

Monthly Indicators

A RESEARCH TOOL PROVIDED BY MINNEAPOLIS AREA REALTORS®



December 2022

2022 was a turbulent year for the US housing market, as inflation, soaring interest rates, and elevated sales prices combined to cause a slowdown nationwide. Affordability challenges continue to limit market activity, with pending home sales and existing-home sales down month-over-month and falling 37.8% and 35.4% year-over-year, respectively, according to the National Association of REALTORS® (NAR). Higher mortgage rates are also impacting prospective sellers, many of whom have locked in historically low rates and have chosen to wait until market conditions improve before selling their home.

New Listings in the Twin Cities region decreased 11.5 percent to 2,281. Pending Sales were down 27.8 percent to 2,374. Inventory levels rose 16.2 percent to 5,914 units.

Prices continued to gain traction. The Median Sales Price increased 5.2 percent to \$348,660. Days on Market was up 47.1 percent to 50 days. Buyers felt empowered as Months Supply of Homes for Sale was up 55.6 percent to 1.4 months.

Economists predict sales will continue to slow and housing prices will soften in many markets over the next 12 months, with larger price declines projected in more expensive areas. However, national inventory shortages will likely keep prices from dropping too much, as buyer demand continues to outpace supply, which remains limited at 3.3 months, according to NAR. Even if prices fall, many prospective buyers will find it difficult to afford a home in 2023, as higher rates have diminished purchasing power, adding hundreds of dollars to monthly mortgage payments.

Quick Facts

- 39.3% **+ 5.2%** **+ 16.2%**

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.



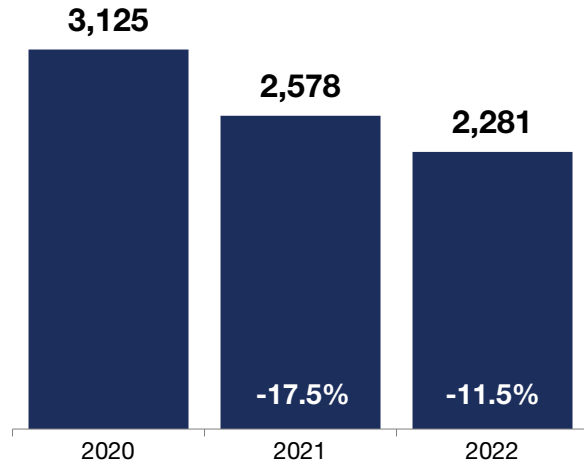
Key Metrics	Historical Sparklines (normalized)	12-2021	12-2022	+ / -	YTD 2021	YTD 2022	+ / -
New Listings		2,578	2,281	- 11.5%	75,581	68,006	- 10.0%
Pending Sales		3,287	2,374	- 27.8%	65,894	52,301	- 20.6%
Closed Sales		5,082	3,083	- 39.3%	66,406	53,714	- 19.1%
Days on Market Until Sale		34	50	+ 47.1%	28	31	+ 10.7%
Median List Price		\$350,000	\$383,900	+ 9.7%	\$340,000	\$379,900	+ 11.7%
Median Sales Price		\$331,500	\$348,660	+ 5.2%	\$339,900	\$362,500	+ 6.6%
Price Per Square Foot		\$191	\$195	+ 2.3%	\$189	\$203	+ 7.3%
ShowingTime Housing Value Index		\$256,972	\$281,238	+ 9.4%	--	--	--
Pct. of Orig. List Price Received		99.5%	96.3%	- 3.2%	101.9%	100.9%	- 1.0%
Inventory of Homes for Sale		5,090	5,914	+ 16.2%	--	--	--
Months Supply of Homes for Sale		0.9	1.4	+ 55.6%	--	--	--

New Listings

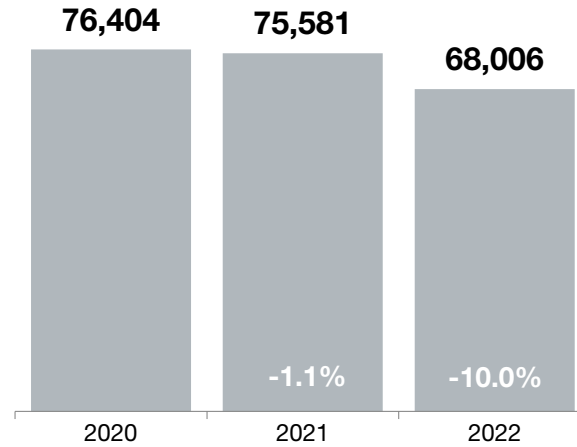
A count of the properties that have been newly listed on the market in a given month.



December

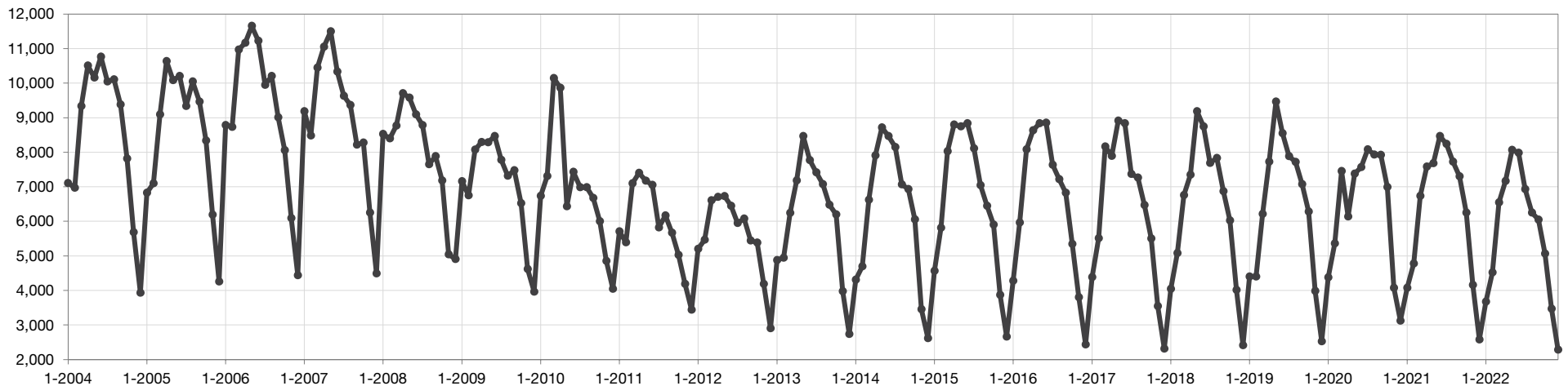


Year To Date



	New Listings	Prior Year	Percent Change
January 2022	3,676	4,074	-9.8%
February 2022	4,520	4,778	-5.4%
March 2022	6,545	6,739	-2.9%
April 2022	7,166	7,579	-5.4%
May 2022	8,068	7,682	+5.0%
June 2022	7,980	8,468	-5.8%
July 2022	6,932	8,244	-15.9%
August 2022	6,251	7,726	-19.1%
September 2022	6,049	7,304	-17.2%
October 2022	5,069	6,249	-18.9%
November 2022	3,469	4,160	-16.6%
December 2022	2,281	2,578	-11.5%
12-Month Avg	5,667	6,298	-10.0%

