

# Facts & Trends

## Falling Mortgage Rates Spur Strong Buyer Demand



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Ruhl&Ruhl Realtors Celebrates Strong 2023



After a challenging 2022 and 2023 due to mortgage rates doubling and very low inventory, signs point to a resurgence in market activity in 2024.

Evidence for trending improvement in sales in our region is shown at the bottom of our graph on page 2.

- The number of properties sold in 2023 was down 15% for the total year and sales volume was down 12%, as referenced on page 3.
- But in the 4th quarter the number of properties sold was only down 6% from the 4th quarter of 2022 and sales volume was only down 1% due to home prices being up 5%.
- Ruhl&Ruhl’s pending sales in December of 2023 were up 21.7% over December of 2022, which bodes well for 2024.
- We started 2024 with 4% more new listings across the region for all brokers. **Ruhl&Ruhl Realtors’ active listing inventory was up 12%** on January 16, 2024 compared to the same week in 2023.

### Forecast for 2024

#### 1. Homes Will Continue To Appreciate In Our Region

Homes appreciated between 4.5% - 8.0% in our markets year over year. See details on page 4 by market. Fannie Mae’s Home Price Expectation survey, which polls over 100 housing experts, forecasts we finished 2023 with 5.92% appreciation and they project 2.35% appreciation in 2024.

“With mortgage rates dropping, demand for homes in early 2024 is likely to be strong and will again put pressure on prices... Most markets will continue to reach new home price highs over the course of 2024” Selma Hepp, Chief Economist, CoreLogic

#### 2. Home Sales Will Rise In 2024

Lawrence Yun, Chief Economist for NAR (National Association of Realtors) predicts that existing home sales will be up 13.5% in 2024 from 2023. He states “markets in the Midwest will experience gains from being the most affordable region.”

Ruhl&Ruhl Realtors is budgeting for a 6.7% increase in number of solds in 2024, which may be a conservative projection for our region if mortgage rates continue to fall. Realtor.com agrees: “...affordable markets in the Midwest are expected to rebound from a significant sales decline in 2023.”

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

Mortgage rates more than doubled since early 2021, reaching a 20 year high of around 8% in 2023. We have recently seen rates fluctuate from the upper 5% range to the upper 6% range.

“It also appears that mortgage rates are now falling again. They will almost certainly not fall to pandemic lows, although we may soon see rates under 6.0%, which would be low by pre-Great Recession standards” – Dean Baker, Senior Economist, Center for Economic Research.

As of January 22 mortgage rates were as follows:

- 15-Year Conventional Fixed ..... 5.500%
- 30-Year Conventional Fixed ..... 6.000%
- FHA 30-Year Fixed ..... 5.875%
- VA 30-Year Fixed ..... 5.875%
- USDA/RD ..... 6.000%
- 30-Year Jumbo ..... 6.375%

# Falling Mortgage Rates Spur Strong Buyer Demand (continued)

## 4. More Homes Will Be Listed For Sale - Inventory Will Grow

We started 2024 with 4% more listings across the region. Ruhl&Ruhl Realtors active listing inventory was up 12% on January 16, compared to the same week last year. **There is pent up selling demand.** People who own properties and wanted to move, but held off due to their existing low interest rate mortgages, are experiencing life changing events that necessitate changing houses. Events such as marriage, divorce, death, or relocating for a job change can require a move.

“We might be at peak “lock-in effect”. Some move-up or lifestyle sellers might be coming to terms with the fact 3% and 4% mortgage rates aren’t returning anytime soon... If the “lock-in effect” eases up further in 2024...it could help boost existing home sales from the very low levels experienced at the end of 2023,” Lance Lambert, Founder, ResiClub

People can’t postpone moving indefinitely. Even another small fall in rates could be the enticement owners need to put their homes on the market. Builders will also continue to increase inventory.

