

Annual Report on the Southeast Minnesota Housing Market

FOR RESIDENTIAL REAL ESTATE ACTIVITY IN THE SOUTHEAST MINNESOTA SERVICE AREA



2019

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The 2019 housing market was fueled by the overall strength of the economy across most of the country. The stock markets reached new highs throughout the year, improving the asset bases of millions of Americans. Unemployment rates fell to 50-year lows, while wages increased, creating new home buyers. Mortgage rates also declined significantly from 2018, helping to offset affordability stresses caused by continued price appreciation nationally.

With a strong economy and low mortgage rates, buyer activity has been strong. However, most markets are being constrained by inventory levels that are still below historical norms. With supply and demand continuing to favor sellers, prices continue to rise.

With 10 years having now passed since the Great Recession, the U.S. has been on the longest period of continued economic expansion on record. The housing market has been along for much of the ride and continues to benefit greatly from the overall health of the economy. However, hot economies eventually cool and with that, hot housing markets move more towards balance.

Sales: Pending sales increased 1.0 percent, finishing 2019 at 6,260. Closed sales were up 0.2 percent to end the year at 6,217.

Listings: Comparing 2019 to the prior year, the number of homes available for sale was lower 10.2 percent. There were 1,140 active listings at the end of 2019. New listings decreased 1.4 percent to finish the year at 7,382.

Sales by Price Range: The number of homes sold in the \$100,001 to \$150,000 price range fell 12.7 percent to 1,026. Homes sold in the \$200,001 to \$300,000 price range were up 10.7 percent to 1,896 homes.

Prices: Home prices were up compared to last year. The overall median sales price increased 5.3 percent to \$202,000 for the year. Single Family home prices were up 6.2 percent compared to last year, and Townhouse-Condo home prices were up 4.0 percent.

List Price Received: Sellers received, on average, 96.8 percent of their original list price at sale, a year-over-year reduction of 0.2 percent.

While the Federal Reserve moved to temper the hot economy with four interest rate hikes in 2018, in 2019 they turned the heat back up, and reduced rates a total of three times during the year. The Fed's rate decreases were due in part to GDP growth in 2019 that came in notably lower than 2018, showing the Fed's alternating efforts to keep our economy at a steady simmer and not a full boil.

The housing market continues to remain healthy nationwide with price gains and limited inventory being the most common threads across markets. Tight inventory continues to constrain buyer activity in part of the country, while some areas are seeing increased seller inventory starting to improve buyers' choices. New construction activity continues to improve, but is still below levels required to fully supply the market's needs.

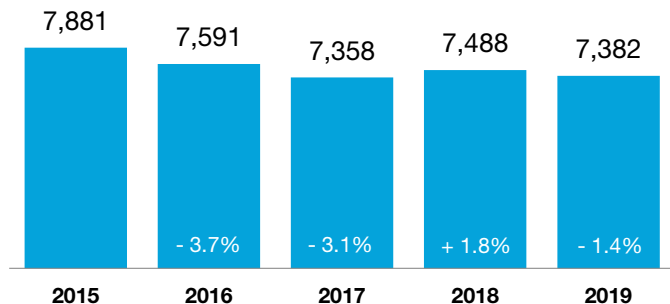
As we look at 2020, we see continued low mortgage rates and a healthy economy giving a great start to housing in the new year. But in election years, we sometimes see a softening of activity that may temper the market in the second half of the year.

