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March 10, 2023

2023
Champaign-Urbana
Multifamily Market Report

This report focuses on the supply of multifamily properties in Champaign, Urbana, and Savoy, Illinois. It is the result of a survey of each relevant property's location, building type, age, size, number of units, and unit mix. The report also includes commentary on the demand for these properties, but the conclusions offered are relatively limited based on the data that I currently have available.

Much of the data gathered involves estimates. Nonetheless, the values used for each property are close enough to the actual ones to allow reliable conclusions about the supply of multifamily properties in the Champaign-Urbana market. The "Survey Methodology" section of this report details this data gathering process if you wish to further evaluate the credibility of the information used.

The following lists show the property types included in this survey:

Included
- Apartments
- House Apartments
- University Housing
- University Certified Private Housing
- Group Housing
- Fraternity/Sorority (Greek Housing)
- Low-Income Housing
- Senior Apartments

Not Included
- Single-Family Residential (Houses)
- Rental Houses
- Residential Duplexes
- Assisted Living Facilities
- Mobile-Home Parks
- Residential Condominiums
- Cooperative Apartment Units

The focus was on three or more-unit properties owned by investors seeking rental income, though this definition does not exactly fit all the properties or property types included. "Greek Housing", for instance, is sometimes owned by an investor who leases a given property to a Greek organization, but such properties more often are owned by the Greek organization itself. Nevertheless, these are multifamily properties that are difficult to classify otherwise, especially when measuring the amount of rental housing available for University of Illinois students. Also, there are a few one or two-unit properties that found their way into the survey because they clearly

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are rental properties. “Group Housing” usually involves former single-family residences intended for rental by groups of University of Illinois students or relatively smaller Greek organizations, while “House Apartments” are houses divided into individual apartment units that are most likely to operate as apartment properties for the remainder of their useful lives.

Some of the property types excluded from the survey also involve properties owned by investors for rental income but were not included for various reasons. For example, “Houses” may be used as rental properties or single-family residences, but it is not always easy to track how the use changes over time. Further detail on the various property types and why specific ones were excluded from the survey can be found in the “Survey Methodology” section of this report.

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Expires 09/30/2023

Multifamily Supply

The following pages summarize the data gathered regarding the existing supply of multifamily properties in Champaign, Urbana, and Savoy, Illinois. It involves all properties in Champaign, Urbana, and Savoy of the included property types, except maybe an insignificant number of "Group Housing" and/or "House Apartments" properties that might have been missed because it is sometimes difficult to differentiate between these properties and single-family residences. The data also includes properties currently under construction or with relatively definite plans for construction and completion in 2023 as of the date of this report.

While multifamily properties typically are described on a "number of bedrooms" basis, you will see the term "resident capacity" used instead in several instances. This is the total number of residents that each property or area can accommodate, and it was used because dormitory-style and fraternity/sorority properties involve rooms that can contain two or more beds. However, "resident capacity" is equivalent to "number of bedrooms" for most properties surveyed that include standard apartment units where the number of residents is assumed to equal the number of bedrooms.

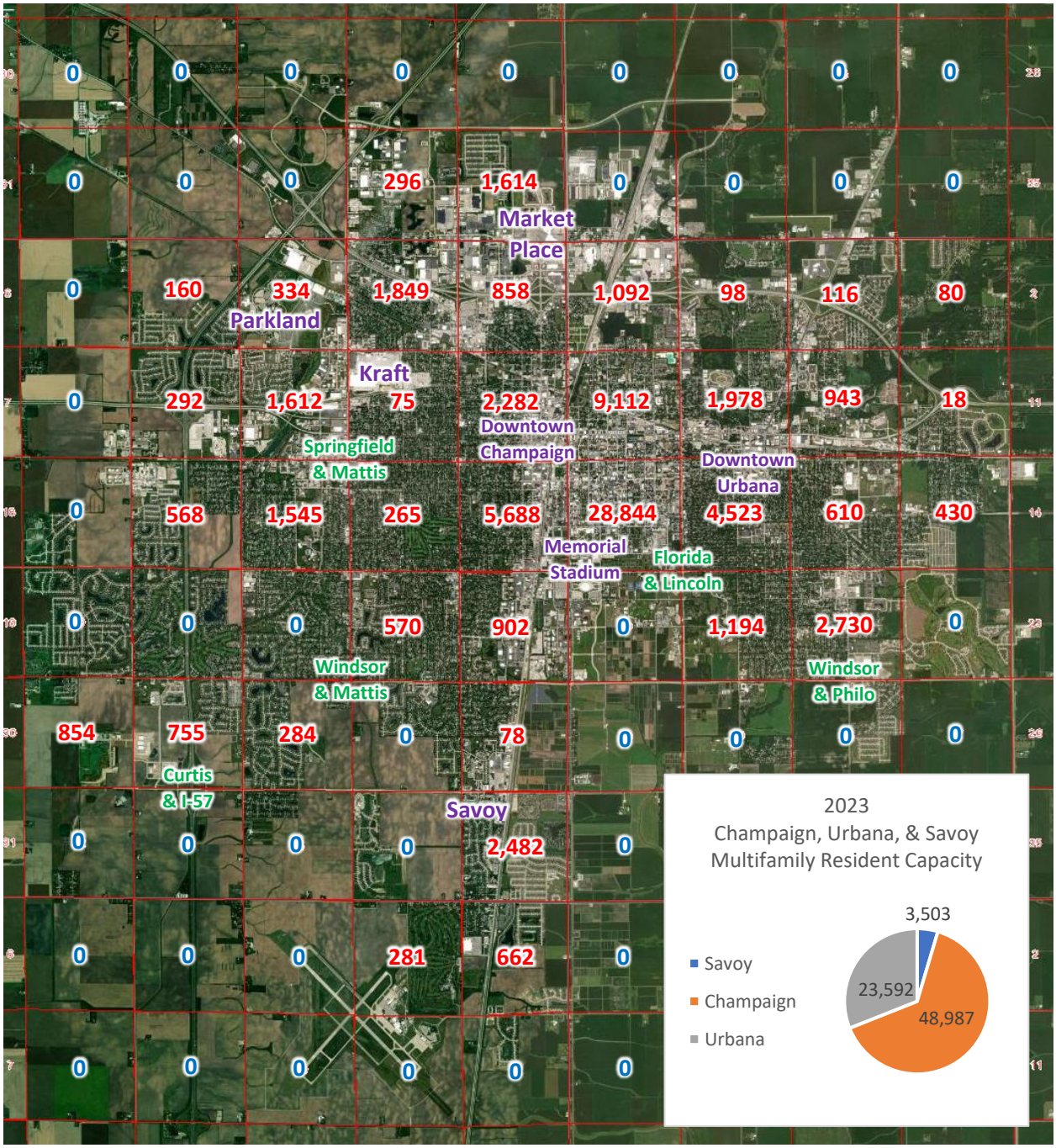
The included unit type mix charts only involve properties with individual units that can be categorized on a standard 1-bedroom, 2-bedroom, etc. basis. As such, "Fraternity/Sorority", "Group Housing", and most "University Housing" and "U of I Certified Private Housing" properties are not included in these totals.

