



Illinois home sales and prices shift higher in March

The Talking Points

The Illinois housing market kicked off spring with strong increases in both sales—which outpaced last year and the month before—and the statewide median price—which climbed to a new high of \$249,000. Homebuyer demand continues unabated, but with historically low inventory levels, they are facing one of the most competitive markets in years. Homes are selling quickly and at top prices, which could make it one of the best times in years for owners to put their homes up for sale.

(NOTE: Talking Points are meant for members only)

Here are some of the market dynamics:

- **Home sales:** Statewide closed sales were up 20.2 percent compared to last year, Chicago Metro Area sales increased 24.6 percent and sales in the city of Chicago were up 35.5 percent.
- **Prices:** Year-over-year median prices rose again in March, increasing 15.3 percent statewide to \$249,000, 13.5 percent in the Chicago Metro Area to \$295,000 and 7.8 percent in the city of Chicago to \$345,000.
- **Inventory:** Inventory is down sharply compared to this time last year. Available statewide inventory was 23,381, a 53.2 percent decrease from last March. Inventory was also down 52.1 percent in the Chicago Metro Area and 13.1 percent in the city.
- **REAL Forecast:** The Illinois housing market appears poised for continued growth with positive year-over-year gains in home sales and prices forecast for April, May and June. Buyer demand is strong, but the historically low inventory and questions about affordability are ongoing concerns.





- **Fannie Mae: 75 percent of consumers consider homes “safe” investments.** That was the consensus in Fannie Mae’s [Q4 2020 National Housing Survey](#), which found the safety of investing in a home ranking just below a savings/money market account. Also, monthly sales of single-family homes rose 20 percent higher in Q4 2020 than in Q4 2019.
- **Freddie Mac:** As the economy recovers, the housing market remains healthy while mortgage rates move up. In its [latest quarterly report](#), Freddie Mac estimates mortgage rates will rise in 2020 and 2022, and this will cool off sales, price and refinancing figures. Meanwhile, Freddie Mac predicts overall housing market activity will stay robust.
- **Realtor.com: Biden takes on housing crisis in proposed budget.** In his [first budget proposal](#), President Joe Biden seeks to increase the Department of Housing and Urban Development’s (HUD’s) budget by \$68.7 billion to assist low-income renters and increase availability of lower-cost homes.