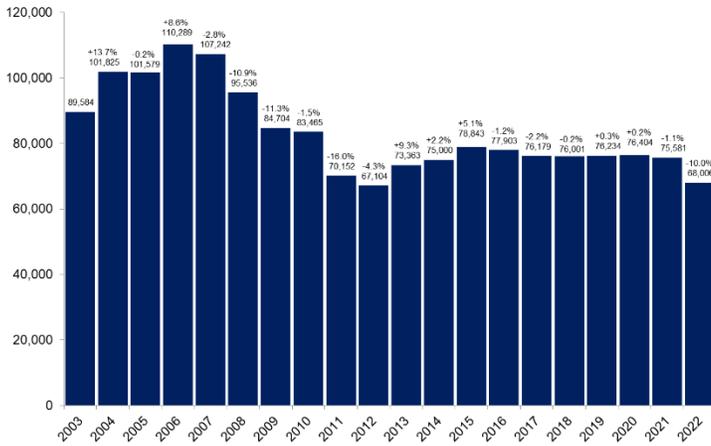


Charting the 2022 Twin Cities Housing Market

New Listings - Annual

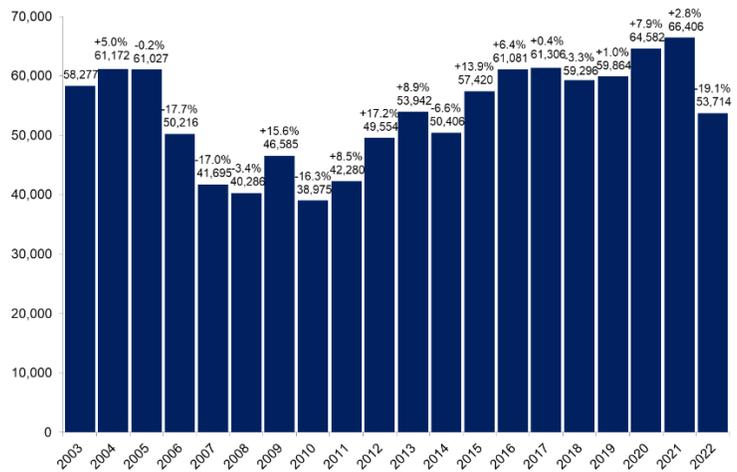


Source: Minneapolis Area REALTORS® (MAR) and RMLS of MN, Inc. | © 2023 MAR

Seller activity (new listings) was down from 2021 and reached its lowest level since 2012. Most sellers still need to also be buyers and purchase their next home. Given the deterioration in affordability with rising rates, they hesitated to list their homes, especially in the 2nd half of the year. Builders listed more homes than in any year since 2007 but existing/resale units pulled that down.

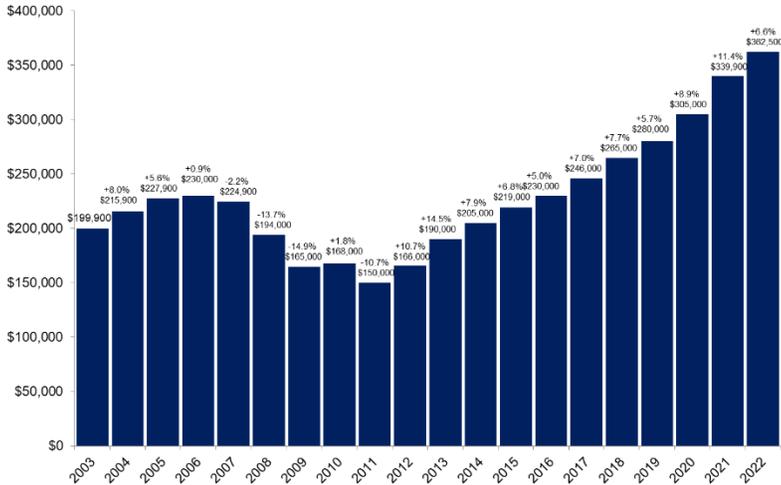
After housing demand soared to new highs in 2020 and 2021, a doubling in mortgage rates pushed sales down to their lowest level since 2014. The luxury \$1M+ segment outperformed all other price points; sales activity over \$500K was also up while sales of units under \$500K were down. Sales would've likely been flat or down slightly after two banner years even without the rate hikes.

