



CLARK STREET CROSSROADS

corridor study
Montrose - Foster

MARKET ASSESSMENT
March 2022



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DEMOGRAPHICS

- Study Area and Market Area Overview
- Population Trends
- Household Income Trends
- Race/Ethnicity and Educational Attainment
- Transit and Commute Patterns
- Key Takeaways

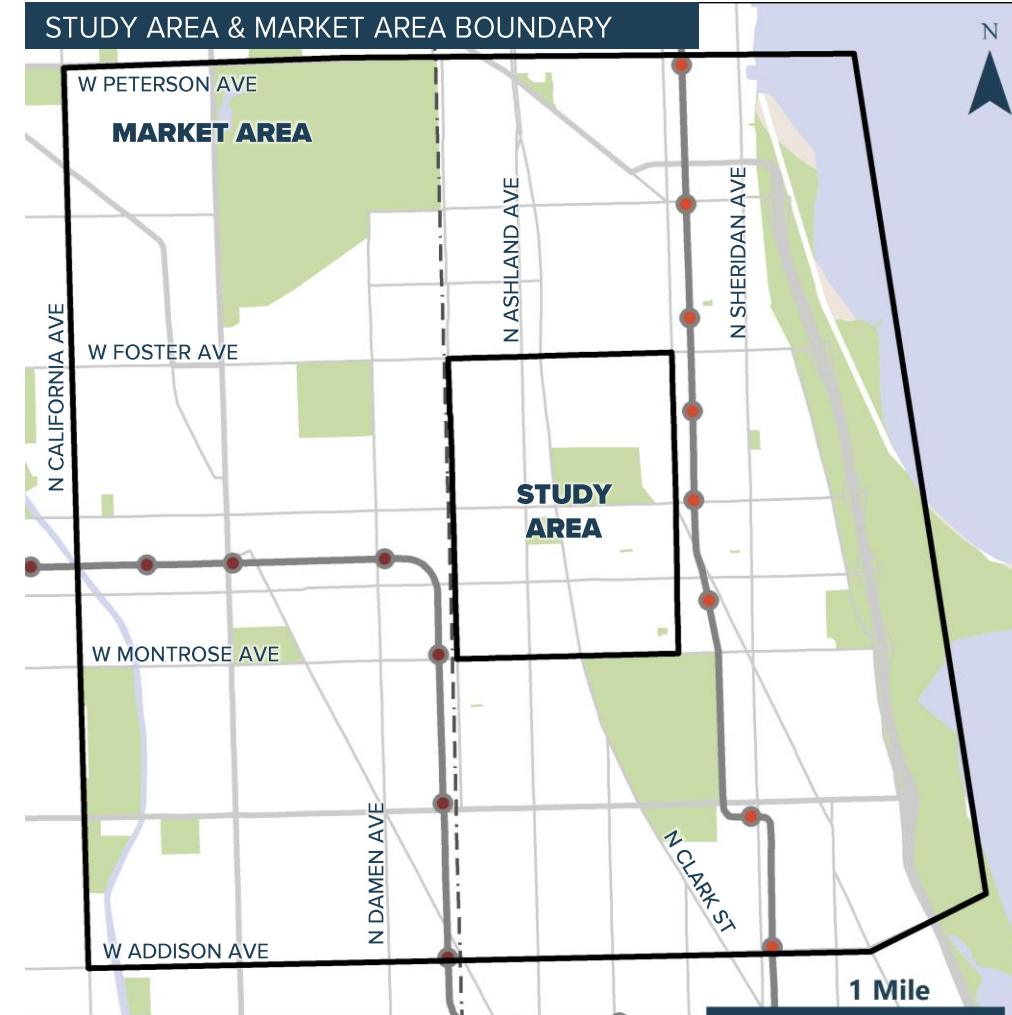
STUDY AREA & MARKET AREA OVERVIEW

THE FIVE CENSUS TRACTS THAT INTERSECT CLARK STREET ARE HOME TO 19,050 RESIDENTS

- **Study Area:** Five census tracts border the Clark Street corridor (from Montrose Avenue to Foster Avenue)
- This area is home to approximately 19,050 residents and 10,190 households
- The Study Area has a higher percentage of renters and a higher median household income compared to the City of Chicago overall

KEY STATS (2019)	STUDY AREA	CITY OF CHICAGO
Population	19,053	
Households	10,192	
Average HH Size	1.87	2.49
Median Age	35.2	34.6
% Renters	66%	42%
% Owners	34%	58%
Median HH Income	\$65,319	\$55,223

- **Market Area:** The primary Market Area includes a larger area and is considered the area in which potential residents may consider when evaluating housing options, and where commercial businesses within the Study Area draw most of their customers

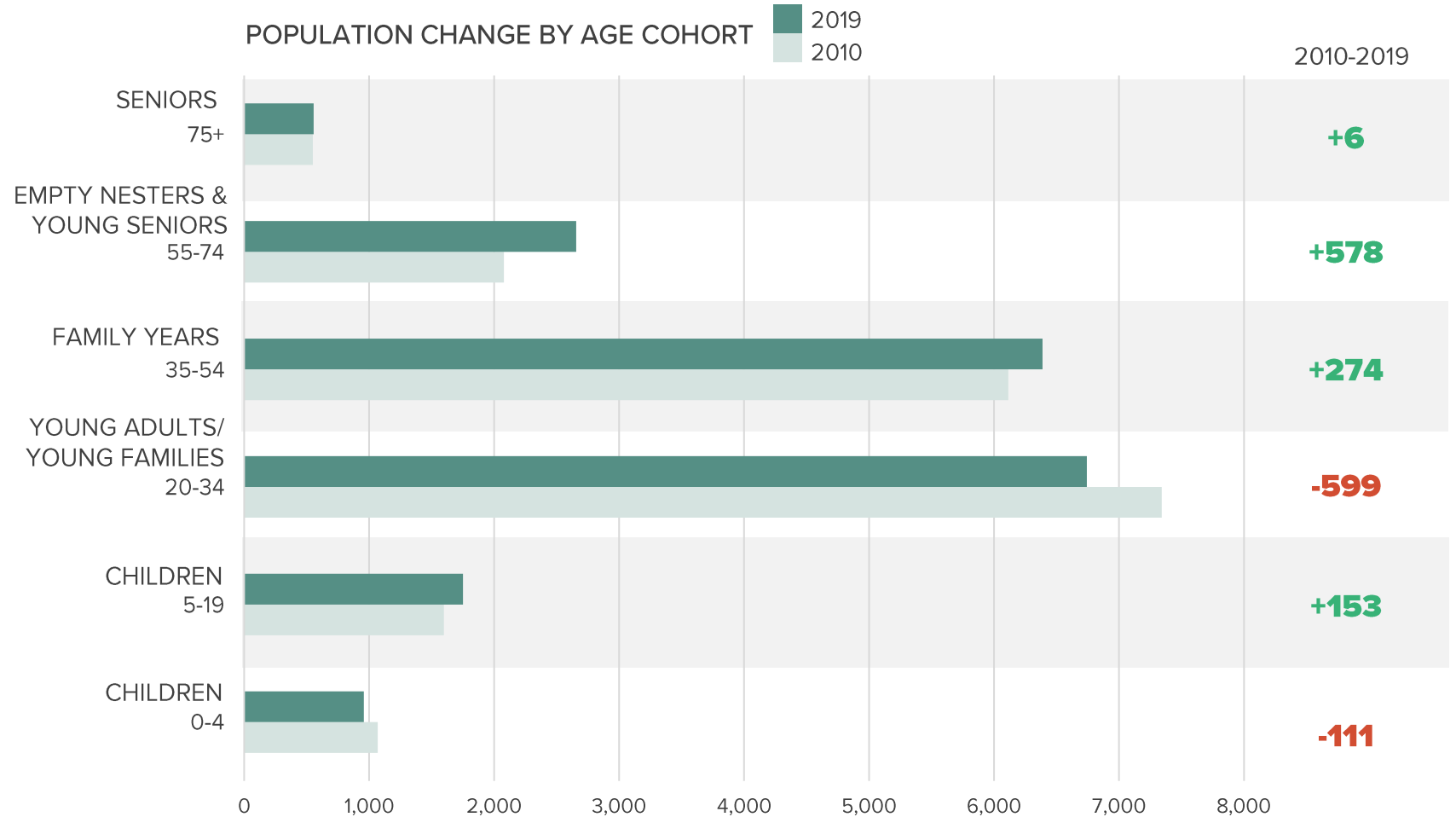


Source: Esri Business Analyst, SB Friedman, SmithGroup

POPULATION TRENDS

THE STUDY AREA GREW IN POPULATION BY 300 RESIDENTS BETWEEN 2010 & 2019

- Between 2010 and 2019, the Study Area grew in population by approximately 300 residents
- Largest net gains occurred within the Empty Nesters & Young Seniors (55-74) and Family Years (35-54) cohorts
- Between 2010 and 2019, the median age of Study Area residents increased from 33.9 to 35.2



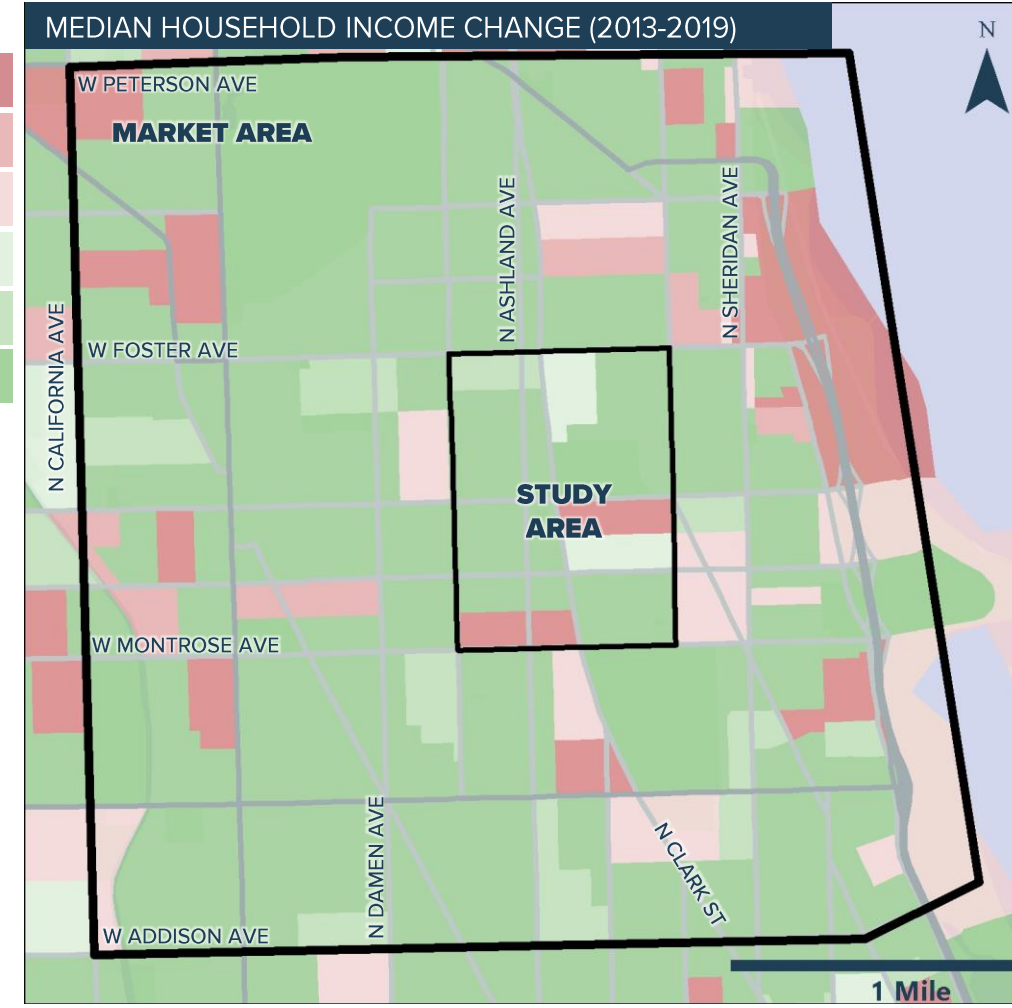
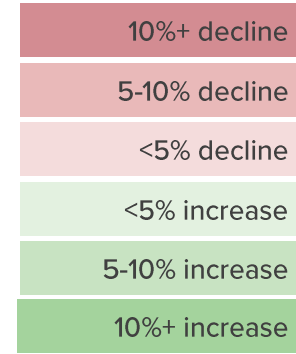
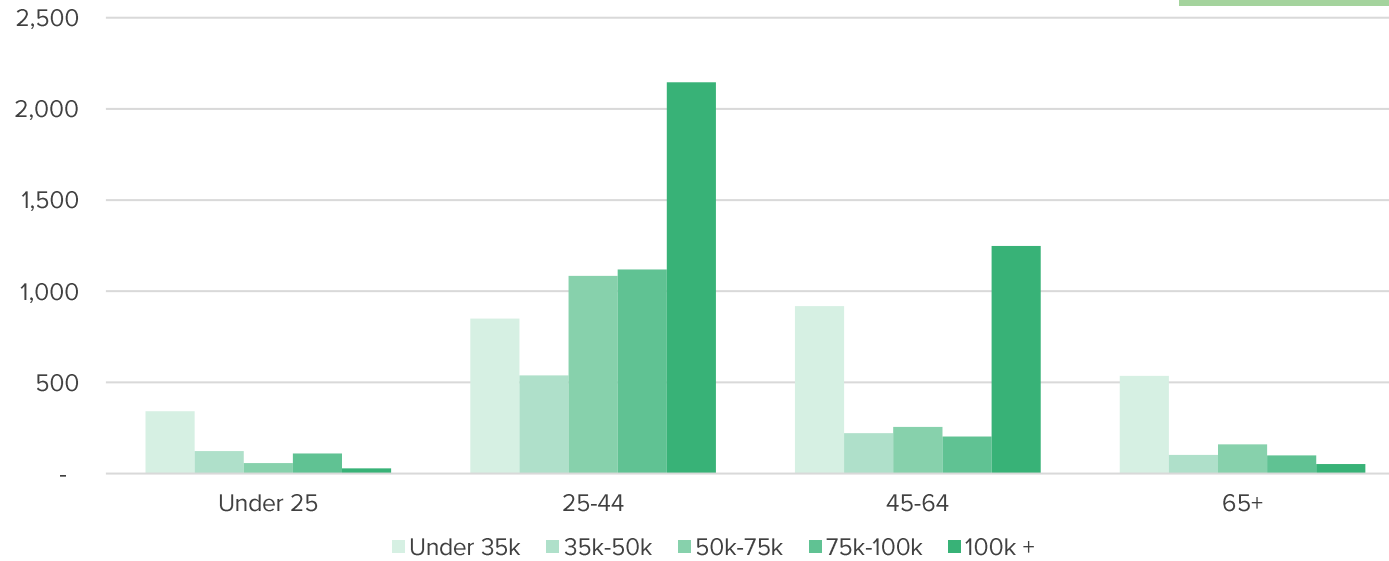
Source: Esri Business Analyst, SB Friedman

