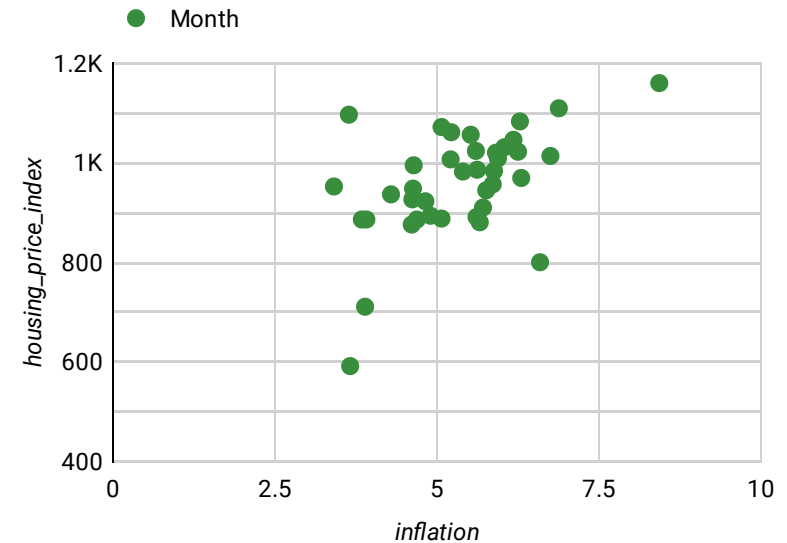
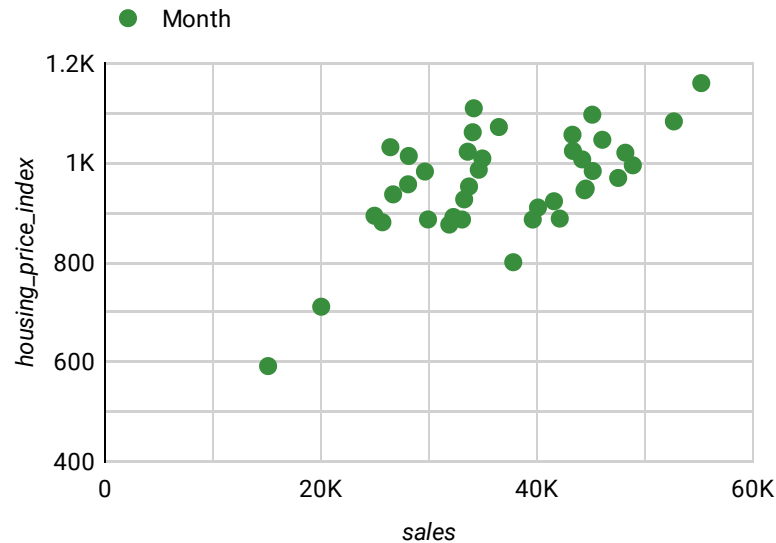


