

**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.

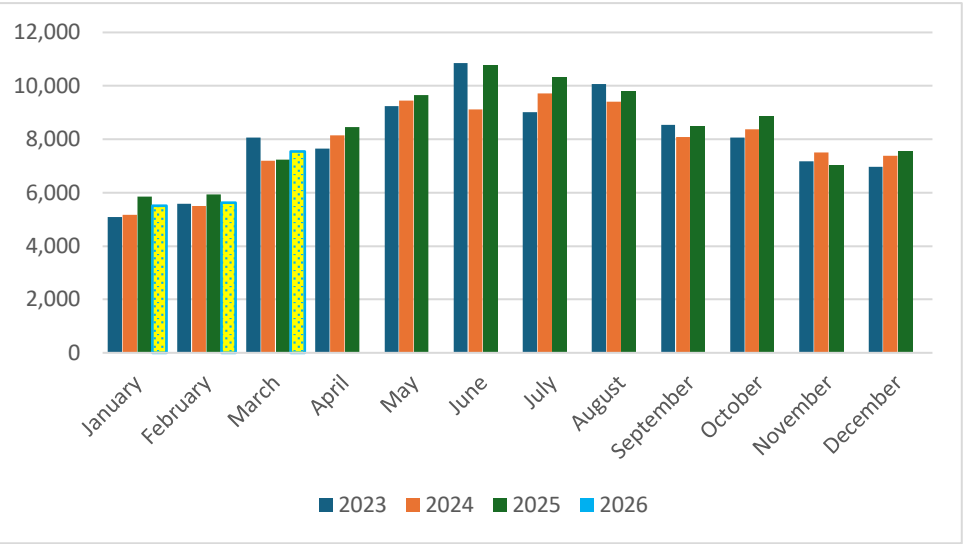
# Data Appendix

Illinois - Single Family Homes  
Summary of Recent Trends

	Closed Sales						Days on Market				Inventory				Median Sales Price					Affordability			
	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	Monthly YoY Trend	
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		
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		
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		
April	7,657	8,146	8,462			34	31	34		12,998	13,013	14,781		\$275,000	\$290,000	\$300,000			139	124	124		
May	9,247	9,452	9,649			30	27	28		13,425	14,315	16,001		\$280,000	\$305,000	\$310,000			135	119	119		
June	10,844	9,126	10,751			25	24	25		14,215	15,036	16,677		\$300,000	\$325,000	\$320,000			125	114	116		
July	9,020	9,717	10,320			23	23	25		14,566	16,044	17,529		\$290,000	\$318,000	\$318,000			128	117	117		
August	10,058	9,403	9,776			24	25	26		15,233	17,007	17,768		\$285,000	\$300,000	\$315,000			126	129	120		
September	8,529	8,079	8,492			26	26	28		15,852	17,599	18,156		\$273,000	\$295,000	\$305,000			130	134	127		
October	8,062	8,368	8,850			27	28	29		15,971	18,266	18,319		\$265,000	\$290,000	\$305,000			129	131	129		
November	7,181	7,497	7,018			28	29	31		15,728	17,450	16,880		\$265,000	\$285,000	\$295,100			135	130	132		
December	6,972	7,379	7,561			31	33	33		13,576	15,289	14,120		\$255,000	\$285,500	\$299,900			148	130	131		
IHS Three Month Outlook																							
Sources:	ShowingTime Data and IHS Housing Market Forecast																						

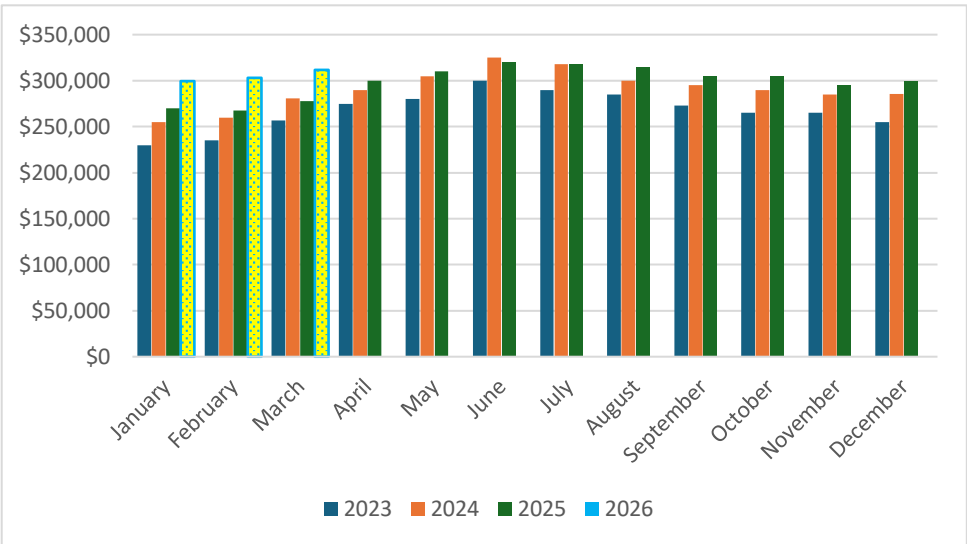
Illinois Short Term Trends - Single Family

