Monthly Indicators

A RESEARCH TOOL PROVIDED BY THE **MINNEAPOLIS AREA ASSOCIATION OF REALTORS®**

MINNEAPOLIS AREA Association of REALTORS®

February 2014

It's tempting to confuse market normalization with a possible slowdown. But those equipped with high-quality MLS data know better. As mortgage delinquencies fade, banks are listing bargain-priced product less often. That means investor activity – which accounts for a substantial market share – is moderating. That's not to say that rates and prices aren't still attractive to owner-occupant buyers. They most certainly are. Some short-term volatility is expected as part of a normal market readjustment.

New Listings in the Twin Cities region decreased 5.0 percent to 4,616. Pending Sales were down 10.9 percent to 3,203. Inventory levels shrank 9.6 percent to 11,975 units.

Prices marched higher. The Median Sales Price increased 14.4 percent to $183,044. Days on Market was down 10.8 percent to 99 days. Absorption rates improved as Months Supply of Inventory was down 12.5 percent to 2.8 months.

The economy has more or less shuffled along, despite some climate-induced surprises to job growth and new construction. There is no denying the fact that we've now seen 47 straight months of private job growth, creating 8.5 million new payrolls. There's still work to be done. Thankfully, with such low inventory levels, many builders are bullish on new construction. The spring market is budding, and it should be an interesting one.

Quick Facts

- 14.0%	+ 14.4%	- 9.6%
Change in **Closed Sales**	Change in **Median Sales Price**	Change in **Inventory**

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Market Overview

Key market metrics for the current month and year-to-date.

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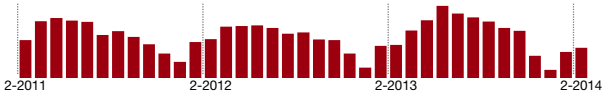
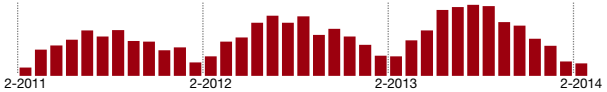
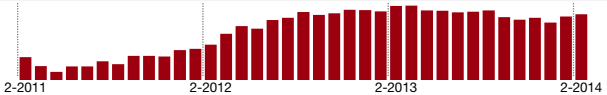
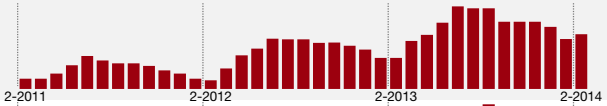
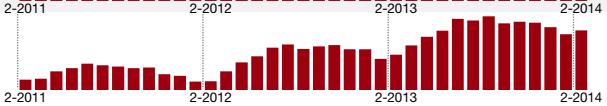
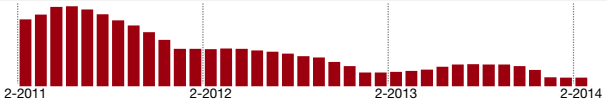
Key Metrics	Historical Sparklines (normalized)	2-2013	2-2014	+ / –	YTD 2013	YTD 2014	+ / –
New Listings		4,858	**4,616**	- 5.0%	9,657	**8,863**	- 8.2%
Pending Sales		3,594	**3,203**	- 10.9%	6,946	**5,995**	- 13.7%
Closed Sales		2,866	**2,465**	- 14.0%	5,774	**5,045**	- 12.6%
Days on Market Until Sale		111	**99**	- 10.8%	109	**96**	- 11.9%
Median List Price		$212,789	**$230,000**	+ 8.1%	$209,000	**$229,000**	+ 9.6%
Median Sales Price		$160,000	**$183,044**	+ 14.4%	$160,000	**$180,000**	+ 12.5%
Price Per Square Foot		$101	**$112**	+ 11.8%	$100	**$111**	+ 12.1%
10K Housing Value Index		$177,692	**$190,379**	+ 7.1%	--	--	--
Percent of Original List Price Received		93.8%	**93.5%**	- 0.3%	93.6%	**93.5%**	- 0.1%
Inventory of Homes for Sale		13,253	**11,975**	- 9.6%	--	--	--
Months Supply of Homes for Sale		3.2	**2.8**	- 12.5%	--	--	--

New Listings

A count of the properties that have been newly listed on the market in a given month.

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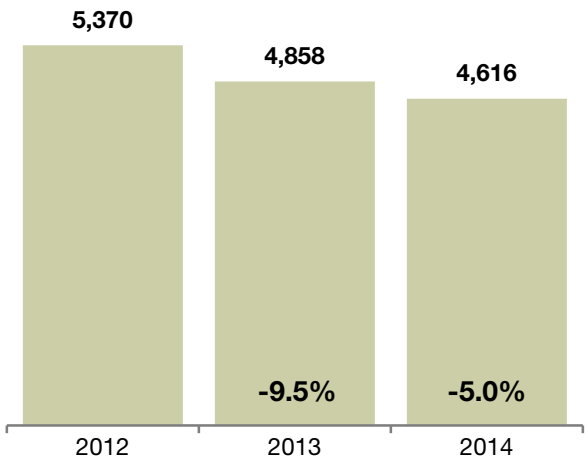
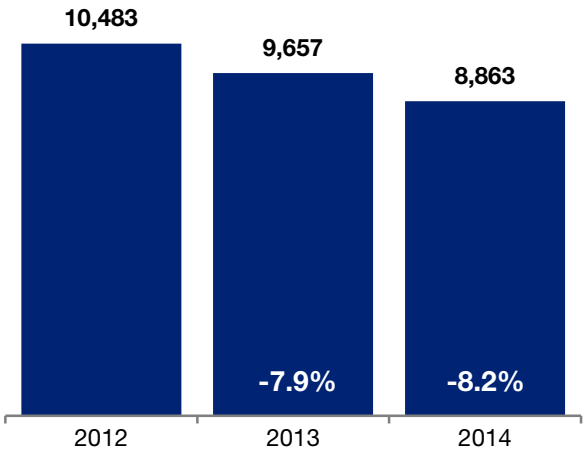
February



Year To Date



Month	Prior Year	Current Year	+ / –
March	6,473	**6,151**	-5.0%
April	6,550	**7,059**	+7.8%
May	6,602	**8,325**	+26.1%
June	6,358	**7,635**	+20.1%
July	5,856	**7,301**	+24.7%
August	5,969	**6,949**	+16.4%
September	5,342	**6,374**	+19.3%
October	5,302	**6,104**	+15.1%
November	4,120	**3,901**	-5.3%
December	2,855	**2,676**	-6.3%
January	4,799	**4,247**	-11.5%
February	4,858	**4,616**	-5.0%
12-Month Avg	**5,424**	**5,945**	**+9.6%**

Historical New Listing Activity

Pending Sales

A count of the properties on which contracts have been accepted in a given month.

