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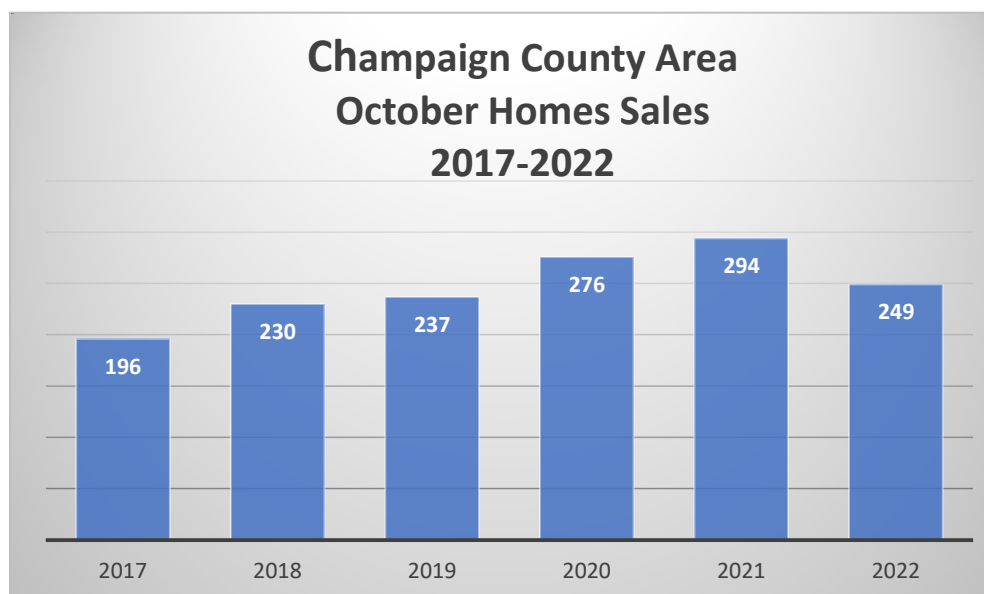
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**Champaign County Home Sales Decline in October Due to Higher Mortgage Rates and Growing Inflationary Concerns
Median and Average Prices Report Increases**

Residential home sales weakened in October in the Champaign County area while median and average home sale prices increased, according to the Champaign County Association of REALTORS®.



The average home sold in 33 days in October 2022 and October 2021. Residential home sales in the Champaign County area totaled 250, down 14.9 percent from 294 sales in October of 2021. Year-to-date home sales for the Champaign County area totaled 2,638 down 8.34 percent from 2,878 from sales in the prior year.

The median home sale price in October for the Champaign County area was \$175,000 up 6.06 percent from \$165,000 from October in 2021. The median is a typical market price where half the homes sold for more and half sold for less. The average home sale price for October stood at \$215,755 up 3.39 percent from \$208,686 in October 2021.

“The rapid growth of mortgage rates and inflationary conditions are reshaping the housing market dynamics thus impacting affordability and reducing the overall purchasing power for buyers. Homes are still selling quickly as prices are proving resilient against the economic slowdown which are positive indicators for sellers who are on the fence about whether now is a good time to sell,” said PJ Trautman, president of the Champaign County Association of REALTORS®. “While historically there is some softening of sales in the fall of the year, this year’s new listing inventory declines reflect the impact rising rates have had on both buyers’ and seller sentiment.”

Inventory of homes for sale in the Champaign County area as of November 10, 2022 stood at 716 properties on the market, down from 762 properties last month. Inventory at this time last year was 766 properties.

Pending home sales volume in Champaign County declined by 17 percent in October to 165 sales from 201 sales in October 2021, according to Midwest Real Estate Data LLC. Pending sales for the month of October reflect the total number of active listings that went under contract and are awaiting closing usually 30 to 60 days in the future.

“Sellers are increasingly beginning to negotiate further on prices and offering concessions to attract buyers to move their property before winter,” said Trautman. “Despite the headwinds of higher mortgage rates from a year ago and slower sales now, limited inventory is keeping home prices from taking a negative turn. Last October was a record-breaking year for home sales, this year we are pretty much back to pre-pandemic levels in terms of sales.”

The average 30-year fixed rate mortgage for the month of October was 6.90 percent, according to the Federal Home Loan Mortgage Corporation up from 6.11 percent in September and up from 3.07 percent in October 2021. The 30-year fixed rate mortgage averaged 6.61 percent for the week ending November 17, 2022.

According to the [National Association of REALTORS®](#), the share of first-time buyers has fallen to its lowest level on record over the last year as young adults face a longer path to homeownership. As the housing market surged last year, a typically large segment of home buyers went missing. Amid higher home prices, bidding wars and fierce competition for limited inventory, first-time buyers dropped to their lowest numbers on record, according to the National Association of REALTORS® 2022 Profile of Home Buyers and Sellers. Further, the age of the

typical first-timer swelled to record high of 36, NAR data shows. First-time buyers comprised just 26% of all buyers in 2022, down from 34% the year before.

[Dr. Lawrence Yun, chief economist with the National Association of REALTORS®](#), predicts home sales to decline nationwide by 10 percent in 2022 and 7 percent in 2023 while the median home sale price is expected to rise 10 percent in 2022.

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 November 10, 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.