



# **Sigwalt Townhomes**

**Prepared for Taylor Morrison**  
Pricing and Absorption Analysis Report

**April 2019**

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April 10<sup>th</sup>, 2019

Mr. Marc McLaughlin  
Taylor Morrison  
1834 Walden Office Square  
Schaumburg, IL 60173

RE: Sigwalt Townhomes Pricing and Absorption Analysis Report—Arlington Heights, Illinois

Dear Mr. McLaughlin:

Metrostudy is pleased to present this abbreviated report to Taylor Morrison. We have evaluated the market potential for the proposed 16 single-family attached homes known as Sigwalt Townhomes. We have based our recommendations on the housing supply and demand in the surrounding CMA. This analysis was conducted by **Danielle Leach**, Midwest Regional Director, and **Maya Sachdeva**, Consultant.

Please contact us at your convenience with any comments or questions regarding this report, or any other matter relevant to your real estate market research needs.

Respectfully Submitted,  
**Metrostudy**





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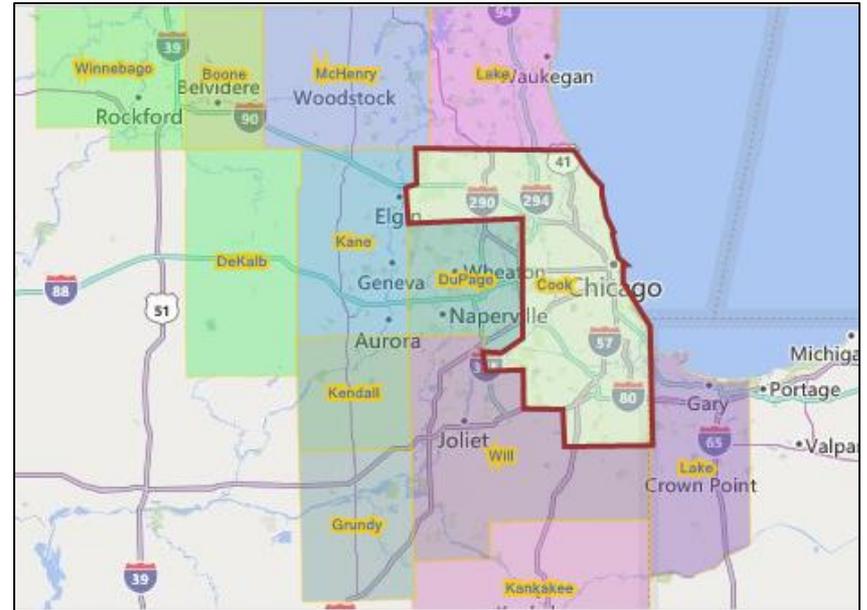
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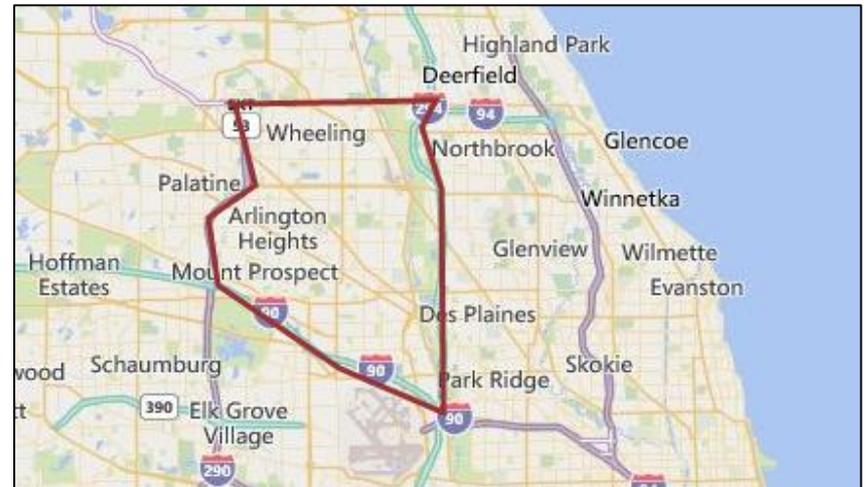
## Cook County Market Map

