



MINNEAPOLIS AREA Association
of REALTORS®

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THE Skinny

Buyers flocked to the Twin Cities housing market in September to take advantage of attractive home prices and the sunsetting FHA seller-funded downpayment assistance program. There were 4,036 pending sales in September, which represented a whopping 42.2 percent increase over September 2007's mark of 2,839.

A hearty 41.6 percent of September's pending sales were lender-mediated foreclosures and short sales, up from 17.5 percent in September 2007. The increased market share of these bargain-priced properties led to further declines in home prices.

With all the uncertainties in the economy, it's hard to predict right now if the sales upturn will continue. But the affordability and inventory choice picture is still very attractive, which bodes well for our long-term picture.

September 2008

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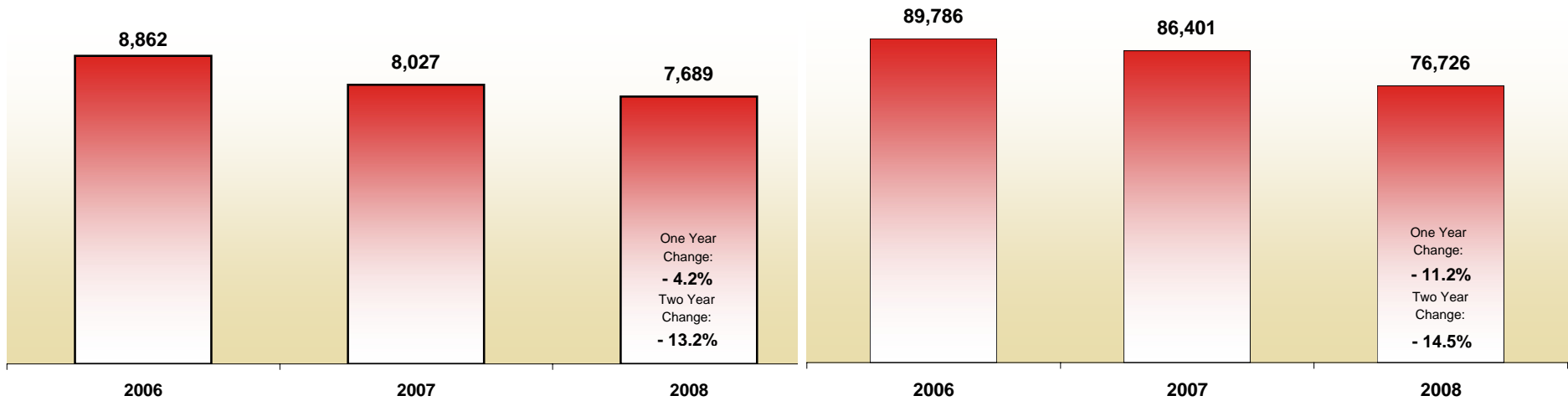
New Listings

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

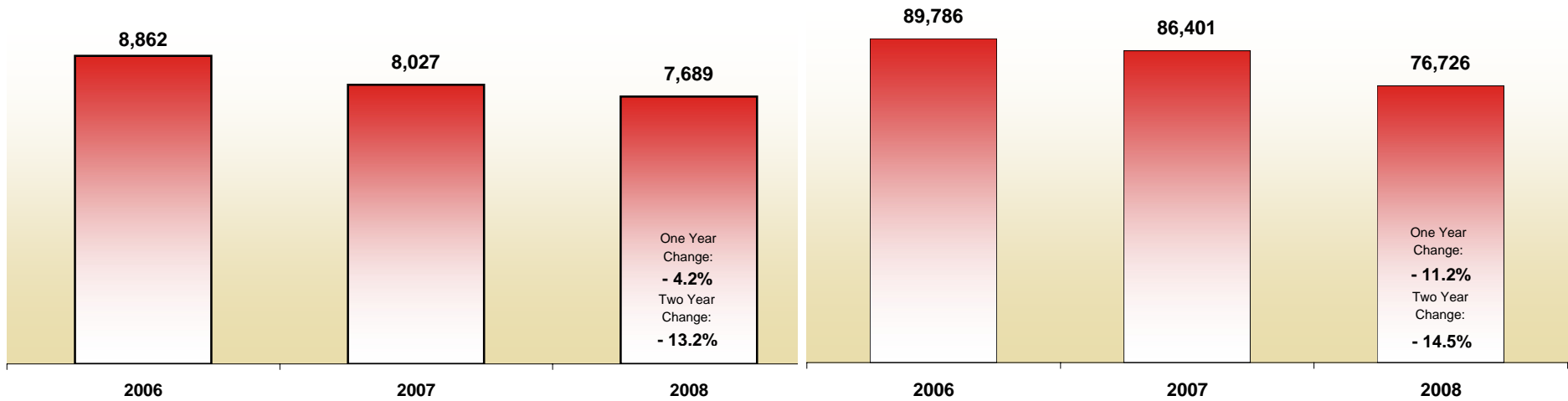


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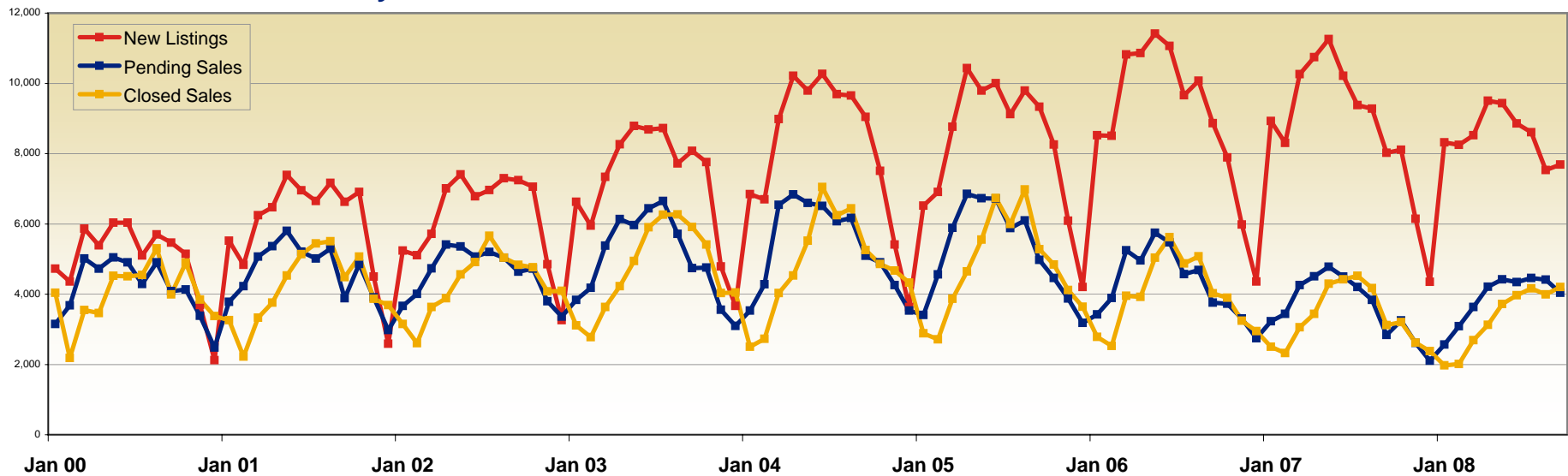
September



Year to Date



Historical Market Activity



Pending Sales

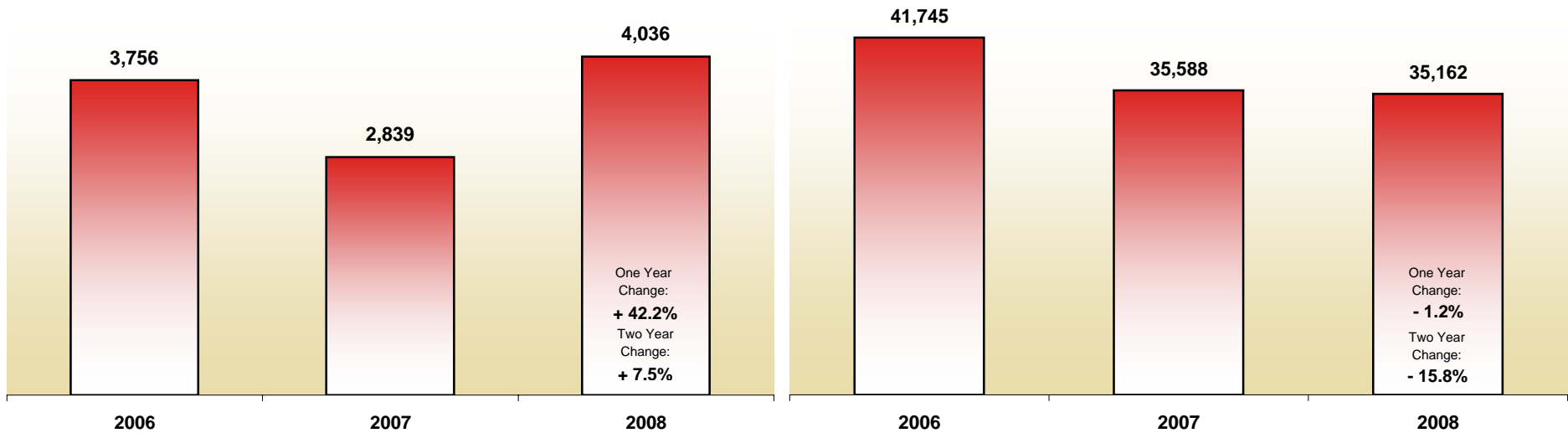
A Monthly Indicator from the **Minneapolis Area Association of REALTORS®**