Historical New Listing Activity

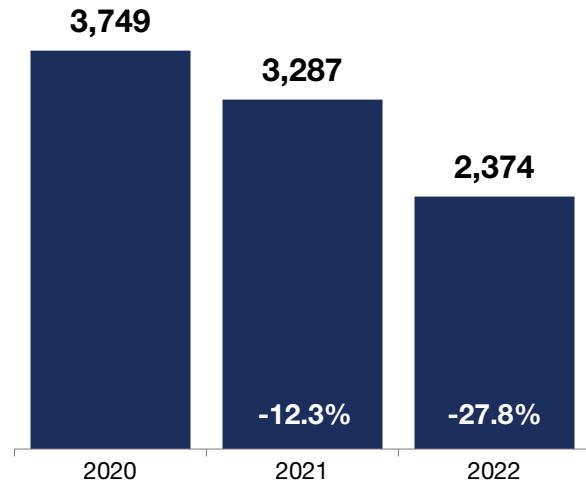


Pending Sales

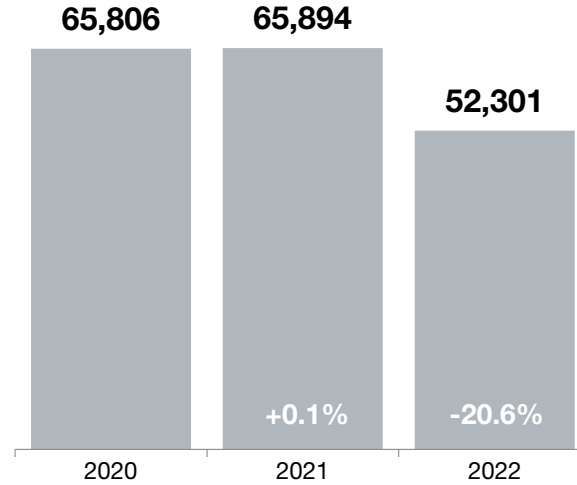
A count of the properties on which contracts have been accepted in a given month.



December

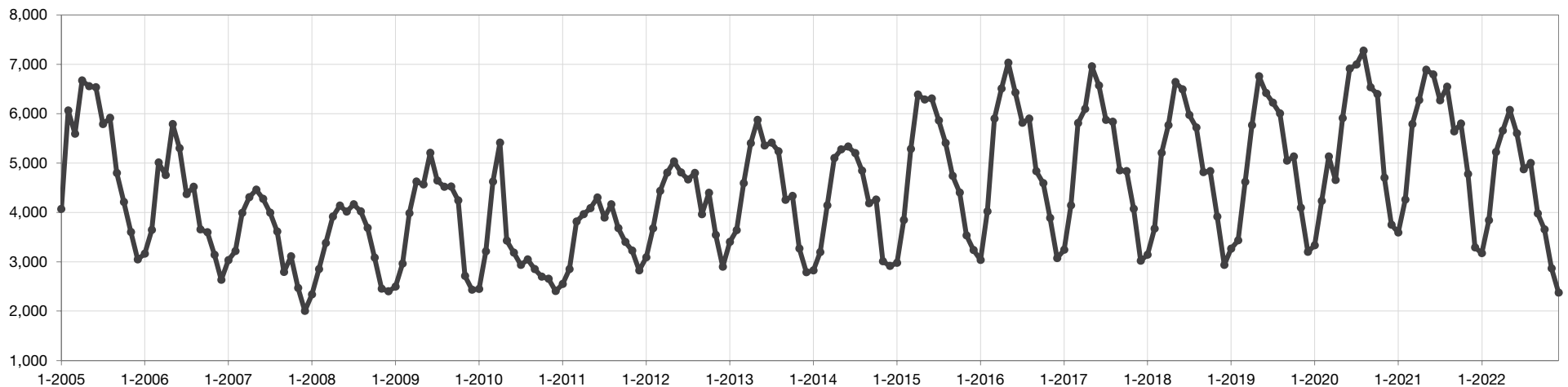


Year To Date



	Pending Sales	Prior Year	Percent Change
January 2022	3,173	3,589	-11.6%
February 2022	3,840	4,258	-9.8%
March 2022	5,222	5,784	-9.7%
April 2022	5,655	6,272	-9.8%
May 2022	6,073	6,889	-11.8%
June 2022	5,602	6,791	-17.5%
July 2022	4,871	6,267	-22.3%
August 2022	4,996	6,541	-23.6%
September 2022	3,977	5,640	-29.5%
October 2022	3,653	5,799	-37.0%
November 2022	2,865	4,777	-40.0%
December 2022	2,374	3,287	-27.8%
12-Month Avg	4,358	5,491	-20.6%

Historical Pending Sales Activity

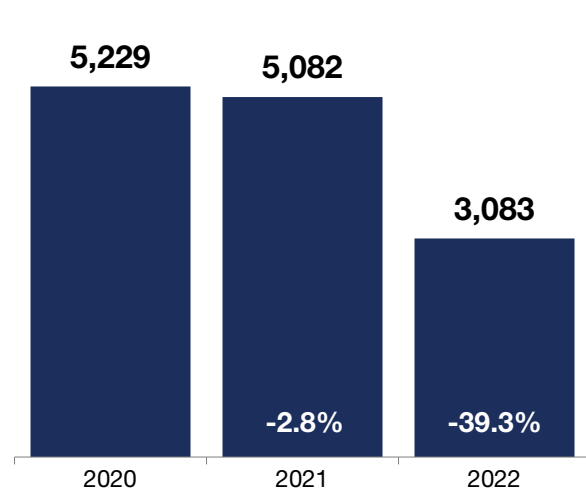


Closed Sales

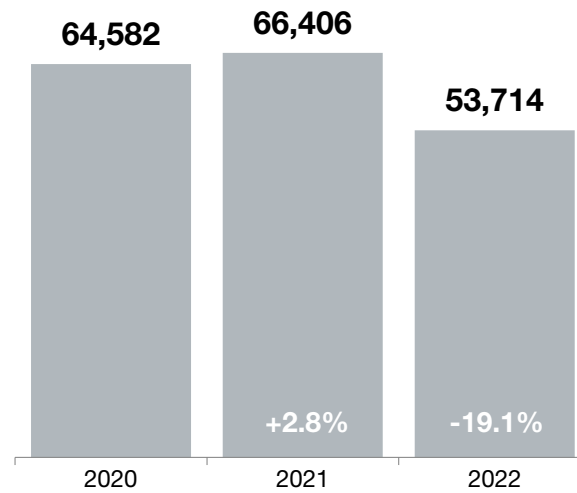
A count of the actual sales that have closed in a given month.



