

Housing Price Forecasts

Illinois MSAs

Third Quarter, 2022

Presented To

Illinois REALTORS

From

UIC Stuart Handler Department of Real Estate

August 11, 2022

Introduction

This report provides an analysis of the housing market in the Second Quarter of 2022 with forecasts for the Third Quarter of 2022.

The Illinois MSAs' Housing Market

Overview

In the Second Quarter of 2022, overall sales in Illinois decreased compared to last year. Positive growth was recorded in one MSA, and negative growth was in the other nine MSAs. For the Third Quarter of 2022, overall sales in Illinois are forecast to decrease. All ten MSAs are forecast to experience decreases in their sales.

Increasing median prices for Illinois are found in all MSAs except Davenport-Moline-Rock Island MSA in the Second Quarter. The overall median price for Illinois in the Third Quarter is forecast to increase in all ten MSAs.

Housing Market Conditions

In the Second Quarter of 2022, Illinois experienced a decrease in sales, and nine out of ten MSAs experienced varying degrees of decreases in annual decreases. Overall sales for Illinois decreased by 12.5% compared to a year ago. Kankakee experienced positive changes in sales (7.4%), while nine MSAs experienced negative changes: Bloomington-Normal (-21.5%), Champaign-Urbana (-10.8%), Chicago PMSA (-13.4%), Davenport-Moline-Rock Island (-4.7%), Decatur (-8.0%), Metro-East (-9.6%), and Peoria-Pekin (-12.8%), Rockford (-7.8%), and Springfield (-5.6%).

In terms of housing prices, the overall median price for Illinois increased by 5.6% over the past year. The growth was led by nine MSAs: Bloomington-Normal (19.4%), Champaign-Urbana (7.5%), Chicago PMSA (4.8%), Decatur (6.1%), Kankakee (15.3%), Metro-East (10.8%), Peoria-Pekin (8.0%), Rockford (9.3%), and Springfield (6.6%). The median price declined in Davenport-Moline-Rock Island by 2.7%.

The overall quarter's supply for Illinois is 0.5 quarters, decreasing from 0.6 quarters a year ago. Kankakee MSA experienced an increase in the quarter's supply from 0.4 to 0.5 quarters. The other nine MSAs either experience decreases or no change in the quarter's supply of homes.

Housing Market Forecasts

Table 1 provides the median price forecasts for the Third Quarter of 2022. The forecasts indicate positive annual growth for the state as a whole. All ten MSAs are forecast to experience positive changes in the Third Quarter of 2022: Bloomington-Normal (8.1%), Champaign-Urbana (8.1%), Chicago PMSA (11.4%), Davenport-Moline-Rock Island (2.1%), Decatur (5.5%), Kankakee (14.4%), Metro-East (7.8%), Peoria-Pekin (5.3%), Rockford (6.7%), and Springfield (0.2%).

Table 2 provides the sales forecast for the Third Quarter of 2022. The overall sales in Illinois are forecast to decrease by -16.0% to -21.7% compared to a year ago. All MSAs are forecast to experience decreases in sales: Bloomington-Normal (-13.2% to -17.9%), Champaign-Urbana (-10.3% to -13.9%), Chicago PMSA (-6.2% to -8.4%), Davenport-Moline-Rock Island (-2.7% to -3.6%), Decatur (-5.3% to -7.2%), Kankakee (-6.0% to -8.1%), Metro-East (-9.1% to -12.4%), and Peoria-Pekin (-2.8% to -3.7%), Rockford (-6.7% to -9.0%), and Springfield (-6.2% to -8.4%).

Detailed current conditions and forecasts for each MSA market are presented in the next section.

MSA Detailed Notes (to accompany figures on median prices, sales, price stratification, and inventory)

Illinois

- The median price forecast indicates a positive trend with annual rates of change between 8.6% to 10.3% in Q3 2022.
- Sales volume in Q3 2022 is forecast to change by an annual rate between -16.0% to -21.7%.
- Median prices in Q2 2022 were 5.6% higher than a year ago.
- Sales volume in Q2 2022 was -12.5% lower than a year ago.
- In Q2 2022, market shares of homes priced at \$100-200K experienced the largest change, decreasing from 24.8% a year ago to 22.9%.
- By Q2 2022, the overall quarter's supply is 0.5 quarters, decreasing from 0.6 a year ago.

Chicago

- The median price forecast indicates a positive trend with annual rates of change between 9.5% to 12.7% in Q3 2022.
- Sales volume in Q3 2022 is forecast to change by an annual rate between -6.2% to -8.4%.
- Median prices in Q2 2022 were 4.8% higher than a year ago.
- Sales volume in Q2 2022 was -13.4% lower than a year ago.
- In Q2 2022, market shares of homes priced at \$100-200K experienced the largest change, decreasing from 18.9% a year ago to 16.6%.
- By Q2 2022, the overall quarter's supply is 0.5, remaining the same from a year ago.

Bloomington-Normal

- The median price forecast indicates a positive trend with annual rates of change between 6.8% and 8.9% in Q3 2022.
- Sales volume in Q3 2022 is forecast to change by an annual rate between -13.2% to -17.9%.
- Median prices in Q2 2022 experienced a change of 19.4% compared to a year ago.
- Sales volume in Q2 2022 was -21.5% lower than a year ago.
- In Q2 2022, market shares of homes priced at \$300-500K experienced the largest change, increasing from 14.7% a year ago to 21.0%.
- By Q2 2022, the overall quarter's supply is 0.2, remaining the same from a year ago.

Champaign-Urbana

- The median price forecast indicates a positive trend with annual rates of change between 5.1% to 10.0% in Q3 2022.
- Sales volume in Q3 2022 is forecast to change by an annual rate between -10.3% to -13.9%.
- Median prices in Q2 2022 experienced a change of 7.5% compared to a year ago.
- Sales volume in Q2 2022 was -10.8% lower than a year ago.
- In Q2 2022, market shares of homes priced less than \$100K experienced the largest change, decreasing from 17.3% a year ago to 13.6%.
- By Q2 2022, the overall quarter's supply is 0.3 quarters, decreasing from 0.4 a year ago.

Davenport-Moline-Rock Island

- The median price forecast indicates a mixed trend with annual rates of change between -1.4 and 7.4% in Q3 2022.
- Sales volume in Q3 2022 is forecast to change by an annual rate between -2.7% to -3.6%.
- Median prices in Q2 2022 experienced a change of -2.7% compared to a year ago.
- Sales volume in Q2 2022 was -4.7% lower than a year ago.
- In Q2 2022, market shares of homes priced at \$100-200K experienced the largest change, decreasing from 51.4% to 46.6%.
- By Q2 2022, the overall quarter's supply is 0.4 quarters, decreasing from 0.5 a year ago.

Decatur

- The median price forecast indicates a positive trend with annual rates of change between 1.8% and 12.2% in Q3 2022.
- Sales volume in Q3 2022 is forecast to change by an annual rate between -5.3% to -7.2%.
- Median prices in Q2 2022 experienced a change of 6.1% compared to a year ago.
- Sales volume in Q2 2022 was -8.0% lower than a year ago.
- In Q2 2022, market shares of homes priced at \$100-200K experienced the largest change, increasing from 38.7% to 44.2%.
- By Q2 2022, the overall quarter's supply is 0.4 quarters, remaining the same from a year ago.

Kankakee

- The median price forecast indicates a positive trend with annual rates of change between 8.9% and 18.8% in Q3 2022.
- Sales volume in Q3 2022 is forecast to change by an annual rate between -6.0% to -8.1%.
- Median prices in Q2 2022 experienced a change of 15.3% compared to a year ago.
- Sales volume in Q2 2022 was 7.4% higher than a year ago.
- In Q2 2022, market shares of homes priced at \$100-200K experienced the largest change, decreasing from 46.3 % to 33.6%.
- By Q2 2022, the overall quarter's supply is 0.5 quarters, increasing from 0.4 a year ago.

Metro-East

- The median price forecast indicates a positive trend with annual rates of change between 5.3% and 10.0% in Q3 2022.
- Sales volume in Q3 2022 is forecast to change by an annual rate between -9.1% to -12.4%.
- Median prices in Q2 2022 experienced a change of 10.8% compared to a year ago.
- Sales volume in Q2 2022 was -9.6% lower than a year ago.
- In Q2 2022, market shares of homes priced at \$300-500K experienced the largest change, increasing from 15.0% to 19.5%.
- By Q2 2022, the overall quarter's supply is 0.3 quarters, decreasing from 0.4 a year ago.

Peoria-Pekin

- The median price forecast indicates a positive trend with annual rates of change between 1.4% and 7.9% in Q3 2022.
- Sales volume in Q3 2022 is forecast to change by an annual rate between -2.8% to -3.7%.
- Median prices in Q2 2022 experienced a change of 8.0% compared to a year ago.
- Sales volume in Q2 2022 was -12.8% lower than a year ago.
- In Q2 2022, market shares of homes priced at \$100-200K experienced the largest change, decreasing from 40.4% to 37.8%.
- By Q2 2022, the overall quarter's supply is 0.3 quarters, decreasing from 0.4 a year ago.

Rockford

- The median price forecast indicates a positive trend with annual rates of change between -3.8% and 10.0% in Q3 2022.
- Sales volume in Q3 2022 is forecast to change by an annual rate between -6.7% to -9.0%.
- Median prices in Q2 2022 experienced a change of 9.3% compared to a year ago.
- Sales volume in Q2 2022 was -7.8% lower than a year ago.
- In Q2 2022, market shares of homes priced at \$100-200K experienced the largest change, decreasing from 47.8% to 43.8%.
- By Q2 2022, the overall quarter's supply is 0.4 quarters, remaining the same from a year ago.

Springfield

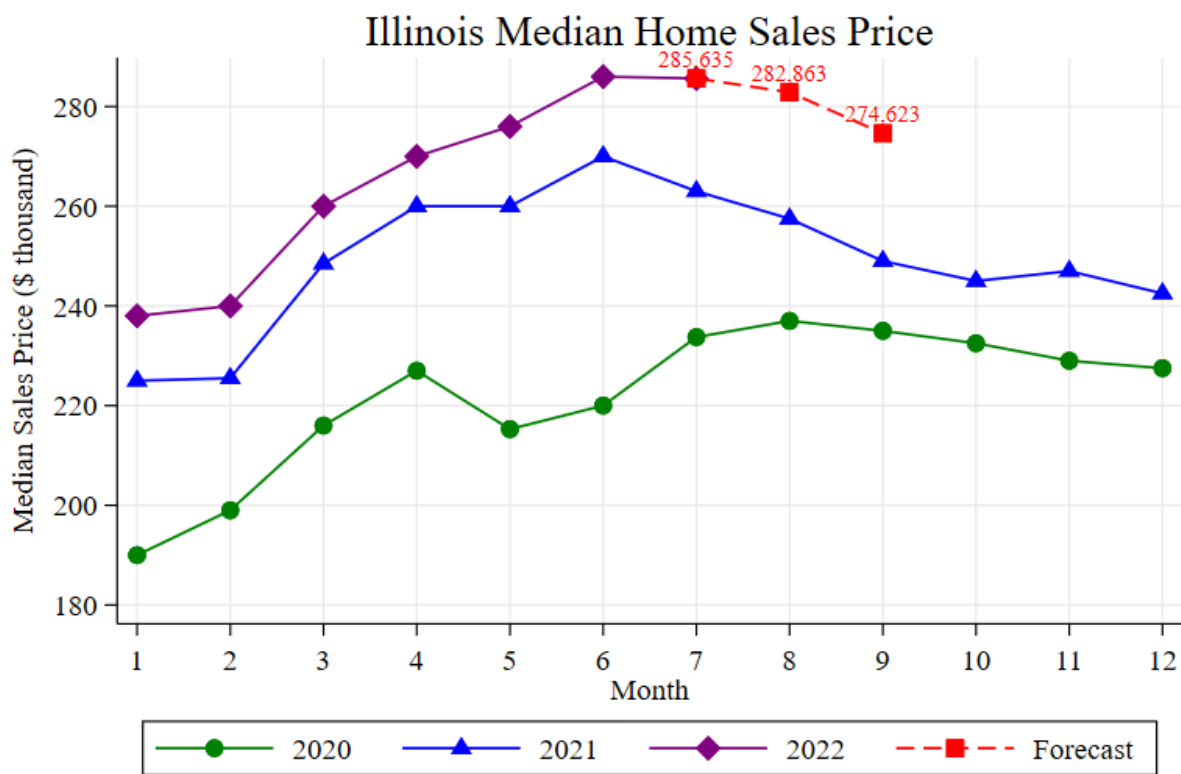
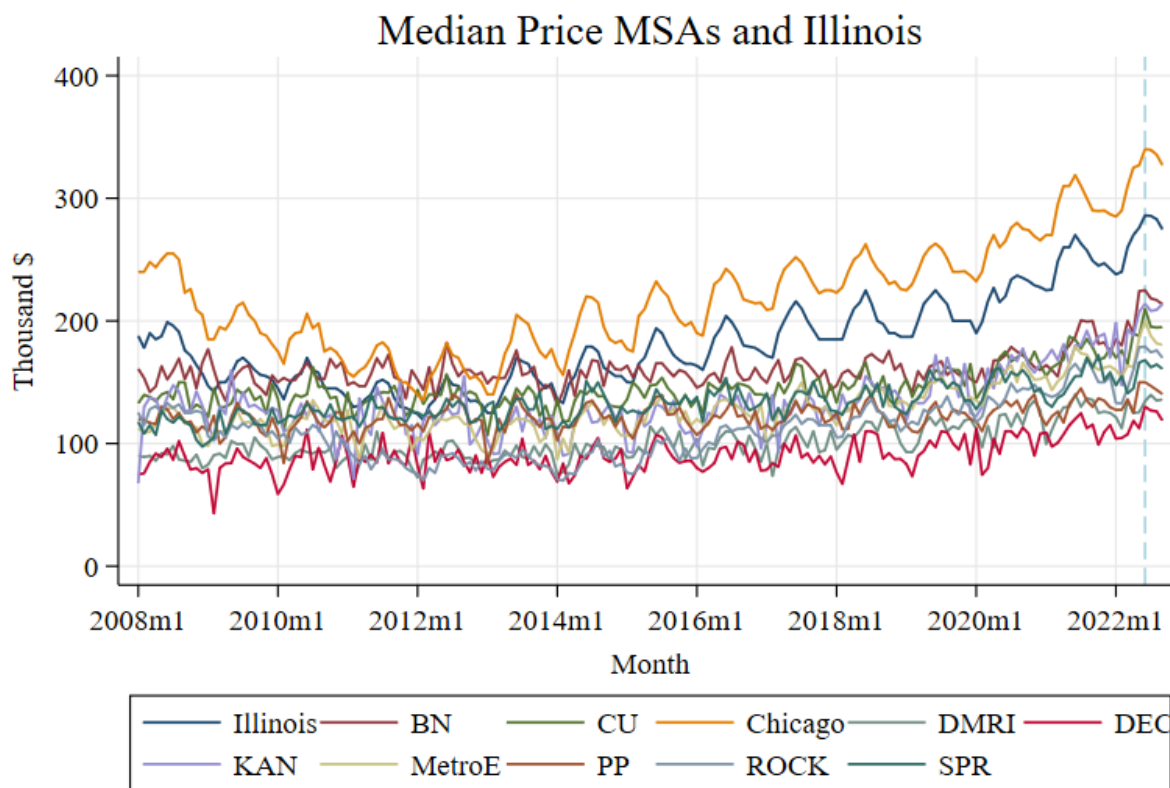
- The median price forecast indicates a mixed trend with annual rates of change between -3.2% and 4.6% in Q3 2022.
- Sales volume in Q3 2022 is forecast to change by an annual rate between -6.2% and -8.4%.
- Median prices in Q2 2022 experienced a change of 6.6% compared to a year ago.
- Sales volume in Q2 2022 was -5.6% lower compared to a year ago.
- In Q2 2022, market shares of homes priced less than \$100K experienced the largest change, decreasing from 26.1% to 23.1%.
- By Q2 2022, the overall quarter's supply is 0.3 quarters, remaining the same from a year ago.

