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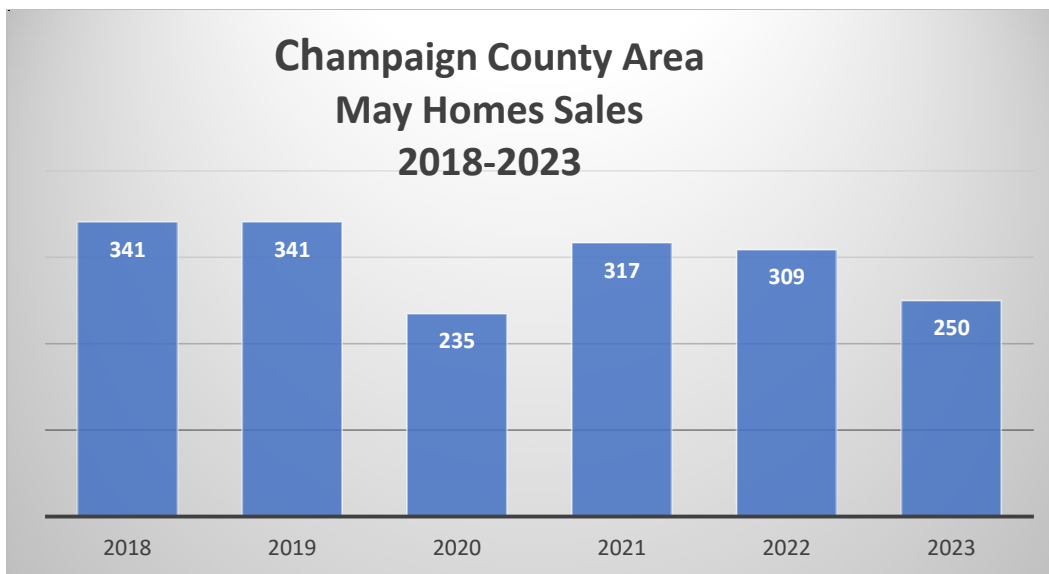
Champaign County Area Home Sales Lag in May; Median and Average Home Sale Prices Report Gains

Champaign County area home sales dipped lower for the second month in a row in May, while home sale prices continue to gain traction, according to the Champaign County Association of REALTORS®. May home sales totaled 250 units, down 19.09 percent from 309 sales in May 2022. The monthly median home sale price in May was \$195,250 up 2.76 percent from \$190,000 in May of 2022. The median is the typical market price where half the homes sold for more and half for less. The average home sale price for May 2023 was \$251,185, up 15.79 percent from \$216,925 in May 2022.

[President Biden has declared June as National Homeownership Month](#), saying in his proclamation, “During National Homeownership Month, we recognize the power of owning a home when raising a family, planting roots in a

community, building equity, and passing down generational wealth to continue the American Dream for generations to come.”

“REALTORS® work on an ongoing basis with policy makers and industry partners to make sure homeownership is achievable for more citizens including assisting buyers to overcome barriers. There is growing optimism now in the market as data indicates that inflation is showing signs of easing, and with that, hopefully will the Federal Reserve’s rate hikes,” said P.J. Trautman, president of the Champaign County Association of REALTORS®. “It’s clear the shortage of inventory and fluctuating interest rates continue to be the blame for lower-than-average home sales this time of year. Middle-income buyers are facing the largest shortage of homes among all income groups, making it even harder to build wealth through homeownership.”



The inventory of homes for sale as of June 19th stood at 688 units, up from last month’s inventory of 669 and down from last year’s inventory at this time of

825 units. The average number of days on the market in May was 33 days, up from 28 days in May of 2022.

The average 30-year fixed rate mortgage according to the Federal Home Loan Mortgage Corporation was 6.43 percent in May, up from 6.34 percent in April 2023 and up from 5.23 percent in May 2022. According to Freddie Mac, for the week ending June 15, the average 30-year fixed rate mortgage eased slightly to 6.69 percent from higher levels reported in early June in anticipation of the pause in rate hikes by the Federal Reserve. Ending a cycle of 10 consecutive rate hikes, the Federal Reserve voted on June 14 to hold off on another increase to its key short-term interest rate.

Pending home sales in May were off by 25 percent to 226 properties from 305 pending sales in May of 2022. Pending sales for the month of May reflect the total number of active listings that went under contract and are awaiting closing usually 30 to 60 days in the future.

“Buyers searching in the market are very serious about finding the right home and are watching for new inventory to come onto the market daily. Sellers who list their homes now can still benefit from the popular summer selling season with increased buyer demand,” said Trautman. “Well-priced, move-in ready homes in many cases are often selling quickly and sellers often are seeing multiple offers due to the continued tighter inventory supply.”

According to the National Association of REALTORS® the U.S. housing market is missing about 320,000 home listings valued up to \$256,000, the affordable price range for middle-income buyers (households earning up to

\$75,000.) Middle-income buyers can afford to buy less than a quarter (23%) of listings in the current market.

"Not all buying interests are being completed due to limited inventory," said [NAR Chief Economist Lawrence Yun](#). "Affordability challenges certainly remain and continue to hold back contract signings, but a sizeable increase in housing inventory will be critical to get more Americans moving."

On June 20, [the National Association of Home Builders](#) reported limited existing inventory combined with solid demand and improving supply chains helped push single-family starts to an 11-month high in May. Overall housing starts in May increased 21.7 percent to a seasonally adjusted annual rate of 1.63 million units.

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 June 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.