

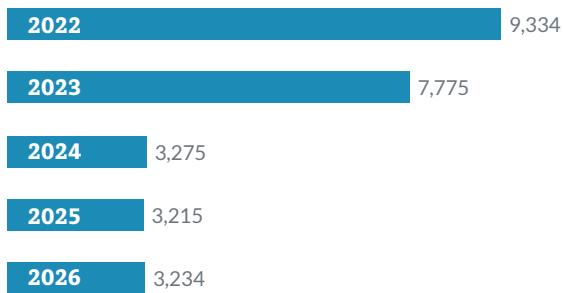


June 2026  
Volume XIV, Issue: 6

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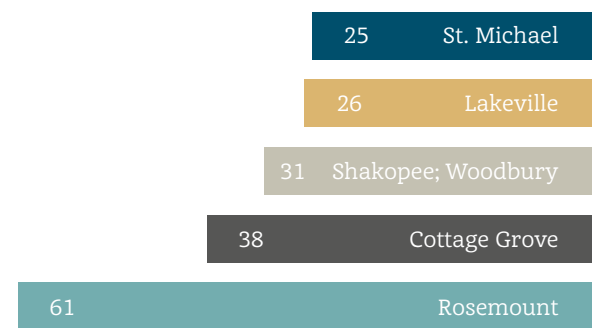
John Kraemer, Housing First Minnesota 2026 Board Chair

## Twin Cities Building Activity



## Single-Family and Multifamily Units Authorized Year-to-Date | May 2022-26

SOURCE: KEYSTONE REPORT



### May Top Cities for Residential Permits

SOURCE: KEYSTONE REPORT

[Housing First Minnesota]

## Minnesota Homebuilding Activity Slows as Housing Demand Remains Strong

Metro homebuilding activity in May was mixed, as broader macroeconomic forces continued to weigh on overall homebuying activity. Homebuilders pulled permits for 519 single-family homes in May, a reduction of 12% compared to the same time last year.

Multifamily activity, however, saw strong activity in May. Builders reported 231 multifamily units under construction—accounting for over 30% of all construction activity for the month.

“While May was a slower month for permits,

we’re still seeing strong interest from buyers who are ready to move when the timing is right,” said John Kraemer, board chair of Housing First Minnesota. “Builders remain optimistic about the market ahead, especially as buyers adjust to today’s conditions and look for opportunities to reenter the market.”

There were 528 permits issued for a total of 750 housing units during the four comparable weeks in May, according to the Keystone Report.

“Minnesota’s housing market continues to face a long-term supply challenge that won’t be solved overnight,” said James Vagle, CEO of Housing First Minnesota. “Unfortunately, this year’s legislative session ended without meaningful housing reforms that could have brought back starter homes and

unlocked homeownership opportunities. Without meaningful legislative action, affordability challenges will continue to keep homeownership out of reach for too many Minnesotans.”

For the month in permits, Rosemount took the top spot with 61 permits. Cottage Grove came in second with 38 permits. Shakopee and Woodbury were the next highest with 31 permits each. Lakeville ranked fourth with 26 permits, and St. Michael rounded out the top five with 25 permits.

For the month in units, Plymouth came in on top with 176 permitted units. Rosemount came next with 61 units, followed by Hudson, Wisconsin, with 41 units. Cottage Grove came fourth-highest with 38 units. Shakopee and Woodbury rounded out the top five with 31 units each.



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[Minnesota State and Twin Cities Metro Realtor® Associations]

## Spring Market Late But Strong as Sales and Inventory Climb

Both buyer and seller activity rose in May, according to new data from the Minnesota state and Twin Cities metro REALTOR® Associations.

Statewide closed sales rose 2.8%, the strongest gain so far this year. Closed sales are a lagging indicator for activity that’s already occurred. Excluding April, the leading indicator for buyer action—pending sales or signed contracts—increased the most since September 2025. These figures build on last month’s momentum. It seems the spring market was delayed but not cancelled.

