Monthly Indicators

RASE
REALTOR® Association of the Sioux Empire Inc.

June 2018

Housing markets across the nation are most assuredly active this summer, and buyer competition is manifesting itself into several quick sales above asking price. While the strength of the U.S. economy has helped purchase offers pile up, the Fed recently increased the federal funds rate by 0.25 percent, marking the second rate hike this year and seventh since late 2015. Although the 30-year mortgage rate did not increase, buyers often react by locking in at the current rate ahead of assumed higher rates later. When this happens, accelerated price increases are possible, causing further strain on affordability.

New Listings in the Sioux Falls region decreased 7.5 percent to 688. Pending Sales were up 27.3 percent to 718. Inventory levels fell 20.1 percent to 1,424 units.

Prices continued to gain traction. The Median Sales Price increased 6.5 percent to $215,000. Days on Market was down 6.1 percent to 77 days. Sellers were encouraged as Months Supply of Homes for Sale was down 24.4 percent to 3.4 months.

Inventory may be persistently lower in year-over-year comparisons, and home prices are still more likely to rise than not, but sales and new listings may finish the summer on the upswing. The housing supply outlook in several markets is beginning to show an increase in new construction and a move by builders away from overstocked rental units to new developments for sale. These are encouraging signs in an already healthy marketplace.

Quick Facts

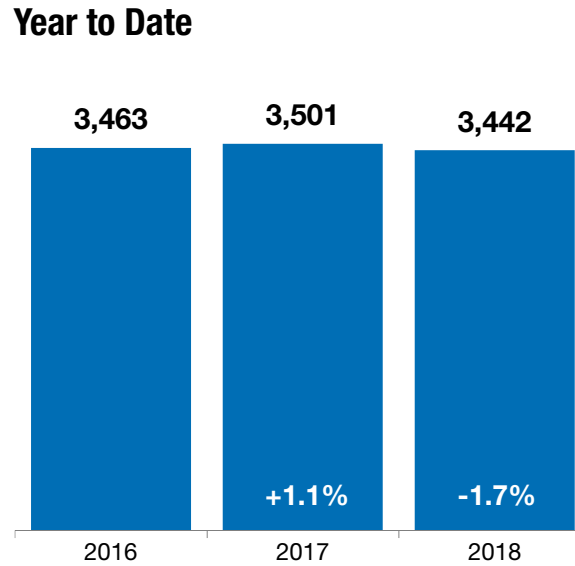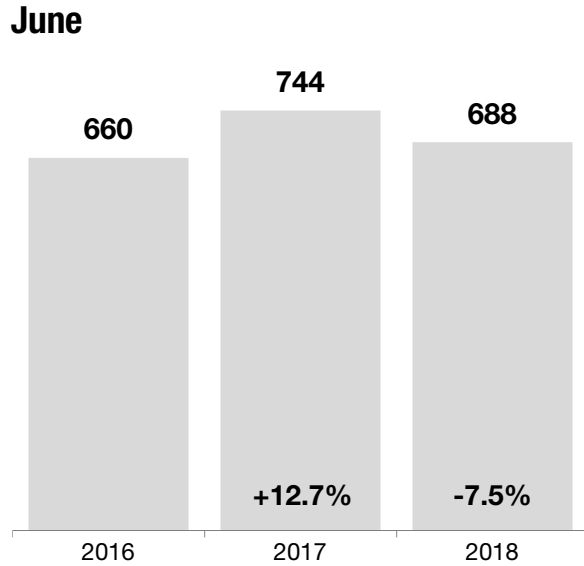| - 2.8%	+ 6.5%	- 20.1%
Change in **Closed Sales**	Change in **Median Sales Price**	Change in **Inventory**

Market Overview

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

| Key Metrics	Historical Sparklines		6-2017	6-2018	+ / −	YTD 2017	YTD 2018	+ / −
New Listings			744	688	- 7.5%	3,501	3,442	- 1.7%
Pending Sales			564	718	+ 27.3%	2,261	2,479	+ 9.6%
Closed Sales			564	548	- 2.8%	2,261	2,215	- 2.0%
Days on Market Until Sale			82	77	- 6.1%	89	90	+ 1.1%
Median Sales Price			$201,800	$215,000	+ 6.5%	$189,900	$205,000	+ 8.0%
Average Sales Price			$229,404	$246,764	+ 7.6%	$216,765	$232,393	+ 7.2%
Percent of Original List Price Received			99.4%	99.6%	+ 0.2%	98.9%	99.0%	+ 0.1%
Housing Affordability Index			165	147	- 10.9%	176	154	- 12.5%
Inventory of Homes for Sale			1,783	1,424	- 20.1%	--	--	--
Months Supply of Homes for Sale			4.5	3.4	- 24.4%	--	--	--

New Listings

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

June

- 2016: 660
- 2017: 744 (+12.7%)
- 2018: 688 (-7.5%)

Year to Date

- 2016: 3,463
- 2017: 3,501 (+1.1%)
- 2018: 3,442 (-1.7%)

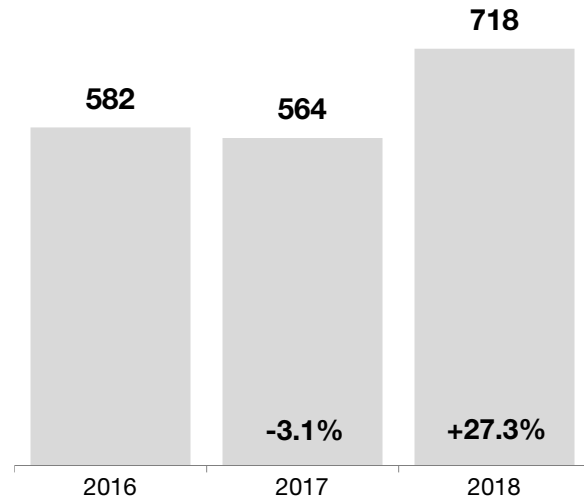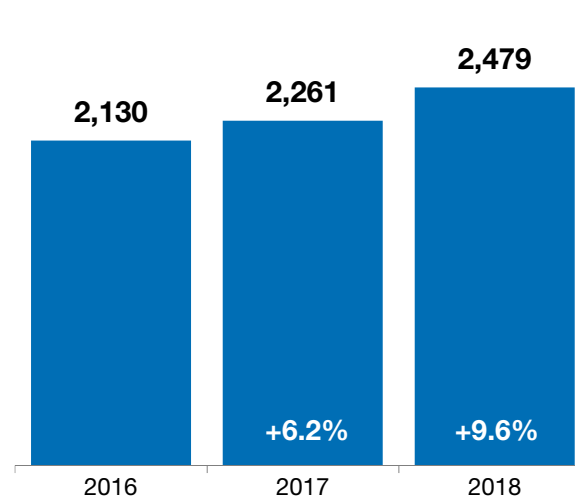| Month	Prior Year	Current Year	+ / −
July 2017	573	639	+11.5%
August 2017	674	697	+3.4%
September 2017	521	561	+7.7%
October 2017	500	515	+3.0%
November 2017	380	395	+3.9%
December 2017	213	256	+20.2%
January 2018	406	431	+6.2%
February 2018	422	422	0.0%
March 2018	617	571	-7.5%
April 2018	634	606	-4.4%
May 2018	678	724	+6.8%
June 2018	**744**	**688**	**-7.5%**
12-Month Avg	530	542	+2.2%

