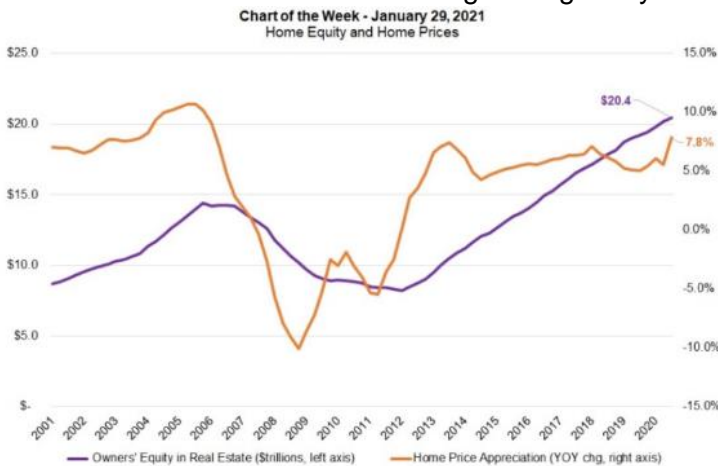


March – 2021

RESIDENTIAL: Where or where are the buyers coming from? That is a question David, and I are asked nearly daily. One place they are coming from is literally their parents' basements. We have heard from many that they have been able to save money while living at home, pay off debt, settling into careers, and are now ready to purchase a home with exceptionally low interest rates. With COVID-19 changing the way people prioritize their living locations and use of their home we are seeing many buyers shift their ideal location to be just a bit further out from the metropolitan area giving the buyers peace and space for their specific use and enjoyment of their homes.

DEEPER DIVE: According to the Mortgage Bankers Association (MBA), equity among homeowners has reached a record level. We are seeing the highest year-over-year growth since 2005 with an increase of 11% in November of 2020. The MBA anticipates high prices and low inventory to continue this trajectory into 2021. New home construction is the key to slowing the record pace of home prices.

As stated in a recent interview David Siegal with Housing First Minnesota, he stated, "We are only building about 65% of the homes necessary to supply our market, and those homes are being predominantly built at mid-level and higher price points." The availability of lots, supply chain and limited work force has restricted home builders in the MN & Western WI marketplace which is limiting their growth of homes being



built. We have heard from several builders that they are one year out to completion of a new build. The builder we represent, Fieldstone Family Homes, has been able to maintain the building to completion time within 120 days from dig. This is great news for the buyers with which we are working.

LAND: Spring is coming, and farmers are preparing for the planting season. Investors continue their interest in purchasing various types of land. Developers continue to look for land to build housing. Developers see, know, and understand that there are many more buyers for homes than there are homes for sale. Finding properties that can be developed quickly with ability to keep costs down is key. Hunting and recreation land continues to see high demand. Prices for tillable farmland have generally been in the \$5,500 to \$10,000 per acre range. Location has been the largest variable in determining the price of farmland. Hunting and recreational land has increased to \$4,500 to \$7,000 per acre in many areas around the southern metro area. Then there are buildable country properties that continue to be in exceedingly high demand.

Area Cash Grain Prices per Bushel – February 26, 2021:

	<u>Corn</u>	<u>Soybeans</u>
❖ Le Sueur, MN	\$5.18	\$13.57
❖ Janesville, MN	\$5.15	\$13.38
❖ Randolph, MN	\$5.18	\$13.39
❖ Lansing, MN	\$5.20	\$13.39
❖ Red Wing, MN	No Cash Bids...River Closed	

If there are questions, always feel you can reach out to us. We are here to help. Thank you!!

Patty Zuzek and David Pope

Sharing knowledge, to empower others to obtain their personal and financial goals.

