



MINNEAPOLIS AREA Association
of REALTORS®

NEWS RELEASE

FOR IMMEDIATE RELEASE

Contact: Mark Allen, Chief Executive Officer
Minneapolis Area Association of REALTORS®
952.988.3134
marka@mplsrealtor.com

Greg Sax, Communications Manager
Minneapolis Area Association of REALTORS®
952.988.3123
gregs@mplsrealtor.com

Twin Cities housing market gets even more attractive for buyers

Falling home prices and interest rates in October result in large increase in affordability

Minneapolis, Minnesota (November 12, 2007) – The Twin Cities housing market got even more attractive for area home buyers, according to the Minneapolis Area Association of REALTORS® (MAAR) based on data from the Regional Multiple Listing Service of Minnesota, Inc.

Housing prices declined in October while mortgage rates improved, leading to an enhanced buying environment. The median sales price in October of \$220,000 was 3.5 percent behind October of 2006, the largest such year-over-year decline this year. Motivated sellers were willing to make adjustments to their original asking prices, with the Percent of Original List Price Received at Sale falling to 93.1 percent.

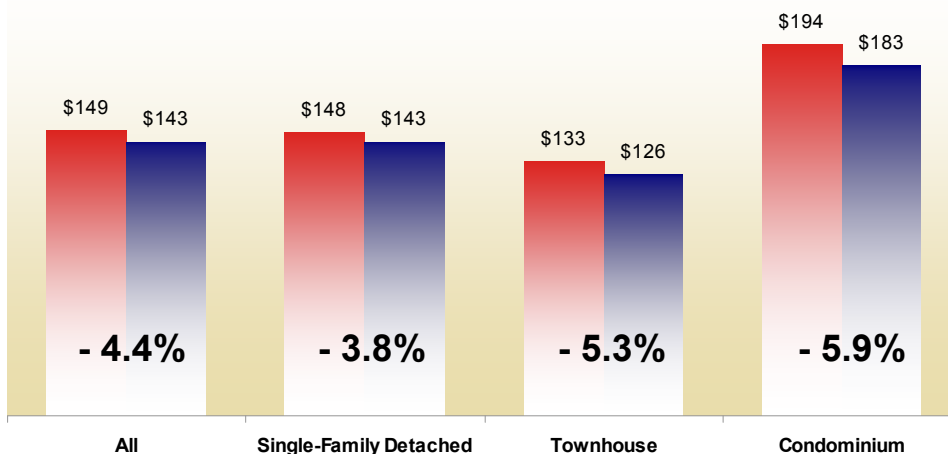
Home buyers took notice of the good news, as newly signed purchase agreements (pending sales) posted 3,254 units in October, 14.6 percent ahead of the 2,839 units posted in September 2007 but behind October of last year by only 12.6 percent. Closed sales, too, saw a slight rebound with 3,206 closed transactions.

“It’s opportunity time out there for buyers. We’ve been shouting this from the mountaintop for some time, and smart buyers are beginning to take notice,” said Deb Greene, president of MAAR. “Sellers are motivated, there’s an excellent inventory of well priced, high quality homes to choose from, and mortgage rates are phenomenal.”

Price Per Square Foot of Closed Sales

Source: MAAR Housing Supply Outlook

- November 2005 through October 2006
- November 2006 through October 2007



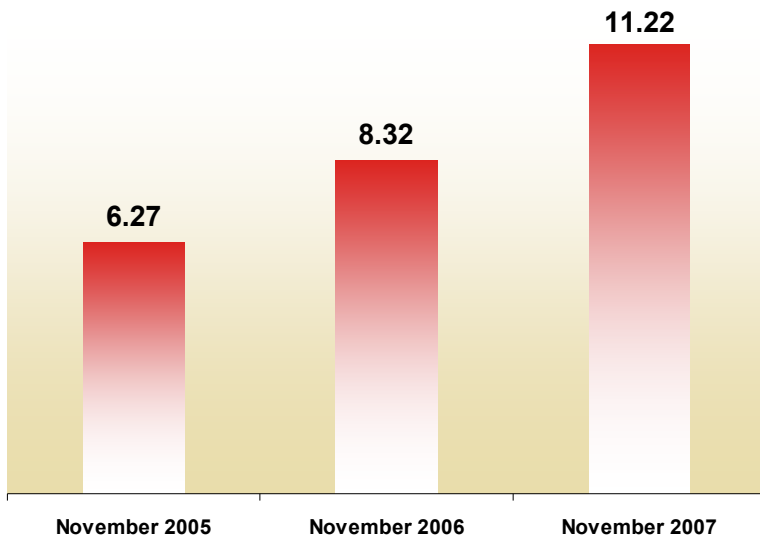
The combination of declining home prices and mortgage rates led to a massive upswing in affordability. The MAAR Housing Affordability Index (HAI) grew 7 points to 138, the highest November mark since 2004.

“While uncertainties in the subprime lending market are still limiting the number of new qualified buyers for now, affordability gains are helping to level the playing field,” said Greene.

— more —

Homes for Sale Per Buyer

Source: MAAR Supply-Demand Ratio



New listings on the market grew slightly in October, up 2.7 percent from October 2006, but overall seller activity is down year-to-date by 3.2 percent.

Despite a reduction in new housing starts, the number of homes currently for sale is a November record. There are 32,547 units for sale, with 11.22 homes available for each buyer in November.

Kevin Knudsen, 2007 President-Elect of MAAR said, "All of the conditions in our market are ideal for buying a home. Buyers who are waiting on the sidelines should seriously consider acting now. Otherwise, they might look back on 2007 as a year of missed opportunity."

Click "**October 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.

###