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**March Home Sales Cool in the Champaign County Market Area;
Buyers now grapple with higher inflation, rising mortgage rates
and persistent tight inventory**

Champaign County market area home sales fell in March as tightened supply moderated demand amid rising mortgage rates, according to the Champaign County Association of REALTORS® (CCAR).

According to CCAR reports, home sales decreased in March by 26 percent to 201 units sold over 275 sales in the same month in March of 2021. The average home sale price rose 6.98 percent in March to \$210,420 from \$196,696 in March a year ago.

The median home sale price for the Champaign County area was \$164,900, down slightly by 1.85 percent from \$168,000 in March 2021. The median is the typical market price where half the homes sold for more and half sold for less.

The average number of days on market continued to decline to 45 days.

“Consumers are feeling the bite of rising inflation along with increases in mortgage rates and tightened supply in the housing market--all contributing to a slowdown in the market in March,” said Stefanie Pratt, President of the Champaign County Association of REALTORS®. “This is the first drop in sales in our market since November of last year but we do expect the purchase market to level out and remain solid in 2022, as we should see a pick-up in listings in later spring and summer giving consumers more options. As the typical home was on the market just a little over a month at 45 days, this shows demand is still very strong. Consumers are finding their budget is tightened by the cost of spending on other items, meaning they will have less income to spend on a mortgage payment and according to the [National Association of REALTORS® will be looking for a home that is about \\$40,000 cheaper.](#)”

[According to a recent NAR study](#), excluding the cost of shelter, the average consumer is spending an additional \$429 monthly for items. The National Association of REALTORS® projects a 7 percent reduction in home sales nationwide due to higher mortgage rates, rising inflation and tight supply.

The average 30-year fixed rate mortgage according to the Federal Home Loan Mortgage Corporation was 4.42 percent in March, up from 3.06 percent in March of 2021 and up from 3.76 percent in February of 2022. According to Freddie Mac, for the week ending April 14th, the 30-year fixed rate mortgage averaged 5 percent for the first time in ten years.

“The lack of affordable homes for sale is a top challenge home buyers face in the current market. Illinois needs an estimated 270,000 more affordable homes to meet the demand in homeownership,” said Pratt. “The American Rescue Plan

Act passed earlier this year provides an opportunity for local communities to dedicate dollars to encourage homeownership through downpayment assistance programs, construction of new homes or fixing up blighted properties, just a few ways in making the American dream of homeownership more attainable.”

In Champaign County, pending sales, a sign of future real estate activity, declined 21 percent in the Champaign County market area in March of 2022 from March of 2021, according to Midwest Real Estate Data LLC. There were 233 pending sales in March as compared to 297 in February a year ago. Pending sales for the month of February reflect the total number of active listings that went under contract and are awaiting a closing usually 30 to 60 days in the future. Inventory of homes for sale dated April 19, 2022 stood at 777 properties on the market, up from last month’s inventory total of 696 properties.

“For home sellers it is very important to work with a REALTOR® to help set a realistic list price for their property that attracts buyers in this market,” said Pratt. “With mortgage rates now at five percent, this means that potential buyers must spend more of their budget on housing and are rushing to get ahead of the tide of further rising rates to save thousands of dollars on their home purchase.”

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 March 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.