



CHICAGO  
**LOOP**  
ALLIANCE.



# LOOP RESIDENTIAL IMPACT STUDY



## LOOP RESIDENTIAL IMPACT STUDY CONSULTANT TEAM

The Loop Residential Impact Study was prepared by Goodman Williams Group, with support from Integra Realty Resources, and Johnson Research Group.

### GOODMAN WILLIAMS GROUP

— REAL ESTATE RESEARCH —



Integra Realty Resources

**JRG** JOHNSON RESEARCH GROUP

A DIGITAL COPY OF THE LOOP RESIDENTIAL IMPACT STUDY CAN  
BE FOUND HERE: [LoopChicago.com/Residential](https://LoopChicago.com/Residential)

# LETTER FROM THE PRESIDENT

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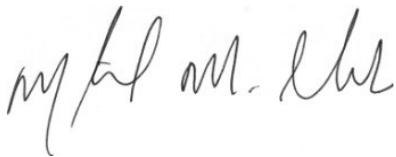
Chicago Loop Alliance has a long history of researching various sectors – education, arts and culture, and the general economy. This iteration of research, the Loop Residential Impact Study, continues that in-depth analysis and helps us better understand the economic impact of residential development in the Loop. Prior to the pandemic, residential development served as a “cherry on top” of a thriving Loop economy of retail, office, education, and entertainment. After the onset of the pandemic, residents have become a clearer core driver of recovery.

Thankfully, the Loop faces this transformation with a strong foundation. As the fastest growing residential downtown in the country, and the fastest growing neighborhood in Chicago, the “Best Big City in the U.S.” (Condé Nast Traveler), the existing structure of multi-use elements and potential throughout the Loop will serve the city well.

With this report, we hope to provide the data and resources for industries to continue to invest in a community where residents’ economic impact in the Loop exceeds \$481 million each year (with a retail gap capacity of an additional \$940 million); housing units in development or conceptualization will significantly increase the Loop population by 2030; and nearly half of Loop residents are 20-34. We have also garnered valuable insights into the value of downtown, which helps Chicago Loop Alliance effectively provide services to residents, workers, and visitors. Reshaping the core services that provide a clean, safe, and accessible experience for the growing number of residents will allow our organization to market the Loop successfully.

While we know that our district will continue as a force in residential progress downtown, the growth of neighboring communities presents a potential challenge that must be recognized. Improvements must also be made to affordable housing availability in the Loop, which we see as a great opportunity for the district. Additionally, the changing dynamics of other industries, like office, will continue to affect the Loop’s trajectory, but forward-thinking companies like Google, and others, are choosing to invest in the future of the Loop because it is a smart business decision. We agree.

This new Loop Residential Study reveals the data behind what Chicago Loop Alliance and those invested in Loop residential life have been touting in recent years – the growth of Loop residential development is exponential and increasingly representative of the modern American downtown.



Michael Edwards

President & CEO

Chicago Loop Alliance

## ACKNOWLEDGEMENTS

The Chicago Loop Alliance and consultant team would like to thank all of the people and organizations who contributed their time and insights to the Loop Residential Impact Study, including the Chicago Loop Alliance Board of Directors, the Chicagoland Apartment Association, the Loop Neighbors Association and the 1,262 Loop resident who responded to our survey request.



**CHICAGO  
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# EXECUTIVE SUMMARY

The Loop remains the heart of Chicago's downtown. As a result of market trends, policy initiatives, the COVID pandemic, crime (and the perception of crime), the Loop is undergoing significant changes that are likely to continue in the coming years. With increases in population and demand for additional residential development, the Loop will become more of a mixed-use district with a variety of new types of residential units, retail and commercial development, and cultural attractions.

The Loop Residential Impact Study focuses on four major topics: Loop Residents, Loop Housing Supply, Loop Housing Affordability, and the Future of Housing in the Loop. Key findings from the study are presented below.

## KEY FINDINGS



### THE POPULATION CONTINUES TO GROW IN THE LOOP, WITH AN ESTIMATED POPULATION OF 46,000 IN 2022

The 2020 Census counted 42,300 residents in the Loop. Since then, nearly 1,500 new housing units have been built in the Loop, and rental occupancy rates have increased by 9%. Using the Loop rental occupancy rate and household size, it is estimated that the Loop population has increased by 3,700 residents since 2020.



### AN ESTIMATED 5,000 NEW HOUSING UNITS WILL BE BUILT IN THE LOOP OVER THE NEXT FIVE YEARS

New units will be added through both adaptive reuse of vintage office buildings and new construction. Using occupancy rates and household size, the addition of 5,000 housing units could bring up to 8,000 new residents to the Loop over the next five years.



### LOOP RESIDENTS SPENT AN ESTIMATED \$481 MILLION AT LOOP BUSINESSES IN 2022

The average Loop household spent more than \$18,000 at businesses in the Loop in 2022. A retail gap analysis indicates an additional \$940 million in spending potential from Loop residents.

## LOOP RESIDENT SURVEY

Chicago Loop Alliance conducted a survey in August and September of 2022 to collect insights from Loop residents on their experience living in the Loop. Residents answered questions on Loop amenities, safety, transportation, and spending habits, highlighting what they most enjoy about living in the Loop, and what they would like to see in the future.

1,262 Loop residents responded to the survey, from seven unique zip codes. Some key findings from the survey are below.

### ASPECTS THAT HAVE GREATEST POSITIVE IMPACT ON QUALITY OF LIFE

Walkability



Central location



Lakefront amenities



Proximity to work



Public transit



Arts & culture



### WHAT AMENITIES WOULD YOU LIKE TO SEE MORE OF IN THE LOOP?

Green space



Grocery stores



Restaurants & bars



Improved streetscapes



Outdoor dining



Improved lighting



45%

OF RESPONDENTS HAVE LIVED IN THE LOOP FOR 2 YEARS OR LESS

63%

OF RESPONDENTS EARN \$100,000 PER YEAR OR MORE

69%

OF RESPONDENTS ARE SATISFIED WITH THEIR DECISION TO LIVE IN THE LOOP

78%

OF RESPONDENTS MAIN MODE OF TRANSPORTATION IS WALKING



## LOOP RESIDENTS

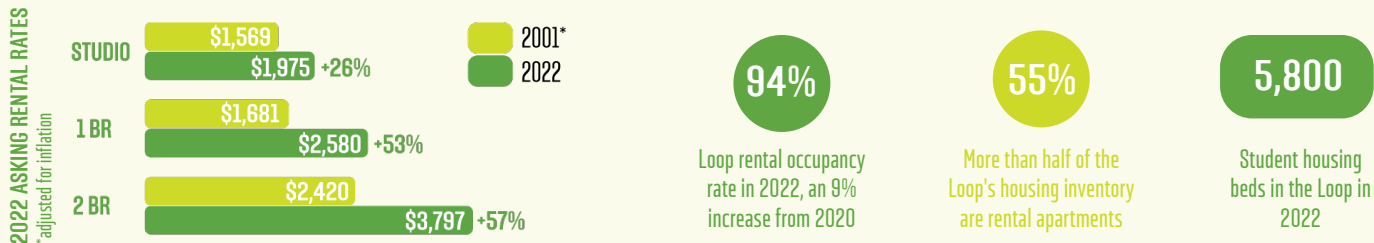
Between 2010 and 2020, the Loop was the fastest growing Community Area in Chicago, and the population continues to grow. Loop residents tend to be younger, are highly educated, and earn high incomes.



Source: American Community Survey 2016-2020

## LOOP HOUSING SUPPLY

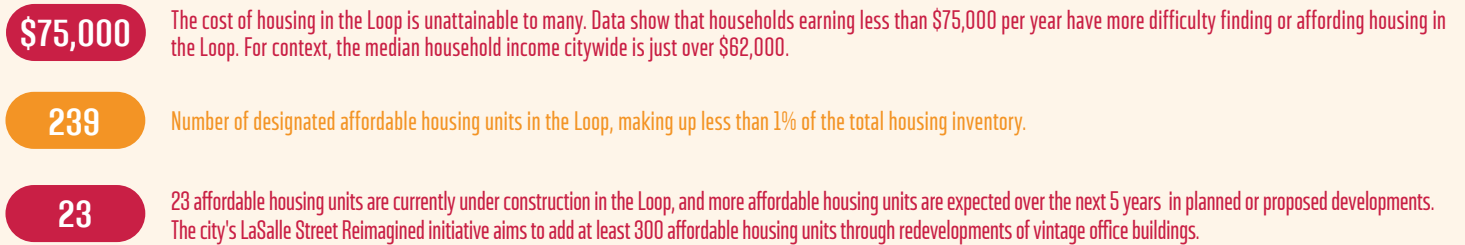
Since 1995, the Loop has added more housing units than any other downtown submarket (see map on page 23), with the addition of more than 21,000 housing units. 70% of the Loop housing inventory has been built in just 27 years. High rental occupancy rates and growing asking rental rates indicate strong demand for apartments in the Loop.



Source: Integra Realty Resources - Chicago

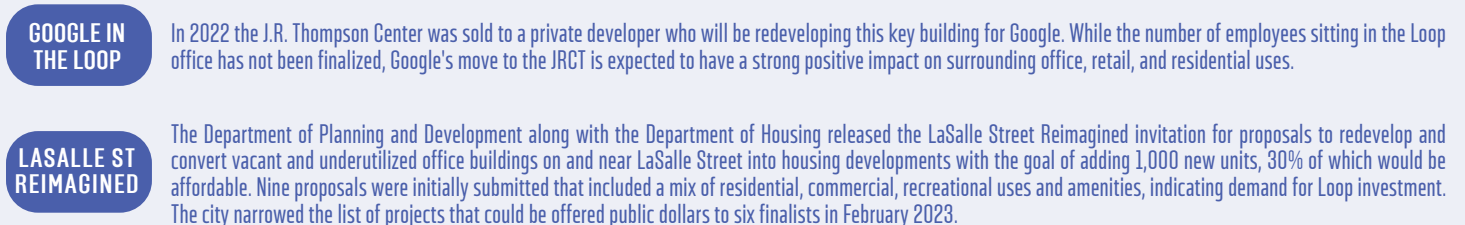
## LOOP AFFORDABLE HOUSING

The factors that draw residents to the Loop such as walkability, proximity to jobs and amenities, and transportation access make the Loop an attractive location for households of all income levels.



## THE FUTURE OF HOUSING IN THE LOOP

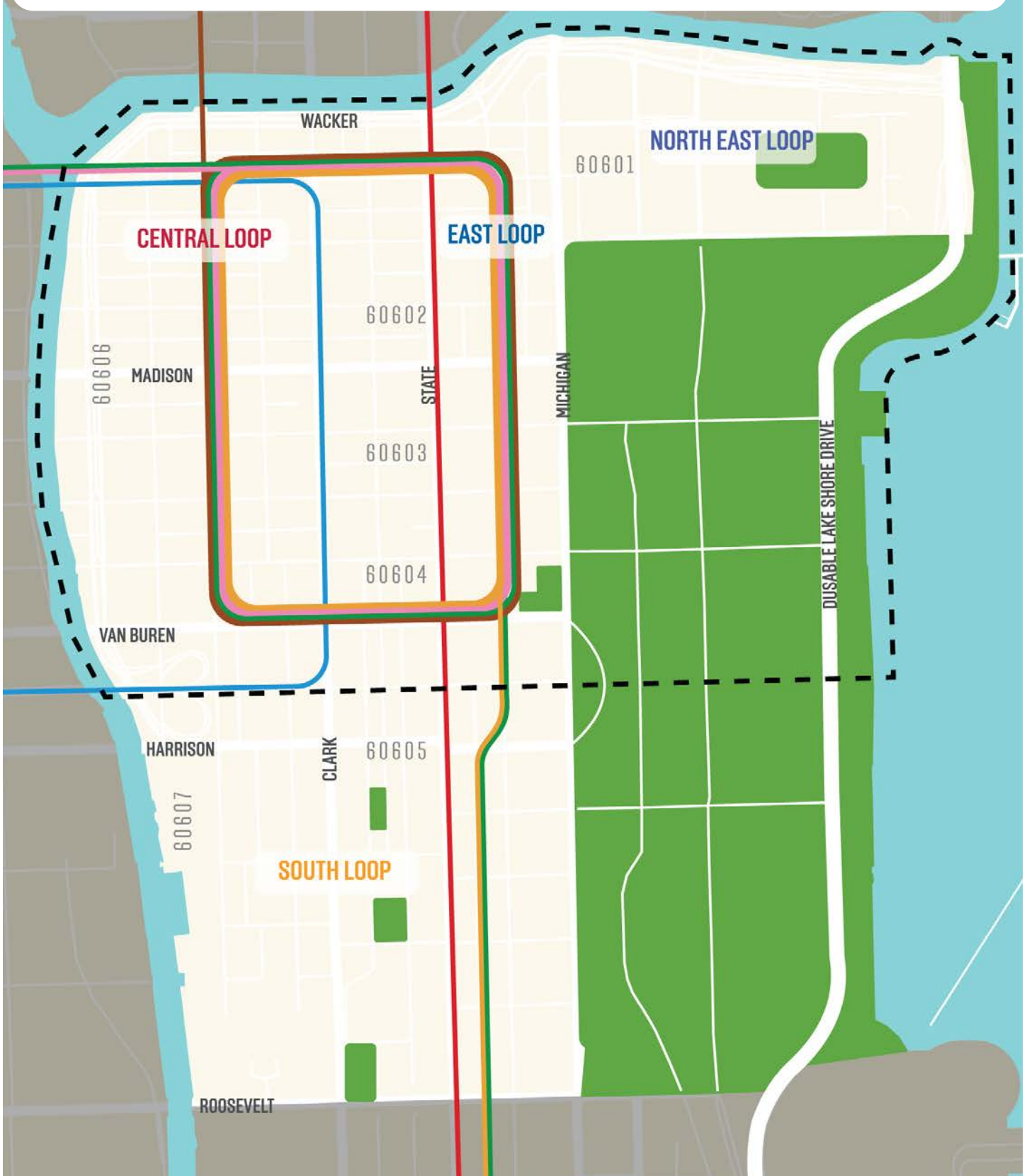
Residential growth in the Loop is expected to continue for the foreseeable future through both new construction and adaptive reuse of vintage buildings. The amenities offered in the Loop, the redevelopment of the Thompson Center, and initiatives on LaSalle Street will be major catalysts for growth and demand. Clearly the Loop is evolving, and new residential development will be a key component.





## CHICAGO LOOP CONTEXT MAP

The Chicago Loop Community Area is bounded by the Chicago River to the north and west, Lake Michigan to the east, and Roosevelt Road to the south. The Chicago Loop Alliance boundary is outlined in the black dashed line below, extending south to Ida B Wells Drive. This study uses four submarkets within the Loop, North East Loop, East Loop, Central Loop, and South Loop, shown generally on the map below. Loop zip codes are also included generally in the map that align with the Loop Resident Survey.





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Millennium  
Park





## CHAPTER 1:

# LOOP RESIDENTS

The addition of more than 21,000 new housing units over the last three decades has transformed the Loop into a place to not only work and visit, but a place to call home. More than 46,000 Chicagoans currently reside in the Loop, significantly contributing to the culture and economy of the city's core. As office, retail, and tourism trends remain uncertain, residents will continue to provide the density and dollars needed to sustain and uplift the Loop.

## IN THIS CHAPTER

### LOOP RESIDENT SURVEY

**1,262** RESPONSES TO THE LOOP RESIDENT SURVEY, PROVIDING INSIGHTS ON LIVING IN THE LOOP

### LOOP DEMOGRAPHICS

**46,000** ESTIMATED POPULATION IN 2022, 3,700 MORE RESIDENTS THAN 2020

### LOOP RESIDENT SPENDING & ECONOMIC IMPACT

**\$481M** ANNUAL ECONOMIC IMPACT OF LOOP RESIDENTS SPENDING AT LOOP BUSINESSES

# LOOP RESIDENT PROFILE

This Loop resident profile is made using results from the Loop Resident Survey and demographic data from the Census and American Community Survey.

## YOUNG PROFESSIONALS & STUDENTS

Loop residents tend to be younger and live alone or with one other person, commonly a significant other.

Residents are highly educated, and have a high income, with many working in professional or technical fields, healthcare, or finance.

Many young professionals rent their housing units and are living in newer apartments buildings in the East and Central Loop.

Typically, these residents have only lived in the Loop for two years or less, and plan to stay in the Loop for no more than five years. This group also includes students attending one of the many universities in the Loop.

## ACTIVE EMPTY-NESTERS & SENIORS

Older Loop residents tend to live in the North East Loop or South Loop and tend to own their residence. Many are long-term residents that have lived in the Loop for seven years or more, and plan to stay in the Loop for ten or more years.

## DIVERSITY IN THE LOOP

The Loop is a very diverse community, with many residents born outside of the United States, including many from China, Mexico, India, and Eastern Europe. 30% of residents in the Loop speak a language other than English at home, including Chinese, Spanish, Slavic, and other Indo-European languages.

The race and ethnicity makeup in the Loop has shifted over the last twenty years. While the city and the Loop have experienced a decline in Black residents, the Loop has seen an increase in Hispanic or Latino and Asian populations.

## CHILDREN IN THE LOOP

Very few families with young children live in the Loop.

Most of the children age of 18 and under are located in the South Loop.

NO CHILD IN HOME

85%

CHILD IN HOME

15%

## PETS IN THE LOOP

Data show 34% of Loop households have at least one pet, amounting to more than 12,700 pets.



6,800  
dogs



5,500  
cats



400  
other

## VEHICLES IN THE LOOP

Nearly half of Loop residents do not own a vehicle, but walk or use on public transit. Citywide, 28% of residents do not own a vehicle.

NO VEHICLE

47%

1 VEHICLE

43%

2+ VEHICLES

10%

## MIGRATION INTO THE LOOP

36% of residents moved into the Loop within the last year, many from elsewhere in Cook County.

MOVED WITHIN  
COOK COUNTY

48%

MOVED FROM  
DIFFERENT COUNTY

15%

MOVED FROM  
DIFFERENT STATE

48%

MOVED FROM  
ABROAD

15%



SECTION 1:

# LOOP RESIDENT SURVEY

As part of the Loop Residential Impact Study, the Loop Resident Survey was created to ensure that the voices of Loop residents were heard. Requiring about ten minutes to complete, the 43 survey questions were broken up into five sections that allowed Loop residents to communicate what it is like to live in the Loop and how that could change in the future.

## SURVEY GOALS

1. To collect data regarding current Loop residents’ opinions on Loop amenities, safety, transportation, spending habits, and demographic composition of current residents
2. To help inform future decisions regarding planning and development in the Loop to address certain concerns and aspirations of current and future Loop residents
3. To better understand what the economic impact of Loop residents is and how that may shape the future of the Loop

## SURVEY TARGET POPULATION & TIMING

The survey included residents living in one of the following zip codes: 60601, 60602, 60603, 60604, 60605, 60606, and 60607. The survey ran from August 9, 2022 until September 30, 2022.

## SURVEY DATA COLLECTION

Administered using Survey Monkey, the Loop Resident Survey was available through the sharing and distribution of a link and a QR code that people could click on or scan to go directly to the survey. The link was distributed to the Chicago Loop Alliance’s Board of Directors, members, and the SSA #1-2015 Commission. In addition, Chicago Loop Alliance issued a press release with details about the residential survey to over 1,000 media outlets. The survey was also shared through promoted social media posts targeted to Loop zip codes using \$1,000 in marketing spending. The link and QR code to the survey were also included in a corporate newsletter to Chicago Loop Alliance members and the board, as well as a consumer newsletter which reached 27,000 emails in August. Additionally, the survey was shared with Loop residents through a marketing campaign that posted the survey in residential buildings’ elevators and lobbies throughout the Loop.

