

PRESENTATION

September 30, 2026

Review of Statewide Housing Market Typologies

Presented by the Institute for Housing Studies

Overview & Statewide Context

Illinois has a shared housing challenge, but it does not have a single housing market.

- Communities across the state need more high-quality, affordable homes
- The barriers to producing and preserving those homes vary within and across communities
- This project highlights that variation to:
 - identify shared challenges
 - support peer learning
 - inform statewide action

Overview & Statewide Context

Statewide data and local experience are most powerful when used together.

Data can help us:

- Identify patterns across communities
- See where similar housing conditions appear
- Understand how housing markets differ across Illinois

Experience can help us:

- Explain what is driving those conditions
- Surface barriers or opportunities the data may miss
- Understand which policy tools could be effective & what implementation requires

Institute for Housing Studies

- IHS's mission is to provide reliable, impartial, and timely data and research to inform housing and community development policy decisions and discussions in the Chicago region and nationally
- IHS accomplishes this through an applied research model
 - Data collection and improvement
 - Applied research
 - Technical assistance
- Today's presentation
 - Review of statewide housing market typologies
 - Highlight key data trends across market types

Project Framing

- Statewide challenges:

- Illinois faces a shortage of affordable, high-quality homes
- Barriers to housing production (zoning, land availability, demand, construction costs, infrastructure, etc.) vary dramatically across the state.
- Current policy often treats barriers as uniform, but variation exists across communities
- More localized picture will lead to better tools and better outcomes.

- Statewide housing market typology and barrier analysis will:

- Surface how housing conditions differ across Illinois' diverse regions
- Support peer matchmaking and problem solving across communities
- Give local leaders better-targeted tools for their communities
- Inform statewide policy and investment strategies

Statewide housing market typology analysis

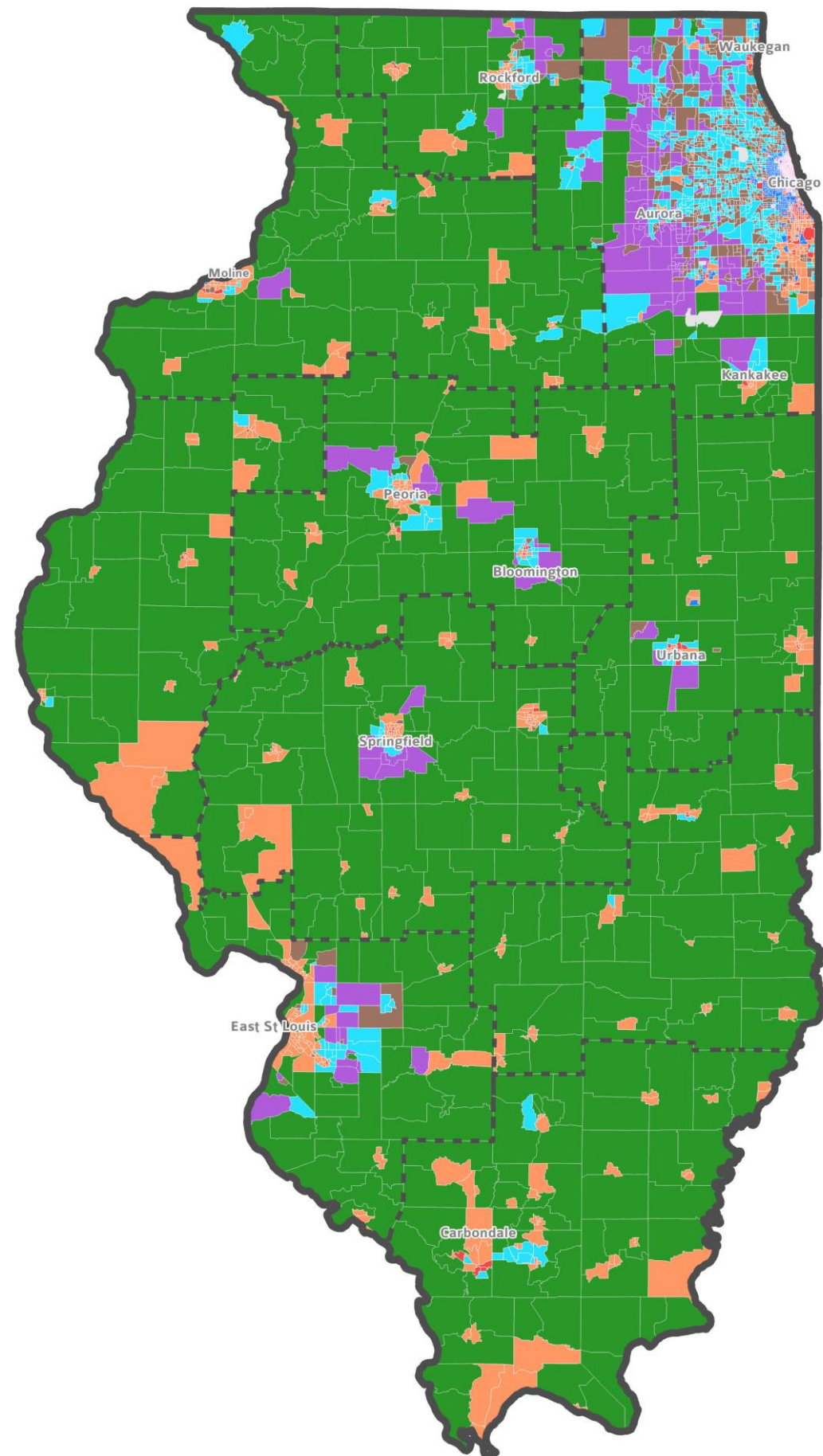
- Goals

- Use data to identify Illinois communities that share similar housing and market characteristics.
- Create a typology that helps frame statewide conversations about housing supply challenges and opportunities.
- Highlight how housing needs and market conditions vary across different types of communities.

- Data/Methods

- 5-year American Community Survey (ACS) data from 2013 and 2024.
- Indicators capturing housing supply characteristics, housing demand, demographic and economic conditions, and other housing market conditions
- Used spectral clustering, a statistical technique that groups communities based on similarities across multiple housing and demographic indicators.
- Evaluated models based on both the strength of the statistical groupings and whether the resulting market types were meaningful and interpretable from a housing policy perspective.
- Selected an 8-market-type model as the preferred framework for describing variation in housing conditions across Illinois.

Eight Cluster Model Results and Economic Development Regions (EDR)



Cluster 1

Supply

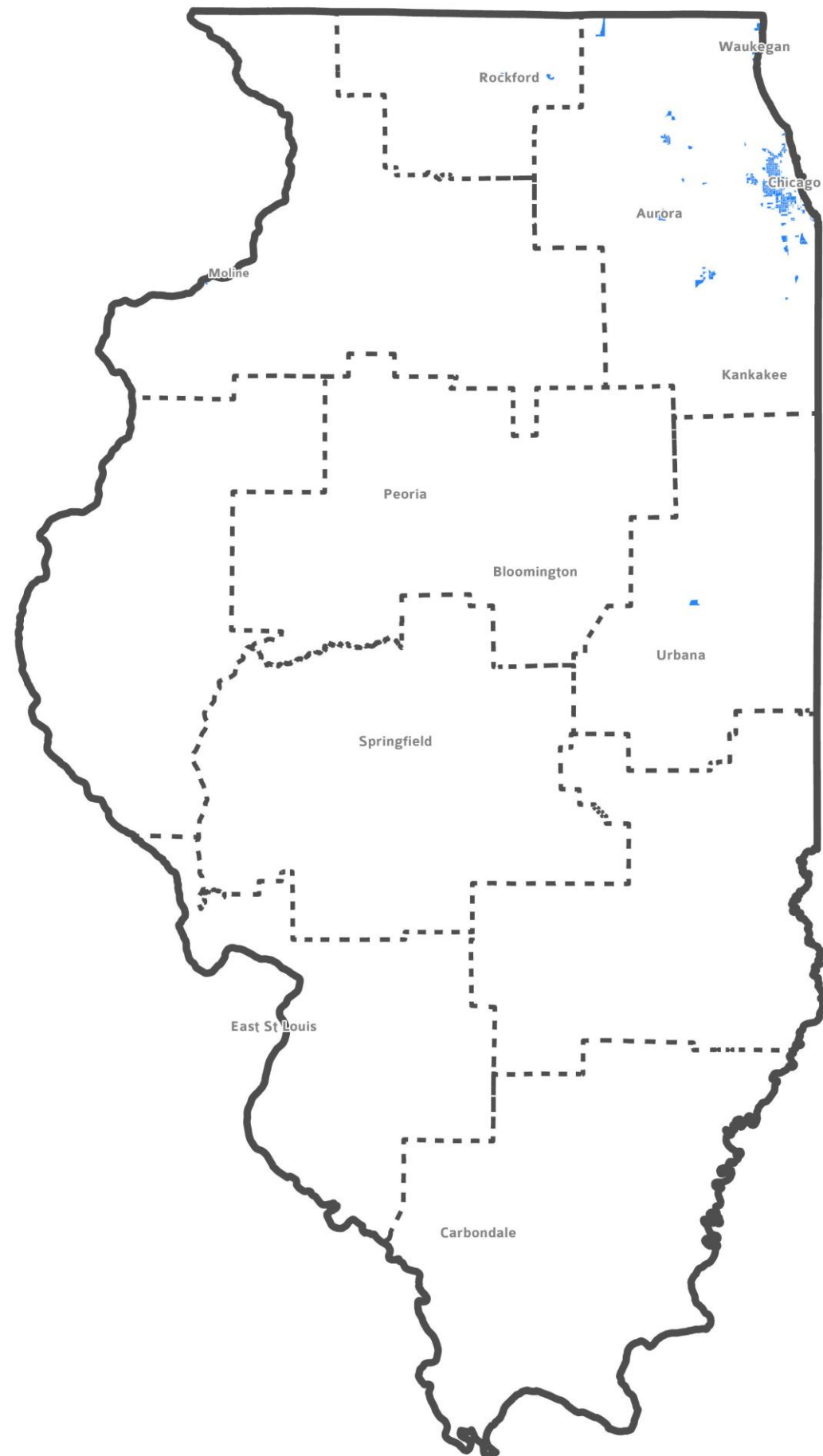
- Aging urban housing stock
- Median housing age is 86 years
- Diverse housing types
- Large drop in vacancy, limited new units
- Average house prices

Demand

- Strong household growth
- Below average incomes
- Larger household sizes

Statewide Patterns

- Primarily found in City of Chicago and older suburban Chicago area communities



Cluster 2

Supply

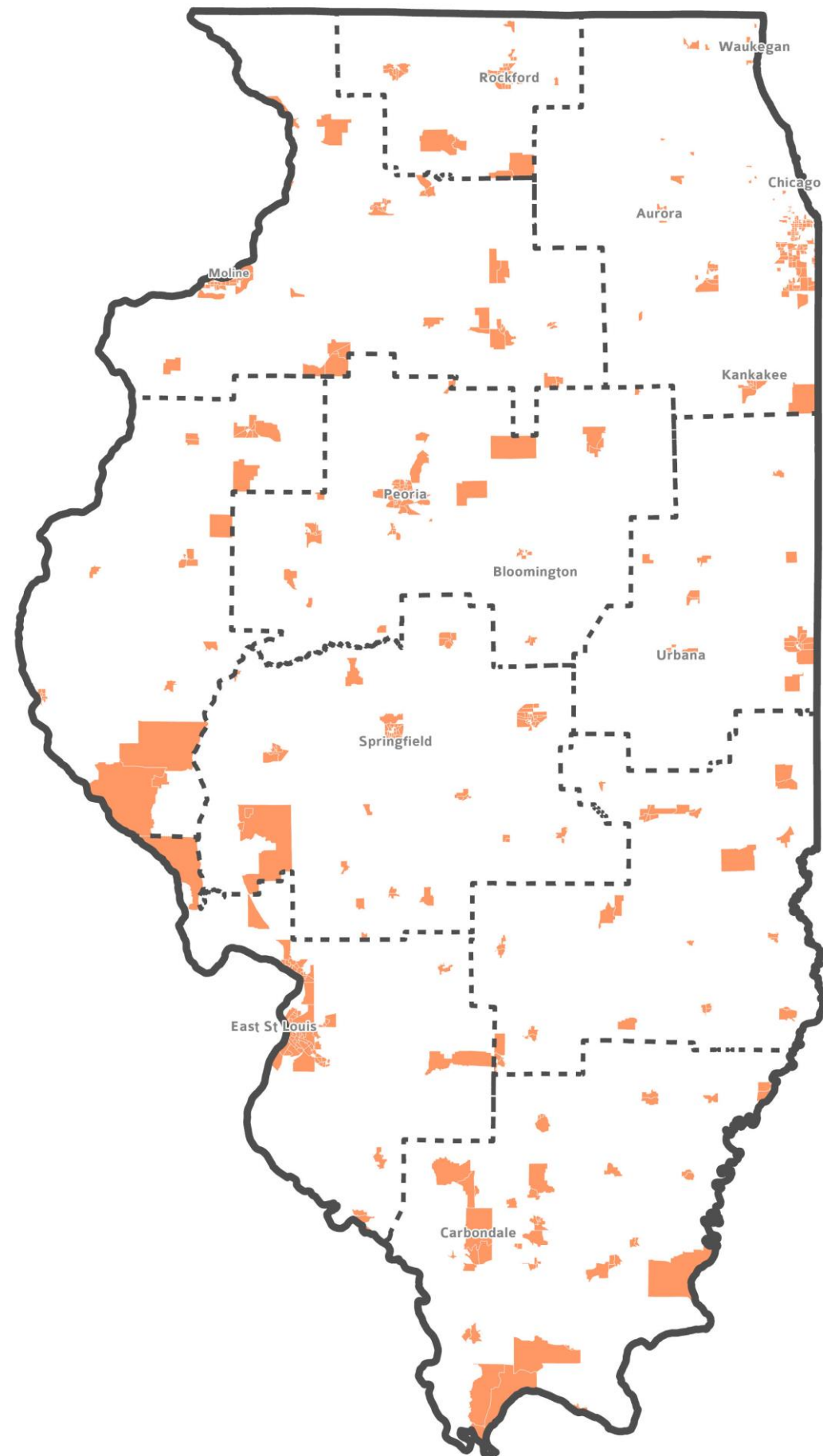
- Older housing stock
- Median housing age is 67 years
- Loss of housing units
- High levels of vacancy
- Primarily single-family housing

