



Minnesota Housing Prices, 2006-2007

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- The statewide median price was stable between 2006 and 2007.
- The number of sales fell dramatically.
- Prices rose in the majority of counties and cities.
- The number of sales fell faster in the Twin Cities than in the rest of the state.
- Realtor data suggests the major impact of the current housing price slump began in 2007 and has continued to 2008, a period beyond the scope of this report.

Housing Slump Raises Concerns

The downturn in the housing market – falling housing prices and rising numbers of foreclosures attributable to subprime loans – has become a major national news story in recent months. The data presented here go through September of 2007 and show the housing slump at an intermediate stage: While the volume of sales was declining, prices remained stable or increased in most areas. More recent figures from realtor organizations and other sources show a substantial drop-off in sales prices in the Twin Cities area in 2008. According to realtor analysts, much of this decline is attributable to transactions involving short sales and foreclosures.

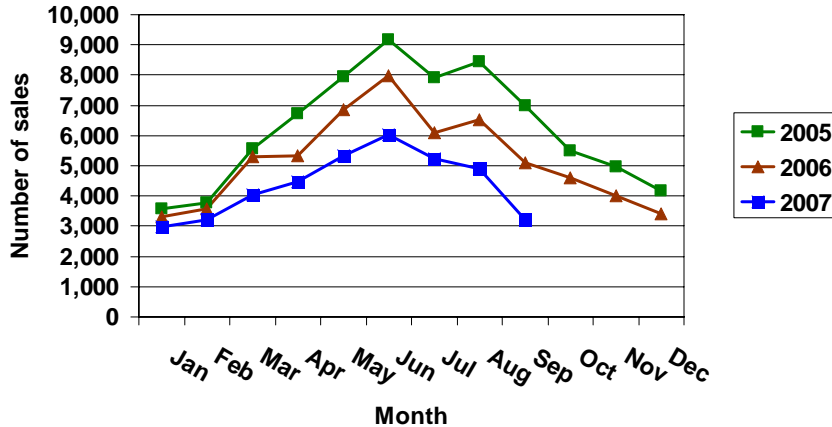
The housing sales price information presented here is not as up-to-date as the realtor data but has the advantage of statewide coverage. This data comes from the Minnesota Department of Revenue and show trends in housing prices from January, 2006 through September, 2007. Based on the trends through 2007 and

extrapolating from the realtor data, it seems likely that next year's Department of Revenue data will show more dramatic evidence of declining prices as well as a continued decline in the number of sales.

Number of Housing Sales Declines

Month-by-month data show a drastic decline in the number of houses sold in Minnesota between 2006 and 2007. In a climate of uncertainty, potential buyers were reluctant to buy. Many sellers resisted lowering prices. From January through September 2007 there were 39,465 sales, down from 50,055 sales in the first nine months of 2006. The year-to-year drop-off accelerated in late summer. July 2007 sales were down 14 percent compared to July the previous year; August sales were down 25 percent and September sales were off by 37 percent.

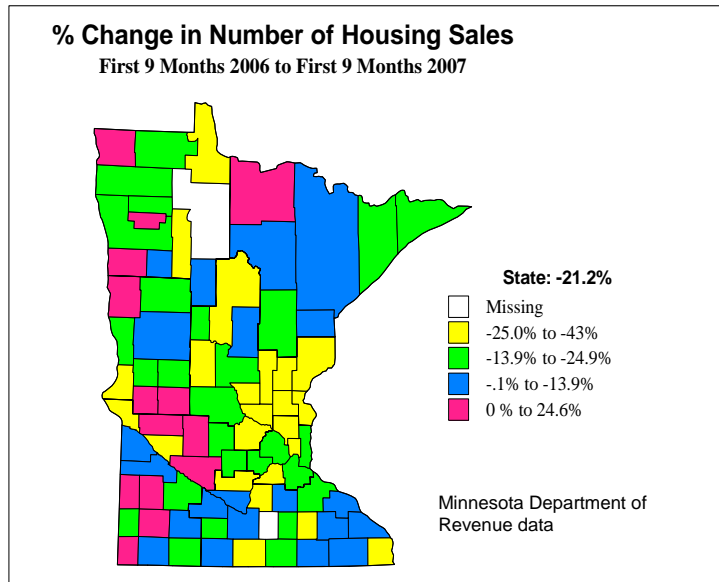
Number of Housing Sales in Minnesota Continues to Decline in 2007



Minnesota Department of Revenue. Statewide data.

