# CHICAGO, ILLINOIS | MSA

ECONOMIC AND DEMOGRAPHIC OVERVIEW

1Q | 20

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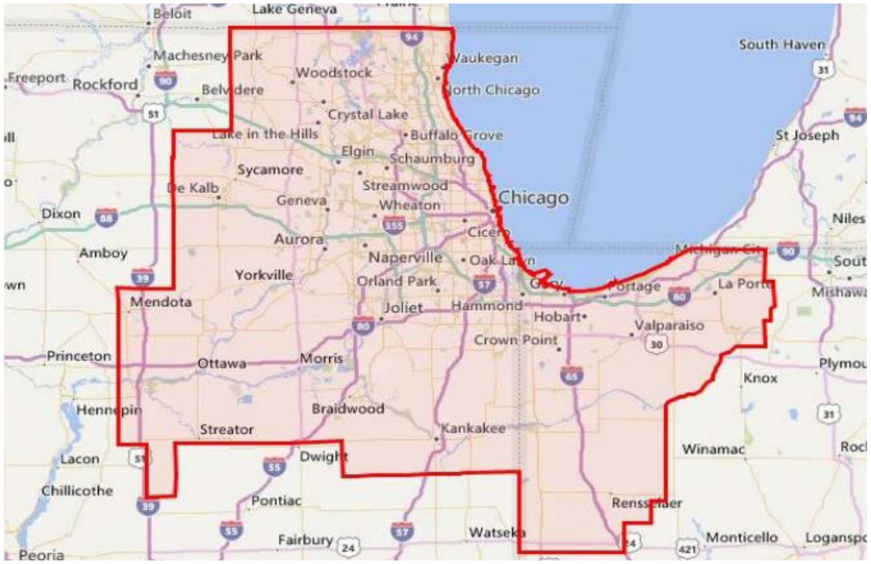



## INTRODUCTION

The **City of Chicago** and the greater **Chicago-Naperville-Elgin, IL-IN-WI, Metropolitan Statistical Area (MSA)** boast a number of intrinsic advantages that provide the city with a solid economic base and future. Among those advantages are the region's central, well-served location and its diverse workforce, which supplies an employee base that possess a broad set of skills. The region is also one of the **most affordable places to run a business** when compared with cities like New York or San Francisco. These attributes help the region attract the headquarters of Archer Daniels Midland and ConAgra Foods. Billions have been invested in both the information technology and health care sectors resulting in a medical facility building boom across the city and suburbs. Enrollments at the metro's major universities, including the **University of Illinois Chicago**, **Northwestern**, and **DePaul,** have increased in recent years, and these institutions have invested heavily in their campuses. Infrastructure improvements will create CRE opportunities throughout Chicagoland with multiple major housing, office, and retail projects taking place across the metro near METRA stations. An estimated **200,000 jobs are projected to be added across the metro through the end of 2022**, one of the highest rates in the nation, forming a base for solid CRE investments.

# Best Active Lifestyle

Chicago awarded **No. 2** position among the **"Best Cities for an Active Lifestyle"**
- WalletHub

# Best Public Transportation

Chicago's transit system ranked **No. 4** among the **"Best Cities for Public Transportation"**
- SmartAsset

# Walkable City

Chicago ranked **No. 6** among **"Large U.S. Cities with the Best Walk Scores"**
- Walkscore.com

# Fortune 500

The metro area is home to **35 Fortune 500 headquarters**, 11 of which are located in the city of Chicago.
- Fortune Magazine

## DEMOGRAPHICS

3RD
MOST POPULATED METRO AREA IN THE U.S.

65% OF METRO WORKERS ARE IN
WHITE-COLLAR
POSITIONS

38.1
MEDIAN AGE IN THE METRO AREA

**9.7m**

Greater Chicago's **population** is forecast to grow 1.4% over the next five years, surpassing 9.7 million residents

**2.3m**

36% of residents 25 years and older hold a **bachelor's degree or higher**, compared to 30% nationally

**1.1m**

Approximately 33% of metro **households earn $100,000 or more annually**, compared to 25% nationally

**1.2m**

31% of Chicago area households are **renter occupied**

**$77.7k**

The metrowide **median household income** is projected to reach $77,661 by 2025, up 12.2% from 2020

