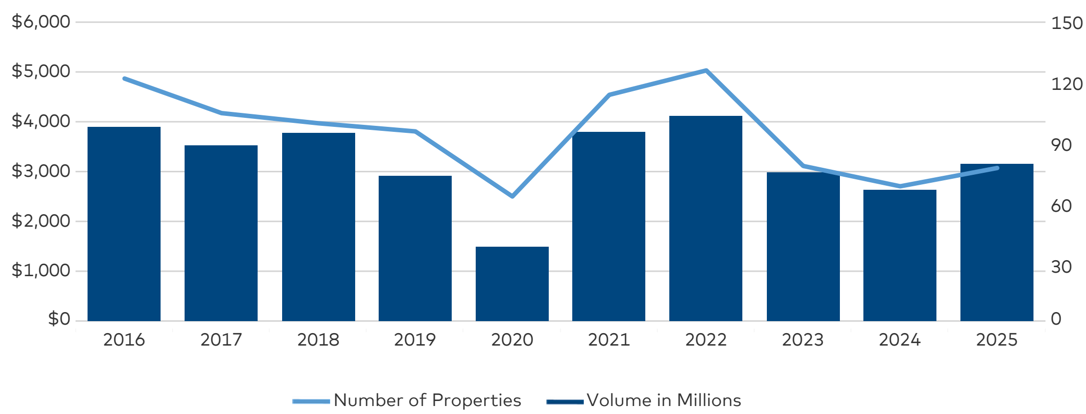
## TRANSACTIONS

- Chicago investors traded $3.1 billion in multifamily properties in 2025 through November. Activity picked up the pace and the volume surpassed both 2024 ($2.6 billion) and 2023 ($3 billion) totals. Still, it remained below the $3.5 billion 10-year average. Sales composition through November was heavily tilted toward Renter-by-Necessity assets, which accounted for 48 of 79 properties that changed hands—in line with historical trends across the metro.

- The average price per unit ticked up 7.6% from 2024's figure, to $232,161 in November 2025. Chicago multifamily prices remained above the U.S. average, which reached $206,794.

- Transaction activity was almost equally distributed between urban and suburban areas over a 12-month period ending in November 2025. Eight submarkets crossed the $100 million mark. The Near West Side led with $715 million, followed by Naperville–West ($361 million) and the Near North Side ($323 million).

**Chicago Sales Volume and Number of Properties Sold** (as of November 2025)




Source: Yardi Matrix

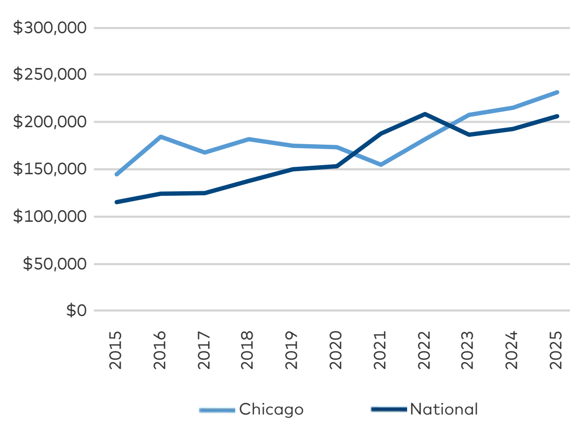
**Top Submarkets for Transaction Volume**[1]

| Submarket | Volume ($MM) |
|---|---|
| Near West Side | 715 |
| Naperville–West | 361 |
| Near North Side | 254 |
| Evanston–South | 148 |
| Loop | 122 |
| Lincoln Park | 114 |
| Hickory Hills | 100 |

Source: Yardi Matrix

[1] From December 2024 to November 2025

**Chicago vs. National Sales Price per Unit**




Source: Yardi Matrix

LISTICLE

## Top 10 Markets for Multifamily Transactions in H1 2025

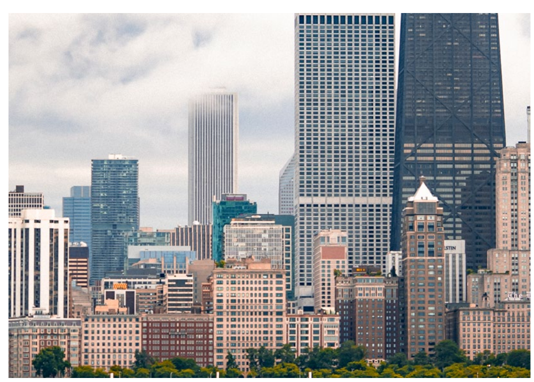
By Vicentiu Fusea

The U.S. multifamily market posted modest gains in early 2025 after a slow 2024, with improving investor confidence amid lower interest rates. National sales rose nearly 20% year-over-year to $35 billion, and the average price per unit climbed to $213,092, according to Yardi Matrix. The top 10 markets accounted for over one-third of total sales.