## SURVEY RESPONSE RATE

### LOOP RESIDENT RESPONDENTS

1,262

60601 303 RESPONDENTS

60604 70 RESPONDENTS

60607 111 RESPONDENTS

60602 76 RESPONDENTS

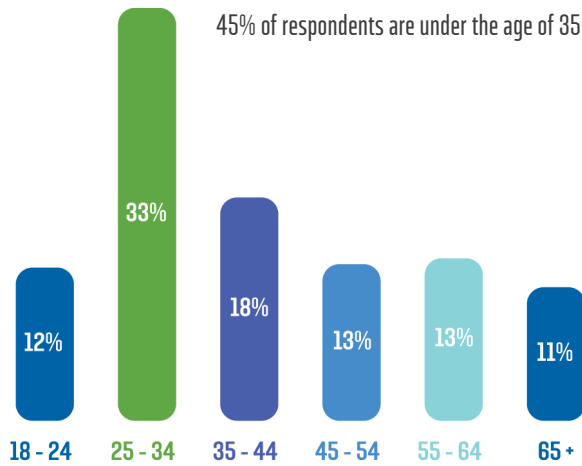
60605 506 RESPONDENTS

60603 82 RESPONDENTS

60606 114 RESPONDENTS

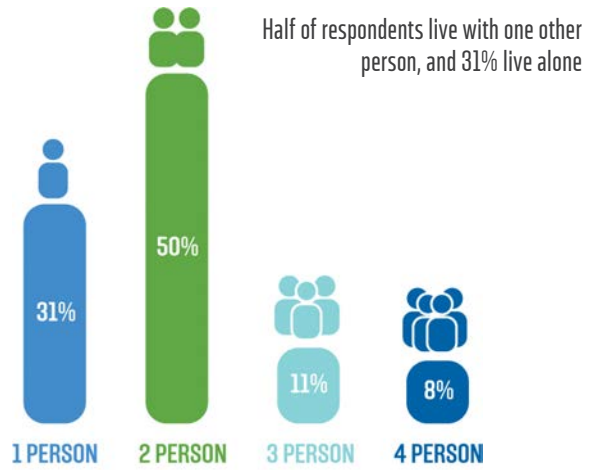
# RESIDENT SURVEY RESPONSES: DEMOGRAPHICS

## Respondent age



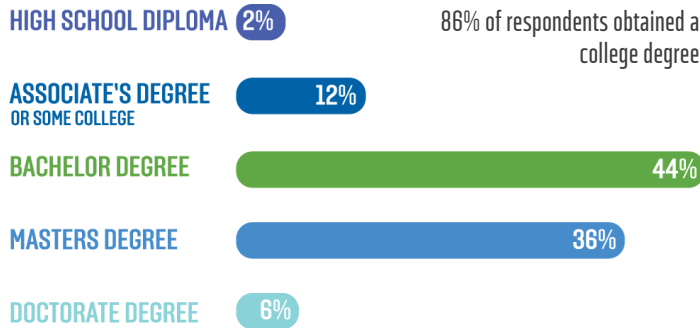
Source: Loop Resident Survey, 2022

## Respondent household size



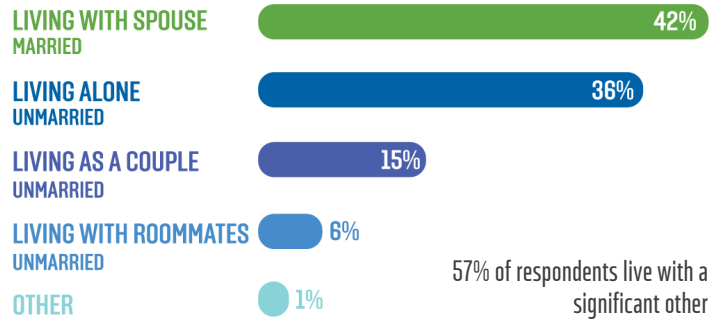
Source: Loop Resident Survey, 2022

## Respondent educational attainment



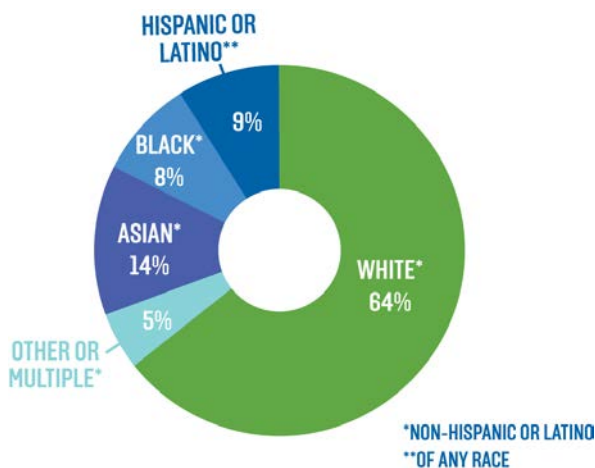
Source: Loop Resident Survey, 2022

## Respondent living situation



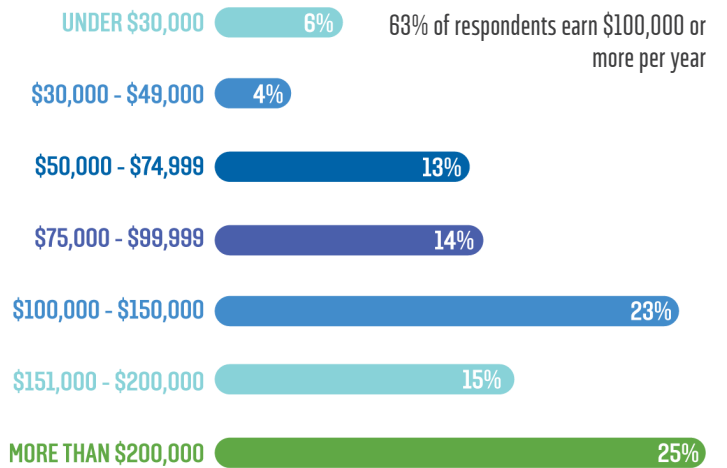
Source: Loop Resident Survey, 2022

## Respondent race & ethnicity



Source: Loop Resident Survey, 2022

## Respondent household income



Source: Loop Resident Survey, 2022



# RESIDENT SURVEY RESPONSES: LIVING IN THE LOOP

## How long have you lived in the Loop?

20% of respondents have lived in the Loop for less than 1 year, and 45% have lived in the Loop for 2 years or less



Source: Loop Resident Survey, 2022

## How much longer do you plan to live in the Loop?

80% of residents planning to stay in the Loop for less than 5 years **rent** their housing unit

70% of residents planning to stay in the Loop for more than 5 years **own** their housing unit



Source: Loop Resident Survey, 2022

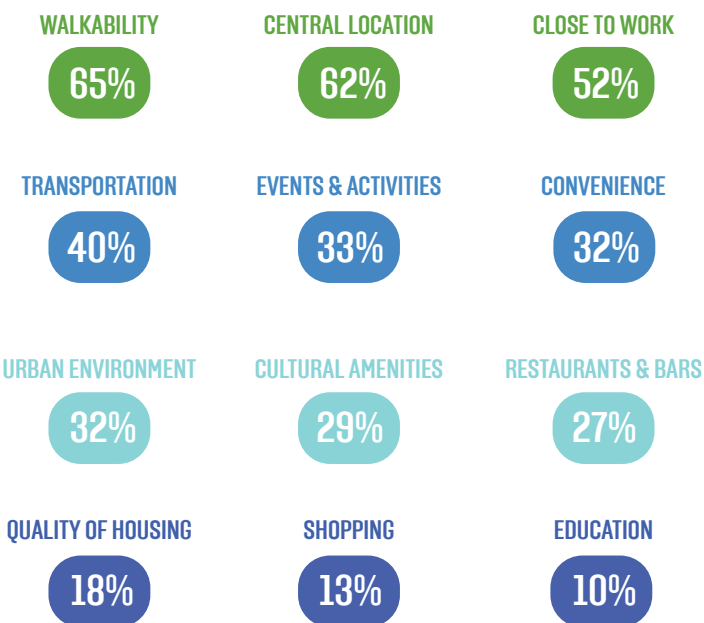
## Do you rent or own your housing unit?

36% of **renters** said they would consider buying residential real estate in the Loop



Source: Loop Resident Survey, 2022

## What are the top reasons you decided to live in the Loop?\*



\*Respondents selected up to 3

Source: Loop Resident Survey, 2022

## How satisfied are you with your decision to live in the Loop?

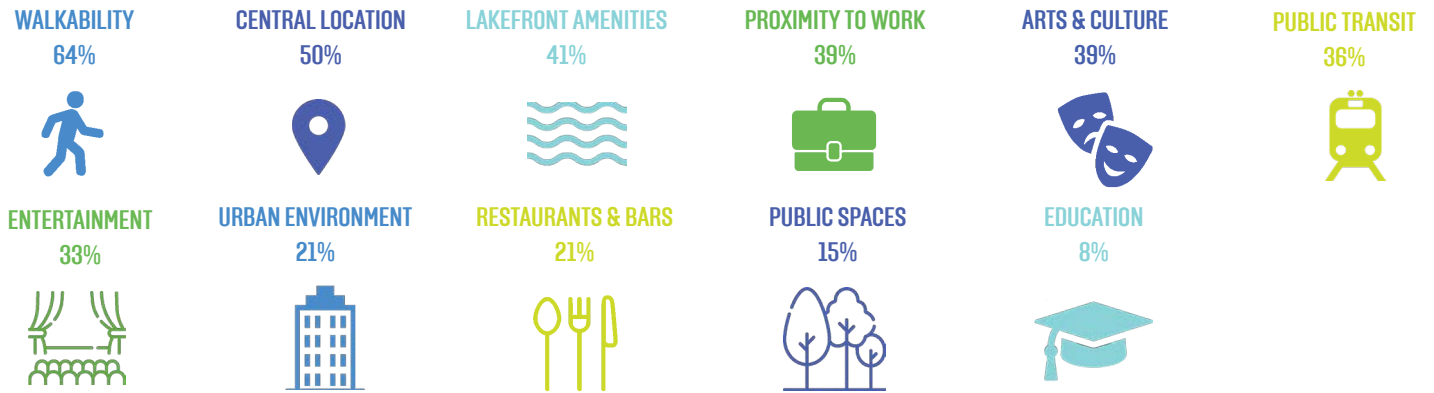
69% of respondents are satisfied with their decision to live in the Loop



Source: Loop Resident Survey, 2022

# RESIDENT SURVEY RESPONSES: QUALITY OF LIFE & SAFETY

What aspects of living in the Loop have the greatest positive impact on your quality of life?\*



\*Respondents selected up to 3  
Source: Loop Resident Survey, 2022

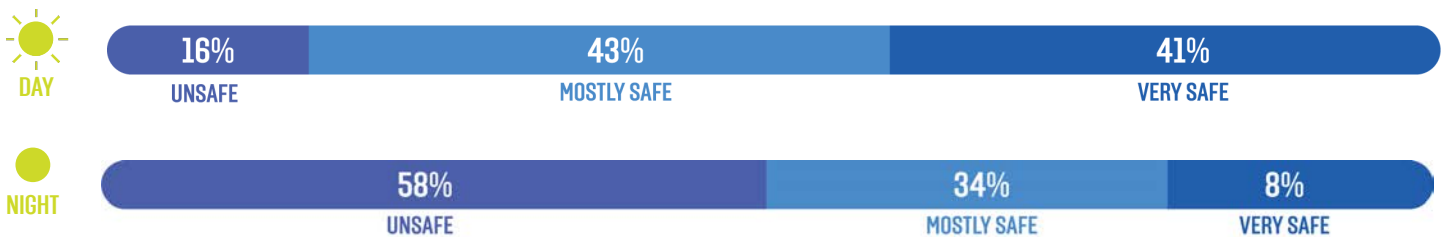
What aspects of living in the loop have the greatest negative impact on your quality of life?\*



\*Respondents selected up to 3  
Source: Loop Resident Survey, 2022

How safe do you feel in the Loop?

84% of respondents feel mostly or very safe in the Loop during the day, and 42% feel safe at night



Source: Loop Resident Survey, 2022

What situations or conditions make you feel unsafe in the Loop?\*

50% of respondents cited illegal activities as the reason they feel unsafe, and 39% cited lack of security and panhandling

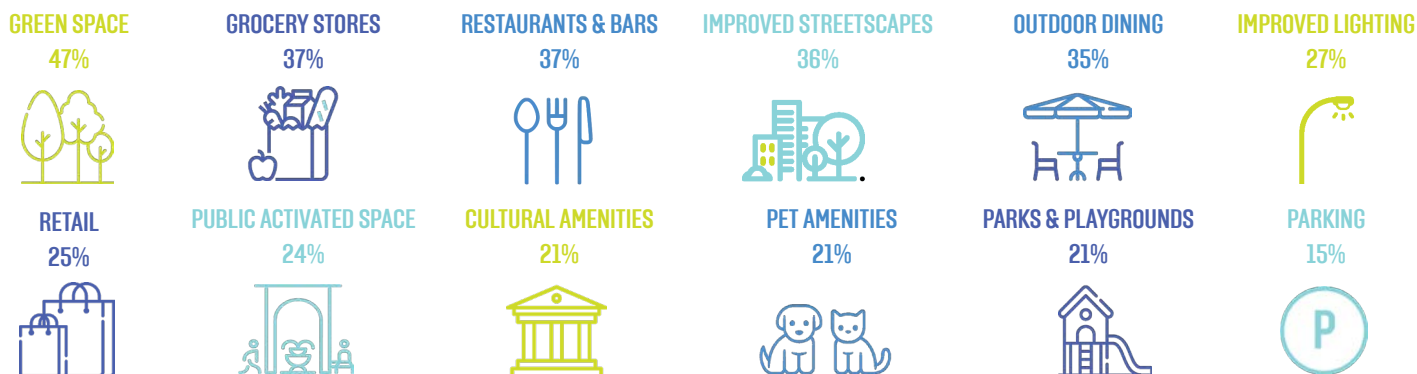


\*Respondents selected up to 3  
Source: Loop Resident Survey, 2022



# RESIDENT SURVEY RESPONSES: LOOP AMENITIES & TRANSPORTATION

What amenities would you like to see more of in the Loop?\*



\*Respondents selected up to 3  
Source: Loop Resident Survey, 2022

Most frequently visited parks in the Loop\*

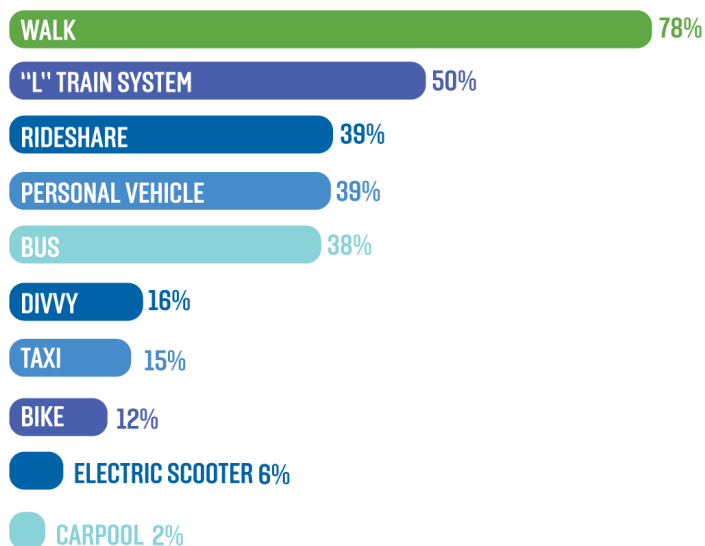
70% of respondents visit the Riverwalk or Lakefront Trail at least once a month, and 40% visit weekly



\*Respondents entered how frequently they visit these public parks  
Source: Loop Resident Survey, 2022

What is your primary mode of transportation?

The majority of respondents walk or take the "L" to get around



\*Respondents selected up to 3  
Source: Loop Resident Survey, 2022

How do you feel navigating the Loop?

91% of respondents find the Loop easy to navigate



Source: Loop Resident Survey, 2022

Should the bike lane network be expanded in the Loop?

59% of respondents think the bike lane network should be expanded in the Loop



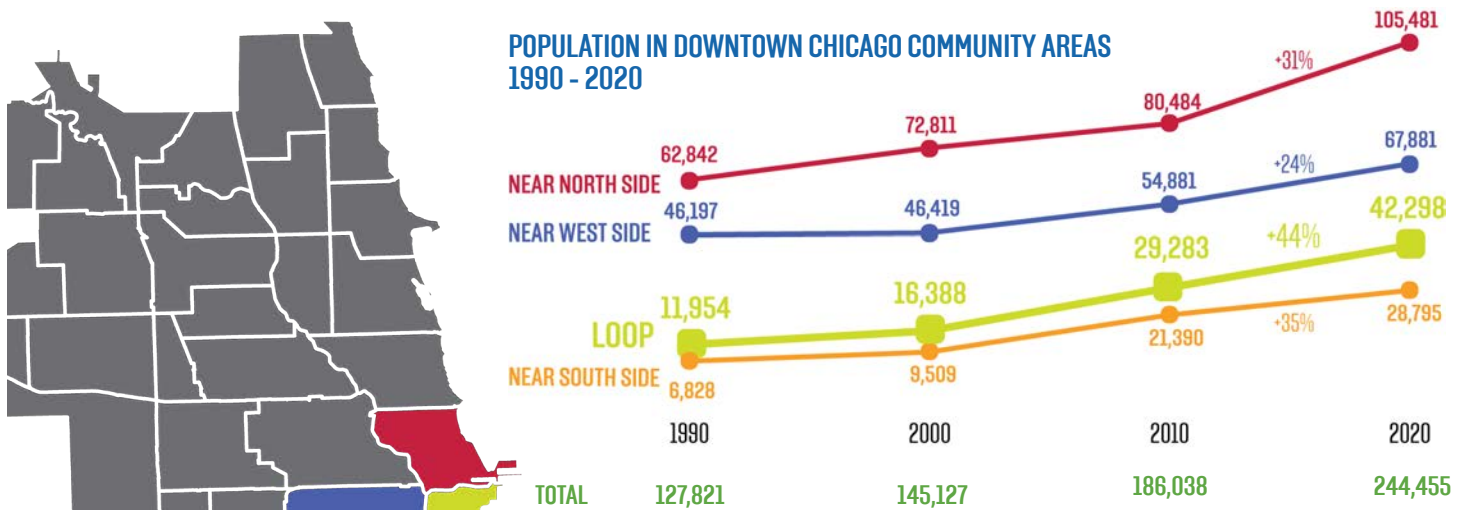
Source: Loop Resident Survey, 2022

SECTION 2:

# LOOP DEMOGRAPHICS

The four community areas that make up Chicago's downtown are home to 244,455 residents, making up 9% of the city's total population. Over the past 30 years, Chicago's downtown has grown at a rate of 91%, faster than the downtown of any other American city.

Between 2010 and 2020, the Loop was the fastest growing community area in the city, growing 44% between the years. Population in the Loop over time is shown in light green in the graph below.



Source: US Census 1990, 2000, 2010, 2020

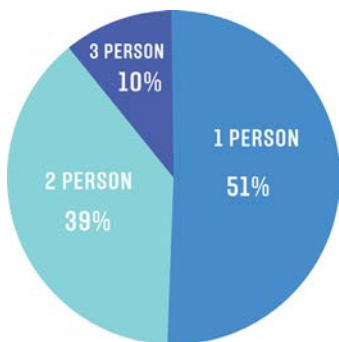
**2022 POPULATION IN THE LOOP ESTIMATE: 46,000**

SINCE THE 2020 CENSUS, MORE THAN 1,500 NEW HOUSING UNITS HAVE BEEN BUILT IN THE LOOP COMMUNITY AREA, AND RENTAL OCCUPANCY RATES HAVE INCREASED BY 9%.

USING 2022 RENTAL OCCUPANCY RATES AND THE AVERAGE HOUSEHOLD SIZE IN THE LOOP, THE POPULATION IN THE LOOP IS ESTIMATED TO BE 46,000 IN 2022, AN INCREASE OF 3,700 RESIDENTS SINCE 2020.

### Loop household size

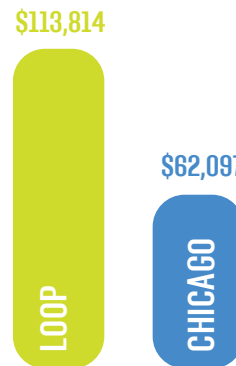
A household includes all the persons who occupy a housing unit. Per the 2020 Census, the Loop has 24,134 total households, the majority of which are one or two-person households.



