



Monthly Indicators

December 2014

Residential real estate activity comprised of single-family properties, townhomes and condominiums combined. Percent changes are calculated using rounded figures.

It has been another recovery year in 2014 but not the same as 2013. With a broad pattern of rising prices and stable to improving inventory, the market has shifted from being drastically undersupplied to approaching equilibrium. Price gains are still positive but less robust than last year. The metrics to watch in 2015 include days on market, percent of list price received and absorption rates, as these can offer deeper and more meaningful insights into the future direction of housing.

New Listings in Southeast Minnesota decreased 1.6 percent to 250. Pending Sales were down 2.9 percent to 270. Inventory levels shrank 8.7 percent to 1,883 units.

Prices continued to gain traction. The Median Sales Price increased 8.1 percent to \$135,000. Days on Market was down 2.8 percent to 105 days. Sellers were encouraged as Months Supply of Inventory was down 8.5 percent to 4.3 months.

Interest rates remained lower than anyone expected for the entire year. That trend snowballed with solid and accelerating private job growth to empower more consumers to buy homes. This coupled nicely on the governmental side with mortgage debt forgiveness and interest deduction preservation. Student loan debt, sluggish wage growth and a lack of sufficient mortgage liquidity still remain hurdles to greater recovery.

Activity Snapshot

- 10.6% **+ 8.1%** **- 8.7%**

One-Year Change in Closed Sales One-Year Change in Median Sales Price One-Year Change in Homes for Sale

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Activity Overview

Key metrics by report month and for year-to-date (YTD) starting from the first of the year.



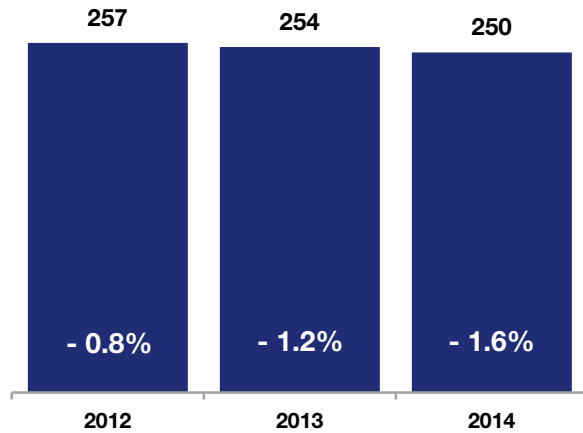
Key Metrics	Historical Sparkbars	12-2013	12-2014	Percent Change	YTD 2013	YTD 2014	Percent Change
New Listings		254	250	- 1.6%	7,108	7,013	- 1.3%
Pending Sales		278	270	- 2.9%	5,236	5,292	+ 1.1%
Closed Sales		405	362	- 10.6%	5,273	5,275	+ 0.0%
Days on Market		108	105	- 2.8%	100	95	- 5.0%
Median Sales Price		\$124,900	\$135,000	+ 8.1%	\$140,000	\$143,991	+ 2.9%
Avg. Sales Price		\$152,008	\$156,703	+ 3.1%	\$160,163	\$164,501	+ 2.7%
Pct. of Orig. Price Received		91.2%	92.2%	+ 1.1%	93.1%	93.5%	+ 0.4%
Affordability Index		289	298	+ 3.1%	258	279	+ 8.1%
Homes for Sale		2,063	1,883	- 8.7%	--	--	--
Months Supply		4.7	4.3	- 8.5%	--	--	--

New Listings

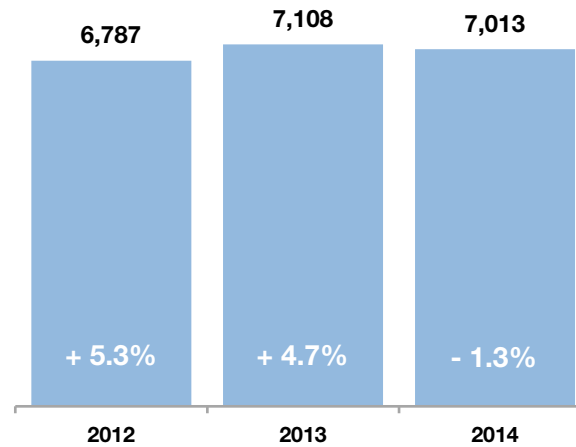
A count of the properties that have been newly listed on the market in a given month.



