



Chicago

MARKET INSIGHT REPORT



SPRING

2023

Employment / Unemployment

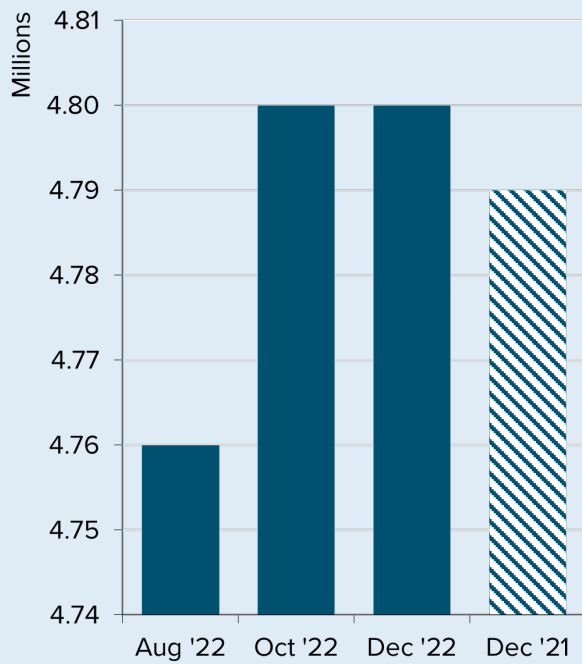
Chicago has one of the world's largest and most diverse economies and continues to gain strides towards full recovery from the global pandemic. Chicago was named one of the top "Ten U.S. Cities Successfully Weathering the Pandemic Thanks to Strong Management, Federal Support," in Mid 2021 by S&P Global Ratings. Chicago's strategic positioning, exceptional transmodal network, access to capital, and highly educated workforce pool has evolved the region into a "tried and true" national and global powerhouse center. The easing of pandemic-related supply chain challenges and shortages has stimulated manufacturing production and shipping costs are lowering, providing relief to businesses and consumers alike.

GREAA

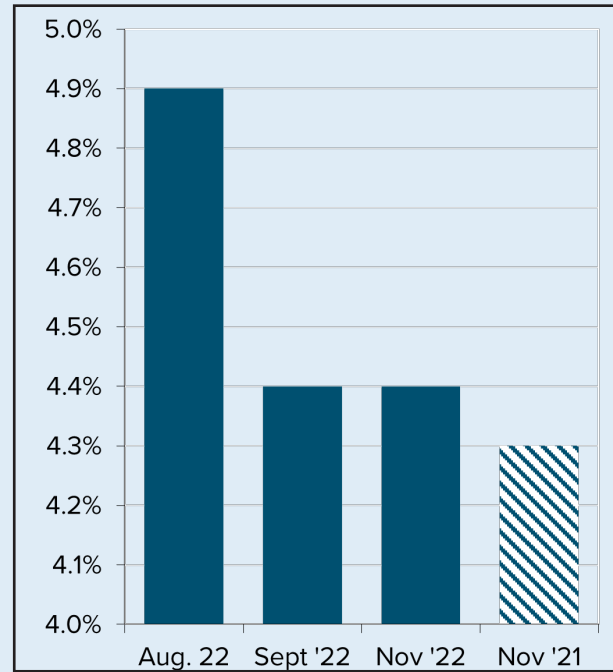
Greater Chicago is comprised of four metropolitan divisions - separately identifiable employment centers within the greater metropolitan area. The Chicago-Naperville-Arlington Heights, IL division contains 80% of the metropolitan area's total nonfarm employment.

- Total nonfarm employment for the Chicago-Naperville-Elgin, IL-IN-WI, metropolitan area increased by 134,200 jobs over the year, a 2.8% increase.
- Leisure and hospitality had the largest gain among the metropolitan area's private-industry supersectors of 44,800 jobs, a 10.5% increase Y-o-Y. The national gain rate was 7.2%.
- The professional and business services sector added 28,500 jobs, a gain of 3.8% versus compared to 3.2% nationally.
- Trade, transportation, and utilities gained 28,900 jobs over the year, an increase of 2.5%. the wholesale trade subsector accounted for 9,800 of the jobs added. Comparatively, employment in the supersector nationwide rose by 1.9%
- Other industry supersectors with significant gains reported include education and health services with 24,000 jobs gained and manufacturing with 15,900 jobs added Y-o-Y.