**Cook County Market:** Sigwalt Townhomes is located within the larger Cook County Market.

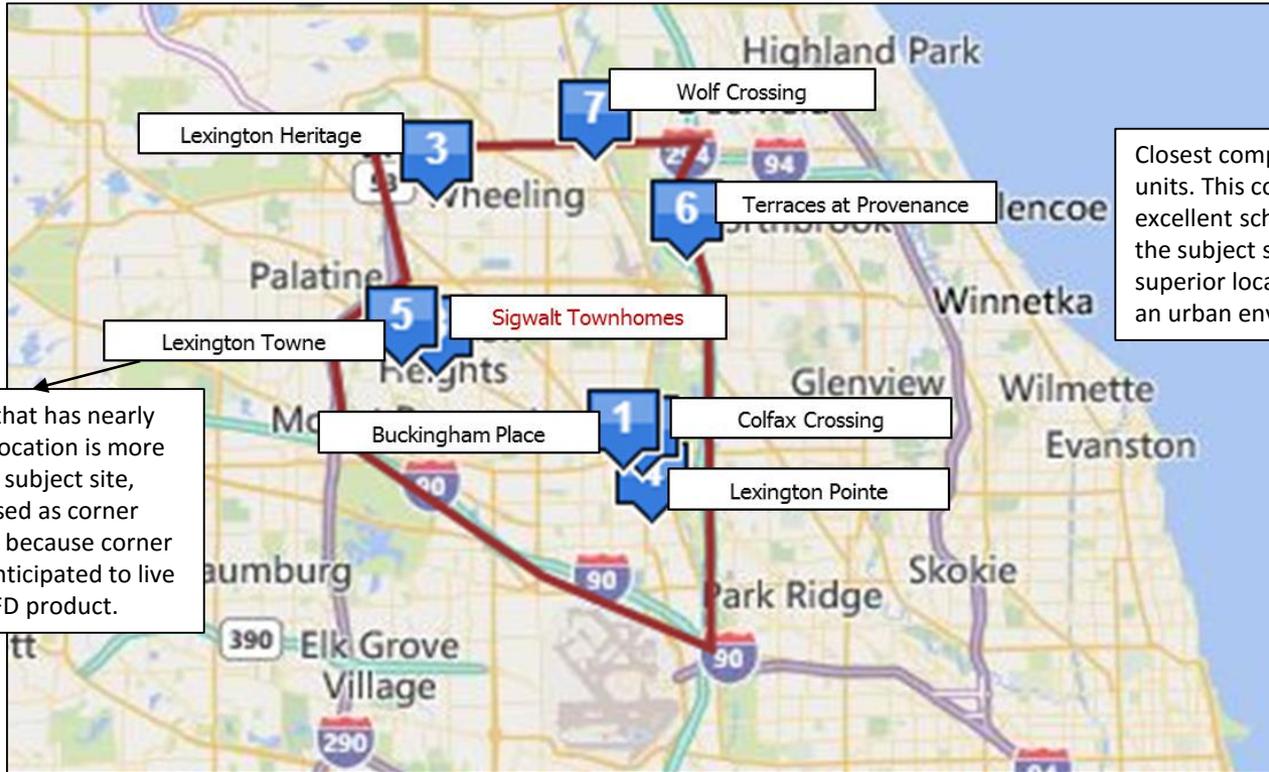


## Sigwalt Townhomes CMA Map

**Sigwalt Townhomes CMA:** The Competitive Market Area ("CMA") has been defined to encompass a territory that includes a representative portion of the competitive new housing market in the Arlington Heights market. The boundaries are defined by major thoroughfares including 90 to the south and 53 to the west. The CMA boundary takes into account the location of other attached projects comparable to the proposed subject development, as well as other considerations such as drive time, infrastructure, high school district boundaries, and socioeconomic indicators.



Competitive Market Area.  
**Competitive Communities**



Closest comp to interior units. This comp has excellent schools, however the subject site has a superior location and offers an urban environment.

SFD comp that has nearly built-out. Location is more superior to subject site, however used as corner units comp because corner units are anticipated to live closer to SFD product.

Subdivision	Active Qtr	Current Builder	Base Price	Total Lots	Ann Starts	Ann Closings	Occupied	Total Inv	VDL	Future	Built Out %
Buckingham Place	3Q17	Ryan Homes	\$311-\$329	127	46	26	26	6	77	0	20.5%
Colfax Crossing	1Q16	Taylor Morrison Homes	\$299-\$305	101	28	46	82	0	4	0	81.2%
Lexington Heritage	4Q17	Lexington Homes	\$360-\$430	47	25	9	9	9	12	0	19.1%
Lexington Pointe	3Q17	Lexington Homes	\$355-\$370	58	30	24	24	0	12	0	41.4%
Lexington Towne	4Q16	Lexington Homes	\$745-\$798	15	7	10	13	0	0	0	86.7%
Terraces at Provenance	1Q17	Red Seal Development	\$489-\$625	82	17	11	14	3	53	0	17.1%
Wolf Crossing	2Q18	D.R. Horton Homes	\$364-\$399	39	39	0	0	9	0	0	0.0%



**The proposed project has the following positive features:**

- The location off of 26 S Highland Ave is close to major thoroughfares including 90 and 294. Arlington Heights is a desirable community with local shopping, restaurants, and entertainment venues. The site is adjacent to Metropolis Performing Arts Theater, which is a notable community theater.
- Other site adjacencies include parking which is helpful for a more urban location, ranch-style single-family detached homes that appear well maintained, and a mid-rise apartment building.
- Metrostudy anticipates that Sigwalt Townhomes will appeal most to the Active Adult Feature and Location buyer as well as the Elite buyer. The AA buyer represents 16.53% of consumers in the CMA, while the Elite buyer makes up 13.83% of consumers in the CMA. Elite buyers are more likely to purchase the townhomes as they tend to have an annual household income of \$175,000 and are financially savvy, secure with investments and a 401K.
- The schools are ranked highly by Great Schools. Westgate Elementary is an 8/10, South Middle is 7/10, and Rolling Meadows is 10/10. An excellent school path is likely to see a mix of Elite consumers that have children or are recent empty-nesters seeking a walkable, lively lifestyle while downsizing.
- Attached product is dominant in the CMA. Metrostudy analyzed Lexington Towne, a single-family detached product, due to its proximity to the subject site. Lexington Towne is nearly built-out and sold at a price range between \$745,000 and \$798,000. The community is located closer to downtown Arlington Heights, however the square footage is comparable to the Sigwalt corner units and was used as the main competitor to justify that pricing. Terraces at Provenance was used as the main comparable for the interior units. Most competitive communities are anticipated to be built-out or near build-out when Sigwalt comes to market.
- Resale within the CMA is healthy. New attached product rivals resale. There have been 4,316 total resale transactions over the last year averaging \$207/SF on par with Sigwalt Townhome pricing.

**Some challenges and concerns associated with the project include:**

- Top employers in the area include the U.S. Government, Chicago Public Schools, City of Chicago, Cook County, and the University of Chicago. The average household income within the CMA is approximately \$95,000. A household income of at least \$120,000 is needed to qualify for a \$500,000 home. However, roughly 40% of all households make above \$120,000 within the CMA.
- Power lines run through the site and are expected to be removed and placed underground which can contribute to higher price points for the townhomes.
- Higher priced townhomes mean the community will be a margin play, with absorptions expected to be slower. For 16 units, slower absorptions are better and Metrostudy would anticipate community build-out to occur within 1 to 2 years.





Metrostudy believes Sigwalt Townhomes will have a competitive advantage in the CMA by offering new attached product in a walkable, urban market. Metrostudy suggests creating floorplans that speak to a near term empty nester buyer due to the strength of the high school. Buyers within the CMA have few new home move-up or downsizing options. Further, these buyers are better established and can afford to purchase homes north of \$500,000. These buyers are more sound consumers in the case of a housing decline. Metrostudy believes Sigwalt Townhomes should use clever marketing to primarily target empty nester buyers while modeling plans that appeal to both older and younger family buyers:

### For empty nesters:

- Interior plans will be highly desirable. Open floorplans for entertaining with spacious kitchens and living rooms are necessary for this buyer. Backyard space can be limited as long as there is an option for outdoor entertaining or minimal gardening activity. The open rooftop feature qualifies as excellent outdoor space and should be merchandised to showcase outdoor living.
- Lock and leave homes with minor maintenance are ideal for these buyers. A gated community is considered an attractive amenity for lock and leave product.
- A master downstairs or a room on the ground floor is a consideration for many empty-nester buyers worrying about aging. Metrostudy would assume an empty-nester urban buyer to be okay with stairs in a home, however an elevator option is important to offer.

