



**INSTITUTE FOR  
HOUSING STUDIES**  
at DePaul University

# ILLINOIS HOUSING **MARKET** forecast

## Illinois Housing Market Forecast January 2026

The goal of this report is to provide timely housing market data and market projections to inform the Illinois real estate industry, prospective homebuyers and sellers, and the public.

This report highlights trends in housing market activity through December 2025 for the State of Illinois, the Chicago Metro Area, and the City of Chicago. For each geographic area, this report summarizes total closed sales activity for single-family homes, condominiums, and townhomes and then summarizes a set of key housing market indicators to highlight recent trends and current conditions for closed single-family property sales activity, median sales prices, time on market, inventory, and homebuyer affordability. For the Chicago Metro Area and City of Chicago, the report also includes data on recent foreclosure activity. Based on these and other housing market and economic data, the Institute for Housing Studies developed a three-month outlook to estimate potential changes in homebuying activity and house prices. Additionally, the report includes supplemental tables and charts summarizing recent and longer-term trends to provide additional context on housing market activity.

The December 2025 data highlight the continuation of recent trends where a still-limited supply of for-sale housing (as indicated by persistently low inventories) and competitive real estate markets (as indicated by short time on market) are leading to continued rising prices in Illinois, the Chicago region, and the City of Chicago. Mortgage rates dropped throughout the year but remain above 6 percent. In December, closed sales activity statewide was slightly above the previous year. Single family sales prices statewide and in the Chicago region were higher than they were a year ago. In the coming months, levels of single-family sales activity statewide and in the Chicago region are expected to follow seasonal trends and drop in January before rebounding in the following months, with slightly less anticipated sales activity than during the same period a year earlier. Home prices statewide and in the Chicago region are expected to be above the previous year's prices through March 2026.

## State of Illinois

- **Recent trends** – In December 2025, there were 10,237 closed sales of single-family homes, townhomes, and condominiums in Illinois. December prices for single-family homes in Illinois were about 5.0 percent higher than in the same month in 2024. Single-family closed sales activity levels were 2.5 percent higher than levels in December 2024. The inventory of for-sale single-family homes fell 7.6 percent compared to the previous December, remaining near historic lows. The average number of days on the market for a single-family home was consistent with the previous December. Affordability conditions for single-family homebuying were slightly better than the previous year.
- **Three-month outlook** – IHS's three-month housing market forecast indicates that closed sales activity levels will follow seasonal trends, declining by about 27 percent between December and January, before rebounding in the following months. In this projection, sales in March 2026 will be roughly equal to December 2025. Total sales activity during the three-month period from January to March is expected to be 1.8 percent lower than during the same period a year earlier. Single-family house prices are estimated to rise almost 4 percent between December and March. In this projection, statewide prices in March 2026 will be about 12.3 percent higher than they were in March 2025.

## Chicago Metropolitan Area

- **Recent trends** – In December 2025, there were 6,637 closed sales of single-family homes, townhomes, and condominiums in the Chicago Metro Area. Prices for single-family homes in the Chicago Metro Area rose almost 3 percent between December 2024 and 2025. The number of closed single-family home sales in the Chicago area fell 0.2 percent from the previous December. The inventory of for-sale single-family homes fell almost 11 percent since the previous December. The average time spent on the market fell by 1 day compared to December 2024. Affordability conditions for single-family homebuying in the Chicago area were slightly above last year's levels.

- **Three-month outlook** – IHS's three-month housing market forecast indicates that the level of closed sales activity for single-family homes will follow seasonal trends and decrease by about 29.4 percent between December 2025 and January 2026, before rebounding. In this model, sales in March 2026 will be 2.3 percent lower than in December 2025. Total sales between January and March 2026 are estimated to be 2.8 percent lower than during the same period a year earlier. Prices of single-family homes in the Chicago metropolitan area are projected to increase 4.2 percent between December 2025 and March 2026. This scenario would reflect a price increase of almost 3 percent between March 2025 and 2026.

### **City of Chicago** *Single-Family Homes*

- **Recent trends** – In December 2025, there were 1,615 closed sales of single-family homes, townhomes, and condominiums in the City of Chicago. Prices for single-family homes in the City of Chicago were down 4.0 percent from December 2024. The number of closed single-family sales in Chicago fell by about 3.2 percent compared to the previous December. The inventory of for-sale homes declined by 20.4 percent compared to December 2024, and the time on market fell by 8 days. Affordability conditions for single-family homebuyers in Chicago were better than the previous December.
- **Three-month outlook** - IHS's three-month housing market forecast indicates that the level of closed sales activity will follow seasonal trends and decrease by 30.6 percent between December 2025 and January 2026, then increase again. Sales in March 2026 are expected to be about 3 percent lower than they were in December 2025. Total sales during the three-month period from January to March are estimated to be almost 6 percent lower than the same period a year earlier. Single-family house prices in the City of Chicago are expected to increase by roughly 2.6 percent between December 2025 and March 2026. However, prices in this scenario would be 4.7 percent lower than in March 2025.

## City of Chicago

### *Condominiums and Townhomes*

- **Recent trends** – Prices for condos and townhomes in the City of Chicago fell almost 4 percent between December 2024 and 2025. The number of closed condo sales in Chicago decreased by almost 3 percent compared to the previous December. The inventory of for-sale condos declined by about 29.2 percent compared to December 2024. The number of days on market fell by 3 days compared to the previous year.
- **Three-month outlook** - IHS's three-month housing market forecast indicates that the level of closed condominium sales activity will follow seasonal trends and decline by 24.2 percent between December 2025 and January 2026. Afterwards, sales activity is expected to pick up, with sales in March 2026 increasing by over 30 percent compared to December 2025. Total condominium sales activity in Chicago from January to March are estimated to be about 2 percent lower than during the same period a year earlier. Condo prices are projected to increase by 5.7 percent between December 2025 and March 2026. These projected March prices would be 0.4 percent lower than in March 2025.

## Conditions Affecting Homebuying

The housing market remained complex through the end of 2025 thanks to a variety of high-level factors. The [rate of inflation](#) remained elevated but stable in December. The Federal Reserve [cut interest rates](#) three times during the fall amid [a weakening labor market](#), but [modest hiring growth](#) in December suggests that further cuts [are unlikely](#). National [unemployment](#) fell slightly between November and December but remains above the previous year's rate. The Illinois [unemployment rate](#) was stable between September and November, landing 0.5 percent below the previous year's rate and 0.2 percent below the national rate. In January, the [consumer sentiment index](#) rose again but remains tempered due to concerns about inflation. Foreclosure activity levels were higher than the previous year in both the City of Chicago and the Chicago metropolitan area, and nationwide foreclosure activity during 2025 was [higher than in 2024](#). Overall, Chicago area foreclosure activity remains below pre-pandemic levels.<sup>1</sup>

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<sup>1</sup> For Chicago area data on foreclosure activity, see the Appendix

These indicators highlight ongoing challenges and opportunities in the current homebuying market. Mortgage [interest rates](#) fell throughout the year, landing just above 6 percent at the end of 2025. However, falling rates [might not](#) lead to an immediate jump in homebuying activity due to continued affordability barriers. Prices are still near record highs nationally, with the [Case Shiller Home Price Index](#) still indicating year-over-year growth. National inventories of for-sale homes have [maintained](#) year-over-year growth, though residential housing starts [have fallen](#) to the lowest level since 2020. Nationally, [homebuying sentiment](#) was stable in September, with the majority of households still saying that it's a bad time to buy. In November 2025, Illinois single-family inventories continue to show year-over-year declines, and the state continues to have [among the weakest recoveries](#) to pre-pandemic inventory levels. The ongoing statewide inventory shortage suggests that the market will remain highly competitive and challenging for homebuyers throughout the near future. Continued economic uncertainty makes it difficult to predict how homebuyers will react to these trends.

