



MINNEAPOLIS AREA Association  
of REALTORS®

## NEWS RELEASE

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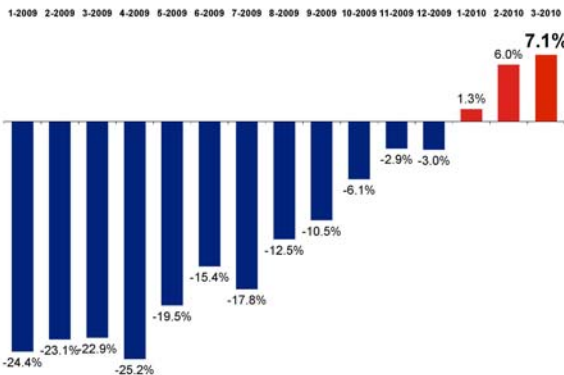
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### Home prices continue to stabilize as oversupply issue improves

*Minneapolis, Minnesota (April 12, 2010)* – For the third consecutive month, home prices in the Twin Cities 13-county metropolitan area showed a year-over-year increase. We haven't seen three consecutive months of progressively increasing year-over-year growth since June 2004.

Year-Over-Year Change in Median Sales Price



The March median sales price of \$165,000 was a healthy 7.1 percent increase from \$154,125 last March. That's the strongest year-over-year increase since May 2005. Part of the reason for the stronger upward movement is that a lower share of home sales are foreclosures as compared to last March. Short sales are another story.

“There are definitely some promising indicators and several positive trends at this time,” said Brad Fisher, President of the Minneapolis Area Association of REALTORS® (MAAR). “However, we need to keep a close eye on several submarkets, including short sales, new construction, and high-end properties.”

The median sales price of traditional homes (excluding foreclosures and short sales) in March was \$199,900, down \$11,600 or 5.5 percent from \$211,500 last March.

Foreclosures posted a slight 0.3 percent increase to \$118,000, while short sale properties posted a 2.0 percent decline to \$147,000. Although short sales have become the new problem child on the block, the 10.0 percent decline in bank-owned new listings after a period of unprecedented growth is good news for everyone.

There were 5,051 signed purchase agreements in March, an increase of 14.6 percent from a year ago. The spring market continues to have a flurry of activity as we approach the April 30 deadline for the federal home buyer tax credit. Home sales are expected to continue to increase as buyers move to take advantage of this substantial market incentive.

This increased buyer activity has brought inventory down and restored some sense of equilibrium to the market. April's supply-demand ratio of 4.39 means that there are 4.39 homes available per buyer for the month. In March 2008, that mark was 8.16. While the rate of inventory decline has been slowing in recent months, supply and demand is far more balanced than it was two years ago. This is a critical sign that the market is correcting oversupply.

“The oversupply issue has corrected in much of our market, and that has led to price stabilization,” said MAAR President-Elect, Pat Paulson. “This provides reason for cautious optimism.”

*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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