

Residential Market Analysis -- Strategy Planning Guidelines -- Kankakee County, Illinois

Prepared on behalf of:
Economic Alliance of Kankakee County

Presented by
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Tracy Cross & Associates, Inc.

- ▶ Residential Market Analysts and Consultants Since 1980.
- ▶ Housing Economists and Experts in the Field of Residential Market Research and Analysis.
- ▶ Going Beyond the Numbers To Provide Sound and Logical Advice for Meeting the Residential Demands of the Market.



Assignment Goals and Objectives

- ▶ Forward an understanding of relevant market trends as they may impact future residential development potentials (both for rent and for sale) in Kankakee County.
- ▶ Provide a forecast of demand for new construction housing in Kankakee County over the next five years.
- ▶ Provide detailed planning guidelines, product development criteria and rent/price recommendations for those housing forms viewed most suitable for market entry near term, i.e., those with the most measurable market support. These guidelines will allow the Economic Alliance of Kankakee County (and other stakeholders) to plan for the appropriate spectrum of new construction rental and for sale housing options for current/future households.

Significant Opportunities for New Housing

-- A Summary of Findings --

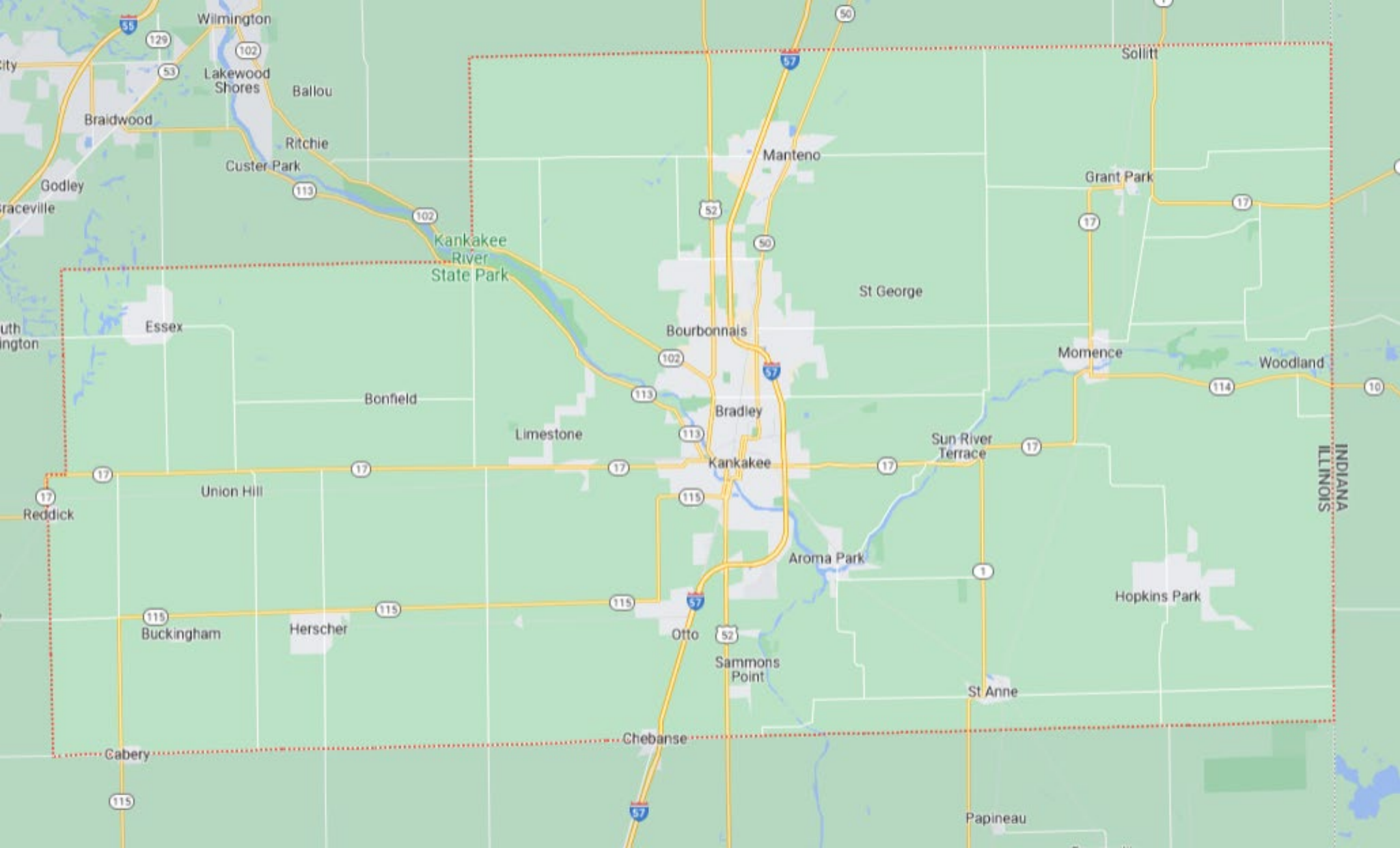
- ▶ Throughout Kankakee County, the supply of new housing (both for rent and for sale) is extremely limited, despite ample demand.
- ▶ In the rental housing sector, nothing of scale has been built in 30 years, yet over 12,000 renter households are represented.
- ▶ Vacancies among older-stock apartments are extremely tight.
- ▶ In the for sale sector, the limited amount of new construction housing is putting pressure on the existing home market.
- ▶ Kankakee County, given its overall size, internal infrastructure and environment and broad geographic area, can support new construction rental and for sale housing at numerous locations.
- ▶ Multiple product opportunities exist.

