

# Monthly Indicators



## May 2017

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

Home prices across the U.S. are reaching all-time highs, prompting worry over another boom-and-bust scenario like we experienced roughly ten years ago. Yet, as we glance across the state of residential real estate, what is clear compared to the last extended run of price increases is that lending standards are now much stronger than they were before. Incomes must be verified, a reasonable amount of money must be paid toward the home prior to purchase and a more stringent loan approval process is in place to prevent a repeat performance of the Great Recession.

New Listings in Southeast Minnesota decreased 2.2 percent to 770. Pending Sales were up 8.7 percent to 735. Inventory levels shrank 24.3 percent to 1,315 units.

Prices continued to gain traction. The Median Sales Price increased 8.5 percent to \$179,000. Days on Market was down 14.5 percent to 59 days. Sellers were encouraged as Months Supply of Inventory was down 23.5 percent to 2.6 months.

In addition to a stronger base upon which to conduct real estate transactions, the overall economy is in better shape than it was a decade ago. More jobs are available, unemployment is relatively low and workers have more faith in their wages and the potential for wage increases. Although we continue to battle an inventory shortage in much of the country, optimism remains high for a successful summer for buying and selling homes.

## Activity Snapshot

**- 6.4%**      **+ 8.5%**      **- 24.3%**

| One-Year Change in<br>Closed Sales      | One-Year Change in<br>Median Sales Price | One-Year Change in<br>Homes for Sale |
|---|--|--------------------------------------|
| Activity Overview                       |  | <b>2</b>                             |
| New Listings                            |  | <b>3</b>                             |
| Pending Sales                           |  | <b>4</b>                             |
| Closed Sales                            |  | <b>5</b>                             |
| Days on Market Until Sale               |  | <b>6</b>                             |
| Median Sales Price                      |  | <b>7</b>                             |
| Average Sales Price                     |  | <b>8</b>                             |
| Percent of Original List Price Received |  | <b>9</b>                             |
| Housing Affordability Index             |  | <b>10</b>                            |
| Inventory of Homes for Sale             |  | <b>11</b>                            |
| Months Supply of Inventory              |  | <b>12</b>                            |
| Area Overview                           |  | <b>13</b>                            |



# Activity Overview

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



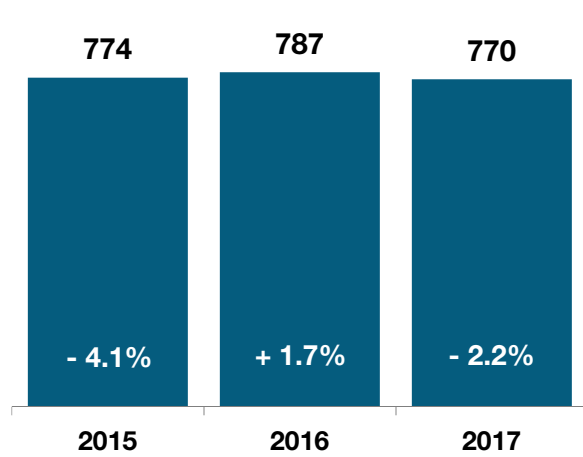
| Key Metrics                         | Historical Sparkbars | 5-2016    | 5-2017           | Percent Change | YTD 2016  | YTD 2017         | Percent Change |
|-------------------------------------|----------------------|-----------|------------------|----------------|-----------|------------------|----------------|
| <b>New Listings</b>                 |                      | 787       | <b>770</b>       | - 2.2%         | 3,296     | <b>3,105</b>     | - 5.8%         |
| <b>Pending Sales</b>                |                      | 676       | <b>735</b>       | + 8.7%         | 2,787     | <b>2,681</b>     | - 3.8%         |
| <b>Closed Sales</b>                 |                      | 670       | <b>627</b>       | - 6.4%         | 2,141     | <b>2,035</b>     | - 5.0%         |
| <b>Days on Market</b>               |                      | 69        | <b>59</b>        | - 14.5%        | 82        | <b>75</b>        | - 8.5%         |
| <b>Median Sales Price</b>           |                      | \$165,000 | <b>\$179,000</b> | + 8.5%         | \$157,000 | <b>\$172,000</b> | + 9.6%         |
| <b>Avg. Sales Price</b>             |                      | \$191,902 | <b>\$207,093</b> | + 7.9%         | \$180,499 | <b>\$199,246</b> | + 10.4%        |
| <b>Pct. of Orig. Price Received</b> |                      | 97.1%     | <b>97.7%</b>     | + 0.6%         | 95.7%     | <b>96.6%</b>     | + 0.9%         |
| <b>Affordability Index</b>          |                      | 243       | <b>325</b>       | + 33.7%        | 256       | <b>338</b>       | + 32.0%        |
| <b>Homes for Sale</b>               |                      | 1,737     | <b>1,315</b>     | - 24.3%        | --        | --               | --             |
| <b>Months Supply</b>                |                      | 3.4       | <b>2.6</b>       | - 23.5%        | --        | --               | --             |

# New Listings

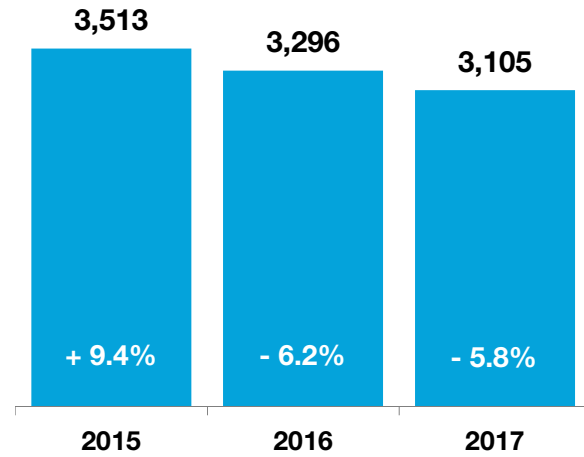
A count of the properties that have been newly listed on the market in a given month.



