

AFFORDABLE MARKETS REPORT

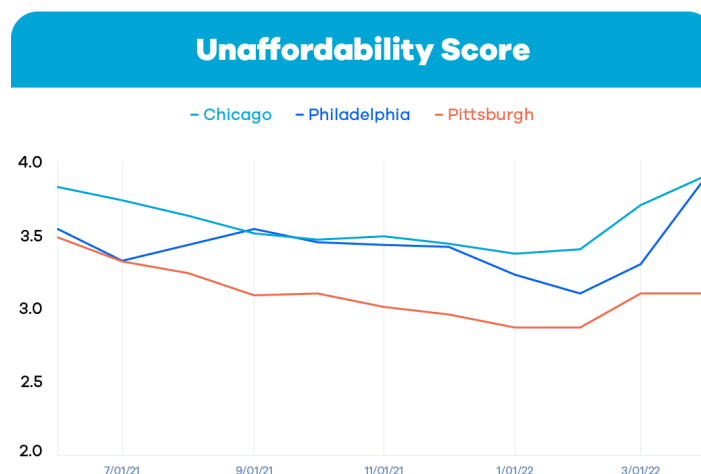
Recent trends threaten the housing affordability of these 3 enduringly affordable markets

By Patrick Kearns | June 2, 2022

Chicago, Philadelphia, and Pittsburgh have all remained comparatively affordable and less competitive.

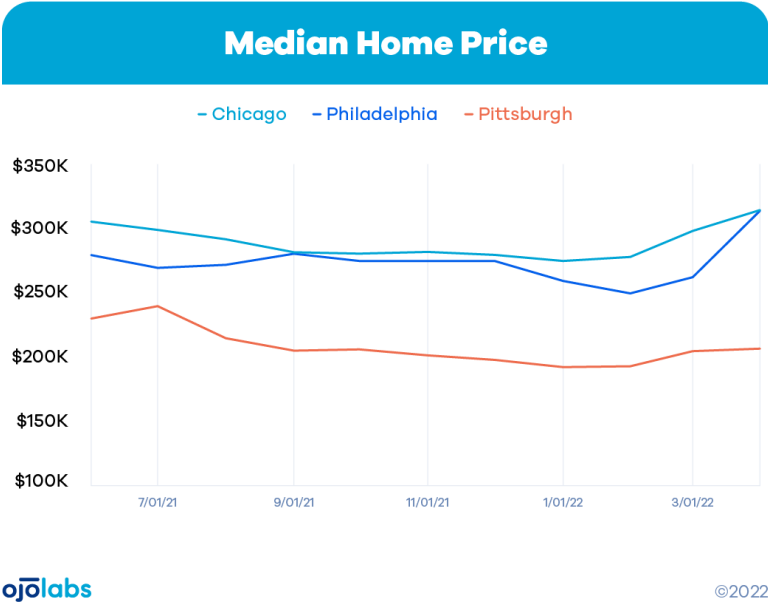
Pandemic-influenced housing trends have sent prices skyrocketing coast-to-coast, with some regions getting hit much harder than others. Throughout the last two years, a number of midwest and mid-Atlantic cities — especially those traditionally associated with the Rust Belt — have been resistant to rapid price increases and the ensuing bidding wars. But a shift in the last two months is starting to threaten the enduring affordability of affordable mainstays Chicago, Illinois; Pittsburgh and Philadelphia, Pennsylvania.

All three markets have not seen their unaffordability score — a ratio of home sold price to local median household income — rise above 4.0 in the last 10 months, according to data from real estate technology company [OJO Labs](#). For comparison, 15 metros had an unaffordability score above 6.0, while 33 had an unaffordability score above 4.0 in April 2022.



Both Chicago and Philadelphia have gotten close to that high watermark in recent months, hitting 3.90 in April 2022. Chicago’s previous high, according to the data, came in June 2021, when it reached 3.82. Pittsburgh, meanwhile, reached a high of 3.48 in June 2021 and has only climbed back to 3.1, after reaching a low of 2.87 in January, registering as one of the nation’s most affordable housing markets.

For would-be homebuyers looking for a median home price lower than \$300,000, all three have traditionally been a good bet, although the recent seasonality has pushed prices past that mark again in Chicago, and for the first time in Philadelphia. The median home sold price in Philadelphia reached a record high in April of \$315,000 and \$314,900 in Chicago — surpassing previous highs from last year.



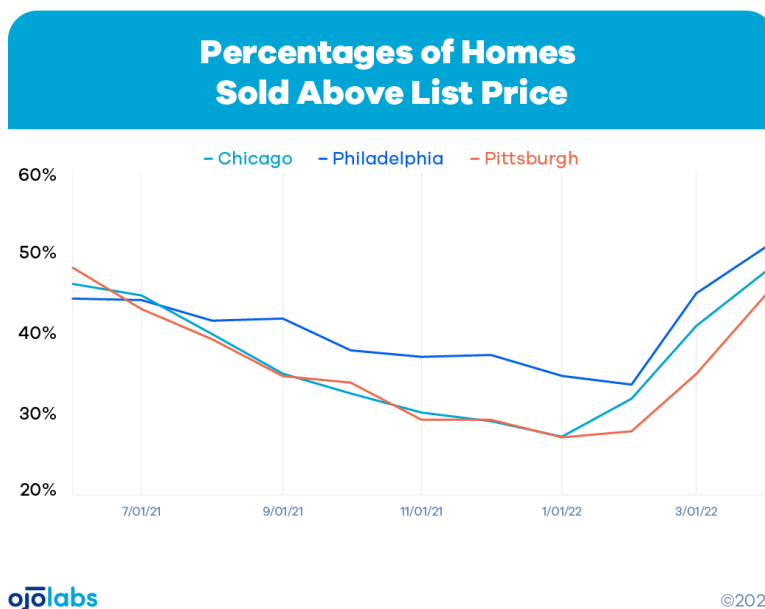
Pittsburgh is the only of the three cities to not have its most recent prices past last summer’s highs. The median home sold price, according to the data from real estate search site Movoto by OJO, was only \$207,000 in April 2022, after reaching a high of \$240,000 in July 2021.

The recent spikes in price have coincided with a lift in competition — although still at a level below the national average. At no time over the past 10 months, in either Pittsburgh or Chicago, have more than half of all homes been sold above initial price. In Philadelphia, it happened for the first time in April, when 51% of homes sold above list price at an average of \$5,462 more, according to the data.

Pittsburgh and Chicago have jockeyed for position among the least competitive metros in the nation, with fewer than 30% of all homes being sold above initial list price multiple times

in both cities over the past 10 months. Both, however, saw the percentage of homes sold above list price climb over 45% in April, a signal that competition is trending upward in both cities.

Despite the recent trends in three of the nation's most consistently affordable markets, things are still below national averages, making Chicago, Philadelphia, and Pittsburgh some of the least expensive and competitive markets in the U.S.



Patrick Kearns is the Director of Storytelling at OJO Labs. Prior to joining OJO Labs, Patrick worked as a journalist for more than a decade, most recently covering housing and real estate at Inman News. He's also written for The Guardian, The Washington Post, Sports Illustrated, Vice, and others.



OJO is a real estate platform that provides support and guidance to match each moment of the home journey, so everyone feels ready, equipped, and inspired to take the next step. [Learn more.](#)

Unaffordability score is a ratio that's derived from monthly median housing prices and median household income. The higher the score, the more unaffordable a metro area is for a household making the median income. Median home price data is drawn from local multiple listing service sold data, and median household income is derived from 2016–19 census data.