

April 2025

Housing Affordability in the Northeastern Illinois Region

The purpose of this analysis is to help readers understand the nature of housing affordability conditions facing renters, existing homeowners, and prospective homebuyers. These insights can help policymakers and practitioners develop and target responsive policies and programs to address the broad range of affordability challenges in a community.

This analysis focuses on conditions in 2023, a year following a period where housing affordability conditions became increasingly challenging. For existing homeowners, [national data show](#) that cost burden, or the share of households paying 30 percent or more of their income towards housing costs, reached near-record levels amid inflation pressures and rising costs associated with insurance, utilities, and property taxes. Rising costs for homeowners, combined with the lingering impact of the pandemic on incomes, led to increased cost burdens, in particular for owner households earning less than \$30,000.

Similarly, the data show that the pandemic [exacerbated](#) already challenging affordability conditions for renters. While cost burden increased for renters of all incomes during this period, the impact of rising rents and limited income growth impacted lower-income renter households and renter households of color most. According to national data, 83.4 percent of all lower-income households [were cost-burdened](#) in 2023. Among renters, 56.8 percent of Black households and 53.5 percent of Hispanic households were cost-burdened, compared to 45.6 percent of White households. In particular, the number of lower-income renters who were severely cost-burdened, paying more than 50 percent of their incomes toward rent, [was at an all-time high](#). Additionally, [interest rates](#) have remained high, [discouraging homebuying](#) and keeping [home purchase sentiment](#) below pre-pandemic levels. High interest rates paired with a very limited inventory of for-sale homes began to substantially impact [affordability conditions](#) for new homebuyers. This analysis looks at current housing affordability conditions in the Northeastern Illinois region in 2023 using data from the *Local Housing Profiles*, a collaboration between the Chicago Metropolitan Agency for Planning (CMAP) and the Institute for Housing Studies at DePaul University (IHS). The report illustrates how key indicators for homeowner, new homebuyer, and rental affordability vary across counties in the Northeastern Illinois seven-county region. These same data, as well as expanded data for all households and data on housing market conditions, are available for all 284 municipalities as well as for 77 City of Chicago community areas and can be found [here](#).

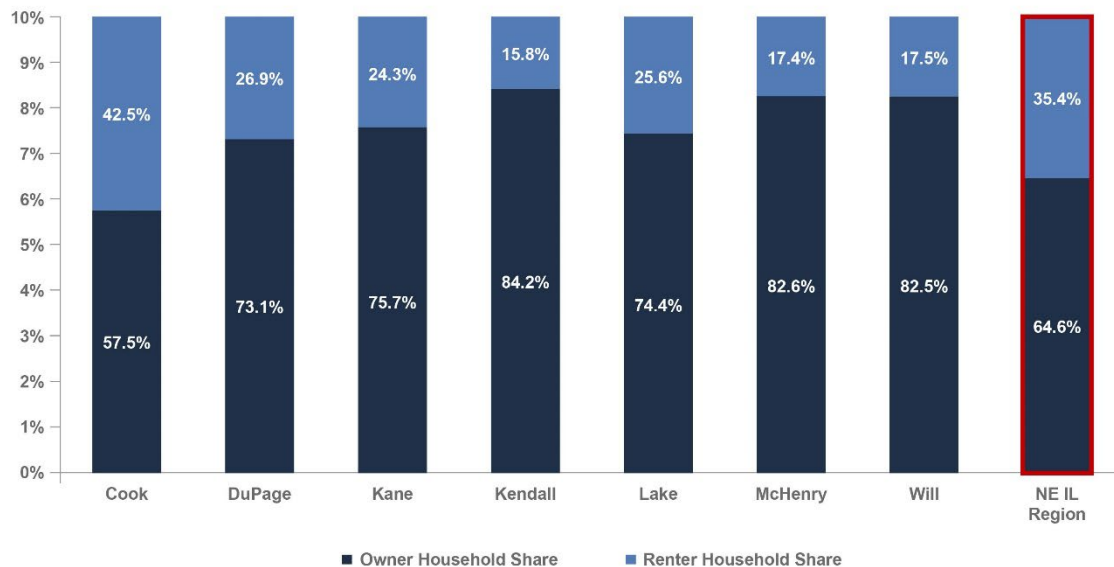
Background Data:

Data exploring the distribution of households by tenure and the composition of owners and renter households by income provide key context to understanding the landscape of affordability challenges in a community. Data for all counties and municipalities in the seven-county region and the 77 community areas in the City of Chicago are included in the Local Housing Profiles available [here](#).

Total Households by Tenure

Most households in the Northeastern Illinois Region own their homes. Figure 1 explores the composition of households by tenure in the counties that comprise the Northeastern Illinois seven-county region. The data show that in 2023, 64.6 percent of regional households owned their homes, while 35.4 percent of households rented. While the majority of each county's households own, the share of households that rent or own varies by county. For example, 57.5 percent of households own in Cook County, compared to roughly 84 percent of households in Kendall County.

Figure 1. Composition of Households by Tenure in Northeastern Illinois Region Counties, 2019-2023

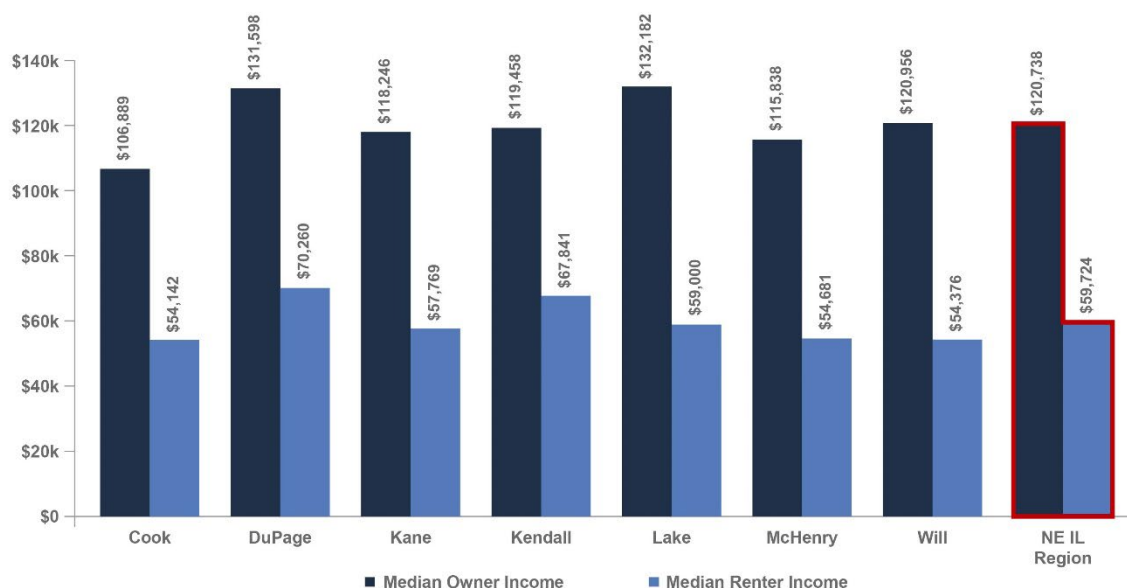


Median Income of Households by Tenure

Renters in the Northeastern Illinois region earn far less than owner households, but the disparity varies across counties. In Northeastern Illinois region counties, owner incomes are at least 76.1 percent higher than renter incomes. Figure 2 illustrates how median incomes for owners and renters compare across the Northeastern Illinois region. The data show that in 2023, the average renter household in the

region earned \$59,724 compared to the average owner household who earned \$120,738, a difference of \$61,014. This disparity was highest in Lake County, where the average renter earned \$73,182 less than the average homeowner. Both renter and owner incomes were highest in DuPage County, where the average owner and renter earned 9 and 17.6 percent more than the average regional owner and renter, respectively. By comparison, both renter and owner incomes were lowest in Cook County, where the average homeowner earned 11.5 percent less than the average regional homeowner and the average renter earned 9.3 percent less than the average renter in the region.