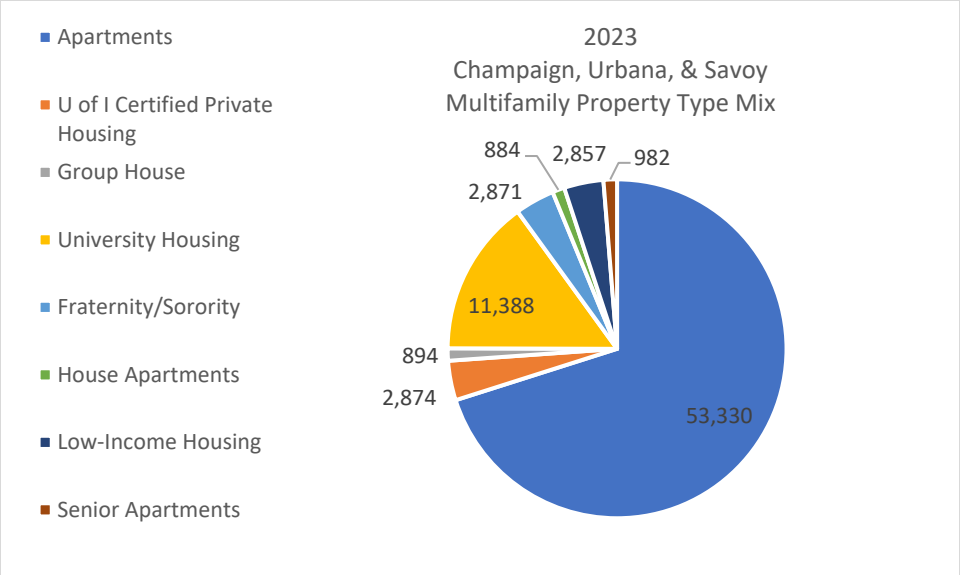
Though there are some properties that include units with more than four bedrooms, there are relatively few such properties. Therefore, these unit types were not tracked separately for this survey. Nevertheless, these units were included in each property's number of units and resident capacity.

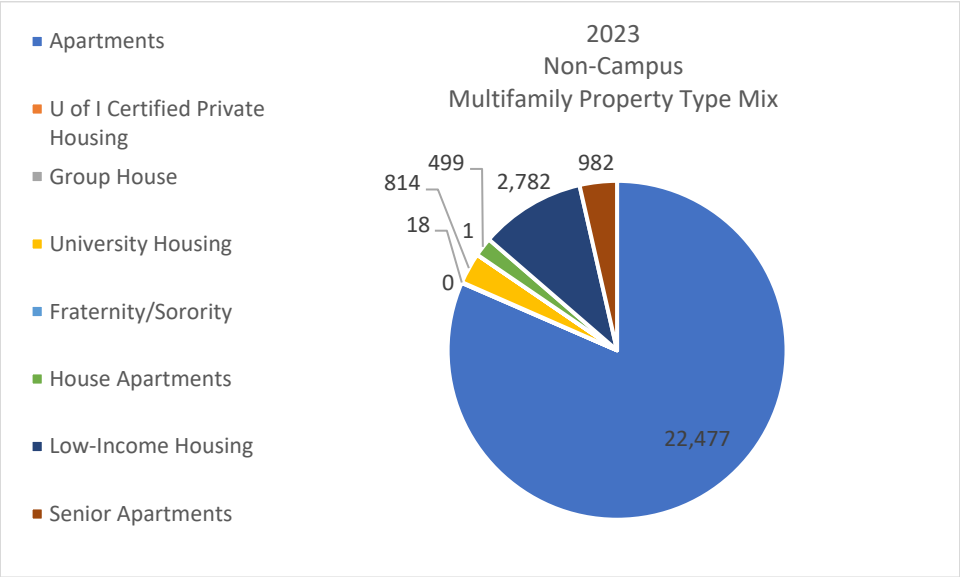
The "Year Built" charts show year ranges subjectively chosen based on the most easily available information for meaningful overall estimates of property ages. The construction years for properties built 2002-present are exact, while the values for other properties generally become more estimated the older a given property is. Even so, these estimated ages still provide sufficiently meaningful information on the overall age of multifamily properties in this market.

And finally, the boundary for Campus used in this report was my own subjective choice based on the borders I set for the map quadrants immediately surrounding the four quadrants of Section 18 that represent the center of Campus. Some readers may disagree with this border and maybe specifically the inclusion of Downtown Champaign. While I can compile the data according to any Campus boundary, I believe the chosen boundary still summarizes the data in a meaningful way.