Demand

- Lower-cost communities
- Experiencing significant demand declines
- Declining population, higher share of older adults

Statewide Patterns

- Found in communities throughout the state
- Most common market type in 5 or 10 regions



Cluster 3

Supply

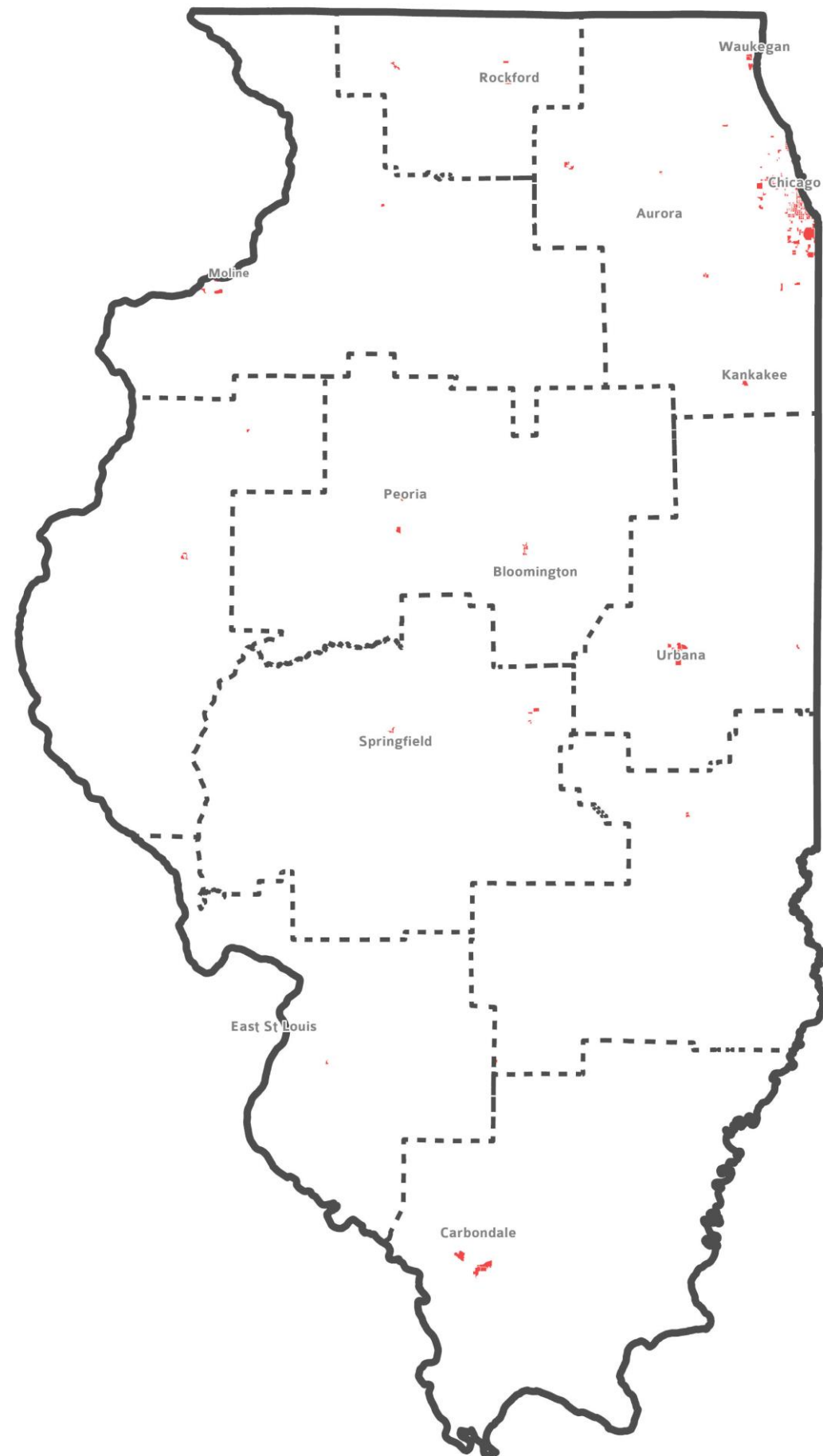
- Older housing stock
- Median housing age is 72 years
- Higher levels of multifamily housing
- High levels of rental housing and subsidy

Demand

- Low incomes and high levels of cost burden
- Small household sizes, fewer children

Statewide Patterns

- Primary found in Chicago region
- Outside of Chicago, found in college towns



Cluster 4

Supply

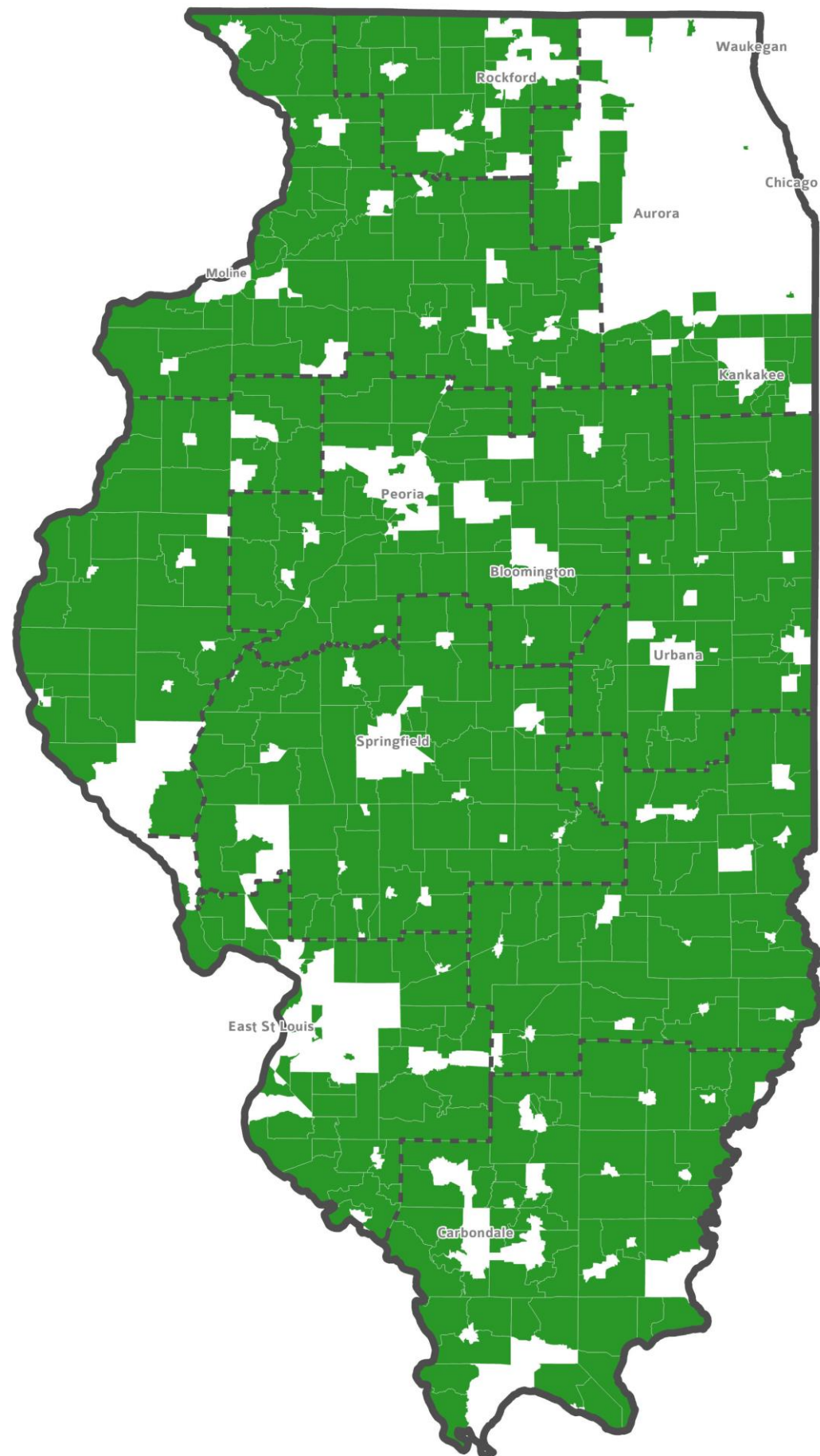
- Extremely low-density
- Loss of housing supply
- High vacancy
- Median housing age is 52 years
- Low housing values

Demand

- Declining demand
- Shrinking, older population

Statewide Patterns

- Found throughout the state
- Most common market type in 4 of 20 regions



Cluster 5

Supply

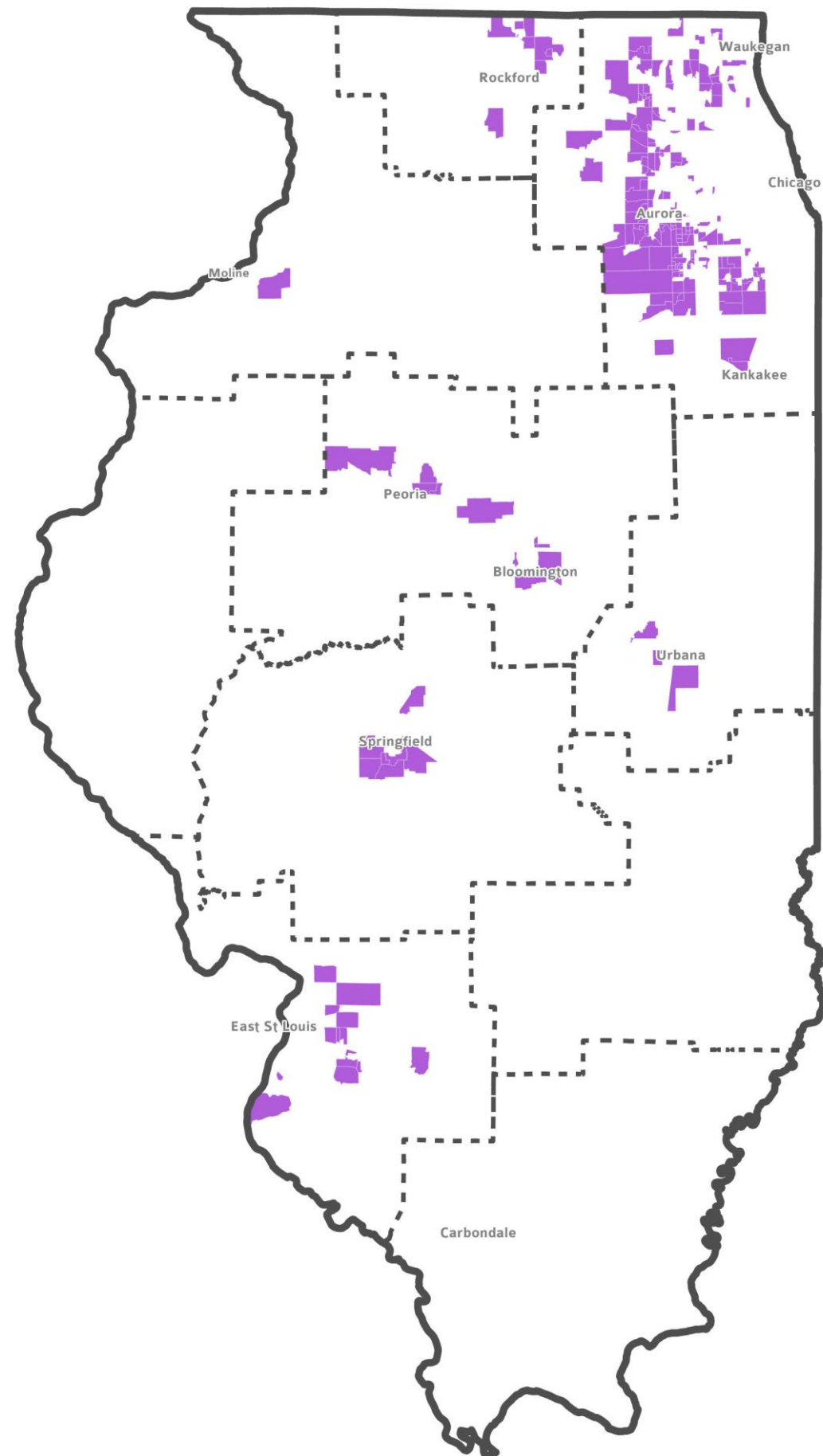
- High growth area for housing units
- Almost exclusively single-family housing
- Newest housing stock, median housing age is 26 years
- High housing costs

