

Monthly Indicators



August 2018

Rising home prices, higher interest rates and increased building material costs have pressured housing affordability to a ten-year low, according to the National Association of Home Builders. Keen market observers have been watching this situation take shape for quite some time. Nationally, median household income has risen 2.6% in the last 12 months, while home prices are up 6.0%. That kind of gap will eventually create fewer sales due to affordability concerns, which is happening in several markets, especially in the middle to high-middle price ranges.

New Listings in the Sioux Falls region decreased 7.7 percent to 644. Pending Sales were up 22.8 percent to 641. Inventory levels fell 20.2 percent to 1,457 units.

Prices continued to gain traction. The Median Sales Price increased 2.6 percent to \$199,900. Days on Market was down 2.5 percent to 77 days. Sellers were encouraged as Months Supply of Homes for Sale was down 23.9 percent to 3.5 months.

While some are starting to look for recessionary signs like fewer sales, dropping prices and even foreclosures, others are taking a more cautious and research-based approach to their predictions. The fact remains that the trends do not yet support a dramatic shift away from what has been experienced over the last several years. Housing starts are performing admirably if not excitingly, prices are still inching upward, supply remains low and consumers are optimistic. The U.S. economy is under scrutiny but certainly not deteriorating.

Quick Facts

- 4.6%

+ 2.6%

- 20.2%

Change in
Closed Sales

Change in
Median Sales Price

Change in
Inventory

| | |
|---|-----------|
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Market Overview

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



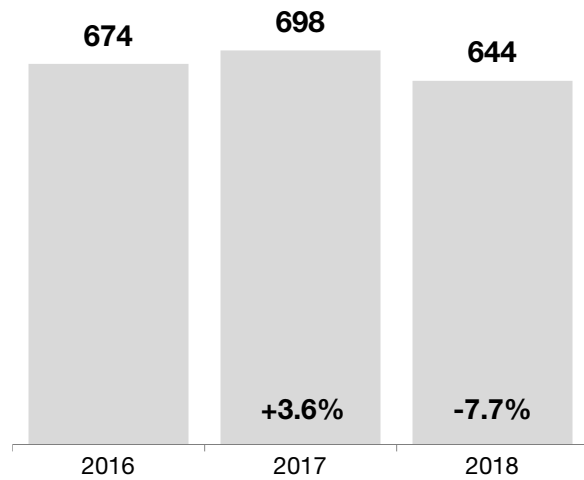
| Key Metrics | Historical Sparklines | 8-2017 | 8-2018 | + / - | YTD 2017 | YTD 2018 | + / - |
|--|-----------------------|-----------|------------------|---------|-----------|------------------|---------|
| New Listings | | 698 | 644 | - 7.7% | 4,838 | 4,827 | - 0.2% |
| Pending Sales | | 522 | 641 | + 22.8% | 3,230 | 3,490 | + 8.0% |
| Closed Sales | | 522 | 498 | - 4.6% | 3,230 | 3,268 | + 1.2% |
| Days on Market Until Sale | | 79 | 77 | - 2.5% | 85 | 85 | 0.0% |
| Median Sales Price | | \$194,900 | \$199,900 | + 2.6% | \$190,000 | \$205,000 | + 7.9% |
| Average Sales Price | | \$225,563 | \$220,811 | - 2.1% | \$218,618 | \$230,804 | + 5.6% |
| Percent of Original List Price Received | | 98.4% | 99.0% | + 0.6% | 98.9% | 99.0% | + 0.1% |
| Housing Affordability Index | | 173 | 157 | - 9.2% | 178 | 153 | - 14.0% |
| Inventory of Homes for Sale | | 1,825 | 1,457 | - 20.2% | -- | -- | -- |
| Months Supply of Homes for Sale | | 4.6 | 3.5 | - 23.9% | -- | -- | -- |

New Listings

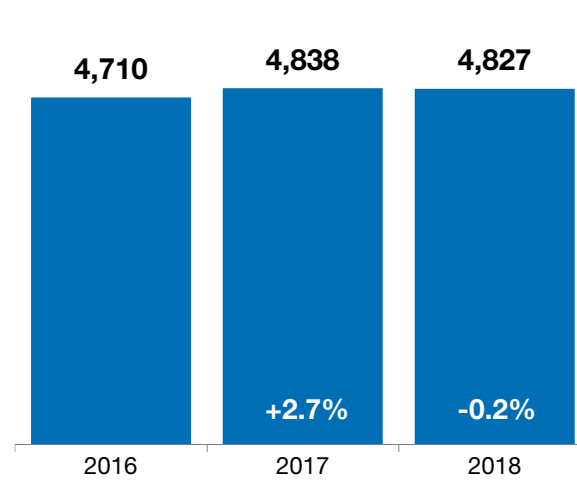
A count of the properties that have been newly listed on the market in a given month.



