

Monthly Indicators

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



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July 2018

Housing price bubble chatter has increased this summer, as market observers attempt to predict the next residential real estate shift. It is too early to predict a change from higher prices and lower inventory, but the common markers that caused the last housing cooldown are present. Wages are up but not at the same pace as home prices, leading to the kind of affordability concerns that can cause fewer sales at lower prices. At the same time, demand is still outpacing what is available for sale in many markets.

New Listings in the Twin Cities region increased 4.1 percent to 7,671. Pending Sales were up 0.4 percent to 5,894. Inventory levels fell 13.5 percent to 11,709 units.

Prices continued to gain traction. The Median Sales Price increased 6.6 percent to \$268,000. Days on Market was down 17.4 percent to 38 days. Sellers were encouraged as Months Supply of Homes for Sale was down 11.1 percent to 2.4 months.

Consumer spending on home goods and renovations are up, and more people are entering the workforce. Employed people spending money is good for the housing market. Meanwhile, GDP growth was 4.1% in the second quarter, the strongest showing since 2014. Housing starts are down, but that is more reflective of low supply than anything else. With a growing economy, solid lending practices and the potential for improved inventory from new listing and building activity, market balance is more likely than a bubble.

Quick Facts

- 0.0% **+ 6.6%** **- 13.5%**

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)	7-2017	7-2018	+ / -	YTD 2017	YTD 2018	+ / -
New Listings		7,369	7,671	+ 4.1%	51,064	48,803	- 4.4%
Pending Sales		5,869	5,894	+ 0.4%	38,658	36,761	- 4.9%
Closed Sales		6,245	6,242	- 0.0%	35,412	33,428	- 5.6%
Days on Market Until Sale		46	38	- 17.4%	58	49	- 15.5%
Median List Price		\$265,000	\$284,900	+ 7.5%	\$269,900	\$289,900	+ 7.4%
Median Sales Price		\$251,500	\$268,000	+ 6.6%	\$245,000	\$265,000	+ 8.2%
Price Per Square Foot		\$146	\$156	+ 6.4%	\$142	\$152	+ 7.1%
ShowingTime Housing Value Index		\$210,558	\$223,262	+ 6.0%	--	--	--
Pct. of Orig. List Price Received		99.1%	99.8%	+ 0.7%	98.7%	99.5%	+ 0.8%
Inventory of Homes for Sale		13,538	11,709	- 13.5%	--	--	--
Months Supply of Homes for Sale		2.7	2.4	- 11.1%	--	--	--

New Listings

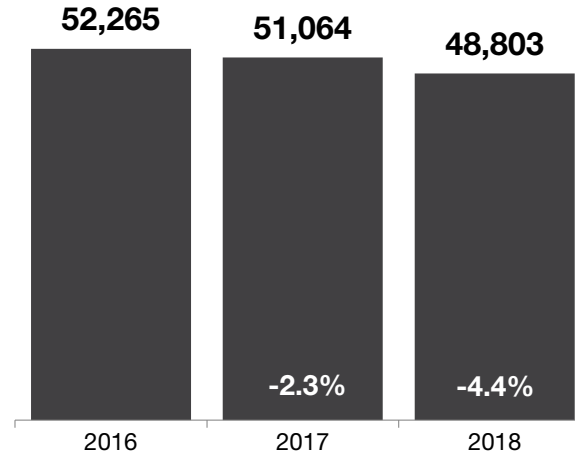
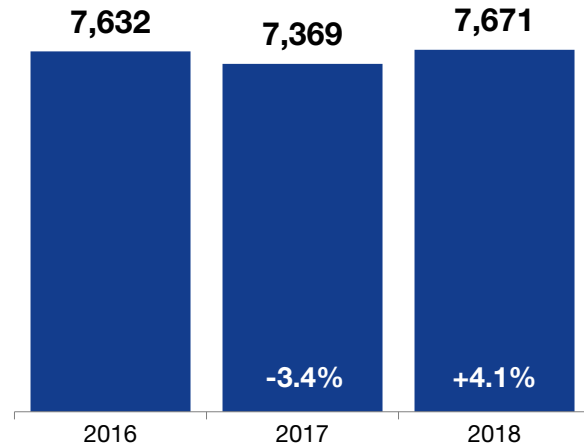
A count of the properties that have been newly listed on the market in a given month.



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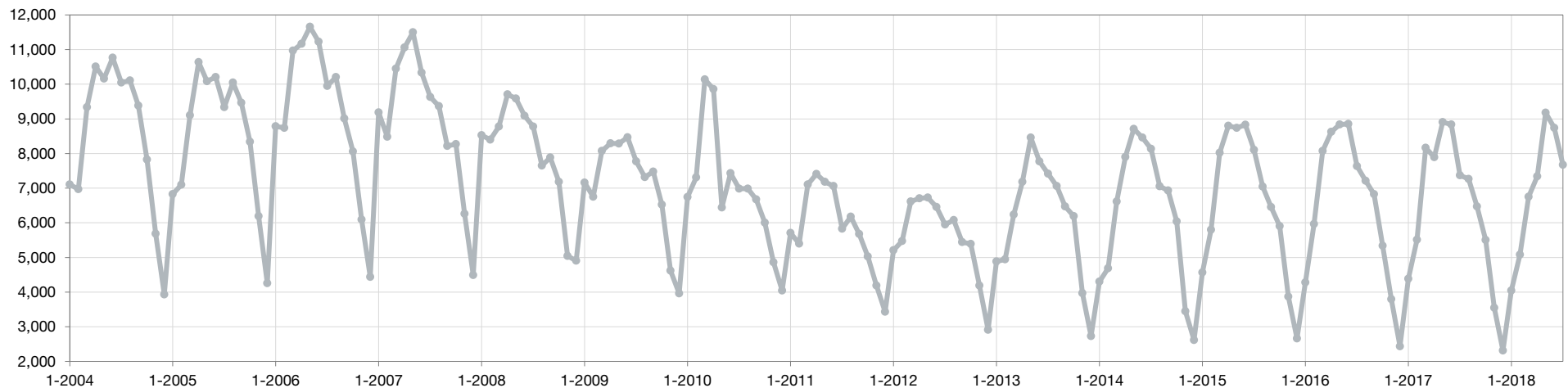
July

Year To Date



	New Listings	Prior Year	Percent Change
August 2017	7,263	7,214	+0.7%
September 2017	6,474	6,826	-5.2%
October 2017	5,502	5,341	+3.0%
November 2017	3,545	3,798	-6.7%
December 2017	2,311	2,431	-4.9%
January 2018	4,044	4,382	-7.7%
February 2018	5,080	5,513	-7.9%
March 2018	6,752	8,165	-17.3%
April 2018	7,341	7,890	-7.0%
May 2018	9,175	8,907	+3.0%
June 2018	8,740	8,838	-1.1%
July 2018	7,671	7,369	+4.1%
12-Month Avg	6,158	6,390	-3.6%

