

METROPOLITAN PLANNING COUNCIL



Key Findings from the Regional Rental Market Analysis Will County

INTRODUCTION

Quality rental housing is a crucial part of a healthy housing market and is fundamental to the stability of families and neighborhoods throughout the region. Renters are a diverse group, from young adults starting out on their own to working families with children to households with special needs to senior citizens looking to simplify their lifestyles. A range of rental options is needed for the growing workforce in the region, whether hourly service employees or highly specialized professionals.

In November, 1999, the Metropolitan Planning Council published *For Rent: Housing Options in the Chicago Region*, prepared by the University of Illinois at Chicago, the Urban Institute, and Applied Real Estate Analysis, Inc., which summarizes seven technical reports and provides new information about the rental housing market in the six-county region, including demographic data, rent levels and vacancy rates, and qualitative information from focus groups and interviews. *For Rent* provides the baseline information necessary to craft innovative policies, programs, and investment strategies for the region's rental housing market. This is one of a series of briefing papers presenting highlights from the Regional Rental Market Analysis focused on particular geographic areas and subjects of interest.

DEMOGRAPHIC DATA

Metropolitan Chicago (Includes Cook, DuPage, Kane, Lake, McHenry, and Will Counties)

- Regionwide, there are approximately 1,024,00 households who rented in 1999, which represent 38% of all households.
- Compared to other Midwestern metropolitan areas, the Chicago region is underproducing rental units. Since 1990, the region has lost more than 50,000 rental units while the population has grown by over 500,000 people.
- The region's rental market is very tight with a 4.2% vacancy rate, well below the 6% measure used by the U.S. Department of Housing and Urban Development (HUD) to define tight market.
- About 11% of all renter households are fairly affluent, with annual incomes in excess of \$76,000.
- Approximately 50% of renters earn less than \$32,000 per year. In contrast, 12.2% of area homeowners earn less than \$32,000.
- 87% of all renter households receive no housing subsidy.
- Approximately 78.2% of households in Lake, McHenry, Kane, Will, Grundy, and Kendall Counties own their homes, and 21.8% rent.
- Nationwide, there has been an increase in homeownership rates since 1990. In the Midwest, the homeownership rate grew from 67.1% to 72.1% between 1990 and 1999. However, not all families will be able to transition to homeownership. Regionwide, renters' average annual income is approximately half of owners.

Household Incomes of Owners and Renters in Will County

Will County 1999	TOTAL	0 to 30% of AMI	30 to 50% of AMI	50 to 80% of AMI	80 to 120% of AMI	120% or more of AMI
		(up to \$20,000)	(\$20,000 to \$30,000)	(\$30,000 to \$45,000)	(\$45,000 to \$75,000)	(\$75,000 & above)
# of households	153,300	21,700	13,200	29,800	39,300	49,300
% of households	100%	14.2%	8.6%	19.5%	25.7%	32.1%

AMI refers to Area Median household Income, which is currently \$63,800 for a family of four in the region.

DIVERSITY OF RENTERS IN WILL COUNTY

Renter Households in Selected Counties who are:	
White (Non-Latino)	51.6%
African-American	27.4%
Other Race	9.0%
Latino (Any Race)	15.6%
Elderly	15.5%
Below Poverty	21.9%

"Selected counties" refers to Grundy, Kane, Kendall, Lake, McHenry, and Will Counties. Percentages are as a proportion of all renter households in these counties. Based on 1995 American Housing Survey data which aggregates these 6 counties.

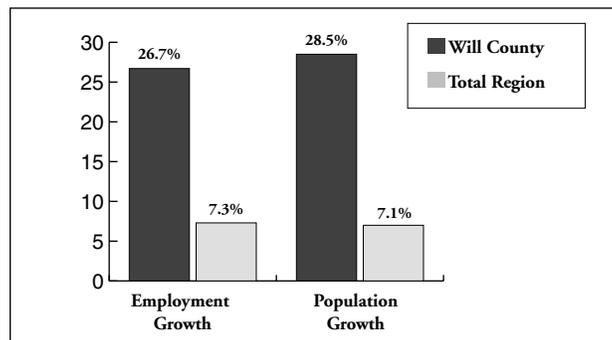
Data for renters in Selected Counties:

- The median age is 39 years.
- The average household size is 2 persons.
- 35% of renter households are one-person households.
- Approximately one-fourth of renter households have two people in the household.
- About one-third of renter households are made up of three or more people.

