

Monthly Indicators



July 2018

The chatter about housing price bubbles has increased this summer, as observers attempt to predict the next shift in the residential real estate market. It is far too early to predict a hard shift away from higher prices and lower inventory, but the common markers that caused the last housing market downturn are essentially present. Wages are up but not at the same pace as home prices, leading to the kind of affordability concerns that lead to lower sales at lower prices. At the same time, demand is still outpacing what is available for sale in many markets.

New Listings in the Sioux Falls region increased 2.7 percent to 656. Pending Sales were up 43.8 percent to 643. Inventory levels fell 20.7 percent to 1,451 units.

Prices continued to gain traction. The Median Sales Price increased 10.3 percent to \$209,581. Days on Market was up 1.4 percent to 72 days. Sellers were encouraged as Months Supply of Homes for Sale was down 26.1 percent to 3.4 months.

Consumer spending on home goods and renovations are up, while more people enter the workforce. Employed people spending money is generally good for residential real estate. Meanwhile, GDP growth was 4.1% in the second quarter, the strongest showing since 2014. Housing starts are down, but that is more reflective of low supply than anything else. With a growing economy, stronger lending practices and the potential for improved inventory from new listing and building activity, market balance is more likely than a bubble.

Quick Facts

+ 6.5%

Change in
Closed Sales

+ 10.3%

Change in
Median Sales Price

- 20.7%

Change in
Inventory

| | |
|---|----|
| Market Overview | 2 |
| New Listings | 3 |
| Pending Sales | 4 |
| Closed Sales | 5 |
| Days On Market Until Sale | 6 |
| Median Sales Price | 7 |
| Average Sales Price | 8 |
| Percent of Original List Price Received | 9 |
| Housing Affordability Index | 10 |
| Inventory of Homes for Sale | 11 |
| Months Supply of Homes for Sale | 12 |
| Annual Review | 13 |

Market Overview

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



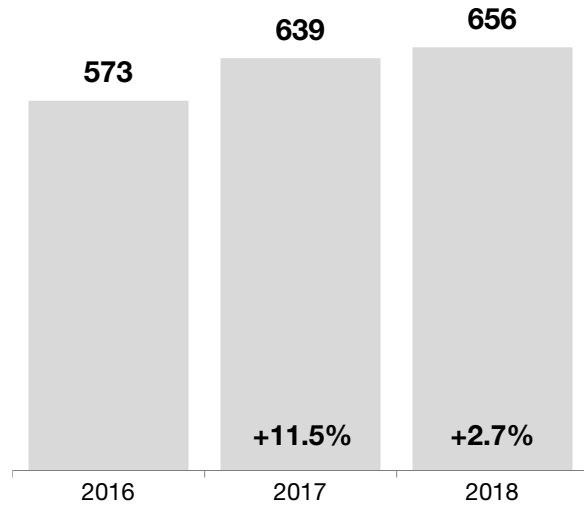
| Key Metrics | Historical Sparklines | 7-2017 | 7-2018 | + / - | YTD 2017 | YTD 2018 | + / - |
|--|-----------------------|-----------|------------------|---------|-----------|------------------|---------|
| New Listings | | 639 | 656 | + 2.7% | 4,140 | 4,138 | - 0.0% |
| Pending Sales | | 447 | 643 | + 43.8% | 2,708 | 2,996 | + 10.6% |
| Closed Sales | | 447 | 476 | + 6.5% | 2,708 | 2,741 | + 1.2% |
| Days on Market Until Sale | | 71 | 72 | + 1.4% | 86 | 87 | + 1.2% |
| Median Sales Price | | \$190,000 | \$209,581 | + 10.3% | \$189,900 | \$206,000 | + 8.5% |
| Average Sales Price | | \$219,869 | \$234,405 | + 6.6% | \$217,278 | \$232,670 | + 7.1% |
| Percent of Original List Price Received | | 99.5% | 99.0% | - 0.5% | 99.0% | 99.0% | 0.0% |
| Housing Affordability Index | | 176 | 151 | - 14.2% | 176 | 153 | - 13.1% |
| Inventory of Homes for Sale | | 1,830 | 1,451 | - 20.7% | -- | -- | -- |
| Months Supply of Homes for Sale | | 4.6 | 3.4 | - 26.1% | -- | -- | -- |

New Listings

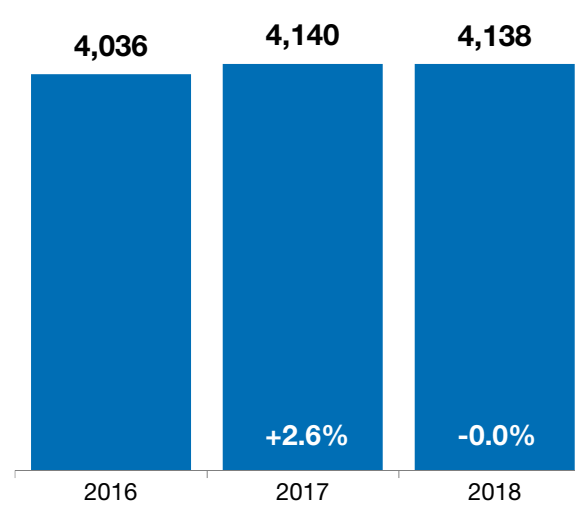
A count of the properties that have been newly listed on the market in a given month.