### **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. 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 - Single Family Homes Summary of Recent Trends

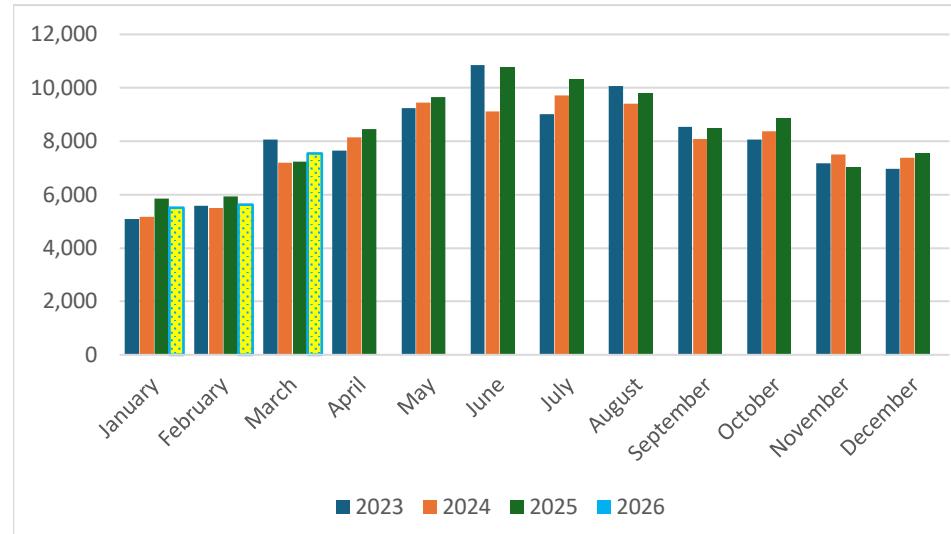
Month	Closed Sales				Days on Market				Inventory				Median Sales Price				Affordability			
	2023	2024	2025	2026	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2026	2023	2024	2025
January	5,094	5,171	5,844	5,509	41	36	40	14,769	12,935	14,718	\$230,000	\$255,000	\$270,000	\$299,451	171	147	136	125	100	90
February	5,592	5,495	5,927	5,623	44	40	42	13,633	12,848	14,428	\$235,000	\$260,000	\$267,250	\$303,026	162	141	139	128	105	95
March	8,061	7,191	7,236	7,541	41	37	41	13,304	12,457	14,182	\$257,000	\$281,000	\$277,500	\$311,669	151	132	136	127	103	93
April	7,657	8,146	8,462	8,000	34	31	34	12,998	13,013	14,781	\$275,000	\$290,000	\$300,000	850,000	139	124	124	120	100	90
May	9,247	9,452	9,649	9,500	30	27	28	13,425	14,315	16,001	\$280,000	\$305,000	\$310,000	850,000	135	119	119	115	100	90
June	10,844	9,126	10,751	10,500	25	24	25	14,215	15,036	16,677	\$300,000	\$325,000	\$320,000	850,000	125	114	116	110	100	90
July	9,020	9,717	10,320	10,000	23	23	25	14,566	16,044	17,529	\$290,000	\$318,000	\$318,000	850,000	128	117	117	115	100	90
August	10,058	9,403	9,776	9,500	24	25	26	15,233	17,007	17,768	\$285,000	\$300,000	\$315,000	850,000	126	129	120	118	100	90
September	8,529	8,079	8,492	8,200	26	26	28	15,852	17,599	18,156	\$273,000	\$295,000	\$305,000	850,000	130	134	127	125	100	90
October	8,062	8,368	8,850	8,500	27	28	29	15,971	18,266	18,319	\$265,000	\$290,000	\$305,000	850,000	129	131	129	127	100	90
November	7,181	7,497	7,018	7,200	28	29	31	15,728	17,450	16,880	\$265,000	\$285,000	\$295,100	850,000	135	130	132	128	100	90
December	6,972	7,379	7,561	7,400	31	33	33	13,576	15,289	14,120	\$255,000	\$285,500	\$299,900	850,000	148	130	131	126	100	90

IHS Three Month Outlook

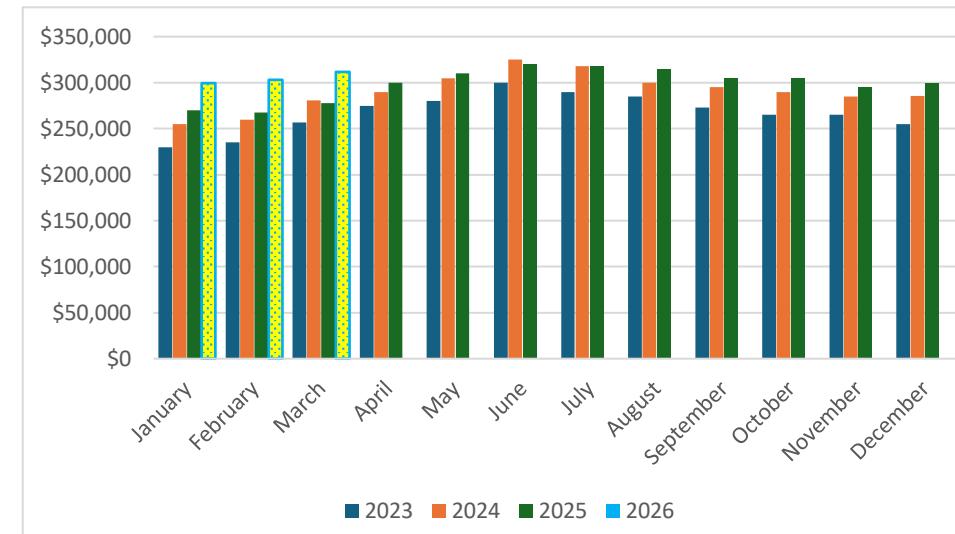
Sources: ShowingTime Data and IHS Housing Market Forecasts