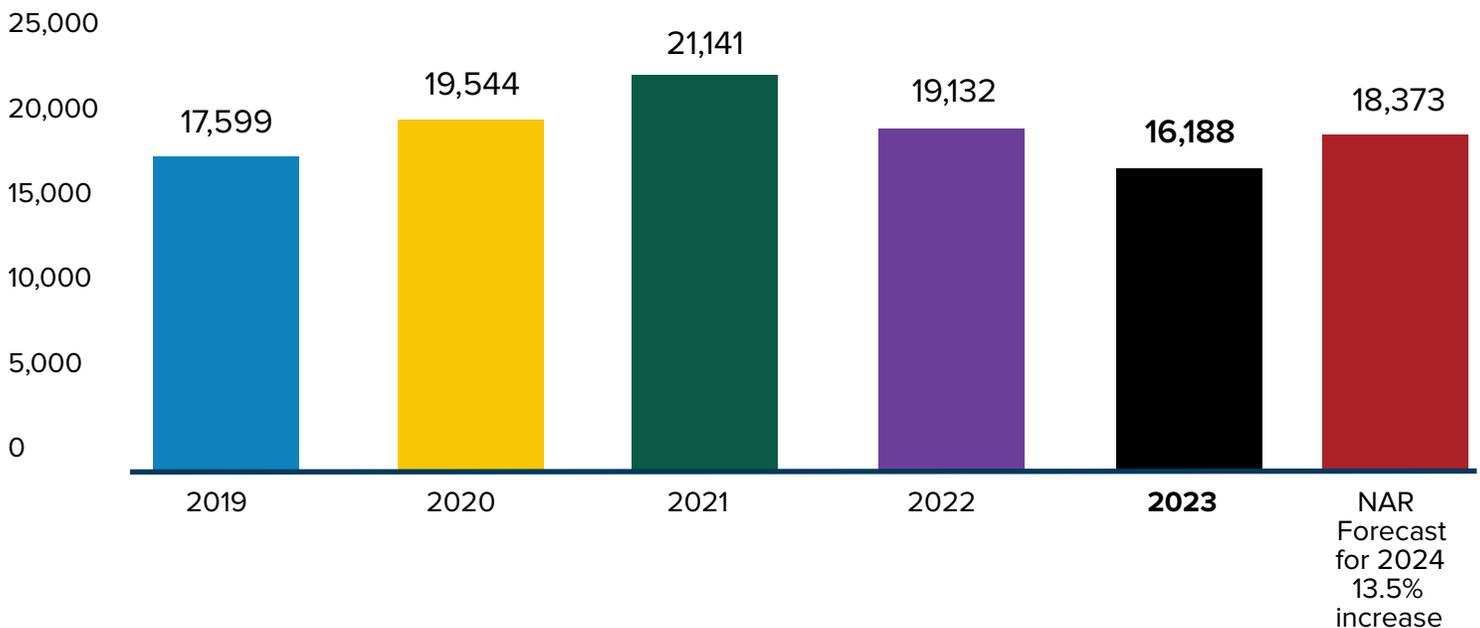
“Housing inventory is expected to rise by around 30% as more sellers begin to list after delaying selling over the past two years,” according to Dr. Yun of the NAR.

## 5. Still A Seller’s Market

Based on months of inventory, shown on our activity chart on page 3, it is still a seller’s market in all of our markets, except Iowa City. A seller’s market is less than 4 months of inventory, a balanced market is 4-6 months of inventory, which favors buyers and sellers equally.

**The real estate market is poised for an uptick of both buyers and sellers in 2024.** We’ll start to bridge the gap between supply and demand and bring about a more dynamic and balanced marketplace.

## Year End Regional Transactions Closed By All MLS’s And Brokerages



\*Ruhl&Ruhl Realtors budgeted for a 6.7% increase in closed transactions for 2024. This may be a conservative increase if mortgage rates continue to fall.

# 2023 Regional Real Estate Activity

Through December	Average 2023 Sales Price	% Change in Average Sales Price from 2022	2023 Number Sold	% Change in Number Sold from 2022	2023 Sales Volume	% Change in Sales Volume from 2023	Active Listing Count 2023	% Change in Active Listings from 2022	Months of Inventory
Burlington Area	\$155,800	+7%	1,011	+21%	\$157,487,600	+29%	179	-13%	3.2
Cedar Rapids Area	\$254,600	+4%	4,454	-15%	\$1,134,013,200	-12%	874	0%	3.8
Clinton/Camanche/Fulton Area	\$148,000	+4%	524	-17%	\$77,530,100	-14%	127	+3%	2.1
DeWitt Area	\$209,900	-7%	102	-42%	\$21,406,500	-46%	18	-10%	2.0
Dubuque Area	\$256,900	+1%	1,354	-14%	\$347,822,700	-13%	159	-2%	2.1
Galena & Galena Territory	\$324,000	+9%	210	-27%	\$68,050,300	-21%	36	+3%	2.8
Galesburg Area	\$122,200	-5%	483	-25%	\$59,000,000	-28%	81	-27%	4.3
Illinois Quad Cities	\$167,400	+8%	1,948	-20%	\$326,098,900	-14%	236	-10%	1.9
Iowa Quad Cities	\$271,500	+6%	2,121	-20%	\$575,775,500	-14%	341	+12%	1.9
Iowa City Area	\$315,900	+5%	3,003	-16%	\$948,776,000	-12%	897	+20%	6.1
Muscatine/Wilton Area	\$207,700	+4%	453	-19%	\$94,088,600	-15%	86	+25%	3.3
Southwest Wisconsin Area	\$215,600	-2%	525	-2%	\$113,175,400	-4%	80	-1%	2.8
<b>2023 Regional Total</b>	<b>\$242,400</b>	<b>+4%</b>	<b>16,188</b>	<b>-15%</b>	<b>\$3,923,224,800</b>	<b>-12%</b>	<b>3,114</b>	<b>+4%</b>	
<b>2023 4th Quarter Total</b>	<b>\$243,000</b>	<b>+5%</b>	<b>3,821</b>	<b>-6%</b>	<b>\$928,499,400</b>	<b>-1%</b>			