July

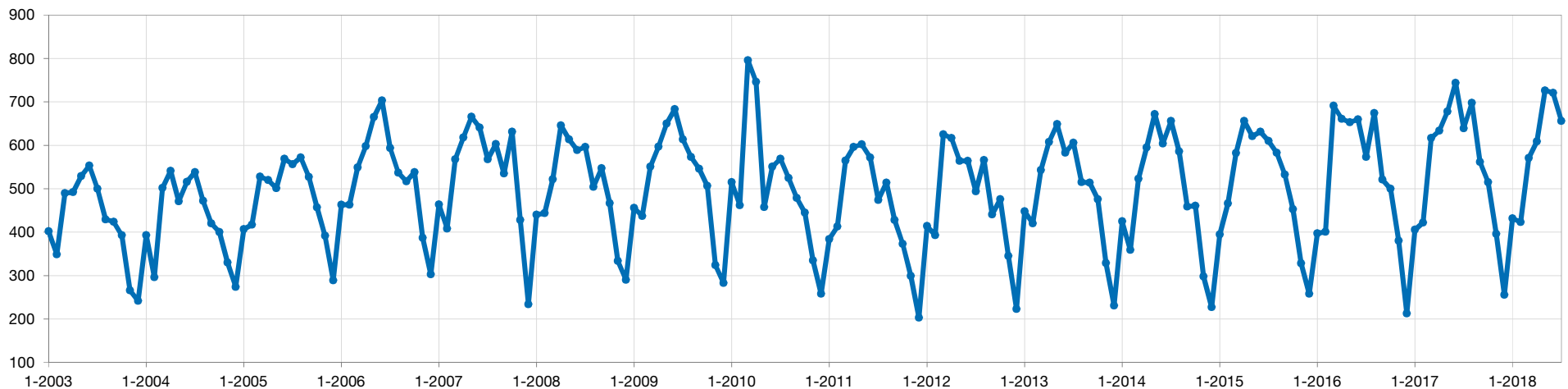


Year to Date



| Month | Prior Year | Current Year | + / - |
|---------------------|------------|--------------|--------------|
| August 2017 | 674 | 698 | +3.6% |
| September 2017 | 521 | 562 | +7.9% |
| October 2017 | 500 | 515 | +3.0% |
| November 2017 | 380 | 396 | +4.2% |
| December 2017 | 213 | 256 | +20.2% |
| January 2018 | 406 | 432 | +6.4% |
| February 2018 | 422 | 423 | +0.2% |
| March 2018 | 617 | 571 | -7.5% |
| April 2018 | 634 | 609 | -3.9% |
| May 2018 | 678 | 726 | +7.1% |
| June 2018 | 744 | 721 | -3.1% |
| July 2018 | 639 | 656 | +2.7% |
| 12-Month Avg | 536 | 547 | +2.1% |

Historical New Listing Activity

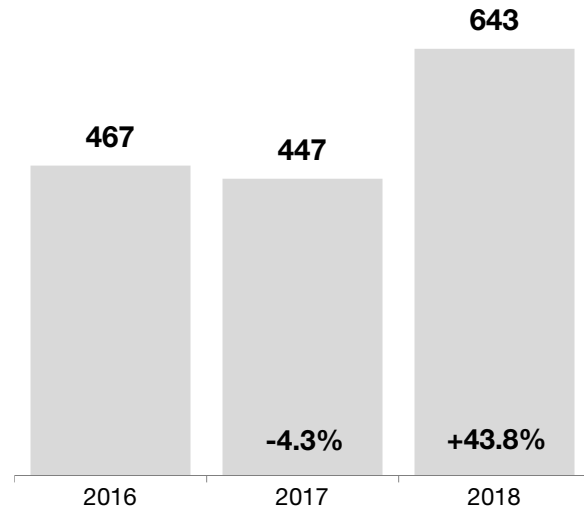


Pending Sales

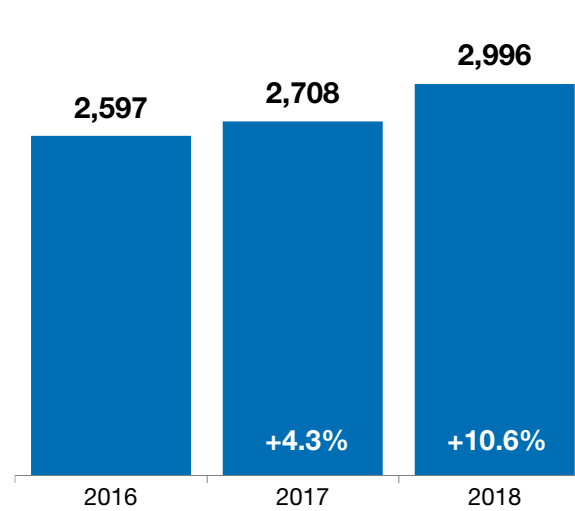
A count of the properties on which contracts have been accepted in a given month.



