Annual Report on the Southeast Minnesota Housing Market

FOR RESIDENTIAL REAL ESTATE ACTIVITY IN THE SOUTHEAST MINNESOTA SERVICE AREA

SOUTHEAST MINNESOTA REALTORS

2020

2020 Annual Report on the Southeast Minnesota Housing Market

FOR RESIDENTIAL REAL ESTATE ACTIVITY IN THE SOUTHEAST MINNESOTA SERVICE AREA

The 2020 housing market was unexpectedly turbulent towards the end of the first quarter due to the pandemic that spread across the country. As the first wave of COVID-19 hit in the spring, housing market activity slowed substantially before staging a dramatic comeback just a couple months later.

Buyer activity was the leader again in 2020. With mortgage interest rates setting record lows multiple times throughout the year and a strong drive by many buyers to secure a better housing situation – in part due to the new realities brought on by COVID-19 – many segments of the market experienced a multiple-offer frenzy not seen in the last 15 years or more.

While markedly improved from their COVID-19 spring lows, seller activity continued to lag buyer demand, which had strengthened the ongoing seller's market for most housing segments as inventories remain at record lows.

Sales: Pending sales increased 6.7 percent, finishing 2020 at 6,664. Closed sales were up 5.8 percent to end the year at 6,587.

Listings: Comparing 2020 to the prior year, the number of homes available for sale was lower 55.2 percent. There were 538 active listings at the end of 2020. New listings decreased 8.1 percent to finish the year at 6,787.

Sales by Price Range: The number of homes sold in the $300,001 and Above price range increased 30.8 percent to 1,608. Homes sold in the $100,000 and Below price range fell 16.7 percent to 587 homes.

Prices: Home prices were up compared to last year. The overall median sales price increased 10.5 percent to $223,000 for the year. Single Family home prices were up 9.8 percent compared to last year, and Townhouse-Condo home prices were up 8.1 percent.

List Price Received: Sellers received, on average, 97.7 percent of their original list price at sale, a year-over-year reduction of 0.9 percent.

The housing market in 2020 proved to be incredibly resilient, ending the year on a high note. Home sales and prices were higher than 2019 across most market segments and across most of the country. Seller activity recovered significantly from the COVID-19 spring decline, but overall activity was still insufficient to build up the supply of homes for sale.

As we look to 2021, signals suggest buyer demand will remain elevated and tight inventory will continue to invite multiple offers and higher prices across much of the housing inventory. Mortgage rates are expected to remain low, helping buyers manage some of the increases in home prices and keep them motivated to lock in their housing costs for the long term. These factors will provide substantial tailwinds for the housing market into the new year.

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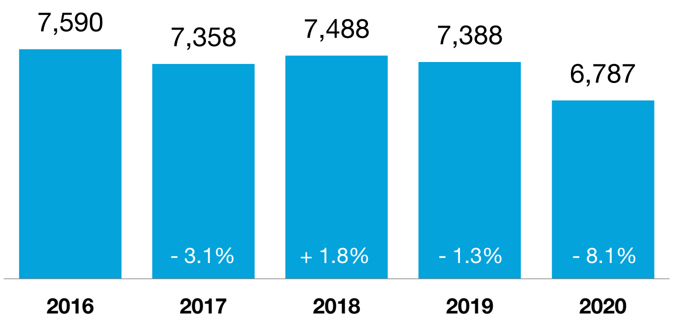
Quick Facts

New Listings



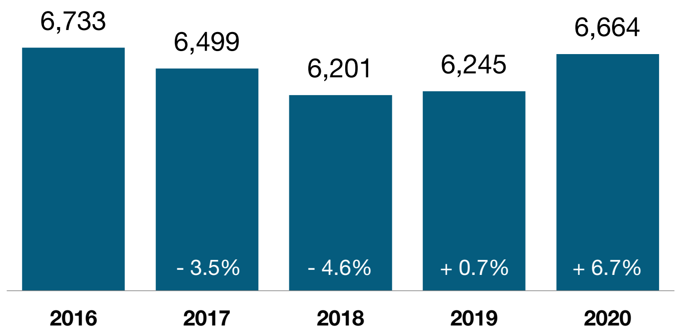
Top 5 Areas: Change in New Listings from 2019

