

Monthly Indicators

A RESEARCH TOOL PROVIDED BY MINNEAPOLIS AREA REALTORS®



February 2023

In its continued effort to curb inflation, the Federal Reserve raised its benchmark interest rate in February by a quarter-percentage point to 4.50% - 4.75%, its 8th rate hike since March of last year, when the interest rate was nearly zero. Mortgage interest rates have dipped slightly from their peak last fall, leading pending sales to increase 8.1% month-to-month as of last measure, but affordability constraints continue to limit homebuyer activity overall, with existing-home sales declining for the twelfth consecutive month, according to the National Association of Realtors® (NAR).

New Listings in the Twin Cities region decreased 24.3 percent to 3,423. Pending Sales were down 23.6 percent to 2,932. Inventory levels rose 7.1 percent to 5,327 units.

Prices were fairly stable. The Median Sales Price increased 0.6 percent to \$342,000. Days on Market was up 40.9 percent to 62 days. Buyers felt empowered as Months Supply of Homes for Sale was up 44.4 percent to 1.3 months.

With buyer demand down from peak levels, home price growth has continued to slow nationwide, although prices remain up from a year ago. Sellers have been increasingly cutting prices and offering sales incentives in an attempt to attract buyers, who have continued to struggle with affordability challenges this winter. The slight decline in mortgage rates earlier this year convinced some buyers to come off the sidelines, but with rates ticking up again in recent weeks, buyers are once again pulling back, causing sales activity to remain down heading into spring.

Quick Facts

- 20.3% **+ 0.6%** **+ 7.1%**

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.



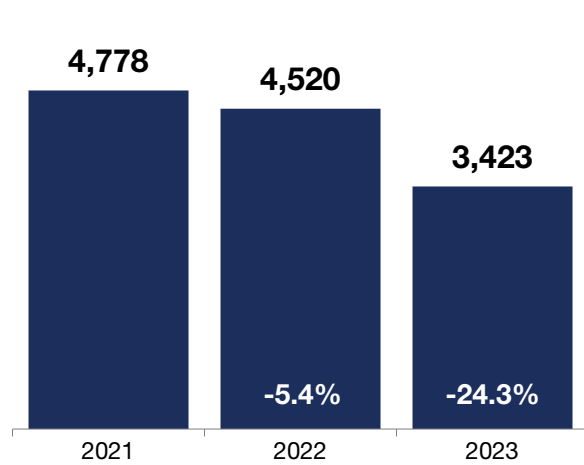
Key Metrics	Historical Sparklines (normalized)	2-2022	2-2023	+ / -	YTD 2022	YTD 2023	+ / -
New Listings		4,520	3,423	- 24.3%	8,195	6,761	- 17.5%
Pending Sales		3,840	2,932	- 23.6%	7,012	5,520	- 21.3%
Closed Sales		2,878	2,295	- 20.3%	5,950	4,406	- 25.9%
Days on Market Until Sale		44	62	+ 40.9%	42	61	+ 45.2%
Median List Price		\$375,000	\$394,900	+ 5.3%	\$369,900	\$395,000	+ 6.8%
Median Sales Price		\$340,000	\$342,000	+ 0.6%	\$335,000	\$342,000	+ 2.1%
Price Per Square Foot		\$196	\$197	+ 0.5%	\$193	\$197	+ 1.9%
ShowingTime Housing Value Index		\$261,691	\$285,774	+ 9.2%	--	--	--
Pct. of Orig. List Price Received		100.8%	97.2%	- 3.6%	100.2%	96.6%	- 3.6%
Inventory of Homes for Sale		4,974	5,327	+ 7.1%	--	--	--
Months Supply of Homes for Sale		0.9	1.3	+ 44.4%	--	--	--

New Listings

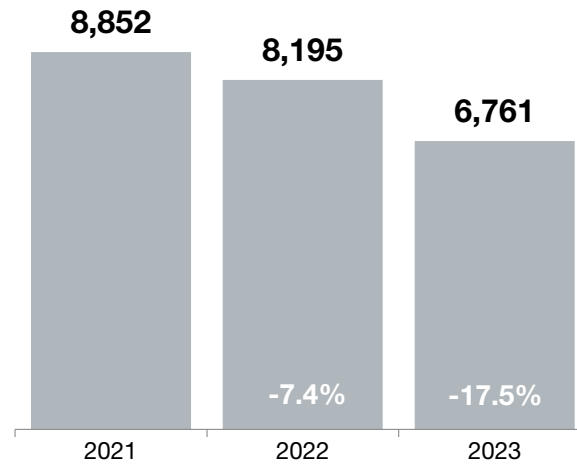
A count of the properties that have been newly listed on the market in a given month.



February

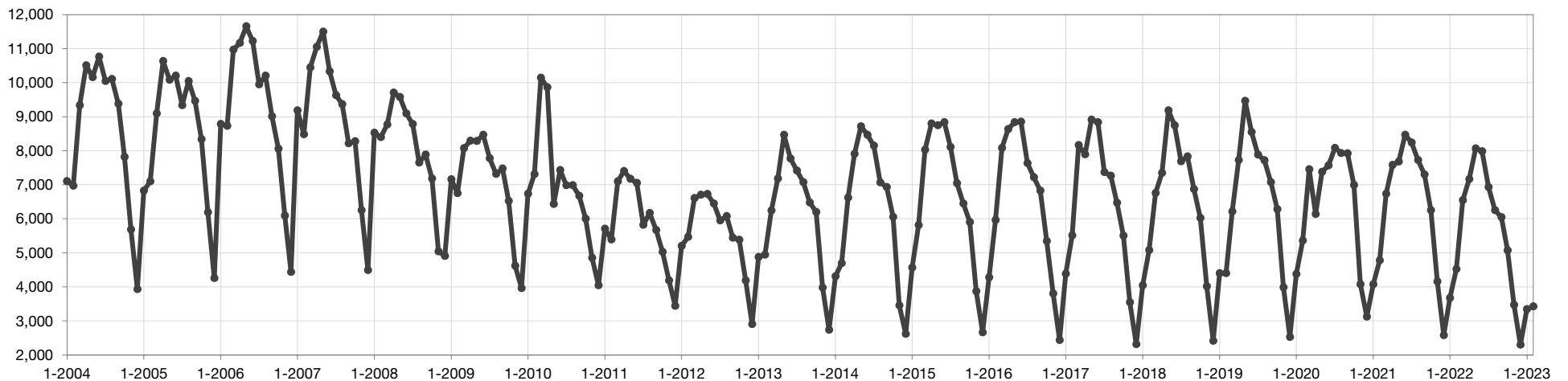


Year To Date



	New Listings	Prior Year	Percent Change
March 2022	6,545	6,739	-2.9%
April 2022	7,166	7,579	-5.4%
May 2022	8,068	7,682	+5.0%
June 2022	7,981	8,468	-5.8%
July 2022	6,932	8,244	-15.9%
August 2022	6,251	7,726	-19.1%
September 2022	6,051	7,304	-17.2%
October 2022	5,071	6,249	-18.9%
November 2022	3,471	4,160	-16.6%
December 2022	2,300	2,578	-10.8%
January 2023	3,338	3,675	-9.2%
February 2023	3,423	4,520	-24.3%
12-Month Avg	5,550	6,244	-11.1%