July

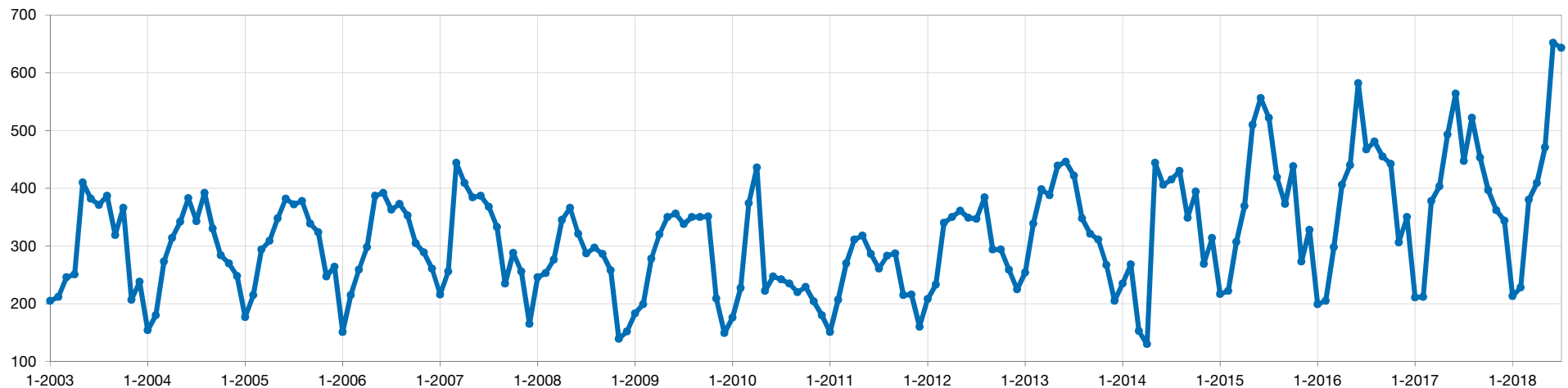


Year to Date



| Month | Prior Year | Current Year | + / - |
|---------------------|------------|--------------|---------------|
| 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 | 380 | +0.5% |
| April 2018 | 403 | 409 | +1.5% |
| May 2018 | 493 | 471 | -4.5% |
| June 2018 | 564 | 652 | +15.6% |
| July 2018 | 447 | 643 | +43.8% |
| 12-Month Avg | 395 | 423 | +7.0% |

Historical Pending Sales Activity

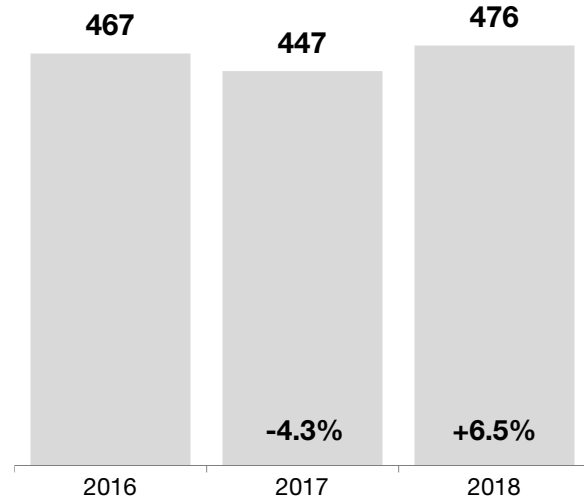


Closed Sales

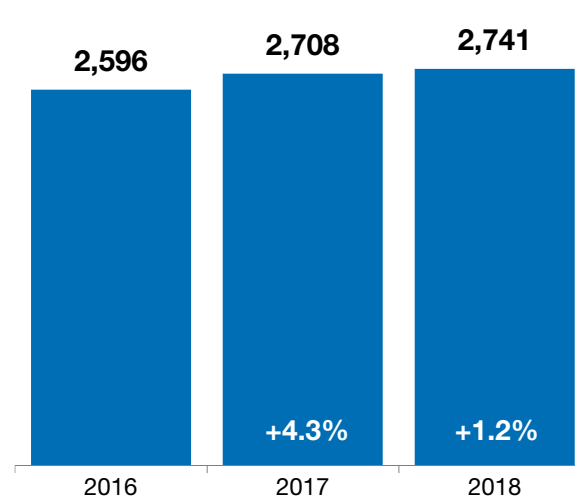
A count of the actual sales that have closed in a given month.



July



Year to Date



| Month | Prior Year | Current Year | + / - |
|---------------------|------------|--------------|--------------|
| 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 | 453 | -8.1% |
| June 2018 | 564 | 594 | +5.3% |
| July 2018 | 447 | 476 | +6.5% |
| 12-Month Avg | 395 | 402 | +2.1% |

