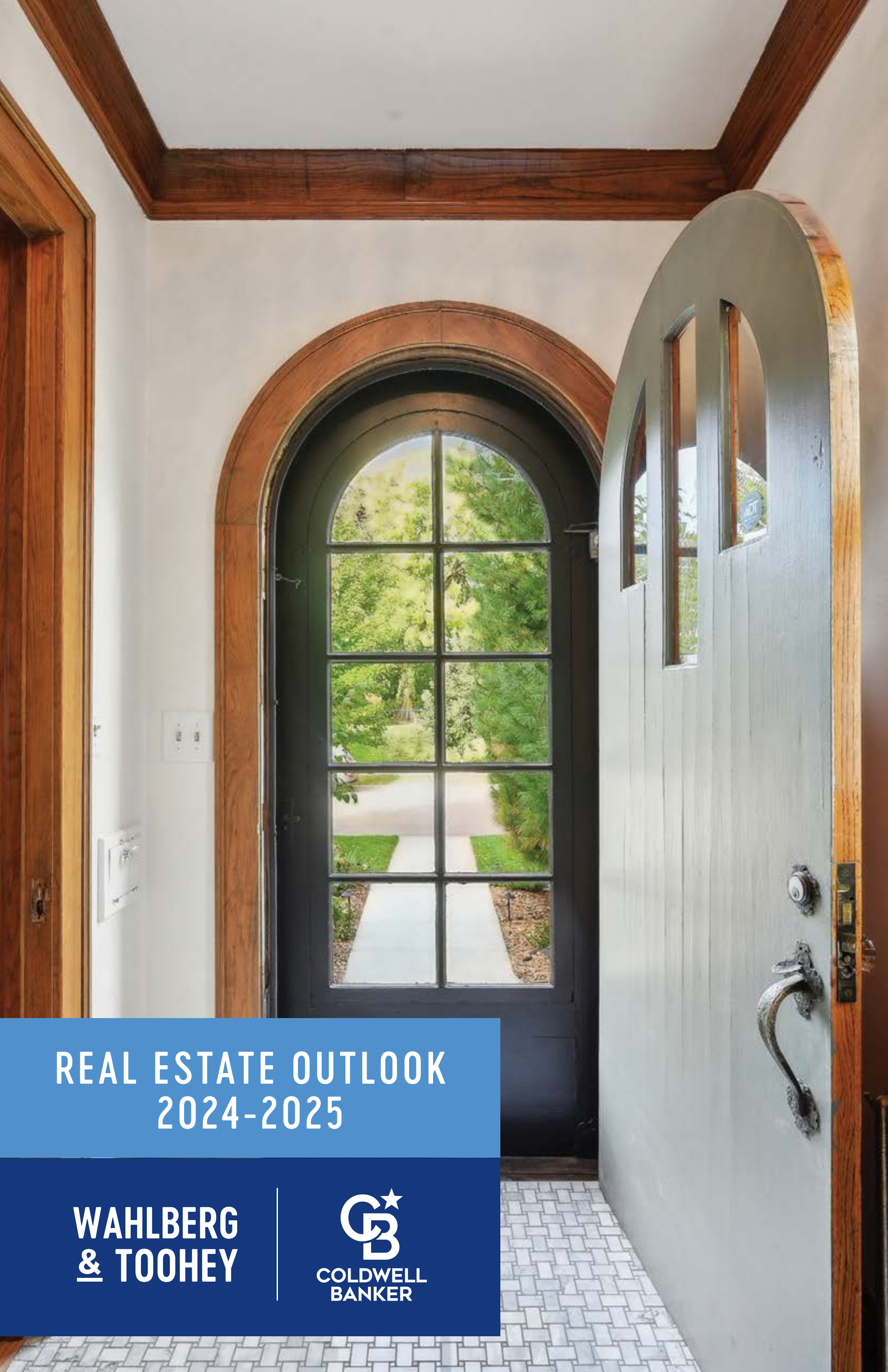


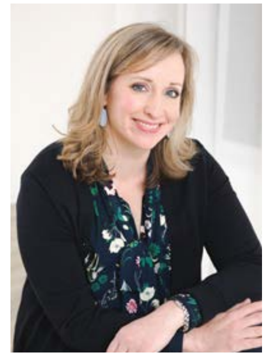
# REAL ESTATE OUTLOOK 2024-2025

WAHLBERG & TOOHEY

COLDWELL BANKER

450 MOUNT CURVE BLVD | ST. PAUL

# OUR OUTLOOK FOR 2025 IS OPTIMISTIC.



The Twin Cities real estate market saw a return to a more sustainable pace in 2024. New listings increased 8.6%, helping to ease the ongoing inventory shortage (though more supply is still needed). Housing prices have remained steady; the limited supply is preventing price dips, while higher interest rates are preventing prices from climbing too high.

