HOT SHEET

HOUSING FIRST MINNESOTA

August 2026
Volume XIV, Issue: 8

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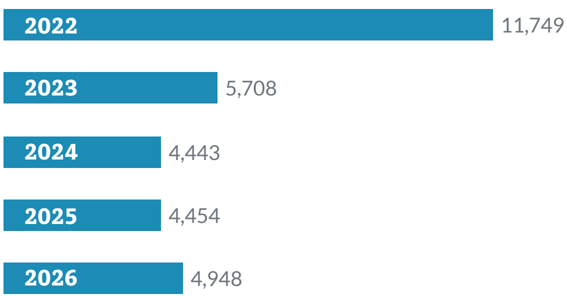
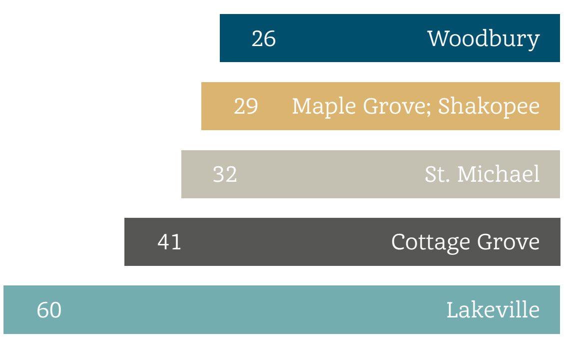
>
> John Kraemer, Housing First Minnesota 2026 Board Chair

Twin Cities Building Activity



Single-Family and Multifamily Units Authorized Year-to-Date | July 2022-26
SOURCE: KEYSTONE REPORT



July Top Cities for Residential Permits
SOURCE: KEYSTONE REPORT

[Housing First Minnesota]

Homebuilding Improves in July, Led by Single-Family Homebuilding

Homebuilding in the Twin Cities metro showed positive signs in July, with a 10% increase in activity over the same time last year. Homebuilders pulled permits for 552 single-family homes in July.

Multifamily activity, however, saw a steep drop-off in activity for the first time this summer. Builders reported just 20 multifamily units under construction—accounting for under 5% of all construction activity.

"This month's increase in activity is a positive sign that buyers are continuing to engage with the market," said John Kraemer, board chair of Housing First Minnesota.

"Homebuyers are more patient and thoughtful with their buying decisions in today's market, but the desire to own a home remains strong, and that's something builders are optimistic about."

There were 554 permits issued for a total of 572 housing units during the four comparable weeks in July, according to the Keystone Report.

"The need for housing in Minnesota hasn't diminished, but it continues to outpace supply," said James Vagle, CEO of Housing First Minnesota. "Homebuilders are working every day to find solutions and deliver the housing our communities need. Creating more opportunities for homeownership starts with giving homeowners the full menu of home options."

For the month in permits, Lakeville took the top spot with 60 permits. Cottage Grove came in second with 41 permits. St. Michael was the next highest with 32 permits. Maple Grove and Shakopee ranked fourth with 29 permits each, and Woodbury rounded out the top five with 26 permits.

For the month in units, Lakeville came in on top with 71 permitted units. Cottage Grove came next with 41 units, followed by St. Michael with 32 units. Maple Grove and Shakopee came fourth-highest with 29 units each. Woodbury rounded out the top five with 26 units.

[Minnesota State and Twin Cities Metro Realtor® Associations]

Inventory Hits Seven-Year High as Minnesota's Housing Market Trends Toward Balance

Minnesota's housing market continued building momentum in July as both buyer and seller activity rose despite elevated mortgage rates and ongoing affordability challenges.

New listings and both pending and closed sales remained at four-year highs for the month, while inventory hit a seven-year high.

Expanded inventory not only offers more choice to prospective buyers but also serves as a release valve for prices, market times, and negotiations. Statewide, the market was the most balanced it's been for any July since 2017. It is still undersupplied, but less so than in recent years, as the market shifts toward a more sustainable, balanced footing.