Historical Closed Sales Activity

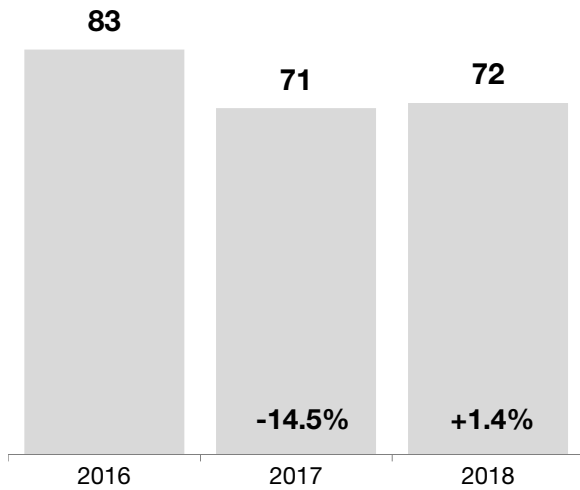


Days on Market Until Sale

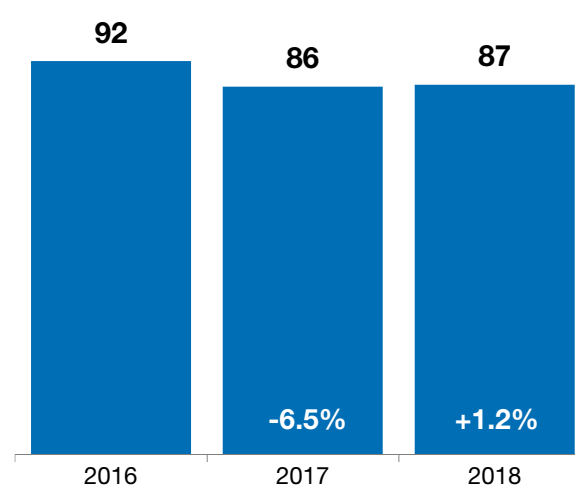
Average number of days between when a property is first listed and when a property is closed in a given month.



July



Year to Date



| Month | Prior Year | Current Year | + / - |
|---------------------|------------|--------------|--------------|
| 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 | 89 | +2.3% |
| June 2018 | 82 | 76 | -7.3% |
| July 2018 | 71 | 72 | +1.4% |
| 12-Month Avg | 86 | 83 | -3.5% |

Historical Days on Market Until Sale

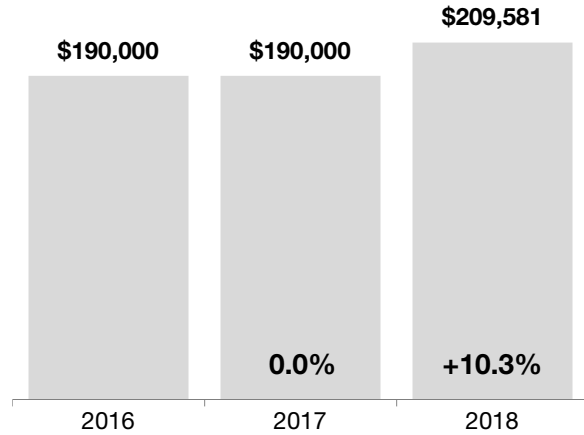


Median Sales Price

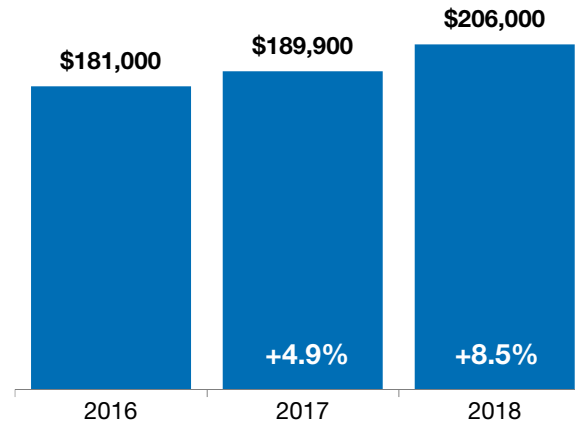
Median price point for all closed sales, not accounting for seller concessions, in a given month.



July



Year to Date



| Month | Prior Year | Current Year | + / - |
|---------------------|------------------|------------------|---------------|
| 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% |
| July 2018 | \$190,000 | \$209,581 | +10.3% |
| 12-Month Med | \$186,000 | \$199,900 | +7.5% |

Historical Median Sales Price

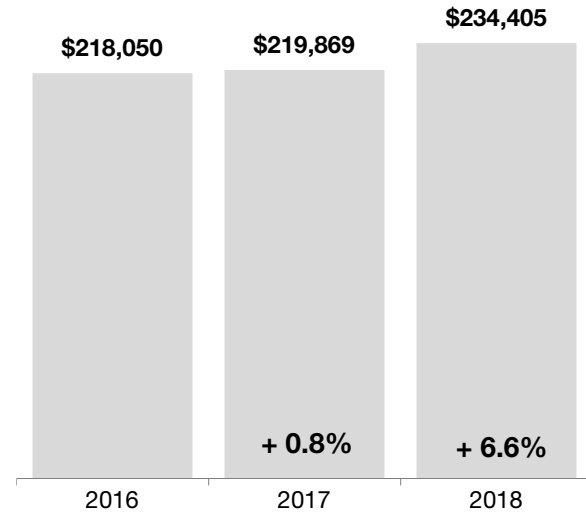


Average Sales Price

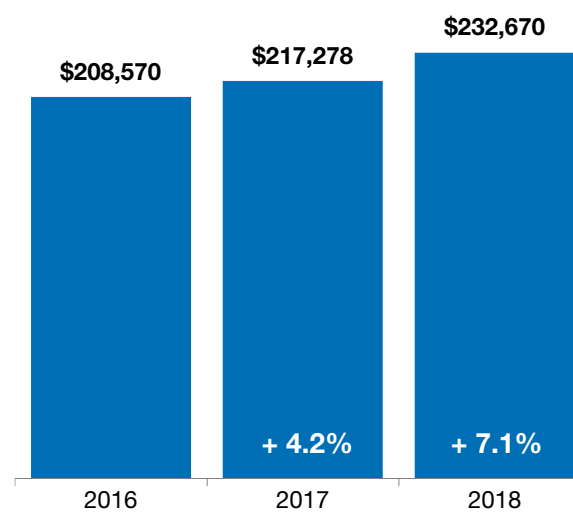
Average sales price for all closed sales, not accounting for seller concessions, in a given month.



