

Monthly Indicators

February 2017

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

The start of the year ushered in a wave of good news about a hot stock market, higher wages and an active home sales environment. At the same time, housing prices have continued to rise, and the low inventory situation and affordability crunch has been particularly hard on first-time buyers struggling to get into the market. Nevertheless, buyer activity is easily outpacing seller activity in much of the country, culminating in relatively quick sales and low supply. Demand definitely remained strong this month.

New Listings in Southeast Minnesota decreased 6.1 percent to 493. Pending Sales were down 8.8 percent to 404. Inventory levels shrank 27.0 percent to 1,102 units.

Prices continued to gain traction. The Median Sales Price increased 12.7 percent to \$160,575. Days on Market was down 12.5 percent to 84 days. Sellers were encouraged as Months Supply of Inventory was down 27.6 percent to 2.1 months.

Unemployment has reached pre-recession levels, and Americans remain optimistic about finding quality employment. This matters because job growth and higher paychecks fuel home purchases. Unfortunately, that won't matter for potential buyers if price appreciation outpaces income growth and if mortgage rates continue their upward trend. Sellers are getting a generous number of offers in this market. The worry for sellers then becomes that there will not be a generous number of homes to choose from when they become buyers.

Activity Snapshot

+ 11.3% **+ 12.7%** **- 27.0%**

| 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.



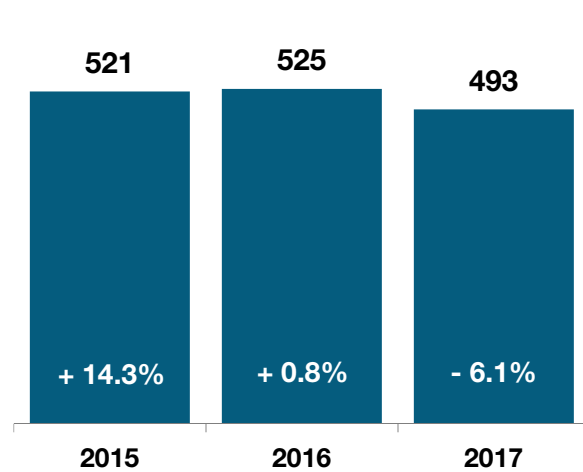
| Key Metrics | Historical Sparkbars | 2-2016 | 2-2017 | Percent Change | YTD 2016 | YTD 2017 | Percent Change |
|-------------------------------------|----------------------|-----------|-----------|----------------|-----------|-----------|----------------|
| New Listings | | 525 | 493 | - 6.1% | 877 | 791 | - 9.8% |
| Pending Sales | | 443 | 404 | - 8.8% | 759 | 722 | - 4.9% |
| Closed Sales | | 248 | 276 | + 11.3% | 539 | 564 | + 4.6% |
| Days on Market | | 96 | 84 | - 12.5% | 93 | 84 | - 9.7% |
| Median Sales Price | | \$142,500 | \$160,575 | + 12.7% | \$139,250 | \$162,250 | + 16.5% |
| Avg. Sales Price | | \$168,721 | \$186,136 | + 10.3% | \$167,934 | \$186,171 | + 10.9% |
| Pct. of Orig. Price Received | | 93.4% | 94.9% | + 1.6% | 93.5% | 95.0% | + 1.6% |
| Affordability Index | | 283 | 240 | - 15.2% | 289 | 237 | - 18.0% |
| Homes for Sale | | 1,510 | 1,102 | - 27.0% | -- | -- | -- |
| Months Supply | | 2.9 | 2.1 | - 27.6% | -- | -- | -- |

New Listings

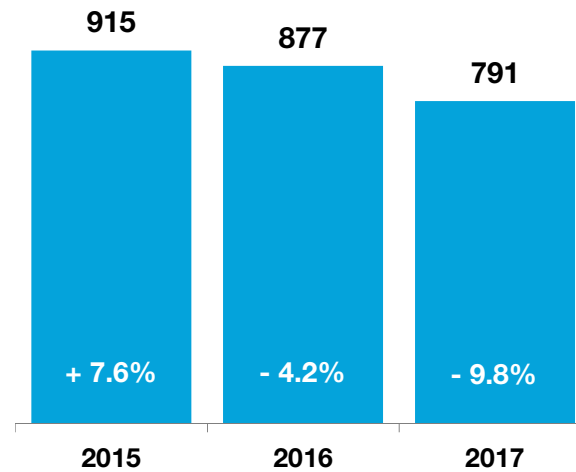
A count of the properties that have been newly listed on the market in a given month.



