

Monthly Indicators

A RESEARCH TOOL PROVIDED BY THE MINNEAPOLIS AREA ASSOCIATION OF REALTORS®



MINNEAPOLIS AREA Association
of REALTORS®

February 2018

The four most prominent market trends for residential real estate are the ongoing lack of inventory; the steady, upward movement of home prices; and, recently, year-over-year declines in home sales combined with changing interest rates. Sales declines are the natural result of an inventory shortage, but higher prices generally indicate a higher level of demand leading to competitive bidding. Markets are thirsty for increased supply, so there is hope that more sellers will take advantage of what appears to be a ready and willing buyer pool.

New Listings in the Twin Cities region decreased 8.0 percent to 5,072. Pending Sales were down 12.1 percent to 3,635. Inventory levels fell 23.0 percent to 7,573 units.

Prices continued to gain traction. The Median Sales Price increased 12.7 percent to \$250,000. Days on Market was down 15.9 percent to 69 days. Sellers were encouraged as Months Supply of Homes for Sale was down 21.1 percent to 1.5 months.

In February, prevailing mortgage rates continued to rise. Recent increases are starting to have an impact on affordability, leaving consumers to choose between a higher payment or a lower-priced home. According to the Mortgage Bankers Association, the average rate for 30-year fixed-rate mortgages with a 20 percent down payment that qualify for backing by Fannie Mae and Freddie Mac rose to its highest level since January 2014. A 4.5 or 4.6 percent rate might not seem high to those with extensive real estate experience, but it is newly high for many potential first-time home buyers. Upward rate pressure is likely to continue as long as the economy fares well.

Quick Facts

- 6.0% **+ 12.7%** **- 23.0%**

Change in
Closed Sales Change in
Median Sales Price Change in
Inventory

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Market Overview

Key market metrics for the current month and year-to-date.



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Key Metrics	Historical Sparklines (normalized)	2-2017	2-2018	+ / -	YTD 2017	YTD 2018	+ / -
New Listings		5,513	5,072	- 8.0%	9,895	9,116	- 7.9%
Pending Sales		4,137	3,635	- 12.1%	7,376	6,769	- 8.2%
Closed Sales		2,803	2,635	- 6.0%	5,687	5,431	- 4.5%
Days on Market Until Sale		82	69	- 15.9%	81	69	- 14.8%
Median List Price		\$278,836	\$299,900	+ 7.6%	\$275,000	\$299,000	+ 8.7%
Median Sales Price		\$221,800	\$250,000	+ 12.7%	\$222,000	\$247,500	+ 11.5%
Price Per Square Foot		\$134	\$145	+ 8.6%	\$134	\$143	+ 7.1%
ShowingTime Housing Value Index		\$206,892	\$222,505	+ 7.5%	--	--	--
Pct. of Orig. List Price Received		96.5%	98.0%	+ 1.6%	96.2%	97.4%	+ 1.2%
Inventory of Homes for Sale		9,833	7,573	- 23.0%	--	--	--
Months Supply of Homes for Sale		1.9	1.5	- 21.1%	--	--	--

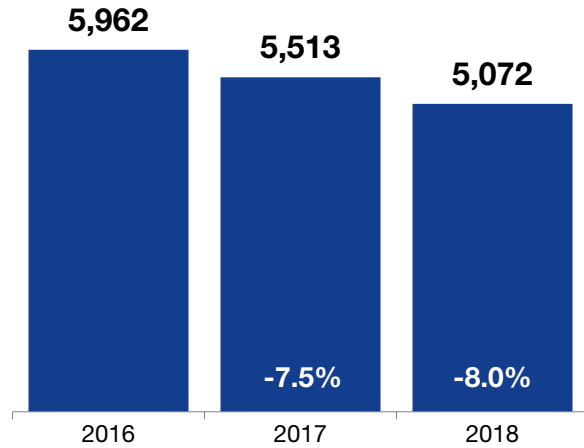
New Listings

A count of the properties that have been newly listed on the market in a given month.

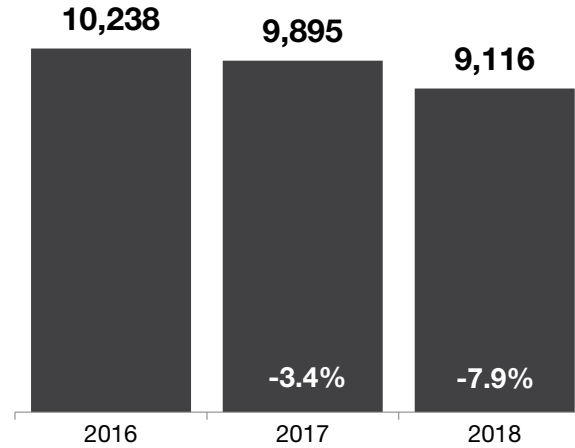


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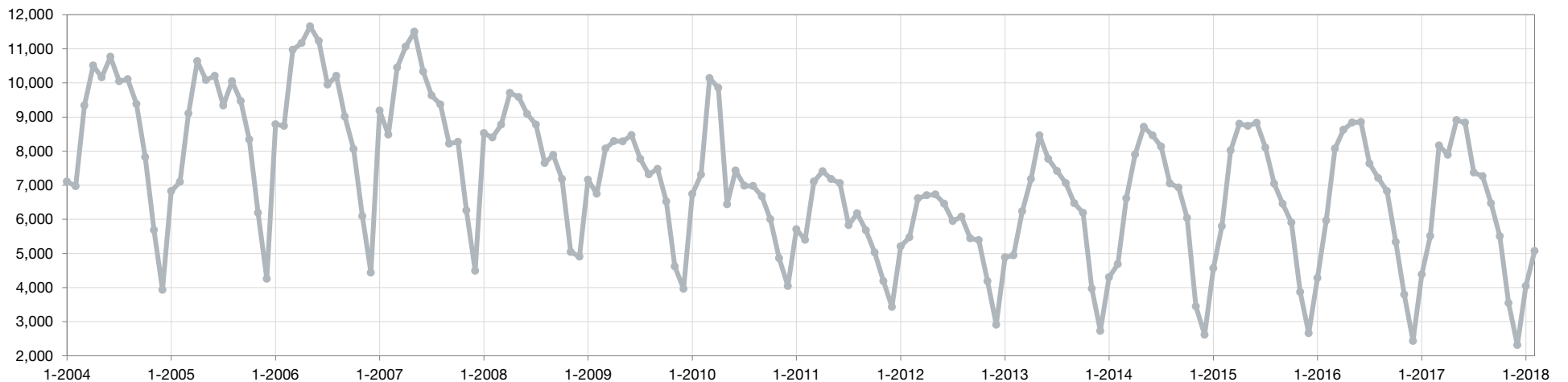


