

Village of Channahon
Community Development

YEAR END REPORT 2022





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PREFACE

This year-end report is issued for the benefit of the Village of Channahon Board of Trustees and staff, as well as decision-makers and elected officials of other local elected bodies, such as school and fire districts. Much of this report is broken down into “Grundey County” and “Will County” as that dividing line serves as the border for several taxing districts. While there are additional grade school districts within the Village of Channahon other than Channahon Grade School District 17 and Minooka Grade School District 201, there was no home construction that occurred outside of those districts. Minooka Community High School District 111 encompasses all of the areas of Channahon that are currently undergoing development, and thus does not need to be mentioned explicitly.

2022 saw a falling demand for new construction of housing beginning in the late-spring of the year. Economic uncertainty and rising interest rates were probably a strong part of the reasoning. This is not likely attributed to a sudden lesser demand for homes in Channahon, but more so buyers are taking pause to assess before committing to the future. The number of available lots continues to dwindle and lots for median-market homes are becoming increasingly scarce. New developments are on the horizon and building into the future will occur across multiple sectors of residential/commercial/industrial development.

Commercial permits for new construction increased from none in 2021 to seven in 2022. This appears to be the beginning of what could be a shift to diversified new construction within the Village, with several additional new projects approved or readying for approval.

METHODOLOGY

The statistics compiled herein are a result of reports generated by the Village of Channahon utilizing software developed by BS&A Software of Bath, Mich. BS&A Software is utilized for all Community Development Department activities, including permitting, inspections, and code enforcement. Geographic representations are compiled from data exported from BS&A Software into ArcGIS software by ESRI of Redlands, Calif. and Google Maps of Mountain View, Calif.

Future predictions are based on information available, developers’/builders’ stated expectations, and market analysis to issue a professional opinion. Predictions are not guaranteed, and external events have the possibility of causing unknown deviation from predictions to results.



2022 DEVELOPMENT STATISTICS

Permits & New Construction

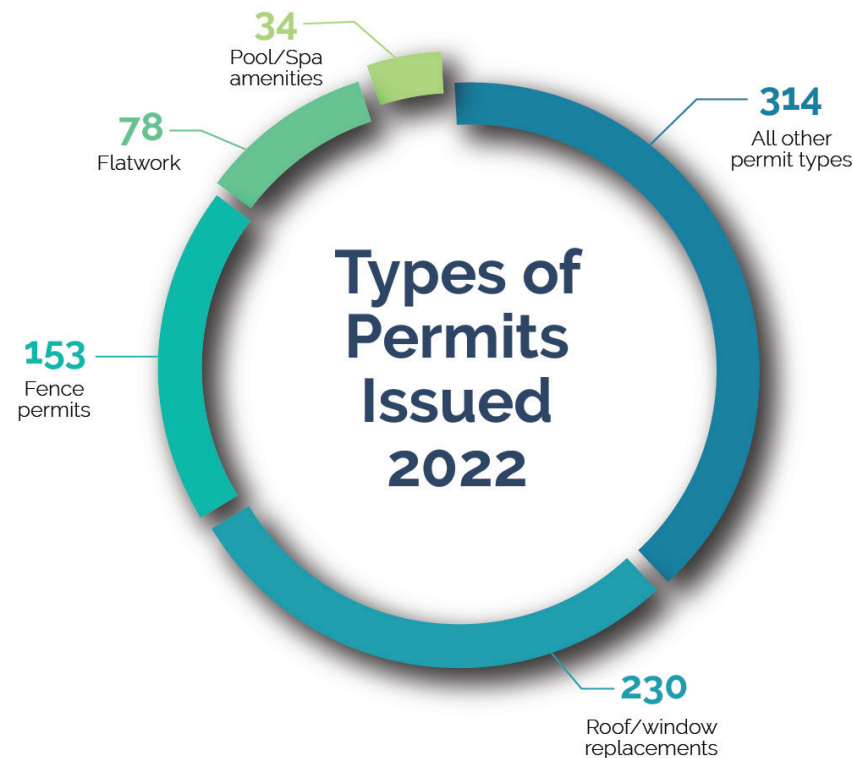
New home construction in 2022 reached a 5-year low after beginning relatively on-par with previous years. New construction permits failed to reach triple-digits for the first time since 2016. Overall, 63 new home construction permits were issued in 2022. This was down from 108 permits issued in the previous year. Still, some fall months were near record highs for monthly number of new construction permits issued. While new construction permits for homes were less, seven

non-residential new construction permits were issued in 2022, after issuing none in 2021.

Total permits were also less than each of the previous two years, but higher than the annual amounts issued in the period from 2017-2019. As could be expected with lower construction and permitting activity, the total construction value within Channahon was also down 20% from 2021.

	2017	2018	2019	2020	2021	2022	Change
Total Permits	644	689	755	947	1008	809	-19.7%
New Construction Permits (All Types)	107	106	104	119	108	70	-35.2%
Construction Value (Millions)	\$65.12	\$56.27	\$135.03	\$137.52	\$74.06	\$58.99	-20.3%

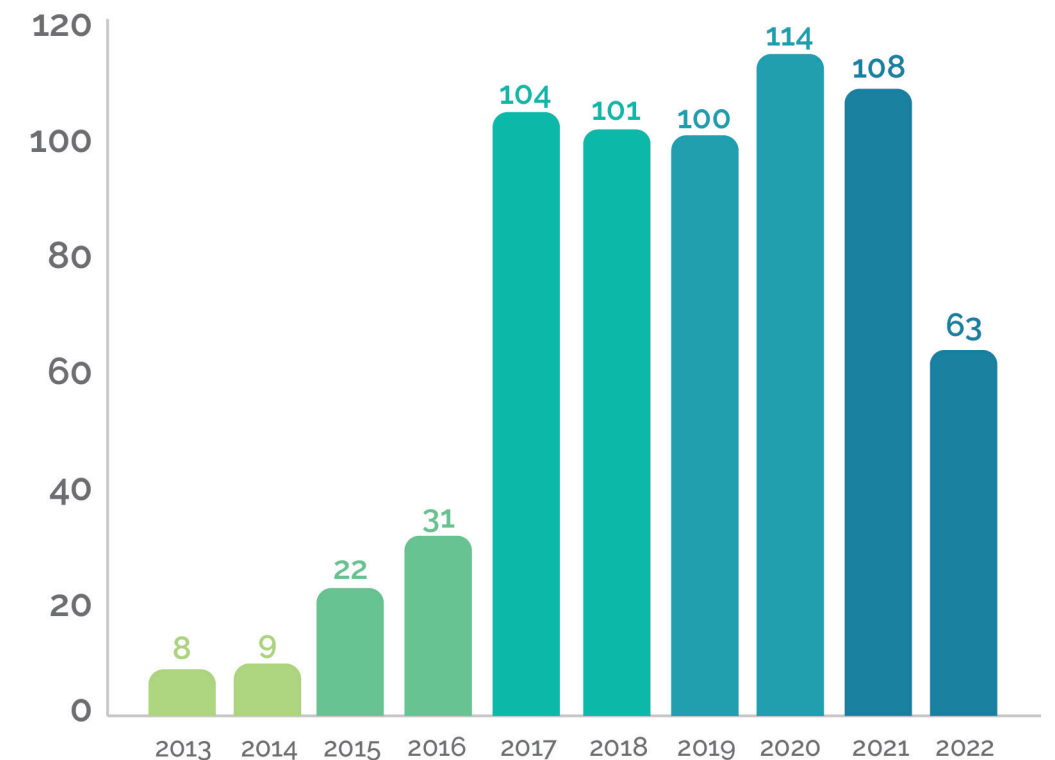
The types of permits issued comprised of 23 different categories. Per usual, the largest number of permits were issued for roof and window replacement (230), followed by fences (153). 78 permits were issued for flatwork, which includes driveways, sidewalks, and patios. These flatwork permits do not include paver-block construction, as those improvements do not require a permit. Pool and spa improvements continued to be a popular addition, with 34 homeowners adding those to their property. It should be mentioned that new construction projects are considered to be one single permit - the Village of Channahon does not separately count permits for flatwork, electrical, plumbing, etc. on a new construction project as it is done in some other localities.



