



### MARKET AT A GLANCE



**OCCUPANCY RATE** **95.0%**  
Down **10 bps** since 3Q16



**ASKING RENT** **\$1,603**  
Up **2.4%** since 3Q16

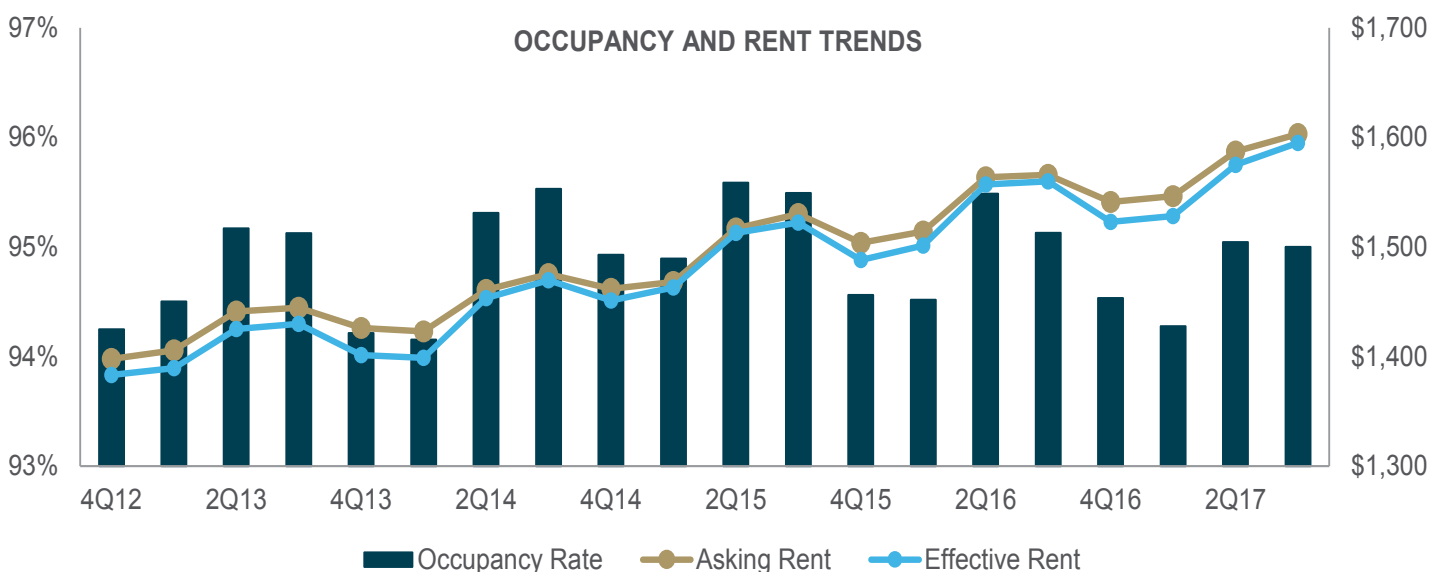


**CONCESSIONS** **0.5%**  
Down **10 bps** since 3Q16

### OCCUPANCY AND RENT TRENDS

#### RENTERS SEEK NEW INVENTORY IN GOLD COAST, DRIVE OCCUPANCY UP

Apartment occupancy remained elevated amid rising leasing activity in the Chicago metropolitan area during the third quarter. Residents newly occupied 2,264 units in the third quarter, outpacing the 1,031 units absorbed during the same time last year. Renters were attracted to new inventory, with leasing activity highest in the Gold Coast/River North and the City West submarkets during the last three months. In the Gold Coast/River North area, a metro-leading 877 units came online since June. While deliveries were robust in the submarket, outsized demand pushed occupancy up 30 basis points quarter over quarter to 95.1%. The submarket trend was reflected at the metro level, where leasing activity exceeded deliveries, though more slightly during the last three months. Metrowide occupancy was 95.0% in September, matching the rate in June. While unchanged, occupancy was 10 basis points higher than the five-year average. Operators capitalized on the healthy apartment occupancy by advancing asking rent on average 1.0% since June to \$1,603 per month in September. At the same time, average concessions decreased 30 basis points to 0.5% of asking rent.