February

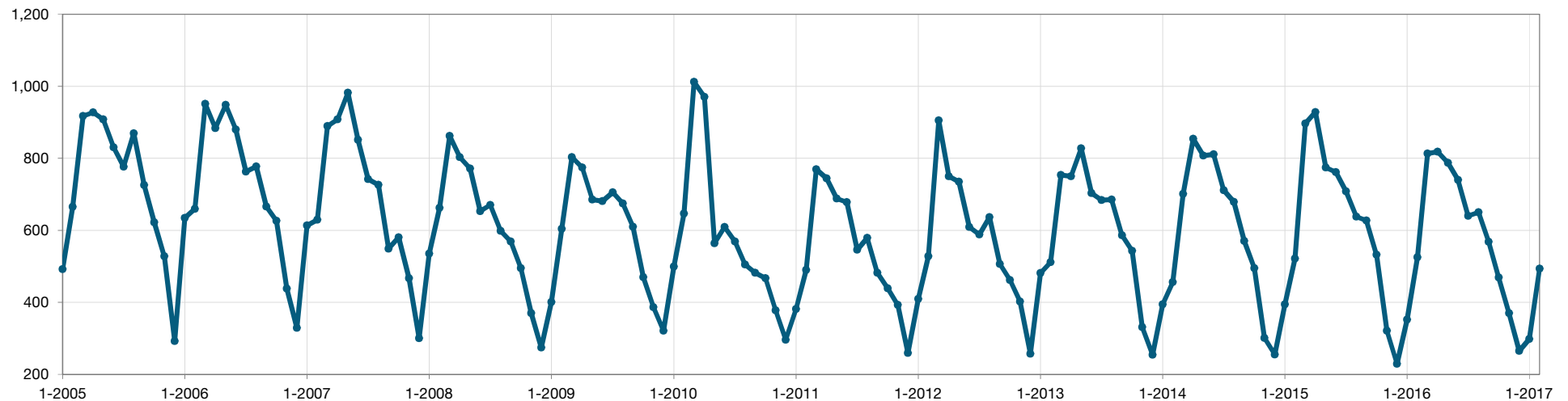


Year to Date



| | New Listings | Prior Year | Percent Change |
|----------------------|--------------|------------|----------------|
| March 2016 | 813 | 896 | -9.3% |
| April 2016 | 818 | 928 | -11.9% |
| May 2016 | 787 | 774 | +1.7% |
| June 2016 | 740 | 761 | -2.8% |
| July 2016 | 640 | 708 | -9.6% |
| August 2016 | 650 | 638 | +1.9% |
| September 2016 | 568 | 627 | -9.4% |
| October 2016 | 469 | 532 | -11.8% |
| November 2016 | 370 | 321 | +15.3% |
| December 2016 | 265 | 229 | +15.7% |
| January 2017 | 298 | 352 | -15.3% |
| February 2017 | 493 | 525 | -6.1% |
| 12-Month Avg | 576 | 608 | -5.3% |

Historical New Listings by Month

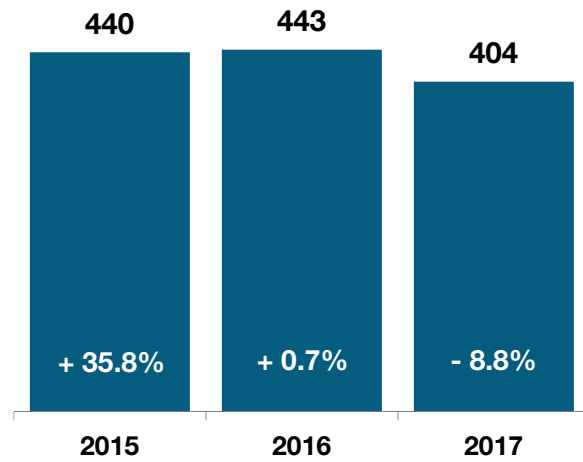


Pending Sales

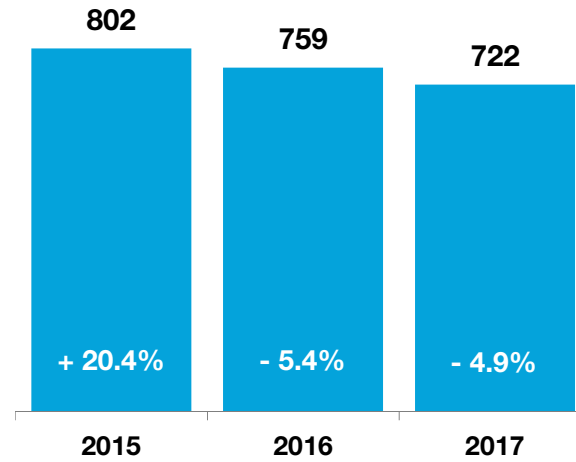
A count of the properties on which offers have been accepted in a given month.



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Year to Date



| | Pending Sales | Prior Year | Percent Change |
|----------------------|---------------|------------|----------------|
| March 2016 | 653 | 629 | +3.8% |
| April 2016 | 700 | 773 | -9.4% |
| May 2016 | 676 | 684 | -1.2% |
| June 2016 | 609 | 595 | +2.4% |
| July 2016 | 570 | 592 | -3.7% |
| August 2016 | 589 | 532 | +10.7% |
| September 2016 | 471 | 505 | -6.7% |
| October 2016 | 496 | 486 | +2.1% |
| November 2016 | 411 | 362 | +13.5% |
| December 2016 | 328 | 293 | +11.9% |
| January 2017 | 318 | 316 | +0.6% |
| February 2017 | 404 | 443 | -8.8% |
| 12-Month Avg | 519 | 518 | +0.2% |

Historical Pending Sales by Month

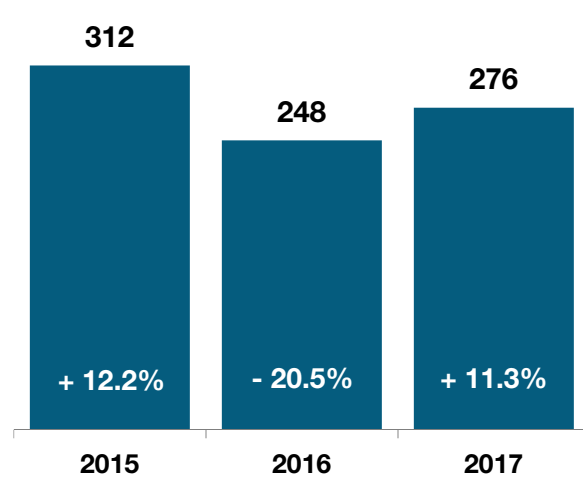


Closed Sales

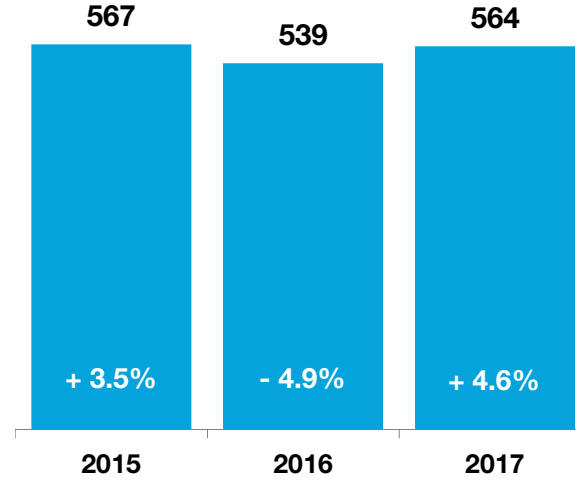
A count of the actual sales that closed in a given month.