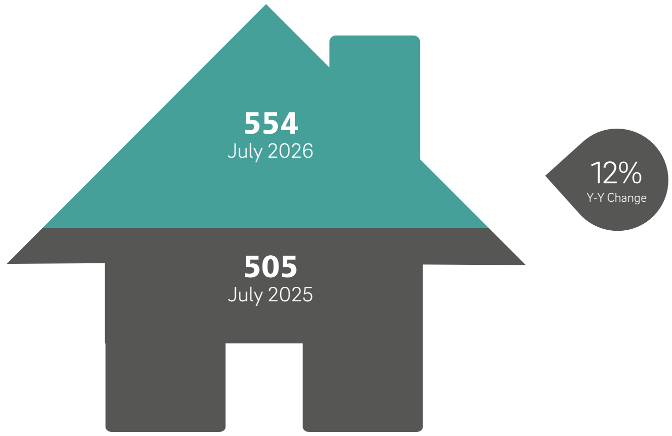
Activity improved across nearly every major indicator. Statewide, pending sales rose 2.7% while closed sales were up 11.2%. New listings climbed 9.1%. Year-to-date, statewide closed sales are up 2.7% , and new listings are up 6.2% through July, pointing to a market that has strengthened steadily after a sluggish start to the year. The Twin Cities metro showed a similar pattern, as its pending sales increased 3%, while closed sales saw a 10.5% increase over last year alongside an 8% jump in new listings.

"It's encouraging to see more participation from both buyers and sellers," said Wendy Uzelac, president of Minnesota Realtors®. "Added inventory is creating opportunities for buyers while rising demand supports sellers. Affordability is still a struggle for many, but June's numbers suggest Minnesotans are finding ways to move forward despite higher mortgage rates."

Despite increased supply, home prices have proven resilient. The statewide median home price rose 2.7% to $375,000, while the Twin Cities median price rose 3.3% to $408,000. Appreciation has slowed, but price growth remains positive and reflects that ongoing imbalance between supply and demand—as well as a shift toward higher-end sales.

July 2026 Metro Building Activity

Metro homebuilders had an increase in permitting activity this month, with 552 permits pulled for single-family homes in July—a 10% increase from the same time last year.