St. Charles	+ 50.0%
Zumbrota	+ 13.6%
Kasson	+ 5.4%
Hayfield	+ 2.9%
Stewartville	+ 0.9%

Bottom 5 Areas: Change in New Listings from 2019

Lake City	- 22.3%
Waseca	- 23.3%
Caledonia	- 26.2%
Blooming Prairie	- 34.9%
Oronoco	- 50.0%

Pending Sales



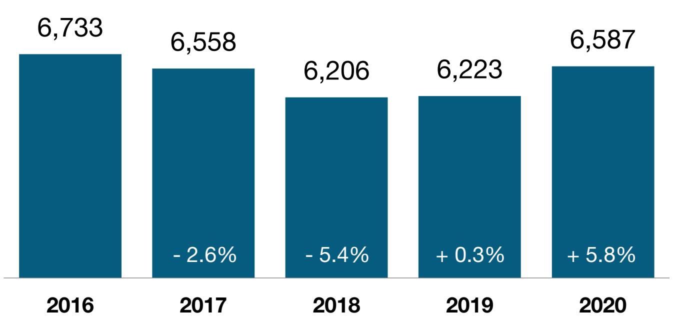
Top 5 Areas: Change in Pending Sales from 2019

Hayfield	+ 66.7%
Zumbrota	+ 43.2%
St. Charles	+ 36.4%
Chatfield	+ 34.1%
Preston	+ 29.2%

Bottom 5 Areas: Change in Pending Sales from 2019

Blooming Prairie	- 11.1%
Spring Valley	- 15.6%
Oronoco	- 20.0%
Waseca	- 20.7%
Caledonia	- 30.8%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2019

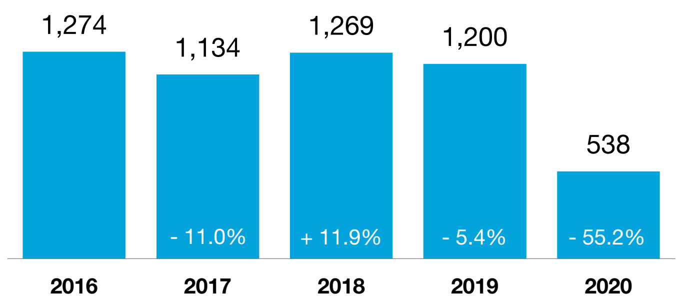
Hayfield	+ 64.0%
Chatfield	+ 37.5%
Preston	+ 34.8%
Zumbrota	+ 32.9%
St. Charles	+ 27.3%

Bottom 5 Areas: Change in Closed Sales from 2019

Dodge Center	- 8.1%
Wabasha	- 9.4%
Winona	- 12.1%
Waseca	- 19.6%
Caledonia	- 30.0%

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Homes for Sale from 2019

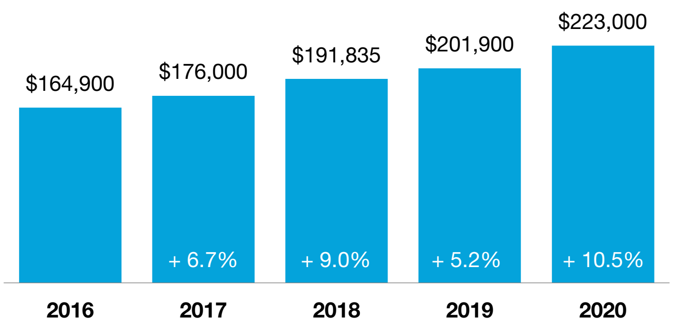
Spring Valley	+ 100.0%
Caledonia	- 11.1%
St. Charles	- 25.0%
Waseca	- 26.1%
Kasson	- 27.8%

