

# HOMES FOR A CHANGING REGION: Naperville

June 10, 2019



Chicago Metropolitan  
Agency for Planning

Metropolitan  Planning Council

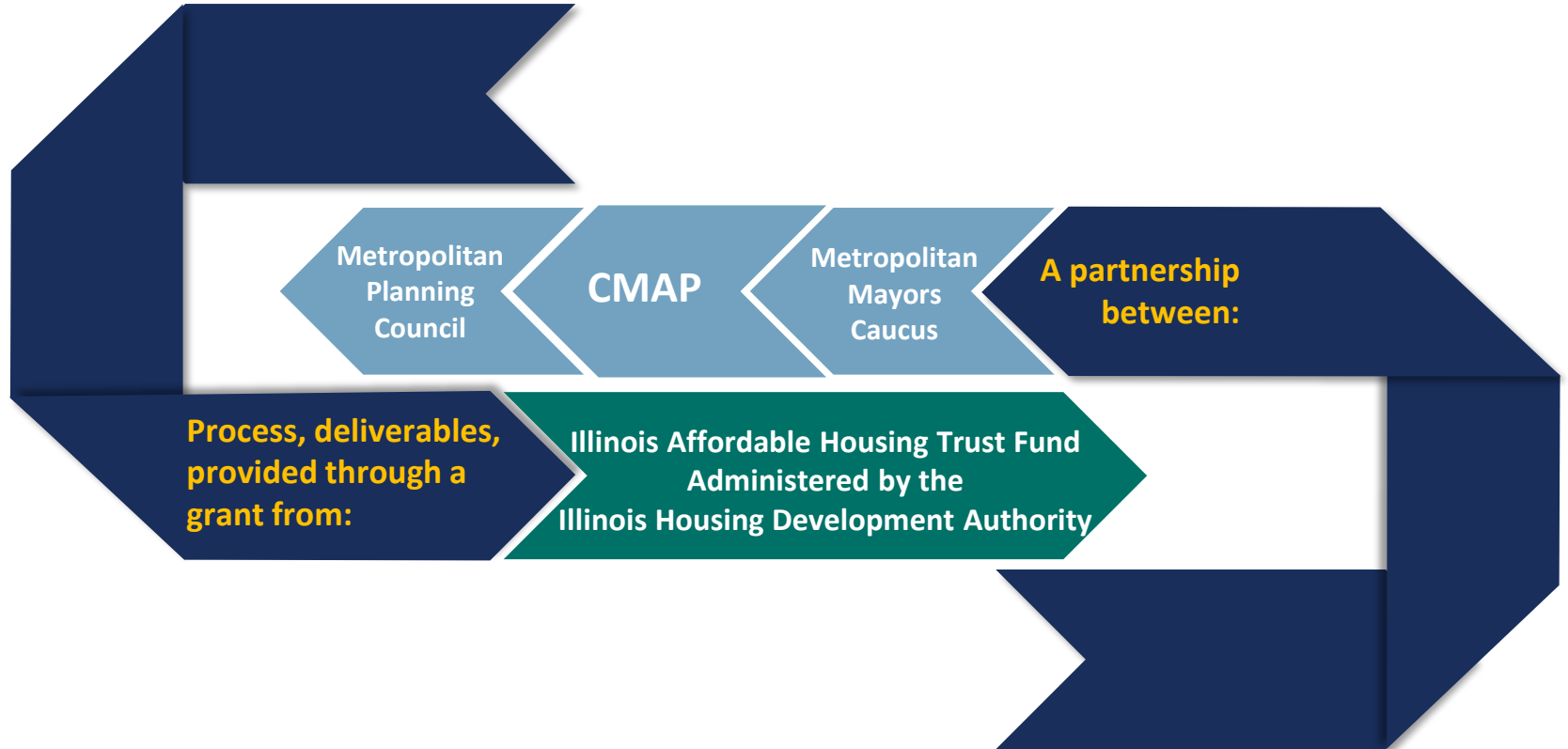
 Metropolitan  
Mayors  
*Caucus*

# PART 1:

## Project Background

# OVERVIEW:

## Homes for a Changing Region



# Funding: Illinois Affordable Housing Trust Fund

**The trust fund helps create and preserve affordable, decent, and safe housing for low-income households throughout Illinois.**

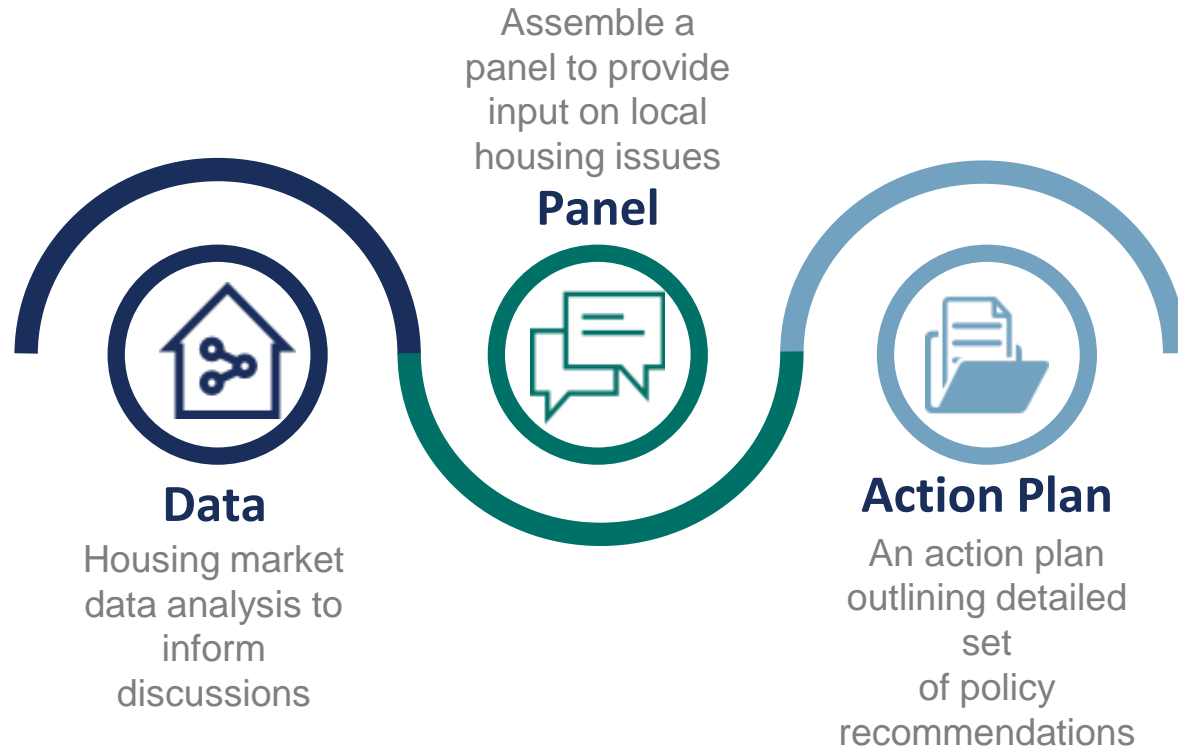
# HOMES FOR A CHANGING REGION:

## Approach



# HOMES FOR A CHANGING REGION:

## Process



# HOMES FOR A CHANGING REGION:

## Today



### Data

Housing market  
data analysis to  
inform  
discussions



### Discuss

Talk about the  
most pressing  
local housing  
issues

# PART 2:

## Housing Trends



# HOUSING TRENDS:

## Demographics Impact Demand

**By 2050, the region's senior population will double.**

**Millenials are deciding now **where to live** and **whether to rent or own**.**

**What housing will they want?**

# HOUSING TRENDS:

## Populations Shifting to Infill

Trading big  
lots and  
yards for  
proximity



Allowing  
car-lite  
living



Suburbs are  
urbanizing –  
especially  
near transit

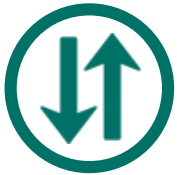


# HOUSING TRENDS:

## Changed Housing Market Emerging



People will seek to live in housing that they can afford; housing costs will be more directly tied to income.



The demand for traditional single family housing will fall and demand for townhomes and multi-family will rise.



Renting will be more appealing to many households – these households will demand high quality rental options.

# HOUSING TRENDS:

## Developers are looking for...



Future success relies  
on identifying prime  
locations for *compact  
development*

Suburban  
parcels  
ready for  
makeover

Greater  
revenue,  
lower  
infrastructure  
cost

Infill sites

**PART 3:**

# Naperville Baseline Data

Overview

**2017 Population: 146,431**

Up 14% since 2000

Up 3% since 2010

**Region: Up .2% since 2000**

**2017 Households: 51,272**

Up 17% since 2000

Up 3% since 2010

**Region: Up 5% since 2000**

After years of growth, Naperville is maturing into a built out community.