Source: American Community Survey 2016 - 2020

### Loop median household income

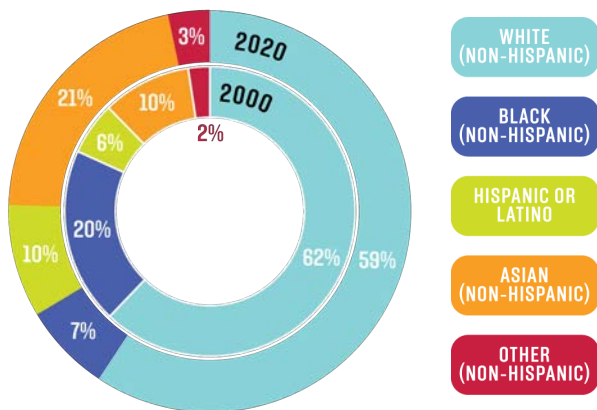
Median household income in the Loop is \$113,814, significantly higher than the city median household income of \$62,097.



Source: American Community Survey 2016 - 2020

### Loop race & ethnicity

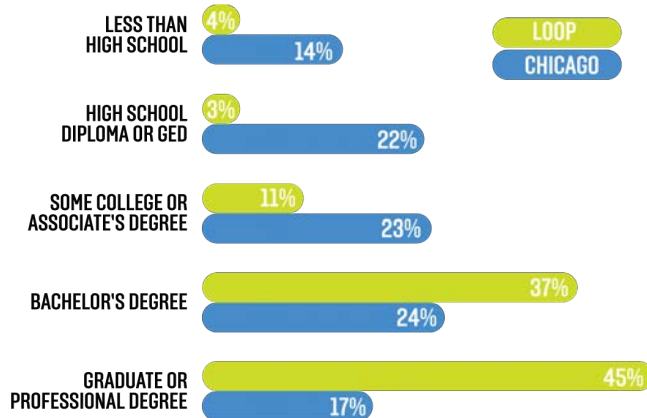
Race & ethnicity trends have shifted in the Loop between 2000 and 2020, with significant decreases in Black (non-Hispanic) residents, and significant increases of Asian (non-Hispanic) residents.



Source: American Community Survey 2016 - 2020

### Loop educational attainment

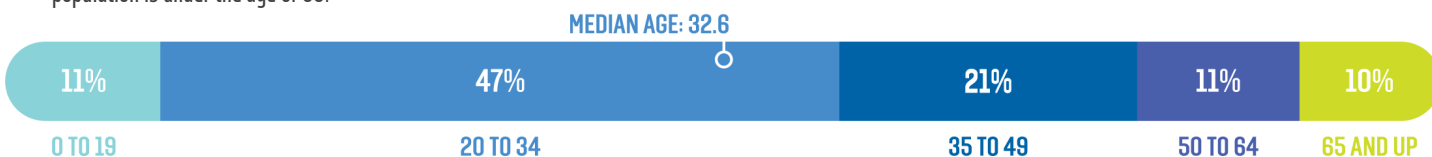
Loop residents are highly educated, with 82% of residents having a bachelor degree or higher, and 45% with a graduate or professional degree.



Source: American Community Survey 2016 - 2020

### Loop age

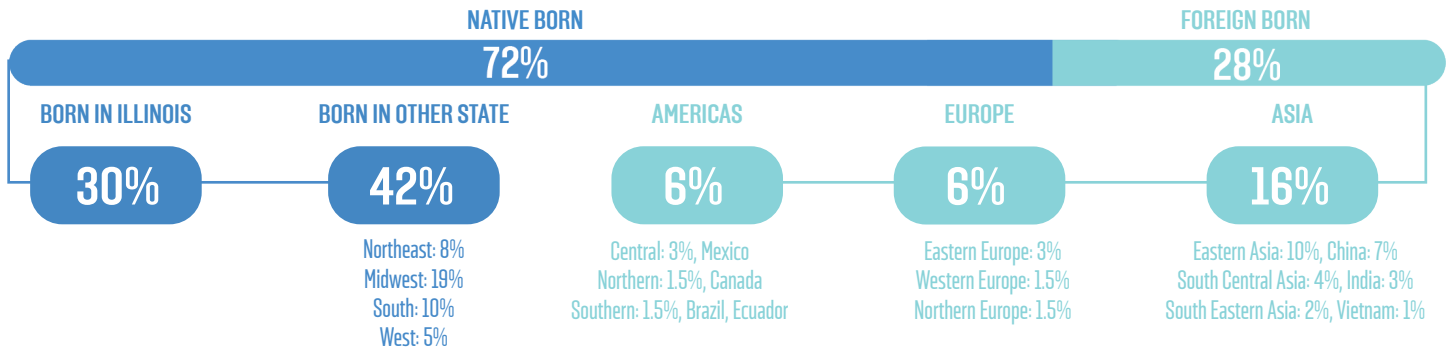
The Loop is experiencing a decline in median age, lowering from 34.1 in 2010 to 32.6 in 2020. Nearly half of Loop residents are aged 20 to 34, and 79% of the total population is under the age of 50.



Source: American Community Survey 2016 - 2020



Nativity in the Loop



Source: 2016-2020 American Community Survey

Languages spoken at home



Source: 2016-2020 American Community Survey

\*For people who speak a language other than English at home, the ACS asks whether they speak English "very well," "well," "not well," or "not at all"

Migration in the last year

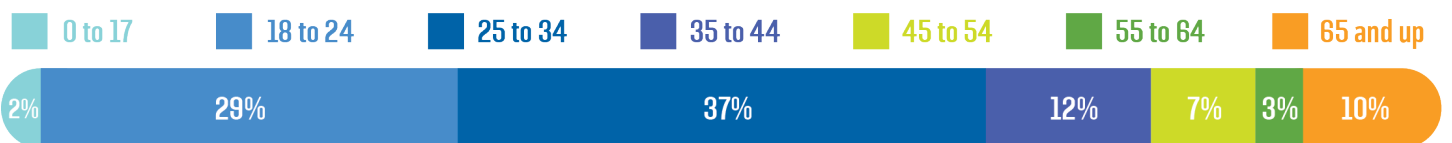
**36% OF LOOP RESIDENTS MOVED TO THE LOOP WITHIN THE LAST YEAR**

ORIGIN OF NEW RESIDENTS



AGE OF NEW RESIDENTS

68% of residents that migrated to the Loop in the last year are under 35 years of age



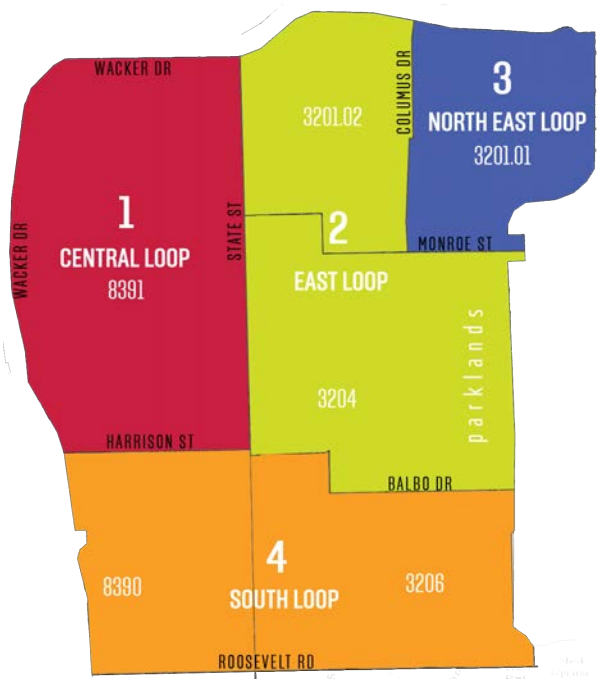
HOUSING TENURE OF NEW RESIDENTS



Source: 2016-2020 American Community Survey

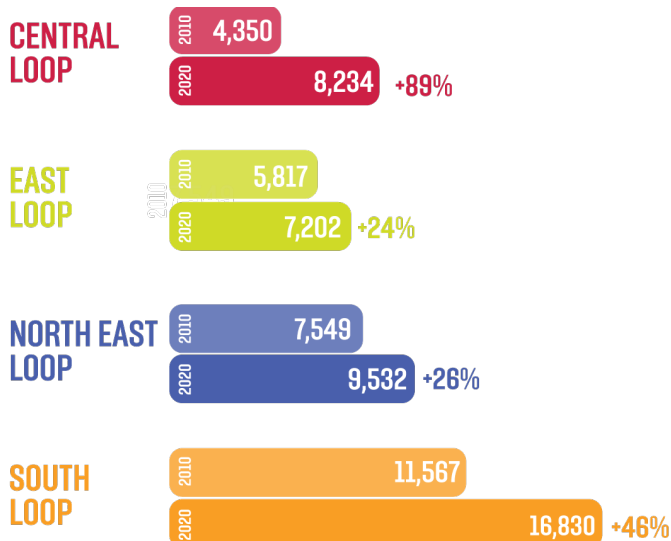
# LOOP SUBMARKET DEMOGRAPHIC TRENDS

Data for this section uses Census Tracts to divide the Loop into the four areas shown below:



## Population by submarket, 2010 - 2020

The South Loop continues to have the highest population, though the Central Loop has experienced the highest rate of growth between 2010 and 2020.



Source: US Census 2010 & 2020

## Migration in the last year

### WHERE IN THE LOOP NEW RESIDENTS MOVED



### OTHER INSIGHTS

Nearly half of new residents that moved from abroad chose to reside in the North East Loop

The majority of these residents are age 65 and up and own their housing unit

Nearly half of new residents that moved within Cook County chose to reside in the South Loop

The majority of these residents are age 25 to 34 and rent their housing unit

85% of new residents that moved to the East Loop are age 18 to 34

76% of new residents that moved to the Central Loop are age 18 to 34

Source: 2016-2020 American Community Survey

SECTION 3:

# RESIDENT SPENDING & ECONOMIC IMPACT

The impact of spending by households living in the Loop at businesses in the Loop is estimated to be \$481 million, based on average household expenditures and the concentration of certain types of businesses in the Loop, amounting to \$18,321 annually per household.

Loop households have an estimated \$1.5 billion in discretionary income, of which 32% is spent at Loop businesses. The retail gap indicates potential demand for added retail and service options in the Loop to capture more Loop household dollars, and meet resident needs.

## LOOP RESIDENT PURCHASING POWER & SPENDING

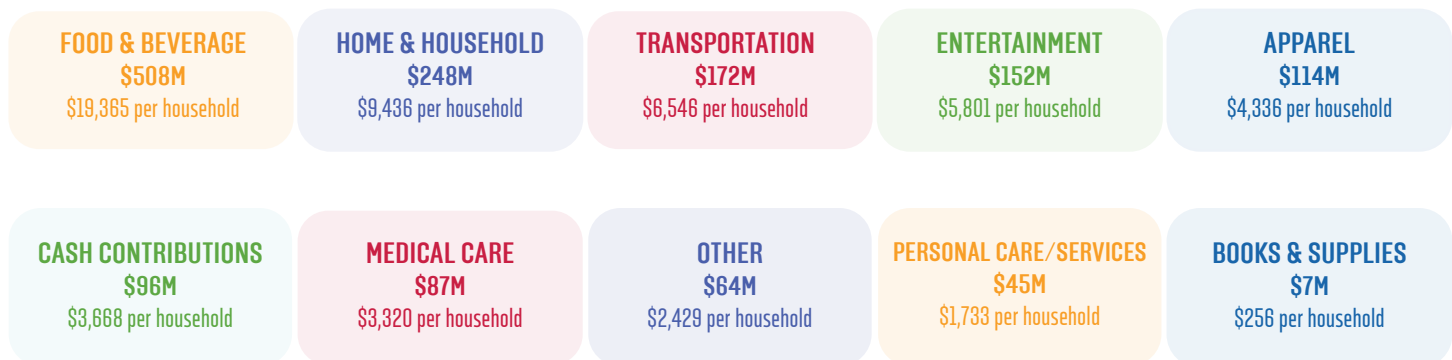
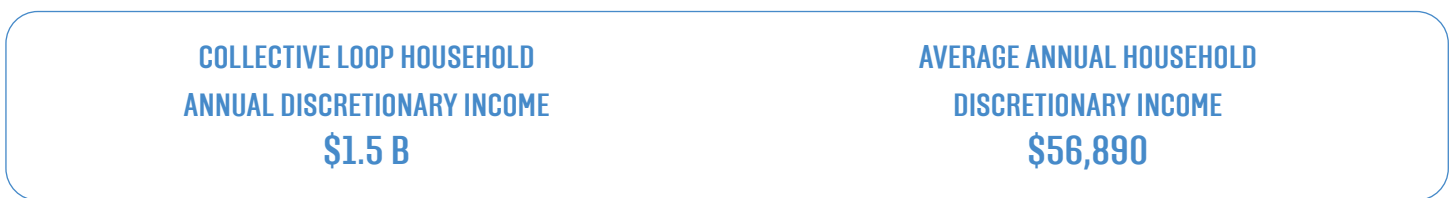
### DISPOSABLE INCOME

Disposable income refers to household's total income after taxes. Having more income enables households to budget more towards housing, food, and purchases like household furnishings, entertainment and recreation. Note that a household includes the combined income of all residents occupying a housing unit.

The average Loop household has an average annual disposable income of \$149,167. Households spend a significant amount of their disposable income on housing, savings and insurance, tuition, and travel. More than half of a household's disposable income is applied to housing and savings or insurance alone.

### DISCRETIONARY INCOME

Discretionary income is the amount of household income available after accounting for taxes, housing costs, utilities, savings and insurance, among other costs. To capture potential spending at Loop businesses, the categories below were included in the economic impact model created for this study. The annual average Loop household has \$56,890 in discretionary income. See page 16 for details on adjustments made to transportation and medical categories.



Source: Johnson Research Group, Esri Business Analyst



## ECONOMIC IMPACT OF LOOP RESIDENTS: \$481 MILLION

Resident spending at Loop businesses in 2022 by budget category is provided below.



Source: Johnson Research Group, Esri Business Analyst










## RETAIL GAP ANALYSIS

The retail gap analysis compares demand and supply to identify retail potential in various retail and service categories. If the demand is greater than the supply, a leakage occurs. For this study, demand is represented with Loop resident discretionary income, and supply is represented with the economic impact estimates. Retail gap analyses can identify opportunities for businesses and retailers, as the retail gap demonstrates unmet demand.

Per the graphics below, it is evident that residents are leaving the Loop to purchase goods and services for every retail category measured. Loop households spend an estimated \$940 million per year on goods and services outside the Loop, indicating potential demand for more retail and service options in the Loop. Note that the retail gap analysis does not include e-commerce purchases.

Attracting certain retailers could be difficult in the Loop for many reasons. Small or local businesses may not be able to afford the high rental rates in the Loop. Tenants requiring big-box formats with ample parking may have limited options, and the age of buildings may require many tenant improvements or black iron upgrades would be difficult to provide to a potential tenant. Page 19 of the study presents retail and service categories Loop Resident Survey respondents said they would like to see more of in the Loop, which includes grocery stores, food and beverage places, apparel, recreation and experience-based storefronts, and bookstores.

Loop retail gap per budget category

CATEGORY	DEMAND	SUPPLY	RETAIL GAP
 <b>FOOD &amp; BEVERAGE</b>	<b>\$508M</b>	<b>\$174M</b>	<b>\$334M</b>
 <b>HOME &amp; HOUSEHOLD</b>	<b>\$248M</b>	<b>\$68M</b>	<b>\$180M</b>
 <b>TRANSPORTATION</b>	<b>\$172M</b>	<b>\$52M</b>	<b>\$120M</b>
 <b>ENTERTAINMENT</b>	<b>\$152M</b>	<b>\$48M</b>	<b>\$104M</b>
 <b>APPAREL</b>	<b>\$114M</b>	<b>\$41M</b>	<b>\$73M</b>
 <b>MEDICAL CARE</b>	<b>\$87M</b>	<b>\$27M</b>	<b>\$62M</b>
 <b>OTHER</b>	<b>\$64M</b>	<b>\$25M</b>	<b>\$41M</b>
 <b>PERSONAL CARE &amp; SERVICES</b>	<b>\$45M</b>	<b>\$19M</b>	<b>\$26M</b>
 <b>BOOKS &amp; SUPPLIES</b>	<b>\$7M</b>	<b>\$3M</b>	<b>\$4M</b>
<b>TOTAL</b>	<b>\$1.4B</b>	<b>\$457M</b>	<b>\$940M</b>

Source: Johnson Research Group, Esri Business Analyst  
Retail Sales Gap Analysis does not include Cash Contributions budget category

## METHODOLOGY

### ECONOMIC IMPACT MODEL

The economic impact model used for this study was created by Johnson Research Group, a Chicago based community planning and economic development firm. Johnson Research Group utilized Esri Business Analyst to estimate the amount of discretionary income potentially available to spend at Loop businesses. The model relies on national averages for allocating household expenditures with some adjustments to account for local conditions.

The model factors in the time and distance that Loop residents would be willing to travel for different categories of goods and services based on national consumer behavior patterns as well as results from the Loop Resident Survey. Residents tend to travel shorter distances for frequently purchased necessities like food, and farther distances for comparison goods like clothing or home furnishings.

Expenditure data was compared and matched to bricks and mortar businesses located in the Loop with similar businesses within a 20-minute walk of the Loop to allocate the proportion of spending inside and outside the Loop.

Adjustments were made to three budget categories for which a substantial amount of household spending takes place at non-localized or e-commerce types of businesses: education, health care, and transportation. Localized household spending on education includes books and supplies and does not include tuition and fees. Health care includes out-of-pocket costs of medical care and medications and excludes the cost of insurance. Transportation includes automobile payments, fuel, maintenance and repair, and rentals, but excludes the cost of insurance, extended warranties, and services. Additionally, average household expenditures on transportation are adjusted downward to account for lower vehicle ownership in the Loop compared to the national average.

The retail spending gap on page 17 compares the discretionary income data, or what is considered the purchasing power of Loop residents, to the average spending in each budget category at Loop businesses to estimate the retail gap, or identify how many dollars in each category Loop households are spending outside of the Loop (or online) for various goods and services.

### LIMITATIONS

The model relies on findings and data from national studies applied to local conditions. Since the model does not allocate expenditures for all types of discretionary expenditures, the estimated economic impact of \$481 million is considered a conservative estimate and likely underestimates the full impact of residential spending at businesses in the Loop. For example, lower vehicle ownership among households in the Loop means income in the household transportation budget could be allocated to other categories like entertainment or food away from home.

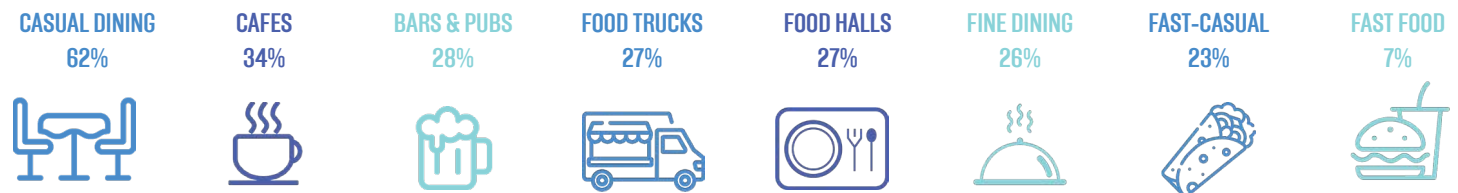


## RESIDENT SURVEY RESPONSES: EATING & DRINKING

The Loop Resident Survey results provide further input into the economic impact findings. Specific information was provided on various retail categories, including groceries, eating and drinking places, apparel, comparison goods, amongst others. Survey questions focused on frequency of shopping, location and preferences for various retail and service categories, and dining options that residents want more of. Results and trends of the survey are detailed below and on the following page.

### DINING

What type of dining options would you like to see more of in the Loop?\*



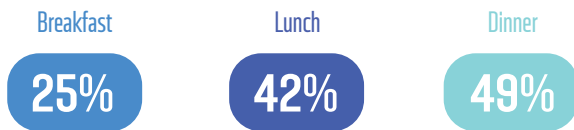
\*Respondents selected up to 3

Source: Loop Resident Survey, 2022

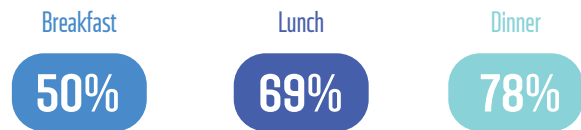
Respondents dining out in the Loop at least once a week

Respondents dining out in the Loop at least once a month

Nearly half of respondents dine out in the Loop at least once a week, and 78% of respondents dine out in the Loop at least once a month



Source: Loop Resident Survey, 2022



Source: Loop Resident Survey, 2022

### GROCERIES

What is the primary way you buy groceries?

How many grocery stores do you typically visit?

