

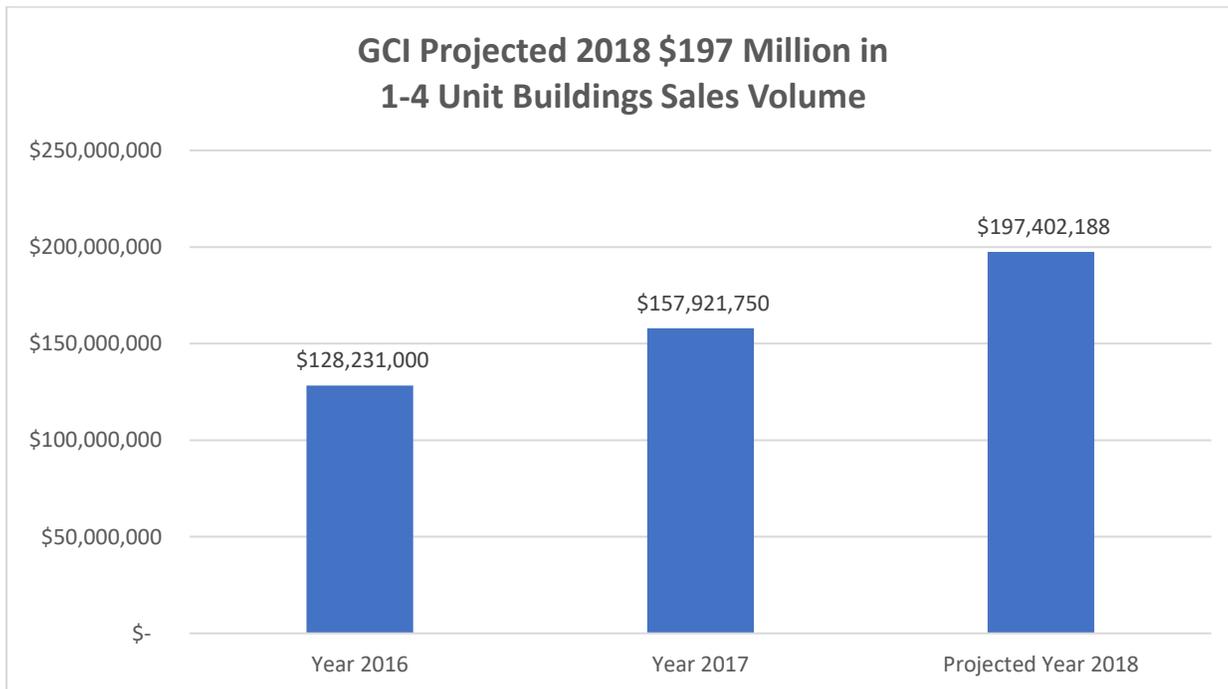


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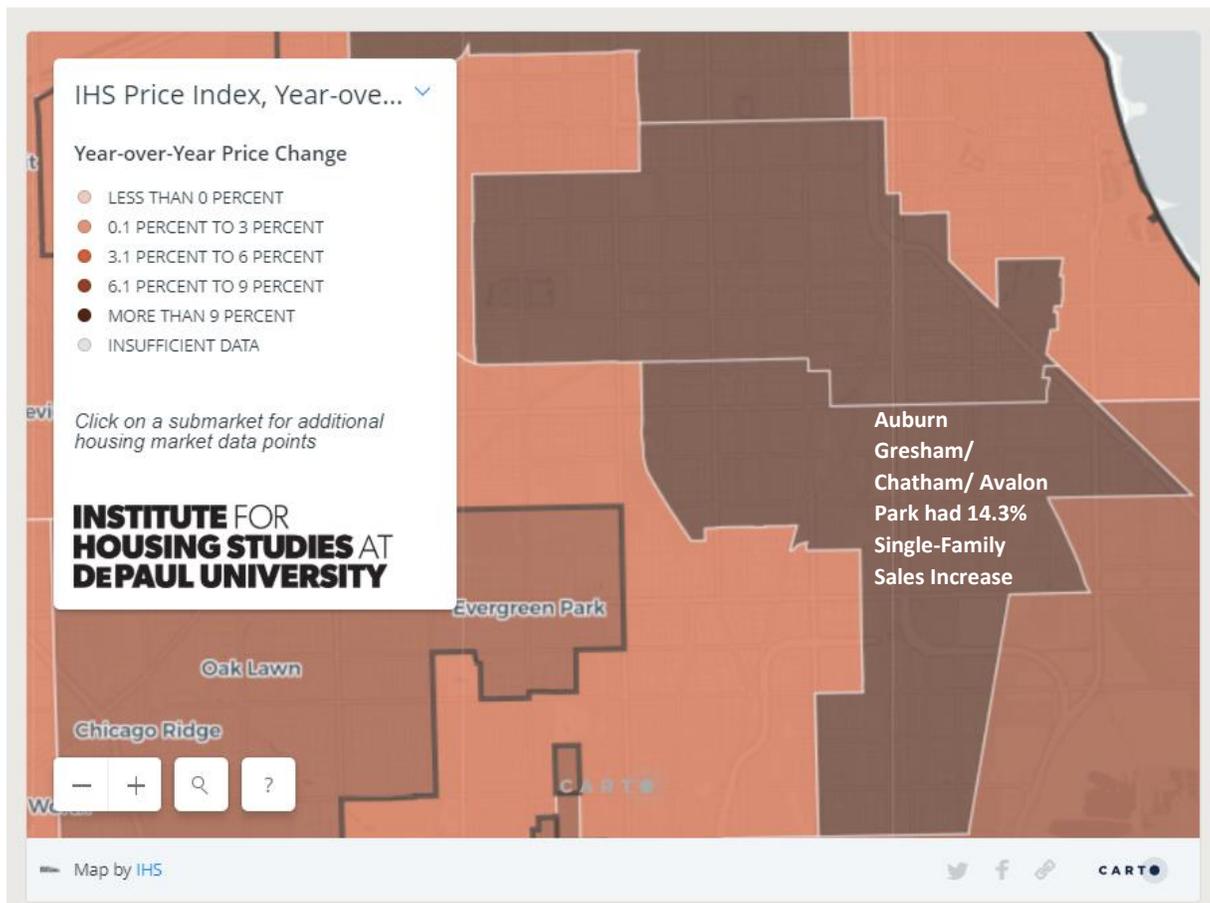
Chatham, Auburn-Gresham and Avalon Park had a record single-family sales price increase of 14.3%. This gain outpaced all other Cook County submarket areas between the second quarters of 2017 and 2018.

GCI’s housing strategies and activities to influence, convene, advocate and sometimes be a focused doer are working. As evidenced by “Greater Chatham communities of Chatham, Auburn Gresham and Avalon Park’s 14.3% single-family sales price increase. This was the largest increase between the second quarters of 2017 and 2018 of all communities in Cook County,” per The Institute of Housing Studies (IHS) at DePaul University Cook County House Price Index: Second Quarter (This compares to the average house price in Cook County increased by 4.2%). Greater Grand Crossing and Englewood also had a good showing with a 12.6% single-family sales price increase between the second quarters of 2017 and 2018.

The 14.3% gain is consistent with GCI’s sales price projection that single-family and 2-4-unit property sales are on target to increase by 20% in 2018 (in 2017 Greater Chatham saw a 26% increase in median sales).



