



News Release

"The Voice for Real Estate" in Illinois

FOR IMMEDIATE RELEASE

July 23, 2009

Contact:

Mary Schaefer/Ann Londrigan

217-529-2600

Illinois Homebuyers Take Advantage of Favorable Conditions in June Sales Up 20.8 Percent from May, Median Price Up 6.6 Percent

SPRINGFIELD, Ill. — More sellers entered the Illinois housing market in June and buyers took advantage of low interest rates and affordable prices with double-digit sales increases marking the fifth consecutive month-to-month increase in home sales statewide and in the Chicagoland PMSA. It was the fourth monthly increase in median home sale price for the state as a whole, according to the Illinois Association of REALTORS® latest report.

Statewide total home sales (which include single-family and condominiums) were up 20.8 percent in June 2009 to 10,909 homes sold compared to 9,029 homes sold in May 2009. Compared to a year ago, home sales were down 9.3 percent from June 2008 sales of 12,024.

The Illinois median price in June 2009 was \$167,900 up 6.6 percent from \$157,500 in May 2009; it was down 16.0 percent from \$199,849 a year ago in June 2008. The median is a typical market price where half the homes sold for more, half sold for less.

"Notably, the pendulum has swung from condo to single-family home sales which have rebounded to 2008 levels. In fact, in the Chicagoland PMSA single-family home sales this past June were up 0.7 percent from a year ago and up 21.3 percent in the city of Chicago," said REALTOR® Pat Callan, president of the Illinois Association of REALTORS®.

"Buyers are beginning to realize that this combination of favorable home prices, historic low mortgage interest rates and the first-time homebuyer tax credit incentive may not be around next year."

Callan noted that Illinois REALTORS® continue to urge first-time buyers to be under contract by the end of September to ensure a closing before the Dec. 1 tax credit deadline.

In the Chicago Primary Metropolitan Statistical Area (PMSA), home sales were up 25.8 percent to 7,140 homes sold in June 2009 compared to 5,674 home sales in May 2009; sales were down 8.5 percent from 7,806 home sales in June 2008.

The median home sale price for the Chicagoland PMSA was \$210,000 in June 2009, up 5.0 percent from \$200,000 in May 2009; the median price was down 18.0 percent from \$256,000 in June 2008.

"More sellers are returning to the market as evidenced by the increase in listings. While sales have exhibited a rebound, there has been no rebound in prices—a phenomenon observed nationally and not just confined to Illinois and Chicago. The concern here centers on the relationship between prices and foreclosures; there is increasing evidence that the most important factor in foreclosures is the degree to which the homeowner has negative equity in the home," said Dr. Geoffrey J.D. Hewings, director of the Regional Economics Applications Laboratory (REAL) of the University of Illinois. "Month-to-month median prices will continue to stabilize in July and August but decline in September in both Chicago and Illinois."

Adds Hewings: "The economy continues to be a drag on the housing market. In June the state's unemployment rate was 10.3 percent."

The monthly average commitment rate for a 30-year, fixed-rate mortgage for the North Central region was 5.47 percent in June 2009, up 0.58 from the 4.89 average rate during the previous month, according to the Federal Home Loan Mortgage Corporation. Last year in June it averaged 6.38 percent.

In the city of Chicago, June total home sales (single-family and condominiums) were up 27.2 percent to 1,982 sales compared to May 2009 sales of 1,558; sales were down 13.1 percent from 2,282 homes sold in June 2008.

The city of Chicago median price increased 7.7 percent to \$242,275 in June compared to \$225,000 in May 2009; it was down 21.8 percent from \$309,945 a year ago in June 2008.

"The trend in single-family home sales in the city reflects steady activity, but it is clear from the pricing we are seeing distressed property sales continuing to lead the market," said David Hanna, president of the Chicago Association of REALTORS®. "Too many roadblocks are still the issue for the buyers who are ready and willing to take advantage of low rates and abundant inventory. Housing cannot lead the economic recovery with the current constraints on the entire lending process in place."

According to the IAR report, median home sale prices comparing June 2009 to the same month in 2008 were up in 48 of 99 Illinois counties reporting including

Champaign, up 0.4 percent to \$144,000; Iroquois, up 13.7 percent to \$77,300; Livingston, up 3.7 percent to \$98,500; McLean, up 4.7 percent to \$157,000; Peoria, up 9.8 percent to \$140,500; Rock Island, up 11.1 percent to \$101,500; Sangamon, up 6.3 percent to \$127,000; and Stephenson, up 8.5 percent to \$91,950.

Sales and price information is generated from a survey of Multiple Listing Service sales reported by 37 participating Illinois REALTOR® local boards and associations. The Chicago PMSA, as defined by the U.S. Census Bureau, includes the counties of Cook, DeKalb, DuPage, Grundy, Kane, Kendall, Lake, McHenry and Will.

The Illinois Association of REALTORS® is a voluntary trade association whose 53,000 members are engaged in all facets of the real estate industry. In addition to serving the professional needs of its members, the Illinois Association of REALTORS® works to protect the rights of private property owners in the state by recommending and promoting legislation that safeguards and advances the interest of real property ownership.

Find Illinois market stats data at www.illinoisrealtor.org, click on Market Stats.