



**December 2016**  
Volume IV, Issue: 12

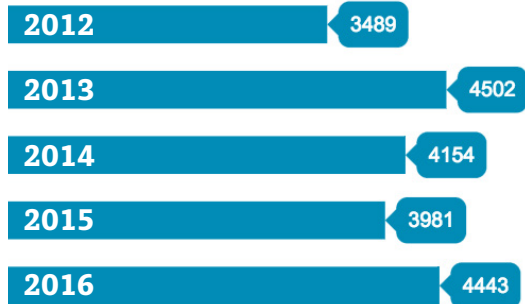
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NAHB Chief Economist, Robert Dietz

## Twin Cities Building Activity



### Permits Authorized Year-to-Date October 2012-2016

SOURCE: KEYSTONE REPORT

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[NAHB]

## NAHB: October Housing Starts - Pop Goes Single Family

Led by impressive gains in both single-family and multifamily production, nationwide housing starts surged 25.5 percent in October to a seasonally adjusted annual rate of 1.32 million units, according to newly released data from the U.S. Department of Housing and Urban Development and the Commerce Department. Single-family starts reached their highest level since October 2007 while multifamily production jumped 68.8 percent from the previous month.

“These robust figures correlate with strong builder optimism in the housing market,” said Ed Brady, chairman of the

National Association of Home Builders (NAHB) and a home builder and developer from Bloomington, Ill. “A firming job market, a growing economy and rising household formations will keep the housing recovery on track into next year.”

“Multifamily production bounced back after an unusually weak reading last month while single-family starts exhibited unusually strong growth as well,” said NAHB Chief Economist Robert Dietz. “Though October’s single- and multifamily production rates are clearly unsustainable, we expect continued growth in the housing sector in the

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Single-family starts rose 10.7 percent in October to a seasonally adjusted annual rate of 869,000 units while multifamily production climbed 68.8 percent to 454,000 units.

Combined single- and multifamily starts posted double-digit gains in all four regions in October. The Northeast, Midwest, South and West increased 44.8 percent, 44.1 percent, 17.9 percent and 23.2 percent, respectively.

[BATC]

## Twin Cities Single-Family Construction Remains Strong

The Twin Cities residential construction market continues to see a sharp increase in single-family production. October saw a month-over-month increase in single-family permits of over 24 percent making it the seventh month in a row single-family construction permits outpaced the monthly totals of 2015. Multifamily production

continues to slow, making up less than half of total construction activity for the eighth month this year.

According to data compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 465 permits issued for a total of 845 units during four comparable weeks in the month of October 2016.

“The residential construction permit numbers continue to show us that more families are looking to build new single-family homes,” said Meg Jaeger, the Builders Association of the Twin Cities 2016 President. “With all of the right ingredients in place we

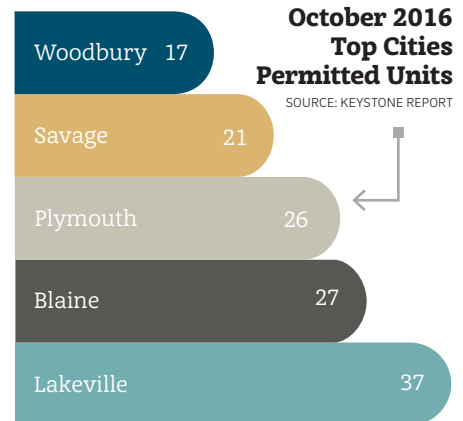
expect to see continued growth in that market.”

“We heard very positive feedback from our builders during the Fall Parade of Homes and we’re happy to see the permit numbers reflect their optimism,” said BATC Executive Director, David Siegel. “Our tradespeople are building energy efficient, safe, well designed homes and that’s what homebuyers are looking for.”

For the month, Lakeville once again took the top spot with 37 permits pulled, followed by Blaine with 27 and Plymouth with 26. Rounding out the top five were Savage with 21 permits and Woodbury with 17 permits.

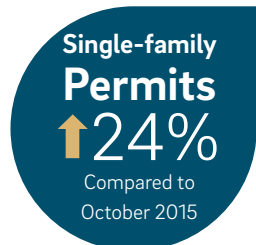
“The residential construction permit numbers continue to show us that more families are looking to build new single-family homes. With all of the right ingredients in place we expect to see continued growth in that market.”