Source: US Census 2000 and 2010, and American Community Survey 2013-2017

**Median household income:**  
**\$114,014**

**Owner: \$134,316**

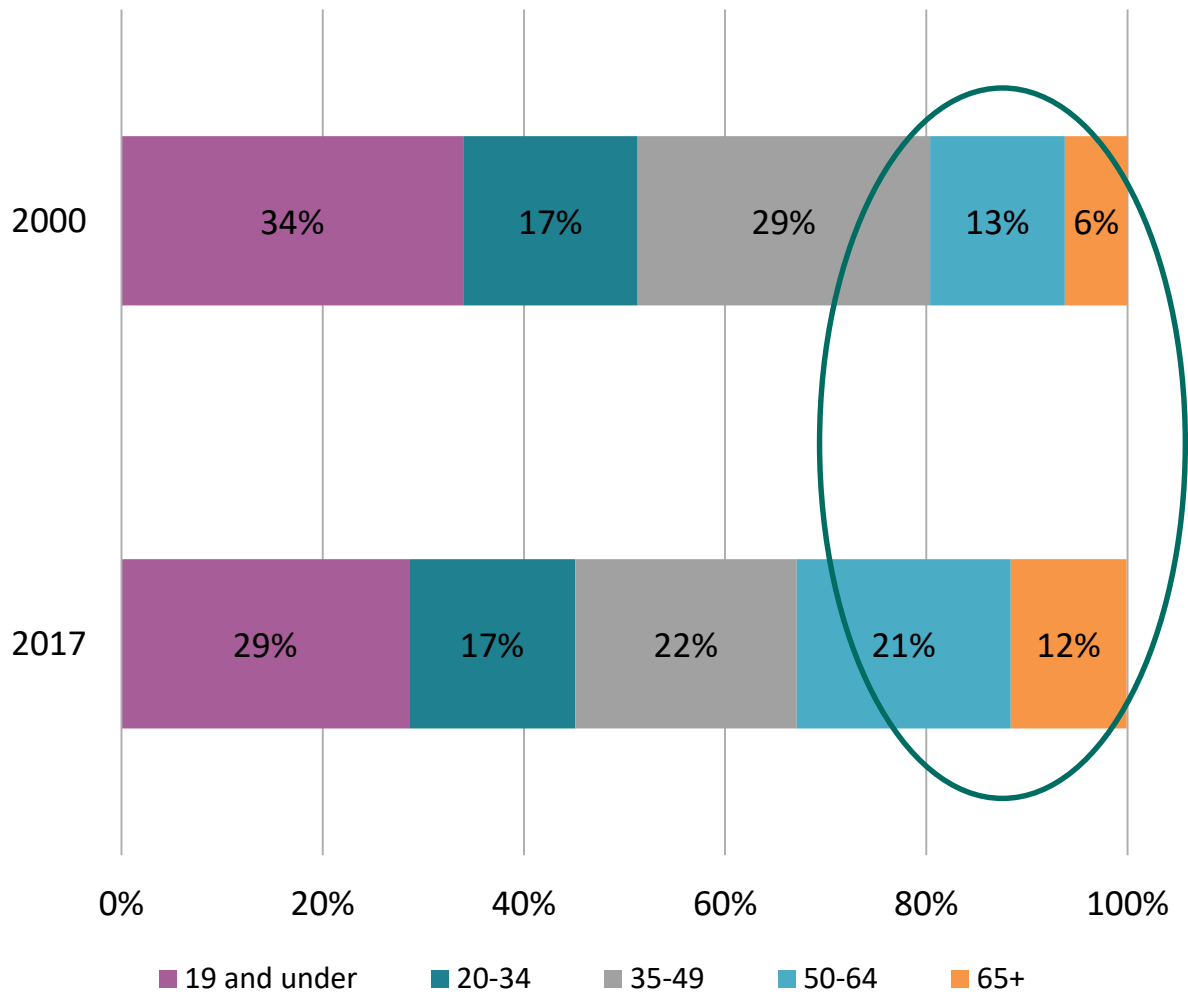
**Renter: \$61,745**

**\$65,174 in the region**

**4% of population below  
poverty line**

**Appx. 10,258 households  
below \$50,000**

**Out of five  
Naperville  
households  
earn less than  
\$50k a year.**

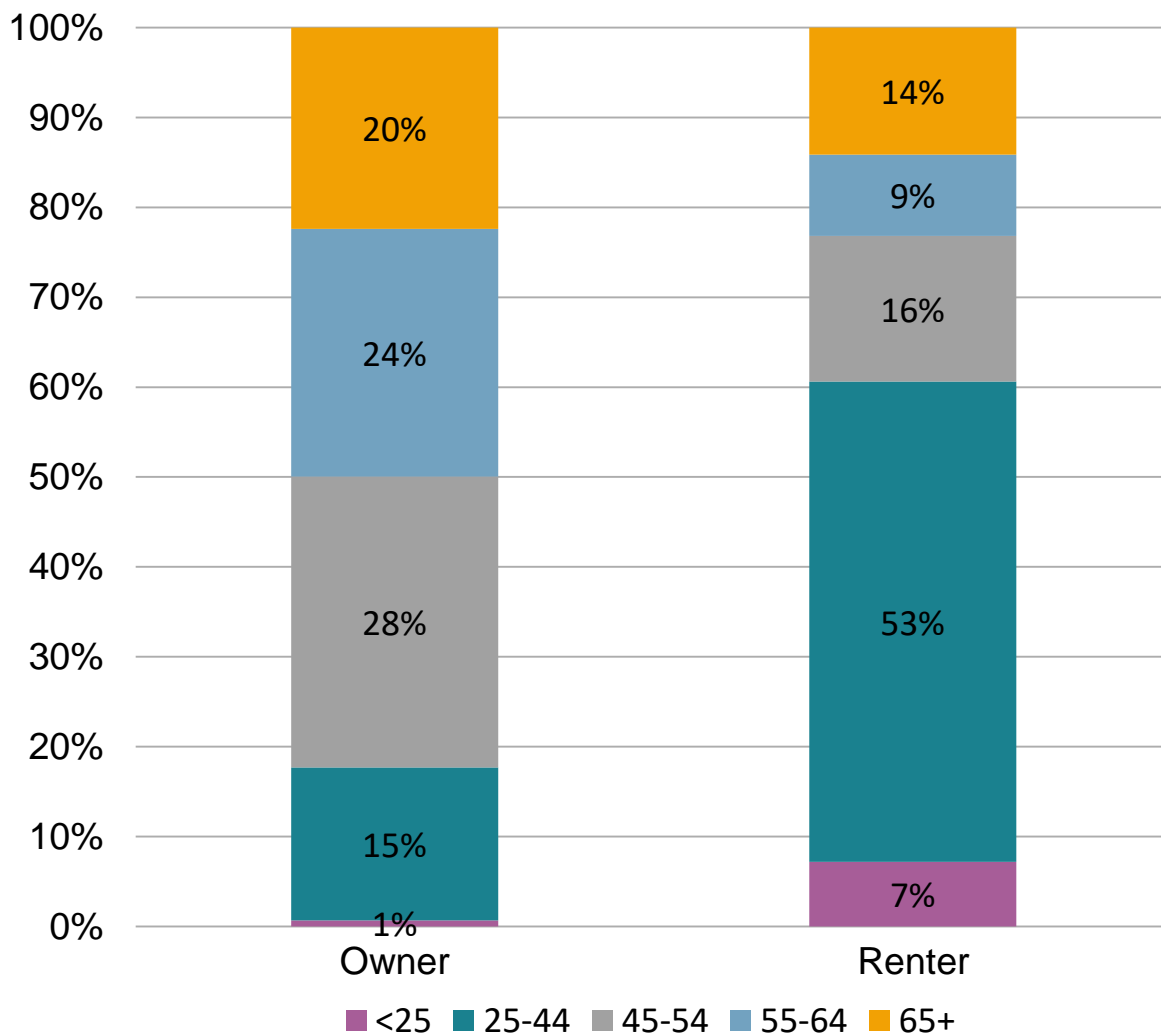


# Naperville is aging...

## Population by age group in Naperville

Source: US Census 2000 and American Community Survey 2013-2017

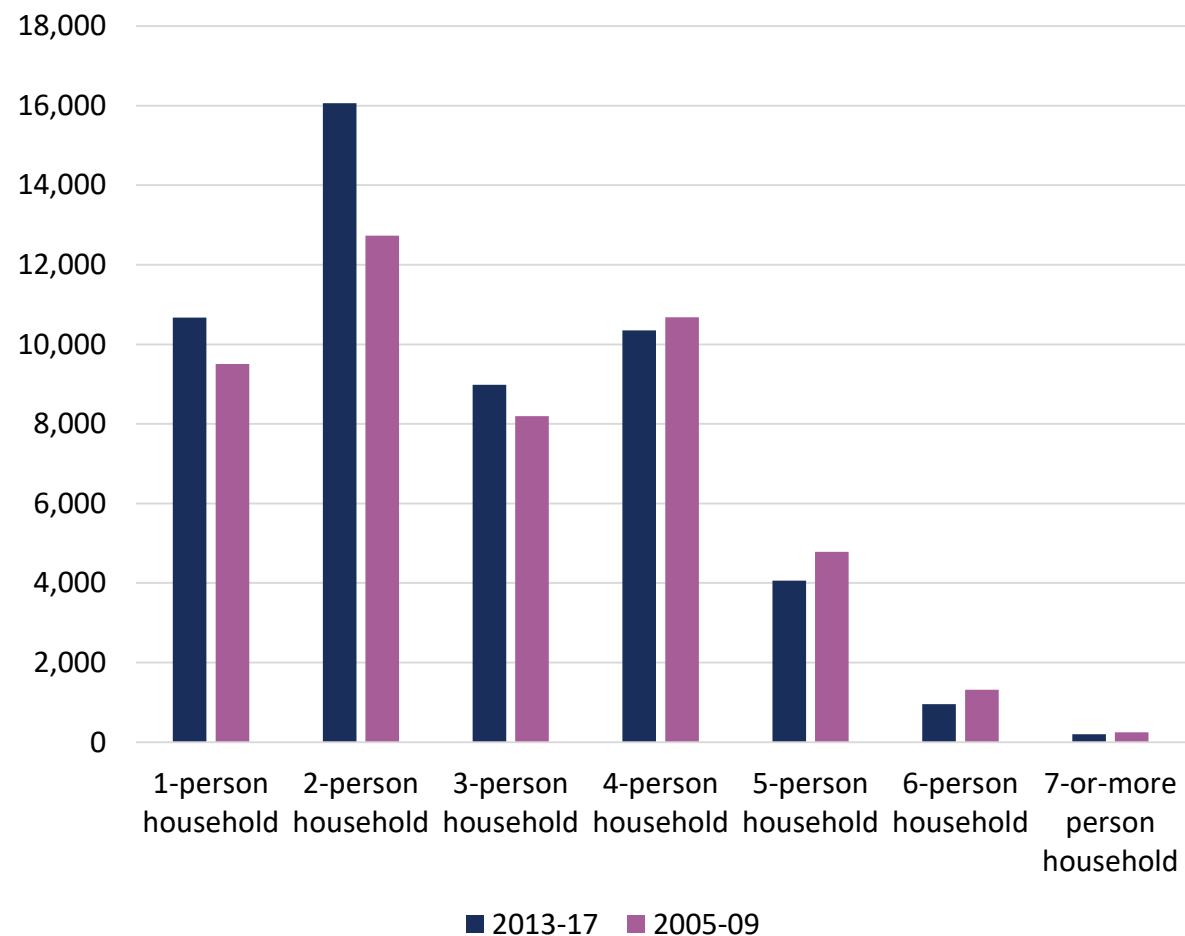




...and owners  
are older, while  
renters are  
younger.

