



2024 MARKET OUTLOOK YEAR END REVIEW 2023

**WAHLBERG
& TOOHEY**


**COLDWELL
BANKER**



1528 LINCOLN AVE, ST. PAUL

A YEAR OF CHANGE IN THE REAL ESTATE MARKET



The Twin Cities housing market saw a great deal of change in 2023. The year began with a strong spring market, driving up prices. That dynamic shifted in late summer as mortgage interest rates rose sharply, reaching the highest they've been in 20+ years (8%+) by mid-October. Interest rates decreased significantly in late fall, a harbinger for a potentially very active spring market.

Our outlook for 2024 is optimistic. Market experts predict that mortgage interest rates will continue to decrease in 2024, reaching 6-6.5% by year end, a factor that could drive strong activity.

We hope you enjoy the information we've gathered here. All the photographs are from homes we listed or sold in 2023. We're grateful to our clients for another great year working together.

MICHAELA & PHILIP



MARKET OUTLOOK

**WHAT ARE
THE EXPERTS
SAYING?**

"Declines in mortgage rates in 2024 will drive more sellers to trade their existing home and help add much-needed inventory to the market, leading to more transactions."

**SELMA HEPP, CHIEF
ECONOMIST, CORELOGIC**

“There will be years when home prices don’t grow, or decline, but as a long-term homeowner, it is almost assured you will come out ahead in America.”

“After deep national sales declines in 2022 (17%) and 2023 (predicted to be 18%), the volume of sales should tick up moderately in 2024.

Borrowers will begin to see rates under 7% in time for the spring homebuying season. I expect a pickup of 13% in existing-home sales and 19% in new-home sales. Home prices will rise around 3 to 4 percent in 2024.”

**LAWRENCE YUN, CHIEF
ECONOMIST, NATIONAL
ASSOCIATION OF REALTORS®**

“Our baseline forecast is for mortgage rates to end 2024 at 6.1 percent and reach 5.5 percent at the end of 2025, as Treasury rates decline and as the spread narrows. **The Mortgage Banker’s Association expects national home prices will grow over the next three years**, as tight inventory supports price growth.”

**MIKE FRATANTONI, CHIEF
ECONOMIST, MORTGAGE BANKER’S
ASSOCIATION**



“I have recommended the Wahlberg & Toohey group to every single person I know buying or selling.

Philip’s patient, honest, no-pressure demeanor and background in architecture has helped guide us in finding the right home and investment properties time and time again....Michaela and Philip have developed the best strategies in selling our properties with beautiful staging, photography and video presentations. There are too many realtors out there and it can be challenging to find the good ones. These two are the very best of the best!”

TINA D.

PREPARING A HOME TO SELL

SMALL INVESTMENTS
CAN DRAMATICALLY
INCREASE
MARKETABILITY

In a market in which interest rates have doubled, buyers have become more sensitive to the cost of taking on a property that needs updating. Our advice to sellers: don't leave money on the table by failing to address simple updates and staging.

BUYERS have a hard time seeing the great bones and layout of a home if they're distracted by dated paint colors or dingy finishes. They tend to show less imagination and willingness to overlook flaws than sellers anticipate.

SELLERS often underestimate the power of a few simple updates to turn their home from ho-hum to standout. Preparing and staging a home for sale can be done quickly and at a much lower cost than remodeling. The benefits are clear: increased sale price and reduced time on market.

THE THREE UPDATES WE SUGGEST MOST OFTEN:

1

Fresh paint in neutral colors

Helps make everything look clean, bright, and updated.

2

Refinishing hardwood floors, especially if they are in bad shape or covered up by carpet.

The number one question we hear in a home with carpeting: "are there hardwood floors underneath?"

3

Replace worn or stained carpet

Another easy fix that has a big payoff for sellers. Some carpet installers can complete an estimate and installation in less than a week



A



B

- A** A fresh coat of neutral paint and professional staging helped make this Lowertown condo feel like new again.
- B** Professional staging, removing heavy draperies, and removing wall to wall carpet to refinish the hardwood floors underneath completely transformed this property!

STAGING. If a property is vacant, we encourage sellers to have their property professionally staged with rented furniture. Staging is a powerful tool that can help buyers form an emotional connection to the home. **A well-staged home will oftentimes see a 5%-15% increase in sale price** and greatly reduced time on market.

HELPING SELLERS

WRITE THEIR NEXT CHAPTER

Here's a sampling of some of the homes we listed in 2023.



770 HYACINTH AVE E | ST. PAUL | \$286,000
East side pride! Neat and tidy rambler.



1524 LINCOLN AVE | ST. PAUL

Luxurious new construction in Mac-Groveland. Oversized lot, 5 BR, 5 BA, 4,350 sq. feet.



\$1,395,000



469 SIBLEY ST | ST. PAUL

Rowhome-style condo in downtown St. Paul, walkable to CHS Field & Farmer's Market.



\$369,500



SOLD

1071 FAIRMOUNT AVE | ST. PAUL

\$615,500

Elegant home in Summit Hill, walkable to shopping and dining on Grand Avenue.



SOLD

1271 OSCEOLA AVE, | ST. PAUL

\$336,000

Vintage charmer in Mac-Groveland with great bones and opportunity to build equity.



SOLD

1528 LINCOLN AVE | ST. PAUL

\$1,350,000

Gorgeous historic remodel combining the best of old and new. 5 BR, 5 BA, 5,380 sq. feet.





