

# Facts & Trends

## Housing Market Normalizing



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### IN THIS ISSUE:

#### page 3

A 20% Down Payment Is Not A Requirement

#### page 3

Summary Of Regional Real Estate Activity

#### page 4

Home Price Appreciation Will Continue Over The Long Run

#### page 6

Ruhl&Ruhl Realtors Celebrates Strong 2022!



The frenzied pace of home sales activity during the pandemic was not normal or sustainable, nor is it good for a healthy, stable housing market. A return to a slower market with more modest price growth is a good place to be headed in 2023.

Across our region, home sales in 2022 were down 1% in sales volume and down 10% based on the number of properties sold. This was comparing 2022 to the best year ever in 2021, a year when sales were fueled by historically low interest rates and pandemic inspired desires for different housing.

Unit sales fell 10% in the 3rd quarter and 28% in the 4th quarter, due primarily to the 30 year fixed rate mortgage that doubled over the last year. We started at 3.2% back in January of 2022 and ended the year around 6.4%. We have never seen a year before when mortgage rates doubled. The rapid rise in rates, up to 7% at one point, slowed the market and scared prospective buyers and sellers.

Thankfully, it's a new year, and inflation seems to have begun to fall, as have mortgage rates. Rates are back in the range of 5.750% for a 30 year fixed conventional loan, and 5.375% for a 30 year fixed FHA or VA loan. This puts rates back in the historically normal range. But it will take some time for buyers to adjust, since rates were artificially low for the past few years.

We are seeing big differences from market to market in our region, as shown on the Regional Activity chart on page 3. For example, the Burlington area is a buyer's market, with 8.9 months of inventory, while the Quad Cities are still in a seller's market, with less than 2 months of inventory. Clinton and Dubuque are still a seller's market but with more inventory than the Quad Cities. Iowa City, DeWitt, SW Wisconsin, Galesburg and Cedar Rapids are in or approaching a balanced market, which means there is enough demand from buyers to equal the supply from sellers. The variations depend on

price ranges and neighborhoods, as well as local economies, etc. Buyers and sellers are encouraged to ask for a real estate review on their home or for the area they are interested in so they know what kind of market to expect. All Ruhl&Ruhl agents are happy to provide this analysis at no cost.

### Forecast for 2023

#### 1. Inventory Will Grow

We started 2023 with 12% more active listings than last January. Again this is a regional number and specific market inventory is shown on the activity chart on page 3. The increase in active listings is due in part to homes taking longer to sell. There is considerable pent up seller demand to sell their properties and make a move. The frenzied conditions of last year with multiple offers and confusing escalation clauses have abated. Most sellers will be pleasantly surprised at the amount of equity they have in their homes, as properties have appreciated significantly over the past 5 years. The chart on page 4 shows appreciation rates in our various markets. Some sellers are reluctant to sell and give up their low interest rate mortgages. This may lead to sellers who are able, keeping their residences as rentals.

**"... Sellers can have success in this market as long as they approach with reasonable expectations that are very different from what was the norm less than a year ago."**

**- Danielle Hale, Chief Economist, Realtor.com**

#### 2. Buyers Will Return To The Market

"The upcoming months should see a return of buyers, as mortgage rates appear to have already peaked and have been coming down since mid-November." - Lawrence Yun, Chief Economist, NAR.

People are getting married, divorced, passing away, moving to care for aging family members, relocating for career opportunities, having babies and outgrowing their current homes, getting tired of wasting their money on rent instead of building equity, etc. And for those people,

*Continued on page 2*

# Housing Market Normalizing (continued)

it is less about the mortgage interest rates and more about their present situation and whether they can afford a house that fits their needs.

We are optimistic that 2023's spring selling season will be a bright spot as inflation gets more under control. Demographics are spurring demand. According to a recent survey, 84% of Gen Z, 79% of Millennials and 61% of survey respondents 77 or older, plan to buy a house or condo in the next few years.

**“Long term homeowners should view the market ... right now ... as a unique buying opportunity ... This may be the one and only window for the next few years to get into a buyers market and remember ... as the Federal Reserve data shows ... home prices only go up and always recover from recessions no matter how mild or severe.” - David Stevens, Former Assistant Secretary of Housing.**

### 3. Home Appreciation Will Continue Over The Long Run

“After years of high-flying tech cities dominating real estate who's-who lists, this year's top performers are expected to be modest, mid-sized domestic, industry hubs in the Northeast, South, and Midwest. The slow and steady real estate markets in these areas continue to be affordable and will be the stars in 2023, better weathering the affordability challenges that loom ahead.” - Danielle Hale, Chief Economist, Realtor.com.

