INSTITUTE FOR HOUSING STUDIES at DePaul University

ILLINOIS HOUSING MARKET forecast

Illinois Housing Market Forecast
September 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 August 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 August 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 year-over-year declines statewide and 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 autumn, with lower sales activity than during the same period a year earlier. Home prices statewide are expected to show year-over-year growth through November 2026.

State of Illinois

- **Recent trends –** In August 2026, there were 12,103 closed sales of single-family homes, townhomes, and condominiums in Illinois. August prices for single-family homes in Illinois were 4.6 percent higher than prices a year earlier. Single-family closed sales activity levels were about 4.6 percent lower than levels in August 2025. The inventory of for-sale single-family homes fell about 4.6 percent compared to the previous August, remaining near historic lows. The average number of days on the market for a single-family home was 2 days more than during the previous August. 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 26 percent between August and November. Total sales activity during the three-month period from September through November is expected to be about 7.4 percent lower than during the same period a year earlier. Single-family house prices are estimated to fall about 5.5 percent between August and November. In this projection, statewide prices in November 2026 will be about 7 percent higher than in November 2025.

Chicago Metropolitan Area

- **Recent trends –** In August 2026, there were 8,153 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 August 2025 and 2026. The number of closed single-family home sales in the Chicago area fell about 4.6 percent from the previous August. The inventory of for-sale single-family homes fell about 13.5 percent from the previous August. The average time spent on the market was 1 day greater than during August 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 almost 29 percent between August and November. Total sales throughout September, October, and November are estimated to be about 7.5 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 4.4 percent between August and November. In this scenario, prices in November 2026 would be 7.4 percent higher than in November 2025.

City of Chicago
Single-Family Homes

- **Recent trends –** In August 2026, there were 1,907 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 2 percent higher than in August 2025. The number of closed single-family sales in Chicago fell by almost 5 percent compared to the previous August. The inventory of for-sale homes declined by 29.5 percent compared to August 2025, and the number of days on market grew by 2 days compared to a year earlier. Affordability conditions for single-family homebuyers in Chicago were slightly worse than the previous August.

- **Three-month outlook -** IHS's three-month housing market forecast indicates that closed sales activity levels will follow seasonal trends and fall almost 20 percent between August and November. Total sales activity during the three-month period from September through November is estimated to be about 5.0 percent lower than during the same period a year earlier. Single-family house prices in the City of Chicago are expected to fall by almost 3 percent between August and November. However, November 2026 prices would still be about 7.3 percent higher than in November 2025.

City of Chicago
Condominiums and Townhomes

- **Recent trends –** Prices for condos and townhomes in the City of Chicago rose 8.2 percent between August 2025 and 2026. The number of closed condo sales in Chicago fell by about 1.4 percent compared to the previous August. The inventory of for-sale condos declined by about 19.0 percent compared to August 2025. The number of days on market was 1 day fewer than during the previous August. 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 37 percent between August and November. Total condominium sales activity in Chicago from September through November is estimated to be almost 10 percent lower than during the same period a year earlier. Condo prices are projected to rise about 2 percent between August and November. These projected November prices would still be about 9.2 percent higher than in November 2025.

Conditions Affecting Homebuying

The housing market remained complex throughout 2026 due to a variety of high-level factors. The rate of inflation rose in August, largely due to rising energy costs driven by the continuing conflict in Iran. Consumer sentiment continued dropping in early September after modest growth during the early summer. Amid rising inflation, the Federal Reserve increased rates for the first time in years. However, jobs numbers have remained strong, with August job gains exceeding expectations. National unemployment was flat between July and August, landing 0.2 percentage points below the previous year's rate. The Illinois unemployment rate fell between June and July, landing 0.6 percentage points above last year's rate and 0.8 percentage points higher than the national rate. Foreclosure activity levels were slightly above last year 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 July 2026, nationwide foreclosure activity during was up 10 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 June. National inventories of for-sale homes have also maintained year-over-year growth. In August 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.

INSTITUTE FOR HOUSING STUDIES at DePaul University

Data Appendix

Illinois - Single Family Homes
Summary of Recent Trends

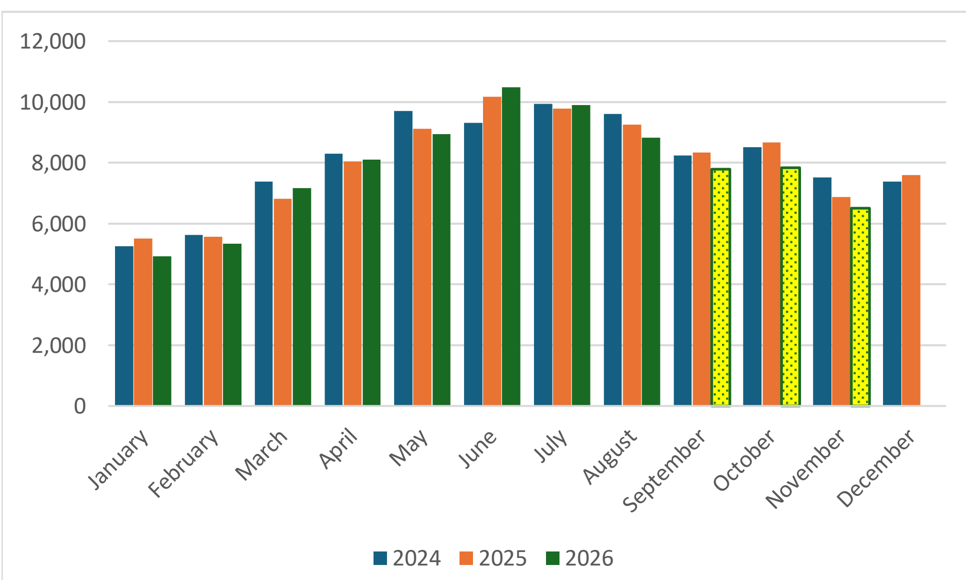
	Closed Sales				Days on Market				Inventory				Median Sales Price				Affordability			
	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend
January	5,256	5,506	4,921		37	39	40		13,274	14,131	14,586		$252,250	$281,000	$279,950		155	136	147	
February	5,616	5,572	5,338		40	41	44		13,154	13,904	14,300		$255,850	$280,000	$290,000		150	139	144	
March	7,374	6,816	7,162		37	40	41		12,703	13,669	14,051		$275,000	$290,000	$310,000		141	136	130	
April	8,301	8,037	8,099		31	33	34		13,260	14,320	15,130		$285,000	$310,000	$331,650		132	125	123	
May	9,694	9,109	8,940		28	28	29		14,575	15,594	15,732		$300,000	$320,000	$342,000		127	120	116	
June	9,311	10,170	10,483		24	24	25		15,246	16,344	16,452		$320,000	$330,000	$357,000		121	118	112	
July	9,930	9,771	9,891		23	25	26		16,252	17,320	17,387		$314,950	$328,950	$347,000		123	119	113	
August	9,600	9,255	8,827		25	25	27		17,194	17,572	16,765		$299,000	$325,000	$339,900		135	122	116	
September	8,241	8,342	7,788		26	28			17,524	18,101			$290,000	$306,000	$327,770		142	132		
October	8,516	8,677	7,836		29	29			17,914	18,466			$287,900	$307,500	$325,533		138	133		
November	7,524	6,882	6,505		30	31			16,824	17,428			$285,000	$299,900	$321,126		136	136		
December	7,386	7,591			34	34			14,661	15,268			$285,000	$299,000			136	137		