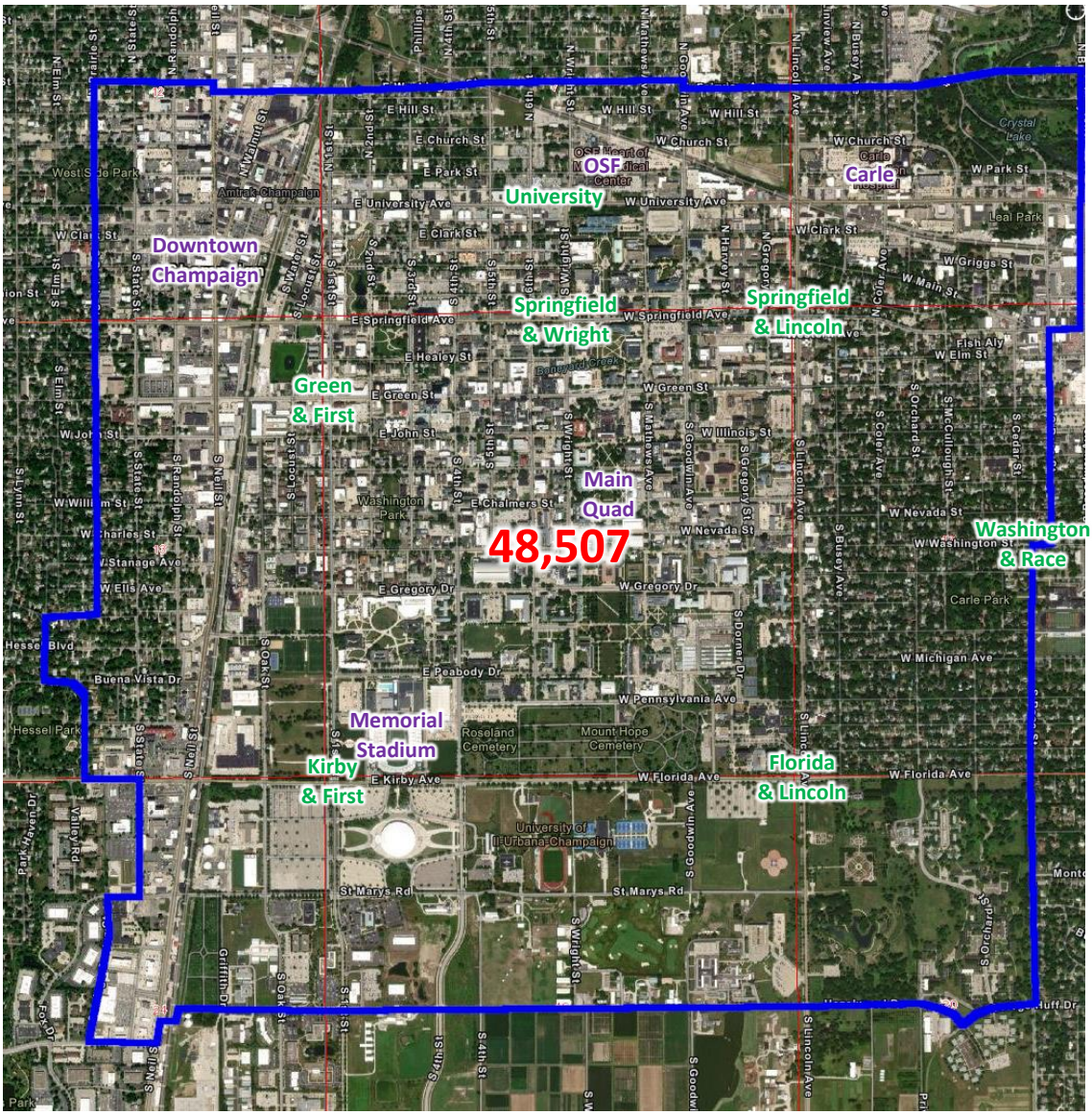
2023
Champaign, Urbana, & Savoy
Multifamily Resident Capacity
By Section

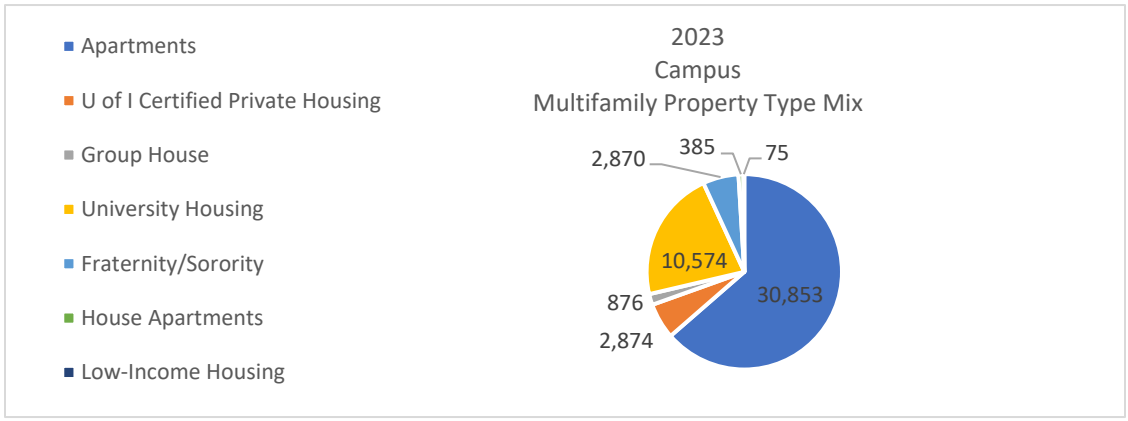



Apartments
U of I Certified Private Housing
Group House
University Housing
Fraternity/Sorority
House Apartments
Low-Income Housing
Senior Apartments
2023
Champaign, Urbana, & Savoy
Multifamily Property Type Mix
884
2,857
982
2,871
11,388
894
2,874
53,330