December

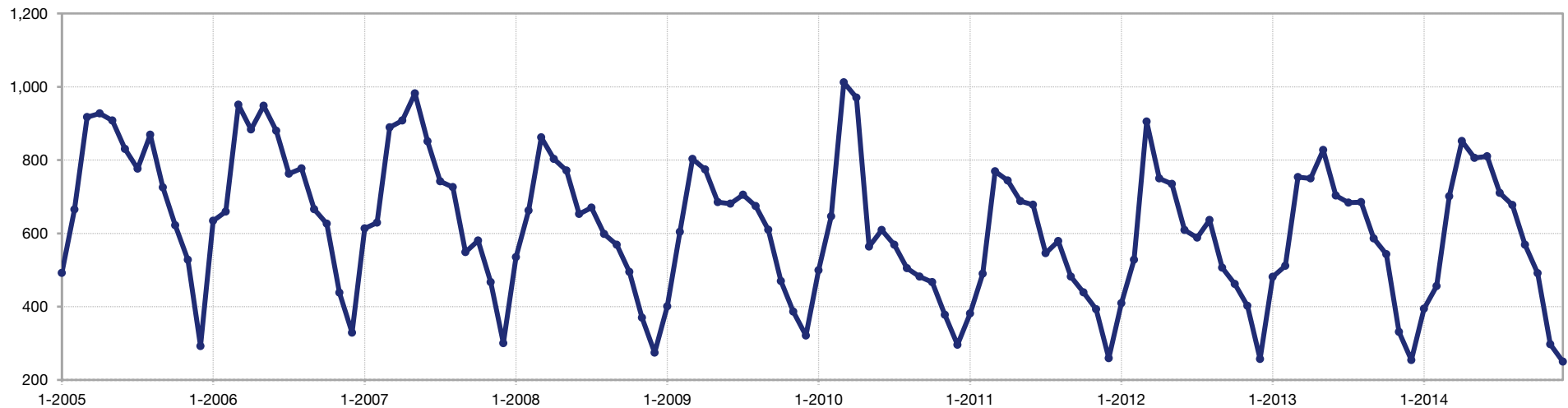


Year to Date



	New Listings	Prior Year	Percent Change
January 2014	394	481	-18.1%
February 2014	456	511	-10.8%
March 2014	701	753	-6.9%
April 2014	852	750	+13.6%
May 2014	806	827	-2.5%
June 2014	810	703	+15.2%
July 2014	710	684	+3.8%
August 2014	677	685	-1.2%
September 2014	569	586	-2.9%
October 2014	491	543	-9.6%
November 2014	297	331	-10.3%
December 2014	250	254	-1.6%
12-Month Avg	584	592	-1.4%

Historical New Listings by Month

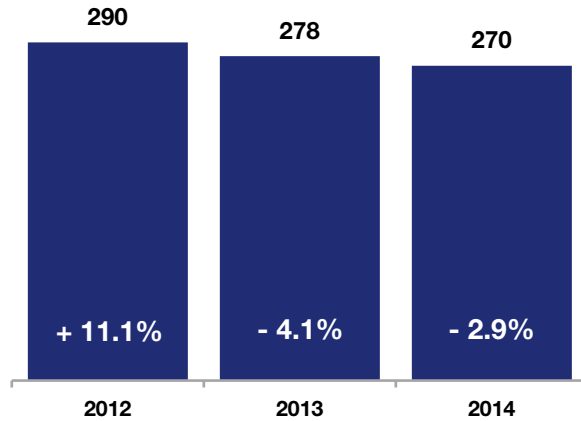


Pending Sales

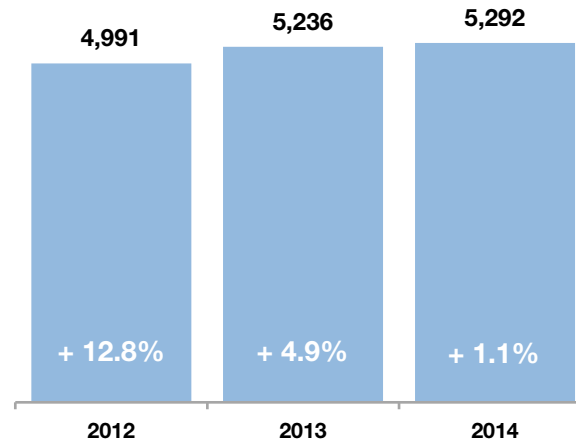
A count of the properties on which offers have been accepted in a given month.



December

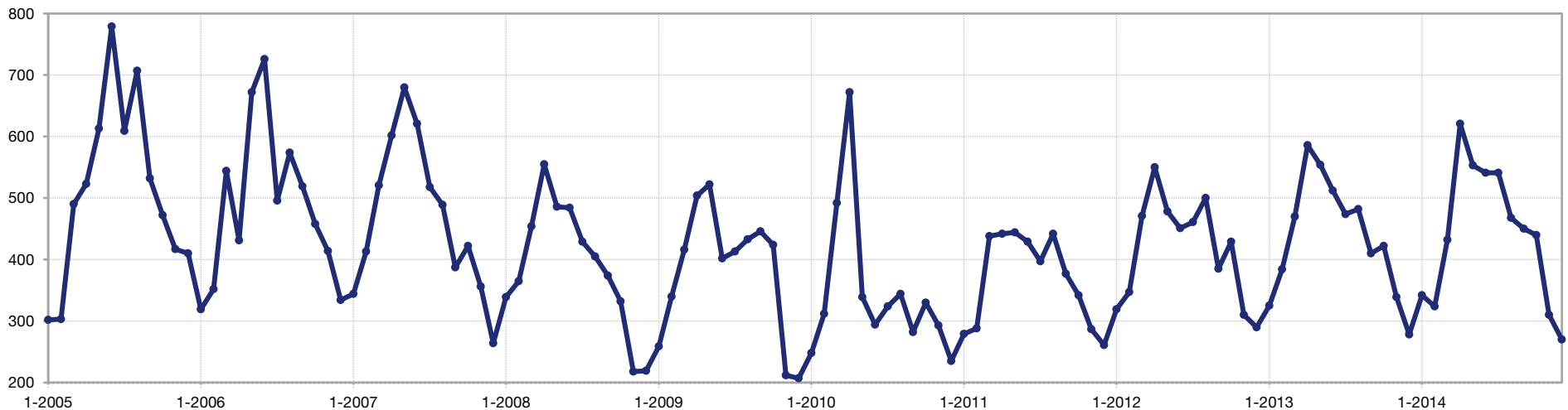


Year to Date



	Pending Sales	Prior Year	Percent Change
January 2014	342	325	+5.2%
February 2014	324	384	-15.6%
March 2014	432	470	-8.1%
April 2014	621	586	+6.0%
May 2014	553	554	-0.2%
June 2014	541	512	+5.7%
July 2014	541	474	+14.1%
August 2014	468	482	-2.9%
September 2014	450	410	+9.8%
October 2014	440	422	+4.3%
November 2014	310	339	-8.6%
December 2014	270	278	-2.9%
12-Month Avg	441	436	+1.1%

