Multi-Family Residential – New Opportunities and Needs in Suburban Chicago

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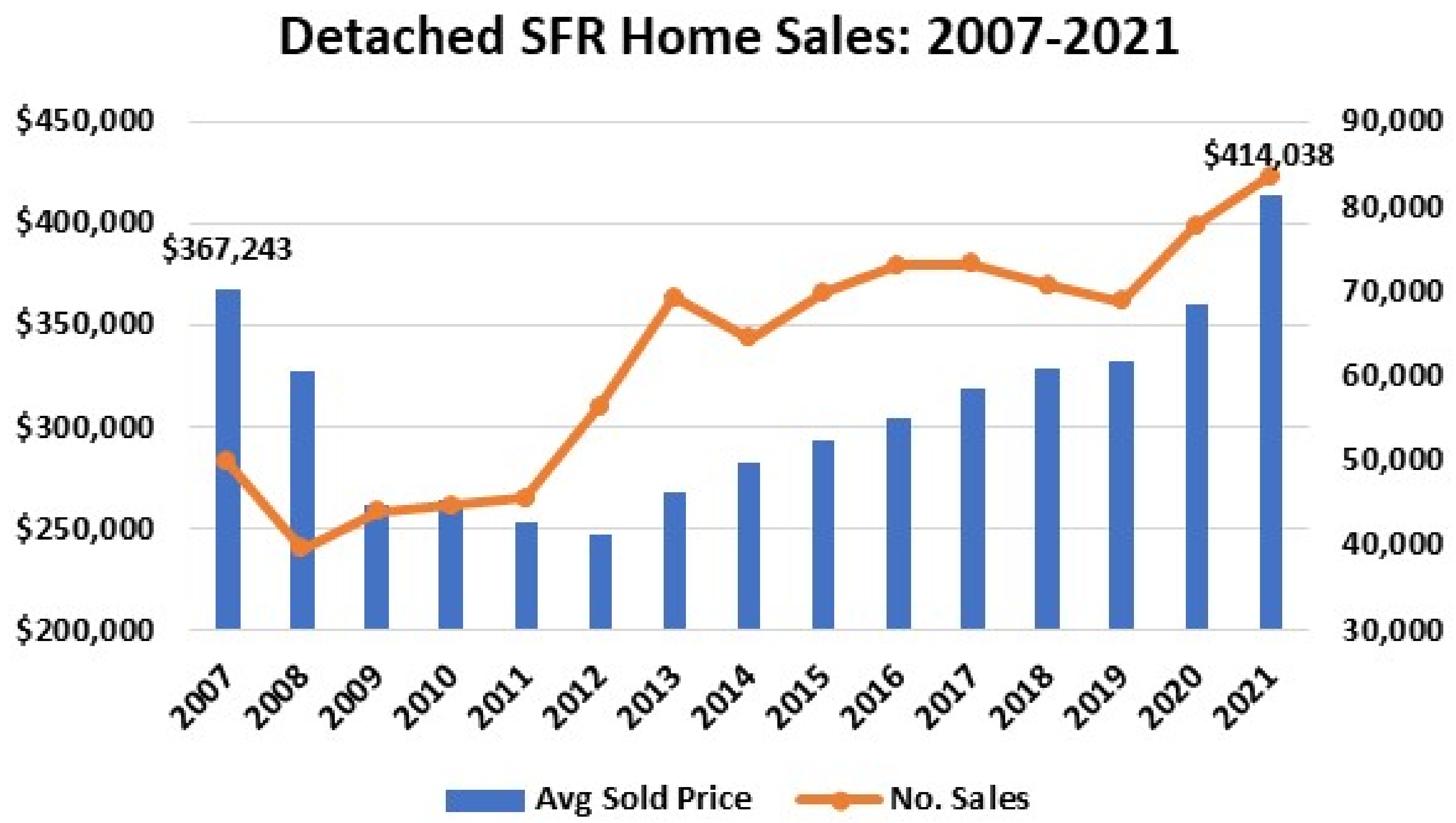
Detached Home Sales Market – 7 County Region