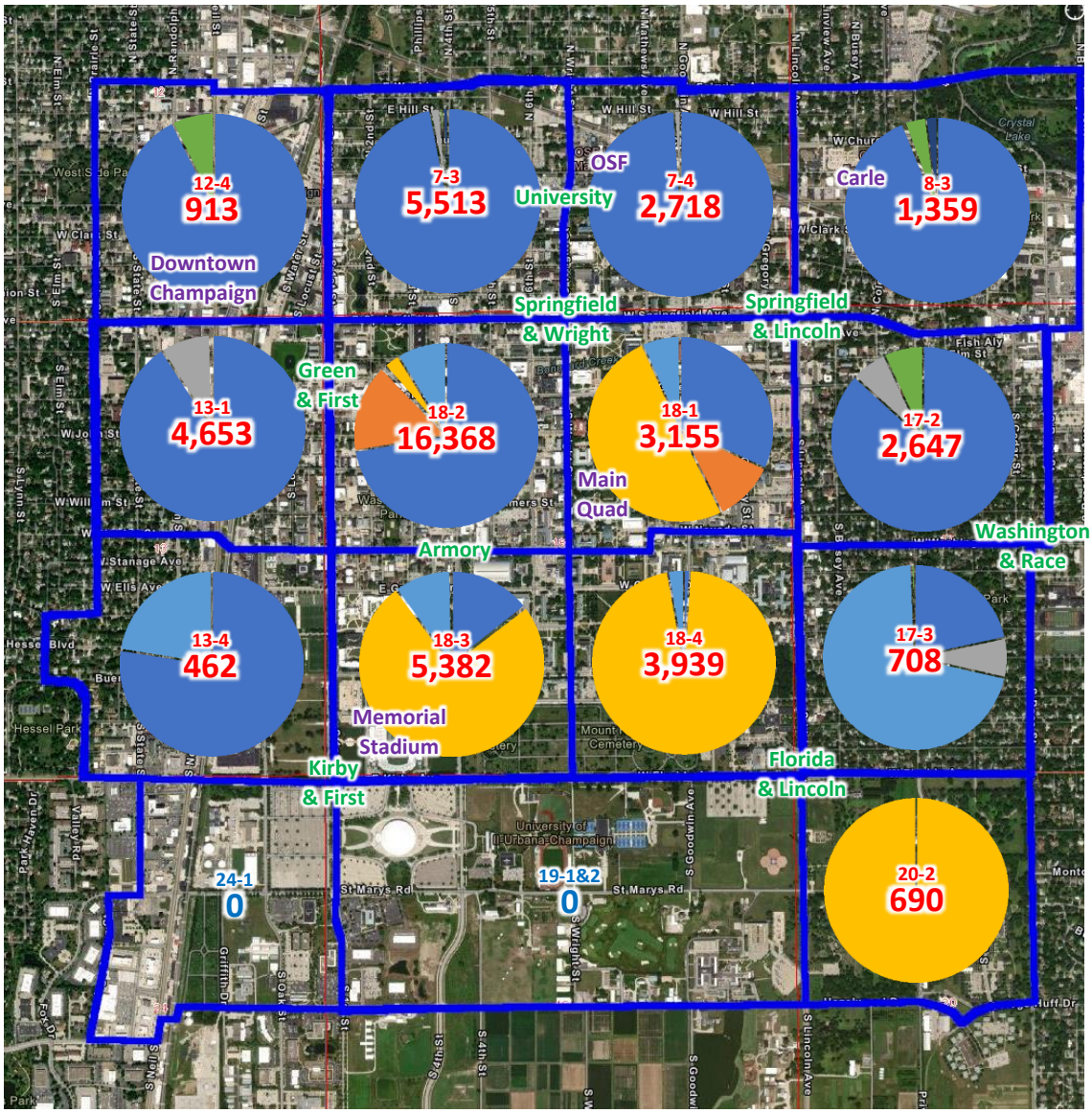

Apartments
U of I Certified Private Housing
Group House
University Housing
Fraternity/Sorority
House Apartments
Low-Income Housing
Senior Apartments
2023
Non-Campus
Multifamily Property Type Mix
499
814
2,782
982
18
1
0
22,477

2023
Campus
Multifamily Resident Capacity
& Property Type

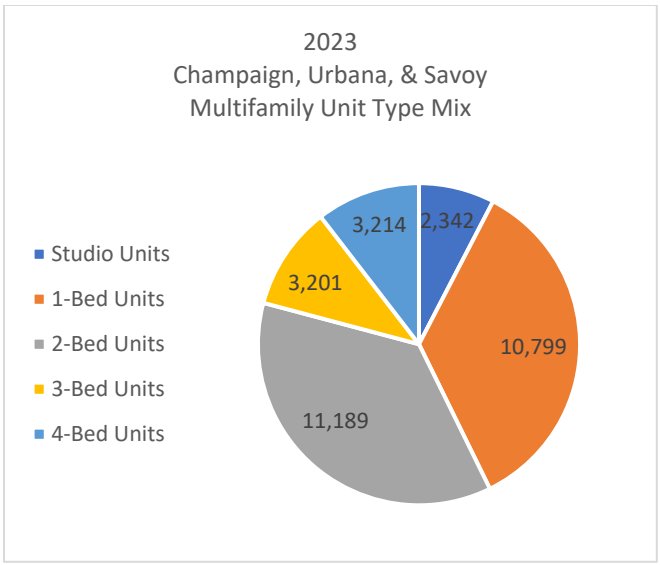


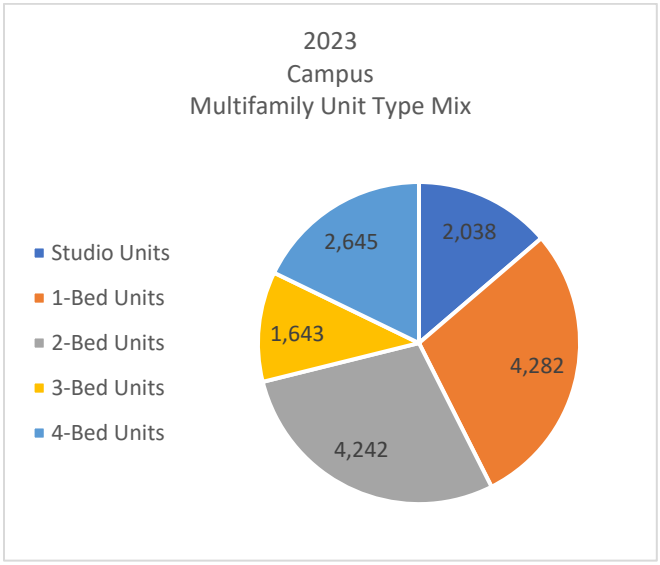


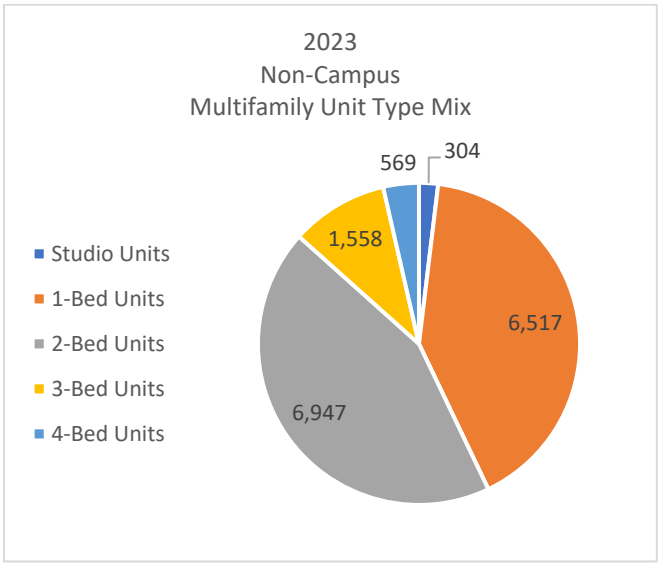
2023
Campus
Multifamily Resident Capacity
& Property Type
By Quadrant