## Illinois Short Term Trends - Single Family

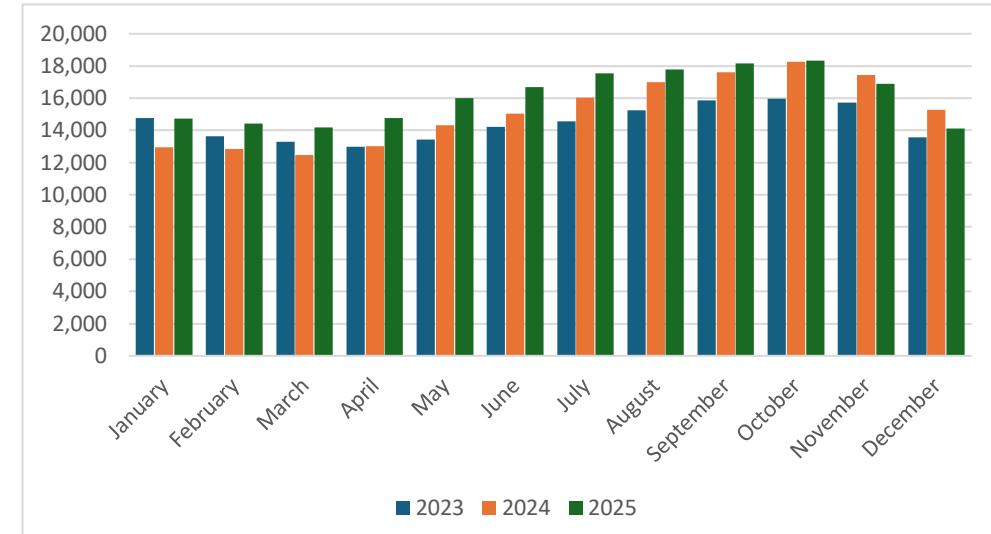
## Monthly Closed Sales



### Monthly Median Sales Price



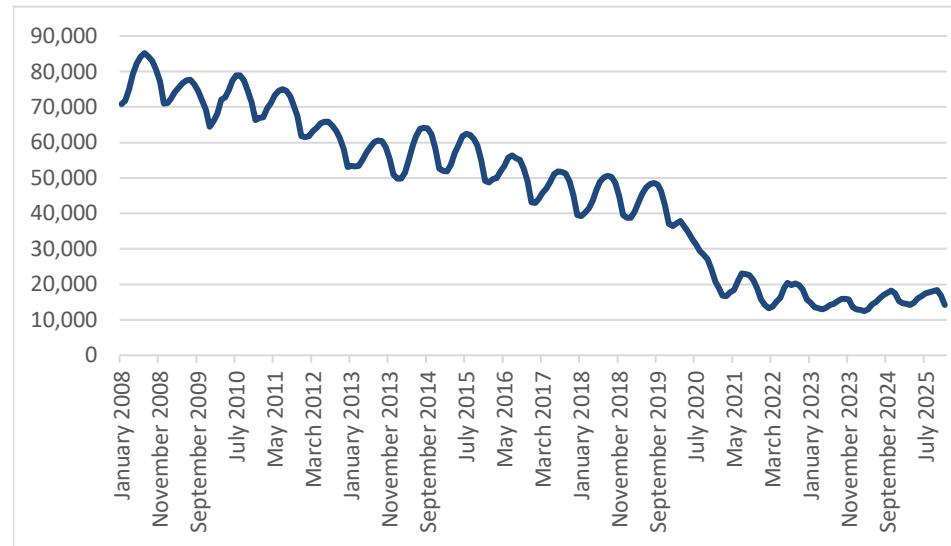
## Monthly Inventory



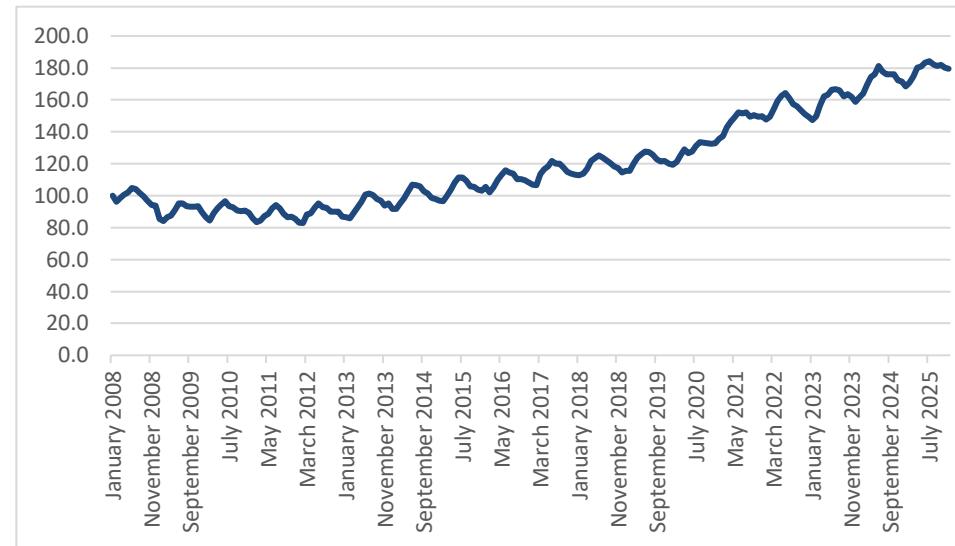
*Yellow columns are projections from the IHS Three Month Outlook*