Table of Contents

3	Quick Facts
5	Price Range Review
6	Property Type Review
7	Square Foot Range Review
8	Area Overviews
9	Area Historical Prices

Quick Facts

New Listings



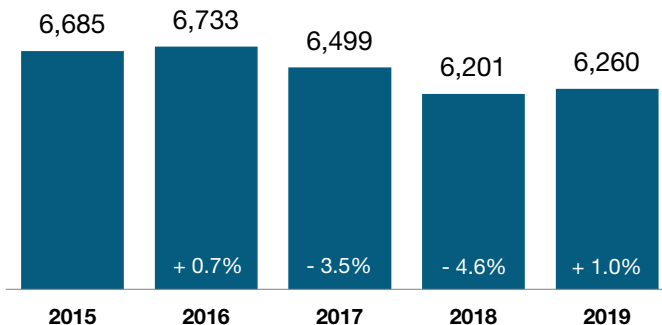
Top 5 Areas: Change in New Listings from 2018

Grand Meadow	+ 66.7%
Chatfield	+ 37.2%
Oronoco	+ 33.3%
Stewartville	+ 27.7%
Pine Island	+ 26.7%

Bottom 5 Areas: Change in New Listings from 2018

Winona	- 13.9%
Lake City	- 21.7%
Owatonna	- 25.4%
St. Charles	- 32.3%
Preston	- 33.3%

Pending Sales



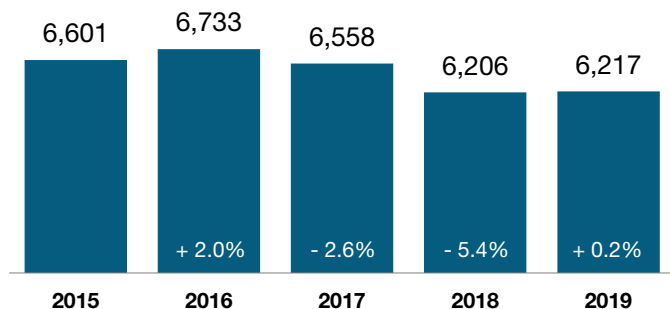
Top 5 Areas: Change in Pending Sales from 2018

Grand Meadow	+ 61.5%
Caledonia	+ 56.0%
Stewartville	+ 32.4%
Wabasha	+ 28.6%
Dodge Center	+ 23.5%

Bottom 5 Areas: Change in Pending Sales from 2018

Kasson	- 6.5%
Lake City	- 8.5%
Plainview	- 13.7%
Owatonna	- 16.4%
Hayfield	- 33.3%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2018

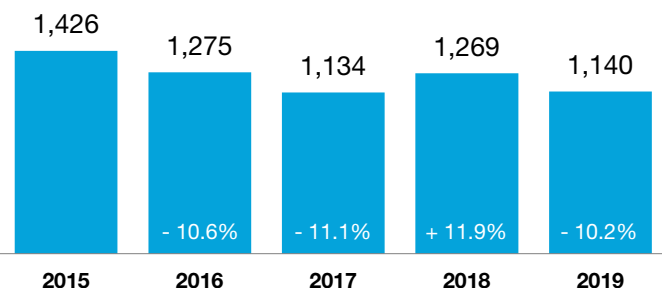
Caledonia	+ 62.5%
Grand Meadow	+ 53.8%
Stewartville	+ 25.4%
Dodge Center	+ 19.2%
Chatfield	+ 17.6%

Bottom 5 Areas: Change in Closed Sales from 2018

Oronoco	- 11.1%
Owatonna	- 16.1%
Blooming Prairie	- 19.5%
Plainview	- 20.4%
Hayfield	- 26.5%

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Homes for Sale from 2018

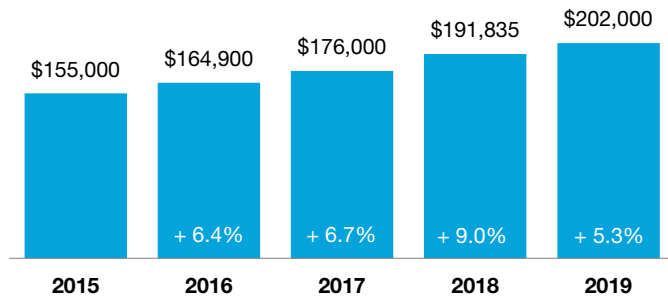
Hayfield	+ 133.3%
Plainview	+ 125.0%
Chatfield	+ 80.0%
Pine Island	+ 60.0%
Albert Lea	+ 31.3%

