



MINNEAPOLIS AREA Association
of REALTORS®

NEWS RELEASE

FOR IMMEDIATE RELEASE

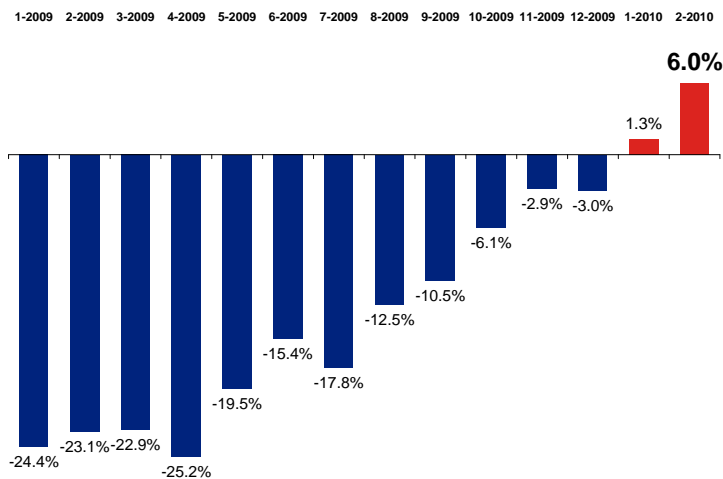
Contact: Greg Sax, Communications Manager
Minneapolis Area Association of REALTORS®
952.988.3123 (office)
612.860.2668 (cell)
gregs@mplsrealtor.com

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

Home prices show strongest sign of stability yet

Minneapolis, Minnesota (March 10, 2010) – For the second consecutive month, home prices in the Twin Cities 13-county metropolitan area showed a year-over-year increase. We haven't seen back-to-back year-over-year increases since 2006.

Year-Over-Year Change in Median Sales Price



The February median sales price of \$159,000 was a 6.0 percent increase from last February's mark of \$150,000. That's the strongest year-over-year increase since 2005. Part of the reason for the stronger upward movement is that fewer foreclosure homes are selling now than did during last February.

"The market share of traditional, non-foreclosure homes has really grown in the last year," said Brad Fisher, President of the Minneapolis Area Association of REALTORS® (MAAR). "That's tilting prices upward and stabilizing the market."

The median sales price of traditional homes (excluding foreclosures and short sales) in February was \$204,900, down only \$100 from last February's mark of \$205,000.

Foreclosures posted a 0.8 percent increase to \$120,000, while short sale properties posted a 6.7 percent decline to \$145,000.

There were 3,527 signed purchase agreements in February, an increase of 6.4 percent from a year ago. As spring springs and we encroach upon the April 30 deadline for the federal home buyer tax credit, expect home sales to tick up as buyers move to take advantage of the incentive.

Due to the continuation of extremely low mortgage rates and the drop in prices seen in recent years, affordability is off-the-charts. The current Housing Affordability Index of 213 is the fourth-highest mark ever recorded. Along with the tax credit, conditions are attractive for home buyers.

Buyer activity has brought inventory down, so there are far fewer homes for buyers to choose from. The March Supply-Demand Ratio of 5.39 means that there are 5.39 homes available per buyer in the month. In March 2008 the mark was 8.16.

"No one can predict what the market will look like six months from now," said MAAR President-Elect, Pat Paulson. "But right now the combination of low rates, good affordability and the tax credit have set a nice table for buyers."

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.

###