

## Illinois home sales and median prices surge higher in April

### The Talking Points

The Illinois spring housing market continued to gain momentum in April as buyers drove home sales 6.6 percent higher than a year ago. Median prices marked 32 consecutive months of year-over-year increases even as inventory remained tight. The homes that were on the market were moving faster with statewide days on market averaging 78 days, down 4.9 percent compared to a year ago.

There are a number of market dynamics to note here:

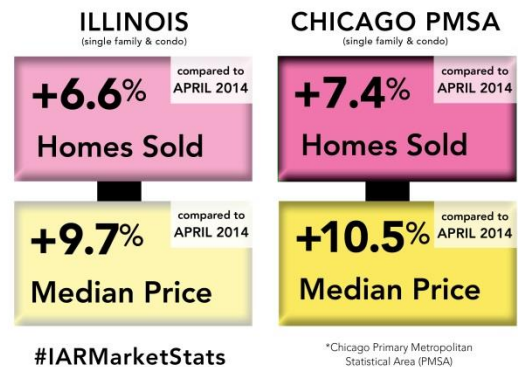
- **Home sales head higher again.** There were 12,822 homes sold statewide in April, a 6.6 percent gain over last year and the best month, in terms of total sales, so far this year. Year to date, home sales and prices are stronger than last spring in the city of Chicago, the Chicago PMSA and the state.
- **Higher year-over-year home prices for two and half years and counting.** Steadily improving home prices are good news for Illinois homeowners looking to sell. That, in turn, could end up being good news for potential buyers if it generates more housing inventory and gives them more homes from which to choose. The statewide median price rose 9.7 percent in April to \$170,000, while Chicago and the surrounding PMSA posted double-digit annual price gains — up 10 percent and 10.5 percent respectively.
- **REAL forecast:** Expect overall positive growth in statewide home sales and prices in the coming months, according to the second quarter 2015 market forecast from the Regional Economics Applications Laboratory (REAL) at the University of Illinois. The median price forecast calls for robust annual increases of 10.4 percent to 12.1 percent and statewide sales could increase at an annual rate of 3.9 percent to 5.3 percent. [Read more.](#)



Illinois Association of REALTORS®

### Housing at a Glance

April 2015





## Talking Points

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May 2015

- **Will rising rents spur more consumers to buy?** The cost of renting has gotten higher in the last five years. Depending on which U.S. metropolitan area you live in, some of the increases have been substantial. Rents jumped 50.1 percent in the New York area, according to research from NAR and 12.92 percent in the Chicago area. [Find an interactive infographic](#) from NAR for more on the issue.
- **U.S. pending home sales rise for third straight month.** Buyer demand is out there; now inventory needs to follow suit. NAR reported the Pending Home Sale Index rose in March to its highest level since June 2013. NAR Chief Economist Lawrence Yun said demand is up in many areas of the country, particularly in growing metro areas and even more promising is the shift toward more traditional, longer-term buyers supplanting cash investors in the market. But Yun said insufficient housing inventory and rising prices could affect sales this season. [Read more and watch a new video from NAR.](#)
- **NAR: Homeownership rate at 25-year low.** In the first quarter of 2015, the U.S. homeownership rate fell to its lowest level since 1990. The decline in homeownership means increased inequality in wealth distribution, [NAR Chief Economist Lawrence Yun said](#). "Home ownership plays a pivotal role in the U.S. economy and has historically been one of the primary sources of wealth accumulation for middle class families. Unfortunately, due to an underperforming labor market, insufficient housing supply and overly stringent underwriting standards since the recession, home ownership has plunged to a rate not seen in over two decades. As a result, the country has become more unequal as the number of home owners has fallen while the number of renters has significantly risen," he said. Yun also covered the topic in his presentation, "[Economic and Housing Market Outlook](#)," at the REALTORS® Legislative Meetings & Trade Expo last week in Washington, D.C.