February



Year to Date



| | Closed Sales | Prior Year | Percent Change |
|----------------------|--------------|------------|----------------|
| March 2016 | 401 | 449 | -10.7% |
| April 2016 | 531 | 496 | +7.1% |
| May 2016 | 670 | 709 | -5.5% |
| June 2016 | 756 | 796 | -5.0% |
| July 2016 | 639 | 697 | -8.3% |
| August 2016 | 674 | 582 | +15.8% |
| September 2016 | 547 | 515 | +6.2% |
| October 2016 | 509 | 541 | -5.9% |
| November 2016 | 508 | 376 | +35.1% |
| December 2016 | 479 | 446 | +7.4% |
| January 2017 | 288 | 291 | -1.0% |
| February 2017 | 276 | 248 | +11.3% |
| 12-Month Avg | 523 | 512 | +2.1% |

Historical Closed Sales by Month

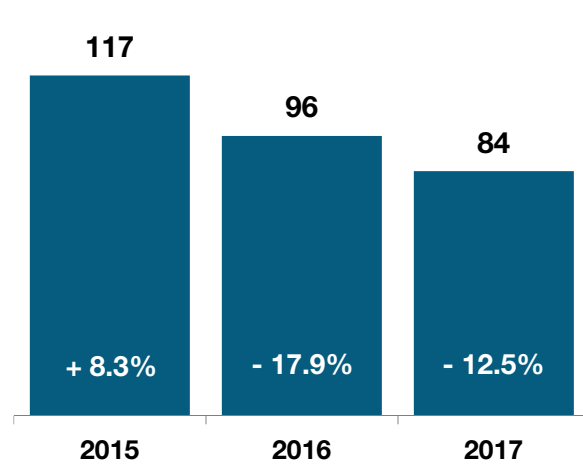


Days on Market Until Sale

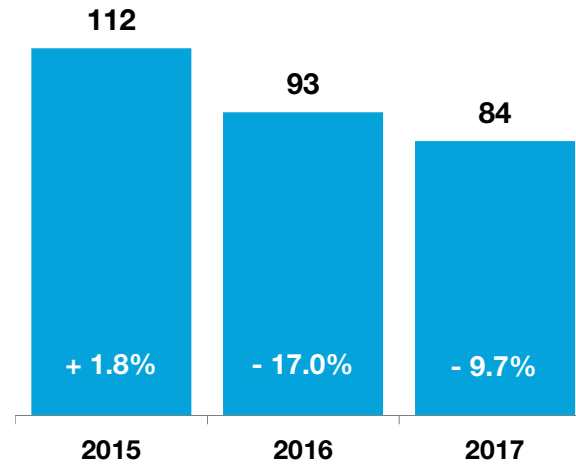
Average number of days between when a property is listed and when an offer is accepted in a given month.



February



Year to Date



| Days on Market | | Prior Year | Percent Change |
|----------------------|-----------|------------|----------------|
| March 2016 | 94 | 107 | -12.1% |
| April 2016 | 79 | 94 | -16.0% |
| May 2016 | 69 | 81 | -14.8% |
| June 2016 | 63 | 78 | -19.2% |
| July 2016 | 64 | 70 | -8.6% |
| August 2016 | 61 | 79 | -22.8% |
| September 2016 | 69 | 79 | -12.7% |
| October 2016 | 73 | 82 | -11.0% |
| November 2016 | 84 | 72 | +16.7% |
| December 2016 | 80 | 85 | -5.9% |
| January 2017 | 84 | 90 | -6.7% |
| February 2017 | 84 | 96 | -12.5% |
| 12-Month Avg | 75 | 84 | -10.7% |

Historical Days on Market Until Sale by Month

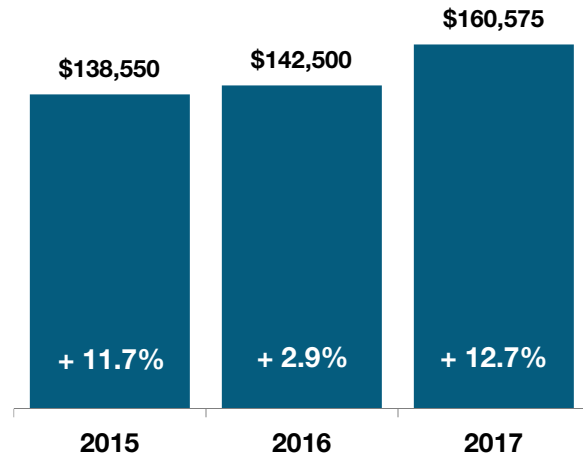


Median Sales Price

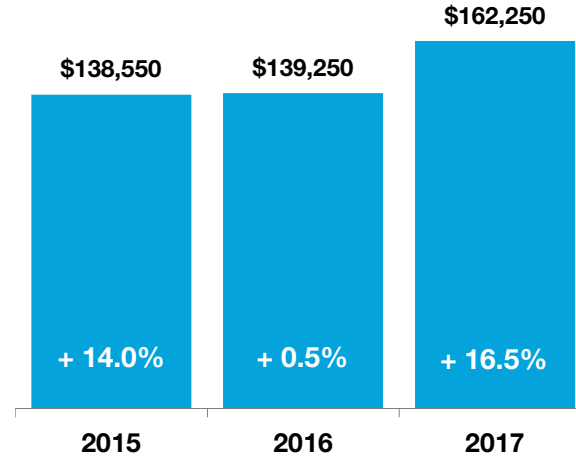
Point at which half of the sales sold for more and half sold for less, not accounting for seller concessions, in a given month.



