Housing Policy Updates: Tracking Housing Change in the Region

CMAP Housing Committee, September 2012

A New Initiative:

HOUSING POLICY UPDATES

- Assess housing trends
- Compare change to GO TO 2040 Goals
- Initial frequency is quarterly

POLICY UPDATES

IMPLEMENTING GO TO 2040

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Housing Policy Update -- Trends for the First Half of 2012

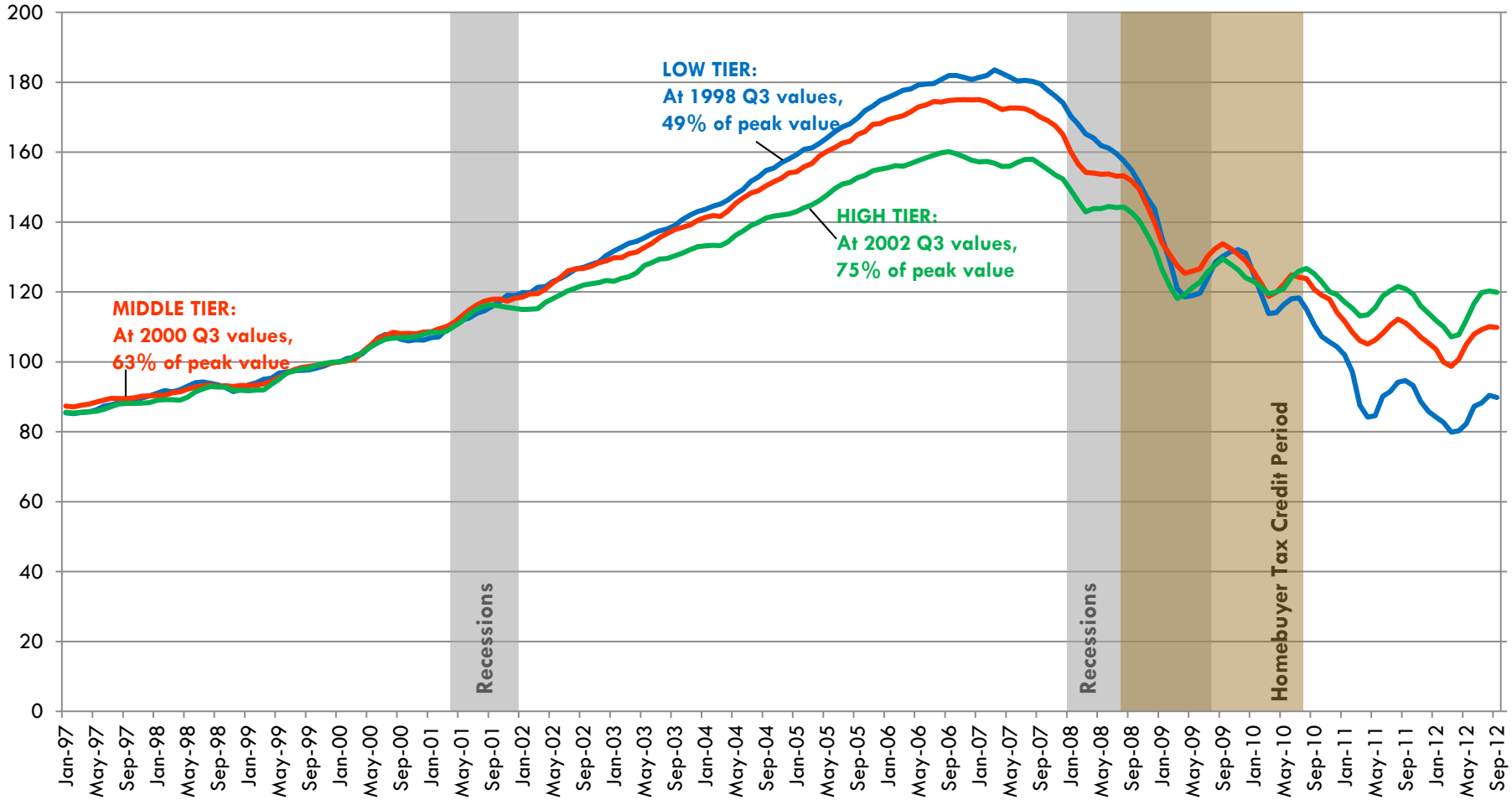
NOTE: This is the first in an on-going series of Housing Policy Updates.

The regional housing market has experienced some significant changes since the beginning of 2012. Total housing permits and starts have ticked back up, and the for-sale market appears to be slowly recovering. However, much of this growth has been driven by single-family starts concentrated primarily in the region's outer edges, signaling a potential return to pre-recession trends. Meanwhile, construction of multifamily housing is lagging with the exception of some areas in the city of Chicago. On the rental side, vacancy rates have decreased and monthly rents have increased, although change in both of these has slowed in the first half of this year. Finally, the Chicago region appears to be falling behind other regions in producing new multifamily rental housing.