July

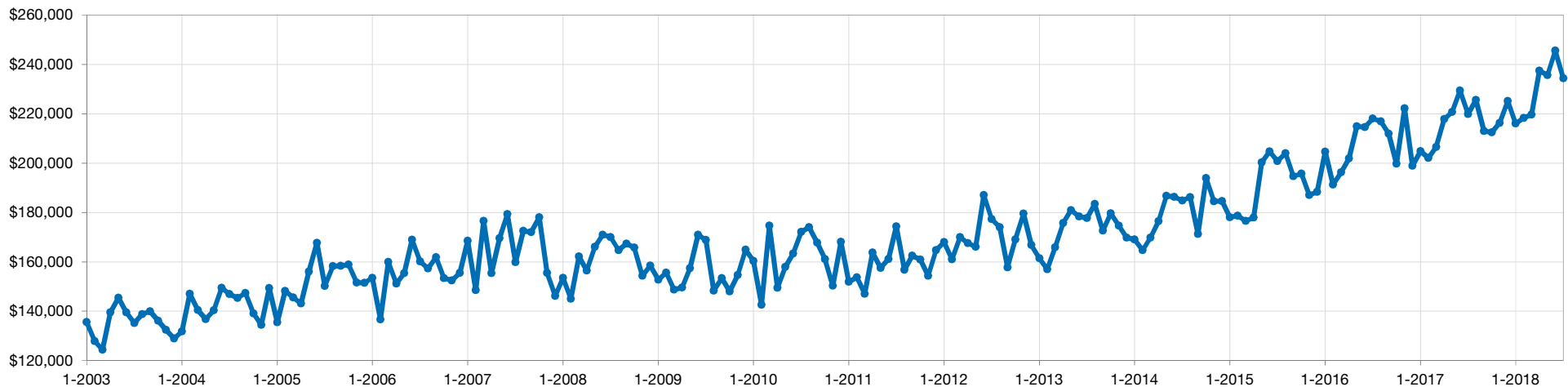


Year to Date



| Month | Prior Year | Current Year | + / - |
|---------------------|------------------|------------------|--------------|
| 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 | \$235,596 | +6.7% |
| June 2018 | \$229,404 | \$245,570 | +7.0% |
| July 2018 | \$219,869 | \$234,405 | +6.6% |
| 12-Month Avg | \$214,040 | \$226,617 | +5.9% |

Historical Average Sales Price



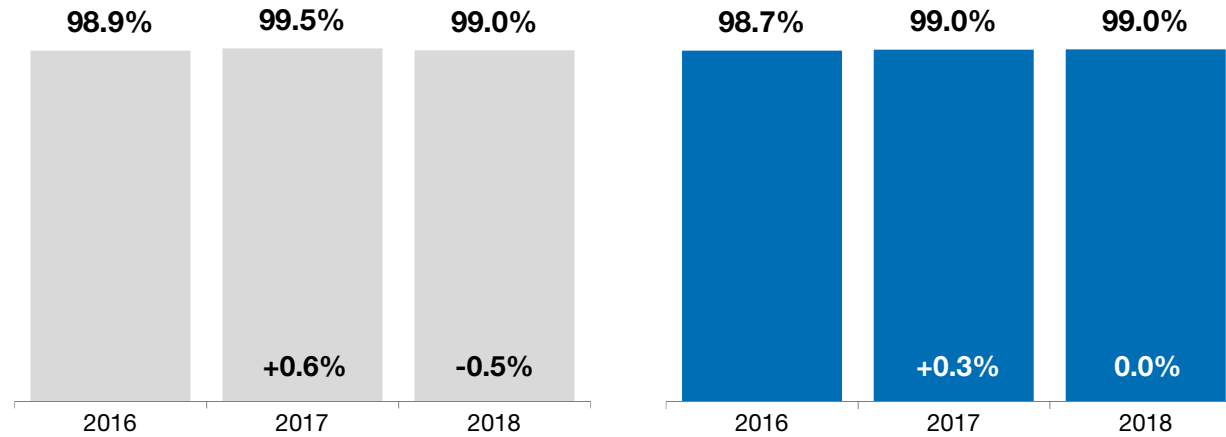
Percent of Original List Price Received

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.



