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Uptick in Multi-Family Permits Kept Permit Activity Steady

Roseville, MN (November 4, 2008) – Regional permit activity during October remained steady, in part due to a number of multi-family projects. Planned units were five percent higher than in October 2007, and 40 percent higher than September 2008. Multi-family units made up 76 percent of the month's total.

According to statistics compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 628 units permitted during the month of October 2008, up from the 447 units permitted in September 2008. Year-to-date, activity in 2008 is down 39 percent from 2007, with 4,754 units permitted thus far, compared to 7,761 units permitted through the same point last year.

Despite the volatile national economy, the local real estate market has remained stable with resale activity and inventory levels actually moving in a positive direction, according to information released from the Minneapolis Area Association of Realtors. In September 2008, closed sales were up 35 percent, pending sales up 42 percent, while overall listing inventory was down nearly 10 percent compared to September 2007.

"It's encouraging to see movement in standing inventory," says BATC President KC Chermak. "As the region works through the oversupply of homes, the downward pressure on prices will ease, and help us return to a more healthy housing market."

"As foreclosures and short sales (over 40 percent of September's transactions) find buyers," explains Chermak, "our market should be heading for a healthier balance between buyers and sellers."

Edina led the metro in building activity for the month with 116 units permitted in October. Bloomington followed with 95 units permitted, Minneapolis was next with 90 units permitted, followed by Hugo with 54 and Plymouth at 31.

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October 2008 Building Activity

Past Twelve Months

	Permits	Permitted Units	Permit Value
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
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

Five-Year Comparisons

	Permits	Permitted Units	Permit Value
October 2004	813	1,533	273,424,390
October 2005	853	1,547	287,716,677
October 2006	455	871	180,069,028
October 2007	299	619	122,686,830
October 2008	212	628	116,991,808

	Permits	Permitted Units	Permit Value
YTD 2004	9,257	15,561	2,775,464,062
YTD 2005	8,508	14,700	2,734,310,012
YTD 2006	6,364	11,039	2,221,212,149
YTD 2007	4,232	7,761	1,546,817,683
YTD 2008	2,435	4,754	975,158,591

Multifamily Construction as a Percentage of Total Activity

Nov - 07	Dec - 07	Jan - 08	Feb - 08	Mar - 08	Apr - 08	May - 08	Jun - 08	Jul - 08	Aug - 08	Sep - 08	Oct - 08	YTD - 08
46	55	43	29	14	43	53	39	70	71	54	76	54

Top Cities for Building Activity

Oct.				2008 Year-to-Date			
Permits		Permitted Units		Permits		Permitted Units	
Blaine	21	Edina	116	Maple Grove	189	Bloomington	464
Hugo	20	Bloomington	95	Blaine	165	Minneapolis	405
Lakeville	17	Minneapolis	90	Woodbury	155	Woodbury	325
Plymouth	15	Hugo	54	Lakeville	137	Lakville	307
Maple Grove	13	Plymouth	31	Plymouth	90	Maple Grove	280

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.