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● Multi-Family

# Aurora/Naperville

 Chicago

 Midwestern Region

 United States

# Aurora/Naperville

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# Aurora/Naperville

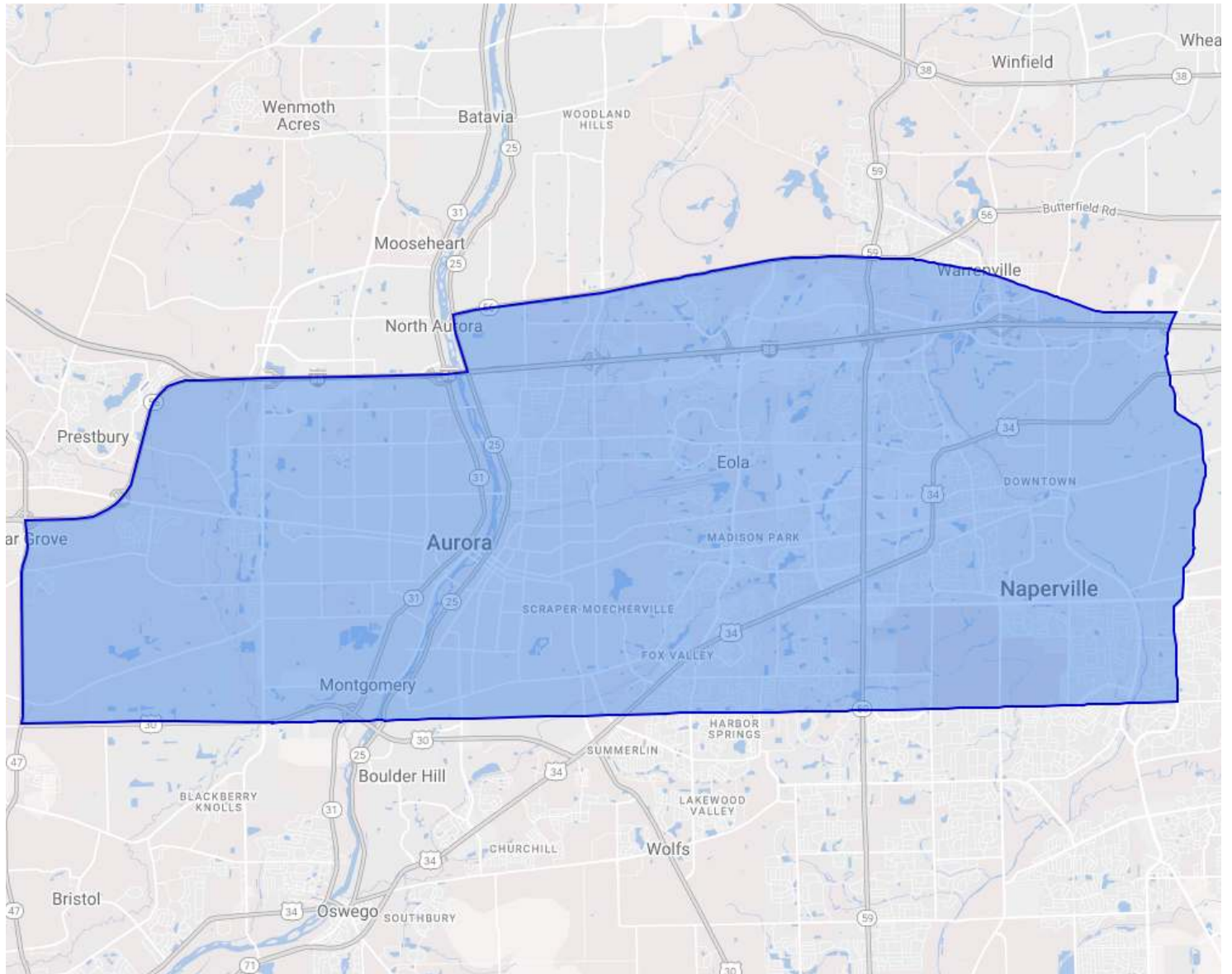
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# Aurora/Naperville

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# I. MAP



● Multi-Family

## Aurora/Naperville



## II. EXECUTIVE BRIEFING

### August 2024

#### Aug 2024 Asking Rent per Unit

Aurora/Naperville

**\$1,848**

↑ UP 0.2% from Q1 2024

#### Aug 2024 Vacancy Rate

Aurora/Naperville

**4.8%**

↑ UP 10 bps from Q1 2024

- Rent in the Aurora/Naperville submarket was up 0.2% from July.
- Rent is expected to finish 2024 at \$1,854 in the Aurora/Naperville submarket.

- Vacancy in the Aurora/Naperville submarket drifted upward by 10 basis points.
- Vacancy is expected to finish 2024 at 4.7% in the Aurora/Naperville submarket.

### Submarket Overview

The Aurora/Naperville submarket, one of twenty-five distinct geographic concentrations within Chicago, contains 22,901 market rate rental units, or 4.3% of the metro's total inventory of market rate rental apartments. In the ten-year period beginning with Q3 2014, new additions to the submarket totaled 2,492 units, amounting to an annualized inventory growth rate of 1.2%; over the same period, the metro growth rate has been 1.5%.

### Asking and Effective Rent

During August, asking rents reclaimed all of July's decrease, advancing by 0.2% to \$1,848. Mean unit prices in the submarket are as follows: studios \$1,490, one bedrooms \$1,636, two bedrooms \$1,979, and three bedrooms \$2,573. This asking rent level represents a 0.1% tick upward from the same reporting period one year ago. The Aurora/Naperville submarket's August asking rent levels are lower than the metro's average of \$1,855, while asking rent growth in August compares favorably to the metro average of 0.1%. Effective rents, which exclude the value of concessions offered to prospective tenants, advanced by 0.1% during August to an average of \$1,756.

## Competitive Inventory, Household Formations, Absorption

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Net new household formations in Chicago were 720 during the second quarter. Of course, not all newly formed households immediately become apartment renters, but an analysis of longer-term economic and demographic trends can be useful in understanding the current quarter's level of demand. Since the beginning of Q3 2014, household formations in Chicago have averaged 0.1% per year, representing the average annual addition of 3,400 households. Over the same time period, the metro experienced an average annual absorption rate of 5,995 units. Although metropolitan absorption totaled 94 units during August, the Aurora/Naperville submarket did not contribute to this demand; in fact, tenant outmigration returned a net total of 21 units to the available stock. This is the second consecutive month during which this submarket recorded modestly negative absorption. Over the last 12 months, submarket absorption totaled 71 units, 64.0% lower than the average annual absorption rate of 197 units recorded since the beginning of Q3 2014. The submarket's average vacancy rate drifted upward by 10 basis points during August to 4.8%, which is 0.8 percentage points higher than the long-term average, but 0.6 percentage points lower than the current metro average.

## Outlook

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Reis's new construction observation team reports that no more competitive apartment stock will be introduced to the submarket this year, and net total absorption will be slightly positive. Consequently, the vacancy rate will drift downward by 0.1 percentage points to 4.7%. During 2025 and 2026, developers are expected to deliver a total of 521 units of market rate rental apartments to the submarket amounting to 5.7% of the new construction introduced to Chicago. Net new household formations at the metro level during 2025 and 2026 are projected to be essentially flat, but over the same period positive absorption will average 5,050 units per year. The Aurora/Naperville submarket will capture 5.5% of this absorption. The submarket vacancy rate will finish 2025 at 4.8% and will decline 0.3 percentage points to 4.5% by year end 2026. Between now and year-end 2024 asking rents are expected to climb 0.3% to a level of \$1,854, while effective rents will rise by 0.5% to \$1,766. Thereafter, Reis projects that asking rent growth will accelerate to an annualized average of 1.6% during 2025 and 2026 to reach a level of \$1,915 per unit. Effective rents are anticipated to advance at the more modest rate of 1.2%, as landlords sweeten the concessions packages offered to new tenants.

## III. OVERVIEW

### Key Performance Indicators

#### Q2 2024 Effective Rent per Unit

Aurora/Naperville

**\$1,759**

↑ **UP** 0.7% from Q1 2024

#### Q2 2024 Vacancy Rate

Aurora/Naperville

**4.7%**

↓ **DOWN** 40 bps from Q1 2024

#### Q2 2024 Household Income Growth

Chicago

**0.9%**

↓ **LOWER THAN** 0.9% nationwide

#### Q2 2024 Job Growth

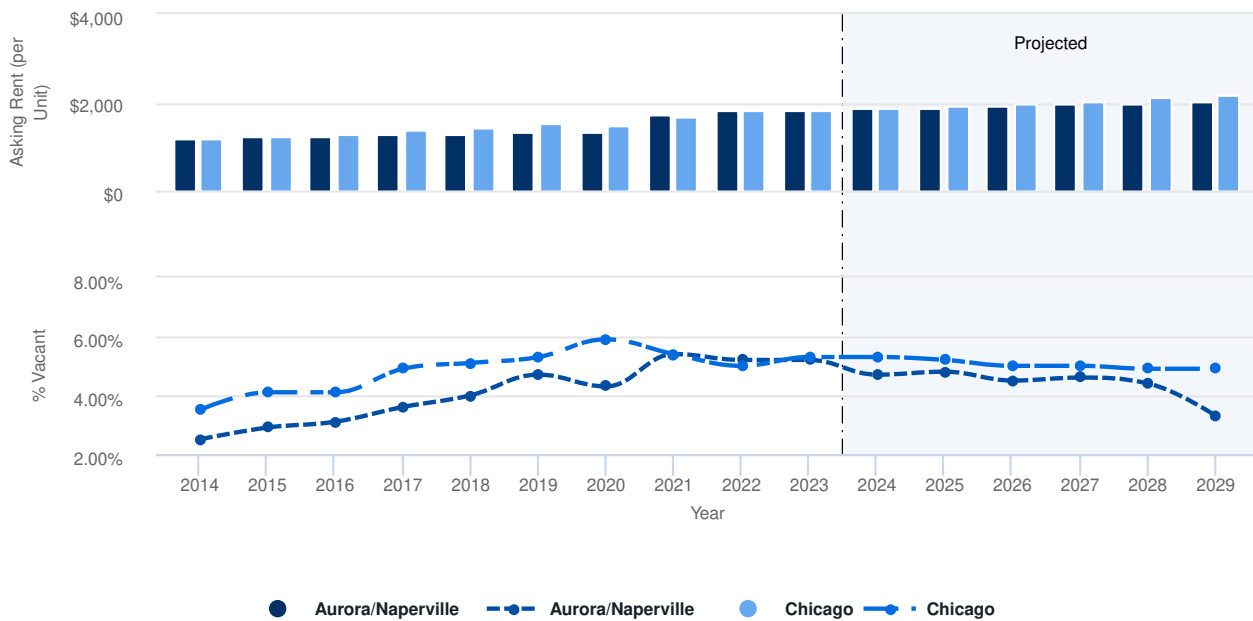
Chicago

**0.3%**

↓ **LOWER THAN** 0.4% nationwide



## Asking Rent and Vacancy Trends: Overview

[View Full Table in Appendix](#)

Year	Aurora/Naperville		Chicago	
	Asking Rent per Unit	Vacancy %	Asking Rent per Unit	Vacancy %
2024	\$1,854	4.7%	\$1,870	5.3%
2025	\$1,875	4.8%	\$1,922	5.2%
2026	\$1,915	4.5%	\$1,983	5.0%
2027	\$1,954	4.6%	\$2,042	5.0%
2028	\$1,994	4.4%	\$2,107	4.9%
2029	\$2,039	3.3%	\$2,170	4.9%