Historical New Listing Activity



Pending Sales

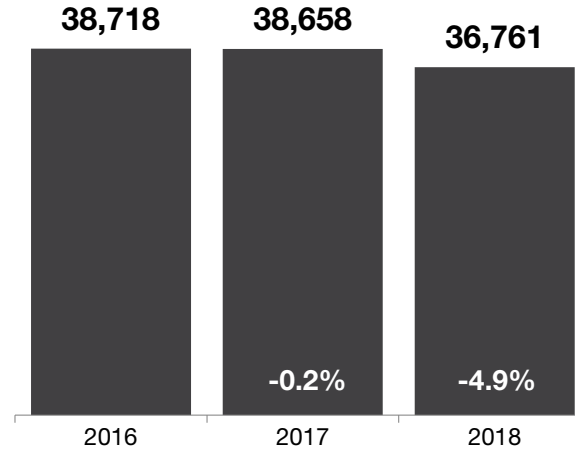
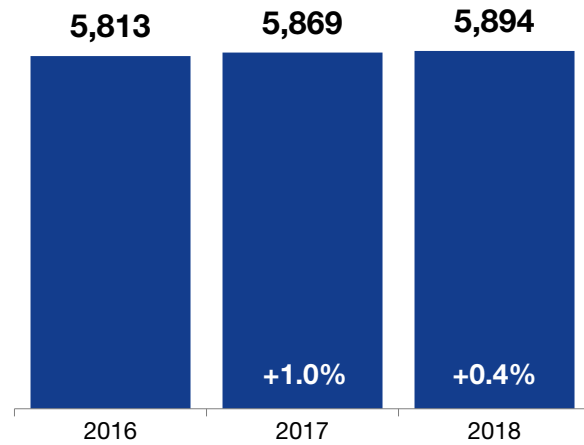
A count of the properties on which contracts have been accepted in a given month.



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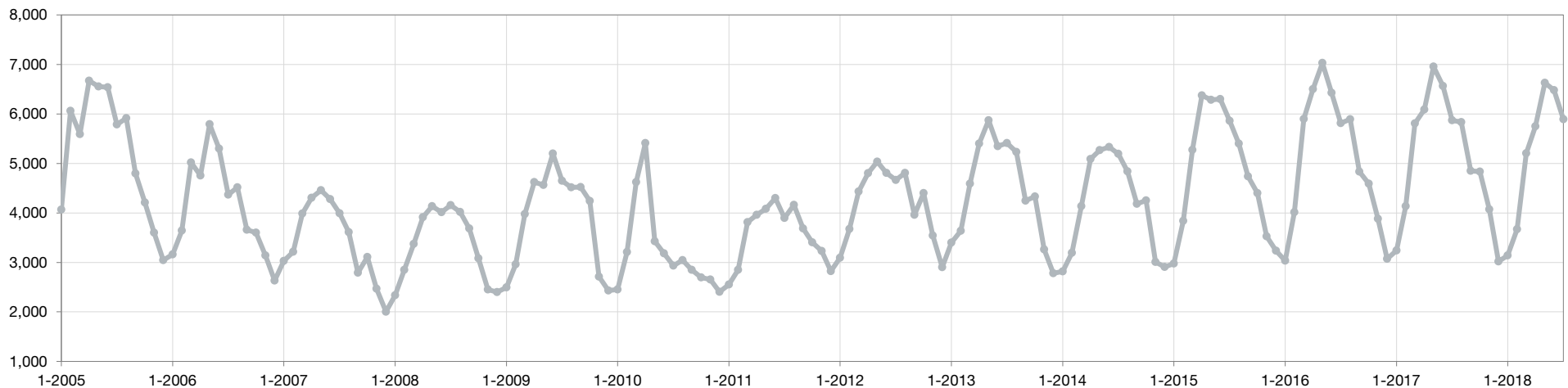
July

Year To Date



Pending Sales		Prior Year	Percent Change
August 2017	5,834	5,893	-1.0%
September 2017	4,848	4,833	+0.3%
October 2017	4,834	4,588	+5.4%
November 2017	4,074	3,882	+4.9%
December 2017	3,018	3,069	-1.7%
January 2018	3,139	3,239	-3.1%
February 2018	3,670	4,137	-11.3%
March 2018	5,202	5,808	-10.4%
April 2018	5,749	6,086	-5.5%
May 2018	6,629	6,954	-4.7%
June 2018	6,478	6,565	-1.3%
July 2018	5,894	5,869	+0.4%
12-Month Avg	4,947	5,077	-2.6%

Historical Pending Sales Activity



Closed Sales

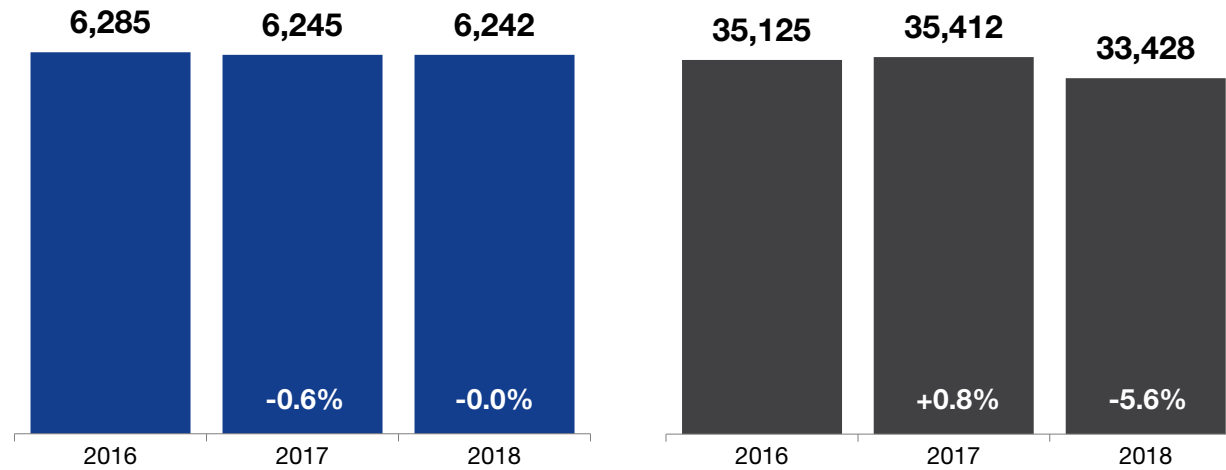
A count of the actual sales that have closed in a given month.