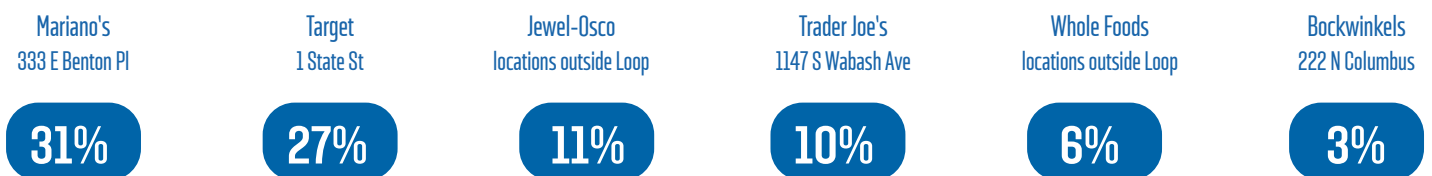


Source: Loop Resident Survey, 2022



Source: Loop Resident Survey, 2022

At which store do you typically buy groceries in or near the Loop?



Other: 12%

Source: Loop Resident Survey, 2022

## RESIDENT SURVEY RESPONSES: RETAIL & SERVICES

Loop Resident Survey respondents shop frequently for retail goods in the Loop. More than half of the Loop residents responding to the survey would like to see more grocery store options in the Loop, and nearly half would like to see even more eating and drinking options. Other categories Loop resident respondents said they would like to see include clothing and shoe stores, experiential or recreational options, and bookstores.

### RETAIL & SERVICES

What retail and service categories would you like to see more of in the Loop?



\*Respondents selected up to 3  
Source: Loop Resident Survey, 2022

How often do you shop for apparel, shoes and similar goods in the Loop?

67% of respondents shop for retail goods in the Loop at least once a month



Source: Loop Resident Survey, 2022

How often are you negatively impacted by limited hours of operation of some businesses in the Loop?

58% of respondents are often negatively impacted by limited hours of operation in the Loop



Source: Loop Resident Survey, 2022





## CHAPTER 2:

# LOOP HOUSING SUPPLY

Residential growth in downtown Chicago and in the Loop has been significant over the last three decades. Of all downtown Chicago submarkets, the Loop has added the most housing units, with the addition of nearly 12,000 rental units and more than 9,500 for-sale condominiums. The Loop has begun to transition into a mixed-use neighborhood, shifting from primarily office, retail, and hotel uses to include more residential uses. Current rental occupancy and asking rent rates demonstrate strong and growing demand for housing in the Loop.

## IN THIS CHAPTER

### DOWNTOWN CHICAGO HOUSING MARKET

**140,394** NUMBER OF HOUSING UNITS IN DOWNTOWN CHICAGO IN 2022

### LOOP HOUSING MARKET

**30,342** NUMBER OF HOUSING UNITS IN THE LOOP, MORE THAN THREE TIMES MORE UNITS THAN 2000

### LOOP HOUSING SUBMARKET TRENDS

**95%** 2022 RENTAL OCCUPANCY RATE IN THE LOOP, DEMONSTRATING STRONG DEMAND

SECTION 1:

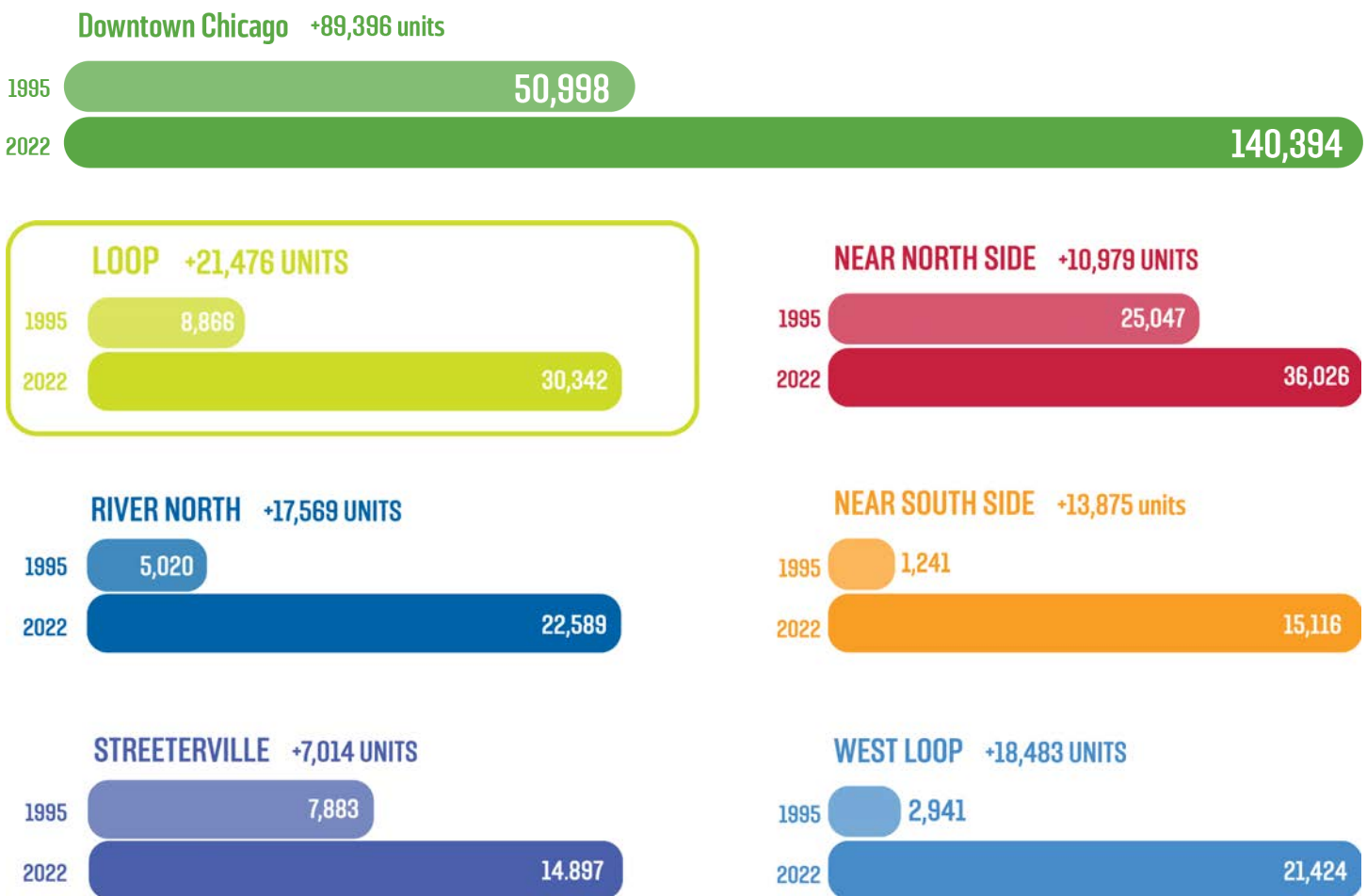
# DOWNTOWN CHICAGO HOUSING MARKET

Downtown Chicago had more than 140,000 units in 2022, a 175% increase from 1995. Of those, 53% are for-sale condominiums or townhouses, and 47% are multifamily rental. During that time, the Loop has added more housing units than any other downtown submarket.

As shown on the accompanying map, the greater downtown Chicago housing market is comprised of six major submarkets extending from North Avenue to Cermak Road. Prior to 2000, the Near North Side (Gold Coast) was the dominant residential neighborhood located close to the Loop. The downtown residential market has evolved significantly over the past 25 years, as major housing development has occurred both in the Loop and in the submarkets surrounding the Loop.

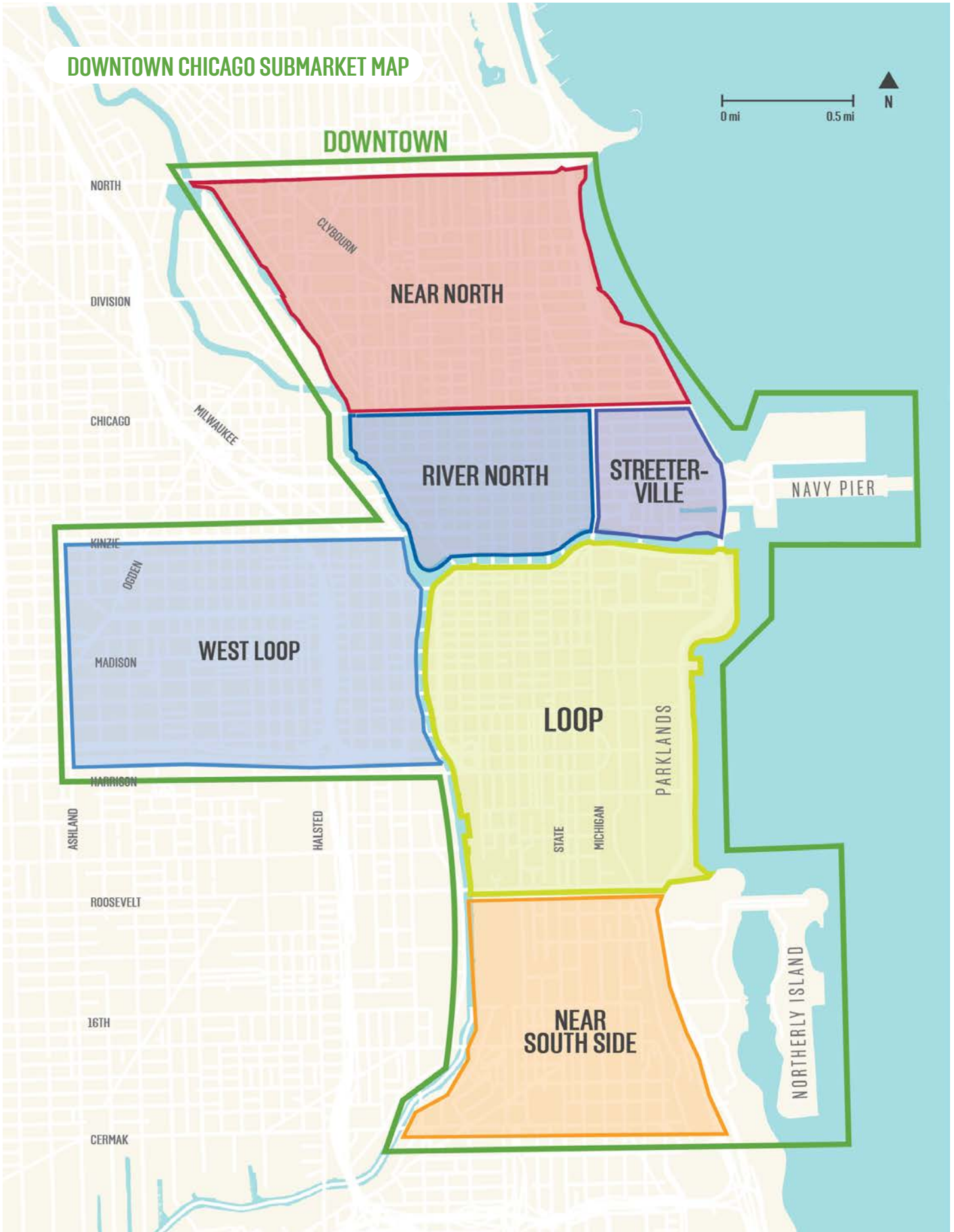
Residential growth on the Near North Side has been somewhat constrained in recent years, since this area was already more developed and offered fewer available development sites. In contrast, growth in the West Loop is now occurring at a rapid pace, as this submarket has shifted from lower density to higher density development. The size of the recent developments and the number of proposed projects has grown significantly.

Total housing units, 1995 - 2022



Source: Integra Realty Resources - Chicago

# DOWNTOWN CHICAGO SUBMARKET MAP





## DOWNTOWN CHICAGO RENTAL TRENDS

### OCCUPANCY TRENDS

Occupancy in downtown rental apartment buildings has historically been strong, with only a few declines that were tied to larger economic conditions, most recently being COVID-19 in 2020. Despite the lingering impacts of the pandemic, including office workers continuing to work remotely, the resiliency of the market has been particularly notable. The occupancy rate in 2021 bounced back to prior levels and has continued to increase. As of Q4 2022, the Downtown market overall is at 95% occupancy.

### RENTAL UNITS BY TYPE

The composition of rental apartment units in the downtown market has been rather consistent over the past twenty years. The market is dominated by one-bedroom units, and nearly 70% of units in rental apartment buildings consist of studio, convertible, and one-bedrooms. A newer format gaining in popularity is the one-bedroom plus den unit that provides a work-at-home option for additional flexibility.

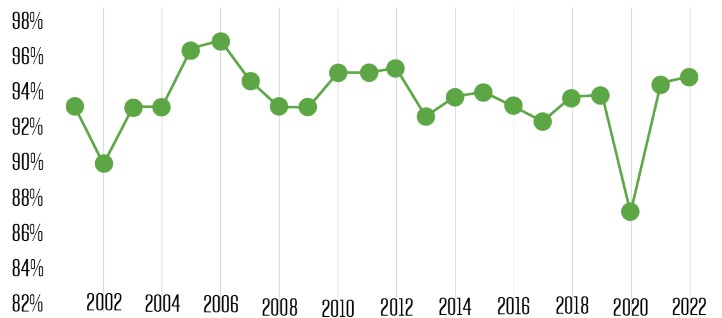
The unit mix is relatively similar in all the Downtown Chicago submarkets with average unit sizes ranging between 800 and 850 square feet. While there has not been much of a shift in the unit types in newer rental buildings, there has been a shift to smaller unit sizes given the increasing cost of development.

### AVERAGE ASKING RENTS BY UNIT TYPE

As the Downtown Chicago residential inventory has grown, so have rental rates. New and renovated rental apartment units are in highly amenitized buildings with high-end finishes that command higher rents. As a result, average rents have increased over the last twenty years, rising between 13% and 23% depending on unit size.

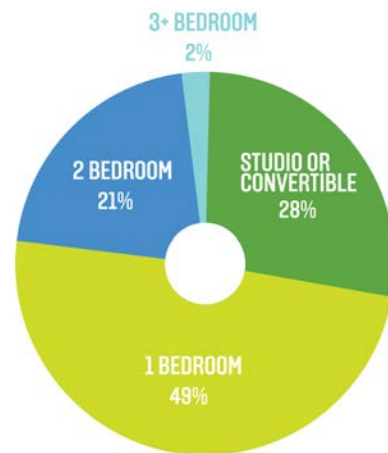
The rental rates shown reflect current asking rental prices for available rental units in the Loop. Rates were collected through a survey conducted by Integra Realty Resources in 2022.

Downtown occupancy rates, 2001 - 2022



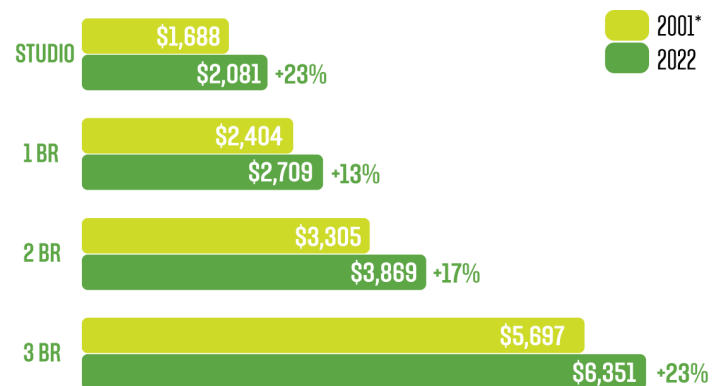
Source: Integra Realty Resources - Chicago

Downtown rental units by type, 2022



Source: Integra Realty Resources - Chicago

Downtown average asking rents by unit type



Source: Integra Realty Resources - Chicago  
\*Adjusted to 2022 dollars

## DOWNTOWN CHICAGO FOR-SALE TRENDS

The downtown Chicago market consists of approximately 75,000 condo/townhome units which include a mix of buildings built as condominiums and others that were developed as rental apartment buildings and later converted to condominium ownership. Fewer than 5% of these units are townhomes, with the remainder being condominiums. While a large amount of new condominium development occurred during the late 1990s and early 2000s, this came to a halt with the Great Recession in 2008. Only 2,750 have been constructed since 2011, nearly all of which have targeted the high-end luxury market. Approximately 1,000 of these units are located in the Loop submarket.

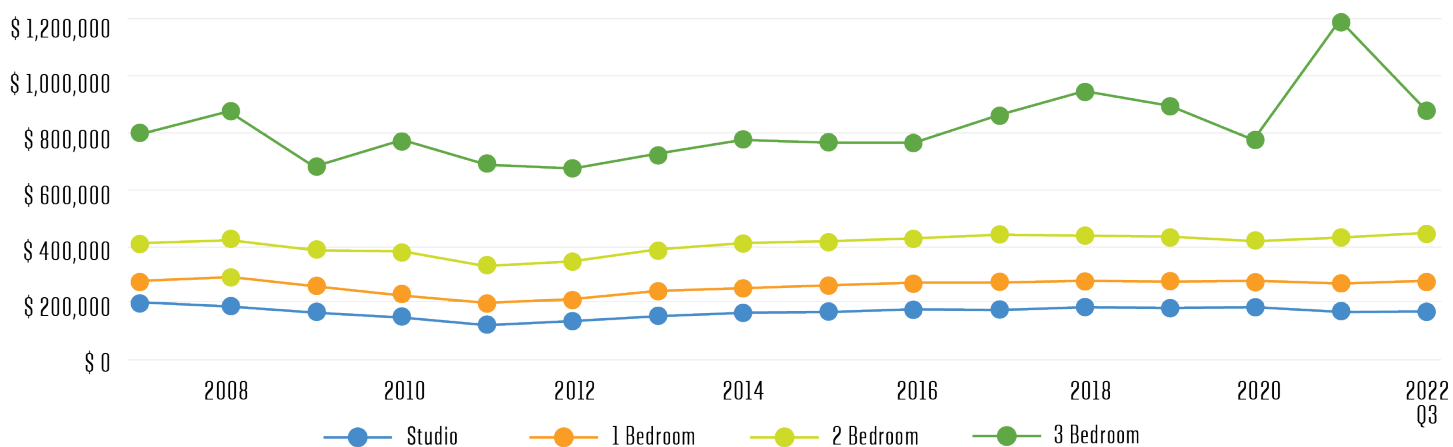
### PRICE APPRECIATION

The rapid price appreciation that had occurred during the late 1990s and early 2000s also ended in 2008. Prices trended downward from 2009 to 2012. The market eventually stabilized, but the recent condo price appreciation in the market has been extremely muted. Due to the high development costs and the limited price appreciation in the market, the gap between the high cost of newly constructed units and that of resale pricing has widened, hampering demand and the ability of buyers to trade up to a new construction residence.

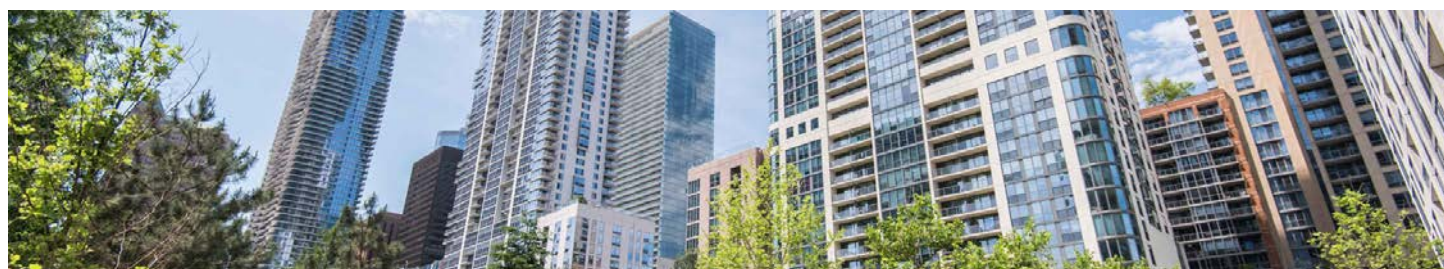
### RANGE OF FOR-SALE PRODUCT

Due to the new condo units targeting the luxury segment of the market, the resale market provides the only alternatives to the first-time or middle-market buyer. However, the range of resale options in the market is quite extensive given the large number of condominium units in the downtown housing market. Prices for studio units in high-rise buildings are as low as \$125,000 in Near North Side buildings and extend as high as \$20,000,000, which was the price recently paid for a penthouse at the St. Regis in the Loop. With the large gap between current development costs, it is very difficult for developers to build anything but high-end, luxury units.

