

Lake County Housing Analysis

For Lake County Partners

October 2023

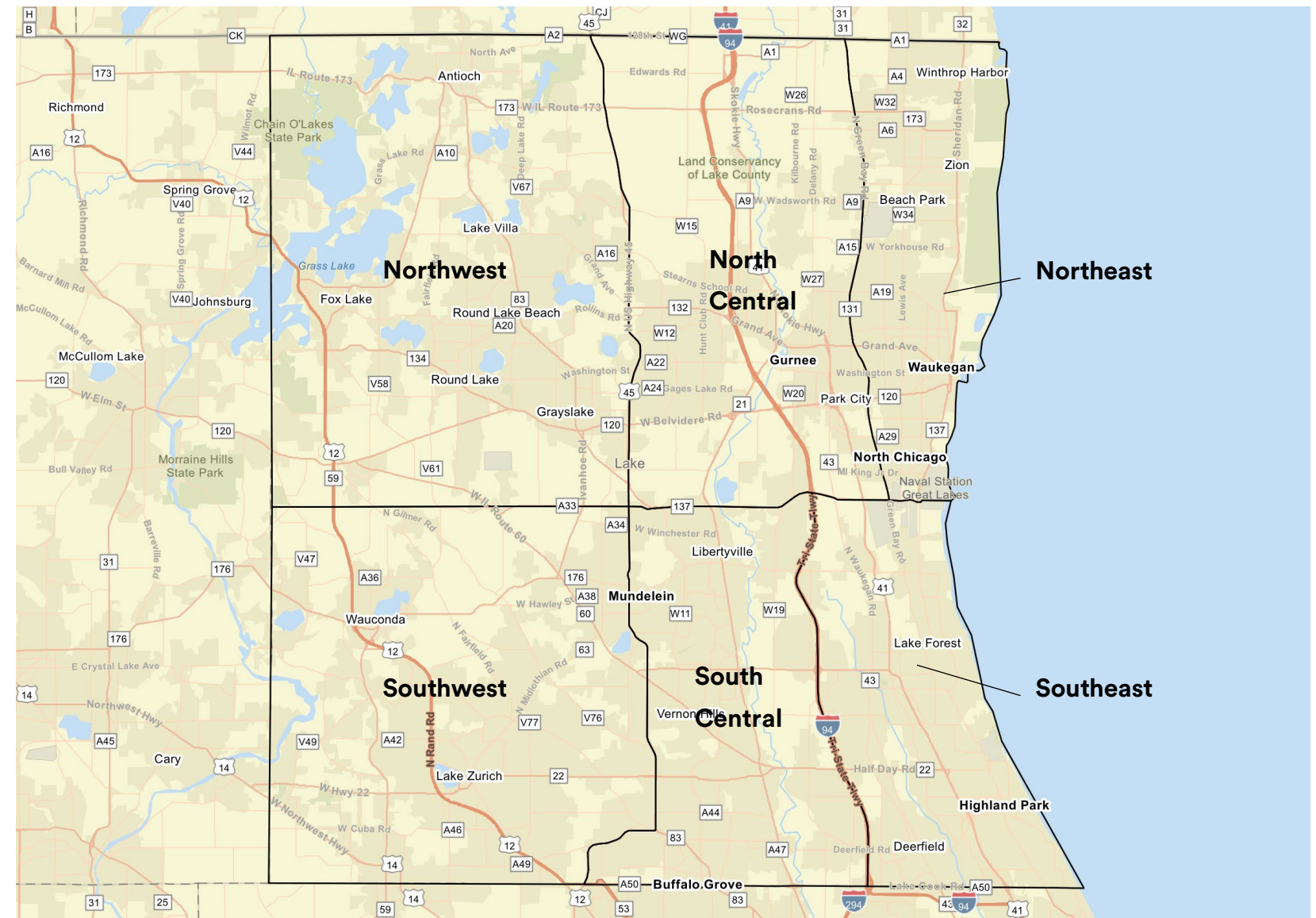
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Introduction

Purpose and Scope

Project Scope

Kretchmer Associates was retained by Lake County Partners to conduct a countywide housing analysis to understand demographic and market factors affecting the county overall and its communities. This report looks at housing as a whole, not just housing affordability or affordable housing.

We conducted the following:

- Divided the county into 6 sub-regions and collected and analyzed demographic, employment and housing market data
- Interviewed Realtors, developers, and housing staff at Lake County and the Illinois Housing Development Authority regarding housing issues

The next step, Phase 2, will be for communities to discuss individual and collective strategies for moving forward.

Organization of the Report

The sections that follow provide key data and analysis of the issues for the county as a whole and the six sub-regions. A separate Appendix includes detailed data for each sub-region.

Executive Summary

Key Issues

In order for Lake County to attract and retain residents and businesses, it must have a diverse housing stock that provides options for households at different life stages, ages, incomes, and sizes. It needs a greater diversity beyond owner-occupied single-family detached homes.

The lack of housing will limit the county's ability to attract and retain workers, particularly with an aging population, and projected decline in the working age population.

Between 2018 and 2022, new residential development averaged only 1,200 units per year, well below the near and long-term household projections by ESRI and CMAP. This will result in a significant shortage over time.

Despite modest overall projected growth in the county over the next five years, the projected increases in the number of senior households with incomes \$50,000 or over and households under age 65 with incomes \$100,000 or over will generate demand for 17,700 market-rate owner and renter units. Given the existing shortage of affordable rental units in the county, there is demand for 7,900 units for seniors and families, especially in the south sub-regions which have limited options.

Housing prices increased at a greater pace than income over the past four years. The share of homes selling for less than \$400,000 decreased substantially, while the share that sold for more than \$500,000 almost doubled. Rent increases also exceeded the rate of income growth and inflation.

Despite being an affluent county with a 2022 median household income of \$103,000, almost one quarter of all households earns less than \$50,000, including in the more affluent south sub-regions.

Countywide, 44,000 owners and 29,000 renters are living in unaffordable housing. While low-income households are most cost-burdened, a sizable number with incomes of \$75,000-100,000 are paying over 30% of their income for housing.

Restrictive zoning makes it difficult to build in many parts of the county. Much of the county was developed when large lot single-family housing was the preferred housing type. Education on the need for and benefits of a wider housing mix is needed to address common NIMBY concerns about new development.

Given high land costs in much of the county and increasing construction costs, it is difficult to build new affordable housing without government programs and incentives to developers, or direct subsidies to households. Government funding is limited and it is highly competitive to get. Corporate, foundation, and other support is also needed to serve those with low and moderate incomes, as well as those in the "Missing Middle" range who earn \$75,000-125,000.

Redevelopment of former office and retail properties offers an opportunity for residential and mixed-use development proximate to jobs and shopping.



Lake County Sub-Regions

Divided Into 6 Sub-Regions for Analysis

Sub-region Definitions

We divided the county into 6 sub-regions based on geography and general market areas.

They and the communities included in each are:

Northwest

Fox Lake, Antioch, Lake Villa, Lindenhurst, Round Lake Beach, Round Lake, Round Lake Heights, Round Lake Park, Grayslake, Hainesville, Volo, Lakemoor

North Central

Gurnee, Park City, Wadsworth, Old Mill Creek

Northeast

North Chicago, Waukegan, Beach Park, Zion, Winthrop Harbor

Southwest

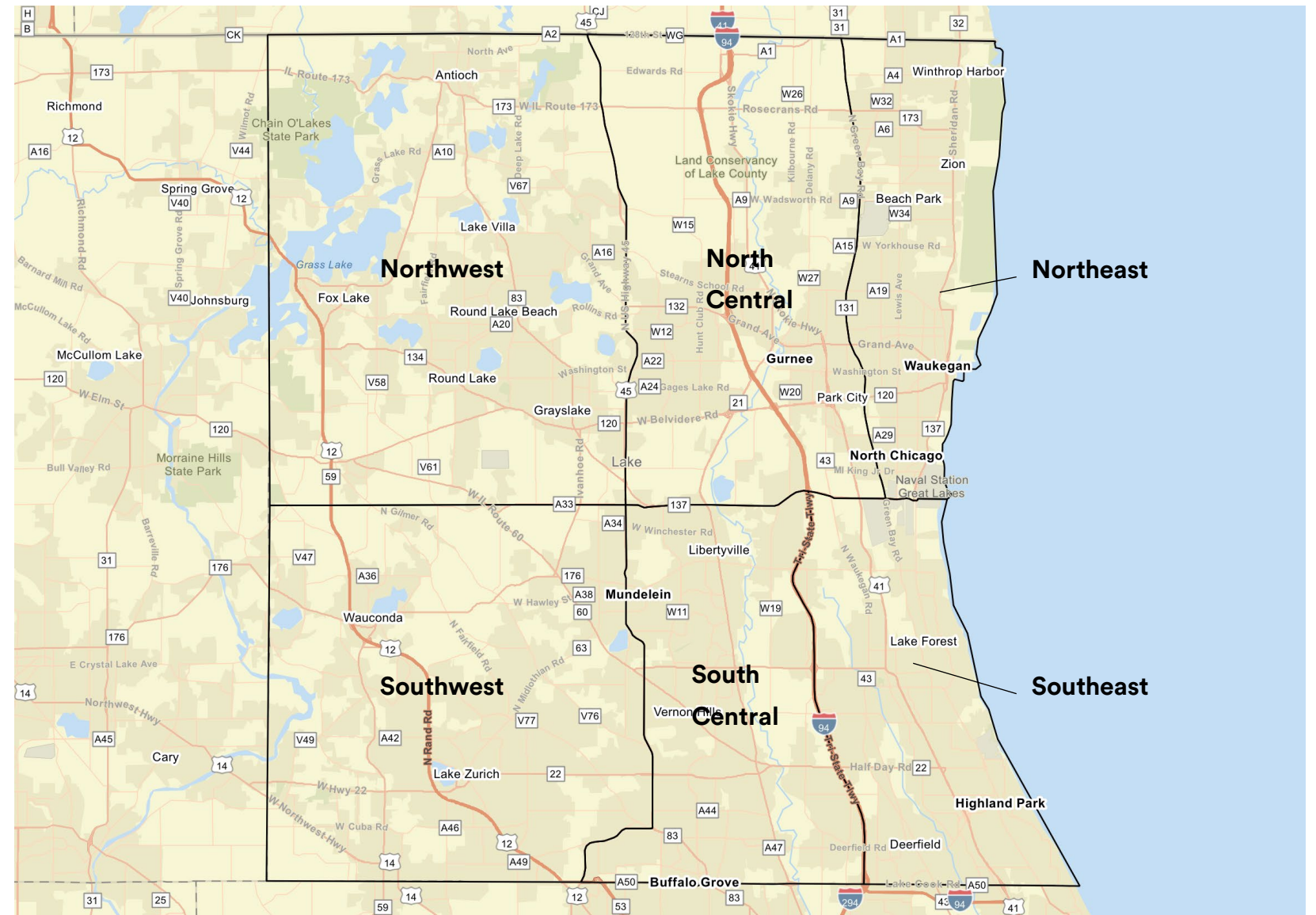
Barrington, Lake Barrington, North Barrington, Barrington Hills, Lake Zurich, Deer Park, Hawthorn Woods, Wauconda, Island Lake, Kildeer, Long Grove, Mundelein (portion)

South Central

Mundelein (portion), Libertyville, Vernon Hills, Lincolnshire, Buffalo Grove, Riverwoods, Mettawa

Southeast

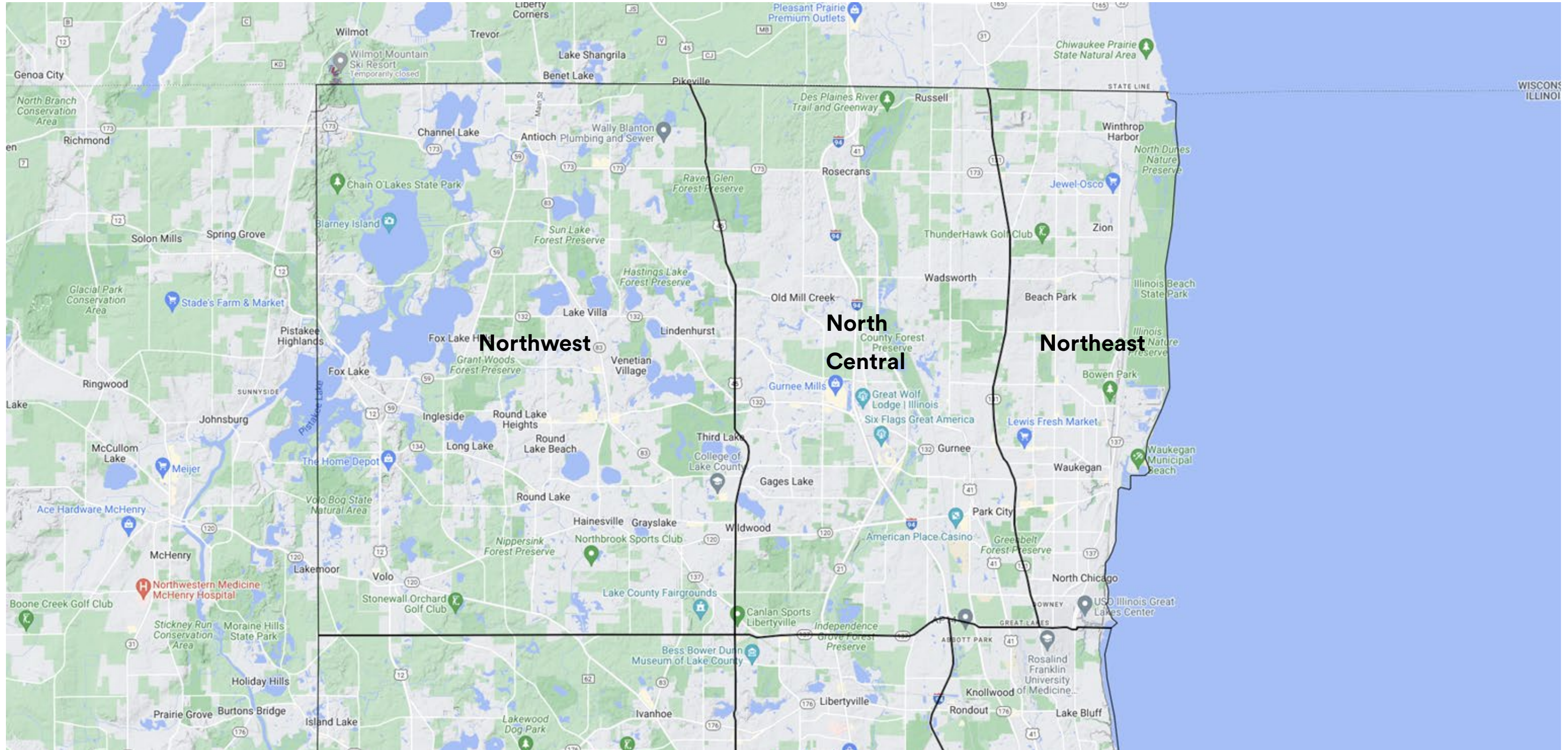
Highland Park, Deerfield, Bannockburn, Highwood, Lake Forest, Lake Bluff



Sources: ESRI, Kretchmer Associates

Lake County Sub-Regions

Northern Lake County Sub-Regions

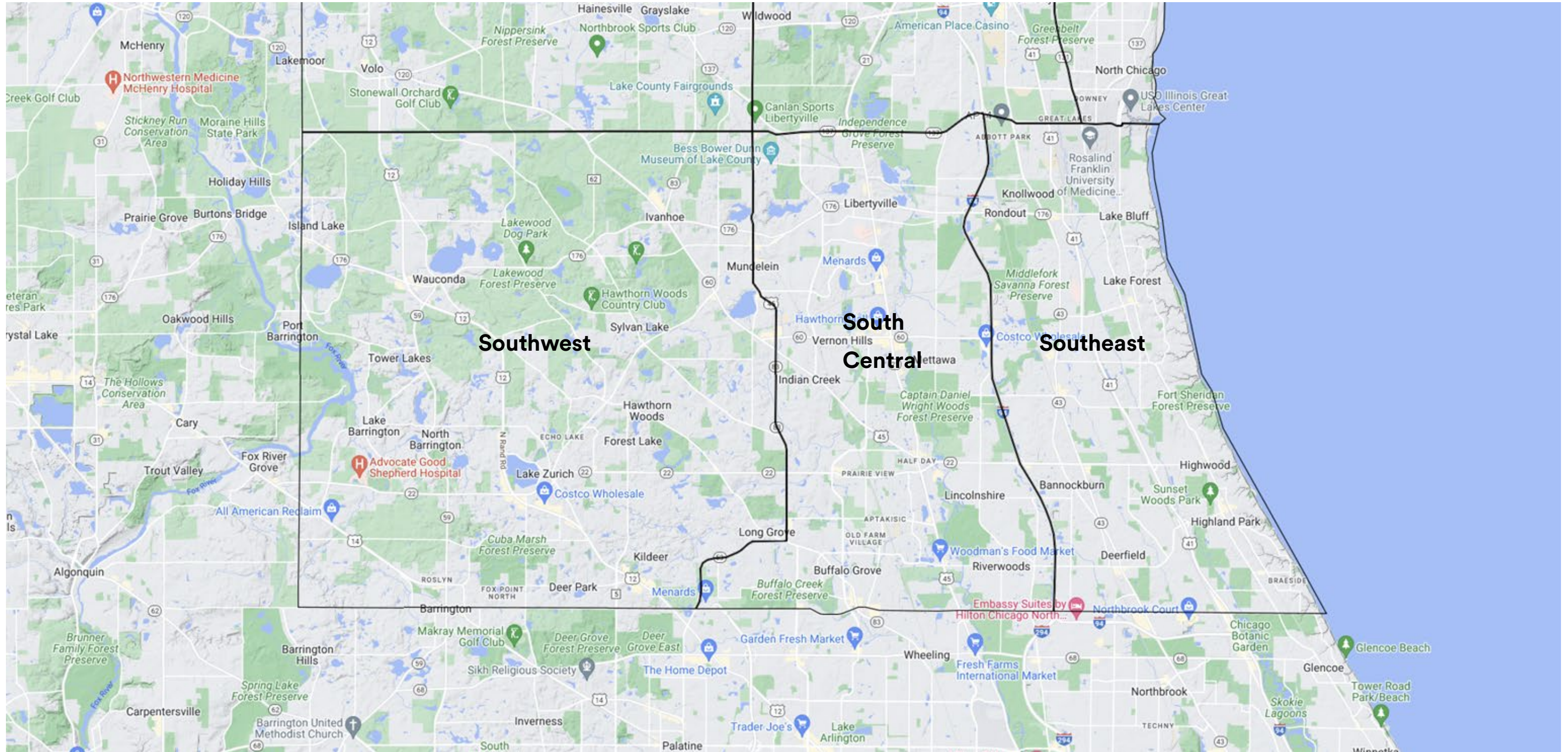


Sources: ESRI, Kretchmer Associates



Lake County Sub-Regions

Southern Lake County Sub-Regions



Sources: ESRI, Kretchmer Associates



Demographics

Slow Growth Since 2010

Population Growth Lagging DuPage County But Outpacing Others

Beginning in the 1950s, Lake County and DuPage County's population growth greatly outpaced nearby McHenry County's in Illinois and Kenosha County in Wisconsin. By 1960, DuPage's population exceeded Lake's.