Bottom 5 Areas: Change in Homes for Sale from 2018

Winona	- 44.0%
Waseca	- 46.5%
St. Charles	- 50.0%
Preston	- 52.9%
Spring Valley	- 57.1%

Quick Facts

Median Sales Price



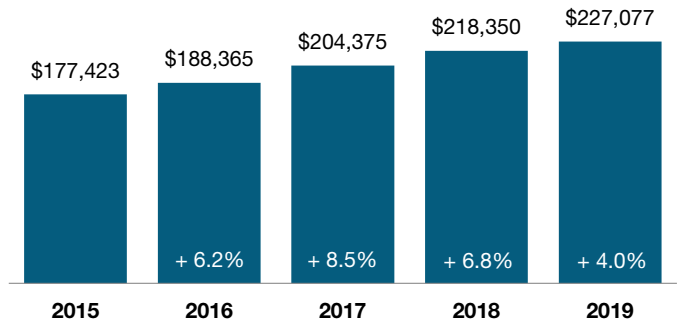
Top 5 Areas: Change in Median Sales Price from 2018

St. Charles	+ 36.4%
Grand Meadow	+ 22.9%
Austin	+ 17.9%
Pine Island	+ 16.5%
Preston	+ 16.3%

Bottom 5 Areas: Change in Median Sales Price from 2018

Byron	- 1.9%
Chatfield	- 2.5%
Plainview	- 6.3%
Blooming Prairie	- 15.3%
La Crescent	- 15.4%

Average Sales Price



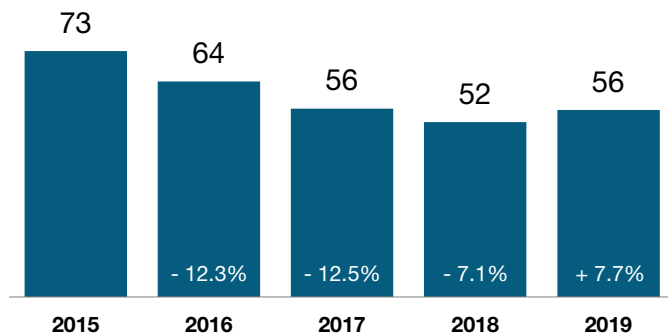
Top 5 Areas: Change in Avg. Sales Price from 2018

Hayfield	+ 42.5%
Grand Meadow	+ 39.4%
St. Charles	+ 25.0%
Preston	+ 18.6%
Zumbrota	+ 15.0%

Bottom 5 Areas: Change in Avg. Sales Price from 2018

Chatfield	- 1.4%
Blooming Prairie	- 3.4%
Wabasha	- 6.0%
Spring Valley	- 11.0%
La Crescent	- 12.4%

Days on Market Until Sale



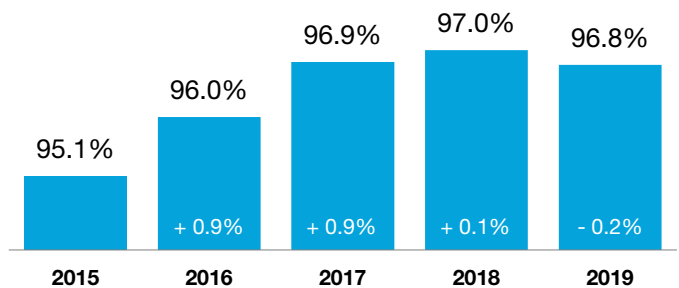
Top 5 Areas: Change in Days on Market from 2018

Preston	+ 60.4%
Caledonia	+ 47.3%
Waseca	+ 30.6%
Austin	+ 26.2%
Lake City	+ 25.7%

Bottom 5 Areas: Change in Days on Market from 2018

Blooming Prairie	- 7.5%
Spring Valley	- 12.3%
Wabasha	- 16.7%
La Crescent	- 18.4%
Oronoco	- 25.6%

