

METRO DEEP DIVE

Competition for Chicagoland homes is steadily declining

By Patrick Kearns | Oct 28, 2021

Data from OJO Labs shows a new surge in affordability for the Windy City

Cooling temperatures in Chicagoland are bringing a steady combination of cooling competition and home sale prices, new data from real estate technology company [OJO Labs](#) showed in September.

The analysis, using data from the OJO Labs real estate search site [Movoto by OJO](#), shows that the Chicago metropolitan area is increasingly becoming one of the nation's most affordable and least competitive metropolitan areas — despite some high-priced neighborhoods and urban core.

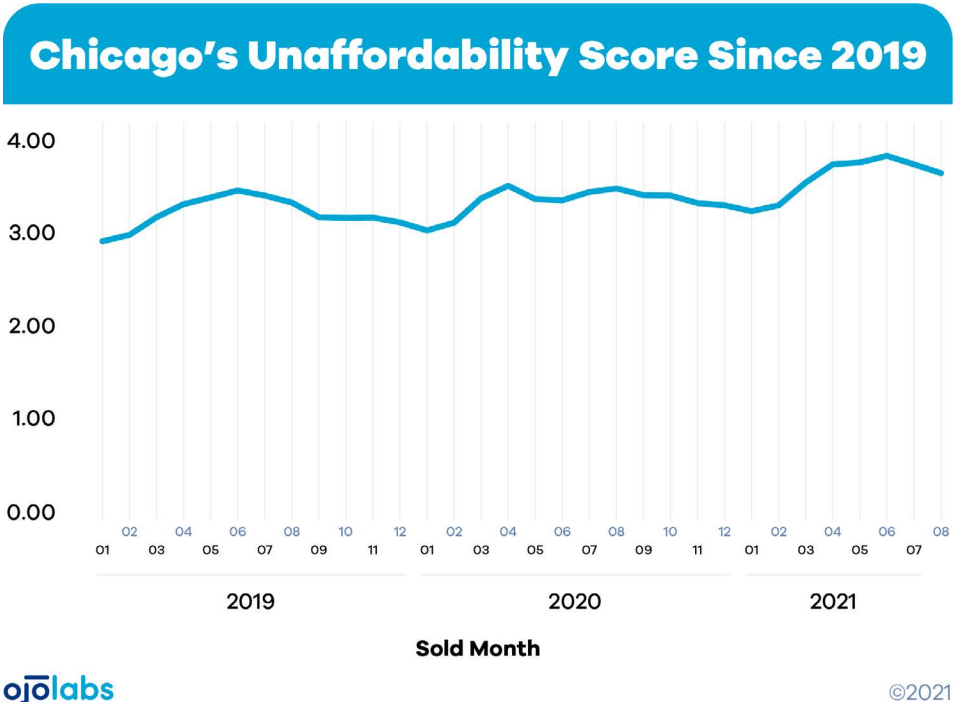
Affordability

Like many cities across the U.S., Chicago experienced new affordability challenges during the global pandemic. However, the city's unaffordability score — a ratio derived from median home sold price and median household income — routinely fell below the national average, meaning it was easier to afford a home for a family making the median income in Chicago, than on average across the nation's top metros.

Chicago's unaffordability score reached 3.50 in September 2021, which was the lowest it had been since February 2021, and the third consecutive month in which the unaffordability score declined on a month-over-month basis.

The median home sold price in Chicago dropped to \$282,500 in September 2021, down slightly from \$293,000 the month prior but up 6.6% from September 2020. There are certainly some seasonal effects at play as well, as data shows there was a month-over-month decrease in home prices and the unaffordability from August to September each of the past two years.

Nationally, the median home sold price hit \$398,623 in September 2021, while the national unaffordability score dipped slightly to 4.85, far ahead of the 3.50 that Chicago registered in September 2021. Of the 73 metros in which more than 1,000 homes were sold in 2021, Chicago ranked 50th in unaffordability.



Competition

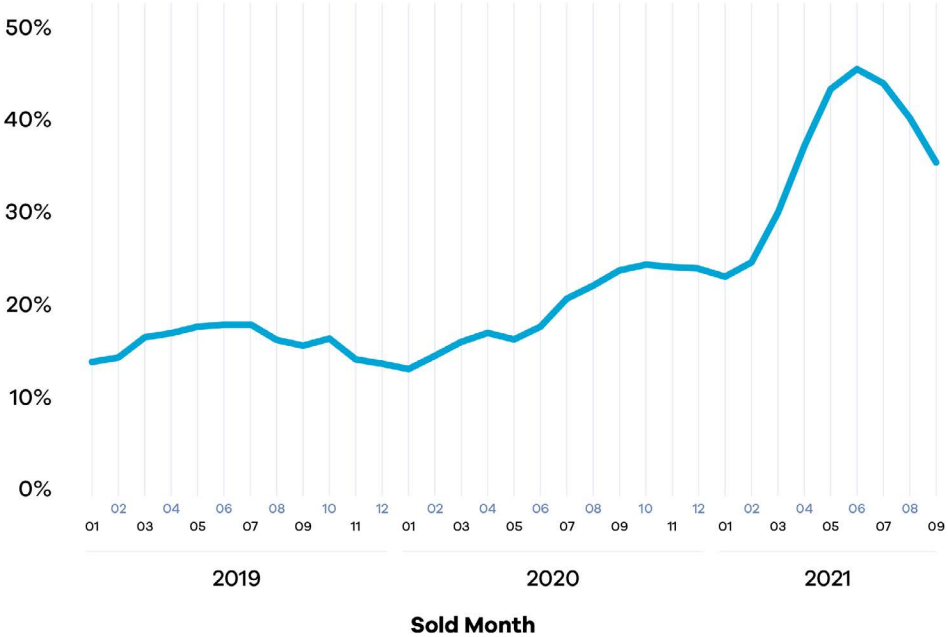
Competition for homes appears to have peaked in June, according to the data, and has been on a steady decline since then — another sign of seasonal effects in the Lake Michigan-adjacent city. In September 2021, 35.1% of homes sold above initial asking price, down from 40% the month prior and the early summer high of 45.1% in June. Throughout the pandemic, fewer than half of homes have sold above list price every month in the Chicagoland area.

In dollar amount, homes sold for, on average, a discount of \$4,572.69 below list price in September, even lower than the \$2,820 discount homes were selling for below list price in August. Unlike many other of the nation's top metros, at no point during the pandemic have homes been selling, on average, above list price in the Chicago metropolitan area.

In September 2020, only 23.2% of homes were selling for more than initial list price and the average home was selling, on average, \$8,214 below initial list price. It was even less competitive two years ago, when 15.2% of homes were selling above list price for an average of \$9,259.06 below list price.

Nationally, 43.6% of homes sold for more than list price in September 2021, with the average home selling for \$4,149 above initial asking price, meaning that Chicago was less competitive than the national average. Of the 77 metro areas tracked, Chicago was the 55th most competitive for homes, in terms of sales above list price.

Chicago's Percentage of Homes Sold Over Asking Since 2019



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Median home price data is drawn from local multiple listing service sold data on residential search site Movoto by OJO, and median household income is derived from 2016-19 census data. 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.

Want OJO to conduct a deep dive in your market? Contact pkearns@ojolabs.com.



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.](#)