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SAINT PAUL AREA ASSOCIATION OF REALTORS®

NEWS RELEASE

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FOR IMMEDIATE RELEASE

Twin Cities Home Prices Continue to Climb; Sales Remain Strong

St. Paul, Minnesota – June 14, 2016

The Twin Cities region is experiencing an exciting period of home buying and selling, often with quick multiple offers that are near, at or even above asking price, depending on the factors of the home and submarket in question. It was widely predicted that we would see healthy sales activity during the second quarter of 2016, and the market has not disappointed.

New Listings in the Twin Cities region increased 1.1 percent to 8,680. Despite a nominal increase in listings, inventory levels fell 20.6 percent to 13,372 units, and Pending Sales were up 9.9 percent to 6,809.

"We've seen a very active spring in terms of home sales," said Bob Clark, SPAAR President. "However, we continue to experience low inventory levels that can't keep up with the pace of sales."

Prices continued to gain traction. The Median Sales Price increased 5.7 percent to \$236,826. Days on Market was down 21.1 percent to 60 days. Sellers were encouraged as Months Supply of Homes for Sale was down 28.9 percent to 2.7 months.

"Home sellers have benefitted from the high demand environment," said Clark. "On average, sellers are achieving 98.6% percent of their original list price, which is higher than we've seen in more than 10 years."

Although inventory is still being stretched thin in many areas, low mortgage rates coupled with higher wages have built a relatively sturdy housing marketplace. How long that can continue without fresh supply remains an important question, but conditions are seemingly good enough for serious buyers. With the current slow state of new construction for non-rental households, the road ahead could be tricky if demand remains high.

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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