Residential New Construction

2022 trailed each of the previous 5 years in the number of new home starts. Yet, there were still more than double the number of construction starts than in any recent year prior to 2017. 63 new homes were permitted for construction. Like previous years, just over 75% of new homes constructed had three or more bedrooms. Two-bedroom products continued to show similar demand as in previous years, targeting empty-nesters and those downsizing from larger single-family homes - making up a quarter of the new construction housing market. This continues to illustrate that Channahon is desirable for both raising families as well as enjoying life after child rearing.

New Housing Permits Previous 10 Calendar Years



2022 Non-Residential New Construction

Seven new non-residential buildings were permitted in 2022. Washcove Express Channahon is a car wash that was constructed and opened on Route 6 near Ridge Road at a cost of \$3-million. Four projects started and are still under construction: Penske Truck Leasing, the long-awaited Casey's General Store (2 permits for a gas station and a car wash), and Pomp's Tire added a 6,000 square foot new addition to their location on Thomas Dillon Dr. The Casey's facility is replacing an outdated site which is directly adjacent to the new location. Two other projects were permitted, but have not yet begun construction. The Channahon Fire Protection District is constructing a new station 2 on Thomas Dillon Dr., near U.S. Route 6. Finally, Starbucks is approved to construct a site to be located at the southeast corner of U.S. Route 6 and Yellow Pine Dr. In total, the permitted construction value for the seven non-residential projects is \$16-million.

Green Energy

Investments in solar energy remained steady. 34 permits were issued for the installation of rooftop solar systems. This was a 3-year high, but trailed the 39 solar arrays installed in 2019 - the first year of significant residential solar installations. In total, since 2019 there have been rooftop solar systems installed on 123 homes. While a small percentage of total permits in any one year, the cumulative effect is that now just under 3% of homes in Channahon are utilizing solar energy. In 2022, Penske Trucking began construction of their two new facilities on S. Frontage Rd. W., which both

feature rooftop solar arrays, the first installation in a new non-residential development in Channahon.

Employment

At the end of 2022, Amazon remains the Village of Channahon's largest employer, with 1,805 reported employees across two facilities. Based on information provided when applying for business licenses, the Village of Channahon has 4,524 counted employees that work within its boundaries. This does not include government employees, such as those at a school or park district, because they do not register with the Village. It also does not include businesses that did not report the number of employees. In 2022, 65% of registered businesses reported their number of employees on business license applications. Discounting the large number of employees at Amazon and considering the average number of employees per business, it is approximated that there are 5,462 non-government employees working throughout the Village of Channahon. When combined with employment figures provided by the various school districts and government organizations, there are about 6,200 total employees working in the Village of Channahon.

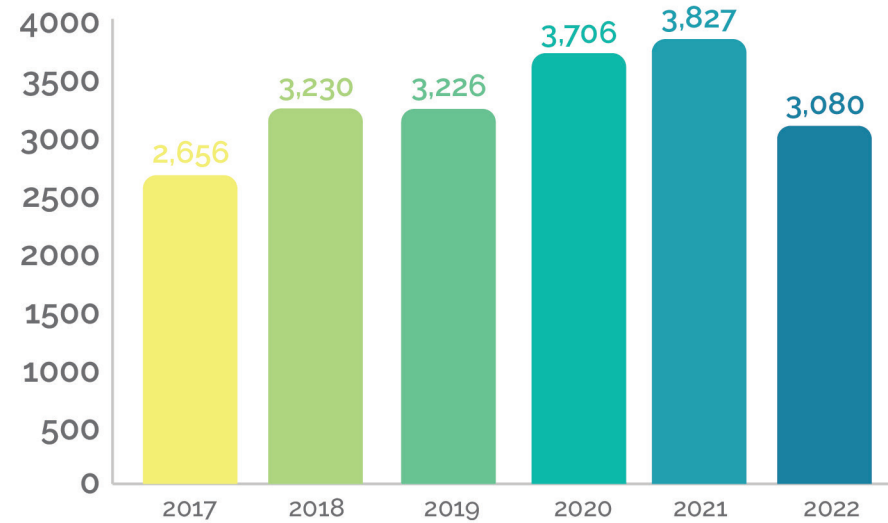




Inspections

With the high number of inspections required for home construction, the decrease in new construction permitting resulted in a fall in inspections required by a nearly identical percentage. As some of the newly permitted non-residential construction projects have not yet started building due to winter conditions, those projects did not require inspections in 2022. Even with the annual number of inspections falling by nearly 20%, the activity remains within 10% of the preceding 5-year average and the sixth consecutive year of over 3,000 inspections. The majority of inspections are conducted by Village of Channahon staff, comprised of the Village Building Inspector and Code Enforcement Officer. Plumbing inspections are conducted by a contracted licensed plumber. Certain specialized inspections are conducted by contracted entities. Examples of these inspections are aspects of fire protection and life safety systems that are installed in non-residential buildings.

2017-2022 Annual Inspections



With questionable activity and economic forecasts for 2023, it is not highly likely that there will be an increase in inspection activity due to homebuilding and home improvement. However, as non-residential construction has seen an uptick of recent approvals and developer interest, inspection activity may remain high despite a slowdown in the housing sector.

	2017	2018	2019	2020	2021	2022	2021-2022 Change
Total Inspections	2,656	3,230	3,226	3,706	3,827	3,080	-19.5%

Code Enforcement

Change in Code Enforcement activity in 2022 was up 12.9% from 2021. Overall there remains a high level of compliance with Village codes. However, as the Code Enforcement Officer also conducts building inspections, the number of enforcement cases is not the totality of employee activity. This was especially true for a period in the fall of 2022 when the Code Enforcement Officer temporarily served as the Village's primary inspector. It is not a goal of Community Development to set records for high numbers of enforcement cases, nor to set goals or quotas that should be achieved. Rather, working with the community and being proactive to prevent violations, while responding to complaints, is the overarching goal.

As is typical, Weeds & Tall Grass Violations were the top complaints addressed in 2022. This category is roughly a third of all enforcement activity conducted on an annual basis. Conditions Deemed to be a Nuisance were up 35% from 2021. This category is wide ranging and examples include accumulated debris on property, depositing foreign material on a roadway, and sump pump discharge violations. Zoning Violations continued to increase and are now the third most-common violation representing 21% of cases. These three categories comprise more than three-fourths of all recorded enforcement actions. Violations for working without a building permit fell sharply last year, after steadily climbing prior to 2022.