Monthly Closed Sales

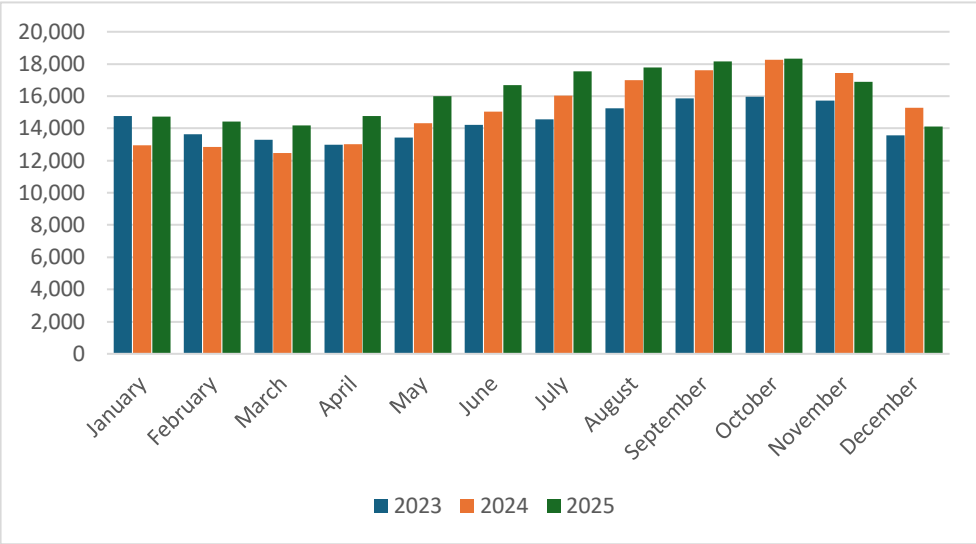


Yellow columns are projections from the IHS Three Month Outlook.

