OCTOBER 2025

Catalyzing Housing Supply: Illinois

Federal Home Loan Bank of Chicago

Housing Finance Policy Center
Urban Institute

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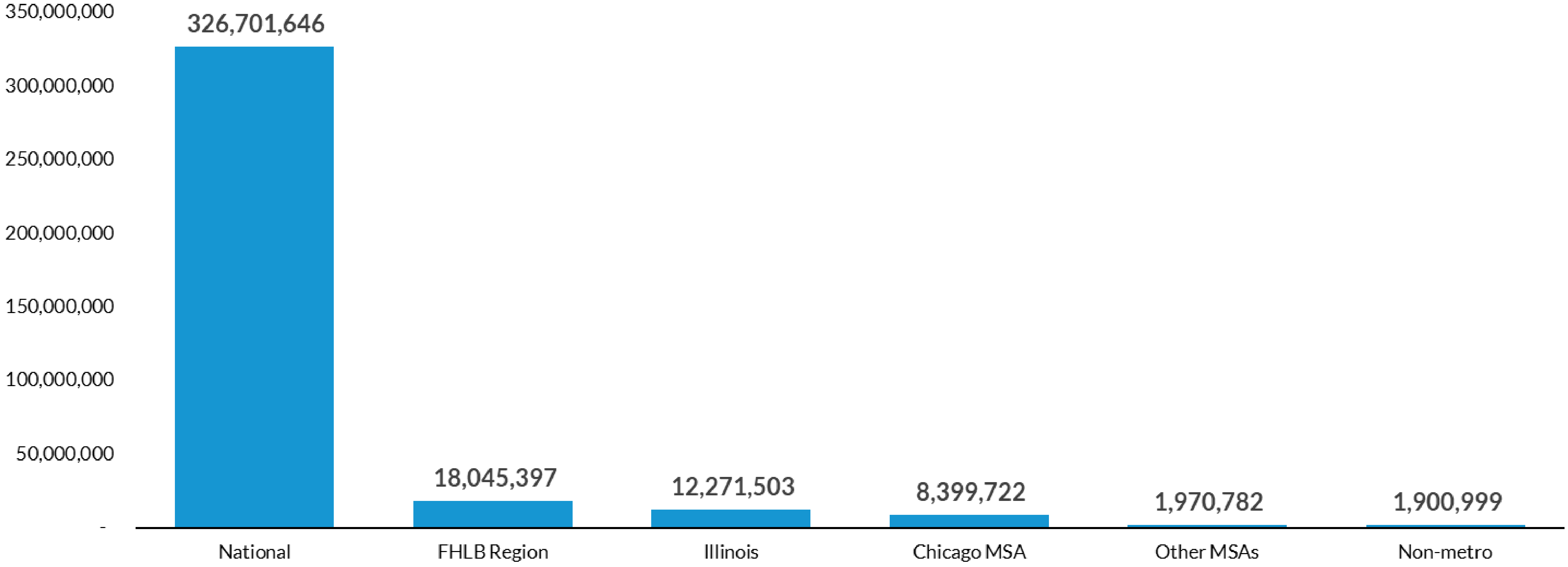
Catalyzing Housing Supply: Illinois

Contents

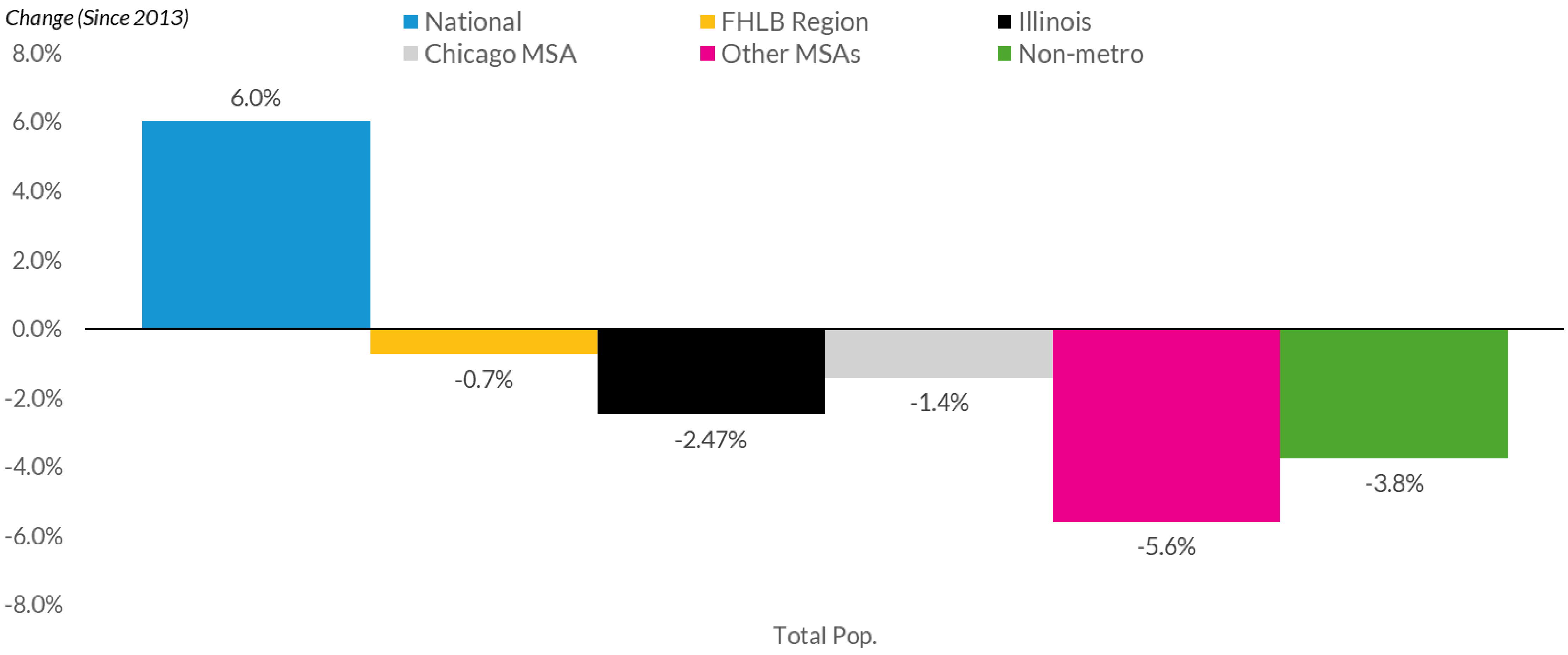
Demographic Trends

Demographic Trends
Population



Source: 2023 American Community Survey

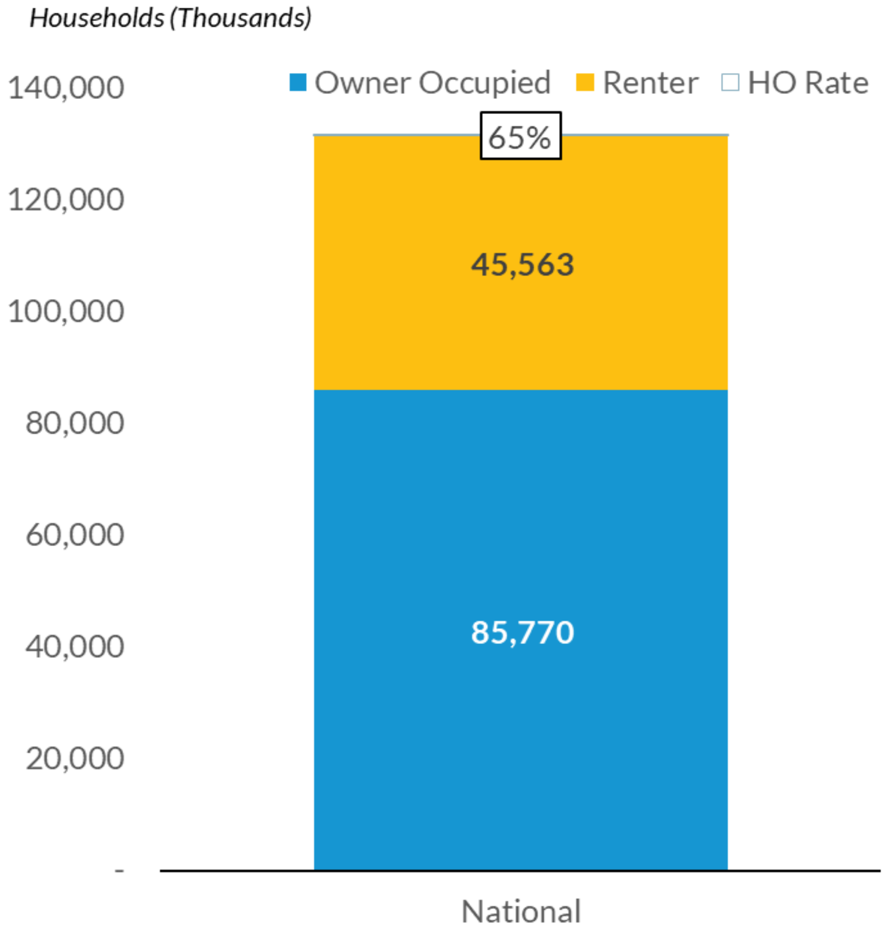
Demographic Trends
Population Changes (2013 to 2023)



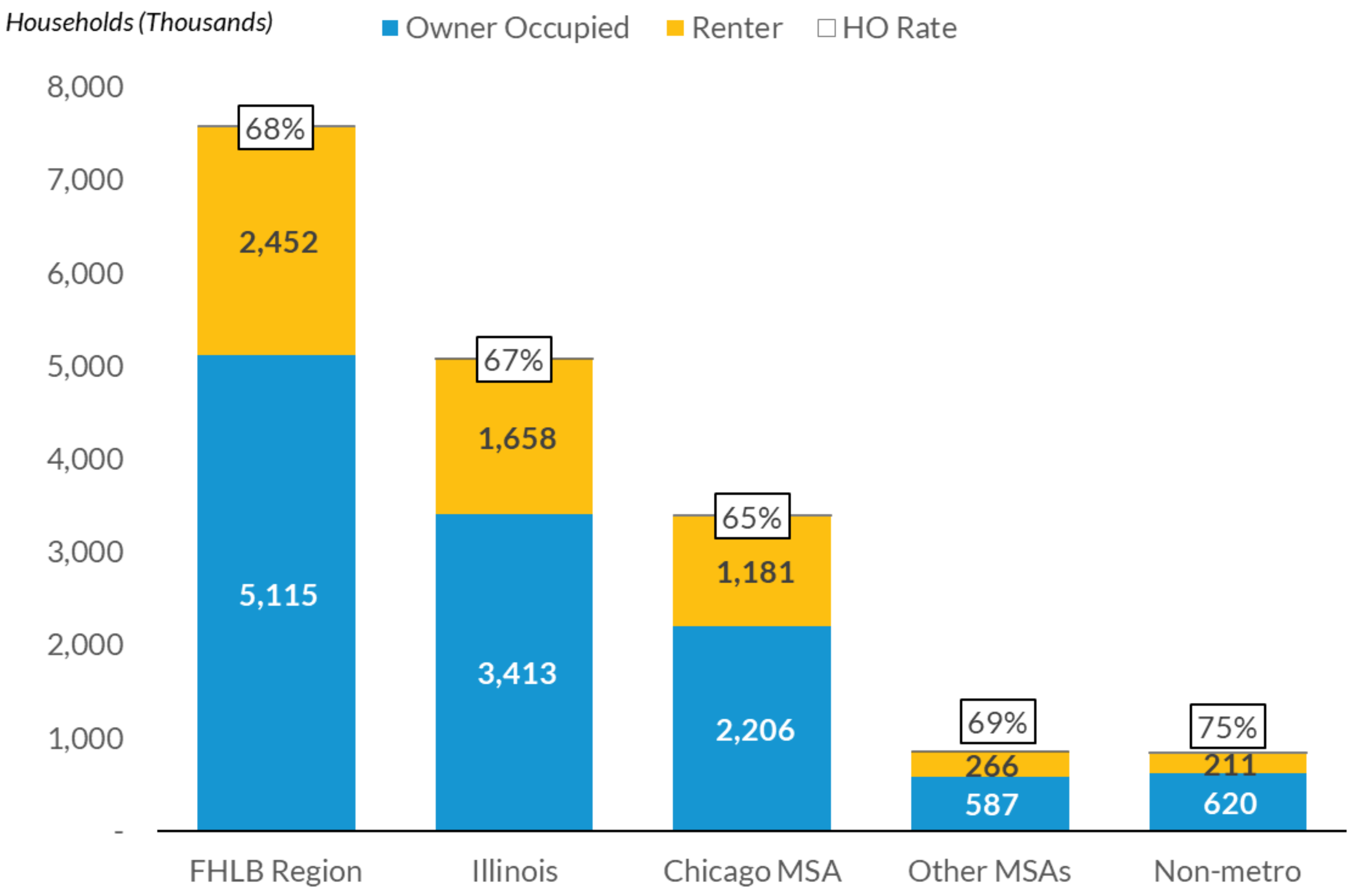
Source: 2013 & 2023 American Community Survey

Demographic Trends
Households, by Tenure

National

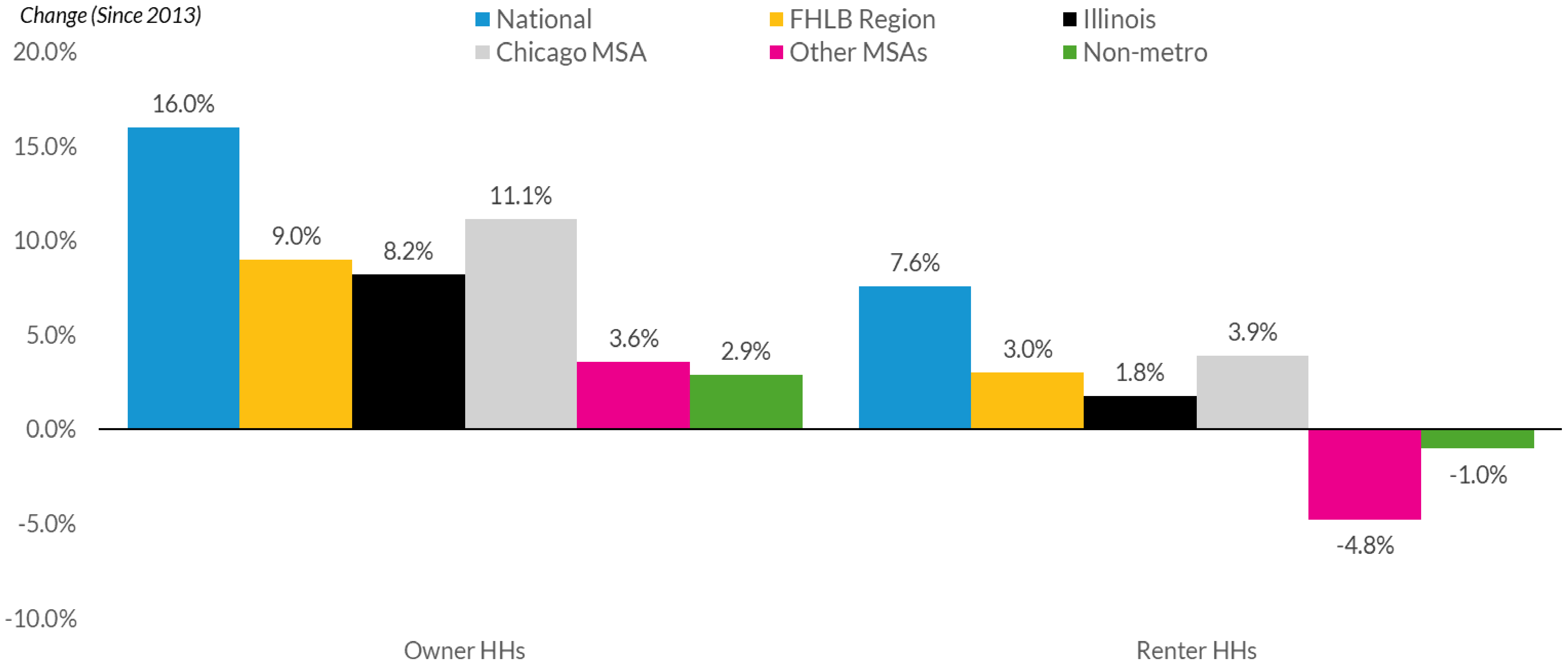


FHLB Region



Source: 2023 American Community Survey

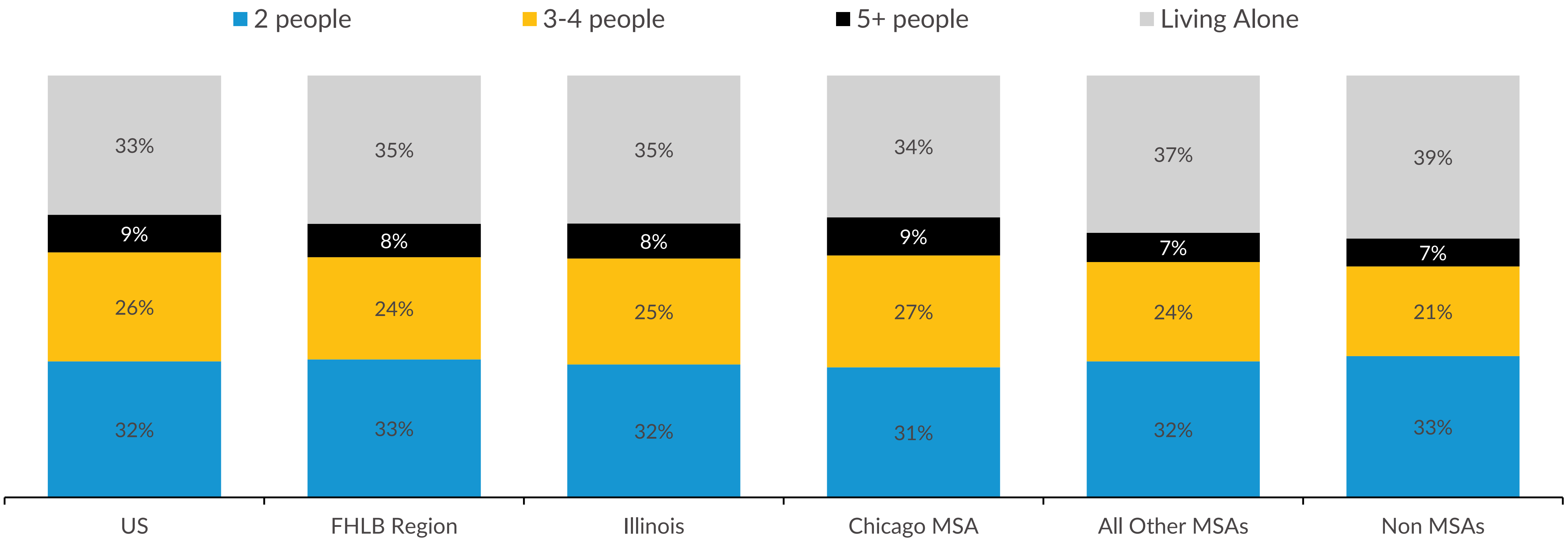
Demographic Trends
Household Count Change (2013 to 2023), by Tenure



Source: 2013 and 2023 American Community Survey.