In 2021 the number of violations for working without a permit was equal to 3% of permits issued. In 2022 this ratio fell to less than 1% of the number of permits issued. Also showing a dramatic decrease were trailer parking violations - falling by nearly 80%. This category typically refers to recreational trailers parked

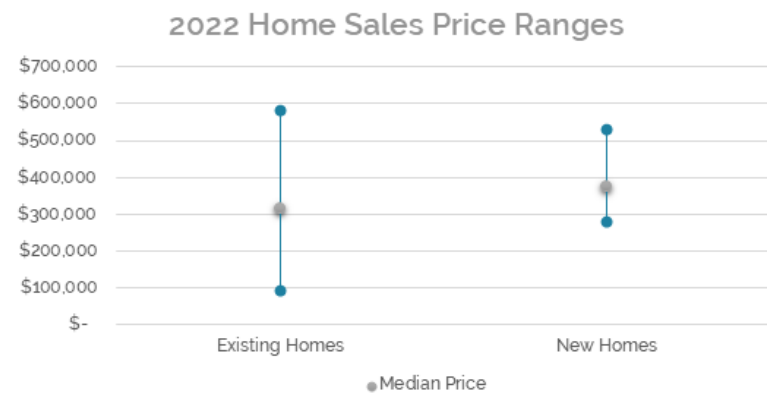


on residential lots, not semi-truck parking. Semi-truck parking violations are categorized as Zoning Violations and those activities are partially responsible for the increase of enforcement activity in that category over the past year.

	2018	2019	2020	2021	2022	Change
New Code Enforcement Cases	195	212	181	155	175	+12.9%

Home Sales & Prices

Based on information gathered from the receipt of tax-transfer stamp payments, in 2022 there were a total of 288 homes sold in the Village of Channahon - 71 less than in 2021. 202 homes sold were existing homes, while 86 were new homes that were constructed. This number does not match the number of homes permitted as homes are not always completed within the same year they are permitted due



to the length of time it takes to build a home. The ratio of new to existing home sales was exactly the same in 2022 as it was in the previous year, with about one-third of home purchases being new construction. These figures do not include certain exempt transfer situations, such as divorces, inheritances, or quit-claim-deeds.

median price one year ago and is slightly less than was seen from the previous year of \$43,000. The price range for newly constructed homes in the Village of Channahon during 2022 ranged from \$279,400 to \$529,918. While the price range from top to bottom remains about equal to what it was in 2021, the minimum price of a new home sold in 2022 increased by \$50,000.



Home Sales Prices Over Time

In 2021 a phenomenon was witnessed where the monthly median price of an existing home was nearly converging on the monthly median sales price of new construction. In 2022 this did not continue and price increases between existing homes and new homes were similarly paced, with new homes increasing in price slightly faster. As is the normal pattern for this area, the summer months of July-August were the most active time to close the sale of a home. These same months saw a price slump in the monthly median sales prices of new construction homes. A possible explanation for this could be that homebuilders sometimes offer lower pre-construction pricing during the winter months to entice sales. With the time that it takes to construct a home, those homes would be closing during the summer. Alternatively the impact of rising interest rates could have forced builders to lower their prices or remove optional features, which reduce the median sales price.

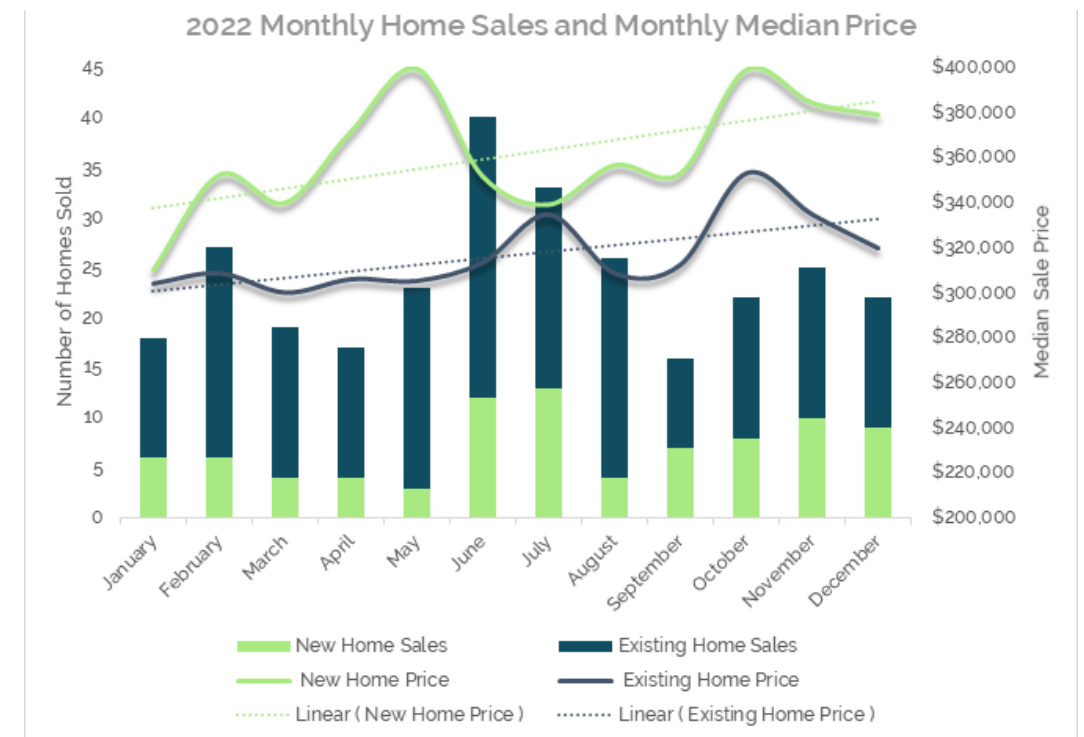
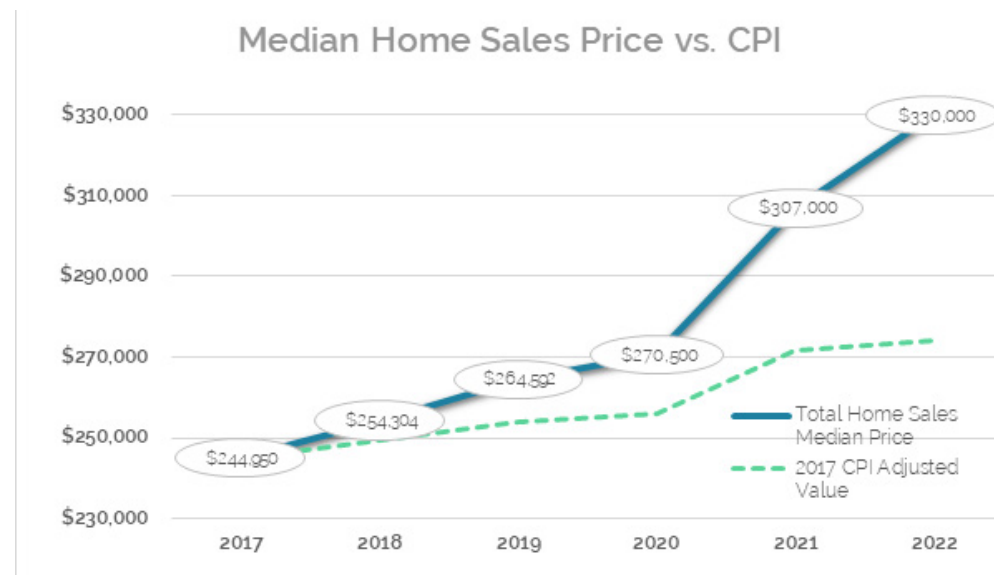
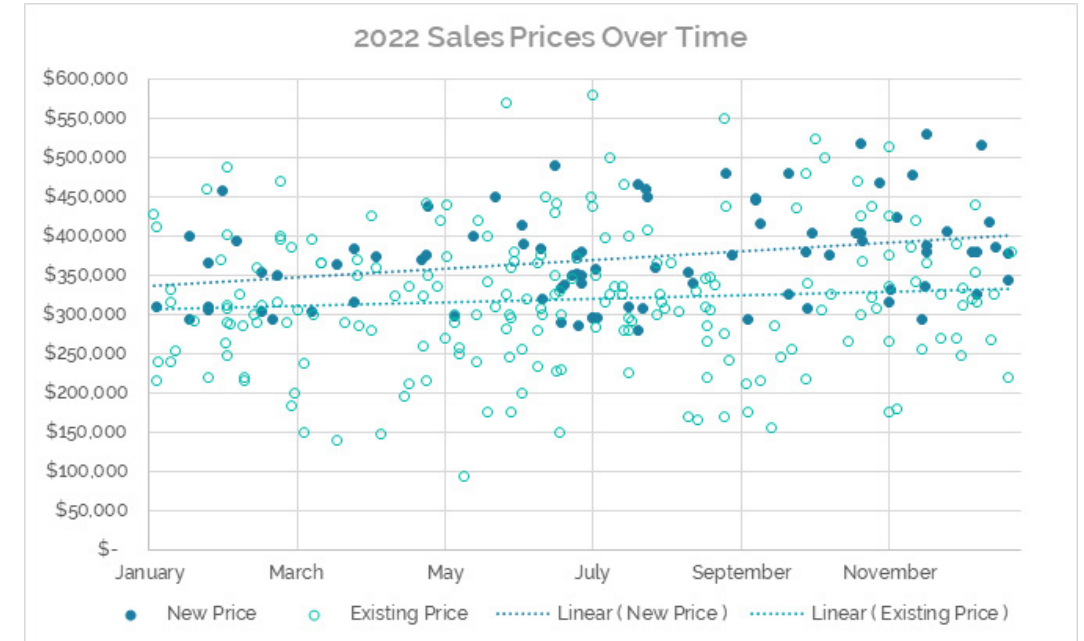
Median Home Sales Price

