MINNEAPOLIS AREA Association of REALTORS®

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April 2008

THE Skinny

The market has had an abundant supply of homes since the tail-end of the boom. The continued drop in new seller activity in 2008 is a sign of hope for market recovery.

Traditional properties (which exclude foreclosures and short sales) are seeing even less new supply than the overall numbers imply. A growing share of the supply on the market is lender-mediated.

Despite the flat supply, soft prices mean excellent opportunities are still out there for buyers. Affordability is much stronger than it was in 2006 and 2007.

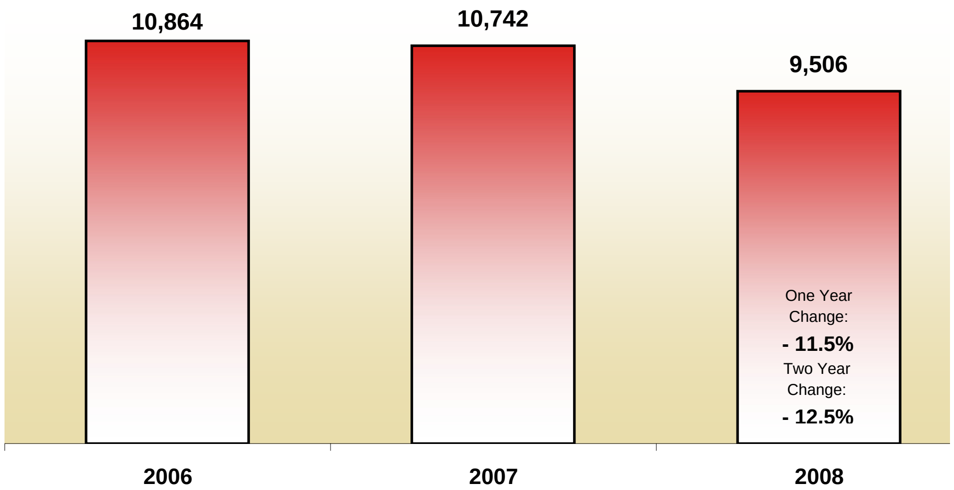
Contents

New Listings

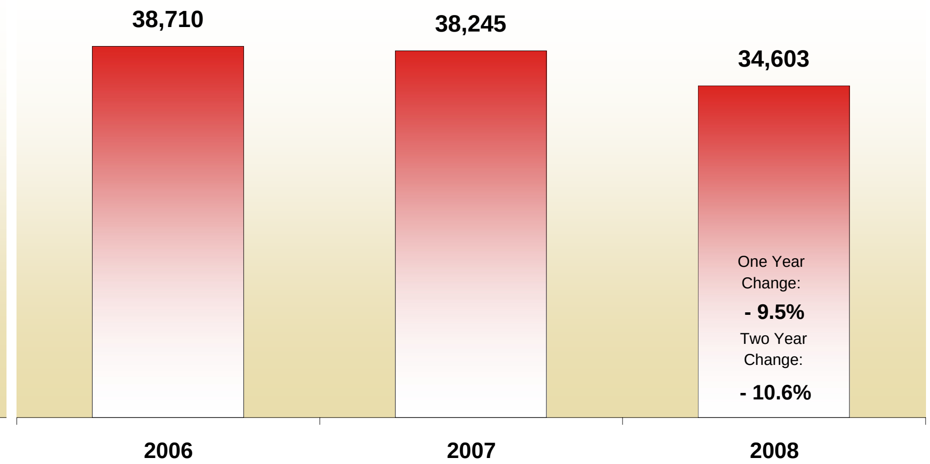
A Monthly Indicator from the **Minneapolis Area Association of REALTORS®**

MINNEAPOLIS AREA Association of REALTORS®

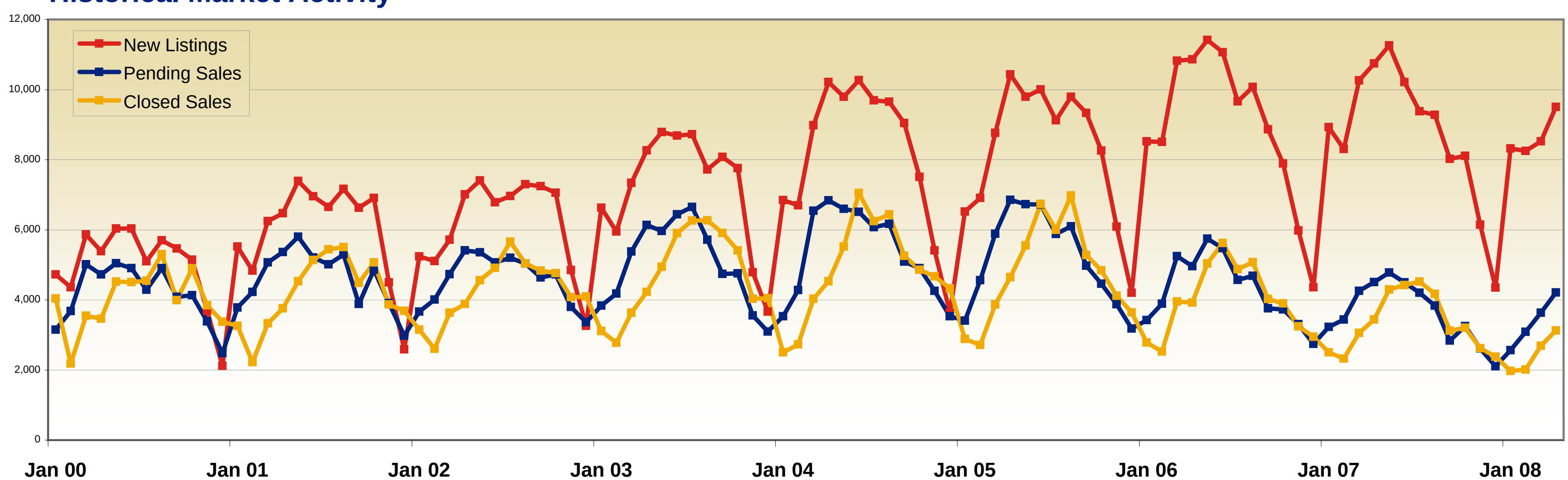
April



Year to Date



Historical Market Activity



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Pending Sales

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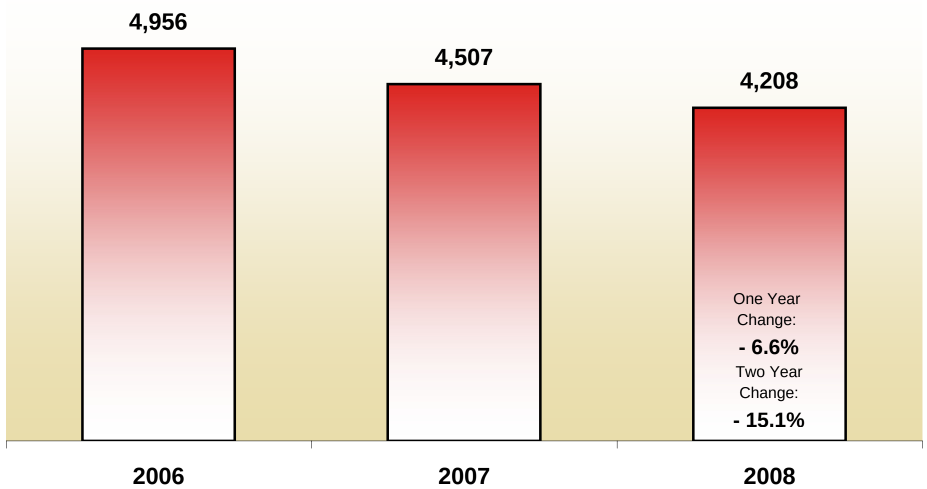