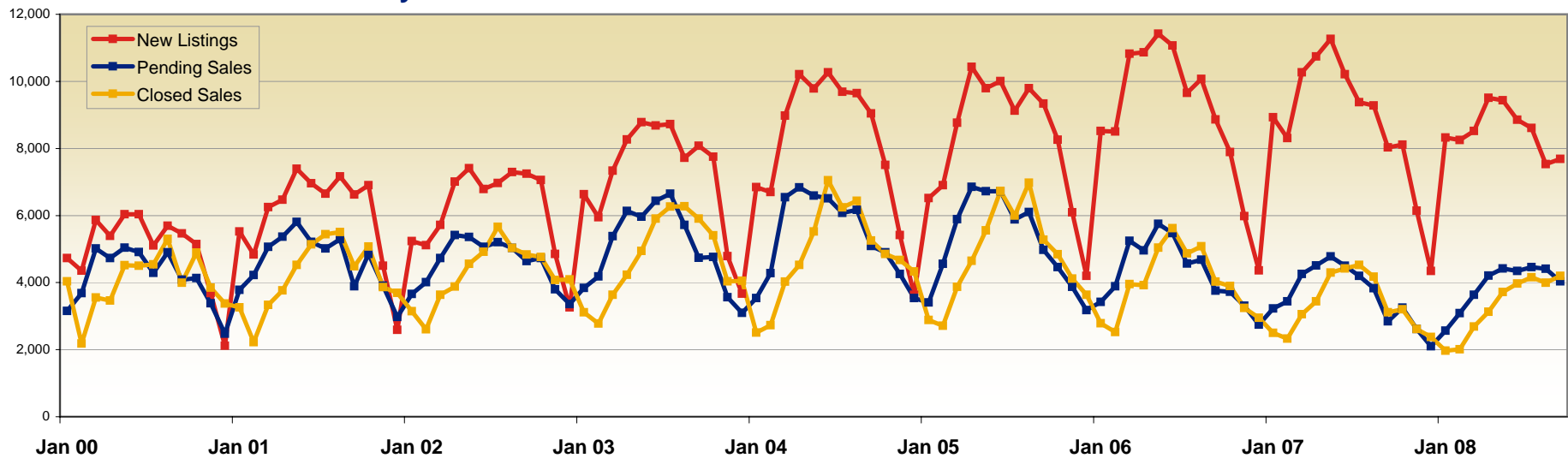
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September

Year to Date



Historical Market Activity



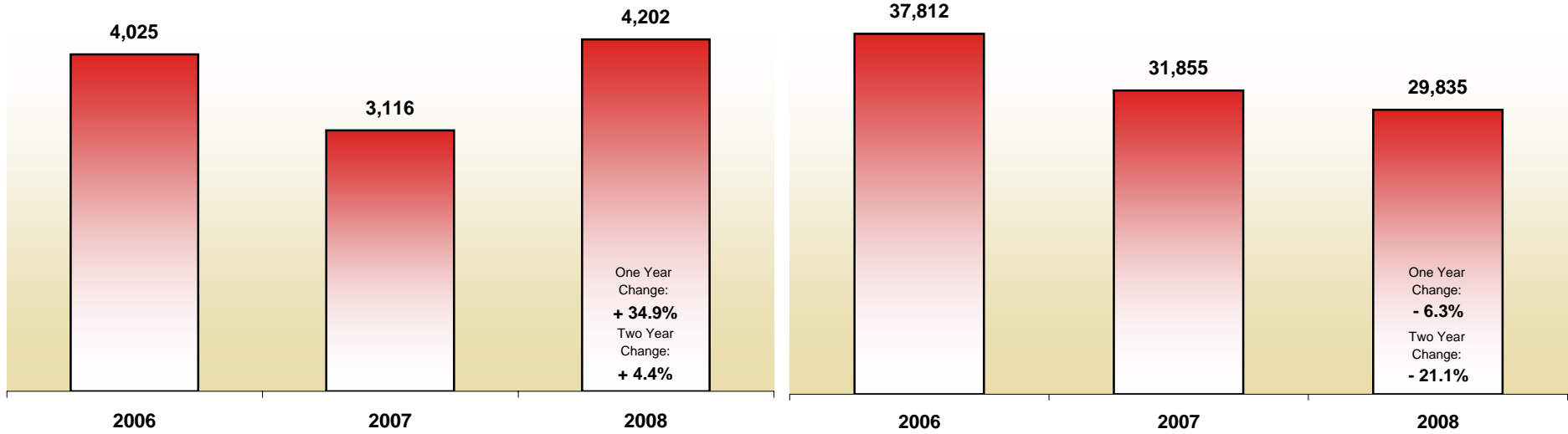
Closed Sales

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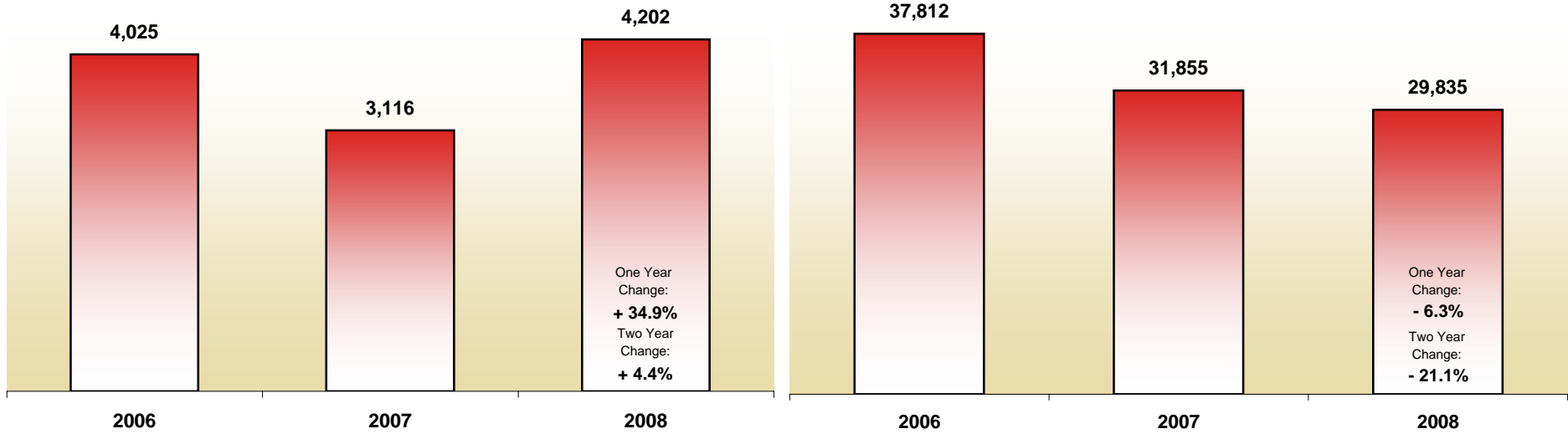