# CHICAGO, ILLINOIS | MSA

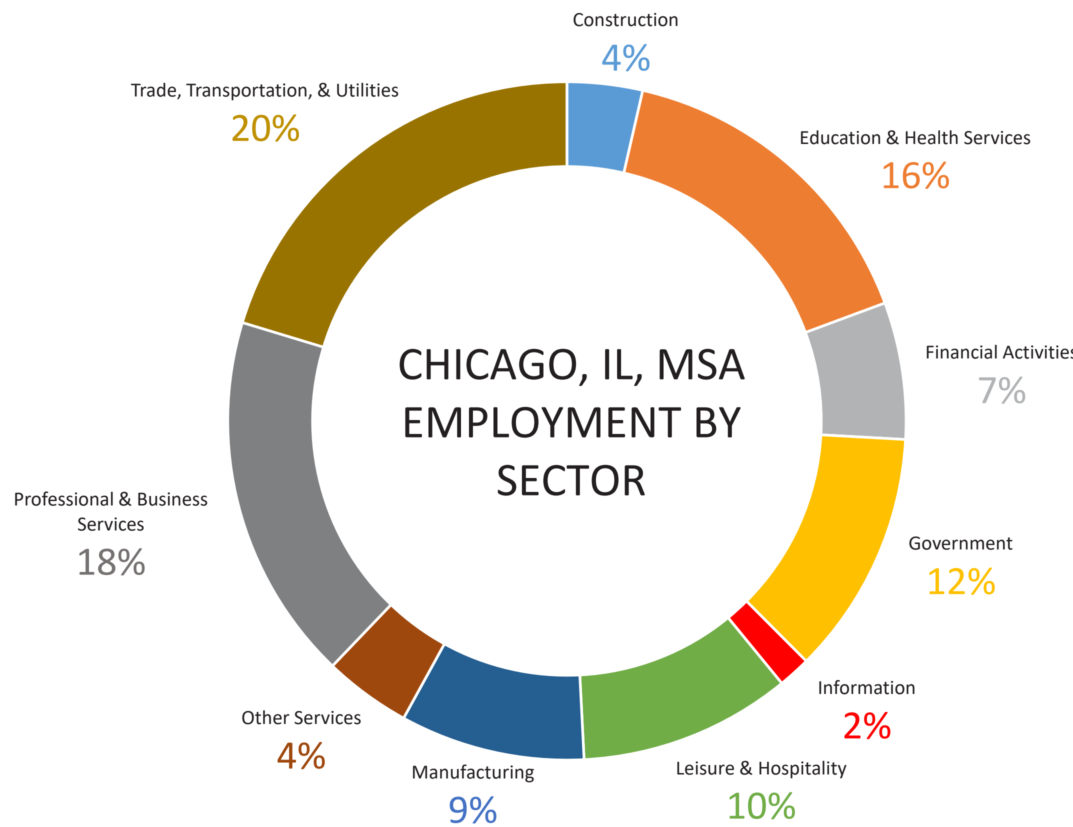
## METRO INDUSTRY BREAKDOWN

### AVERAGE ANNUAL WAGE BY OCCUPATION

| Occupation | Average Annual Wage |
|---|---|
| Management | $121.1k |
| Health Care Practitioners & Technicians | $82.3k |
| Business & Finance | $77.3k |
| Education | $57.4k |
| Maintenance & Repair | $52.1k |
| Sales | $44.9k |
| Office & Administrative Support | $40.4k |
| Transportation & Material Moving | $40.1k |
| Manufacturing | $39.0k |
| Food Preparation & Service | $24.9k |

Source: BLS Occupational Employment Statistics Survey

Metro Chicago has one of the world's largest and most diversified economies with more than four million employees. An efficient economic powerhouse, Chicago is a key player in every sector from risk management innovation to manufacturing and information technology to health services. The greater Chicago workforce **expanded by roughly 36,000 employees** over the 12-month period ending in December 2019, including **18,000 new jobs in the Education and Health Services sector**.



