

**INSTITUTE FOR
HOUSING STUDIES**
at DePaul University

ILLINOIS HOUSING MARKET forecast

Illinois Housing Market Forecast August 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 July 2026 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 July 2026 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 contributing to continued rising prices in Illinois, the Chicago region, and the City of Chicago. Mortgage rates have climbed throughout the spring and summer, returning to levels above 6.5 percent. Closed sales activity showed slight year-over-year growth statewide and slight year-over-year declines in the Chicago region. Single family sales prices were higher than they were a year ago both statewide and in the Chicago metro area. In the coming months, single-family sales activity statewide and in the Chicago region is expected to follow seasonal trends and decline during the rest of summer and early autumn, with similar sales activity as the same period a year earlier. Home prices statewide are expected to show year-over-year growth through October 2026.

State of Illinois

- **Recent trends** – In July 2026, there were 13,503 closed sales of single-family homes, townhomes, and condominiums in Illinois. July prices for single-family homes in Illinois were 5.6 percent higher than prices a year earlier. Single-family closed sales activity levels were about 0.4 percent higher than levels in July 2025. The inventory of for-sale single-family homes fell about 3.2 percent compared to the previous July, remaining near historic lows. The average number of days on the market for a single-family home was one day more than during the previous July. Affordability conditions for single-family homebuying were modestly worse than the previous year.
- **Three-month outlook** – IHS's three-month housing market forecast indicates that closed sales activity levels will follow seasonal trends and fall about 15 percent between July and October. Total sales activity during the three-month period from July through September is expected to be about 0.4 percent higher than during the same period a year earlier. Single-family house prices are estimated to fall about 6.6 percent between July and October. In this projection, statewide prices in October 2026 will be about 5.5 percent higher than in September 2025.

Chicago Metropolitan Area

- **Recent trends** – In July 2026, there were 9,108 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 about 7 percent between July 2025 and 2026. The number of closed single-family home sales in the Chicago area fell almost 2 percent from the previous July. The inventory of for-sale single-family homes fell about 13.0 percent since the previous July. The average time spent on the market was equal to July 2025. Affordability conditions for single-family homebuying in the Chicago Metro Area were slightly worse than 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 drop 17.0 percent between July and October. Total sales throughout August, September, and October are estimated to be about 0.7 percent lower than during the same period a year earlier. Prices of single-family homes in the Chicago metropolitan area are projected to fall about 4.7 percent between August and October. In this scenario, prices in October 2026 would be almost 6 percent higher than in October 2025.

City of Chicago

Single-Family Homes

- **Recent trends** – In July 2026, there were 2,137 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 about 12.0 percent higher than in July 2025. The number of closed single-family sales in Chicago fell by almost 13.3 percent compared to the previous July. The inventory of for-sale homes declined by almost 29 percent compared to July 2025, and the number of days on market fell by 1 day compared to a year earlier. Affordability conditions for single-family homebuyers in Chicago were worse than the previous July.
- **Three-month outlook** - IHS's three-month housing market forecast indicates that closed sales activity levels will follow seasonal trends and fall about 4.3 percent between July and October. Total sales activity during the three-month period from August through October is estimated to be about 2.6 percent lower than during the same period a year earlier. Single-family house prices in the City of Chicago are expected to fall by about 6.2 percent between July and October. However, October 2026 prices would still be about 5.0 percent higher than in October 2025.

City of Chicago

Condominiums and Townhomes

- **Recent trends** – Prices for condos and townhomes in the City of Chicago rose 11.4 percent between July 2025 and 2026. The number of closed condo sales in Chicago grew by about 3.3 percent compared to the previous July. The inventory of for-sale condos declined by about 24.6 percent compared to July 2025. The number of days on market was 7 days fewer than during the previous July. Affordability conditions for condo and townhome homebuyers in Chicago were worse than 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 fall about 26 percent between July and October. Total condominium sales activity in Chicago from August through October is estimated to be about 2.3 percent higher than during the same period a year earlier. Condo prices are projected to fall about 3.8 percent between August and October. However, these projected October prices would still be about 9.6 percent higher than in October 2025.

Conditions Affecting Homebuying

The housing market remained complex throughout 2026 due to a variety of high-level factors. In July, the [rate of inflation](#) dropped slightly. This decline, along with a larger drop during June, occurred after months of [inflation concerns](#) driven by the Iran conflict and its effects on [energy costs](#). Consumer sentiment [dropped](#) in early August after modest growth earlier in the summer. Amid this economic uncertainty, the Federal Reserve has kept interest rates [consistent](#) throughout 2026. In July, [jobs numbers](#) dropped again after a strong spring. National [unemployment](#) fell 0.1 percentage points between June and July, landing 0.2 percentage points below the previous year's rate. The [Illinois](#) unemployment rate was flat between May and June, landing 0.8 percentage points above last year's rate and 0.9 percentage points higher than the national rate. Foreclosure activity levels were slightly below last year's levels in the Chicago metropolitan area and roughly equal to the previous year's levels in the City of Chicago. Overall, Chicago area foreclosure activity remains below pre-pandemic levels.¹ However, as of June 2026, nationwide foreclosure activity during was [up 21 percent](#) from a year earlier.

These indicators highlight ongoing challenges and opportunities in the current homebuying market. Mortgage interest rates have [trended upwards](#) since February, returning to rates above 6.5 percent. Much of this growth is [likely influenced](#) by economic anxiety surrounding the Iran conflict and related inflation. Prices are still elevated nationally, with the [Case Shiller Home Price Index](#) maintaining year-over-year growth as of May. National inventories of for-sale homes have also [maintained](#) year-over-year growth, though this growth continues to slow. In July 2026, Illinois single-family inventories continued to show year-over-year declines. Furthermore, Illinois continued to have [among the weakest recoveries](#) to pre-pandemic inventory levels, and the state has the [second-lowest level](#) of new housing construction per capita of any state. 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.

