



COMMUNITY DEVELOPMENT **YEAR END REPORT**

2023
EDITION



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 “Grundy County” and “Will County” as that dividing line serves as the border for several taxing districts. While there are 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.

2023 experienced a slight increase in new home construction after a decline in 2022. Despite higher interest rates and an increasingly scarce supply of lots for new home building, demand for homes remains high. Rapid appreciation of prices for both new and existing homes was experienced in the first half of the year. Prices continued to increase, but not as quickly by the third quarter.

Commercial activity in 2023 included the construction and completion of several projects that were permitted or started in late 2022. This includes Casey’s, Penske, and Starbucks. Tractor Supply Company was approved, constructed and opened in 2023. O’Reilly Auto Parts won approval for a new location, which will begin construction in 2024. Dairy Queen was permitted and constructed in 2023, and is anticipated to open in 2024. Two small industrial additions were approved also and began construction.

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, MI. BS&A Software is utilized for all Community Development Department activities, including permitting, inspections, code enforcement, and business licensing. Geographic representations are compiled from data exported from BS&A Software into ArcGIS software by ESRI of Redlands, CA and Google Maps of Mountain View, CA. Portions of demographic information were obtained from Placer Labs, Inc., of Los Altos, CA.

Future predictions are based on information available, stated expectations of developers/builders, 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.

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2 Development 2 Statistics



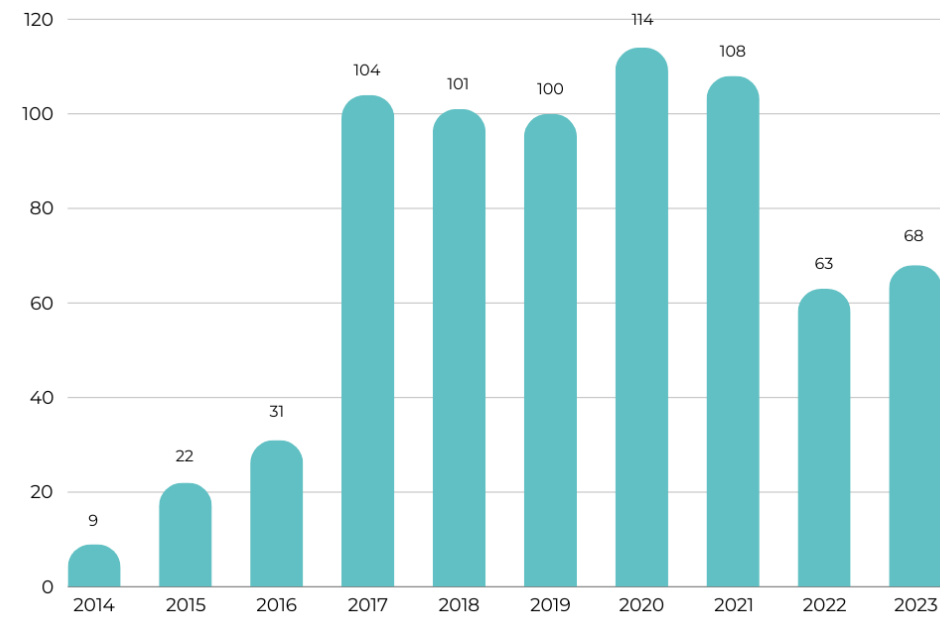
Permits & New Construction

New home construction in 2023 increased after a dip in starts during the previous year. Overall the number of new construction permits were less than the preceding 5-year average, which was bolstered by triple-digit new construction starts for each year between 2017-2021. However, April, June, August, and October of 2023 were each near record-highs for the monthly number of new construction permits issued.

Total permits issued increased by 6.1% over the previous year and amounted to slightly more than the average of the preceding 5-years. Five non-residential new construction projects were permitted in 2023. **These five construction projects represented 43% of all of the construction value permitted during 2023.** This illuminates how impactful non-residential projects are to the annual construction value; more so than the number of permits issued.

Aside from new construction, the types of permits issued comprised 23 different categories and very closely mirror activity of previous years. The largest number of permits

New Housing Permits, Previous 10 Calendar Years



were issued for roof and window replacement (231), followed by fences (141). Alterations (89) appeared as the third-most common type of permit issued, with permits for flatwork (60), and accessory structures (43) following. Pool and spa improvements (31) held steady with nearly identical amounts to the previous year. 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 is done in some other localities.

	2018	2019	2020	2021	2022	2023	Change
Total Permits	689	755	947	1008	809	858	6.1%
New Construction Permits (All Types)	106	104	119	108	70	73	4.3%
Construction Value (Millions)	\$56.27	\$135.03	\$137.52	\$74.06	\$58.99	\$53.37	-9.5%



Residential New Construction

2023 experienced a slight rebound in new home construction, with an increase of 5% from the 2022 slump. 68 new homes were permitted for construction. Over 86% of new homes constructed had three or more bedrooms and two out of every five homes had four or more bedrooms. Demand for two-bedroom products, targeting empty-nesters and those downsizing from larger single-family homes, fell over 10% from previous years. It is unknown whether market demand for these products is to blame. The more likely scenario is that there were fewer two-bedroom home sites available to build with the Villas of Keating Pointe completing previous units and the next phase not yet ready for the construction of homes.

2023 Non-Residential New Construction

Five new non-residential buildings were issued permits for construction in 2023. Tractor Supply Company permitted, constructed, and opened a 25,602 square foot store in the Southern Crossings commercial development. DQ permitted and began construction of a 2,208 square foot quick-serve restaurant at the location of the former Lone Star Restaurant, which was lost to a fire almost a decade ago. Utility Concrete permitted construction of a research & development facility. Located on the far western edge of the Village, the building will be used for the design of new and improved

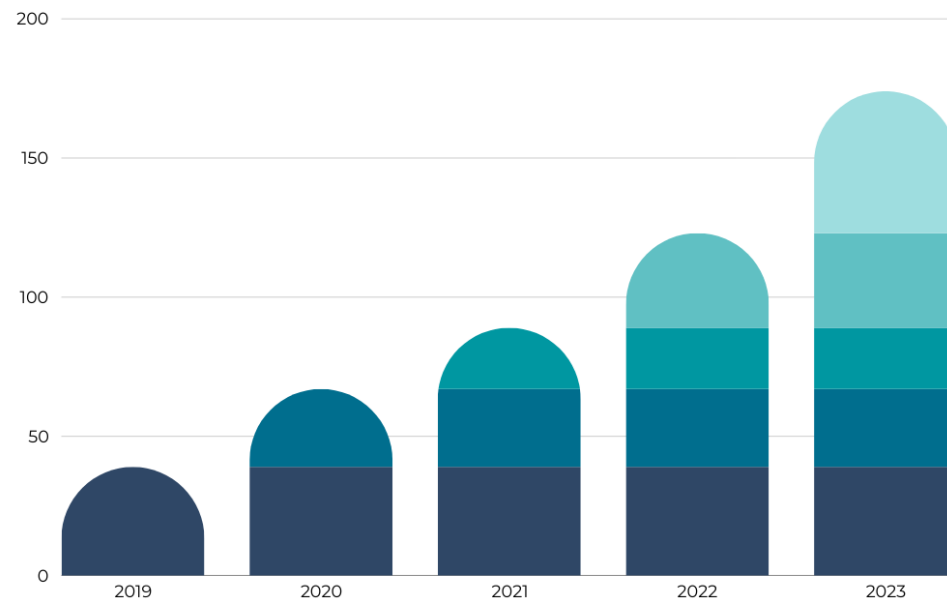
structures for stormwater management. Penske permitted the most expensive building in Channahon in 2023. Located on the northwest frontage road, the 24,212 square foot building had a construction value of \$9mm. This second building on the Penske campus will serve as a collision repair and body shop for the Penske fleet of vehicles. Finally, a 7,568 square foot industrial building was permitted on Northern Illinois Dr. for Alliance Transport and Logistics Services. The total permitted construction value of these 5 projects is nearly \$14.5mm.