Table 1: Median Prices Forecast for the Third Quarter 2022 and Median Prices for the Second Quarter 2022

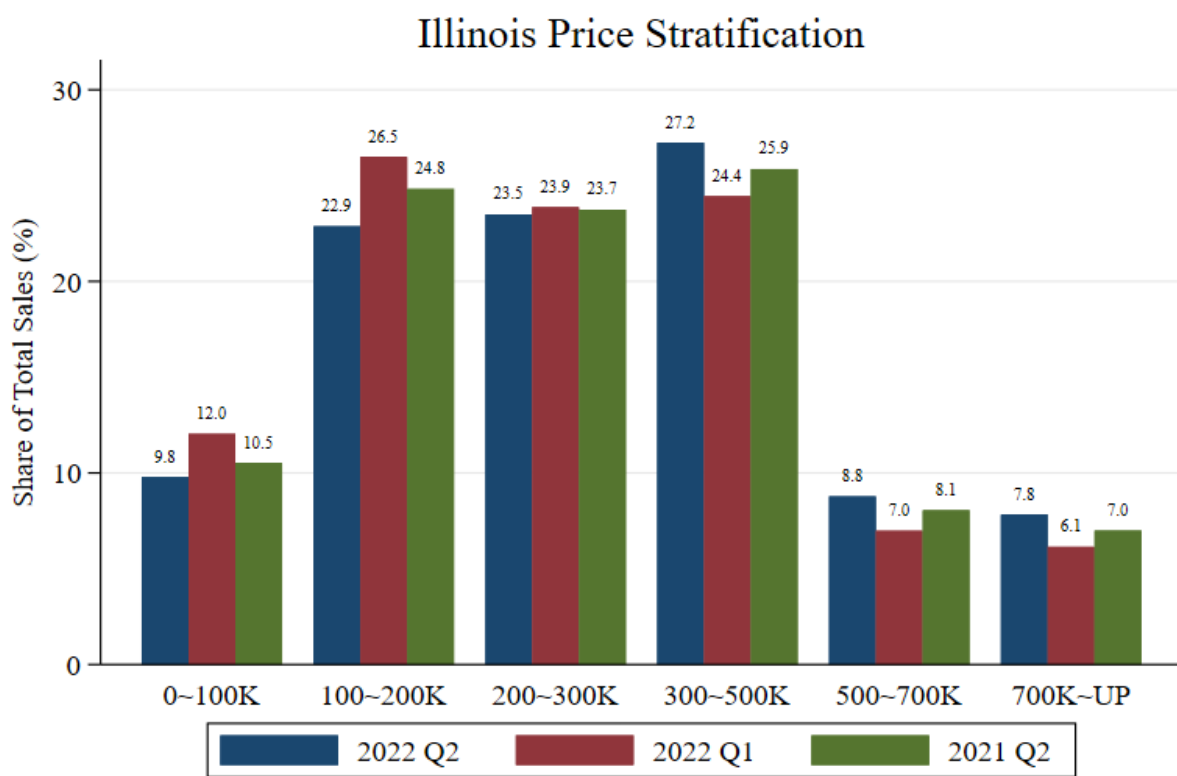
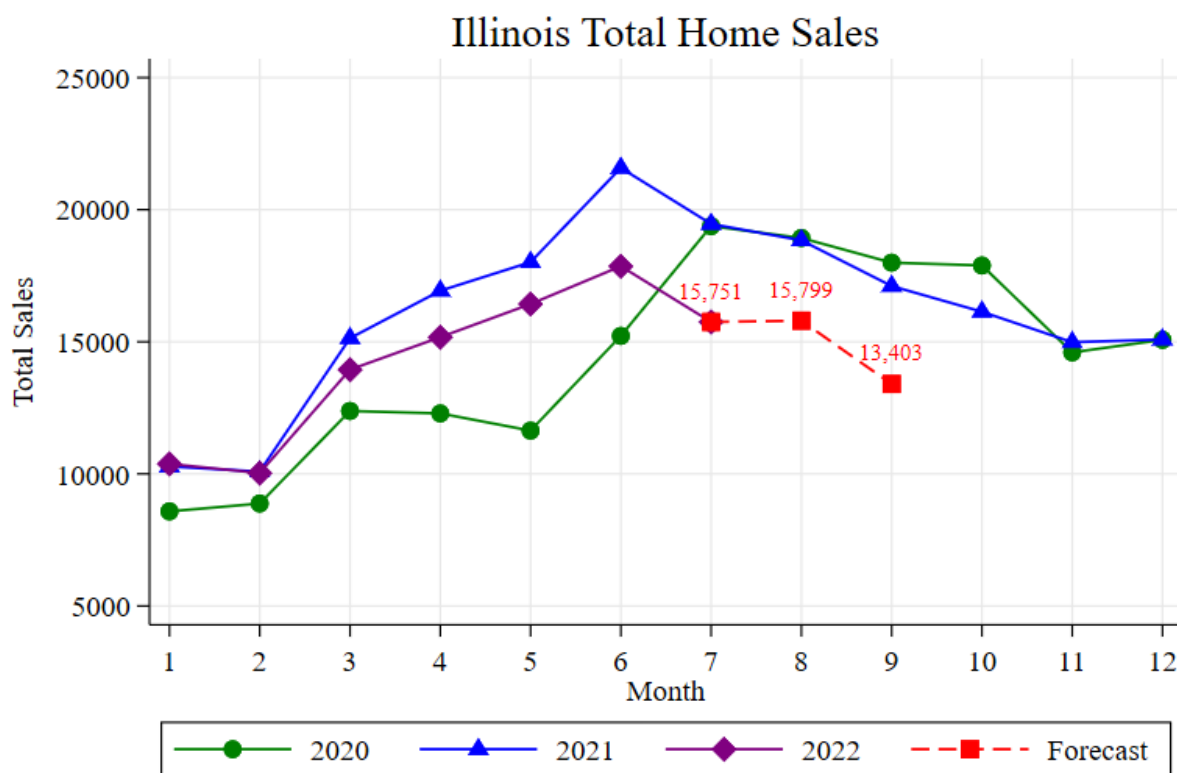
	2022 Q3 Forecast	Price (forecast)	Annually	2022 Q2	Price	Annually
IL State	Jul-22	285,635	8.6%	Apr-22	270,000	3.8%
	Aug-22	282,863	9.8%	May-22	276,000	6.2%
	Sep-22	274,623	10.3%	Jun-22	286,000	5.9%
	3M Average	281,040	9.6%	3M	279,900	5.6%
Bloomington- Normal	Jul-22	218,367	8.9%	Apr-22	189,791	8.5%
	Aug-22	216,935	8.8%	May-22	224,250	24.6%
	Sep-22	213,486	6.8%	Jun-22	225,000	20.3%
	3M Average	216,263	8.1%	3M	215,000	19.4%
Champaign- Urbana	Jul-22	195,166	10.0%	Apr-22	189,900	12.7%
	Aug-22	194,611	5.1%	May-22	187,500	0.2%
	Sep-22	194,893	9.2%	Jun-22	209,950	13.5%
	3M Average	194,890	8.1%	3M	195,000	7.5%
Chicago PMSA	Jul-22	339,488	9.5%	Apr-22	325,000	4.8%
	Aug-22	335,523	11.8%	May-22	326,900	5.5%
	Sep-22	326,963	12.7%	Jun-22	340,000	6.6%
	3M Average	333,991	11.4%	3M	330,000	4.8%
Davenport-Moline- Rock Island	Jul-22	139,633	7.4%	Apr-22	125,000	-3.4%
	Aug-22	135,028	-1.4%	May-22	125,500	-3.5%
	Sep-22	135,831	0.2%	Jun-22	134,500	-3.9%
	3M Average	136,831	2.1%	3M	128,500	-2.7%
Decatur	Jul-22	126,921	1.8%	Apr-22	118,500	10.3%
	Aug-22	126,193	12.2%	May-22	112,500	-2.1%
	Sep-22	118,615	2.7%	Jun-22	130,000	8.3%
	3M Average	123,910	5.5%	3M	122,000	6.1%
Kankakee	Jul-22	208,133	15.6%	Apr-22	188,000	3.9%
	Aug-22	209,064	8.9%	May-22	207,250	25.6%
	Sep-22	213,720	18.8%	Jun-22	214,000	19.0%
	3M Average	210,306	14.4%	3M	205,000	15.3%
Metro-East	Jul-22	187,747	8.2%	Apr-22	162,236	4.7%
	Aug-22	181,614	5.3%	May-22	186,250	12.9%
	Sep-22	180,433	10.0%	Jun-22	200,000	11.7%
	3M Average	183,264	7.8%	3M	185,000	10.8%
Peoria-Pekin	Jul-22	146,971	1.4%	Apr-22	125,000	6.8%
	Aug-22	143,696	6.4%	May-22	149,900	13.1%
	Sep-22	140,255	7.9%	Jun-22	150,000	8.3%
	3M Average	143,641	5.3%	3M	142,000	8.0%
Rockford	Jul-22	174,392	10.0%	Apr-22	159,950	10.3%
	Aug-22	175,875	3.8%	May-22	178,500	11.6%
	Sep-22	169,892	6.2%	Jun-22	179,000	8.5%
	3M Average	173,386	6.7%	3M	170,000	9.3%
Springfield	Jul-22	162,154	4.6%	Apr-22	145,000	3.6%
	Aug-22	164,443	-3.2%	May-22	166,000	12.2%
	Sep-22	160,841	-0.7%	Jun-22	168,000	8.4%
	3M Average	162,479	0.2%	3M	159,950	6.6%

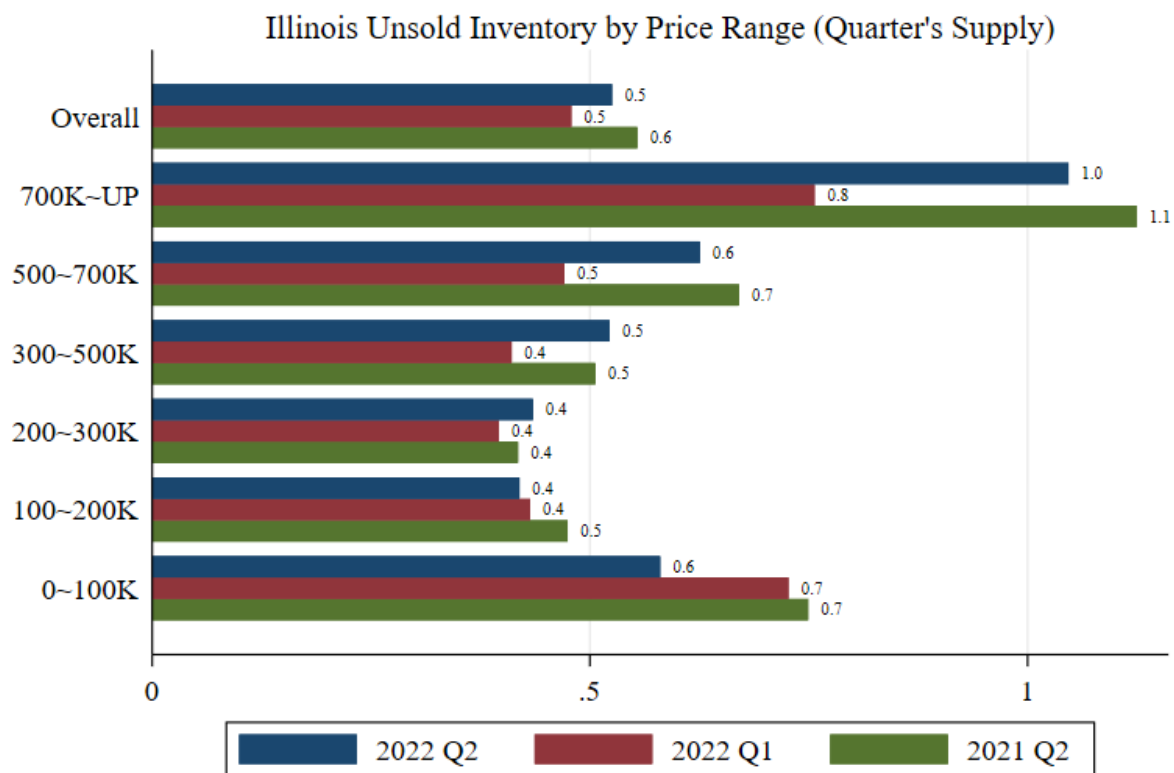
Table 2: Sales Forecast for the Third Quarter 2022 & Sales Percentage Change for the Second Quarter 2022

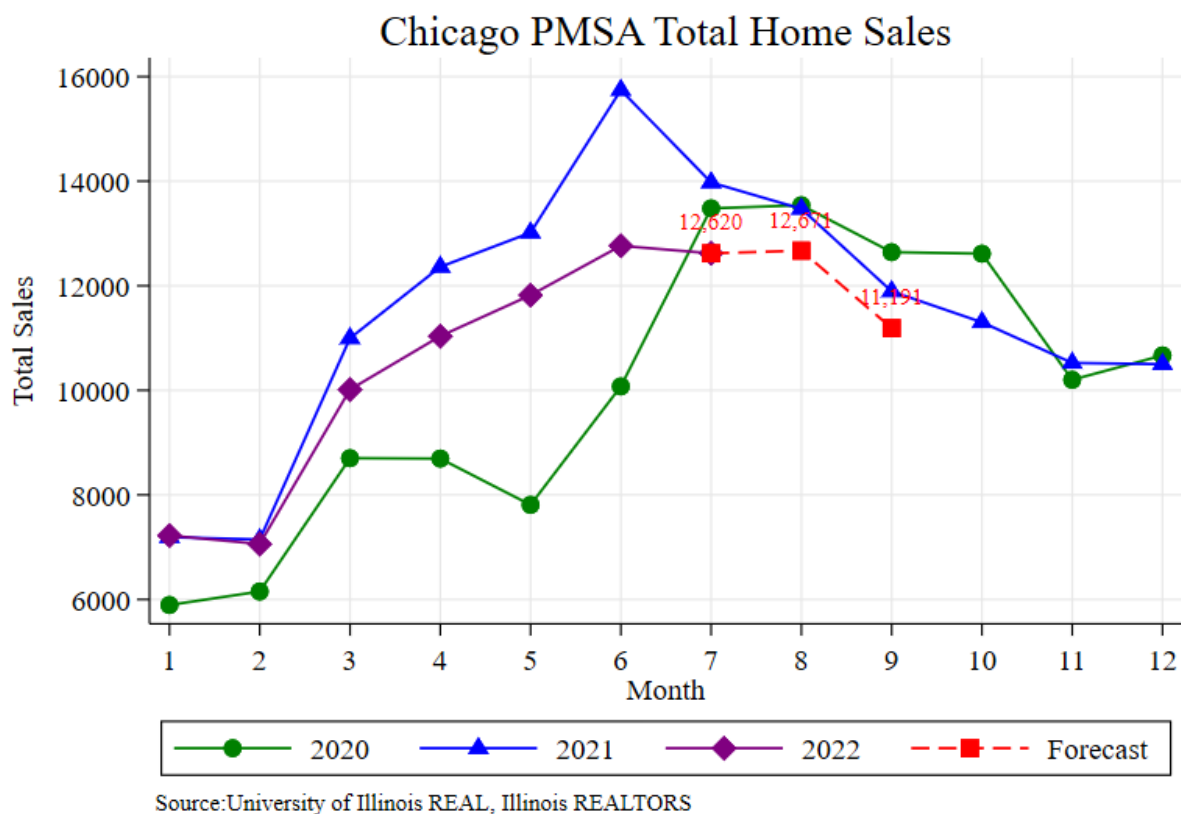
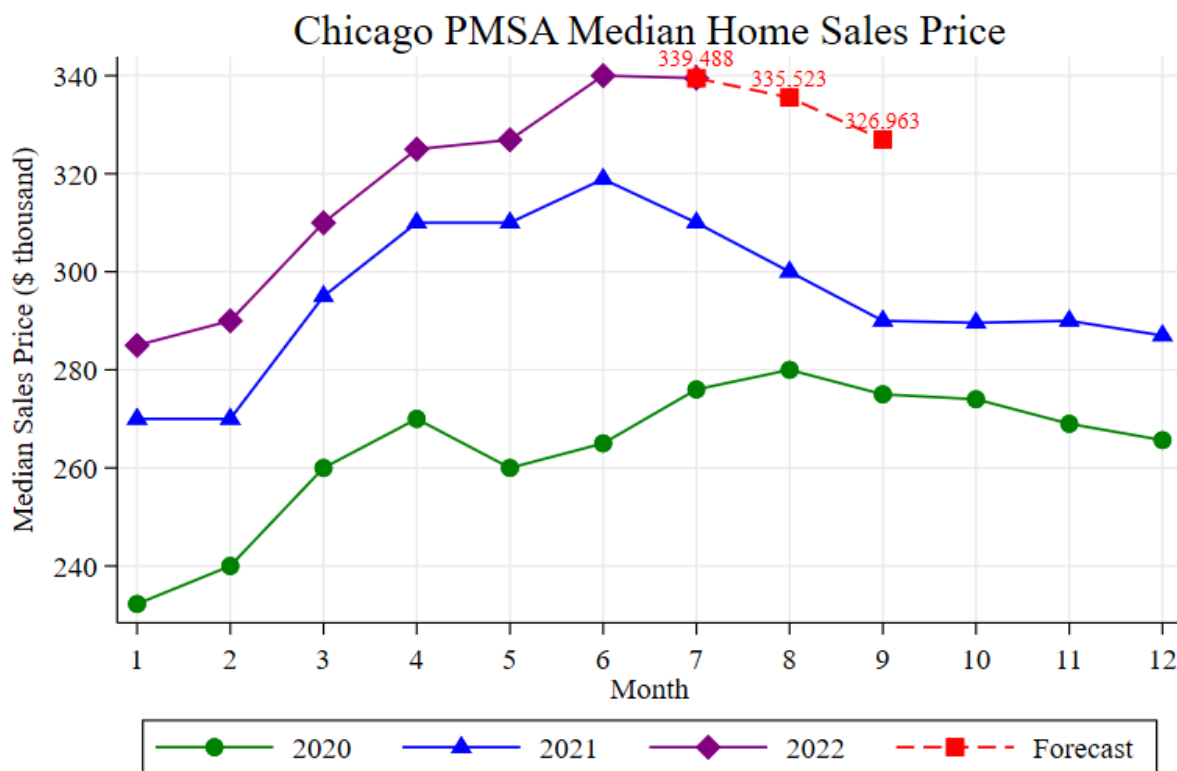
	2022 Q3 Forecast	Annual		Monthly		2022 Q2	Annual	Monthly
IL State	Jul-22	-16.2%	-21.9%	-10.0%	-13.6%	Apr-22	-10.4%	8.8%
	Aug-22	-13.7%	-18.6%	0.3%	0.4%	May-22	-8.8%	8.3%
	Sep-22	-18.4%	-24.9%	-12.9%	-17.4%	Jun-22	-17.2%	8.7%
	3M	-16.0%	-21.7%	-7.7%	-10.4%	3M	-12.5%	44.0%
Bloomington-Normal	Jul-22	-11.1%	-15.0%	-7.6%	-10.3%	Apr-22	-13.5%	20.0%
	Aug-22	-12.0%	-16.3%	-3.7%	-5.0%	May-22	-29.1%	-5.1%
	Sep-22	-16.7%	-22.5%	-6.0%	-8.1%	Jun-22	-20.9%	46.8%
	3M	-13.2%	-17.9%	-5.8%	-7.9%	3M	-21.5%	50.8%
Champaign- Urbana	Jul-22	-14.2%	-19.3%	-0.5%	-0.7%	Apr-22	-5.6%	18.1%
	Aug-22	-3.7%	-5.0%	-3.3%	-4.4%	May-22	-6.9%	16.9%
	Sep-22	-12.4%	-16.8%	-17.7%	-24.0%	Jun-22	-17.6%	8.7%
	3M	-10.3%	-13.9%	-7.0%	-9.5%	3M	-10.8%	58.0%
Chicago	Jul-22	-8.2%	-11.2%	-1.0%	-1.3%	Apr-22	-10.7%	10.2%
	Aug-22	-5.1%	-6.8%	0.3%	0.5%	May-22	-9.2%	7.1%
	Sep-22	-5.0%	-6.8%	-9.9%	-13.4%	Jun-22	-18.9%	8.0%
	3M	-6.2%	-8.4%	-3.5%	-4.8%	3M	-13.4%	46.6%
Davenport-Moline-Rock Island	Jul-22	-2.4%	-3.2%	16.9%	22.8%	Apr-22	14.9%	4.7%
	Aug-22	-4.7%	-6.4%	6.8%	9.2%	May-22	-1.9%	17.0%
	Sep-22	-0.5%	-0.7%	-13.6%	-18.3%	Jun-22	-20.3%	-11.1%
	3M	-2.7%	-3.6%	2.1%	2.9%	3M	-4.7%	33.6%
Decatur	Jul-22	-2.0%	-2.7%	8.2%	11.1%	Apr-22	5.8%	30.4%
	Aug-22	-6.8%	-9.2%	-7.0%	-9.5%	May-22	-11.0%	-5.5%
	Sep-22	-7.3%	-9.9%	-0.5%	-0.7%	Jun-22	-16.8%	0.7%
	3M	-5.3%	-7.2%	0.0%	0.0%	3M	-8.0%	61.5%
Kankakee	Jul-22	-9.6%	-12.9%	0.4%	0.6%	Apr-22	2.3%	-10.9%
	Aug-22	-3.3%	-4.4%	-0.7%	-1.0%	May-22	20.8%	35.6%
	Sep-22	-4.8%	-6.5%	-5.1%	-6.9%	Jun-22	0.7%	11.5%
	3M	-6.0%	-8.1%	-1.8%	-2.4%	3M	7.4%	46.2%
Metro-East	Jul-22	-7.1%	-9.6%	-5.1%	-6.9%	Apr-22	-9.3%	8.6%
	Aug-22	-5.8%	-7.9%	4.8%	6.5%	May-22	-6.3%	6.0%
	Sep-22	-14.4%	-19.5%	-9.4%	-12.7%	Jun-22	-12.6%	11.6%
	3M	-9.1%	-12.4%	-3.4%	-4.6%	3M	-9.6%	38.8%
Peoria-Pekin	Jul-22	-0.1%	-0.2%	-7.6%	-10.3%	Apr-22	-20.1%	20.0%
	Aug-22	-0.4%	-0.5%	-3.7%	-5.0%	May-22	-5.7%	-5.1%
	Sep-22	-7.7%	-10.4%	-6.0%	-8.1%	Jun-22	-12.7%	46.8%
	3M	-2.8%	-3.7%	-4.4%	-5.9%	3M	-12.8%	47.5%
Rockford	Jul-22	-7.8%	-10.5%	12.7%	17.2%	Apr-22	-10.8%	-9.9%
	Aug-22	-3.3%	-4.5%	3.1%	4.1%	May-22	3.5%	5.9%
	Sep-22	-8.7%	-11.8%	-1.7%	-2.3%	Jun-22	-14.1%	6.1%
	3M	-6.7%	-9.0%	4.3%	5.8%	3M	-7.8%	12.0%
Springfield	Jul-22	-7.3%	-9.9%	0.7%	1.0%	Apr-22	5.0%	17.7%
	Aug-22	-4.2%	-5.7%	1.3%	1.8%	May-22	-4.8%	10.3%
	Sep-22	-7.0%	-9.5%	-6.1%	-8.3%	Jun-22	-13.5%	10.4%
	3M	-6.2%	-8.4%	-1.4%	-1.9%	3M	-5.6%	41.4%