Bottom 5 Areas: Change in Homes for Sale from 2019

Preston	- 77.8%
Plainview	- 77.8%
Pine Island	- 81.3%
Blooming Prairie	- 87.5%
Oronoco	- 100.0%

Quick Facts

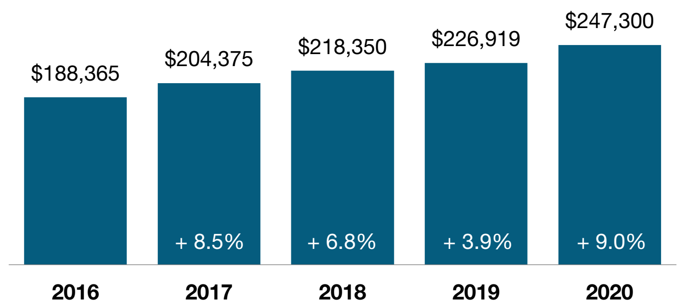
Median Sales Price



Top 5 Areas: Change in Median Sales Price from 2019	
Blooming Prairie	+ 44.7%
Grand Meadow	+ 28.2%
Chatfield	+ 22.8%
La Crescent	+ 18.6%
Spring Valley	+ 18.1%

Bottom 5 Areas: Change in Median Sales Price from 2019	
Wabasha	- 1.2%
Pine Island	- 2.9%
Oronoco	- 7.7%
Caledonia	- 8.3%
Preston	- 29.7%

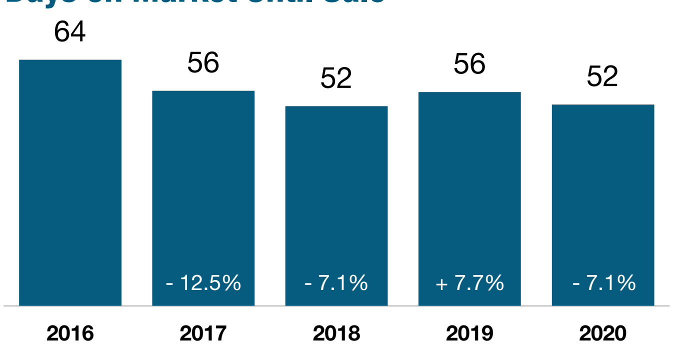
Average Sales Price



Top 5 Areas: Change in Avg. Sales Price from 2019	
Grand Meadow	+ 34.3%
Chatfield	+ 24.8%
La Crescent	+ 23.7%
Blooming Prairie	+ 21.1%
Spring Valley	+ 19.6%

Bottom 5 Areas: Change in Avg. Sales Price from 2019	
Preston	- 1.6%
Wabasha	- 2.4%
Oronoco	- 2.6%
St. Charles	- 3.5%
Hayfield	- 8.5%

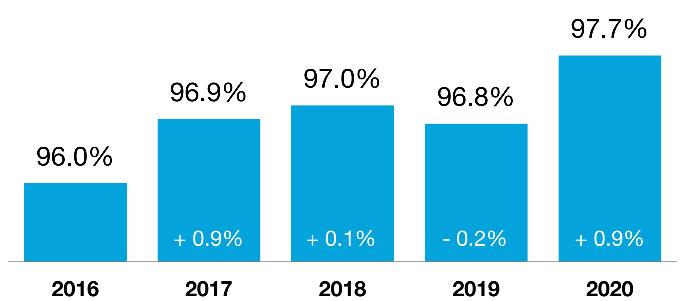
Days on Market Until Sale



Top 5 Areas: Change in Days on Market from 2019	
Chatfield	+ 41.8%
Dodge Center	+ 17.9%
La Crescent	+ 12.9%
Pine Island	+ 9.1%
Albert Lea	+ 8.3%