Historical New Listing Activity
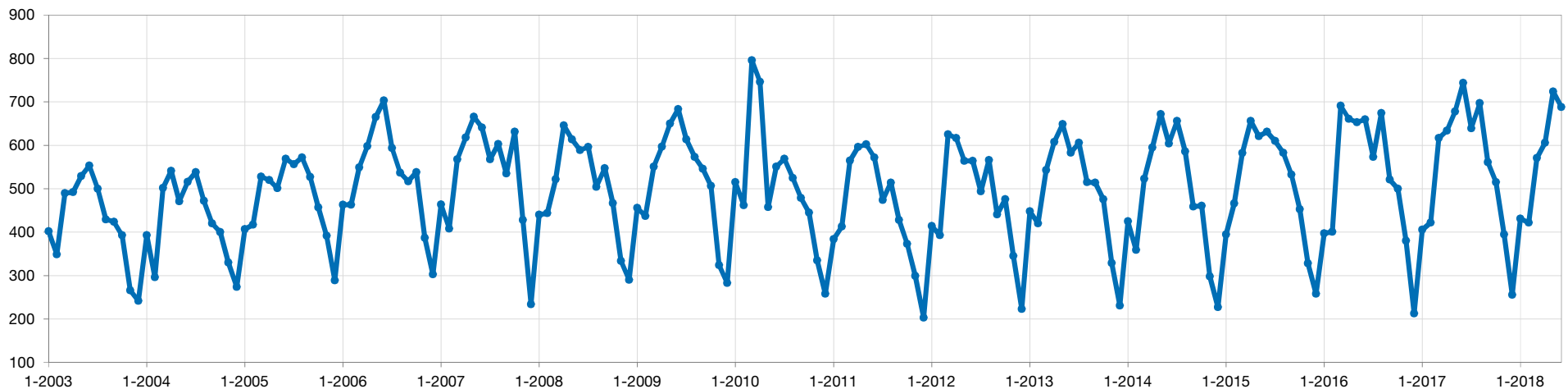
Pending Sales

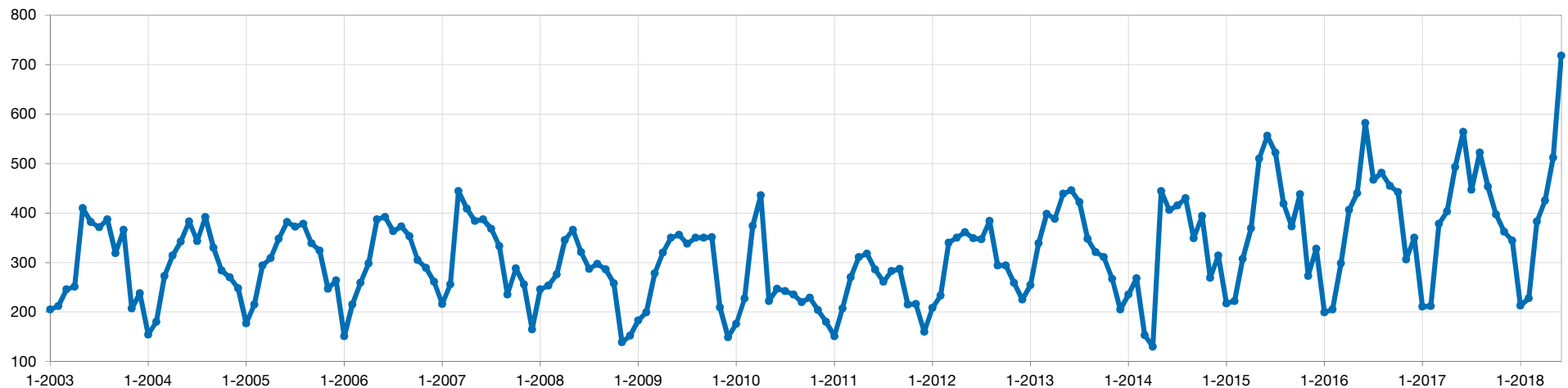A count of the properties on which contracts have been accepted in a given month.

