

# Legislative Commission on Housing Affordability

Twin Cities – Housing Market Update

Sharing market trends from a local perspective

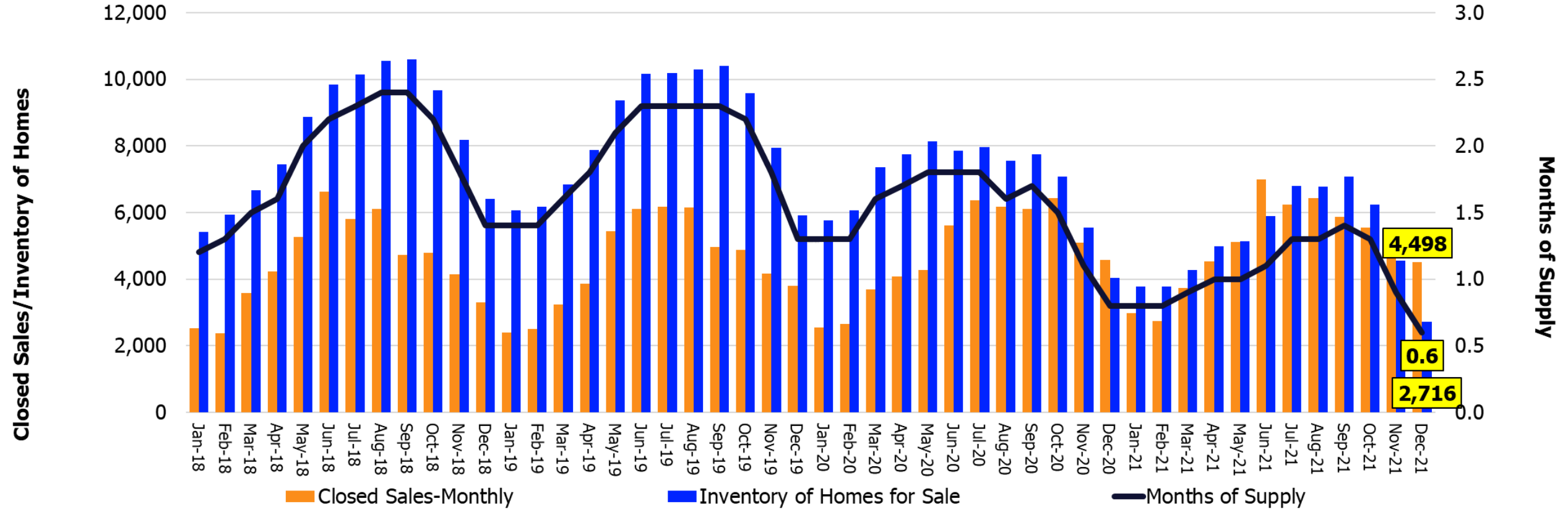
02/23/2022

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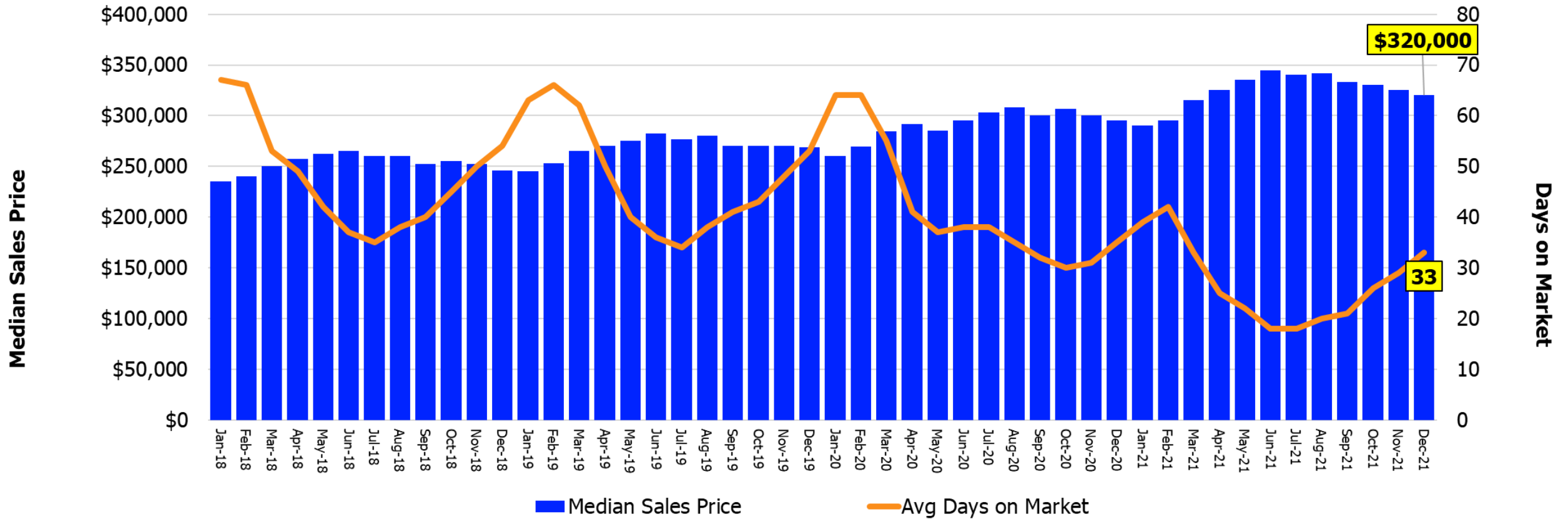
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# Resale inventory is extremely tight in the Twin Cities