## Illinois Long Term Trends - Single Family

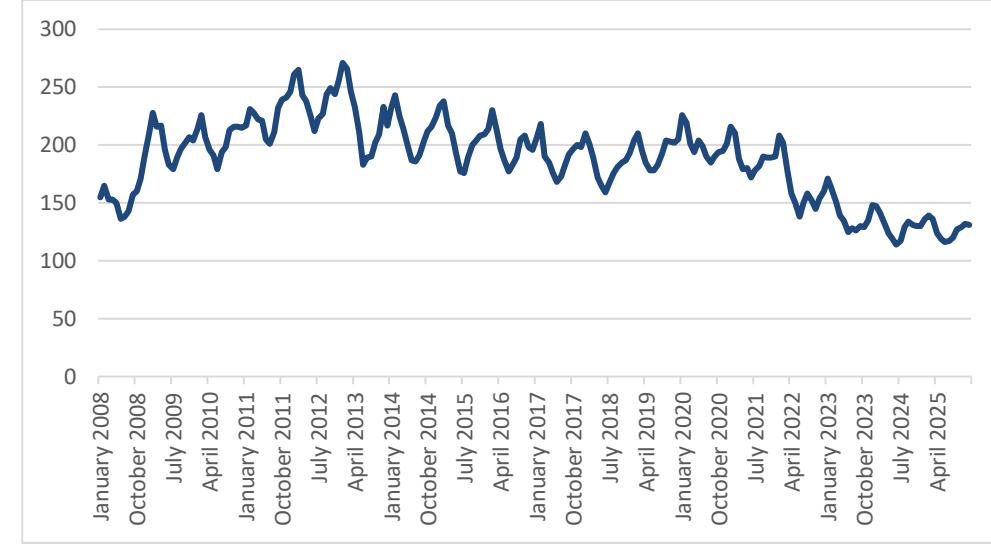
## Illinois Monthly SF Inventory Trend



## SF Monthly House Price Index



### Monthly Affordability Conditions



## Chicago Metro - Single Family Homes

### Summary of Recent Trends

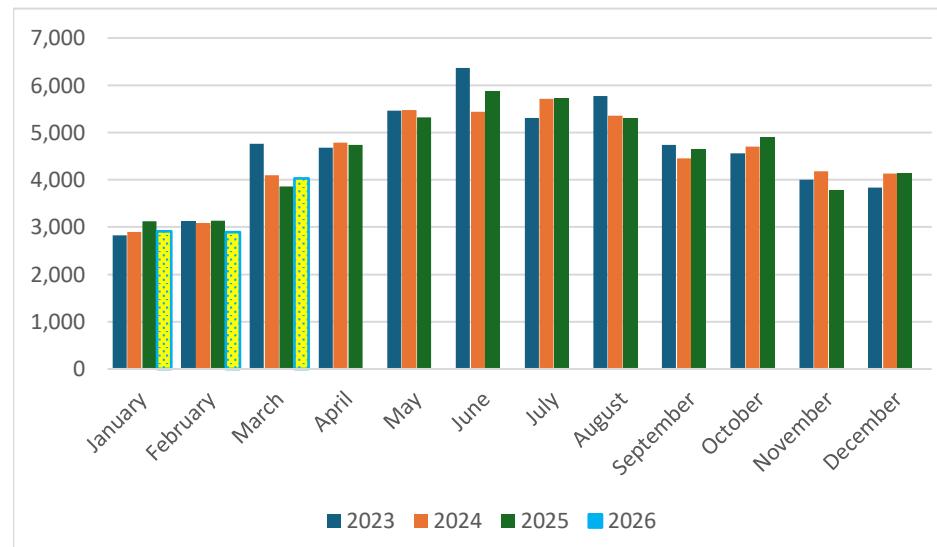
	Closed Sales				Days on Market				Inventory			Median Sales Price				Affordability			Monthly YoY Trend			
	2023	2024	2025	2026	Monthly YoY Trend	2023	2024	2025	Monthly YoY Trend	2023	2024	2025	Monthly YoY Trend	2023	2024	2025	2026	Monthly YoY Trend	2023	2024	2025	
January	2,822	2,897	3,122	2,911	↑	37	34	35	↓	8,651	6,900	7,656	↓	\$313,400	\$340,000	\$369,900	\$386,892	↑	134	118	106	↑
February	3,118	3,087	3,136	2,893	↓	41	37	35	↓	7,964	6,954	7,662	↓	\$315,000	\$350,000	\$375,000	\$393,942	↓	129	112	106	↑
March	4,768	4,092	3,862	4,030	↓	37	32	34	↓	7,698	6,621	7,396	↓	\$336,000	\$374,900	\$395,000	\$406,335	↓	123	106	102	↑
April	4,678	4,789	4,739		↑	31	26	28	↓	7,486	7,010	7,966	↓	\$350,000	\$386,000	\$409,990		↓	117	100	97	↑
May	5,469	5,472	5,319			26	22	23	↓	7,586	7,890	8,973	↓	\$367,200	\$395,000	\$420,000		↓	110	99	94	↑
June	6,366	5,443	5,879			21	20	19	↓	8,212	8,266	9,393	↓	\$385,000	\$419,945	\$430,000		↓	104	94	93	↑
July	5,311	5,714	5,714			21	20	21	↓	8,419	8,785	9,917	↓	\$370,000	\$407,500	\$420,000		↓	107	98	95	↑
August	5,775	5,358	5,303			21	20	21	↓	8,727	9,382	9,850	↓	\$375,000	\$400,000	\$420,000		↓	102	103	97	↑
September	4,734	4,455	4,640			23	22	25	↓	9,092	9,701	9,916	↓	\$360,000	\$385,000	\$399,900		↓	106	110	104	↑
October	4,557	4,707	4,890			24	24	25	↓	9,038	9,891	9,804	↓	\$350,000	\$378,000	\$405,000		↓	105	107	103	↑
November	4,005	4,177	3,778			25	25	26	↓	8,811	9,080	8,629	↓	\$353,050	\$380,000	\$400,000		↓	108	104	104	↑
December	3,838	4,133	4,126			28	29	28	↓	7,374	7,699	6,862	↓	\$335,000	\$379,000	\$390,000		↓	120	104	107	↑

### IHS Three Month Outlook

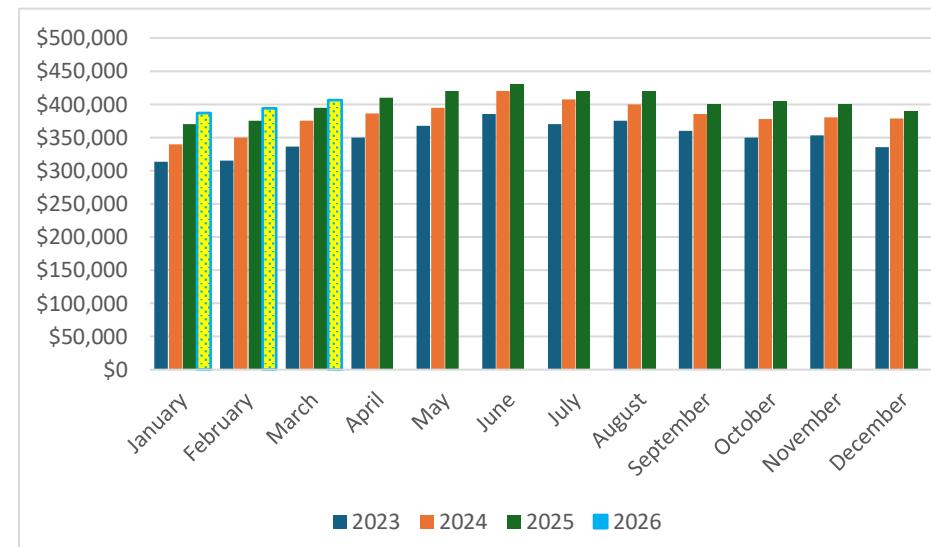
Sources: ShowingTime Data and IHS Housing Market Forecast