HOUSEHOLD INCOME TRENDS

MEDIAN HOUSEHOLD INCOME OF \$65,320 IS HIGHER THAN THE CITY MEDIAN

- Median household income is higher in the northern and northwestern portions of the Study Area, and has increased the most at the northern end of the Study Area

STUDY AREA HOUSEHOLDS BY AGE OF HOUSEHOLDS AND INCOME



Source: ACS 5-Year Estimates, Esri Business Analyst, SB Friedman

RACE/ETHNICITY & EDUCATIONAL ATTAINMENT

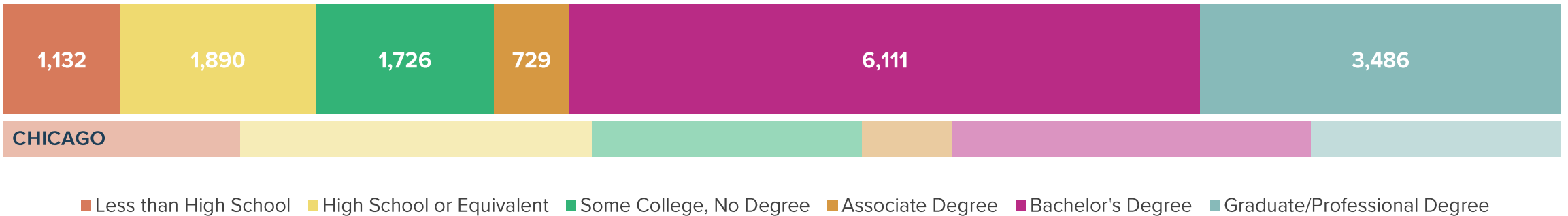
STUDY AREA IS BECOMING MORE DIVERSE & IS WELL-EDUCATED

- Between 2010 and 2019, the Study Area has become more diverse. There was an increase in the population of Hispanic/Latino (+590) and Asian (+440) alone residents, and a decline in the number of White alone (-350) and Black alone (-200) residents
- Study Area residents are well-educated with 64% of residents having a bachelor's degree or above

STUDY AREA RACIAL/ETHNIC COMPOSITION



STUDY AREA EDUCATIONAL ATTAINMENT



Source: Esri Business Analyst, SB Friedman

TRANSIT & COMMUTE PATTERNS

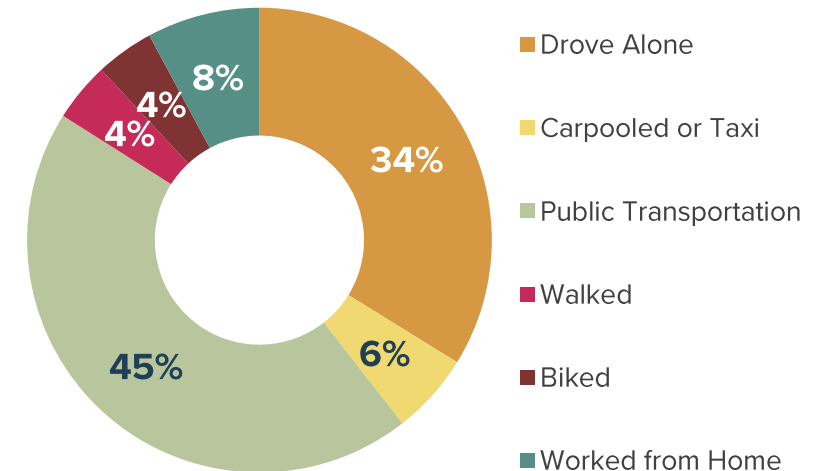
VERY FEW RESIDENTS BOTH LIVE AND WORK WITHIN THE STUDY AREA

- Pre-pandemic, 53% of Study Area residents either used public transportation, walked or biked to get to work, while 8% worked from home; nearly all residents worked outside of the Study Area
- Estimates from 2020 indicate that the number of households that work from home increased to 14%; this number is anticipated to increase as additional Census data is released

WORKER INFLOW/OUTFLOW [1]



PRE-PANDEMIC MODE OF TRANSPORT [1]



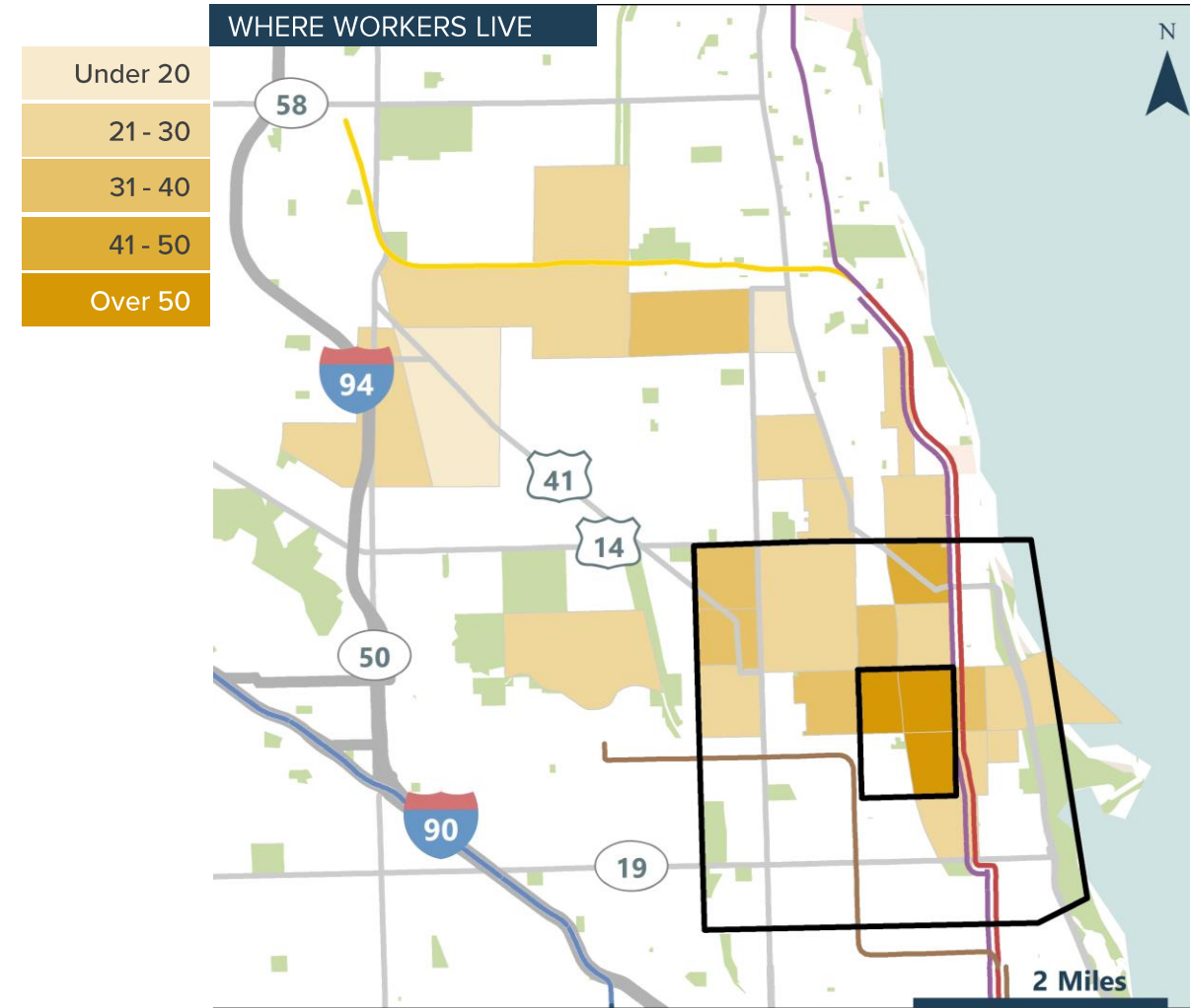
[1] Data as of 2019 before the effects of Covid-19

Source: ACS 2015-2019 5-Year Estimates, Esri Business Analyst, LEHD OnTheMap, SB Friedman

TRANSIT & COMMUTE PATTERNS

STUDY AREA WORKERS COMMUTE FROM WITHIN THE STUDY AREA & AREAS TO THE NORTH & WEST

- Pre-pandemic, a significant number of workers in the Study Area commuted from either within the Study Area, or neighborhoods and suburbs to the northwest
- 33% of Study Area workers lived outside of the city

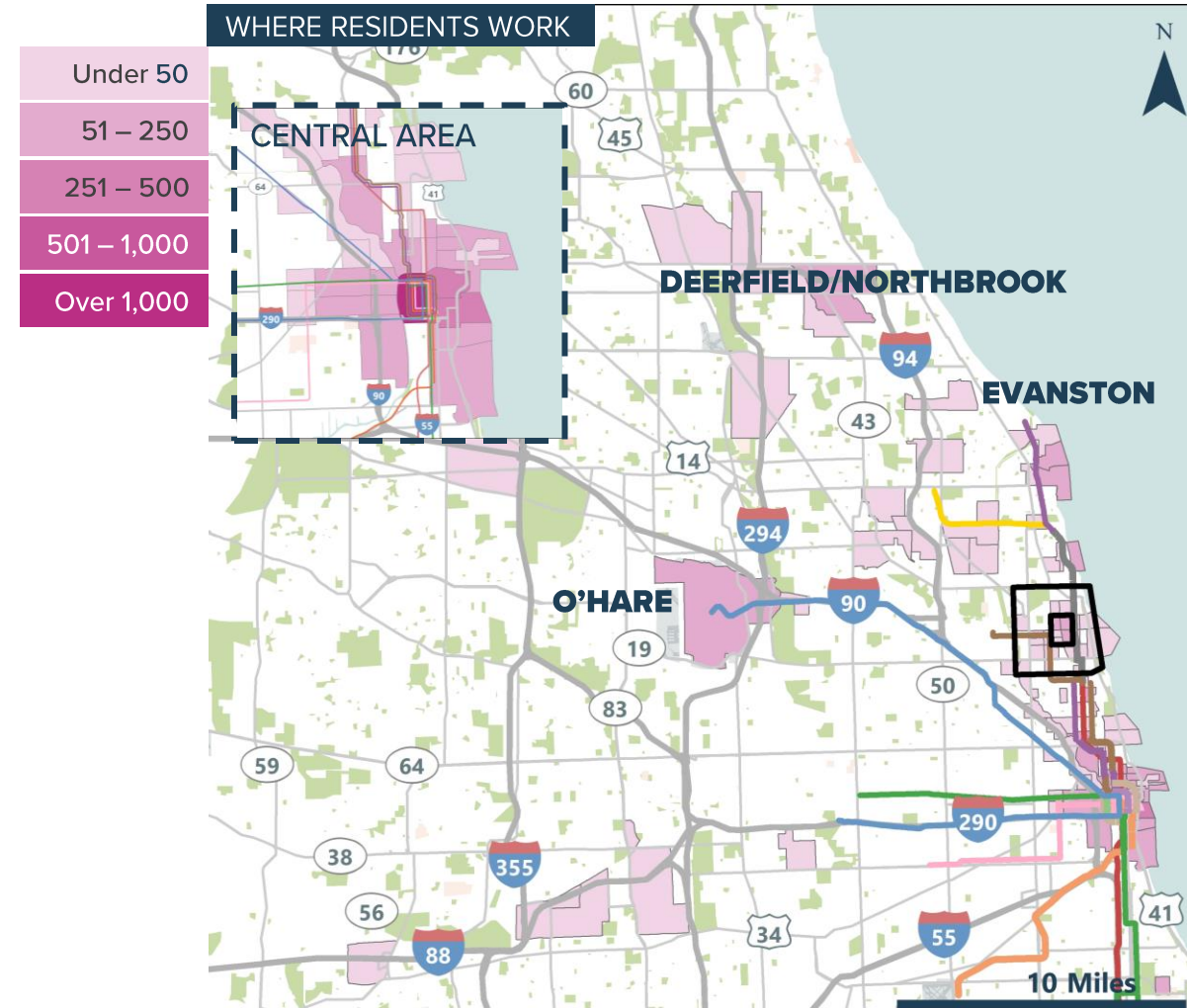


Source: ACS 2015-2019 5-Year Estimates, Esri, LEHD OnTheMap, SB Friedman

TRANSIT & COMMUTE PATTERNS

RESIDENTS COMMUTE TO THE LOOP, DOWNTOWN EVANSTON & OTHER SUBURBAN CENTERS

- Pre-pandemic, most residents commuted to the Loop; other job centers included downtown Evanston, Deerfield/Northbrook, and O'Hare
- 72% of residents worked in the city of Chicago, while 40% worked in the Central Area



