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Twin Cities Residential Construction Activity Trends Upward

Roseville, MN (July 2, 2009) – While builders remain cautious, residential permits issued in the region continued on an upward trend, rising 27 percent in permits and 42 percent in planned units over May 2009.

According to statistics compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 332 units permitted during the month of June 2009, and a total of 1,633 units have been permitted year-to-date in 2009.

National reports suggest sales had reached their lowest point earlier this year, and confidence in the real estate market is slowly improving.

“Foreclosures and lender-mediated homes are still a large percentage of sales, which brings down the reported average sales price for the region. This does a disservice to the majority of homeowners,” says BATC President Mike Swanson. “A closer look at sales price within MLS areas show a different story. In many regions the decline is minimal, and in 19 MLS areas, prices have actually risen since 2006 as shown in a recent report from the McComb Group, Ltd.”

“The bottom line is that now is definitely a great time to buy a home: prices are as low as they’re likely to go; interest rates are very low and expected to rise; and for many, their current home is worth more than they thought.” Swanson says. “Additionally, time is running out to take advantage of the \$8,000 tax credit for those who haven’t owned a home in the past three years. Buyers must close by November 30th, 2009, to earn the credit.”

Brooklyn Park led the metro in building activity for the month with 33 units permitted in June. Maple Grove followed with 32 units, Woodbury issued permits for 31 units, followed by Eagan with 24 and Blaine with 23.

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June 2009 Building Activity

Past Twelve Months

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

Five-Year Comparisons

	Permits	Permitted Units	Permit Value
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
June 2009	238	332	77,741,321

	Permits	Permitted Units	Permit Value
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
YTD 2009	925	1,633	330,614,256

Multifamily Construction as a Percentage of Total Activity

Jul - 08	Aug - 08	Sep - 08	Oct - 08	Nov - 08	Dec - 08	Jan - 09	Feb - 09	Mar - 09	Apr - 09	May - 09	Jun - 09	YTD - 09
70	71	54	76	58	36	63	14	24	72	22	33	47

Top Cities for Building Activity

June				2009 Year-to-Date			
Permits		Permitted Units		Permits		Permitted Units	
Maple Grove	21	Brooklyn Park	33	Shakopee	83	St. Paul	180
Shakopee	20	Maple Grove	32	Maple Grove	75	Inver Grove Hts.	107
Woodbury	18	Woodbury	31	Woodbury	75	Woodbury	102
Blaine	17	Eagan	24	Blaine	65	Blaine	96
Lakeville	16	Blaine	23	Lakeville	54	Maple Grove	92

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.