## May

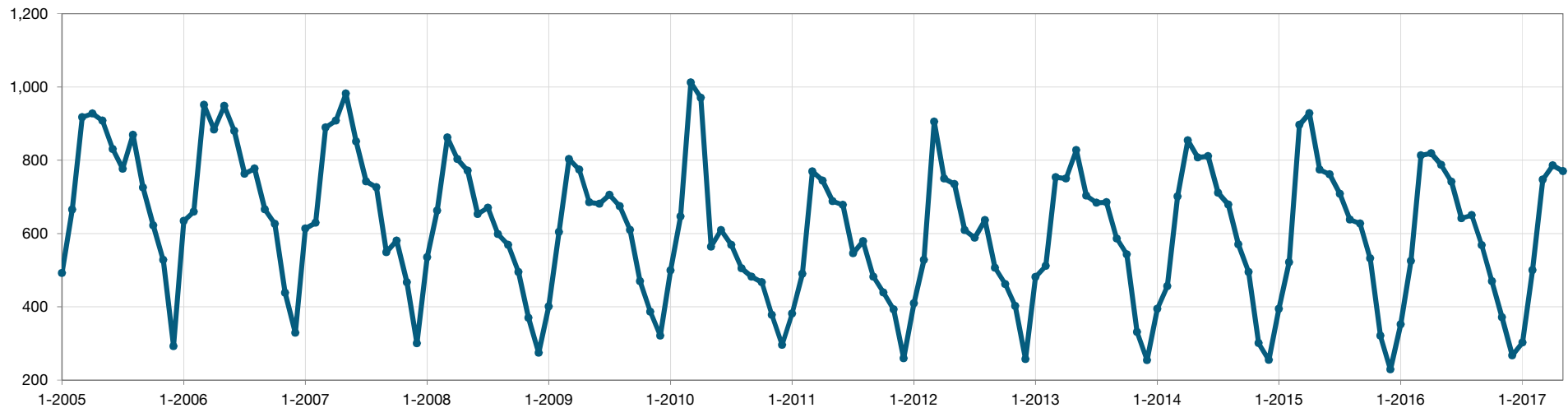


## Year to Date



|                 | New Listings | Prior Year | Percent Change |
|-----------------|--------------|------------|----------------|
| June 2016       | 741          | 761        | -2.6%          |
| July 2016       | 641          | 708        | -9.5%          |
| August 2016     | 650          | 638        | +1.9%          |
| September 2016  | 568          | 627        | -9.4%          |
| October 2016    | 470          | 532        | -11.7%         |
| November 2016   | 371          | 321        | +15.6%         |
| December 2016   | 267          | 229        | +16.6%         |
| January 2017    | 302          | 352        | -14.2%         |
| February 2017   | 500          | 525        | -4.8%          |
| March 2017      | 747          | 813        | -8.1%          |
| April 2017      | 786          | 819        | -4.0%          |
| <b>May 2017</b> | <b>770</b>   | <b>787</b> | <b>-2.2%</b>   |
| 12-Month Avg    | 568          | 593        | -4.2%          |

## Historical New Listings by Month

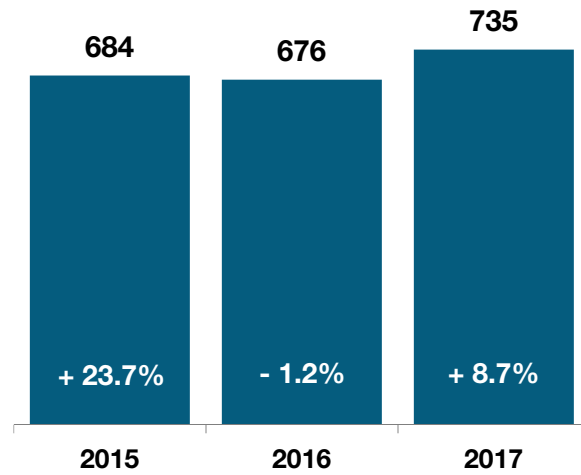


# Pending Sales

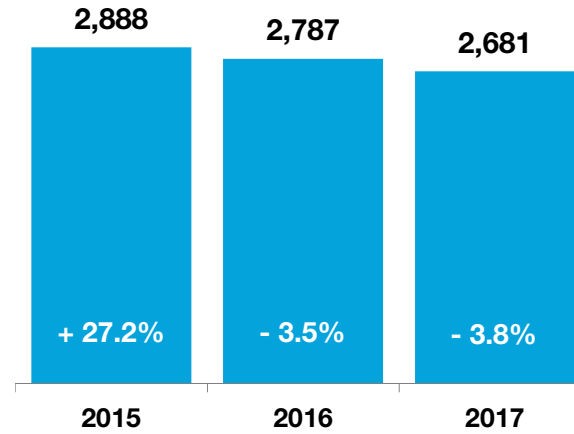
A count of the properties on which offers have been accepted in a given month.



## May

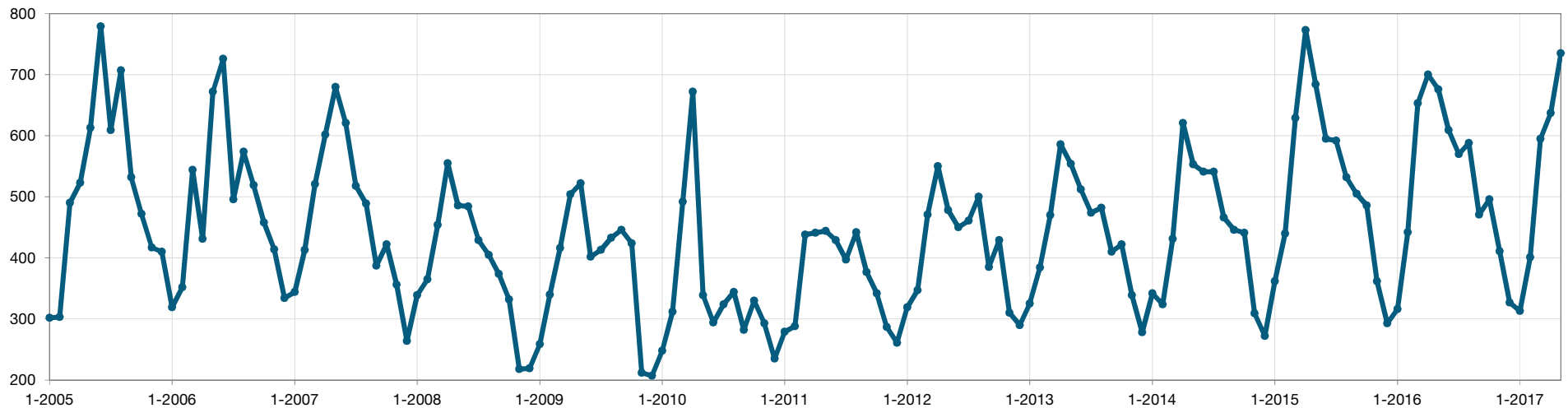


## Year to Date



|                 | Pending Sales | Prior Year | Percent Change |
|-----------------|---------------|------------|----------------|
| June 2016       | 609           | 595        | +2.4%          |
| July 2016       | 570           | 592        | -3.7%          |
| August 2016     | 588           | 532        | +10.5%         |
| September 2016  | 471           | 505        | -6.7%          |
| October 2016    | 496           | 486        | +2.1%          |
| November 2016   | 411           | 362        | +13.5%         |
| December 2016   | 327           | 293        | +11.6%         |
| January 2017    | 313           | 316        | -0.9%          |
| February 2017   | 401           | 442        | -9.3%          |
| March 2017      | 595           | 653        | -8.9%          |
| April 2017      | 637           | 700        | -9.0%          |
| <b>May 2017</b> | <b>735</b>    | <b>676</b> | <b>+8.7%</b>   |
| 12-Month Avg    | 513           | 513        | 0.0%           |

