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“NAHB expects an increase in single-family home construction next year, fueled by a growing economy and solid job growth.”

NAHB Chief Economist, Robert Dietz

Twin Cities Building Activity



Permits Authorized Year-to-Date November 2012-2016

SOURCE: KEYSTONE REPORT

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[NAHB]

NAHB: New Home Sales Up 5.2% in November

Sales of newly built, single-family homes rose 5.2% in November to a seasonally adjusted annual rate of 592,000 units, according to newly released data by HUD and the U.S. Census Bureau.

“New home sales showed growing strength in 2016 and builders expect more of the same next year,” said NAHB Chairman Ed Brady. “A key to continued growth in 2017 will be to ensure that prospective, qualified first-time home buyers have access to affordable home loans.”

“NAHB expects an increase in single-family home construction next year, fueled by a growing economy and solid job growth,” said NAHB Chief Economist Robert Dietz. “Moreover, builder confidence has risen on anticipation of reductions in regulatory costs, which is good news for home buyers and renters. However, the pace of construction will continue to be restricted by shortages of lots and labor in some markets.”

The inventory of new home sales for

“New home sales showed growing strength in 2016 and builders expect more of the same next year.”

NAHB Chairman,
Ed Brady

sale was 250,000 in November, which is a 5.1-month supply at the current sales pace. The median sales price of new houses sold was \$305,400.

Regionally, new home sales increased 43.8% in the Midwest and 7.7% in the West. Sales were unchanged in the Northeast and fell 3.1% in the South.

[BATC]

New Construction Closes Out Year with Surge in Single-Family Home

The Twin Cities are on pace for the largest single-family construction growth since 2013. For the third month in a row, single-family activity increased by over 20 percent from 2015. Multifamily construction got a boost in November as well from several large projects in Minneapolis, marking the strongest month for multifamily

production all year. Year-to-date total permits are up 13 percent, while total units are up six percent from 2015.

According to data compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 474 permits issued for a total of 1,099 units during four comparable weeks in the month of November 2016.

“Whether it’s the warm weather, low inventory of existing housing, or the growing economy we’re definitely seeing more families in the market for new construction,” said Meg Jaeger, the Builders Association of the Twin Cities 2016 President. “With the the

strong finish to 2016, we expect to see continued growth in single-family production into 2017.”

“Residential construction is an integral part of our economy, with the fastest growing employment in 2016,” said BATC Executive Director, David Siegel. “While we are optimistic, we are still concerned with several factors that are holding housing construction back, including our continued challenge recruiting of skilled labor.”

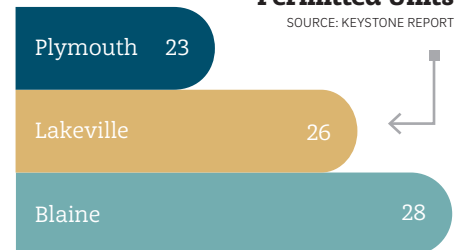
For the month, Blaine took the top spot with 28 permits pulled, followed by Lakeville with 26 and Plymouth with 23.

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November 2016 Top Cities Permitted Units