Historical New Listing Activity

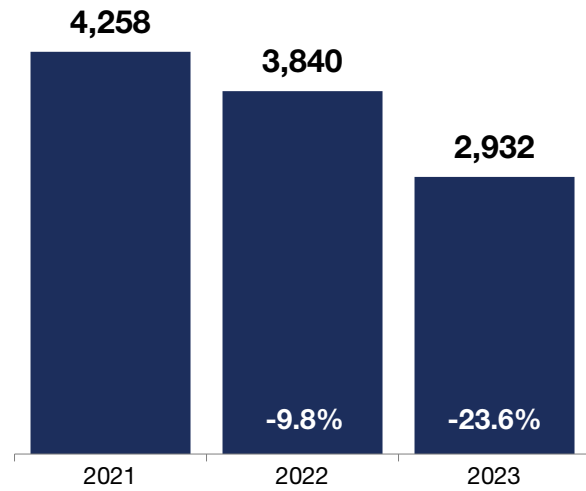


Pending Sales

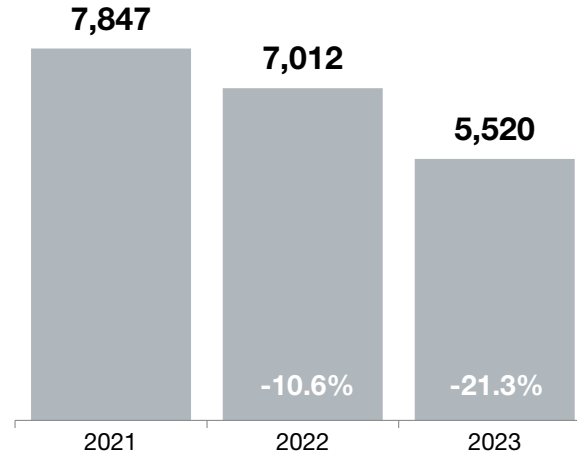
A count of the properties on which contracts have been accepted in a given month.



February

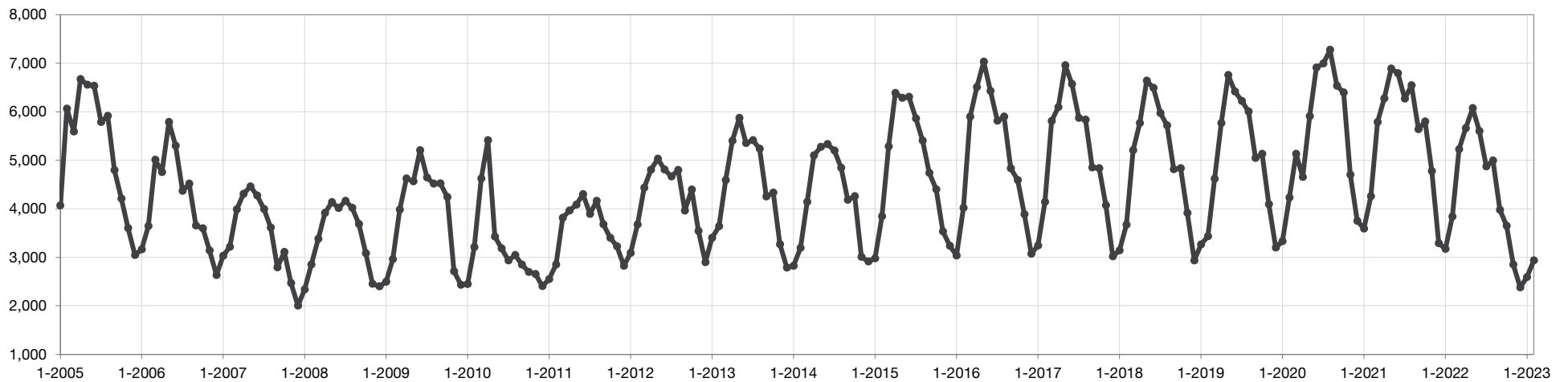


Year To Date



	Pending Sales	Prior Year	Percent Change
March 2022	5,223	5,784	-9.7%
April 2022	5,657	6,272	-9.8%
May 2022	6,074	6,889	-11.8%
June 2022	5,603	6,791	-17.5%
July 2022	4,872	6,267	-22.3%
August 2022	4,994	6,541	-23.7%
September 2022	3,976	5,640	-29.5%
October 2022	3,647	5,799	-37.1%
November 2022	2,849	4,776	-40.3%
December 2022	2,376	3,286	-27.7%
January 2023	2,588	3,172	-18.4%
February 2023	2,932	3,840	-23.6%
12-Month Avg	4,233	5,421	-21.9%

Historical Pending Sales Activity

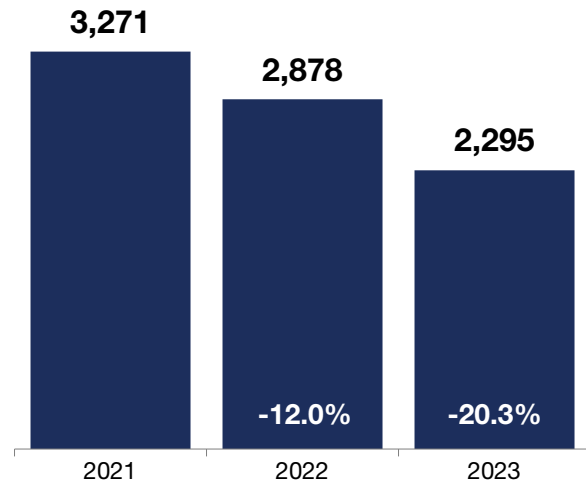


Closed Sales

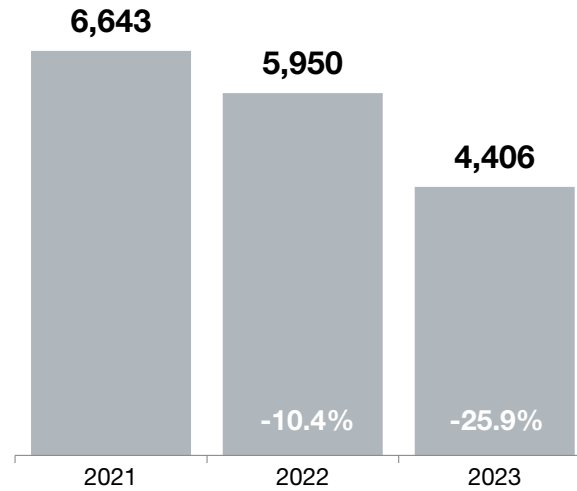
A count of the actual sales that have closed in a given month.