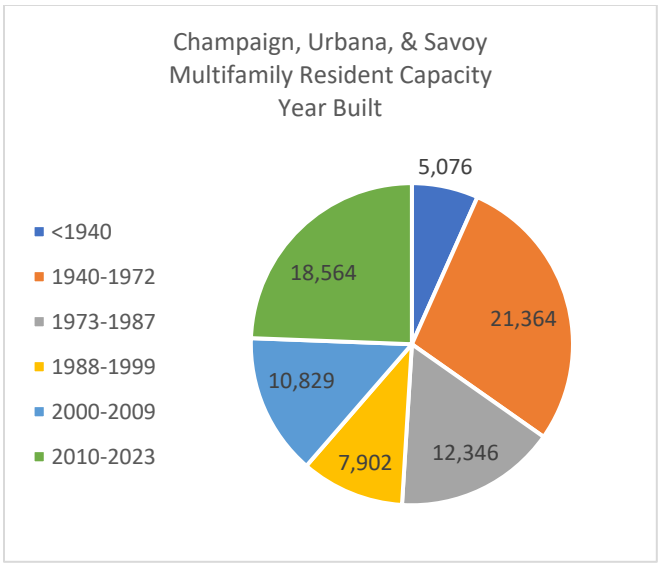


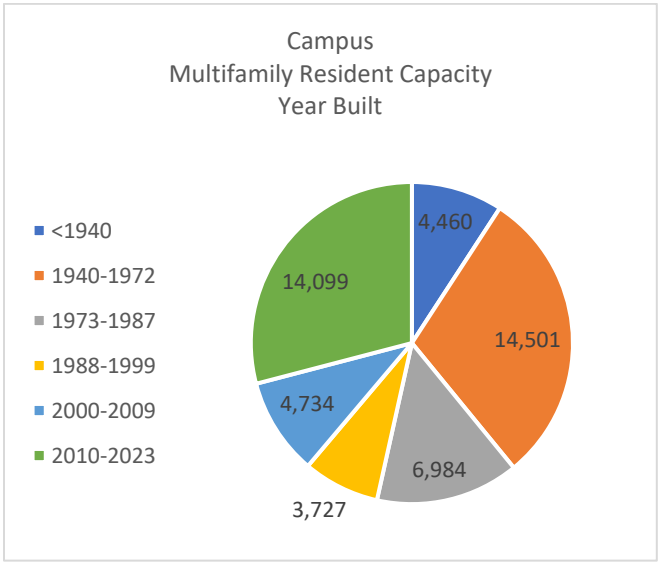
- Apartments
- U of I Certified Private Housing
- Group Housing
- University Housing
- Fraternity/Sorority
- House Apartments

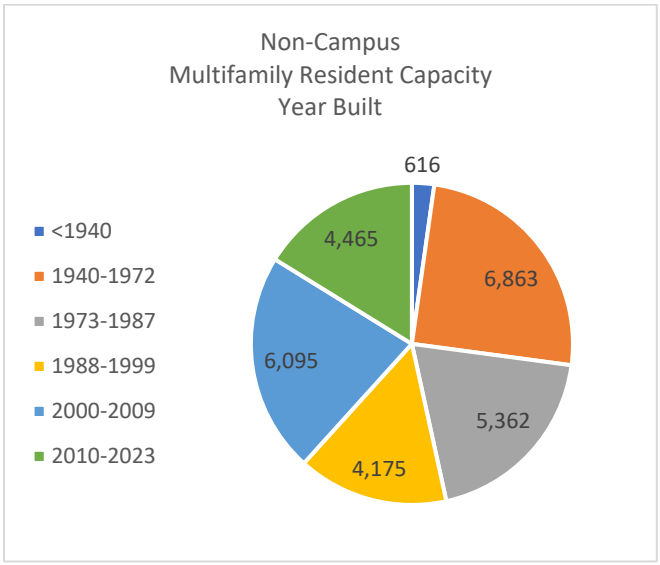

2023
Champaign, Urbana, & Savoy
Multifamily Unit Type Mix
Studio Units
1-Bed Units
2-Bed Units
3-Bed Units
4-Bed Units
2,342
10,799
11,189
3,201
3,214