## Submarket Performance

Year	Quarter	Asking Rent per Unit	Asking Rent % Change	Effective Rent per Unit	Effective Rent % Change	% Vacant Change in BPS
2021	Q1	\$1,346	1.5%	\$1,280	1.8%	120 bps
2021	Q2	\$1,380	2.5%	\$1,313	2.6%	0 bps
2021	Q3	\$1,652	19.7%	\$1,573	19.8%	-10 bps
2021	Q4	\$1,714	3.7%	\$1,633	3.8%	0 bps
2021	Y	\$1,714	29.3%	\$1,633	29.9%	110 bps
2022	Q1	\$1,712	-0.1%	\$1,636	0.1%	-30 bps
2022	Q2	\$1,774	3.6%	\$1,697	3.7%	-10 bps

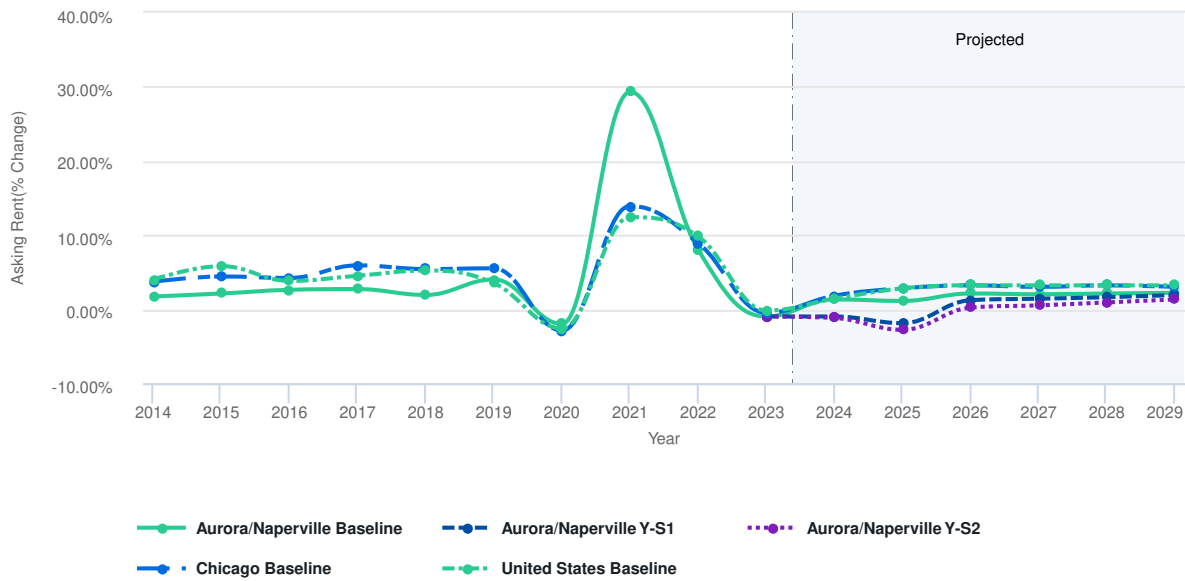
## Submarket Performance (cont.)

Year	Quarter	Asking Rent per Unit	Asking Rent % Change	Effective Rent per Unit	Effective Rent % Change	% Vacant Change in BPS
2022	Q3	\$1,802	1.6%	\$1,728	1.8%	-20 bps
2022	Q4	\$1,850	2.7%	\$1,775	2.8%	40 bps
2022	Y	\$1,850	8.0%	\$1,775	8.7%	-20 bps
2023	Q1	\$1,838	-0.7%	\$1,763	-0.7%	50 bps
2023	Q2	\$1,841	0.2%	\$1,771	0.5%	-50 bps
2023	Q3	\$1,846	0.3%	\$1,769	-0.1%	-30 bps
2023	Q4	\$1,831	-0.8%	\$1,741	-1.6%	30 bps
2023	Y	\$1,831	-1.0%	\$1,741	-1.9%	0 bps
2024	Q1	\$1,838	0.4%	\$1,747	0.3%	-10 bps
2024	Q2	\$1,847	0.5%	\$1,759	0.7%	-40 bps
2024	Y	\$1,854	1.3%	\$1,766	1.4%	-50 bps

## Submarket Inventory

Year	Quarter	Inventory per Unit	Completions per Unit	Inventory % Growth	Vacant Stock In Units	Occupied Stock In Units	Net Absorption In Units
2021	Q1	21,699	364	1.7%	1,195	20,504	82
2021	Q2	21,811	112	0.5%	1,202	20,609	105
2021	Q3	22,070	259	1.2%	1,189	20,881	272
2021	Q4	22,070	0	0.0%	1,189	20,881	0
2021	Y	22,070	735	3.4%	1,189	20,881	459
2022	Q1	22,070	0	0.0%	1,136	20,934	53
2022	Q2	22,070	0	0.0%	1,101	20,969	35
2022	Q3	22,070	0	0.0%	1,050	21,020	51
2022	Q4	22,312	242	1.1%	1,156	21,156	136
2022	Y	22,312	242	1.1%	1,156	21,156	275
2023	Q1	22,597	285	1.3%	1,280	21,317	161
2023	Q2	22,901	304	1.3%	1,188	21,713	396
2023	Q3	22,901	0	0.0%	1,130	21,771	58
2023	Q4	22,901	0	0.0%	1,197	21,704	-67
2023	Y	22,901	589	2.6%	1,197	21,704	548
2024	Q1	22,901	0	0.0%	1,179	21,722	18
2024	Q2	22,901	0	0.0%	1,079	21,822	100

## Scenarios: Asking Rent

[View Full Table in Appendix](#)

1: Y-S1 is Moody's Analytics CRE "downside scenario 1". That corresponds to, and is consistent with, Moody's Analytics "Downside - 90th Percentile (S3)".

2: Y-S2 is Moody's Analytics CRE "downside scenario 2". That corresponds to, and is consistent with, Moody's Analytics "Downside - 96th Percentile (S4)".

Year	Aurora/Naperville			Chicago	United States
	Asking Rent - % Change	Asking Rent - Y-S1 (% Change) <sup>1</sup>	Asking Rent - Y-S2 (% Change) <sup>2</sup>	Asking Rent - % Change	Asking Rent - % Change
2024	1.3%	-1.0%	-1.2%	1.8%	1.4%
2025	1.1%	-1.9%	-2.8%	2.8%	2.8%
2026	2.1%	1.2%	0.2%	3.2%	3.2%
2027	2.0%	1.4%	0.5%	3.0%	3.2%
2028	2.1%	1.6%	0.9%	3.2%	3.2%
2029	2.2%	1.9%	1.3%	3.0%	3.2%

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2: Y-S2 is Moody's Analytics CRE "downside scenario 2". That corresponds to, and is consistent with, Moody's Analytics "Downside - 96th Percentile (S4)".

Scenarios: Inventory

[View Full Table in Appendix](#)



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2: Y-S2 is Moody's Analytics CRE "downside scenario 2". That corresponds to, and is consistent with, Moody's Analytics "Downside - 96th Percentile (S4)".

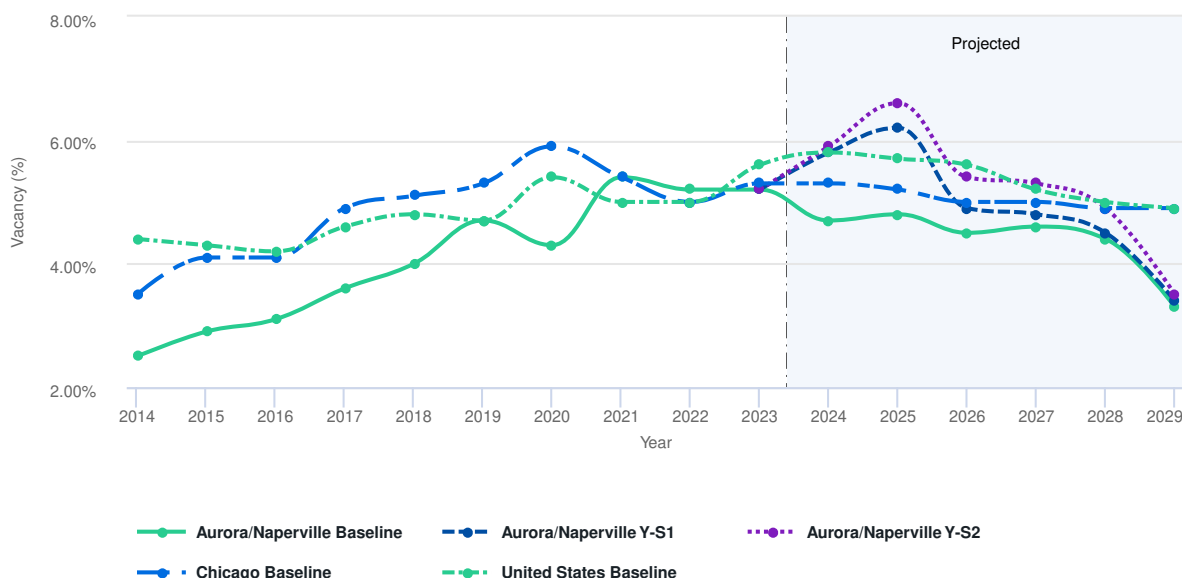
Year	Aurora/Naperville			Chicago	United States
	Inventory - % Change	Inventory - Y-S1 (% Change) <sup>1</sup>	Inventory - Y-S2 (% Change) <sup>2</sup>	Inventory - % Change	Inventory - % Change
2024	0.0%	0.0%	0.0%	0.9%	2.1%
2025	2.3%	2.1%	2.0%	1.3%	1.8%
2026	0.0%	0.0%	0.0%	0.4%	1.5%
2027	0.7%	0.6%	0.6%	0.6%	1.0%
2028	0.7%	0.7%	0.6%	0.6%	0.9%
2029	0.0%	0.0%	0.0%	0.5%	0.9%

1: Y-S1 is Moody's Analytics CRE "downside scenario 1". That corresponds to, and is consistent with, Moody's Analytics "Downside - 90th Percentile (S3)".

2: Y-S2 is Moody's Analytics CRE "downside scenario 2". That corresponds to, and is consistent with, Moody's Analytics "Downside - 96th Percentile (S4)".

Scenarios: Vacancy

[View Full Table in Appendix](#)



1: Y-S1 is Moody's Analytics CRE "downside scenario 1". That corresponds to, and is consistent with, Moody's Analytics "Downside - 90th Percentile (S3)".

2: Y-S2 is Moody's Analytics CRE "downside scenario 2". That corresponds to, and is consistent with, Moody's Analytics "Downside - 96th Percentile (S4)".

Year	Aurora/Naperville			Chicago	United States
	Vacancy - % Change	Vacancy - Y-S1 (% Change) <sup>1</sup>	Vacancy - Y-S2 (% Change) <sup>2</sup>	Vacancy - % Change	Vacancy - % Change
2024	4.7%	5.8%	5.9%	5.3%	5.8%
2025	4.8%	6.2%	6.6%	5.2%	5.7%
2026	4.5%	4.9%	5.4%	5.0%	5.6%
2027	4.6%	4.8%	5.3%	5.0%	5.2%
2028	4.4%	4.5%	4.9%	4.9%	5.0%
2029	3.3%	3.4%	3.5%	4.9%	4.9%

1: Y-S1 is Moody's Analytics CRE "downside scenario 1". That corresponds to, and is consistent with, Moody's Analytics "Downside - 90th Percentile (S3)".

2: Y-S2 is Moody's Analytics CRE "downside scenario 2". That corresponds to, and is consistent with, Moody's Analytics "Downside - 96th Percentile (S4)".