¹ For Chicago area data on foreclosure activity, see the Appendix

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

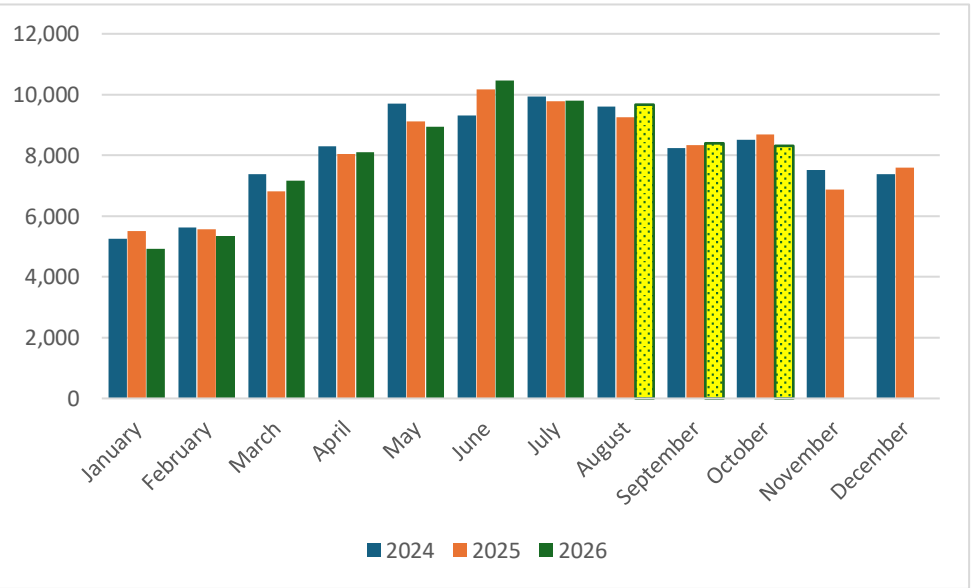
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	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend
January	5,256	5,506	4,921		37	39	40		13,274	14,130	14,549		\$252,250	\$281,000	\$280,000		155	136	147	
February	5,616	5,572	5,338		40	41	44		13,155	13,903	14,253		\$255,850	\$280,000	\$290,000		150	139	144	
March	7,374	6,816	7,162		37	40	41		12,704	13,668	13,998		\$275,000	\$290,000	\$310,000		141	136	130	
April	8,301	8,037	8,097		31	33	34		13,262	14,320	15,052		\$285,000	\$310,000	\$332,000		132	125	123	
May	9,694	9,109	8,937		28	28	29		14,576	15,593	15,568		\$300,000	\$320,000	\$342,000		127	120	116	
June	9,311	10,170	10,469		24	24	25		15,247	16,343	16,140		\$320,000	\$330,000	\$357,500		121	118	111	
July	9,930	9,771	9,807		23	25	26		16,253	17,317	16,758		\$314,950	\$328,950	\$347,500		123	119	113	
August	9,600	9,255	9,667		25	25			17,194	17,567			\$299,000	\$325,000	\$339,746		135	122		
September	8,241	8,341	8,396		26	28			17,524	18,092			\$290,000	\$305,750	\$327,178		142	132		
October	8,516	8,679	8,312		29	29			17,913	18,448			\$287,900	\$307,500	\$324,457		138	133		
November	7,524	6,881			30	31			16,823	17,404			\$285,000	\$299,900			136	136		
December	7,386	7,591			34	34			14,660	15,242			\$285,000	\$299,000			136	137		

IHS Three Month Outlook

Sources: ShowingTime Data and IHS Housing Market Forecast

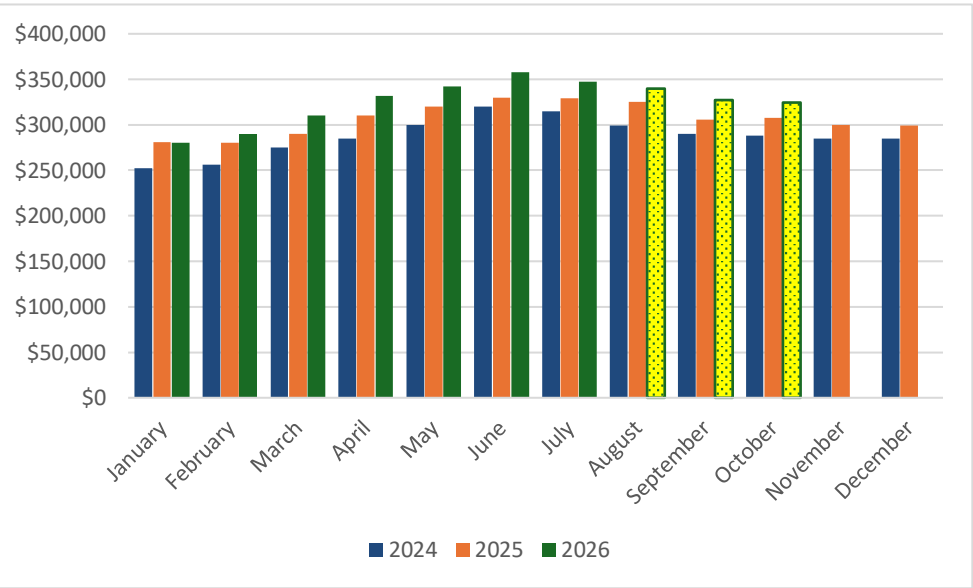
Illinois Short Term Trends - Single Family

Monthly Closed Sales

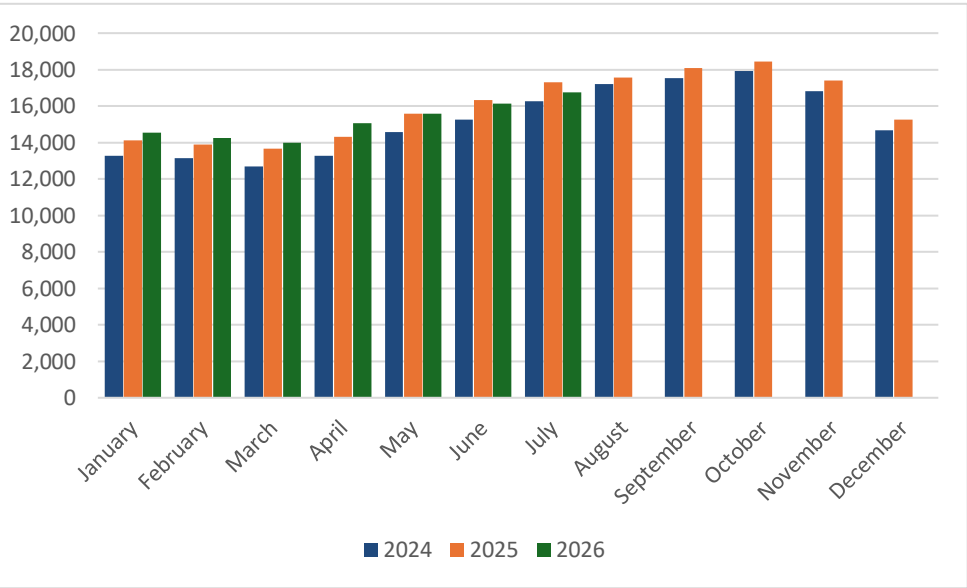


Yellow columns are projections from the IHS Three Month Outlook.