August

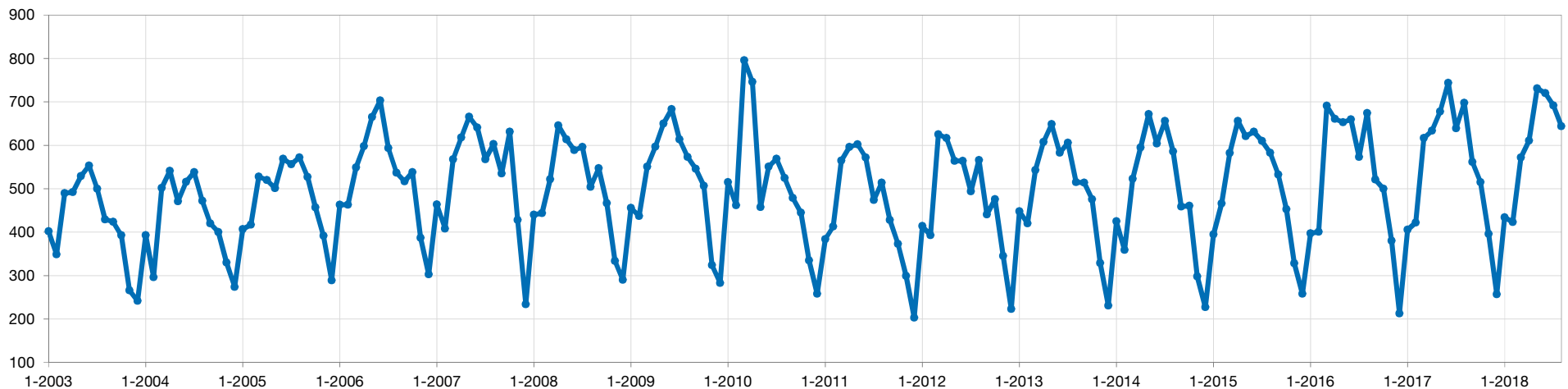


Year to Date



| Month | Prior Year | Current Year | + / - |
|---------------------|------------|--------------|--------------|
| September 2017 | 521 | 562 | +7.9% |
| October 2017 | 500 | 515 | +3.0% |
| November 2017 | 380 | 396 | +4.2% |
| December 2017 | 213 | 257 | +20.7% |
| January 2018 | 406 | 434 | +6.9% |
| February 2018 | 422 | 423 | +0.2% |
| March 2018 | 617 | 572 | -7.3% |
| April 2018 | 634 | 611 | -3.6% |
| May 2018 | 678 | 731 | +7.8% |
| June 2018 | 744 | 720 | -3.2% |
| July 2018 | 639 | 692 | +8.3% |
| August 2018 | 698 | 644 | -7.7% |
| 12-Month Avg | 538 | 546 | +1.6% |

Historical New Listing Activity

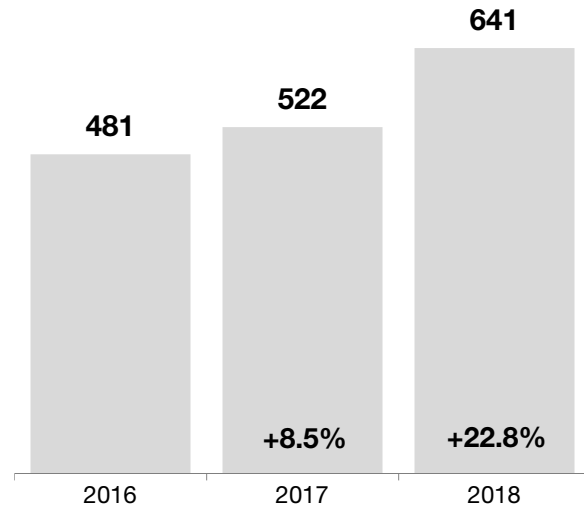


Pending Sales

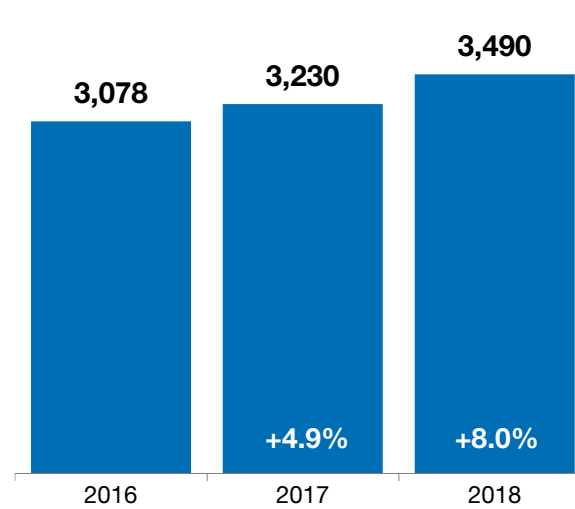
A count of the properties on which contracts have been accepted in a given month.



August



Year to Date



| Month | Prior Year | Current Year | + / - |
|---------------------|------------|--------------|---------------|
| 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 | 227 | +7.1% |
| March 2018 | 378 | 379 | +0.3% |
| April 2018 | 403 | 407 | +1.0% |
| May 2018 | 493 | 459 | -6.9% |
| June 2018 | 564 | 610 | +8.2% |
| July 2018 | 447 | 554 | +23.9% |
| August 2018 | 522 | 641 | +22.8% |
| 12-Month Avg | 399 | 420 | +5.5% |

Historical Pending Sales Activity

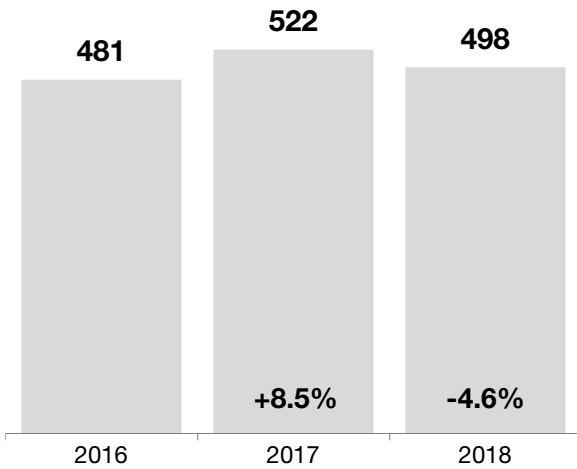


Closed Sales

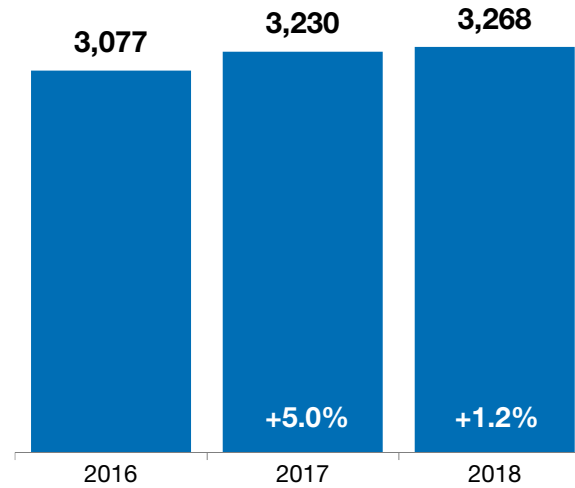
A count of the actual sales that have closed in a given month.