February

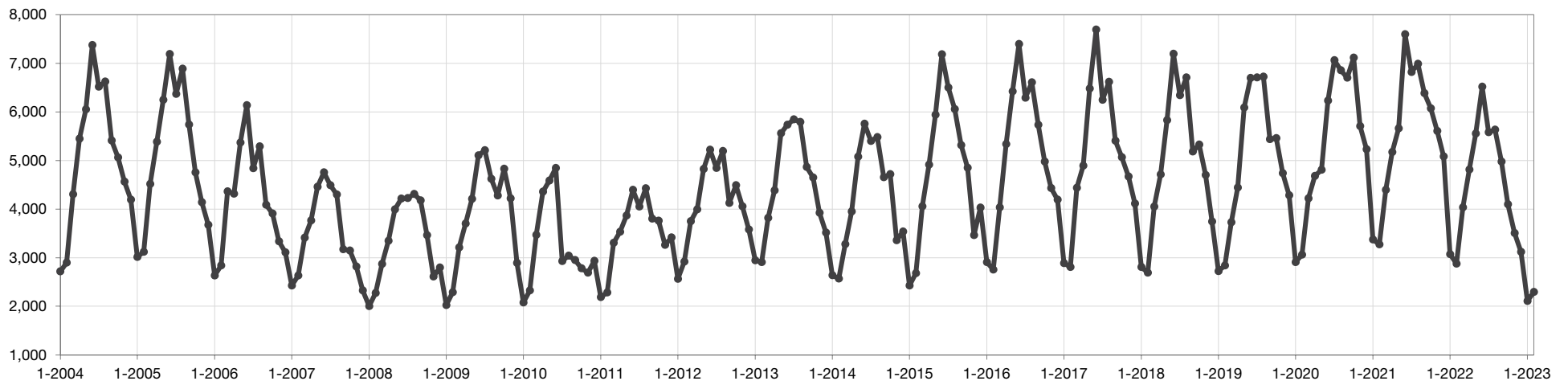


Year To Date



Closed Sales		Prior Year	Percent Change
March 2022	4,033	4,392	-8.2%
April 2022	4,810	5,170	-7.0%
May 2022	5,552	5,660	-1.9%
June 2022	6,516	7,594	-14.2%
July 2022	5,578	6,818	-18.2%
August 2022	5,633	6,988	-19.4%
September 2022	4,978	6,383	-22.0%
October 2022	4,099	6,071	-32.5%
November 2022	3,508	5,605	-37.4%
December 2022	3,118	5,082	-38.6%
January 2023	2,111	3,072	-31.3%
February 2023	2,295	2,878	-20.3%
12-Month Avg	4,353	5,476	-20.9%

Historical Closed Sales Activity

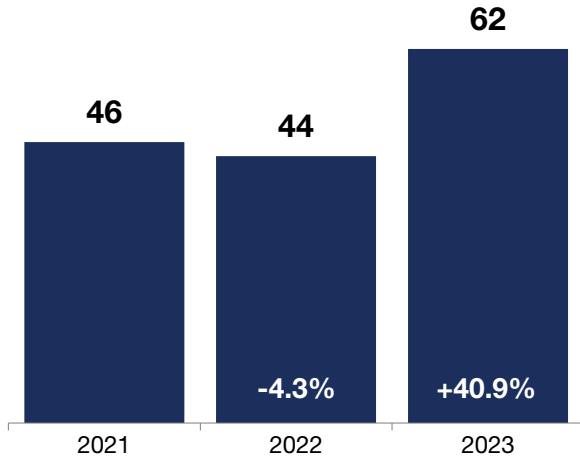


Days on Market Until Sale

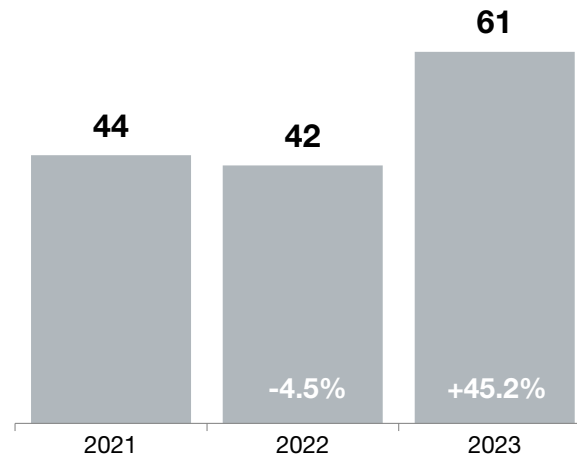
Average, cumulative number of days between when a property is listed and when an offer is accepted in a given month.