June

582	564	718
	-3.1%	+27.3%
2016	2017	2018

Year to Date

2,130	2,261	2,479
	+6.2%	+9.6%
2016	2017	2018

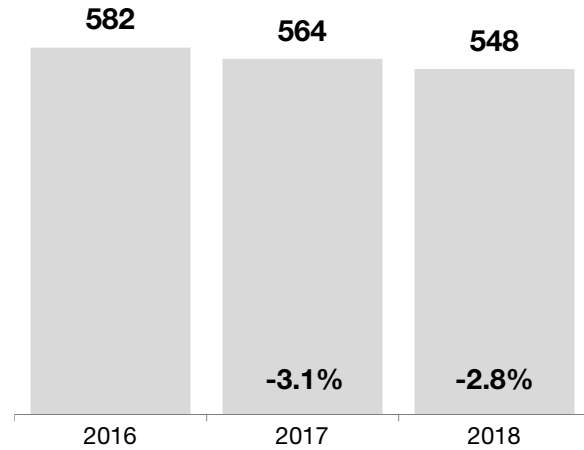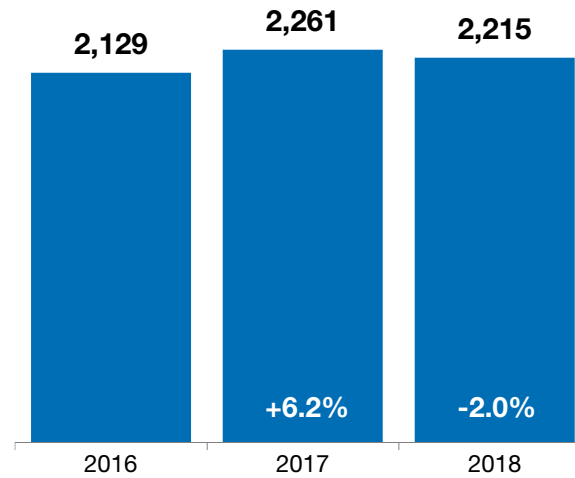| Month	Prior Year	Current Year	+ / −
July 2017	467	447	-4.3%
August 2017	481	522	+8.5%
September 2017	455	453	-0.4%
October 2017	442	397	-10.2%
November 2017	306	362	+18.3%
December 2017	350	344	-1.7%
January 2018	211	213	+0.9%
February 2018	212	228	+7.5%
March 2018	378	383	+1.3%
April 2018	403	425	+5.5%
May 2018	493	512	+3.9%
June 2018	564	718	+27.3%
12-Month Avg	397	417	+5.1%

Historical Pending Sales Activity

Closed Sales

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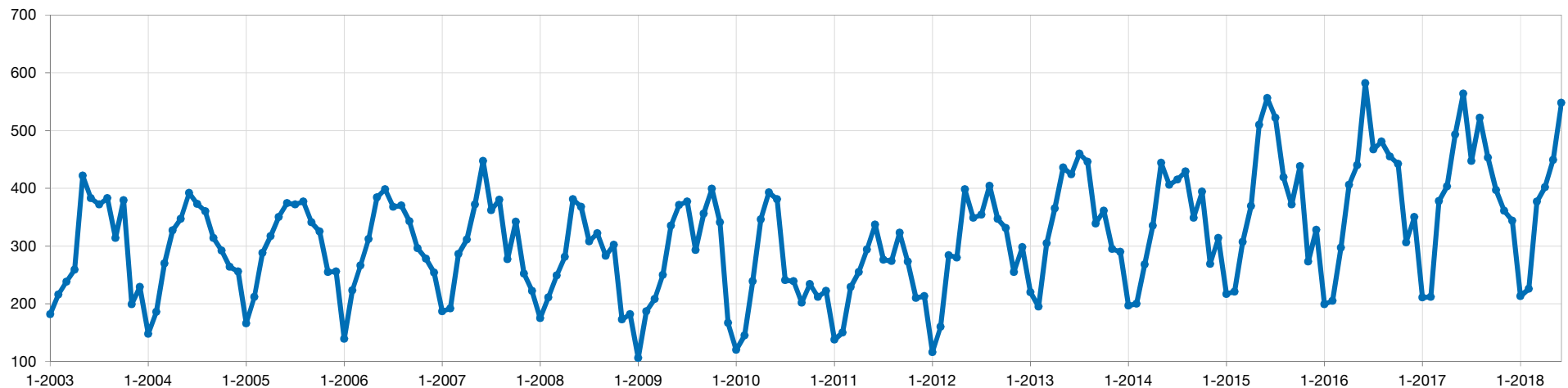
June

582	564	548
	-3.1%	-2.8%
2016	2017	2018

Year to Date

2,129	2,261	2,215
	+6.2%	-2.0%
2016	2017	2018

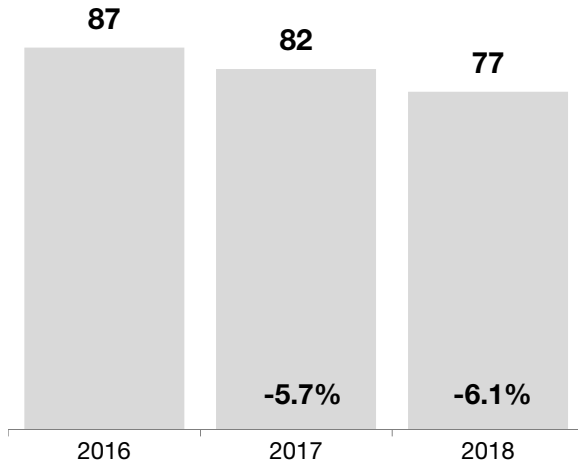| Month	Prior Year	Current Year	+ / −
July 2017	467	447	-4.3%
August 2017	481	522	+8.5%
September 2017	455	453	-0.4%
October 2017	442	397	-10.2%
November 2017	306	361	+18.0%
December 2017	350	344	-1.7%
January 2018	211	213	+0.9%
February 2018	212	226	+6.6%
March 2018	378	377	-0.3%
April 2018	403	402	-0.2%
May 2018	493	449	-8.9%
June 2018	**564**	**548**	**-2.8%**
12-Month Avg	397	395	+0.4%