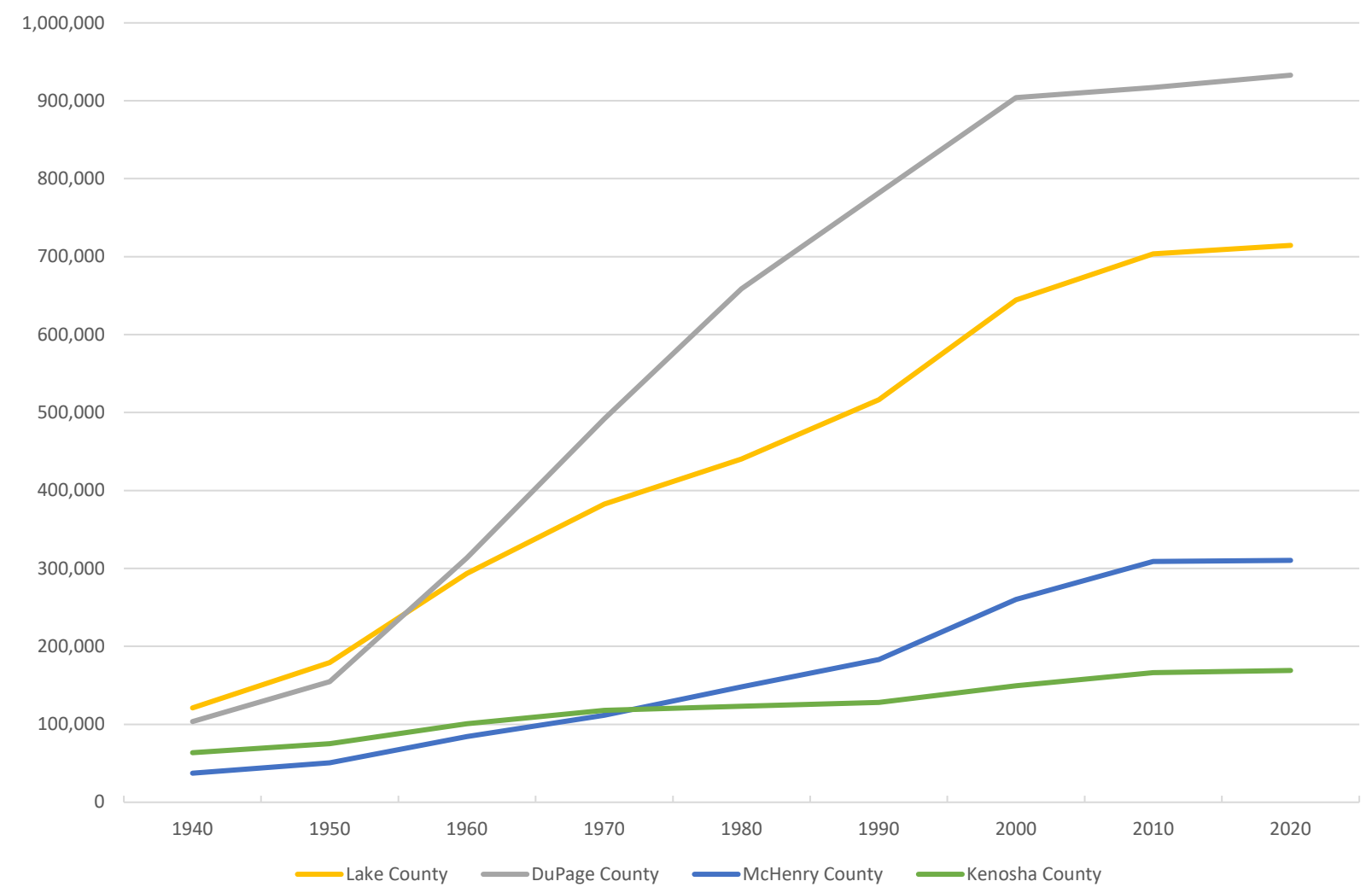
Still, by 2020, Lake County was home to 714,342 residents, more than double McHenry County's 310,229 and more than 4x Kenosha County's 169,151. DuPage County had 932,877. (With its population of over 5.2 million people, home of Chicago, Cook County is not comparable so is not shown.)



Open space near Tribeca of Grayslake townhouses. It is important to maintain Lake County's natural assets amidst population growth and development.

Source: MI Homes

Population Growth in Lake County and Nearby Counties



Source: Source: IPUMS NHGIS, University of Minnesota, www.nhgis.org

Demographics

Stable or Aging with Decreasing Working Population

Population Trends

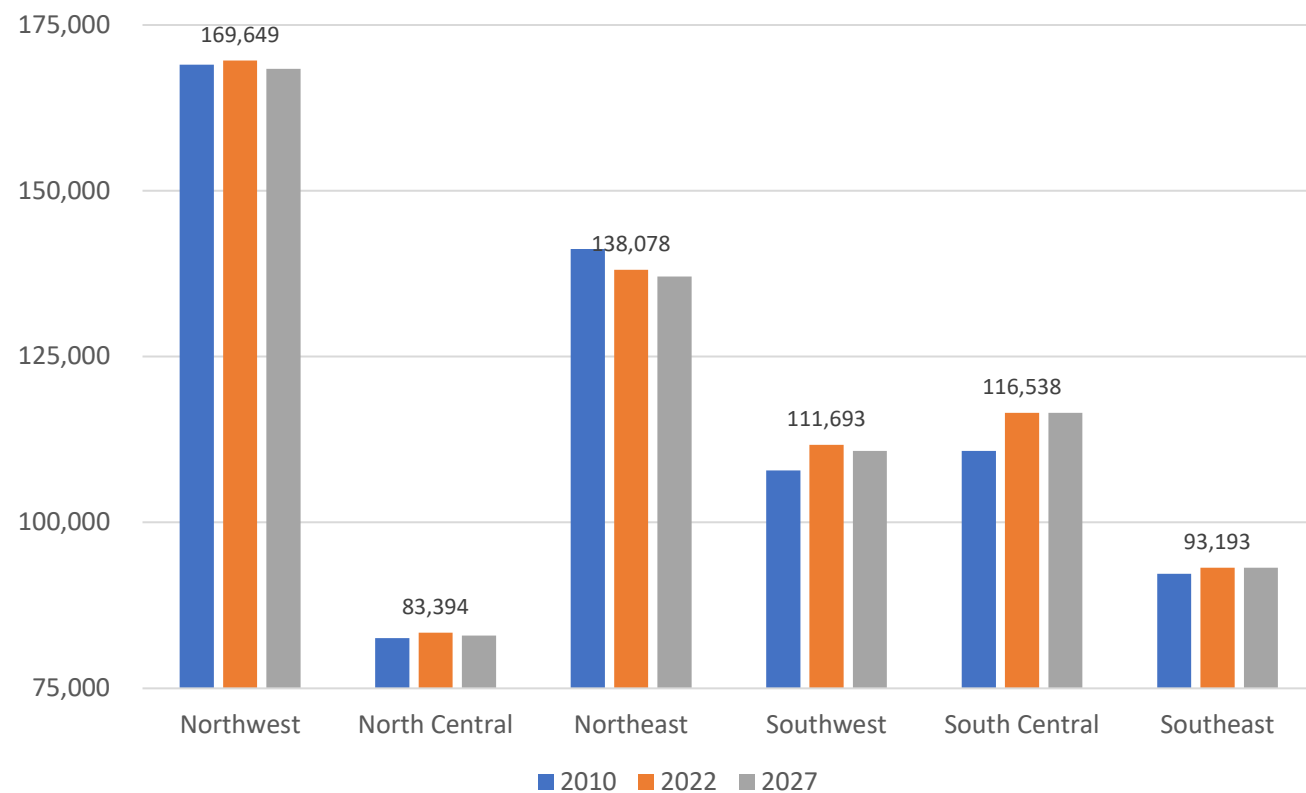
From 2010-2022, Lake County's population grew by 1.3% (8,900) or 740 per year. However, according to projections by ESRI, a demographic data vendor, the county's population is projected to decrease slightly by 0.5% (3,700) over the next five years.

Five sub-regions gained population since 2010, with only the Northeast declining. However, over the next five years, the North Central, Northeast, Northwest and Southwest are projected to lose between 400 and 1,300 residents each, while the Southeast and South Central areas are projected to be stable.

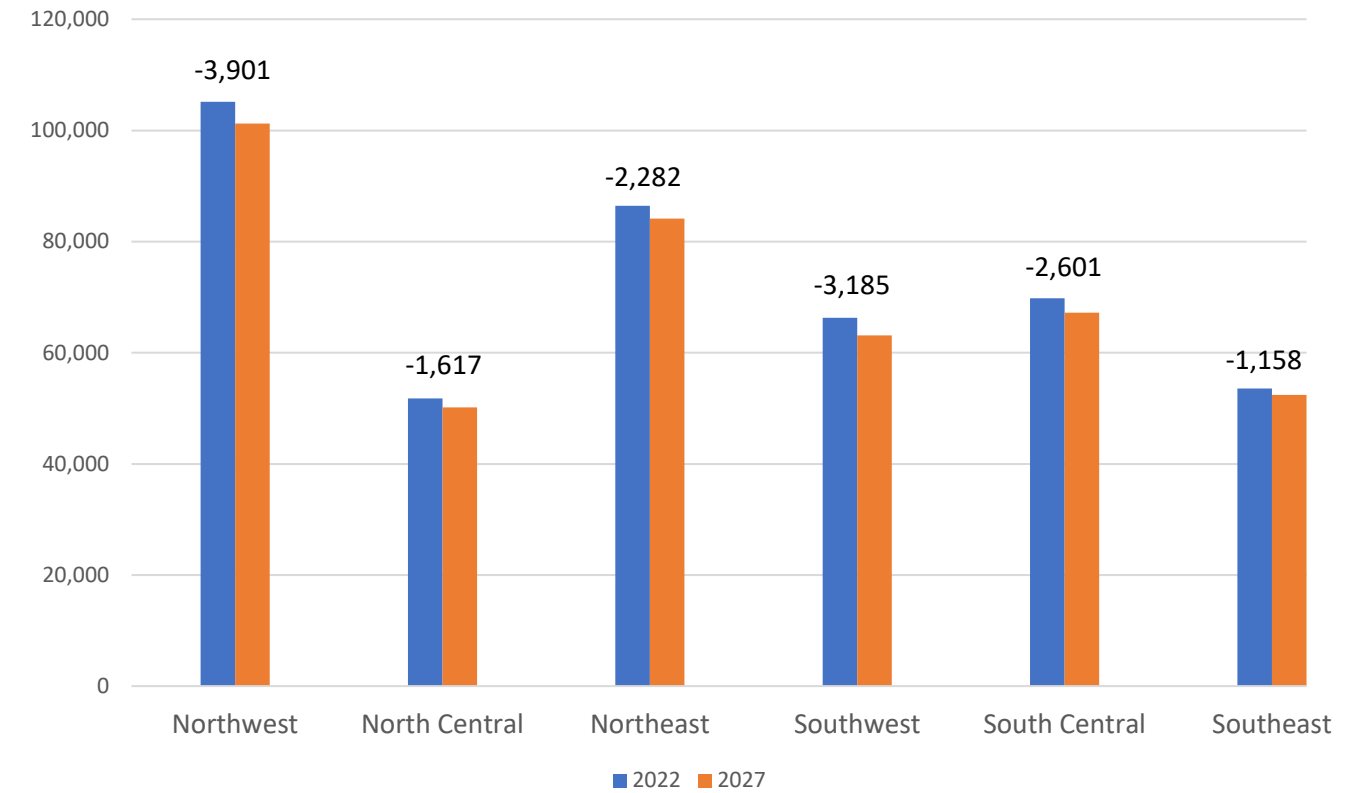
Population Age 18-64 Declining

By 2027, the working age (18-64) population of Lake County is projected to shrink by 14,747 people, with declines in every sub-region. This is not unique to the county given the aging population nationwide, but it remains a demographic factor that will affect communities and companies.

Lake County Sub-Regions Population Trends 2010-27



Population Age 18-64 by Sub-Region, 2022 and 2027



Source: ESRI



Demographics

Household Growth Greater than Population Growth, but Projected to Slow

Household Trends

From 2010-2022, the number of households grew by 5% (12,200) or 1,000 per year, almost 5 times the rate of the population. However, the rate is projected to slow to only 0.2%, or 100 per year, over the next five years.

All of the sub-regions registered increases over the last 12 years, with the greatest in the Northwest, Southwest, Northeast and South Central sub-regions. Increases are projected in four of the six areas, with small declines projected in the Northeast and Southwest.

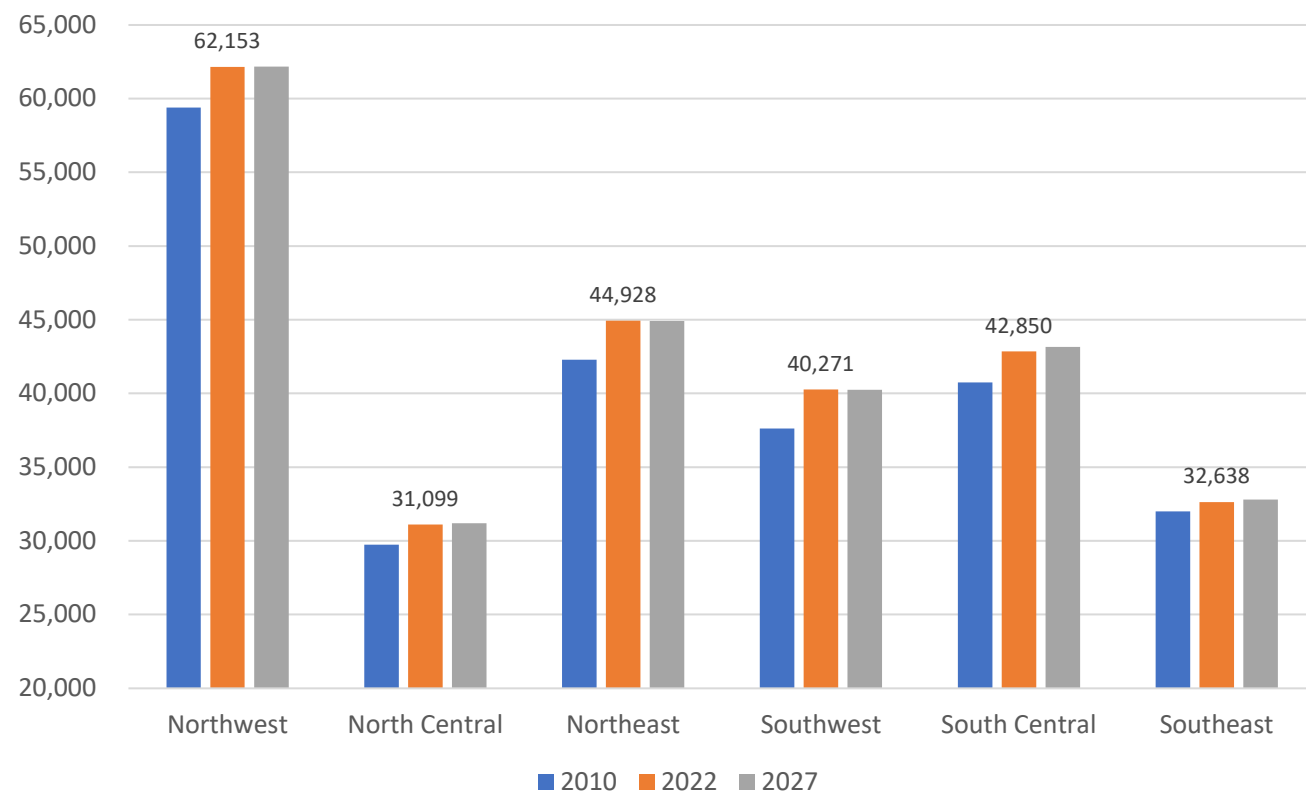
Long term, the Chicago Metropolitan Agency for Planning (CMAP) projects Lake County will grow by more than 31% between 2020 and 2050, adding 79,500 households, an average of 2,700 per year. Current trends are not on track to meet this prediction.

Aging Householders

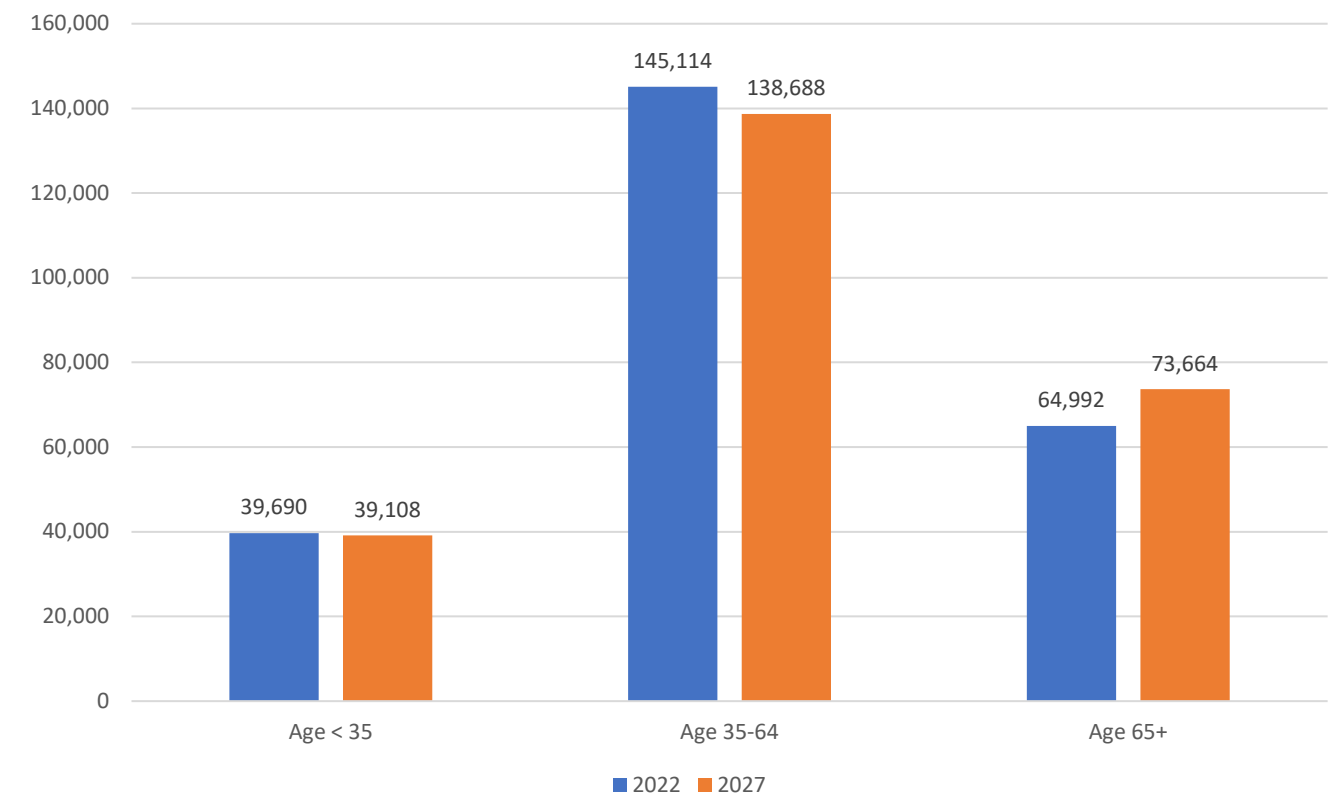
Senior-led households are growing in number, while households of other ages are expected to decline by 2027. This reflects the aging of the Baby Boomer generation and is not unique to Lake County.

Seniors are projected to increase by 13% countywide, while the number of households headed by a person 35-64 years of age is projected to decrease by 5%, and the number under 35 by 1.5% countywide. This has implications for the county's labor force.