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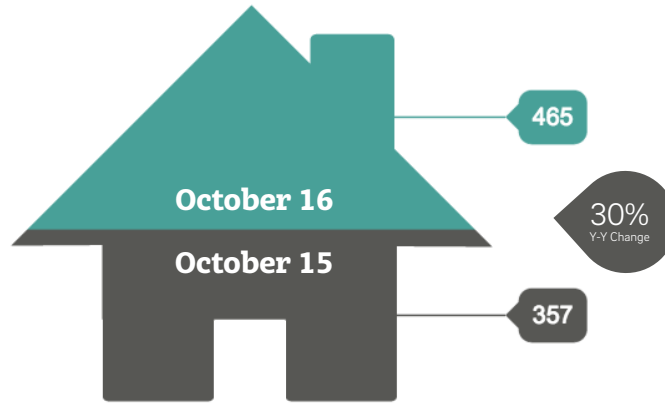
### October 2016 Top Cities Permitted Units

SOURCE: KEYSTONE REPORT



# 2016 October Metro Building Activity

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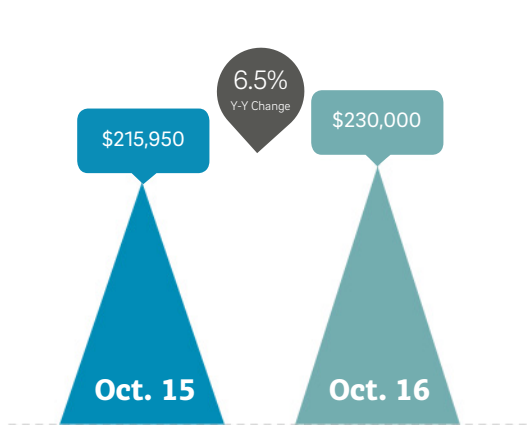


**Units YTD: 7,480**

**Multi-Family 42%**  
of Twin Cities Housing Units Authorized

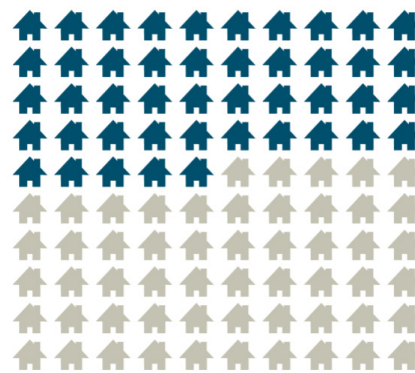
## Twin Cities Housing Permits Authorized

