HOT SHEET
HOUSING FIRST MINNESOTA

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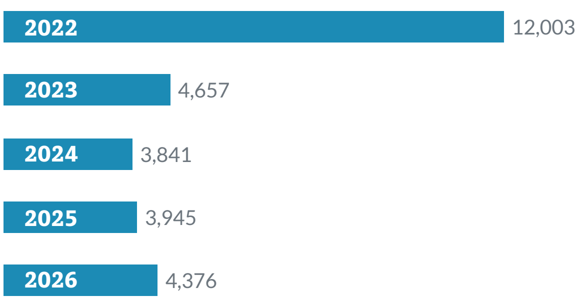
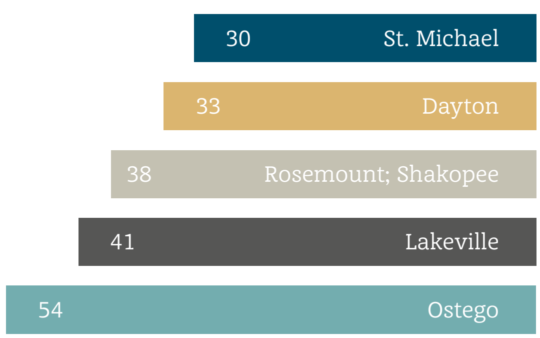
>
> John Kraemer, Housing First Minnesota 2026 Board Chair

Twin Cities Building Activity



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



June Top Cities for Residential Permits
SOURCE: KEYSTONE REPORT

[Housing First Minnesota]

Single-Family Permits Decline in June as Multifamily Construction Gains Momentum

Metro homebuilding continued to feel the impacts of economic uncertainty in June. Homebuilders pulled permits for 511 single-family homes in June, down 6% from the same time last year.

Multifamily activity, however, saw another robust month of activity in June. Builders reported 394 multifamily units under construction—accounting for over 40% of all construction activity for the month and the highest rate of activity since December 2024.

"Homebuyers in today's market are taking more time to make decisions," said John Kraemer, board chair of Housing First Minnesota. "While single-family activity was softer in June, builders are continuing to adapt to these changing conditions. We're still seeing steady interest from buyers who are ready to move when the timing is right, and builders remain focused on meeting that demand as the market evolves."

Single-Family Permits Pulled
↓ 6%
Compared to June 2025

There were 521 permits issued for a total of 905 housing units during the four comparable weeks in June, according to the Keystone Report.

"While monthly housing activity will continue to fluctuate, Minnesota's long-term challenge remains the same: We aren't building enough homes," said James Vagle, CEO of Housing First Minnesota. "Limited housing supply, elevated construction costs, and affordability challenges continue to put homeownership out of reach for too many Minnesotans. Creating more housing opportunities will require meaningful policies that support new construction and increase housing supply at every price point."

For the month in permits, Otsego took the top spot with 54 permits. Lakeville came in second with 41 permits. Rosemount and Shakopee were the next highest with 38 permits each. Dayton ranked fourth with 33 permits, and St. Michael rounded out the top five with 30 permits.

For the month in units, Apply Valley came in on top with 149 permitted units. Burnsville came next with 120 units, followed by Lakeville with 115 units. Otsego came fourth highest with 54 units. Minnetonka rounded out the top five with 46 units.

[Minnesota State and Twin Cities Metro Realtor® Associations]

Inventory Hits 7-Year High as Market Activity Picks Up Despite Sticky Rates

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

Statewide closed sales rose 2.8%, the strongest gain so far this year. Signed purchase agreements, closed sales, and new listings all posted solid gains over last year, while inventory continued to recover from historically tight conditions. In fact, June inventory levels reached a seven-year high, and new listings, pending sales, and closed sales all hit four-year highs.

