



MINNEAPOLIS AREA Association
of REALTORS®

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August 2009

Home prices continue to show signs of strengthening. From March 2009 through August 2009 the median sales price has grown from \$154,125 to \$175,000. During the same period last year prices were flat.

Prices are stabilizing due to strong buyer demand—especially in the lower price ranges—buoyed by low mortgage rates and the federal tax credit for first-time home buyers. For the 14th consecutive month, there were more pending sales than there were the prior year. August saw 4,897 signed purchase agreements, up 11.0 percent from August 2008.

With the tax credit expiring in November, closed sales should stay robust for at least the next two months. Time will tell what the market looks like after that, but there will be less inventory.

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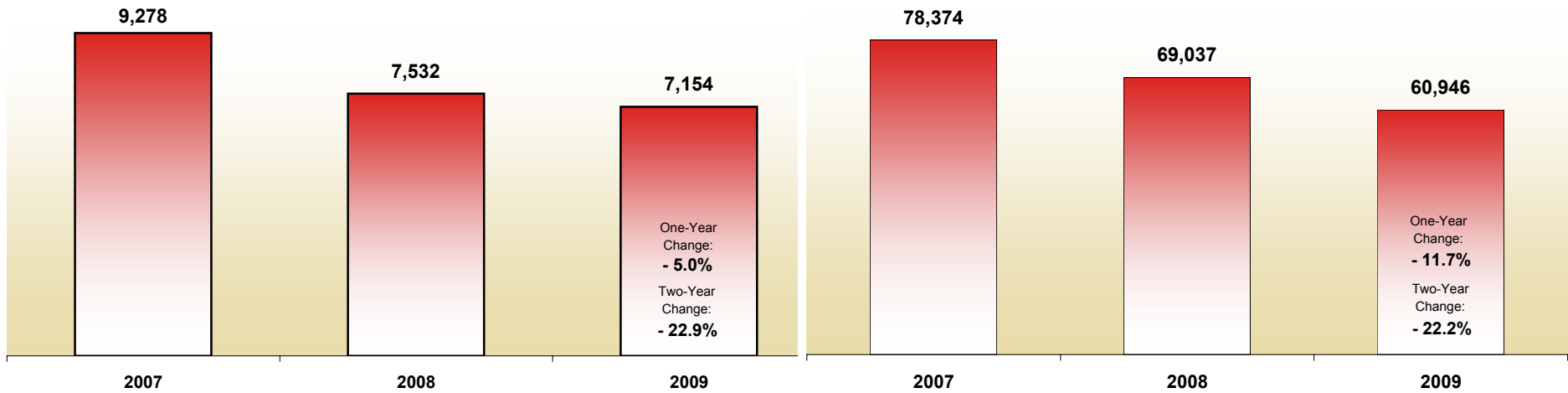
New Listings

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

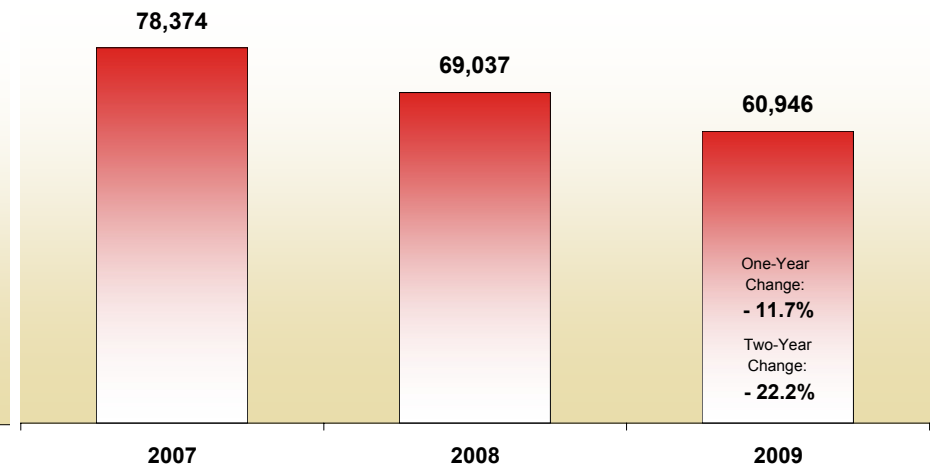


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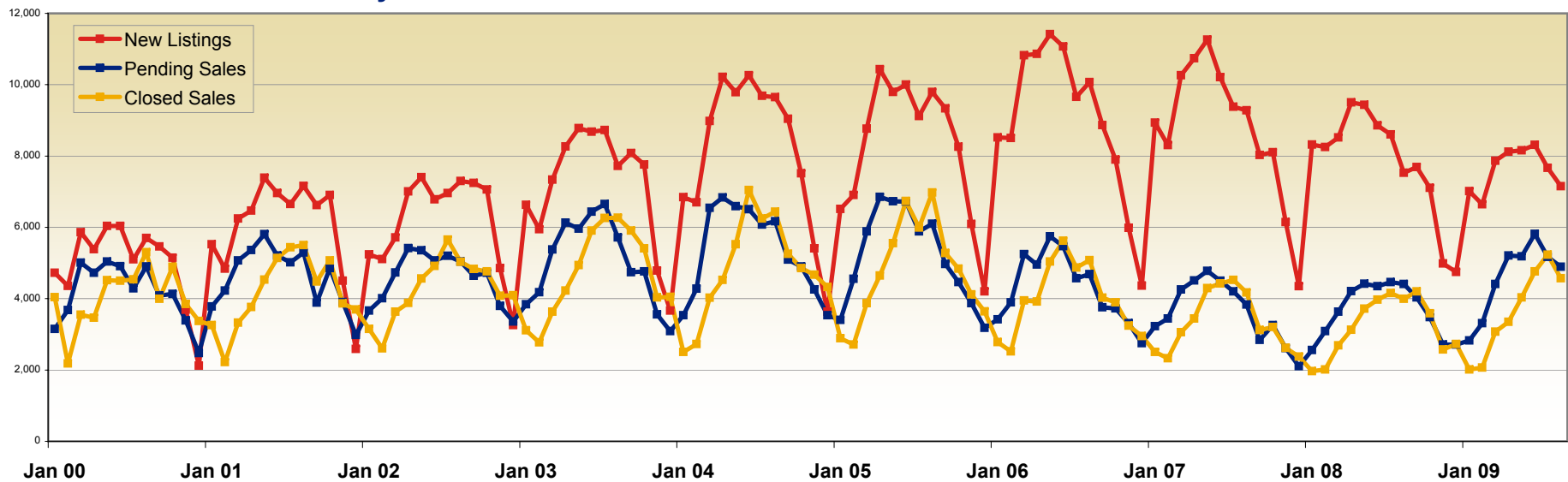
August