Total Employment



Unemployment



Metro Area Employment (Thousands)	December 2022	% Change Dec. 2021
Total Non-farm	4789.3	2.8%
Mining, Logging, and Construction	180.3	2.5%
Manufacturing	417.2	3.5%
Trade, Transportation, and Utilities	1001.2	2.0%
Information	77.6	3.5%
Financial Activities	315.8	-0.7%
Professional and Business Services	858.9	1.8%
Education and Health Services	747	3.8%
Leisure and Hospitality	466.8	10.0%
Other Services	188.9	1.7%
Government	535.6	0.9%

Sources: U.S. BLS, Current Employment Statistics

Chicago Rental Market

Chicago area rental rates surged in 2021 after the federal and state eviction moratoria were lifted following the pandemic. The annual rental growth decreased over the past 12 months to 4.2% from 5.78% in 2021. During this time, Chicago experienced the largest annual growth, with the median rent increasing 20.8% to \$1,949 per month.

Post-pandemic demand in the urban core has made a strong return as renters make their way back to the workplace and are drawn to amenity-rich units. The submarkets of Downtown Chicago and North Lakefront account for about half of the metro's year-over-year absorption gains with 2,000 units and 1,700 units respectively. Rents stabilized by the end of 2022 and according to CoStar, a sizeable uptick is forecasted into the beginning of 2023 as would-be buyers hold on purchasing for another year. However, a decline in rental rates is looming due to the effects of inflation. The average vacancy rate will gradually increase in the first half of 2023, it will fare below the market's historical average. A flux of deliveries entering the market will meet demand in early 2023.



