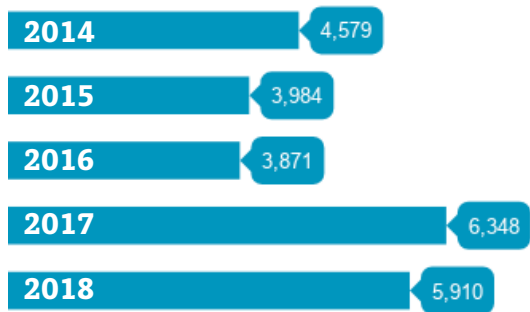




## Twin Cities Building Activity



### Units Authorized Year-to-Date June 2014-2018

SOURCE: KEYSTONE REPORT

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August 2018  
Volume VI, Issue: 8

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"While housing inventory is picking up, it is still well below where it should be. Data and demand shows single-family housing is still the most desired by homebuyers and it's clear we need more of it."

David Siegel, Executive Director of BATC-Housing First Minnesota

[BATC-Housing First Minnesota]

## Twin Cities Single-Family Construction Ramps Up in June

After a strong May, single-family construction continued its hot streak in June. For the month, the number of single-family permits pulled increased to 558, a 13 percent increase over June of last year. Multifamily activity also accelerated in June with a 30 percent increase in the number of permitted units over June 2017.

According to data compiled by the Keystone Report for BATC-Housing First Minnesota, there were 595 permits issued for a total of 1,061 units during

four comparable weeks in the month of June.

"Builders are still making up for the slowdown caused by the long winter," said Tom Wiener, President of BATC-Housing First Minnesota. "Homebuyers are feeling good about the economy and ready to buy."

"While housing inventory is picking up, it is still well below where it should be," said David Siegel, Executive Director of BATC-Housing First Minnesota. "Data and demand shows single-



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Tom Wiener, President of BATC-Housing First Minnesota

family housing is still the most desired by homebuyers and it's clear we need more of it."

For the month, Lakeville took the top spot with 43 permits issued. Otsego came in next with 34 permits, followed by Woodbury with 30 permits. Rounding out the top five are Savage with 27 permits issued and Maple Grove with 25 permits issued.

[MAAR]

## Sellers: Flat. Buyers: Down. Prices: Up.

Seller activity was relatively flat in June while buyers pulled back somewhat. For the first time since 2010, new listings surpassed 9,000 in May of this year. That's encouraging, even though June seller activity was down slightly compared to last year. Increasing or steady seller

activity combined with a cool down in demand is consistent with a loosening marketplace. That said, buyers shopping this spring and summer will still face stiff competition. While sellers are receiving full-price-or-better offers in record time, listings still need to show well and be priced properly. June marked the seventh consecutive month of year-over-year declines in closed sales, likely reflecting the shortage of homes for sale.

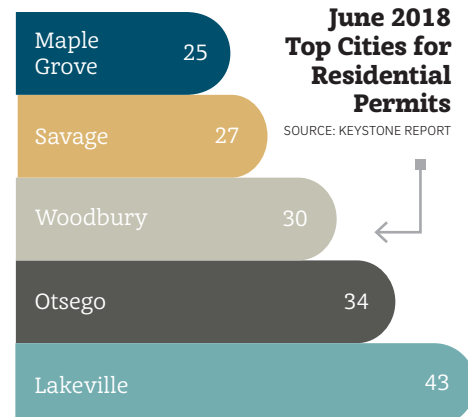
Strong demand and low supply means sellers yielded an average of 100.3 percent of their list

price in June, a record high for any month since at least the beginning of 2003. The shortage is especially noticeable at the entry-level prices, where multiple offers and homes selling for over list price have become increasingly common.

The move-up and upper-bracket segments are less competitive and better supplied. Yes, the housing market is tight out there—sometimes frustratingly so. But over 54,000 Twin Cities buyers and sellers have managed to successfully transact real property so far this year.

"Yes, the housing market is tight out there—sometimes frustratingly so. But over 54,000 Twin Cities buyers and sellers have managed to successfully transact real property so far this year."