SOURCE: KEYSTONE REPORT



## Twin Cities Median Home Price

SOURCE: MPLS REALTORS

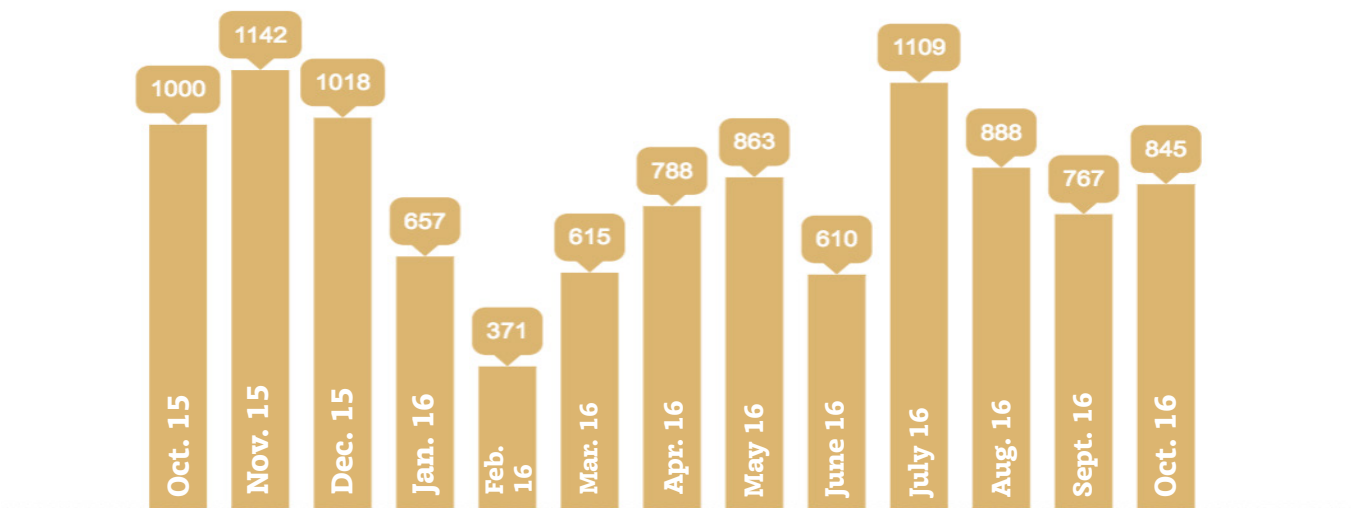


-19%  
Monthly change

12,625  
15,588

## Twin Cities Total Active Listings

SOURCE: MPLS REALTORS

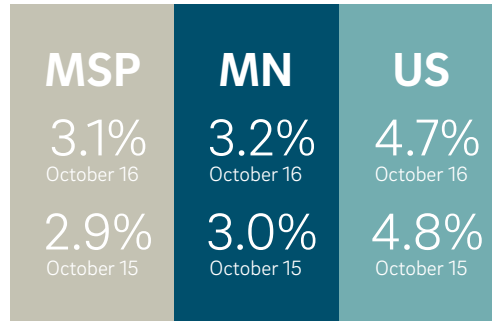


## Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

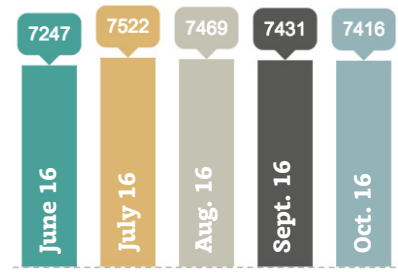
# Employment

Minnesota's unemployment rate held steady in October at a seasonally adjusted 4 percent even as employers cut 12,500 jobs. That 4 percent rate remains better than the 4.9 percent national rate, but the state continues to lag the nation in job growth.



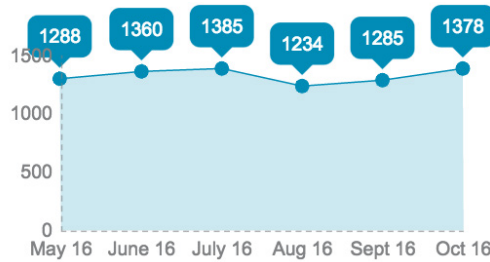
**Unemployment Rate Snapshot**

SOURCE: DEED-MN



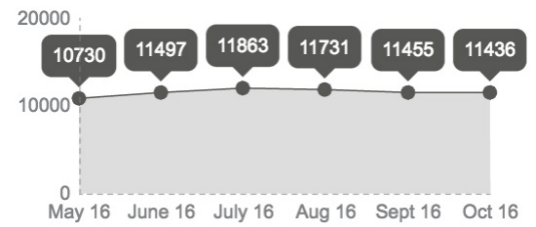
**Twin Cities Construction Employment**

SOURCE: DEED-MN



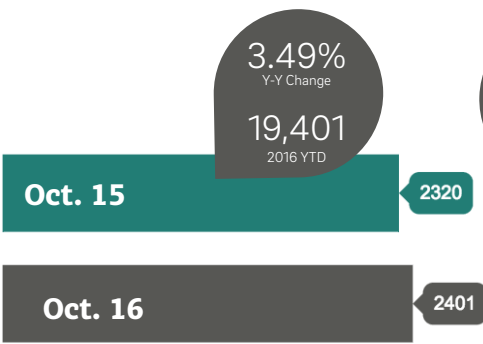
**Twin Cities Construction Weekly Wage**