Our outlook for 2025 is optimistic. Market experts are predicting that mortgage interest rates will continue a bumpy path downwards towards the low 6% range by the end of the year. The pent-up demand for homes will likely drive strong activity in the spring market.

We hope you enjoy the information we've gathered here. All the photographs are from homes we listed or sold in 2024. We're grateful to all of our clients for another great year working together!

**MICHAELA & PHILIP**


5504 RIDGE PARK RD | EDINA

# MARKET OUTLOOK

## WHAT ARE THE EXPERTS SAYING?

"We are bullish about the spring 2025 housing market… Housing markets continue to be primed for a stronger spring homebuying season, boosted by more housing supply and slower home-price growth."

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

The Federal Reserve is expected to make 6-8 rounds of rate cuts next year, but mortgage rates may not fall much. "Mortgage rates will not decline in tandem with the Fed's rate cut. With a large budget deficit, there's less mortgage money available."

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

**MEDIAN SALE PRICE**
EXPECTED TO INCREASE +2% IN 2025 (TO $410,700 NATIONALLY)

**EXISTING HOME SALES**
EXPECTED TO INCREASE +9% IN 2025

**MORTGAGE RATE**
EXPECTED TO BE NEAR 6%

**NEW CONSTRUCTION HOME SALES**
EXPECTED TO INCREASE +11% IN 2025

*Lawrence Yun, NAR Chief Economist, Residential Issues and Trends Forum, Nov. 8, 2024*


3309 EAST 50TH ST | MINNEAPOLIS

# TWIN CITIES MARKET PERFORMANCE

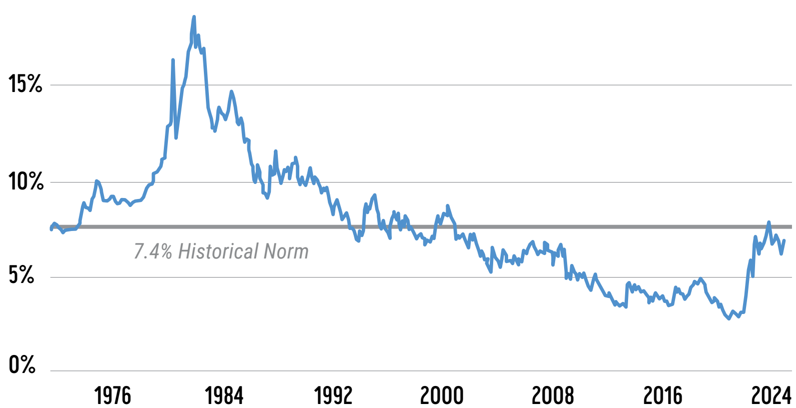
2024 marked a return to a more sustainable pace of sales and price increases after multiple boom years during the pandemic. Mortgage interest rates dropped to near 6.1% in September only to climb back up to near 7% by the end of October. Rates are expected to be lower in 2025, though the path to get there will be bumpy.

### TWIN CITIES MEDIAN HOME SALE PRICE

| | | |
|---|---|---|
| 2019 | $288,000 | |
| 2020 | $312,000 | +8.3% |
| 2021 | $342,000 | +9.6% |
| 2022 | $365,000 | +6.7% |
| 2023 | $370,000 | +1.4% |
| 2024 | $382,000 | +3.2% YTD |

TWIN CITIES:
**CLOSED SALES UP 1.3%**
IN 2024 YTD.

