

Yardi® Matrix

# Silicon Prairie's Upswing

Multifamily Report Fall 2019

**Construction Activity Targets City Core**

**Rent Growth Outpaces National Average**

**High-Earning Employment Gains Accelerate**

# CHICAGO MULTIFAMILY

Yardi® Matrix

## Market Analysis

Fall 2019

### Contacts

**Paul Fiorilla**

Director of Research  
Paul.Fiorilla@Yardi.com  
(800) 866-1124 x5764

**Jack Kern**

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

### Author

**Adriana Pop**

Senior Associate Editor

## Thriving Market Has Room to Grow

The overall demand for multifamily housing in Chicago is strong, but the market's performance is bifurcated. A steady increase in high-paying jobs has boosted the number of households earning more than \$100,000, while the number of households earning less than \$100,000 has declined. As a result, Lifestyle units are performing better, with higher rent growth than Renter-by-Necessity units.

The metro's hiring pace intensified in the 12 months ending in July, marking a 1.4% year-over-year growth with the addition of 66,700 jobs. Leisure and hospitality led gains with 22,200 jobs, following record-breaking tourism activity in 2018, when nearly 58 million people visited Chicago. Education and health services gained 18,400 jobs, while professional and business services added 11,500 positions, strongly boosted by tech powerhouses such as Google, Facebook and Salesforce. Uber is also bringing its Freight headquarters to the old post office building, along with 2,000 jobs, in 2020.

Concerns over new property tax legislation have dampened transaction activity through September 2019, but Opportunity Zones are fortifying investor demand, especially on the South Side. More than 20,000 units were under construction in Chicago as of September, with three-quarters of those rising in urban areas. We predict healthy absorption and solid rent growth through 2020.

### Recent Chicago Transactions

Twin Lake Towers



City: Westmont, Ill.  
Buyer: F & F Realty  
Purchase Price: \$79 MM  
Price per Unit: \$197,995

The Residences at NewCity



City: Chicago, Ill.  
Buyer: Gelman Co.  
Purchase Price: \$75 MM  
Price per Unit: \$376,884

Prairie Winds of St. Charles



City: Saint Charles, Ill.  
Buyer: TLC Management  
Purchase Price: \$69 MM  
Price per Unit: \$276,000

Sunset Lake/Justice



City: Justice, Ill.  
Buyer: Turner Impact Capital  
Purchase Price: \$44 MM  
Price per Unit: \$111,675