Household by age and  
owner/renter in Naperville

Source: American Community Survey 2013-2017



# Naperville is adding smaller households

## Household sizes in 2009 and 2017

Source: American Community Survey 2005-2009 and 2013-2017

Senior households: 9,388 (18% of total)

Mean household income: \$96,099

Naperville  
seniors are  
relatively  
affluent...

Income of senior  
households

Source: American Community Survey, 2013-2017

Senior households: 9,388 (18% of total)

Mean household income: \$96,099

86% earn Social Security

Mean Social Security income: \$24,178

49% earn retirement income

Mean retirement income: \$41,313

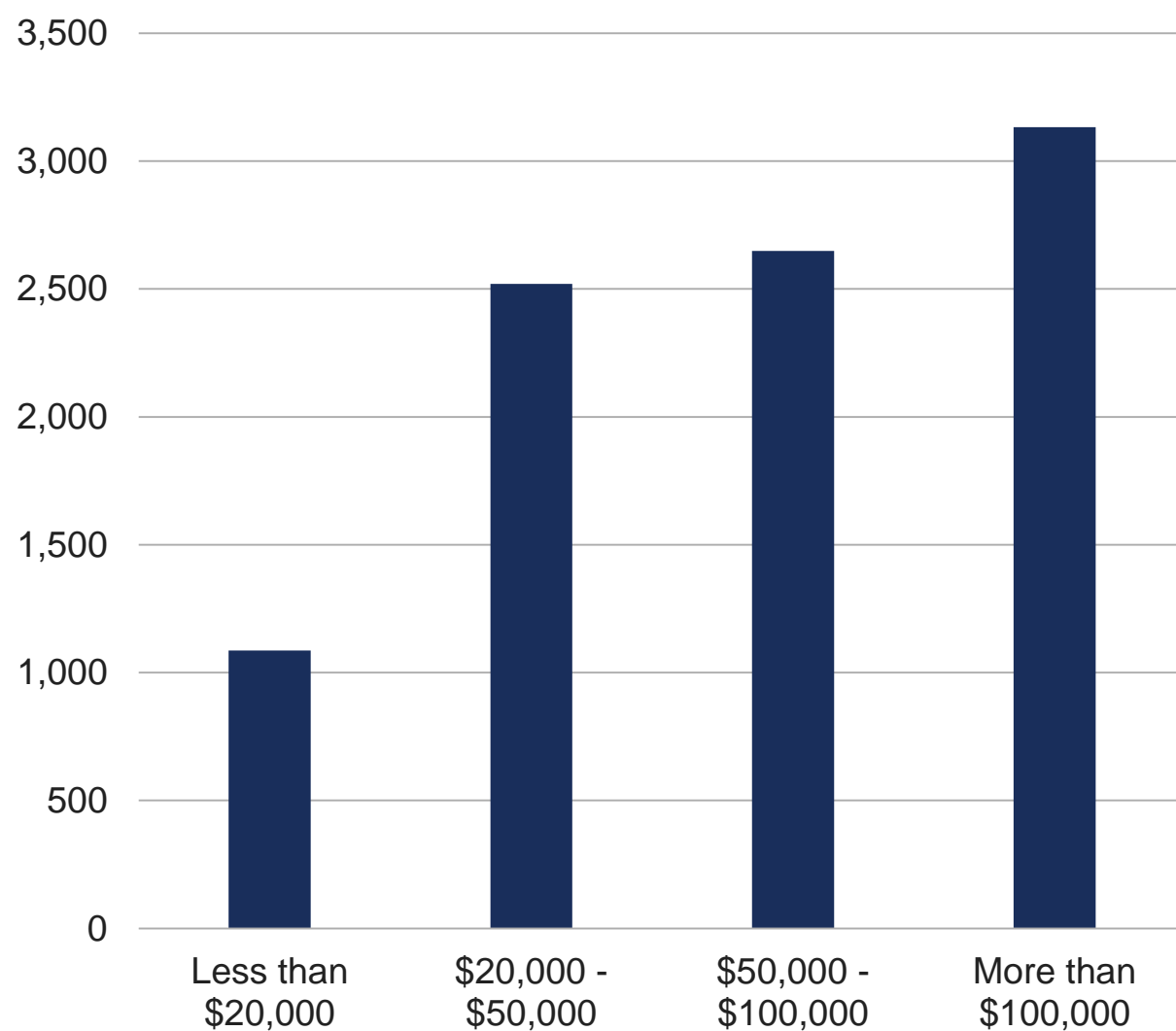
43% earn income from employment

Mean earnings income: \$83,123

...and many rely  
on fixed income,  
retirement  
accounts, and  
employment....

Income of senior  
households

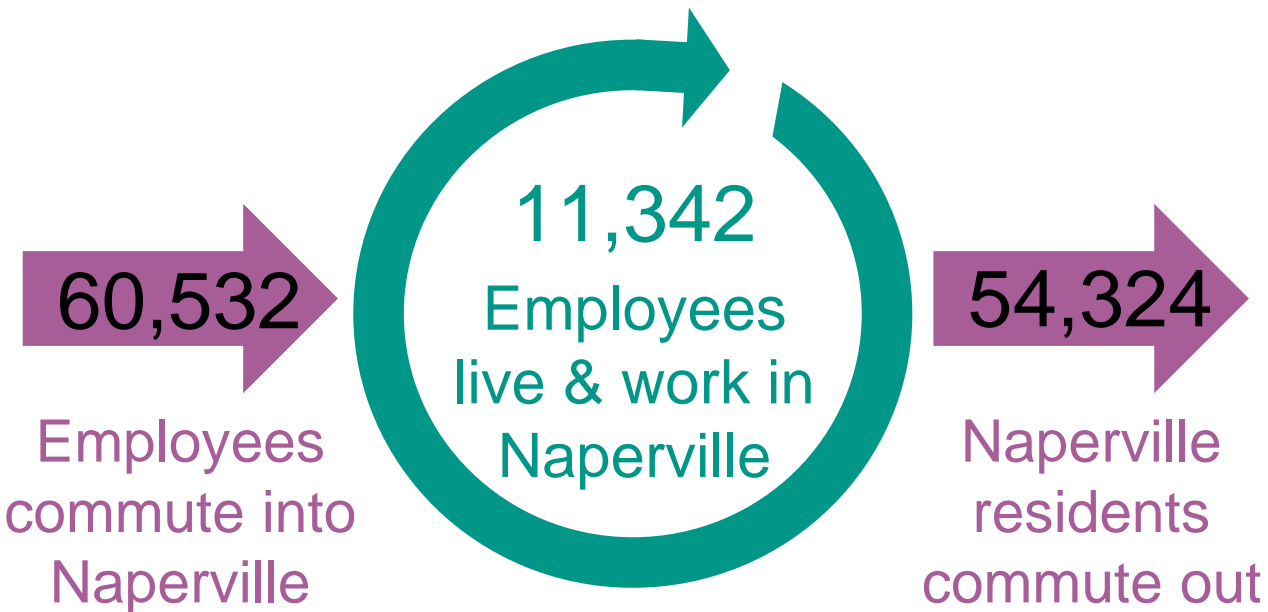
Source: American Community Survey, 2013-2017



...despite this,  
nearly 4 in 10  
earn less than  
\$50,000 per  
year.

Income of senior  
households

Source: American Community Survey, 2013-2017



**48%**

Percent of workers earning \$40k and below

**36%**

**41%**

Percent of workers commuting within 10 miles

**46%**

Most of the local workforce lives in other neighborhoods and commute into Naperville for work