Demographic Trends
Household Size and Age

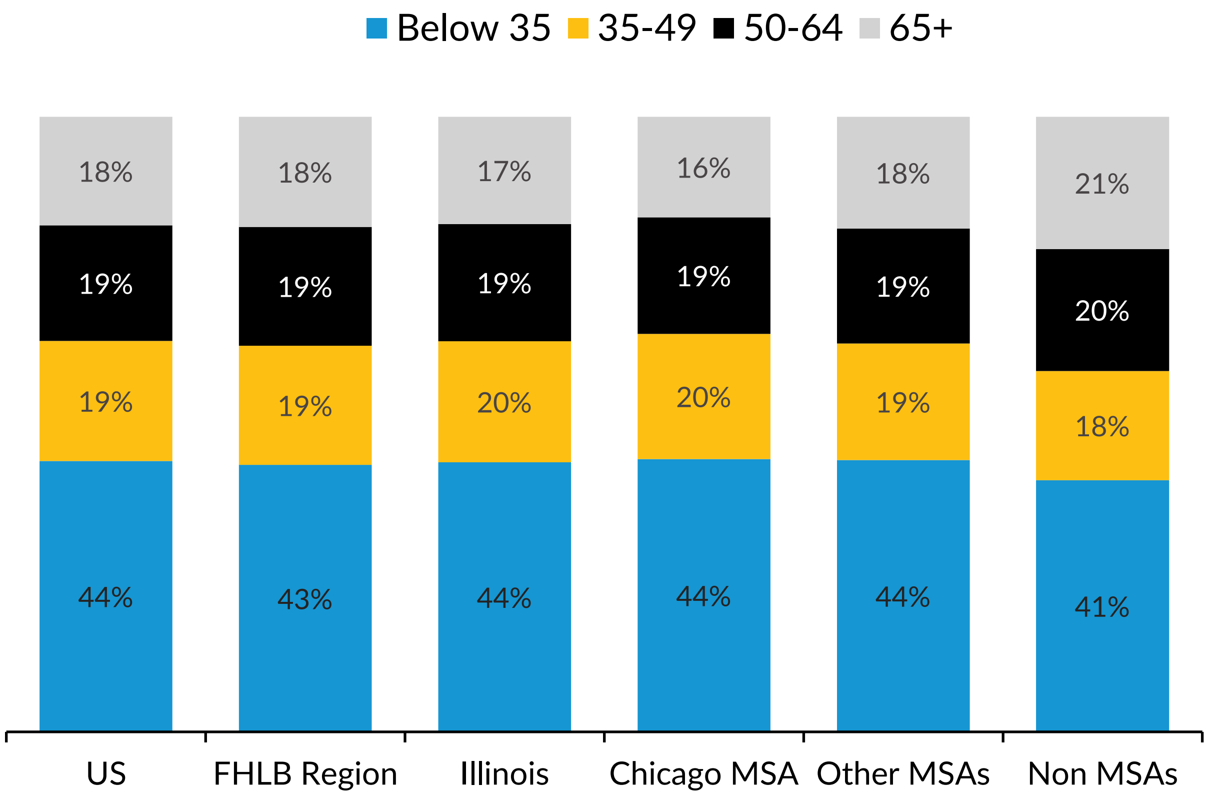
Households, by Household Size



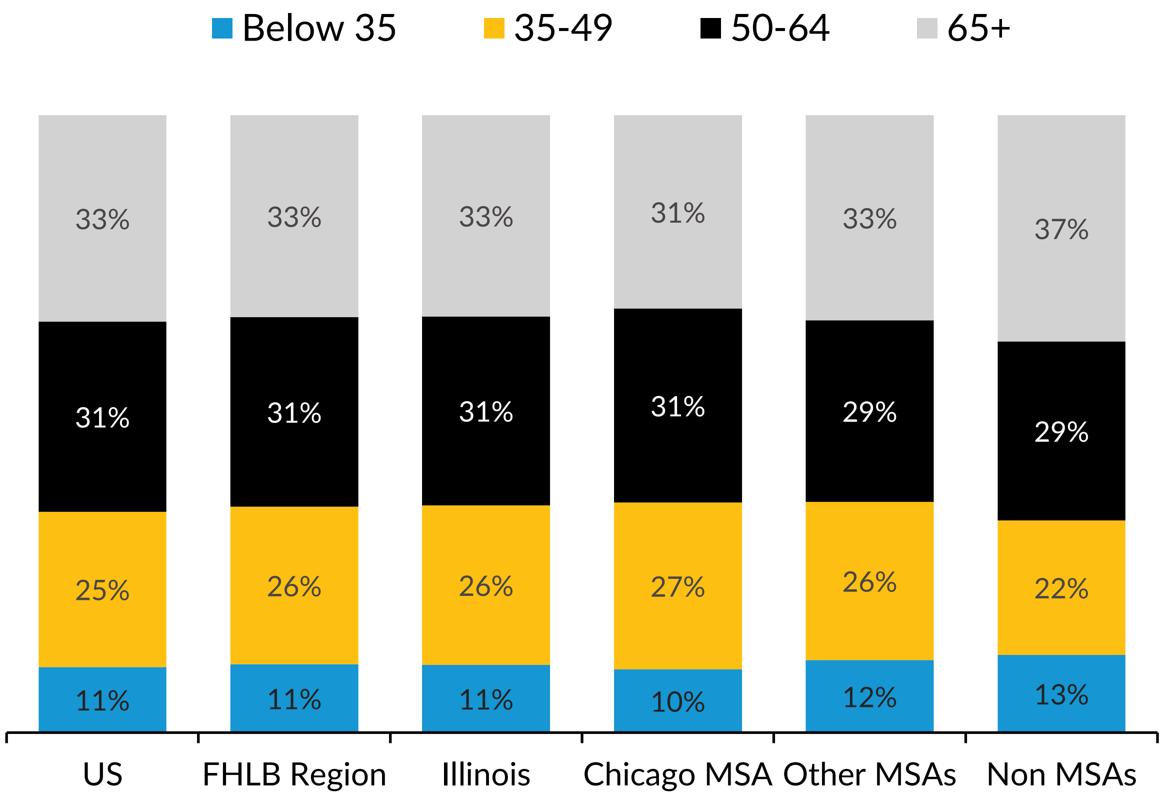
Source: 2023 American Community Survey

Demographic Trends
Household Size and Age

Population Distribution, by Age

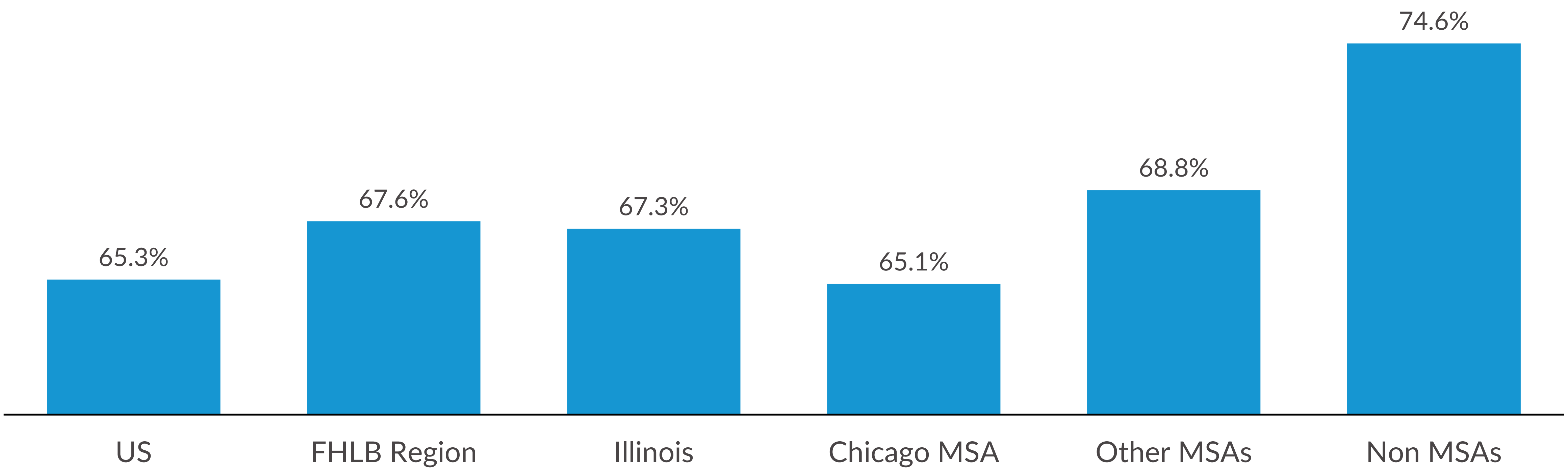


Homeowner Distribution, by Age



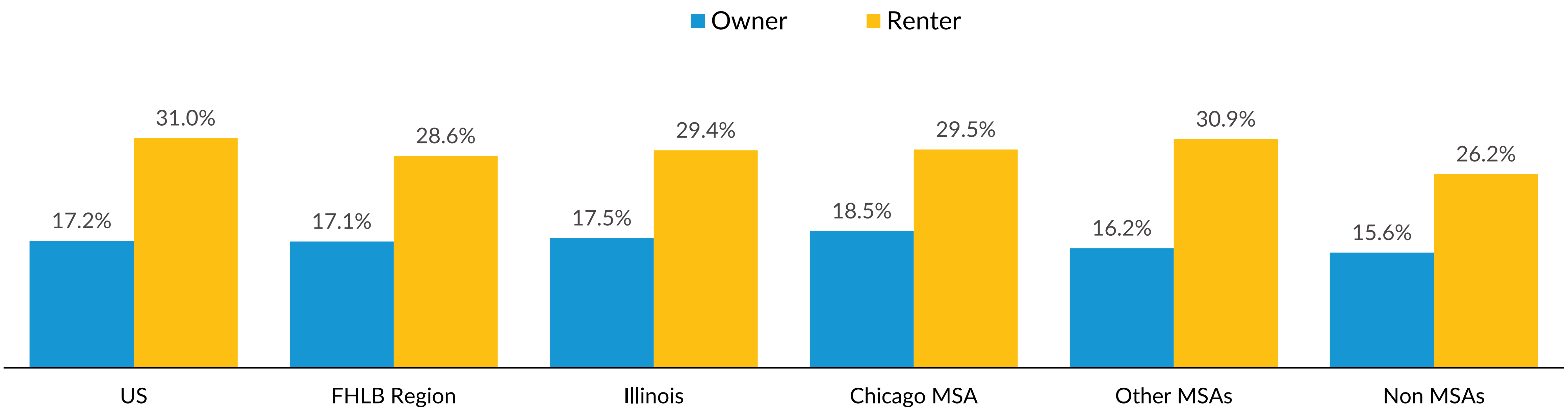
Source: 2023 American Community Survey

Demographic Trends
Homeownership Rates



Source: 2023 American Community Survey

Demographic Trends
Housing Cost Burdens

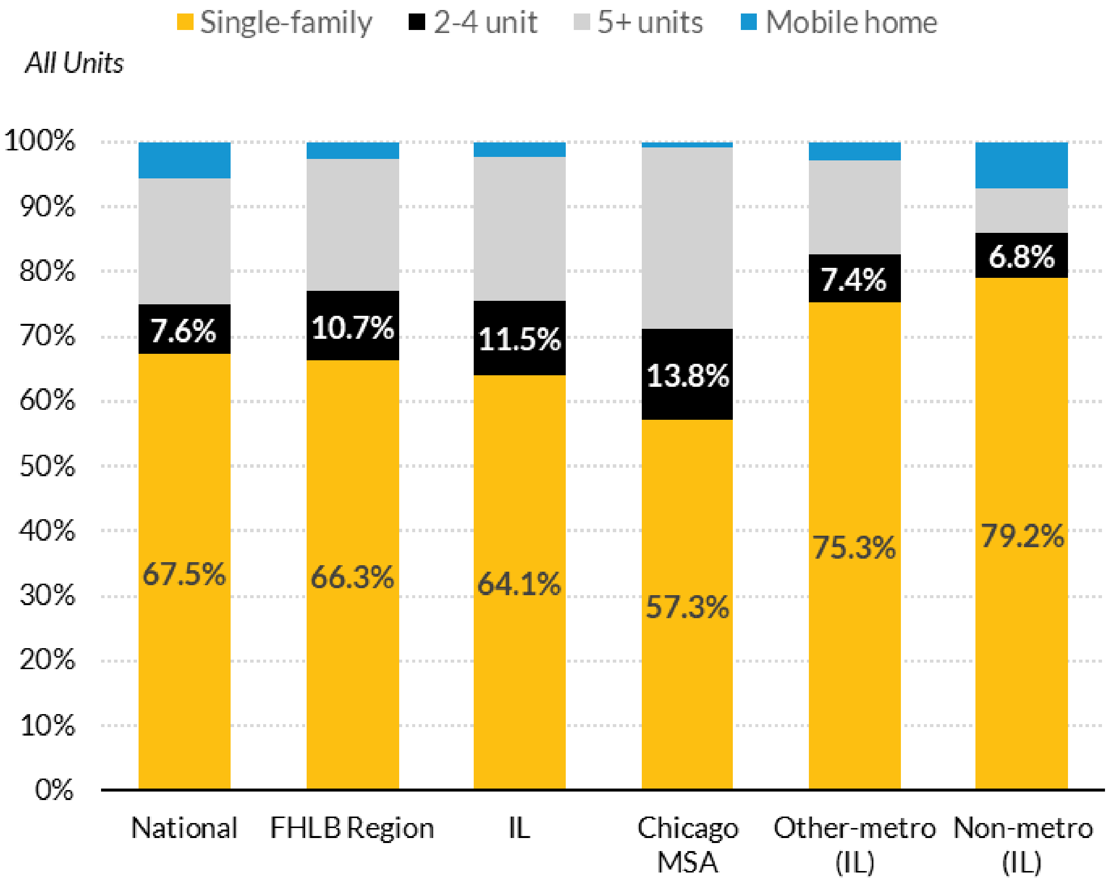


Source: 2023 American Community Survey
Note: Housing cost burden is the share of monthly household income spent on monthly housing expenses including rent or mortgage costs, utilities, insurance, taxes, and more.

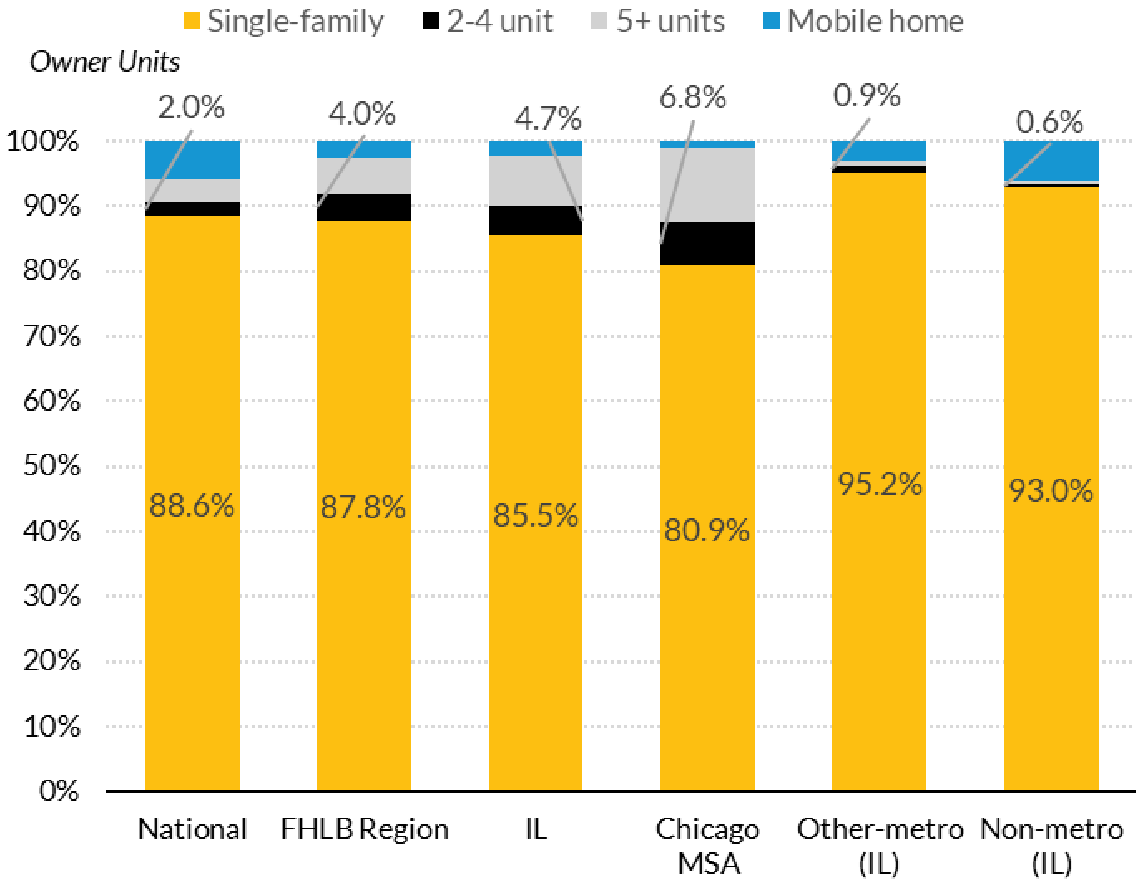
Housing Stock

Housing Stock
Housing Stock Composition

Housing Stock, All Units

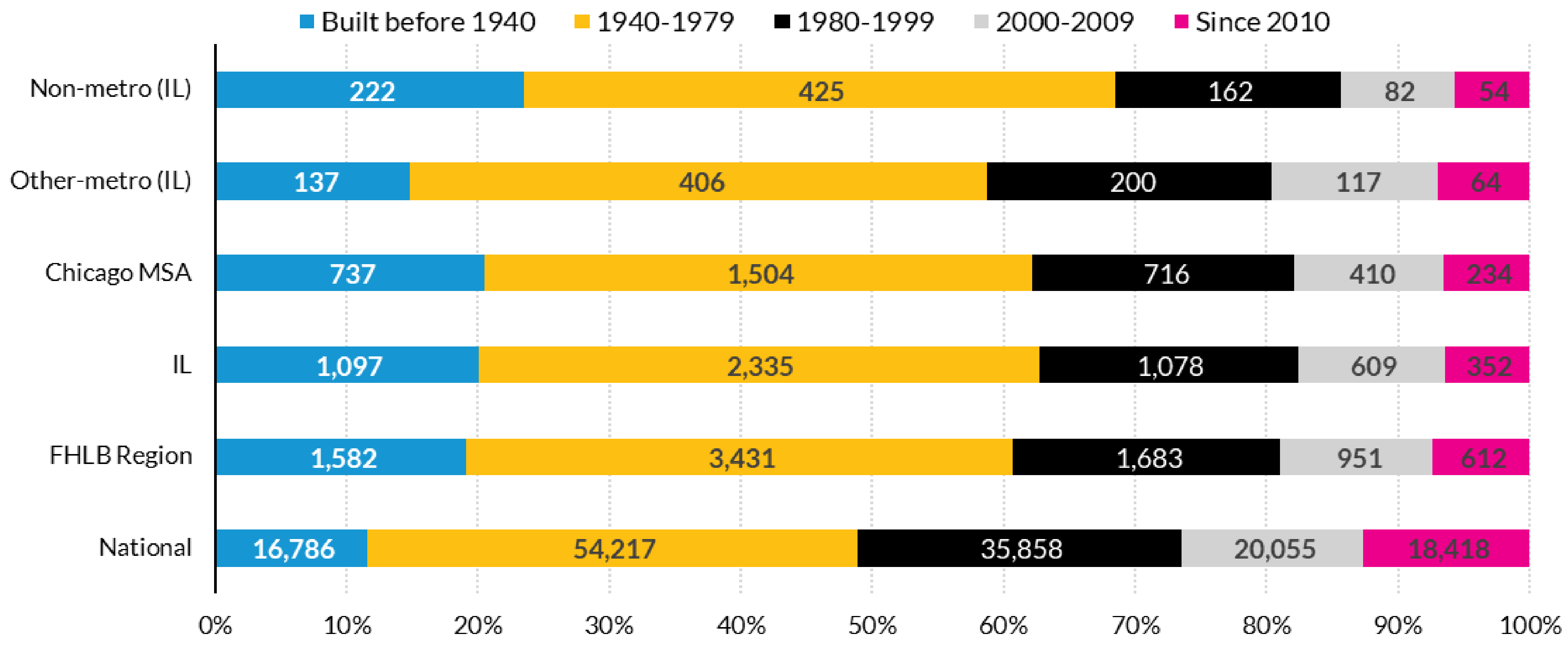


Housing Stock, Owner-Occupied Units



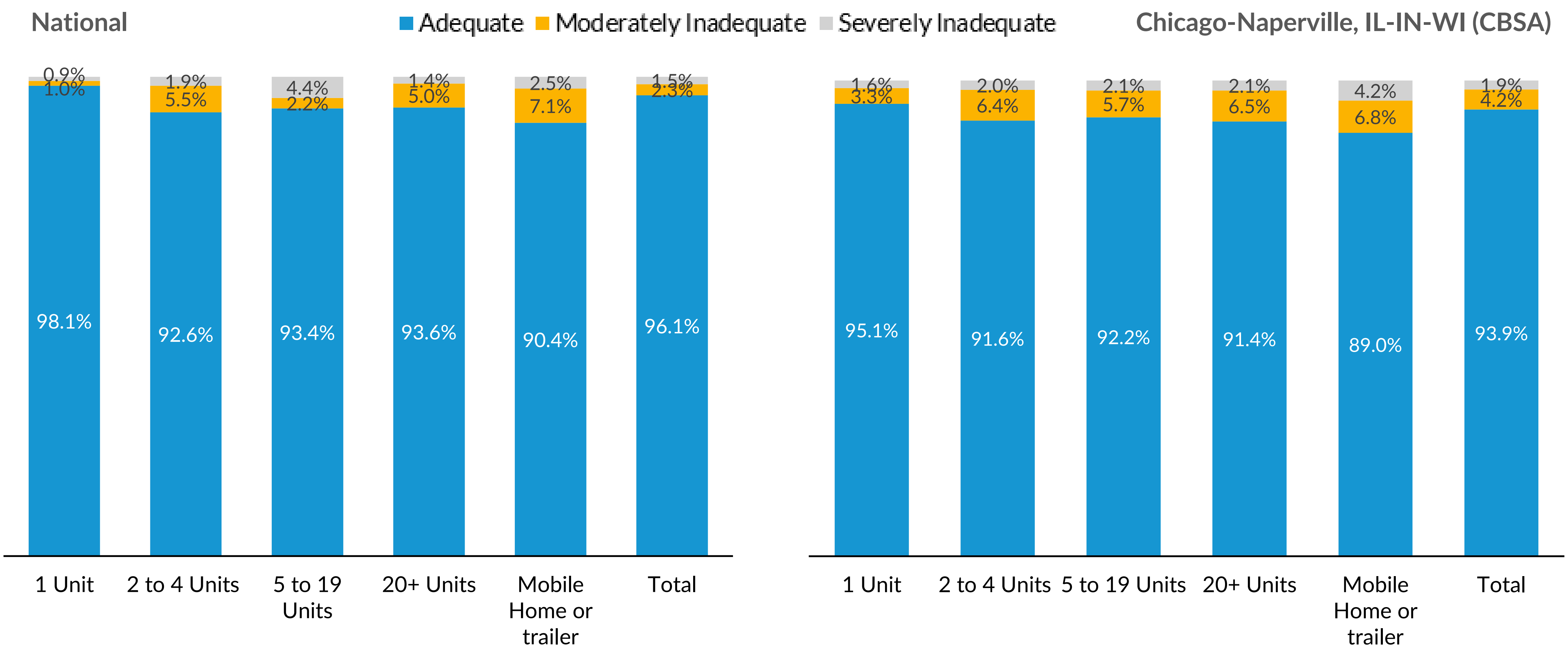
Source: 2023 American Housing Survey

Housing Stock
Age of Housing Stock (Count in thousands)