Downtown Median Sale Prices, 2007 - 2022 Q3



Source: Multiple Listing Service (MLS)



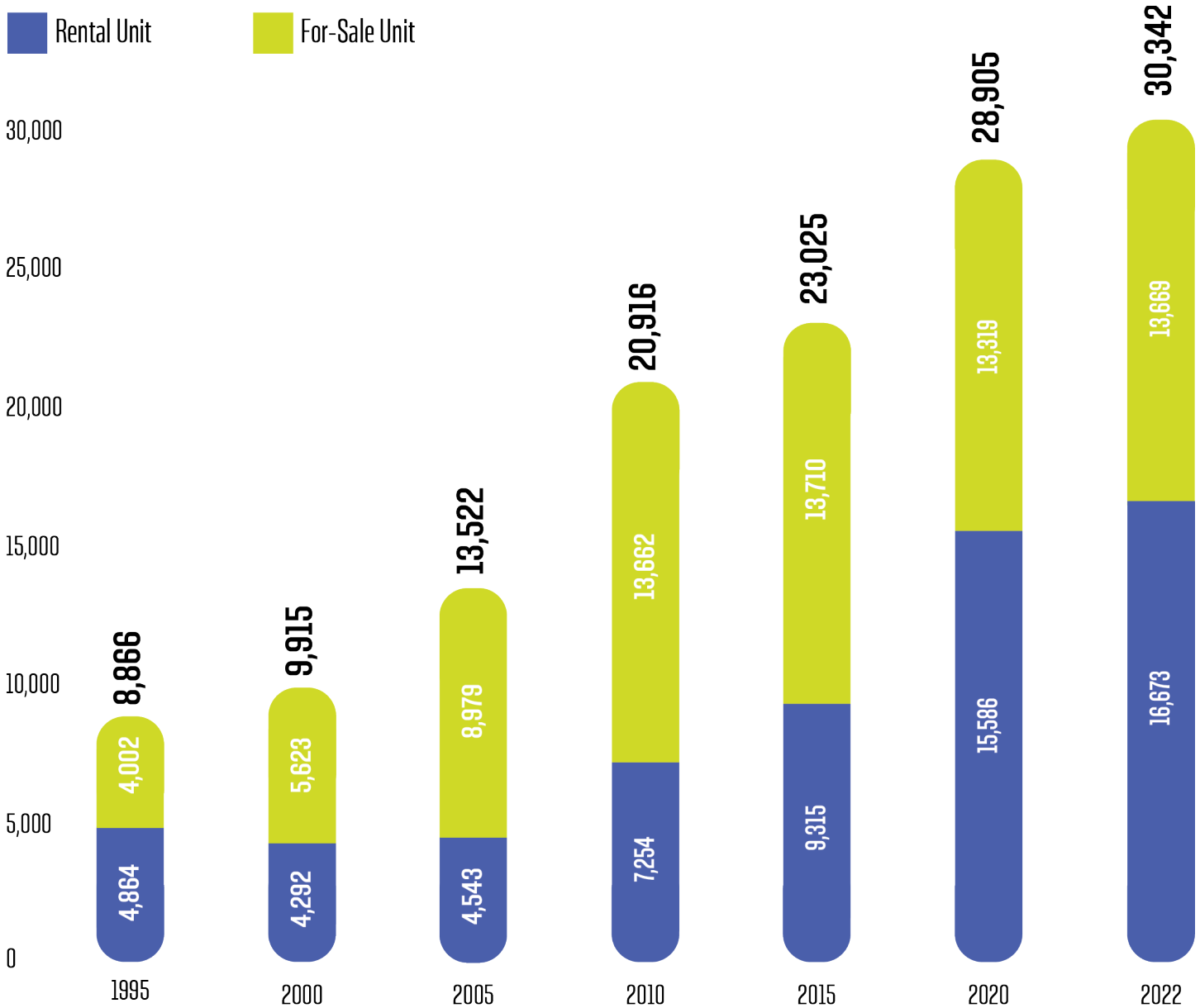
SECTION 2:

# CHICAGO LOOP HOUSING MARKET

The residential inventory in the Loop has seen significant growth, with the addition of more than 21,000 housing units since 1995. 70% of the Loop housing inventory has been built in just 27 years.

While the for-sale residential inventory grew between 1995 and 2010, rental apartments have driven new deliveries over the last ten years. Of the 30,342 total housing units in the Loop, 45% are for-sale condominiums and townhouses, and 55% are rental apartments.

Loop housing inventory, 1995 - 2022



Source: Integra Realty Resources - Chicago

# CHICAGO LOOP HOUSING INVENTORY MAP



Map created by: Goodman Williams Group

Source: Integra Realty Resources - Chicago



## LOOP RENTAL TRENDS

### OCCUPANCY TRENDS

Occupancy levels in Loop apartment buildings have generally followed the occupancy trends in the larger downtown Chicago market. During 2020, COVID-19 impacted the Loop slightly more than the downtown market as a whole, as many of the demand drivers for Loop living were affected, most notably the closing of offices and schools. A large number of restaurants and entertainment venues also closed during the height of the pandemic. Residential occupancy rates recovered in 2021 and 2022 to 94%.

### RENTAL UNITS BY TYPE

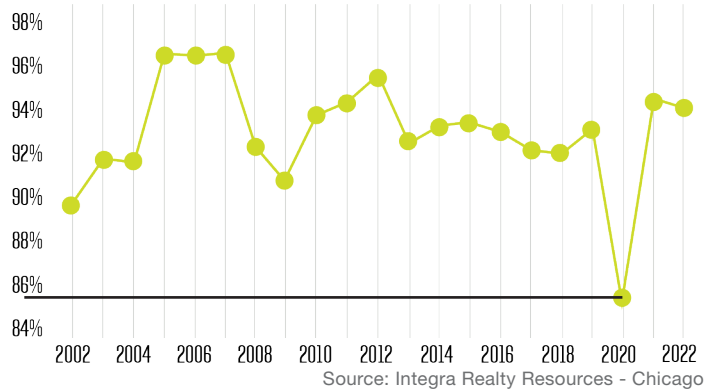
The mix of rental apartment types in the Loop also mirrors the overall downtown market although the Loop has a higher percentage of studios and convertible units. The newer buildings have high-end finishes and extensive common area amenities, similar to new developments throughout downtown. Much of the new rental apartment development has taken place in the eastern sections of the Loop.

Elsewhere in the Loop, several existing condominium developments were converted to rental apartments over the past 20 years. In addition, several office buildings have been converted to rental apartments. These converted office buildings are less prevalent in other downtown submarkets, since the Loop has a greater abundance of Class C, vintage office buildings that are most appropriate for conversion to rental apartments.

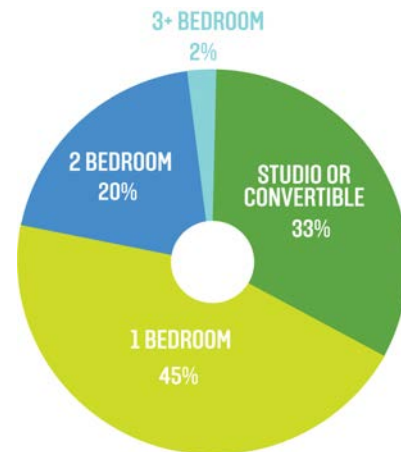
### AVERAGE ASKING RENTS BY UNIT TYPE

Given the wide range of product in the Loop, there is a broad range of rents. The percentage increases in Loop rents have been significantly higher than in the larger downtown market, as average rents in the Loop in the early 2000s were lower than downtown averages. With new development that has occurred over the past 20 years, rents have risen, with 1-bedroom and 2-bedroom units generally tracking the Consumer Price Index, and rents for studios and 3 bedrooms rising at a higher rate.

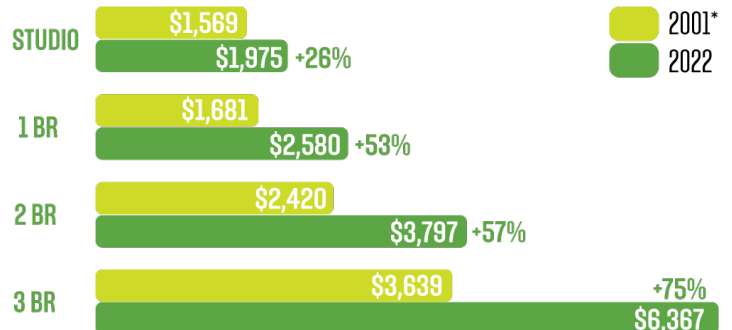
Loop occupancy rates, 2001 - 2022



Loop rental units by type, 2022



Loop average asking rents by unit type, 2022



## BUILDING SPOTLIGHT

Mixed-use rental + hotel

### MILLIE ON MICHIGAN

300 N Wacker Place

Delivered in 2022 by Magellan Development Group and Sterling Bay, Mille on Michigan is the Loop's newest mixed-use rental apartment building. It includes 289 luxury apartment units located above the 280-key Citizen M Hotel and 25,000 square feet of ground floor commercial space. A ground floor tenant has yet to be announced.

Reaching 47 stories, Millie on Michigan is highly amenitized with an outdoor pool, deck and fitness center, and is proximate to many of the amenities in the Loop, including the CTA stations, Millennium Park, and the theaters and museums.

The unit mix, average asking rents, and square footage are provided below. Millie on Michigan has 7 affordable units on site.

#### 289 Units

<u>Unit Type</u>	<u># Units</u>	<u>Asking Rent</u>	<u>SF</u>
Studio	97	\$2,682	564
1 BR	134	\$2,998	728
2 BR	58	\$4,770	1,106

Source: CoStar





## LOOP FOR-SALE TRENDS

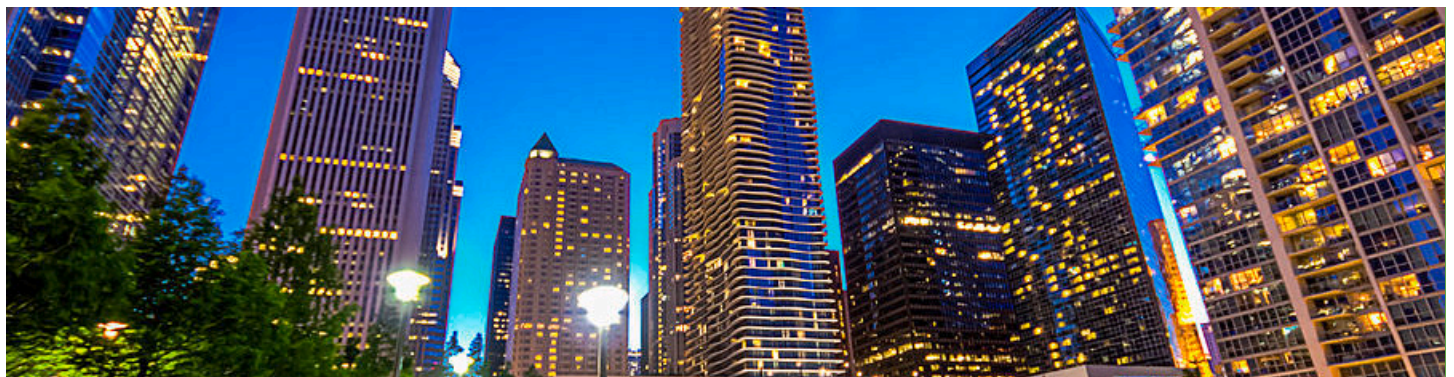
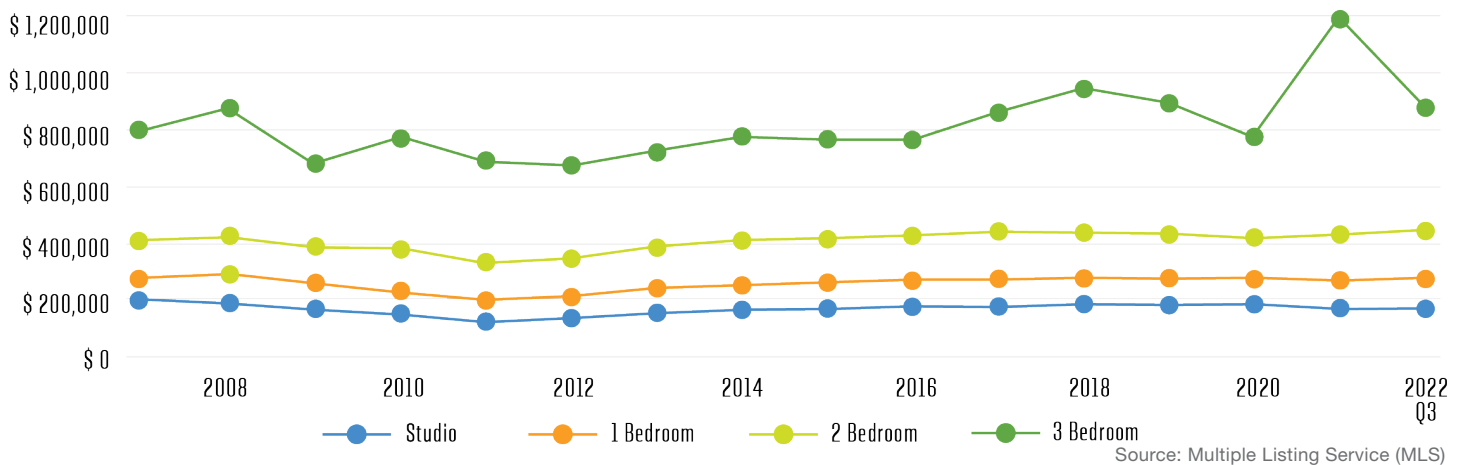
Currently, condominiums comprise 45% of the housing units in the Loop, and offer a wide range of choices for condominium buyers in terms of building locations, views, amenities, unit sizes, and prices. The largest cluster of condominium buildings is located in Lakeshore East, a 26-acre development bordered by the Chicago River and Lake Michigan. The buildings in the development encircle a scenic, six-acre park, and Millennium Park and Grant Park are situated immediately to its south.

Two large condominium buildings were recently developed in Lakeshore East and are currently engaged in sales programs: Cirrus and St. Regis Chicago. Both buildings provide significant amenities and are targeting an affluent buyer pool, with prices ranging from \$500,000 to \$20 million, though much of the inventory is in the \$1 to \$3 million range. This neighborhood also contains the first residential building to be constructed in the Loop in 1964, which offers resale units priced from \$200,000 for a studio.

Several luxury condominium buildings line Michigan Avenue, south of Randolph. Most of these buildings were originally office buildings and were adapted for residential use. The southern section of the Loop has an extensive condominium inventory, with a broad mix of building types. Many of the buildings were vintage office or loft buildings that were converted to residential condominium use in the early 2000s, while others were new construction during this same time period.

A small number of townhouse units are located in the Loop in two areas. Lakeshore East contains a very small townhouse component overlooking its 6-acre park, which commands very substantial resale prices of \$1.5+ million. In the southern section of the Loop, Dearborn Park Phase I has a larger townhouse component which provides a very unique opportunity for persons to live in the Loop in a three-bedroom townhouse at a price point which could start around \$450,000.

Downtown median sale prices, 2007 - 2022 Q3



## BUILDING SPOTLIGHT

Mixed-use for-sale condo + hotel

### THE RESIDENCES AT THE ST. REGIS

363 E Wacker Drive

Comprised of three interconnected towers, the tallest of which reaches 101 stories, St. Regis Chicago is now the third tallest building in Chicago, developed by Wanda Group/Magellan Development Group and designed by celebrated architect Jeanne Gang, head of Studio Gang. Construction began in 2016 and initial sales and occupancy of the condominiums was available 2020. The St. Regis Chicago is part of the Lakeshore East, the 26-acre master planned development.

The development offers 393 condominiums, and resident-only amenities on the 47th floor. Prices for the condos, ranging in size from one to five bedrooms, are between \$840,000 to \$18.5 million. Approximately half of the units have been sold. According to Crain's Chicago, one of the units sold for more than \$20 million in September 2022.

The hotel component, managed by luxury Regis Hotels & Resorts, will be known as the St. Regis Hotel Chicago. It will feature 193 guest rooms located on the lower 11 floors of the tower, and is scheduled to open in Spring 2023. The St. Regis Chicago hotel will provide guests with waterfront views with access to the Loop's many amenities, meeting and gathering spaces, a spa, fitness center, indoor pool, and outdoor sundeck.

The celebrated restaurant group Lettuce Entertain You announced two restaurants slated to open in the new St. Regis Chicago in Spring 2023. The first, Miru, is a Japanese concept, and the second, Tre Dita, will be a Tuscan steakhouse.





## LOOP STUDENT HOUSING TRENDS

A vibrant student population continues to live, work, play, and learn in the Loop, many in university-owned student housing, or housing that is privately owned and marketed toward students.

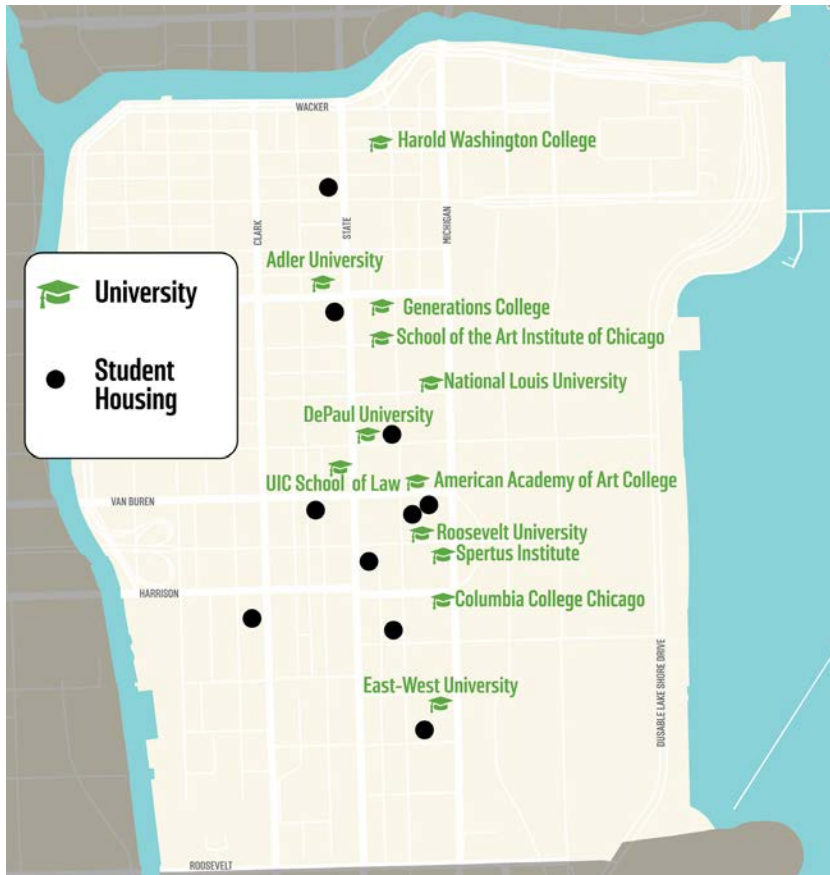
Student housing units are rented on a "per bed" basis. A current inventory of student housing facilities in the Loop counts ten buildings dedicated to student housing, with an estimated total of 5,800 beds.

The Loop is home to more than 20 institutions of higher education. Enrollment in post-high school centers for learning has been declining nationally and in the Loop over the last 10 years, due to the rising cost of college, declining population, fewer international students enrolling or being accepted, and the global COVID-19 pandemic in 2020. College enrollment in the Chicago has declined by 18% since 2010.

Despite lower enrollment rates, more than 47,000 students were enrolled at a Loop institution of higher learning in 2020. American Community Survey 2020 estimates more than 8,000 residents living in the Loop were enrolled in undergraduate or graduate/professional school.