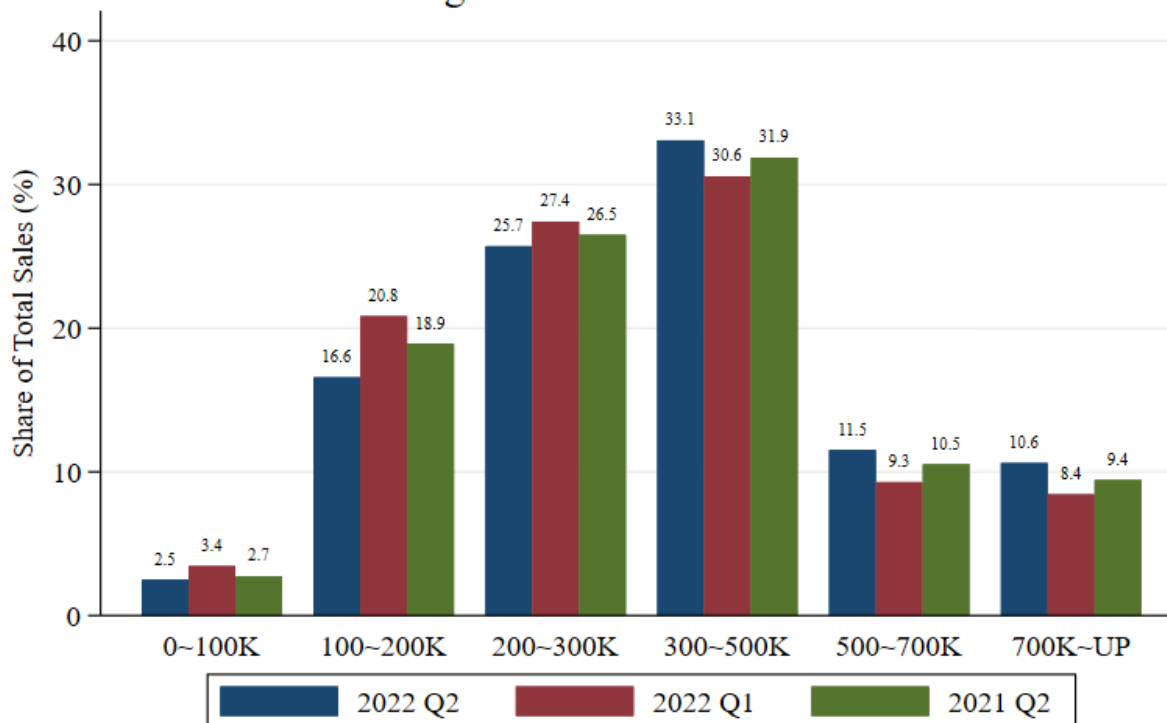
Source: University of Illinois REAL, Illinois REALTORS





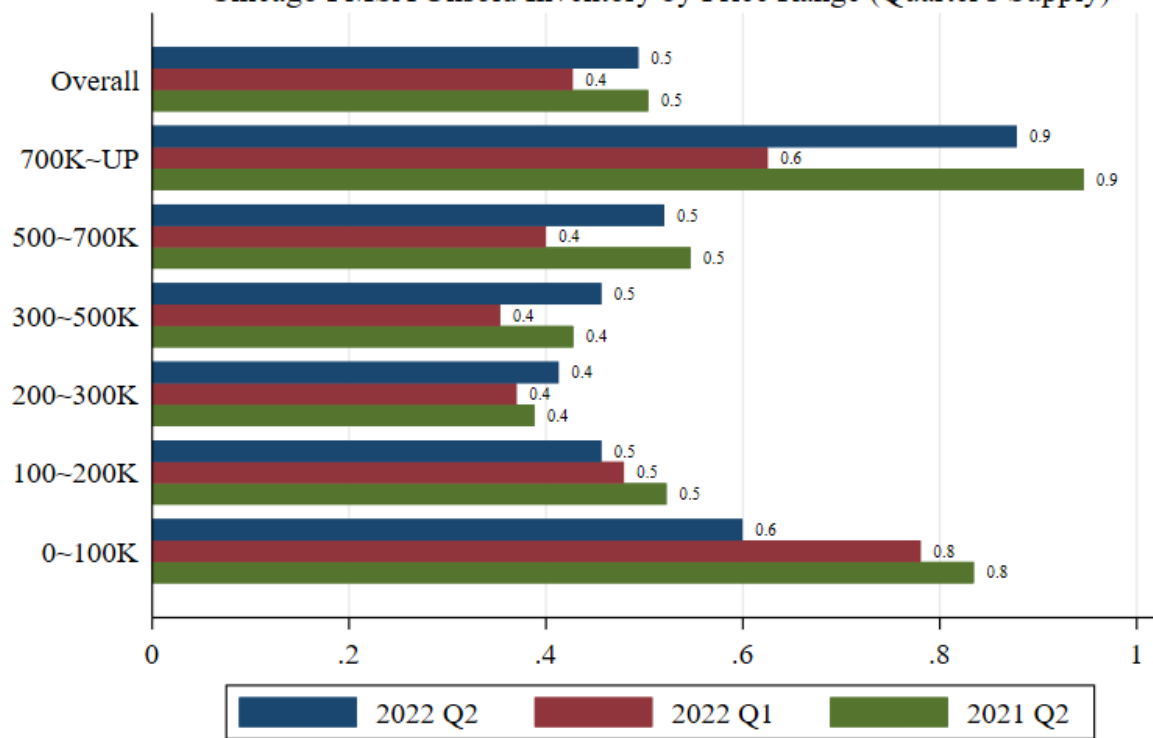


Chicago PMSA Price Stratification

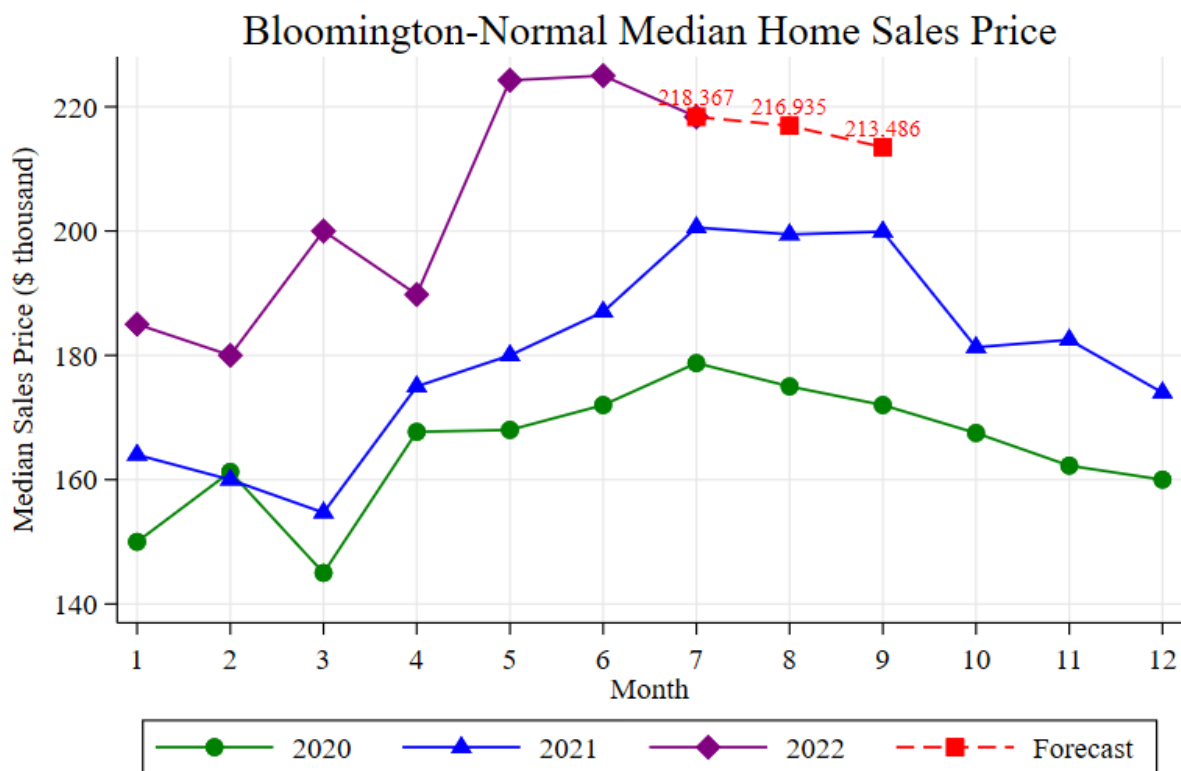


Source: University of Illinois REAL, Illinois REALTORS

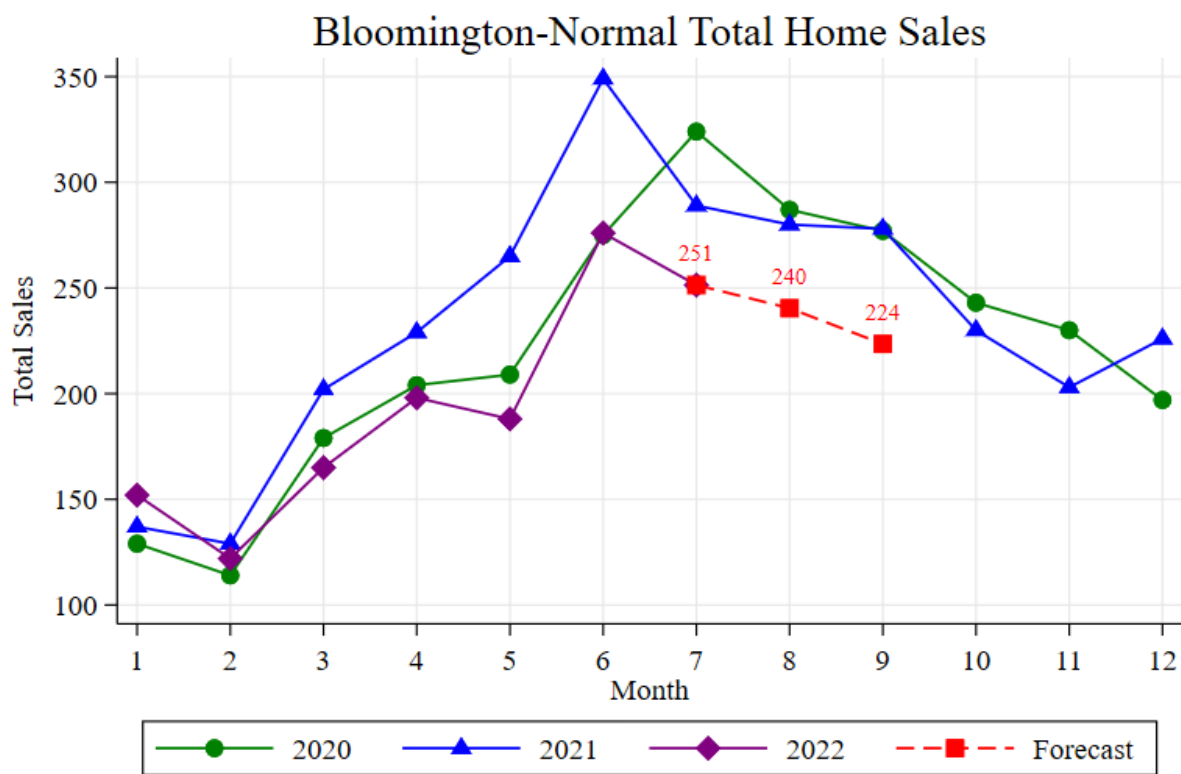
Chicago PMSA Unsold Inventory by Price Range (Quarter's Supply)



Source: University of Illinois REAL, Illinois REALTORS

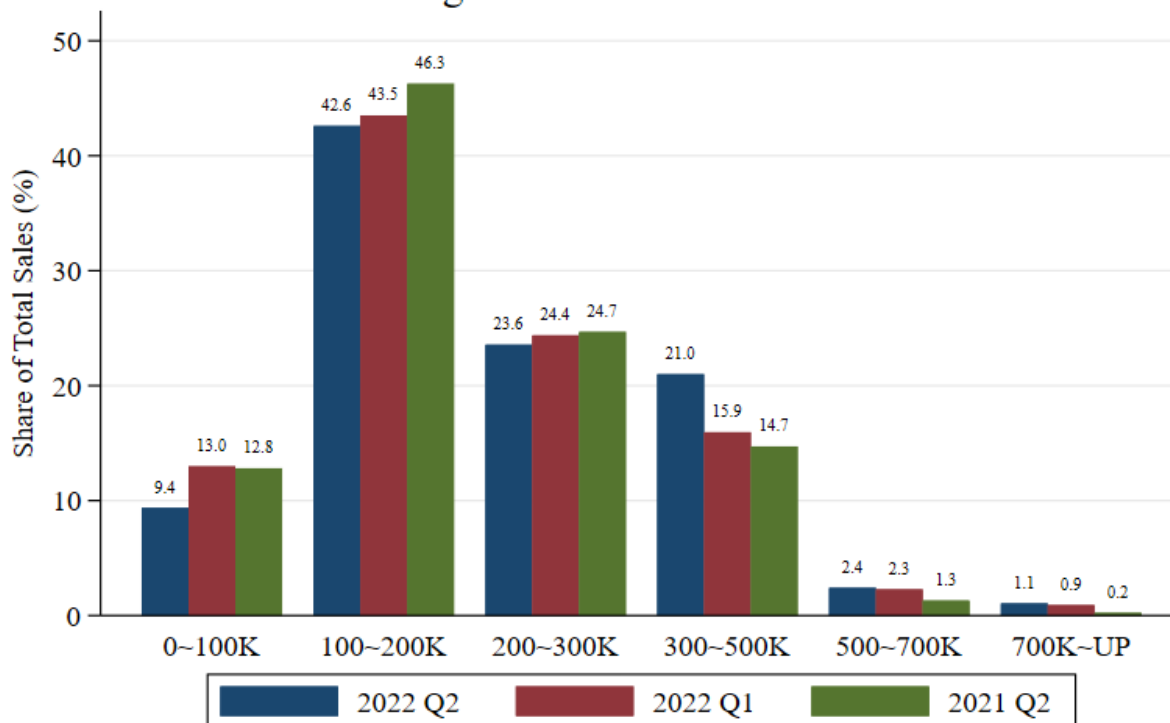


Source: University of Illinois REAL, Illinois REALTORS



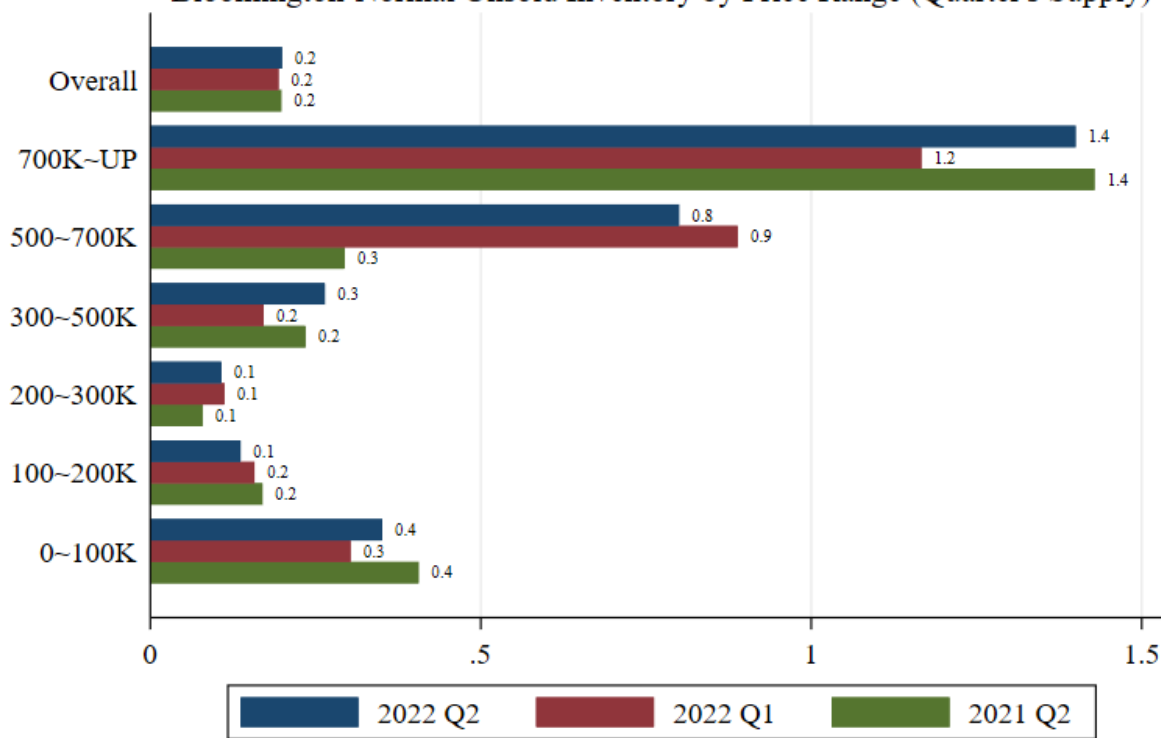
Source: University of Illinois REAL, Illinois REALTORS

