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“Among the LMI components, house prices are making the most far-reaching progress, with almost 97% of markets having returned to or exceeded their last normal levels. Meanwhile, 78 metros have reached or exceeded normal employment activity. Single-family permits have edged up to 50% of normal activity, but remain the sluggish element of the index.”

NAHB Chief Economist, Robert Dietz

Twin Cities Building Activity



Units Authorized Year-to-Date July 2012-2016

SOURCE: KEYSTONE REPORT

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[NAHB]

NAHB: Housing Markets Continue Gradual Climb

Markets in 146 of the approximately 340 metro areas nationwide returned to or exceeded their last normal levels of economic and housing activity in the second quarter of 2016, according to the NAHB/First American Leading Markets Index (LMI) released today. This represents a year-over-year net gain of 66 markets.

The index's nationwide score ticked up to .97, meaning that based on current permit, price and employment data, the nationwide average is running at 97% of normal economic and housing activity. Meanwhile, 91% of markets have shown an improvement year over year.

“This gradual uptick is in line with NAHB's forecast for a slow but steady

recovery of the housing market,” said NAHB Chairman Ed Brady. “With a strengthening economy, solid job growth and low mortgage interest rates, the market should continue on an upward trajectory throughout the rest of the year.”

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NAHB Chairman,
Ed Brady

all metros saw their Leading Markets Index rise over the quarter, a signal that the overall housing market continues to move forward,” said Kurt Pfothenhauer, vice chairman of First American Title Insurance Company, which co-sponsors the LMI report.

Baton Rouge, La., continues to top the list of major metros on the LMI, with a score of 1.61 – or 61% better than its last normal market level. Other major metros leading the list include Austin, Texas; Honolulu; and San Jose, Calif.

[BATC]

Twin Cities Residential Construction Continues to Climb

After a strong June, Twin Cities residential construction activity returned to more measured growth in July. With the help of several large multifamily projects, permitted units for the month were up 25 percent compared to July 2015. Single-family permits were up 2 percent compared to last year.

According to data compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 480 permits issued for a total of 1,109 units during four comparable weeks in the month of July 2016.

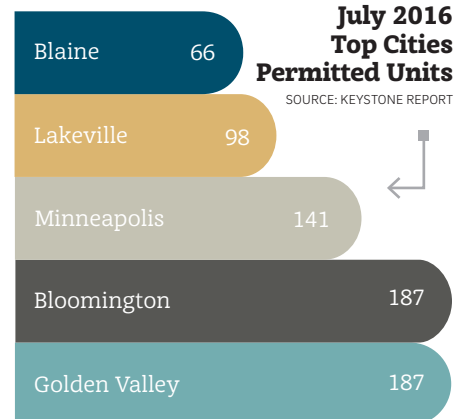
“As the existing housing market remains tight, families are realizing they can build the home of their dreams in the community they love,” said Meg Jaeger, the Builders Association of the Twin Cities 2016 President. “Our industry's builders, carpenters and tradespeople all work to build the safest neighborhoods at a price that families can afford.”

“This month's building activity confirms what our most recent Twin Cities Home Builders Survey in partnership with the University of St. Thomas concluded,” said BATC Executive Director, David Siegel. “The industry is picking up, but still at a slow pace, and builders are only slightly more optimistic than they were in January.”

For the month, Golden Valley and Bloomington tied for the top spot with 187 permitted units, followed by Minneapolis with 141. Rounding out the top five were Lakeville with 98 units and Blaine with 66 units.

“As the existing housing market remains tight, families are realizing they can build the home of their dreams in the community they love. Our industry's builders, carpenters and tradespeople all work to build the safest neighborhoods at a price that families can afford.”