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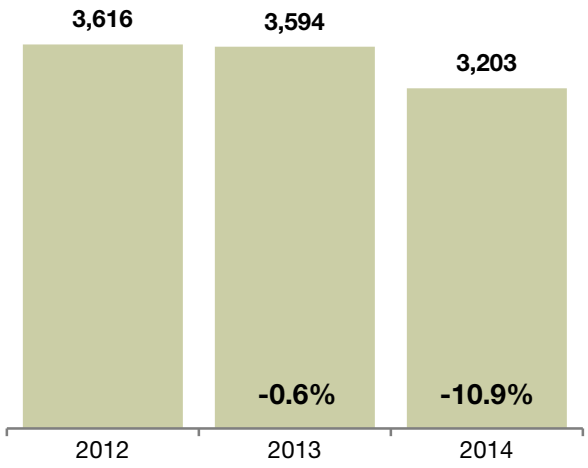
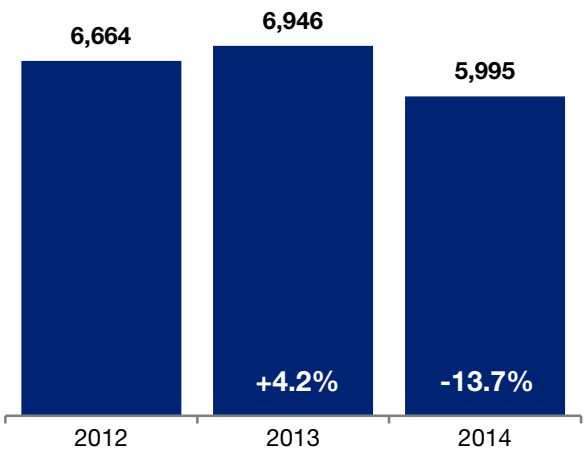
February

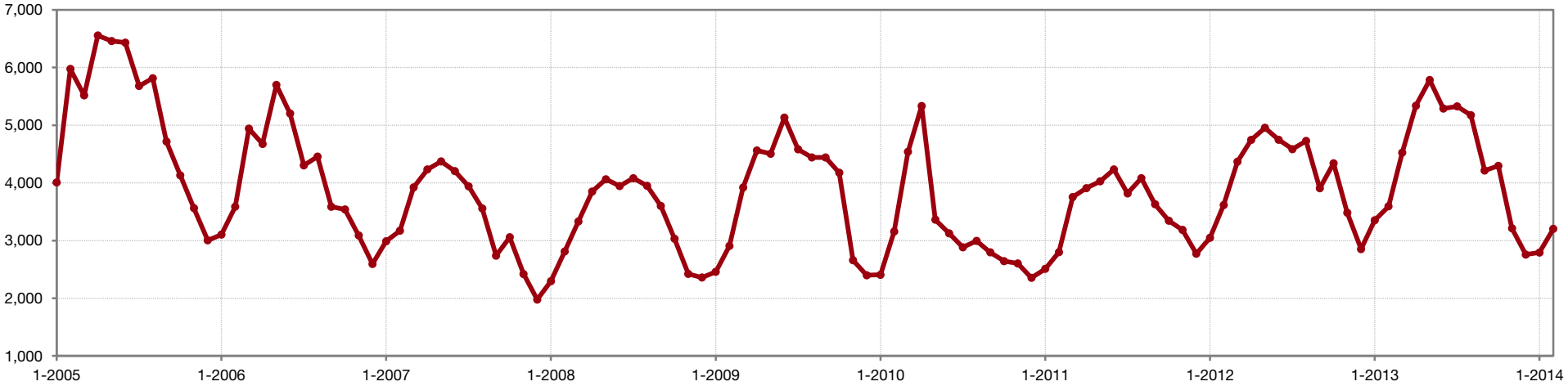


Year To Date



Month	Prior Year	Current Year	+ / –
March	4,367	**4,524**	+3.6%
April	4,745	**5,337**	+12.5%
May	4,955	**5,783**	+16.7%
June	4,747	**5,288**	+11.4%
July	4,584	**5,326**	+16.2%
August	4,727	**5,173**	+9.4%
September	3,907	**4,214**	+7.9%
October	4,339	**4,295**	-1.0%
November	3,482	**3,212**	-7.8%
December	2,852	**2,757**	-3.3%
January	3,352	**2,792**	-16.7%
February	3,594	**3,203**	-10.9%
12-Month Avg	**4,138**	**4,325**	**+4.5%**

Historical Pending Sales Activity



Closed Sales

A count of the actual sales that have closed in a given month.

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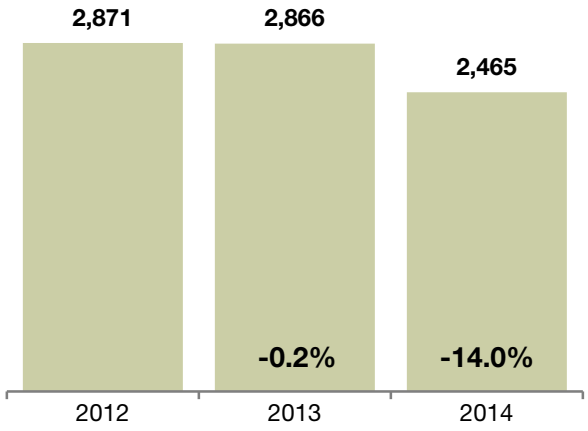

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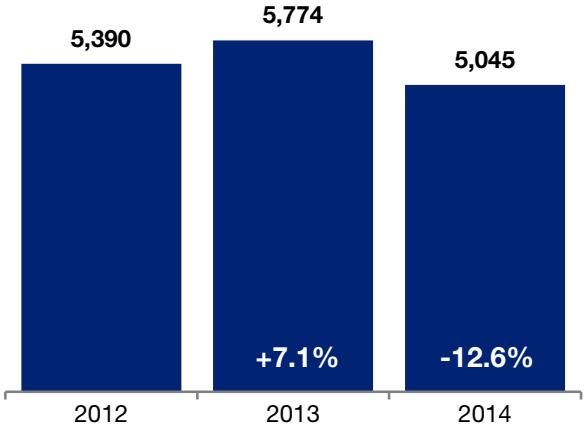
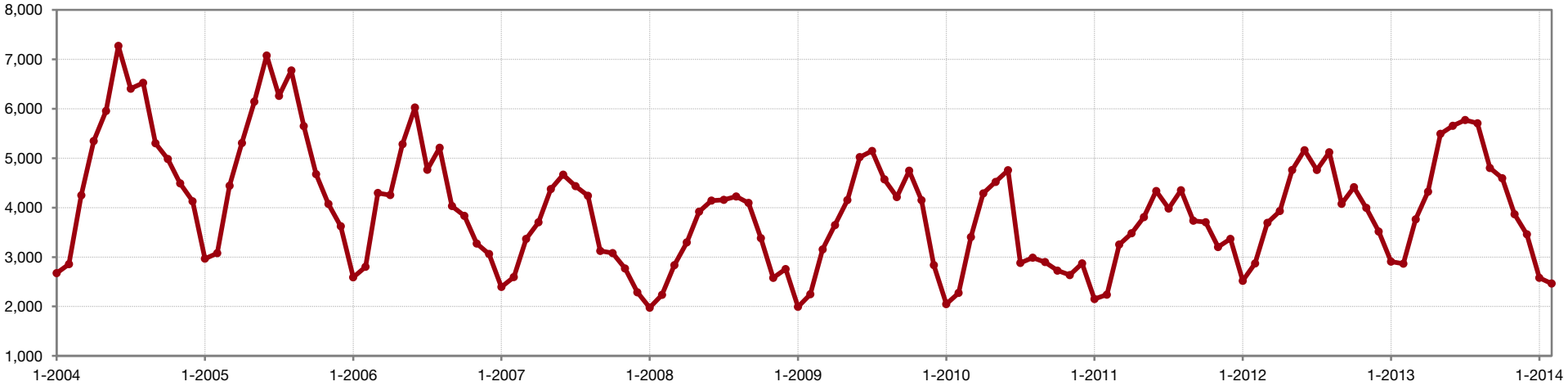