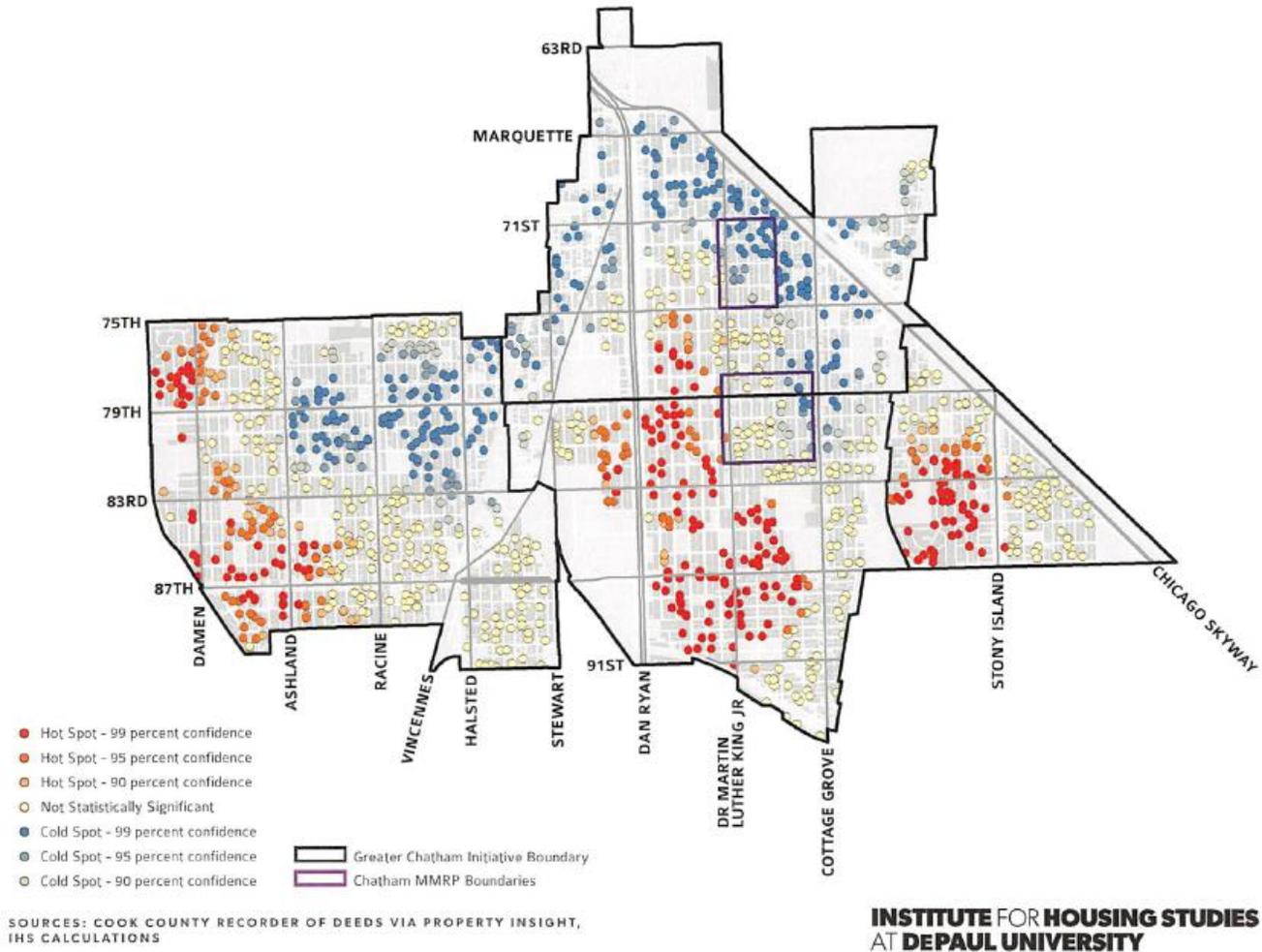
Sarah Duda from IHS speculates that this is due to two direct factors. “On one hand, we’ve seen evidence of flipping, which is resulting in very large gains for investors and big price changes in some (Greater Chatham) neighborhoods. The other is that many parts of the submarket are still recovering, and even small increases on a home that is relatively lower value can result in large price changes year over year.”



Maude Toussaint Comeau and Robin Newberger of The Federal Reserve Bank of Chicago add additional context in their soon to be published *Revitalizing The Greater Chatham Housing Market* article, that “...nearly one in four of the houses sold in the community of Chatham were recent rehabs, typically owned and sold by contractors and investors. This represents a far higher proportion than in other South and West Side neighborhoods that were also hit hard by the downturn (Rehab sales were fewer in nearby South Shore (15%), Park Manor and South Chicago (both 17%)).”

GCI’s tactics to inform the cadre of Greater Chatham investors and lenders by providing to them with 1-4-unit housing data from both local sources and IHS is working. GCI makes this data available to stakeholders so that they can make wise decisions—micro-market by micro-market. GCI even had IHS pioneer the new Hot Spot map. See the following. The map indicates where homes are selling at \$90 sq ft (red dots), where areas are selling at \$40 sq ft (blue dots), and where the median sale per sq ft is or there is no discernable pattern (white dots). The constellation of red and blue dot homes tells us where the micro-markets are. This allows us and others to develop strategies for specific submarkets.

Hot Spot Analysis of Sales Value per Square Foot in 1 to 4 Unit Buildings, 2016
Auburn Gresham, Avalon Park, Chatham and Greater Grand Crossing



The uptick in sales prices may explain why Chatham and Greater Grand have seen a decrease in households with incomes <\$50,000. From 2010 to 2016 Chatham lost -1,066 or 10% of its <\$50,000 households and Greater Grand Crossing lost -756 or -8% of its <\$50,000 households, per IHS *Understanding Household Income Shifts in Chicago Neighborhoods* blog. One plausible explanation is that investors are terminating leases to single-family home renters to flip properties. These homes are rehabbed and then sold to purchasers. We will have to wait until the 2020 census to determine if Greater Chatham’s owner occupancy rate has stabilized and started to trend up.

In closing, GCI’s efforts have helped continue to motivate stakeholders to invest in Greater Chatham. The local spirit of entrepreneurship continues with the real estate investors and contractors who are helping to move home prices upward, which will benefit the existing home owners who are still upside down by creating more value and thus much needed equity for the estimated 28.2% of Greater Chatham underwater home owners.¹

¹ <https://www.chicagobusiness.com/article/20170111/CRED0701/170119974/underwater-homeownership-more-common-in-chicago-s-minority-neighborhoods>