



MINNEAPOLIS AREA Association
of REALTORS®

NEWS RELEASE

FOR IMMEDIATE RELEASE

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Market correction continues as buyers wait on the sidelines

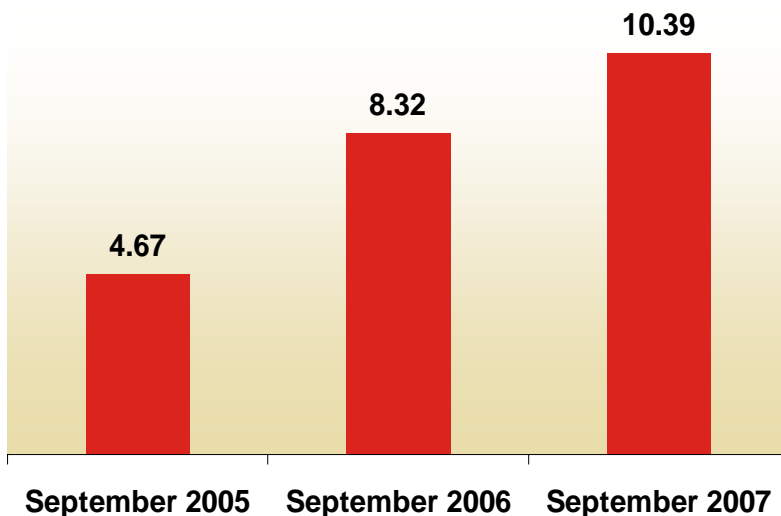
Minneapolis, Minnesota (September 12, 2007) – Persistent instability in the mortgage market and a related malaise in consumer confidence continues to dampen home sales across the nation and the Twin Cities, according to the Minneapolis Area Association of REALTORS® (MAAR) based on data from the Regional Multiple Listing Service of Minnesota, Inc.

Amid a flurry of national news stories on uncertainties in secondary financing markets, newly signed purchase agreements (pending sales) for August were behind the same month last year by 18.1 percent, posting 3,834 unit sales. Similarly, closed sales are down 17.8 percent for the same time comparison.

“With buyers concerned by the news they hear on housing, it’s understandable that some are waiting on the sidelines,” said Deb Greene, president of MAAR. “Our concern is that while they wait they’re missing buying opportunities when the time is right.”

Builders and sellers have taken notice that buyers are in retreat. The number of new listings on the market in August was down 7.9 percent from August 2006, the seventh consecutive month of year-over-year declines in listings. Year-to-date, there has been 3.2 percent less placed on the market than this time in 2006.

Houses on the Market Per Buyer



Despite this decline in new listings, the drop in sales has been even more dramatic. As a result, homes are staying on the market longer and inventory is at record highs.

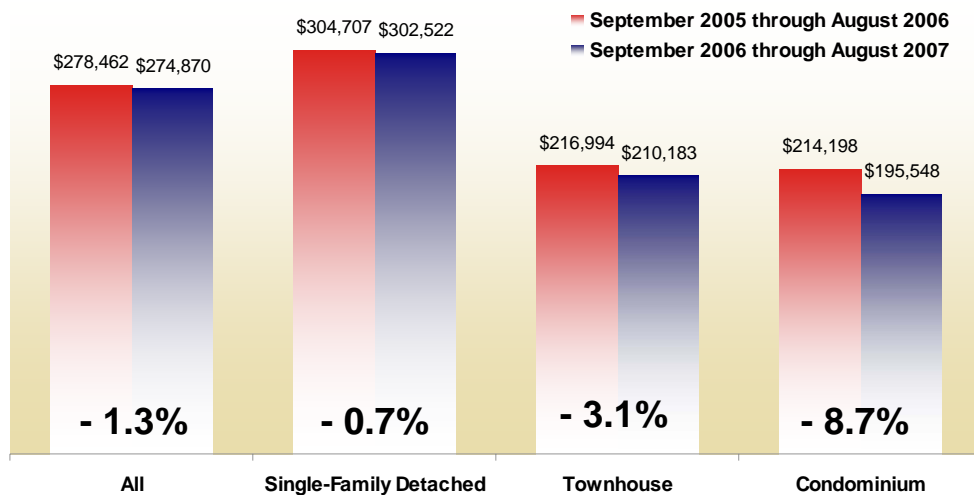
At the start of the month there were 34,808 homes for sale in the Twin Cities region, an increase of 11.3 percent from this time last year. This amounts to 10.39 active listings for every expected buyer for the month of September.

“Sellers need to understand what they’re up against,” said Greene. “Homes must be priced aggressively and kept in excellent condition to sell quickly.”

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With sales down and inventory up, home values showed a slight decline. The August median sales price of \$230,000 is 2.1 percent down from August 2006. Home sellers received 94.7 percent of their original asking price in August, down from last year at this time when the figure was 96.6 percent. Downward pressure on home prices will continue as we enter the typical fall season slowdown.

Average Sales Price By Property Type



Home values have declined as the market shifts further in the buyer's favor, but at different velocities depending on the property type.

The new, enhanced **Housing Supply Outlook** from the Minneapolis Area Association of REALTORS® provides an in-depth look at our market conditions by property type, construction status, price range and more.

See the attached PDF file to view the new **Housing Supply Outlook**.

“Projections on the future of the housing market are like belly buttons—everyone's got one,” said Kevin Knudsen, president-elect of MAAR. “But the only thing we know for certain is that this rebound will take some time. In the meantime, opportunity is out there for buyers.”

Click “**August 2007 Monthly Indicators**” at www.mplsrealtor.com (located near the bottom-right side of the page) for additional charts and graphs.

Established in 1887, the Minneapolis Area Association of REALTORS® (MAAR) is the leading regional advocate and provider of information services, research and education on the real estate industry for brokers, real estate professionals and the public. With over 10,000 members, MAAR is one of the 25 largest local REALTOR® associations in the nation and serves the Twin Cities 13-county metro area and Wisconsin.

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