August



Year to Date



| Month | Prior Year | Current Year | + / - |
|---------------------|------------|--------------|--------------|
| 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 | 404 | +0.2% |
| May 2018 | 493 | 454 | -7.9% |
| June 2018 | 564 | 597 | +5.9% |
| July 2018 | 447 | 499 | +11.6% |
| August 2018 | 522 | 498 | -4.6% |
| 12-Month Avg | 399 | 402 | +1.5% |

Historical Closed Sales Activity

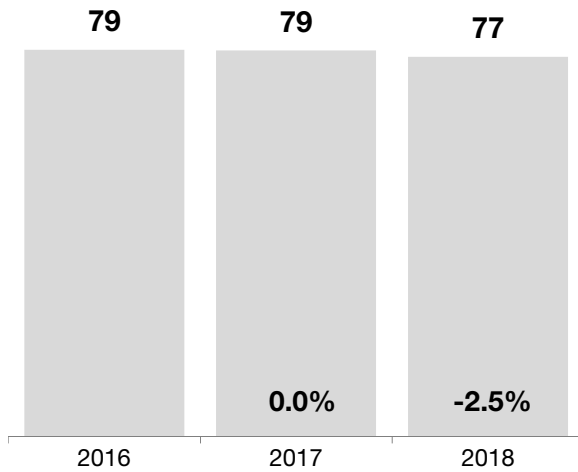


Days on Market Until Sale

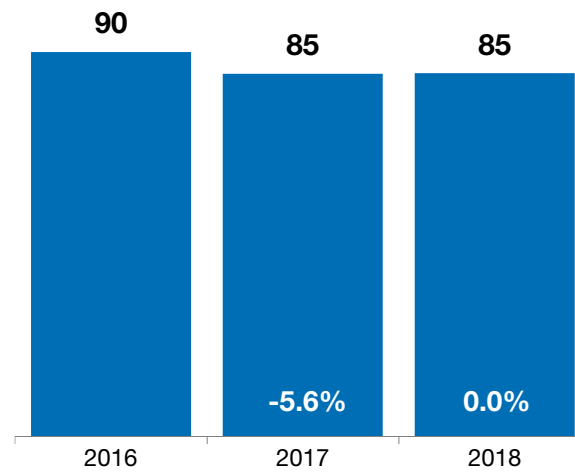
Average number of days between when a property is first listed and when a property is closed in a given month.



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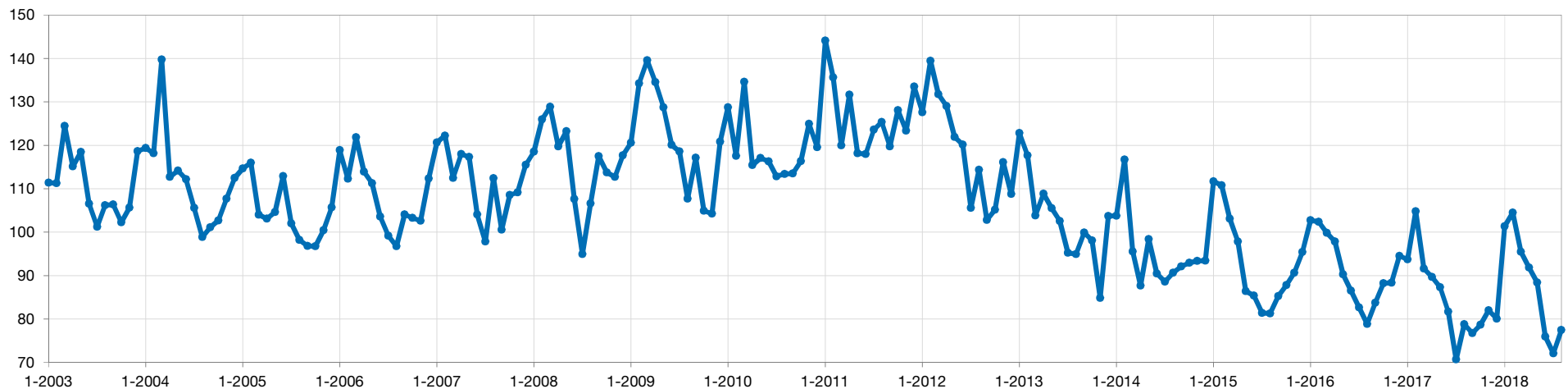


Year to Date



| Month | Prior Year | Current Year | + / - |
|---------------------|------------|--------------|--------------|
| 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 | 76 | -7.3% |
| July 2018 | 71 | 72 | +1.4% |
| August 2018 | 79 | 77 | -2.5% |
| 12-Month Avg | 86 | 83 | -3.5% |