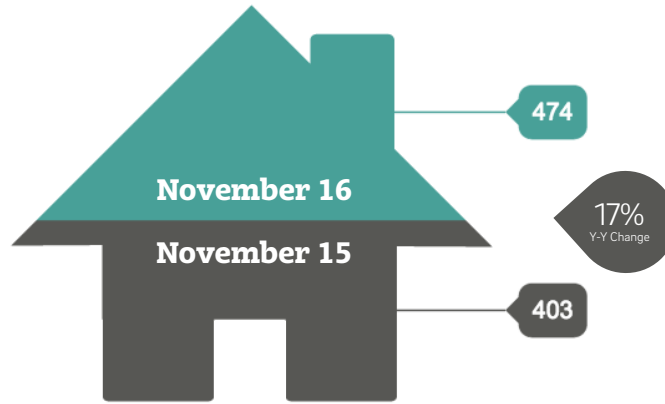
SOURCE: KEYSTONE REPORT



Single-family Permits
↑ 20%
Compared to November 2015

2016 November Metro Building Activity

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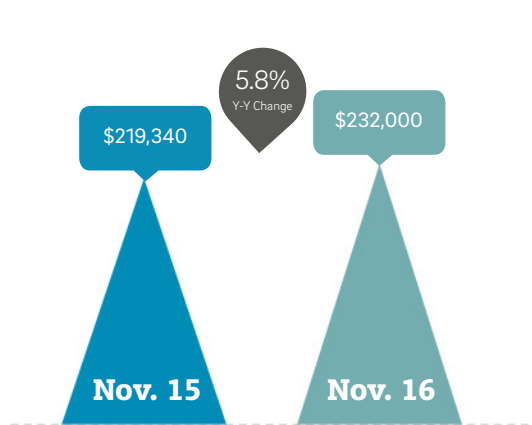


Units YTD:
8,579

Multi-Family
45%
of Twin Cities
Housing Units
Authorized

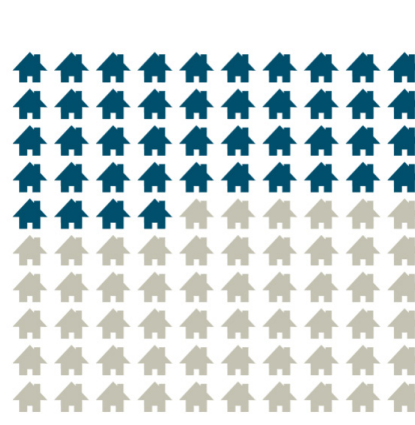
Twin Cities Housing Permits Authorized

SOURCE: KEYSTONE REPORT



Twin Cities Median Home Price

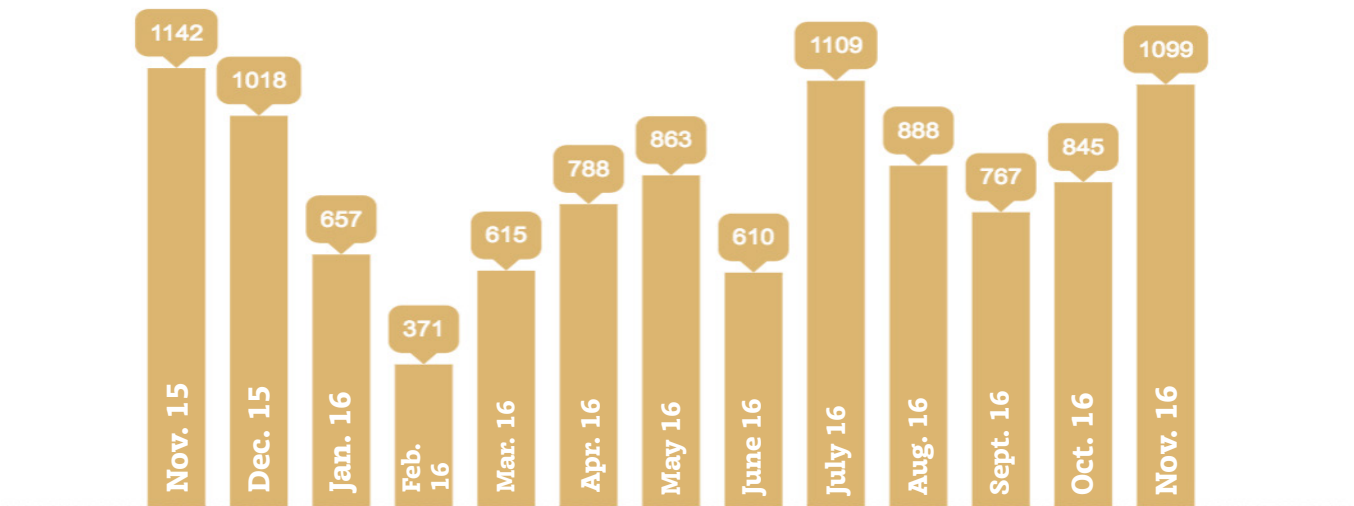
SOURCE: MPLS REALTORS



Twin Cities Total Active Listings

SOURCE: MPLS REALTORS

■ November 16 (43.58%) ■ November 15 (56.42%)