Bottom 5 Areas: Change in Days on Market from 2019	
Grand Meadow	- 19.0%
Hayfield	- 19.6%
Stewartville	- 20.9%
Byron	- 24.4%
Blooming Prairie	- 25.8%

Percent of Original List Price Received



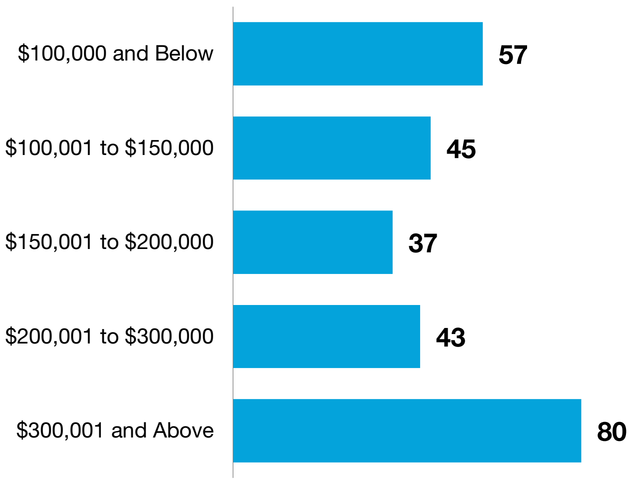
Top 5 Areas: Change in Pct. of Orig. Price Received from 2019	
Blooming Prairie	+ 4.6%
Waseca	+ 4.2%
Grand Meadow	+ 4.1%
Preston	+ 4.0%
Winona	+ 2.9%

Bottom 5 Areas: Change in Pct. of Orig. Price Received from 2019	
Pine Island	- 0.3%
Hayfield	- 0.3%
Lake City	- 0.4%
Spring Valley	- 1.3%
Plainview	- 3.8%

Price Range Review

$150,001 to $200,000	$300,001 and Above	10.4%	- 0.9%
Price Range with Shortest Average Market Time	Price Range with Longest Average Market Time	of Homes for Sale at Year End Priced $100,000 and Below	One-Year Change in Homes for Sale Priced $100,000 and Below

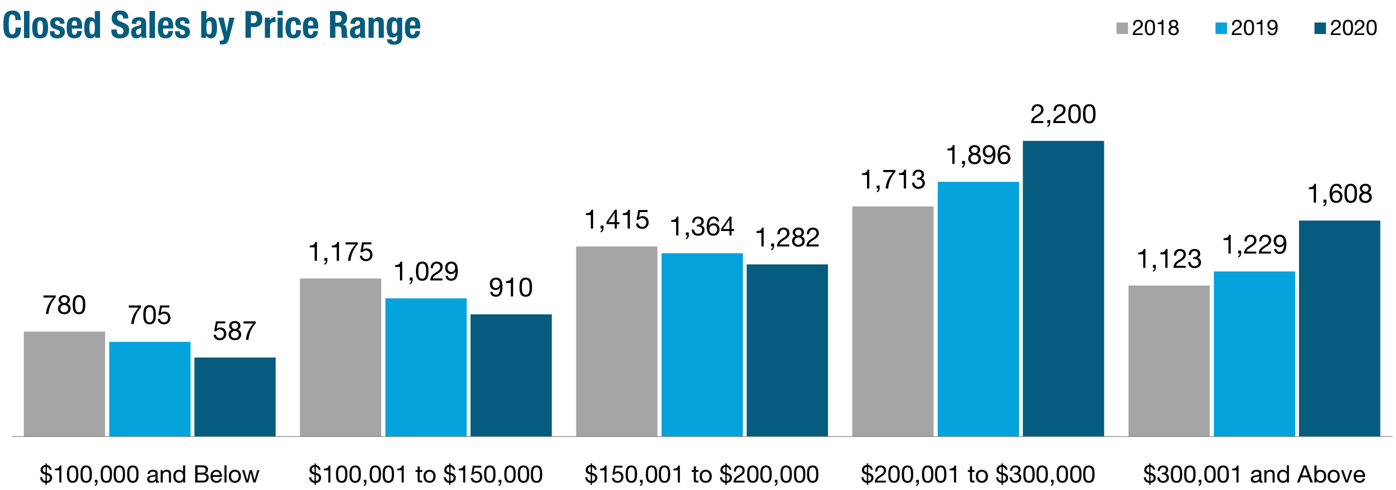
Days on Market Until Sale by Price Range