Annual Demand for New Housing By Product Type - Kankakee County, Illinois - 2022-2027

Product Type	Annual	Total Through 2027
Total	440	2,200
For Sale	230	1,150
Single Family Detached	150	750
Townhome/Duplex/Condominium	80	400
For Rent	210	1,050

Source: Tracy Cross & Associates, Inc.

Kankakee County, Illinois



Establishing a Mainstream Hierarchy - A Guide

<u>Product Type</u>	<u>Enclosed Parking</u>	<u>Plan Size (Sq. Ft.)</u>		<u>Rent/Price</u>	
		<u>Range</u>	<u>Average</u>	<u>Range</u>	<u>Average</u>
<u>Rental Housing</u>					
Mid- To Higher-Density Apartments	Structured Parking Garage	450 - 1,350	870	\$950 - 2,030	\$1,454
Garden Apartments	Attached (1-Car Garage)	600 - 1,250	925	\$1,175 - 1,955	\$1,565
Ranch Villa Rentals	Attached (1-Car Garage)	725 - 1,275	1,000	\$1,445 - 2,105	\$1,775
<u>For Sale Housing</u>					
Townhomes/Rowhomes	2-Car (Rear)	1,200 - 1,550	1,400	\$222,600 - 249,100	\$237,400
Attached Ranch Villas/Duplexes	2-Car (Front)	1,300 - 1,500	1,400	\$246,100 - 263,200	\$254,600
Small Lot Single Family	2-Car (Rear)	1,500 - 1,900	1,700	\$281,400 - 307,100	\$294,200
Conventional Single Family	2-Car (Front)	1,750 - 2,400	2,050	\$322,100 - 372,300	\$345,100

Source: Tracy Cross & Associates, Inc.

The Products

For Rent Housing



For Sale Housing



Meeting the Criteria

- ▶ A Disciplined Approach To Product Development (Efficient, Cost-Effective and Value-Engineered Plans).
- ▶ Box-on-Box Construction without compromising Curb Appeal.
- ▶ Optional Basements among For Sale Products.
- ▶ Creative and Efficient Land Planning including higher densities and smaller lot sizes.
- ▶ Subcontractor relationships and education.
- ▶ Potential Incentives.

Discussion