### For a family buyer:

- Corner units provide more spacious living and could be ideal for the Elite family buyer. Metrostudy would suggest selling a few interior lots before starting a corner unit that will be a longer sell. Modeling an interior home will be important as buyers need to visualize a new product offering.
- Floorplans should include a few master down plans as well that could target both active adult and family buyers. A split dual master (one up/one down) could also be a good consideration for the area demographic. Further, most buyers will want their guests to enjoy their home which is why a dual master can be desirable especially in corner units that have more space. Guests will have their own suite preferably with a private balcony/patio, inside sitting area, and a nice private bath. Fundamentally, a room closer or on the ground floor should be considered in addition to rooms for children on a higher floor so families can see themselves growing with the home.



# Competitive Market Area.

## Metrostudy Recommendations



### Metrostudy Recommendations

#### Product Description

Sigwalt Townhomes product will comprise of 16 units. The townhomes will have high-end finishes and modern exteriors. The site is proximate and walkable to downtown Arlington Heights. The units are anticipated to have four floorplans. Interior 1 and 2 which include 13 units, while Corner 1 and 2 include 3 units with an additional floor plus more square footage.

#### Location

The site is located within Arlington Heights, Illinois in Cook County. More specifically, the subject property is located at 26 S Highland Avenue in Arlington Heights. Mileage for retail, educational facilities, transportation, etc. is displayed below:

Grocery stores	0.2	Elementary School	3.0
Gas station	0.3	Middle School	2.1
Restaurants	0.5	High School	2.6
Shopping	0.5	Hospital	1.3
Golf course	2.3	Airport	10.9

#### Target Market

Predominantly elite buyers and active adult feature and location buyers, with potential from family life young children, active adult elite, and simple life affluent buyers seeking a new home option with a walkable, urban lifestyle component.

Housing Consumer Groups			
CMA Existing Households		Market Existing Households	
	Share		Share
Entry Level Suburban	6.5%	Entry Level Suburban	2.4%
Entry Level Urban	7.6%	Entry Level Urban	15.2%
Simple Life Affluent No Children	7.8%	Simple Life Affluent No Children	4.0%
Simple Life Moderate Income With Children	0.1%	Simple Life Moderate Income With Children	0.0%
Simple Life Moderate Income No children	1.3%	Simple Life Moderate Income No children	0.5%
Feature and Location	5.7%	Feature and Location	25.7%
Family Life School Age Children	4.8%	Family Life School Age Children	1.9%
Family Life Young Children	8.3%	Family Life Young Children	3.0%
Elite	13.8%	Elite	6.1%
Active Adult Entry Level	6.5%	Active Adult Entry Level	2.7%
Active Adult Feature and Location	16.5%	Active Adult Feature and Location	13.5%
Active Adult Elite	6.7%	Active Adult Elite	2.2%
Renters Near Term Buyers	6.7%	Renters Near Term Buyers	6.1%
Renters	7.7%	Renters	16.8%
	100.0%		100.0%

### Base Price Recommendations

#### Sigwalt Townhome Product: Attached (Metrostudy Recommendation)

Plan	Bed/Bath	Fir/Pkg	Unit Size (Sq. Ft.)	Base Price (\$)	\$/Sq. Ft.
A	3/2	3/2	2,100	\$574,990	\$273.80
B	3/2.5	3/2	2,300	\$589,990	\$256.52
C	3/2.5	3/2	2,400	\$634,990	\$264.58
D	4/3	4/2	2,500	\$638,115	\$255.25
E	4/3	4/2	2,600	\$649,990	\$250.00
F	4/3	4/2	2,750	\$699,990	\$254.54
G	4/3.5	4/2	3,150	\$724,990	\$230.16

<b>Average</b>	<b>2,543</b>	<b>\$644,722</b>	<b>\$253.54</b>
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#### Amenity Programming

Amenity programming is limited within the CMA and fairly nonexistent for most projects. The subject property's location is considered the largest amenity in being walkable to downtown Arlington Heights.

Subdivision	Builder	Ann HOAs	Note
Buckingham Place	Ryan Homes	\$232	none
Colfax Crossing	TM Homes	\$171	none
Lexington Heritage	Lexington Homes	\$307	none
Lexington Pointe	Lexington Homes	\$236	none
Provenance	Red Seal	\$294	none
Wolf Crossing	DR Horton	\$246	none
<b>Combined Average</b>		<b>\$248</b>	

#### Absorption

Metrostudy believes that Sigwalt Townhomes should be able to achieve an absorption of about **0.5 to 1.5 homes total per month, in the present market**. This absorption pace is due to a niche townhome offering that is higher-end and can bring demand from various market areas. This absorption pace is contingent upon product/pricing differentiation, offering a lifestyle component, and strong execution in marketing the community. Absorptions could possibly increase if pricing is lowered or if amenities are heightened. Absorptions could decrease with Metrostudy expecting a decline in housing starts into 2020 coupled with higher interest rates later into the year.