Annualized Construction and Absorption: Historical 1 Year and 3 Year

	1 YEAR HISTORY			3 YEAR HISTORY		
	Units Built Ending 06/30/2024	Units Absorbed Ending 06/30/2024	Cons/Abs Ratio Ending 06/30/2024	Units Built Ending 06/30/2024	Units Absorbed Ending 06/30/2024	Cons/Abs Ratio Ending 06/30/2024
Aurora/Naperville	589	548	1.1	522	427	1.2
Chicago	7,451	5,302	1.4	6,214	6,932	0.9
Midwestern Region	32,599	23,209	1.4	30,288	29,022	1.0



## Annualized Construction and Absorption: Historical 5 Year and Forecasted

	5 YEAR HISTORY			5 YEAR FORECAST		
	Units Built Ending 06/30/2024	Units Absorbed Ending 06/30/2024	Cons/Abs Ratio Ending 06/30/2024	Units Built Ending 12/31/2028	Units Absorbed Ending 12/31/2028	Cons/Abs Ratio Ending 12/31/2028
Aurora/Naperville	369	299	1.2	172	204	0.8
Chicago	7,027	6,550	1.1	4,134	4,333	1.0
Midwestern Region	30,788	28,829	1.1	29,465	29,051	1.0

## Quarterly Construction and Absorption: Current and Previous Quarters

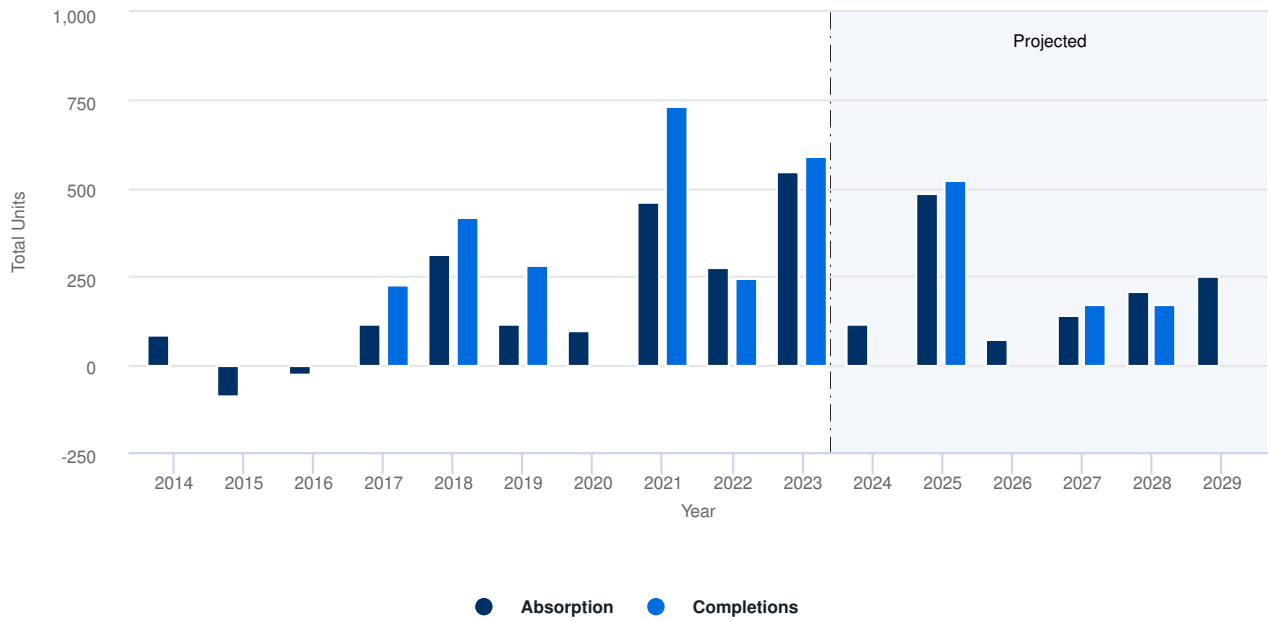
	Q2 2024			Q1 2024		
	Units Built Ending 06/30/2024	Units Absorbed Ending 06/30/2024	Cons/Abs Ratio Ending 06/30/2024	Units Built Ending 03/31/2024	Units Absorbed Ending 03/31/2024	Cons/Abs Ratio Ending 03/31/2024
Aurora/Naperville	0	100	0.0	0	18	0.0
Chicago	2,064	1,828	1.1	1,334	1,862	0.7
Midwestern Region	10,608	8,524	1.2	7,375	6,870	1.1

## Quarterly Construction and Absorption: YTD

	YTD AVG		
	Units Built Ending 06/30/2024	Units Absorbed Ending 06/30/2024	Cons/Abs Ratio Ending 06/30/2024
Aurora/Naperville	0	59	0.0
Chicago	1,699	1,845	0.9
Midwestern Region	8,991	7,697	1.2

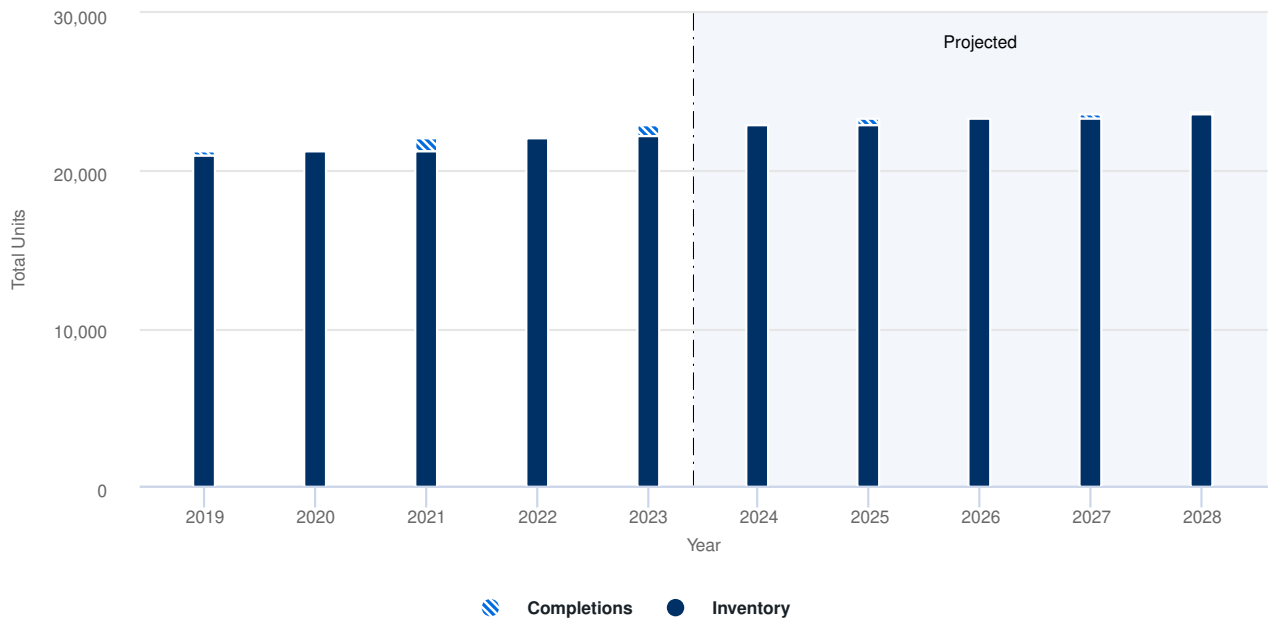
### Absorption Trends

[View Full Table in Appendix](#)



### New Construction Trends By Year

[View Full Table in Appendix](#)



## IV. PERFORMANCE

### Performance by Vintage (as of 8/2024)

Year Built	Asking Rent per Unit	Vacancy Rate (%)	Inventory (%)
Before 1970	\$1,118	0.8%	7.0%
1970-1979	\$1,393	3.8%	6.0%
1980-1989	\$1,878	4.6%	38.0%
1990-1999	\$2,196	5.0%	25.0%
2000-2009	\$2,060	3.1%	11.0%
2010-2019	\$2,663	6.5%	4.0%
After 2019	\$2,535	9.6%	10.0%
All Years	\$1,848	4.8%	100.0%

### Multi-Family Unit Mix (as of 8/2024)

	Inventory %	Avg. Unit Size in SF	Asking Rent per Unit	Asking Rent per SF	Q2 2024	Q1 2024	YTD	1 Year Annualized 12/31/2023	3 Year Annualized 12/31/2023	5 Year Annualized 12/31/2023
<b>STUDIO</b>										
Aurora/Naperville	2.6%	555	\$1,490	\$2.68	6.7%	-2.6%	3.9%	-1.4%	10.4%	8.3%
Chicago	11.6%	502	\$1,477	\$2.94	6.0%	0.4%	6.6%	-1.4%	5.8%	0.4%
Midwestern Region	5.9%	571	\$1,240	\$2.17	4.3%	-1.1%	3.4%	-0.4%	5.6%	1.6%
United States	5.8%	571	\$1,632	\$2.86	-0.2%	-0.1%	0.0%	-0.5%	6.5%	3.0%
<b>1 BEDROOM</b>										
Aurora/Naperville	43.3%	772	\$1,636	\$2.12	0.7%	0.4%	1.1%	-0.4%	11.6%	6.9%
Chicago	47.7%	741	\$1,652	\$2.23	3.2%	-0.3%	3.1%	-2.2%	6.7%	4.7%
Midwestern Region	42.9%	805	\$1,250	\$1.55	1.8%	-0.2%	1.8%	-1.6%	5.7%	4.3%
United States	45.1%	818	\$1,659	\$2.03	0.7%	-0.5%	0.5%	-0.1%	7.2%	4.3%
<b>2 BEDROOM</b>										
Aurora/Naperville	51.3%	1,058	\$1,979	\$1.87	1.9%	-1.7%	0.2%	1.4%	12.1%	7.6%
Chicago	35.9%	1,057	\$2,087	\$1.98	-0.2%	-1.8%	-1.8%	2.5%	8.0%	5.8%

