Monthly Indicators

RASE

REALTOR® Association of the Sioux Empire Inc.

June 2017

There has been a general slowdown in sales across the country, and this cannot be blamed on negative economic news. Unemployment remains low and wage growth, though nothing to overly celebrate, has held steady or increased for several years in a row. There is strong demand for home buying, emphasized by higher prices and multiple offers on homes for sale in many submarkets. As has been the case for month after month – and now year after year – low inventory is the primary culprit for any sales malaise rather than lack of offers.

New Listings in the Sioux Falls region increased 11.1 percent to 733. Pending Sales were up 25.1 percent to 728. Inventory levels fell 23.9 percent to 1,447 units.

Prices continued to gain traction. The Median Sales Price increased 7.5 percent to $202,850. Days on Market was down 5.7 percent to 82 days. Sellers were encouraged as Months Supply of Homes for Sale was down 31.4 percent to 3.5 months.

With job creation increasing and mortgage rates remaining low, the pull toward homeownership is expected to continue. Yet housing starts have been drifting lower, and some are beginning to worry that a more serious housing shortage could be in the cards if new construction and building permit applications continue to come in lower in year-over-year comparisons while demand remains high. Homebuilder confidence suggests otherwise, so predictions of a gloomy future should be curbed for the time being.

Quick Facts

- 7.2%	+ 7.5%	- 23.9%
Change in **Closed Sales**	Change in **Median Sales Price**	Change in **Inventory**

Market Overview

Key market metrics for the current month and year-to-date.

| Key Metrics	Historical Sparklines	6-2016	6-2017	+ / −	YTD 2016	YTD 2017	+ / −
New Listings		660	733	+ 11.1%	3,461	3,469	+ 0.2%
Pending Sales		582	728	+ 25.1%	2,130	2,513	+ 18.0%
Closed Sales		582	540	- 7.2%	2,129	2,229	+ 4.7%
Days on Market Until Sale		87	82	- 5.7%	94	89	- 5.3%
Median Sales Price		$188,700	$202,850	+ 7.5%	$179,900	$189,900	+ 5.6%
Average Sales Price		$214,598	$229,593	+ 7.0%	$206,489	$216,664	+ 4.9%
Percent of Original List Price Received		98.7%	99.6%	+ 0.9%	98.6%	98.9%	+ 0.3%
Housing Affordability Index		183	165	- 9.8%	192	176	- 8.3%
Inventory of Homes for Sale		1,901	1,447	- 23.9%	--	--	--
Months Supply of Homes for Sale		5.1	3.5	- 31.4%	--	--	--

New Listings

A count of the properties that have been newly listed on the market in a given month.

June

631	660	733
	+4.6%	+11.1%
2015	2016	2017

Year To Date

3,351	3,461	3,469
	+3.3%	+0.2%
2015	2016	2017
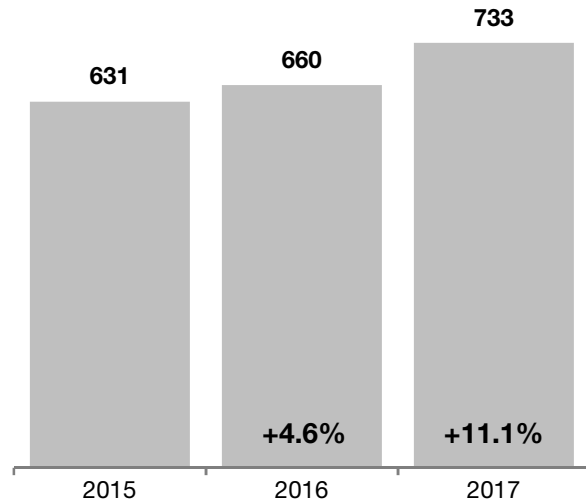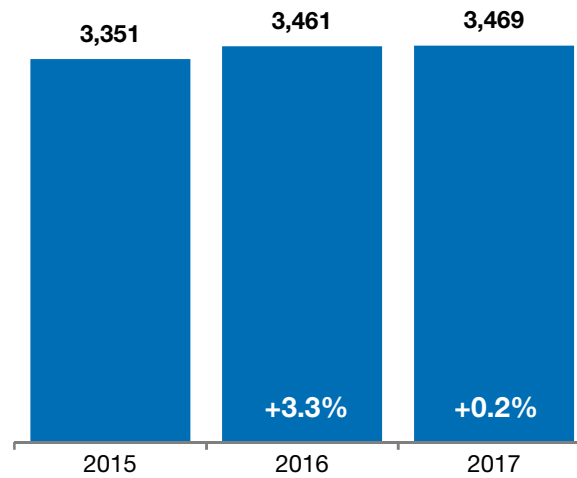
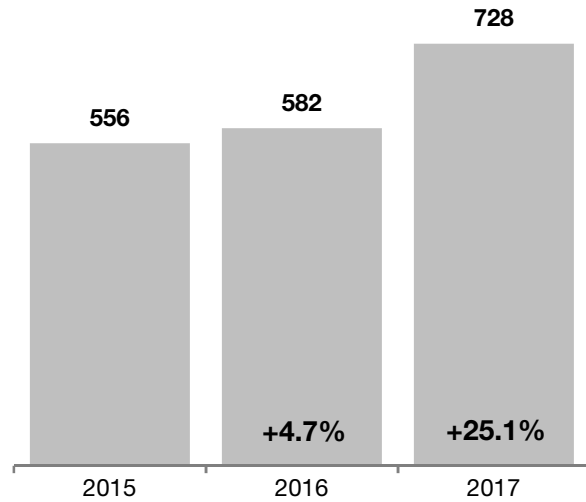| Month	Prior Year	Current Year	+ / −
July	610	573	-6.1%
August	583	674	+15.6%
September	533	521	-2.3%
October	453	499	+10.2%
November	328	379	+15.5%
December	258	212	-17.8%
January	397	405	+2.0%
February	401	421	+5.0%
March	691	615	-11.0%
April	659	628	-4.7%
May	653	667	+2.1%
June	660	733	+11.1%
12-Month Avg	519	527	+1.6%