IHS Three Month Outlook

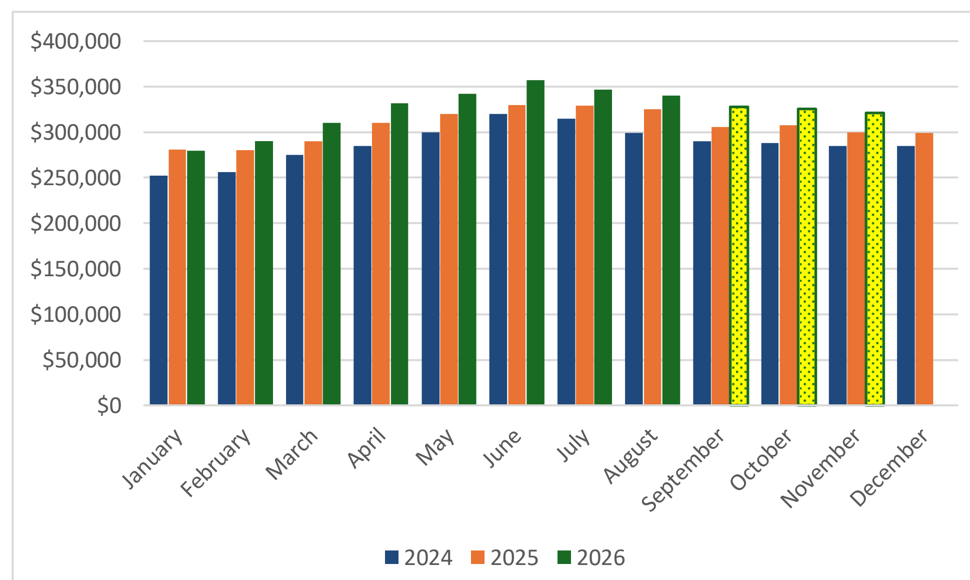
Sources: ShowingTime Data and IHS Housing Market Forecast

Illinois Short Term Trends - Single Family

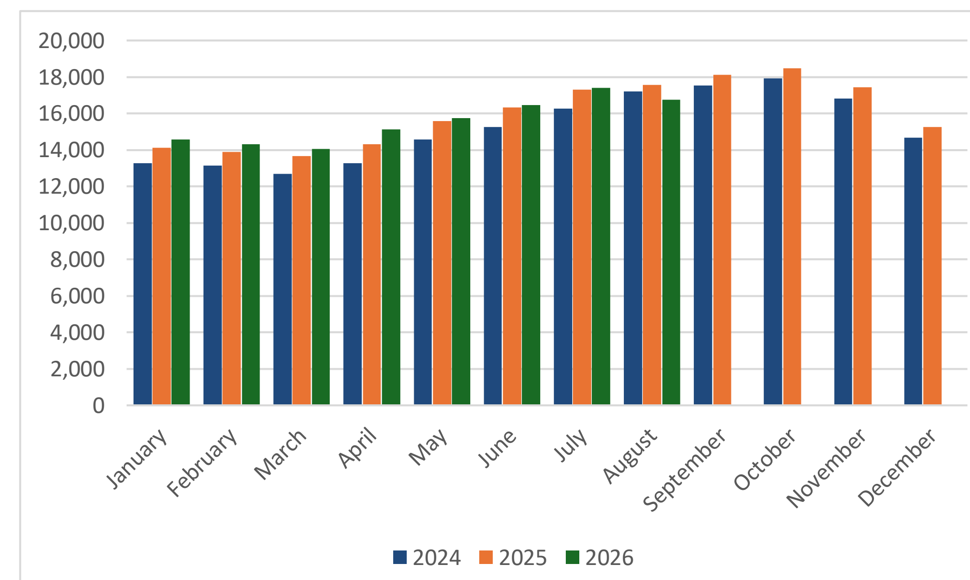
Monthly Closed Sales



Monthly Median Sales Price



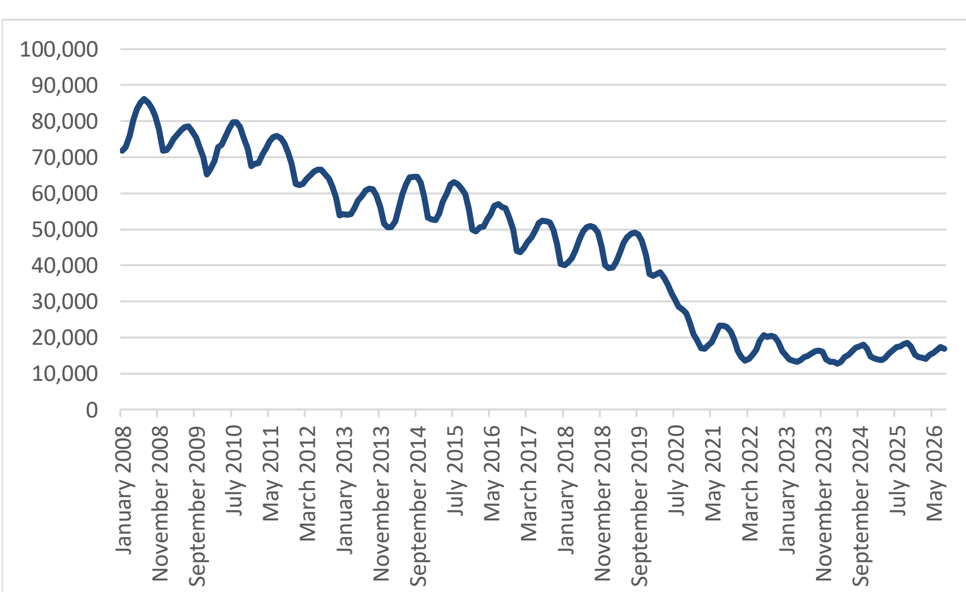
Monthly Inventory



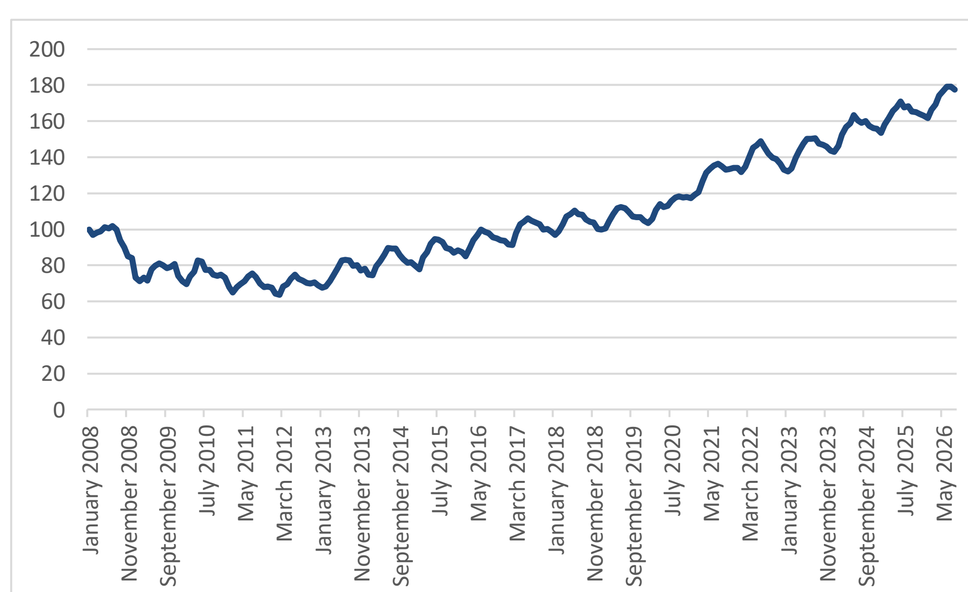
Yellow columns are projections from the IHS Three Month Outlook.