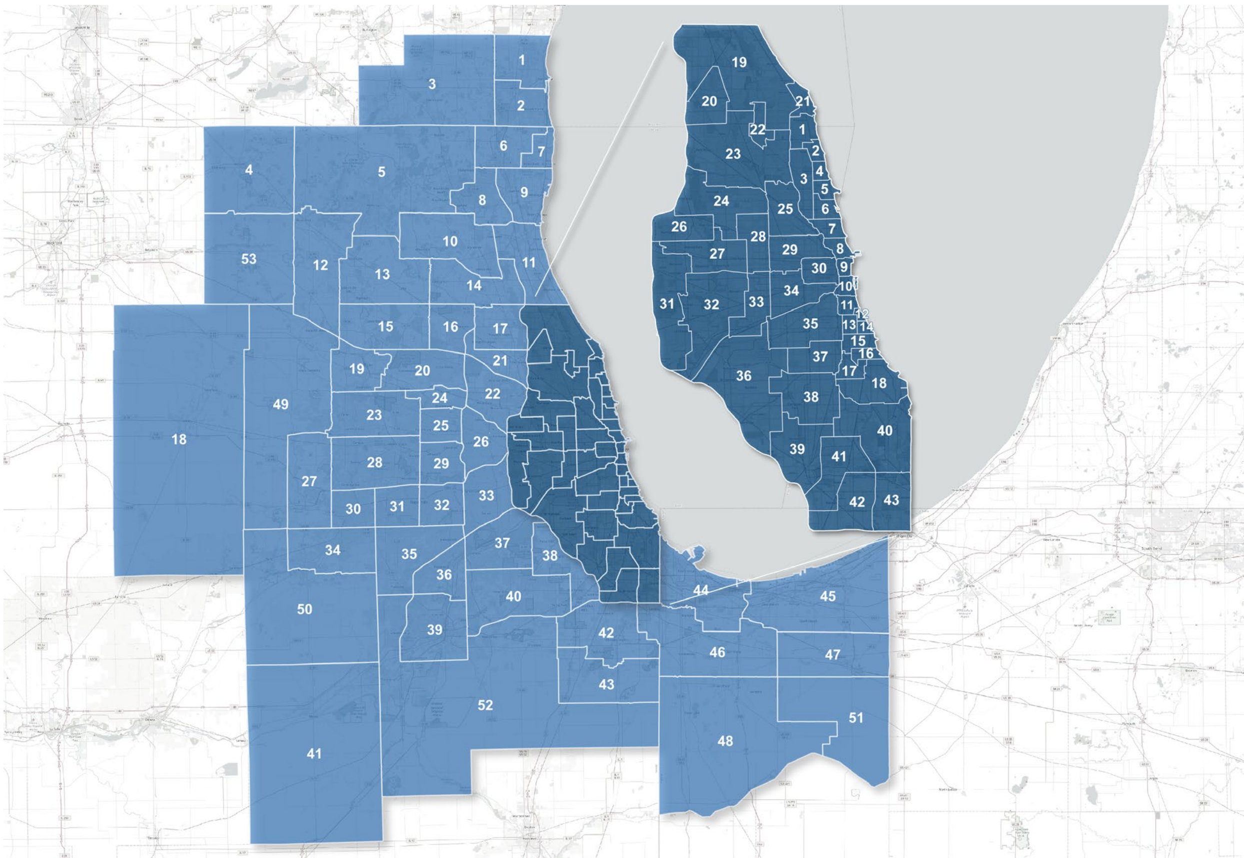
| Rank | Market | Sales Volume H1 2025 (Millions) | Sales Volume H1 2024 (Millions) | Properties Traded H1 2025 |
|---|---|---|---|---|
| 1 | Phoenix | $1,853 | $1,789 | 31 |
| 2 | Seattle | $1,776 | $602.0 | 23 |
| 3 | Atlanta | $1,657 | $1,491 | 44 |
| 4 | Dallas | $1,608 | $1,219 | 91 |
| 5 | Chicago | $1,362 | $785.3 | 39 |
| 6 | Denver | $1,170 | 25 | 19 |
| 7 | Los Angeles | $970.7 | $932.7 | 24 |
| 8 | Houston | $960.0 | $1,004 | 63 |
| 9 | Portland, Ore. | $644.8 | $295.2 | 23 |
| 10 | Kansas City, Mo. | $304.8 | $135.1 | 22 |

