Homeownership vs Renter HH...

Renter Household Growth Has Surged with the Drop in Homeownership

Renter Households (Millions)

Homeownership Rate (Percent)

Note: Data for 2015 are as of the third quarter.
Source: US Census Bureau, Housing Vacancy Surveys.
Change in Renter HH by Cohort…

Change in Renter Households (Millions)

Age Group

- Under 25
- 25-29
- 30-34
- 35-39
- 40-44
- 45-49
- 50-54
- 55-59
- 60-64
- 65-69
- 70-74
- 75 and Over

Notes: Projected renter growth assumes homeownership rates by age, race, and household type remain at their averages in 2014–2015. Historical growth rates are based on annual data that are three-year trailing averages. Sources: JCHS tabulations of US Census Bureau, Current Population Surveys; 2013 JCHS household growth projections.
15 Year Rate by Age Cohort...

Source: U.S. Census Bureau, CBRE Econometric Advisors, Q4 2015.

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Supply & Absorption Trends...

Source: CBRE Econometric Advisors, Q4 2015.
Recent Homeownership Trends…

Every 1% change is roughly 30,000+ renters – Chicago MSA

6.5% drop since 4Q06 = 195,000 more renter HH

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Supply Considerations...

Shift from North Shore to MSA
Total Count Modest for MSA
What about TOD Demand??

- In Lease Up
- Under Construction

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The Downtown Pipeline...

Green = In Lease Up

Red = Under Construction
Can Absorption Keep Pace...

Is Supply Limiting Absorption?

Employment Impact Hitting Downtown...

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DT Chicago Housing Units…

- Rental Units
- Condo/TH Units

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Risks…

Is there too much supply?

Is the decline in home ownership sustainable?

Is pricing sustainable as the exit for merchant builders?

Is foreign investment artificially driving up pricing?

Will more conservative underwriting drive up cap rates and pull down values?