## Historical Pending Sales by Month

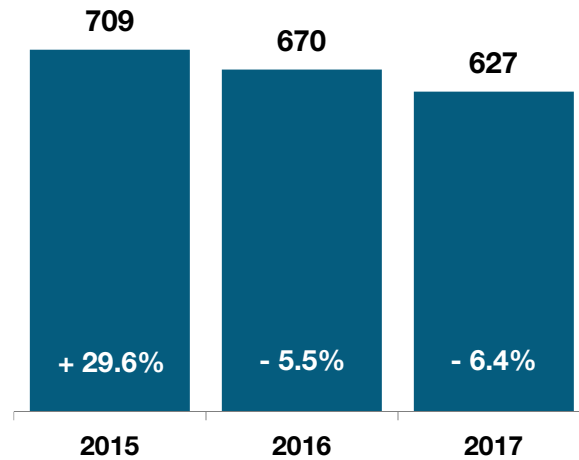


# Closed Sales

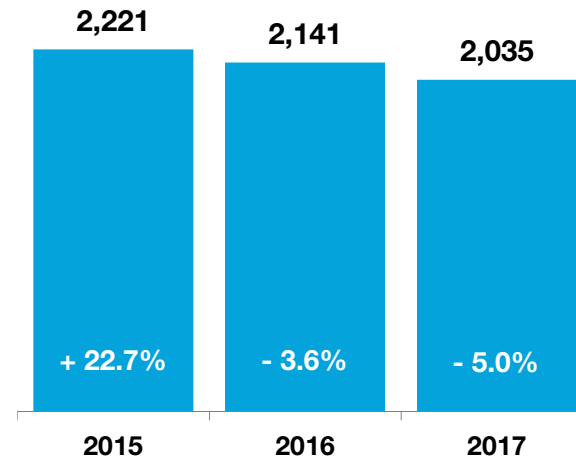
A count of the actual sales that closed in a given month.



## May



## Year to Date



|                 | Closed Sales | Prior Year | Percent Change |
|-----------------|--------------|------------|----------------|
| 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    | 290          | 291        | -0.3%          |
| February 2017   | 280          | 248        | +12.9%         |
| March 2017      | 425          | 401        | +6.0%          |
| April 2017      | 413          | 531        | -22.2%         |
| <b>May 2017</b> | <b>627</b>   | <b>670</b> | <b>-6.4%</b>   |
| 12-Month Avg    | 512          | 508        | +0.8%          |

## Historical Closed Sales by Month

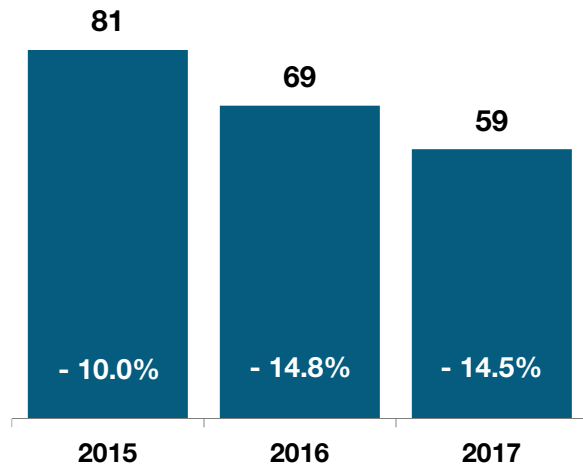


# Days on Market Until Sale

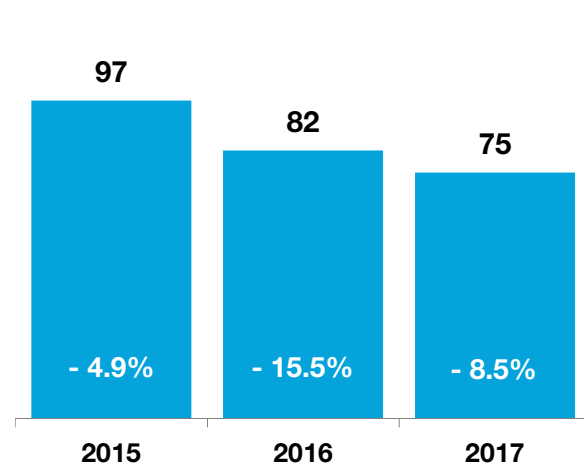
Average number of days between when a property is listed and when an offer is accepted in a given month.



## May

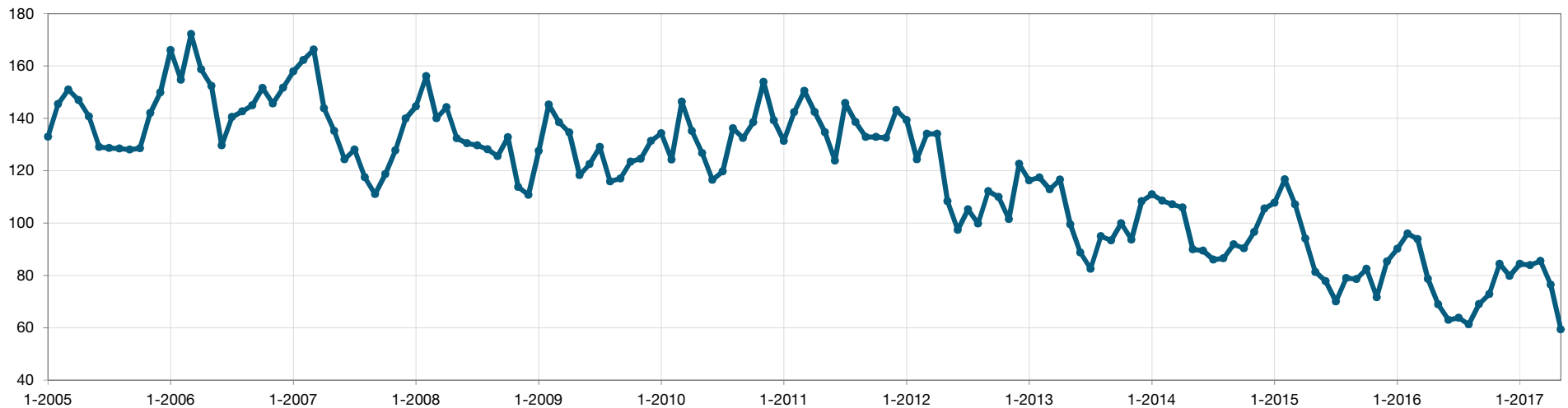


## Year to Date



| Days on Market  | Prior Year | Percent Change |               |
|-----------------|------------|----------------|---------------|
| 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%        |
| March 2017      | 85         | 94             | -9.6%         |
| April 2017      | 76         | 79             | -3.8%         |
| <b>May 2017</b> | <b>59</b>  | <b>69</b>      | <b>-14.5%</b> |
| 12-Month Avg    | 74         | 81             | -8.6%         |