Monthly Median Sales Price

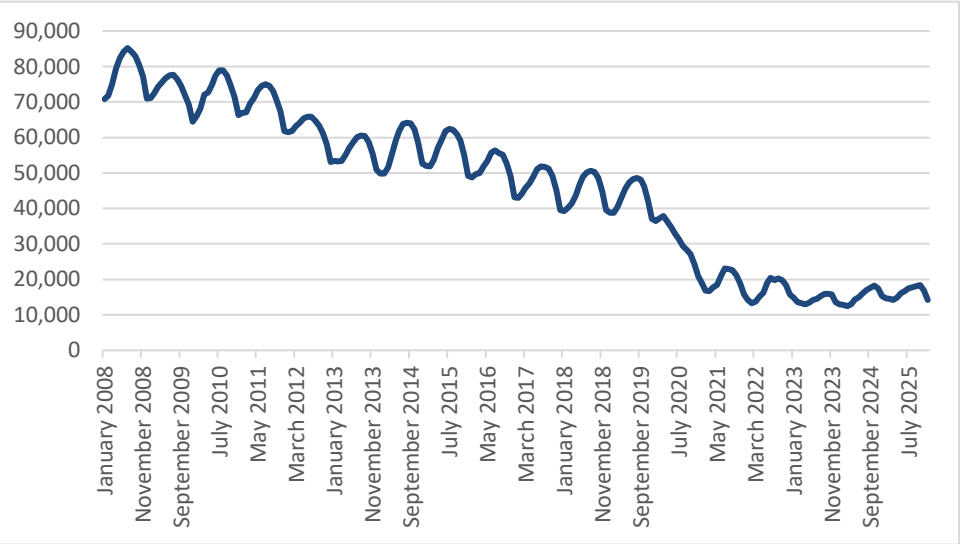


Monthly Inventory

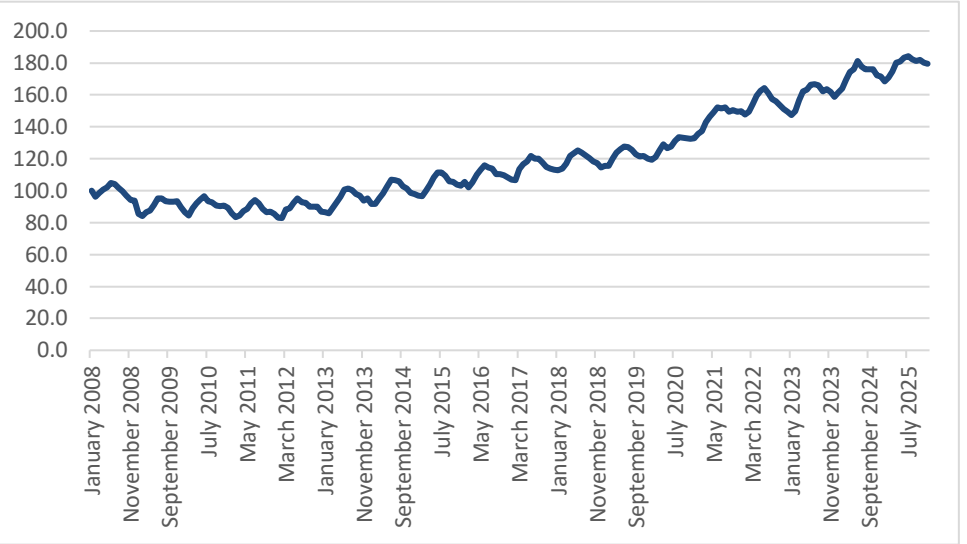


Illinois Long Term Trends - Single Family

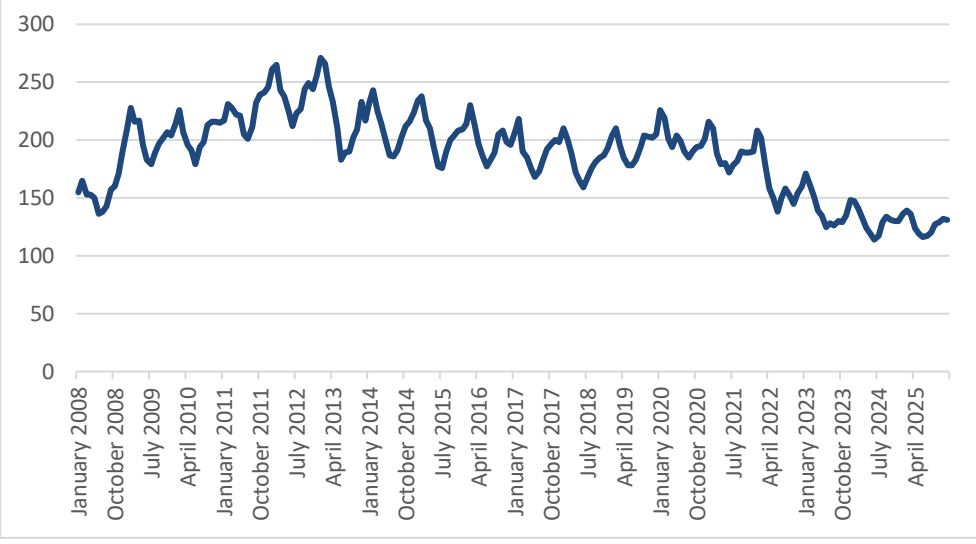
Illinois Monthly SF Inventory Trend



SF Monthly House Price Index































































Monthly Affordability Conditions





Chicago Metro - Single Family Homes  
Summary of Recent Trends

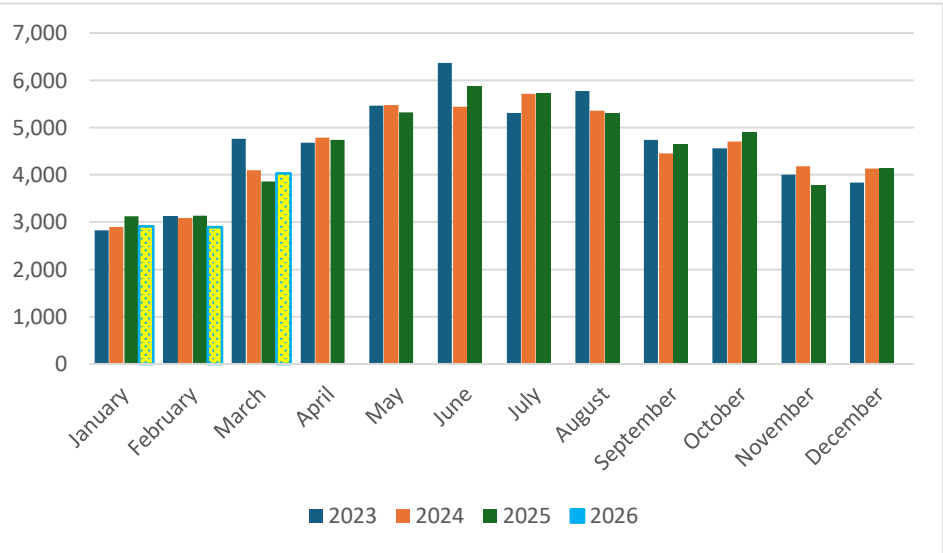