Bloomington-Normal Price Stratification

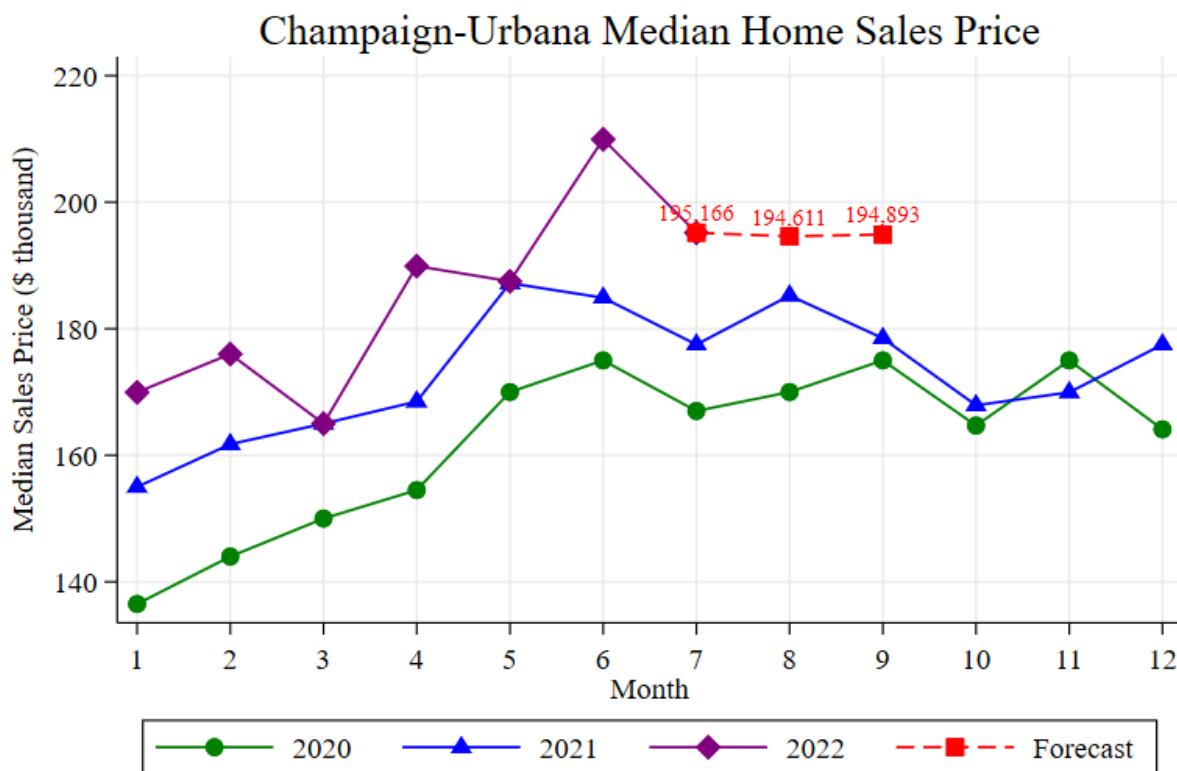


Source: University of Illinois REAL, Illinois REALTORS

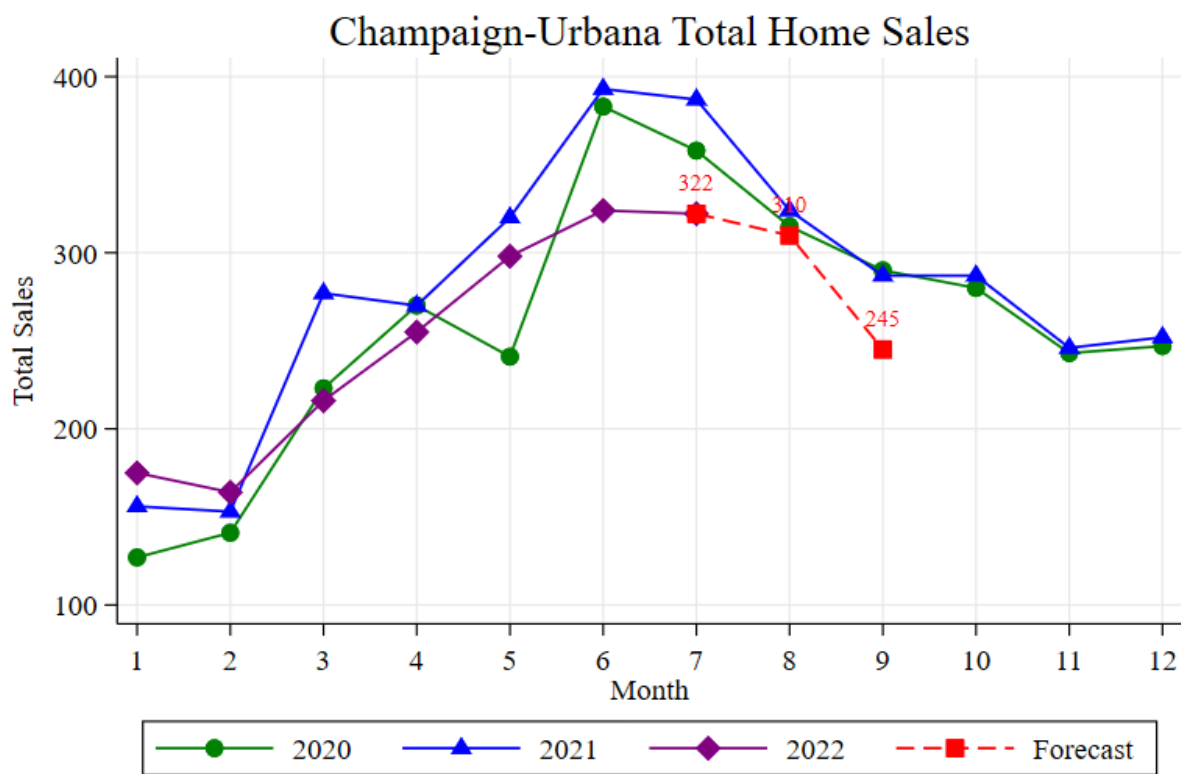
Bloomington-Normal Unsold Inventory by Price Range (Quarter's Supply)



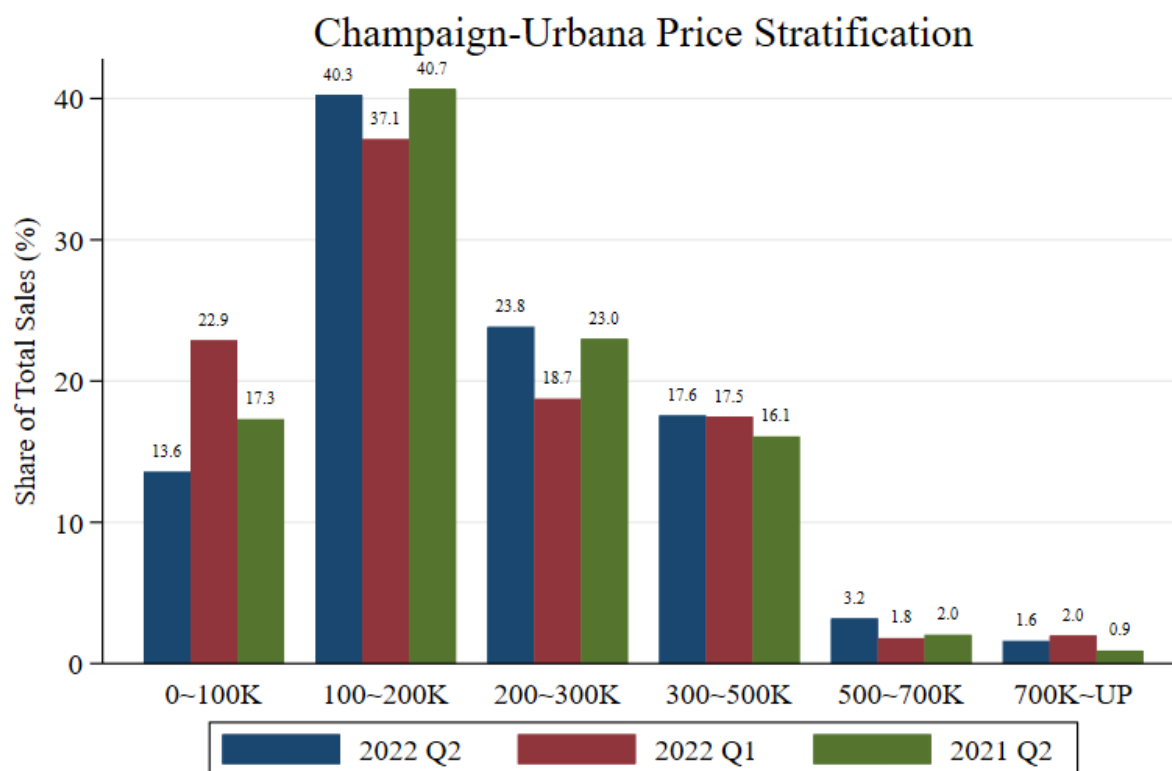
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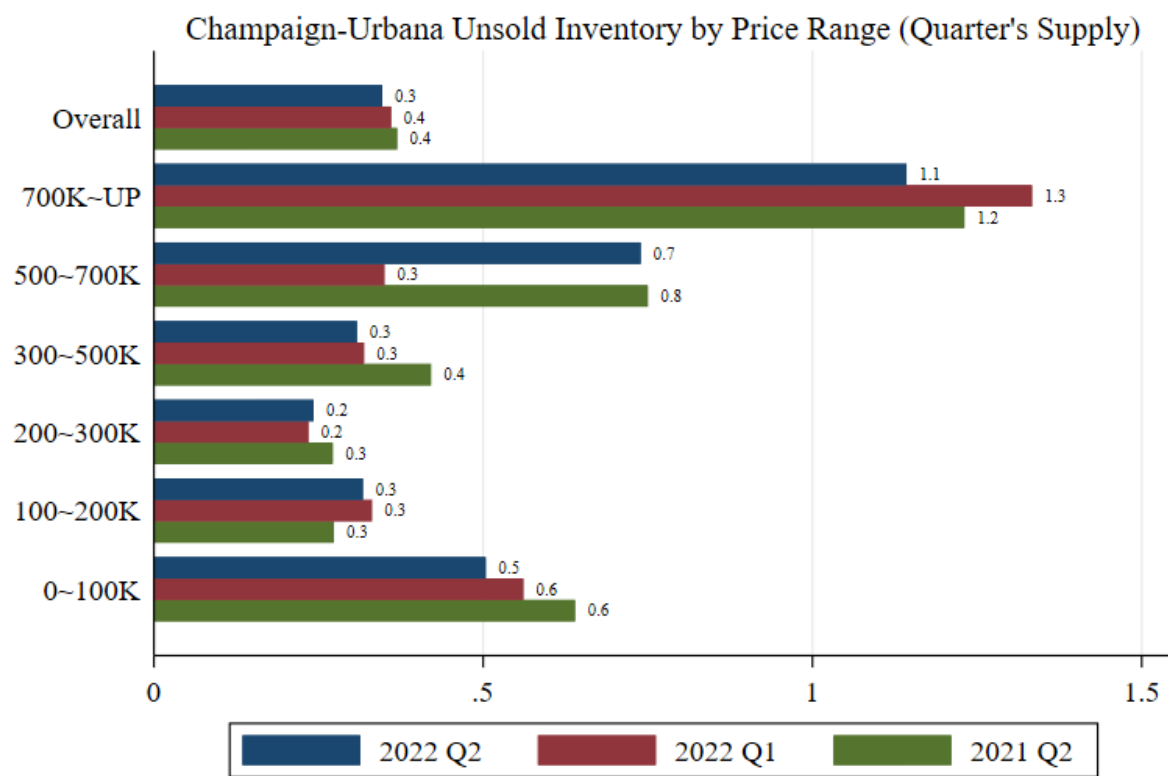
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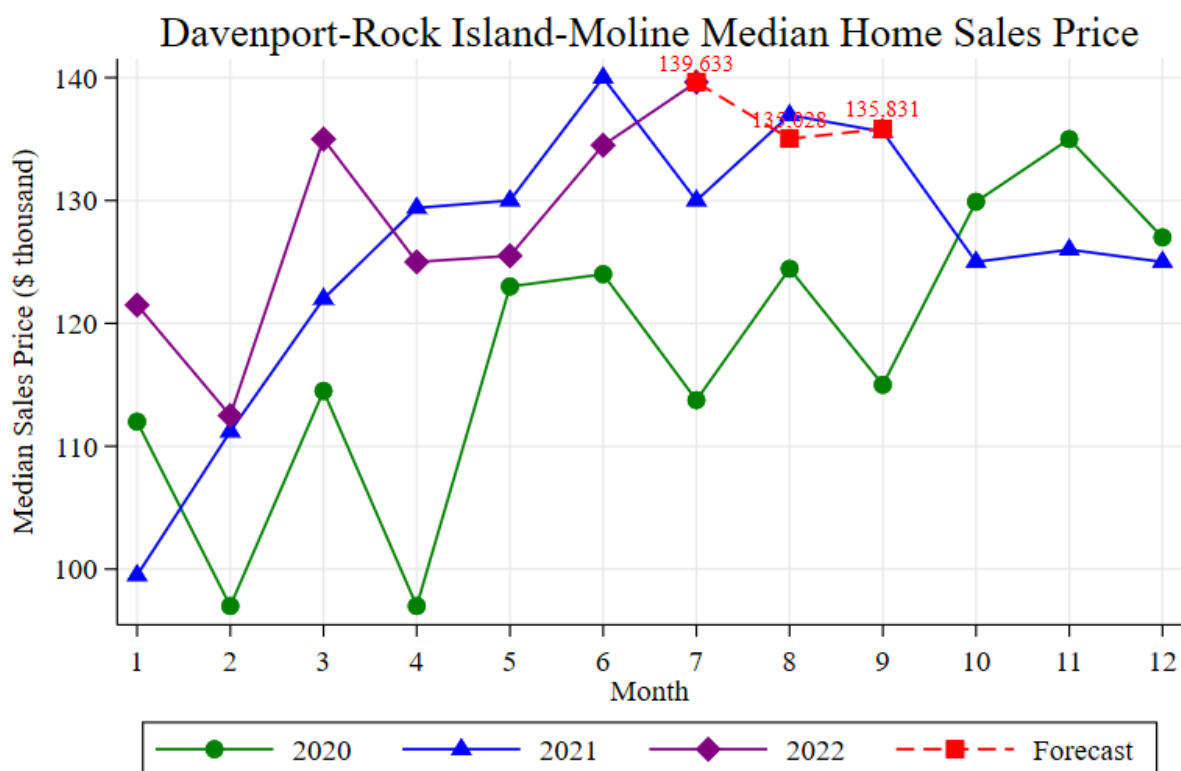
Source: University of Illinois REAL, Illinois REALTORS



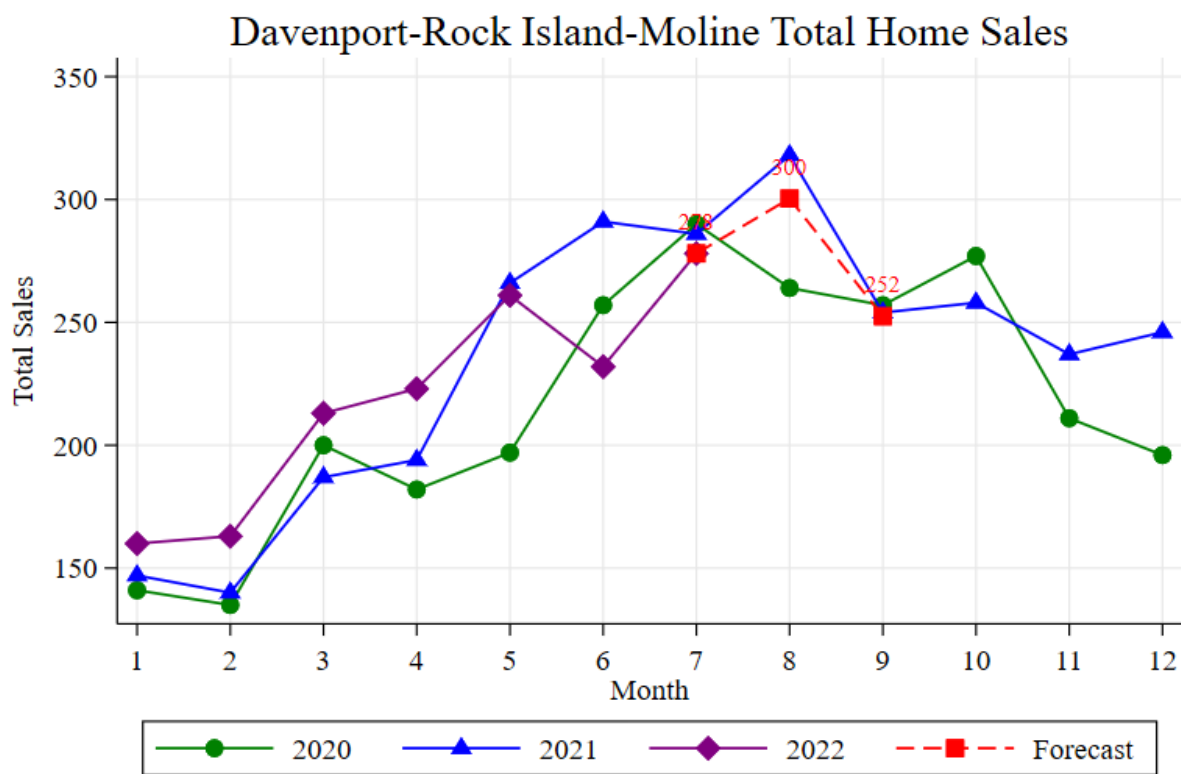
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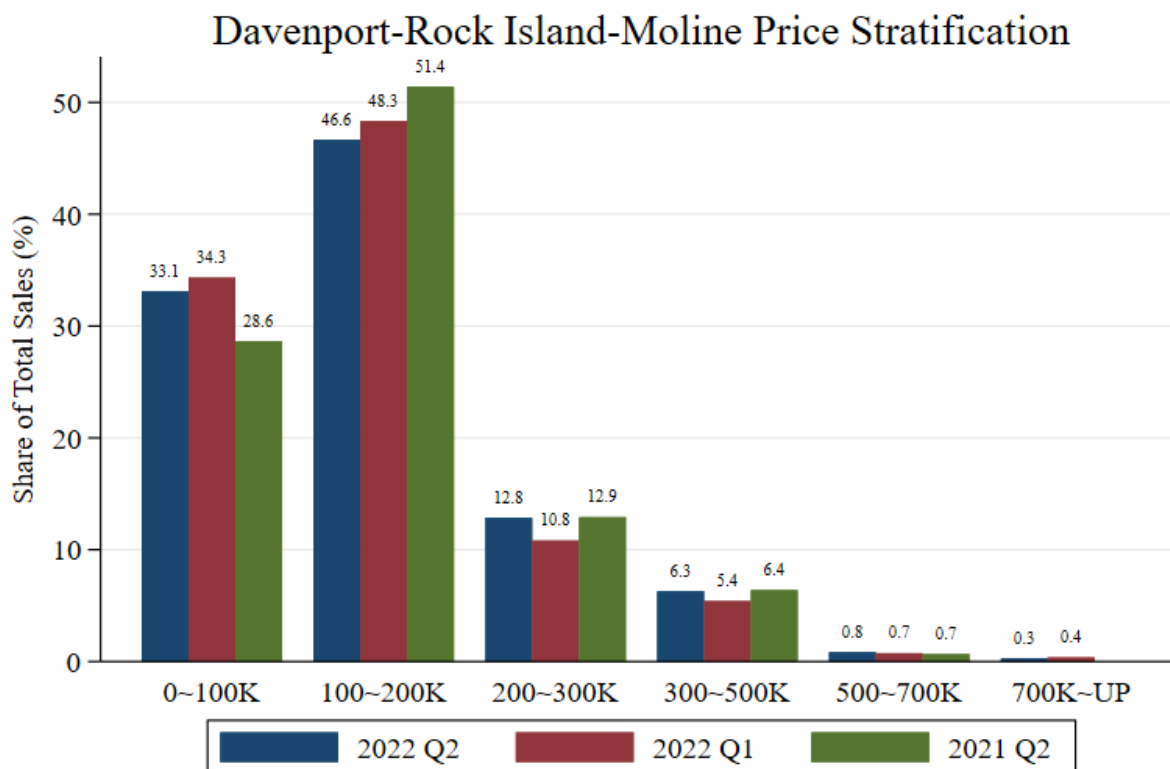
Source: University of Illinois REAL, Illinois REALTORS