HOUSING POLICY UPDATES

Housing Value Change is Unequal Across Sectors

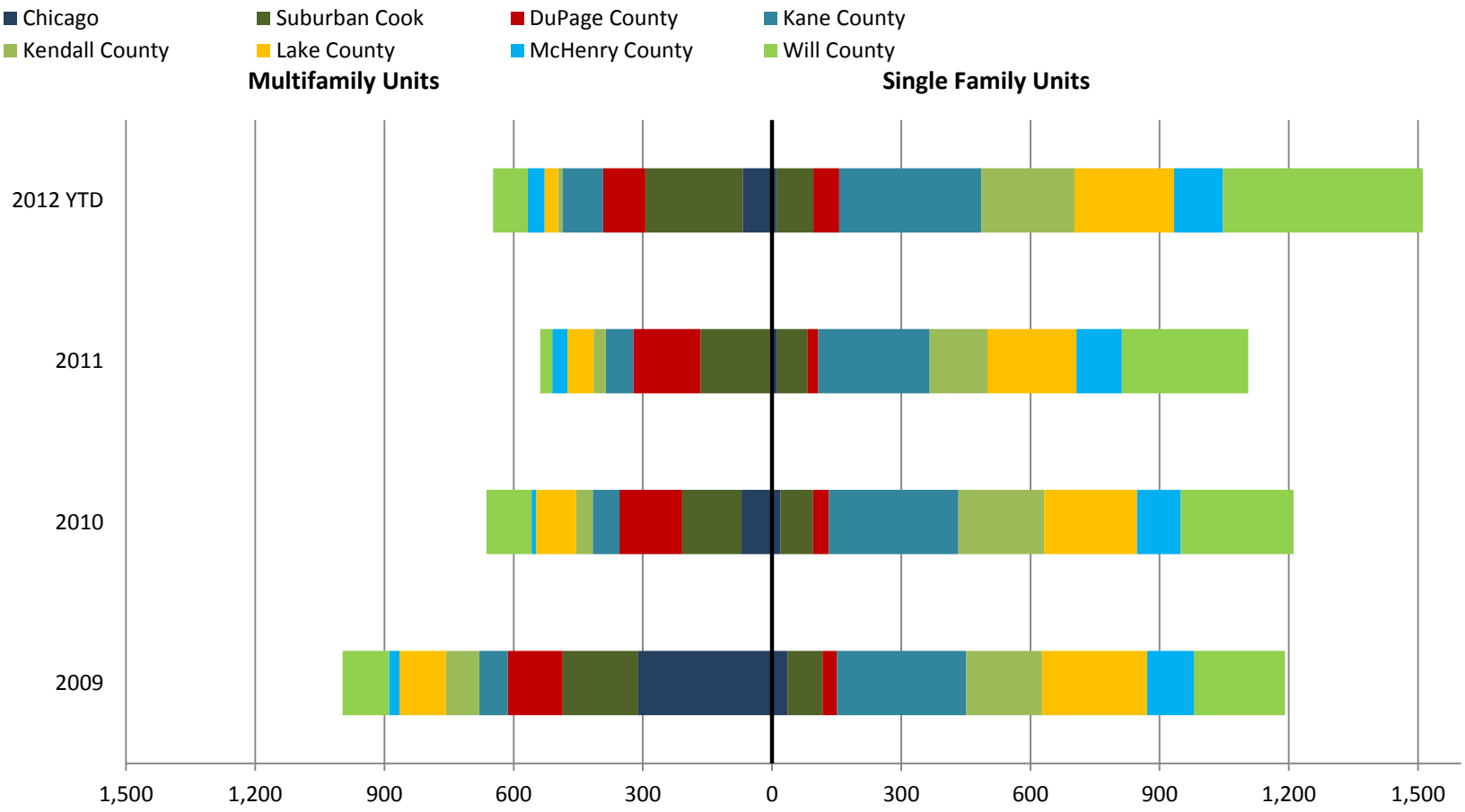
Case-Shiller Tiered Index for the Chicago MSA



