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For Immediate Release

St. Louis median home price drops for the first time in more than a year

Median price down 3 percent at \$177,700; home sales up 4 percent

St. Louis – June 20, 2017 – For the first time in a year-and-a-half, the median price of homes sold in St. Louis dipped, down 3 percent in May – a small dip to be sure – from \$183,900 in May 2016 to \$177,700 this year. At the same time, total number of homes sold for the same period increased 4 percent from 1,918 last year to 2,001 in 2017. This according to the May St. Louis REALTORS® Housing Report, covering MLS sales data for St. Louis city and county combined.

With continued high demand for homes in St. Louis, and an unexpected dip in the median sales price as reflected by MLS statistical data for the month of May, what does that mean for buyers and sellers in the midst of a strong summer selling season?

“There is no doubt we were a bit surprised by the small drop in the median sales price last month,” confirms St. Louis REALTORS® President Barry Upchurch. “With how strong and affordable our housing market has been in St. Louis, plus the consistent month-over-month median home price increases we’ve seen since our first Housing Report release in February 2016, we were expecting that market indicator to remain the same in May or increase slightly. That did not happen. So the question becomes, what does this mean for buyers and sellers in St. Louis?”

Upchurch explains: “First, for buyers and sellers it’s important to remember one month does not make a trend. We consider this dip in median sales price a momentary blip on the radar. Secondly, as with most facts and figures, it’s important to keep in mind, the median sales price -- defined as the midway price point of homes sold in a specific market within a particular time frame -- is only one real estate market indicator. To get a complete and accurate picture of what is happening in our market, it’s important to consider all of the economic markers.”

In considering the market as a whole, MARIS (Mid America Regional Information Systems) Multiple Listing Service statistical data reflect for the same month year-over-year sales were up 4 percent, with total home sales in May 2017 sitting at 2,001 compared to 1,918 in 2016. Meanwhile, days on market dropped dramatically from 146 in May 2016 to 89 days in May 2017.

MLS statistics also support a continued tightening market as active listings were down 8 percent to 6,625 compared to 7,107 for the same month last year, and inventory for St. Louis city and county combined sits at a 3.3-month supply compared to 3.8-month supply in May 2016.

According to economists, the ideal balance between housing supply and demand is a 6.5-month supply. Months of inventory is defined as how many months it would take to sell all the homes on the market if no other homes were added.

“If you dig a bit deeper into the May statistics,” explains Upchurch, “and consider the months of inventory within specific pricing cohorts -- inventory for homes selling under \$200,000 sits at 1.6 months. In the luxury-home market -- homes selling for \$500,000 and above — inventory sits at 5.4 months.”

Upchurch adds: “As for the middle part of our market -- homes selling between \$200,000 and \$499,000 -- our MLS data show that 33 percent of the homes purchased in May were within this category. Strong mid-market sales are another indicator of a healthy, vibrant real estate market. And in St. Louis, that pricing cohort has been increasing during the past few months.”

There is no question economists and real estate experts nationwide have considered St. Louis to be an extremely viable and attractive market in which to live, work and purchase a home for quite some time, continually recognizing the city’s exceptional housing opportunities and long-term intrinsic value.

“The St. Louis housing market,” explains St. Louis REALTORS® CEO John Gormley, “is quite unique; it is tight and competitive, yet extremely affordable. When you take a look at housing markets nationwide that are experiencing tightening inventories, you often see prices increase dramatically in a relatively short period of time, and the affordability factor goes out the

window -- but not in St. Louis. As our inventory has tightened, our affordability has remained in check, offering countless buyers an opportunity to purchase the right home at the right price.”

Gormley confirms: “Once again the St. Louis market reflects its own unique blend of opportunities and challenges. If you are a buyer, you will more than likely have to compete for that home of your dreams, but prices remain affordable. If you are a seller, the good news is it remains a sellers’ market -- prices are solid and homes are available for buyers in all price ranges.”

The bottom line, Gormley concludes, is “regardless of whether you are a buyer or a seller, the most important thing you can do to successfully navigate the opportunities and challenges in our strong, fast-paced and tightening housing market is to contact a St. Louis REALTOR®. They are the experts. Do it today and you will discover it makes all the difference in the world to work with an expert when you sell or buy your next St. Louis home.”

About St. 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 St. Louis 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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