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CHICAGO



Scarce listings drive competition and strong home price growth in Chicago

Sale value hikes in metro keep outpacing nation, but are smaller than in years past



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Institute for Housing Studies' Geoff Smith (Getty, Institute for Housing Studies' Geoff Smith)

By Caleb McCullough

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Chicago home sale values kept climbing faster than the rest of the country in March, but the region's price spikes may be shrinking, data suggests.

The median home price in the Chicago metro area reached \$375,000 in March, a year-over-year increase of about 4.2 percent, according to Redfin. The metro's price growth was more than three times the national average of 1.2 percent, Redfin found. Chicago ranks 15th out of 48 major metro areas for year-over-year price growth tracked in the Redfin data.

Inside city limits, home prices rose about 5.4 percent year-over-year in March, hitting a median of \$411,000.

There are some bright spots for buyers in the data, though. Prices are growing slower than they did in the early parts of 2025 and 2024, Redfin's data said. Home prices have increased 4 percent year-over-year on average in the first three months of this year. Last year, the average year-over-year price growth in January through March was 7.4 percent, and the average during the same timeframe in 2024 was 9.6 percent.

The slower increase is in part because of strained affordability for homebuyers after years of sharp value jumps in the Chicago area, said Geoff Smith,

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“At some point you might hit a ceiling as to what is an affordable sale price,” he said. “That’s probably part of the equation, is that there’s affordability pressure.”

Economic uncertainty from volatile financial markets and apprehension about whether interest rates will continue coming down may be keeping more people on the sidelines, as well, Smith said.

Low inventory adds price pressure

The price growth comes as the Chicago metro’s listed inventory continues to shrink, with little new construction hitting the market and homeowners locked in to pandemic-era interest rates below 3 percent. The metro started the year out with a 2.8 percent drop in available inventory from last January, according to the data, and year-over-year inventory has shrunk every month since. In

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The dearth of listings is more severe in the city. In Chicago alone, inventory dropped by 14.2 percent year-over-year in March, according to the Redfin data. That's the sharpest dropoff since January 2024, which had a 19 percent year-over-year decrease in offerings on the market.

There's a big difference in cost and inventory across Chicago's neighborhoods, Smith said, so the metrics may not be the same in every submarket. Competition is especially strong in neighborhoods like Lincoln Park and Lakeview that are pulling the median up, where homes often sell for tens of thousands over asking prices and bidding wars are routine.

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had at least a 100 percent sale-to-list price average in March, according to the data.

“All the indicators are pointing to shorter times on market, higher ratio of listing-to-sales prices, all indicators of a competitive market where it is a seller’s market,” Smith said of the high-demand North Side neighborhoods.

New listings increase in metro

Although inventory is shrinking, more new listings hit the market in the metro last month than they did in March 2025, according to the data, with new listings growing by 2.2 percent year-over-year. That comes after five consecutive months of year-over-year drops in new listings. The metro also saw a 2.4 percent increase in home sales from March 2025.

In the city of Chicago, though, new listings and total home sales were down compared to last year, suggesting the gains were concentrated in the suburbs. Smith said it’s too early to tell whether the uptick in listings is a sustained trend.

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“Last year was also pretty tight,” he said. “Big picture, the market is still pretty tight. I’d be curious to see in the coming months if those new listings do translate into sustained inventory increases.”

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