

Monthly Indicators

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



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March 2018

Residential real estate activity has cooled slightly in the first quarter of 2018, yet the underlying fundamentals continue to support a solid marketplace. Both signed contracts and closed sales are down slightly for the year, mostly due to the lack of inventory. Because of the shortage combined with still-strong demand and a slightly more luxurious product mix, prices remain firm, which is expected to continue. But rising prices alone won't alleviate the shortage, though it should theoretically help.

New Listings in the Twin Cities region decreased 17.5 percent to 6,737. Pending Sales were down 12.2 percent to 5,103. Inventory levels fell 26.1 percent to 8,289 units.

Prices continued to gain traction. The Median Sales Price increased 9.8 percent to \$258,000. Days on Market was down 21.9 percent to 57 days. Sellers were encouraged as Months Supply of Homes for Sale was down 22.7 percent to 1.7 months.

The Federal Reserve raised its key short-term interest rate by .25 percent in March, citing concerns about inflation. It is the sixth rate increase by the Fed since December 2015, and at least two more rate increases are expected this year. Borrowing money will be more expensive, particularly for home equity loans, credit cards and adjustable rate mortgages, but rising wages and full employment confirm why this was widely expected. And although mortgage rates have risen to their highest point in four years, they remain at roughly half of their 50-year average of 8.25 percent.

Quick Facts

- 10.3% **+ 9.8%** **- 26.1%**

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)	3-2017	3-2018	+ / -	YTD 2017	YTD 2018	+ / -
New Listings		8,165	6,737	- 17.5%	18,060	15,857	- 12.2%
Pending Sales		5,809	5,103	- 12.2%	13,185	11,918	- 9.6%
Closed Sales		4,433	3,978	- 10.3%	10,120	9,459	- 6.5%
Days on Market Until Sale		73	57	- 21.9%	77	64	- 16.9%
Median List Price		\$272,900	\$289,900	+ 6.2%	\$274,900	\$295,000	+ 7.3%
Median Sales Price		\$235,000	\$258,000	+ 9.8%	\$228,000	\$252,000	+ 10.5%
Price Per Square Foot		\$137	\$150	+ 9.1%	\$135	\$146	+ 7.9%
ShowingTime Housing Value Index		\$208,081	\$224,772	+ 8.0%	--	--	--
Pct. of Orig. List Price Received		98.0%	99.1%	+ 1.1%	97.0%	98.1%	+ 1.1%
Inventory of Homes for Sale		11,221	8,289	- 26.1%	--	--	--
Months Supply of Homes for Sale		2.2	1.7	- 22.7%	--	--	--

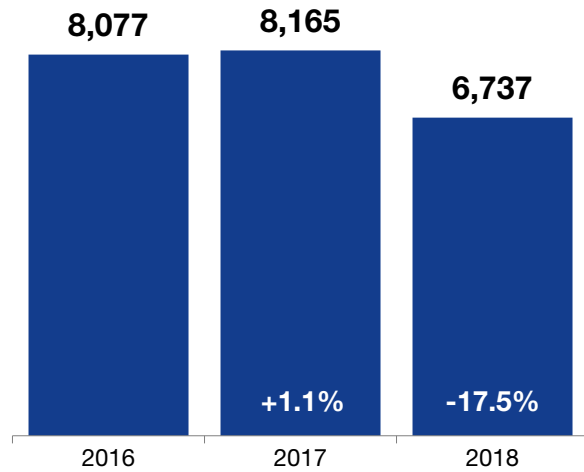
New Listings

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

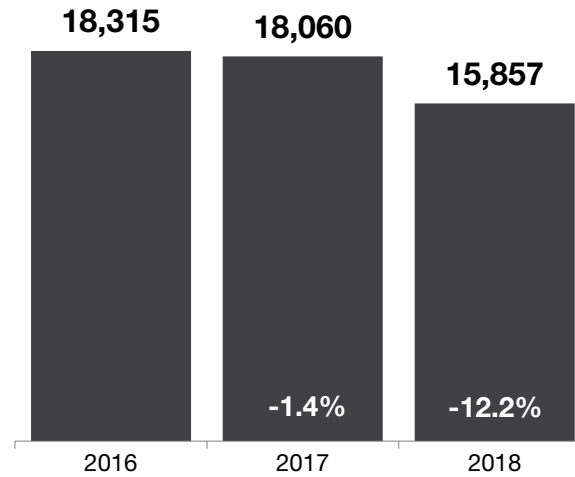


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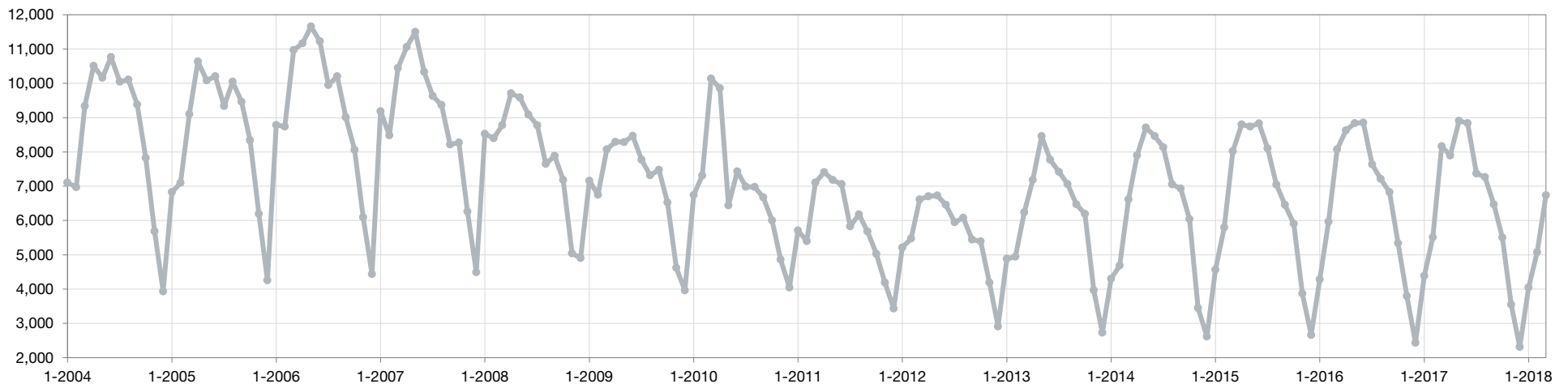