### Short Term Trends

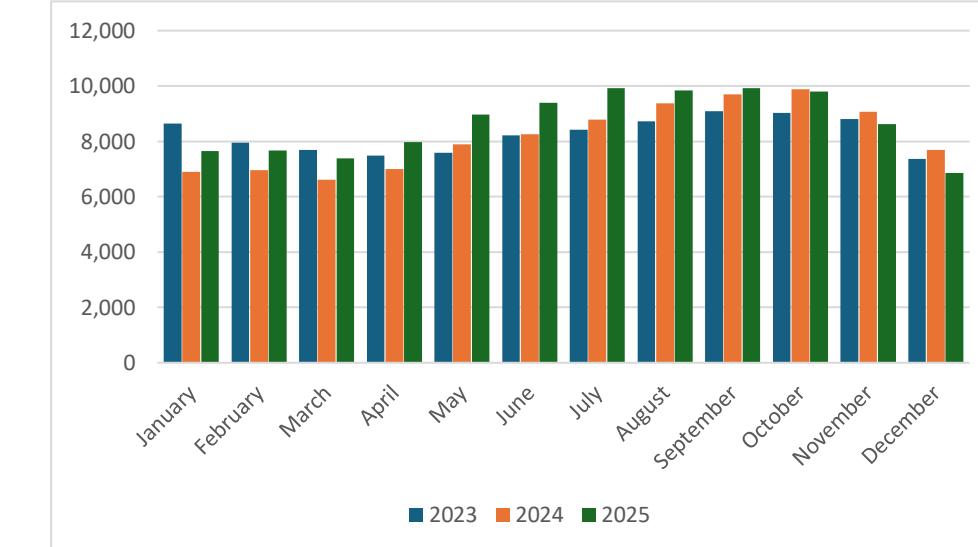
#### Monthly Closed Sales



#### Monthly Median Sales Price



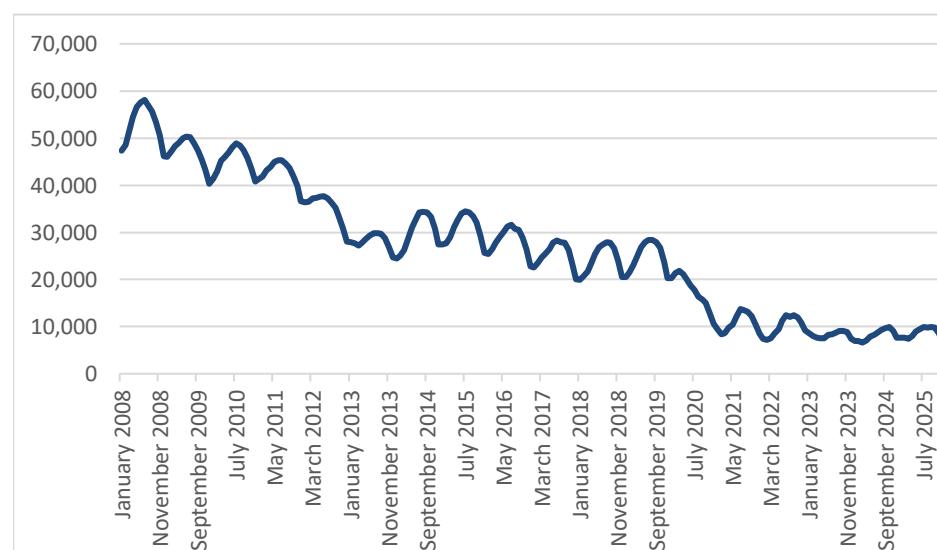
#### Monthly Inventory



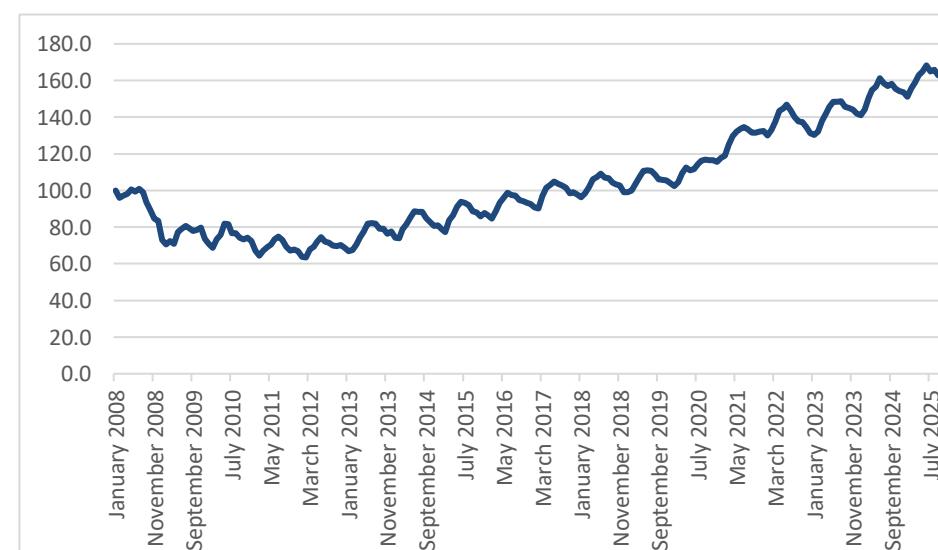
Yellow columns are projections from the IHS Three Month Outlook.