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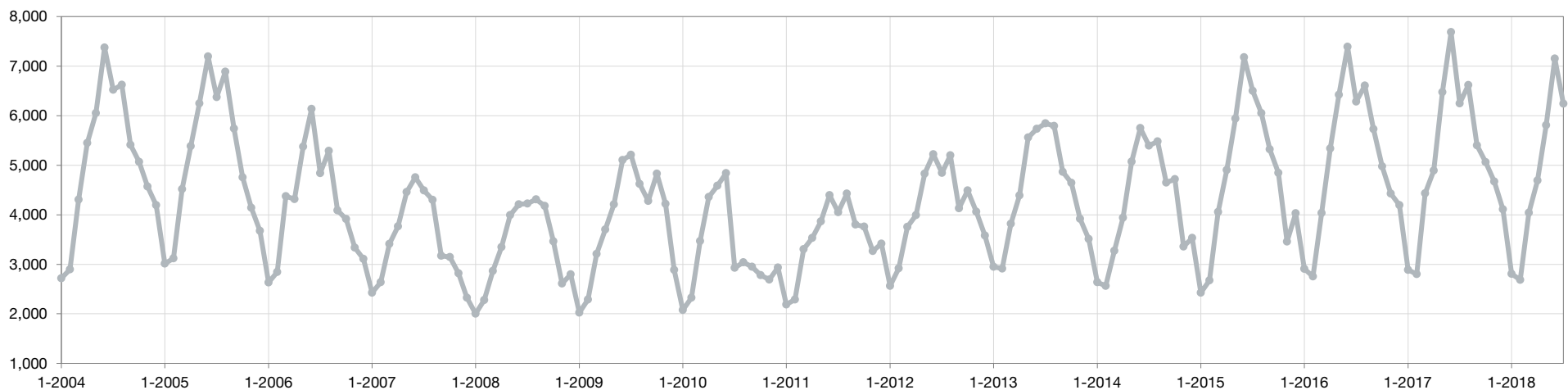
July

Year To Date



Closed Sales		Prior Year	Percent Change
August 2017	6,616	6,607	+0.1%
September 2017	5,400	5,729	-5.7%
October 2017	5,061	4,978	+1.7%
November 2017	4,670	4,427	+5.5%
December 2017	4,109	4,191	-2.0%
January 2018	2,806	2,884	-2.7%
February 2018	2,685	2,803	-4.2%
March 2018	4,042	4,433	-8.8%
April 2018	4,693	4,890	-4.0%
May 2018	5,808	6,472	-10.3%
June 2018	7,152	7,685	-6.9%
July 2018	6,242	6,245	-0.0%
12-Month Avg	4,940	5,112	-3.1%

Historical Closed Sales Activity



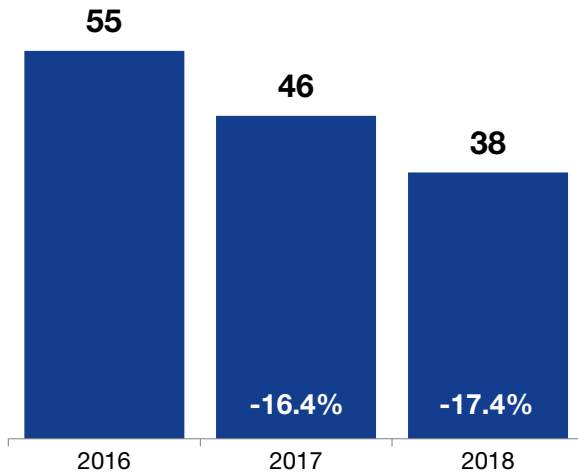
Days on Market Until Sale

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

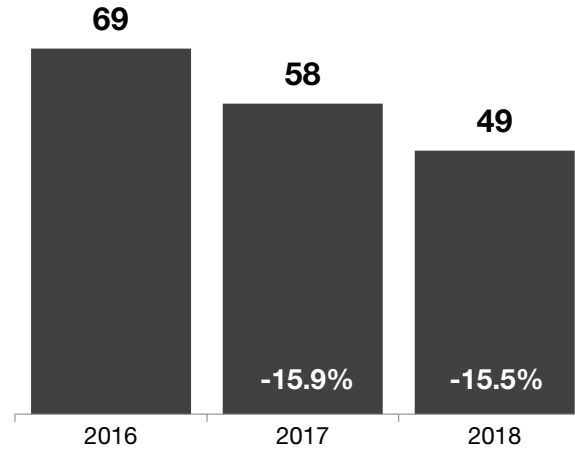


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Year To Date



Days on Market		Prior Year	Percent Change
August 2017	48	56	-14.3%
September 2017	50	57	-12.3%
October 2017	52	61	-14.8%
November 2017	56	63	-11.1%
December 2017	61	72	-15.3%
January 2018	69	80	-13.8%
February 2018	69	82	-15.9%
March 2018	57	73	-21.9%
April 2018	53	59	-10.2%
May 2018	47	52	-9.6%
June 2018	40	48	-16.7%
July 2018	38	46	-17.4%
12-Month Avg	51	59	-13.6%