Lake County Sub-Regions Household Trends (2010-27)



Lake County Households by Age (2022-27)



Source: ESRI



Demographics

Affluent – with Significant Differences

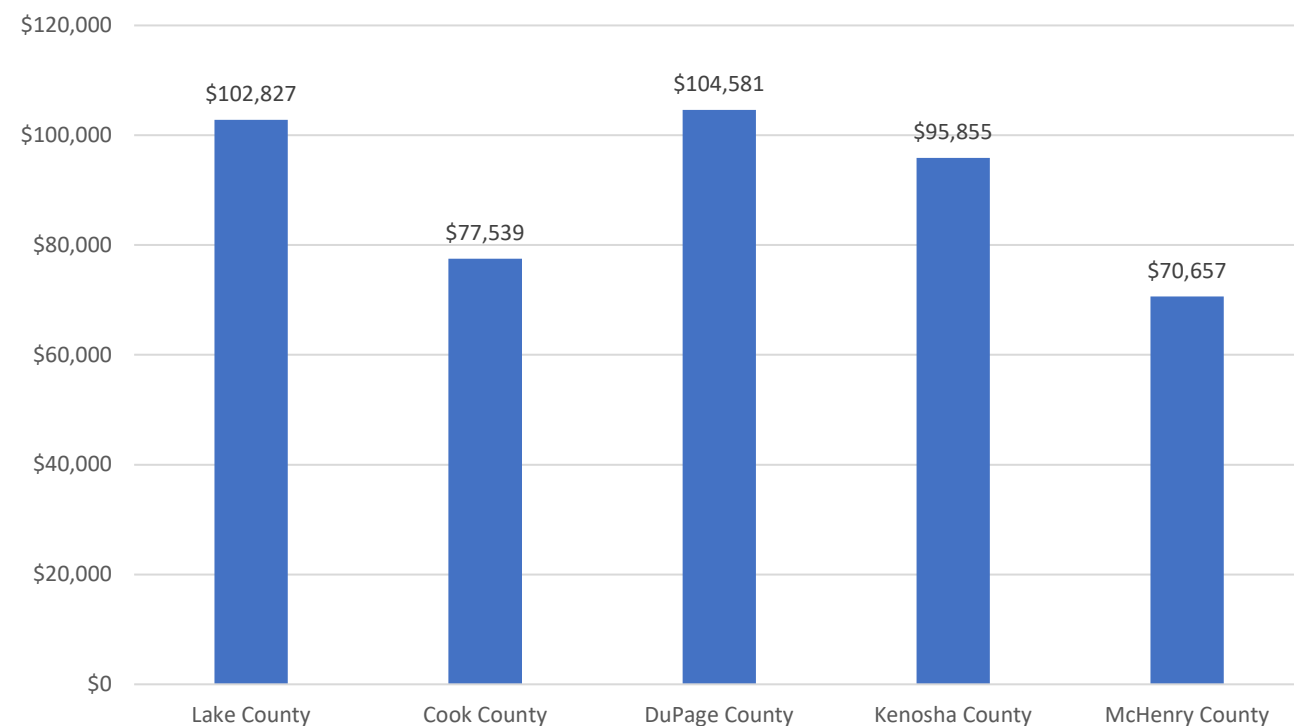
Median Household Income

Lake County is affluent with a median household income of \$102,800 in 2022. This compares to \$77,500 in Cook, \$70,700 in McHenry, \$104,600 in DuPage and \$95,900 in Kenosha counties.

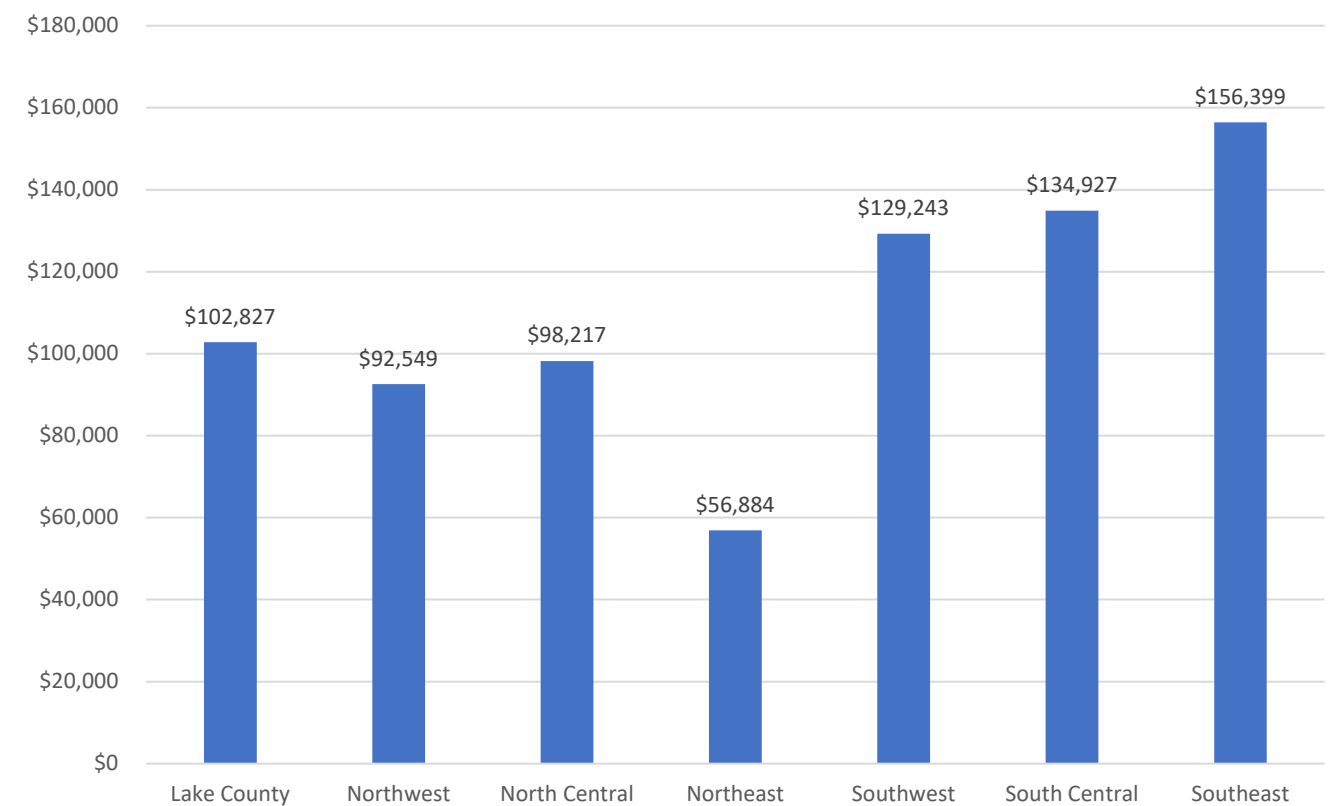
However, there is a significant divide between the north and south sub-regions, ranging from \$56,900 in the Northeast to \$156,400 in the Southeast. Even with these high incomes, 23% of all households have incomes under \$50,000, including 19-20% in the three south sub-regions, and 27-45% in the three north sub-regions.

The county's median household income is projected to grow by 14% over the next five years to \$117,000, with the greatest increases among households with incomes over \$100,000.

Lake County and Other Counties 2022 Median Household Income



2022 Median Household Income in Lake County and Sub-Regions



Source: ESRI



Diversity

A County of Many Ethnicities

Diversity Varies Across Sub-Regions

According to ESRI's Diversity Index, Northeast Lake County is the most diverse sub-region, while the Southeast is the least diverse. People who identify as White are the majority in every sub-region besides the Northeast, which also has the largest share who identify as Black/African American.

In addition to the Northeast, North Central and Northwest Lake County are also more diverse than the United States as a whole.

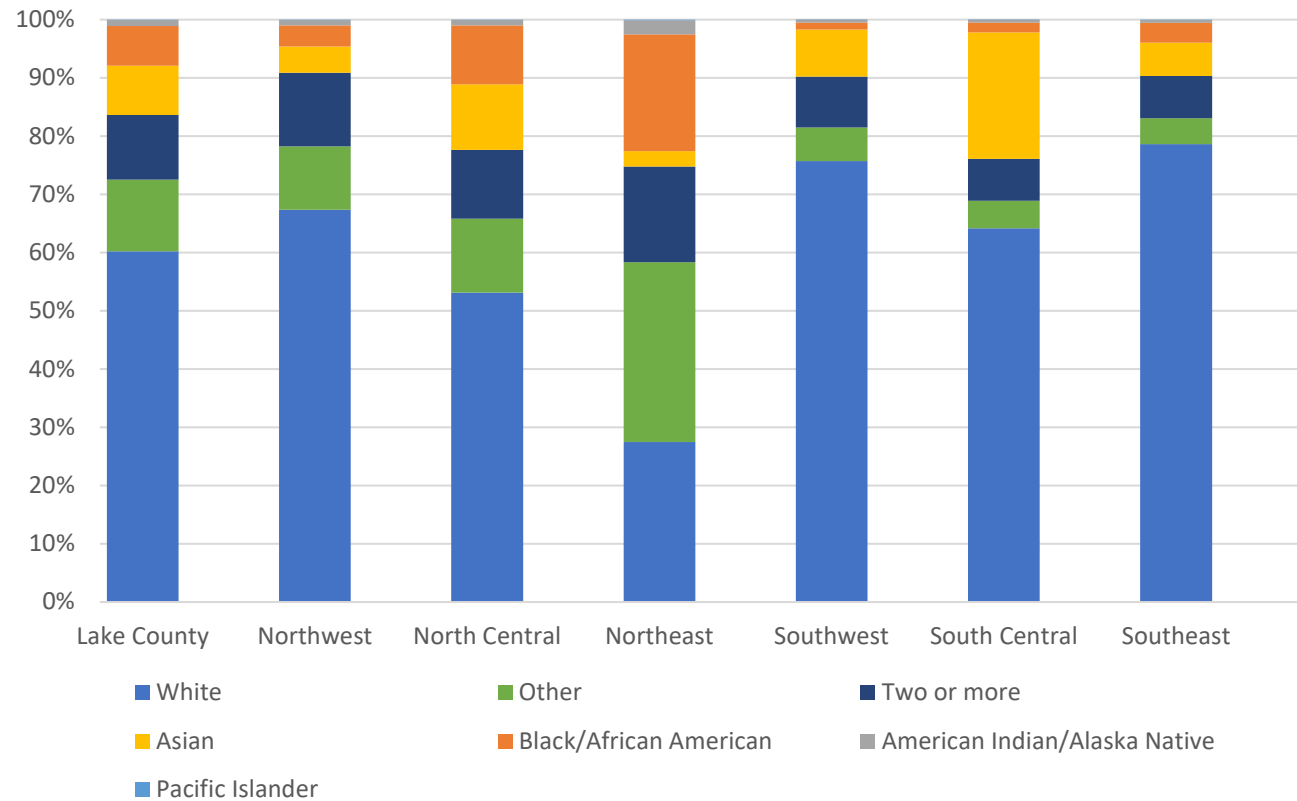
A higher percentage of the South Central sub-region's population identifies as Asian by a wide margin.

Increasing Asian and Hispanic Population

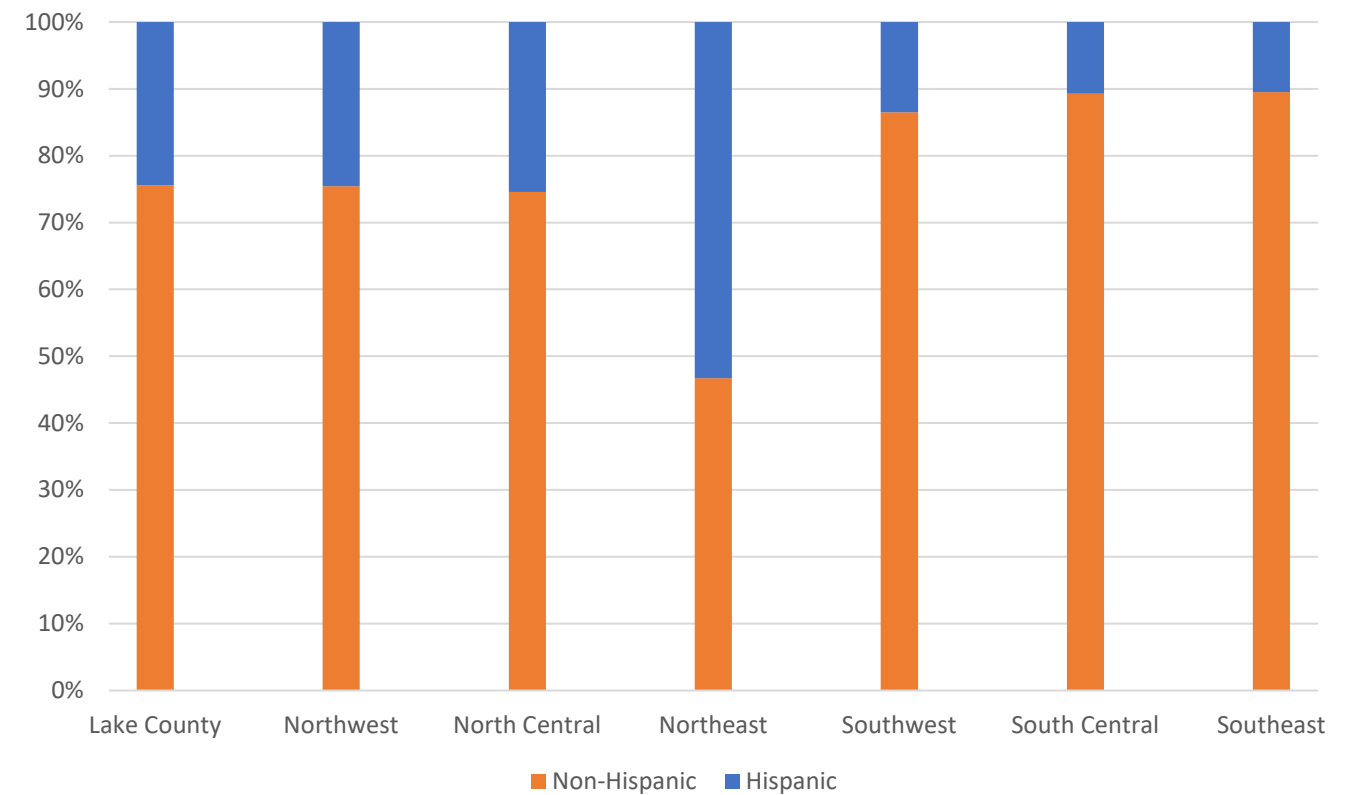
Contributing to its high diversity level, a majority of people in the Northeast identify as Hispanic (53%). This is the only sub-region in which this is the case. The Northwest and North Central sub-regions have a higher share of Hispanic people (25% - like Lake County) than the Southwest, South Central, and Southeast (11-14%).

By 2027, ESRI projects decreases in the White non-Hispanic (-4%), and the Black non-Hispanic population (-1%), with increases in the Asian non-Hispanic (+5%), and the Hispanic population (+4%). The Hispanic population is projected to increase at a higher rate in the three south than in the three north sub-regions, though the absolute number is far greater in the north sub-regions.

Lake County and Sub-Regions - Share of Population by Race/Ethnicity, 2022



Lake County and Sub-Regions - Hispanic Population Share, 2022



Source: ESRI

Job Locations by Sub-Region

Where People Live and Work

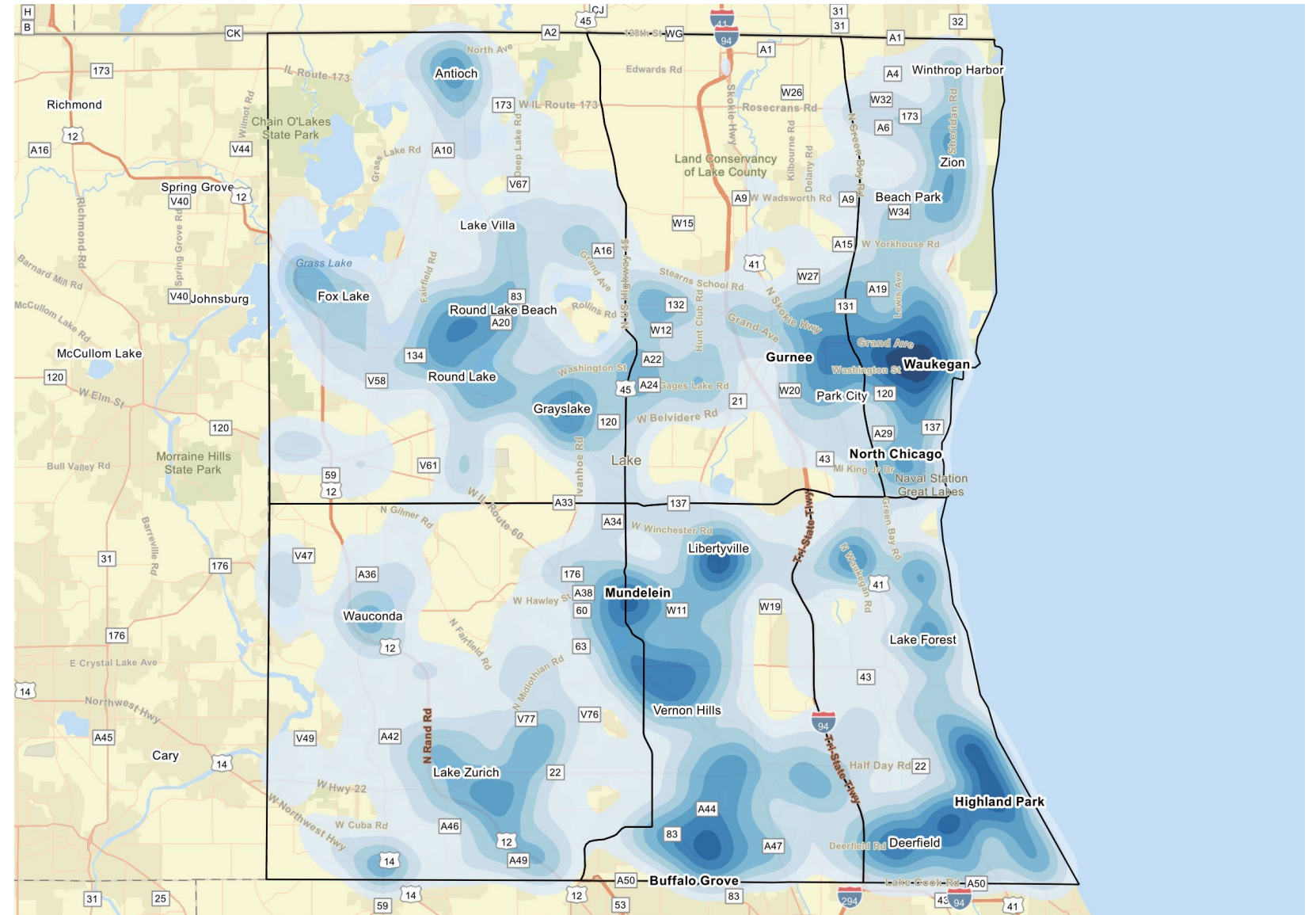
Job Concentrations

The South Central and Southeast sub-regions have the most jobs. The largest job concentrations are in the South Central sub-region with over 100,000 jobs, primarily in Vernon Hills, Buffalo Grove, Mundelein, and Libertyville, and in the Southeast sub-region with nearly 70,000 jobs, primarily in Highland Park, Deerfield and Lake Forest.

However, there are also significant concentrations in the Northeast in Waukegan, the North Central in Gurnee, and the Northwest in Round Lake Beach. The Northeast has the fewest jobs, despite having many jobs in certain categories given its role as a government and industrial center.

Darker blue areas have more jobs.

However, since the COVID-19 pandemic, the number of employees physically working in the county's office parks, particularly in the Southeast, has decreased. A number of major companies already have or plan to decrease their office space in the coming year.



Sources: U.S. Census On The Map, Kretchmer Associates

Job Locations by Sub-Region

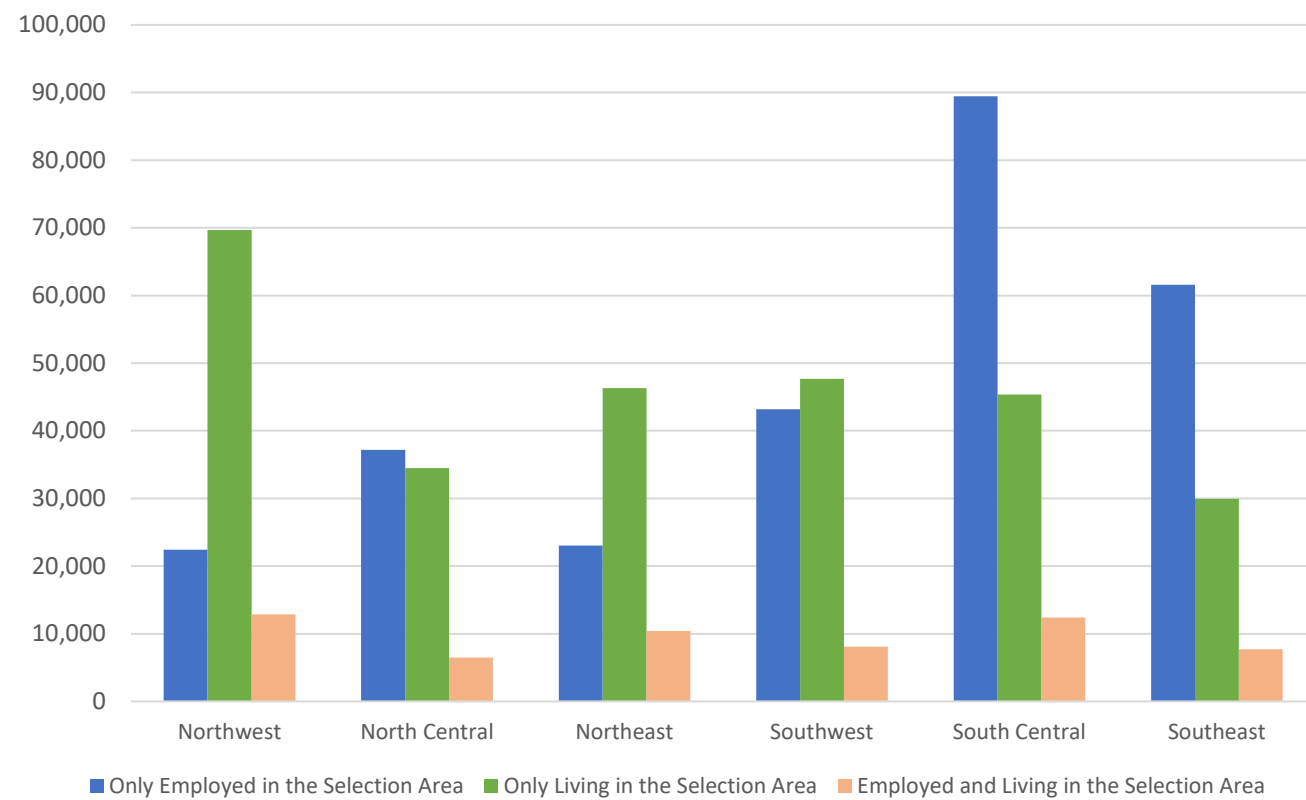
Commuting

Commuting from Northwest to South Central/Southeast

As suggested by the proportion of residents to workers, there is a net outflow of over 40,000 people who live in the Northwest but commute to other areas for work due to the more limited local employment opportunities. The Northeast also has a net outflow of more than 20,000 workers. The North Central and Southwest are in relative balance between those commuting in and out.