	Closed Sales					Days on Market				Inventory				Median Sales Price					Affordability			
	2023	2024	2025	2026	Monthly YoY Trend	2023	2024	2025	Monthly YoY Trend	2023	2024	2025	Monthly YoY Trend	2023	2024	2025	2026	Monthly YoY Trend	2023	2024	2025	Monthly YoY Trend
January	2,822	2,897	3,122	2,911		37	34	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

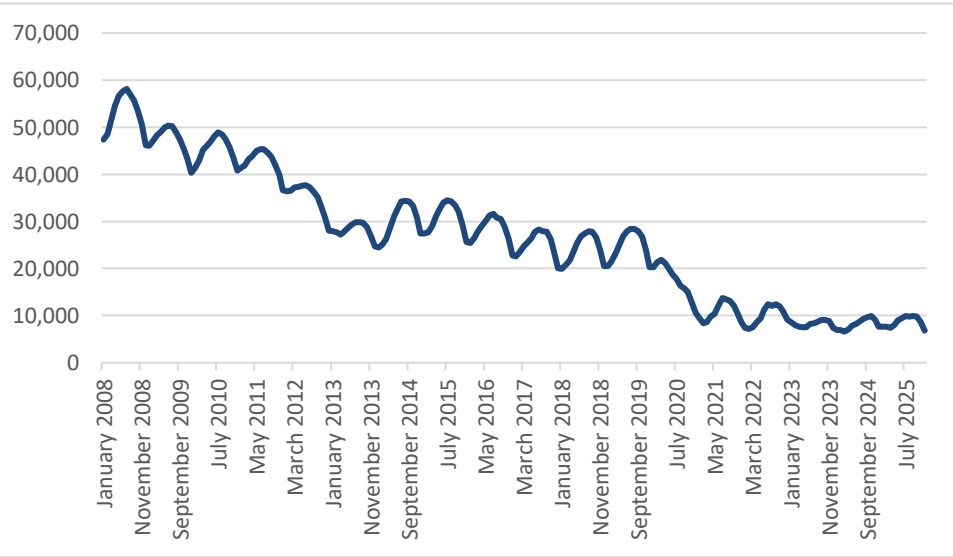
Monthly Closed Sales



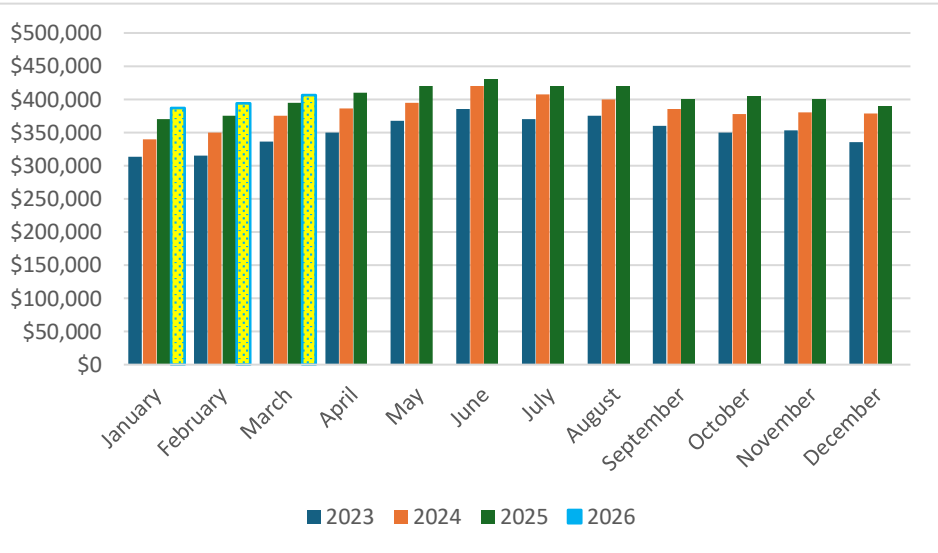
Yellow columns are projections from the IHS Three Month Outlook.