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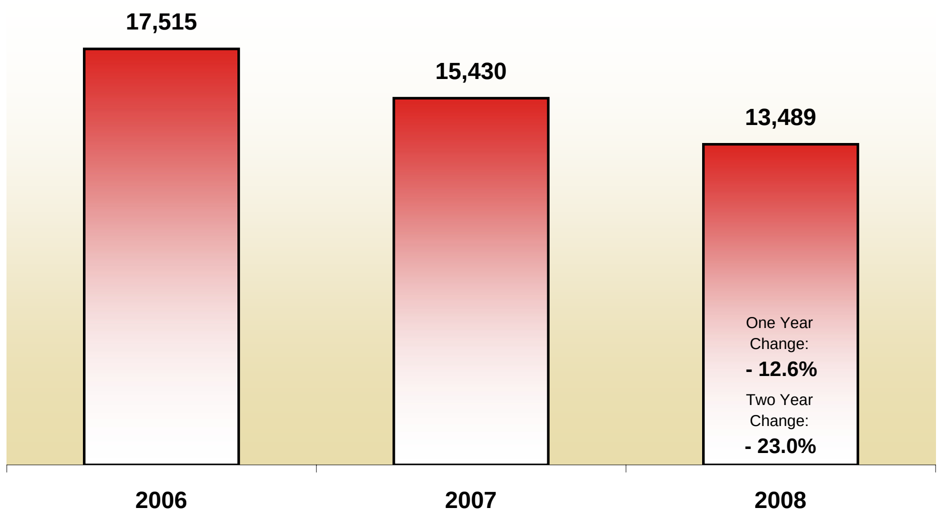
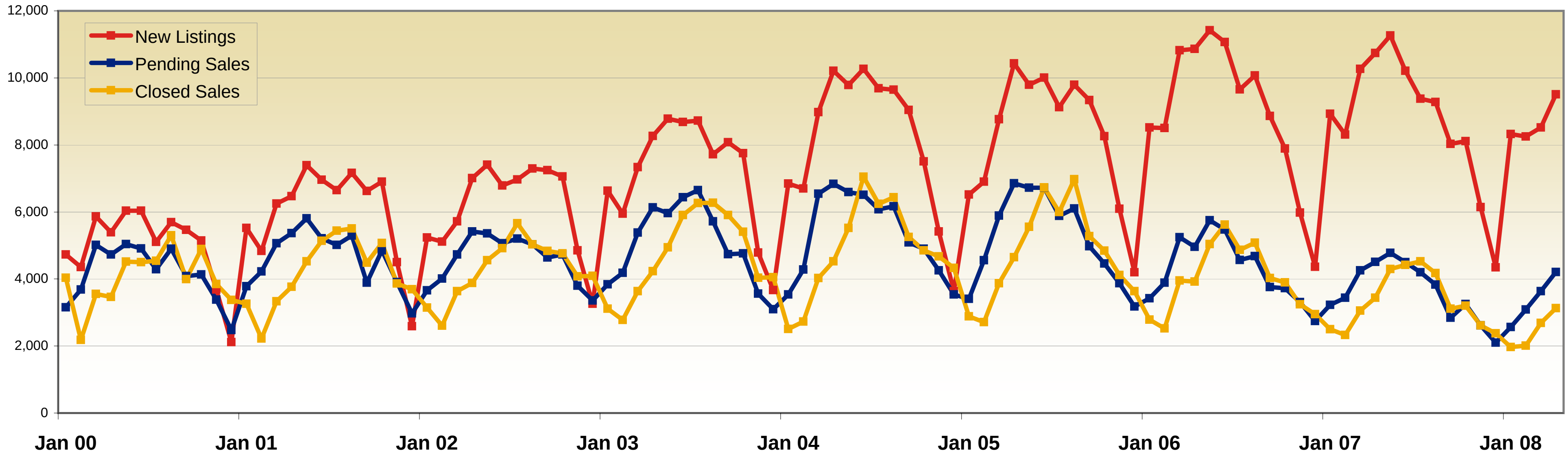


Historical Market Activity



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Closed Sales

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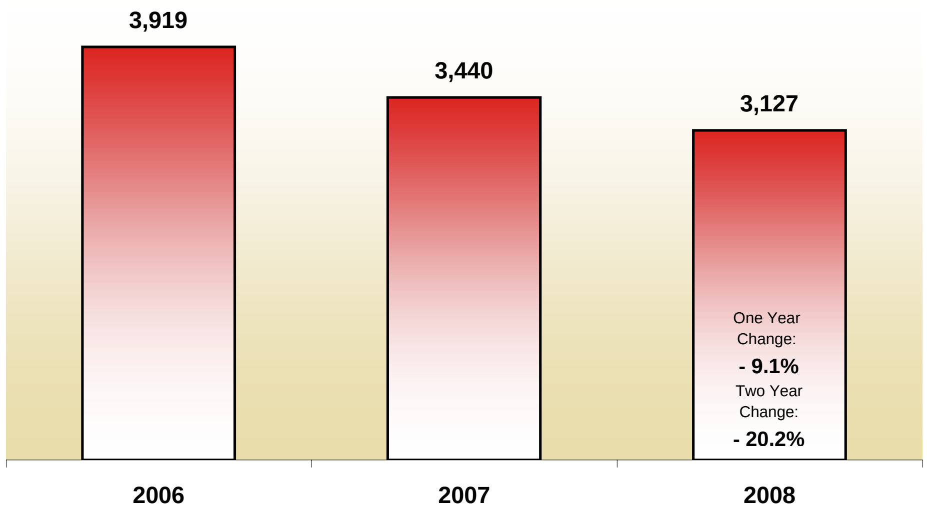

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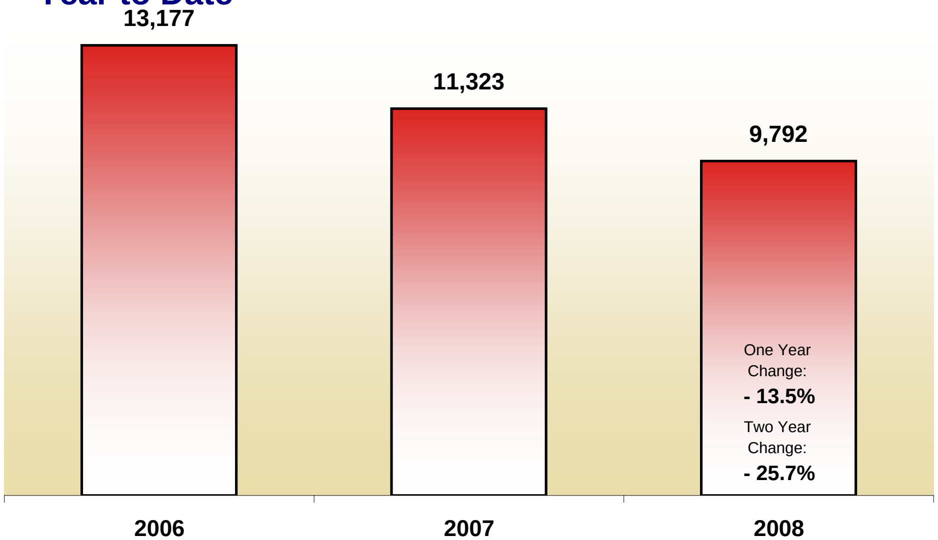
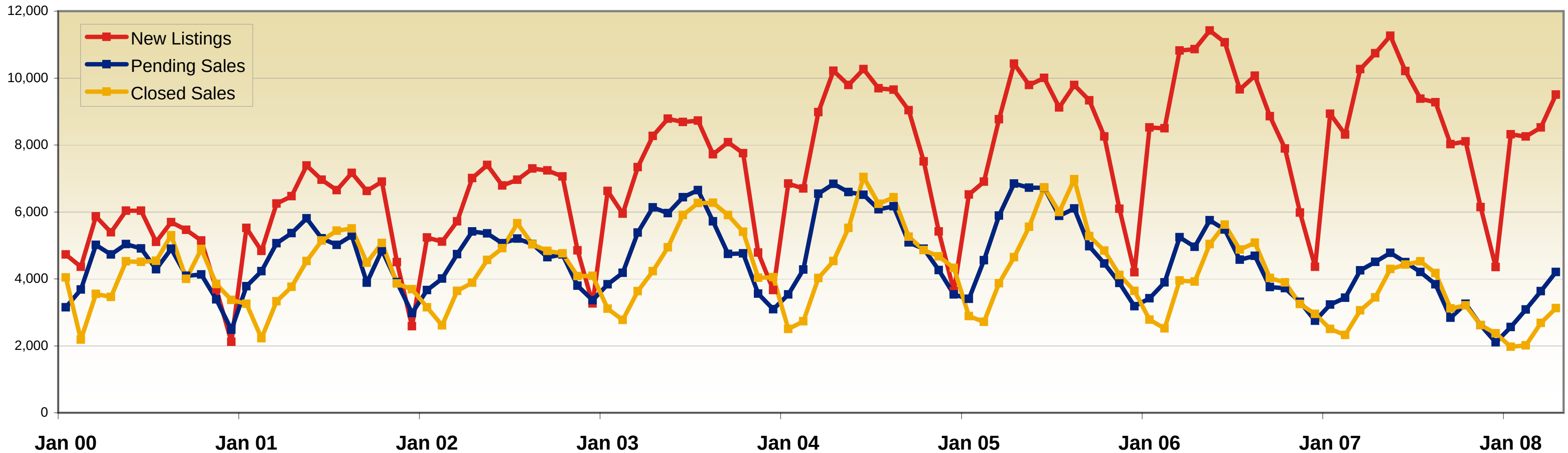