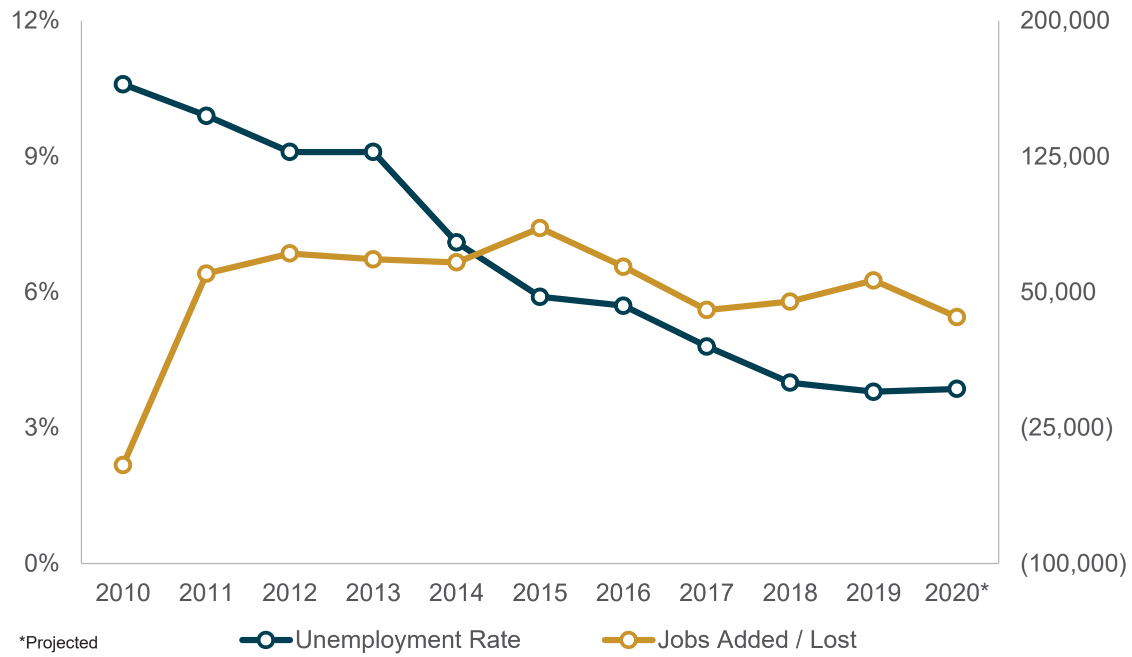

Source: BLS Current Employment Statistics Survey

# CHICAGO, ILLINOIS | MSA

## METRO EMPLOYMENT TRENDS

**DECEMBER 2019** 3.2%

the metro's monthly unemployment rate was down 70 bps annually




**DECEMBER 2019** 36,000 jobs

were created metrowide, a 0.7% Y-o-Y increase

CHICAGO MSA

### LARGEST EMPLOYERS

| | |
|---|---|
| U.S. Government | 41,500 |
| Chicago Public Schools | 36,420 |
| City of Chicago | 31,850 |
| Cook County | 22,440 |
| Northwestern Memorial Healthcare | 19,890 |
| Advocate Health Care | 19,510 |
| University of Chicago | 17,350 |
| United Continental Holdings | 14,580 |
| Amazon.com Inc. | 14,020 |
| J. P. Morgan Chase & Co. | 13,800 |

Sources: Crain's Chicago Business Journal; Cook County CAFR

## FORTUNE 500 COMPANIES

BOEING INTERNATIONAL HEADQUARTERS


35
Fortune 500 Headquarters

400+
Company Headquarters

More than **400 major corporate headquarters** call the Chicago area home, and of those, **35** are **Fortune 500 headquarters**, including 11 companies located within the city of Chicago. The top five companies include **Walgreens Boots Alliance** (No. 17), **The Boeing Company** (No. 28), **Archer Daniels Midland** (No. 49), **United Continental Holdings** (No. 78), and **Allstate Corporation** (No. 82). Other Fortune 500 companies include Exelon Corporation, CDW Corporation, McDonald's, Abbott Laboratories, Navistar International Corporation, and W. W. Grainger, Inc.

## HEALTH CARE

RUSH MEDICAL CENTER


95
Hospitals in the Metro Area

610,000+
Regional Direct and Indirect Jobs Supported

26,000
Health Care-Related Companies

$48.4 billion
Contribution to GMP

Health care plays an important role in the Greater Chicago economy. The health care industry accounts for **$48.4 billion in annual GMP**. The Chicago metro area has **95 hospitals** and six accredited academic medical centers. More than **26,000 health care-related companies** operate in the metro area, and these companies support **over 610,000 direct and indirect workers**. Each year, Chicago area colleges grant approximately **28,000 health care-related degrees**.