Green Energy

Investments in solar energy continued at an increased pace during 2023. **51 permits were issued for the installation of rooftop solar systems, a 50% increase over the previous year and the most ever permitted in a single year.** In total, since 2019 there have been rooftop solar systems permitted for installation on 174 homes in the Village of Channahon.

Penske also installed rooftop solar panels to their new facility located on S. Frontage Rd. W. This was a portion of the features installed that allowed the building to achieve LEED Gold Certification for energy efficiency. A significant portion of the energy used at the site is generated by its own rooftop solar array.

Total Residential Rooftop Solar Installations

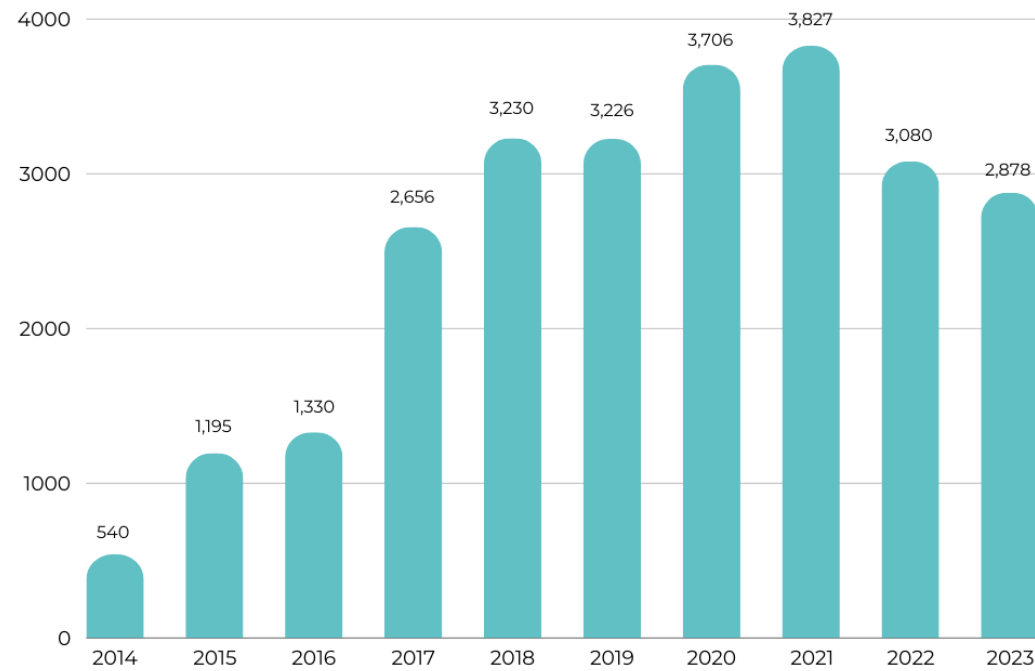


Inspections

With the high number of inspections required for new construction, a change in new construction permitting has a significant impact on the number of inspections that are required. With a fairly steady amount of new construction from the previous year, inspections were relatively stable with the prior year, falling by 6.6%. Even with the annual number of inspections falling two years in a row, activity remains significantly above the 10-year average. The majority of inspections are conducted by Village of Channahon staff, comprised of the Chief Building Official, Building Inspector, and Code Enforcement Officer. Certain specialized inspections may be conducted by contracted entities. Examples of these inspections are aspects of fire protection and life safety systems that are installed in non-residential buildings.

With 2023 providing more activity than was anticipated, even in a higher-than-normal interest rate environment, it is expected

2014 - 2023 Inspections



that inspection activity will remain steady or climb during 2024. Economic forecasts for the coming year are predicting potential reductions in interest rates. These reductions typically correlate with more home building, home purchasing, home improvement projects, and commercial investments. It is yet to be seen whether any interest rate reductions happen early enough in the year to have a significant impact on 2024 activity. If interest rate reductions happen later in the year, it is possible they will have a greater impact in 2025.

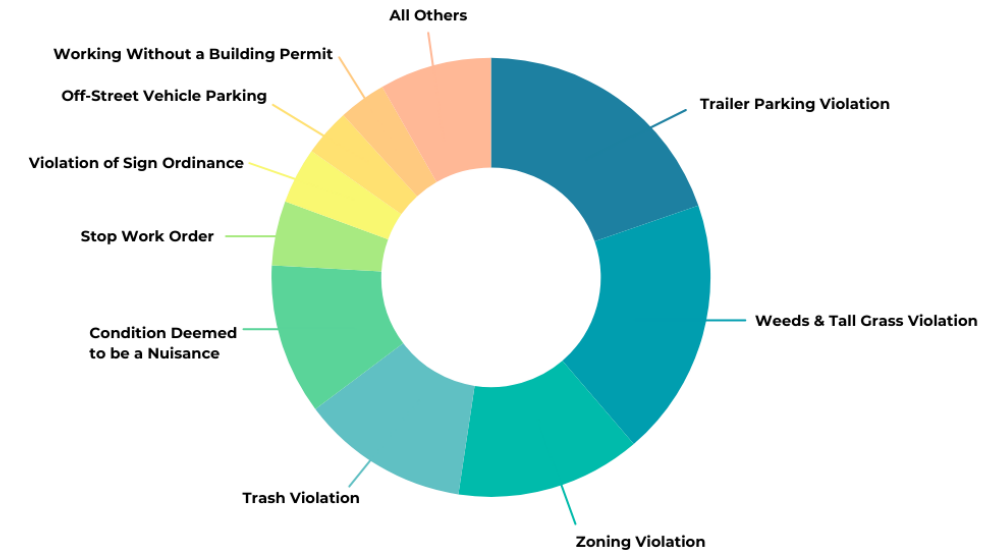
	2018	2019	2020	2021	2022	2023	2022-2023 Change
Total Inspections	3,230	3,226	3,706	3,827	3,080	2,878	-6.6%

Code Enforcement

In 2023, Code Enforcement had one of the most significant statistical changes in the Community Development Department. A change of staffing, and an approach to more proactive Code Enforcement, has seen a near-doubling in the amount of new code enforcement cases. Aside from taking a more proactive approach, the addition of a Building Inspector to the Community Development staff has allowed the Code Enforcement Officer to focus more attention strictly to code enforcement matters. In previous years, the code enforcement officer's time was divided with also performing building inspections. As construction activity increased, the amount of time available for Code Enforcement duties was in steady decline.