Year To Date



Month	Prior Year	Current Year	+ / -
March	8,077	8,165	+1.1%
April	8,625	7,890	-8.5%
May	8,840	8,907	+0.8%
June	8,853	8,837	-0.2%
July	7,632	7,369	-3.4%
August	7,214	7,264	+0.7%
September	6,826	6,474	-5.2%
October	5,341	5,502	+3.0%
November	3,798	3,544	-6.7%
December	2,431	2,311	-4.9%
January	4,382	4,044	-7.7%
February	5,513	5,072	-8.0%
12-Month Avg	6,461	6,282	-2.8%

Historical New Listing Activity



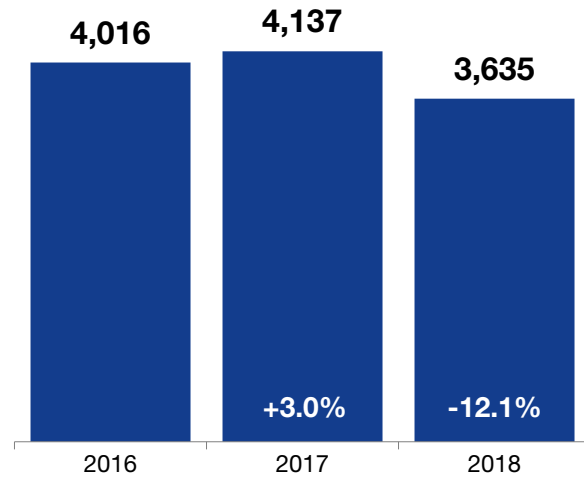
Pending Sales

A count of the properties on which contracts have been accepted in a given month.

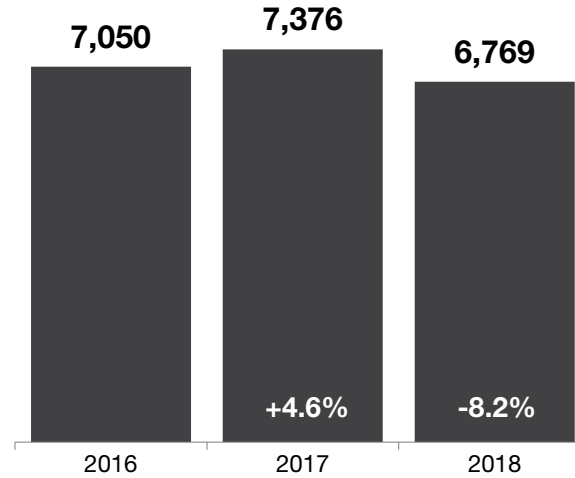


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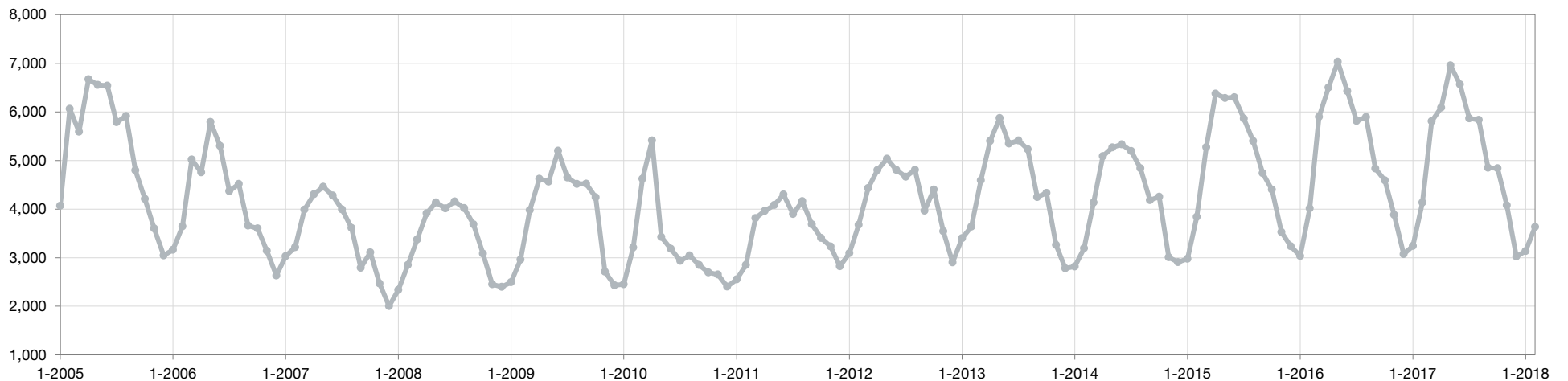


Year To Date



Month	Prior Year	Current Year	+ / -
March	5,895	5,809	-1.5%
April	6,503	6,087	-6.4%
May	7,029	6,954	-1.1%
June	6,429	6,563	+2.1%
July	5,813	5,868	+0.9%
August	5,893	5,834	-1.0%
September	4,833	4,849	+0.3%
October	4,590	4,838	+5.4%
November	3,883	4,079	+5.0%
December	3,069	3,024	-1.5%
January	3,239	3,134	-3.2%
February	4,137	3,635	-12.1%
12-Month Avg	5,109	5,056	-1.0%

Historical Pending Sales Activity



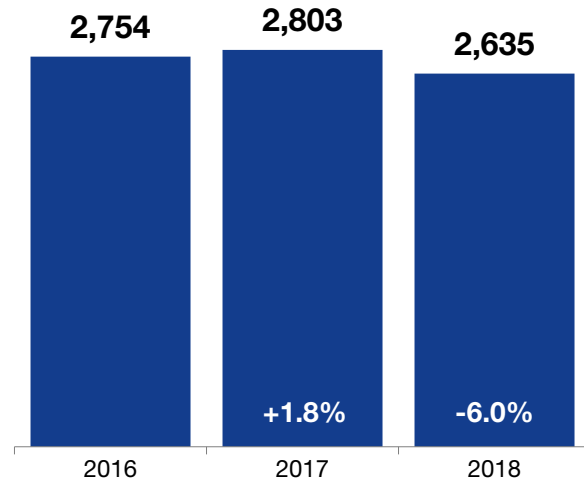
Closed Sales

A count of the actual sales that have closed in a given month.