Illinois Long Term Trends - Single Family

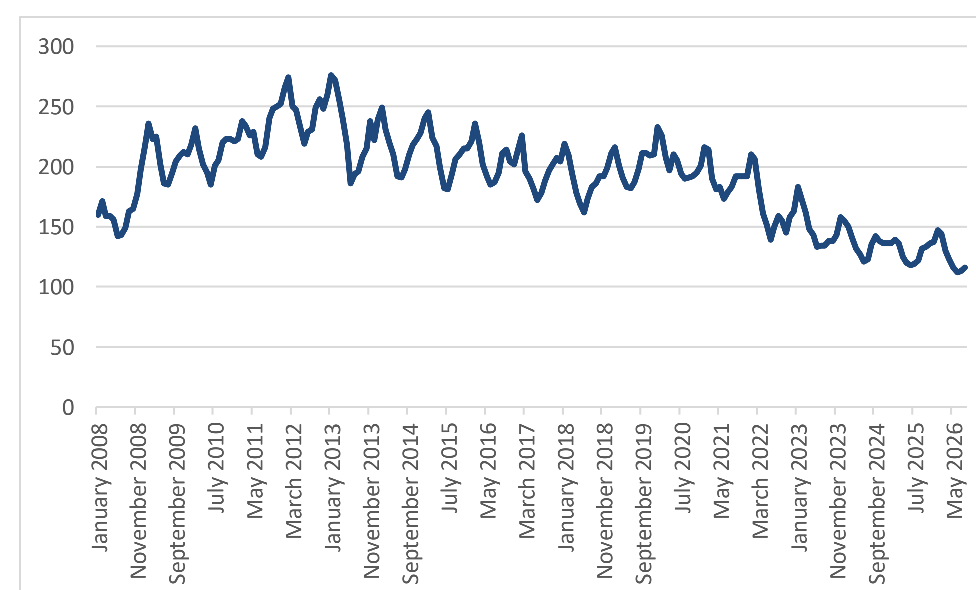
Illinois Monthly SF Inventory Trend



SF Monthly House Price Index



Monthly Affordability Conditions



Chicago Metro - Single Family Homes
Summary of Recent Trends

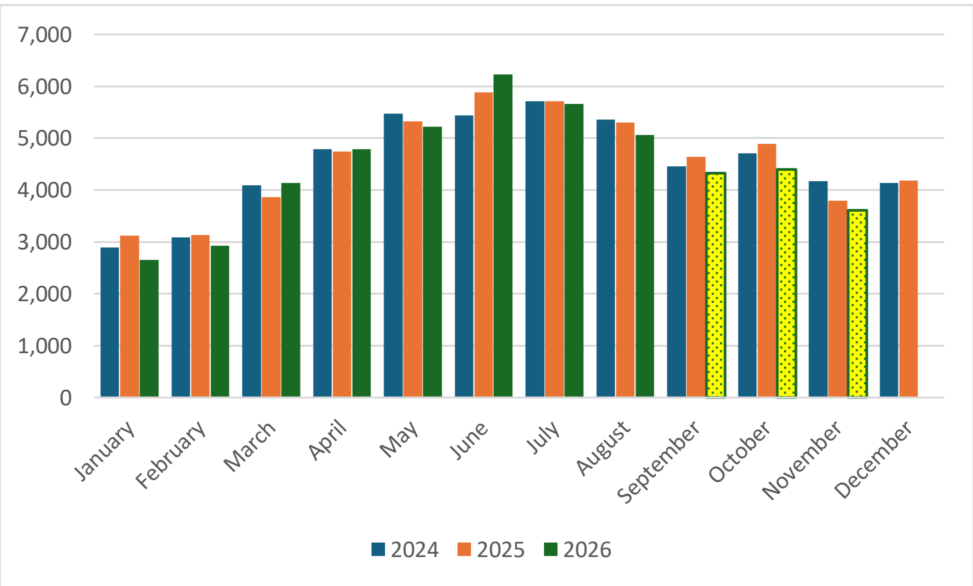
	Closed Sales				Days on Market				Inventory				Median Sales Price				Affordability			
	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend
January	2,897	3,123	2,653		34	35	33		6,904	7,679	7,630		$340,000	$369,900	$380,000		123	111	116	
February	3,085	3,134	2,922		37	35	37		6,961	7,703	7,626		$350,000	$375,000	$395,000		117	111	113	
March	4,091	3,860	4,132		32	34	32		6,628	7,451	7,302		$374,900	$395,000	$405,000		111	106	106	
April	4,786	4,740	4,791		26	28	27		7,016	8,037	8,060		$386,999	$409,990	$430,000		104	101	101	
May	5,470	5,320	5,226		22	23	22		7,900	9,052	8,448		$395,000	$420,000	$440,000		103	98	96	
June	5,441	5,880	6,231		20	19	20		8,278	9,486	8,733		$419,945	$430,000	$456,000		98	97	93	
July	5,712	5,712	5,657		20	21	21		8,800	10,050	9,187		$407,250	$420,000	$450,000		102	99	93	
August	5,357	5,306	5,062		20	21	22		9,393	10,031	8,677		$400,000	$420,000	$449,000		108	101	94	
September	4,452	4,639	4,325		22	25			9,711	10,181			$385,000	$399,900	$433,296		115	108		
October	4,706	4,896	4,397		24	25			9,903	10,208			$378,000	$405,000	$430,389		112	108		
November	4,175	3,789	3,609		25	26			9,096	9,210			$380,000	$400,000	$429,403		109	109		
December	4,133	4,184			29	28			7,717	7,818			$379,000	$389,900			109	112		

IHS Three Month Outlook

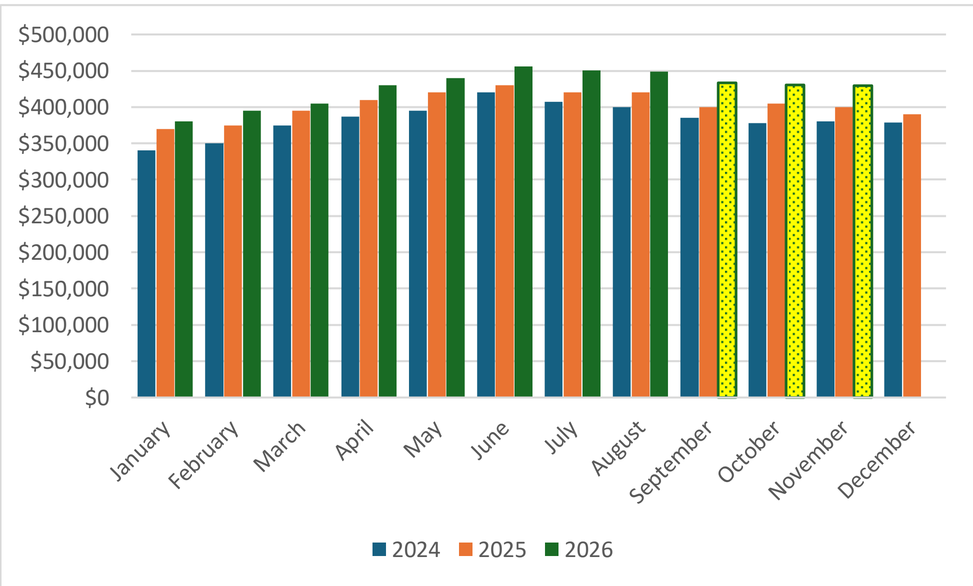
Sources: ShowingTime Data and IHS Housing Market Forecast