Historical Market Activity



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Dollar Volume of Closed Sales (in millions)

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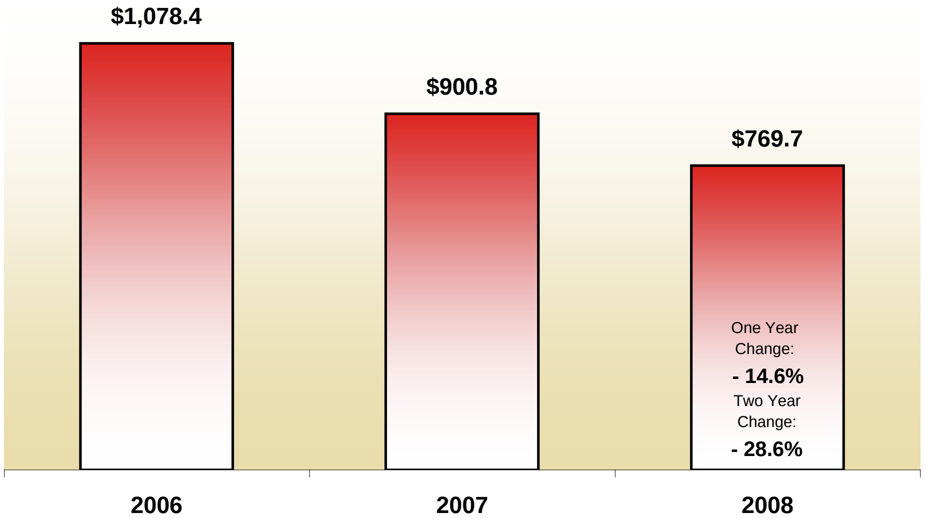

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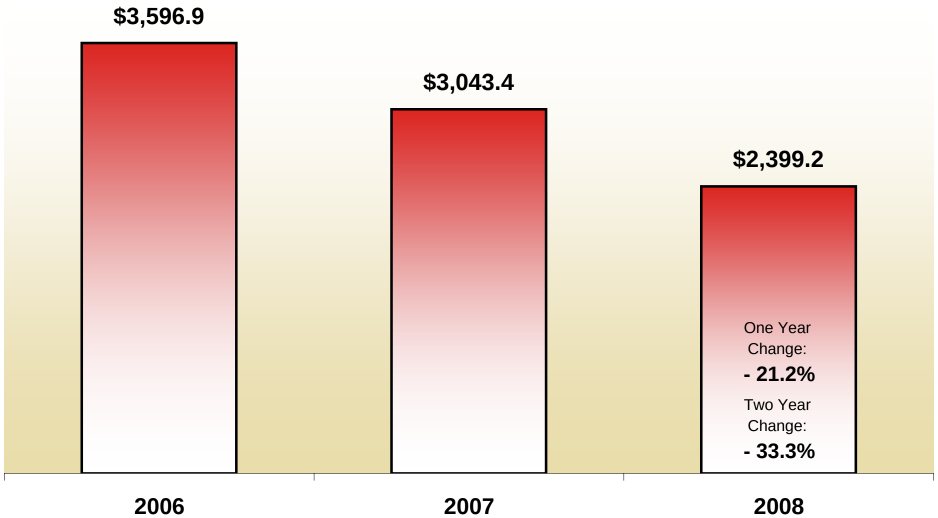
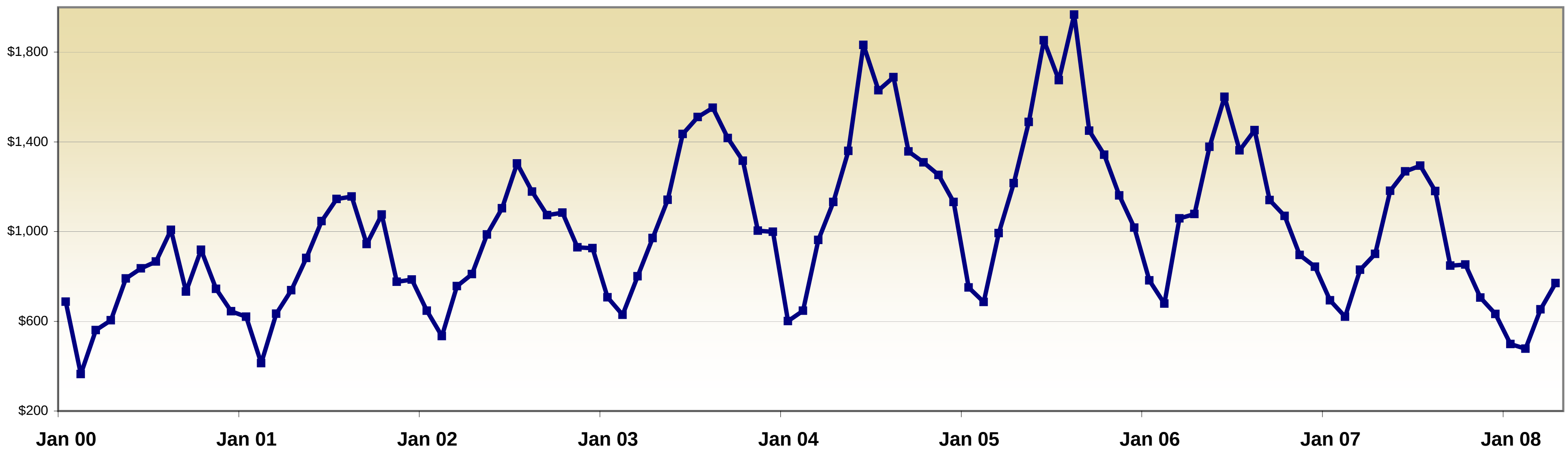


Historical Dollar Volume (in millions)