Meg Jaeger, the Builders Association of the Twin Cities 2016 President

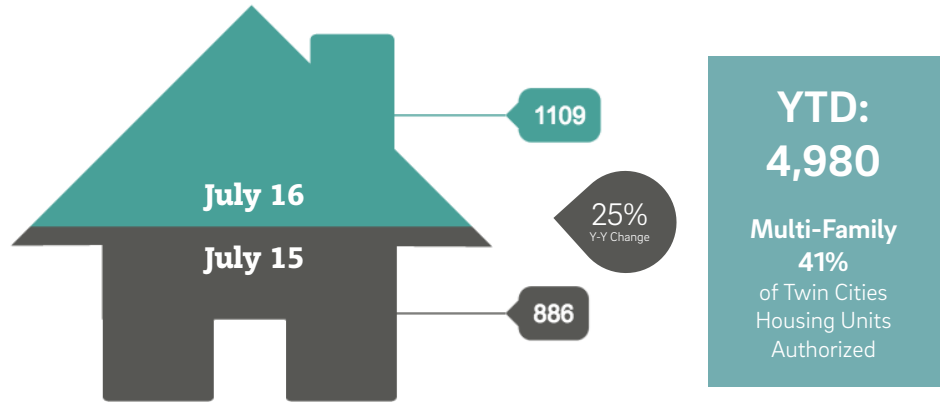


July 2016 Top Cities Permitted Units
SOURCE: KEYSTONE REPORT

Single-family Permits
↑ 2%
Compared to July 2015

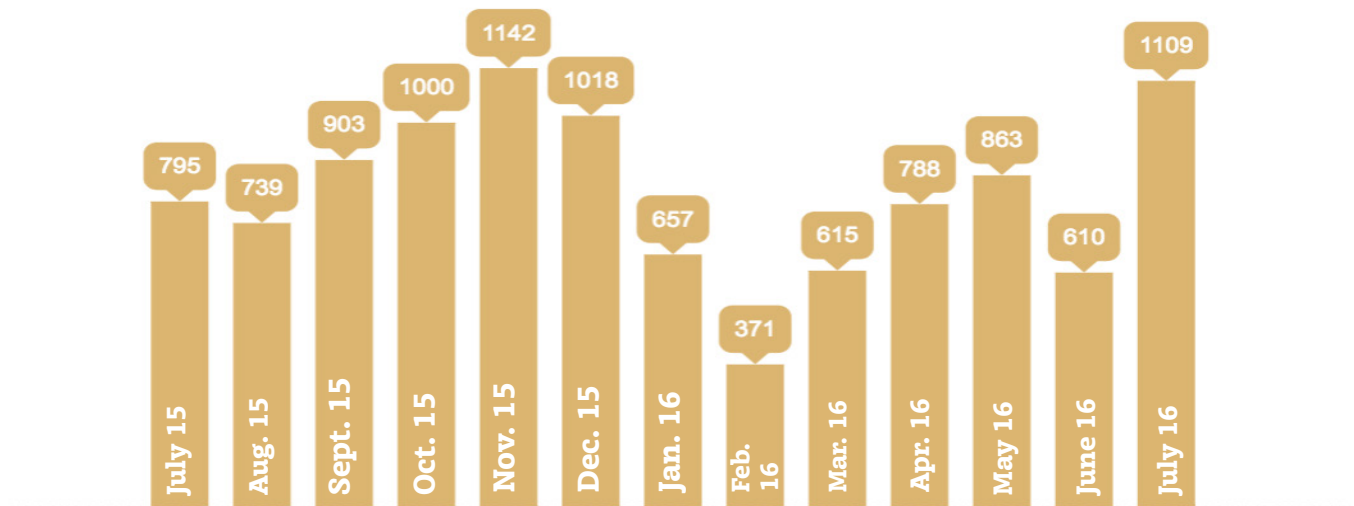
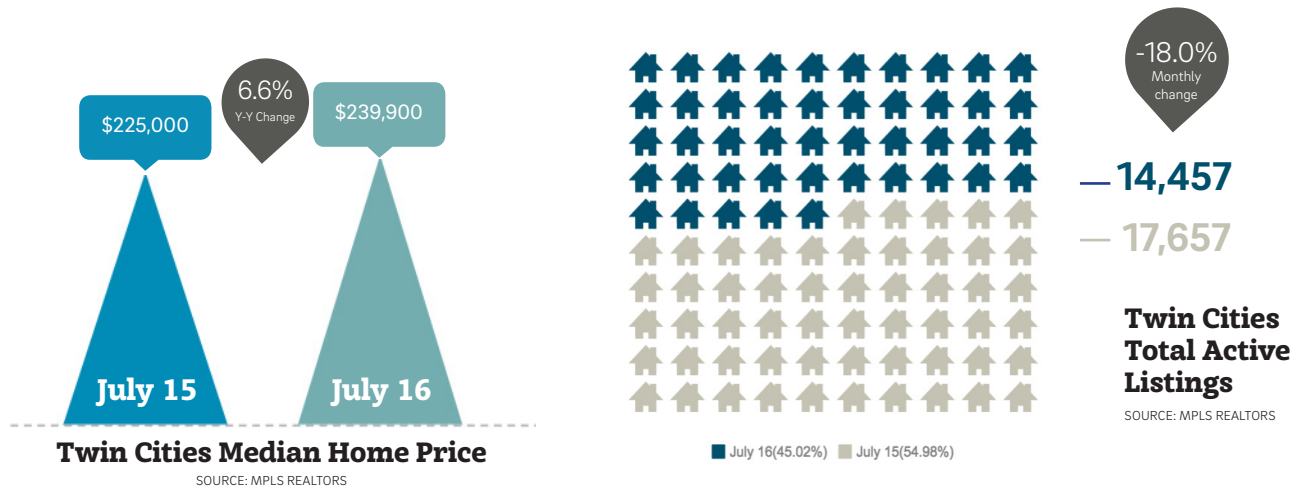
2016 July Metro Building Activity