Trailer parking was the largest category for violations in 2023. Much of this categorical activity was focused on educating residents to the requirements for parking and storing trailers within the Village. Once informed, it is not expected there will be a high number of repeated trailer parking violations and this category should not be as numerous in the future. Because of this, for the first time, Weeds and Tall Grass Violations was not the

Code Enforcement Activity Categories: 2023



top category of enforcement activity. These violations were still slightly more numerous in 2023 than they were in the previous year with 60 complaints being filed compared to 56 in 2022.

Instances of work being conducted without a building permit again fell from the previous year, with only 11 violations being filed. This continues a pattern of decline as contractors increase their level of compliance and have less willingness to be caught working without a permit. Violations are now down over 60% from their high level. Many semi-truck parking violations are categorized as Zoning Violations and those instances are partially responsible for the high level of enforcement activity in that category.

	2018	2019	2020	2021	2022	2023	Change
New Code Enforcement Cases	195	212	181	155	175	316	+80.6%



Home Sales

Based on information gathered from the receipt of tax-transfer stamp payments, in 2023 there were a total of 188 homes sold in the Village of Channahon. This represents a decrease in buying activity by 35% compared to 2022. The change in home buying activity in Channahon is similar to the national and state level trends of decreasing home sales, with higher mortgage interest rates receiving much of the blame.

In 2023, 52 of the homes sold were new homes. This continues the established pattern of roughly a third of all home sales coming from new construction. The number of new homes sold does not necessarily match the number of homes permitted, as homes are not always completed and sold within the same year they are permitted. These sales figures do not include certain exempt real estate transfer situations, such as divorces, inheritances, or quit-claim-deeds.

	2019	2020	2021	2022	2023
New Home Sales	99	96	103	86	52
Existing Home Sales	248	249	256	202	136
Total Home Sales	347	345	359	288	188

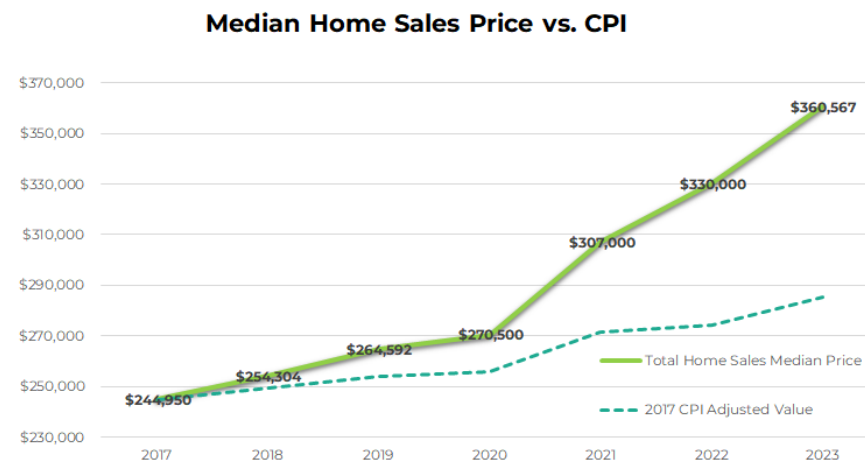
Home Prices

The median sales price of a home in Channahon continued its rapid ascent since 2020 and is now \$360,567. 2023 was the second-most rapid appreciation of median sales price in recent times. Though not as quickly as in 2021, when prices climbed by 13.5% in a single year, in **2023 the median sales price of a home in Channahon increased by 9.3%**. 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 47.2% overall since 2017. During the same period, if adjusted only for inflation by the Consumer Price Index, the median sales price would have climbed by only 16.5%. Thus, the median value of Channahon homes sold has gained a real value increase of more than 30% since 2017.

As is expected with the number of existing homes and construction interest in the Village, about two-thirds of all home sales were of existing homes. The median sales price of an existing home in the Village of Channahon was \$350,000. This was an increase of \$35,000 (+11.1%) from the

previous year. There continues to be a greater price range of existing homes as the sizes, ages and conditions of homes are more varied than new homes. This resulted in a range of \$72,000 to \$620,000.

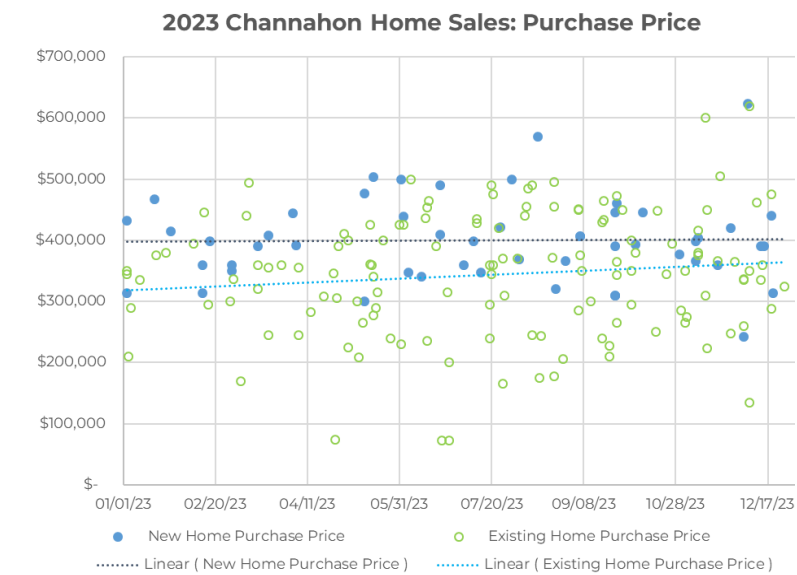
The median price of a new home is now \$395,811. This is an increase of \$21,279 (+5.78%) from the median price one year ago. The price range for newly constructed homes in the Village of Channahon during 2023 ranged from \$241,715 to \$622,931. While the top end of the price for a new



home continues to increase, the entry level price of a new home sold in 2023 was similar to two years prior.

The median sales price comparison between existing homes and new construction homes indicated that new construction homes remain more expensive by about 13%. The median price difference between existing homes and new homes is now nearly \$46,000. This is higher than 2022's price difference of \$38,000 and \$43,000 in the year before.

When comparing the purchases between Will and Grundy Counties, sales prices are as would be expected. Both counties have a top sales price of over \$600,000, but Will County had more homes at the lower end of the price range. This



is reasonable considering there are fewer older homes in Grundy County, and the majority of new construction activity during the past decade has been focused in Grundy County. Thus, with older homes being generally less expensive the slightly more affordable products are found in Will County. The median price of a sale in Grundy County is \$370,000, compared to a median sales price in Will County of \$344,000.

When looking at sales on a monthly basis, the sales prices of new homes were held relatively steady throughout the year, with the linear average actually displaying a slight decrease in pricing. Meanwhile, existing home sales showed even less monthly variation, but were on a trend of increasing prices overall. During the month

2023 Home Sales Price Ranges



of August 2023, the median sales price of an existing home sale actually surpassed the median sales price of a new home sale for the first time. Delivery of new construction homes to the market in September again elevated those prices and the two remained relatively parallel through the end of the year.