Chicago Metro Short Term Trends - Single Family

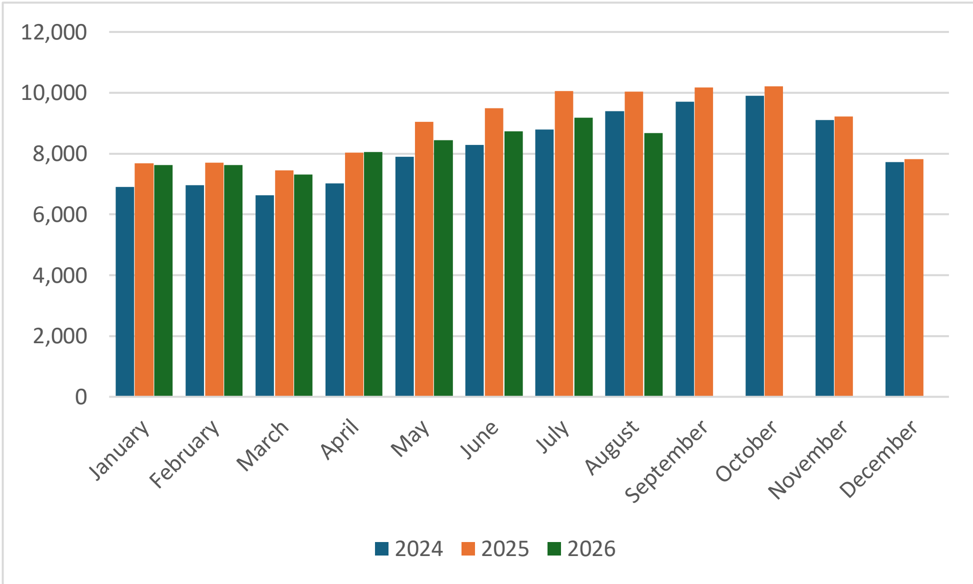
Monthly Closed Sales



Monthly Median Sales Price



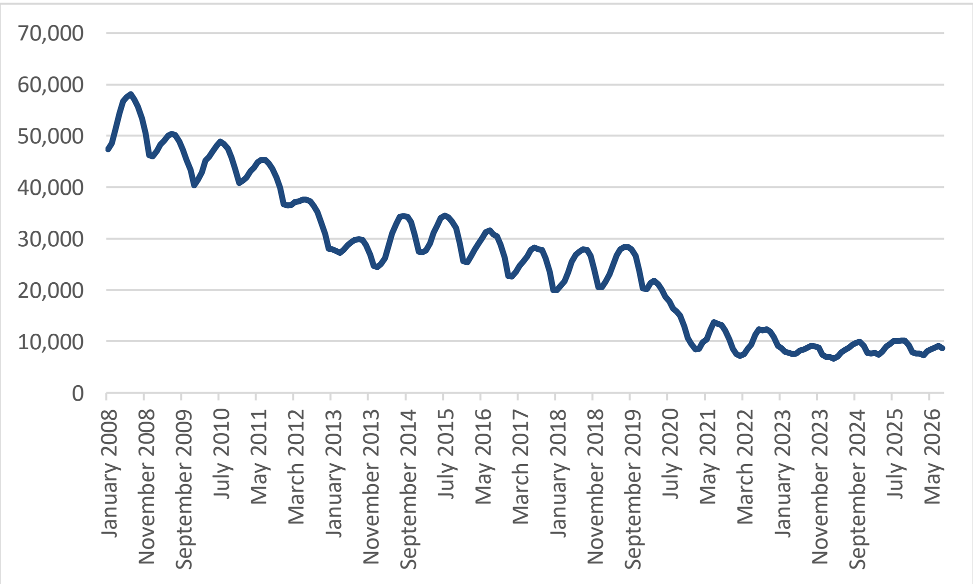
Monthly Inventory



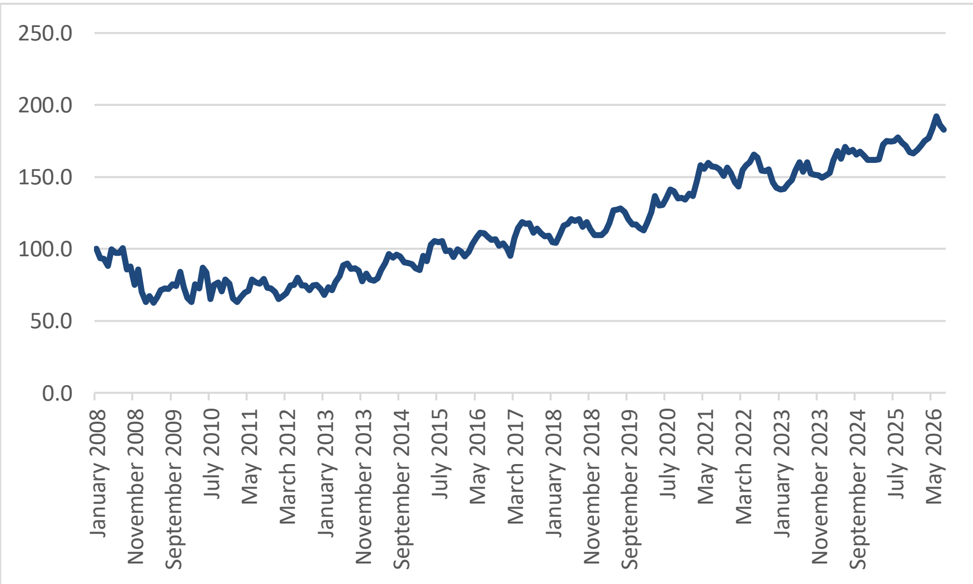
Yellow columns are projections from the IHS Three Month Outlook.