Monthly Median Sales Price

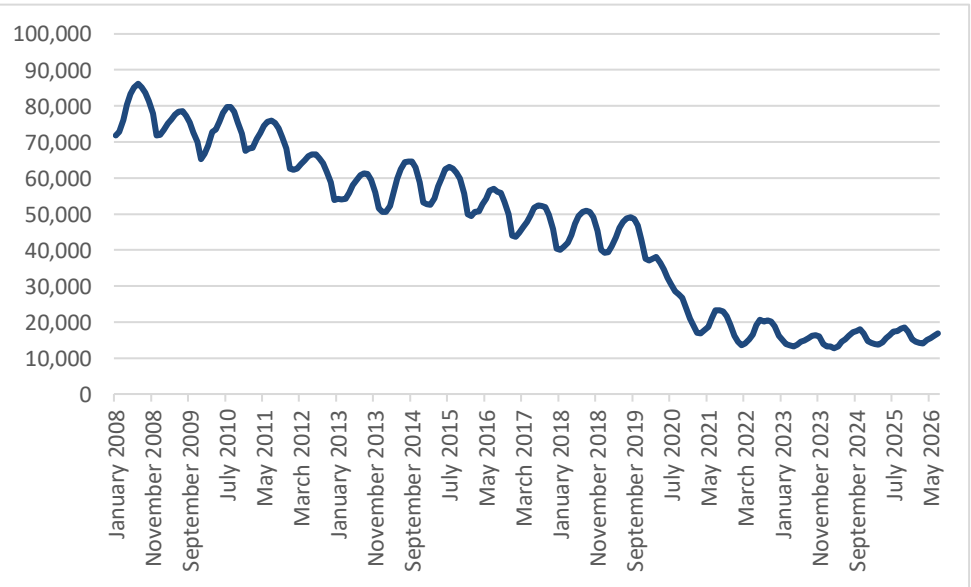


Monthly Inventory

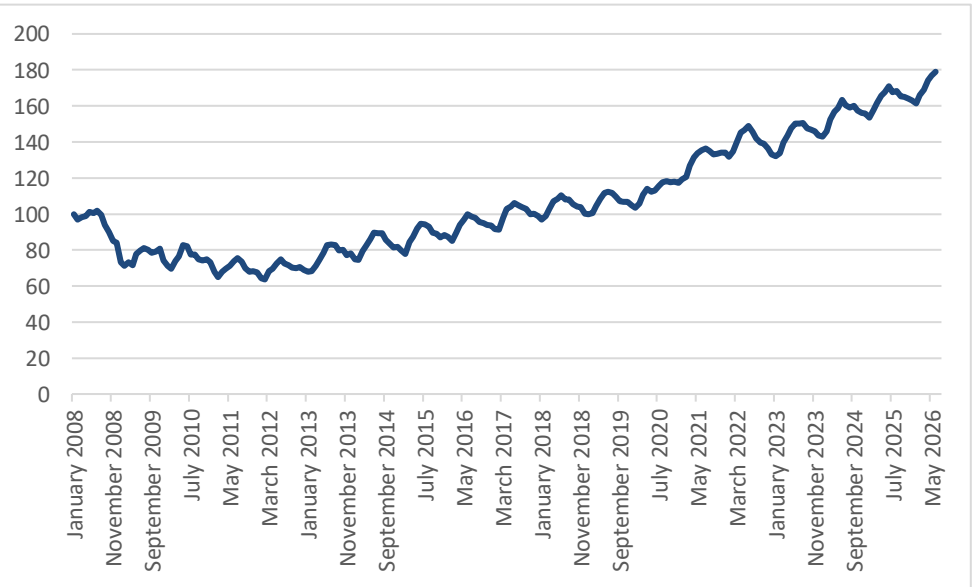


Illinois Long Term Trends - Single Family

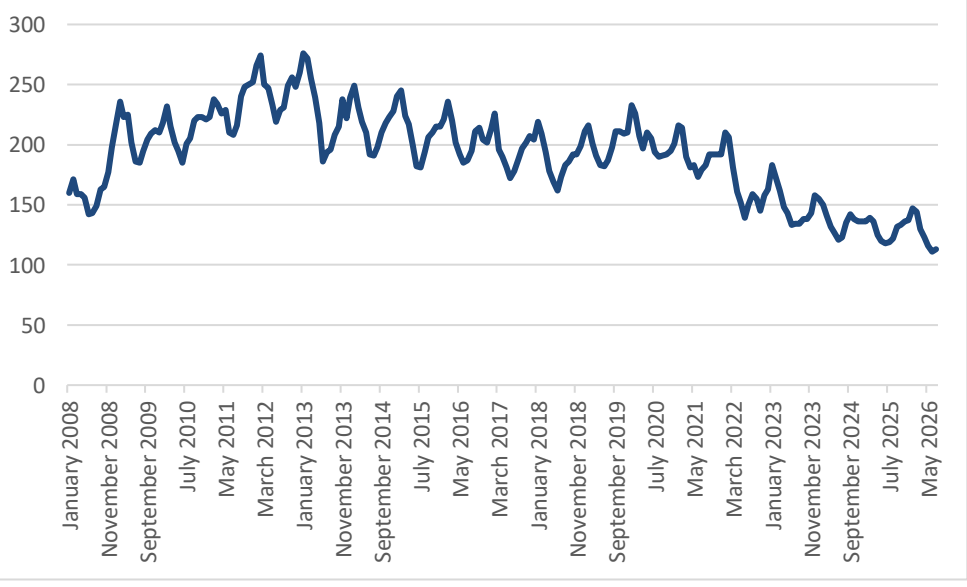
Illinois Monthly SF Inventory Trend



SF Monthly House Price Index



Monthly Affordability Conditions



Chicago Metro - Single Family Homes
Summary of Recent Trends

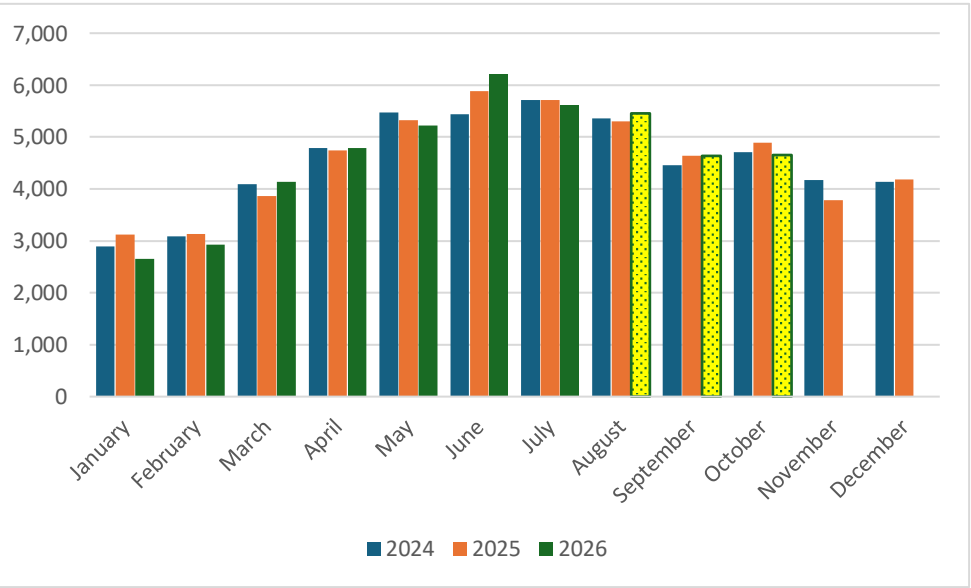
	Closed Sales				Days on Market				Inventory				Median Sales Price				Affordability			
	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend
January	2,897	3,123	2,653		34	35	33		6,904	7,678	7,606		\$340,000	\$369,900	\$380,000		123	111	116	
February	3,085	3,134	2,922		37	35	37		6,961	7,702	7,592		\$350,000	\$375,000	\$395,000		117	111	113	
March	4,091	3,860	4,132		32	34	32		6,628	7,450	7,264		\$374,900	\$395,000	\$405,000		111	106	106	
April	4,786	4,740	4,790		26	28	27		7,016	8,037	8,007		\$386,999	\$409,990	\$430,000		104	101	101	
May	5,470	5,320	5,224		22	23	22		7,900	9,051	8,336		\$395,000	\$420,000	\$440,000		103	98	96	
June	5,441	5,880	6,221		20	19	20		8,278	9,485	8,523		\$419,945	\$430,000	\$458,250		98	97	93	
July	5,712	5,712	5,608		20	21	21		8,800	10,048	8,743		\$407,250	\$420,000	\$450,000		102	99	93	
August	5,357	5,306	5,455		20	21			9,393	10,028			\$400,000	\$420,000	\$447,583		108	101		
September	4,452	4,639	4,636		22	25			9,711	10,175			\$385,000	\$399,900	\$431,853		115	108		
October	4,706	4,896	4,653		24	25			9,902	10,195			\$378,000	\$405,000	\$428,922		112	108		
November	4,175	3,788			25	26			9,095	9,193			\$380,000	\$400,000			109	109		
December	4,133	4,184			29	28			7,716	7,799			\$379,000	\$389,900			109	112		