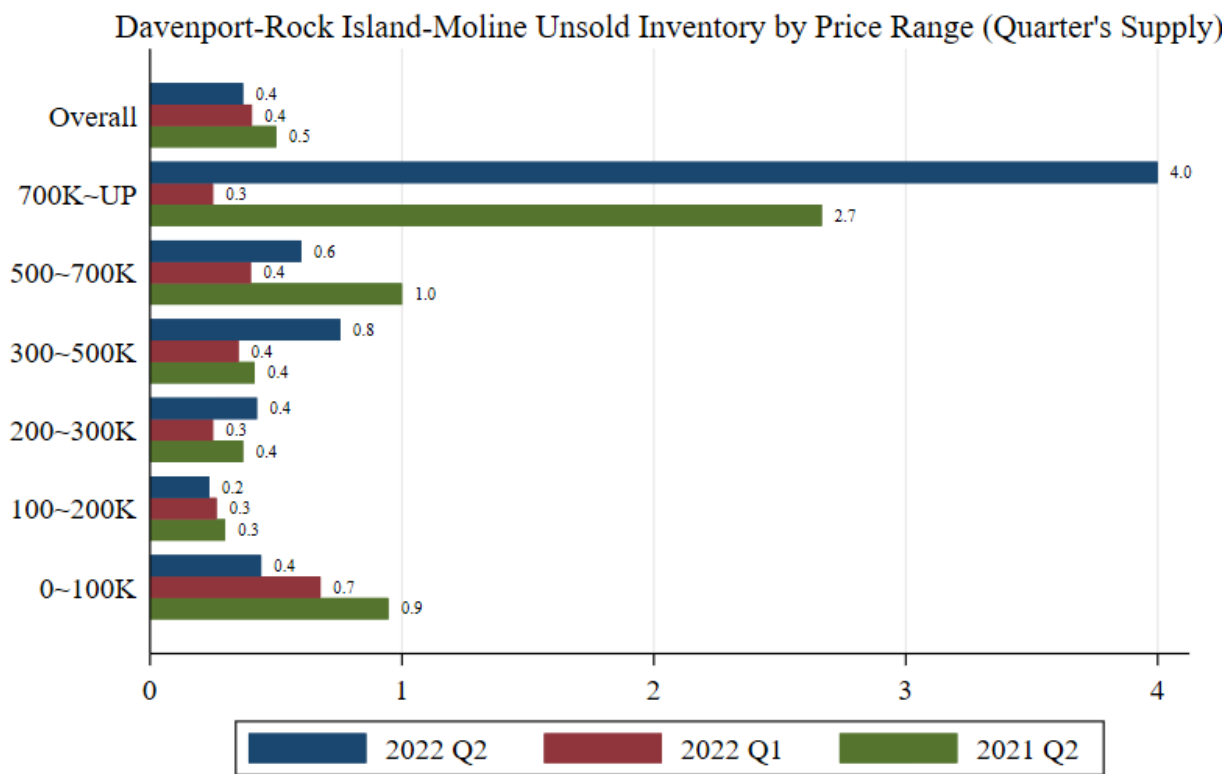
Source: University of Illinois REAL, Illinois REALTORS



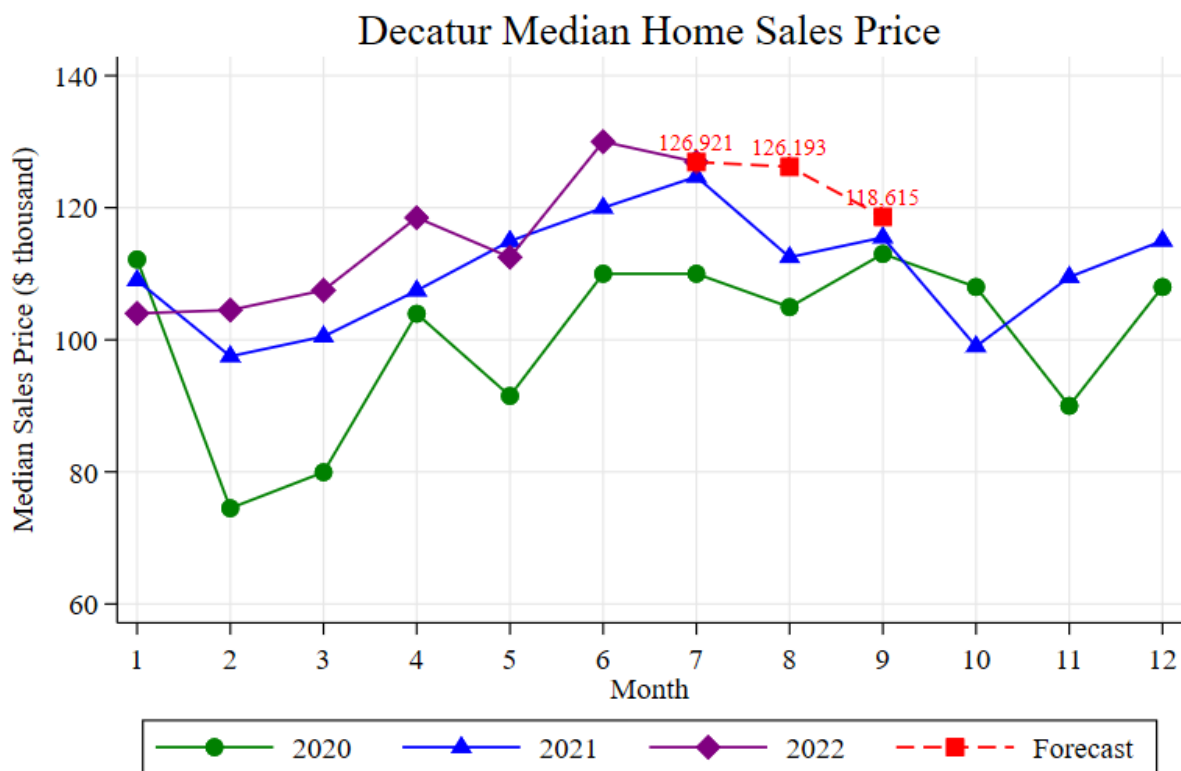
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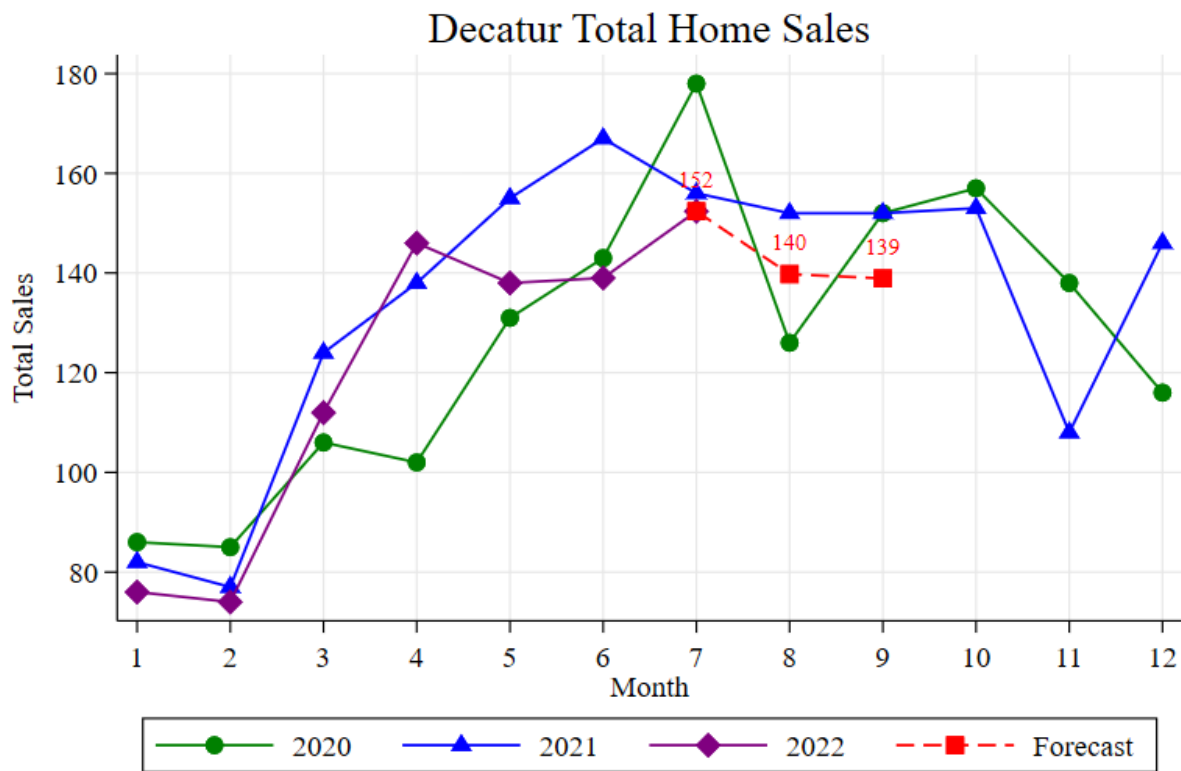
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Source: University of Illinois REAL, Illinois REALTORS

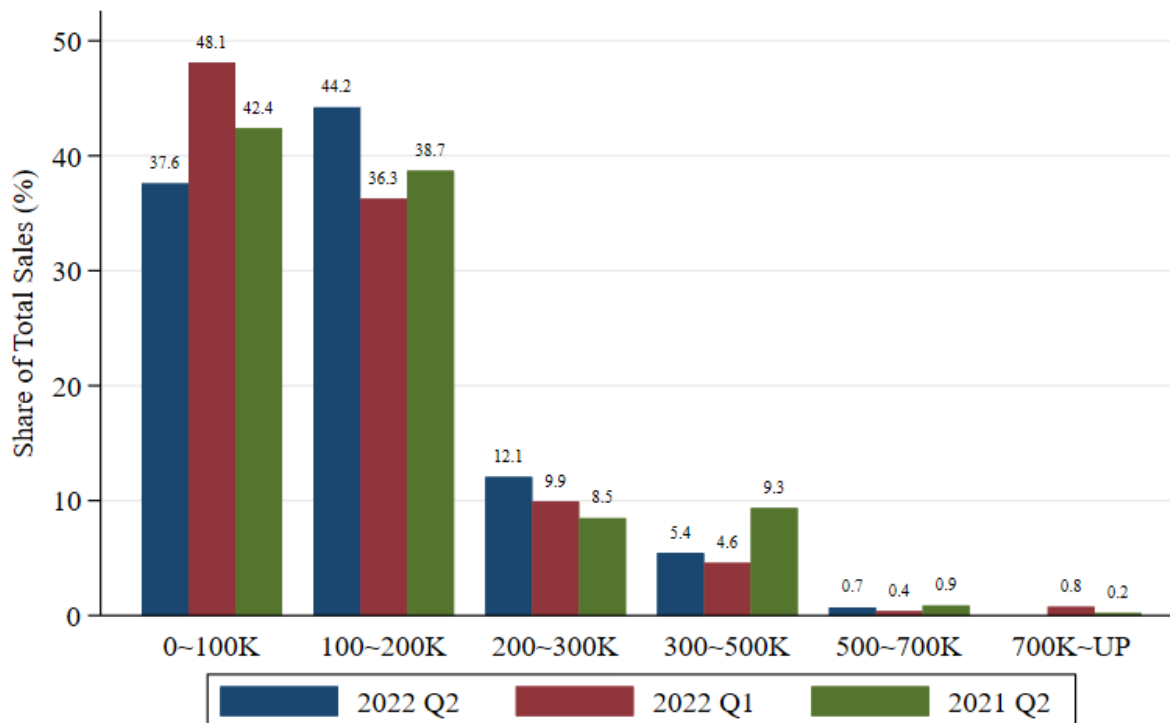


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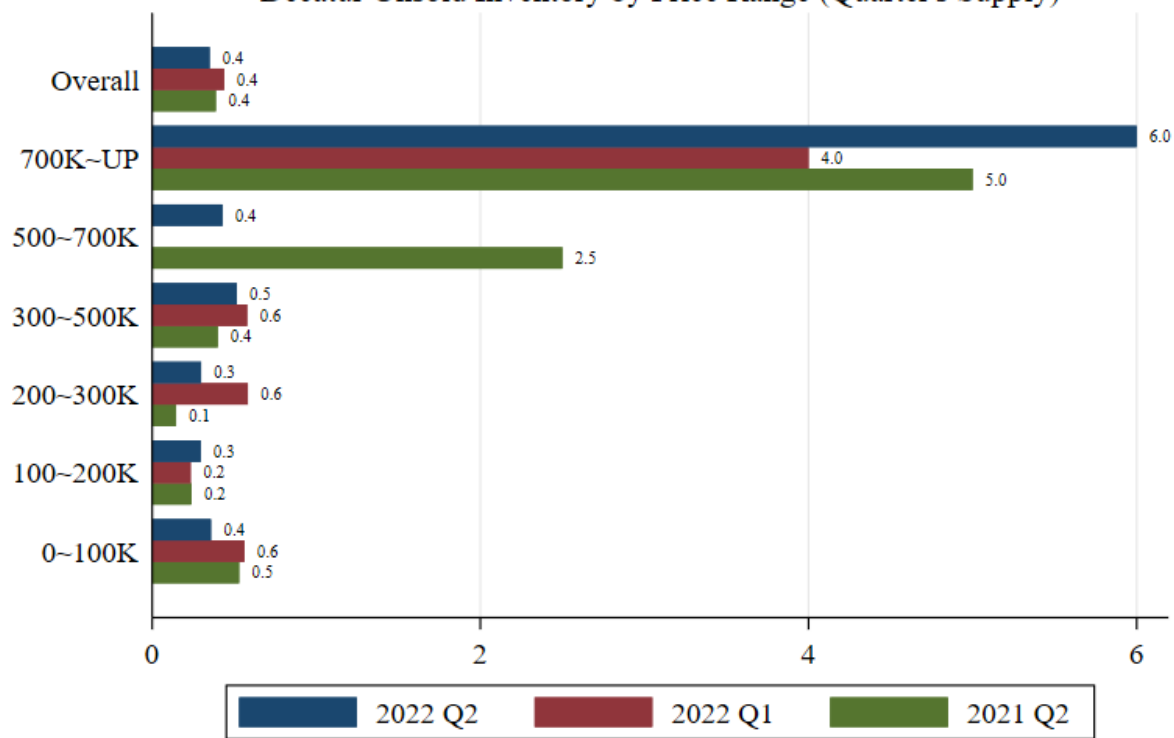
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Decatur Price Stratification