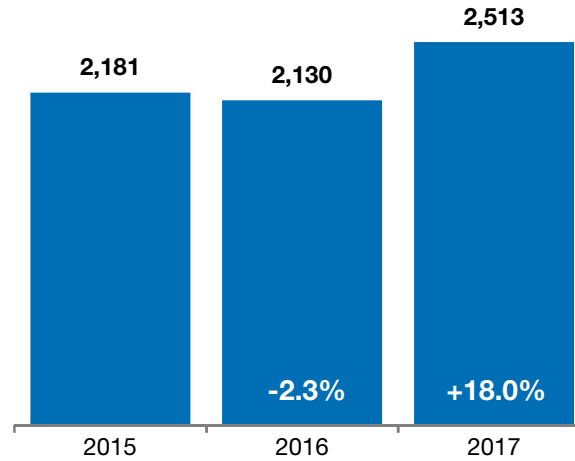## Historical New Listing Activity

Pending Sales

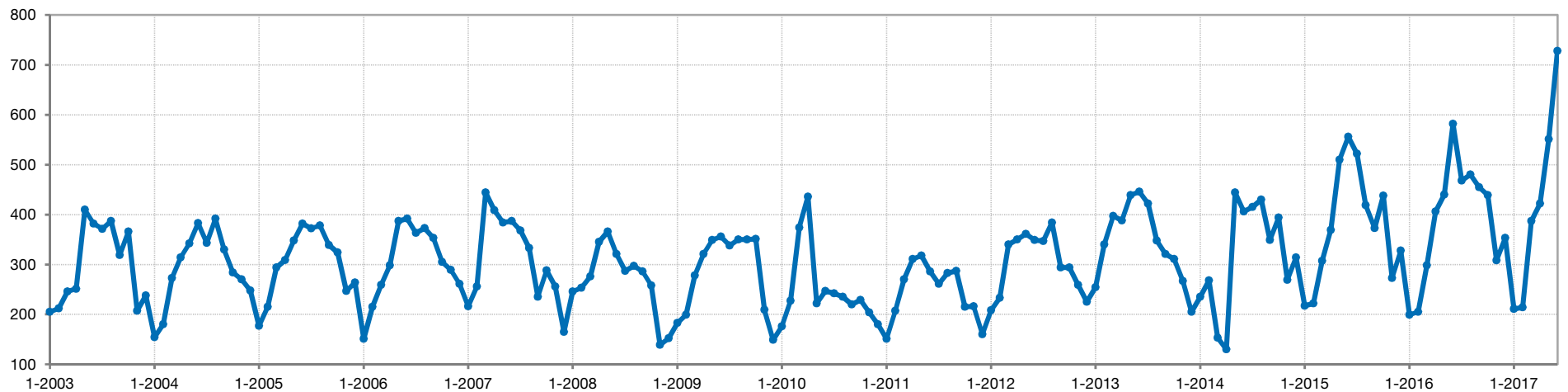A count of the properties on which contracts have been accepted in a given month.

June

- 2015: 556
- 2016: 582 (+4.7%)
- 2017: 728 (+25.1%)

Year To Date

- 2015: 2,181
- 2016: 2,130 (-2.3%)
- 2017: 2,513 (+18.0%)

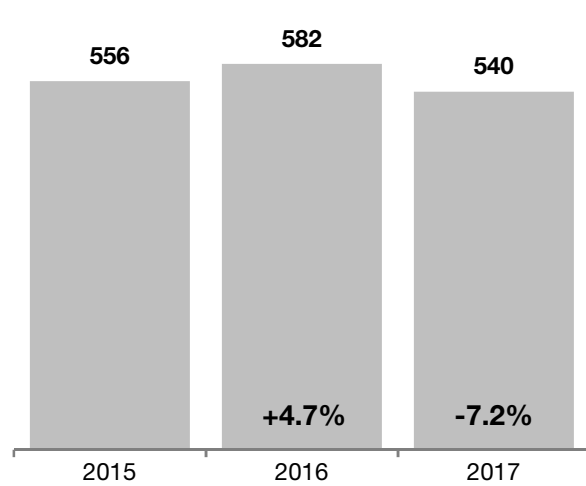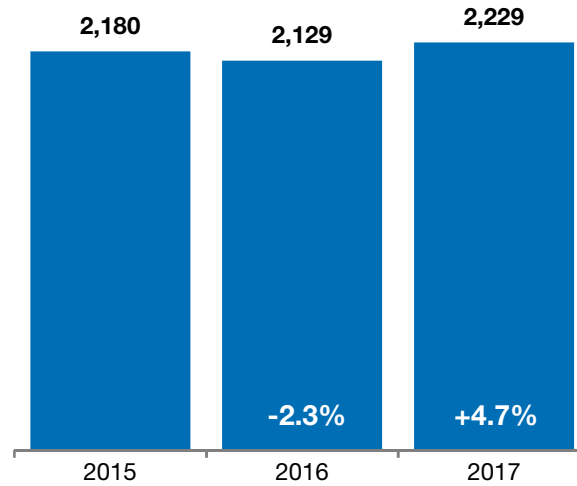| Month	Prior Year	Current Year	+ / –
July	522	468	-10.3%
August	419	480	+14.6%
September	373	455	+22.0%
October	438	439	+0.2%
November	273	308	+12.8%
December	328	353	+7.6%
January	199	211	+6.0%
February	205	214	+4.4%
March	298	387	+29.9%
April	406	422	+3.9%
May	440	551	+25.2%
June	582	728	+25.1%
12-Month Avg	374	418	+11.9%

Historical Pending Sales Activity

Closed Sales

A count of the actual sales that have closed in a given month.

June

	2015	2016	2017
	556	582	540
		+4.7%	-7.2%

Year To Date

	2015	2016	2017
	2,180	2,129	2,229
		-2.3%	+4.7%

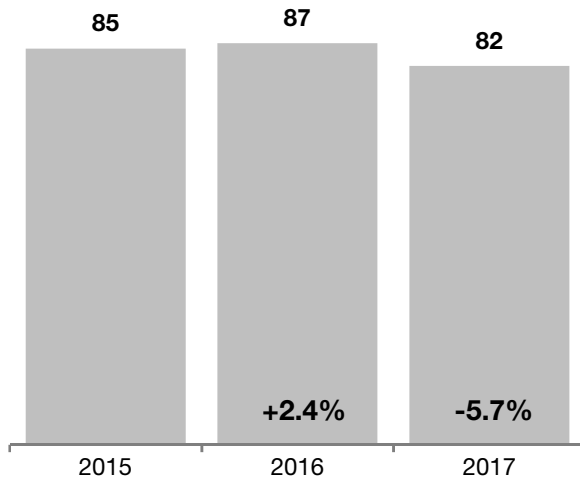| Month	Prior Year	Current Year	+ / −
July	522	467	-10.5%
August	419	480	+14.6%
September	372	455	+22.3%
October	438	439	+0.2%
November	273	306	+12.1%
December	328	350	+6.7%
January	199	210	+5.5%
February	205	211	+2.9%
March	297	378	+27.3%
April	406	401	-1.2%
May	440	489	+11.1%
June	582	540	-7.2%
12-Month Avg	373	394	+7.0%

