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NEWS RELEASE

FOR IMMEDIATE RELEASE

Listings up but sales down, lower rates likely to boost activity

- New listings up 5.4%; pending sales fell 5.4%
- The median sales price increased 4.1% to about \$354,000
- The average market time rose 20.7% to 35 days on market

(Aug. 20, 2024)—According to new data from Minnesota Realtors, seller activity was up while sales were down compared to July 2023. Prices, market times, and inventory all increased.

Market Activity

New listings typically peak in April and May, pending sales in May and June, with closings reaching their yearly high in June and July. Annual trends suggest that peak home buying and selling season has passed in Minnesota, but there's still significant action ahead—particularly if mortgage rates remain favorable. Seller activity continues to outpace buyer activity. New listings are up 8.5% for the year, while signed purchase agreements have only risen 0.4% during the same period. This indicates that some listings are taking longer to sell, contributing to a month-end inventory increase.

For July, the number of homes for sale rose by 12.2% to 15,600 active listings, offering more purchase options for buyers. However, buyers should be aware that shopping in a market with only 2.8 months of supply indicates that most areas, segments, and price points still favor sellers. Four to six months' supply is typically considered balanced, while fewer months reflect a sellers' market; more than six months usually indicates a buyer's market. For comparison, in early 2022, there was one month of supply statewide.

The median sales price increased 4.1% in July and is up 3.3% this year. Sellers accepted offers around 98.8% of list price (down 1.3%) after 35 days on market (up 20.7%). Market times are still below 2018–2020 levels, while the percentage of list price received is on par with that same period.

"This is an excellent time to both buy and sell in the St. Cloud area. With our market experiencing an increase in seller activity and homes selling more quickly than the statewide average, buyers have more options while sellers are still getting near full asking price. The recent dip in mortgage rates and lower home prices in our area compared to the state make it

an opportune moment for those looking to make a move,” said Jan Cook, President of the St. Cloud Area Association of Realtors.

Eager home buyers were excited about the prospect of lower mortgage rates this year. But that didn't materialize in July. Pointing to affordability concerns, some buyers are pausing their purchases until rates come down. However, those who purchase and refinance later may find less competition and won't encounter multiple offer situations on every listing. Rates dropped at the beginning of August, which could entice more buyers to the market, creating stiff competition for desirable properties.

Regional Dynamics

Market activity always varies across areas, price points, and property types—sometimes dramatically. Hibbing/Virginia, Mankato, and Rochester saw the largest gains in new listings. Pending sales were down for all regions except Rochester and St. Cloud. Home prices rose the most in the Hibbing/Virginia region, followed by Grand Rapids and Mankato. Fergus Falls and Bemidji were the only regions where prices softened from last year. The most balanced markets were Detroit Lakes and Bemidji, while the most undersupplied markets were Rochester, St. Cloud, and the Twin Cities metro.

St. Cloud Area Association of Realtors® Overview

Regarding buyer and seller activity changes, the state and the St. Cloud area follow a similar trend. Seller activity was up 5.1% in the St. Cloud area and 5.4% statewide. Buyer activity was down 5.4% statewide but was actually up 1.5% in the St. Cloud area. At \$282,500 versus about \$354,000, home prices are lower in the St. Cloud area, but homes are selling more quickly. St. Cloud area home sellers accepted 99.8% of their list price in 29 days compared to 98.8% in 35 days statewide. The St. Cloud area had 2.2 months of supply while there were 2.8 months of inventory statewide. Minnesotans looking to buy their first home still face availability and affordability challenges. These headwinds are impacting virtually every county, city, and neighborhood across the state. The promise of a Fed rate cut in September is driving mortgage rates lower at a time when inventory is on the rise. That could spell better times ahead for buyers.

For more information on statewide weekly and monthly housing numbers visit www.mnrealtor.com

Residential Market Activity | Key Metrics

July 2024 compared to a year ago



	STATEWIDE (% CHG)	ST. CLOUD (% CHG)	TC METRO (% CHG)
New Listings	9,338 (+5.4%)	165 (+5.1%)	6,317 (+7.2%)
Pending Sales	6,374 (-5.4%)	136 (+1.5%)	4,221 (-4.2%)
Closed Sales	6,645 (-1.2%)	123 (-5.4%)	4,519 (+1.2%)
Median Sales Price	\$353,995 (+4.1%)	\$282,500 (+8.7%)	\$385,000 (+2.7%)
Days on Market	35 (+20.7%)	29 (+32.2%)	36 (+24.1%)
% of List Price Rec'd	98.8% (-1.3%)	99.8% (-1%)	99.5% (-1.3%)
Inventory	15,600 (+12.2%)	248 (+19.8%)	9,398 (+11.4%)
Months Supply	2.8 (+12%)	2.2 (+21.8%)	2.5 (+13.6%)

All information is according to Minnesota Realtors® based on data from NorthstarMLS and other MN MLSs. Data is deemed reliable, but not guaranteed. ###