Demand

- Large increase in households
- Higher-income households
- Large family sizes
- High levels of households with children

Statewide Patterns

- Found on the urban fringe of most MSAs



Cluster 6

Supply

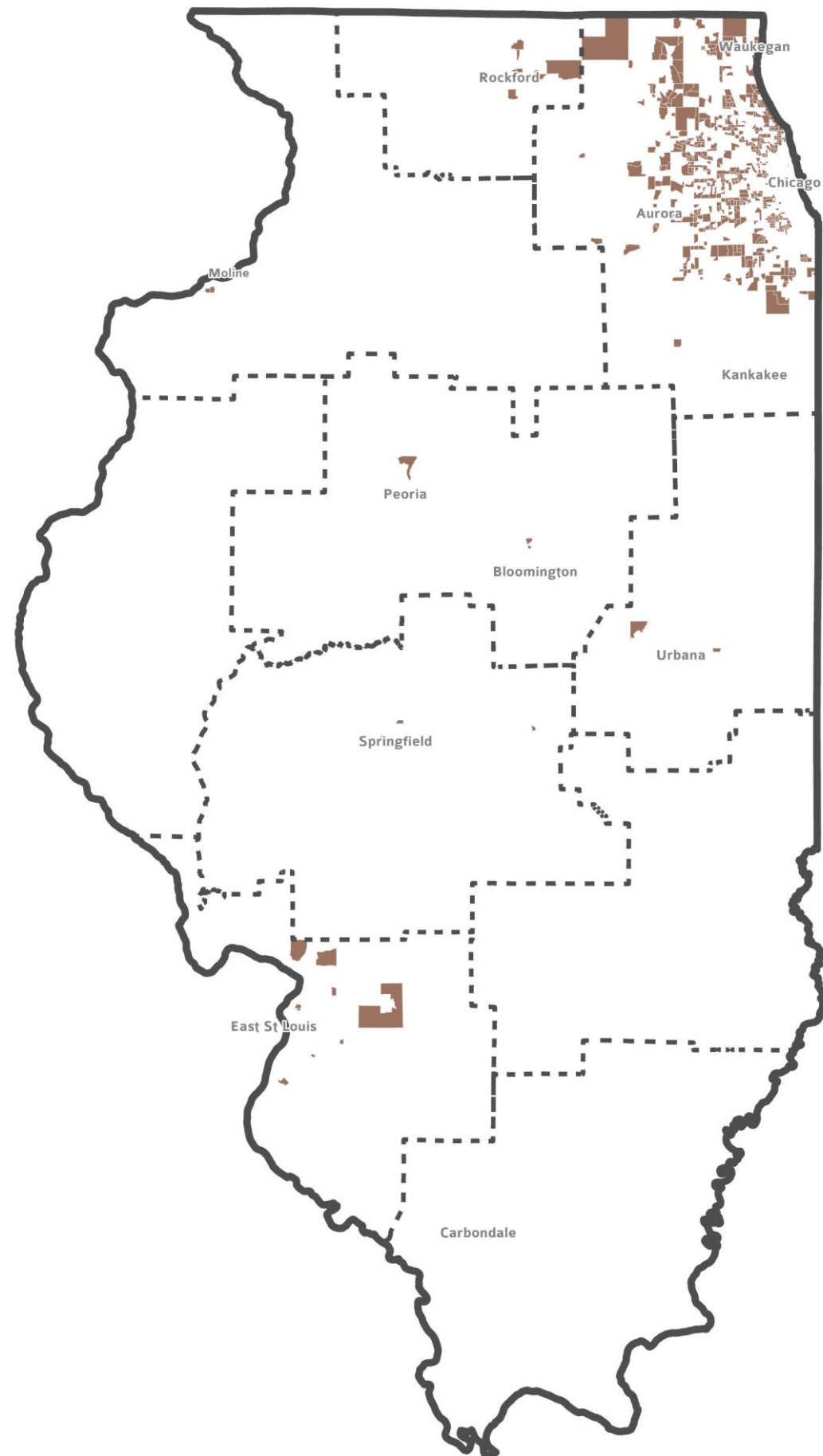
- Flat housing supply
- Primarily single-family homes with limited rental housing
- Median housing age is 53 years
- High-cost area

Demand

- High income communities
- Limited household growth
- Larger households, more households with children

Statewide Patterns

- Higher-cost, post-war suburban areas in most MSAs



Cluster 7

Supply

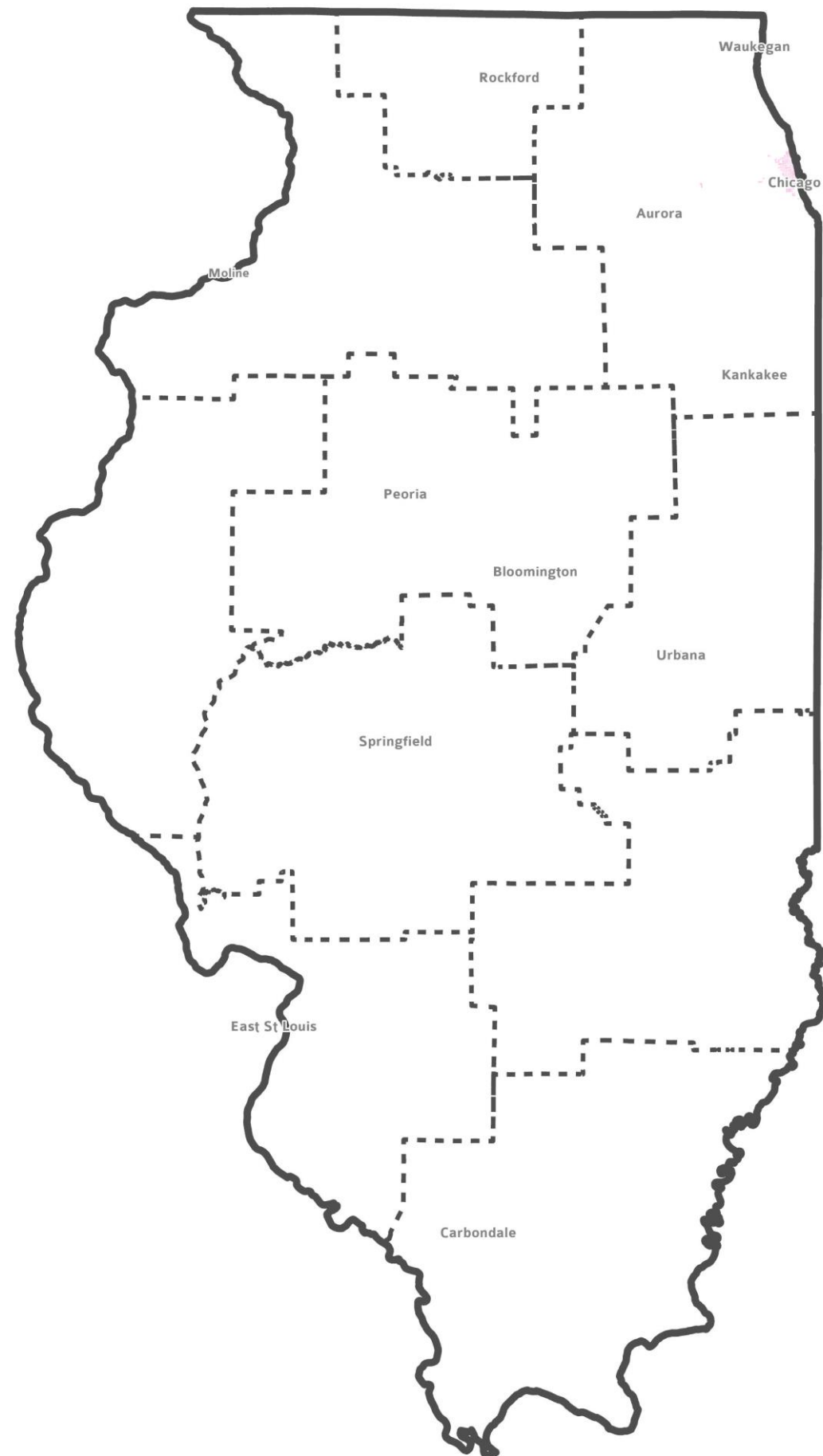
- High density areas
- Large increase in housing supply
- More diverse housing stock with higher levels of renters
- Median housing age is 74 years
- High-cost area

Demand

- Substantial increase in households
- High-income area
- High level of younger households
- Smaller household sizes, fewer children

Statewide Patterns

- Almost entirely found in City of Chicago



Cluster 8

Supply

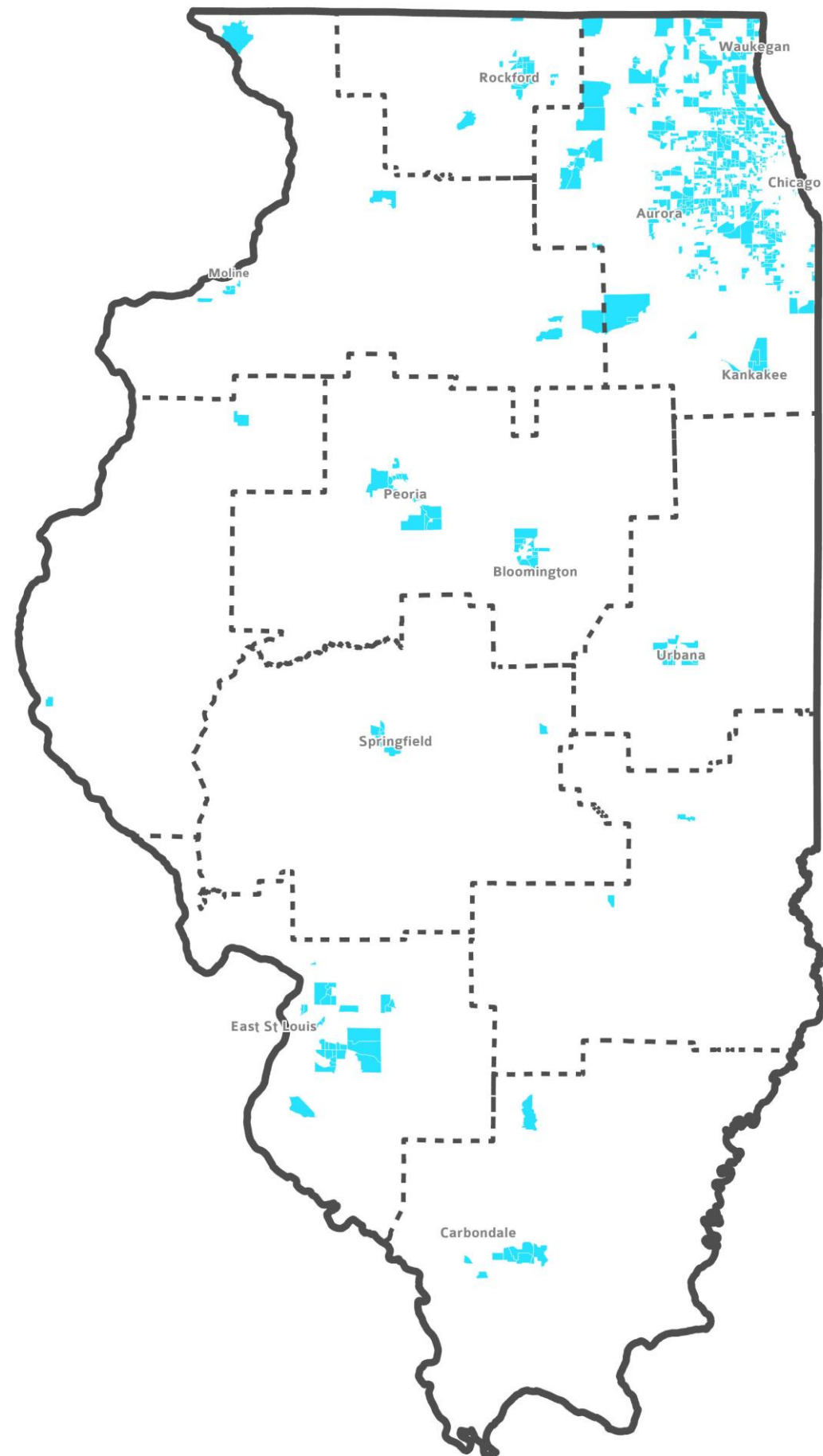
- Average levels of housing supply growth
- Modestly diverse housing stock
- Median housing age is 46 years
- Average home values

