

Manufactured Housing Community Council  
ULI 2008 FALL MEETING  
MIAMI, FLA  
OCTOBER 27-28, 2008

Understanding Demographics/Market Analysis:

## **THREE DISPARATE CHICAGO-AREA HOUSING MARKETS**

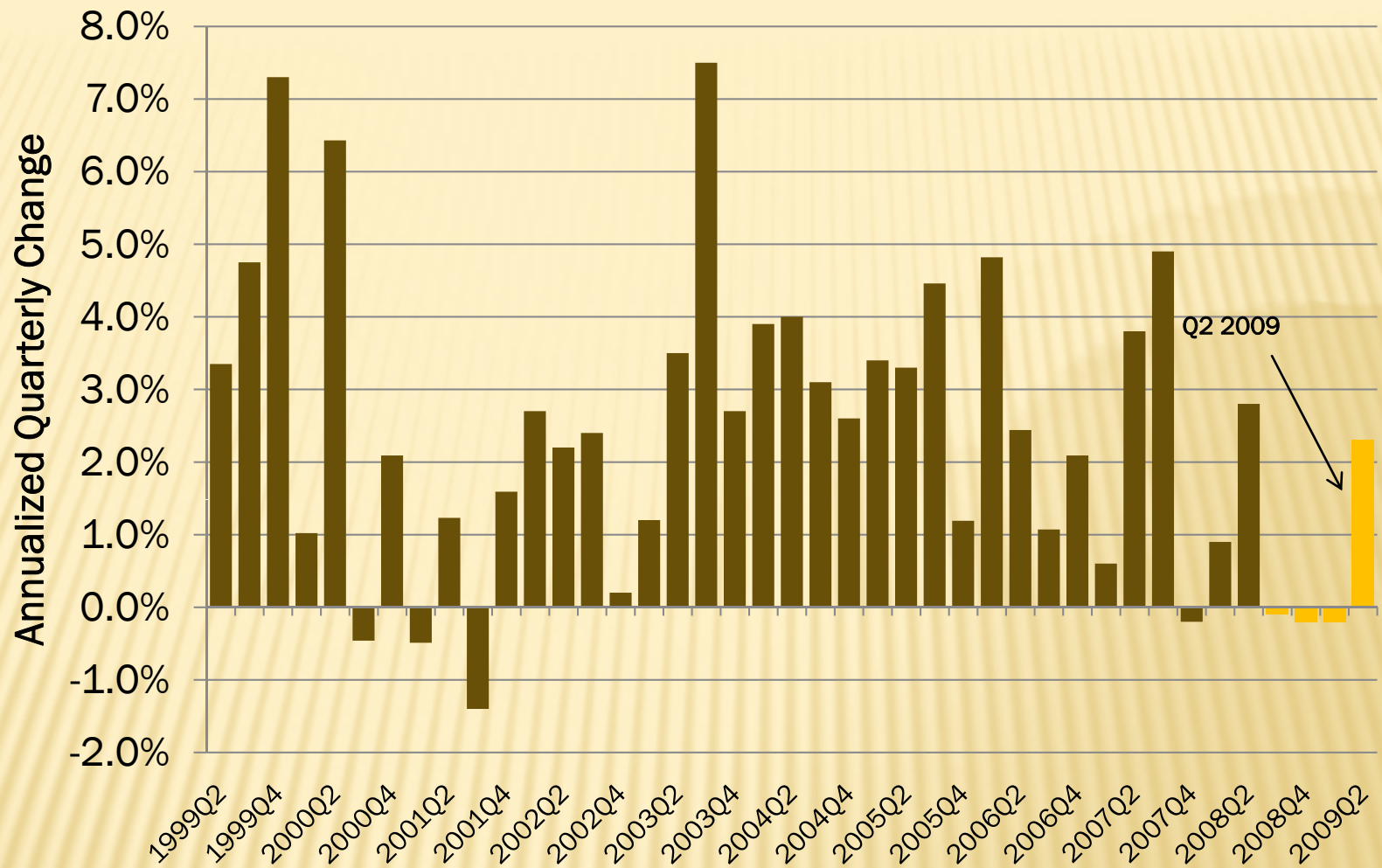


Three Disparate Chicago-area Housing Markets

**THE NATIONAL ECONOMY**

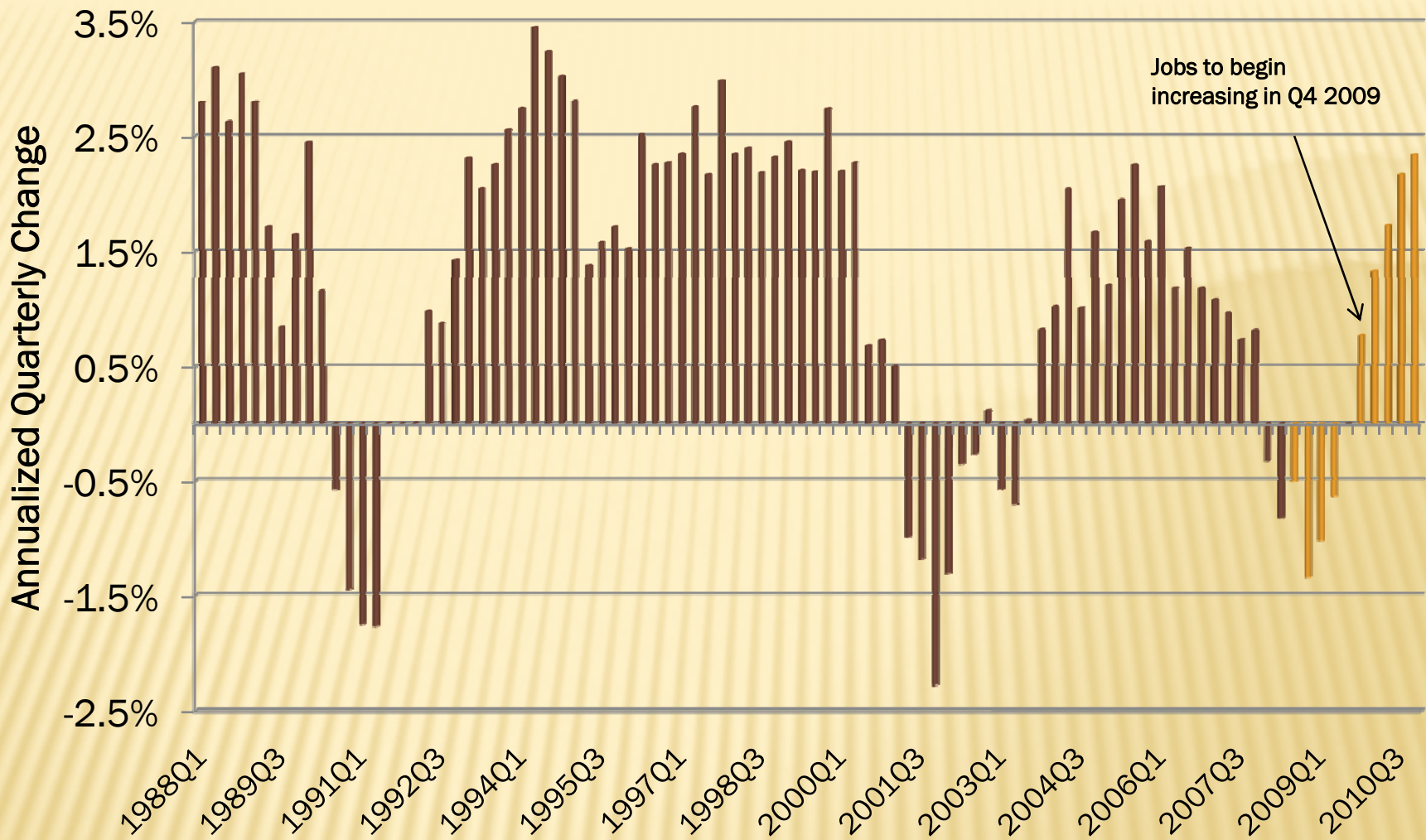
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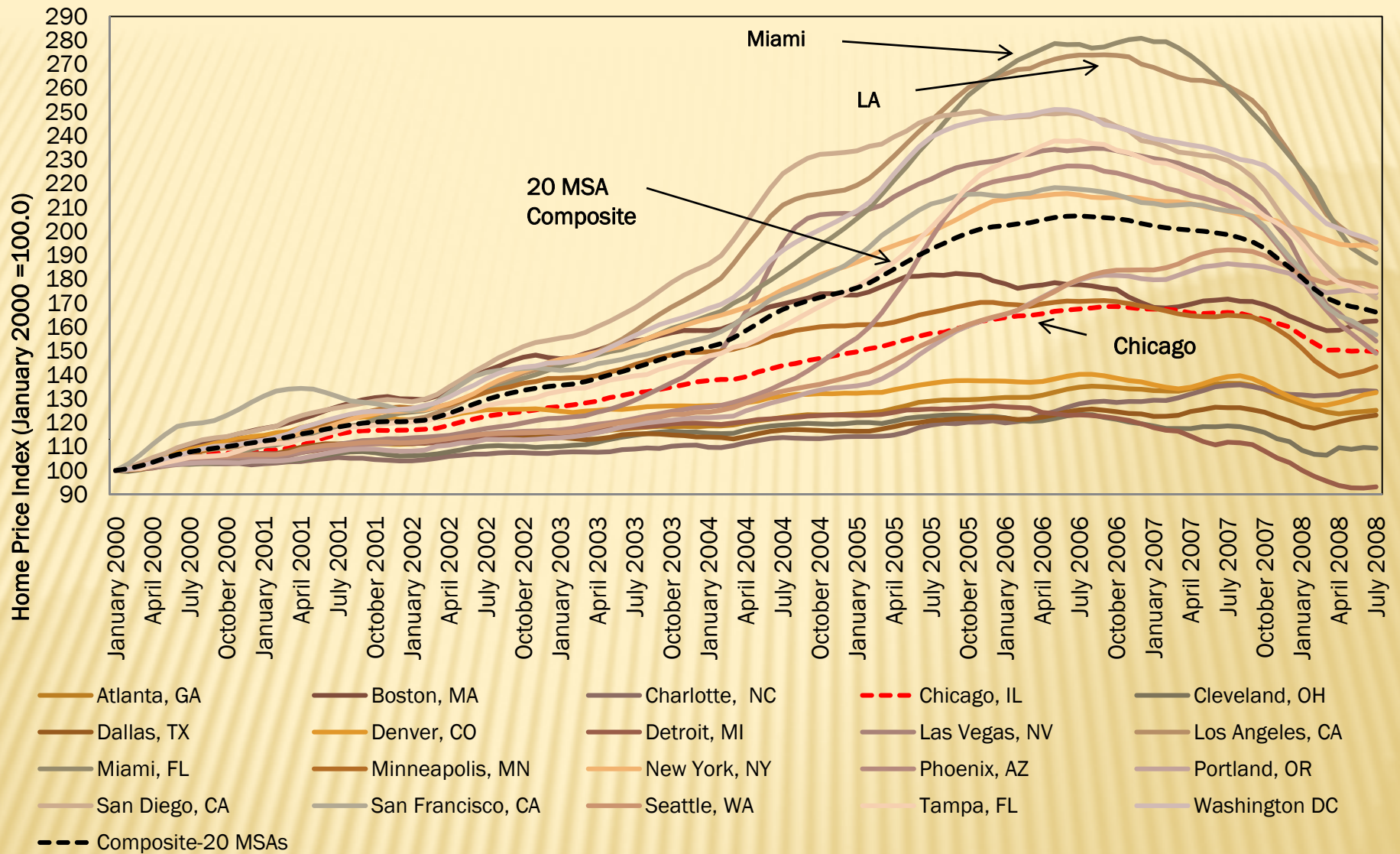
## GROSS DOMESTIC PRODUCT – UNITED STATES

Sources: Moody's Economy.com RECI, Inc.



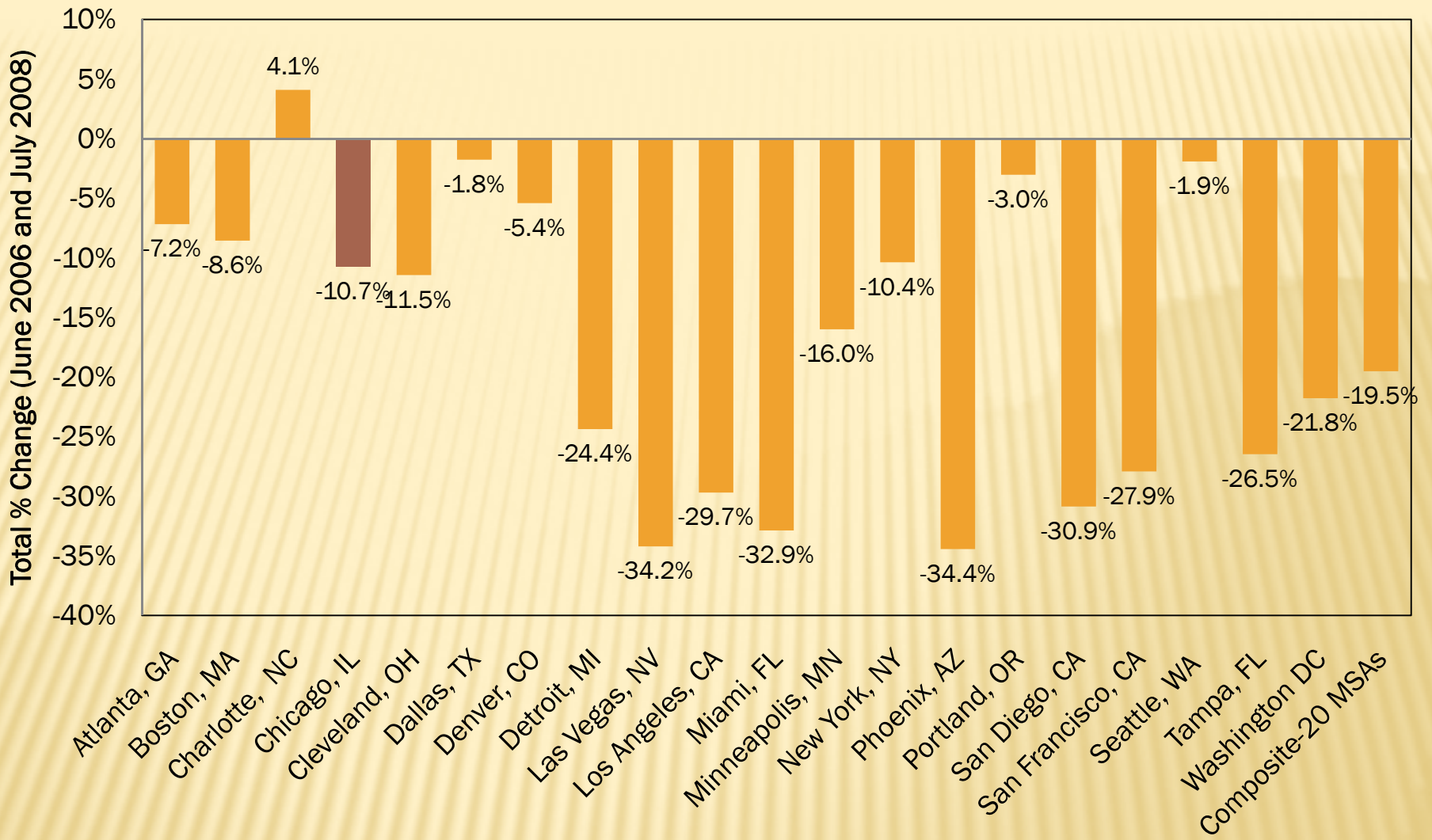
## QUARTERLY EMPLOYMENT CHANGE- UNITED STATES

Sources: U.S. Bureau of Labor Statistics & Moody's Economy.com



## CASE-SHILLER HOME PRICE INDEX FOR TOP 20 MSAs

Sources: S&P/Case-Shiller & RECI, Inc.