## PROFESSIONAL AND BUSINESS SERVICES

ACCENTURE, CHICAGO

**848,500**
Jobs Supported

**$106.2 billion**
GMP Generated

**62,000**
Companies

**Chicago was named among the most important business centers in the world** by the MasterCard Worldwide Centers of Commerce Index in 2017. The **professional** and **business services sector** is the **second-largest employment sector** in the Chicago metro area, employing **848,500 workers**. Major professional and business services companies in the area include Accenture, Ernst & Young, KPMG, and Deloitte. There are more than 62,000 industry-related companies in metro Chicago, generating a gross metropolitan product (GMP) of approximately $106.2 billion.

## INFORMATION TECHNOLOGY

GLASSDOOR, CHICAGO

**75,000**
Jobs Supported

**$50.5 billion**
GMP Generated

**13,800+**
IT Companies
Metrowide

Tech occupations are in high demand across the Chicago metro, making it one of the most globally competitive information technology markets. Metrowide, there are over **13,800 companies** in the information technology industry, including the **headquarters for five of the top 500 cybersecurity companies in the world**. According to Cyberstates 2019, tech occupation employment in the Chicago metro is projected to grow by 3.2% by 2026. Currently, the sector **supports 75,000 jobs** and contributes $50.5 billion to the local economy.

## CONSTRUCTION AND DEVELOPMENT

### WANDA VISTA TOWER

**$1 billion**
Investment

**500**
Permanent Jobs

Along East Wacker Drive, officials are preparing for the grand opening of **Wanda Vista Tower**, what is set to be Chicago's third-tallest skyscraper. Construction began on the 1,100-foot-tall-tower in 2016 and has since become a topic of conversation for its unique design and economic potential. Most of the tower will be occupied by 406 condominiums and will also feature a 210-room, five-star hotel, and 9,000 square feet of retail space. The luxury residential units will be listed for sale between $1 million and $18 million. The project supports **2,000 construction jobs** and will support more than **500 permanent jobs.** The $1 billion development is scheduled to officially open mid-2020.

### CHICAGO O'HARE INTERNATIONAL AIRPORT EXPANSION

**$8.5 billion**
Expansion

**60,000**
Construction Jobs

An **$8.5 billion expansion** of Chicago O'Hare International Airport is in full swing. Terminal 5 is expanding by 350,000 square feet, adding **10 new gates**, an upgraded baggage system, and passenger amenities. In the second half of 2020, a new runway is scheduled to open while efforts to extend runway 9R/27L will continue through 2021. At 2.2 million square feet, **Global Terminal** is designed to replace the aging Terminal 2 and will offer twice the space. Once completed, the terminal will feature space for concessions, public lounges, and improved security checkpoints. Construction on Global Terminal is scheduled to begin by 2023 and will be finished in 2028.

