ILLINOIS REALTORS® **Talking Points**

August 2023

July Illinois' home sales and inventory fall while statewide median prices rise

The Talking Points

The number of home sales and the housing inventory in July 2023 dropped in comparison to July 2022 figures, on the state, Chicago Metro and city of Chicago levels, according to data from Illinois REALTORS®. Prices rose statewide and in the Chicago Metro area but dipped slightly in Chicago.

Note a few market dynamics:

- **Home sales.** Statewide closed sales fell 21.4 percent, from 15,356 in July 2022 to 12,076 in July 2023. In the Chicago Metro Area, closed sales decreased 21.5 percent, from 10,561 to 8,292 during the same period, while in the city of Chicago, closed sales decreased 20.0 percent from 2,481 to 1,986.
- **Inventory.** Statewide inventory decreased 34.7 percent from 29,774 in July 2022 to 19,432 in July 2023. In the Chicago Metro Area, inventory declined 37.5 percent from 21,889 in July 2022 to 13,686 in July 2023, while in the city of Chicago, inventory decreased 33.5 percent, from 8,238 last July to 5,476 this July.
- **Prices.** Median prices rose 5.6 percent statewide from $270,000 in July 2022 to $285,000 in July 2023. The Chicago Metro Area median price rose 5.3 percent from $323,000 in July 2022 to $340,000 in July 2023. In the city of Chicago, the median price fell 2.1 percent from $350,000 in July 2022 to $342,500 in July 2023.
- **Days on market.** Homes stayed on the market 10.0 percent longer statewide, increasing from 20 days in July 2022 to 22 days in July 2023. In the Chicago Metro Area, homes were on the market 16.7 percent longer, an increase from 18 days in July 2022 to 21 days in July 2023. In the city of Chicago, the increase was 12.0 percent, from 25 days in July 2022 to 28 in July 2023.
- According to Freddie Mac, the monthly average commitment rate for a 30-year, fixed-rate mortgage was 6.84 percent in July 2023, compared to 6.71 percent in June 2023 and 5.81 percent in July 2022.

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- In July 2023, the Fannie Mae Home Purchase Sentiment Index increased by 0.8 points to 66.8, as pessimism about home buying conditions offset increased consumers' confidence about their own personal financial situations. Half of the index's six components increased month over month, including parts measuring job security and home price expectations. But 82 percent of consumers – a new survey high -- said it is a bad time to buy a home, compared to 78 percent last month. The full index is 4 points higher than July 2022.

- "While consumers are reporting confidence in the components related to their personal financial situations, it's unlikely we'll see housing sentiment catch up to other broader economic confidence measures until there is meaningful improvement to home purchase affordability," said Doug Duncan, Fannie Mae Senior Vice President and Chief Economist. "In July, a significant majority of consumers indicated that their jobs are stable and that their incomes are the same or better than they were twelve months ago. However, homebuying sentiment once again matched its all-time low, with only 18% telling us that it's a good time to buy a home. Unsurprisingly, consumers continue to attribute the challenging conditions to high home prices and unfavorable mortgage rates. Further, the share of consumers expecting home prices to continue to rise has also been on a steady climb since March, which may only add to perceptions of unaffordability. Additionally, we have not seen much movement in the 'good time to sell' component over the last few months, an indication that the current low levels of existing homes for sale will likely continue to persist in the near term, as also reflected in our latest forecast."