Figure 2. Median Income by Tenure in Northeastern Illinois Region Counties, 2019-2023



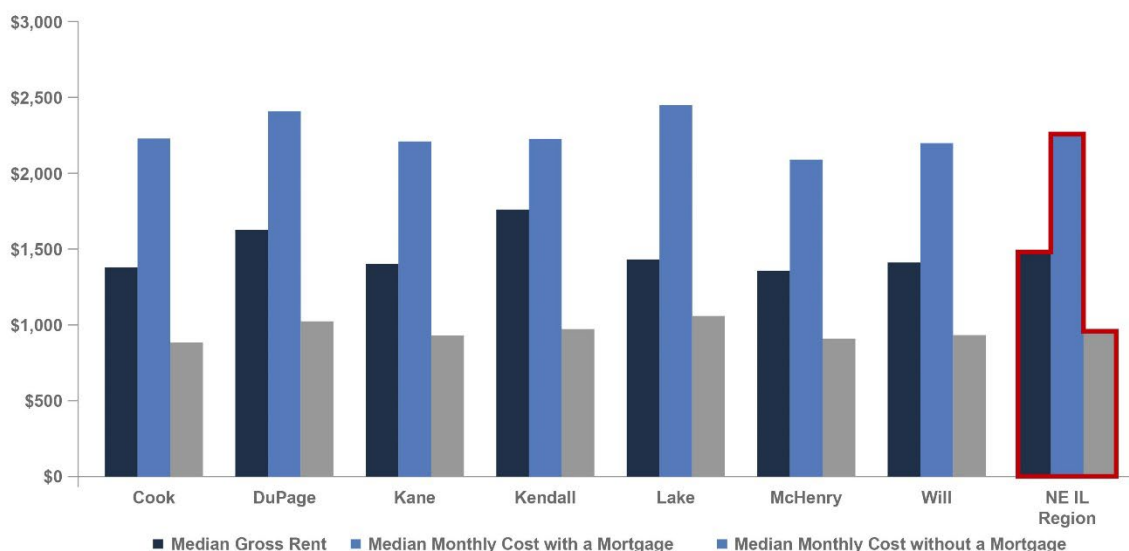
Median Rents and Costs for Owner Households with and without a Mortgage

Monthly costs for homeowners are highest in Lake County, and rents are highest in Kendall County. Figure 3 compares median gross rent and median monthly housing costs for homeowners with and without a mortgage in 2023 across the Northeastern Illinois region. Housing costs for owners include monthly costs associated with property taxes, insurance, utilities, mortgage, and Homeowner Association costs and fees, if applicable. Data on gross rent include contract rent and any utilities paid by the renter.

The chart illustrates a consistent pattern in the variation in monthly housing costs for regional households. Throughout the region, homeowners who have a mortgage have the highest housing costs, followed by renters, and finally homeowners who don't have a mortgage. In the Northeastern Illinois region, the average homeowner with a mortgage pays \$2,261 per month, and the average renter and homeowner without a mortgage pays \$1,483 and \$960 monthly, respectively. Reflecting high home prices, monthly costs are highest for owners in Lake County, where the average homeowner with and without a mortgage pays \$2,452 and \$1,060 per month, respectively. The county with the highest rents is Kendall County, which also has the smallest number of renter households. Monthly costs are lowest for homeowners

without a mortgage in Cook County and lowest for both renters and homeowners with a monthly mortgage payment in McHenry County.

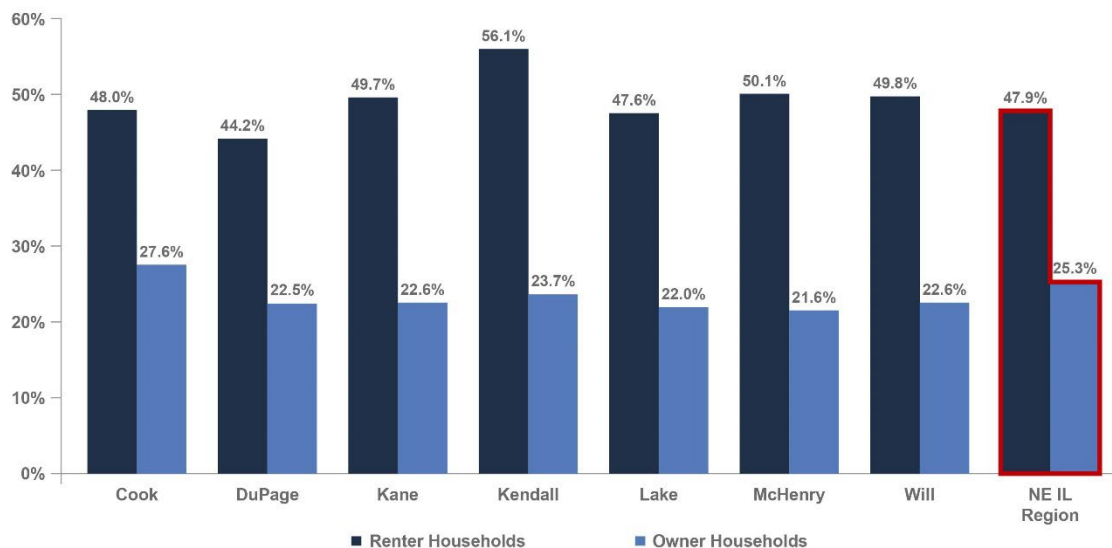
Figure 3. Median Rent and Monthly Costs for Renter Households and Owner Households with and without a Mortgage in Northeastern Illinois Region Counties, 2019-2023



Cost Burden for Owner and Renter Households

In the Northeastern Illinois region, nearly 48 percent of renters and 25.3 percent of owners were cost-burdened in 2023. Figure 4 illustrates the share of renter and owner households that pay at least 30 percent of their incomes towards housing costs in the seven-county region. It indicates that the share of renter households that are cost-burdened is significant across all counties, with a low of 44.2 percent of renter households in DuPage County and a high of 56.1 percent of all renter households in Kendall County. For households that own their homes, cost burden is lowest in McHenry County and highest in Cook County, where 21.6 and 27.6 percent of owner households are cost-burdened, respectively.

Figure 4. Cost Burdened Households by Tenure in Northeastern Illinois Region Counties, 2019-2023



Key Data Exploring Rental Affordability in the Northeastern Illinois Region:

Data exploring affordability conditions for renters include indicators related to renter income, cost burden, and the mismatch between gross rents and the incomes of renters. Data for all counties and municipalities in the seven-county region and the 77 community areas in the City of Chicago are included in the Local Housing Profiles available [here](#).