## The Dramatic Impact Of Homeownership On Net Worth

If you're trying to decide whether to rent or buy a home this year, here's a powerful insight that could give you the clarity and confidence you need to make your decision.

Every three years, the Federal Reserve releases the Survey of Consumer Finances (SCF), which compares net worth for homeowners and renters. **The latest report shows the average homeowner's net worth is almost 40X greater than a renter's.**

One reason a wealth gap exists between renters and homeowners is because when you're a homeowner, your equity grows as your home appreciates in value and you make your mortgage payment each month. When you own a home, your monthly mortgage payment acts like a form of forced savings, which eventually pays off when you decide to sell. As a renter, you'll never see a financial return on the money you pay out in rent every month. Ksenia Potapov, Economist at First American, explains it like this:

**"Renters don't capture the wealth generated by house price appreciation, nor do they benefit from the equity gains generated by monthly mortgage payments . . ."**

**The Largest Part of Most Homeowner's Net Worth Is Their Equity**

Home equity does more to build the average

household's wealth than anything else. According to data from First American and the Federal Reserve, this holds true across different income levels.

No matter what your income level is, owning a home can really boost your wealth. Nicole Bachaud, Senior Economist at Zillow, shares:

**"The biggest asset most people are ever going to own is a home. Homeownership is really that financial key that helps unlock stability and wealth preservation across generations."**

If you're ready to start building your net worth, the current real estate market offers several opportunities you should consider. For example, with mortgage rates trending lower lately, your purchasing power may be higher now than it has been in months. And, with more inventory coming to the market, there are more options for you to consider. A local real estate agent can walk you through the opportunities you have today and guide you through the process of finding your ideal home.

If you're unsure about whether to rent or buy a home, keep in mind that owning a home can increase your overall wealth in the long run, no matter your income. (Source: Keeping Current Matters)

To discover more about this and the many other benefits of homeownership, please contact your Ruhl&Ruhl agent.

## Quad Cities MLS Statistics - Iowa & Illinois Combined

Through December	2019	2020	2021	2022	2023	% Change 2022 vs. 2023
Current MLS Listings	1,187	622	699	566	577	+1.9%
Average Sales Price	\$178,100	\$186,100	\$197,000	\$207,000	\$221,600	+7.1%
Total Sales Volume	\$852,342,700	\$968,636,300	\$1,110,637,000	\$1,051,051,800	\$901,874,400	-14.2%
Total # of Sales	4,785	5,205	5,638	5,078	4,069	-19.9%

# Home Prices Continue To Rise

The Federal Housing Finance Agency published the 2023 Q3 Housing Price Index report and national data shows home prices rose in October, up 0.3% from September. House prices rose 6.3% from October 2022 to October 2023. The previously reported 0.6% price increase in September was revised to a 0.7% increase.

The five-year home appreciation in our region was between 30.95% and 42.13% with all of our regional Metropolitan Statistical Areas experiencing positive gains.

In the past year, home prices in our markets have increased: +4.49% in Iowa City; +5.92% in Cedar Rapids; and +8.08% in the Quad Cities. This compares to other cities: Des Moines +5.07% and Chicago +5.33%. Of course, there is variation based on price range and location of properties, with more affordable properties appreciating more and expensive properties appreciating less.

“U.S. house price gains remained strong over the last 12 months,” said Dr. Nataliya Polkovnichenko, Supervisory Economist in FHFA’s Division of Research and Statistics. “On a monthly basis, price appreciation moderated in October, with four divisions exhibiting slowdowns from the previous month.”