Historical Days on Market Until Sale

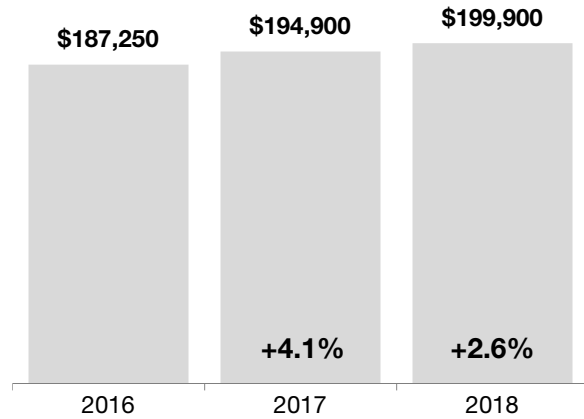


Median Sales Price

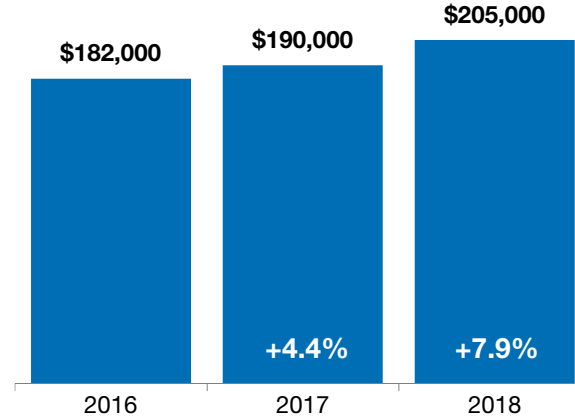
Median price point for all closed sales, not accounting for seller concessions, in a given month.



August



Year to Date



| Month | Prior Year | Current Year | + / - |
|---------------------|------------------|------------------|--------------|
| 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 | \$209,700 | +10.4% |
| May 2018 | \$194,900 | \$211,000 | +8.3% |
| June 2018 | \$201,800 | \$215,000 | +6.5% |
| July 2018 | \$190,000 | \$208,000 | +9.5% |
| August 2018 | \$194,900 | \$199,900 | +2.6% |
| 12-Month Med | \$187,500 | \$199,900 | +6.6% |

Historical Median Sales Price

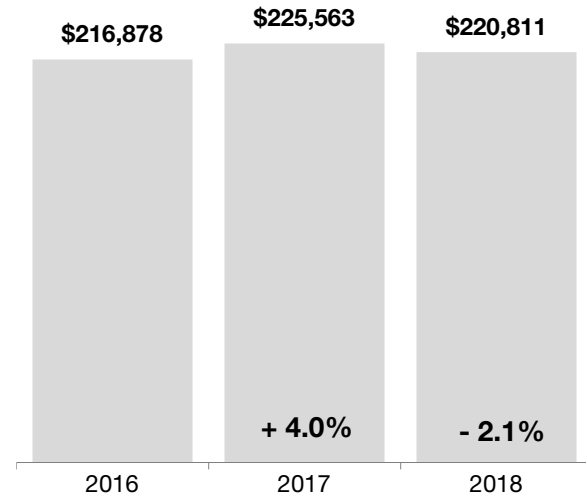


Average Sales Price

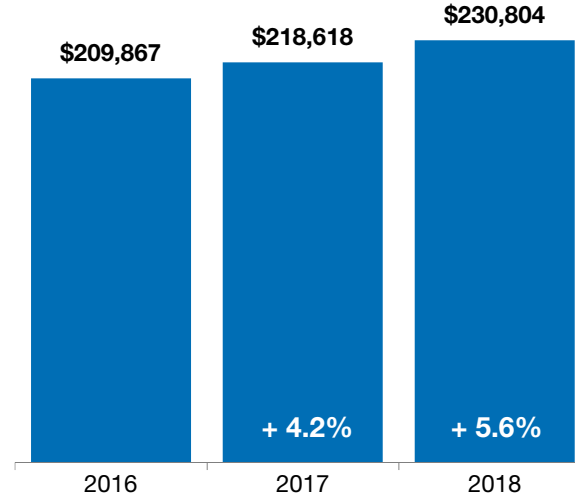
Average sales price for all closed sales, not accounting for seller concessions, in a given month.