The year-to-year number of housing sales rose in only 14 counties, mostly rural counties in western Minnesota. The number of sales fell in 71 counties. Data is missing for 2 counties. Though sales fell in many rural counties, overall the Twin Cities Metro area experienced a bigger fall-off than Greater Minnesota. In the 11 counties of the Minneapolis-St. Paul Metropolitan Area, the number of sales in the first nine months of 2007

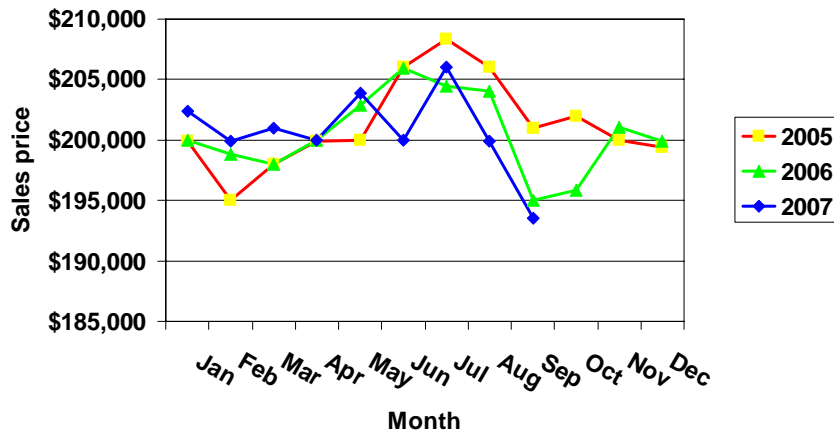
was down 25 percent. The number of sales declined 16 percent outside the Twin Cities. The largest rates of decline occurred in Kanabec, Traverse and Chisago counties. The number of sales grew the most in Rock, Murray and Renville counties, small rural counties with relatively few housing transactions.



Prices Remain Stable or Increase

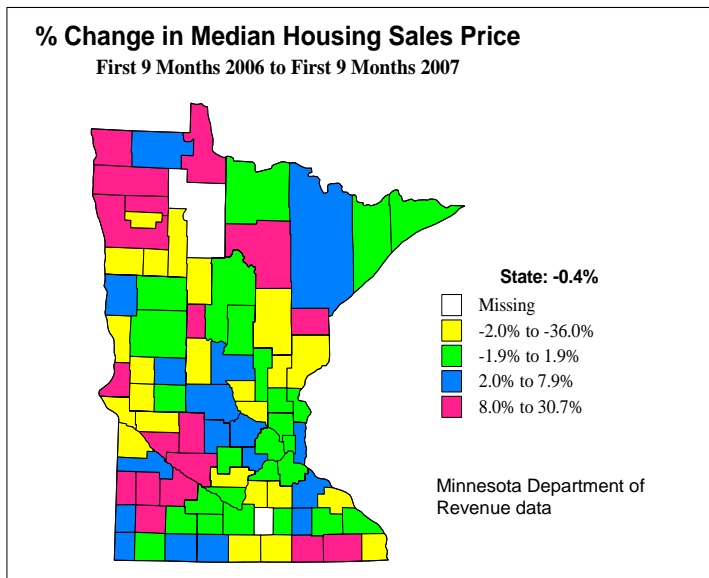
Surprisingly, the rapid fall in number of sales was not accompanied by similar rapid declines in prices, at least as of 2007. The median statewide price was \$200,850 in the first 9 months of 2006 and \$200,000 in the first 9 months of 2007. Year-to-year comparisons by month show little change, with slight gains in some months and slight decreases in others.

Monthly median sales price, 2005, 2006 and First 9 months of 2007



Minnesota Department of Revenue. Median sales price of existing units. Statewide data.

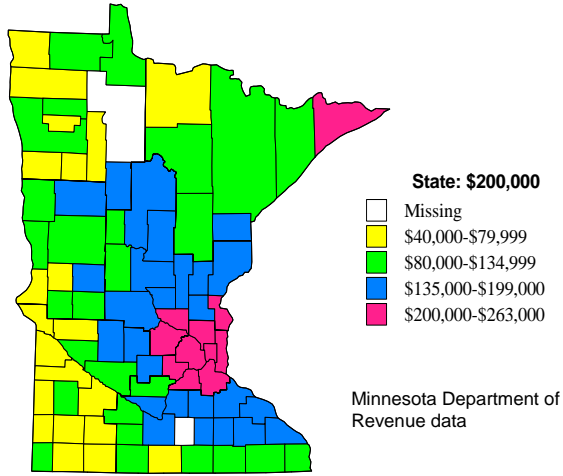
Between 2006 and 2007, median sales prices rose or stayed the same in 49 counties and fell in 36 counties. Data is missing for the other two counties. The biggest gains were in rural counties with historically low sales volume and low prices: Lincoln, Traverse, Marshall, and Kittson. The greatest losses also occurred in sparsely populated rural counties such as Clearwater, Big Stone and Norman. These trends simply show the volatility of prices when the number of sales is small. Overall, median sales price in the first nine months of the year rose 1.9 percent in the 11-county Twin Cities Metropolitan Area and 1.2 percent outside the Metro Area.