On the seller side, new listings rose 4.5% to the highest level for any month of any year since June 2022. Inventory levels snuck up 6%, marking 34 straight months of inventory growth. But it’s also true that inventory levels statewide remain well below what’s needed for a healthy, balanced marketplace.

“The spring market is finally showing some momentum, but affordability remains a constraint for homebuyers,” said Wendy Uzelac, president of Minnesota Realtors. “More inventory helps, but it’s

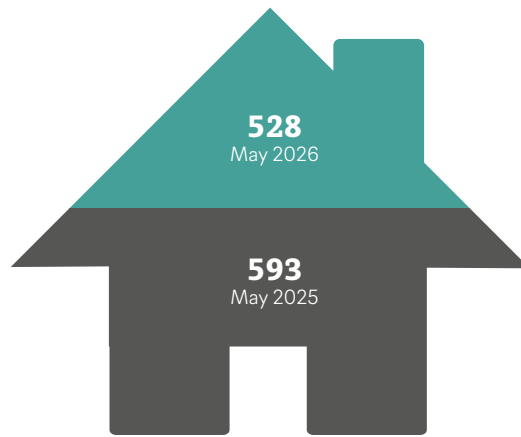
only part of the equation. Closing the affordability gap can unlock the market’s full potential.”

The median home price rose 0.7% statewide and 1% in the metro—both relatively soft gains after a decline earlier this year. A median-priced home across the state runs about \$362,500, but in the Twin Cities, it’s just shy of \$400,000.

Listings spent over 10% more time on the market statewide and 2.3% more time in the metro in May. And sellers accepted 98.9% and 99.7% of their list price, respectively—both slightly less than last year.

# May 2026 Metro Building Activity

Metro homebuilders had a decrease in permitting activity this month, with 519 permits pulled for single-family homes in May—a 12% decrease from the same time last year.



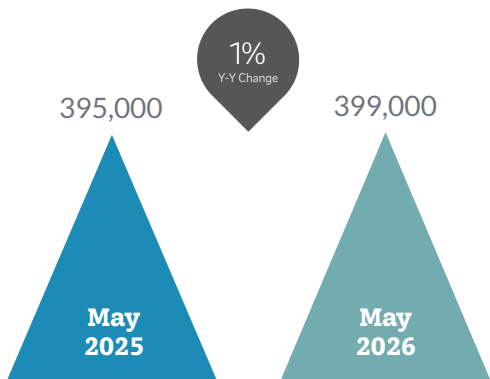
-11%  
Y-Y Change

**Units YTD:**  
**3,234**

**Multifamily**  
**31%**  
of Twin Cities Housing  
Units Authorized

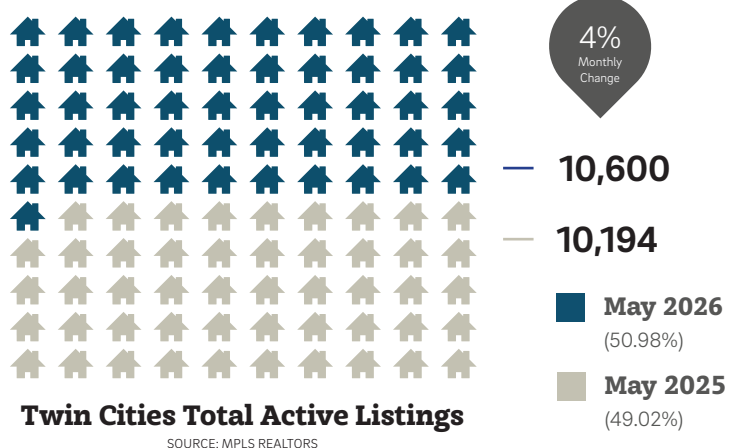
## Twin Cities Housing Permits Authorized