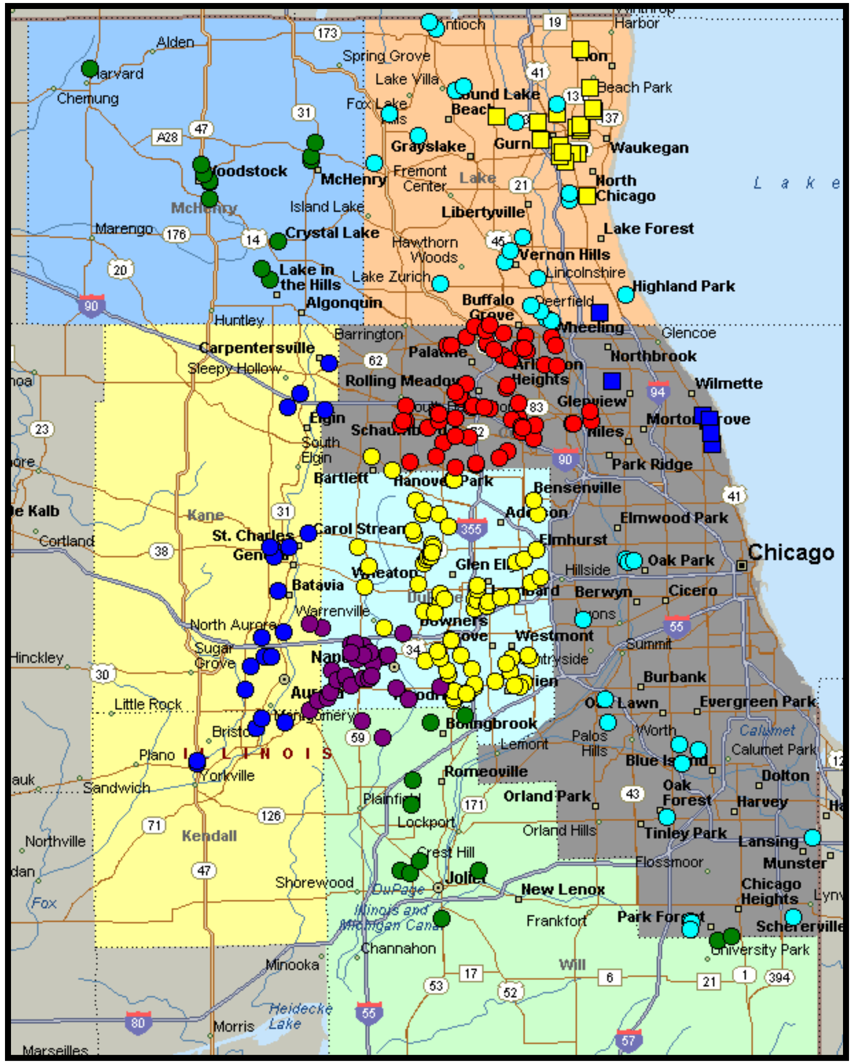
2019-2021 Trend

Price: +25%

Volume: +21%

Source: MRED LLC compiled by IRR

The Suburban Multifamily Dataset



107,290 Units

10 Submarkets

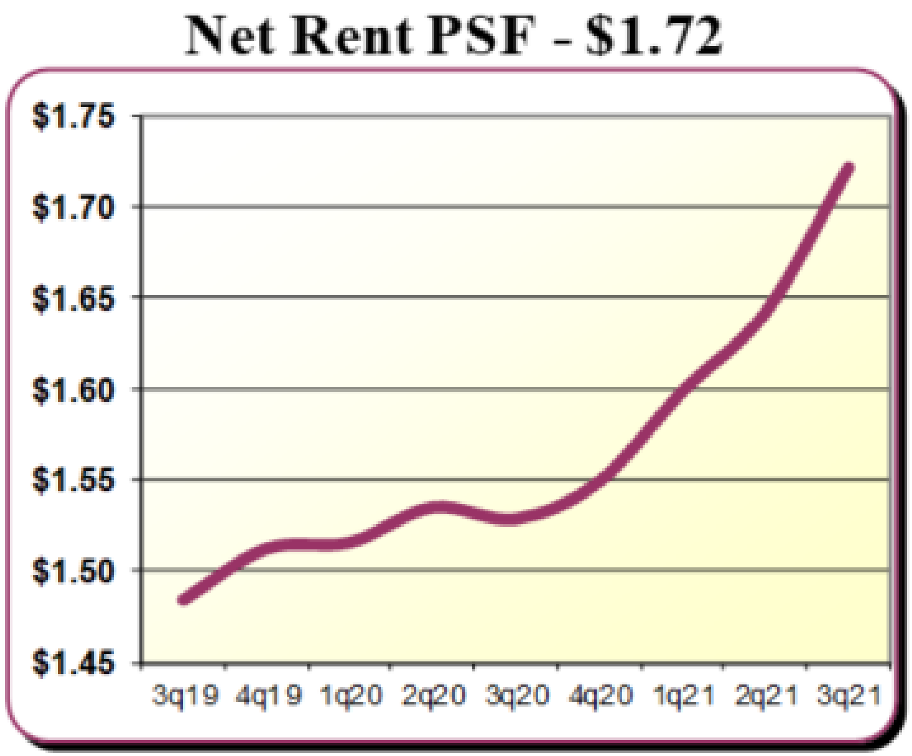
Average Size – 300+/- units

Class A – 33%

Class B – 32%