Source: 2023 American Community Survey

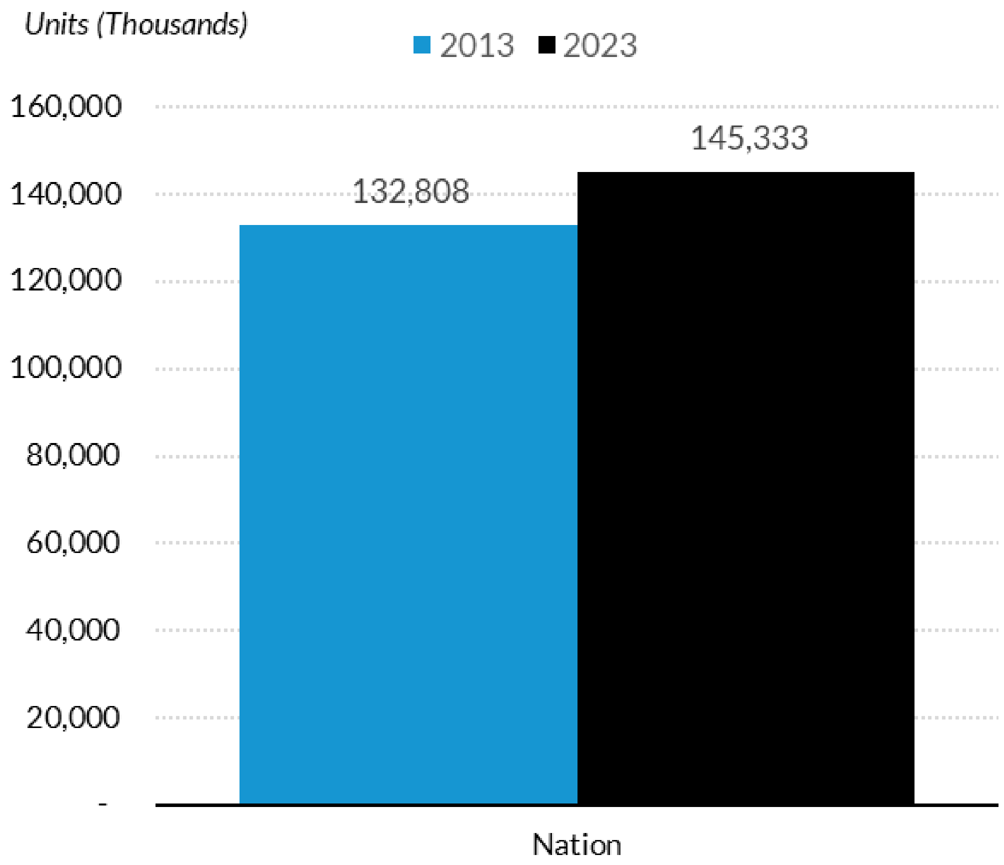
Housing Stock
Property Condition, by Housing Type



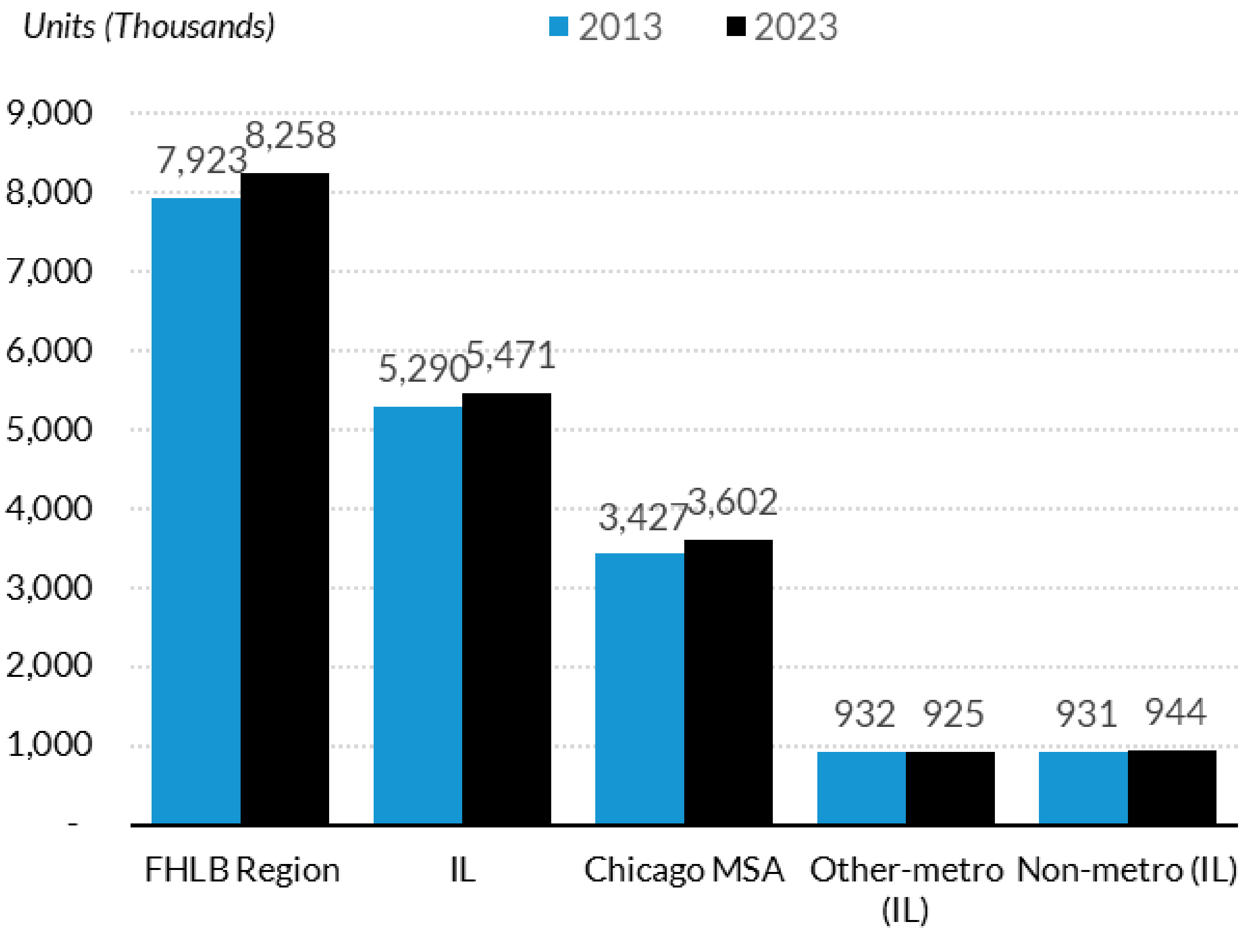
Source: 2023 American Housing Survey
Note: Chicago-Naperville CBSA includes populations across Illinois, Indiana, and Wisconsin

Housing Stock
Total Housing Units, Over Time

National

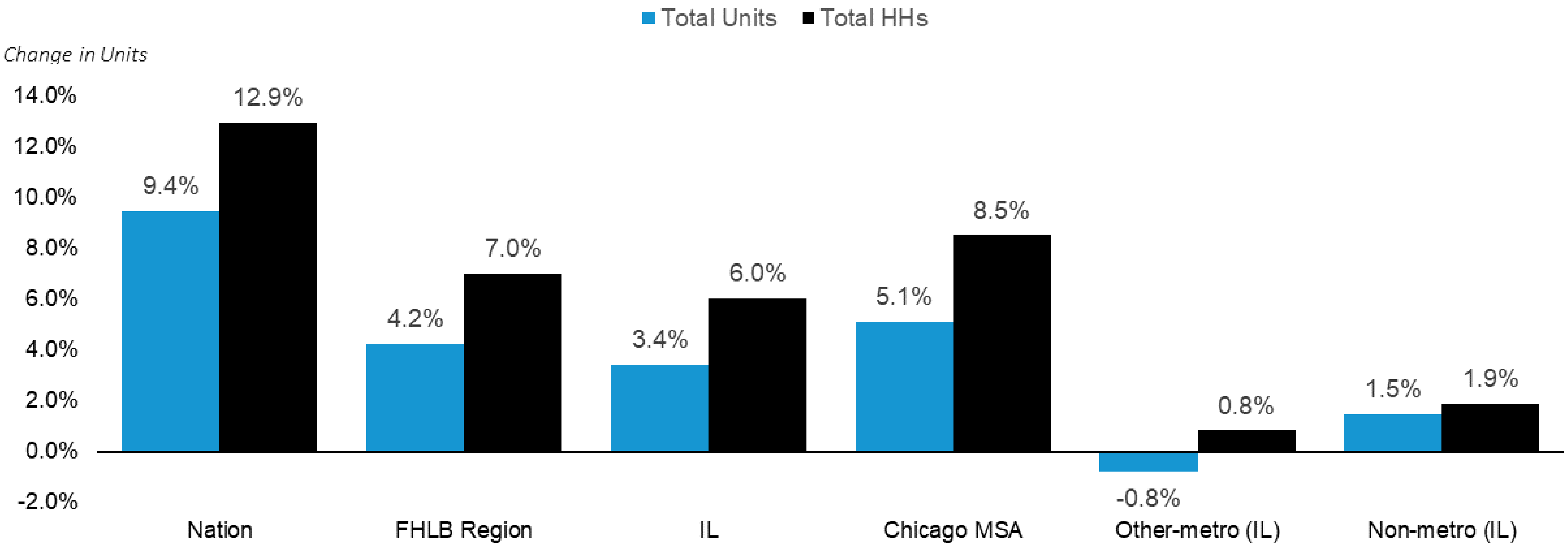


FHLB Region



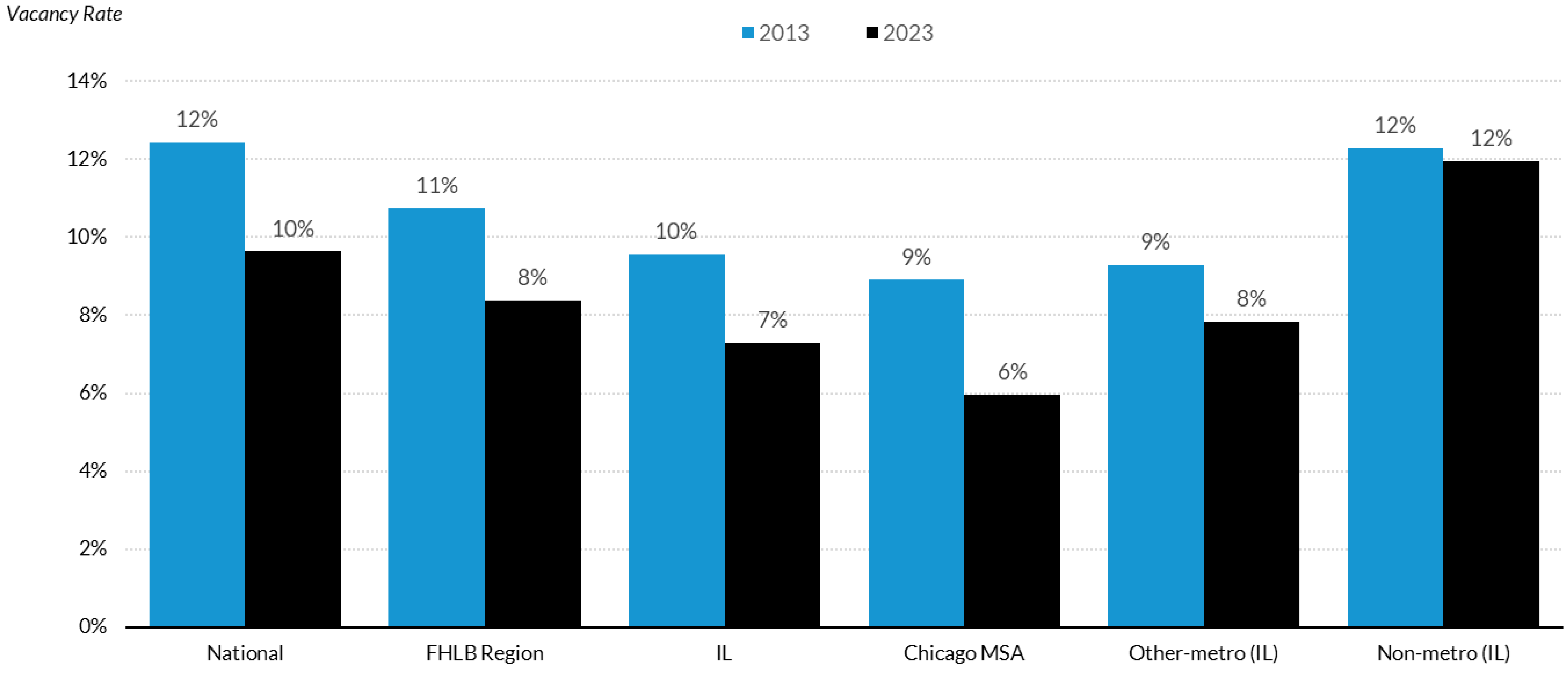
Source: 2013 & 2023 American Community Survey.

Housing Stock
Change in Housing Units and Households, 2013-2023



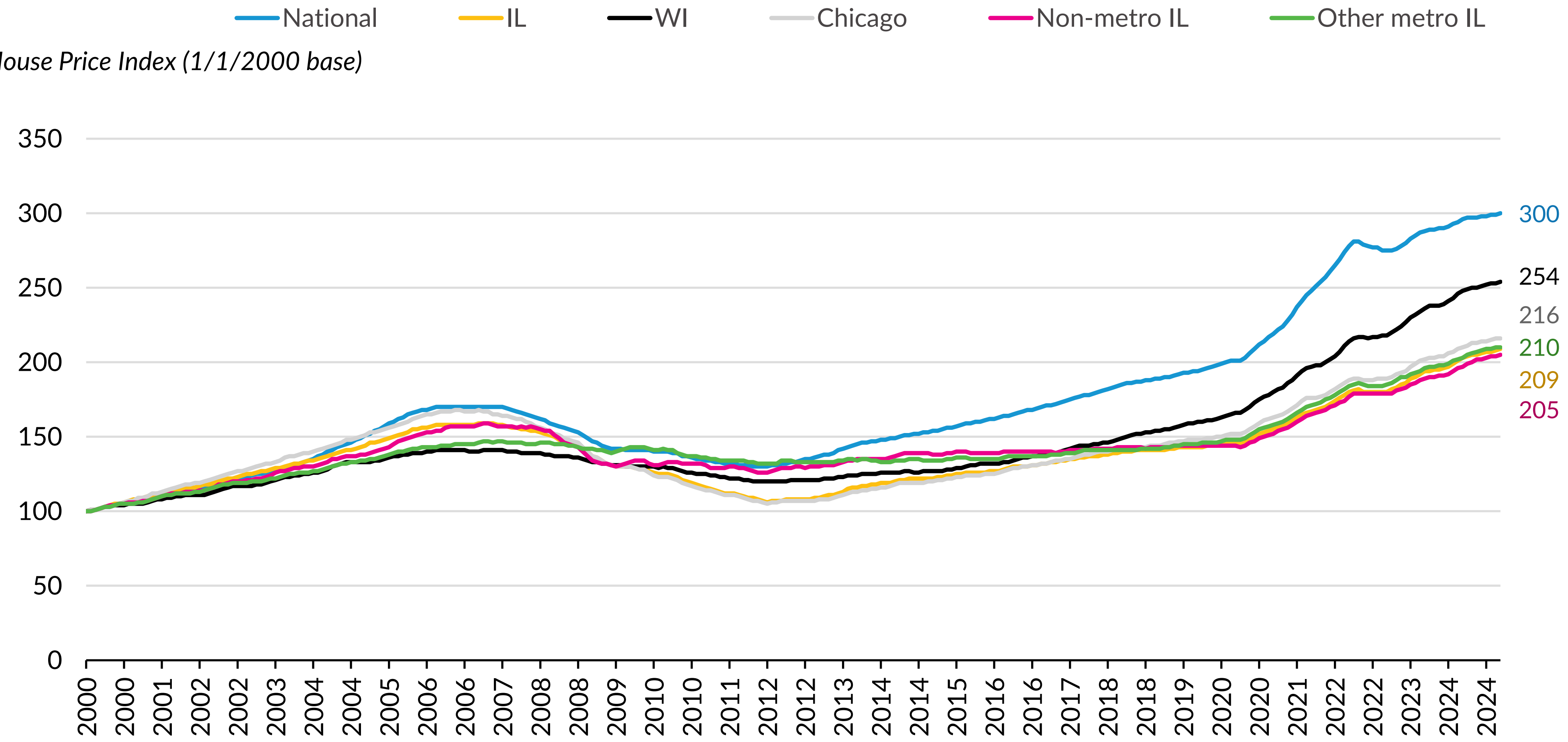
Source: 2013 & 2023 American Community Survey.

Housing Stock
Vacancy Rates, Over Time



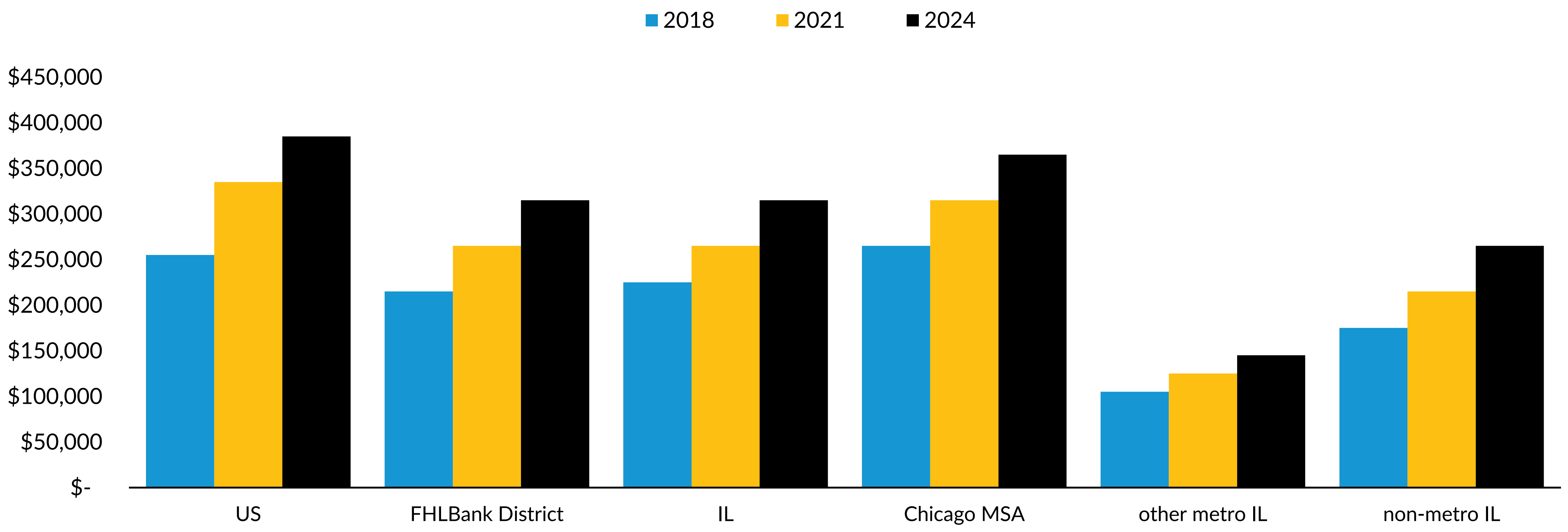
Source: 2013 & 2023 American Community Survey.