David Arbit, MAAR



### June 2018 Top Cities for Residential Permits

SOURCE: KEYSTONE REPORT

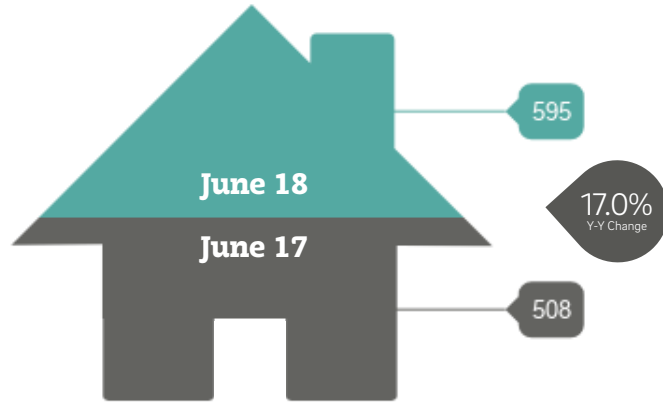
### Single-Family Permits Pulled

↑ 13%

Compared to June 2017

# 2018 June Metro Building Activity

After a strong May, single-family construction continued its hot streak in June. For the month, the number of single-family permits pulled increased to 558, a 13 percent increase over June of last year. Multifamily activity also accelerated in June with a 30 percent increase in the number of permitted units over June 2017.

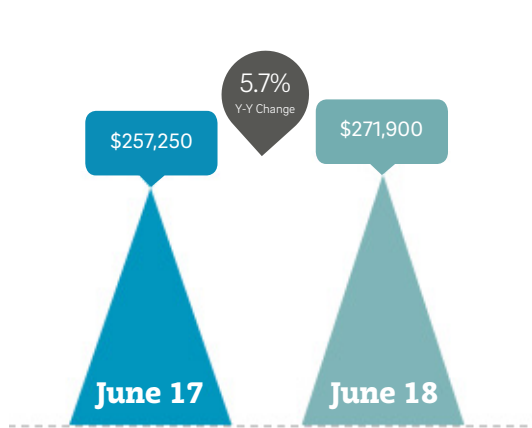


**Permits YTD: 5,910**

**Multi-Family 51%**  
of Twin Cities Housing Units Authorized

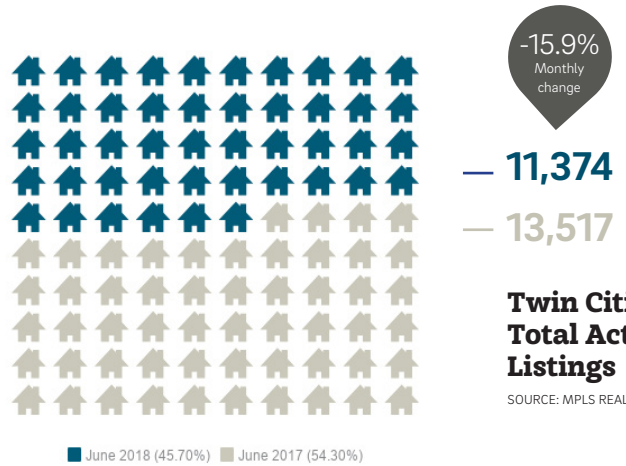
## Twin Cities Housing Permits Authorized

