

# Market Snapshot

Q2 2017 | Chicago, Illinois

Senior living trends can have a huge impact on your organization, especially as you plan for your future.

In this report, Plante Moran Living Forward™ offers an overview and analysis of a target market, benchmarked against comparable markets and its region.

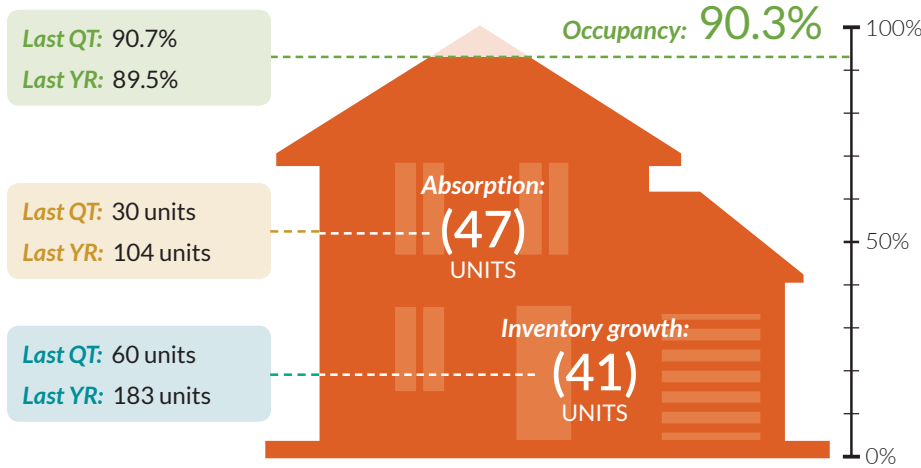
This quarter we are highlighting the **Chicago Metropolitan Statistical Area (MSA)**.



The Chicago MSA is made up of 14 counties surrounding the city of Chicago, Illinois.

- Cook County, IL
- DeKalb County, IL
- DuPage County, IL
- Grundy County, IL
- Jasper County, IN
- Kane County, IL
- Kendall County, IL
- Kenosha County, WI
- Lake County, IL
- Lake County, IN
- McHenry County, IL
- Newton County, IN
- Porter County, IN
- Will County, IL

## Absorption, occupancy, & inventory growth



### Independent living

All IL figures are down compared to last quarter, and inventory growth and absorption are notably lower than last year.

**Midwest:** This quarter, the Chicago MSA's IL occupancy was below the Midwest's average (**91.1%**). The Midwest region absorbed **46 units**.

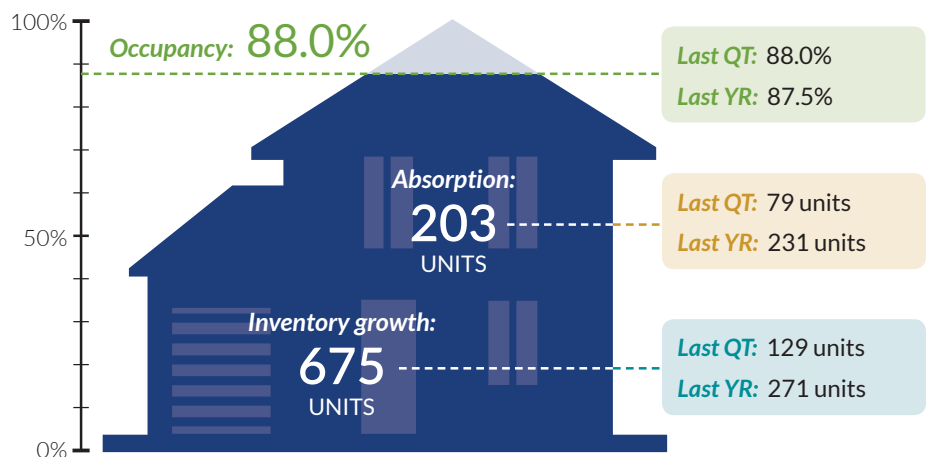
**Primary markets:** The primary markets' average IL occupancy (**91.4%**) was a percentage point higher than the Chicago MSA's this quarter, and the primary markets absorbed **280 units**.

