



ZUZEK POPE HOME & LAND SPECIALISTS

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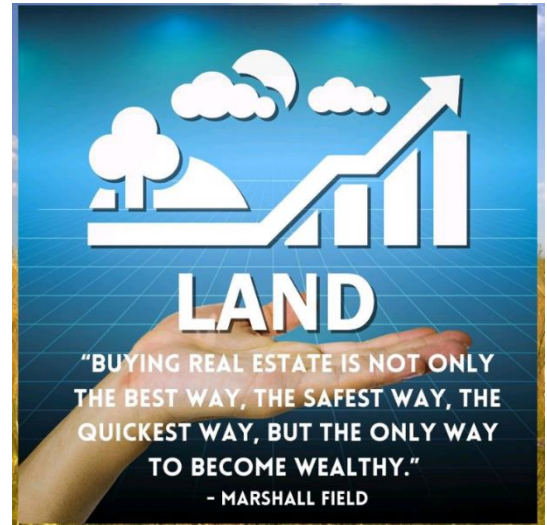
May – 2021

**RESIDENTIAL:** The newest data from the Minneapolis Area of REALTORS® SHOW THAT THE MEDIAN PRICE OF A HOME IN THE 16 COUNTRY Twin Cities Metro area has increased to 10.3%. Driven in part by lack of inventory. A balanced market typically has a 4–6 month supply of inventory. However, our current supply of inventory is under 30 days defining this as clearly a sellers’ market. Home builders are trying to make up for reduced inventory. This bringing a boom to new construction throughout the metro and beyond into rural towns and rural country acreages. Housing First of MN states that builders are only building to 60% of the demand in the marketplace. We are finding several items limiting capacity of new builds; limited land, workforce, regulatory fees, and increasing lumber prices.



**DEEPER DIVE- FEAR OF HISTORY REPEATING ITSELF:** We are hearing comments from many stating a repeat of the 2007-2010 foreclosure boom. With the surge of unemployment and the increasing pricing of housing, it is natural to assume that a surge of foreclosures will follow. History is not expected to repeat. The top reasons why experts in the financial and real estate industries believe this is not going to occur is that during the foreclosure crisis one of the larger reasons for the collapse was there was little equity in people’s homes. Today’s market appears to have an abundance of equity and lending rules are much stricter than they were in the past leaving homeowners in a good position to protect their investment. One thing to remember is that education empowers us all to make good decisions. If you or someone you know is thinking about buying or selling in today’s marketplace, we would love to help you with the data and insights from our expert resources to be able to make educated decisions.

**LAND:** It can be tough out there for land buyers, especially when inventory is low. The real estate industry has been stuck in a seller’s market for months, and that applies to all types of land. This past year saw many people ditching big cities and investing in rural land, a trend that was further intensified by the growing popularity of remote work. With inventory down and plenty of buyers looking to make a purchase, that can mean a lot more competition than normal for buyers— and likely a lot more urgency when you do find something that you like and want to buy. Grain prices are continuing to rise leading to further demand from, especially farmers. Investors are also continuing their interest in all forms of land as the government spending is expected to bring on inflation to whatever degree. Farmland has always been a great hedge against inflation. Owning farmland in the current environment can be considered safe, provides an annual return, and is currently appreciating...a win all around.



**Area Cash Grain Prices per Bushel – April 30, 2021:**

	<u>Corn</u>	<u>Soybeans</u>
❖ Le Sueur, MN	\$6.89	\$15.74
❖ Janesville, MN	\$6.72	\$15.31
❖ Randolph, MN	\$6.83	\$15.23
❖ Lansing, MN	\$6.79	\$15.24
❖ Red Wing, MN	\$6.92	\$15.38

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.*



If you have a brokerage relationship with another real estate broker/agency, please disregard. It is not our intention to solicit offerings of other brokers.