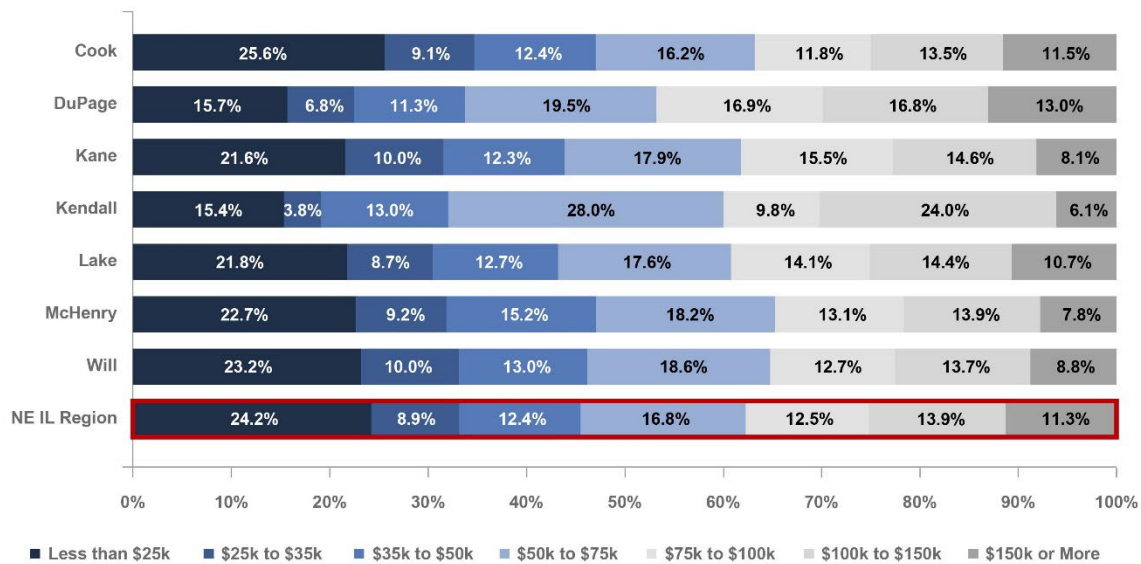
Renters by Income

The average regional renter earned \$59,724 in 2023, but roughly 33 percent of renters are considered lower income, earning less than \$35,000 a year. Cook and Will Counties have the highest share of lower-income renters, with 34.7 and 33.2 percent of renters earning less than \$35,000, respectively.¹ These same counties also have the highest levels of very low-income renters who earned less than \$25,000 - 25.6 percent of Cook County renters and 23.2 percent of Will County renters earned incomes at this threshold in 2023. Conversely, Cook County was also among the counties with a higher share of high-income renter households earning more than \$100,000 each year, reflecting the wide geographic variation in renter incomes in the county. Kendall and DuPage Counties each had the highest shares of high-income renters earning \$100,000 or more, with 30.2 and 29.9 percent of renters earning high incomes, respectively. McHenry County had the smallest share of high-income renters: 21.6 percent

¹ Lower income is considered less than 50 percent of the Area Median Income (AMI), which was \$87,071 in the Chicago-Naperville-Elgin Metropolitan Statistical Area (MSA) in 2023. 50 percent of AMI is \$43,536 or less in 2023 but because income ranges are fixed in the 5-Year American Community Survey, the closest inclusive range is used for this analysis or less than \$35,000. While Lake County is not in the Chicago-Naperville-Elgin MSA, the median income for the MSA is used as a benchmark for all counties in this analysis.

of renters earned at least \$100,000 in 2023. By comparison, 25.2 percent of Northeastern Illinois region renters earned incomes of \$100,000 or more in 2023.

Figure 5. Composition of Renter Households by Income in Northeastern Illinois Region Counties, 2019-2023



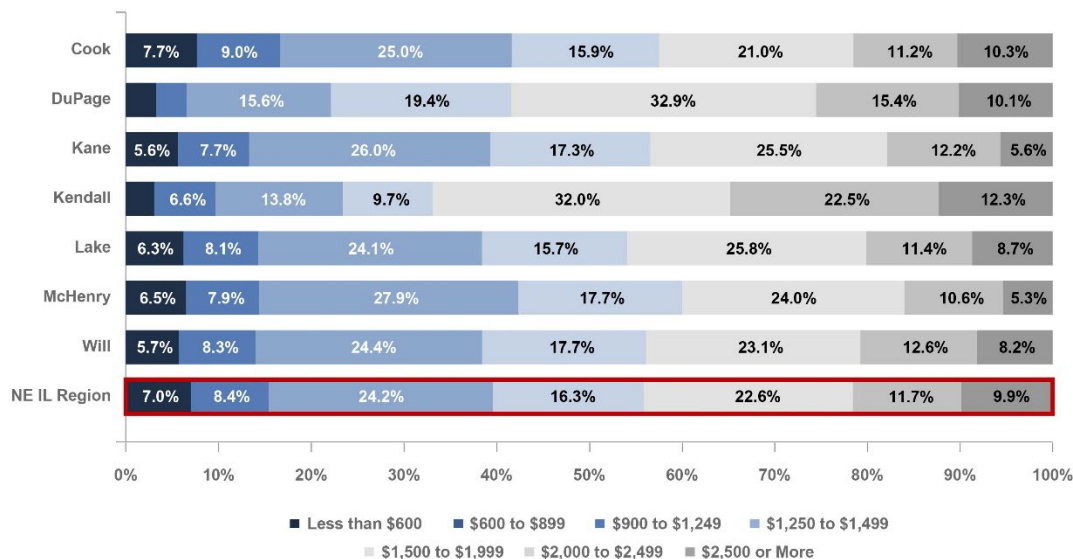
Gross Rent

There's considerable variation in rents in the Northeastern Illinois region. As illustrated in Figure 3, the median monthly rent with renter-paid utility costs for a Northeastern Illinois region renter in 2023 was \$1,483 per month. Figure 6 shows that there is substantial variation in gross rent in the region and within counties, although each county has consistently smaller shares of rental units with low and high rents. In the Northeastern Illinois region, 39.6 percent of rental units have rents below \$1,250 (the affordability threshold for households earning \$50,000 per year, not considering household size).² DuPage and Kendall County have the smallest share of rental units in this threshold, with 22.1 and 23.4 percent of units at or below \$1,250 per month, respectively. Conversely, McHenry and Cook County have the largest share of units at or below \$1,250 per month, with 42.3 and 41.7 percent of units at this threshold, respectively.

Kendall County also has the largest share of rental units above \$2,000, which could be associated with a larger share of the rental stock in single-family homes, which tend to be more expensive. However, the relatively small share of renter households in Kendall County (which has just under a third of the renter households of the next smallest county, McHenry) could contribute to volatility in this data point.

² This analysis uses \$50,000 as the closest income threshold in the data to align with the average regional renter's income of \$59,724.

Figure 6. Composition of Renter Occupied Housing Units by Gross Rent in Northeastern Illinois Region Counties, 2019-2023



Cost Burden

In the Northeastern Illinois region, significant shares of cost-burdened households experience severe cost burden, defined as paying 50 percent or more of their incomes towards housing costs. Figure 7 explores cost-burdened status for renters in the seven-county Northeastern Illinois region and Figure 8 breaks down cost-burdened status for renters by household income in the Northeastern Illinois region specifically.

Figure 7 illustrates that the pattern of cost-burdened status across counties is fairly uniform, with the exception of Kendall County. While nearly 36 percent of renters pay between 30 and 50 percent of their incomes towards rent in Kendall County, between 23 and 26.4 percent of renters in each other county are cost-burdened. Additionally, between 20.1 and 25 percent of renters are experiencing severe cost burden, meaning they pay more than 50 percent of their incomes toward housing. As previously illustrated in Figure 4, the share of renter households with any level of cost burden is highest in Kendall County. Figure 7 indicates that nearly 36 percent of renter households in Kendall County are cost-burdened, and 20.1 percent of renter households are severely cost-burdened. DuPage County has the highest share of renter households that are not cost-burdened (those who paid less than 30 percent of their incomes towards rent in 2023).

Figure 8 illustrates that cost burden is most significant for renter households with the lowest incomes, and that cost burden status declines with income. The data show that 90 percent of renters earning lower incomes in the Northeastern Illinois region are cost-burdened, and most of these households are severely cost-burdened (paying at least 50 percent of their incomes towards rent). Whereas the pattern of cost burden status by income is similar across the seven counties in the Northeastern Illinois region, Kendall

County has a higher share of higher-income cost-burdened households than in other counties, likely due to the higher share of higher-cost rental units in Kendall County (as illustrated in Figure 5).

Data on cost-burdened status by income for all counties and municipalities in the seven-county region and the 77 community areas in the City of Chicago are available [here](#).

