



May 2006 OSD-06-120



## POPULATION NOTES

### Minnesota Housing Prices 2004-2005

Martha McMurry

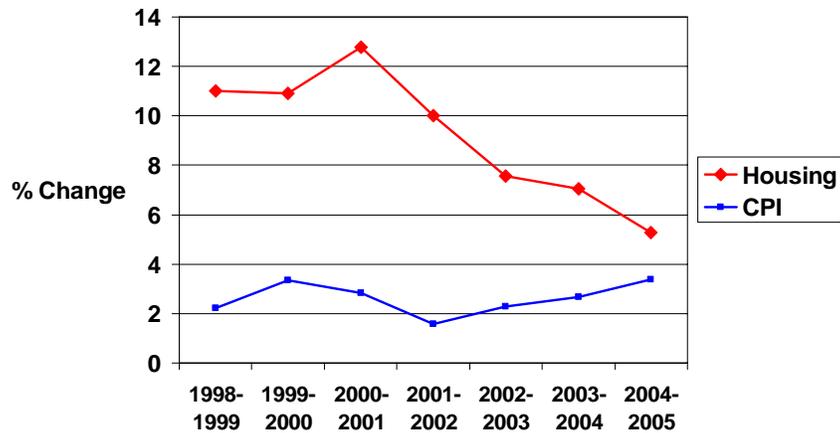
- In the first 9 months of 2005, the median sales price of existing housing in Minnesota reached \$200,000.
- Housing prices are not rising as fast as in the mid-2000s as in the late 1990s.
- North Central and northeastern Minnesota had the highest rates of growth in housing prices between 2000 and 2004.

Minnesota housing sales prices remained strong in 2004 and 2005, but the rate of growth has tapered off. Data from the Minnesota Department of Revenue shows the median sales price for existing housing sold between January and September 2005 was \$200,000, up from \$190,000 for the entire 2004 year.

#### **Housing Prices Outpace Inflation**

Between 1998 and 2005 housing sales prices rose 85 percent, much higher than the 20 percent increase in the Consumer Price Index during the same period. In the last few years sales prices have begun to taper off relative to inflation. Between 2004 and 2005 the median housing price grew 5.3 compared to 3.4 percent for the CPI. The CPI is based on data for the entire 2005 year, while housing sales cover only the first nine months.

## Housing prices grew 85% while CPI increased 20%, 1998 to 2005



Minnesota Dept. of Revenue; U.S. Bureau of Labor Statistics

The total value of Minnesota existing housing sales almost doubled between 1998 and 2004, from \$8.3 billion to \$16.4 billion. The number of sales has fluctuated from year to year but shows a long-term increase over the six-year period. Sales volume fell from 67,849 in 1998 to 62,138 in 2000, then rose to 76,393 in 2004.

### Number of Sales of Existing Housing Units Minnesota, 1998-2005

1998	67,849
1999	65,657
2000	62,138
2001	67,472
2002	69,290
2003	74,046
2004	76,393
2005 (First 9 months)	59,959

Source: Minnesota Department of Revenue, Property Tax Division  
Data on arms-length sales of existing housing

## Total Minnesota housing sales value almost doubled between 1998 and 2004



Minnesota Department of Revenue data

In the late 1990s housing prices grew faster among houses in the less expensive ranges. Between 1998 and 2005, prices at the 10<sup>th</sup> and 25<sup>th</sup> percentiles went up 95 percent and 96 percent, compared to 82 percent for houses at the 90<sup>th</sup> percentile. This difference in trend by percentile appears to have halted in the past few years. Prices have grown the same amount for houses at all cost levels.

### Minnesota Housing Prices by Percentile, 1998 to 2003

Percentile	1998	1999	2000	2001	2002	2003	2004	2005 (First 9 months)
<b>10th</b>	\$50,000	\$55,000	\$60,000	\$71,333	\$78,000	\$86,000	\$92,397	\$97,830
<b>25th</b>	\$77,000	\$84,900	\$94,000	\$113,000	\$124,900	\$135,000	\$145,000	\$150,000
<b>50th (Median)</b>	\$108,000	\$119,900	\$133,000	\$150,000	\$165,000	\$177,500	\$190,000	\$200,000
<b>75th</b>	\$143,000	\$157,000	\$172,500	\$191,000	\$214,900	\$231,900	\$249,325	\$263,000
<b>90th</b>	\$200,000	\$224,900	\$245,000	\$267,500	\$295,000	\$319,900	\$342,000	\$364,900

Source: Minnesota Department of Revenue data on sales prices of existing houses.