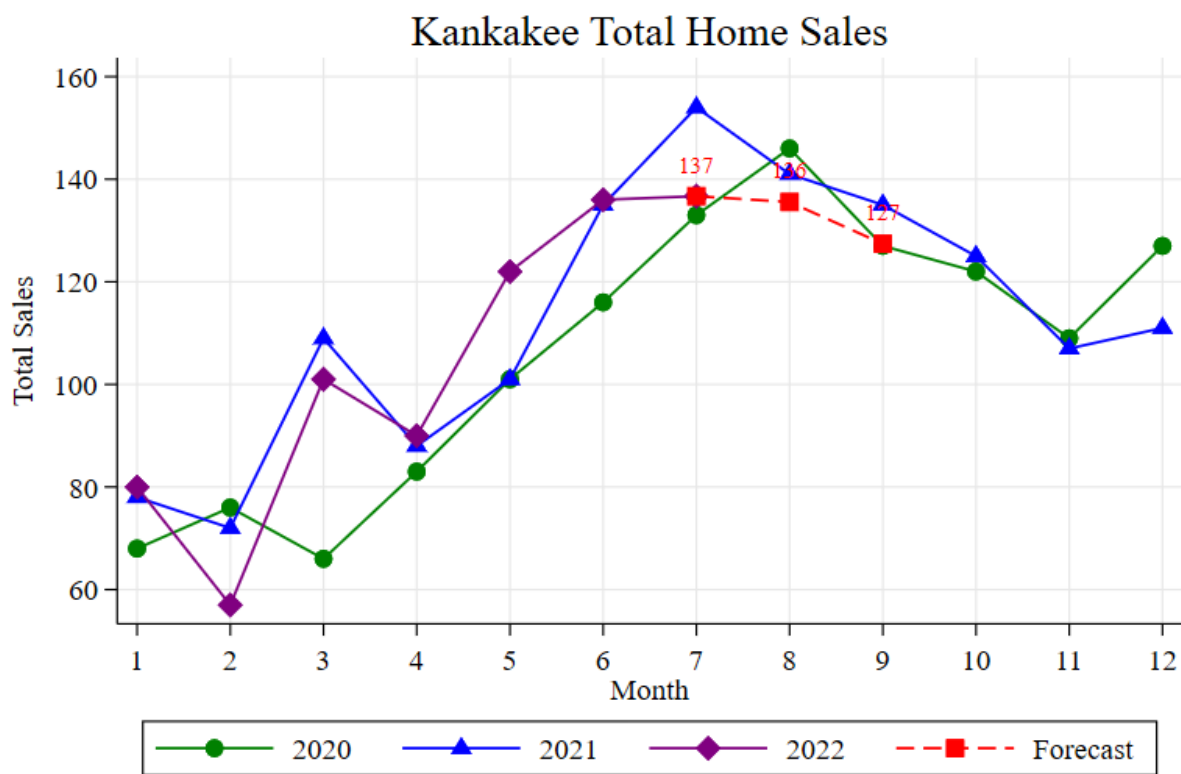
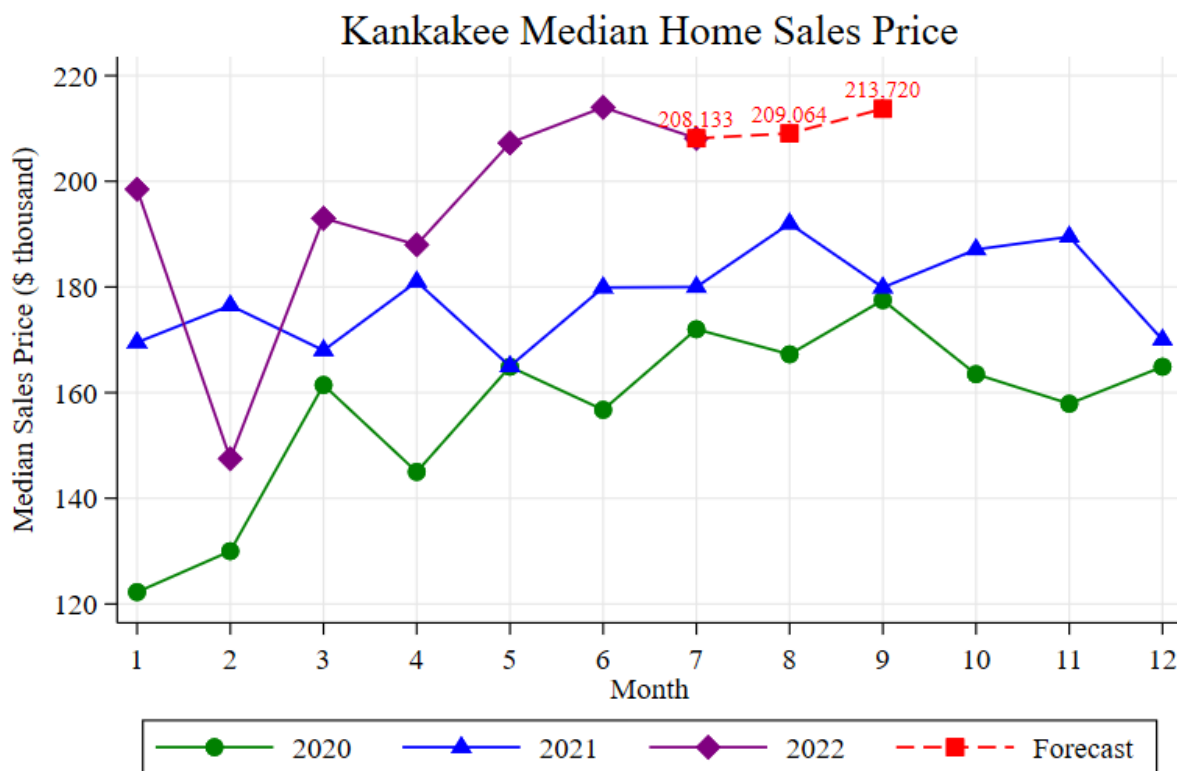


Source: University of Illinois REAL, Illinois REALTORS

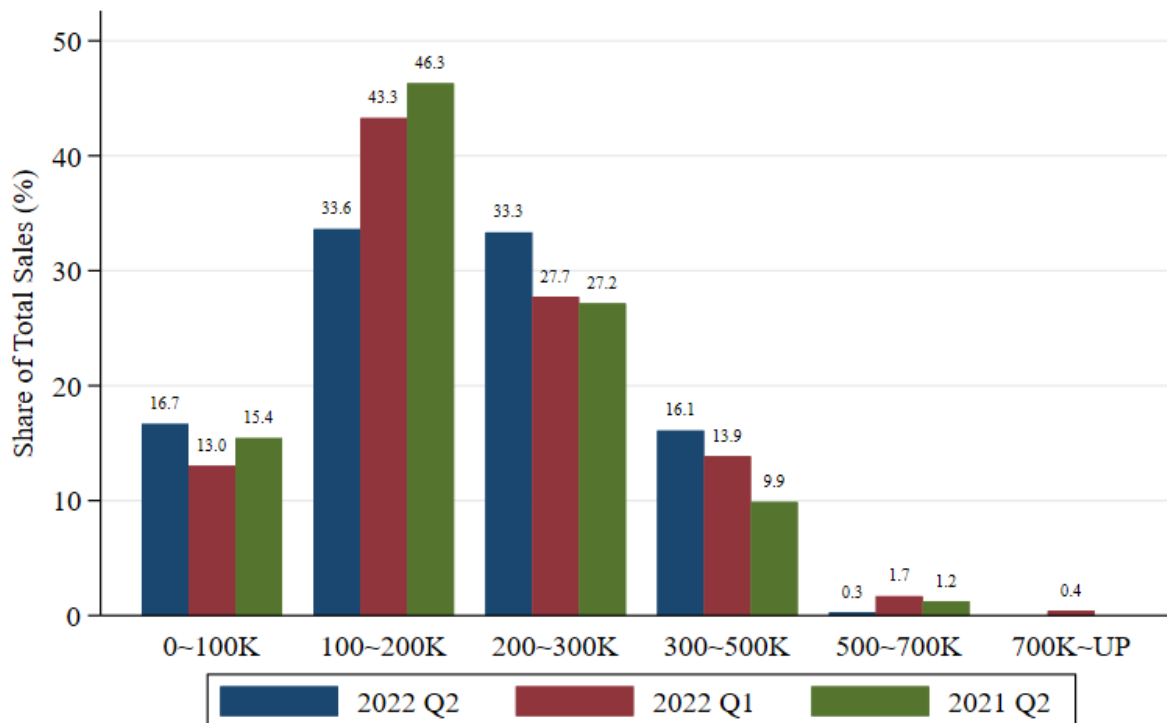
Decatur Unsold Inventory by Price Range (Quarter's Supply)



Source: University of Illinois REAL, Illinois REALTORS

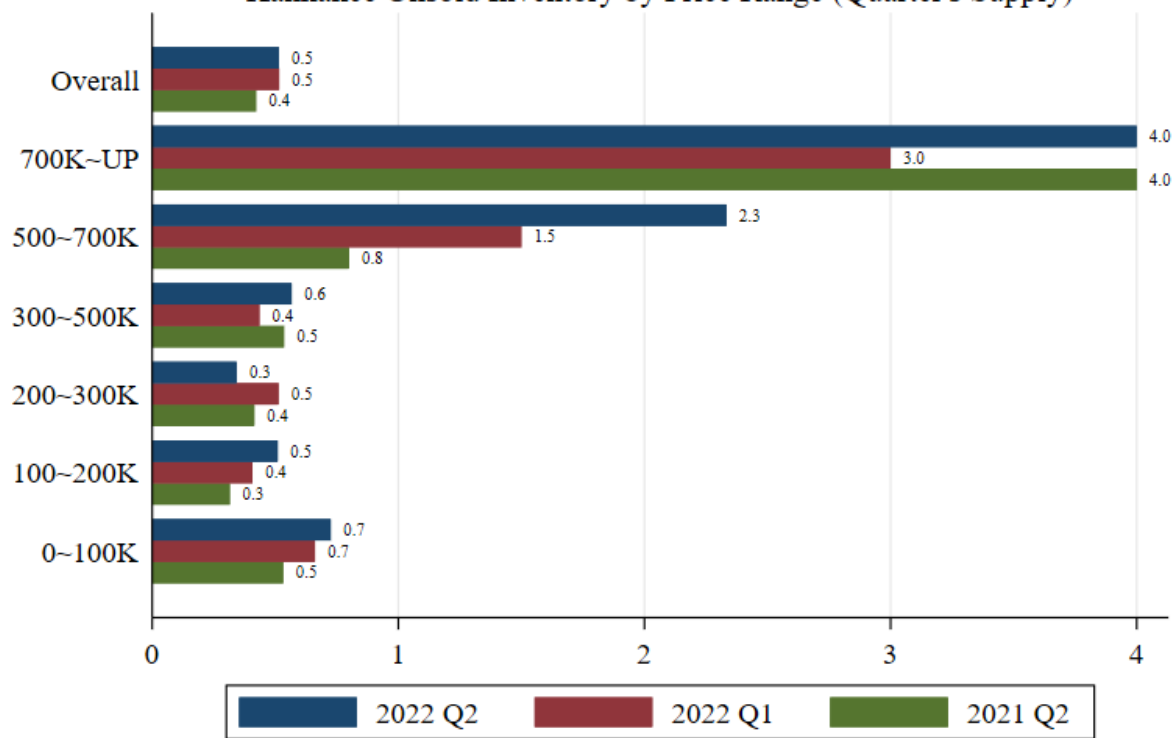


Kankakee Price Stratification

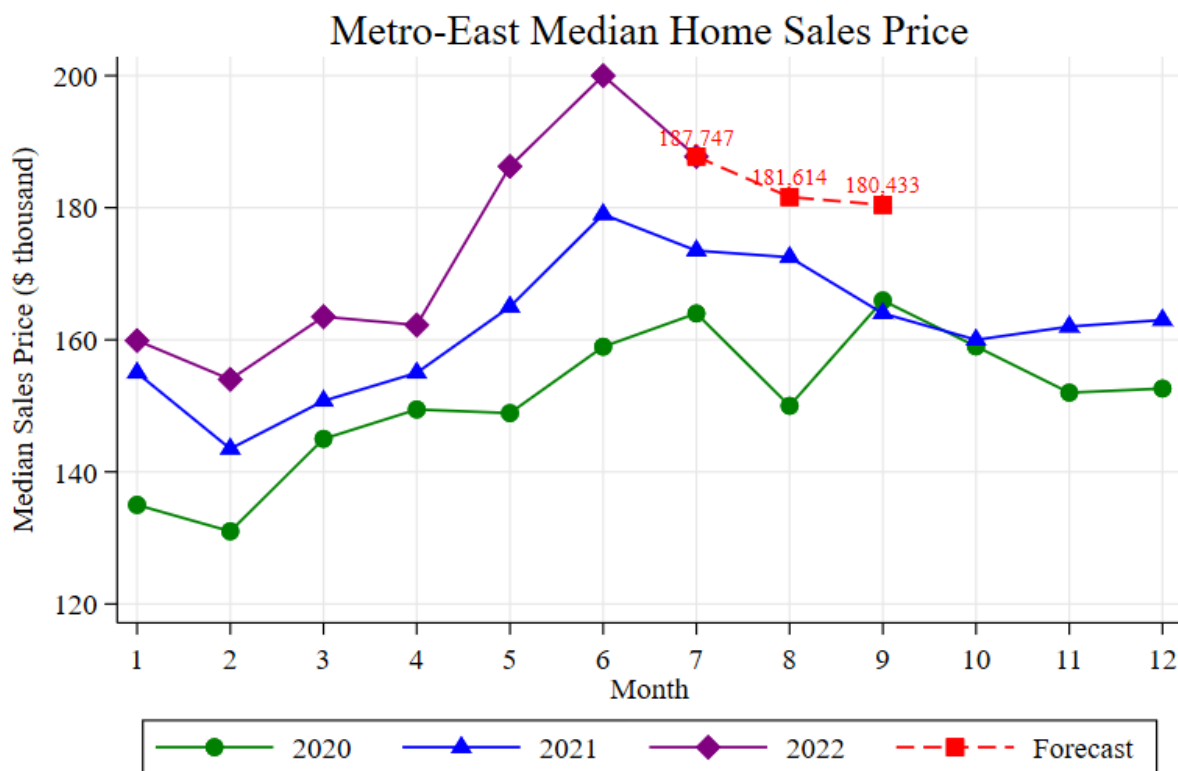


Source: University of Illinois REAL, Illinois REALTORS

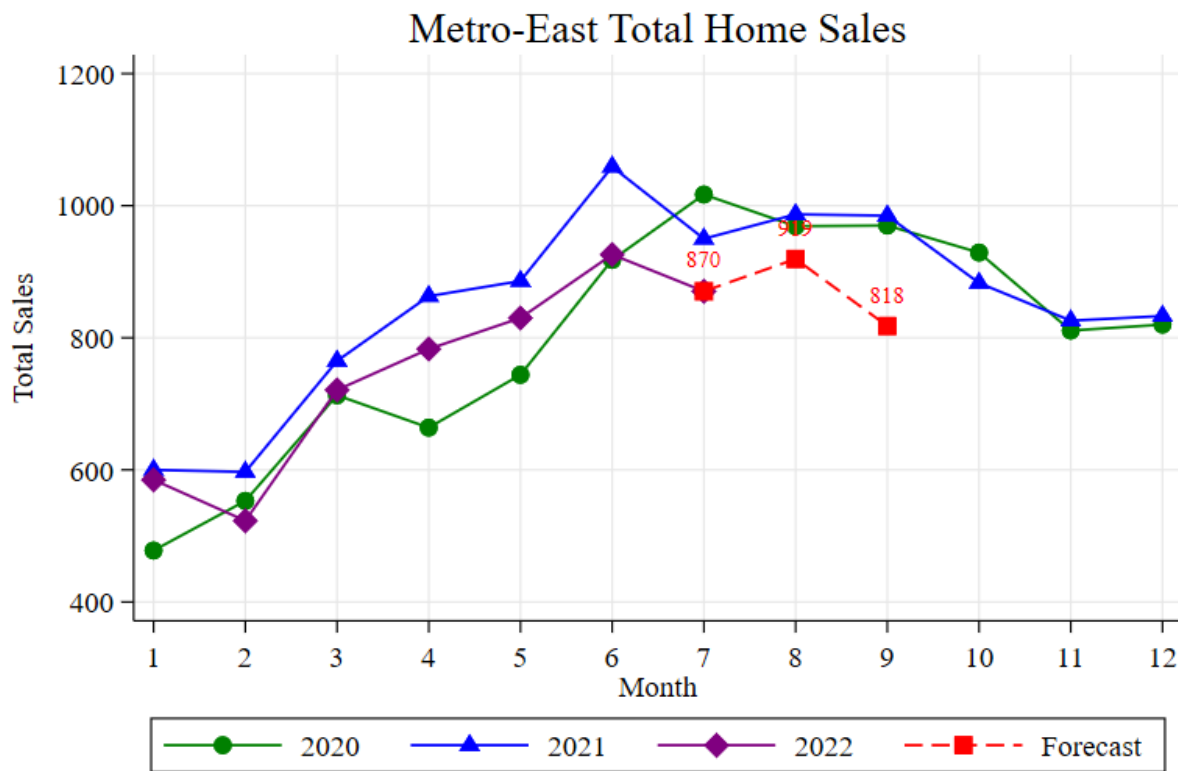
Kankakee Unsold Inventory by Price Range (Quarter's Supply)



Source: University of Illinois REAL, Illinois REALTORS

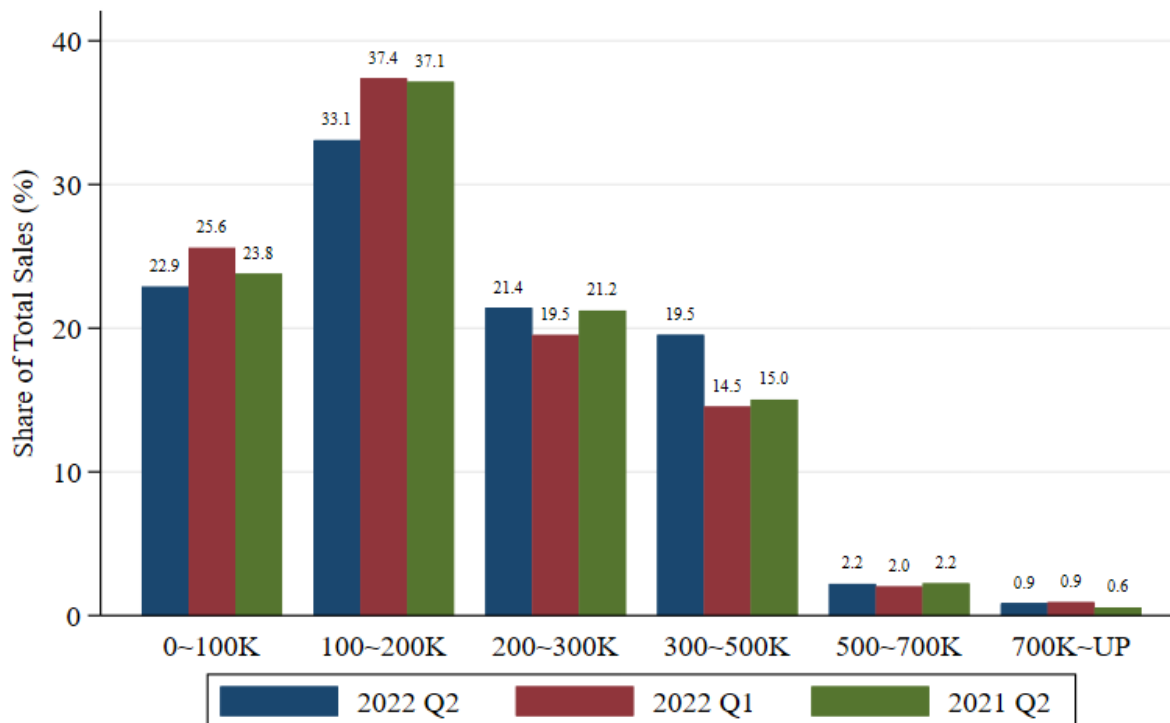


Source: University of Illinois REAL, Illinois REALTORS



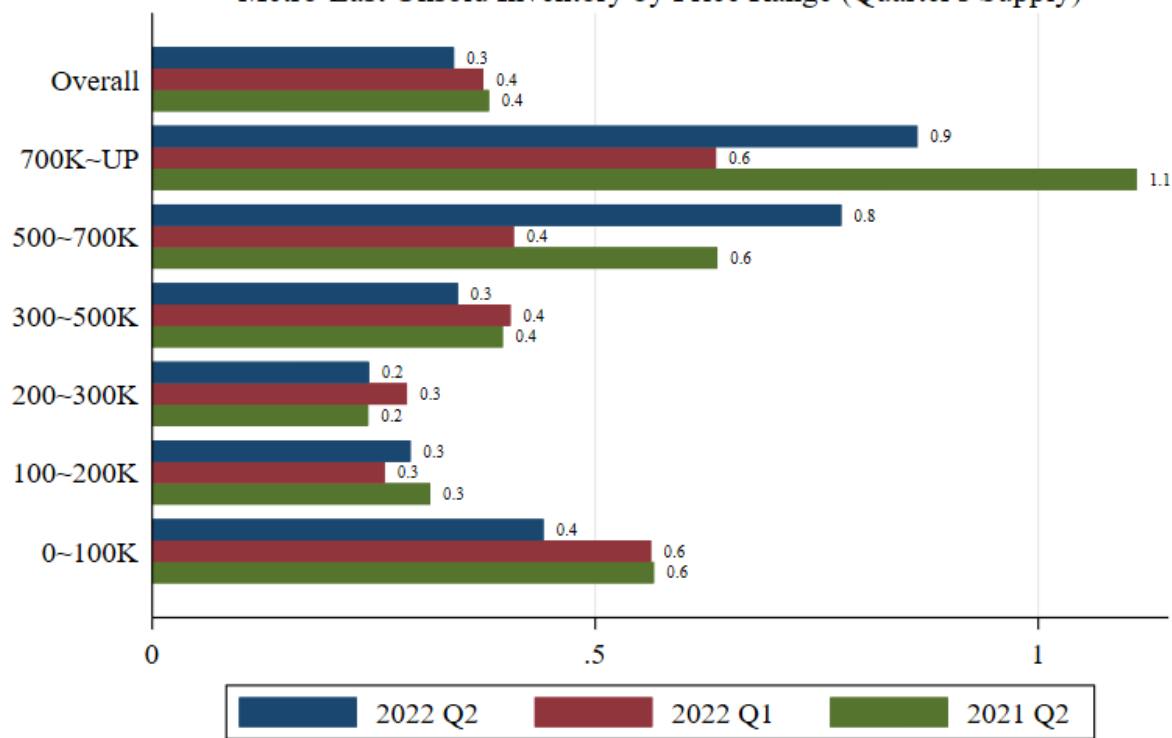
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Metro-East Price Stratification