SOURCE: KEYSTONE REPORT



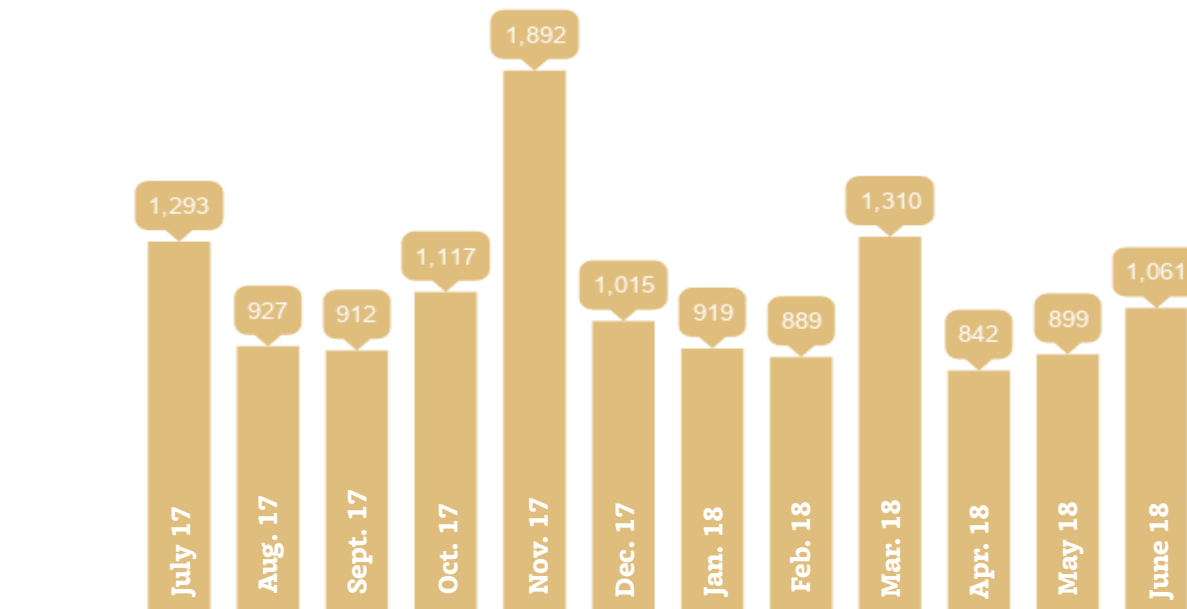
## Twin Cities Median Home Price

SOURCE: MPLS REALTORS



## Twin Cities Total Active Listings

SOURCE: MPLS REALTORS

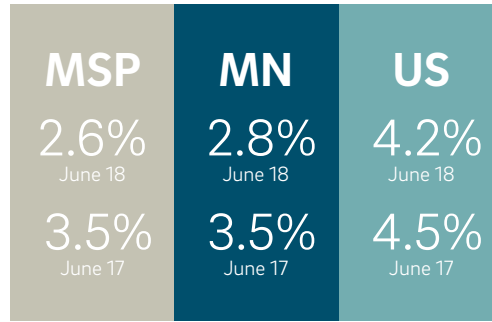


## Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

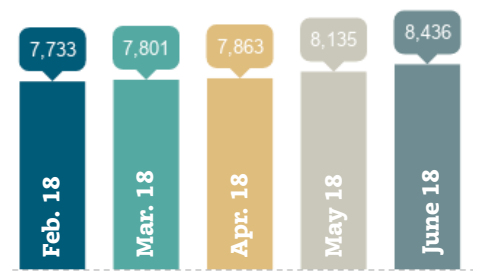
# Employment

The Minnesota jobs mark surpassed 2.96 million, according to a report from the state's Department of Employment and Economic Development. That figure is the highest in the state's history. Minnesota continues to outperform the nation with a 2.8 percent unemployment rate compared to the 4.2 percent U.S. unemployment rate.



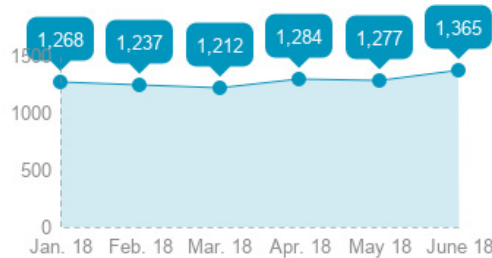
**Unemployment Rate Snapshot**

SOURCE: DEED-MN



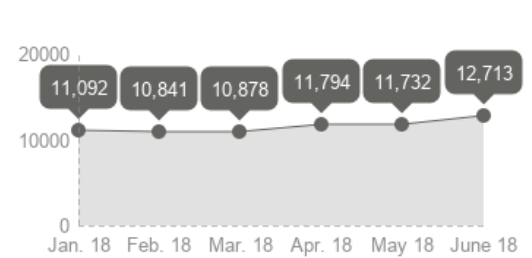
**Twin Cities Construction Employment**

SOURCE: DEED-MN



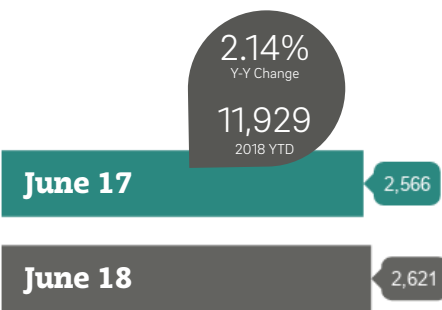
**Twin Cities Construction Weekly Wages**