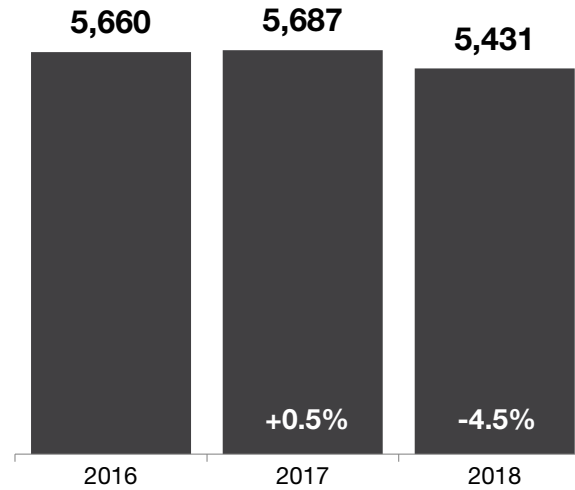


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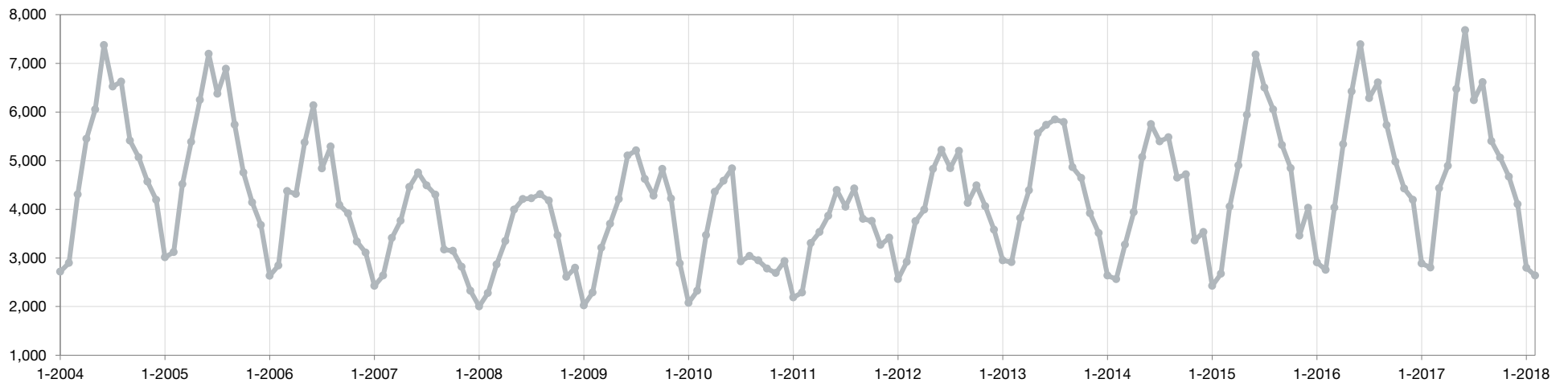


Year To Date



Month	Prior Year	Current Year	+ / -
March	4,035	4,432	+9.8%
April	5,334	4,890	-8.3%
May	6,419	6,469	+0.8%
June	7,392	7,683	+3.9%
July	6,285	6,241	-0.7%
August	6,607	6,614	+0.1%
September	5,729	5,398	-5.8%
October	4,978	5,060	+1.6%
November	4,427	4,669	+5.5%
December	4,191	4,106	-2.0%
January	2,884	2,796	-3.1%
February	2,803	2,635	-6.0%
12-Month Avg	5,090	5,083	-0.3%

Historical Closed Sales Activity



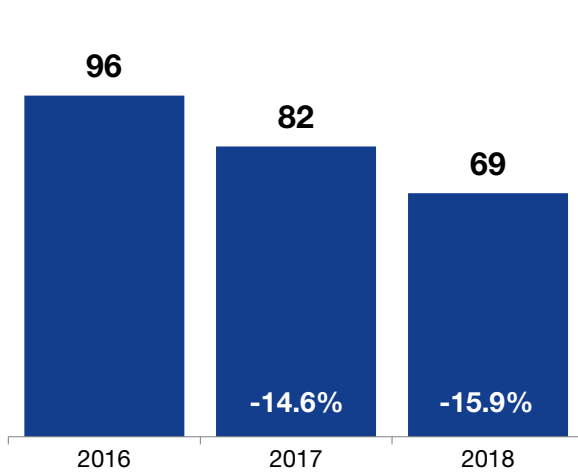
Days on Market Until Sale

Average, cumulative number of days between when a property is listed and when an offer is accepted in a given month.

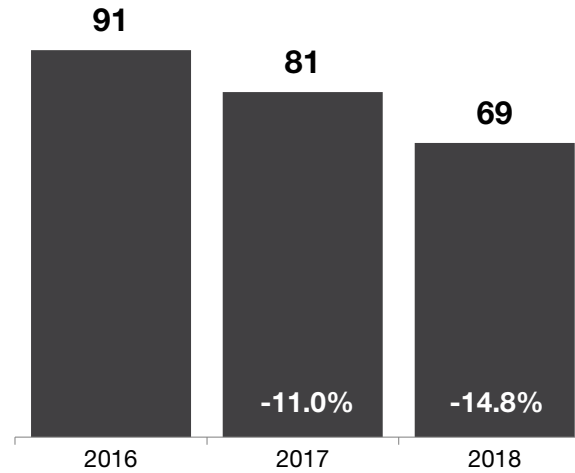


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Year To Date



Month	Prior Year	Current Year	+ / -
March	86	73	-15.1%
April	74	59	-20.3%
May	61	52	-14.8%
June	57	48	-15.8%
July	55	46	-16.4%
August	56	48	-14.3%
September	57	50	-12.3%
October	61	52	-14.8%
November	63	56	-11.1%
December	72	61	-15.3%
January	80	69	-13.8%
February	82	69	-15.9%
12-Month Avg	64	55	-14.1%

Historical Days on Market Until Sale



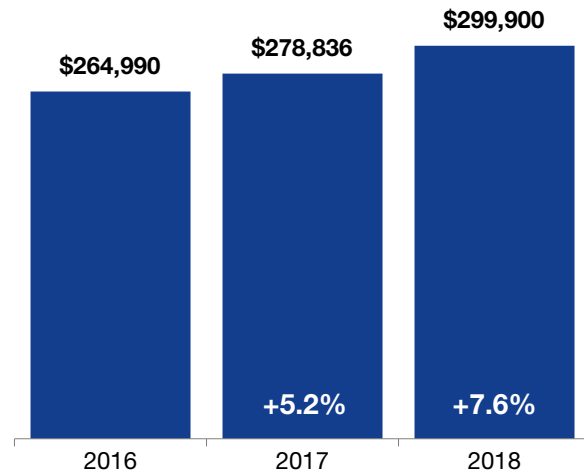
Median Original List Price

Median original list price for all new listings in a given month. List prices can serve as a leading indicator of future price movement.