Historical Closed Sales Activity

Days on Market Until Sale
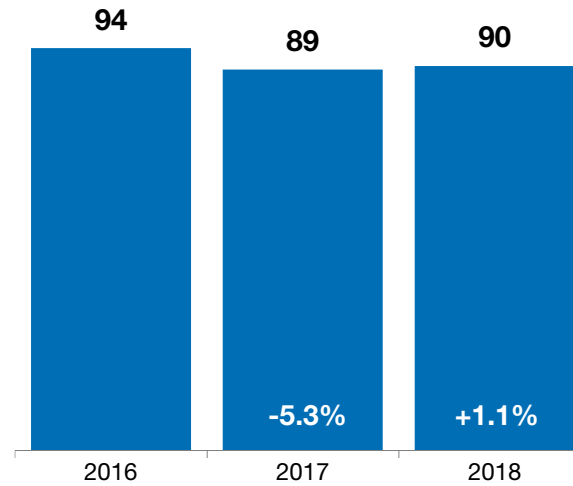
Average number of days between when a property is first listed and when a property is closed in a given month.
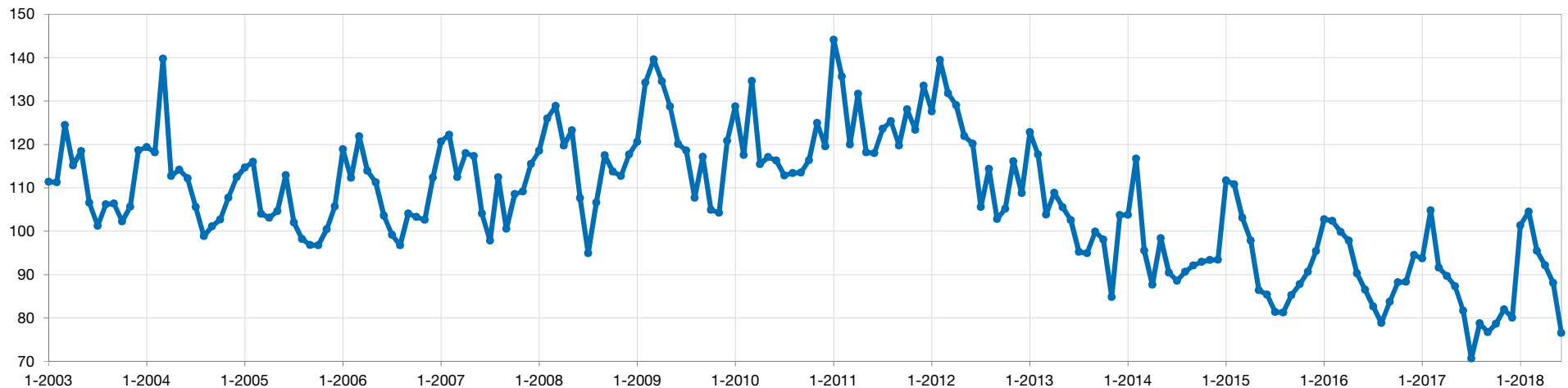
June

87	**82**	**77**
	-5.7%	**-6.1%**
2016	2017	2018

Year to Date

94	**89**	**90**
	-5.3%	**+1.1%**
2016	2017	2018

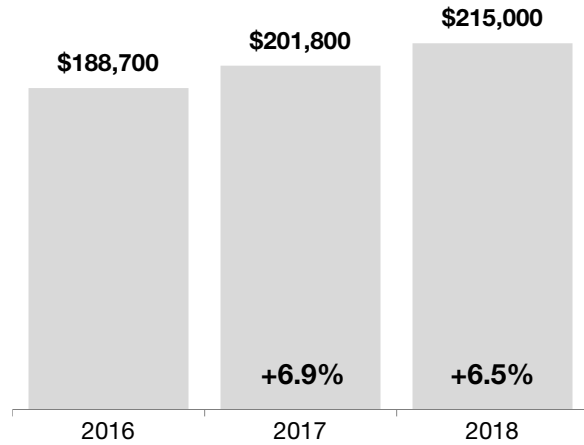| Month	Prior Year	Current Year	+ / –
July 2017	83	71	-14.5%
August 2017	79	79	0.0%
September 2017	84	77	-8.3%
October 2017	88	79	-10.2%
November 2017	88	82	-6.8%
December 2017	95	80	-15.8%
January 2018	94	101	+7.4%
February 2018	105	105	0.0%
March 2018	92	95	+3.3%
April 2018	90	92	+2.2%
May 2018	87	88	+1.1%
June 2018	**82**	**77**	**-6.1%**
12-Month Avg	87	83	-4.6%

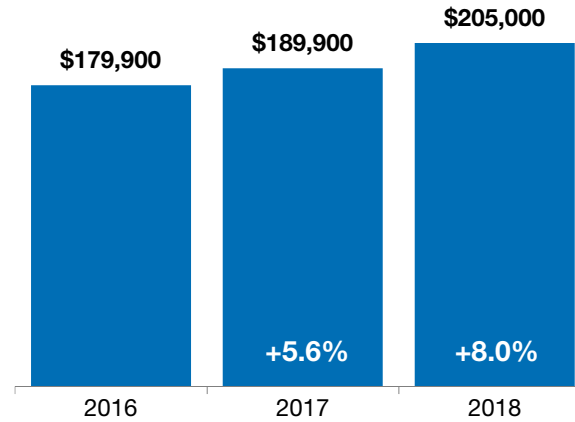## Historical Days on Market Until Sale

Median Sales Price

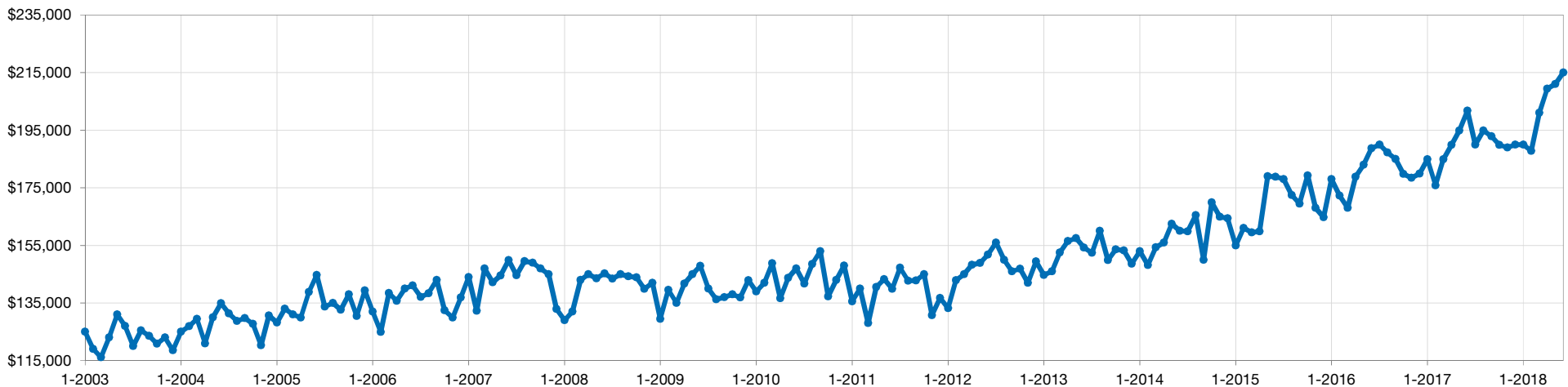Median price point for all closed sales, not accounting for seller concessions, in a given month.