Year to Date



Historical Market Activity



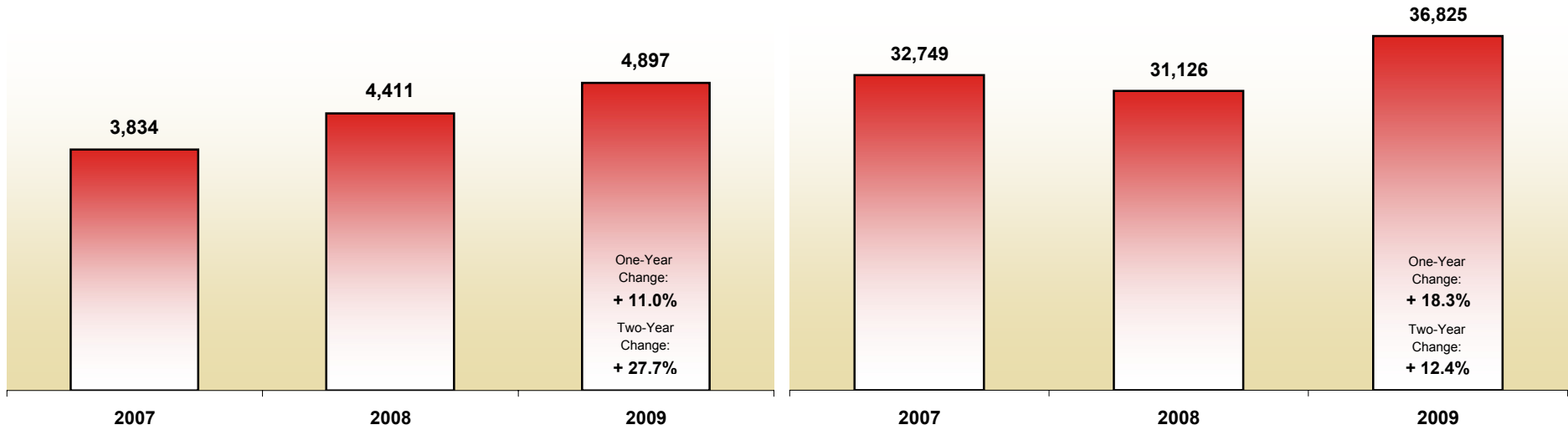
Pending Sales

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

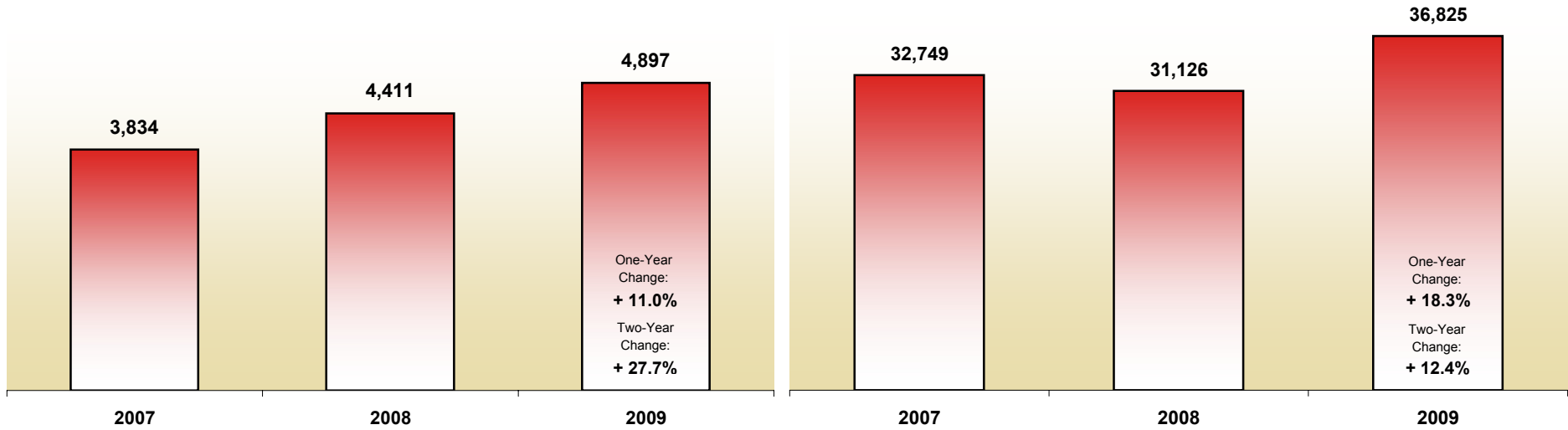


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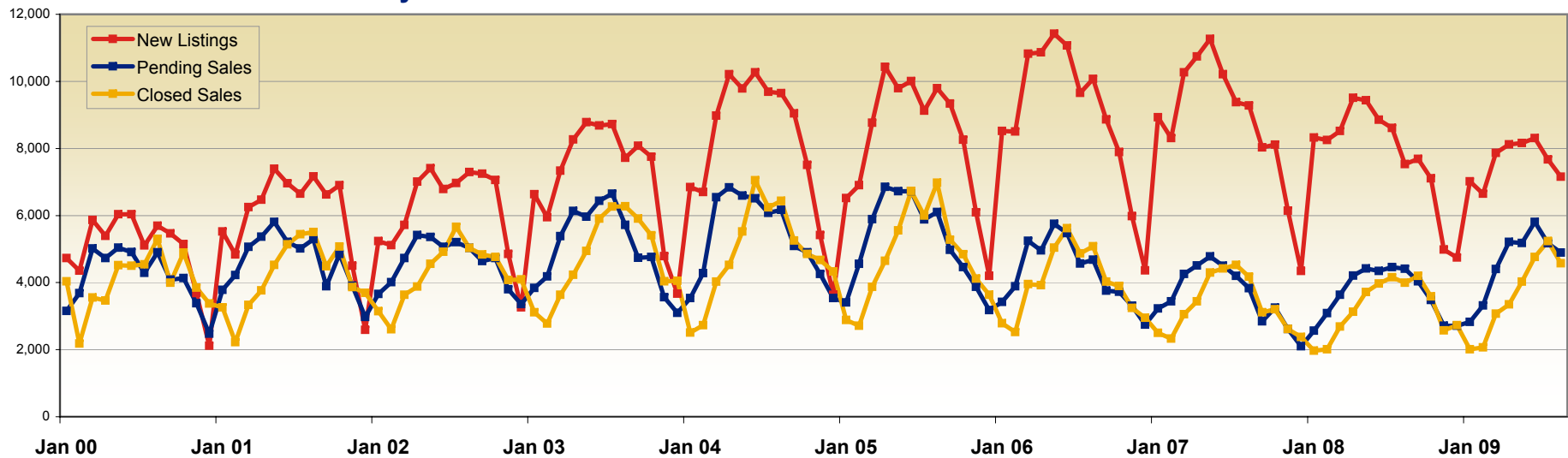
August