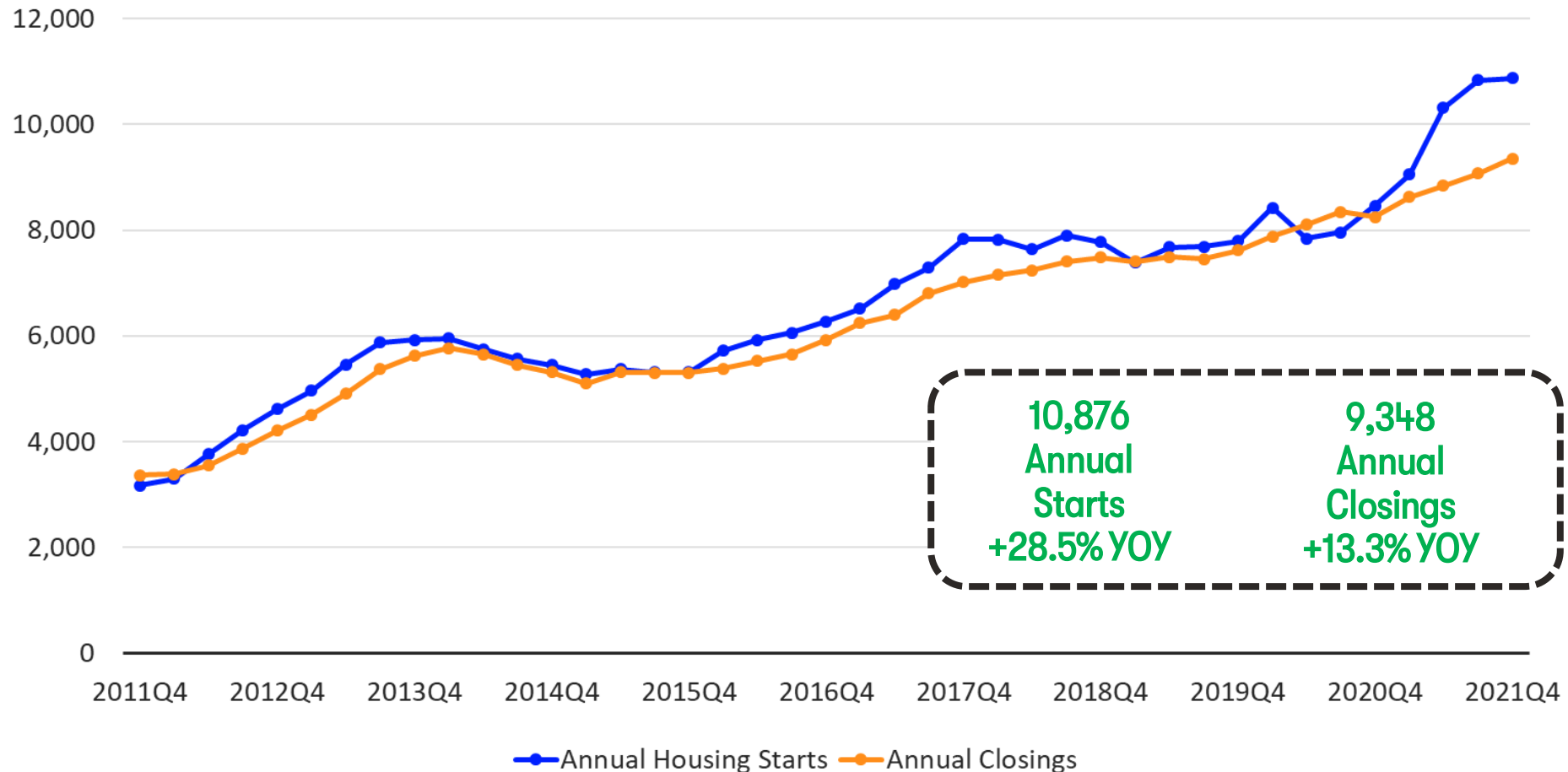
Source: MAAR - Northstar MLS - 16-County Region - Previously Owned Homes Only