Chicago Metro Long Term Trends - Single Family

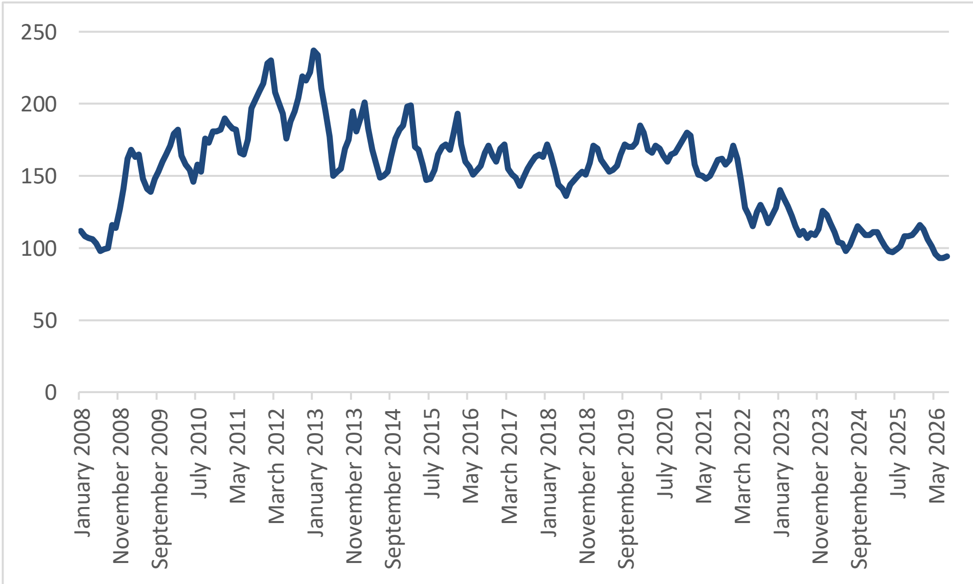
Monthly SF Inventory Trend



SF Monthly House Price Index



Monthly Affordability Conditions



City of Chicago - Single Family Homes
Summary of Recent Trends

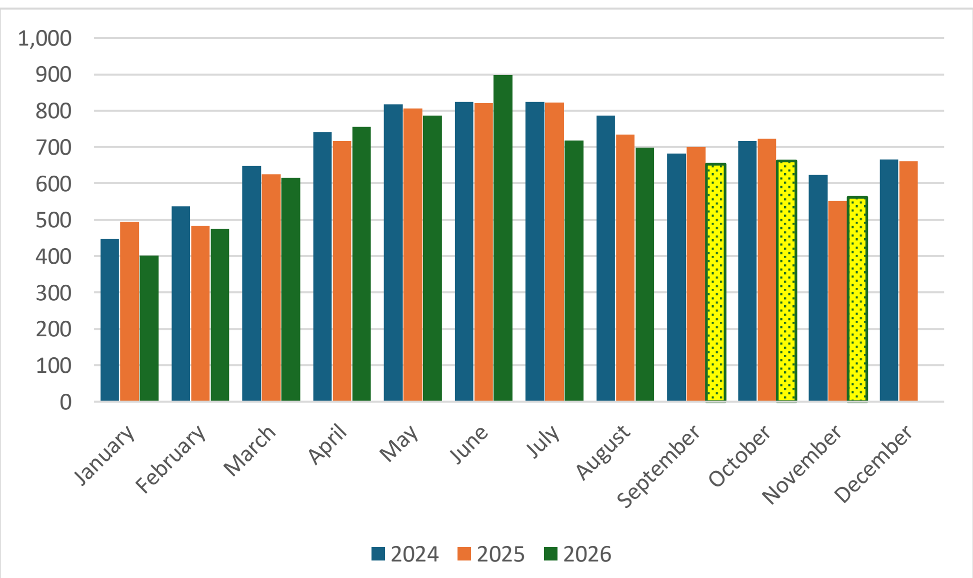
	Closed Sales				Days on Market				Inventory				Median Sales Price				Affordability			
	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend
January	448	494	402		38	39	36		1,751	1,722	1,555		$289,500	$310,000	$306,450		132	121	131	
February	538	484	476		43	38	38		1,767	1,699	1,540		$300,000	$319,450	$345,000		125	119	118	
March	648	625	616		41	44	36		1,737	1,687	1,416		$335,000	$335,800	$338,500		113	114	116	
April	741	716	755		37	33	31		1,777	1,749	1,445		$340,000	$350,000	$362,000		108	108	110	
May	817	806	786		29	31	28		1,915	1,862	1,465		$320,000	$350,000	$375,000		116	107	103	
June	825	821	898		27	27	26		1,893	1,851	1,448		$363,000	$370,000	$410,000		104	103	95	
July	824	822	718		29	26	25		1,957	1,904	1,467		$350,000	$350,000	$390,500		108	109	98	
August	786	735	699		29	26	28		2,035	1,887	1,331		$340,000	$362,500	$369,950		116	107	104	
September	682	701	653		29	32			2,164	1,918			$327,000	$345,000	$361,063		123	115		
October	717	723	662		31	31			2,172	1,909			$325,000	$350,000	$358,743		119	114		
November	624	552	562		34	32			2,024	1,790			$339,951	$335,000	$359,580		111	119		
December	666	661			37	29			1,701	1,564			$325,000	$310,000			116	129		

IHS Three Month Outlook

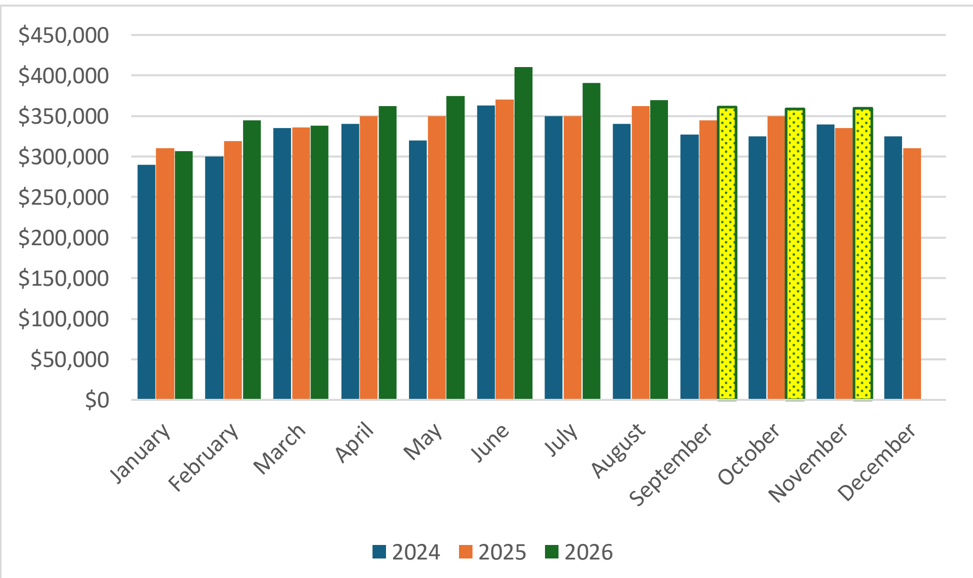
Sources: ShowingTime Data and IHS Housing Market Forecast