The Northwest and South Central have the largest number of people who both live and work within the sub-region, with more than 12,000 people, followed by the Northeast, with more than 10,000. From 11% to 36% of workers in each sub-region also live where they work. However, only 12% in the South Central and 11% in the Southeast live where they work.

Lake County Workers by Sub-Region



Lake County Net Commuter Inflow/Outflow by Sub-Region (2019)



Source: U.S. Census On The Map

Housing Characteristics

Mostly Owner-Occupied in Every Sub-Region

Housing Tenure

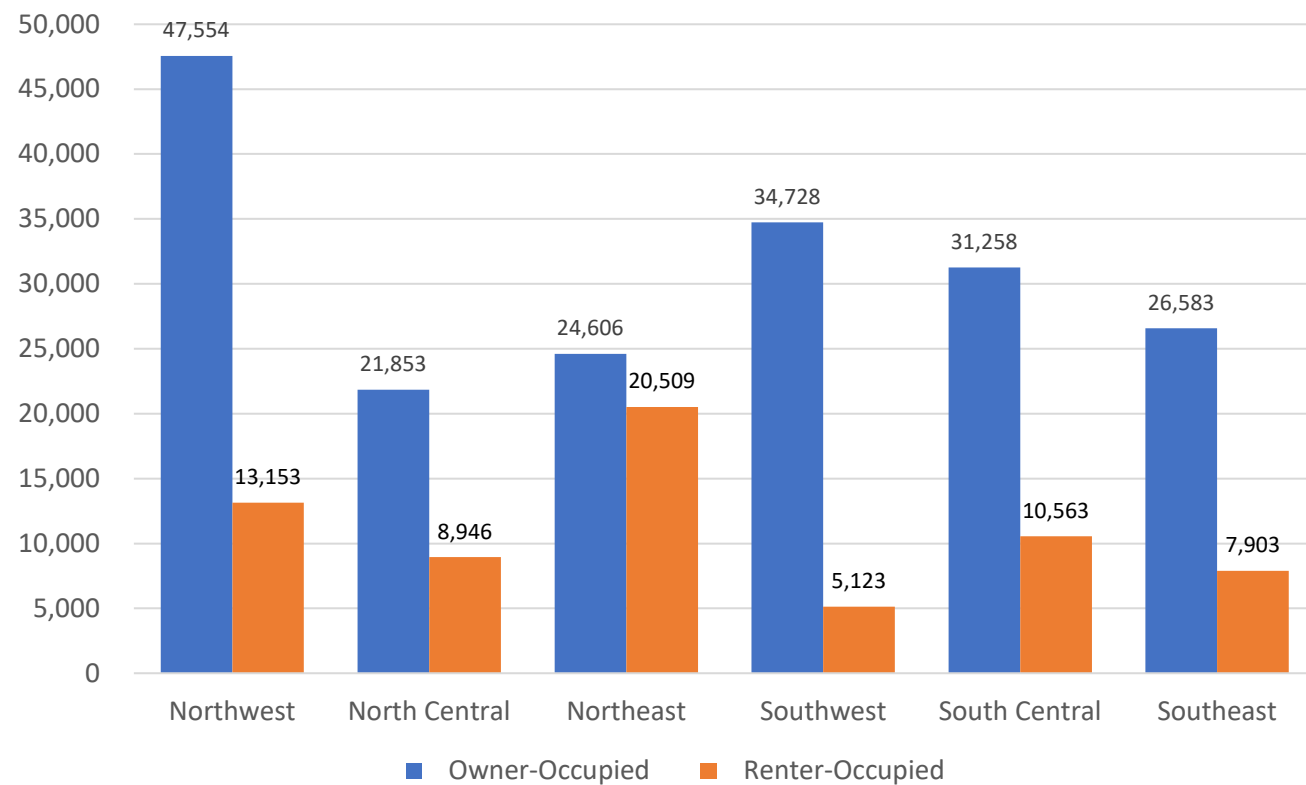
Countywide, 74% of housing units are owner-occupied and 26% are renter-occupied, though the shares vary considerably by sub-region. The Southeast and Northwest have the highest owner shares (87% and 78%), while the Northeast has the lowest (55%).

In absolute numbers, the Northeast has the largest concentration of rental units (more than 20,500), more than the South Central and Southeast sub-regions combined. While many Hispanic households own their homes, rentals predominate in this sub-region in which they are the majority.

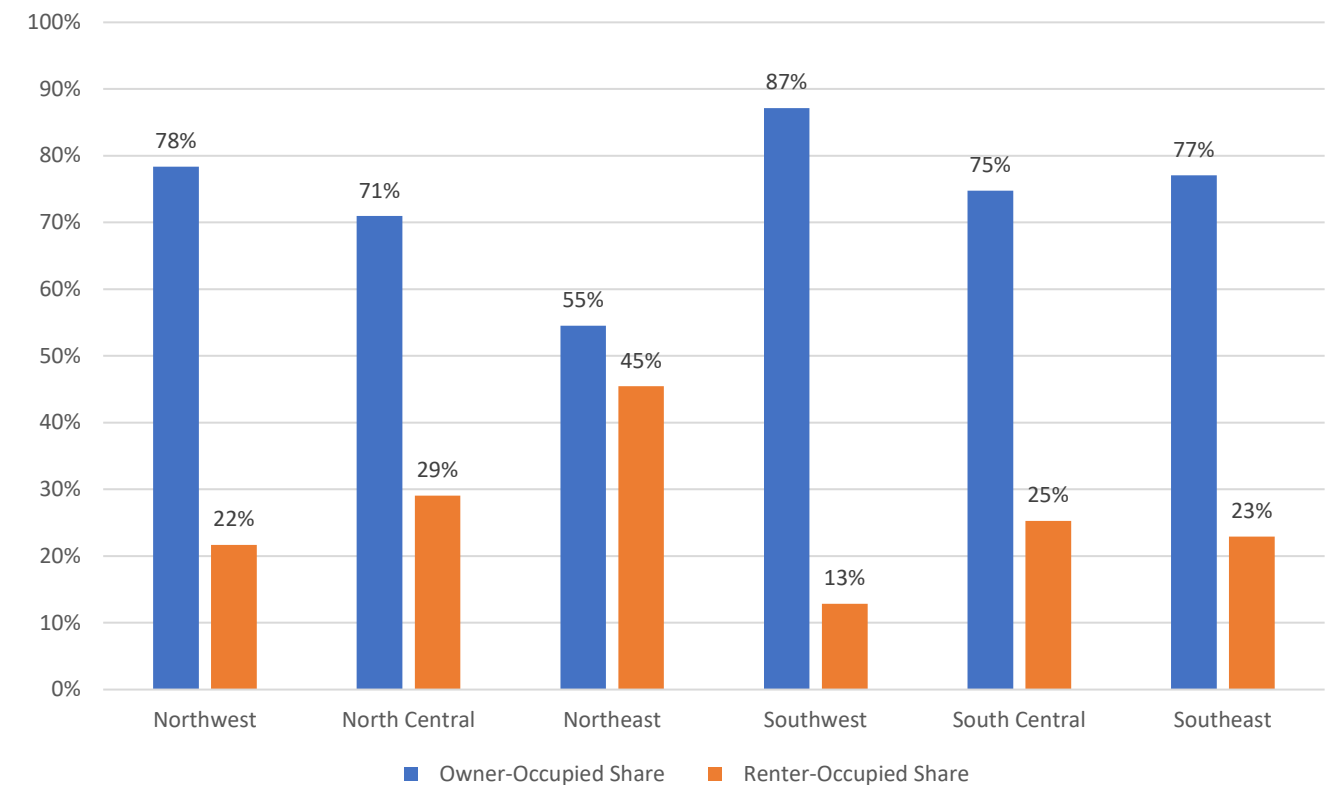
Though it has 18% of all households, the Northeast accounts for 31% of all rental housing in the county. Owner-occupied units are more evenly distributed among the sub-regions.

The Southwest sub-region has both the lowest share and the lowest absolute number of rental units. In addition to the Southwest, the Southeast and Northwest fall short of the County's 26% renter share.

Lake County Owner and Renter Units By Sub-Region, 2017-2021



Lake County Owner and Renter Unit Shares by Sub-Region, 2017-2021



Source: U.S. Census American Community Survey

Housing Characteristics

High Rents in South Lake County

Market Rents

The median gross rent (including tenant-paid utilities) was \$1,286 in the county according to the most recent 2017-2021 American Community Survey and ranged from a low of \$1,006 in the Northeast to \$1,723 in the South Central sub-region. This high rent is due to the fact that more market-rate Class A apartments have been constructed in this sub-region than the others.

There is a shortage of rental units in most of the county with rent pressure in all areas, but especially in the south sub-regions. There are also fewer single-family homes available for rent now than in the past 10 years. The for-sale market exploded during the pandemic and many owners of single-family rental homes sold.

Class A market-rate apartments, which tend to be newer and have more in-unit and common area amenities such as a washer/dryer, have much higher net rents (before tenant-paid utilities). Two-bedroom units in these properties have rents ranging from \$1,455 in the Northeast to more than \$4,000 in the Southwest and Southeast sub-regions. The median gross rent is lower than the Class A two-bedroom market rents in all of the sub-regions.

TWO-BEDROOM RENTS IN CLASS A APARTMENTS

Sub-Region	Asking Range
Northwest	\$1,545
North Central	\$1,991-2,289
Northeast	\$1,455-1,520
Southwest	\$2,159-4,076
South Central	\$2,778-3,925
Southeast	\$2,400-4,040

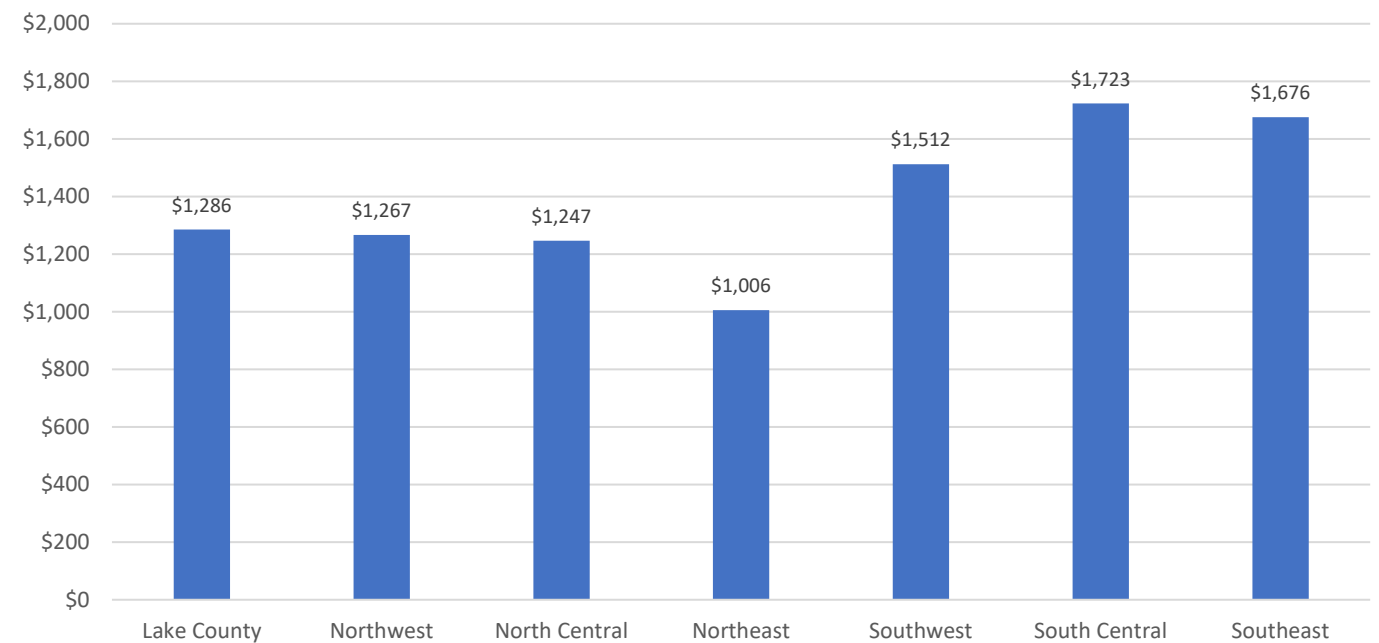
Source: Kretchmer Associates based on on-line listings

According to Moody's Analytics, between 2019 and 2022, average asking rents at Class A properties in East Lake County increased by 25% and in West Lake County by 9%.

However, the newest apartments in the Northeast and North Central sub-regions are now more than 20 years old, accounting in part for the lower rents. There is only one Class A property in the Northwest sub-region and it was built last year in Volo.

Given high construction costs and interest rates, only the higher income areas can support the rents needed to finance market-rate apartments. Public incentives of varying degrees are needed to make developments financially feasible in most locations, such as free or reduced land cost, waiving fees, and utilizing TIF. In recent years, new construction has been almost exclusively the luxury end of the rental market.

Lake County and Sub-Regions - Median Gross Rent, 2017-21



Source: U.S. Census American Community Survey

Housing Characteristics

Supply Constraints Leading to Price Increases

For-Sale Market – Single-Family Detached Homes

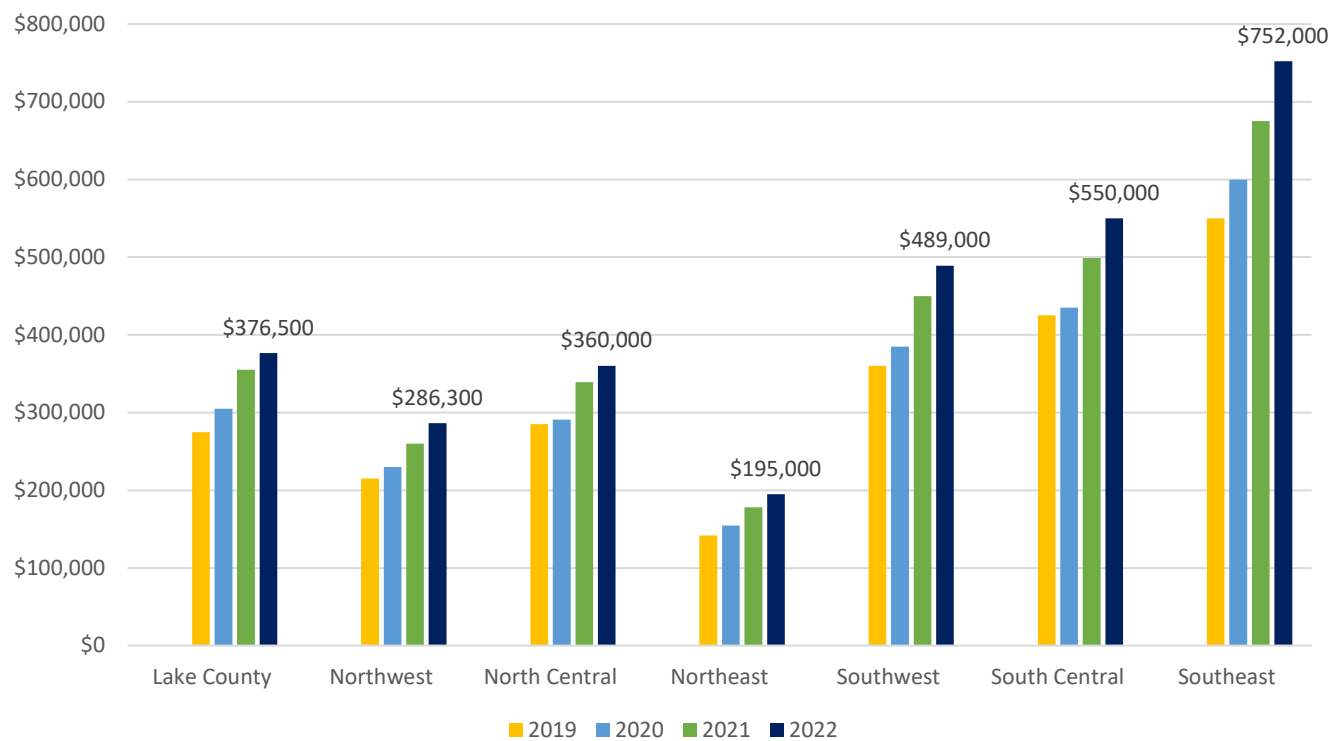
The for-sale market has seen major price increases since 2019 before the start of the pandemic. The median single-family detached home price in Lake County was \$377,000 in 2022, a 37% or \$101,500 increase in three years. In 2019, 72% of all single-family detached homes sold for under \$400,000. By 2022, the share decreased to 54%, while the share of homes selling for over \$500,000 almost doubled from 18% to 33%.

Home prices vary greatly in the county. The median single-family detached home price in 2022 was an affordable \$195,000 in the Northeast, but \$752,000 in the Southeast. 91% of homes that sold for less than \$250,000 and 71% of those that sold for \$250,000-400,000 were in the three North sub-regions. The Southeast and South Central sub-regions had very few homes selling for less than \$400,000.