Demand

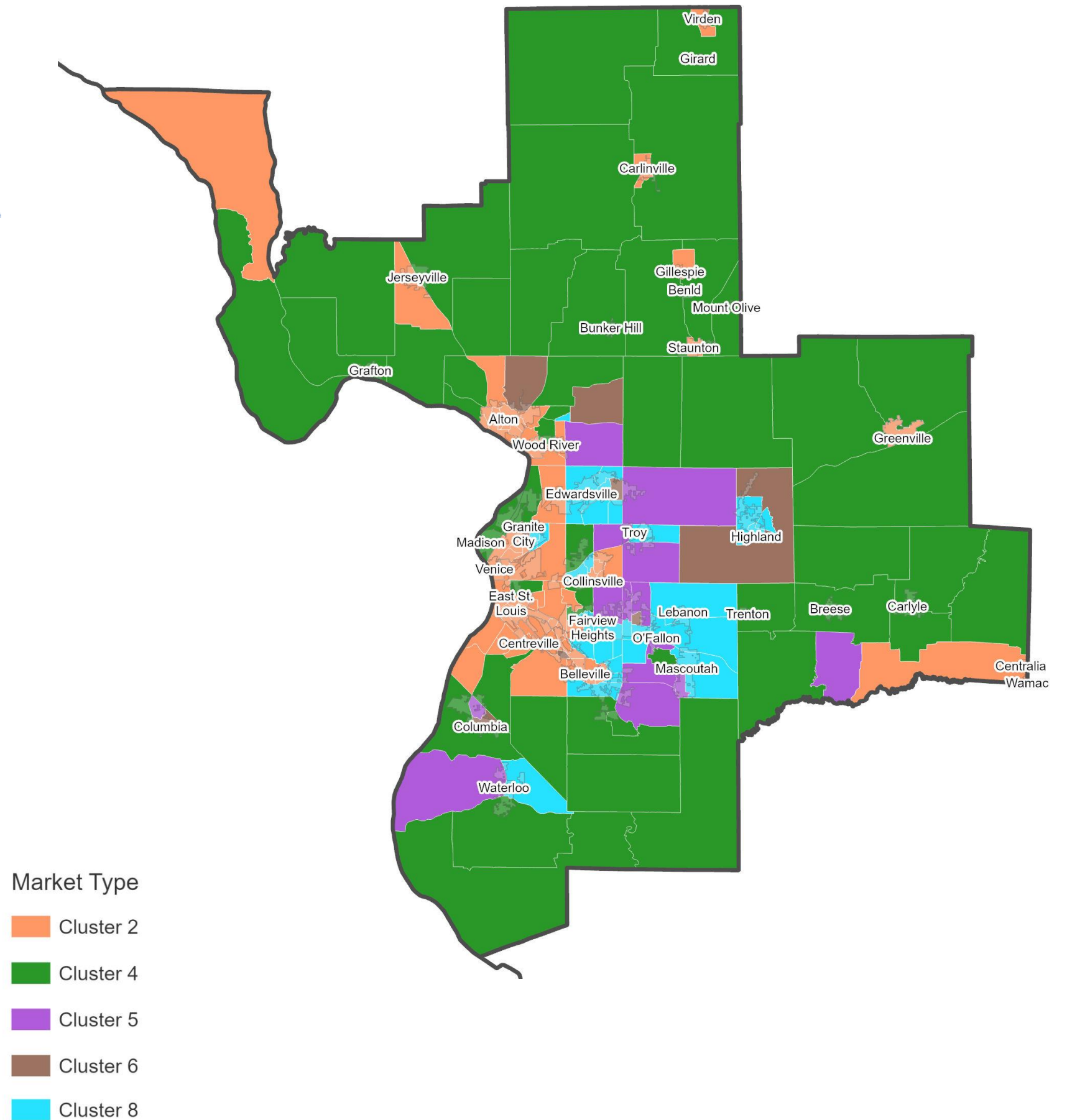
- Average levels of household growth
- Average household incomes

Statewide Patterns

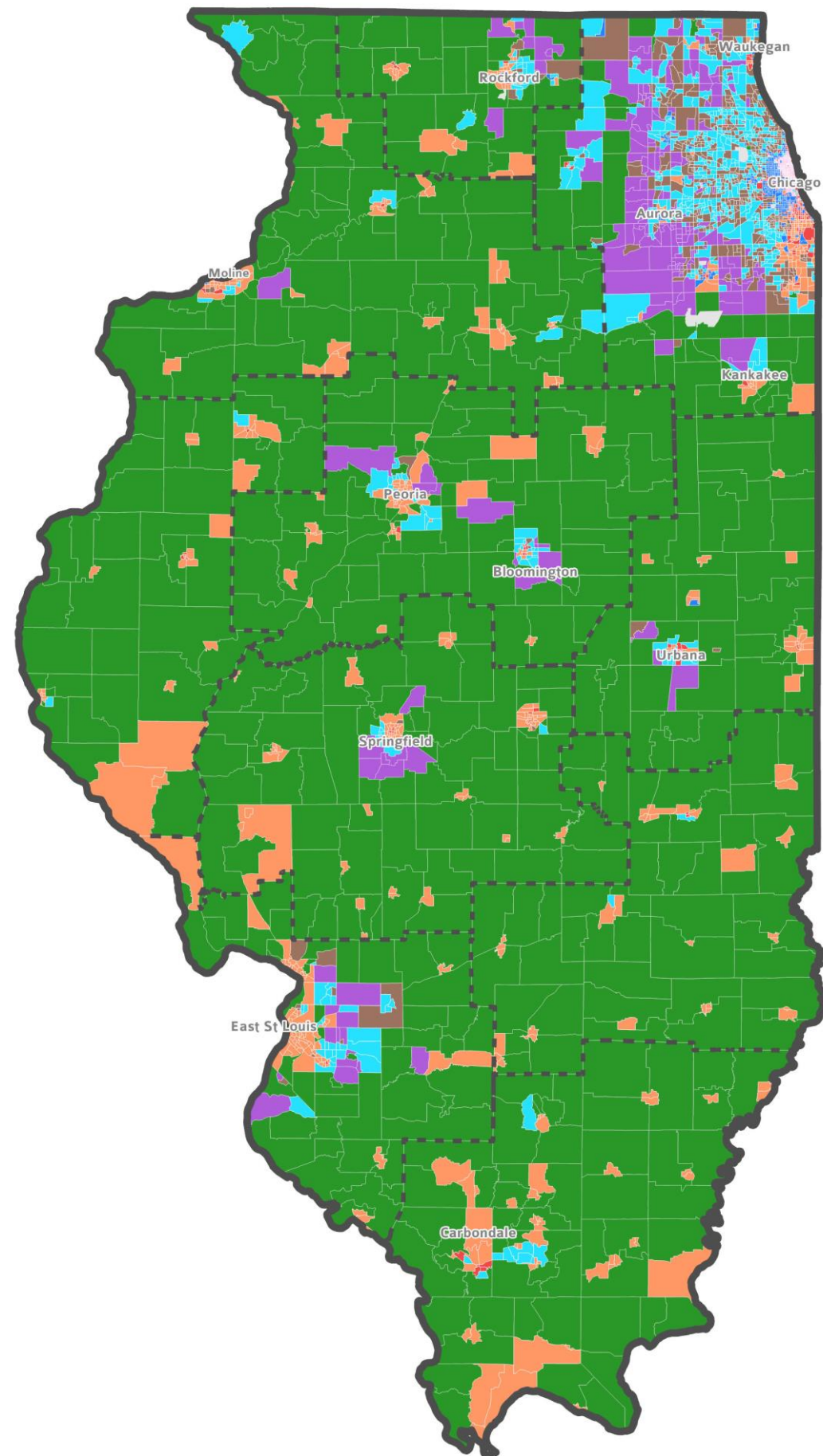
- Most “typical” market type
- Found in MSAs across the state



Mix of housing conditions in East St. Louis, IL, Metro Area

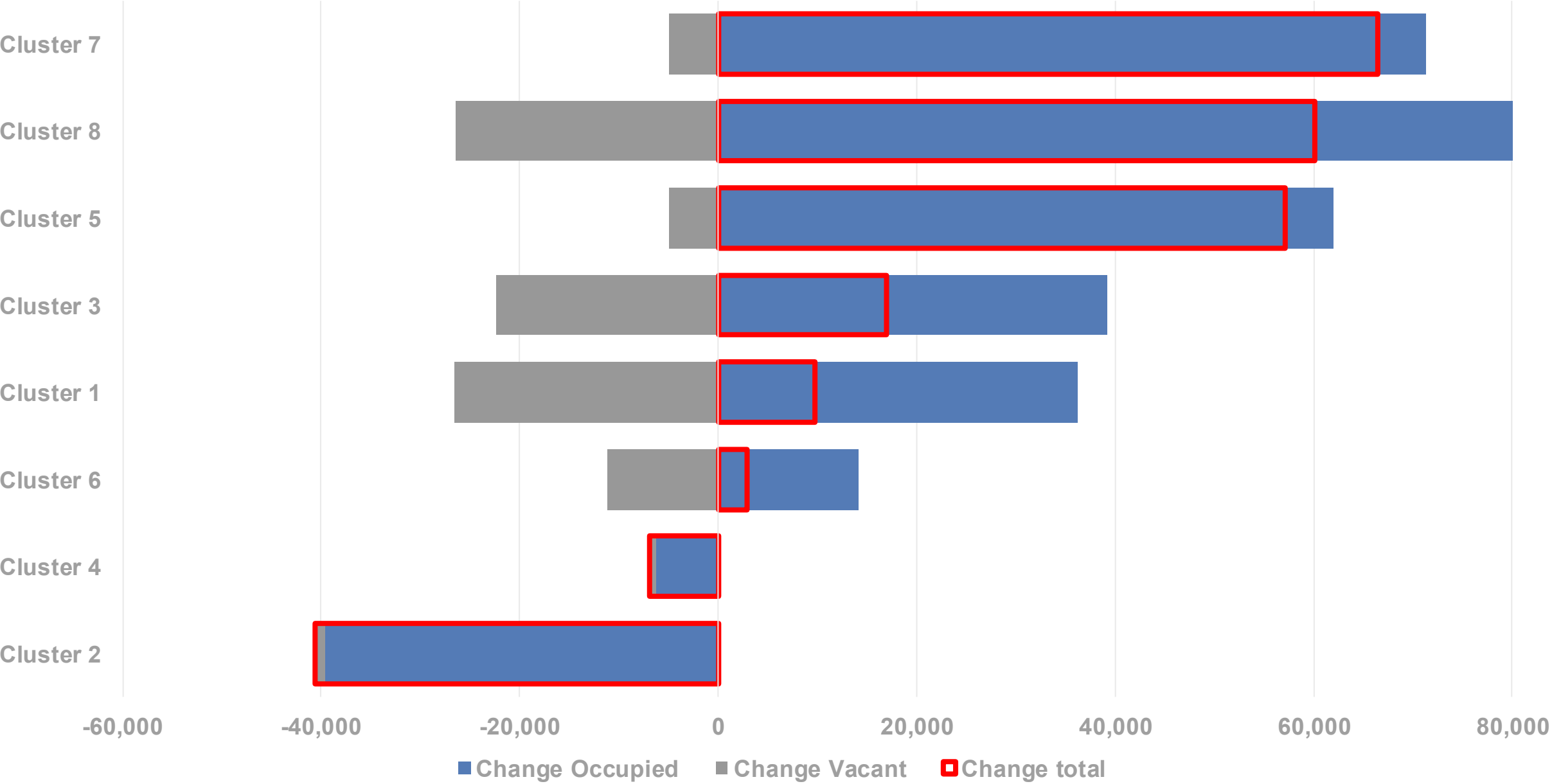


Eight Cluster Model Results and Economic Development Regions (EDR)