Share of Homes for Sale $100,000 and Below

$200,001 to $300,000	+ 30.8%	$100,000 and Below	- 16.7%
Price Range with the Most Closed Sales	Price Range with Strongest One-Year Change in Sales: $300,001 and Above	Price Range with the Fewest Closed Sales	Price Range with Weakest One-Year Change in Sales: $100,000 and Below

Closed Sales by Price Range



Property Type Review

51

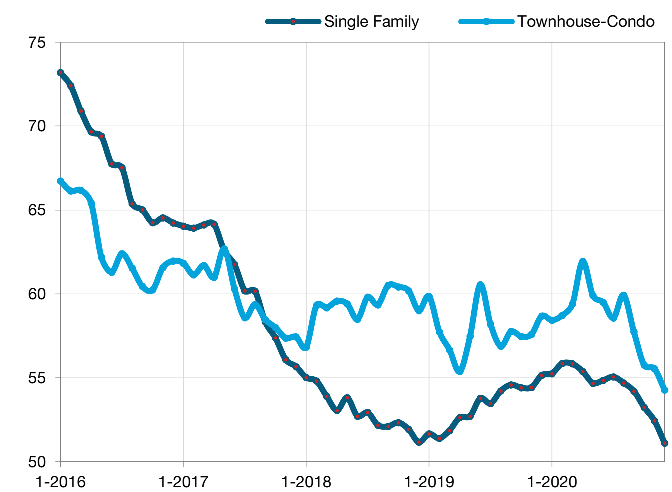
Average Days on Market
Single Family

54

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 2020

Lake City	29.2%
Rochester	20.9%
Wabasha	18.8%
Byron	14.8%
Stewartville	11.7%
Plainview	10.9%
Pine Island	6.8%
Albert Lea	5.1%
Hayfield	4.9%
Waseca	4.7%
Owatonna	4.2%
St. Charles	3.6%
Austin	2.8%
Spring Valley	2.4%
La Crescent	1.8%
Kasson	1.3%