August

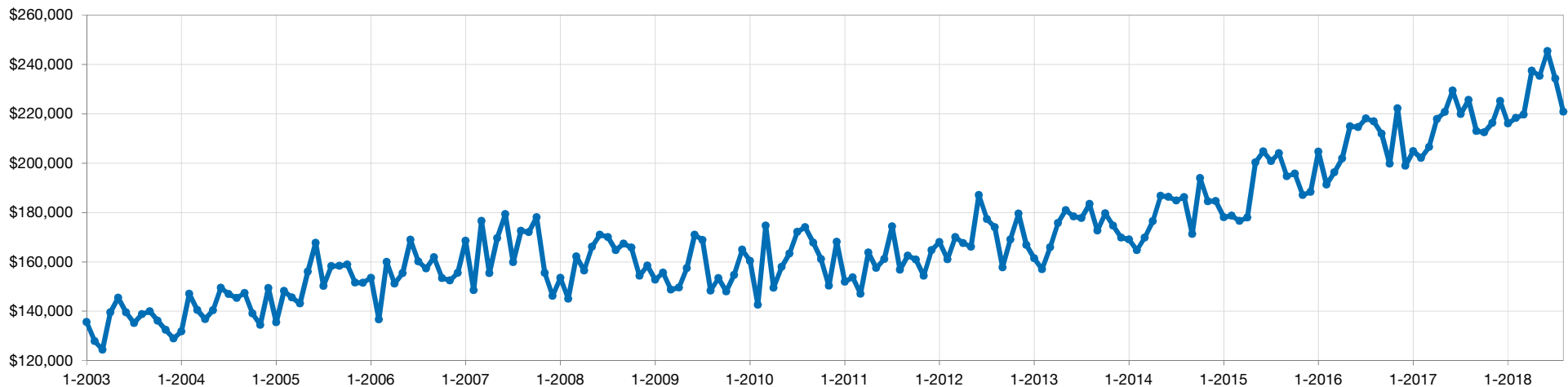


Year to Date



| Month | Prior Year | Current Year | + / - |
|---------------------|------------------|------------------|--------------|
| 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 | \$237,417 | +9.0% |
| May 2018 | \$220,735 | \$235,308 | +6.6% |
| June 2018 | \$229,404 | \$245,360 | +7.0% |
| July 2018 | \$219,869 | \$234,288 | +6.6% |
| August 2018 | \$225,563 | \$220,811 | -2.1% |
| 12-Month Avg | \$215,014 | \$226,129 | +5.2% |

Historical Average Sales Price



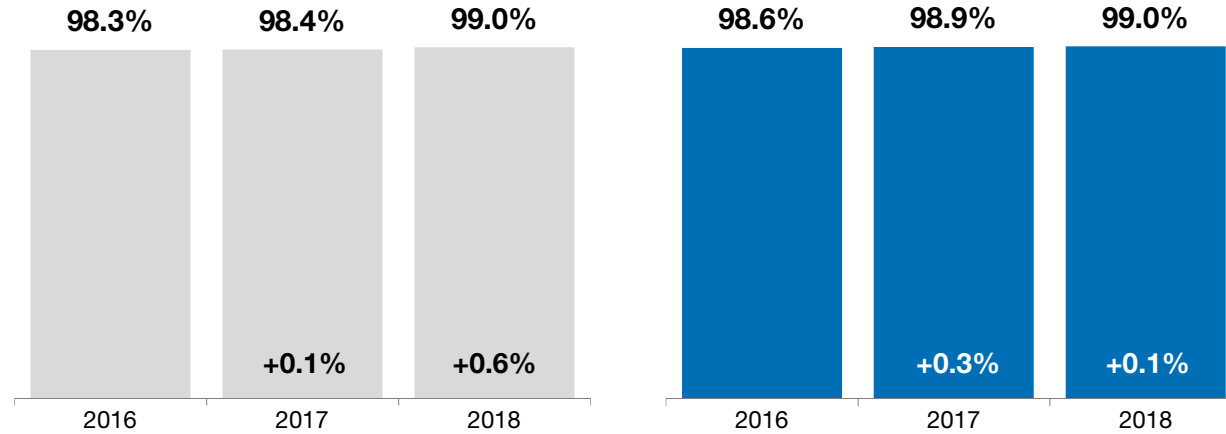
Percent of Original List Price Received

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.



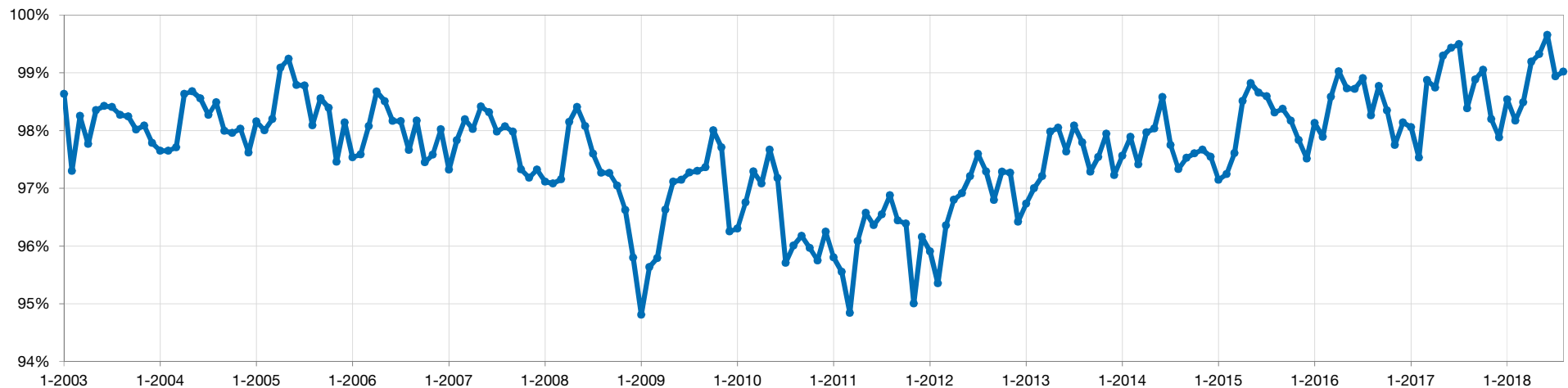
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Year to Date



| Month | Prior Year | Current Year | + / - |
|---------------------|--------------|--------------|--------------|
| 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% | 99.7% | +0.3% |
| July 2018 | 99.5% | 98.9% | -0.6% |
| August 2018 | 98.4% | 99.0% | +0.6% |
| 12-Month Avg | 98.7% | 98.9% | +0.2% |

