

**INSTITUTE FOR
HOUSING STUDIES**
at DePaul University

ILLINOIS HOUSING MARKET forecast

Illinois Housing Market Annual Forecast 2026 12-month forecast

This report provides a 12-month forecast of closed sales activity and house prices statewide and in the Chicago region from November 2025 through October 2026. The goal of these projections is to supplement the monthly 3-month forecasts produced by IHS and provide a longer-term estimate to inform planning for the Illinois real estate industry, prospective homebuyers and sellers, and the public.

Conditions Expected to Affect Homebuying in 2026

Throughout 2025, the homebuying environment was challenging and complicated due to a range of evolving economic and housing market conditions. A wide array [of new tariff policies](#) resulted in [stock market turbulence](#), [fears of inflation](#), and wavering [consumer confidence](#). These fears were compounded by [falling trade](#) and the impact of a [government shutdown](#) during October and November. The [rate of inflation](#) ticked upwards throughout the year. However, the Federal Reserve [cut interest rates](#) in September and October in response to [falling hiring numbers](#). While current data [is unavailable](#) due to the shutdown, September unemployment data shows that the [national](#) rate increased 0.3 percent between January and September. The latest Illinois unemployment data is similarly unavailable, though the [most recent data](#) shows that unemployment fell between July and August, landing 0.6 percent below the previous year. The Chicago area accounts for the majority of Illinois' falling unemployment rate, with rates in most other Illinois MSAs [roughly consistent](#) with a year earlier. House prices continued to grow in most parts of the country, indicated by [the Case Shiller Home Price Index](#) sustaining year-over-year growth. Inventories of for-sale homes [increased](#) in much of the country, though Illinois' inventory fell [below 2024 levels](#) during the autumn. National inventory growth resulted in home prices [falling](#) in some metro areas. Mortgage rates [fell throughout the year](#) but remain above 6 percent, though demand [hasn't recovered](#) largely due to ongoing affordability challenges. National [homebuying sentiment](#) has wavered throughout the year with sentiment in September 2025 slightly lower than the same month in 2024.

A substantial level of uncertainty continues to surround the housing market, making conditions in 2026 difficult to forecast. The trajectory of federal interest rate policy remains unclear, as policymakers [remain divided](#) on whether a rate cut in December will occur. There's little clarity on wider economic trends, especially as many national data reports are [delayed](#) or [cancelled](#) due to the government shutdown. Researchers at Fannie Mae predict that mortgage rates will [fall below 6 percent](#) during 2026, while the Mortgage Bankers Association [expects](#) rates to slightly increase. Inventory is [expected](#) to continue growing modestly while home prices will continue growing, though at a [decelerated rate](#).

State of Illinois Forecast

- 2025 Summary** – Between January and October 2025, the State of Illinois had 112,892 closed sales of single-family homes, townhomes, and condominiums. This number was up by 1.7 percent compared to closed sales activity over the same period in 2024 and down by 0.4 percent compared to the same period in 2023. Prices for all properties in Illinois continued to grow in 2025, increasing by 5.9 percent compared to prices over the same period in 2024 and up 13.7 percent compared to 2023.
- 2026 Outlook** - IHS's 2026 housing market forecast indicates that the level of closed sales activity in Illinois will be about 1 percent higher than sales activity in 2025. Sales prices are estimated to continue to grow, increasing by about 3.4 percent compared to 2025.

Figure 1 – Monthly closed sales activity (all properties) in Illinois, 2023 to October 2025 (actual activity) and November 2025 to October 2026 (IHS estimates)