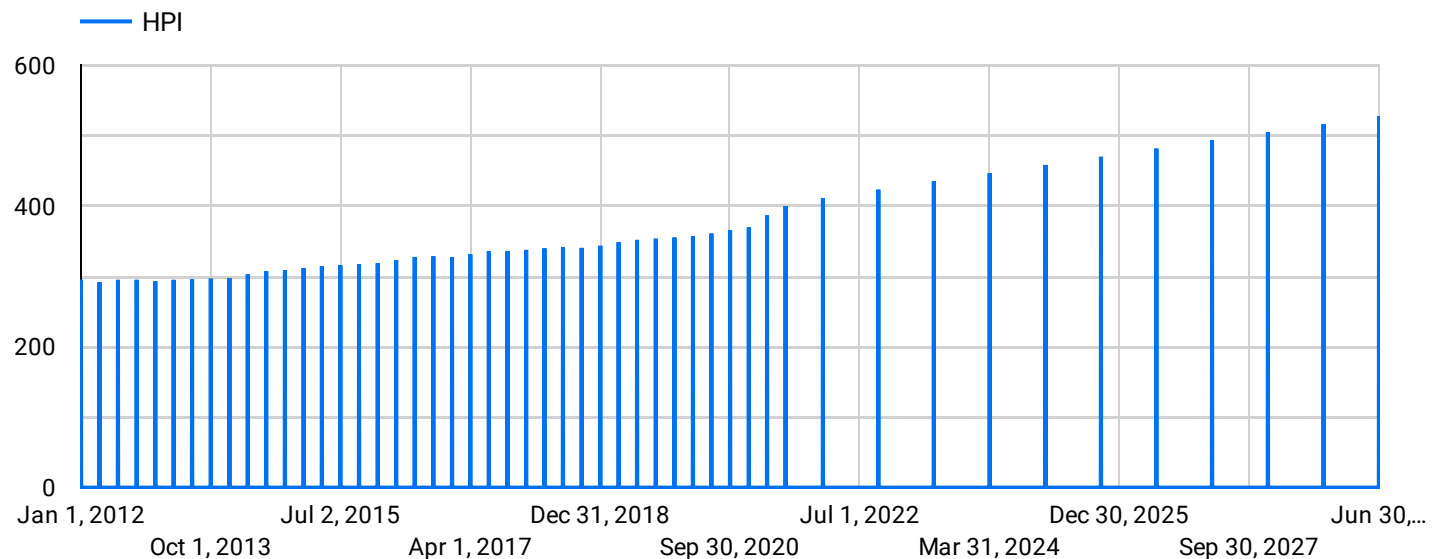
Illinois Housing Price Index Trends

.....homeownership imparts many economic benefits to households including unique access to leverage, a hedge against rising rents, tax deductions for mortgage interest and property taxes, low capital gains taxes relative to other investments, and, crucially, a vehicle for building wealth. - US DEPT of TRESURY

In order to understand future housing price index trends, we wanted to understand what economic metrics the greatest impact on housing price index would have; we found that sales (or demand) had the strongest correlation. The other economic features that we investigated were GDP, inventory, inflation, interest rates, and mortgage rates.