**CASE SHILLER HOME PRICE INDEX FOR 20 MSAS - TOTAL % CHANGE**

Sources: S&P/Case-Shiller & RECI, Inc.

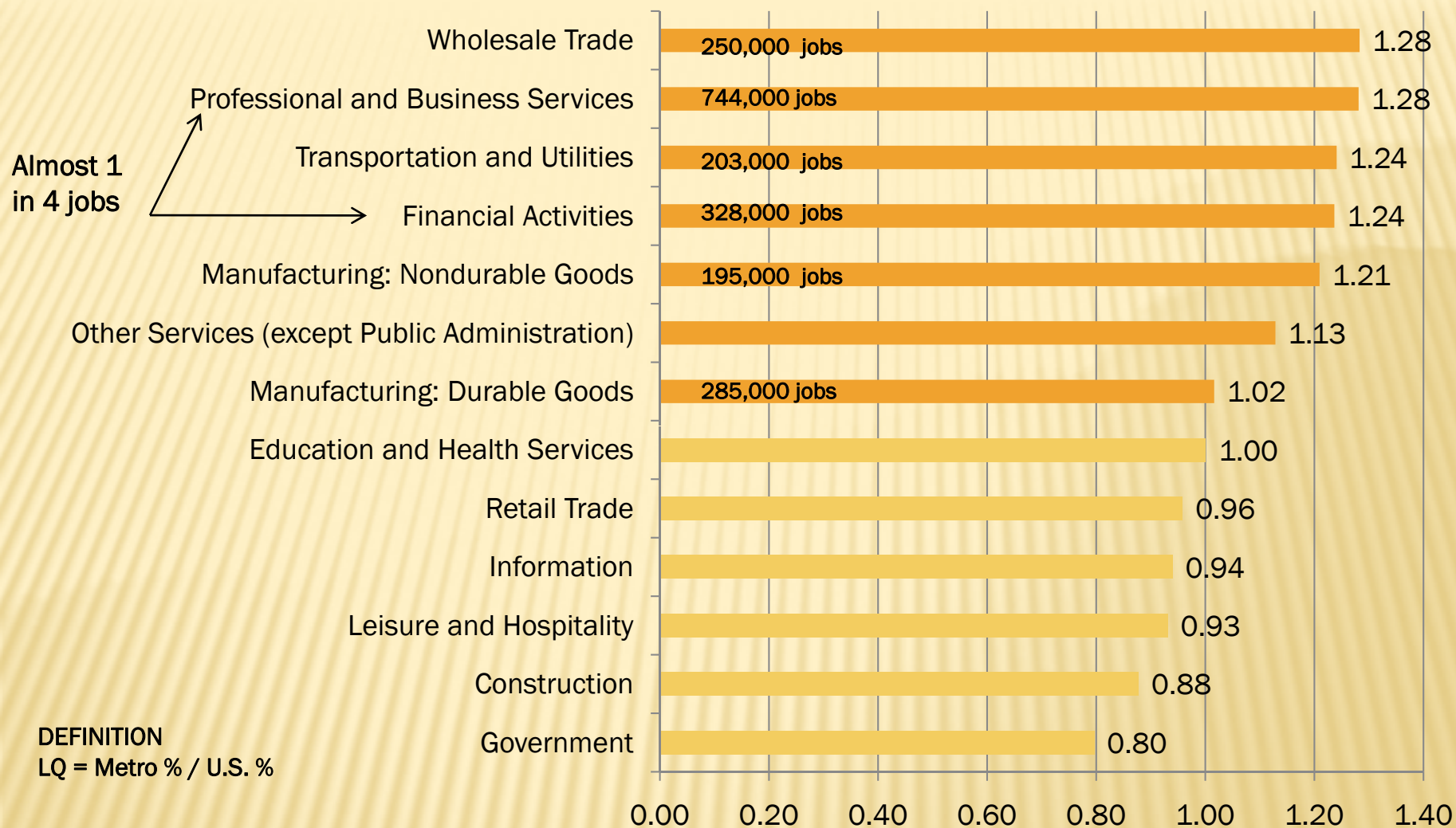


HAUNTED HOUSES

Three Disparate Chicago-area Housing Markets

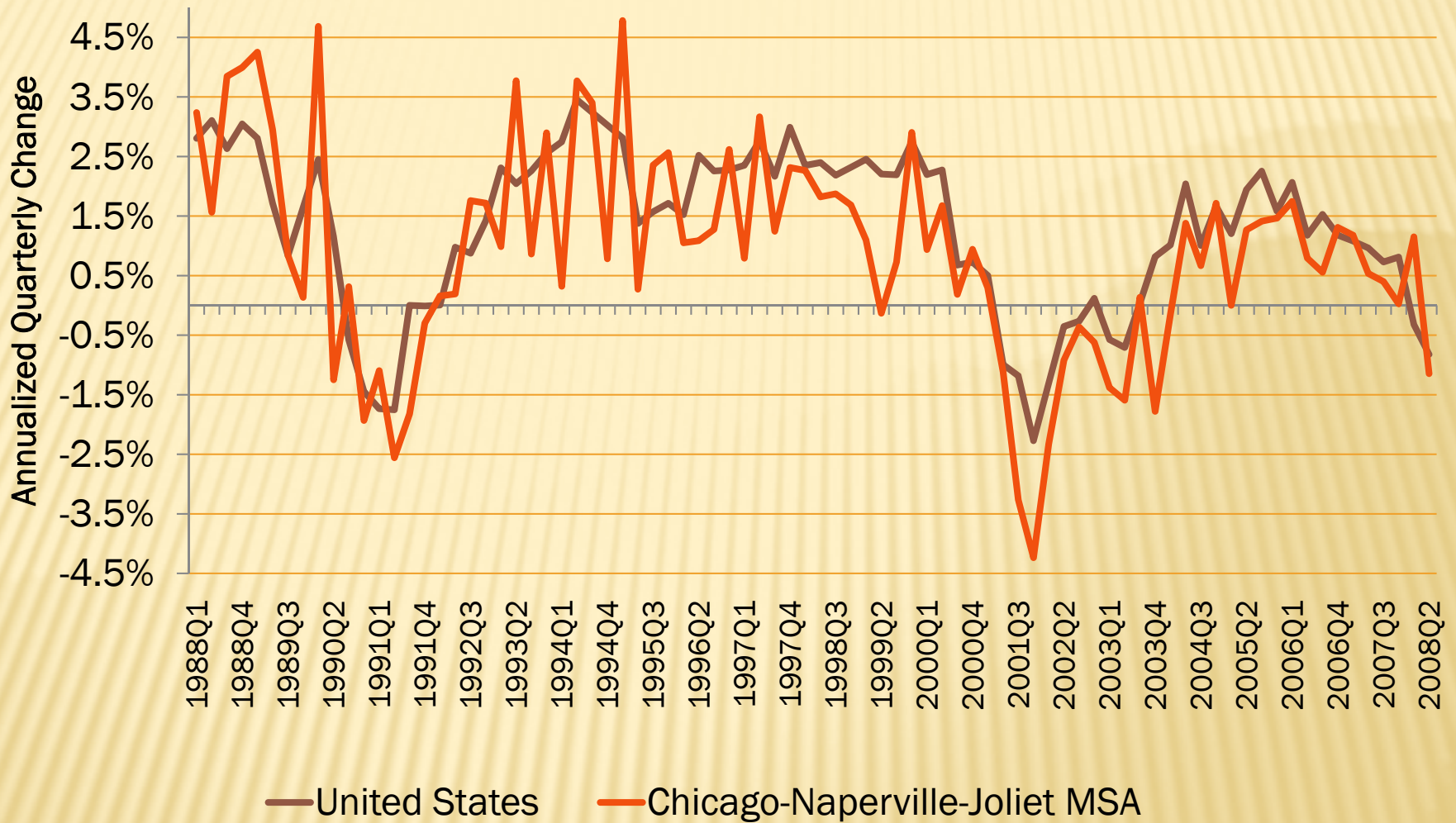
## **THE METRO CHICAGO ECONOMY**

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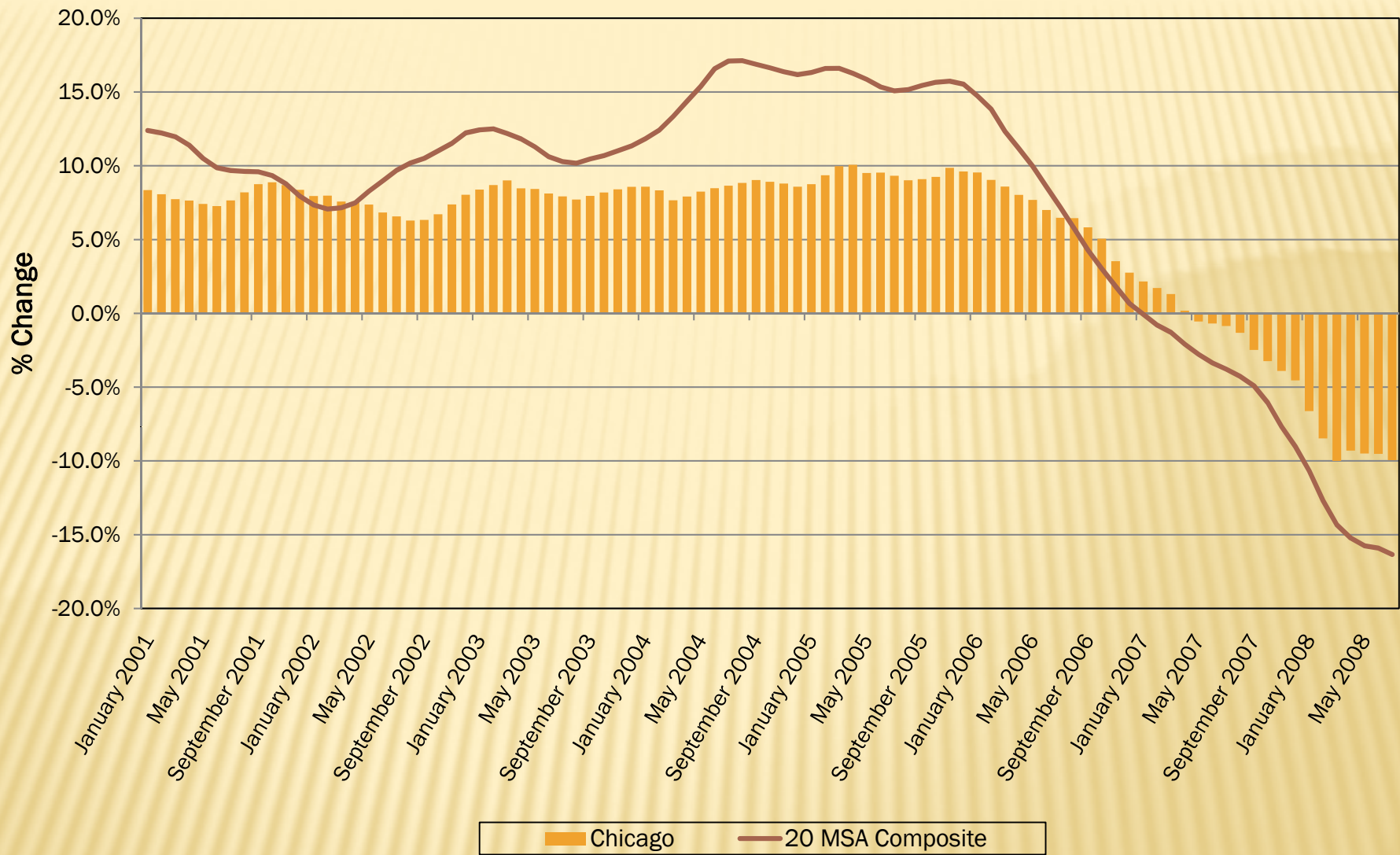
## METRO CHICAGO ECONOMY - INDUSTRY LOCATION QUOTIENTS

