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Champaign County Area Home Sales Retreat in January as Prices and Inventory Soften

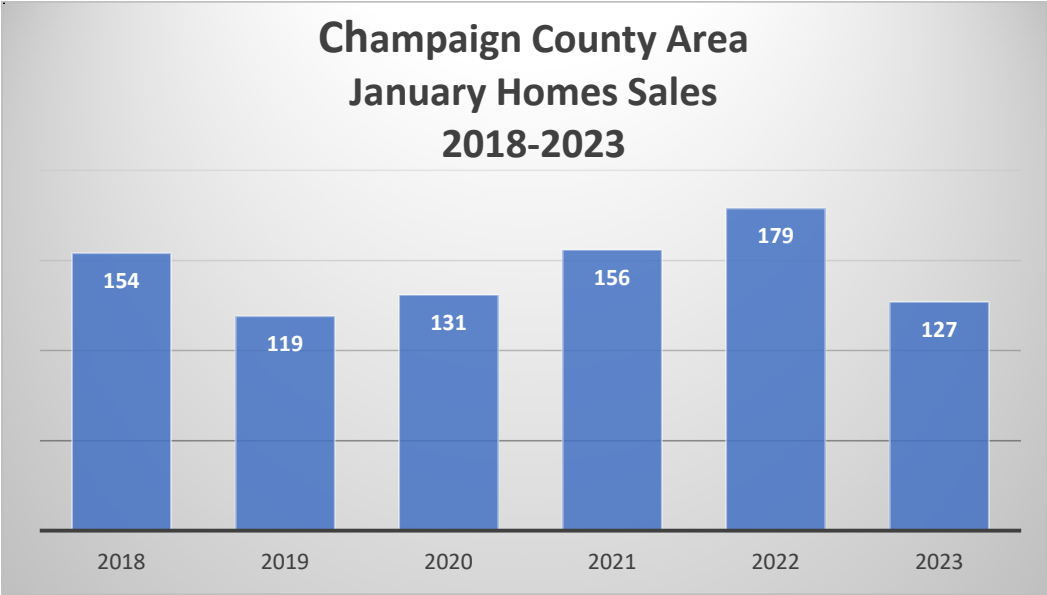
Residential home sales in the Champaign County area retreated for the fourth consecutive month in January amid fluctuating interest rates, while prices softened from their record pace of growth, according to the Champaign County Association of REALTORS®.

Champaign County area home sales totaled 127 units in January, down 29.05 percent from 179 home sales in January of 2022. The monthly median home sale price of \$155,000 in January 2023 was 7.46 percent less than \$167,500 in January 2022. The average home sale price for the Champaign County area was \$187,415 in January, down 9.7 percent from \$207,628 in January of 2022.

“Winter temperatures, higher mortgage rates from a year ago and inflationary pressures hindered home sales this January,” indicates PJ Trautman, president of the Champaign County Association of REALTORS®. “Champaign

County area home sales this January were pretty much even with sales in 2020, before the pandemic rush to purchase housing. Demand for housing persists but inventory continues to be an ongoing challenge. Higher mortgage rates have cut into housing affordability from a year ago, as rates continue to fluctuate and are causing some unsteadiness currently in the overall marketplace. The market has been overheated for so long, it was inevitable there was going to be a slowdown period at some point.”

The average rate on a 30-year fixed rate mortgage, according to the Federal Home Loan Mortgage Corporation (Freddie Mac) was 6.27 percent in January 2023, up from 3.45 percent in January 2022 and up from 6.36 percent in December of 2022. The 30-year mortgage rate for the week ending Feb. 16th averaged 6.32 percent. Mortgage rates could linger at around 6.5 percent for a few more months before heading below 6 percent by summer—and maybe even 5.5 percent by the end of the year, [indicates NAR Chief Economist Lawrence Yun](#).



Inventory of homes for sale dated February 21, 2023 stood at 562 properties on the market, down from last month's inventory total of 571 properties.

“Some buyers remain cautious, waiting for inventory levels to improve while keeping a watchful eye on economic conditions and making sure the property they purchase meets their financing terms given the higher costs of borrowing,” said Trautman. “More gradual improvements in the market are anticipated in the months ahead as spring homebuying season gets underway. We remain optimistic there will be more movement in the spring and hopeful individuals are preparing their homes now for the spring market.”

The Champaign County Association of REALTORS® is a voluntary trade organization serving Champaign County and surrounding areas and is the leading resource for REALTOR® members and an advocate for homeownership and private property rights. Data was compiled by Midwest Real Estate Data, LLC as available on February 14, 2023. The Champaign County Association of REALTORS® is an active participant in promoting equality and inclusion as longtime champions of fair housing with equal access to housing and opportunity for all. CCAR opposes discrimination based on race, color, religion, sex, source of income, disability, familial status, sexual orientation, gender identity, & national origin.