Year to Date



Historical Market Activity



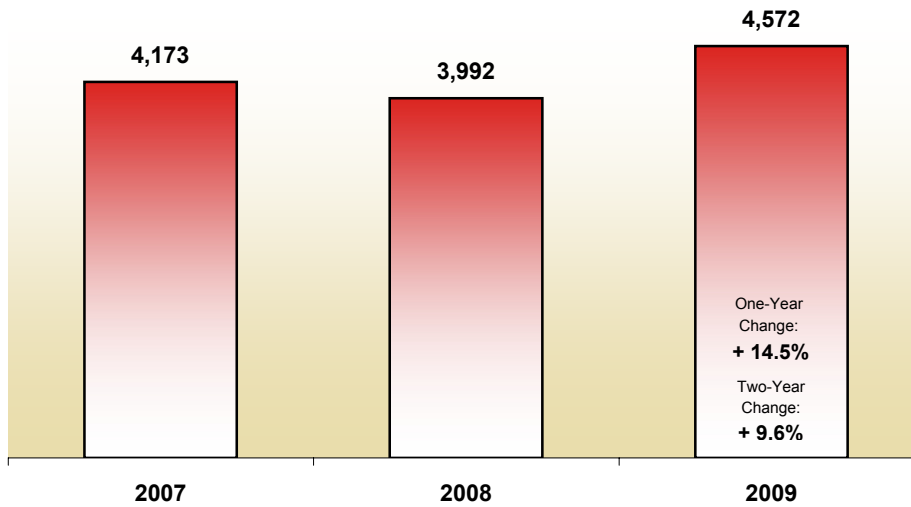
Closed Sales

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

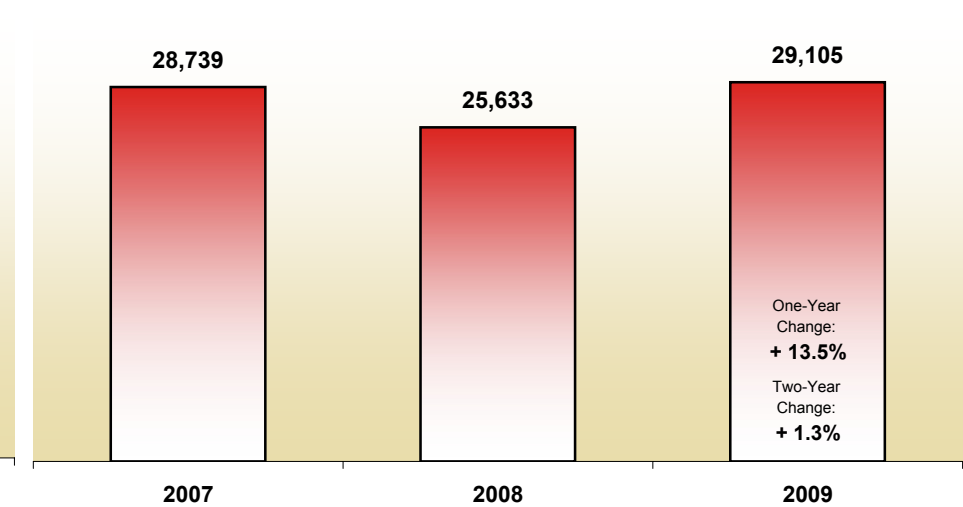


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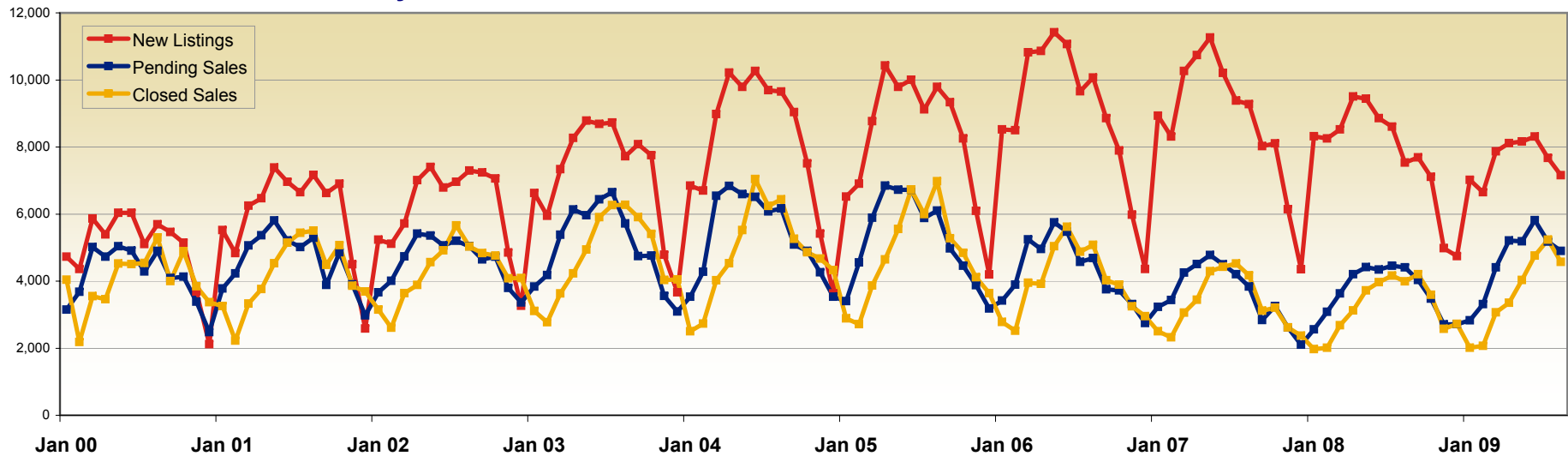
August



Year to Date



Historical Market Activity



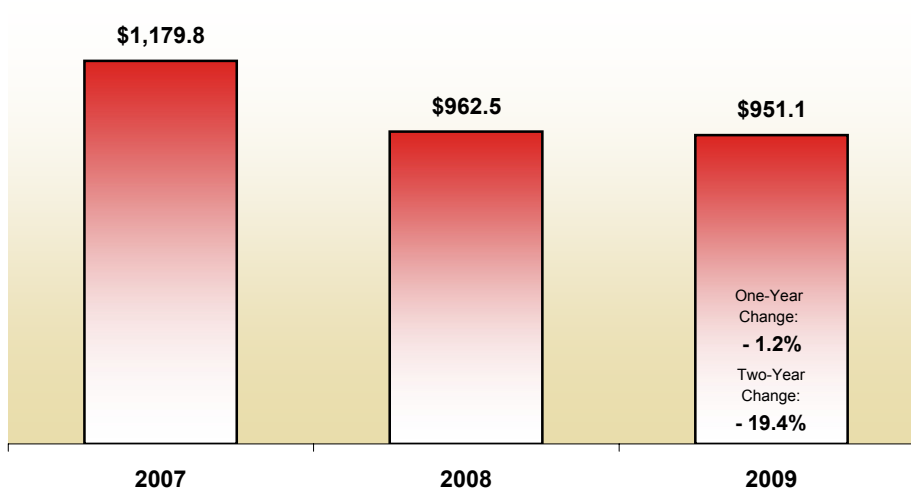
Dollar Volume of Closed Sales (in millions)

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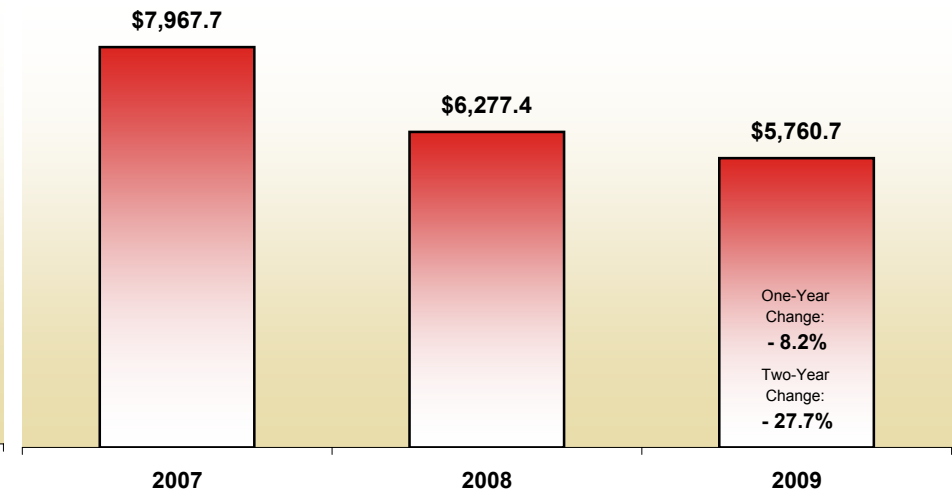


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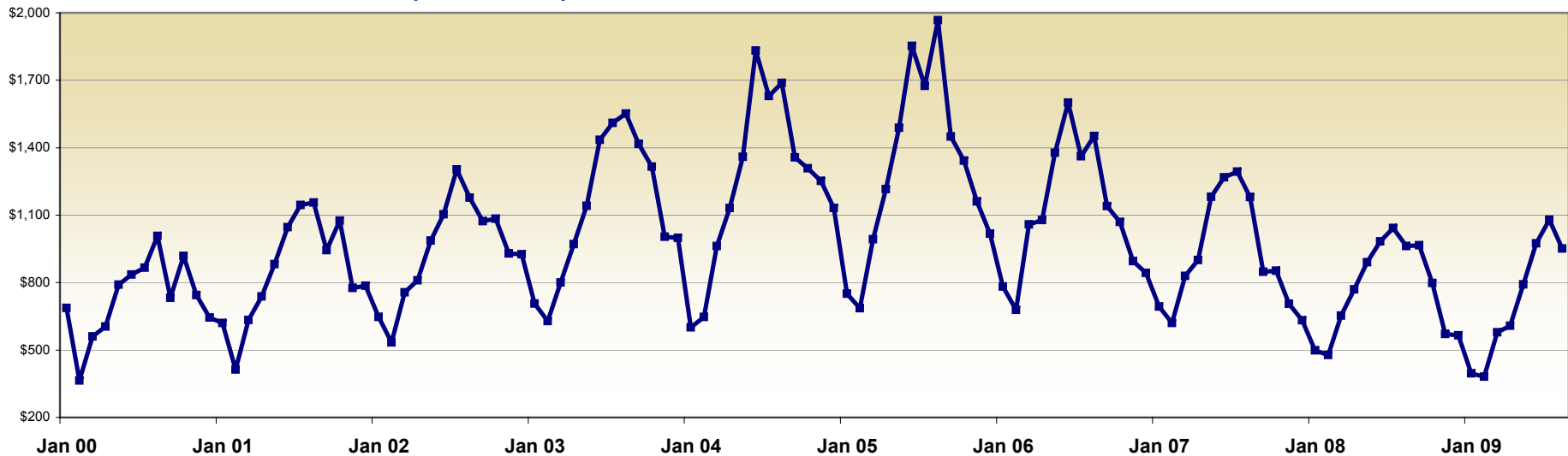
August