Sources: U.S. Bureau of Labor Statistics & Moody's Economy.com



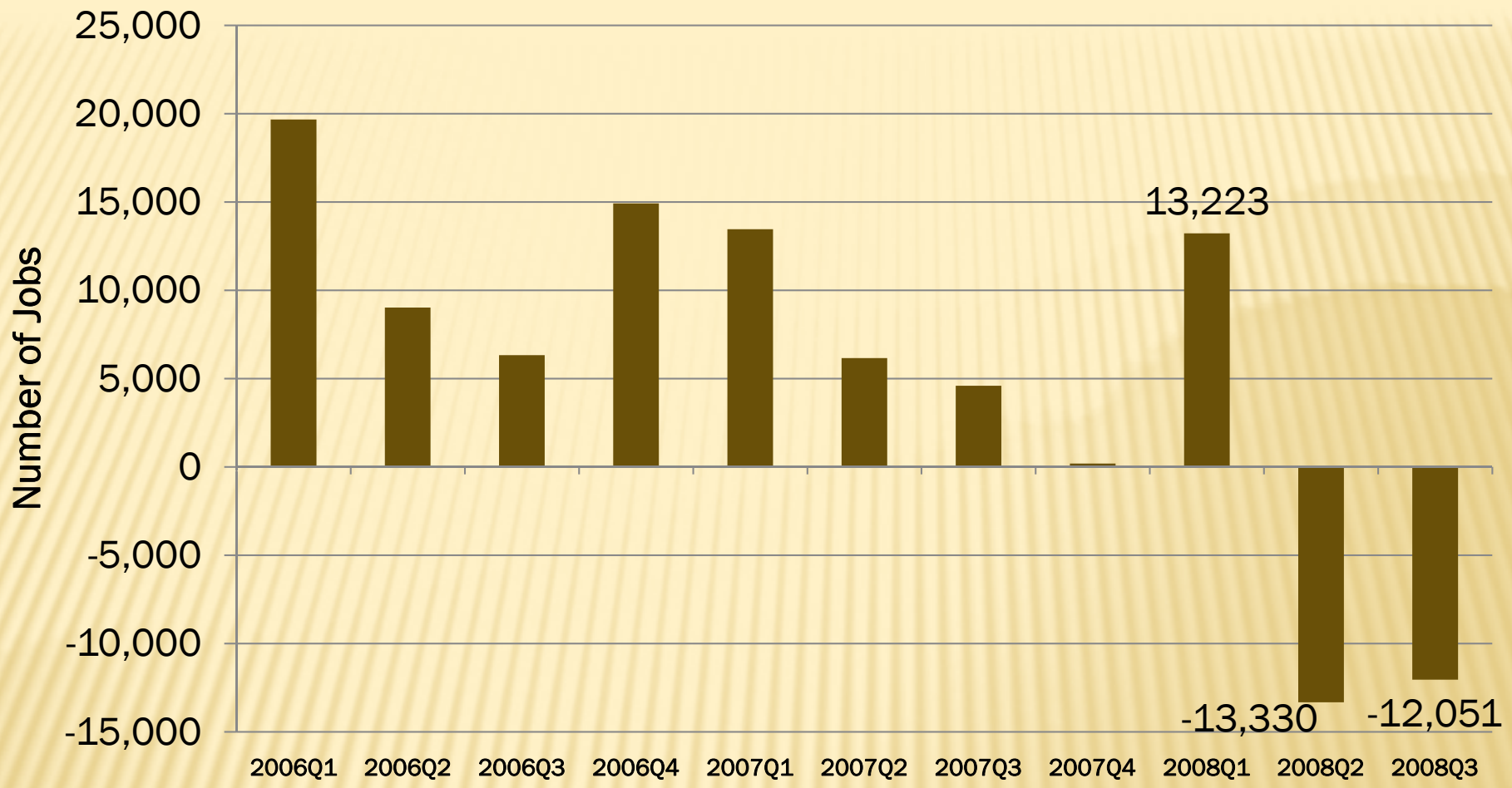
## EMPLOYMENT GROWTH - UNITED STATES AND CHICAGO MSA

Sources: U.S. Bureau of Labor Statistics & Moody's Economy.com



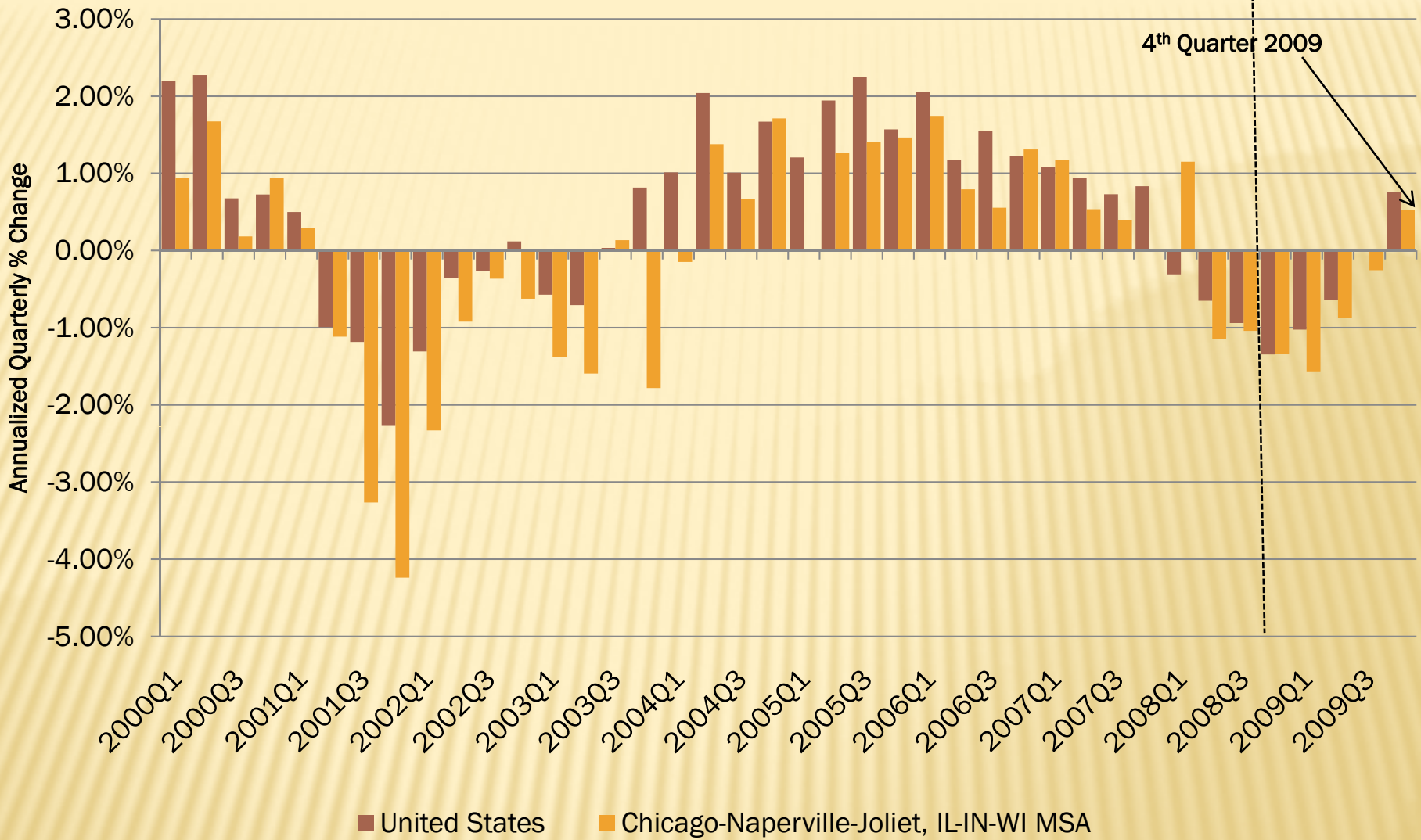
**CASE SHILLER HOME PRICE INDEX MNTH OVER MNTH CHANGE - CHICAGO MSA**

Sources: S&P/Case-Shiller & RECI, Inc.



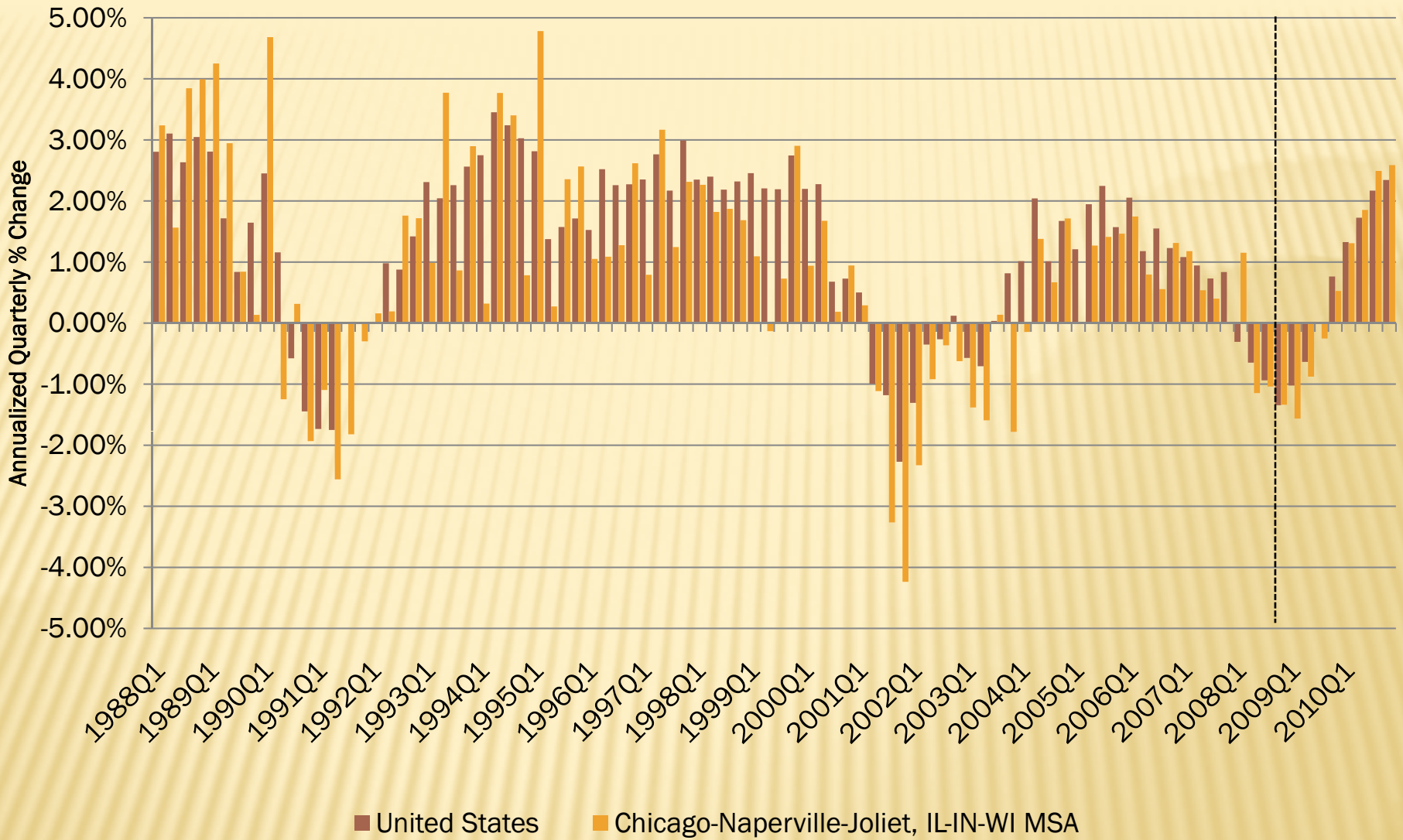
## QUARTERLY EMPLOYMENT CHANGE- METRO CHICAGO

Sources: U.S. Bureau of Labor Statistics & Moody's Economy.com



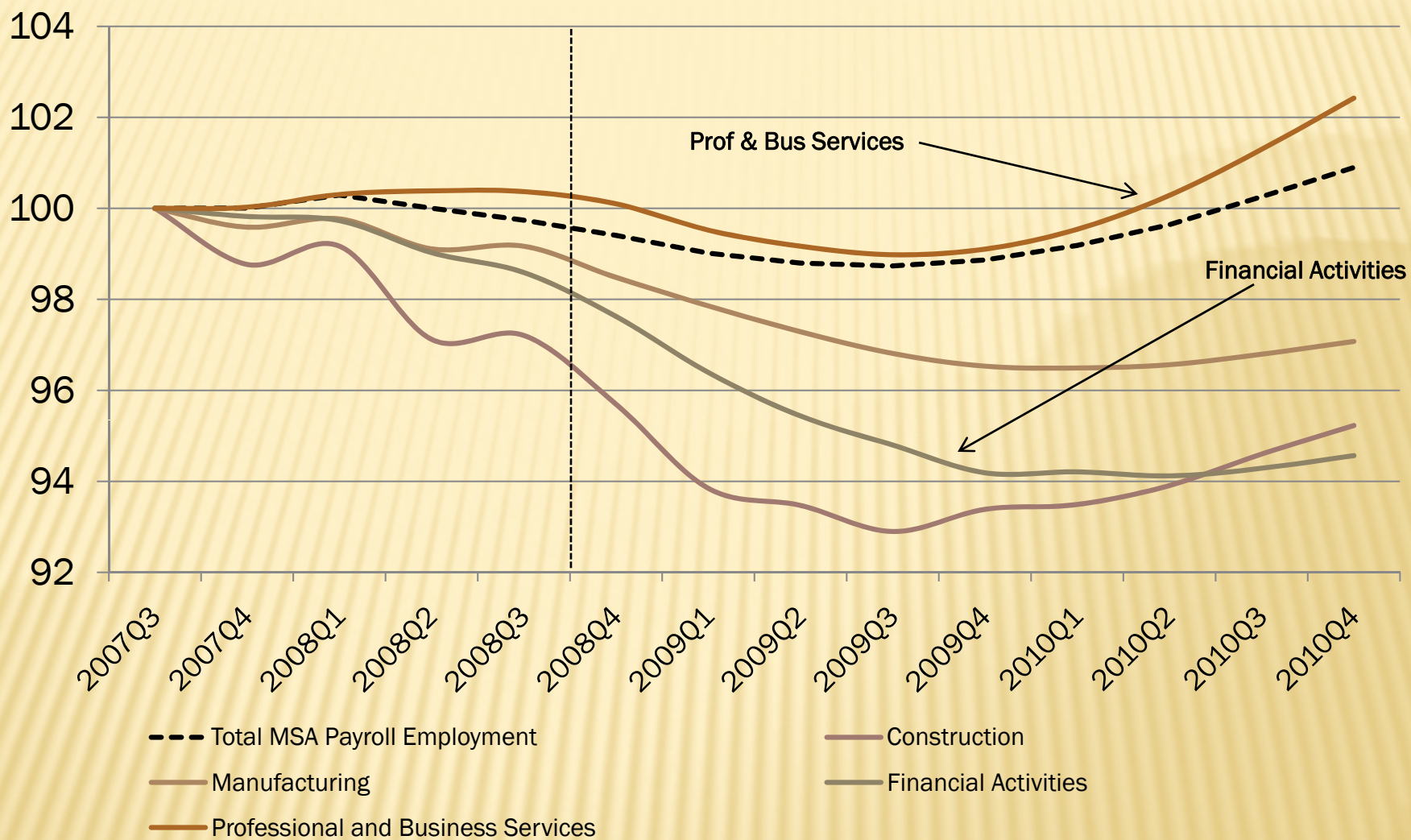
## QUARTERLY EMPLOYMENT CHANGE- METRO CHICAGO

Sources: U.S. Bureau of Labor Statistics & Moody's Economy.com



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Sources: U.S. Bureau of Labor Statistics & Moody's Economy.com