SOURCE: KEYSTONE REPORT



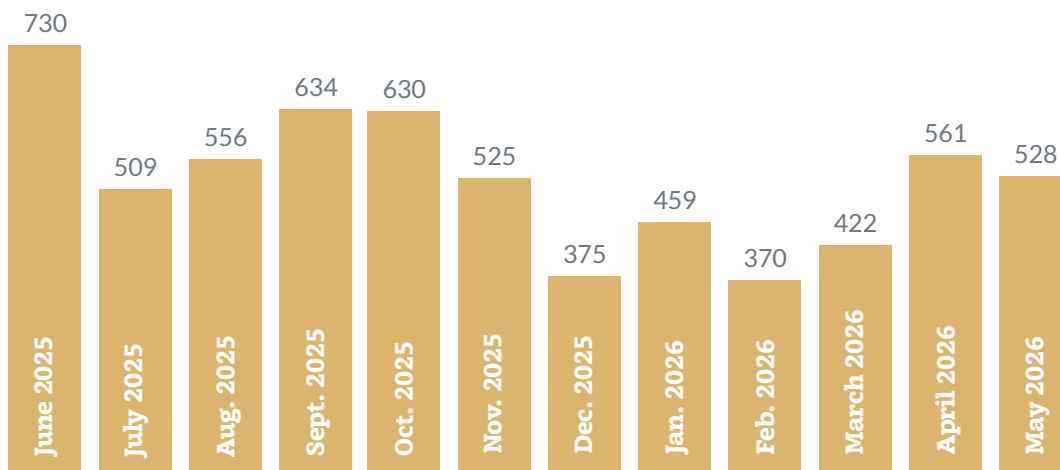
## Twin Cities Median Home Price

SOURCE: MPLS REALTORS



## Twin Cities Total Active Listings

SOURCE: MPLS REALTORS



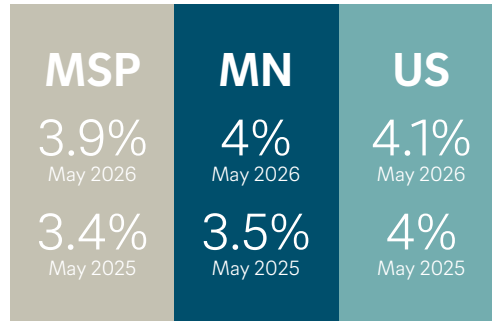
## Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

# Employment

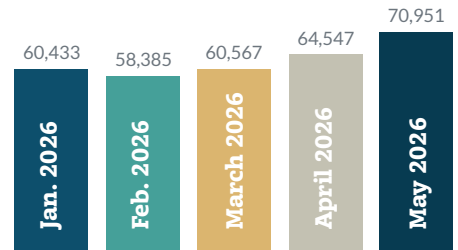
Minnesota's non-seasonally adjusted unemployment rate dropped slightly to 4.4% in May, according to the Minnesota Department of Employment and Economic Development. This is compared to the April rate of 4.5%.

The national unemployment rate, however, increased slightly from 4% in April to 4.1% in May. Construction employment in Minnesota grew by 2,100 in May across all sectors of the industry.



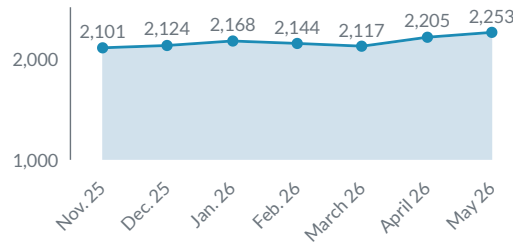
**Unemployment Rate Snapshot**

SOURCE: DEED-MN



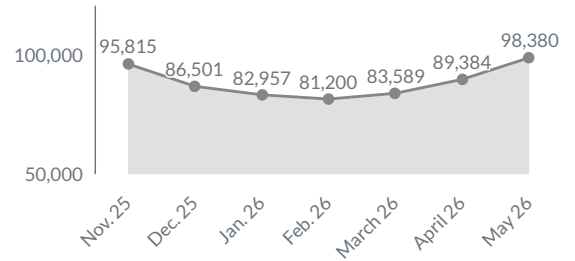
**Twin Cities Construction Trades Employment**