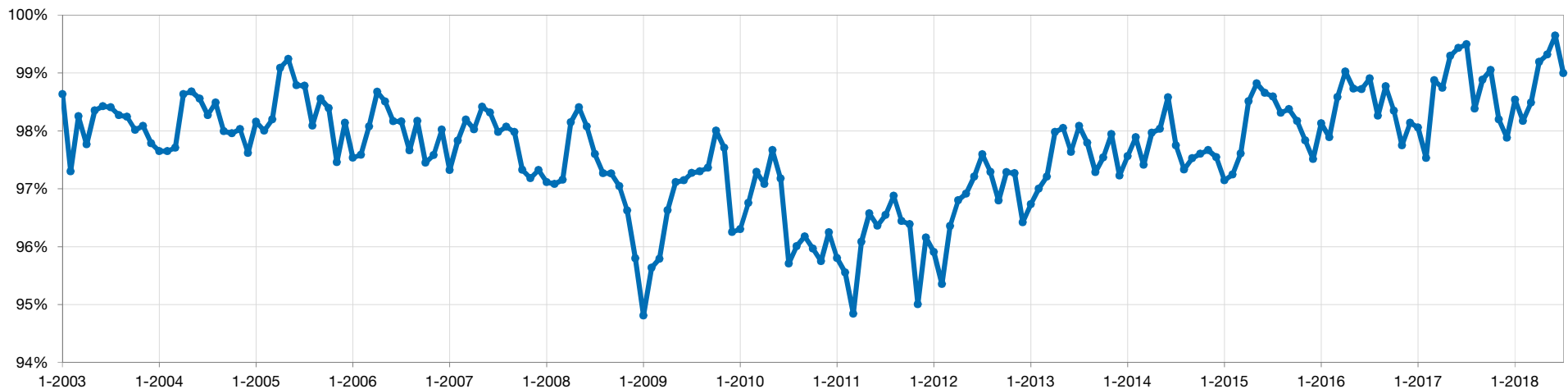
July

Year to Date



| Month | Prior Year | Current Year | + / - |
|---------------------|--------------|--------------|--------------|
| 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% |
| July 2018 | 99.5% | 99.0% | -0.5% |
| 12-Month Avg | 98.7% | 98.8% | +0.1% |

Historical Percent of Original List Price Received



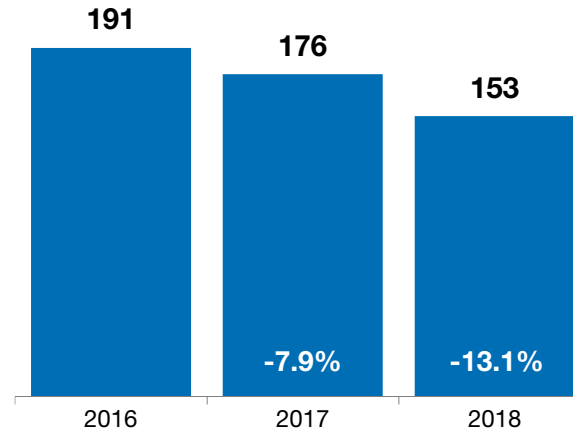
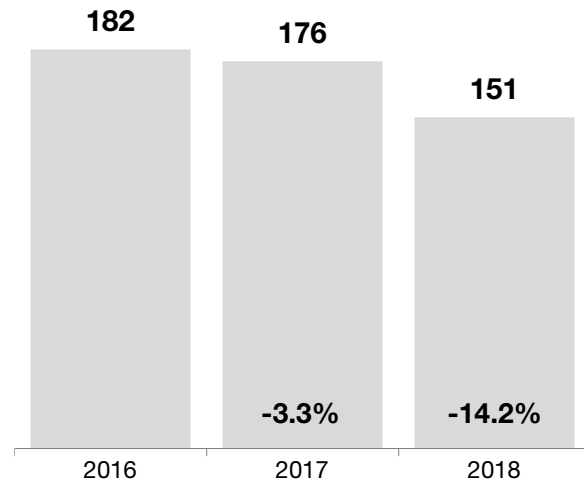
Housing Affordability Index

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.**



July

Year to Date



| Month | Prior Year | Current Year | + / - |
|---------------------|------------|--------------|---------------|
| 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% |
| July 2018 | 176 | 151 | -14.2% |
| 12-Month Avg | 179 | 164 | -8.4% |

