Minnesota Realtors®
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Minnesota Construction Codes Advisory Council:

As you consider the Residential Energy Code TAG Report, Minnesota Realtors® requests that you please not take any actions which would significantly increase the cost of housing.

Minnesota Realtors® (MNR) is a business trade association representing over 21,500 real estate professionals statewide. Our members help build a more prosperous real estate industry and higher quality of life for everyone who calls Minnesota home.

As home prices continue to rise for both new and existing homes, our members see first-hand the affordability challenges buyers are facing.

Data demonstrates clearly that housing supply and affordability are a growing challenge for Minnesota homebuyers, particularly first-time and first-generation buyers. Key housing market data that illustrates this challenge include:

- The median statewide sales price year-to-date for existing homes was $358,000 in September, with the Twin Cities reaching $395,490 (*Source: MNR Local Market Update-September 2025*).
- The Housing Affordability Index year-to-date is ninety-three, which means the median household income is only 93% of what is necessary to qualify for the median-priced home under prevailing interest rates (*Source: MNR Local Market Update-September 2025)*.
- The Monthly PITI (Principal-Interest-Taxes-Insurance) payment on a median priced home in Minnesota is $2,642. In 2021, it was $1,622—an over $1,000 increase in just four years (*Source: David Arbit, MNR Research Director*).

The growing cost of homeownership is a significant barrier to entry for aspiring first-time homebuyers. According to the National Association of Realtors®' (NAR) 2025 Profile of Home Buyers and Sellers, the median age for first-time buyers is now 40 years, which is an all-time high. In addition, the share of first-time buyers hit a record low of 21%.

Minnesota Realtors® recognizes the value in examining approaches that incorporate sustainability and energy efficiency measures, which promote healthy and resilient communities for future generations.

However, we also think it is essential that any policies under consideration, including the Residential Energy Code TAG Report, are scrutinized for how they address the supply and affordability of housing because continuing to take actions that increase the cost of housing is not sustainable.

It is our understanding that adoption of the Residential Energy Code TAG Report would result in additional cost increases on new construction that would further exacerbate the affordability barrier to homeownership that already exists for far too many Minnesotans. We ask that you please proceed with caution and avoid taking any actions which would further increase the cost of housing.

Thank you again for the opportunity to share our concerns.

Sincerely,

Paul Eger

Paul Eger
Senior Vice President of Governmental Affairs
Minnesota Realtors®

CC: Commissioner Nicole Blissenbach (dli.communications@state.mn.us)
Sen. Jen McEwan, Chair, Senate Labor Committee (sen.jennifer.mcewen@mnsenate.gov)
Sen. Gene Dornick, Ranking Member, Senate Labor Committee (sen.gene.dornink@mnsenate.gov)
Rep. Dave Baker, Co-Chair, House Workforce, Labor, and Economic Development Finance and Policy Committee (rep.dave.baker@house.mn.gov)
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