Source: ACS 2015-2019 5-Year Estimates, Esri, LEHD OnTheMap, SB Friedman

DEMOGRAPHICS – KEY TAKEAWAYS

THE STUDY AREA IS HOME TO A HIGHLY EDUCATED POPULATION OF RESIDENTS WITH GROWING INCOMES



POPULATION AND HOUSEHOLDS:

- Since 2010, the five-census tract-Study Area experienced a moderate population growth of 300 new residents
- The most population growth has occurred among Empty Nesters & Young Seniors (55-74) and Family Years (35-54) cohorts, with a loss in population of Young Adults/Young Families (20-34) and young children under the age of five



INCOME:

- The Study Area's median household income is growing and is higher than the City of Chicago, and many households have incomes in excess of \$100,000. However, there is still a significant percentage of lower income households with incomes under \$35,000



RACE/ETHNICITY AND EDUCATIONAL ATTAINMENT:

- 67% of Study Area residents identify as non-Hispanic White, while 12% identify as Hispanic or Latino and 11% identify as Black; the Study Area has become more diverse since 2010
- Study Area residents are highly educated; 64% of residents have a Bachelors Degree or above, compared to just 39% for the City of Chicago



TRANSIT AND COMMUTE PATTERNS:

- Pre-pandemic, 53% of Study Area residents either used public transportation, walked or biked to get to work, while 8% worked from home; nearly all residents worked outside of the Study Area
- Initial estimates from 2020 indicate that the number of households that work from home increased to 14%; this number is anticipated to increase as additional Census data is released

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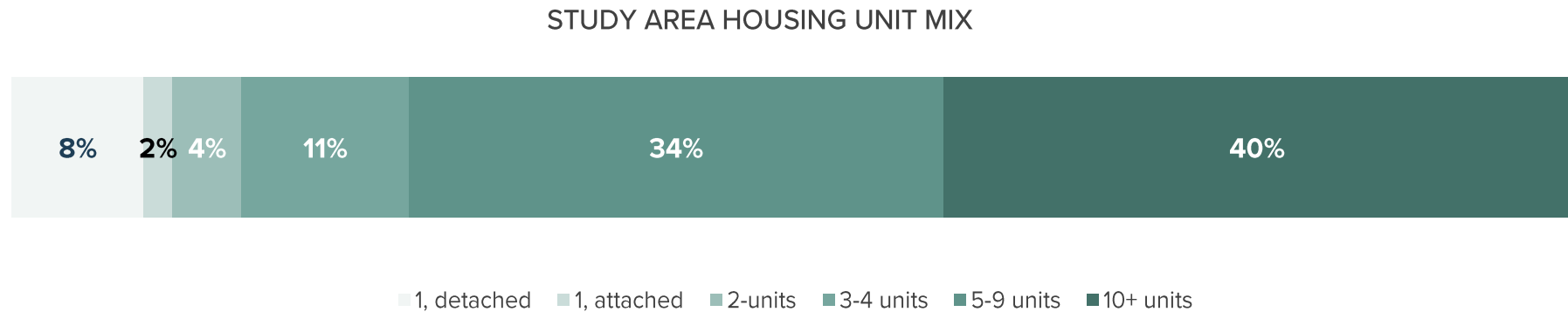
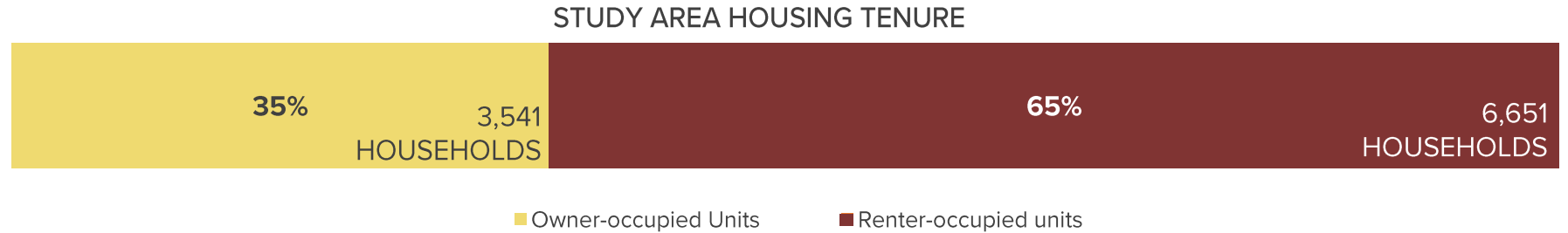
HOUSING

- Study Area Housing Unit Overview
- Study Area Cost Burdened Households
- Rental Apartment Trends & Representative Projects
- For-Sale Housing Trends
- Housing Along the Corridor
- Key Market Takeaways
- Housing Opportunities

STUDY AREA HOUSING OVERVIEW

65% OF HOUSEHOLDS IN THE STUDY AREA ARE RENTERS, WHILE 35% ARE OWNERS

- Of the 10,192 total households in the Study Area, 65% rent while 35% own
- The percentage of renter-owned households has risen slightly since 2010
- Most housing units (40%) are in buildings of 10+ units, while 10% of housing units are single-family
- Only 7% of housing units were built since 2000



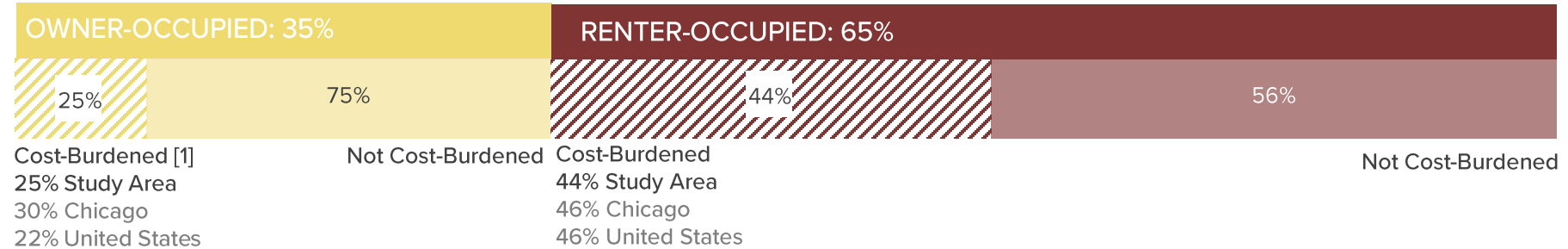
Source: ACS 2015-2019 5-Year Estimates, SB Friedman

STUDY AREA COST BURDENED HOUSEHOLDS

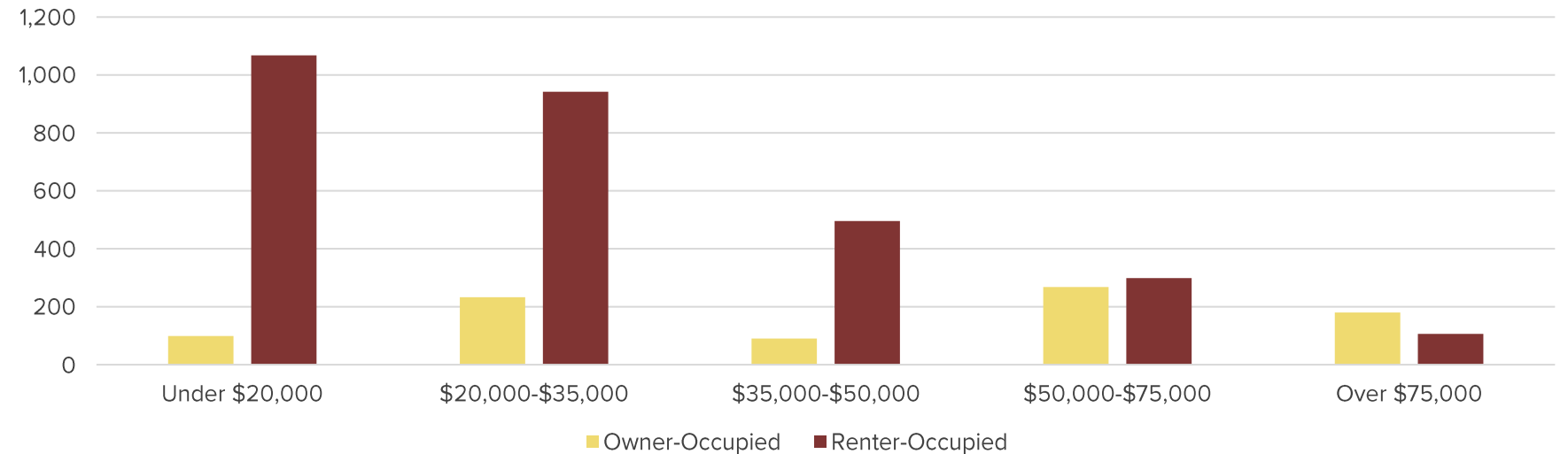
NEARLY HALF OF RENTERS IN THE STUDY AREA ARE COST-BURDENED

- 44% of renters in the Study Area are considered cost-burdened [1], compared to 25% of owners
- The percentage of cost-burdened households is lower than Chicago overall
- Over 2,000 cost-burdened renter households who live in the Study Area make \$35,000 or less ($\pm 40\%$ of the median household income for a 2-person household)
- This indicates a strong need for additional income-restricted (affordable) housing

STUDY AREA TENURE AND COST BURDEN



COST-BURDENED HOUSEHOLDS BY TENURE AND INCOME



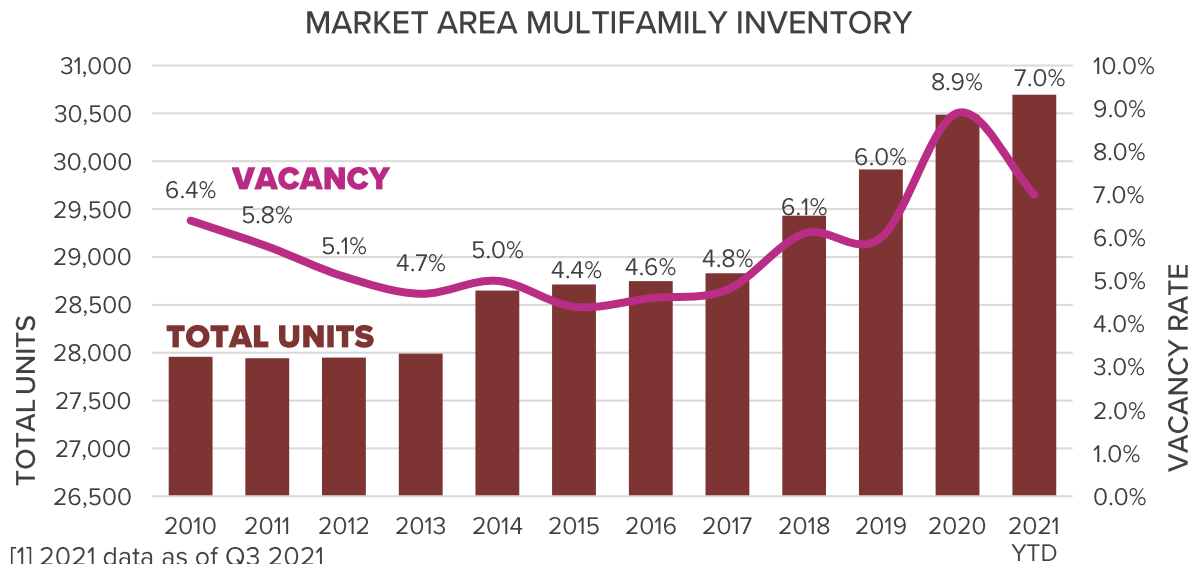
[1] Cost burdened-households defined as contributing at least 30% of household income towards housing costs