Figure 7. Renter Households by Cost-Burdened Status in Northeastern Illinois Region Counties, 2019-2023

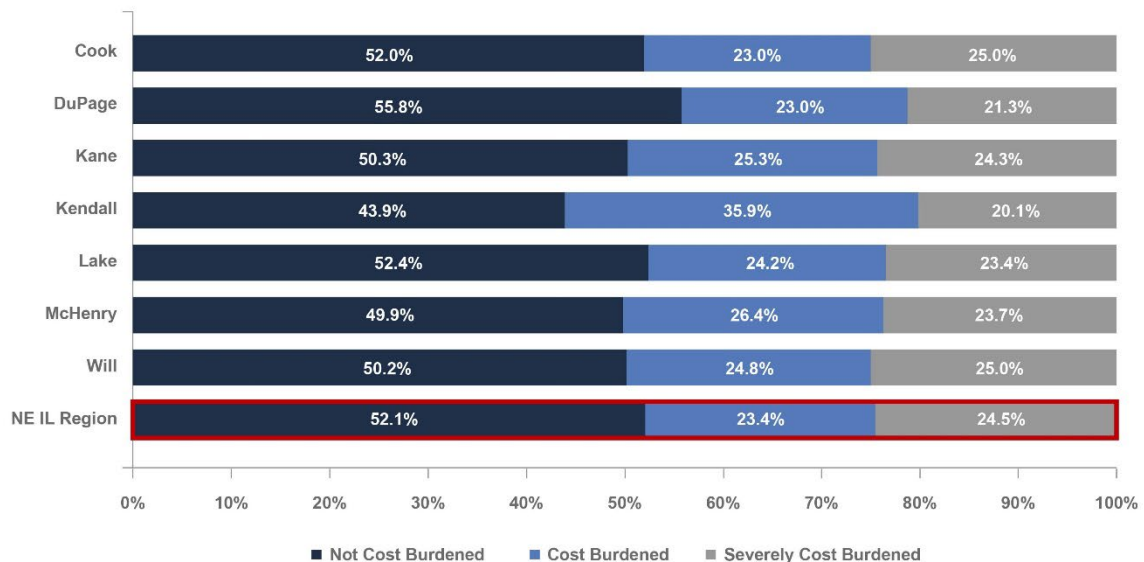
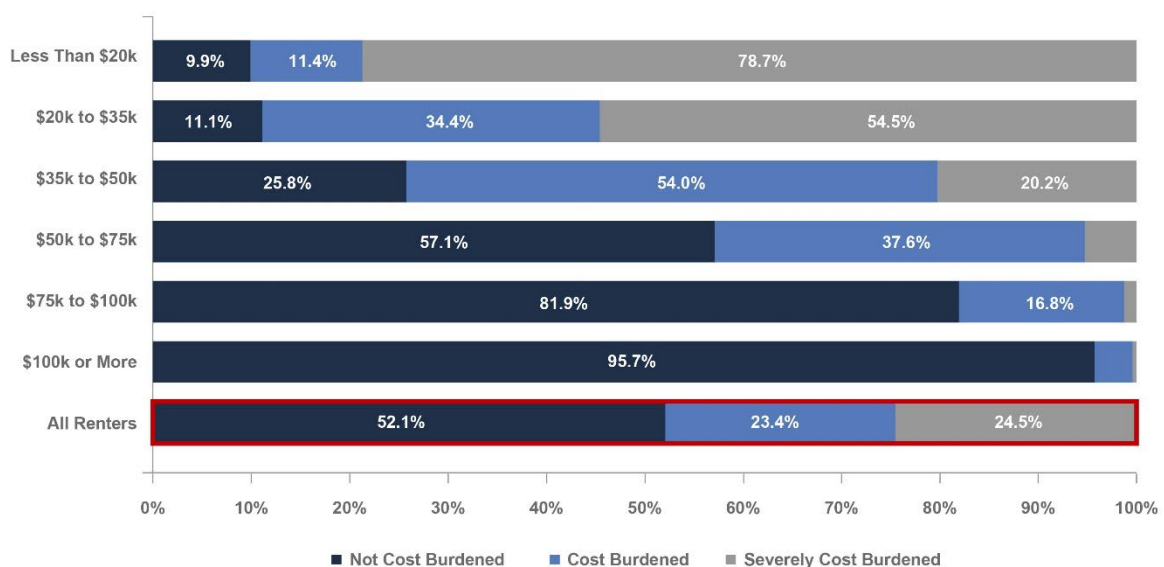


Figure 8. Renter Households by Cost-Burdened Status and Income in the Northeastern Illinois Region, 2019-2023



Affordability of the Rental Supply for Lower-Income Households

Across the Northeastern Illinois seven-county region, there is a significant lack of supply of housing units affordable to lower-income households - there are just 44.9 affordable rental units for every 100 lower-income renters.³ Figures 9 and 10 use data on gross rents and incomes to explore the relationship between the share of lower-income renters (earning \$35,000 or less) and the share of total rental units with rents affordable to these households (units with gross rents at or below \$900). Figure 9 shows that while 33.2 percent of Northeastern Illinois region renters earn less than \$35,000 per year, just 15.4 percent of rental units are affordable to these households.

Figure 10 maps the ratio of affordable supply to affordable demand for households earning \$35,000 or less in the Northeastern Illinois seven-county region. While, on average, there were just under 45 rental units below \$900 in 2023 for every 100 renters earning less than \$35,000, the map shows that there is substantial variation in this mismatch from county to county. For example, in DuPage County, there were 28.3 affordable units for every 100 lower-income households. However, in Cook County, where 80 percent of all the region's lower-income renters lived in 2023, there were 46.5 affordable rental units for every 100 renters in the overall stock.

This mismatch is a way to further contextualize cost burden. Not only is there a substantial gap in the number of affordable units needed to meet demand, but many of the affordable rental units that exist are likely occupied by higher-income households, further limiting the supply. Additionally, the share of renters that are lower income in a geography provides an important context. For example, DuPage County has a relatively smaller portion of lower-income households, which mitigates overall cost burden levels compared to Cook County, where a substantial share of renters are lower income. Furthermore, while these data point helps contextualize the nature of cost burden for lower-income households, solutions to closing this gap are not only supply-sided but also include demand-side interventions such as Housing Choice Vouchers.

³ This analysis uses \$35,000 as the closest income threshold to approximate a lower income household that earns less than 30 percent AMI. In 2023, less than 30 percent AMI was \$26,121 in the Chicago MSA

Figure 9. Share of Renter Households Earning Less Than \$35,000 and the Share of Rental Units below \$900 in Northeastern Illinois Region Counties, 2019 to 2023