Experts forecast that nationally home prices will go anywhere from 5% depreciation to 5% appreciation in 2023. See forecast chart by source and regional appreciation on page 4 in home price article. The average of seven forecasts is 0.1% appreciation. Markets seeing the most significant drops will be those where home values grew the most rapidly, so even with

prices dropping, home values will probably still be up year over year.

### 4. Mortgage Rates May Trend Down Slightly, But Will Be Volatile

Mortgage interest rates are now more than a point below the high of 7.37% we saw in October and the market seems to have found some stability between 5.625% and the low 6's. Current rates at the time of this report, January 23, 2023 are:

- 15-year Conventional Fixed.....5.000%
- 30-Year Conventional Fixed.....5.750%
- FHA/VA 30-Year Fixed.....5.375%
- 5/1 ARM (Adjustable Rate Mortgage).....5.125%

See the chart below for mortgage rate projections. We consider these rates to be attractive considering the average mortgage rates over prior decades:

1970's	8.86%
1980's	12.70%
1990's	8.12%
2000's	6.29%

**As home values continue to increase, a mortgage now between 5% - 6.30% would be a smart investment.**

One option that sellers can offer or buyers may wish to consider is a short term mortgage rate buydown. A temporary buydown reduces the homebuyer's monthly payments in the first two or three years. The homebuyer will make discounted payments during that time. Most temporary buydowns are paid for by home builders and sellers as closing costs equal to the buyer's interest savings.

## Mortgage Rate Projections - Note that rates are better now!

January 2023

Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2023 Q1	6.60%	6.50%	6.20%	6.10%	6.35%
2023 Q2	6.50%	6.40%	5.60%	5.70%	6.05%
2023 Q3	6.40%	6.20%	5.40%	5.60%	5.90%
2023 Q4	6.20%	6.00%	5.20%	5.50%	5.73%

Source: Keeping Current Matters

# 2022 Regional Real Estate Activity

<i>Through December</i>	Average 2022 Sales Price	% Change in Average Sales Price from 2021	2022 Number Sold	% Change in Number Sold from 2021	2022 Sales Volume	% Change in Sales Volume from 2021	Active Listing Count 2022	% Change in Active Listings from 2021	Months of Inventory
<b>Burlington Area</b>	\$145,800	+5%	836	-36%	\$121,911,700	-33%	206	-9%	8.9
<b>Cedar Rapids Area</b>	\$244,100	+9%	5,257	-6%	\$1,283,171,800	+2%	878	+47%	3.8
<b>Clinton/Camanche/Fulton Area</b>	\$142,800	+13%	629	-11%	\$89,829,900	0%	123	-1%	2.8
<b>DeWitt Area</b>	\$224,500	+17%	176	+12%	\$39,507,300	+31%	20	+186%	4.0
<b>Dubuque Area</b>	\$253,600	+9%	1,578	-9%	\$400,170,400	-1%	163	+61%	2.4
<b>Galena &amp; Galena Territory</b>	\$297,200	+22%	288	-10%	\$85,598,300	+10%	35	+21%	3.0
<b>Galesburg Area</b>	\$128,300	-1%	641	-9%	\$82,249,000	-10%	111	+11%	3.9
<b>Illinois Quad Cities</b>	\$154,800	+2%	2,441	-11%	\$377,825,400	-9%	261	-31%	1.9
<b>Iowa Quad Cities</b>	\$255,300	+7%	2,637	-9%	\$673,226,400	-3%	305	-4%	1.7
<b>Iowa City Area</b>	\$301,900	+9%	3,555	-6%	\$1,073,293,300	+2%	749	+17%	5.5
<b>Muscatine/Wilton Area</b>	\$198,800	+14%	560	+5%	\$111,345,800	+20%	69	0%	3.2
<b>Southwest Wisconsin Area</b>	\$220,600	+9%	534	-15%	\$117,825,700	-7%	81	0%	3.8
<b>2022 Regional Total</b>	<b>\$232,900</b>	<b>+9%</b>	<b>19,132</b>	<b>-10%</b>	<b>\$4,455,955,000</b>	<b>-1%</b>	<b>3,001</b>	<b>+12%</b>	
<b>2022 4th Quarter Total</b>	<b>\$230,600</b>	<b>+9%</b>	<b>4,057</b>	<b>-28%</b>	<b>\$935,346,700</b>	<b>-21%</b>			

## A 20% Down Payment Is Not A Requirement

**Myth:** More than 62% of Americans think they need a down payment of 20% or more to buy a home, according to Nerd Wallet.