### Assisted living

Compared to last quarter, AL absorption and inventory growth increased greatly. Occupancy remains unchanged. Compared to last year, only inventory growth has shown significant change.

**Midwest:** The Midwest is on par with the Chicago MSA in occupancy (**88.4%**) and absorbed **539 units** this quarter.

**Primary markets:** The Chicago MSA was only slightly behind the primary markets in occupancy (**88.9%**), but the primary markets absorbed **2,697 units**.



**Inventory growth** | Net total number of units that came online (and offline) since last quarter. **Occupancy** | This number reflects stabilized occupancy, which accounts for occupied units at facilities ≥2 years old or, if <2 years old, at ≥95% occupancy. **Absorption** | Net total number of units that became occupied (or vacated) since last quarter.



**Construction**

Units under construction

	IL	AL
Current quarter	1,005	2,000
Last quarter	1,005	2,495
Last year	638	2,949

The Chicago MSA showed an inventory loss of 41 IL units and growth of 203 AL units this quarter; 1,005 IL units and 2,000 AL units are still under construction. Much of this construction has been looming since last year.

AL saw some of these units come to fruition, but IL's units are still in progress. There are indications that AL absorption may be able to maintain pace with new inventory. However, we can expect, as these IL and AL units hit the market over the next couple of cycles, to see a decrease in occupancy over the short term while the new units attempt to stabilize.

For IL, the top three Midwest cities under construction are **Columbus, OH; Chicago, IL; and Detroit, MI.**

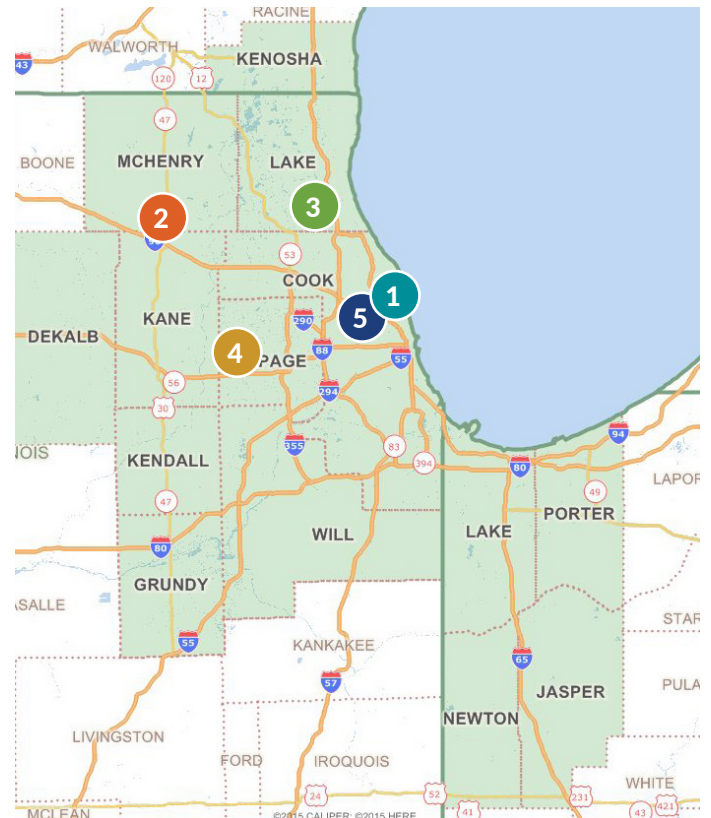
For AL, the top three Midwest cities under construction are **Chicago, IL; Detroit, MI; and Indianapolis, IN.**

**Units under construction** | Number of units that have broken ground, but are not online, as measured at the end of the quarter.