City of Chicago Short Term Trends - Single Family

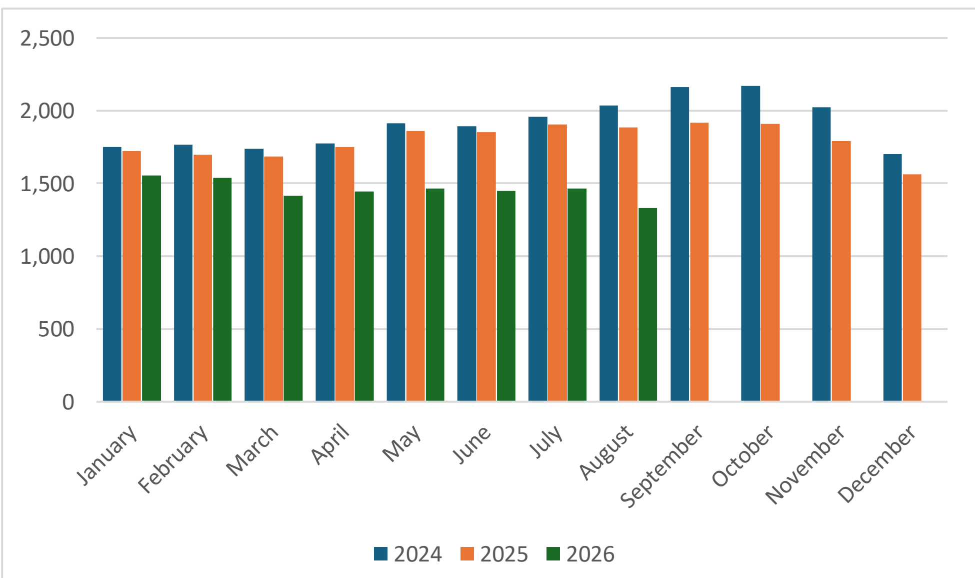
Monthly Closed Sales



Monthly Median Sales Price



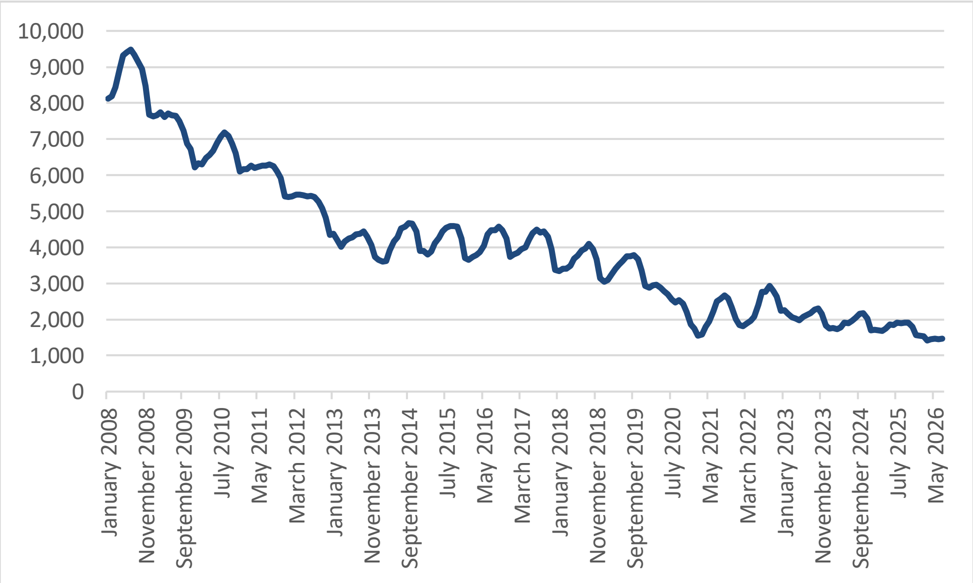
Monthly Inventory



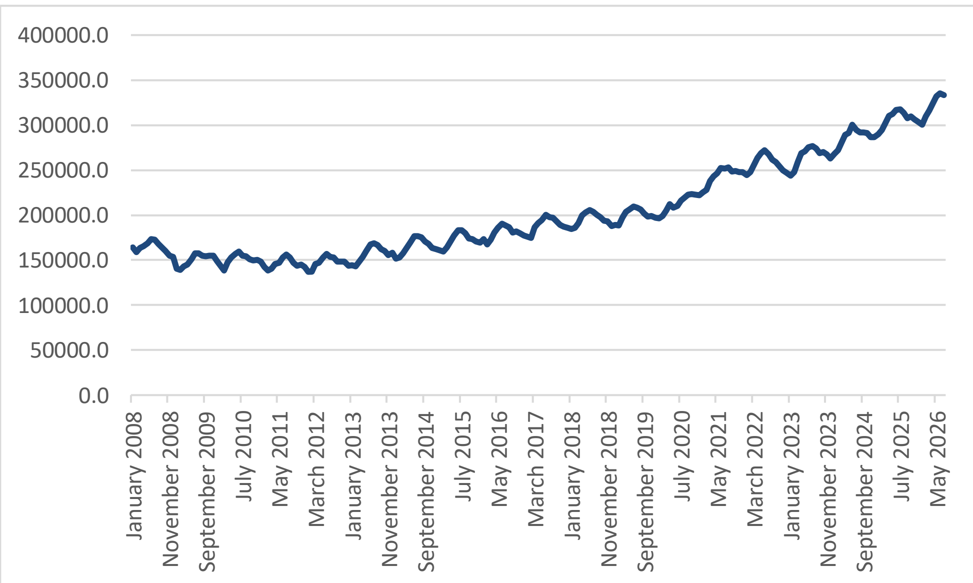
Yellow columns are projections from the IHS Three Month Outlook.