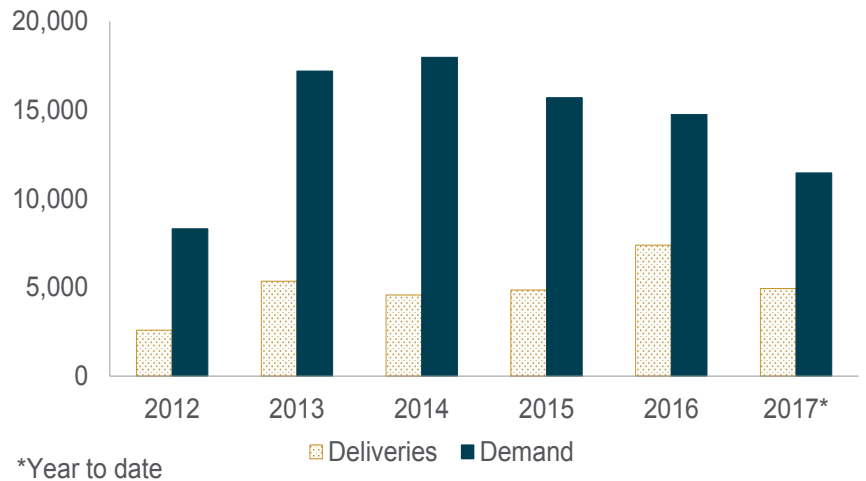
## DELIVERIES AND DEMAND



**DELIVERIES** 4,946  
Units YTD



**NET ABSORPTION** 11,465  
Units YTD



## ECONOMIC TRENDS

2016 5.7% ..... **UNEMPLOYMENT\*** ..... 2017 4.9%  
**-80 BPS CHANGE**

2016 4.66m ..... **EMPLOYMENT\*** ..... 2017 4.69m  
**0.5% CHANGE**

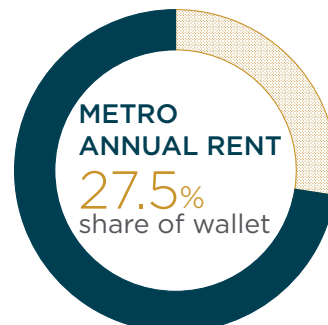
2016 145.0k ..... **EXISTING SFH SALES\*\*** ..... 2017 173.4k  
**19.6% CHANGE**

2016 \$230.5k ..... **MEDIAN SFH PRICE\*\*** ..... 2017 \$246.1k  
**6.8% CHANGE**

2016 1.63% ..... **10-YEAR TREASURY\*\*** ..... 2017 2.20%  
**60 BPS CHANGE**

\*August; \*\*September

Hiring in the financial activities industry was a significant economic driver in the Chicago metropolitan area. The sector expanded 3.0%, or by 9,100 jobs, annually through August 2017. Job creation accelerated from the year before when 3,900 personnel were recruited in the sector for 1.3% growth. Also in the white-collar segment, employers in the professional and business services sector contributed an additional 7,200 workers for a 0.9% increase to the local economy since August 2016. Greater Chicago total nonfarm employment expanded 0.5%, or by 22,700 net jobs, at the same time. While still positive, annual growth decelerated from 1.2% expansion the year before. Losses in the manufacturing and the government sectors tamped down overall job growth. Businesses in the manufacturing industry shed 2,800 positions for a 0.7% contraction since August 2016. Simultaneously, 2,000 jobs were eliminated among government agencies for a 0.4% decrease. With a majority of employment sectors posting gains, unemployment was 4.9% in August 2017, down 80 basis points annually.



# CHICAGO

MULTIFAMILY REPORT

## SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q17	ANNUAL	3Q17	ANNUAL
Aurora/Naperville	95.1%	95.1%	4.7%	2.9%	\$1,363	\$1,402	203	544	199	572
Belmont to Montrose	96.1%	93.7%	6.8%	1.0%	\$1,959	\$1,979	488	-624	0	96
City West	95.6%	95.4%	3.3%	3.4%	\$2,319	\$2,399	900	1,205	434	1,506
Downers Grove	95.9%	95.5%	3.3%	4.7%	\$1,169	\$1,225	-13	-69	0	0
Glen Ellyn/Wheaton	93.7%	94.7%	1.3%	1.8%	\$1,250	\$1,272	-115	177	0	0
Glendale Heights/Lombard	96.5%	95.7%	1.2%	-0.7%	\$1,294	\$1,285	74	204	0	378
Glenview/Evanston	94.2%	95.2%	-3.8%	-6.6%	\$1,931	\$1,803	-915	987	93	239
Gold Coast/River North	95.4%	95.1%	-1.8%	2.6%	\$2,356	\$2,417	1,037	1,826	877	2,110
Joliet	94.9%	95.6%	5.7%	4.4%	\$1,265	\$1,320	-43	327	0	248
Kendall County	96.5%	96.6%	1.3%	5.5%	\$1,243	\$1,311	30	2	0	0
Lincoln Park/Old Town	97.3%	96.5%	-10.0%	3.4%	\$1,874	\$1,937	117	-148	0	78
McHenry County	97.3%	96.7%	8.5%	-7.0%	\$1,159	\$1,078	70	-55	0	0
Oak Park	95.3%	95.7%	-6.0%	2.3%	\$1,288	\$1,317	265	619	45	403
Palatine	94.7%	94.8%	-2.9%	4.0%	\$1,195	\$1,243	14	161	77	151
Rogers Park/Uptown	95.2%	96.7%	1.5%	4.6%	\$1,156	\$1,209	-693	1,044	0	0
Schaumburg/Hoffman	93.9%	93.9%	0.2%	1.3%	\$1,280	\$1,297	-56	6	0	0
South Shore	94.2%	93.9%	-9.7%	4.1%	\$1,414	\$1,472	-30	127	0	393
Southeast Cook County	93.8%	93.8%	1.9%	2.5%	\$898	\$920	298	-14	0	0
Southwest Cook County	94.7%	94.5%	-0.3%	-2.0%	\$1,041	\$1,020	267	-45	0	110
The Loop	95.5%	94.8%	3.9%	-0.3%	\$2,149	\$2,141	364	276	172	438
Wheeling	95.1%	95.9%	-0.6%	4.6%	\$1,360	\$1,423	-71	367	0	153
Will County / Other	-	98.9%	-	-	-	\$960	-1	-1	0	0
Woodridge/Lisle	94.0%	95.3%	-0.6%	-0.3%	\$1,290	\$1,286	75	395	108	250
<b>TOTALS</b>	<b>95.1%</b>	<b>95.0%</b>	<b>2.3%</b>	<b>2.4%</b>	<b>\$1,566</b>	<b>\$1,603</b>	<b>2,264</b>	<b>7,310</b>	<b>2,005</b>	<b>7,125</b>



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