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**Champaign County area housing market  
feels stress of rising mortgage rates;  
Home sales decline four percent as average prices rise**

Champaign County home sales declined for the third straight month in May as buyers and sellers contended with higher inflation, continued tightened housing inventory levels along with a compound increase in mortgage rates, according to the Champaign County Association of REALTORS®.

CCAR reports that home sales declined by 4.11 percent in the Champaign County area in May to 303 sales from 316 sales reported in May 2021. Year-to-date home sales are down 6.6 percent to 1,093 sales from the totals year-to-date sales of 1,171 through May of 2021.

The average home sale price rose 0.99 percent to \$218,812 in May from \$216,671 in May 2021. Homes spent an average of 28 days on the market, in sharp contrast to 62 days in May a year ago.

The May median home sale price in the Champaign County area was \$190,000, down 2.06 percent from \$194,000 in May of 2021. The median is a typical market price where half the homes sold for more and half sold for less.

“While mortgage rates are now at the highest level since 2008, buyers still remain resilient and are eager to lock in rates in case they move higher, as they stay focused on their homeownership aspirations,” said Stefanie Pratt, president of the Champaign County Association of REALTORS®. “Economic inflation is making an impact on housing markets across the nation reflected in trends like rising mortgage rates. While inventory shortages still persist, some buyers and sellers are spooked about the negative economic news and overall rising prices for everyday living expenses for fuel and food and are hesitant on taking on any major purchasing decisions right now until things settle down.”

The average 30-year fixed rate mortgage according to the Federal Home Loan Mortgage Corporation was 5.23 percent in May, up from 4.98 percent in April and up from 2.96 percent in May a year ago. According to Freddie Mac, for the week ending June 16<sup>th</sup>, the 30-year fixed rate mortgage averaged 5.78 percent.

There were 285 pending sales in May in Champaign County, down 6.3 percent from 304 pending sales a year ago, according to the Midwest Real Estate Data, LLC. Pending sales for the month of May 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 as June 20, 2022 stood at 848 properties on the market up from 825 properties listed for sale last month.

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For instance, on a \$300,000 mortgage, the average monthly payment has risen from \$1,265 in December to \$1,800 today due to the rise in a 30-year fixed rate mortgage, indicates the National Association of REALTORS®.

"The escalating mortgage rates have bumped up the cost of purchasing a home by more than 25% from a year ago, while steeper home prices are adding another 15% to that figure," [said Lawrence Yun, chief economist with the National Association of REALTORS® in the recent national pending sales report.](#) Yun notes that such price hikes are already a burden, but they become even more problematic to a family on a budget contending with rapid inflation, including surging fuel and food costs.

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 June 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.