Month	Prior Year	Current Year	+ / –
March	3,692	**3,763**	+1.9%
April	3,931	**4,322**	+9.9%
May	4,760	**5,492**	+15.4%
June	5,160	**5,654**	+9.6%
July	4,761	**5,771**	+21.2%
August	5,119	**5,705**	+11.4%
September	4,076	**4,801**	+17.8%
October	4,413	**4,594**	+4.1%
November	3,995	**3,866**	-3.2%
December	3,516	**3,460**	-1.6%
January	2,908	**2,580**	-11.3%
February	2,866	**2,465**	-14.0%
12-Month Avg	**4,100**	**4,373**	**+5.1%**

Historical Closed Sales Activity



Days on Market Until Sale

Average, cumulative number of days between when a property is listed and when an offer is accepted in a given month.

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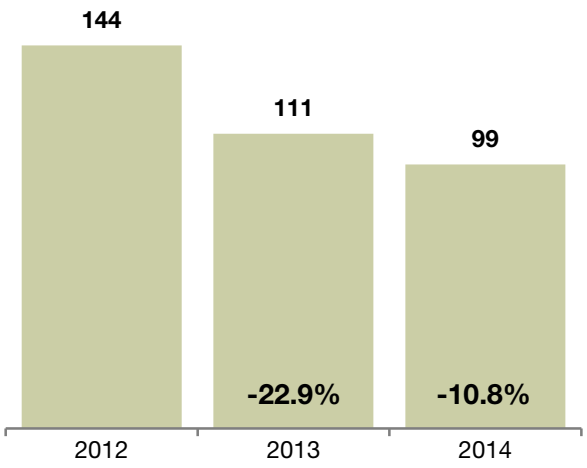
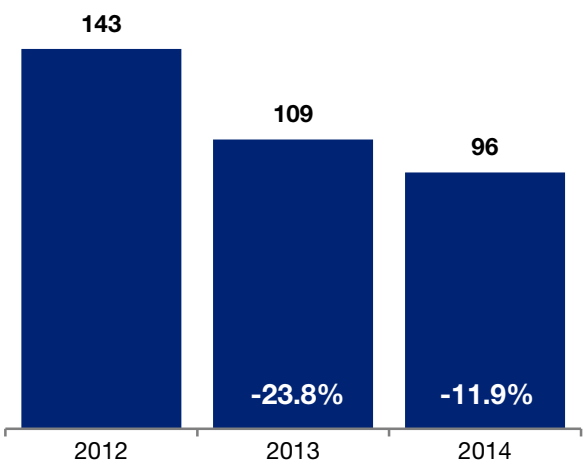
February



Year To Date



Month	Prior Year	Current Year	+ / –
March	144	**108**	-25.0%
April	135	**97**	-28.1%
May	124	**86**	-30.6%
June	113	**74**	-34.5%
July	105	**72**	-31.4%
August	106	**70**	-34.0%
September	101	**71**	-29.7%
October	103	**75**	-27.2%
November	102	**75**	-26.5%
December	108	**86**	-20.4%
January	106	**93**	-12.3%
February	111	**99**	-10.8%
12-Month Avg	**113**	**82**	**-27.4%**

Historical Days on Market Until Sale

Median Original List Price

Median original list price for all new listings in a given month. List prices can serve as a leading indicator of future price movement.

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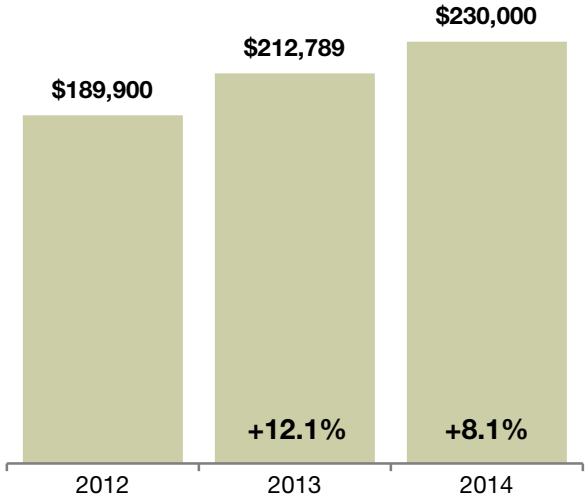

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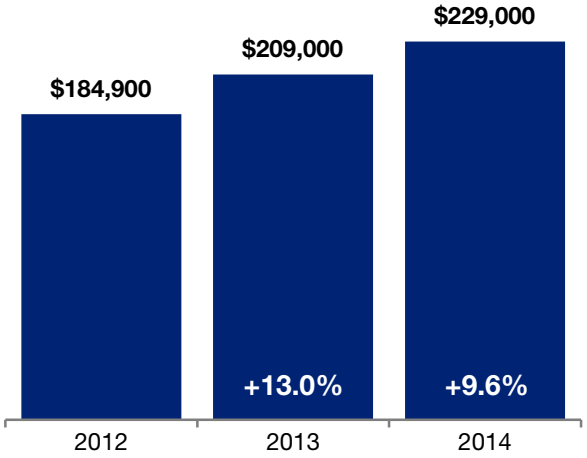
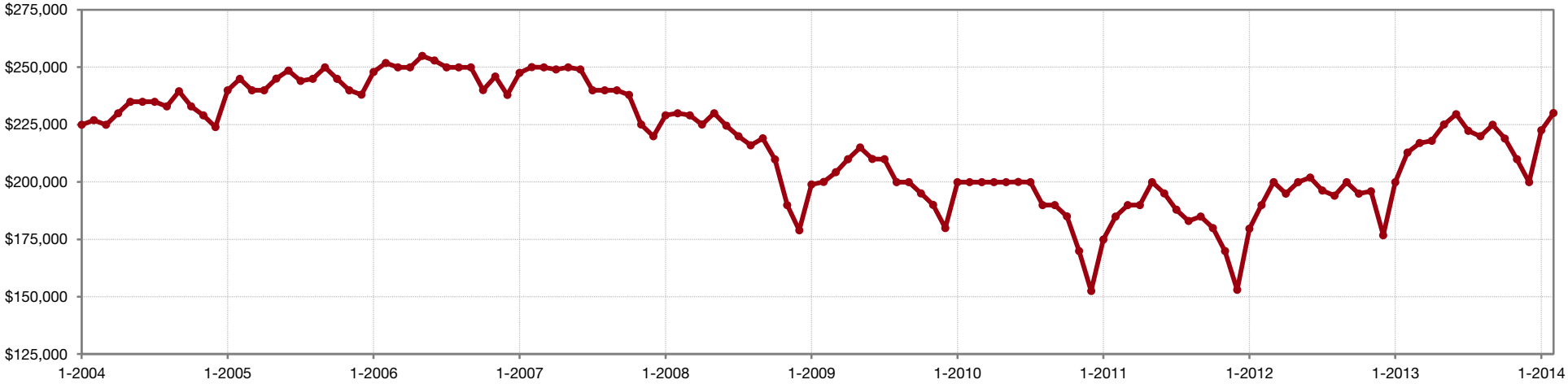