The median sales price of a home in Channahon continued to quickly rise, though not as quickly as the previous year. In 2021 the median sales price increased 13.5% from 2020 with a value of \$307,000. Then, in 2022 prices increased by 7.5% to a median sales price of \$330,000. Prior to 2021, the median sales price was increasing between 2% and 4% annually. The median sales price of a home in the Village of Channahon has increased by 34.7% since 2017. During the same period, if adjusted only for the Consumer Price Index, the median sales price would have climbed by only

11.9%. Thus, the median value of Channahon homes for sale have gained a real value increase of more than 22% since 2017.

As is expected with the number of homes in the Village, the majority of home sales were of existing homes. The median sales price of an existing home in the Village of Channahon in 2022 was \$315,000. This was an increase of more than \$30,000 from the previous year. There continues to be greater price range in the pricing of existing homes as the sizes, ages and conditions of homes sold vary greatly. This resulted in a range of \$93,345 to \$580,000.

The median sales price comparison between existing homes and new construction homes indicated that new construction homes remain more expensive by about 19%. This price difference has grown by 6% over the last two years. The median price of a new home is now \$374,532. This is an increase of \$38,000 from the





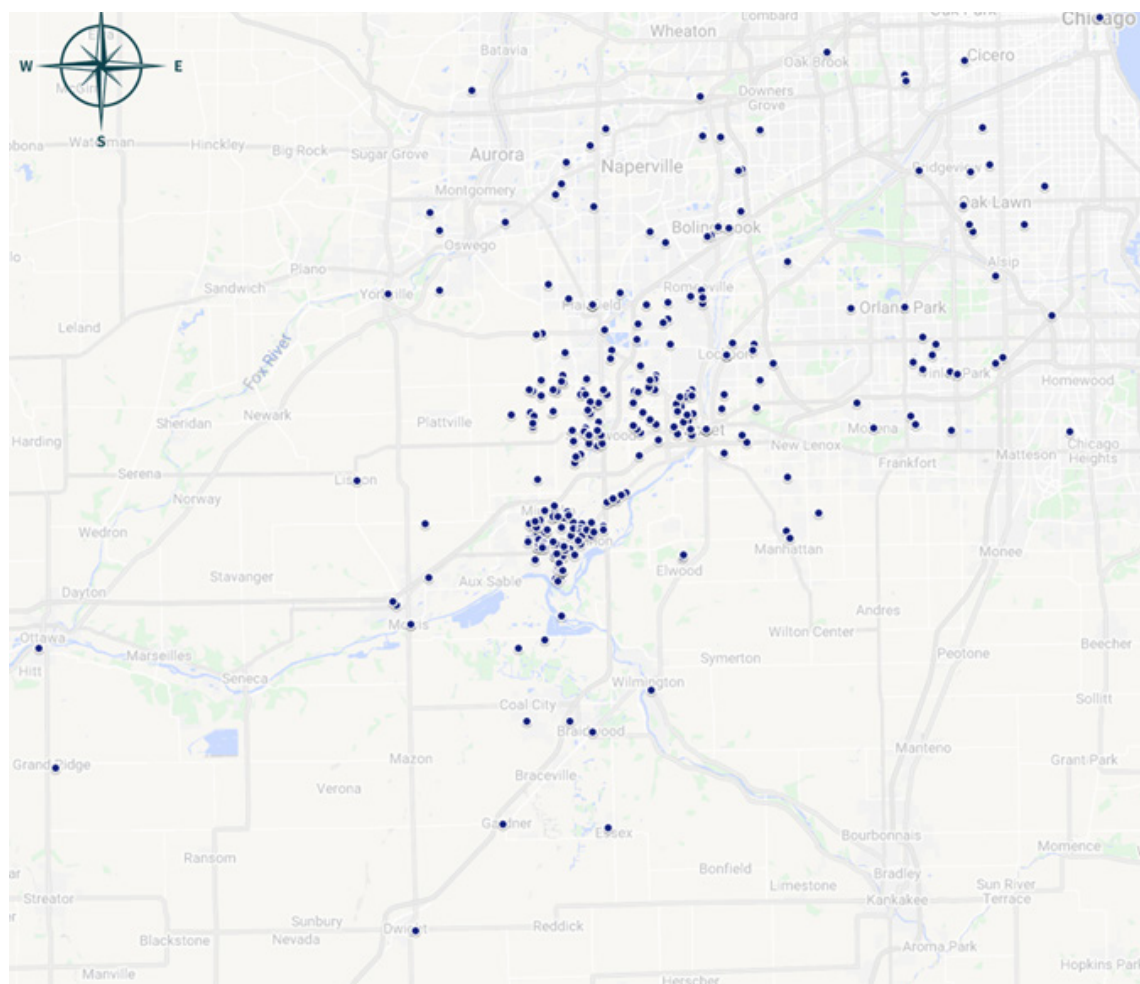
New Residents & Move-In Analysis

As has been the trend for repeated years, buyers of homes in Channahon are primarily from Channahon and the surrounding areas. While buyers came from across the United States, stretching from Connecticut to Arizona, a geographic concentration is seen primarily highlighting the southwest suburbs of Chicago. Of the 288 home sales in 2022, 249 of the buyers reported the town of their origin. As has been the trend, the highest percentage of buyers (16.7%) were those who were already residents of Channahon. This is about equal to the percentage of purchases from the previous four years. It remains an indication that many are satisfied with their hometown and are upgrading or right-sizing their home type to match their changing life situation. Closely following Channahon were homebuyers that were residents of Joliet (11%), Minooka (9%), Plainfield (8%), or Shorewood (5%). The City of Chicago was tied with Shorewood with about 5% of the homebuyers reporting their origin from that location. Excluding

any home purchased by an existing Channahon resident, the aforementioned five locations make up 50% of buyers of all other homes in Channahon.