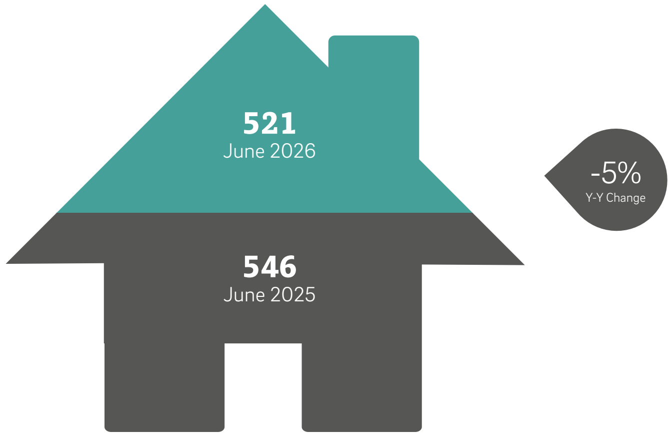
The latest figures suggest that housing demand didn't disappear but may have been waiting for more favorable conditions—more supply, slower price growth, wage growth, and buyers adjusting to the current rate environment. Rising inflation and stubborn rates remain.

"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."

Even as inventory improves, home prices are holding firm. The statewide median home price rose 1.4% to $375,000, while the Twin Cities median price rose 2.1% to $410,000.

June 2026 Metro Building Activity

Metro homebuilders had a decrease in permitting activity this month, with 511 permits pulled for single-family homes in June—a 6% decrease from the same time last year.