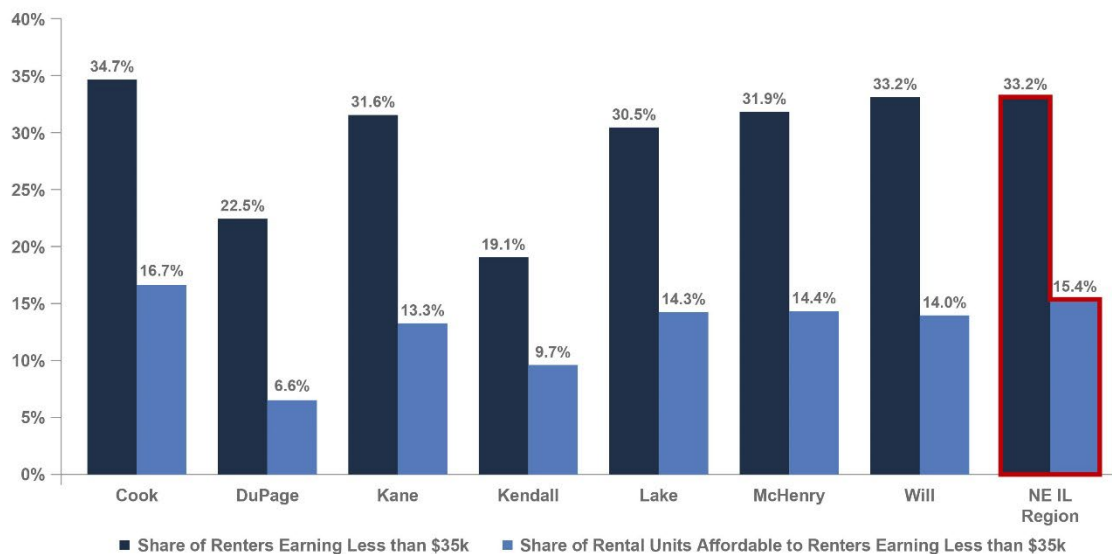
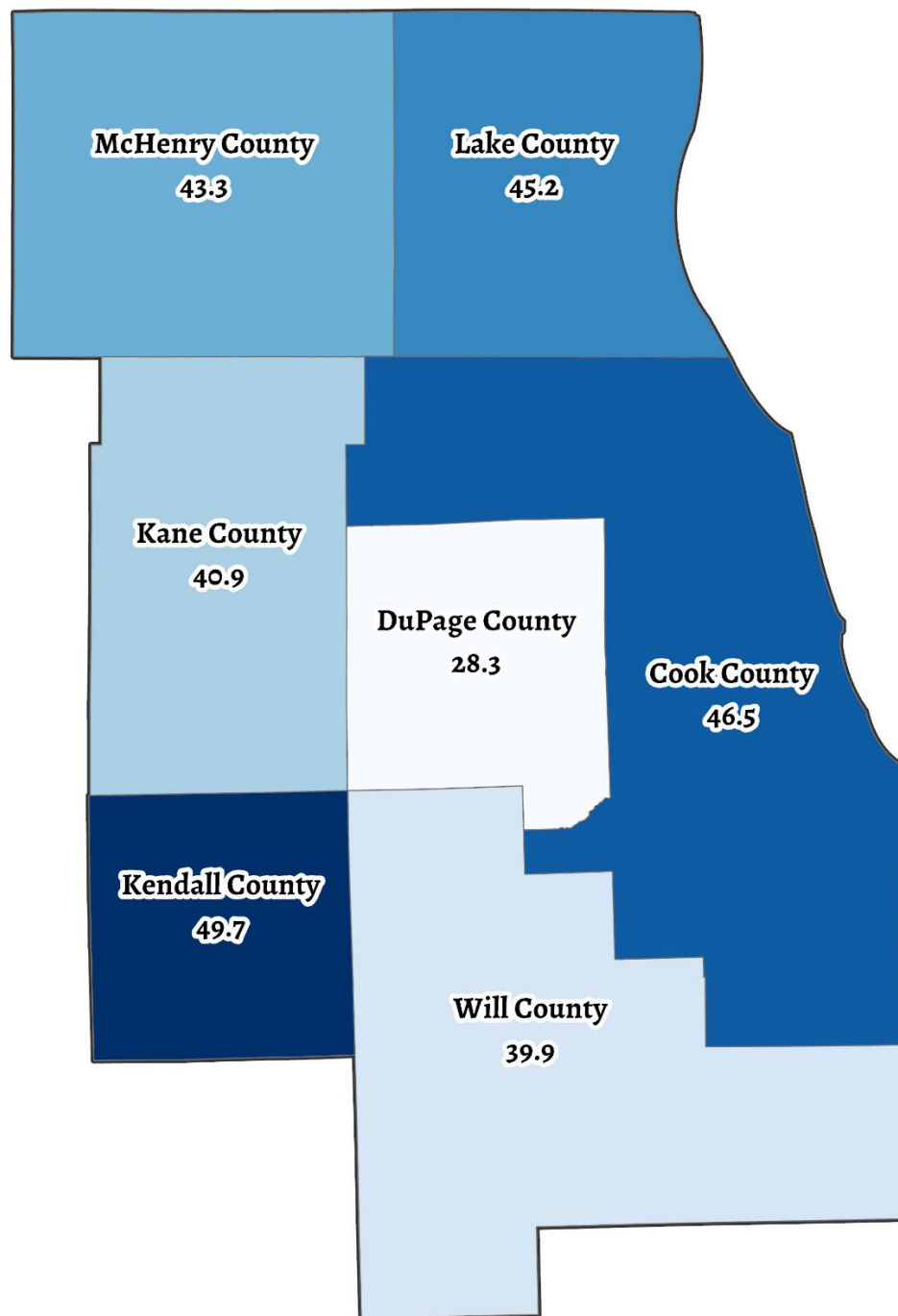


Figure 10. Affordable Rental Units per 100 Lower-Income Renters in the Northeastern Illinois Seven-County Region, 2019 to 2023



Key Data Exploring Homeowner Affordability in the Northeastern Illinois Region:

Affordability conditions for existing homeowners can be contextualized through various indicators, including the composition of owner households by mortgage status and income, and levels of cost burden. Data for all counties and municipalities in the seven-county region, as well as the 77 community areas in the City of Chicago, are included in the Local Housing Profiles available [here](#).

Owners by Income

The average regional homeowner earned \$120,738 in 2023, but substantial shares of owners earn far less. Figure 11 illustrates the composition of owner households by income in the seven-county Northeastern Illinois region. Figures 12 and 13 explore the composition of owner households by income and mortgage status. The data show that while the majority of owners in the region earned roughly 120 percent of the Area Median Income (\$104,485 in 2023), 18.3 percent of owners earned less than \$50,000 per year.⁴ In Cook County, 21.2 percent of homeowners earned less than \$50,000 in 2023, which was the highest share observed in the seven-county region. Conversely, Lake and DuPage Counties had the highest share of high-income owner households in 2023, with 43.4 and 43 percent of owner households earning at least \$150,000, respectively.

Figures 12 and 13 illustrate significant differences between the income profiles of owner households with a mortgage and those without a mortgage. Whereas 18.3 percent of owner households in the region had incomes below \$50,000, this share rises to 28.6 percent for owner households without a mortgage. Conversely, a much higher share of homeowners with a mortgage have incomes of at least \$150,000 compared to owners who do not have a mortgage. Whereas 41.5 percent of homeowners with a mortgage regionwide have high incomes, just 25.9 percent of homeowners without a mortgage are high earners.

Lower incomes for homeowners without mortgages may be explained in part by retired older adults, who are frequently on fixed incomes. National data show that older adults have the lowest levels of being mortgaged, though mortgage debt among seniors is rising. Despite lower housing costs, these households may struggle with housing insecurity, especially if compounded with other housing needs for older adult households that are lower income.

⁴ 50 to 80 percent AMI is considered to be moderate income, and which was between \$43,536 and \$69,657 in 2023. Given the way that the ACS data are binned, \$50,000 is the closest income threshold.

Figure 11. Composition of Owner Households by Income in Northeastern Illinois Region Counties, 2019-2023

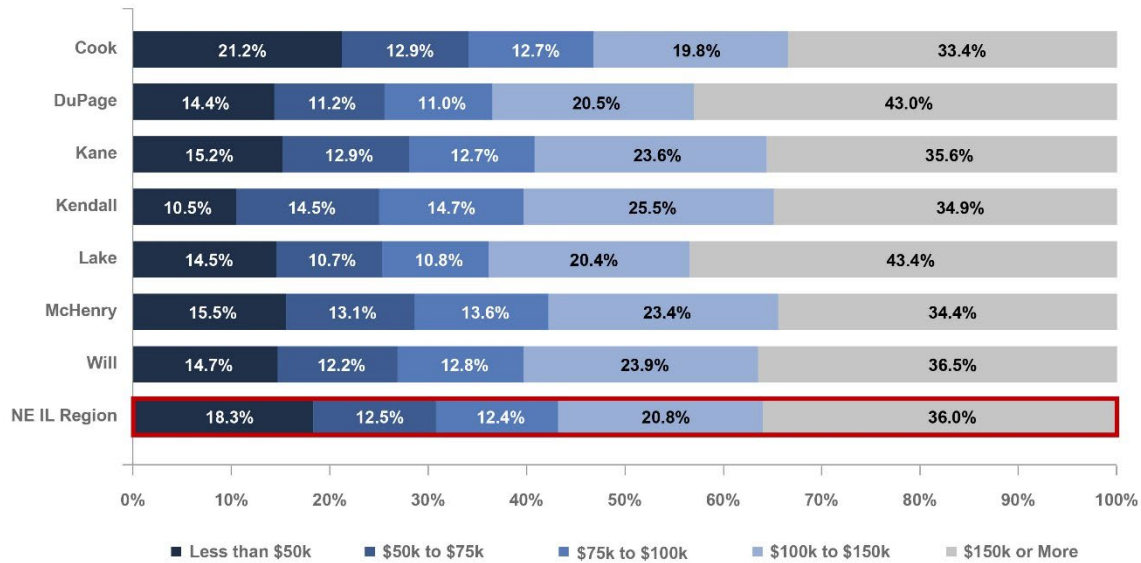


Figure 12. Composition of Owner Households with a Mortgage by Income in Northeastern Illinois Region Counties, 2019-2023