Historical Days on Market Until Sale



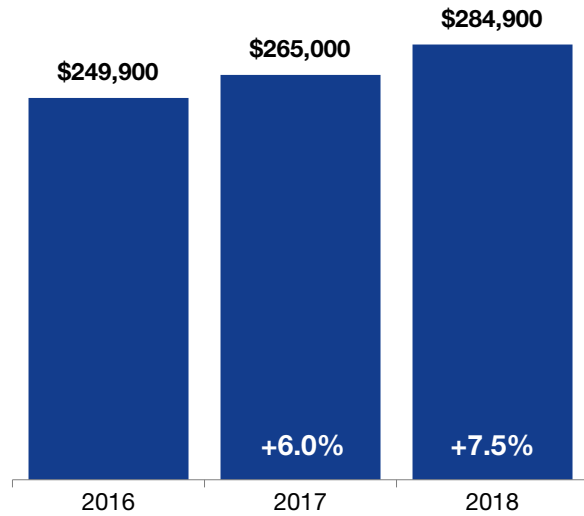
Median Original List Price

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

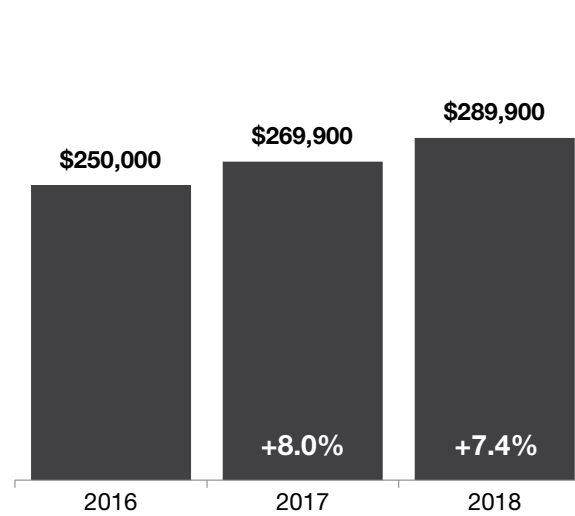


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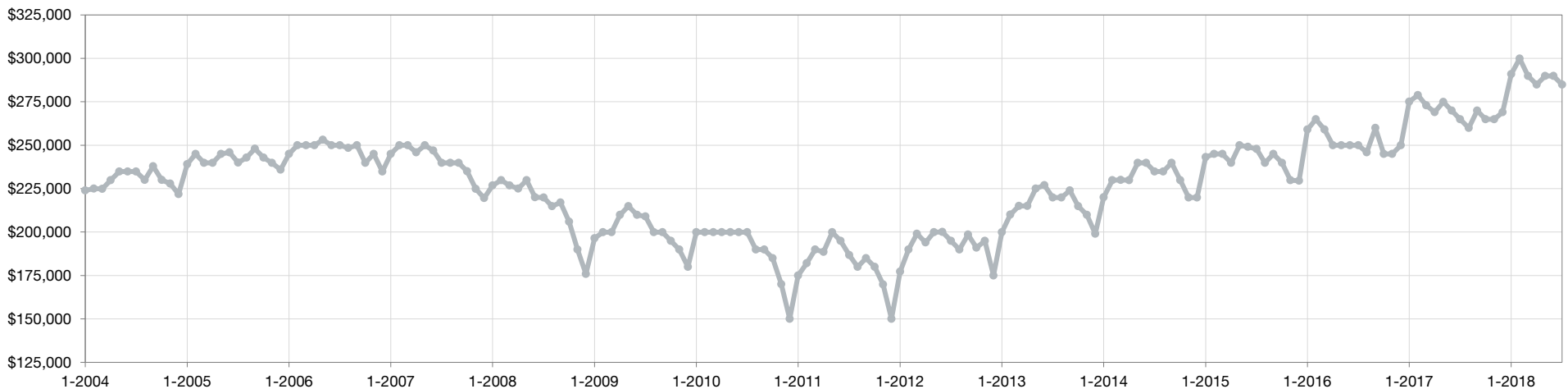


Year To Date



	Median Original List Price	Prior Year	Percent Change
August 2017	\$260,000	\$245,900	+5.7%
September 2017	\$269,900	\$259,900	+3.8%
October 2017	\$265,000	\$245,000	+8.2%
November 2017	\$265,000	\$245,000	+8.2%
December 2017	\$269,000	\$249,900	+7.6%
January 2018	\$290,955	\$275,000	+5.8%
February 2018	\$299,900	\$278,836	+7.6%
March 2018	\$289,900	\$272,900	+6.2%
April 2018	\$284,900	\$269,000	+5.9%
May 2018	\$289,900	\$274,900	+5.5%
June 2018	\$289,900	\$269,900	+7.4%
July 2018	\$284,900	\$265,000	+7.5%
12-Month Med	\$279,900	\$264,900	+5.7%

Historical Median Original List Price



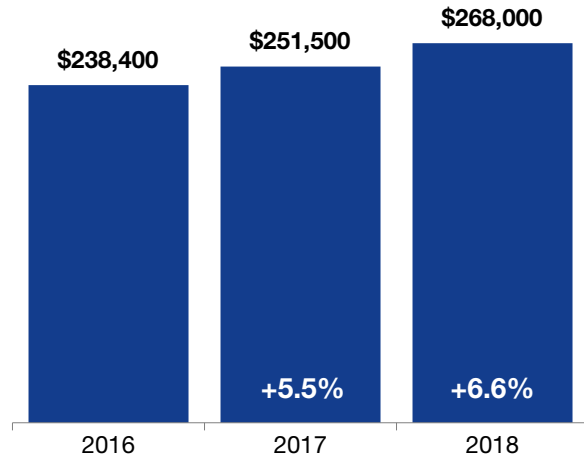
Median Sales Price

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

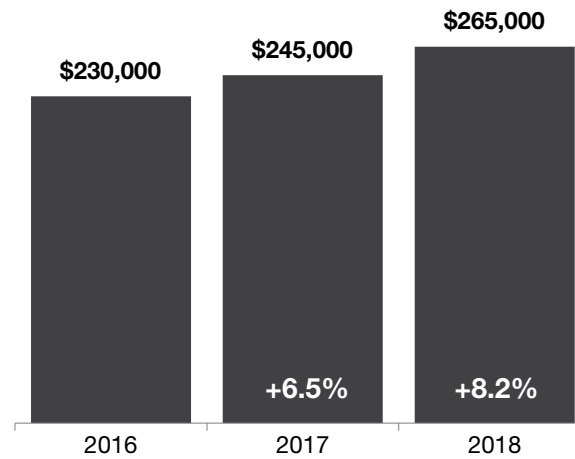


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Year To Date



	Median Sales Price	Prior Year	Percent Change
August 2017	\$252,000	\$236,000	+6.8%
September 2017	\$247,000	\$230,000	+7.4%
October 2017	\$244,000	\$230,000	+6.1%
November 2017	\$245,000	\$230,000	+6.5%
December 2017	\$248,000	\$226,000	+9.7%
January 2018	\$244,000	\$222,500	+9.7%
February 2018	\$250,000	\$221,800	+12.7%
March 2018	\$258,100	\$235,000	+9.8%
April 2018	\$267,000	\$245,000	+9.0%
May 2018	\$270,750	\$250,000	+8.3%
June 2018	\$271,000	\$257,250	+5.3%
July 2018	\$268,000	\$251,500	+6.6%
12-Month Med	\$257,000	\$239,900	+7.1%

Historical Median Sales Price



Average Sales Price

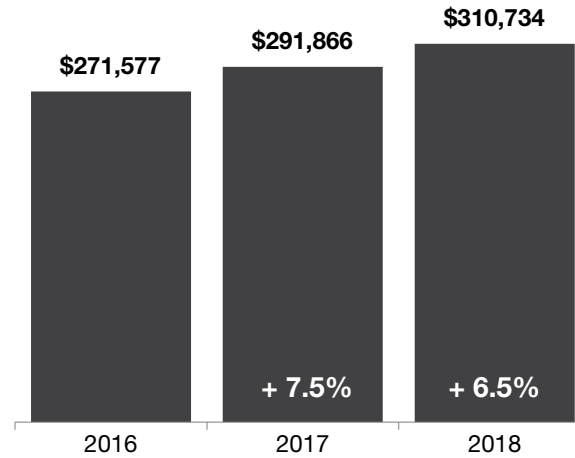
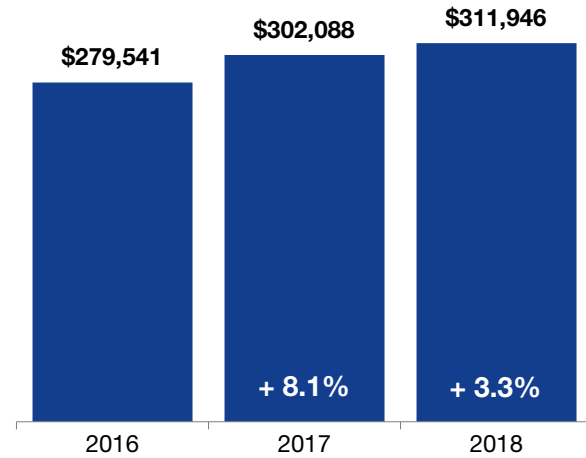
Average sales price for all closed sales, not accounting for seller concessions, in a given month.



