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SAINT PAUL AREA ASSOCIATION OF REALTORS®

## FOR IMMEDIATE RELEASE

# NEWS RELEASE

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## Proposed Savings Account a Boost for First-Time Homebuyers

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Twin Cities home prices continued to rise in February, and demand remained strong. Buyer activity continued to outpace seller activity, culminating in relatively quick sales and low supply. The low inventory situation and affordability crunch has been particularly hard on first-time buyers struggling to get into the market.

“The limited inventory is a challenge for any buyer, but it is particularly burdensome for first-time buyers who may not have funds available for a down payment,” said Saint Paul Area Association of REALTORS® President Tina Angell. “REALTORS® are working on developing solutions to help alleviate this burden, despite tight market conditions.”

One proposed solution is the First-Time Home Buyer Savings Account Act (HF1234/SF888), proposed by the Minnesota Association of REALTORS®, along with the Builders Association of the Twin Cities. The First-Time Home Buyer Savings Account Act would allow individuals to save up to \$5,000 per year with a tax deduction.

Qualifying individuals must not have owned a home in the last three years, and cannot make more than \$150,000. The benefit doubles for married couples. If passed, the bill would likely go into effect in August 2017.

“Minnesota is known for its strong homeownership rates and this bill would help offset pocketbook pressures ranging from school loans to child care costs that prevent people from becoming first time buyers,” said Angell.

### Twin Cities Housing Market at a Glance

- New Listings in the Twin Cities region decreased 7.5 percent to 5,418.
- Pending Sales were up 0.5 percent to 3,969.
- Inventory levels fell 25.3 percent to 8,820 units.
- The Median Sales Price increased 7.6 percent to \$223,000.
- Days on Market was down 14.6 percent to 82 days.
- Months Supply of Homes for Sale was down 28.0 percent to 1.8 months.
- New Construction Permits were up 18.5% to 339.
- New Construction Permitted Units were up 93.3% to 717.

*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)*