SOURCE: DEED-MN



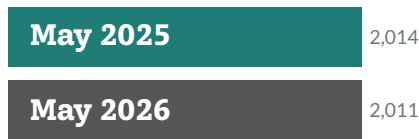
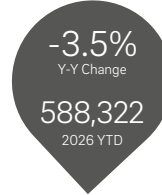
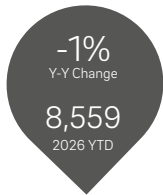
**Twin Cities Construction Trades Weekly Wages**

SOURCE: DEED-MN



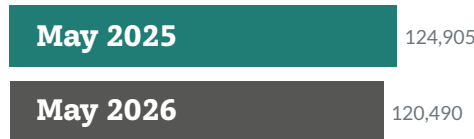
**Minnesota Construction Trades Employment**

SOURCE: DEED-MN



**MN Housing Units Authorized**

SOURCE: US CENSUS



**U.S. Housing Units Authorized**

SOURCE: US CENSUS

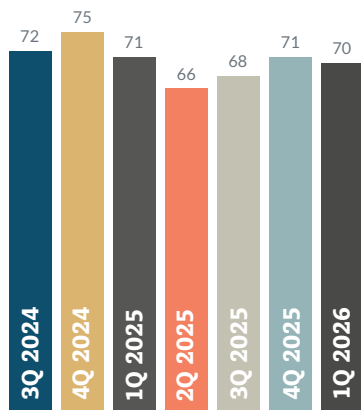
# Regional/National Statistics

Existing-home sales in May increased 3.2% compared to the same time last year, according to the National Association of REALTORS®.

Regionally, sales in the Northeast increased 2.2% and grew 6.4% in the Midwest from the previous month. Sales of existing homes in the South climbed 3.2% throughout May, while sales in the West were unchanged year-over-year.

## Remodeling Market Indices

SOURCE: NAHB



Current

Futures

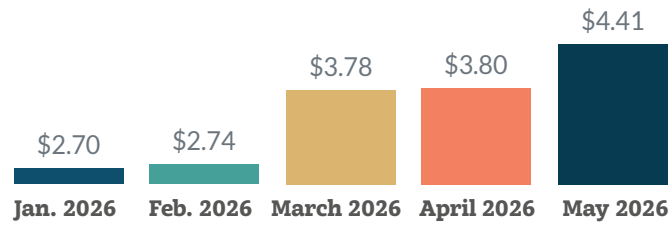
# Key Indicators

Builder sentiment remains subdued as rising material costs, elevated mortgage rates, and ongoing affordability challenges continue to strain the housing market.

Builder confidence in the market for newly built single-family homes fell two points to 35 in June, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index. This is the 14th straight month that sentiment has remained below 40, a streak not seen since 2011-2012 during the foreclosure crisis.

"With the nation short about 1.2 million homes, builder sentiment will remain soft until barriers are eased and conditions improve for homebuilding," said NAHB Chairman Bill Owens.

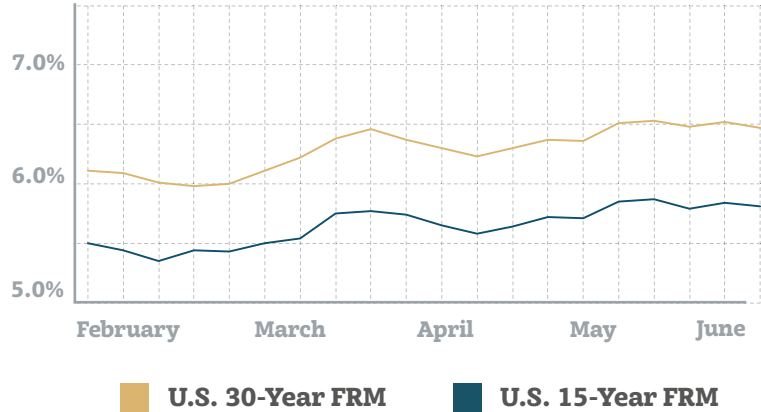
SOURCE: NAHB



## MN Monthly Retail Gasoline Prices

SOURCE: ENERGY INFORMATION ADMIN

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



## Mortgage Rates

SOURCE: FREDDIE MAC

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