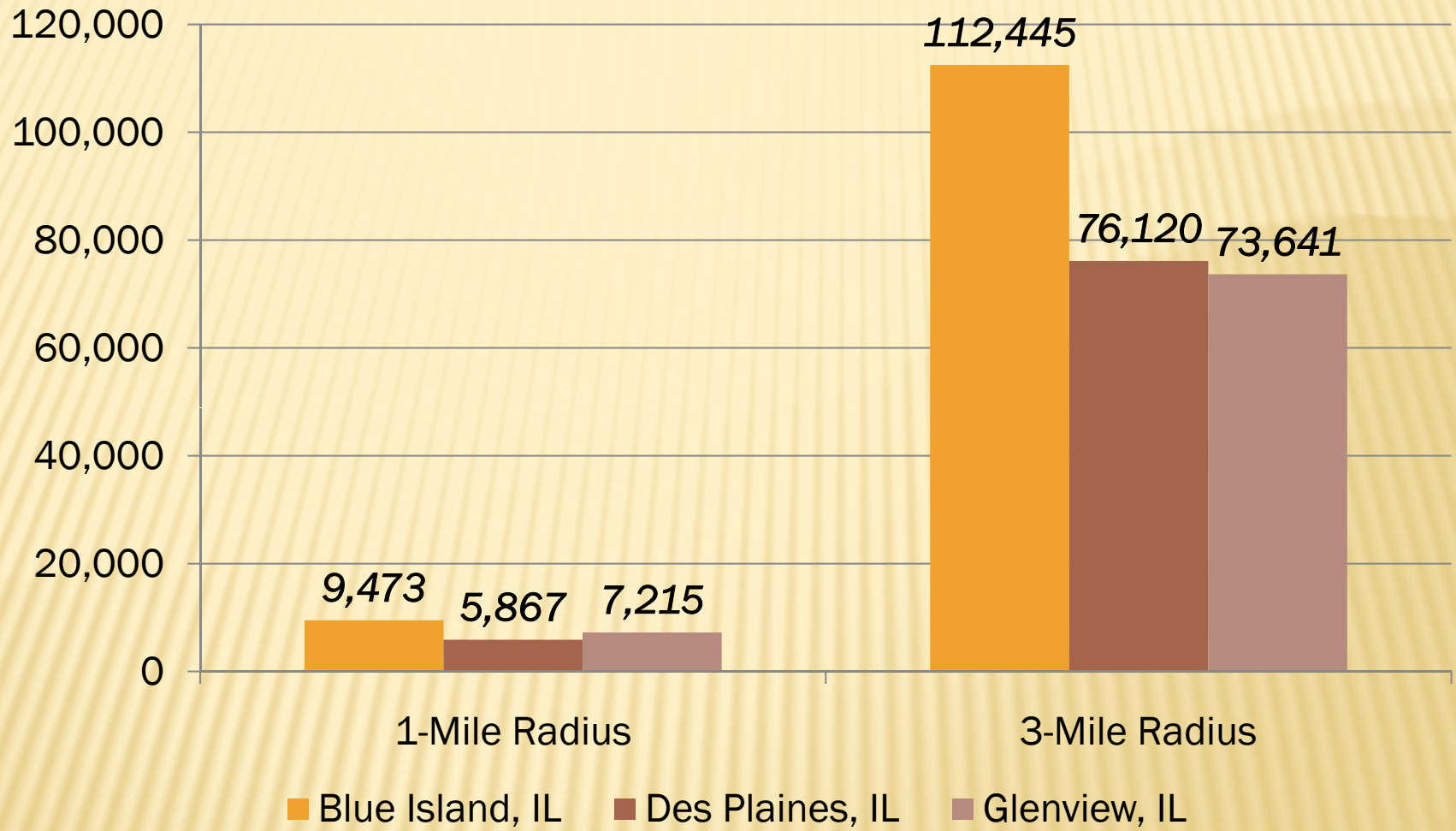
Three Disparate Chicago-area Housing Markets

## **DEMOGRAPHICS AND EMPLOYMENT OF THREE MARKETS**

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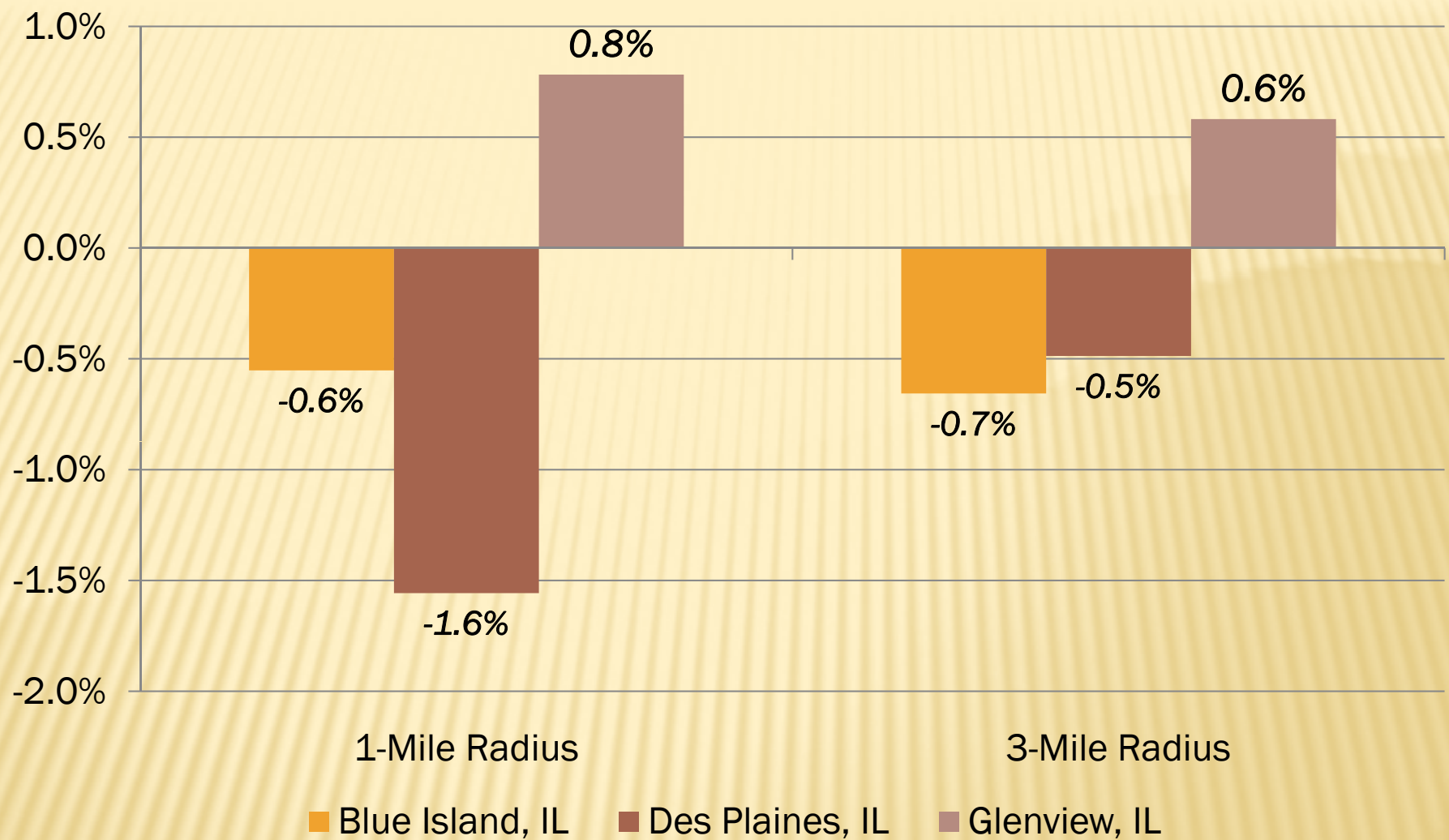


**THREE MARKETS – BLUE ISLAND, IL , DES PLAINES, IL AND GLENVIEW, IL**



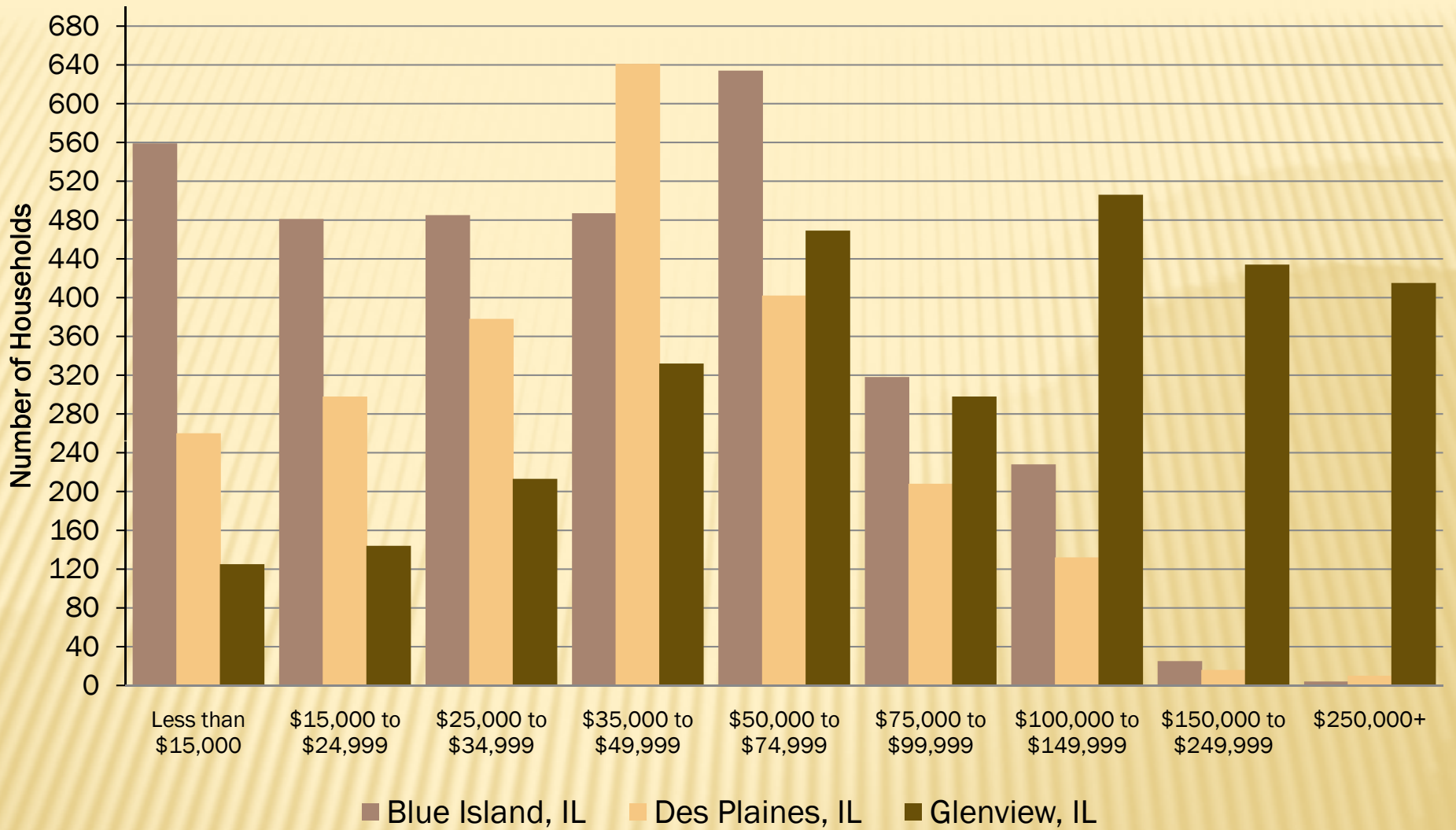
**2008 POPULATION ESTIMATES**

Sources: Claritas, Inc. & RECI, Inc.



**ANNUAL AVERAGE POPULATION CHANGE (CAAC%) 2000-2008**

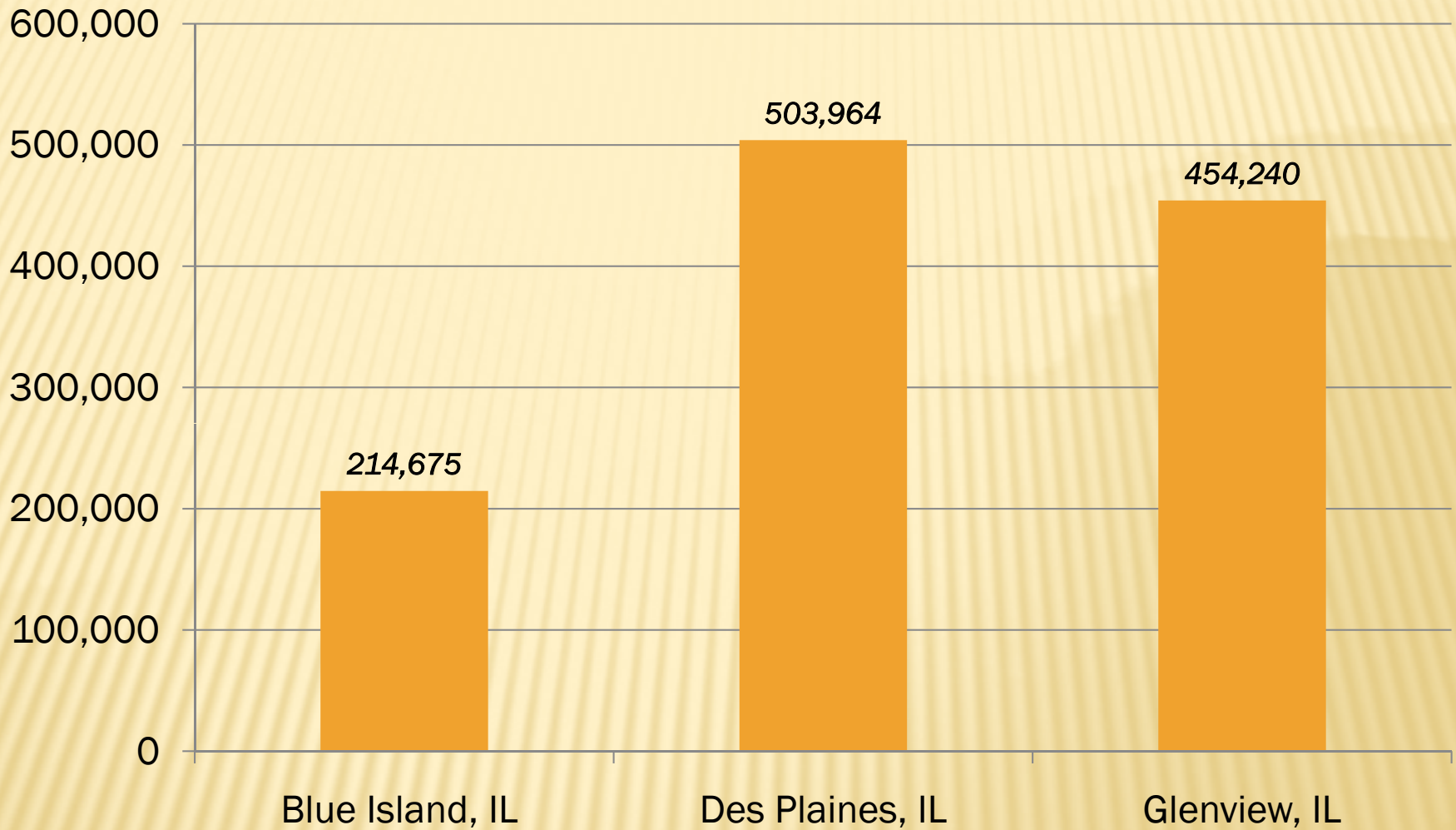
Sources: Claritas, Inc. & RECI, Inc.