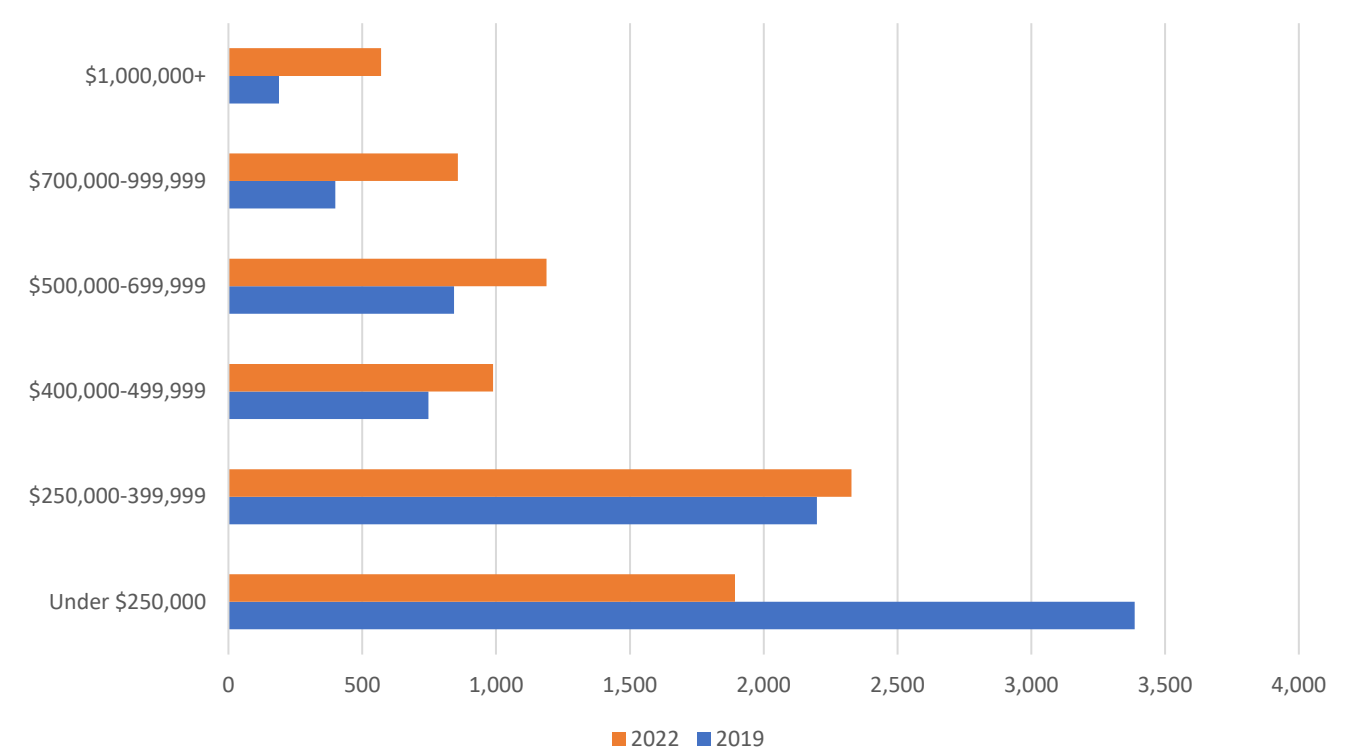
According to local Realtors, “COVID was a gift to the suburbs.” Along with record low interest rates, the number of detached homes sold in Lake County in 2021 was 33% higher than the number in 2019, but returned to the pre-COVID level in 2022 when interest rates increased. COVID accelerated the movement of younger buyers looking for more open space outside of Chicago, and people working from home needed more room for home offices. With less frequent commuting trips to downtown Chicago and other suburban job centers, buyers were willing to move to suburbs farther out from Chicago, including Lake County.

Low interest rates made it possible for buyers to afford larger homes. Inventory is tight, and even with the increase in interest rates in the past year, demand exceeds supply. Homeowners with low interest rate mortgages are reluctant to move and take on mortgages with much higher rates. Baby Boomers are not selling unless they have to, since what they want to buy or rent isn’t readily available.

Single-Family Detached Median Home Sales Prices
In Lake County and Sub-Regions, 2019 - 2022



Lake County Single-Family Detached Home Sales
Price Distribution, 2019 and 2022



Source: Midwest Real Estate Data (MRED)



Housing Characteristics

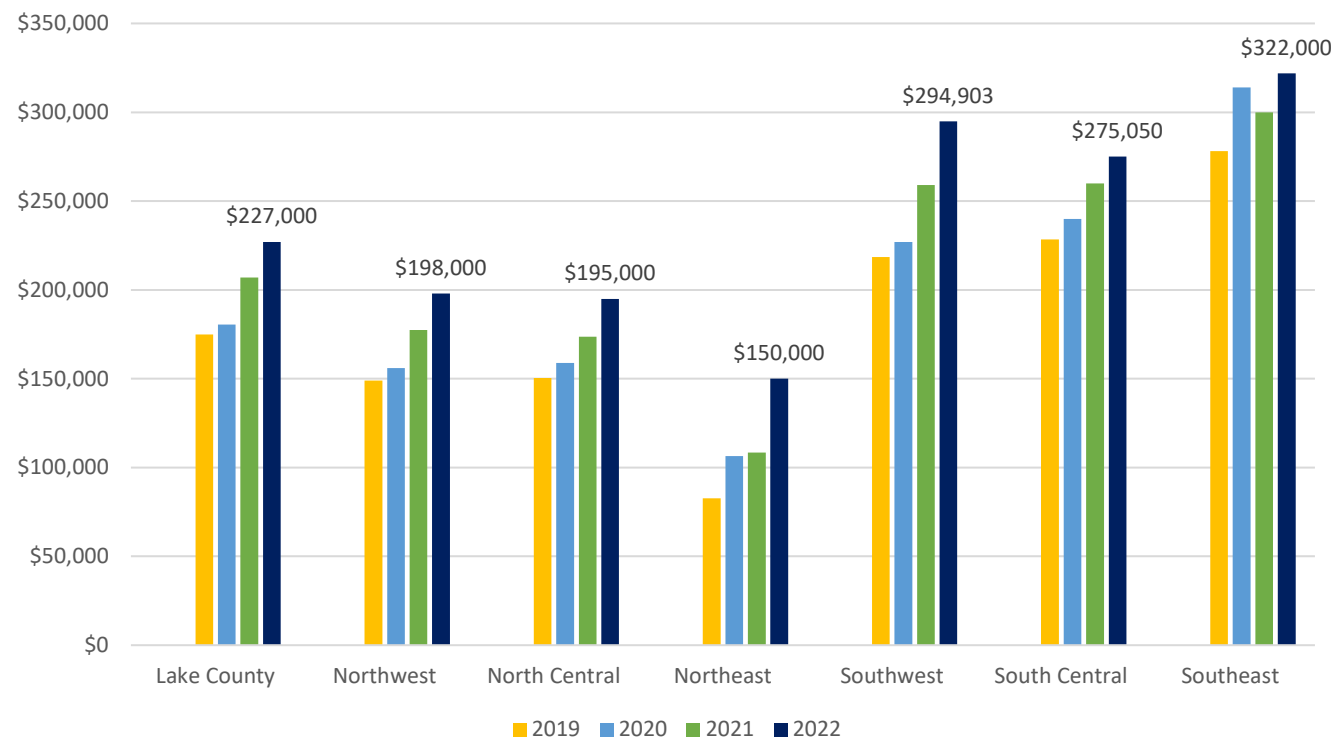
Supply Constraints Leading to Price Increases

For-Sale Market – Single-Family Attached Homes

The median single-family attached (condos and townhouses) price was \$227,000 in 2022, a 30% or \$52,000 increase since 2019. All sub-regions experienced large percentage increases. Of particular note is the 82% increase in the median single-family attached home price in the Northeast sub-region. Among sub-regions, the price range was less extreme for single-family attached than detached homes - lowest in the Northeast at \$150,000 and highest in the Southeast at \$322,000.

Townhouses can be a more affordable ownership option, especially for first-time buyers and those with incomes between \$75,000 and \$150,000. Condominiums in elevator buildings can offer a lower maintenance option, especially for seniors. However, there has been very limited new condominium development in recent years other than a few buildings in the Southeast sub-region.

Single-Family Attached Median Home Sales Prices
In Lake County and Sub-Regions, 2019 - 2022



Source: Midwest Real Estate Data (MRED)



Tribeca of Grayslake townhouses Source: MI Homes



Townes at Oak Creek townhouses in Mundelein Source: D.R. Horton

Housing Characteristics

Price Appreciation Outpacing Income Growth

For-Sale Market

Housing price appreciation is outpacing income growth. Since 2019, the median income for a 4-person household in the county increased by 17% and the CPI by 18%, while the median single-family detached home price increased by 37%. At the same time, the price of a median single-family home increased from 3.1 times the median income to 3.6 times, making for-sale housing less affordable.

It is becoming increasingly difficult for first-time buyers to find homes in the \$200,000-400,000 range in most parts of the county, despite strong demand and need. Northern Lake County offers the only affordable options, though entry level homes under \$300,000 typically need work. Kenosha County has attracted buyers in search of more affordable newer homes.

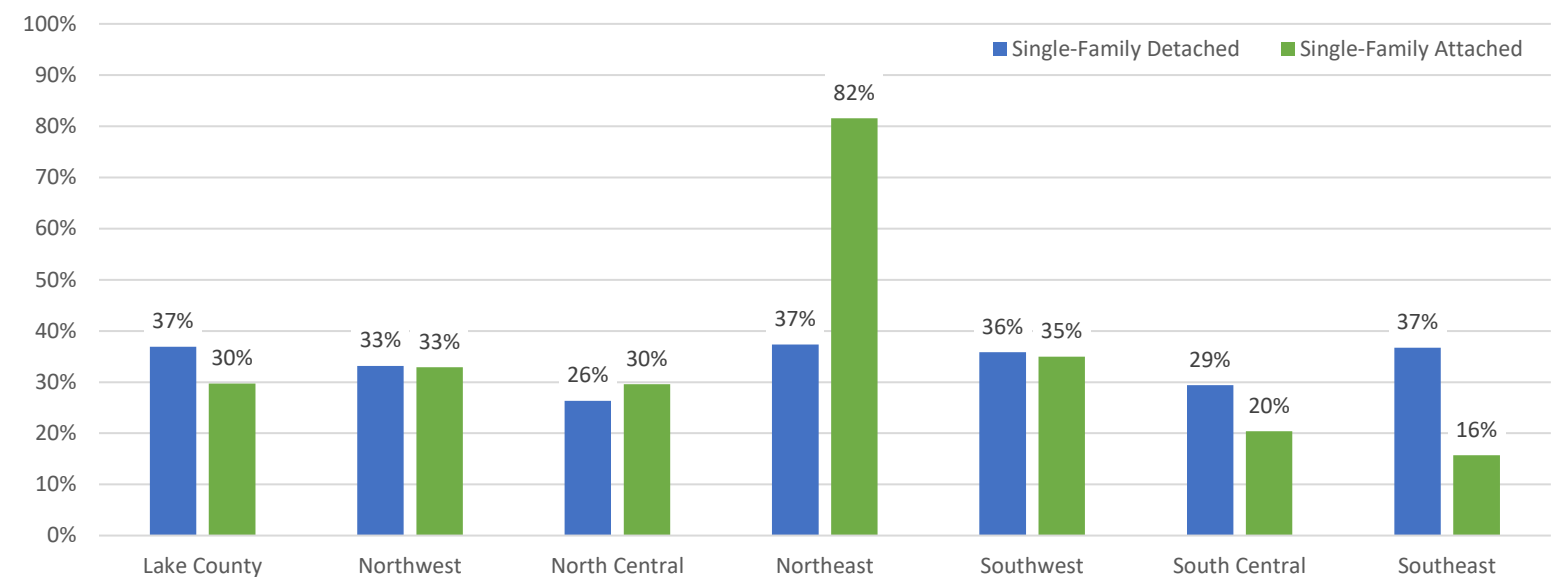
Teardowns are most prevalent in Southeast Lake County, resulting in less expensive smaller homes being replaced by expensive large ones. Prices for new homes aren't high enough to justify teardowns of smaller homes in most other parts of the county.

LAKE COUNTY MEDIAN INCOME AND SINGLE-FAMILY DETACHED MEDIAN SALES PRICE, 2019-22

Year	4-Person HH Median Income	SFD Median Sales Price	Ratio of Sales Price to Median Income
2019	\$89,100	\$275,000	3.1
2020	\$91,000	\$305,000	3.4
2021	\$93,200	\$355,000	3.8
2022	\$104,200	\$376,500	3.6
% Change	16.9%	36.9%	

Source: Kretchmer Associates; IHDA; Midwest Real Estate Data

Percent Change in Median Single-Family Detached and Attached Home Sales Prices - Lake County and Sub-Regions, 2019 - 2022



Source: Midwest Real Estate Data (MRED)

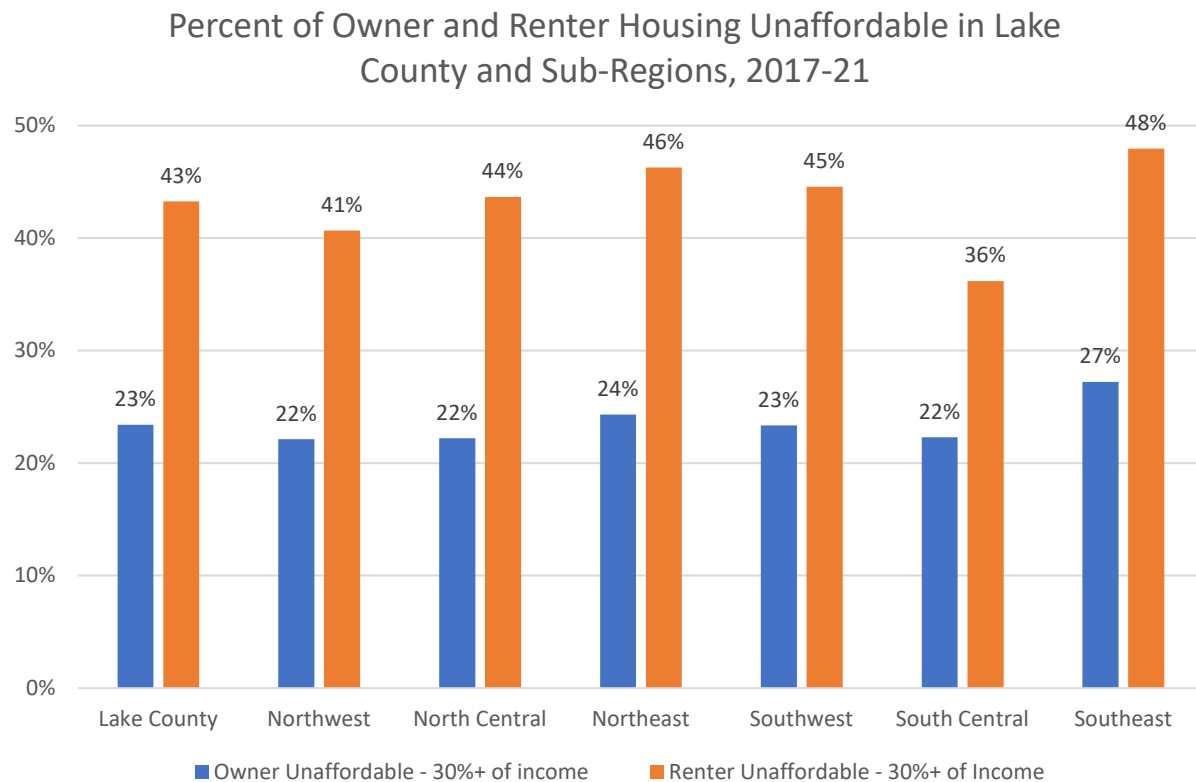
Housing Affordability

23% of Owners & 43% of Renters Live in Unaffordable Housing

Affordability for Renters and Owners

In total, 44,000 owners and 29,000 renters in Lake County are living in unaffordable housing and are considered cost-burdened, paying 30%+ of their income.

Almost 75% of renters with incomes under \$50,000 and 31% with incomes between \$50,000 and \$75,000 are living in housing that is unaffordable. Similarly, 70% of owners with incomes under \$50,000 and 37% with incomes between \$50,000 and \$75,000 are cost-burdened. Even sizable numbers with incomes of \$75,000-100,000 (22% of owners and 10% of renters) are living in unaffordable housing.



Source: U.S. Census American Community Survey

Renters are more susceptible to annual increases. Monthly costs for owners are more stable, though property tax increases affect affordability. This is especially concerning for seniors on fixed incomes.

The Southeast has the highest share of owners (28%) and renters (57%) paying more than 30% of their income for housing. This is the most expensive but also the highest income sub-region. The share of renters in unaffordable housing is also over 50% in the Southwest and Northeast.

Workers in low- and moderate-income occupations are hard-pressed to afford housing in Lake County. Occupations such as educators, EMTs, pharmacy technicians, home health aides, food preparation and servers, retail, and protective services have median wages below \$65,000, and some are less than half this amount. Based on spending no more than 30% of income for housing, affordable monthly payments for these occupations ranges from \$738 for food service workers to \$1,617 for police and firefighters. As shown above, the county's median gross rent of \$1,286 is higher than what people in most of these occupations can afford. In the Southeast and South Central sub-regions, the median exceeds what these workers can afford.

TYPICAL ANNUAL WAGES LAKE COUNTY OCCUPATIONS

Occupation	Median Wage	Affordable Monthly Payment
Educational Instruction and Library	\$62,849	\$1,571
Preschool Teachers (exc. Special Ed)	\$30,903	\$773
Music Directors (in Education)	\$44,020	\$1,101
Emergency Medical Technicians	\$37,854	\$946
Pharmacy Technicians	\$38,117	\$953
Home Health and Personal Care Aides	\$31,499	\$787
Protective Services (Fire, Police, etc.)	\$64,668	\$1,617
Food Preparation and Serving	\$29,517	\$738
Sales and Related Occupations	\$37,694	\$942

Source: Illinois Department of Employment Security (IDES)

Rental Affordability

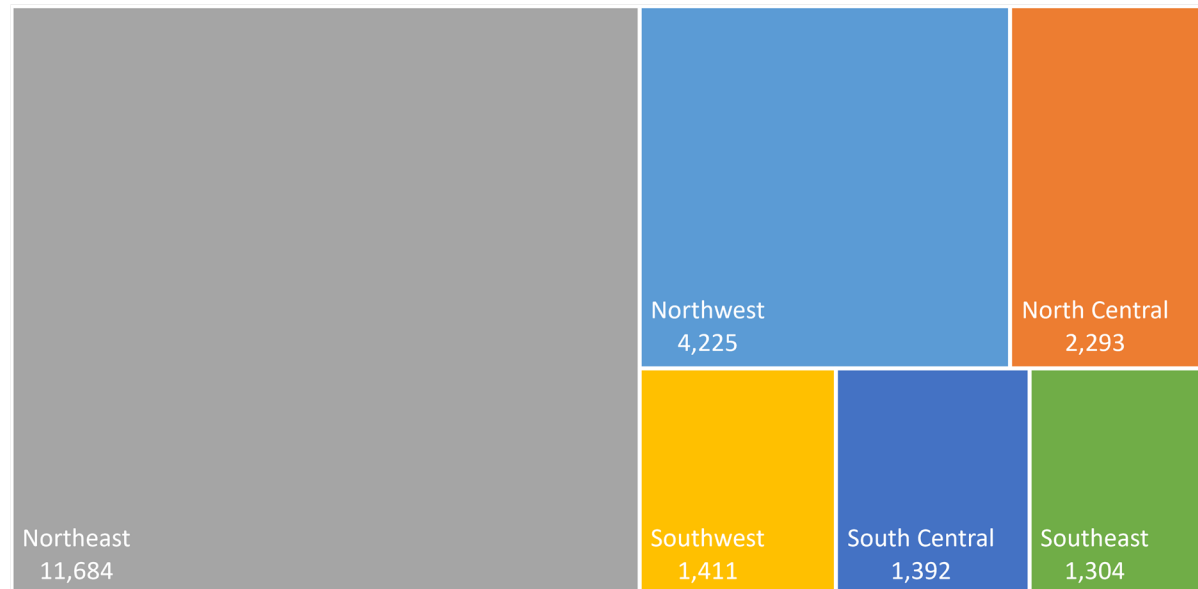
Most Affordable Housing in the North; Most Jobs in the South

Affordable Rental Unit Survey

Using Census data, the survey shows how many rental units are affordable to households at different income levels, including units covered by affordable housing programs (such as Section 8 and Low-Income Housing Tax Credits) and naturally occurring affordable units in the private rental market, generally in older buildings with no maximum income restrictions.

The Northeast sub-region has by far the largest stock of apartments affordable to households with incomes of \$30,000-70,000, with 54% of its units affordable. At 13%, the South Central sub-region has the lowest share, while the Southeast has the lowest number of such units (1,304). 65% of the Northeast sub-region's rental units are affordable to households with incomes less than \$70,000, accounting for more than half of the county's rental units affordable to this population.

Rental Units Affordable to Households Earning \$30,000-70,000 by Sub-Region, 2016-20



Source: Illinois Housing Development Authority (IHDA)

Affordable Rental Housing

There are approximately 8,100 existing and approved affordable family and senior rental units covered by government affordable housing programs, including those with subsidies (Section 8, Section 202 for the elderly, and the housing authorities), and Low-Income Housing Tax Credits. They are also heavily concentrated in the Northeast, and to a lesser extent, the Northwest sub-regions of the county, accounting for 51% and 19% respectively of the countywide total. The south sub-regions combined account for only 16% of the total affordable rental inventory.

Affordable rental properties usually have long wait lists. Most new affordable housing is financed using Low-Income Housing Tax Credits and few new affordable properties were approved by the Illinois Housing Development Authority (IHDA) in Lake County in the past four years, with only one for families. Senior affordable housing is more acceptable to neighbors, but even these projects face NIMBY concerns. IHDA provided tax credits for the rehabilitation of existing, older properties in the county, which is important in preserving the existing affordable housing stock.