Historical Pending Sales by Month

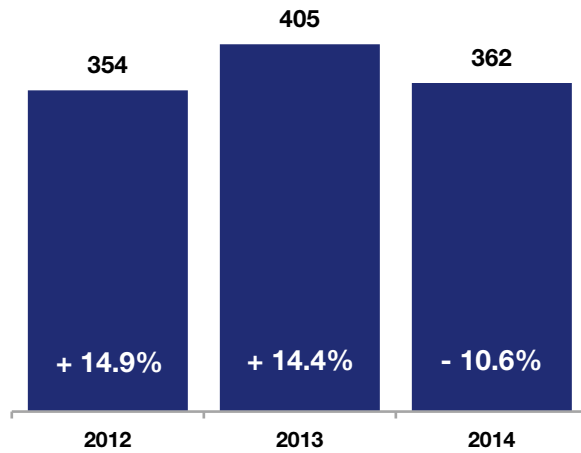


Closed Sales

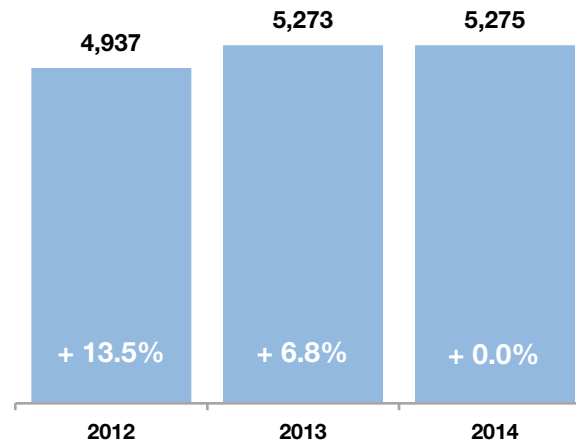
A count of the actual sales that closed in a given month.



December

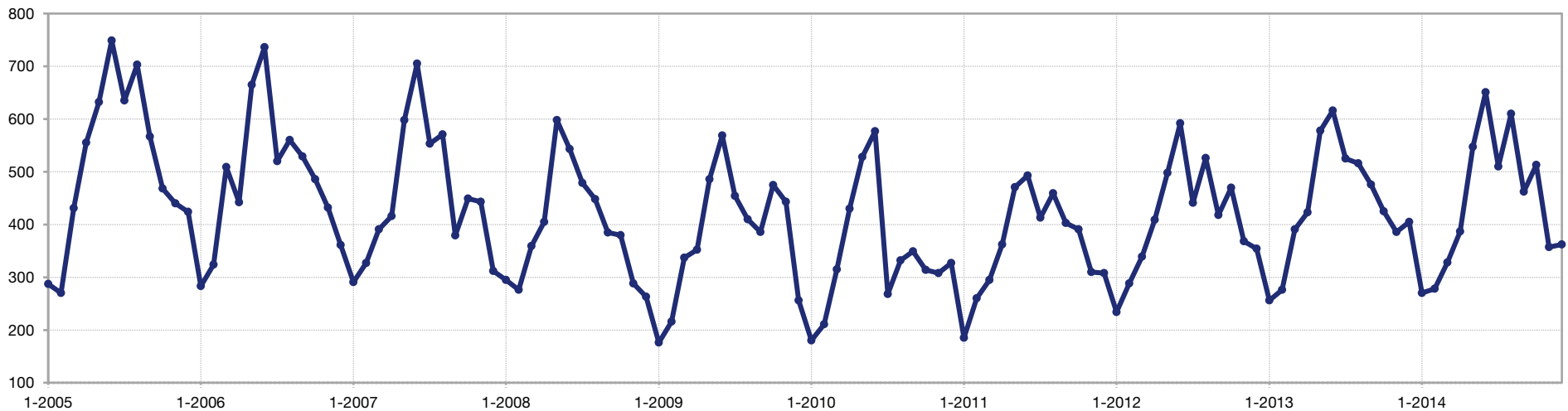


Year to Date



	Closed Sales	Prior Year	Percent Change
January 2014	270	256	+5.5%
February 2014	278	276	+0.7%
March 2014	328	391	-16.1%
April 2014	387	423	-8.5%
May 2014	547	578	-5.4%
June 2014	651	616	+5.7%
July 2014	510	525	-2.9%
August 2014	610	516	+18.2%
September 2014	462	476	-2.9%
October 2014	513	425	+20.7%
November 2014	357	386	-7.5%
December 2014	362	405	-10.6%
12-Month Avg	440	439	+0.2%

Historical Closed Sales by Month

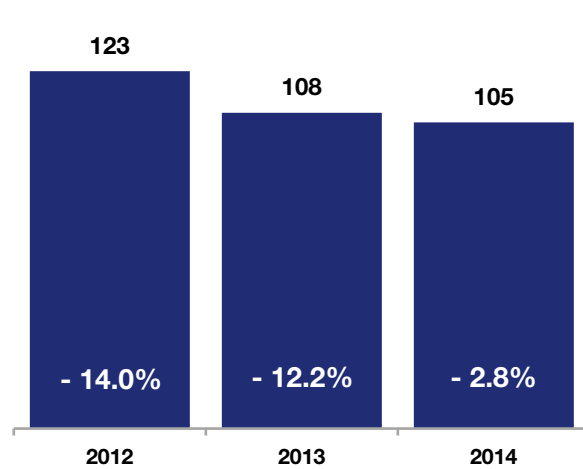


Days on Market Until Sale

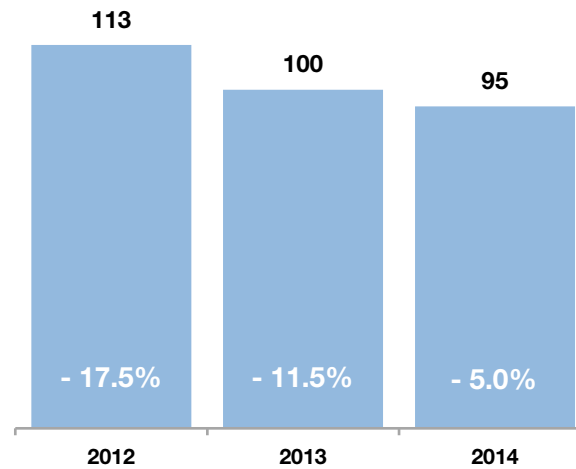
Average number of days between when a property is listed and when an offer is accepted in a given month.