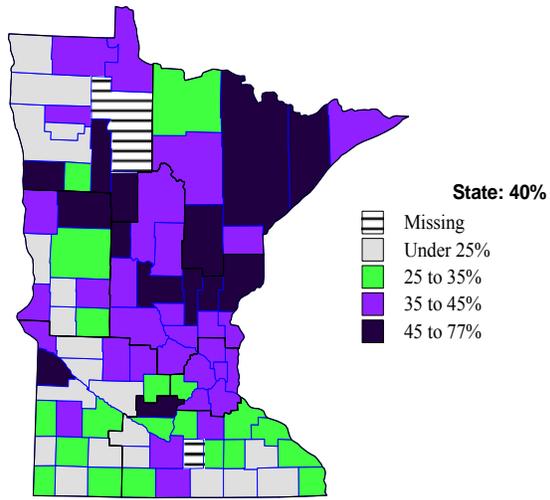
---

### **Large Increases in North Central and Northeast**

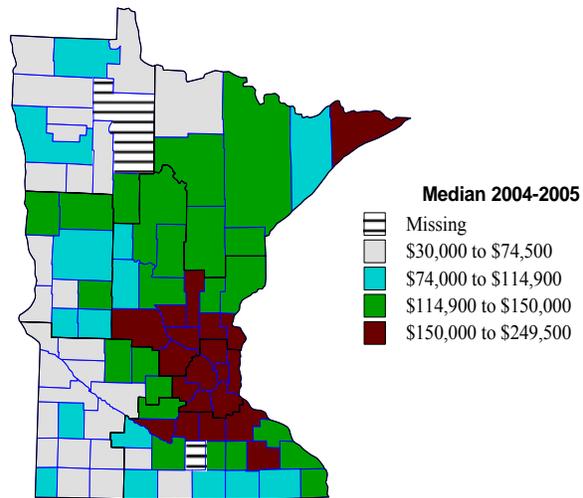
Housing prices went up the most in north central and northeastern Minnesota. Between 2000-2001 and 2004-2005 the most rapid gains occurred in Clearwater (77 percent), Kanabec (72.6 percent), Lake (66.2 percent) and Wadena (64.7 percent) counties. At the other extreme, median sales price grew only 4.8 percent in Red Lake County, 5.6 percent in Wilkin County and 9.1 percent in Marshall County.

Housing prices are highest in the Twin Cities. From January 2004 to September 2005 the highest median sales price was in Carver County, \$245,950, followed by Washington (\$234,000) and Dakota and Hennepin (both \$225,000) counties. The lowest prices are found in the more rural parts of western Minnesota. In five counties, half of existing home sales were for less than \$50,000. These included Kittson (median of \$30,000), Traverse (\$35,500), Red Lake (\$38,250), Pipestone (\$48,950) and Marshall (\$49,000) counties.