### Long Term Trends

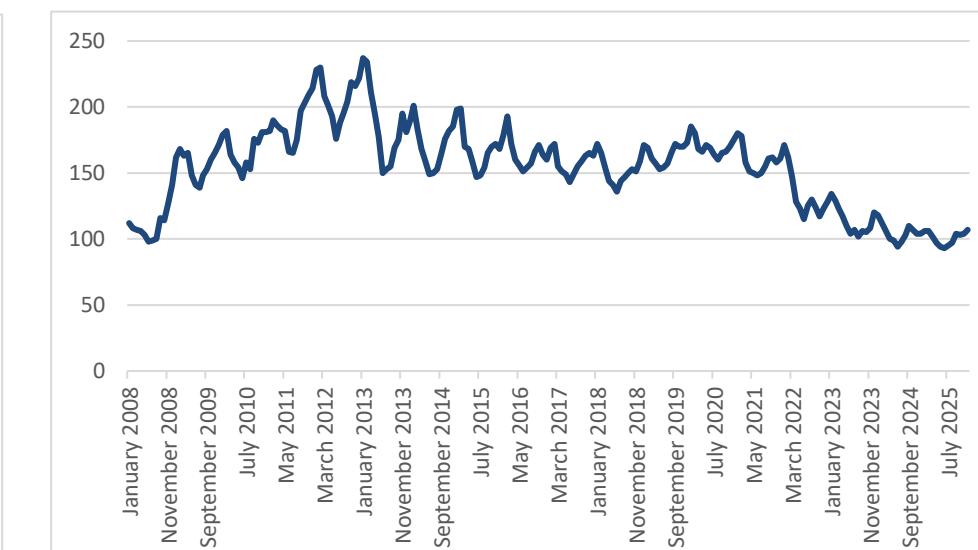
#### Monthly SF Inventory Trend



#### SF Monthly House Price Index



#### Monthly Affordability Conditions



## City of Chicago - Single Family Homes

### Summary of Recent Trends

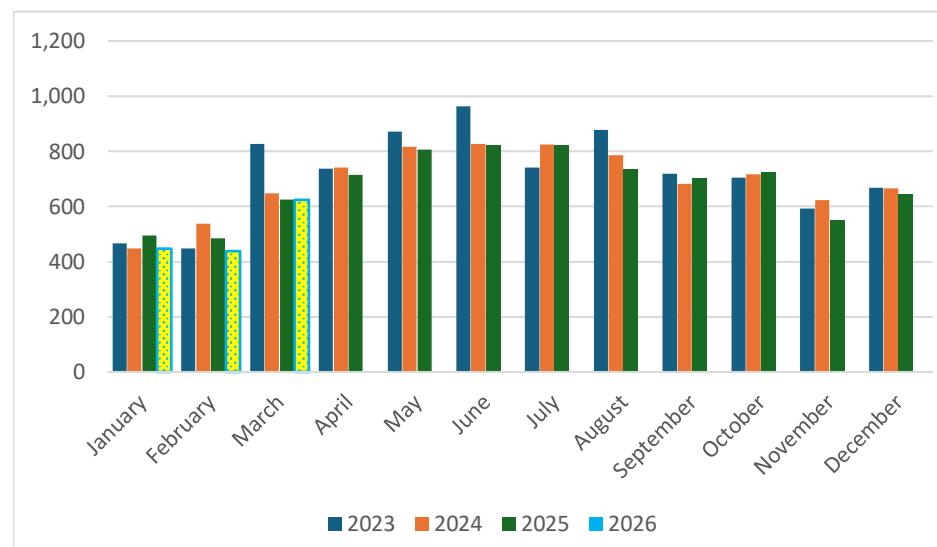
	Closed Sales				Days on Market				Inventory			Median Sales Price				Affordability						
	2023	2024	2025	2026	Monthly YoY	2023	2024	2025	Monthly YoY	2023	2024	2025	Monthly YoY	2023	2024	2025	2026	Monthly YoY	2023	2024	2025	Monthly YoY
January	467	448	494	447	↑↑↑↑	42	38	39	↓↓↓↓	2,260	1,750	1,718	↓↓↓↓	\$260,500	\$289,500	\$310,000	\$308,275	↑↑↑↑	147	126	115	↑↑↑↑
February	448	538	484	438	↑↑↑↑	48	43	38	↓↓↓↓	2,164	1,766	1,692	↓↓↓↓	\$290,000	\$300,000	\$319,450	\$308,735	↑↑↑↑	128	119	113	↑↑↑↑
March	826	648	625	624	↓↓↓↓	40	41	44	↑↑↑↑	2,060	1,736	1,678	↓↓↓↓	\$295,000	\$335,000	\$335,800	\$319,962	↑↑↑↑	128	108	109	↑↑↑↑
April	738	742	715			43	37	33	↑↑↑↑	2,027	1,776	1,732	↓↓↓↓	\$297,500	\$340,000	\$350,000			125	103	103	
May	872	817	806			36	29	31	↑↑↑↑	1,970	1,913	1,843	↓↓↓↓	\$306,000	\$320,000	\$350,000			120	111	102	
June	964	826	821			29	27	27	↑↑↑↑	2,071	1,891	1,829	↓↓↓↓	\$335,000	\$365,000	\$370,000			109	98	98	
July	741	824	822			29	29	26	↑↑↑↑	2,131	1,955	1,874	↓↓↓↓	\$312,750	\$350,000	\$350,000			115	103	104	
August	877	786	735			27	29	26	↑↑↑↑	2,181	2,033	1,842	↓↓↓↓	\$315,000	\$340,000	\$362,500			111	110	102	
September	719	682	701			32	29	32	↑↑↑↑	2,271	2,162	1,851	↓↓↓↓	\$311,000	\$327,000	\$345,000			111	118	109	
October	705	717	722			34	31	31	↑↑↑↑	2,297	2,171	1,826	↓↓↓↓	\$300,000	\$325,000	\$350,000			111	114	109	
November	593	624	550			31	34	32	↑↑↑↑	2,155	2,022	1,676	↓↓↓↓	\$302,000	\$339,951	\$335,000			115	106	113	
December	667	665	644			34	37	29	↑↑↑↑	1,821	1,698	1,352	↓↓↓↓	\$285,000	\$325,000	\$312,000			129	111	122	↑↑↑↑

IHS Three Month Outlook

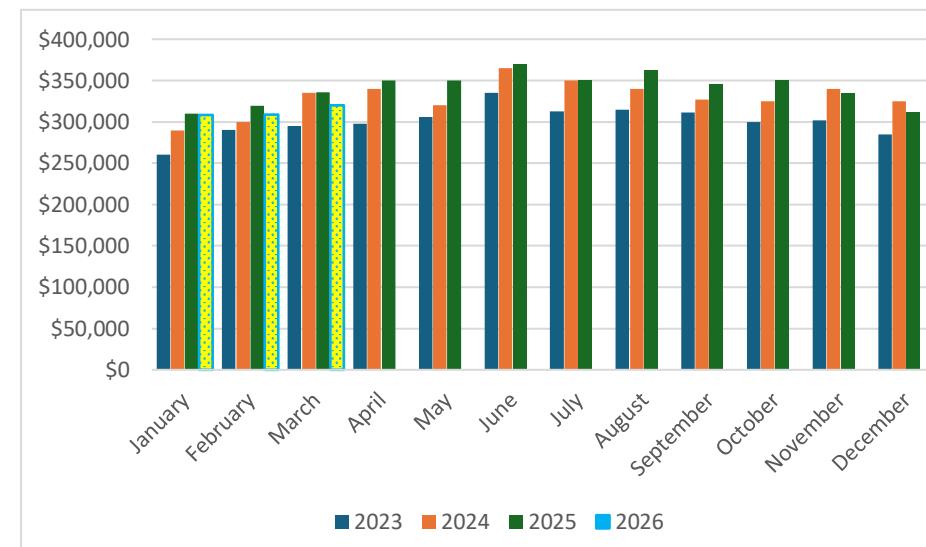
Sources: ShowingTime Data and IHS Housing Market Forecast