## Historical Days on Market Until Sale by Month

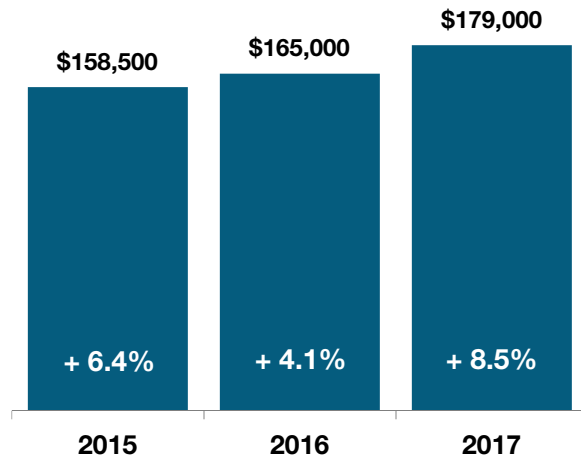


# Median Sales Price

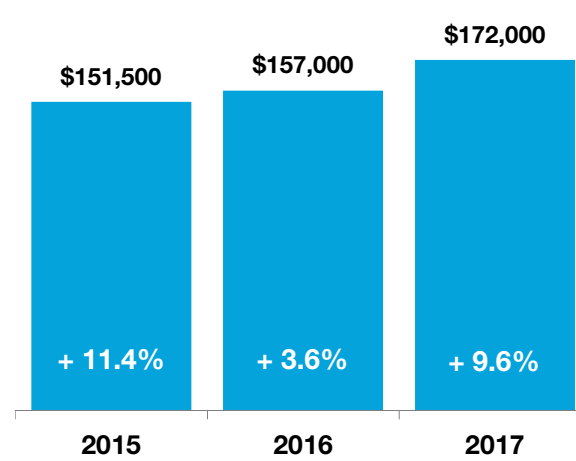
Point at which half of the sales sold for more and half sold for less, not accounting for seller concessions, in a given month.



## May



## Year to Date



| Median Sales Price | Prior Year       | Percent Change         |
|--------------------|------------------|------------------------|
| 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      | \$172,000        | \$153,900 +11.8%       |
| December 2016      | \$160,950        | \$144,900 +11.1%       |
| January 2017       | \$164,900        | \$136,750 +20.6%       |
| February 2017      | \$160,575        | \$142,500 +12.7%       |
| March 2017         | \$165,950        | \$149,950 +10.7%       |
| April 2017         | \$181,000        | \$165,500 +9.4%        |
| <b>May 2017</b>    | <b>\$179,000</b> | <b>\$165,000 +8.5%</b> |
| 12-Month Avg       | \$169,231        | \$154,267 +9.7%        |

## Historical Median Sales Price by Month

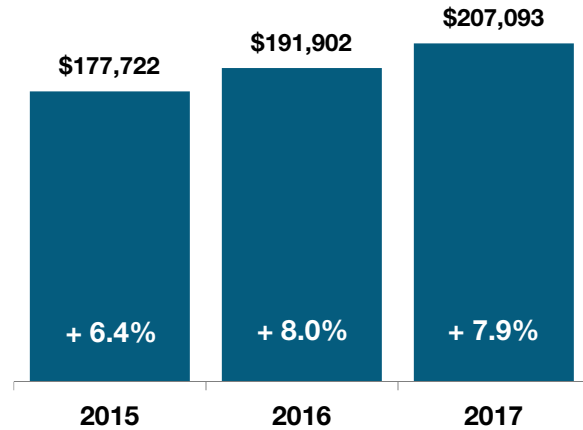


# Average Sales Price

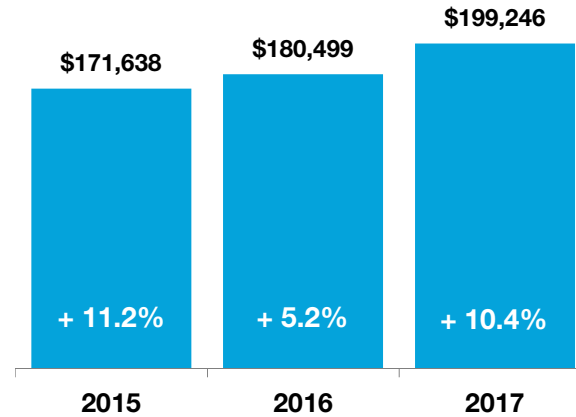
Average sales price for all closed sales, not accounting for seller concessions, in a given month.



## May



## Year to Date



|                 | Avg. Sales Price | Prior Year       | Percent Change |
|-----------------|------------------|------------------|----------------|
| 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   | \$195,856        | \$171,892        | +13.9%         |
| December 2016   | \$188,260        | \$173,908        | +8.3%          |
| January 2017    | \$186,558        | \$167,260        | +11.5%         |
| February 2017   | \$186,047        | \$168,721        | +10.3%         |
| March 2017      | \$200,324        | \$170,631        | +17.4%         |
| April 2017      | \$204,107        | \$186,276        | +9.6%          |
| <b>May 2017</b> | <b>\$207,093</b> | <b>\$191,902</b> | <b>+7.9%</b>   |
| 12-Month Avg    | \$194,326        | \$178,101        | +9.1%          |