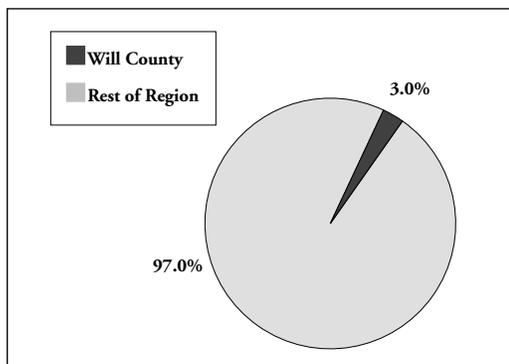
DEMAND FOR RENTAL HOUSING IN WILL COUNTY

Key indicators of demand for housing are population and employment growth. Will County has witnessed dramatic expansion in recent years, but the rental housing market has not kept up with the growth in population and employment.

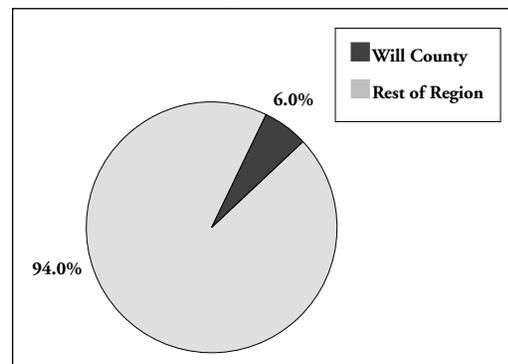
Change in Employment and Population, 1990-1998



Rental Units



Population



- While the population in Will County has grown by over 110,000 in the last decade and 47,600 new jobs have been created, only 3,438 new apartments have been added to the housing stock.
- While there are 84,000 entry-level jobs in Will County (1998), there are only 32,100 rental units (1999).
- There were 2,143 entry-level job openings in Will County in 1997.

ADDITIONAL INDICATORS OF HOUSING NEED IN WILL COUNTY

Other evidence further documents the need for rental housing.

- There are 60,000 families throughout the region on waiting lists for Housing Choice Vouchers (the new name for the restructured federal Section 8 tenant-based rental housing assistance).
- The Illinois Coalition to End Homelessness estimated 1,190 different people stayed in a shelter in Will County during 1996. Approximately 1,785 people were estimated to have slept on the street during the course of that year in Will County.
- An estimated 264,000 to 395,000 entry-level workers regionwide earning up to \$30,000 cannot afford housing costs of more than \$750 per month. This is below the average rent of \$884 for a three-bed room apartment in Will County. While most job openings are in suburban locations, many people seeking these jobs live elsewhere requiring one-way travel times of 90 minutes or more.
- Regionwide, 37.5% of renters pay more than 30% of their income for rent, the federal definition of rent burden. In the aggregated counties (Kane, Lake, McHenry, Will, Grundy, and Kendall), 41.6% of renters are rent burdened.