IHS Three Month Outlook

Sources: ShowingTime Data and IHS Housing Market Forecast

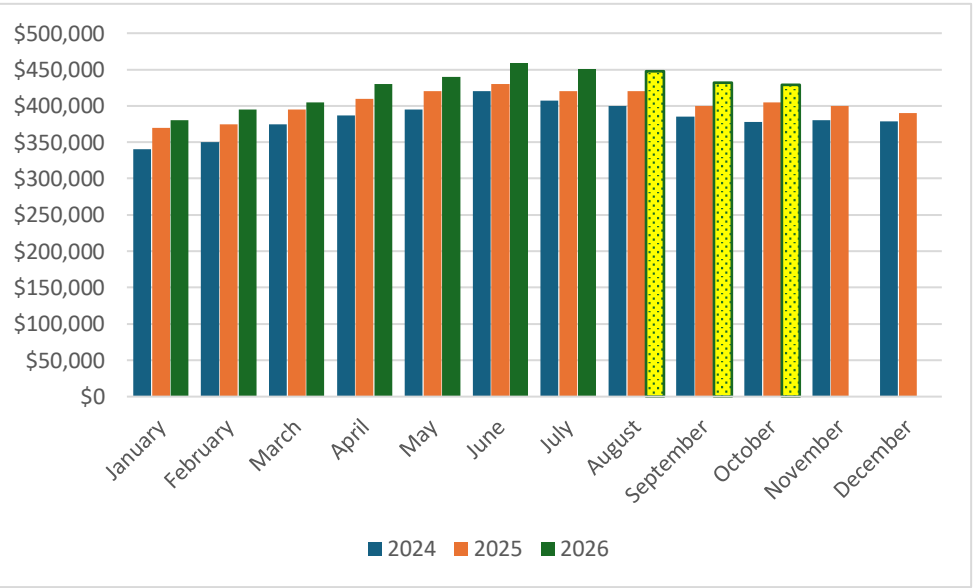
Chicago Metro Short Term Trends - Single Family

Monthly Closed Sales

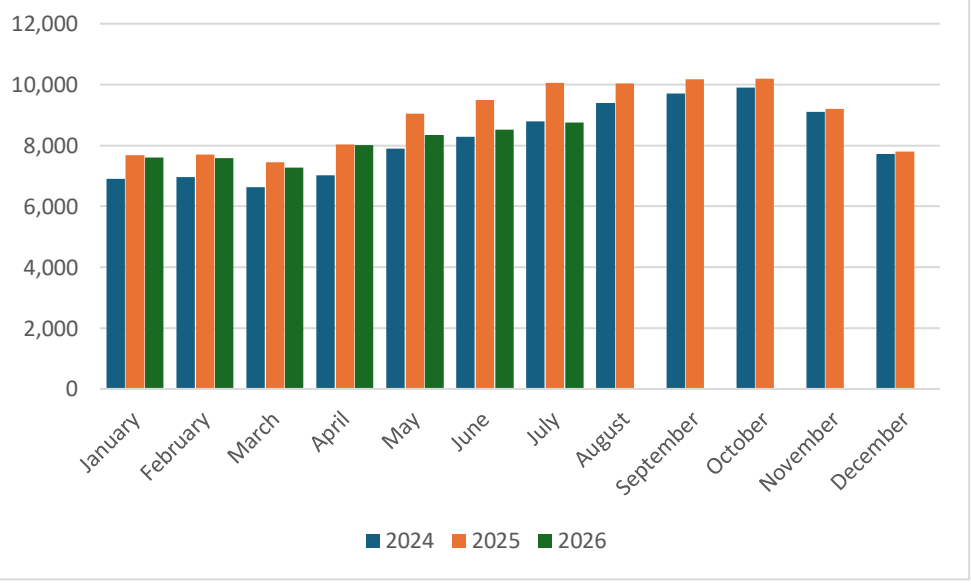


Yellow columns are projections from the IHS Three Month Outlook.