Year To Date



	New Listings	Prior Year	Percent Change
April 2017	7,890	8,625	-8.5%
May 2017	8,907	8,840	+0.8%
June 2017	8,838	8,853	-0.2%
July 2017	7,369	7,632	-3.4%
August 2017	7,264	7,214	+0.7%
September 2017	6,474	6,826	-5.2%
October 2017	5,501	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	5,076	5,513	-7.9%
March 2018	6,737	8,165	-17.5%
12-Month Avg	6,163	6,468	-4.7%

Historical New Listing Activity



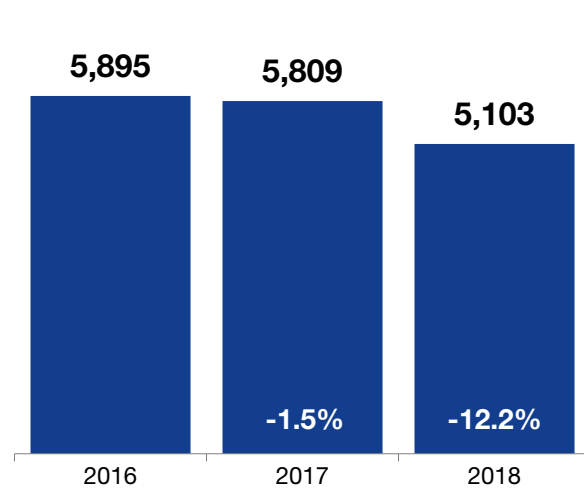
Pending Sales

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

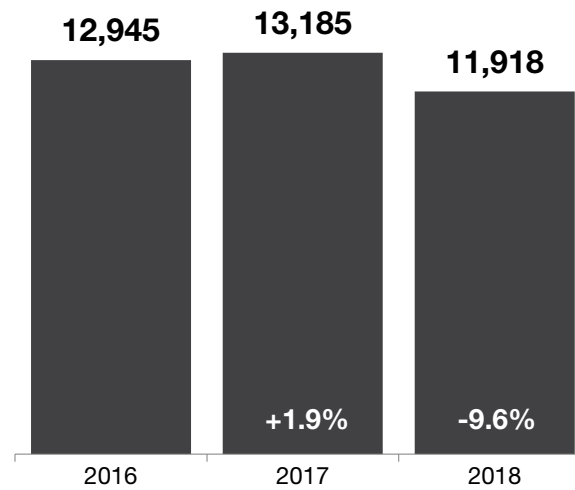


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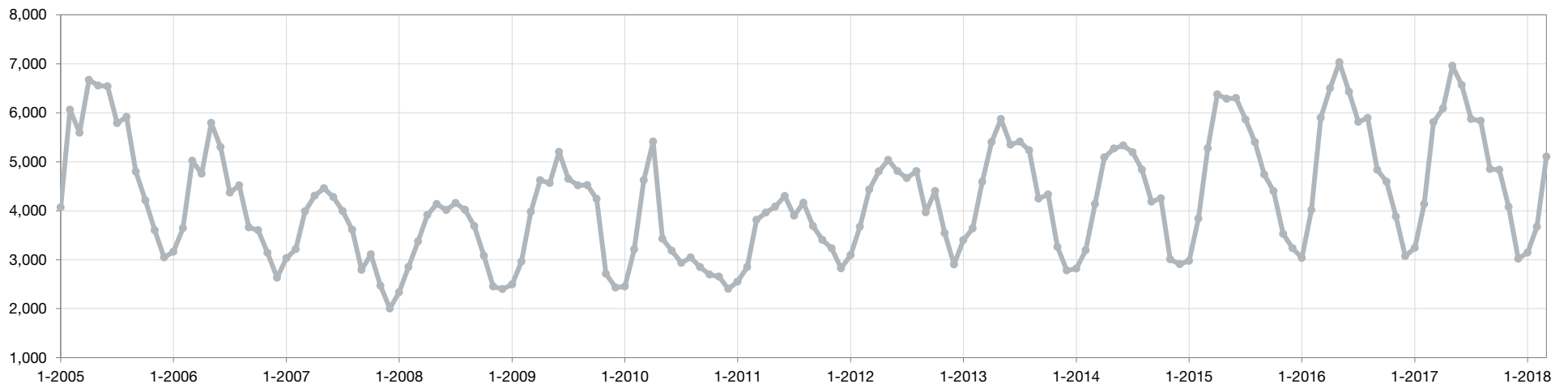


Year To Date



Pending Sales		Prior Year	Percent Change
April 2017	6,087	6,503	-6.4%
May 2017	6,954	7,029	-1.1%
June 2017	6,563	6,429	+2.1%
July 2017	5,870	5,813	+1.0%
August 2017	5,835	5,893	-1.0%
September 2017	4,849	4,833	+0.3%
October 2017	4,836	4,589	+5.4%
November 2017	4,077	3,883	+5.0%
December 2017	3,017	3,069	-1.7%
January 2018	3,144	3,239	-2.9%
February 2018	3,671	4,137	-11.3%
March 2018	5,103	5,809	-12.2%
12-Month Avg	5,001	5,102	-2.0%

Historical Pending Sales Activity



Closed Sales

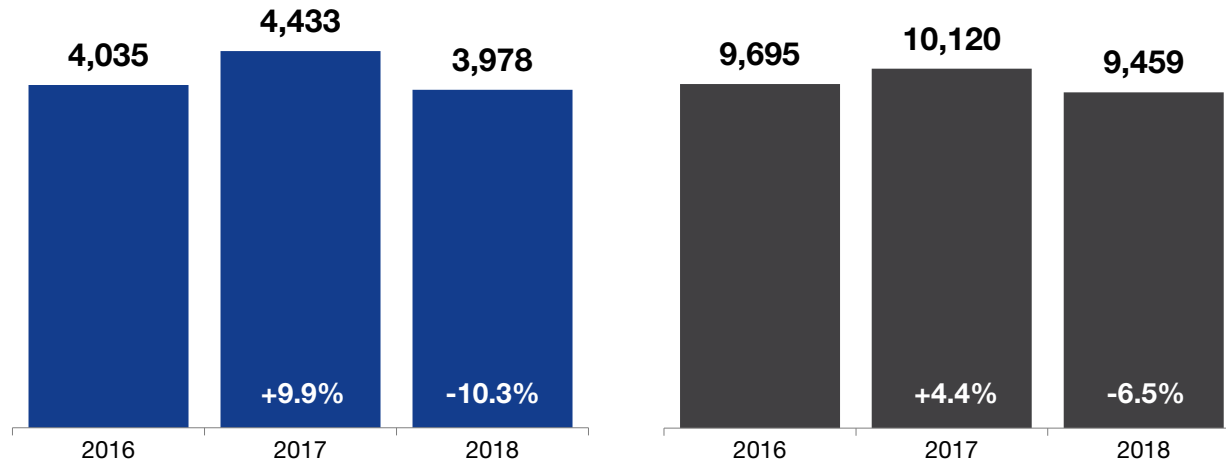
A count of the actual sales that have closed in a given month.