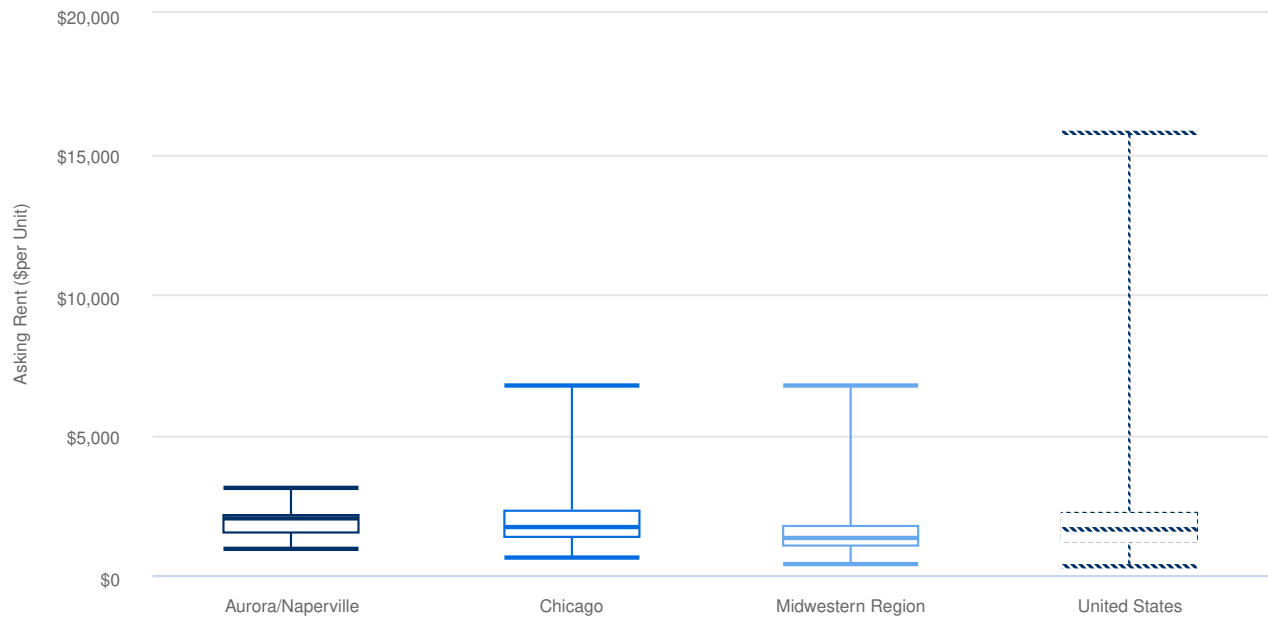




## Multi-Family Unit Mix (as of 8/2024) (cont.)

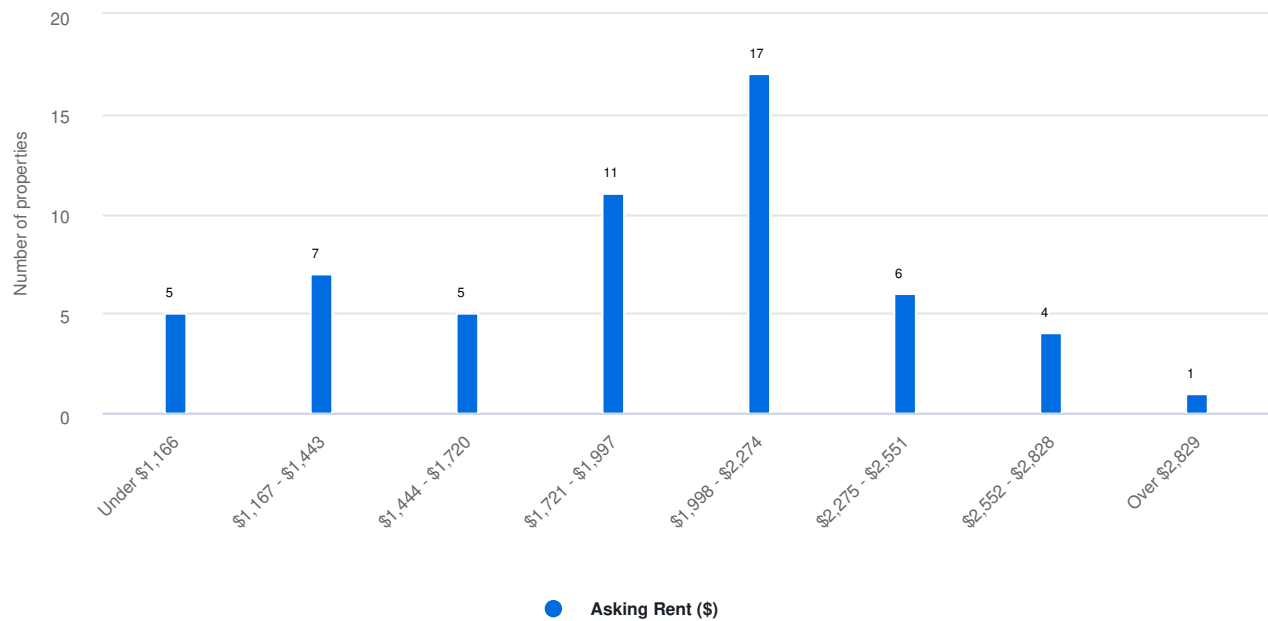
	Inventory %	Avg. Unit Size in SF	Asking Rent per Unit	Asking Rent per SF	Q2 2024	Q1 2024	YTD	1 Year Annualized 12/31/2023	3 Year Annualized 12/31/2023	5 Year Annualized 12/31/2023
Midwestern Region	45.6%	1,131	\$1,480	\$1.31	0.3%	-0.8%	-0.2%	1.0%	6.6%	4.9%
United States	42.5%	1,151	\$1,977	\$1.72	0.4%	0.0%	0.8%	-0.2%	7.2%	4.7%
<b>3 BEDROOM</b>										
Aurora/Naperville	2.7%	1,378	\$2,573	\$1.87	-17.9%	29.9%	6.6%	-23.9%	-0.4%	0.8%
Chicago	4.9%	1,378	\$2,714	\$1.97	-12.7%	11.3%	-2.7%	-4.7%	8.4%	4.6%
Midwestern Region	5.6%	1,493	\$1,988	\$1.33	-5.6%	3.6%	-1.9%	0.4%	7.3%	5.0%
United States	6.6%	1,462	\$2,445	\$1.67	-1.0%	0.5%	-0.2%	0.2%	7.4%	4.9%

## Rent Distribution Benchmark (per Unit)



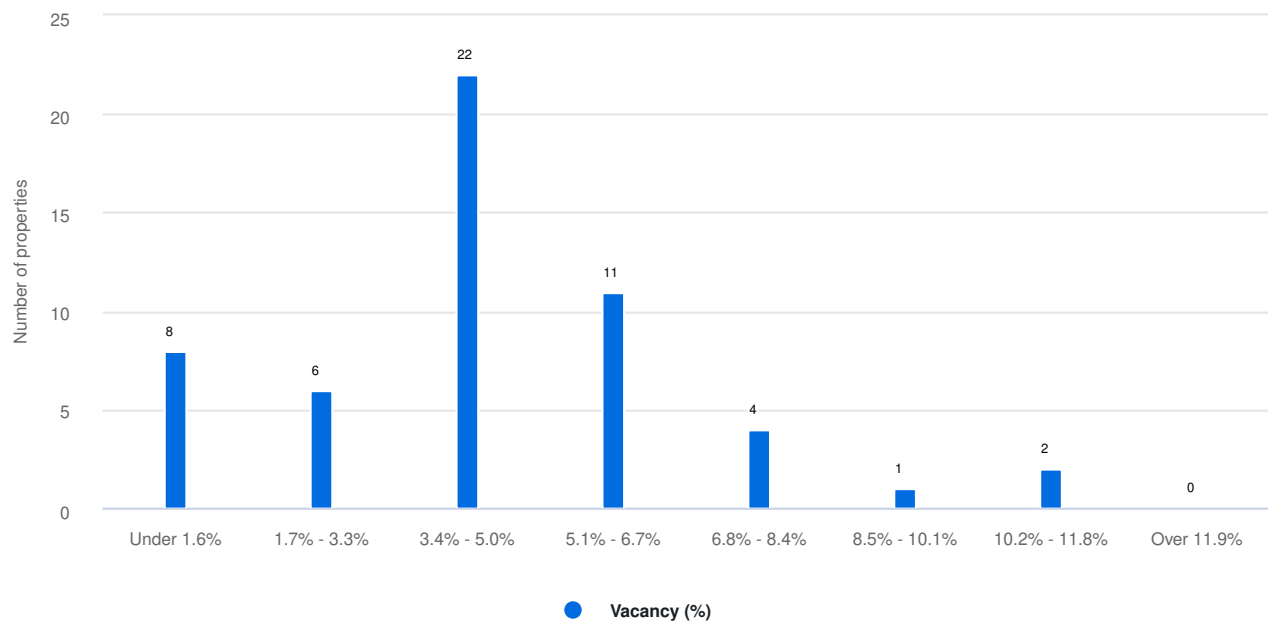
	Minimum Rent (\$)	Lower Quartile Rent (\$)	Median Rent (\$)	Upper Quartile Rent (\$)	Maximum Rent (\$)
Aurora/Naperville	\$889	\$1,519	\$1,999	\$2,154	\$3,086
Chicago	\$574	\$1,336	\$1,702	\$2,309	\$6,679
Midwestern Region	\$371	\$1,040	\$1,341	\$1,714	\$6,679
United States	\$270	\$1,227	\$1,629	\$2,195	\$15,719

## Asking Rent Distribution



	Low	25%	Mean	Median	75%	High
Asking Rent Distribution	\$891	\$1,539	\$1,848	\$1,984	\$2,143	\$2,795

## Vacancy Distribution



	Low	25%	Mean	Median	75%	High
Vacancy Distribution	0.0%	3.3%	4.8%	4.4%	6.2%	11.8%

## V. SUBMARKETS

### CRE Fundamentals: REIS Rank, Asking Rent, Vacancy, Inventory

Submarket Name	Inventory Buildings	Inventory Units	Asking Rent per Unit	Vacancy (%)	REIS Rank <sup>1</sup>
Aurora/Naperville	108	22,901	\$1,848	4.8%	272
Belmont to Montrose	151	20,046	\$1,807	6.0%	431
City West	232	38,016	\$2,229	9.3%	214
Downers Grove	52	14,085	\$1,710	2.6%	425
East Lake County	142	24,326	\$1,524	4.7%	526
Glendale Heights/Lombard	70	18,306	\$2,016	4.1%	486
Glen Ellyn/Wheaton	70	15,689	\$1,471	4.0%	484
Glenview/Evanston	190	26,261	\$2,068	6.4%	258
Gold Coast	137	44,576	\$3,202	8.5%	531
Joliet	60	11,121	\$1,521	2.2%	215
Kane County	68	11,516	\$1,592	6.0%	118
Lincoln Park	164	23,138	\$1,781	4.8%	20
McHenry County	46	5,557	\$1,484	3.6%	77
Oak Park	115	19,644	\$1,613	3.8%	113
O'Hare	58	13,343	\$1,404	5.7%	385
Palatine	42	14,739	\$1,663	4.9%	708
Rogers Park/Uptown	238	27,954	\$1,451	6.0%	143
Schaumburg/Hoffman	57	19,948	\$1,577	3.4%	340
Southeast Cook County	81	20,223	\$1,245	3.1%	460
South Shore	172	43,925	\$1,752	5.1%	711
Southwest Cook County	104	24,337	\$1,202	2.4%	108
The Loop	60	25,327	\$2,561	8.2%	439
West Lake County	46	5,390	\$1,615	4.0%	335
Wheeling	72	22,312	\$1,695	4.8%	621
Woodridge/Lisle	49	14,773	\$1,516	2.8%	191

1: There are 846 submarkets in the Apartment sector nationally.

## Concessions: Free Rent, Expenses, Effective Rent

Submarket Name	Effective Rent per Unit	Effective Rent % Change	Free Rent Months	Expense (%)
Aurora/Naperville	\$1,759	-0.7%	0.60	41.4%
Belmont to Montrose	\$1,750	-0.6%	0.43	45.5%
City West	\$2,163	2.9%	0.45	44.2%
Downers Grove	\$1,657	-0.7%	0.35	45.3%
East Lake County	\$1,471	-1.3%	0.41	43.8%
Glendale Heights/Lombard	\$1,944	-0.5%	0.44	45.6%
Glen Ellyn/Wheaton	\$1,406	-1.3%	0.54	45.3%
Glenview/Evanston	\$1,945	0.8%	0.63	46.7%
Gold Coast	\$2,995	-3.0%	0.68	45.8%
Joliet	\$1,424	1.8%	0.74	45.7%
Kane County	\$1,502	3.1%	0.66	45.8%
Lincoln Park	\$1,721	5.4%	0.40	47.0%
McHenry County	\$1,452	4.6%	0.30	44.7%
Oak Park	\$1,560	2.4%	0.49	45.4%
O'Hare	\$1,334	-0.1%	0.63	46.0%
Palatine	\$1,604	-3.0%	0.46	45.5%
Rogers Park/Uptown	\$1,438	2.4%	0.22	46.7%
Schaumburg/Hoffman	\$1,527	0.1%	0.42	45.0%
Southeast Cook County	\$1,223	-0.8%	0.21	47.2%
South Shore	\$1,660	-3.4%	0.62	47.0%
Southwest Cook County	\$1,178	3.2%	0.18	46.3%
The Loop	\$2,320	-4.3%	1.13	42.6%
West Lake County	\$1,536	0.1%	0.66	41.6%
Wheeling	\$1,621	-2.4%	0.31	45.3%
Woodridge/Lisle	\$1,480	1.4%	0.39	45.8%

1: There are 846 submarkets in the Apartment sector nationally.