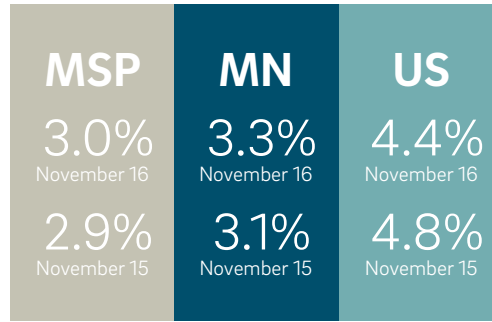


Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

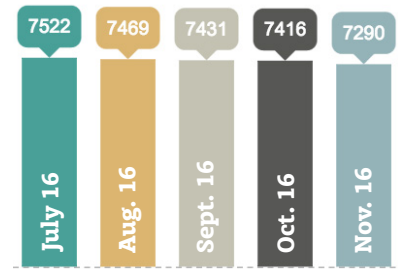
Employment

Minnesota employers added 5,000 jobs in November, about twice the average monthly rate for the past year, and the state's unemployment rate dipped to 3.3 percent. By job sector, construction added the most jobs in Minnesota last month – 3,400 on a seasonally adjusted basis.



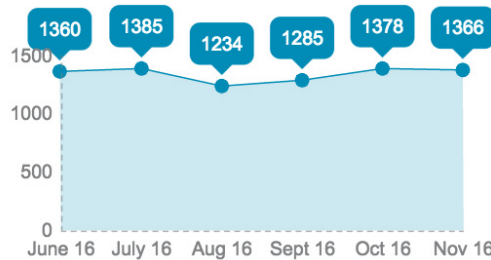
Unemployment Rate Snapshot

SOURCE: DEED-MN



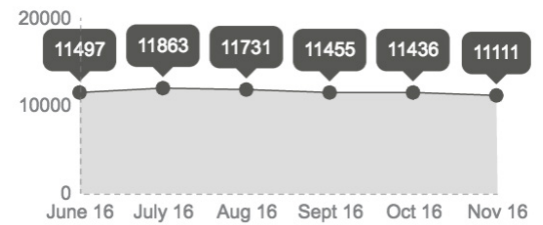
Twin Cities Construction Employment

SOURCE: DEED-MN



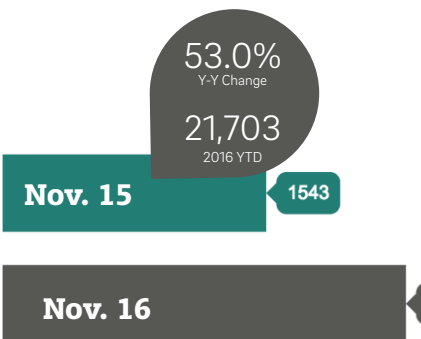
Twin Cities Construction Weekly Wage

SOURCE: DEED-MN



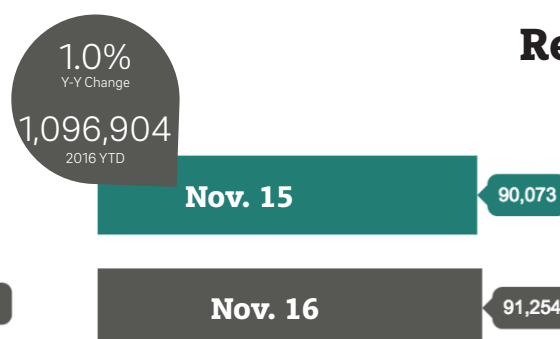
MN Construction Employment

SOURCE: DEED-MN



MN Housing Units Authorized

SOURCE: US CENSUS



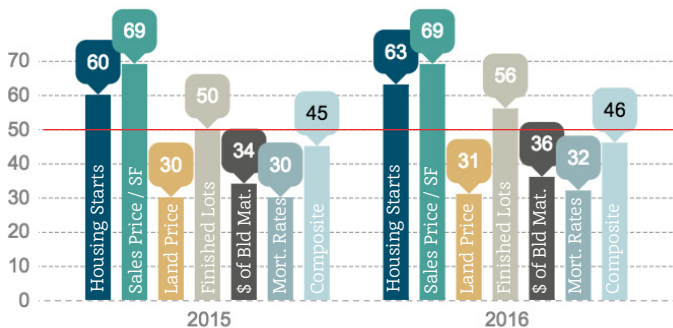
US Housing Units Authorized

SOURCE: US CENSUS

Regional/National Statistics