## HOUSEHOLD DISTRIBUTION BY INCOME RANGE WITHIN 1-MILE RADIUS

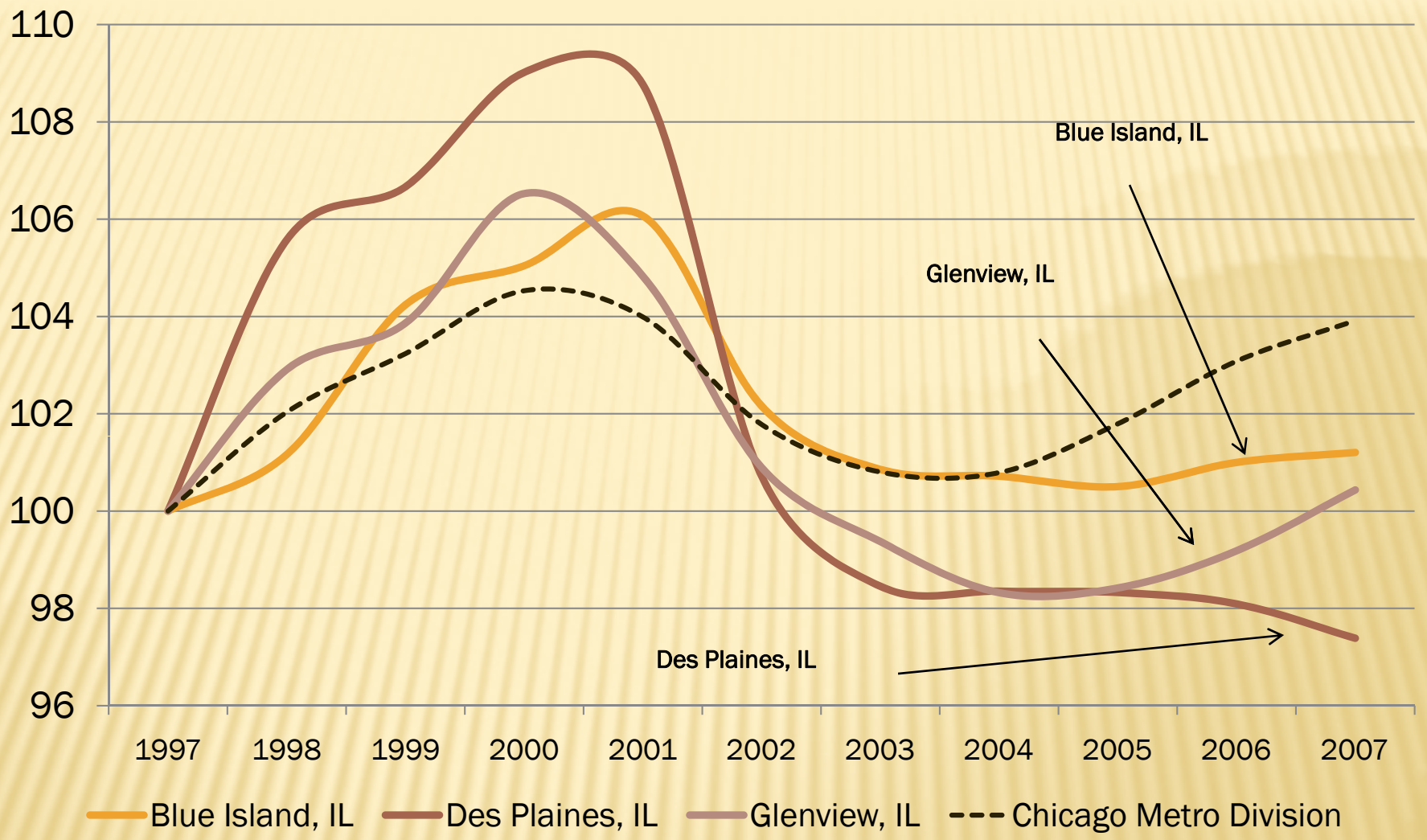
Sources: Claritas, Inc. & RECI, Inc.



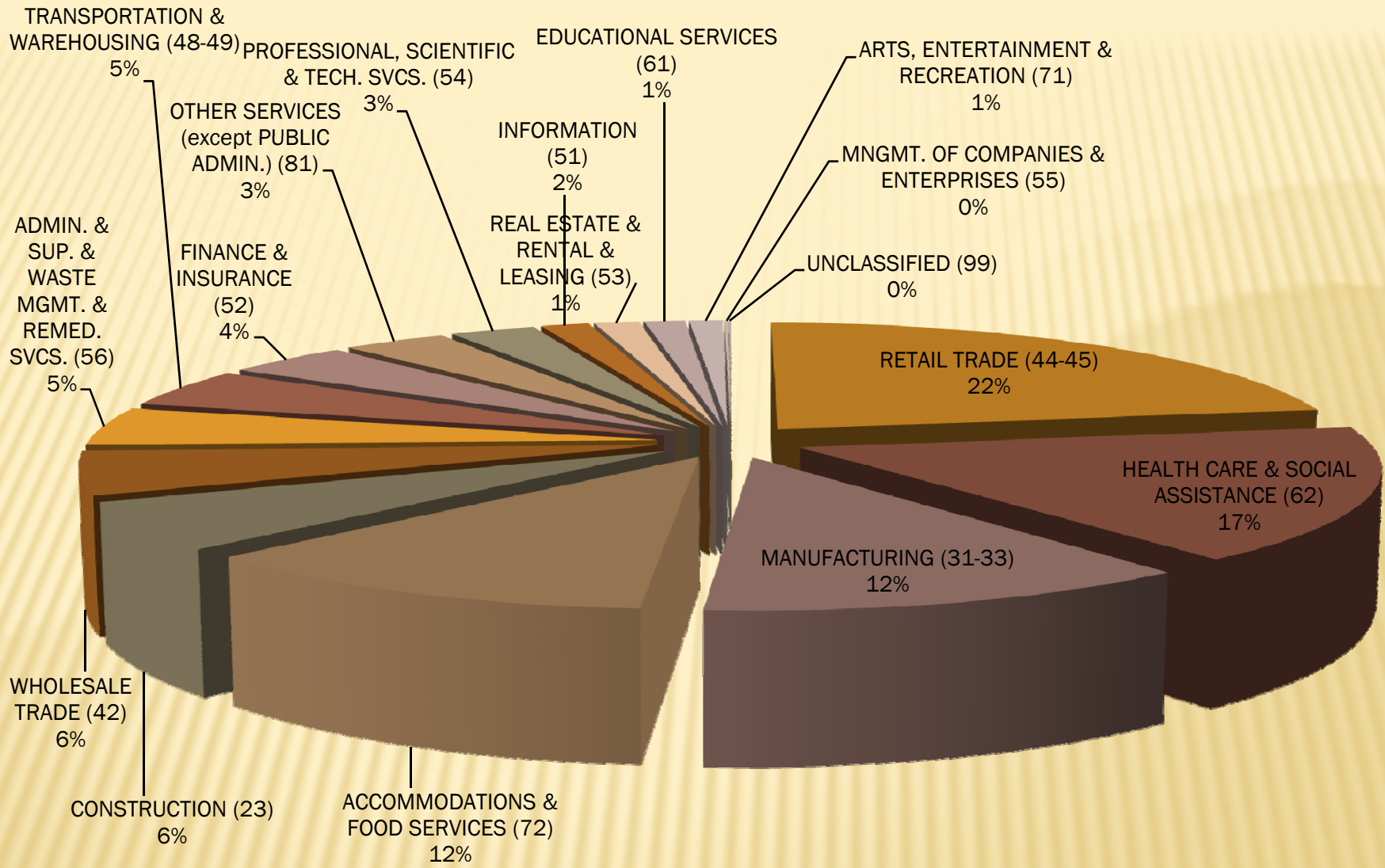


**EMPLOYMENT REGIONS – NUMBER OF JOBS IN 2007**

Sources: Illinois Department of Employment Security & RECI, Inc.

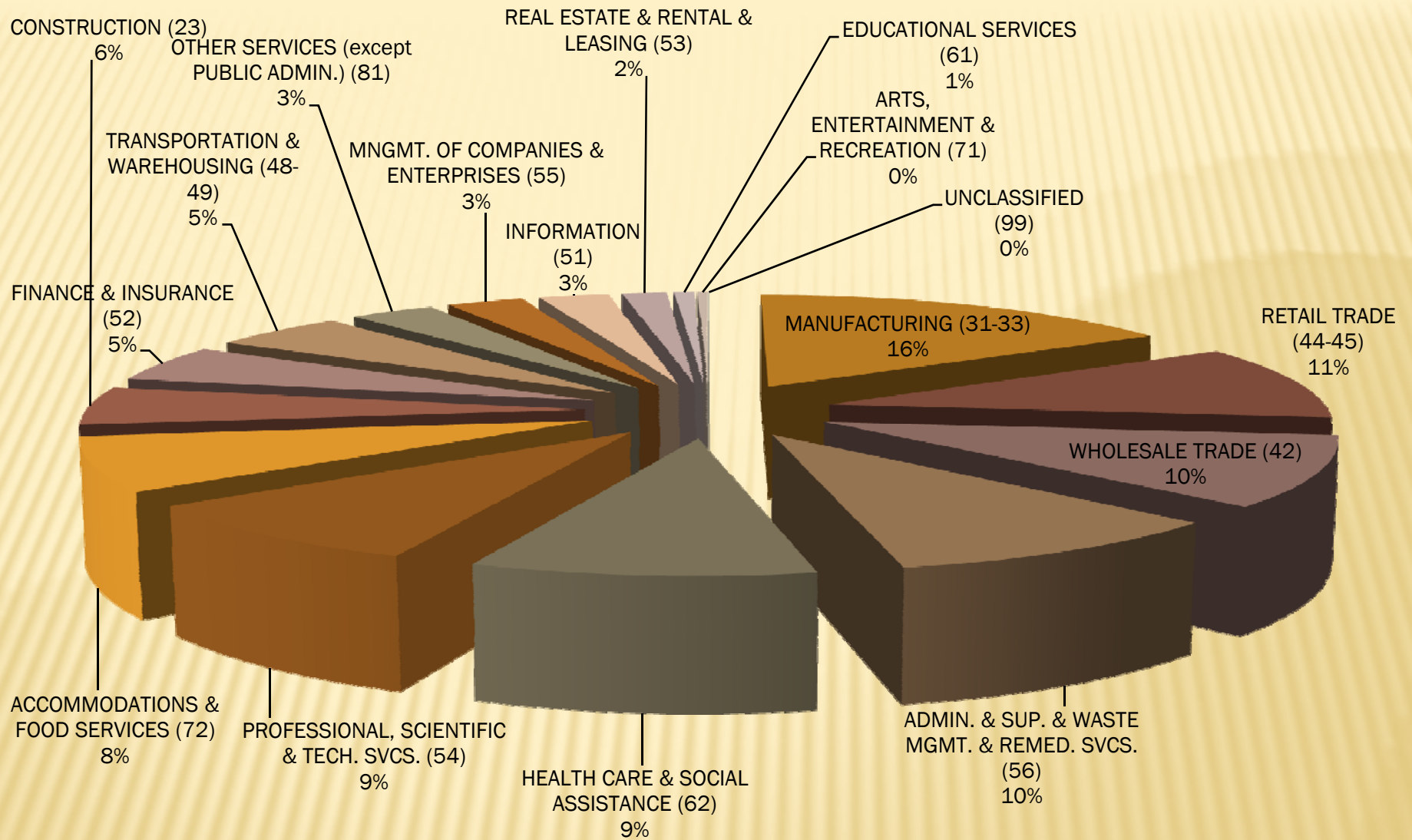


**JOB GROWTH INDEX**



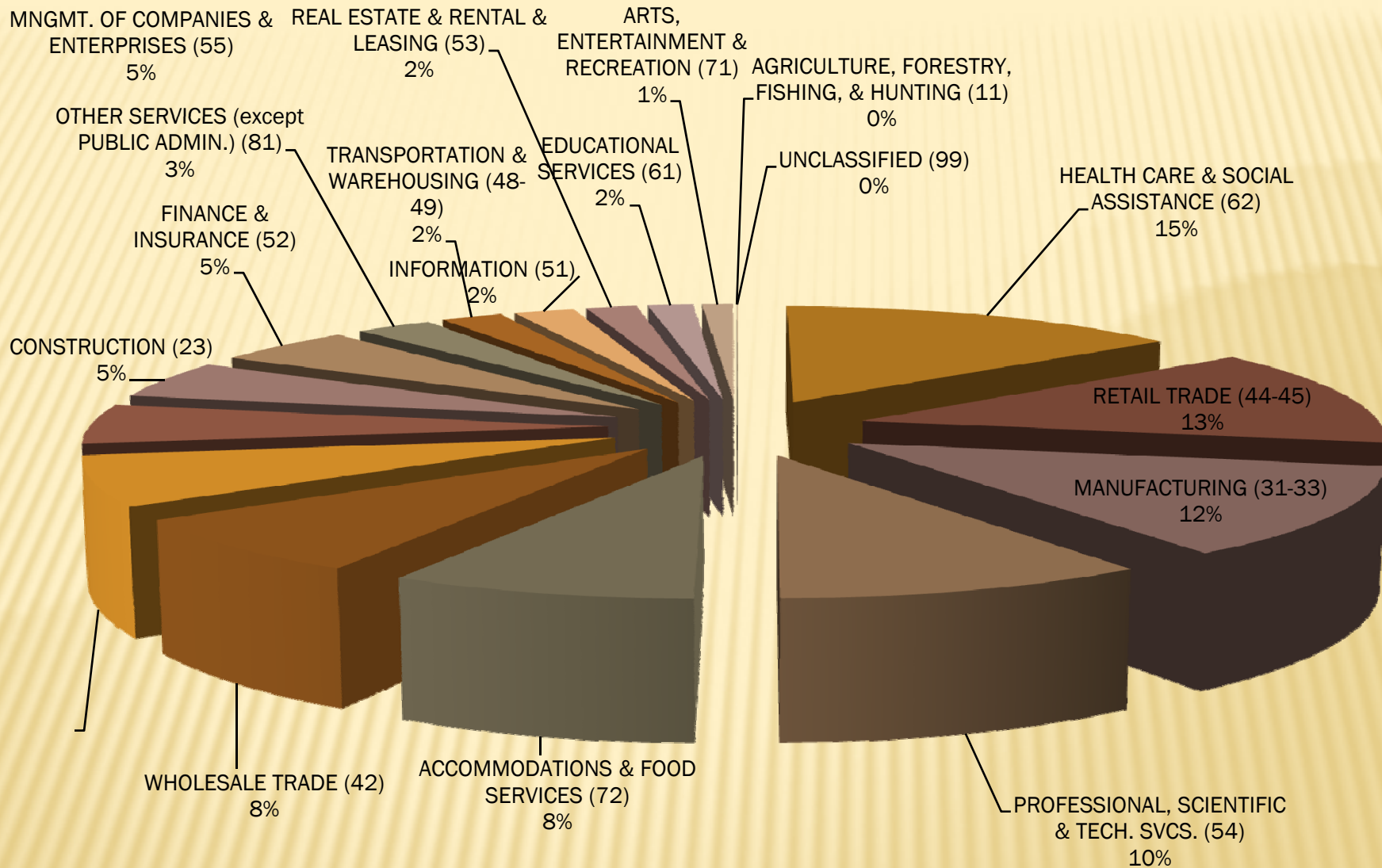
## EMPLOYMENT BY INDUSTRY - BLUE ISLAND REGION

Sources: Illinois Department of Employment Security & RECI, Inc.