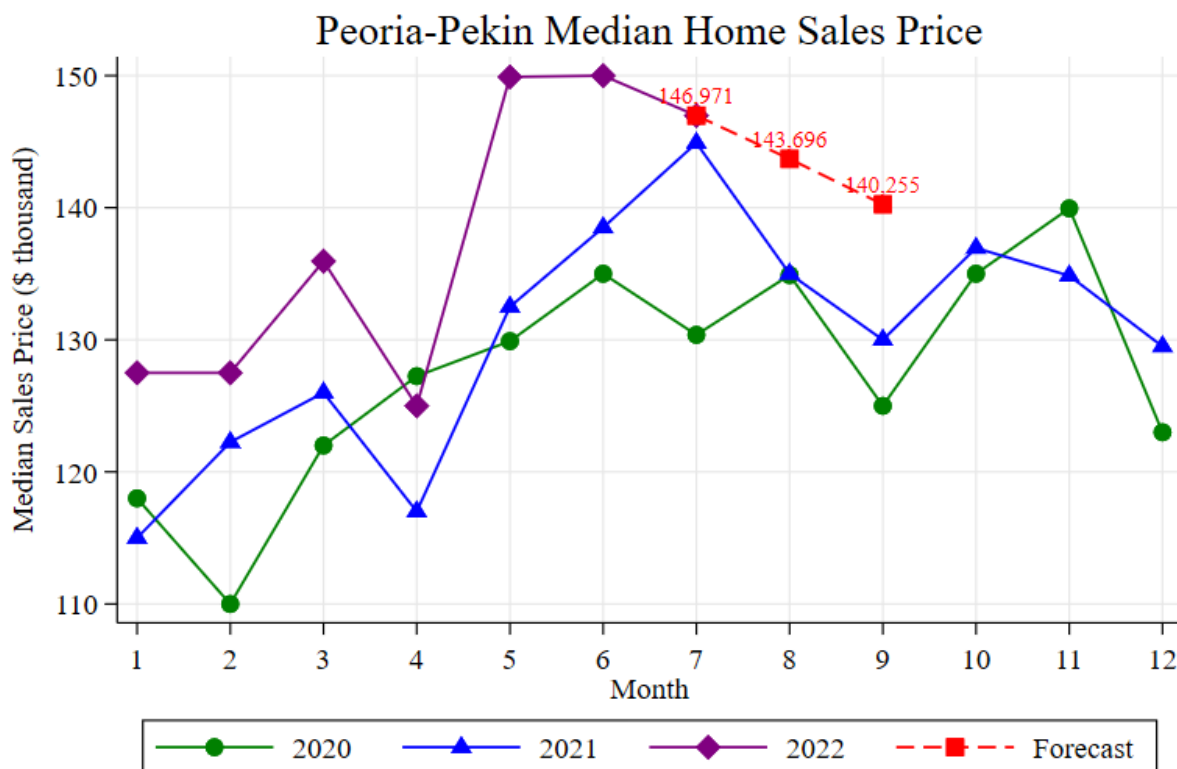


Source: University of Illinois REAL, Illinois REALTORS

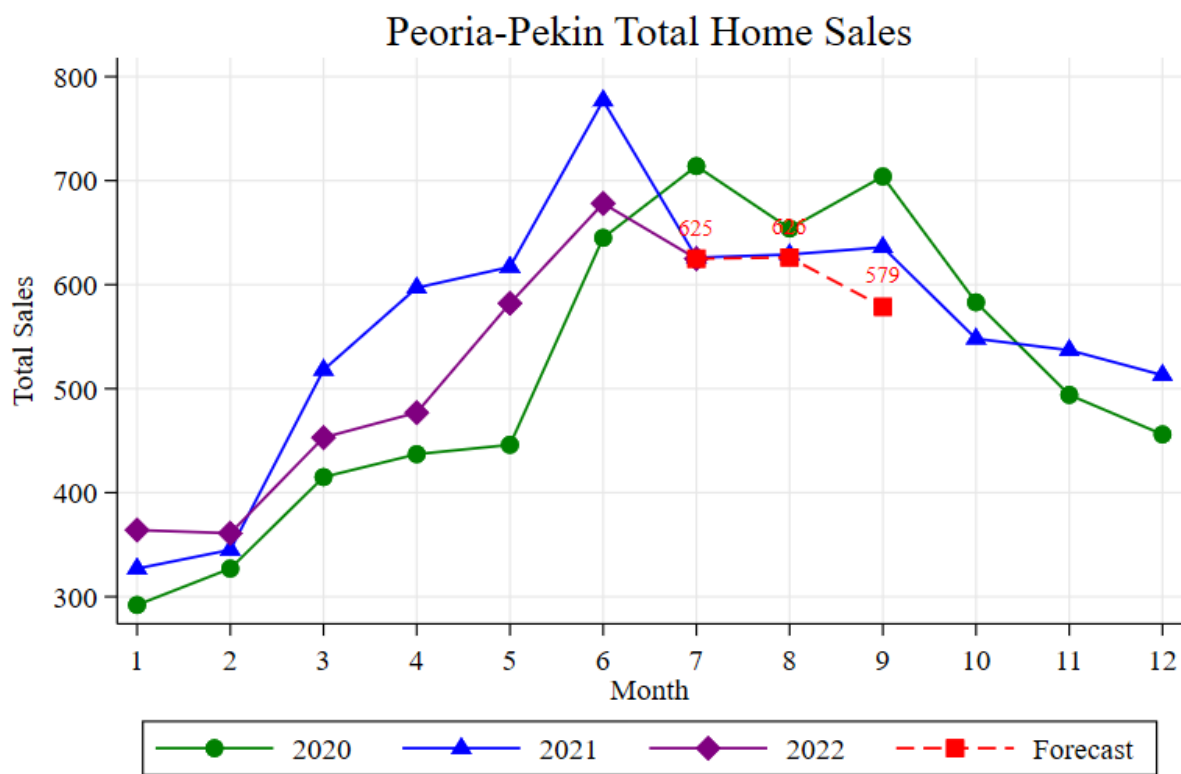
Metro-East Unsold Inventory by Price Range (Quarter's Supply)



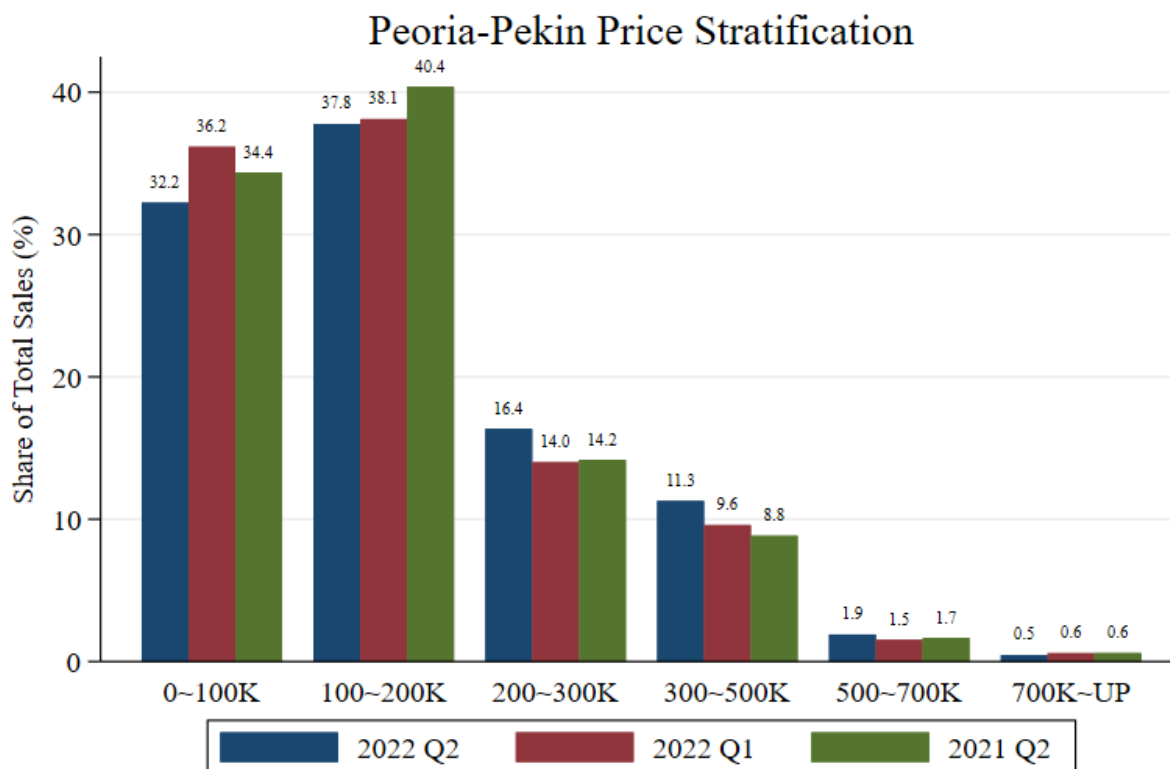
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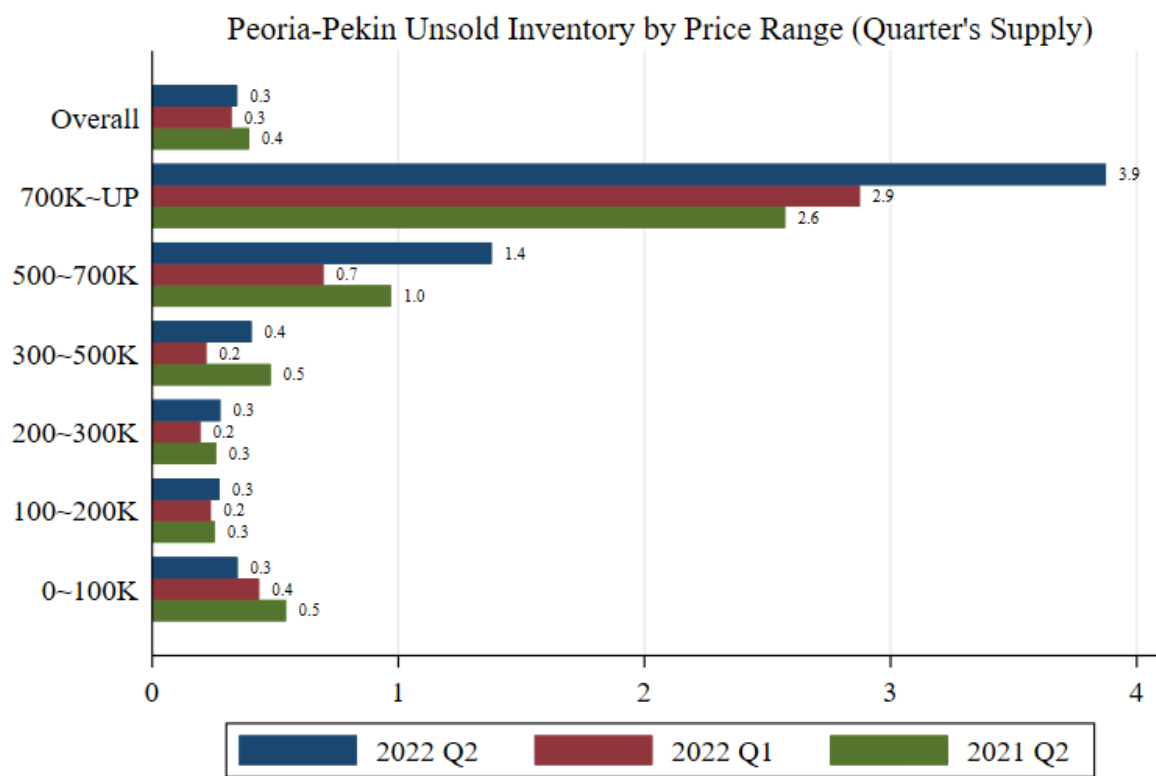
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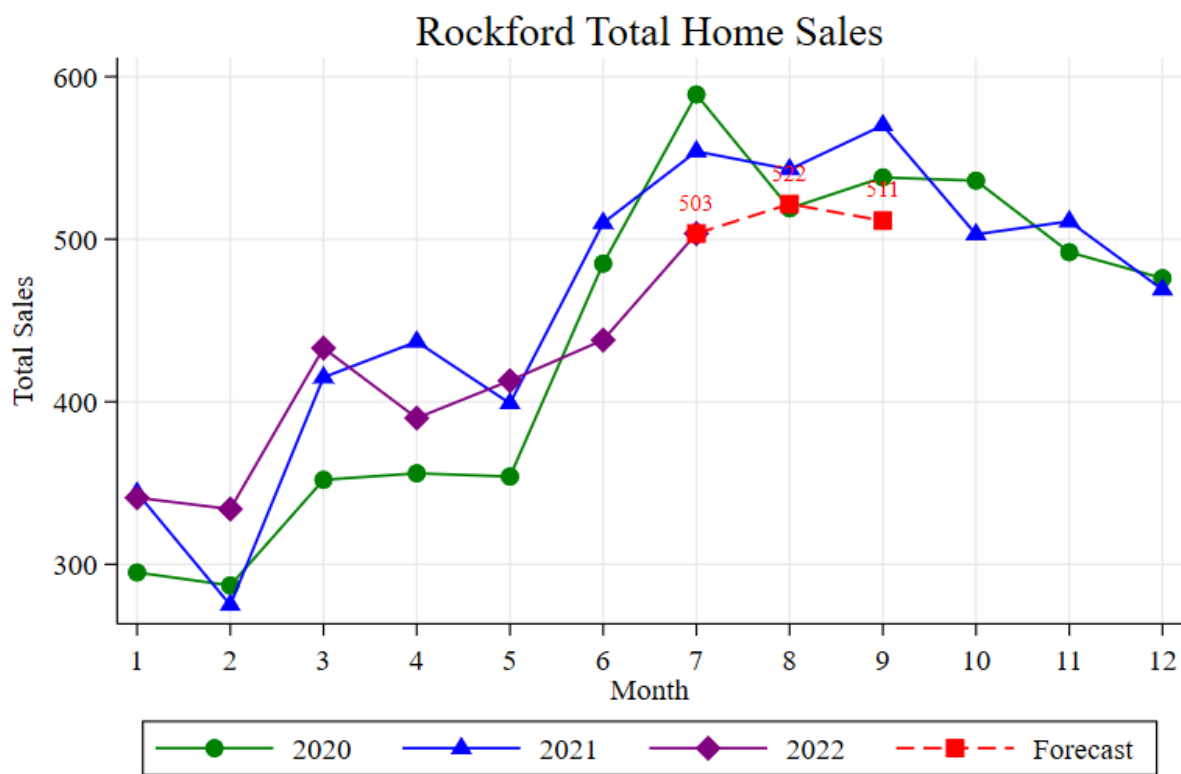
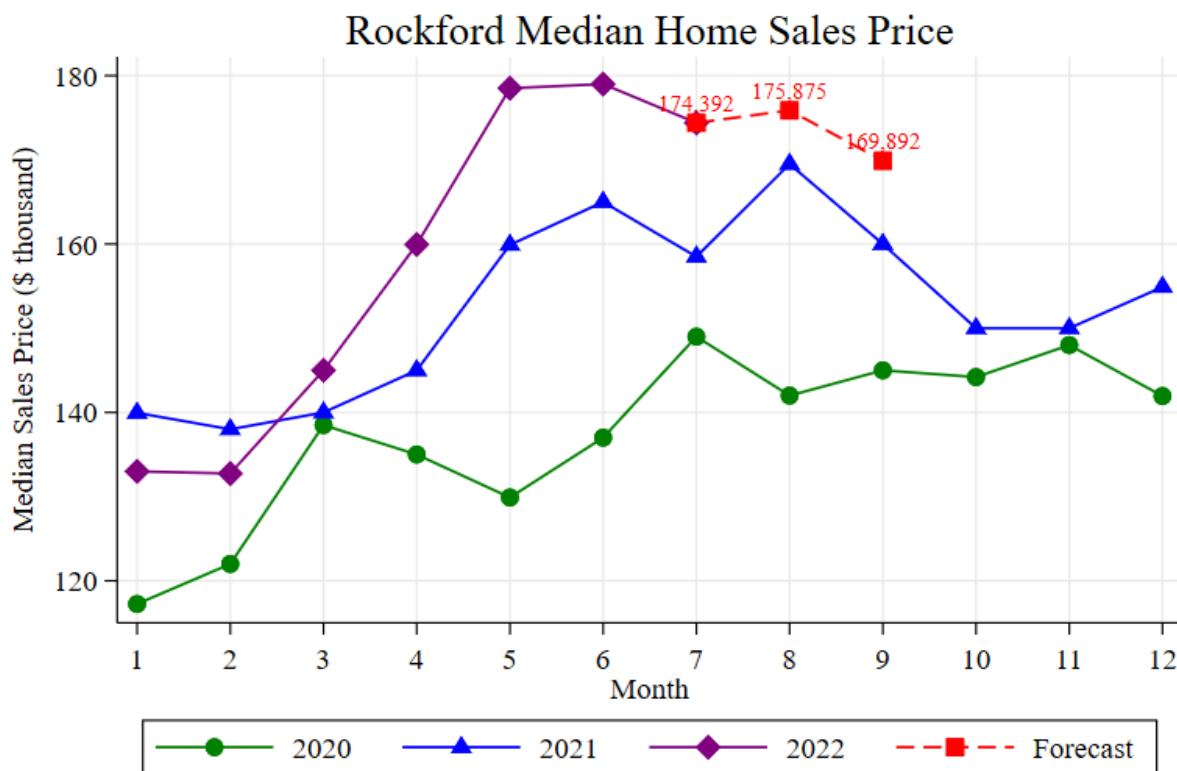
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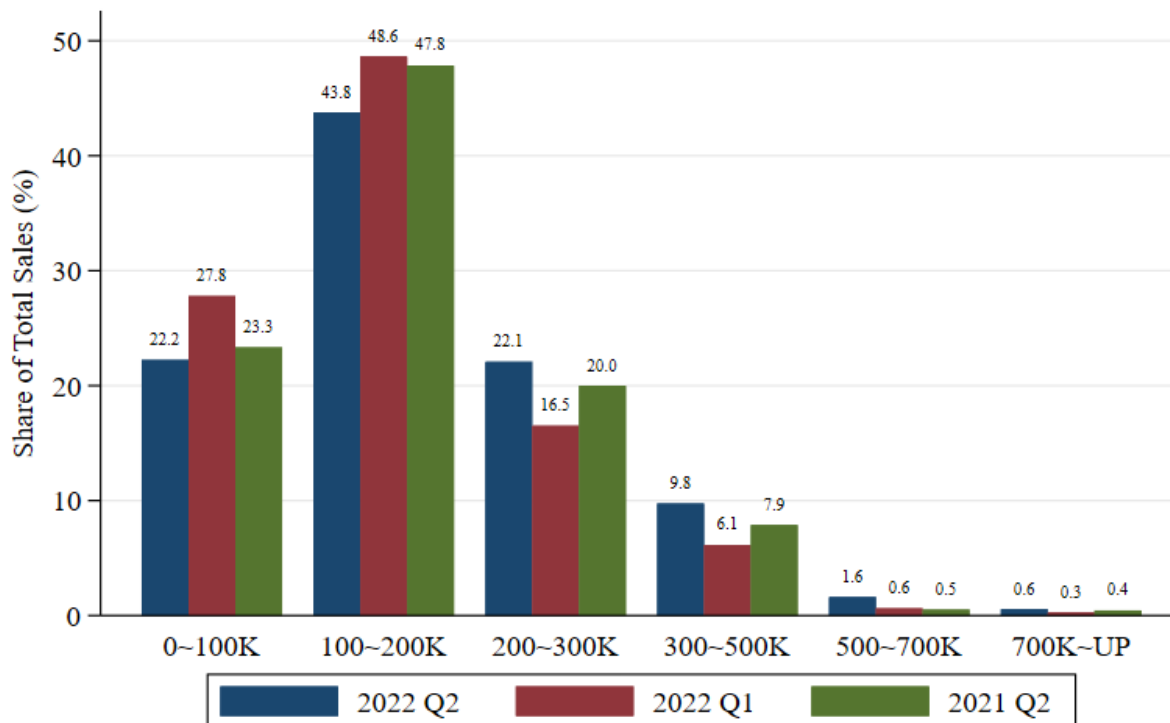
Source: University of Illinois REAL, Illinois REALTORS