Historical Closed Sales Activity
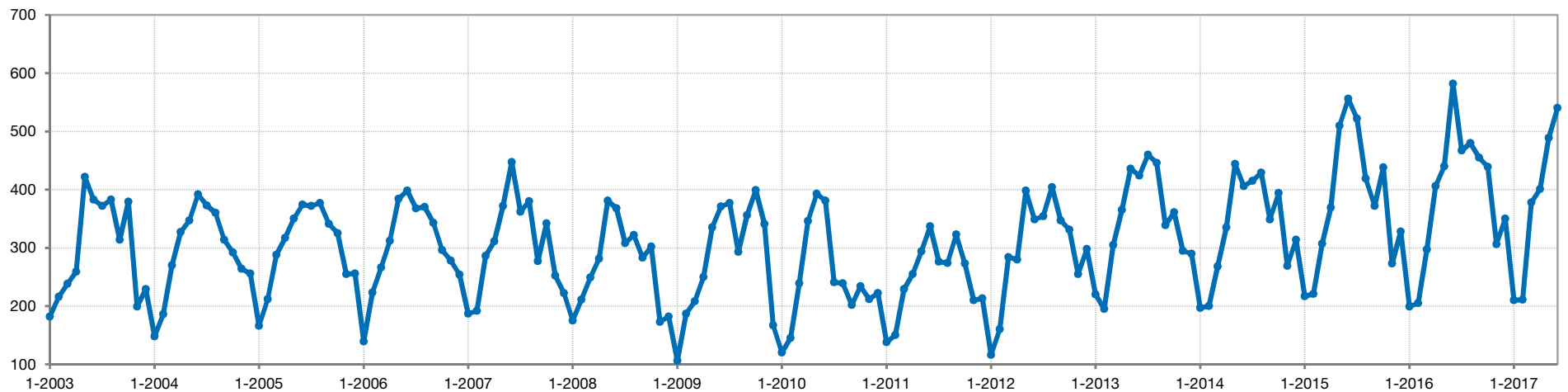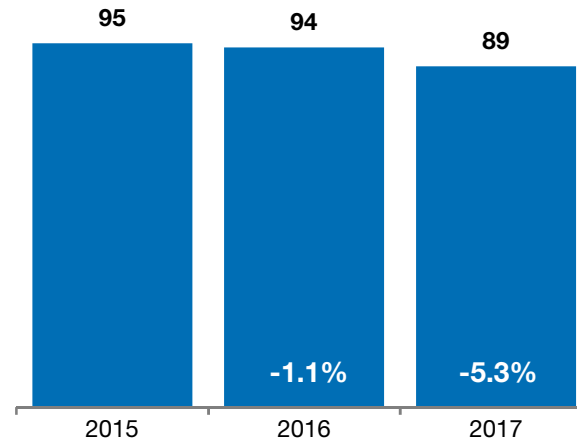
Days on Market Until Sale

Average number of days between when a property is first listed and when a property is closed in a given month.

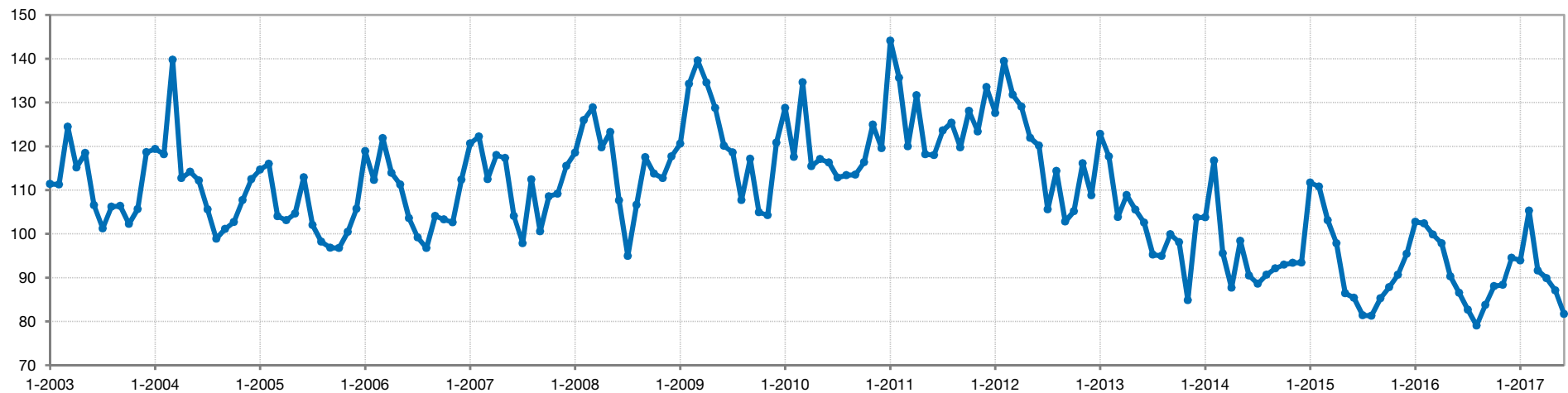## June

85	87	82
	+2.4%	-5.7%
2015	2016	2017

Year To Date

95	94	89
	-1.1%	-5.3%
2015	2016	2017

Month	Prior Year	Current Year	+ / −
July	81	83	+2.5%
August	81	79	-2.5%
September	85	84	-1.2%
October	88	88	0.0%
November	91	88	-3.3%
December	95	95	0.0%
January	103	94	-8.7%
February	102	105	+2.9%
March	100	92	-8.0%
April	98	90	-8.2%
May	90	87	-3.3%
June	87	82	-5.7%
12-Month Avg	90	87	-3.3%