December

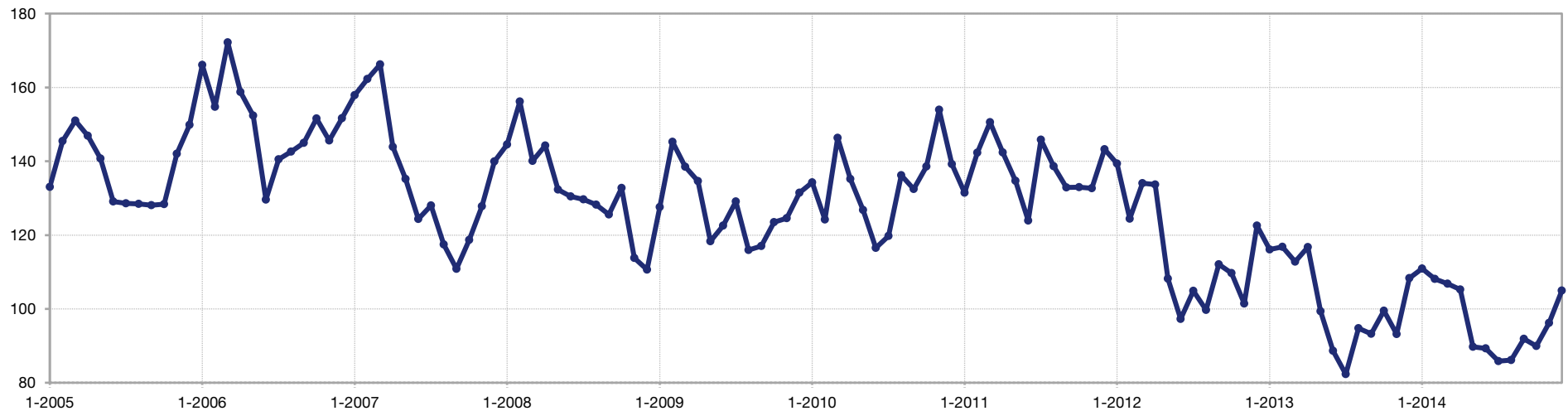


Year to Date



Days on Market		Prior Year	Percent Change
January 2014	111	116	-4.3%
February 2014	108	117	-7.7%
March 2014	107	113	-5.3%
April 2014	105	117	-10.3%
May 2014	90	99	-9.1%
June 2014	89	89	0.0%
July 2014	86	82	+4.9%
August 2014	86	95	-9.5%
September 2014	92	93	-1.1%
October 2014	90	100	-10.0%
November 2014	96	93	+3.2%
December 2014	105	108	-2.8%
12-Month Avg	97	102	-4.9%

Historical Days on Market Until Sale by Month

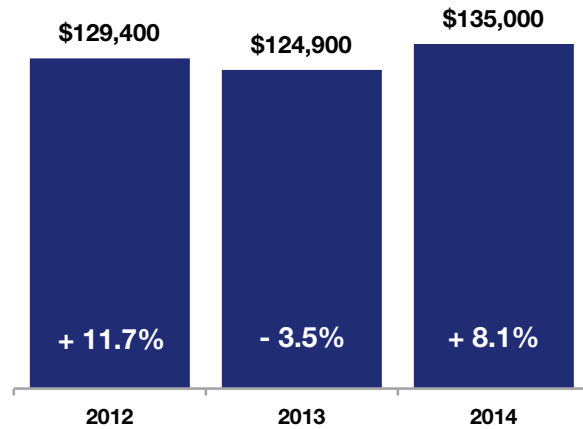


Median Sales Price

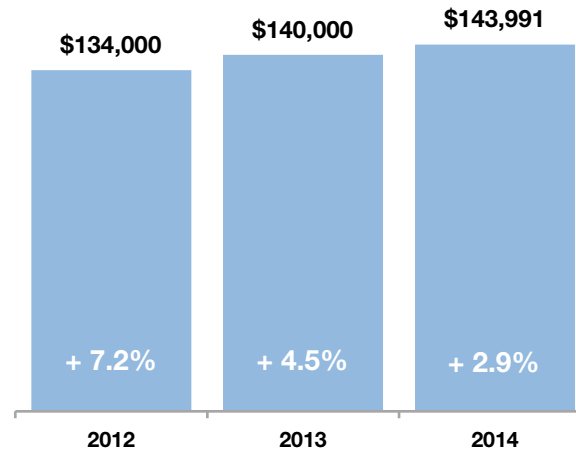
Point at which half of the sales sold for more and half sold for less, not accounting for seller concessions, in a given month.



December



Year to Date



	Median Sales Price	Prior Year	Percent Change
January 2014	\$120,300	\$130,300	-7.7%
February 2014	\$124,000	\$133,000	-6.8%
March 2014	\$139,500	\$132,900	+5.0%
April 2014	\$135,000	\$135,000	0.0%
May 2014	\$149,000	\$145,000	+2.8%
June 2014	\$155,000	\$149,900	+3.4%
July 2014	\$152,000	\$150,200	+1.2%
August 2014	\$149,400	\$145,000	+3.0%
September 2014	\$144,250	\$132,250	+9.1%
October 2014	\$145,000	\$139,450	+4.0%
November 2014	\$135,000	\$139,900	-3.5%
December 2014	\$135,000	\$124,900	+8.1%
12-Month Avg	\$140,288	\$138,150	+1.5%

