



YoY
Chg

12-Mo.
Forecast

94.4%

Occupancy Rate



4,689

YTD Net Absorption, Units



\$1,934

Effective Rent, Per Unit



(Overall, All Property Classes)

Source: CoStar, Cushman & Wakefield Research

ECONOMIC INDICATORS Q2 2023

YoY
Chg

12-Mo.
Forecast

3.8M

Chicago
Employment

4.1%

Chicago
Unemployment Rate

0.5%

U.S. Household
Growth Rate

Source: BLS, Census Bureau

ECONOMIC OVERVIEW

Despite economic headwinds, the outlook for the Chicago region remains positive. The unemployment rate in Chicago dropped to 4.1% in Q2 2023, a decrease of 50 basis points (bps) year-over-year (YOY). Chicago's labor pool expanded with non-farm employment growing to 3.8 million individuals, an increase of 1.7% YOY. Wage growth continues to bring job seekers back into the labor market, up 3.5% in March of 2023. The number of households within Chicago's metro area recorded a net increase of 26,741 households, up 0.7% between 2020 and 2023. Over the same period, the City of Chicago added 9,578 households (+0.8%).

SUPPLY & DEMAND: Occupancy Remains Stable Amidst New Deliveries

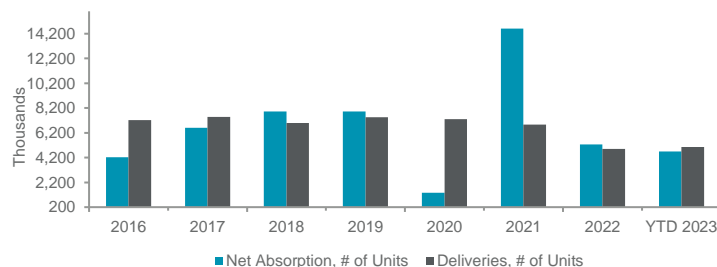
Chicago occupancy remains historically high despite significant deliveries, with the market being 94.4% occupied through mid-2023. Additionally, of the 16 submarkets, 13 maintained occupancy rates of 93.0% or higher. Northeast DuPage and Northwest Chicago recorded the largest increase in occupancy, up 2.3% YOY, and up 1.6% YOY, respectively. Net absorption remains positive and by mid-2023, there were 4,689 total units absorbed. Three submarkets: Downtown Chicago, North Lakefront and Naperville/Lisle Area, accounted for 67.0% of total units absorbed.

Annual apartment deliveries through mid-2023 totaled 5,058 units, up 82.8% YOY. Newly delivered space is primarily located in Downtown Chicago, especially within high demand submarkets such as West Loop/Fulton Market which delivered 1,467 units through mid-2023. The most significant delivery of the quarter was The Row in Fulton Market, where 2-bedroom rentals top out at nearly \$5,000 per unit. An additional 9,877 units were under construction at the end of Q2, up 4.1% from this time last year. The Downtown Chicago and North Lakefront submarkets accounted for 66.8% of the total units in development. Of the total 9,877 units currently under construction, 65.4% are expected to be delivered by mid-2024.

PRICING: Rent Growth Continues in 2023

By mid-2023, the average effective monthly rental rate reached an all time high of \$1,934 per unit, up 3.9% YOY. However, rent growth has moderated when compared to the dramatic spike following the pandemic. Submarkets with the largest rent growth were Des Plaines/Arlington Heights and Glen Ellyn to West Chicago, which increased 6.9% YOY, and 6.6% YOY, respectively. Effective rent concessions were 0.6% in Q2, which is a slight decline from the 0.8% recorded at this time last year.