Housing Stock
House Price Appreciation



Source: Core Logic House Price Index and Urban Institute calculations

Housing Stock
Median Home Purchase Prices

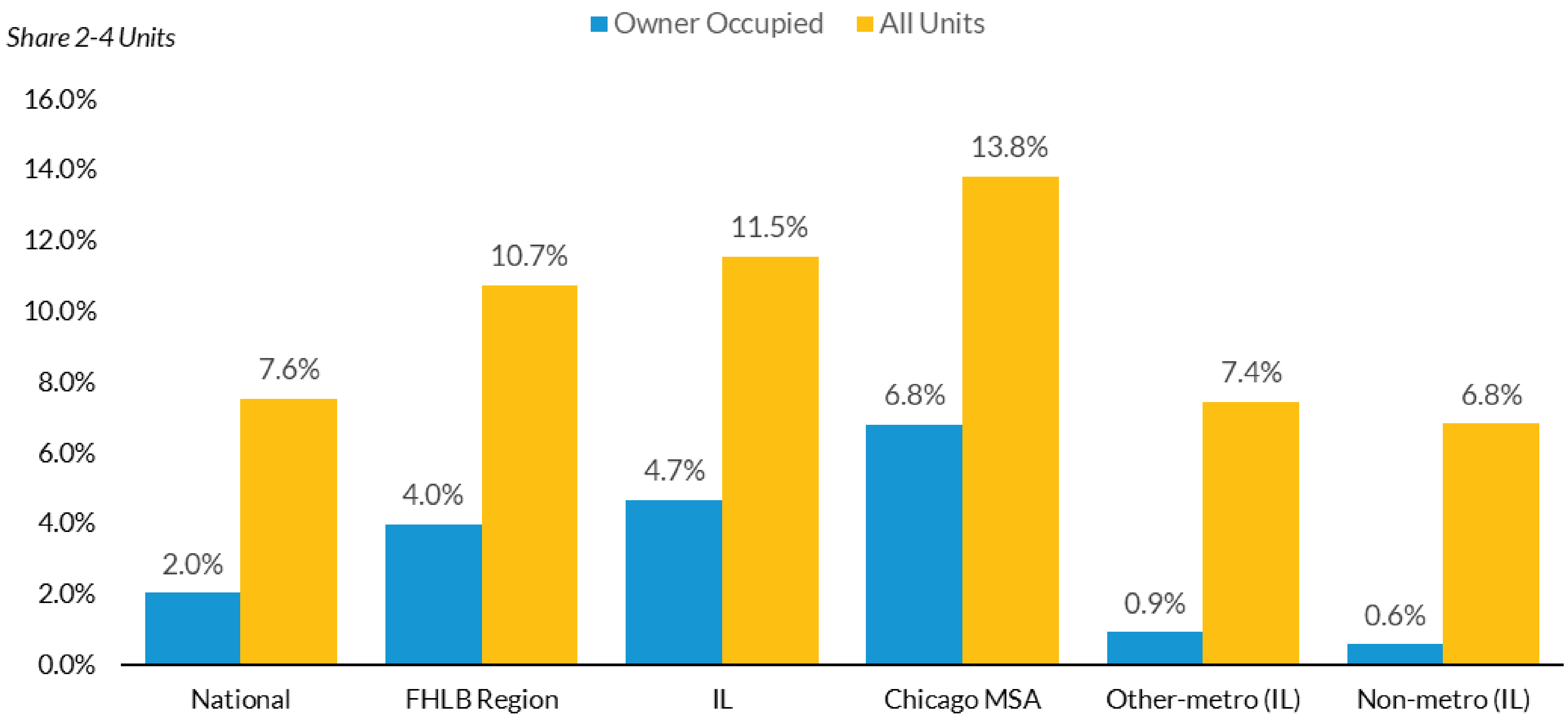


Source: Home Mortgage Disclosure Act.
Note: 1st Lien, 1-4 Unit, Owner-Occupied Home Purchase Loans.

2-4 Unit Homes

2-4 Unit Homes

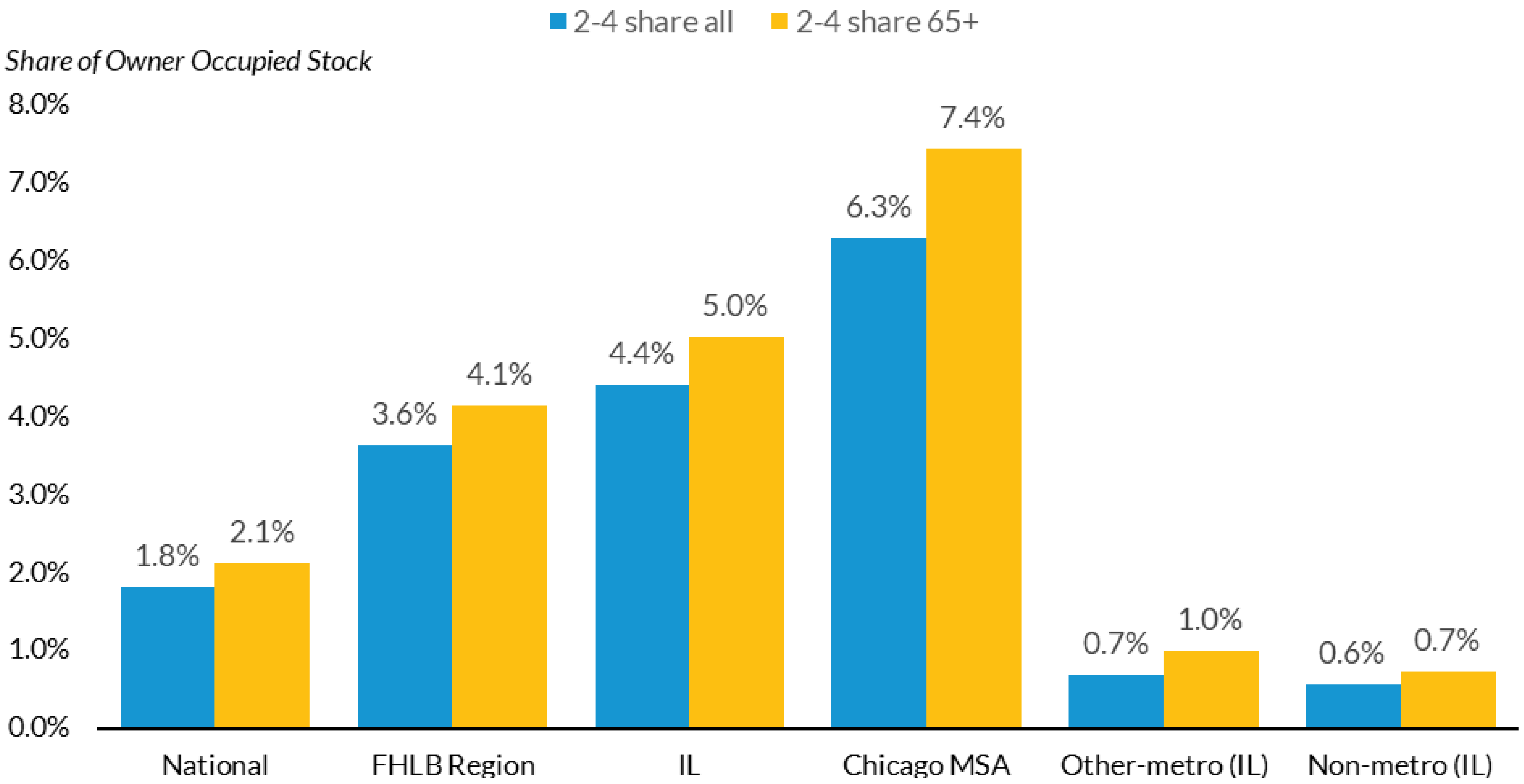
2-4 Unit Homes as a Share of Total Housing Stock



Source: 2023 American Community Survey.

2-4 Unit Homes

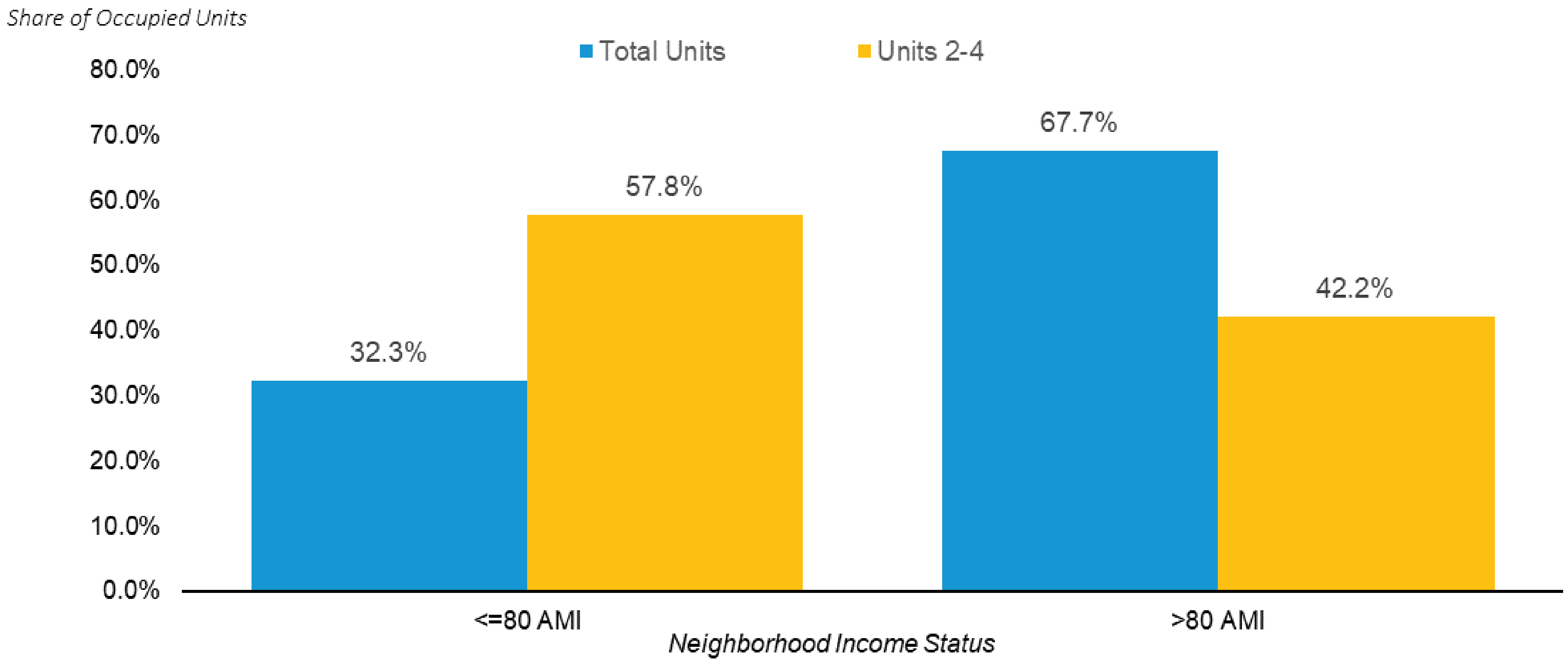
2-4 Units as a Share of Total Housing Stock, by Age of Householder



Source: 2023 American Community Survey.

2-4 Unit Homes
2-4 Units by Tract Demographics

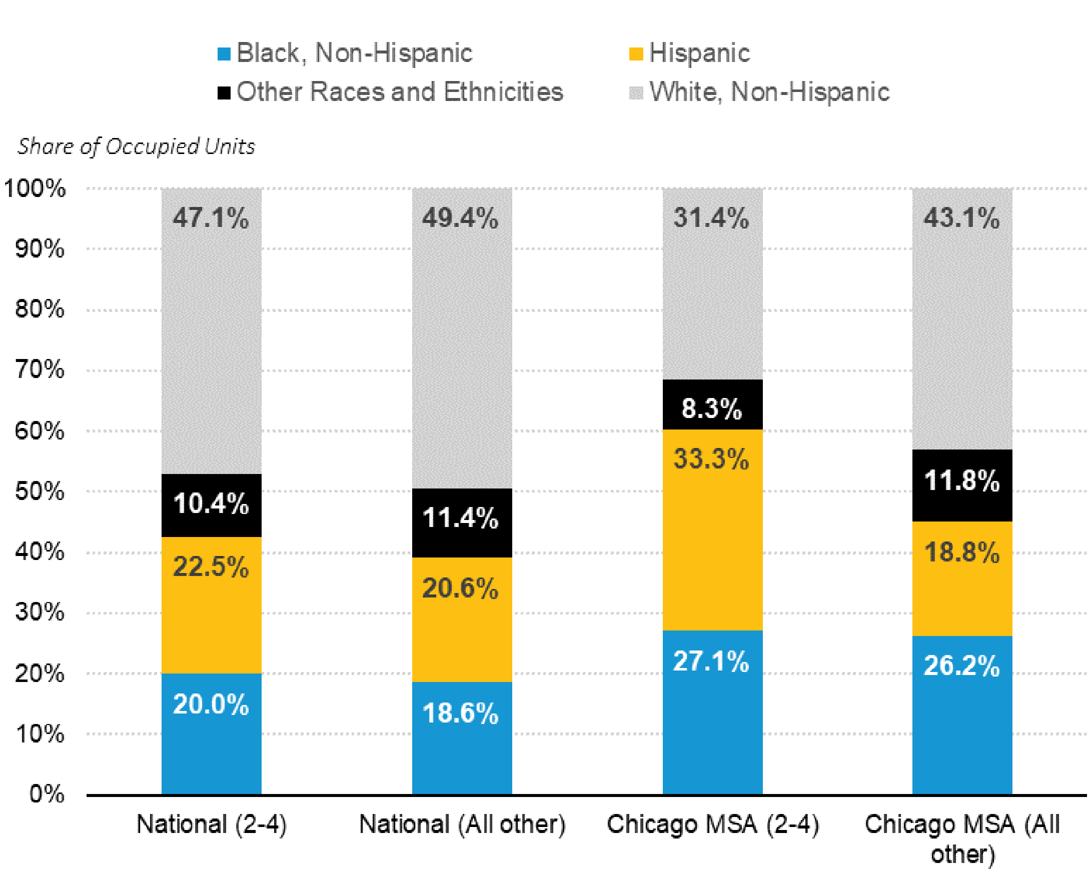
By Neighborhood Income (Chicago MSA)



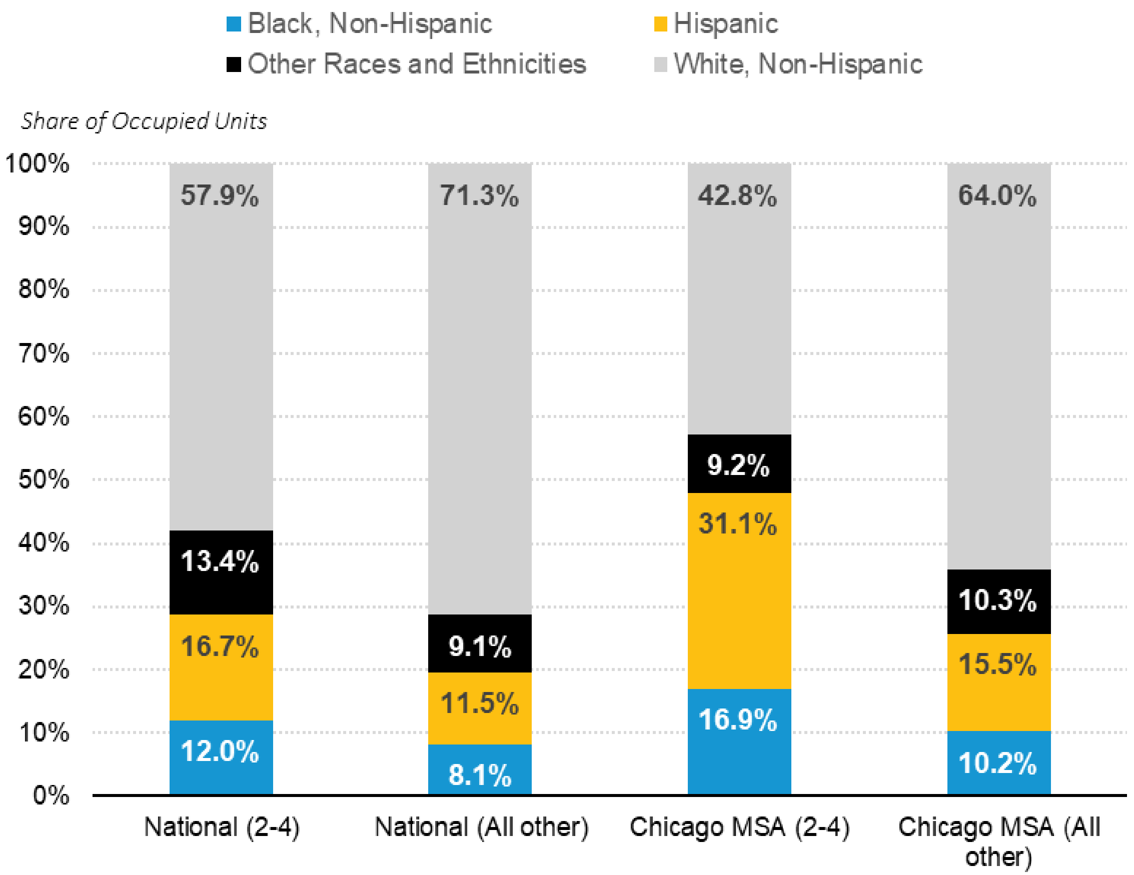
Source: 2023 American Community Survey and FFIEC

2-4 Unit Homes
2-4 Units by Household Demographics

Renters



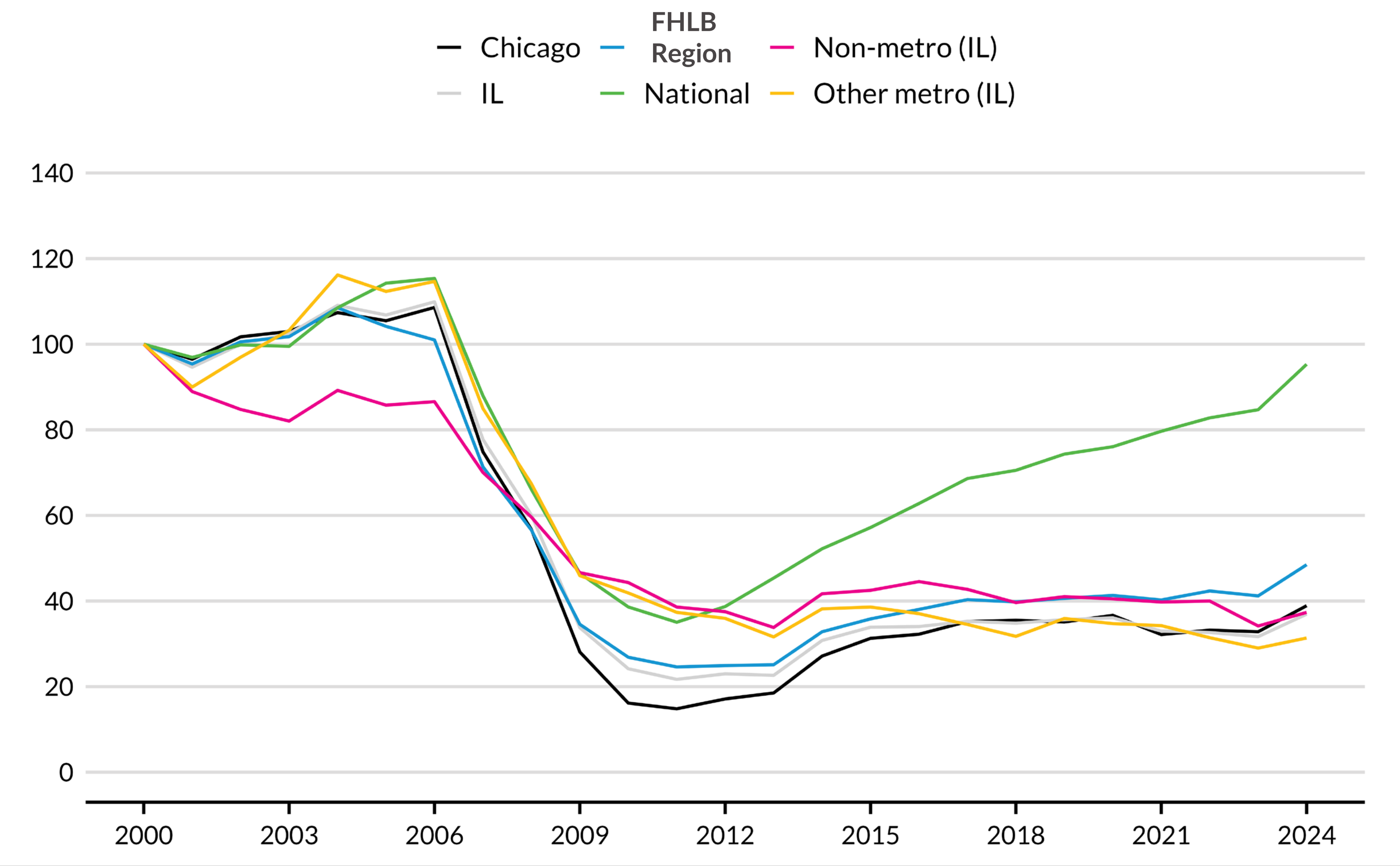
Owners



Source: 2023 American Community Survey.