Historical Median Sales Price by Month

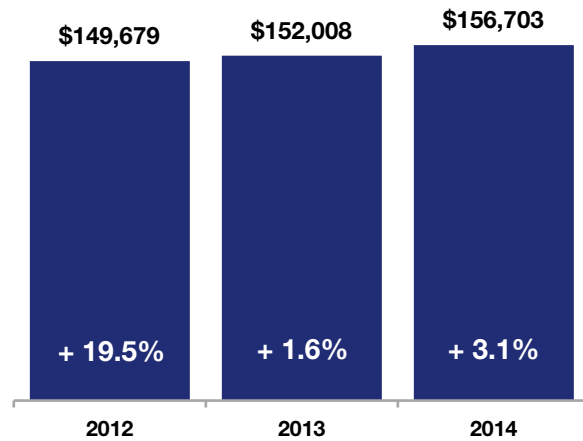


Average Sales Price

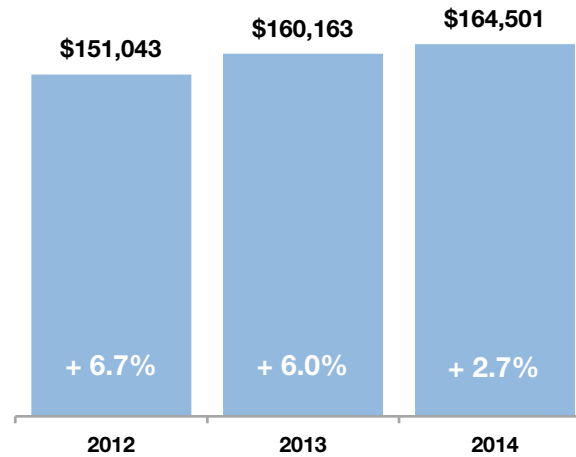
Average sales price for all closed sales, not accounting for seller concessions, in a given month.



December



Year to Date



	Avg. Sales Price	Prior Year	Percent Change
January 2014	\$147,782	\$142,527	+3.7%
February 2014	\$137,808	\$147,624	-6.6%
March 2014	\$154,408	\$152,445	+1.3%
April 2014	\$153,498	\$154,141	-0.4%
May 2014	\$167,040	\$165,597	+0.9%
June 2014	\$180,274	\$167,938	+7.3%
July 2014	\$176,816	\$168,175	+5.1%
August 2014	\$169,885	\$168,026	+1.1%
September 2014	\$167,223	\$159,220	+5.0%
October 2014	\$167,711	\$161,528	+3.8%
November 2014	\$159,404	\$161,355	-1.2%
December 2014	\$156,703	\$152,008	+3.1%
12-Month Avg	\$161,546	\$158,382	+2.0%

Historical Average Sales Price by Month

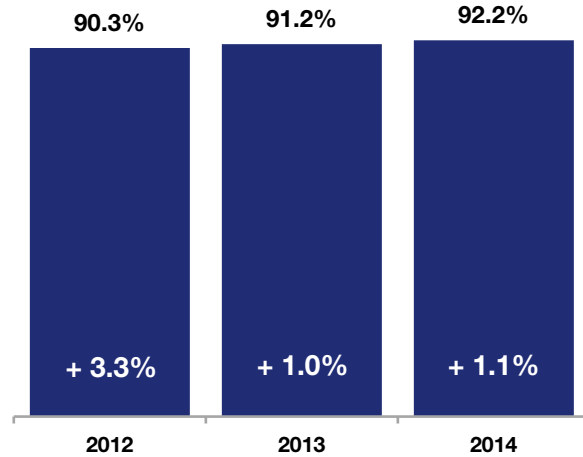


Percent of Original List Price Received

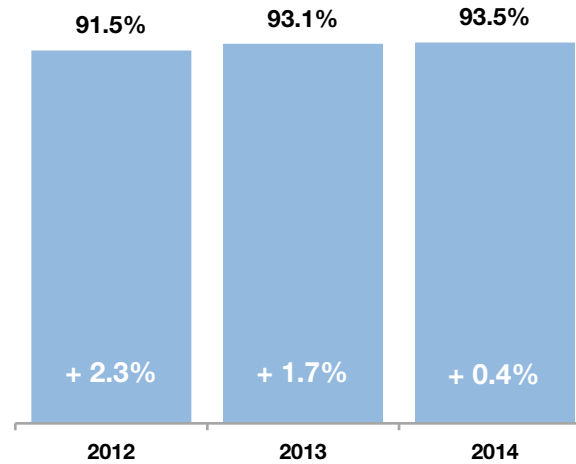
Percentage found when dividing a property's sales price by its original list price, then taking the average for all properties sold in a given month, not accounting for seller concessions.