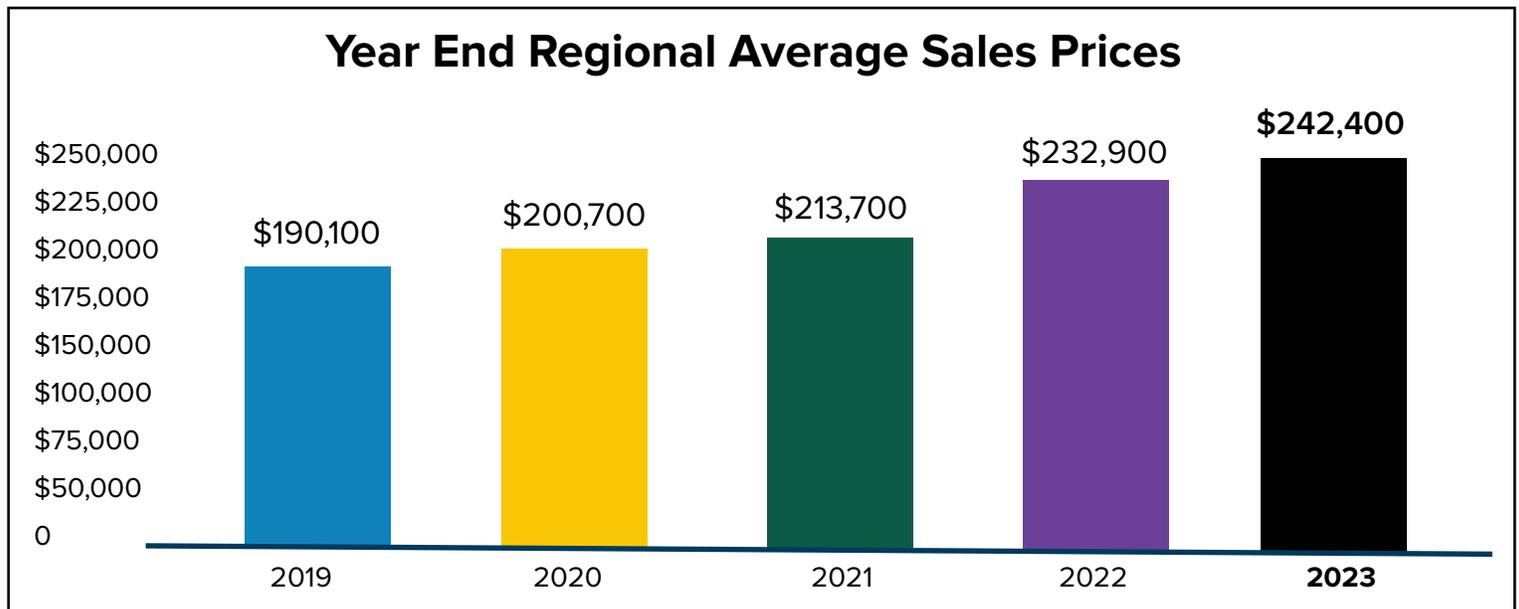
“The FHFA’s latest report, coupled with a strong fourth quarter, signals a compelling start to 2024 in the housing market. The dip in mortgage rates in November brought much-needed relief, not just in terms of affordability but also in rejuvenating buyer interest. All current indicators, including an increase in home sales, a gradual increase in inventory, and sustainable appreciation, paint an encouraging picture as we head into the new year. This positive momentum sets the stage for a promising year ahead, offering promising opportunities for both buyers and sellers”, said Chris Beason, President of Ruhl&Ruhl Realtors.

## Home Appreciation

Metropolitan Statistical Areas (MSAs)	Percent Change in House Prices	
	1 Year	5 Year
Cedar Rapids, IA	+5.92%	+39.38%
Davenport-Moline-Rock Island, IA-IL	+8.08%	+38.03%
Des Moines-West Des Moines, IA	+5.07%	+42.13%
Iowa City, IA	+4.49%	+30.95%
Waterloo-Cedar Falls, IA	+4.71%	+35.71%
USA	+5.45%	+58.77%

Information courtesy of the Federal Housing Finance Agency (FHFA) for the third quarter of 2023. FHFA stats always run one quarter behind. Their full report is available at [www.fhfa.gov](http://www.fhfa.gov).