# Strong demand, coupled with limited inventory, is pushing up the median resale price (+8.5% YOY)

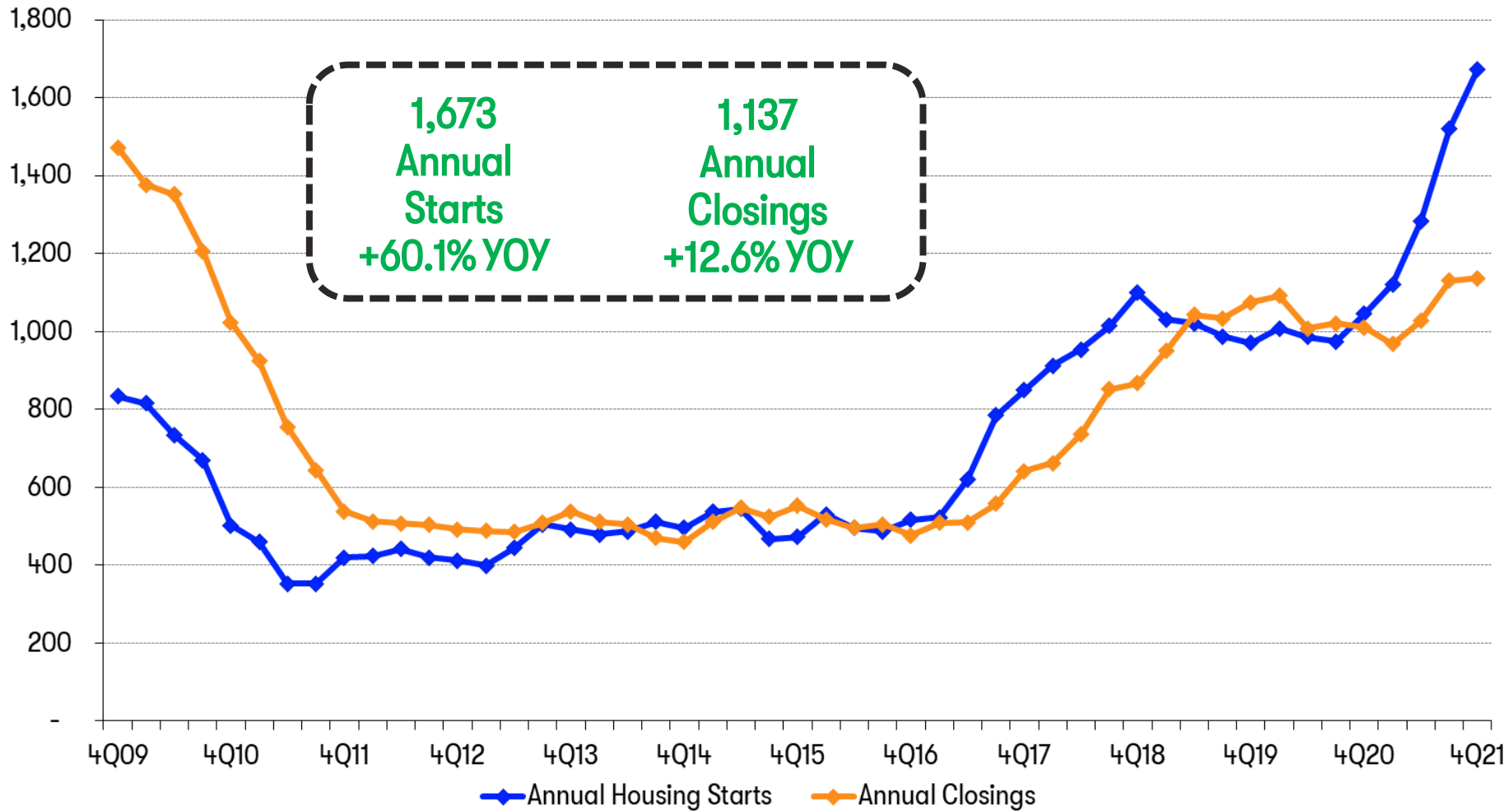


Source: MAAR - Northstar MLS - 16-County Region - Previously Owned Homes Only

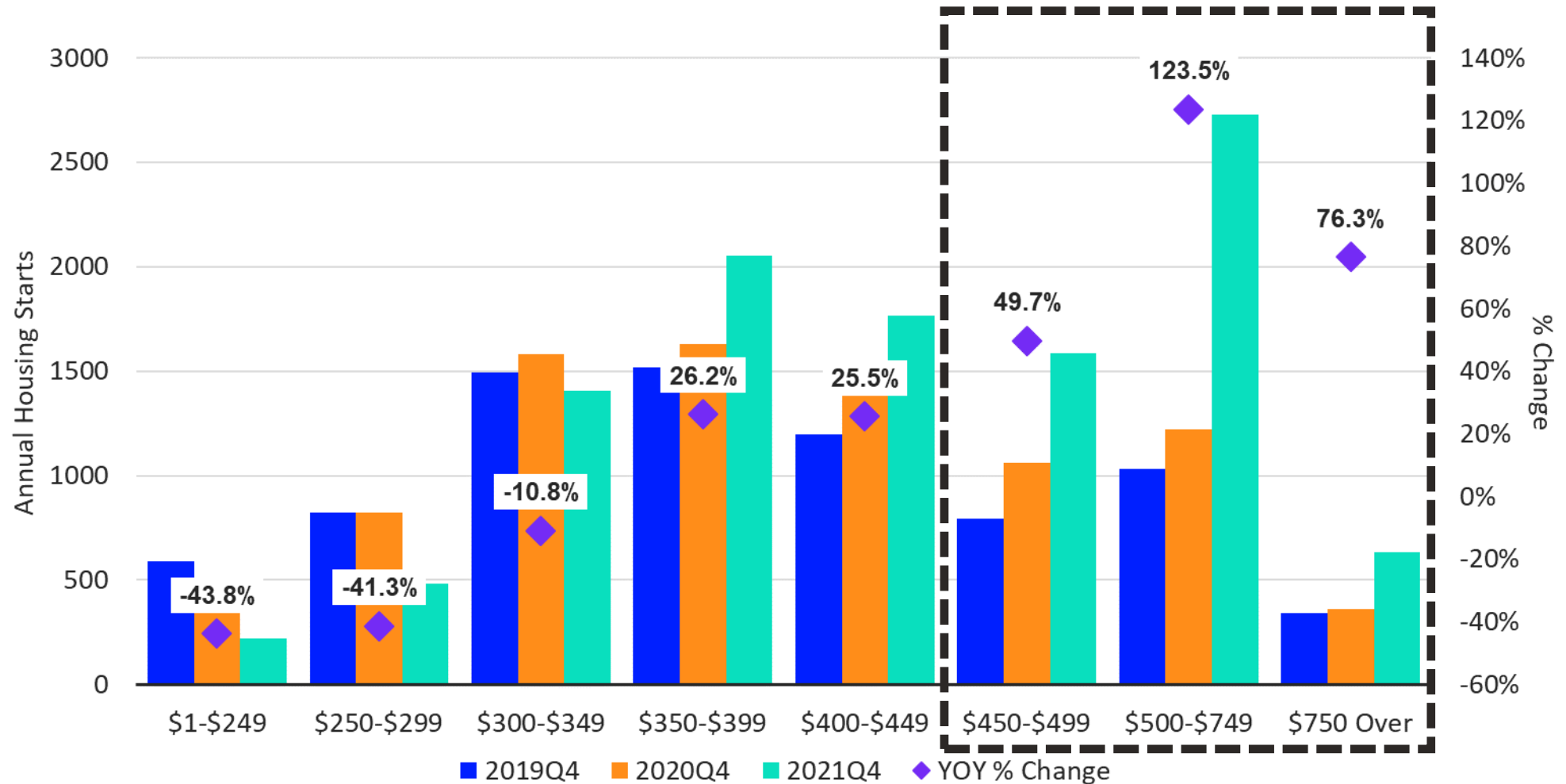
# Builders are reacting to strong housing demand – contract sales are outpacing starts which are outpacing closings



