



# February brings another month of higher Illinois home sales and prices

## The Talking Points

*(NOTE: Talking Points are meant for members only)*

The positive momentum in the Illinois housing market continued in February with strong gains in home sales and median prices. Mortgage rates remained historically low as was available housing inventory. It is unclear how the quickly evolving COVID-19 situation will affect the housing market and the real estate industry in the coming months as consumers and REALTORS® take public safety precautions.

Illinois REALTORS® has created an online resource for our members, [www.IllinoisRealtors.org/covid19](http://www.IllinoisRealtors.org/covid19), with general guidance from our legal team on open houses, showings, closings and more—plus links to NAR and State of Illinois resources.

Note a number of market dynamics:

- **February brings third consecutive month of annual home sales gains.** Statewide closed sales were up 5.0 percent compared to February 2019. The Chicago Metro Area was up 6.6 percent and sales in the city of Chicago were up 1.6 percent.
- **Median prices also experienced continued increases.** Median prices climbed 7.0 percent statewide, 4.3 percent in the Chicago Metro Area and 6.4 percent in the city of Chicago.
- **Inventory levels fall again.** Statewide available housing inventory in February declined to 45,653, down 8.5 percent compared to February 2019.





February 2020

- **REAL Forecast:** “The forecasts were prepared using data prior to the stock market meltdown and the increased concern about the impact of the COVID-19 virus pandemic,” said Geoffrey J.D. Hewings, director of the Regional Economics Applications Laboratory at the University of Illinois. “Absent these events, the housing market would have continued its slow but steady rebound. In times past, consumers have become very risk averse when faced with uncertainties about the economy. The difference with the current crisis is the limitations on interactions and fear of infection. This may prove to have a very significant impact on the housing market over the next two to three months.”
- **NAR: Coronavirus forces culture change in real estate.** In a [new article from REALTOR® Magazine](#), Melissa Dittmann Tracey shares how COVID-19 is affecting how some REALTORS® and brokerages do business including expanding the use of virtual meetings and restricting travel. In a recent survey, 85 percent of real estate professionals have increased building cleaning efforts and 69 percent are postponing or canceling business meetings.
- **Freddie Mac: Mortgage rates shift higher after historic low.** “Mortgage rates rose again this week as lenders increased prices to help manage skyrocketing refinance demand. This is expected to be a short-term phenomenon as lenders work through their backlog,” [said Sam Khater, Freddie Mac’s Chief Economist](#). “On the purchase front, daily loan purchase applications were rising as of mid-February but started to decline last Friday.”
- **Fannie Mae: Economy will be tested by COVID-19, but low mortgage rates will support housing activity.** While uncertainty and heightened financial volatility may soften demand for “big ticket” items including home purchases, the Economic and Strategic Research Group (ESR) expects historically low mortgage rates to provide some offsetting relief. The lower interest rate environment is likely to continue to support housing and fuel a surge in refinance activity, even as macroeconomic growth slows, according to a [recent Fannie Mae release](#).