



# NEWS RELEASE

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## Recovery Plows Forward as New Condo Prices Reach Fresh Highs

Minneapolis, Minnesota (December 10, 2014)– The Twin Cities regional housing market continued to make strides toward recovery in November, even as some measures appear to show unfavorable movement. Pending sales, or the number of signed purchase agreements, fell 7.5 percent in November compared to last year. New listings decreased 12.8 percent. Inventory levels were nearly flat, down 1.0 percent to 14,948 homes.

The median sales price rose 5.1 percent to \$205,000, marking 33 consecutive months of year-over-year median price gains. Price per square foot rose 3.4 percent to \$120 while months supply of inventory increased 5.9 percent to 3.6. Days on market until sale rose 5.3 percent to 79.

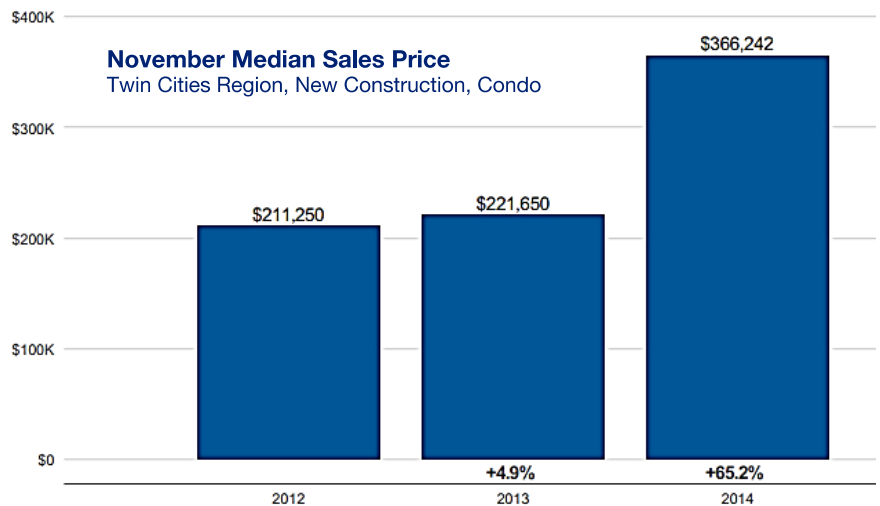
As has reliably been the case for years, pending purchase activity of traditional homes rose even while the overall pending sales indicator declined, signaling the ongoing shift from distressed properties back to the once-again dominant traditional sector. That changing mix of sales activity has helped catalyze the nearly three straight years of price gains seen in the region.

Another factor boosting prices is newly constructed condominiums, particularly in downtown Minneapolis. There’s a building boom happening downtown, even after factoring out the construction and surrounding redevelopment of the new stadium for the Minnesota Vikings.

The median price of new construction condominium sales rose 65.2 percent in November to a new high of \$366,242. Although that’s for the entire Twin Cities area, downtown new construction condos comprised about 30.0 percent of all similar units in the Twin Cities in November 2006 but made up about 60.0 percent of that segment in November 2014.

“The condo boom downtown is certainly helping to bring prices up,” said Emily Green, President of the Minneapolis Area Association of REALTORS® (MAAR). “The changing lifestyle demands of our community are leaving a mark on our urban core.”

Despite the shiny marvel of new downtown development, the overall housing stock in the Twin Cities region remains quite affordable historically. The Twin Cities housing affordability index of 191 means that the median household income was 91 percent higher than the necessary income needed to qualify for the median-priced home under current interest rates.



Each data point is 12 months of activity. Data is from December 9, 2014. All data from NorthstarMLS. Data deemed reliable but not guaranteed. Powered by 10K Research and Marketing.

In October, the Bureau of Labor Statistics stated that the Twin Cities had the lowest rate of unemployment among major metros in the nation at 3.2 percent. The national rate, at 5.8 percent, is the lowest since July 2008. With national private job creation reaching above 300,000 new payrolls in November, the overall jobs picture is bright.

“While the economy continues to improve, we also continue to enjoy low mortgage interest rates,” said Mike Hoffman, MAAR President-Elect. “Low unemployment, job growth and rising rents should create more avenues toward homeownership.”

All information is according to the Minneapolis Area Association of REALTORS® (MAAR) based on data from NorthstarMLS. MAAR is the leading regional advocate and provider of information services and research on the real estate industry for brokers, real estate professionals and the public. MAAR serves the Twin Cities’ 13-county metro area and western Wisconsin. 10K Research and Marketing, LLC is a wholly owned subsidiary of MAAR.

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