Top construction projects

The five largest construction projects in the Chicago MSA include:

5	Chicago Veterans Home AL/NC COMBINED - 200 UNITS	IL	0
		AL	44
		NC	156
4	Verandah Retirement Community AL/IL COMBINED - 205 UNITS	IL	125
		AL	80
		NC	0
3	Green Oaks Senior Living AL/IL COMBINED - 214 UNITS	IL	130
		AL	84
		NC	0
2	Alden Huntley CCRC - 249 UNITS	IL	79
		AL	60
		NC	110
1	The Carrington at Lincolnwood AL/IL COMBINED - 387 UNITS	IL	251
		AL	136
		NC	0

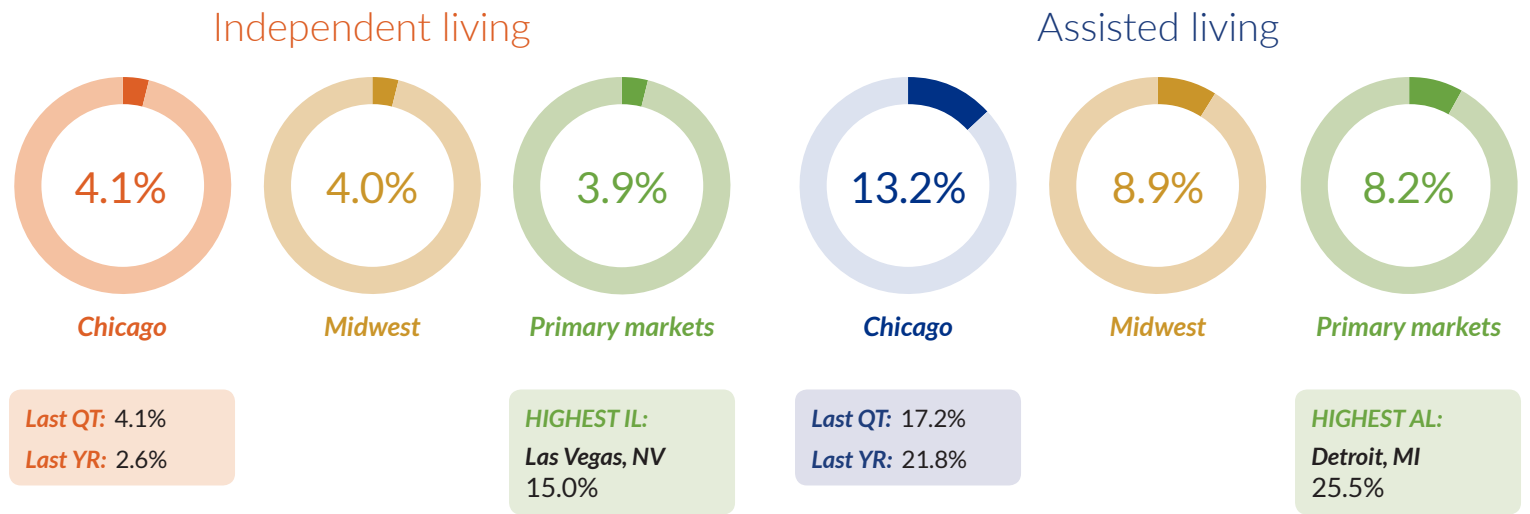




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**Construction as a percent of inventory**