Source: CMAP Analysis of Standard & Poor's Case-Shiller Index data

For-Sale Housing Starts Concentrated in SFH

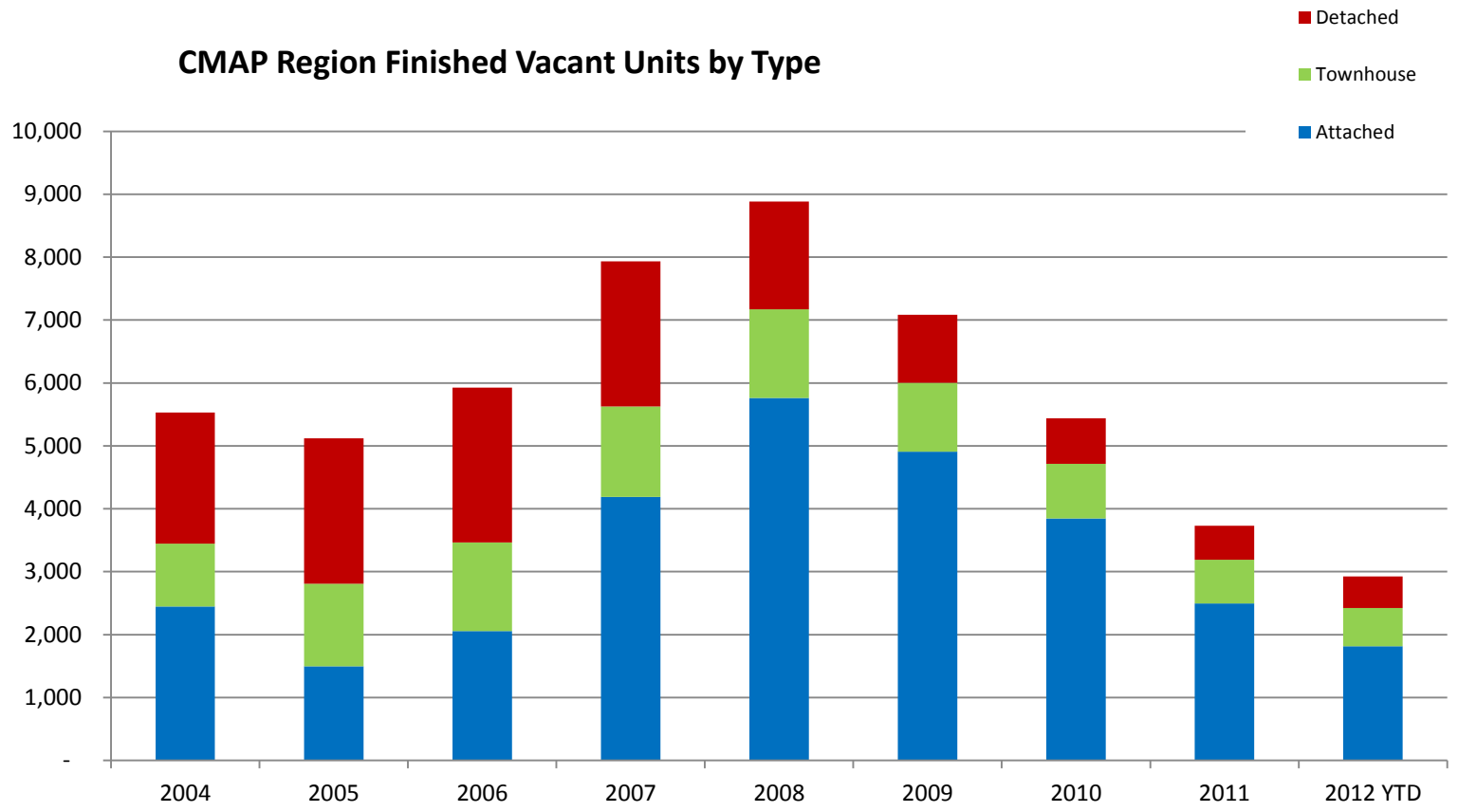
CMAP Region For-Sale Housing Starts by Year, Type, and Location - Annual Q1to Q3 Only



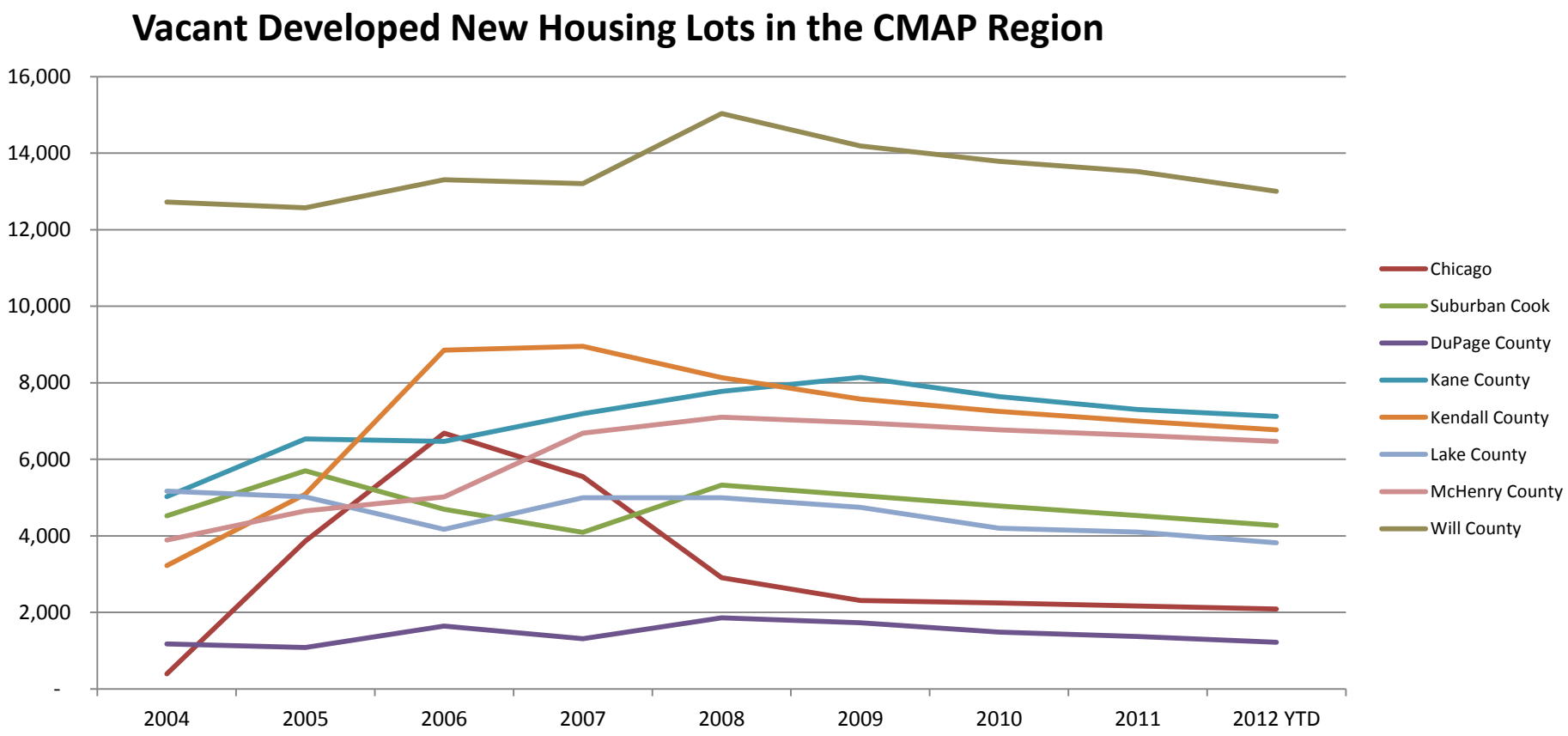
Note: Metrostudy provides data for new housing developments of 10 units or more. Therefore, this analysis does not include smaller developments such as 3 and 4-unit condo buildings, single-lot infill, or custom homes. This may lead to lower start totals in the city of Chicago and inner ring suburbs that are built out and experience mostly infill development with smaller projects.