December

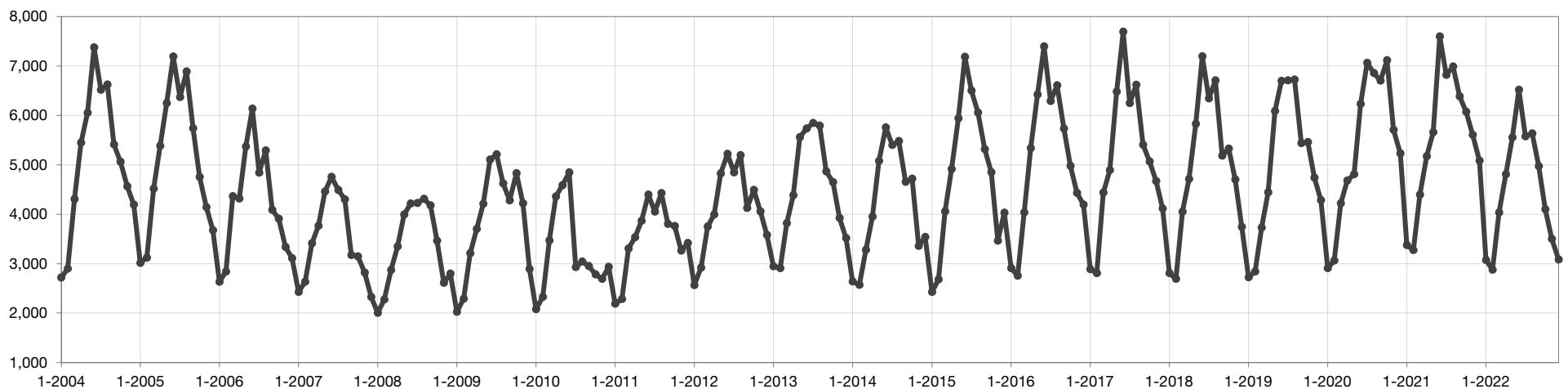


Year To Date



Closed Sales		Prior Year	Percent Change
January 2022	3,071	3,372	-8.9%
February 2022	2,876	3,271	-12.1%
March 2022	4,033	4,392	-8.2%
April 2022	4,808	5,170	-7.0%
May 2022	5,551	5,660	-1.9%
June 2022	6,515	7,594	-14.2%
July 2022	5,574	6,818	-18.2%
August 2022	5,632	6,988	-19.4%
September 2022	4,974	6,383	-22.1%
October 2022	4,097	6,071	-32.5%
November 2022	3,500	5,605	-37.6%
December 2022	3,083	5,082	-39.3%
12-Month Avg	4,476	5,534	-18.5%

Historical Closed Sales Activity

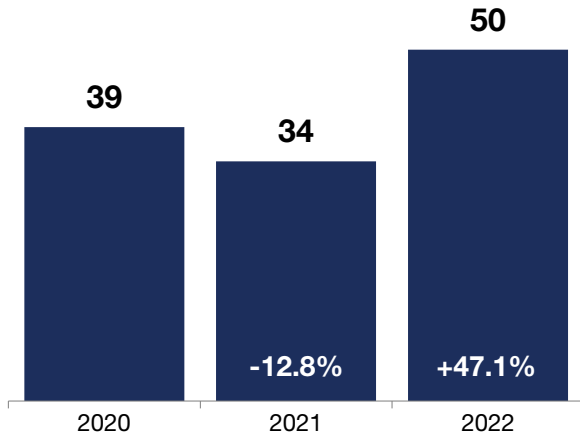


Days on Market Until Sale

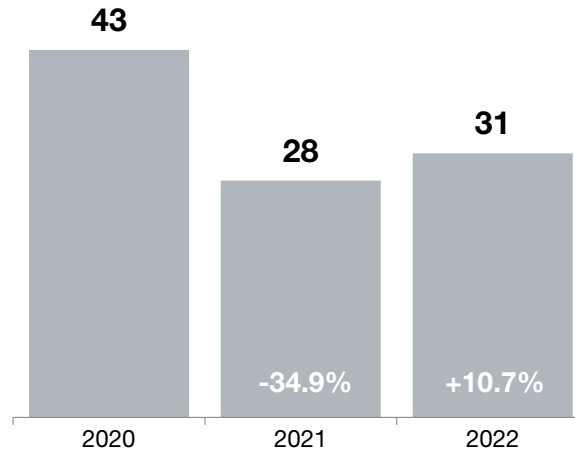
Average, cumulative number of days between when a property is listed and when an offer is accepted in a given month.



December

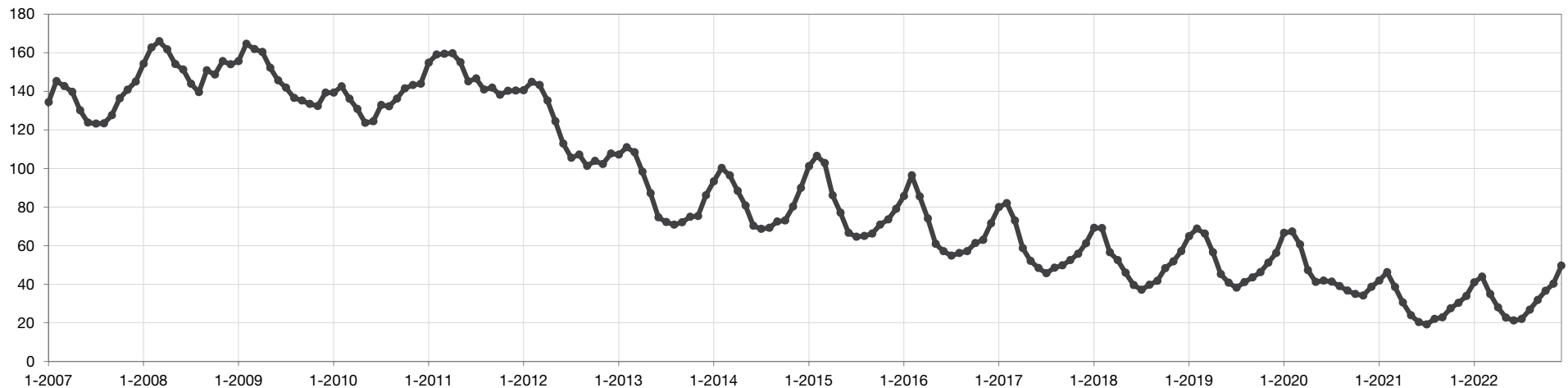


Year To Date



	Days on Market	Prior Year	Percent Change
January 2022	41	42	-2.4%
February 2022	44	46	-4.3%
March 2022	35	39	-10.3%
April 2022	28	31	-9.7%
May 2022	23	24	-4.2%
June 2022	21	20	+5.0%
July 2022	22	19	+15.8%
August 2022	27	22	+22.7%
September 2022	32	23	+39.1%
October 2022	36	27	+33.3%
November 2022	40	30	+33.3%
December 2022	50	34	+47.1%
12-Month Avg	31	28	+10.7%