February

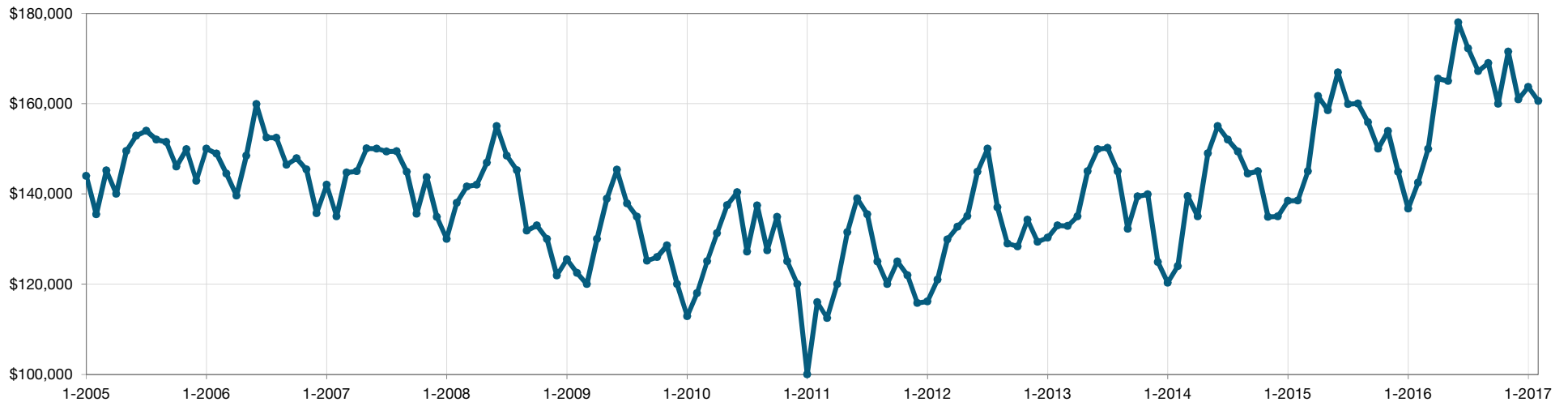


Year to Date



| | Median Sales Price | Prior Year | Percent Change |
|----------------------|--------------------|------------------|----------------|
| March 2016 | \$149,950 | \$145,000 | +3.4% |
| April 2016 | \$165,500 | \$161,700 | +2.4% |
| May 2016 | \$165,000 | \$158,500 | +4.1% |
| June 2016 | \$178,000 | \$166,900 | +6.7% |
| July 2016 | \$172,250 | \$159,900 | +7.7% |
| August 2016 | \$167,200 | \$160,000 | +4.5% |
| September 2016 | \$169,000 | \$155,900 | +8.4% |
| October 2016 | \$159,950 | \$150,000 | +6.6% |
| November 2016 | \$171,500 | \$153,900 | +11.4% |
| December 2016 | \$160,950 | \$144,900 | +11.1% |
| January 2017 | \$163,700 | \$136,750 | +19.7% |
| February 2017 | \$160,575 | \$142,500 | +12.7% |
| 12-Month Avg | \$165,298 | \$152,996 | +8.0% |

Historical Median Sales Price by Month

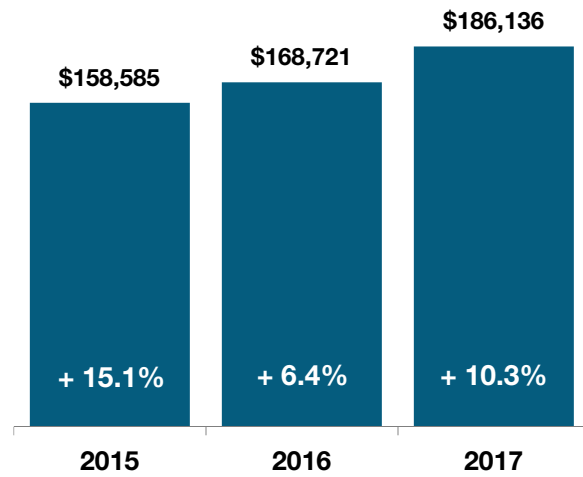


Average Sales Price

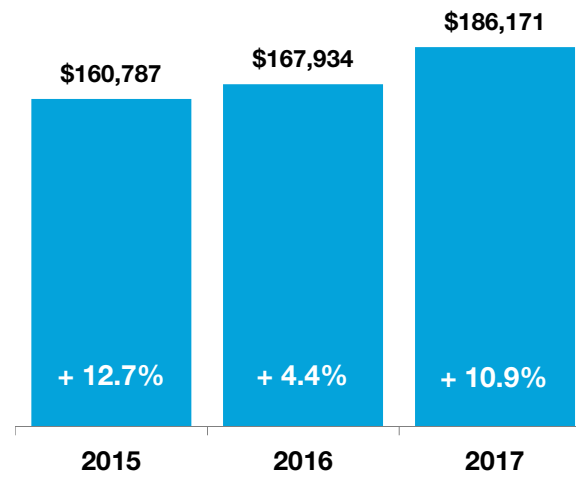
Average sales price for all closed sales, not accounting for seller concessions, in a given month.



February



Year to Date



| | Avg. Sales Price | Prior Year | Percent Change |
|----------------------|------------------|------------------|----------------|
| March 2016 | \$170,631 | \$165,322 | +3.2% |
| April 2016 | \$186,276 | \$181,055 | +2.9% |
| May 2016 | \$191,902 | \$177,722 | +8.0% |
| June 2016 | \$200,574 | \$189,584 | +5.8% |
| July 2016 | \$191,434 | \$183,811 | +4.1% |
| August 2016 | \$196,740 | \$179,301 | +9.7% |
| September 2016 | \$192,572 | \$180,303 | +6.8% |
| October 2016 | \$182,341 | \$173,620 | +5.0% |
| November 2016 | \$195,658 | \$171,892 | +13.8% |
| December 2016 | \$188,260 | \$173,908 | +8.3% |
| January 2017 | \$186,205 | \$167,260 | +11.3% |
| February 2017 | \$186,136 | \$168,721 | +10.3% |
| 12-Month Avg | \$189,061 | \$176,042 | +7.4% |