# Huge growth in townhomes, as builders try to capture demand with attainably-priced product (still very high!)

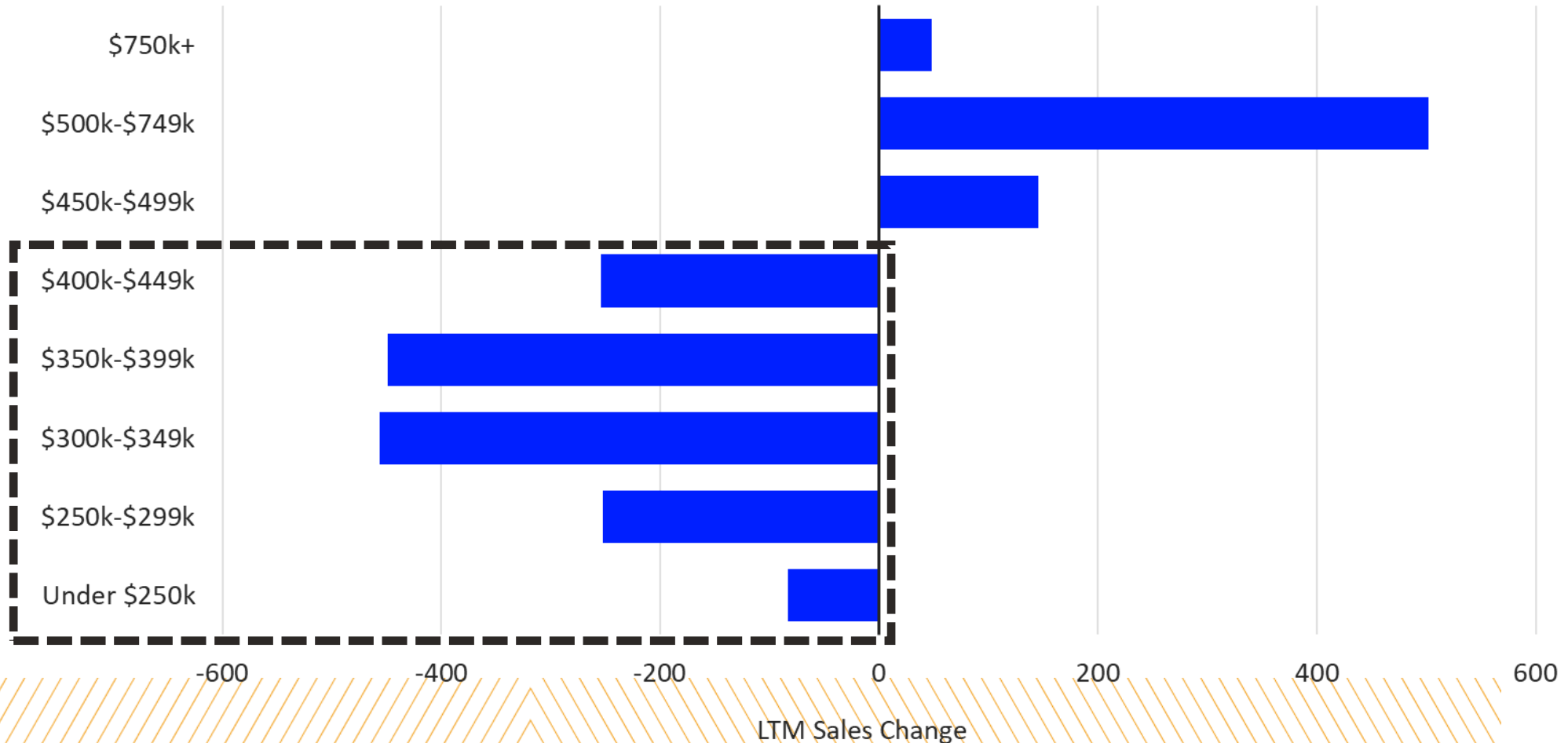