Although the winter months almost always result in fewer home sales, the early part of 2023 home sales were even fewer than is typical. The early uncertainty about the national economy and rising interest rates could have been to blame. As is the normal pattern for the area, the months of warmer weather were the most active time to close the sale of a home, with the peak of activity seen in September. Another factor may be that as people adapted to the new normal of higher interest rates, they became less likely to delay their home purchases and more-typical activity levels were realized.

2023 Monthly Home Sales and Monthly Median Price



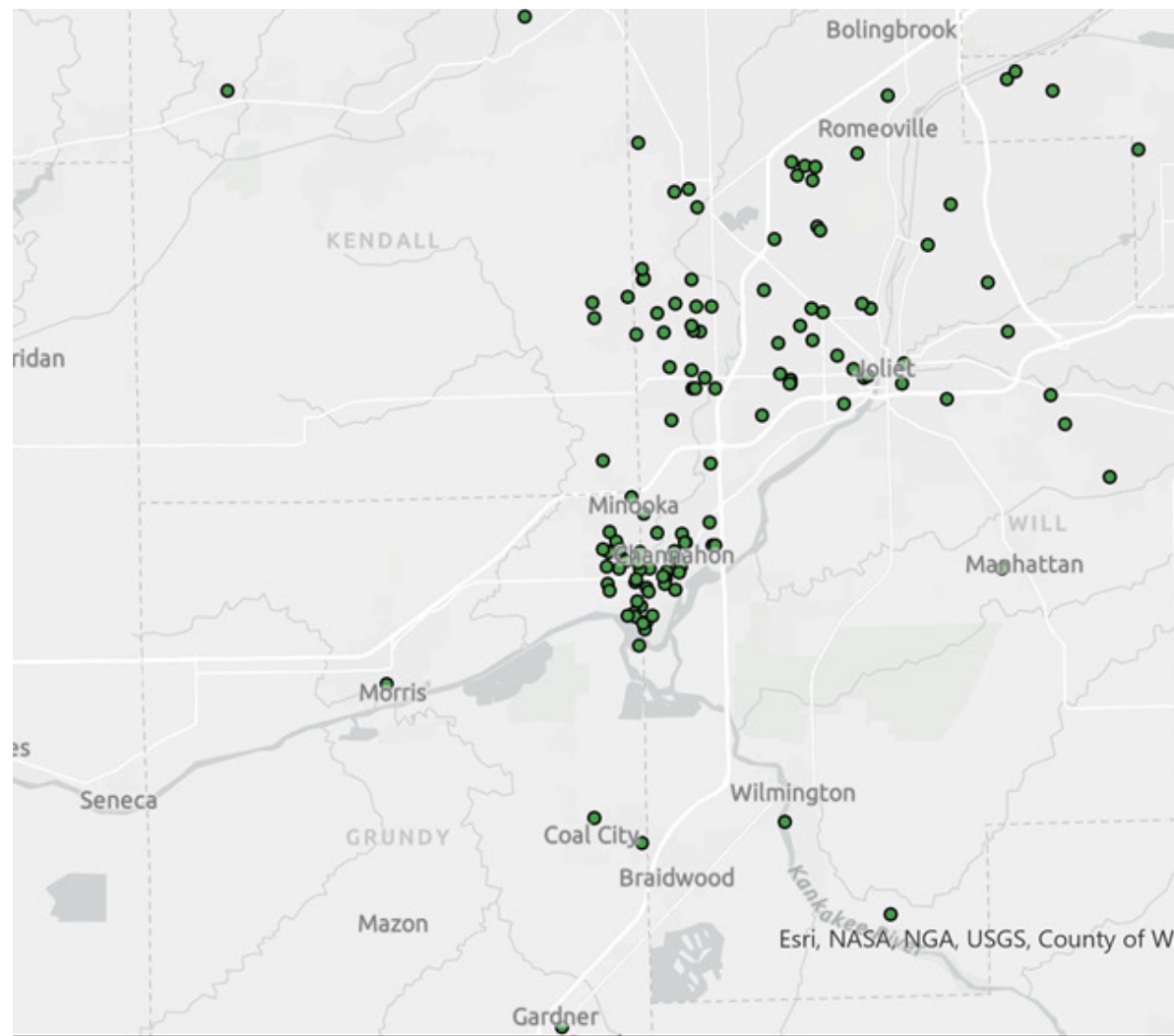
New Residents & Move-In Analysis

Buyers of homes in Channahon are primarily from Channahon and the surrounding areas. While buyers came from across the United States, stretching from New York to Texas, a geographic concentration is seen primarily highlighting the southwest suburbs of Chicago. Of the 189 home sales in 2023, 162 of the buyers reported the town of their origin. As has been the trend, the highest percentage of buyers

(25.9%) were those who were already residents of Channahon. This is higher than the percentage of purchasers in recent years, which typically lies just over 15%. It remains an indication that many are satisfied with their hometown and are upgrading or right-sizing their home type to match changing life situations. Closely following Channahon were homebuyers that were residents of Joliet (12%), Plainfield (12%), and Minooka (9%). These three locations represent

a third of all home buyers and when combined with buyers from Channahon they make up three in every five home purchases. 7% of buyers came from outside of Illinois. This is steady with the previous year 2022, and both were double the percentage of out of state buyers from just three years ago in 2021.

