



Strong market momentum carries into September with healthy gains in home sales and prices

The Talking Points

The fall can often bring a seasonal slowdown, but the Illinois housing market steamed ahead in September with strong home sales and median price gains. Available inventory remains tight, but homes are selling quickly and the year-to-date market is stronger than it was at this time last year. Homebuilder sentiment is at a 10-year high, mortgage interest rates are low and consumers believe in the financial power of homeownership. One thing to watch, however, is the state's job growth, which continues to lag behind the nation's.

There are a number of market dynamics to note here:

- **Illinois home sales climb higher in September; sales also ahead of last year.** Statewide home sales in September totaled 13,794, a 5.6 percent increase compared to last year. The year-to-date picture is just as rosy with home sales 7.5 percent higher than last year. Home sales increased 5.3 percent in the Chicago PMSA and 5.2 percent in the city of Chicago.
- **Statewide median price rises year-over-year for 37 consecutive months.** The statewide median price has experienced annual gains every month for more than three years. In September, the statewide median price was \$172,000, a 6.2 percent increase over last year. Prices were also higher in the Chicago PMSA and the city of Chicago in September.
- **The houses that are selling are moving quickly.** This fall's buyers aren't wasting time when they find the home they want. Statewide days on market averaged 64 days, down from 69 days last September. In the Chicago PMSA, days on market averaged 54 days in September, while in the city of Chicago homes sold in 47 days. Low inventory continues to affect the market. In September there were 70,547 homes for sale, down 10 percent from 78,373 a year ago. Compare that to September 2008, when there were 124,896 homes for sale.
- **REAL forecast:** The latest forecast anticipates positive year-over-year growth for home sales in October, November and December while month-to-month growth is expected to decline. Home prices are forecast to see moderate growth during the same time.
- **Homebuyers recognize the economic value of becoming a homeowner.** NAR's latest [Housing Pulse Survey](#) found that the majority of Americans surveyed believe that buying a home is a good



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financial decision and 68 percent said now is a good time to buy. New data from the Federal Reserve also shows that a typical homeowner's net worth is \$195,400 compared to a renter's net worth of \$5,400. [Read more.](#)

- **Fixed mortgage rates have hovered below four percent for the last three months.** Good news for today's homebuyers. Fixed mortgage rates have remained below four percent for at least 12 weeks, according to Freddie Mac. With growing expectations that the Federal Reserve may continue to hold off on raising short-term interest rates this year, fixed rates could stay low for some time to come, Freddie Mac analysts say. [Read more.](#)
- **CoreLogic: U.S. foreclosure inventory down 25 percent compared to last summer.** The nation's foreclosure inventory has steadily declined, falling 25.2 percent in August compared to the same time last year, according to CoreLogic's latest [August 2015 National Foreclosure Report](#). Completed foreclosures decreased 20.1 percent compared to August 2014. In a news release, CoreLogic President and CEO Anand Nallathambi said improving sales and prices and are expected to continue into the early fall. "Longer term, the recent increase in household formations and rapidly improving labor market for millennials will provide a demographic tailwind to the housing market and keep demand firm."