+ 9.8%

One-Year Change in Price
Single Family

+ 8.1%

One-Year Change in Price
Townhouse-Condo

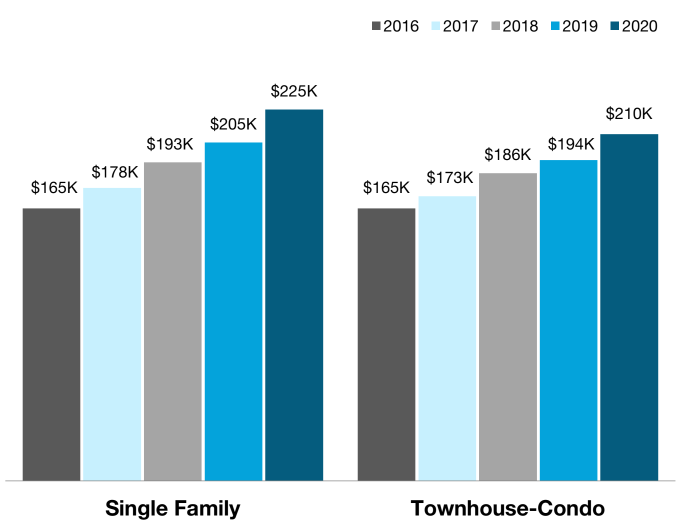
97.6%

Pct. of Orig. Price Received
Single Family

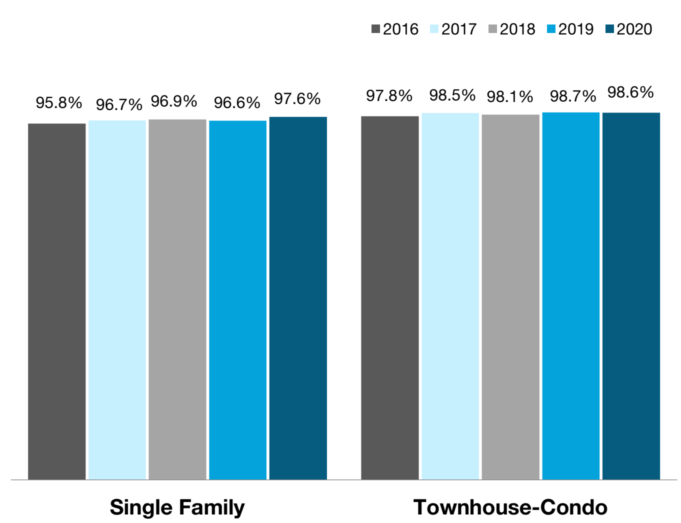
98.6%

Pct. of Orig. Price Received
Townhouse-Condo

Median Sales Price



Percent of Original List Price Received



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Square Foot Range Review

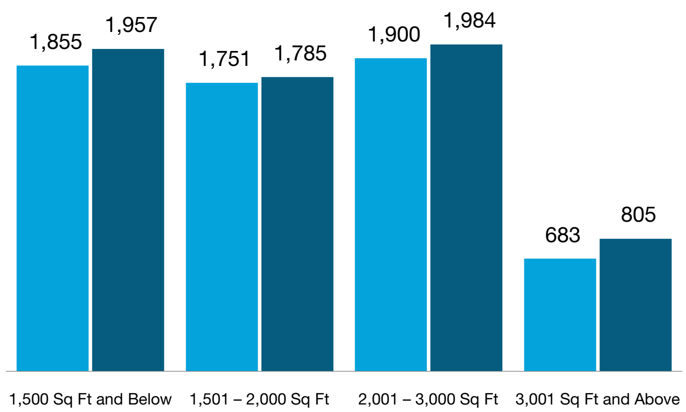
+ 1.9%

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

+ 4.4%

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

Closed Sales



Top Areas: 1,500 Sq Ft and Below Market Share in 2020

Rochester	27.5%
Austin	8.3%
Winona	7.6%
Owatonna	7.0%
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%
Pine Island	0.8%
St. Charles	0.8%

