

**Residential Market Analysis
Kankakee County****2025****Prepared by:**

TRACY CROSS & ASSOCIATES, INC.

Kankakee County stands at a pivotal moment of opportunity for residential growth. With shifting demographics, a strengthening workforce, and underutilized market potential, the region presents a compelling case for new housing development. Communities such as **Kankakee, Bradley, Bourbonnais, and Manteno** are especially well-positioned to support and benefit from a new wave of residential investment. These areas offer the right mix of infrastructure, population density, and economic momentum to make new projects successful.

A recent residential market analysis conducted by **Tracy Cross & Associates, Inc.** underscores the region's untapped demand for both for-sale homes and rental housing. Developers willing to act now will find a market hungry for modern, quality housing, particularly in rental apartments and single-family homes. The analysis points to strong fundamentals: an expanding workforce, low housing vacancy rates, rising home values, and minimal recent construction. Together, these conditions create a favorable environment for developers to meet demand while achieving strong returns on investment.

Key Drivers of Housing Demand

- **Population & Household Trends:**

Between 2000 and 2010, Kankakee County added 3,329 new households (averaging 333 annually). However, household growth has stagnated since 2010. Encouragingly, projections forecast a return to positive momentum with 247 new households expected annually through 2029.

- **Housing Inventory & Construction Trends:**

A striking 96.4% of the county's housing stock predates 2010, with nearly two-thirds built before 1980. New construction has lagged significantly, with fewer than 100 homes built annually in nine of the past 15 years. Since 2007, the county has averaged just 113 building permits per year—an 80% decline from the 2000–2007 peak.

- **Future Housing Needs:**

To keep pace with demand, Kankakee County will require 450 new housing units annually through 2029. This includes:

- 235 for-sale units (155 single-family, 80 attached units)
- 215 rental units, which are especially needed to address a severe shortage of modern rental housing.

- **Rental Market Pressures:**

Despite a base of over 12,000 renter households, there have been no large-scale, market-rate

apartment developments in more than 30 years. Vacancy is virtually nonexistent, with 100% occupancy and waiting lists common—far above the 5–6% vacancy rate considered healthy for a balanced market.

- **Rising Housing Costs:**

Limited supply continues to drive price increases. From 2020 to 2024, resale prices for attached housing rose from \$160,049 to \$223,528, while units sold in just 20 days on average in 2024. Rental rates have climbed by over 15% in the past two years, now averaging \$1.24 per square foot.

A Call to Action

For residential developers, Kankakee County offers a rare and time-sensitive opportunity to enter an underserved market with strong, measurable demand. With aging housing stock, limited new construction, and growing pressure on both rental and for-sale inventory, the region is primed for thoughtfully planned residential development. The need spans the housing spectrum—from market-rate rental apartments to single-family and attached for-sale homes—creating room for a variety of housing products and price points.

“Given supply-side constraints throughout the county, while also considering the limited amount of pipeline activity market-wide, it is highly likely the demand will continue to exceed supply.”

Local leadership is committed to supporting growth through streamlined permitting, infrastructure investment, and public-private collaboration. Additionally, a strong sense of community, regional accessibility, and an expanding labor force make Kankakee County an attractive long-term location for families and individuals seeking both affordability and quality of life. Developers who act now have the chance to become market leaders in a revitalized and rising housing market.

Kankakee County’s housing needs are urgent, but they also present an exciting and tangible opportunity for growth. With demand projections calling for 450 new housing units annually through 2029, and a vacancy rate near zero in many areas, there is a clear and pressing need for new inventory. By aligning residential development with the county’s economic and workforce trends, stakeholders can create vibrant communities that support local businesses, attract new residents, and strengthen the region’s competitiveness for decades to come.

Now is the time to invest in the future of Kankakee County—by building the homes that will shape the next chapter of its growth.