



For Immediate Release

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Tight inventory, rising prices propel St. Louis into full-blown seller's market *First-time buyer opportunities shrinking, with luxury-market bargains on the rise*

St. Louis – April 20, 2017 – For months now, economists have cited housing inventory shortages, rising home prices and mortgage interest-rate hikes as the big factors driving real estate trends nationwide – pushing most places squarely into seller's-market territory. With affordable home prices and relatively balanced inventory, St. Louis was one of the last hold-outs.

But the latest St. Louis REALTORS® Housing Report, for March, shows we're there, too.

The pendulum in St. Louis has definitely swung to a seller's market, confirms St. Louis REALTORS® President Barry Upchurch, "meaning we have more demand than supply of available housing. Because of this, housing prices are on the rise – and houses are selling more quickly now."

March 2017 MLS statistics indicate housing inventory in St. Louis City and County combined sits at a 4-month supply, compared to 4.4 months in March of 2016. Economists consider 6.5 months of housing inventory the ideal balance between supply and demand. Months of inventory simply means how many months it would take to sell all the homes on the market if no other homes were added.

Meanwhile, the median sales price for March year-over-year rose 7 percent, from \$149,250 in 2016 to \$159,900 now.

At the same time, according to MARIS (Mid America Regional Informational Systems) Multiple Listing Service statistical data, active listings in March were down 6 percent to 6,250 compared to 6,676 for the same month last year. MLS data also reflect that month-over-month sales were up 4 percent, with total home sales for March sitting at 1,581 in 2017 compared to 1,521 in 2016. Days on market dropped dramatically from 150 in March 2016 to 92 days in March 2017.

Says St. Louis REALTORS® CEO John Gormley, “One of the things we’re seeing is fewer homes for sale under \$200,000 – the pricing cohort most common for first-time buyers. With the clear shift to a strong seller’s market – tighter inventory and rising prices – the sweet spot for many first-time homebuyers has been somewhat eroded.” Fifty-three percent of all St. Louis homes sold in March this year went for \$199,000 or less – compared to 59 percent in March 2016.

“One of the other trends we’re seeing is an uptick in luxury-home sales,” Gormley says. In March of last year, 14 percent of the homes in St. Louis sold for \$500,000 and above. In March 2017, that number increased to 17 percent. “If you’re in the market for a luxury home in St. Louis, which we consider anything priced above \$500,000, there are definitely some great bargains here – and you’ll likely have more room to negotiate.”

With the over-arching housing shift in St. Louis to a strong seller’s market, the question becomes what does this really mean? And how long will it last?

“With fewer homes available in a seller’s market,” says Upchurch, “buying a home can become a faster-paced, more competitive process. It is not unusual in a seller’s market to have multiple offers on single property, with some offers above asking price. That means – as the buyer – to improve your opportunities to purchase a home, it’s important to have your finances in order and get pre-approved. So you’re prepared to act quickly during the buying process.”

As for the seller, Upchurch says: “Even though you are in the driver’s seat and conditions are in your favor, you should set realistic expectations for selling your home – and understand that your home could sell in a matter of days. You need to be available, ready to respond to offers, and have a plan in place for your next move.”

How long will this seller's market last in St. Louis? There's no real way to determine that, but most economists agree it will remain a seller's market pretty much across the nation throughout 2017. But as new construction picks up and existing housing inventory increases, catching up with demand – 2018 could shift back to a more balanced market.

“Whether the housing market favors buyers or sellers,” explains Gormley, “eventually the market finds its footing, all economic factors realign and the market returns to a balanced position. No one can tell for sure exactly how long that will take, or when that shift will happen.”

As for St. Louis, Gormley explains: “The good news is that we've been in a relatively balanced housing market longer than many cities. We've moved into a seller's market over time, which means we still have affordable homes available at very low interest rates.”

It's a great time to buy a home in St. Louis, adds Gormley. “However, to be successful in a strong seller's market like ours, you need to be financially nimble and knowledgeable; you need to know what you want before you see it – and you need to stay on top of what is coming on the market, on a daily basis – especially as we enter the busy spring and summer real estate season.”

Gormley concludes: “For buyers in our market, there's only one way to do all of this and do it well – contact a St. Louis REALTOR®, your real estate expert who'll help you be successful in your home search. Do it today.”

About the St. Louis Association of REALTORS® Housing Report

St. Louis REALTORS® releases a new Housing Report around the middle of each month analyzing MLS sales data from the previous month with year-over-year comparisons. Data used in these reports are courtesy of MARIS (Mid America Regional Information Systems) Multiple Listing Service.

About the St. Louis Association of REALTORS®

With more than 8,000 members, St. Louis REALTORS® is the largest local REALTOR® organization in Missouri and the voice for real estate in greater St. Louis. The association helps

members navigate a changing market, engage in the community, protect private-property rights, convert information to knowledge and provide superior tools.

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