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June

- 2016: $188,700
- 2017: $201,800 +6.9%
- 2018: $215,000 +6.5%

Year to Date

- 2016: $179,900
- 2017: $189,900 +5.6%
- 2018: $205,000 +8.0%

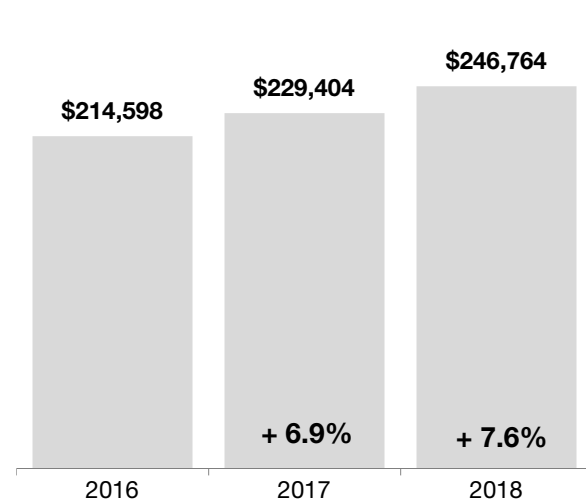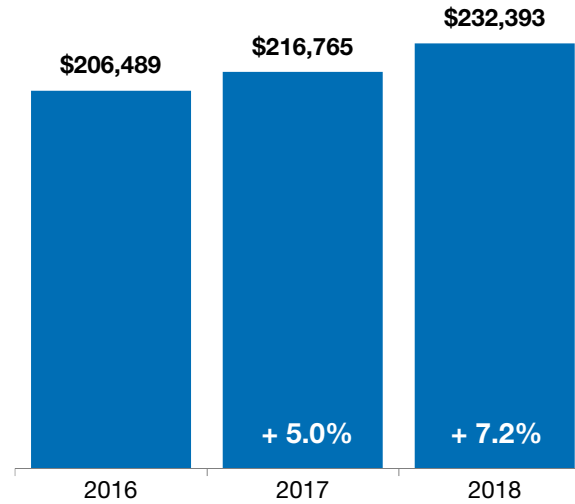| Month	Prior Year	Current Year	+ / −
July 2017	$190,000	$190,000	0.0%
August 2017	$187,250	$194,900	+4.1%
September 2017	$185,000	$192,900	+4.3%
October 2017	$179,850	$189,900	+5.6%
November 2017	$178,450	$188,980	+5.9%
December 2017	$179,900	$190,000	+5.6%
January 2018	$184,900	$190,000	+2.8%
February 2018	$175,815	$187,839	+6.8%
March 2018	$184,900	$201,000	+8.7%
April 2018	$189,900	$209,350	+10.2%
May 2018	$194,900	$211,000	+8.3%
June 2018	$201,800	$215,000	+6.5%
12-Month Med	$186,000	$196,700	+5.8%

Historical Median Sales Price

Average Sales Price

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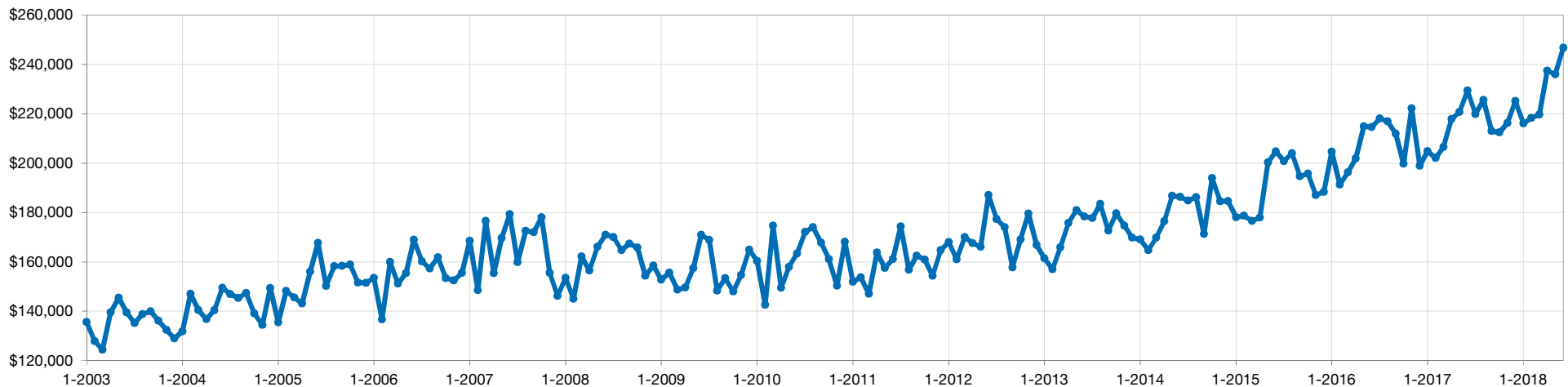
June