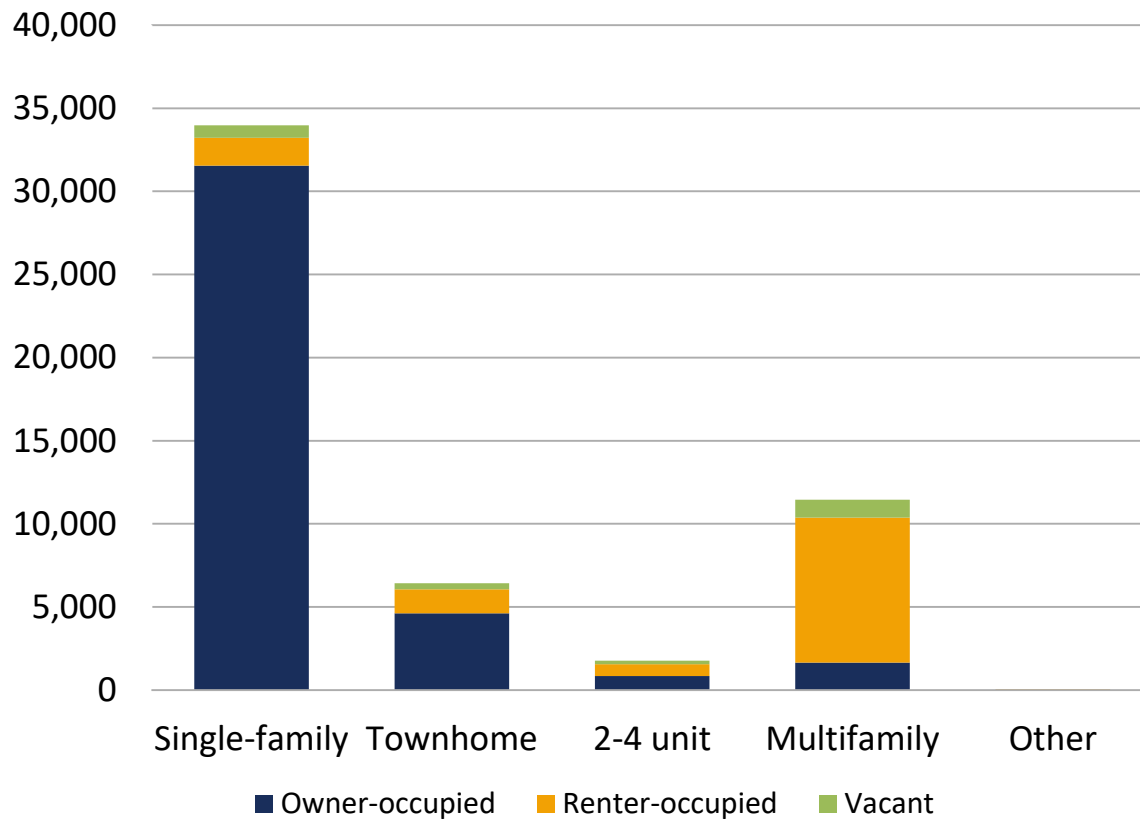
Commuting details in Naperville

Source: Longitudinal Employer-Household Dynamics: 2015

# PART 4:

## Naperville Baseline Data

Housing Stock & Market  
Characteristics



**4.5% of units vacant**

Most  
Naperville  
households  
own single-  
family homes.

Housing type by  
owner/renter in Naperville

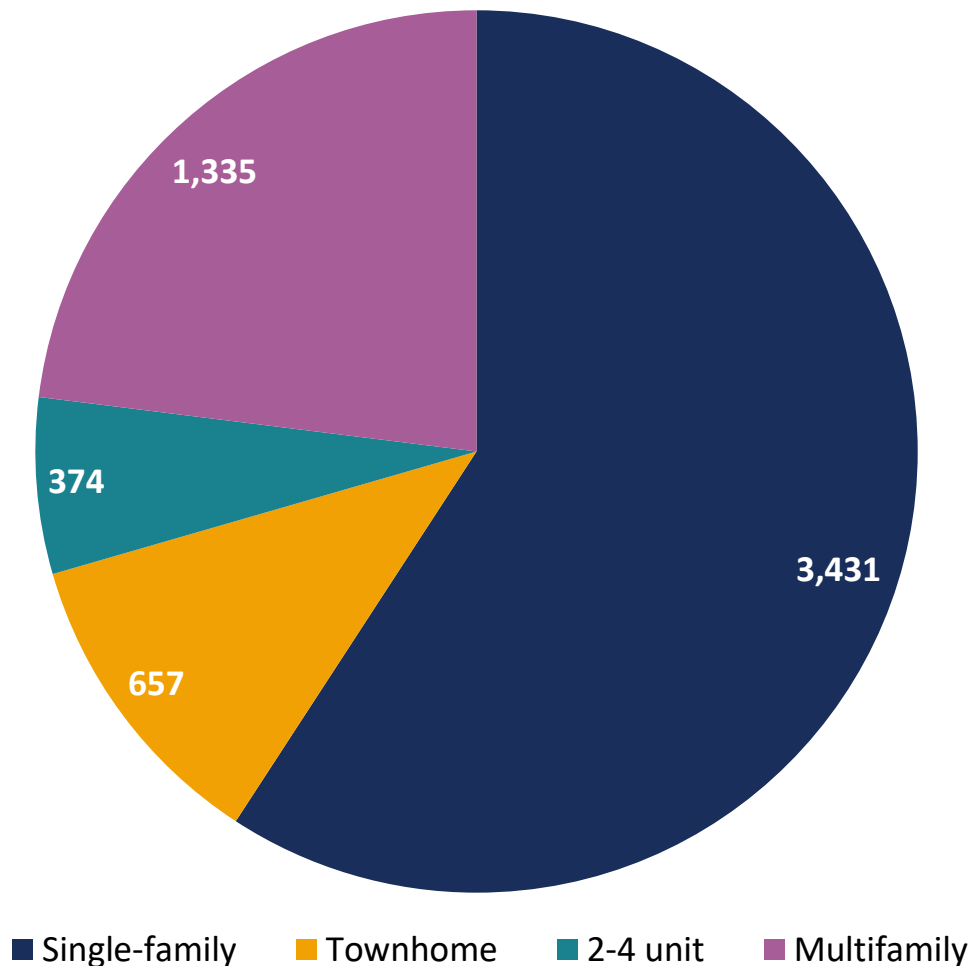
Source: American Community Survey 2013-2017

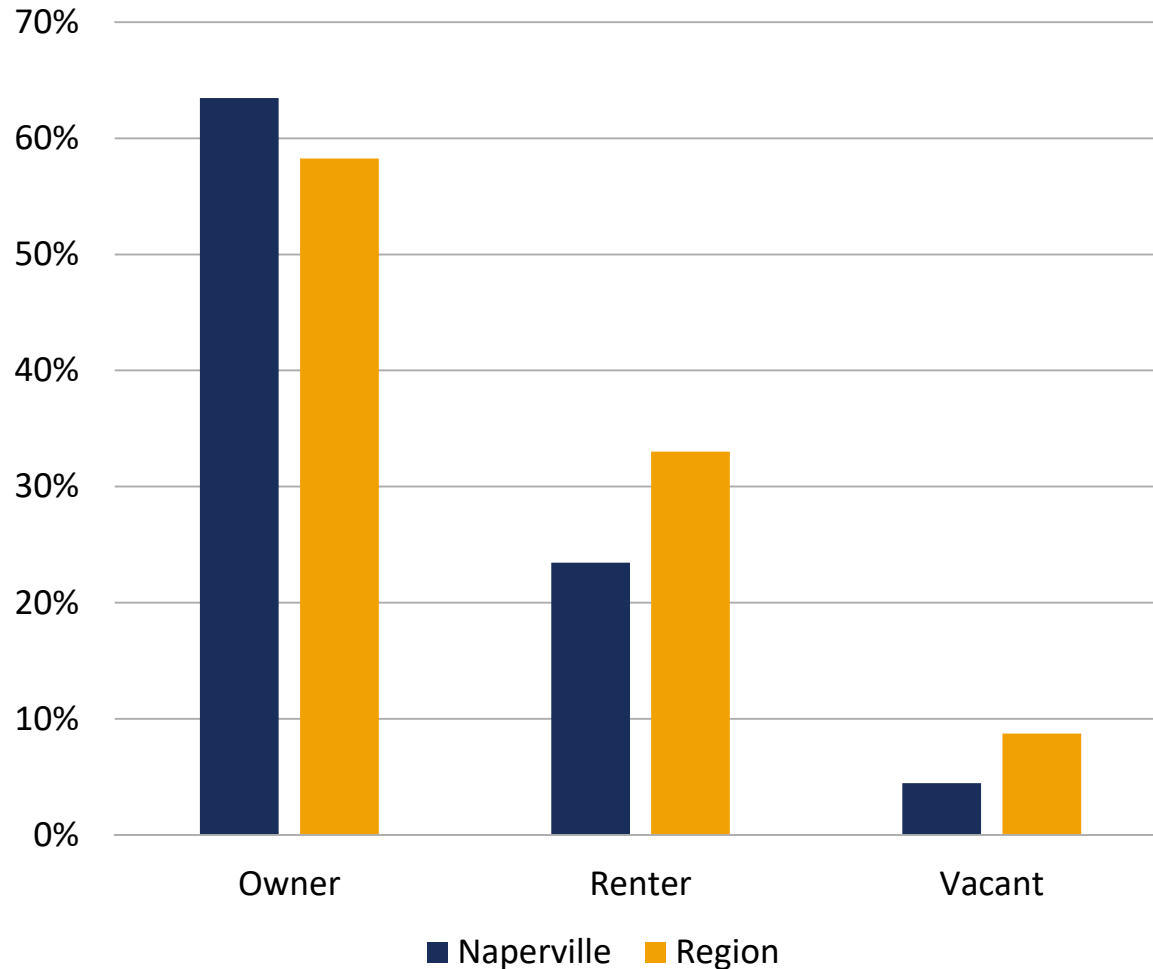


# Naperville has added many types of units.

Units added between 2009 and 2017

Source: American Community Survey 2005-2009 and 2013-2017





More own and fewer rent, compared to the region.