Interestingly, nearly 8% of buyers came from outside of Illinois. This is double the percentage from the previous year. 22 of the 249 reported home sales were from purchasers coming from a state other than Illinois - nearly one in twelve homes.

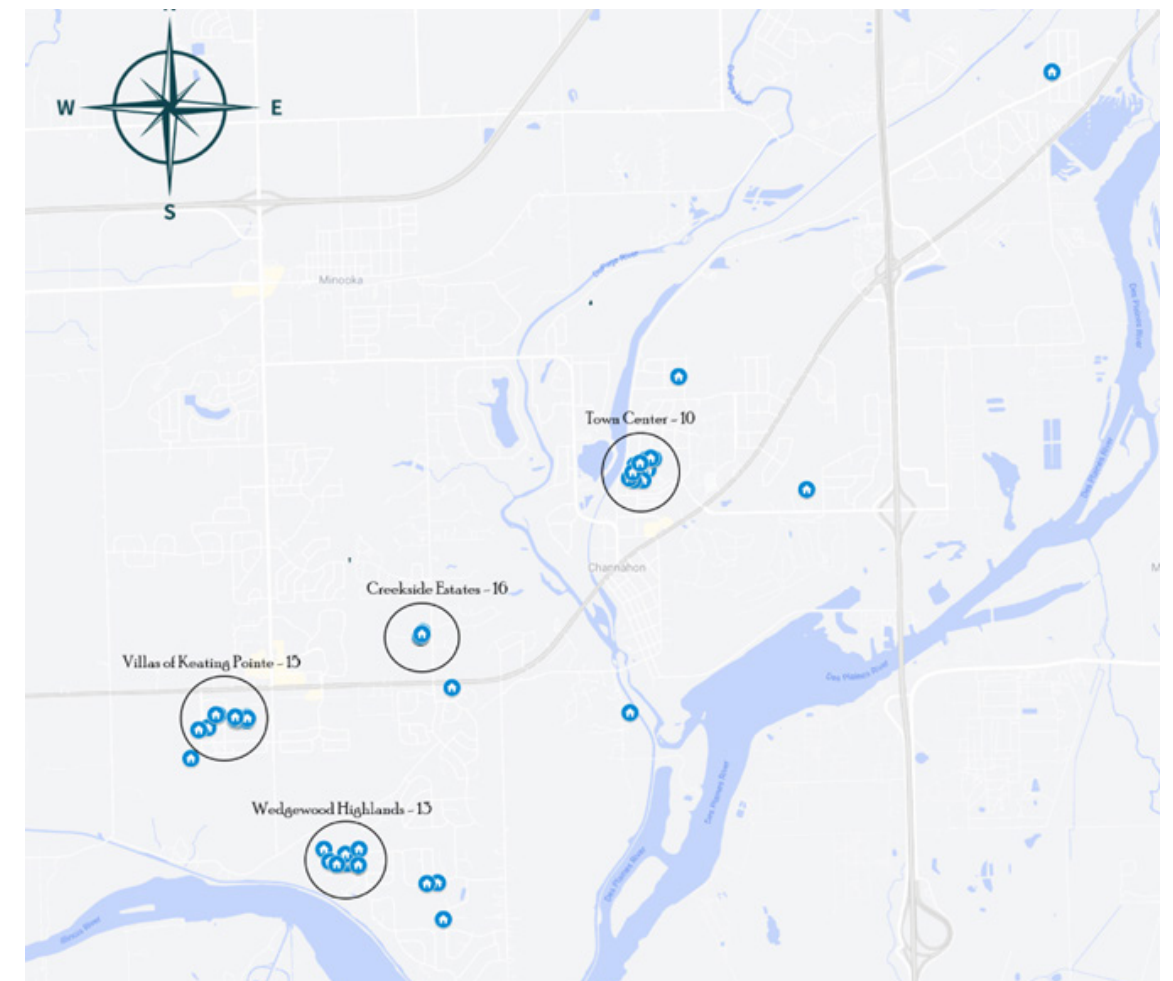
Origin Location of Home Buyers in Channahon



Distribution of New Housing Units in 2022

As has been the case year after year, due to the concentration of available lots the primary area of homebuilding has been in Grundy County. The ratio of homes in Grundy:Will has remained steady year after year. Again in 2022, approximately 75% of all new homes constructed were built in Grundy County. In Will County, Town Center (GDP Homes) was the only development with notable construction, starting 10 new homes in 2022. All other construction starts in Will County were one-off locations in subdivisions that are for all intents and purposes, fully constructed. The type of lot and lack of general available lot supply in Will County are the primary reasons for the lesser number of permits issued for construction.

Location of New Home Construction in 2022



New Construction by Subdivision

47 in Grundy County (75%)		16 in Will County (25%)	
Creekside Estates	16	Town Center	10
Villas of Keating Pointe	15	Other	6
Wedgewood Highlands	13		
Whispering Oaks	2		
Woods of Aux Sable	1		

Population

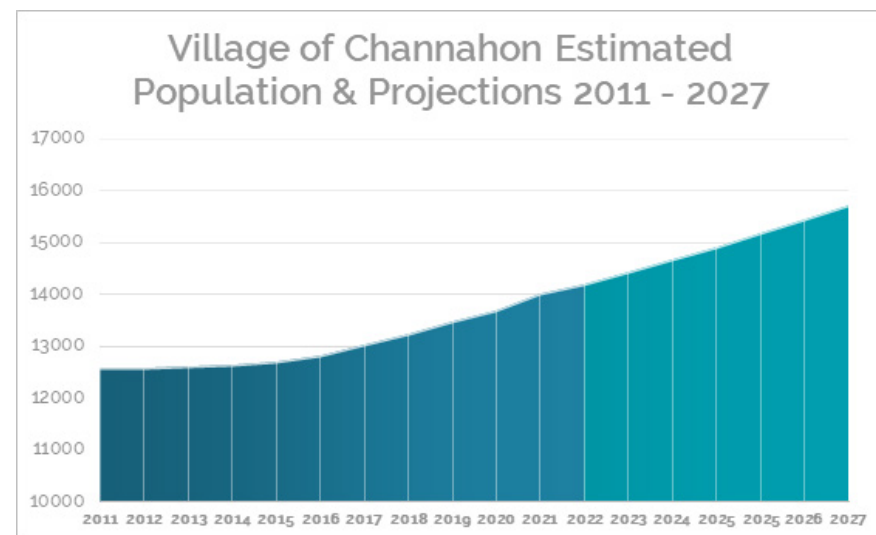
Population estimates are calculated by building off of the Census population count that stood at 13,383 as of April 2020. Using this as a starting value, and calculating population using estimates based on the number of bedrooms added to the community, the current population estimate of Channahon as of the end of 2022 is 14,185 people.