ACTIVE

951 FAIRMOUNT AVE | ST. PAUL

\$464,500

Enjoy main floor living in this one-story craftsman cottage in the heart of Summit Hill.



SOLD

471 SIBLEY ST | ST. PAUL

\$435,000

Steps from the Farmer's Market, CHS Field, and more in this 3BR, 3BA Lowertown condo.



SOLD

923 LINCOLN AVE | ST. PAUL

\$370,000

All brick condominium unit with great bones in historic Summit Hill.





SOLD

4217 23RD AVE S | MINNEAPOLIS

\$502,000

Utterly charming and updated Tudor Revival just one block from Lake Hiawatha.



SOLD

1060 GRAND AVE, #302 | ST. PAUL

\$365,000

Easy city living in this 1BR, 1 BA condo in the sought-after Oxford Hill building.

“Michaela did an incredible job in both listing my home and negotiating the purchase of my new condo...

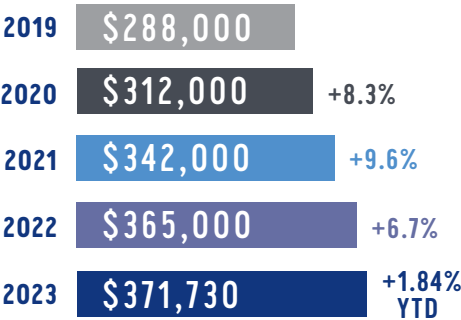
She walked me through each step needed to prepare the home to be listed... with the utmost in professionalism and expertise. My home ended up having multiple offers and I credit much of this to Michaela knowing how to best market and prepare the house. Selling and buying homes is always stressful but Michaela made it as easy as the process could be. She was available whenever I needed her, communicative, professional and very thorough. She is a strong advocate for her clients. I recommend her to anyone looking to buy or sell in the Twin Cities Metro.”

SARAH W.

TWIN CITIES MARKET PERFORMANCE

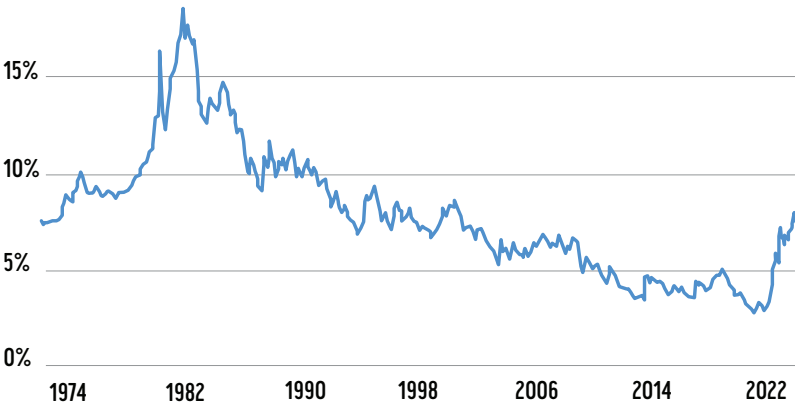
2023 began with a strong spring market. The market softened in late summer as mortgage interest rates rose sharply, reaching the highest they've been in 20+ years by mid-October. While the year ended with overall sales volume down, interest rates decreased significantly in late fall, a potential harbinger of a very active spring market.

TWIN CITIES MEDIAN HOME SALE PRICE



TWIN CITIES:
**CLOSED SALES
DOWN 19%**
IN 2023 YTD.

CURRENT AVERAGE 30 YEAR FIXED RATE MORTGAGE: 6.95%



All sales data from the Multiple Listing Service in Minnesota, current as of December 11, 2023 for the 7-County Twin Cities region (2023 numbers are YTD through end of October). Interest rate data from Freddie Mac Weekly Primary Mortgage Market Survey for week ending December 14, 2023.



INTERESTED IN BUYING?

SETTING YOURSELF UP FOR SUCCESS

**MORE THAN HALF OF FIRST TIME HOMEBUYERS
PURCHASE WITH 10% DOWN PAYMENT OR LESS**

0% DOWN
16%

1%-5% DOWN
22%

6-10% DOWN
16%



*Source: NAR, Housing &
Economic Outlook, Nov. 14, 2023.*

- ☐ **Meet with a Realtor® early** to help you understand the process and identify key criteria like neighborhood, type of house, and price range. A Realtor is a fiduciary who will advocate for your interests, negotiate on your behalf, and ensure you have all the necessary details to make informed decisions.
- ☐ **Schedule time to meet with a mortgage loan officer** (via phone or in person) to help you understand your options. Take the time to get a formal pre-approval – you'll need to submit one with any offer you make.
- ☐ **Avoid adding large, new monthly obligations** like an expensive car payment if you are trying to maximize your purchasing power.
- ☐ **You can look for a home at any time of year.** Spring and early summer (March – June) tend to be the most active time for home buyers and sellers, but winter can be a great time to negotiate a deal with less competition from other buyers.



PROUD TO CELEBRATE OUR 8TH YEAR IN BUSINESS IN 2023, WE LOVE WHAT WE DO!

It is an honor to serve clients across the Twin Cities. Whether you're ready to write an offer, or just starting to think about selling in the next few years, we'd love to help you write the next chapter in your story.

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