February

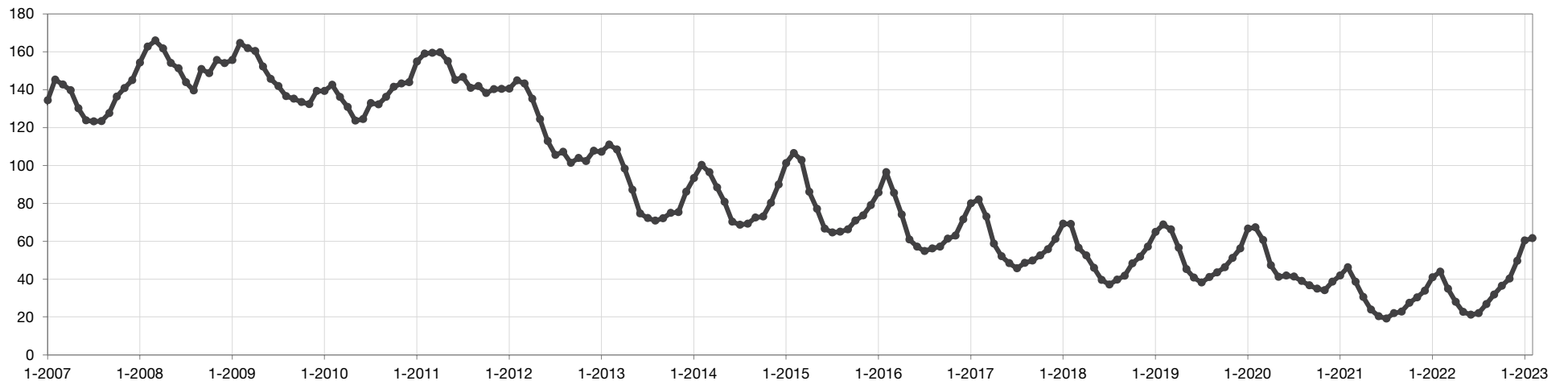


Year To Date



Month	Days on Market	Prior Year	Percent Change
March 2022	35	39	-10.3%
April 2022	28	31	-9.7%
May 2022	23	24	-4.2%
June 2022	21	20	+5.0%
July 2022	22	19	+15.8%
August 2022	27	22	+22.7%
September 2022	32	23	+39.1%
October 2022	36	27	+33.3%
November 2022	40	30	+33.3%
December 2022	50	34	+47.1%
January 2023	60	41	+46.3%
February 2023	62	44	+40.9%
12-Month Avg	32	27	+18.5%

Historical Days on Market Until Sale

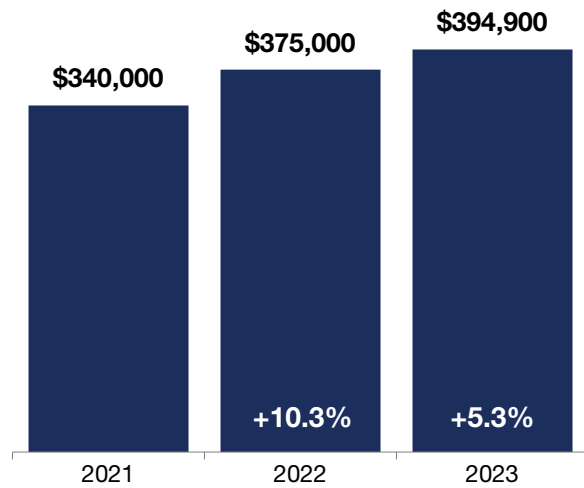


Median Original List Price

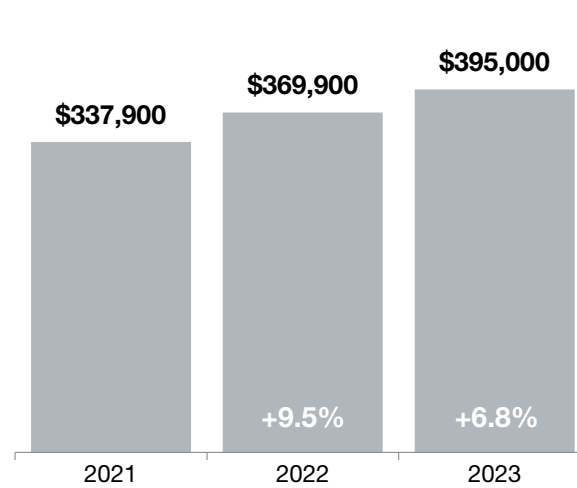
Median original list price for all new listings in a given month. List prices can serve as a leading indicator of future price movement.



February



Year To Date



	Median Original List Price	Prior Year	Percent Change
March 2022	\$375,000	\$337,490	+11.1%
April 2022	\$380,000	\$336,520	+12.9%
May 2022	\$389,900	\$349,900	+11.4%
June 2022	\$389,000	\$349,900	+11.2%
July 2022	\$385,000	\$340,000	+13.2%
August 2022	\$375,000	\$339,900	+10.3%
September 2022	\$375,000	\$345,000	+8.7%
October 2022	\$374,900	\$339,900	+10.3%
November 2022	\$375,000	\$325,000	+15.4%
December 2022	\$384,900	\$350,000	+10.0%
January 2023	\$396,915	\$360,000	+10.3%
February 2023	\$394,900	\$375,000	+5.3%
12-Month Med	\$381,130	\$345,000	+10.5%

Historical Median Original List Price

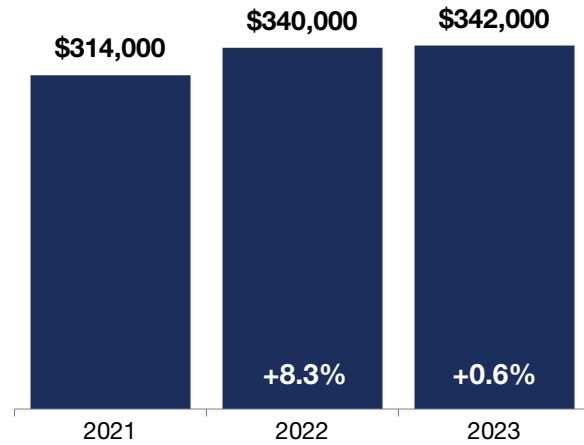


Median Sales Price

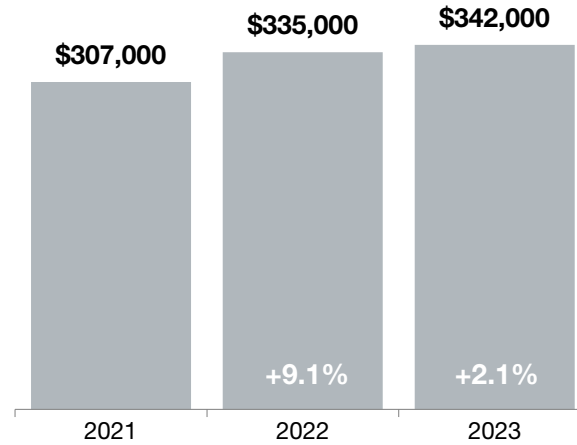
Median price point for all closed sales, not accounting for seller concessions, in a given month.