## Year End Regional Average Sales Prices



# Regional Residential Real Estate Activity

<i>Through December</i>	Current MLS Listings	% of Active Listings	2023 Avg. Sales Price	2023 Sales Volume	2023 # Sold	% of Unit Sales	Sales/ List	2022 Avg. Sales Price	2022 Sales Volume	2022 # Sold
<b>Burlington Area</b>	<b>179</b>		<b>\$155,800</b>	<b>\$157,487,600</b>	<b>1,011</b>		<b>96%</b>	<b>\$145,800</b>	<b>\$121,911,700</b>	<b>836</b>
<b>Cedar Rapids Area</b>	<b>874</b>		<b>\$254,600</b>	<b>\$1,134,013,200</b>	<b>4,454</b>		<b>99%</b>	<b>\$244,100</b>	<b>\$1,283,171,800</b>	<b>5,257</b>
Southeast Cedar Rapids	38	4%	220,900	72,902,900	330	7%	98%	213,200	90,599,200	425
Northeast Cedar Rapids	58	7%	249,900	143,942,200	576	13%	99%	237,700	173,555,400	730
Southwest Cedar Rapids	72	8%	208,300	83,747,300	402	9%	100%	203,100	104,167,500	513
Northwest Cedar Rapids	30	3%	199,000	66,861,300	336	8%	100%	199,600	77,236,700	387
Hiawatha & Robins	26	3%	375,400	33,790,000	90	2%	99%	342,300	34,574,300	101
Marion	74	8%	293,500	134,403,400	458	10%	100%	297,300	172,715,400	581
Mechanicsville, Anamosa, Mt. Vernon, Lisbon, etc.	103	12%	254,000	144,251,500	568	13%	98%	243,100	140,501,400	578
Walford, Fairfax, Atkins, etc.	94	11%	238,100	111,408,700	468	10%	98%	217,200	118,146,700	544
Corridor Area: Solon, Ely, Swisher	60	7%	471,400	104,654,600	222	5%	99%	434,200	114,194,200	263
Condominiums	319	37%	237,100	238,051,300	1,004	23%	100%	226,900	257,481,000	1,135
<b>Clinton/Camanche/Fulton Area</b>	<b>127</b>		<b>\$148,000</b>	<b>\$77,530,100</b>	<b>524</b>		<b>94%</b>	<b>\$142,800</b>	<b>\$89,829,900</b>	<b>629</b>
<b>DeWitt Area</b>	<b>18</b>		<b>\$209,900</b>	<b>\$21,406,500</b>	<b>102</b>		<b>92%</b>	<b>\$224,500</b>	<b>\$39,507,300</b>	<b>176</b>
<b>Dubuque Area</b>	<b>159</b>		<b>\$256,900</b>	<b>\$347,822,700</b>	<b>1,354</b>		<b>97%</b>	<b>\$253,600</b>	<b>\$400,170,400</b>	<b>1,578</b>
Dubuque	93	59%	267,600	223,746,000	836	62%	97%	261,300	272,224,400	1,042
North, South and West Dubuque	53	33%	233,300	95,890,400	411	30%	95%	231,400	101,594,800	439
Illinois	10	6%	240,300	14,659,100	61	5%	96%	241,500	15,941,200	66
Wisconsin	3	2%	294,100	13,527,200	46	3%	98%	335,800	10,410,000	31
<b>Galena &amp; Galena Territory</b>	<b>36</b>		<b>\$324,000</b>	<b>\$68,050,300</b>	<b>210</b>		<b>94%</b>	<b>\$297,200</b>	<b>\$85,598,300</b>	<b>288</b>
Galena	16	44%	280,400	16,826,000	60	29%	93%	227,400	19,329,300	85
Galena Territory	20	56%	262,700	51,224,300	150	71%	95%	326,400	66,269,000	203
<b>Galesburg Area</b>	<b>81</b>		<b>\$122,200</b>	<b>\$59,000,000</b>	<b>483</b>		<b>93%</b>	<b>\$128,300</b>	<b>\$82,249,000</b>	<b>641</b>
<b>Illinois Quad Cities</b>	<b>236</b>		<b>\$167,400</b>	<b>\$326,098,900</b>	<b>1,948</b>		<b>99%</b>	<b>\$154,800</b>	<b>\$377,825,400</b>	<b>2,441</b>
Rock Island	59	25%	128,900	46,517,100	361	19%	99%	125,600	62,408,000	497