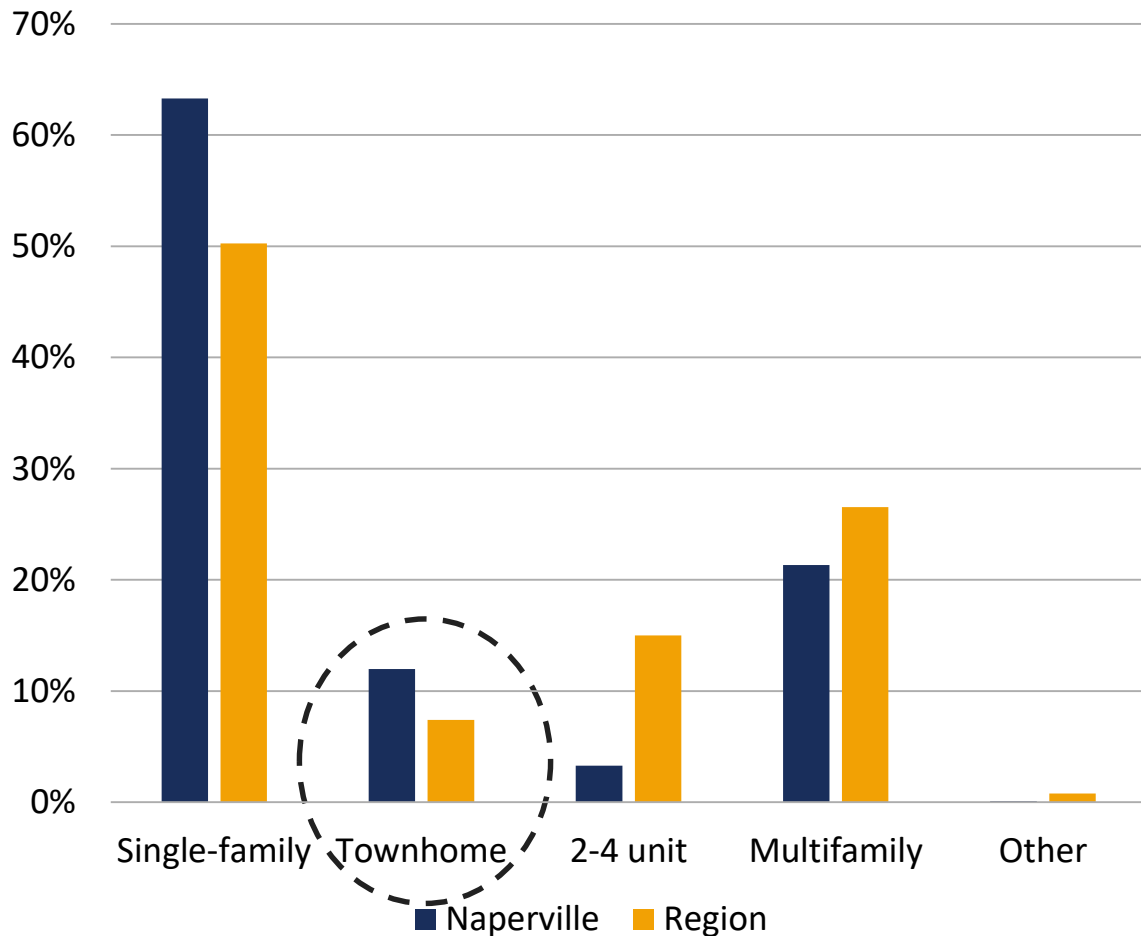
Housing by owner/renter in Naperville

Source: American Community Survey 2013-2017

# HOUSING TRENDS:

## *What Is The “Missing Middle”?*

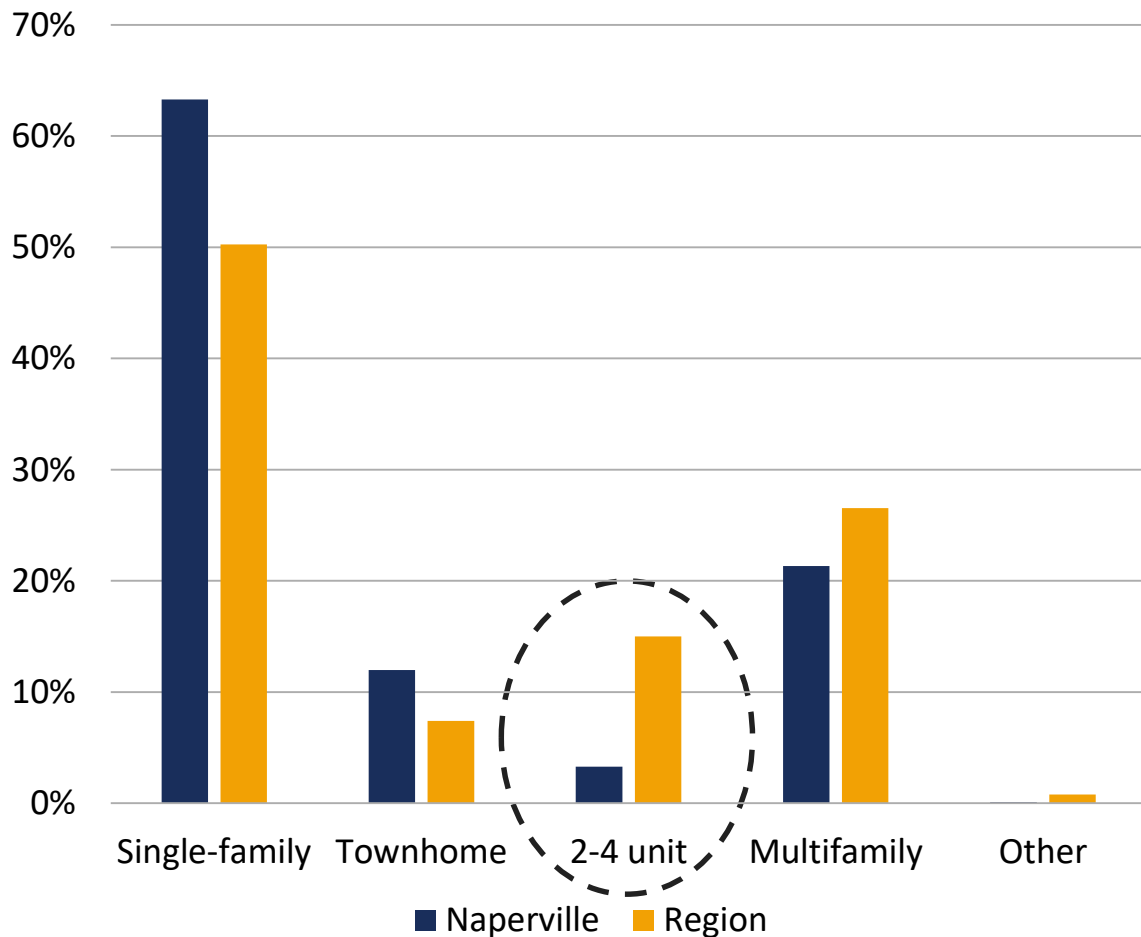




Naperville has many townhomes, compared to the region...

Housing type in Naperville and the region

Source: American Community Survey 2013-2017



...but not as many small multifamily buildings.

Housing type in Naperville and the region

Source: American Community Survey 2013-2017



Naperville's housing activity once outpaced DuPage County and region...

Residential sales per 100 residential parcels

Source: Institute for Housing Studies 2005-2017



...but today,  
the market  
more closely  
follows that of  
the County  
and region.

Residential sales per 100  
residential parcels

Source: Institute for Housing Studies 2005-2017

## PART 5:

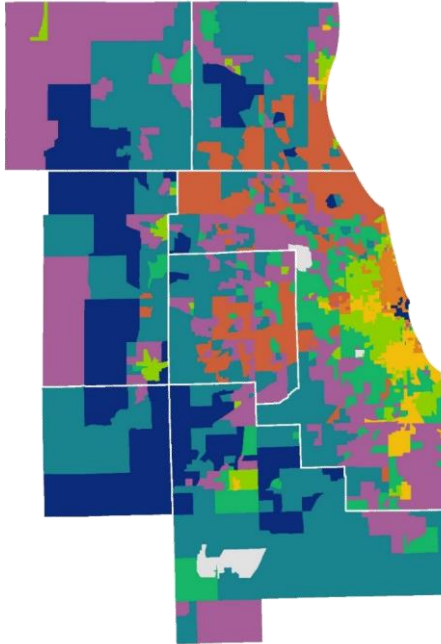
# Who Are Our Peers?



# WHO ARE OUR PEERS?

## Regional Housing Solutions

IHS Regional Housing Market Segmentation Analysis  
Chicago Region



Model includes  
census tract-level  
data on:

HOUSING  
AFFORDABILITY

MARKET  
CONDITIONS

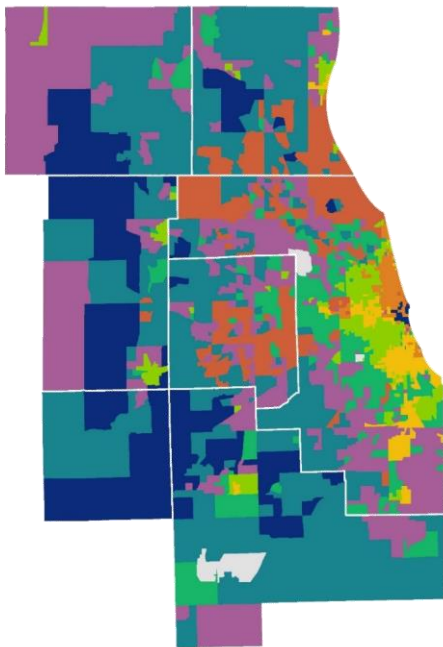
HOUSING  
STOCK

DEMOGRAPHIC  
CHARACTERISTICS

# WHO ARE OUR PEERS?

## Regional Housing Solutions

IHS Regional Housing Market Segmentation Analysis  
Chicago Region



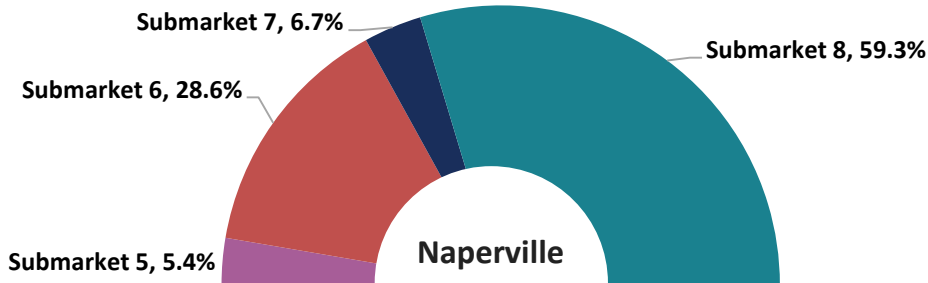
SOURCE: IHS CALCULATIONS

INSTITUTE FOR HOUSING STUDIES  
AT DEPAUL UNIVERSITY

## Clustering model classifies census tracts based on:

**Similarities** – How closely related tract characteristics are across a range of variables

**Differences** – How distinct or separated tracts are from others across a range of variables



# WHO ARE OUR PEERS?

## Regional Housing Solutions

1

Higher density urban, high foreclosure and vacancy, low income

2

Higher density urban & suburban, large HHs, high foreclosure/moderate vacancy, low/moderate income