# Observed significant YOY growth in starts for product base-priced \$450K+

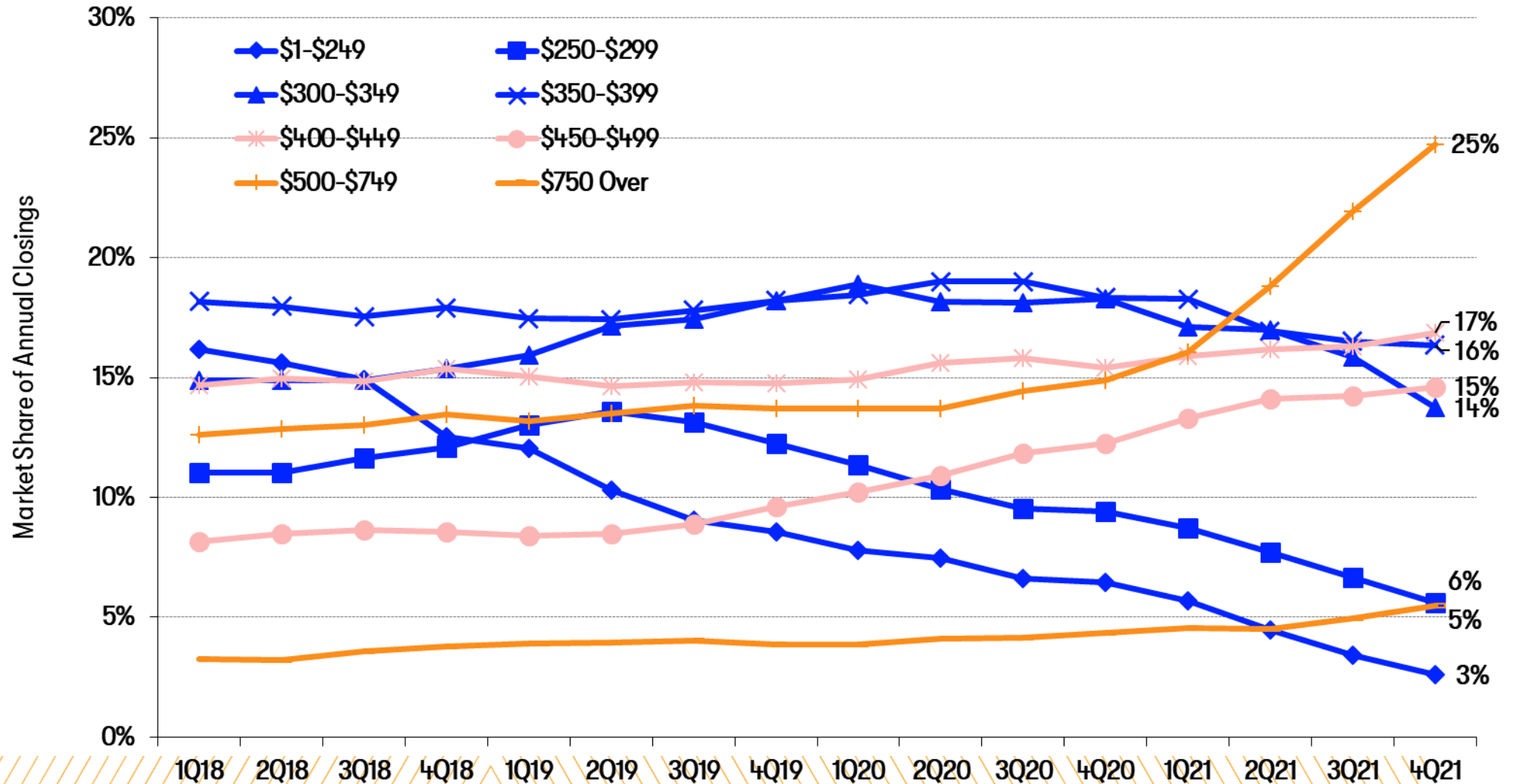


# There has been a big volume shift over the