Month	Prior Year	Current Year	+ / –
March	$199,900	**$216,950**	+8.5%
April	$194,900	**$217,900**	+11.8%
May	$199,900	**$225,000**	+12.6%
June	$201,900	**$229,500**	+13.7%
July	$196,250	**$222,250**	+13.2%
August	$194,000	**$219,900**	+13.4%
September	$199,900	**$224,900**	+12.5%
October	$194,900	**$218,900**	+12.3%
November	$195,900	**$209,900**	+7.1%
December	$176,750	**$199,900**	+13.1%
January	$199,900	**$222,500**	+11.3%
February	$212,789	**$230,000**	+8.1%
12-Month Med	**$199,000**	**$220,000**	**+10.6%**

Historical Median Original List Price



Median Sales Price

Median price point for all closed sales, not accounting for seller concessions, in a given month.

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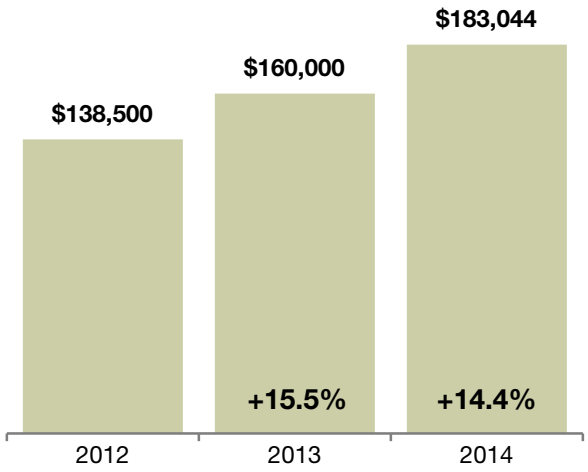
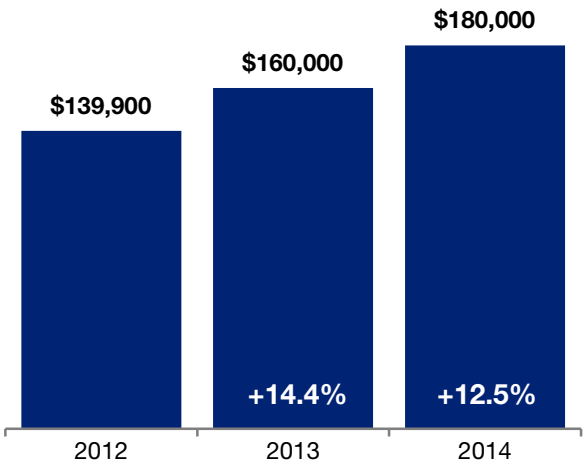


Year To Date



Month	Prior Year	Current Year	+ / –
March	$149,900	**$176,500**	+17.7%
April	$162,500	**$182,475**	+12.3%
May	$169,000	**$194,000**	+14.8%
June	$178,675	**$210,000**	+17.5%
July	$178,087	**$208,000**	+16.8%
August	$177,900	**$207,950**	+16.9%
September	$174,500	**$195,000**	+11.7%
October	$175,000	**$195,000**	+11.4%
November	$172,000	**$195,000**	+13.4%
December	$168,000	**$190,000**	+13.1%
January	$160,000	**$178,500**	+11.6%
February	$160,000	**$183,044**	+14.4%
12-Month Med	**$170,000**	**$195,000**	**+14.7%**

Historical Median Sales Price

Average Sales Price

Average sales price for all closed sales, not accounting for seller concessions, in a given month.

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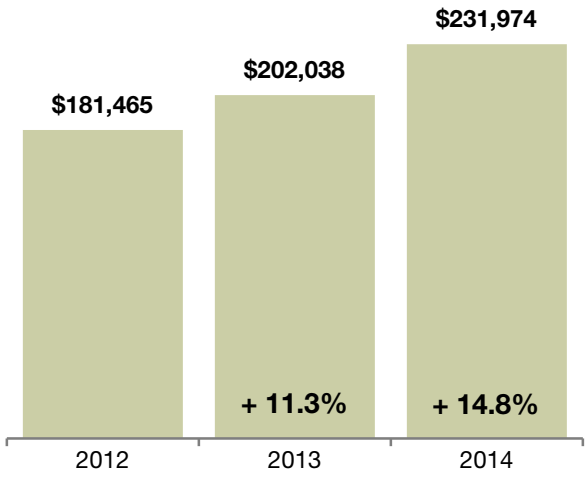
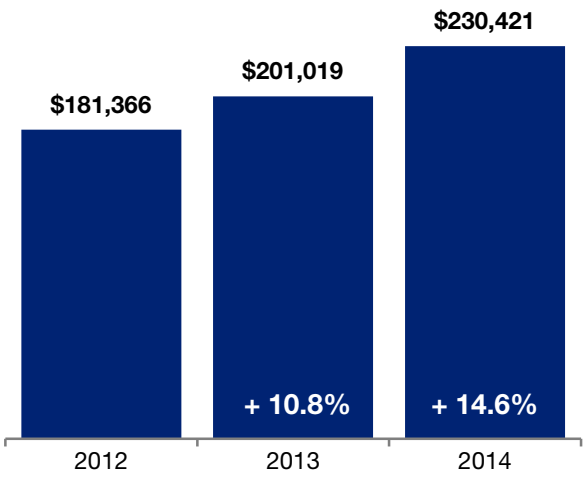


Year To Date



Month	Prior Year	Current Year	+ / –
March	$191,026	**$215,727**	+12.9%
April	$203,881	**$225,474**	+10.6%
May	$207,374	**$236,368**	+14.0%
June	$220,319	**$250,985**	+13.9%
July	$220,952	**$248,208**	+12.3%
August	$222,390	**$254,988**	+14.7%
September	$217,781	**$239,541**	+10.0%
October	$220,180	**$239,956**	+9.0%
November	$215,482	**$243,204**	+12.9%
December	$218,195	**$238,028**	+9.1%
January	$200,015	**$228,935**	+14.5%
February	$202,038	**$231,974**	+14.8%
12-Month Avg	**$212,799**	**$239,534**	**+12.6%**

Historical Average Sales Price

Price Per Square Foot

The price per square foot of homes sold in a given month. Sold properties only. Does not account for seller concessions.