3

Higher density urban, high income, young, high home prices and rents

4

Suburban post-war housing stock, moderate- and middle-income, lower cost stock

5

Suburban 1960-79 housing stock, moderate but declining incomes, lower cost stock

6

High cost suburban housing stock, low density, high income, aging

7

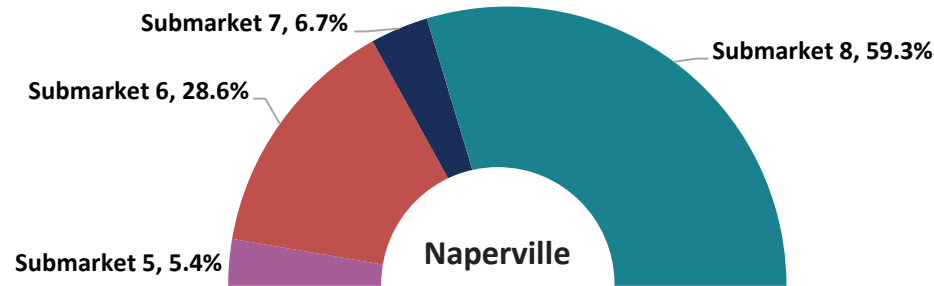
High population growth, newest housing stock

8

Suburban 1980-99 housing stock, high/middle income, suburban, aging

# WHO ARE OUR PEERS?

## Regional Housing Solutions



Arlington Heights  
Barrington Hills  
Beverly  
Buffalo Grove  
Deer Park  
Edison Park

Flossmoor  
Glenview  
Hawthorn Woods  
Inverness  
La Grange  
Lincolnshire

Lincolnwood  
Lisle  
Long Grove  
Mount Prospect  
North Barrington  
Palatine

Riverwoods  
Westmont  
Wheaton  
Woodridge

# PART 6:

## Naperville Baseline Data

### Affordability

“Affordable housing” costs less than 30 percent of household income.

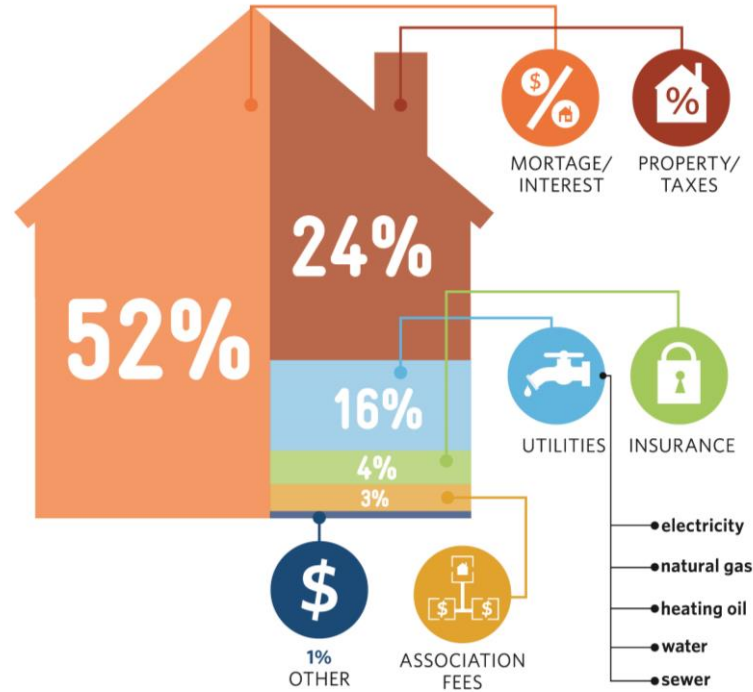
“Unaffordable housing” costs more than 30 percent of household income.

“Severely unaffordable housing” costs more than 50 percent of household income.

What does affordability mean?

# What is included in monthly owner costs?

Average monthly costs for renters in Chicago Metropolitan area, 2009



Source: Chicago Metropolitan Agency for Planning analysis of the 2009 American Housing Survey (AHS).

The 2009 AHS data includes Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will Counties in the metropolitan area.

## **Owners living in unaffordable housing in Naperville:**

19% in 2009

14% in 2017

## **Owners living in severely unaffordable housing in Naperville:**

10% in 2009

8% in 2017

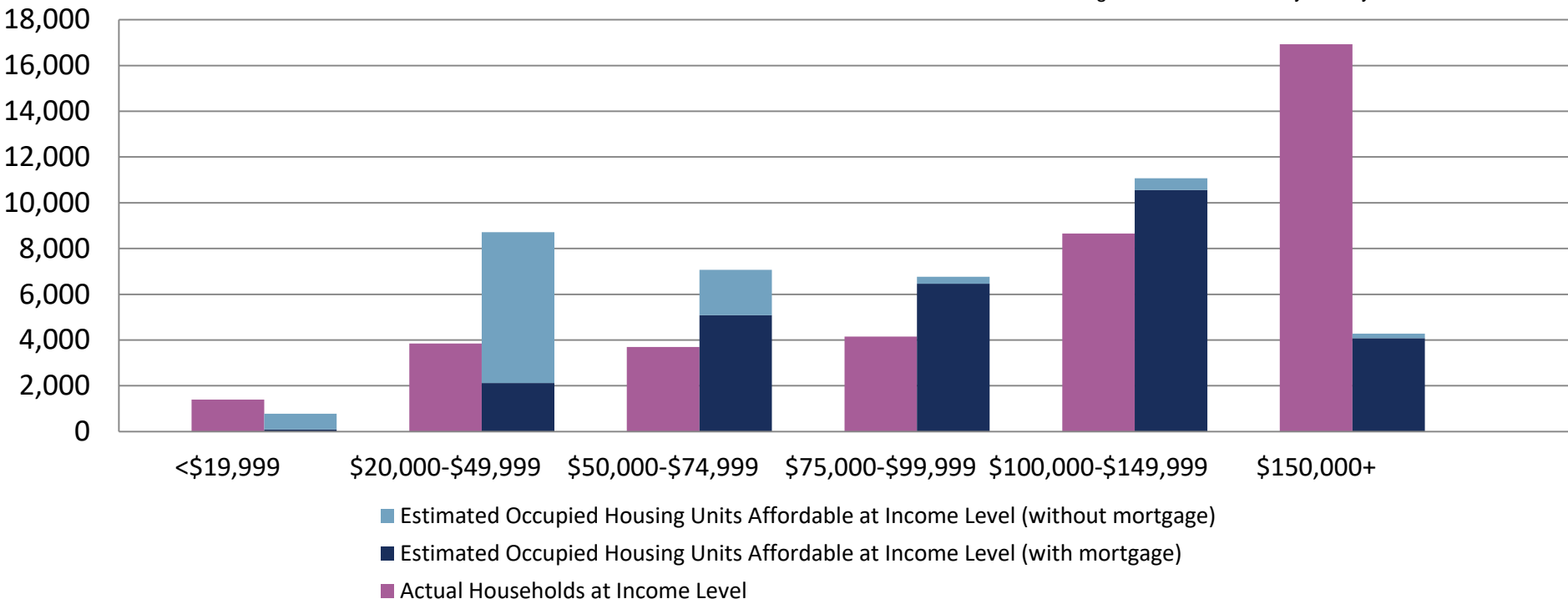
Fewer owners are living in unaffordable housing now than in the recession.

Source: American Community Survey, 2005-2009 and 2013-2017



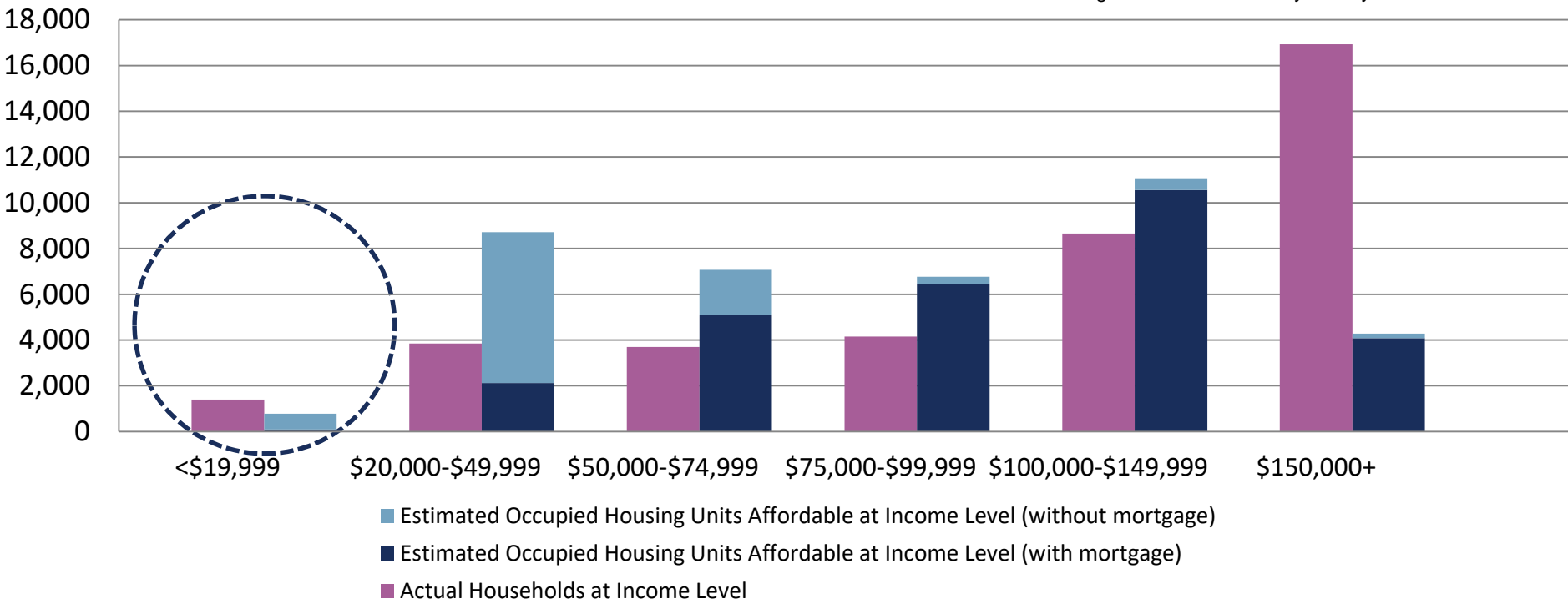
# OWNER HOUSEHOLD INCOME COMPARED TO AFFORDABLE OCCUPIED UNITS AT INCOME LEVEL: Naperville

Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2013-17



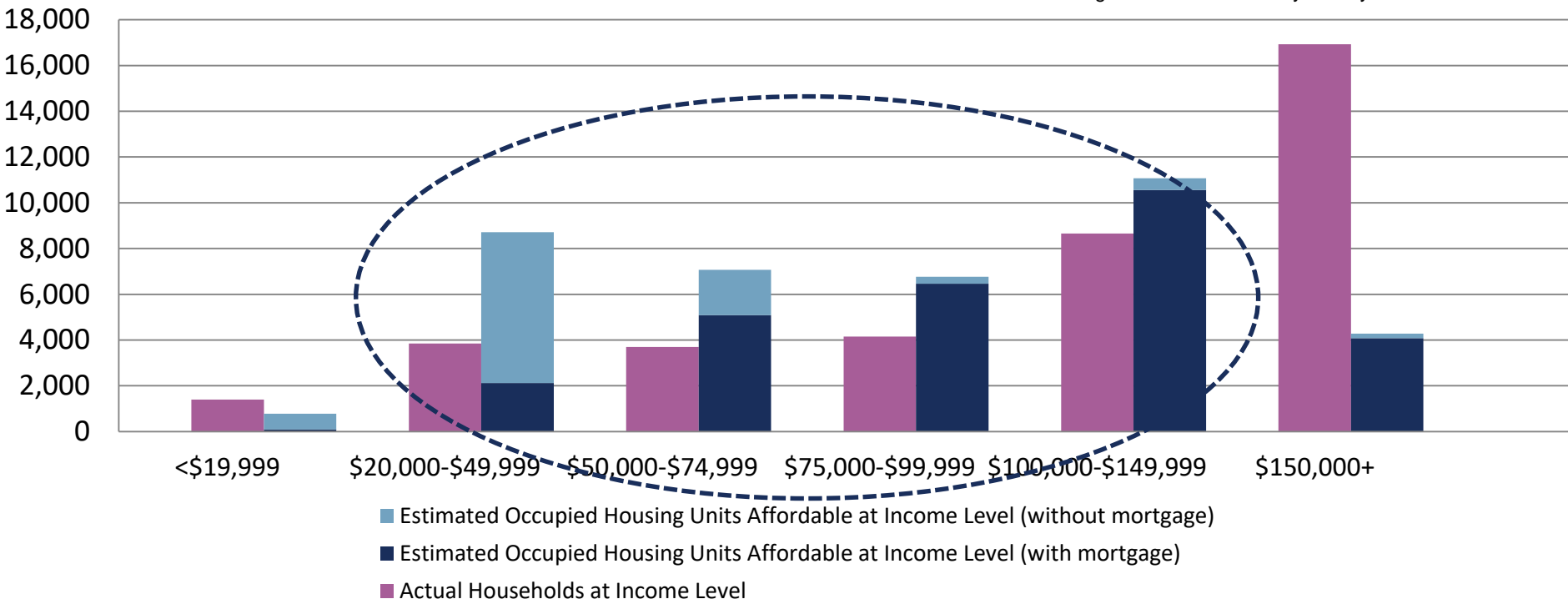
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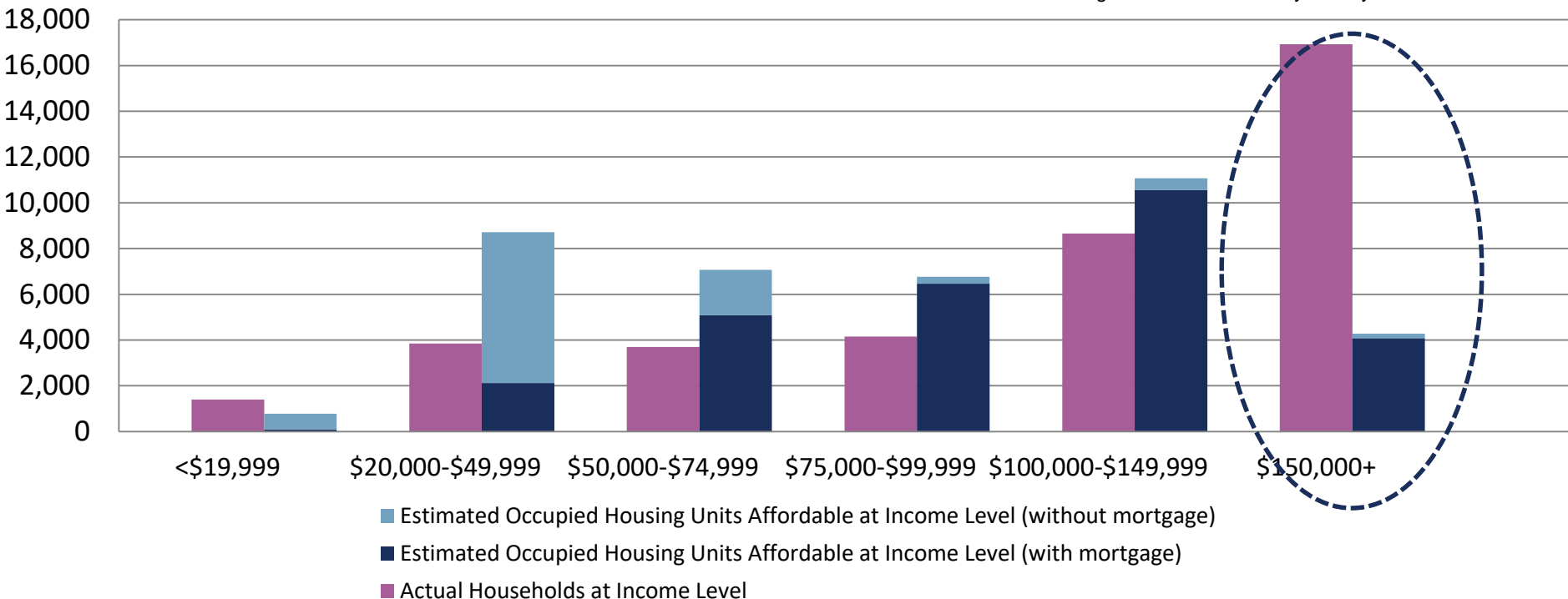
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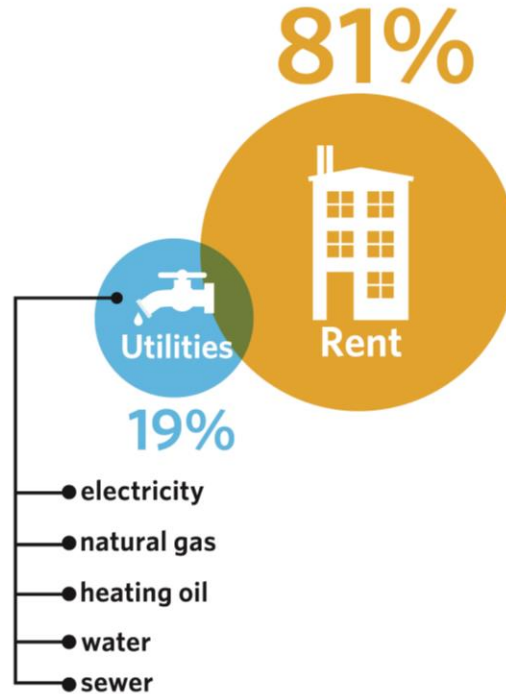
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Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2013-17



# What is included in gross rent?

Average monthly costs for renters in Chicago Metropolitan area, 2009



Source: Chicago Metropolitan Agency for Planning analysis of the 2009 American Housing Survey (AHS).

The 2009 AHS data includes Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will Counties in the metropolitan area.