**Fact:** For first-time home buyers who financed the purchase, the median down payment was 7%, according to NAR. The median down payment for repeat buyers who financed was 16%.

The required minimum down payment for a house depends on the type of loan and a lender's criteria. Here are the minimum down payment requirements for most:

- **Conventional loans**, which aren't guaranteed by the federal government, can have down payments as low as 3% for qualified buyers. Some lenders offer down payment assistance grants to allow even lower down payments.
- **FHA loans**, backed by the Federal Housing Administration, require a minimum 3.5% down.

FHA loans allow lower minimum credit scores than conventional loans.

- **VA loans** for military service members and veterans, and **USDA loans** for certain rural and suburban buyers, usually require no down payment. VA loans are backed by the U.S. Department of Veterans Affairs, and USDA loans are guaranteed by the U.S. Department of Agriculture.

- **State Programs**, like **IFA** for Iowa and **IHDA** for Illinois, offer low down payments.

- **CRA loans** - require as little as 3% down but need to be in a targeted low or moderate income census tract. Investors can buy rentals with 15% down. The interest rate is also considerably better.

**Best Advice:** Meet with a knowledgeable loan officer to find out how much you can afford and what loan programs are available and might work best for you.

## Quad Cities MLS Statistics - Iowa & Illinois Combined

<i>Through December</i>	2018	2019	2020	2021	2022	% Change 2021 vs. 2022
<b>Current MLS Listings</b>	1,173	1,187	622	699	566	-19.0%
<b>Average Sales Price</b>	\$173,000	\$178,100	\$186,100	\$197,000	\$207,000	+5.1%
<b>Total Sales Volume</b>	\$840,331,200	\$852,342,700	\$968,636,300	\$1,110,637,000	\$1,051,051,800	-5.4%
<b>Total # of Sales</b>	4,858	4,785	5,205	5,638	5,078	-9.9%

# Home Price Appreciation Will Continue Over The Long Run

As sales dropped in our regional markets the second half of 2022, so did home appreciation. We ended 2022 about flat but home values were still up over 5 years.

“Local markets that are more affordable and where the local economy is strong will see stronger price growth in the year ahead. In contrast, higher cost metros, where housing affordability is a challenge, are at greater risk of price drops. In addition, pandemic boom towns, where demand surged, will also see greater price corrections in 2023.” - Lisa Sturtevant, Chief Economist for Bright MLS.

Once again, we are in a good place with our slow and steady long term appreciation in our regions.

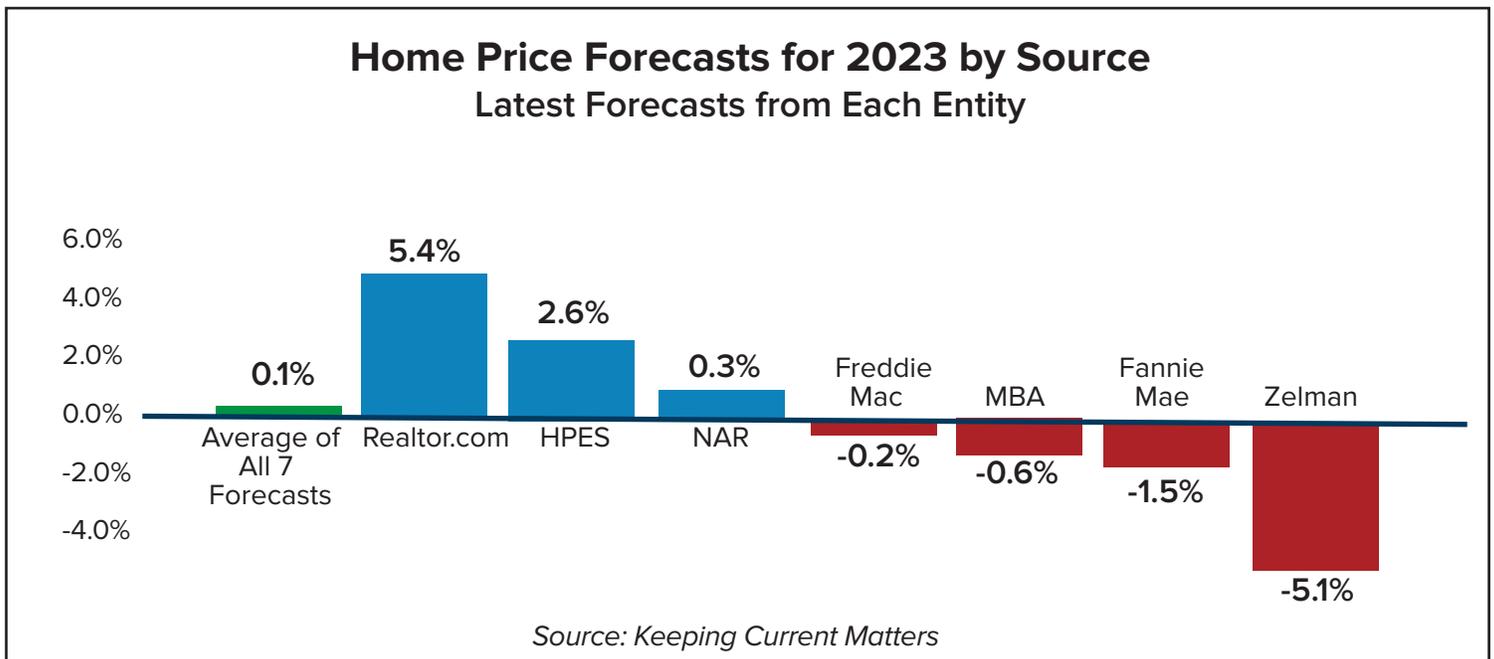
Five-year home appreciation in our region was