Source: CMAP analysis of Metrostudy data

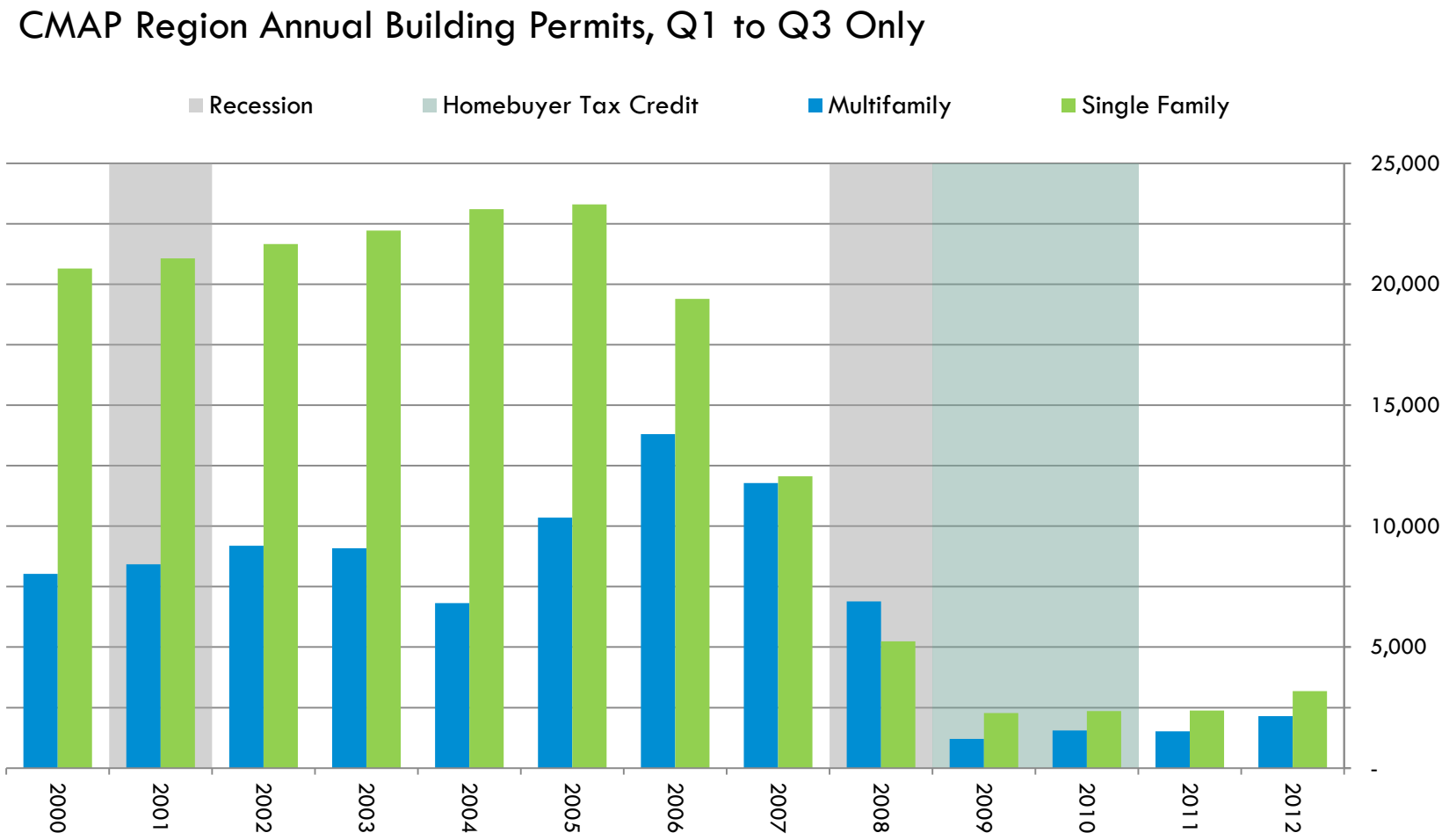
Stock of Finished Vacant Units Decreasing