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Median Sales Price

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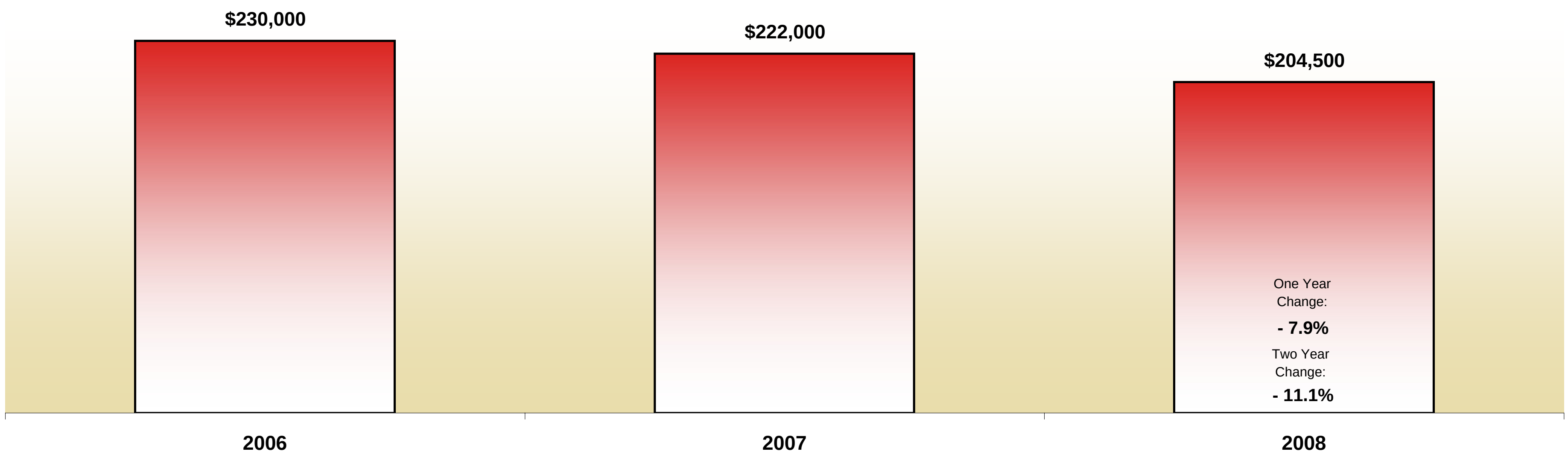
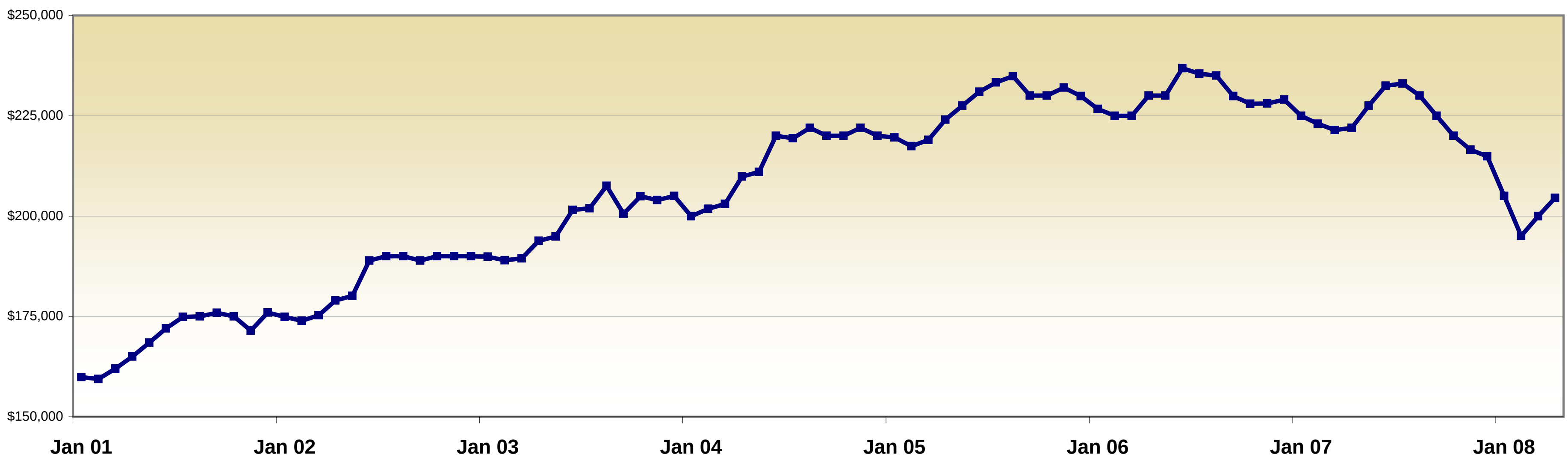


Historical Median Sales Prices



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Average Sales Price

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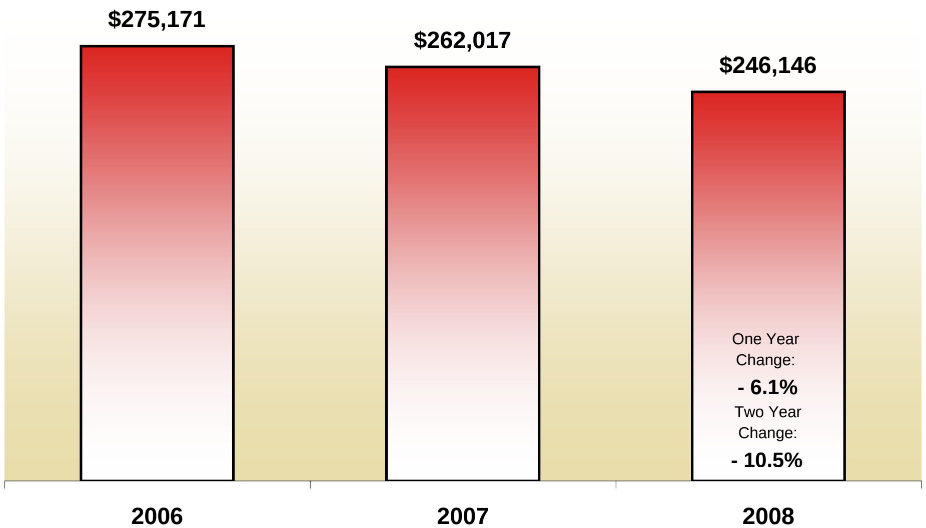

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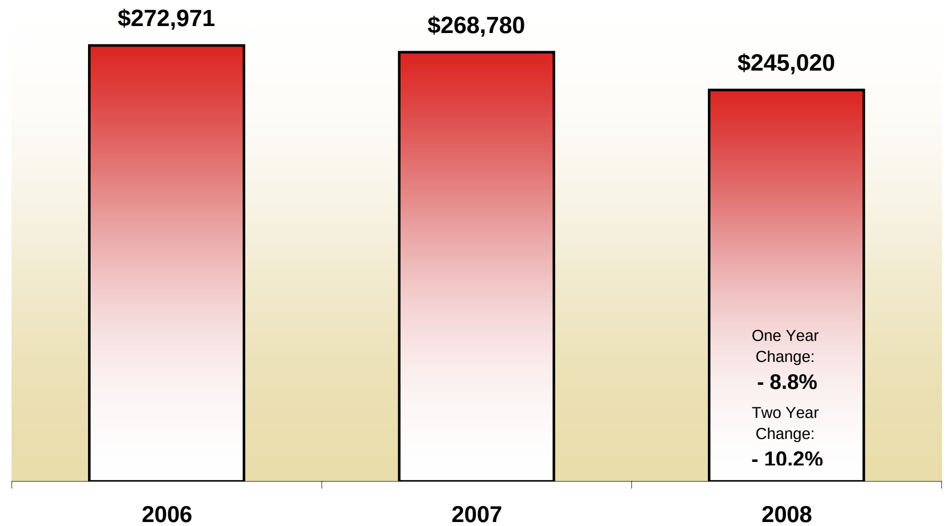
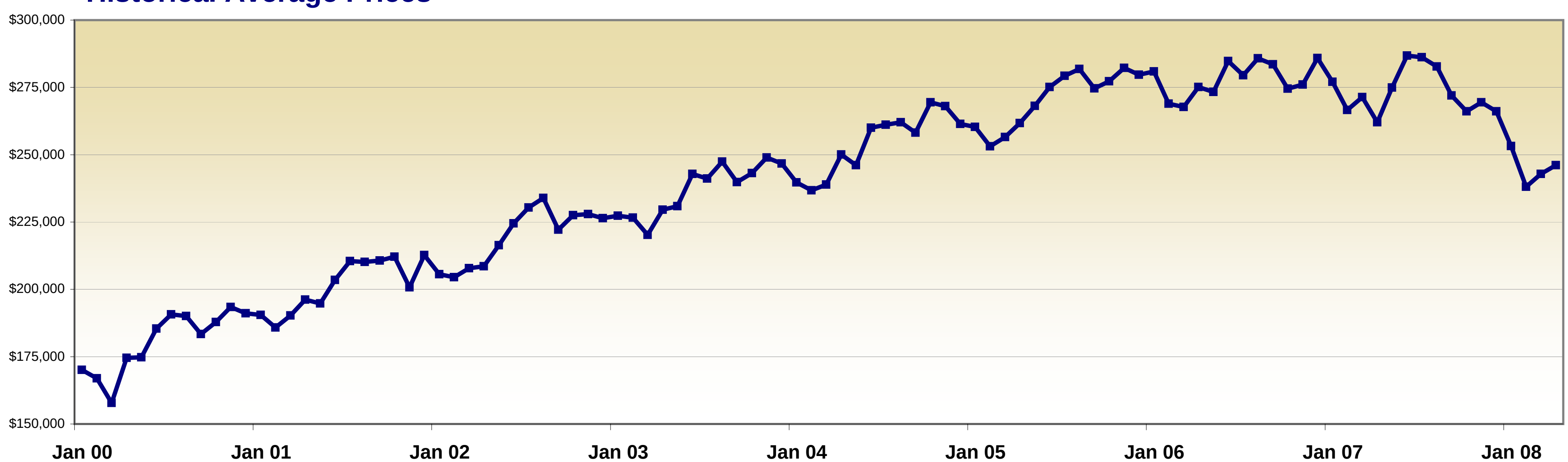