December

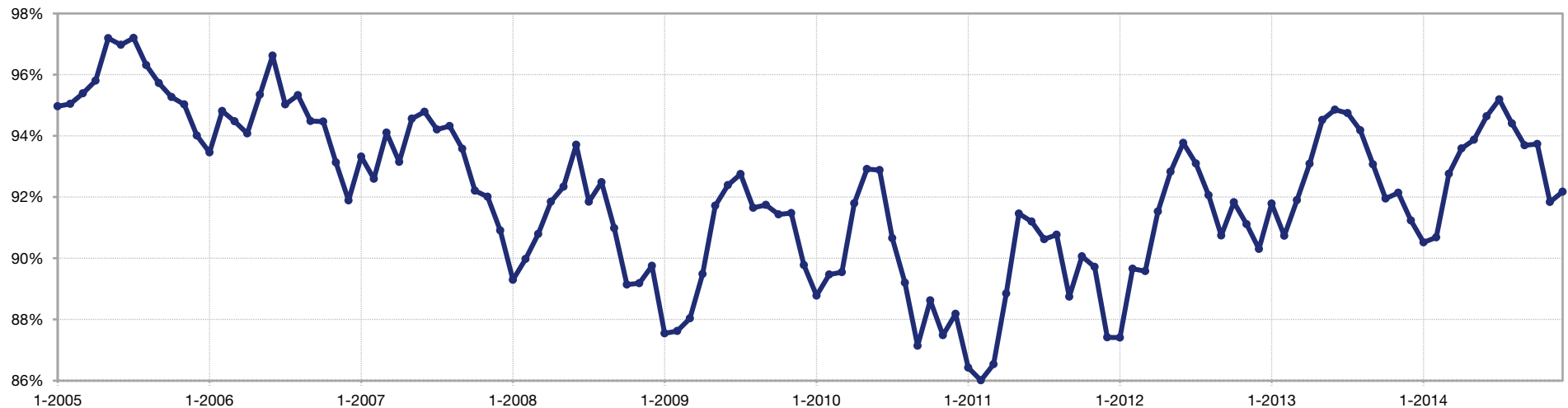


Year to Date



	Pct. of Orig. Price Received	Prior Year	Percent Change
January 2014	90.5%	91.8%	-1.4%
February 2014	90.7%	90.7%	0.0%
March 2014	92.8%	91.9%	+1.0%
April 2014	93.6%	93.1%	+0.5%
May 2014	93.9%	94.5%	-0.6%
June 2014	94.6%	94.9%	-0.3%
July 2014	95.2%	94.7%	+0.5%
August 2014	94.4%	94.2%	+0.2%
September 2014	93.7%	93.1%	+0.6%
October 2014	93.7%	91.9%	+2.0%
November 2014	91.8%	92.1%	-0.3%
December 2014	92.2%	91.2%	+1.1%
12-Month Avg	93.1%	92.9%	+0.2%

Historical Percent of Original List Price Received by Month

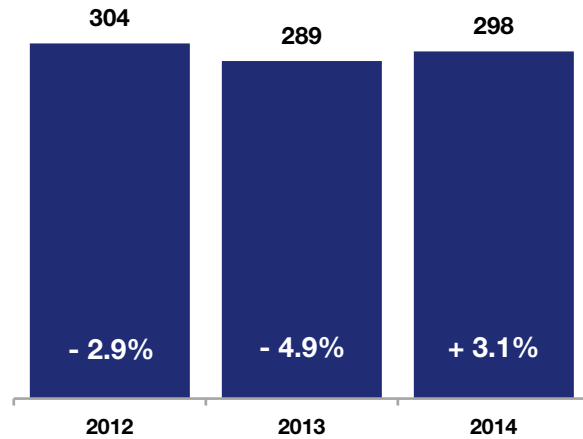


Housing Affordability Index

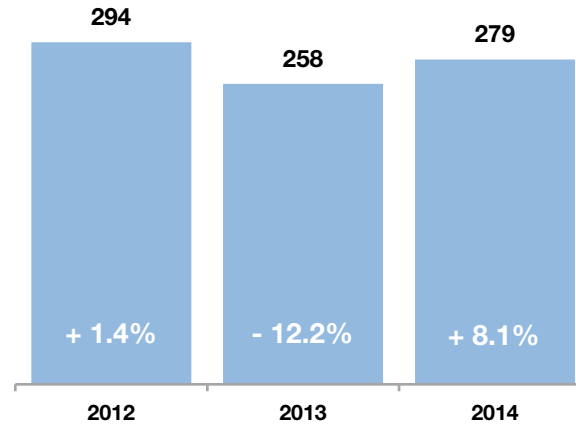
This index measures housing affordability for the region. An index of 120 means the median household income is 120% of what is necessary to qualify for the median-priced home under prevailing interest rates. A higher number means greater affordability.



December



Year to Date



	Affordability Index	Prior Year	Percent Change
January 2014	315	300	+5.0%
February 2014	310	288	+7.6%
March 2014	276	287	-3.8%
April 2014	284	288	-1.4%
May 2014	265	259	+2.3%
June 2014	254	236	+7.6%
July 2014	258	237	+8.9%
August 2014	264	243	+8.6%
September 2014	271	270	+0.4%
October 2014	274	257	+6.6%
November 2014	295	270	+9.3%
December 2014	298	289	+3.1%
12-Month Avg	280	269	+4.1%

Historical Housing Affordability Index by Month

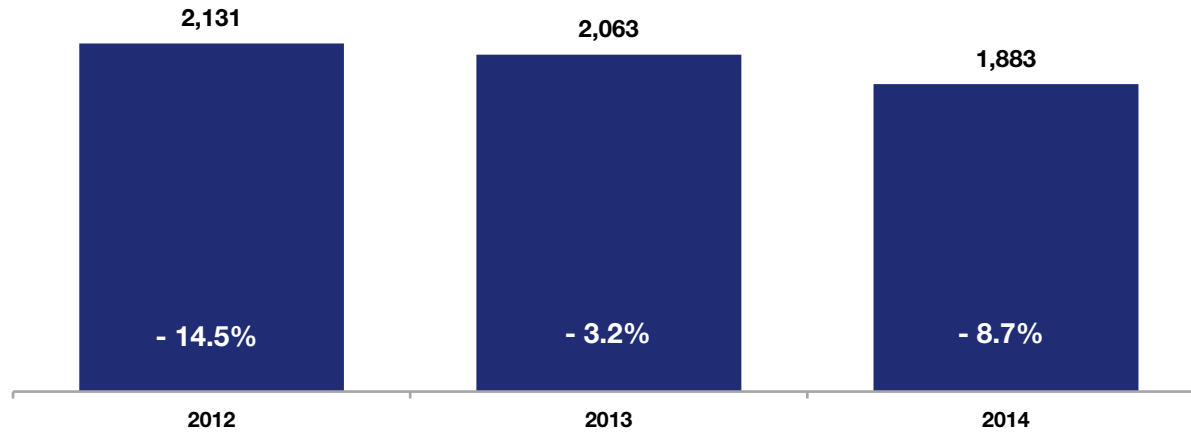


Inventory of Homes for Sale

The number of properties available for sale in active status at the end of a given month.