Class C – 35%

The Suburban Dataset - Rent

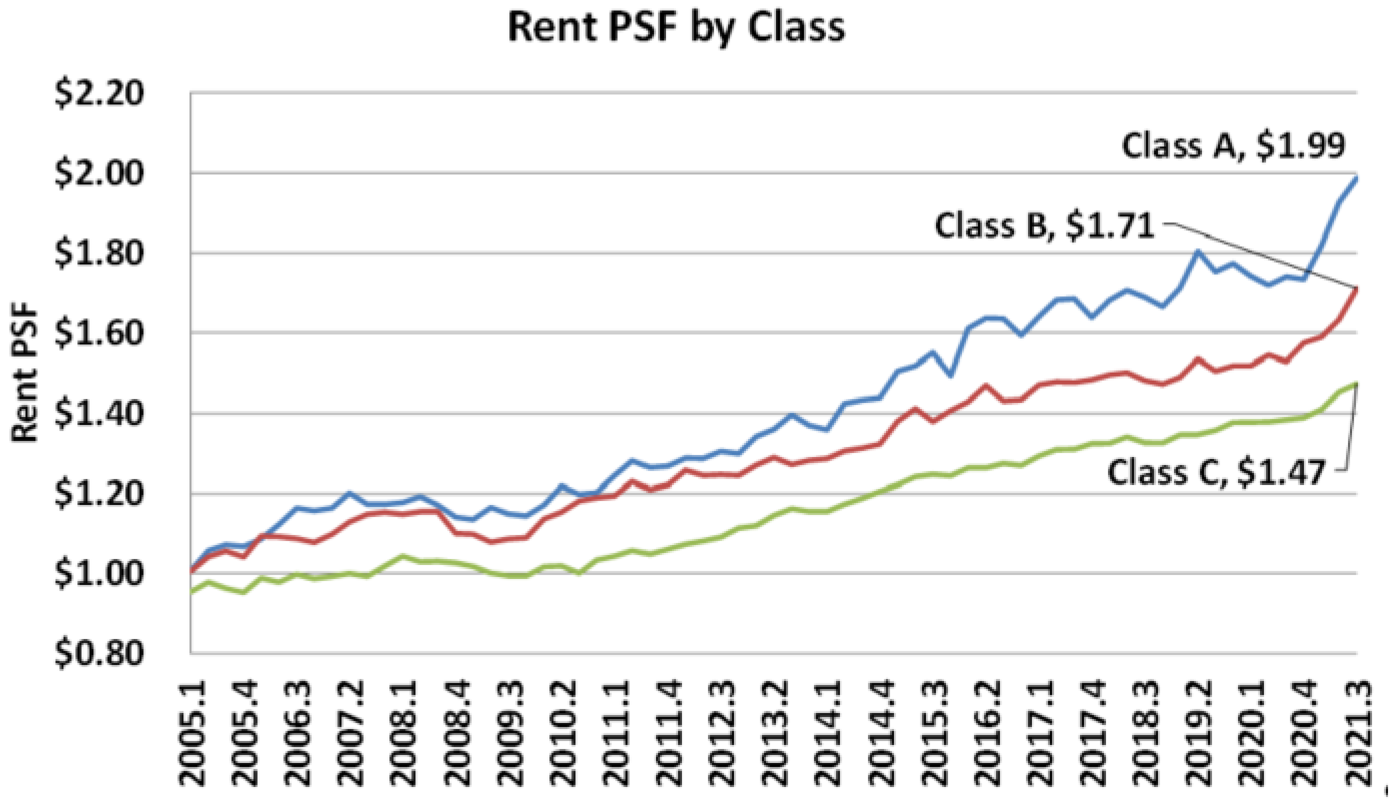


YoY Increase +12.6%

Sample Submarkets

Cook NW	$1.70
DuPage	$1.70
Kane/Kendall	$1.70
McHenry	$1.31
Naperville/Aurora	$1.74
North Shore	$2.43
Waukegan/Gurnee	$1.35
Will	$1.70
Overall	**$1.72**