Historical Percent of Original List Price Received

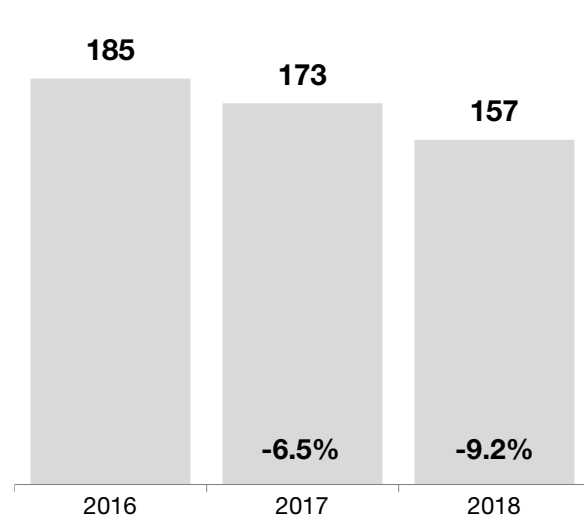


Housing Affordability Index

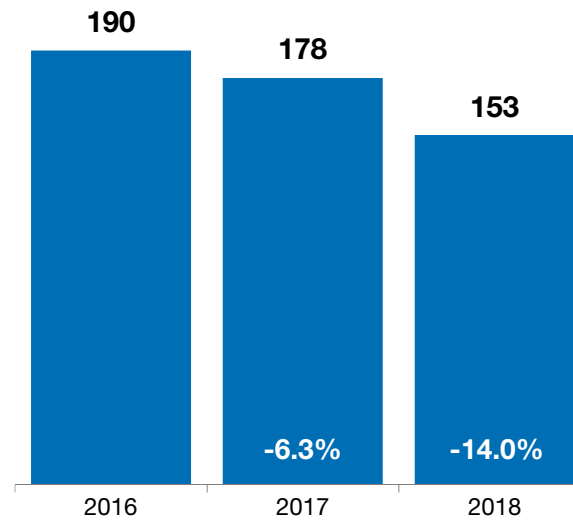
This index measures housing affordability for the region. For example, an index of 120 means the median household income was 120% of what is necessary to qualify for the median-priced home under prevailing interest rates. **A higher number means greater affordability.**



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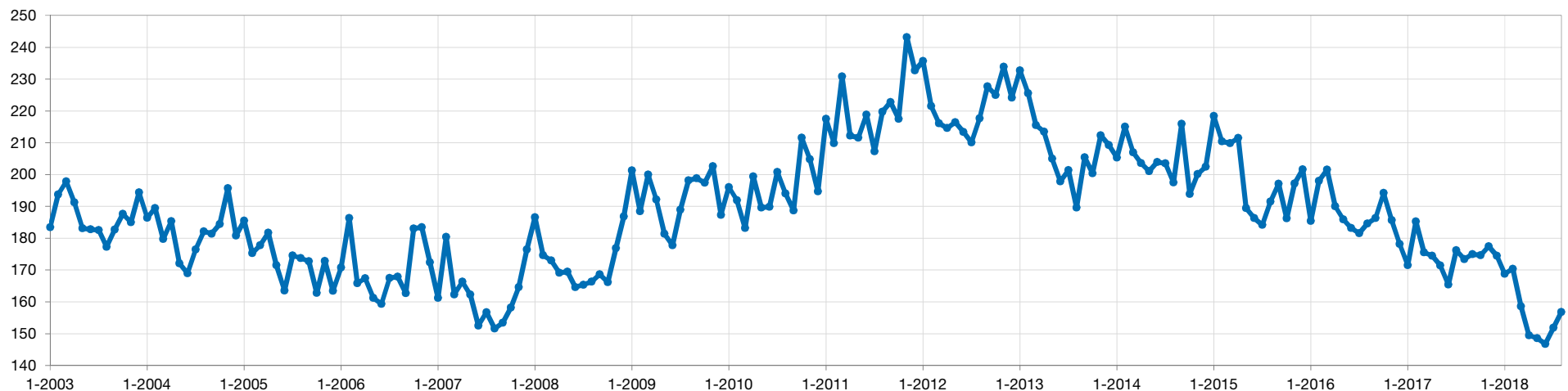


Year to Date



| Month | Prior Year | Current Year | + / - |
|---------------------|------------|--------------|--------------|
| 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 | 149 | -14.4% |
| May 2018 | 171 | 149 | -12.9% |
| June 2018 | 165 | 147 | -10.9% |
| July 2018 | 176 | 152 | -13.6% |
| August 2018 | 173 | 157 | -9.2% |
| 12-Month Avg | 178 | 163 | -8.4% |