### CURRENT AVERAGE 30 YEAR FIXED RATE MORTGAGE: **6.60%**




*All sales data from the Multiple Listing Service in Minnesota, current as of December 6, 2024 for the 7-County Twin Cities region (2024 numbers are YTD through end of November). Interest rate data from Freddie Mac Weekly Primary Mortgage Market Survey as of December 12, 2024.*

# WHICH HOME IMPROVEMENTS PAY OFF WHEN YOU SELL?

Every house is different, but there are some improvements that tend to help "pay for themselves" at resale more than others. According to the Remodeling 2024 Cost vs. Value Report (www.costvsvalue.com), here are a few projects at the top of the list for the Minneapolis-St. Paul area:

**140.1%**
GARAGE DOOR REPLACEMENT

**119.0%**
ENTRY DOOR REPLACEMENT
[STEEL]

**80.9%**
MINOR KITCHEN REMODEL
[MIDRANGE]

*Includes replacing countertops, cabinet faces, hardware, flooring, and appliances, but not changing the layout or footprint of the kitchen.*

**72.3%**
DECK ADDITION

**71.9%**
WINDOW REPLACEMENT
[WOOD]

# HELPING SELLERS

## WRITE THEIR NEXT CHAPTER

Here are of some of the properties we listed in 2024.


**951 FAIRMOUNT AVE** | **ST. PAUL**
**$445,000**

**168 6TH ST E, #3203** | **ST. PAUL** **$349,900**
Stunning river and downtown views from the 32nd floor of the skyway-connected Airye.

**450 MOUNT CURVE BLVD** | **ST. PAUL** **$720,000**
Elegantly updated Tudor on a beautiful Macalester-Groveland boulevard

**5504 RIDGE PARK RD** | **EDINA** **$782,500**
Sunny, beautifully updated mid-century in sought-after Countryside.

**1532 LINCOLN AVE** | **ST. PAUL** **Under Construction**
Rare new construction in Macalester-Groveland. Beautifully appointed.

**370 MARSHALL AVE, #402** | **ST. PAUL** **$246,000**
Handsome condo in Cathedral Hill's premier building - walk to everything!

**1699 LINCOLN AVE | ST. PAUL** **$645,000**

Charming Dutch-colonial with updates galore in sought-after Tangletown.

**1748 JAMES AVE | MENDOTA HEIGHTS** **$645,000**

Charming home with a classic and spacious interior in beautiful Mendota Heights.

**1080 MARSHALL AVE | ST. PAUL** **$594,633**

Perfect blend of old world charm and modern amenities in this solar-powered home.


**3309 EAST 50TH ST | MINNEAPOLIS**

**$490,000**


**1437 BREDA AVE | ST. PAUL**

**$420,000**

**133 CRAIG WAY | FRIDLEY** **$406,000**

Beautiful ranch-style home with an absolute dream kitchen, remodeled in 2022.


**2135 125TH LN NW | COON RAPIDS**

**$365,000**


**4100 PARKLAWN AVENUE #103**

**EDINA | $138,000**


**16620 IRWINDALE WAY | LAKEVILLE**
**$575,000**


**1984 SHRYER AVE | ROSEVILLE**
**$460,000**


**1759 SELBY AVE | ST. PAUL**
**COMMERCIAL | $825,000**


**9570 KINGSVIEW LANE N**
**MAPLE GROVE | $250,000**


**2667 PARKVIEW BLVD**
**ROBBINSDALE | $394,500**


**3404 MCNAIR DR. N | ROBBINSDALE**
**$285,900**

# THE REVIEWS ARE IN

## WHAT OUR CLIENTS ARE SAYING ABOUT US


I truly enjoyed working with **Phil** and his team! They made the process engaging, informed and genuinely easy to understand. Phil knows St. Paul very, very well and pointed me towards exactly what I was looking for before I even knew I was looking for it! I'd enthusiastically recommend him to anyone looking to start a home search in the Twin Cities!

**ROSS, ST. PAUL**

**Michaela** was great to work with on both the sale of our existing home and the purchase of our new home. She was highly professional but also friendly and approachable and particularly excelled at prompt and effective communication. She was always more than willing to show us a new listing. She is very knowledgeable about housing and the market and provided insightful guidance... Highly recommend her.

**LAURA, MENDOTA HEIGHTS**

**Philip** helped us find our home and buy it and then less than two years later sold it for us when we had a location change. He helped us navigate through the home building process and also selling a home. Philip had excellent partners that he worked with for home photography and staging and made the process effortless. Our home sold quickly and we know Philip played a big part in that. We appreciated his attentiveness throughout the process. We would absolutely recommend Philip as a realtor.

**KATY, WOODBURY**

# PREPARING A HOME TO SELL

## SMALL INVESTMENTS CAN DRAMATICALLY INCREASE MARKETABILITY

**SELLERS** often underestimate the power of a few simple updates to turn their home from ho hum to a standout. Unlike a home remodel, preparing and staging a home for sale can be done quickly and at a much lower cost than many people anticipate, and the benefits are clear: increased sale price and reduced time on market.