last twelve months to sales on product base-priced \$450K+

Twin Cities Market

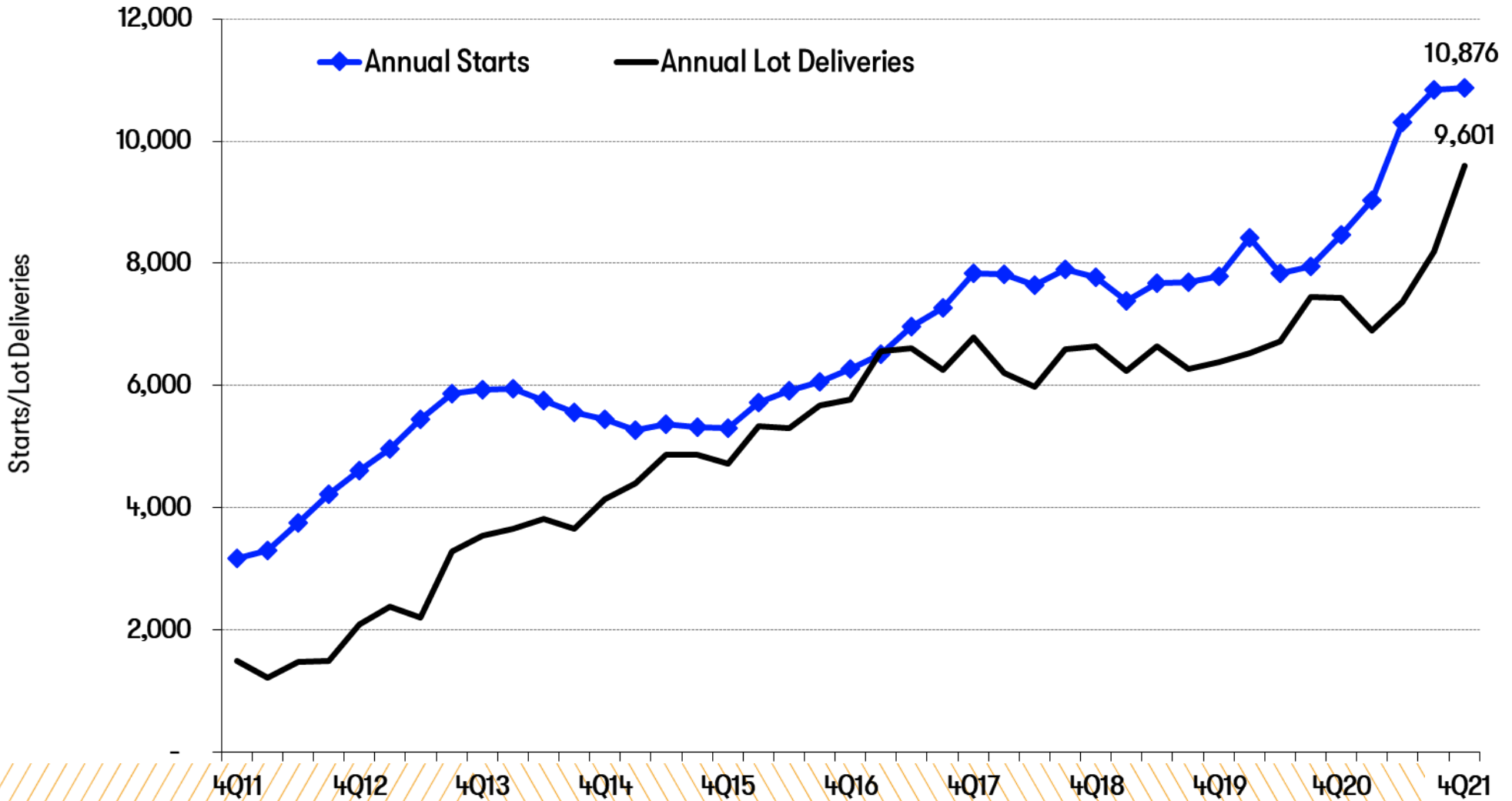


# There has been a drastic change over