The highest housing prices continue to be in the Minneapolis-St. Paul Metropolitan Area. In the first nine months of 2007, Carver County had the highest median sales price, \$263,000. Washington County ranked second (\$254,900), followed by Scott (\$245,000) and Hennepin (\$242,000) counties. The lowest median sales prices were found in rural western Minnesota in Kittson (\$40,000), Traverse (\$41,000) and Red Lake (\$45,000) counties.

Median Housing Sales Price

First 9 Months, 2007



Number of Housing Sales and Median Price by County January-September 2006 and January-September 2007

	January-September 2006		January-September 2007		% Change in Price	% Change in Number of Sales
	Number of Sales	Median Sales Price	Number of Sales	Median Sales Price		
Minnesota	50,055	\$200,850	39,465	\$200,000	-0.4	-21.2
Aitkin	92	\$140,325	75	\$121,900	-13.1	-18.5
Anoka	3,229	\$223,000	2,264	\$222,000	-0.4	-29.9
Becker	274	\$141,200	234	\$139,675	-1.1	-14.6
Beltrami	N/A	N/A	N/A	N/A	N/A	N/A
Benton	310	\$162,000	231	\$157,400	-2.8	-25.5
Big Stone	48	\$62,975	30	\$48,750	-22.6	-37.5
Blue Earth	535	\$154,000	511	\$157,000	1.9	-4.5
Brown	219	\$116,000	201	\$115,000	-0.9	-8.2
Carlton	253	\$128,000	239	\$144,900	13.2	-5.5
Carver	1,062	\$256,250	914	\$263,000	2.6	-13.9
Cass	209	\$149,000	151	\$146,100	-1.9	-27.8
Chippewa	112	\$74,600	71	\$82,000	9.9	-36.6
Chisago	528	\$216,860	306	\$219,450	1.2	-42.0
Clay	599	\$130,000	612	\$132,750	2.1	2.2
Clearwater	50	\$96,900	35	\$62,000	-36.0	-30.0
Cook	36	\$205,950	28	\$208,593	1.3	-22.2
Cottonwood	88	\$70,000	79	\$70,000	0.0	-10.2
Crow Wing	496	\$162,350	449	\$164,700	1.4	-9.5
Dakota	4,480	\$235,000	3,598	\$238,000	1.3	-19.7
Dodge	199	\$138,900	139	\$149,000	7.3	-30.2
Douglas	361	\$148,000	311	\$152,000	2.7	-13.9
Faribault	131	\$69,000	92	\$63,550	-7.9	-29.8
Fillmore	141	\$103,800	132	\$114,000	9.8	-6.4
Freeborn	286	\$94,000	216	\$89,150	-5.2	-24.5
Goodhue	418	\$167,300	319	\$172,500	3.1	-23.7
Grant	55	\$78,500	42	\$76,600	-2.4	-23.6
Hennepin	12,077	\$237,735	9,303	\$242,000	1.8	-23.0
Houston	171	\$138,000	127	\$128,000	-7.2	-25.7
Hubbard	142	\$139,600	130	\$136,000	-2.6	-8.5
Isanti	342	\$182,472	206	\$180,765	-0.9	-39.8
Itasca	312	\$120,400	281	\$131,400	9.1	-9.9
Jackson	95	\$72,100	79	\$75,000	4.0	-16.8
Kanabec	121	\$152,000	69	\$143,500	-5.6	-43.0