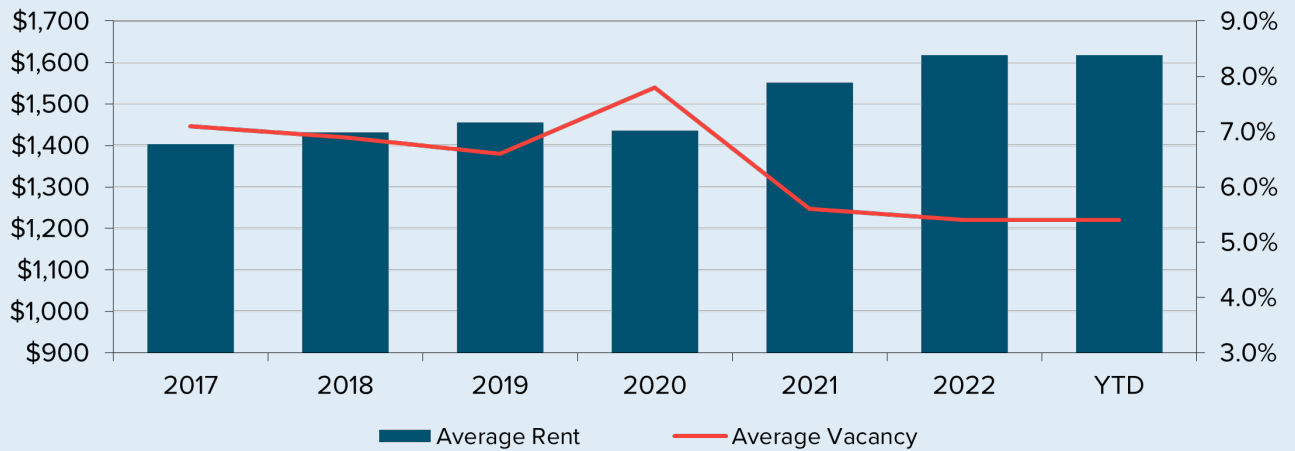
4.2%

Asking Rent Growth Y-o-Y

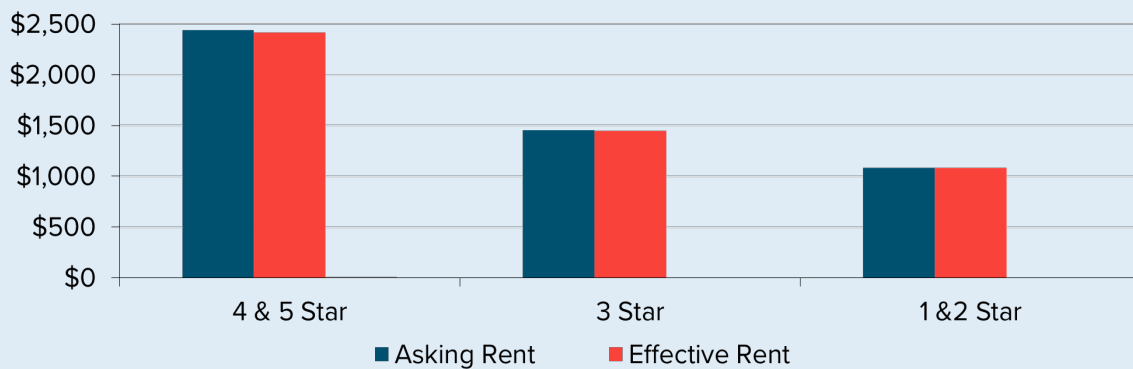
Year	Market Rent per SF	Vacancy Rate
YTD	\$1.98	5.4%
2022	\$1.98	5.4%
2021	\$1.90	5.6%
2020	\$1.75	7.8%
2019	\$1.78	6.6%
2018	\$1.75	6.9%
2017	\$1.71	7.1%

**Includes Properties in Lease-Up*

Average Rent / Vacancy



Asking Rent Comparison



Asking Rent / SF

Market Rent Per Square Foot



Source: CoStar

Multifamily Construction

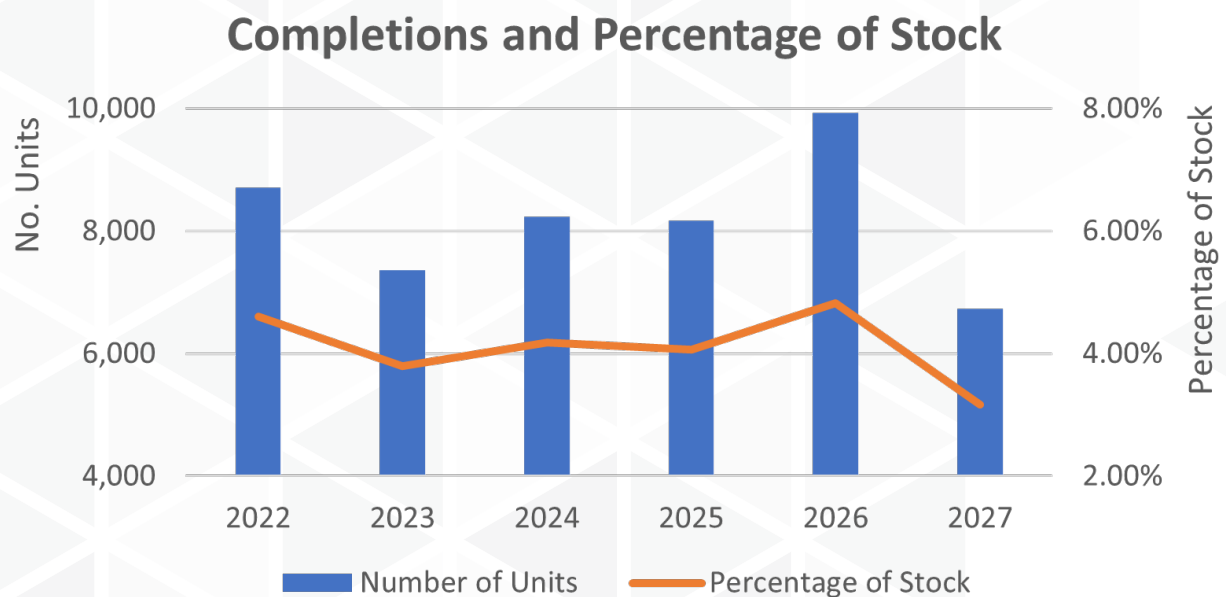
- Approximately 5,700 units have been delivered over the past 12 months, about 20% below the 10-year average.
- Close to 6,500 units were absorbed over the previous 12 months, well over the annual net absorption average of 4,100 units.
- Concurrently, the average occupancy rate is 94.6%, the highest level for the region in over 20 years.
- Units currently under construction tally to over 17,000, meeting demand and surging well above the market's 8,139-unit all-time average.