Changes to the housing supply by market type

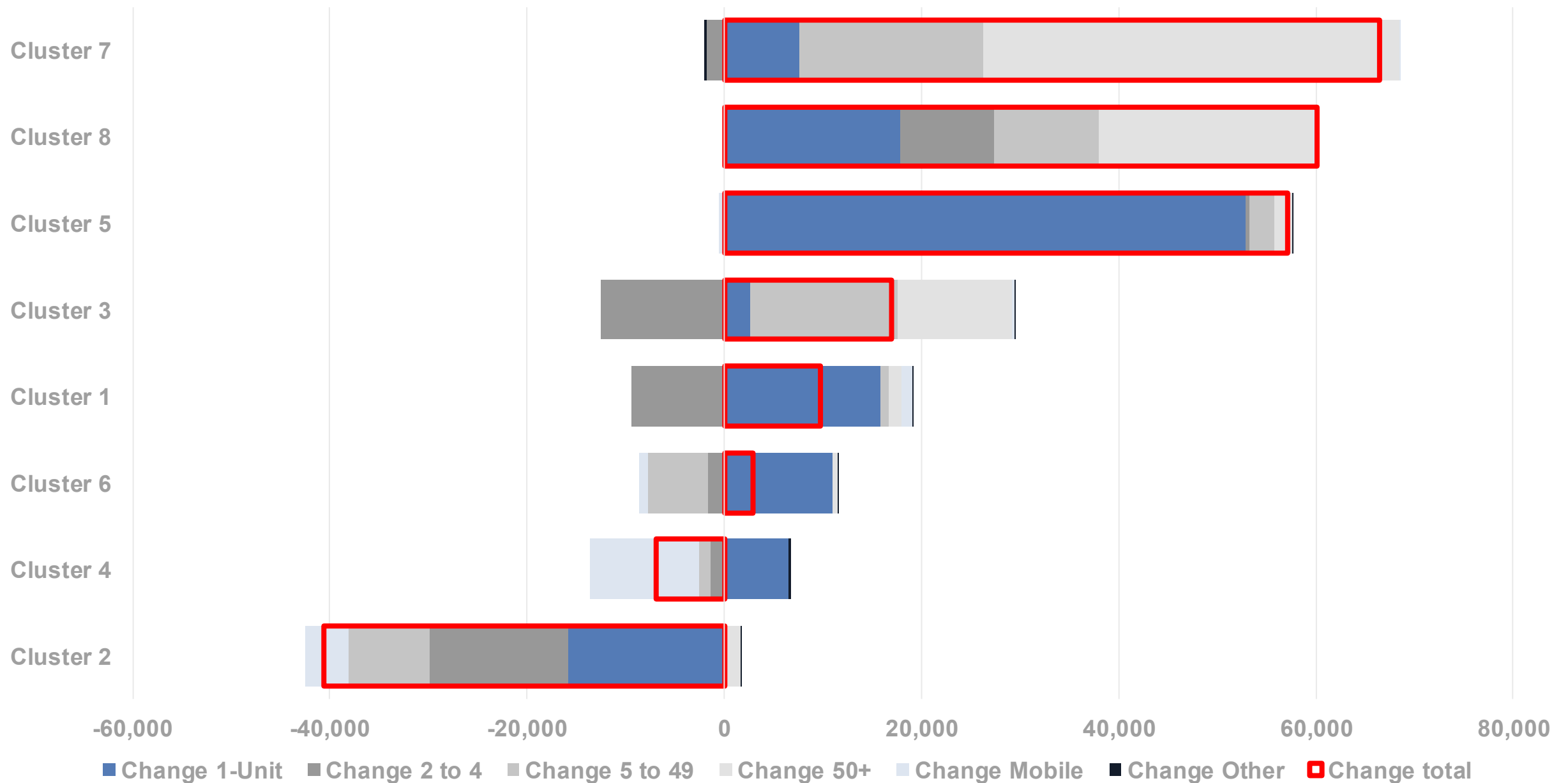
Net Change in Housing Units by Occupancy Status and Market Type, 2013 to 2014



SOURCE: IHS DATA CLEARINGHOUSE, 2024 ACS 5-YEAR ESTIMATES

Changes to the housing supply by market type

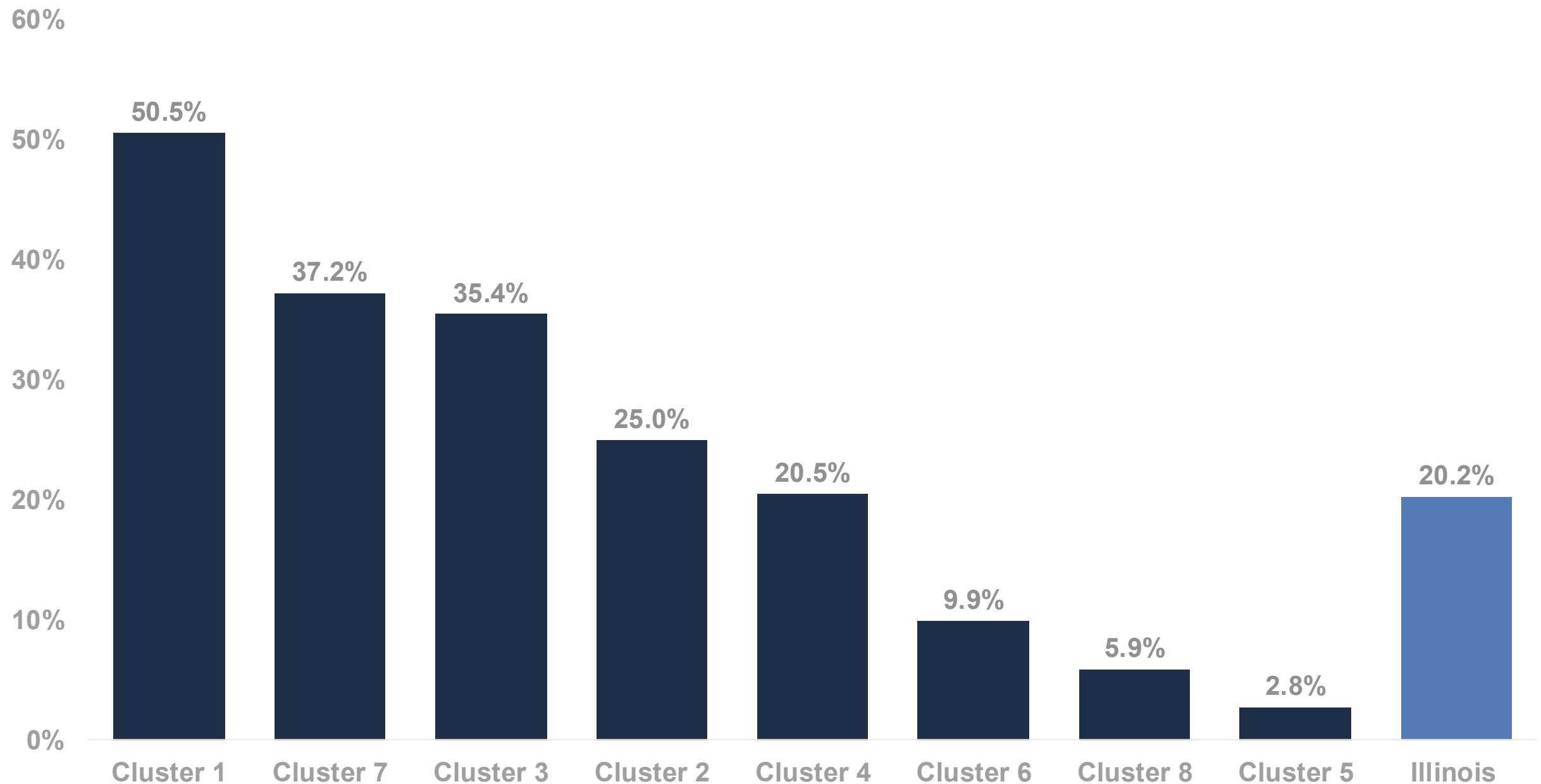
Net Change in Housing Units by Units in Structure and Market Type, 2013 to 2024



SOURCE: IHS DATA CLEARINGHOUSE, 2024 ACS 5-YEAR ESTIMATES

Variation in housing age highlights market distinctions

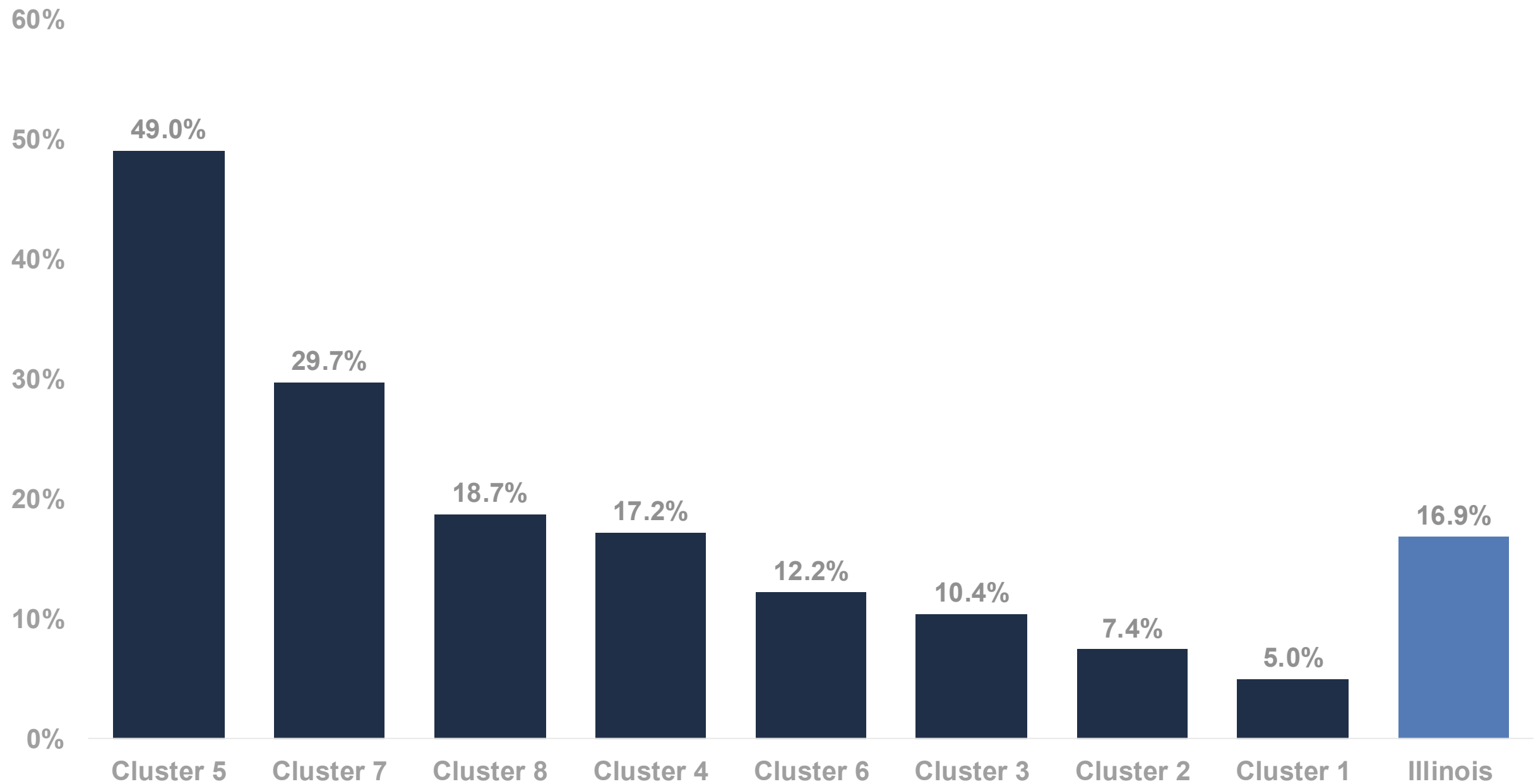
Share of Housing Units Built Pre-1940 by Market Type, 2024



SOURCE: IHS DATA CLEARINGHOUSE, 2024 ACS 5-YEAR ESTIMATES

Variation in housing age highlights market distinctions

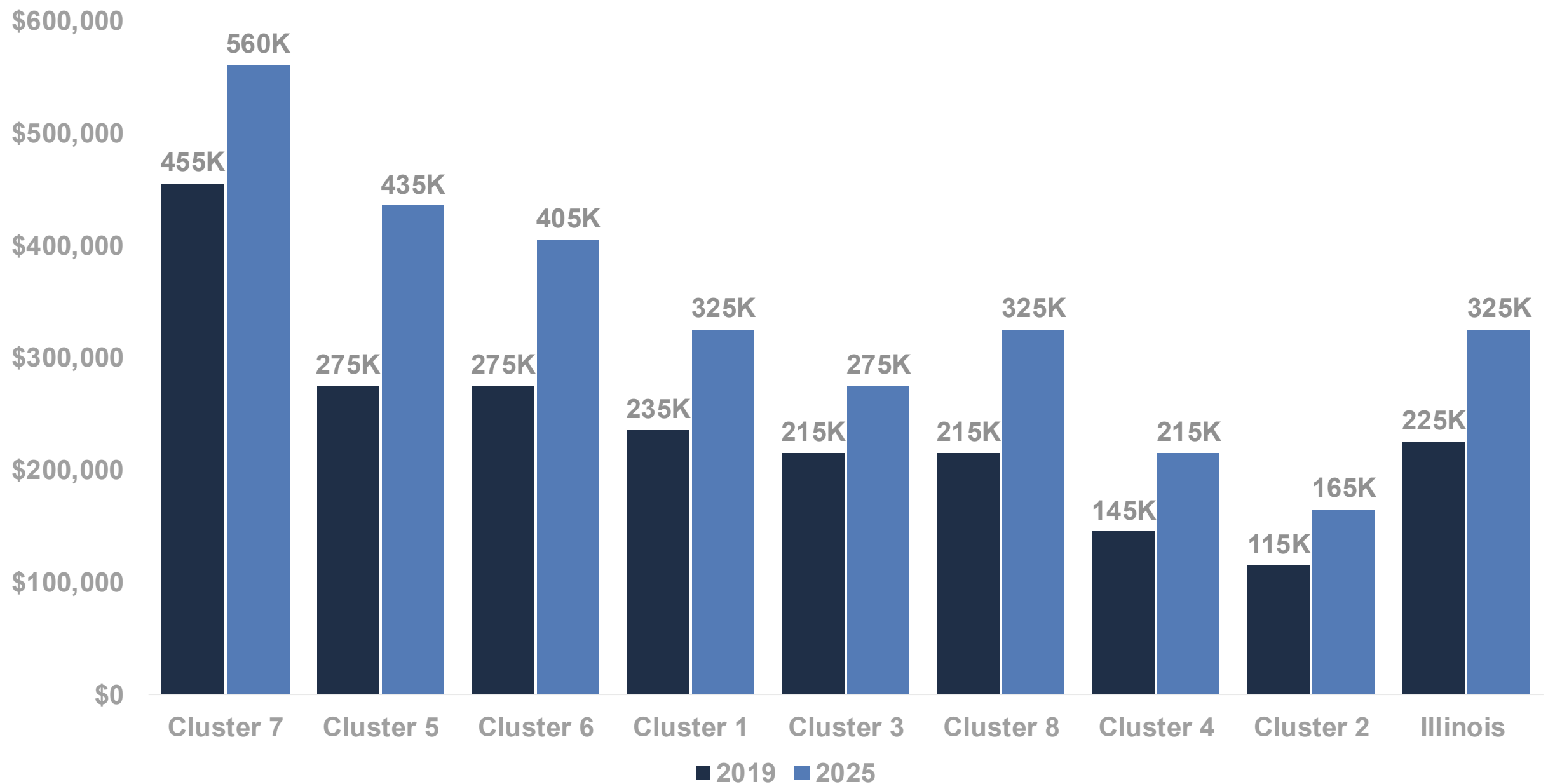
Share of Housing Units Built After 2000 by Market Type, 2024