City of Chicago Long Term Trends - Single Family

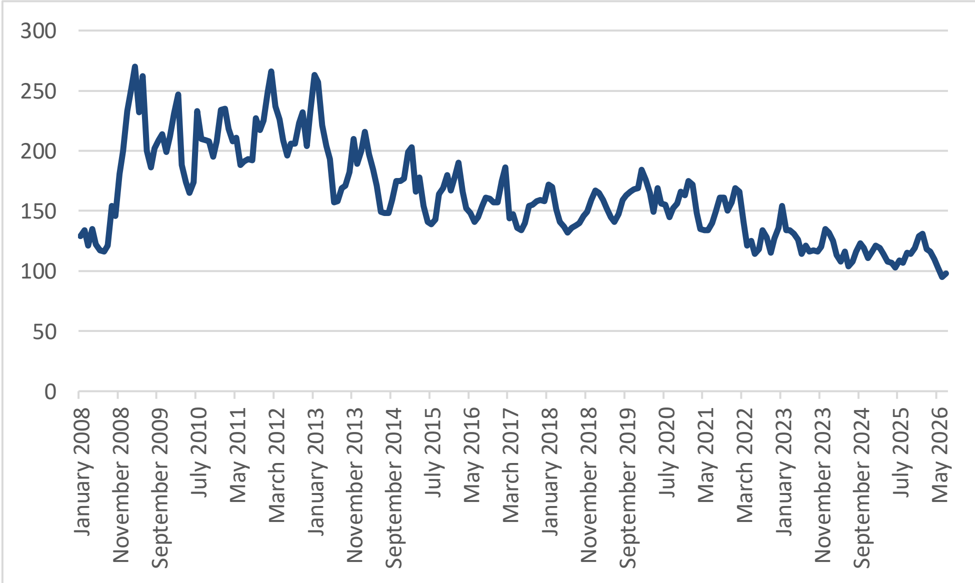
Monthly SF Inventory Trend



SF Monthly House Price Index



Monthly Affordability Conditions



City of Chicago - Condominiums/Townhomes
Summary of Recent Trends

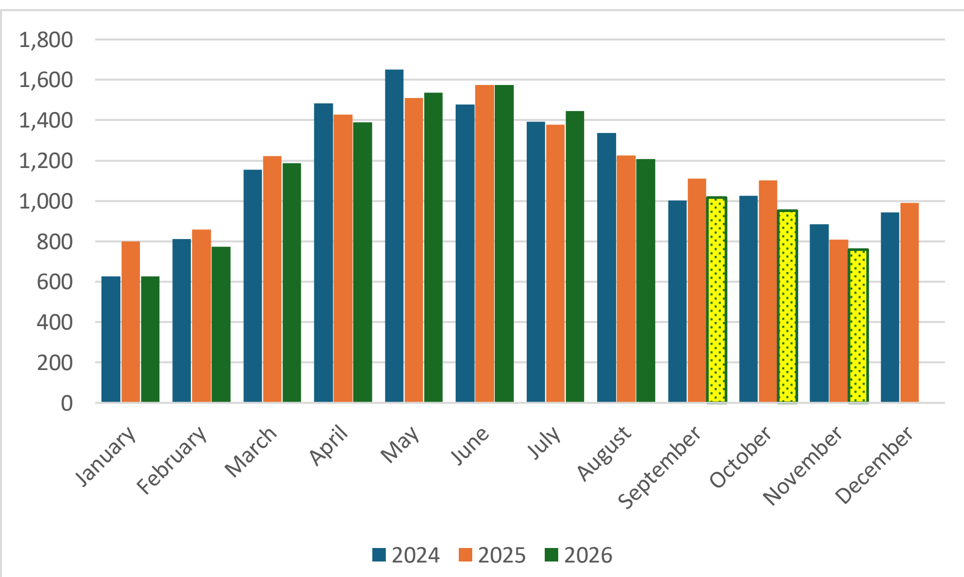
	Closed Sales				Days on Market				Inventory				Median Sales Price				Affordability			
	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend	2024	2025	2026	Monthly YoY Trend
January	626	799	626		47	42	39		2,486	2,357	1,895		$337,450	$385,000	$382,500		113	97	105	
February	810	857	772		47	46	38		2,724	2,392	1,974		$358,000	$385,000	$408,750		105	99	99	
March	1,156	1,221	1,187		36	34	29		2,722	2,512	1,990		$370,000	$407,500	$440,000		103	94	89	
April	1,485	1,428	1,391		28	28	23		2,895	2,818	2,168		$384,000	$420,000	$440,000		96	90	90	
May	1,651	1,511	1,535		26	23	23		3,038	2,909	2,200		$395,000	$412,500	$451,000		94	91	86	
June	1,479	1,575	1,574		24	23	21		3,044	2,847	2,207		$390,000	$415,000	$440,000		97	92	88	
July	1,392	1,379	1,444		27	26	20		3,106	2,850	2,251		$375,000	$395,000	$440,000		101	96	87	
August	1,336	1,225	1,208		25	26	25		3,140	2,729	2,210		$368,250	$388,000	$420,000		107	100	91	
September	1,001	1,111	1,017		29	30			3,368	2,871			$360,000	$375,000	$415,372		112	105		
October	1,026	1,103	952		29	28			3,282	2,744			$367,250	$386,000	$421,010		105	104		
November	886	808	759		31	29			2,913	2,383			$399,500	$392,500	$428,634		95	101		
December	944	991			36	34			2,294	1,845			$371,000	$380,000			102	105		

IHS Three Month Outlook

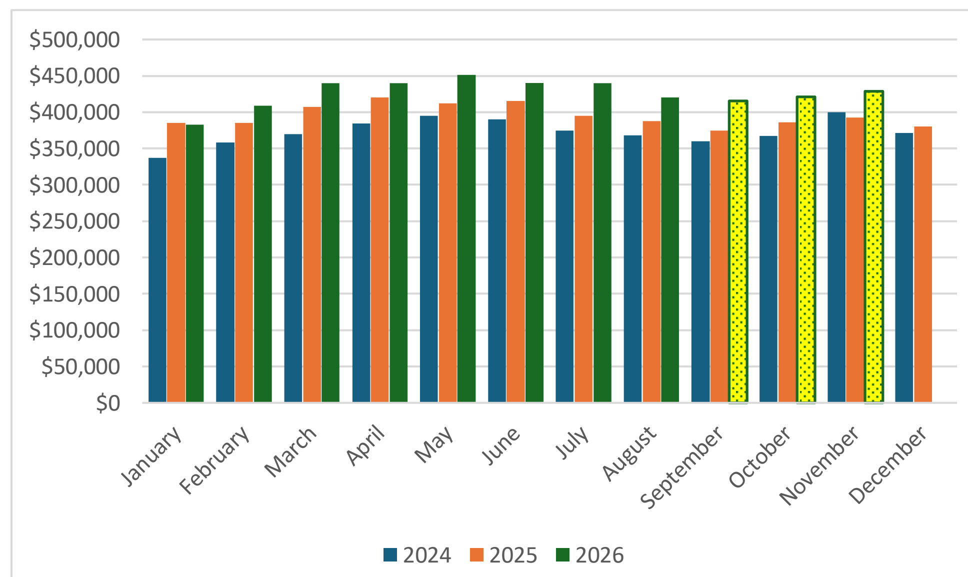
Sources: ShowingTime Data and IHS Housing Market Forecast