## VI. INSIGHT

### Key Performance Indicators

#### Q2 2024 Effective Rent per Unit

Aurora/Naperville

# \$1,759

↑ UP 0.7% from Q1 2024

#### Q2 2024 Vacancy Rate

Aurora/Naperville

# 4.7%

↓ DOWN 40 bps from Q1 2024

#### Q2 2024 Household Income Growth

Chicago

# 0.9%

↓ LOWER THAN 0.9% nationwide

#### Q2 2024 Job Growth

Chicago

# 0.3%

↓ LOWER THAN 0.4% nationwide

### Economic Overview

Author: Nick Villa, Associate Director, Economist

After falling by 25 basis points (bps) to end 2023, Chicago's total employment rebounded in the first half of 2024, increasing by nearly half a percentage point, which translates into almost 20,000 jobs. Chicago has been able to fully recover the substantial job losses that were incurred during the early days of the pandemic, with the metro's total employment currently higher by 47-bps / 19,200 jobs – relative to Q4 2019. For context, total employment at the national level increased by 455-bps over this period, highlighting Chicago's sluggish recovery. In addition to lagging behind the ensuing U.S. recovery, over the first half of 2024, Chicago's employment growth also fell short of its regional benchmark, the Midwest. Albeit, the differential was smaller with employment growth for Midwestern Region increasing by 56-bps over the first six months of the year. Moreover, industrial employment in Chicago has fared better than office with job losses for the latter not quite back to its pre-pandemic level. That said, concerns linger for the effects of persistent out-migration; although, we expect the growth of the logistics industry to continue to prop up the local economy as well as have knock on effects for other sectors. Quality infrastructure and prime location make Chicago well positioned to maintain its comparative advantages in logistics, and multinational goods producing firms will continue to find it advantageous to locate professional and business services jobs nearby.

## Economic Overview (cont.)

Beginning with the apartment sector, asking and effective rents in Chicago declined annually by 50-bps and 110-bps, respectively, in 2023. In particular, the fourth quarter of 2023 reported the worst rent growth in three and a half years with asking rents declining by 160-bps. Over the first half of 2024, however, asking and effective rents rebounded slightly – up 74-bps and 88-bps year-to-date (YTD) – in particular due to a stronger second quarter. Moreover, Chicago’s vacancy rate held steady in the second quarter at 5.2%, which ranks it around the middle of the pack among our top 82 primary multifamily markets with the 43rd lowest vacancy rate. Additionally, we continue to see a large differential in the vacancy rates between Class A and Class BC properties. For example, Class A properties had a vacancy rate of 8.6% in Q2 while class BC properties had a vacancy rate of 2.9% – corresponding to a differential of 5.7%, which was tied with last quarter for the highest on record. For context, since 1999, the Class A – BC vacancy differential has averaged about 1.87%. While the latest vacancy rate differential between class types is clearly elevated relative to historical standards, the trend of higher-occupancy BC units can effectively be traced back to 2013. The reasons behind the delta are likely twofold. First, completions for class A units have far outpaced those of class BC. For instance, from 2020 to YTD 2024 completions totaled 26,927 class A units yet only 1,739 class BC units. Furthermore, in 1999, class BC units accounted for 69% of Chicago’s inventory, yet by the second quarter of 2024, this ratio has fallen by just over ten percentage points to 58.7%. The limited supply of more affordable BC units brings me to my next point, wage growth. The median household income in Chicago increased at a compound annual growth rate (CAGR) of 4.0% since the end of 2019, yet multifamily asking rents outpaced wages – with a CAGR of 4.3% instead. Hence, the limited supply of class BC units coupled with an erosion of purchasing power has helped boost the demand for lower end housing units. Ultimately, the gap in vacancy rates is likely to persist until we see a meaningful increase in new construction especially on the lower end of the housing market. In a similar vein, among the Tier 1 markets that we track rent-to-income (RTI) ratios for, Chicago ranked #16 in terms of least affordable metro with a RTI ratio of 24.5%. Turning to submarkets, the quarterly change in effective rent was positive for 18 of Chicago’s 25 submarkets. City West was the top performing submarket with 2.8% quarterly effective rent growth despite having the highest vacancy rate among submarkets at 9.3%.

Moving to office, the market has largely stagnated since the beginning of the pandemic with several large companies such as Tyson Foods, Boeing, Caterpillar, and Citadel exiting the metro. Despite these headlines, however, leasing activity in 2022 was the strongest since 1994 with net absorption increasing by 5.7 million square feet. In 2023, however, net absorption of 267 thousand square feet was well-below the metro’s long-term average. Additionally, over the first half of 2024, net absorption was negative ~1.7 million square feet in particular due to a weak second quarter. Given weak second quarter leasing activity, its vacancy rate rose by 90-bps to 19.0%, ranking Chicago #29 in terms of the lowest vacancy rate across our top 82 primary office metros. This puts Chicago’s vacancy rate as 110-bps lower than the national average of 20.1% and 150-bps higher than its pre-pandemic level. Class A properties have maintained lower vacancy rates since the pandemic; although, the relative outperformance over class BC offices has narrowed from 620-bps in 2019 to 170-bps as of Q2 2024. Specifically, class A office vacancy rates increased by 260-bps from 2019 to Q2 2024 while class BC office vacancy rates actually decreased by 160-bps over this period. In short, class performance has been nuanced with flight to quality effects diminishing. Turning to asking rents, they were slightly positive (at 37-bps) quarter-over-quarter and as of Q2 2024, they were 1.8% higher than Q4 2019. Lastly, there has been substantial divergence in performance among submarkets. For instance, among Chicago’s 13 office submarkets, the Northwest Suburbs had the highest vacancy rate in the second quarter at 31.7% yet North Michigan Avenue and South Loop were significantly lower at 9.2%.

## Economic Overview (cont.)

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Chicago's retail sector has been more resilient than expected especially considering how worsening crime rates have besieged the city – especially flagship stores on the Magnificent Mile. Retailers such as Old Navy, Macy's, and Gap (among others) have all vacated space there since the COVID-19 shutdowns and ensuing riots back in 2020. Nonetheless, given outmigration and e-commerce, a decline in brick-and-mortar's performance in the "Windy City" would not have shocked many. Instead, space market performance has been more resilient-than-expected. Net absorption, for example, was positive over the last three years – although, at the midpoint of 2024, it was down approximately 250 thousand square feet. Still, despite Chicago's first half weakness in leasing activity, its retail vacancy rate only moved 20-bps higher YTD to 13.2%. Notably, its vacancy rate is still 90-bps above its year-end 2019 level. Consequently, this ranked Chicago's retail vacancy rate as the 13th highest across our top 80 primary retail metros – for additional context, the national average was 10.4%. Further, effective rents were essentially flat mid-way through the year and nearly at parity with pre-pandemic levels. With respect to submarkets, 9 out of 13 reported flat or positive quarterly effective rent growth. Submarket dispersion was minimal considering the top performing submarket, Far Northwest, saw effective rents grow 70-bps QoQ, while the bottom performing submarket, South, reported a QoQ decline of 50-bps.

Finally, after stellar performance for the industrial sector over the past few years, there were further signs of deceleration this quarter; albeit the fundamentals are still solid. Recall, the vacancy rate declined precipitously in 2021 by 6 percentage points and nearly another 4 percentage points in 2022. In 2023, however, completions hit a record of nearly 23 million square feet which helped to push the vacancy rate higher by just over 1 percentage point. Over the first half of 2024, the vacancy rate for warehouse and distribution (W&D) properties increased by 30-bps YTD and was higher by 60-bps YoY. Still, the Q2 vacancy rate of 5.5% is well-below its long-run historical average and a resounding 780-bps below its pre-pandemic level. Consequently, Chicago has likely been shocked toward a new and tighter long-run market equilibrium; although, growth has not just been limited to W&D properties. Flex/R&D has also performed very well over the past three years, just not quite to the caliber of W&D. After declining 190-bps in 2022 to 5.6%, then rising 30-bps in 2023 to 5.9%, Chicago's Flex/R&D vacancy rate has since remained relatively unchanged at 6.0% as of the second quarter of 2024. Meanwhile, effective rent growth was up 10% annually in 2022 (11.9% W&D) and slowed to a still robust 4.3% (5.9% W&D) in 2023. Halfway through 2024, and effective rents were up by 66-bps YTD for Flex/R&D (96-bps W&D) again illustrating the slight edge W&D properties have had over Flex/R&D.

## Outlook (cont.)

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While we anticipate a continued battle between outmigration, remote work, and weak public finances on one side, and growing logistics and a rebound in urban desires on the other, we maintain a cautiously optimistic outlook for Chicago's commercial real estate industry and expect average growth moving forward. Specific to the apartment sector, we continue to forecast a slow and steady decline in the vacancy rate throughout this decade. This will help rent growth maintain a level around 3% annually. As for office and retail, in the short term they are still likely to be haunted by the evolutions affecting the related industries. As such, we anticipate the office and retail sectors to face continued headwinds, but importantly with less downside risk for the retail sector. The exception to these lackluster forecasts is the industrial sector. While demand for industrial properties has slowed since its peak in 2022, it remains robust and we expect this to keep the vacancy rate subdued over the next several years consequently leading to moderate rent growth.



Outlook (cont.)

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(Next Update: November 2024)



## VII. NEW CONSTRUCTION

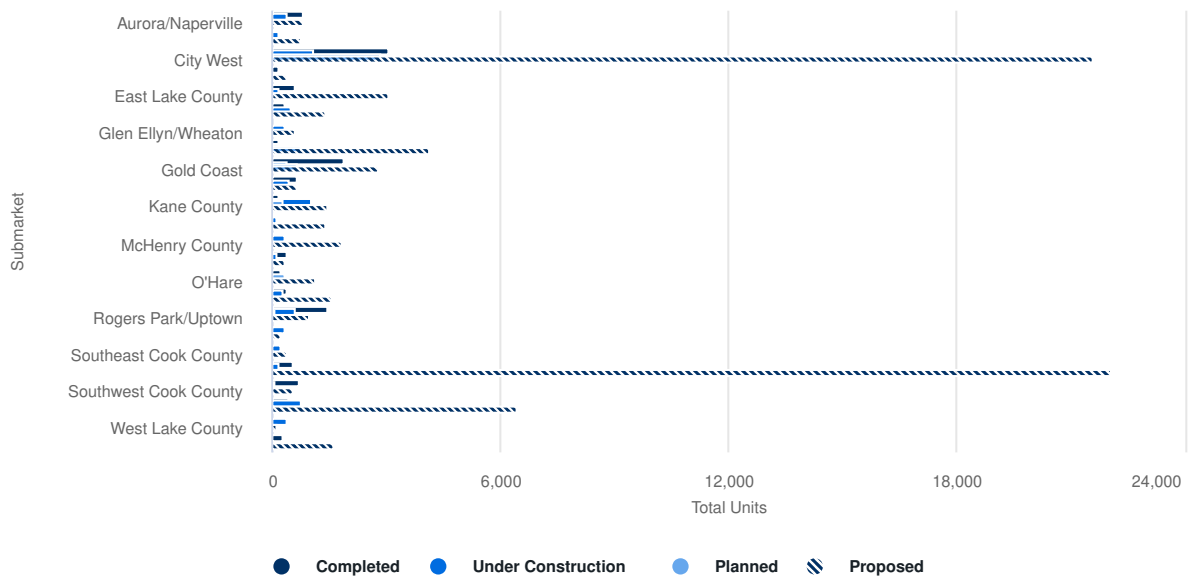
### Top New Construction Projects By Size

Property Name	Property Type	Address	Size Units	Construction Status	Expected Completion	Expected Groundbreak	Developer	Developer Phone
Lucca Fox Valley	Apartment	Fox Valley Ctr D & Station Blvd, Aurora, IL 60504	323	Under Construction	5/2025	11/2023	–	–
Lumen Fox Valley	Apartment	4450 Fox Valley Ctr Dr, Aurora, IL 60504	304	Complete	6/2023	10/2021	–	–
Domain Citygate	Apartment	2132 City Gate Ln, Naperville, IL 60563	285	Complete	3/2023	6/2021	–	–
The Westlyn Apartments	Apartment	28262 Diehl Rd, Warrenville, IL 60555	221	Complete	–	–	–	–
Heritage Place	Other	140 N Wright St, Naperville, IL 60540	45	Under Construction	1/2026	4/2021	DJK Custom Homes	6303691953
Lofts on Broadway	Apartment	2 N Broadway, Aurora, IL 60505	20	Complete	10/2022	–	–	–