Origin Location of Home Buyers in Channahon

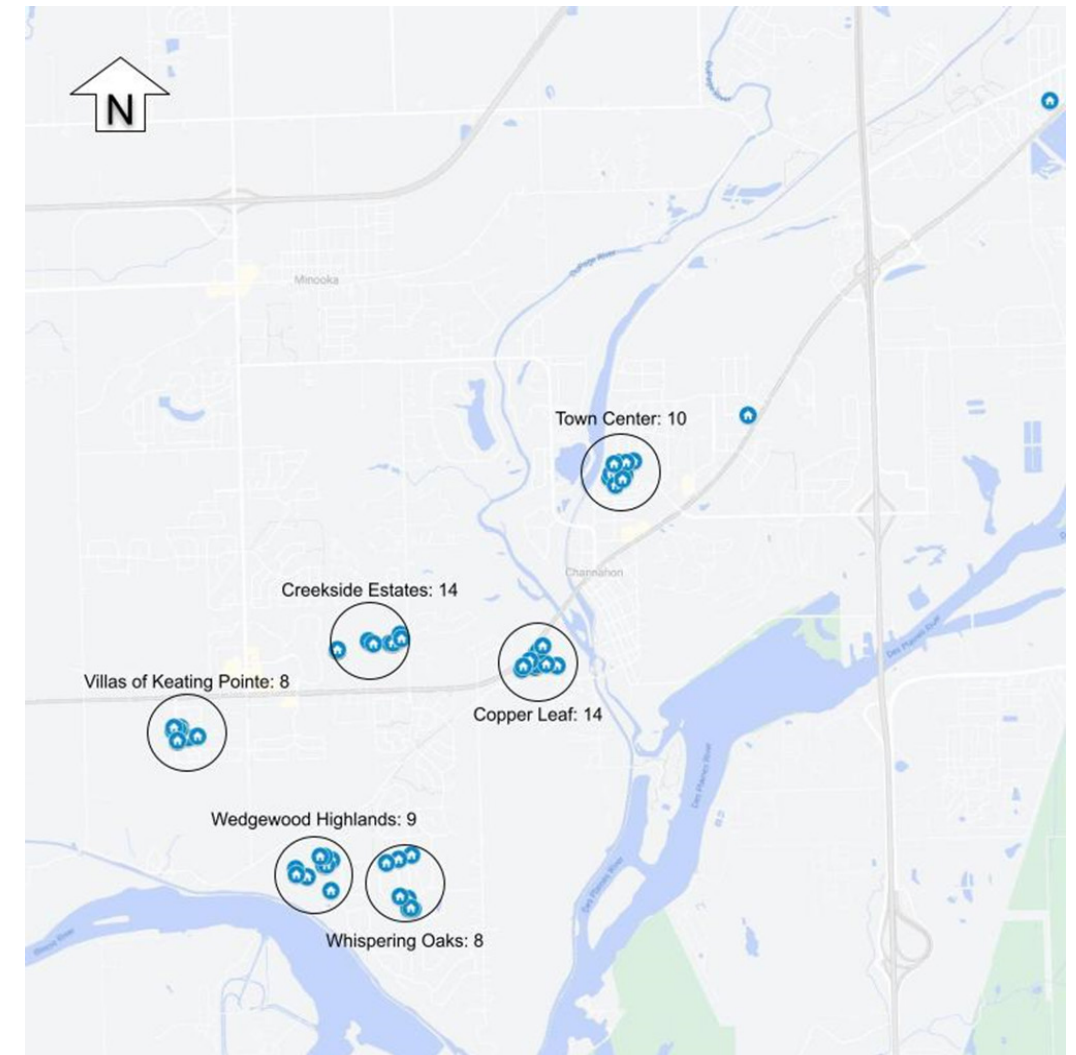


Distribution of New Housing Units in 2023

Continuing a longtime trend, due to the concentration of available lots being located to the west, the primary area of new homebuilding has been in Grundy County. While the ratio of homes in Grundy:Will has remained about the same year after year, 2023 saw a decrease to the proportion of homes constructed in Grundy County during 2023. Approximately 62% of all new homes constructed were built in Grundy County, down from 75% of all new homes in 2022. Creekside Estates led other developments in the county with 14 new homes permitted. Wedgwood Highlands followed with nine new homes, and Villas of Keating Pointe and Whispering Oaks each contributed eight. Woods of Aux Sable rounded-out activity in the county with three new starts.

In Will County, the Copper Leaf subdivision again returned to activity and became tied with Creekside Estates to be the most active development in Channahon with 14 new homes permitted. Town Center (GDP Homes) continued a steady pace, again constructing 10 new homes during 2023. Two other construction starts in Will County were one-off locations in subdivisions that are, for all intents and purposes, fully

Map of New Homes Permitted for Construction in 2023



New Construction by Subdivision			
42 in Grundy County (62%)		26 in Will County (38%)	
Creekside Estates	14	Copper Leaf	14
Wedgwood Highlands	9	Town Center	10
Villas of Keating Pointe	8	Other	2
Whispering Oaks	8		
Woods of Aux Sable	3		

constructed. The types of available lots and lack of general available supply in Will County are the primary reasons for the lesser number of permits issued for construction.

Population

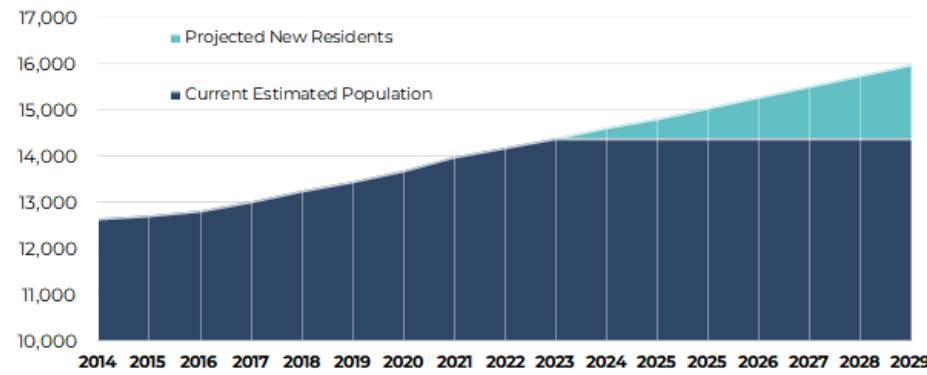
Population estimates are calculated by building off of the Census population count that stood at 13,383 as of April 2020. Using this as a starting value and calculating population using estimates based on the number of bedrooms added to the community, **the current population estimate of Channahon as of the end of 2023 is 14,399 people.** This represents a total estimated growth of 7.6% since the last census.

The population of the Village of Channahon continues to grow at a healthy 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 changes to the population in existing homes. Often, as children grow and move away from home, their parents continue to reside in the same house resulting in a reduction to the population. Over time as home sales occur and new families move in, the population expands. 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.

The population growth rate over the past year is one of the highest in the area at 1.5% in 2023 (source: <https://worldpopulationreview.com/>).

The five-year average growth rate for the Village of Channahon matches this number exactly: 1.5%. Other outside sources place the Village growth rate higher at 2.19%, but they may be factoring in variables beyond just the number of bedrooms added. Utilizing the Village's determined 5-year average of 1.5%, the projected population of the Village should closeout the decade with

Village of Channahon Estimated Population & Projections 2014 - 2029



approximately 16,000 residents. If that growth rate is realized, more than one in ten people that will be a resident in 2030 do not yet live in the Village of Channahon. With the same steady growth rate, the Village is on track to reach 20,000 residents by 2045.

While there was a slight decrease in the number of new homes built in Grundy County, the number of school age children potentially added to the district climbed. In 2022, a higher proportion of homes constructed in Grundy County were 2-bedroom units, compared to what was built in 2023. Statistically, 2-bedroom homes bring less children than homes with more bedrooms. While the number of homes built in Grundy County was less, the number of homes likely to have children was more. The area still remains attractive to those choosing to downsize into a 2-bedroom home, but the availability of those home types were more limited as existing developments approach buildout and new development units are not yet available for home construction.