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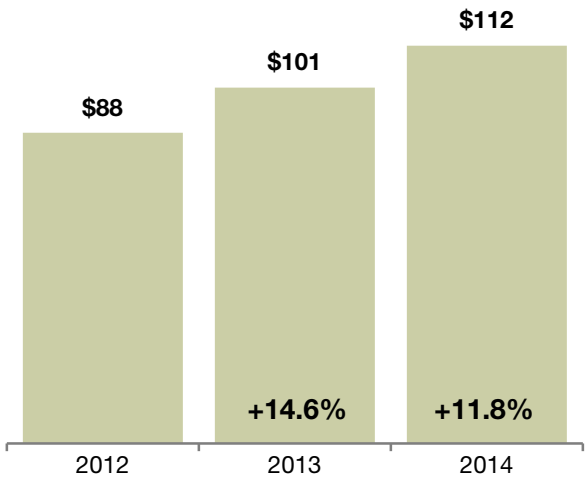
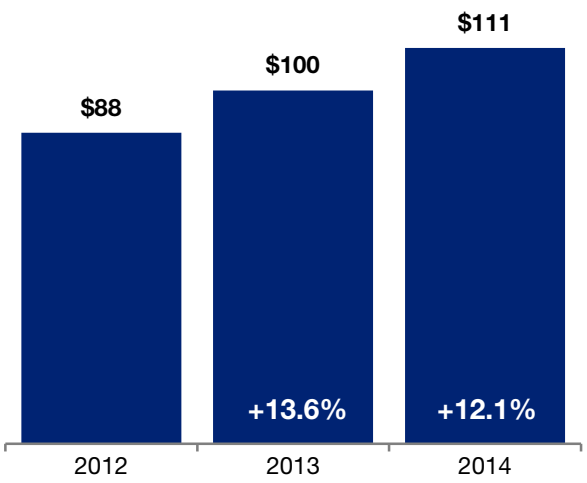


Year To Date



Month	Prior Year	Current Year	+ / –
March	$93	**$105**	+13.6%
April	$97	**$109**	+12.8%
May	$100	**$112**	+12.4%
June	$104	**$118**	+13.5%
July	$106	**$117**	+11.1%
August	$103	**$119**	+15.3%
September	$105	**$116**	+10.7%
October	$105	**$117**	+10.7%
November	$103	**$116**	+12.6%
December	$103	**$114**	+10.3%
January	$99	**$111**	+12.2%
February	$101	**$112**	+11.8%
12-Month Avg	**$102**	**$114**	**+12.5%**

Historical Price Per Square Foot

10K Housing Value Index

The value index employs a multi-variate, linear regression methodology to determine specific weights that adjust for both seasonality and segment bias to arrive at a real, constant-quality view of home values. The index is set to the median sales price in January 2003.

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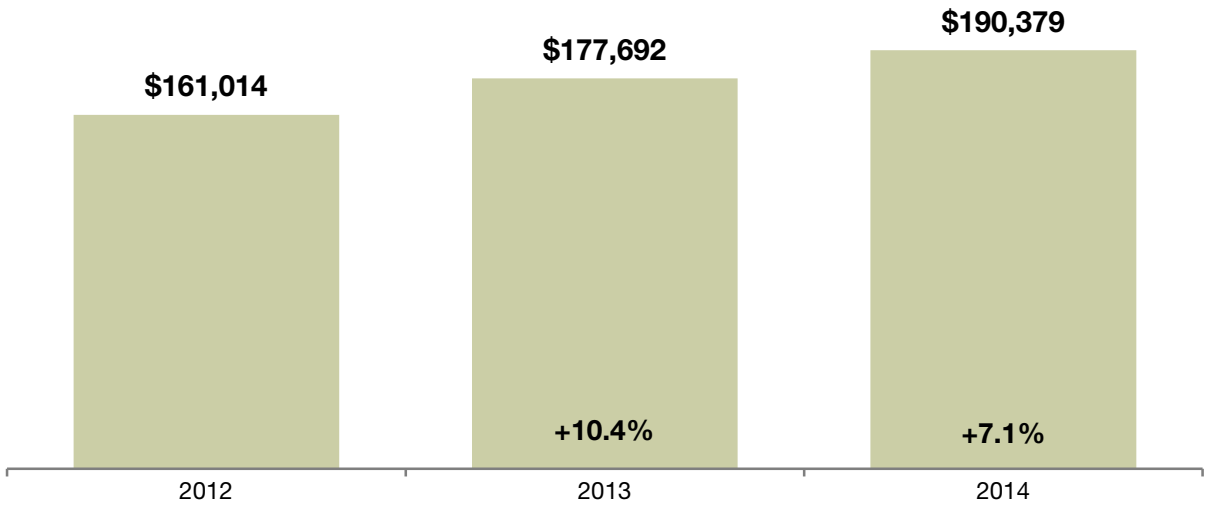

Month	Prior Year	Current Year	+ / –
March	$163,940	**$181,113**	+10.5%
April	$166,257	**$180,700**	+8.7%
May	$165,742	**$179,857**	+8.5%
June	$169,078	**$182,357**	+7.9%
July	$168,292	**$181,934**	+8.1%
August	$169,147	**$183,675**	+8.6%
September	$171,090	**$181,457**	+6.1%
October	$171,695	**$180,445**	+5.1%
November	$171,478	**$181,473**	+5.8%
December	$174,389	**$181,393**	+4.0%
January	$174,130	**$185,282**	+6.4%
February	$177,692	**$190,379**	+7.1%
12-Month Avg	**$170,244**	**$182,505**	**+7.2%**

Historical 10K Housing Value Index

Percent of Original List Price Received

Percentage found when dividing a property's sales price by its original list price, then taking the average for all properties sold in a given month, not accounting for seller concessions.

