

CHICAGO, ILLINOIS

NEIGHBORHOOD REVITALIZATION & NEW TRANSIT HASTEN LONG-TERM RECOVERY

Redevelopment projects and expansions to public transportation across the city highlight Chicago's long-term opportunities for apartment development despite the negative impacts of COVID-19 creating headwinds for the metro's multifamily market. Apartment demand diminished in 2020 due to the pandemic hindering the metro's typically robust economy. In response, apartment operators increased concessions and lowered effective rent to \$1,477, a drop of 4.7% annually through December. New apartment construction continued unabated, however, a testament to developers' belief in Chicago's long-term potential as a multifamily market. Builders brought nearly 8,300 units online in 2020, and the supply-side pressure caused occupancy to fall 80 basis points year over year to 94.3%. Effective rent is expected to soften this year, then rebound in 2022 when medical solutions to the virus become readily available to the public and social distancing restrictions are permanently lifted. The city is expected to soon begin work on a \$2.3 billion expansion to the Chicago Transit Authority (CTA) Red Line that will extend job opportunities to communities in the Far South Side. A \$2.1 billion retrofit of the Red and Purple Lines servicing the North Side communities is already underway. Thanks to the addition of major developments in public transportation and new developments like The Terminal, a 250,000-square-foot revitalization project currently underway, developers will continue to be bullish about building new apartments in the metro.



2021 MARKET AT A GLANCE



OCCUPANCY RATE

93.9%
Down 40 bps YOY



EFFECTIVE RENT

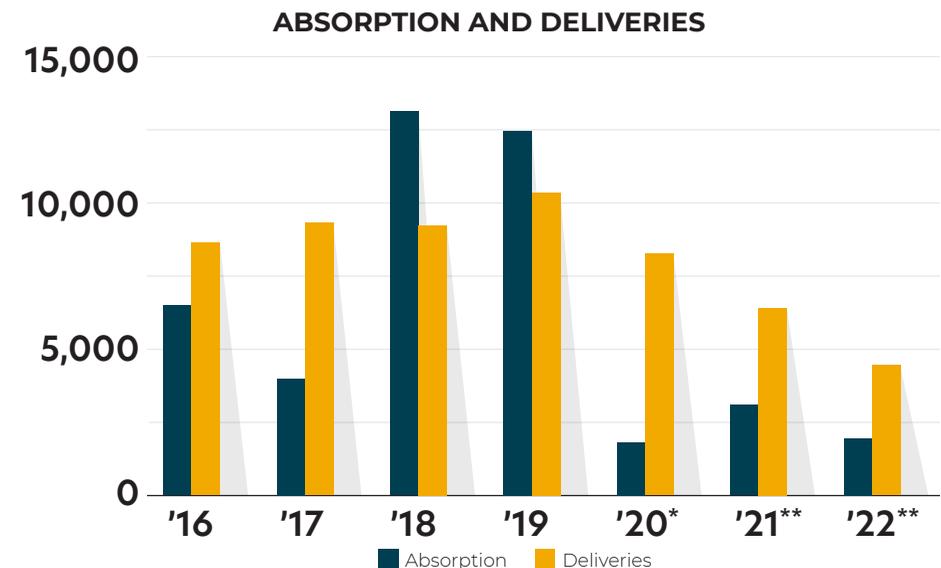
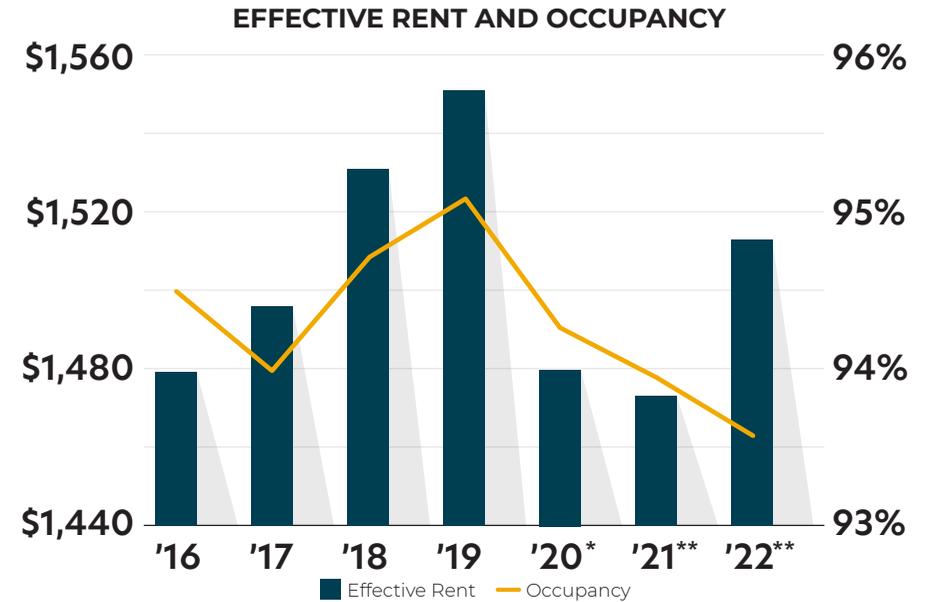
\$1,469
Down 0.5% YOY