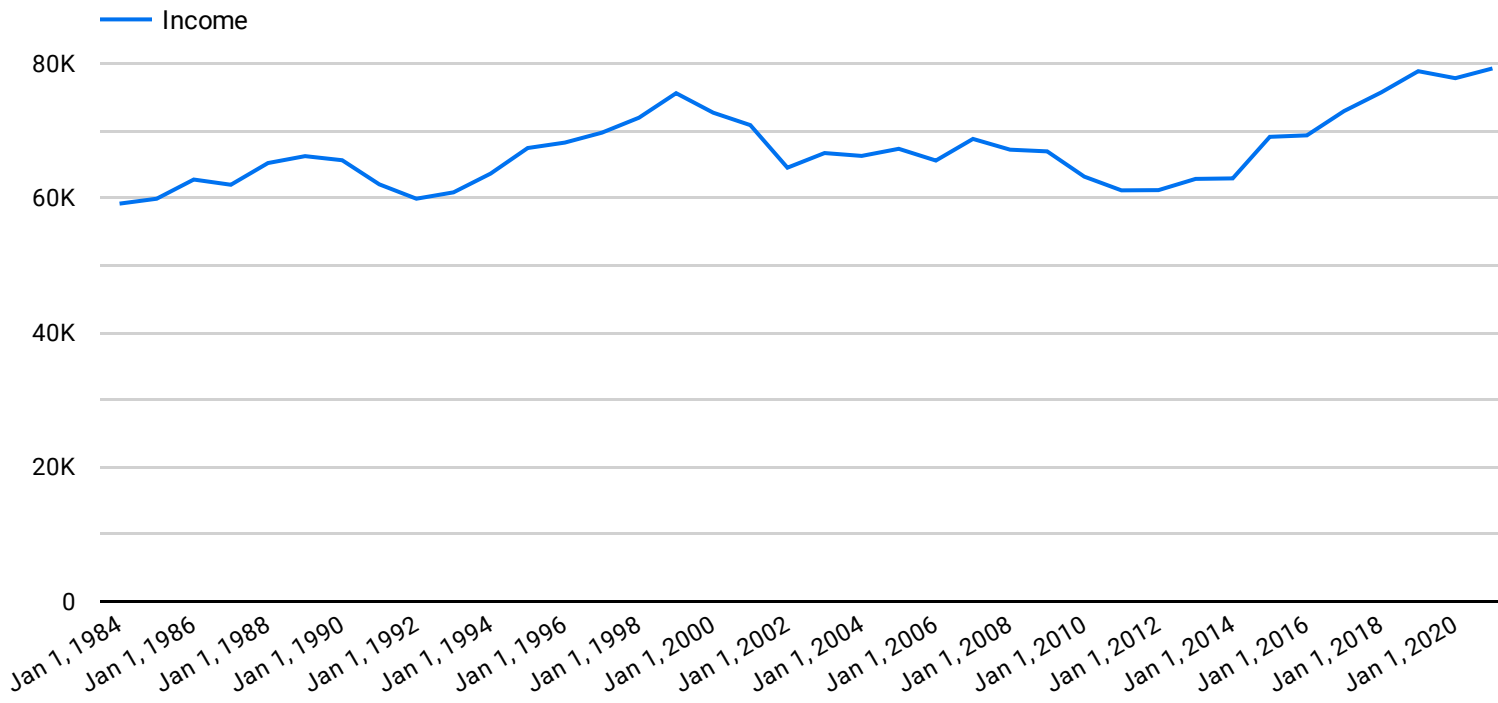
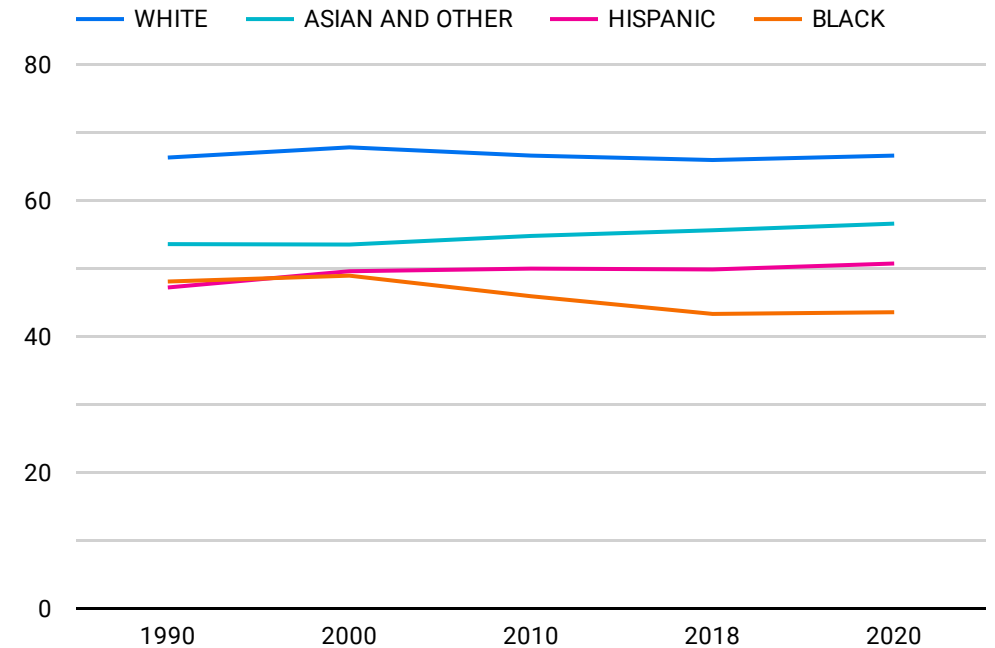
Our objective was to be able to predict housing price index to be able to provide homeowners in Illinois with a general projection or indication of the direction of housing prices over the next 5-10 years to be able to assist them in financial planning. We utilized an ARIMA model to perform projections, based data that we collected from 2012 to 2021.



Illinois Home Ownership Trends

The graphic shows home ownership trends for White, Asian & other, Hispanic and Black homeowners. Generally, we see that home ownership rates gap have not changed significantly over the last 30 years. Another observation that we made is that the housing market crash of 2008 seems to have more severely impacted Black homeowners.

Another factor that we wanted to understand was if income played a role in home ownership rates. We see that even as incomes increased between 2010 and 2020 (the income graph below is not by race), home ownership across all demographics did not see a similar increase. We can't just recommend that people increase their incomes to improve possibilities for home ownership.



"The special role that homeownership plays in wealth building and economic security underscores the need to address the disparities.....Owning a home continues to be the primary source of wealth for most Americans, and efforts must be made to extend the benefits of homeownership to people who have long been shut out of the market.... increasing homeownership rates for Black and Hispanic households can have long-lasting effects that spread to other households and future generations as well" - US DEPT of TRESURY