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## Here's why apartment landlords love millennials

By Alby Gallun



With millennials driving demand for apartments, new developments like the Lofts at River East in Streeterville are popping up all over the city.

PHOTO BY COSTAR GROUP

Apartment developers like to lavish attention on well-paid millennials, and a new report by researchers at DePaul University shows why.

Renters ages 25 to 34 who earn \$74,000 a year or more accounted for most of the increase in demand for apartments in Cook County between 2007 and 2014, according to [the report](#) from the DePaul's Institute for Housing Studies.

More millennials are holding off on home purchases and staying in apartments for longer than previous generations did, one reason apartment rents and multifamily construction [have surged](#) the past several years.

Between 2007 and 2014, Cook County gained 75,753 renters in the 25-34-year-old range, a 40 percent increase, more than any other age group, according to the report. And nearly half of those renters—37,149—earned more than 120 percent of the area's median income, which was \$61,598 in 2014.

“That really resonates when you look at all the development that's taken place in the city,” said Geoff

Smith, executive director of the housing institute. “That development is really geared toward that higher-earning segment.”

Developers have built nearly 8,000 rental units in downtown Chicago over the past three years and are on pace to add nearly 9,000 more by the end of 2017. More development is under way in hot neighborhoods like Bucktown and Logan Square.

Renters ages 25 to 34 accounted for 31.2 percent of all Cook County renter households in 2014, up from 25.7 percent in 2007, according to the report.

Yet the report also highlights the local apartment market's split personality. As millennials with good jobs willingly pay up to live in expensive buildings, many renters at lower income brackets can't find enough affordable housing, the report shows.

Cook County's apartment market still has a big affordability gap, which the DePaul researchers define as the difference between the demand for affordable housing by low-income residents and the supply of units that would be affordable at 30 percent of their income.

The gap in the county grew from 157,273 apartments in 2007 to 177,959 in 2011, the report says. Though it dropped in 2014 to 168,298 units, “it's still a big number,” Smith said.

In Cook County, 52 percent of renter households are rent-burdened, or spend more than 30 percent of their income on housing, versus 49 percent nationwide. The problem is especially acute for households earning 30 to 50 percent of the area's median income: Thirty-nine percent of renters in that income bracket are extremely rent-burdened—spending more than 50 percent of their income on housing—up from 29 percent in 2007, according to the report.

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**Rushim Bains** · 7 days ago

Everybody is after renters with good credit and good incomes. If Chicago wants to make inroads into creating more affordable rental housing, it needs to relax the Chicago Landlord Tenant Ordinance and ask county judges to have more sympathy with landlords in dealing with delinquent tenants who are gaming the system to live in apartments for free. It also needs to work out a way for evictions to be completed faster, which involves the sheriff's department. Speed up that system and make it more fair, and you will see tens of thousands of apartments being offered to more moderate income folks. Bang--problem solved.