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Year To Date



	Median Sales Price	Prior Year	Percent Change
March 2022	\$355,000	\$328,631	+8.0%
April 2022	\$370,000	\$336,500	+10.0%
May 2022	\$375,000	\$344,248	+8.9%
June 2022	\$380,000	\$350,000	+8.6%
July 2022	\$375,000	\$350,000	+7.1%
August 2022	\$369,900	\$350,000	+5.7%
September 2022	\$362,050	\$340,600	+6.3%
October 2022	\$356,002	\$340,000	+4.7%
November 2022	\$354,900	\$339,900	+4.4%
December 2022	\$348,320	\$331,500	+5.1%
January 2023	\$342,000	\$332,950	+2.7%
February 2023	\$342,000	\$340,000	+0.6%
12-Month Med	\$365,000	\$340,000	+7.4%

Historical Median Sales Price



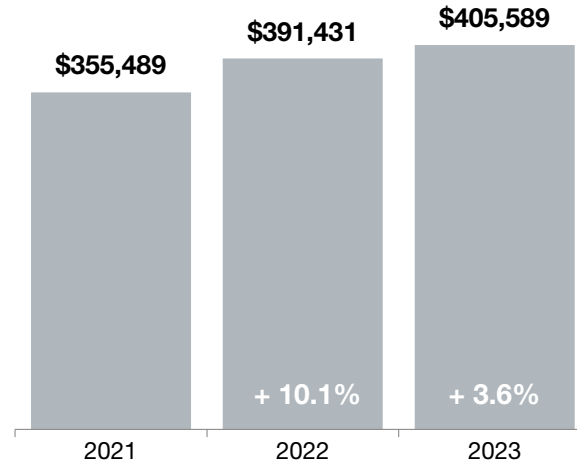
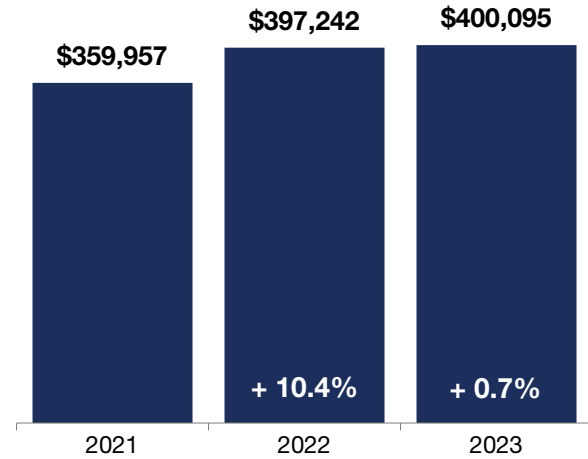
Average Sales Price

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



February

Year to Date



	Average Sales Price	Prior Year	Percent Change
March 2022	\$411,643	\$383,099	+7.5%
April 2022	\$430,817	\$386,910	+11.3%
May 2022	\$435,726	\$402,380	+8.3%
June 2022	\$448,266	\$407,250	+10.1%
July 2022	\$434,251	\$404,298	+7.4%
August 2022	\$430,136	\$410,188	+4.9%
September 2022	\$424,720	\$392,863	+8.1%
October 2022	\$420,546	\$395,494	+6.3%
November 2022	\$419,583	\$392,123	+7.0%
December 2022	\$412,430	\$389,511	+5.9%
January 2023	\$411,563	\$386,004	+6.6%
February 2023	\$400,095	\$397,242	+0.7%
12-Month Avg	\$426,943	\$397,045	+7.5%

Historical Average Sales Price

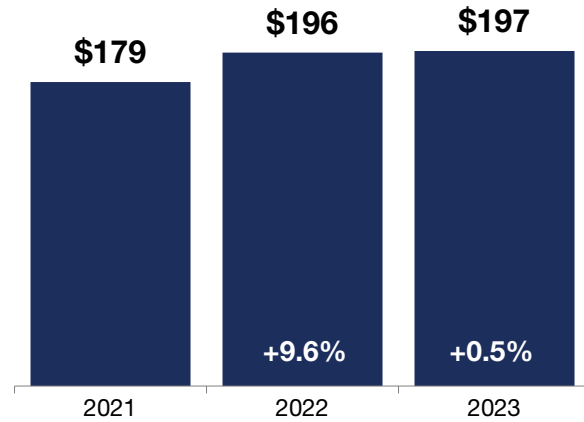


Price Per Square Foot

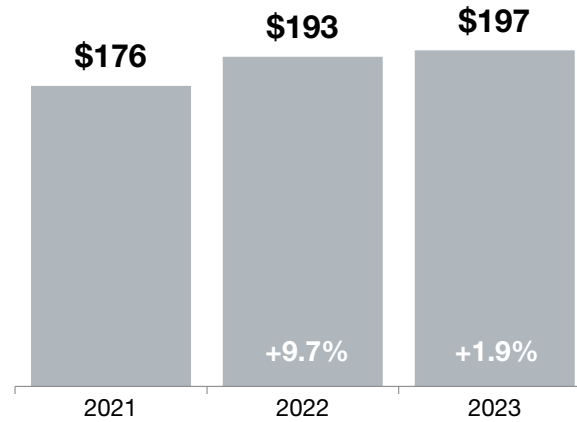
The price per square foot of homes sold in a given month. Sold properties only. Does not account for seller concessions.



February



Year to Date



	Price Per Square Foot	Prior Year	Percent Change
March 2022	\$205	\$186	+10.3%
April 2022	\$210	\$188	+12.1%
May 2022	\$210	\$193	+8.6%
June 2022	\$210	\$193	+8.5%
July 2022	\$205	\$194	+5.8%
August 2022	\$202	\$193	+4.8%
September 2022	\$200	\$189	+6.0%
October 2022	\$199	\$189	+4.9%
November 2022	\$198	\$189	+4.9%
December 2022	\$195	\$191	+2.5%
January 2023	\$197	\$191	+3.3%
February 2023	\$197	\$196	+0.5%
12-Month Avg	\$204	\$191	+6.7%

Historical Price Per Square Foot

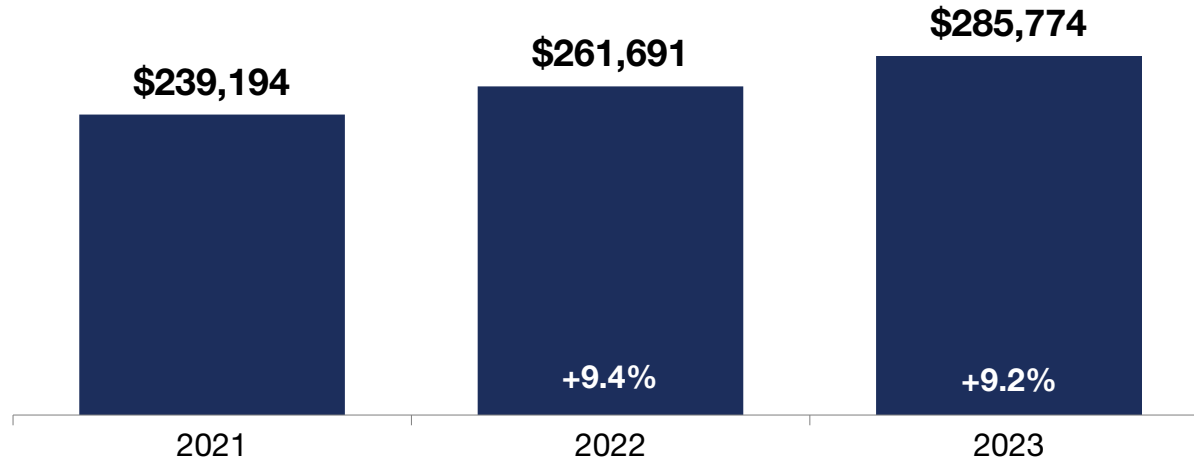


ShowingTime Housing Value Index



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.