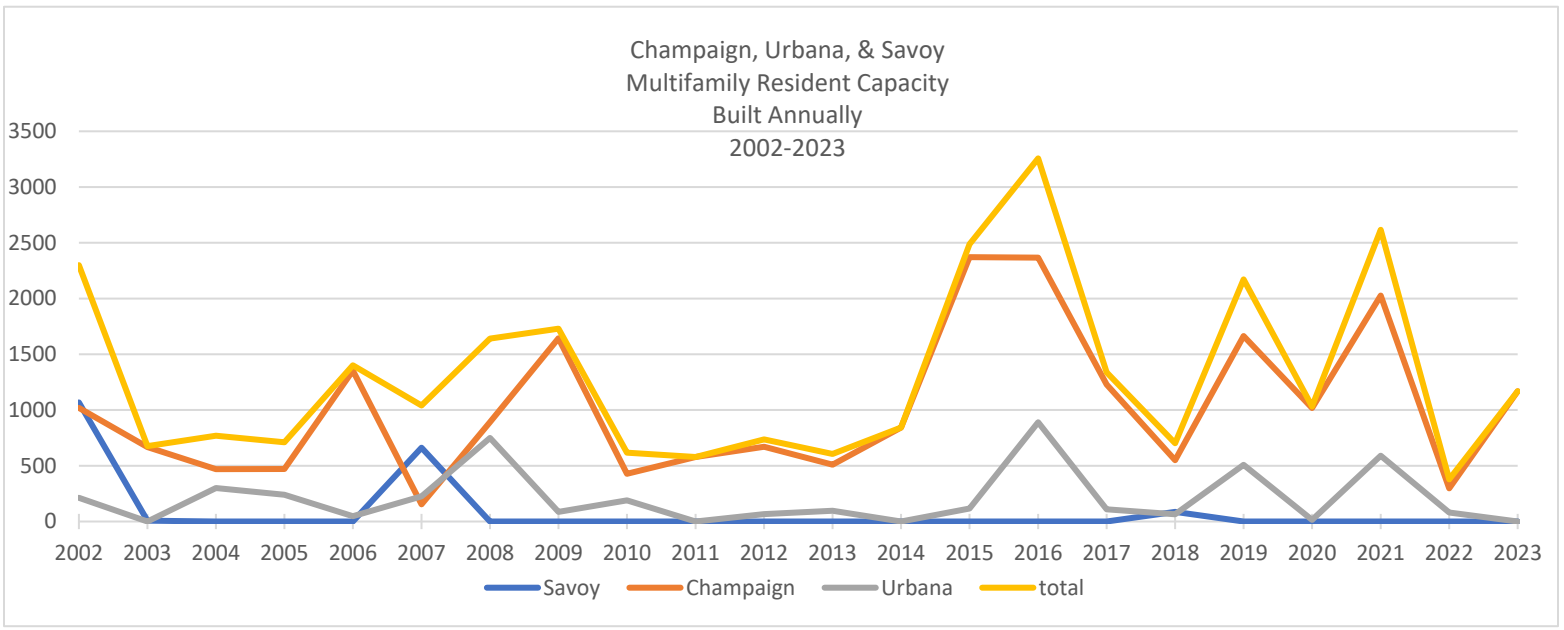

2023
Campus
Multifamily Unit Type Mix
Studio Units
1-Bed Units
2-Bed Units
3-Bed Units
4-Bed Units
2,038
4,282
4,242
1,643
2,645

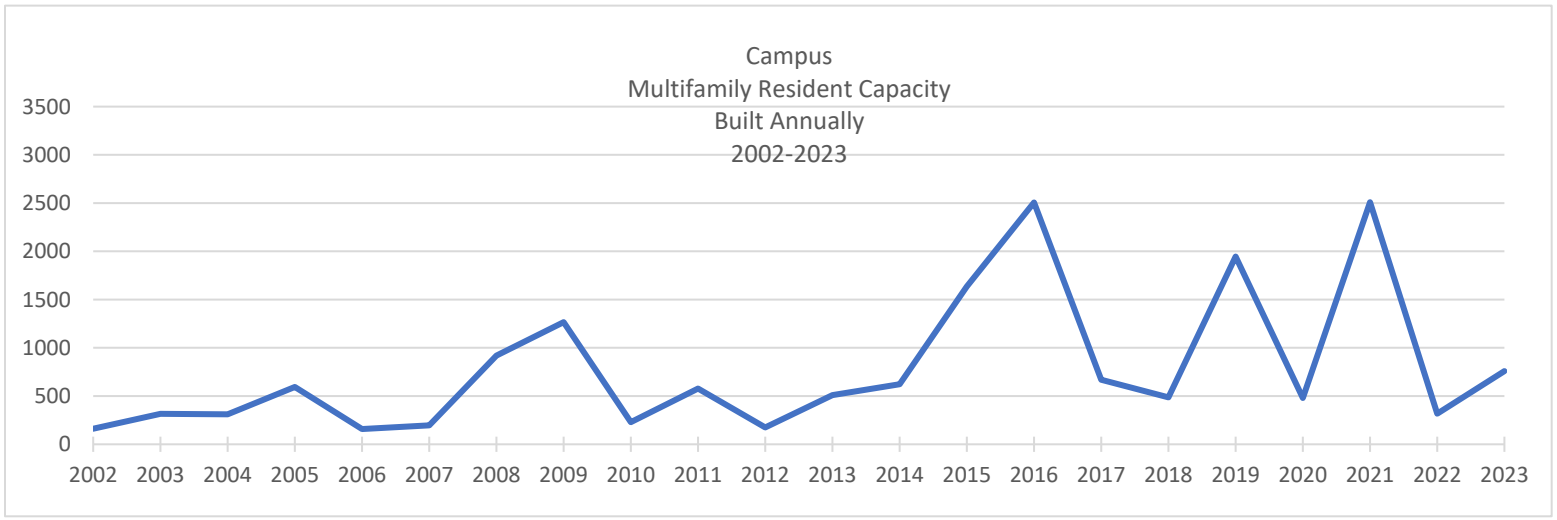

2023
Non-Campus
Multifamily Unit Type Mix
Studio Units
1-Bed Units
2-Bed Units
3-Bed Units
4-Bed Units
304
6,517
6,947
1,558
569

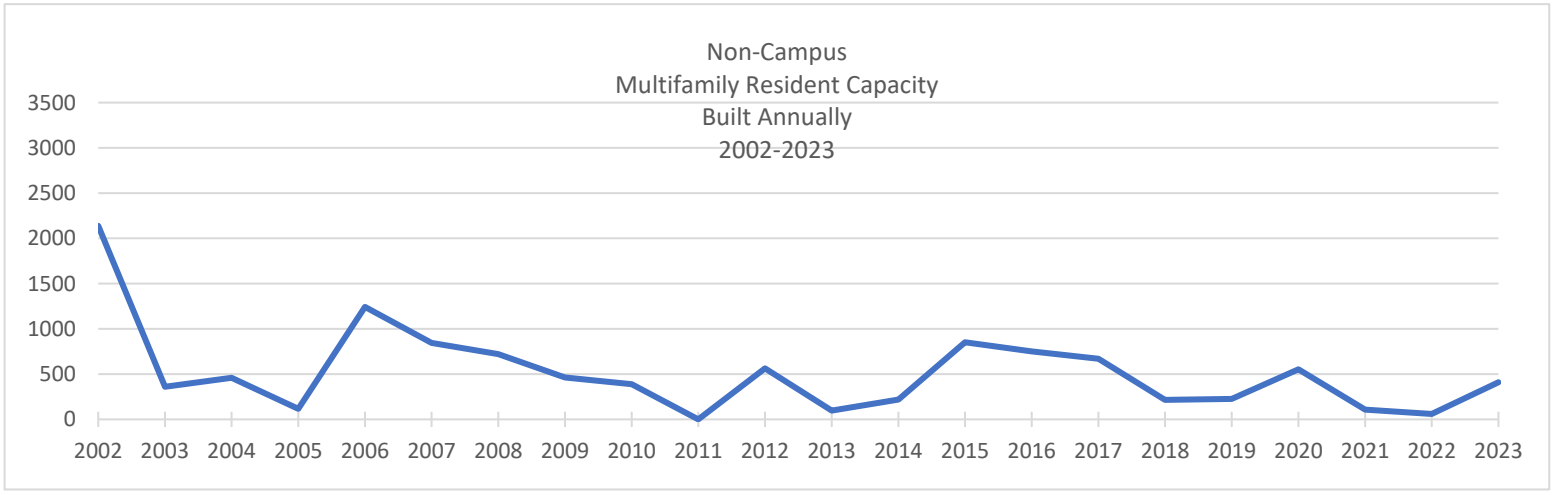

Champaign, Urbana, & Savoy
Multifamily Resident Capacity
Year Built
<1940
1940-1972
1973-1987
1988-1999
2000-2009
2010-2023
5,076
21,364
12,346
7,902
10,829
18,564