January-September 2006

January-September 2007

	Number of Sales	Median Sales Price	Number of Sales	Median Sales Price	% Change in Price	% Change in Number of Sales
Kandiyohi	319	\$127,500	327	\$138,483	8.6	2.5
Kittson	21	\$32,000	24	\$40,000	25.0	14.3
Koochiching	92	\$67,500	96	\$68,000	0.7	4.3
Lac qui Parle	49	\$50,000	45	\$47,500	-5.0	-8.2
Lake	101	\$115,500	76	\$114,950	-0.5	-24.8
Lake of the Woods	40	\$77,750	29	\$92,500	19.0	-27.5
Le Sueur	244	\$168,000	179	\$161,000	-4.2	-26.6
Lincoln	45	\$44,500	50	\$58,150	30.7	11.1
Lyon	197	\$117,000	212	\$126,400	8.0	7.6
McLeod	409	\$154,500	339	\$157,500	1.9	-17.1
Mahnomen	22	\$62,700	19	\$55,000	-12.3	-13.6
Marshall	54	\$54,000	44	\$67,750	25.5	-18.5
Martin	165	\$84,550	154	\$88,063	4.2	-6.7
Meeker	173	\$128,700	148	\$137,515	6.8	-14.5
Mille Lacs	246	\$160,893	151	\$159,000	-1.2	-38.6
Morrison	216	\$132,400	177	\$135,000	2.0	-18.1
Mower	364	\$86,700	345	\$97,925	12.9	-5.2
Murray	50	\$57,000	62	\$68,750	20.6	24.0
Nicollet	291	\$161,500	257	\$163,329	1.1	-11.7
Nobles	191	\$75,500	173	\$74,800	-0.9	-9.4
Norman	37	\$62,000	41	\$53,700	-13.4	10.8
Olmsted	1,909	\$164,500	1,786	\$161,850	-1.6	-6.4
Otter Tail	449	\$104,600	388	\$104,913	0.3	-13.6
Pennington	117	\$76,500	99	\$86,250	12.7	-15.4
Pine	207	\$144,200	127	\$138,000	-4.3	-38.6
Pipestone	113	\$56,000	87	\$59,000	5.4	-23.0
Polk	213	\$90,000	174	\$98,700	9.7	-18.3
Pope	76	\$104,550	87	\$103,500	-1.0	14.5
Ramsey	4,188	\$215,000	3,057	\$219,000	1.9	-27.0
Red Lake	24	\$49,300	25	\$45,000	-8.7	4.2
Redwood	118	\$65,000	97	\$73,500	13.1	-17.8
Renville	93	\$78,000	114	\$86,700	11.2	22.6
Rice	494	\$199,900	447	\$190,000	-5.0	-9.5

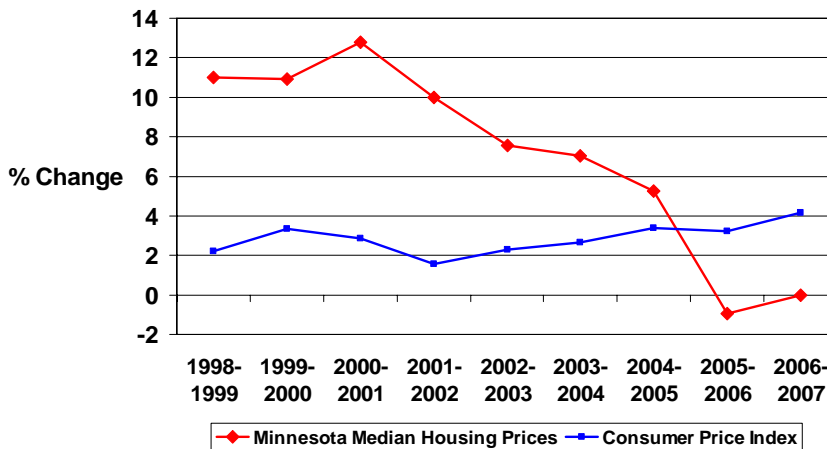
	January-September 2006		January-September 2007		% Change in Price	% Change in Number of Sales
	Number of Sales	Median Sales Price	Number of Sales	Median Sales Price		
Rock	61	\$80,000	76	\$82,500	3.1	24.6
Roseau	111	\$85,000	85	\$87,000	2.4	-23.4
St. Louis	1,768	\$124,250	1,559	\$133,200	7.2	-11.8
Scott	1,601	\$244,500	1,166	\$245,000	0.2	-27.2
Sherburne	927	\$214,900	652	\$208,500	-3.0	-29.7
Sibley	112	\$127,500	78	\$125,000	-2.0	-30.4
Stearns	1,233	\$157,950	1,050	\$162,048	2.6	-14.8
Steele	376	\$156,950	306	\$155,000	-1.2	-18.6
Stevens	82	\$97,250	82	\$85,750	-11.8	0.0
Swift	62	\$71,750	62	\$68,850	-4.0	0.0
Todd	158	\$97,450	92	\$92,045	-5.5	-41.8
Traverse	28	\$31,500	16	\$41,000	30.2	-42.9
Wabasha	163	\$154,397	147	\$145,531	-5.7	-9.8
Wadena	109	\$77,225	86	\$87,000	12.7	-21.1
Waseca	N/A	N/A	N/A	N/A	N/A	N/A
Washington	2,513	\$245,000	1,900	\$254,900	4.0	-24.4
Watonwan	83	\$85,000	64	\$85,000	0.0	-22.9
Wilkin	50	\$88,949	43	\$80,000	-10.1	-14.0
Winona	422	\$138,550	388	\$136,940	-1.2	-8.1
Wright	1,351	\$215,500	990	\$222,700	3.3	-26.7
Yellow Medicine	61	\$65,000	58	\$69,000	6.2	-4.9

Source: Minnesota Department of Revenue, Property Tax Division. Includes warranty and contract for deed sales. Mower County includes all deed types. Excludes multi-parcel sales.

