

PRESS RELEASE

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Many Factors Affecting Local Housing Market

The local housing market continued its expected downward trend, with existing closed home sales totaling 1,969 in January 08. This was a 21.3 percent decrease from January 07 and a 17.12 percent decrease from December 07. The decrease in closed home sales was consistent with a slower selling period during the winter.

Slower closed home sales and the continued breadth of inventory pushed the median sales price down. The 13-county metro median sales price dropped 8.89 percent from January 07 to January 08. Month over month, the median sales price saw a 4.6 percent decline from December 07 to January 08.

“As prices decrease and inventory shrinks, and as the weather slowly warms, the market should become more sustainable,” said Greg Bauman, President of the Saint Paul Area Association of REALTORS®.

“There are many factors to consider in this adjusting housing market. Interest rates are still favorable, and the proposed stimulus package includes GSE and FHA reform. With so many factors to consider, sellers and buyers should really consider using a professional REALTOR® to advise and guide them,” noted Bauman.

Pending sales declined 21.83 percent in January 08 compared to January 07. Total pending sales for the month were reported at 2,562. New listings also decreased, with 8,322 new listings added to inventory in January 08, compared with 8,931 in January 07. Average days on the market for sold properties increased by only 2 days, from 81 days in December 07 to 83 days in January 08.

Housing statistics include existing single-family homes, condominiums and townhouses. Statistics are provided by the Saint Paul Area Association REALTORS® and are based on data supplied by the Regional Multiple Listing Service.

The Saint Paul Area Association of REALTORS® represents 4,000 members involved in all aspects of the real estate industry.

For more information about Twin Cities area home sales statistics, contact Mary Yang at 651-772-6341 or Patrick Ruble at 651-772-6343 (pruble@spaar.com).

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