Large Stock of Vacant-Developed Lots

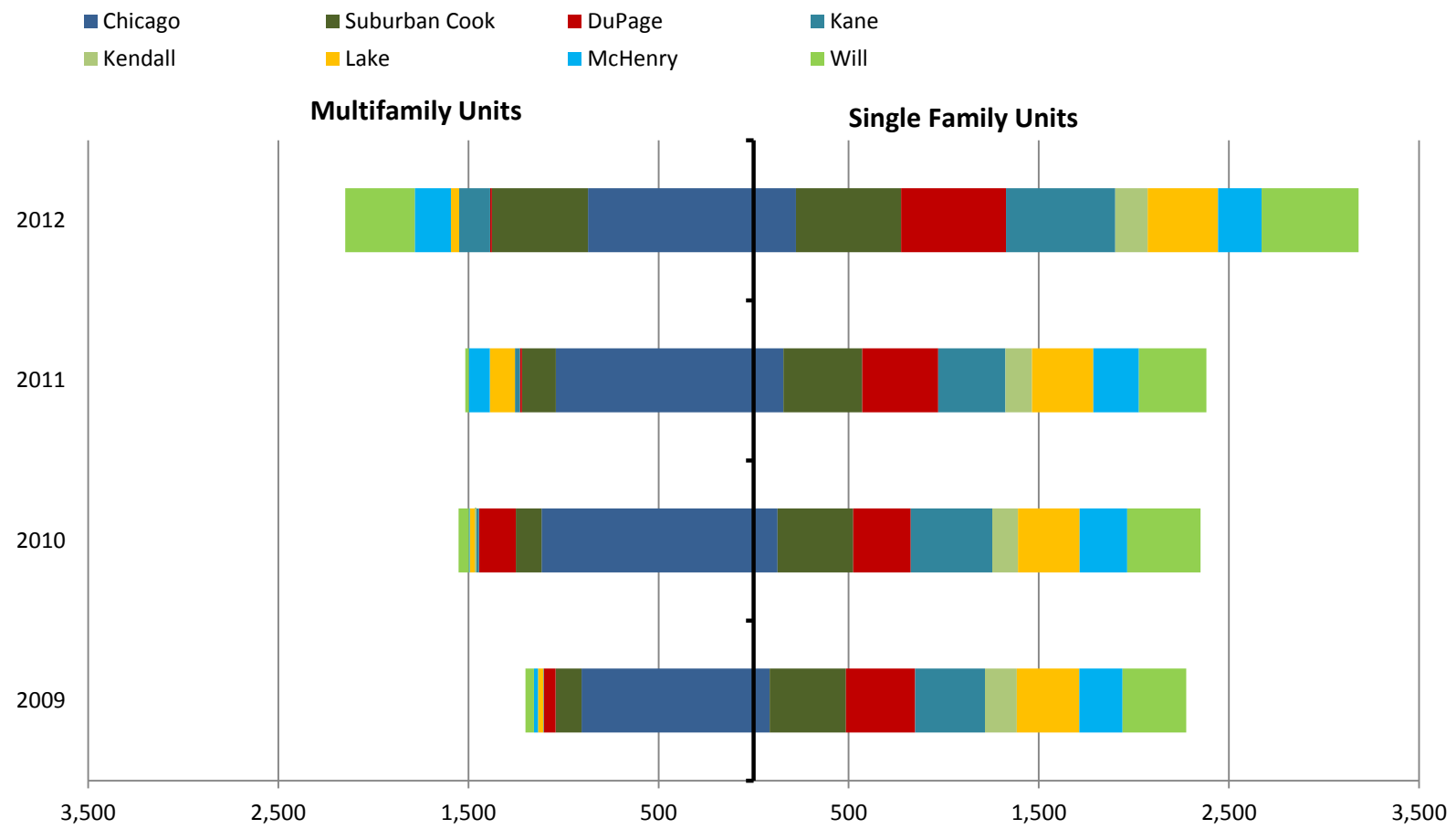


Building Permits on the Rise



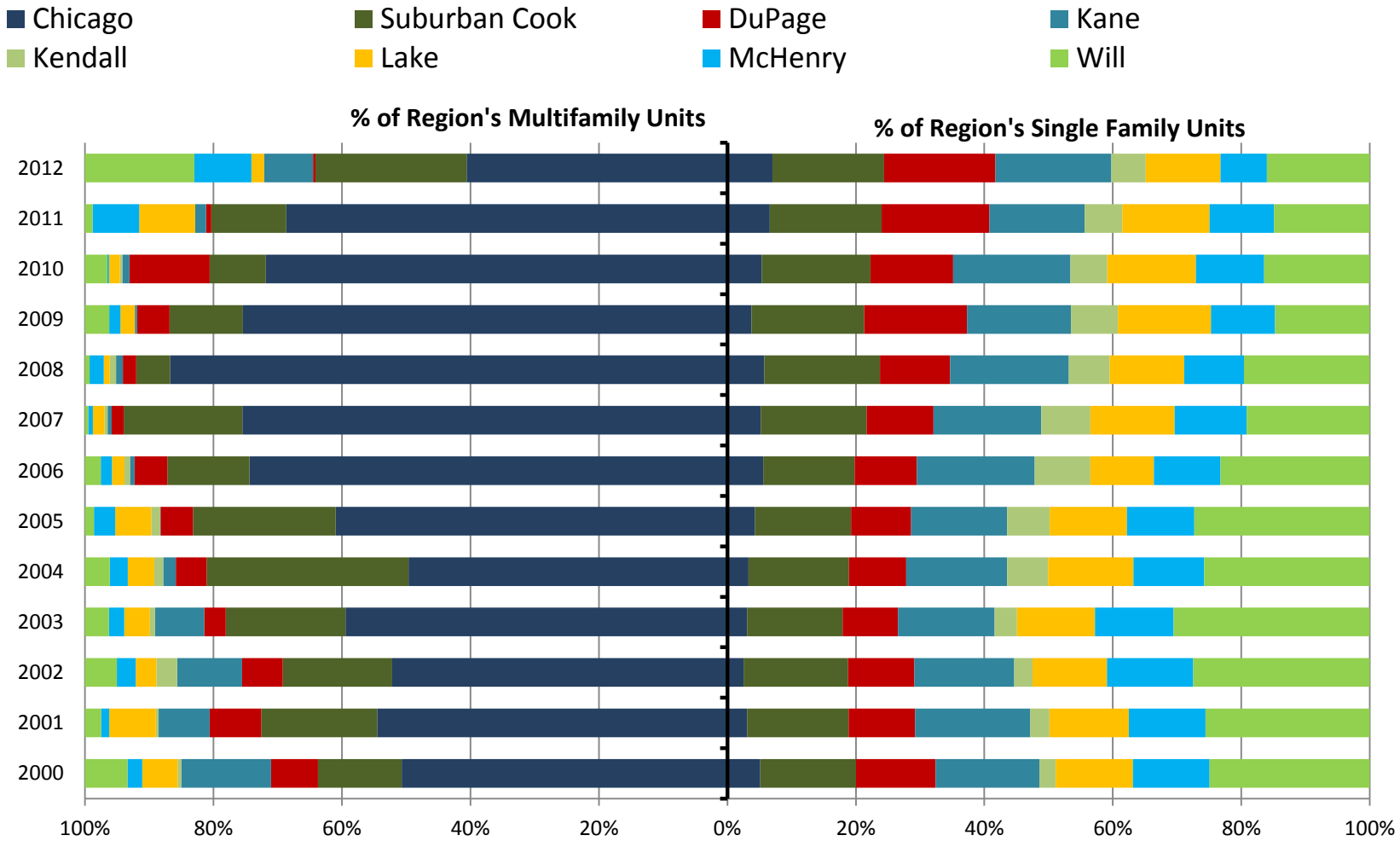
An Imbalance in Permit Type and Location