Closed Sales - Annual



Source: Minneapolis Area REALTORS® (MAR) and RMLS of MN, Inc. | © 2023 MAR

Median Sales Price - Annual

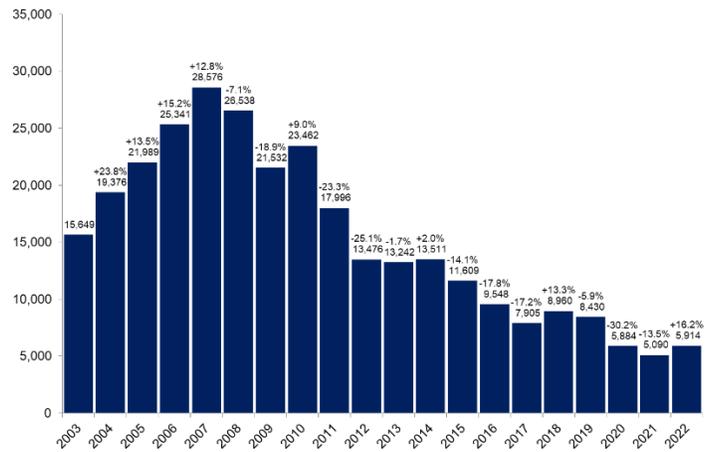


Source: Minneapolis Area REALTORS® (MAR) and RMLS of MN, Inc. | © 2023 MAR

Despite a decline in demand, the median sales price rose to a record high of \$362,500. Home prices have risen 29.5% from their 2019 pre-COVID levels. Rising prices boost equity and theoretically should motivate some reluctant sellers. But it also gives rise to affordability challenges, not to mention the frustration of sellers also having to be buyers. That's why some are staying put. Price growth has slowed

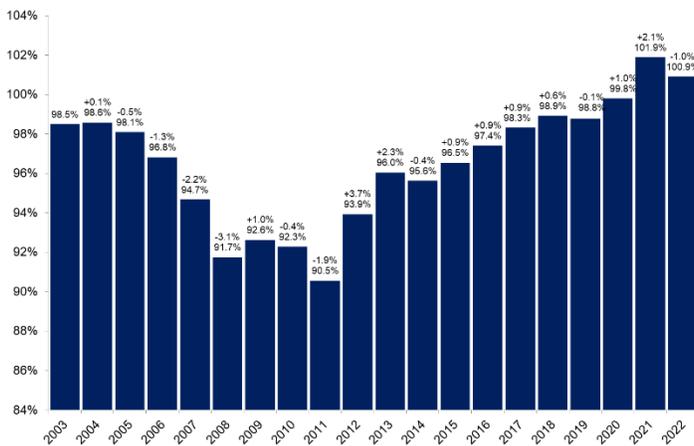
Inventory levels had been declining in the first quarter but started to rise by April. Buyers had 5,914 options at year-end but closer to 7,500 on average throughout the year and almost 9,500 in September. There still aren't enough homes on the market to satisfy the demand—particularly in the affordable ranges. While up from 2021, supply is still lower than 2019 and about even with 2020.

December Inventory (Active) Count | Twin Cities



Source: Minneapolis Area REALTORS® (MAR) and RMLS of MN, Inc. | © 2023 MAR

Average Pct of Orig. List Price Rec'd - Annual

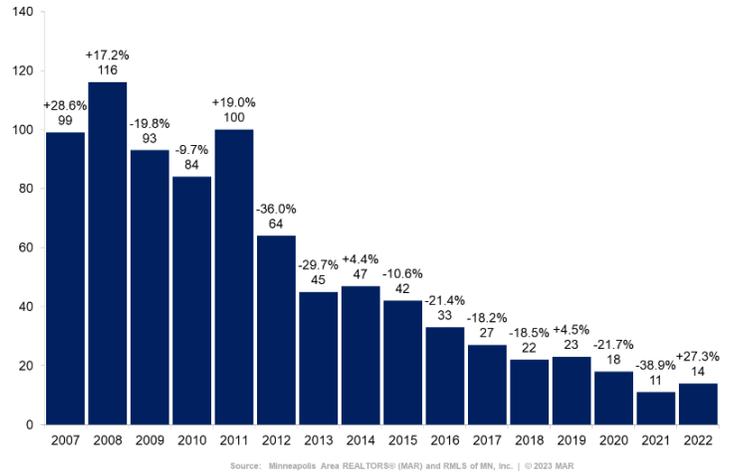


Source: Minneapolis Area REALTORS® (MAR) and RMLS of MN, Inc. | © 2023 MAR

Despite the cooldown in the 2nd half, the strength in the 1st half meant sellers accepted offers above their list price for the year. Overall, sellers got offers at 100.9% of their asking price. That varied by area, property type and price point just like every metric. By December, however, sellers were only accepting 96.3% of their asking price, meaning they need to be more patient and flexible in order to get the deal done.

Days on Market - Annual

Homes are still selling quickly, but less so than last year. This uses the median instead of average. The median market time was up 27.3% from 2021, yet homes are still selling more quickly than in 2019 and 2020 (and every year before then back to at least 2007). Homes didn't linger on the market for long, particularly in a historical context. This reflects the time elapsed from list to under contract. not list to close.



All information is according to the Minneapolis Area REALTORS® and Saint Paul Area Association of REALTORS® based on data from NorthstarMLS. We serve the Twin Cities 16-county metro area and western Wisconsin.

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