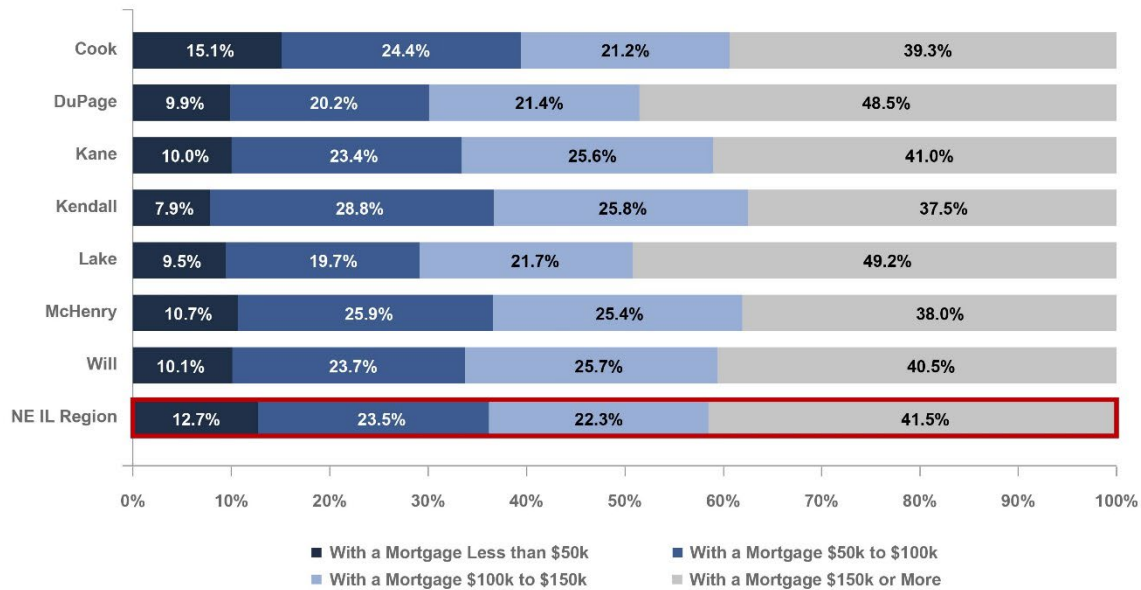
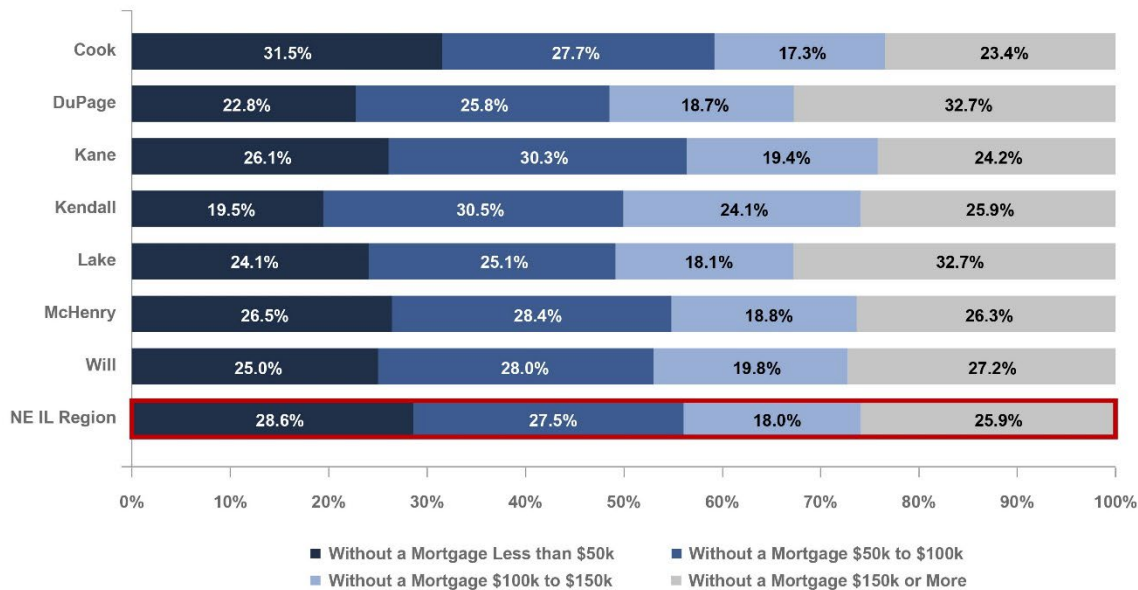


Figure 13. Composition of Owner Households without a Mortgage by Income in Northeastern Illinois Region Counties, 2019-2023

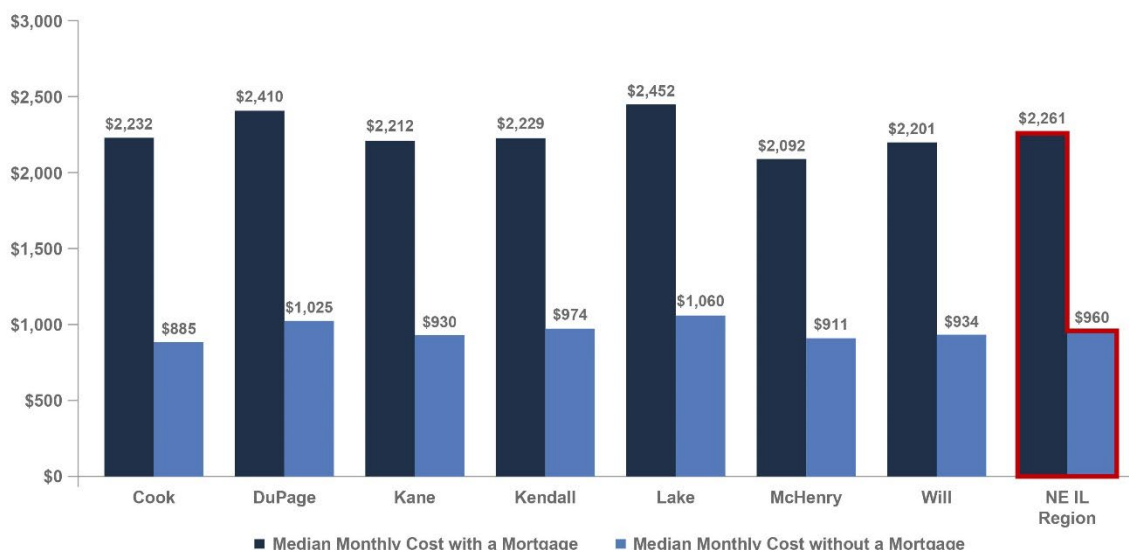


Monthly Owner Costs

On average, a regional homeowner without a mortgage has a monthly housing cost that is 57.5 percent less than a homeowner with a mortgage. Figure 14 compares monthly owner costs for homeowners with a mortgage and those without a mortgage in the Northeastern Illinois region. The data show that the difference between monthly costs for owners with and without a mortgage is fairly uniform, ranging from a 60.3 percent difference in costs in Cook County to a 56.3 percent difference in costs in Kendall County. Additionally, except for monthly costs in higher-cost Lake and DuPage counties, median monthly costs for existing owner households are also fairly uniform. For example, median monthly costs for homeowners without a mortgage range from \$885 in Cook County to \$974 in Kendall County, a difference of \$89. Similarly, median monthly costs for homeowners with a mortgage range from \$2,092 in McHenry County to \$2,232 in Cook County, a difference of \$140.