Historical Housing Affordability Index

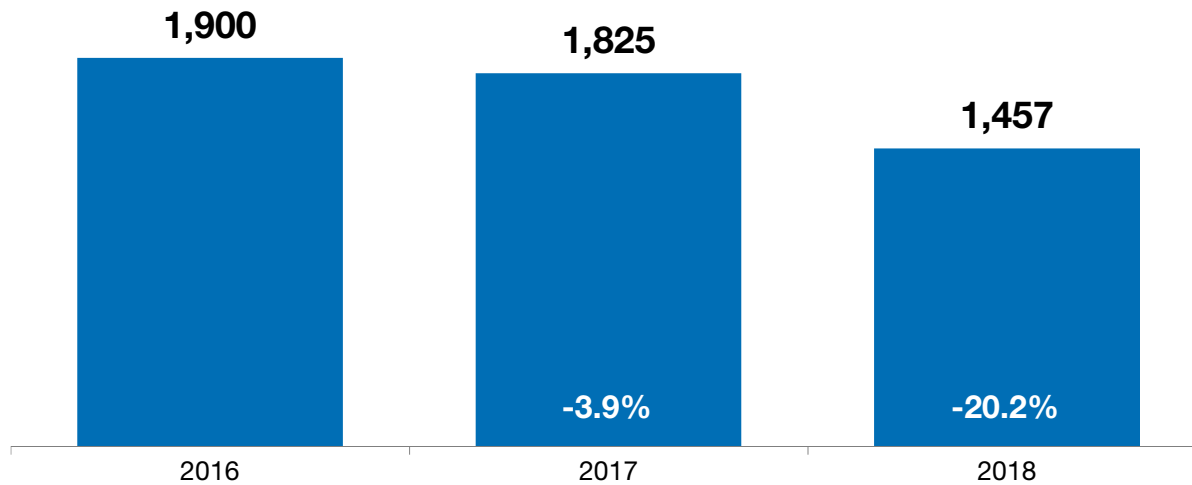


Inventory of Homes for Sale

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

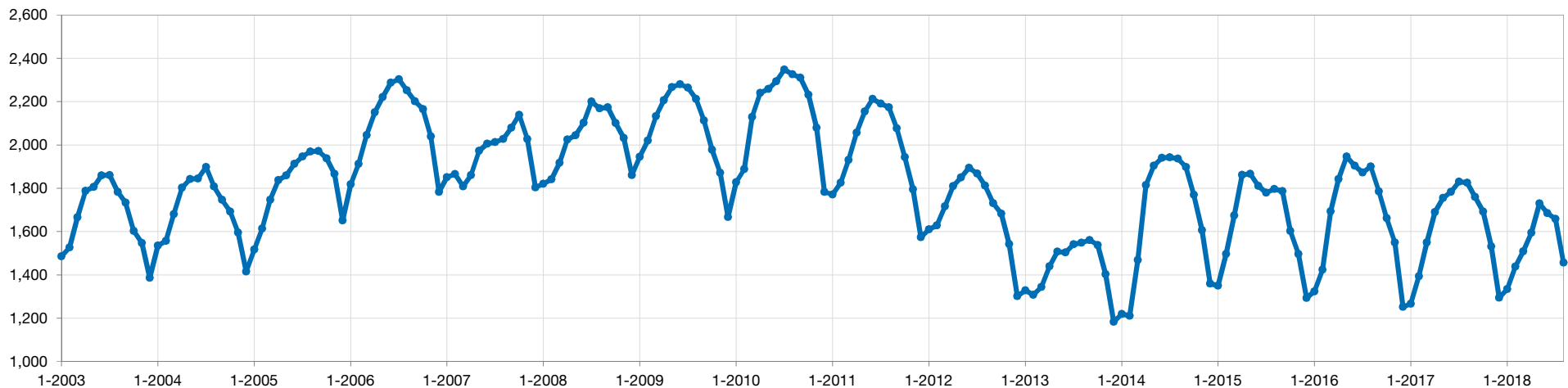


August



| Month | Prior Year | Current Year | + / - |
|---------------------|--------------|--------------|---------------|
| September 2017 | 1,786 | 1,760 | -1.5% |
| October 2017 | 1,662 | 1,692 | +1.8% |
| November 2017 | 1,550 | 1,531 | -1.2% |
| December 2017 | 1,252 | 1,295 | +3.4% |
| January 2018 | 1,267 | 1,334 | +5.3% |
| February 2018 | 1,394 | 1,439 | +3.2% |
| March 2018 | 1,550 | 1,509 | -2.6% |
| April 2018 | 1,690 | 1,595 | -5.6% |
| May 2018 | 1,755 | 1,730 | -1.4% |
| June 2018 | 1,783 | 1,685 | -5.5% |
| July 2018 | 1,830 | 1,659 | -9.3% |
| August 2018 | 1,825 | 1,457 | -20.2% |
| 12-Month Avg | 1,612 | 1,557 | -2.8% |

Historical Inventory of Homes for Sale

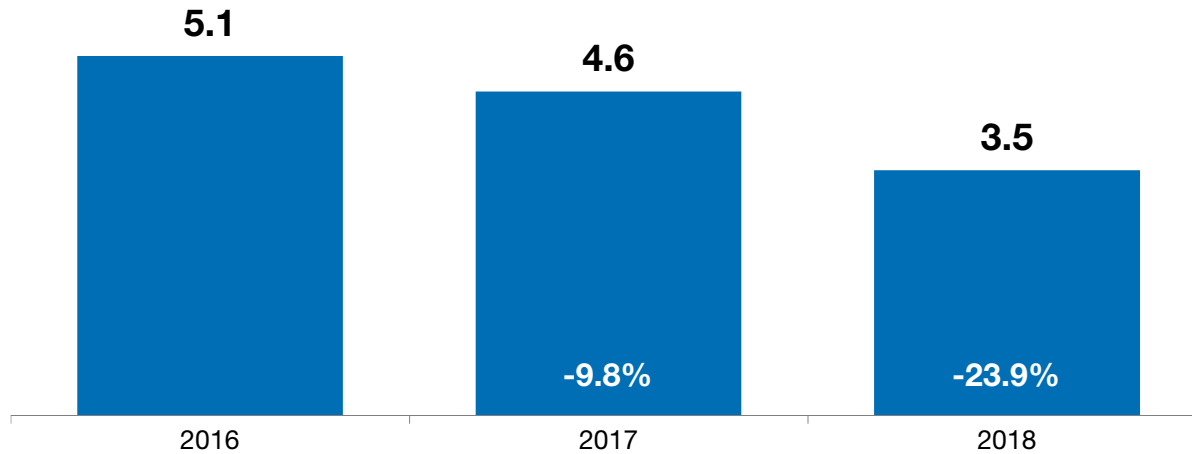


Months Supply of Homes for Sale

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.