between 8.35% and 13.70%, with all of our regional Metropolitan Statistical Areas experiencing positive gains. See chart below for market specifics. In the past year, home prices in our area have moved slightly: +0.45% in Dubuque; -0.66% in Iowa City; +0.34% in Cedar Rapids; and -1.06% in the Quad Cities. Of course, there is variation based on price range and location of properties, with more affordable properties appreciating more and expensive properties appreciating less.

“House prices were flat for the third quarter but continued to remain above levels from a year ago,” said William Doerner, Ph.D., Supervisory Economist in FHFA’s Division of Research and Statistics. “The rate of U.S. house price growth has substantially decelerated. This deceleration is widespread”.

Metropolitan Statistical Area (MSA)	Percent Change in House Prices	
	1 Year	5 Year
Cedar Rapids, IA	+0.34%	+11.71%
Davenport-Moline-Rock Island, IA-IL	-1.06%	+8.35%
Des Moines-West Des Moines, IA	+1.34%	+13.70%
Dubuque, IA	+0.45%	+13.06%
Iowa City, IA	-0.66%	+10.76%
USA	+12.40%	+60.58%

Information courtesy of the Federal Housing Finance Agency (FHFA) for the third quarter of 2022. FHFA stats always run one quarter behind. Their full report is available at [www.fhfa.gov](http://www.fhfa.gov).