Monthly Median Sales Price

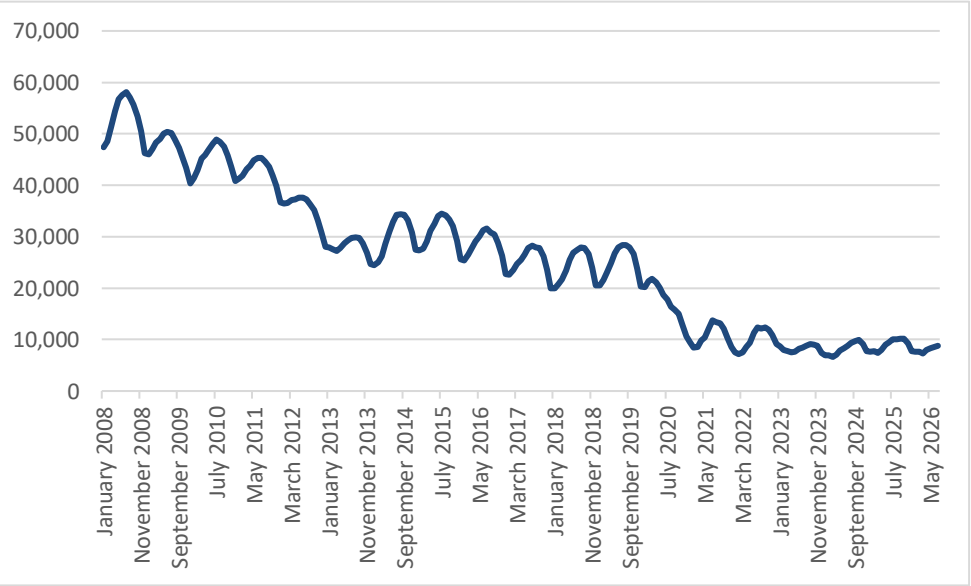


Monthly Inventory

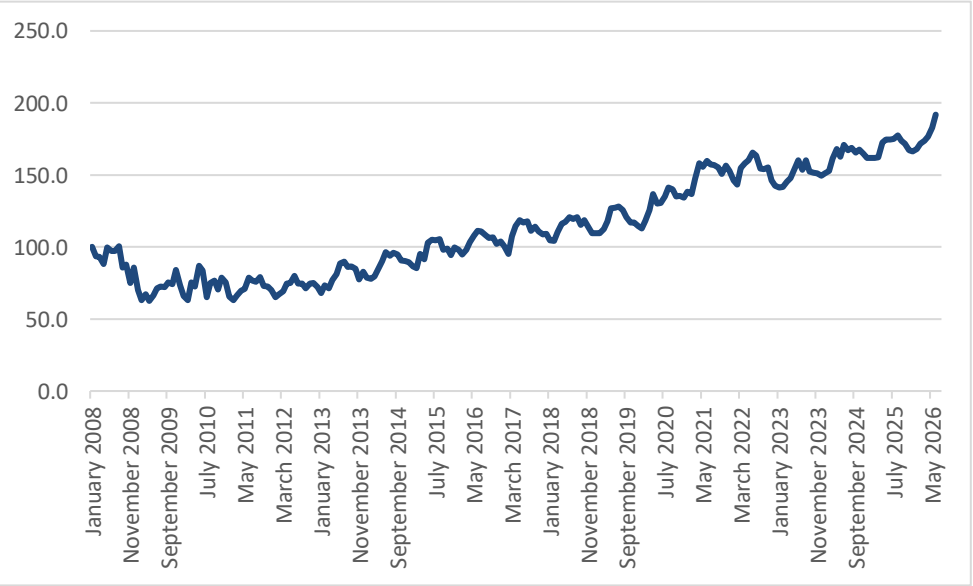


Chicago Metro Long Term Trends - Single Family

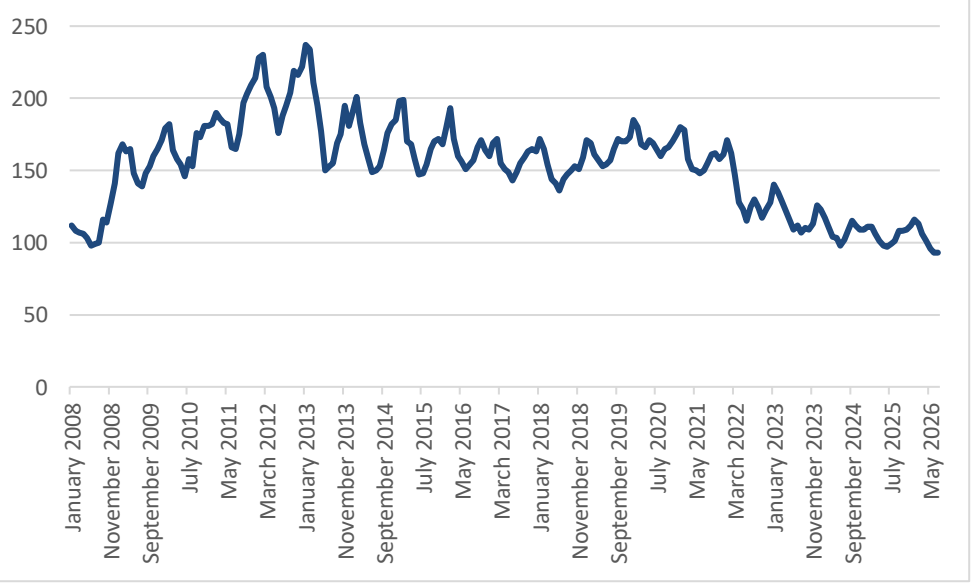
Monthly SF Inventory Trend



SF Monthly House Price Index



Monthly Affordability Conditions



City of Chicago - Single Family Homes
Summary of Recent Trends

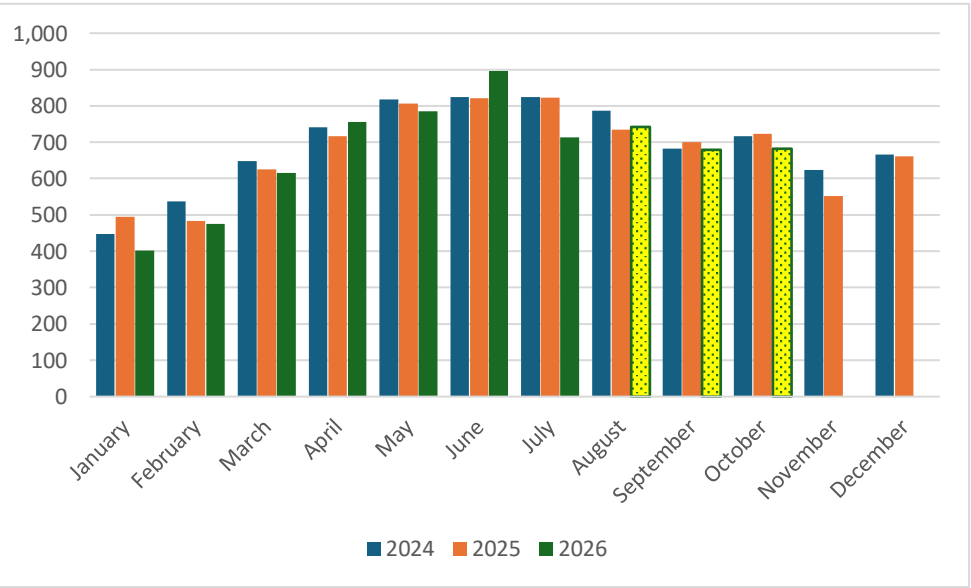
	Closed Sales				Days on Market				Inventory				Median Sales Price				Affordability			
	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend
January	448	494	402		38	39	36		1,751	1,722	1,548		\$289,500	\$310,000	\$306,450		132	121	131	
February	538	484	476		43	38	38		1,767	1,699	1,530		\$300,000	\$319,450	\$345,000		125	119	118	
March	648	625	616		41	44	36		1,737	1,687	1,405		\$335,000	\$335,800	\$338,500		113	114	116	
April	741	716	755		37	33	31		1,777	1,749	1,434		\$340,000	\$350,000	\$365,000		108	108	109	
May	817	806	785		29	31	28		1,915	1,861	1,438		\$320,000	\$350,000	\$375,000		116	107	103	
June	825	821	896		27	27	26		1,893	1,850	1,404		\$363,000	\$370,000	\$410,000		104	103	95	
July	824	822	713		29	26	25		1,957	1,903	1,354		\$350,000	\$350,000	\$392,000		108	109	98	
August	786	735	742		29	26			2,035	1,885			\$340,000	\$362,500	\$383,134		116	107		
September	682	701	679		29	32			2,164	1,915			\$327,000	\$345,000	\$370,870		123	115		
October	717	723	682		31	31			2,172	1,905			\$325,000	\$350,000	\$367,607		119	114		
November	624	552			34	32			2,024	1,786			\$339,951	\$335,000			111	119		
December	666	661			37	29			1,701	1,558			\$325,000	\$310,000			116	129		

IHS Three Month Outlook

Sources: ShowingTime Data and IHS Housing Market Forecast

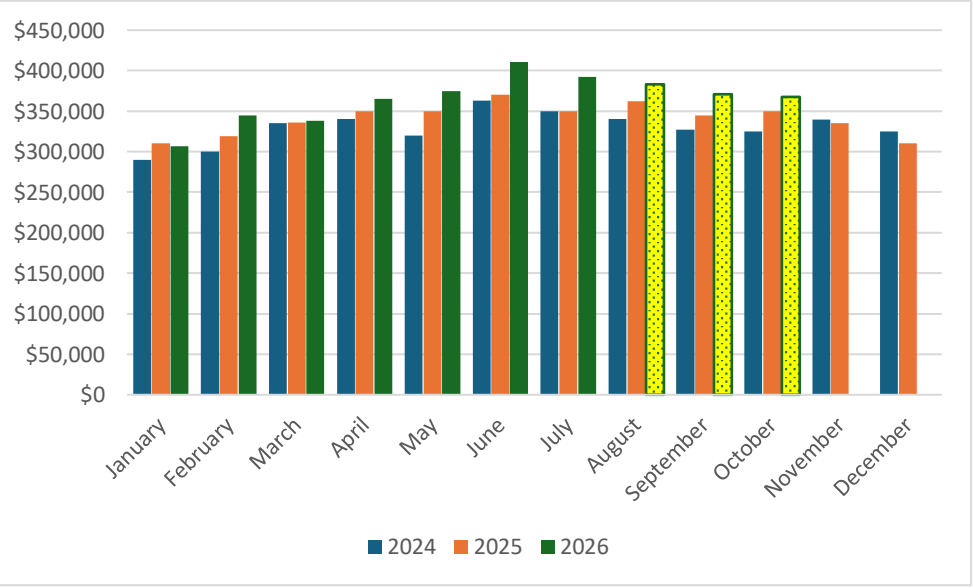
City of Chicago Short Term Trends - Single Family

