



MINNEAPOLIS AREA Association  
of REALTORS®

## NEWS RELEASE

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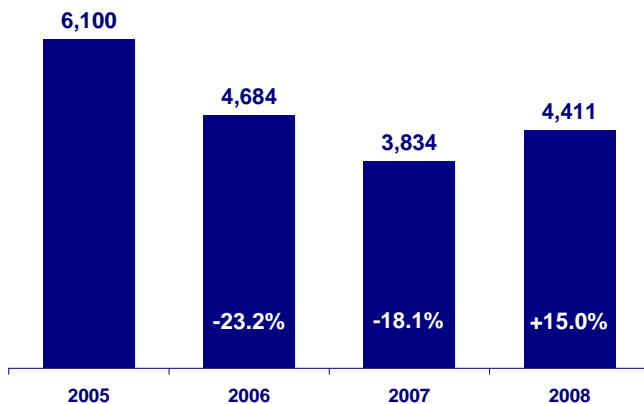
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### Sales improve for second month in a row

*Minneapolis, Minnesota (September 10, 2008)* – Sales activity in the Twin Cities housing market continues to post healthy numbers, according to the Minneapolis Area Association of REALTORS® (MAAR) based on data from the Regional Multiple Listing Service of Minnesota, Inc.

#### August Pending Sales



For the second consecutive month and only the third time in the last 39 months, pending sales posted a year-over-year increase. August saw 4,411 purchase agreements signed—an increase of 15.0 percent from August of last year.

There has not been a year-over-year increase this large since November of 2004.

“Part of the reason for the big upswing compared to last year is how historically slow last August was, right when the credit crunch took hold,” said Kevin Knudsen, MAAR President. “But there is legitimate buyer demand at work here, too, thanks to lower prices and more choice.”

New listings for August were sparse, as 18.8 percent fewer new homes came on the market than in August 2007. Combined with improved absorption due to healthier sales, the total inventory of homes for sale at the end of August was a robust 9.2 percent lower than the same time last year.

While supply is shrinking and demand has perked up, home prices are still on a downward trend. The overall August median sales price of \$200,000 fell from last year by 13.0 percent. Lender-mediated homes posted a median sales price of \$150,000, a decrease of 9.6 percent from last year. Traditional properties had an August median sales price of \$229,900, a more modest decrease of 4.3 percent.

Due to the decline in home prices and a downtick in mortgage rates, the September Housing Affordability Index increased from last month to 151—a healthy 18.9 percent higher than September 2007, and back up at boom-year levels. This means a more accessible market for potential home buyers.

“Home values should remain low at least through the remainder of the year,” said Steve Havig, MAAR President-Elect. “While that’s a tough pill to swallow for many, it’s becoming clear that buyers are taking notice and jumping back into the market to take advantage.”

*Established in 1887, the Minneapolis Area Association of REALTORS® (MAAR) is the leading regional advocate and provider of information services, research and education on the real estate industry for brokers, real estate professionals and the public. With more than 8,500 members, MAAR is one of the 25 largest local REALTOR® associations in the nation and serves the Twin Cities 13-county metro area and western Wisconsin.*

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