February



	Housing Value Index	Prior Year	Percent Change
March 2022	\$270,292	\$245,220	+10.2%
April 2022	\$275,574	\$249,974	+10.2%
May 2022	\$283,051	\$246,569	+14.8%
June 2022	\$285,666	\$248,688	+14.9%
July 2022	\$286,741	\$251,125	+14.2%
August 2022	\$284,887	\$254,944	+11.7%
September 2022	\$281,139	\$256,577	+9.6%
October 2022	\$280,162	\$257,209	+8.9%
November 2022	\$279,727	\$257,485	+8.6%
December 2022	\$281,238	\$256,972	+9.4%
January 2023	\$280,909	\$257,337	+9.2%
February 2023	\$285,774	\$261,691	+9.2%
12-Month Avg	\$281,263	\$253,649	+10.9%

Historical ShowingTime Housing Value Index



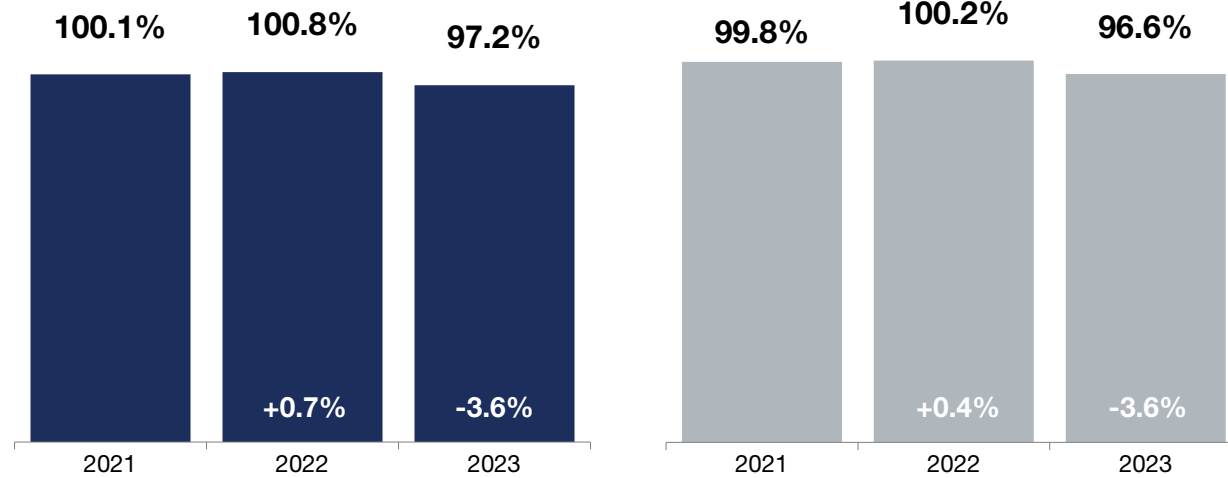
Percent of Original List Price Received



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.

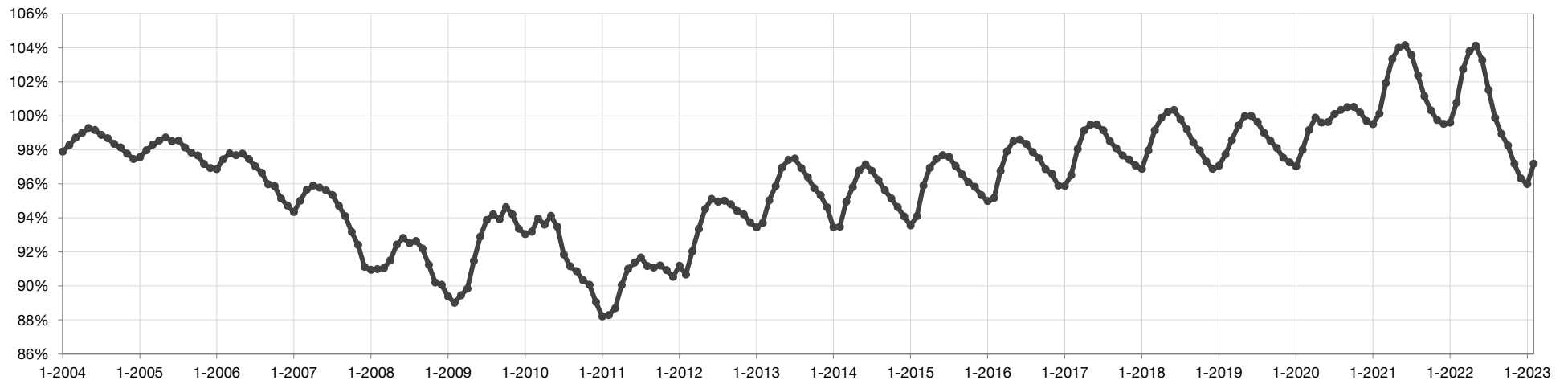
February

Year to Date



	Pct. Of Orig. List Price Rec'd	Prior Year	Percent Change
March 2022	102.7%	101.9%	+0.8%
April 2022	103.8%	103.3%	+0.5%
May 2022	104.1%	104.0%	+0.1%
June 2022	103.3%	104.1%	-0.8%
July 2022	101.5%	103.6%	-2.0%
August 2022	99.9%	102.4%	-2.4%
September 2022	98.9%	101.2%	-2.3%
October 2022	98.2%	100.3%	-2.1%
November 2022	97.2%	99.8%	-2.6%
December 2022	96.3%	99.5%	-3.2%
January 2023	96.0%	99.6%	-3.6%
February 2023	97.2%	100.8%	-3.6%
12-Month Avg	100.6%	101.9%	-1.3%