County/School District	Grundy County/District 201	Will County/District 17
New Housing Units in 2023	42	26
Total Population in 2023	146	67
New K-8 Students in 2023	31	11
New Sr. High Students in 2023	13	3

Employment

Based on information provided through the business licensing process, the Village of Channahon has 4,669 counted employees that work within its boundaries. This does not include government employees, such as those at schools or the park district because those organizations do not register with the Village. It also does not include businesses that did not report the number of employees during business licensing. In 2023, 69% of registered businesses reported their number of employees on business license applications. At the end of 2023, Amazon remains the Village's largest

employer. In the previous year the company expanded its employee base nearly 10% and now reports 1,973 employees across its two facilities. Discounting the large number of employees at Amazon and considering the average number of employees per business, it is approximated that there is a total of 5,872 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 6,600 total employees working in the Village of Channahon.**

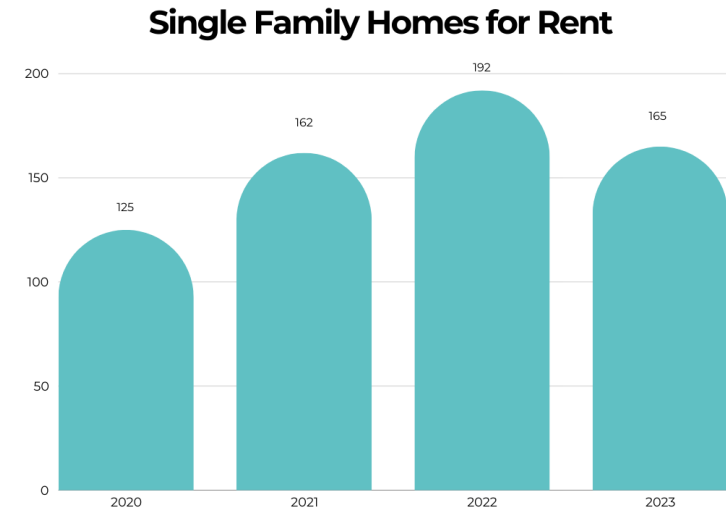


Owner & Renter Occupancy

Since 2020, the Village has been reporting the occupancy status of housing occupied by their owners and those renting/leasing homes. This data is derived from water and garbage billing information and is an approximation. After three years of increases, the number of available properties for rent in the Village of Channahon decreased in 2023. With 4,743 total housing units in the Village of Channahon, **the total rental occupancy status was 11.5% of all dwelling units, down 0.7% from the prior year.** This is a result of both more owner-occupied homes being added to the community, as well as a reduction in the number of single-family homes having a status of being occupied by a non-owner tenant.

As no purpose-built rental properties have been added to the Channahon market since this data tracking began, the area of change is limited to the number of single-family homes for rent. The number of single-family homes occupied by lease tenants fell by 14% in 2023, after a nearly 20% increase the year prior. In all, the number of single-family homes for rent declined to 165 from 192 in the previous year. These rented homes join 380 purpose-built rental units, such as apartment dwellings and land-leases for mobile homes in Remington Woods. A decrease in the amount of rental properties is a change in the recent trend of more single-family homes converting from being owner occupied to leased properties. While the data does show a single year decline, the number of rental properties in 2023 was still higher than two years prior, indicating an increasing overall trendline for the number of rental properties.

There have been no market rate rental units constructed in Channahon for many years. Demand for rental units has created long waiting lists for those hoping to move to Channahon. Along with the long waiting time also comes higher rent pricing. **The median monthly rent price for all properties within a 5-minute drive of Channahon was \$1,533.24 in 2022.** 2023 data was not yet available at the time of this report. If the rental rate appreciation was



equal to the median housing price increase in 2023, the median price for all rental units is now \$1,675. For those seeking a more-immediate lease opportunity in Channahon, there exists little other choice than to look for a single-family home for rent. As the data now shows less supply of homes for rent, options for becoming a Channahon resident are increasingly limited. This is especially true for those that are at a point in life where home ownership is not ideal or not possible.

One possible explanation for the change in direction for the number of homes for rent could be the uncertainty of the overall economic condition of the housing market in an era of rising interest rates. As homes have been appreciating in value very quickly in the past few years, from an investment standpoint it made sense to hold onto assets that were gaining value. With indications of a cooling housing market caused by higher interest rates, among other factors, some owners may have sought to convert investment real estate holdings into cash. Buyers then purchased the homes with the intention of occupying it themselves, thus reducing the supply of rental properties.

The availability of rental properties in the Village of Channahon is low at 11.5%. In Illinois about 33% of the population is renting their living space, slightly less than the national rate of 34%. For Channahon to have an approximately equal ratio to state and national average of rental to ownership rates, over 1,000 single family homes would need to convert to rental properties. When considering new construction, additions to the overall ownership mix would require 1,525 rental units to be built with zero new owner-occupied structures. For the predictable future, it is certain that Channahon will remain a higher percentage of home ownership than the state and national averages, even if significant rental developments are proposed and constructed.

Remaining Lot Inventory

The supply of lots for new homes continues to have a downward pressure on the number of new construction starts. Though more inventory has come to market, the overall number of available lots for single family homes continues to fall. New homes are simply being built more quickly than new lots have been created. With new starts over the last two years being tempered, there currently exists about a two-year supply of lots available to build upon if the same lower amount is built in 2024. However, should market activity increase in the near-term, existing inventory could be exhausted within a year.

Hot-selling products in the Villas of Keating Pointe and Creekside Estates both have plans to bring additional building sites to the market in 2024. That is good news for future buyers, as otherwise those developments would be unable to provide additional homes. While this inventory list focuses on availability at a single point in time, December 31, 2023, there have been additional sales and pending permits that all but complete several of these developments within Channahon. Copper Leaf subdivision should reach full buildout in 2024. It is mathematically possible that Town Center, Four Oaks, Whispering Oaks, and Woods of Aux Sable all reach full buildout as well. However, it is usually seen that the last one or two lots remain for a period of time after the period of high inertia of development is over.

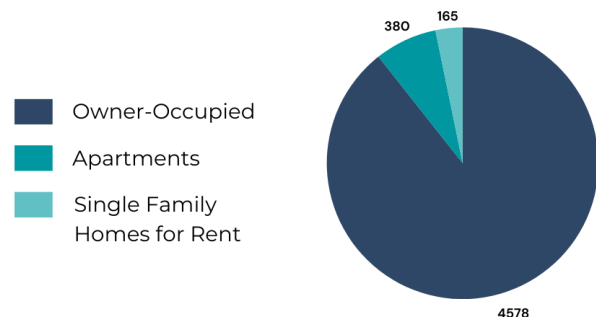
Existing lots for the construction of townhomes continue to have tepid interest in the market. While attached single family products sharing one wall - duplexes - have sold very well in Channahon, no builder has made a speculative venture to construct a single-family-

attached product of more than two units. A lot that was designated for a two-unit duplex was permitted and construction began in the townhome area on the north side of Orchid Ln. in Whispering Oaks, but the remaining four-plex buildings in that area have not progressed to build in that way. However, there have been discussions by builders inquiring about building those lots as detached single family homes or duplex products.

2023 Year End Lot Inventory Currently Platted Lots in Developing Subdivisions			
Development/ Subdivision	Total Lots Remaining at End of 2023	Will County	Grundy County
Copper Leaf	10	10	
Four Oaks	3	3	
Town Center Unit 2A/3	2	2	
Town Center Unit 4	14	14	
Wedgewood Highlands	26		26
Whispering Oaks	8		8
Woods of Aux Sable	8		8
Detached S.F. Total	71	29	42
Creekside Estates Duplexes	14		14
Town Center - Brownstone Duplex	8	8	
Villas of Keating Pointe	2		2
Woods of Aux Sable - Duplex	2		2
Villas & Duplex Total	26	8	18
Keating Pointe - Townhomes	9		9
Whispering Oaks - Townhomes	24		24
Townhome Total	33		33
TOTAL BUILDABLE LOTS*	130	37	93

*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 ownership.