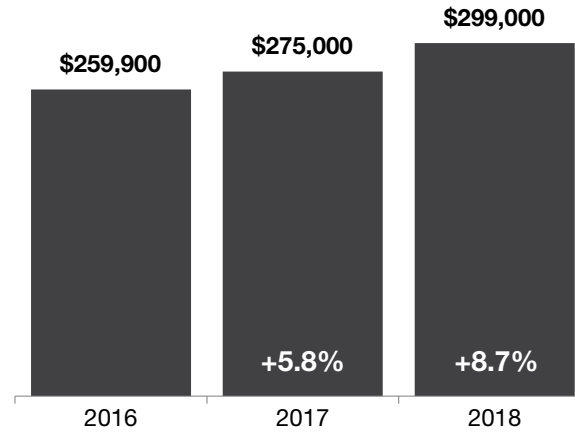


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Year To Date



Month	Prior Year	Current Year	+ / -
March	\$259,000	\$272,900	+5.4%
April	\$249,900	\$269,000	+7.6%
May	\$250,000	\$274,900	+10.0%
June	\$250,000	\$269,900	+8.0%
July	\$249,900	\$265,000	+6.0%
August	\$245,900	\$260,000	+5.7%
September	\$259,900	\$269,900	+3.8%
October	\$245,000	\$265,000	+8.2%
November	\$245,000	\$265,000	+8.2%
December	\$249,900	\$269,000	+7.6%
January	\$275,000	\$290,955	+5.8%
February	\$278,836	\$299,900	+7.6%
12-Month Med	\$250,000	\$269,900	+8.0%

Historical Median Original List Price



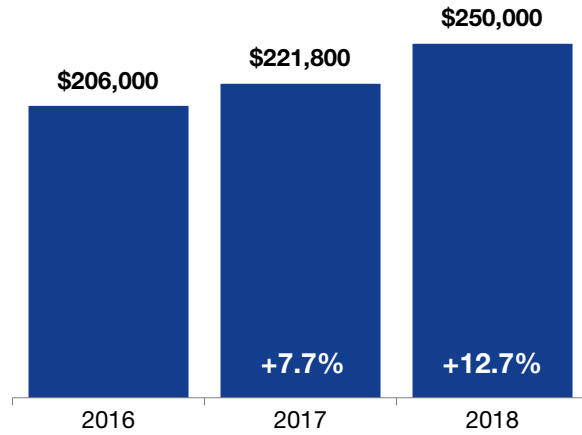
Median Sales Price

Median price point for all closed sales, not accounting for seller concessions, in a given month.

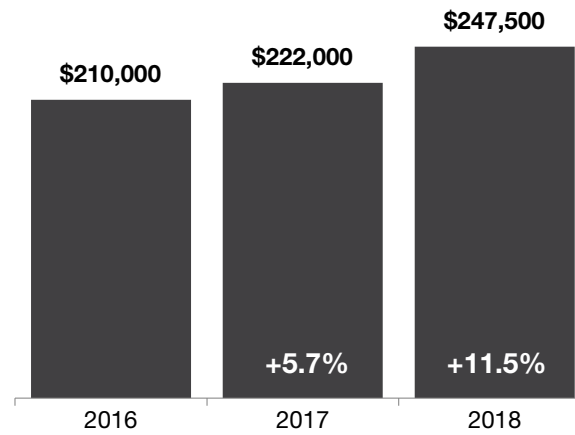


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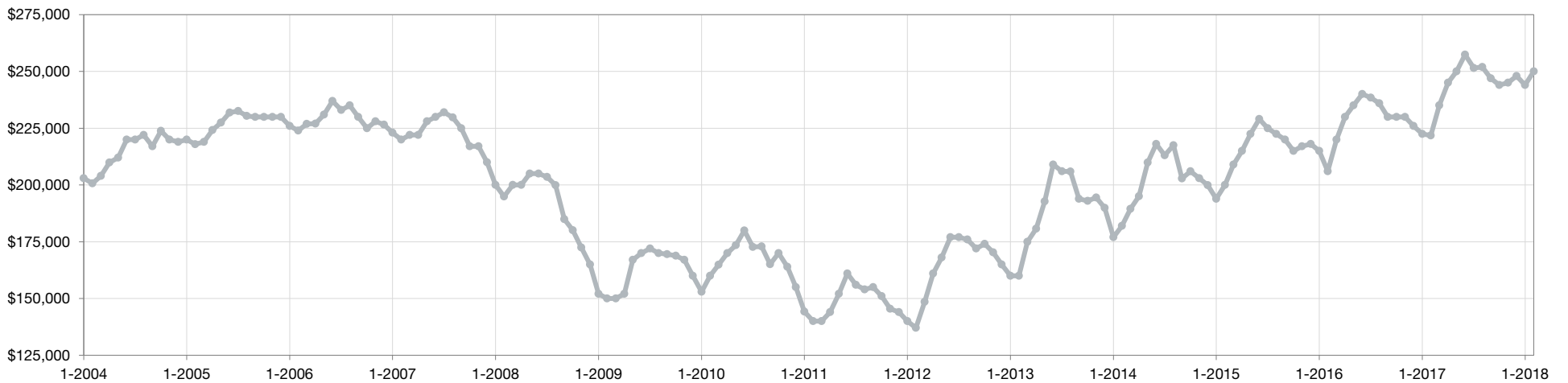


Year To Date



Month	Prior Year	Current Year	+ / -
March	\$220,000	\$235,000	+6.8%
April	\$230,000	\$245,000	+6.5%
May	\$235,000	\$250,000	+6.4%
June	\$240,041	\$257,375	+7.2%
July	\$238,400	\$251,500	+5.5%
August	\$236,000	\$251,950	+6.8%
September	\$230,000	\$246,900	+7.3%
October	\$230,000	\$244,000	+6.1%
November	\$230,000	\$245,000	+6.5%
December	\$226,000	\$248,000	+9.7%
January	\$222,500	\$244,000	+9.7%
February	\$221,800	\$250,000	+12.7%
12-Month Med	\$232,000	\$249,000	+7.3%

Historical Median Sales Price



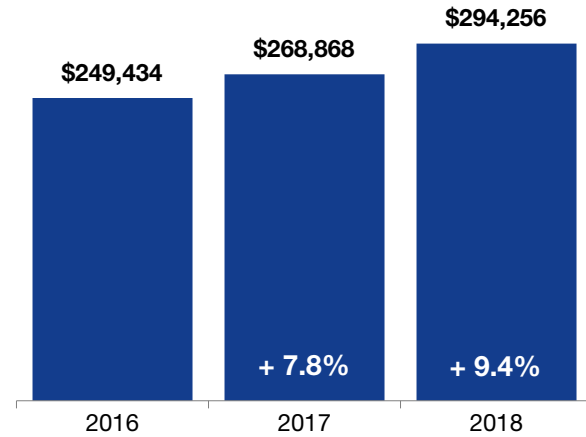
Average Sales Price

Average sales price for all closed sales, not accounting for seller concessions, in a given month.