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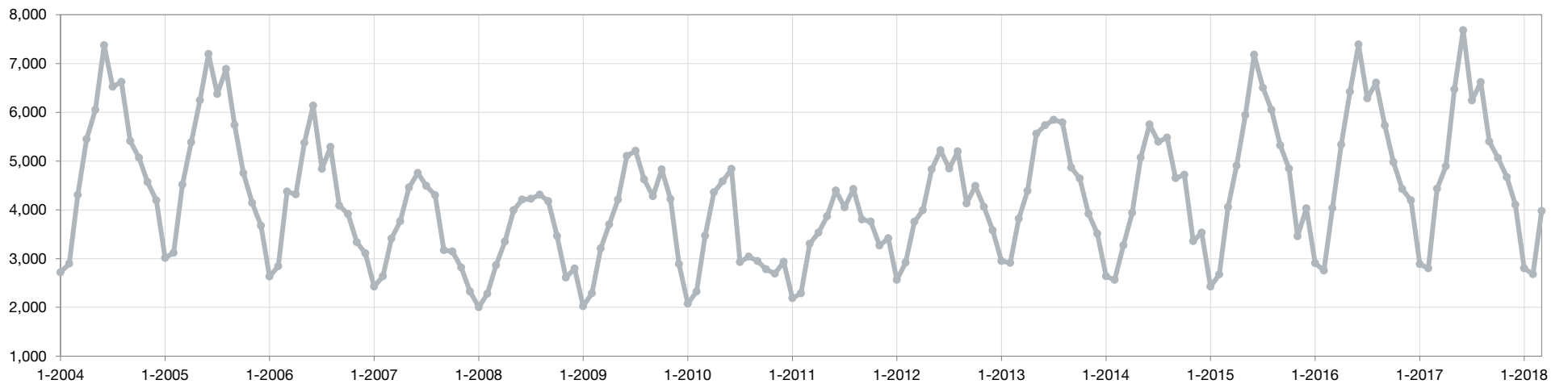
March

Year To Date



Closed Sales		Prior Year	Percent Change
April 2017	4,890	5,334	-8.3%
May 2017	6,471	6,419	+0.8%
June 2017	7,683	7,392	+3.9%
July 2017	6,243	6,285	-0.7%
August 2017	6,616	6,607	+0.1%
September 2017	5,399	5,729	-5.8%
October 2017	5,060	4,978	+1.6%
November 2017	4,670	4,427	+5.5%
December 2017	4,106	4,191	-2.0%
January 2018	2,802	2,884	-2.8%
February 2018	2,679	2,803	-4.4%
March 2018	3,978	4,433	-10.3%
12-Month Avg	5,050	5,124	-1.9%

Historical Closed Sales Activity



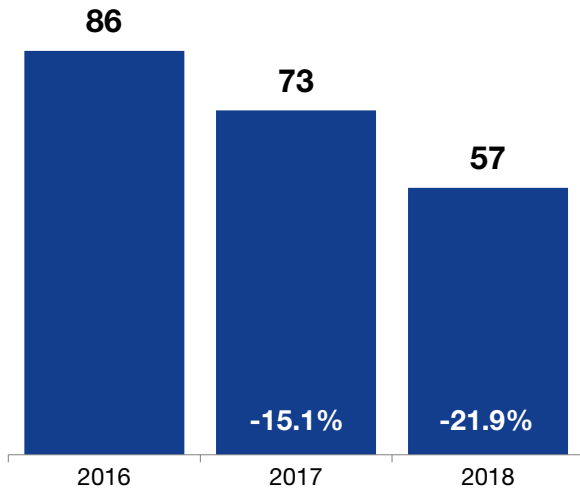
Days on Market Until Sale

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

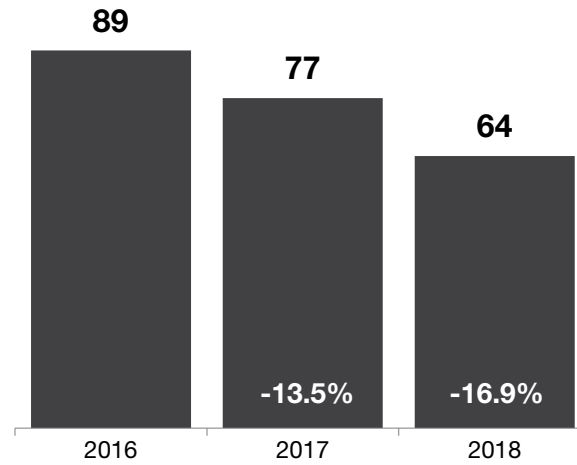


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Year To Date



Days on Market		Prior Year	Percent Change
April 2017	59	74	-20.3%
May 2017	52	61	-14.8%
June 2017	48	57	-15.8%
July 2017	46	55	-16.4%
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%
12-Month Avg	54	64	-15.6%