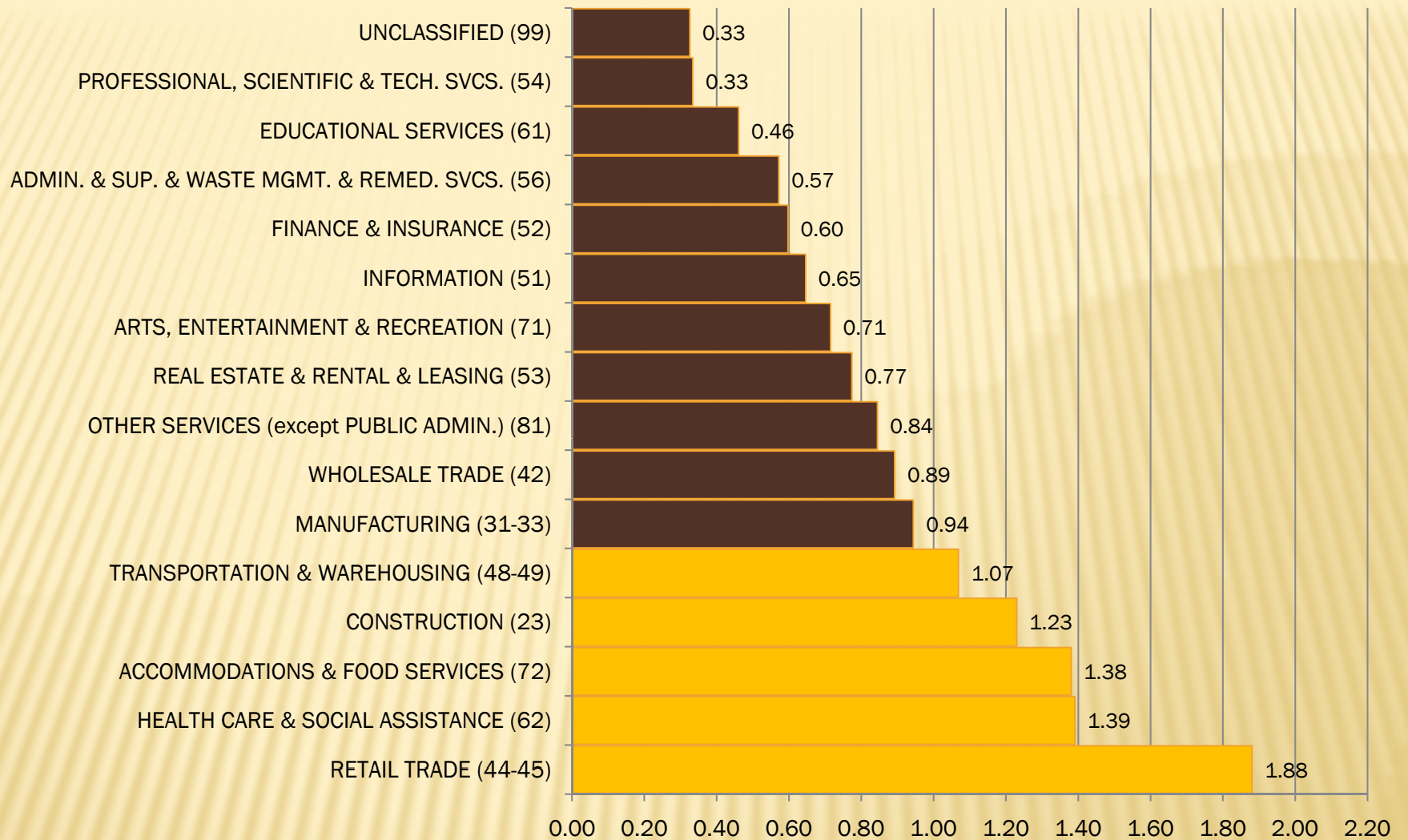
## EMPLOYMENT BY INDUSTRY - DES PLAINES REGION

Sources: Illinois Department of Employment Security & RECI, Inc.



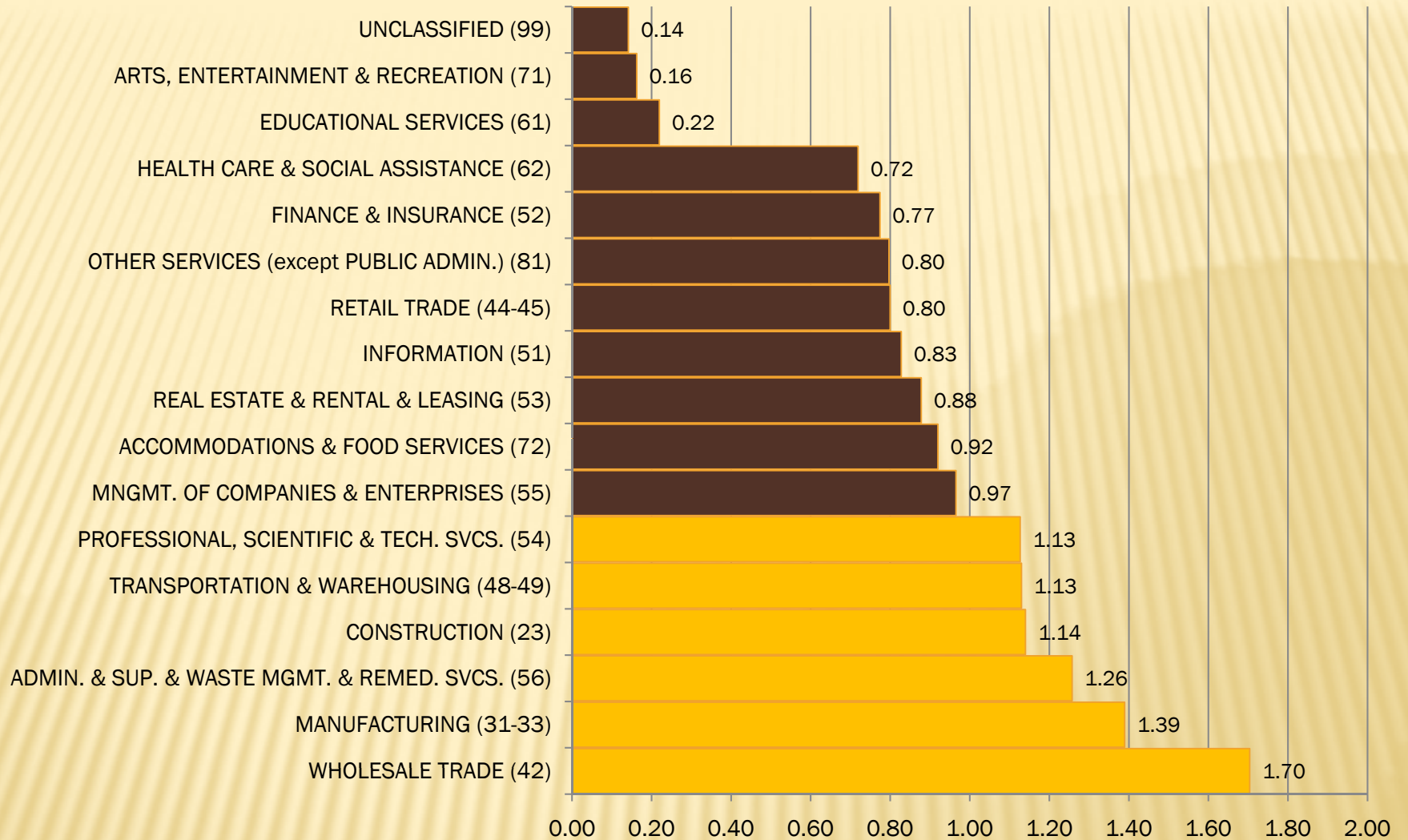
## EMPLOYMENT BY INDUSTRY - GLENVIEW REGION

Sources: Illinois Department of Employment Security & RECI, Inc.



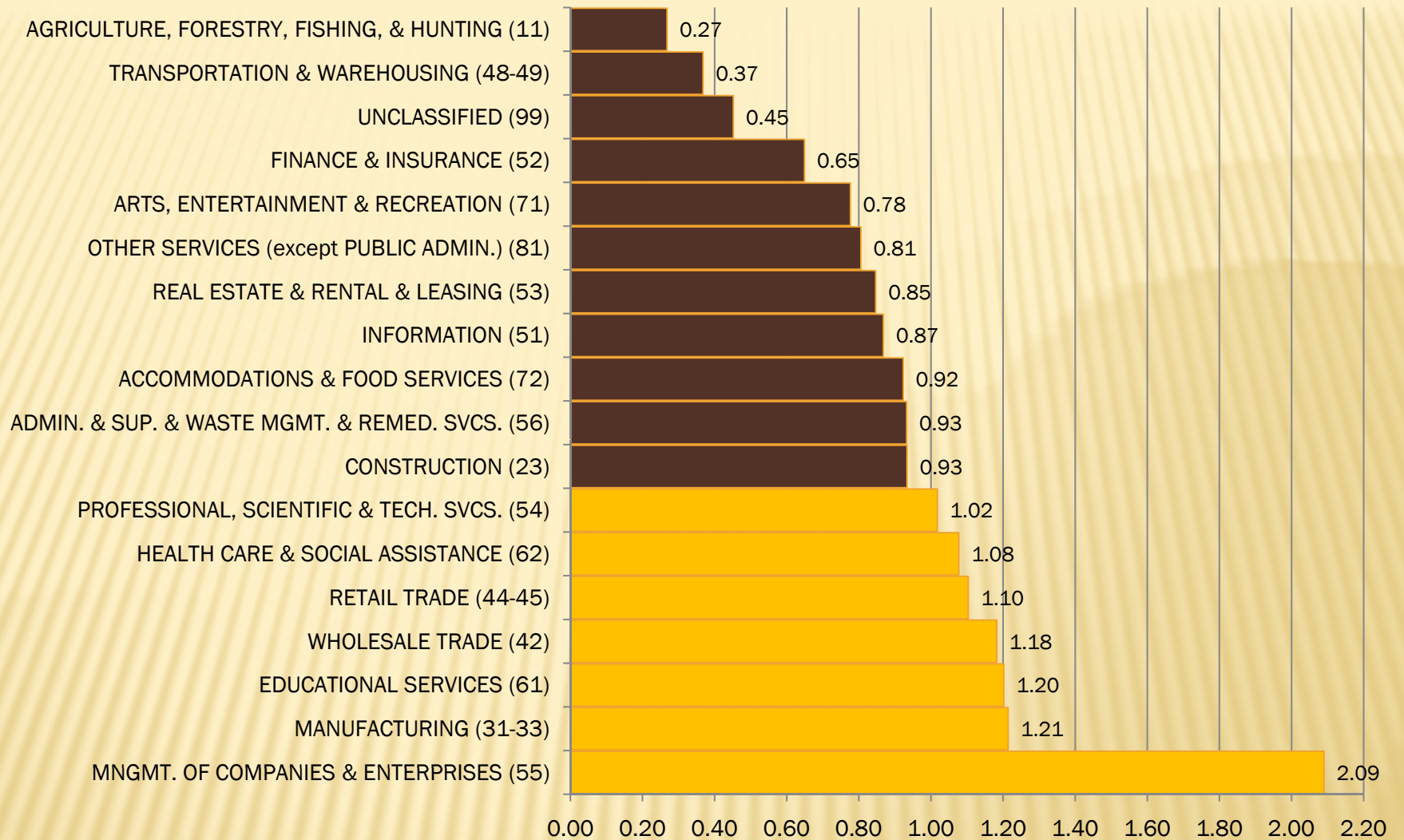
## LOCATION QUOTIENTS - BLUE ISLAND REGION

Sources: Illinois Department of Employment Security, U.S. Bureau of Labor Statistics, Moody's Economy.com, and RECI, Inc.



## LOCATION QUOTIENTS - DES PLAINES REGION

Sources: Illinois Department of Employment Security, U.S. Bureau of Labor Statistics, Moody's Economy.com, and RECI, Inc.



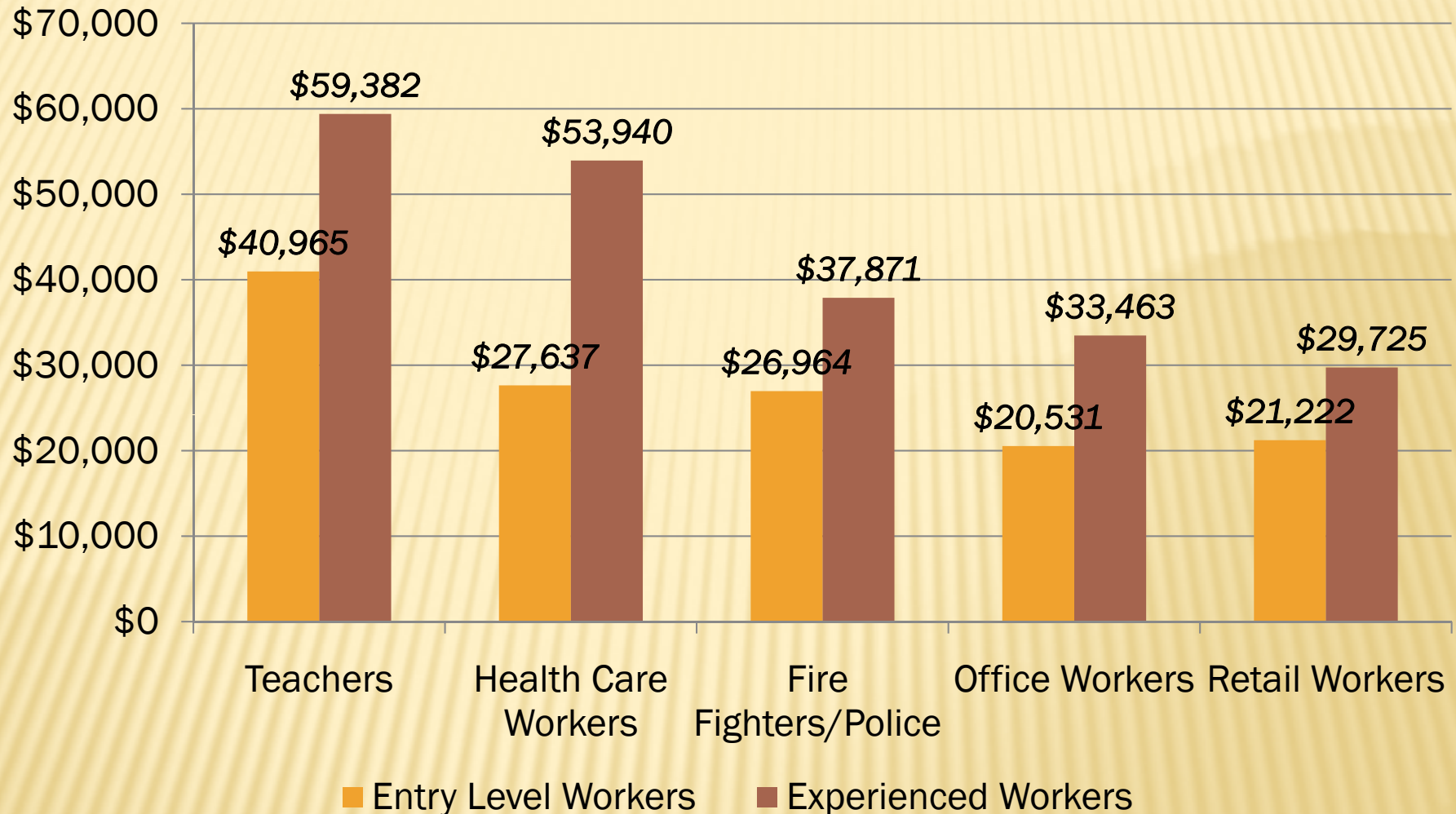
## LOCATION QUOTIENT – GLENVIEW REGION

Sources: Illinois Department of Employment Security, U.S. Bureau of Labor Statistics, Moody's Economy.com, and RECI, Inc.