Year to Date



Historical Dollar Volume (in millions)



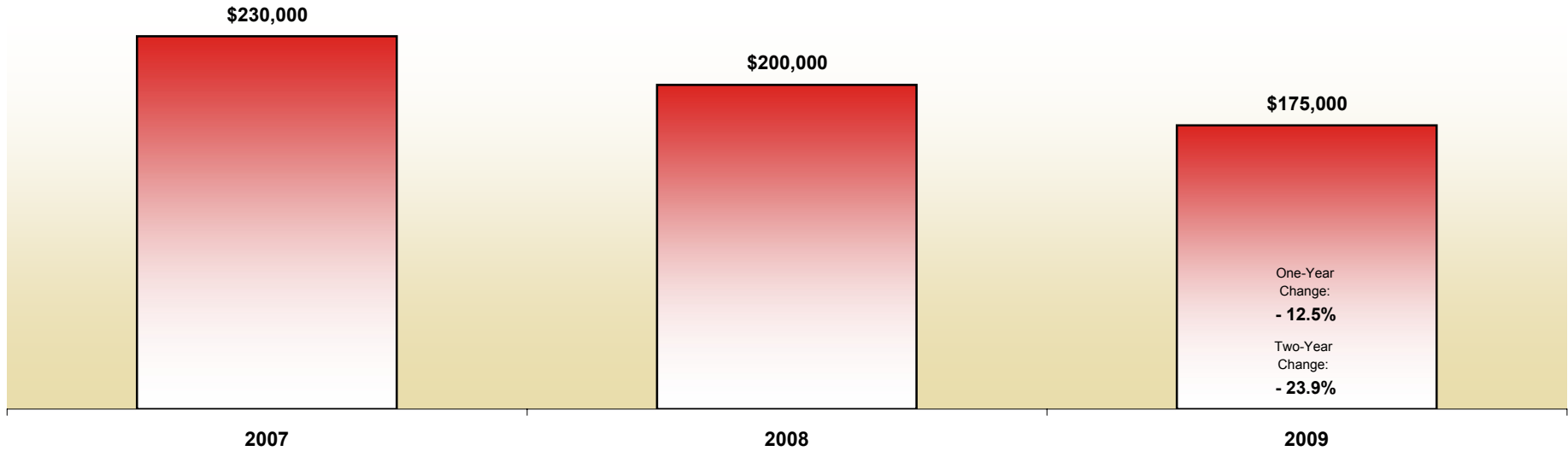
Median Sales Price

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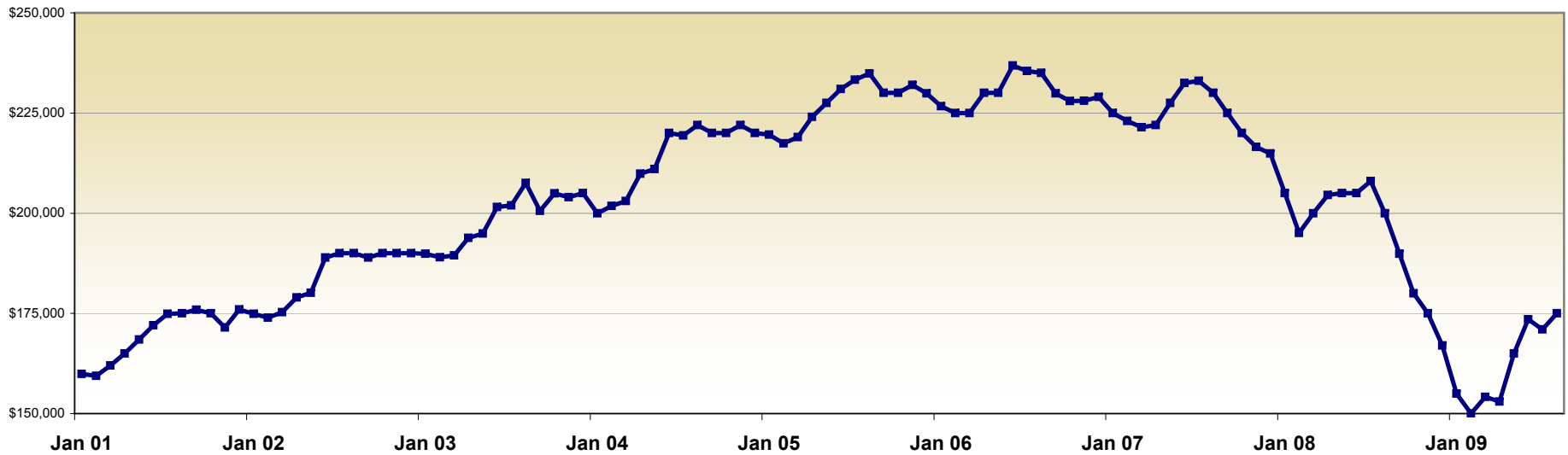


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Historical Median Sales Prices