1: NC listings will include all New Construction projects in a market as well as relevant projects outside of submarket bounds

Submarket Project Tally (as of Q2 2024)

[View Full Table in Appendix](#)

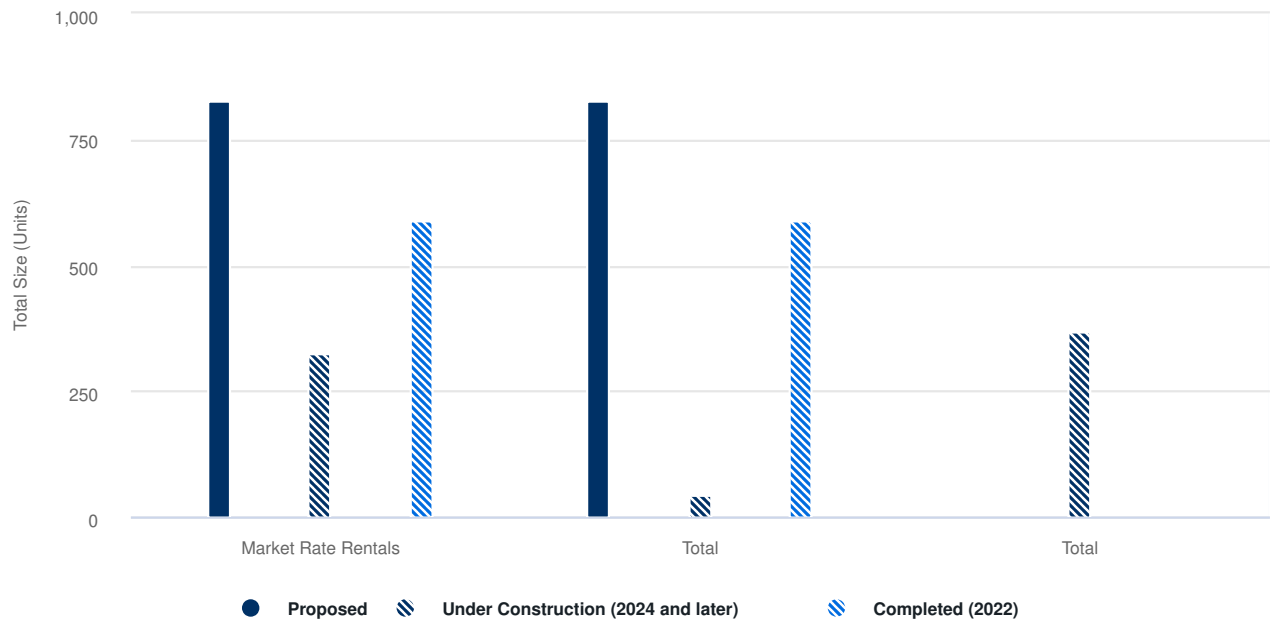


1: Size of Projects is in Units.

2: Note: Data displayed for Completed units consists of 2 years.

Construction Deliveries (in Units)

[View Full Table in Appendix](#)



# VIII. TRANSACTIONS

## Key Performance Indicators (2024)

Transaction Volume (2024)

Aurora/Naperville

**\$257.10M**

Number of Transactions (2024)

Aurora/Naperville

**5**

## Sales Trends

[View Full Table in Appendix](#)



1: Includes sales of \$2M and greater only.

## Sales Trends - Quarterly

Year	Quarter	Transaction Volume (\$)	Number Of Transactions	Mean Sale Price per Unit	Median Sale Price per Unit	Mean Transaction Cap Rate	Median Transaction Cap Rate
2021	Q1	\$86,250,000	1	\$186,688	\$186,688	5.9%	5.9%
2021	Q3	\$102,720,000	2	\$167,024	\$217,012	12.0%	12.0%
2021	Q4	\$54,850,000	3	\$138,161	\$160,465	5.8%	5.3%
2022	Q1	\$69,817,000	1	\$256,680	\$256,680	4.1%	4.1%
2022	Q2	\$2,175,000	1	\$543,750	\$543,750	–	–
2022	Q4	\$93,500,000	1	\$291,277	\$291,277	3.9%	3.9%
2023	Q1	\$7,750,000	1	\$161,458	\$161,458	7.0%	7.0%
2024	Q1	\$94,000,000	1	\$225,962	\$225,962	5.1%	5.1%
2024	Q2	\$54,100,000	3	\$156,812	\$175,000	6.0%	6.1%

## 10 Largest Transactions

Street Address	City	State	Sale Price	Sale Price <sup>1</sup> per Unit	Sale Date	Size Units
507 Railway Dr	Naperville	IL	\$109,000,000	\$260,766	10/09/2024	418
826 Terrace Lake Drive	Aurora	IL	\$94,000,000	\$225,962	02/13/2024	416
1240 W Indian Trail	Aurora	IL	\$48,000,000	\$176,471	06/18/2024	272
415 - 419 E Galena Blvd	Aurora	IL	\$3,300,000	\$57,895	04/16/2024	57
1015 N Farnsworth Ave	Aurora	IL	\$2,800,000	\$175,000	05/21/2024	16
2091 Best Pl	Aurora	IL	\$1,640,000	\$205,000	03/11/2024	8
129 W Franklin Ave	Naperville	IL	\$1,524,000	–	03/12/2024	–
1811 Felten Rd	Aurora	IL	\$1,100,000	\$91,667	01/10/2024	12
55 E Mill St	Montgomery	IL	\$888,000	\$80,727	03/13/2024	11
828 N Sleight St	Naperville	IL	\$556,000	\$278,000	03/28/2024	2

1: Any transactions missing a sale price did not have their sale price disclosed at time of sale.

2: Only includes transactions that are verified.



## 10 Most Recent Transactions

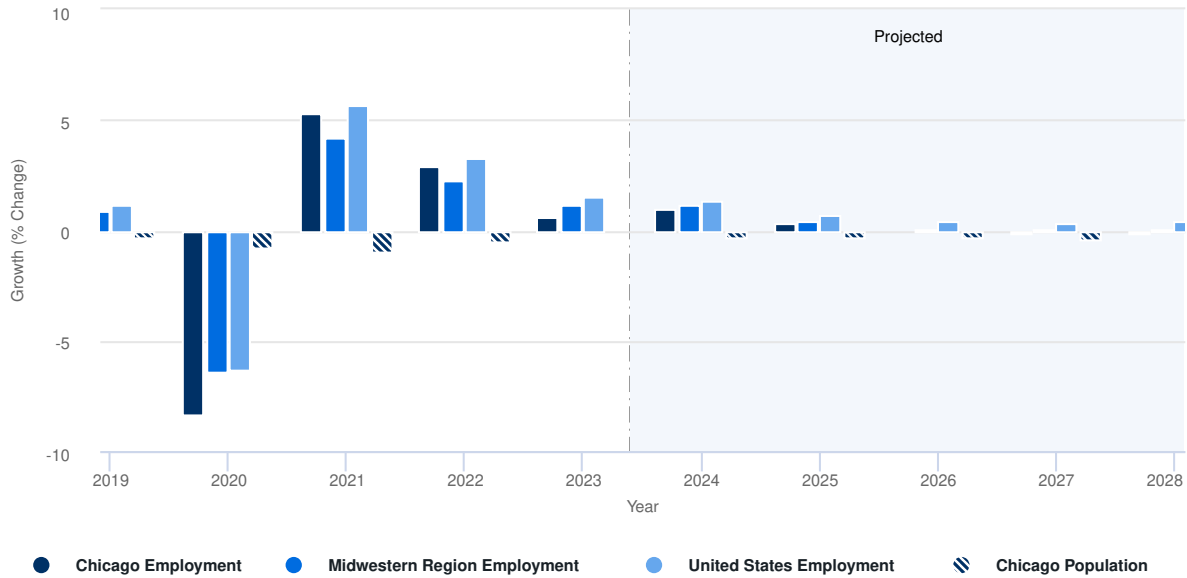
Street Address	City	State	Sale Price	Sale Price' per Unit	Sale Date	Size Units
507 Railway Dr	Naperville	IL	\$109,000,000	\$260,766	10/09/2024	418
1095 - 1097 Pheasant Run Ln	Aurora	IL	\$186,500	\$93,250	08/12/2024	2
1 S View St	Aurora	IL	–	–	07/30/2024	6
1012 - 1014 Pheasant Run Ln	Aurora	IL	\$145,000	\$72,500	07/25/2024	2
1240 W Indian Trail	Aurora	IL	\$48,000,000	\$176,471	06/18/2024	272
1015 N Farnsworth Ave	Aurora	IL	\$2,800,000	\$175,000	05/21/2024	16
1029 Devonshire Ave	Naperville	IL	\$380,000	\$190,000	04/26/2024	2
Wheeler Cir	Naperville	IL	\$432,000	–	04/23/2024	–
415 - 419 E Galena Blvd	Aurora	IL	\$3,300,000	\$57,895	04/16/2024	57
Wheeler Cir	Naperville	IL	\$440,000	–	04/11/2024	–

1: Any transactions missing a sale price did not have their sale price disclosed at time of sale.

# IX. DEMOGRAPHICS

## Employment and Population Growth

[View Full Table in Appendix](#)

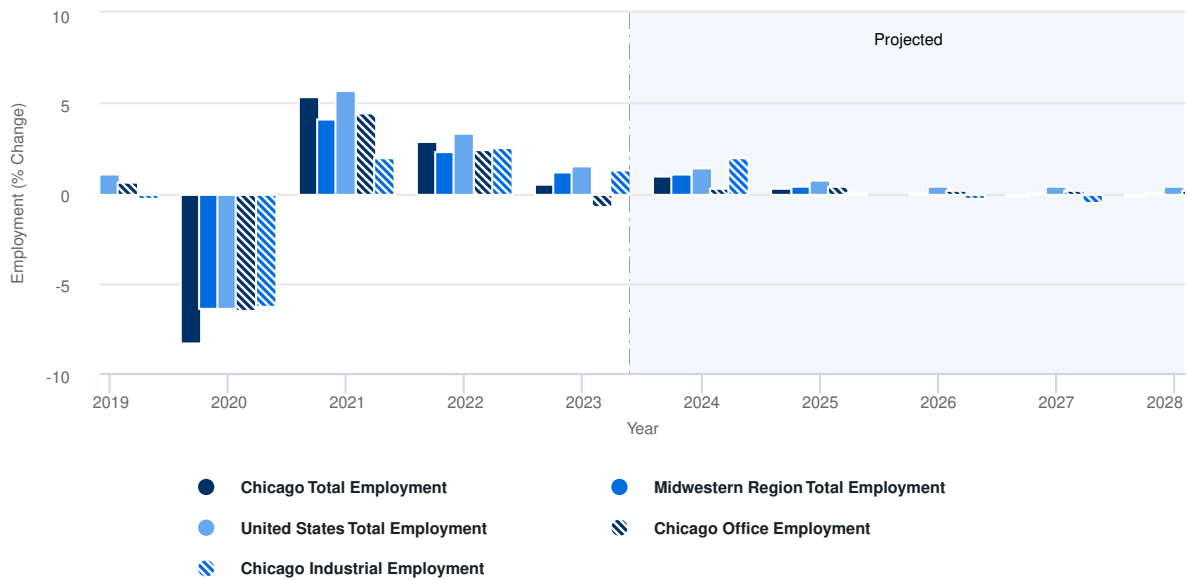


1: Source: Moody's Analytics. Forecasted data is for Baseline Scenario.

2: Source: Moody's Analytics; aggregated for the 275 markets covered by Moody's Analytics CRE. Forecasted data is for Baseline Scenario.