# Regional Residential Real Estate Activity

<i>Through December</i>	Current MLS Listings	% of Active Listings	2022 Avg. Sales Price	2022 Sales Volume	2022 # Sold	% of Unit Sales	Sales/ List	2021 Avg. Sales Price	2021 Sales Volume	2021 # Sold
<b>Burlington Area</b>	<b>206</b>		<b>\$145,800</b>	<b>\$121,911,700</b>	<b>836</b>		<b>97%</b>	<b>\$138,700</b>	<b>\$181,241,800</b>	<b>1,307</b>
<b>Cedar Rapids Area</b>	<b>878</b>		<b>\$244,100</b>	<b>\$1,283,171,800</b>	<b>5,257</b>		<b>100%</b>	<b>\$224,900</b>	<b>\$1,262,253,800</b>	<b>5,613</b>
Southeast Cedar Rapids	48	5%	213,200	90,599,200	425	8%	100%	207,600	90,316,500	435
Northeast Cedar Rapids	79	9%	237,700	173,555,400	730	14%	101%	214,600	160,985,800	750
Southwest Cedar Rapids	59	7%	203,100	104,167,500	513	10%	101%	188,900	100,695,200	533
Northwest Cedar Rapids	20	2%	199,600	77,236,700	387	7%	101%	182,500	79,184,100	434
Hiawatha & Robins	19	2%	342,300	34,574,300	101	2%	100%	342,600	33,920,500	99
Marion	71	10%	297,300	172,715,400	581	11%	101%	276,200	185,913,700	673
Mechanicsville, Anamosa, Mt. Vernon, Lisbon, etc.	135	15%	243,100	140,501,400	578	11%	99%	216,500	130,533,800	603
Walford, Fairfax, Atkins, etc.	109	12%	217,200	118,146,700	544	10%	98%	191,200	101,922,500	533
Corridor Area: Solon, Ely, Swisher	56	6%	434,200	114,194,200	263	5%	100%	405,900	120,549,800	297
Condominiums	282	32%	226,900	257,481,000	1,135	22%	100%	205,600	258,231,900	1,256
<b>Clinton/Camanche/Fulton Area</b>	<b>123</b>		<b>\$142,800</b>	<b>\$89,829,900</b>	<b>629</b>		<b>95%</b>	<b>\$126,600</b>	<b>\$89,644,100</b>	<b>708</b>
<b>DeWitt Area</b>	<b>20</b>		<b>\$224,500</b>	<b>\$39,507,300</b>	<b>176</b>		<b>98%</b>	<b>\$191,700</b>	<b>\$30,101,800</b>	<b>157</b>
<b>Dubuque Area</b>	<b>163</b>		<b>\$253,600</b>	<b>\$400,170,400</b>	<b>1,578</b>		<b>98%</b>	<b>\$231,800</b>	<b>\$404,045,100</b>	<b>1,743</b>
Dubuque	76	47%	261,300	272,224,400	1,042	66%	99%	247,900	288,988,400	1,166
North, South and West Dubuque	77	47%	231,400	101,594,800	439	28%	96%	189,600	87,043,300	459
Illinois	6	4%	241,500	15,941,200	66	4%	98%	238,900	17,437,300	73
Wisconsin	4	2%	335,800	10,410,000	31	2%	96%	234,800	10,566,100	45
<b>Galena &amp; Galena Territory</b>	<b>35</b>		<b>\$297,200</b>	<b>\$85,598,300</b>	<b>288</b>		<b>96%</b>	<b>\$243,700</b>	<b>\$77,997,100</b>	<b>320</b>
Galena	18	51%	227,400	19,329,300	85	30%	92%	223,100	18,739,800	84
Galena Territory	17	49%	326,400	66,269,000	203	70%	97%	251,100	59,257,300	236
<b>Galesburg Area</b>	<b>111</b>		<b>\$128,300</b>	<b>\$82,249,000</b>	<b>641</b>		<b>94%</b>	<b>\$129,100</b>	<b>\$91,254,600</b>	<b>707</b>
<b>Illinois Quad Cities</b>	<b>261</b>		<b>\$154,800</b>	<b>\$377,825,400</b>	<b>2,441</b>		<b>99%</b>	<b>\$151,800</b>	<b>\$414,960,700</b>	<b>2,734</b>
Rock Island	47	18%	125,600	62,408,000	497	20%	100%	127,500	67,967,300	533
Milan & Rural Rock Island County	18	8%	200,500	35,091,000	175	7%	99%	194,800	34,870,900	179
Moline	43	16%	147,400	89,055,700	604	25%	101%	143,200	97,397,100	680
Coal Valley, Rural Moline, Miscellaneous	6	2%	263,100	16,576,700	63	3%	100%	267,000	18,420,200	69
East Moline & Silvis	44	18%	134,600	47,382,400	352	14%	100%	132,100	54,026,100	409
Port Byron, Upper Rock Island County	12	5%	223,300	23,891,600	107	5%	98%	214,200	27,197,900	127
Mercer County	28	9%	145,800	24,489,700	168	7%	98%	138,400	29,195,000	211
Henry County	45	17%	171,700	64,047,300	373	15%	99%	172,000	67,243,200	391
Condominiums	18	7%	145,900	14,883,000	102	4%	99%	138,100	18,643,000	135
<b>Iowa Quad Cities</b>	<b>305</b>		<b>\$255,300</b>	<b>\$673,226,400</b>	<b>2,637</b>		<b>100%</b>	<b>\$239,600</b>	<b>\$695,676,300</b>	<b>2,904</b>
Davenport	161	50%	203,200	297,145,500	1,462	55%	101%	188,900	294,176,700	1,557
Bettendorf & Riverdale	54	18%	385,800	218,755,800	567	22%	101%	351,800	230,456,700	655
Blue Grass, Buffalo, Durant & Walcott	19	6%	226,200	41,164,000	182	7%	98%	193,600	35,419,800	183
LeClaire, Pleasant Valley & Princeton	14	5%	348,600	34,165,100	98	4%	100%	323,600	43,044,400	133
North Scott County	24	10%	341,800	39,307,900	115	4%	101%	327,800	51,794,500	158
Condominiums	33	11%	200,400	42,688,100	213	8%	99%	187,100	40,784,200	218
<b>Iowa City Area</b>	<b>749</b>		<b>\$301,900</b>	<b>\$1,073,293,300</b>	<b>3,555</b>		<b>100%</b>	<b>\$277,600</b>	<b>\$1,051,730,100</b>	<b>3,789</b>
Iowa City	120	16%	364,900	268,204,700	735	20%	101%	336,100	294,421,700	876
Coralville	37	5%	405,800	68,977,700	170	5%	100%	362,500	79,024,100	218
Northwest Iowa City	70	9%	430,100	138,498,100	322	9%	100%	386,400	129,429,800	335
Northeast Iowa City	15	2%	275,100	18,984,300	69	2%	98%	199,900	14,190,300	71
Southeast Iowa City	15	2%	245,800	16,220,800	66	2%	99%	230,600	20,062,500	87
Southwest Iowa City	33	4%	236,400	48,934,900	207	6%	99%	210,400	44,183,000	210
Corridor Area	33	4%	407,000	55,759,700	137	4%	99%	382,300	50,082,700	131
Miscellaneous	124	17%	262,400	171,362,600	653	18%	100%	230,000	121,221,100	527
Condominiums	302	41%	239,400	286,350,500	1,196	34%	100%	224,200	299,114,900	1,334
<b>Muscatine &amp; Wilton Area</b>	<b>69</b>		<b>\$198,800</b>	<b>\$111,345,800</b>	<b>560</b>		<b>99%</b>	<b>\$174,100</b>	<b>\$92,796,900</b>	<b>533</b>
Muscatine	46	66%	195,300	71,485,600	366	62%	100%	170,400	61,846,000	363
Wilton	2	3%	224,500	8,081,200	36	6%	99%	161,700	5,174,500	32
Muscatine Outlying	19	28%	204,800	29,896,000	146	30%	99%	193,000	22,382,400	116
Condominiums	2	3%	156,900	1,883,000	12	2%	99%	154,300	3,394,000	22
<b>Southwest Wisconsin Area</b>	<b>81</b>		<b>\$220,600</b>	<b>\$117,825,700</b>	<b>534</b>		<b>97%</b>	<b>\$203,200</b>	<b>\$127,178,600</b>	<b>626</b>