Source: ACS 2015-2019 5-Year Estimates, SB Friedman

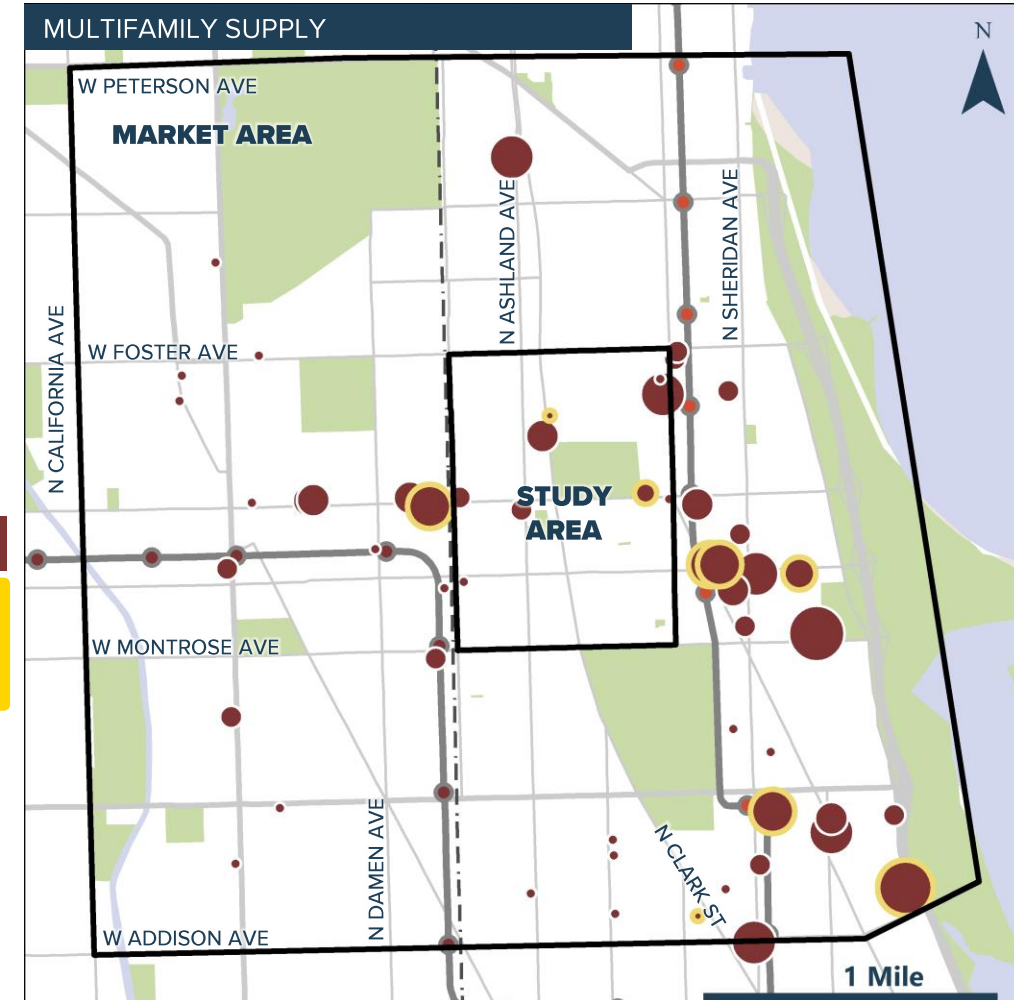
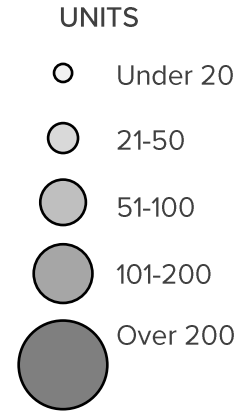
RENTAL APARTMENT TRENDS

NEARLY 2,000 UNITS HAVE BEEN ADDED IN THE WIDER MARKET AREA SINCE 2016

- As new units are added, average vacancy has increased historically, but has leveled off as units are quickly leased
- This indicates demand for market-rate apartments
- Vacancy at the time of this analysis was 7.0%, which was slightly higher than the multifamily vacancy rate in Chicago overall (6.7%)



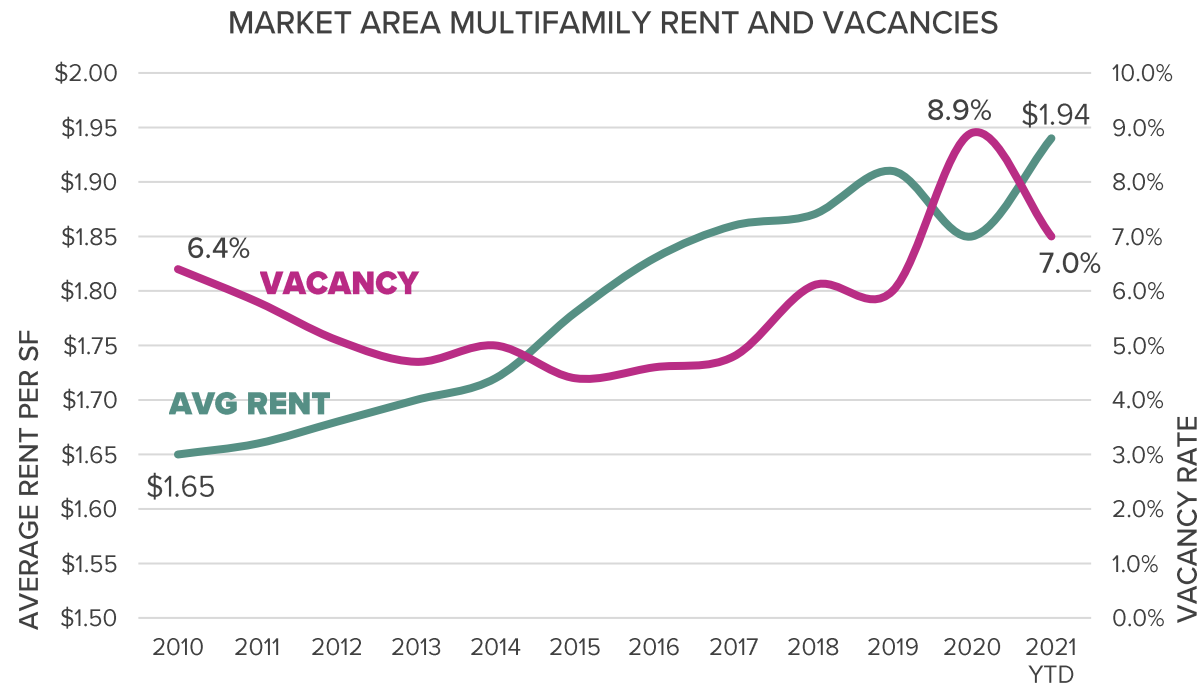
[1] 2021 data as of Q3 2021
Source: CoStar, SB Friedman



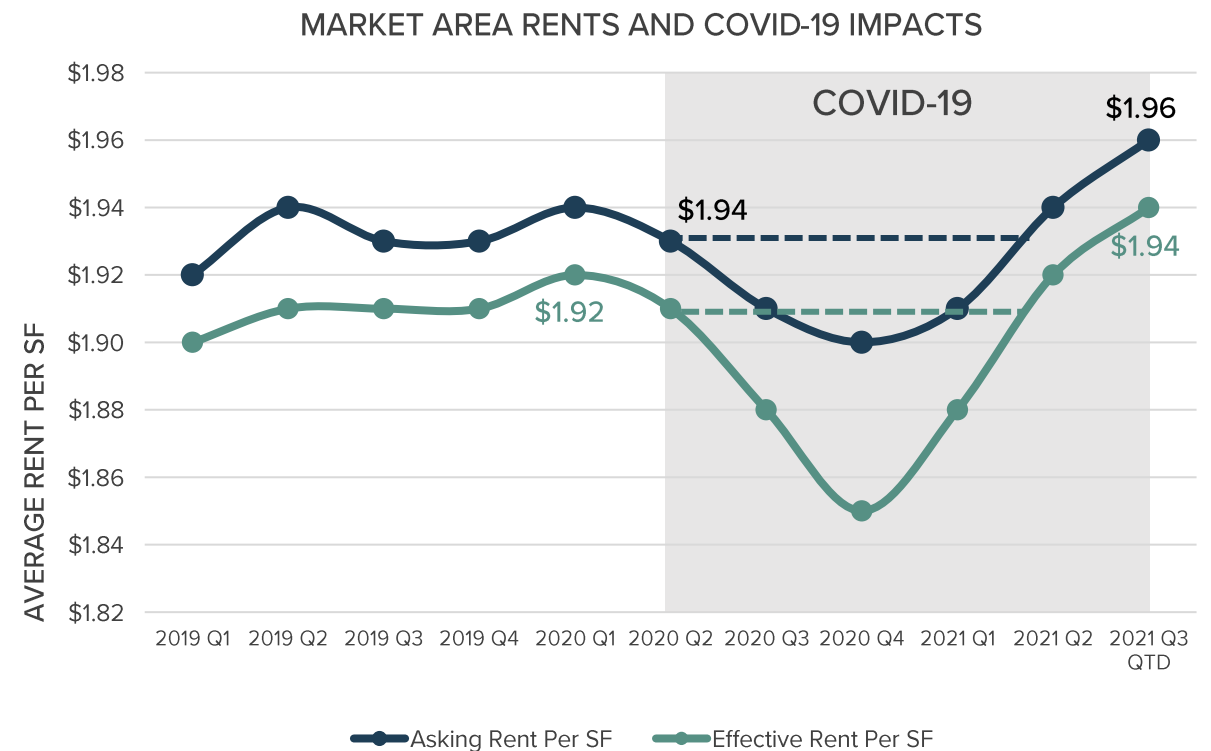
RENTAL APARTMENT TRENDS

AVERAGE RENT PER SQUARE FOOT HAS INCREASED SIGNIFICANTLY SINCE 2015

- Average rent per square foot has reached a high approaching \$2.00/SF, and has increased significantly since 2015



- Current average rents have recovered and even exceeded pre-pandemic averages



[1] 2021 data as of Q3 2021
Source: CoStar, SB Friedman

REPRESENTATIVE RENTAL APARTMENT PROJECTS

RECENT DEVELOPMENTS ARE MOSTLY SMALLER, INFILL PROJECTS



MARKET AREA

ON CLARK STREET

1214 W Carmen Ave

The Balaban

La Lux

The Ainslie

Address	1214 W Carmen Ave	4806 N Magnolia Ave	4747 N Ashland Ave	4914-4916 N Clark	4511-4523 N Clark St
Units (Studios/1/2/3+)	16 (0/0/12/4)	48 (1/45/3/0)	39 (0/3/36/0)	54 (6,33,15,0)	56 (12/24/20/0)
Avg Unit Size	1,294	606	1,113	981	N/A
Rent PSF	\$2.11	\$2.61	\$2.39	N/A	TBD
Average Rent	\$2,724	\$1,699	\$2,664	N/A	TBD
ARO Units [1]			4	5	
Parking Type	Surface (8; 0.5/unit)	Surface	Garage (35; 0.9/unit)	Garage (29; 0.5/unit)	Structured
Year	2021	2022	2020	2020	TBD

[1] Affordable Requirements Ordinance (ARO) Source: City of Chicago Affordable Rental Housing Resource List

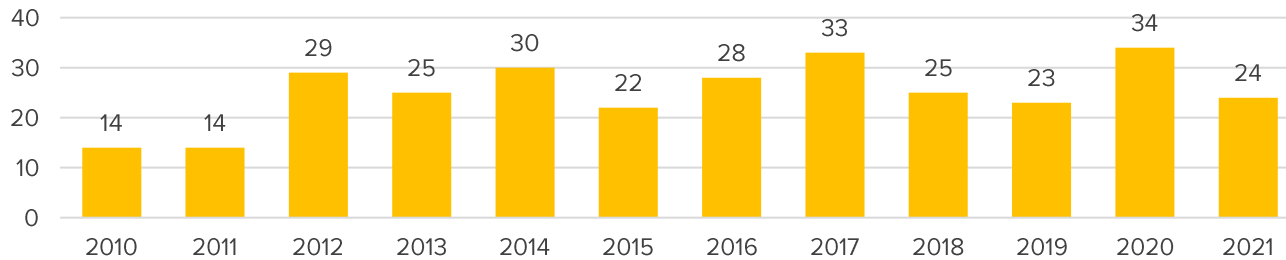
Source: CoStar, SB Friedman

FOR-SALE HOUSING TRENDS

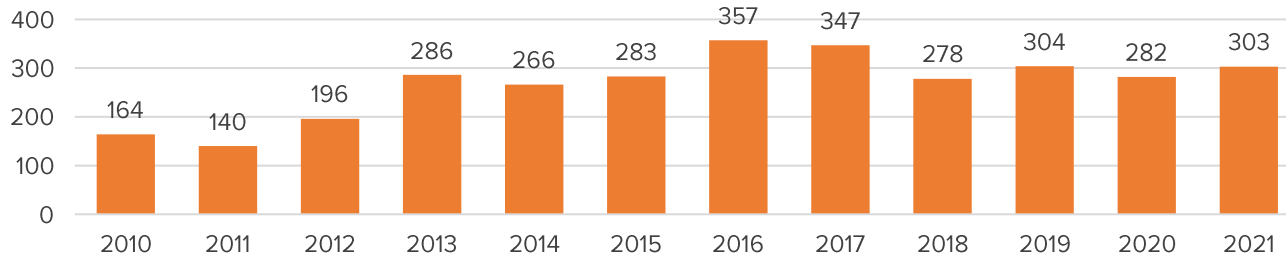
AN AVERAGE OF 29 DETACHED HOMES AND 313 CONDOS/TOWNHOMES ARE SOLD PER YEAR

- Between 2016 and 2020, there has been an average of 29 detached home sales and 313 condo/townhome sales in the Study Area
- Annual sale activity has been stable since 2010