Historical Days on Market Until Sale

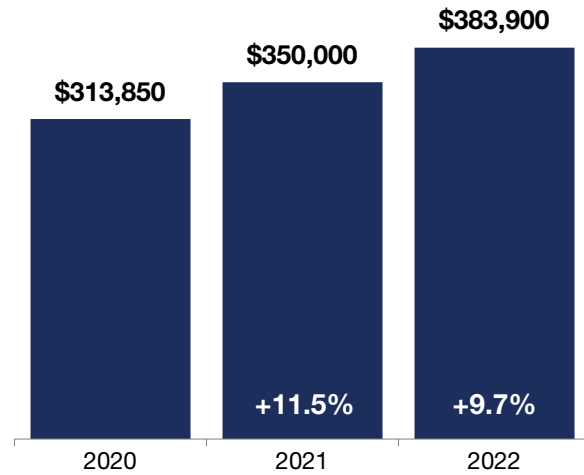


Median Original List Price

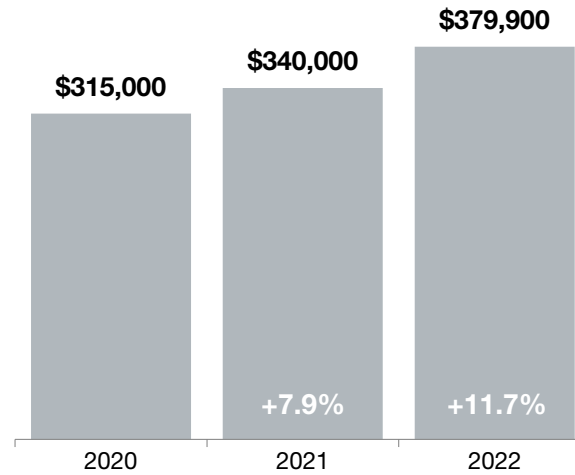
Median original list price for all new listings in a given month. List prices can serve as a leading indicator of future price movement.



December



Year To Date



	Median Original List Price	Prior Year	Percent Change
January 2022	\$360,000	\$329,900	+9.1%
February 2022	\$375,000	\$340,000	+10.3%
March 2022	\$375,000	\$337,490	+11.1%
April 2022	\$380,000	\$336,520	+12.9%
May 2022	\$389,900	\$349,900	+11.4%
June 2022	\$389,000	\$349,900	+11.2%
July 2022	\$385,000	\$340,000	+13.2%
August 2022	\$375,000	\$339,900	+10.3%
September 2022	\$375,000	\$345,000	+8.7%
October 2022	\$374,900	\$339,900	+10.3%
November 2022	\$375,000	\$325,000	+15.4%
December 2022	\$383,900	\$350,000	+9.7%
12-Month Med	\$379,900	\$340,000	+11.7%

Historical Median Original List Price

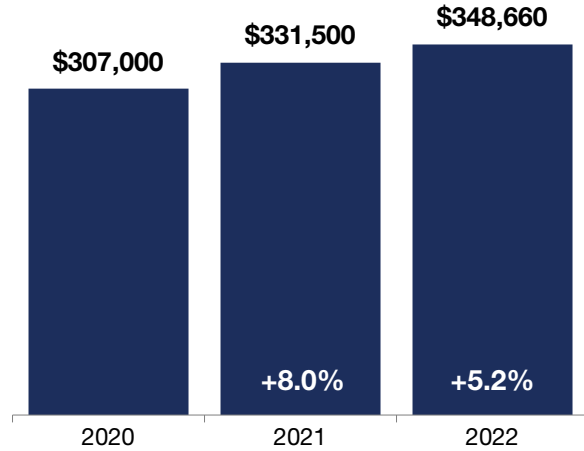


Median Sales Price

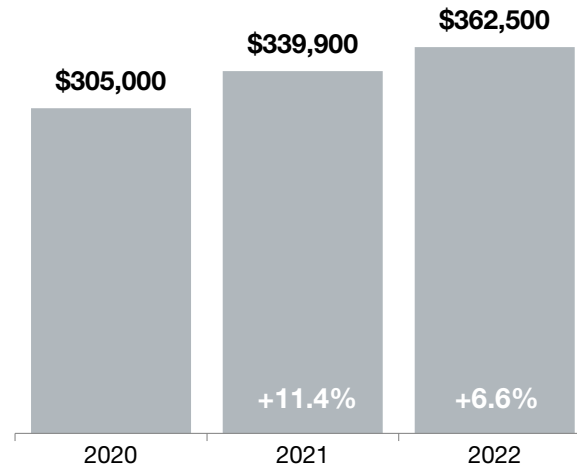
Median price point for all closed sales, not accounting for seller concessions, in a given month.



December



Year To Date



	Median Sales Price	Prior Year	Percent Change
January 2022	\$332,950	\$301,000	+10.6%
February 2022	\$340,000	\$314,000	+8.3%
March 2022	\$355,000	\$328,631	+8.0%
April 2022	\$370,000	\$336,500	+10.0%
May 2022	\$375,000	\$344,248	+8.9%
June 2022	\$380,000	\$350,000	+8.6%
July 2022	\$375,000	\$350,000	+7.1%
August 2022	\$369,900	\$350,000	+5.7%
September 2022	\$362,050	\$340,600	+6.3%
October 2022	\$356,002	\$340,000	+4.7%
November 2022	\$354,900	\$339,900	+4.4%
December 2022	\$348,660	\$331,500	+5.2%
12-Month Med	\$362,500	\$339,900	+6.6%

Historical Median Sales Price

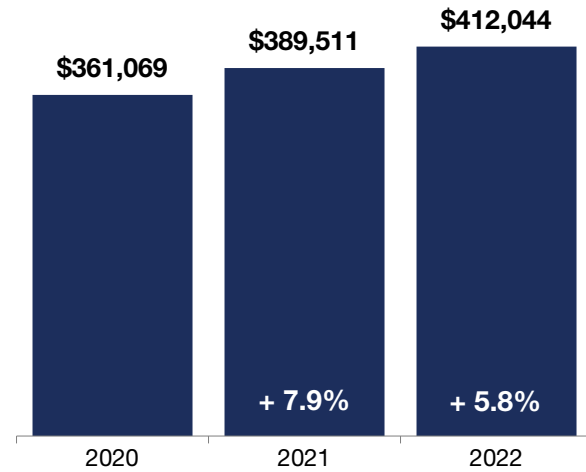


Average Sales Price

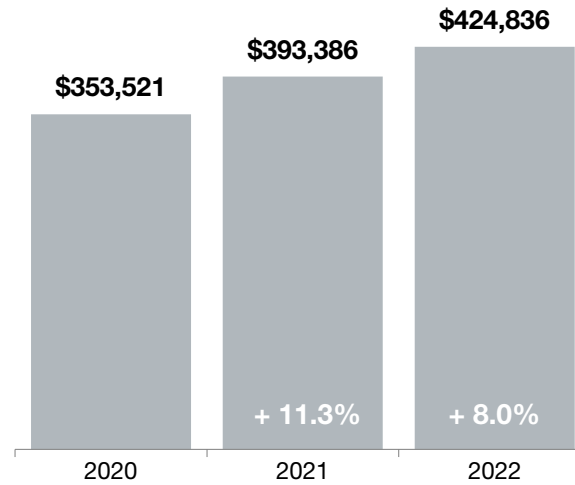
Average sales price for all closed sales, not accounting for seller concessions, in a given month.