This representation is based in part on data supplied by the REALTOR Associations or their Multiple Listing Services. Neither the Boards nor their MLS guarantee or is in any way responsible for its accuracy. Data maintained by the Board or their MLS may not reflect all real estate activity in the market.

# Ruhl&Ruhl Realtors Celebrates Strong 2022

## Residential Sales Volume

Ruhl&Ruhl's sales volume in 2022 was \$1,157,223,540, down 2.4% from 2021.

## Number of Properties Sold

Ruhl&Ruhl Realtors sold 5,257 properties, as either listing agent or selling agent. This was 9.9% fewer transactions than in 2021.

## Revenue

Revenue in a real estate company is primarily gross commission income (GCI). Ruhl's 2022 GCI was \$33,543,387, down 2.4% from 2021.

## New Listings Taken

Ruhl&Ruhl Realtors listed 2,765 properties for sale in 2022, 3.7% fewer than 2021.

## Nationally Ranked Per Agent Productivity

On average our agents closed 16.8 transactions in 2022. This is more than double the national average per agent productivity.

## Great Agents and Staff

Ruhl&Ruhl ended 2022 with 313 residential agents. In addition, 63 employees work for the company. Midwest Referral, an affiliated company, has 74 agents who refer business to Ruhl&Ruhl Realtors.

## Ruhl Property Management

Ruhl Property Management manages 405 properties (492 units) and 3 HOA's (91 units). They acquired 145 new properties in 2022: 91 for property management and 54 for tenant placement. They executed 113 lease agreements and received 64 agent referrals for owners or tenants.

## Ruhl Mortgage

Ruhl Mortgage closed \$151,162,863 in loan volume, which was generated by 729 loans. 90% were purchase loans and 10% were refinances. Ruhl Mortgage employs 20 staff members including 4 loan officers, 2 loan officer assistants, 2 in house underwriters and 2 processors, plus other management and staff.

## Nelson Brothers Agency

Ruhl&Ruhl agents referred clients resulting in 511 policies being sold by the Nelson Brothers Agency, Ruhl&Ruhl Realtors' affiliated insurance company. Nelson Brothers Agency has 20 sales agents and 18 staff members.

## NAI Ruhl Commercial Company

NAI Ruhl Commercial Company, a joint venture with Ruhl&Ruhl Realtors, sold \$105 million in commercial real estate in 2022. They have 16 commercial agents and 15 staff members. NAI Ruhl Property Management manages 1.748 million square feet of space, 330 HOA units, and 80 acres of land.

