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**Buyers make their home purchases in August as  
summer ends before rates move higher;**

**Home sales eased slightly in Champaign County area as prices begin to moderate**

The summer of 2022 has been a season of change for the U. S. real estate market as home sales in the Champaign County Area slipped slightly in the month of August while prices began showing signs of moderating, according to the Champaign County Association of REALTORS®. In August, more buyers took advantage of the short-lived reprieve in mortgage rates as inventory continued to remain tight while homes on the market declined to 22 days from 31 days in August of 2021 in the Champaign County area.

According to CCAR, the median home sale price in the Champaign County area rose 5.41 percent to \$195,000 from \$185,000 in August of 2021. The median is the typical market price where half sold for more and half sold for less.

Home sales in the Champaign County area decreased 7.85 percent to 305 sales from 331 sales in August of 2021. Year-to-date sales were down 9.26 percent from 2,096 sales from the total year-to-date of 2,310 sales through August of 2021.

The average home sale price for August was \$219,341 up 2.02 percent from \$214,991 in August of 2021.

Inventory of homes for sale as of Sept. 20, 2022 stood at 797 properties on the market down from 877 properties for sale last month.

Pending sales declined 12 percent to 212 sales in August from 241 in August of 2021, according to Midwest Real Estate Data, LLC. Pending sales for the month of August reflect the total number of active listings that went under contract and are awaiting closing usually 30 to 60 days in the future.

“We saw a much smaller dip in home sales in August in the Champaign County market area percentage-wise as buyers used the last summer month to take advantage of the short-lived reprieve in mortgage rates,” according to Stefanie Pratt, president of the Champaign County Association of REALTORS®. “We are starting to see home sale prices softening and with that following on the heels should be a more balanced real estate market this fall offering more opportunities for buyers, but a shortage of inventory continues to be an ongoing issue.”

The average 30-year fixed rate mortgage according to the Federal Home Loan Mortgage Corporation was 5.22 percent in August down from 5.41 percent in July and up from 2.84 percent in August of 2021. The average 30-year fixed rate mortgage rate for the week ending Sept. 15<sup>th</sup> exceeded six percent for the first time since 2008 as rates averaged 6.02 percent.

“The biggest concern moving into fall is the anticipation of where mortgage rates go from here. Consumer prices are still rising and this is forcing the Federal Reserve to take an even more aggressive stance against inflation by raising short-term interest rates in an attempt to get it under control. While mortgage rates are separate from short-term interest rates, they typically follow the same trajectory trend,” said Pratt. “Buyers are still out searching for inventory as properties for sale continue to remain tight, but at the same time buyers must constantly be re-evaluating their financial position with the fluctuating activity of mortgage rates. Mortgage rates still remain attractive from a long-term historical perspective.”

[Lawrence Yun, chief economist with the National Association of REALTORS®](#) reports home sales fell in all four regions of the country in August.

"The housing sector is the most sensitive to and experiences the most immediate impacts from the Federal Reserve's interest rate policy changes," said NAR Chief Economist Lawrence Yun. "The softness in home sales reflects this year's escalating mortgage rates. Nonetheless, homeowners are doing well with near nonexistent distressed property sales and home prices still higher than a year ago. Inventory will remain tight in the coming months and even for the next couple of years. Some homeowners are unwilling to trade up or trade down after

locking in historically-low mortgage rates in recent years, increasing the need for more new-home construction to boost supply."

On a national basis, homes took longer to sell in August on average 42 days on the market according to realtor.com. "Regardless of where you live, it's important to rate-proof your budget by contingency planning for various monthly housing cost scenarios, as mortgage rates will continue to fluctuate through end-of-year," [said Danielle Hale, Chief Economist with realtor.com, in the realtor.com August housing report](#). "For many of today's buyers the uptick in for sale home options is taking away the sense of urgency that they felt during the past two years, when inventory was scarce."

**Realtor.com analyzed the numbers in its fourth annual "Best Time to Buy Report" and found the best time to buy a home across the nation is the week of Sept. 25-Oct. 1. This early-fall period will offer buyers a host of favorable factors, including more housing listings, less competition and lower prices. [See full report](#).**

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 September 14, 2022. 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, handicap, familial status, sexual orientation, gender identity, & national origin.