Campus
Multifamily Resident Capacity
Year Built
<1940
1940-1972
1973-1987
1988-1999
2000-2009
2010-2023
4,460
14,501
6,984
3,727
4,734
14,099


Non-Campus
Multifamily Resident Capacity
Year Built
<1940
1940-1972
1973-1987
1988-1999
2000-2009
2010-2023
616
6,863
5,362
4,175
6,095
4,465


Champaign, Urbana, & Savoy
Multifamily Resident Capacity
Built Annually
2002-2023
3500
3000
2500
2000
1500
1000
500
0
2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023
Savoy
Champaign
Urbana
total


Campus
Multifamily Resident Capacity
Built Annually
2002-2023
3500
3000
2500
2000
1500
1000
500
0
2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023


Non-Campus
Multifamily Resident Capacity
Built Annually
2002-2023
3500
3000
2500
2000
1500
1000
500
0
2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023

Multifamily Demand & Vacancy

Demand for multifamily properties typically is measured using vacancy rates, with lower rates equating to relatively higher demand. However, it is very difficult to know precisely or objectively measure vacancy rates for all such properties in each area. Not all property owners are eager to share this data and it is not always easy to judge the accuracy of the data that is shared. Alternatively, it is possible to gather reliable vacancy data for a statistically significant sample of properties to draw conclusions for the overall market. While I may attempt to compile such data in the future, I have not done so at this time.

Another option for estimating demand is through an analysis of year-to-year trends in rental rates. One would expect that a downward trend in rates indicates decreasing demand (and higher vacancy) relative to the property supply and that the opposite indicates increasing demand. I am currently gathering this data but do not yet have enough information to present conclusions in this report.

Despite these limitations, some commentary on multifamily demand and vacancy rates is possible by looking at the total resident capacity for Champaign, Urbana, and Savoy in relation to the total number of renters according to census data. In a perfectly balanced market, resident capacity for multifamily properties would equal the number of people looking for rental housing, while a market where the resident capacity greatly exceeds the number of renters would suggest an unbalanced market with a high vacancy rate. It is important to note that while the census data does present its own vacancy rates for this market, these rates are largely estimated and do not include the more detailed accounting of multifamily housing supply shown in this report.

The current survey data shows a 2023 total estimated resident capacity for Champaign, Urbana, and Savoy of 76,082:

Champaign =	48,987
Urbana =	23,592
Savoy =	3,503
Total Supply =	**76,082**

Census data shows the following estimated population numbers for 2021 and estimated number of renters using the 2020 census rental housing rate percentages:

	Population	Rental Housing Rate	Renters
Champaign =	89,114	56.0%	49,904
Urbana =	38,681	66.5%	25,723
Savoy =	8,823	44.8%	3,953
Total Demand =			**79,580**

The number of renters theoretically should include most University of Illinois students, since these students should be reporting themselves according to where they live the majority of a given year, but it is difficult to know precisely how well the total accounts for them.

Initially, the above numbers suggest that demand is greater than supply, but it is important to remember that the supply survey data shown in this report does not include all properties in Champaign, Urbana, and Savoy that may be occupied by renters. There are renters living in houses that are not included in the survey. Additionally, the other related property types excluded from the survey contain an undetermined number of renters. While this makes it difficult to say exactly whether demand exceeds supply and by how much, the data generally seems to suggest that supply and demand are relatively close to each other at this time. It also seems reasonable to assume that rental property vacancy rates will increase significantly if the resident capacity (supply) according to this report begins to exceed the number of renters (demand) shown by the census. However, the data does not show that this currently is the case.

It likewise is difficult to make exact demand/supply conclusions specific to the Campus multifamily market, but general conclusions are possible. The University of Illinois publishes enrollment information for its Urbana-Champaign campus, with 56,916 students reported for Fall 2022. While it is not clear exactly where these students are residing when comparing this number to the relevant amount of Campus rental housing, the University data reports that 15% of these students are enrolled in online programs. So, assuming these students live outside the Urbana-Champaign area suggests that about **48,400** students live on or near Campus, which essentially is equal to the Campus multifamily resident capacity (**48,507**) shown earlier in this report. The data therefore suggests that supply and demand for Campus rental housing currently are equal and that the market is in balance.

At this time, I cannot make other definite conclusions about multifamily demand and vacancy in Champaign, Urbana, and Savoy based on the data that I currently have available. Still, I expect to offer better conclusions in future versions of this report primarily through studies of rental rate trends and/or vacancy rates for sample sets of multifamily properties in the Champaign-Urbana market.

Survey Methodology

The survey involved entering the following information for each property into a database:

- Address
- City
- PIN#
- Building Type
- Year Built
- PLSS Location
- Gross SF
- #Units
- Resident Capacity
- # Studio Units
- # 1-Bed Units
- # 2-Bed Units
- # 3-Bed Units
- # 4-Bed Units

It was completed on a block-by-block basis and contains all properties in Champaign, Urbana, and Savoy of the included building types, except possibly an insignificant number of "Group Housing" and/or "House Apartments" properties that may have been missed due to the difficulty sometimes involved in differentiating between these properties and single-family residences. The data also includes properties currently under construction or with relatively definite plans for construction and completion in 2023 as of the date of this report. Overall, I tried to use a process that achieved a meaningful level of accuracy while keeping the time to create and maintain the database at a manageable level.

Address

While generally a straightforward entry, some property addresses were recorded in different ways. For example, some properties with one tax parcel number include multiple buildings of different ages. To record the age of such buildings more accurately, separate addresses and entries were used even though they commonly might be referred to as a single property/address. Also, properties with large numbers of buildings often involve multiple addresses, but only one entry was created because these properties commonly are referenced under one name. Additionally, using one entry often made sense based on the available information for the property and/or to save time with data entry, especially if each building was identical and built at nearly the same time.

City

Each property was identified as being in Champaign, Urbana, or Savoy. Other locations like Mahomet and Rantoul that are part of Champaign County were not included in this survey.

