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SAINT PAUL AREA ASSOCIATION OF REALTORS®

# NEWS RELEASE

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## FOR IMMEDIATE RELEASE

### Twin Cities Residential Real Estate Market Strong Through Third Quarter

*St. Paul, Minnesota – October 14, 2016*

Demand for residential real estate has remained high through the first three quarters of 2016, propping up sales and prices despite heavy reductions in inventory and months of supply in the Twin Cities.

Key residential real estate metrics for September 2016 include:

- New Listings in the metro area increased 5.6 percent over prior year to 6,727.
- Pending Sales were down 0.3 percent to 4,657.
- Inventory levels fell 16.1 percent to 13,918 units.
- The Median Sales Price increased 6.1 percent to \$259,900.
- Days on Market was down 13.8 percent to 56 days.
- Months Supply of Homes for Sale was down 20.0 percent to 2.8 months.

"The housing market has been strong since the beginning of the year with higher-than-average number of listings, number of sales, and prices," said Saint Paul Area Association President Bob Clark. "While we are likely to see a return to normal seasonality for the fourth quarter, we enter it a full 4.7 percent higher than where we were a year ago, which was at a 10-year high."

A number of factors continue to shape housing supply and demand:

- Continued low interest rates often prompt refinancing instead of listing, contributing to lower inventory levels we have experienced this year.
- According to a new report from the Minnesota Housing Partnership, 13 percent of the region's rental housing stock was sold over the past five years, passing cost increases along to tenants.
- The limited inventory of existing homes has yielded a banner year for Twin Cities home building. The Builders Association of the Twin Cities reported the highest number of permits pulled in the month of September since 2006 with single-family construction are up 11 percent compared to 2015.
- Minnesota's employment outlook continues to be strong. At a seasonally adjusted unemployment rate of 4.0 percent, it's a percentage point below the national rate of 4.9 percent.

"Working with a REALTOR® is a great way to learn how factors like these influence your unique situation," said Clark. REALTORS® have the tools and experience needed to strategize your success as a buyer or seller in this market."

*Established in 1886, the Saint 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](http://www.spaar.com)*