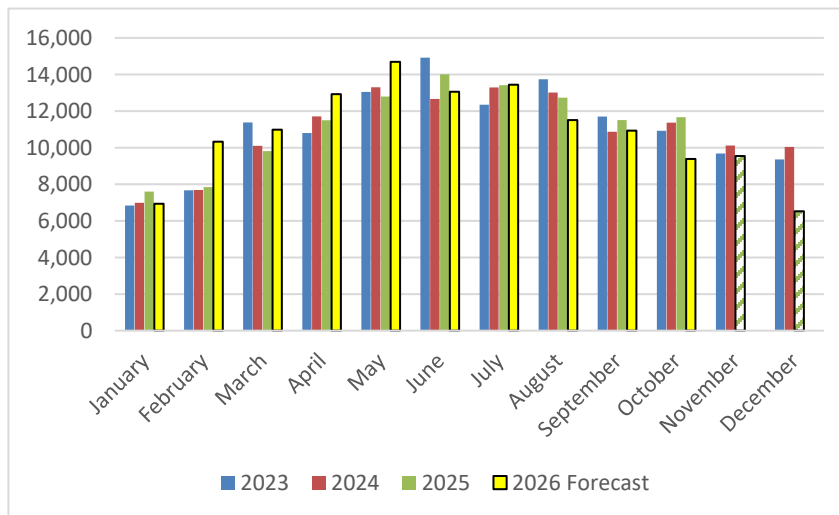
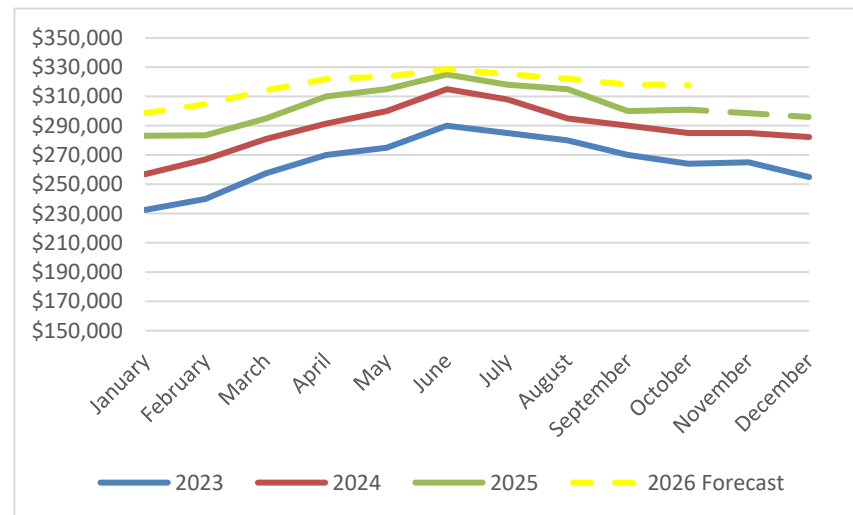


Figure 2 – Monthly median sales price (all properties) in Illinois, 2023 to October 2025 (actual activity) and November 2025 to October 2026 (IHS estimates)



Chicago Metropolitan Area Forecast

- 2025 summary** - Between January and October 2025, the Chicago metro area had 76,258 closed sales of single-family homes, townhomes, and condominiums. This number was up by 1.3 percent compared to closed sales activity over the same period in 2024 and down by 1.2 percent compared to the same period in 2023. Prices for all properties in the Chicago area continued to grow in 2024, increasing by 5.4 percent compared to prices over the same period in 2024 and up 13.6 percent compared to 2023.
- 2026 Outlook** - IHS's 2026 housing market forecast indicates that the level of closed sales activity in the Chicago area will increase by 5.1 percent compared to sales activity in 2025. Sales prices are estimated to continue to grow in 2026, with a projected increase of nearly 5 percent compared to 2025.

Figure 3 – Monthly closed sales activity (all properties) in the Chicago metro area, 2023 to October 2025 (actual activity) and November 2025 to October 2026 (IHS estimates)