## Regional New Construction Inventory & Home Sales

Through December	Active Inventory 12/31/20	Active Inventory 12/31/21	Active Inventory 12/31/22	% Change in Inventory from 2021	Sales 2020	Sales 2021	Sales 2022	% Change in Sales from 2021
<b>Cedar Rapids Area</b>	84	70	139	+99%	299	210	181	-14%
Houses	41	46	96	+109%	222	140	146	+4%
Condos/Villas	43	24	43	+79%	77	70	35	-50%
<b>Dubuque Area</b>	45	35	42	+20%	102	126	95	-25%
Houses	26	22	24	+9%	71	80	70	-13%
Condos/Villas	19	13	18	+38%	31	46	25	-46%
<b>Illinois Quad Cities</b>	9	1	3	+200%	9	12	11	-8%
Houses	6	1	3	+200%	8	8	6	-25%
Condos/Villas	3	0	0	0%	1	4	5	+25%
<b>Iowa Quad Cities</b>	42	35	71	+103%	215	210	160	-24%
Houses	36	29	39	+34%	173	150	108	-28%
Condos/Villas	6	6	32	+433%	42	60	52	-13%
<b>Iowa City Area</b>	221	286	257	-10%	505	599	515	-14%
Houses	98	85	121	+42%	248	274	238	-13%
Condos/Villas	123	201	136	-32%	257	325	277	-15%
<b>Total Regional Combined</b>	401	427	512	+20%	1,130	1,157	962	-17%

# New Housing Starts

## 2022 Ends With Reduced Sales Fewer New Home Starts And Increased Inventory

Through December	2019	2020	2021	2022	% Change 2021 vs. 2022
<b>Burlington Area</b>	<b>6</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>-50%</b>
Burlington	6	5	2	0	-100%
West Burlington	0	1	0	1	+100%
<b>Cedar Rapids Area</b>	<b>371</b>	<b>423</b>	<b>374</b>	<b>381</b>	<b>+2%</b>
Cedar Rapids	121	126	122	138	+13%
Marion	147	189	149	78	-48%
Rural Linn County	85	93	85	125	+47%
Hiawatha	18	15	18	40	+122%
<b>Dubuque Area</b>	<b>164</b>	<b>165</b>	<b>184</b>	<b>171</b>	<b>-7%</b>
Dubuque	44	29	40	48	+20%
East Dubuque	0	2	0	2	+100%
Galena	0	2	2	0	-100%
Jo Daviess County	18	30	35	31	-11%
Peosta	21	25	18	23	+28%
Surrounding Dubuque Area	81	77	89	67	-25%
<b>Illinois Quad Cities</b>	<b>67</b>	<b>62</b>	<b>32</b>	<b>106</b>	<b>+231%</b>
Moline & Coal Valley	9	14	5	22	+340%
Rock Island	14	9	5	11	+120%
East Moline & Hampton	19	0	0	3	+100%
Colona	2	3	2	0	-100%
Port Byron	1	0	0	0	0%
Geneseo	2	5	2	3	+50%
Rural Rock Island County & Milan	8	14	2	23	+1050%
Silvis	2	0	0	28	+100%
Whiteside County	10	17	16	16	0%
<b>Iowa Quad Cities</b>	<b>402</b>	<b>369</b>	<b>438</b>	<b>321</b>	<b>-27%</b>
Davenport	122	66	84	71	-15%
Bettendorf	169	165	248	182	-27%
Rural Scott County	50	74	54	37	-31%
Eldridge & Long Grove	32	32	24	6	-75%
LeClaire & Princeton	26	24	20	20	0%
Blue Grass - city of	3	8	8	5	-38%
<b>Iowa City Area</b>	<b>223</b>	<b>380</b>	<b>689</b>	<b>475</b>	<b>-31%</b>
Iowa City	81	89	135	93	-31%
Coralville & Tiffin	14	147	302	193	-36%
North Liberty	48	63	171	105	-39%
Rural Johnson County	58	46	40	42	+5%
West Branch	14	26	31	26	-16%
Williamsburg, Wellman & Kalona	8	7	1	15	+1400%
West Liberty & Tipton	0	2	9	1	-89%
<b>Muscatine Area</b>	<b>28</b>	<b>14</b>	<b>28</b>	<b>24</b>	<b>-14%</b>
Muscatine	11	4	13	7	-46%
Muscatine County	14	10	15	17	+13%
Wilton	3	0	0	0	0%
<b>Other Areas</b>	<b>58</b>	<b>27</b>	<b>24</b>	<b>6</b>	<b>-75%</b>
Clinton, Camanche & Fulton	12	13	14	0	-100%
DeWitt	32	6	10	5	-50%
Maquoketa, Preston & Bellevue	14	8	0	1	+100%
<b>Total Regional Starts</b>	<b>1,319</b>	<b>1,446</b>	<b>1,771</b>	<b>1,485</b>	<b>-16%</b>

New home sales tapered in 2022 as regional MLSs reported 17% fewer new sales than in 2021. The fourth quarter was especially tough as sales dropped 28% vs. the same period last year. House sales were down 32% for the quarter and 12% for the year. Condo sales dropped 22% for both the fourth quarter and the year. Inventory growth also slowed as the third quarter increase of 52% year over year has fallen to 20% as we begin 2023. These markets start the year with a combined new home supply of just over 6 months. Major market details are outlined in the chart on page 6. New housing starts information is shown on page 7.