**North central and northeast regions see large gains in housing prices between 2000-01 and 2004-05**



**Highest housing prices in Twin Cities  
Lowest in western Minnesota**



## MEDIAN SALES PRICE OF EXISTING HOUSING UNITS BY COUNTY Minnesota, 2000-2001 through 2004-2005

County	January 2000 to September 2001	January 2002 to September 2003	January 2003 to September 2004	January 2004 to September 2005	Percent change, 2000-2001 to 2004-2005	Percent change, 2003- 2004 to 2004- 2005
Minnesota	\$139,550	\$169,900	\$181,000	\$194,900	39.7	7.7
Aitkin	\$85,700	\$94,850	\$111,925	\$140,050	63.4	25.1
Anoka	\$150,000	\$180,000	\$196,000	\$213,833	42.6	9.1
Becker	\$84,000	\$109,200	\$120,025	\$128,625	53.1	7.2
Beltrami	N/A	N/A	N/A	N/A	N/A	N/A
Benton	\$112,500	\$134,700	\$141,400	\$152,150	35.2	7.6
Big Stone	\$38,555	\$51,750	\$52,950	\$55,000	42.7	3.9
Blue Earth	\$107,100	\$125,500	\$135,000	\$144,742	35.1	7.2
Brown	\$83,675	\$87,650	\$90,000	\$95,000	13.5	5.6
Carlton	\$88,800	\$101,000	\$110,250	\$122,000	37.4	10.7
Carver	\$185,000	\$220,000	\$230,000	\$245,950	32.9	6.9
Cass	\$110,000	\$132,500	\$139,000	\$150,000	36.4	7.9
Chippewa	\$58,000	\$57,900	\$69,000	\$69,500	19.8	0.7
Chisago	\$149,900	\$180,000	\$195,900	\$213,000	42.1	8.7
Clay	\$85,000	\$99,900	\$112,000	\$121,550	43.0	8.5
Clearwater	\$38,950	\$52,900	\$57,800	\$68,950	77.0	19.3
Cook	\$133,200	\$164,675	\$174,000	\$184,000	38.1	5.7
Cottonwood	\$52,150	\$56,268	\$57,000	\$65,000	24.6	14.0
Crow Wing	\$108,050	\$129,200	\$139,125	\$149,200	38.1	7.2
Dakota	\$164,900	\$195,500	\$211,900	\$225,000	36.4	6.2
Dodge	\$110,000	\$125,000	\$130,000	\$137,950	25.4	6.1
Douglas	\$105,880	\$123,350	\$132,750	\$150,000	41.7	13.0
Faribault	\$46,500	\$52,000	\$60,000	\$66,500	43.0	10.8
Fillmore	\$81,000	\$86,000	\$90,250	\$94,000	16.0	4.2

County	January 2000 to September 2001	January 2002 to September 2003	January 2003 to September 2004	January 2004 to September 2005	Percent change, 2000- 2001 to 2004- 2005	Percent change, 2003- 2004 to 2004- 2005
Freeborn	\$69,900	\$78,200	\$85,000	\$85,581	22.4	0.7
Goodhue	\$124,000	\$142,000	\$153,000	\$163,700	32.0	7.0
Grant	\$50,900	\$52,400	\$56,325	\$57,500	13.0	2.1
Hennepin	\$159,000	\$192,900	\$210,000	\$225,000	41.5	7.1
Houston	\$95,000	\$105,000	\$110,000	\$121,000	27.4	10.0
Hubbard	\$91,500	\$110,650	\$122,250	\$139,075	52.0	13.8
Isanti	\$128,875	\$154,400	\$165,000	\$179,600	39.4	8.8
Itasca	\$82,500	\$95,000	\$106,450	\$115,000	39.4	8.0
Jackson	\$51,250	\$54,000	\$62,250	\$64,750	26.3	4.0
Kanabec	\$84,000	\$121,323	\$136,500	\$145,000	72.6	6.2
Kandiyohi	\$85,590	\$96,000	\$111,025	\$118,200	38.1	6.5
Kittson	\$25,000	\$30,000	\$30,500	\$30,000	20.0	-1.6
Koochiching	\$53,000	\$53,200	\$59,950	\$69,900	31.9	16.6
Lac qui Parle	\$33,850	\$41,500	\$51,000	\$50,000	47.7	-2.0
Lake	\$65,000	\$84,900	\$98,000	\$108,000	66.2	10.2
Lake of the Woods	\$48,000	\$59,500	\$55,000	\$67,000	39.6	21.8
LeSueur	\$116,920	\$138,000	\$149,500	\$154,504	32.1	3.3
Lincoln	\$40,450	\$48,000	\$46,000	\$52,000	28.6	13.0
Lyon	\$83,000	\$101,000	\$106,600	\$114,900	38.4	7.8
McLeod	\$109,000	\$126,700	\$135,000	\$144,000	32.1	6.7
Mahnomen	\$50,950	\$56,500	\$65,500	\$65,250	28.1	-0.4
Marshall	\$44,900	\$45,000	\$48,000	\$49,000	9.1	2.1
Martin	\$56,500	\$65,000	\$73,500	\$76,000	34.5	3.4
Meeker	\$87,485	\$102,350	\$107,900	\$119,000	36.0	10.3