Historical Average Sales Price by Month

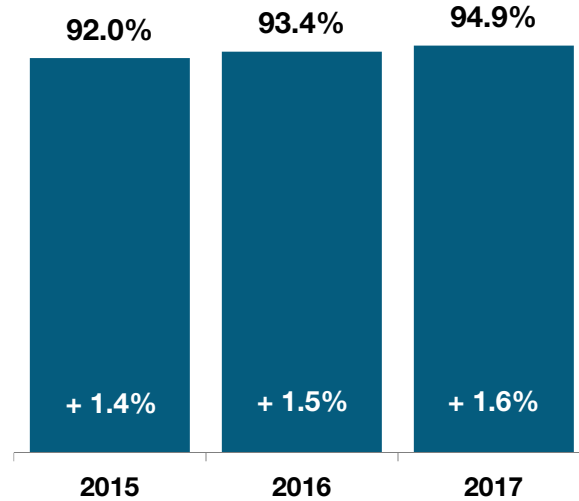


Percent of Original List Price Received

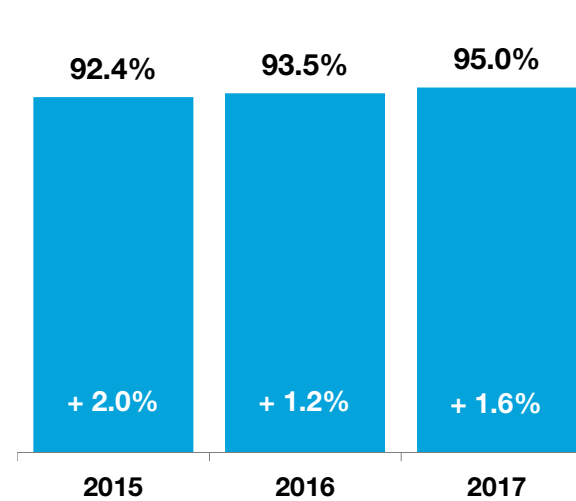
Percentage found when dividing a property's sales price by its original list price, then taking the average for all properties sold in a given month, not accounting for seller concessions.



February

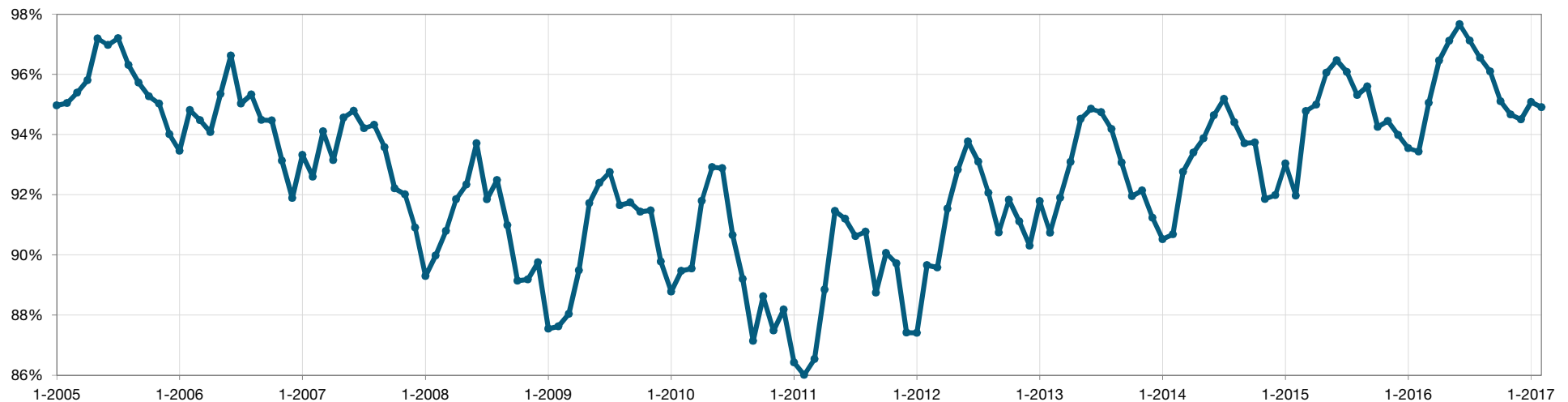


Year to Date



| | Pct. of Orig. Price Received | Prior Year | Percent Change |
|----------------------|------------------------------|--------------|----------------|
| March 2016 | 95.1% | 94.8% | +0.3% |
| April 2016 | 96.5% | 95.0% | +1.6% |
| May 2016 | 97.1% | 96.1% | +1.0% |
| June 2016 | 97.7% | 96.5% | +1.2% |
| July 2016 | 97.1% | 96.1% | +1.0% |
| August 2016 | 96.6% | 95.3% | +1.4% |
| September 2016 | 96.1% | 95.6% | +0.5% |
| October 2016 | 95.1% | 94.2% | +1.0% |
| November 2016 | 94.7% | 94.4% | +0.3% |
| December 2016 | 94.5% | 94.0% | +0.5% |
| January 2017 | 95.1% | 93.5% | +1.7% |
| February 2017 | 94.9% | 93.4% | +1.6% |
| 12-Month Avg | 95.9% | 94.9% | +1.1% |

Historical Percent of Original List Price Received by Month

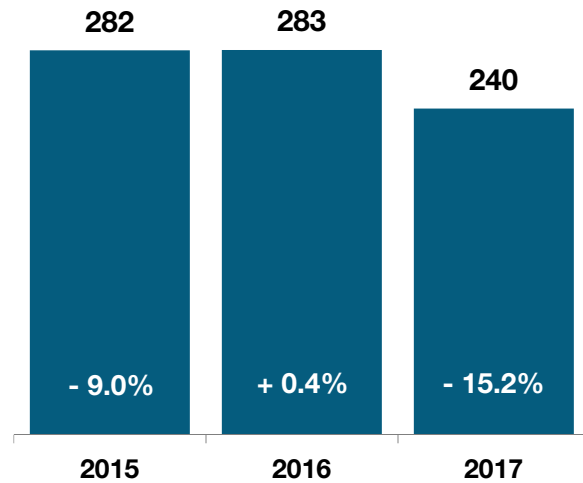


Housing Affordability Index

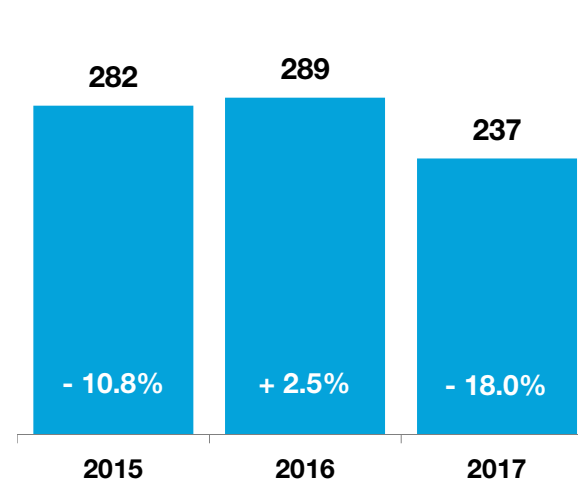
This index measures housing affordability for the region. For example, an index of 120 means the median household income is 120% of what is necessary to qualify for the median-priced home under prevailing interest rates. A higher number means greater affordability.