Rent Burden

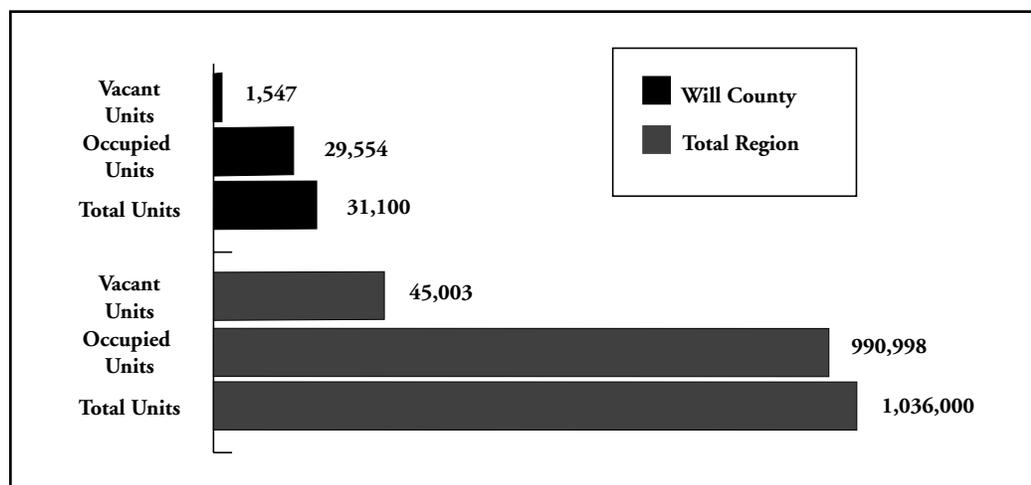
Percentage of Income Toward Rent	Selected Counties ¹	Selected Counties ²
30-49% of Income	25%	32,000-37,200
50% or More	17%	15,300-31,100
Total paying 30% or More	42%	47,300-68,300

1. Based on 1995 data 2. Based on 1999 estimates Selected counties refers to Kane, Lake, Kendall, Grundy, McHenry & Will.

- An estimated 8,000 to 8,600 renter households in the Selected Counties live in substandard units (plumbing, heating, or other serious maintenance problems).
- Between 3,700 and 3,900 renter households in Selected Counties live in overcrowded conditions.

SUPPLY OF RENTAL HOUSING IN WILL COUNTY

Available Apartments



- Will County's 5% vacancy rate represents a tight market, according to either HUD's 6% threshold or the 5% measure used by appraisers.
- The market is particularly tight both for apartments with 3 or more bedrooms.
- Average rents for larger apartments in Will County are the region's average rent rate for large apartments.
- Rents increased in Will County by 2.6% from 1998 to 1999, greater than the 2.0% increase in inflation.

Rental Units		Will County	Total Region
All Units	Vacancy Rate	5.0%	4.2%
	Average Rent	\$660	\$723
One-Bedroom Units	Vacancy Rate	7.1%	4.1%
	Average Rent	\$473	\$678
Two-Bedroom Units	Vacancy Rate	3.7%	4.0%
	Average Rent	\$640	\$746
Units with Three or More Bedrooms	Vacancy Rate	4.5%	4.9%
	Average Rent	\$884	\$824

Average rents are monthly.

HOUSING QUALITY AND ACCESSIBILITY

- 96% of all rental units in the collar counties are estimated to be in good condition.
- In the collar counties, 13.7% of all rental units are in buildings that are wheelchair accessible. The majority of wheelchair accessible units can be found in large buildings (with 10 or more units), which are most likely to have an elevator. However, not all units in these buildings will be accessible.

Units in Wheelchair Accessible Buildings	Percentage of Units in Building Category			
	Single Family	2-9 Unit Building	10 + Unit Building	Total
Collar Counties	0.9%	5.1%	30.9%	13.7%
Total Region	0.3%	6.4%	25.0%	13.6%

Collar counties refers to DuPage, Kane, Lake, McHenry, and Will Counties. Due to the data collection method, information cannot be broken down by county.

CONTINUING USES FOR THE DATA

The Regional Rental Market Analysis was designed to provide updated information so that a variety of stakeholders — from government officials and community leaders to housing providers and tenants advocates — can make informed decisions and better serve the region's housing needs. It has given new momentum to housing initiatives underway, both regionally and locally. These efforts include coordinated planning for sensible growth, employer assisted housing models, rent subsidies linked to supportive services, and innovative private investment and development strategies.

FOR MORE INFORMATION OR DISCUSSION

Or to request a presentation, contact Housing Director Robin Snyderman (rsnyderman@metroplanning.org) or Housing Associate Samantha DeKoven (sdekoven@metroplanning.org) at (312) 922-5616. **For Rent: Housing Options in the Chicago Region**, briefing papers for each geographic subarea, and the seven technical reports will be available on the Metropolitan Planning Council's web site at www.metroplanning.org.

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