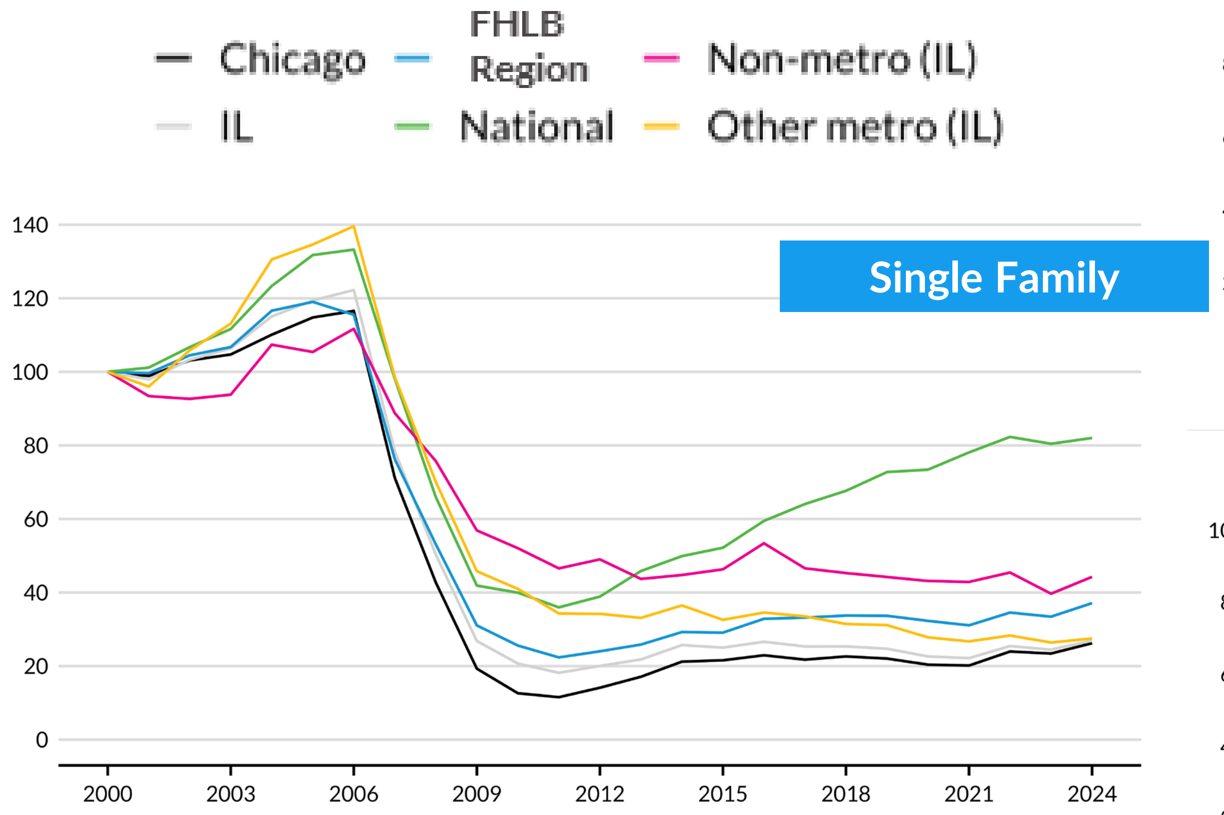
Housing Construction

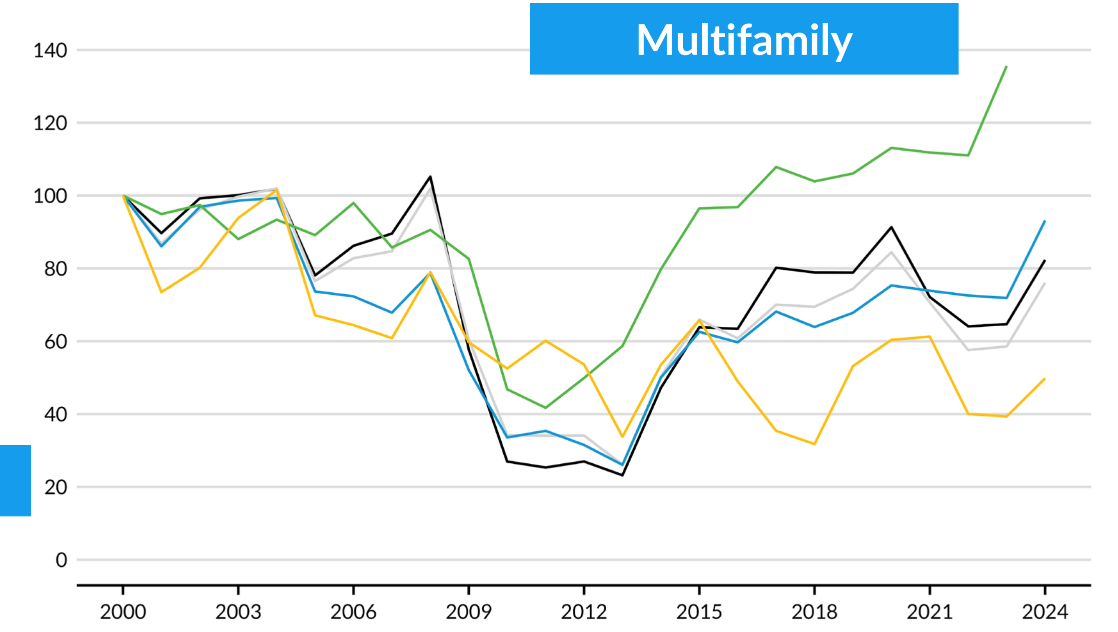
Housing Construction
Total Construction Index (2000 Base)

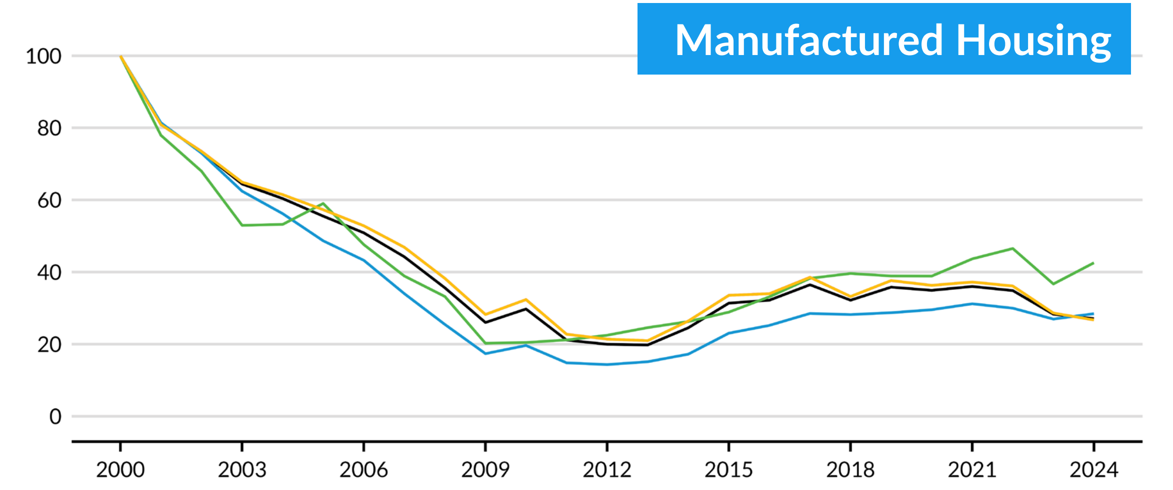


Source: Moody's Data Buffet, US Census Bureau's New Residential Construction and Urban Institute calculations.

Housing Construction
Construction Indices (2000 Base)

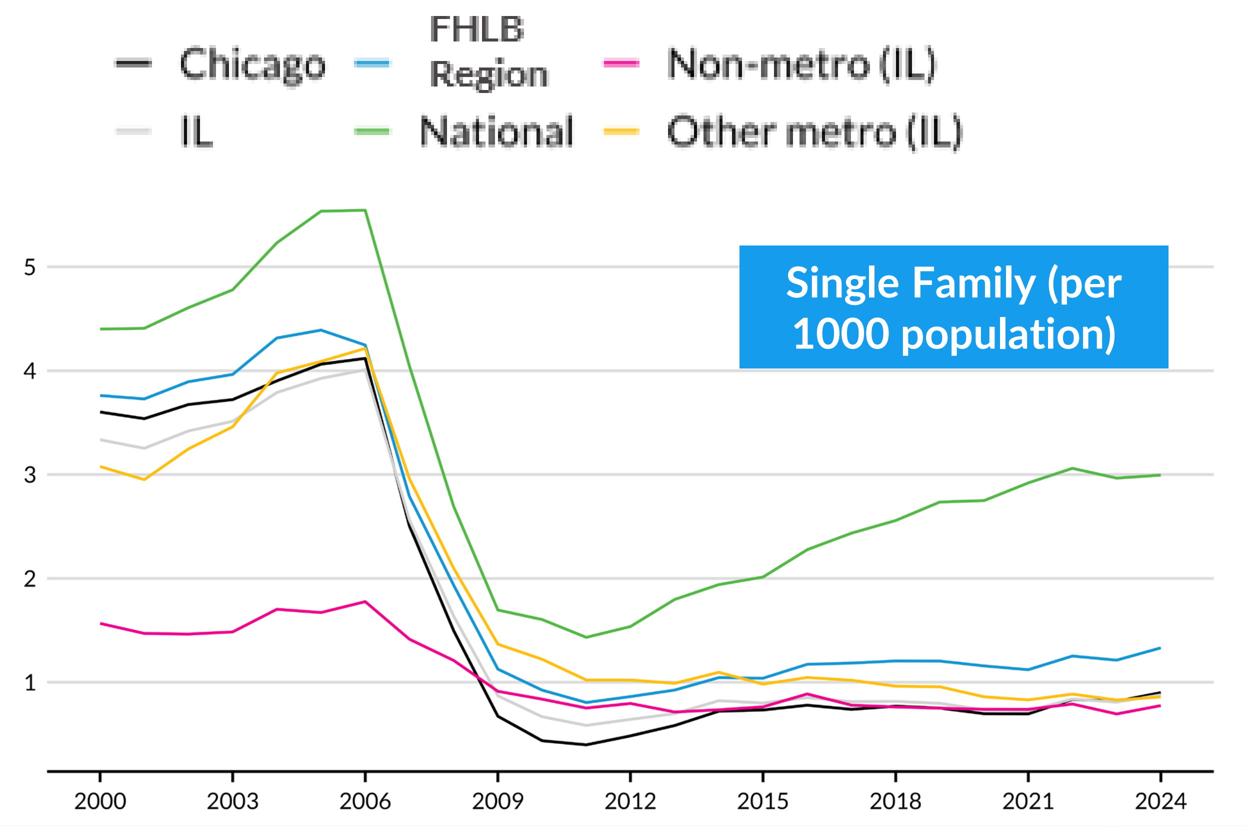


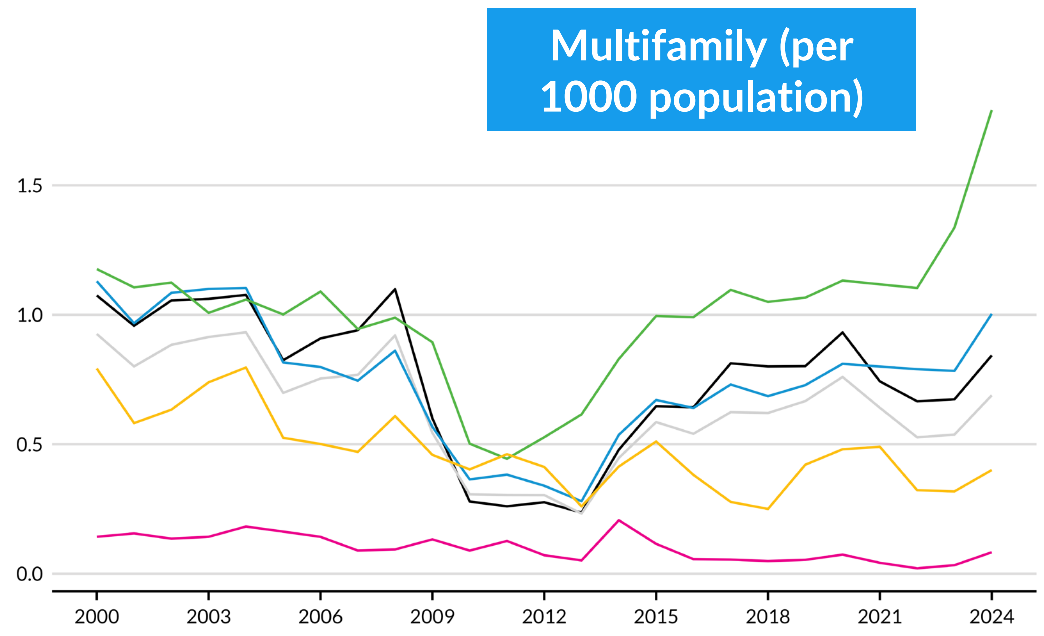


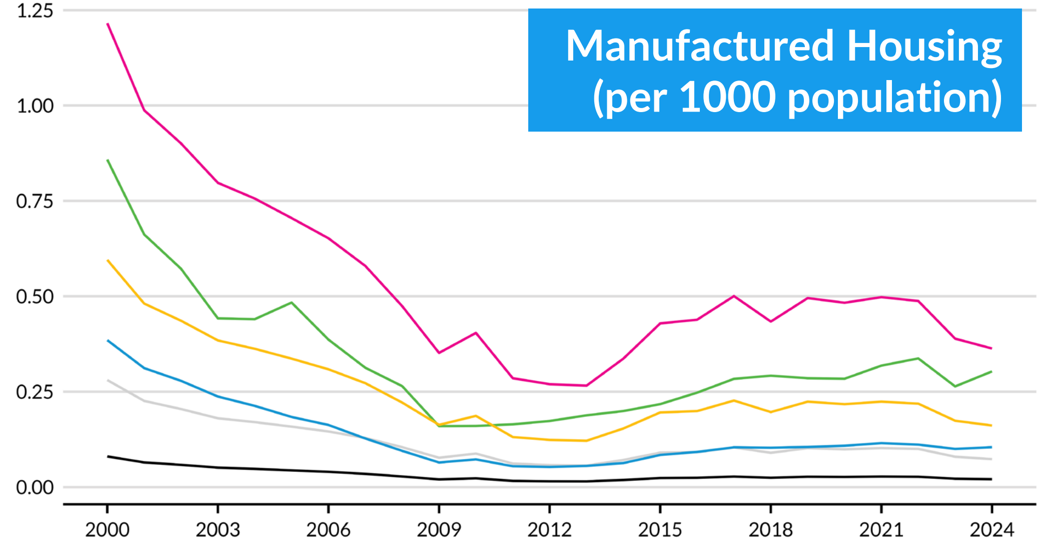


Source: Moody's Data Buffet, US Census Bureau's New Residential Construction and Urban Institute Calculations.
Note: Non-Metro (IL) removed from multifamily index due to data validity concerns.

Housing Construction
Construction Indices (2000 Base)

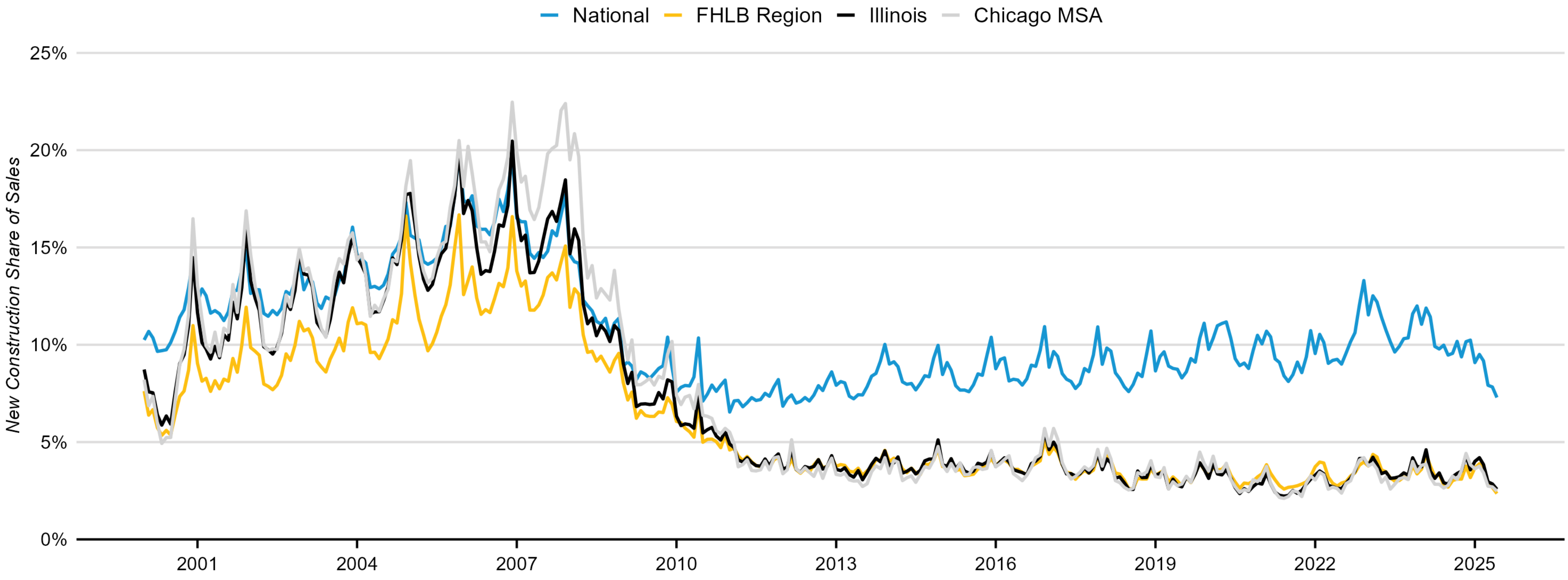






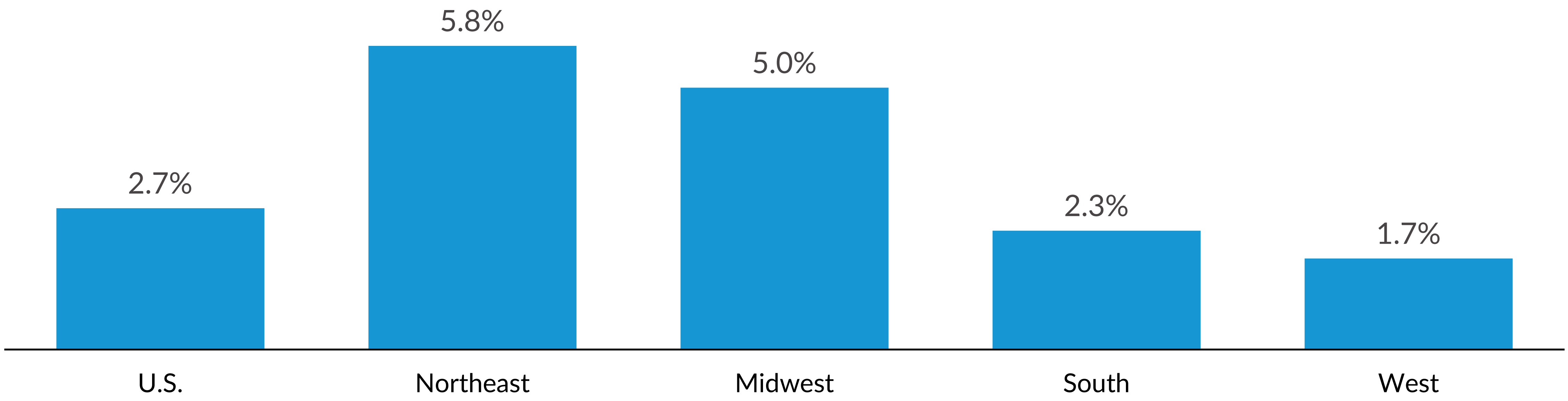
Source: Moody's Data Buffet, US Census Bureau's New Residential Construction and Urban Institute Calculations.