Percent of Original List Price Received



Top 5 Areas: Change in Pct. of Orig. Price Received from 2018

Spring Valley	+ 1.5%
Hayfield	+ 1.2%
St. Charles	+ 0.7%
Stewartville	+ 0.7%
Austin	+ 0.5%

Bottom 5 Areas: Change in Pct. of Orig. Price Received from 2018

Waseca	- 1.8%
Dodge Center	- 1.8%
Chatfield	- 3.0%
La Crescent	- 3.2%
Preston	- 5.2%

Price Range Review

\$150,001 to \$200,000

Price Range with Shortest Average Market Time

\$300,001 and Above

Price Range with Longest Average Market Time

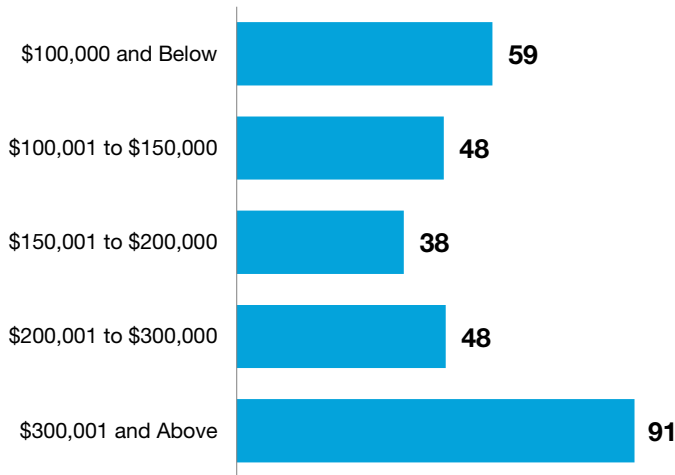
10.0%

of Homes for Sale at Year End Priced \$100,000 and Below

- 29.1%

One-Year Change in Homes for Sale Priced \$100,000 and Below

Days on Market Until Sale by Price Range



Share of Homes for Sale \$100,000 and Below



\$200,001 to \$300,000

Price Range with the Most Closed Sales

+ 10.7%

Price Range with Strongest One-Year Change in Sales: \$200,001 to \$300,000

\$100,000 and Below

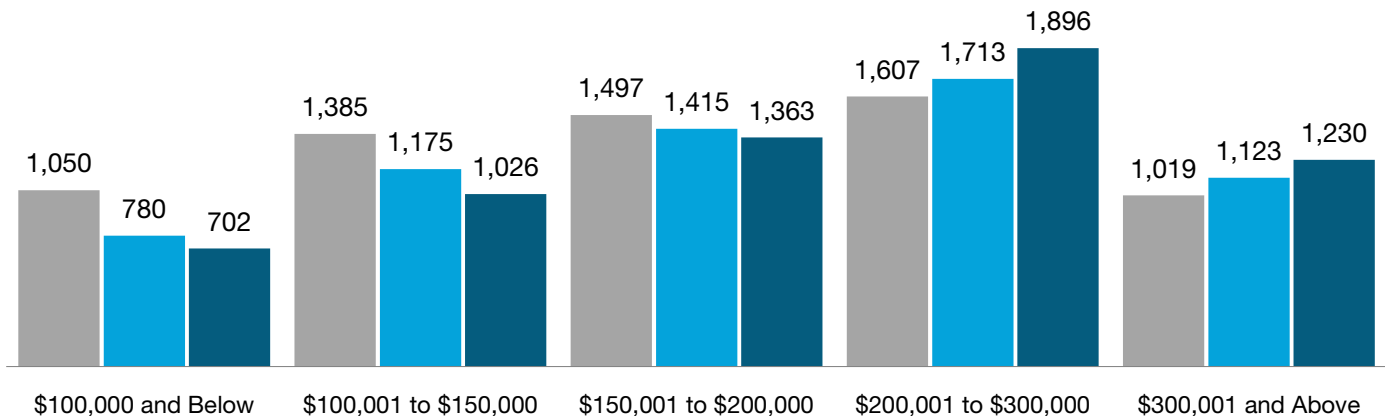
Price Range with the Fewest Closed Sales