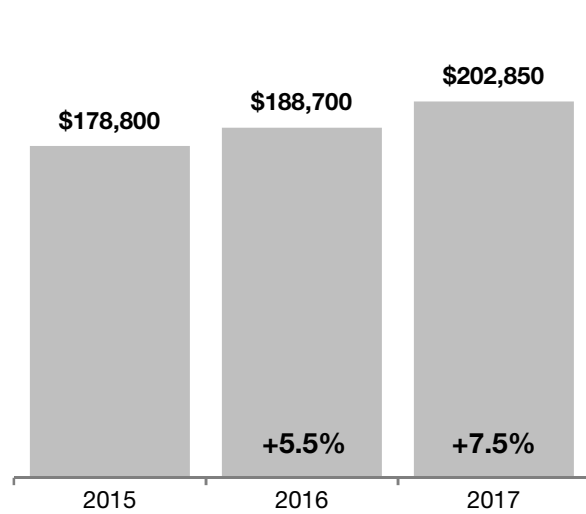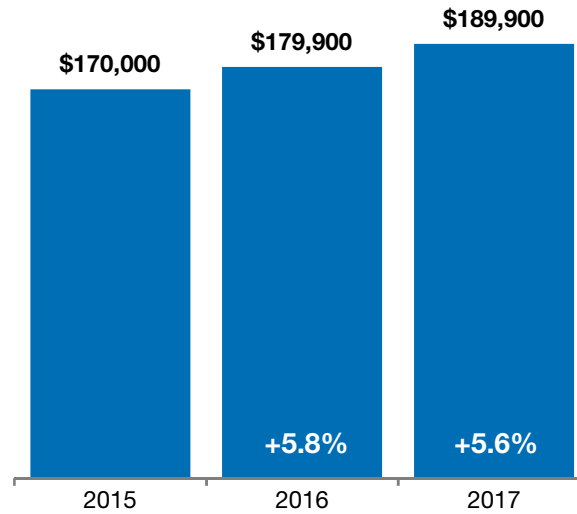## Historical Days on Market Until Sale

Median Sales Price

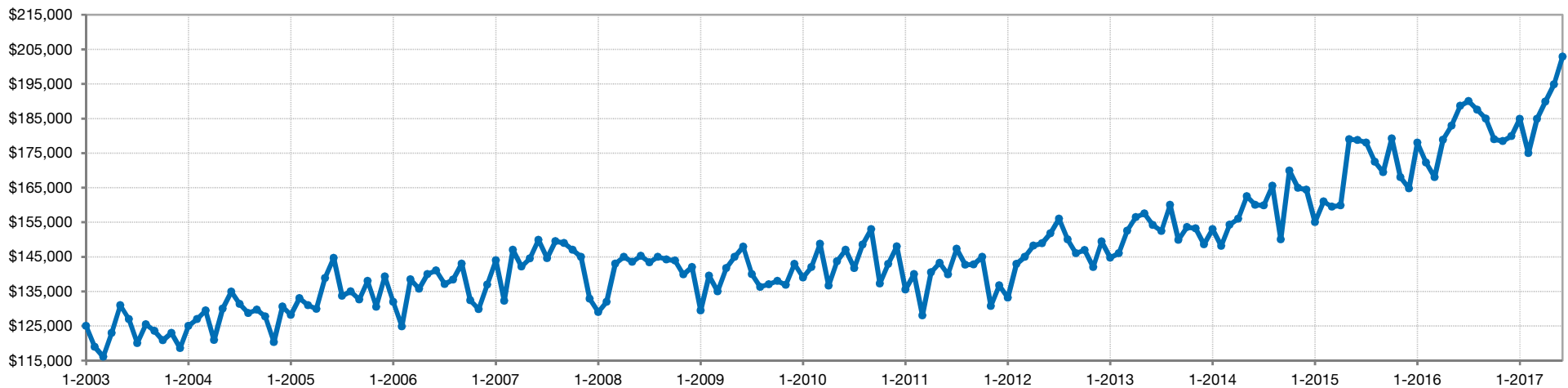Median price point for all closed sales, not accounting for seller concessions, in a given month.

June

$178,800	$188,700	$202,850
	+5.5%	+7.5%
2015	2016	2017

Year To Date

$170,000	$179,900	$189,900
	+5.8%	+5.6%
2015	2016	2017

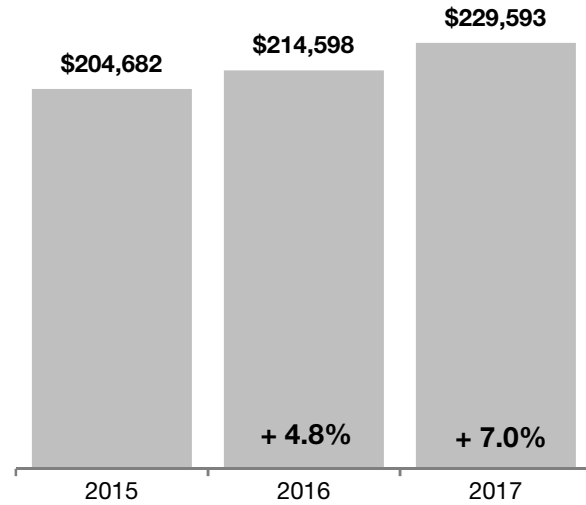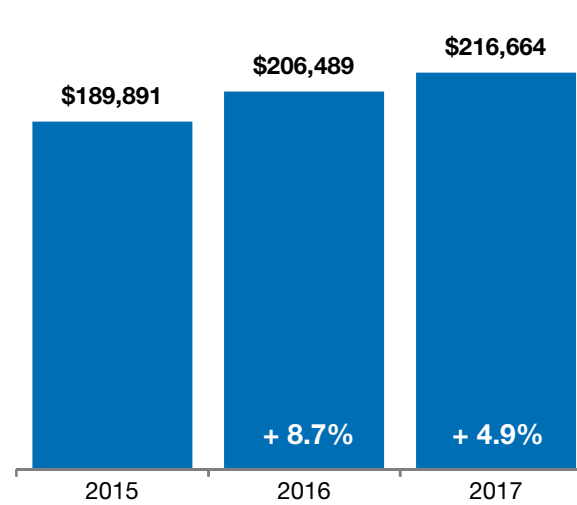| Month	Prior Year	Current Year	+ / –
July	$178,000	$190,000	+6.7%
August	$172,500	$187,500	+8.7%
September	$169,500	$185,000	+9.1%
October	$179,250	$179,000	-0.1%
November	$168,000	$178,450	+6.2%
December	$164,750	$179,900	+9.2%
January	$178,000	$184,900	+3.9%
February	$172,250	$175,000	+1.6%
March	$168,000	$184,900	+10.1%
April	$178,850	$189,900	+6.2%
May	$182,950	$194,900	+6.5%
June	$188,700	$202,850	+7.5%
12-Month Med	$175,700	$186,000	+5.9%

Historical Median Sales Price

Average Sales Price

Average sales price for all closed sales, not accounting for seller concessions, in a given month.

