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Edina Realty Leads the Market for 10 Consecutive Years

The Firm Remains Strong in Both Lender-Mediated and Traditional Home Sales

Edina, Minn.—January 20, 2010 – For the tenth year in a row, Edina Realty has led on key real estate measures – the number of transactions and listings – throughout Minnesota, western Wisconsin and Fargo, N.D.

During 2009, Edina Realty handled more than 28,000 transactions (buy and sell side) and \$5.8 billion in pending sales volume, or 20 percent of the region’s real estate market. Edina Realty took over 24,000 new listings, leading its closest competitor by over 7,500 units.

Of the total transactions handled by Edina Realty, 29 percent were lender-mediated, or homes that were lender-owned, short sales or in foreclosure; Edina Realty leads the lender-mediated market with 15.9 percent market share. According to data from the Minneapolis Area Association of REALTORS® (MAAR), lender-mediated transactions made up 43 percent of all transactions in 2009, compared to 31.4 percent of total sales in 2008.

While there have been an unprecedented number of lender-mediated transactions, traditional home sales (non lender-mediated) still account for the majority of real estate deals in the marketplace. Edina Realty has been steadily increasing its share of the traditional home market, growing it to 25 percent from 24.2 percent in 2008. “Lender-mediated business is a big part of the market now, but it won’t be around forever,” said Bob Peltier, president and CEO of Edina Realty. “We have agents specializing in all areas of real estate, but traditional sales are still our bread and butter.”

Overall, pending home sales in 2009 were up by 18.4 percent over 2008 in the 13-county metro area, according to MAAR. That’s the highest number of units sold since 2005 and the strongest year-over-year increase in sales since 1998. Statewide, pending sales were down slightly by 0.08 percent according to the REGIONAL MULTIPLE LISTING SERVICE OF MINNESOTA, INC., but closed sales were up by 8.8 percent with 44,300 sales in 2009 compared to 40,700 in 2008. This includes data for Minnesota, western Wisconsin and eastern North Dakota.

Closed sales of homes priced below \$150,000 jumped 72 percent from a year ago according to MAAR, as first-time homebuyers rushed to close on a home before the Nov. 30 filing deadline to capitalize on the federal tax credit. Homes under \$250,000 comprised 76 percent of Edina Realty’s total pending sales.

Ultimately, the tax credit was extended, and it now includes existing homeowners who have lived in their home for at least five consecutive years of the last eight. “We expect to see a new wave of activity early this year as

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people who have been sitting on the sidelines get into this incredible market,” Peltier said. “It’s the perfect time for existing homeowners to take advantage of favorable interest rates and low home prices – especially when you throw in the incentive of a \$6,500 tax credit for qualified repeat homebuyers for properties up to \$800,000.” To capitalize on the tax incentive, qualified homebuyers must have a signed purchase agreement by April 30, 2010, and close on their home by June 30, 2010.

The foreclosure crisis is far from over, and Peltier, like most market prognosticators, expects there to be as many foreclosures in 2010 as last year. Edina Realty was quick to enable consumers to search for foreclosed, lender-owned and short-sale properties on its Web site. Peltier said the firm also provides training for its agents in handling short sales and foreclosures since these transactions tend to be more complex. A new government initiative called HAFA (Home Affordable Foreclosure Alternatives), designed to simplify and streamline the process of purchasing a short sale, is due to go into effect on April 5, 2010.

By January, the months’ supply of housing inventory in the Twin Cities, which measures how long it will take to sell all of the homes on the market at the current rate of sales, was down to five months from 8.5 in 2008 – a marked improvement and the lowest since April 2006, according to MAAR. Early signs are that the shrinking inventory is helping strengthen Twin Cities’ home prices. According to MAAR, the December 2009 median sales price of \$162,000 is only 3 percent behind December 2008, the lowest year-over-year price decline in over two years.

Edina Realty’s Web site, www.edinarealty.com, continues to be the area’s most popular real estate site, attracting approximately one million visits or about 400,000 unique visitors every month. In 2009, Edina Realty’s Web site traffic grew by 13 percent. Edina Realty was the first firm in the market to launch a mobile-friendly Web site, m.edinarealty.com, where consumers can access key parts of the site from a Web-enabled mobile device.

Edina Realty currently has over 2,400 REALTORS® operating out of 59 branch offices as well as several smaller ‘satellite’ offices. More than half of the firm’s REALTORS® and staff from Edina Realty and its parent company, HomeServices of America, www.homeservices.com, are attending Edina Realty’s annual “Expo,” held on Jan. 20 at Saint Paul RiverCentre, where they hear from the leadership team about the current state of the market, the firm’s 2010 strategies and network with fellow agents and colleagues.

Edina Realty, a subsidiary of HomeServices of America, is one of the nation’s largest real estate companies with more than 60 real estate offices throughout Minnesota, North Dakota and Western Wisconsin and nearly 2,450 REALTORS®. Edina Realty’s family of companies includes Edina Realty, Edina Realty Title, Edina Realty Mortgage and Edina Realty Relocation. Edina Realty handled more than 28,000 transactions and \$5.8 billion in sales volume in 2009. For more information, visit www.edinarealty.com.