2,687 New Units

2023 Expected Completions
8,242 New Units Will Follow in 2024

Completions / Net Absorption

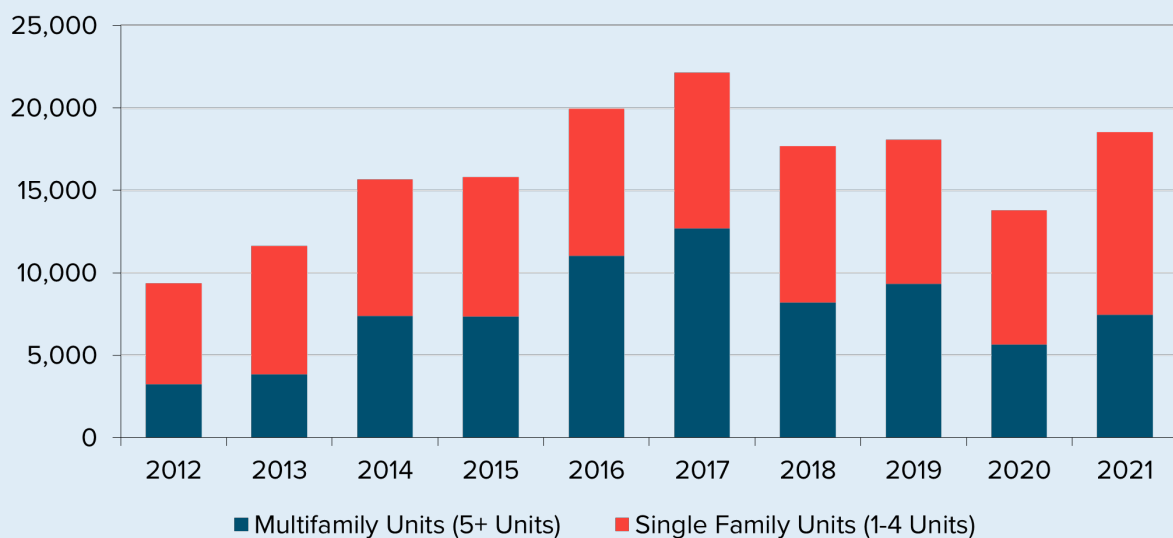


Permits

- The median sale price for single family homes in the Chicago metro was \$288,00, an increase of 0.3% YoY.
- There were 14,205 active listings, a decrease of 10.6% Y-o-Y.
- The total number of units sold was 6,354 down, 39.5% Y-o-Y.
- Total days on market increased from 30 to 32 days on market, a 6.7% change Y-o-Y.