PIN#

This is the Champaign County tax parcel number for each property. Like addresses, some PIN#s were entered differently. For instance, if there are two entries in the database for different age buildings on the same tax parcel, that tax parcel number occurs twice in the database.

Building Type

Each property was entered as one of the following property types:

- Apartments
- House Apartments
- University Housing
- University Certified Private Housing
- Group Housing
- Fraternity/Sorority
- Low-Income Housing
- Senior Apartments

"Apartments" are properties with individual living units that include one or more three-fixture bathrooms and generally range in size from one to four bedrooms. An additional building type also was used for apartment properties that include office and/or retail space for lease.

"House Apartments" usually are former single-family residences divided into individual apartment units.

"University Housing" involves all properties owned by the University of Illinois for occupancy by students. These properties include both dormitory-style units and more standard apartment units. "University Certified Private Housing" is privately owned but has similar physical characteristics and is affiliated with the University.

"Group Housing" includes properties intended for groups of University of Illinois students or relatively smaller Greek organizations. Most of these properties also originally existed as single-family residences.

"Fraternity/Sorority" properties are occupied by University of Illinois students who are members of various Greek organizations. They are similar to "University Housing" in that they usually involve some form of common area sleeping, bathroom, and eating facilities. This label additionally was applied to a few properties that are similar in nature but do not involve Greek organizations.

"Low-Income Housing" includes all multifamily properties that primarily can only be occupied by tenants with household incomes below specified benchmark levels. These properties usually are physically the same as apartment properties, though some newer properties of this type involve construction that is more similar to individual single-family residences.

"Senior Apartments" are apartment properties than can only be occupied by residents who are 55 or older. This property type is identical to "Apartments" except for the age requirement and does not include properties that provide significant living and/or medical assistance like nursing homes.

The following building types were not included in the database for various reasons:

- Single-Family Residential (Houses)
- Rental Houses
- Residential Duplexes
- Assisted Living Facilities
- Mobile-Home Parks
- Residential Condominiums
- Cooperative Apartment Units

The property types "Houses", "Rental Houses", "Residential Condominiums", and "Cooperative Apartment Units" may be occupied as rental properties or single-family residences, but it is not always easy to track how the use changes over time. Also, while I occasionally appraise these property types, my appraisal practice focuses on residential rental properties with three or more units. Primarily for these reasons, these property types were not included in the database referenced for this report. "Residential Duplexes" likewise were not included because I usually do not appraise these properties due to their smaller size. I also have not included "Assisted Living Facilities" (i.e., nursing homes), because I do not appraise these properties. This is a specialized property type that typically is bought and sold on a more regional basis and is best left to those who specialize in the appraisal of such properties. Finally, "Mobile-Home Parks" were not included in the database, even though I do appraise these properties. This is a different property type for which I appraise the rental of the property's pads/sites that are occupied by mobile homes and does not include the appraisal of the mobile homes themselves. Also, the mobile homes can be owned or rented, but, like the "Houses" property type, it is not easy to track how the use changes over time.

Year Built

Many of the "Year Built" values for properties are estimated, especially for relatively older properties. However, the values for properties built 2002-present are exact. While it is possible to manually search through assessor property cards or research the exact age of properties in other ways, the easiest/quickest tool for approximating a property's age is by using the Champaign County GIS maps. These maps include aerial imagery layers from 2002, 1988, 1973, and 1940 that can help estimate age by observing the layers in which each property does or does not appear. The layer image for 1940 is not very clear, but properties of this age or older usually are easy to identify based on architecture, firsthand knowledge of similar properties, or other features that are visible using tools like Google Maps Street View. Approximations like these are sufficient for this survey that only aims to categorize older properties into relatively broad age groups.

PLSS Location

The Public Land Survey System is used in Illinois as the basis for property legal descriptions and was used to record the location of each property in the database. The PLSS uses a grid system with numbered townships, ranges, sections, and quadrants. I additionally have assigned a block number to each property within its quadrant so that properties can be searched/filtered down to the block level for all areas in the database.

Gross SF, #Units, Resident Capacity, & Unit Type Mix

Several approaches were used to enter or estimate these values for each property. However, I have personally measured and inspected a relatively small percentage of the included properties. Some values were already known for specific properties due to previous appraisal work or other easily obtainable sources and so were simply entered into the database. For others, finding multiple reliable sources that indicated a specific value for a given property characteristic increased confidence in the estimated value for the property. In other instances, enough values were known regarding a property's characteristics to develop and cross-check estimates for the property's other unknown characteristics. The following spreadsheet shows one example of this process:

	total # bedrooms	# bedrooms per unit	# units	sf per unit	total rentable sf
	23	1	23	750	17,250
	0	2	0		0
	93	3	31	950	29,450
	0	4	0		0
total	116		54		46,700
			gross sf	85% of gsf	
			55,000	46,750	

For this apartment property, the total number of units (54), the unit types (1 & 3-bed), and the average square feet per unit (750 & 950sf) were known values. Also, the Champaign County GIS maps enable gross square feet estimates that I have found to be reasonably accurate, so this value (55,000sf) was regarded as a known value. And while it can vary widely from 70-95%, a smaller range for rentable square feet as a percentage of gross square feet often can be estimated for properties of specific ages/types. And for properties with townhouse units or unit access using exterior stairways, gross square feet often equal rentable square feet. For this example, the rentable square feet (46,750sf) were estimated at 85% of gross square feet. Then, different numbers of one and three-bedroom units were tried until a combination was found where the rentable square feet were close to the estimated amount. The result was an estimate of the unit type mix and the number of bedrooms, which in this case equates to the property's resident capacity.

The most important values sought through this process were each apartment property's unit type mix and resident capacity, but collecting and estimating all the various values often helped cross-check each individual value. For some property types like "University Housing", determining the resident capacity was more straightforward, since the University of Illinois publishes on its website the number of students that each of its properties can accommodate, as well as floor plans that help cross-check the reported numbers. Likewise, knowing the resident capacities and square footage for a sample of "Fraternity/Sorority" properties revealed a ratio of about one student for every 560 gross square feet. Using this value and a given property's estimated gross square feet via the Champaign County GIS maps, it was possible to estimate the resident capacity for other properties of this type.

Again, while other methods could be used in many instances to gather more exact data, one goal of the survey was to achieve a meaningful level of accuracy while minimizing the time to create the database.