Historical Days on Market Until Sale



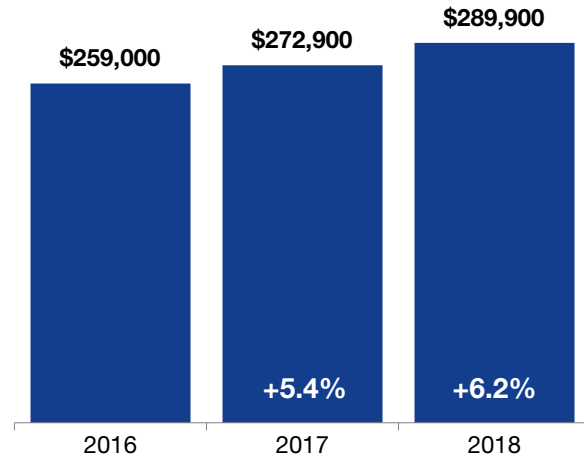
Median Original List Price

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

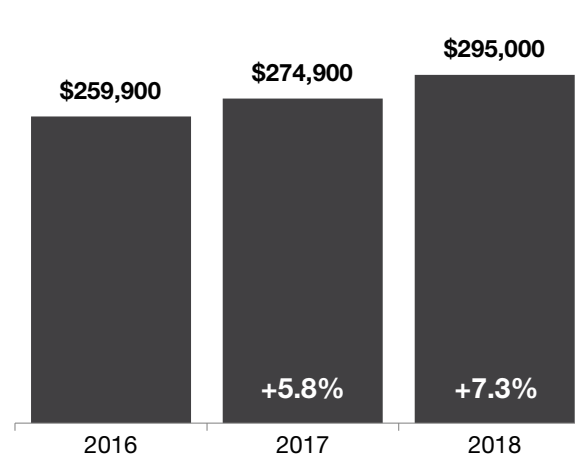


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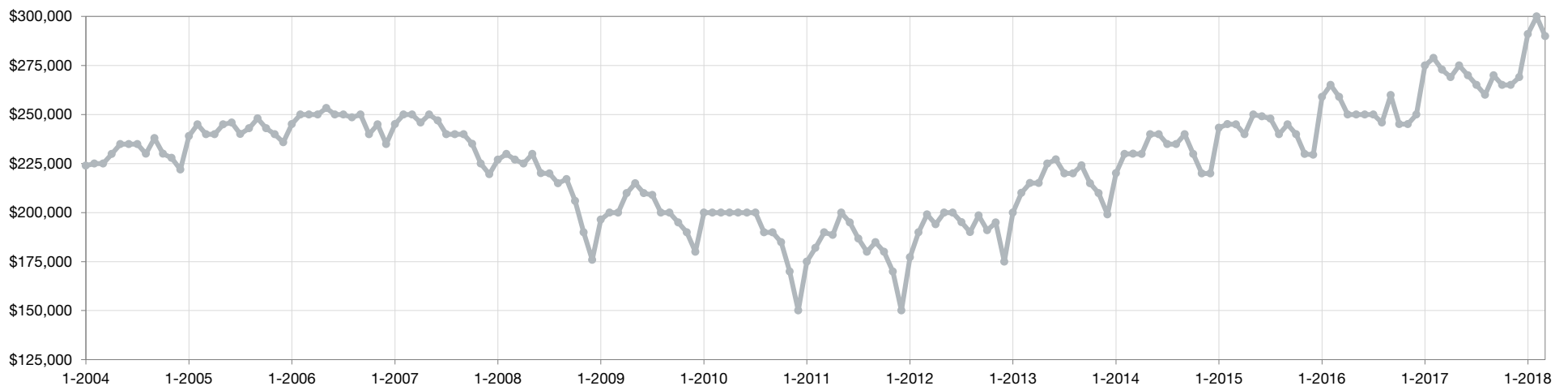


Year To Date



	Median Original List Price	Prior Year	Percent Change
April 2017	\$269,000	\$249,900	+7.6%
May 2017	\$274,900	\$250,000	+10.0%
June 2017	\$269,900	\$250,000	+8.0%
July 2017	\$265,000	\$249,900	+6.0%
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%
12-Month Med	\$272,923	\$254,900	+7.1%

Historical Median Original List Price



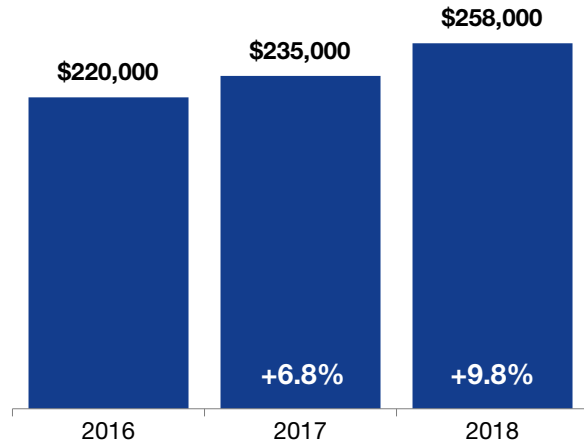
Median Sales Price

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

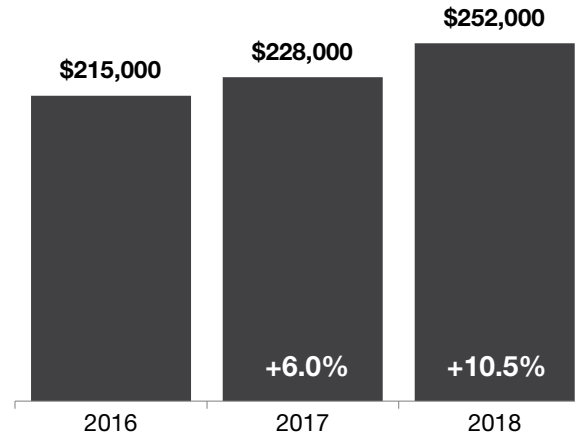


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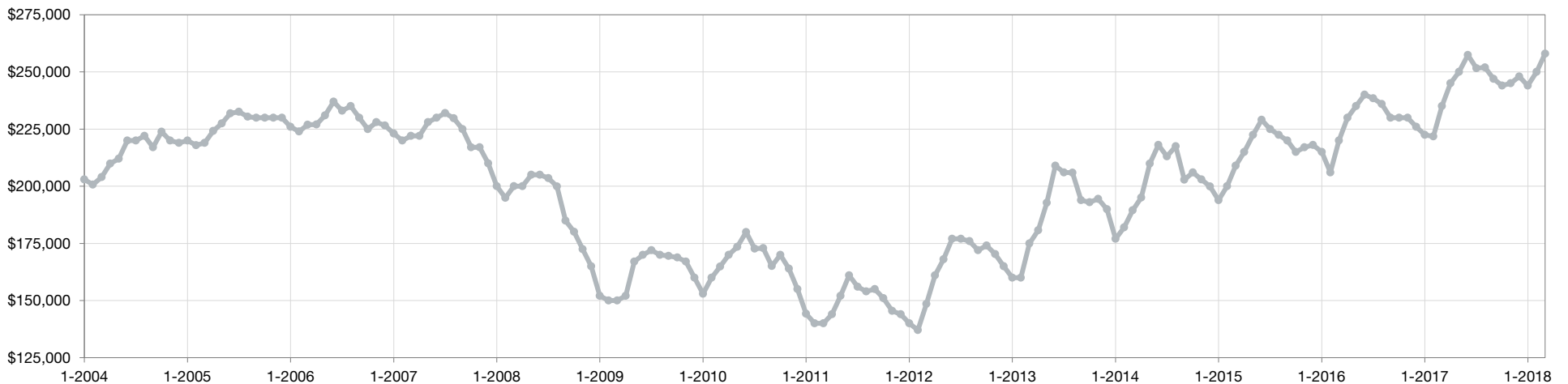