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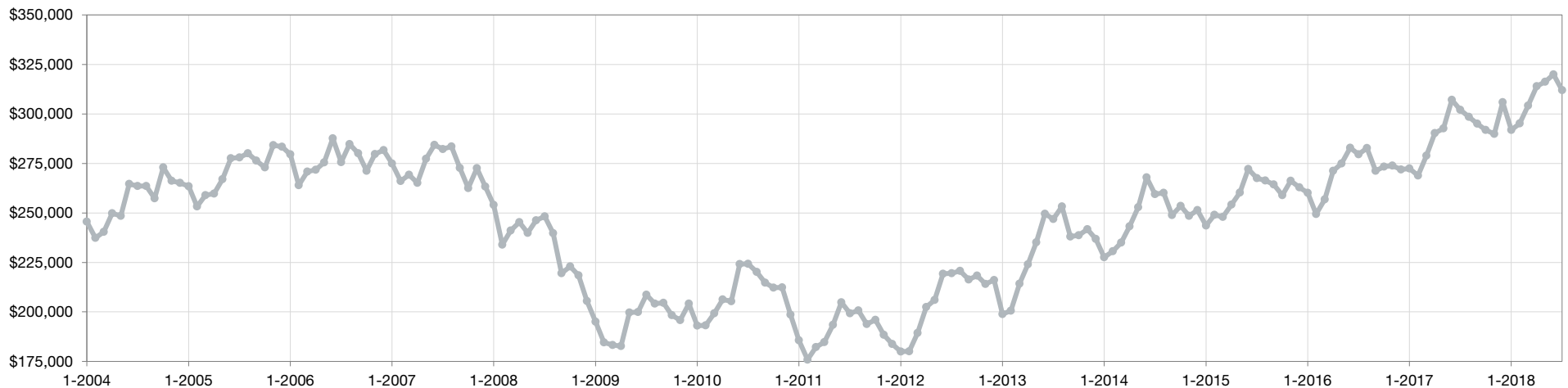
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Year to Date



	Average Sales Price	Prior Year	Percent Change
August 2017	\$298,473	\$282,803	+5.5%
September 2017	\$295,015	\$271,297	+8.7%
October 2017	\$291,830	\$273,325	+6.8%
November 2017	\$289,908	\$273,859	+5.9%
December 2017	\$305,966	\$271,951	+12.5%
January 2018	\$291,942	\$272,470	+7.1%
February 2018	\$295,155	\$268,868	+9.8%
March 2018	\$304,239	\$278,980	+9.1%
April 2018	\$313,950	\$290,228	+8.2%
May 2018	\$316,230	\$292,629	+8.1%
June 2018	\$319,937	\$307,033	+4.2%
July 2018	\$311,946	\$302,088	+3.3%
12-Month Avg	\$304,352	\$284,798	+6.9%

Historical Average Sales Price



Price Per Square Foot

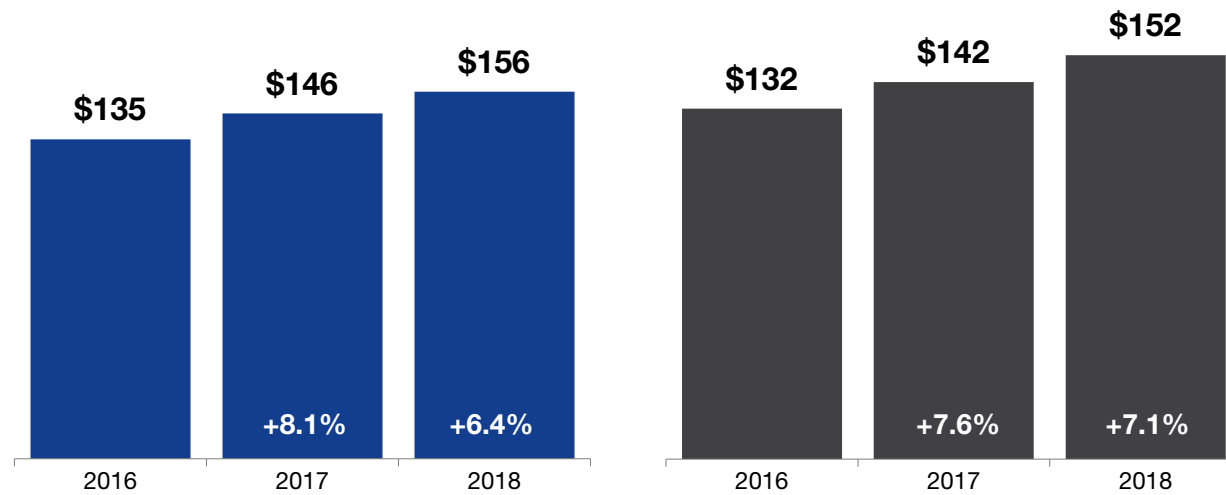
The price per square foot of homes sold in a given month. Sold properties only. Does not account for seller concessions.



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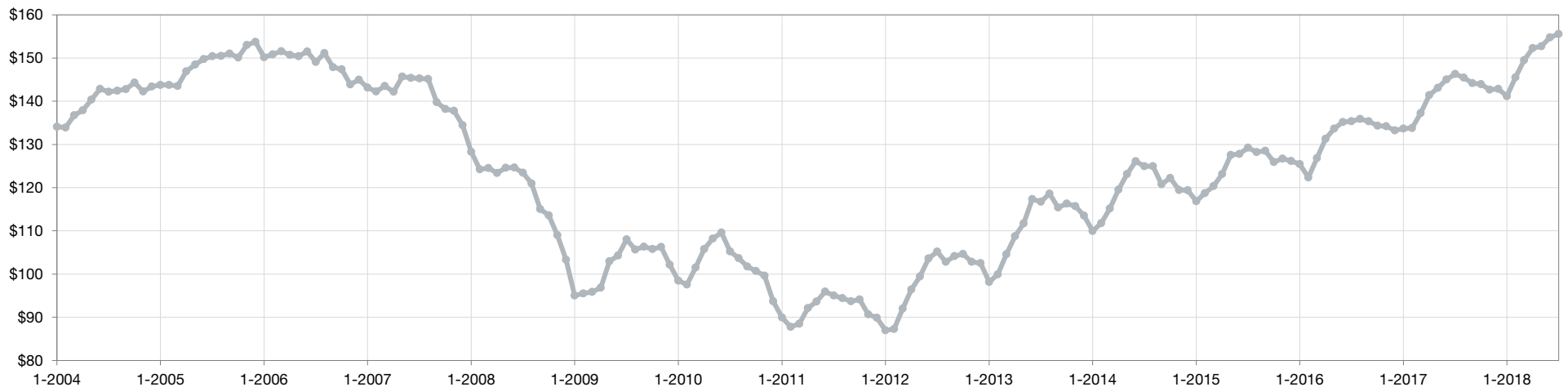
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Year to Date



Price Per Square Foot	Prior Year	Percent Change
August 2017	\$145	\$136 +7.0%
September 2017	\$144	\$135 +6.5%
October 2017	\$144	\$134 +7.1%
November 2017	\$143	\$134 +6.3%
December 2017	\$143	\$133 +7.2%
January 2018	\$141	\$134 +5.6%
February 2018	\$146	\$134 +8.7%
March 2018	\$150	\$137 +9.0%
April 2018	\$152	\$141 +7.7%
May 2018	\$153	\$143 +6.7%
June 2018	\$155	\$145 +6.8%
July 2018	\$156	\$146 +6.4%
12-Month Avg	\$148	\$139 +6.9%