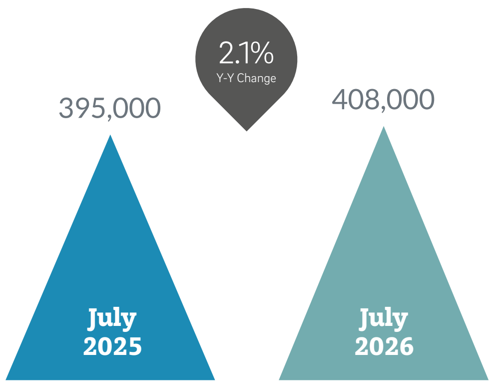


Units YTD: 4,948

Multifamily 10% of Twin Cities Housing Units Authorized

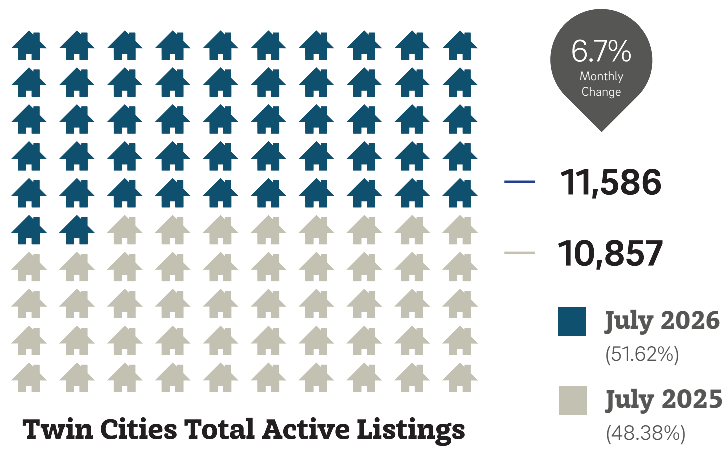
Twin Cities Housing Permits Authorized

SOURCE: KEYSTONE REPORT



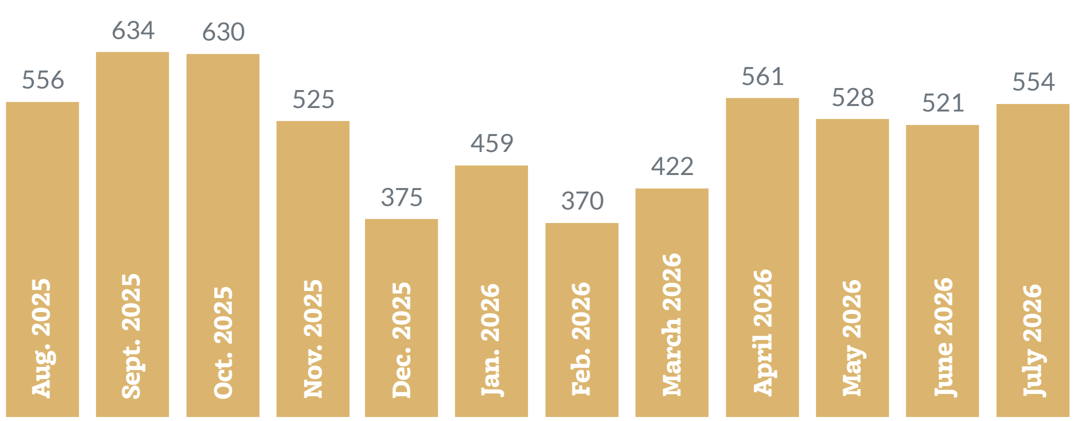
Twin Cities Median Home Price

SOURCE: MPLS REALTORS



Twin Cities Total Active Listings

SOURCE: MPLS REALTORS



Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

Employment

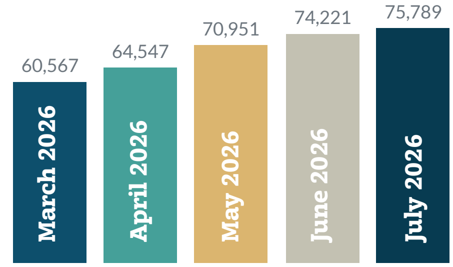
Minnesota's non-seasonally adjusted unemployment in July was unchanged from the previous month, according to the Minnesota Department of Employment and Economic Development. The rate remained at 4.6%.

The national unemployment rate also remained unchanged during the same time period. Construction employment in Minnesota contracted by 1,000 in July across all sectors of the industry.

MSP	MN	US
4.4% July 2026	4.6% July 2026	4.4% July 2026
3.8% July 2025	4% July 2025	4.6% July 2025

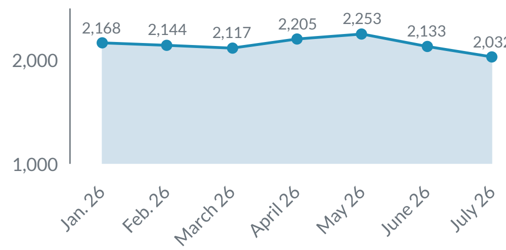
Unemployment Rate Snapshot

SOURCE: DEED-MN



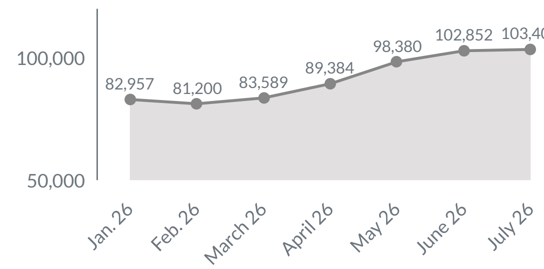
Twin Cities Construction Trades Employment

SOURCE: DEED-MN



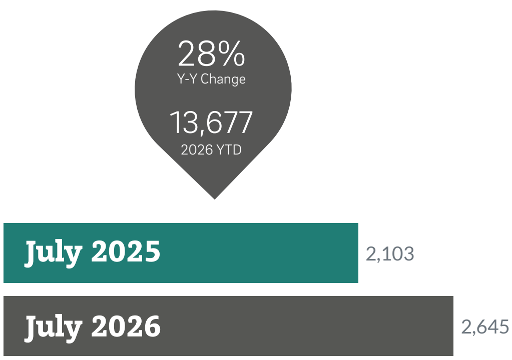
Twin Cities Construction Trades Weekly Wages

SOURCE: DEED-MN



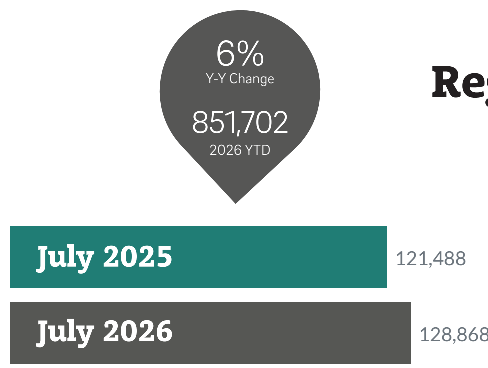
Minnesota Construction Trades Employment