the past 4 years

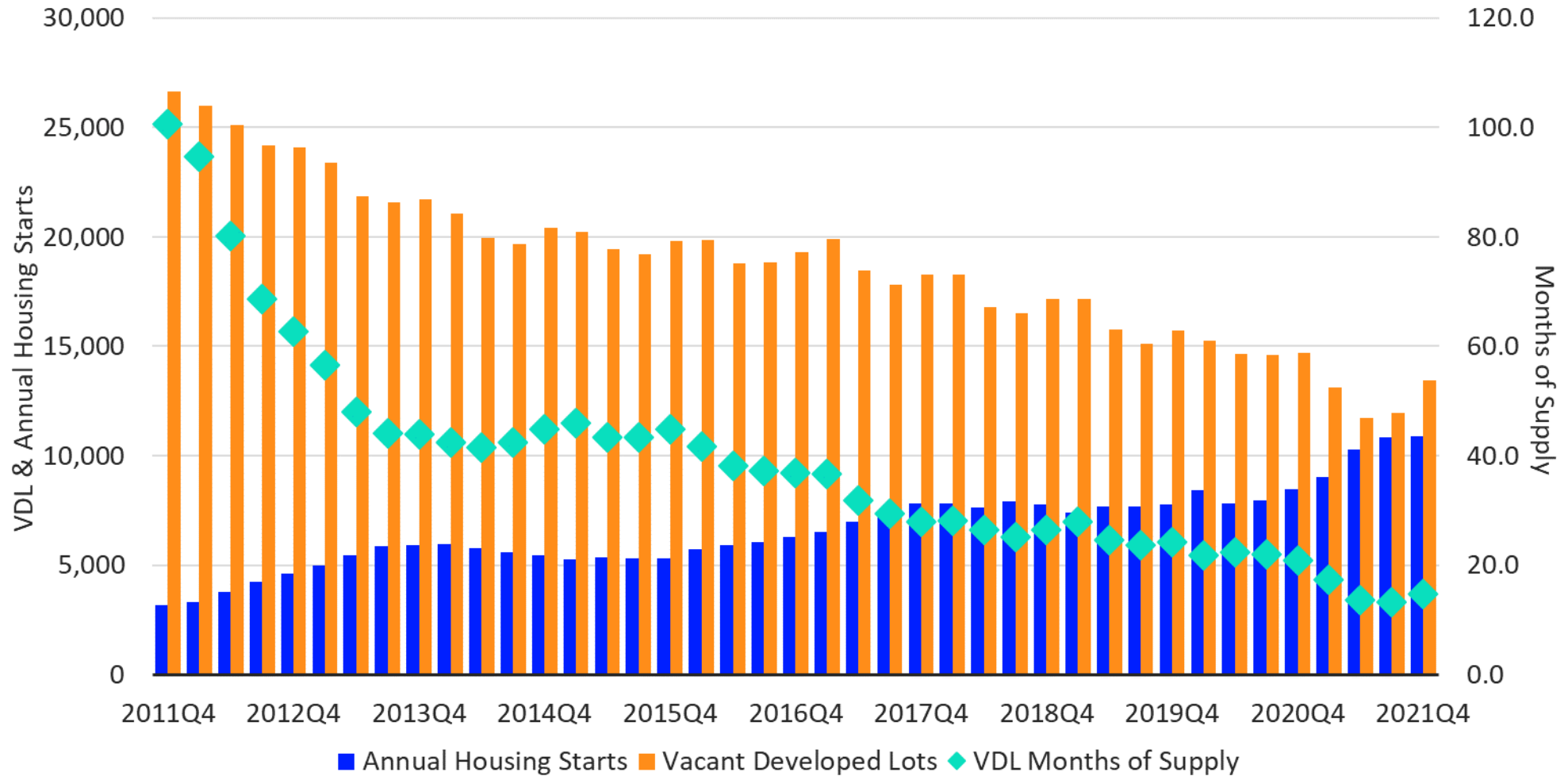




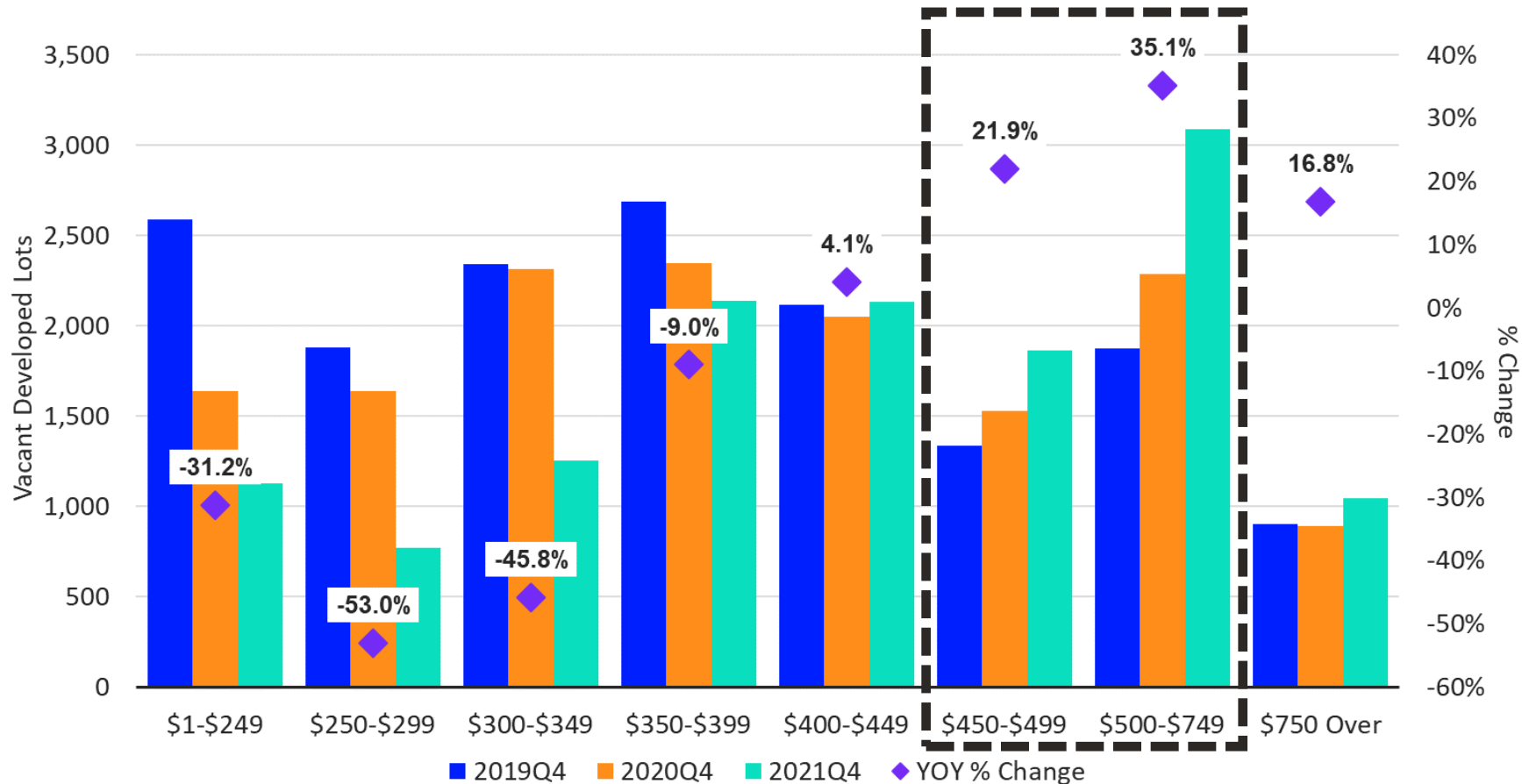
# Lot deliveries in 2021 largely kept pace with starts