## Historical Average Sales Price by Month



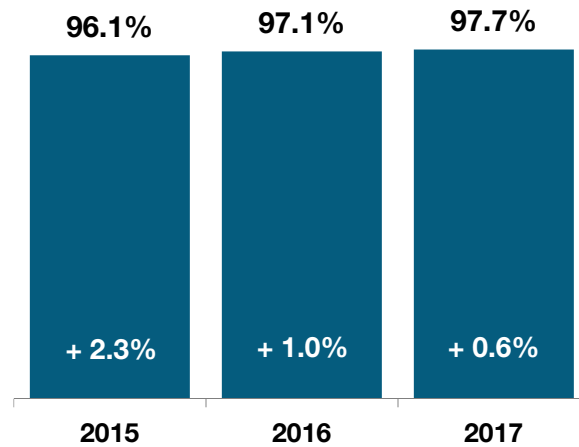


# Percent of Original List Price Received

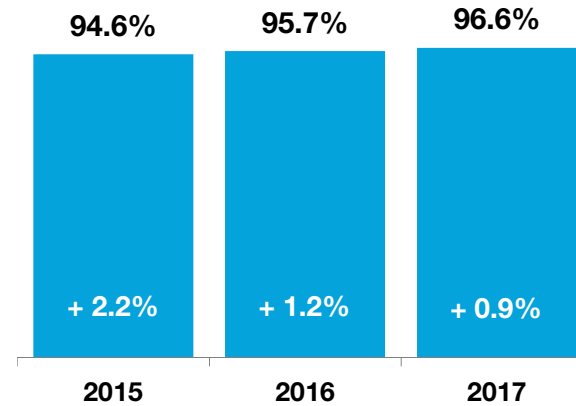
Percentage found when dividing a property's sales price by its original list price, then taking the average for all properties sold in a given month, not accounting for seller concessions.



## May

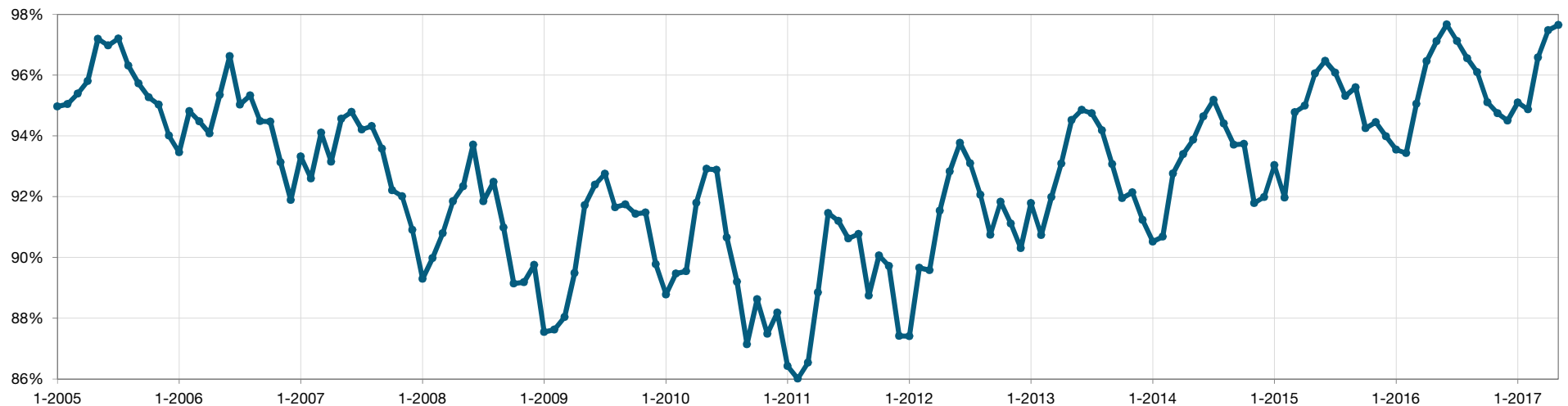


## Year to Date



|                 | Pct. of Orig. Price Received | Prior Year   | Percent Change |
|-----------------|------------------------------|--------------|----------------|
| 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%          |
| March 2017      | 96.6%                        | 95.1%        | +1.6%          |
| April 2017      | 97.5%                        | 96.5%        | +1.0%          |
| <b>May 2017</b> | <b>97.7%</b>                 | <b>97.1%</b> | <b>+0.6%</b>   |
| 12-Month Avg    | 96.1%                        | 95.1%        | +1.1%          |

## Historical Percent of Original List Price Received by Month

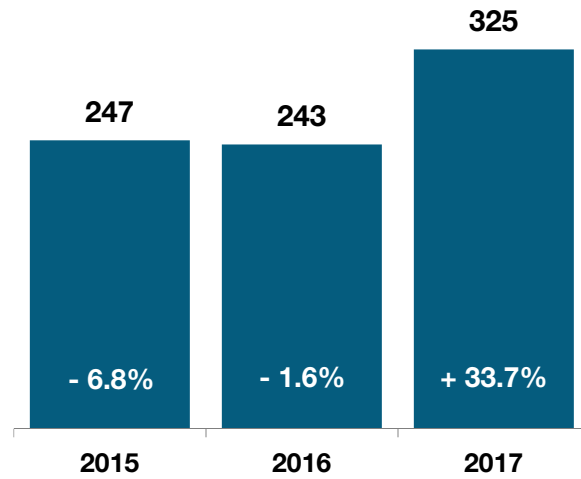


# Housing Affordability Index

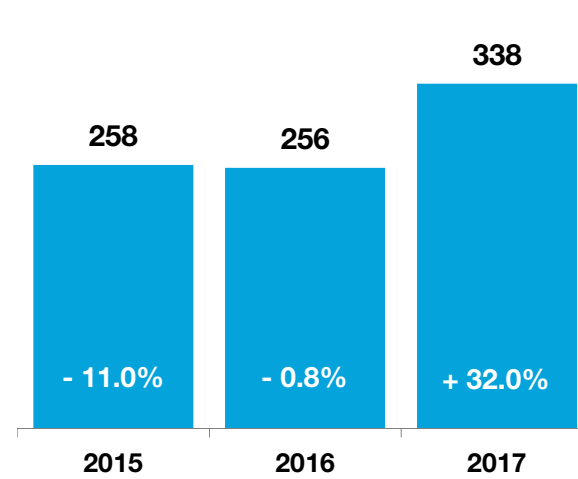
This index measures housing affordability for the region. For example, an index of 120 means the median household income is 120% of what is necessary to qualify for the median-priced home under prevailing interest rates. A higher number means greater affordability.