SALES TOTAL - SF DETACHED

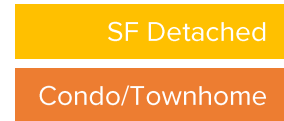
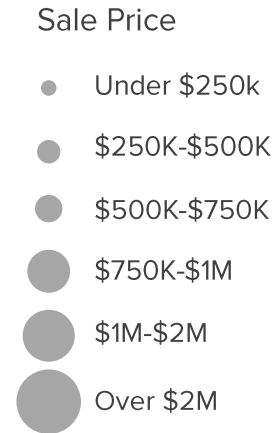


SALES TOTAL - CONDO/TOWNHOME



[1] 2021 data as of 10/12/2021

Source: MLS, SB Friedman

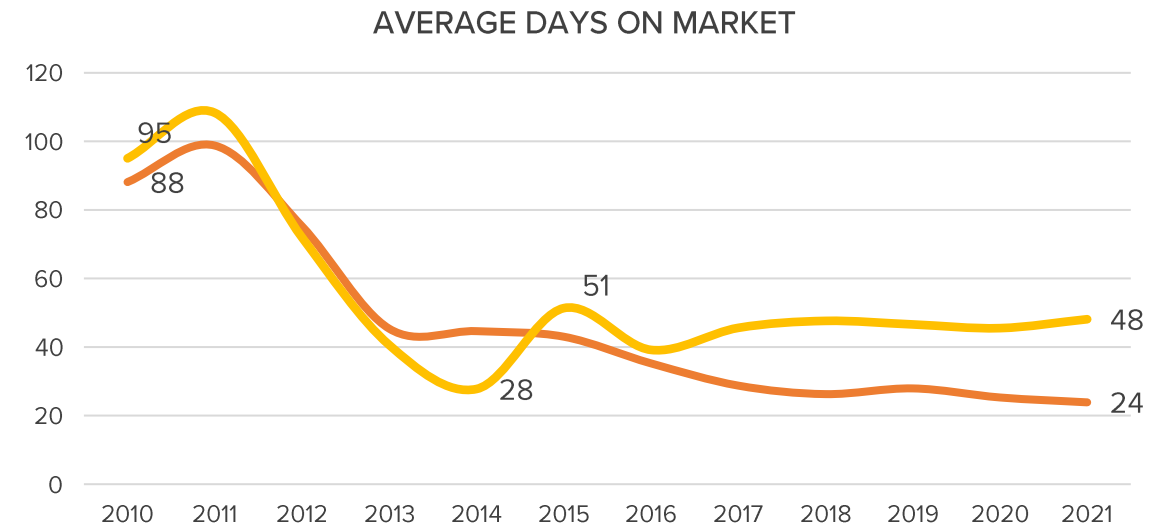
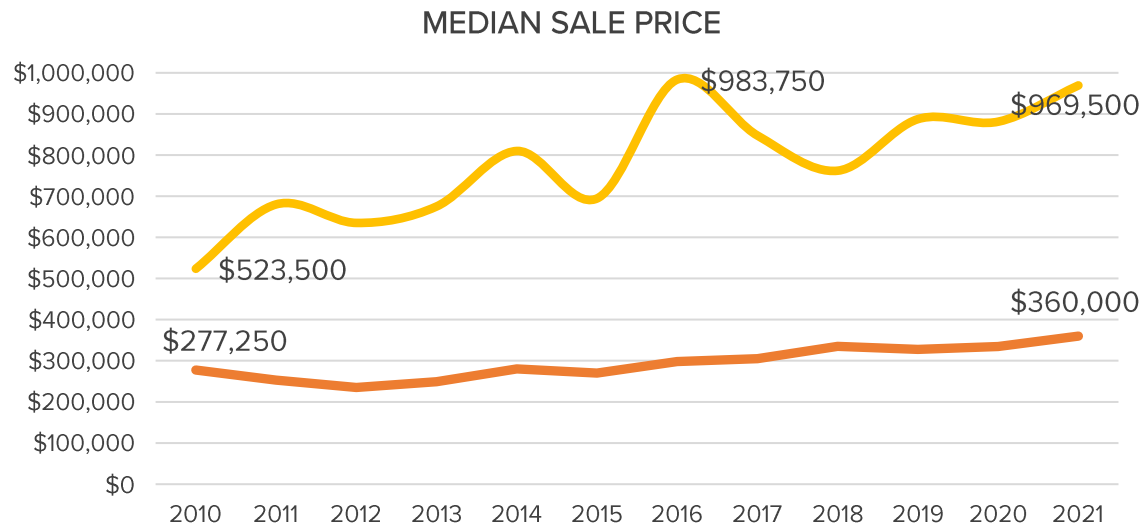


FOR-SALE HOUSING TRENDS

MEDIAN DETACHED SALES PRICE IS ±3X AS HIGH AS MEDIAN CONDO/TOWNHOME SALE PRICE

- Median detached sales price has increased by 85% to \$969,500 in 2021 from \$523,500 in 2010
- During this same time period, median condo/townhome sales price increased by 30% to \$360,000
- Average market time has remained stable across both housing types since 2017

- Condo/townhomes spend half the time on the market on average (24 days) compared to detached home sales (48 days)
- Trends indicate continued strength in both the single-family detached and condo/townhome markets



[1] 2021 data as of 10/12/2021

Source: MLS, SB Friedman

SF Detached

Condo/Townhome

HOUSING ALONG THE CORRIDOR

A SIGNIFICANT AMOUNT OF RESIDENTIAL DEVELOPMENT ACTIVITY HAS OCCURRED SINCE 2010

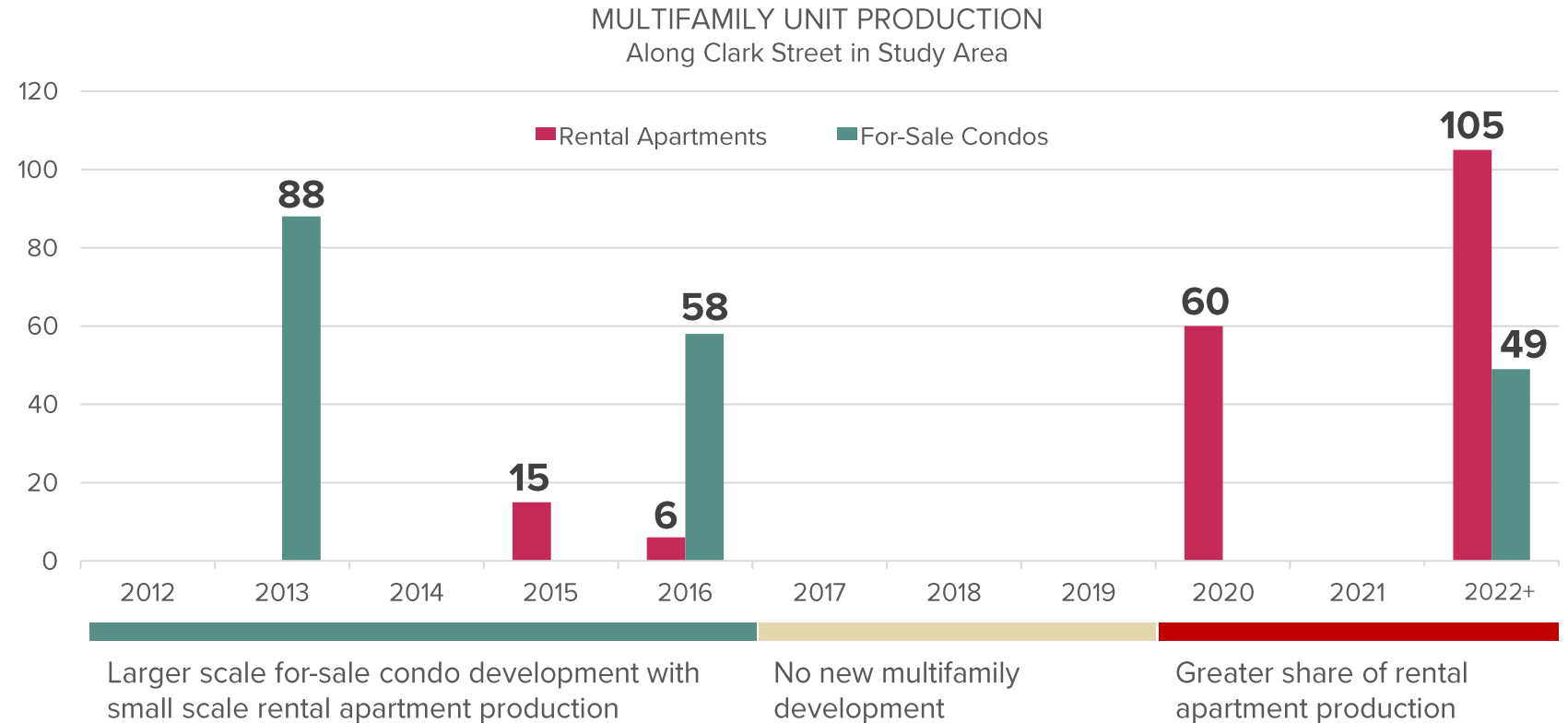


Source: CoStar, SB Friedman, Via Chicago

HOUSING ALONG THE CORRIDOR

NEW DEVELOPMENT HAS BEEN HISTORICALLY CONDOS, BUT IS SHIFTING TO INCLUDE MORE APARTMENTS

- Until 2014, all new recent residential projects constructed along Clark Street were exclusively condo buildings
- New multifamily rental development activity picked up in 2016, and has continued to increase in recent years, aligning with national trends
- A significant amount of new rental units are expected to be delivered by the end of 2022. By this time, 186 rental units have been constructed since 2010, compared to 195 condos



2013-2022+

For-Sale Condo
+195 units

Rental Apartments:
+186 units

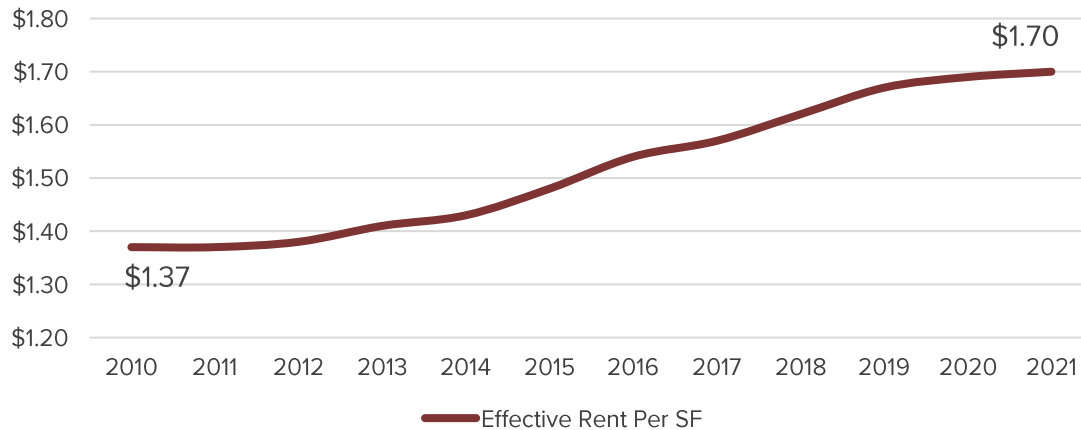
Source: CoStar, MLS, SB Friedman

HOUSING ALONG THE CORRIDOR

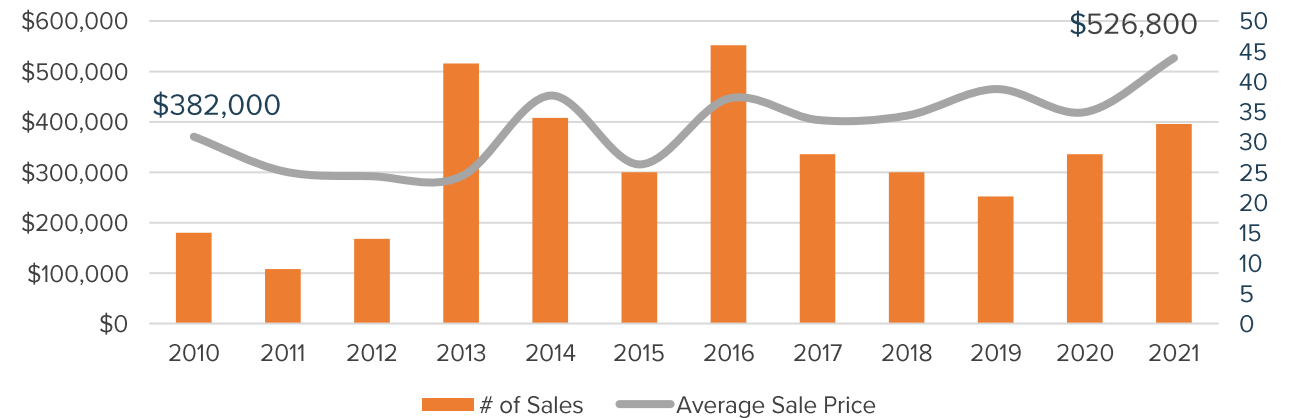
RENTS AND CONDO SALE PRICES ALONG CLARK STREET HAVE BOTH INCREASED SIGNIFICANTLY SINCE 2010