Long Term Trends

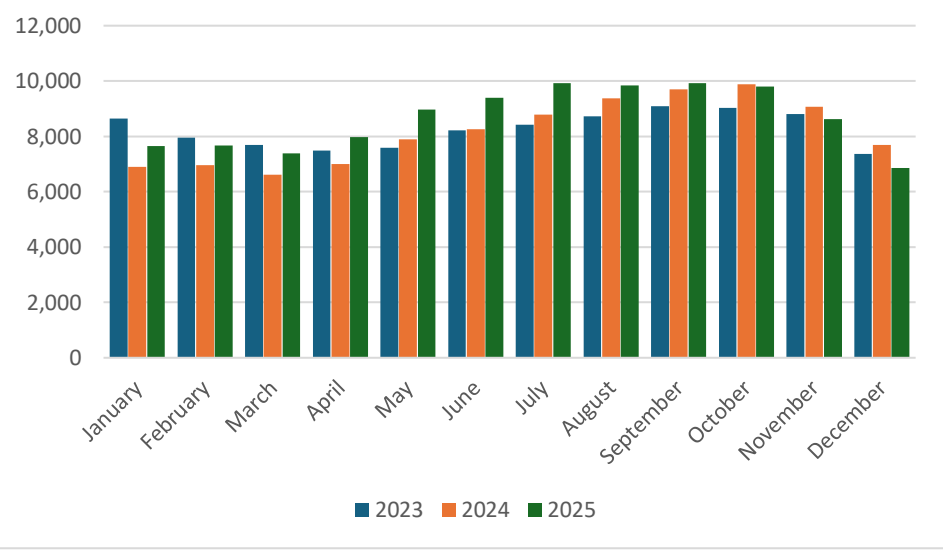
Monthly SF Inventory Trend



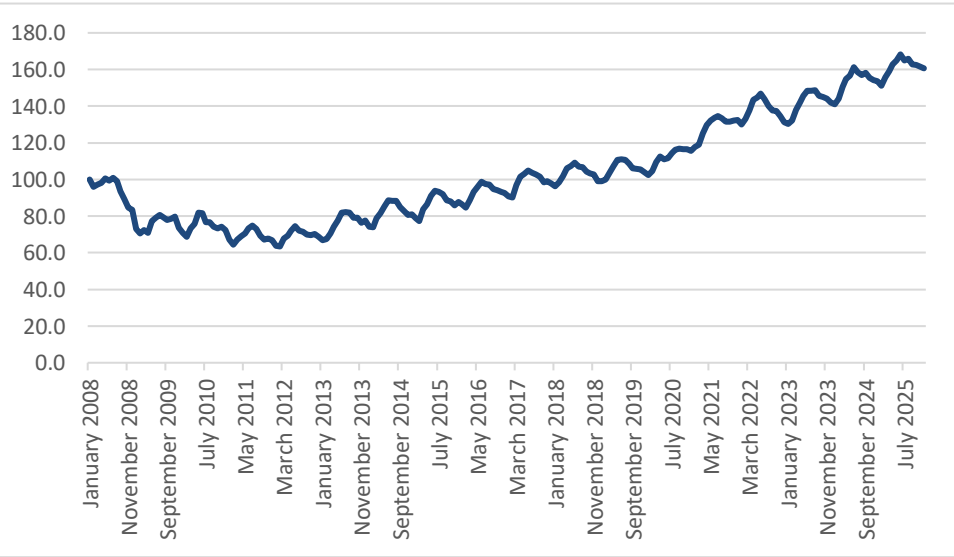
Monthly Median Sales Price



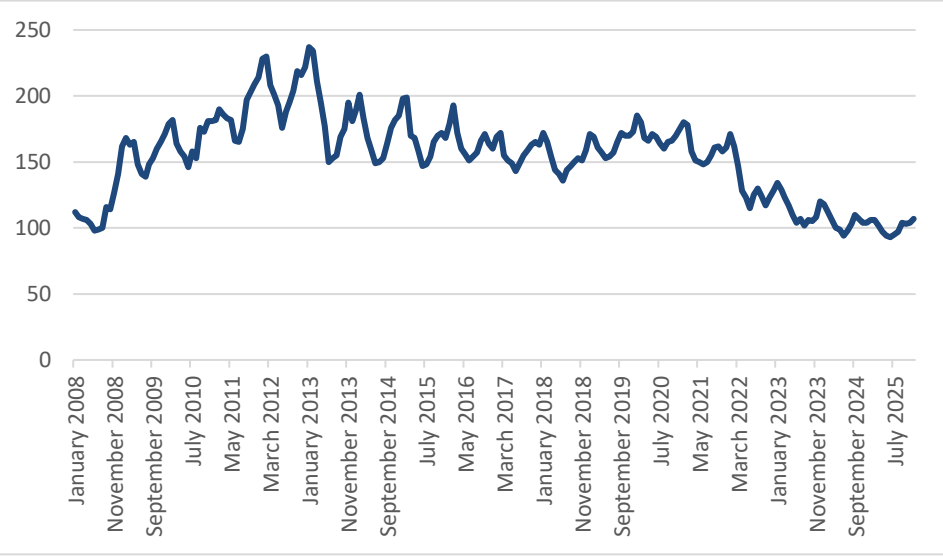
Monthly Inventory



SF Monthly House Price Index



Monthly Affordability Conditions

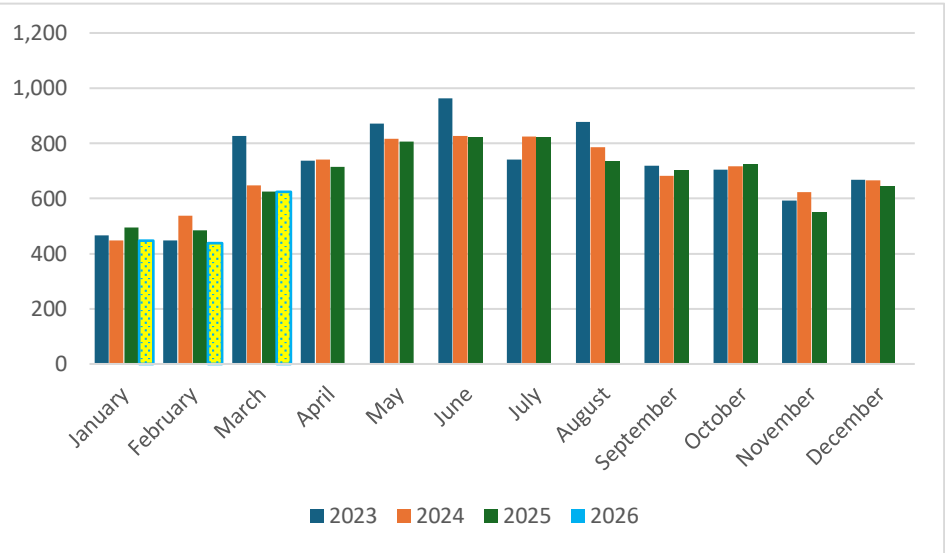


City of Chicago - Single Family Homes  
Summary of Recent Trends

	Closed Sales					Days on Market				Inventory				Median Sales Price					Affordability				
	2023	2024	2025	2026	Monthly YoY Trend	2023	2024	2025	Monthly YoY Trend	2023	2024	2025	Monthly YoY Trend	2023	2024	2025	2026	Monthly YoY Trend	2023	2024	2025	Monthly YoY Trend	
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																							

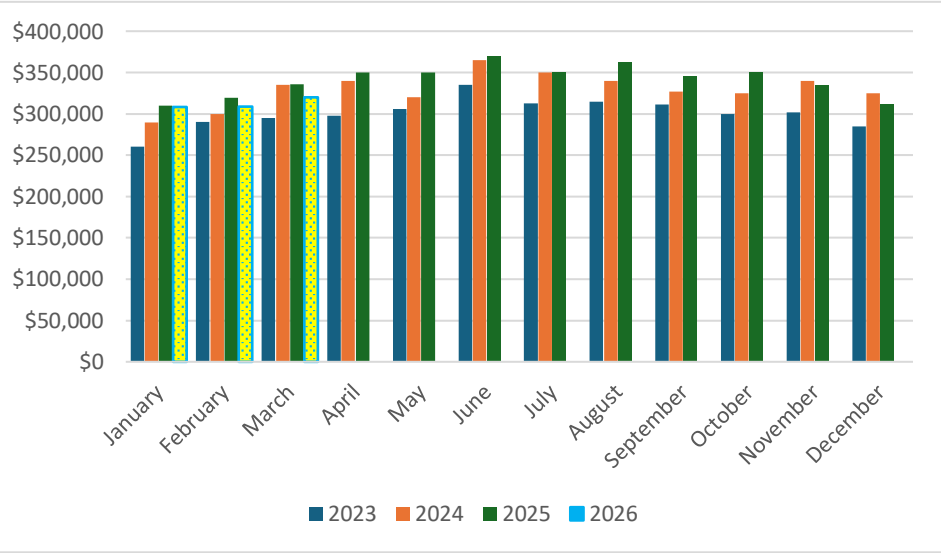
Short Term Trends

Monthly Closed Sales

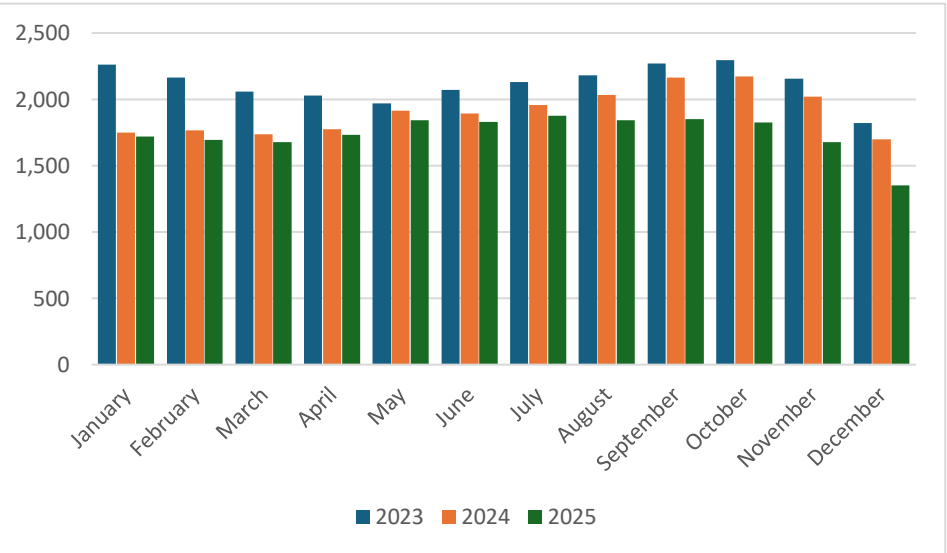


Yellow columns are projections from the IHS Three Month Outlook.