Competitive Market Area.  
**CMA Housing Competitors**



**CMA Market Rate Competitive Positioning - Single-Family Attached & Detached Product Details**

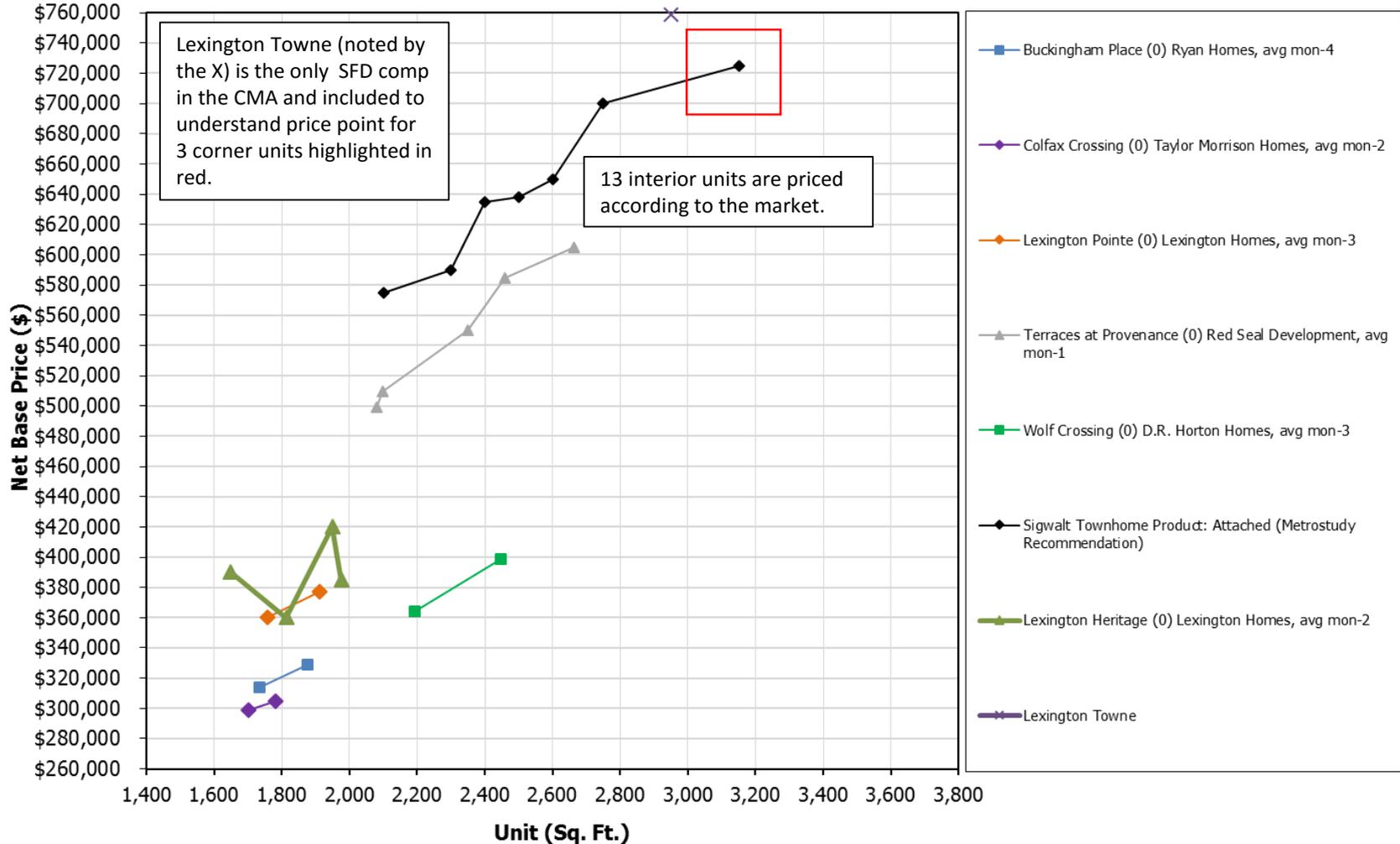
Project Name/Community Area/Lot Size/Builder	Planned Units	Occ.	Annual Starts / Annual Closings	Plan Name	Unit		Size (Sq.Ft.)	Base Price	Incen's	Ann. HOA	Net Base Price	Price / Sq.Ft.
					Bed- Bath	Floors- Parking						
1 Buckingham Place	127	26	3.8	Mozart	3 - 2.5	3 - 1	1,734	\$313,990	(\$5,000)	\$232	\$308,990	\$178
Townhouse		20.5%	46	Mendelssohn	3 - 2.5	3 - 2	1,876	\$328,990	(\$5,000)	\$232	\$323,990	\$173
Ryan Homes			2.2									
			26									
Averages							1,805	\$321,490	(\$5,000)	\$232	\$316,490	\$175
2 Colfax Crossing	101	82	2.3	Swarthmore	3 - 2.5	3 - 2	1,703	\$298,990		\$171	\$298,990	\$176
Townhouse		81.2%	28	Bryn Mawr	3 - 2.5	3 - 2	1,782	\$304,990		\$171	\$304,990	\$171
Taylor Morrison Homes			3.8									
			46									
Averages							1,743	\$301,990		\$171	\$301,990	\$173
3 Lexington Heritage	47	9	2.1	Berkley	3 - 2.5	3 - 2	1,649	\$389,990		\$307	\$389,990	\$237
Townhouse		19.1%	25	Warrington	2 - 2.5	3 - 2	1,813	\$359,990		\$307	\$359,990	\$199
Lexington Homes			0.8	Summit	3 - 2.5	3 - 2	1,950	\$419,990		\$307	\$419,990	\$215
			9	Coventry	3 - 2.5	3 - 2	1,976	\$384,990		\$307	\$384,990	\$195
Averages							1,847	\$388,740		\$307	\$388,740	\$211
4 Lexington Pointe	58	24	2.5	Warrington	2 - 2.5	3 - 2	1,758	\$359,990		\$236	\$359,990	\$205
Townhouse		41.4%	30	Coventry	3 - 2.5	3 - 2	1,913	\$376,990		\$236	\$376,990	\$197
Lexington Homes			2.0									
			24									
Averages							1,836	\$368,490		\$236	\$368,490	\$201
5 Lexington Towne	15	13	0.6	2951	4 - 2.5	2 - 2	2,951	\$758,448		N/A	\$758,448	\$257
SFD		86.7%	7									
Lexington Homes			0.8									
			10									
Averages							2,951	\$758,448			\$758,448	\$257
6 Terraces at Provenance	82	14	1.4	2081	3 - 2.5	2 - 2	2,081	\$498,900		\$294	\$498,900	\$240
Townhouse		17.1%	17	2099	3 - 2.5	2 - 2	2,099	\$509,900		\$294	\$509,900	\$243
Red Seal Development			0.9	2350	3 - 2.5	2 - 2	2,350	\$549,900		\$294	\$549,900	\$234
			11	2459	3 - 2.5	2 - 3	2,459	\$584,900		\$294	\$584,900	\$238
				2664	3 - 2.5	2 - 3	2,664	\$604,900		\$294	\$604,900	\$227
Averages							2,331	\$549,700		\$294	\$549,700	\$236
7 Wolf Crossing	39	0	3.3	2193	3 - 2.5	3 - 2	2,193	\$363,990	(\$3,000)	\$246	\$360,990	\$165
Townhouse		0.0%	39	2447	3 - 2.5	3 - 2	2,447	\$398,990	(\$3,000)	\$246	\$395,990	\$162
D.R. Horton Homes			0.0									
			0									
Averages							2,320	\$381,490	(\$3,000)	\$246	\$378,490	\$163