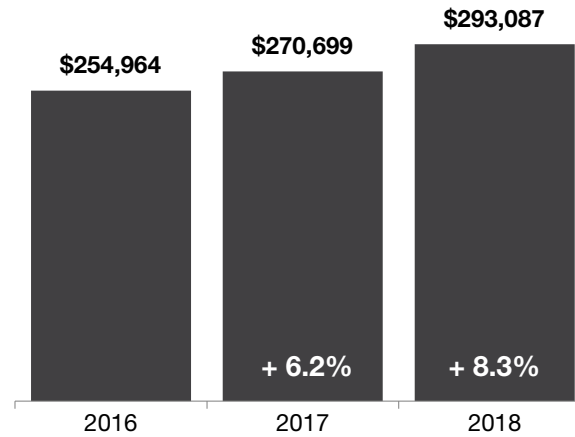


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Year to Date



Month	Prior Year	Current Year	+ / -
March	\$256,808	\$278,980	+8.6%
April	\$271,229	\$290,215	+7.0%
May	\$274,960	\$292,625	+6.4%
June	\$282,943	\$307,058	+8.5%
July	\$279,541	\$302,059	+8.1%
August	\$282,803	\$298,455	+5.5%
September	\$271,297	\$295,006	+8.7%
October	\$273,325	\$291,836	+6.8%
November	\$273,859	\$289,844	+5.8%
December	\$271,951	\$305,919	+12.5%
January	\$272,470	\$291,979	+7.2%
February	\$268,868	\$294,256	+9.4%
12-Month Avg	\$274,558	\$295,718	+7.7%

Historical Average Sales Price



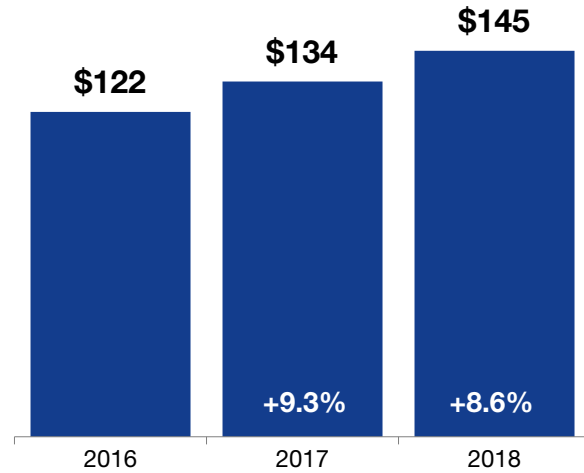
Price Per Square Foot

The price per square foot of homes sold in a given month. Sold properties only. Does not account for seller concessions.

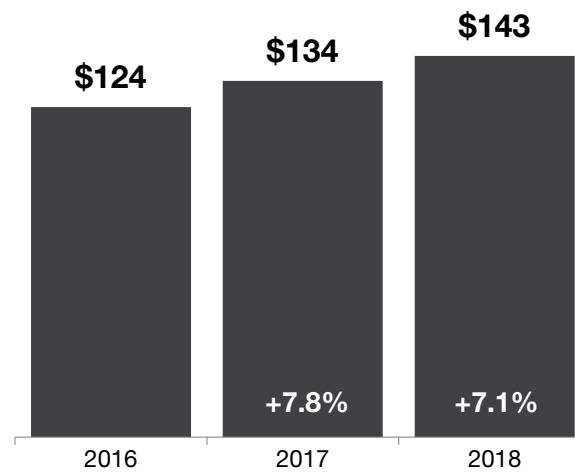


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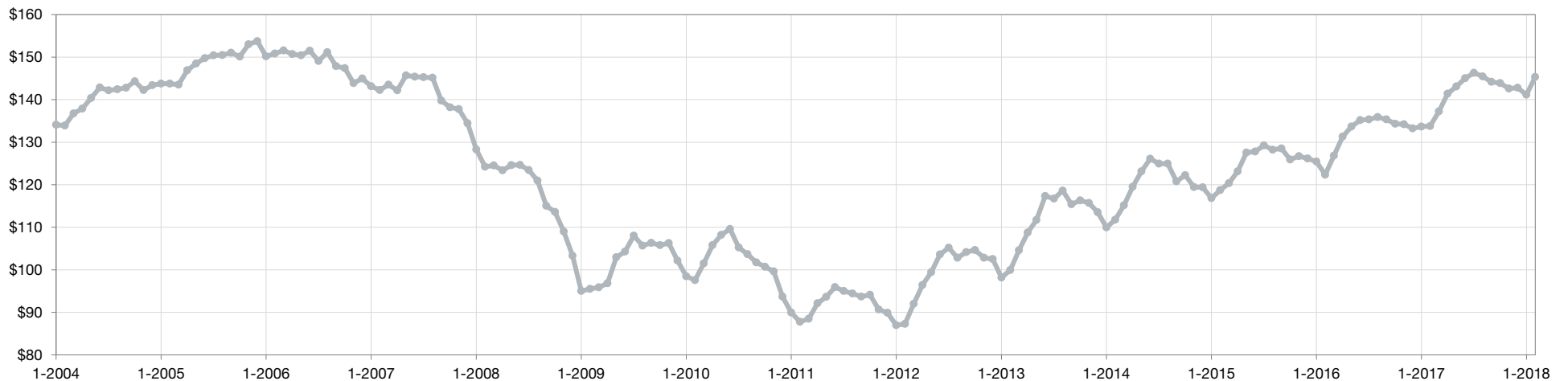


