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## **Twin Cities Has Largest Pool of Homes for Sale in Almost a Year**

House hunters in the 13-county Twin Cities metropolitan area are finally getting more to choose from. Inventory levels were up 6.1 percent to 16,368 homes for sale in May 2014. This comes as new listings were up 3.0 percent to 8,572 and pending sales were down 9.0 percent to 5,260. Even though overall buyer demand remains below 2013 levels, it's still well above 2011 and 2012 levels. Moreover, buyer demand increased for traditional homes.

Absorption rates actually slowed to 3.9 months of supply, thanks to recent inventory increases. Even with more supply and less demand, the mix of sales continues to skew away from distressed properties and toward traditional homes that sell at higher price points. Consequently, the median sales price rose 8.2 percent to \$210,000 – the highest May median sales price since 2007 and tied for the highest median price for any month since December 2007.

Though new listings rose 3.0 percent compared to last May, traditional new listings rose 14.1 percent while foreclosure and short sale new listings fell 44.0 percent and 47.7 percent, respectively. Similarly, though pending sales were down 9.0 percent, traditional pending sales rose 0.7 percent while foreclosure and short sale pendings fell 39.3 percent and 47.3 percent. And again, overall inventory was up 6.1 percent but traditional inventory was up 25.9 percent as foreclosure inventory fell 36.6 percent and short sale inventory plummeted by 53.6 percent.

With inventory up, consumers now have the largest pool of homes for sale in almost a year. Inventory hasn't shown this many consecutive year-over-year increases in about 3½ years. Perhaps more importantly, a larger share of that inventory falls under the more desirable traditional segment.

"Yes there's more inventory, but not in all areas or price points," said Emily Green, President of the Minneapolis Area Association of REALTORS® (MAAR). "The lack of supply is really starting to weigh on consumers and on sales numbers. This market has been supply-constrained for long enough, but the trend is moving in a positive direction."

As a result of this ongoing shift toward higher-priced and higher-quality product, the median sales price for the metro rose 8.2 percent to \$210,000. That now makes 27

straight months of year-over-year price gains. Also helping along price recovery is the fact that foreclosures and short sales made up only about 10.0 percent of all new listings and about 15.0 percent of all closed sales. Those are the lowest figures since October 2007 and May 2007, respectively.

Homes continued to sell quickly, as days on market was down 7.0 percent to 80 days, on average. Sellers are receiving an average of 96.8 percent of their original list price. The Twin Cities now has 3.9 months' supply of inventory, just a tad higher than last May and consistent with this phase of market recovery.

"More inventory really is a good sign," said Mike Hoffman, MAAR President-Elect. "But housing relies heavily on the economy. That said, job growth, unemployment, consumer confidence and family financial situations must continue to show improvement."

**Posted by [Aubray Erhardt](#) at 10:14 AM | [Permalink](#)**