Historical Price Per Square Foot



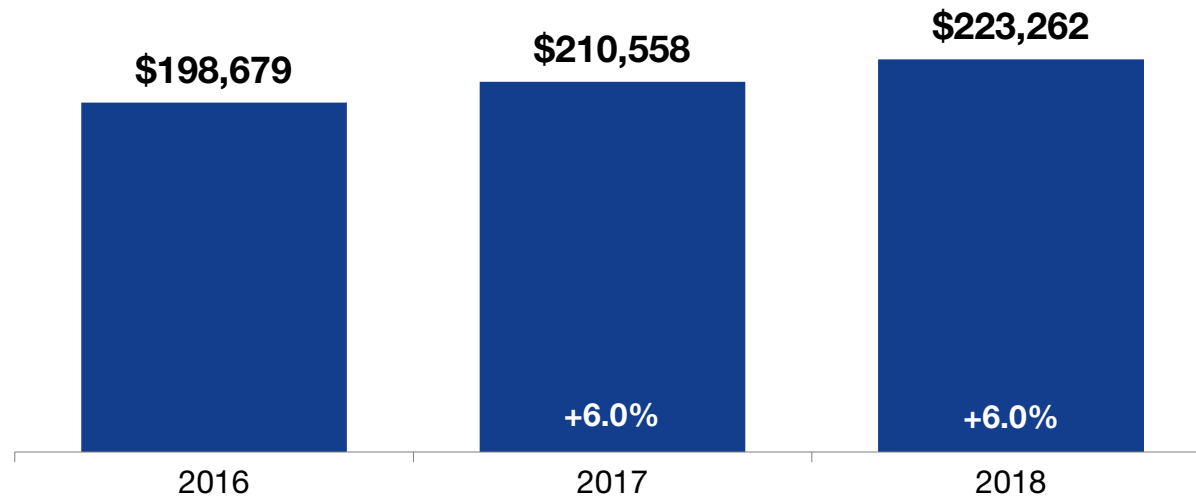
ShowingTime Housing Value Index

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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Housing Value Index		Prior Year	Percent Change
August 2017	\$209,995	\$198,692	+5.7%
September 2017	\$209,976	\$198,945	+5.5%
October 2017	\$209,557	\$198,230	+5.7%
November 2017	\$210,464	\$198,469	+6.0%
December 2017	\$211,707	\$200,934	+5.4%
January 2018	\$217,102	\$206,182	+5.3%
February 2018	\$222,795	\$207,011	+7.6%
March 2018	\$225,350	\$208,184	+8.2%
April 2018	\$223,476	\$211,102	+5.9%
May 2018	\$221,619	\$209,671	+5.7%
June 2018	\$222,722	\$208,841	+6.6%
July 2018	\$223,262	\$210,558	+6.0%
12-Month Avg	\$217,335	\$204,735	+6.1%

Historical ShowingTime Housing Value Index



Percent of Original List Price Received

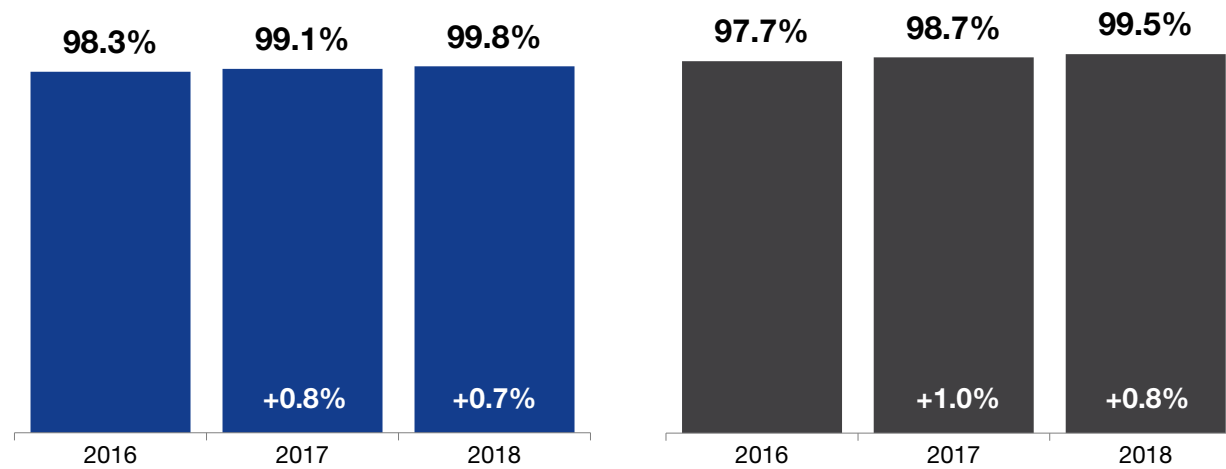
Percentage found when dividing a property's sales price by its original list price, then taking the average for all properties sold in a given month, not accounting for seller concessions.



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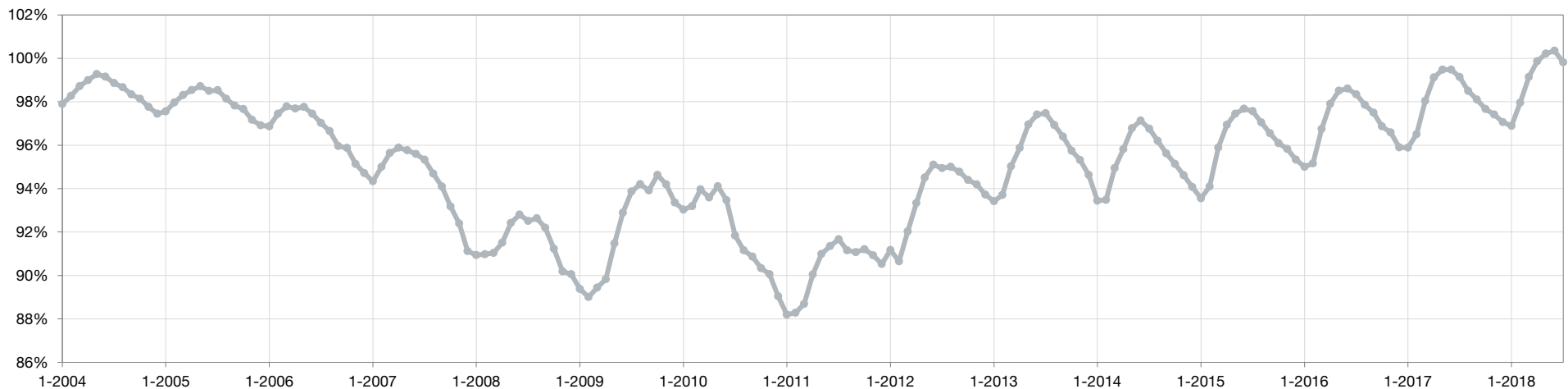
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Year to Date