Housing Construction
Share of Home Sales, New Construction



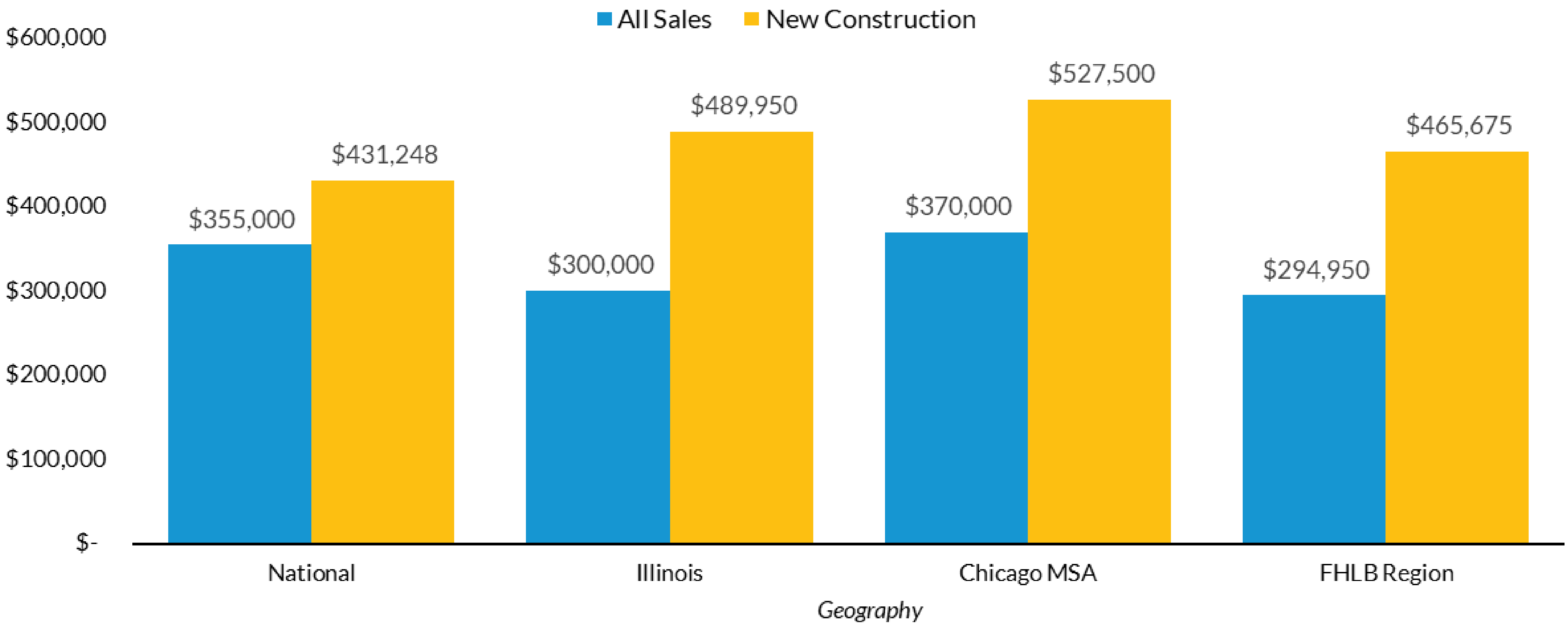
Source: Core Logic Market Trends and Urban Institute calculations

Housing Construction
Share of Modular and Panelized Completions in New Single-Family Construction



Source: Urban Institute calculations of U.S. Census Bureau and HUD Survey of Construction data.

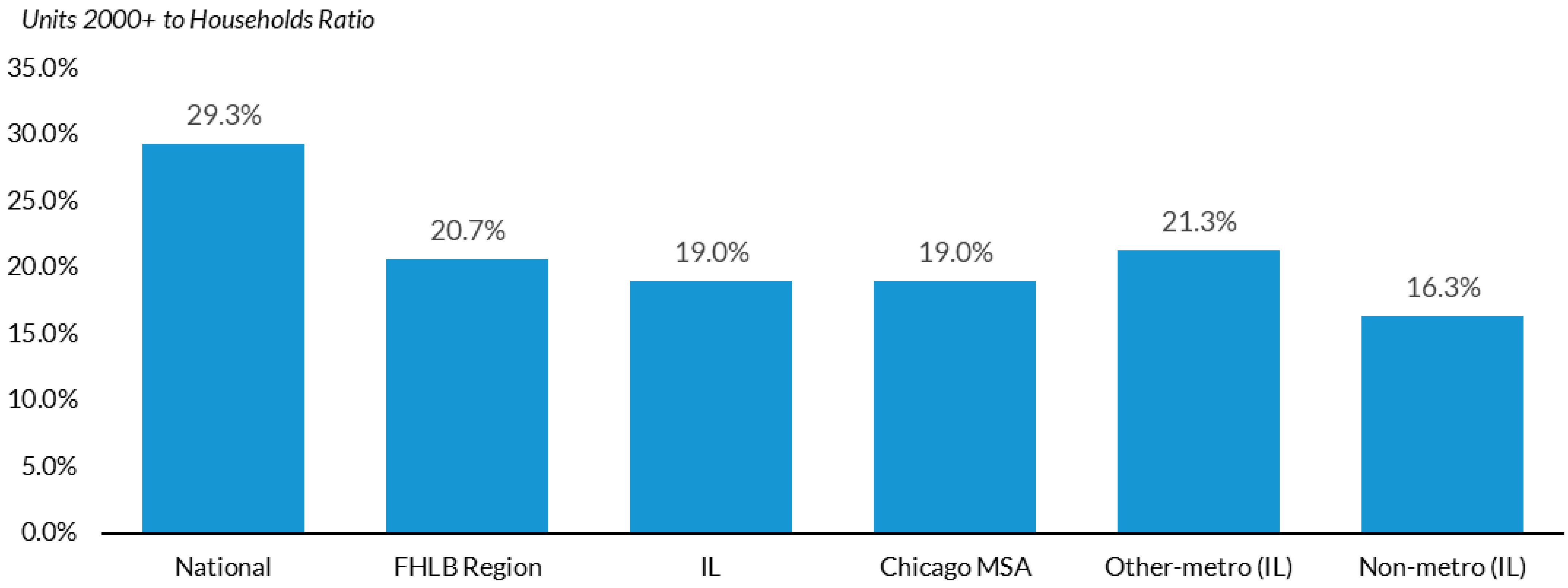
Housing Construction
Median Home Sale Value



Source: Core Logic Market Trends and Urban Institute calculations

Housing Construction

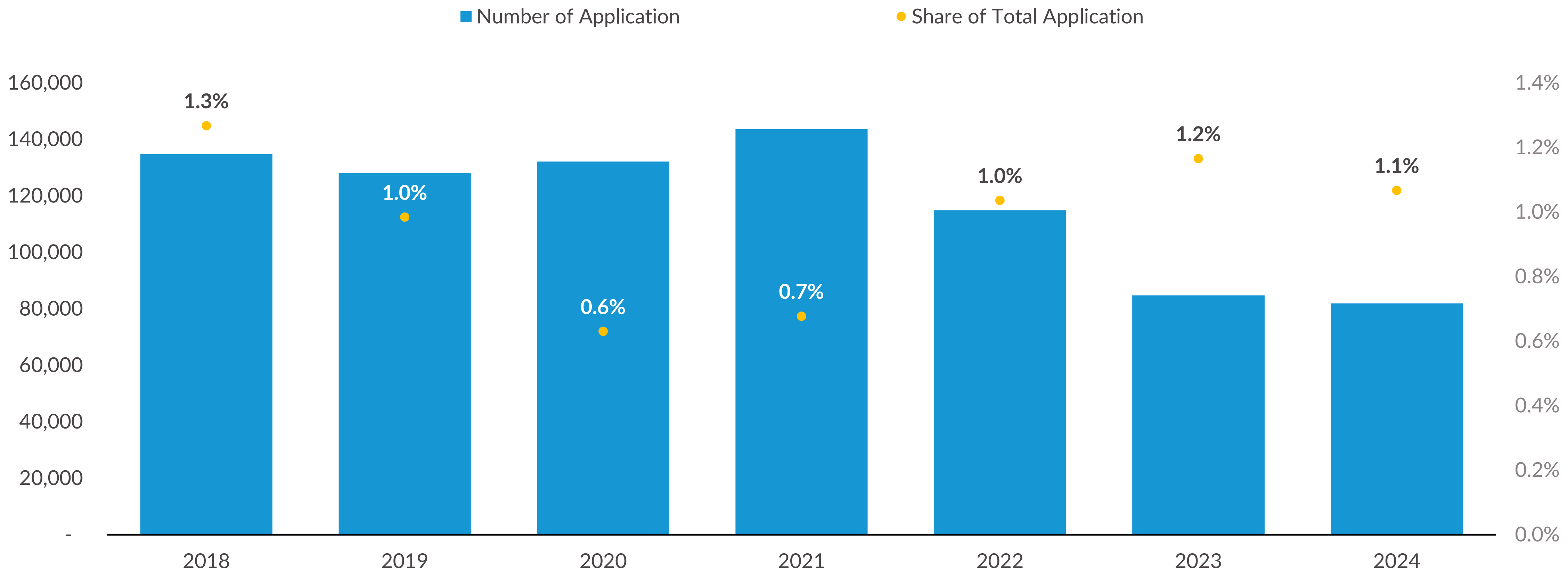
Units Built After 2000, as a Share of Total Households



Source: 2023 American Community Survey.

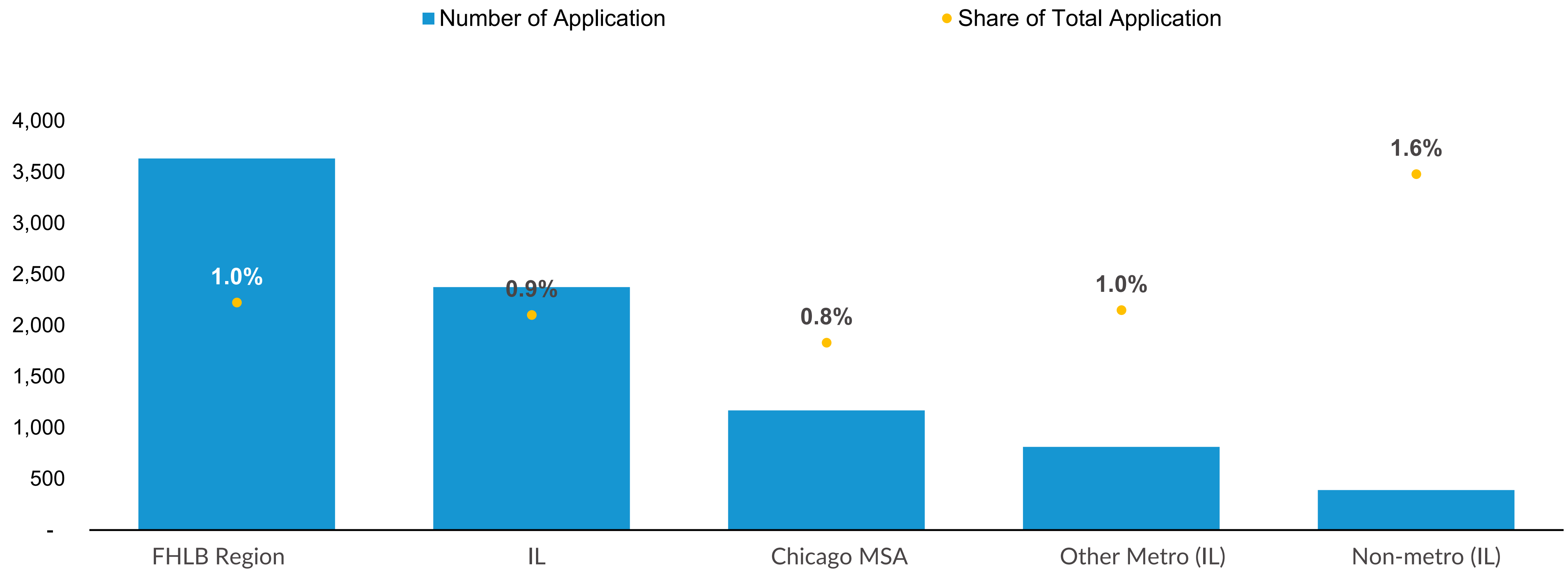
Renovation Financing

Renovation Financing
Home Improvement Loan Applications, US



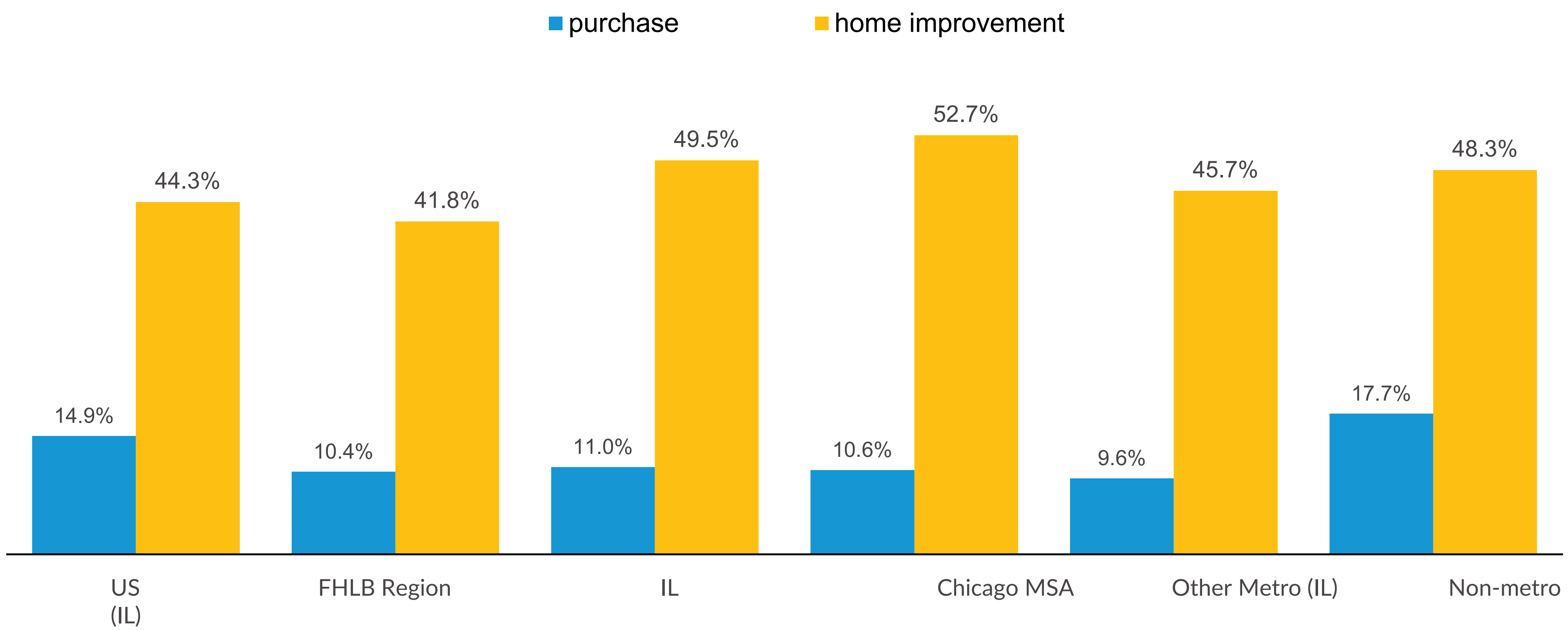
Source: Home Mortgage Disclosure Act and Urban Institute calculations

Renovation Financing
Home Improvement Loan Applications, Illinois



Source: 2024 Home Mortgage Disclosure Act and Urban Institute calculations

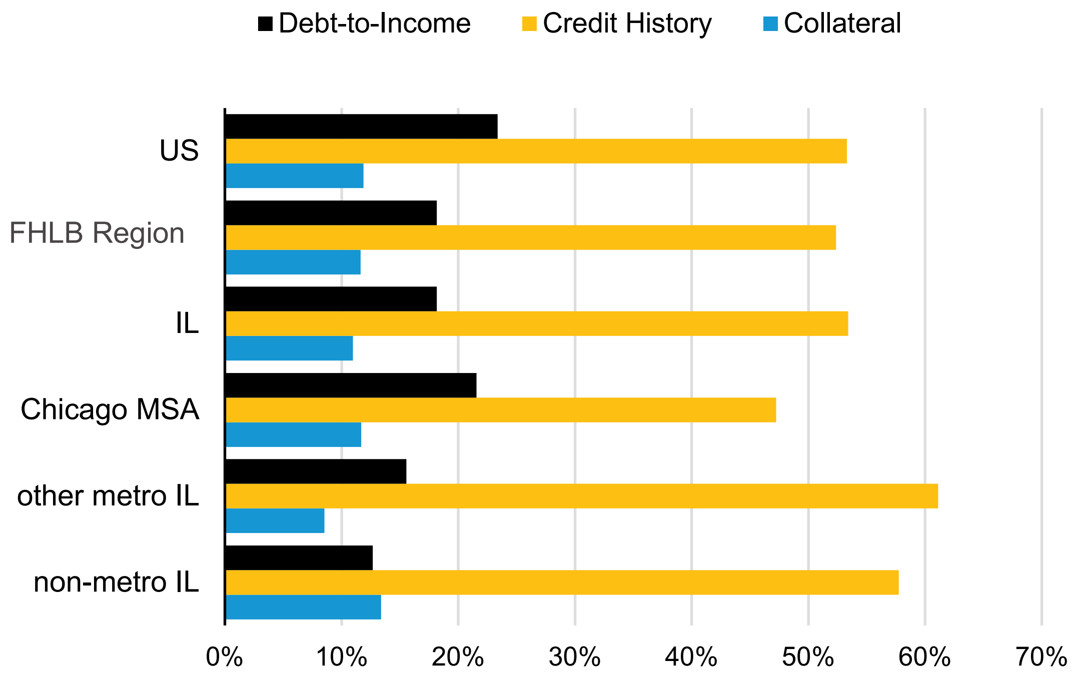
Renovation Financing
Home Loan Denial Rates



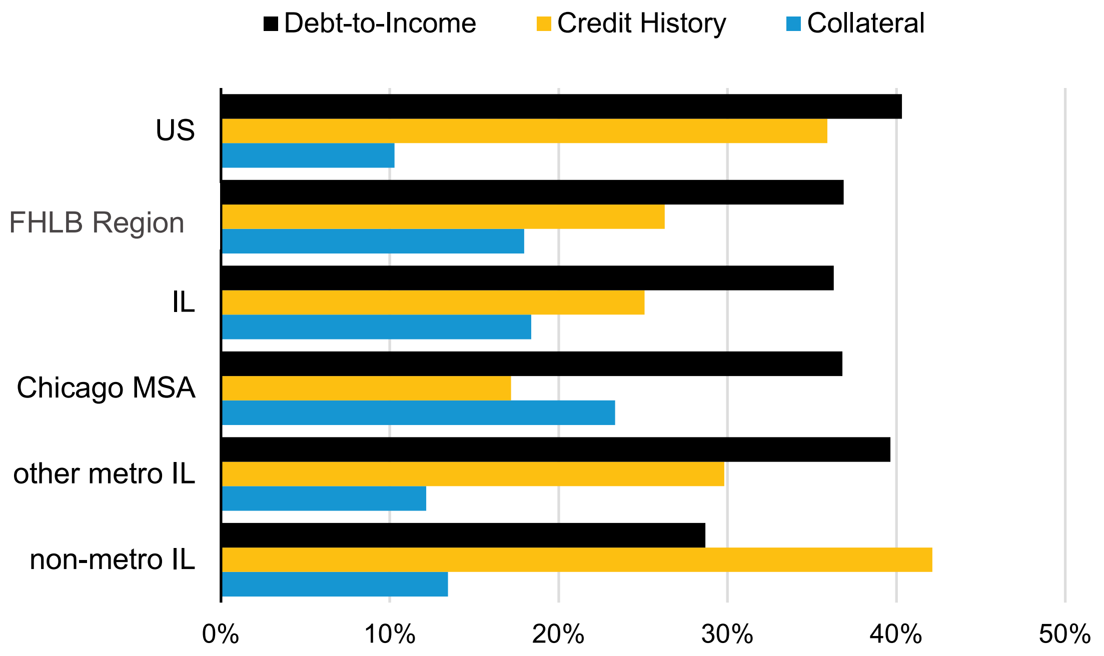
Source: 2024 Home Mortgage Disclosure Act and Urban Institute calculations

