



MINNEAPOLIS AREA Association
of REALTORS®

NEWS RELEASE

FOR IMMEDIATE RELEASE

Contact: Greg Sax, Communications Manager
Minneapolis Area Association of REALTORS®
952.988.3123 (office)
612.860.2668 (cell)
gregs@mplsrealtor.com

Jeff Allen, Research Manager
Minneapolis Area Association of REALTORS®
952.988.3126 (office)
612.702.4101 (cell)
jeffa@mplsrealtor.com

Tick tock on the tax credit means more “last call” buyers

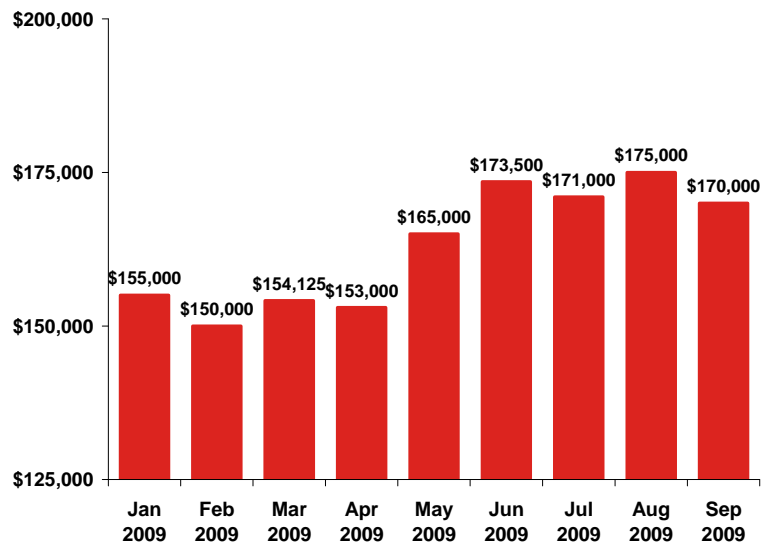
Minneapolis, Minnesota (October 12, 2009) – Buyer activity took another step up in September as the final days of the federal tax credit for first-time home buyers ticked toward a November 30 deadline, contrary to the typical September slowdown in the Twin Cities housing market.

There were 4,986 signed purchase agreements during the month, up 23.5 percent from a year ago—the 15th consecutive month of year-over-year increases in pending sales. Since first-time home buyers don't typically go high end, a healthy portion of these sales are taking place in price ranges below \$200,000.

“Buyers using the credit are in the 11th hour, so we expect high activity levels for the next week or two,” said Steve Havig, President of MAAR.

The influx of new buyers has helped home prices increase over the course of the year. The September median sales price of \$170,000 represents a slight dip from the prior month, but the dip is less extreme than what has been typical. Compared to last September, it's a 10.5 percent decline—the lowest year-over-year decline in 17 months.

Median Sales Price



The median sales price of traditional homes in September was \$200,712, down 5.3 percent from a year ago. Lender-mediated homes posted a September figure of \$127,000, down 12.4 percent from a year ago. Lender-mediated foreclosures and short sales made up 39.2 percent of the month's pending sales.

Foreclosures are being sold roughly three times more frequently than short sales, thus the inventory of available foreclosures is dropping more quickly than short sales. More information on these market segments will be available with the Q3–2009 Update to “Foreclosures and Short Sales in the Twin Cities,” due for release on Thursday, October 15.

“We're obviously pleased with the positive signs we're seeing,” said MAAR President-Elect, Brad Fisher. “But the ongoing recession and impending loss of the tax credit make the future a bit uncertain.”

All information is according to the Minneapolis Area Association of REALTORS® (MAAR) based on data from the Regional Multiple Listing Service of Minnesota, Inc. MAAR is the leading regional advocate and provider of information services and research on the real estate industry for brokers, real estate professionals and the public. MAAR serves the Twin Cities 13-county metro area and western Wisconsin.

###