## Employment Growth

[View Full Table in Appendix](#)

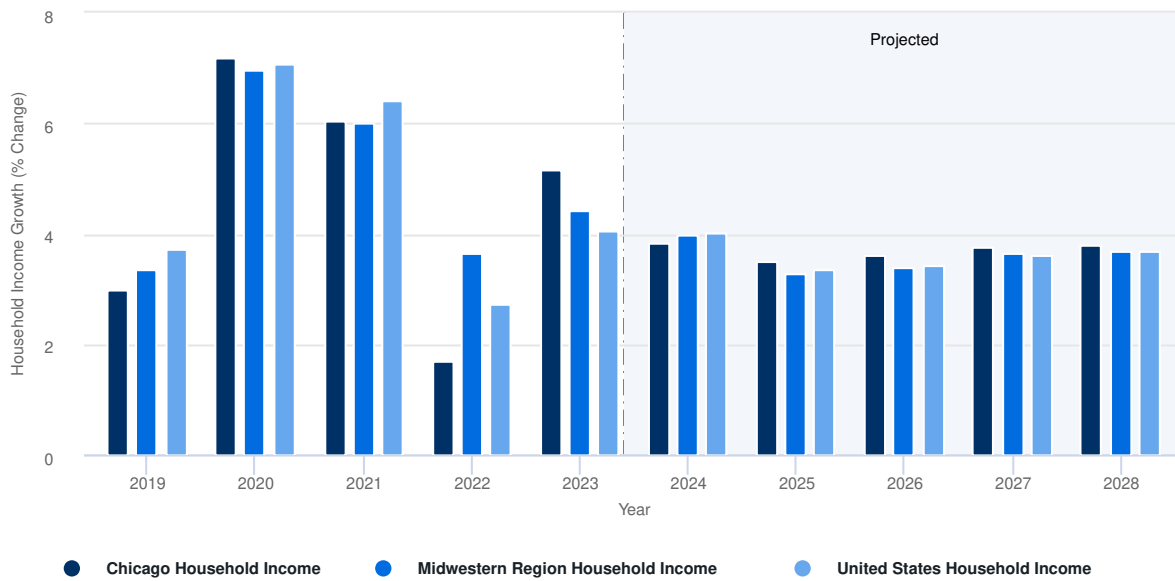


1: Source: Moody's Analytics. Forecasted data is for Baseline Scenario.

2: Source: Moody's Analytics; aggregated for the 275 markets covered by Moody's Analytics CRE. Forecasted data is for Baseline Scenario.

### Household Income Growth

[View Full Table in Appendix](#)

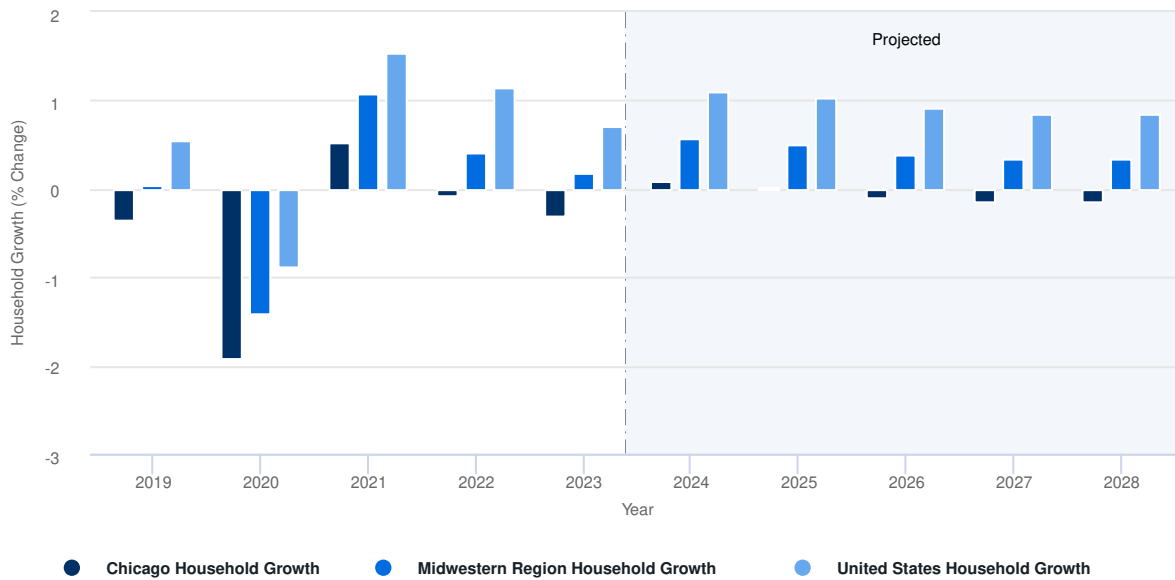


1: Source: Moody's Analytics. Forecasted data is for Baseline Scenario.

2: Source: Moody's Analytics; aggregated for the 275 markets covered by Moody's Analytics CRE. Forecasted data is for Baseline Scenario.

### Household Growth

[View Full Table in Appendix](#)



1: Source: Moody's Analytics. Forecasted data is for Baseline Scenario.

2: Source: Moody's Analytics; aggregated for the 275 markets covered by Moody's Analytics CRE. Forecasted data is for Baseline Scenario.

# X. APPENDIX

## Asking Rent and Vacancy Trends: Overview

[View Full Chart in Overview](#)

Year	Aurora/Naperville		Chicago	
	Asking Rent per Unit	Vacancy %	Asking Rent per Unit	Vacancy %
2014	\$1,186	2.5%	\$1,196	3.5%
2015	\$1,211	2.9%	\$1,249	4.1%
2016	\$1,243	3.1%	\$1,302	4.1%
2017	\$1,277	3.6%	\$1,379	4.9%
2018	\$1,301	4.0%	\$1,453	5.1%
2019	\$1,353	4.7%	\$1,532	5.3%
2020	\$1,326	4.3%	\$1,487	5.9%
2021	\$1,714	5.4%	\$1,694	5.4%
2022	\$1,850	5.2%	\$1,845	5.0%
2023	\$1,831	5.2%	\$1,836	5.3%
2024	\$1,854	4.7%	\$1,870	5.3%
2025	\$1,875	4.8%	\$1,922	5.2%
2026	\$1,915	4.5%	\$1,983	5.0%
2027	\$1,954	4.6%	\$2,042	5.0%
2028	\$1,994	4.4%	\$2,107	4.9%
2029	\$2,039	3.3%	\$2,170	4.9%



## Scenarios: Asking Rent

[View Full Chart in Overview](#)

Year	Aurora/Naperville			Chicago	United States
	Asking Rent - % Change	Asking Rent - Y-S1 (% Change) <sup>1</sup>	Asking Rent - Y-S2 (% Change) <sup>2</sup>	Asking Rent - % Change	Asking Rent - % Change
2014	1.7%	-	-	3.7%	4.0%
2015	2.1%	-	-	4.4%	5.8%
2016	2.6%	-	-	4.2%	3.8%
2017	2.7%	-	-	5.9%	4.5%
2018	1.9%	-	-	5.4%	5.2%
2019	4.0%	-	-	5.5%	3.5%
2020	-2.0%	-	-	-2.9%	-2.6%
2021	29.3%	-	-	13.9%	12.4%
2022	8.0%	-	-	8.9%	9.8%
2023	-1.0%	-	-	-0.5%	-0.2%
2024	1.3%	-1.0%	-1.2%	1.8%	1.4%
2025	1.1%	-1.9%	-2.8%	2.8%	2.8%
2026	2.1%	1.2%	0.2%	3.2%	3.2%
2027	2.0%	1.4%	0.5%	3.0%	3.2%
2028	2.1%	1.6%	0.9%	3.2%	3.2%
2029	2.2%	1.9%	1.3%	3.0%	3.2%

1: Y-S1 is Moody's Analytics CRE "downside scenario 1". That corresponds to, and is consistent with, Moody's Analytics "Downside - 90th Percentile (S3)".

2: Y-S2 is Moody's Analytics CRE "downside scenario 2". That corresponds to, and is consistent with, Moody's Analytics "Downside - 96th Percentile (S4)".

## Scenarios: Inventory

[View Full Chart in Overview](#)

Year	Aurora/Naperville			Chicago	United States
	Inventory - % Change	Inventory - Y-S1 (% Change) <sup>1</sup>	Inventory - Y-S2 (% Change) <sup>2</sup>	Inventory - % Change	Inventory - % Change
2014	0.0%	-	-	0.7%	1.9%
2015	0.0%	-	-	1.2%	2.1%
2016	0.0%	-	-	1.5%	2.1%
2017	1.1%	-	-	1.7%	2.3%
2018	2.0%	-	-	1.9%	2.6%
2019	1.3%	-	-	2.2%	2.8%
2020	0.0%	-	-	1.3%	2.4%
2021	3.4%	-	-	1.3%	2.4%
2022	1.1%	-	-	0.9%	1.9%
2023	2.6%	-	-	1.4%	2.2%
2024	0.0%	0.0%	0.0%	0.9%	2.1%
2025	2.3%	2.1%	2.0%	1.3%	1.8%
2026	0.0%	0.0%	0.0%	0.4%	1.5%
2027	0.7%	0.6%	0.6%	0.6%	1.0%
2028	0.7%	0.7%	0.6%	0.6%	0.9%
2029	0.0%	0.0%	0.0%	0.5%	0.9%

1: Y-S1 is Moody's Analytics CRE "downside scenario 1". That corresponds to, and is consistent with, Moody's Analytics "Downside - 90th Percentile (S3)".

2: Y-S2 is Moody's Analytics CRE "downside scenario 2". That corresponds to, and is consistent with, Moody's Analytics "Downside - 96th Percentile (S4)".

## Scenarios: Vacancy

[View Full Chart in Overview](#)

Year	Aurora/Naperville			Chicago	United States
	Vacancy - % Change	Vacancy - Y-S1 (% Change) <sup>1</sup>	Vacancy - Y-S2 (% Change) <sup>2</sup>	Vacancy - % Change	Vacancy - % Change
2014	2.5%	-	-	3.5%	4.4%
2015	2.9%	-	-	4.1%	4.3%
2016	3.1%	-	-	4.1%	4.2%
2017	3.6%	-	-	4.9%	4.6%
2018	4.0%	-	-	5.1%	4.8%
2019	4.7%	-	-	5.3%	4.7%
2020	4.3%	-	-	5.9%	5.4%
2021	5.4%	-	-	5.4%	5.0%
2022	5.2%	-	-	5.0%	5.0%
2023	5.2%	-	-	5.3%	5.6%
2024	4.7%	5.8%	5.9%	5.3%	5.8%
2025	4.8%	6.2%	6.6%	5.2%	5.7%
2026	4.5%	4.9%	5.4%	5.0%	5.6%
2027	4.6%	4.8%	5.3%	5.0%	5.2%
2028	4.4%	4.5%	4.9%	4.9%	5.0%
2029	3.3%	3.4%	3.5%	4.9%	4.9%

1: Y-S1 is Moody's Analytics CRE "downside scenario 1". That corresponds to, and is consistent with, Moody's Analytics "Downside - 90th Percentile (S3)".

2: Y-S2 is Moody's Analytics CRE "downside scenario 2". That corresponds to, and is consistent with, Moody's Analytics "Downside - 96th Percentile (S4)".