	Pct. Of Orig. List Price Rec'd	Prior Year	Percent Change
August 2017	98.5%	97.9%	+0.6%
September 2017	98.1%	97.5%	+0.6%
October 2017	97.7%	96.9%	+0.8%
November 2017	97.4%	96.6%	+0.8%
December 2017	97.1%	95.9%	+1.3%
January 2018	96.9%	95.9%	+1.0%
February 2018	98.0%	96.5%	+1.6%
March 2018	99.1%	98.0%	+1.1%
April 2018	99.9%	99.1%	+0.8%
May 2018	100.2%	99.5%	+0.7%
June 2018	100.3%	99.5%	+0.8%
July 2018	99.8%	99.1%	+0.7%
12-Month Avg	98.8%	98.0%	+0.8%

Historical Percent of Original List Price Received



Housing Affordability Index

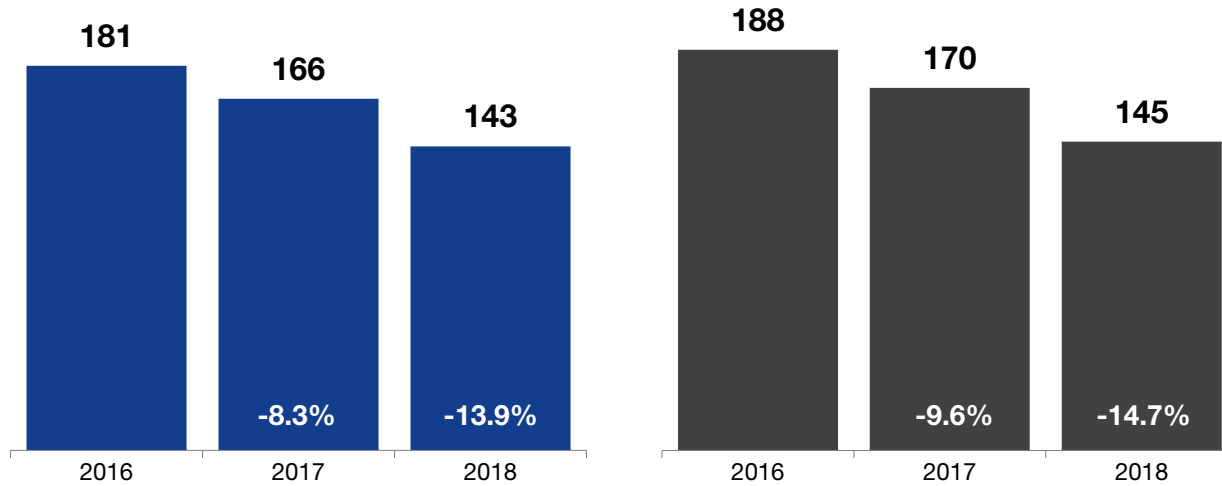
This index measures housing affordability for the region. For example, an index of 120 means the median household income was 120% of what is necessary to qualify for the median-priced home under prevailing interest rates. A higher number means greater affordability.



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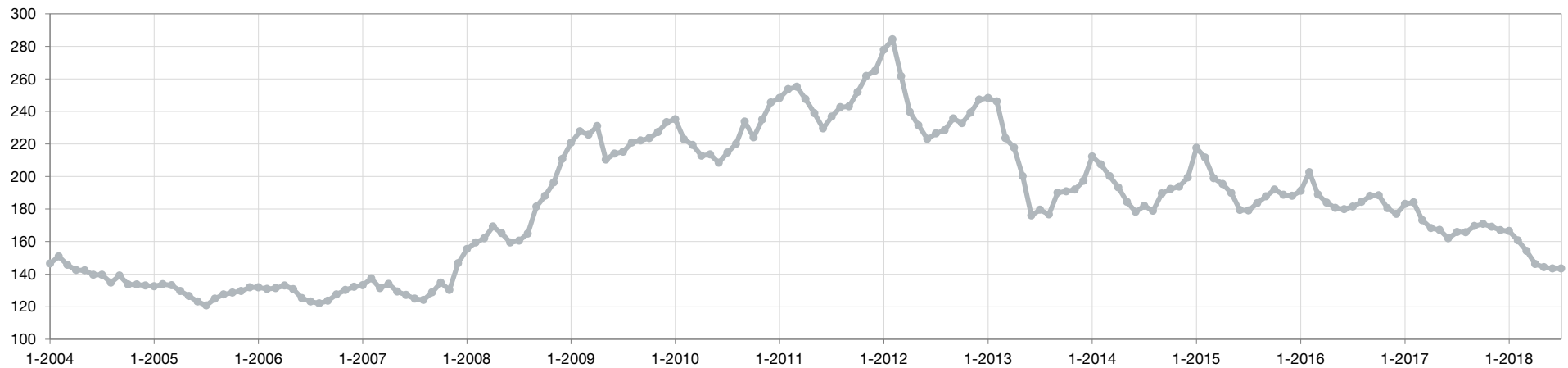
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Year to Date



	Housing Affordability Index	Prior Year	Percent Change
August 2017	166	184	-9.8%
September 2017	170	188	-9.6%
October 2017	171	188	-9.0%
November 2017	169	181	-6.6%
December 2017	167	177	-5.6%
January 2018	167	183	-8.7%
February 2018	161	184	-12.5%
March 2018	154	173	-11.0%
April 2018	146	168	-13.1%
May 2018	144	167	-13.8%
June 2018	143	162	-11.7%
July 2018	143	166	-13.9%
12-Month Avg	158	177	-10.7%

