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SAINT PAUL AREA ASSOCIATION OF REALTORS®

NEWS RELEASE

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FOR IMMEDIATE RELEASE

Increased Sales Prices, Low Inventory Continue for Twin Cities Housing Market

St. Paul, Minnesota – December 14, 2016

Home prices in the Twin Cities metro area have continued to exhibit an upward trend throughout 2016. In November the Median Sales Price increased to \$232,000 – which is 5.8 percent over 2015 and 13.2 percent over 2014. Days on Market showed that inventory remains tight, down 16.4 percent to 61 days.

“Increased sales prices, increased total sales volume, and reduced market time have all been very positive this year.” said Saint Paul Area Association of REALTORS® President Bob Clark.

New Listings in the Twin Cities region decreased 1.1 percent to 3,743. Pending Sales were up 9.0 percent to 3,780. Inventory levels fell 22.8 percent to 10,706 units. While demand remains high, supply continues to be challenging. Months Supply of Homes for Sale was down 27.6 percent to 2.1 months, a historical low.

“Thankfully, the Twin Cities has seen healthy new construction starts throughout 2016, which has helped offset some challenging inventory levels, said Saint Paul Area Association of REALTORS® President Bob Clark.

Financial markets were volatile in the days leading up to and following the presidential election. In addition, the long anticipated interest rate increases appear to finally be here. Recent interest rate increases of 66 basis points have already been reported ahead of expected Federal Reserve action on rates. Financial markets are already pricing future rate increases into their outlooks.

With one month to go in 2016, we are looking to exceed 2015 numbers for sales volume and price. Looking ahead to 2017, these along with inventory and interest rate activity will be key metrics to watch going forward.

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.
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