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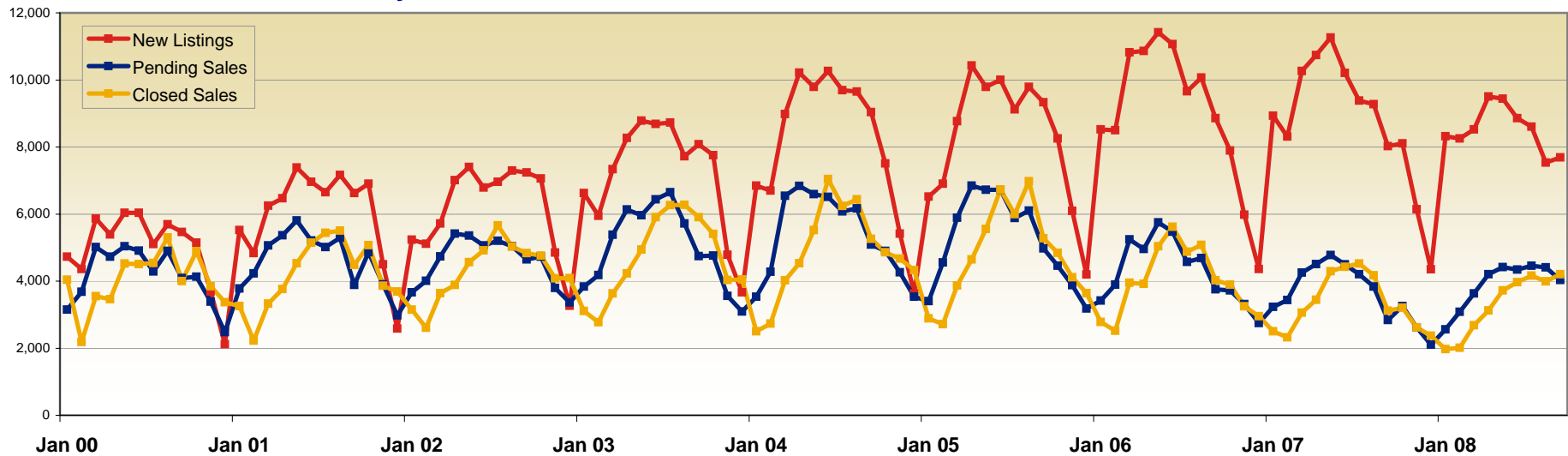
September



Year to Date



Historical Market Activity



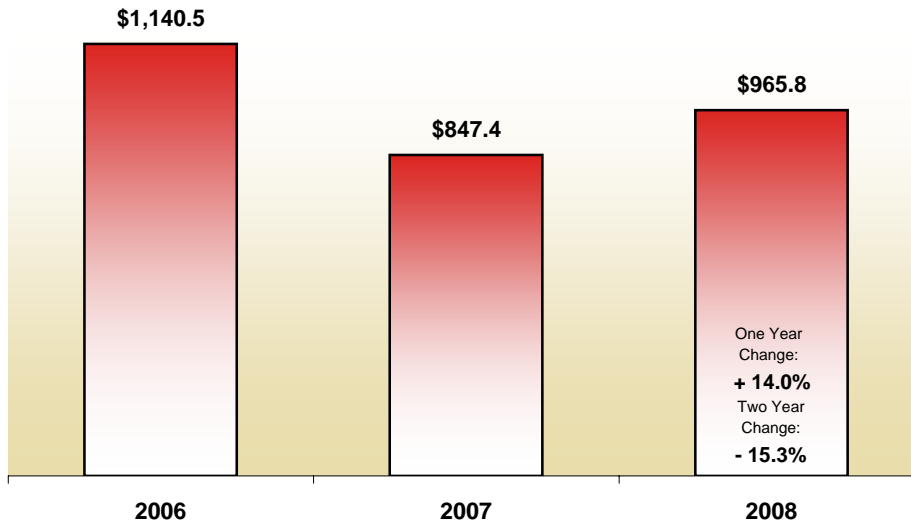
Dollar Volume of Closed Sales (in millions)

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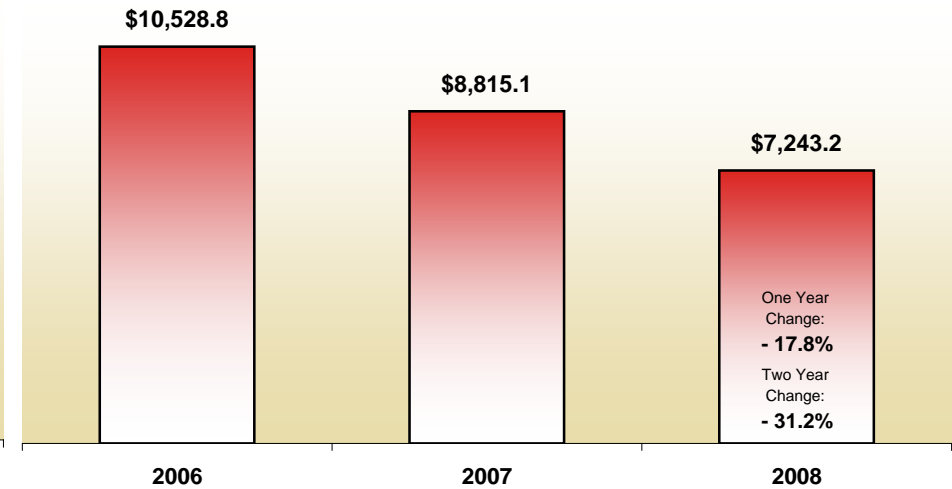


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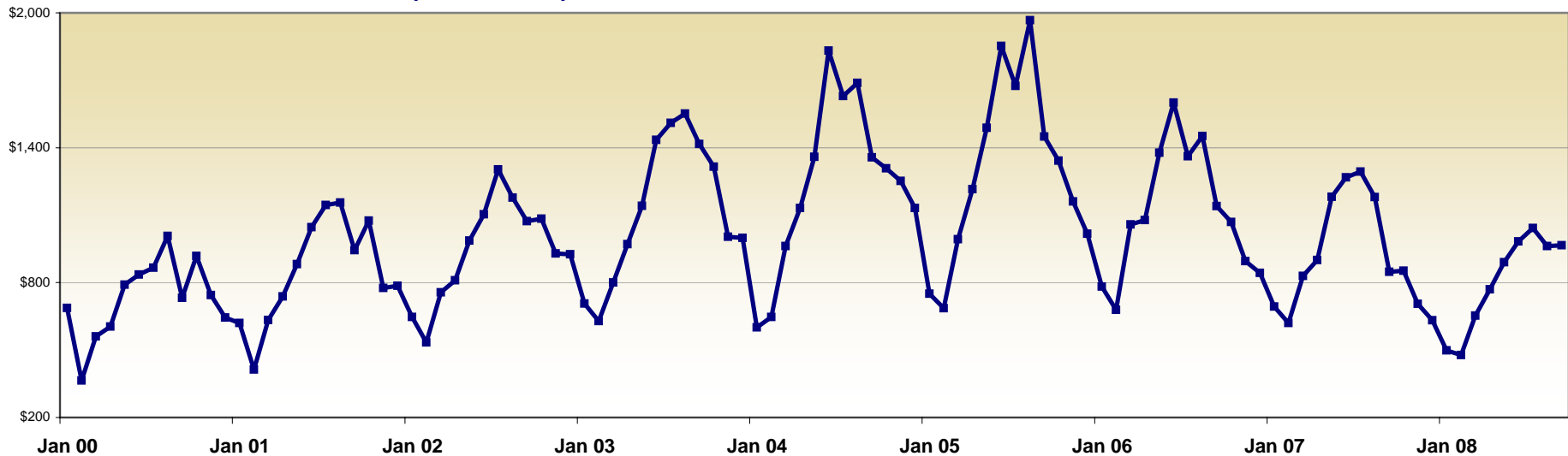
September



Year to Date



Historical Dollar Volume (in millions)