## May

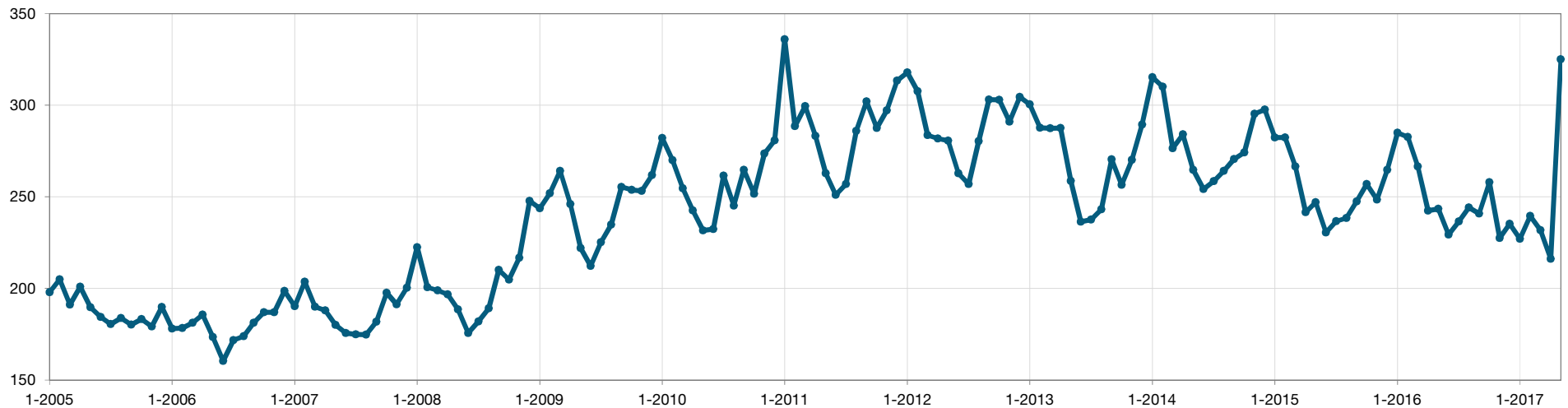


## Year to Date



| Affordability Index | Prior Year | Percent Change |               |
|---------------------|------------|----------------|---------------|
| 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       | 227        | 249            | -8.8%         |
| December 2016       | 235        | 265            | -11.3%        |
| January 2017        | 227        | 285            | -20.4%        |
| February 2017       | 240        | 283            | -15.2%        |
| March 2017          | 232        | 267            | -13.1%        |
| April 2017          | 216        | 242            | -10.7%        |
| <b>May 2017</b>     | <b>325</b> | <b>243</b>     | <b>+33.7%</b> |
| 12-Month Avg        | 243        | 254            | -4.3%         |

## Historical Housing Affordability Index by Month

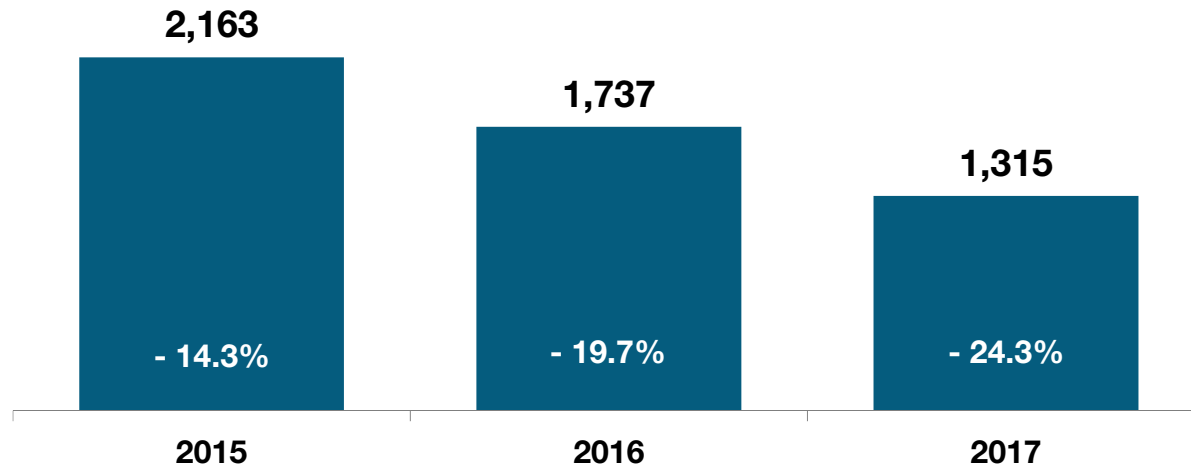


# Inventory of Homes for Sale

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

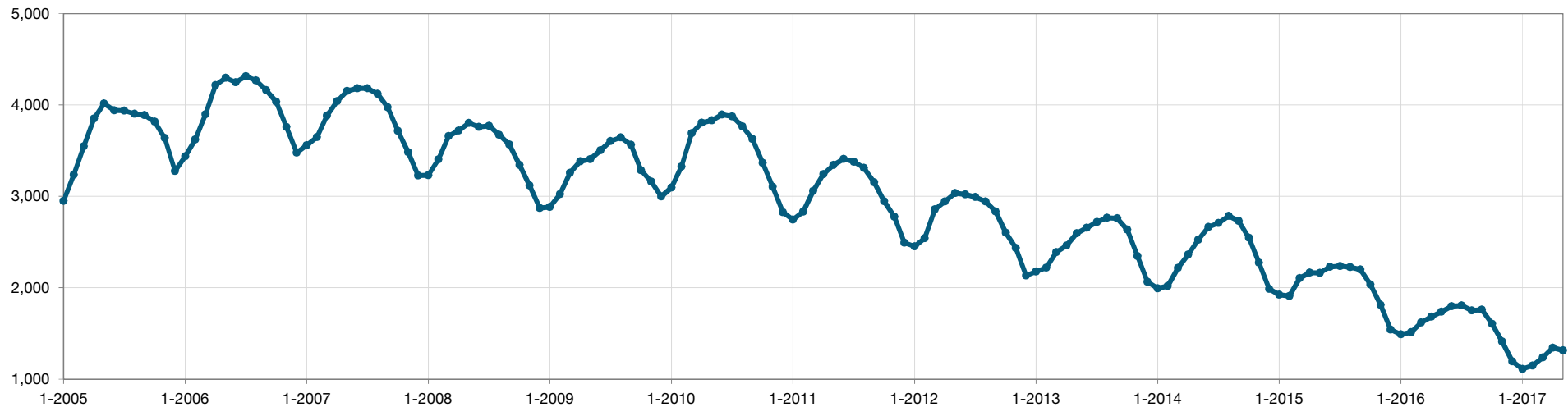


## May



| Homes for Sale  | Prior Year   | Percent Change      |
|-----------------|--------------|---------------------|
| June 2016       | 1,797        | 2,227 -19.3%        |
| July 2016       | 1,806        | 2,238 -19.3%        |
| August 2016     | 1,751        | 2,226 -21.3%        |
| September 2016  | 1,760        | 2,200 -20.0%        |
| October 2016    | 1,605        | 2,035 -21.1%        |
| November 2016   | 1,412        | 1,810 -22.0%        |
| December 2016   | 1,193        | 1,542 -22.6%        |
| January 2017    | 1,111        | 1,490 -25.4%        |
| February 2017   | 1,149        | 1,512 -24.0%        |
| March 2017      | 1,238        | 1,620 -23.6%        |
| April 2017      | 1,344        | 1,682 -20.1%        |
| <b>May 2017</b> | <b>1,315</b> | <b>1,737 -24.3%</b> |
| 12-Month Avg    | 1,457        | 1,860 -21.7%        |