Historical Average Prices



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Total Active Listings Available

A Monthly Indicator from the **Minneapolis Area Association of REALTORS®**

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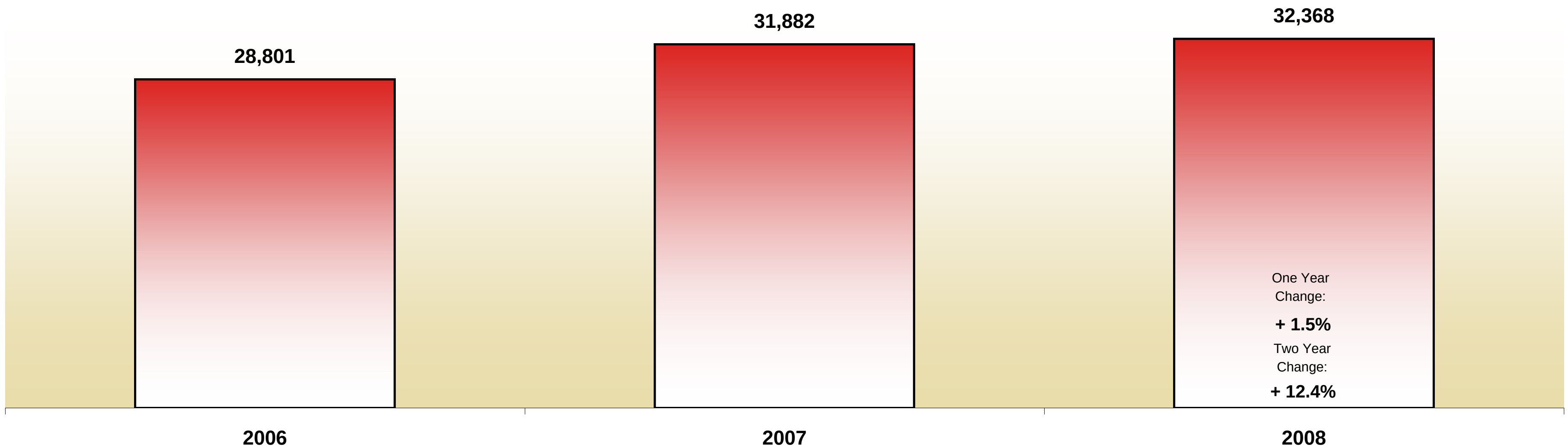
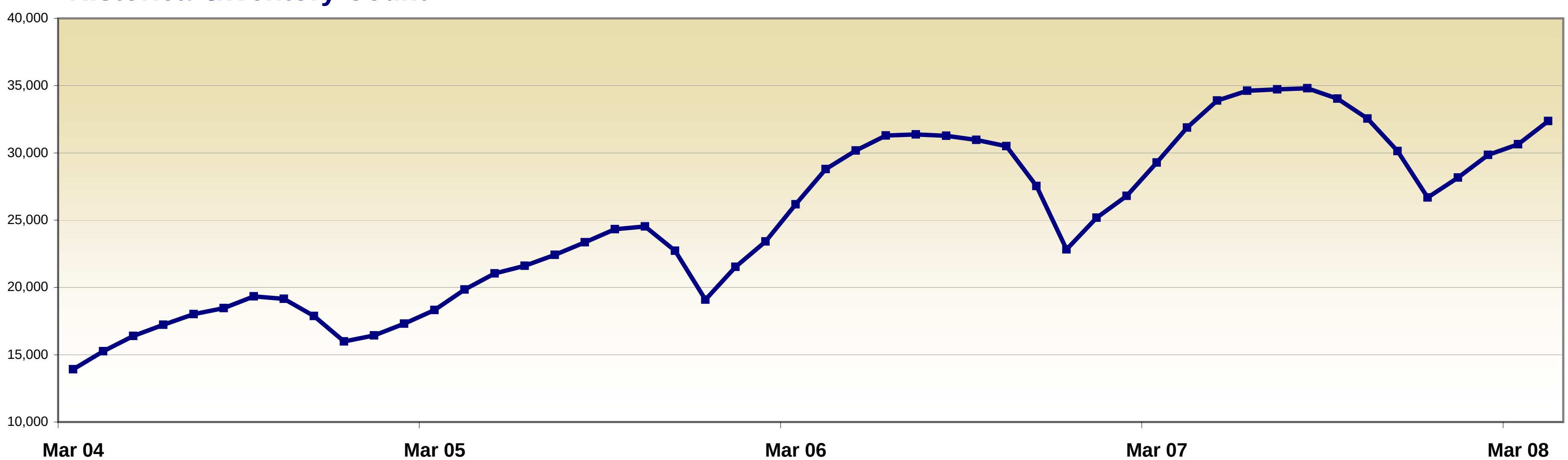


Historical Inventory Count



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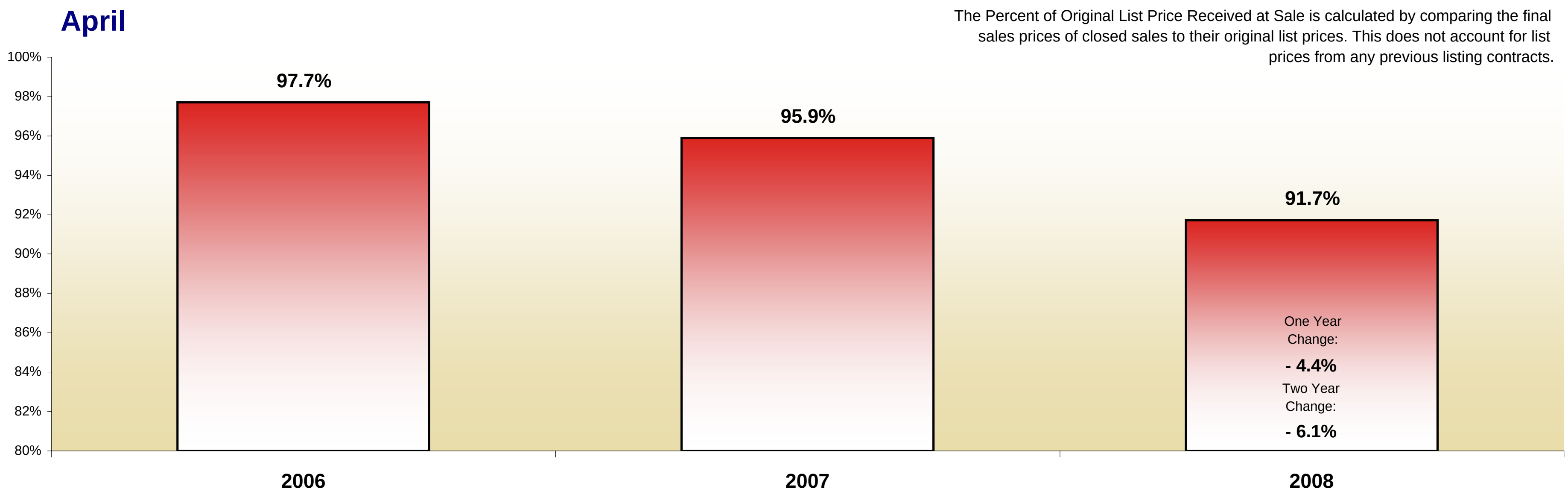
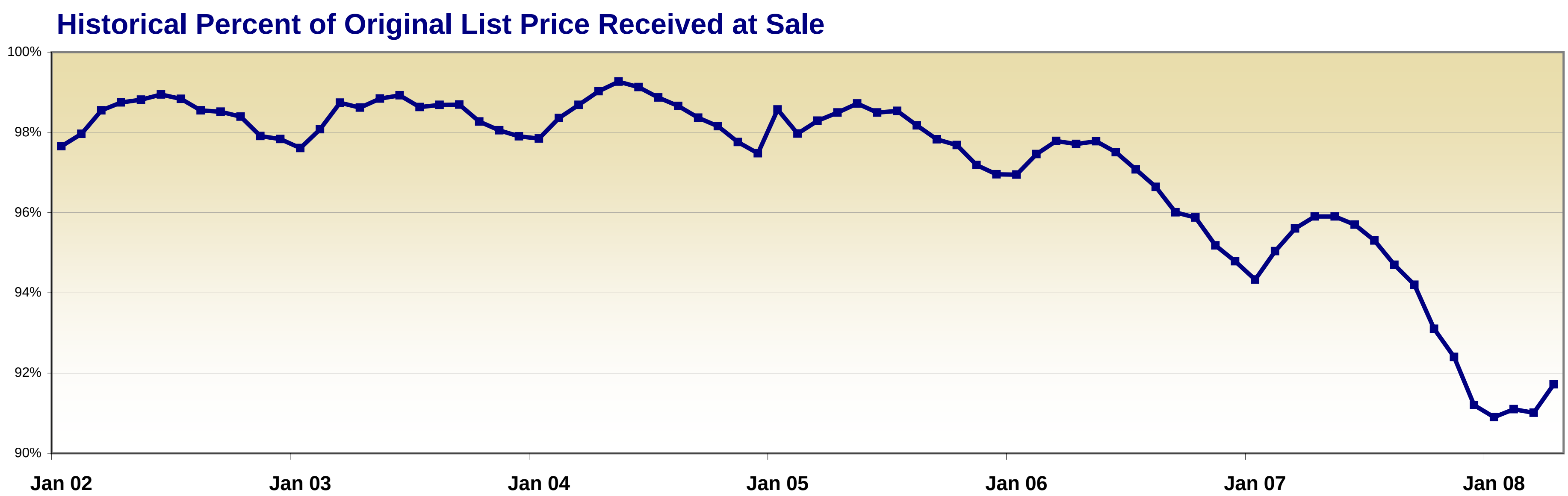
Percent of Original List Price Received at Sale