$214,598 — 2016
$229,404 / + 6.9% — 2017
$246,764 / + 7.6% — 2018

Year to Date

$206,489 — 2016
$216,765 / + 5.0% — 2017
$232,393 / + 7.2% — 2018

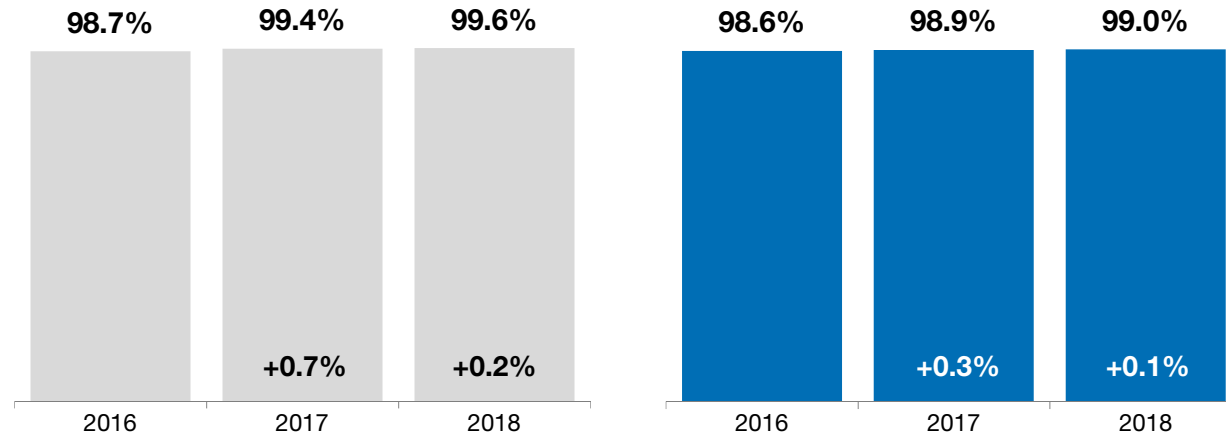| Month	Prior Year	Current Year	+ / −
July 2017	$218,050	$219,869	+0.8%
August 2017	$216,878	$225,563	+4.0%
September 2017	$211,870	$213,002	+0.5%
October 2017	$199,716	$212,421	+6.4%
November 2017	$222,217	$216,254	-2.7%
December 2017	$198,879	$225,164	+13.2%
January 2018	$204,812	$216,060	+5.5%
February 2018	$202,122	$218,283	+8.0%
March 2018	$206,523	$219,665	+6.4%
April 2018	$217,796	$237,372	+9.0%
May 2018	$220,735	$235,930	+6.9%
June 2018	$229,404	$246,764	+7.6%
12-Month Avg	$213,886	$225,180	+5.3%

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.

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June

2016	2017	2018
98.7%	99.4%	99.6%
	+0.7%	+0.2%

Year to Date

2016	2017	2018
98.6%	98.9%	99.0%
	+0.3%	+0.1%

Month	Prior Year	Current Year	+ / −
July 2017	98.9%	99.5%	+0.6%
August 2017	98.3%	98.4%	+0.1%
September 2017	98.8%	98.9%	+0.1%
October 2017	98.3%	99.0%	+0.7%
November 2017	97.7%	98.2%	+0.5%
December 2017	98.1%	97.9%	-0.2%
January 2018	98.1%	98.5%	+0.4%
February 2018	97.5%	98.2%	+0.7%
March 2018	98.9%	98.5%	-0.4%
April 2018	98.7%	99.2%	+0.5%
May 2018	99.3%	99.3%	0.0%
June 2018	**99.4%**	**99.6%**	**+0.2%**
12-Month Avg	98.6%	98.8%	+0.2%

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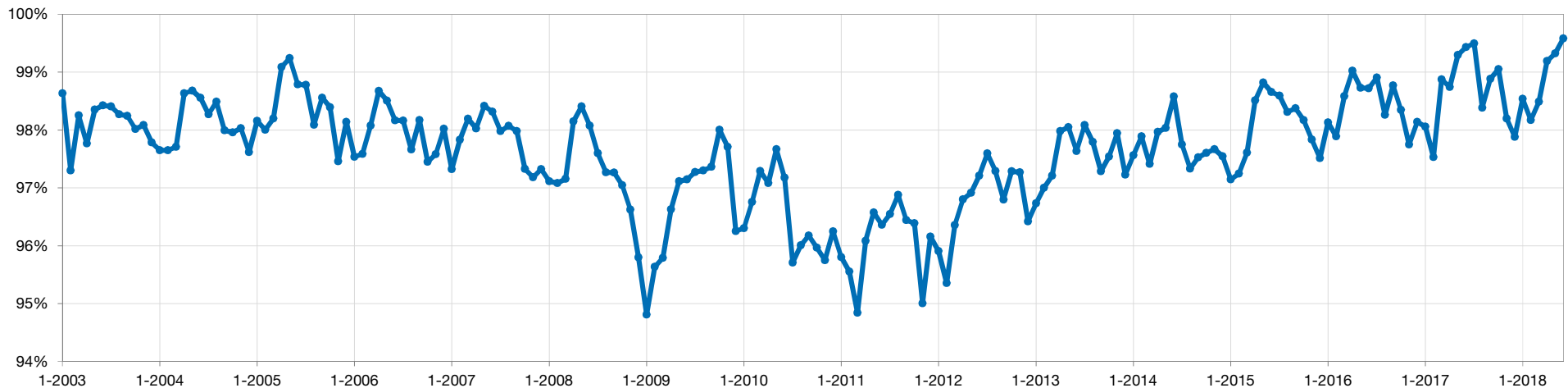
Housing Affordability Index

This index measures housing affordability for the region. For example, 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.**

June

2016	183
2017	165 (-9.8%)
2018	147 (-10.9%)

