

# PRESS RELEASE

Contact:  
Meg Chiodo  
Saint Paul Area Association of REALTORS®  
651-776-6000  
[mchiodo@spaar.com](mailto:mchiodo@spaar.com)

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## Healthier Housing Market on Horizon

Strong indications of an improving 13-county metro housing market are beginning to appear indicating a return to a healthier housing market. Pending sales have taken a dramatic jump in the past two months compared to one year ago according to housing sales statistics released this morning by the Saint Paul Area Association of REALTORS®. Reported pending sales during this period are up an impressive 21.05 percent compared to 07. There were 7,055 pending sales reported over the past eight weeks compared to 5,828 during the same period of 07.

According to Greg Bauman, President of the Saint Paul Area Association of REALTORS®, "When you consider that 2007 is still considered the fifth best real estate year in 30 years, an increase of nearly 21% is phenomenal."

Looking at the month of August 08, pending sales jumped 15.05 percent to 4,411 compared to 3,834 reported in August of 07. That is a 1.14 percent drop from the previous month when there were 4,462 pending sales reported. However, on a year-to-date basis pending sales continue to lag by 4.96 percent with a reported 31,126 pending sales compared to 32,749 reported during the same period of 07.

At the same time pending sales are picking up the pace, new listing inventory coming into the system is slowing. There were 7,532 new listings added to the inventory during the month of August 08 compared to 9,278 in August 07, a drop of 18.82 percent. Year-to-date the number of new listings is down 11.91 percent from 78,374 in 07 to 69,037 in the first eight months of 08. The number of new listings in August 08 is down 12.5 percent compared to the 8,608 new listings reported in July 08.

According to RMLS data, closed home sales dipped during August 08 from one year ago by 4.34 percent, still well within ranges reported during the July to August selling periods of years past. There were 3,992 closed home sales in August 08 compared to 4,173 in 07. Year-to-date there have been 25,633 closed home sales in the 13-county metro compared to 28,739 during the same 8 month period of 07, a change of -10.81 percent. The difference in closed home sales from July 08 to August 08 was -4.04 percent. During July 08 there were 4,160 closed home sales.

According to Bauman, "There has been a wave of activity in FHA mortgage applications, which indicates that buyers are out there and realize what a great opportunity this market presents to them. The American Dream has always been to own your own home and consumers recognize that homeownership is the best place to build net worth. As the Federal Government takes over Freddie Mac and Fannie Mae, the consumer is likely to feel more stability and restored confidence."

The August 08 median sales price of closed homes in the 13 county metro stands at \$200,000, which is a 4.0 percent decrease over last month when the median sales price was \$208,000. Year-over-year the 13 county metro median sales price is still off by 13.04 percent in comparison to August 07 when the median price of a closed home was \$230,000.

The months supply of inventory continues its slow descent coming in at 7.7 months for single-family residential homes in the 13-county metro area compared to 8.0 one month ago. The average days-on-market for a closed home sale this month is 79 days.

Bauman goes on to say that “There are many external factors at play in this housing market. The election, the effect of the Housing Recovery Act, stemming the tide of foreclosures and short sales, and the impact of the U.S. Government’s takeover of Fannie Mae and Freddie Mac will all impact the recovery of this housing market.”

Housing statistics include existing single family homes, condominiums and townhomes. Statistics are provided by the Saint Paul Area Association of REALTORS® and are based on data supplied by the Regional Multiple Listing Service.

The Saint Paul Area Association of REALTORS® represents 4,000 members involved in all aspects of the real estate industry.

For more information about Twin Cities area home sales statistics, contact Meg Chiodo at 651-772-6341 ([mchiodo@spaar.com](mailto:mchiodo@spaar.com)).

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