Year to Date



Month	Prior Year	Current Year	+ / -
March	\$127	\$137	+8.2%
April	\$131	\$141	+7.7%
May	\$134	\$143	+7.0%
June	\$135	\$145	+7.2%
July	\$135	\$146	+8.1%
August	\$136	\$145	+7.0%
September	\$135	\$144	+6.5%
October	\$134	\$144	+7.1%
November	\$134	\$143	+6.3%
December	\$133	\$143	+7.1%
January	\$134	\$141	+5.6%
February	\$134	\$145	+8.6%
12-Month Avg	\$134	\$143	+7.2%

Historical Price Per Square Foot



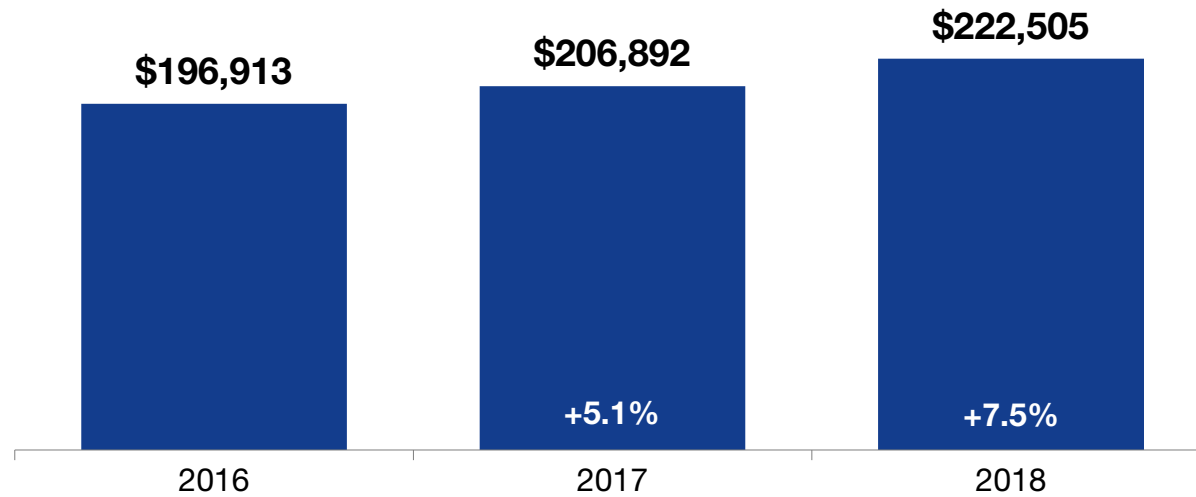
ShowingTime Housing Value Index

The value index employs a multi-variate, linear regression methodology to determine specific weights that adjust for both seasonality and segment bias to arrive at a real, constant-quality view of home values. The index is set to the median sales price in January 2003.



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Month	Prior Year	Current Year	+ / -
March	\$200,570	\$208,077	+3.7%
April	\$199,258	\$211,008	+5.9%
May	\$198,424	\$209,574	+5.6%
June	\$197,987	\$208,770	+5.4%
July	\$198,607	\$210,479	+6.0%
August	\$198,612	\$209,934	+5.7%
September	\$198,871	\$209,907	+5.5%
October	\$198,156	\$209,444	+5.7%
November	\$198,385	\$210,333	+6.0%
December	\$200,827	\$211,556	+5.3%
January	\$206,078	\$217,028	+5.3%
February	\$206,892	\$222,505	+7.5%
12-Month Avg	\$200,222	\$211,551	+5.7%

Historical ShowingTime Housing Value Index



Percent of Original List Price Received

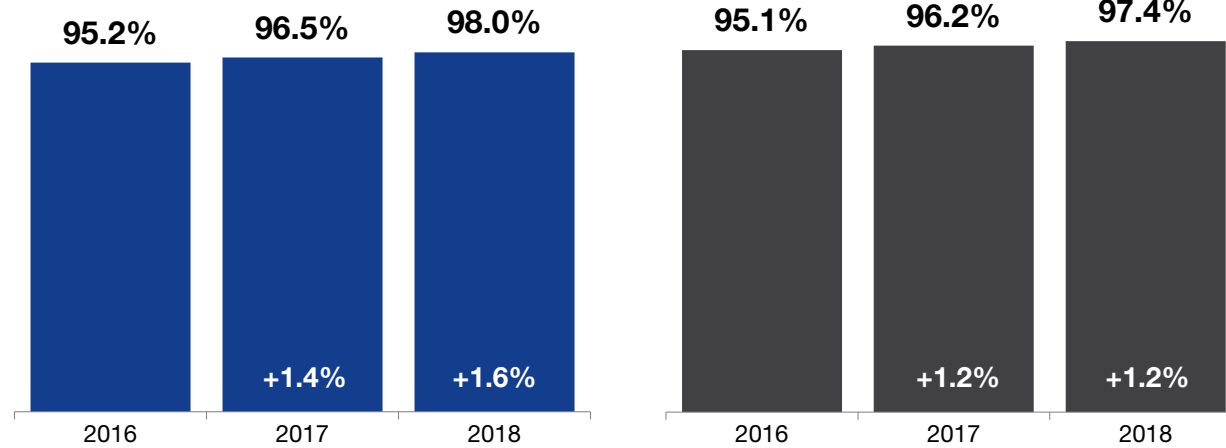
Percentage found when dividing a property's sales price by its original list price, then taking the average for all properties sold in a given month, not accounting for seller concessions.



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Year to Date



Month	Prior Year	Current Year	+ / -
March	96.8%	98.0%	+1.2%
April	97.9%	99.1%	+1.2%
May	98.5%	99.5%	+1.0%
June	98.6%	99.5%	+0.9%
July	98.3%	99.1%	+0.8%
August	97.9%	98.5%	+0.6%
September	97.5%	98.1%	+0.6%
October	96.9%	97.7%	+0.8%
November	96.6%	97.4%	+0.8%
December	95.9%	97.1%	+1.3%
January	95.9%	96.9%	+1.0%
February	96.5%	98.0%	+1.6%
12-Month Avg	97.5%	98.4%	+0.9%