Source: University of Illinois REAL, Illinois REALTORS

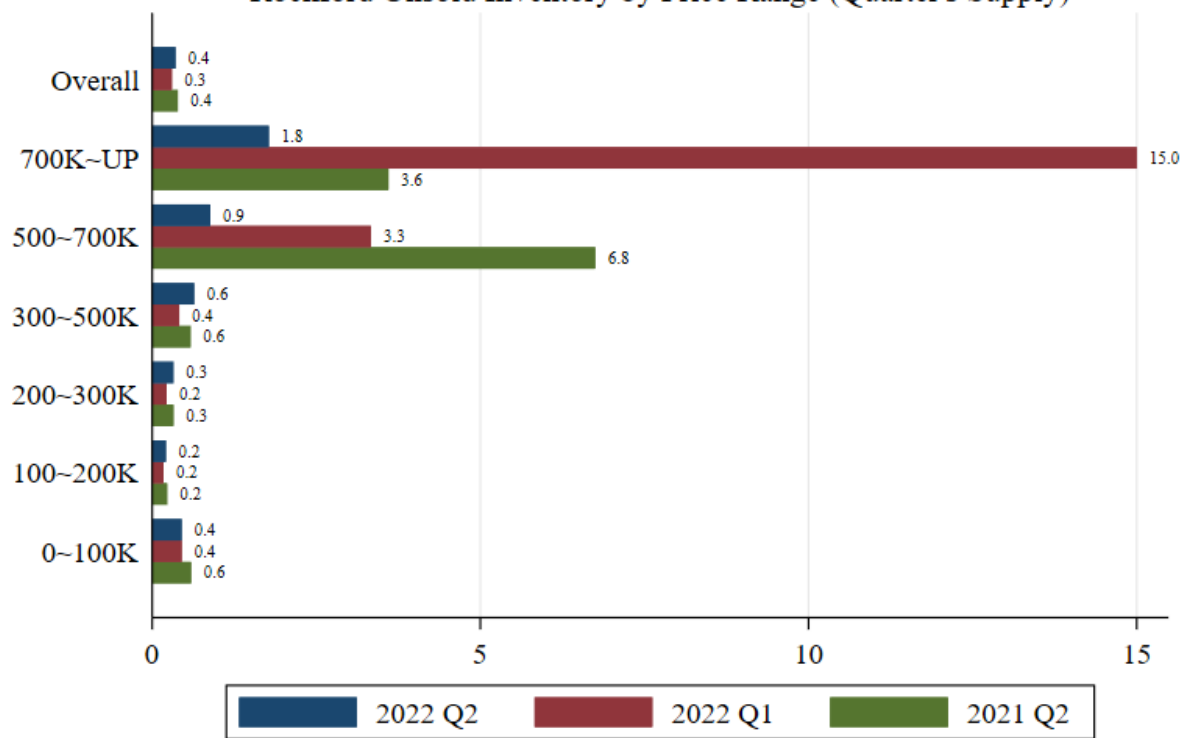


Rockford Price Stratification

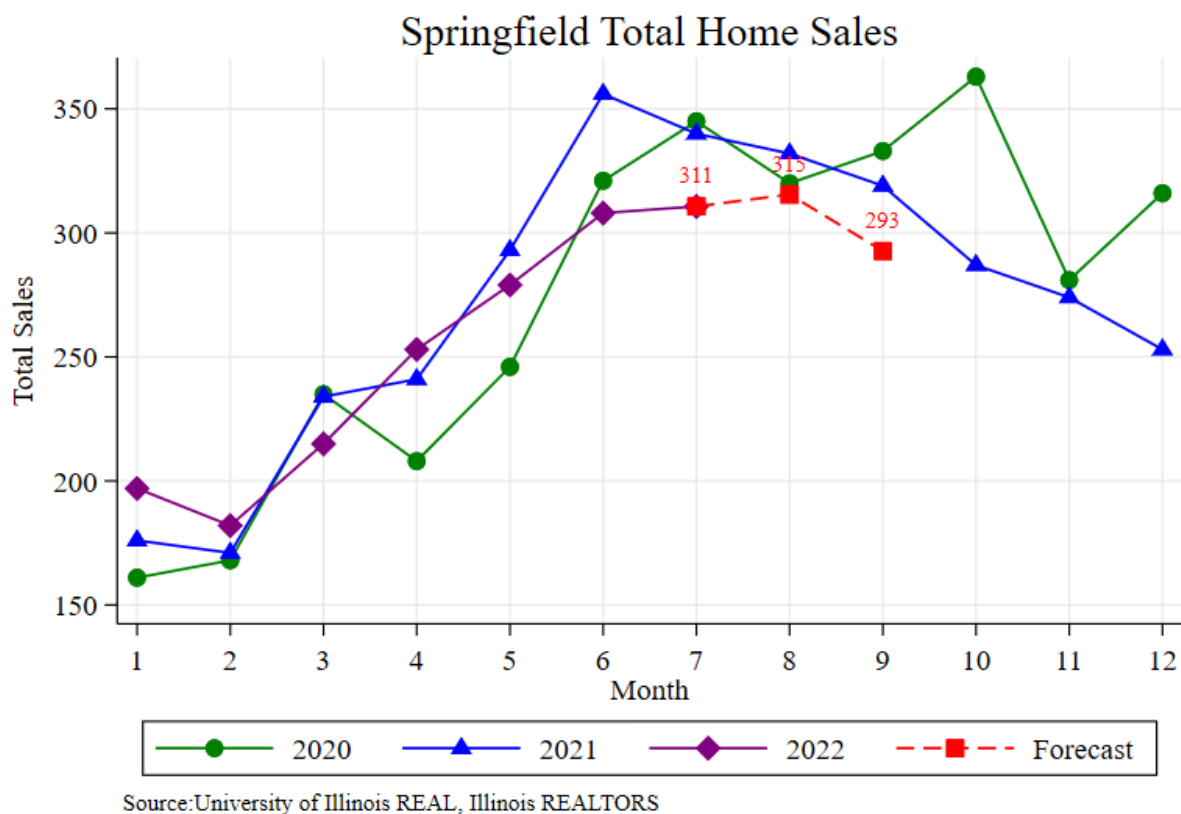
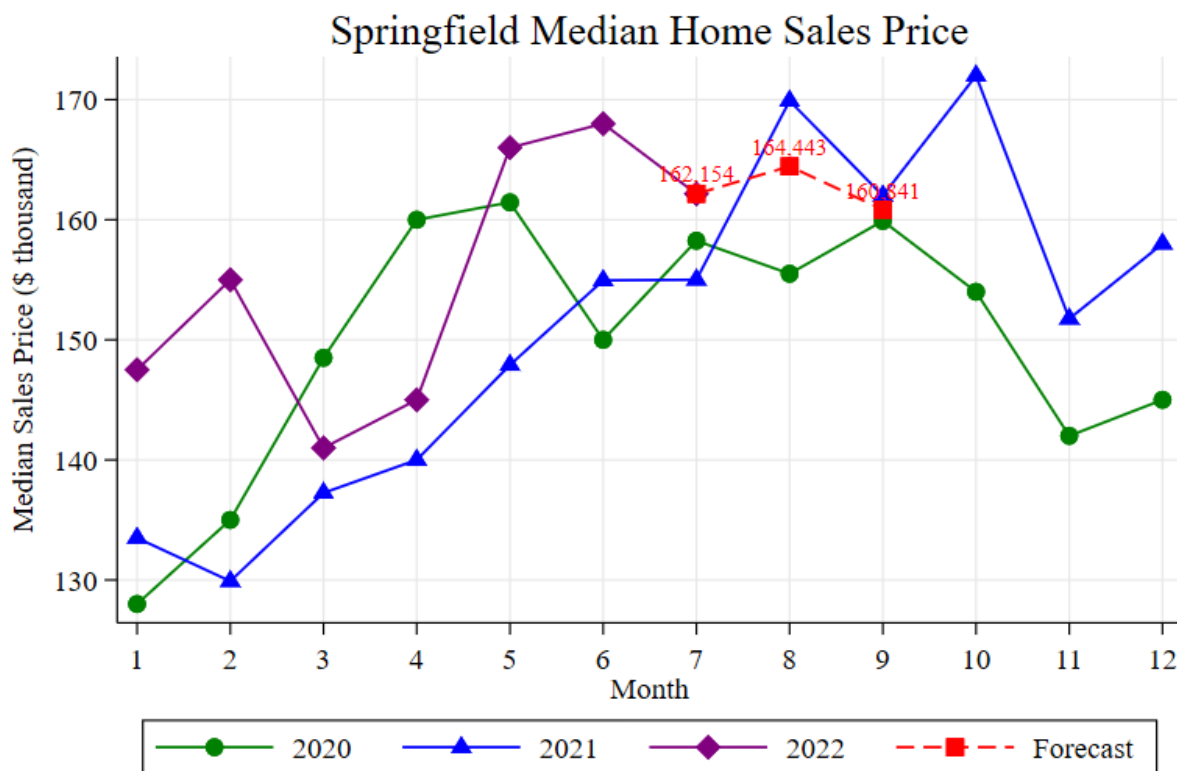


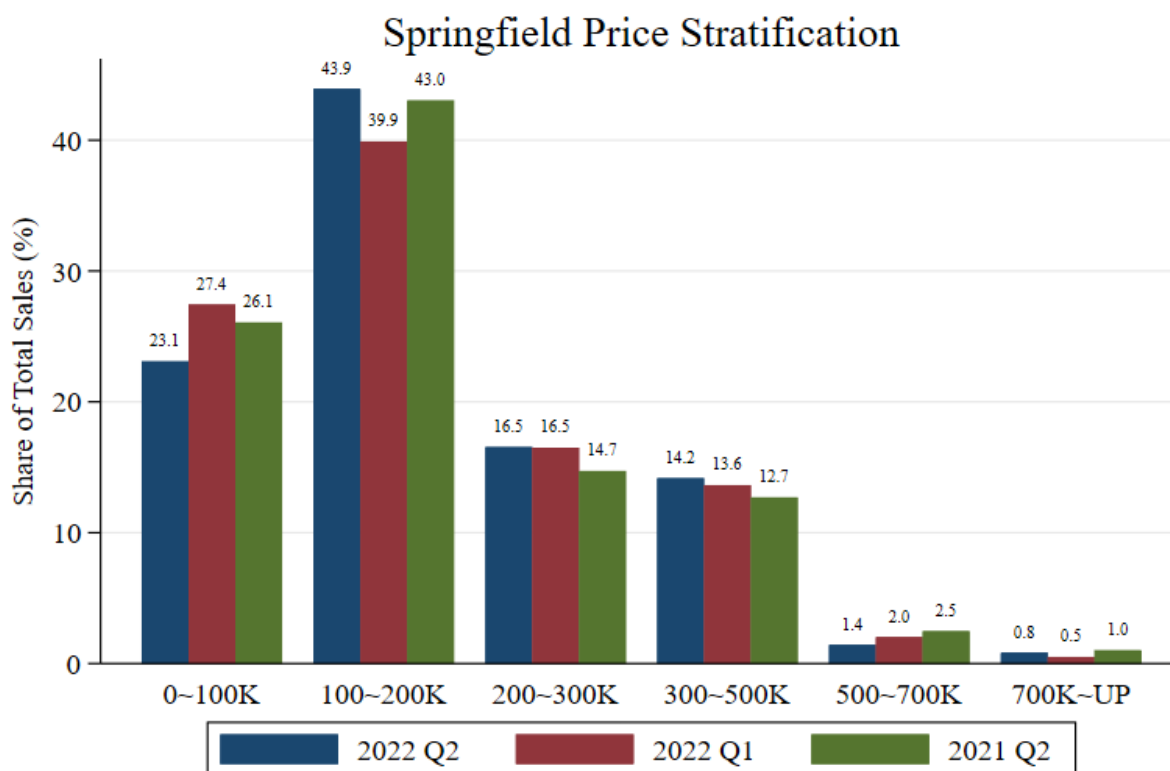
Source: University of Illinois REAL, Illinois REALTORS

Rockford Unsold Inventory by Price Range (Quarter's Supply)

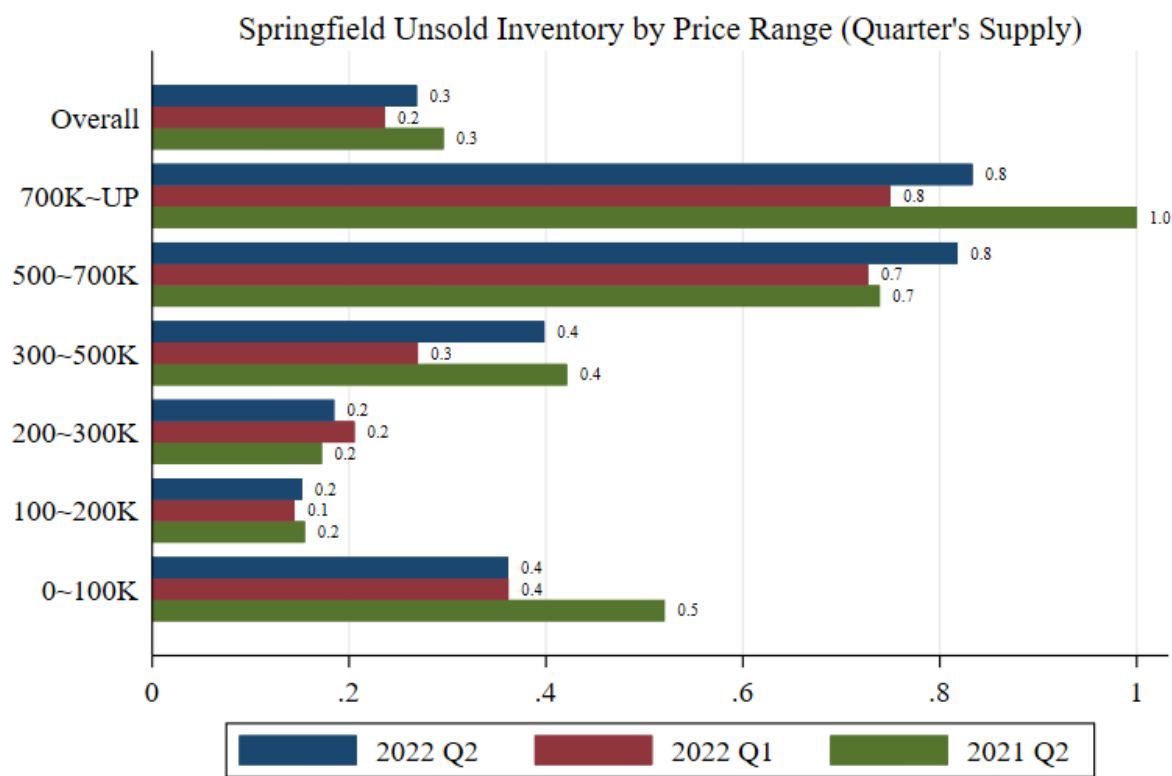


Source: University of Illinois REAL, Illinois REALTORS





Source: University of Illinois REAL, Illinois REALTORS



Source: University of Illinois REAL, Illinois REALTORS

Leading economists from the University of Illinois Regional Economics Applications Laboratory (REAL) developed the Illinois housing price forecast using an augmented distributed lag model as the framework to relate house pricing and the economic business cycle. This “ARIMA” model is considered a highly accurate forecasting method and one that can be easily updated with data provided by the ILLINOIS REALTORS® each month and quarter and selected monthly economic data available for the state and metropolitan regions. Leading the research team is Dr. Daniel McMillen, Professor of Real Estate and Head, Stuart Handler Department of Real Estate, University of Illinois at Chicago.