SOURCE: IHS DATA CLEARINGHOUSE, 2024 ACS 5-YEAR ESTIMATES

Variation in housing affordability and house price growth

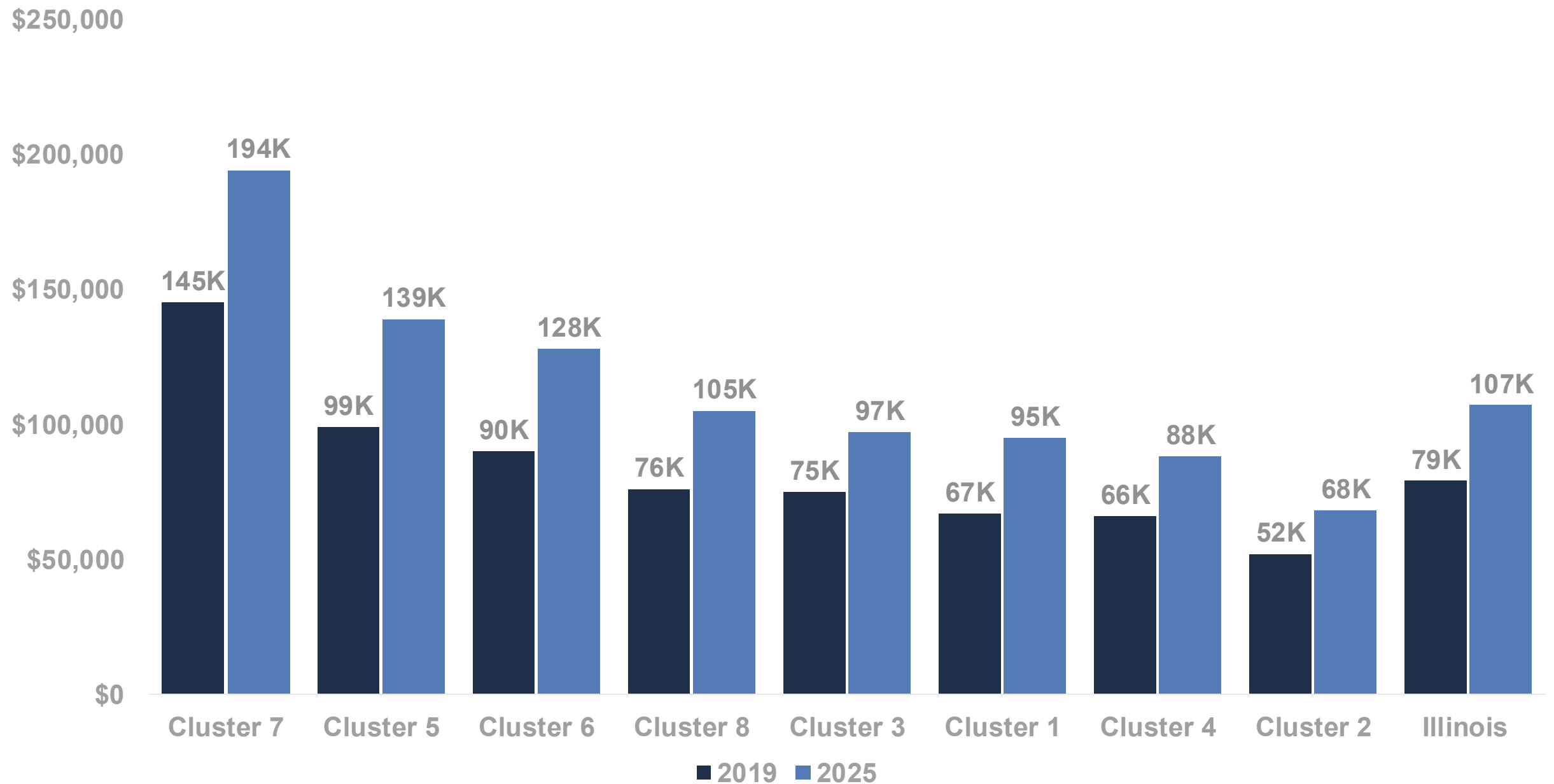
Median Sales Price of Owner-Occupied Properties Purchased with a Mortgage, 2019 and 2025



SOURCE: IHS DATA CLEARINGHOUSE, HOME MORTGAGE DISCLOSURE ACT DATA, 2019 AND 2025

Variation in housing affordability, incomes for new homebuyers

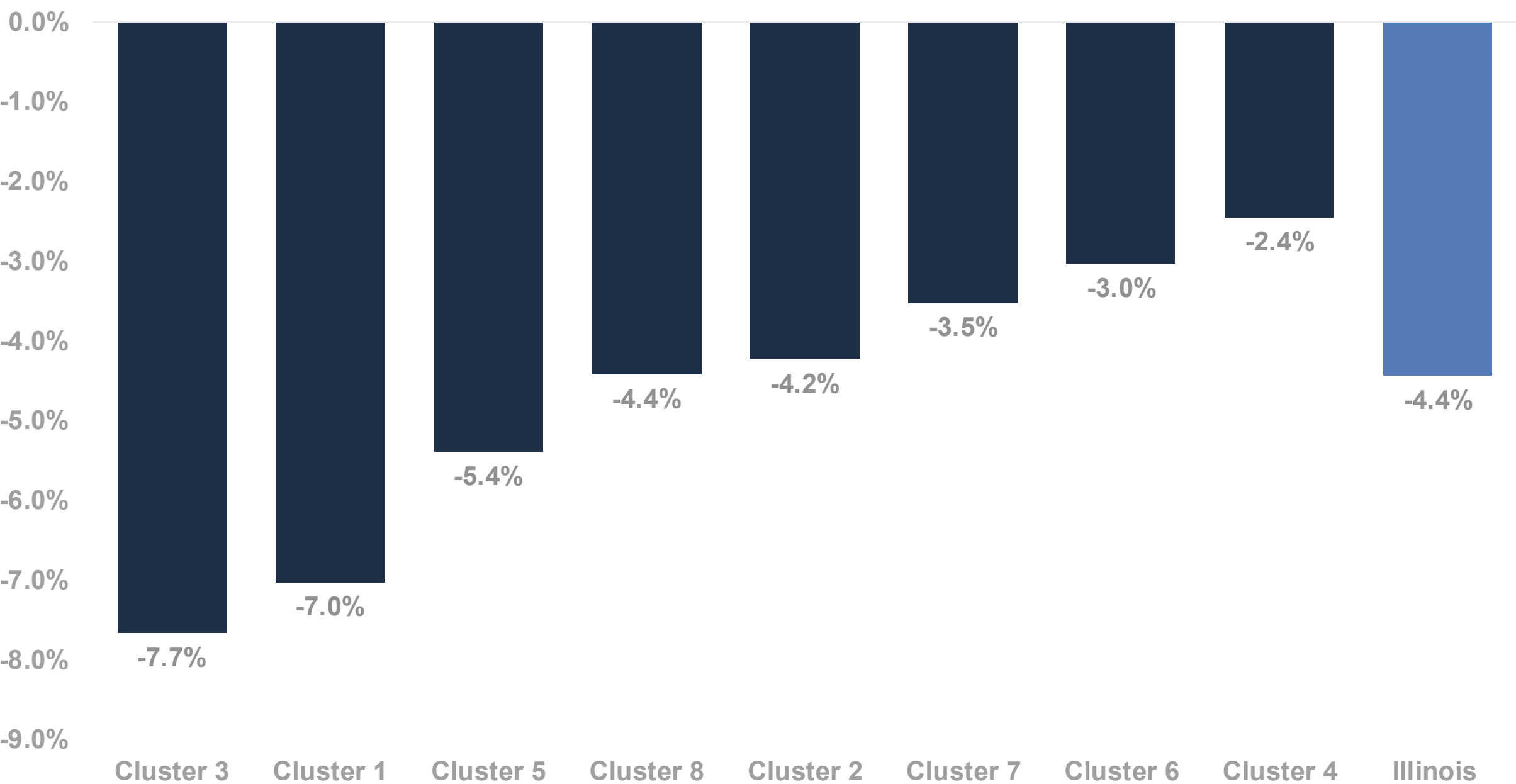
Median Income of Borrowers Purchasing Owner-Occupied Properties with a Mortgage, 2019 and 2025



SOURCE: IHS DATA CLEARINGHOUSE, HOME MORTGAGE DISCLOSURE ACT DATA, 2019 AND 2025

Common challenges: declining share of households with children

Share of Households with Children by Market Type, 2013 and 2024



SOURCE: IHS DATA CLEARINGHOUSE, 2013 AND 2024 ACS 5-YEAR ESTIMATES

Next Steps

- Share typologies with statewide partners
- Identify key housing challenges connected to each market type
- Add new data via post-analysis
- Finalize typologies and related summary data
- Develop product for broader dissemination

Local challenges & statewide patterns

The typologies can help show when a locally experienced problem is actually part of a statewide pattern.

- A challenge that feels specific to one community may be appearing in other communities
- Those patterns can show where statewide policy, funding, or capacity is needed.
- Statewide solutions can address shared challenges even when they vary from place to place.
- The typologies may also show where communities need different implementation tools or complementary resources.

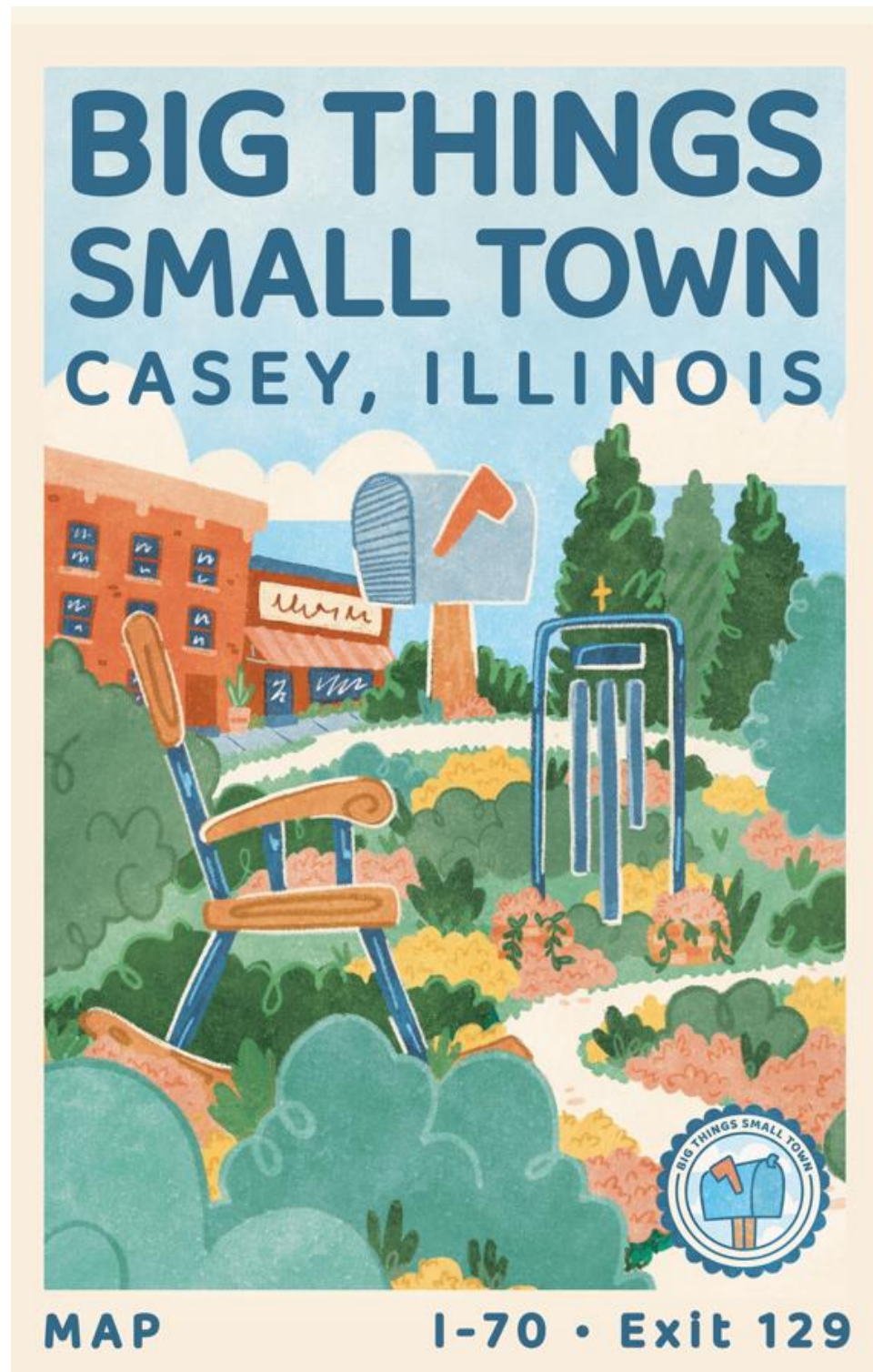
Variation across markets can help us design statewide action that works across Illinois.