## Historical Inventory of Homes for Sale by Month

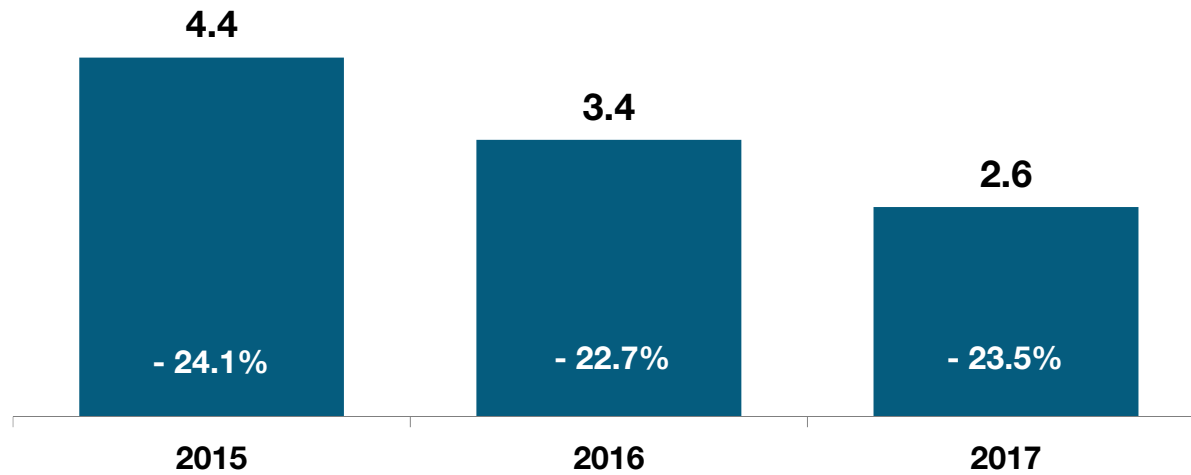


# Months Supply of Inventory

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.

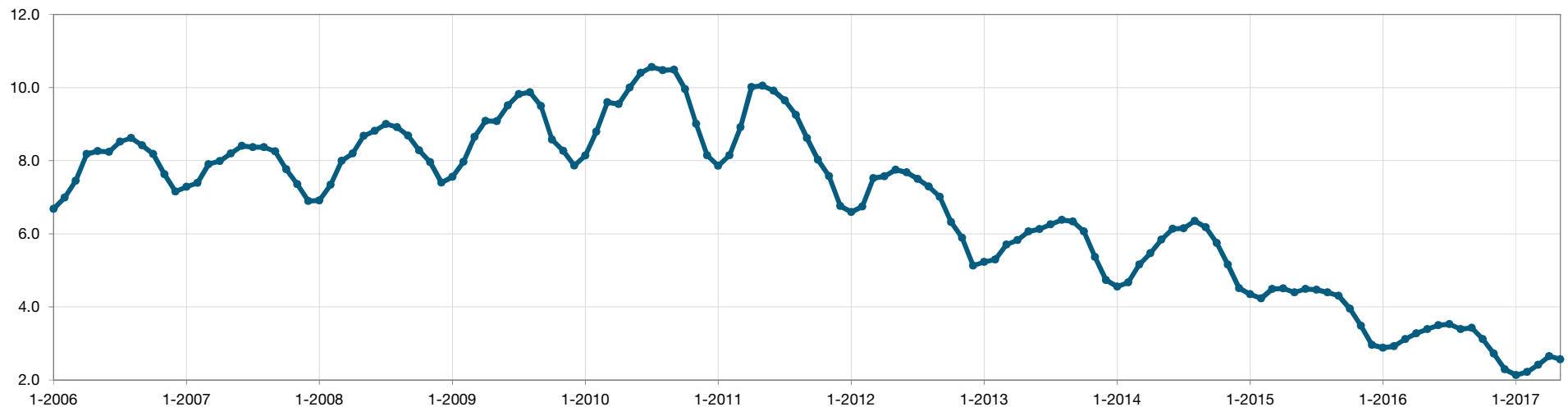


## May



| Months Supply   |            | Prior Year | Percent Change |
|-----------------|------------|------------|----------------|
| 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   | 2.2        | 2.9        | -24.1%         |
| March 2017      | 2.4        | 3.1        | -22.6%         |
| April 2017      | 2.6        | 3.3        | -21.2%         |
| <b>May 2017</b> | <b>2.6</b> | <b>3.4</b> | <b>-23.5%</b>  |
| 12-Month Avg    | 2.8        | 3.6        | -22.2%         |