Year To Date



	Median Sales Price	Prior Year	Percent Change
April 2017	\$245,000	\$230,000	+6.5%
May 2017	\$250,000	\$235,000	+6.4%
June 2017	\$257,375	\$240,041	+7.2%
July 2017	\$251,550	\$238,400	+5.5%
August 2017	\$252,000	\$236,000	+6.8%
September 2017	\$246,900	\$230,000	+7.3%
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	\$258,000	\$235,000	+9.8%
12-Month Med	\$250,000	\$233,500	+7.1%

Historical Median Sales Price



Average Sales Price

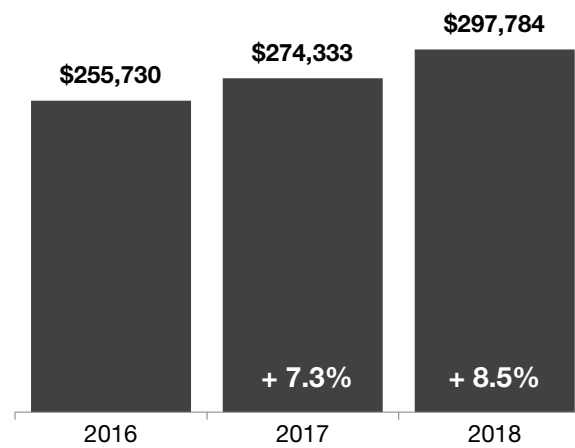
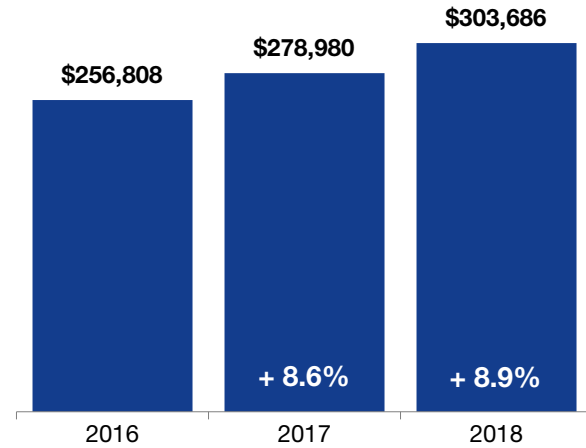
Average sales price for all closed sales, not accounting for seller concessions, in a given month.



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Year to Date



	Average Sales Price	Prior Year	Percent Change
April 2017	\$290,215	\$271,229	+7.0%
May 2017	\$292,625	\$274,960	+6.4%
June 2017	\$307,058	\$282,943	+8.5%
July 2017	\$302,097	\$279,541	+8.1%
August 2017	\$298,473	\$282,803	+5.5%
September 2017	\$295,006	\$271,297	+8.7%
October 2017	\$291,831	\$273,325	+6.8%
November 2017	\$289,862	\$273,859	+5.8%
December 2017	\$305,916	\$271,951	+12.5%
January 2018	\$291,888	\$272,470	+7.1%
February 2018	\$295,138	\$268,868	+9.8%
March 2018	\$303,686	\$278,980	+8.9%
12-Month Avg	\$297,510	\$276,040	+7.8%

Historical Average Sales Price



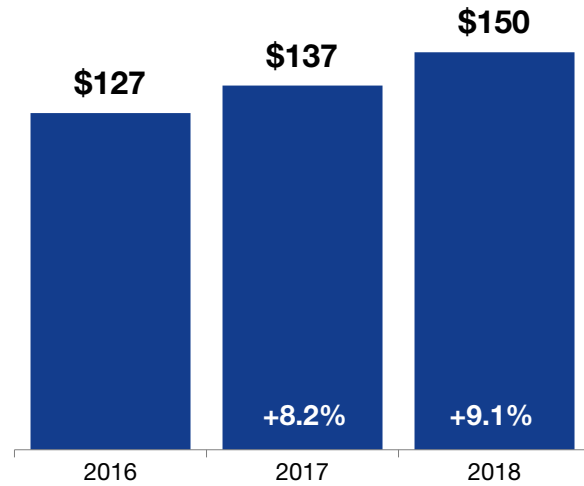
Price Per Square Foot

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

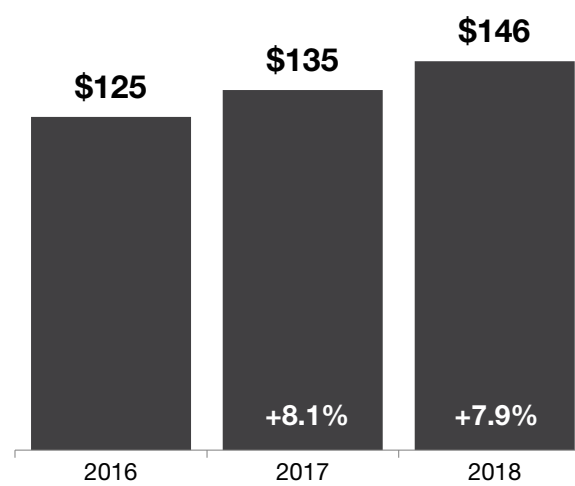


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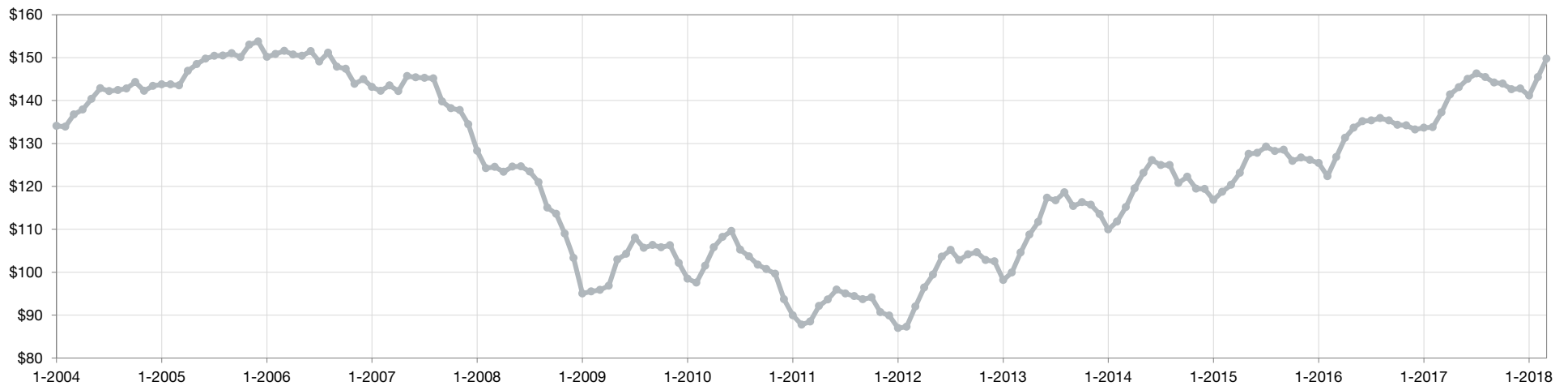