SOURCE: DEED-MN



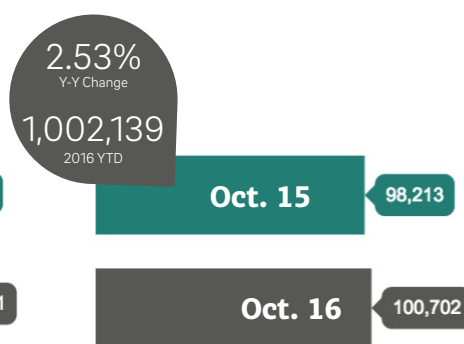
**MN Construction Employment**

SOURCE: DEED-MN



**MN Housing Units Authorized**

SOURCE: US CENSUS

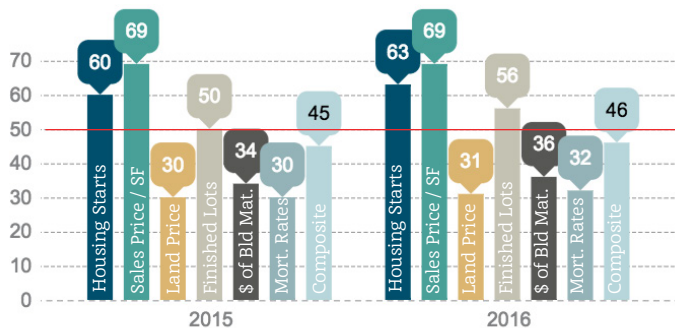


**US Housing Units Authorized**

SOURCE: US CENSUS

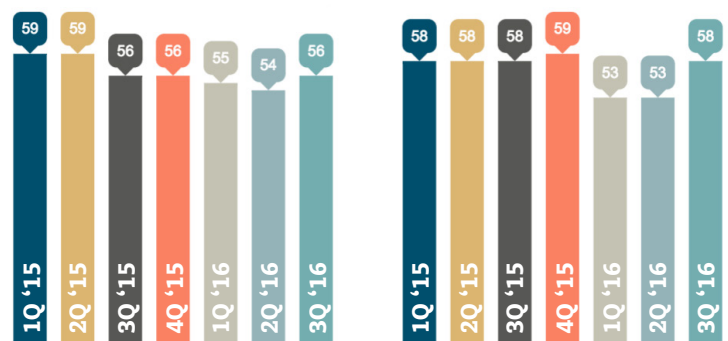
# Regional/National Statistics

The average national home price is now 0.1% above the June 2006 price, although the index does not account for inflation. Twin Cities home prices are still 12 percent below the April 2006 high during the housing bubble, although they're 37 percent higher than their depth in March 2011, the low point of the housing crisis.



**Twin Cities Home Builders Survey**

SOURCE: UNIVERSITY OF ST. THOMAS & BUILDERS ASSOCIATION OF THE TWIN CITIES  
(OVER 50 IS POSITIVE, BELOW 50 IS NEGATIVE)

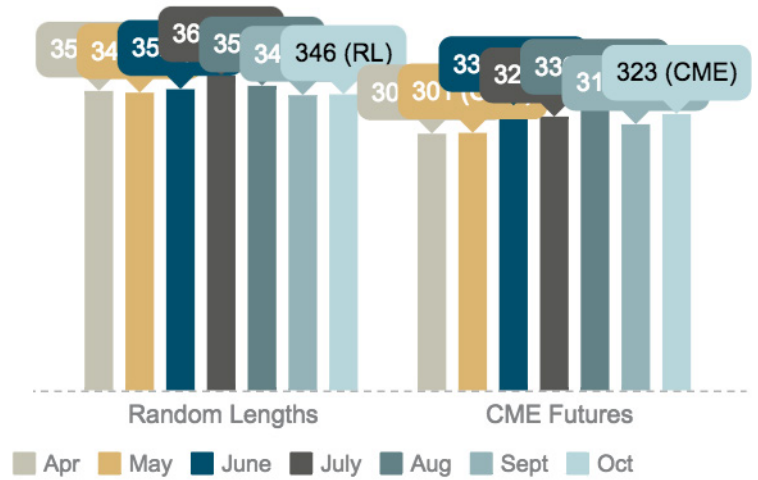
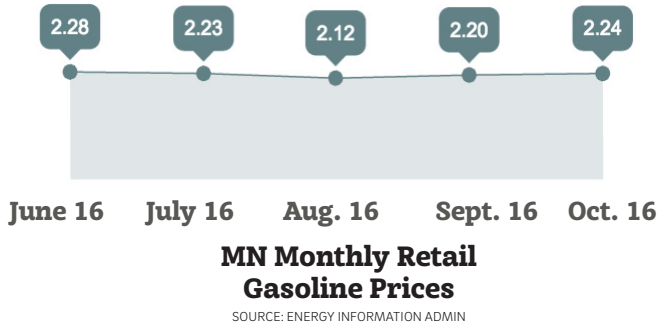


**Remodeling Market Indicies**

SOURCE: NAHB

# Key Indicators

Mortgage rates ticked up to a high for 2016 as stock-market gains, strong employment and anticipation of Federal Reserve action drives the cost of borrowing higher. Softwood trade agreements between the U.S. and Canada have led to protracted disputes that have driven up lumber prices.



## Mortgage Rates

FROM DECEMBER 9, 2016  
SOURCE: WELLS FARGO



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