SOURCE: DEED-MN



MN Housing Units Authorized

SOURCE: US CENSUS



U.S. Housing Units Authorized

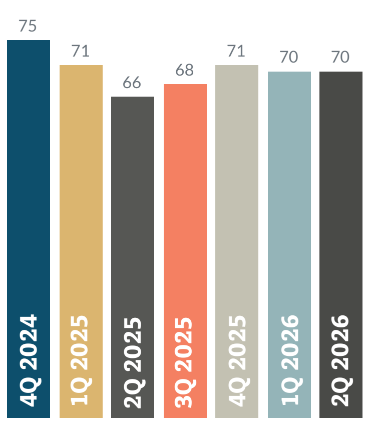
SOURCE: US CENSUS

Regional/National Statistics

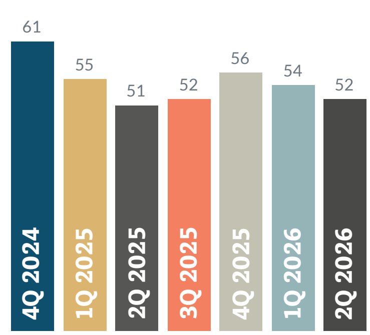
Existing-home sales in May fell 1.7% in July over the same time last year, according to the National Association of REALTORS®. Regionally, sales in the Northeast increased 2% and fell 2% in the Midwest from the previous month. Sales of existing homes in the South decreased 3.1% throughout July, while sales in the West were unchanged.

Remodeling Market Indicies

SOURCE: NAHB



Current



Futures

Key Indicators

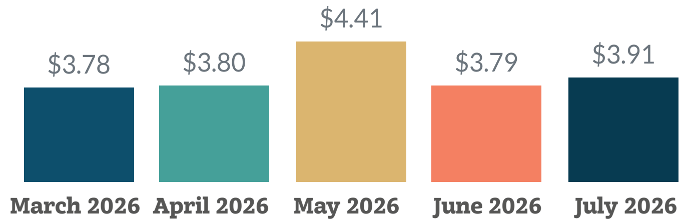
After three consecutive quarters of modest improvement, housing affordability declined in the second quarter as higher mortgage rates, rising construction costs and economic uncertainty weighed on the market.

According to the latest data from the National Association of Home Builders (NAHB)/Wells Fargo Cost of Housing Index (CHI), results from the second quarter show that a family earning the nation's median income of $106,800 needed 34% of its income to cover the mortgage payment on a median-priced new home. Low-income families, defined as those earning only 50% of median income, would have to spend 67% of their earnings to pay for the same new home.

"A nationwide housing shortage of roughly 1.2 million units continues to strain affordability, and the latest CHI data show that too many households remain cost burdened," said NAHB Chief Economist Robert Dietz.

The percentage of a family's income needed to purchase a new home rose from 32% in the first quarter of 2026 to 34% in the second quarter, driven by a more than 30-basis point rise in the average mortgage rate and a 2% increase in the median price of a new home.

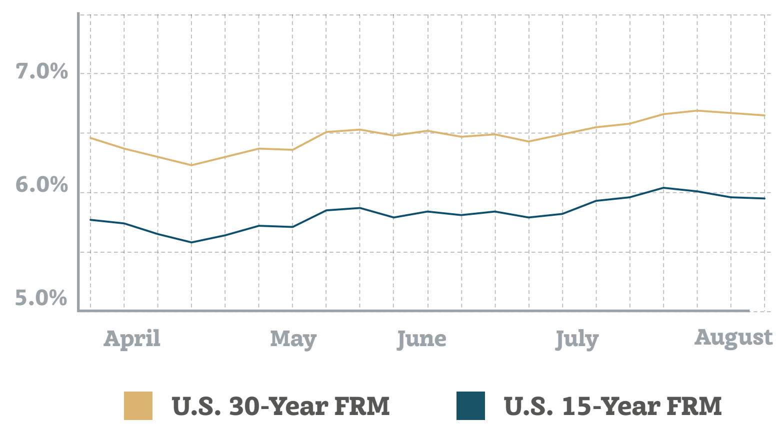
SOURCE: NAHB



MN Monthly Retail Gasoline Prices

SOURCE: ENERGY INFORMATION ADMIN

Freddie Mac Primary Mortgage Rates (April 2026 - August 2026)



Mortgage Rates

SOURCE: FREDDIE MAC