# Single-Family Attached/Detached: New Activity Graph



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## Competitive Builder Floorplans Sigwalt CMA - Single-Family Attached/Detached





# Appendix to Follow



# New Housing Summary



Cook County Market		Annual Starts	Annual Closings	Ann Lot Delivery	VDL	Supply Mos	Inventory			Supply Mos	
		Fin/Vac	U/C	Models	Total						
Detached	4Q17	370	291	388	2,573	83.4	79	220	24	323	13.3
	4Q18	417	422	239	2,395	68.9	99	192	27	318	9.0
		↑12.7%	↑45.0%	↓-38.4%	↓-6.9%	↓-17.4%	↑25.3%	↓-12.7%	↑12.5%	↓-1.5%	↓-32.1%
Attached	4Q17	713	200	867	1,836	0.0	99	1,593	10	1,702	102.1
	4Q18	639	542	689	1,886	35.4	265	1,507	27	1,799	0.0
		↓-10.4%	↑171.0%	↓-20.5%	↑2.7%	NA	↑167.7%	↓-5.4%	↑170.0%	↑5.7%	↓100.0%
Sigwalt TH CMA											
Detached	4Q17	8	3	0	7	10.5	1	4	1	6	24.0
	4Q18	7	10	0	0	0.0	0	2	0	2	2.4
		↓-12.5%	↑233.3%	NA	#####	↓100.0%	↓100.0%	↓-50.0%	↓100.0%	↓-66.7%	↓-90.0%
Attached	4Q17	82	36	202	258	0.0	8	58	6	72	0.0
	4Q18	185	116	151	224	0.0	27	101	13	141	0.0
		↑125.6%	↑222.2%	↓-25.2%	↓13.2%	NA	↑237.5%	↑74.1%	↑116.7%	↑95.8%	NA

- New home attached construction activity in the Sigwalt Townhomes CMA has increased significantly over the last year, with annual starts increasing 125.6 percent in the past year. There were 82 annual starts as of the end of 4Q17 compared to 185 annual starts in 4Q18.
- Move-ins trended upward over the same period. There were 116 annual closings as of the end of 4Q18, a 222.2 percent increase from the 36 homes closed annually at the end of 4Q17. Annual starts exceed annual closings; finished vacant inventory levels in this CMA have increased with demand and building conditions. There are currently 13 attached models in the CMA.
- Vacant developed lot ("VDL") supplies in the CMA for attached product has decreased from 258 lots in 4Q17 to 224 lots in 4Q18. This market is mostly an attached market.



## Attached/Detached Price & Product Distribution



Price Distribution		\$0-\$149	\$150-\$199	\$200-\$249	\$250-\$299	\$300-\$349	\$350-\$399	\$400-\$499	\$500+
Annual Starts	4Q17	0 0.0%	0 0.0%	0 0.0%	40 44.4%	4 4.4%	21 23.3%	6 6.7%	19 21.1%
	4Q18	0 0.0%	0 0.0%	0 0.0%	5 2.6%	69 35.9%	83 43.2%	12 6.3%	23 12.0%
VDL	4Q17	0 0.0%	0 0.0%	0 0.0%	91 34.3%	130 49.1%	17 6.4%	20 7.5%	7 2.6%
	4Q18	0 0.0%	0 0.0%	0 0.0%	50 22.3%	97 43.3%	19 8.5%	9 4.0%	49 21.9%
									Subject Property

Sigwalt Townhomes is in a higher pricing tier regarding the superior location and high-end finish out of the product. Within the CMA the \$350,000 to \$399,999 pricing tier represents 43.2 percent of all annual starts and is the most active pricing tier. This is largely due to responsiveness regarding affordability.

VDL lot sizes show more product coming in the \$300,000 to \$349,999 price tier. 43.3 percent of all VDL in 4Q18 is represented in the aforementioned tier.



## Chicago-Naperville-Elgin CBSA

### Annual Starts Projections

2006	28,632
2007	18,095
2008	7,637
2009	4,383
2010	4,244
2011	4,145
2012	5,658
2013	7,261
2014	7,723
2015	7,676
2016	8,032
2017	8,416
2018	8,920
2019 (F)	9,370
2020 (F)	9,840
2021 (F)	9,940
2022 (F)	9,740

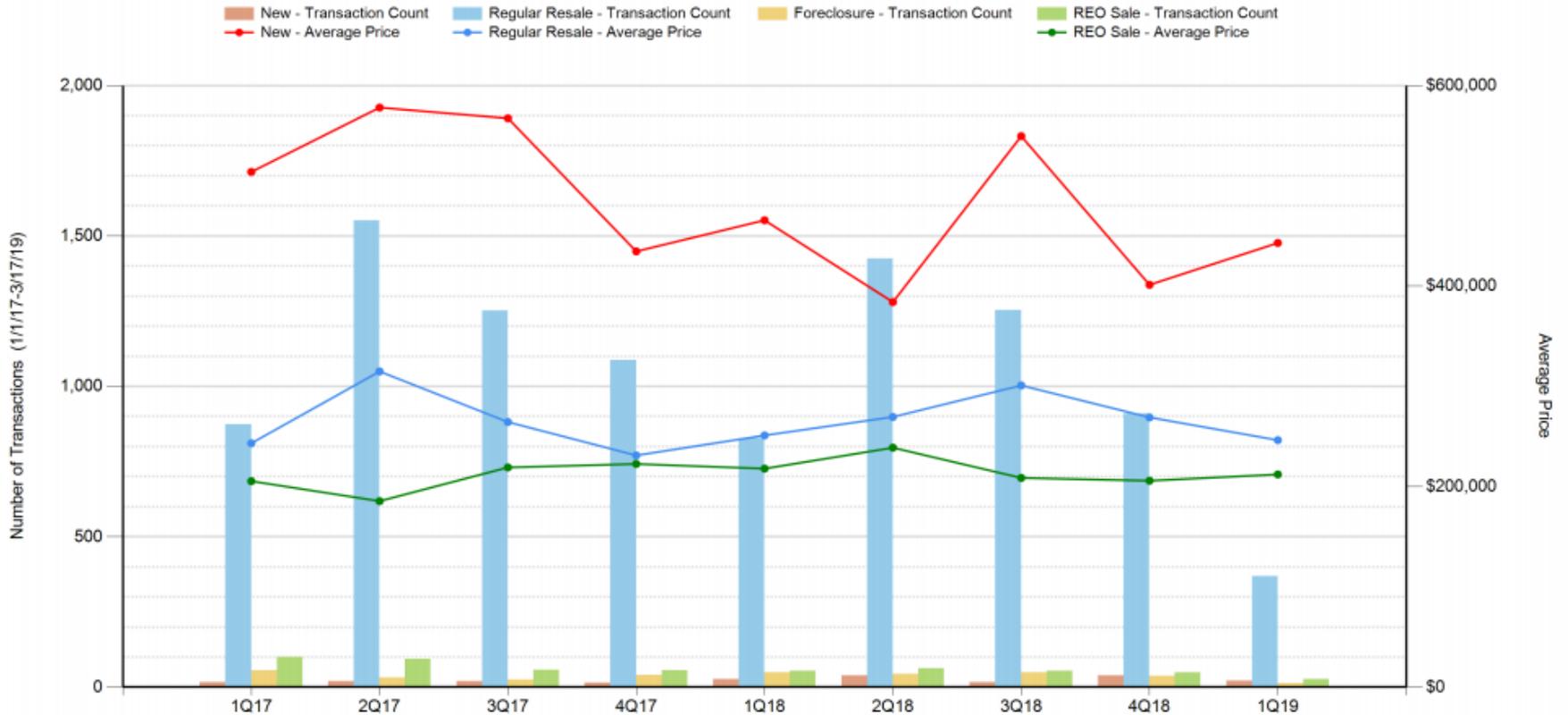
While the Chicago market generally appears to be moving in the right direction on a number of fronts, there remain some challenges:

- Potential mortgage rate increases, even if only marginally higher, may soften buyer traffic and contract activity.
- Shortages of trade labor are extending production completion timeframes.
- Rapid price increases over the past two years on new construction may suppress purchases and move unsure potential buyers back onto the sidelines. There has been minimal price appreciation on the resale side.
- Entry-level homebuyers are feeling the squeeze of rising home prices with relatively flat wage appreciation.
- Limited finished lot supplies with a slow replenishment of new lots underway.

# CMA New, Resale, & Foreclosure Comparison



Date Range: 3/1/2018 - 2/28/2019																			
Transaction Type	Single Family					TH/Plex/Other				Condominium				Other/Unknown	Total				
	Count	Avg Price	Avg SF	\$/SF	AvgLotSF	Count	Avg Price	Avg SF	\$/SF	Count	Avg Price	Avg SF	\$/SF	Count	Count	Avg Price	Avg SF	\$/SF	AvgLotSF
New	24	\$816,630	1,779	\$559.3	9,063	100	\$327,544	1,816	\$178.9	1	\$162,500			1	126	\$423,926	1,811	\$241.7	9,063
Regular Resale	2,298	\$359,939	1,682	\$224.8	10,091	237	\$256,814	1,606	\$162.2	1,759	\$163,019	1,218	\$144.6	22	4,316	\$273,997	1,607	\$207.9	10,091
Foreclosure	107	n/a	1,646		11,080	8	n/a	1,419		43	n/a	1,332		0	158	n/a	1,617		11,080
REO Sale	124	\$274,630	1,679	\$173.1	11,713	12	\$163,875	1,394	\$116.9	73	\$131,343	1,208	\$135.8	2	211	\$218,822	1,618	\$164.9	11,713
<b>Selection Totals</b>	<b>2,553</b>	<b>\$360,436</b>	<b>1,681</b>	<b>\$225.0</b>	<b>10,206</b>	<b>357</b>	<b>\$272,464</b>	<b>1,654</b>	<b>\$165.2</b>	<b>1,876</b>	<b>\$161,929</b>	<b>1,219</b>	<b>\$144.4</b>	<b>25</b>	<b>4,811</b>	<b>\$275,562</b>	<b>1,615</b>	<b>\$207.3</b>	<b>10,206</b>





	2010 Census	%	2019 Estimate	%	2024 Projection	%
<b>Population</b>	148,141		174,428		193,114	
Annual Pop Growth 2016 to 2021						-0.68%
Annual Pop Growth 2010 to 2016		0.38%				
<b>Population by Age</b>						
Average Age	39.7		40.9		41.5	
Median Age	40.2		41.2		41.8	
Pop Age 0-4	17,188	6.06%	15,295	5.37%	16,563	5.86%
Pop Age 5-9	16,906	5.96%	15,700	5.51%	15,819	5.59%
Pop Age 10-14	16,969	5.98%	16,420	5.77%	15,757	5.57%
Pop Age 15-19	16,895	5.96%	16,255	5.71%	15,939	5.64%
Pop Age 20-24	15,160	5.34%	16,933	5.95%	16,232	5.74%
Pop Age 25-29	19,551	6.89%	20,292	7.13%	17,570	6.21%
Pop Age 30-34	19,289	6.80%	19,248	6.76%	18,680	6.61%
Pop Age 35-39	19,097	6.73%	18,203	6.39%	18,586	6.57%
Pop Age 40-44	19,535	6.89%	17,350	6.09%	17,803	6.30%
Pop Age 45-49	21,115	7.44%	18,874	6.63%	17,630	6.23%
Pop Age 50-54	22,547	7.95%	19,713	6.92%	18,115	6.41%
Pop Age 55-59	19,298	6.80%	21,046	7.39%	18,928	6.69%
Pop Age 60-64	15,902	5.61%	19,225	6.75%	18,850	6.67%
Pop Age 65-69	11,622	4.10%	15,606	5.48%	17,003	6.01%
Pop Age 70-74	9,501	3.35%	11,534	4.05%	13,697	4.84%
Pop Age 75-79	8,181	2.88%	8,408	2.95%	10,036	3.55%
Pop Age 80-84	7,324	2.58%	6,335	2.22%	6,862	2.43%
Pop Age 85+	7,557	2.66%	8,288	2.91%	8,711	3.08%