December



Year to Date



	Average Sales Price	Prior Year	Percent Change
January 2022	\$385,929	\$351,162	+9.9%
February 2022	\$397,583	\$359,957	+10.5%
March 2022	\$411,618	\$383,099	+7.4%
April 2022	\$430,732	\$386,910	+11.3%
May 2022	\$435,662	\$402,380	+8.3%
June 2022	\$448,290	\$407,250	+10.1%
July 2022	\$434,218	\$404,298	+7.4%
August 2022	\$430,110	\$410,188	+4.9%
September 2022	\$424,726	\$392,863	+8.1%
October 2022	\$421,400	\$395,514	+6.5%
November 2022	\$419,460	\$392,123	+7.0%
December 2022	\$412,044	\$389,511	+5.8%
12-Month Avg	\$424,836	\$393,386	+8.0%

Historical Average Sales Price

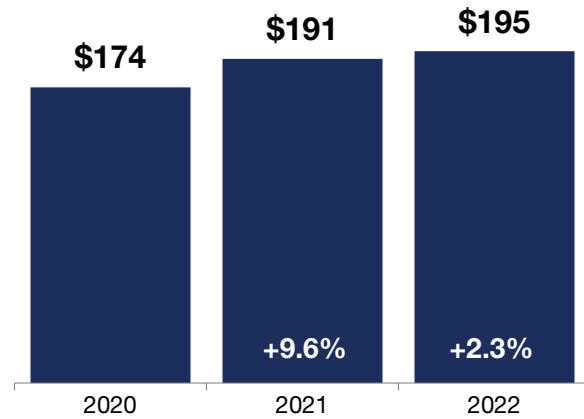


Price Per Square Foot

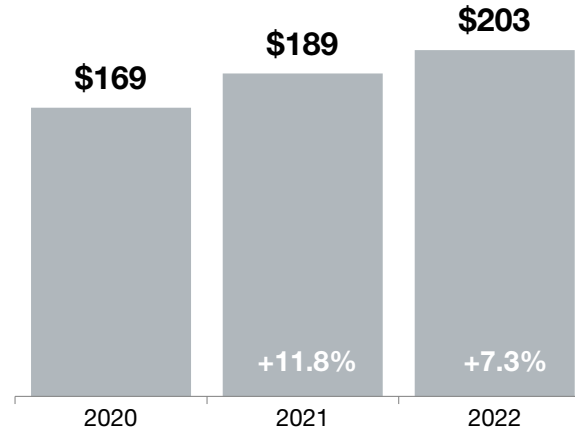
The price per square foot of homes sold in a given month. Sold properties only. Does not account for seller concessions.



December



Year to Date



	Price Per Square Foot	Prior Year	Percent Change
January 2022	\$191	\$174	+9.8%
February 2022	\$196	\$179	+9.7%
March 2022	\$205	\$186	+10.2%
April 2022	\$210	\$188	+12.1%
May 2022	\$210	\$193	+8.6%
June 2022	\$210	\$193	+8.5%
July 2022	\$205	\$194	+5.8%
August 2022	\$202	\$193	+4.8%
September 2022	\$200	\$189	+6.0%
October 2022	\$199	\$189	+5.0%
November 2022	\$198	\$189	+4.9%
December 2022	\$195	\$191	+2.3%
12-Month Avg	\$203	\$189	+7.3%