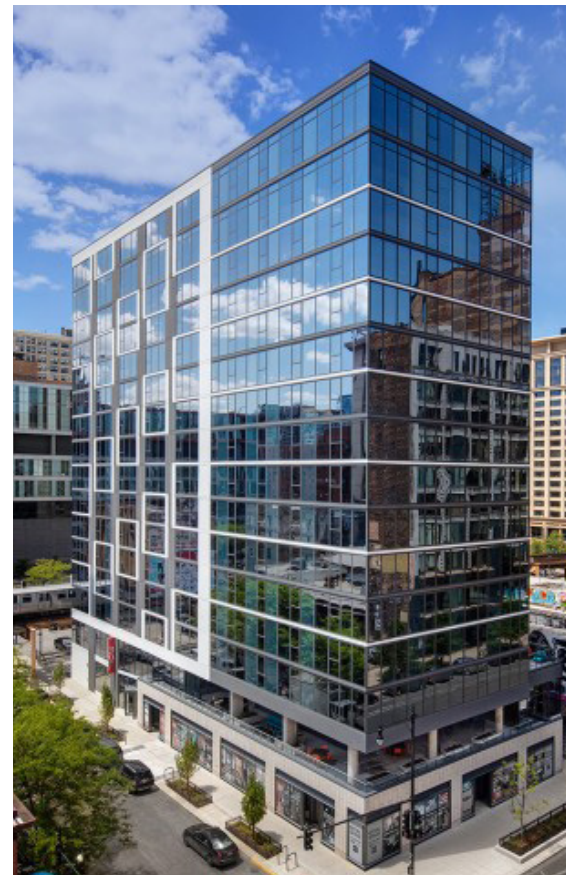
**CHICAGO LOOP ALLIANCE CONDUCTED THE STUDY ON HIGHER EDUCATION IN THE LOOP AND SOUTH LOOP IN 2014. A LINK TO THE STUDY CAN BE FOUND HERE: [2014 Study on Higher Education in the Loop and South Loop](#)**

Loop universities & student housing map



Map created by: Goodman Williams Group

30 East Apartments at 30 E Balbo, 348 beds in 134 units



## BUILDING SPOTLIGHT

Student housing

### THE UNIVERSITY CENTER OF CHICAGO

525 S State Street

The University Center is home to approximately 1,700 college students who primarily attend Columbia College, DePaul University, and Roosevelt University. The 18-story building is located between Ida B. Wells and Harrison Street. The development was completed by a non-profit formed by the three schools in 2004, and was sold in 2017 to a joint venture led by Blue Vista Capital Management, a firm that specializes in student housing.

The development includes a number of amenities geared toward students, including a 30,000 square foot conference center, a study room on every floor, music practice rooms and art studios, as well as 28,000 square feet of ground floor student-oriented retail space.

The University Center units that range from 1 to 4-bedroom models, and have average monthly rents that range from \$1,166 to \$1,679 per bed, depending on unit size.



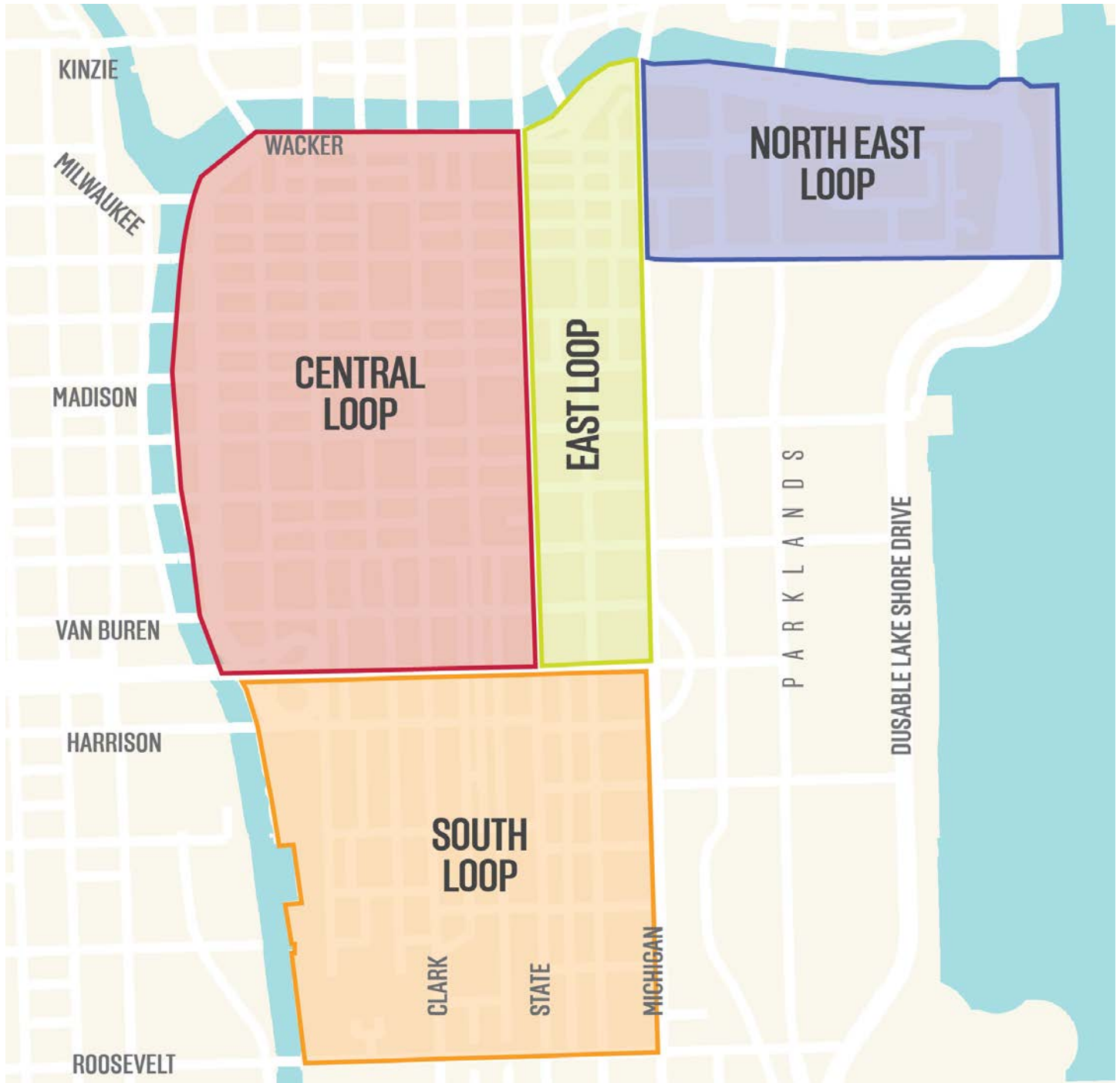


SECTION 3:

# LOOP SUBMARKET HOUSING TRENDS

For this study, the Loop has been divided into four submarkets, as seen in the map below. This includes the Central Loop, East Loop, North East Loop, and South Loop.

Loop housing submarket map



Map created by: Goodman Williams Group

## LOOP SUBMARKET HOUSING TRENDS

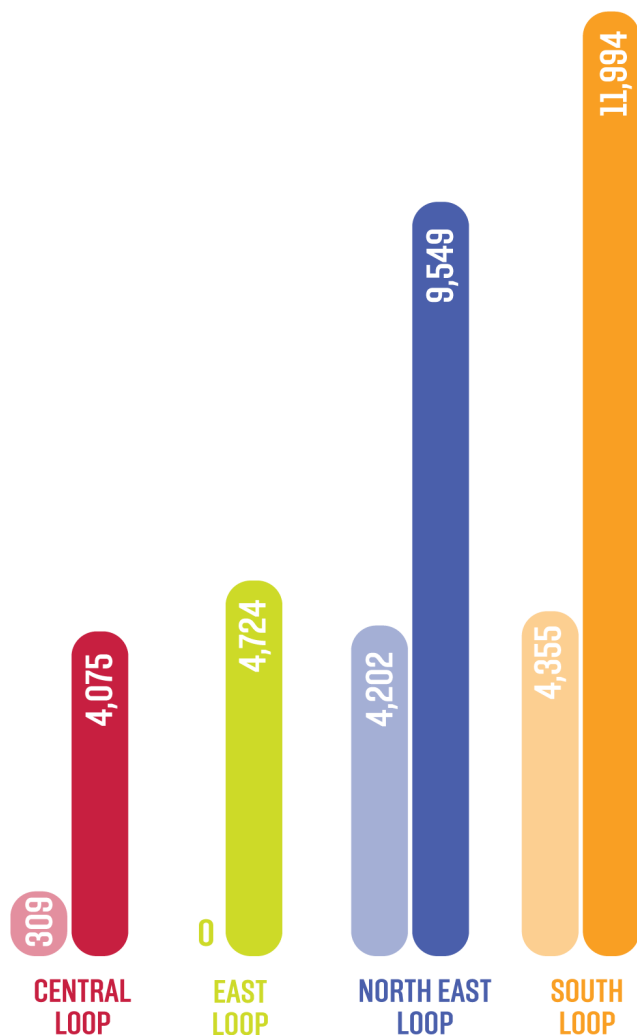
The graphic below shows the total housing units in each subarea between 1995 and 2022. All submarkets have grown significantly, with South Loop and North East Loop adding the most units.

Occupancy rates are very similar between the four submarkets, though they are highest in South Loop and North East Loop, and lowest in Central Loop.

The highest average rents in 2022 were in the East Loop, which was \$335 higher than the lowest average rents found in the Central Loop.

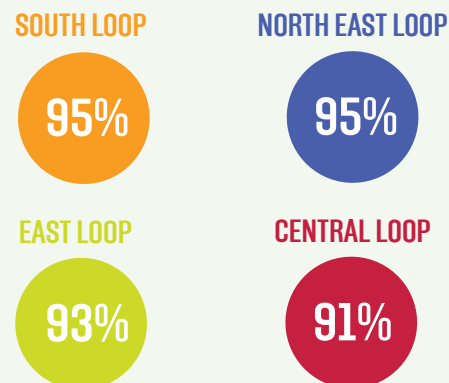
The North East Loop has the highest percentage of for-sale residential units at 55%, while Central Loop has the lowest percentage at 35%.

Total housing units by submarket, 1995 - 2022



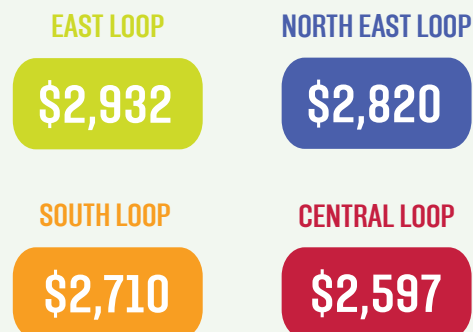
Source: Integra Realty Resources - Chicago

Loop submarket occupancy trends 2022



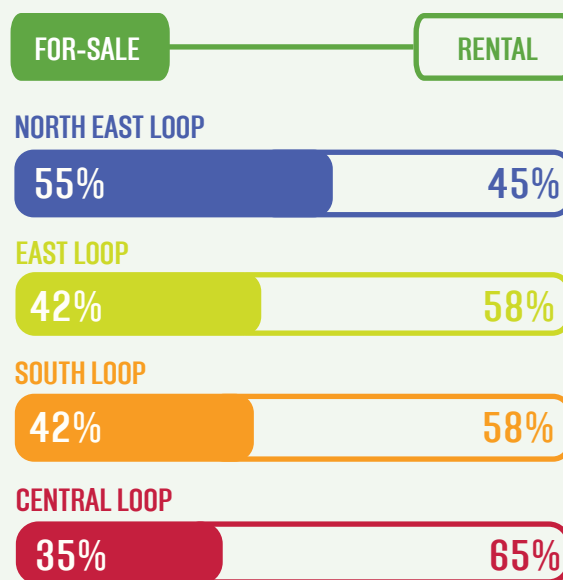
Source: Integra Realty Resources - Chicago

Loop submarket asking rent trends 2022



Source: Integra Realty Resources - Chicago

Loop submarket for-sale & rental 2022



Source: Integra Realty Resources - Chicago



## CENTRAL LOOP



**VIEW OF RESIDENTIAL BUILDINGS AT LAKE AND WELLS**

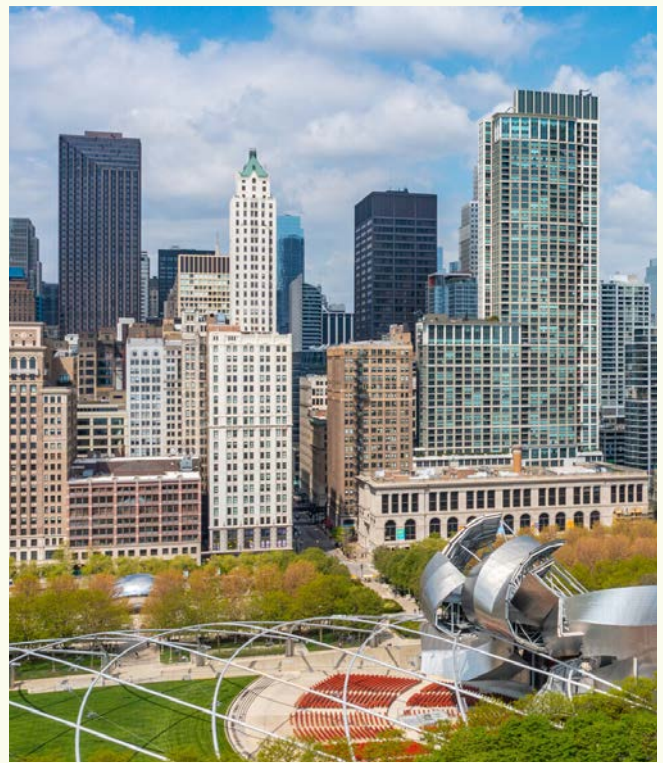
The Central Loop is positioned west of State street, extending westward to the Chicago River. All of the development that has taken place since 2010 has been rental apartments, with no condominium development. The number of condominiums in the Central Loop has actually declined since 2010, with the de-conversion of Century Tower at 182 W Lake.

The rental apartment development occurring has been through both the adaptive reuse of vintage office buildings and new construction high-rise buildings. The Central Loop lacks the proximity to the lakefront and parks which the East Loop and North East Loop provide.

Currently, the Central Loop is comprised of 35% condominium units and 65% rental apartment buildings. It is the section of the Loop with the lowest number of residential units, accounting for only 13% of the Loop’s total housing units, as it has historically been the location for office and public buildings.

Change will be coming to the Central Loop residential market. As will be discussed later in this report, the City of Chicago has recently issued an invitation for proposals from developers seeking incentives to convert older office buildings on LaSalle Street.

## EAST LOOP



**VIEW OF EAST LOOP LOOKING NORTHEAST FROM MILLENIUM PARK**

The East Loop is positioned between Wacker Drive and Ida B Wells from State Street to Michigan Avenue. The residential inventory is more heavily weighted to rental buildings rather than condominium buildings. Condo inventory is unchanged in recent years, but substantial rental apartment development is occurring.

More than half of the for-sale inventory is located in buildings that were formerly vintage office buildings with the exception of Park Monroe residences, which consists of the top 10 floors of a newer office building at 55 East Monroe that has commanded higher sales prices due to amenities, high end finishes, and views.

Average rent and sale prices are highest in the East Loop, due to highly amenitized buildings near Michigan Avenue with views of the river, Millennium Park, Grant Park, the lakefront, and the city’s skyline. Millie on Michigan, which was detailed earlier in this chapter, is located in East Loop.

Good potential exists for adaptive reuse of office buildings in this market, both for hotel and/or residential use, with the best candidates being close to Michigan Avenue. One recently announced adaptive reuse conversion to apartments is located on Wacker Place.



## NORTH EAST LOOP



**VIEW OF LAKESHORE EAST**

The North East Loop submarket is a primarily residential area in the Loop, bordered by Michigan Avenue, Randolph Street, Wacker Drive, and Lake Shore Drive.

Although the first residential building was constructed in the early 1960s on Randolph Street, it was not until Magellan Development started its 26+ acre Lakeshore East development in 2004 that the number of residential units in this neighborhood increased substantially.

Lakeshore East includes a mix of high-rise rental apartment buildings, condominium buildings, a small cluster of townhomes, two hotels, and neighborhood retail amenities.

Fifty-five (55%) of the units in the North East Loop are condominiums, and 45% are rental apartments. The condominiums vary widely in price given that some of the units are condominium conversions of older buildings and others are units in newly constructed luxury buildings. This submarket in the Loop with the greatest diversity in price, ranging from an average of \$300 PSF to over \$1,100 PSF.

There are still a few vacant development sites in this neighborhood. Proposed residential projects on some sites have been announced.

## SOUTH LOOP



**VIEW OF THE ELLE APARTMENTS AT 801 S FINANCIAL PLACE**

The South Loop submarket extends from Ida B Wells Drive south to Roosevelt Road, and is primarily residential in character, along with a notable university presence and hotels overlooking Grant Park. The residential units are generally located in high-rise buildings, and a smaller number of townhomes that were developed 40 years ago.

The South Loop submarket accounts for nearly 40% of the housing units in the Loop market. Rental apartment development has been ongoing in this submarket, and more recently new condominium developments. Currently under construction along the Chicago River is the Reed, which is a mixed-use building being developed by LendLease that will include 224 rental units on the lower floors of the building, with 216 condominium residences on the upper floors.

With its collection of service retail and restaurants, this submarket offers good neighborhood conveniences along with walkability and close proximity to the Loop employment center. Residential unit pricing, both for its rental units and condominium units, is more value-oriented than the pricier East Loop and North East Loop submarkets.

South Loop Affordable Housing

600 S Wabash Avenue





## CHAPTER 3:

# LOOP

## AFFORDABLE HOUSING

The factors that draw residents to the Loop such as walkability, proximity to jobs and amenities, and transportation access, make the Loop an attractive location for affordable housing. More recently, there has been a push to distribute affordable housing more equitably across the city, especially in well served areas like the Loop.

### IN THIS CHAPTER

#### LOOP HOUSING AFFORDABILITY

**34%** PERCENTAGE OF LOOP HOUSEHOLDS THAT ARE HOUSING COST BURDENED

#### AFFORDABLE HOUSING IN THE LOOP

**239** NUMBER OF DESIGNATED AFFORDABLE HOUSING UNITS IN THE LOOP



SECTION 1:

# LOOP HOUSING AFFORDABILITY

Households earning less than \$75,000 per year have more difficulty findings and affording housing in the Loop.

If a household is paying more than 30% of their income on housing costs, they are considered cost burdened. For renters, this includes rent and other housing related costs, such as utilities. In the case of homeownership, housing costs would include mortgage payments, homeowner's insurance, property taxes, and any private mortgage insurance or homeowner association fees.

**34%** of Loop households are cost burdened by housing, amounting to more than 8,000 households

**73%** of Loop households have a median household income of \$75,000 or more. Of those, only **9%** are cost burdened.

**28%** of Loop households have a median household income lower than \$75,000 or more. Of those **90%** are cost burdened.

Housing cost burdened households in the Loop

TOTAL HOUSEHOLDS IN THE LOOP			COST BURDENED HOUSEHOLDS IN THE LOOP (households spending 30% or more on housing)			
HOUSEHOLD INCOME	NUMBER	PERCENTAGE	HOUSEHOLD INCOME	NUMBER	PERCENTAGE	
Less than \$20,000	977	5%	Less than \$20,000	888	4%	91% of households in this income bracket are housing cost burdened
\$20,000 to \$49,999	2,441	12%	\$20,000 to \$49,999	2,328	12%	95% of households in this income bracket are housing cost burdened
\$50,000 to \$74,999	2,126	10%	\$50,000 to \$74,999	1,769	9%	83% of households in this income bracket are housing cost burdened
\$75,000 or more	14,766	73%	\$75,000 or more	1,814	9%	12% of households in this income bracket are housing cost burdened
<b>TOTAL</b>	<b>20,310</b>	<b>100%</b>	<b>TOTAL</b>	<b>8,085</b>	<b>34%</b>	

Source: American Community Survey 2016-2020

## AVERAGE ASKING RENT & HOUSEHOLD INCOME

Using Integra Realty Resources average rent data for 2022, the income to rent a housing unit in the Loop is listed below by unit size.

### Assumptions

- Average asking rents provided are quoted rents from a survey conducted by Integra Realty Resources that reflect what buildings were quoting for units available at the time, and do not represent rents of the units already occupied with older leases, or asking rent prices from private owners.
- Household income includes the income of the householder, and the income of all individuals age 15 years old and over in the household, whether they are related or not.
- Household income in the graphic is income after tax.
- Income represents the baseline income needed to rent in the Loop without being housing cost burdened, and assumes the household is spending 30% of their income on shelter.
- Household income required does not include other housing related costs, such as utilities or insurance.

