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Slow Start for New Residential Construction in 2009

Roseville, MN (February 10, 2009) – As Congress inaugurated a new president and began debate on a nationwide stimulus package, the local housing market remained cautious. The total number of permits issued for January 2009 hit a new low of just 127, yet the inclusion of two large multi-family projects in January pushed planned units to just 14 fewer than in January 2008, and more than 50 percent more than last month.

According to statistics compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 340 units permitted during the month of January 2009, up from the 223 units permitted in December 2008. Multi-family construction activity started the year at 63 percent.

Now that the Senate and the House have each passed their respective versions of the economic stimulus bill, the work to merge the two versions into one plan will begin today.

“The housing industry is encouraged by language that expands the housing tax credit and removes the pay back requirement,” says BATC President Mike Swanson. “This is the type of stimulus that can make a real difference. It is critical to the entire economy to fix housing first. We must underpin the value of housing which is the core of the average Americans wealth and the vehicle used to fuel the economy.”

Inver Grove Heights led the metro in building activity for the month with 103 units permitted in January. Glen-
coe followed with 65 units permitted, Oakdale was next with 30 units permitted, followed by Woodbury with 14 and Maple Grove and Shakopee both had 10.

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January 2009 Building Activity

Past Twelve Months

	Permits	Permitted Units	Permit Value
January 2008	235	364	92,261,940
February 2008	170	217	65,249,320
March 2008	207	229	68,710,517
April 2008	180	293	62,510,134
May 2008	255	498	98,695,290
June 2008	289	444	103,103,450
July 2008	255	650	111,957,805
August 2008	281	794	133,619,108
September 2008	224	447	82,119,343
October 2008	212	628	116,991,808
November 2008	206	420	84,035,773
December 2008	158	223	53,916,054
January 2009	127	340	57,966,957

Five-Year Comparisons

	Permits	Permitted Units	Permit Value
January 2005	610	943	191,982,228
January 2006	613	1,000	203,036,739
January 2007	379	896	167,615,138
January 2008	235	364	92,261,940
January 2009	127	340	57,966,957

Multifamily Construction as a Percentage of Total Activity

Feb - 08	Mar - 08	Apr - 08	May - 08	Jun - 08	Jul - 08	Aug - 08	Sep - 08	Oct - 08	Nov - 08	Dec - 08	Jan - 09	YTD - 09
29	14	43	53	39	70	71	54	76	58	36	63	63

Top Cities for Building Activity

January 2009

Permits		Permitted Units	
Woodbury	14	Inver Grove Hts.	103
Maple Grove	10	Glencoe	65
Shakopee	10	Oakdale	30
Blaine	7	Woodbury	14
Lakeville	6	Maple Grove	10
Prior Lake	6	Shakopee	10
Victoria	6		

The Builders Association of the Twin Cities has contracted with Keystone Report, a local research firm, to maintain a database with information about new residential construction permits around the metropolitan area. After a builder has picked up the permit from a city, Keystone Report compiles and updates weekly residential housing permits by city for 70 percent of the metropolitan-area municipalities in the greater 13-county region. Planned units are the total number of housing units planned to be built under the permits issued (one permit is issued per building which may include more than one housing unit). Permit value does not include the land/lot costs.