Milan & Rural Rock Island County	9	4%	207,600	26,156,300	126	6%	97%	200,500	35,091,000	175
Moline	38	16%	165,200	71,038,400	430	22%	99%	147,400	89,055,700	604
Coal Valley, Rural Moline, Miscellaneous	7	3%	257,200	11,316,100	44	2%	100%	263,100	16,576,700	63
East Moline & Silvis	32	13%	156,800	47,348,100	302	15%	100%	134,600	47,382,400	352
Port Byron, Upper Rock Island County	14	6%	246,900	22,715,100	92	5%	99%	223,300	23,891,600	107
Mercer County	27	11%	150,500	24,387,100	162	8%	98%	145,800	24,489,700	168
Henry County	32	14%	182,200	55,385,300	304	16%	99%	171,700	64,047,300	373
Condominiums	18	8%	167,200	21,235,400	127	7%	98%	145,900	14,883,000	102
<b>Iowa Quad Cities</b>	<b>341</b>		<b>\$271,500</b>	<b>\$575,775,500</b>	<b>2,121</b>		<b>100%</b>	<b>\$255,300</b>	<b>\$673,226,400</b>	<b>2,637</b>
Davenport	151	44%	209,000	225,554,700	1,079	51%	100%	203,200	297,145,500	1,462
Bettendorf & Riverdale	65	24%	415,600	219,014,100	527	25%	100%	385,800	218,755,800	567
Blue Grass, Buffalo, Durant & Walcott	31	9%	217,800	34,623,600	159	8%	98%	226,200	41,164,000	182
LeClaire, Pleasant Valley & Princeton	16	5%	365,600	27,055,300	74	3%	99%	348,600	34,165,100	98
North Scott County	51	10%	322,100	35,428,100	110	5%	100%	341,800	39,307,900	115
Condominiums	27	8%	198,300	34,099,700	172	8%	98%	200,400	42,688,100	213
<b>Iowa City Area</b>	<b>897</b>		<b>\$315,900</b>	<b>\$948,776,000</b>	<b>3,003</b>		<b>99%</b>	<b>\$301,900</b>	<b>\$1,073,293,300</b>	<b>3,555</b>
Iowa City	134	15%	370,400	231,881,100	626	21%	99%	364,900	268,204,700	735
Coralville	42	5%	425,100	71,413,200	168	6%	99%	405,800	68,977,700	170
Northwest Iowa City	81	9%	461,900	99,299,800	215	7%	99%	430,100	138,498,100	322
Northeast Iowa City	12	1%	252,400	17,922,400	71	2%	98%	275,100	18,984,300	69
Southeast Iowa City	13	1%	230,900	10,392,700	45	1%	98%	245,800	16,220,800	66
Southwest Iowa City	31	4%	255,700	42,182,900	165	6%	98%	236,400	48,934,900	207
Corridor Area	39	4%	430,200	55,063,600	128	4%	98%	407,000	55,759,700	137
Miscellaneous	168	19%	269,600	154,207,500	572	19%	99%	262,400	171,362,600	653
Condominiums	377	42%	263,000	266,412,800	1,013	34%	99%	239,400	286,350,500	1,196
<b>Muscatine &amp; Wilton Area</b>	<b>86</b>		<b>\$207,700</b>	<b>\$94,088,600</b>	<b>453</b>		<b>99%</b>	<b>\$198,800</b>	<b>\$111,345,800</b>	<b>560</b>
Muscatine	57	66%	206,600	62,592,000	303	67%	99%	195,300	71,485,600	366
Wilton	2	2%	199,400	5,184,500	26	6%	98%	224,500	8,081,200	36
Muscatine Outlying	24	28%	216,100	23,550,100	109	24%	98%	204,800	29,896,000	146
Condominiums	3	4%	184,100	2,762,000	15	3%	97%	156,900	1,883,000	12
<b>Southwest Wisconsin Area</b>	<b>80</b>		<b>\$215,600</b>	<b>\$113,175,400</b>	<b>525</b>		<b>96%</b>	<b>\$220,600</b>	<b>\$117,825,700</b>	<b>534</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 2023