UNIT SIZE	AVERAGE ASKING RENT	HOUSEHOLD INCOME REQUIRED
STUDIO	\$1,975	PER MONTH <b>\$6,583</b> per year: \$78,996
1 BEDROOM	\$2,580	PER MONTH <b>\$8,600</b> per year: \$103,200
2 Bedroom	\$3,797	PER MONTH <b>\$12,656</b> per year: \$151,872
3 BEDROOM	\$6,367	PER MONTH <b>\$21,223</b> per year: \$254,676

Source: Average Asking Rent Rates from Integra Realty Resources - Chicago

## AREA MEDIAN INCOME or AMI

AMI is the median income of all households in a given county or metropolitan region. If you were to line up each household in the area from least wealthy to most wealthy, the household in the middle would be the median. AMI is utilized as a benchmark for income levels and highlights the need for programs and services in a given community.

The federal government Department of Housing and Urban Development (HUD) calculates the area median income for every metropolitan region in the country. Chicago is part of the Chicago-Naperville-Joliet Metro Region. The percentages are updated and published yearly. AMI's are calculated using household income and household size.

### Standard AMI Percentages

ABOVE 250%	HIGH INCOME
120 - 250%	MIDDLE INCOME
80 - 120%	MODERATE INCOME
50 - 80%	LOW INCOME
30 - 50%	VERY LOW INCOME
0 - 30%	EXTREMELY LOW INCOME

**WORKFORCE HOUSING:** Per the Brookings Institute, the generally accepted definition of workforce housing is housing that is affordable for households earning between 80% and 120% of area median income. For a single-person household in the Chicago Metro region, this would apply to a person earning \$58,350 to \$87,600 per year, or \$28 to \$42 per hour.

Chicago Metro Area Median Income Chart for 2022

HH Size	30%	50%	60%	80%	100%	120%
1	\$21,900	\$36,500	\$43,800	\$58,350	\$73,000	\$87,600
2	\$25,000	\$41,700	\$50,040	\$66,700	\$83,400	\$100,080
3	\$28,150	\$46,900	\$56,280	\$75,050	\$93,800	\$112,560
4	\$31,250	\$52,100	\$62,520	\$83,350	\$104,200	\$125,040

**EXAMPLE:** Michael and Mary Smith are a married couple with 2 small children; their household size totals 4. Michael's gross annual income is \$40,000, while Mary's is \$42,000, for a total gross annual household income of \$82,000. Using the 2022 AMI chart above for the Chicago region, the Smith family falls in the low-income limit category, just below the 80% area median income benchmark.

Source: City of Chicago Department of Housing

**SECTION 2:**

# AFFORDABLE HOUSING IN THE LOOP

Less than 1% of housing units in the Loop are dedicated affordable housing units with 239 affordable units out of the Loop's total 30,342 housing units. 23 affordable housing units are currently under construction in the Loop, and more affordable housing units are expected over the next 5 years in planned or proposed developments. The city's LaSalle Street Reimagined initiative aims to add at least 300 affordable housing units through redevelopments of vintage office buildings.

## LOOP AFFORDABLE HOUSING INVENTORY

Affordable housing is typically created with funding or incentives from public agencies, such as the US Department of Housing and Urban Development (HUD), the Illinois Housing Development Authority (IDHA) or the Chicago Department of Housing (DOH).

The Loop currently has 239 units of affordable housing in the Loop, many of which are at least a decade old. Fourteen units were developed under the city's Affordable Requirements Ordinance (ARO) and the balance were financed with Low Income Housing Tax Credits.

DEVELOPMENT	TOTAL UNITS	AFFORDABLE UNITS	YEAR COMPLETED
Millie on Michigan 300 N Michigan Ave	289	7	2022
Randolph Tower City Apartments 188 W Randolph Ave	312	63	2012
South Loop Affordable Housing 600 S Wabash Ave	169	169	2005
<b>TOTAL</b>	<b>770</b>	<b>239</b>	

Source: City of Chicago Department of Housing

## THE FUTURE OF LOOP AFFORDABLE HOUSING

Currently, 23 affordable housing units are under construction at 1000M, and are expected to be delivered in 2024. Some affordable units can be expected to be included in planned or proposed housing developments, detailed on page 46. Additionally, the city's LaSalle Street Reimagined program aims to bring at least 300 affordable housing units in the Loop through redevelopments of vintage office buildings.

### BARRIERS TO AFFORDABLE HOUSING IN THE LOOP

Higher acquisition costs in the Loop are often a barrier to developing affordable housing, as developers rely on higher rental and sales prices to compensate for higher development costs. Even in neighborhoods with lower land and overall development costs, using incentives like the Low-Income Housing Tax Credits can be challenging because demand for affordable housing far outweighs available subsidies. The process is extremely competitive, and often it takes years to obtain these incentives.

Constructing affordable housing requires a patient property owner or developer willing to take the additional risk of acquiring the property before financing is secured. Those issues are exacerbated when considering developing affordable housing in the Loop where prospective affordable housing developers are competing against market rate developers who do not face similar constraints.

## PROGRAMS, POLICIES & INCENTIVES

### AFFORDABILITY REQUIREMENTS ORDINANCE (ARO)

Often referred to as “ARO”, this refers to the city’s inclusionary housing program intended to incentivize developers to build more affordable housing. Residential developments that receive City Council approval for an entitlement, city land sale, or financial assistance are subject to the ARO.

### LOW-INCOME HOUSING TAX CREDITS (LIHTC)

The Low-Income Housing Tax Credit is a dollar-for-dollar tax credit for affordable housing investments, and accounts for approximately 90% of all affordable rental housing created nationwide.

### LASALLE STREET REIMAGINED

The city is looking to promote the redevelopment of vacant and underutilized office buildings in the Loop to include affordable and market-rate housing, with the goal of creating 1,000 new units, 300 of which would be affordable to households with incomes averaging 60% of AMI. The LaSalle Street corridor is part of the LaSalle Central Tax Increment Financing (TIF) District, and TIF funds are one of several public sector financial incentives that could be made available.

### AFFORDABLE HOUSING SPECIAL ASSESSMENT PROGRAM

In 2021, the State of Illinois passed an affordable housing bill that provides various levels of tax relief for multifamily rental developments of seven units or more. This property tax incentive can be combined with the city’s ARO policy to further incentivize affordable housing in the Loop. Incentives are built into the bill tailored to new developments that locate in downtown Chicago.

### CONNECTED COMMUNITIES TOD ORDINANCE

The city’s Connected Communities TOD Ordinance allows developments exceeding their onsite ARO requirements to increase density, further incentivizing affordable housing.

### NATURALLY OCCURRING AFFORDABLE HOUSING (NOAH)

Naturally occurring affordable housing refers to housing units where rents are relatively low compared to the regional housing market, and are attainable for low-income households without any subsidy for the landlord or tenant or legal requirements. Usually these are older, Class B or C buildings.

## PROJECT SPOTLIGHT

Affordable housing - proposed

### ASSEMBLE CHICAGO

NW corner of State Street & Van Buren Street

Assemble Chicago is a proposed mixed-use development on four city-owned lots near the northwest corner of Van Buren and State. The site was awarded through the C40 Reinventing Cities competition whose aim is to create a low-carbon urban future by encouraging sustainable development. It is adjacent to Pritzker Park and the State/Van Buren L station and just north of Harold Washington Library. It is located in close proximity to several higher education institutions and the red and blue CTA train lines. The Community Builders (TCB), an experienced not-for-profit affordable housing developer, is the lead developer. The design team is led by Studio Gang architects.

As currently planned, Assemble Chicago will include 207 units of affordable housing, ranging from 30% to 80% of AMI, a food hall for small minority-owned restaurants, office and meeting spaces for local non-profit groups and residents, and a wellness clinic. The development also includes improvements at Pritzker Park. There will be no vehicle parking onsite and the city will sell the land to TCB for \$1, addressing some of the key challenges to developing affordable housing in high cost areas.







## CHAPTER 4:

# THE FUTURE OF HOUSING IN THE LOOP

Residential growth in the Loop is expected to continue for the foreseeable future through both new construction and adaptive reuse of vintage buildings. The many amenities offered in the Loop, the redevelopment of the Thompson Center, and planning on LaSalle Street will be major catalysts for residential growth and demand. Added residents will help provide the density needed to support commercial development in the Loop, and contribute to the transition into a thriving mixed-use district.

## IN THIS CHAPTER

### FIVE-YEAR HOUSING PROJECTIONS

**5,000** NUMBER OF PROJECTED NEW HOUSING UNITS IN THE LOOP BY 2028

### RESIDENTIAL GROWTH CATALYSTS

**1.2 M** SQUARE FEET OF THE THOMPSON CENTER THAT IS BEING REDEVELOPED FOR GOOGLE

### HOUSING OPPORTUNITIES & CHALLENGES

**9** RESPONSES TO THE LASALLE STREET REIMAGINED INVITATION FOR PROPOSALS



SECTION 1:

# FIVE-YEAR HOUSING PROJECTIONS

**SINCE 2000, THE LOOP HAS ADDED AN AVERAGE 976 UNITS PER YEAR. GIVEN THE ASSUMPTIONS BELOW, IT IS REASONABLE TO EXPECT CURRENT TRENDS TO CONTINUE OVER THE NEXT FIVE YEARS, ADDING UP TO 5,000 NEW HOUSING UNIT BY 2028.**

## FIVE-YEAR HOUSING PROJECTION ASSUMPTIONS

- The national and global economies remain stable enough to avoid a major recession.
- The increasing cost of building materials and labor do not continue to rise to the point that residential development and redevelopment becomes financially unfeasible.
- City incentives and initiatives for conversions or adaptive reuse of vintage office buildings on LaSalle Street bring up to 1,000 housing units, 30% of which will be affordable.

Rendering of 1000M at 1000 S Michigan Avenue



## UNDER CONSTRUCTION HOUSING DEVELOPMENTS IN THE LOOP

Two housing developments are currently under construction in the Loop, and will add 1,176 housing units by 2024.

#	ADDRESS	TOTAL UNITS	AFFORDABLE UNITS	DELIVERY
1	The Reed 234 W Polk St	440	0	2023
2	1000M 1000 S Michigan Ave	738	23	2024
<b>TOTAL</b>		<b>1,178</b>	<b>23</b>	

Source: Integra Realty Resources - Chicago

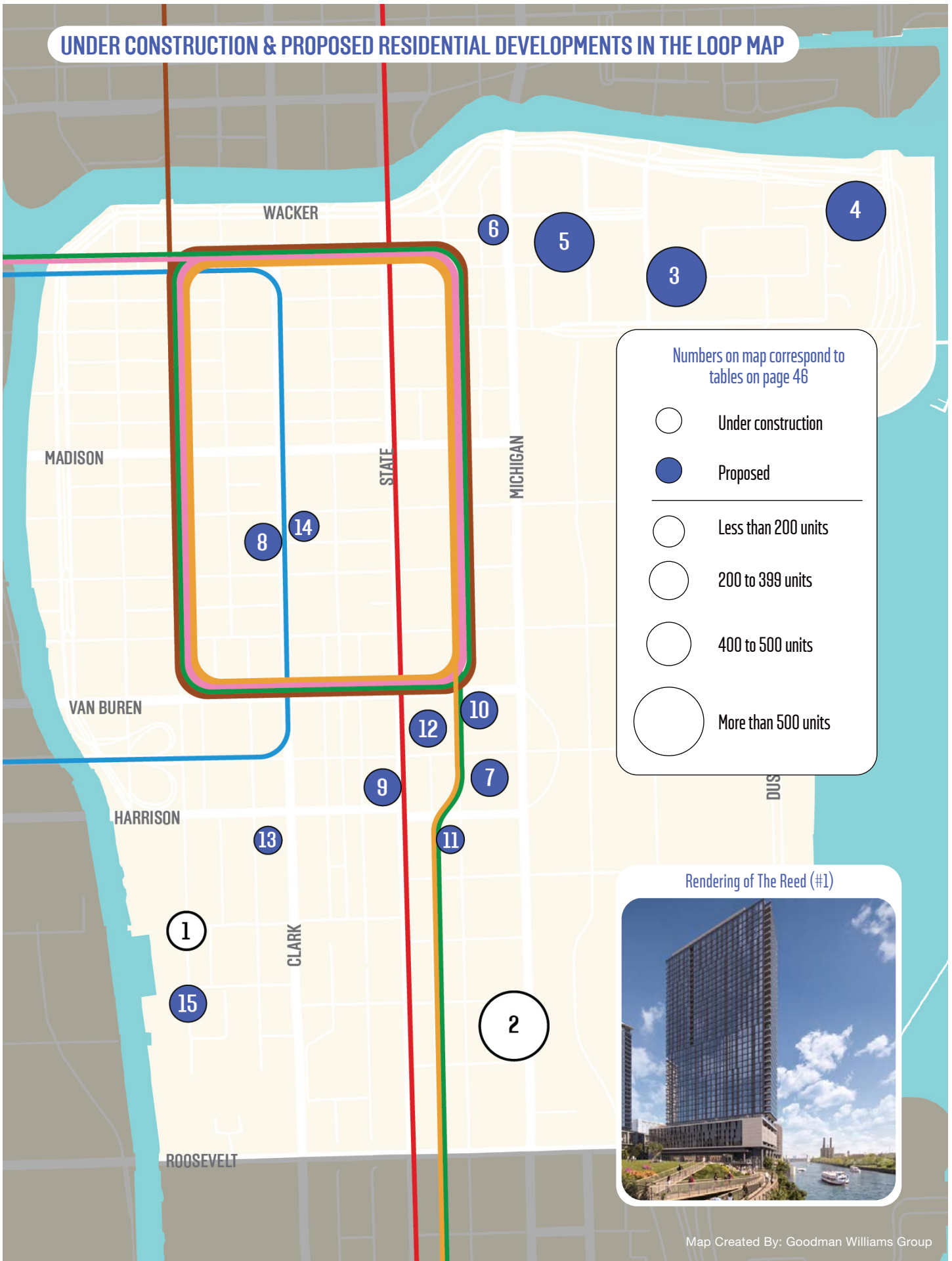
## PROPOSED HOUSING DEVELOPMENTS IN THE LOOP

Thirteen residential developments have been proposed in the Loop that could bring more than 3,800 new housing units to the Loop. These projects are in various stages of the planning process; some may be modified, and some might not ever be fully realized.

#	ADDRESS	UNITS	#	ADDRESS	UNITS
3	Lakeshore East Columbus Dr	599	10	S Wells St @ Roosevelt Collection	400
4	Lakeshore East Lake Shore Dr	600	11	630 S Wabash Ave	154
5	222 N Stenson Ave	639	12	410 S Wabash Ave	344
6	65 E Wacker Place (adaptive reuse)	144	13	633 S LaSalle Ave	117
7	525 S Wabash	261	14	79 W Monroe St	100
8	111 W Monroe St	300	15	900 S Wells St	N/A
9	Assemble Chicago State St & Van Buren St	207	<b>TOTAL</b>		<b>3,865</b>

Source: Integra Realty Resources - Chicago

# UNDER CONSTRUCTION & PROPOSED RESIDENTIAL DEVELOPMENTS IN THE LOOP MAP



Map Created By: Goodman Williams Group



SECTION 2:

# CATALYSTS FOR RESIDENTIAL GROWTH

The addition of new housing units in the Loop will be spurred by ongoing planning efforts in the Loop including the reimagining of LaSalle Street, the redevelopment of the Thompson Center as a new office for Google, as well as the many amenities the Loop has to offer.

 **TRANSPORTATION ACCESS**

The importance of the CTA stations and mass transit connections in the Loop cannot be overstated, providing important amenities to office workers, residents, and tourists. Recent and proposed transportation updates include:

- The new Washington/Wabash Loop Elevated station was completed in 2017, replacing two century-old stations at Wabash and Randolph and Madison.
- A fully accessible new State and Lake CTA station is planned. The \$180 million cost is being funded in part through the federal Congestion Mitigation and Air Quality Program.
- While future redevelopment gets underway at the J.R. Thompson Center, the Clark and Lake Street station will remain open and will be upgraded, and connections to the underground Blue Line via the Pedway will also remain open.

 **ARTS, ENTERTAINMENT, & CULTURE**

With more than 250 cultural assets, the Loop invites residents and visitors to enjoy and explore art, entertainment, and culture. With 12 major performance venues and 13 museums and galleries, Loop residents have quick access to many theater and dance productions, world class art exhibits, music performances, film viewings, and more.

Within the built environment of the Loop, residents can view or interact with more than 120 pieces of public art, including sculptures, murals, water features and more. By walking the Loop, residents have the opportunity to view and learn more about Chicago’s architecture and history.

**CHICAGO LOOP ALLIANCE COMMISSIONED THE ARTS IN THE LOOP ECONOMIC IMPACT STUDY IN 2019 THAT FOUND LOOP ARTS AND CULTURE AMENITIES HAVE AN ECONOMIC IMPACT OF \$2.25 BILLION PER YEAR.**

**LINK TO THE STUDY:** [Arts in the Loop Economic Impact Study](#)

Rendering of the renovated State and Lake CTA Station



Mural in the Loop on State Street





## PARKS, OPEN SPACE, & WATER ACCESS

While Lake Michigan and the Lakefront Trail continues to attract residents and visitors, improvements along the riverfront have been a major development catalyst in recent years.

Many new buildings have been constructed with riverfront views and added public amenities along the riverfront. In the Loop Resident Survey, the riverwalk was cited as the most frequently visited public space.

Development along the Chicago River and improvements to the public way along the riverwalk are expected to continue, and to be a major driver for development, amenity for residents, and attraction for visitors.

The Loop's world-renowned park system remains a top amenity for Loop residents, and destination for visitors to the Loop.

### Chicago Riverwalk



## REDEVELOPMENT OF THE THOMPSON CENTER

### Site of new Google office



While the number of employees Google plans to locate in the redeveloped Thompson Center has not yet been finalized, Google's move to the JRTC is expected to have a strong positive impact on surrounding office, retail, and residential uses.

In July 2022, the State of Illinois completed the sale of the architecturally noteworthy James R. Thompson Center located at 100 W Randolph Street to JRTC Holdings, headed by the Prime Group. As part of this significant transaction, Google announced that once the building was renovated, it would become its owner and lead occupant, likely bringing thousands of new jobs to this key LaSalle Street anchor.

Google spokesperson stated: "The Thompson Center gives us a presence in the Central Business District, enabling us to get in on the ground floor of revitalizing the Loop with its unparalleled access to public transit which is so important to today's hybrid workforce." Google currently occupies a two-building campus in Fulton Market, which is home to more than 1,800 employees, and announced that it was planning to retain this facility, and would not be relocating its workforce to the new facility in the Thompson Center.

As part of its multi-faceted transaction with the Prime Group, the State of Illinois received title to 115 S LaSalle Street, an older office building that will be renovated by JRTC Holdings. The State plans to relocate 1,800 workers from the Thompson Center to 115 S LaSalle Street. Thus, in addition to the new Google high-tech employees, the Central Loop will continue to be an anchor of public sector employment, with City Hall, the County Building, the Federal and State Courts, and the State of Illinois, all maintaining significant locations in the Central Loop.



## PLANNING IN THE LOOP: THE FUTURE OF LASALLE STREET

The LaSalle Street Reimagined initiative received a combined nine proposals for seven vintage office buildings on and near LaSalle Street in December 2022. The list of projects that could win public subsidy was narrowed to six projects in February 2023. These potential investments amount to \$1.1 billion in projects and just over 2,000 residential units, amongst other uses and amenities.

While the public sector remains committed to staying in the Loop and Google has made a major commitment, a number of larger financial service and other private businesses have moved from LaSalle Street to locations further to the west and north. As a result, concerns have been raised about the future of LaSalle Street. These trends have motivated the City of Chicago to take action to ensure a positive future for LaSalle Street. The following reports were conducted in 2021 and 2022, and a combined summary of their findings is below.

### INVITATION FOR PROPOSALS

Chicago Department of Planning & Development and Department of Housing

#### LASALLE STREET REIMAGINED

As a follow-up to the studies released in 2022 discussed below, the City of Chicago’s Department of Planning and Development and the Department of Housing released LaSalle Street Reimagined.

This report includes an invitation for development proposals to adaptively reuse underutilized office building along LaSalle Street to create more housing, reactivate storefronts, and create new cultural, dining, and entertainment amenities while enhancing the public realm and preserving historically significant buildings. The goal is to create at least 1,000 new housing units, with at least 30% of the total units as on-site affordable units.