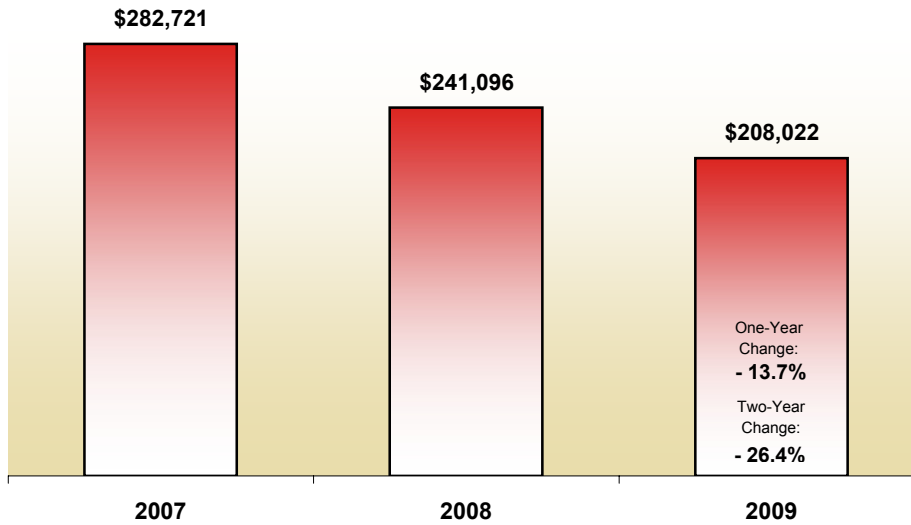
Average Sales Price

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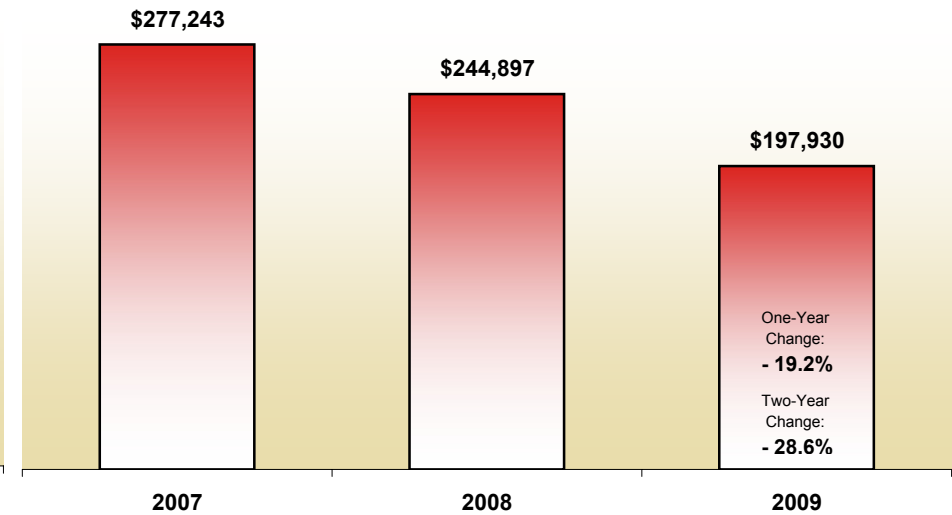


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August



Year to Date



Historical Average Prices



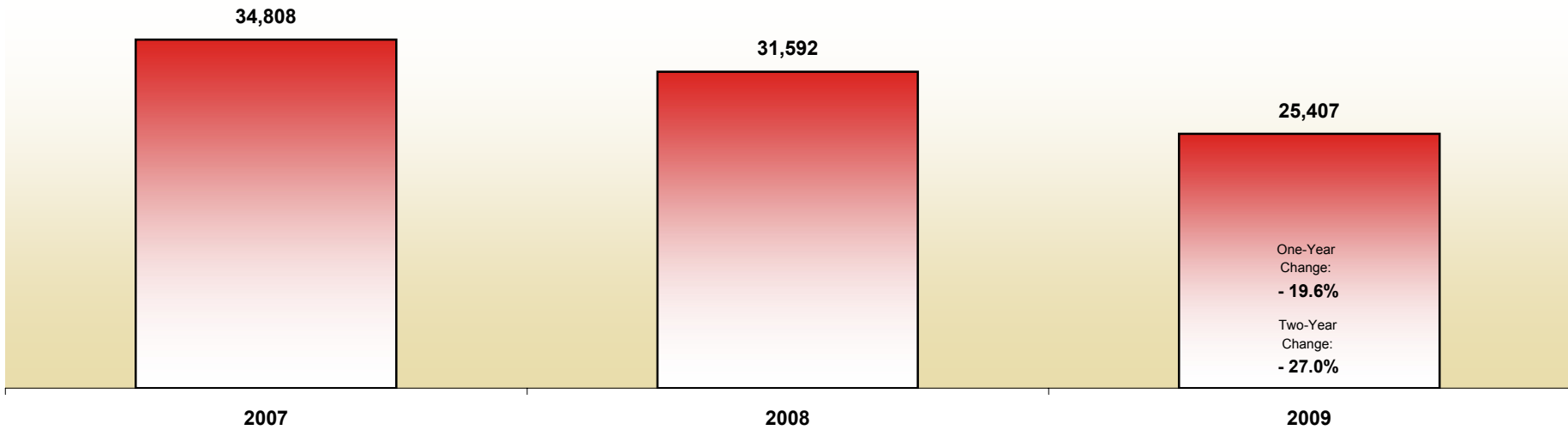
Total Active Listings Available

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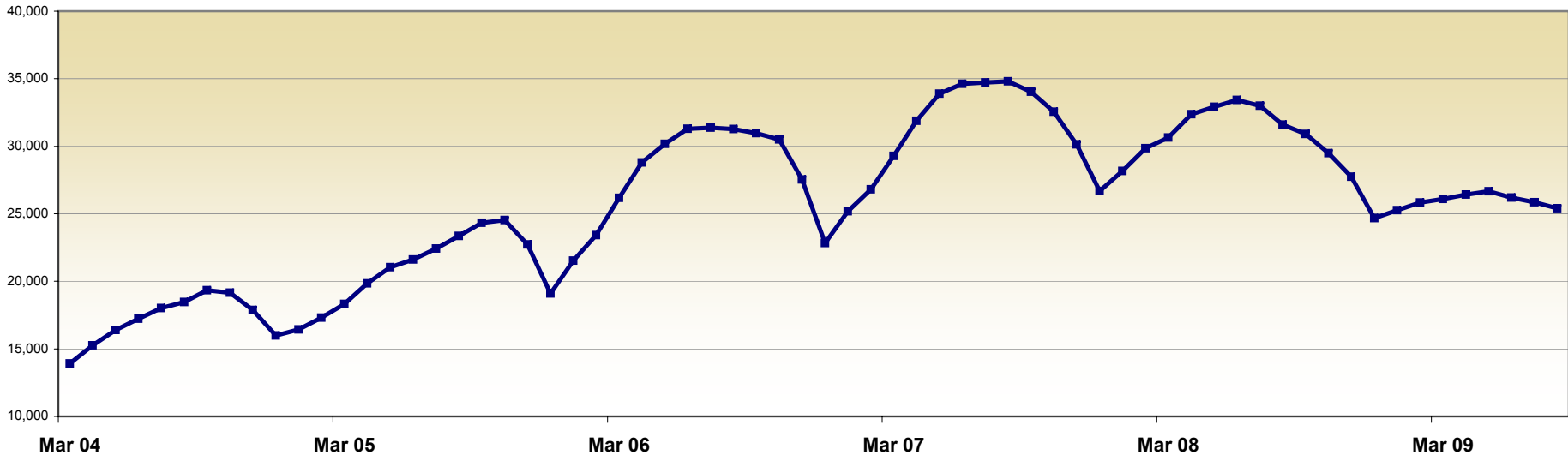