Market conditions → policy tools

The typologies also show how different policy tools may work together in different markets, for example:

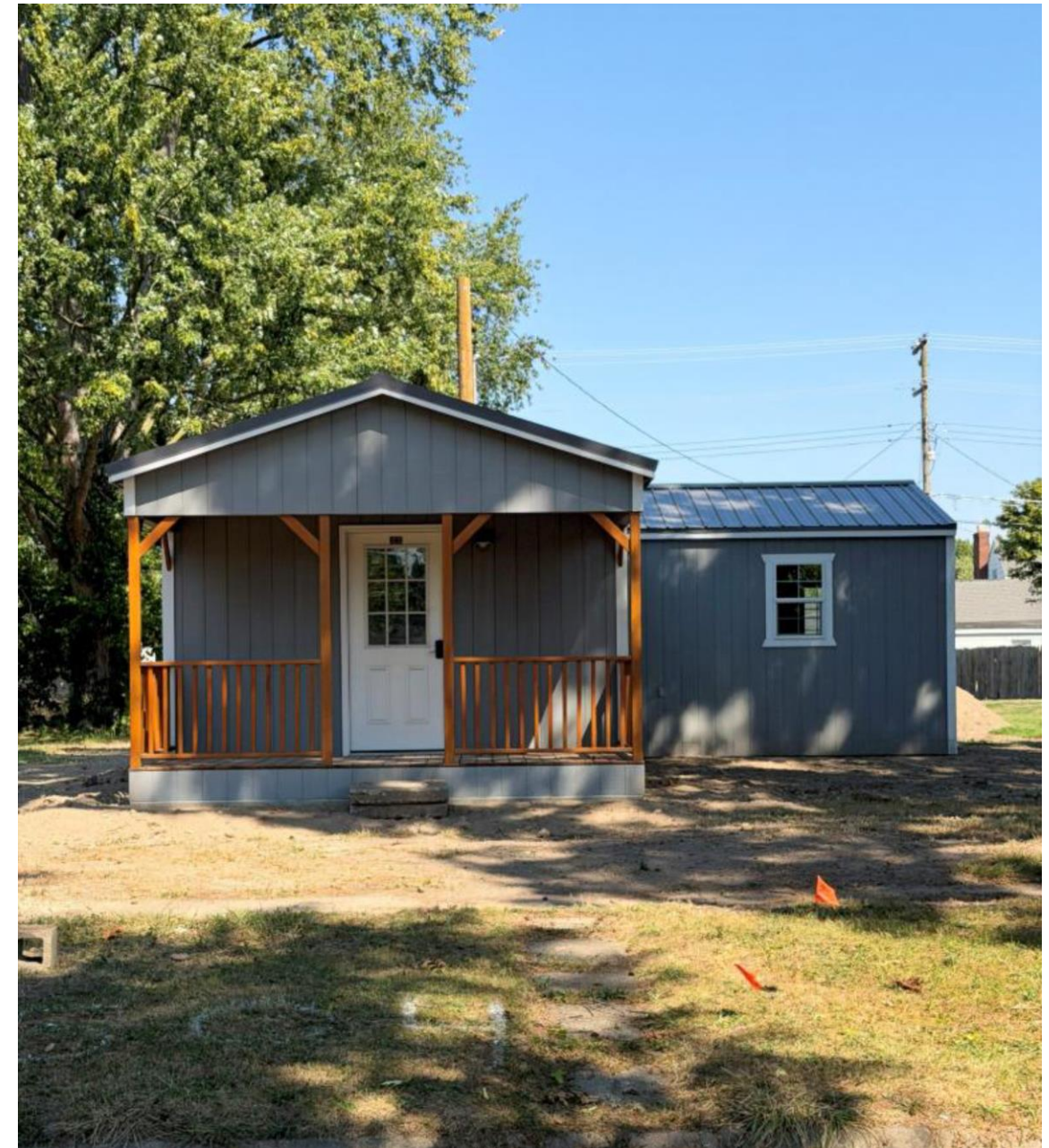
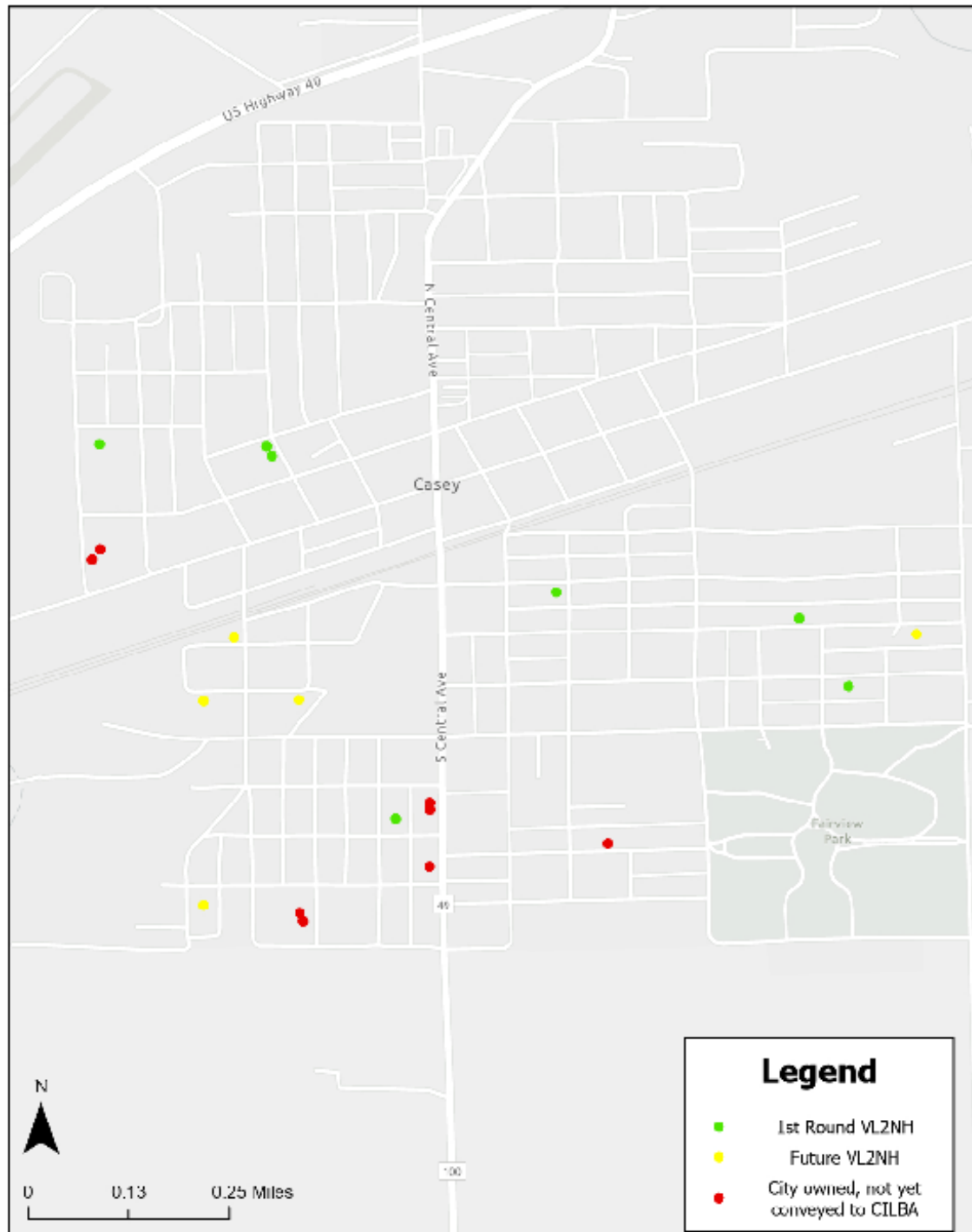
Market conditions	Tools that may be especially relevant
Aging housing stock + vacancy or housing loss	Home repair and rehabilitation funding; land banking and property assembly; acquisition and reuse tools; support for smaller-scale infill
Strong growth + limited housing diversity	Zoning reform; ADUs and missing-middle housing; infrastructure investment; permitting and development-process improvements
High housing costs + affordability pressure	Affordable housing production and preservation; additional housing supply; rental assistance and tenant protections; tools to preserve lower-cost existing housing
Limited local implementation capacity	Regional partnerships; shared staff or services; technical assistance; predevelopment support; state resources that smaller communities can access