Year to Date



	Price Per Square Foot	Prior Year	Percent Change
April 2017	\$141	\$131	+7.7%
May 2017	\$143	\$134	+7.0%
June 2017	\$145	\$135	+7.2%
July 2017	\$146	\$135	+8.1%
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	+7.1%
January 2018	\$141	\$134	+5.6%
February 2018	\$145	\$134	+8.7%
March 2018	\$150	\$137	+9.1%
12-Month Avg	\$144	\$135	+7.3%

Historical Price Per Square Foot



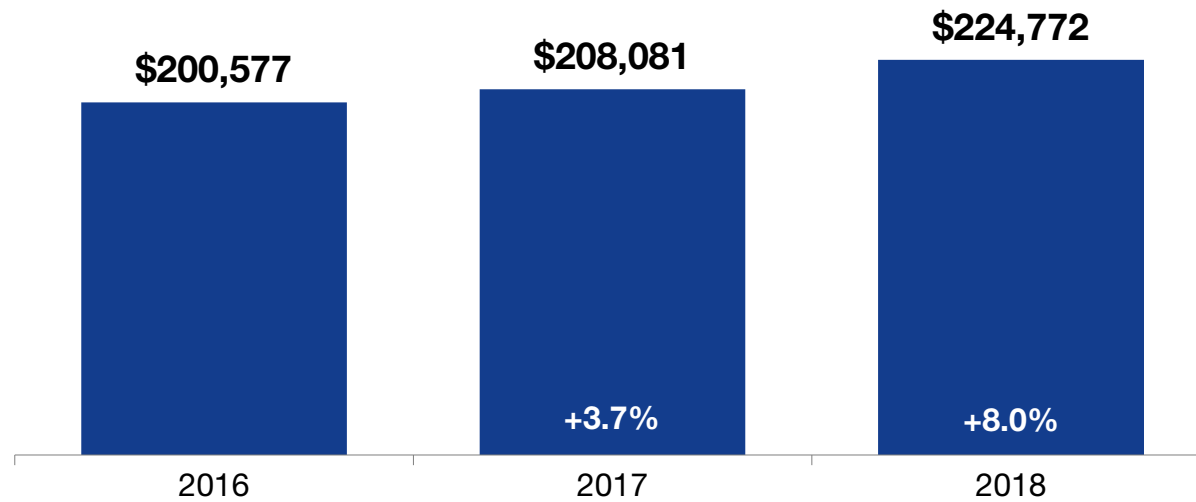
ShowingTime Housing Value Index

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.



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Housing Value Index		Prior Year	Percent Change
April 2017	\$211,011	\$199,264	+5.9%
May 2017	\$209,577	\$198,429	+5.6%
June 2017	\$208,773	\$197,990	+5.4%
July 2017	\$210,484	\$198,610	+6.0%
August 2017	\$209,925	\$198,615	+5.7%
September 2017	\$209,912	\$198,874	+5.6%
October 2017	\$209,491	\$198,159	+5.7%
November 2017	\$210,357	\$198,389	+6.0%
December 2017	\$211,568	\$200,831	+5.3%
January 2018	\$217,042	\$206,081	+5.3%
February 2018	\$222,598	\$206,897	+7.6%
March 2018	\$224,772	\$208,081	+8.0%
12-Month Avg	\$212,959	\$200,852	+6.0%

Historical ShowingTime Housing Value Index



Percent of Original List Price Received

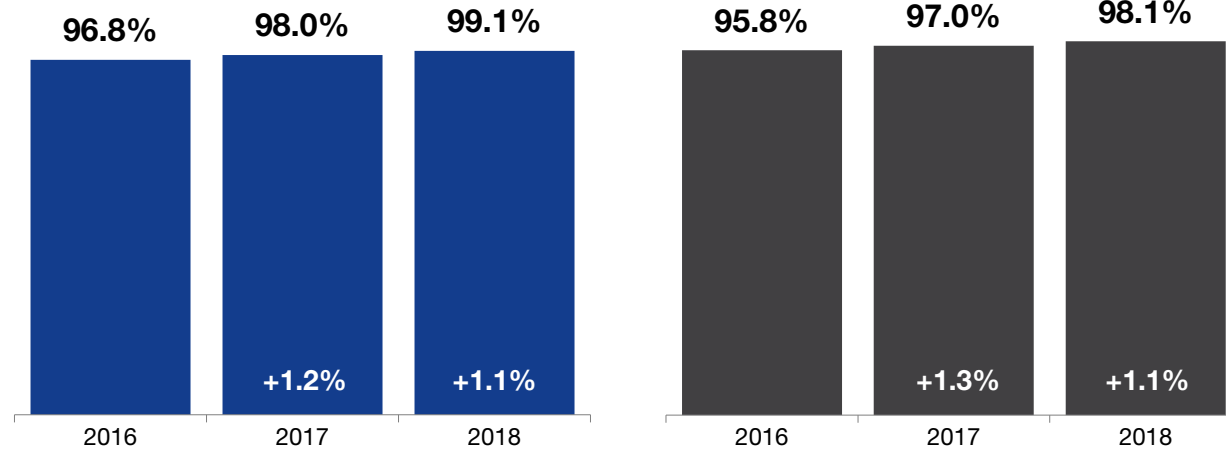
Percentage found when dividing a property's sales price by its original list price, then taking the average for all properties sold in a given month, not accounting for seller concessions.