Growth in Housing Prices Was below Inflation

Housing prices increased more slowly than the inflation rate between 2005 and 2007. This is a departure from the long-standing pattern where housing price gains outpaced growth in the consumer price index. Though many people have been hurt by the housing slump, the slower growth in prices will be helpful for would-be buyers, especially first-time buyers who do not need to sell their current home before moving.

Consumer prices go up, but housing prices are stable between 2006 and 2007



Minnesota Dept. of Revenue; U.S. Bureau of Labor Statistics. CPI compared to median sales price. 2007 values are first 9 months.

Trends by City Vary

Among cities with at least 50 housing sales in the first nine months of 2007, the highest median prices were in the western Twin Cities suburbs of Orono (\$720,000), Shorewood (\$416,850) Edina (\$400,000) and Victoria (\$390,000). The median sales price in International Falls was \$61,700, the lowest among larger cities.

Pipestone (\$64,500), Virginia (\$64,500) and Thief River Falls (\$78,900) were among the other cities with relatively low prices.

The number of sales fell in most of Minnesota's larger cities, with the largest rates of declines in Brooklyn Center, Brooklyn Park, New Prague and Anoka. Generally northern and northwestern suburbs posted large decreases.

Number of sales and median sales price in first 9 months of 2006 and first 9 months of 2007: Minnesota cities with at least 50 sales from January to September 2007

	Number of sales, January-September 2006	Median sales price, 2006, first 9 months	Number of sales, January-September 2007	Median sales price, 2007, first 9 months	% change in number of sales	% change in median sales price
Minneapolis	3,955	\$225,000	3,202	\$229,900	-19.0	2.2
St. Paul	2,406	\$200,000	1,617	\$209,000	-32.8	4.5
Rochester	1,576	\$162,000	1,504	\$160,000	-4.6	-1.2
Duluth	878	\$139,900	769	\$149,000	-12.4	6.5
Woodbury	824	\$275,000	647	\$265,000	-21.5	-3.6
Maple Grove	856	\$239,700	632	\$247,000	-26.2	3.0
Eden Prairie	744	\$289,950	630	\$320,000	-15.3	10.4
Plymouth	709	\$296,700	582	\$290,000	-17.9	-2.3
Eagan	754	\$248,000	572	\$245,000	-24.1	-1.2
Lakeville	621	\$272,500	550	\$263,000	-11.4	-3.5
Bloomington	758	\$233,325	531	\$235,000	-29.9	0.7
Apple Valley	747	\$234,100	525	\$237,750	-29.7	1.6
Burnsville	605	\$240,000	503	\$235,000	-16.9	-2.1
St. Louis Park	561	\$229,900	477	\$235,000	-15.0	2.2
Blaine	622	\$220,825	451	\$225,000	-27.5	1.9
Minnetonka	463	\$287,500	448	\$280,750	-3.2	-2.3
Brooklyn Park	870	\$229,452	445	\$225,000	-48.9	-1.9
Edina	487	\$418,250	441	\$400,000	-9.4	-4.4
Coon Rapids	740	\$206,000	439	\$200,000	-40.7	-2.9
St. Cloud	591	\$151,900	475	\$152,250	-19.6	0.2
Moorhead	363	\$127,900	403	\$130,465	11.0	2.0
Shakopee	533	\$219,000	388	\$224,000	-27.2	2.3
Mankato	365	\$153,000	340	\$157,070	-6.8	2.7
Chanhassen	330	\$279,438	300	\$316,625	-9.1	13.3
Savage	343	\$269,900	289	\$261,000	-15.7	-3.3
Farmington	353	\$229,900	283	\$228,700	-19.8	-0.5
Austin	267	\$85,000	262	\$100,000	-1.9	17.6
Richfield	309	\$226,500	269	\$221,000	-12.9	-2.4
Owatonna	299	\$160,500	257	\$158,500	-14.0	-1.2
Winona	257	\$131,000	247	\$127,000	-3.9	-3.1
Cottage Grove	392	\$227,725	245	\$229,600	-37.5	0.8
Maplewood	285	\$225,000	242	\$216,230	-15.1	-3.9
Rosemount	259	\$244,900	234	\$256,250	-9.7	4.6
Inver Grove Heights	293	\$207,000	230	\$217,000	-21.5	4.8

