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### **July Marks Most Building Activity in Nearly a Year**

Roseville, MN (August 9, 2007) – Builders looking for the new home market to flatten from this year’s correction saw a bright spot in July, as the month marked the most building activity in nearly a year. Activity for July 2007 was the highest number of permitted units since August 2006.

According to statistics compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were a total of 974 units permitted in July 2007, up from 773 units permitted in June 2007. Year-to-date activity remains behind a year ago, with a total of 5,497 units permitted thus far, down from 7,655 units permitted through the same points last year.

Every month in 2007 has been below 2006 in month-over-month comparisons, but the summer has begun to show consistency in month-to-month activity. Builders remain hopeful that this trend signals a leveling-off from the recent correction says 2007 BATC President Michael Noonan.

“We hope that a trend is forming from the past few months,” says Noonan. “We are beginning to see small signs that activity in the new home market is leveling out from our recent correction.”

Builders are hopeful that a trend is forming and the new home market correction is leveling out, but they do not expect a quick rush of activity. It is going to take time to return to a healthy and sustainable rate of production says Noonan.

“Clearly, we are not going to see immediate improvement by leaps and bounds,” says Noonan. “We are pleased with incremental gains right now.”

Minneapolis continues to lead the metro in year-to-date building activity with 495 units permitted. St. Paul ranks second with 371 units permitted, followed by Lakeville with 290, Woodbury with 287, and St. Louis Park with 227.

MORE

# July 2007 Building Activity

|          | Permits | Permitted Units | Permit Value |
|----------|---------|-----------------|--------------|
| January  | 379     | 896             | 167,615,138  |
| February | 305     | 580             | 119,839,736  |
| March    | 330     | 443             | 122,163,105  |
| April    | 486     | 895             | 188,770,051  |
| May      | 534     | 753             | 172,815,704  |
| June     | 592     | 773             | 174,981,932  |
| July     | 440     | 974             | 160,329,637  |

## 5-Year Comparisons

|          | Permits | Permitted Units | Permit Value |
|----------|---------|-----------------|--------------|
| Jul 2003 | 847     | 1,295           | 221,623,281  |
| Jul 2004 | 1,045   | 1,726           | 310,415,9954 |
| Jul 2005 | 1,019   | 1,827           | 311,856,329  |
| Jul 2006 | 636     | 1,047           | 215,034,953  |
| Jul 2007 | 440     | 974             | 160,329,637  |

|          | Permits | Permitted Units | Permit Value  |
|----------|---------|-----------------|---------------|
| YTD 2003 | 6,366   | 10,552          | 1,728,216,308 |
| YTD 2004 | 6,462   | 10,392          | 1,863,997,327 |
| YTD 2005 | 5,877   | 9,972           | 1,817,744,641 |
| YTD 2006 | 4,802   | 7,655           | 1,596,230,669 |
| YTD 2007 | 3,199   | 5,497           | 1,148,391,518 |

### Multifamily Construction as a Percentage of Total Activity

| Jan | Feb | Mar | Apr | May | Jun | Jul | YTD |
|-----|-----|-----|-----|-----|-----|-----|-----|
| 62  | 51  | 33  | 52  | 36  | 31  | 60  | 48  |

| July        |    |                |     | Year-to-Date |     |                |     |
|-------------|----|----------------|-----|--------------|-----|----------------|-----|
| Permits     |    | Units          |     | Permits      |     | Units          |     |
| Woodbury    | 24 | St. Louis Park | 221 | Woodbury     | 204 | Minneapolis    | 495 |
| Lakeville   | 23 | Lakeville      | 111 | Lakeville    | 164 | St. Paul       | 371 |
| Otsego      | 18 | Minneapolis    | 85  | Otsego       | 140 | Lakeville      | 290 |
| Shakopee    | 18 | Woodbury       | 37  | Blaine       | 131 | Woodbury       | 287 |
| Minneapolis | 16 | Otsego         | 27  | Maple Grove  | 131 | St. Louis Park | 227 |

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 permits is issued per building which may include more than one housing unit). Permit value does not include the land/lot costs.

\*The reporting period for each month compares statistics over four weeks, while year-to-date statistics cover the first 30 weeks of the year 2007