After a strong June, Twin Cities residential construction activity returned to more measured growth in July. With the help of several large multifamily projects, permitted units for the month were up 25 percent compared to July 2015. Single-family permits were up 2 percent compared to last year.



Twin Cities Housing Units Authorized

SOURCE: KEYSTONE REPORT

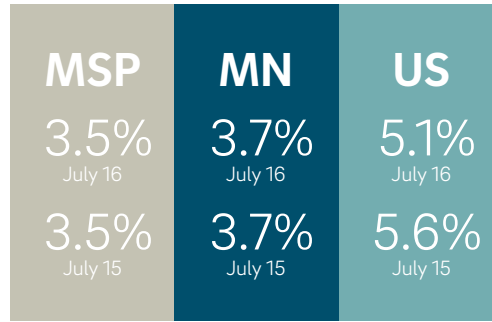


Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

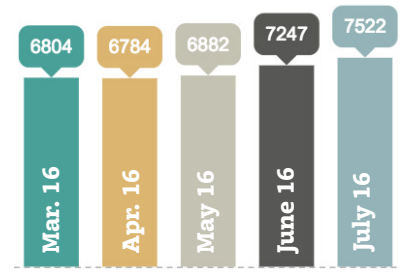
Employment

Minnesota's unemployment rate rose 0.1 percent in July after adding 11,300 jobs, according to the state's Department of Employment and Economic Development. Over the past year, job growth nationally has climbed 1.7 percent compared to Minnesota's 1.5 percent increase.