Owner and Renter Occupancy



2 Development 0 2 4 Projections



Projected Population & Distribution of New Housing Units in 2024

While there continues to be the possibility that the reduction in lot supply will lead to an eventual slowdown of homebuilding, the market has continued to thus far provide for enough new lots to prevent this from happening. With buyers continuing to purchase homes throughout a period of rising interest rates, it appears that economic uncertainty has not had the ability to halt the construction of new housing in Channahon.

In 2023, the new construction of homes exceeded predictions by 13%. High interest rate aversion and fears of economic turmoil did not materialize to the level that it could have. Still, the threat remains that many buyers are choosing to stay on the sidelines and wait for a more opportune time to become homebuyers. With buyers of new construction homes in Channahon seemingly less concerned by these factors, it is likely a similar build rate will be realized. As was predicted with the previous year, high interest rates may not be enticing people to buy homes, but rates have not necessarily been significantly preventing construction from happening in Channahon either.

While sufficient lot supply is an ever-present concern for the future, there are enough properties in builders' inventories to sustain numbers throughout the coming year. While there are also some additional new units of subdivisions that will be constructed in 2024, the lack of a new and different product on the market will likely lead to very similar concentrations of new construction starts as was seen in the previous year. Existing developments have ample interest to continue building, but there is a limit to the amount of homes they can construct in a single year. Without additional builders coming to market in

new developments, numbers should remain approximately equal. Additionally, with new units being constructed in several subdivisions, these home sites will not be fully available until later in the year. This likely means that there will be fewer new construction starts in those areas compared to if they were already in existence today.

Estimates for new starts in 2024 are exactly identical to the previous year with approximately 60 new homes predicted to start construction.

Again, the majority of these will continue to be constructed west of the county line, in Grundy County.

The leaders of new construction in the coming year will be dependent on how soon development construction begins. Creekside Estates and Villas of Keating Pointe have both been residential leaders in the past. With new units being built in each of those subdivisions, their development timing will impact the number of home sites that will be ready for construction. While Creekside Estates still has some lot inventory left to work with, the Villas of Keating Pointe is effectively at a standstill until the next unit is ready for homes to be built.

Ravine Woods Unit 3 remains a wildcard in the mix. Ownership had previously indicated a desire to start developing the subdivision in 2023, but that never materialized. While plans are mostly finalized and the subdivision unit was previously approved by the Village Board, the real estate investment trust which owns the land had other land with a higher priority for development.

A synopsis of each available subdivision is below:

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 were some of the median-market products offered in other developments. Under new ownership, the subdivision has quickly come around and became a leader in new construction. In 2023 this subdivision was tied for the most new construction permits at 14. With only 10 lots remaining at the end of 2023, some of which are already sold, Copper Leaf should reach final build-out in the coming year.

Creekside Estates (Grundy County)

Creekside Estates was again the highest (tied) volume selling subdivision in 2023. 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 only 14 of those remain available at the end of 2023. Phase 2 of the development was approved by the Village Board and construction will begin in 2024 to bring an additional 34 units to market. The duplex housing product is marketed to be a higher-end home, typically targeting those that are downsizing. This is a sector of the housing market that is less impacted by interest rates than others. Many buyers simply roll over the equity value of their existing homes when they sell into their new purchase.

Four Oaks Subdivision (Will County)

The four-home subdivision on large homesites along Ford Rd. began construction of its first home in 2021. The remaining three lots transferred ownership to a new owner in 2023. As a higher-priced product, the homes built on these lots attract a smaller audience than some main-market offerings throughout Channahon. With only three lots to offer, it is possible they could construct and finalize the subdivision at any time.

Town Center (Will County)

Town Center has been perennially successful in selling a unique single-family home product. The mixture of homes with period appropriate architecture are constructed in a traditional Americana fashion, with reduced setbacks and enhanced curb appeal. While Unit 4 is approaching buildout, this development still has enough availability to build at the same rate in 2024 as it did in the previous year. Like all developments, the absorption of lots by buyers typically slows as selection dwindles. With the nature of the development being slightly less differentiated than some other typical subdivisions, this may not be

the case in this area. Additionally, the developer has its own mortgage arm and is therefore able to be priced more competitively than some other offerings. Activity is predicted to again be equal to what it was in 2023 for single-family homes and that area will approach complete buildout in 2024.

There also still remain 8 brownstone/duplex lots that have been on-hold due to ownership constraints imposed by the Illinois Housing & Development Authority. A portion of the land was purchased with IHDA funds when the St. Elizabeth Residences, an affordable senior housing development, was constructed in 2016. GDP Homes has been working with IHDA to clear this development hurdle and could begin construction of the product immediately upon resolution. It is currently expected that construction will resume in the summer of 2024.

The Villas of Keating Pointe (Grundy County)

The Villas of Keating Pointe was also a perennial best seller in years past. Today, the existing units of the subdivision are sold-out. 29 more home sites were approved in late 2022, but construction delays relating to the availability of electric transformers put the development on hold. Core Homes anticipates the development of the new unit to begin in the spring of 2024. The date of availability of lots for homes to begin construction will weigh heavily on the number of homes able to be permitted during this calendar year.

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.

Lots for 9 townhome units remain along the west side of Keating Blvd., after the conversion of some of those units into additional Villa units. The two remaining buildings, one four-unit and one five-unit structure, are to be completed as townhomes. The

Projected 2024 Population Additions*

County/School District	Grundy County/District 201	Will County/District 17
New Housing Units	40	20
New Total Population	105	61
New K-8 Students	20	12
New Sr. High Students	8	5

*Based on the estimate of 60 new homes

cost of speculative construction and the unknown demand for townhome units has caused for a moment of pause by the builder. With more knowingly-marketable products to focus on across Channahon, townhome construction in the near term is unlikely.

Wedgewood Highlands (Grundy County)

Wedgewood Highlands continues to build homes at a steady rate. The subdivision appears to be slightly limited by its location not being very visible to main roads, as the product type is highly desirable by buyers. With 26 available lots, there should be inventory available for the same level of construction activity through 2024 and 2025: Approximately 10 per year.

Whispering Oaks (Grundy County)

Whispering Oaks was a high contributor to the number of housing starts over the past several years until the near-completion of Unit 1, which was originally developed prior to the Great Recession. A new developer team acquired the land that was intended to be Unit 2, and divided it into three smaller units: 2, 3, and 4. Unit 2 came to market in 2022. Unit 2 of Whispering Oaks began a bit slowly, but now only six lots remain. Unit 3 is approved for construction and will begin development in the spring of 2024, bringing another 13 lots to market. Along with this phase, Justin Dr. will be connected between The Highlands subdivision and Whispering Oaks. Improved connectivity may help to bring more attention to the development, and in turn could attract more buyers. Unit 4, the final unit of Whispering Oaks, may begin through the approval and construction process in the fall of 2024. This will be dependent on the speed of completion of, and sales within, Unit 3.

The townhome lots on the north side of Orchid Dr. in this subdivision were sold during 2022 and are again for sale. 26 townhome units were originally approved in this area. One lot, containing a 2-unit duplex, started construction in 2023. The remaining 6 lots may each contain a 4-unit townhome building for a total of 24 units. However, per zoning allowance each of those lots may also build an alternative structure containing fewer units; or even a single-family home. For the same reasons as in Keating Pointe, speculative townhome construction is not likely.