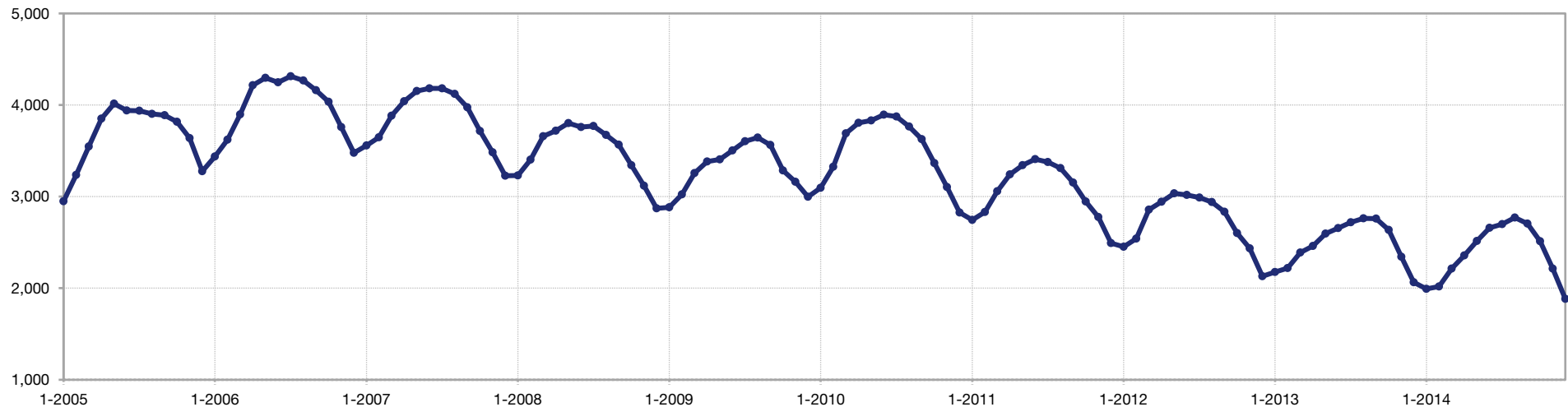


December



Homes for Sale		Prior Year	Percent Change
January 2014	1,991	2,175	-8.5%
February 2014	2,017	2,218	-9.1%
March 2014	2,213	2,389	-7.4%
April 2014	2,358	2,460	-4.1%
May 2014	2,516	2,596	-3.1%
June 2014	2,658	2,656	+0.1%
July 2014	2,699	2,719	-0.7%
August 2014	2,770	2,763	+0.3%
September 2014	2,706	2,759	-1.9%
October 2014	2,511	2,636	-4.7%
November 2014	2,215	2,344	-5.5%
December 2014	1,883	2,063	-8.7%
12-Month Avg	2,378	2,482	-4.2%

Historical Inventory of Homes for Sale by Month

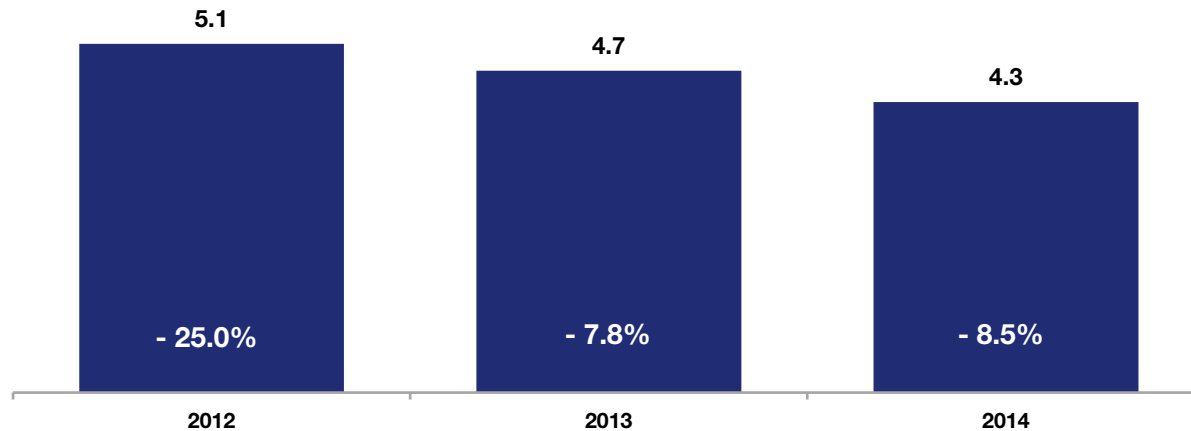


Months Supply of Inventory

The inventory of homes for sale at the end of a given month, divided by the average monthly pending sales from the last 12 months.