### Short Term Trends

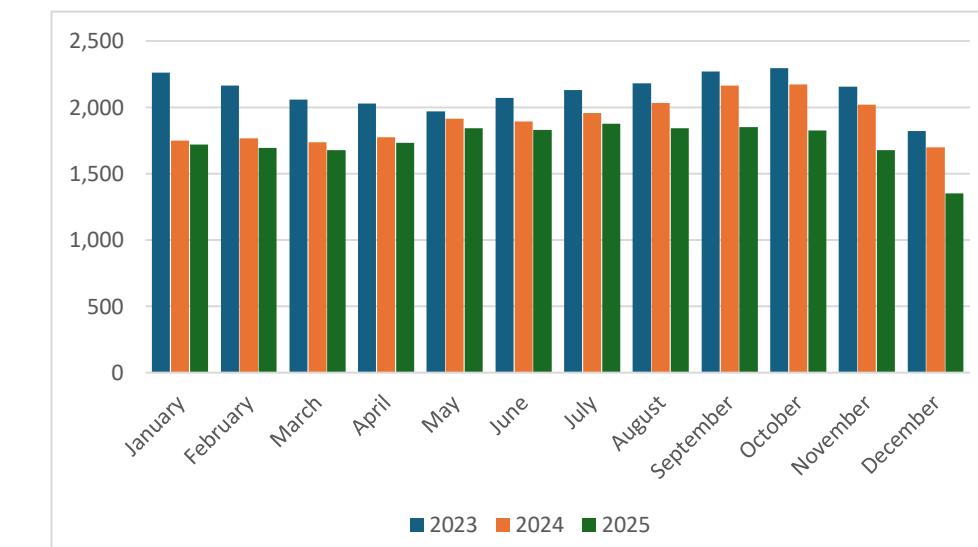
#### Monthly Closed Sales



#### Monthly Median Sales Price



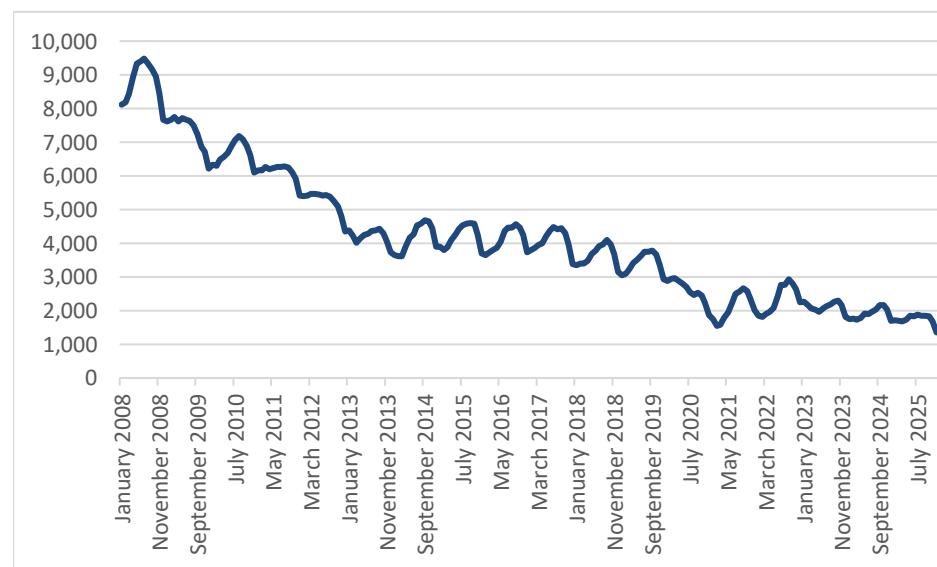
#### Monthly Inventory



Yellow columns are projections from the IHS Three Month Outlook.

### Long Term Trends

#### Monthly SF Inventory Trend



**City of Chicago - Condominiums/Townhomes**  
**Summary of Recent Trends**

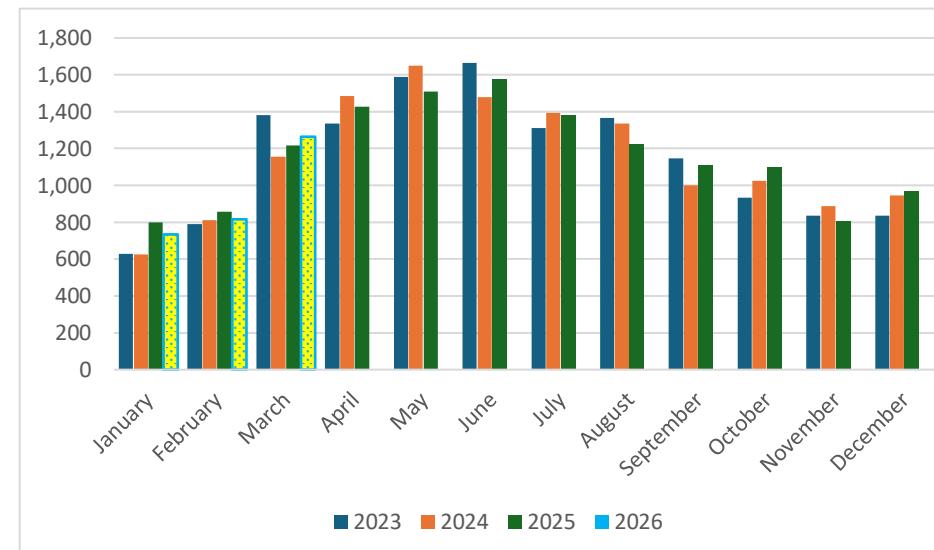
	Closed Sales				Days on Market				Inventory				Median Sales Price				Affordability				Monthly YoY Trend	
	2023	2024	2025	2026	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023		
January	629	626	799	734	55	47	42	3,090	2,484	2,344	\$332,500	\$337,450	\$385,000	\$387,245	115	108	93	116	100	94	104	/
February	790	810	857	816	47	47	46	3,013	2,722	2,376	\$320,000	\$358,000	\$385,000	\$398,059	116	100	94	102	98	90	98	/
March	1,382	1,156	1,218	1,264	44	36	34	3,007	2,718	2,491	\$360,750	\$370,000	\$408,750	\$407,094	104	98	90	97	91	86	102	/
April	1,336	1,485	1,427		35	28	28	2,953	2,890	2,793	\$380,000	\$384,000	\$420,000		98	91	86	100	102	95	99	/
May	1,590	1,651	1,510		33	26	23	3,116	3,032	2,873	\$359,900	\$395,000	\$412,250		102	90	87	103	107	101	103	/
June	1,666	1,479	1,575		27	24	23	3,219	3,036	2,805	\$375,000	\$390,000	\$415,000		97	92	87	96	101	99	96	/
July	1,311	1,392	1,379		28	27	26	3,225	3,100	2,801	\$365,000	\$375,000	\$395,000		99	96	92	100	102	95	101	/
August	1,366	1,336	1,225		27	25	26	3,262	3,132	2,667	\$349,000	\$368,250	\$388,000		100	102	95	103	107	101	103	/
September	1,148	1,001	1,110		28	29	30	3,511	3,358	2,790	\$336,000	\$360,000	\$374,950		96	101	99	101	107	101	103	/
October	932	1,026	1,099		30	29	28	3,438	3,273	2,637	\$345,000	\$367,250	\$385,000		96	101	99	101	90	97	101	/
November	835	886	804		34	31	29	3,057	2,903	2,224	\$345,000	\$399,500	\$392,500		101	90	97	101	97	99	101	/
December	836	944	971		35	36	33	2,368	2,285	1,617	\$335,000	\$371,000	\$385,000		110	97	99	110	107	101	103	/