The Suburban Dataset

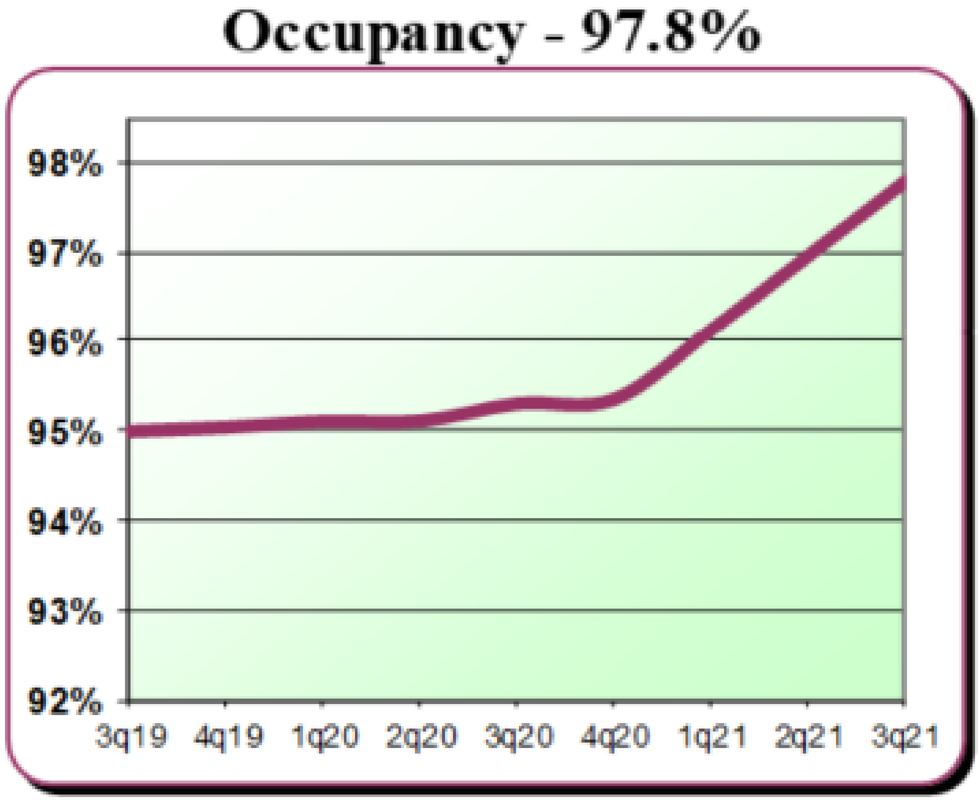


Year over Year Change

Class A	13.4%
Class B	11.9%
Class C	6.5%

Accelerated demand for Class A

The Suburban Dataset – Occupancy

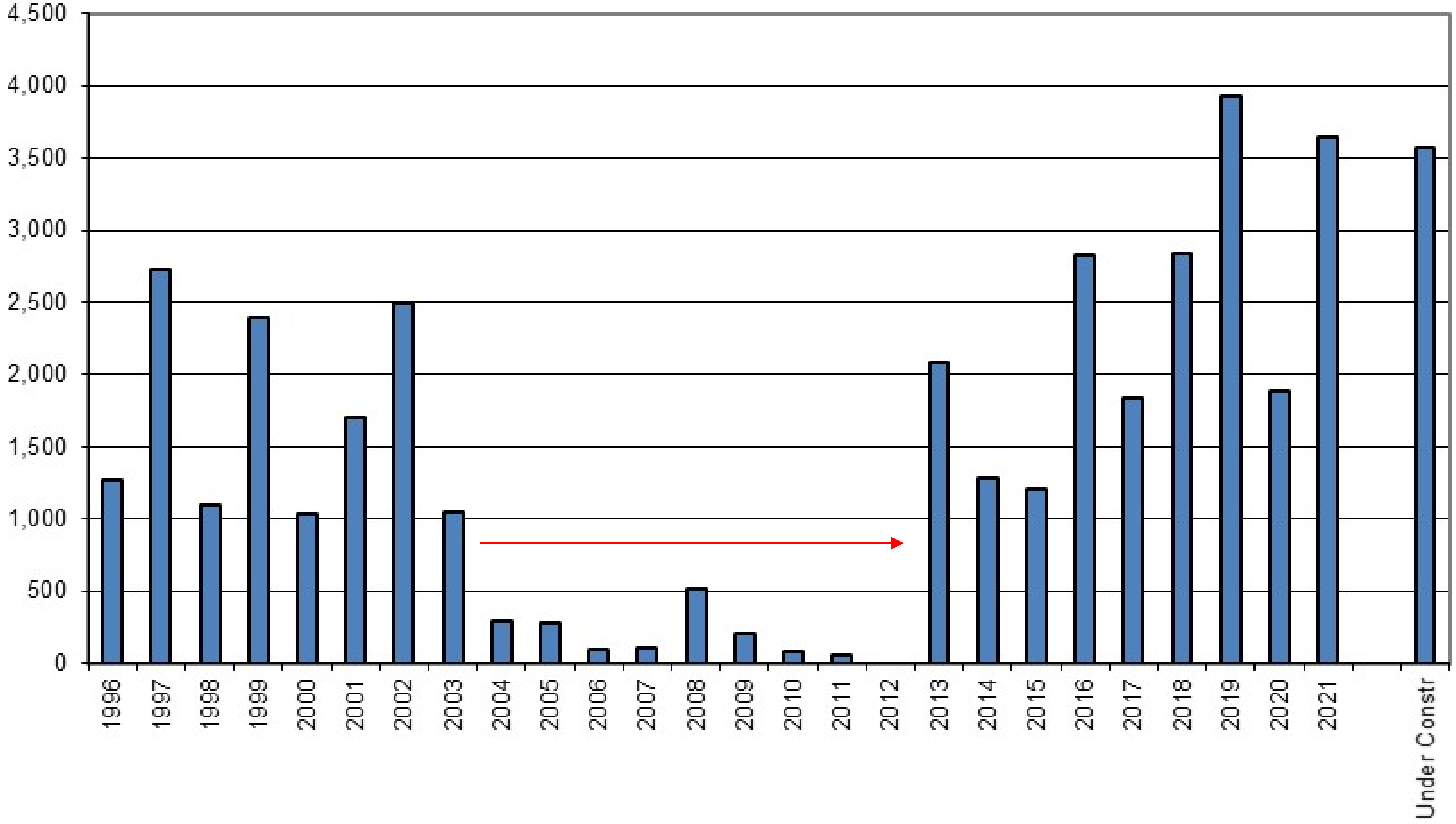