- 12.7%

Price Range with Weakest One-Year Change in Sales: \$100,001 to \$150,000

Closed Sales by Price Range

■ 2017 ■ 2018 ■ 2019



Property Type Review

55

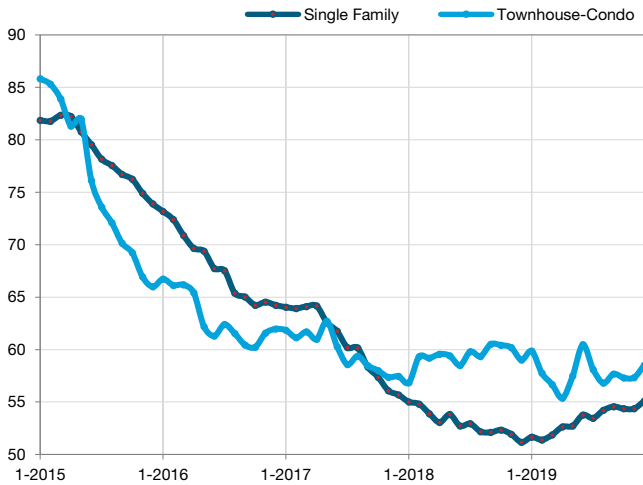
Average Days on Market
Single Family

59

Average Days on Market
Townhouse-Condo

Days on Market Until Sale

This chart uses a rolling 12-month average for each data point.



Top Areas: Townhouse-Condo Market Share in 2019

Byron	23.9%
Rochester	19.0%
Lake City	16.1%
Stewartville	13.1%
Austin	7.8%
Wabasha	7.5%
Owatonna	7.3%
Caledonia	5.1%
Chatfield	5.0%
Albert Lea	4.7%
St. Charles	4.5%
Pine Island	4.2%
Hayfield	4.0%
Dodge Center	3.2%
Waseca	3.2%
Plainview	2.3%