- Between 2010 and 2021, the average rent per square foot for rental units along Clark Street has increased from \$1.37 to \$1.70, while the average sale price for condo units increased from \$382,000 to \$526,800
- The price premium for condos along Clark Street (\$526,800) compared to the overall Study Area (\$360,000) is due to the presence of newer construction product
- Recent trends are indicative of demand for additional housing and the potential for continued affordability challenges if additional supply is not introduced to the market

AVERAGE RENT PSF ALONG CLARK STREET



CONDO SALES ACTIVITY ALONG CLARK STREET

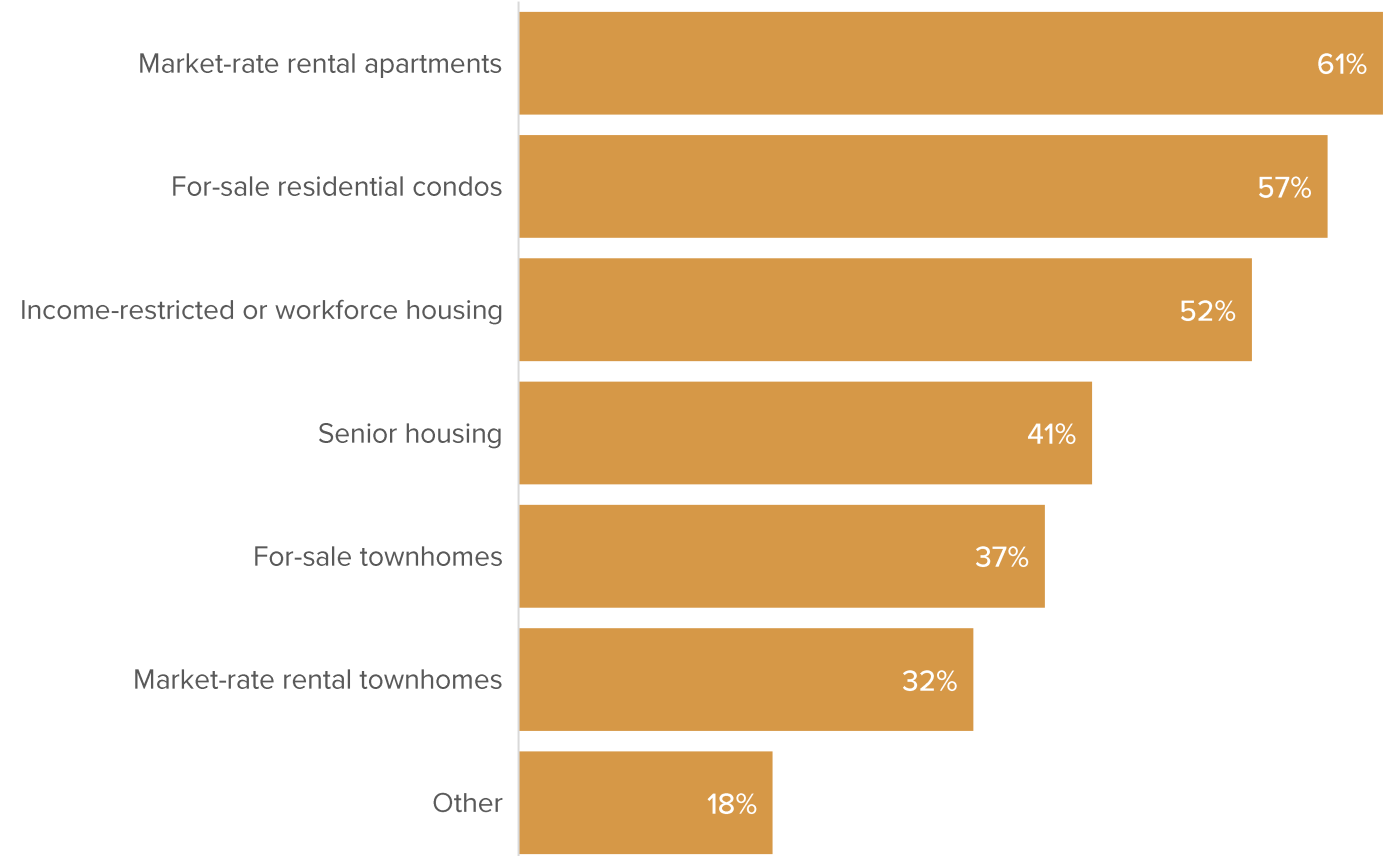


Source: CoStar, MLS, SB Friedman

HOUSING ALONG THE CORRIDOR

MANY COMMUNITY MEMBERS & STAKEHOLDERS INDICATED A DESIRE FOR MORE MULTIFAMILY HOUSING

- Through the Clark Street Crossroads community survey, a majority of respondents indicated a preference for additional:
 - Market-rate rental apartments
 - For-sale residential condos
 - Income-restricted (affordable)/ workforce housing
- (691 respondents)



Source: SB Friedman

HOUSING – KEY MARKET TAKEAWAYS

NEW HOUSING ALONG CLARK STREET HAS SHIFTED FROM CONDOS TO MULTIFAMILY RENTAL

STUDY AREA AND MARKET AREA DYNAMICS:

- 65% of households within the Study Area are renters, while 35% are homeowners. 44% of renters are cost-burdened
- Median detached sales price in the Study Area has increased by 85% to \$969,500 in 2021 from \$523,500 in 2010, while median condo/townhome sales price has increased by 30% to \$360,000. Detached homes sell for an average of three times the price of condo/townhomes
- Condo/townhomes spend about half as much time on the market compared to SF detached homes, and the average days on market for both typologies has been relatively stable over the past five years
- Almost 2,000 units have been added within the Market Area since 2015, or an average of 290 units per year
- Average multifamily rents in the Market Area have increased significantly since 2015 to a high of \$1.94/SF, and have exceeded pre-Covid-19 averages
- Recent trends are indicative of demand for additional housing and the potential for continued affordability challenges if additional supply is not introduced to the market

HOUSING ALONG CLARK STREET:

- Along Clark Street, there has been a shift in new deliveries from for-sale condos to multifamily rental units. It is expected that 105 new rental units will be delivered in new buildings along Clark Street in 2022, compared to 49 condos
- Condo sale prices and rents along Clark Street have both increased significantly since 2010. Condos along Clark Street are higher-priced than other condos in the Study Area because Clark Street has newer construction
- Many community members and stakeholders indicated a desire for more multifamily housing

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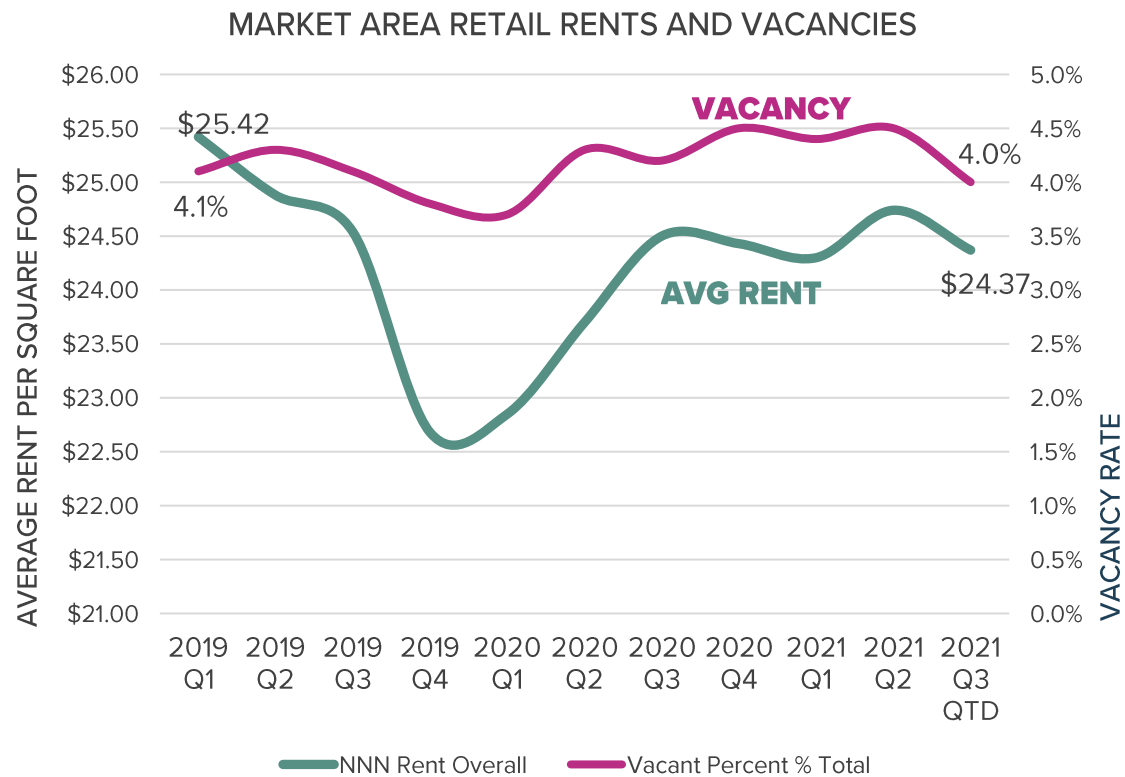
RETAIL/COMMERCIAL

- Retail/Commercial Trends
- Retail/Commercial Absence/Presence Analysis
- Retail/Commercial Along the Corridor
- Key Market Takeaways
- Retail/Commercial Opportunities

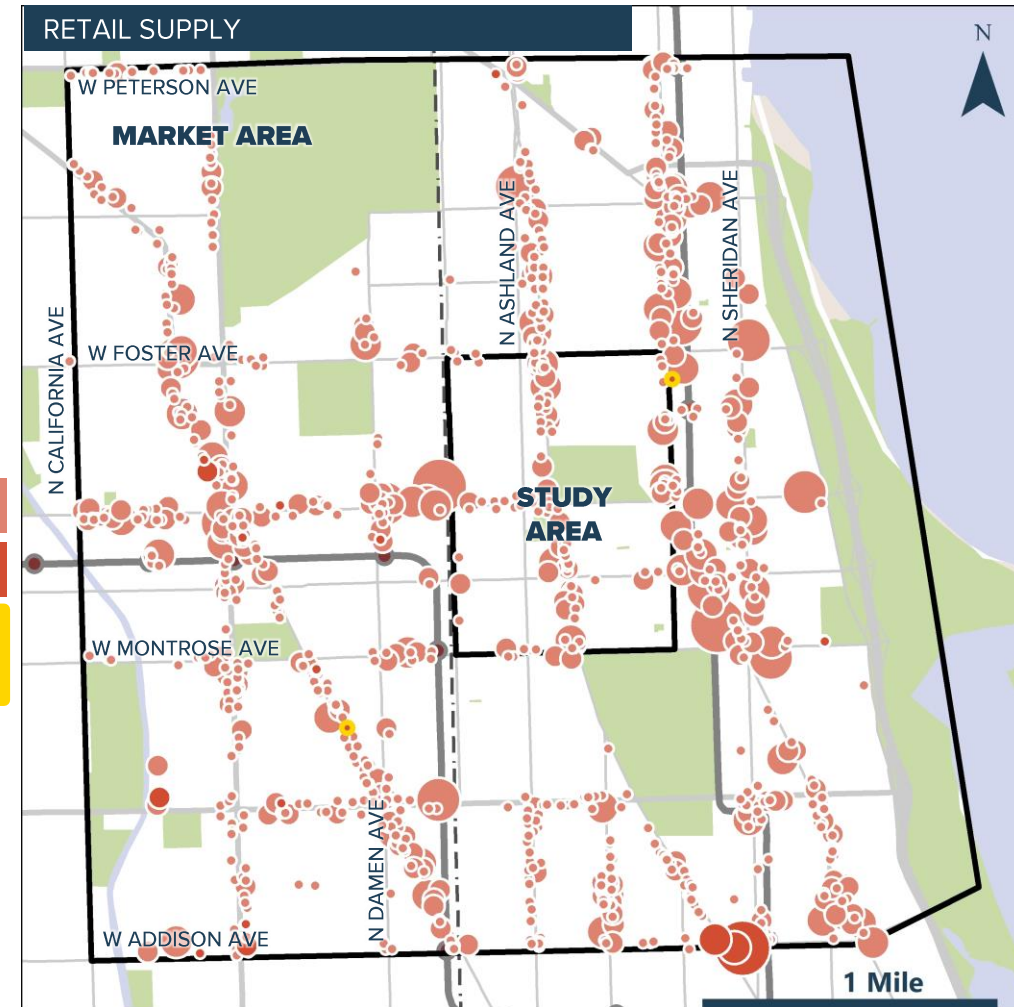
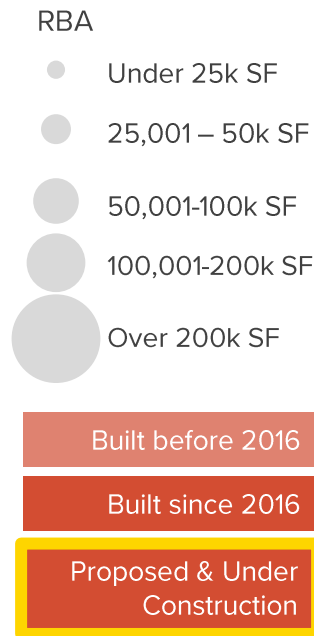
RETAIL/COMMERCIAL TRENDS