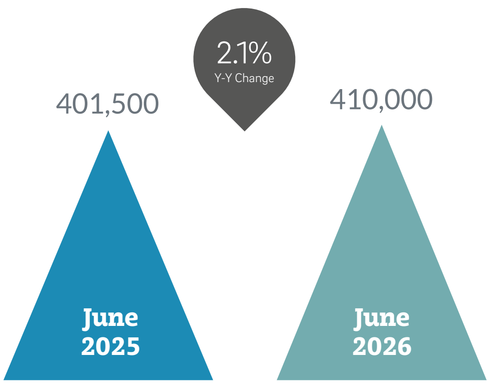


Units YTD: 4,376

Multifamily 44% of Twin Cities Housing Units Authorized

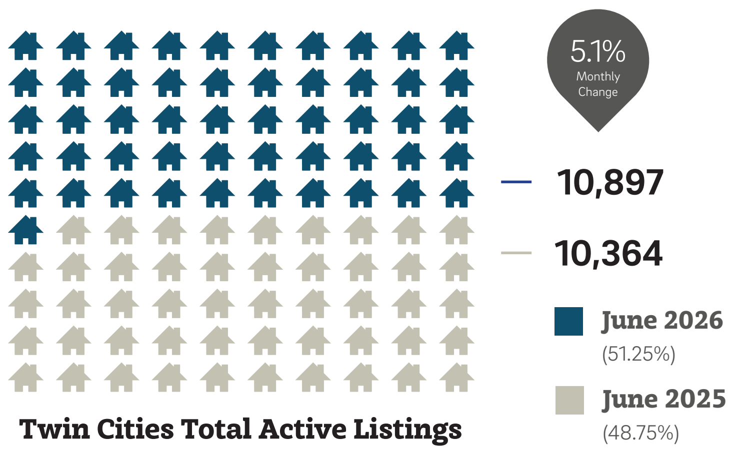
Twin Cities Housing Permits Authorized

SOURCE: KEYSTONE REPORT



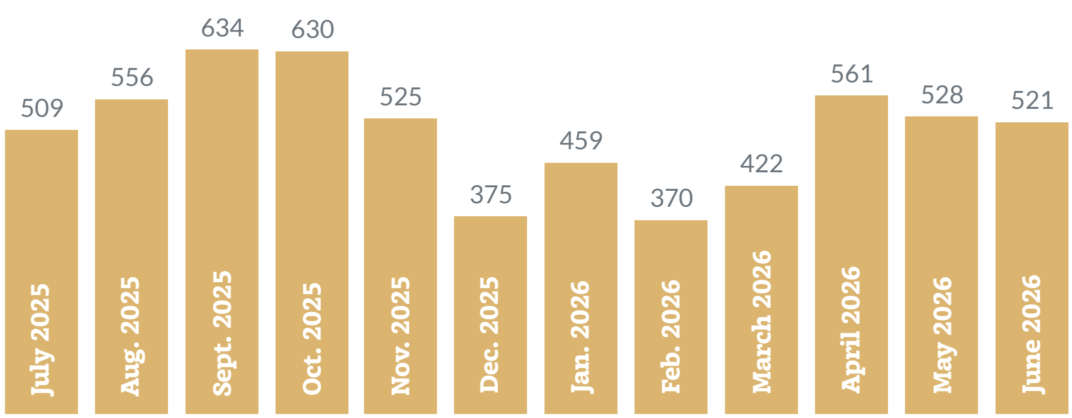
Twin Cities Median Home Price

SOURCE: MPLS REALTORS



Twin Cities Total Active Listings

SOURCE: MPLS REALTORS



Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

Employment

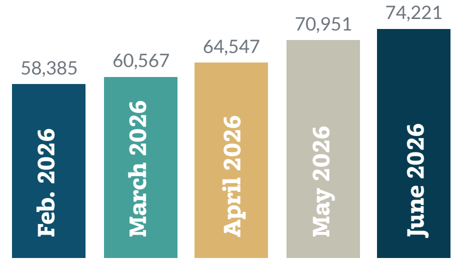
Minnesota's non-seasonally adjusted unemployment increased to 4.6% in June, according to the Minnesota Department of Employment and Economic Development. This is compared to the May rate of 4%.

The national unemployment rate, however, also increased slightly from 4.1% in May to 4.6% in June. Construction employment in Minnesota contracted by 1,100 in June across all sectors of the industry.

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

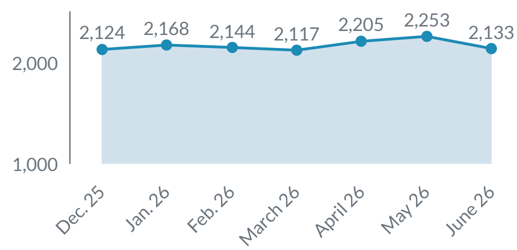
Unemployment Rate Snapshot

SOURCE: DEED-MN



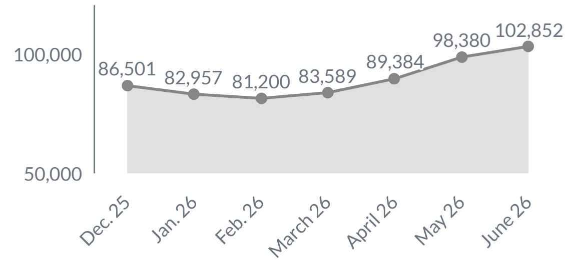
Twin Cities Construction Trades Employment

SOURCE: DEED-MN



Twin Cities Construction Trades Weekly Wages

SOURCE: DEED-MN

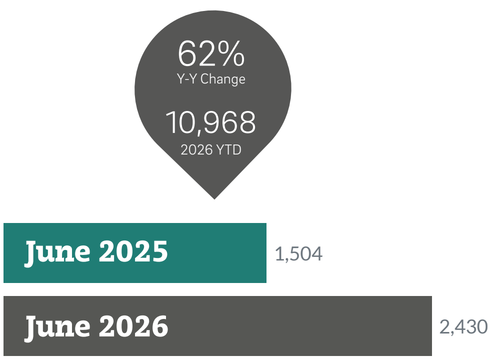


Minnesota Construction Trades Employment

SOURCE: DEED-MN

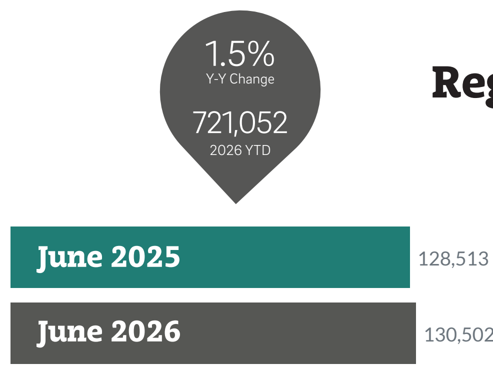
Regional/National Statistics

Existing-home sales fell 2.4% in June over the same time last year, according to the National Association of REALTORS®. Regionally, sales in the Northeast increased 2.1% and fell 3% in the Midwest from the previous month. Sales of existing homes in the South decreased 3.6% throughout June, while sales in the West contracted 1.3%.