County	January 2000 to September 2001	January 2002 to September 2003	January 2003 to September 2004	January 2004 to September 2005	Percent change, 2000- 2001 to 2004- 2005	Percent change, 2003- 2004 to 2004- 2005
Mille Lacs	\$106,037	\$131,500	\$138,000	\$155,469	46.6	12.7
Morrison	\$81,050	\$101,250	\$113,925	\$123,750	52.7	8.6
Mower	\$72,500	\$80,000	\$83,750	\$87,500	20.7	4.5
Murray	\$45,500	\$54,500	\$55,000	\$59,650	31.1	8.5
Nicollet	\$118,000	\$139,250	\$147,000	\$152,000	28.8	3.4
Nobles	\$54,450	\$61,000	\$60,000	\$65,000	19.4	8.3
Norman	\$34,900	\$49,000	\$50,000	\$55,000	57.6	10.0
Olmsted	\$126,850	\$141,000	\$147,100	\$153,500	21.0	4.4
Otter Tail	\$74,895	\$84,700	\$90,400	\$100,625	34.4	11.3
Pennington	\$52,000	\$61,000	\$69,750	\$72,925	40.2	4.6
Pine	\$89,307	\$118,900	\$122,000	\$135,000	51.2	10.7
Pipestone	\$41,000	\$45,500	\$46,400	\$48,950	19.4	5.5
Polk	\$68,000	\$70,000	\$75,000	\$81,950	20.5	9.3
Pope	\$70,000	\$86,000	\$85,625	\$91,400	30.6	6.7
Ramsey	\$141,500	\$176,000	\$189,900	\$203,900	44.1	7.4
Red Lake	\$36,500	\$38,200	\$34,500	\$38,250	4.8	10.9
Redwood	\$53,055	\$64,000	\$65,200	\$68,100	28.4	4.4
Renville	\$52,100	\$60,750	\$63,600	\$63,600	22.1	0.0
Rice	\$129,363	\$156,191	\$166,500	\$183,900	42.2	10.5
Rock	\$63,500	\$69,700	\$77,250	\$80,000	26.0	3.6
Roseau	\$62,263	\$68,950	\$76,025	\$85,000	36.5	11.8
St. Louis	\$80,000	\$99,900	\$111,000	\$120,000	50.0	8.1
Scott	\$174,900	\$209,000	\$222,000	\$239,550	37.0	7.9

County	January 2000 to September 2001	January 2002 to September 2003	January 2003 to September 2004	January 2004 to September 2005	Percent change, 2000- 2001 to 2004- 2005	Percent change, 2003- 2004 to 2004- 2005
Sherburne	\$146,900	\$173,165	\$185,500	\$199,000	35.5	7.3
Sibley	\$77,770	\$96,400	\$115,000	\$118,500	52.4	3.0
Stearns	\$109,700	\$132,400	\$141,875	\$152,550	39.1	7.5
Steele	\$110,000	\$128,500	\$136,000	\$140,800	28.0	3.5
Stevens	\$64,000	\$69,900	\$72,250	\$80,000	25.0	10.7
Swift	\$50,450	\$58,500	\$58,500	\$61,450	21.8	5.0
Todd	\$60,000	\$74,800	\$84,800	\$86,650	44.4	2.2
Traverse	\$25,000	\$35,000	\$40,000	\$35,500	42.0	-11.3
Wabasha	\$109,000	\$120,000	\$135,250	\$142,825	31.0	5.6
Wadena	\$47,820	\$66,200	\$65,950	\$78,750	64.7	19.4
Waseca	N/A	N/A	N/A	N/A	N/A	N/A
Washington	\$170,000	\$206,950	\$221,500	\$234,000	37.6	5.6
Watsonwan	\$56,500	\$63,750	\$68,000	\$70,500	24.8	3.7
Wilkin	\$63,000	\$63,528	\$73,200	\$66,500	5.6	-9.2
Winona	\$98,900	\$117,750	\$127,430	\$132,200	33.7	3.7
Wright	\$149,000	\$176,000	\$189,000	\$205,000	37.6	8.5
Yellow Medicine	\$47,500	\$53,500	\$55,000	\$55,000	15.8	0.0