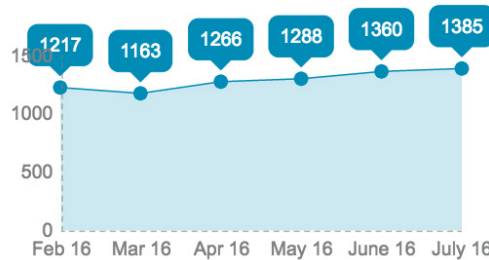
Unemployment Rate Snapshot

SOURCE: DEED-MN



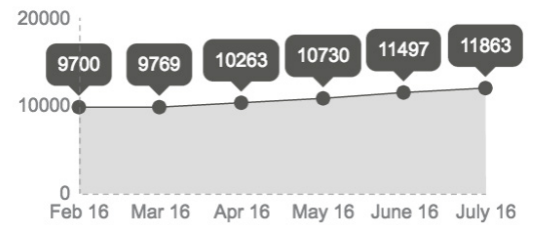
Twin Cities Construction Employment

SOURCE: DEED-MN



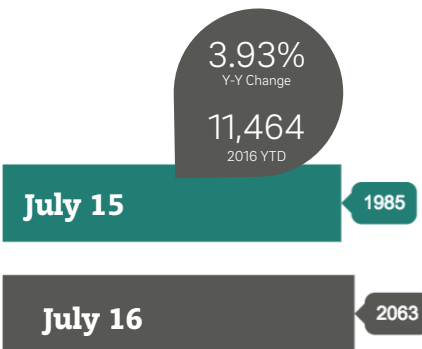
Twin Cities Construction Weekly Wage

SOURCE: DEED-MN



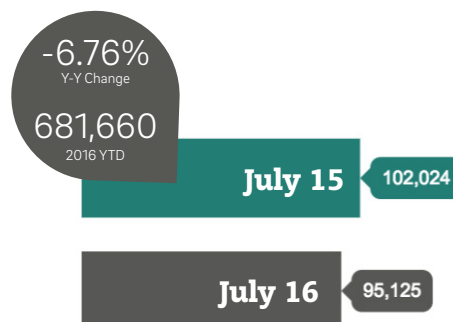
MN Construction Employment

SOURCE: DEED-MN



MN Housing Units Authorized

SOURCE: US CENSUS

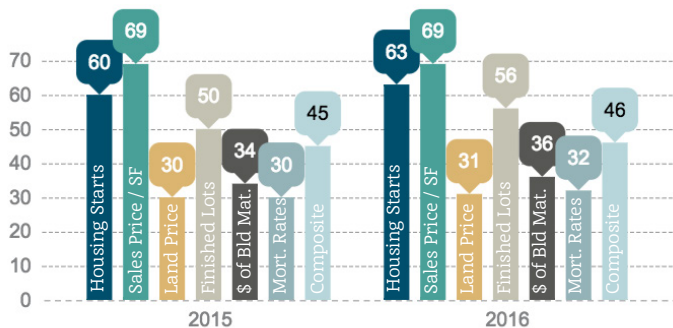


US Housing Units Authorized

SOURCE: US CENSUS

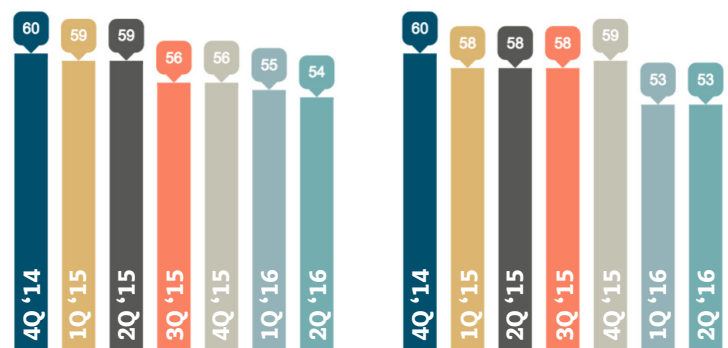
Regional/National Statistics

Overall permit issuance inched down 0.1 percent to a seasonally adjusted annual rate of 1.15 million. Permit issuance increased 10.5 percent in the Midwest and 2.6 percent in the South. Meanwhile, the West and Northeast posted respective losses of 8 percent and 10.2 percent.



Twin Cities Home Builders Survey

SOURCE: UNIVERSITY OF ST. THOMAS & BUILDERS ASSOCIATION OF THE TWIN CITIES

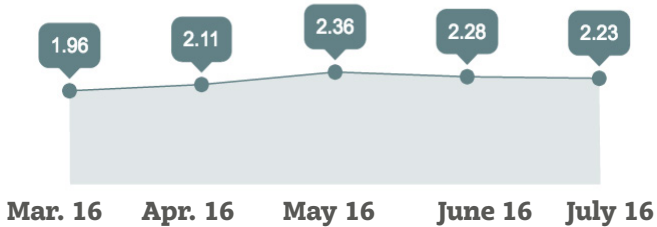


Remodeling Market Indices

SOURCE: NAHB

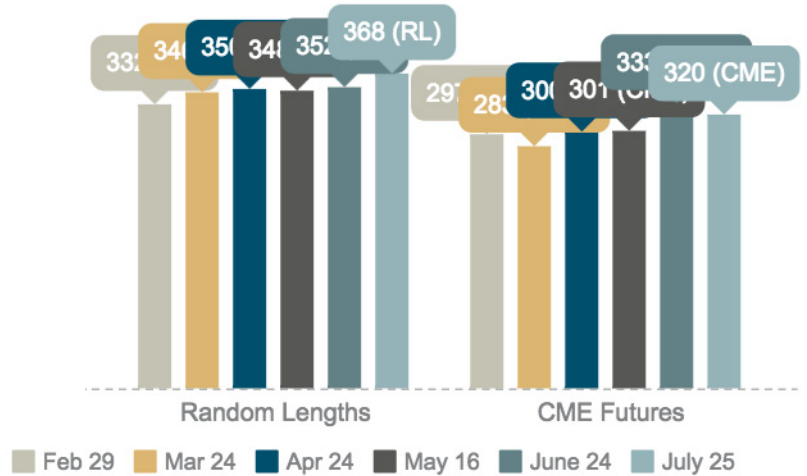
Key Indicators

AAA reports that while gas prices have been rising for two weeks, they're still 27 cents cheaper than they were this time last year—and are pacing to be the lowest since Labor Day weekend 2004. The recent wave of construction has helped to boost lumber prices, which are up by more than a third over the last year.



MN Monthly Retail Gasoline Prices

SOURCE: ENERGY INFORMATION ADMIN



Framing Lumber

SOURCE: NAHB

Mortgage Rates

FROM AUGUST 31, 2016
SOURCE: WELLS FARGO



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