## CONSTRUCTION AND DEVELOPMENT

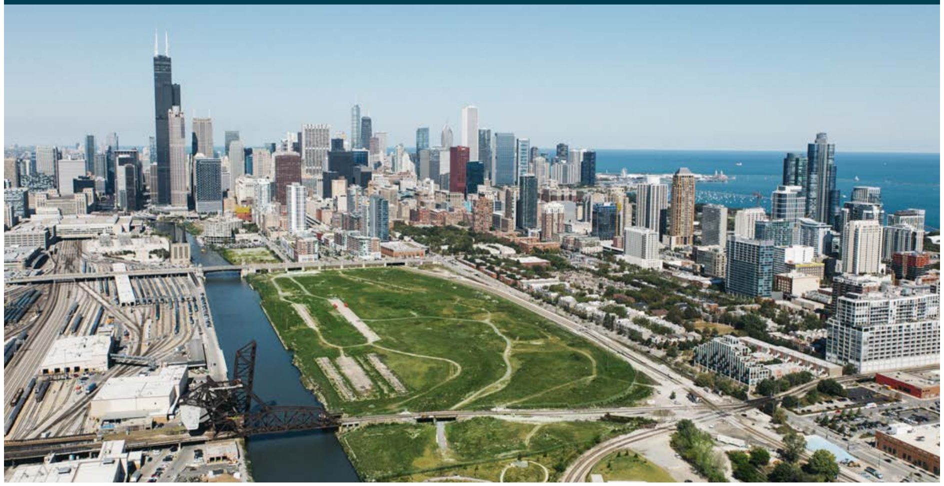
### UNION STATION TOWER

**1.5 million**
SF of Office Space

**$1 billion**
Redevelopment

Previous plans for a seven-story apartment block atop Chicago's Union Station were abandoned to make way for a **50-story Union Station Tower**. Scheduled to be completed by 2022, the tower is slated to be built out south of the station's transit center and will encompass 1.5 million square feet of office space. **BMO Harris Bank** is currently in negotiations to become the tower's anchor tenant, occupying 500,000 square feet. The reworked plan also calls for a single-story addition to Union Station's historic headhouse building. Once completed, the building will feature additional office space and **two new hotels** with a total of 400 guest rooms.

### THE 78



**$5 billion+**
Capital Investment

**62-acre**
Mixed-Use Development

Plans are underway to develop a **62-acre parcel in Chicago** on the east side of the Chicago River, called The 78. The developer, Related Midwest, plans to build up to **13 million square feet of residential, office, and retail space** in the mixed-use development, with the tallest structure surpassing 50 stories. The **$5 billion-dollar project** is not expected to begin prior to 2019 and may take two decades to complete. A $1.2 billion, interdisciplinary, public-private research and innovation center, the **Discovery Partners Institute** (DPI) will anchor the site. At full operation, DPI expects to have **about 90 faculty members and 1,800 college students** who will spend one to four semesters living in Chicago while working at DPI and city businesses.

## CONSTRUCTION AND DEVELOPMENT

### WOLF POINT

**$520 million+**
Investment

**698-unit**
Wolf Point East

Officials are preparing for the opening of **Wolf Point East**, the second tower to be delivered in a three-building site. Overlooking the Chicago RIver, the 60-story tower will be among the city's tallest buildings. In addition to having 698 luxury rental units, Wolf Point East offers extensive residential amenities and a four-acre riverfront park. Once completed, it will join Wolf Point West, which was delivered in 2016. The final piece of the project, **Salesforce Tower,** will begin construction by year-end 2020. Scheduled to be completed in 2023, the building will stand at 813 feet-tall.

### LINCOLN YARDS

**$6 billion**
Development

**24,000**
Permanent Jobs Supported

Developer Sterling Bay moved one step closer to breaking ground on their **$6 billion development** along the North Branch of the Chicago River when the Chicago Plan Commission approved the plan in 2019. One of the most ambitious developments to ever take place on the North Side, the project dubbed **Lincoln Yards** aims to add up to 15 million square feet of buildings between Lincoln Park and Bucktown. The **first phase of the development would total roughly 1.3 million square feet of office space**, over 1,130 parking spaces, and 74,000 square feet of retail space. Upon completion, the site is expected to support 6,000 residential units, a quarter of which would be affordable housing units and **24,000 permanent jobs.**

