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SAINT PAUL AREA ASSOCIATION OF REALTORS®

NEWS RELEASE

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FOR IMMEDIATE RELEASE

Housing Inventory Low; Prices Still Climbing

St. Paul, Minnesota – April 14, 2016

The Saint Paul Area Association of REALTORS® today reported that Twin Cities residential real estate sales prices continue to build as the spring selling season takes off. In March the Median Sales Price increased 5.7 percent to \$222,000. Housing inventory is turning quickly with Days on Market down 17.5 percent to 85 days.

New Listings in the Twin Cities region increased just 0.5 percent to 7,922 and year-to-date new listings were negligible at -0.5 percent. Meanwhile, continued improvements in Pending Sales suggest very moderate progress on inventory levels is likely in the months ahead. Actual Sales were up 12.6 percent to 5,861 and Inventory levels fell 20.6 percent to 11,893 units.

"Twin Cities real estate housing inventory levels are experiencing a 10-year low," said Bob Clark, president of the Saint Paul Area Association of REALTORS®. "However, all real estate is local and these inventory levels are not spread evenly across all price brackets."

To illustrate Clark's point, while sellers generally experienced favorable overall market conditions in March with the Months Supply of Homes for Sale down 28.6 percent to 2.5 months, inventory of properties under the \$222,000 median was at 2.2 months, while properties priced above \$417,000 (the conforming jumbo loan lending limit set by Fannie Mae and Freddie Mac within Minnesota) was at 7.3 months.

A healthy employment outlook continues to buoy residential real estate activity locally. Unemployment in Minnesota is holding steady at 3.7 percent, well below the national level of 5.5 percent. The State is also experiencing one of the highest labor force participation rates since late 2011.

"As seller and builder confidence increases, we should see more activity in the second quarter of 2016. The spring and summer months tend to rank as the best time to list a home for sale," said Clark.

When demand is present but an abundance of choice is not multiple offer situations are not uncommon. Buyer needs run the risk of going unmet. Homebuyers and sellers are encouraged to seek a REALTORS® who they trust and has extensive market knowledge. Homebuyers especially are advised to be ready to act quickly and decisively when they find a property that meets their needs.

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.
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