Year to Date

2016	192
2017	176 (-8.3%)
2018	154 (-12.5%)
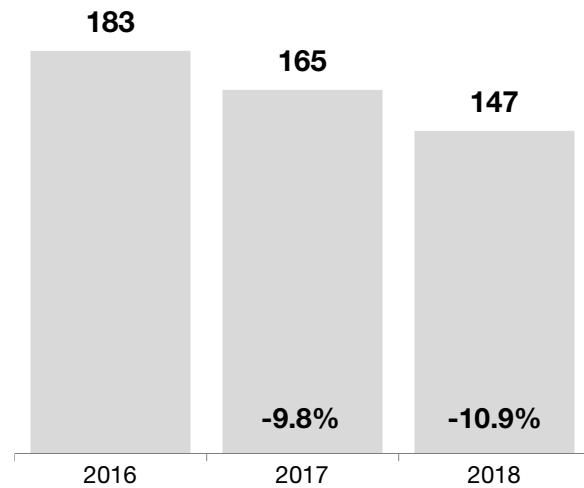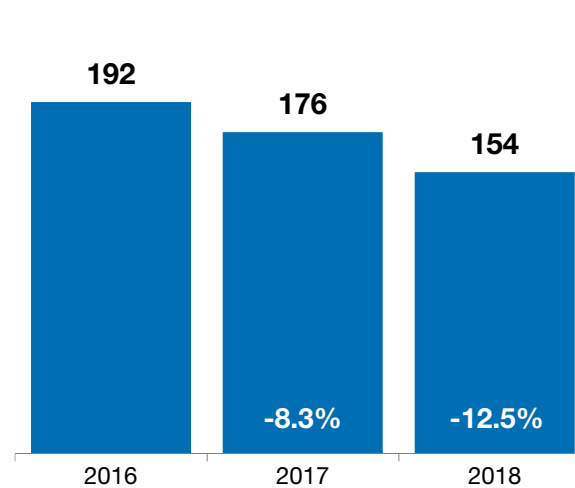
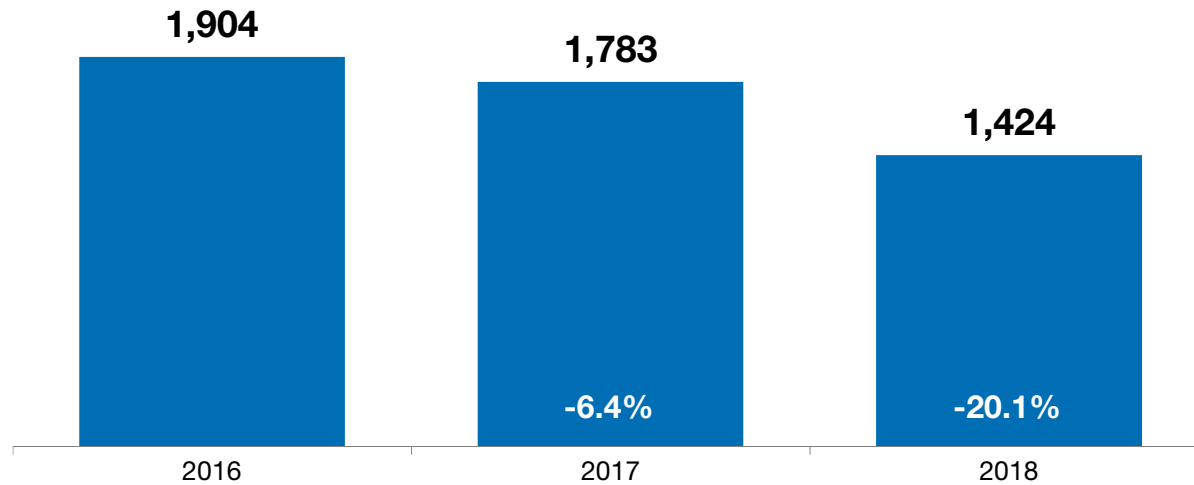| Month	Prior Year	Current Year	+ / –
July 2017	182	176	-3.3%
August 2017	185	173	-6.5%
September 2017	186	175	-5.9%
October 2017	194	175	-9.8%
November 2017	186	177	-4.8%
December 2017	178	175	-1.7%
January 2018	171	169	-1.2%
February 2018	185	170	-8.1%
March 2018	176	159	-9.7%
April 2018	174	150	-13.8%
May 2018	171	149	-12.9%
June 2018	**165**	**147**	**-10.9%**
12-Month Avg	180	166	-7.8%

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.
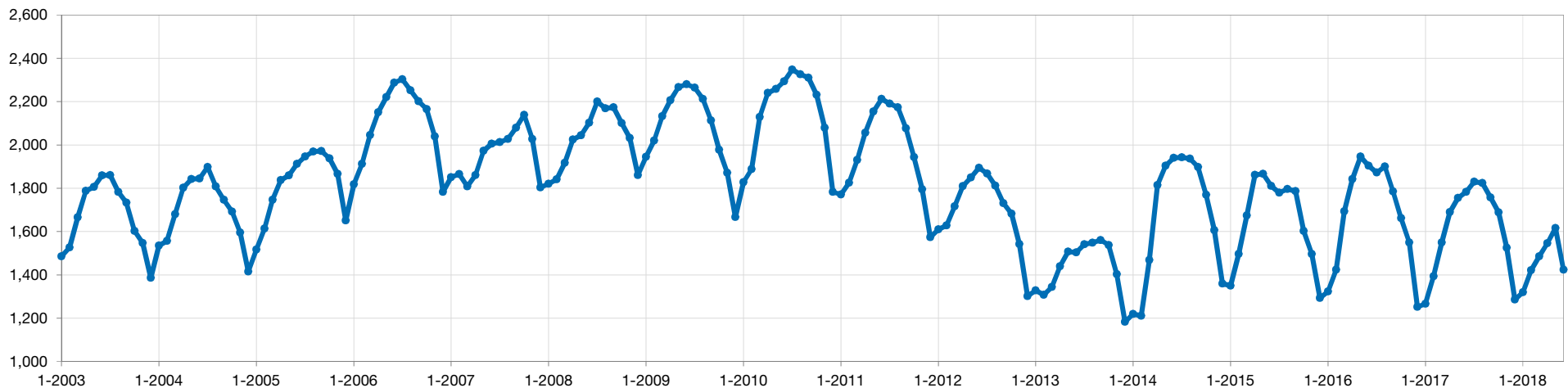
June

1,904	**1,783**	**1,424**
	-6.4%	-20.1%
2016	2017	2018

Month	Prior Year	Current Year	+ / –
July 2017	1,873	1,830	-2.3%
August 2017	1,900	1,824	-4.0%
September 2017	1,786	1,758	-1.6%
October 2017	1,662	1,689	+1.6%
November 2017	1,550	1,526	-1.5%
December 2017	1,252	1,286	+2.7%
January 2018	1,267	1,320	+4.2%
February 2018	1,394	1,421	+1.9%
March 2018	1,550	1,486	-4.1%
April 2018	1,690	1,546	-8.5%
May 2018	1,755	1,616	-7.9%
June 2018	**1,783**	**1,424**	**-20.1%**
12-Month Avg	1,622	1,561	-3.3%