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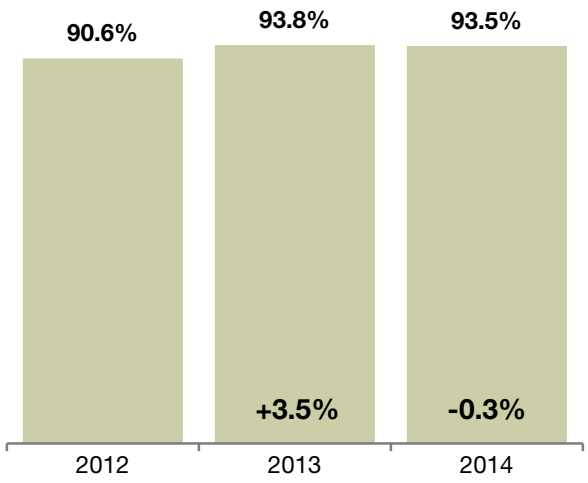
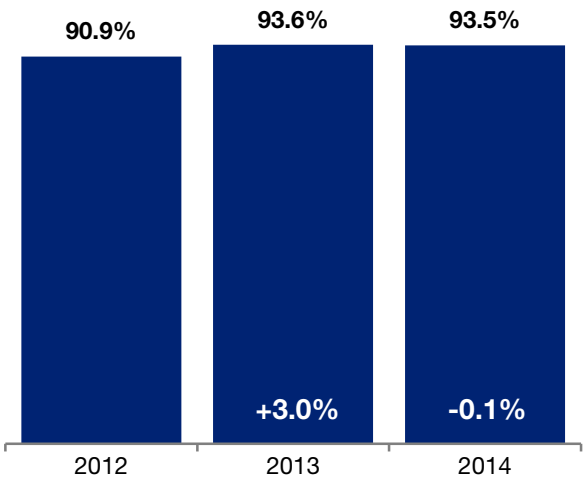
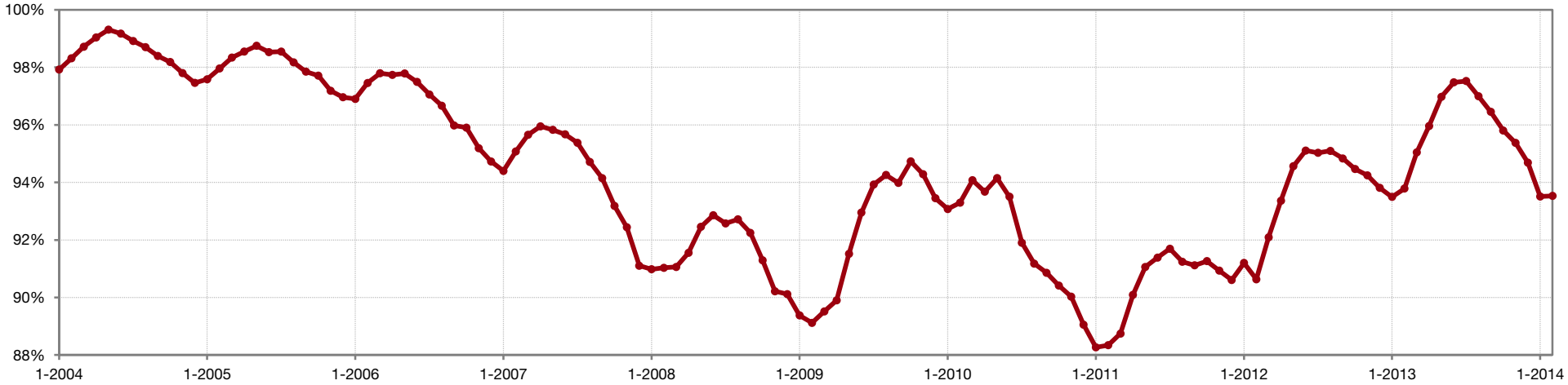


Year To Date



Month	Prior Year	Current Year	+ / –
March	92.1%	**95.0%**	+3.1%
April	93.4%	**96.0%**	+2.8%
May	94.6%	**97.0%**	+2.5%
June	95.1%	**97.5%**	+2.5%
July	95.0%	**97.5%**	+2.6%
August	95.1%	**97.0%**	+2.0%
September	94.8%	**96.5%**	+1.8%
October	94.5%	**95.8%**	+1.4%
November	94.2%	**95.4%**	+1.3%
December	93.8%	**94.7%**	+1.0%
January	93.5%	**93.5%**	0.0%
February	93.8%	**93.5%**	-0.3%
12-Month Avg	**94.3%**	**96.1%**	**+1.9%**

Historical Percent of Original List Price Received



Housing Affordability Index

This index measures housing affordability for the region. An index of 120 means the median household income was 120% of what is necessary to qualify for the median-priced home under prevailing interest rates. A higher number means greater affordability.

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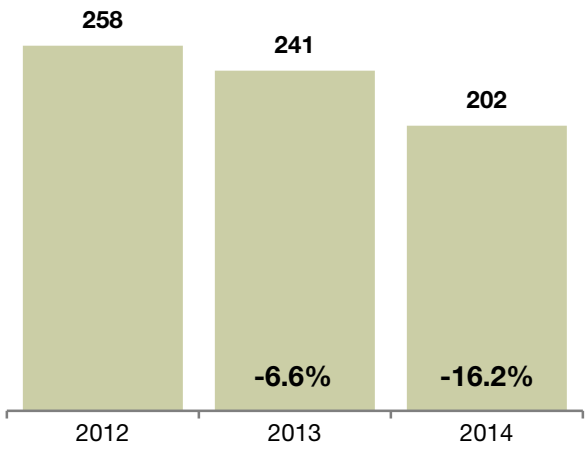
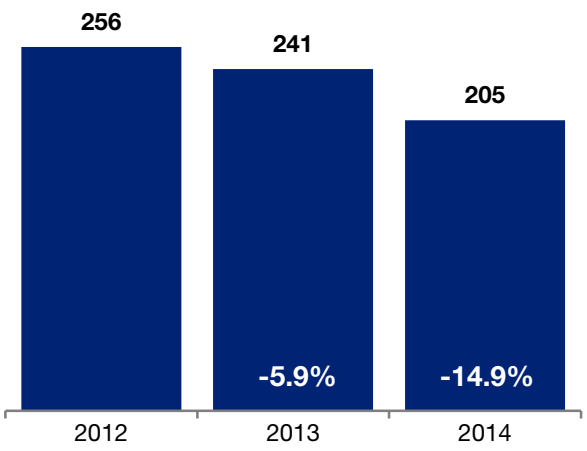
February

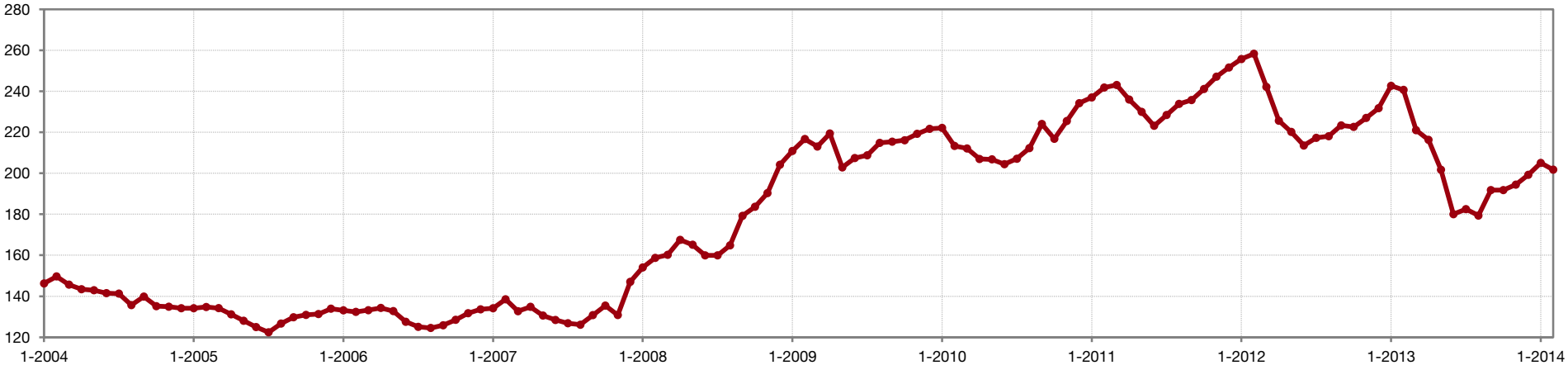


Year To Date



Month	Prior Year	Current Year	+ / –
March	242	**221**	-8.7%
April	226	**216**	-4.4%
May	220	**202**	-8.2%
June	214	**180**	-15.9%
July	217	**182**	-16.1%
August	218	**179**	-17.9%
September	223	**192**	-13.9%
October	223	**192**	-13.9%
November	227	**194**	-14.5%
December	232	**199**	-14.2%
January	243	**205**	-15.6%
February	241	**202**	-16.2%
12-Month Avg	**227**	**197**	**-13.2%**

Historical Housing Affordability Index



Inventory of Homes for Sale

The number of properties available for sale in active status at the end of a given month.