Three Disparate Chicago-area Housing Markets

**AFFORDABILITY: RENTAL, SITE BUILT & MANUFACTURED HOME**

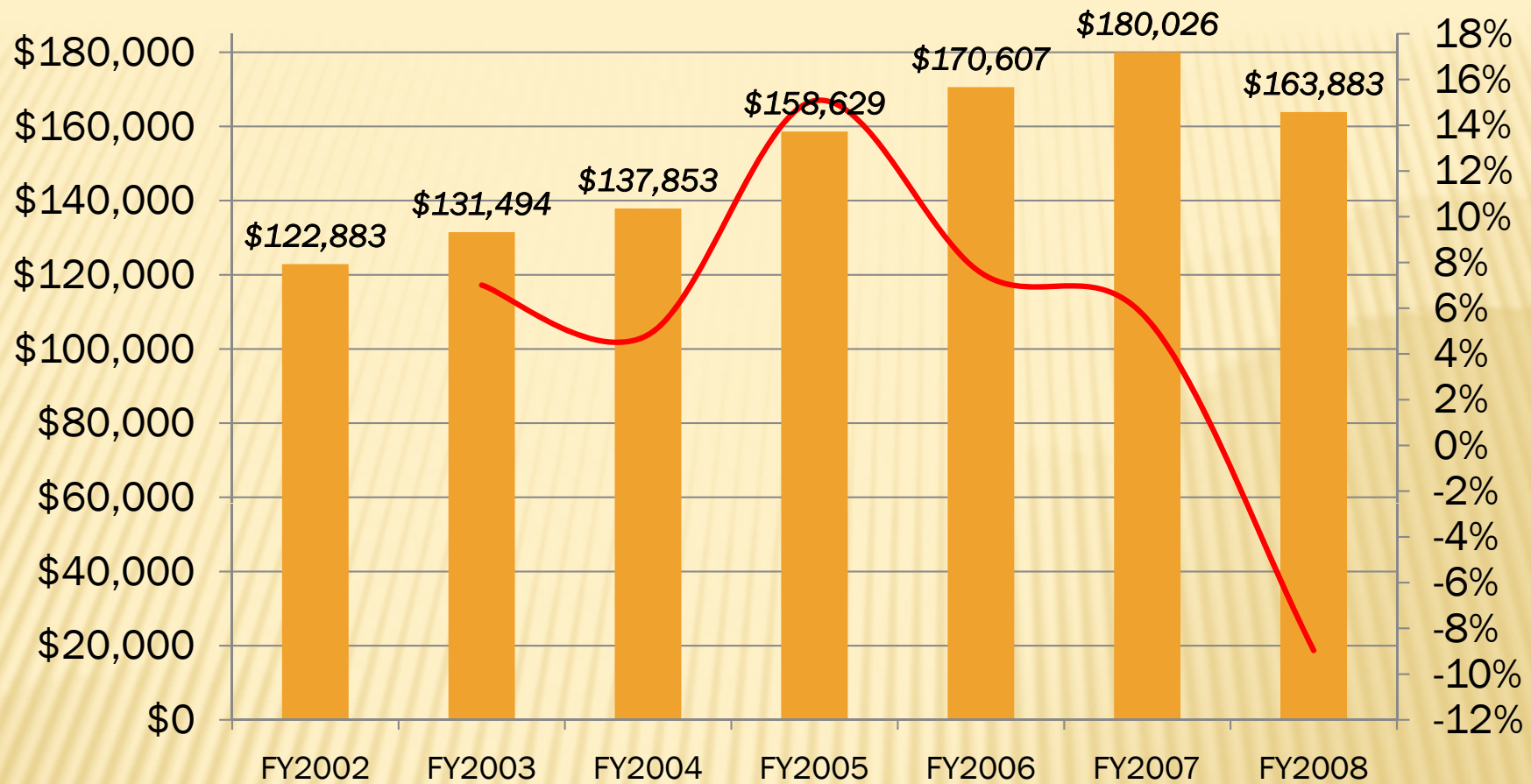
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## WORK FORCE JOBS IN COOK COUNTY, IL – ENTRY LEVEL & EXPERIENCED

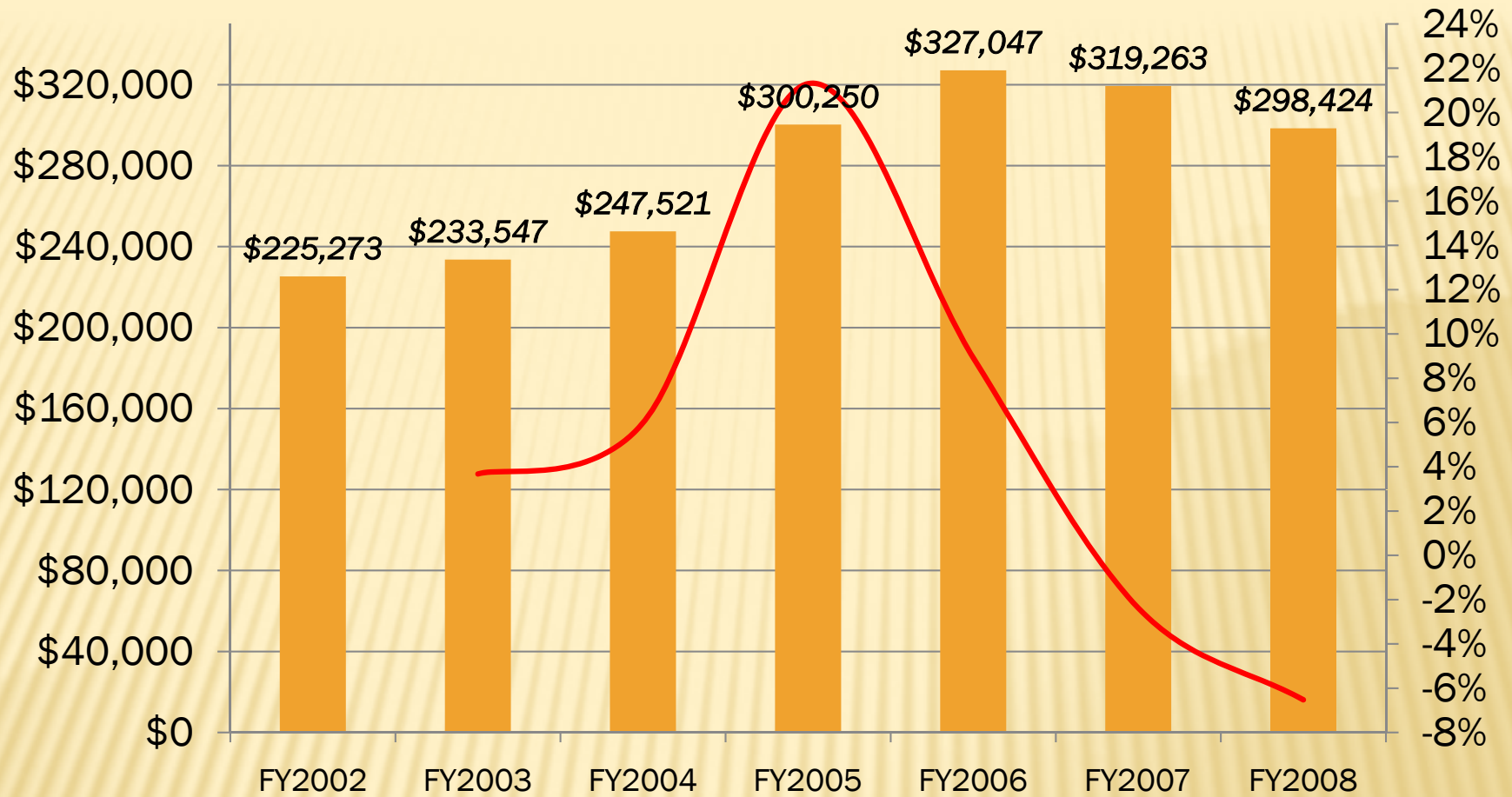
Note: Entry Level Workers = Workers associated with mean wage of bottom one-third of wages by occupation.  
 Experienced Workers = Workers associated with mean wage of top two-thirds of wages by occupation.

Sources: Illinois Department of Employment Security and RECI, Inc.



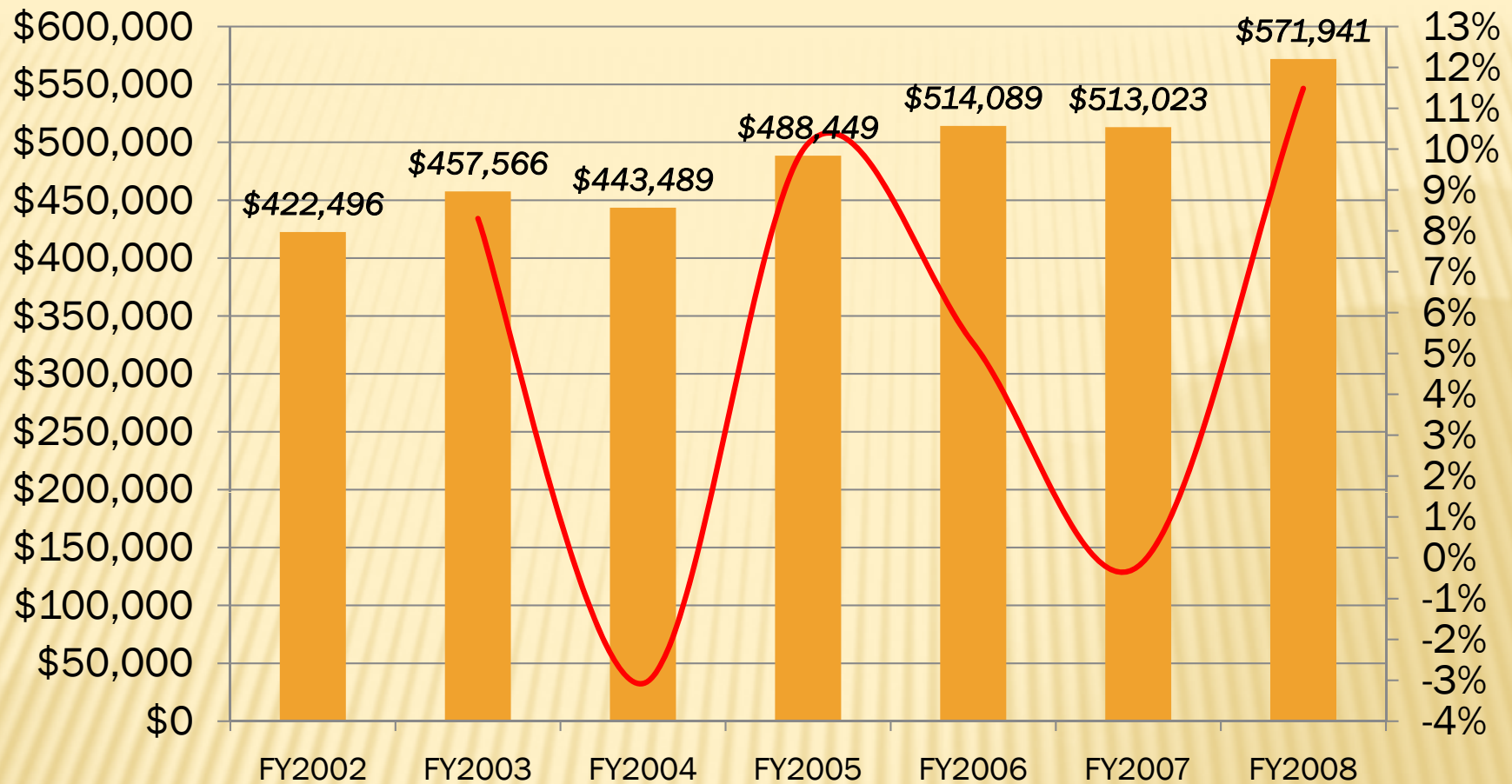
■ Average Purchase Price (LEFT SCALE)     
 — % Change (RIGHT SCALE)

## HISTORICAL HOME PRICE FOR ZIP CODE AREA 60406 (BLUE ISLAND, IL)



■ Average Purchase Price (LEFT SCALE)
 — % Change (RIGHT SCALE)