Sample Submarkets

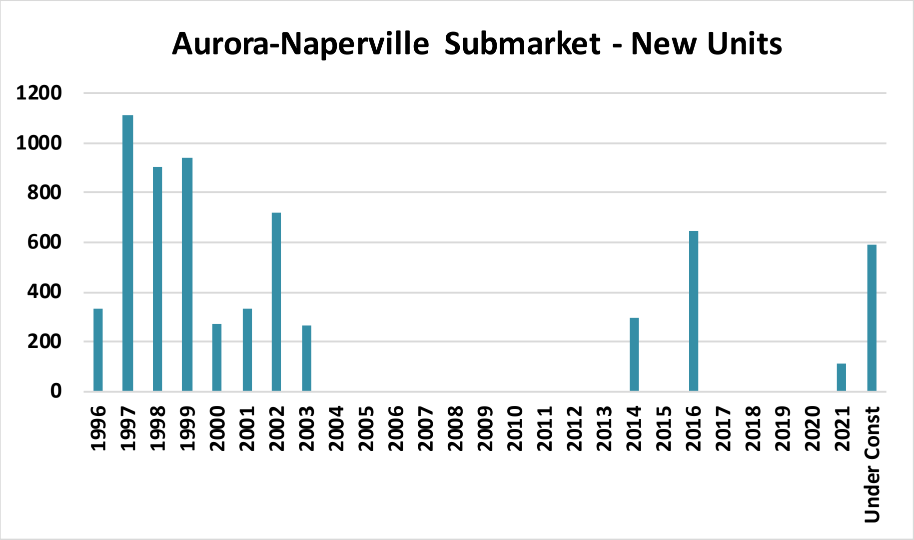
Cook NW	97.1%
DuPage	98.0%
Kane/Kendall	98.0%
Naperville/Aurora	97.6%
North Shore	98.1%
Waukegan/Gurnee	99.3%
Will	98.2%
Overall	**97.8%**