Renovation Financing
Top 3 Denial Reasons

Home Improvement Loans



Home Purchase Loans

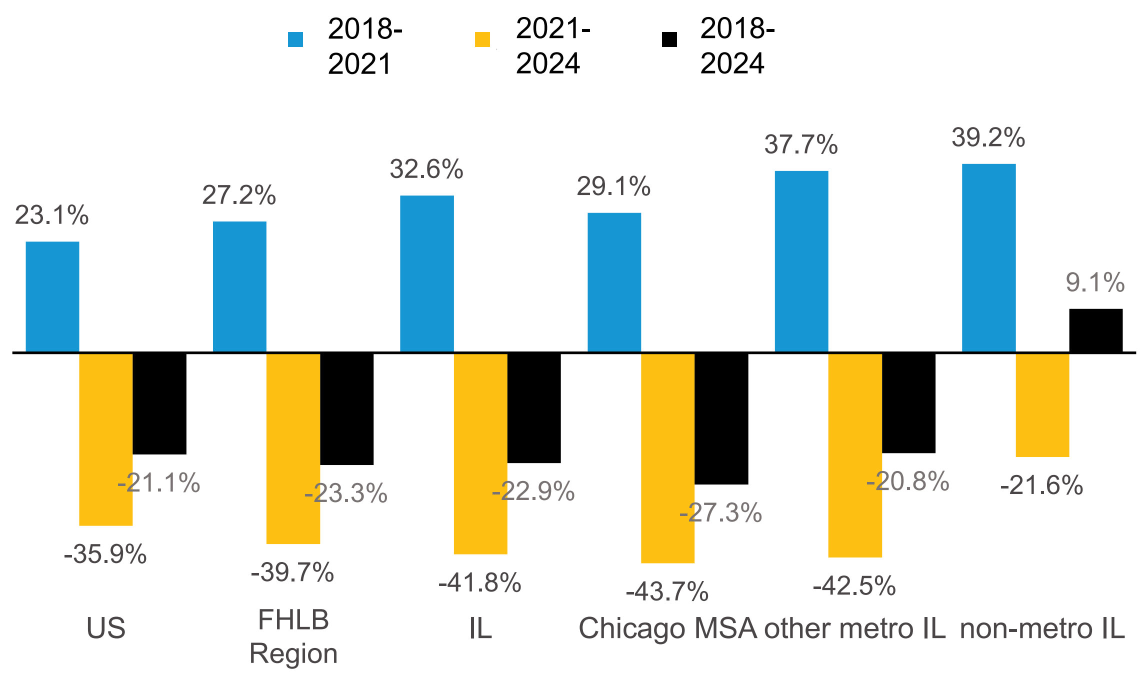


Source: 2024 Home Mortgage Disclosure Act and Urban Institute calculations

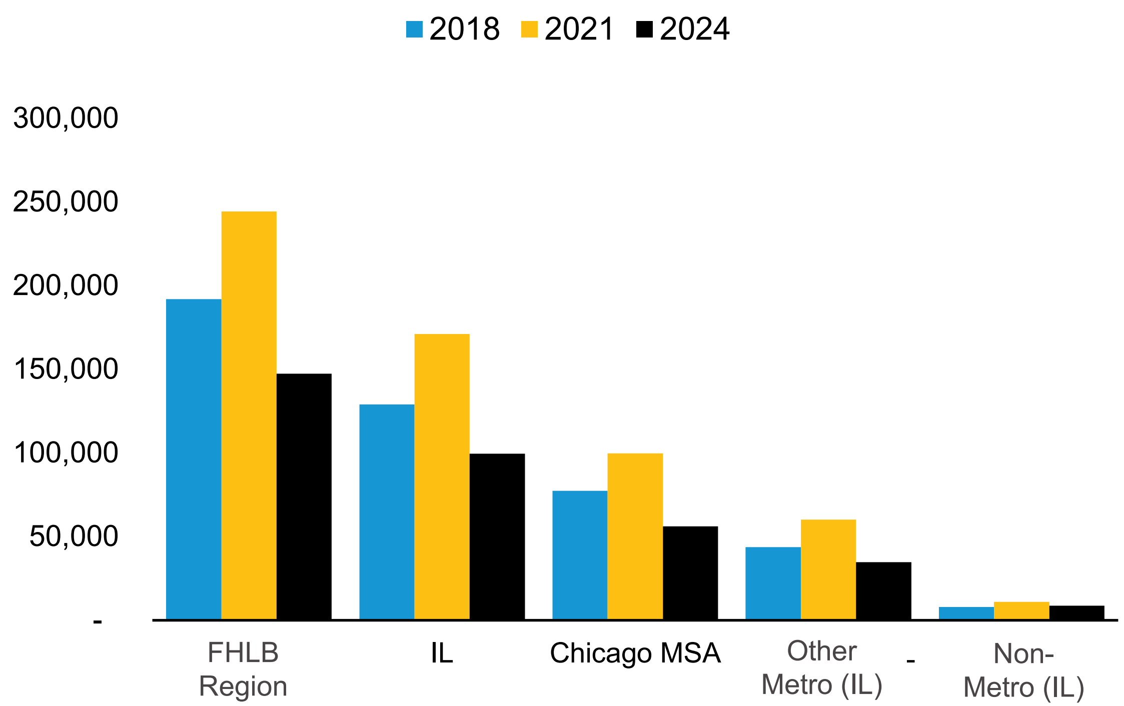
Mortgage Financing

Mortgage Financing
Home Purchase Originations

Changes in Home Purchase Originations



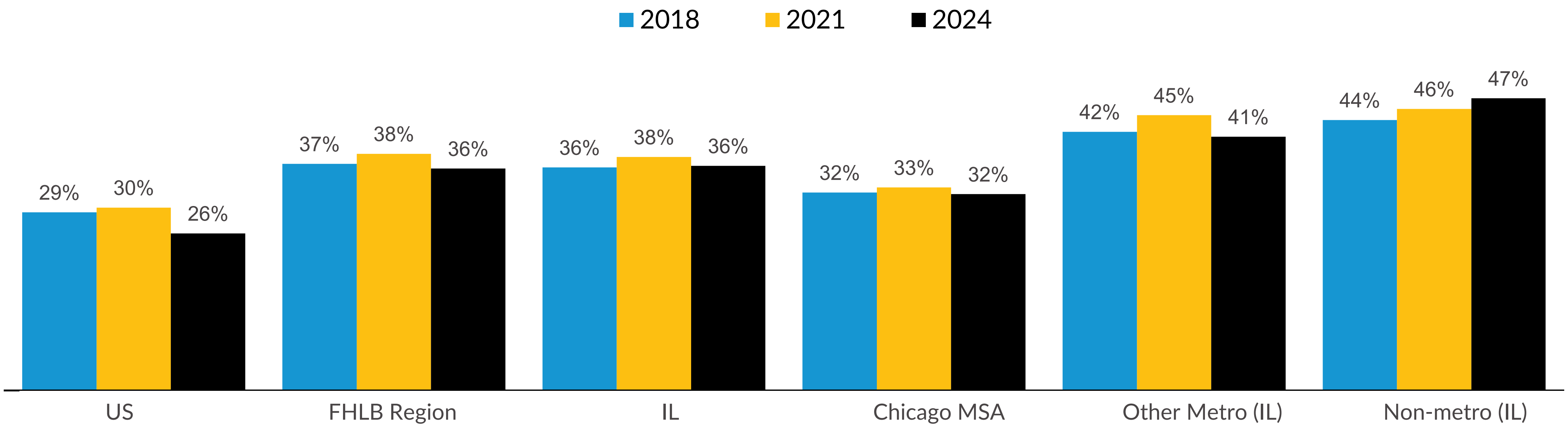
Home Purchase Originations



Source: Home Mortgage Disclosure Act.
Note: 1st Lien, 1-4 Unit, Owner-Occupied Home Purchase Loans.

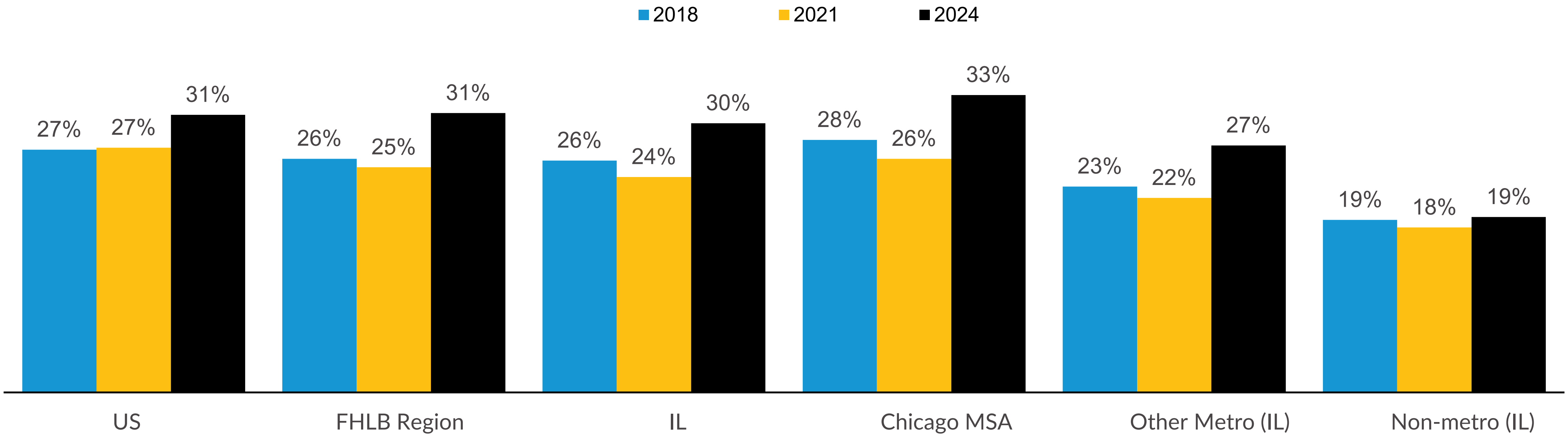
Mortgage Financing
Share of Low-Income Borrowers

Household Income ≤ 80% Area Median Income



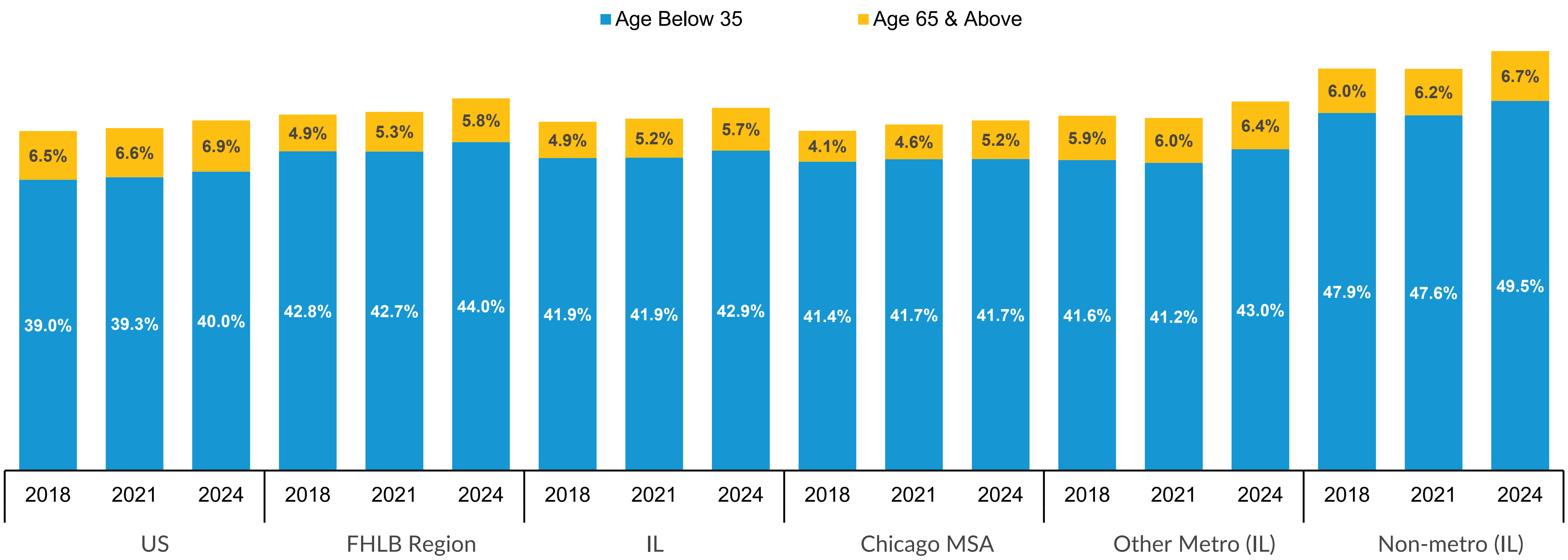
Source: Home Mortgage Disclosure Act.
Note: 1st Lien, 1-4 Unit, Owner-Occupied Home Purchase Loans.

Mortgage Financing
Borrowers with 20% or More Down Payment



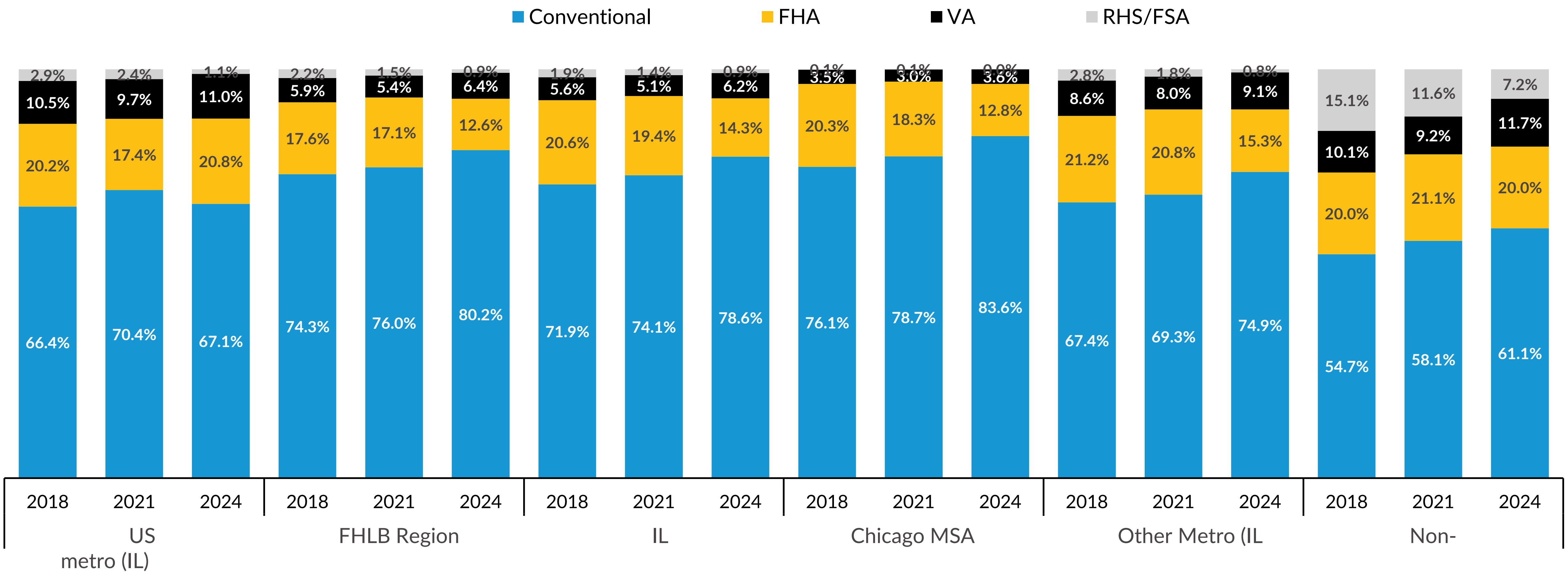
Source: Home Mortgage Disclosure Act.
Note: 1st Lien, 1-4 Unit, Owner-Occupied Home Purchase Loans.

Mortgage Financing
Share of Younger and Older Borrowers



Source: Home Mortgage Disclosure Act.
Note: 1st Lien, 1-4 Unit, Owner-Occupied Home Purchase Loans.

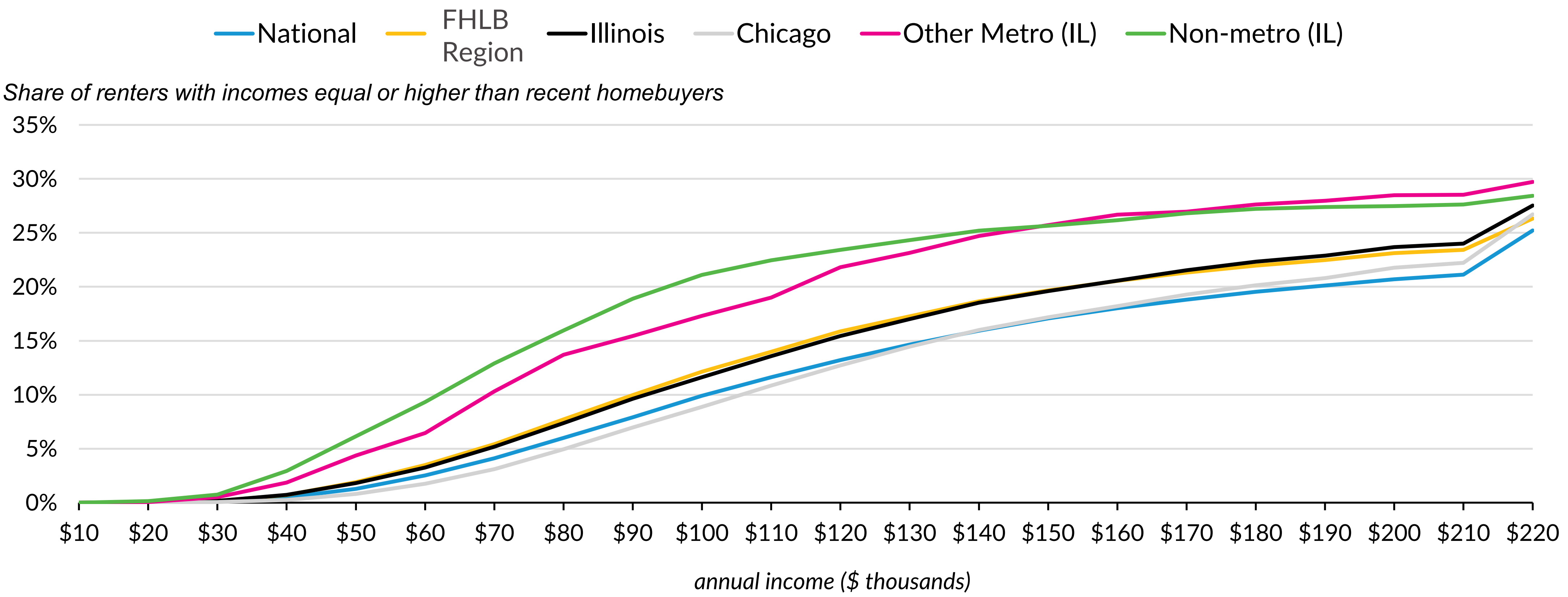
Mortgage Financing
Loan Channels



Source: Home Mortgage Disclosure Act.
Note: 1st Lien, 1-4 Unit, Owner-Occupied Home Purchase Loans.