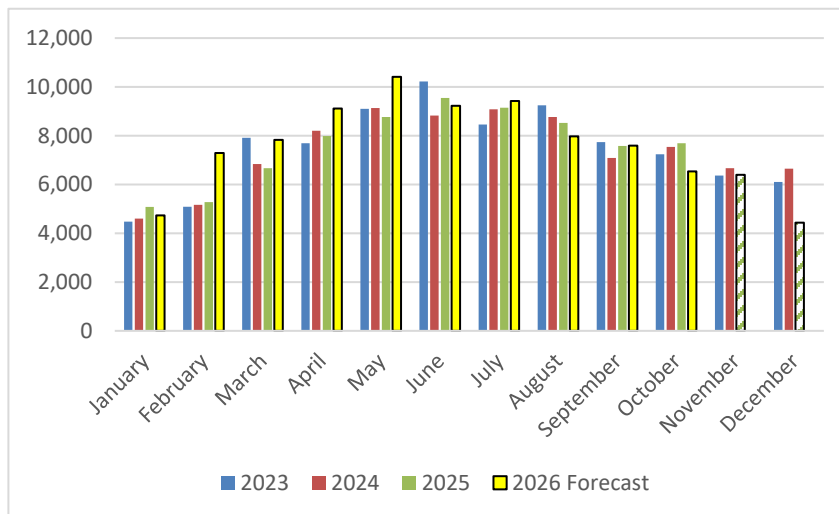
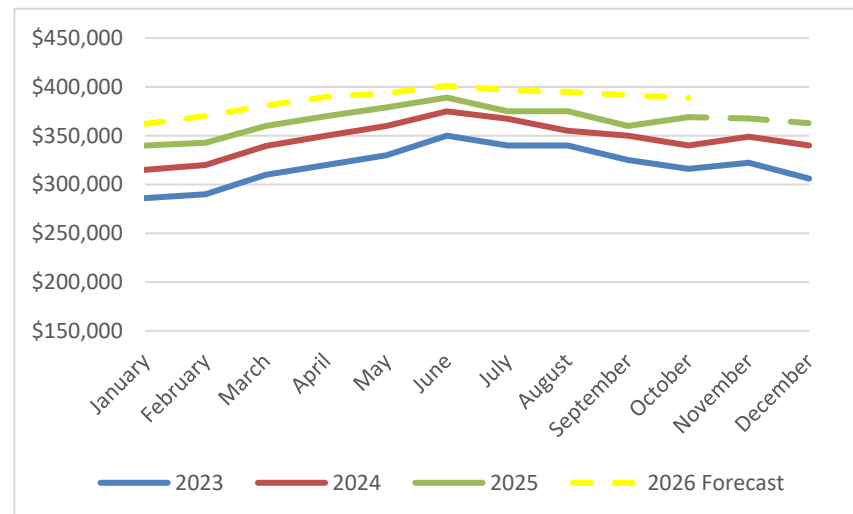


Figure 4 – Monthly median sales price (all properties) in Illinois, 2023 to October 2025 (actual activity) and November 2025 to October 2026 (IHS estimates)



About the Institute for Housing Studies at DePaul University's (IHS) Housing Market Forecast Model

The IHS Housing Market Forecast is designed to help the public understand how current housing market and economic characteristics might affect conditions for home buying and selling in the coming months. The outlook is based on a forecasting model that is updated monthly and incorporates data on current and historic housing market activity. The Institute for Housing Studies uses a forecasting model known as an Autoregressive Integrated Moving Average (ARIMA) which integrates historical data to predict future housing prices, taking into account the patterns, trends, and seasonal variations identified from past data assuming the level of external risks remain consistent at their current levels. The underlying data used in the market forecast and price indices, as well as summary statistics, are from ShowingTime. The Chicago Metro Area includes Cook, DeKalb, DuPage, Grundy, Kane, Kendall, Lake, McHenry and Will Counties.

Data Appendix

Illinois - All Properties

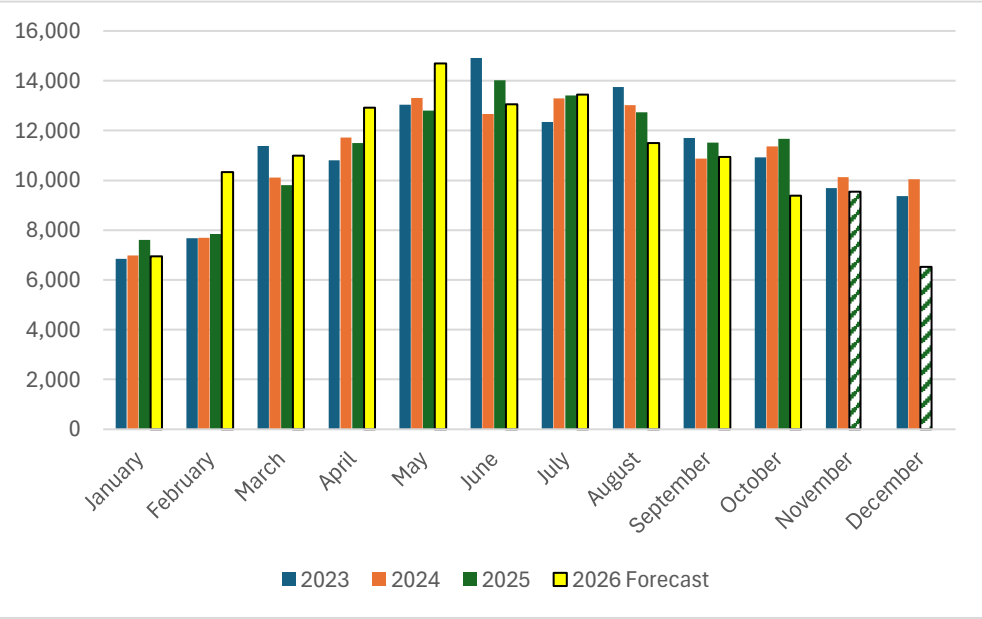
Summary of Recent Trends and 2026 Forecast