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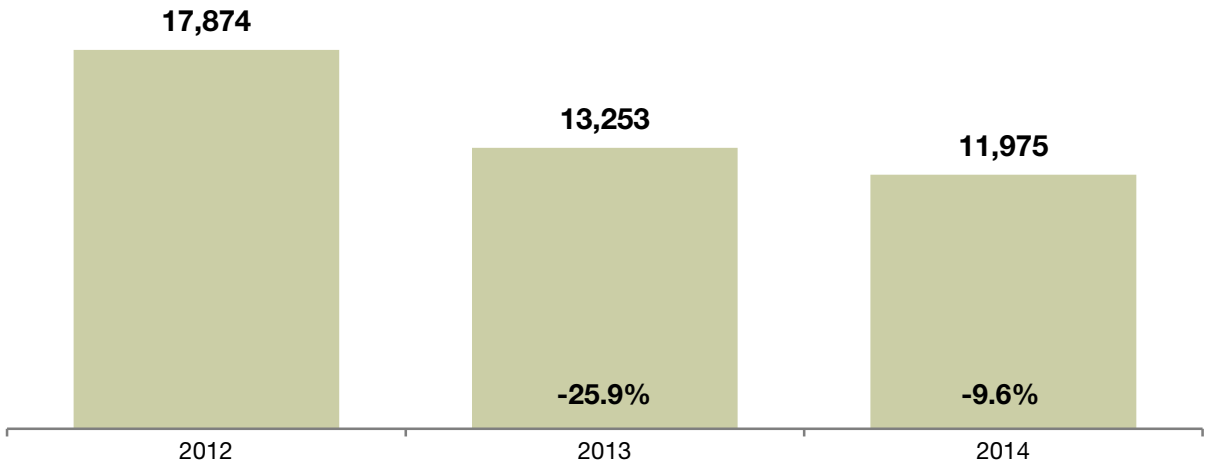
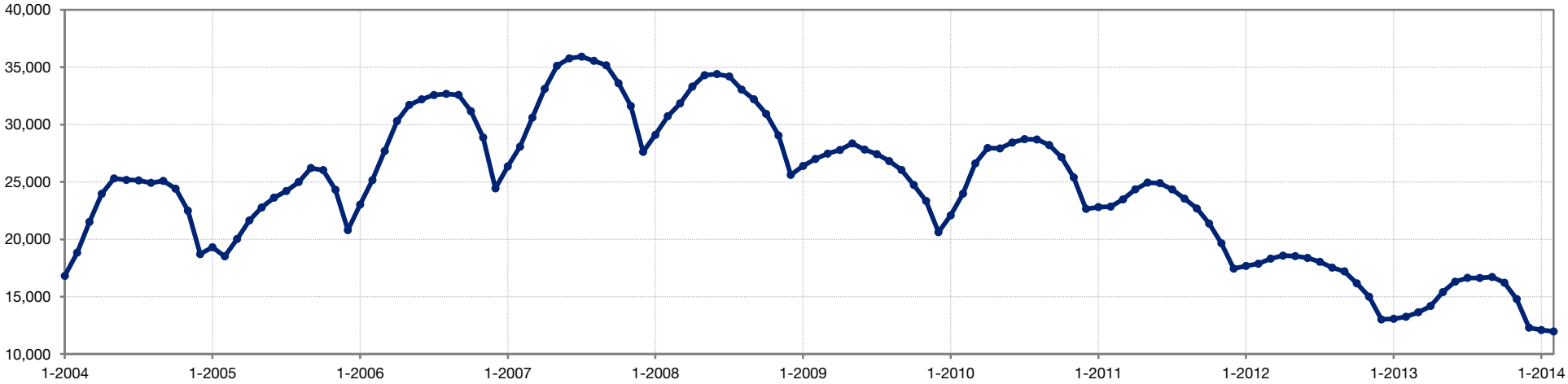


Month	Prior Year	Current Year	+ / –
March	18,317	**13,646**	-25.5%
April	18,577	**14,194**	-23.6%
May	18,536	**15,400**	-16.9%
June	18,378	**16,308**	-11.3%
July	18,041	**16,643**	-7.7%
August	17,535	**16,632**	-5.1%
September	17,211	**16,716**	-2.9%
October	16,167	**16,216**	+0.3%
November	15,002	**14,796**	-1.4%
December	13,019	**12,305**	-5.5%
January	13,076	**12,095**	-7.5%
February	13,253	**11,975**	-9.6%
12-Month Avg	**16,426**	**14,744**	**-9.7%**

Historical Inventory of Homes for Sale



Months Supply of Inventory

The inventory of homes for sale at the end of a given month, divided by the average monthly pending sales for the last 12 months.