SOURCE: DEED-MN



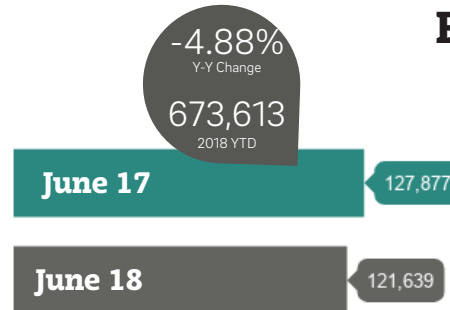
**MN Construction Employment**

SOURCE: DEED-MN



**MN Housing Units Authorized**

SOURCE: US CENSUS



**US Housing Units Authorized**

SOURCE: US CENSUS

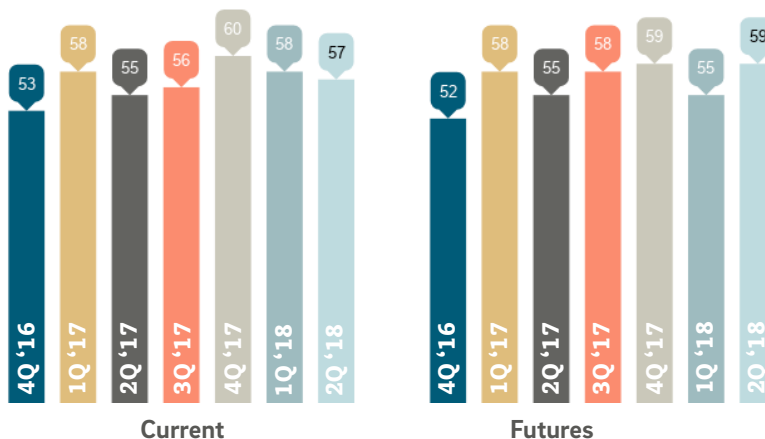
# Regional/National Statistics

According to data from the Minneapolis Area Association of REALTORS there are still generally more buyers than sellers in most price and housing style categories. This means prices will continue to rise until that situation changes. U.S. new construction starts in June climbed 11% to a seasonally adjusted annual rate of \$896.3 billion.

The increase marked the second double-digit gain in a row, following the 15% hike that was reported for May.

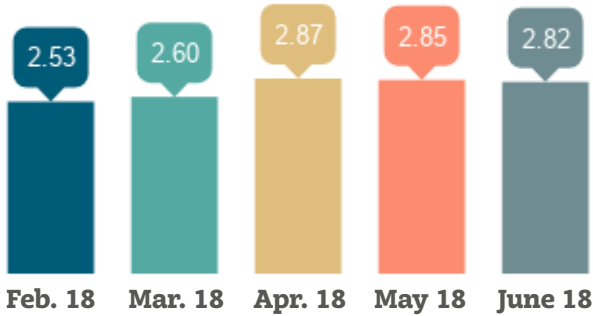
# Remodeling Market Indices

SOURCE: NAHB



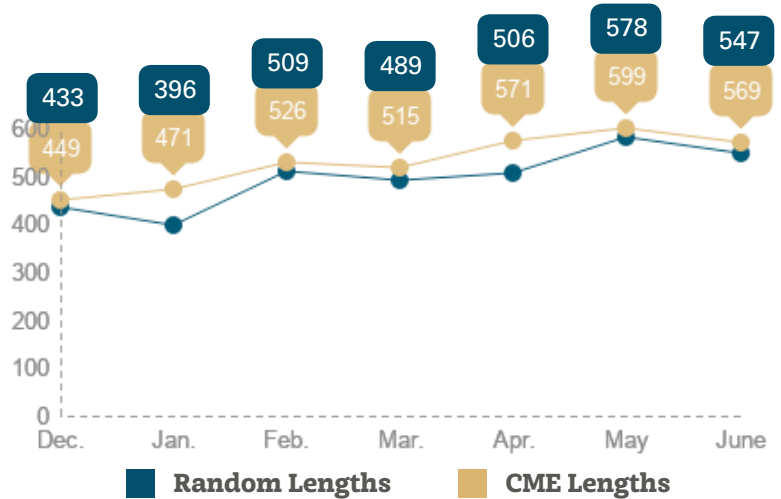
# Key Indicators

Prices of building materials generally increased in June, according to the Bureau of Labor Statistics. For the second consecutive month, softwood lumber (+4.0%) led the way. As far as mortgage rates, Federal Reserve officials earlier this month said that a strong economy meant that it would "likely soon be appropriate" to boost their benchmark interest rate for a third time this year. Minutes of their recent discussions also revealed deepening concerns that escalating trade wars could put a damper on the economy.



**MN Monthly Retail Gasoline Prices**

SOURCE: ENERGY INFORMATION ADMIN



**Framing Lumber**

SOURCE: NAHB

## Mortgage Rates

FROM AUGUST 23, 2018  
SOURCE: ASSOCIATED BANK



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