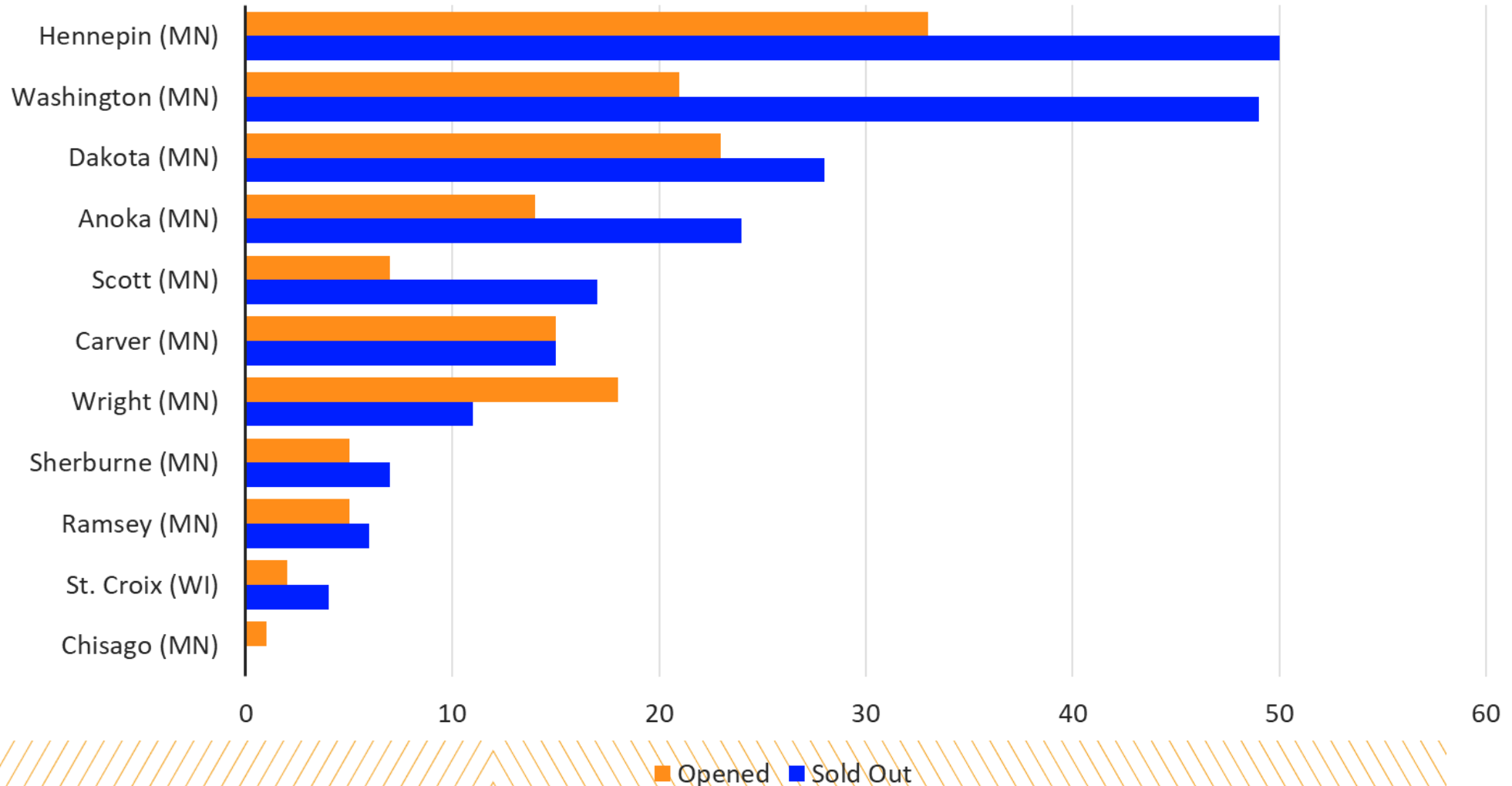
# Vacant developed lot inventory is running tight in the Twin Cities market at 14.8 MOS



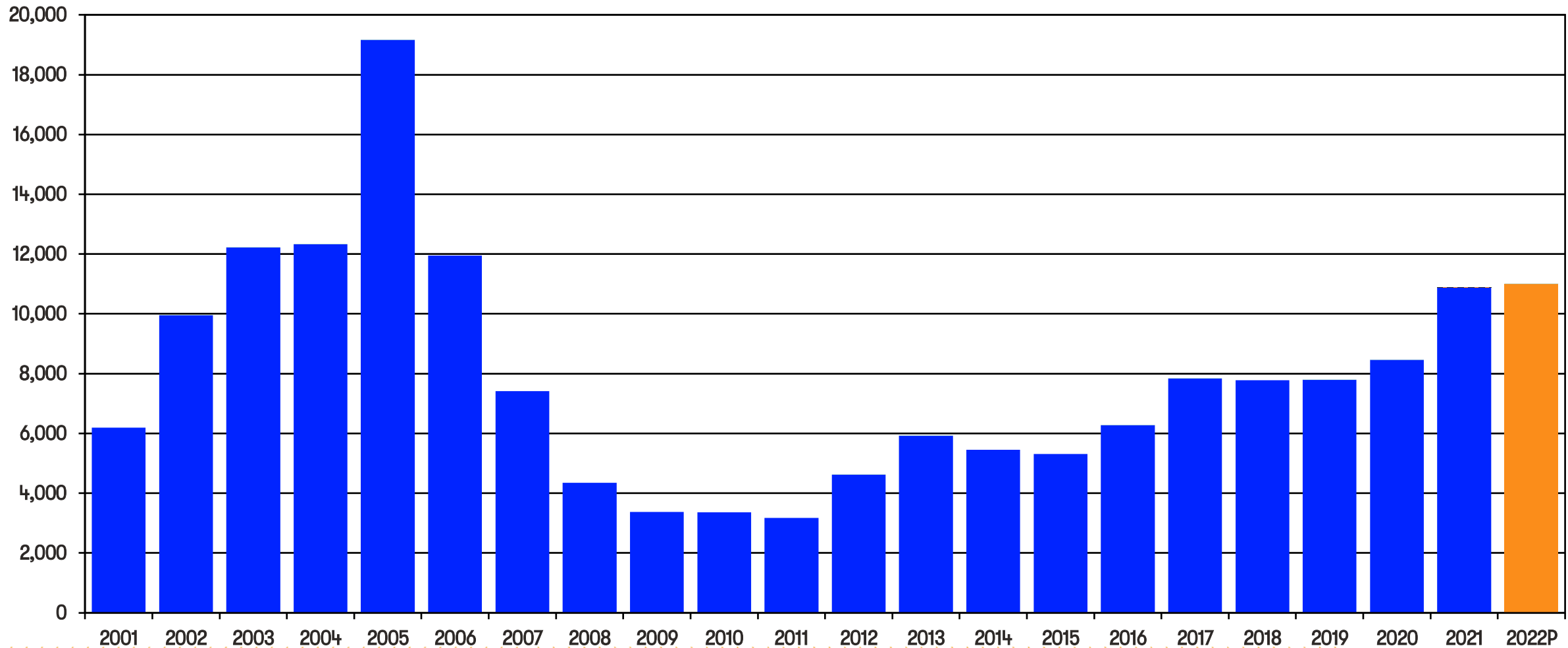
# Based on estimated base-pricing for product to be built on the vacant developed lots available – growth continues in that \$450K+ range



# Over the last 12 months, project count has continued to decline



# We are projecting a 1% growth in starts in 2022



Thank you