The city notes that these redevelopments could potentially receive a number of Federal, State of Illinois, Cook County, and City of Chicago financial incentives, including the following:

- Tax Increment Financing (TIF)
- Historic or rehabilitation tax credits
- Class L property tax incentive classification
- Low Income Tax Housing Credits (LITHC)
- Chicago PACE (green upgrades)
- Affordable Illinois tax incentives

### RECENT STUDIES ON LASALLE STREET

Urban Land Institute (ULI) Technical Assistance Panel

#### LASALLE STREE, BUILDING A THRIVING FUTURE

Chicago Department of Planning & Development, AECOM

#### LASALLE STREET CORRIDOR BUSINESS SUPPORT STUDY

The following conclusions were reached in these two studies:

- Need to convert older office buildings with high vacancy rates and other obsolete spaces to accommodate new uses.
- New residential development could include apartment developments with market-rate and affordable units, and housing oriented to artists or students.
- Encourage dining, entertainment, tourism, and other cultural-related uses to support residential development.
- Reimagine and activate public spaces.
- Provide financial incentives as needed.



## OTHER PLANS IN THE LOOP

### WE WILL CHICAGO & CENTRAL AREA PLAN

The city intends to complete additional long-term planning, including an update to the Central Area Plan (last completed in 2003). This plan will include a new plan for State Street. It will tie into the We Will Chicago Plan, the ongoing framework plan for the entire city.

### REVITALIZING DOWNTOWNS ACT

The Revitalizing Downtowns Act was introduced in Congress in the Summer 2021, with the goal of converting unused or outdated office buildings into mixed-use spaces, including residential and affordable housing. The goal of this federal legislation is to amend the tax code to create an incentive for developers to transition the outdated spaces into more active uses to keep downtowns prosperous. The Chicago Loop Alliance supports this bill.

### BUSINESS IMPROVEMENT DISTRICT LEGISLATION

Potentially, the city will encourage passage of State of Illinois legislation that will modify Business Improvement Districts (BID)s in the state. In addition to Special Service Areas (which are permitted and exist in Chicago), BIDs would allow designated areas to raise funds to support additional services such as street cleaning and maintenance, additional security, and marketing.

### MUSEUM CAMPUS PLAN (OUTSIDE OF THE LOOP)

Recent planning activity for the Museum Campus could greatly impact future residential and tourist activity just south of the Loop border. The Plan includes not just the 57-acres that contains the Field Museum, Shedd Aquarium, and Adler Planetarium, but more broadly covers the 307-acre area bounded by Roosevelt Road headed south to the Stevenson Expressway.

As stated in the Plan, “No other city has three first-rate museums, the largest convention center in the country, an iconic stadium, and a nature oasis in one site.” The Plan advocates for better access to the campus, inclusive site planning, and better programming to appeal to a larger audience.

### GRANT PARK FRAMEWORK PLAN UPDATE

City efforts to update the 2002 Grant Park Plan are underway with goals to slow down drivers around Grant Park and add amenities to the park.



SECTION 3:

# OPPORTUNITIES & CHALLENGES

The previous section provided demand-driven development catalysts, and this section discusses opportunities to increase the housing supply in the Loop, enhance the resident experience, and encourage equity and inclusivity. Achieving these goals comes with some challenges that could limit the residential growth potential. Opportunities and challenges result from the COVID pandemic, and ongoing commercial real estate trends in the Loop.

## COVID PANDEMIC & LOOP RECOVERY

Economic trends in the Loop in recent years have been greatly impacted by COVID, which was officially declared a global pandemic by the World Health Organization in March of 2020. COVID has affected various land uses differently in downtown Chicago, in some cases exacerbating on-going trends and in others causing new impacts.

Some of the COVID-related impacts have negatively impacted the Loop, including people choosing to work from home and limits on travel related to business as well as vacations. Yet during these challenging times, a number of development catalysts have occurred that will help spur downtown residential development moving forward and create a more diversified live, work, play environment in the center of downtown Chicago.

Chicago Loop Alliance has tracked economic recovery in the Loop post-COVID by comparing current conditions of many economic factors to pre-pandemic numbers. The figures below represent average rates of various factors from December 2022 compared to 2019.

### OFFICE OCCUPANCY



Chicago remained on track with other large metro areas like New York and Los Angeles during quarter four of 2022. Nearly half of Loop workers have returned to the office, at least part time, with the average rate in Q4 2022 at 48% of 2019 levels. This is up 11% from Q4 of 2021.

### HOTEL OCCUPANCY



The average hotel occupancy rate in Q4 2022 was 85% of 2019 levels which signifies the sector's strength and importance in the Loop economy. This is up 38% from Q4 2021, indicating a strong recovery.

### PUBLIC TRANSIT



In Q4 2022, the Chicago Transit Authority reported the highest ridership spike since the beginning of the pandemic, with ridership at 73% of 2019 levels in some weeks in 2022. Average CTA ridership increased by 29% from Q1 to Q4 2022.

### PEDESTRIANS



The average rate of pedestrian traffic in Q4 2022 was 72% that of 2019 levels, resulting from the return of office workers, shoppers, tourists, and other visitors to the Loop. This is up 11% from Q4 2021.

Source: Chicago Loop Alliance, Quarterly State of the Loop Report Q4 2022



# COMMERCIAL REAL ESTATE MARKET TRENDS

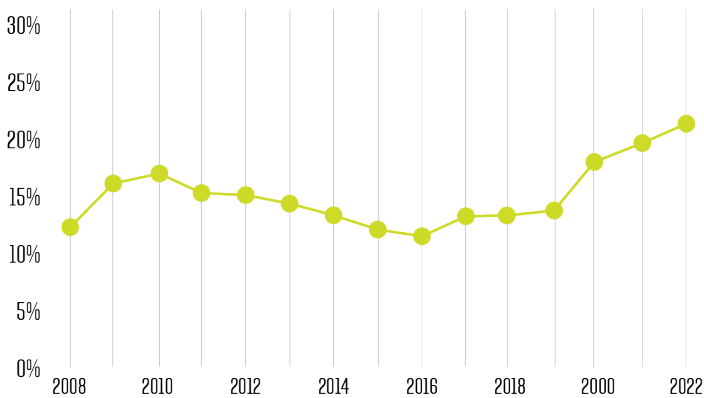
## OFFICE MARKET

In addition to the hybrid work arrangements limiting demand for office space, the Loop office market has been impacted by market trends and competition from buildings in areas surrounding the Loop.

The Loop office vacancy rate has risen in part due to the development of several new office towers, including BMO Tower at 320 S Canal Street, Bank of America Tower at 110 N. Wacker Drive, Salesforce Tower north of the River, several new office buildings located in Fulton Market, and the redevelopment of the Old Post Office. These new, high-amenity spaces are causing some firms to relocate, contributing to increased vacancies in the older office buildings in the Central and East Loop.

Since 2019, the downtown Chicago office market has been hit by increasing vacancy rates and a drop in absorption (the change in occupied square feet).

Office vacancy in the Central Business District, 2010 - 2022



Source: CBRE

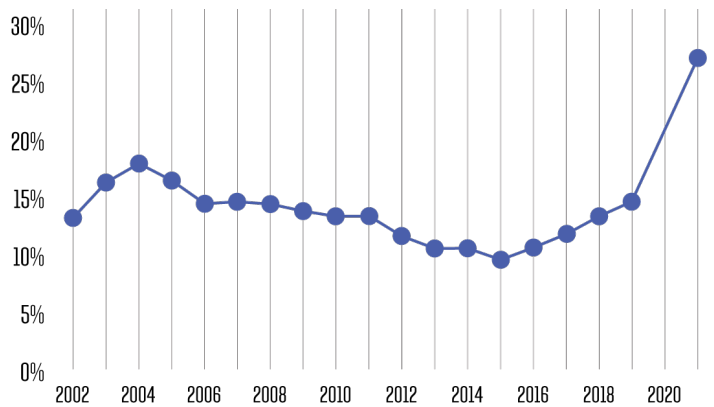
## RETAIL MARKET

As a response to the pandemic, retail sales in the Loop have plummeted since 2020 as office workers turned to working remotely and tourism temporarily halted.

According to Stone Real Estate, spending at traditional retail establishments has fared better than spending at bars and restaurants. With approximately 4,524,488 square feet of retail space in the Loop, Stone reports that 27% is currently vacant.

Density is critical to supporting Loop retail, and as more people return to the Loop, retail sales can be expected to recover. The potential for more locally-based retailers in the Loop will depend on landlords' willingness to charge lower rents. The residential survey noted an interest in seeing more bars and restaurants as well as a grocery store.

Retail vacancy in the Loop, 2002 - 2021



Source: Stone Real Estate

Note: Stone did not calculate vacancy rate for 2020 due to COVID-19 pandemic





## OPPORTUNITIES FOR RESIDENTIAL GROWTH IN THE LOOP

### ADAPTIVE REUSE

Adaptive reuse, or restoring older structures for uses different from their original purpose, serves as an important tool to reinvent the Loop, while preserving historic buildings. As parcels for new development in the Loop are limited and office needs continue to change in the Loop, repurposing older office buildings into mixed-use and residential uses is a key strategy to increase density in the Loop which is needed to uplift the retail sector, and reduce Loop storefront and building vacancies.

Certain building typologies lend themselves better to adaptive reuse than others. This includes buildings with appropriate ceiling heights, elevator and stair locations and dimensions, and buildings that have few shared walls with surrounding buildings or courtyards, setbacks, or cutouts that allow for more light penetration. Additionally, some buildings would require a zoning change, as existing zoning may limit height and density. As detailed in the previous section, older office buildings in the Central Loop, particularly on and near LaSalle Street, have the attention of city officials as candidates for adaptive reuse.

### AFFORDABLE HOUSING

Access to transit, employment, and amenities make the Loop a desirable location for affordable housing, though less than 1% of all housing units in the Loop are currently dedicated to affordable housing. Average rental rates in the Loop have continued to rise, exceeding downtown and citywide averages, making living in the Loop less accessible to low-and-middle income households.

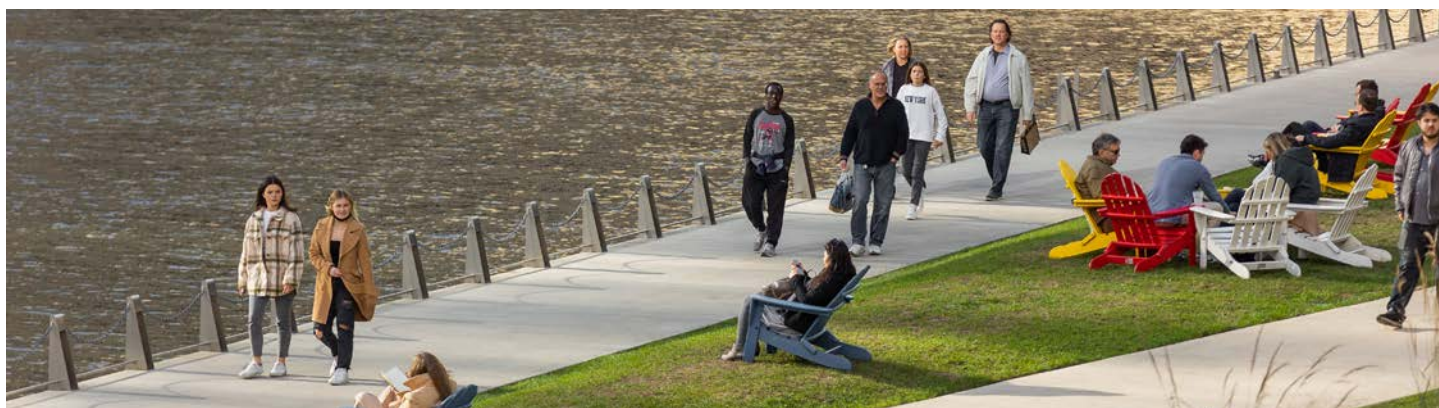
In an effort to distribute affordable housing more equitably across the city, new housing developments in the Loop should include affordable units onsite, allowing low-and-middle income residents to live near employment opportunities, transit, and other Loop resources and amenities.

### FEDERAL BUILDINGS ON STATE STREET

Buildings purchased by the General Services Administration (GSA) in 2005 along State Street have sat largely vacant for over a decade. Earlier this year, Congress allocated funds for their demolition, though advocates for renovation have been vocal at recent public hearings. The proximity to the federal courts makes this a complicated site, particularly for residential uses. Redevelopment of these buildings, however, remains an important opportunity in the Loop.

### GREENERY, STREETSCAPING, LIGHTING, & OPEN SPACE

Added greenery, improved streetscapes, lighting, and open space in the Loop would enhance the resident experience. Residents surveyed in Chicago Loop Alliance's 2022 resident survey listed these amenities as most needed in the Loop.





## BUILDING SPOTLIGHT

Adaptive reuse - conversion of office to residential

### MILLENNIUM ON LASALLE

29 S Lasalle Street

This historic 13-story building was completed in 1902 for the National Life Insurance Company. In 2021, DCL Residential converted it from office to residential. It now contains 216 studio, one- and two-bedroom apartment units and 7,000 square feet of ground floor retail adjacent to Arcade Place. A 14th floor was added to provide a pool, lounge, fitness area, and dog run. The project received a number of financial incentives including a Federal Rehabilitation Tax Credit.

#### 216 UNITS

<u>UNIT TYPE</u>	<u># UNITS</u>	<u>ASKING RENT</u>	<u>SF</u>
STUDIO	77	\$1,915	597
1 BR	112	\$2,383	753
2 BR	27	\$3,489	1,135

Source: CoStar





## CHALLENGES TO RESIDENTIAL GROWTH IN THE LOOP

### CRIME & THE PERCEPTION OF CRIME

Chicago and cities across the country have suffered from an increase in crime and safety concerns over the past several years. This increase has been fueled by a number of causes, including protests over the death of George Floyd in 2020, the pandemic, and increased availability of guns.

In downtown Chicago, carjacking, robberies, and aggravated assaults have all been on the rise. The Chicago Police Department has noted that they plan to add more resources to decrease crime in the downtown area. Crime and safety were cited as concerns in the survey of Loop residents, many of whom said they felt unsafe, particularly at night.

### TAX & TAX ASSESSMENTS

Since taking office in 2018, Cook County Assessor Fritz Kaegi has pledged to recalculate commercial property tax rates based on fair market values. The fear was that this would greatly hike assessments on commercial properties, shifting the property tax burden away from homeowners and onto commercial building owners and their tenants.

This shift, it was feared, would drive away investors and undermine the city’s recovery from the pandemic. That has not happened significantly, as many commercial property owners were able to challenge their assessments and lower their tax bills.

### INCREASED COST OF DEVELOPMENT

One of the trends that has impacted the amount and speed with which new residential construction has occurred has been the rising cost of construction.

Over the past few years, higher costs for building materials as well as labor have raised construction prices for new and rehabbed residential development. Rising inflation has also contributed to higher costs. These trends are likely to continue for the foreseeable future.

### COMPETITION FROM SURROUNDING DEVELOPMENTS

Many large-scale development proposals have been introduced in Chicago in recent years, potentially adding tens of thousands of added residential units, millions of square feet of commercial office, retail, and life science uses, transit upgrades, and open space.

All of the large-scale under construction or proposed developments are located near the Loop, though none are located within Loop boundaries. The addition of so many new housing units and commercial square footage outside the Loop could be a challenge, as the areas compete for residents and commercial tenants.



Map Created By: Goodman Williams Group



### Mega-Developments: up to 33,050 residential units

The below listed mega-developments are in various stages of approval and development, and will take decades to fully build out. If all plans are fully realized, these four developments alone could add more than 33,000 housing units in or near downtown Chicago.

All of the proposed mega-developments include significant infrastructure agreements that upgrade roadway networks and utilities, add green space, and improvements or additions to the CTA and Metra transit networks.

#### Lincoln Yards: up to 6,000 residential units

Lincoln yards is a \$6 billion mixed-use project planned by developer Sterling Bay for 53 acres of mostly vacant land within the North Branch Industrial Corridor in the Lincoln Park and West Town community areas. Plans include 14 million square feet of new commercial and residential construction and 21 acres of public open space.

#### The 78: up to 10,000 residential units

The 78 is a \$7 billion mixed-use project planned by developer Related Midwest for 62 acres of former railroad property in the Near South Side. Plans include 13 million square feet of new commercial, residential, and institutional construction. Discovery Partners Institute, a \$250M U of I System-led advanced research and innovation center, has committed to anchoring the development.

#### One Central: up to 9,050 residential units

One Central is a mixed-use project proposed by developer Landmark Development for 32 acres of rail yards in the Near South Side. One Central would be anchored by a multi-modal transit hub, with nearly 13 million square feet of new retail, office, hotel and event space.

#### Bronzeville Lakefront: up to 8,000 residential units

Bronzeville Lakefront is a \$3.8 billion mixed-use project planned by developer GRIT for 48-acre site on the former Michael Reese Hospital on Chicago's South Side. Plans include 7 million square feet of commercial, institutional and mixed-income housing.

### Fulton Market & West Loop: up to 10,000 residential units

A zoning change in 2021 permitted residential development north of Lake Street in the West Loop and Fulton Market. Developers immediately submitted proposals for high-rise residential development in the area, many of which have already been approved by the city. Currently, developers are working to complete approximately 4,400 residential units and another 10,000 are proposed.

#### Halsted Pointe: up to 2,650 residential units

In 2021, the Chicago Plan Commission approved plans for Halsted Pointe, a multi-phase development at 901 N Halsted Street on Goose Island. Led by Onni Group, Halsted Pointe will add multiple high-rise towers to Goose Island, adding up to 2,650 residential units, retail space, and a hotel.

#### Bally's Casino Development

In 2019, Governor JB Pritzker signed a bill authorizing a casino in Chicago. In 2020 the city released a request for information (RFI) for a downtown casino site, followed by a request for proposals (RFP) in 2021 that received five responding bids.

In September 2022, Mayor Lightfoot announced Bally's in River West as the winning casino bidder. Bally's is proposing to construct a \$1.7 billion development located at the Chicago Tribune printing site at Chicago Avenue and Halsted Street featuring 3,400 slot machines, 170 table games, six restaurants, a 500-room hotel, a 3,000-seat theater, and amenities along the river. Bally's in River West is expected to be completed in late 2025 or early 2026. A temporary casino will open in spring of 2023 at the Medinah Temple located at 600 N Wabash Ave while the site is prepared and casino is constructed.

Residential development around the Bally's casino site is anticipated. One development by Shapack Partners has already been approved by City Council that could add more than 2,200 apartments, a hotel, eating and drinking places, as well as retail and office space. Initial plans show an estimated 450 affordable housing units.

Initial plans from developer Shapack Partners include four residential towers within two planned development areas near the Milwaukee/Grand/Halsted intersection, linking Fulton Market and the casino district.





## PHOTOGRAPHY

Page	Image Description	Image	Page	Image Description	Image
Cover	Loop Residents	Vashon Jordan Jr.	36	North East Loop	CoStar
Cover	Loop Housing Trends	MILA	36	South Loop	Image courtesy of Waterton
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1	Millennium Park	Vashon Jordan Jr.	46	Rendering of The Reed	thereedsouthbank.com
19	Michigan Avenue	Adam Alexander	47	Rendering of State & Lake Station	Skidmore, Owings, Merrill (SOM)
24	Lakeshore East Day	luxurychicagoapartments.com	47	Muddy Waters Mural	Bob Simpson, flickr
28	Millie on Michigan	Lukas Kugler / Urbanize Chicago	48	Chicago Riverwalk	Chicago Architecture Center
29	Lakeshore East Night	Getty Images	48	Rendering of Thompson Center	JAHN Architecture
30	St. Regis Chicago	Jack Crawford	50	LaSalle Street	Alexandra Till
31	30 East Apartments	30eastapts.com	52	State Street	Vashon Jordan Jr.
32	The University Center	Columbia College Chicago	53	Chicago Riverwalk	Adam Alexander
35	Central Loop	apartmentfinder.com	55	Millennium on LaSalle	apartmentfinder.com
35	East Loop	Getty Images	Back Cover	Cityscape	Adam Alexander

A digital copy of this report can be found at [www.LoopChicago.com/Residential](http://www.LoopChicago.com/Residential)

Access other Chicago Loop Alliance Studies:

[State of the Chicago Loop 2018 Economic Profile](#)

[Arts in the Loop Economic Impact Study \(2018\)](#)

[Study on Higher Education in the Loop and South Loop \(2014\)](#)





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