A Monthly Indicator from the **Minneapolis Area Association of REALTORS®**

MINNEAPOLIS AREA Association of REALTORS®

The Percent of Original List Price Received at Sale is calculated by comparing the final sales prices of closed sales to their original list prices. This does not account for list prices from any previous listing contracts.





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Mortgage Rates

A Monthly Indicator from the **Minneapolis Area Association of REALTORS®**

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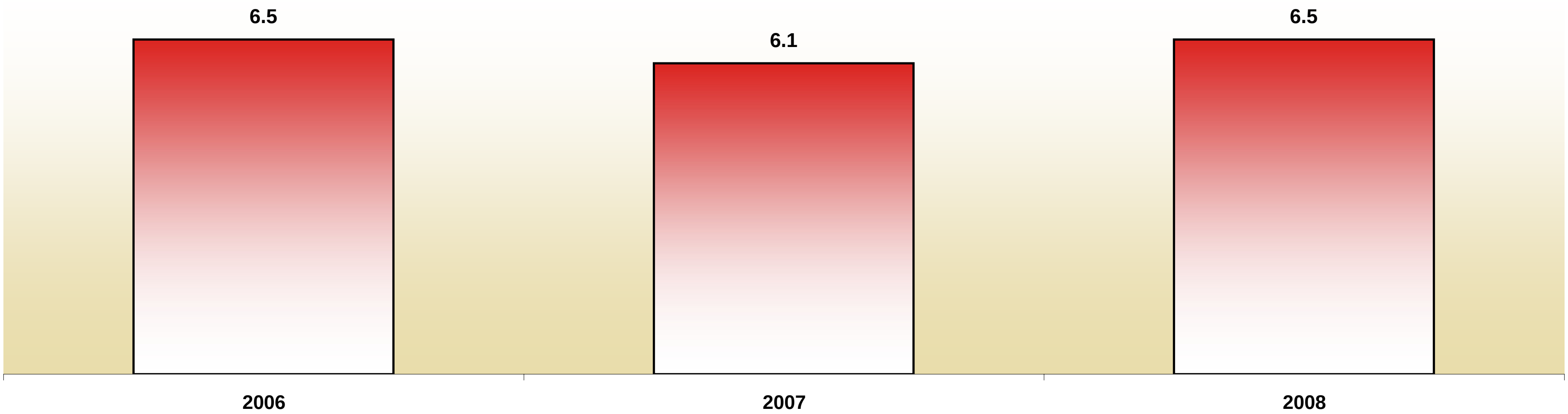
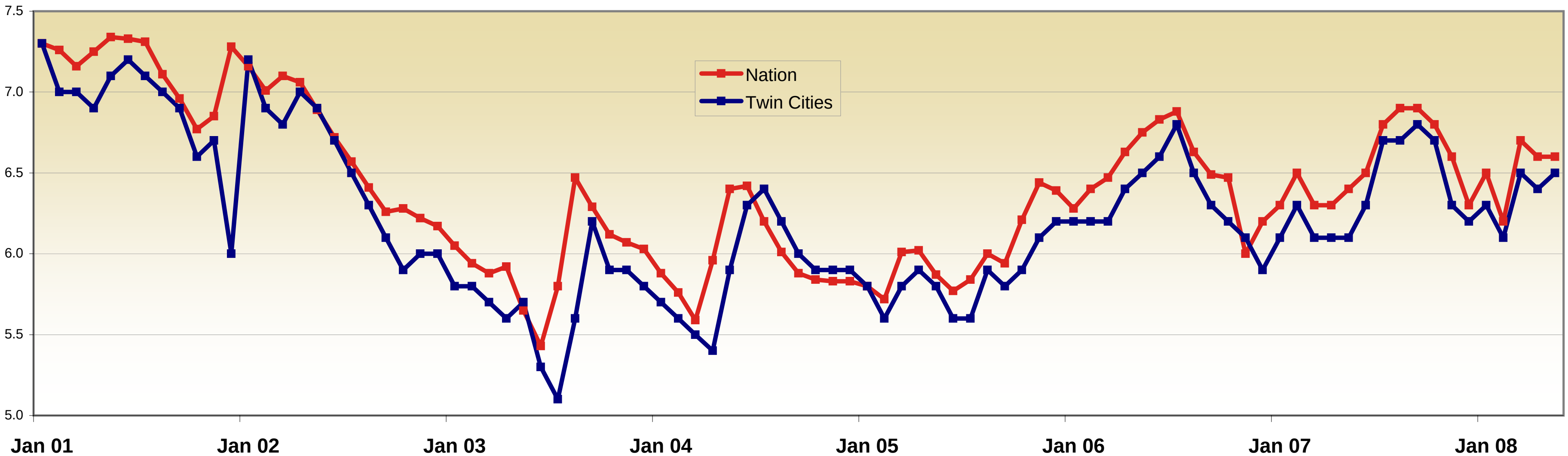
Mortgage rate information is gathered from HSH Associates Financial Publishers, Inc (www.hsh.com). Data represents 30-year fixed-rate mortgages in the Twin Cities region.

May



Historical Interest Rates



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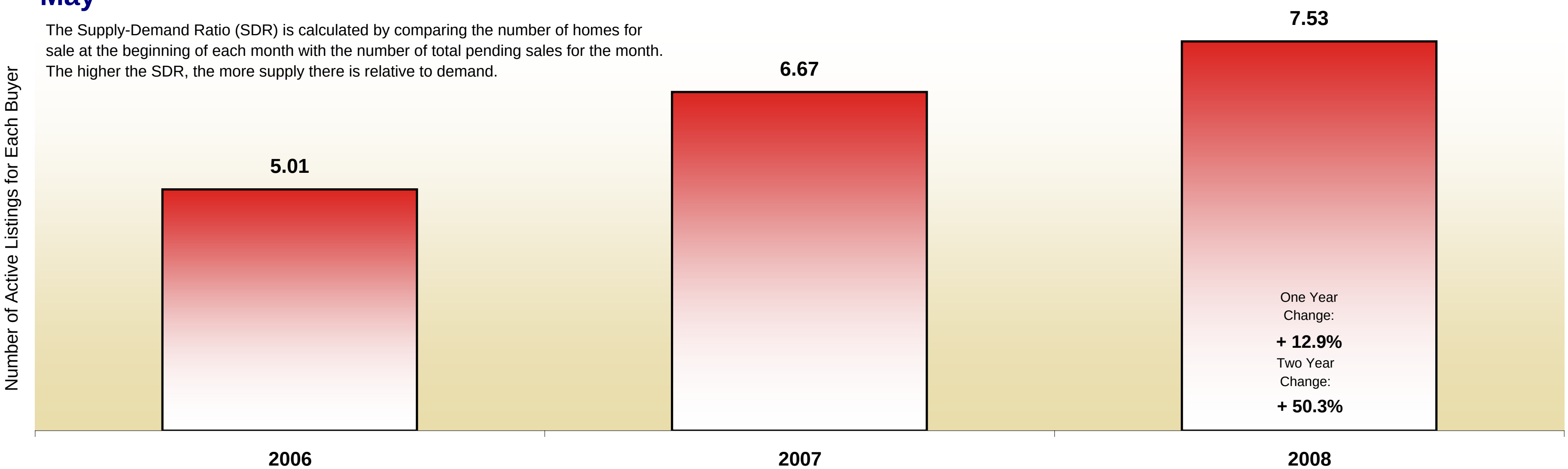
Supply-Demand Ratio