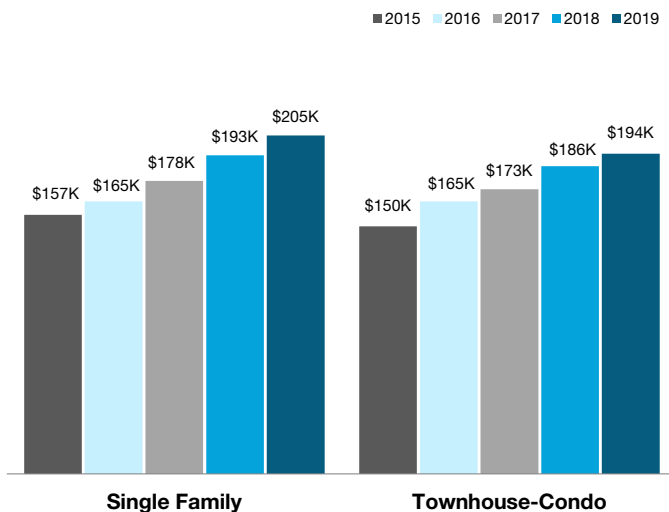
+ 6.2%

One-Year Change in Price
Single Family

+ 4.0%

One-Year Change in Price
Townhouse-Condo

Median Sales Price



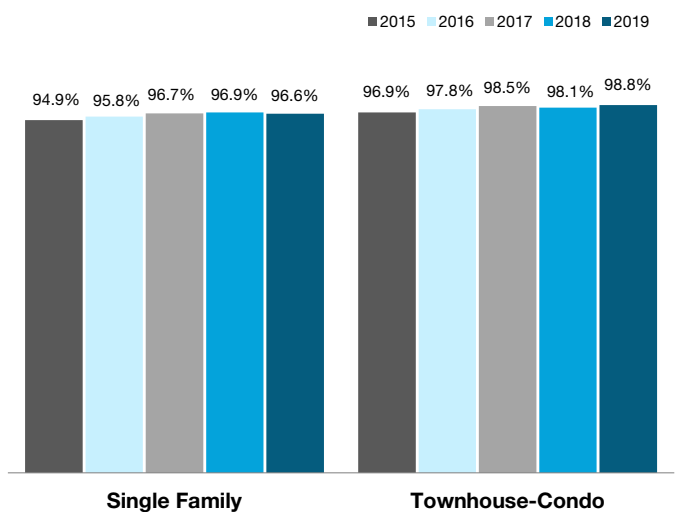
96.6%

Pct. of Orig. Price Received
Single Family

98.8%

Pct. of Orig. Price Received
Townhouse-Condo

Percent of Original List Price Received



Square Foot Range Review

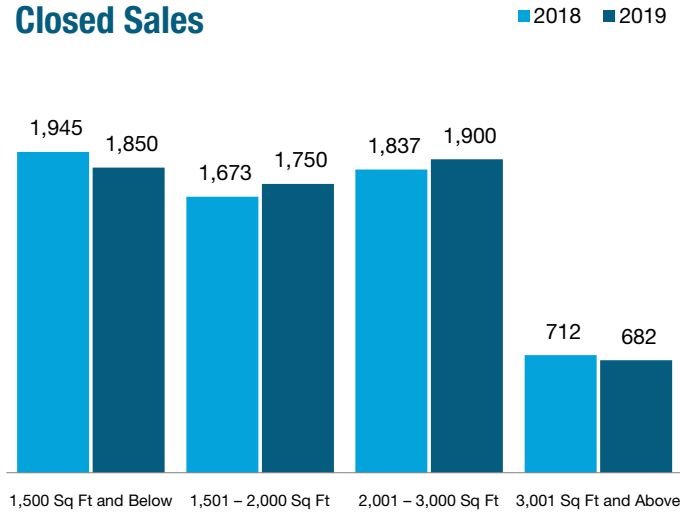
+ 4.6%

Growth in Closed Sales
1,501 - 2,000 Sq. Ft.

+ 3.4%

Growth in Closed Sales
2,001 to 3,000 Sq Ft

Closed Sales



Top Areas: 1,500 Sq Ft and Below Market Share in 2019

Rochester	27.5%
Austin	8.2%
Winona	7.7%
Owatonna	7.1%
Waseca	2.6%
Lake City	2.0%
Kasson	1.9%
Wabasha	1.4%
Zumbrota	1.3%
Stewartville	1.2%
Byron	1.1%
Dodge Center	1.1%
Spring Valley	0.9%
Blooming Prairie	0.9%
St. Charles	0.8%
Pine Island	0.8%