Historical Price Per Square Foot

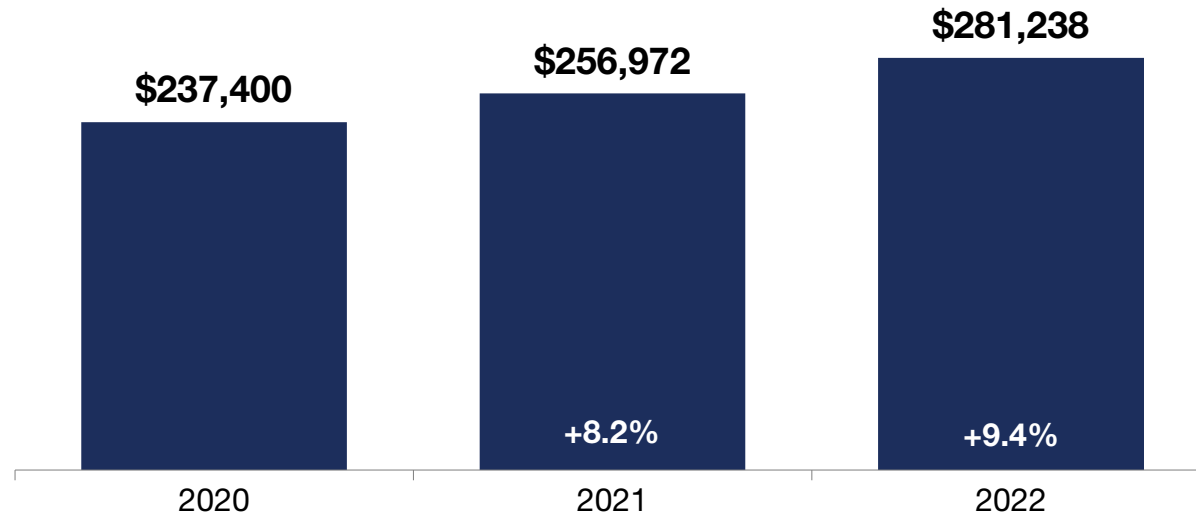


ShowingTime Housing Value Index



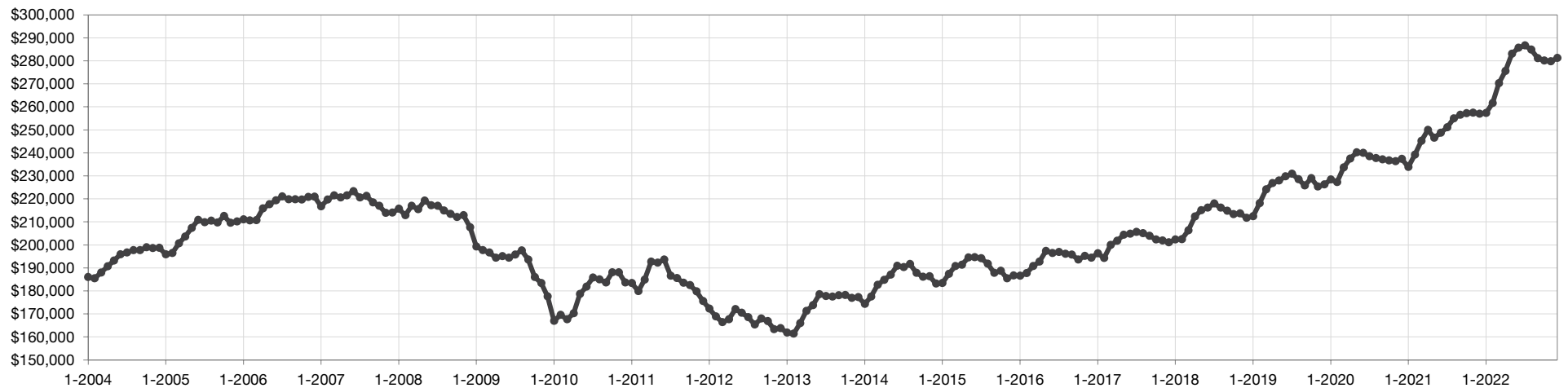
The value index employs a multi-variate, linear regression methodology to determine specific weights that adjust for both seasonality and segment bias to arrive at a real, constant-quality view of home values. The index is set to the median sales price in January 2003.

December



Housing Value Index		Prior Year	Percent Change
January 2022	\$257,337	\$233,899	+10.0%
February 2022	\$261,691	\$239,194	+9.4%
March 2022	\$270,292	\$245,220	+10.2%
April 2022	\$275,574	\$249,974	+10.2%
May 2022	\$283,051	\$246,569	+14.8%
June 2022	\$285,666	\$248,688	+14.9%
July 2022	\$286,741	\$251,125	+14.2%
August 2022	\$284,887	\$254,944	+11.7%
September 2022	\$281,139	\$256,577	+9.6%
October 2022	\$280,162	\$257,209	+8.9%
November 2022	\$279,727	\$257,485	+8.6%
December 2022	\$281,238	\$256,972	+9.4%
12-Month Avg	\$277,292	\$249,821	+11.0%

Historical ShowingTime Housing Value Index



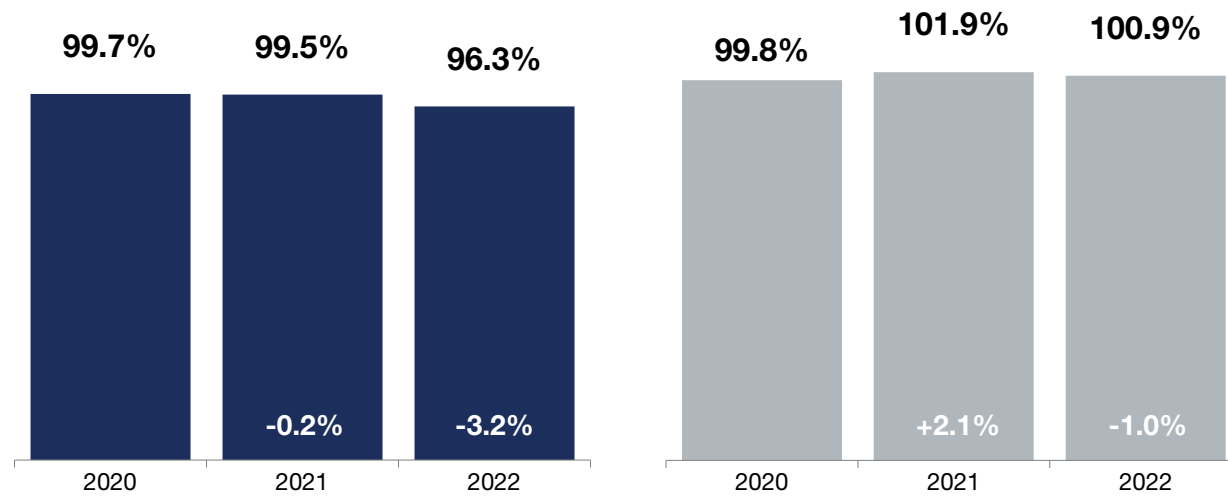
Percent of Original List Price Received



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.

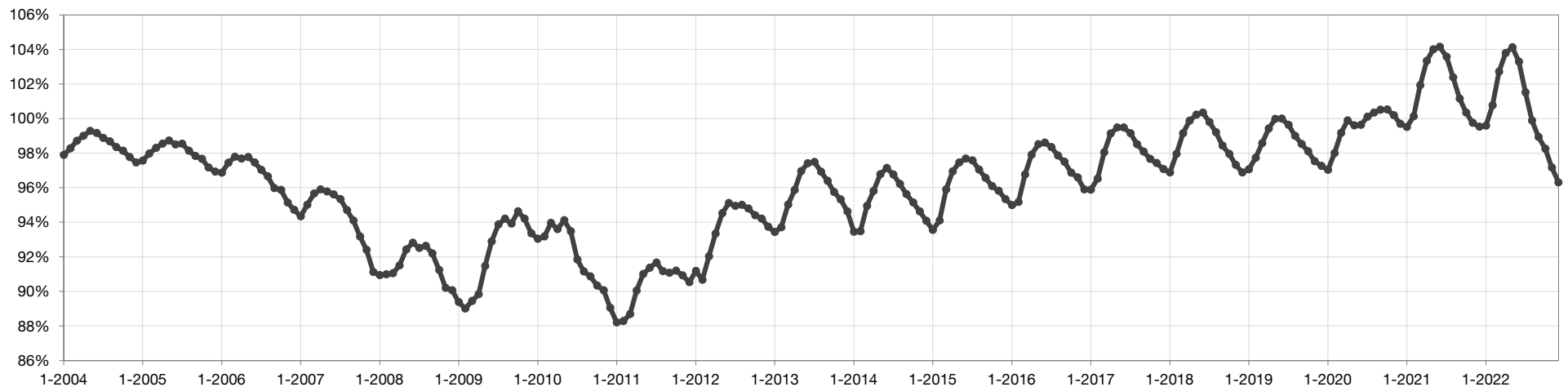
December

Year to Date



	Pct. Of Orig. List Price Rec'd	Prior Year	Percent Change
January 2022	99.6%	99.5%	+0.1%
February 2022	100.8%	100.1%	+0.7%
March 2022	102.7%	101.9%	+0.8%
April 2022	103.8%	103.3%	+0.5%
May 2022	104.1%	104.0%	+0.1%
June 2022	103.3%	104.1%	-0.8%
July 2022	101.5%	103.6%	-2.0%
August 2022	99.9%	102.4%	-2.4%
September 2022	98.9%	101.2%	-2.3%
October 2022	98.3%	100.3%	-2.0%
November 2022	97.2%	99.8%	-2.6%
December 2022	96.3%	99.5%	-3.2%
12-Month Avg	100.9%	101.9%	-1.0%