CMAP Region Permitted Units by Year, Type and Location, Through Q3 Only



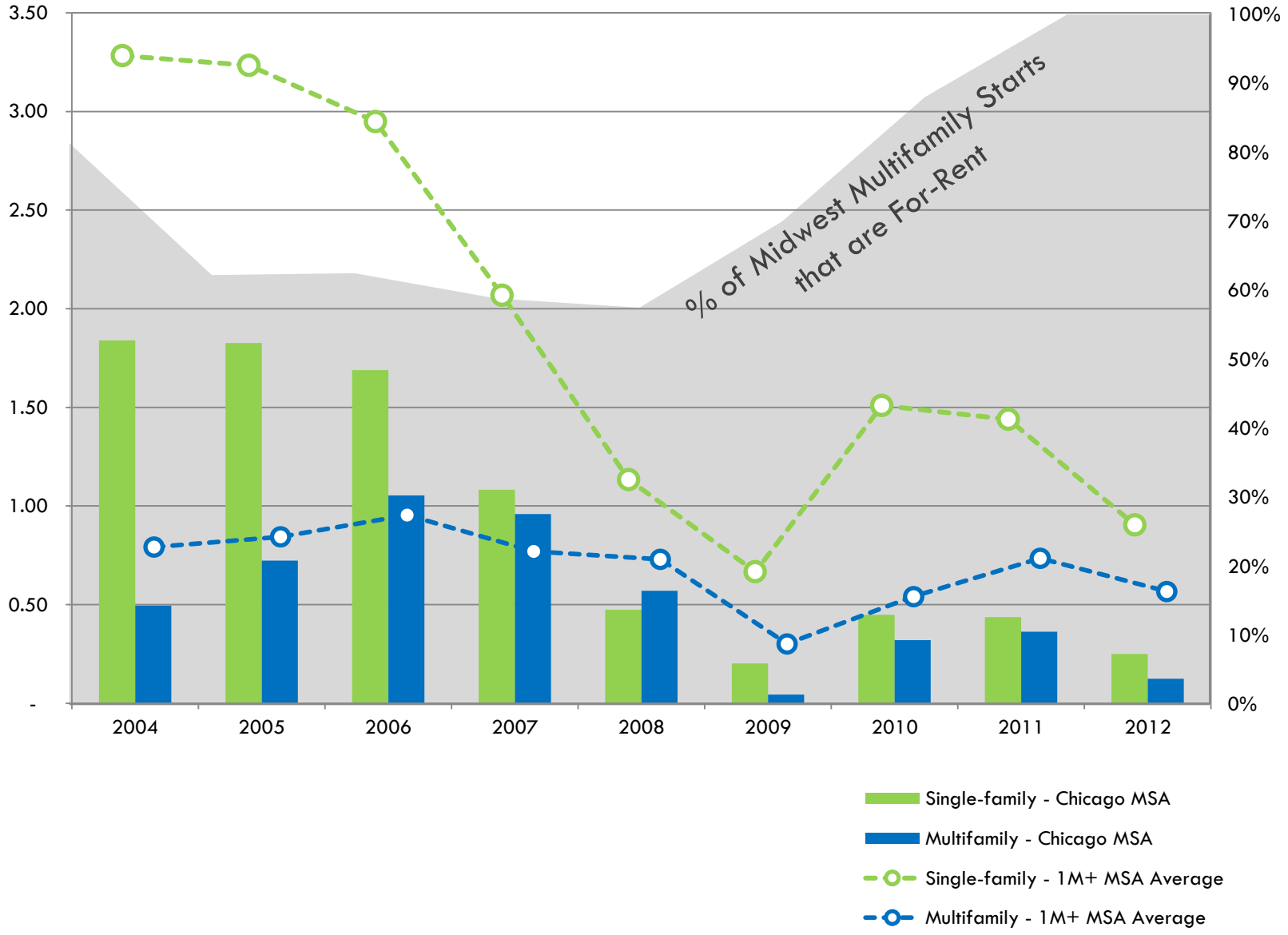
Source: CMP Analysis of US Census Data

Annual Proportion of Permitted Units by Type and Location

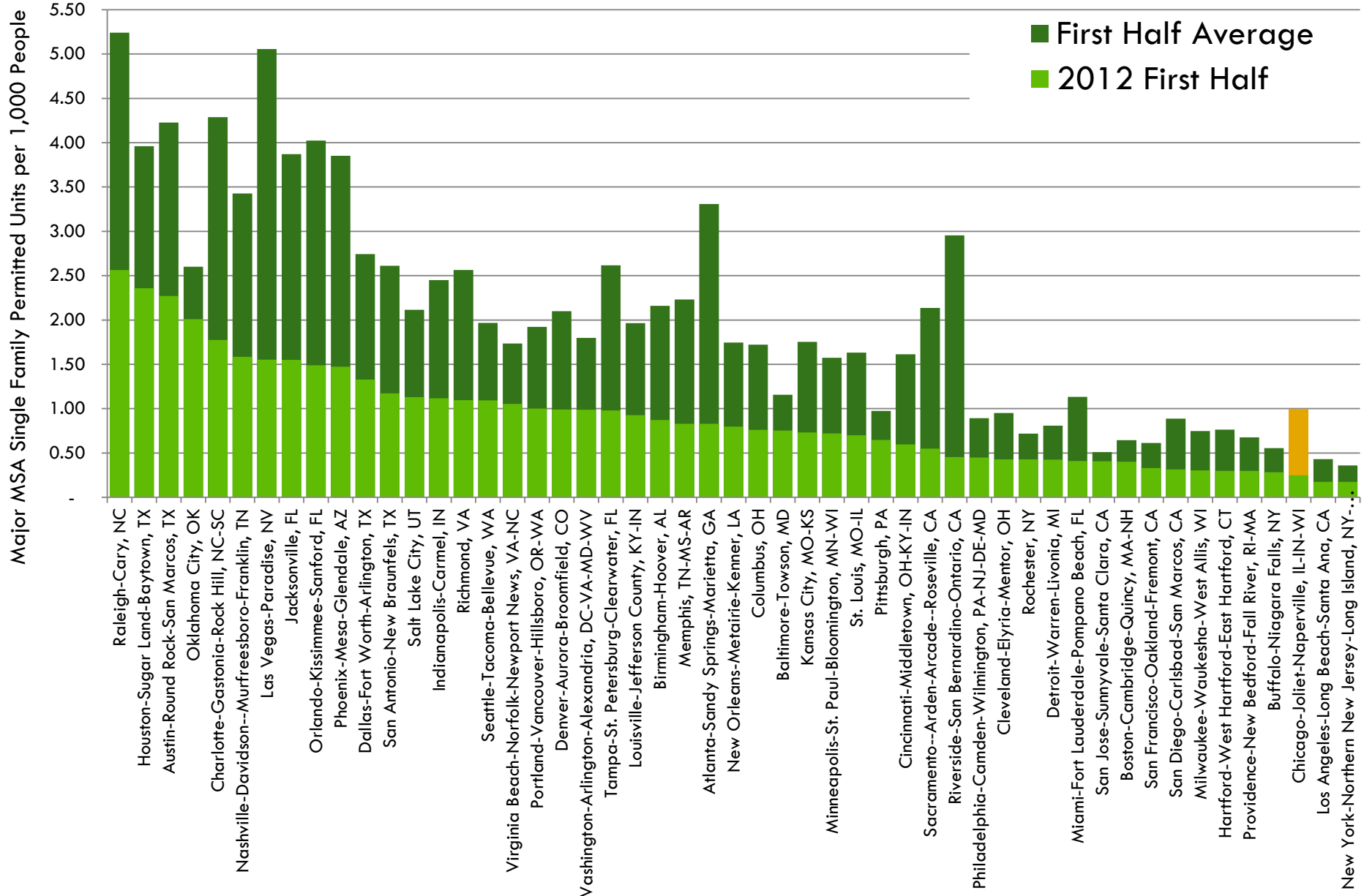


Source: CMAP Analysis of US Census Building Permit Data

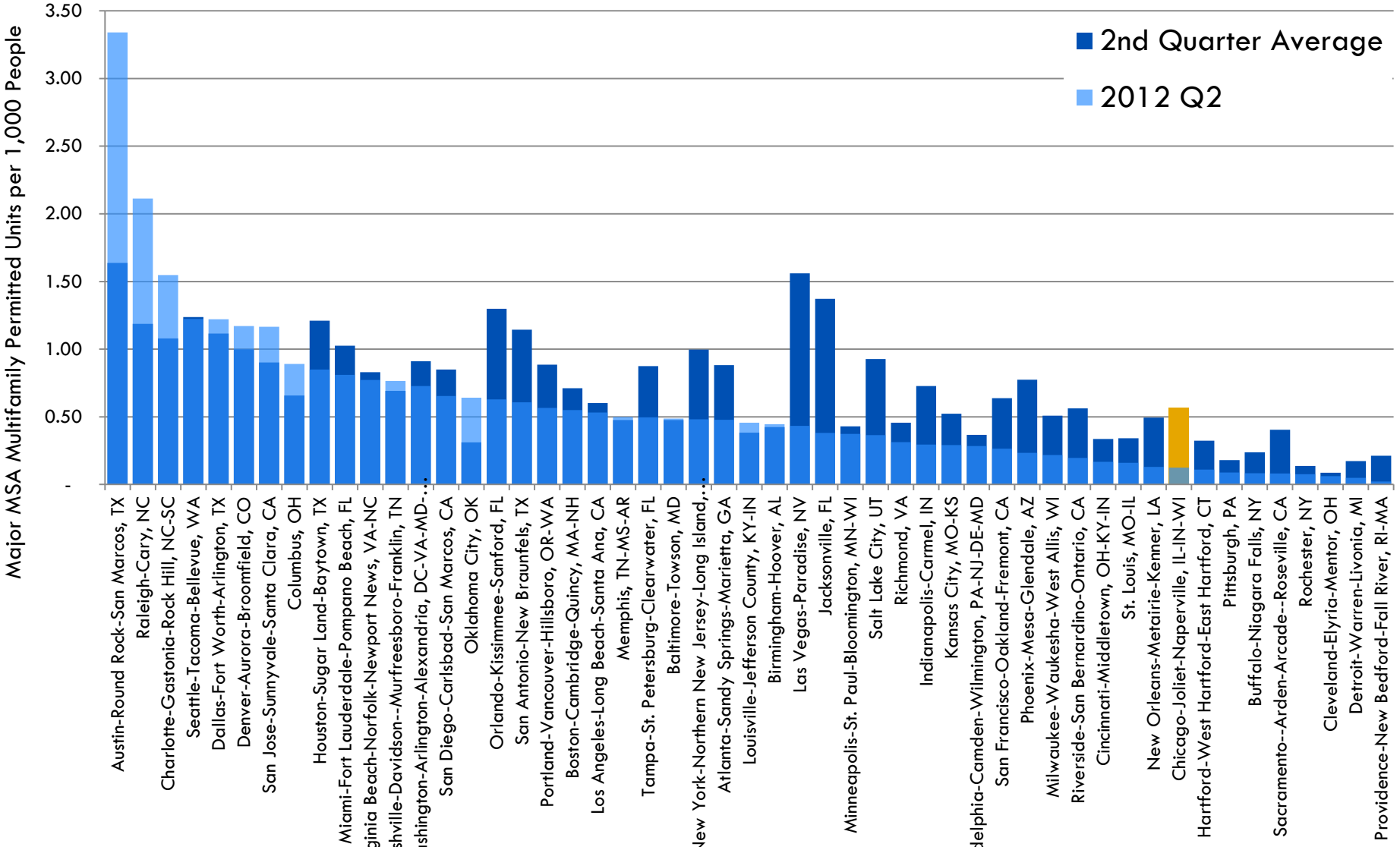
Chicago and Major MSAs Annual Permitted Units per 1,000 People, Q1 to Q2 Only



Single Family Permits Below Historic Averages



Fast-Growing MSAs exceeding historic multifamily averages



Next Steps

- Expand analysis to GO TO 2040 topics:
  - Jobs Housing: How do new housing locations compare to employment shifts?
- Expand multifamily data resources
- Connect to Metropulse

Questions?

http://www.cmap.illinois.gov/policy-updates

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