The population of the Village of Channahon continues to grow at a stable and manageable growth rate. While it is not difficult to predict additions to the population based on new construction, it is more difficult to account for deductions to the population - typically a result of children growing and moving away from home while the parents continue to reside in the same house. As such, changes to existing home ownership are not included in population increase estimates and only the additional bedrooms added to the community are calculated. With the lower number of new homes permitted in 2022, the estimated population growth rate fell from the 5-year high of 2.3% in 2021 to 1.3% in 2022. The five-year average growth rate for the Village of Channahon is 1.7%. Utilizing the 5-year average, the projected population 5-years into the future will be just over 15,700. Of course, this does not account for any new yet-unplanned residential developments that could bring new residents at a quicker pace.

While the concentration of new homes being

County/School District	Grundy County/District 201	Will County/District 17
New Housing Units in 2022	47	16
New Total Population in 2022	136	46
New K-8 Students in 2022	24	9
New Sr. High Students in 2022	9	3

constructed in Grundy County and District 201 remains higher than Will County to the east, the impact on student population is not as dramatic per household due to the types of homes being constructed. Nearly one-third of new home products in Grundy County were 2-bedroom residences. These homes are primarily purchased by empty-nester couples that are downsizing out of larger single-family homes. As such, the impact on the school district is less than in a development with traditional 3+ bedroom homes. Creekside Estates and The Villas of Keating Pointe - the two most active subdivisions for new construction - are primarily targeted to those



looking to downsize after their child-rearing years. 66% of homes constructed in Grundy County were located in one of these two subdivisions. Noting this, the number of bedrooms constructed has been analyzed to determine the number of students, but it is still possible the Grundy County estimates are high in this regard.

Owner & Renter Occupancy

Since 2020, the Village has been reporting the occupancy status of housing by owners and those renting/leasing homes. This data is derived from water billing information and is an approximation. With 4,675 housing units in the Village of Channahon, the total rental occupancy status was 12.2%, up 0.45% overall.

The area of rental occupancy increase has been single family homes (both attached and detached). The number of single-family homes occupied by lease tenants rose 18.5% in 2022, after a nearly 26% increase the year prior. In all, the number of single-family homes for rent rose to 192 from 162 in the previous year. This represents a total increase of 48% since tracking began in 2020. These rented homes join 380 purpose-built rental units, such as apartment dwellings and land-leases for mobile homes in Remington Woods. This increase may be attributed to several reasons. First, there have been no purpose-built rental units constructed in Channahon for many years. 48 new rental apartments were proposed in 2022, but failed to win approval. Demand for rental units has created long wait lists at apartment complexes for those hoping to move to Channahon. For those seeking more-immediate lease opportunity, there exists little other choice than to look for a single-family home. As some homeowners are right-sizing their homes for the next phase of life, some are retaining the property for investment income after moving out. The high demand for housing has brought increasing rent rates, making it more attractive to be a landlord. Lastly, corporate ownership of housing by rental companies is becoming more frequent. These companies will buy a single-family home that is for sale to place into their portfolio as a rental property. 6 homes in Channahon were purchased by rental corporations in 2022. This could only frustrate housing affordability, as prospective homebuyers have to compete against corporate buyers for the same properties.

With the market demand for rental properties not being met, the Village continues to experience instances of zoning violations where owners have begun to rent single family homes to numbers of unrelated individuals. "Room for rent" style properties are not allowed in the Single-Family Zoning Districts in the Village of Channahon. Code Enforcement action is taken against such properties, but this situation is likely to continue to occur in new locations until the rental market can increase to meet demand. Excluding purpose-built multifamily residential units from consideration, the percentage of owner-occupied structures in the Village of Channahon decreased slightly to 95.5%. This continues the slowly diminishing trend that was 96.5% in 2021 and 97.1% in 2020.

Still, the availability of rental properties in the Village of Channahon is low. In Illinois about 29% of the population is renting their living space, less than the national rental rate of 36%. These numbers have been steadily climbing since their low point in the early 2000s. The national shift from home ownership to rental occupancy continues to grow. Many are choosing this housing situation for the mobility options that bring the ability to easily change jobs and relocate. Others are avoiding the need to save for a down payment. Still some remain uneasy about the risk that property could lose value.

The total rental occupancy status in Channahon is 12.2%, up 0.45% from 2021.

Remaining Lot Inventory

2022 showed demand in subdivisions that were expected to be the leaders in construction: Creekside Estates, Town Center, The Villas of Keating Pointe, and Wedgewood Highlands. 83% of all new construction was in one of these four subdivisions. Other new construction was scattered throughout the Village on the few remaining lots found in mostly complete subdivisions. The Whispering Oaks subdivision added to the lot inventory by completing 14 new lots in Whispering Oaks Unit 2. Follow-on units will bring 55 additional lots to that subdivision in the future.

While still listing available lots on the inventory sheet, the existing areas of The Woods of Aux Sable is effectively at build-out. The 6 remaining unbuilt lots are in the hands of private entities or neighboring property owners, and not homebuilders. Another 6 lots were approved and platted as Unit 4, but have not yet been developed. At the end of 2022, The Villas of Keating Pointe also does not have enough lots to again duplicate the number of starts that it had throughout the year. Core Homes is currently working through design and approval for a new phase of development that will bring sites for 29 additional homes in the subdivision, as well as the conversion of additional townhome lots for 6 more villa units.

Nearly a quarter of all remaining available lots are platted for townhomes. Aside from duplex products, attached single family home products have not been constructed in the Village of Channahon since prior to the Great Recession. There has been some interest in 2022 in restarting some of the stalled townhome developments. Some were even sold to a new builder in preparation for a restart of construction. As of yet, none have broken ground. Available sites include the townhome lots on the north side of Whispering Oaks subdivision, and the townhome sites located along Keating Blvd. that were not converted to a Villa product. Market response to

the return of that product type will likely dictate how quickly more townhomes may follow. With the limited supply of specific types of home lots, it is probable that by the end of 2023 some home types will be unable to continue being built without new lots coming to market.

2022 Year End Lot Inventory Currently Platted Lots in Developing Subdivisions			
Development/ Subdivision	Total Lots Remaining at End of 2022	Will County	Grundy County
Copper Leaf	24	24	
Four Oaks	3	3	
Town Center Unit 2A/3	2	2	
Town Center Unit 4	22	22	
Wedgewood Highlands	35		35
Whispering Oaks	12 [^]		12
Woods of Aux Sable	12 [^]		12
Detached S.F. Total	110	51	59
Creekside Estates Duplexes	22		22
Town Center - Brownstone Duplex	8	8	
Villas of Keating Pointe	7		7
Woods of Aux Sable - Duplex	2		2
Villas & Duplex Total	39	8	31
Keating Pointe - Townhomes	17		17
Whispering Oaks - Townhomes	26		26
Townhome Total	43		43
TOTAL BUILDABLE LOTS*	192	59	133

[^] Indicates an increase of available lots in this subdivision from the previous year due to additional subdivision unit development.

* Note - total does not include scattered lots not currently located in a developing subdivision. Not all lots listed may be available for construction due to double-lot ownerships.





2023
**DEVELOPMENT
PROJECTIONS**

Projected Population & Distribution of New Housing Units in 2022

While there continues to be concern that the reduction in lot supply will lead to an eventual slowdown of homebuilding, the uncertain national economic future probably will play a larger role in the pace of construction during 2023. The level this will impact homebuilding is hard to predict. While higher interest rates tend to slow down economic growth, the interest rate rises in 2022 did not quell all of the demand for new homes built in Channahon. In fact, October was one of the busiest months for new home permits to be issued, even after rates had been raised by the Fed five times by October of 2022. This means that rates will not be inducing people to buy homes, but they haven't necessarily been preventing it from happening in Channahon either.