## ABSORPTION / DELIVERIES

**NEW DELIVERIES** 8,344 units

in 2019

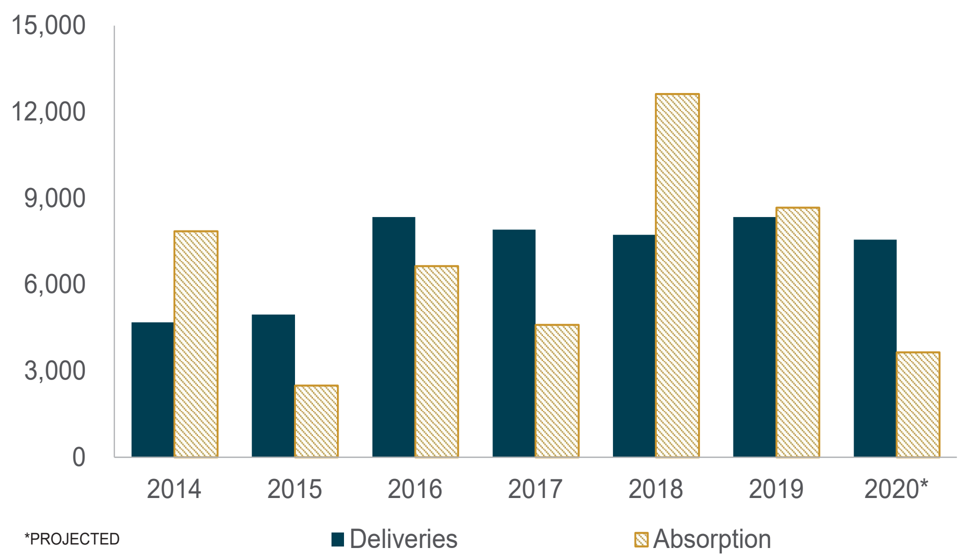
**NET ABSORPTION** 8,673 units

through December 2019

Developers in the greater Chicago apartment market added **8,344 new multifamily units over the 12-month period ending in December 2019**. Chicago's supply surge has been heavily concentrated in the Downtown and North Lakefront submarkets, which have accounted for approximately 70% of all new supply in the Chicago area over the past three years, and are two of the most active construction submarkets in the nation. Construction activity is expected to remain steady in **2020**, with an **estimated 7,565 units expected to be delivered** and the geographic focus shifting to the South Loop, Milwaukee Avenue, and Northeast of the city center. New inventory will continue to remain within the Class A property type as high labor, land, and construction prices are pushing developers to build higher-end luxury product.

Net absorption totalled a robust **8,673 units through the end of 2019**, outpacing new deliveries by 3.9%. A majority of demand has flowed into the Downtown and North Lakefront submarkets, which continue to garner most of the attention from developers and tenants. The demand is driven by the influx of young professionals into Downtown Chicago and northern neighborhoods who are looking to rent at newly constructed, amenity-rich properties. Similar to many large cities in the nation, demand for workforce housing in Chicago is consistent. However, in 2020 the metro is forecasted to have a slight dip in net absorption with a year-end total settling at 3,648 units.

CHICAGO METRO APARTMENT MARKET



# CHICAGO, ILLINOIS | MSA

## RENT / OCCUPANCY

**EFFECTIVE RENT** $1,531

in December 2019, up 1.2% annually

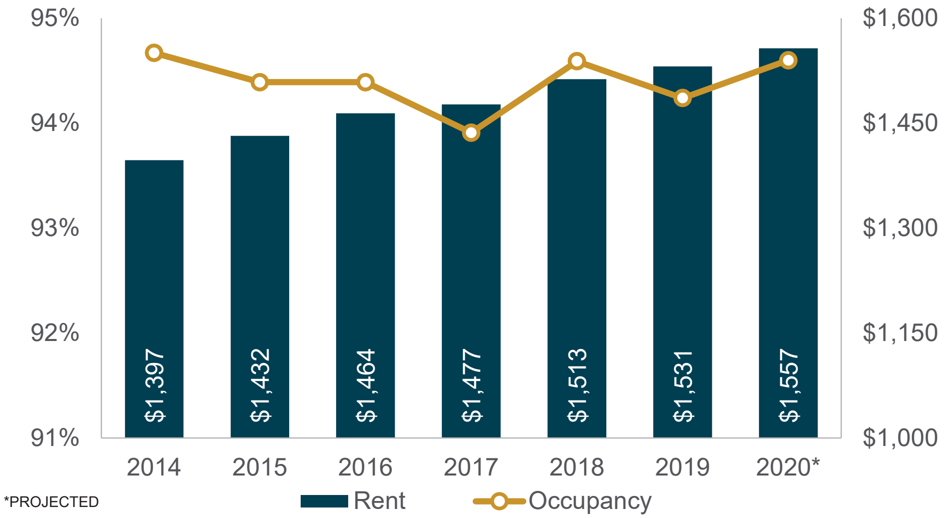
**OCCUPANCY RATE** 94.2%

through 4Q19, down 40 bps year-over-year

Chicago remains one of the more seasonal markets in the country with effective rent generally rising steadily through the first half of the year, then holding steady or falling slightly in the second half. The trend continued in 2019, as a slow second half of the year dropped the **annual increase in effective rent to 1.2%**. At **$1,531 per month**, effective rent at the end of 2019 was 5.1% above the market's five-year average. Growth was the highest in the city's central business district as well as its southern neighborhoods, which possess a high quantity of workforce housing assets near transit and have been untouched by new supply. Through December 2020, effective rent is projected to appreciate an additional 1.7% to $1,557 per month.