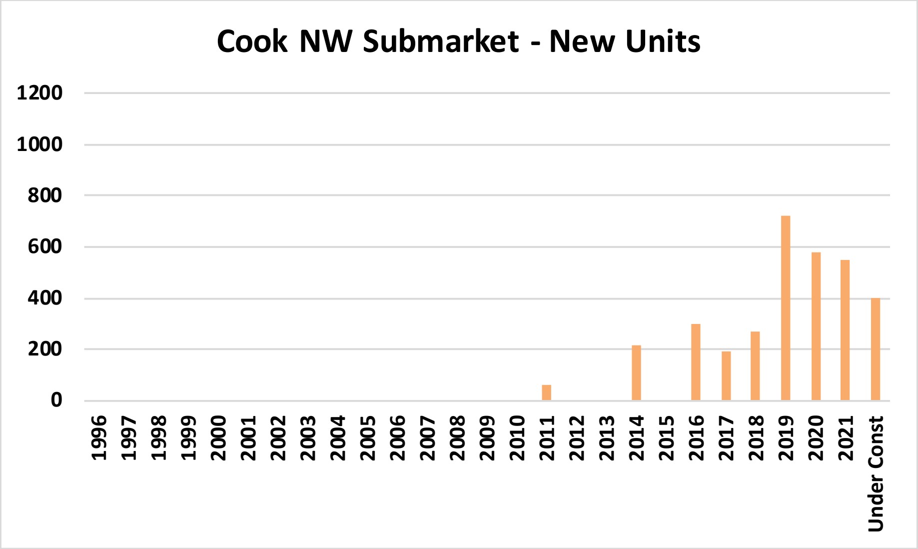
Rent spike is no surprise given occupancy

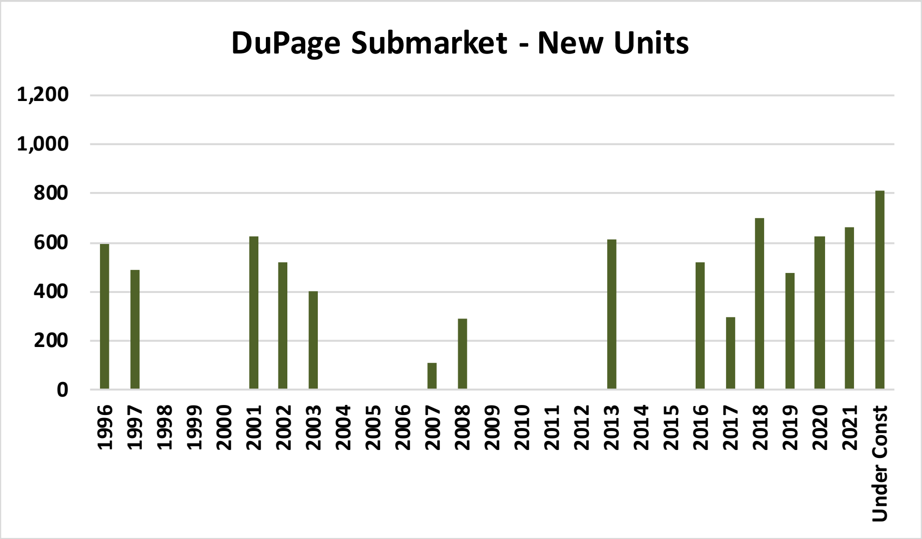
New Construction Deliveries: 1996-2022



New Construction Deliveries







Apt Development Opportunities & Challenges

Opportunities

- Diversify housing stock
- Design for multiple demographics
- Enhance suburban downtowns
- Adaptive reuse of non-residential properties
- Value-add/renovations
- Condo deconversion

Challenges

- Escalating construction costs
- Lengthy entitlement/zoning process
- Affordable requirements
- Real estate taxes
- Equity/financing
- Projecting post-COVID demand