Still, with economic headwinds and diminishing lot supply, 2023 will likely yield a further reduction in homebuilding from what was a slower 2022. Certain sectors of the home market will remain strong and build just as they did in 2022. This includes those that are downsizing/right-sizing and using significant equity and/or cash reserves for their purchase. These purchasers are less impacted than those that are using higher amounts of financing for their purchases.

It is predicted that if lot supply does not constrain the ability of purchasers to construct the homes they desire, approximately 60 new homes will start in 2023. However, this is predicated on the anticipation that there will be new lots brought to market, including new units in the Villas of Keating Pointe and Ravine Woods subdivisions. The number of homes built in these new units will be tempered by their time of availability, as they will not have a full calendar year to sell if they are not ready until later in the year. If those lots do not develop, however, the number of starts will be closer to 40 new homes.

Residential growth will continue to be concentrated in Grundy County and Grade School District 201. The subdivisions with the highest building rates: Creekside Estates, the Villas of Keating Pointe, and Wedgewood Highlands are all located within Grundy County. Town Center and Copper Leaf are the only residential developments of substantial size to be building in Will County, at present. However, if Ravine Woods Unit 3 begins construction, that will bring substantially more single family available lots to the Will County area of the Village.

Copper Leaf (Will County)

Copper Leaf Subdivision has had its ups and downs throughout its lifespan of development. Started just before the Great Recession, the subdivision only constructed a few homes prior to the collapse of the housing market. Intended for higher-value homes, this subdivision was slower to attract buyers than some of the median-market products offered in other developments. Now under new ownership, there has been increased focus on clearing the lots to make them more visibly desirable. The subdivision stands at 40% buildout at the end of 2022 and has ample lots ready for construction. Still, there is uncertainty in how this sector of the housing market will respond to the higher interest rate world that appears to be a reality for 2023.

Creekside Estates (Grundy County)

Creekside Estates was the highest-volume selling subdivision in 2022. The development is the first significantly-sized new subdivision to come to market in the Village of Channahon since the Great Recession. The first phase of 52 units was platted in 2021, and now only 22 remain available. The duplex housing product is marketed to be a higher-end home, typically targeting those downsizing. This is a sector of the housing market that is less impacted by interest rates than others. Many buyers simply roll over the value

of their existing homes when they sell into their new purchase. Of course, if other buyers of their existing homes become scarce it will limit the ability to do this.

Four Oaks Subdivision (Will County)

The four-home subdivision on large homesites along Ford Rd. began construction of its first home in 2021. It has yet to be completed. With the custom nature of the product it is difficult to predict the speed at which building may occur and none are anticipated in the count for 2023.

Town Center (Will County)

Town Center has been perennially successful in selling a unique single-family home product. As Unit 4 continues to have enough available lots to satisfy the level of demand seen in 2022, this development is not constrained by lot availability. Additionally, the developer has its own mortgage arm and is able to be priced more competitively than some other offerings. Activity is predicted to be equal to what it was in 2022 for single-family homes. Additionally, there still remain 8 brownstone/duplex lots that could begin construction at any point that there is a buyer. GDP Homes has sold the last remaining speculative duplex in their inventory and may begin another at any point that they see fit.

The Villas of Keating Pointe (Grundy County)

The Villas of Keating Pointe is the biggest wildcard of the bunch when discussing construction in 2023. There are only 7 lots remaining at the end of 2022 - most or all of which already have buyers. Core Homes will complete the subdivision's building easily within 2023. However, with the proposed next phase of development bringing 29 more lots to market, the subdivision will be able to build unconstrained. The Villas of Keating Pointe redesigned what were originally townhome lots and constructed a single-family product as a "detached townhome." The homes are completed as detached structures, but with all exterior maintenance included as it would be with a townhome development. Like Creekside Estates, the housing product is targeted to those buyers who are choosing to reduce the size of their homes, but perhaps increase their quality. The product is also attractive to some younger working professionals that may not necessarily be focused on the typical family housing dynamic. As such, these housing units have lesser impact on the school districts than more-traditional housing products and buyers are impacted less by interest rate fluctuations.

17 townhome lots remain along Keating Blvd. Core Homes intends to propose the conversion of some of those units into additional Villa units, as well as construct one of the 4-unit townhomes. These are not counted in the 2023 projections.

Wedgewood Highlands (Grundy County)

As predicted, there was significant building activity in Wedgewood Highlands during 2022. It is expected that there will be a high level of activity again in this subdivision in 2023, relative to other areas of Channahon. As Core Homes completed their remaining lots in Whispering Oaks, their single-family building focus turned to this area. With 34 available lots, there should be inventory available for construction through 2023 and 2024.

Whispering Oaks (Grundy County)

While Whispering Oaks was a high contributor to the number of housing starts over the past several years, there were only 2 starts in 2022. This was mainly due to a new unit just coming to market. It may take time for inertia to build behind it. There are 12 lots remaining. In a high-demand year these could be filled in a single season. The time they will take to build in the current climate will probably be slightly longer. However, there remains room for 50+ more lots to follow in additional units, once demand warrants their development.

The townhome lots on the north side of Orchid Dr. in this subdivision were sold during 2022. Construction has not yet started on any of the product, but 26 townhome units may be constructed on the property.

Woods of Aux Sable (Grundy County)

A previous high-contributor of annual new homes to the Village of Channahon, Units 1-3 of The Woods of Aux Sable subdivision are effectively at build-out. Only 6 single-family lots remain in those areas. Most are in ownership with homes next-door and are unlikely to be built. There may possibly be some starts, but activity from these areas of the subdivision will be low compared to previous years and to that of other subdivisions. Depending on activity in 2023, this is likely the last year that these lots will be considered as part of the buildable lot inventory.

However, Woods of Aux Sable Unit 4 was approved and platted in late 2022. The development of 6 additional single-family home lots on the west side of Keating Blvd. are a welcome addition to the lot inventory.

Projected 2023 Population Additions*

County/School District	Grundy County/District 201	Will County/District 17
New Housing Units	60	20
New Total Population	158	61
New K-8 Students	31	12
New Sr. High Students	12	5

*Based on the estimate of 60 new homes

Prospective Future Residential Development

Approved in late 2018, a Planned Unit Development for *Ravine Woods Unit 3* was ready to begin construction in late 2022 when winter weather arrived and delayed the start of development. Now tentatively planned for a spring 2023 ground-breaking, the development will add 72 new single-family home sites to the lot inventory in the Will County / Grade School District 17 area of Channahon. The challenging topography of the unit has made the development costs higher than elsewhere, leading the owner/developer to wait until market demand impacted market value to a point where a positive return could be achieved. With other subdivisions now nearing completion, market demand could support this development.

In the multifamily sector, an apartment building proposal was brought before the Planning & Zoning Commission and Village Board in 2022, but failed to win approval by one vote. The two three-story apartment buildings would have added 48 luxury apartments to the Village rental inventory. There continues to be strong market demand for multifamily buildings, but none are proposed at the current time and therefore it is unlikely any will come to market before the end of 2023. In Town Center, the St. Elizabeth Residences have applied for funding to construct additional age-restricted units on the remaining land to the northwest of their current apartment buildings. Funding is under consideration by the Illinois Housing Development Authority. Even if approved for funding these will not reach design approval and complete construction in 2023. There has been some developer interest shown in other lands that are planned for multifamily development, but like the St. Elizabeth Residents it is unlikely that there will be anything proposed, designed, approved, and constructed prior to the end of 2023.