### CHICAGO

Chicago's multifamily investment totaled about $1.4 billion in the first half of 2025, with 39 properties (6,036 units) trading—nearly double the $785.3 million and 24 properties sold a year earlier. The average price per unit rose 20% year-over-year, from $209,741 to $251,732. Early in the year, Eastham Capital and Bender Cos. acquired the 550-unit Haven Hoffman Estates for $76 million, or $138,182 per unit—well below the market's first-half average.



## CHICAGO SUBMARKETS



| Area No. | Submarket |
|---|---|
| 1 | Kenosha–North |
| 2 | Kenosha–South |
| 3 | Bristol |
| 4 | Harvard |
| 5 | McHenry–Round Lake |
| 6 | Zion–West |
| 7 | Zion–East |
| 8 | Grayslake |
| 9 | Waukegan |
| 10 | Mundelein |
| 11 | Highland Park–Libertyville |
| 12 | Huntley–Woodstock |
| 13 | Crystal Lake |
| 14 | Buffalo Grove |
| 15 | Carpentersville |
| 16 | Palatine |
| 17 | Arlington Heights |
| 18 | DeKalb |
| 19 | Elgin |
| 20 | Schaumburg |
| 21 | Mt Prospect |
| 22 | Bensenville |
| 23 | St Charles |
| 24 | Roselle |
| 25 | Glendale Heights |
| 26 | Lombard |
| 27 | Elbum |

| Area No. | Submarket |
|---|---|
| 28 | Batavia |
| 29 | Wheaton |
| 30 | Aurora |
| 31 | Naperville–West |
| 32 | Naperville–East |
| 33 | Downers Grove |
| 34 | Yorkville |
| 35 | Bolingbrook |
| 36 | Romeoville |
| 37 | Hickory Hills |
| 38 | Palos Heights–Oak Forest |
| 39 | Joliet |
| 40 | Orland Park |
| 41 | Grundy |
| 42 | Chicago Heights–North |
| 43 | Chicago Heights–South |
| 44 | Gary–West |
| 45 | Gary–East |
| 46 | Gary–South |
| 47 | Valparaiso |
| 48 | Crown Point |
| 49 | Outlying Kane County |
| 50 | Outlying Kendall County |
| 51 | Outlying Porter County |
| 52 | Outlying Will County |
| 53 | Southern McHenry County |

| Area No. | Submarket |
|---|---|
| 1 | Evanston–South |
| 2 | Rogers Park |
| 3 | Lincoln Square |
| 4 | Edgewater |
| 5 | Uptown |
| 6 | Lake View |
| 7 | Lincoln Park |
| 8 | Near North Side |
| 9 | Loop |
| 10 | Near South Side |
| 11 | Douglas |
| 12 | Oakland |
| 13 | Grand Boulevard |
| 14 | Kenwood |
| 15 | Hyde Park |
| 16 | Woodlawn |
| 17 | Greater Grand Crossing |
| 18 | South Chicago |
| 19 | Wilmette–Northbrook |
| 20 | Des Plaines |
| 21 | Evanston–North |
| 22 | Skokie |

| Area No. | Submarket |
|---|---|
| 23 | North Park–Niles |
| 24 | Montclare |
| 25 | Irving Park–Logan Square |
| 26 | Northlake |
| 27 | Oak Park |
| 28 | Belmont Cragin–Austin |
| 29 | West Town–Garfield Park |
| 30 | Near West Side |
| 31 | Countryside–Westchester |
| 32 | Berwyn |
| 33 | Cicero |
| 34 | Lawndale |
| 35 | New City |
| 36 | Burbank–Oak Lawn |
| 37 | Englewood |
| 38 | Auburn Gresham |
| 39 | Blue Island |
| 40 | South Deering–Pullman |
| 41 | Riverdale |
| 42 | South Holland |
| 43 | Calumet City |

## DEFINITIONS

**Lifestyle households (renters by choice)** have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

**Renter-by-Necessity households** span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students,* who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households,* composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households,* which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

| Market Position | Improvements Ratings |
|---|---|
| Discretionary | A+ / A |
| High Mid-Range | A- / B+ |
| Low Mid-Range | B / B- |
| Workforce | C+ / C / C- / D |

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.