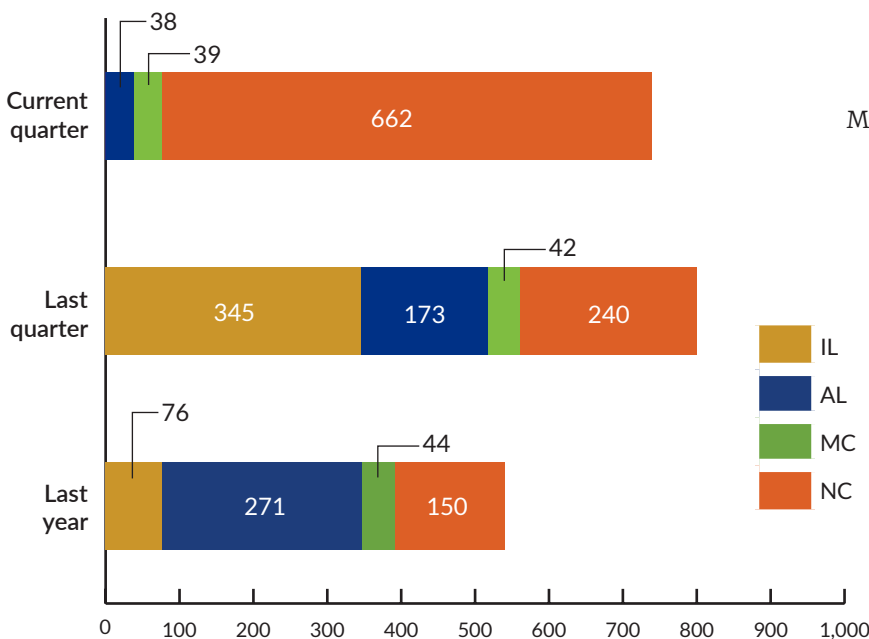
The Chicago MSA's IL construction as a percent of inventory is commensurate with the averages for the Midwest and primary markets this quarter. However, its AL construction as a percent of inventory is much higher. The Chicago MSA is significantly below the highest IL and AL cities in the primary markets, whose numbers rest at **15.0%** and **25.5%**, respectively.



Construction as a percent of inventory | Percentage of the total inventory of units that are still under construction.

**Sales transactions**

Chicago MSA transactions by unit/bed type



This quarter's 4 transactions included 739 units: 38 AL, 39 memory care (MC), and 662 nursing care (NC). Fewer units were sold this quarter compared to last quarter, which boasted 800 units sold in 8 transactions.

More unit were sold this quarter than the same time last year, whose 5 transactions accounted for 541 units.

	TOTAL # OF UNITS SOLD	# OF TRANSACTIONS
Current quarter	739	4
Last quarter	800	8
Last year	541	5



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**Labor & employment**

The average hourly wage for Nursing and Residential Care Facilities in the Chicago MSA is \$14.14. This is significantly below the average of the Education and Health Services industry, which was reported at \$22.41 for the Chicago MSA.

Low unemployment rates combined with low wage rates in the Chicago MSA's senior living sector may make it challenging to attract future employees for a new project.

Most recent data for unemployment rates:

Chicago MSA:

**3.8%**



Illinois:

**4.6%**



United States:

**4.4%**



	Education & Health Services		Nursing & Residential Care Facilities*	
	HOURLY WAGES	YEARLY WAGES	HOURLY WAGES	YEARLY WAGES
Chicago MSA	\$22.41	\$46,621.71	\$14.14	\$29,414.67
Illinois	\$24.55	\$51,064.00	\$14.05	\$29,224.00
United States	\$24.33	\$50,596.00	\$14.90	\$30,992.00

\*included in Education & Health Services

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Midwest senior living data refers to an aggregate of the following MSAs: Akron, OH; Chicago, IL; Cincinnati, OH; Cleveland, OH; Columbus, OH; Dayton, OH; Detroit, MI; Grand Rapids, MI; Indianapolis, IN; Madison, WI; Milwaukee, WI; Toledo, OH; and Youngstown, OH. The data contained in this report is obtained from the most recent data stores of NIC MAP® Data and Analysis Service ([www.nicmap.org](http://www.nicmap.org)) and the Bureau of Labor Statistics ([www.bls.gov](http://www.bls.gov)). Although the information was obtained from sources deemed reliable, no warranty or representation, expressed or implied, is made as to the accuracy of the information herein.