Steadily increasing construction activity has resulted in a slowly decreasing occupancy rate during the current cycle. Over the past five years, the metrowide average **occupancy rate** has remained consistently between 94.0% and 95.0%. In December 2019, the average occupancy rate in Greater Chicago decreased 40 basis points to 94.2%. Suburbs that have seen a large number of Class A properties delivered in recent years have struggled to generate the demand necessary to fill these units, while similar properties in the urban core have filled quickly with young residents who benefit from well-paying jobs. Looking forward, the year-end occupancy rate in 2020 is forecast to jump to 94.6%, 30 basis points above the market's five-year average.

CHICAGO METRO APARTMENT MARKET




*PROJECTED

## EDUCATION

**HIGHER EDUCATION** 625k

students metrowide

**DEGREES AND CERTIFICATIONS** 145k

degrees granted annually

Since the 1850s, Chicago has been a world center of higher education and research with several universities located in the city and the surrounding areas. Greater Chicago is home to more than **140 colleges and universities,** which enroll a combined **625,000 students** and grant a combined 145,000 degrees each year.

The **University of Illinois at Chicago (UIC)** is the largest university in the state and the only public research university in Chicago. UIC is a major economic contributor to the Chicago MSA, generating an **annual net economic output** of **$4 billion** and creating or saving **18,500 jobs statewide**. Over 70% of UIC graduates remain in Illinois, producing a steady flow of new workforce entrants to the area. The **University of Chicago (UC)** has an enrollment of over 17,500 students and is **ranked third among best national universities** and 15th among best value schools by U.S. News & World Report.

According to Forbes, the Chicago area boasts some of the top colleges in America, including **University of Chicago** (No. 16), **Northwestern University** (No. 17), **DePaul University** (No. 244), **Loyola University Chicago** (No. 248), and the **University of Illinois at Chicago** (No. 279).

### CHICAGO MSA
### LARGEST HIGHER EDUCATION

| | |
|---|---|
| University of Illinois at Chicago | 33,390 |
| College of DuPage | 24,900 |
| Northwestern University | 22,140 |
| DePaul University | 22,060 |
| University of Chicago | 17,570 |
| Loyola University Chicago | 17,010 |
| Northern Illinois University | 16,610 |
| Joliet Junior College | 14,320 |
| College of Lake County | 14,190 |
| Moraine Valley Community College | 13,760 |

Source: individual institution websites

## LIFESTYLE AND ENTERTAINMENT

**MICHELIN STAR RESTAURANTS** 25

located in Chicago

**PROFESSIONAL SPORTS** 6

teams in Chicago

Ranked as the **"Best Big City in the Nation"** for the third year in a row by Condé Nast, Chicago has a little something to offer everyone.

Chicago is home to dozens of museums that celebrate cultures and traditions from around the world, military and maritime history, surgical science, and even the nation's first writer's museum. The **Art Institute of Chicago** was recently voted the city's top attraction by TripAdvisor and houses the largest collection of Impressionist and Post-Impressionist art outside of the Louvre; it is just one of many destinations for art lovers that give insight into both art history and the contemporary creative scene.

Considered artwork in its own right, the culinary scene in Chicago is one of the best and most diverse on the planet. The city **boasts 25 restaurants that have been awarded at least one Michelin Star,** including Alinea, a three-star restaurant located in Lincoln Park. Chicago Restaurant Week offers top fare at value pricing throughout the city and runs during the last week of January through the first week of February annually.

With six professional sports franchises, Chicago is one of the premier cities in the nation to catch a live sporting event. Home of the **Chicago Cubs**, **Wrigley Field** is the second-oldest professional ballpark in the nation. The **United Center** located just outside of Downtown Chicago plays host to the **Bulls** and **Blackhawks** basketball and hockey franchises. One of the most storied NFL franchises, the **Bears** play at **Soldier Field**. On the Southside, the MLS' Fire play their home games at SeatGeek Stadium in Bridgeview, and the **White Sox** play at **Guaranteed Rate Field**.

WRIGLEY FIELD

## TRANSPORTATION

**ORD AND MDW AIRPORTS** 105.3m

total passengers served in 2018

**PORT OF CHICAGO** No. 1

largest inland, general cargo port in the U.S.

