

FOR IMMEDIATE RELEASE

Contact: Wendy Danks, Director of Marketing
651.697.7565, wendy@batc.org
Joshua Fowler, Executive Vice President
651.697.7561, joshua@batc.org

June Home Building Activity Remains Steady

Roseville, MN (July 10, 2008) – For the second month in a row, Twin Cities residential builders have maintained a slightly accelerated pace of permit activity in the region. Total planned units remain at about 57 percent of last year’s totals, but continues to suggest that the residential market is stabilizing.

According to statistics compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 444 units permitted during the month of June 2008, down only slightly from the 498 units permitted in May 2008, but well ahead of monthly totals for January through April. Year-to-date activity in 2008 trails 2007, with 2,081 units permitted thus far, compared to 4,523 units permitted through the same point last year.

Summer has historically seen new home construction slow, so the rise in May and June permits could be seen as a positive sign. Another indication that the market dynamics may be changing is a report from the Minneapolis Area Association of Realtors® in May that for the first time since at least 2004 there were fewer homes on the market than had been a year previously, and May saw a slight uptick in median home price.

“No one expects the housing market to rebound rapidly,” says BATC President KC Chermak. “But signs of improvement and stability are emerging.”

The Twin Cities is a strong, vibrant community that is expected to continue to grow says Chermak.

“The fundamentals are still very solid. Our population growth is steady, and we avoided extreme investment purchasing,” says Chermak. “So we expect our market to balance more quickly than others in the United States.”

Bloomington and Waconia led the metro in building activity for the month with 50 units permitted in May. Maple Grove followed with 39 units permitted, Woodbury with 28 units permitted, Plymouth with 25 and Shakopee rounded out the top five with 20.

MORE

June 2008 Building Activity

Past Twelve Months

	Permits	Permitted Units	Permit Value
June 2007	592	773	174,981,932
July 2007	440	974	160,329,637
August 2007	434	911	157,413,714
September 2007	298	433	117,717,331
October 2007	299	619	122,686,830
November 2007	380	615	150,337,378
December 2007	275	557	112,192,768
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

Five-Year Comparisons

	Permits	Permitted Units	Permit Value
June 2004	1,078	1,731	298,091,409
June 2005	1,104	1,810	318,773,078
June 2006	763	1,176	264,691,133
June 2007	592	773	174,981,932
June 2008	289	444	103,103,450

	Permits	Permitted Units	Permit Value
YTD 2004	5,341	8,440	1,521,373,871
YTD 2005	4,858	8,145	1,505,888,312
YTD 2006	4,155	6,585	1,376,802,716
YTD 2007	2,759	4,523	988,061,881
YTD 2008	1,362	2,081	498,375,177

Multifamily Construction as a Percentage of Total Activity

Jul - 07	Aug - 07	Sep - 07	Oct - 07	Nov - 07	Dec - 07	Jan - 08	Feb - 08	Mar - 08	Apr - 08	May - 08	June - 08	YTD - 08
60	58	64	59	46	55	43	29	14	43	53	39	40

Top Cities for Building Activity

June				2008 Year-to-Date			
Permits		Permitted Units		Permits		Permitted Units	
Maple Grove	30	Bloomington	50	Maple Grove	130	Minneapolis	249
Woodbury	24	Waconia	50	Woodbury	90	Maple Grove	150
Blaine	17	Maple Grove	39	Blaine	84	Woodbury	110
Lakeville	13	Woodbury	28	Lakeville	80	Blaine	106
Shakopee	13	Plymouth	25	Brooklyn Park	57	Bloomington	100

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.