## **Renters living in unaffordable housing in Naperville:**

21% in 2009

22% in 2017

## **Renters living in severely unaffordable housing in Naperville:**

18% in 2009

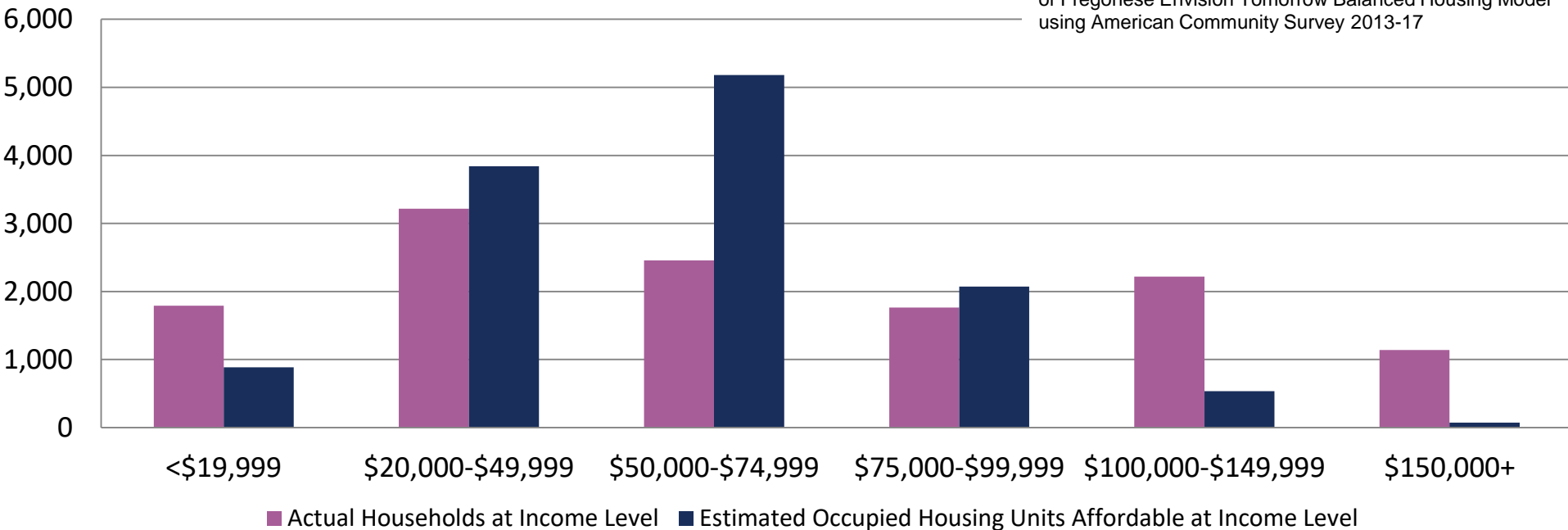
21% in 2017

Renters living in both unaffordable & Severely unaffordable housing has increased slightly.

Source: American Community Survey, 2005-2009 and 2013-2017

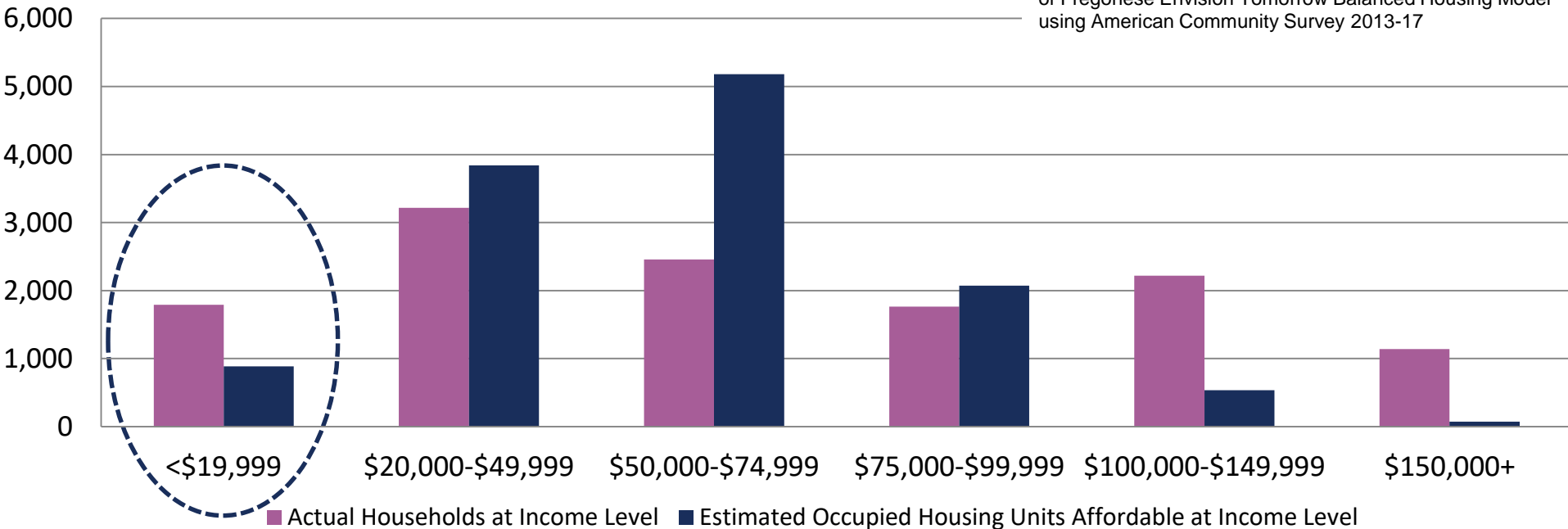
# RENTAL HOUSEHOLD INCOME COMPARED TO AFFORDABLE OCCUPIED UNITS AT INCOME LEVEL: Naperville

Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2013-17



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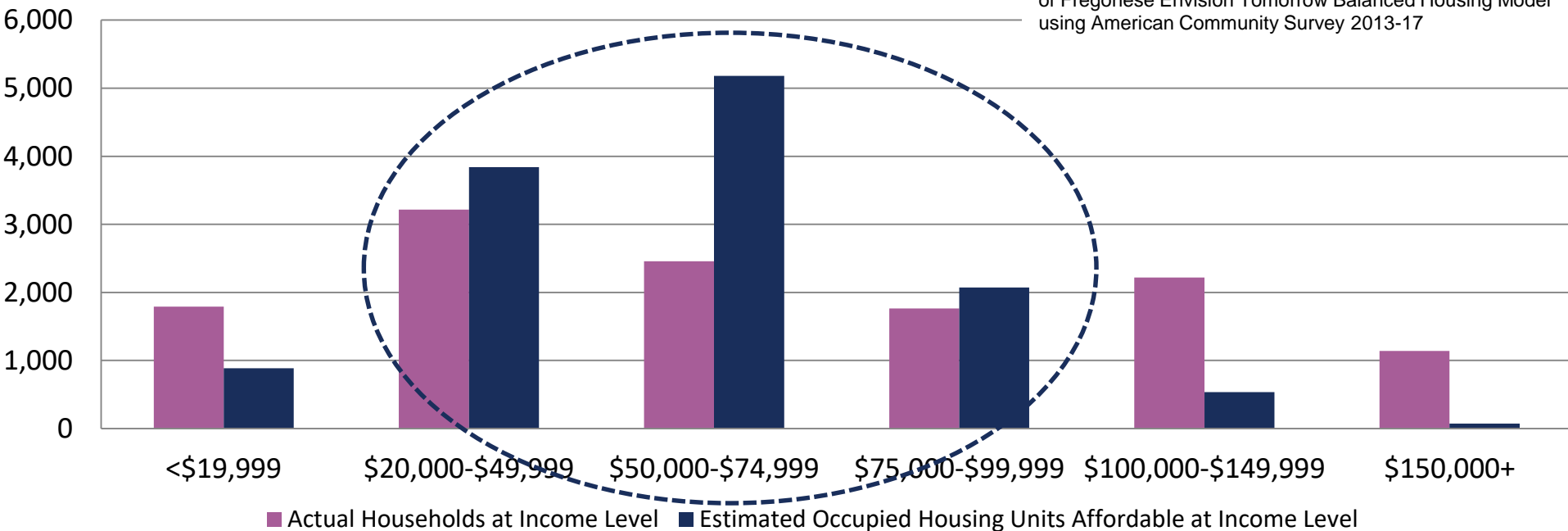
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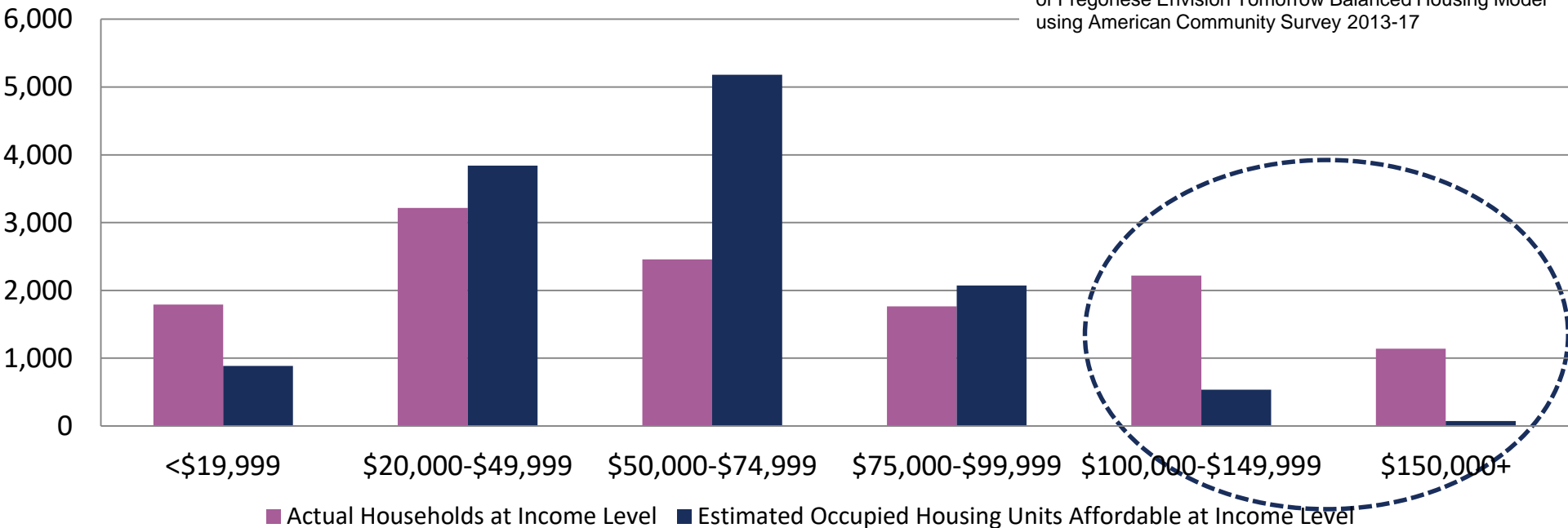
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# PART 7:

## Discussion

# PART 8:

## Next Steps

# NEXT STEPS

