



**SPRING 2017**

# **MARKET TRENDS**

**REPORT**

# MINNESOTA

Minnesota's residential real estate market is heating up as 2017 reaches its midway point. Closed sales are up compared to this time last year. Much like the rest of the country, Minnesota is facing low inventory, which means fierce competition for nice, well-priced homes.

RE/MAX brokers across the state reported having a smaller number of listings and a longer list of buyers. In urban areas, such as the Twin Cities, the scarcity of homes priced under \$300,000 is causing buyers to pull the trigger quickly – providing sellers with multiple offers to select from after only having their homes on the market for less than a day.

Even in the first and second rings of suburbs, the inventories of affordable homes are at historic lows. Baby boomers might want to downsize and move to a walkable area in the city, but they are reluctant to leave the houses they've paid off in favor of pricey condos or high rents.

Low inventory is projected to continue through 2017, so now is the time to consider selling your home if you want to walk away with potentially the most equity.



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# MINNEAPOLIS - SAINT PAUL

## MEDIAN RESIDENTIAL SALE PRICE

April **2016** April **2017**  
\$231,000 \$245,500

**+6.3%**



## AVERAGE DAYS ON MARKET



## CLOSED SALES

**APRIL 2016:**

5,252

**APRIL 2017:**

4,709

**-10.3%**



## TYPICAL BUYER PROFILE



**Young Families**

Source: Opinion of local RE/MAX Brokers

## INVENTORY



## SELLERS' MARKET



Despite national trends, which say that millennials are leaving the city in favor of the suburbs, the Twin Cities has experienced an influx of young families. These buyers want the conveniences of urban living, including walkability. Schools are another factor attracting families to the area. Many potential buyers are often narrowing their search to the neighborhood served by one particular elementary, middle or high school.

While newly built apartments and townhomes attract millennial renters and buyers, young families are searching for single family homes. As a result, updated family homes in good neighborhoods and priced under \$300,000 often have multiple offers within 12 hours.

If you're planning to buy a home in the coming months, RE/MAX brokers recommend having your finances and preapprovals in order before you start looking and working with a REALTOR® who knows the local market.

## TIPS & TRENDS:

Interest rates may increase to 4.5-4.75% this year, but according to local RE/MAX brokers, it's easier to secure the financing to buy a house compared to this time last year.

Housing data provided by the Minneapolis Area Association of REALTORS® and represents the seven-county Twin Cities region.



# ROCHESTER

## MEDIAN RESIDENTIAL SALE PRICE

April **2016** April **2017**  
\$165,500 \$179,900 **+8.7%**



## AVERAGE DAYS ON MARKET



## CLOSED SALES

**APRIL 2016:** 531  
**APRIL 2017:** 406  
**-23.5%**

## TYPICAL BUYER PROFILE



**Not first-time buyers/  
buyers with families**

Source: Opinion of local RE/MAX Brokers

## INVENTORY



## SELLERS' MARKET



The medical professionals who work at the Mayo Clinic are the primary buyers in Rochester. They are typically not first-time buyers, but they are still looking for a good value. In Rochester, it is possible to find a nice home in the \$150,000 range, something that is hard to find in the Twin Cities.

Much like the rest of the state, low inventory in Rochester means buyers and their agents must employ savvy tactics to secure a home. RE/MAX brokers report that educating buyers on the reality of the market is the biggest challenge they're currently facing. Buyers often lose several good houses before they realize that they need to make competitive offers. Many buyers are offering more than the home's asking price and limiting contingencies to get into their dream homes.

## TIPS & TRENDS:

There are many options for those who worry that their home will sell too quickly. Short-term rentals and living with family are common solutions, and in a sellers' market, buyers may be willing to accept contingencies from the seller if it means getting a house they love.

Housing data provided by the Southeast Minnesota REALTORS® and represents an 11-county region.

# DULUTH

## MEDIAN RESIDENTIAL SALE PRICE

April **2016** April **2017**  
\$148,750 \$145,001 **-2.5%**



## AVERAGE DAYS ON MARKET



## CLOSED SALES

**APRIL 2016:** 224  
**APRIL 2017:** 197  
**-12.1%**



## TYPICAL BUYER PROFILE



**Young buyers**

Source: Opinion of local RE/MAX Brokers

## INVENTORY



## SELLERS' MARKET



Duluth offers numerous homes in the \$150,000 price range – making this area a good value for buyers. For sellers, because inventory is tight, selling before the end of 2017 could put more than \$20,000 extra equity in their pockets, according to local real estate professionals.

Homeowners who have thought about selling should discuss their options with a local real estate professional. A good agent can help a homeowner weigh the pros and cons of selling now or later.

If you're a buyer in a market where houses sell quickly, local REALTORS® also stress the importance of having someone working on your behalf. A real estate professional who knows the area and has connections to other local agents are getting buyers into their next home more quickly.

## TIPS & TRENDS:

Want your offer to be accepted? Real estate experts recommend that buyers make their best offer upfront, since it is likely there will be multiple offers and no opportunity to negotiate. In addition, buyers should consider what contingencies they may be comfortable limiting and be preapproved.

Housing data provided by the Duluth Area Association of REALTORS® and represents Duluth and surrounding suburbs.

# ST. CLOUD

## MEDIAN RESIDENTIAL SALE PRICE

April **2016** April **2017**  
\$156,500 \$166,250

+6.2%



## AVERAGE DAYS ON MARKET



## CLOSED SALES

**APRIL 2016:**

151

**APRIL 2017:**

133



## TYPICAL BUYER PROFILE



**Young Families**

Source: Opinion of local RE/MAX Brokers

## INVENTORY



## SELLERS' MARKET



As one of central Minnesota's largest cities, a bedroom community to the Twin Cities and the home of St. Cloud State University, St. Cloud attracts many young families. These buyers want city conveniences with a small-town feel. Affordability, with many homes in St. Cloud priced below \$200,000, is another reason buyers are attracted to the area.