	Number of sales, January-September 2006	Median sales price, 2006, first 9 months	Number of sales, January-September 2007	Median sales price, 2007, first 9 months	% change in number of sales	% change in median sales price
Chaska	283	\$225,000	229	\$235,000	-19.1	4.4
Prior Lake	315	\$255,298	226	\$255,450	-28.3	0.1
Hastings	256	\$207,250	220	\$205,500	-14.1	-0.8
Elk River	279	\$234,900	218	\$219,500	-21.9	-6.6
Shoreview	265	\$236,000	216	\$242,250	-18.5	2.6
Oakdale	312	\$215,000	204	\$230,952	-34.6	7.4
Stillwater	192	\$250,300	198	\$293,197	3.1	17.1
Andover	280	\$277,000	193	\$272,000	-31.1	-1.8
Ramsey	245	\$224,000	193	\$222,500	-21.2	-0.7
Austin	255	\$85,000	262	\$100,000	2.7	17.6
Hutchinson	206	\$154,500	190	\$159,000	-7.8	2.9
Roseville	225	\$236,500	190	\$233,050	-15.6	-1.5
South St. Paul	207	\$201,500	181	\$197,500	-12.6	-2.0
Fridley	212	\$214,150	175	\$212,500	-17.5	-0.8
Otsego	219	\$208,000	175	\$237,115	-20.1	14.0
Willmar	168	\$121,650	168	\$126,650	0.0	4.1
Faribault	195	\$166,081	167	\$160,000	-14.4	-3.7
Fergus Falls	171	\$95,000	166	\$98,250	-2.9	3.4
Red Wing	200	\$164,000	160	\$167,350	-20.0	2.0
Golden Valley	202	\$260,250	159	\$280,000	-21.3	7.6
Hibbing	179	\$77,000	158	\$90,300	-11.7	17.3
Champlin	261	\$234,000	155	\$224,500	-40.6	-4.1
Albert Lea	209	\$91,000	154	\$87,250	-26.3	-4.1
New Brighton	156	\$240,000	149	\$227,200	-4.5	-5.3
Crystal	244	\$200,000	148	\$200,000	-39.3	0.0
Sartell	163	\$186,900	156	\$182,000	-4.3	-2.6
Brainerd	151	\$111,400	143	\$120,400	-5.3	8.1
Brooklyn Center	344	\$196,950	143	\$189,101	-58.4	-4.0
St. Michael	198	\$252,975	143	\$263,580	-27.8	4.2
Waconia	141	\$255,000	141	\$254,000	0.0	-0.4
Columbia Heights	196	\$196,350	140	\$199,410	-28.6	1.6
Hopkins	170	\$210,850	139	\$212,000	-18.2	0.5
Hugo	188	\$240,625	138	\$208,500	-26.6	-13.4
North Mankato	146	\$160,000	137	\$167,300	-6.2	4.6
Buffalo	189	\$213,303	134	\$214,740	-29.1	0.7

	Number of sales, January-September 2006	Median sales price, 2006, first 9 months	Number of sales, January-September 2007	Median sales price, 2007, first 9 months	% change in number of sales	% change in median sales price
Lino Lakes	174	\$282,200	131	\$259,900	-24.7	-7.9
Forest Lake	203	\$229,775	131	\$245,000	-35.5	6.6
New Ulm	137	\$122,630	128	\$125,000	-6.6	1.9
West St. Paul	167	\$202,000	127	\$197,000	-24.0	-2.5
New Hope	157	\$230,000	125	\$233,900	-20.4	1.7
Worthington	140	\$80,000	125	\$85,000	-10.7	6.3
Robbinsdale	201	\$205,200	124	\$206,750	-38.3	0.8
Marshall	112	\$135,000	123	\$141,400	9.8	4.7
White Bear Lake	214	\$220,000	125	\$222,400	-41.6	1.1
Fairmont	127	\$90,000	120	\$97,750	-5.5	8.6
Cloquet	143	\$118,600	116	\$129,450	-18.9	9.1
Northfield	166	\$214,700	131	\$220,000	-21.1	2.5
Sauk Rapids	148	\$162,225	110	\$161,339	-25.7	-0.5
Detroit Lakes	142	\$118,275	108	\$125,125	-23.9	5.8
Alexandria	142	\$135,350	103	\$140,000	-27.5	3.4
Monticello	163	\$203,900	99	\$194,000	-39.3	-4.9
Big Lake	162	\$199,900	98	\$191,707	-39.5	-4.1
Mound	118	\$229,650	94	\$237,825	-20.3	3.6
Grand Rapids	88	\$119,700	89	\$131,400	1.1	9.8
Anoka	162	\$205,200	87	\$205,000	-46.3	-0.1
Albertville	93	\$233,000	85	\$217,300	-8.6	-6.7
St. Peter	103	\$164,500	81	\$160,000	-21.4	-2.7
North St. Paul	89	\$202,000	81	\$200,200	-9.0	-0.9
Thief River Falls	95	\$74,900	80	\$78,900	-15.8	5.3
Vadnais Heights	133	\$234,900	79	\$228,400	-40.6	-2.8
Virginia	99	\$68,158	79	\$76,900	-20.2	12.8
St. Anthony	62	\$224,950	77	\$242,500	24.2	7.8
White Bear Lake Township	109	\$260,000	77	\$236,000	-29.4	-9.2
North Branch	123	\$205,400	74	\$205,000	-39.8	-0.2
East Grand Forks	75	\$138,000	73	\$150,500	-2.7	9.1
Ham Lake	106	\$336,473	72	\$325,000	-32.1	-3.4
Mendota Heights	92	\$382,500	71	\$375,000	-22.8	-2.0
Little Falls	91	\$120,000	69	\$110,300	-24.2	-8.1
Baxter	83	\$188,650	68	\$185,300	-18.1	-1.8
Cambridge	100	\$175,550	68	\$165,435	-32.0	-5.8
Litchfield	75	\$121,800	68	\$125,650	-9.3	3.2
St. Francis	94	\$210,000	67	\$208,500	-28.7	-0.7

