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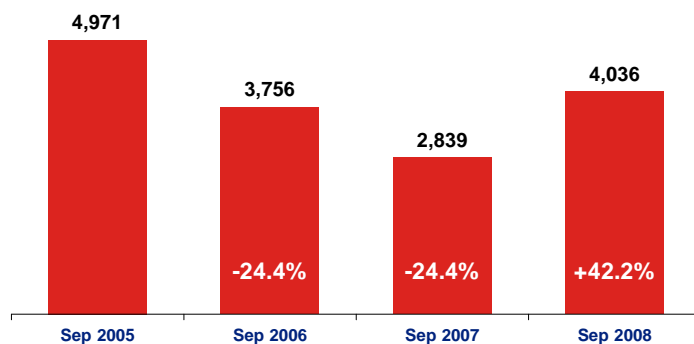
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Pending sales skyrocket over 40 percent as prices decline

Minneapolis, Minnesota (October 10, 2008) – Buyers flocked to the Twin Cities housing market in September to take advantage of attractive home prices and a sunseting federal loan program, according to the Minneapolis Area Association of REALTORS® (MAAR) based on data from the Regional Multiple Listing Service of Minnesota, Inc.

September Pending Sales



There were 4,036 pending sales in September, which represented a whopping 42.2 percent increase over September 2007's mark of 2,839. Closed sales, too, were up dramatically—34.9 percent higher for the same time period comparison. The last time there was a year-over-year pending sales increase even close to this large was in March of 1998 when the increase over March of 1997 was 38.6 percent.

“There really are some incredible buying opportunities out there and this is the surest sign yet,” said Kevin Knudsen, MAAR President. “But we also need to keep in mind that September of last year was extremely slow, which makes these figures pop a little more.”

Also adding to the influx of September buyers was “last call” activity before the October 1 dissolution of the FHA-sponsored seller-funded downpayment assistance program, which was the last of a dying breed of zero-down loan programs remaining on the market.

A hearty 41.6 percent of September's pending sales were lender-mediated foreclosures and short sales, up from 17.5 percent in September 2007. The increased market share of these bargain-priced properties led to further declines in home prices. The overall September median sales price of \$189,900 fell from last year by 15.6 percent. Lender-mediated homes posted a median sales price of \$146,000, a decrease of 11.5 percent from last year. Traditional properties had a September median sales price of \$212,500, a decrease of 8.6 percent.

Due to the decline in home prices and another downtick in mortgage rates, the October Housing Affordability Index jettisoned upward from last month to 159, which is 21.4 percent higher than this time last year, and back up at extremely healthy levels following a few years of unsustainably low affordability. While challenging for sellers, this means a more accessible market for potential home buyers, thus the resurgence in sales activity.

“With all the uncertainties in the economy, it's hard to predict right now if the sales upturn will continue,” said Steve Havig, MAAR President-Elect. “But the affordability and inventory choice picture is still very attractive, which bodes well for our long-term picture.”

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 more than 8,500 members, MAAR is one of the 25 largest local REALTOR® associations in the nation and serves the Twin Cities 13-county metro area and western Wisconsin.

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