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New Year to Bring Balance to Some Midwest Real Estate Markets, Even More Competition to Others

RE/MAX experts report communities and builders working to meet housing demand

MINNEAPOLIS – Today RE/MAX INTEGRA, Midwest released its 2018 Housing Market Outlook providing insight on what to expect in key housing markets across Indiana, Minnesota and Wisconsin in the year ahead.

“The Midwest will remain the most affordable area of the country in 2018, despite slightly higher home prices. And during this the next year we’ll see even more buyers take the leap into home ownership,” said Fiona Petrie, executive vice president and managing director of U.S. operations for RE/MAX INTEGRA. “Now, even during the winter months, our real estate experts recommend that sellers’ sell. Intense competition for homes due to low housing inventory over the last year has not led to buyer fatigue, and right now there remains a large pool of serious buyers for all types of homes.”

New buyers, including millennials, will continue to flood the housing market in search of new homes. This year marks 10 years since the recession began, and the economy is soaring in all three Midwest states. Higher wages and unemployment rates below the national average, combined with good mortgage rates, are driving more people to become homebuyers.

According to the report, which identifies statewide trends collected through multiple sources including analysis of housing data and interviews with RE/MAX brokers and agents in each of the three Midwest states, buyers and sellers can expect the following in 2018:

- Modest price increases due to even lower inventory and sellers’ market.
 - The average sales price in Indiana, Minnesota and Wisconsin was up between 5-7% for most of 2017.
- Increased activity during winter months.
 - Due to demand, market activity will remain high, well before the start of the traditional spring and summer real estate season.
- New construction in many markets.
 - More homebuilders are working quickly to meet the increased demand. Some cities are also offering incentives to both builders and potential buyers in an effort to solve a housing shortage. However, RE/MAX experts report new construction is often priced at \$250,000 or above, creating more competition for middle-income and first-time buyers who want to purchase existing homes for affordability.
- Slight increase in interest rates.
 - Interest rates remain historically low, but rates may gradually increase this year – a move, which paired with other factors, could start to help balance out some markets in the Midwest.

Highlights from the Housing Market Outlook report also include key housing statics from RE/MAX INTEGRA, Midwest from 2017.

- Indiana
 - Average sales price: \$171,686, up 5% in 2017
 - Average time on market: 66 days, down 14.8% in 2017
 - Average months supply of homes: 4 months**

- Minnesota
 - Average sales price: \$264,801, up 6.9% in 2017
 - Average time on market: 51, down 12.7% in 2017
 - Average months supply of homes: 3.5 months**

- Wisconsin
 - Average sales price: \$201,713, up 5.6% in 2017
 - Average time on market: 97, down 9.7% in 2017
 - Average months supply of homes: 5.1 months**

**The data listed above represents housing numbers from January-October of 2017.*

***Six months supply of homes is considered a balanced market.*

[Click here](#) to view the full 2018 Housing Market Outlook

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About RE/MAX INTEGRA, Midwest

RE/MAX INTEGRA, Midwest is the regional entity for RE/MAX franchises in Indiana, Minnesota and Wisconsin, with headquarters in Indianapolis, IN and Minneapolis, MN. Since its inception in 1985, the region has grown to more than 280 offices with approximately 4,100 sales associates, providing residential and commercial real estate, as well as relocation and referral services.