	Number of sales, January-September 2006	Median sales price, 2006, first 9 months	Number of sales, January-September 2007	Median sales price, 2007, first 9 months	% change in number of sales	% change in median sales price
Belle Plaine	94	\$212,950	67	\$204,722	-28.7	-3.9
Victoria	79	\$473,733	66	\$390,000	-16.5	-17.7
Orono	80	\$682,500	64	\$720,000	-20.0	5.5
La Grand Township	64	\$189,375	62	\$181,200	-3.1	-4.3
International Falls	67	\$63,500	62	\$61,700	-7.5	-2.8
Morris	54	\$97,250	62	\$85,750	14.8	-11.8
New Prague	115	\$209,900	61	\$169,000	-47.0	-19.5
St. Joseph	64	\$159,650	61	\$166,900	-4.7	4.5
East Bethel	80	\$242,250	59	\$217,500	-26.3	-10.2
Shorewood	68	\$490,000	59	\$416,850	-13.2	-14.9
Little Canada	69	\$233,043	59	\$230,000	-14.5	-1.3
Dundas	15	\$183,400	59	\$190,000	293.3	3.6
Arden Hills	49	\$215,000	58	\$228,365	18.4	6.2
Mounds View	81	\$220,000	58	\$220,500	-28.4	0.2
Dilworth	67	\$130,000	57	\$135,000	-14.9	3.8
Luverne	42	\$107,750	57	\$85,000	35.7	-21.1
Baldwin Township	65	\$220,000	57	\$242,000	-12.3	10.0
Mahtomedi	58	\$322,500	56	\$321,625	-3.4	-0.3
La Crescent	67	\$153,500	56	\$148,950	-16.4	-3.0
Stewartville	61	\$157,400	55	\$149,262	-9.8	-5.2
Kasson	96	\$151,410	54	\$167,000	-43.8	10.3
Byron	79	\$165,000	53	\$168,750	-32.9	2.3
Pipestone	70	\$56,000	53	\$64,500	-24.3	15.2
Hermantown	55	\$227,000	53	\$200,000	-3.6	-11.9
Crookston	52	\$70,475	52	\$79,425	0.0	12.7
Rogers	82	\$272,946	50	\$267,450	-39.0	-2.0

Source: Minnesota Department of Revenue, Property Tax Division

Among the 131 cities with at least 50 sales, 64 experienced declining prices while 67 saw rising prices between 2006 and 2007. In the majority of cities with falling prices, the decline was 3 percent or less. Cities where prices declined 10 percent or more include a mixture of rural and suburban communities: Luverne (-21.1 percent), New Prague (-19.5 percent), Victoria (-17.7 percent), Shorewood (-14.9 percent), Hugo (-13.4 percent), Hermantown (-11.9 percent), Morris (-10.8 percent) and East Bethel (-10.2 percent). The fastest growth in prices occurred in Austin (17.6 percent), Hibbing (17.3 percent), and Stillwater (17.1 percent).

Alternate Sources Show Downturn in Housing Market Since 2007

Since September, 2007, the last date covered by the Minnesota Department of Revenue data, the housing market has continued to be turbulent. A variety of data sources confirm continued declines in sales and substantial price declines, though the magnitude of these changes varies from source to source. Available data continue to demonstrate great geographic differences. Some of the major sources of recent housing information include national and local realtors' data, Standard and Poor/Case Schiller and the Office of Federal Housing Enterprise.