June

- 2015: $204,682
- 2016: $214,598 (+ 4.8%)
- 2017: $229,593 (+ 7.0%)

Year To Date

- 2015: $189,891
- 2016: $206,489 (+ 8.7%)
- 2017: $216,664 (+ 4.9%)

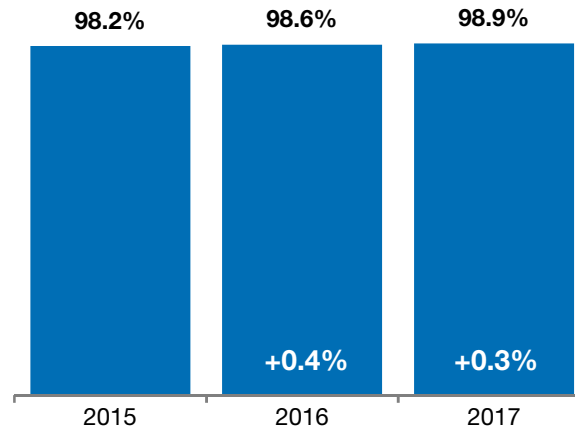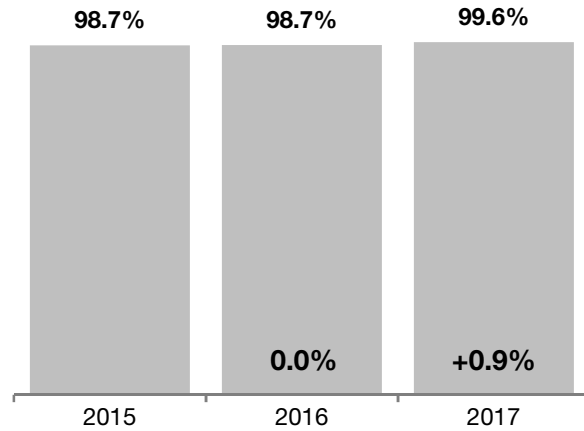| Month	Prior Year	Current Year	+ / –
July	$200,825	$218,050	+8.6%
August	$204,014	$217,287	+6.5%
September	$194,711	$211,870	+8.8%
October	$195,749	$199,714	+2.0%
November	$187,012	$222,217	+18.8%
December	$188,283	$198,879	+5.6%
January	$204,601	$204,845	+0.1%
February	$191,282	$202,214	+5.7%
March	$196,277	$206,523	+5.2%
April	$201,829	$217,888	+8.0%
May	$214,863	$220,511	+2.6%
June	$214,598	$229,593	+7.0%
12-Month Avg	$201,051	$213,869	+6.4%

Historical Average Sales Price
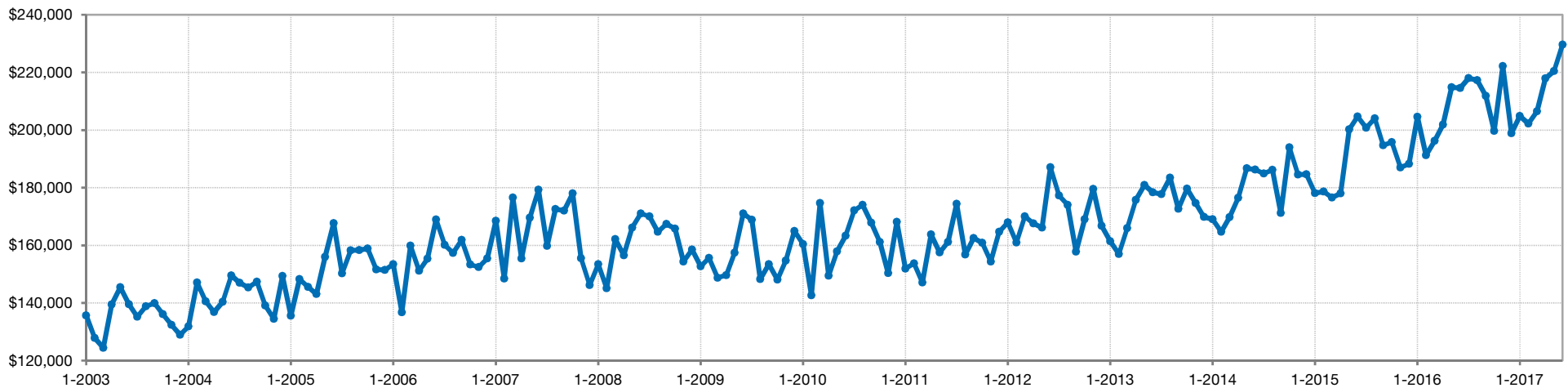
Percent of Original List Price Received

Percentage found when dividing a property's sales price by its original list price, then taking the average for all properties sold in a given month, not accounting for seller concessions.

June

2015	2016	2017
98.7%	98.7%	99.6%
	0.0%	+0.9%

Year To Date

2015	2016	2017
98.2%	98.6%	98.9%
	+0.4%	+0.3%

Month	Prior Year	Current Year	+ / −
July	98.6%	98.9%	+0.3%
August	98.3%	98.3%	0.0%
September	98.4%	98.8%	+0.4%
October	98.2%	98.3%	+0.1%
November	97.8%	97.7%	-0.1%
December	97.5%	98.1%	+0.6%
January	98.1%	98.1%	0.0%
February	97.9%	97.5%	-0.4%
March	98.6%	98.9%	+0.3%
April	99.0%	99.0%	0.0%
May	98.7%	99.3%	+0.6%
June	98.7%	99.6%	+0.9%
12-Month Avg	98.4%	98.7%	+0.3%