SPACE DEMAND / DELIVERIES



OVERALL OCCUPANCY & EFFECTIVE RENT



Source: CoStar, Cushman & Wakefield Research

MARKETBEAT CHICAGO MSA

Multifamily Q2 2023



MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD% INVENTORY GROWTH	UNDER CONSTR (UNITS)	PROPOSED UNITS	YTD NET ABSORPTION (UNITS)	OCCUPANCY RATE	YOY% OCCUPANCY GROWTH	AVG EFFECTIVE RENT/UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
North Lakefront (Chicago)	48,268	1,203	2.6%	1,790	4,846	939	94.6%	-0.1%	\$2,077	\$3.04	4.9%
South Lakefront (Chicago)	21,737	99	0.5%	58	182	60	94.5%	0.0%	\$1,405	\$1.86	1.7%
Naperville/Lisle Area	19,743	0	0.0%	174	228	413	94.9%	-1.0%	\$1,797	\$1.97	5.1%
Des Plaines/Arlington Heights	16,543	0	0.0%	259	474	115	94.9%	-0.4%	\$1,770	\$1.99	6.9%
Far North Chicago	12,725	0	0.0%	78	140	34	95.2%	0.5%	\$1,223	\$1.87	2.8%
Northeast Lake County	10,894	0	0.0%	503	0	72	96.9%	0.0%	\$1,247	\$1.51	3.6%
North Lake County Indiana	6,819	53	0.8%	0	0	14	95.9%	-1.5%	\$1,120	\$1.27	4.6%
Southern Cook County	6,551	0	0.0%	0	0	-7	94.4%	-2.1%	\$1,404	\$1.72	5.0%
Northwest Chicago	5,995	258	1.9%	578	1,676	124	96.3%	1.6%	\$1,547	\$1.86	3.5%
Northeast DuPage	12,263	118	1.0%	548	1,305	125	95.4%	2.3%	\$2,016	\$2.17	3.0%
North Will County	9,665	429	4.6%	688	760	239	92.1%	-1.0%	\$1,698	\$1.88	1.3%
Kenosha	8,866	111	1.3%	61	3,820	246	95.8%	-1.5%	\$1,308	\$1.43	5.1%
Southwest Chicago	4,344	357	9.0%	168	235	302	92.4%	-3.6%	\$1,299	\$1.58	0.0%
Southwest Cook County	6,883	224	3.4%	79	64	204	93.4%	-0.9%	\$1,521	\$1.81	5.2%
Glen Ellyn to West Chicago	8,698	0	0.0%	86	0	18	95.6%	0.1%	\$1,673	\$1.88	6.6%
Chicago Loop/Grant Park	6,498	0	0.0%	1,598	100	68	93.6%	-0.7%	\$2,794	\$3.46	2.1%
West Loop/Fulton Market	12,857	1,467	12.9%	2,437	4,819	944	89.1%	-3.8%	\$2,810	\$3.57	4.4%
Lake Shore East/New East Side	6,068	0	0.0%	0	0	200	94.6%	-0.5%	\$2,759	\$3.49	0.8%
Little Italy	1,316	0	0.0%	222	511	14	94.9%	3.1%	\$1,830	\$2.40	2.7%
River North	9,662	0	0.0%	302	0	120	95.2%	0.6%	\$3,181	\$3.79	2.3%
River West	1,541	0	0.0%	0	700	4	94.5%	0.6%	\$2,677	\$3.31	3.5%
South Loop	9,661	739	5.7%	0	10,167	370	91.0%	-1.9%	\$2,505	\$3.07	2.4%
Streeterville	8,267	0	0.0%	248	500	74	95.9%	0.2%	\$3,068	\$3.56	5.5%
University Village	371	0	0.0%	0	0	-3	87.9%	1.1%	\$1,215	\$1.36	2.3%
DOWNTOWN CHICAGO TOTAL	56,241	2,206	3.7%	4,807	16,797	1,791	92.9%	-1.1%	\$2,815	\$3.45	3.1%
CHICAGO MSA TOTAL	256,235	5,058	1.8%	9,877	30,527	4,689	94.4%	-0.5%	\$1,934	\$2.39	3.9%

*Includes buildings with 50 units or greater
Source: CoStar, Cushman & Wakefield Research

MARKETBEAT CHICAGO MSA

Multifamily Q2 2023



KEY SALES TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	MARKET	SELLER / BUYER	MANAGEMENT CO.	UNITS	PRICE / \$ UNIT
Lake Meadows Apartments	South Lakefront	Overall MSA	Draper and Kramer / Atheus Capital	MAC - Lake Meadows	1,869	\$161M / \$86,142
340 East North Water Street	Streeterville	Downtown Chicago	Invesco / Crescent Heights	Crescent Heights	398	\$173M / \$434,673
6650 West Belden Avenue	Northwest Chicago	Overall MSA	Harmony Housing / Michaels Organization	Pacific Management	335	\$53.7M / \$160,236
210 North Wells Street	Chicago Loop	Downtown Chicago	Midwest Property Group / The Green Cities Co.	Greystar- Lake & Wells	329	\$98.0M / \$297,872
165 North Desplaines Street	West Loop	Downtown Chicago	The Green Cities Co. / Hines	Willowick Residential	199	\$72.6M / \$364,824
1025 Addison Street	North Lakefront	Overall MSA	UBS AG / Dinerstein Companies	RMK - Addison & Clark	148	\$62.9M / \$424,735
2373 East 70 th Street	South Lakefront	Overall MSA	Belveron / New City Property Management	Sandalwood – Shorewind	144	\$19.4M / \$134,902
9500 81 st Street	Kenosha	Overall MSA	Harmony Housing / The Michaels Organization	TMO – Prairie Villa	132	\$5.3M / \$40,445
7900 94 th Avenue	Kenosha	Overall MSA	Harmony Housing / The Michaels Organization	TMO - Prairie Ridge Senior	121	\$10.8M / \$89,993
5500 60 th Street	Kenosha	Overall MSA	Harmony Housing / The Michaels Organization	TMO - Kenosha Commons	100	\$11.6M / \$116,228

KEY CONSTRUCTION COMPLETIONS YTD 2023

PROPERTY	SUBMARKET	MARKET	UNITS	OWNER / DEVELOPER	MANAGEMENT CO.
234 West Polk Street	South Loop	Downtown Chicago	440	LendLease US Services Inc.	Bozzuto
160 North Elizabeth Street	Fulton Market	Downtown Chicago	375	Mocerì & Roszak / Clark Construction	Lincoln
354 North Union Avenue	West Loop	Downtown Chicago	373	Onni Group	Onni Group
13915 South Autumn Way	North Will County	Overall MSA	320	Ford Enterprises LP	Fiduciary
164 North Peoria Street	Fulton Market	Downtown Chicago	300	Related Midwest	Related Midwest
1400 South Wabash Avenue	South Loop	Downtown Chicago	299	CMK Companies	CMK Companies
513 Damen Avenue	Southwest Chicago	Overall MSA	279	Marquette Management / Power Construction	Marquette
4715 West Irving Park Road	Northwest Chicago	Overall MSA	258	Life Care Sciences / Ryan Companies	Life Care Services
8900 Archer Avenue	Southwest Cook County	Overall MSA	224	LYND / Apex Construction Group	LYND
166 North Aberdeen	Fulton Market	Downtown Chicago	223	Greystar / MCZ Development Corp.	Mid-America
4611 North Broadway Street	North Lakefront	Overall MSA	200	Palm Realty Co. / McHugh Construction Co.	JLL
808 North Cleveland Avenue	North Lakefront	Overall MSA	200	Common Living Inc. / DAC Development	Common Living Inc.

Source: CoStar, Cushman & Wakefield Research

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