Mortgage Financing

Renters’ Ability to Purchase, by Income

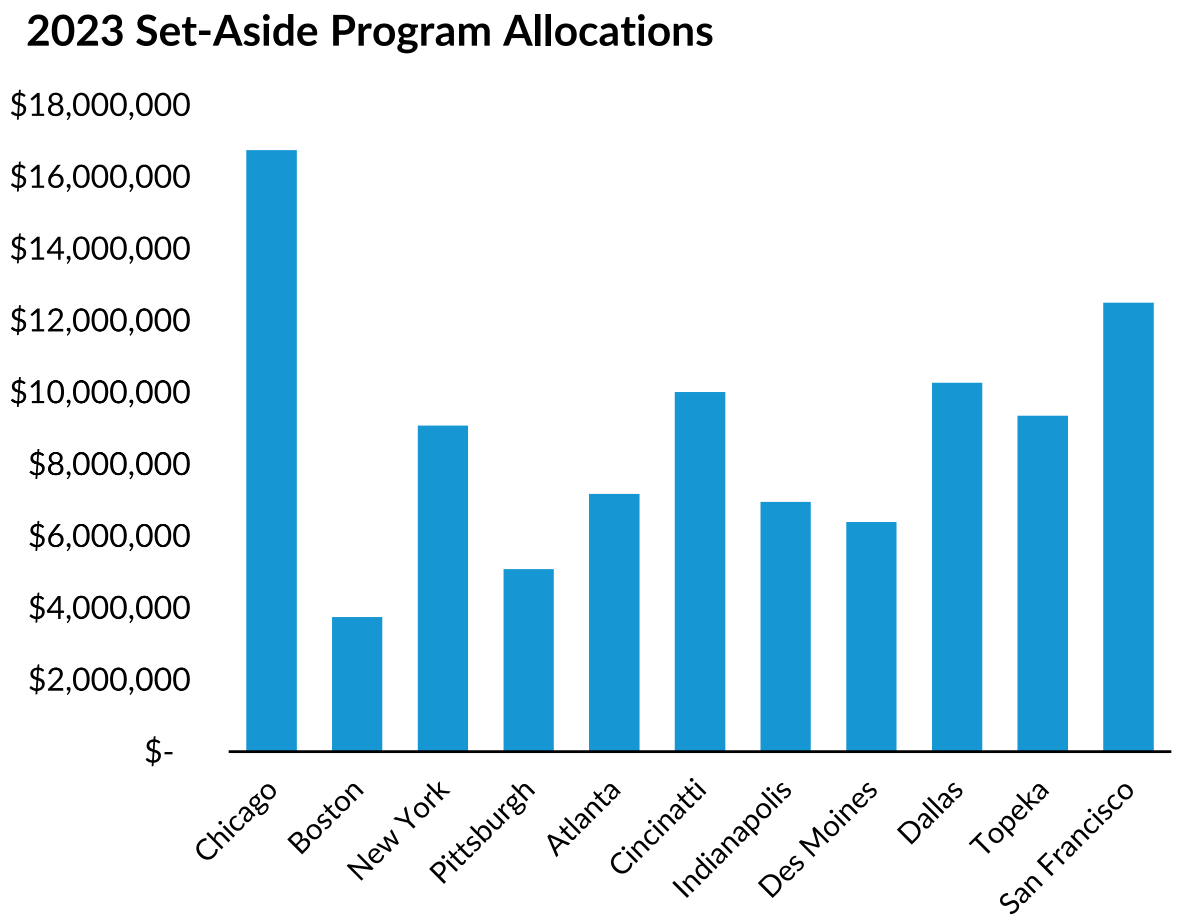


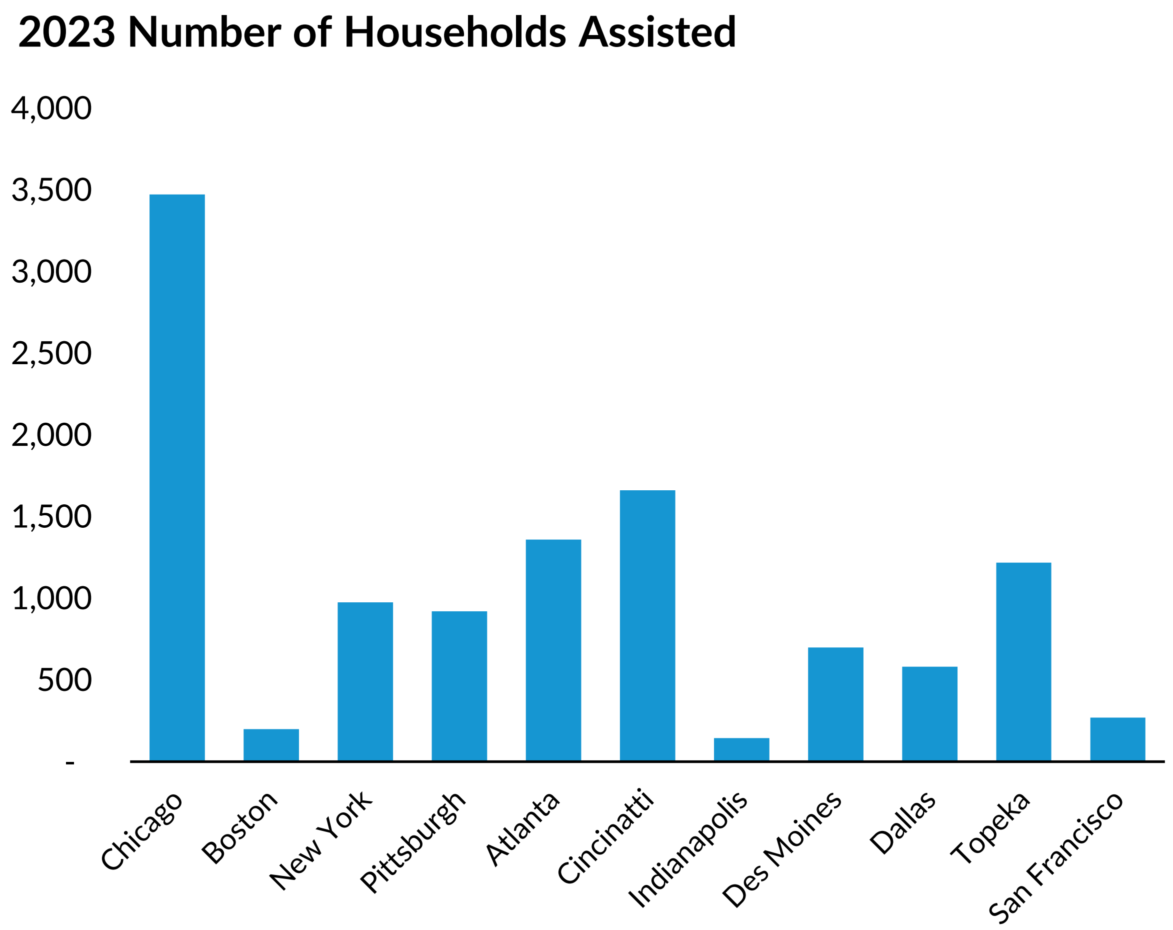
URBAN INSTITUTE

Source: 2020 Home Mortgage Disclosure Act, Intercontinental Exchange house price indices and Urban Institute calculations

Note: Annual income in thousands of dollars, final category ($220,000) includes all incomes greater than $220,000,

Mortgage Financing
AHP Set-Aside Programs for Down Payment and Closing Cost Assistance

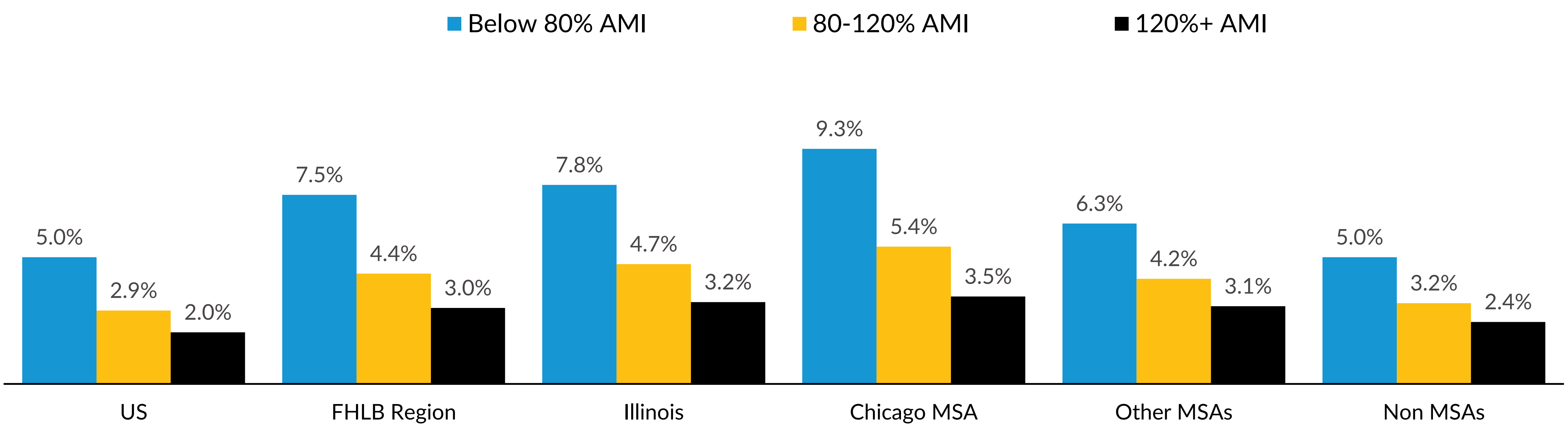




Source: 2023 FHLB Mission Activity AHP

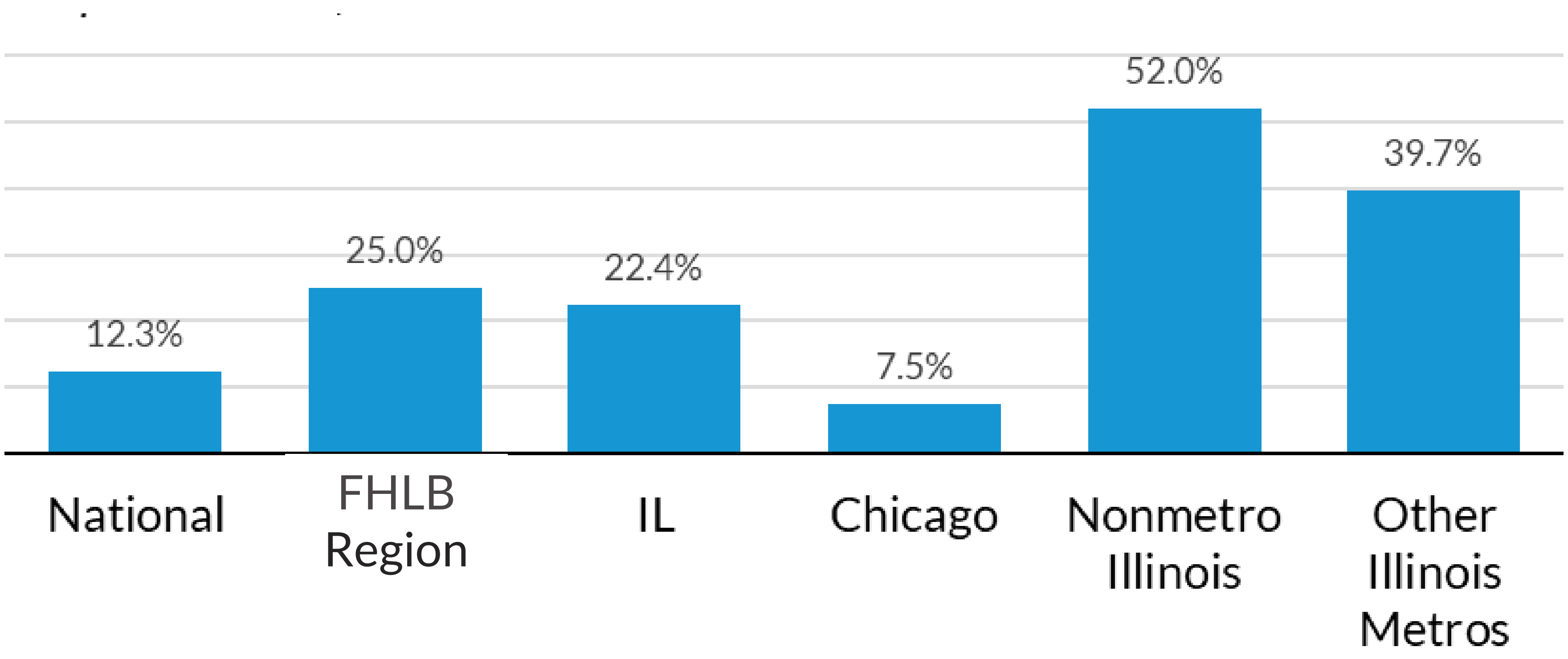
Tax liens, Small Dollar Mortgages and Delinquencies

Tax Liens
Property Tax Burdens, by Income Level



Source: 2023 American Community Survey
Note: Property tax burden is the share of monthly household income used to pay monthly property tax payments.

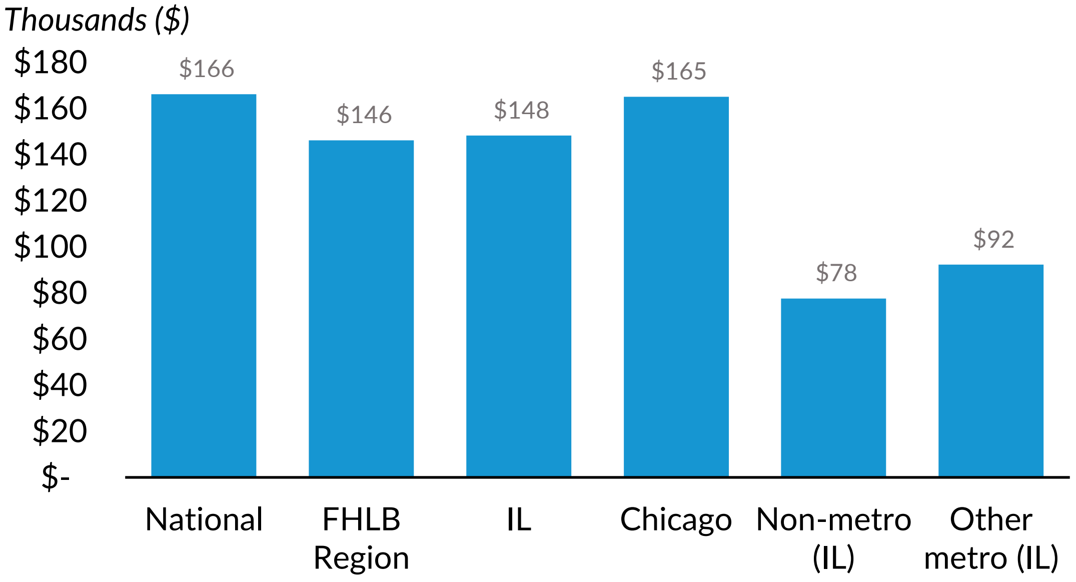
Small Dollar Mortgages
Share of Sales Under $100k



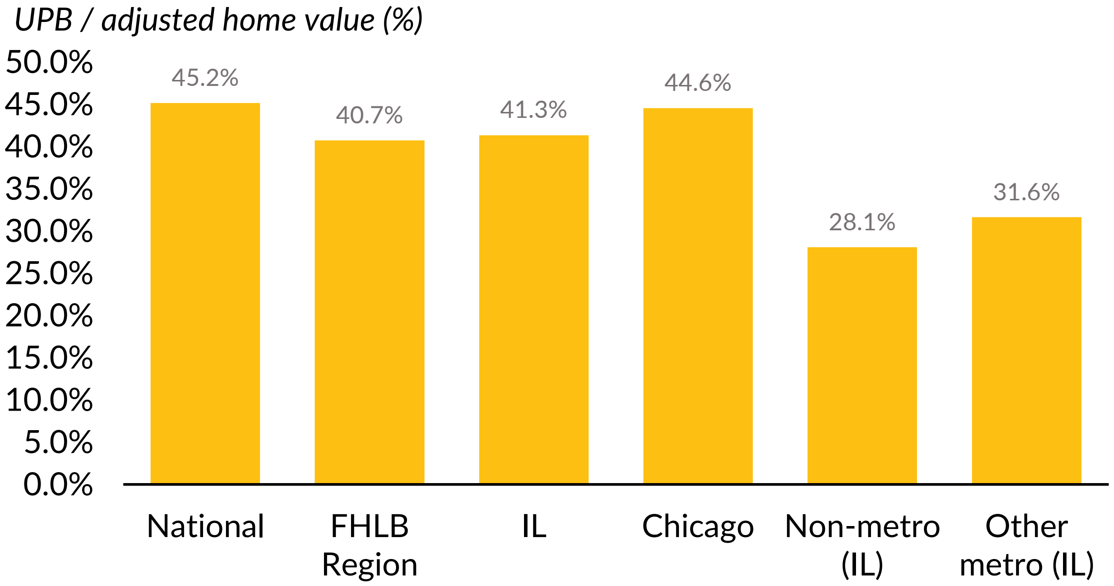
Source: Property Records data and Urban Institute calculations
Note: Data is as of 2022.

Mortgage Characteristics
Current Unpaid Balance and Current LTV Ratio

Median Current Unpaid Balance

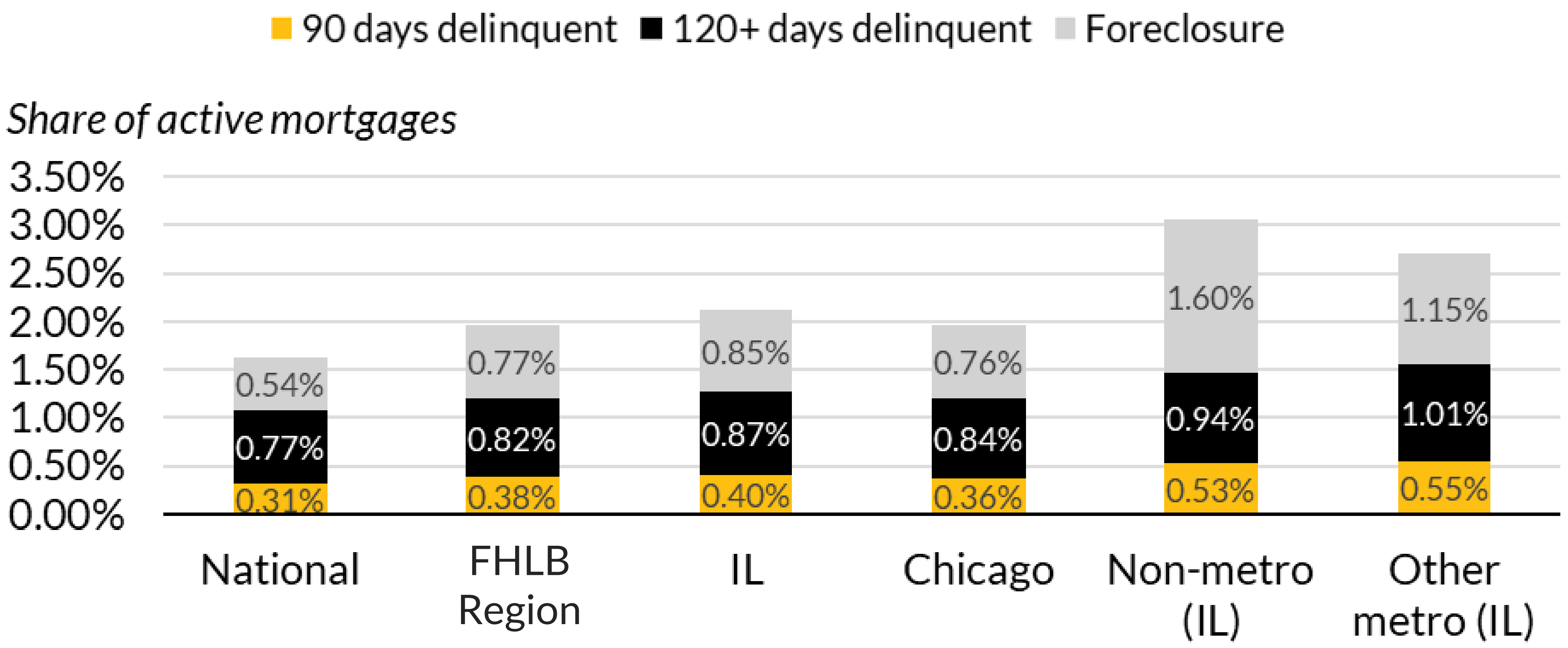


Median Current LTV



Source: Intercontinental Exchange monthly performance, House Price Index Data and Urban Institute calculations
Note: As of May 2025

Delinquencies
Serious Delinquency Rates, as of July 2025



Source: Intercontinental Exchange mortgage performance and origination data and Urban Institute calculations

Strategic Opportunities for FHLBank Chicago

Catalyzing Housing Supply
Potential Strategies for FHLBank Chicago

Available FHLBank Chicago Tools and Programs	
Tools	**Programs**
• Advances • Letters of credit (LOCs) • Grants • Mortgage Purchase • Investment portfolio	• **Affordable Housing Program** (AHP) • **General Fund** • **Downpayment Plus** • **Community Advances** • **Acquired Member Asset (AMA)** programs • Other voluntary programs

Potential Strategies	
1. Home Renovation Financing	a) Technical assistance and Ginnie Mae execution channel for FHA 203(k) program b) Risk Sharing for FHA Title I home improvement loans c) Renovation assistance for 2-4 unit homes
2. New Construction Financing	a) Advances to support small affordable housing developers b) Advances for factory-built home construction
3. Sustaining and Increasing Homeownership	a) Letters of credit for seconds on assumable first liens b) Assistance for tax liens
4. Mortgage Financing	a) Incentives for small dollar mortgage originations b) Risk sharing for Title I loans for manufactured housing

Potential Strategies for FHLBank Chicago
Home Renovation Financing

Home Renovation Financing	
Data Findings	Homes in the FHLB Chicago Region are much older than the national average. Yet, obtaining financing for renovation has been extremely challenging for existing and new homeowners.

Strategies

a) **Technical assistance and Ginnie Mae execution channel for FHA 203(k) program**
   - Few lenders offer the program despite improvements. Support via learning cohorts, tools/tips, consultant support. Execution: Non-Ginnie Mae issuers can access execution through FHLB.

b) **Risk Sharing for FHA Title I home improvement loans**
   - FHA guarantees 90% of loan, but no securitization option and no automated underwriting. Can FHLB help compensate for institutions lacking FHA/VA relationships?

c) **Renovation assistance for 2-4 unit homes**
   - 2–4 unit properties tend to be owned by older, less affluent homeowners. Could use AHP funds, or structure as zero-interest second lien payable upon sale.

Potential Strategies for FHLBank Chicago
New Construction Financing

New Construction Financing	
Data Findings	Construction in the FHLB Chicago region has been comparatively lower than the nation.

Strategies

a) **Advances to support small affordable housing developers**
   - Favorable advance rates/terms under CIP. Complementary Programs: City of Chicago: Building Neighborhoods and Affordable Homes Program and Illinois HFA Forgivable second lien for new construction purchases.

b) **Advances for factory-built home construction**
   - Favorable terms for loans to developers using modular methods. Factories require upfront payment, but traditional construction financing being phase-based.

Potential Strategies for FHLBank Chicago
Sustaining and Increasing Homeownership

Sustaining and Increasing Homeownership	
Data Findings	High interest rates have reduced homeownership affordability. Homes in the FHLBank Chicago region have higher tax rates.

Strategies

a) **Letters of credit for seconds on assumable first liens**
   - Helps buyers assume low-rate FHA/VA mortgages while sellers capture value.

b) **Assistance for tax liens**
   - Use AHP to provide grants/loans for lower-income households with tax delinquencies.

Potential Strategies for FHLBank Chicago
Mortgage Financing

Mortgage Financing	
Data Findings	Low-value homes and manufactured housing are viable housing options but require improved financing.

Strategies

a) **Incentives for small dollar mortgage originations**
   - Few small-dollar mortgages due to high origination costs. Many low-value homes need renovations, but there is a financing gap.

b) **Risk sharing for Title I loans for manufactured housing**
   - FHA guarantees 90% of loan, but market for securitization is non-existent. Still underutilized due to lack of automation + secondary market.

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***Questions or inquiries?** Reach out to us at LGoodman@urban.org and JRatcliffe@urban.org.*