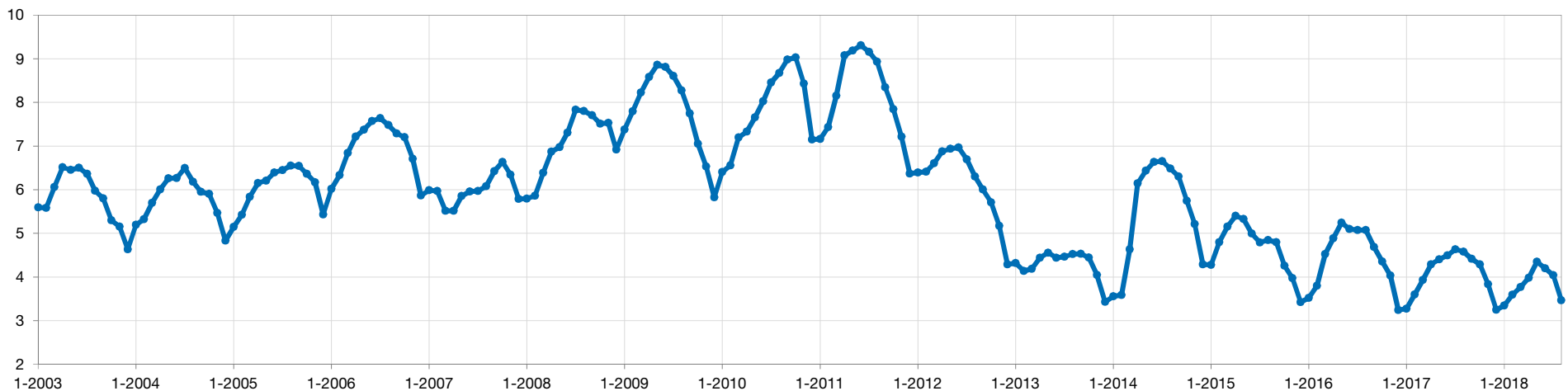


August



| Month | Prior Year | Current Year | + / - |
|---------------------|------------|--------------|---------------|
| 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 | 3.8 | -2.6% |
| April 2018 | 4.3 | 4.0 | -7.0% |
| May 2018 | 4.4 | 4.3 | -2.3% |
| June 2018 | 4.5 | 4.2 | -6.7% |
| July 2018 | 4.6 | 4.0 | -13.0% |
| August 2018 | 4.6 | 3.5 | -23.9% |
| 12-Month Avg | 4.1 | 3.9 | -4.9% |

Historical Months Supply of Homes for Sale

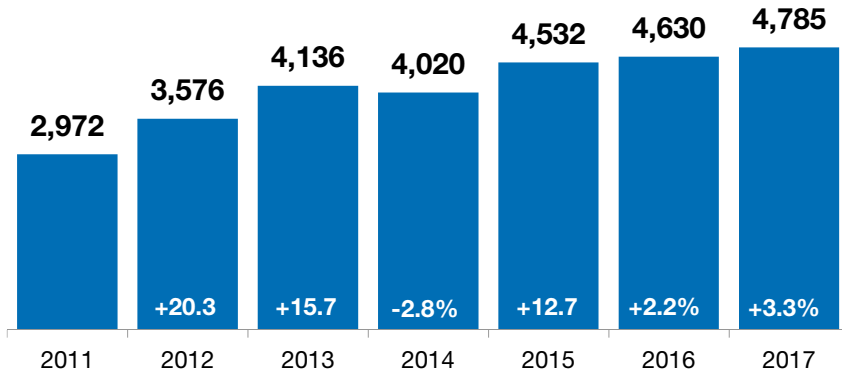


Annual Review

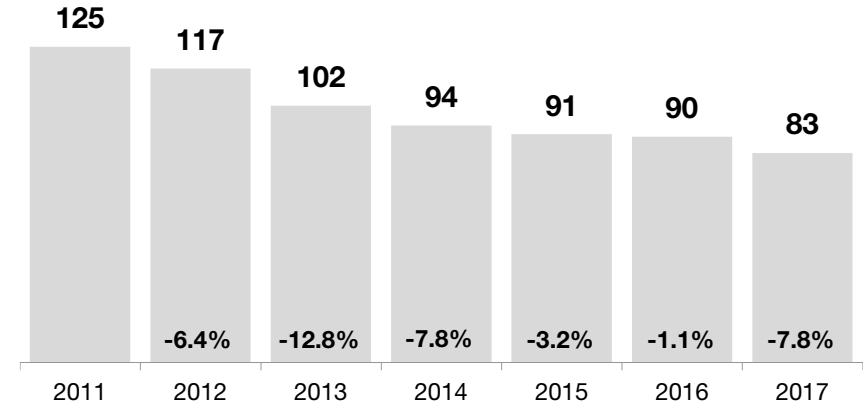
Historical look at key market metrics for the overall region.



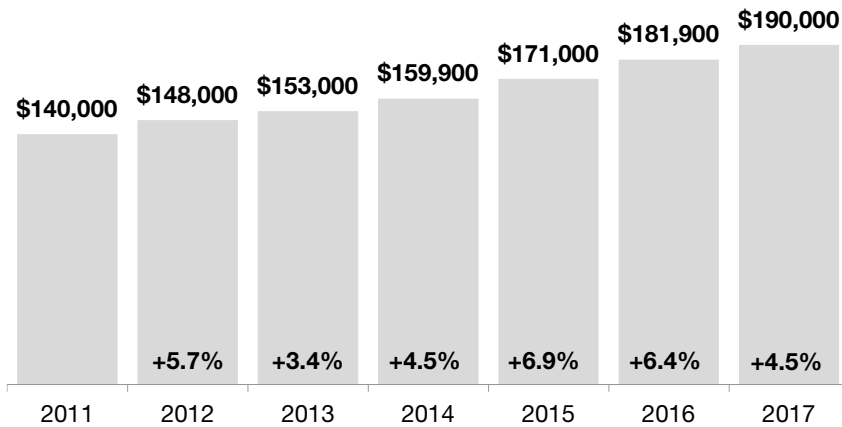
Closed Sales



Days on Market



Median Sales Price



Percent of Original List Price Received