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Year to Date



	Pct. Of Orig. List Price Rec'd	Prior Year	Percent Change
April 2017	99.1%	97.9%	+1.2%
May 2017	99.5%	98.5%	+1.0%
June 2017	99.5%	98.6%	+0.9%
July 2017	99.1%	98.3%	+0.8%
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%
12-Month Avg	98.5%	97.6%	+0.9%

Historical Percent of Original List Price Received



Housing Affordability Index

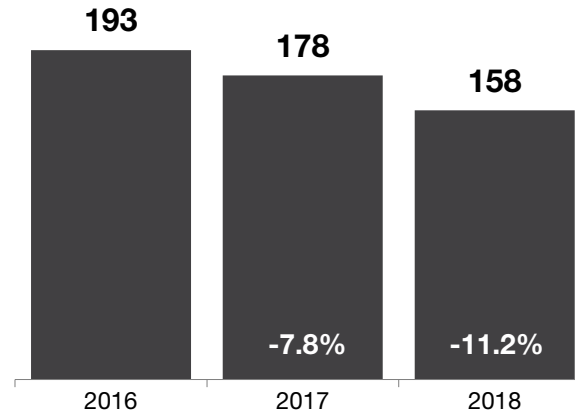
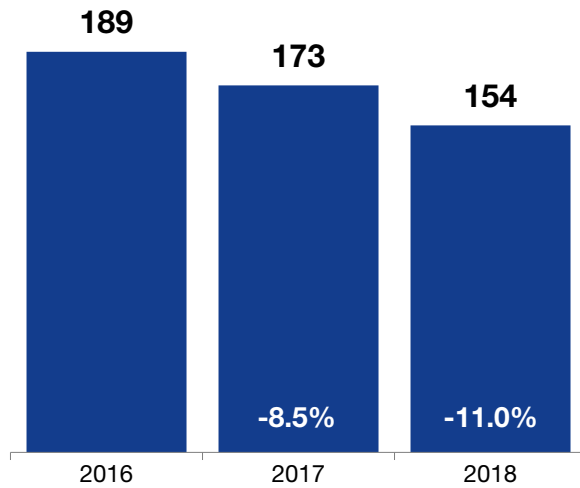
This index measures housing affordability for the region. For example, an index of 120 means the median household income was 120% of what is necessary to qualify for the median-priced home under prevailing interest rates. A higher number means greater affordability.



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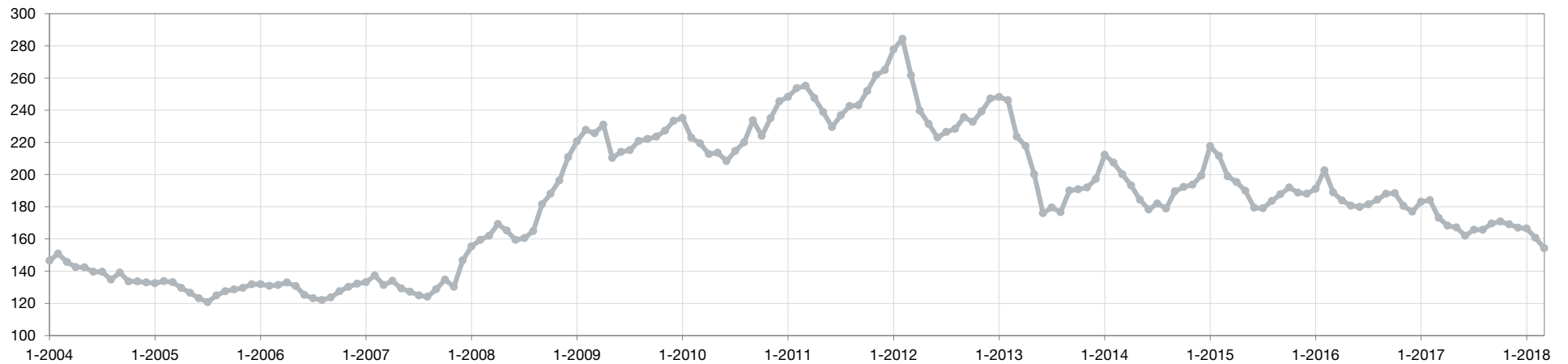
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Year to Date



	Housing Affordability Index	Prior Year	Percent Change
April 2017	168	184	-8.7%
May 2017	167	181	-7.7%
June 2017	162	180	-10.0%
July 2017	166	181	-8.3%
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%
12-Month Avg	166	182	-8.8%