Historical Housing Affordability Index



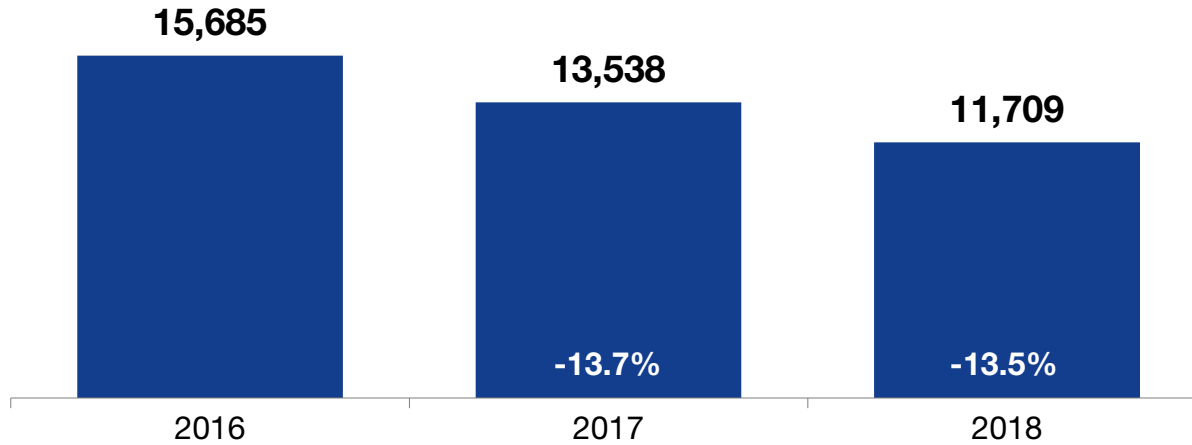
Inventory of Homes for Sale

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



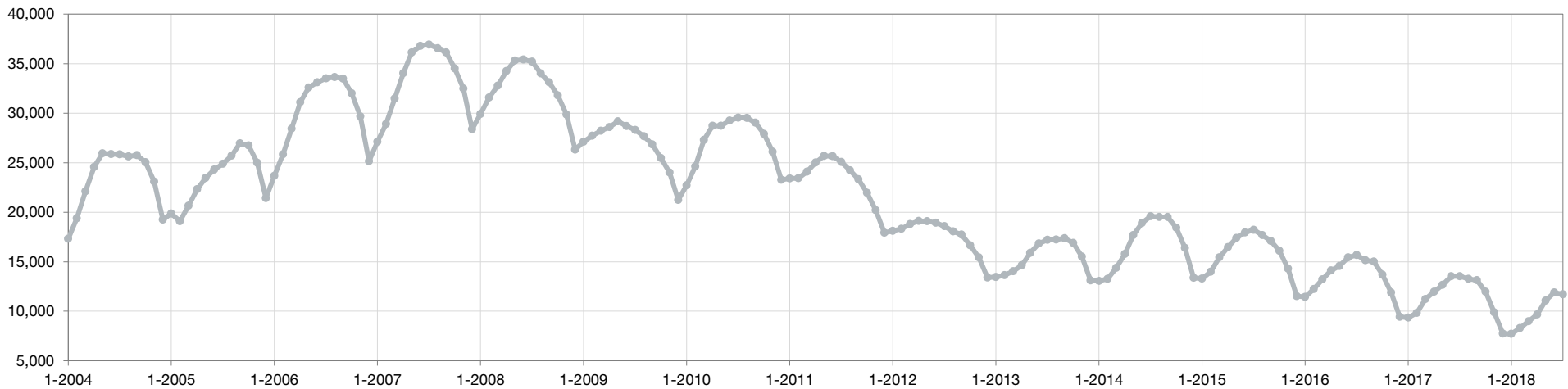
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Homes for Sale		Prior Year	Percent Change
August 2017	13,279	15,148	-12.3%
September 2017	13,147	15,027	-12.5%
October 2017	11,968	13,693	-12.6%
November 2017	9,870	11,900	-17.1%
December 2017	7,737	9,437	-18.0%
January 2018	7,699	9,344	-17.6%
February 2018	8,295	9,840	-15.7%
March 2018	8,979	11,227	-20.0%
April 2018	9,657	11,969	-19.3%
May 2018	11,071	12,658	-12.5%
June 2018	11,883	13,519	-12.1%
July 2018	11,709	13,538	-13.5%
12-Month Avg	10,441	12,275	-15.3%

Historical Inventory of Homes for Sale



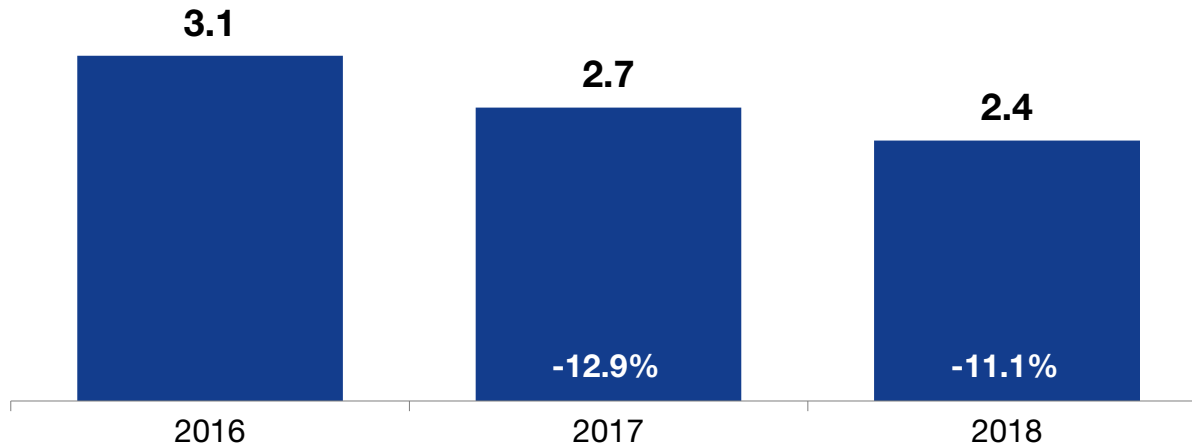
Months Supply of Homes for Sale

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.



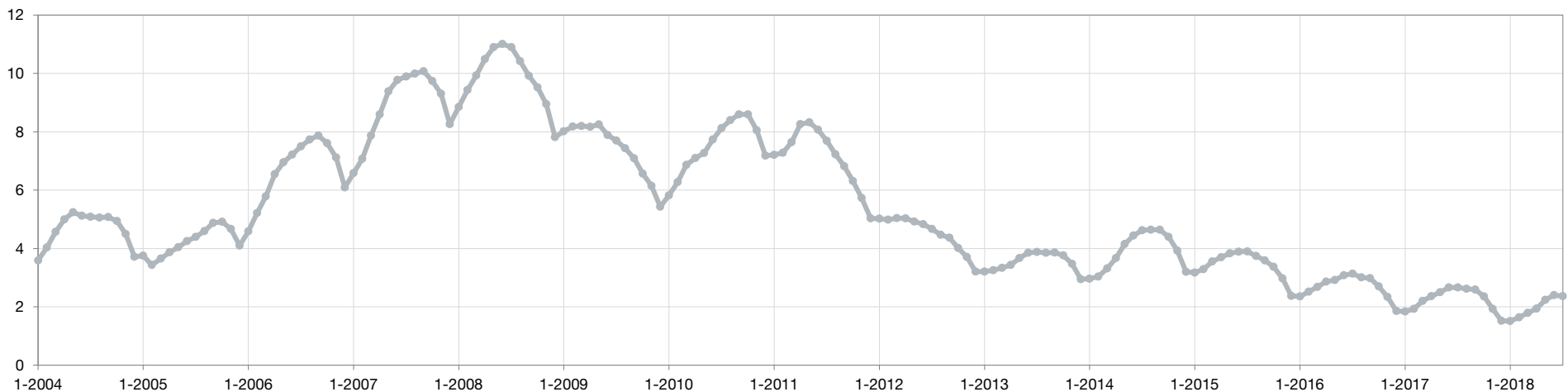
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Months Supply		Prior Year	Percent Change
August 2017	2.6	3.0	-13.3%
September 2017	2.6	3.0	-13.3%
October 2017	2.3	2.7	-14.8%
November 2017	1.9	2.3	-17.4%
December 2017	1.5	1.9	-21.1%
January 2018	1.5	1.8	-16.7%
February 2018	1.6	1.9	-15.8%
March 2018	1.8	2.2	-18.2%
April 2018	1.9	2.4	-20.8%
May 2018	2.2	2.5	-12.0%
June 2018	2.4	2.7	-11.1%
July 2018	2.4	2.7	-11.1%
12-Month Avg	2.1	2.4	-12.5%

Historical Months Supply of Inventory



Mortgage Finance Utilization Rates

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.



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Historical Mortgage Finance Utilization Rates

— Cash — Conventional — FHA Distressed Sales Rate Other

