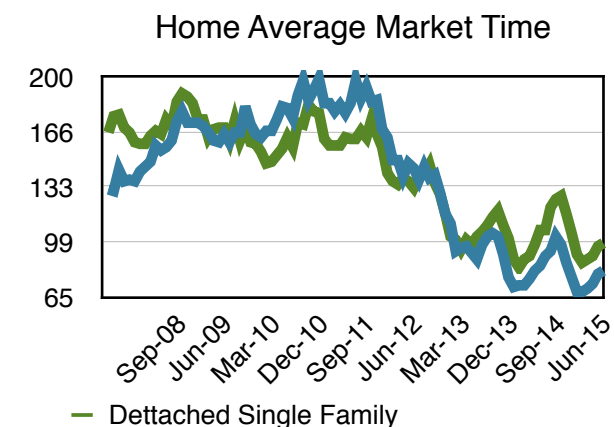
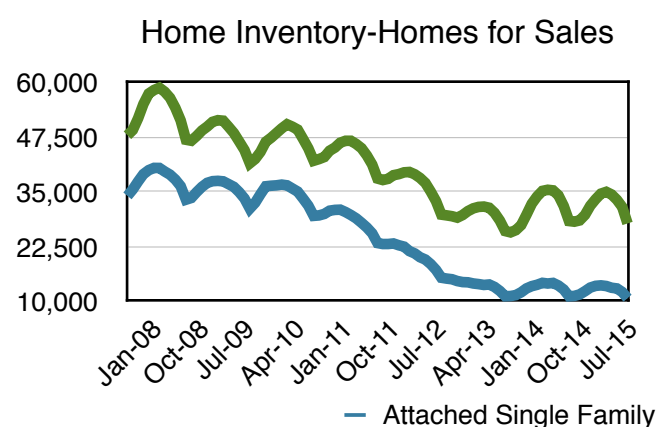
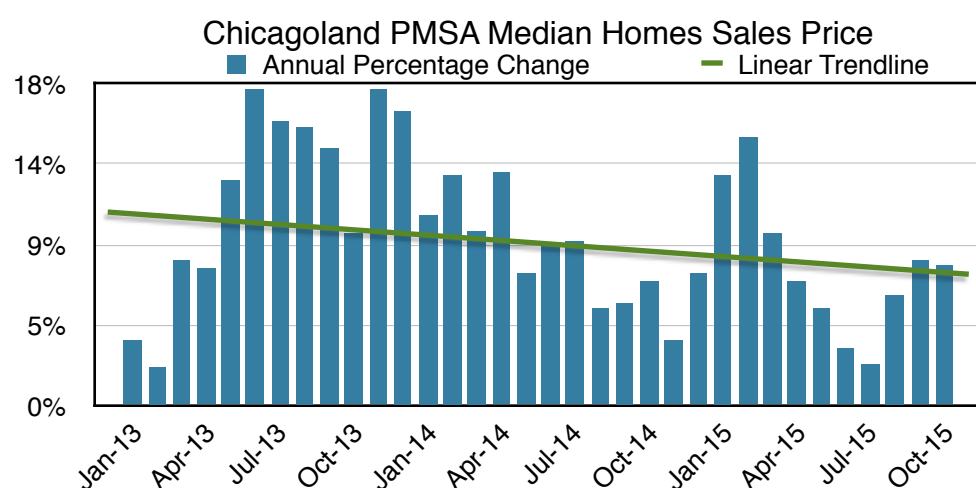
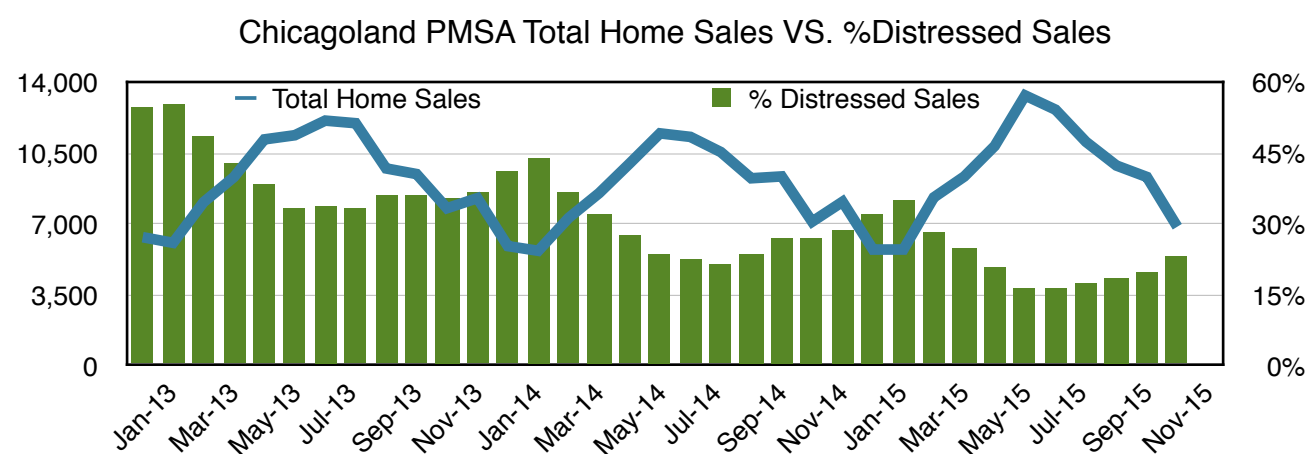
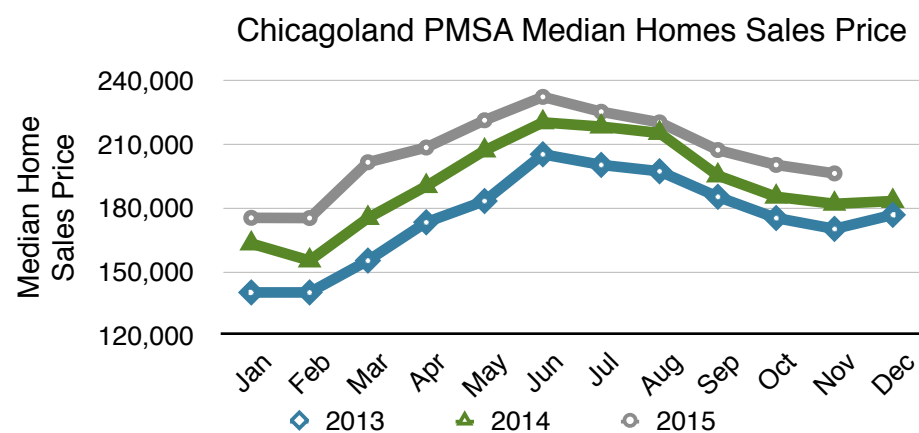