Note: Data on arms length sales from Minnesota Department of Revenue, Property Tax Division. Data cover a 21-month period from January through September. Figures are in current dollars. Excludes multiple parcel sales. Includes warranty deed and contract for deed sales.

Data for Beltrami and Waseca counties not available.

---

Among cities with at least 50 sales in the first nine months of 2005 the highest median sales prices were in Orono (\$673,000), Minnetrista (\$600,000), Prior Lake (\$540,850), Shorewood (\$450,000) and Lake Elmo (\$424,950). These cities are all suburbs of Minneapolis and St. Paul. The median sales price in Minneapolis was \$219,083. St. Paul posted \$195,000.

The cities with the lowest median sales price were Pipestone (\$56,306), International Falls (\$56,306), Crookston (\$65,000) and Wadena (\$66,200).

The Department of Revenue data continues to provide the only time series on housing prices in all parts of Minnesota, but those looking for Twin Cities data will find several alternatives. Data for the Twin Cities Metropolitan Area is provided by the St. Paul Association of Realtors, through their Realtor Public Policy arm, and by the National Association of Realtors. The values shown in these three series are similar. The National Association of Realtors figure is somewhat higher, probably because the data covers only single-family homes. The NAR is introducing a condominium and townhouse series that should cover the Minneapolis-St. Paul area in future years.

**Median Sales Price of Existing Housing in the Twin Cities  
Metropolitan Area, from Three Sources**

Source	2004 Median	2005 Median	2004 Number of Sales	2005 Number of Sales
Minnesota Department of Revenue	\$215,000	\$226,495	51,971	38,586
Realtor Public Policy	\$215,900	\$228,900	58,233	57,283
National Association of Realtors	\$217,400	\$234,800	N/A	N/A

Minnesota Department of Revenue data tabulated by Minnesota State Demographic Center.  
Excludes multiple parcel sales. Includes the following counties: Anoka, Carver, Chisago, Dakota  
Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington and Wright.  
2005 data are for the first 9 months only.

Realtor Public Policy, St. Paul Association of Realtors.  
Based on reported Regional Multiple Listing Service Sales. Includes the same 11 counties  
as the Department of Revenue data, plus Rice County and Pierce County in Wisconsin.  
[http://www.realtorpublicpolicy.org/twincities/housing\\_statistics\\_6454.asp](http://www.realtorpublicpolicy.org/twincities/housing_statistics_6454.asp)

National Association of Realtors  
Metropolitan area includes 11 Minnesota counties as well as Pierce and St. Croix Counties in  
Wisconsin. Includes single family home sales only.  
Includes single family home sales only.  
<http://www.realtor.org/research.nsf/Pages/MetroPrice>

## Sources

“Minnesota Housing Prices Continue to Rise in 2003,” *Population Notes*, February 2005.

Data on housing sales prices comes from the Minnesota Department of Revenue, Property Tax Division. Data is for arms-length sales of existing housing units. Tom Clark provided the data file. Housing price data is missing for Beltrami and Waseca counties.

Consumer Price Index data is from the U.S. Bureau of Labor Statistics, All Urban Consumers Series.

Metropolitan area sales prices from the National Association of Realtors can be found at

<http://www.realtor.org/research.nsf/Pages/MetroPrice>

Data on housing sales prices in the Twin Cities area based on the Multiple Listing Service is provided by the St. Paul Association of Realtors, Realtor Public Policy. Housing prices are based on closed existing home sales and include existing single-family homes, condominiums and townhomes in the 13-county Metropolitan Area.

[http://www.realtorpublicpolicy.org/twincities/housing\\_statistics\\_6454.asp](http://www.realtorpublicpolicy.org/twincities/housing_statistics_6454.asp)