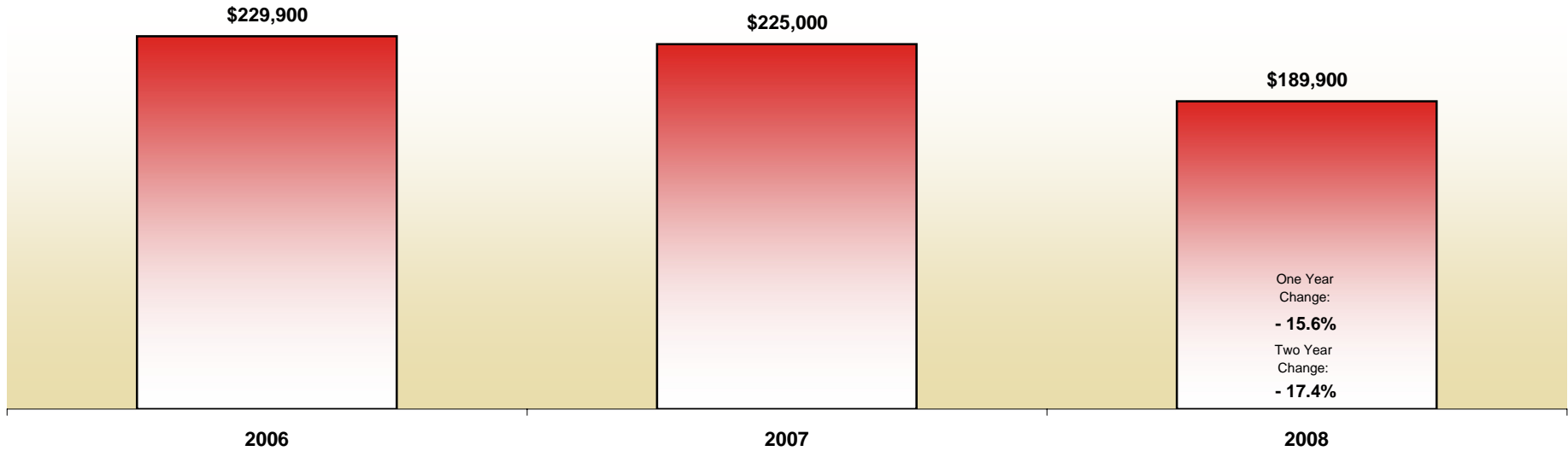
Median Sales Price

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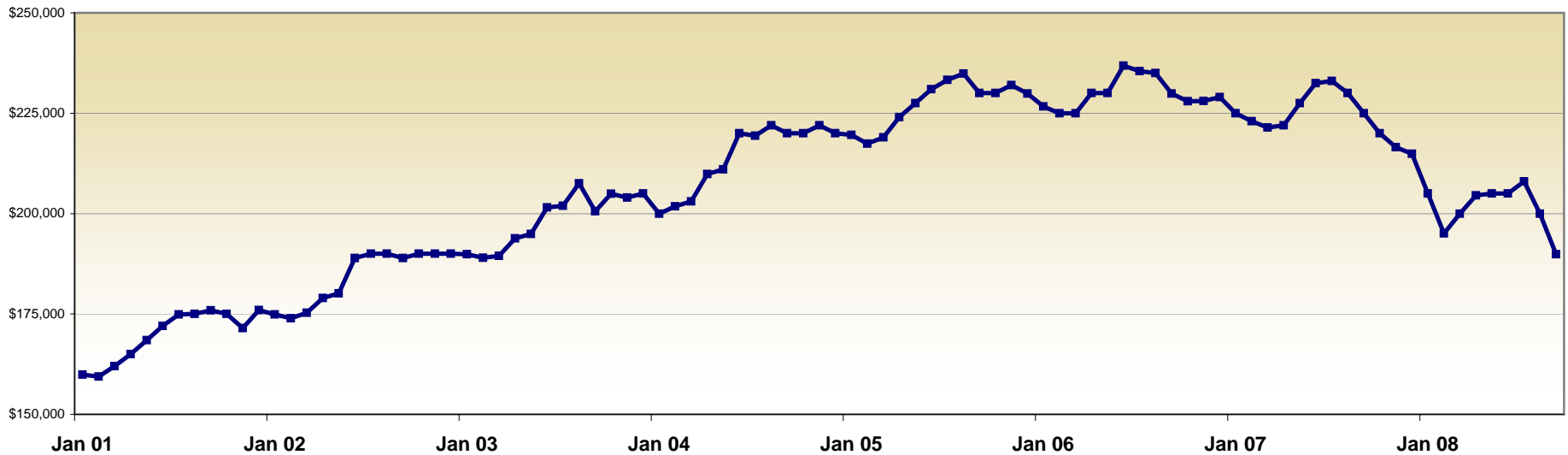


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Historical Median Sales Prices



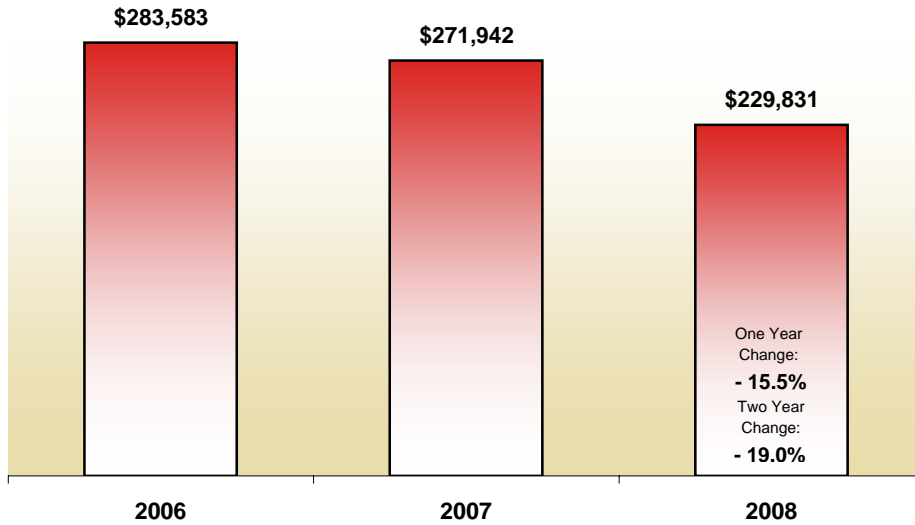
Average Sales Price

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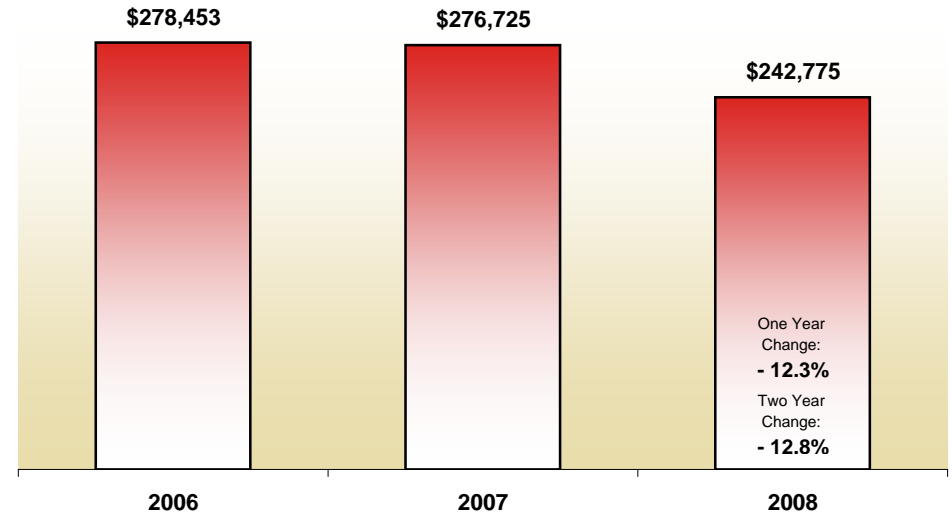


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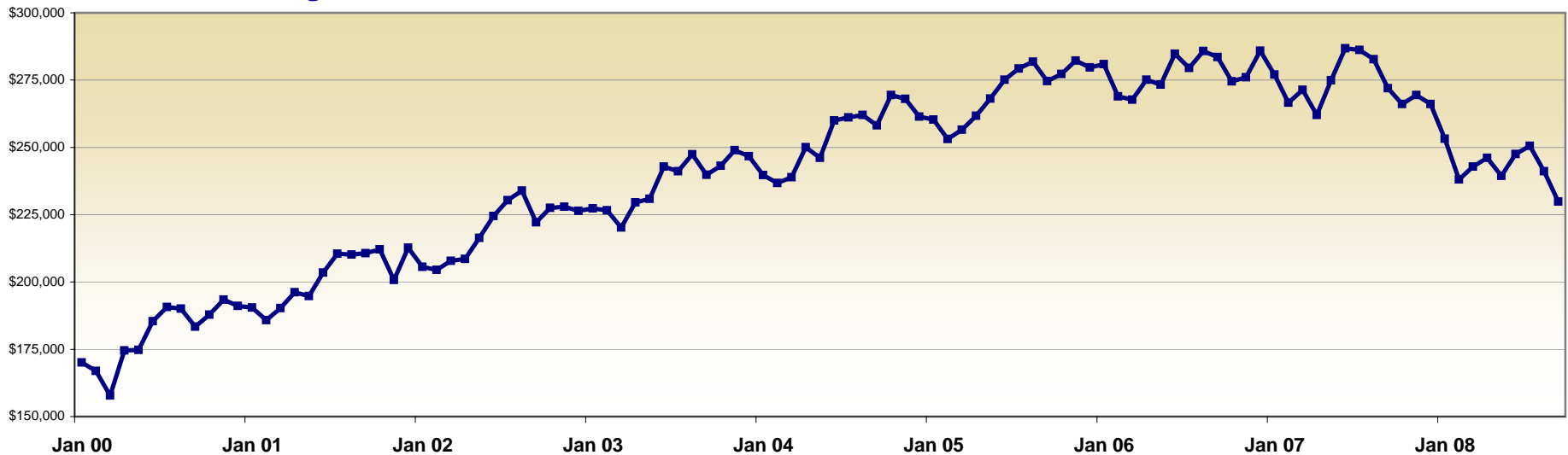
September



