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2021 Ames Real Estate Market Report



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What Makes Ames Special?

Located smack dab in the center of Iowa, with a thriving university in Iowa State as its hub, Ames is a wonderful place for families, young adults, retirees and investors to live and call home.

While Iowa State is the hub, Ames has many distinct, unique and thriving spokes that keep the wheel stable. In 2020, Ames was ranked as the No. 15 mid-size city (pop. 20,000-1,000,000) in America to live in according to Livability.com.

“What’s life like living in Ames? Pretty amazing,” Livability said. “In addition to a plethora of top career opportunities, the area is laced with must-try restaurants, breweries and wineries. Also crowd pleasers: beautiful outdoor art (largely thanks to the Neighborhood Sculpture Program), dozens of parks and miles of bike trails. Plus, Iowa State University not only brings top program and degree options for students, but also a youthful spirit that radiates throughout the region.”

Sounds pretty great to us.



Downtown Ames is a thriving area. It hosts weekly farmer’s markets in the summer as well as special events like the Octagon Arts festival. Downtown also has a variety of retail stores, restaurants and bars.

Ames has 38 parks in the Parks and Rec system. Beyond managing and operating the parks, Parks and Rec also offers youth and adult sports and activities throughout the year, as well as classes.



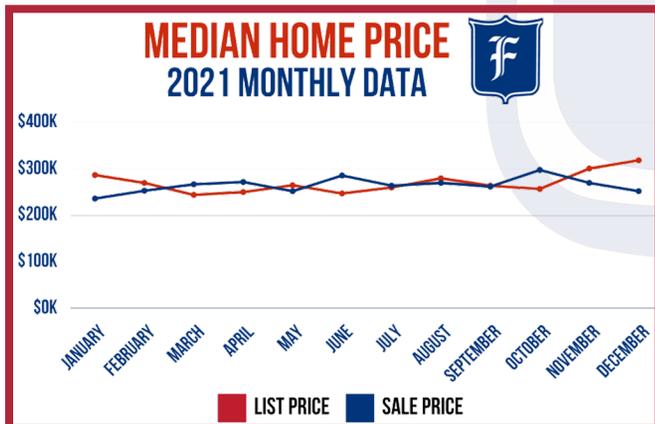
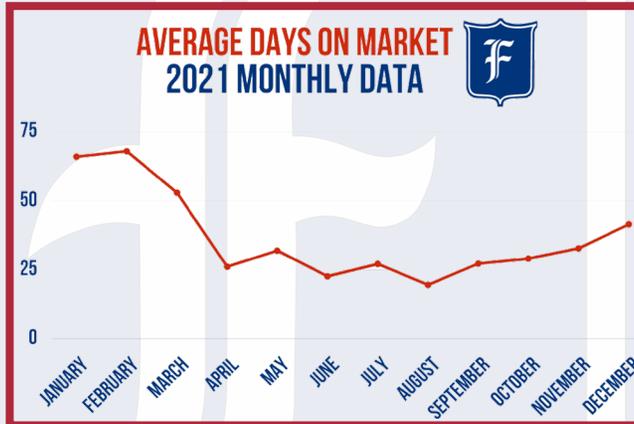
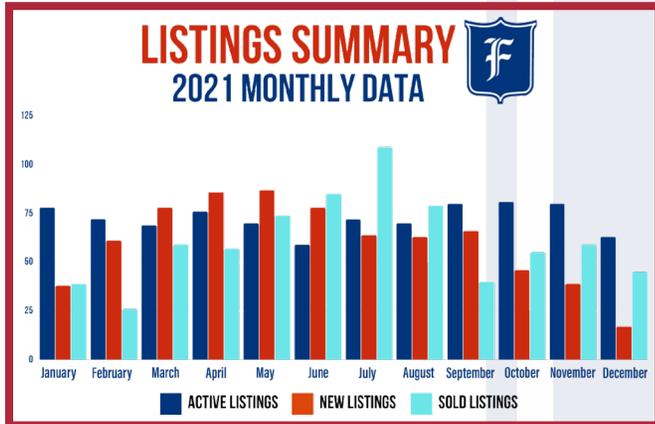
The Ames Arts Commission has an annual outdoor sculpture exhibition, where it commissions local artists to create sculptures that will be featured throughout the city.

Making Sense of the 2021 Housing Market

2021 was an unprecedented year in the real estate world. The average number of days a house was on the market was just 32 days in Ames. During the summer months, houses were selling in under a month and they were routinely receiving multiple offers.

The very strong sellers market led to the median list price and the median sale price to be nearly identical. The median list price in Ames was \$269,900 and the median sale price was \$267,500 in 2021. In 2020, the median list price was \$249,000 and the median sale price was \$231,000 — a 14% increase in median sale price from 2020 to 2021.