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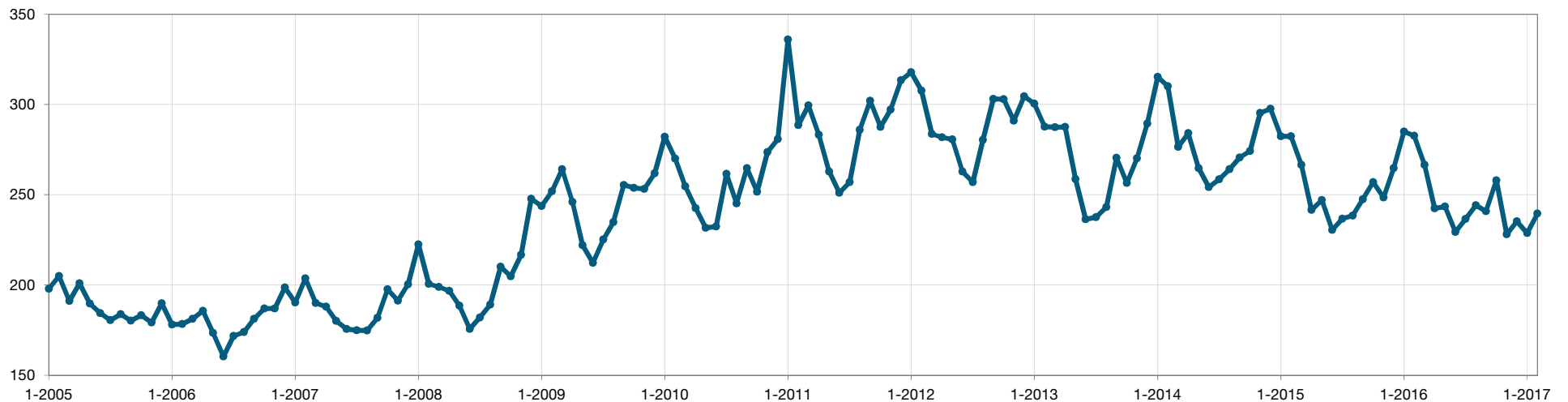


Year to Date



| Affordability Index | | Prior Year | Percent Change |
|----------------------|------------|------------|----------------|
| March 2016 | 267 | 267 | 0.0% |
| April 2016 | 242 | 241 | +0.4% |
| May 2016 | 243 | 247 | -1.6% |
| June 2016 | 229 | 230 | -0.4% |
| July 2016 | 237 | 237 | 0.0% |
| August 2016 | 244 | 238 | +2.5% |
| September 2016 | 241 | 247 | -2.4% |
| October 2016 | 258 | 257 | +0.4% |
| November 2016 | 228 | 249 | -8.4% |
| December 2016 | 235 | 265 | -11.3% |
| January 2017 | 229 | 285 | -19.6% |
| February 2017 | 240 | 283 | -15.2% |
| 12-Month Avg | 241 | 254 | -5.1% |