Year to Date



Historical Average Prices



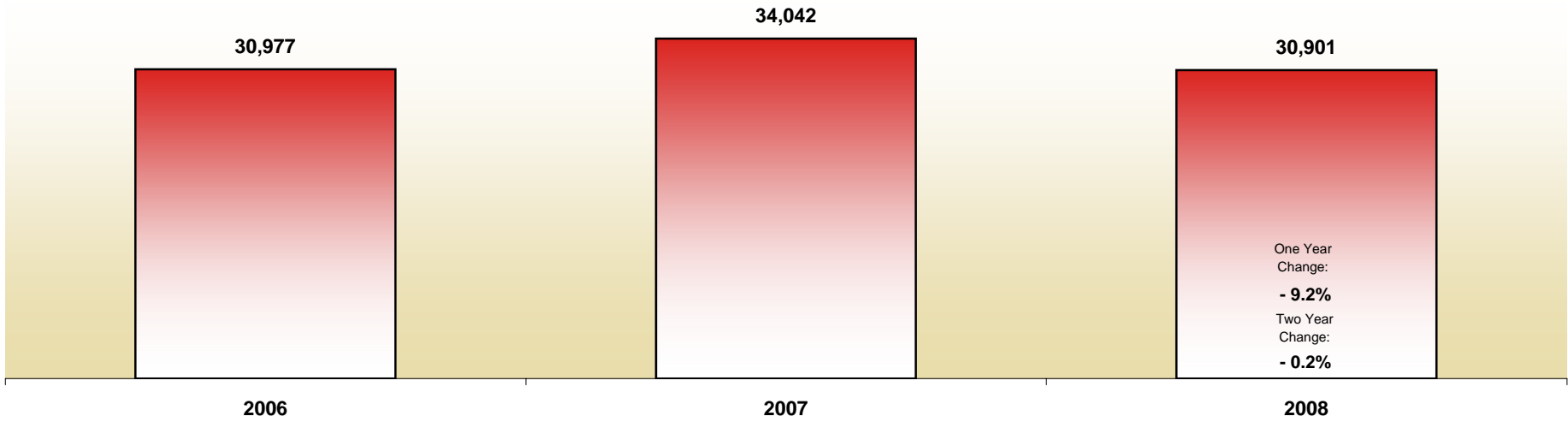
Total Active Listings Available

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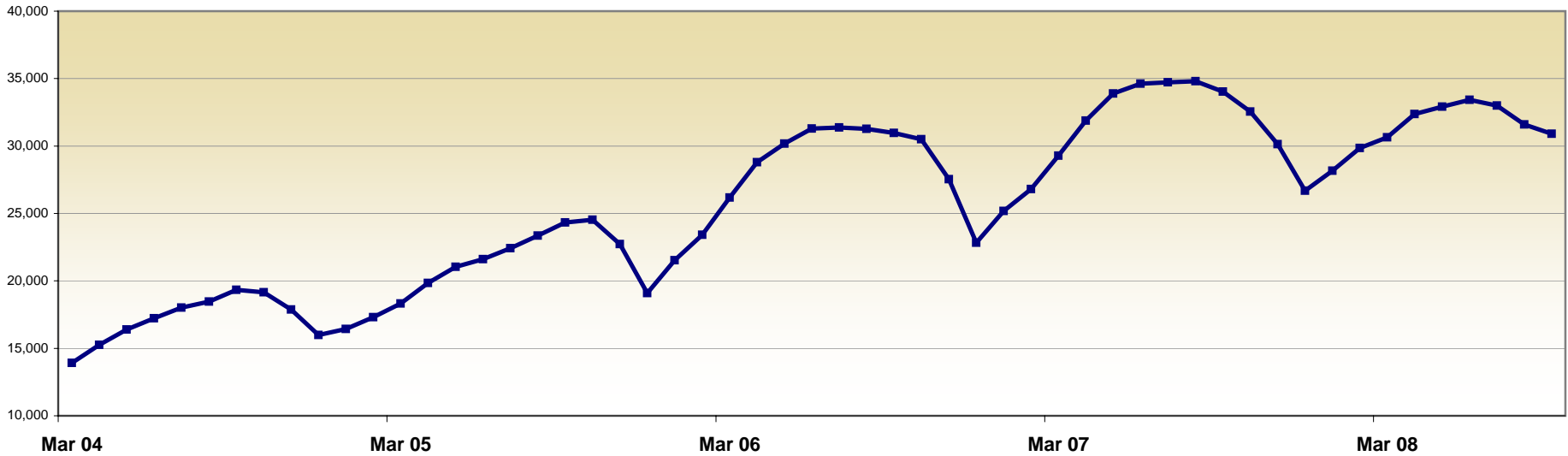


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Historical Inventory Count



Percent of Original List Price Received at Sale

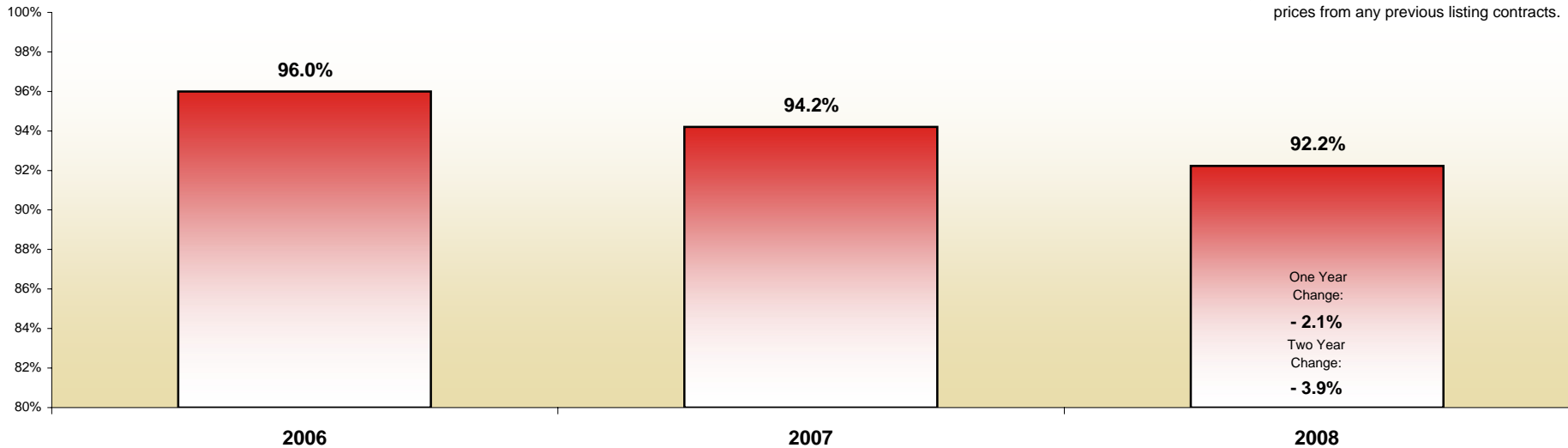
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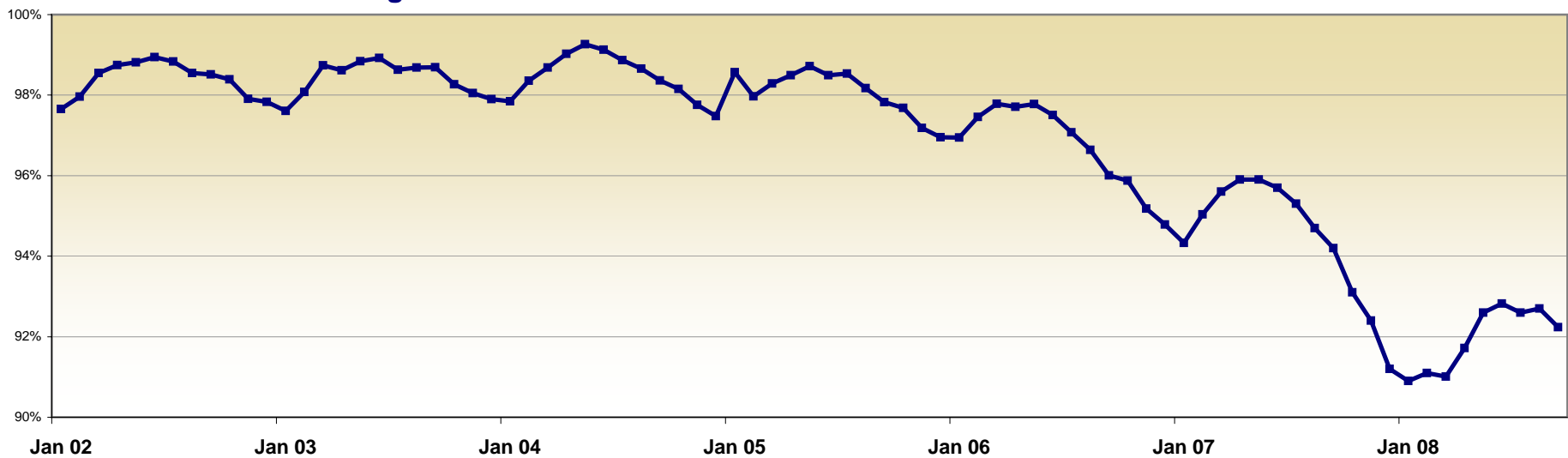
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The Percent of Original List Price Received at Sale is calculated by comparing the final sales prices of closed sales to their original list prices. This does not account for list prices from any previous listing contracts.