Buyer's needed patience, persistence and a knowledgeable real estate agent to help guide them through the market. That's where we at Friedrich Iowa Realty took the most pride. We had a banner year, closing a record number of transactions and helping individuals and families throughout central Iowa find their home.



2020 & 2021 Comparisons



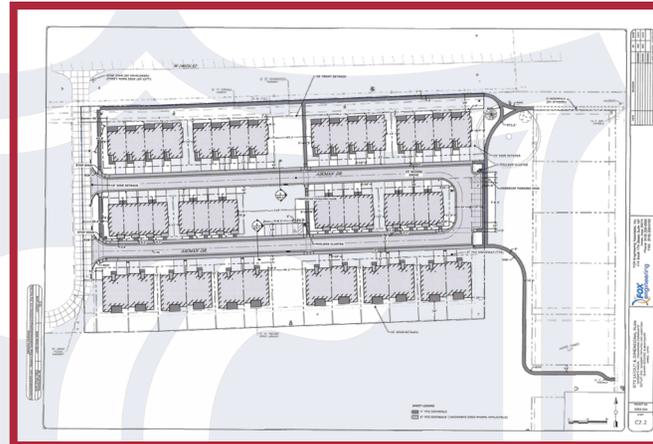
Our Latest Projects

Friedrich was proud to introduce and expand a number of development projects around the Ames area.

Our newest development in 2021 was Prairie Valley, which is just north of Ames and west of Gilbert. It's a 70-lot development in a country-like setting with 80 acres of natural prairie to the south that is managed by Story County Conservation. Plat One includes 28 homesites. Even though it was just introduced in September, several lots have already been sold or reserved.

We also introduced the fourth and fifth additions to Quarry Estates, which overlooks Ada Hayden Heritage Park in north Ames. Sales have been brisk for every addition but some quality homesites remain. We're also adding an enclave of townhomes called Hayden's Ridge to Quarry Estates to better serve the housing needs in the Ames area.

Hayden's Ridge



We're offering three different townhome styles in the Hayden's Ridge development — one ranch and two 2-story.

The Hayden's Ridge project is projected to be completed in the Fall of 2022 and reservations will begin early 2022.



Contact a Friedrich agent for full site-maps, floor plans and details.

Investing in the Community

The rental market in Ames is always strong with Iowa State providing plenty of students and incoming workers that need housing, and 2021 put it on another level.

Friedrich Properties, a branch of R. Friedrich and Sons Inc., had limited vacancies throughout 2021. Beyond the units that Friedrich owns, we also provide third-party management and those units were also at full occupancy. If there was a vacancy, we were typically able to fill the vacancy within 30 days — including subleases.

Ames is an exciting place with plans for steady growth of the community. As the community grows, new individuals and families that arrive here need places to live. Rentals provide individuals and families a place to land as they transition and time to get to know the market and neighborhoods prior to making a purchasing decision (buying a home) if that is their ultimate objective.

Investing in real estate in Ames has historically been a safe investment and it is a common investment to hedge against inflation. We've done it, believe in it, and maybe it should be part of your portfolio too? If you have questions about investment real estate or need assistance with property management services, call your friends at Friedrich.

If you rent a Friedrich-owned Property and you buy a home using a Friedrich real estate agent, we'll let you out of your lease if you give a full-month notice.



The median home price in Ames has increased 35.96% in the last decade while the buying power of the US Dollar has decreased by 21.43%. That means Ames housing appreciation has outpaced the declining value of the Dollar by 14.53% making real estate a strong investment.

The Edgewood Park community is a flagship Friedrich property that was built and owned by Friedrich from day one — like many other properties we operate.



Where Do We Go From Here?

Like most communities in the United States, Ames is often a reflection of the broader market. While the Ames community tends to handle down turns in the economy better than most — Ames was named one of the “15 Cities that have done the Best Since the Recession” by Bloomberg Business — we still get impacted by the broader market.

National Association of Realtors Chief Economist Lawrence Yun and Real Estate training professional Brian Buffini expect the market to keep up the 2021 pace until the second quarter of 2022. That’s when they expect interest rates will begin to rise.

“In 2020, we had 5.7 million home sales,” Yun said. “This year (2021), it looks like we’ll tally up to 6 million, which is a 7% improvement. But in 2022, I think the sales activity will be shaved modestly — maybe a 2% reduction. The principal reason for that is higher mortgage rates.”

Mortgage Rate to Rise



Presented by Lawrence Yun, “Brian Buffini’s Bold Predictions: 2022 Real Estate Market Outlook,” *Buffini and Company*, Carlsbad, California, Dec. 13, 2021

“My best guess at the moment is that rates will be at 3.7% 12 months from now. It’s nothing alarming, but you should be prepared.” - Lawrence Yun, Dec. 2021

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-Welcome Home!