



Median prices and interest rates rose as inventory tightened and homes sold quickly in October

The Talking Points

Inflation and rising mortgage interest rates, combined with fewer homes on the market, have increased the cost of buying and caused many Illinois consumers to put off the pursuit of new homes. Median prices rose 0.8 percent across the state, 3.5 percent across the Chicago Metro Area and 2.2 percent in the city of Chicago during October 2022, in comparison to October 2021.

The average interest rate for a 30-year, fixed-rate mortgage rose to an average of 6.9 percent in the U.S. during October 2022, according to Freddie Mac. That rate averaged 3.07 percent in October 2021. After eight consecutive month-over-month decreases, the Fannie Mae Home Purchase Sentiment Index reached its lowest mark since it was created in 2011. Only 16 percent of respondents during October 2022 thought it was a good time to buy a home.

Note a few market dynamics:

- **Statewide**, homes remained on the market an average of 28 days in October 2022 compared to 28 in October 2021. In the Chicago Metro Area, homes sold an average of 26 days in October 2022 compared to 26 in October 2021. In the city of Chicago, the average home sold in 34 days during October 2022, compared to 35 days in October 2021.
- **Home sales.** Closed sales were 11,490, down 27.9 percent in Illinois compared to last October, and Chicago Metro Area sales decreased 32.4 percent in October. Sales in the city of Chicago dipped 30.8 percent.
- **Prices.** Median prices rose 0.8 percent statewide in October, to \$249,000. The Chicago Metro Area saw its median price increase 3.5 percent to \$300,000, while the city of Chicago's rose 2.2 percent to \$320,000.





November 2022

- **The average interest rate** for 30-year fixed rate mortgages climbed to 6.90 percent in October 2022, according to the Freddie Mac data. The average rate in September 2022 was 6.11 percent, while the average rate in October 2021 was 3.07 percent.
- The [Fannie Mae Home Purchase Sentiment Index](#) decreased 4.1 points in October 2022 to 56.7, its eighth consecutive monthly decline and lowest reading since the creation of the index in 2011. Five of six index components decreased month over month, including those associated with home buying and selling conditions. Sixteen percent indicated it's a good time to buy and 51 percent believe it is a good time to sell. Year over year, the full index is down 18.8 points.