Monthly Median Sales Price

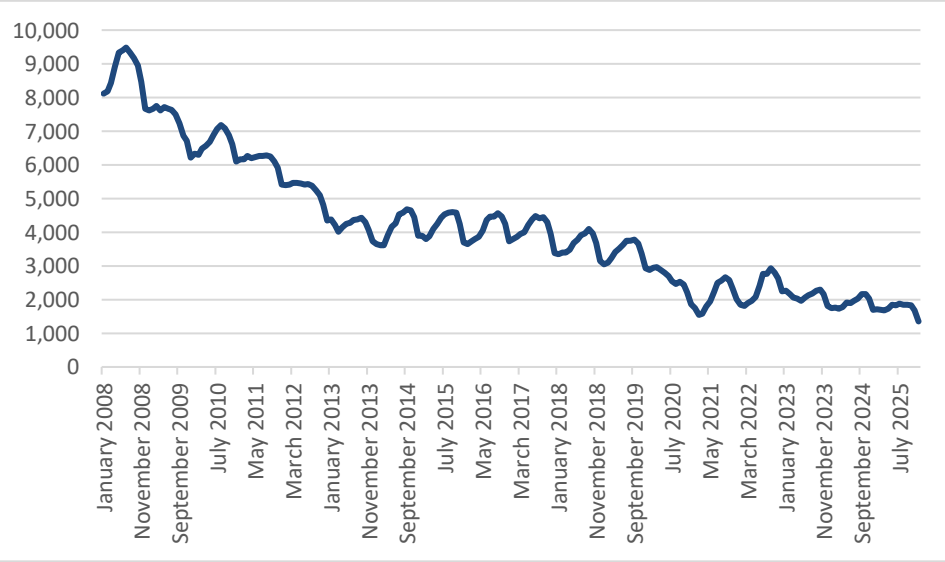


Monthly Inventory

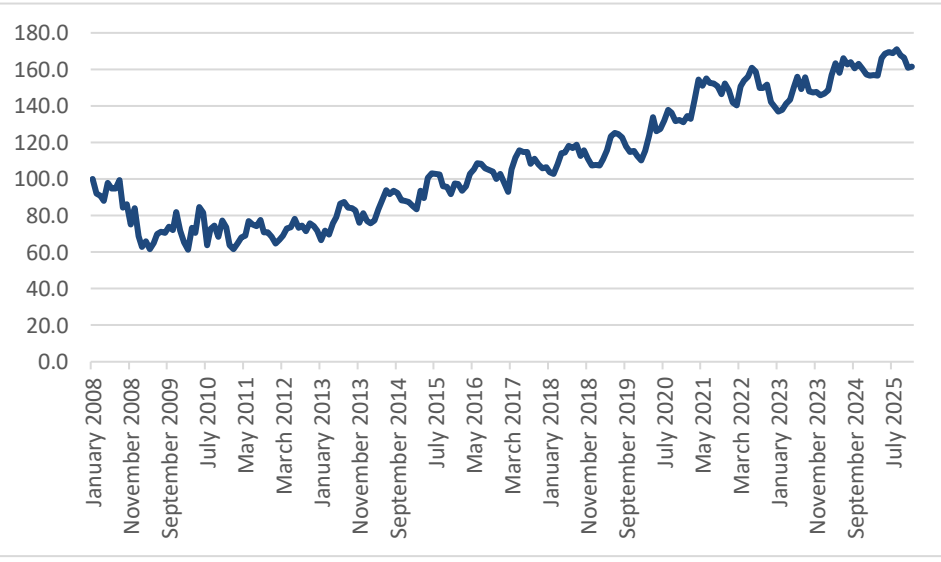


Long Term Trends

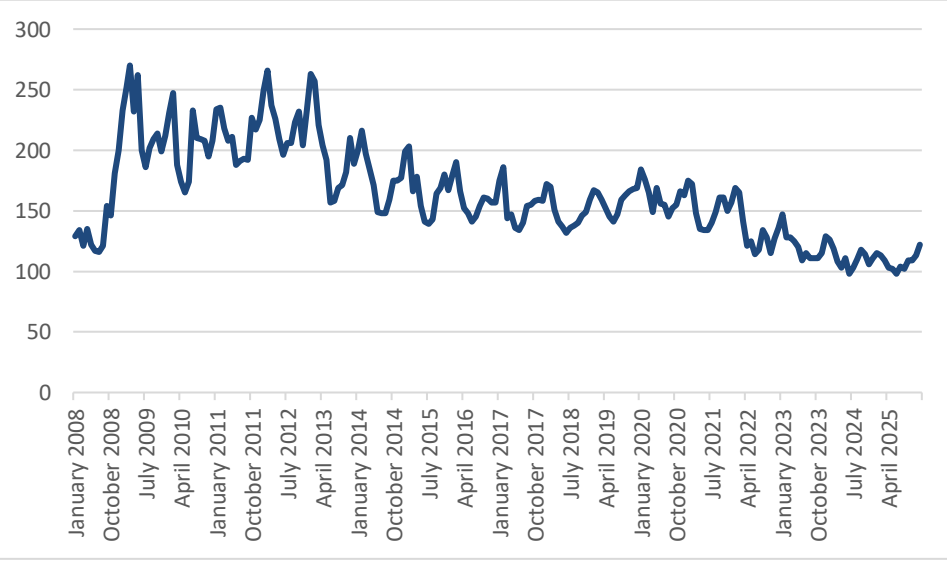
Monthly SF Inventory Trend



SF Monthly House Price Index



Monthly Affordability Conditions



City of Chicago - Condominiums/Townhomes  
Summary of Recent Trends

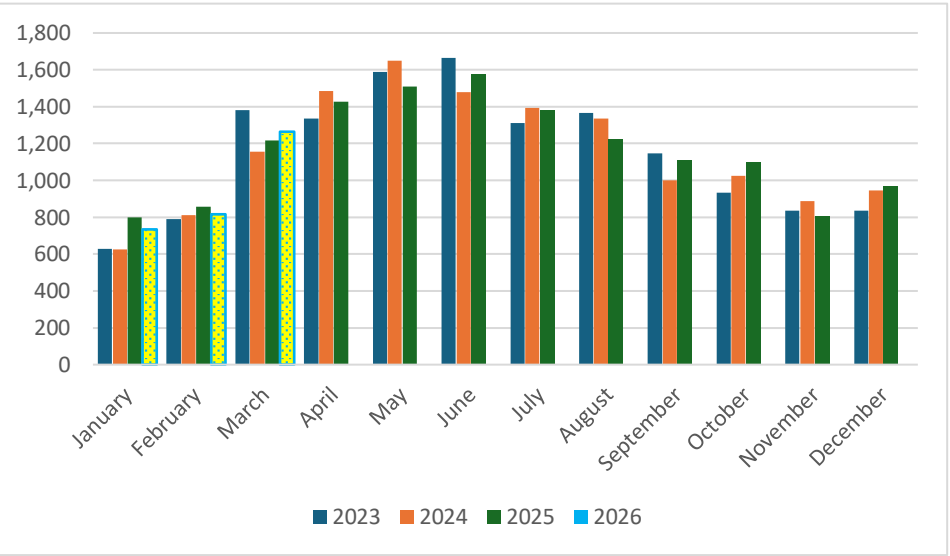
Closed Sales							Days on Market			Inventory				Median Sales Price					Affordability			
	2023	2024	2025	2026	Monthly YoY Trend	2023	2024	2025	Monthly YoY Trend	2023	2024	2025	Monthly YoY Trend	2023	2024	2025	2026	Monthly YoY Trend	2023	2024	2025	Monthly YoY Trend
January	629	626	799	734		55	47	42		3,090	2,484	2,344		\$332,500	\$337,450	\$385,000	\$387,245		115	108	93	
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	
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	
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	
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	
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	
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	
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	
September	1,148	1,001	1,110			28	29	30		3,511	3,358	2,790		\$336,000	\$360,000	\$374,950			103	107	101	
October	932	1,026	1,099			30	29	28		3,438	3,273	2,637		\$345,000	\$367,250	\$385,000			96	101	99	
November	835	886	804			34	31	29		3,057	2,903	2,224		\$345,000	\$399,500	\$392,500			101	90	97	
December	836	944	971			35	36	33		2,368	2,285	1,617		\$335,000	\$371,000	\$385,000			110	97	99	