A Monthly Indicator from the **Minneapolis Area Association of REALTORS®**

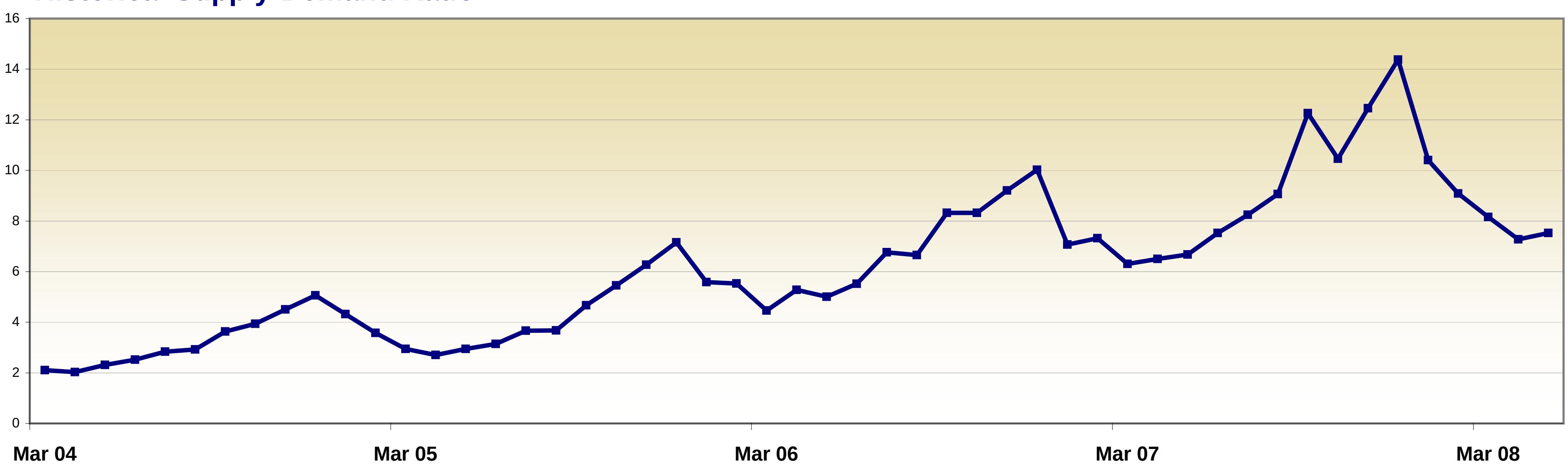
MINNEAPOLIS AREA Association of REALTORS®

May

The Supply-Demand Ratio (SDR) is calculated by comparing the number of homes for sale at the beginning of each month with the number of total pending sales for the month. The higher the SDR, the more supply there is relative to demand.



Historical Supply-Demand Ratio



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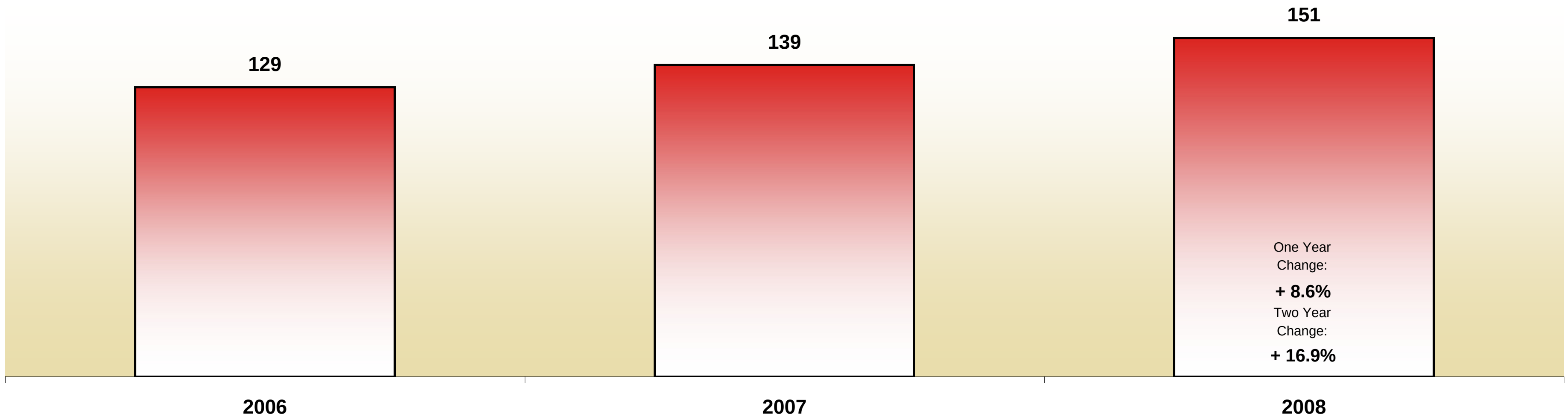
Housing Affordability Index

A Monthly Indicator from the **Minneapolis Area Association of REALTORS®**

MINNEAPOLIS AREA Association of REALTORS®

May

Note: The HAI formula measures housing affordability for the Minneapolis/St. Paul market. An HAI of 151 means the median family income is 151% of the necessary income to qualify for the median priced home using a 20% down payment, 30-year fixed mortgage.



Historical Housing Affordability Index

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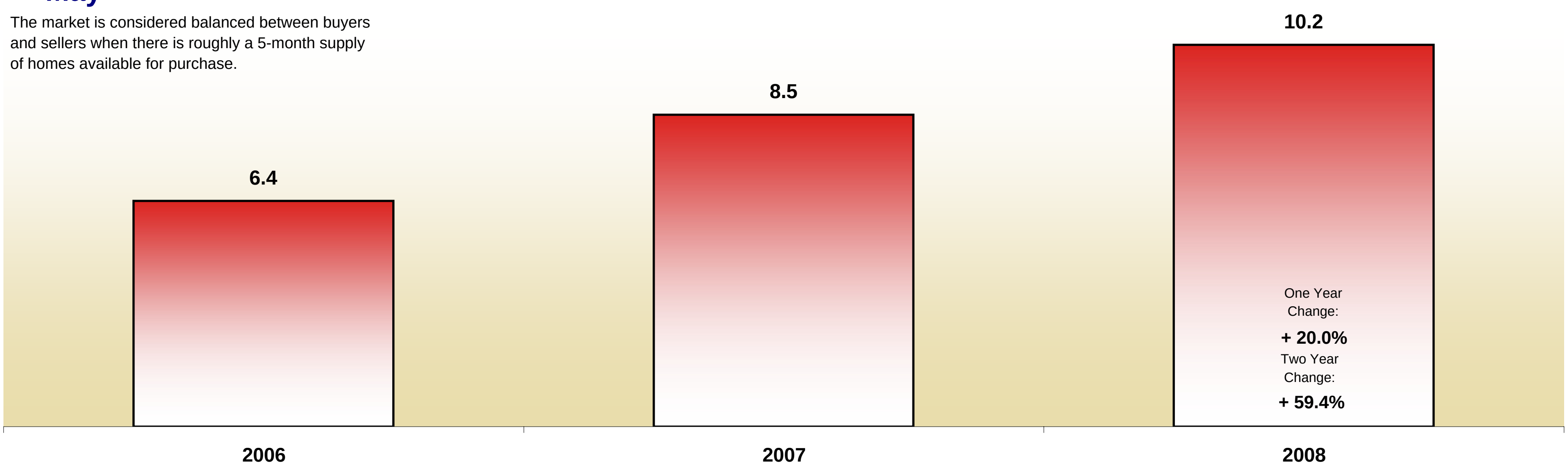
Months Supply of Inventory

