



ZUZEK POPE HOME & LAND SPECIALISTS

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Summer – 2021

RESIDENTIAL: There have been a number of new listings have hit the market recently. With more supply we will hopefully see the frustration of buyers lessen in the longer term and take some of the heat out of the rapidly rising home prices likely slowing the pace of price increases...not eliminating price increases. PLEASE REMEMBER, we still have a shortage of housing inventory and price decreases are not expected at present. We have seen more buyers take their time and be more fiscally responsible reducing their willingness to pay large values over asking price...nonetheless, in most cases, homes are still selling for over asking price.



In the Twin Cities region, for the week ending July 24: • New Listings decreased 3.3% to 1,786 • Pending Sales decreased 4.6% to 1,481 • Inventory decreased 25.9% to 7,400

DEEPER DIVE- NEW CONSTRUCTION NUMBERS: New construction single-family homes fell to a 14-month low. Although sales of new homes sales remain 13.5% higher compared to a year ago there has been a bit of slowing in the market which the Commerce Department attributes to rising construction costs, building material pricing, labor shortages and supply chain challenges that have impacted the homebuilding timelines, further aggravating America's housing shortage. However, forecasters are indicating a very strong fall with the kickoff of the Twin Cities Parade of Homes September 11, 2021.



LAND: Low interest rates, higher grain prices, and many potential land buyers flush with cash continues to propel a strong land market whether it be farmland or land for development. We hear more and more people talking as though the real estate market is in a bubble whether it be land or housing (remembering 1980's farmland and 2008 to 2010 housing markets). This land market appears much different in a number of ways at present. There is not the supply of land available for sale and lenders continue to be much more rigorous regarding lending criteria and down payments. Also as previously mentioned, the number of cash transactions continues to be high. Given the these factors and overall optimism, its not uncommon for those buying land to be willing to pay higher prices not to "miss" a piece of land. For farmers, if the property fits well into their overall operation (primarily location), not missing the opportunity can definitely be front and center for a willingness to paying higher values. We are even seeing more farmers pay higher values for lower quality producing land as the amount of land for sale is so limited. For developers, its location, location, location...and price. If the location is what a developer is looking to buy, its more easily attainable to overcome differing viewpoints in price between seller and developer in most cases. All said, there are two main factors that may slow everything down...higher interest rates and potential for change in tax policy. Until something dramatic changes in this market, expect the unexpected and be prepared for the ride.



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.