IHS Three Month Outlook

Sources: ShowingTime Data and IHS Housing Market Forecast

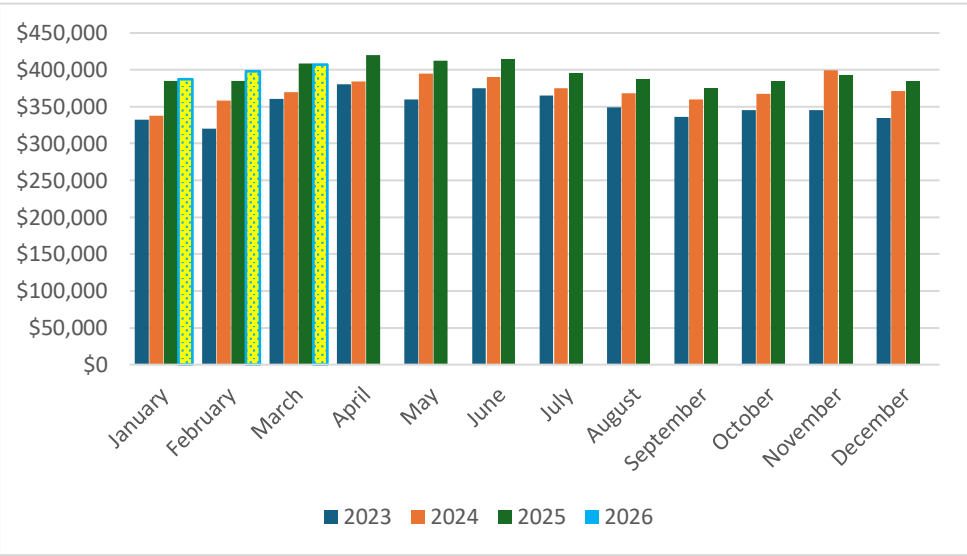
Short Term Trends

Monthly Closed Sales

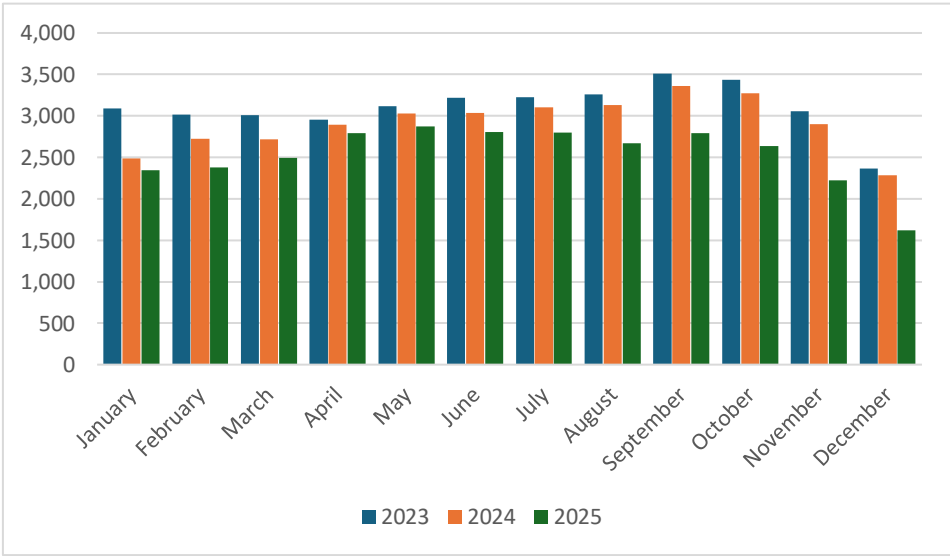


Yellow columns are projections from the IHS Three Month Outlook.