Historical Housing Affordability Index by Month

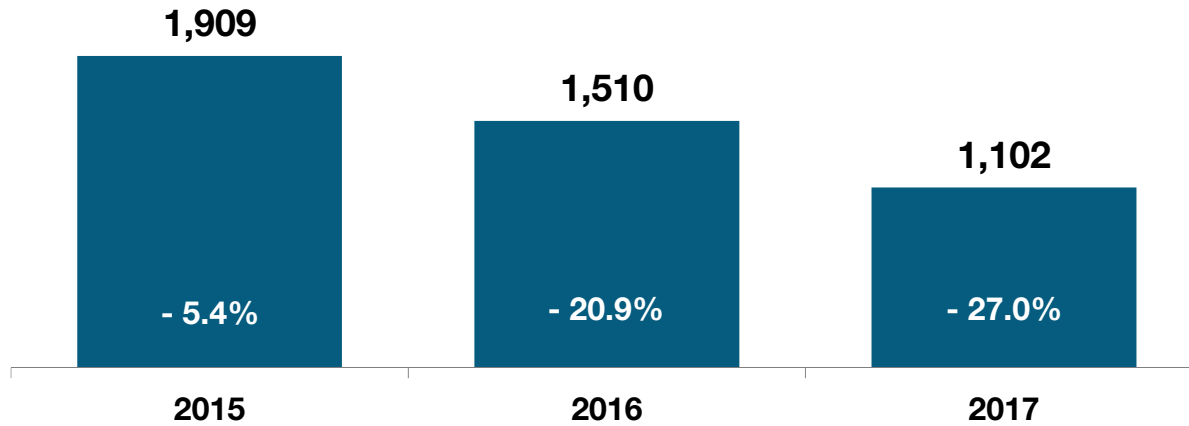


Inventory of Homes for Sale

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

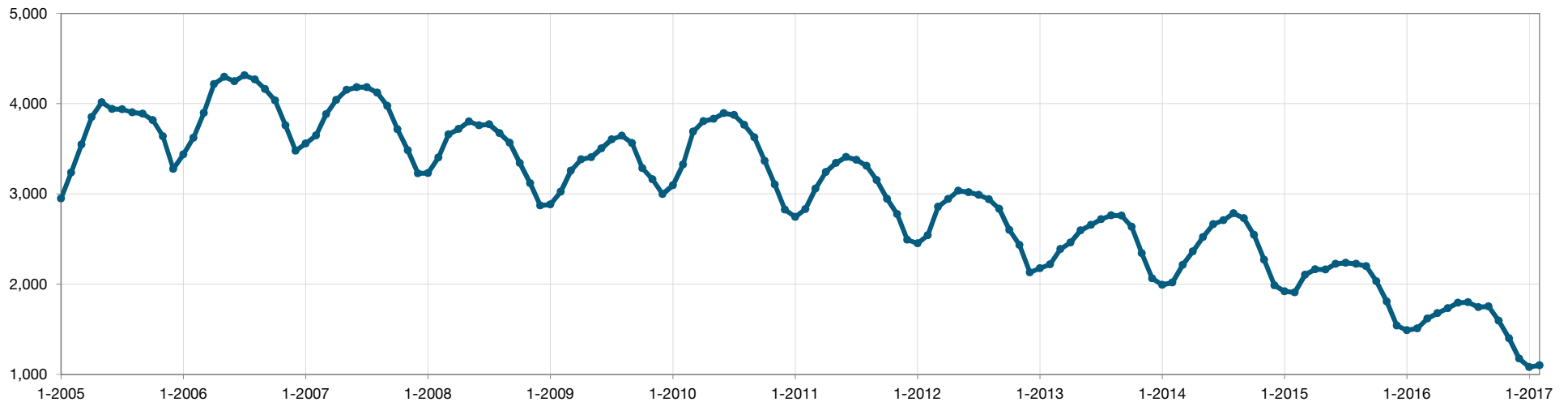


February



| Homes for Sale | | Prior Year | Percent Change |
|----------------------|--------------|--------------|----------------|
| March 2016 | 1,618 | 2,103 | -23.1% |
| April 2016 | 1,679 | 2,165 | -22.4% |
| May 2016 | 1,734 | 2,162 | -19.8% |
| June 2016 | 1,793 | 2,226 | -19.5% |
| July 2016 | 1,800 | 2,237 | -19.5% |
| August 2016 | 1,745 | 2,225 | -21.6% |
| September 2016 | 1,754 | 2,199 | -20.2% |
| October 2016 | 1,596 | 2,034 | -21.5% |
| November 2016 | 1,400 | 1,809 | -22.6% |
| December 2016 | 1,177 | 1,541 | -23.6% |
| January 2017 | 1,083 | 1,489 | -27.3% |
| February 2017 | 1,102 | 1,510 | -27.0% |
| 12-Month Avg | 1,540 | 1,975 | -22.0% |

Historical Inventory of Homes for Sale by Month

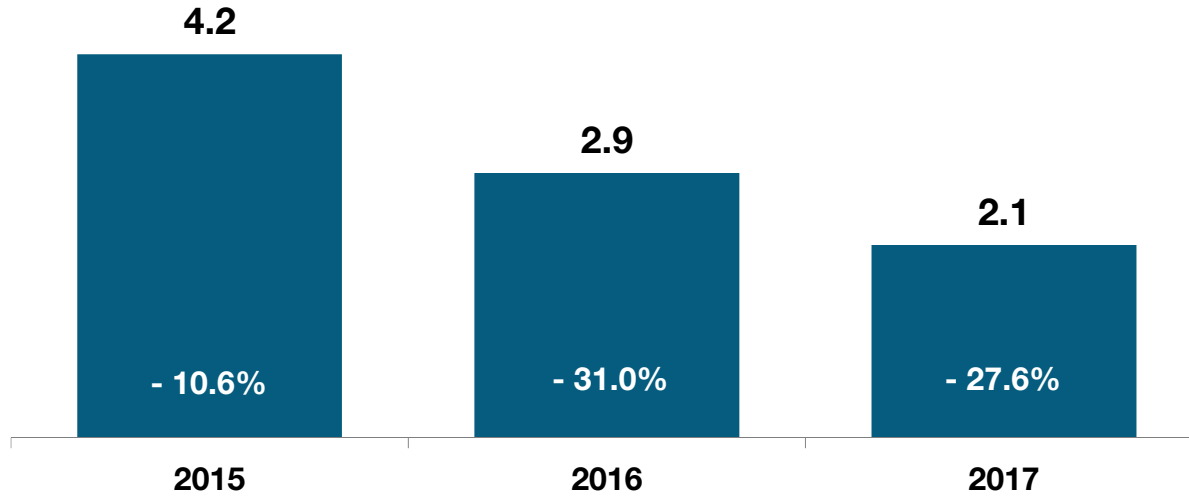


Months Supply of Inventory

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.

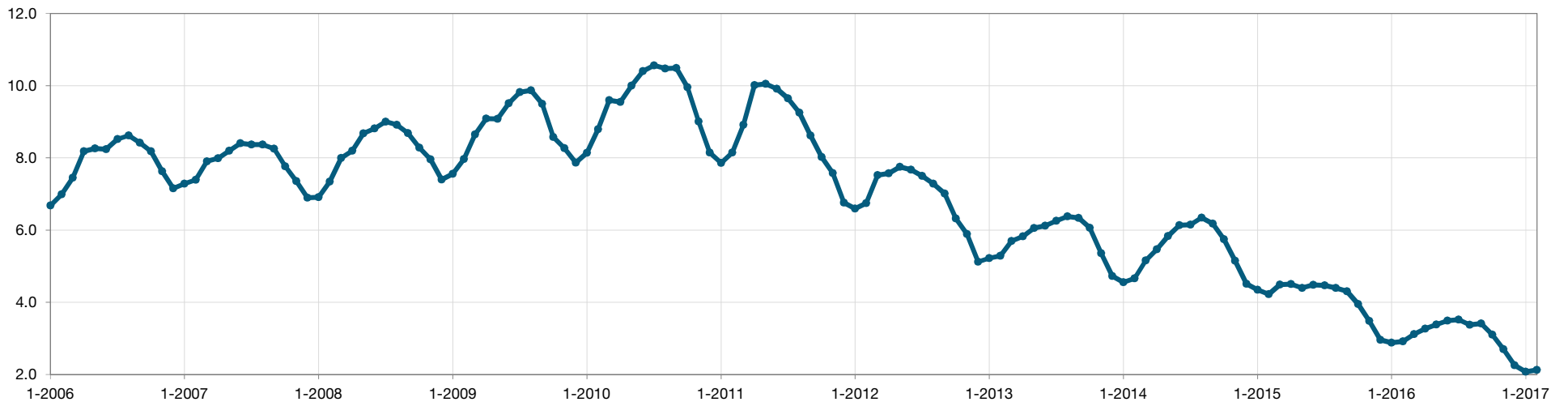


February



| Months Supply | | Prior Year | Percent Change |
|----------------------|------------|------------|----------------|
| March 2016 | 3.1 | 4.5 | -31.1% |
| April 2016 | 3.3 | 4.5 | -26.7% |
| May 2016 | 3.4 | 4.4 | -22.7% |
| June 2016 | 3.5 | 4.5 | -22.2% |
| July 2016 | 3.5 | 4.5 | -22.2% |
| August 2016 | 3.4 | 4.4 | -22.7% |
| September 2016 | 3.4 | 4.3 | -20.9% |
| October 2016 | 3.1 | 4.0 | -22.5% |
| November 2016 | 2.7 | 3.5 | -22.9% |
| December 2016 | 2.3 | 3.0 | -23.3% |
| January 2017 | 2.1 | 2.9 | -27.6% |
| February 2017 | 2.1 | 2.9 | -27.6% |
| 12-Month Avg | 3.0 | 3.9 | -23.1% |

