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Twin Cities Home Prices Cross \$400K Mark for the First Time

July 20, 2025

— Categories: Real Estate



The average home price in the Twin Cities has officially surpassed the \$400,000 mark, signaling a major turning point in the region's housing market. With prices hitting historic highs, both buyers and sellers are navigating a rapidly shifting landscape marked by tight inventory and strong competition.

The Minneapolis-Saint Paul metro, the 16th largest in the United States, is experiencing more than just a seasonal uptick. According to data from Minnesota Realtors, a professional organization for licensed real estate agents across the state, the median home sale price has now reached a record \$401,000, the first time it's broken that threshold.

Veteran Realtor Richard Webb of the Webb Group, who has worked in the area since 2004, says the issue now isn't just rising prices, but the affordability gap that comes with them. "What matters is affordability to people, and that seems to be a problem right now," Webb told WCCO News. "Sellers today start with a little leverage, but back in 2010, they had none."

Market Strains

The numbers show a sharp contrast in activity: seller listings are up 4.4% in the Twin Cities metro, while buyer demand has only increased 0.8%. This imbalance is putting added pressure on first-time buyers, many of whom are scrambling to compete in a hot market.

Webb noted that millennials, in particular, are actively buying, driving demand even as prices rise. "They're buying like crazy, and that's keeping business strong," he said. However, not everyone can keep up with the pace.

"It's unaffordable for an average young couple," said Carolyn Brochman, a Minneapolis resident who recently went through the buying and selling process herself. "I found it extremely stressful."

Homes across the metro often receive multiple offers within days, further intensifying the competition. Webb advises buyers to partner with experienced agents who know how to position offers in a fast-moving market. "Almost every house we see is getting multiple offers," he said. "You need someone who knows how to help you stand out."

While the market heavily favors sellers, Webb added that inventory is starting to improve. Suburbs throughout the metro are seeing increased attention as buyers expand their searches outside central neighborhoods. "Every suburb is on the radar now," Webb said.

In addition to buyer behavior, the region's strong economic base, anchored by multiple Fortune 500 companies, is also helping sustain home values. Yet rising prices continue to encourage concerns about long-term accessibility, especially for middle-income families.

As the summer housing season reaches its peak, the Twin Cities market will likely stay competitive. For prospective buyers, patience and planning may be just as critical as cash.