Historical Percent of Original List Price Received at Sale



Mortgage Rates

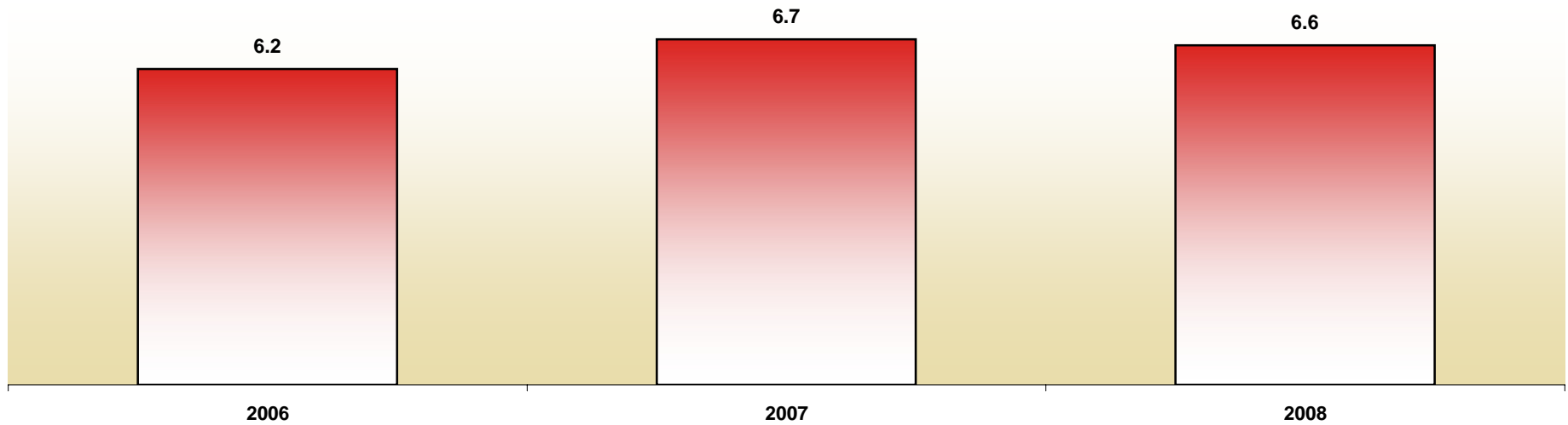
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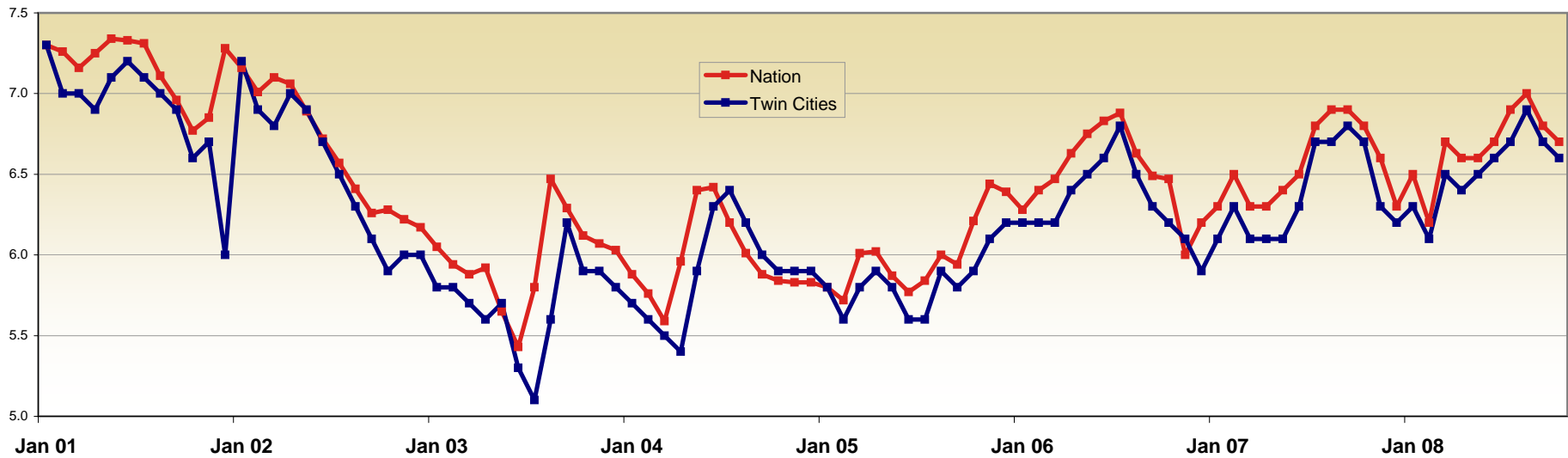
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Mortgage rate information is gathered from HSH Associates Financial Publishers, Inc (www.hsh.com). Data represents 30-year fixed-rate mortgages in the Twin Cities region.