RENTS HAVE RECOVERED TO PRE-COVID AVERAGES WHILE OCCUPANCY HAS REMAINED STABLE

- Average asking rent per square foot of \$24.37 as of Q3 2021 has recovered to pre-pandemic averages



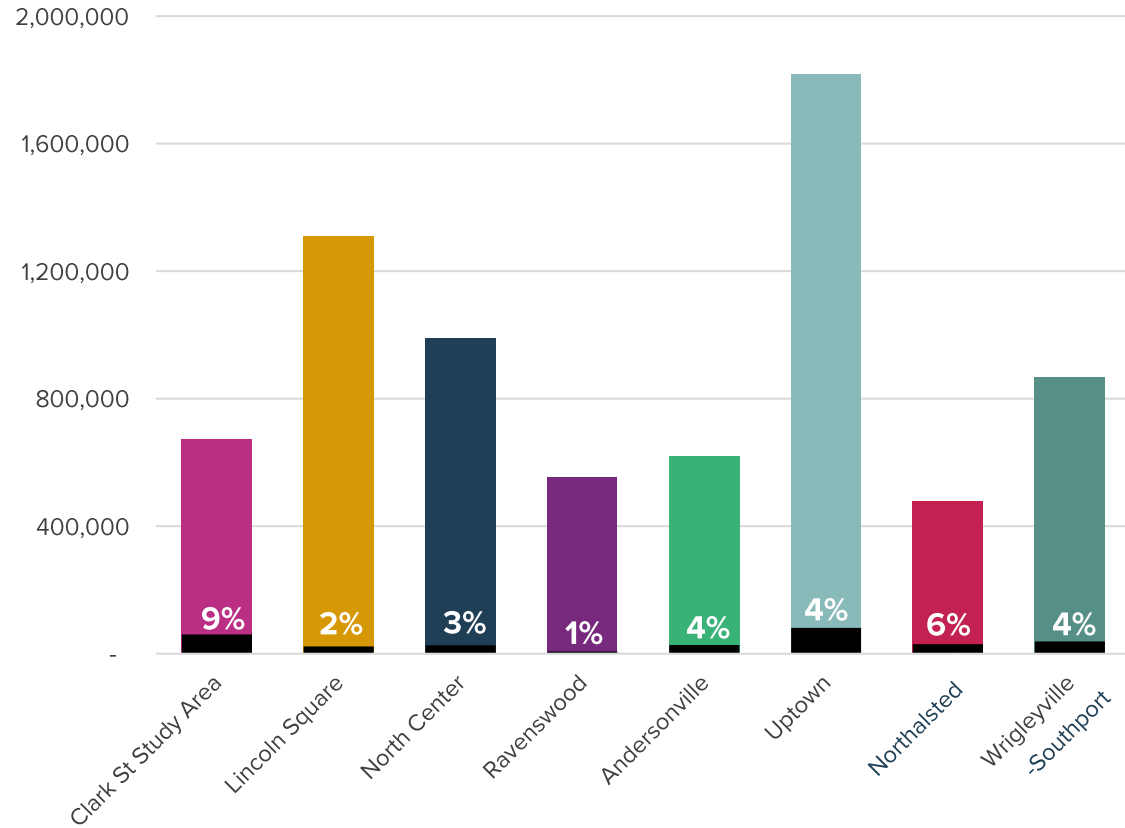
[1] 2021 data as of Q3 2021
Source: CoStar, SB Friedman



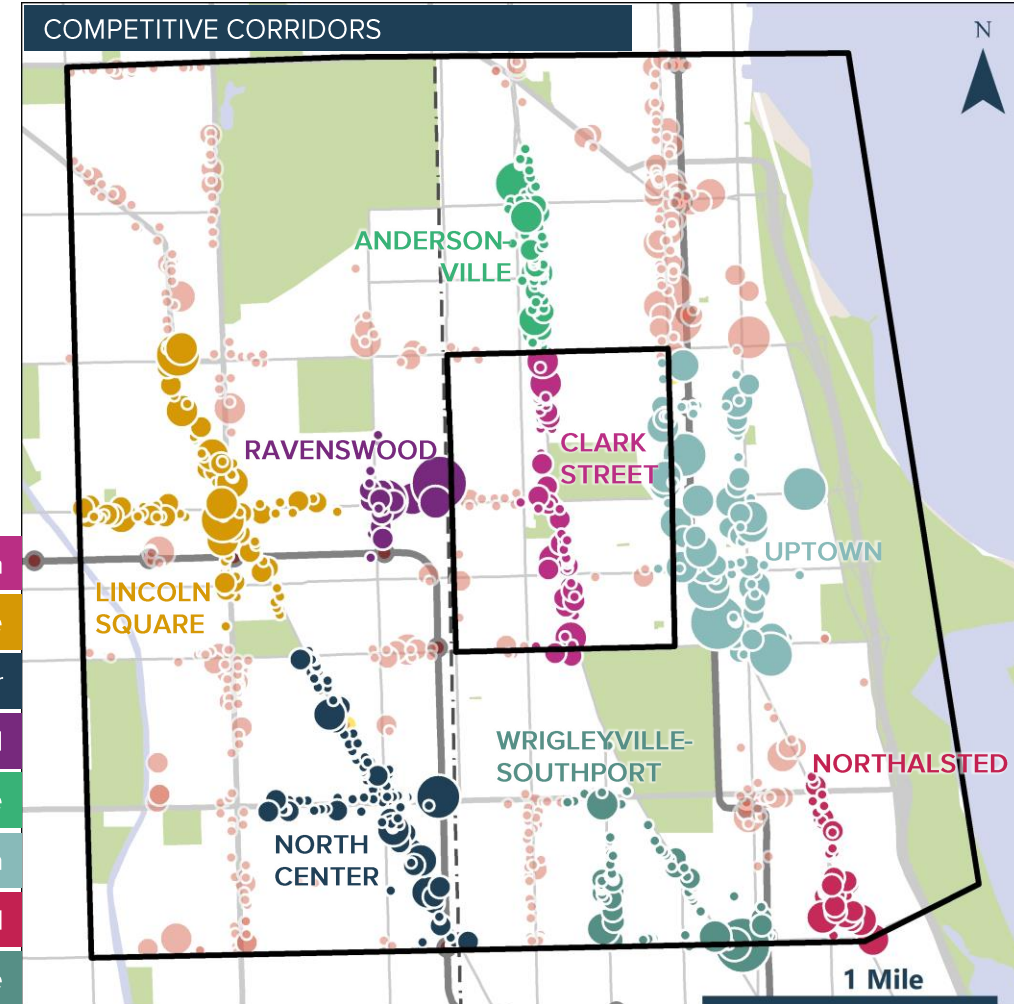
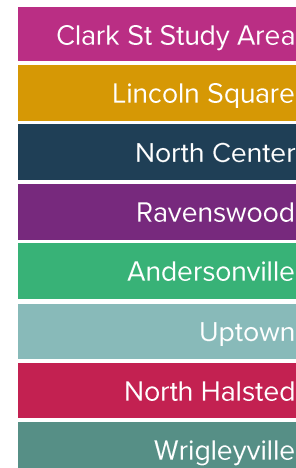
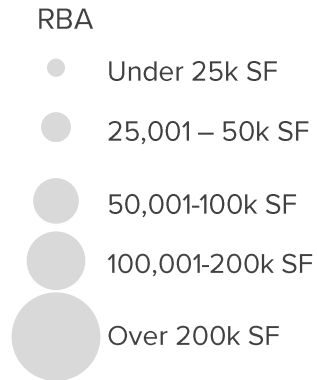
RETAIL/COMMERCIAL TRENDS