Casey, Illinois



Casey, Illinois

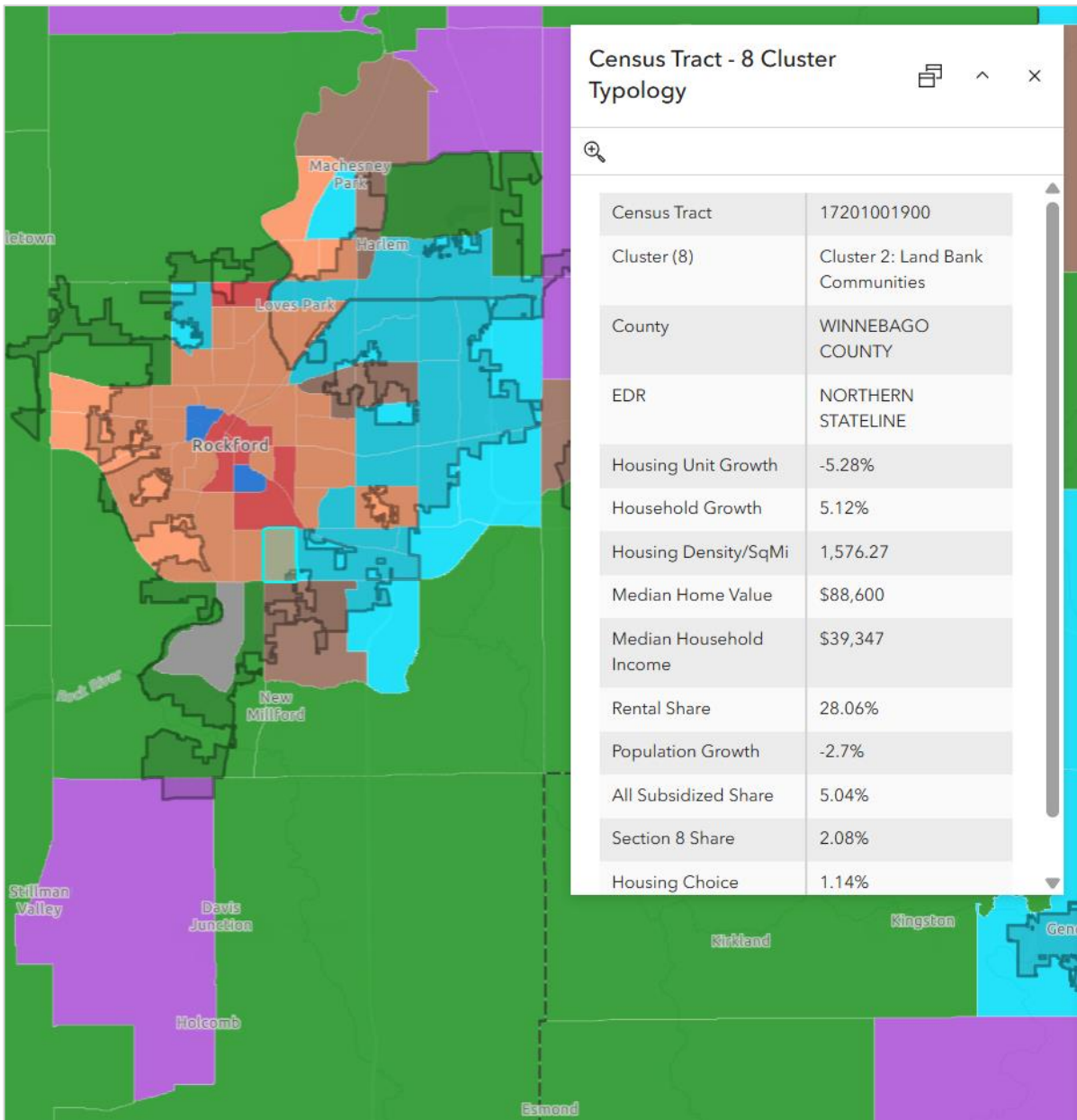
Casey Vacant Lots to New Homes



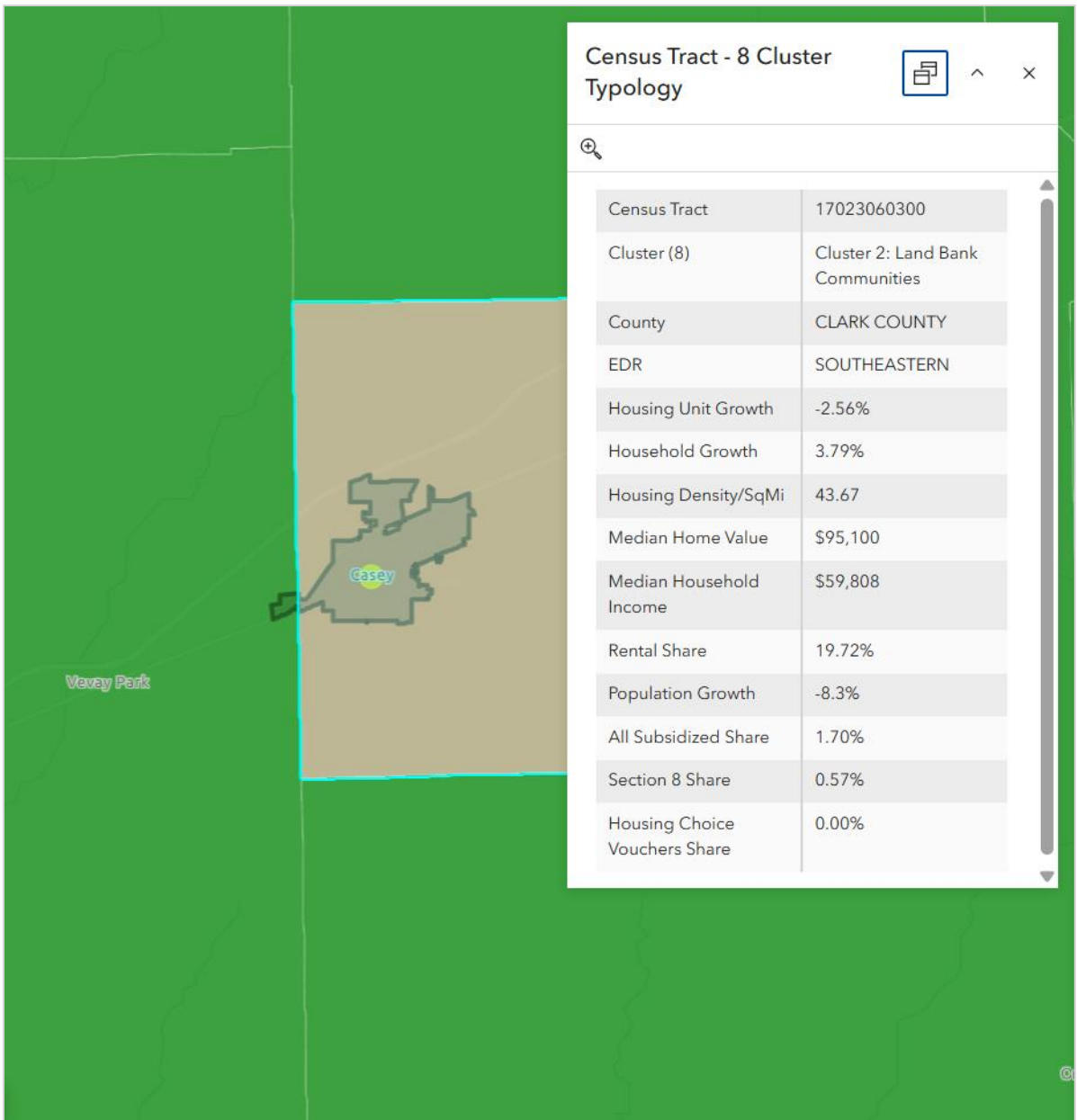
Rockford and Casey have some tract-level similarities

Both include tracts classified as Cluster 2 Communities—even though they sit in different regions of Illinois.

ROCKFORD • WINNEBAGO COUNTY



CASEY • CLARK COUNTY



Learning from communities facing similar challenges

The typologies can help communities find peers they might not otherwise think to learn from.

01 FIND UNEXPECTED PEERS

Communities in different parts of Illinois may share similar housing conditions—even when their size, geography, or local context differs.

02 COMPARE WHAT DRIVES THE CHALLENGE

Identifying those peers creates opportunities to compare what is driving the challenge and how communities are responding.

03 LEARN FROM APPROACHES IN PRACTICE

Local leaders can learn from approaches already being tested elsewhere instead of starting from scratch.

04 ADAPT STRATEGIES LOCALLY

Peer learning can surface strategies relevant in other places, even when they need to be adapted to local conditions.

From peer learning to regional collaboration

Peer learning can also lead to shared capacity and shared solutions.

SHARED REDEVELOPMENT CAPACITY

Central Illinois Land Bank Authority

Communities are sharing experience and capacity around land banking, redevelopment, and property reuse.

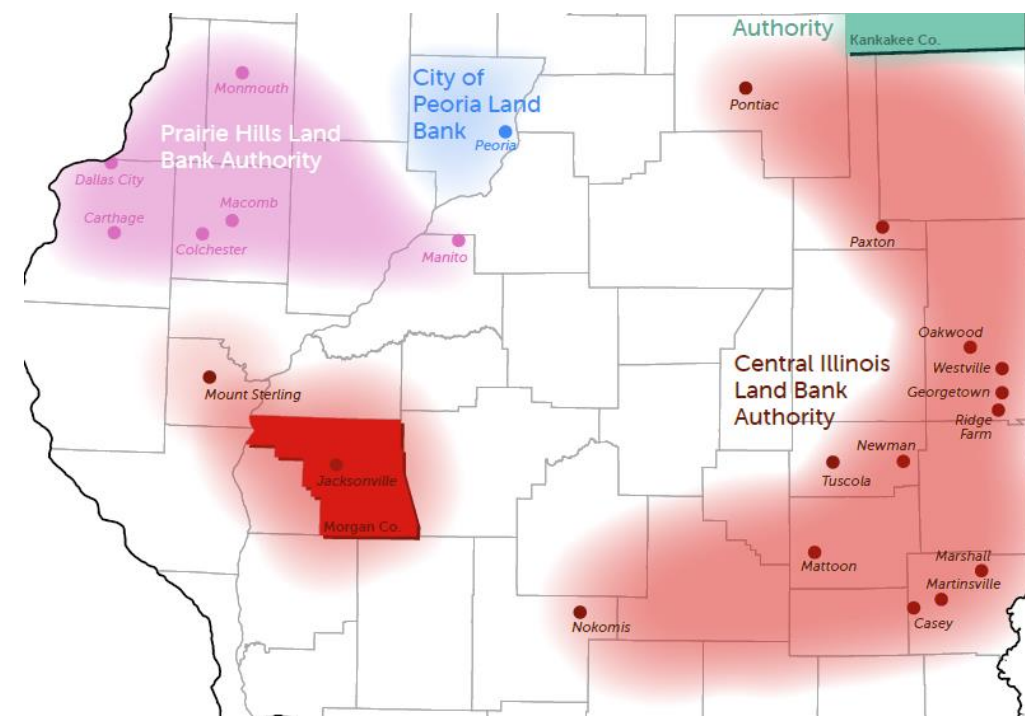
WHY IT MATTERS

Working together gives smaller communities access to expertise and implementation capacity, responding to the reality that employment, and investment do not stop at municipal boundaries.

SHARED LOCAL SERVICES

Clark County

Casey, Martinsville, Marshall, and other communities in CILBA are collaborating on shared code enforcement.

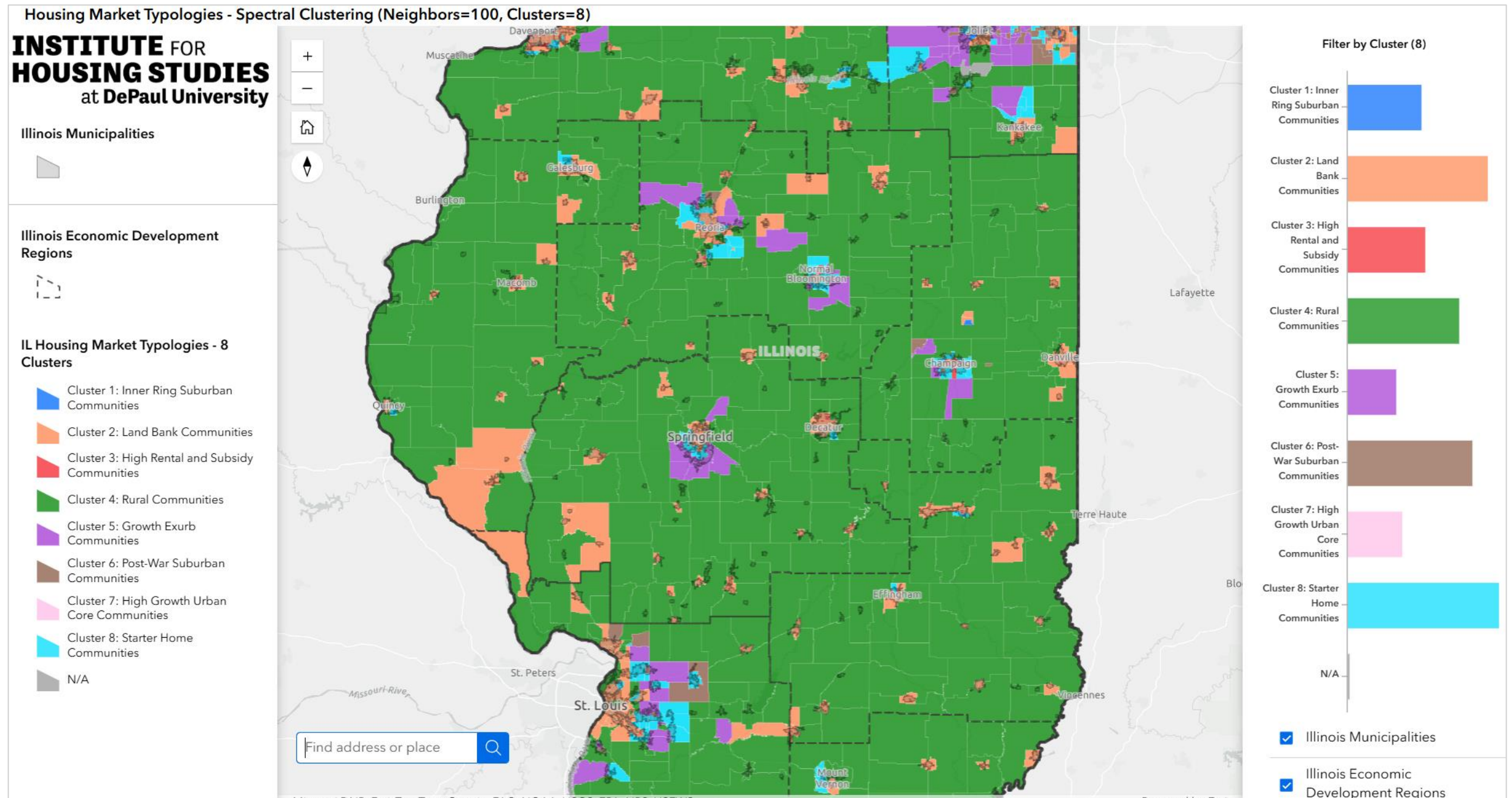


What would make this useful in your community?

Our questions for you:

- | | |
|---|---|
| 01 Do you recognize your community in one or more of these market types? | 04 What approaches are already working in your market? |
| 02 What does the data capture well—and what does it miss? | 05 What statewide policy, funding, or capacity would help address the challenges you are seeing? |
| 03 Who are your peers? What communities face similar challenges? | 06 Where could better data, peer learning, or statewide action help move the work forward? |

Explore the housing typologies in the live map



OPEN THE INTERACTIVE MAP

<https://experience.arcgis.com/experience/46ef6556989f4fbc179c334b783045f/>



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Thank you

Questions or follow-up?

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