Historical Interest Rates



Supply-Demand Ratio

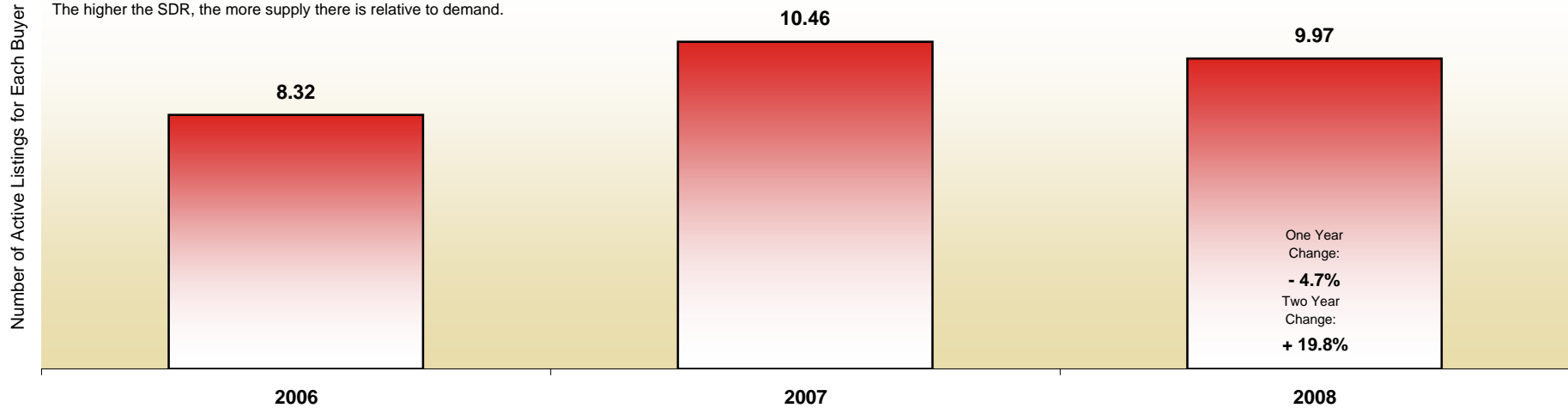
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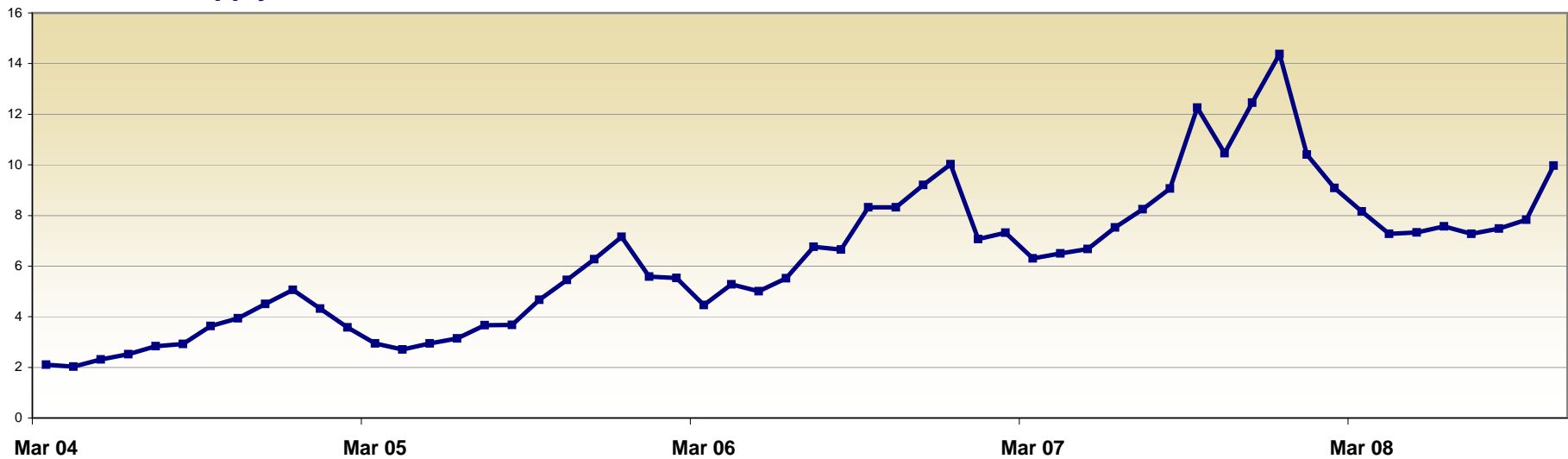
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The Supply-Demand Ratio (SDR) is calculated by comparing the number of homes for sale at the beginning of each month with the number of total pending sales for the month. The higher the SDR, the more supply there is relative to demand.



Historical Supply-Demand Ratio



Housing Affordability Index

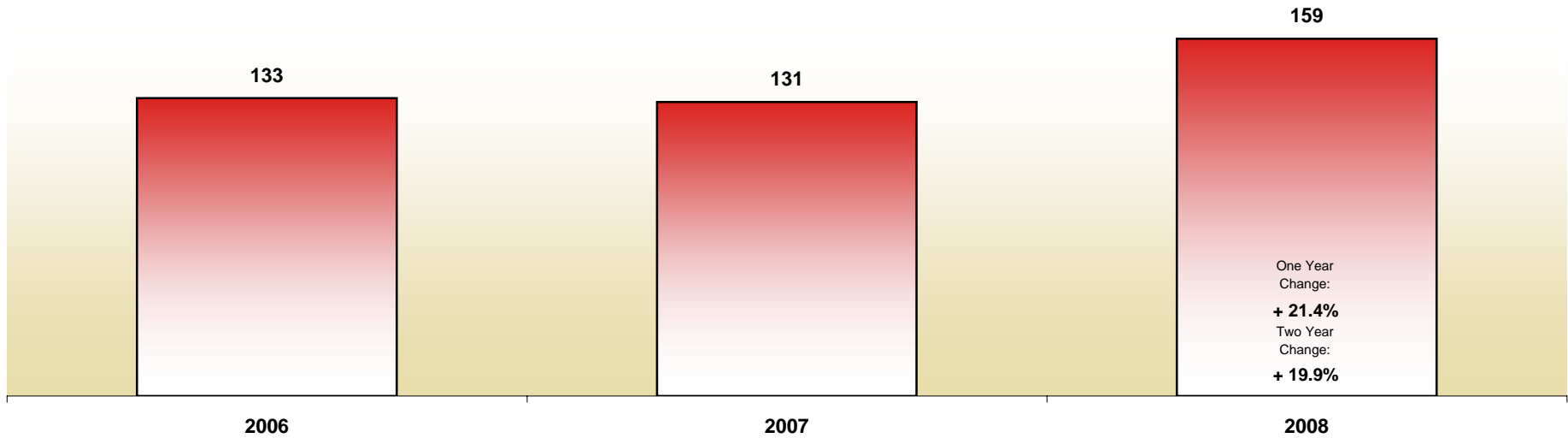
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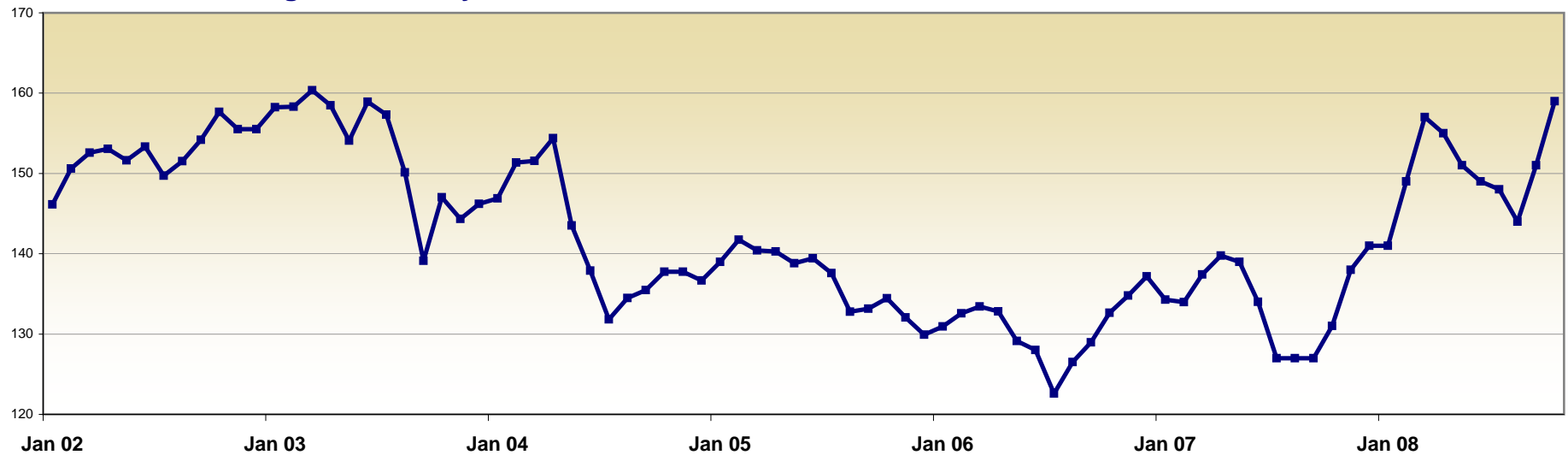
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October

Note: The HAI formula measures housing affordability for the Minneapolis/St. Paul market. An HAI of 159 means the median family income is 159% of the necessary income to qualify for the median priced home using a 20% down payment, 30-year fixed mortgage.