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Historical Inventory Count



Percent of Original List Price Received at Sale

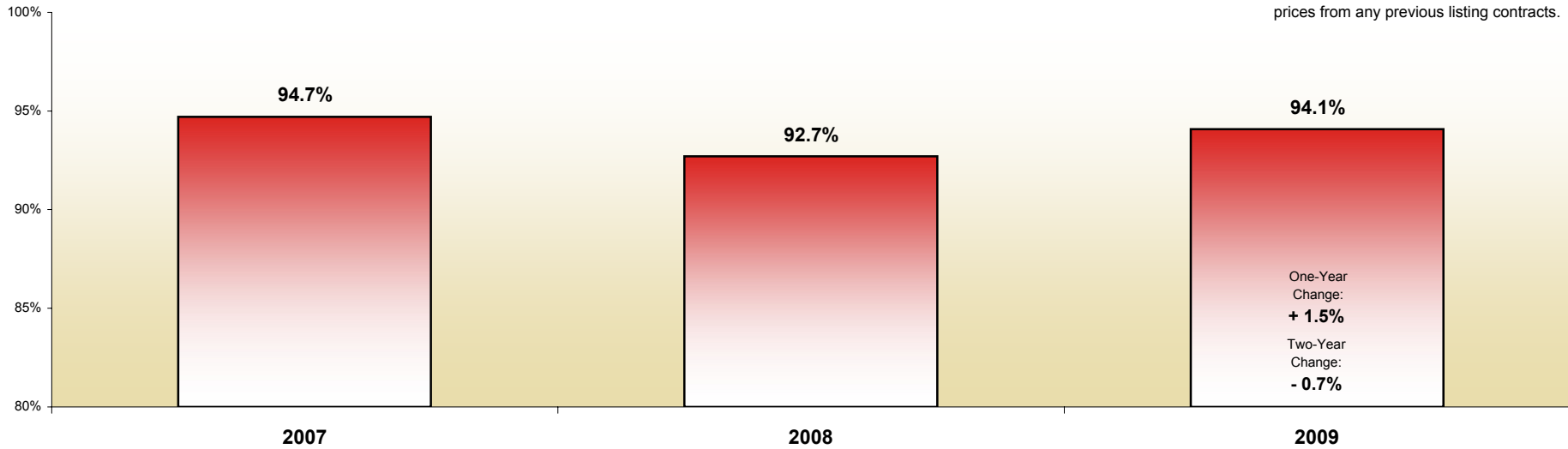
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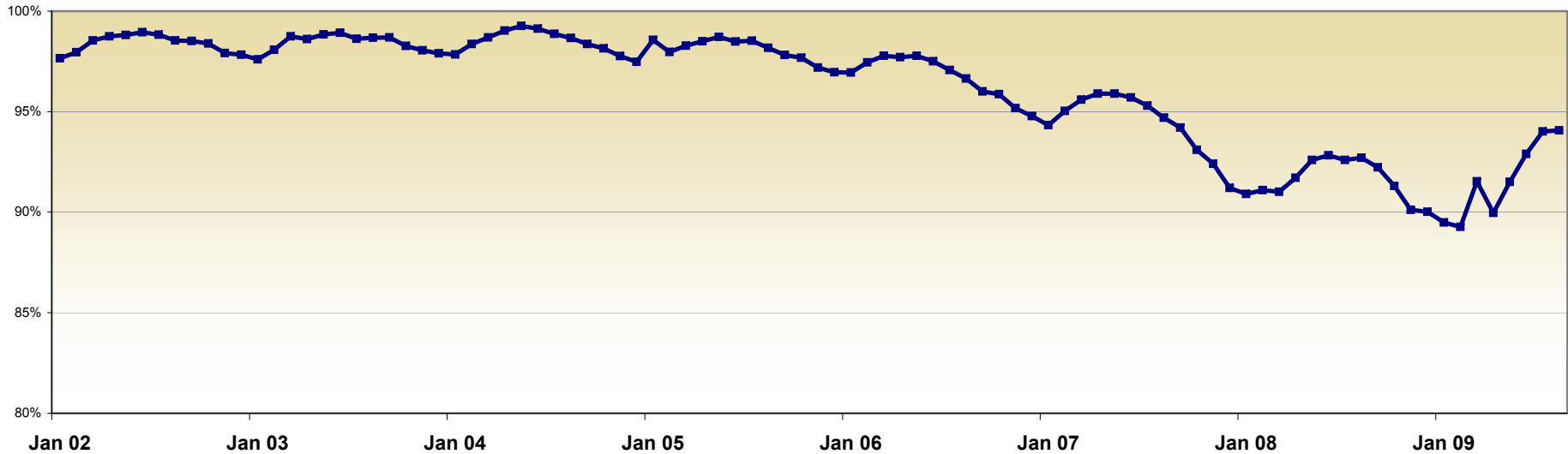
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The Percent of Original List Price Received at Sale is calculated by comparing the final sales prices of closed sales to their original list prices. This does not account for list prices from any previous listing contracts.



Historical Percent of Original List Price Received at Sale



Mortgage Rates

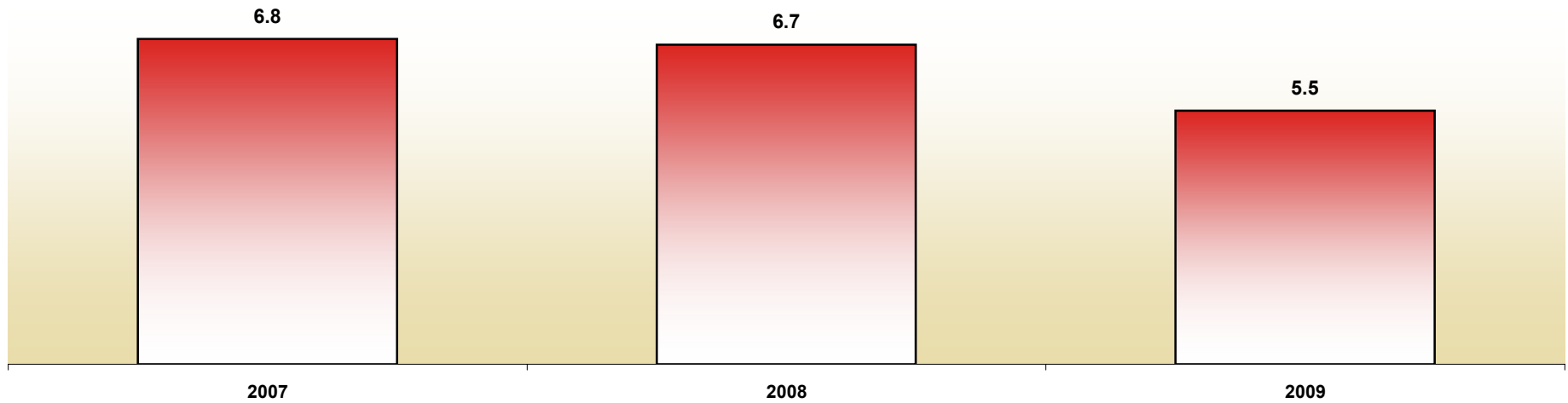
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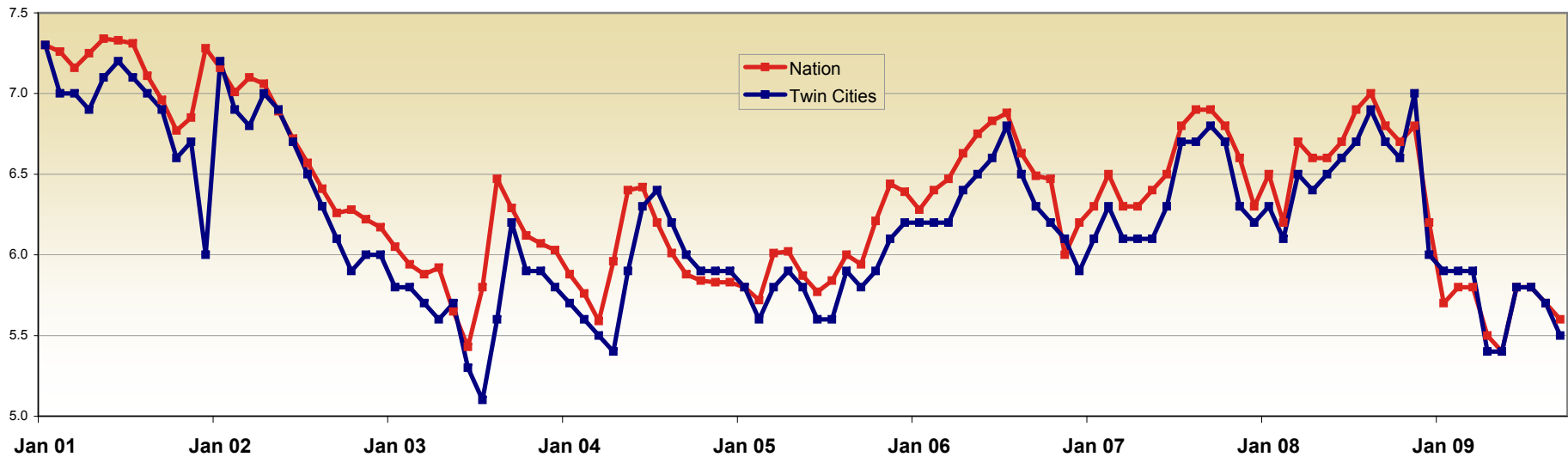
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September

