

## 2018 Market Trends Report Minnesota Regional Insight

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### Arrowhead Region

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

- Average sales price in the first quarter of 2018: **\$147,351**
  - Average 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**
  - Average 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**
  - Average 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**
  - Average 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**
  - Average 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.