Historical Percent of Original List Price Received



Housing Affordability Index

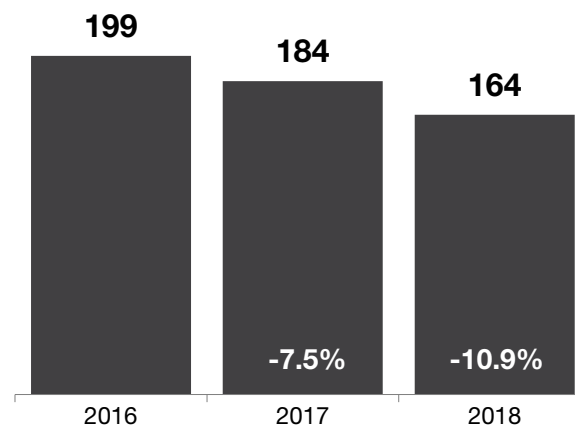
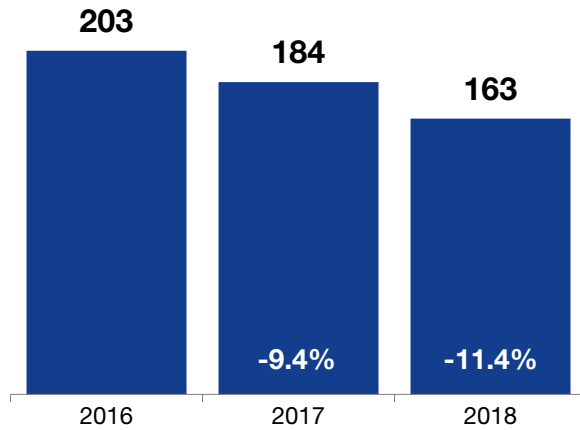
This index measures housing affordability for the region. For example, an index of 120 means the median household income was 120% of what is necessary to qualify for the median-priced home under prevailing interest rates. A higher number means greater affordability.



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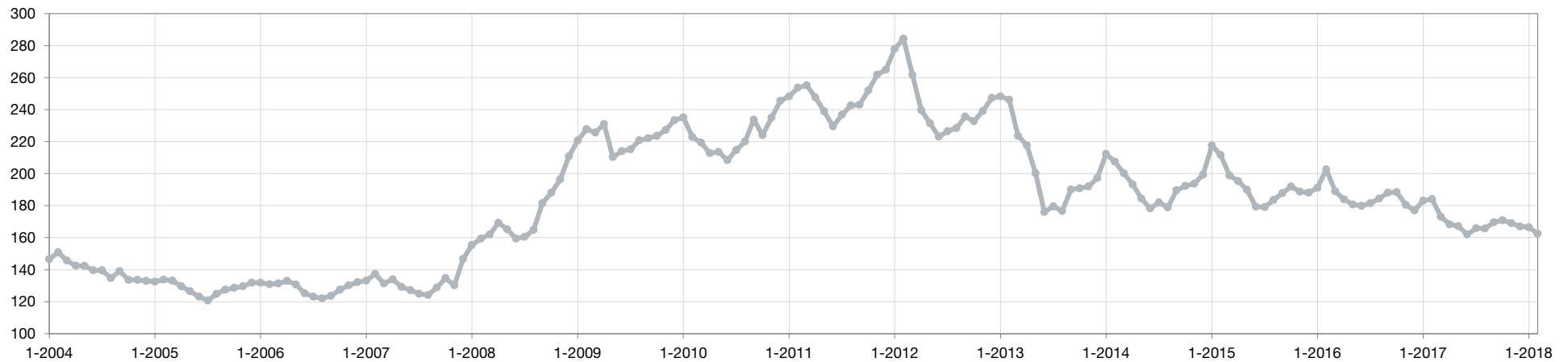
February

Year to Date



Month	Prior Year	Current Year	+ / -
March	189	173	-8.5%
April	184	168	-8.7%
May	181	167	-7.7%
June	180	162	-10.0%
July	181	166	-8.3%
August	184	166	-9.8%
September	188	170	-9.6%
October	188	171	-9.0%
November	181	169	-6.6%
December	177	167	-5.6%
January	183	167	-8.7%
February	184	163	-11.4%
12-Month Avg	183	167	-8.7%

Historical Housing Affordability Index



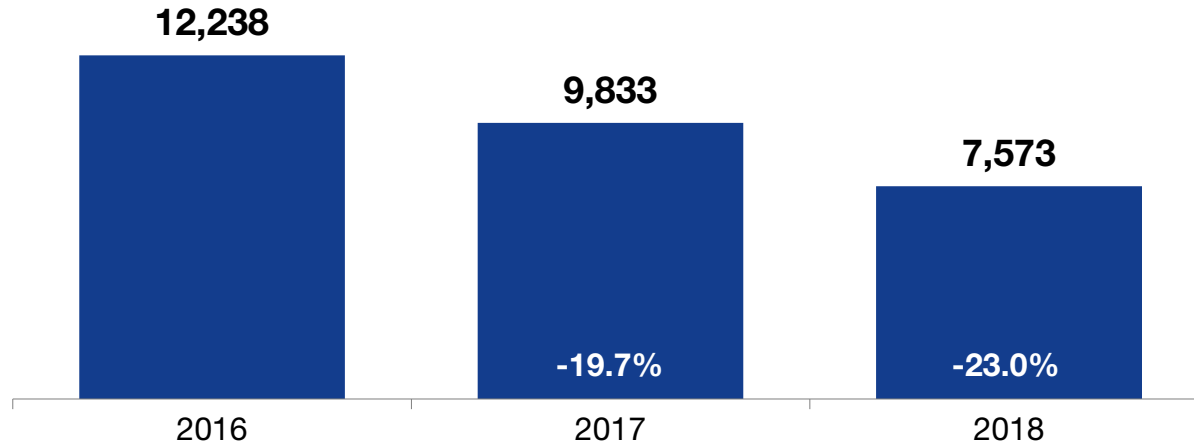
Inventory of Homes for Sale

The number of properties available for sale in active status at the end of a given month.