VACANCY RATE IN THE STUDY AREA IS THE HIGHEST (9%) AMONG NEARBY COMMERCIAL CORRIDORS

CORRIDOR TOTAL SF AND VACANCY RATES

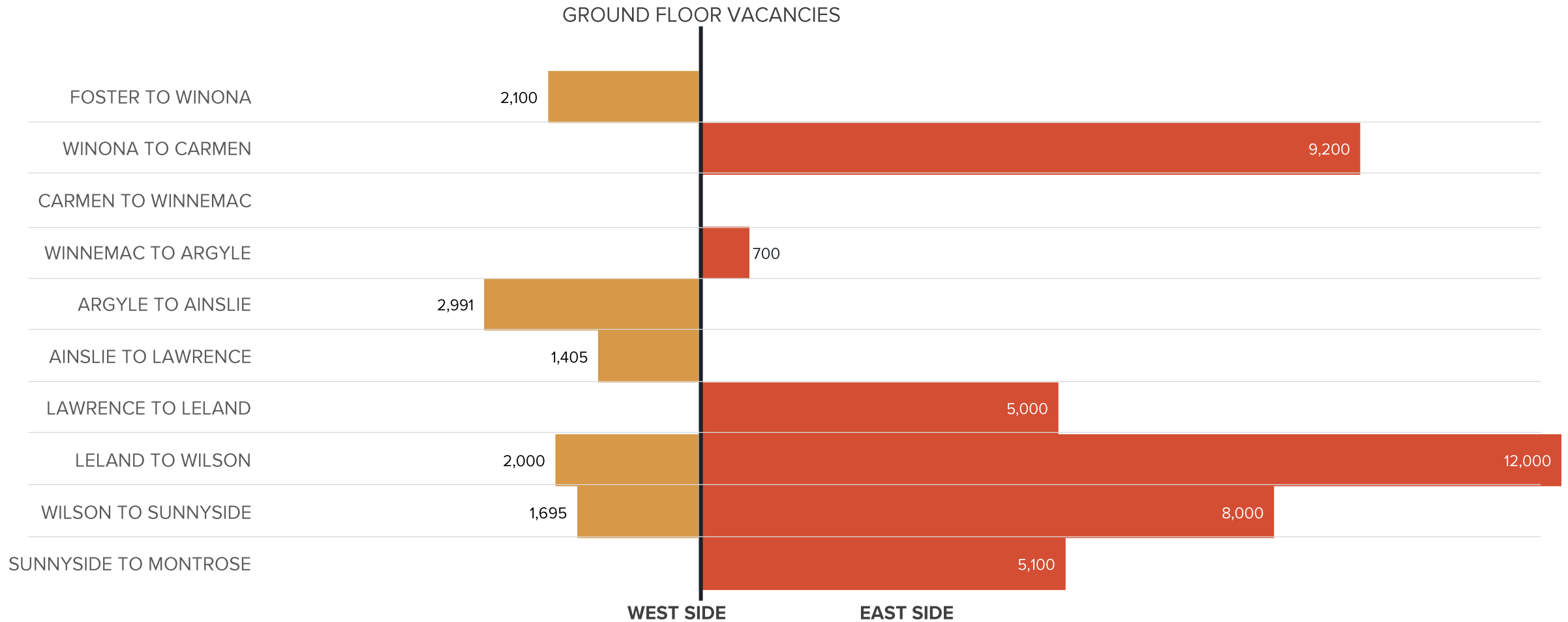


Source: CoStar, SB Friedman



RETAIL/COMMERCIAL TRENDS

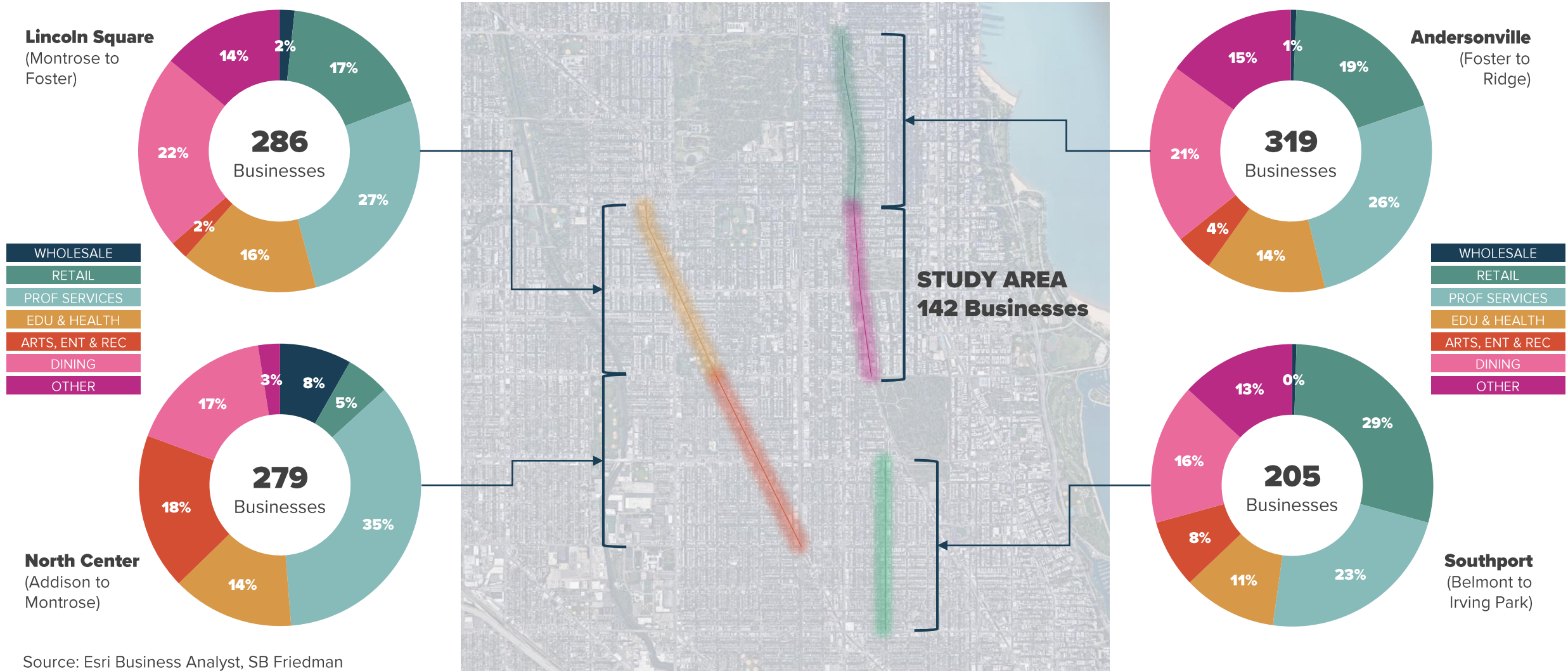
VACANCIES IN THE STUDY AREA ARE CONCENTRATED SOUTH OF LELAND STREET



Source: Esri Business Analyst, SB Friedman

RETAIL/COMMERCIAL ABSENCE/PRESENCE ANALYSIS

STUDY AREA HAS FEWER TOTAL BUSINESSES THAN SIMILARLY SIZED NEARBY COMMERCIAL CORRIDORS



Source: Esri Business Analyst, SB Friedman

RETAIL/COMMERCIAL ABSENCE/PRESENCE ANALYSIS

DESPITE FEWER BUSINESSES, THE STUDY AREA HAS SIMILAR DEMOGRAPHICS TO THESE CORRIDORS

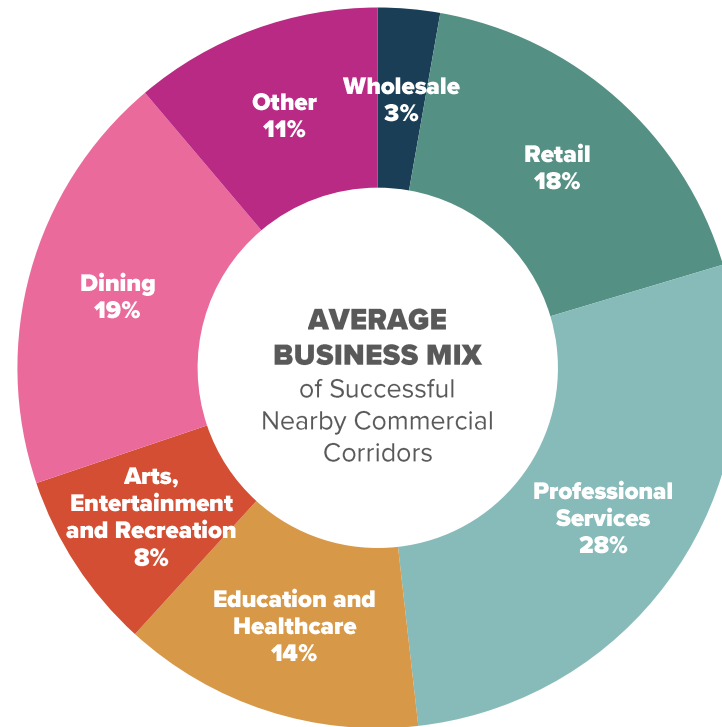
DEMOGRAPHICS (½ mile radius, 10-minute walk)	STUDY AREA Montrose to Foster 1 mile	CLARK Foster to Peterson 1 mile	LINCOLN Montrose to Foster 1.1 miles	LINCOLN (Addison to Montrose) 1.1 miles	SOUTHPORT (Belmont to Irving Park) 1 mile
Population	25,514	24,742	26,891	25,257	26,849
Households	13,666	11,837	12,631	12,310	13,086
Median Household Income	\$82,607	\$84,700	\$84,879	\$113,883	\$133,483
Median Age	36.1	38.3	36.4	34.7	32.4
TOTAL BUSINESSES Immediately along the corridor	142	319	286	279	205

Source: Esri Business Analyst, SB Friedman

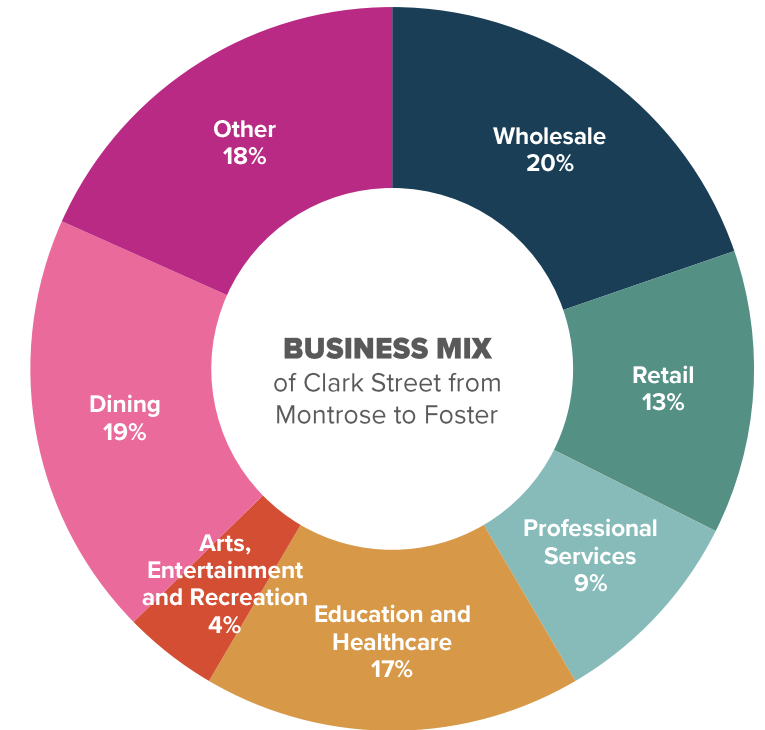
RETAIL/COMMERCIAL ALONG THE CORRIDOR

STUDY AREA COULD SUPPORT ADDITIONAL BUSINESSES, GIVEN NEARBY DEMOGRAPHICS AND DENSITY

- Absence and Presence analyses indicate that the Study Area could support additional businesses, given nearby demographics and density
- Additional businesses could include retailers, professional service firms, and arts, entertainment & recreation establishments



AVERAGE NUMBER OF BUSINESSES
272



TOTAL NUMBER OF BUSINESSES
142

Source: Esri Business Analyst, SB Friedman

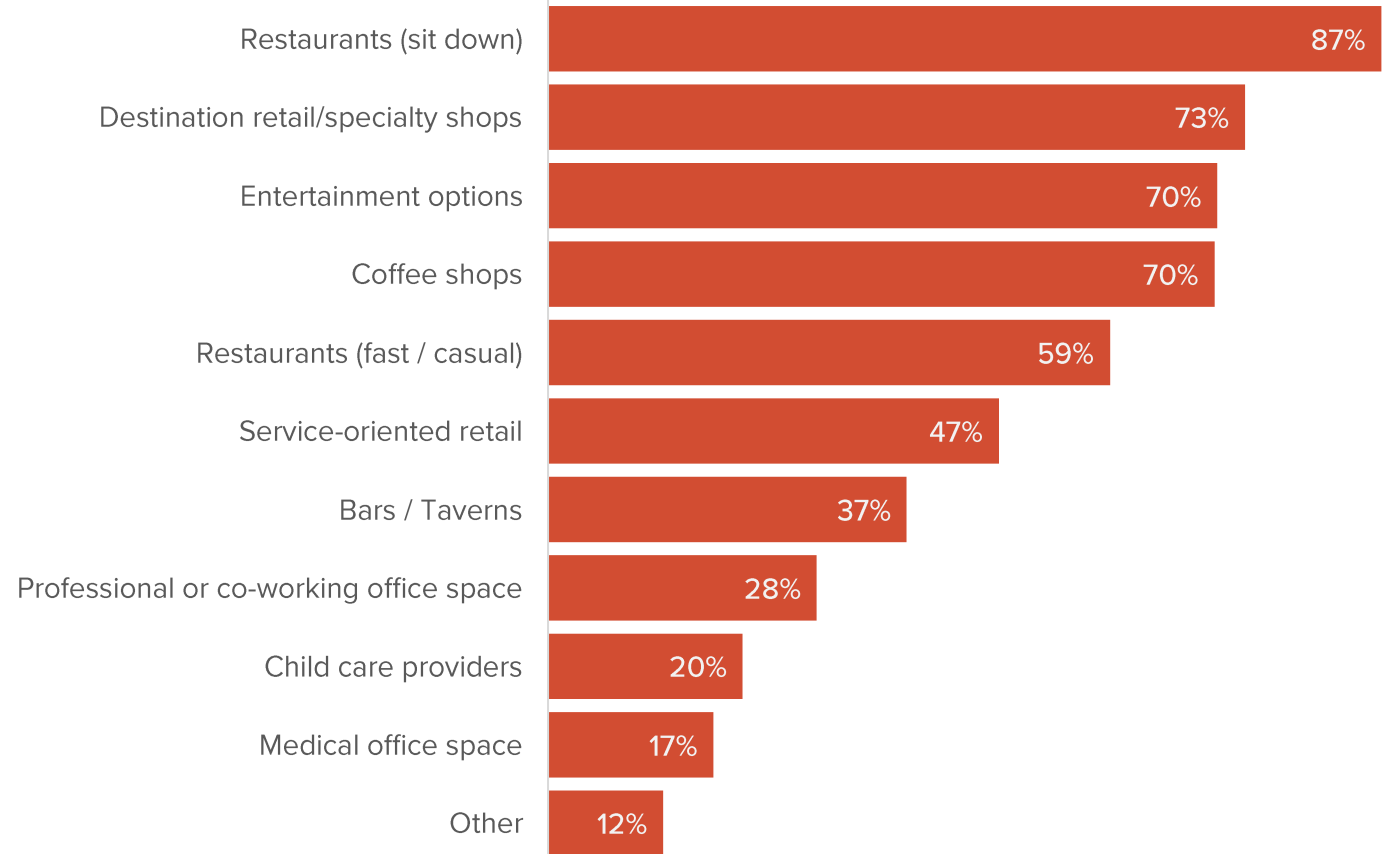
RETAIL/COMMERCIAL ALONG THE CORRIDOR

MANY COMMUNITY MEMBERS & STAKEHOLDERS INDICATED A DESIRE FOR MORE EXPERIENTIAL USES

- Through the Clark Street Crossroads community survey, a majority of respondents indicated a preference for additional:

- Restaurants (sit down)
- Destination retail/specialty shops
- Entertainment options
- Coffee shops
- Restaurants (fast / casual)

(725 respondents)



Source: SB Friedman

RETAIL/COMMERCIAL – KEY MARKET TAKEAWAYS

RETAIL VACANCIES ALONG CLARK STREET ARE THE HIGHEST AMONG COMPARABLE COMMERCIAL CORRIDORS

STUDY AREA AND MARKET AREA DYNAMICS:

- Existing retail space within the Market Area is well-leased and rents and vacancy rates have recovered from the impacts of COVID-19
- However, the Study Area's vacancy rate of 9% is higher than that of comparable walkable mixed-use corridors within the Market Area
- The Study Area has fewer total businesses than similarly-sized nearby commercial corridors, yet similar demographics
- Absence and Presence analyses indicate that the Study Area could support additional businesses, given nearby demographics and density
- Additional businesses could include retailers, professional service firms, and arts, entertainment & recreation establishments
- Many community members and stakeholders indicated a desire for more experiential uses, including restaurants (sit down and fast/casual), destination retail/specialty shops, entertainment options, and coffee shops

RETAIL/COMMERCIAL ALONG CLARK STREET:

- Along Clark Street, 20% of storefronts are home to wholesale tenants, while approximately 50,190 SF of space is vacant across 28 different properties
- The highest concentration of vacancies is on the east side of the Clark Street south of Leland Street

LIMITATIONS OF OUR ENGAGEMENT

Our deliverable is based on estimates, assumptions and other information developed from research of the market, knowledge of the industry and discussions during which we obtained certain information. The sources of information and bases of the estimates and assumptions are stated in the deliverable. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will necessarily vary from those described in our deliverable and the variations may be material.

The terms of this engagement are such that we have no obligation to revise the deliverable or to reflect events or conditions which occur subsequent to the date of the deliverable. These events or conditions include without limitation economic growth trends, governmental actions, additional competitive developments, interest rates and other market factors. However, we are available to discuss the necessity for revision in view of changes in the economic or market factors affecting the proposed project.

Our study did not ascertain the legal and regulatory requirements applicable to this project, including zoning, other state and local government regulations, permits and licenses. No effort was made to determine the possible effect on this project of present or future federal, state or local legislation, including any environmental or ecological matters



CLARK STREET CROSSROADS

corridor study
Montrose - Foster



Via Chicago Architects x Diseñadores

