2018 Market Trends Report
Minnesota Regional Insight

**Arrowhead Region**
Koochiching, Itasca, Aitkin, Carlton, St. Louis, Lake and Cook counties

- Average sales price in the first quarter of 2018: **$147,351**
  - Averages sales price has dropped 2.5 percent
- Average days on market in the first quarter of 2018: **118**
  - A 13.7 percent decrease from the same time period in 2017, where houses spent an average of 137 days on the market.
- Units sold in the first quarter of 2018: **348**
  - A 13 percent increase compared to the number of houses sold in the first quarter of 2017.

**According to RE/MAX brokers:**
- Sellers are trying to take advantage of the hot market and are beginning to over-price their houses. As a result, buyers are more willing to wait.
- More expensive existing homes ($500k+) are sitting on the market longer because new construction tends to fall in the same price range.

**Central Region**
Benton, Sherburne, Wright and Stearns counties

- Average sales price in the first quarter of 2018: **$225,208**
  - Averages sales price across the region has increased 6 percent compared to the first quarter of 2017.
- Average days on market in the first quarter of 2018: **58**
  - A 7 percent decrease over the same time period in 2017, when houses spent an average of 63 days on market.
- Units sold in the first quarter of 2018: **2,356**
  - A 3 percent decrease compared to the number of houses sold in the first quarter of 2017.

**According to RE/MAX brokers:**
- Because the sellers’ market has not slowed down, buyers now understand that they must be prepared to make a good offer immediately.
- Houses in the $200,000 or less price range are in high demand, making it difficult for first-time buyers.

**South Central Region**
Sibley, Nicollet, Brown, Watonwan, Martin, Faribault, Blue Earth, Le Sueur and Waseca counties

- Average sales price in the first quarter of 2018: **$173,956**
  - Averages sales price has increased nearly 8 percent compared to the first quarter of 2017.
- Average days on market in the first quarter of 2018: **121**
  - A decrease of more than 12 percent compared to the same time period last year, when houses spend an average of 138 days on market.
- Units sold in the first quarter of 2018: **1,126**
  - A 2.3 percent decrease compared to the number of houses sold in the first quarter of 2017.

**According to RE/MAX brokers:**
- Buyers are offering over asking price and dropping home inspection requirements. Sellers are pricing homes high and looking for offers that take risk away from them.
The most successful buyers in the market currently are offering $5,000 or more over the listing price and not asking sellers to pay closing costs.

Southeast Region
Freeborn, Steele, Rice, Goodhue, Dodge, Mower, Fillmore, Olmsted, Wabasha, Winona and Houston counties

- Average sales price in the first quarter of 2018: **$206,266**
  - Averages sales price has increased nearly 7 percent compared to the first quarter of 2017.
- Average days on market in the first quarter of 2018: **72**
  - A 12 percent decrease compared to the first quarter of 2017, when houses spent an average of 83 days on market.
- Units sold in the first quarter of 2018: **2,440**
  - A 3.8 percent decrease compared to the number of houses sold in the first quarter of 2017.

According to RE/MAX brokers:
- There is very little new construction and an overall lack of options for baby boomers who would ordinarily consider putting their homes on the market.
  - On average about 35 new homes per year are being built, and it should be 100+ to keep up with demand.
- Buyers are working with alternative living situations (short term apartment leases, living with family) while they wait for the right home.

Twin Cities Region
Dakota, Scott, Carver, Hennepin, Anoka, Ramsey and Washington counties

- Average sales price in the first quarter of 2018: **$307,437**
  - Averages sales price has increased nearly 9 percent compared to the first quarter of 2017.
- Average days on market in the first quarter of 2018: **44**
  - A 17.5 percent decrease compared to the first quarter of 2017, when houses spent an average of 53 days on market.
- Units sold in the first quarter of 2018: **16,098**
  - A 5.2 percent decrease compared to the number of houses sold in the first quarter of 2017.

According to RE/MAX brokers:
- Buyers are increasing earnest money, beefing up down payments, going with traditional financing and making non-contingent purchases in order to have the best chance of their offer being accepted.
- New construction is too expensive for many buyers. For the market to improve there needs to be more newly constructed homes priced around $300,000.
- In the existing home market, buyers under $350,000 are having a hard time finding even one or two options.