Historical Percent of Original List Price Received



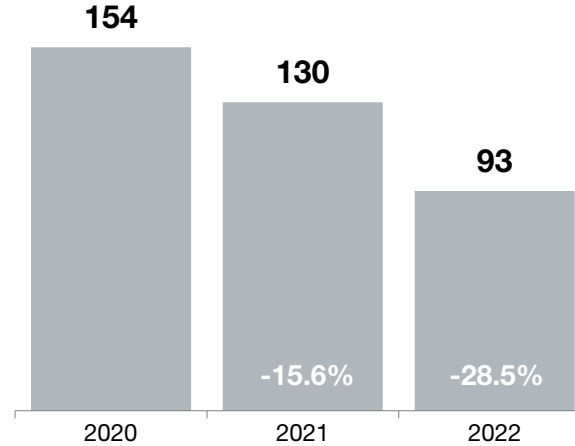
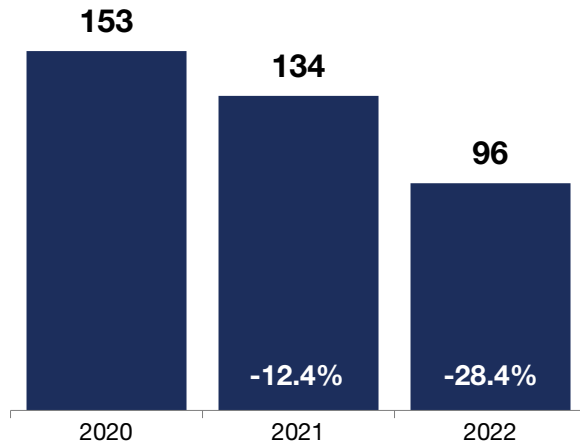
Housing Affordability Index



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.

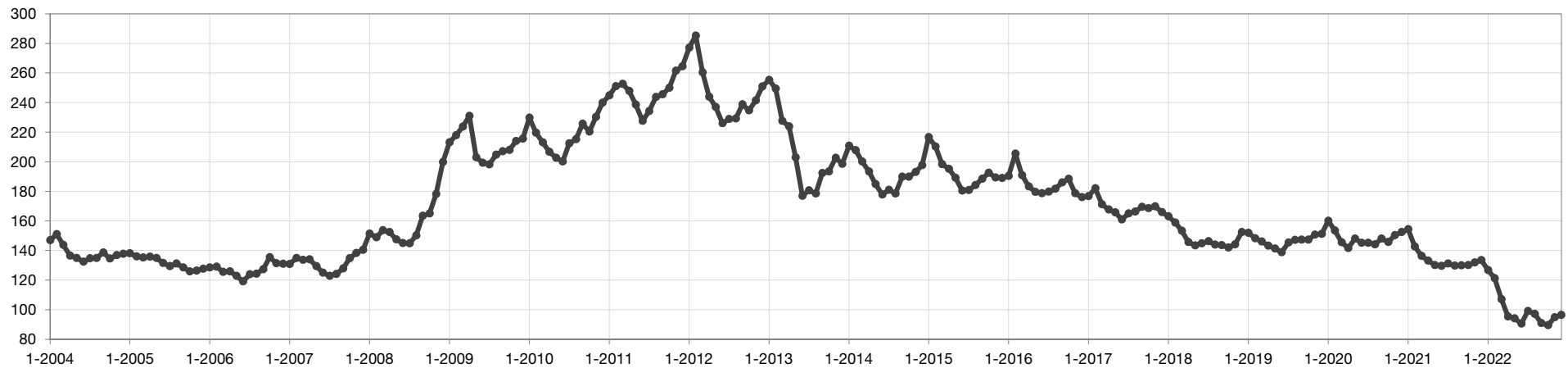
December

Year to Date



	Housing Affordability Index	Prior Year	Percent Change
January 2022	127	154	-17.5%
February 2022	121	143	-15.4%
March 2022	107	136	-21.3%
April 2022	95	133	-28.6%
May 2022	94	130	-27.7%
June 2022	91	130	-30.0%
July 2022	99	131	-24.4%
August 2022	97	130	-25.4%
September 2022	91	130	-30.0%
October 2022	90	130	-30.8%
November 2022	95	132	-28.0%
December 2022	96	134	-28.4%
12-Month Avg	100	134	-25.4%