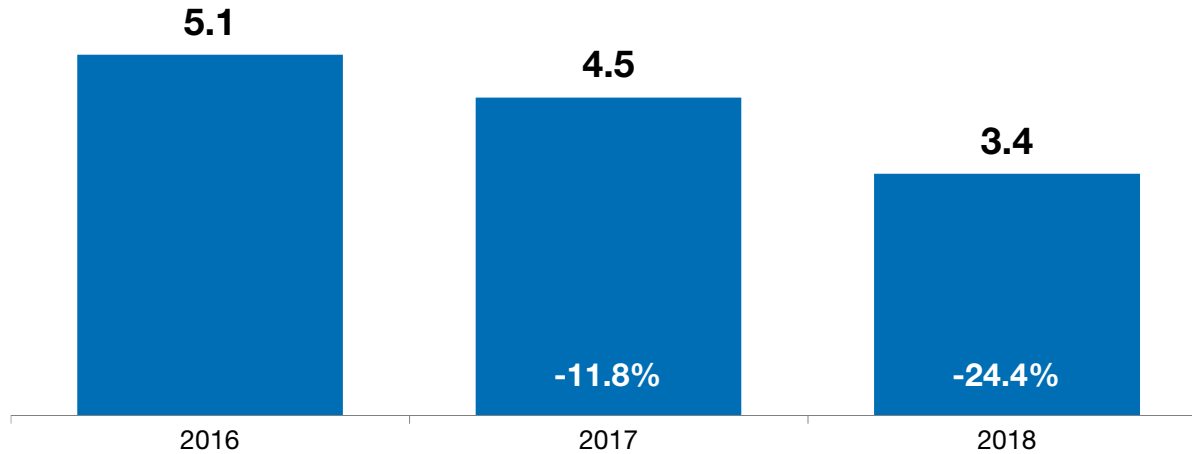## Historical Inventory of Homes for Sale

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.
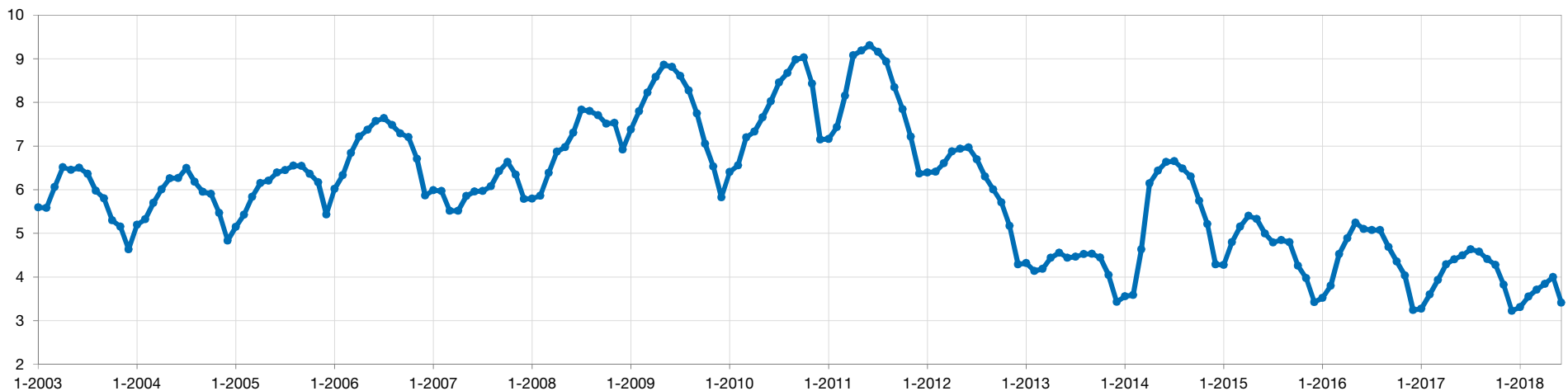
June

Month	Prior Year	Current Year	+ / −
July 2017	5.1	4.6	-9.8%
August 2017	5.1	4.6	-9.8%
September 2017	4.7	4.4	-6.4%
October 2017	4.4	4.3	-2.3%
November 2017	4.0	3.8	-5.0%
December 2017	3.2	3.2	0.0%
January 2018	3.3	3.3	0.0%
February 2018	3.6	3.5	-2.8%
March 2018	3.9	3.7	-5.1%
April 2018	4.3	3.8	-11.6%
May 2018	4.4	4.0	-9.1%
June 2018	**4.5**	**3.4**	**-24.4%**
12-Month Avg	4.2	3.9	-7.1%

Bar chart (June): 2016 = 5.1; 2017 = 4.5 (-11.8%); 2018 = 3.4 (-24.4%)

Historical Months Supply of Homes for Sale

Annual Review

Historical look at key market metrics for the overall region.

Closed Sales

2011	2012	2013	2014	2015	2016	2017
2,972	3,576	4,136	4,020	4,532	4,630	4,785
	+20.3	+15.7	-2.8%	+12.7	+2.2%	+3.3%

Days on Market

2011	2012	2013	2014	2015	2016	2017
125	117	102	94	91	90	83
	-6.4%	-12.8%	-7.8%	-3.2%	-1.1%	-7.8%

Median Sales Price

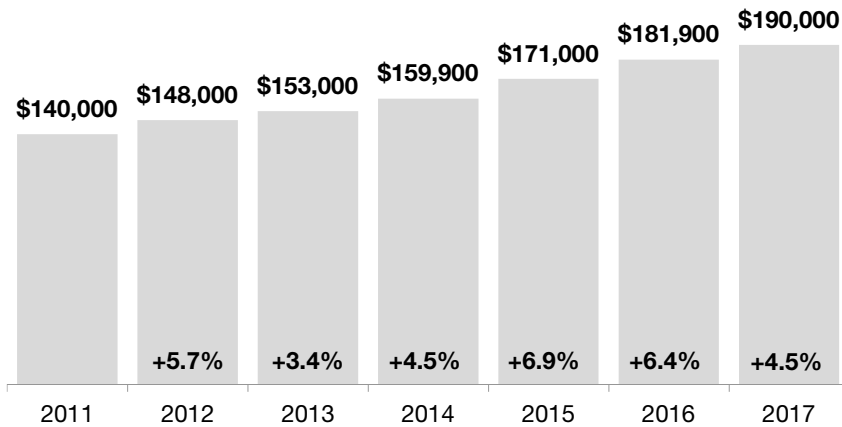| 2011	2012	2013	2014	2015	2016	2017
$140,000	$148,000	$153,000	$159,900	$171,000	$181,900	$190,000
	+5.7%	+3.4%	+4.5%	+6.9%	+6.4%	+4.5%

Percent of Original List Price Received

2011	2012	2013	2014	2015	2016	2017
96.1%	96.9%	97.6%	97.8%	98.2%	98.5%	98.8%
	+0.8%	+0.7%	+0.1%	+0.5%	+0.3%	+0.3%