Monthly Median Sales Price

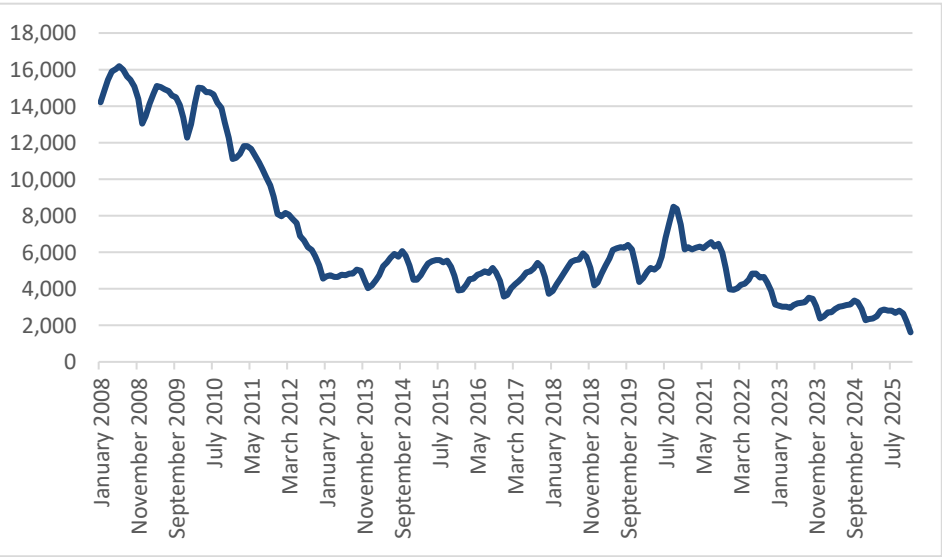


Monthly Inventory

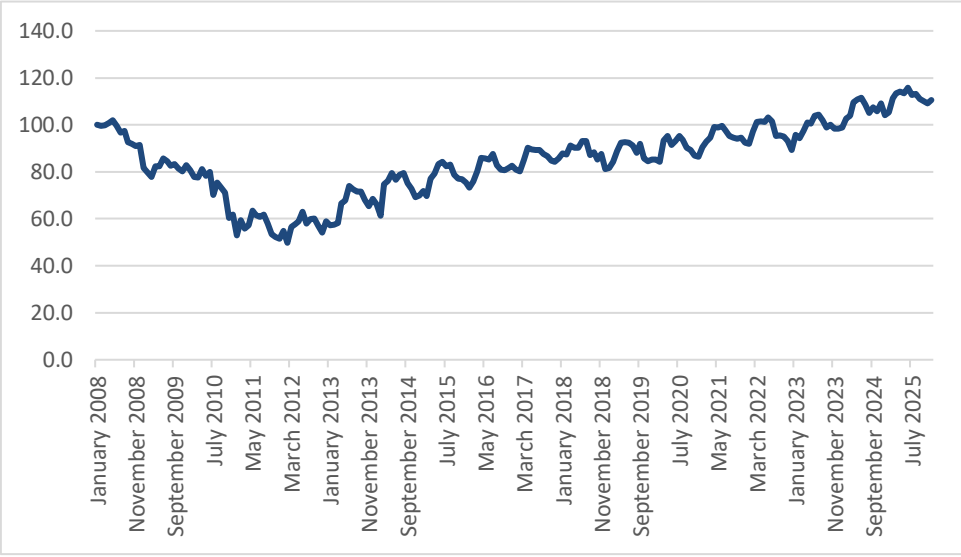


Long Term Trends

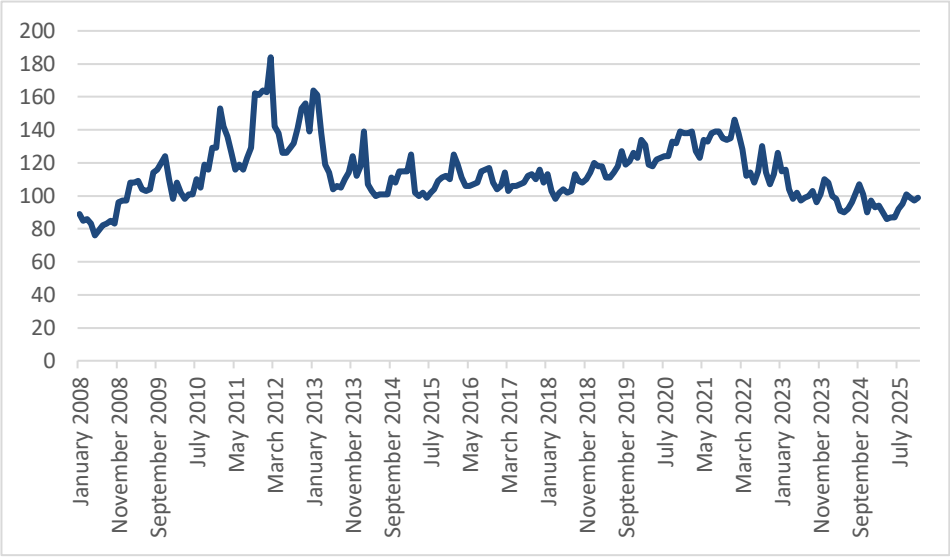
Monthly Condo/Townhome Inventory Trend



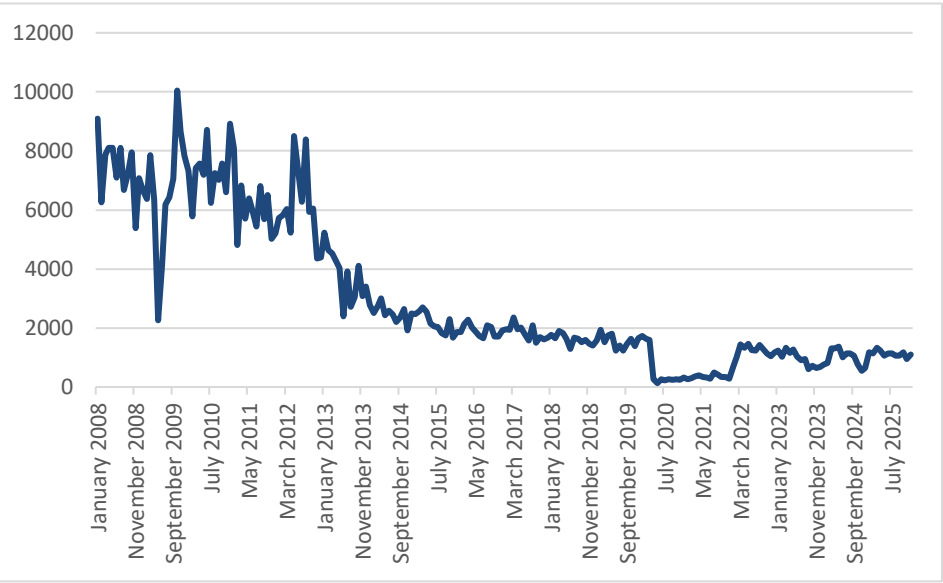
Condo/Townhome Monthly House Price Index



Monthly Affordability Conditions



Monthly Foreclosure Filings - Chicago Metro



Monthly Foreclosure Filings - City of Chicago