	Closed Sales					Median Sales Price				
	2023	2024	2025	2026 Forecast	Monthly YoY Trend	2023	2024	2025	2026 Forecast	Monthly YoY Trend
January	6,842	6,985	7,600	6,940		\$232,500	\$256,900	\$283,125	\$298,690	
February	7,669	7,690	7,848	10,328		\$240,000	\$267,000	\$283,500	\$304,642	
March	11,378	10,102	9,814	10,985		\$257,500	\$281,000	\$295,000	\$314,148	
April	10,800	11,709	11,496	12,925		\$270,000	\$291,500	\$310,000	\$321,917	
May	13,045	13,300	12,794	14,688		\$275,000	\$300,000	\$315,000	\$323,575	
June	14,919	12,667	14,014	13,055		\$290,000	\$315,000	\$325,000	\$328,646	
July	12,351	13,294	13,417	13,445		\$285,000	\$308,000	\$318,000	\$325,269	
August	13,740	13,016	12,736	11,505		\$280,000	\$295,000	\$315,000	\$322,067	
September	11,698	10,873	11,508	10,932		\$270,000	\$290,000	\$300,000	\$318,089	
October	10,919	11,370	11,665	9,384		\$264,000	\$285,000	\$301,000	\$317,829	
November	9,680	10,121	9,543			\$265,000	\$285,000	\$298,524		
December	9,358	10,040	6,524			\$255,000	\$282,306	\$295,964		
Total (YTD through October)	113,361	111,006	112,892	114,187		\$270,000	\$290,000	\$307,000	\$317,487	