Historical Percent of Original List Price Received



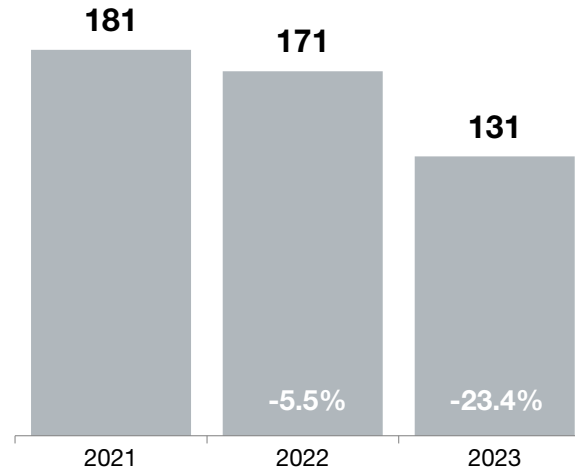
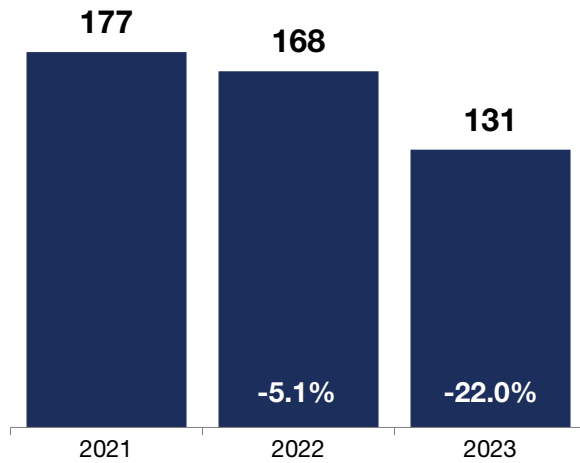
Housing Affordability Index



This index measures housing affordability for the region. For example, 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.

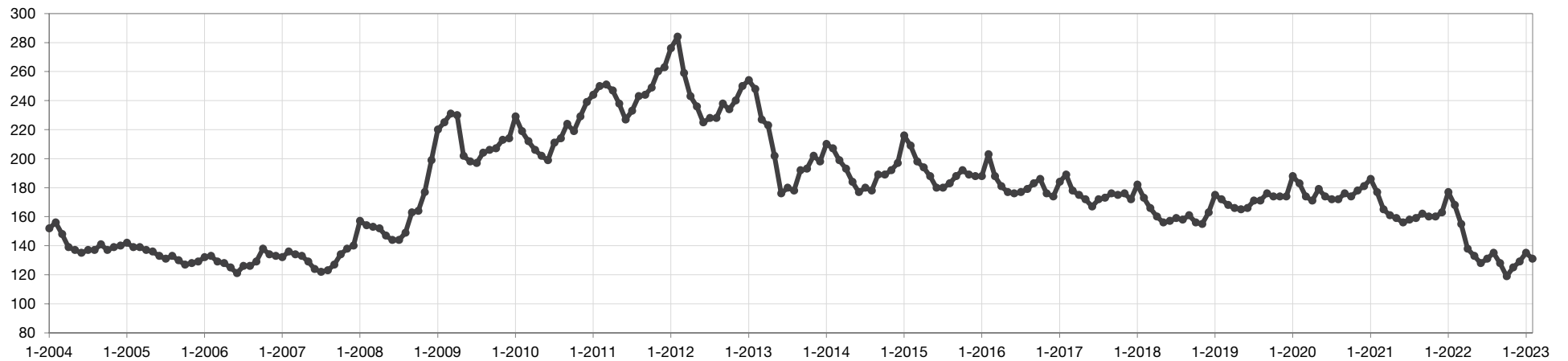
February

Year to Date



	Housing Affordability Index	Prior Year	Percent Change
March 2022	155	165	-6.1%
April 2022	138	161	-14.3%
May 2022	133	159	-16.4%
June 2022	128	156	-17.9%
July 2022	131	158	-17.1%
August 2022	135	159	-15.1%
September 2022	128	162	-21.0%
October 2022	119	160	-25.6%
November 2022	125	160	-21.9%
December 2022	129	163	-20.9%
January 2023	135	177	-23.7%
February 2023	131	168	-22.0%
12-Month Avg	132	162	-18.5%

