



MINNEAPOLIS AREA Association  
of REALTORS®

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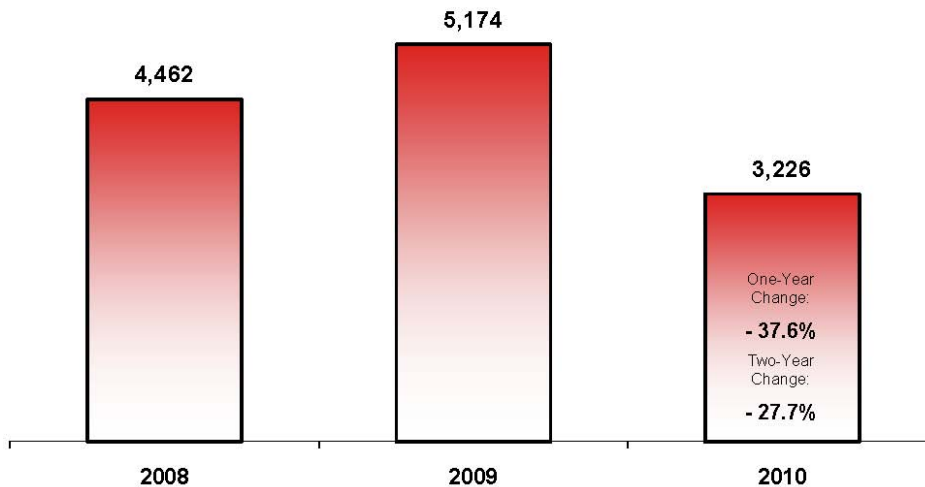
## NEWS RELEASE

FOR IMMEDIATE RELEASE

### Rogue Housing Market Still Recalibrating to the New Abnormal

*Minneapolis, Minnesota (August 11, 2010)* – The Twin Cities housing market has found itself in a bit of a holding pattern in recent months, and July is no exception. The \$175,000 median sales price was a 2.3 percent increase over July 2009. Pending sales in July were down 37.6 percent compared to last year, which is certainly less than ideal but expected. Due to weakened buyer demand, inventory grew modestly to 27,249 active listings, an increase of 5.4 percent over last year.

#### July Pending Sales, 2008–2010



“It would appear that demand has stabilized and should slowly return in the coming months” said Brad Fisher, President of the Minneapolis Area Association of REALTORS®. “We hope that it returns to the market before prices have a chance to respond to the growing inventory.”

Traditional sellers (nonforeclosure and non-short sale) enjoyed a 5.0 percent price increase to \$222,500, foreclosure prices remained flat at \$119,000 and short sales posted a 3.5 percent price gain to \$147,000.

The traditional and foreclosure submarkets had a significant decline in pending sales, while short sales actually had a small increase.

There were 3,226 signed purchase agreements in July, a decrease of 1,948 contracts from last July. Seller activity also slowed, with 6,926 new properties coming onto the market. Year to date (YTD), pending sales decreased 13.3 percent from last year but are up 3.7 percent compared to 2008. New listings posted a 0.4 percent YTD increase compared to 2009.

All active listings experienced a minor spike. The supply-demand ratio increased 63.5 percent to 8.64, primarily due to declining demand and not a surplus of new product. This means that there are about 8.6 homes available per buyer for August.

Although the tax credit ended over three months ago, its negative externalities are finally beginning to pass. March and April enjoyed a big boost in sales performance at the cost of May, June, July, and most likely several additional months.

“The economy is currently driving the housing market and not vice versa” said MAAR President-Elect, Pat Paulson. “The housing sector once generated corresponding construction, manufacturing and other jobs which in turn fueled economic growth. That hasn’t been the case of late.”

*All information is according to the Minneapolis Area Association of REALTORS® (MAAR) based on data from the Regional Multiple Listing Service of Minnesota, Inc. MAAR is the leading regional advocate and provider of information services and research on the real estate industry for brokers, real estate professionals and the public. MAAR serves the Twin Cities 13-county metro area and western Wisconsin.*