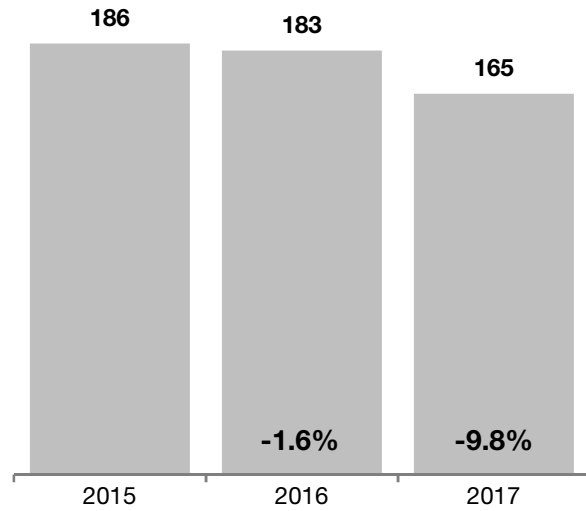## Historical Percent of Original List Price Received
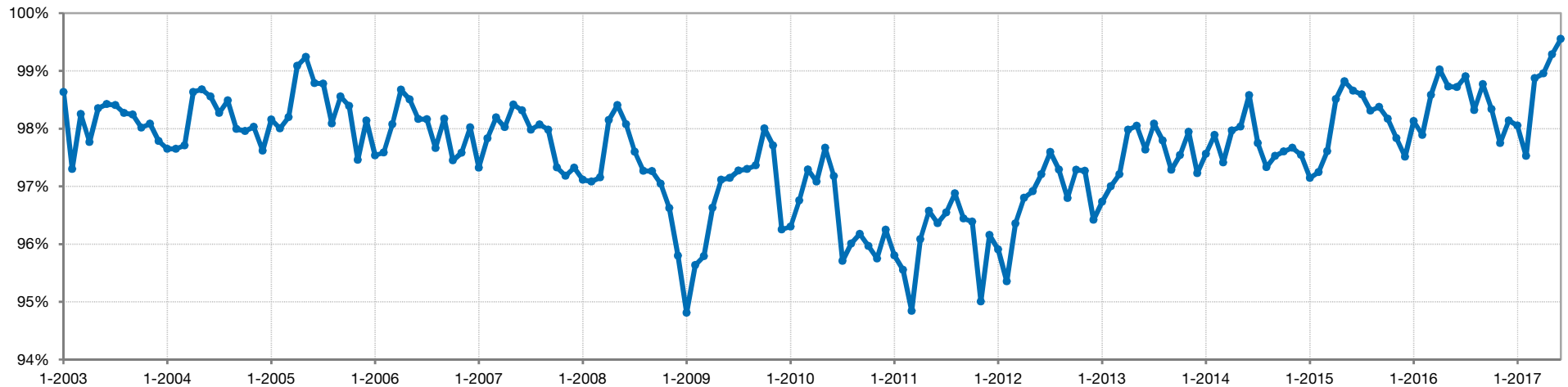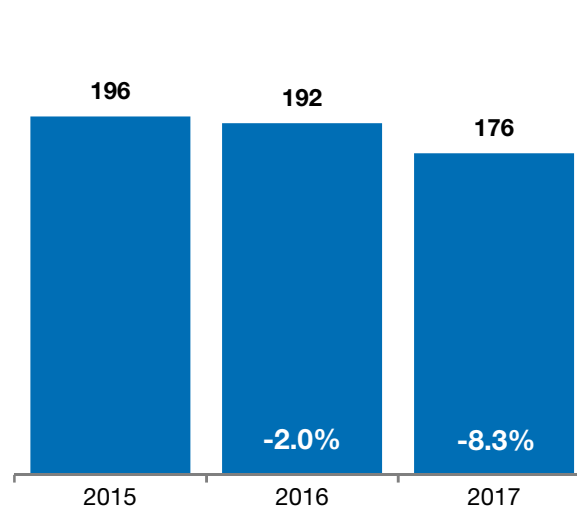
Housing Affordability Index

This index measures housing affordability for the region. An index of 120 means the median household income was 120% of what is necessary to qualify for the median-priced home under prevailing interest rates. **A higher number means greater affordability.**

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June

186	183	165
	-1.6%	-9.8%
2015	2016	2017

Year To Date

196	192	176
	-2.0%	-8.3%
2015	2016	2017

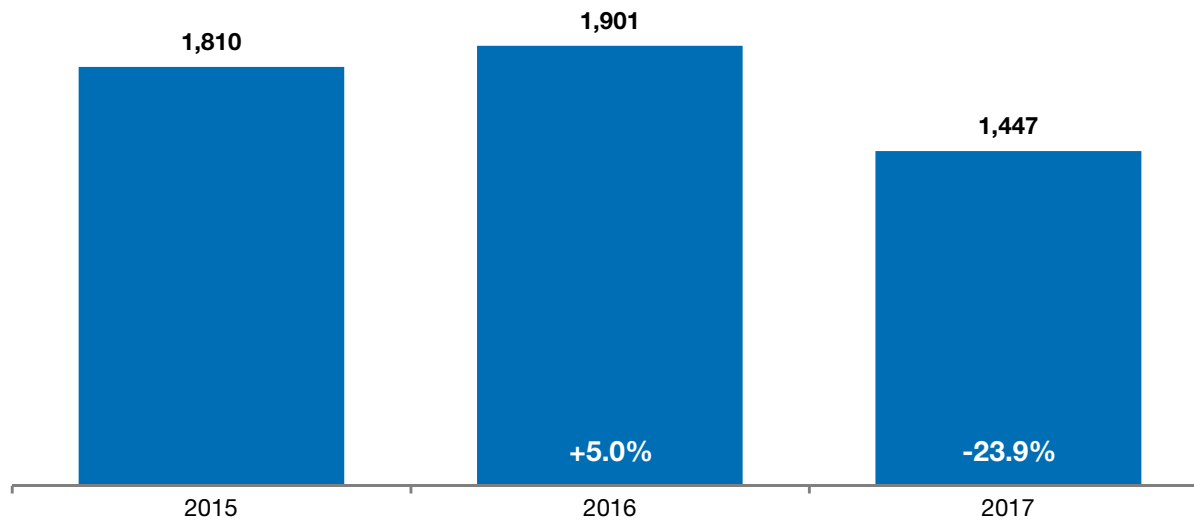| Month	Prior Year	Current Year	+ / −
July	184	182	-1.1%
August	191	184	-3.7%
September	197	186	-5.6%
October	186	195	+4.8%
November	197	186	-5.6%
December	202	178	-11.9%
January	185	171	-7.6%
February	198	186	-6.1%
March	202	176	-12.9%
April	190	174	-8.4%
May	186	171	-8.1%
June	183	165	-9.8%
12-Month Avg	**192**	**180**	**-6.3%**