## Absorption Trends

[View Full Chart in Overview](#)

Year	Absorption Units	Completions Units
2014	82	0
2015	-92	0
2016	-27	0
2017	115	229
2018	314	417
2019	115	280
2020	98	0
2021	459	735
2022	275	242
2023	548	589
2024	114	0
2025	484	521
2026	73	0
2027	139	168
2028	208	170
2029	249	0

## New Construction Trends By Year

[View Full Chart in Overview](#)

Year	Inventory Units	Completions Units
2019	21,055	280
2020	21,335	0
2021	21,335	735
2022	22,070	242
2023	22,312	589
2024	22,901	0
2025	22,901	521
2026	23,422	0
2027	23,422	168
2028	23,590	170

## Submarket Project Tally: Proposed (as of Q2 2024)

[View Full Chart in New Construction](#)

Submarket	Condominiums	Market Rate Rentals	Other
Aurora/Naperville	–	828	–
Belmont to Montrose	–	770	–
City West	121	21,461	14
Downers Grove	–	361	6
East Lake County	190	2,874	–
Glendale Heights/Lombard	142	1,231	–
Glen Ellyn/Wheaton	–	581	–
Glenview/Evanston	58	3,922	154
Gold Coast	262	2,530	–
Joliet	208	352	93
Kane County	–	1,229	199
Lincoln Park	–	1,401	–
McHenry County	80	1,427	304
Oak Park	50	287	4
O'Hare	–	1,109	16
Palatine	–	1,543	30
Rogers Park/Uptown	16	922	–
Schaumburg/Hoffman	–	241	–
Southeast Cook County	–	351	–
South Shore	893	21,155	30
Southwest Cook County	34	472	12
The Loop	–	6,421	–
West Lake County	51	63	–
Wheeling	–	1,467	124
Woodridge/Lisle	–	–	–

1: Size of Projects is in Units.

2: Note: Data displayed for Completed units consists of 2 years.

## Submarket Project Tally: Planned (as of Q2 2024)

[View Full Chart in New Construction](#)

Submarket	Market Rate Rentals
Aurora/Naperville	–
Belmont to Montrose	–
City West	2,864

## Submarket Project Tally: Planned (as of Q2 2024) (cont.)

Submarket	Market Rate Rentals
Downers Grove	–
East Lake County	–
Glendale Heights/Lombard	–
Glen Ellyn/Wheaton	–
Glenview/Evanston	743
Gold Coast	627
Joliet	–
Kane County	293
Lincoln Park	–
McHenry County	–
Oak Park	–
O'Hare	301
Palatine	–
Rogers Park/Uptown	74
Schaumburg/Hoffman	–
Southeast Cook County	–
South Shore	–
Southwest Cook County	–
The Loop	–
West Lake County	–
Wheeling	–
Woodridge/Lisle	–

1: Size of Projects is in Units.

2: Note: Data displayed for Completed units consists of 2 years.

## Submarket Project Tally: Under Construction (as of Q2 2024)

[View Full Chart in New Construction](#)

Submarket	Condominiums	Market Rate Rentals	Other
Aurora/Naperville	–	323	45
Belmont to Montrose	–	179	–
City West	427	644	–
Downers Grove	–	–	–
East Lake County	19	–	139
Glendale Heights/Lombard	190	295	–

## Submarket Project Tally: Under Construction (as of Q2 2024) (cont.)

Submarket	Condominiums	Market Rate Rentals	Other
Glen Ellyn/Wheaton	–	10	320
Glenview/Evanston	–	68	68
Gold Coast	8	358	–
Joliet	–	432	–
Kane County	–	865	178
Lincoln Park	4	93	–
McHenry County	–	340	–
Oak Park	–	122	–
O'Hare	–	–	–
Palatine	–	–	260
Rogers Park/Uptown	56	520	–
Schaumburg/Hoffman	–	296	20
Southeast Cook County	–	199	–
South Shore	–	150	15
Southwest Cook County	–	7	48
The Loop	–	738	–
West Lake County	–	297	61
Wheeling	–	–	–
Woodridge/Lisle	–	–	–

1: Size of Projects is in Units.

2: Note: Data displayed for Completed units consists of 2 years.

## Submarket Project Tally: Complete (as of Q2 2024)

[View Full Chart in New Construction](#)

Submarket	Condominiums	Market Rate Rentals	Other
Aurora/Naperville	–	810	–
Belmont to Montrose	–	70	–
City West	275	2,723	33
Downers Grove	–	186	–
East Lake County	–	580	–
Glendale Heights/Lombard	–	318	–
Glen Ellyn/Wheaton	–	–	–
Glenview/Evanston	–	102	84
Gold Coast	31	1,819	–

## Submarket Project Tally: Complete (as of Q2 2024) (cont.)

Submarket	Condominiums	Market Rate Rentals	Other
Joliet	–	640	–
Kane County	–	160	–
Lincoln Park	–	77	–
McHenry County	–	48	–
Oak Park	27	332	–
O'Hare	–	212	–
Palatine	–	370	–
Rogers Park/Uptown	31	1,431	–
Schaumburg/Hoffman	–	–	–
Southeast Cook County	–	–	–
South Shore	–	518	34
Southwest Cook County	294	394	–
The Loop	–	440	–
West Lake County	–	4	–
Wheeling	18	237	29
Woodridge/Lisle	–	–	–

1: Size of Projects is in Units.

2: Note: Data displayed for Completed units consists of 2 years.

## Construction Deliveries (in Units)

[View Full Chart in New Construction](#)

	Proposed	Planned	Under Construction 2023	Under Construction 2024 and later	Completed 2022	Completed 2023 YTD
Market Rate Rentals	828	–	–	323	589	–
Other	–	–	–	45	–	–
Total	828	–	–	368	589	–

## Occupancy At Completion

[View Full Chart in New Construction](#)

	2018	2019	2020	2021	2022	2023	2024
Chicago Occupancy At Completion	52.7%	51.6%	55.2%	47.4%	59.7%	64.4%	72.9%
Midwestern Region Occupancy At Completion	63.2%	42.8%	55.3%	62.4%	63.9%	57.6%	49.9%



## Sales Trends

[View Full Chart in Transactions](#)

Year	Transaction Volume (\$)	Number Of Transactions	Mean Sale Price per Unit	Median Sale Price per Unit	Mean Transaction Cap Rate	Median Transaction Cap Rate
2005	\$53,860,000	4	\$115,085	\$115,415	5.3%	5.5%
2006	\$184,533,100	10	\$94,198	\$85,253	5.7%	5.4%
2007	\$187,850,500	8	\$118,742	\$110,819	5.7%	5.7%
2008	\$9,934,000	3	\$53,989	\$54,481	7.1%	6.9%
2009	\$76,100,000	3	\$95,006	\$97,500	6.0%	6.2%
2010	\$51,630,000	2	\$99,288	\$106,100	6.1%	5.9%
2011	\$14,189,000	2	\$19,279	\$34,106	–	–
2012	\$17,565,000	2	\$54,381	\$49,093	7.9%	7.9%
2013	\$65,693,000	2	\$110,968	\$85,479	6.1%	7.3%
2014	\$49,379,000	4	\$104,617	\$96,360	6.5%	7.7%
2015	\$169,600,000	3	\$176,667	\$162,250	4.6%	4.7%
2016	\$282,693,000	6	\$153,554	\$148,864	5.4%	5.2%
2017	\$320,875,000	8	\$170,951	\$158,560	5.0%	5.3%
2018	\$45,250,000	1	\$383,475	\$383,475	–	–
2019	\$198,260,000	6	\$188,281	\$173,133	5.0%	4.8%
2020	\$92,825,000	2	\$173,830	\$179,770	5.0%	5.0%
2021	\$243,820,000	6	\$165,414	\$173,577	8.1%	5.9%
2022	\$165,492,000	3	\$277,206	\$291,277	4.0%	4.0%
2023	\$7,750,000	1	\$161,458	\$161,458	7.0%	7.0%
2024	\$257,100,000	5	\$218,066	\$176,471	5.3%	5.6%
2025	–	–	–	–	–	–

1: Includes sales of \$2M and greater only.

## Employment and Population Growth

[View Full Chart in Demographics](#)

Year	Chicago Employment	Midwestern Region Employment	United States Employment	Chicago Population	Midwestern Region Population	United States Population
2019	0.6%	0.8%	1.1%	-0.3%	0.1%	0.5%
2020	-8.3%	-6.4%	-6.3%	-0.8%	-0.2%	0.1%
2021	5.3%	4.2%	5.7%	-0.9%	-0.2%	0.2%
2022	2.9%	2.3%	3.3%	-0.5%	0.1%	0.6%
2023	0.6%	1.2%	1.5%	0.0%	0.4%	0.6%
2024	0.9%	1.1%	1.4%	-0.3%	0.2%	0.6%
2025	0.3%	0.4%	0.7%	-0.3%	0.1%	0.5%
2026	0.0%	0.1%	0.4%	-0.3%	0.1%	0.5%
2027	-0.1%	0.0%	0.4%	-0.4%	0.1%	0.5%
2028	-0.1%	0.0%	0.4%	-0.4%	0.1%	0.5%

1: Source: Moody's Analytics. Forecasted data is for Baseline Scenario.

2: Source: Moody's Analytics; aggregated for the 275 markets covered by Moody's Analytics CRE. Forecasted data is for Baseline Scenario.

## Employment Growth

[View Full Chart in Demographics](#)

Year	Chicago Total Employment	Midwestern Region Total Employment	United States Total Employment	Chicago Office Employment	Midwestern Region Office Employment	United States Office Employment	Chicago Industrial Employment	Midwestern Region Industrial Employment	United States Industrial Employment
2019	0.6%	0.8%	1.1%	0.7%	0.8%	1.3%	-0.3%	-0.1%	0.2%
2020	-8.3%	-6.4%	-6.3%	-6.5%	-4.8%	-4.5%	-6.2%	-5.9%	-6.4%
2021	5.3%	4.2%	5.7%	4.5%	3.4%	5.0%	1.9%	2.8%	4.1%
2022	2.9%	2.3%	3.3%	2.4%	1.5%	2.8%	2.5%	3.0%	3.5%
2023	0.6%	1.2%	1.5%	-0.8%	-0.1%	0.8%	1.3%	0.8%	1.0%
2024	0.9%	1.1%	1.4%	0.2%	0.5%	1.0%	2.0%	1.2%	0.8%
2025	0.3%	0.4%	0.7%	0.4%	0.4%	0.7%	0.1%	0.1%	0.4%
2026	0.0%	0.1%	0.4%	0.2%	0.3%	0.7%	-0.3%	-0.2%	0.1%
2027	-0.1%	0.0%	0.4%	0.2%	0.3%	0.7%	-0.5%	-0.3%	0.0%
2028	-0.1%	0.0%	0.4%	0.2%	0.3%	0.7%	-0.5%	-0.4%	-0.1%

1: Source: Moody's Analytics. Forecasted data is for Baseline Scenario.

2: Source: Moody's Analytics; aggregated for the 275 markets covered by Moody's Analytics CRE. Forecasted data is for Baseline Scenario.

## Household Income Growth

[View Full Chart in Demographics](#)

Year	Chicago Household Income	Midwestern Region Household Income	United States Household Income
2019	3.0%	3.4%	3.7%
2020	7.2%	7.0%	7.1%
2021	6.0%	6.0%	6.4%
2022	1.7%	3.7%	2.7%
2023	5.2%	4.4%	4.1%
2024	3.9%	4.0%	4.0%
2025	3.5%	3.3%	3.4%
2026	3.6%	3.4%	3.4%
2027	3.8%	3.6%	3.6%
2028	3.8%	3.7%	3.7%

1: Source: Moody's Analytics. Forecasted data is for Baseline Scenario.

2: Source: Moody's Analytics; aggregated for the 275 markets covered by Moody's Analytics CRE. Forecasted data is for Baseline Scenario.

## Household Growth

[View Full Chart in Demographics](#)

Year	Chicago Household Growth	Midwestern Region Household Growth	United States Household Growth
2019	-0.4%	0.0%	0.6%
2020	-1.9%	-1.4%	-0.9%
2021	0.5%	1.1%	1.5%
2022	-0.1%	0.4%	1.1%
2023	-0.3%	0.2%	0.7%
2024	0.1%	0.6%	1.1%
2025	0.0%	0.5%	1.0%
2026	-0.1%	0.4%	0.9%
2027	-0.2%	0.3%	0.9%
2028	-0.2%	0.3%	0.9%

1: Source: Moody's Analytics. Forecasted data is for Baseline Scenario.

2: Source: Moody's Analytics; aggregated for the 275 markets covered by Moody's Analytics CRE. Forecasted data is for Baseline Scenario.