Monthly Closed Sales

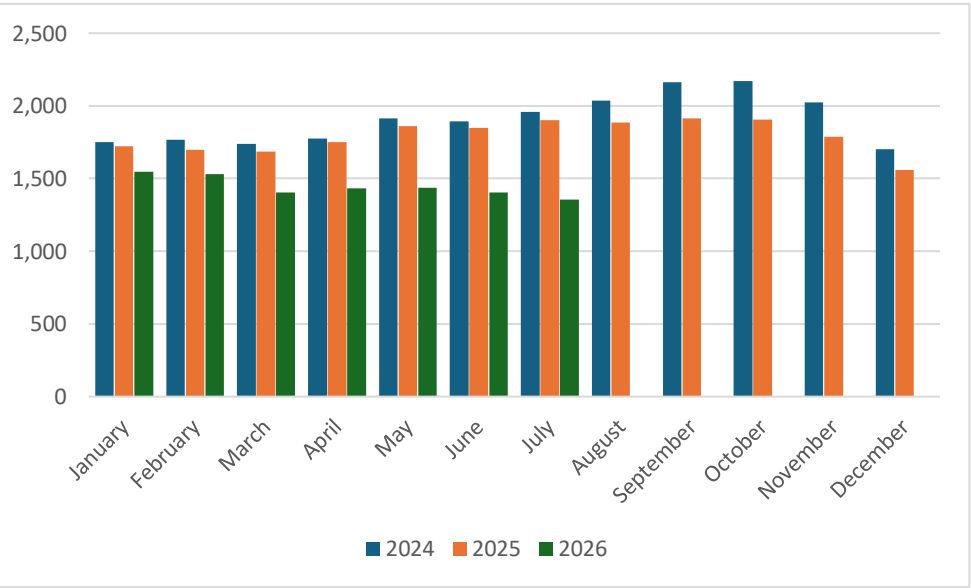


Yellow columns are projections from the IHS Three Month Outlook.