Monthly costs for owners with and without a mortgage in Lake and DuPage County are higher than neighboring counties. Figure 14 shows that owners with a mortgage pay \$2,452 monthly in Lake County and \$2,410 monthly in DuPage County, and that owners without a mortgage pay \$1,060 and \$1,025 monthly in Lake and DuPage counties, respectively. Monthly costs for homeowners with a mortgage in Lake County are 8.4 percent higher than the regional median, and 6.6 percent higher in DuPage County. For homeowners without a mortgage, monthly costs are 10.4 and 6.8 percent higher in Lake and DuPage counties, respectively.

Figure 14. Median Monthly Owner Costs by Mortgage Status in Northeastern Illinois Region Counties, 2019-2023



Cost Burden

While the vast majority of homeowners in the Northeastern Illinois region are not cost-burdened, there are substantial levels of cost burden among homeowners earning less than \$50,000 per year. Figure 15 explores cost-burdened status for owners in the seven-county Northeastern Illinois region by county and Figure 16 illustrates cost-burdened status for owners by household income. Data on cost-burdened status by owner income for all counties and municipalities in the seven-county region and the 77 community areas in the City of Chicago are included in the Local Housing Profiles available [here](#).

Figure 15 indicates that 74.7 percent of all owner households in the region are not cost-burdened. The share of owner households that are not cost-burdened is high across all counties, ranging from 72.4 percent in Cook County to 78.4 percent in McHenry County. Figure 16 illustrates that when considering household income, the majority of households earning less than \$50,000 are cost-burdened. For example, 95.2 percent of very low-income households (earning less than \$20,000) and 75.9 percent of lower-income households (earning between \$20,000 and \$35,000) are cost-burdened. Additionally, most very low-income households are severely cost-burdened.

Figure 15. Owner Households by Cost-Burdened Status in Northeastern Illinois Region Counties, 2019-2023

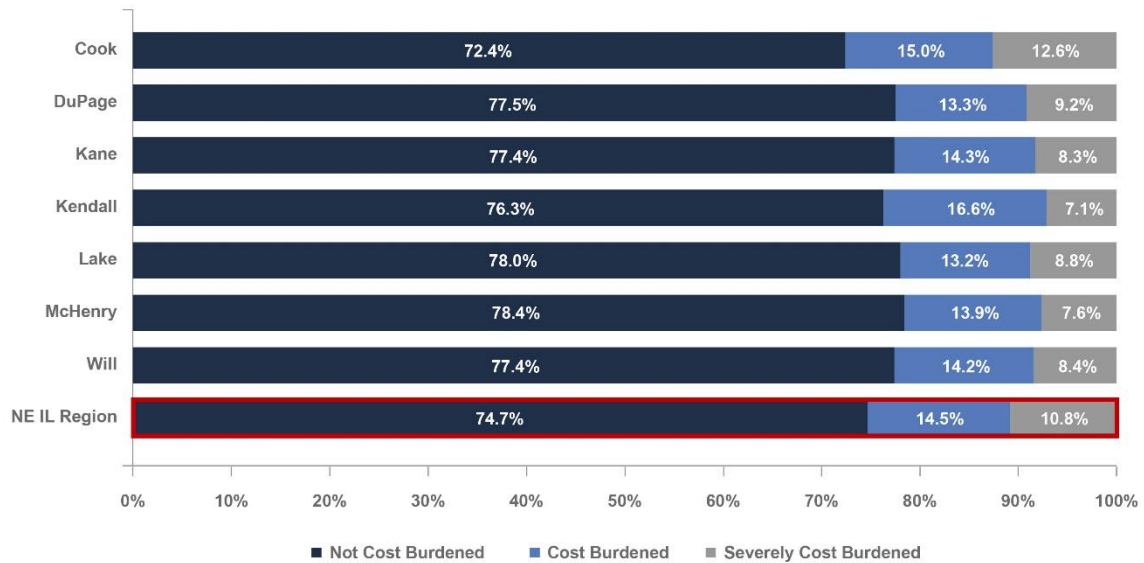
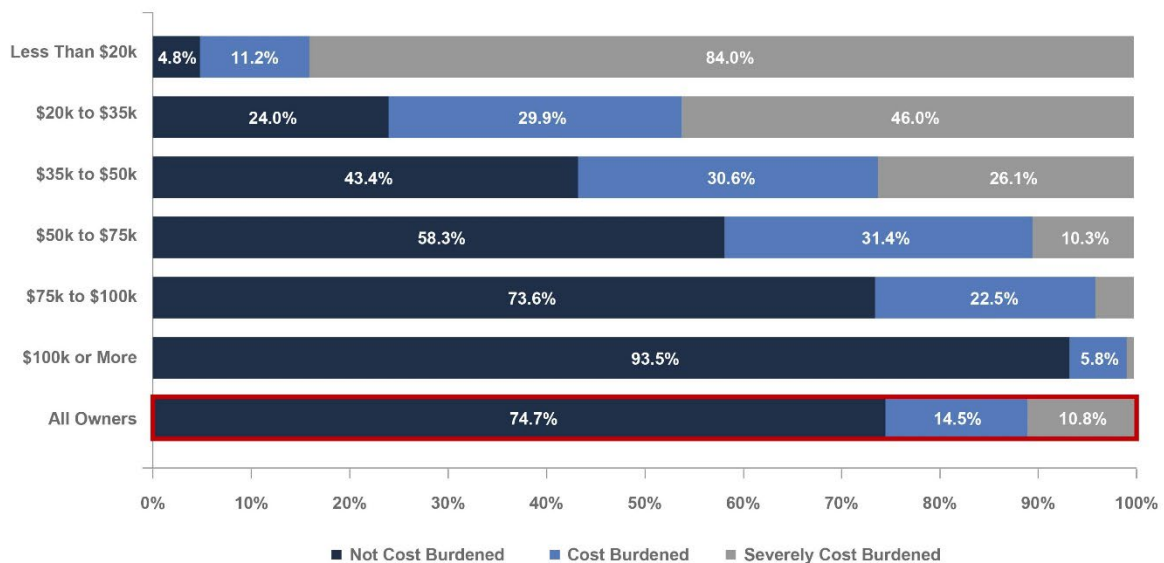


Figure 16. Owner Households by Cost-Burdened Status and Income in the Northeastern Illinois Region, 2019-2023



Key Data Exploring Affordability for New Homebuyers in the Northeastern Illinois Region:

This section includes a set of indicators intended to highlight challenges and opportunities for prospective homebuyers in the Northeastern Illinois region. The data include the median sales price and mortgage amount for recent home purchases as a way to contextualize variation in the cost of housing in the region. It also includes information relevant for stakeholders looking to create programs focused on creating new homeowners such as the typical downpayment required, the gaps between the median income of new homebuyers and renters, and the share of renter households in each county with incomes near or greater than the typical homebuyer. Data for all counties and municipalities in the seven-county region, as well as the 77 community areas in the City of Chicago, are included in the Local Housing Profiles available [here](#).