Local REALTORS® suggest buyers from the beginning provide sellers with their best offers. In today's competitive market, the best offers often are above asking with limited contingencies.

## TIPS & TRENDS:

The current market puts sellers in a position where they don't have to make counter offers. Give them your best offer right away to increase your chances of getting the home.

In a highly competitive market, RE/MAX brokers recommend working with a REALTOR® who has experience helping buyers find homes in your desired neighborhood. Buyers often think that it's easier to call the listing agent themselves, but they have a better chance of finding a home if a REALTOR® is working on their behalf.

Housing data provided by the St. Cloud Area Association of REALTORS® and represents the greater St. Cloud area.

# BRainerd LAKES

## MEDIAN RESIDENTIAL SALE PRICE

April **2016** April **2017**  
\$162,000 \$167,800 **+3.6%**

## AVERAGE DAYS ON MARKET



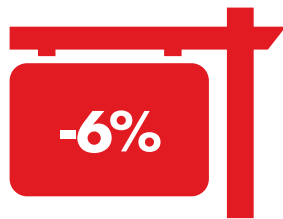
## CLOSED SALES

**APRIL 2016:**

233

**APRIL 2017:**

219



## TYPICAL BUYER PROFILE



**Vacation and second  
homebuyers**

Source: Opinion of local RE/MAX Brokers

## INVENTORY



## SELLERS' MARKET



The typical buyer in Brainerd Lakes is looking for a second home, but that doesn't mean that they aren't also looking for good value. While the vacation home market hasn't yet hit its peak for the year, there is already some stiff competition for homes in the Brainerd Lakes region.

Single-level or ranch homes along with homes with acreage are particularly in short supply and high demand. Sellers with any type of home should be ready to close quickly. In addition, local agents recommend that sellers have their houses ready at listing to get the highest offers. If you were considering painting a few more rooms or updating the kitchen floor before selling your home, complete that work before listing. Presenting potential buyers with a move-in ready home will earn you more, higher quality offers.

If you're looking to buy in the Brainerd Lakes region this year, local real estate professionals recommend putting in strong offers quickly and limiting contingencies.

## TIPS & TRENDS:

It can be more difficult to secure financing for a vacation home than for your primary residence. Plan ahead and have your financing in order before you begin the house hunt.

Housing data provided by the Minnesota Board of REALTORS® and represents the five-county North Central Region.



# MANKATO

## MEDIAN RESIDENTIAL SALE PRICE

April **2016** April **2017**  
\$147,491 \$150,000

+1.7%

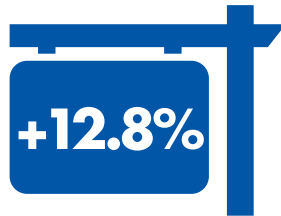


## AVERAGE DAYS ON MARKET



## CLOSED SALES

**APRIL 2016:**  
196  
**APRIL 2017:**  
221



## TYPICAL BUYER PROFILE



**Buyers with families**

Source: Opinion of local RE/MAX Brokers

## INVENTORY



## SELLERS' MARKET



The construction of many new apartment buildings has attracted young people to Mankato, and when the time comes to buy, many decide to stay put. When they buy, they're looking for move-in ready, single-family homes in safe neighborhoods.

Like the rest of the state, low inventory is an ongoing issue. It is common for a nice, well-priced home to receive several competitive offers on the first day it's on the market. Because there are few developers building new homes in the area, demand for existing homes is even higher than in other parts of the state.

RE/MAX brokers report that buyers who want the best chance of having their offer accepted are agreeing to pay closing costs, giving up home inspections and even agreeing to pay for homes in cash. Sellers in today's market are in the position to receive the best offers for their homes without having to do too much work to sell it quickly for a top amount.

## TIPS & TRENDS:

If you're thinking of selling your home – don't put off those last minute projects. If you wanted to paint a few rooms or replace the kitchen floor before your house goes on the market, do it before your first showing. Houses that are move-in ready get the best offers.

Housing data provided by the Minnesota Board of REALTORS® and represents the nine-county South Central Region.



# MINNESOTA DATA TABLE

## MEDIAN RESIDENTIAL SALES PRICE

MARKET	APRIL 2016	APRIL 2017	% CHANGE
<b>Minneapolis - Saint Paul</b>	\$231,000	\$245,500	+ 6.3%
<b>Rochester</b>	\$165,500	\$179,900	+ 8.7%
<b>Duluth</b>	\$148,750	\$145,001	- 2.5%
<b>St. Cloud</b>	\$156,500	\$166,250	+ 6.2%
<b>Brainerd Lakes</b>	\$162,000	\$167,800	+ 3.6%
<b>Mankato</b>	\$147,491	\$150,000	+ 1.7%

\*Data may represent multiple counties and region around listed city.



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RE/MAX INTEGRA, founded in 1980, is a privately held company by Canadian entrepreneurs. With regional headquarters in Toronto, Boston, Minneapolis, Zug, and Vienna, RE/MAX INTEGRA represents nearly a third of all RE/MAX Sales Associates worldwide. The company was founded on the premise of providing outstanding service and support both at the regional level and to the end consumer.

The Ontario-Atlantic Canada region, has surpassed 10,000 quality Associates; The US regions — New England and the Midwest (including the following states: Minnesota, Wisconsin and Indiana) — account for more than 6,500 Associates with over 2,600 and 3,800 Associates respectively; and the European region leads with more than 16,000 Associates. For more information about RE/MAX INTEGRA, visit [www.remaxintegra.com](http://www.remaxintegra.com).