The 2022 average selling price for a new house in our larger regional markets was \$469,671 (up 10.6% vs. 2021) and the average condo was \$312,692 (up 10.2%). New homes accounted for 1 in every thirteen home sales across these markets, with houses accounting for 59% of sales vs. 41% for condos. Sales price trends are shown below, with YTD indicating December 31st of each year shown:

Houses	YTD 2020	YTD 2021	YTD 2022
Below \$300K	28%	8%	6%
\$300 - \$400K	41%	30%	30%
Above \$400K	31%	62%	64%

Condos:	YTD 2020	YTD 2021	YTD 2022
Below \$200K	13%	11%	5%
\$200 - \$300K	64%	48%	28%
Above \$300K	23%	41%	67%

**CEDAR RAPIDS:** The area actually showed a slight sales increase in the 4th quarter, but still ended up at a 14% drop for the year. Houses were up 4%, but condo sales fell 50%. 2023 begins with double the units of inventory vs. 2022, supported by big jumps in both houses and condos. Marion was the only market segment to show a sales increase (4%). Both the 4 Quadrants + Hiawatha + Robins and the College Community area showed sales declines of 24% or more. Houses above \$500K showed the strongest sales gains. Large inventories, with over 20 month supplies, coupled with price increases above regional averages are likely the biggest obstacles to overcome in 2023. The average new house sales price in 2022 was \$419,118 (12% above 2021) and condos averaged \$350,021 (up 41%). 1 home sale in every 18 was a new construction home.

**DUBUQUE:** For the year, the area recorded a 25% sales drop, with houses down 13% and condos down 46%. Both houses and condos showed sales in nearly every price range, with the most noticeable imbalance in houses above \$400K. These were up 48% vs. 2021 and accounted for 61% of new house sales. House sales below \$400K were down 47%. Condo sales above \$225K were down 60%. 4th quarter condo sales dropped

Source: Municipal offices. There may be additional new homes built which are not included with this data.

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Continued on page 8

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### 2022 Ends With Reduced Sales Fewer New Home Starts and Increased Inventory continued from page 7

58% vs. 2021. The average sales price of a new house in the Dubuque market was \$433,692 (up 15% vs. 2021) While the average new condo sold for \$274,314 (down 1.4% in 2022). 1 home sale in every 16 was new construction.

**IOWA CITY:** While remaining the top regional new homes market, the Iowa City area also sustained a 4th quarter drought with 48% fewer sales, resulting in a 14% drop for 2022. For the year, house sales dropped 13% and condos 15%. Iowa City was also the only major market in the region to show a drop in inventory (-20%), with 42% more houses, but 32% fewer condos to begin 2023. Coralville, with an 18% increase, was the only market segment to show sales

growth. The Outlying areas had a 29% increase in 2023 beginning inventory, while most segments saw drops. Results were quite varied among the different market segments, with the one main constant - a terrible 4th quarter of sales. The 2022 average new house sale was \$481,184 (up 9% vs. 2021) and condos averaged \$305,906 (up 7% vs. 2021). 1 in every 7 home sales in the area was a new home.

**QUAD CITIES:** The area showed a small increase in 4th quarter sales but still suffered an overall unit sales drop of 23% for the year. House sales were down by 28% and condos by 11%. 2023 beginning inventory is slightly over twice as many units as were available at this time in

2022, but it is evenly balanced reflecting 2021 sales results. The average new house sale in Scott County was \$543,252 (up 15% vs. 2021) and condos averaged \$348,055 (up 7% vs. 2021). In Rock Island County houses averaged \$338,402 (up 1.2%) and condos were \$251,440 (down 14%). In Scott County 1 in every 16 home sales was new and in Rock Island County it was 1 in every 171 home sales.

Multiple "To-Be-Built" MLS entries promise more available buyer opportunities in coming months. Coupled with moderating interest rates and stabilizing materials prices, now looks like a terrific time to talk with your builder, develop a plan, and "Build YOUR Dream"!

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