Monthly Median Sales Price

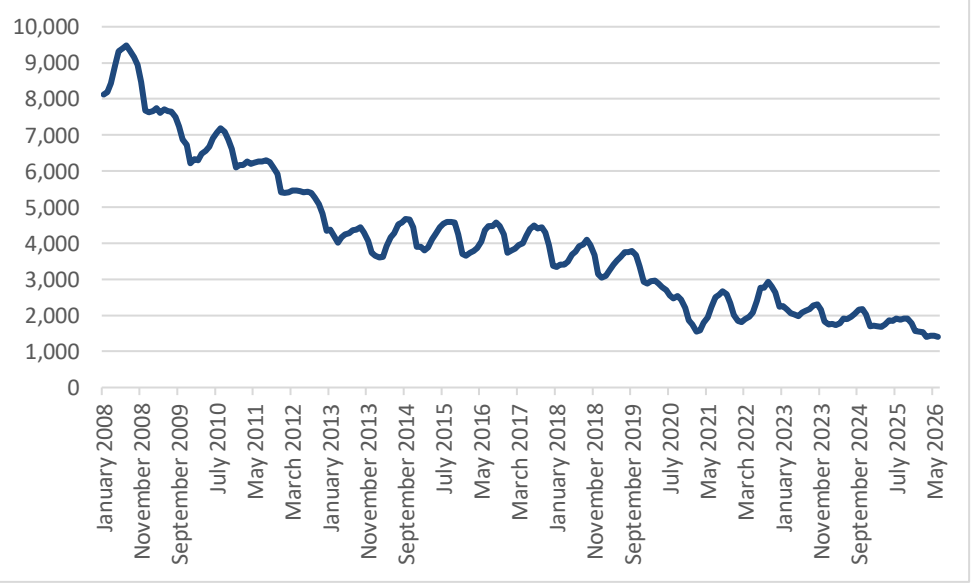


Monthly Inventory

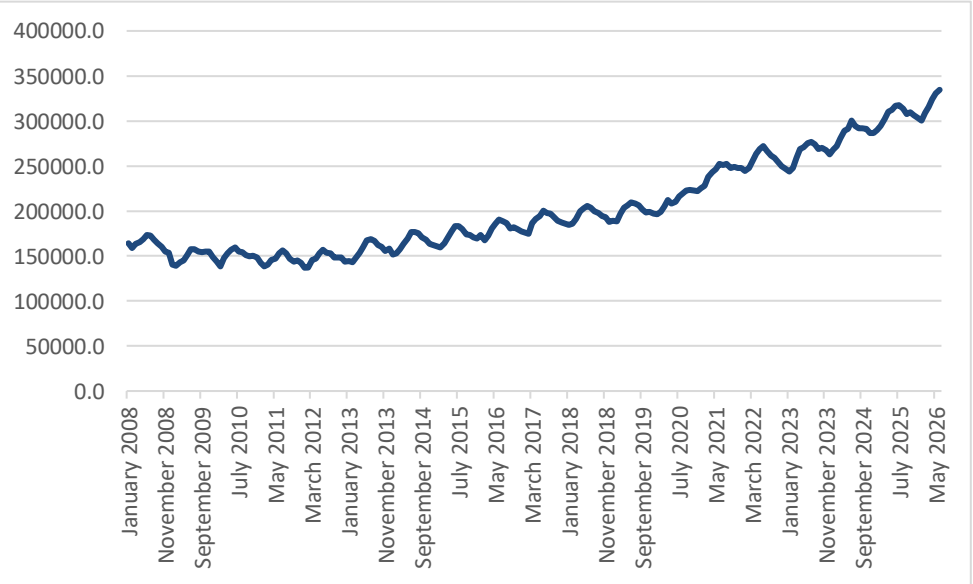


City of Chicago Long Term Trends - Single Family

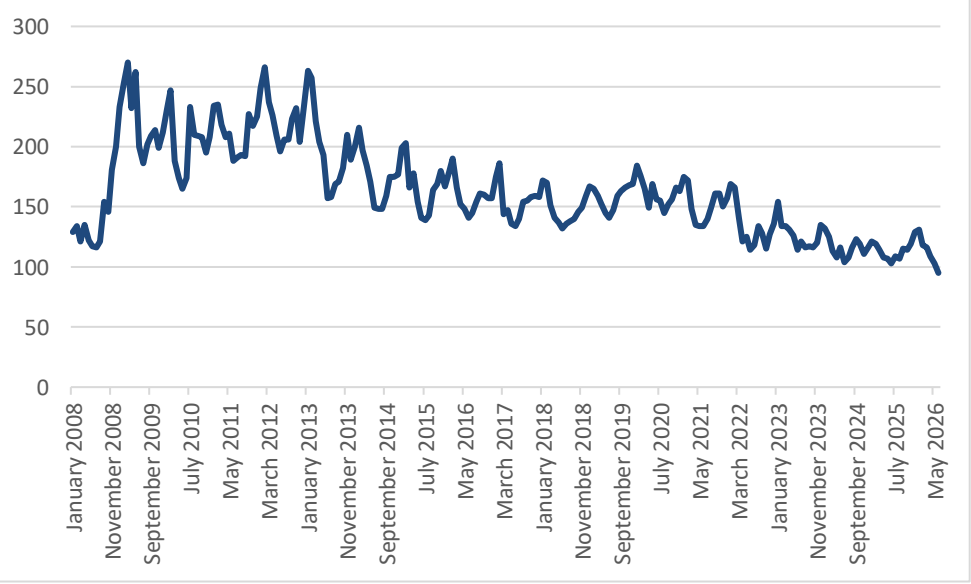
Monthly SF Inventory Trend



SF Monthly House Price Index



Monthly Affordability Conditions



City of Chicago - Condominiums/Townhomes
Summary of Recent Trends

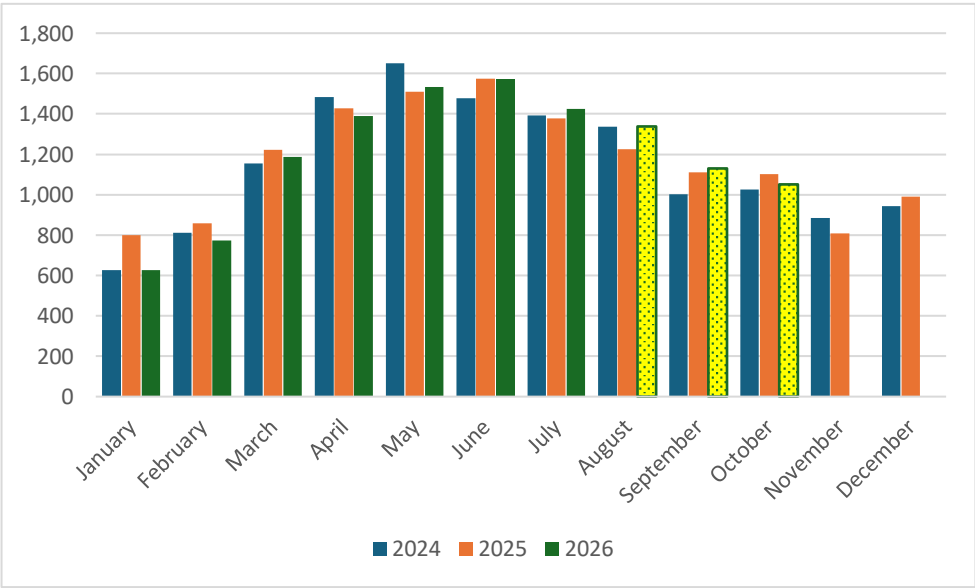
	Closed Sales				Days on Market				Inventory				Median Sales Price				Affordability			
	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend
January	626	799	626		47	42	39		2,486	2,357	1,889		\$337,450	\$385,000	\$382,500		113	97	105	
February	810	857	772		47	46	38		2,724	2,391	1,966		\$358,000	\$385,000	\$408,750		105	99	99	
March	1,156	1,221	1,187		36	34	29		2,722	2,511	1,980		\$370,000	\$407,500	\$440,000		103	94	89	
April	1,485	1,428	1,391		28	28	23		2,895	2,817	2,155		\$384,000	\$420,000	\$440,000		96	90	90	
May	1,651	1,511	1,534		26	23	23		3,038	2,908	2,185		\$395,000	\$412,500	\$453,000		94	91	86	
June	1,479	1,575	1,571		24	23	21		3,044	2,846	2,151		\$390,000	\$415,000	\$439,339		97	92	89	
July	1,392	1,379	1,424		27	26	19		3,106	2,850	2,148		\$375,000	\$395,000	\$440,000		101	96	87	
August	1,336	1,225	1,338		25	26			3,140	2,729			\$368,250	\$388,000	\$423,340		107	100		
September	1,001	1,111	1,130		29	30			3,368	2,870			\$360,000	\$375,000	\$417,170		112	105		
October	1,026	1,103	1,051		29	28			3,282	2,742			\$367,250	\$386,000	\$423,121		105	104		
November	886	808			31	29			2,913	2,380			\$399,500	\$392,500			95	101		
December	944	991			36	34			2,294	1,841			\$371,000	\$380,000			102	105		

IHS Three Month Outlook

Sources: ShowingTime Data and IHS Housing Market Forecast

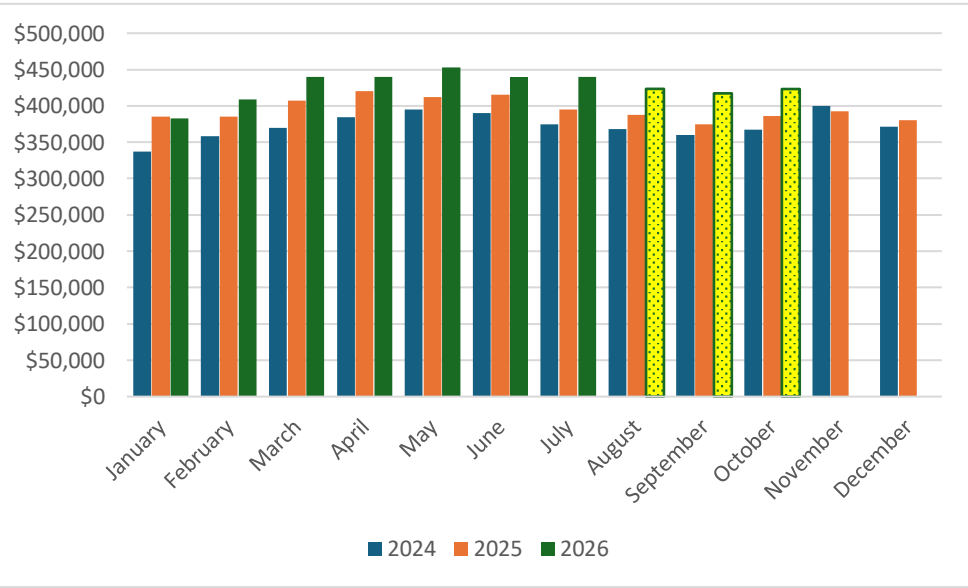
City of Chicago Short Term Trends - Condominiums/Townhomes

Monthly Closed Sales

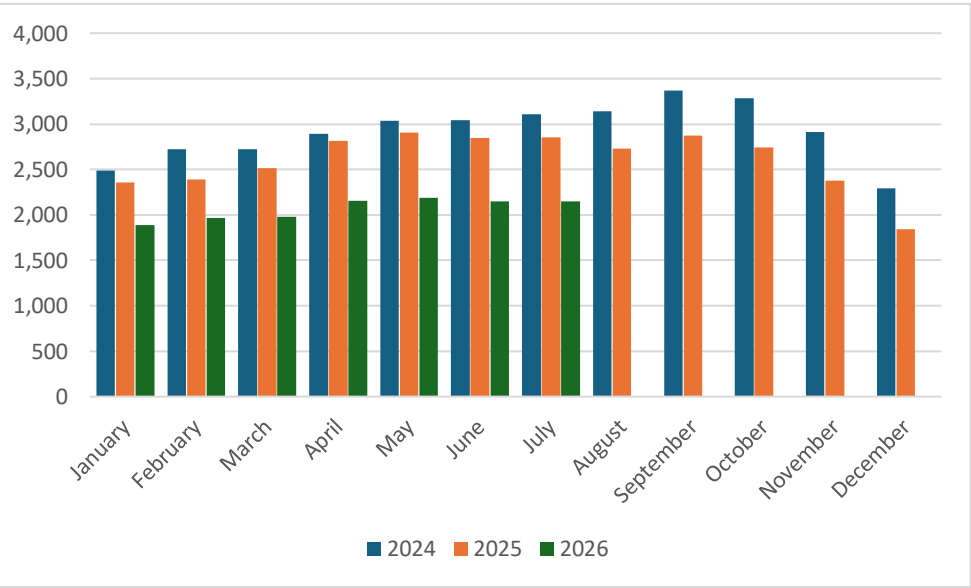


Yellow columns are projections from the IHS Three Month Outlook.

