

# NEWS RELEASE



**FOR IMMEDIATE RELEASE**

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## **Southeast Minnesota Real Estate Market Continued to Strengthen in 2014**

Rochester, Minn. (Jan. 29, 2015) – The real estate market in southeast Minnesota stabilized and began strengthening in 2014, resulting in a residential housing market poised for significant growth. The results were announced by the Southeast Minnesota Association of REALTORS® (SEMAR), an association representing more than 825 REALTORS® throughout the 11 counties in southeast Minnesota.

“Inventory continues to decrease in many areas while home prices continue to gain traction,” said Kisti Skaar, President of SEMAR. “These and other indicators we use to judge the health of a marketplace, including days on the market and interest rates, are all going in the right direction. A strengthening market is good news for home sellers and those looking to move into our area.”

Among the indicators that help shape the real estate market in southeast Minnesota:

- **Homes Sold:** More than 5,000 homes were sold in 2013 and again in 2014, the average number of homes sold in a 12-month period was virtually the same (0.2% difference). As the economy showed improvement again in 2014 and buyers entered the market with more confidence, we continued to see overall market improvement. While the percentage of homes sold was the same in 2014, it continues to be in direct proportion with the decreased supply of inventory.
- **Months Supply of Inventory:** Levels dropped 11.5% this year to 4.3 months supply. Months of inventory has been dropping consistently over the last four years, which is a significant supply side correction. Sellers are facing less competition and multiple offer situations are commonplace. Unfortunately, some buyers continue struggling to find quality inventory.
- **Twelve-month average days on the market:** Down nearly 4.9% to 97 days, on average, shows that homes, when priced appropriately, are selling quickly.
- **Median Sales Price:** The point at which half of the sales sold for less and half for more (not accounting for seller concessions) in a given month was \$140,000 in 2014, an increase of 1.5% over 2013.

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- **Affordability Index:** The index this year is 280, which means the median household income is 280% of what is necessary to qualify for the median-priced home under prevailing interest rates. The higher number is an indicator of greater affordability in an area. This indicates that the housing market in southeast Minnesota continues to be strong and affordable.

“When taken together, we are seeing a healthy market continuing to improve,” Skaar said. “We expect these trends, and the growth associated with Destination Medical Center, to continue strong sales for existing homes and more building of new homes throughout the region.”

**Note:** To speak to a spokesperson in a specific area about the annual statistics for that city or town, you may contact one of the following SEMAR REALTORS®:

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**About SEMAR:**

*The Southeast Minnesota Association of REALTORS® (SEMAR) is the leading regional advocate and provider of information services and research on the real estate industry for brokers, real estate professionals and the public. SEMAR serves an 11-county area in southeast Minnesota including Albert Lea, Austin, Owatonna, Rochester and Winona.*

***Southeast Minnesota Association of REALTORS® ~ Making Minnesota Home***

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