Housing affordability is tied to household incomes. IHDA sets the maximum incomes and rents allowable for different household sizes. Most affordable housing programs are targeted to households with incomes up to 60% of the Area Median Income or AMI (\$46,000 for one person, up to \$77,000 for six people in 2023). Households with incomes up to 80% AMI (\$62,000-\$90,000 depending on household size) need what is commonly referred to as "Missing Middle" housing (see page 25).

In Lake County, the hourly wage to afford a two-bedroom apartment at the HUD FMR (Fair Market Rent) of \$1,440 is \$27.69, or \$57,600. The hourly estimated mean renter wage is \$26.58 (per 2021 5-Year ACS), and the affordable rent at this wage is \$1,382."

**National Low-Income Housing Coalition
Out of Reach 2023**

Housing Affordability

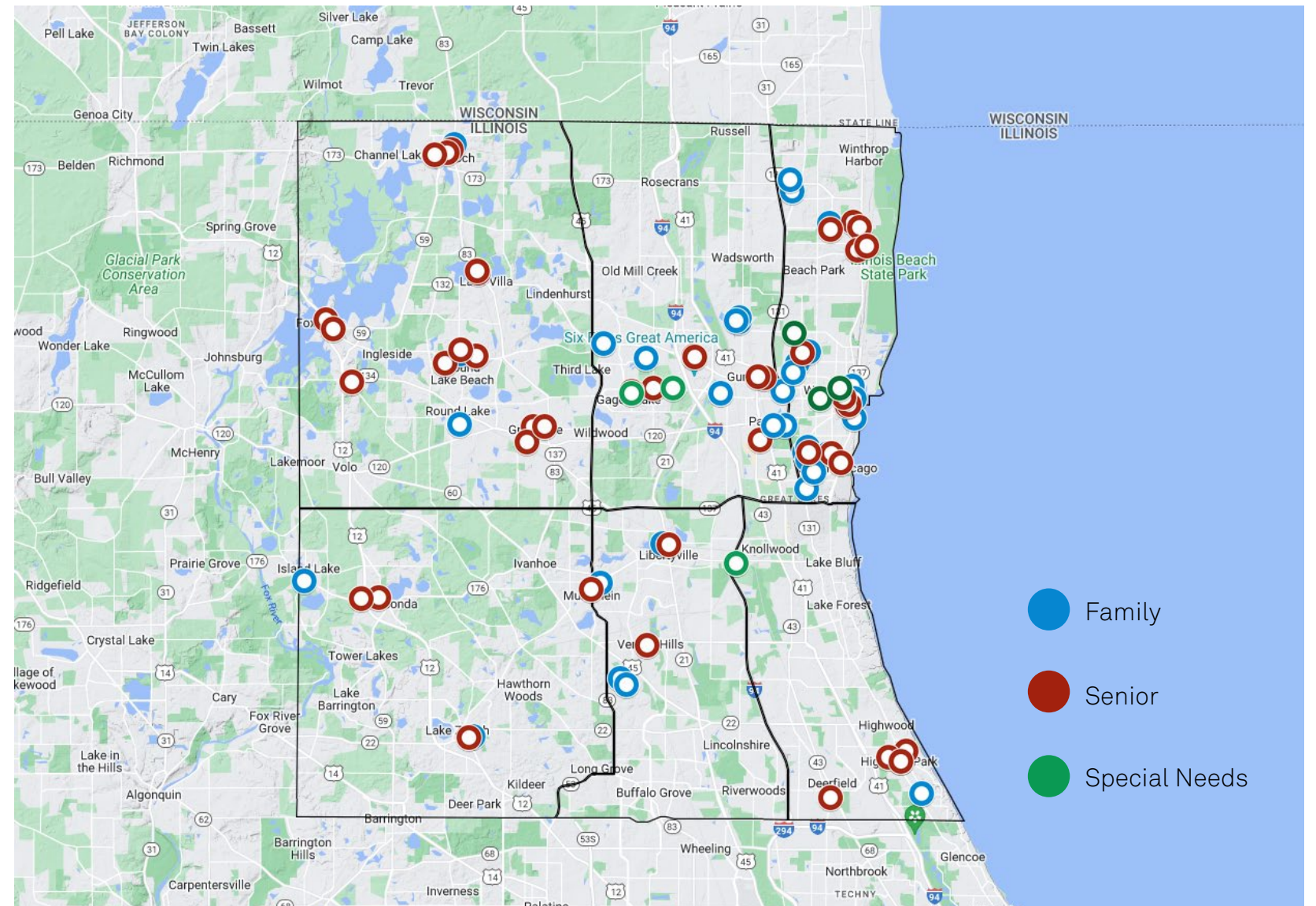
Little Affordable Housing in the South

Affordable Housing with Financing from IHDA, HUD and Local Housing Authorities

Affordable housing covered by these programs exists primarily in the north part of Lake County, with most in the south limited to seniors (usually age 62 or 65 and older).



Cleland Place non-age-restricted affordable apartments, Wilmette
Developer: HODC



Sources: ESRI, IHDA, Kretchmer Associates

Housing Affordability

Affordable Housing Contextual to the Community

Various Styles and Scales

Affordable housing development has long diverged from the image of massive apartment blocks surrounded by pavement.

Contemporary affordable housing comes in all shapes, sizes, and designs, and can be targeted to best fit its intended neighborhood and tailored to suit its residents and community's needs.



Coles Park family townhouses, North Chicago



Emerson Square family townhouses, Evanston



Village Park apartments, Waukegan

Housing Construction

Building Permits Below Predicted Household Growth

Permits by Sub-Region

Countywide, between 2018 and 2022, permits were issued for 6,200 new housing units, averaging 1,244 per year. This pace is well below ESRI's projected 5-year household growth and CMAP's long-term 2050 projection, resulting in a shortage in both the near and longer term.

The South Central sub-region permitted by far the most housing (39%), more than twice the number of the Southeast (19%). The South Central sub-region split its permits almost evenly between single-family and 5+-unit buildings. The Southeast favored 5+-unit buildings over single-family (65% to 29%), while single-family construction dominated the Northwest sub-region (65% to 27%).

New For-Sale Development

New for-sale housing is limited. Single-family detached subdivisions by production builders are underway only in the Northwest and Southwest sub-regions. Townhouses are also under construction in the South Central. Base prices for the least expensive detached homes range from \$385,000-480,000 in the Northwest and \$436,000-\$800,000 in the Southwest. Townhomes start at \$300,000, going up to \$700,000 in the Southwest and South Central areas. Custom homes on individual lots are advertised for sale in all but the North Central sub-region, but the number under construction and planned is small. These tend to be very high-priced, with most well over \$600,000.

NEW CONSTRUCTION BASE PRICE RANGES

Sub-Region	Single-Family Detached		Townhouses/Duplexes
	Production Builders*	Custom Homes	Production Builders*
Northwest	\$385,000-480,000	\$385,000-750,000	\$305,000
North Central	-	-	-
Northeast	-	\$300,000-325,000	-
Southwest	\$436,000-800,000	\$426,000-1,500,000	\$342,000-700,000
South Central	-	\$770,000-1,900,000	\$453,000-672,000
Southeast	-	\$1,100,000-4,000,000	-

* Base prices shown are for the least expensive floorplans at a development.

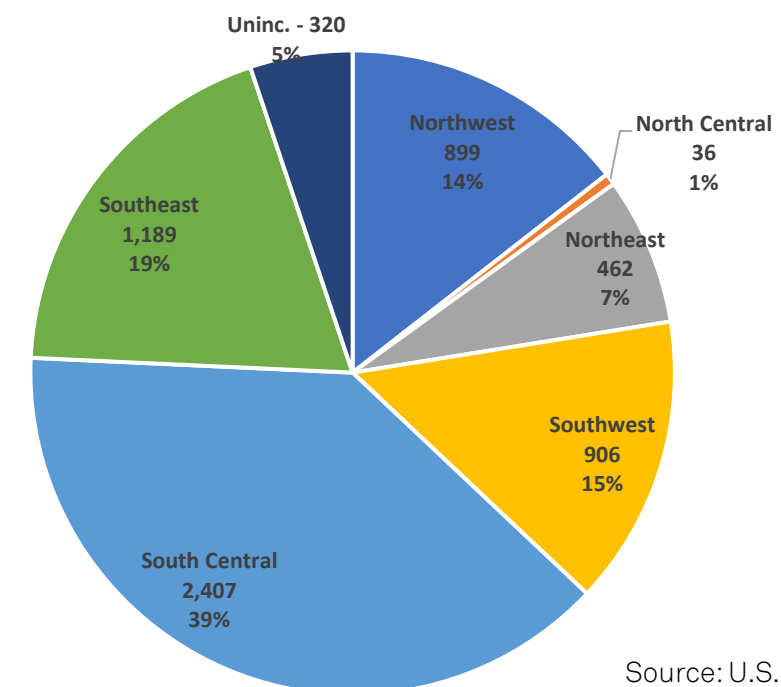
Impediments to New Development

According to residential developers active in Lake County, **the system is designed to say no to all but single-family detached housing.** The major impediments to new market-rate residential construction are:

- High construction costs, including labor and materials
- High interest rates
- Limited zoning for other than single-family detached housing
- Density – minimum lot and home sizes, and height limits make it difficult to build smaller homes at lower price points
- High parking requirements for multi-family, often unrealistic
- High impact fees
- NIMBY, especially towards multi-family development
- Opposition from some school districts, fearing adding school-aged children will overburden schools
- High land costs in parts of the county, making it difficult to build anything but expensive homes
- Difficult to build Missing Middle housing without subsidies or incentives (see page 25)

HUD is also encouraging communities to tackle restrictive land use through \$85 million in grants that will help cities identify and implement zoning reforms.

Housing Units Permitted by Sub-Region
2018-2022



Source: U.S. Census and Kretchmer Associates

Housing Construction

Lake County Permitting Relatively Low Since 2017

Permits Countywide Compared to Neighbors

Lake County communities permitted more units in 2017 than in subsequent years or the prior two. Single-family levels have remained typical, while fewer multi-family units have been permitted per year.

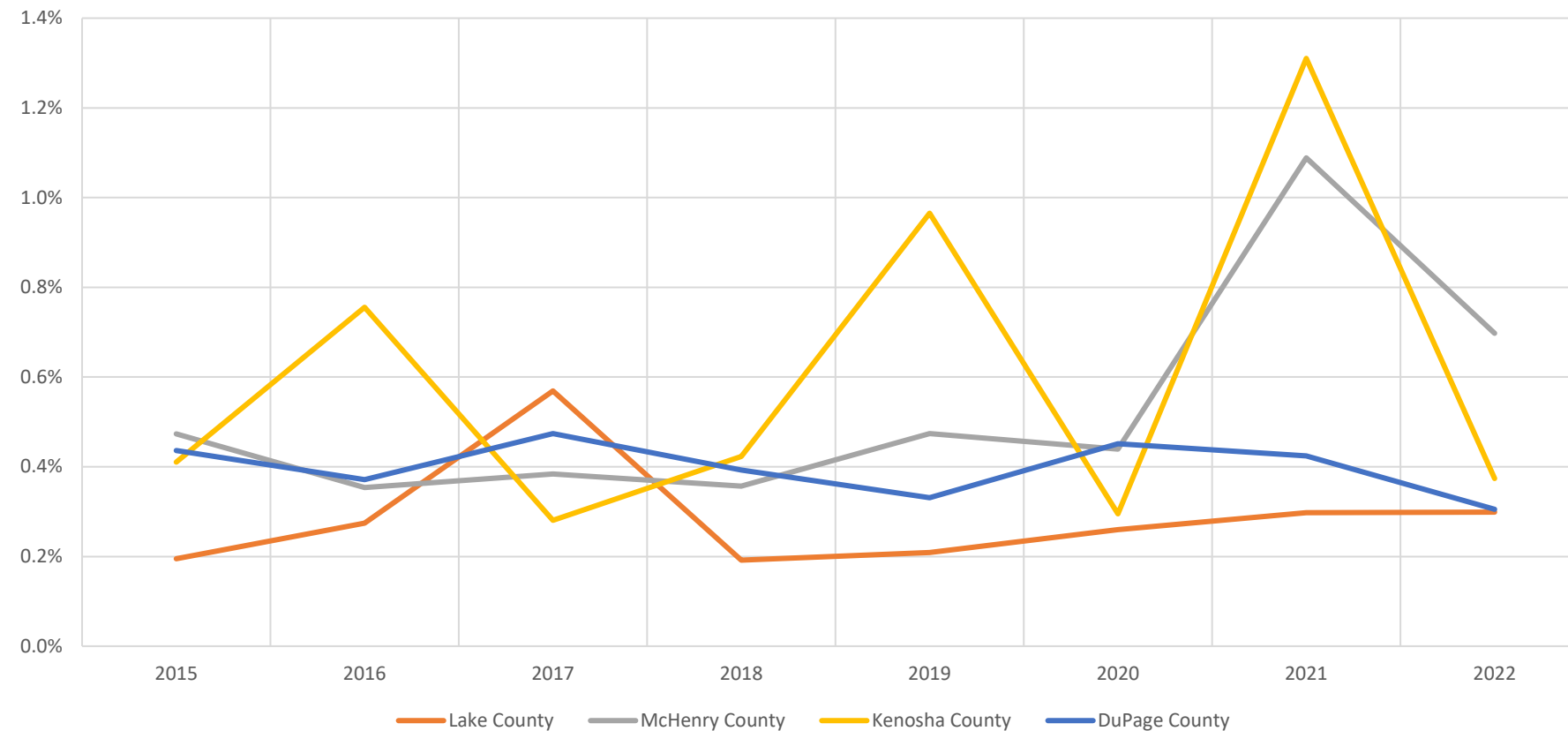
McHenry County experienced a spike in 2021, primarily for single-family developments.

Kenosha County, WI permitted notable numbers in 2016, 2019, and especially in 2021. Its two most recent peaks can be attributed entirely to multi-family permits.

In both years, the county exceeded Lake County's permitting, according to Census data, a large change compared to its relatively small existing housing stock of 73,600 units as of 2022. (Lake County had 270,700.) These peaks represent a substantial multi-family housing boom in Kenosha County. After 2017, while Lake County's permitting remained relatively flat as a percentage of its existing housing stock, Kenosha County's growing spikes in permitting stand out for a county much smaller than its Illinois neighbors that also works to attract cross-border company moves.

This also shows the relatively large scale of McHenry County's burst of single-family permitting in 2021, as the county's housing stock is 55% smaller than Lake County's (121,450 units).

Residential Building Permits - Annual Totals as Percent of Existing Housing Units



Source: U.S. Census

What is Missing Middle Housing?

Much Needed and Often Missing

Household Incomes

Missing Middle refers to both household incomes and housing types. It generally includes households with incomes between \$75,000-\$125,000 in the Chicago metro area. (The Lake County 2022 median is \$103,000.) These households earn too much to qualify for most affordable housing programs, but typically are priced out of better-quality market-rate housing, and include teachers, many health care workers, manufacturing and logistics workers, and public sector employees.

Housing Types

It also refers to the type of housing often missing in communities, particularly in suburban areas such as Lake County, in which the vast majority of housing is single-family detached. Examples of Missing Middle housing include smaller single-family homes on smaller lots, duplexes, townhouses, cottage homes, accessory dwelling units, and small multi-family buildings with up to 6 units (typically 2-, 3-, or 6-flats in older neighborhoods).

Advantages

The advantages of Missing Middle housing are:

- Smaller homes are more affordable for owners and renters
- Land costs per unit are lower with attached and small multi-unit buildings
- Development fits within the scale of existing neighborhoods
- They can accommodate a range of households based on age, life stage, size, type, and income
- Infill development is more environmentally friendly
- They provide development opportunities for small builders
- They can provide opportunities for owner-occupants to rent out one or more units in the building to defray some housing costs and build equity

Tailored to Their Communities

Zoning and development regulations at the local level can be tailored to allow for Missing Middle housing development and preservation while respecting existing neighborhood character. For example, the City of Champaign's In-Town Zoning allows for a mix of housing types, including owner- and renter-occupied single-family, duplexes, and apartment buildings. At the same time, it enacts objective standards devised with neighbor involvement that control maximum lot coverage and building footprint, building orientation, roof geometry, design of facades, windows, balconies, parking, and trash areas, and exterior materials.



1212 Larkin Apartments, Elgin Developer: Full Circle Communities

“Even though multifamily construction is at historic highs, increasing production of moderately priced rental housing is an urgent priority.”

**Harvard Joint Center for Housing Studies
The State of the Nation's Housing 2023**

Market-Rate Housing Demand

Housing Development Lagging Projected Household Increases

Shortage of Units if Current Building Trends Continue

Between 2019 and 2022, 6,200 new housing units were permitted in the county (an annual average of 1,244), almost all market-rate for those with incomes well above \$75,000. Over the next five years, ESRI projects increases of 6,300 households under age 65 with incomes \$75,000+ and 11,400 households age 65+ with incomes \$50,000+, totaling 17,700 additional households in the county. **If the current rate of new construction continues, there could be a shortage of 11,400 units countywide by 2027.**

Growth in Households Under Age 65 by Income

\$75,000-100,000	-2,800
\$100,000-125,000	+800
\$125,000-200,000	+4,800
\$200,000+	+3,500

The projections reflect anticipated increases in incomes in the coming years based on past trends and inflation. While the number of households in the \$75,000-100,000 range is projected to decrease, this group is the “Missing Middle”, earning too much to qualify for affordable housing programs, but not enough to afford the cost of a home in the three south sub-regions and parts of the north sub-regions, or the rent at a Class A apartment anywhere in the county. 22% of owners and 10% of renters (almost 6,000 in total - 5,057 owners and 850 renters) in this income range are cost-burdened. They would benefit from new housing targeted to what they can afford. Those in the \$100,000-\$125,000 range, the higher end of the “Missing Middle” range, are also priced out of homes in the south sub-regions.

The master-planned Ivanhoe Village residential development, northwest of Mundelein, will add approximately 2,600 units in a variety of housing types, providing a significant increase in the Southwest sub-region of the county.

However, all the county’s demand will not be met by larger-scale development – though this is important. It can also be met with preservation and renovations to older buildings that would allow for rent or price increases alongside quality improvements, targeting different price points. Also important is small-scale new infill construction in existing communities through targeted zoning relaxation, such as reducing minimum setbacks and allowing accessory dwelling units in some districts, for example.

A range of housing types beyond 4+-bedroom single-family detached homes is needed to serve a diverse population. This includes for-sale and rental duplexes and townhouses, smaller detached houses, as well as low, mid- and high-rise buildings. Apartments with more limited common area amenities could bring a more affordable option than the luxury buildings currently being built.

Growth in Households Age 65+ by Income

\$50,000-100,000	+400
\$100,000-125,000	+1,600
\$125,000-200,000	+4,800
\$200,000+	+4,600

With the large projected increase in the senior population, there will be demand for a wider range of options than currently exists, especially for younger seniors who don’t need to be in senior-only independent and assisted living facilities (of which there are many in Lake County). Most seniors prefer to age in place in the communities in which they have lived for many years. Programs that enable seniors to safely stay in their homes, such as adding accessibility features and helping with repairs, are important in keeping seniors safe.

However, many seniors will want to move into housing that is better suited to their lifestyle and health situations, including one-story living in smaller free-standing houses, attached duplexes and townhouses, or elevator buildings. Ideal locations are in walkable and transit-accessible neighborhoods with shopping, services and health care close by. These can be included within larger non-age-targeted residential developments, as well as infill locations in established neighborhoods, so that seniors have interactions with people of all ages.



444 Social apartments in Lincolnshire

Affordable Housing Demand

1,200 More Affordable Units Needed for Seniors, 6,700 for Families by 2027

Market Penetration and Demand

Market penetration refers to the share of affordable housing as a percent of households eligible for affordable housing programs. For purposes of this analysis, we assume affordable senior housing will have no more than two residents with incomes less than \$50,000. Family housing can have 6 people in a three-bedroom unit, so we assume a maximum income of \$75,000.

Countywide, by 2027, there will be an estimated 74,000 households age 65+ with incomes under \$50,000. The existing and approved 3,773 affordable senior units will penetrate 19% of these age and income-eligible households. The Illinois Housing Development Authority considers 25% the maximum desired penetration rate in a given area, so that an area is not oversaturated with affordable housing.