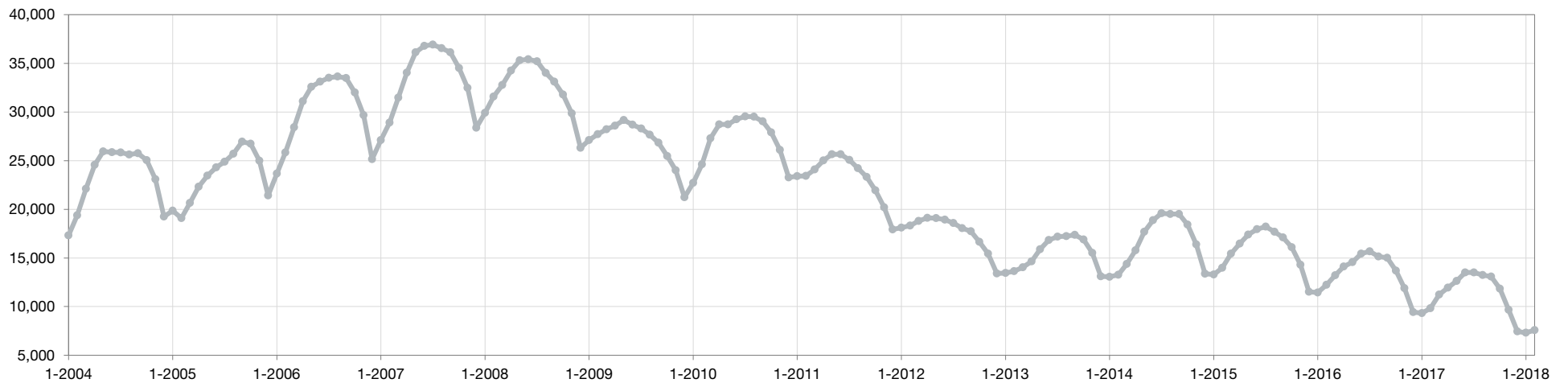
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Month	Prior Year	Current Year	+ / -
March	13,208	11,218	-15.1%
April	14,117	11,956	-15.3%
May	14,555	12,638	-13.2%
June	15,425	13,495	-12.5%
July	15,683	13,502	-13.9%
August	15,146	13,230	-12.7%
September	15,025	13,083	-12.9%
October	13,689	11,850	-13.4%
November	11,894	9,667	-18.7%
December	9,430	7,447	-21.0%
January	9,337	7,306	-21.8%
February	9,833	7,573	-23.0%
12-Month Avg	13,112	11,080	-16.1%

Historical Inventory of Homes for Sale



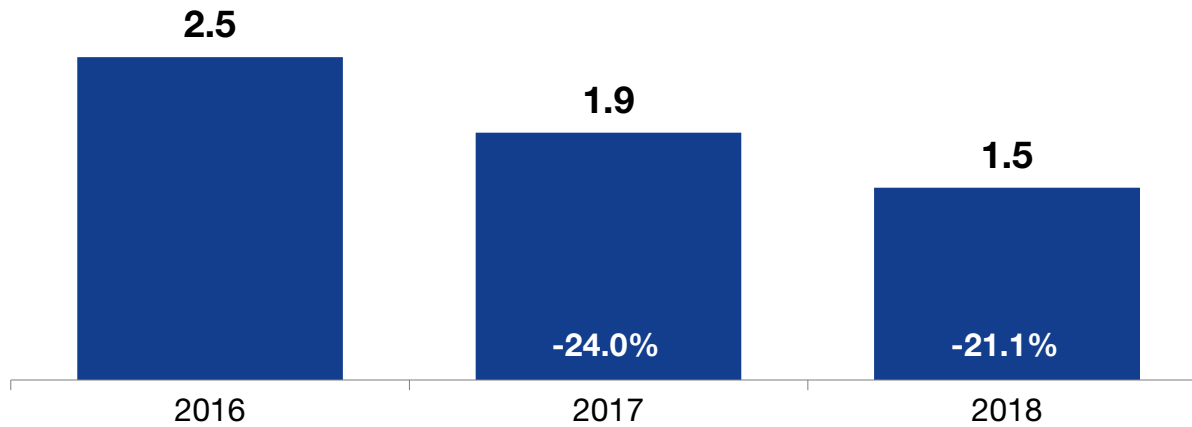
Months Supply of Homes for Sale

The inventory of homes for sale at the end of a given month, divided by the average monthly pending sales for the last 12 months.



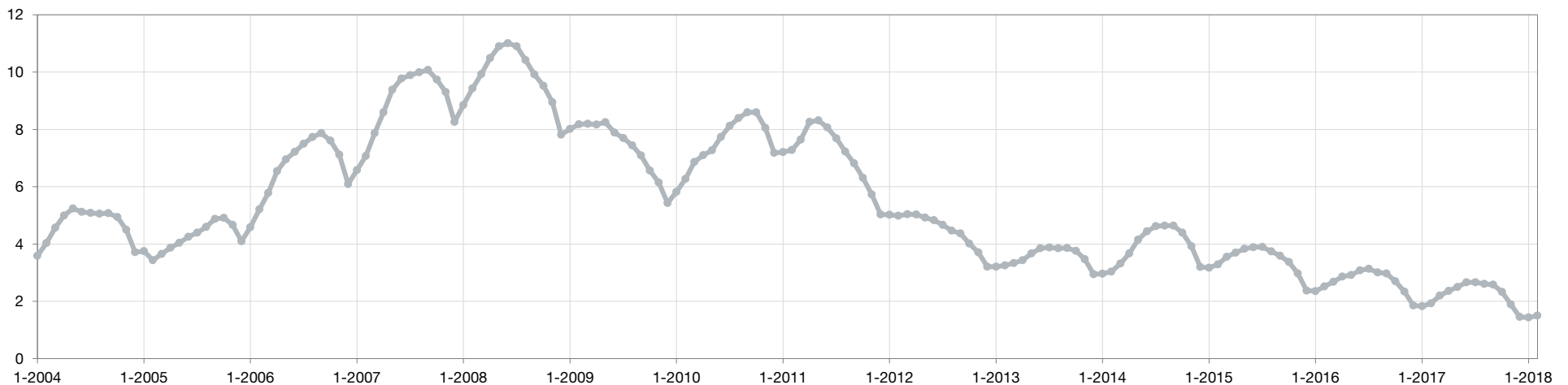
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Month	Prior Year	Current Year	+ / -
March	2.7	2.2	-18.5%
April	2.9	2.4	-17.2%
May	2.9	2.5	-13.8%
June	3.1	2.7	-12.9%
July	3.1	2.7	-12.9%
August	3.0	2.6	-13.3%
September	3.0	2.6	-13.3%
October	2.7	2.3	-14.8%
November	2.3	1.9	-17.4%
December	1.9	1.5	-21.1%
January	1.8	1.4	-22.2%
February	1.9	1.5	-21.1%
12-Month Avg	2.6	2.2	-15.4%

Historical Months Supply of Inventory



Mortgage Finance Utilization Rates



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Home finance type utilization rates as a share of all closed sales, by month. Note: "Other" includes Adjustable Rate / Graduated Payment, Assumable, Contract for Deed (CFD), CFD w/ Assumable, DVA, Exchange / Trade, FHA Rehab 203k, Special Funding, Other and Unknown.

Historical Mortgage Finance Utilization Rates