96.1%

Percent of Original List Price
Received in 2019 for
1,500 Sq Ft and Below

97.7%

Percent of Original List Price
Received in 2019 for
1,501 - 2,000 Sq Ft

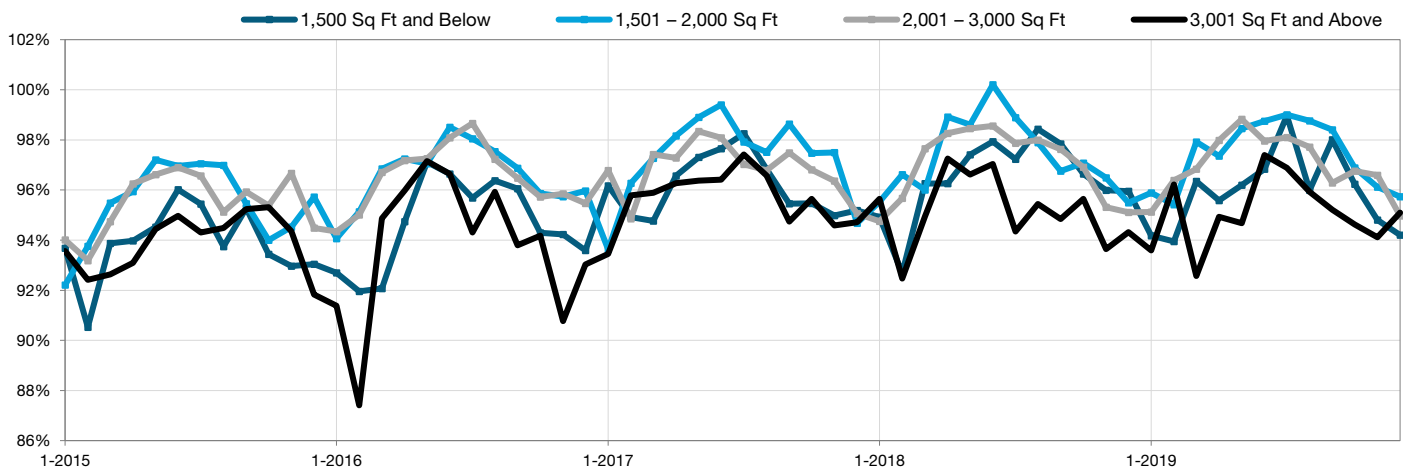
97.2%

Percent of Original List Price
Received in 2019 for
2,001 - 3,000 Sq Ft

95.4%

Percent of Original List Price
Received in 2019 for
3,001 Sq Ft and Above

Percent of Original List Price Received



Area Overviews

	Total Closed Sales	Change from 2018	Percent Single Family	Percent Townhouse-Condo	Inventory	New Listings	Months Supply of Inventory*	Days on Market	Pct. of List Price Received
Entire MLS	6,217	+ 0.2%	87.8%	11.1%	1,140	7,382	2.2	56	98.7%
Albert Lea	297	+ 10.4%	92.9%	4.7%	84	381	3.4	60	96.5%
Austin	412	+ 4.6%	91.0%	7.8%	76	502	2.2	53	97.0%
Bloomington Prairie	33	- 19.5%	97.0%	0.0%	8	43	2.4	62	97.7%
Byron	138	+ 6.2%	74.6%	23.9%	37	166	3.2	78	100.0%
Caledonia	39	+ 62.5%	92.3%	5.1%	9	42	2.8	109	93.7%
Chatfield	40	+ 17.6%	95.0%	5.0%	18	59	5.3	55	97.5%
Dodge Center	62	+ 19.2%	96.8%	3.2%	9	66	1.6	39	99.3%
Grand Meadow	20	+ 53.8%	95.0%	0.0%	2	25	1.0	42	96.7%
Hayfield	25	- 26.5%	96.0%	4.0%	7	35	2.9	51	99.7%
Kasson	126	- 6.7%	97.6%	1.6%	16	149	1.5	46	99.9%
La Crescent	54	+ 3.8%	94.4%	1.9%	15	68	3.2	62	96.7%
Lake City	118	- 9.9%	82.2%	16.1%	32	148	3.2	93	97.7%
Oronoco	32	- 11.1%	100.0%	0.0%	7	48	2.2	67	98.2%
Owatonna	395	- 16.1%	91.9%	7.3%	62	441	1.9	54	99.6%
Preston	23	- 4.2%	95.7%	0.0%	8	30	3.5	85	94.7%
Pine Island	72	+ 10.8%	94.4%	4.2%	16	95	2.7	55	101.1%
Plainview	43	- 20.4%	97.7%	2.3%	9	53	2.3	46	101.8%
Rochester	2,259	- 0.6%	79.9%	19.0%	277	2,499	1.5	49	99.9%
Spring Valley	43	+ 2.4%	100.0%	0.0%	3	47	0.8	50	99.6%
St. Charles	44	+ 2.3%	95.5%	4.5%	8	42	2.2	56	98.5%
Stewartville	84	+ 25.4%	85.7%	13.1%	14	106	1.9	43	99.0%
Wabasha	53	+ 15.2%	90.6%	7.5%	15	63	3.3	65	97.2%
Waseca	158	+ 14.5%	95.6%	3.2%	23	176	1.7	64	97.2%
Winona	364	+ 0.3%	95.3%	3.8%	56	383	1.9	69	97.4%
Zumbrota	82	+ 2.5%	86.6%	12.2%	19	103	2.8	63	98.7%