**BUYERS** have a hard time seeing the great bones and fantastic layout of a home if they're distracted by dated paint colors or dingy finishes. They show less imagination and willingness to overlook flaws than sellers anticipate and have a tendency to overestimate the cost of making updates. The majority would prefer a "move in ready home."

### THE UPDATES WE SUGGEST MOST OFTEN

**Deep Cleaning**
Spotless baseboards, appliances, and windows help showcase your home.

**Fresh paint in neutral colors**
Helps make everything look clean, bright, and updated.

**Refinishing hardwood floors, especially if they are in bad shape or covered up by carpet.**
The number one question we get asked in a home with carpeting: "are there hardwood floors underneath?"

**Replace worn or stained carpet**
Another easy fix that has a big payoff for sellers.

**STAGING.** When a property is vacant, we encourage sellers to have their property professionally staged with rented furniture. Staging is a powerful tool; it helps show the size of a room, its potential use, and most impactfully, it creates an emotional connection to the home. **A well-staged home will oftentimes see a 5%-15% increase in sale price and reduced time on market.**



**TOP** This midcentury gem was completely transformed by removing carpet to reveal pristine hardwood floors underneath. Staging with furniture and décor that complimented the style of the home really helped it shine. It sold in multiple offers within 3 days.

**BOTTOM** To highlight this home's beautiful dining area, the light fixture was replaced with an inexpensive choice that updated the look and feel of the room. Fresh paint and staging made this room the showpiece of the home. It sold in multiple offers within 4 days.

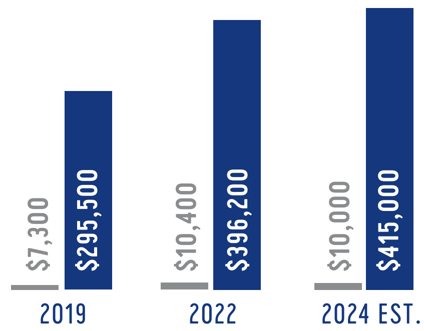
*Staging by Michelle Havens with Shine Bureau.*

# BUILDING EQUITY FOR THE LONG TERM

## HOMEOWNERSHIP AS A WEALTH-BUILDING TOOL

Many financial experts consider homeownership to be one of the primary ways Americans build wealth. Equity accumulates over time through the forced savings mechanism of mortgage payments and potential appreciation in value. Homeownership also provides a sense of stability, belonging, and freedom.

### MEDIAN NET WORTH OWNERS VS. RENTERS




*Median Net Worth from Federal Reserve Survey of Consumer Finances 2022 and Lawrence Yun, NAR Chief Economist, Residential Issues & Trends Forum, Nov. 8, 2024*

## INTERESTED IN BUYING?
### SETTING YOURSELF UP FOR SUCCESS

- ☐ **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 information to make informed decisions.
- ☐ **Schedule time to meet with a mortgage loan officer** to help you understand your options and 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 shop for a home at any time of year.** Spring and early Summer (March – June) tend to be the most active time for buyers and sellers, but winter can be a great time to negotiate a deal with less competition from other buyers