There will be an estimated 178,000 households under age 65 with incomes under \$75,000 in 2027. The 4,298 existing and approved family units will penetrate only 10% of the age and income-eligible households, indicating a severe shortage.

The family penetration rates are less than 5% in all of the sub-regions except the Northeast (17%) and North Central (11%). Senior penetration rates are higher in all sub-regions, ranging from 11% in the Southwest to 22% in the Northwest and North Central sub-regions.

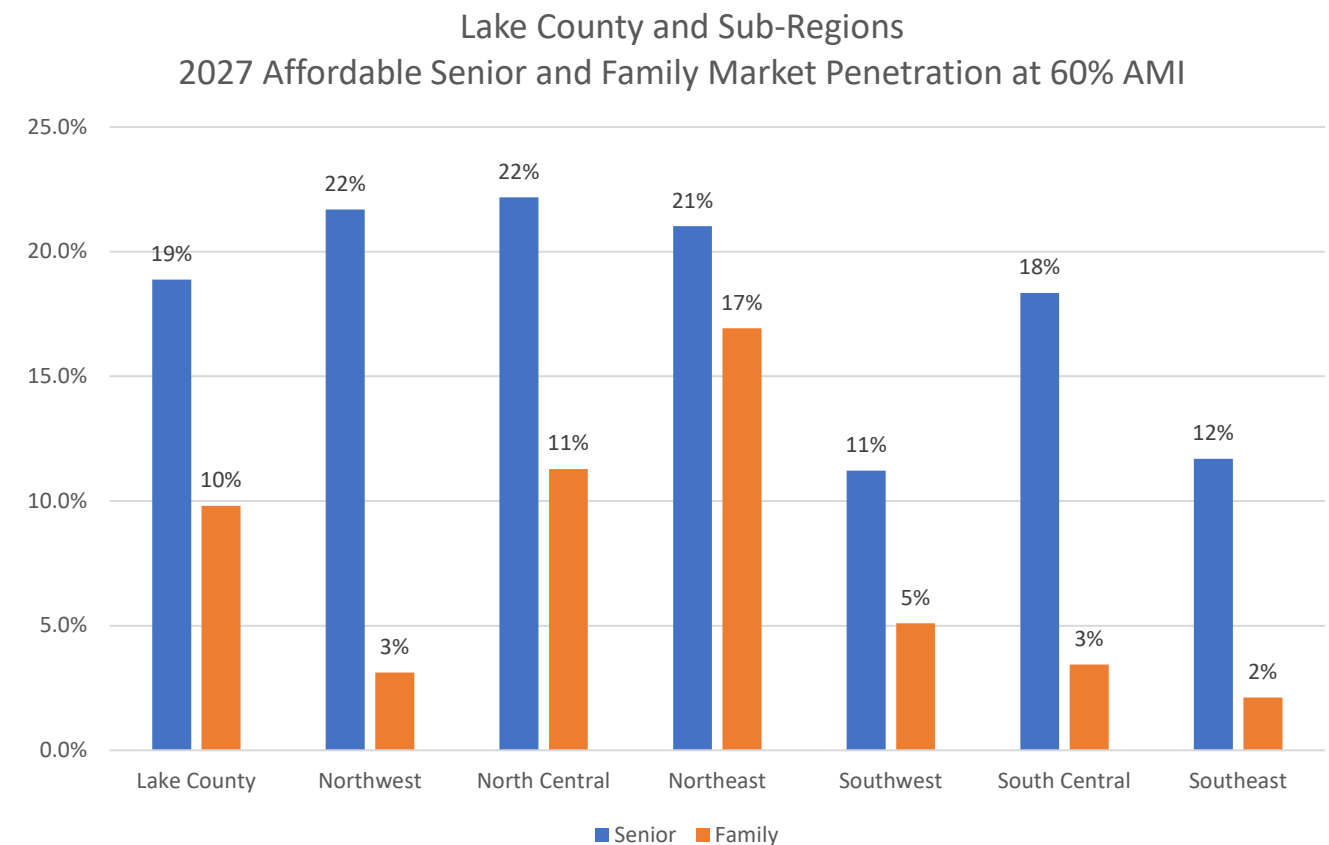
In 2027, at 25% market penetration, the county would need 1,200 more affordable units for seniors with incomes under \$50,000, and almost 6,700 for families with incomes under \$75,000.

Impediments to Affordable Rental Development

Affordable developments face even more roadblocks than market-rate projects. They include:

- NIMBY concerns by neighbors
- Almost all need zoning variances, which can be a long, expensive and unpredictable process
- They need allocations of Low-Income Housing Tax Credits which are limited and highly competitive. Projects in Lake County compete for funding with projects in suburban Chicago.
- In the past, IHDA's scoring favored projects in Opportunity Areas and there were only 7 in Lake County. However, starting in 2024, this will change. A new Quality of Life Index will replace Opportunity Areas and there are 93 Census tracts with scores of 7 or higher (out of 10), greatly increasing the number of attractive locations.

- Multiple layers of financing and grants from the county, state, localities and others are needed to make a project financially feasible given the restricted rents and high development costs. It is difficult to make these projects work.
- Union labor is required, which can raise development costs, despite broader benefits.
- Market-rate developers can pay more for land than affordable developers, making it difficult to secure sites.
- Rent subsidies are also needed to serve very low-income households who are most in need.
- Existing programs primarily target households with incomes under 60% AMI (\$66,180 for 4 and \$76,800 for 6 people), but recent rule changes allow some units to be rented to households with incomes up to 80% AMI (\$88,250 for 4 and \$102,000 for 6 people), if the overall average in a development is 60% AMI. This will help address the need for Missing Middle housing.
- There are few programs specifically targeting "workforce" and Missing Middle housing. A few municipalities in the county have inclusionary housing requirements, but most do not.



Source: ESRI, IHDA, Kretchmer Associates

Conclusions

More home construction is needed in Lake County across the range of prices and types. This includes housing for all income groups, from low to high-income households, and for all age groups.

Current permitting suggests a pace of development that will fall far short of ESRI's near-term and CMAP's long-term growth projections for the county.

Lake County's working age population is declining in the near term, as the population ages. This can impact the county's attractiveness to employers.

Attractiveness to households at a variety of points in life and situations, requires different types, sizes, configurations, densities, and prices. Providing a broad range of housing is essential for a competitive region.

The COVID-induced surge in home pricing has outpaced the CPI and incomes over the past 4 years, making it difficult for many households to buy. High interest rates make existing and new homes more expensive and are keeping owners with low mortgage rates from selling. Inventory is extremely tight, resulting in higher prices.

High land prices in some parts of the county make it cost prohibitive to build anything but expensive housing, unless some public incentives are available to keep prices and rents affordable to a wider income range.

New rental construction is focusing primarily on the luxury segment, not the middle market. There is a significant shortage of affordable rental housing, especially in the south sub-regions close to job centers.

"Missing Middle" housing refers not just to household incomes, but also to smaller and different types of homes that can keep prices more affordable.

Many communities have historical and current zoning practices that make it difficult to build diverse housing. More flexible zoning that allows more diverse housing is needed to provide enough new units to meet future demand.

Redevelopment of former corporate campuses and shopping centers provides opportunities for infill development throughout the county.

Innovative approaches should be considered to meet demand. For example, Uline donated \$3 million in Kenosha to create new houses in the city center for buyers up to 150% AMI, costing up to \$400,000.

"Housing is a crucial engine of economic growth, and investments in this important sector pay broader dividends. As the pandemic highlighted, high-quality, stable, and affordable housing is foundational to widespread well-being and, as such, both merits and necessitates greater public attention."

Harvard Joint Center for Housing Studies
The State of the Nation's Housing 2023



**Kretchmer
Associates**



Appendix

LAKE COUNTY AND SUB-REGIONS
POPULATION TRENDS

	2010	2022	2027	2010-22 Change		2022-27 Change	
				#	%	#	%
Lake County	703,444	712,360	708,626	8,916	1.3%	-3,734	-0.5%
Northwest	169,000	169,649	168,349	649	0.4%	-1,300	-0.8%
North Central	82,542	83,394	82,953	852	1.0%	-441	-0.5%
Northeast	141,211	138,078	137,048	-3,133	-2.2%	-1,030	-0.7%
Southwest	107,844	111,693	110,768	3,849	3.6%	-925	-0.8%
South Central	110,762	116,538	116,503	5,776	5.2%	-35	0.0%
Southeast	92,264	93,193	93,191	929	1.0%	-2	0.0%

Source: Esri

LAKE COUNTY AND SUB-REGIONS
HOUSEHOLD TRENDS

	2010	2022	2027	2010-22 Change		2022-27 Change	
				#	%	#	%
Lake County	241,704	253,885	254,418	12,181	5.0%	533	0.2%
Northwest	59,393	62,153	62,179	2,760	4.6%	26	0.0%
North Central	29,730	31,099	31,192	1,369	4.6%	93	0.3%
Northeast	42,284	44,928	44,904	2,644	6.3%	-24	-0.1%
Southwest	37,612	40,271	40,239	2,659	7.1%	-32	-0.1%
South Central	40,735	42,850	43,156	2,115	5.2%	306	0.7%
Southeast	31,998	32,638	32,801	640	2.0%	163	0.5%

Source: Esri

LAKE COUNTY AND SUB-REGIONS
RACE AND ETHNICITY, 2022

	Lake County		Northwest		North Central		Northeast		Southwest		South Central		Southeast	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Population	712,360		169,648		83,394		138,078		111,693		116,537		93,192	
White	428,886	60.2%	114,297	67.4%	44,303	53.1%	37,880	27.4%	84,536	75.7%	74,748	64.1%	73,276	78.6%
Black/African American	48,787	6.8%	6,184	3.6%	8,411	10.1%	27,711	20.1%	1,348	1.2%	1,986	1.7%	3,149	3.4%
American Indian/Alaska Native	7,359	1.0%	1,613	1.0%	789	0.9%	3,380	2.4%	534	0.5%	572	0.5%	472	0.5%
Asian	60,224	8.5%	7,574	4.5%	9,433	11.3%	3,590	2.6%	9,052	8.1%	25,249	21.7%	5,333	5.7%
Pacific Islander	438	0.1%	103	0.1%	48	0.1%	142	0.1%	30	0.0%	47	0.0%	67	0.1%
Other	87,767	12.3%	18,398	10.8%	10,572	12.7%	42,696	30.9%	6,427	5.8%	5,528	4.7%	4,151	4.5%
Two or more	78,899	11.1%	21,479	12.7%	9,838	11.8%	22,679	16.4%	9,766	8.7%	8,407	7.2%	6,744	7.2%
Hispanic	173,820	24.4%	41,702	24.6%	21,211	25.4%	73,597	53.3%	15,060	13.5%	12,490	10.7%	9,780	10.5%
Non-Hispanic	538,540	75.6%	127,946	75.4%	62,183	74.6%	64,481	46.7%	96,633	86.5%	104,048	89.3%	83,413	89.5%
Diversity Index	75		70		79		88		55		62		49	

Source: Esri; Kretchmer Associates



Appendix

**LAKE COUNTY AND SUB-REGIONS
MEDIAN HOUSEHOLD INCOME, 2022**

	Lake County	Northwest	North Central	Northeast	Southwest	South Central	Southeast
Median Household Income	\$102,827	\$92,549	\$98,217	\$56,884	\$129,243	\$134,927	\$156,399
Median Income Age 15-24	\$44,179	\$52,757	\$45,574	\$34,973	\$56,328	\$53,951	\$42,263
Median Income Age 25-34	\$89,282	\$89,115	\$88,013	\$61,540	\$114,059	\$111,792	\$113,054
Median Income Age 35-44	\$111,217	\$105,812	\$107,113	\$63,260	\$142,250	\$151,155	\$180,399
Median Income Age 45-54	\$130,658	\$110,792	\$121,817	\$66,992	\$166,830	\$179,175	\$200,001
Median Income Age 55-64	\$124,149	\$101,714	\$115,780	\$61,638	\$156,327	\$172,440	\$200,001
Median Income Age 65-74	\$86,302	\$70,011	\$78,771	\$47,628	\$103,992	\$106,236	\$127,733
Median Income Age 75+	\$52,358	\$42,837	\$48,267	\$32,291	\$58,897	\$62,089	\$74,239

Source: Esri

**4-PERSON AREA MEDIAN INCOME IN
LAKE COUNTY, 2019-23**

Year	60% AMI	100% AMI
2019	\$53,460	\$89,100
2020	\$54,600	\$91,000
2021	\$55,920	\$93,200
2022	\$62,520	\$104,200
2023	\$66,180	\$110,300
\$ Change	\$12,720	\$21,200
% Change	23.8%	23.8%

Source: IHDA

**LAKE AND OTHER COUNTIES
MEDIAN HOUSEHOLD INCOME, 2022**

	Lake	Cook	DuPage	Kenosha	McHenry
Total Median Household Income	\$102,827	\$77,539	\$104,581	\$95,855	\$70,657
Median Income Age 15-24	44,179	44,679	51,240	52,052	41,651
Median Income Age 25-34	89,282	82,198	97,068	89,758	71,648
Median Income Age 35-44	111,217	94,063	115,835	109,918	85,279
Median Income Age 45-54	130,658	96,404	130,687	117,693	89,826
Median Income Age 55-64	124,149	86,280	122,650	104,553	78,595
Median Income Age 65-74	86,302	62,033	86,958	76,627	59,724
Median Income Age 75+	52,358	38,980	52,356	48,213	38,746

Source: Esri

2023 Maximum Incomes by Household Size in Lake County

	1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8 People
120%	\$92,760	\$105,960	\$119,160	\$132,360	\$143,040	\$153,600	\$164,160	\$174,720
80%	\$61,800	\$70,600	\$79,450	\$88,250	\$95,350	\$102,400	\$109,450	\$116,500
70%	\$54,110	\$61,810	\$69,510	\$77,210	\$83,440	\$89,600	\$95,760	\$101,920
60%	\$46,380	\$52,980	\$59,580	\$66,180	\$71,520	\$76,800	\$82,080	\$87,360
50%	\$38,650	\$44,150	\$49,650	\$55,150	\$59,600	\$64,000	\$68,400	\$72,800
40%	\$30,920	\$35,320	\$39,720	\$44,120	\$47,680	\$51,200	\$54,720	\$58,240
30%	\$23,190	\$26,490	\$29,790	\$33,090	\$35,760	\$38,400	\$41,040	\$43,680
20%	\$15,460	\$17,660	\$19,860	\$22,060	\$23,840	\$25,600	\$27,360	\$29,120
10%	\$7,730	\$8,830	\$9,930	\$11,030	\$11,920	\$12,800	\$13,680	\$14,560

Appendix

LAKE COUNTY
HOUSEHOLDS BY AGE AND INCOME, 2022 AND 2027

	2022		2027		Change	
	Number	Percent	Number	Percent	Number	Percent
<u>Age < 35</u>	39,690		39,108		-582	-1.5%
< \$50,000	11,799	29.7%	9,148	23.4%	-2,651	-22.5%
\$50,000-\$74,999	6,091	15.3%	5,410	13.8%	-681	-11.2%
\$75,000-\$99,999	5,653	14.2%	5,235	13.4%	-418	-7.4%
\$100,000-\$149,999	8,234	20.7%	9,381	24.0%	1,147	13.9%
\$150,000-\$199,999	4,194	10.6%	5,306	13.6%	1,112	26.5%
\$200,000+	3,719	9.4%	4,628	11.8%	909	24.4%
<u>Age 35-64</u>	149,199		141,642		-7,557	-5.1%
< \$50,000	24,062	16.1%	16,799	11.9%	-7,263	-30.2%
\$50,000-\$74,999	16,297	10.9%	12,468	8.8%	-3,829	-23.5%
\$75,000-\$99,999	17,361	11.6%	14,943	10.5%	-2,418	-13.9%
\$100,000-\$149,999	31,616	21.2%	32,043	22.6%	427	1.4%
\$150,000-\$199,999	22,360	15.0%	25,263	17.8%	2,903	13.0%
\$200,000+	37,503	25.1%	40,126	28.3%	2,623	7.0%
<u>Age 65+</u>	64,992		73,664		8,672	13.3%
< \$50,000	22,674	34.9%	19,985	27.1%	-2,689	-11.9%
\$50,000-\$74,999	10,878	16.7%	10,669	14.5%	-209	-1.9%
\$75,000-\$99,999	7,904	12.2%	8,523	11.6%	619	7.8%
\$100,000-\$149,999	9,815	15.1%	12,980	17.6%	3,165	32.2%
\$150,000-\$199,999	5,453	8.4%	8,686	11.8%	3,233	59.3%
\$200,000+	8,268	12.7%	12,821	17.4%	4,553	55.1%

Source: Esri

LAKE COUNTY AND SUB-REGIONS
WORKING AGE POPULATION - 2022 AND 2027

	2022		2027		Net Change	
	#	%	#	%	#	%
Lake County						
Total Population	712,360		708,626		-3,734	-0.5%
Age 18-64	433,087	60.8%	418,340	59.0%	-14,747	-3.4%
Northwest						
Total Population	169,649		168,349		-1,300	-0.8%
Age 18-64	105,173	62.0%	101,272	60.2%	-3,901	-3.7%
North Central						
Total Population	83,394		82,953		-441	-0.5%
Age 18-64	51,815	62.1%	50,198	60.5%	-1,617	-3.1%
Northeast						
Total Population	138,078		137,048		-1,030	-0.7%
Age 18-64	86,457	62.6%	84,175	61.4%	-2,282	-2.6%
Southwest						
Total Population	111,693		110,768		-925	-0.8%
Age 18-64	66,298	59.4%	63,113	57.0%	-3,185	-4.8%
South Central						
Total Population	116,538		116,503		-35	0.0%
Age 18-64	69,810	59.9%	67,209	57.7%	-2,601	-3.7%
Southeast						
Total Population	93,193		93,191		-2	0.0%
Age 18-64	53,571	57.5%	52,413	56.2%	-1,158	-2.2%

Source: Esri

Appendix

LAKE COUNTY AND SUB-REGIONS
OWNER AND RENTER HOUSING COSTS AS % OF INCOME, 2017-2021

	Lake County	Northwest	North Central	Northeast	Southwest	South Central	Southeast
<u>Owner-Occupied Housing Units</u>							
Affordable - <30% of income	141,884	36,757	16,881	18,534	26,380	24,194	19,164
Unaffordable - 30%+ of income	43,649	10,523	4,851	5,982	8,106	6,968	7,233
Not computed	<u>1,009</u>	<u>274</u>	<u>121</u>	<u>90</u>	<u>242</u>	<u>96</u>	<u>186</u>
Total	186,542	47,554	21,853	24,606	34,728	31,258	26,583
<u>Renter-Occupied Housing Units</u>							
Affordable - <30% of income	33,291	7,021	4,729	9,977	2,468	5,718	3,382
Unaffordable - 30%+ of income	28,636	5,348	3,905	9,491	2,283	3,822	3,789
Not computed	<u>4,262</u>	<u>783</u>	<u>311</u>	<u>1,045</u>	<u>369</u>	<u>1,023</u>	<u>732</u>
Total	66,189	13,153	8,946	20,509	5,123	10,563	7,903
<u>All Occupied Housing Units</u>							
Owner-Occupied	186,542	47,554	21,853	24,606	34,728	31,258	26,583
Renter-Occupied	<u>66,189</u>	<u>13,153</u>	<u>8,946</u>	<u>20,509</u>	<u>5,123</u>	<u>10,563</u>	<u>7,903</u>
Total	252,731	60,707	30,799	45,115	39,851	41,821	34,486

Source: US Census, American Community Survey, 2017-2021; Esri; Kretchmer Associates

LAKE COUNTY AND SUB-REGIONS
OWNER AND RENTER HOUSING COSTS AS % OF INCOME, 2017-2021

	Lake County	Northwest	North Central	Northeast	Southwest	South Central	Southeast
<u>Owner-Occupied Housing Units</u>							
Owner Affordable - <30% of income	76.1%	77.3%	77.2%	75.3%	76.0%	77.4%	72.1%
Owner Unaffordable - 30%+ of income	23.4%	22.1%	22.2%	24.3%	23.3%	22.3%	27.2%
Not computed	0.5%	0.6%	0.6%	0.4%	0.7%	0.3%	0.7%
<u>Renter-Occupied Housing Units</u>							
Renter Affordable - <30% of income	50.3%	53.4%	52.9%	48.6%	48.2%	54.1%	42.8%
Renter Unaffordable - 30%+ of income	43.3%	40.7%	43.7%	46.3%	44.6%	36.2%	47.9%
Not computed	6.4%	6.0%	3.5%	5.1%	7.2%	9.7%	9.3%
<u>All Occupied Housing Units</u>							
Owner-Occupied Share	73.8%	78.3%	71.0%	54.5%	87.1%	74.7%	77.1%
Renter-Occupied Share	26.2%	21.7%	29.0%	45.5%	12.9%	25.3%	22.9%