IHS Three Month Outlook

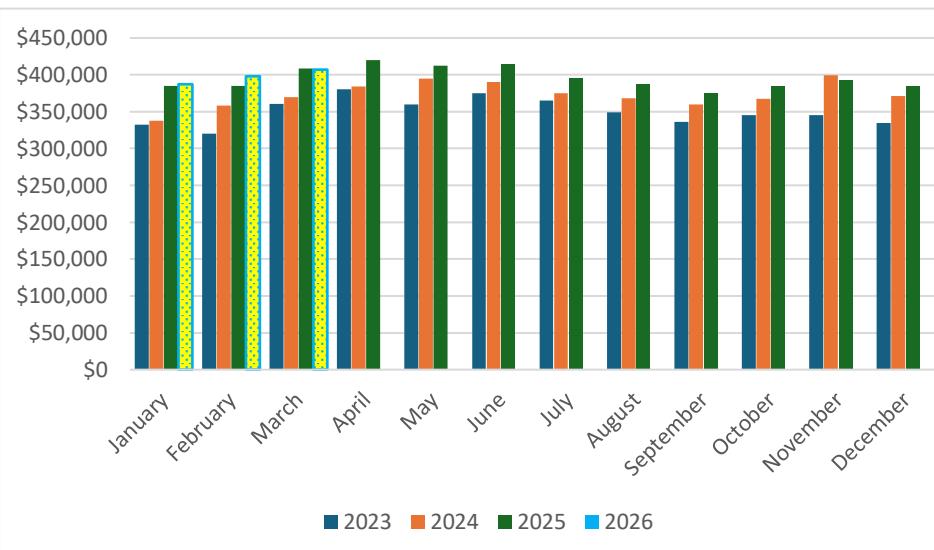
Sources: ShowingTime Data and IHS Housing Market Forecast

**Short Term Trends**

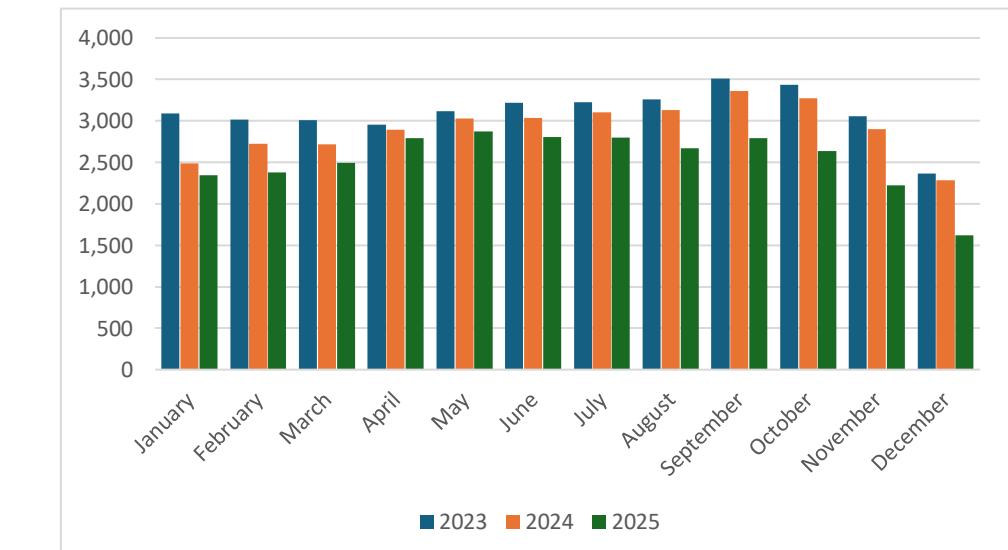
Monthly Closed Sales



Monthly Median Sales Price



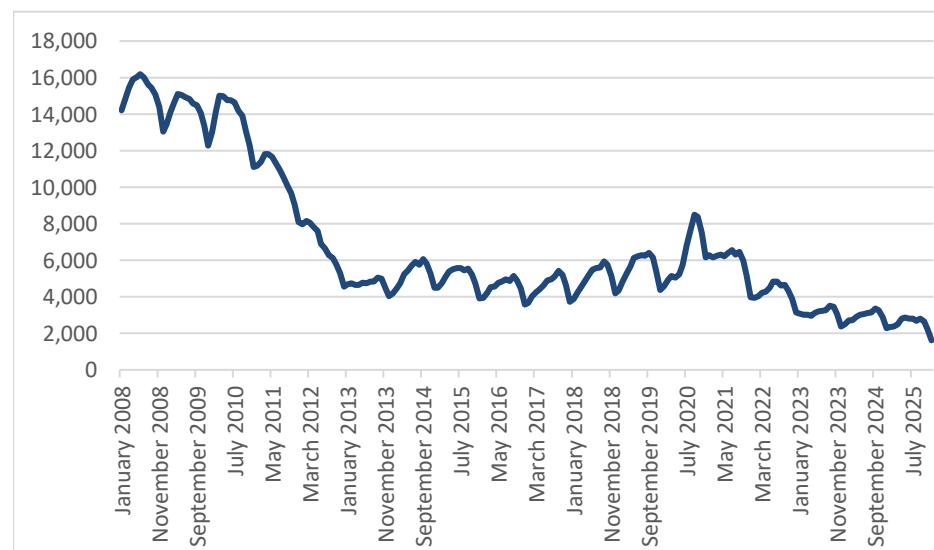
Monthly Inventory



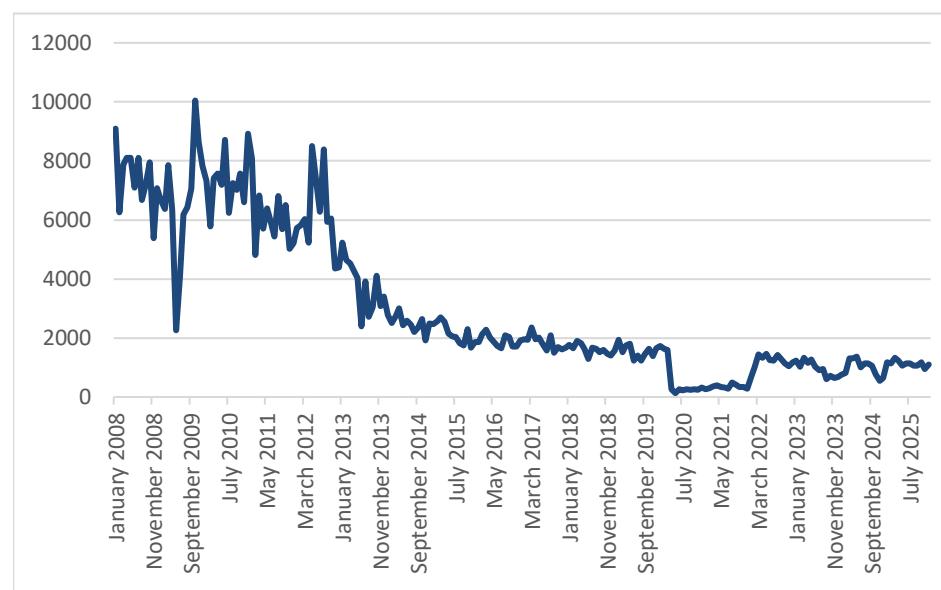
Yellow columns are projections from the IHS Three Month Outlook.

**Long Term Trends**

Monthly Condo/Townhome Inventory Trend



Monthly Foreclosure Filings - Chicago Metro



Monthly Foreclosure Filings - City of Chicago