## Residential Sales Volume

Ruhl&Ruhl's sales volume in 2023 was \$1,001,291,064 down 13.5% from 2022.

## Number of Properties Sold

Ruhl&Ruhl Realtors sold 4,390 properties, as either listing agent or selling agent. This was 16.5% fewer transactions than in 2022.

## Revenue

Revenue in a real estate company is primarily gross commission income (GCI). Ruhl's 2023 GCI was \$29,479,191, down 12.1% from 2022.

## New Listings Taken

Ruhl&Ruhl Realtors listed 2,580 properties for sale in 2023, 6.7% fewer than 2022.

## Nationally Ranked Per Agent Productivity

On average our agents closed 14.0 transactions in 2023. This is more than double the national average per agent productivity.

## Great Agents and Staff

Ruhl&Ruhl ended 2023 with 313 residential agents. In addition, 65 employees work for the company. Midwest Referral, an affiliated company, has 116 agents who refer business to Ruhl&Ruhl Realtors.

## Ruhl Property Management

Ruhl Property Management manages 141 properties (183 units) and 3 HOA's (91 units). They acquired 135 new properties in 2023: 72 for property management and 63 for tenant placement. They executed 117 lease agreements and received 50 agent referrals for owners or tenants.

## Ruhl Mortgage

Ruhl Mortgage closed \$133,350,976 in loan volume, which was generated by 614 loans. 91% were purchase loans and 9% 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 539 policies being sold by the Nelson Brothers Agency, Ruhl&Ruhl Realtors' affiliated insurance company. Nelson Brothers Agency has 20 sales agents and 21 staff members.

## NAI Ruhl Commercial Company

NAI Ruhl Commercial Company, a joint venture with Ruhl&Ruhl Realtors, sold \$91 million in commercial real estate in 2023. They have 16 commercial agents and 16 staff members. NAI Ruhl Property Management manages 1.808 million square feet of space, 405 HOA units, and 80 acres of land.

## Regional New Construction Inventory & Home Sales

<i>Through December</i>	Active Inventory 12/31/21	Active Inventory 12/31/22	Active Inventory 12/31/23	% Change in Inventory from 2022	Sales 2021	Sales 2022	Sales 2023	% Change in Sales from 2022
<b>Cedar Rapids Area</b>	70	139	175	+26%	210	181	179	-1%
Houses	46	96	102	+6%	140	146	146	*NC
Condos/Villas	24	43	73	+70%	70	35	33	-6%
<b>Dubuque Area</b>	35	42	34	-19%	126	95	52	-45%
Houses	22	24	21	-13%	80	70	41	-41%
Condos/Villas	13	18	13	-28%	46	25	11	-56%
<b>Illinois Quad Cities</b>	1	3	5	+67%	12	11	20	+82%
Houses	1	3	4	+33%	8	6	5	-17%
Condos/Villas	0	0	1	+100%	4	5	15	+200%
<b>Iowa Quad Cities</b>	35	71	79	+11%	210	160	171	+7%
Houses	29	39	38	-3%	150	108	103	-5%
Condos/Villas	6	32	41	+28%	60	52	68	+31%
<b>Iowa City Area</b>	286	257	251	-2%	599	515	427	-17%
Houses	85	121	138	+14%	274	238	195	-18%
Condos/Villas	201	136	113	-17%	325	277	232	-16%
<b>Total Regional Combined</b>	427	512	544	+6%	1,157	962	849	-12%

\*NC (No Change)

# New Housing Starts

## Will 2024 See A Resurgence In New Home Sales?

Through December	2020	2021	2022	2023	% Change 2022 vs. 2023
<b>Burlington Area</b>	6	2	1	16	+1500%
Burlington	5	2	0	10	+1000%
West Burlington	1	0	1	6	+500%
<b>Cedar Rapids Area</b>	423	374	381	414	+9%
Cedar Rapids	126	122	138	168	+22%
Marion	189	149	78	88	+13%
Rural Linn County	93	85	125	100	-20%
Hiawatha	15	18	40	58	+45%
<b>Dubuque Area</b>	165	184	171	152	-11%
Dubuque	29	40	48	35	-27%
East Dubuque	2	0	2	0	-200%
Galena	2	2	0	2	+200%
Jo Daviess County	30	35	31	32	+3%
Peosta	25	18	23	15	-35%
Surrounding Dubuque Area	77	89	67	68	+1%
<b>Illinois Quad Cities</b>	62	32	106	65	-39%
Moline & Coal Valley	14	5	22	7	-68%
Rock Island	9	5	11	4	-64%
East Moline & Hampton	0	0	3	16	+433%
Colona	3	2	0	0	NC
Port Byron	0	0	0	0	NC
Geneseo	5	2	3	9	+200%
Rural Rock Island County & Milan	14	2	23	11	-52%
Silvis	0	0	28	1	-96%
Whiteside County	17	16	16	17	+6%
<b>Iowa Quad Cities</b>	369	438	321	353	+10%
Davenport	66	84	71	95	+34%
Bettendorf	165	248	182	175	-4%
Rural Scott County	74	54	37	20	-46%
Eldridge & Long Grove	32	24	6	42	+600%
LeClaire & Princeton	24	20	20	17	-15%
Blue Grass - city of	8	8	5	4	-20%
<b>Iowa City Area</b>	380	689	475	400	-16%
Iowa City	89	135	93	64	-31%
Coralville & Tiffin	147	302	193	110	-43%
North Liberty	63	171	105	140	+33%
Rural Johnson County	46	40	42	49	+17%
West Branch	26	31	26	15	-42%
Williamsburg, Wellman & Kalona	7	1	15	19	+27%
West Liberty & Tipton	2	9	1	3	+200%
<b>Muscatine Area</b>	14	28	24	24	NC
Muscatine	4	13	7	13	+86%
Muscatine County	10	15	17	10	-41%
Wilton	0	0	0	1	+100%
<b>Other Areas</b>	27	24	6	21	+250%
Clinton, Camanche & Fulton	13	14	0	7	+700%
DeWitt	6	10	5	6	+20%
Maquoketa, Preston & Bellevue	8	0	1	8	+700%
<b>Total Regional Starts</b>	1,446	1,771	1,485	1,445	-3%