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

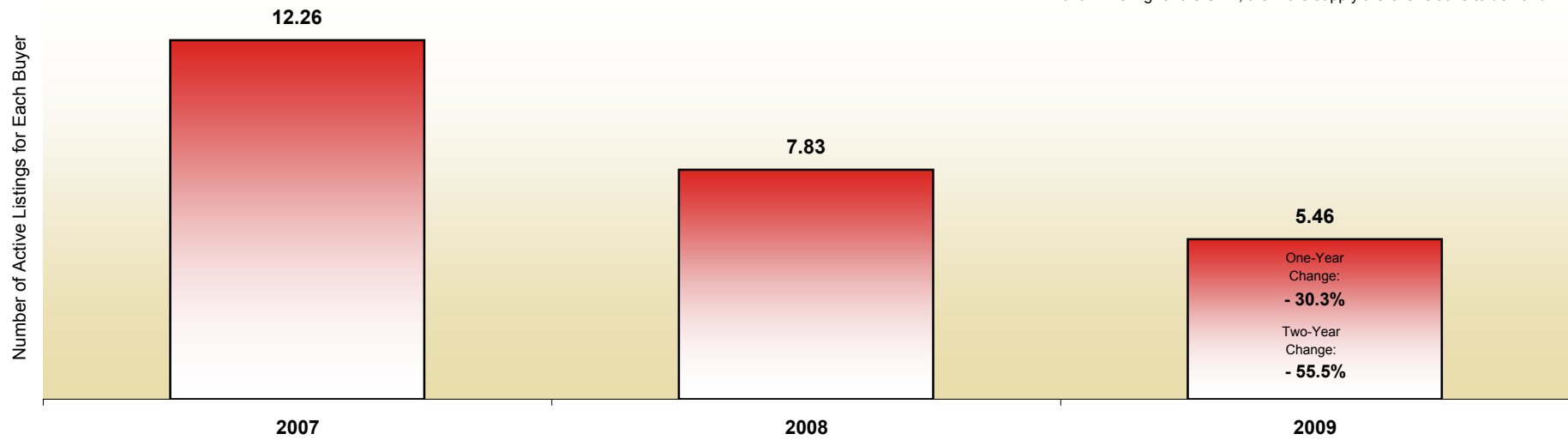
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September

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

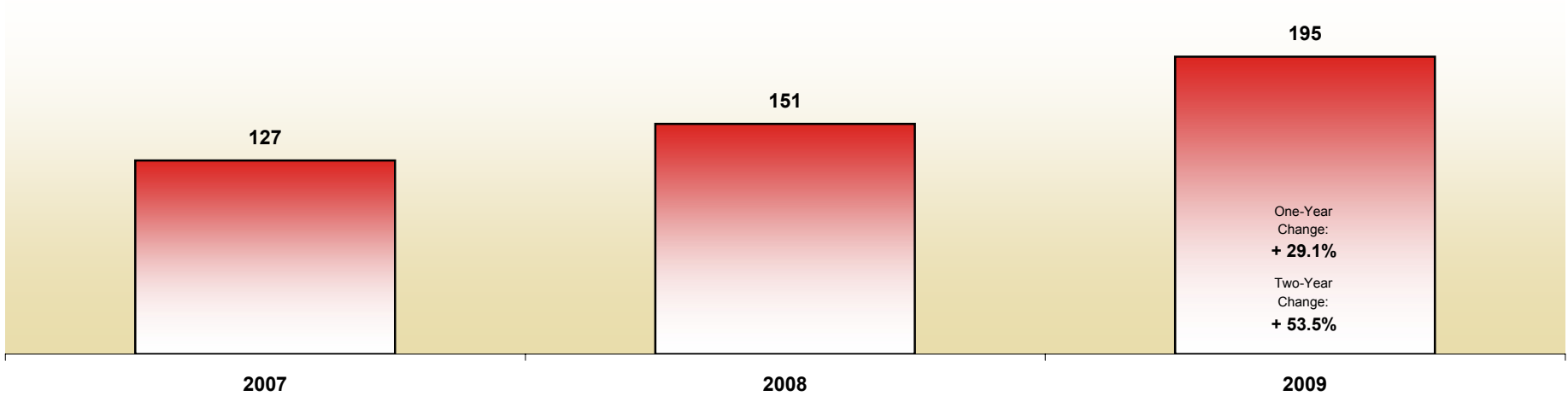
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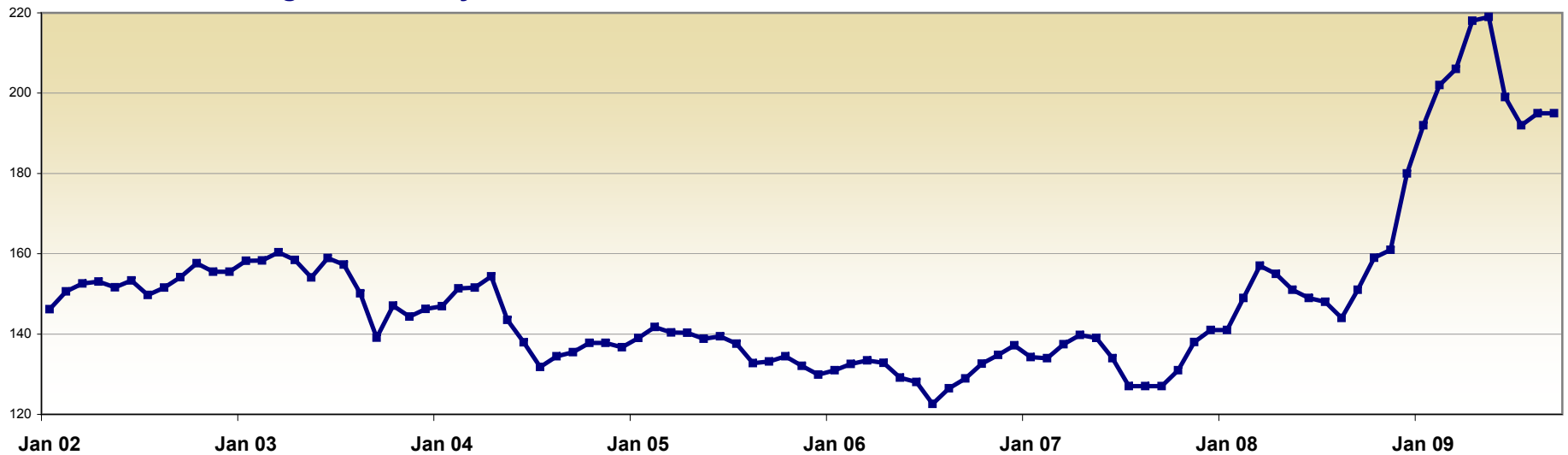
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September

Note: The HAI formula measures housing affordability for the Minneapolis/St. Paul market. An HAI of 195 means the median family income is 195% 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