MN Housing Units Authorized

SOURCE: US CENSUS

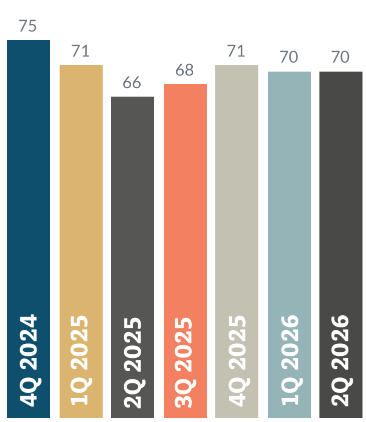


U.S. Housing Units Authorized

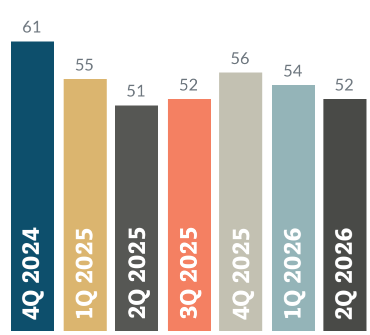
SOURCE: US CENSUS

Remodeling Market Indicies

SOURCE: NAHB



Current



Futures

Key Indicators

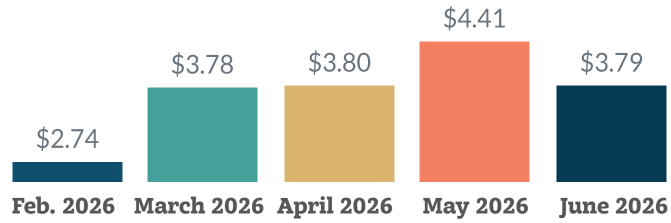
Economic uncertainty and persistent affordability challenges driven by rising material prices, high land costs, and elevated mortgage rates continue to weigh on builder sentiment.

Builder confidence in the market for newly built single-family homes fell two points to 34 in July, down from an upwardly revised reading of 36 in June, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI).

"With the HMI below 40 for 15 straight months, affordability remains the homebuilding industry's primary challenge, as elevated mortgage rates, costly land, rising material prices, and persistent skilled labor shortages continue to affect the market," said NAHB Chief Economist Robert Dietz.

The latest HMI survey also revealed that 37% of builders cut prices in July, up from 35% in June and 32% in May. The average price reduction was 6% in July, the same rate as the previous month. The use of sales incentives was 63% in July, up slightly from 62% in June, and marking the 16th consecutive month this share has reached 60% or higher.

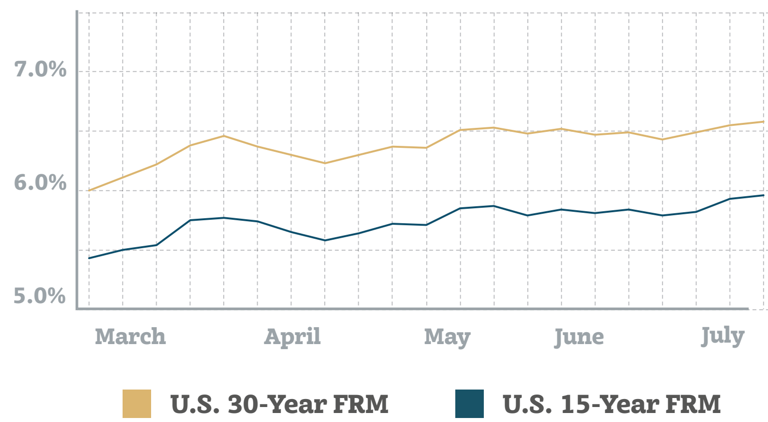
SOURCE: NAHB



MN Monthly Retail Gasoline Prices

SOURCE: ENERGY INFORMATION ADMIN

Freddie Mac Primary Mortgage Rates (February 2026 - June 2026)



Mortgage Rates

SOURCE: FREDDIE MAC