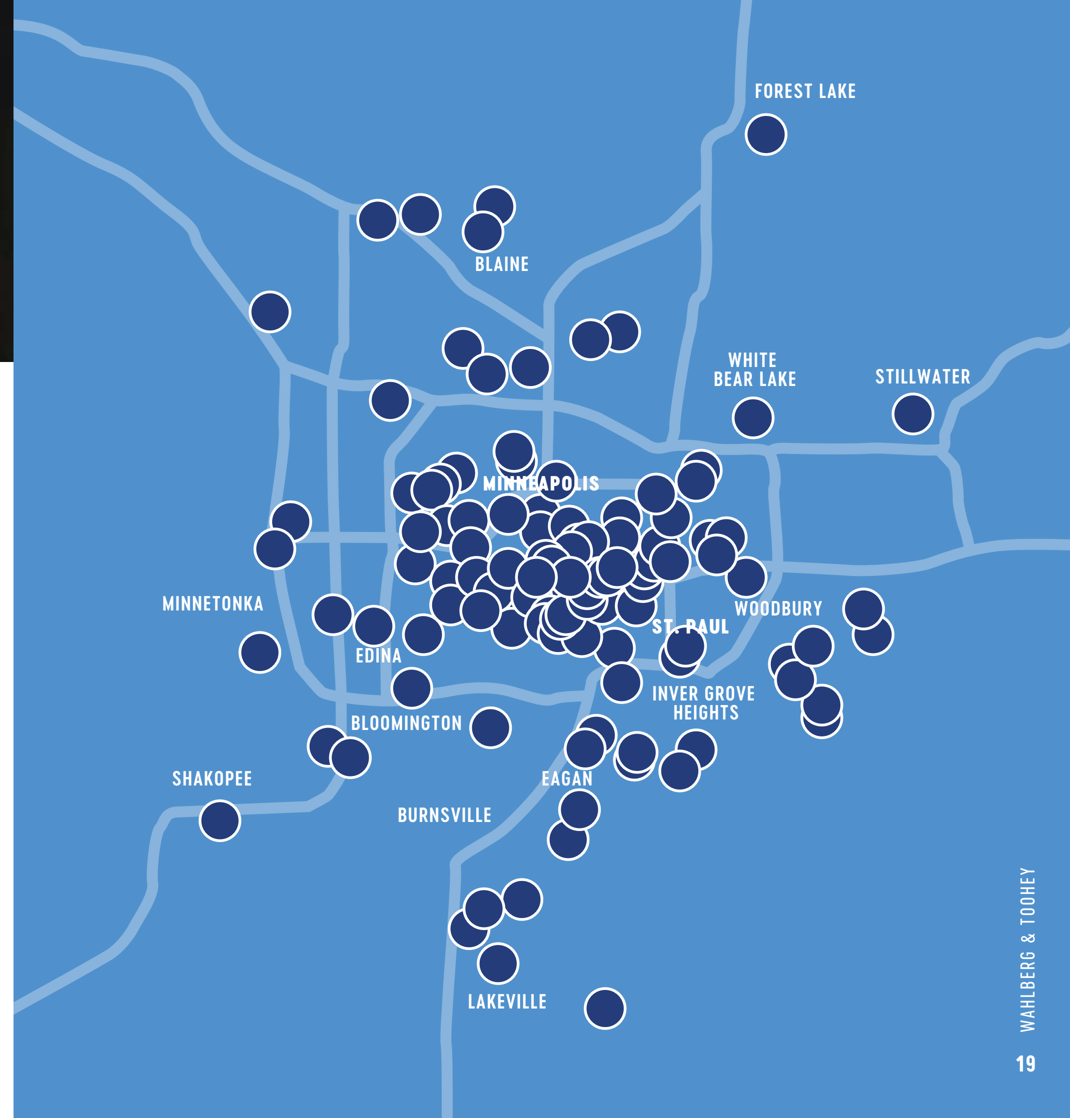

### HERE ARE SOME OF THE PROPERTIES WE HELPED BUYERS PURCHASE IN 2024:

| | | |
|---|---|---|
| **EDINA**<br>PARKWOOD KNOLLS<br>$1,175,000 | **MENDOTA HEIGHTS**<br>OVERLOOK<br>$630,000 | **MINNEAPOLIS**<br>CEDAR-ISLES<br>$440,000 |
| **MINNEAPOLIS**<br>HOWE<br>$309,000 | **ST. PAUL**<br>HAMLINE-MIDWAY<br>• $128,000<br>• $309,900 | **ST. PAUL**<br>CHEROKEE PARK<br>$440,000 |
| **ST. PAUL**<br>LOWERTOWN<br>$359,500 | **ST. PAUL**<br>SUMMIT HILL<br>• $367,500<br>• $925,000 | **ST. PAUL**<br>HIGHLAND PARK<br>• $244,900<br>• $1,171,500 |
| **ST. PAUL**<br>MERRIAM PARK<br>$323,000 | **GREATER MN/WI**<br>SANDSTONE<br>$73,000 | **GREATER MN/WI**<br>SOMERSET<br>$268,000 |

WAHLBERG & TOOHEY

COLDWELL BANKER

# OUR TWIN CITIES HOME SALES




## PROUD TO ENTER OUR 10TH YEAR IN BUSINESS, WE LOVE WHAT WE DO!

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.


**MICHAELA TOOHEY**
651.253.6830
michaela.toohey@cbrealty.com

2023 SUPER REAL ESTATE AGENT

**PHILIP WAHLBERG**
651.336.2410
philip.wahlberg@cbrealty.com


**www.wahlbergtoohey.com**

821 Grand Ave
St. Paul, MN 55105