Historical Housing Affordability Index

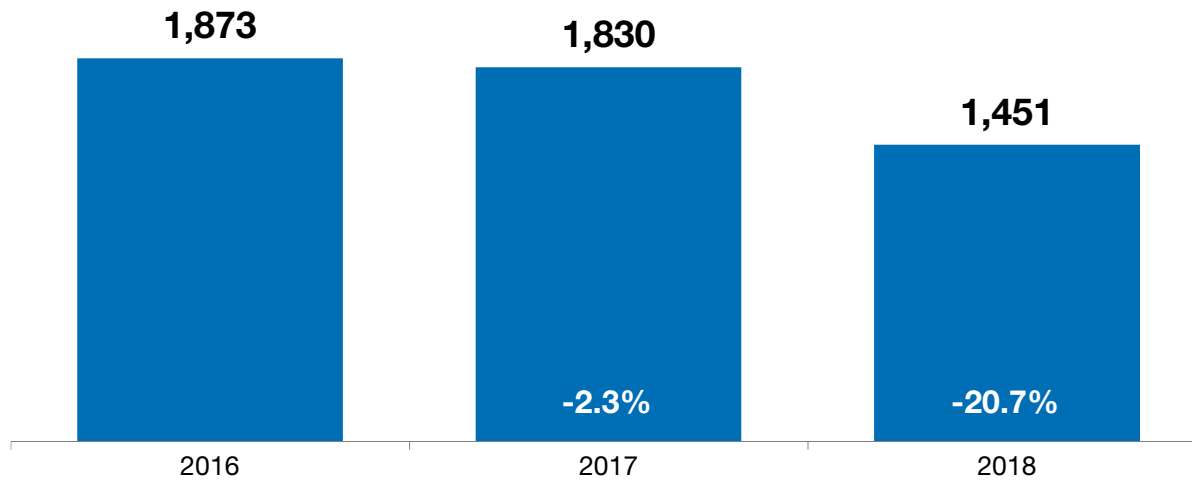


Inventory of Homes for Sale

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

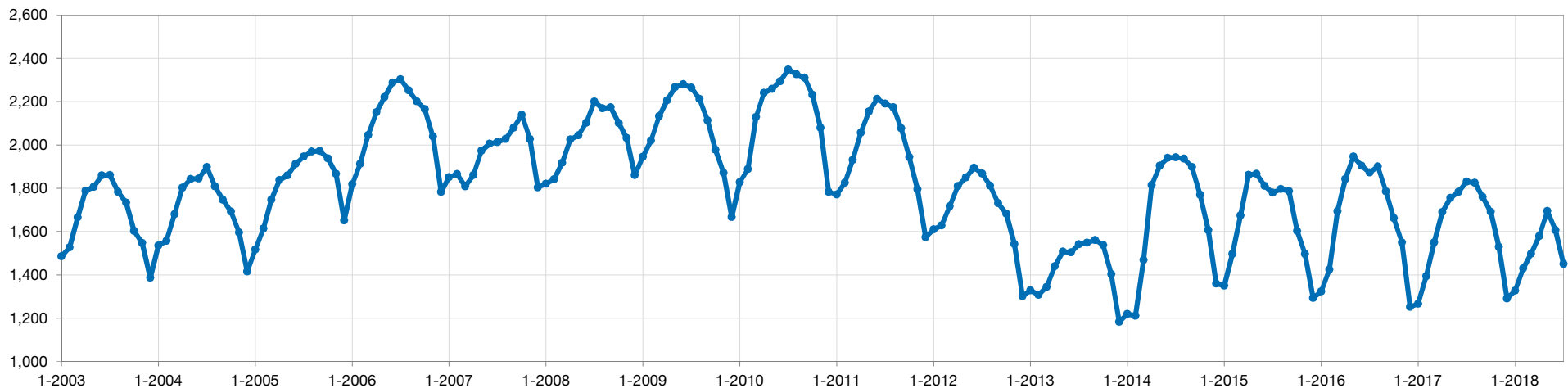


July



| Month | Prior Year | Current Year | + / - |
|---------------------|--------------|--------------|---------------|
| August 2017 | 1,900 | 1,825 | -3.9% |
| September 2017 | 1,786 | 1,760 | -1.5% |
| October 2017 | 1,662 | 1,691 | +1.7% |
| November 2017 | 1,550 | 1,529 | -1.4% |
| December 2017 | 1,252 | 1,291 | +3.1% |
| January 2018 | 1,267 | 1,327 | +4.7% |
| February 2018 | 1,394 | 1,430 | +2.6% |
| March 2018 | 1,550 | 1,498 | -3.4% |
| April 2018 | 1,690 | 1,579 | -6.6% |
| May 2018 | 1,755 | 1,695 | -3.4% |
| June 2018 | 1,783 | 1,607 | -9.9% |
| July 2018 | 1,830 | 1,451 | -20.7% |
| 12-Month Avg | 1,618 | 1,557 | -3.2% |

Historical Inventory of Homes for Sale

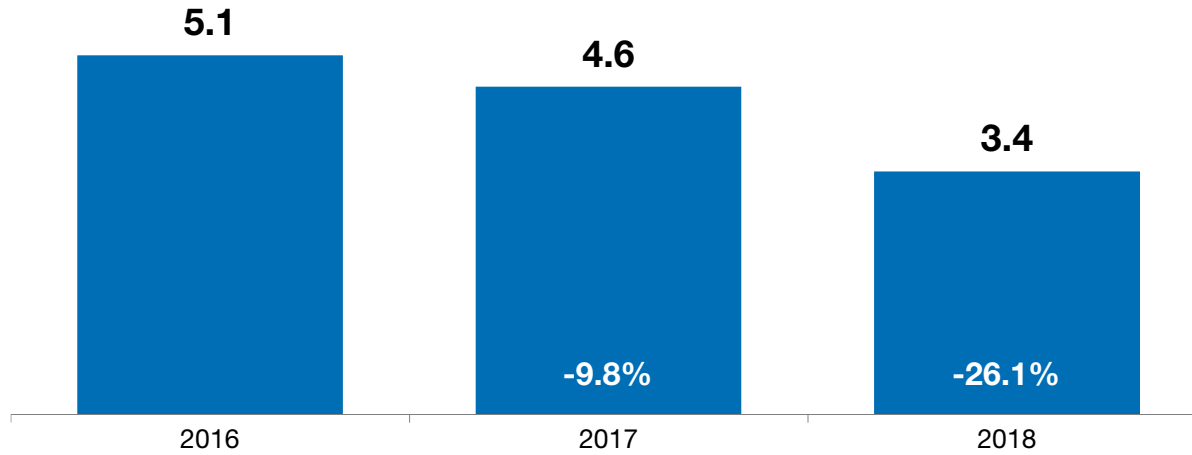


Months Supply of Homes for Sale

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.