97.4%

Percent of Original List Price Received in 2020 for 1,500 Sq Ft and Below

98.5%

Percent of Original List Price Received in 2020 for 1,501 – 2,000 Sq Ft

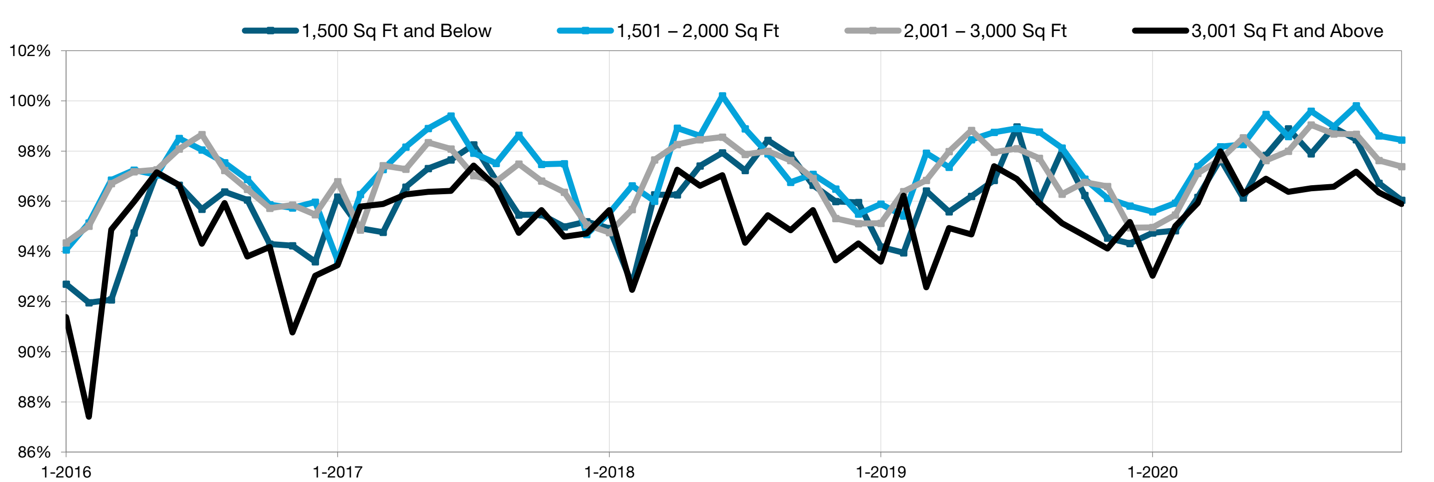
97.8%

Percent of Original List Price Received in 2020 for 2,001 – 3,000 Sq Ft

96.4%

Percent of Original List Price Received in 2020 for 3,001 Sq Ft and Above

Percent of Original List Price Received



Area Overviews

	Total Closed Sales	Change from 2019	Percent Single Family	Percent Townhouse-Condo	Inventory	New Listings	Months Supply of Inventory*	Days on Market	Pct. of List Price Received
Entire MLS	**6,587**	**+ 5.8%**	**87.7%**	**11.2%**	**538**	**6,787**	**1.0**	**52**	**99.2%**
Albert Lea	331	+ 11.4%	93.7%	5.1%	36	338	1.3	65	96.6%
Austin	433	+ 4.3%	97.0%	2.8%	46	488	1.2	47	98.5%
Bloomington Prairie	34	+ 3.0%	91.2%	0.0%	1	28	0.3	46	99.1%
Byron	162	+ 17.4%	84.6%	14.8%	16	162	1.2	59	99.9%
Caledonia	28	- 30.0%	100.0%	0.0%	8	31	2.4	106	94.6%
Chatfield	55	+ 37.5%	100.0%	0.0%	8	57	1.7	78	98.9%
Dodge Center	57	- 8.1%	100.0%	0.0%	3	62	0.6	46	100.5%
Grand Meadow	23	+ 15.0%	100.0%	0.0%	1	23	0.4	34	101.2%
Hayfield	41	+ 64.0%	90.2%	4.9%	2	36	0.6	41	99.4%
Kasson	154	+ 22.2%	98.7%	1.3%	13	157	1.0	39	100.6%
La Crescent	56	+ 3.7%	94.6%	1.8%	7	64	1.4	70	97.5%
Lake City	120	+ 1.7%	70.8%	29.2%	11	115	1.1	95	96.9%
Oronoco	30	- 6.3%	100.0%	0.0%	0	24	0.0	59	100.8%
Owatonna	427	+ 8.1%	95.3%	4.2%	20	396	0.6	47	100.4%
Preston	31	+ 34.8%	100.0%	0.0%	2	29	0.7	83	98.1%
Pine Island	88	+ 22.2%	92.0%	6.8%	3	78	0.4	60	100.4%
Plainview	46	+ 7.0%	87.0%	10.9%	2	42	0.5	42	98.5%
Rochester	2,377	+ 5.1%	78.4%	20.9%	142	2,441	0.7	43	100.1%
Spring Valley	41	- 4.7%	97.6%	2.4%	6	44	1.7	54	98.6%
St. Charles	56	+ 27.3%	89.3%	3.6%	6	63	1.2	51	99.7%
Stewartville	103	+ 22.6%	85.4%	11.7%	11	108	1.3	34	100.1%
Wabasha	48	- 9.4%	81.3%	18.8%	9	59	2.0	65	98.2%
Waseca	127	- 19.6%	93.7%	4.7%	17	135	1.6	52	99.6%
Winona	320	- 12.1%	94.1%	2.8%	23	316	0.9	66	98.6%
Zumbrota	109	+ 32.9%	89.9%	7.3%	6	117	0.6	64	99.8%