	2010 Census	%	2019 Estimate	%	2024 Projection	%
<b>Population by Gender</b>						
Female	145,003	51.12%	144,909	50.89%	143,591	50.78%
Male	138,634	48.88%	139,817	49.11%	139,190	49.22%
<b>Population by Race Class</b>						
Not Hispanic White	198,167	84.26%	185,676	82.25%	179,411	81.18%
Not Hispanic Black	5,065	2.15%	3,903	1.73%	3,503	1.59%
Not Hispanic Native American	236	0.10%	212	0.09%	186	0.08%
Not Hispanic Asian	28,448	12.10%	32,396	14.35%	34,252	15.50%
Not Hispanic Pacific Islander	58	0.02%	54	0.02%	53	0.02%
Not Hispanic Two Or More Races	3,207	1.36%	3,504	1.55%	3,594	1.63%
Hispanic White	44,384	91.60%	54,290	92.05%	56,956	92.19%
Hispanic Black	858	1.77%	914	1.55%	918	1.49%
Hispanic Native American	1,850	3.82%	2,095	3.55%	2,173	3.52%
Hispanic Asian	379	0.78%	411	0.70%	420	0.68%
Hispanic Pacific Islander	64	0.13%	116	0.20%	107	0.17%
Hispanic Two Or More Races	921	1.90%	1,154	1.96%	1,208	1.96%
<b>Population by Education</b>						
No High School Diploma	21,156	7.46%	21,067	7.40%	21,056	7.45%
High School Diploma	49,510	17.46%	45,090	15.84%	44,745	15.82%
Some College	50,851	17.93%	53,318	18.73%	52,851	18.69%
Bachelors Degree	50,692	17.87%	54,820	19.25%	54,282	19.20%
Advanced Degree	28,311	9.98%	29,827	10.48%	29,537	10.45%





	2010 Census	%	2019 Estimate	%	2024 Projection	%
<b>Households and Housing Units Summary</b>						
Households	111,372		111,606		110,794	
HH Growth 2016 to 2021				-0.73%		
HH Growth 2010 Census to 2016		0.21%				
Housing Units	118,264		119,309		120,319	
HU Growth 2016 to 2021				0.85%		
HU Growth 2010 Census to 2016		0.88%				

### Total Households by Income

Average HH Income	80,831		95,014		96,400	
Median HH Income	63,031		74,865		76,174	
HH Income Below 10k	4,564	4.10%	4,190	3.75%	4,129	3.73%
HH Income 10k-15k	3,961	3.56%	3,183	2.85%	3,146	2.84%
HH Income 15k-20k	4,768	4.28%	3,744	3.35%	3,675	3.32%
HH Income 20k-25k	4,784	4.30%	4,430	3.97%	4,433	4.00%
HH Income 25k-30k	5,705	5.12%	4,409	3.95%	4,232	3.82%
HH Income 30k-35k	5,166	4.64%	4,390	3.93%	4,301	3.88%
HH Income 35k-40k	5,352	4.81%	4,277	3.83%	4,166	3.76%
HH Income 40k-45k	5,326	4.78%	4,010	3.59%	3,861	3.48%
HH Income 45k-50k	4,654	4.18%	3,633	3.26%	3,533	3.19%
HH Income 50k-60k	8,802	7.90%	8,421	7.55%	8,290	7.48%
HH Income 60k-75k	12,890	11.57%	11,215	10.05%	10,855	9.80%
HH Income 75k-100k	16,227	14.57%	16,728	14.99%	16,501	14.89%
HH Income 100k-125k	10,660	9.57%	12,635	11.32%	12,691	11.45%
HH Income 125k-150k	6,285	5.64%	7,985	7.15%	8,079	7.29%
HH Income 150k-200k	6,422	5.77%	9,529	8.54%	9,794	8.84%
HH Income Above 200k	5,807	5.21%	8,825	7.91%	9,106	8.22%



# Consumer Segmentation Defined



## ENTRY LEVEL— SUBURBAN



Average Annual HH Income	\$38K
Average Age (Head of HH)	50
With Children in HH	36%
Dominant Education	High School Diploma
Married	38%
Homeownership	73%

- Average credit: small savings account; need education on how to budget their money and save to buy a home
- Employed in part-time job(s)
- Not concerned with personally saving the environment
- Use the internet for shopping, work, and entertainment
- High percentage of single parent families

## ENTRY LEVEL— URBAN



Average Annual HH Income	\$69K
Average Age (Head of HH)	47
With Children in HH	69%
Dominant Education	College Graduate
Married	49%
Homeownership	66%

- Good credit: have some savings including 401k and savings account
- Feel they work hard for their money and are workaholics; often self-employed
- Strong belief in sustainability; will pay more for energy efficiency and sustainability
- Read numerous magazines for news and entertainment
- Very family oriented: spend time and make decisions together; multi-generational households common

## SIMPLE LIFE— AFFLUENT, NO CHILDREN



Average Annual HH Income	\$125K
Average Age (Head of HH)	50
With Children in HH	14%
Dominant Education	College Graduate
Married	68%
Homeownership	79%

- Financially stable with mortgage, checking, and savings accounts
- Work for the government, either as active military or civilian; or are entrepreneurial, own and run a small business
- Not concerned with personally saving the environment
- Use the internet for shopping, work, and entertainment
- Two-person household; grown children recently left home to work or attend college

## SIMPLE LIFE— MODERATE INCOME, WITH CHILDREN



Average Annual HH Income	\$64K
Average Age (Head of HH)	39
With Children in HH	84%
Dominant Education	Some College
Married	62%
Homeownership	84%

- Some savings, but may be forced to borrow money for emergencies
- Employed by others in management, administrative work, or real estate
- Not concerned with personally saving the environment
- Heavy tablet use by all family members
- One spouse works, the other stays home with the children

## SIMPLE LIFE— MODERATE INCOME, NO CHILDREN



Average Annual HH Income	\$41K
Average Age (Head of HH)	52
With Children in HH	17%
Dominant Education	High School Diploma
Married	45%
Homeownership	88%

- Equity in current home is the majority of savings; spend money as quickly as it is earned
- Non-managerial employment including truck driver, retailer, or nurse
- Only concerned about energy efficiency and sustainability if it benefits them directly
- Enjoy gadgets, but not heavily dependent on the latest technology; average smartphone and internet usage
- Male works while the female stays home

## FEATURE & LOCATION



Average Annual HH Income	\$127K
Average Age (Head of HH)	40
With Children in HH	19%
Dominant Education	College Graduate
Married	52%
Homeownership	52%

- Significant savings in banks and invest in stock and money market accounts
- Own and run medium sized business; will change jobs for higher pay or better company
- Sustainability is important, but not a priority
- Conduct business and shopping on smartphone; shop primarily on the internet
- Multigenerational households common