Historical Housing Affordability Index
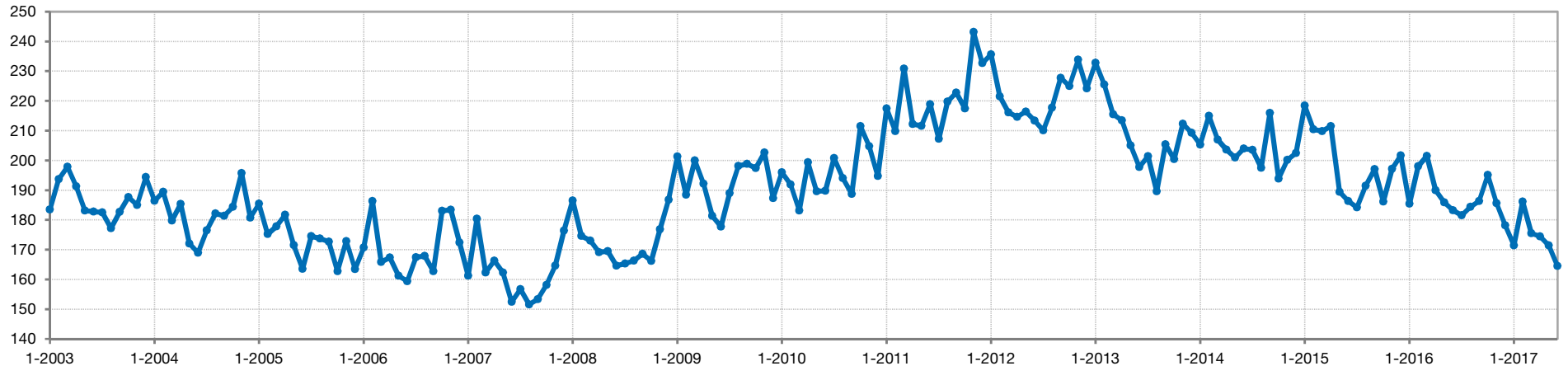
Inventory of Homes for Sale

The number of properties available for sale in active status at the end of a given month.
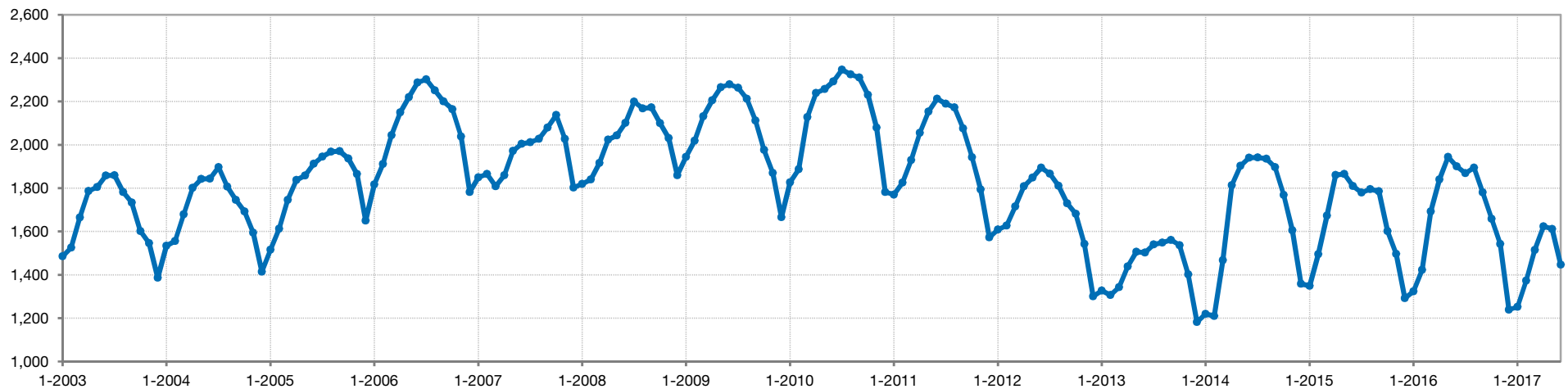
June

Bar values
2015: 1,810
2016: 1,901 (+5.0%)
2017: 1,447 (-23.9%)

Month	Prior Year	Current Year	+ / –
July	1,779	1,869	+5.1%
August	1,795	1,895	+5.6%
September	1,786	1,781	-0.3%
October	1,602	1,658	+3.5%
November	1,496	1,542	+3.1%
December	1,292	1,239	-4.1%
January	1,323	1,252	-5.4%
February	1,423	1,373	-3.5%
March	1,693	1,515	-10.5%
April	1,840	1,623	-11.8%
May	1,944	1,612	-17.1%
June	1,901	1,447	-23.9%
12-Month Avg	1,656	1,567	-4.9%

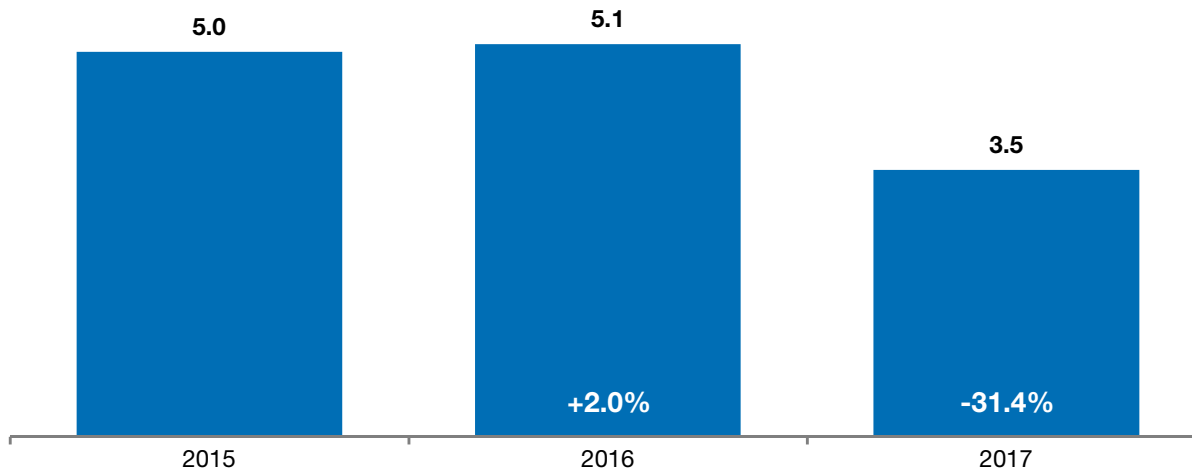## Historical Inventory of Homes for Sale