Historical Housing Affordability Index



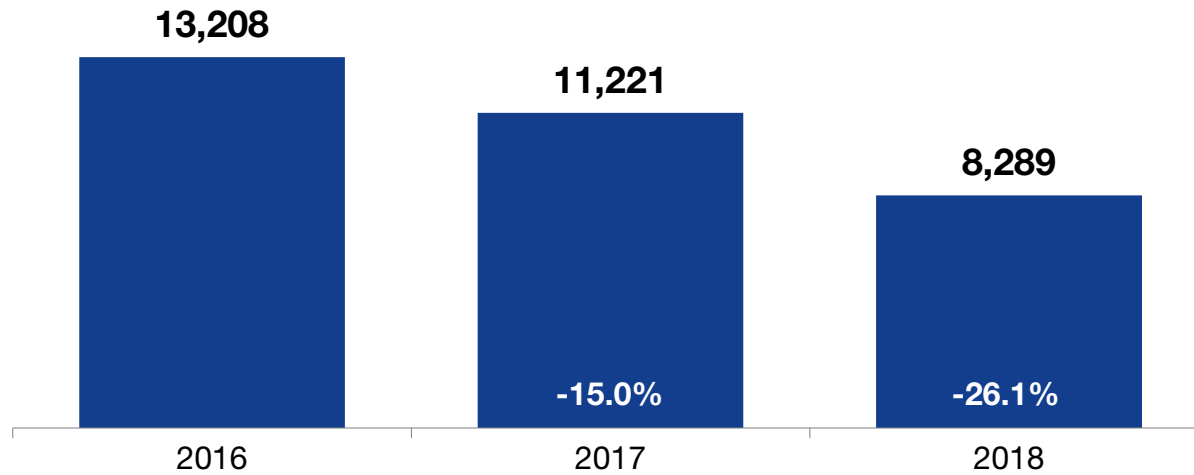
Inventory of Homes for Sale

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



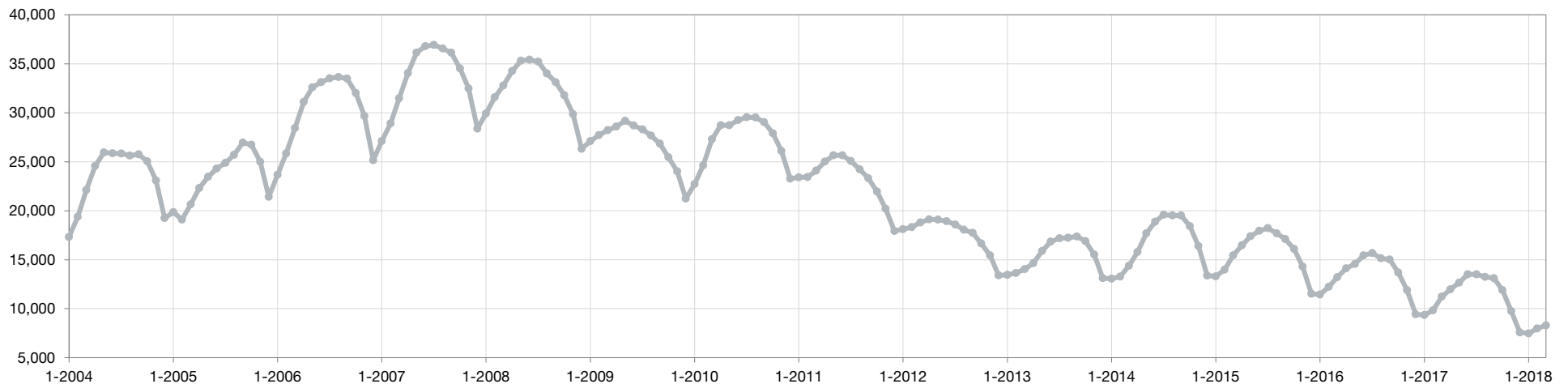
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Homes for Sale		Prior Year	Percent Change
April 2017	11,961	14,117	-15.3%
May 2017	12,647	14,555	-13.1%
June 2017	13,506	15,425	-12.4%
July 2017	13,515	15,683	-13.8%
August 2017	13,248	15,146	-12.5%
September 2017	13,108	15,025	-12.8%
October 2017	11,891	13,690	-13.1%
November 2017	9,745	11,896	-18.1%
December 2017	7,571	9,432	-19.7%
January 2018	7,480	9,339	-19.9%
February 2018	7,983	9,835	-18.8%
March 2018	8,289	11,221	-26.1%
12-Month Avg	10,912	12,947	-16.3%

Historical Inventory of Homes for Sale



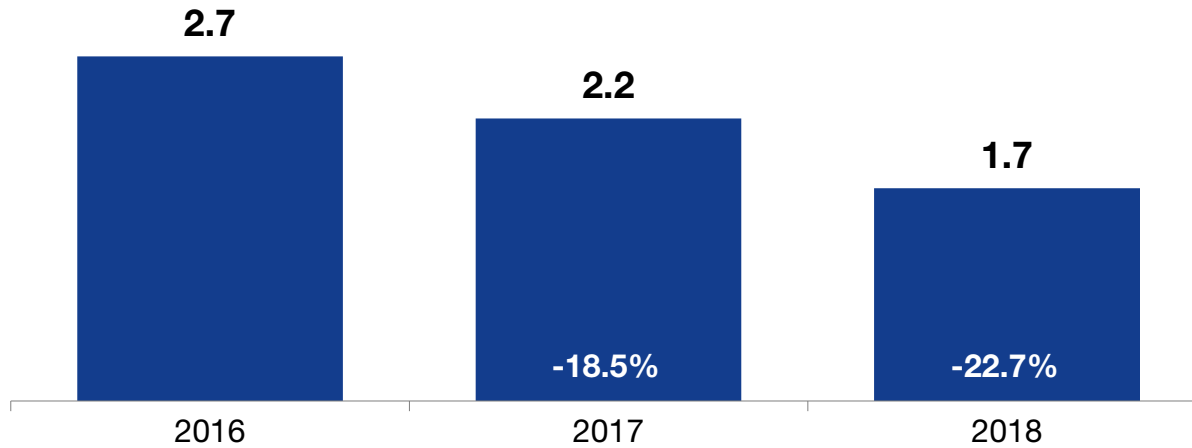
Months Supply of Homes for Sale

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.



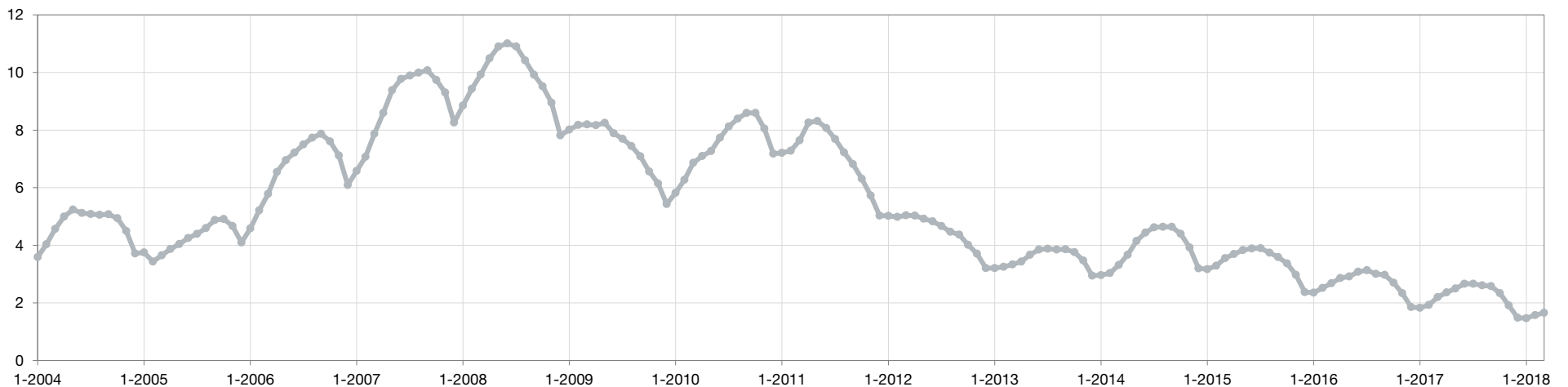
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Months Supply		Prior Year	Percent Change
April 2017	2.4	2.9	-17.2%
May 2017	2.5	2.9	-13.8%
June 2017	2.7	3.1	-12.9%
July 2017	2.7	3.1	-12.9%
August 2017	2.6	3.0	-13.3%
September 2017	2.6	3.0	-13.3%
October 2017	2.3	2.7	-14.8%
November 2017	1.9	2.3	-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	1.7	2.2	-22.7%
12-Month Avg	2.2	2.6	-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