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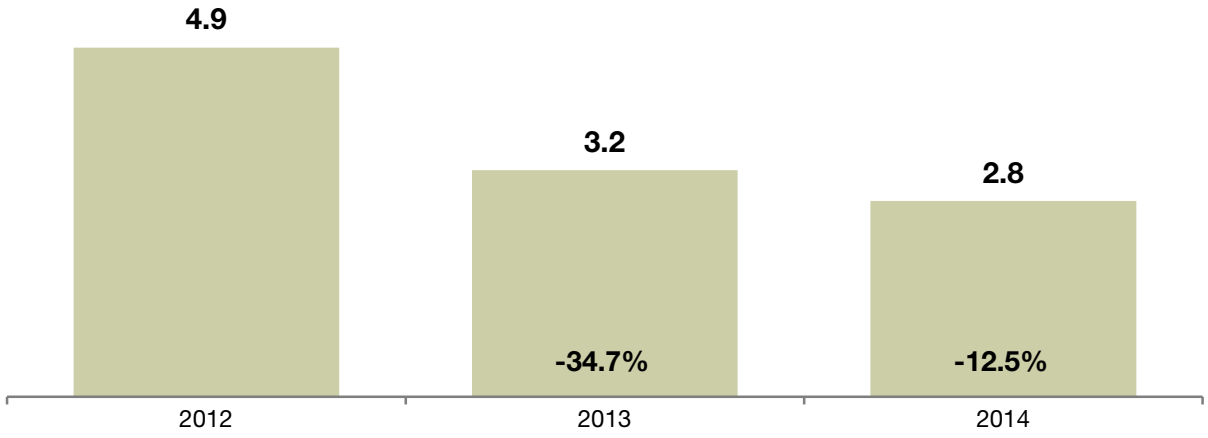
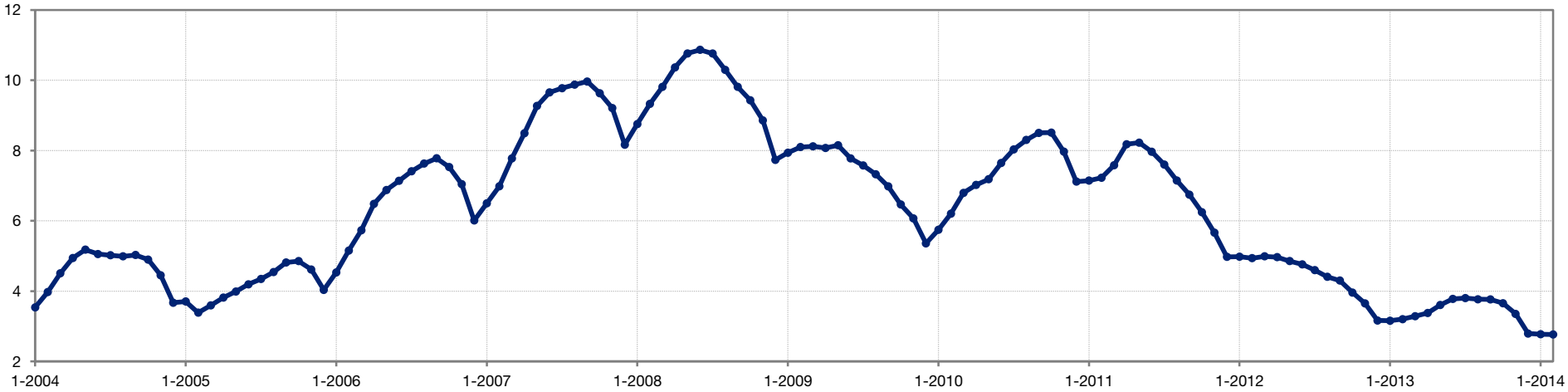
February



Month	Prior Year	Current Year	+ / –
March	5.0	**3.3**	-34.0%
April	5.0	**3.4**	-32.0%
May	4.9	**3.6**	-26.5%
June	4.8	**3.8**	-20.8%
July	4.6	**3.8**	-17.4%
August	4.4	**3.8**	-13.6%
September	4.3	**3.8**	-11.6%
October	4.0	**3.7**	-7.5%
November	3.7	**3.4**	-8.1%
December	3.2	**2.8**	-12.5%
January	3.2	**2.8**	-12.5%
February	3.2	**2.8**	-12.5%
12-Month Avg	**4.2**	**3.4**	**-19.0%**

Historical Months Supply of Inventory



Mortgage Finance Utilization Rates

Home finance type utilization rates as a share of all closed sales, by month. Note: "Other" includes Adjustable Rate / Graduated Payment, Assumable, Contract for Deed (CFD), CFD w/ Assumable, DVA, Exchange / Trade, FHA Rehab 203k, Special Funding, Other and Unknown.

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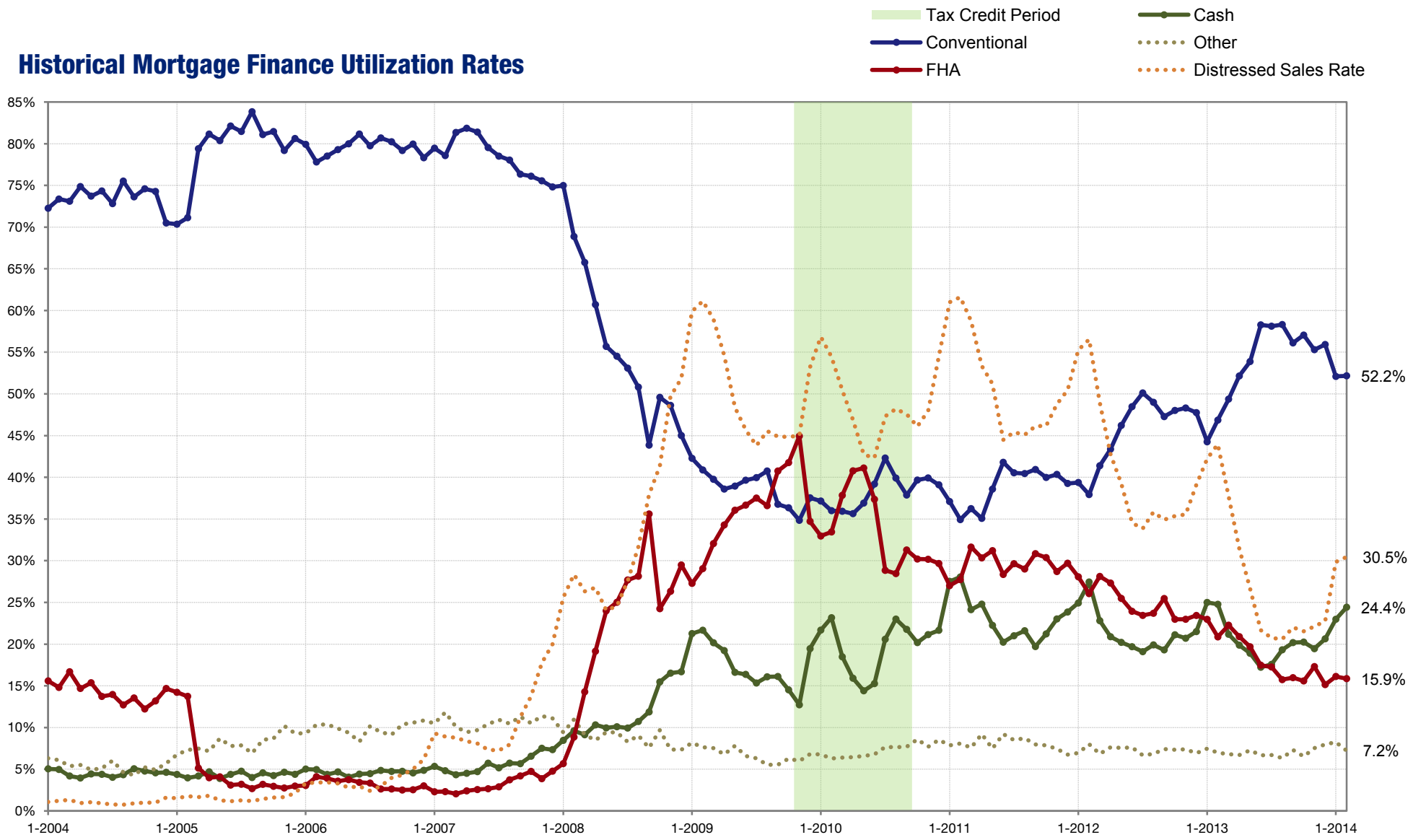
Historical Mortgage Finance Utilization Rates