Centrally located, Chicago is a major transportation hub in the United States. The metro region has **six Class 1 railroads, seven interstate highways**, and **one of the busiest international cargo airports in the world**. Chicago also has the **largest inland general cargo port in the U.S.**

Chicago is served by **O'Hare International Airport (ORD)** and **Midway International Airport (MDW),** located 10 to 17 miles from downtown. Between the two, approximately 1,450 daily direct flights are offered to more than 245 destinations. Combined passenger traffic surpassed **105 million passengers** in 2018.

Seven mainline and four auxiliary interstate highways run through Chicago and its suburbs. The **Chicago Transit Authority (CTA)** handles public transportation in the city of Chicago and a few adjacent suburbs. The CTA operates a line of buses and rapid, elevated transit and subway systems.

INTERSTATE 55

CHICAGO DEPARTMENT OF AVIATION

cta

INTERSTATE 90

INTERSTATE 94

O'HARE INTERNATIONAL AIRPORT

Sources: Berkadia; Tetrad; U.S. Census Bureau; U.S. Bureau of Labor Statistics; Fortune/Money.CNN.com; Forbes; Moody's; Wikipedia; Axiometrics; Cook County; City of Chicago; World Business Chicago; Crain's Chicago Business; Chicago Chamber of Commerce; Chicago Convention & Visitors Bureau; State of Illinois; National Association of Realtors; Illinois Association of Realtors; Chicago Tribune; Chicago Sun Times; Chicago Department of Aviation; U.S. Conference of Mayors; Chicago Architecture Info; Chicago Metropolitan Agency for Planning; Glassdoor; Mercer; WalletHub; U.S. News & World Report; A.T. Kearney Global Cities Index; Chicago Business Journal; ChooseChicago.com; Cybersecurities Ventures; Palos Health; Curbed Chicago; College of DuPage; Joliet Junior College; National Institute of Health; University of Illinois at Chicago; DePaul University; Northwestern University; Northern Illinois University; Loyola University Chicago; University of Chicago; College of Lake County; Moraine Valley Community College; Multichannel Merchant; Clark Construction; McCormick Square; DePaul Blue Demons; Time Out magazine; Related Midwest; Commercial Property Executive; The Gateway Chicago; Bisnow; WalkScore; SmartAsset; ClubIndustry.com; Health Care Council of Chicago; WLS-TV Chicago; PR Newswire Association; Related Realty Chicago; Amtrak Corporation.

# CHICAGO, ILLINOIS | MSA

## BY THE NUMBERS

### TOTAL POPULATION

| | |
|---|---|
| 2010 | 9,461,105 |
| 2020* | 9,590,166 |
| 2025* | 9,724,612 |
| **Growth Rate (2020 - 2025)** | **1.4%** |

### MEDIAN AGE

| | |
|---|---|
| 2010 | 36.1 |
| 2020* | 38.1 |
| 2025* | 39.1 |

### TOTAL HOUSEHOLDS

| | |
|---|---|
| 2010 | 3,475,726 |
| 2020* | 3,530,995 |
| 2025* | 3,579,114 |
| **Growth Rate (2020 - 2025)** | **1.4%** |

### MEDIAN HOME PRICE

| | |
|---|---|
| December - 2018 | $225,000 |
| December - 2019 | $237,500 |
| **Growth Rate Y-o-Y** | **5.6%** |

### MEDIAN INCOME

| | |
|---|---|
| 2010 | $58,936 |
| 2020* | $69,233 |
| 2025* | $77,661 |
| **Growth Rate (2020 - 2025)** | **12.2%** |

### EMPLOYMENT GROWTH

| | |
|---|---|
| December - 2018 | 4,803,200 |
| December - 2019 | 4,839,200 |
| **Growth Rate Y-o-Y** | **0.7%** |

### RENT SHARE OF WALLET

| | |
|---|---|
| National - 2020 | 29.0% |
| Chicago Metro - 2020 | 26.5% |
| National - 2025* | 29.4% |
| Chicago Metro - 2025* | 26.1% |

*Projected
Annual Rent / Median Household Income

### RENT VS. OWN

| | |
|---|---|
| Average Mortgage Payment** | $1,448 |
| Effective Rent | $1,531 |
| **Difference** | **($83)** |

*Projected
**30-yr fixed; 20% down; 5.1% interest rate; 2.31% IL property taxes; $1,000 annual homeowner's insurance

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