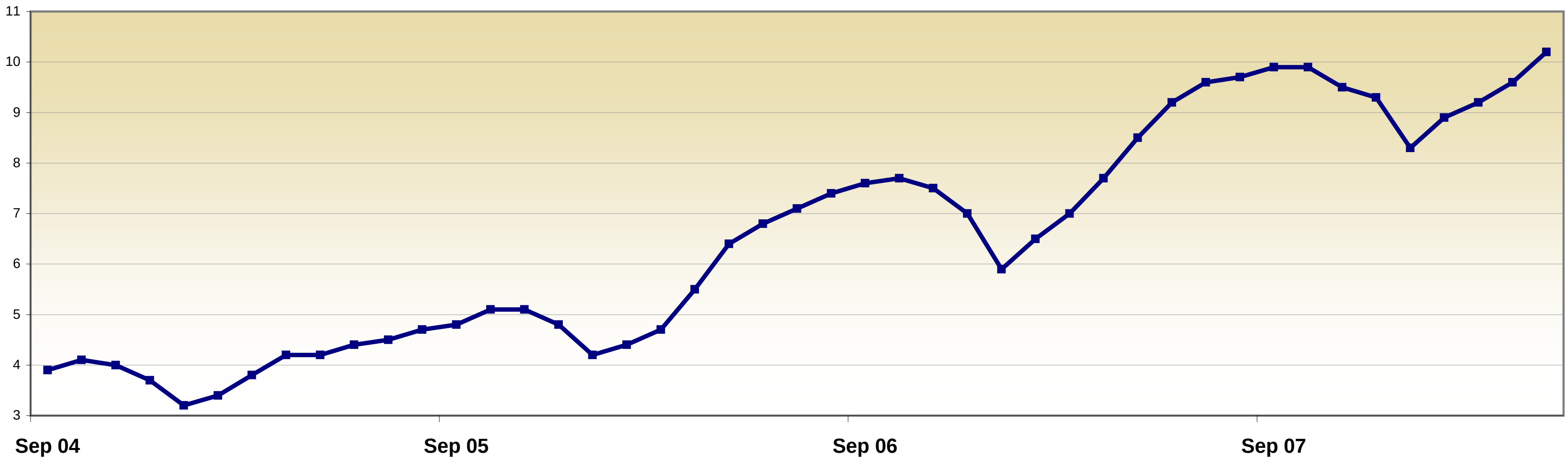
A Monthly Indicator from the **Minneapolis Area Association of REALTORS®**

May

The market is considered balanced between buyers and sellers when there is roughly a 5-month supply of homes available for purchase.



Historical Housing Supply Outlook



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Market Overview

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April 2008

		2008	2007	Percent Change	5-Year Average	3-Month Forecast	2008 Year-to-Date	2007 Year-to-Date	Percent Change	5-Year Year-to-Date Average	Market Conditions
New Listings	Feb	8,252	8,307	- 0.7%	7,733	↔	16,574	17,238	- 3.9%	15,561	New supply continues its 2008 decline, with sellers and builders cutting back their output dramatically
	Mar	8,523	10,265	- 17.0%	9,471		25,097	27,503	- 8.7%	25,032	
	Apr	**9,506**	**10,742**	**- 11.5%**	**10,351**		**34,603**	**38,245**	**- 9.5%**	**35,383**	
Pending Sales	Feb	3,087	3,439	- 10.2%	3,851	↑	5,649	6,669	- 15.3%	7,081	Spring increase in buyer activity is positive news, but remains behind previous year
	Mar	3,632	4,254	- 14.6%	5,112		9,281	10,923	- 15.0%	12,193	
	Apr	**4,208**	**4,507**	**- 6.6%**	**5,472**		**13,489**	**15,430**	**- 12.6%**	**17,665**	
Closed Sales	Feb	2,009	2,325	- 13.6%	2,460	↑	3,978	4,827	- 17.6%	4,989	Spring increase in buyer activity is positive news, but remains behind previous year
	Mar	2,687	3,056	- 12.1%	3,518		6,665	7,883	- 15.5%	8,507	
	Apr	**3,127**	**3,440**	**- 9.1%**	**3,932**		**9,792**	**11,323**	**- 13.5%**	**12,439**	
Dollar Volume of Closed Sales (in millions)	Feb	$478.2	$620.0	- 22.9%	$622.0	↑	$976.9	$1,313.3	- 25.6%	$1,287.0	Total dollar volume shows year-over-year declines despite seasonal sales gains
	Mar	$652.7	$829.3	- 21.3%	$899.0		$1,629.5	$2,142.6	- 23.9%	$2,186.0	
	Apr	**$769.7**	**$900.8**	**- 14.6%**	**$1,019.4**		**$2,399.2**	**$3,043.4**	**- 21.2%**	**$3,205.4**	
Median Sales Price	Feb	$195,060	$223,000	- 12.5%		↑					Market corrections remain in force but seasonal gains provide relief
	Mar	$200,000	$221,450	- 9.7%	--		--	--	--	--	
	Apr	**$204,500**	**$222,000**	**- 7.9%**							
Average Sales Price	Feb	$238,043	$266,646	- 10.7%	$252,703	↑	$245,570	$272,069	- 9.7%	$257,576	Market corrections remain in force but seasonal gains provide relief
	Mar	$242,896	$271,368	- 10.5%	$255,505		$244,492	$271,797	- 10.0%	$256,712	
	Apr	**$246,146**	**$262,017**	**- 6.1%**	**$259,019**		**$245,020**	**$268,780**	**- 8.8%**	**$257,487**	
Total Active Listings Available at Month End	Feb	29,842	26,812	+ 11.3%		↔					Decline in new listings means that total inventory is flattening, an encouraging sign
	Mar	30,652	29,285	+ 4.7%	--		--	--	--	--	
	Apr	**32,368**	**31,882**	**+ 1.5%**							
Percent of Original List Price Received At Sale	Feb	91.1%	95.0%	- 4.1%	96.0%	↔	91.0%	94.7%	- 3.9%	95.9%	The spring market brings an increase in what sellers receive relative to their original asking price, this will continue short-term
	Mar	91.0%	95.6%	- 4.8%	96.3%		91.0%	95.0%	- 4.2%	96.0%	
	Apr	**91.7%**	**95.9%**	**- 4.4%**	**96.6%**		**91.2%**	**95.3%**	**- 4.3%**	**96.2%**	
Mortgage Rates	Mar	6.5	6.1	+ 6.6%	6.0	↔					Uncertainties in the lending industry make for a fluctuating mortgage rate environment
	Apr	6.4	6.1	+ 4.9%	6.0		--	--	--	--	
	May	**6.5**	**6.1**	**+ 6.6%**	**6.2**						
Supply-Demand Ratio (Homes for Sale Per Buyer)	Mar	8.16	6.30	+ 29.5%		↑					In the spring and early summer, buyer advantage is not as dramatic
	Apr	7.28	6.50	+ 12.0%	--		--	--	--	--	
	May	**7.53**	**6.67**	**+ 12.9%**							
Housing Affordability Index	Mar	157	137	+ 14.2%	144	↔					Affordability remains improved despite seasonal increases in sales prices and interest rates
	Apr	155	140	+ 10.9%	144		--	--	--	--	
	May	**151**	**139**	**+ 8.6%**	**140**						
Months Supply of Inventory	Mar	9.2	7.0	+ 31.4%		↑					Make no mistake: We are still in a buyer's market
	Apr	9.6	7.7	+ 24.7%	--		--	--	--	--	
	May	**10.2**	**8.5**	**+ 20.0%**							

All data from the 13-county Twin Cities metro area (residential properties only). Published by the Minneapolis Area Association of REALTORS® based on analysis of data from the Regional Multiple Listing Service, Inc.

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