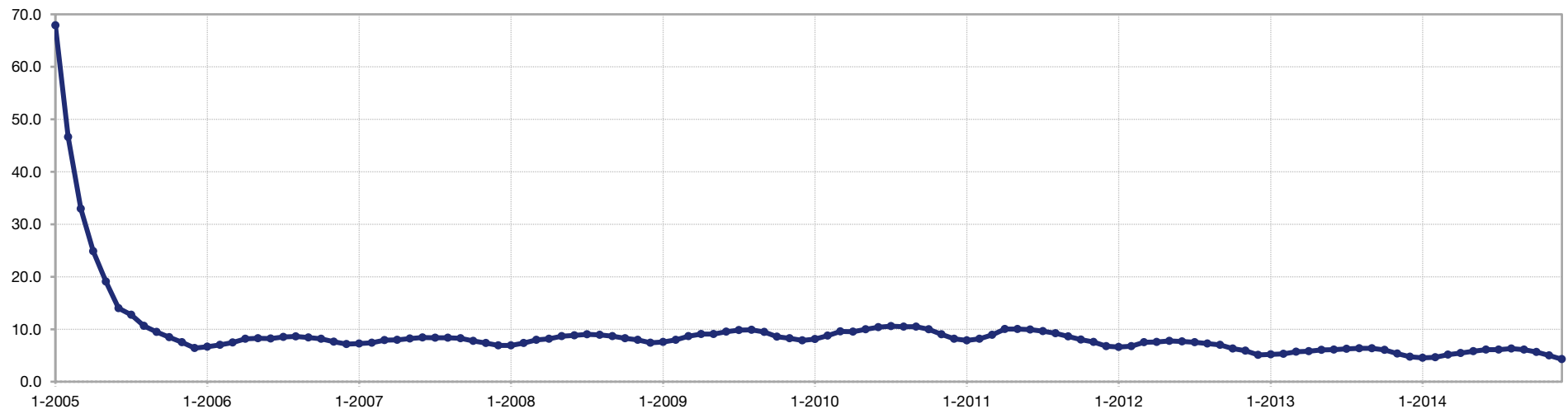


December



Months Supply		Prior Year	Percent Change
January 2014	4.5	5.2	-13.5%
February 2014	4.7	5.3	-11.3%
March 2014	5.2	5.7	-8.8%
April 2014	5.5	5.8	-5.2%
May 2014	5.8	6.1	-4.9%
June 2014	6.1	6.1	0.0%
July 2014	6.1	6.3	-3.2%
August 2014	6.3	6.4	-1.6%
September 2014	6.1	6.3	-3.2%
October 2014	5.7	6.1	-6.6%
November 2014	5.0	5.4	-7.4%
December 2014	4.3	4.7	-8.5%
12-Month Avg	5.4	5.8	-6.9%

Historical Months Supply of Inventory by Month



Area Overview

New Listings, Closed Sales, and Median Sales Price are based on year-to-date (YTD) figures.
Homes for Sale and Months Supply are based on monthly figures.



	New Listings			Closed Sales			Median Sales Price			Homes for Sale			Months Supply		
	YTD 2013	YTD 2014	+ / -	YTD 2013	YTD 2014	+ / -	YTD 2013	YTD 2014	+ / -	12-2013	12-2014	+ / -	12-2013	12-2014	+ / -
Albert Lea	349	368	+5.4%	228	270	+18.4%	\$77,500	\$80,350	+3.7%	150	128	-14.7%	7.8	5.7	-26.9%
Austin	572	568	-0.7%	368	420	+14.1%	\$89,900	\$89,900	0.0%	206	167	-18.9%	6.7	4.7	-29.9%
Blooming Prairie	49	54	+10.2%	32	32	0.0%	\$99,250	\$97,150	-2.1%	13	18	+38.5%	4.3	6.4	+48.8%
Byron	138	143	+3.6%	106	104	-1.9%	\$184,750	\$187,593	+1.5%	37	40	+8.1%	4.4	4.6	+4.5%
Caledonia	38	27	-28.9%	27	20	-25.9%	\$89,000	\$85,000	-4.5%	17	9	-47.1%	6.0	3.7	-38.3%
Chatfield	61	47	-23.0%	51	43	-15.7%	\$124,456	\$139,900	+12.4%	18	8	-55.6%	4.2	2.3	-45.2%
Dodge Center	52	68	+30.8%	42	47	+11.9%	\$112,750	\$129,780	+15.1%	16	17	+6.3%	5.1	4.3	-15.7%
Grand Meadow	18	34	+88.9%	18	20	+11.1%	\$88,100	\$92,500	+5.0%	13	14	+7.7%	6.1	5.1	-16.4%
Hayfield	48	40	-16.7%	26	36	+38.5%	\$106,000	\$111,250	+5.0%	16	9	-43.8%	6.4	3.0	-53.1%
Kasson	137	122	-10.9%	129	88	-31.8%	\$146,000	\$145,450	-0.4%	34	34	0.0%	3.5	4.3	+22.9%
La Crescent	40	58	+45.0%	25	37	+48.0%	\$138,000	\$163,500	+18.5%	10	13	+30.0%	4.2	4.2	0.0%
Lake City	155	147	-5.2%	89	90	+1.1%	\$156,500	\$155,000	-1.0%	66	52	-21.2%	9.3	6.9	-25.8%
Oronoco	65	47	-27.7%	47	32	-31.9%	\$302,000	\$301,000	-0.3%	17	15	-11.8%	3.6	5.0	+38.9%
Owatonna	465	466	+0.2%	333	358	+7.5%	\$135,200	\$135,000	-0.1%	119	114	-4.2%	4.2	3.9	-7.1%
Preston	27	31	+14.8%	18	21	+16.7%	\$70,050	\$95,000	+35.6%	9	9	0.0%	4.3	3.4	-20.9%
Pine Island	81	83	+2.5%	60	67	+11.7%	\$164,450	\$163,250	-0.7%	26	21	-19.2%	5.9	3.6	-39.0%
Plainview	45	67	+48.9%	40	47	+17.5%	\$130,250	\$137,000	+5.2%	11	14	+27.3%	3.4	3.3	-2.9%
Rochester	2,498	2,385	-4.5%	2,073	1,988	-4.1%	\$165,000	\$169,900	+3.0%	473	465	-1.7%	2.8	2.8	0.0%
Spring Valley	59	72	+22.0%	38	49	+28.9%	\$72,750	\$103,500	+42.3%	25	22	-12.0%	7.2	4.9	-31.9%
St. Charles	59	61	+3.4%	47	43	-8.5%	\$138,250	\$127,000	-8.1%	17	21	+23.5%	4.3	6.1	+41.9%
Stewartville	124	103	-16.9%	100	86	-14.0%	\$155,250	\$159,950	+3.0%	18	19	+5.6%	2.1	2.7	+28.6%
Wabasha	101	93	-7.9%	58	57	-1.7%	\$145,650	\$147,800	+1.5%	45	44	-2.2%	8.7	10.6	+21.8%
Waseca	44	28	-36.4%	24	24	0.0%	\$113,950	\$81,275	-28.7%	16	10	-37.5%	6.3	3.8	-39.7%
Winona	465	464	-0.2%	344	370	+7.6%	\$127,500	\$130,000	+2.0%	169	126	-25.4%	5.8	4.1	-29.3%
Zumbrota	80	91	+13.8%	54	61	+13.0%	\$156,000	\$155,000	-0.6%	31	21	-32.3%	7.9	3.7	-53.2%