Monthly Median Sales Price

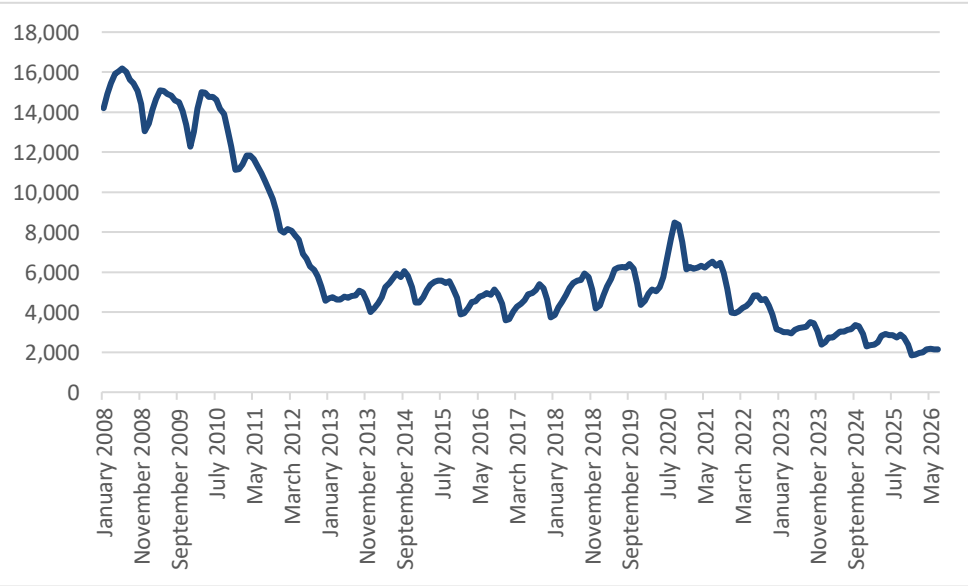


Monthly Inventory

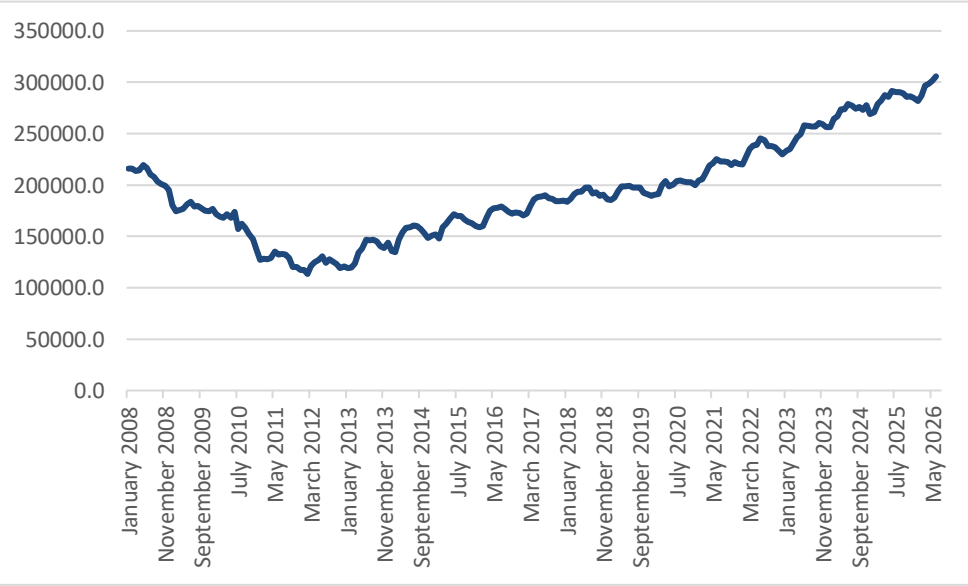


City of Chicago Long Term Trends - Condominiums/Townhomes

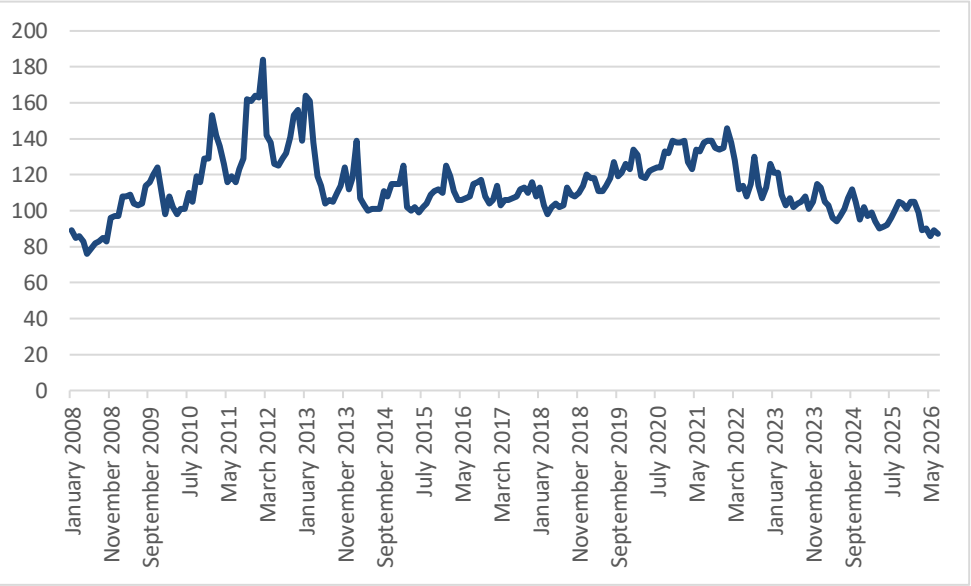
Monthly Condo/Townhome Inventory Trend



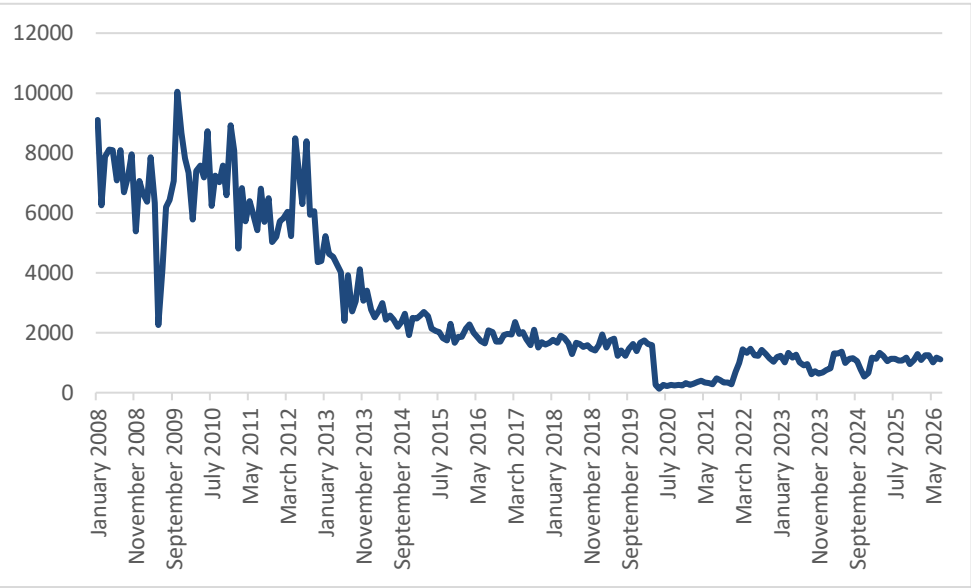
Condo/Townhome Monthly House Price Index



Monthly Affordability Conditions



Monthly Foreclosure Filings - Chicago Metro



Monthly Foreclosure Filings - City of Chicago