## HISTORICAL HOME PRICE FOR ZIP CODE AREA 60018 (DES PLAINES, IL)

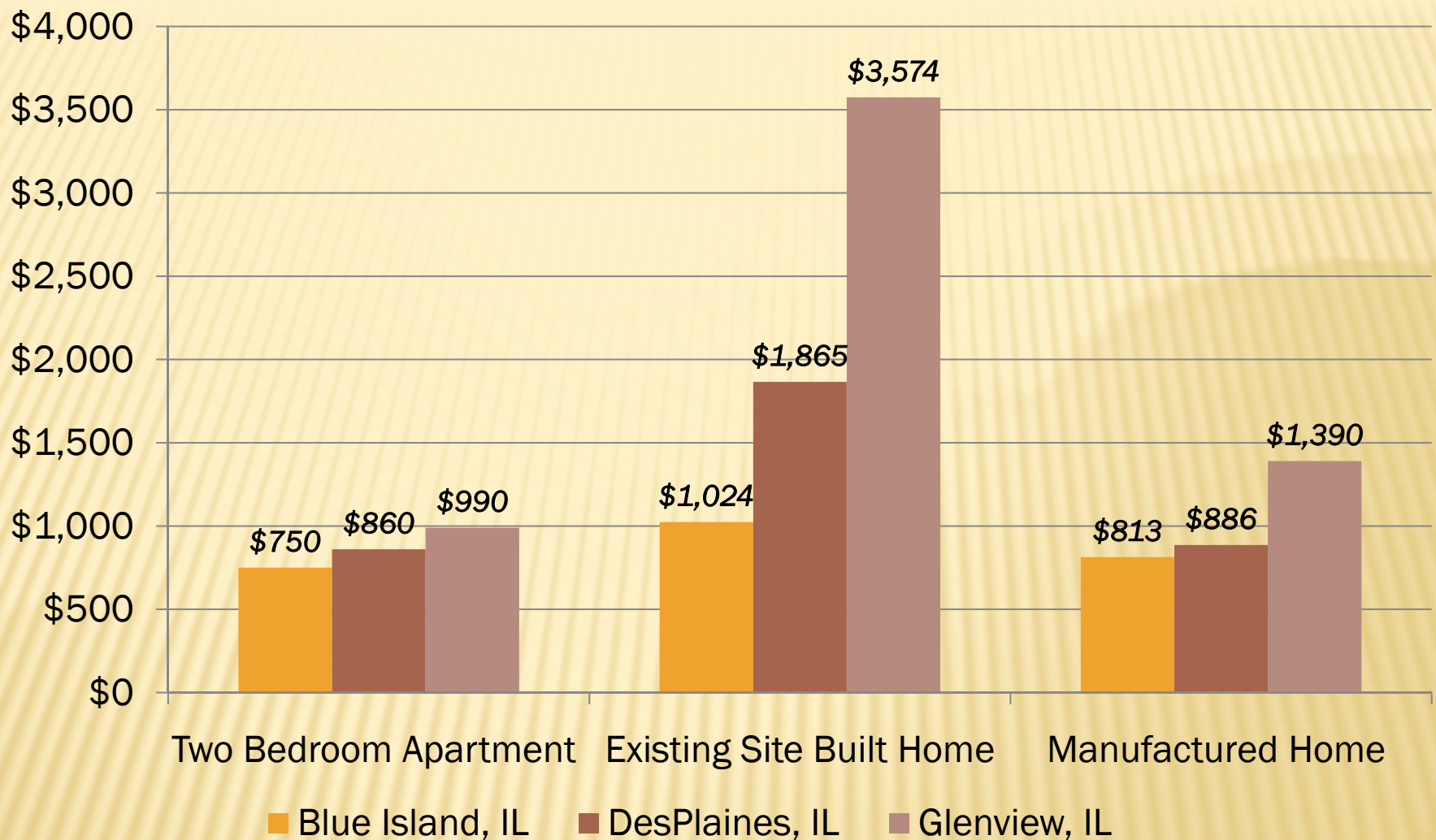


■ Average Purchase Price (LEFT SCALE)
 — % Change (RIGHT SCALE)

## HISTORICAL HOME PRICE FOR ZIP CODE AREA 60025 (GLENVIEW, IL)

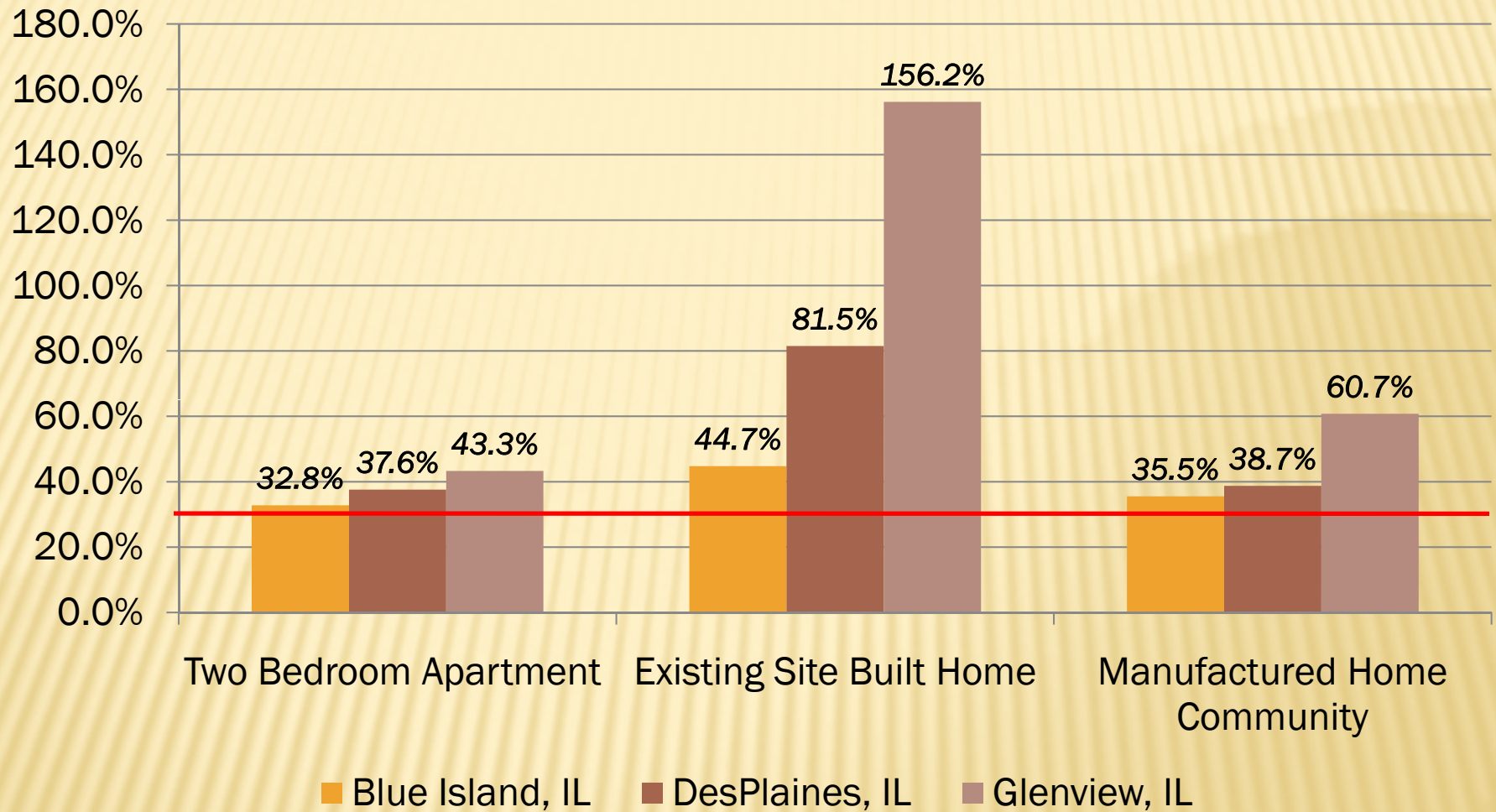
	Blue Island, IL (ZIP CODE AREA 60406)		Des Plaines, IL (ZIP CODE AREA 60018)		Glenview, IL (ZIP CODE AREA 60025)	
	ENTRY LEVEL	EXPERIENCED	ENTRY LEVEL	EXPERIENCED	ENTRY LEVEL	EXPERIENCED
<b>MONTHLY COST FOR RENTAL APARTMENT</b>						
Unit Square Feet	770	770	NA	NA	938	938
Monthly Rent	\$750	\$750	\$860	\$860	\$990	\$990
Housing Payment as a % of Income	32.8%	14.5%	37.6%	16.7%	43.3%	19.2%
<b>MONTHLY COST FOR SITE BUILT HOME</b>						
Average Home Price in Zip Code Area	\$163,883	\$163,883	\$298,424	\$298,424	\$571,941	\$571,942
Down payment @ 20%	\$32,777	\$32,777	\$59,685	\$59,685	\$114,388	\$114,388
Mortgage Amount	\$131,106	\$131,106	\$238,740	\$238,740	\$457,553	\$457,554
Monthly Payment (30yr rate:5.94%)	\$781	\$781	\$1,422	\$1,422	\$2,726	\$2,726
Insurance @ .28% of price, divided by 12	\$38	\$38	\$70	\$70	\$133	\$133
Real Estate Taxes @ \$15 per \$1,000 of price, divided by 12	\$205	\$205	\$373	\$373	\$715	\$715
Total Monthly Payment (PITI)	\$1,024	\$1,024	\$1,865	\$1,865	\$3,574	\$3,574
Housing Payment as a % of Income	44.7%	19.9%	81.5%	36.1%	156.2%	69.3%
<b>MONTHLY COST FOR MANUFACTURED HOME</b>						
Square Footage	960	960	980	980	1,500	1,500
Price	\$43,500	\$43,500	\$49,900	\$49,900	\$66,900	\$66,900
Down payment @ 20%	\$8,700	\$8,700	\$9,980	\$9,980	\$13,380	\$13,380
Loan Amount	\$34,800	\$34,800	\$39,920	\$39,920	\$53,520	\$53,520
Monthly Loan Payment (30 year @9.5%)	\$293	\$293	\$336	\$336	\$450	\$450
Pad Rent	\$480	\$480	\$550	\$550	\$900	\$900
Insurance	\$40	\$40	\$40	\$40	\$40	\$40
Total Monthly Payment (PITI)	\$813	\$813	\$886	\$886	\$1,390	\$1,390
Housing Payment as a % of Income	35.5%	15.8%	38.7%	17.2%	60.7%	26.9%

## ASSUMPTIONS/MONTHLY PAYMENT CALCULATIONS



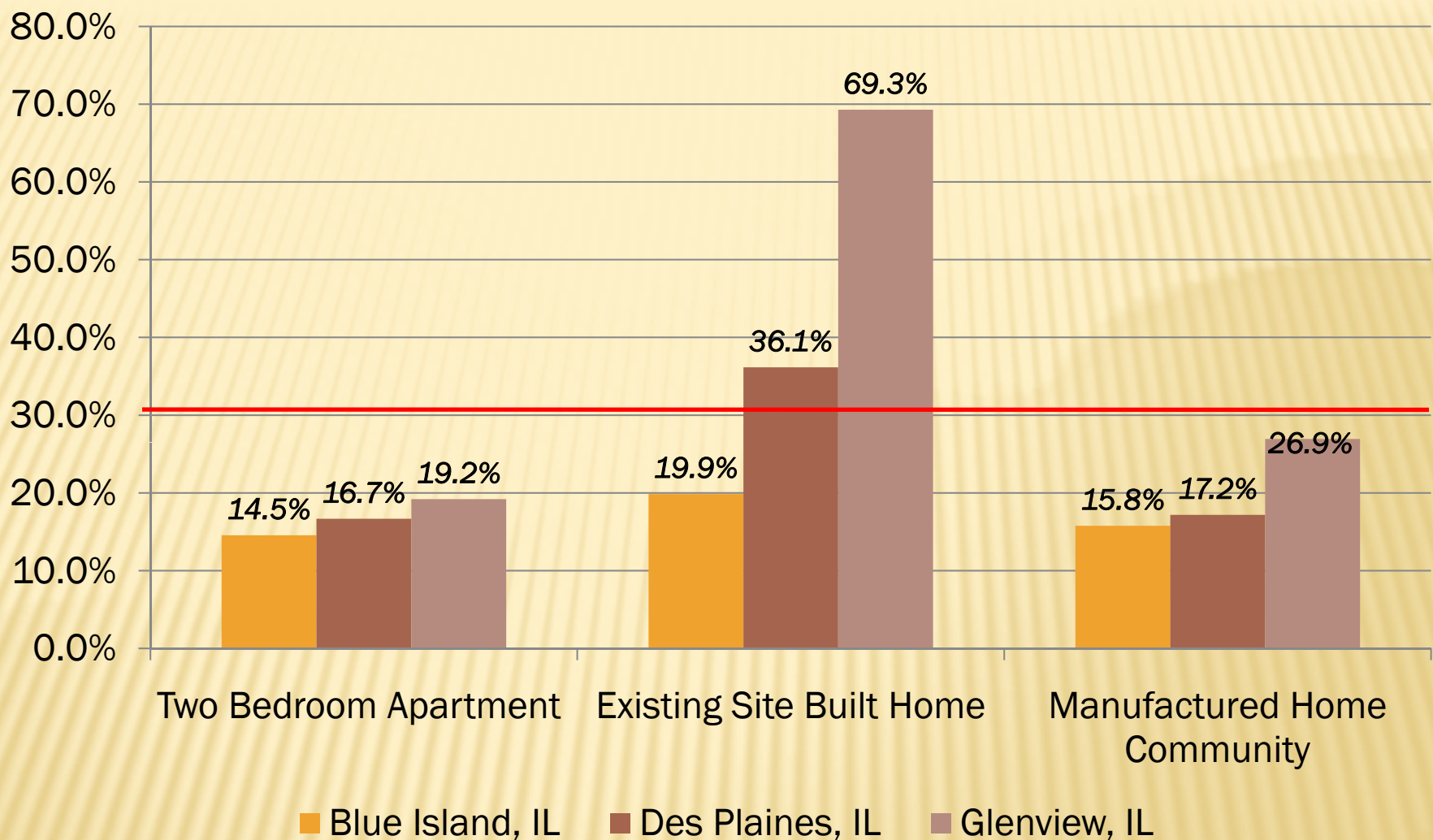
**MONTHLY HOUSING COST DIFFERENTIAL – THREE MARKETS**

Sources: Melissa Data and RECI, Inc.



**% OF WORKFORCE HOUSEHOLD INCOME – ENTRY LEVEL WORKERS**

Sources: Illinois Department of Employment Security, Melissa Data and RECI, Inc.



**% OF WORKFORCE HOUSEHOLD INCOME – EXPERIENCED WORKERS**

Sources: Illinois Department of Employment Security and RECI, Inc.

- The site built home price differential among three markets varies considerably, making it beneficial for “Experienced Worker” households to consider the manufactured housing option in both Des Plaines and Glenview.
- Though the Des Plaines and Glenview communities have higher pad rent costs than Blue Island, there exists a quantifiable benefit to considering manufactured housing in communities such as these.
- Existing site built home prices in Blue Island are affordable to the “Experienced workers”, based upon the monthly housing cost/income ratio.
- Entry level workers in Blue Island would most likely have to rent an apartment.
- Entry level workers could not even afford to live in Glenview or and some might not be able to afford to live in Des Plaines. Therefore, these workers would likely have to commute long distances to their jobs.

## **SUMMARY**

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# THANK YOU



Real Estate Counselors International is an independently owned commercial real estate valuation and consulting company serving regional, national and international clients. We have a proven track record of providing valuation, market feasibility, due diligence and related counseling and analysis to financial institutions, developers, institutional investors and other public and private concerns.

Thomas Amato, CRE  
Director of Due Diligence  
Email: [tamato@reci.biz](mailto:tamato@reci.biz)  
Phone: 312.332.4000 X101