Future Non-Residential Development & New Business

The demand for businesses of and relating to logistics and warehousing continues to be strong throughout the region and entire nation, despite economic headwinds. As more companies move to the onshoring of inventory, domestic manufacturing, and the shift from "supply chain" to "supply web" models, industrial space continues to be in high demand and short supply. The Village of Channahon continues to hold the position that industrial uses should not spread west of I-55 or north of U.S. Route 6. The exception to this would be redevelopment in areas that are already occupied by older industrial uses. This has been seen by the two Penske developments underway along the west frontage road, north of U.S. Route 6. Construction of those two projects will continue in 2023.

The most notable area for future industrial development is the area located west of McClinden Rd., in the region already occupied by industrial uses - otherwise known as the Brisbin Rd. Interchange Area. In 2022, at least five different developers discussed potential projects in the area. The limiting factor of development is the current availability of water and sewer utilities in the area. The Village of Channahon has purchased a site that will be a Wastewater Treatment Plant which will serve those western areas of Channahon. Discussions are underway with the Village of Minooka for shared services in some of their western areas as well. With the intertwined areas of Channahon, Minooka and Morris all touching the Brisbin Rd. Interchange, intermunicipal cooperation is necessary for the greatest regional benefit. The Villages of Channahon and Minooka agreed in 2022 to extend their shared boundary agreement for one year, in anticipation of Grundy County completing its first regional transportation study. As new routes are defined, it may make sense for the Villages to alter their boundary agreements, so that the municipalities take the most logistical shapes in the future.

There are also other developments that have been approved and will begin construction in 2023 or will be seeking approval in 2023. The majority of these are in the Ridge Road and U.S. Route 6 area. Of these, the largest is Tractor Supply Company. TSC has been approved to construct an approximately 22,000 square foot store, with an outdoor greenhouse. In the same area, Starbucks has been approved to construct a 2,300 square foot freestanding store with a drive-thru. Additionally, an automotive parts/accessories retail user is in the design process of a site in the same general area and will seek approval during 2023, but construction may not begin until the following year. T-Mobile will be opening a retail store in unoccupied space at the northeast corner of Route 6 and Pheasant Ln. These future developments join Washcove Channahon Express, which opened in late 2022, in an area of developing commercial interest in Channahon.

In the central part of Channahon, Dairy Queen was approved to construct a freestanding restaurant with a drive-thru at the location of the former Lone Star Restaurant. Lost to a fire in 2015, the Lone Star site has been vacant and awaiting redevelopment. The former restaurant owner considered reconstructing a different style of quick-serve restaurant at the location, but ultimately decided selling to another user was preferable for their business model. Construction should begin in the spring. Across the street, currently under construction is the long-awaited replacement for the Casey's gas station and convenience store. With expected completion in the early spring of 2023, the old site will be demolished and available for sale and redevelopment. Will County Brewing has acquired vacant space that was formerly occupied by Riverhawk Brewing. They will begin operations of their second location early in 2023.

East of I-55, the Channahon Fire Protection District is still underway with their approved site for the new Station 2, located on Thomas Dillon Dr. At the southeast corner of the I-55 Interchange with Route 6, the former Ivo's Restaurant was purchased and demolished in 2022. The new owner is now exploring potential end users before beginning construction on a new site. No confirmed users are yet available but the owner has stated that they are targeting a breakfast style restaurant user with a potential in-line retail use.

TIF, Town Center, and the Village of Channahon's Proactive Development Approach

In the early months of 2022, the Village of Channahon completed the purchase of 22.5 acres of property located across from the Channahon Municipal Center. This is the land that was originally planned for the mixed-use development of Channahon Town Center. Now, more than 20 years after its initial planning, the land has transferred into the Village's hands to remove a hurdle from potential development. While the exact design of the Channahon Town Center is likely to be different than its original layout, the intention is the same: create a downtown area where a mixture of commercial and residential uses will provide the community with a central gathering place. Currently, discussion is pending with the Illinois Department of Transportation about improved access to the property from U.S. Route 6.

Also in 2022, the Village of Channahon established the Tryon St. Redevelopment Area. This Tax Increment Finance (TIF) District provides an economic tool aid in the development and redevelopment of an area that was once Channahon's commercial corridor: U.S. Route 6 from Bluff Rd. to the I&M Canal. The area qualified as a conservation area: that is, an area that needs attention to prevent it from potentially falling into a blighted condition. This TIF area contains the mixed-use area of the planned Town Center. Exact programs of the redevelopment plan are under discussion, but will likely contain elements of utility extensions, streetscape improvements, and possible incentivized redevelopment of antiquated uses.

The Tryon St. Redevelopment Area joins two other TIFs in the Village of Channahon: I-55 & U.S. Route 6 and the area surrounding Aux Sable Liquid Products. The latter of the two is now in the process of seeking an extension. In 2022, the I-55 & U.S. Route 6 TIF finally achieved a positive balance and will be in a better position to provide economic impact moving forward.

SUMMARY & CONCLUSIONS

As 2022 ended there was a continued increase in interest by developers and brokers in areas across Channahon. If even a small portion of this interest comes to fruition, it will elevate Channahon beyond the strictly residential community that it was known as in the past. That is not to say that the expansion of homebuilding and desirable residential neighborhoods will end - but expanded commercial, retail, and workplace opportunities are all seeking places in the community.

While higher interest rates in 2023 may be a temporary speedbump in the road of new home construction, it will not halt new construction nor will it bring a long pause before new developments arrive. Instead, 2023 is likely to be a pivot point where the direction of new construction in Channahon moves from primarily houses to a myriad of different types across all sectors of the economy: residential, commercial, and industrial.

As home purchase prices continue to rise, the demand for rental products is only getting stronger. The conversion of owner-occupied structures into rental units is keeping pace from what was seen over the past few years. This will continue not only due to pricing. The influx of new and younger residents to the community that will be filling the jobs created in the region are likely to have different ownership preferences than what has traditionally been in the community. Those areas predefined for multifamily development through the 2019 Reimagine Channahon Comprehensive Plan are likely to have more developer attention than in the past. It will be important to guide residential development so that it has the ability to satisfy all parts of the residential market and not focus on just one type

of product. Channahon needs to provide a place for first time home owners, a place for those raising their families in the community, and a place for those downsizing to enjoy aging in the place they have called home.

The long-projected industrial development of the Brisbin Rd. Interchange area should finally begin to take shape in 2023. Even if vertical construction does not yet begin, the first uses and/or users that will call the area home should begin to become clearer. These first users are necessary to aid in the design and development of the utility system that will eventually serve these users and beyond.

With highly-regarded schools, parks, and open spaces, Channahon remains an attractive destination for families in the region. In addition to a growing number of residents, the growing employee county in the Village is adding to the daytime population attribute that is drawing increased retail interest. 2023 may be the pivotal time where many of the planning studies and designs completed over the past two decades finally have the economic opportunity to turn into implemented developments.

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For questions, comments or other inquiries, contact:

Michael C. Petrick
Director of Community Development
& Information Systems
mpetrick@channahon.org
(815) 467-6644





Village of Channahon

**Community Development
D e p a r t m e n t**

24555 S. Navajo Drive
Channahon, IL 60410
(815) 467-6644 | www.channahon.org