Area Historical Median Prices

	2016	2017	2018	2019	2020	Change From 2019	Change From 2016
Entire MLS	**$164,900**	**$176,000**	**$191,835**	**$201,900**	**$223,000**	**+ 10.5%**	**+ 35.2%**
Albert Lea	$90,000	$90,000	$108,500	$110,500	$125,000	+ 13.1%	+ 38.9%
Austin	$97,250	$104,500	$105,000	$123,000	$139,900	+ 13.7%	+ 43.9%
Bloomington Prairie	$118,000	$124,249	$124,000	$105,000	$151,950	+ 44.7%	+ 28.8%
Byron	$229,900	$265,000	$259,950	$255,000	$275,300	+ 8.0%	+ 19.7%
Caledonia	$111,000	$112,000	$124,500	$139,600	$128,000	- 8.3%	+ 15.3%
Chatfield	$139,000	$153,700	$182,250	$177,700	$218,200	+ 22.8%	+ 57.0%
Dodge Center	$119,900	$151,000	$185,531	$195,500	$196,000	+ 0.3%	+ 63.5%
Grand Meadow	$119,500	$131,250	$106,000	$130,250	$167,000	+ 28.2%	+ 39.7%
Hayfield	$114,000	$150,000	$144,000	$160,000	$181,950	+ 13.7%	+ 59.6%
Kasson	$184,950	$200,000	$208,000	$220,100	$250,000	+ 13.6%	+ 35.2%
La Crescent	$192,500	$215,000	$260,000	$220,000	$261,000	+ 18.6%	+ 35.6%
Lake City	$166,845	$181,500	$203,575	$229,000	$229,500	+ 0.2%	+ 37.6%
Oronoco	$350,000	$395,000	$423,000	$452,750	$418,000	- 7.7%	+ 19.4%
Owatonna	$154,900	$160,950	$171,000	$182,250	$203,000	+ 11.4%	+ 31.1%
Preston	$96,625	$103,900	$133,250	$155,000	$109,000	- 29.7%	+ 12.8%
Pine Island	$206,180	$207,500	$221,000	$257,450	$250,000	- 2.9%	+ 21.3%
Plainview	$141,000	$161,800	$182,400	$171,000	$190,750	+ 11.5%	+ 35.3%
Rochester	$195,800	$220,000	$232,950	$244,000	$259,900	+ 6.5%	+ 32.7%
Spring Valley	$124,500	$129,450	$144,500	$152,000	$179,500	+ 18.1%	+ 44.2%
St. Charles	$169,900	$169,950	$160,000	$218,175	$229,000	+ 5.0%	+ 34.8%
Stewartville	$173,500	$184,450	$195,000	$207,500	$232,450	+ 12.0%	+ 34.0%
Wabasha	$145,000	$145,000	$168,000	$182,000	$179,750	- 1.2%	+ 24.0%
Waseca	$117,000	$128,000	$138,000	$144,900	$149,950	+ 3.5%	+ 28.2%
Winona	$140,000	$138,500	$144,000	$153,000	$162,450	+ 6.2%	+ 16.0%
Zumbrota	$195,000	$199,950	$210,000	$226,450	$237,750	+ 5.0%	+ 21.9%