Historical Housing Affordability Index

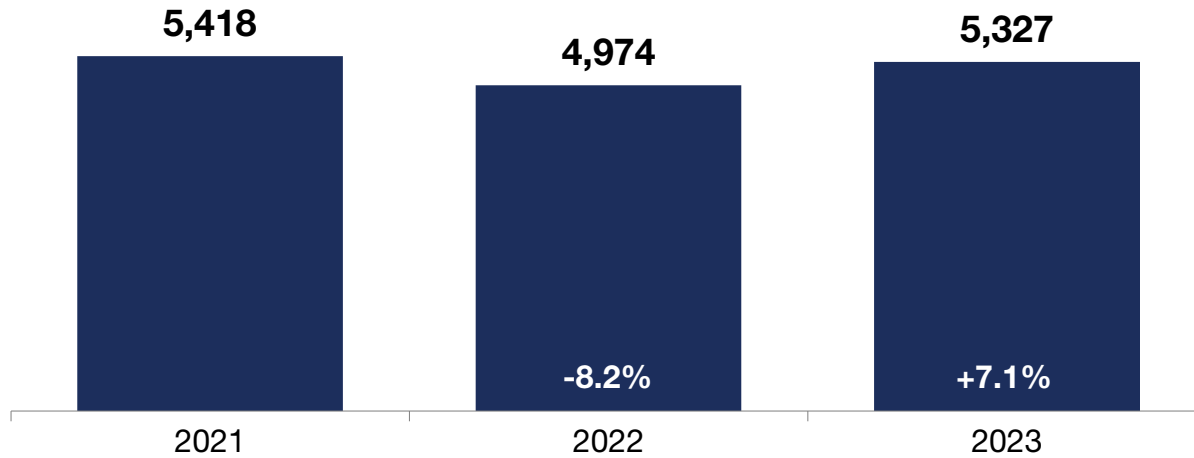


Inventory of Homes for Sale

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

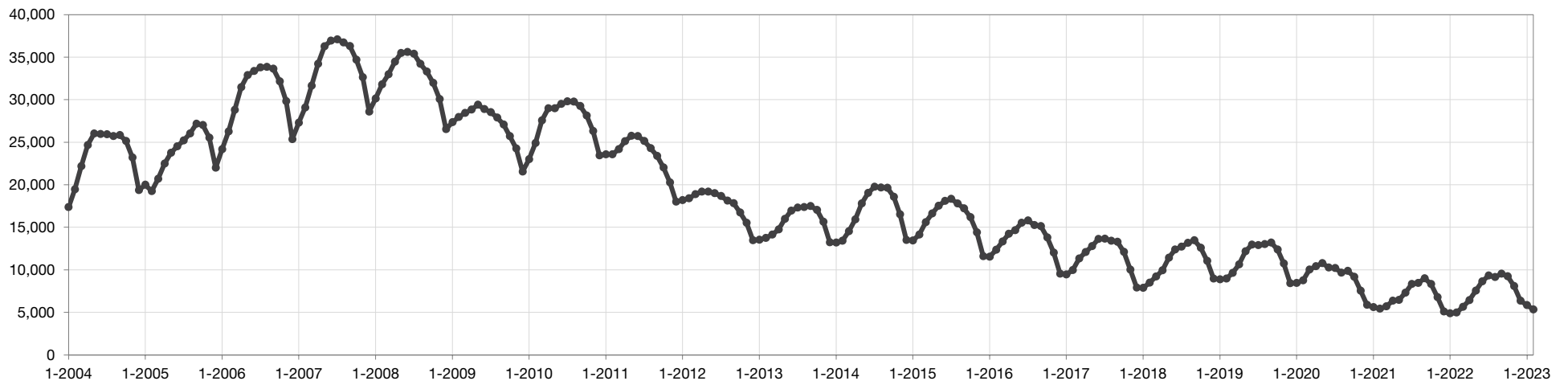


February



Homes for Sale		Prior Year	Percent Change
March 2022	5,645	5,705	-1.1%
April 2022	6,434	6,356	+1.2%
May 2022	7,530	6,469	+16.4%
June 2022	8,637	7,314	+18.1%
July 2022	9,325	8,329	+12.0%
August 2022	9,160	8,451	+8.4%
September 2022	9,541	9,006	+5.9%
October 2022	9,252	8,337	+11.0%
November 2022	8,090	6,785	+19.2%
December 2022	6,360	5,092	+24.9%
January 2023	5,855	4,881	+20.0%
February 2023	5,327	4,974	+7.1%
12-Month Avg	7,596	6,808	+11.9%

Historical Inventory of Homes for Sale

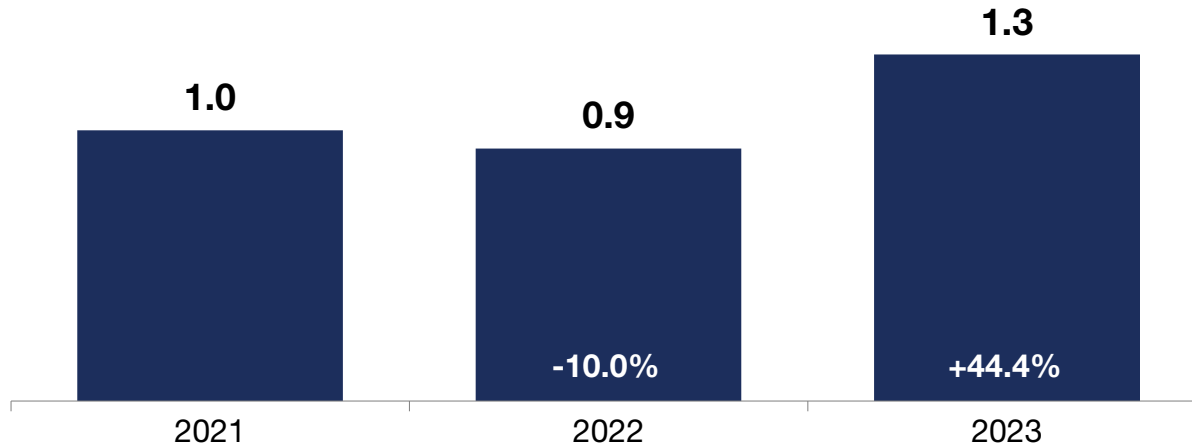


Months Supply of Homes for Sale

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.

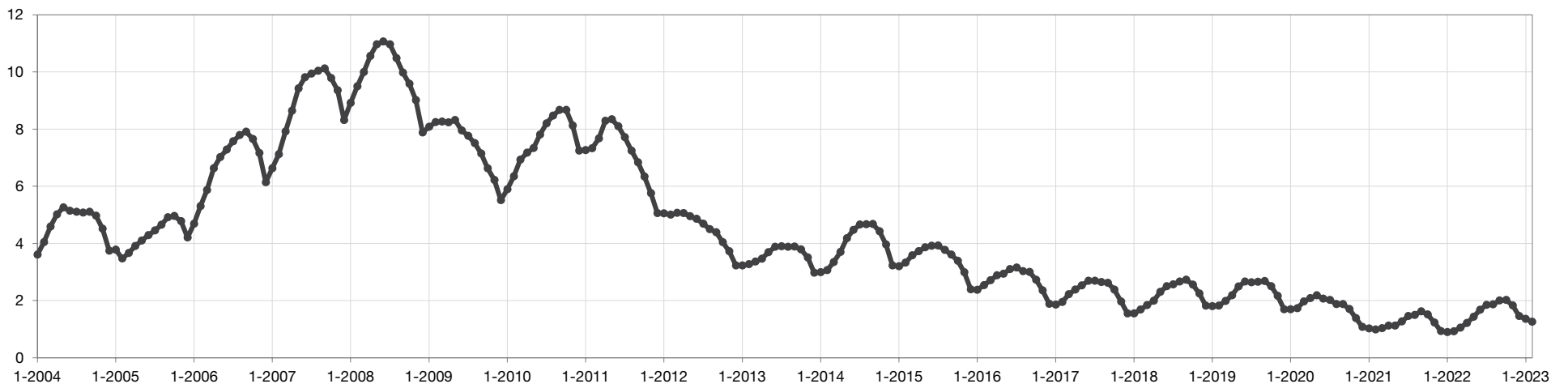


February



Months Supply		Prior Year	Percent Change
March 2022	1.1	1.0	+10.0%
April 2022	1.2	1.1	+9.1%
May 2022	1.4	1.1	+27.3%
June 2022	1.7	1.3	+30.8%
July 2022	1.9	1.5	+26.7%
August 2022	1.9	1.5	+26.7%
September 2022	2.0	1.6	+25.0%
October 2022	2.0	1.5	+33.3%
November 2022	1.8	1.2	+50.0%
December 2022	1.5	0.9	+66.7%
January 2023	1.4	0.9	+55.6%
February 2023	1.3	0.9	+44.4%
12-Month Avg	1.6	1.2	+33.3%

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, Special Funding, Other, Unknown, Rural Development, Conventional Rehab, USDA, Federal Land Bank, Lease Purchase, and MHFA/WHEDA.

Historical Mortgage Finance Utilization Rates

— Cash — Conventional — FHA Distressed Sales Rate Other

