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## **Twin Cities Residential Construction Activity Remains Stable**

Roseville, MN (August 3, 2009) – With a variety of positive indicators on the new home front across the country, Twin Cities builders are generally more optimistic, yet remain cautious. Residential permits issued in the region matched permit-for-permit with June 2009, while planned units reflected a drop in multi-family construction from 33 to 21 percent of the total, bringing planned units down 19 percent from June.

According to statistics compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 269 units permitted during the month of July 2009, and a total of 1,974 units have been permitted year-to-date in 2009.

Nationally, new single-family home sales in June rose 11 percent according to a release from the National Association of Home Builders. Home sales in the Twin Cities in June were up more than 10 percent from 2008 according to statistics from the Minneapolis Area Association of Realtors.

“The positive sales news is a welcome sign to the local building industry,” says BATC President Mike Swanson. “While foreclosed and lender-mediated properties are still a problem, they’ve become a smaller percentage of home sales, bringing the market more into balance. At the same time, sales prices for traditional homes (those not under duress) have not dropped precipitously, in fact prices in 12 MLS regions have actually risen since 2006.”

“The residential construction industry is a major contributor to our country’s GDP.” Swanson says. “The stimulus steps that the federal government has enacted, including the soon-to-expire \$8,000 tax credit for home buyers who haven’t owned a home in the past three years, have made a good start yet more can be done to help families who need shelter. A healthy housing industry will go a long way toward moving the nation out of recession.”

Shakopee led the metro in building activity for the month with 43 units permitted in July. Blaine followed with 28 units, Woodbury issued permits for 23 units, followed by Maple Grove with 20 and Hugo with 18.

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# July 2009 Building Activity

## Past Twelve Months

	Permits	Permitted Units	Permit Value
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
February 2009	107	118	34,803,836
March 2008	113	143	38,660,696
April 2009	118	419	53,563,471
May 2008	187	233	54,132,420
June 2009	238	332	77,741,321
July 2009	238	269	60,752,708

## Five-Year Comparisons

	Permits	Permitted Units	Permit Value
July 2005	1,019	1,827	311,856,329
July 2006	636	1,047	215,034,953
July 2007	440	974	160,329,637
July 2008	255	650	111,957,805
July 2009	238	269	60,752,708

	Permits	Permitted Units	Permit Value
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
YTD 2008	1,679	2,823	629,540,897
YTD 2009	1,209	1,974	406,836,008

## Multifamily Construction as a Percentage of Total Activity

Aug - 08	Sep - 08	Oct - 08	Nov - 08	Dec - 08	Jan - 09	Feb - 09	Mar - 09	Apr - 09	May - 09	Jun - 09	Jul - 09	YTD - 09
71	54	76	58	36	63	14	24	72	22	33	21	42

## Top Cities for Building Activity

July				2009 Year-to-Date			
Permits		Permitted Units		Permits		Permitted Units	
Shakopee	37	Shakopee	43	Shakopee	120	St. Paul	180
Blaine	28	Blaine	28	Maple Grove	95	Shakopee.	128
Maple Grove	20	Woodbury	23	Blaine	93	Woodbury	125
Woodbury	15	Maple Grove	20	Woodbury	90	Blaine	124
Hugo	12	Hugo	18	Lakeville	66	Maple Grove	112
Lakeville	12						

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.