Historical Housing Affordability Index



Months Supply of Inventory

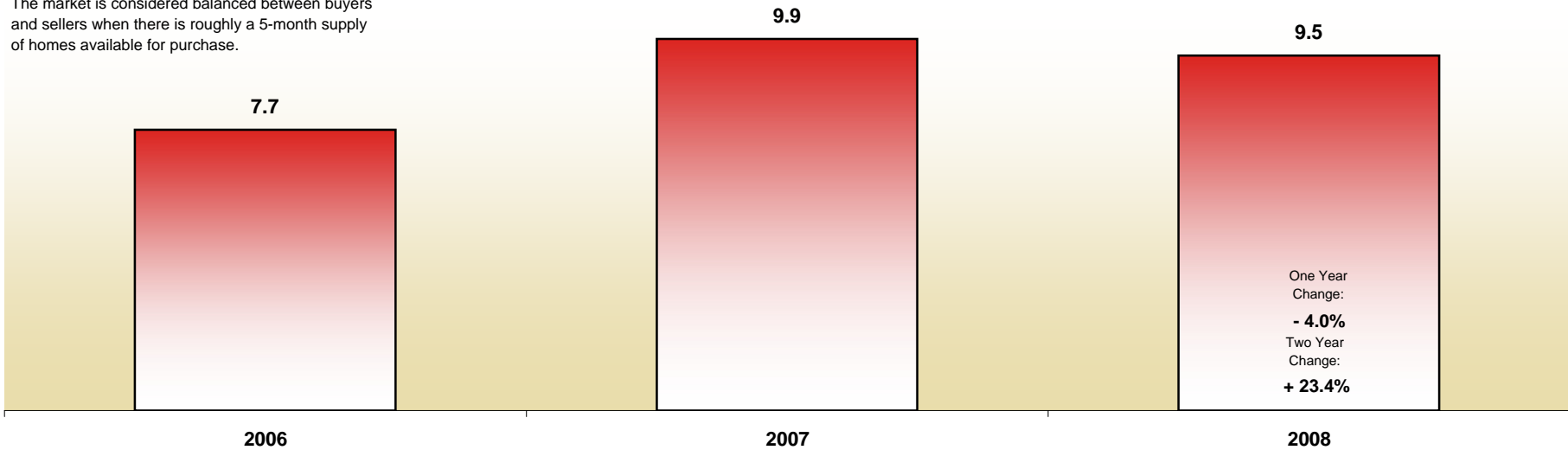
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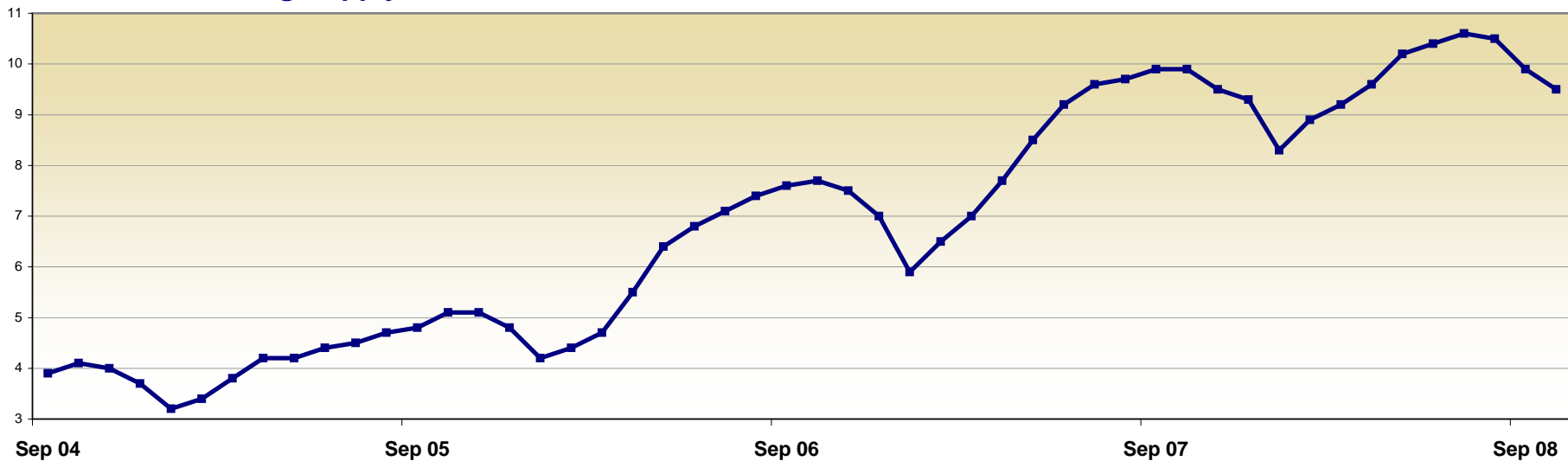
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October

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



Market Overview

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September 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	Jul	8,608	9,379	- 8.2%	9,291	↓	61,505	69,096	- 11.0%	65,095	New supply continues its 2008 decline, with sellers and builders cutting back their output dramatically
	Aug	7,532	9,278	- 18.8%	9,265		69,037	78,374	- 11.9%	74,360	
	Sep	7,689	8,027	- 4.2%	8,591		76,726	86,401	- 11.2%	82,951	
Pending Sales	Jul	4,462	4,202	+ 6.2%	5,038	↓	26,715	28,915	- 7.6%	33,867	Sales skyrocket upward in September as consumers flock to take advantage of affordable prices and low interest rates
	Aug	4,411	3,834	+ 15.0%	5,039		31,126	32,749	- 5.0%	38,906	
	Sep	4,036	2,839	+ 42.2%	4,138		35,162	35,588	- 1.2%	43,045	
Closed Sales	Jul	4,160	4,522	- 8.0%	5,159	↓	21,641	24,566	- 11.9%	27,983	Sales skyrocket upward in September as consumers flock to take advantage of affordable prices and low interest rates
	Aug	3,992	4,173	- 4.3%	5,333		25,633	28,739	- 10.8%	33,316	
	Sep	4,202	3,116	+ 34.9%	4,375		29,835	31,855	- 6.3%	37,691	
Dollar Volume of Closed Sales (in millions)	Jul	\$1,042.6	\$1,294.2	- 19.4%	\$1,400.7	↓	\$5,315.0	\$6,787.9	- 21.7%	\$7,373.1	September posts the first year-over-year increase in total dollar volume in quite some time
	Aug	\$962.5	\$1,179.8	- 18.4%	\$1,449.7		\$6,277.4	\$7,967.7	- 21.2%	\$8,822.8	
	Sep	\$965.8	\$847.4	+ 14.0%	\$1,152.0		\$7,243.2	\$8,815.1	- 17.8%	\$9,974.8	
Median Sales Price	Jul	\$208,000	\$233,000	- 10.7%		↓					Increased market share of foreclosures and short sales continues to drag the overall median price downward
	Aug	\$200,000	\$230,000	- 13.0%	--		--	--	--	--	
	Sep	\$189,900	\$225,000	- 15.6%							
Average Sales Price	Jul	\$250,619	\$286,202	- 12.4%	\$271,349	↓	\$245,598	\$276,313	- 11.1%	\$263,231	Increased market share of foreclosures and short sales continues to drag the overall average price downward
	Aug	\$241,096	\$282,721	- 14.7%	\$270,705		\$244,897	\$277,243	- 11.7%	\$264,455	
	Sep	\$229,831	\$271,942	- 15.5%	\$263,648		\$242,775	\$276,725	- 12.3%	\$264,295	
Total Active Listings Available at Month End	Jul	33,005	34,722	- 4.9%		↓					Supply remains low compared to last year as consumers absorb more inventory
	Aug	31,592	34,808	- 9.2%	--		--	--	--	--	
	Sep	30,901	34,042	- 9.2%							
Percent of Original List Price Received At Sale	Jul	92.6%	95.3%	- 2.8%	96.5%	↔	92.0%	95.5%	- 3.6%	96.5%	Sellers will receive less relative to their asking prices in the fall
	Aug	92.7%	94.7%	- 2.1%	96.2%		92.1%	95.4%	- 3.4%	96.4%	
	Sep	92.2%	94.2%	- 2.1%	95.7%		92.1%	95.2%	- 3.3%	96.3%	
Mortgage Rates	Aug	6.9	6.7	+ 3.0%	6.4	↔					Fanny and Freddie action of recent weeks has put downward pressure on rates
	Sep	6.7	6.8	- 1.5%	6.3		--	--	--	--	
	Oct	6.6	6.7	- 1.5%	6.3						
Supply-Demand Ratio (Homes for Sale Per Buyer)	Aug	7.48	9.06	- 17.4%		↑					SDR is now below this time last year, a nice indication of improving market fundamentals
	Sep	7.83	12.26	- 36.1%	--		--	--	--	--	
	Oct	9.97	10.46	- 4.7%							
Housing Affordability Index	Aug	144	127	+ 13.4%	133	↔					Affordability has been jettisoned upward in recent months thanks to declining mortgage rates and home prices
	Sep	151	127	+ 18.9%	135		--	--	--	--	
	Oct	159	131	+ 21.4%	139						
Months Supply of Inventory	Aug	10.5	9.7	+ 8.2%		↓					Months supply of inventory shows first year-over-year decline since MAAR began tracking the figures
	Sep	9.9	9.9	- 0.0%	--		--	--	--	--	
	Oct	9.5	9.9	- 4.0%							