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Twin Cities Residential Construction Activity Remains Stable

Roseville, MN (June 2, 2009) – Residential permits issued in the region grew by 58 percent over last month, with planned units 63 percent higher in May than they were in March. Total planned units for the month did drop by 44 percent from April, however 264 of the 450 units last month were for two large multi family dwellings.

According to statistics compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 233 units permitted during the month of May 2009, and a total of 1,301 units have been permitted year-to-date in 2009.

May signaled a rise in single-family and smaller townhomes instead of larger multi-family residences which have dominated the landscape recently.

“Builders have been cautiously optimistic about the market, and the rise in permits for traditional homes is a good signal,” says BATC President Mike Swanson. “Many of these permits are for pre-sold homes or to replenish models that have been sold.”

“New homes offer energy-efficiency, up-to-date technology, as well as designs and neighborhoods that appeal to families today,” explains Swanson. “As resale inventory shrinks and choices narrow, many buyers are concluding that the value of a new home is superior to what they can find in a resale home, even if that older home is priced at a discount.”

Blaine led the metro in building activity for the month with 22 units permitted in May. Shakopee followed with 18 units, Maple Grove issued permits for 17 units, followed by Lakeville and Woodbury with 14 each.

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May 2009 Building Activity

Past Twelve Months

	Permits	Permitted Units	Permit Value
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 2008	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 2009	187	233	54,132,420

Five-Year Comparisons

	Permits	Permitted Units	Permit Value
May 2005	1,050	1,894	314,135,598
May 2006	769	1,052	237,280,427
May 2007	534	753	172,815,704
May 2008	255	498	98,695,209
May 2009	187	233	54,132,420

	Permits	Permitted Units	Permit Value
YTD 2005	3,589	6,078	1,132,382,172
YTD 2006	3,304	5,299	1,093,784,568
YTD 2007	2,167	3,750	813,079,949
YTD 2008	1,073	1,637	395,271,727
YTD 2009	687	1,301	252,872,935

Multifamily Construction as a Percentage of Total Activity

Jun - 08	Jul - 08	Aug - 08	Sep - 08	Oct - 08	Nov - 08	Dec - 08	Jan - 09	Feb - 09	Mar - 09	Apr - 09	May - 09	YTD - 09
39	70	71	54	76	58	36	63	14	24	72	22	50

Top Cities for Building Activity

March				2009 Year-to-Date			
Permits		Permitted Units		Permits		Permitted Units	
Shakopee	18	Blaine	22	Shakopee	63	St. Paul	180
Maple Grove	16	Shakopee	18	Woodbury	57	Inver Grove Hts.	107
Lakeville	14	Maple Grove.	17	Maple Grove	54	Bloomington	93
Blaine	11	Lakeville	14	Blaine	48	Blaine	73
Woodbury	11	Woodbury	14	Lakeville	38	Woodbury	71

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.