Indicators of Housing Trends in Minnesota after September, 2007

Source	Date(s)	Universe	Geographic Area	Change in Number of Sales	Change in Price	Change in Housing Price Index
Office of Federal Housing Enterprise Oversight http://www.ofheo.gov/hpi.aspx	First quarter 2007 to first quarter 2008	Repeat sales of single-family homes purchased or securitized by Freddie Mac or Fannie Mac	Minnesota			-0.55
			Fargo ND-MN MSA			2.22
			Rochester MN MSA			1.90
			Duluth MN-WI MSA			1.75
			La Crosse WI-MN MSA			1.19
			St. Cloud MN MSA			-1.34
			Minneapolis-St. Paul-Bloomington MN-WI MSA			-1.89
Standard and Poor's/Case-Schiller Index www.homeprice.standardandpoors.com	April 2007 to April 2008	Repeat sales of single-family homes based on data from county assessor offices.	Minneapolis-St. Paul-Bloomington MN-WI MSA			-15.5
			United States			-14.1
National Association of Realtors http://www.realtor.org/research/research/metroprice	First quarter 2007 to first quarter 2008	Sales of existing single-family homes, condos and co-ops	Minnesota	-10.7		
	First quarter 2007 to first quarter 2008	Median sales price of existing single-family homes	Minneapolis-St. Paul-Bloomington MN-WI MSA		-10.2	
			Fargo ND-MN MSA		-0.4	
Minneapolis Area Association of Realtors http://www.mplsrealtor.com/the100.aspx	January-May 2007 to January-May 2008	Regional Multiple Listing Service data for residential property in the Twin Cities Area	13-County Minneapolis-St. Paul Metropolitan Area	-13.5	-10.0	

According to data from the Minneapolis Realtors Association, there were 74 cities in the Minneapolis-St. Paul Area with more than 50 sales between January and May, 2007. Only nine of these saw an increase in the number of sales from 2007 to the same 5-month period in 2008 and only nine saw gains in average prices. Among the few cities with prices increases were Mound, Chaska and Edina. At the other extreme, prices fell by 20 percent or more in Brooklyn Center, Elko-New Market, Big Lake, Inver Grove Heights, White Bear Lake, Zimmerman and North St. Paul.

Cities in the Minneapolis-St. Paul Metropolitan Area with Largest Gains and Largest Declines in Average Housing Sales Prices from January-May 2007 to January-May 2008

Largest Gains (Percent)		Largest Declines (Percent)	
Mound	9.7	Brooklyn Center	-26.1
Chaska	6.9	Elko-New Market	-24.2
Edina	6.2	Big Lake	-23.6
Prior Lake	4.0	Inver Grove Heights	-23.4
Ramsey	3.0	White Bear Lake	-22.6
Apple Valley	1.4	Zimmerman	-22.2
New Brighton	0.7	North St. Paul	-20.6
Minnetonka	0.6	St. Michael	-19.6
St. Louis Park	0.1	Lino Lakes	-19.3
Red Wing	-0.2	New Richmond, WI	-19.2

Source: Minneapolis Area Association of Realtors
<http://www.mplsrealtor.com/the100.aspx>

Both central cities had substantial declines in prices, although trends by neighborhood differed drastically. Year-to-year January to May average prices dropped 15.7 percent in Minneapolis and 17.2 percent in St. Paul. Within Minneapolis, average prices fell 43 percent in the Camden neighborhood and 42 percent in North Minneapolis, but rose 4 percent in the Uptown-Lakes neighborhood. In St. Paul, average prices rose 19 percent in Crocus Hill but fell 40 percent in the North End/Frogstown area.

Several sources point up the effects of foreclosures and other signs of financial distress on the housing market. Jeff Allen and Aaron Dickinson of the Minneapolis Area Association of Realtors reported that 28 percent of Twin Cities area sales in the first quarter of 2008 involved foreclosures or short sales, up from only 4 percent in the first quarter of 2006. Short sales are sales where the proceeds fall short of what the owner still owes on the mortgage. Short sales can be a way to avoid foreclosure. Allen and Dickinson argue that the rising number of short sales has played a major role in shrinking sales prices. Prices declined 16 percent in the distressed segment of the market, compared to a 4 percent decline in sales based on traditional financing.

A report on foreclosures prepared by Housing Link states that foreclosures in 2008 are projected to be 28,282, up from 20,404 in 2007. About 64 percent of housing foreclosures occur in the Twin Cities Metropolitan Area, and foreclosures are rising more rapidly in the Metro region than in Greater Minnesota. The highest foreclosure rates were in growing suburban counties such as Scott, Wright, Isanti and Mille Lacs.

Sources:

January, 2006 to September, 2007 data on sales price by county and city come from the Minnesota Department of Revenue, Property Tax Division. Tom Clark provided the data.

Sources of post-2007 housing price and sales data are shown in the table titled “Indicators of Housing Trends in Minnesota after September, 2007.”

Jeff Allen and Aaron Dickinson, “Foreclosures and Short Sales in the Twin Cities Housing Market,” Minneapolis Area Association of Realtors, May 5, 2008.

http://www.mplsrealtor.com/downloads/market/Reports_Analysis/Foreclosures-and-Short-Sales-in-the-Twin-Cities-Housing-Market.pdf

“Foreclosures in Minnesota: A Report Based on County Sheriff’s Sale Data,” prepared by Housing Link, April 29, 2008.

http://www.housinglink.org/adobe/reports/MinnesotaForeclosureReport_final042808.pdf

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