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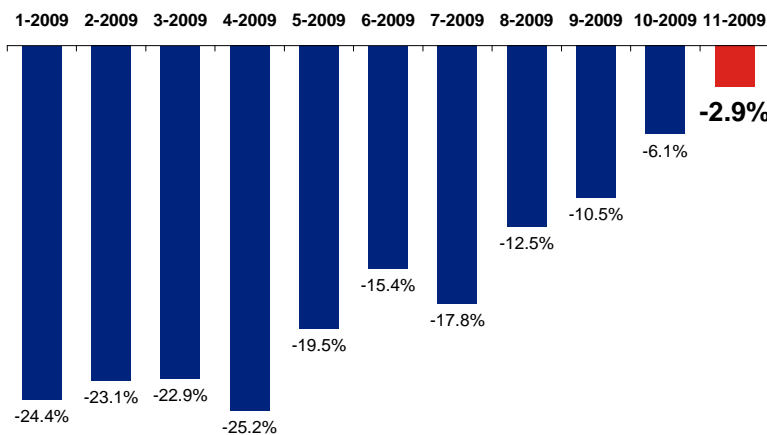
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Home prices continue to stabilize in November

Minneapolis, Minnesota (December 10, 2009) – Extremely heavy buyer activity and shrinking inventory led to strengthening Twin Cities home prices in November.

Year-Over-Year Drop in Median Sales Price



The November median sales price of \$170,000 was a slight increase from October—a rare occurrence in this month that typically marks the beginning of a temporary winter price swoon. This mark is 2.9 percent behind last October, the lowest year-over-year price decline in more than two years.

“This is the surest sign we’ve seen yet that we’re on recovery road,” said Steve Havig, President of the Minneapolis Area Association of REALTORS® (MAAR). “We’ve seen sales growing for almost a year and a half, and prices are starting to reflect that, particularly in the lower price ranges.”

The median sales price of traditional homes (excluding foreclosures and short sales) in

November was \$190,000, down 15.6 percent from a year ago. Since a heavy share of buyers in November were likely first-timers who typically buy in the more affordable price ranges, prices in the traditional segment have been weighted downward. Foreclosures posted a November figure of \$127,500, up 2.0 percent from a year ago, while short sales prices were at \$143,500, down 15.6 percent from a year ago.

There were 2,987 signed purchase agreements in November, a big dip from October due to seasonal trends and to the tax credit’s initial expiration date. That’s still up 10.2 percent from a year ago—the 17th consecutive month of year-over-year increases in pending sales. Closed sales posted a whopping 67.0 percent jump from a year ago, again due to the tax credit.

The Months Supply of Inventory has dropped to 5.7 months, the lowest mark since April 2006. Traditional homes have 7.6 months of supply, foreclosures have 1.4 months and short sales have 12.8 months.

“Supply is dropping in the traditional and foreclosure markets,” said MAAR President-Elect, Brad Fisher. “Short sale supply is stagnant because of the headaches involved in purchasing them. The process needs to improve, but industry and government efforts that are coming soon could help.”

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.

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