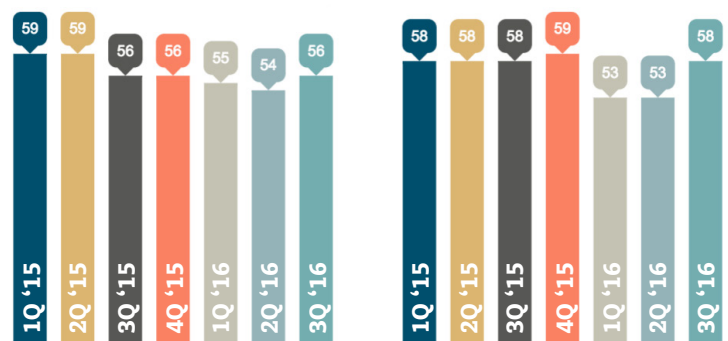
New U.S. single-family home sales rose more than expected in November, reaching their highest level in four months, likely as expectations of higher mortgage rates drew buyers into the market.

Regionally, new home sales increased 43.8% in the Midwest and 7.7% in the West. Sales were unchanged in the Northeast and fell 3.1% in the South.



Twin Cities Home Builders Survey

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

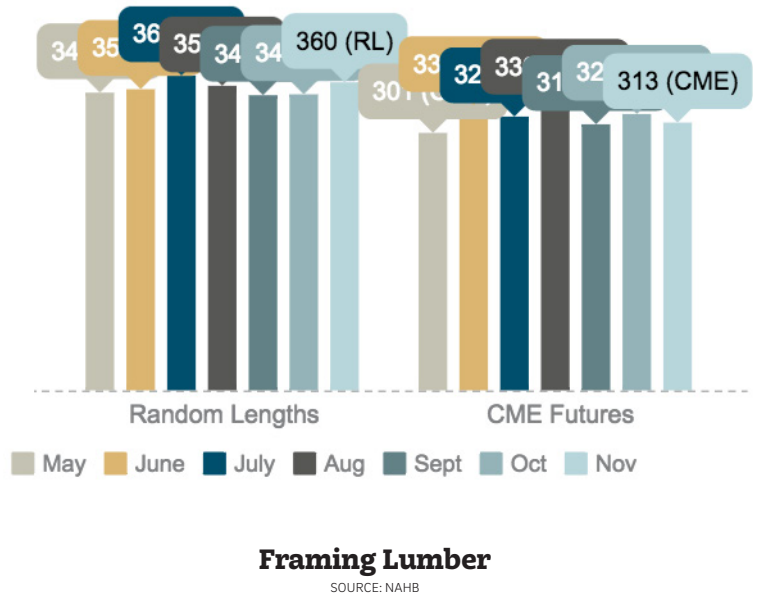
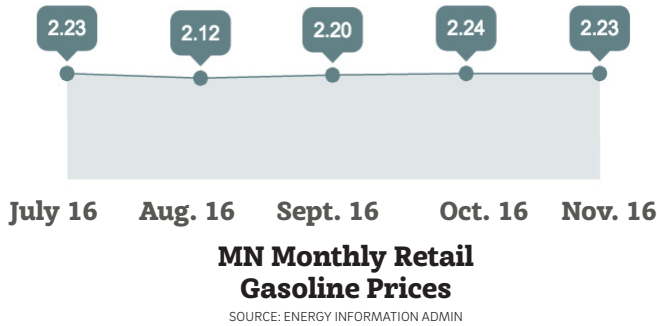


Remodeling Market Indicies

SOURCE: NAHB

Key Indicators

Mortgage rates have gone up more than three-quarters of a percentage point since late September. The price of framing lumber from random lengths have both risen year-over-year, CME futures rose 30% YOY, while random length composite prices rose 5% YOY.



Mortgage Rates

FROM JANUARY 17, 2017
SOURCE: ASSOCIATED BANK



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