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 the same ownership as homes next-door and are unlikely to be built. With no activity again in these three units in 2023, this is the last year that these lots will be considered as part of the buildable lot inventory.

Woods of Aux Sable Unit 4 was constructed and began contributing to new homes in 2023. The development added 6 additional single-family home lots on the west side of Keating Blvd. With four homes starting in the first year they were available, only two remain and this final unit of Woods of Aux Sable should be complete in 2024.

Prospective Future Residential Development

While *Whispering Oaks* (Grundy County) has already added new lots in its Unit 2 in 2022, plans are for Units 3 and 4 to begin construction in 2024. Unit 3 is already approved for 13 units and should begin construction in the spring. Unit 4 will potentially follow in the fall and add 42 additional single family homesites. This will complete the *Whispering Oaks* development.

Approved in late 2018, a Planned Unit Development for *Ravine Woods Unit 3* (Will County) was preparing to begin construction in late 2022 when winter weather arrived and delayed the start of development. While a spring 2023 ground-breaking was tentatively planned, construction never materialized. The owner of the property is a large real estate investment trust (REIT) with multiple properties across the country. Their choice of timing for development of their properties is subject to many factors known only to them. When started, 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 has impacted market pricing to a point when a positive return will be achieved.

In the multifamily sector, there continues to be strong market demand for multifamily

buildings. Other than the St. Elizabeth residences, constructed in 2016, there have been no additions to the market in over twenty years. The Alden Foundation will be seeking approval for a 46-unit senior living development in 2024. The proposed development contains a 3-story apartment building. Residents are limited to those aged 62 and over. Due to the timing of several factors, if approved the building will not begin construction until later in 2025 for occupancy in 2026. While other multifamily builders have been exploring the market, nothing is expected to be proposed, approved, and begin construction during 2024.

Future Non-Residential Development & New Businesses

The demand for businesses of and relating to logistics and warehousing continues to be strong throughout the region and entire nation. 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. An increase in interest for sites for manufacturing businesses has also been seen throughout the region. In the developed areas of the Village, 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 is vacant land previously zoned for industrial uses or the redevelopment in areas that are already occupied by older industrial uses. This has been seen by the two Penske developments along the west frontage road, north of U.S. Route 6. The initial Penske facility completed its first phase of construction and opened for operations in 2023. The second Penske facility began construction in 2023 and should begin operations in 2024. The final portion of Penske construction - phase 2 of the first facility - should begin and end in 2024.

The Village's planned area for future industrial development is located west of McLinden Rd., in the region already occupied by other industrial uses - otherwise known as the Brisbin Rd. Interchange Area. Currently, water and sewer utilities are not available to this area. The Village of Channahon has purchased property and began

design for a future wastewater treatment plant that will provide sewer service to that area. Water is eventually to be extended along U.S. Route 6 from the Ridge Rd. water tower area, which is a connection location for the future supply of Lake Michigan water to Channahon.

In 2019, the Canadian National (CN) Railway began purchasing parcels of property in proximity to its railroad tracks west of McLindon Rd. The totality of these purchases is approximately 900 acres. The majority of this land, which lies north of U.S. Route 6 across from heavy industrial users such as AuxSable Liquid Products and LyondellBasell (LYB), has been within the Village of Channahon limits and zoned as I-2 Intensive Industrial for more than 20 years. In 2023, the Village received a professional fee agreement for the development of the Chicago Logistics Hub. This project is proposed to include the development of a multi-modal facility and logistics-oriented business park along the CN rail line. As many factors need to be reviewed and amended before this proposal becomes an application for construction, it is highly unlikely any construction will begin in 2024.

QuikTrip has purchased a parcel of land in the southwest quadrant of I-55 and U.S. Route 6 for the development of a fueling center. Plans have not yet been approved, but it is possible the company will be able to begin construction later in 2024, should their designs be completed and approved.

Another development was approved and will begin construction in the spring of 2024 O'Reilly Auto Parts will construct the store they were approved to build in the area near Ridge Rd. and U.S. Route 6. This area has seen a high level of interest and construction in the past 24 months with the construction of multiple new commercial businesses.

With fewer commercial businesses currently in the planning phases at the end of 2023, it is not expected that 2024 will match the uptick in commercial activity that was seen in 2023. That activity included: Casey's, Channahon Fire District Station #2, Dairy Queen, Penske, Starbucks, and Tractor Supply Company. As the market reacts to the new supply of available retail activity, and also becomes more comfortable with the cost of money related to interest rates, commercial interest should continue to circle the growing commercial areas of Channahon.

Summary & Conclusions

New construction housing in 2024 should continue to build at approximately the same rate as in the previous year. With new subdivision units being constructed, lot supply will be sufficient to expand upon this number for at least one more year. Though higher interest rates have tempered homebuying, market demand for new construction still seems sustainable. The ability for builders that are active in the Village to construct homes to meet demand may be the current limiting factor. Attracting additional builders to the Village of Channahon may have the result of increasing the overall number of homes built. With no substantial amount of lots for sale, however, a new builder would need to develop land before being able to construct homes. Residential properties, other than traditional detached single-family homes, have an increasing demand across the greater region. As such, it is anticipated that interest in attached-single-family and multifamily developments will continue to expand in coming years.

While 2023 was a busy year for commercial construction, activity has been less active for commercial developments seeking future approval. 2024 will see the start of some commercial construction activity, but it is likely that the higher cost of money has slowed some business expansions. The prediction that interest rates will fall throughout this year and next may change this course moving into the future. From conversations with builders and developers it is known that there is interest in multiple sectors within Channahon, including

residential, commercial, and industrial uses.

As home purchase prices continue to rise, the demand for rental products continues to be strong. With the overall increasing cost of housing, and fewer rental offerings, prices are rising. While this may have the unfortunate result of pricing some out of the Channahon market completely, at a certain price point the construction of new dedicated rental properties becomes attractive for developers. The expanding workforce in the far southwest suburbs continues to increase the demand for housing as the next generation of workers seeks homes within a reasonable commuting distance to work. 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 going 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 their later years in the place they have called home.

Industrial development on the western edge of Channahon will likely not see vertical construction in 2024. Plans for the region

will be more defined with the Grundy Moves countywide transportation plan, which was officially completed in the spring of 2024. The defining routes and suggested regional projects will work towards defining development patterns into the future. With the Canadian National Railway intending a large multimodal development in the area, proper planning and execution of transportation improvement projects will be critical for the entire region.

With high-quality housing, and highly-regarded schools, parks, and open spaces, Channahon remains an attractive destination for families. In addition to a growing number of residents, the growing number of employees in the Village - and the region

- are adding to the daytime population attribute that is important for sustaining commercial activities. Despite some minor slowdowns assumedly caused by economic pressures, growth continues on a steady and manageable pace and interest in the Village of Channahon remains high. Contrasting this is the need for more opportunities for the next generation to stay in Channahon and the ability for younger individuals to have housing opportunities if they choose to relocate and call Channahon their home. Changing housing preferences of the next generations, and current generations changing their position in the job market, will continue to encourage market diversification of the types of housing offered throughout the Village of Channahon.



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