## 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  | + / -          | 5-2016         | 5-2017 | + / -         | 5-2016        | 5-2017 | + / -         |
| <b>Albert Lea</b>    | 169          | 177      | <b>+4.7%</b>  | 113          | 106      | <b>-6.2%</b>  | \$79,500           | \$84,950  | <b>+6.9%</b>   | 147            | 108    | <b>-26.5%</b> | 6.1           | 3.9    | <b>-36.1%</b> |
| <b>Austin</b>        | 241          | 203      | <b>-15.8%</b> | 152          | 135      | <b>-11.2%</b> | \$86,900           | \$105,000 | <b>+20.8%</b>  | 143            | 97     | <b>-32.2%</b> | 3.9           | 2.7    | <b>-30.8%</b> |
| <b>Bloomington</b>   | 23           | 16       | <b>-30.4%</b> | 20           | 9        | <b>-55.0%</b> | \$105,500          | \$84,000  | <b>-20.4%</b>  | 13             | 7      | <b>-46.2%</b> | 3.2           | 2.3    | <b>-28.1%</b> |
| <b>Byron</b>         | 88           | 62       | <b>-29.5%</b> | 54           | 45       | <b>-16.7%</b> | \$206,200          | \$294,400 | <b>+42.8%</b>  | 37             | 17     | <b>-54.1%</b> | 3.1           | 1.5    | <b>-51.6%</b> |
| <b>Caledonia</b>     | 14           | 16       | <b>+14.3%</b> | 10           | 10       | <b>0.0%</b>   | \$107,450          | \$124,250 | <b>+15.6%</b>  | 17             | 16     | <b>-5.9%</b>  | 6.4           | 5.8    | <b>-9.4%</b>  |
| <b>Chatfield</b>     | 21           | 27       | <b>+28.6%</b> | 25           | 21       | <b>-16.0%</b> | \$139,000          | \$154,900 | <b>+11.4%</b>  | 11             | 6      | <b>-45.5%</b> | 2.9           | 1.1    | <b>-62.1%</b> |
| <b>Dodge Center</b>  | 28           | 30       | <b>+7.1%</b>  | 16           | 22       | <b>+37.5%</b> | \$109,250          | \$167,450 | <b>+53.3%</b>  | 12             | 14     | <b>+16.7%</b> | 2.4           | 3.2    | <b>+33.3%</b> |
| <b>Grand Meadow</b>  | 9            | 7        | <b>-22.2%</b> | 9            | 4        | <b>-55.6%</b> | \$102,900          | \$218,507 | <b>+112.3%</b> | 7              | 3      | <b>-57.1%</b> | 3.0           | 1.5    | <b>-50.0%</b> |
| <b>Hayfield</b>      | 18           | 20       | <b>+11.1%</b> | 14           | 20       | <b>+42.9%</b> | \$109,000          | \$134,000 | <b>+22.9%</b>  | 12             | 8      | <b>-33.3%</b> | 3.7           | 2.0    | <b>-45.9%</b> |
| <b>Kasson</b>        | 60           | 74       | <b>+23.3%</b> | 48           | 48       | <b>0.0%</b>   | \$173,620          | \$192,850 | <b>+11.1%</b>  | 23             | 27     | <b>+17.4%</b> | 1.9           | 2.5    | <b>+31.6%</b> |
| <b>La Crescent</b>   | 26           | 15       | <b>-42.3%</b> | 20           | 14       | <b>-30.0%</b> | \$187,900          | \$180,450 | <b>-4.0%</b>   | 17             | 15     | <b>-11.8%</b> | 4.4           | 5.0    | <b>+13.6%</b> |
| <b>Lake City</b>     | 77           | 76       | <b>-1.3%</b>  | 34           | 43       | <b>+26.5%</b> | \$163,500          | \$208,000 | <b>+27.2%</b>  | 89             | 56     | <b>-37.1%</b> | 9.8           | 5.3    | <b>-45.9%</b> |
| <b>Oronoco</b>       | 23           | 26       | <b>+13.0%</b> | 15           | 14       | <b>-6.7%</b>  | \$252,000          | \$395,100 | <b>+56.8%</b>  | 11             | 7      | <b>-36.4%</b> | 2.8           | 1.8    | <b>-35.7%</b> |
| <b>Owatonna</b>      | 200          | 174      | <b>-13.0%</b> | 136          | 128      | <b>-5.9%</b>  | \$143,250          | \$150,000 | <b>+4.7%</b>   | 90             | 70     | <b>-22.2%</b> | 2.6           | 2.1    | <b>-19.2%</b> |
| <b>Preston</b>       | 14           | 12       | <b>-14.3%</b> | 8            | 6        | <b>-25.0%</b> | \$95,875           | \$122,500 | <b>+27.8%</b>  | 14             | 6      | <b>-57.1%</b> | 6.4           | 2.8    | <b>-56.3%</b> |
| <b>Pine Island</b>   | 37           | 41       | <b>+10.8%</b> | 22           | 27       | <b>+22.7%</b> | \$207,590          | \$216,900 | <b>+4.5%</b>   | 15             | 10     | <b>-33.3%</b> | 2.4           | 1.5    | <b>-37.5%</b> |
| <b>Plainview</b>     | 25           | 24       | <b>-4.0%</b>  | 14           | 13       | <b>-7.1%</b>  | \$139,500          | \$161,800 | <b>+16.0%</b>  | 11             | 6      | <b>-45.5%</b> | 2.6           | 1.1    | <b>-57.7%</b> |
| <b>Rochester</b>     | 1,258        | 1,217    | <b>-3.3%</b>  | 826          | 802      | <b>-2.9%</b>  | \$187,000          | \$216,250 | <b>+15.6%</b>  | 365            | 342    | <b>-6.3%</b>  | 1.8           | 1.8    | <b>0.0%</b>   |
| <b>Spring Valley</b> | 27           | 26       | <b>-3.7%</b>  | 13           | 19       | <b>+46.2%</b> | \$148,000          | \$137,620 | <b>-7.0%</b>   | 18             | 7      | <b>-61.1%</b> | 4.8           | 1.3    | <b>-72.9%</b> |
| <b>St. Charles</b>   | 31           | 32       | <b>+3.2%</b>  | 25           | 15       | <b>-40.0%</b> | \$152,000          | \$213,500 | <b>+40.5%</b>  | 18             | 17     | <b>-5.6%</b>  | 3.0           | 3.6    | <b>+20.0%</b> |
| <b>Stewartville</b>  | 49           | 40       | <b>-18.4%</b> | 32           | 30       | <b>-6.3%</b>  | \$159,825          | \$184,950 | <b>+15.7%</b>  | 17             | 12     | <b>-29.4%</b> | 1.7           | 1.6    | <b>-5.9%</b>  |
| <b>Wabasha</b>       | 36           | 35       | <b>-2.8%</b>  | 13           | 23       | <b>+76.9%</b> | \$154,000          | \$116,000 | <b>-24.7%</b>  | 35             | 32     | <b>-8.6%</b>  | 7.4           | 6.4    | <b>-13.5%</b> |
| <b>Waseca</b>        | 24           | 30       | <b>+25.0%</b> | 11           | 18       | <b>+63.6%</b> | \$90,000           | \$143,000 | <b>+58.9%</b>  | 21             | 16     | <b>-23.8%</b> | 7.9           | 3.3    | <b>-58.2%</b> |
| <b>Winona</b>        | 192          | 177      | <b>-7.8%</b>  | 141          | 130      | <b>-7.8%</b>  | \$135,000          | \$134,000 | <b>-0.7%</b>   | 123            | 83     | <b>-32.5%</b> | 3.6           | 2.6    | <b>-27.8%</b> |
| <b>Zumbrota</b>      | 37           | 43       | <b>+16.2%</b> | 31           | 21       | <b>-32.3%</b> | \$184,000          | \$186,000 | <b>+1.1%</b>   | 26             | 17     | <b>-34.6%</b> | 4.5           | 3.0    | <b>-33.3%</b> |