

Strong July market brings higher home sales and median prices

The Talking Points

Homebuyer demand has been strong throughout the summer and the impact of limited housing inventory is driving home sales and prices higher. Sellers who decided to list their homes are benefitting from faster sales and at higher prices. So far, 2015 is shaping up to have a stronger start than 2014 as year-to-date sales are up 8.2 percent and the statewide year-to-date median price up 9.4 percent.

There are a number of market dynamics to note here:

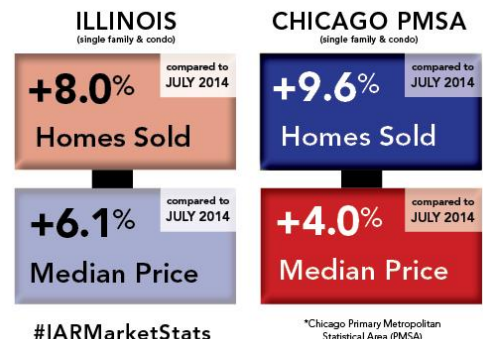
- Illinois home sales mark six months of consecutive gains.** Statewide home sales again saw a year-over-year increase with July sales totaling 16,901, an 8.0 percent increase compared to July 2014. Year-to-date sales continue to trend higher, up 8.2 percent compared to the first seven months of last year. Sales were up 9.6 percent in the Chicago PMSA and 9.7 percent in the city of Chicago in July.
- Sellers benefitting from higher home prices.** Median prices rose in 52 Illinois counties and the statewide median was up 6.1 percent to \$190,000 in July. As the market continues to stabilize, Illinois home prices have risen annually for 35 consecutive months.
- Days on market continue to fall; homes selling in less than two months statewide.** Statewide, the time it took to sell a home in July fell to 58 days, down from 65 days last year. In the Chicago PMSA, homes averaged 50 days on market while in the city of Chicago, days on market averaged just over a month at 41 days.



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Housing at a Glance

July 2015





- **REAL forecast:** Looking ahead to August, September and October, Illinois homes sales are expected to see annual growth between 4.0 and 4.9 percent. In the Chicago PMSA, the change will range from 6.7 to 8.1 percent. Statewide median prices are forecast to rise annually 6.8 percent in August, 9.0 percent in September and 9.6 percent in October. Comparable figures in the Chicago PMSA are 3.3 percent in August, 5.5 percent in September and 5.8 percent in October.
- **Yun: Low homeownership rate isn't bad news for the housing market recovery.** The U.S. homeownership rate has fallen to a 50-year low, but in a recent column for Forbes, NAR Chief Economist Lawrence Yun said the decline doesn't mean "the housing market is in a funk." Rather steadily rising home prices and declining mortgage debt levels point to more financially healthy homeowners with one of the lowest mortgage default rates in recent years, Yun said. One change that needs to happen in order to spur higher homeownership rates is attracting more first-time buyers to the market. [Read Yun's column in Forbes.](#)
- **Homebuilder confidence heads higher in August.** U.S. homebuilders are feeling more confident about the residential real estate market, according to the latest [National Association of Home Builders/Wells Fargo Housing Market Index](#). In fact, builder sentiment in August rose to its highest level in nearly a decade.
- **Better prepared homebuyers ahead?** The latest BMO Harris Bank Homebuyers Report found that 78 percent of likely homebuyers surveyed said they plan on getting pre-approved before they start their search for a home and many are expecting to put down a larger down payment. [Read more.](#)
- **New 1stHomeIllinois mortgage product available in 10 counties.** The Illinois Housing Development Authority (IHDA) is offering a new home loan program that includes \$7,500 in down payment and closing cost assistance to first-time buyers, veterans and those who haven't owned a home in three years. 1stHomeIllinois is only available in Boone, Cook, DeKalb, Fulton, Kane, Marion, McHenry, St. Clair, Will and Winnebago counties. Learn more about 1stHomeIllinois and IHDA's other statewide loan program, @HomeIllinois, at <http://www.ihda.org>.