## FAMILY LIFE— YOUNG CHILDREN



Average Annual HH Income	\$109K
Average Age (Head of HH)	32
With Children in HH	95%
Dominant Education	College Graduate
Married	86%
Homeownership	95%

- Some savings; will borrow money to purchase a home
- Employed as a manager in finance, insurance, and other professional sectors
- Indifferent about sustainability; will recycle if it's easy, but won't go out of the way
- High smartphone usage; research products and shop primarily on the internet
- Both spouses work; two to three kids under age of 12

## FAMILY LIFE— SCHOOL AGE CHILDREN



Average Annual HH Income	\$114K
Average Age (Head of HH)	46
With Children in HH	100%
Dominant Education	College Graduate
Married	82%
Homeownership	100%

- Financially stable and want to leave monetary legacy for kids; safe and stable investors
- Employed in education, engineering, and government
- Sustainability important because they believe it's best for their children
- Entertainment for all family members is primarily technology based
- Family focused: life revolves around children and parents put kids needs ahead of their own; two to three kids ages 12 to 18

# Consumer Segmentation Defined



## ACTIVE ADULT— ENTRY LEVEL



Average Annual HH Income	<b>\$24K</b>
Average Age (Head of HH)	<b>74</b>
With Children in HH	<b>3%</b>
Dominant Education	<b>High School Diploma</b>
Married	<b>28%</b>
Homeownership	<b>99%</b>

- Live on a fixed income; very budget conscious
- Retired
- Feel indifferent about sustainability; will recycle if financially beneficial
- Little to no internet usage; read magazines and newspapers
- High percentage of widows; often live alone

## ACTIVE ADULT— FEATURE & LOCATION



Average Annual HH Income	<b>\$61K</b>
Average Age (Head of HH)	<b>68</b>
With Children in HH	<b>4%</b>
Dominant Education	<b>College Graduate</b>
Married	<b>45%</b>
Homeownership	<b>73%</b>

- Savings are in "safe" accounts, e.g. money market, annuities
- Retired; served in the armed forces
- Sustainability is important, but not a priority
- Read newspaper daily
- Not tech savvy; do not use internet on mobile devices
- Married; have grandchildren

## ACTIVE ADULT— ELITE



Average Annual HH Income	<b>\$91K</b>
Average Age (Head of HH)	<b>64</b>
With Children in HH	<b>2%</b>
Dominant Education	<b>College Graduate</b>
Married	<b>70%</b>
Homeownership	<b>99%</b>

- Excellent credit; strictly manages money; investments include IRA, CDs, and life insurance
- Retired; highly educated
- Strong belief in sustainability; will pay more for energy efficiency and sustainability
- Read newspaper daily; don't use mobile to shop
- Married; have grandchildren

## ELITE



Average Annual HH Income	<b>\$175K</b>
Average Age (Head of HH)	<b>51</b>
With Children in HH	<b>35%</b>
Dominant Education	<b>College Graduate</b>
Married	<b>80%</b>
Homeownership	<b>90%</b>

- Financially savvy and secure; high net-worth, have investments and 401k
- Employed as managerial architect, engineer, or doctor, and often self-employed
- Sustainability is important and part of their lifestyle
- Research, purchase, and conduct business primarily on the internet
- One or both adults work from home; older children of high school and college age

## RENTERS—NEAR TERM BUYERS



Average Annual HH Income	<b>\$41K</b>
Average Age (Head of HH)	<b>34</b>
With Children in HH	<b>71%</b>
Dominant Education	<b>High School Diploma</b>
Married	<b>39%</b>
Homeownership	<b>6%</b>

- Little to no savings; credit challenged with limited credit history
- Employed in information systems, technical studies, managerial support, or sales
- Not concerned with personally saving the environment
- Affinity for latest technology; communicate on social media
- Engaged or living with partner; four or more children living at home

## RENTERS



Average Annual HH Income	<b>\$33K</b>
Average Age (Head of HH)	<b>49</b>
With Children in HH	<b>29%</b>
Dominant Education	<b>High School Diploma</b>
Married	<b>27%</b>
Homeownership	<b>6%</b>

- Credit challenged; not financially secure
- Temporarily unemployed or collecting disability
- Not concerned with personally saving the environment
- High smartphone usage; heavily influenced by media and advertisements
- Live alone or with partner



The Metrostudy housing survey monitors the supply of attached and detached homes on a quarterly basis. Our survey tracks all condominium, townhome, duplex, and single-family construction activity in the Chicago area. The survey allows us to accurately track the size of the total market, as well as supply and demand within the sub-markets. Further, it helps us establish the depth of the market and the scope of the competition.

## **DEFINITIONS**

**Annual Starts:** The number of homes started during the last four quarters. A “start” occurs when a slab or foundation is initiated.

**Annual Closings:** The number of homes closed during the last four quarters. A “closing” occurs when a home is moved into and occupied. Metrostudy tracks move-ins, as they are a better indicator of demand than deed deliveries.

**Square Footage:** All measures of a home size are in terms of air-conditioned space.

**Models:** Must be fully finished, furnished and decorated.

**Finished Vacant:** Construction is complete, the site is clean, but there is no evidence of occupancy.

**Finished Vacant Months of Supply:** F/V months of supply is calculated by dividing the number of F/V homes by the current annual closings pace; and then multiplying by twelve to yield months.

**Vacant Developed Lots:** Also referred to as “VDL” and “Finished Lots”; a lot on a recorded plat with streets and utilities in place, ready for construction of a new home.

**Vacant Developed Lots Months of Supply:** VDL months-of-supply is calculated by dividing the number of VDL by the current annual starts pace; and then multiplying by twelve to yield months.

**Future Lots:** Lots that are platted, but not yet developed.

## **Limiting Conditions**

It is understood by Taylor Morrison (“Client”) that Metrostudy can make no guarantees about the recommendations in this study. Conclusions are based on estimates, assumptions, and other information developed by Metrostudy from its independent research effort, general knowledge of the industry, and consultations with the Client and its representatives. Reasonable efforts have been made to ensure that data contained in this study is as accurate and timely as possible, and the data is believed to be reliable. There will usually be differences between projected and actual results, because events and circumstances frequently do not occur as expected. Metrostudy has no responsibility to update our report for events and circumstances occurring after the date of our report. It is understood by the Client that payment of any and all Metrostudy fees and expenses for this study is not in any way contingent upon the specific conclusions reached or the nature of the advice given in this report.

