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SAINT PAUL AREA ASSOCIATION OF REALTORS®

NEWS RELEASE

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FOR IMMEDIATE RELEASE

Median Sales Price for Twin Cities Housing Market Nears 2006 Peak

St. Paul, Minnesota – September 14, 2015

The Saint Paul Area Association of REALTORS® today announced that Twin Cities home sales prices continue their upward climb in August with the Median Sales Price increasing 2.7 percent to \$224,900. At this rate, the market is now performing at a mere 5.8% off the pre-recession June 2006 peak of \$238,000. This strong performance in the 13-county metro area is consistent with nationwide data showing summer home prices were up in year-over-year comparisons.

“Strengthening economic conditions, improving employment trends, increasing rents, decreasing rental vacancy, return of positive home equity and anticipation of future rate increases—these all helped fuel the summer selling season,” said Bob Clark, President-Elect for St. Paul Area Association of REALTORS®.

Days on Market was down 5.9 percent to 64 days. Sellers were encouraged by less competition in the for-sale marketplace as Months Supply of Inventory was down 23.9 percent to 3.5 months. New Listings in the Twin Cities region stayed flat to prior year with just a 0.3 percent decrease to 6,922, but are up 7.1 percent year-to-date. Inventory levels fell 13.6 percent to 16,398 units. Pending Sales were up 12.2 percent to 5,347. While the return of typical seasonal sales patterns are expected for third and fourth quarter 2015, the pending sales pipeline is stacked full and will likely help carry momentum forward.

Statistics released by the U.S. Census Bureau and the Department of Housing and Urban Development indicate that privately-owned new housing starts in July 2015 rose 10.1 percent compared to last year to the highest level the market has seen since October 2007.

Permits pulled for new-single family construction were up 13 percent in year-over-year comparison for August but overall total permit activity is mostly flat year-to-date.

“The summer construction season was definitely steady. We’ve seen some let-up in multi-family construction, but several large projects in the works may impact those numbers,” said Saint Paul Area Association President Tom Wiener, who is both a REALTOR® and homebuilder. “It will be interesting to see where it ends up at year end. I can tell you our workers were very busy—which is good for them and the economy as well,” said Wiener.

Established in 1886, the St. Paul Area Association of REALTORS® serves more than 6,000 members in 11 Twin Cities metro area counties at its St. Paul, Coon Rapids and Eagan locations. The association is dedicated to promoting the dream of homeownership with the highest level of professional integrity – better agents, better communities. www.spaar.com