RENT SHARE OF WALLET

23.5%
Down 40 bps YOY

MARKET TRENDS



Data and images pertaining to employment, income, permits, population, rents, single-family housing, and occupancy are year-end figures. Absorption, construction, and apartment sales figures are full-year totals. *Numbers for 2020 are projected values; **2021/2022 figures are forecast projections. Apartment market data criteria and methodologies vary by market.

EMPLOYMENT TRENDS



2019	YOY CHANGE	2020*	YOY CHANGE	2021**
4,821,400	-8.3%	4,419,800	2.2%	4,518,600

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.3%	850 BPS	10.8%	-240 BPS	8.4%

2019	YOY CHANGE	2020	YOY CHANGE	2021
9,437,700	0.1%	9,447,100	0.1%	9,452,300

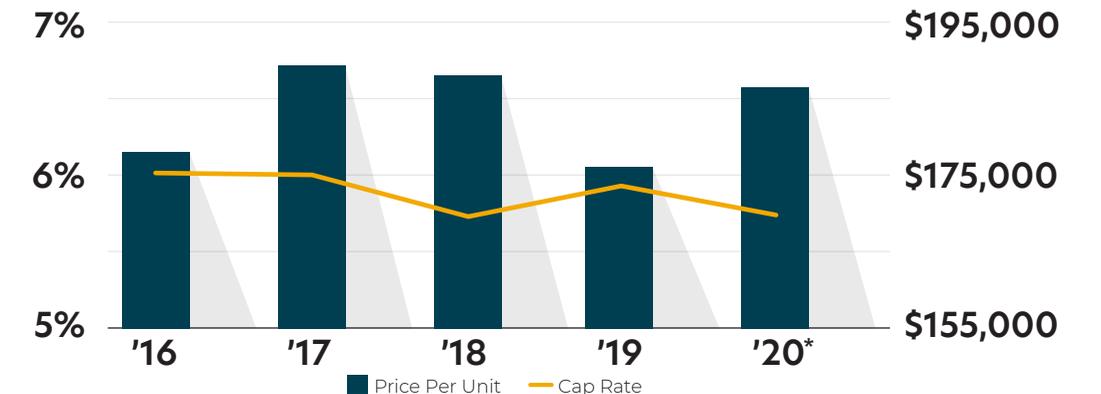
2019	YOY CHANGE	2020	YOY CHANGE	2021
3,685,600	0.5%	3,702,200	0.2%	3,711,200

2019	YOY CHANGE	2020	YOY CHANGE	2021
\$75,622	-1.8%	\$74,248	1.2%	\$75,160

SALES TRENDS

2019	YOY CHANGE	2020*
\$175,767	5.9%	\$186,222

2019	YOY CHANGE	2020
5.9%	-20 BPS	5.7%



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