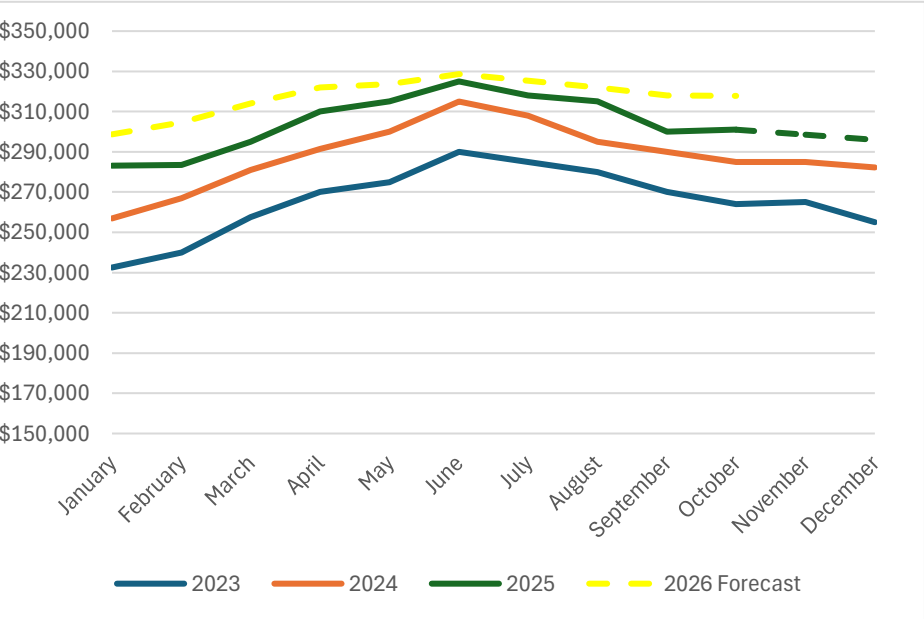
IHS 12-month Forecast

Sources: ShowingTime Data and IHS Housing Market Forecast

Monthly Closed Sales



Monthly Median Sales Price



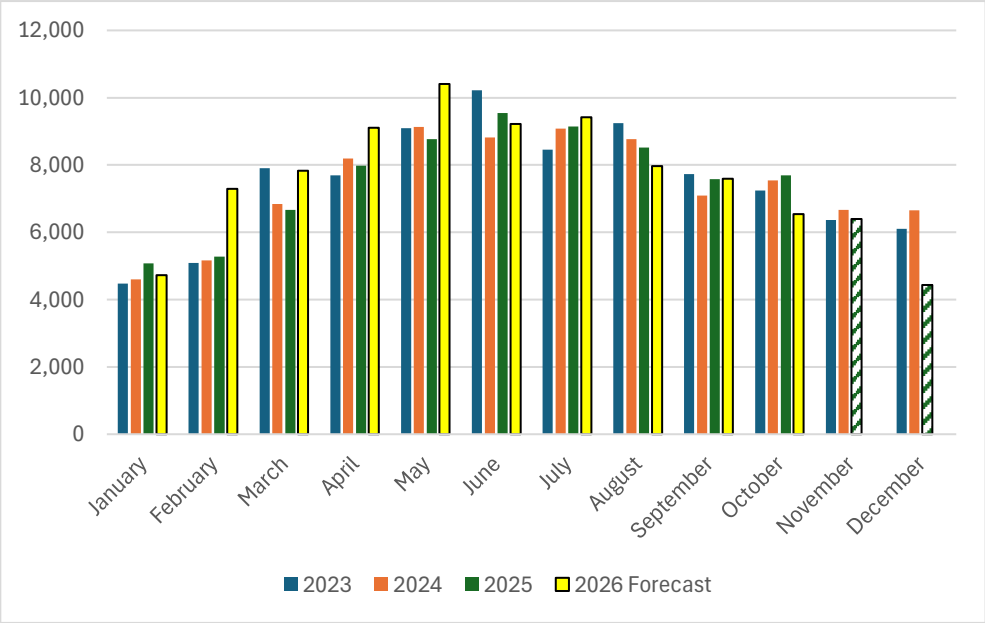
Chicago Metro Area - All Properties
Summary of Recent Trends and 2026 Forecast

	Closed Sales					Median Sales Price				
	2023	2024	2025	2026 Forecast	Monthly YoY Trend	2023	2024	2025	2026 Forecast	Monthly YoY Trend
January	4,478	4,603	5,078	4,730		\$286,000	\$315,000	\$339,900	\$362,092	
February	5,084	5,163	5,275	7,288		\$290,000	\$320,000	\$342,750	\$370,170	
March	7,911	6,840	6,670	7,830		\$310,000	\$339,500	\$360,000	\$380,936	
April	7,689	8,199	7,983	9,113		\$320,000	\$350,000	\$370,000	\$389,691	
May	9,098	9,135	8,767	10,410		\$330,000	\$360,000	\$379,000	\$393,431	
June	10,221	8,824	9,548	9,225		\$349,995	\$374,900	\$389,000	\$401,238	
July	8,458	9,081	9,146	9,421		\$339,900	\$367,250	\$375,000	\$396,845	
August	9,247	8,768	8,521	7,973		\$339,900	\$355,000	\$375,000	\$394,867	
September	7,733	7,088	7,580	7,589		\$325,000	\$350,000	\$360,000	\$391,648	
October	7,237	7,542	7,690	6,537		\$316,000	\$340,000	\$369,000	\$388,798	
November	6,365	6,667	6,396			\$322,250	\$349,000	\$367,602		
December	6,100	6,650	4,435			\$305,950	\$340,000	\$362,761		
Total (YTD through October)	77,156	75,243	76,258	80,116		\$325,000	\$350,000	\$369,051	\$386,972	

IHS 12-month Forecast

Sources: ShowingTime Data and IHS Housing Market Forecast

Monthly Closed Sales



Monthly Median Sales Price