Historical Housing Affordability Index

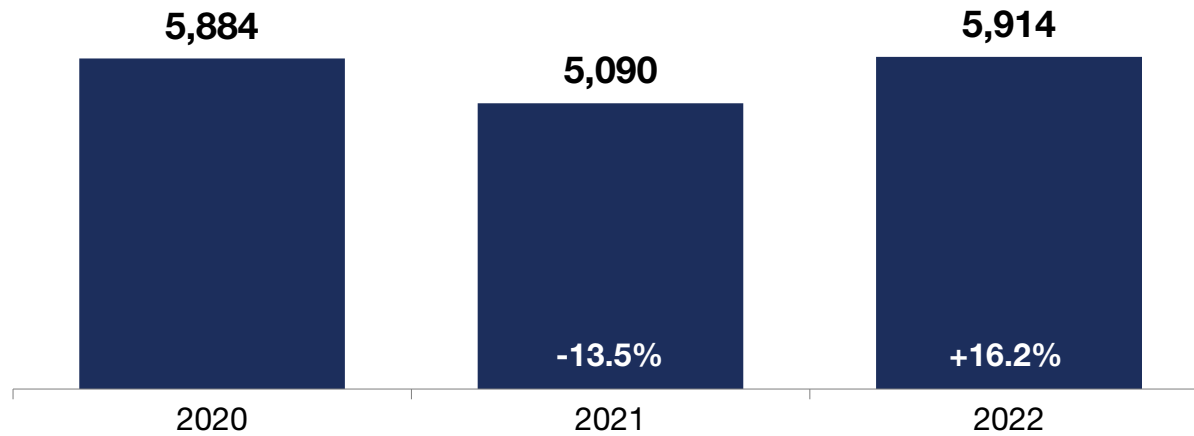


Inventory of Homes for Sale

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

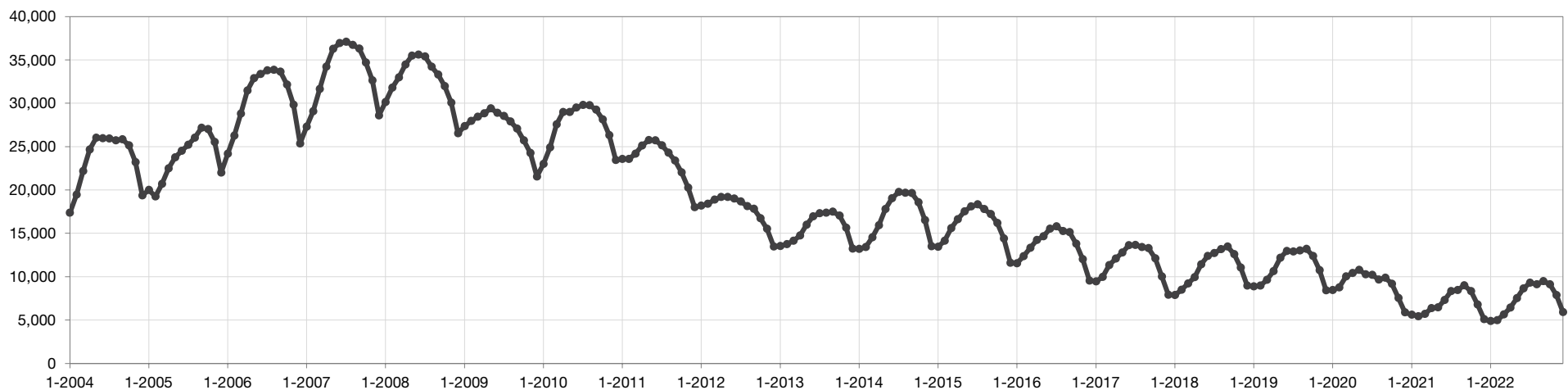


December



Homes for Sale		Prior Year	Percent Change
January 2022	4,879	5,602	-12.9%
February 2022	4,970	5,418	-8.3%
March 2022	5,641	5,705	-1.1%
April 2022	6,427	6,356	+1.1%
May 2022	7,523	6,469	+16.3%
June 2022	8,623	7,314	+17.9%
July 2022	9,302	8,329	+11.7%
August 2022	9,122	8,451	+7.9%
September 2022	9,469	9,006	+5.1%
October 2022	9,128	8,337	+9.5%
November 2022	7,873	6,784	+16.1%
December 2022	5,914	5,090	+16.2%
12-Month Avg	7,406	6,905	+6.6%

Historical Inventory of Homes for Sale

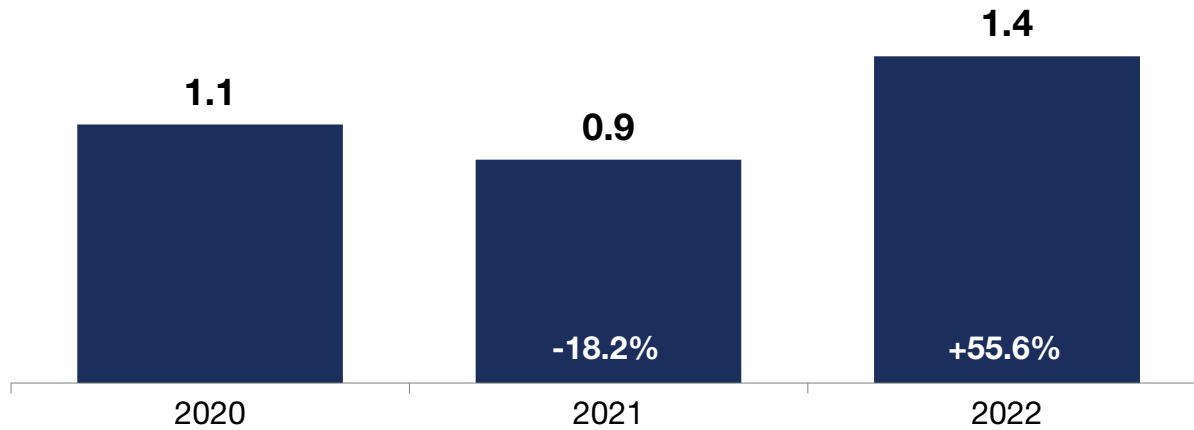


Months Supply of Homes for Sale

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.

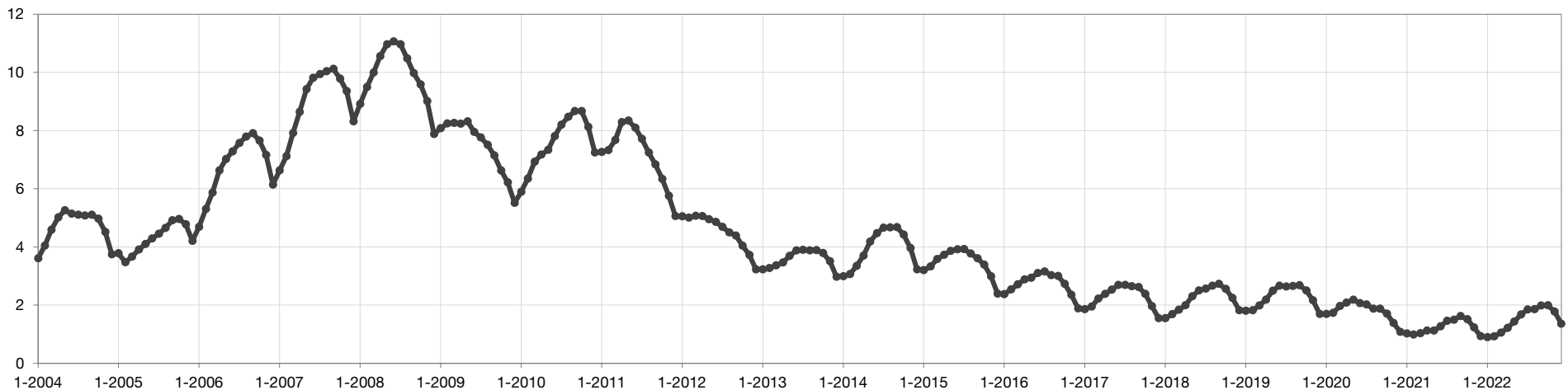


December



Months Supply		Prior Year	Percent Change
January 2022	0.9	1.0	-10.0%
February 2022	0.9	1.0	-10.0%
March 2022	1.0	1.0	0.0%
April 2022	1.2	1.1	+9.1%
May 2022	1.4	1.1	+27.3%
June 2022	1.7	1.3	+30.8%
July 2022	1.8	1.5	+20.0%
August 2022	1.9	1.5	+26.7%
September 2022	2.0	1.6	+25.0%
October 2022	2.0	1.5	+33.3%
November 2022	1.8	1.2	+50.0%
December 2022	1.4	0.9	+55.6%
12-Month Avg	1.5	1.2	+25.0%

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, Special Funding, Other, Unknown, Rural Development, Conventional Rehab, USDA, Federal Land Bank, Lease Purchase, and MHFA/WHEDA.

Historical Mortgage Finance Utilization Rates

— Cash — Conventional — FHA Distressed Sales Rate Other