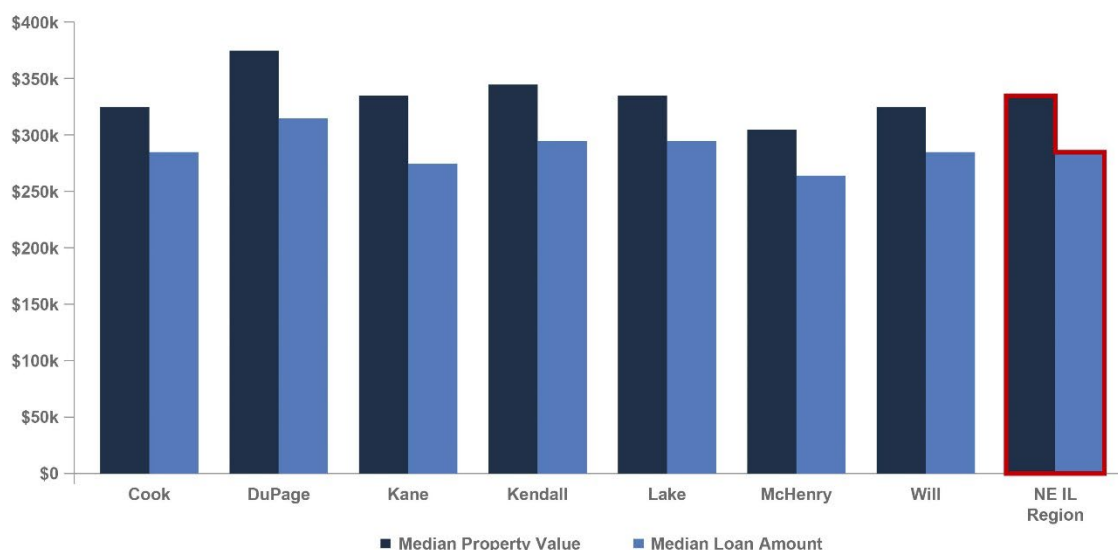
Loan Characteristics for 1 to 4 Unit Property Purchases Financed with a Mortgage

The most expensive counties for homebuying in the region are DuPage County and Kendall County, while McHenry County had the lowest house prices. Figure 17 uses data from the Home Mortgage Disclosure Act to explore the loan characteristics of first-lien, owner-occupied home purchase loans of 1 to 4 unit properties in 2022-2023.⁵ The data show that the median purchase price of a financed home in the Northeastern Illinois region was \$335,000 in 2022-2023. Prices were highest in DuPage County, where the median purchase price of a home with a mortgage in 2022-2023 was \$375,000, which is nearly 12 percent higher than the regional average. In Kendall County, home prices were three percent higher than the regional average.

Figure 17 also charts loan amounts and illustrates that the relationship between purchase price and loan amounts was fairly consistent across counties in 2022-2023. Using the gap between the purchase price and the loan amount as a proxy for the down payment reveals that down payments were about 15 percent, or \$50,000, in the Northeastern Illinois region. Likely down payments were highest in Kane County, where the gap between the median purchase price and loan amount was nearly 18 percent, or \$60,000.

⁵ To ensure sufficient loan data were available for most municipalities and City of Chicago community areas in the Northeastern Illinois region, data in 2022 and 2023 were combined. Only loans where a census tract, applicant sex, and homebuyer income and race and ethnicity were included in this analysis.

Figure 17. Median Purchase Price and Loan Amount for Homebuyers with a Mortgage in Northeastern Illinois Region Counties, 2022-2023



Median Income of New Homebuyers Compared to Area Renters

While the incomes of recent homebuyers in the Northeastern Illinois region are significantly higher than area renters, roughly 25 percent of renters have incomes comparable to or greater than new homebuyers. Figure 18 uses data from the Home Mortgage Disclosure Act and the American Community Survey to explore the relationship between the incomes of recent homebuyers who financed their home purchases and area renters. Figure 19 illustrates that despite significant disparities in renter and new homebuyer income, a substantial potential pool of future homebuyers exists in the market.

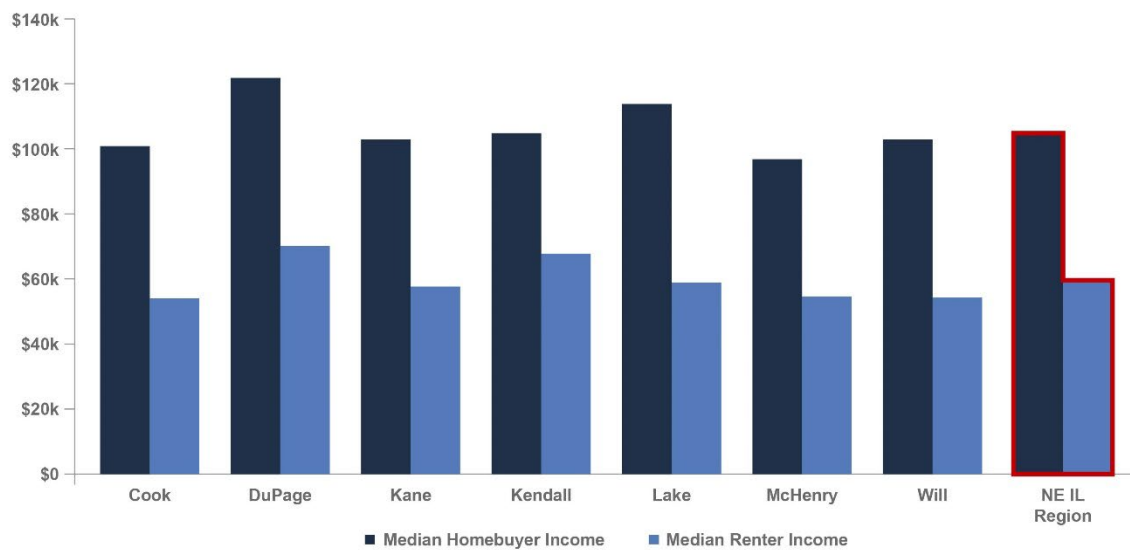
Figure 18 shows that owner-occupied homebuyers who financed the purchase of 1 to 4 unit property in the Northeastern Illinois region earned a median income of \$105,000 in 2022-2023, which is 43.1 percent higher than the average renter in 2023. Figure 5 illustrates the full composition of renters by income, and illustrates that, in the Northeastern Illinois region, nearly 75 percent of renters earn less than \$100,000.

Exploring the data in Figure 18, the disparity between new homebuyer and renter incomes is highest in Lake County, where the median homebuyer income is \$114,000, which was \$55,000 higher than the median income of a Lake County renter. This disparity is smallest in Kendall County, where the median homebuyer income was \$105,000, which was \$37,159 more than the median income of a Kendall County renter.

When considering a pipeline of potential new home buyers, it is also important to understand the share of renters with incomes similar to or greater than recent homebuyers. Figure 19 maps the share of renters in each of the Northeastern Illinois region's seven counties that have an income above or near that of the

average new homebuyer. The data show that in 2023, between 21.6 and 30.2 percent of renter households in each of the seven counties earned at least \$100,000, an income level similar to the median income of a new homebuyer in 2023.⁶ Despite having the lowest house prices and homebuyers with the lowest median income, McHenry County had the lowest share of renters that met the homebuyer income threshold because of a relatively low share of higher-income renters - just 21.6 percent of McHenry County renters had incomes in the range of a new McHenry County homebuyer. Conversely, DuPage and Kendall County had the highest home prices and the highest share of renters that met the threshold - roughly 30 percent of DuPage County renters and 30.2 percent of Kendall County renters had incomes above \$100,000.

Figure 18. Median Homebuyer Income Compared to Median Renter Income in Northeastern Illinois Region Counties, 2022-2023, 2019-2023



⁶ The data are sourced from the Home Mortgage Disclosure act includes all first lien, owner-occupied home purchase loans where a census tract, applicant sex, and homebuyer income and race and ethnicity were populated.

Figure 19. Share of Renter Households with Incomes Near the 2022-2023 Median Homebuyer Income in the Northeastern Illinois Seven-County Region, 2019-2023