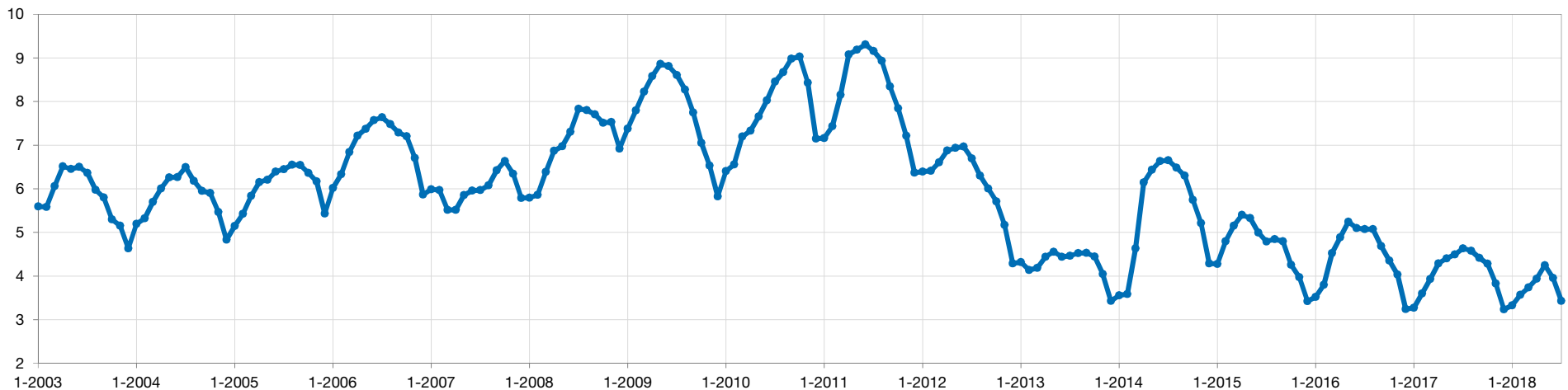


July



| Month | Prior Year | Current Year | + / - |
|---------------------|------------|--------------|---------------|
| 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 | 3.6 | 0.0% |
| March 2018 | 3.9 | 3.7 | -5.1% |
| April 2018 | 4.3 | 3.9 | -9.3% |
| May 2018 | 4.4 | 4.2 | -4.5% |
| June 2018 | 4.5 | 4.0 | -11.1% |
| July 2018 | 4.6 | 3.4 | -26.1% |
| 12-Month Avg | 4.2 | 3.9 | -7.1% |

Historical Months Supply of Homes for Sale

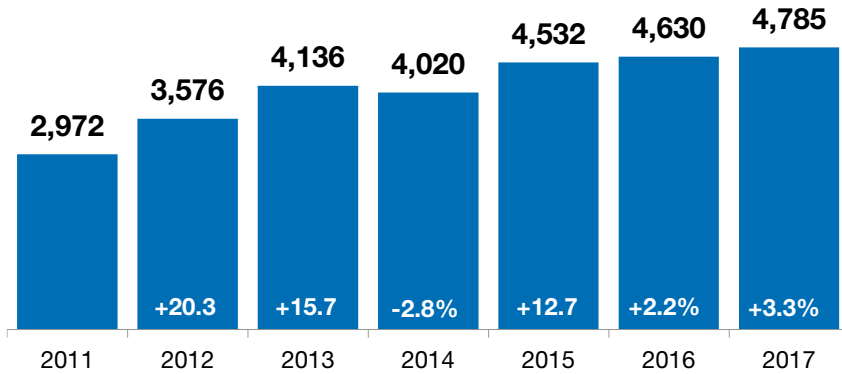


Annual Review

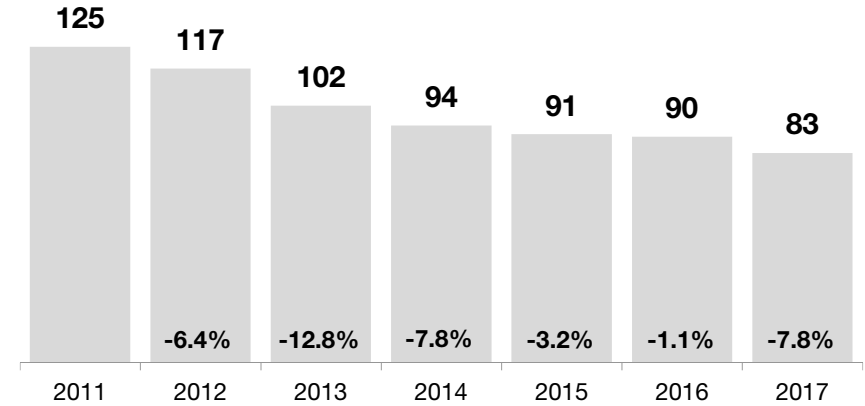
Historical look at key market metrics for the overall region.



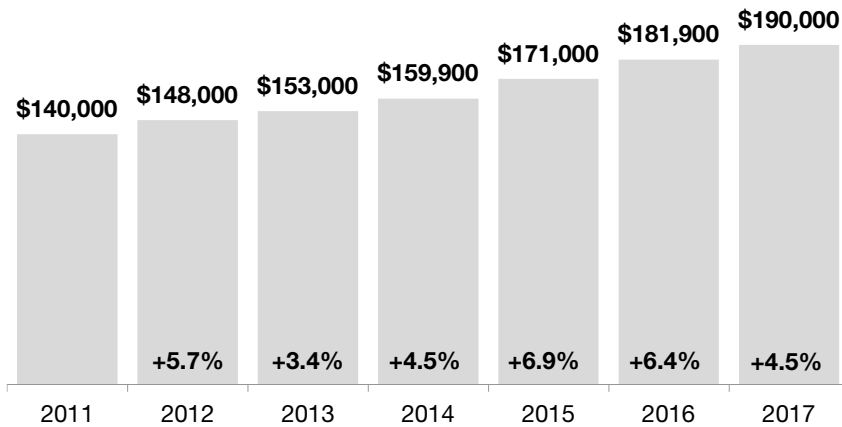
Closed Sales



Days on Market



Median Sales Price



Percent of Original List Price Received