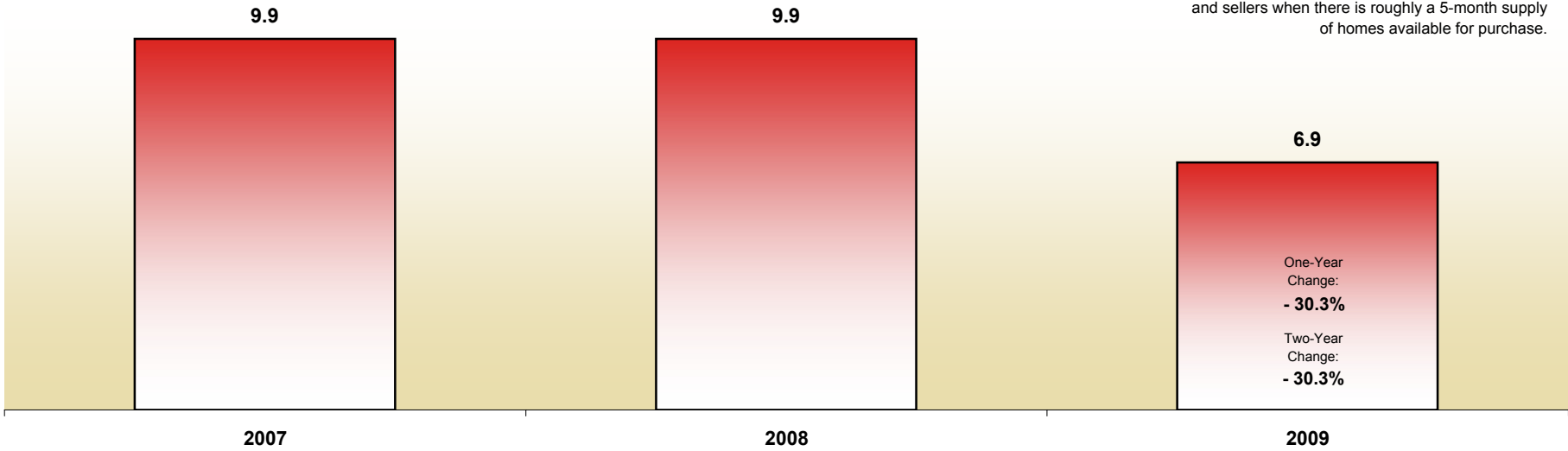
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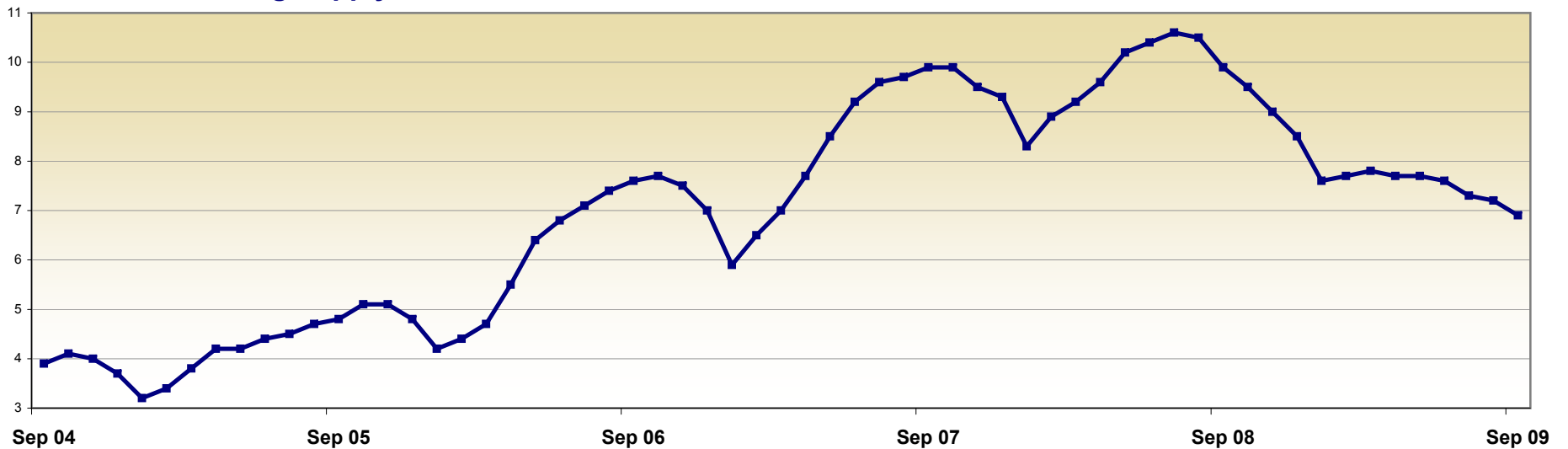
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The market is considered balanced between buyers and sellers when there is roughly a 5-month supply of homes available for purchase.



Historical Housing Supply Outlook



Market Overview

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August 2009		2009	2008	Percent Change	5-Year Average	2009 Year-to-Date	2008 Year-to-Date	Percent Change	5-Year Year-to-Date Average	Market Conditions
New Listings	Jun	8,310	8,858	- 6.2%	9,690	46,123	52,897	- 12.8%	54,469	August was the 20th month of the last 21 with fewer new listings than the same month one year prior
	Jul	7,669	8,608	- 10.9%	8,887	53,792	61,505	- 12.5%	63,356	
	Aug	7,154	7,532	- 5.0%	8,766	60,946	69,037	- 11.7%	72,122	
Pending Sales	Jun	5,812	4,346	+ 33.7%	5,370	26,754	22,253	+ 20.2%	27,320	Low rates, federal tax credit continue to spur sales
	Jul	5,174	4,462	+ 16.0%	4,858	31,928	26,715	+ 19.5%	32,178	
	Aug	4,897	4,411	+ 11.0%	4,785	36,825	31,126	+ 18.3%	36,964	
Closed Sales	Jun	4,764	3,969	+ 20.0%	5,102	19,298	17,481	+ 10.4%	21,412	Low rates, federal tax credit continue to spur sales
	Jul	5,235	4,160	+ 25.8%	4,957	24,533	21,641	+ 13.4%	26,368	
	Aug	4,572	3,992	+ 14.5%	4,959	29,105	25,633	+ 13.5%	31,327	
Dollar Volume of Closed Sales (in millions)	Jun	\$974.1	\$982.6	- 0.9%	\$1,335.8	\$3,729.9	\$4,272.4	- 12.7%	\$5,411.8	Despite increased sales, total dollar volume declines from last year due to lower sales prices
	Jul	\$1,079.7	\$1,042.6	+ 3.6%	\$1,290.6	\$4,809.7	\$5,315.0	- 9.5%	\$6,702.3	
	Aug	\$951.1	\$962.5	- 1.2%	\$1,302.4	\$5,760.7	\$6,277.4	- 8.2%	\$8,004.7	
Median Sales Price	Jun	\$173,500	\$205,000	- 15.4%						Prices showing some signs of strengthening as demand increases
	Jul	\$171,000	\$208,000	- 17.8%	--	--	--	--	--	
	Aug	\$175,000	\$200,000	- 12.5%						
Average Sales Price	Jun	\$204,470	\$247,565	- 17.4%	\$259,758	\$193,281	\$244,403	- 20.9%	\$250,462	Prices showing some signs of strengthening as demand increases
	Jul	\$206,251	\$250,619	- 17.7%	\$260,380	\$196,049	\$245,598	- 20.2%	\$252,366	
	Aug	\$208,022	\$241,096	- 13.7%	\$259,898	\$197,930	\$244,897	- 19.2%	\$253,581	
Total Active Listings Available at Month End	Jun	26,204	33,425	- 21.6%						Supply remains low compared to last year as consumers absorb more inventory and less is listed
	Jul	25,862	33,005	- 21.6%	--	--	--	--	--	
	Aug	25,407	31,592	- 19.6%						
Percent of Original List Price Received At Sale	Jun	92.9%	92.8%	+ 0.1%	95.5%	91.1%	91.9%	- 0.8%	94.9%	Slight increase in what sellers receive at sale during the summer
	Jul	94.0%	92.6%	+ 1.5%	95.5%	91.7%	92.0%	- 0.3%	95.0%	
	Aug	94.1%	92.7%	+ 1.5%	95.3%	92.1%	92.1%	- 0.0%	95.1%	
Mortgage Rates	Jul	5.8	6.7	- 13.4%	6.3					Rates holding steady...for now
	Aug	5.7	6.9	- 17.4%	6.3	--	--	--	--	
	Sep	5.5	6.7	- 17.9%	6.2					
Supply-Demand Ratio (Homes for Sale Per Buyer)	Jul	5.06	7.27	- 30.4%						Buyers have less to choose from now than they did one year ago due to dropping inventory
	Aug	5.28	7.48	- 29.4%	--	--	--	--	--	
	Sep	5.46	7.83	- 30.3%						
Housing Affordability Index	Jul	192	148	+ 29.7%	145					Affordability is very high
	Aug	195	144	+ 35.4%	145	--	--	--	--	
	Sep	195	151	+ 29.1%	147					
Months Supply of Inventory	Jul	7.3	10.6	- 31.1%						Market moving back towards balance
	Aug	7.2	10.5	- 31.4%	--	--	--	--	--	
	Sep	6.9	9.9	- 30.3%						