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

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2023 marked the third consecutive year of dropping new home sales in the region. Local MLSs reported 12% fewer overall unit sales, with 14% fewer house and 9% less condo closings than in 2022. 2023 sales were also 27% below 2021 totals. In contrast, current inventory at the beginning of 2024 shows 6% more available units than at the same time last year. There is a regional supply of 7.5 months of houses and 8 months of condos. Houses accounted for 58% of sales with condos at 42%; very near 2022 levels. The regional average new house sale price was \$501,484 (up 7% vs 2022), while the average condo sale was \$337,702 (up 10%). **Regionally, one home sale in 12 was new construction.** Inventory levels, sales prices, and sales totals vary greatly by market segment. New home starts are detailed on the chart to the left. Individual market inventory and sales results are shown on page 6. Larger market information is presented in the summaries below:

**CEDAR RAPIDS:** Combined area sales dropped only 1% vs 2022. The 4 Quadrants-Hiawatha-Robins segment led the way with a 29% unit sales increase, highlighted by a 35% jump in house sales. Marion sales were down 14% while College Community District sales dropped 25% vs 2022. Combined area house sales were unchanged vs. 2022 while condo sales dropped 6%. The average new house sale price was \$425,350 (up 1.5%) as the average condo sale dropped 8% to \$323,462. The area began 2024 with 26% more units for sale, as compared to the same time in 2023. This increase is due to a 70% jump in the number of available condos. **In 2023, one home sale in every 15 was new construction.**

**DUBUQUE:** New home sales saw a substantial decrease in 2023. House sales dropped 41% and condo sales fell 56% for a combined unit sales loss of 45%. 98% of new house sales and 89% of condo sales were above \$300K. The average new house sale was \$461,254 (up 6% vs 2022 and up 23% vs 2021). The average new condo sale was \$330,345 (up 20% vs 2022). Current new home inventory is down 21% vs the same time last year. There are 12% fewer houses and 28% fewer condos available. **In 2023, one in every 26 home sales was new construction.**

**IOWA CITY:** The Iowa City Area, despite a combined unit sales drop of 17%, maintained its position as the new construction leader in the region. House sales dropped 18% and condos fell 16%. **The area's combined market sales accounted for just over 50% of regional sales for the third year in a row, and it boasts 46% of current inventory in our larger markets.** All five market segments report unit sales dropping 14% to 31%. **Continued on page 8**

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*Will 2024 See A Resurgence In New Home Sales? continued from page 7*

This area's average new house sale price was \$519,339 (up 8% vs 2022). The average new condo sale was \$331,756 (also up 8%). Current inventory shows 14% more houses than this time last year, but 17% fewer condos.

Combined beginning inventory is down 2%. **In 2023, one in every 5 home sales was new construction.** Unit sales were shared relatively evenly among Iowa City, North Liberty, Coralville, Tiffin and the Outlying Areas.

**QUAD CITIES:** This area was the only

larger market to post a combined unit sales increase in 2023. Rock Island County sales jumped 82% on the strength of a 200% increase in condo sales. Scott County reported a 7% increase in unit sales with condos leading the way with a 31% gain. In Rock Island County, the average new house sale price was \$387,724 (up 15% vs 2022) while the average condo sale dropped to \$225,760 (down 10%). The average new house sale price in Scott County was \$606,826 (up 12% vs 2022) and the average condo sale was \$392,952 (up 13%). Current inventory is also up for 2024, with house units unchanged, but with 31% more condos available this year.

**Scott County had one in every 12 home sales as new construction while Rock Island County had one in every 176 sales as new construction.** With no letup in 2023 new starts and strong beginning inventory levels, perhaps 2024 will be able to reverse the downward trend in new home sales of the past three years. While it is evident that construction costs will continue to rise, factors such as potential new regulations, stabilizing interest costs, energy efficiency, available desirable sites and other design considerations, all combine to reinforce the idea that there may never be a better time to begin the process and move to "Live Your Dream".



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