Area Historical Median Prices

	2015	2016	2017	2018	2019	Change From 2018	Change From 2015
Entire MLS	\$155,000	\$164,900	\$176,000	\$191,835	\$202,000	+ 5.3%	+ 30.3%
Albert Lea	\$80,500	\$90,000	\$90,000	\$108,500	\$110,500	+ 1.8%	+ 37.3%
Austin	\$92,000	\$97,250	\$104,500	\$105,000	\$123,750	+ 17.9%	+ 34.5%
Bloomington Prairie	\$111,250	\$118,000	\$124,249	\$124,000	\$105,000	- 15.3%	- 5.6%
Byron	\$189,900	\$229,900	\$265,000	\$259,950	\$255,000	- 1.9%	+ 34.3%
Caledonia	\$128,950	\$111,000	\$112,000	\$124,500	\$140,000	+ 12.4%	+ 8.6%
Chatfield	\$130,000	\$139,000	\$153,700	\$182,250	\$177,700	- 2.5%	+ 36.7%
Dodge Center	\$133,900	\$119,900	\$151,000	\$185,531	\$195,500	+ 5.4%	+ 46.0%
Grand Meadow	\$103,000	\$119,500	\$131,250	\$106,000	\$130,250	+ 22.9%	+ 26.5%
Hayfield	\$94,000	\$114,000	\$150,000	\$144,000	\$160,000	+ 11.1%	+ 70.2%
Kasson	\$168,200	\$184,950	\$200,000	\$208,000	\$220,100	+ 5.8%	+ 30.9%
La Crescent	\$181,000	\$192,500	\$215,000	\$260,000	\$220,000	- 15.4%	+ 21.5%
Lake City	\$177,500	\$166,845	\$181,500	\$203,575	\$229,000	+ 12.5%	+ 29.0%
Oronoco	\$316,632	\$350,000	\$395,000	\$423,000	\$452,750	+ 7.0%	+ 43.0%
Owatonna	\$147,000	\$154,900	\$160,950	\$171,000	\$182,250	+ 6.6%	+ 24.0%
Preston	\$82,700	\$96,625	\$103,900	\$133,250	\$155,000	+ 16.3%	+ 87.4%
Pine Island	\$191,450	\$206,180	\$207,500	\$221,000	\$257,450	+ 16.5%	+ 34.5%
Plainview	\$136,250	\$141,000	\$161,800	\$182,400	\$171,000	- 6.3%	+ 25.5%
Rochester	\$180,000	\$195,800	\$220,000	\$232,950	\$244,500	+ 5.0%	+ 35.8%
Spring Valley	\$99,000	\$124,500	\$129,450	\$144,500	\$152,000	+ 5.2%	+ 53.5%
St. Charles	\$147,950	\$169,900	\$169,950	\$160,000	\$218,175	+ 36.4%	+ 47.5%
Stewartville	\$159,950	\$173,500	\$184,450	\$195,000	\$207,500	+ 6.4%	+ 29.7%
Wabasha	\$156,450	\$145,000	\$145,000	\$168,000	\$182,000	+ 8.3%	+ 16.3%
Waseca	\$114,250	\$117,000	\$128,000	\$138,000	\$144,900	+ 5.0%	+ 26.8%
Winona	\$136,000	\$140,000	\$138,500	\$144,000	\$153,000	+ 6.3%	+ 12.5%
Zumbrota	\$168,500	\$195,000	\$199,950	\$210,000	\$226,450	+ 7.8%	+ 34.4%