## CHICAGO HOUSING MARKET FACTS AND FORECAST

Chicagoland PMSA Area



### 2015 Quick Facts:

- In the nine-county Chicago Primary Metropolitan Statistical Area (PMSA), home prices continued to recover with median prices showing year-over-year gains every month in 2015. Also sales volumes remained healthy throughout the year. 103,029 attached and detached homes sold in PMSA by November 2015, and the total number are expected to be slightly higher than 2014 when 104,473 homes sold.
- The share of distressed sales continued to decline in the 2015, however the speed of declining is definitely slowing down. In July 2015, the PMSA area experienced the lowest level of distressed sales at 16.26%. The highest level happened last three years at 54.97% in Feb 2013.
- The housing market became more and more challenging for buyers this year. The inventory of attached single family homes hit the record low in November 2015, 10,761 homes available on the market, down 15.5% from 12,734 in the same time last year. The inventory of detached single family homes shows a similar trend according to the graph above. However, the impact of this low inventory wasn't reflected in the market time, all homes actually took 104 days to sell which is longer than last year 100 days.

### Related Facts:

- The unemployment rate: Illinois 5.4% VS. Nationally 5.0%
- Fannie Mae Home Purchase Sentiment Index (HPSI) decreased to 83.2 from 83.8 October "hold" recommendation increased. (Oct 2015)
- The benchmark 30-year fixed-rate mortgage: Chicago 4.04% VS. Nationally 4.06% (Dec 2015)

### 2016 Forecast:

- The fully recovery of the real estate market in Chicago will continue to occur, however don't get too optimistic in 2016. According to the S&P/Case-Shiller Home Price Indices, Chicago (134.13) ranked 3rd from the bottom among 24 main metropolitan areas in the United States by August 2015. And the index annual growth rate (1.9%) ranked 2nd from bottom also shows a sign of narrowing. We can expect that the median homes price will keep in slow growth pace in 2016.
- Distressed sales will continue to decrease in the coming year due to continued economic domestic strengthening, job gains in 2016 will having a positive impact on the distressed properties, as owners with improving wages can finally get out of their financial duress, also improving distress will put upward pressure on prices.
- The supply of homes will remain tight throughout 2016 as the pace of new construction trails economic recovery. The market will remain a seller's market.
- The new property tax levy by Mayor Rahm Emanuel will start next year, the increasing tax will impact all areas in Chicago, while some may get a bigger hike than others.

Chicagoland PMSA: Cook, DeKalb, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will counties

All data based on monthly activity. Data from MRED, deemed reliable but not guaranteed. Powered by 10K Research and Marketing.

Dec 10, 2015