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 2016 | YTD 2017 | + / - | YTD 2016 | YTD 2017 | + / - | YTD 2016 | YTD 2017 | + / - | 2-2016 | 2-2017 | + / - | 2-2016 | 2-2017 | + / - |
| Albert Lea | 41 | 43 | +4.9% | 28 | 32 | +14.3% | \$74,950 | \$85,750 | +14.4% | 126 | 80 | -36.5% | 5.5 | 2.9 | -47.3% |
| Austin | 52 | 47 | -9.6% | 47 | 37 | -21.3% | \$89,000 | \$110,000 | +23.6% | 98 | 84 | -14.3% | 2.6 | 2.3 | -11.5% |
| Bloomington Prairie | 9 | 4 | -55.6% | 5 | 0 | -100.0% | \$28,900 | \$0 | -100.0% | 10 | 4 | -60.0% | 2.3 | 1.2 | -47.8% |
| Byron | 23 | 20 | -13.0% | 5 | 16 | +220.0% | \$199,900 | \$275,500 | +37.8% | 30 | 20 | -33.3% | 2.7 | 1.6 | -40.7% |
| Caledonia | 6 | 3 | -50.0% | 3 | 1 | -66.7% | \$71,500 | \$109,000 | +52.4% | 23 | 10 | -56.5% | 9.7 | 3.2 | -67.0% |
| Chatfield | 8 | 6 | -25.0% | 9 | 3 | -66.7% | \$135,000 | \$140,000 | +3.7% | 12 | 12 | 0.0% | 2.9 | 2.7 | -6.9% |
| Dodge Center | 8 | 8 | 0.0% | 8 | 5 | -37.5% | \$95,125 | \$134,900 | +41.8% | 9 | 8 | -11.1% | 1.5 | 1.9 | +26.7% |
| Grand Meadow | 3 | 0 | -100.0% | 3 | 1 | -66.7% | \$110,500 | \$250,000 | +126.2% | 11 | 2 | -81.8% | 4.7 | 0.9 | -80.9% |
| Hayfield | 5 | 3 | -40.0% | 3 | 6 | +100.0% | \$84,900 | \$197,500 | +132.6% | 14 | 4 | -71.4% | 4.9 | 1.0 | -79.6% |
| Kasson | 17 | 16 | -5.9% | 18 | 21 | +16.7% | \$148,500 | \$189,900 | +27.9% | 24 | 10 | -58.3% | 2.0 | 0.9 | -55.0% |
| La Crescent | 3 | 4 | +33.3% | 8 | 5 | -37.5% | \$183,750 | \$295,000 | +60.5% | 14 | 14 | 0.0% | 4.5 | 3.9 | -13.3% |
| Lake City | 16 | 22 | +37.5% | 7 | 11 | +57.1% | \$158,000 | \$210,000 | +32.9% | 67 | 47 | -29.9% | 8.0 | 4.6 | -42.5% |
| Oronoco | 7 | 10 | +42.9% | 5 | 1 | -80.0% | \$268,100 | \$439,900 | +64.1% | 14 | 11 | -21.4% | 3.7 | 3.0 | -18.9% |
| Owatonna | 54 | 47 | -13.0% | 33 | 35 | +6.1% | \$133,000 | \$144,900 | +8.9% | 99 | 68 | -31.3% | 3.0 | 1.9 | -36.7% |
| Preston | 3 | 1 | -66.7% | 3 | 1 | -66.7% | \$128,500 | \$176,250 | +37.2% | 10 | 2 | -80.0% | 4.2 | 0.9 | -78.6% |
| Pine Island | 8 | 12 | +50.0% | 3 | 8 | +166.7% | \$214,900 | \$142,023 | -33.9% | 12 | 10 | -16.7% | 1.8 | 1.6 | -11.1% |
| Plainview | 7 | 2 | -71.4% | 4 | 5 | +25.0% | \$182,250 | \$160,000 | -12.2% | 7 | 4 | -42.9% | 1.5 | 0.8 | -46.7% |
| Rochester | 359 | 321 | -10.6% | 190 | 209 | +10.0% | \$180,500 | \$191,000 | +5.8% | 346 | 280 | -19.1% | 1.7 | 1.4 | -17.6% |
| Spring Valley | 8 | 4 | -50.0% | 5 | 5 | 0.0% | \$115,000 | \$162,000 | +40.9% | 14 | 9 | -35.7% | 3.6 | 2.1 | -41.7% |
| St. Charles | 7 | 3 | -57.1% | 5 | 6 | +20.0% | \$152,000 | \$161,325 | +6.1% | 14 | 9 | -35.7% | 2.3 | 2.0 | -13.0% |
| Stewartville | 12 | 12 | 0.0% | 4 | 13 | +225.0% | \$109,325 | \$185,000 | +69.2% | 14 | 11 | -21.4% | 1.5 | 1.3 | -13.3% |
| Wabasha | 8 | 14 | +75.0% | 1 | 5 | +400.0% | \$109,900 | \$134,900 | +22.7% | 28 | 32 | +14.3% | 6.2 | 6.3 | +1.6% |
| Waseca | 7 | 8 | +14.3% | 4 | 1 | -75.0% | \$88,250 | \$144,000 | +63.2% | 15 | 13 | -13.3% | 6.3 | 3.0 | -52.4% |
| Winona | 59 | 42 | -28.8% | 33 | 38 | +15.2% | \$120,000 | \$135,925 | +13.3% | 109 | 74 | -32.1% | 3.2 | 2.4 | -25.0% |
| Zumbrota | 14 | 15 | +7.1% | 10 | 5 | -50.0% | \$151,750 | \$183,500 | +20.9% | 35 | 17 | -51.4% | 5.5 | 2.8 | -49.1% |