City of Chicago Short Term Trends - Condominiums/Townhomes

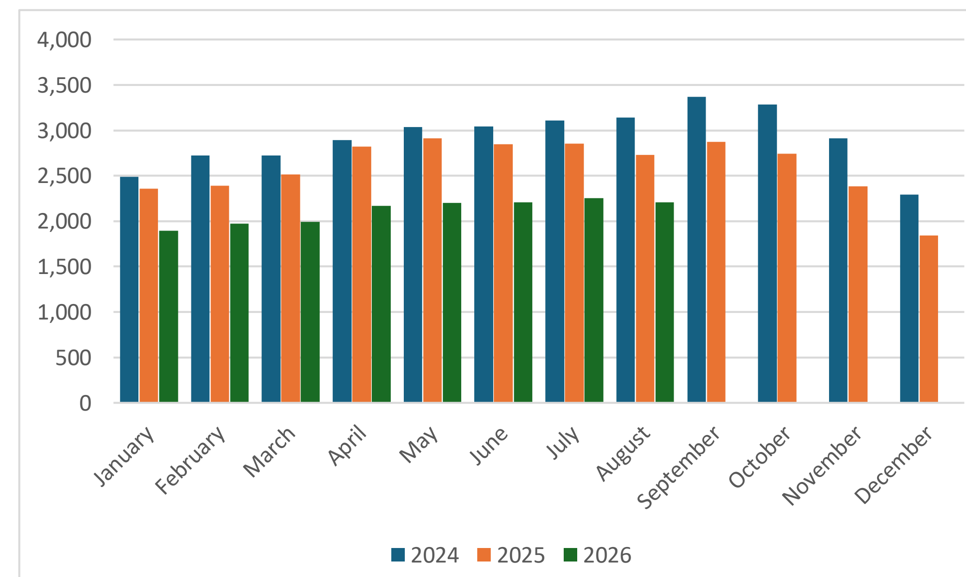
Monthly Closed Sales



Monthly Median Sales Price



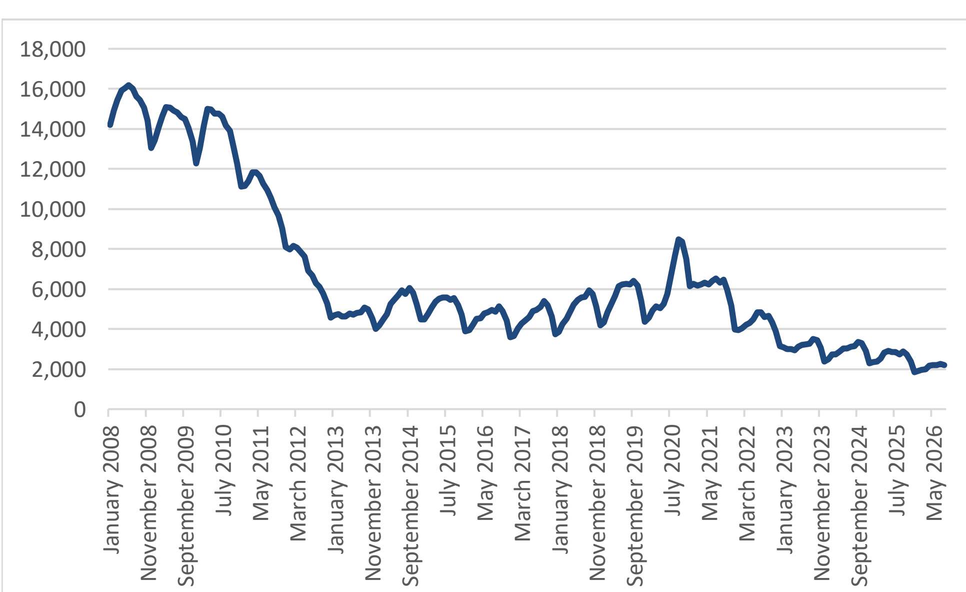
Monthly Inventory



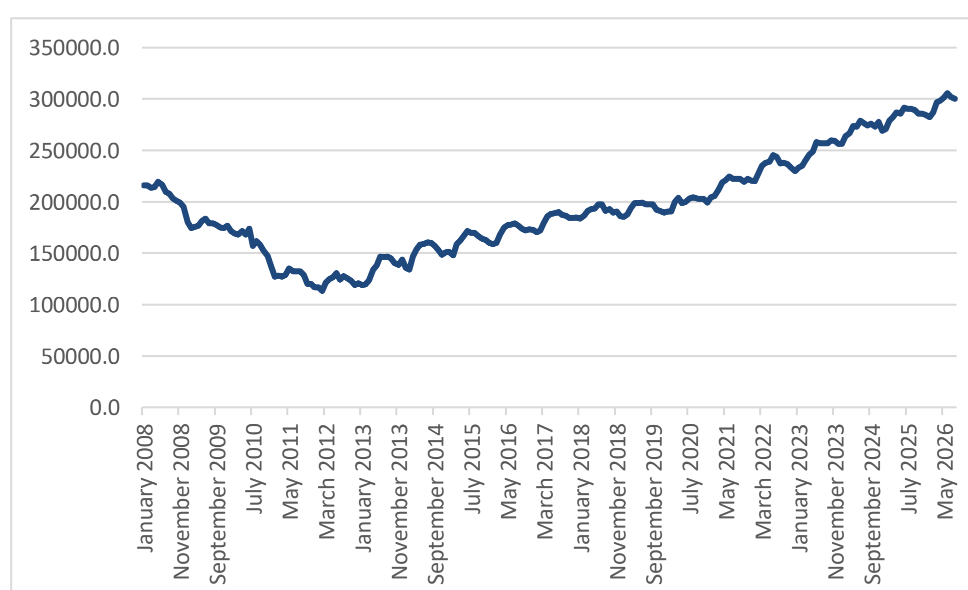
Yellow columns are projections from the IHS Three Month Outlook.

City of Chicago Long Term Trends - Condominiums/Townhomes

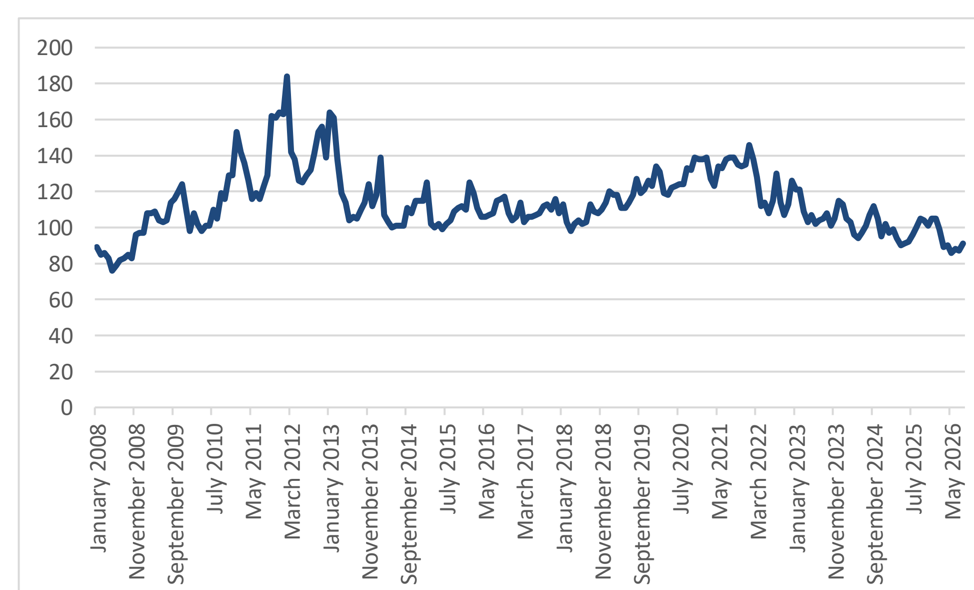
Monthly Condo/Townhome Inventory Trend



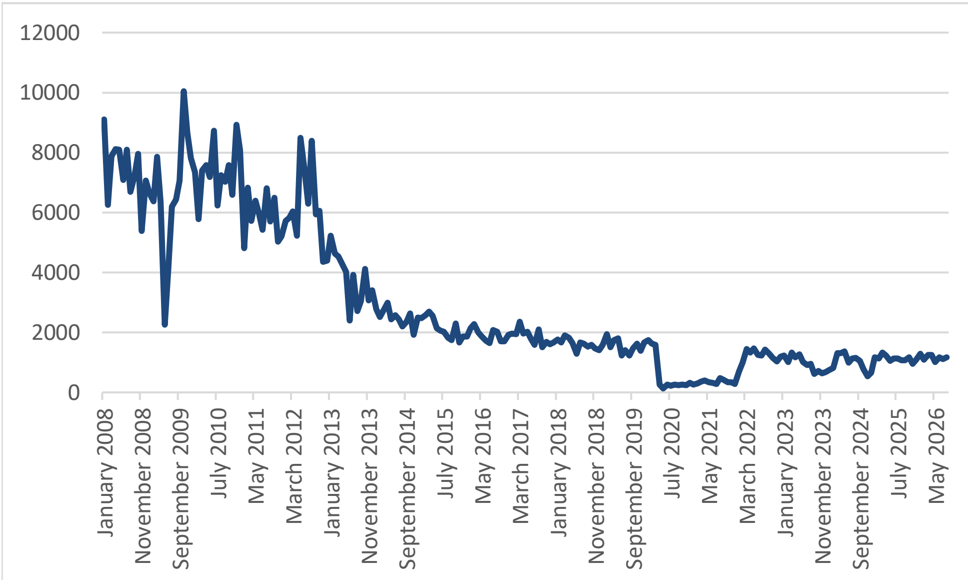
Condo/Townhome Monthly House Price Index



Monthly Affordability Conditions



Monthly Foreclosure Filings - Chicago Metro



Monthly Foreclosure Filings - City of Chicago