Months Supply of Homes for Sale

The inventory of homes for sale at the end of a given month, divided by the average monthly pending sales from the last 12 months.
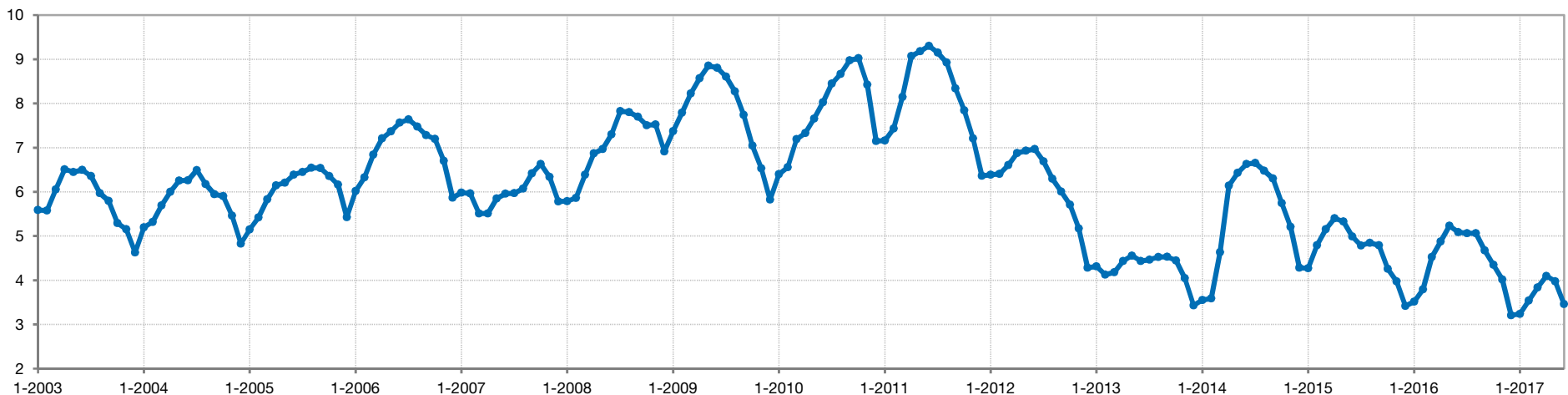
June

Bar	Value	Change
2015	5.0	
2016	5.1	+2.0%
2017	3.5	-31.4%

Month	Prior Year	Current Year	+ / −
July	4.8	5.1	+6.3%
August	4.8	5.1	+6.3%
September	4.8	4.7	-2.1%
October	4.3	4.4	+2.3%
November	4.0	4.0	0.0%
December	3.4	3.2	-5.9%
January	3.5	3.2	-8.6%
February	3.8	3.5	-7.9%
March	4.5	3.8	-15.6%
April	4.9	4.1	-16.3%
May	5.2	4.0	-23.1%
June	5.1	3.5	-31.4%
12-Month Avg	4.4	4.0	-9.1%

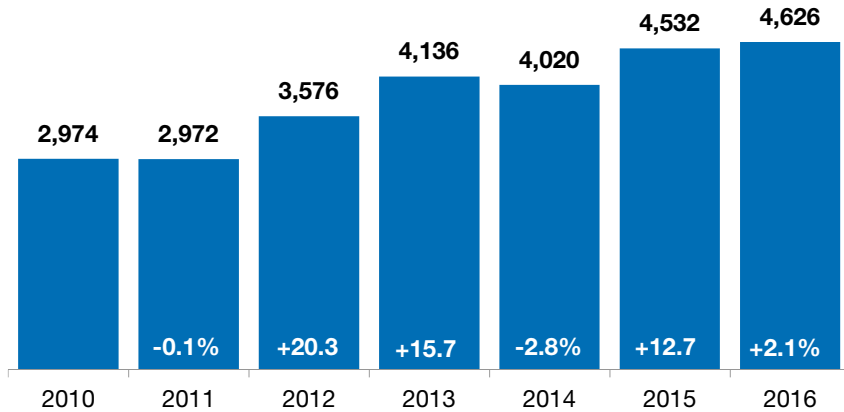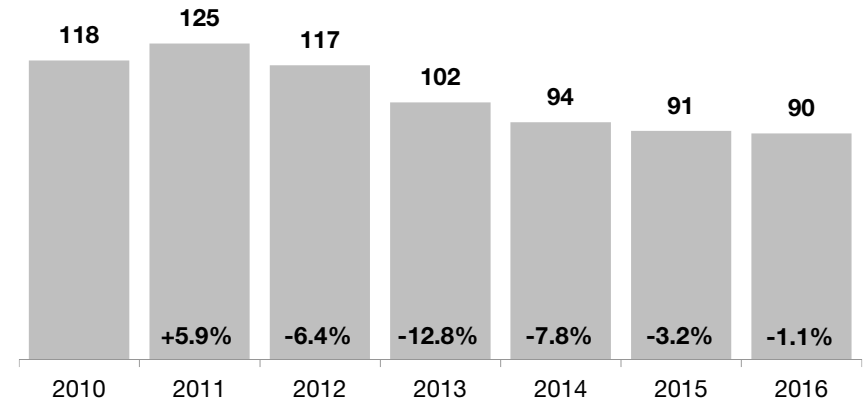## Historical Months Supply of Homes for Sale

Annual Review

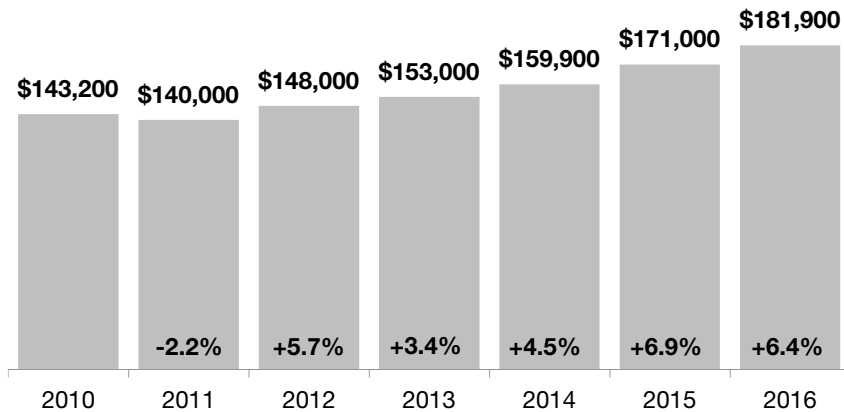Historical look at key market metrics for the overall region.

Closed Sales

2010	2011	2012	2013	2014	2015	2016
2,974	2,972	3,576	4,136	4,020	4,532	4,626
	-0.1%	+20.3	+15.7	-2.8%	+12.7	+2.1%

Days On Market

2010	2011	2012	2013	2014	2015	2016
118	125	117	102	94	91	90
	+5.9%	-6.4%	-12.8%	-7.8%	-3.2%	-1.1%

Median Sales Price

2010	2011	2012	2013	2014	2015	2016
$143,200	$140,000	$148,000	$153,000	$159,900	$171,000	$181,900
	-2.2%	+5.7%	+3.4%	+4.5%	+6.9%	+6.4%

Percent of Original List Price Received

2010	2011	2012	2013	2014	2015	2016
96.6%	96.1%	96.9%	97.6%	97.8%	98.2%	98.5%
	-0.5%	+0.8%	+0.7%	+0.1%	+0.5%	+0.3%