Source: US Census, American Community Survey, 2017-2021; Esri; Kretchmer Associates

Appendix

LAKE COUNTY AND SUB-REGIONS
OWNER MONTHLY HOUSING COST, AS % OF INCOME, 2016-2020

Lake County						
	Number		Percent			
Total Owner-Occupied Housing Units	186,542					
Under 25%	125,814		67.4%			
25-29.9%	16,070		8.6%			
30-34.9%	9,765		5.2%			
35-49.9%	15,719		8.4%			
50% and above	18,165		9.7%			
Not computed	1,009		0.5%			
Median Owner Housing Cost	\$1,766					
Sub-Regions						
	Northwest		North Central		Northeast	
	Number	Percent	Number	Percent	Number	Percent
Total Owner-Occupied Housing Units	47,554		21,853		24,606	
Under 25%	32,363	68.1%	14,937	68.4%	16,203	65.8%
25-29.9%	4,394	9.2%	1,944	8.9%	2,331	9.5%
30-34.9%	2,273	4.8%	1,130	5.2%	1,265	5.1%
35-49.9%	4,044	8.5%	1,926	8.8%	2,222	9.0%
50% and above	4,206	8.8%	1,795	8.2%	2,495	10.1%
Not computed	274	0.6%	121	0.6%	90	0.4%
Median Owner Housing Cost	\$1,554		\$1,656		\$1,027	
Sub-Regions						
	Southwest		South Central		Southeast	
	Number	Percent	Number	Percent	Number	Percent
Total Owner-Occupied Housing Units	34,728		31,258		26,583	
Under 25%	23,168	66.7%	21,591	69.1%	17,576	66.1%
25-29.9%	3,212	9.2%	2,603	8.3%	1,588	6.0%
30-34.9%	1,688	4.9%	1,875	6.0%	1,538	5.8%
35-49.9%	3,204	9.2%	1,964	6.3%	2,365	8.9%
50% and above	3,214	9.3%	3,129	10.0%	3,330	12.5%
Not computed	242	0.7%	96	0.3%	186	0.7%
Median Owner Housing Cost	\$2,211		\$2,268		\$2,690	

Source: US Census, American Community Survey, 2016-2020; Esri

LAKE COUNTY
GROSS RENT - 2017-2021

	Number	Percent
Total Renter-Occupied Housing Units	66,189	
Gross Rent		
Less than \$250	1,092	1.6%
\$250-\$499	2,387	3.6%
\$500-\$749	3,271	4.9%
\$750-\$999	11,630	17.6%
\$1,000-\$1,249	12,005	18.1%
\$1,250-\$1,499	10,057	15.2%
\$1,500-\$1,999	14,160	21.4%
\$2,000-\$2,999	6,609	10.0%
\$3,000+	2,445	3.7%
No Cash Rent	2,533	3.8%
Median Gross Rent	\$1,286	0.0%
Gross Rent as Percent of Income		
Under 25%	26,605	40.2%
25-29.9%	6,686	10.1%
30-34.9%	5,296	8.0%
35-49.9%	9,177	13.9%
50% and above	14,163	21.4%
Not computed	4,262	6.4%
30% and above	28,636	46.2%

Source: US Census, American Community Survey, 2017-2021; Esri

Appendix

NORTH SUB-REGIONS GROSS RENT - 2017-2021

	Northwest		North Central		Northeast	
	Number	Percent	Number	Percent	Number	Percent
Total Renter-Occupied Housing Units	13,153		8,946		20,509	
Gross Rent						
Less than \$250	253	1.9%	157	1.8%	513	2.5%
\$250-\$499	714	5.4%	221	2.5%	1,006	4.9%
\$500-\$749	581	4.4%	358	4.0%	2,087	10.2%
\$750-\$999	1,799	13.7%	1,649	18.4%	6,300	30.7%
\$1,000-\$1,249	2,791	21.2%	2,056	23.0%	4,567	22.3%
\$1,250-\$1,499	2,129	16.2%	1,367	15.3%	2,889	14.1%
\$1,500-\$1,999	2,987	22.7%	2,410	26.9%	2,465	12.0%
\$2,000-\$2,999	1,184	9.0%	512	5.7%	184	0.9%
\$3,000+	134	1.0%	98	1.1%	12	0.1%
No Cash Rent	581	4.4%	118	1.3%	486	2.4%
Median Gross Rent	\$1,267		\$1,247		\$1,006	
Gross Rent as Percent of Income						
Under 25%	5,488	41.7%	3,712	41.5%	8,184	39.9%
25-29.9%	1,533	11.7%	1,017	11.4%	1,793	8.7%
30-34.9%	1,156	8.8%	876	9.8%	1,724	8.4%
35-49.9%	1,633	12.4%	1,188	13.3%	3,188	15.5%
50% and above	2,559	19.5%	1,841	20.6%	4,579	22.3%
Not computed	783	6.0%	311	3.5%	1,045	5.1%
30% and above	5,348	43.2%	3,905	45.2%	9,491	48.8%

Source: US Census, American Community Survey, 2017-2021; Esri; Kretchmer Associates

SOUTH SUB-REGIONS GROSS RENT - 2017-2021

	Southwest		South Central		Southeast	
	Number	Percent	Number	Percent	Number	Percent
Total Renter-Occupied Housing Units	5,123		10,563		7,903	
Gross Rent						
Less than \$250	3	0.1%	125	1.2%	41	0.5%
\$250-\$499	167	3.3%	196	1.9%	83	1.1%
\$500-\$749	80	1.6%	73	0.7%	92	1.2%
\$750-\$999	621	12.1%	401	3.8%	861	10.9%
\$1,000-\$1,249	650	12.7%	1,279	12.1%	663	8.4%
\$1,250-\$1,499	871	17.0%	1,546	14.6%	1,256	15.9%
\$1,500-\$1,999	1,175	22.9%	2,951	27.9%	2,175	27.5%
\$2,000-\$2,999	861	16.8%	2,361	22.4%	1,508	19.1%
\$3,000+	412	8.0%	943	8.9%	846	10.7%
No Cash Rent	283	5.5%	688	6.5%	378	4.8%
Median Gross Rent	\$1,512		\$1,723		\$1,676	
Gross Rent as Percent of Income						
Under 25%	1,931	37.7%	4,686	44.4%	2,608	33.0%
25-29.9%	537	10.5%	1,032	9.8%	774	9.8%
30-34.9%	511	10.0%	601	5.7%	428	5.4%
35-49.9%	730	14.3%	975	9.2%	1,464	18.5%
50% and above	1,042	20.4%	2,246	21.3%	1,897	24.0%
Not computed	369	7.2%	1,023	9.7%	732	9.3%
30% and above	2,283	48.1%	3,822	40.1%	3,789	52.8%

Source: US Census, American Community Survey, 2017-2021; Esri; Kretchmer Associates

Appendix

LAKE COUNTY AND SUB-REGIONS
HOME VALUES, 2017-2021

Lake County						
	Number		Percent			
Total Number of Homes	186,542					
Median Home Value	\$279,500					
Under \$300,000	100,634		53.9%			
\$300,000-\$499,999	47,445		25.4%			
\$500,000-\$749,000	23,783		12.7%			
\$750,000+	14,680		7.9%			
Northwest		North Central		Northeast		
	Number	Percent	Number	Percent	Number	Percent
Total Number of Homes	47,556		21,853		24,606	
Median Home Value	\$206,175		\$252,972		\$146,332	
Under \$300,000	39,052	82.1%	13,514	61.8%	23,553	95.7%
\$300,000-\$499,999	7,280	15.3%	6,756	30.9%	745	3.0%
\$500,000-\$749,000	936	2.0%	1,086	5.0%	166	0.7%
\$750,000+	288	0.6%	497	2.3%	142	0.6%
Southwest		South Central		Southeast		
	Number	Percent	Number	Percent	Number	Percent
Total Number of Homes	34,728		31,260		26,578	
Median Home Value	\$365,321		\$397,936		\$576,853	
Under \$300,000	12,444	35.8%	8,701	27.8%	3,393	12.8%
\$300,000-\$499,999	12,774	36.8%	12,197	39.0%	7,710	29.0%
\$500,000-\$749,000	6,963	20.1%	7,521	24.1%	7,111	26.8%
\$750,000+	2,547	7.3%	2,841	9.1%	8,364	31.5%

Source: US Census, American Community Survey, 2017-2021; Esri; Kretchmer Associates

LAKE COUNTY SINGLE-FAMILY DETACHED HOME SALES BY PRICE
2019-2022

Price Range	2019		2022		Change	
	#	% of Total	#	% of Total	#	%
Under \$250,000	3,386	44%	1,893	24%	-1,493	-44%
\$250,000-399,999	2,199	28%	2,328	30%	129	6%
\$400,000-499,999	747	10%	989	13%	242	32%
\$500,000-699,999	843	11%	1,188	15%	345	41%
\$700,000-999,999	399	5%	857	11%	458	115%
\$1,000,000+	189	2%	570	7%	381	202%
Total	7,763		7,825		62	1%

Source: Midwest Real Estate Data; Kretchmer Associates

LAKE COUNTY AND SUB-REGIONS
TOTAL HOUSING UNITS PERMITTED, 2018-2022

	1	2-4	5+	Total
Lake County	3,157	292	2,770	6,219
Northwest	584	74	241	899
North Central	36	0	0	36
Northeast	74	0	388	462
Southwest	630	121	155	906
South Central	1,166	31	1,210	2,407
Southeast	347	66	776	1,189
Unincorporated*	320	0	0	320

* Unable to allocate to sub-regions

Note: Data includes units that seem not to be included in the Census data, but based on additional research.

Source: U.S. Census, Lake County municipal websites, Kretchmer Associates

Appendix

LAKE COUNTY AND SUB-REGIONS
 MEDIAN SINGLE-FAMILY DETACHED AND ATTACHED HOME SALES PRICES, 2019-22

Type	Lake County	Northwest	North Central	Northeast	Southwest	South Central	Southeast
<u>Single-Family Detached</u>							
Median Sales Price							
2019	\$275,000	\$215,000	\$285,000	\$142,000	\$360,000	\$425,000	\$550,000
2020	\$305,000	\$229,900	\$291,000	\$154,400	\$385,000	\$435,000	\$600,000
2021	\$355,000	\$260,000	\$339,000	\$178,000	\$450,000	\$499,000	\$675,000
2022	\$376,500	\$286,300	\$360,000	\$195,000	\$489,000	\$550,000	\$752,000
\$ Change, 2019-2022	\$101,500	\$71,300	\$75,000	\$53,000	\$129,000	\$125,000	\$202,000
% Change, 2019-2022	37%	33%	26%	37%	36%	29%	37%
Type	Lake County	Northwest	North Central	Northeast	Southwest	South Central	Southeast
<u>Single-Family Attached</u>							
Median Sales Price							
2019	\$175,000	\$149,000	\$150,500	\$82,600	\$218,500	\$228,500	\$278,300
2020	\$180,500	\$156,000	\$158,900	\$106,500	\$227,000	\$240,000	\$314,000
2021	\$207,000	\$177,500	\$173,800	\$108,500	\$259,000	\$259,900	\$300,000
2022	\$227,000	\$198,000	\$195,000	\$150,000	\$294,900	\$275,100	\$322,000
\$ Change, 2019-2022	\$52,000	\$49,000	\$44,500	\$67,400	\$76,400	\$46,600	\$43,700
% Change, 2019-2022	30%	33%	30%	82%	35%	20%	16%

Source: Midwest Real Estate Data; Kretchmer Associates

Appendix

**LAKE COUNTY AND SUB-REGIONS
SINGLE-FAMILY DETACHED AND ATTACHED HOME SALES, 2022**

Type	Lake County	Northwest	North Central	Northeast	Southwest	South Central	Southeast
<u>Single-Family Detached</u>							
Number of Sales	7,825	2,076	817	1,083	1,417	1,184	1,253
Median Sales Price	\$376,500	\$286,300	\$360,000	\$195,000	\$489,000	\$550,000	\$752,000
Percent < \$300,000	34.7%	53.3%	30.5%	93.5%	17.5%	6.0%	2.2%
Percent \$300,000-499,999	31.9%	43.0%	52.9%	21.1%	33.9%	33.3%	18.5%
Percent \$500,000-699,999	15.2%	2.8%	10.2%	0.2%	26.0%	32.7%	23.1%
Percent \$700,000+	18.2%	0.9%	6.5%	0.0%	4.7%	28.0%	56.2%
<u>Single-Family Attached</u>							
Number of Sales	2,513	748	338	31	354	728	319
Median Sales Price	\$227,000	\$198,000	\$195,000	\$150,000	\$294,903	\$275,050	\$322,000
Percent < \$300,000	72.1%	98.5%	92.3%	100.0%	51.1%	56.0%	44.8%
Percent \$300,000-499,999	21.8%	1.5%	7.7%	0.0%	43.5%	36.8%	29.8%
Percent \$500,000-699,999	4.5%	0.0%	0.0%	0.0%	5.4%	7.0%	13.5%
Percent \$700,000+	1.6%	0.0%	0.0%	0.0%	0.0%	0.1%	11.9%

Source: Midwest Real Estate Data; Kretchmer Associates

Appendix

**EAST AND WEST LAKE COUNTY ASKING RENT TRENDS
2019-2022**

	East Lake County		West Lake County	
	All	Class A	All	Class A
2019	\$1,299	\$1,685	\$1,351	\$1,595
2020	1,318	1,692	1,355	1,608
2021	1,420	1,802	1,486	1,749
2022	1,572	2,099	1,597	1,733
Change	273 21%	414 25%	246 18%	138 9%

Source: Moody's Analytics

**QUALITY OF LIFE INDEX SCORES
LAKE COUNTY AND SUB-REGIONS**

Sub-Region	Median Score	# of Tracts with Score of 7 or Higher	% of Tracts with Score of 7 or Higher
Lake County	7	93	58%
Northwest	6	15	44%
North Central	7	12	75%
Northeast	5	4	11%
Southwest	8	21	88%
South Central	8	23	88%
Southeast	7	18	75%

Note: Scores for individual Census tracts from 1-10 based on data on education, prosperity, health, housing and connectivity, as calculated by the Illinois Housing Development Authority.

Source: IHDA; Kretchmer Associates

Appendix

LAKE COUNTY MARKET CAPTURE AND PENETRATION

	2022	2027
Households with Householder 65+	64,992	73,664
Total with Income < \$50,000	22,674	19,985
Affordable Senior Market Penetration		
Existing and Approved Affordable Senior Units	3,564	3,773
Affordable Senior Units' Market Penetration Rate of Households Age 65+ with Incomes Under \$50,000	15.7%	18.9%
Households with Householder Under 65	188,889	180,750
Total with Income < \$75,000	58,249	43,825
Affordable Family Market Penetration		
Existing and Approved Affordable Family Units	4,273	4,298
Affordable Family Units' Market Penetration Rate of Households Under Age 65 with Incomes Under \$75,000	7.3%	9.8%

Source: Kretchmer Associates based on estimates & projections from ESRI

TOTAL EXISTING AND APPROVED AFFORDABLE UNITS BY SUB-REGION

Sub-Region	Family	Senior	Total	% of Total
Lake County	4,298	3,773	8,071	
Northwest	348	1,169	1,517	19%
North Central	687	480	1,167	14%
Northeast	2,926	1,165	4,091	51%
Southwest	154	271	425	5%
South Central	129	455	584	7%
Southeast	54	233	287	4%

Source: Kretchmer Associates based on data from HUD, IHDA and Lake County Housing Authority

Appendix

LAKE COUNTY AFFORDABLE FAMILY PROPERTIES

Affordable Family Properties	Total	Sub-Region
Brookstone at Coles Park	170	Northeast
Prairie View	219	Northeast
Manchester Knolls Coop	36	Northeast
Cinnamon Lake Towers	274	Northeast
Hickory Road Manor	120	Northeast
Lakeside Tower	150	Northeast
Bluffs at South Sheridan (Formerly Barwell Manor)	120	Northeast
Armory Terrace RAD	50	Northeast
Whispering Oaks	405	Northeast
Horizon Village	145	Northeast
Hebron Townhomes	62	Northeast
Palermo Manor	4	Northeast
1437-1445 Greenfield Ave.	6	Northeast
Karcher Artspace Lofts	32	Northeast
Buckingham Place	141	Northeast
Green Bay Manor	75	Northeast
Kings Court	168	Northeast
Niles Terrace	139	Northeast
Brookstone	160	Northeast
Village Park	113	Northeast
Woodstone Village	264	Northeast
1933 Dickey Ave.	1	Northeast
Waukegan Apts.	72	Northeast

Affordable Family Properties	Total	Sub-Region
Oakridge Village	90	Northwest
Cedar Villas Round Lake Beach	90	Northwest
Rosewood Apartments	168	Northwest
Brookhaven Apartments	181	North Central
Grand Oaks Apartments	60	North Central
Northlake Farms Apartments	206	North Central
Colonial Park	240	North Central
Lakewood Village	84	Southwest
Liberty Lake Apartments	70	Southwest
Pebbleshire Apartments II	58	South Central
Brainerd Avenue Apts.	7	South Central
Fairhaven Crossing	40	South Central
Emerald Pointe Apts. FKA Pebbleshire I	24	South Central
Ravinia Housing	17	Southeast
Walnut Place	12	Southeast
Total	4,273	
Approved Affordable Family Properties	Total	Sub-Region
Zion Woods - Deerfield	25	Southeast

Appendix

LAKE COUNTY AFFORDABLE SENIOR PROPERTIES

Affordable Senior Properties	Total	Sub-Region
Millview Manor	25	Northwest
Orchard Manor	25	Northwest
Beach Haven	98	Northwest
Hawley Manor	50	Northwest
Lakeland Apartments	104	Northwest
Cedar Village	80	Northwest
Tiffany Senior Apartments	38	Northwest
Thomas Place Fox Lake	100	Northwest
Lilac Apartments	105	Northwest
Grayslake Senior Housing	70	Northwest
Library Lane Senior Residences	148	Northwest
Lakewood Tower	80	Northwest
Oak Hill Supportive Living Facility	94	Northwest
Cedar Villas Round Lake Beach	112	Northwest
Assisi Homes of Gurnee	60	North Central
Thomas Place Gurnee	100	North Central
Gurnee Meadows I	93	North Central
Gurnee Meadows II	93	North Central
Heritage Woods of Gurnee SLF	84	North Central
Warren Manor	50	North Central

Affordable Senior Properties	Total	Sub-Region
Shiloh Towers	60	Northeast
Kukla Towers	100	Northeast
Thompson Manor	50	Northeast
Ravine Terrace	98	Northeast
Poe Manor	155	Northeast
Regency at Coles Park	50	Northeast
Lilac Ledge Apartments	202	Northeast
B. J. Gaston Bethesda Village	39	Northeast
Carmel House	80	Northeast
The Residences of Fountain Square	71	Northeast
Chapel Gardens	22	Northeast
Barton Senior Residences SLF	117	Northeast
Zion Senior Cottages	84	Northeast
Kuester Manor	25	Southwest
Liberty Arms Senior Apartments	119	Southwest
Zurich Meadows	75	Southwest
Liberty Towers	120	South Central
Lake Manor Apartments	24	South Central
Victory Center of Vernon Hills Senior	111	South Central
Victory Center of Vernon Hills SLF	120	South Central
One Deerfield Place	98	Southeast
Frank B. Peers Sr HSG	67	Southeast
Parkside Place FKA Sunset Woods	12	Southeast
Walnut Place	56	Southeast
Total Senior	3,564	

Approved Affordable Senior Properties	Total	Sub-Region
Starling - Lake Villa	40	Northwest
Lake Plain Senior Residences - Beach Park	37	Northeast
Beech St Senior Lofts- Island Lake	52	Southwest
Mundelein Senior Apts - Mundelein	46	South Central
Eve B Lee's Place - Libertyville	34	South Central
Total Approved Senior	209	