For the Year 2022 - Source: Illinois REALTORS

Total Residential Building Permits



Source: US Census + CoStar



11,066
Single Family
Permits

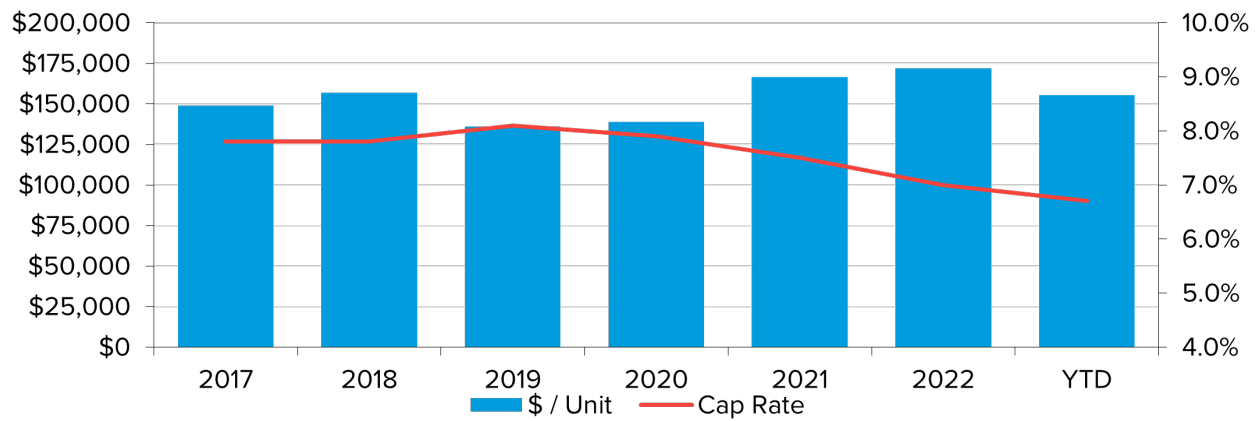
7,455
Multifamily Permits
(5+ Units)



\$310K
Median Single
Family Price
+3.8% YoY

Multifamily Sales

Average Sales PPU / Cap Rate



Source: CoStar



\$168K

Avg. Sold Price / Unit



5.6%

Avg. Cap Rate



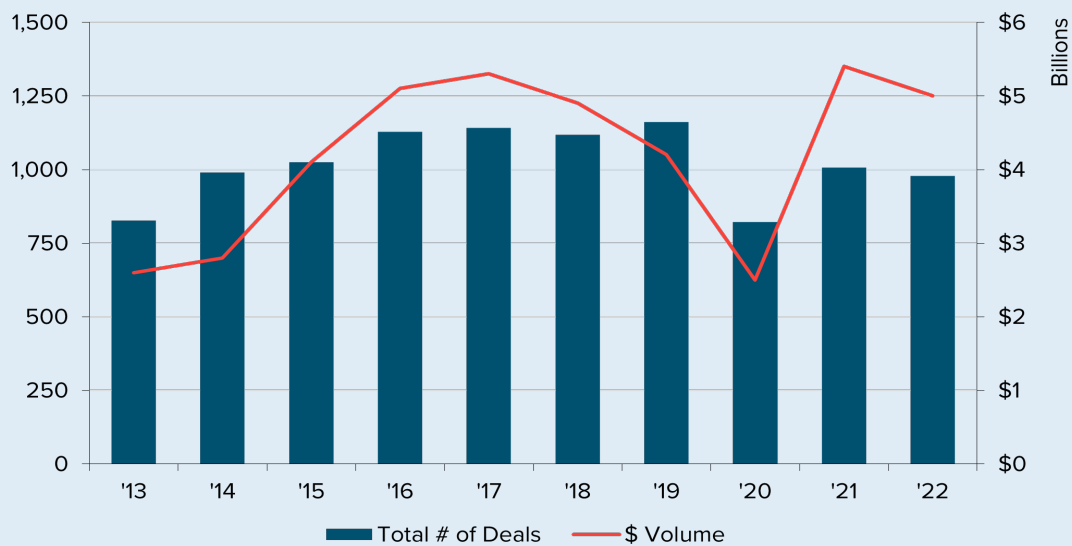


\$5B
Sales Volume



\$155,217
Avg Price per Unit

Apartment Sales Transactions



Source: CoStar

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