

HOT SHEET



December 2015
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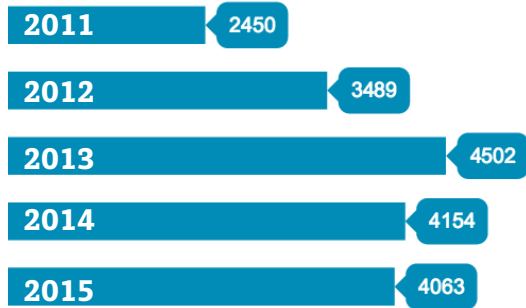
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“Sales this year are running 15.7 percent ahead of 2014. With a firming job market, affordable home prices, and rising pent-up demand, today’s report is another indicator that the housing market continues to move on a modest upward trajectory.”

NAHB Chief Economist, David Crowe

Twin Cities Building Activity



Units Authorized Year-to-Date October 2011-2015

SOURCE: KEYSTONE REPORT

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[NAHB]

NAHB: New Home Sales Rise 10.7 Percent in October

Sales of newly built, single-family homes rose 10.7 percent to a seasonally adjusted annual rate of 495,000 units in October, according to newly released data from HUD and the U.S. Census Bureau.

“Our builders are reporting continued optimism in the housing market, and are adding inventory in anticipation of future business,” said Tom Woods, chairman of the National Association of Home Builders (NAHB)

and a home builder from Blue Springs, Mo.

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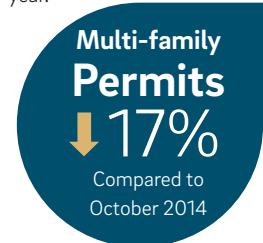
regions. Sales rose 135.3 percent in the Northeast, 5.3 percent in the Midwest, and 8.9 percent in the South. Sales fell 0.9 percent in the West.

The inventory of new homes for sale was 226,000 units in October. This is a 5.5-month supply at the current sales pace.

[BATC]

Twin Cities Home Building Activity Continues Slow Pace

With a drop in the number of permits pulled in October, Twin Cities residential construction fell two percent when comparing year to date statistics over last year. For 2015, single-family permits remain relatively flat, down only one percent from the same time period in 2014. Multi-family permits, however, are down 17 percent year over year.



According to data compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 357 permits issued for a total of 937 units during four comparable weeks in the month of October 2015. Year-to-date, there were 4,063 permits issued for a total of 7,612 units.

“Even after several months with little improvement, we remain optimistic that the Twin Cities residential construction market will start to climb,” said Chris Contreras, 2015 BATC President. “With a major victory for homebuilders this month when the Minnesota Court of Appeals

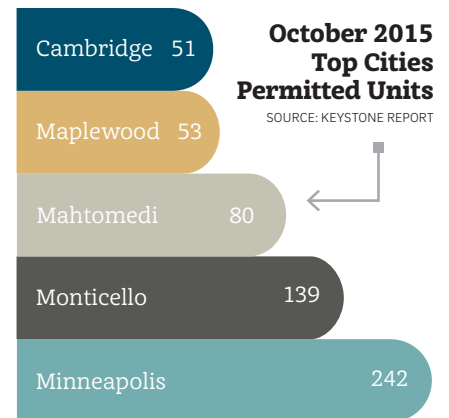
ruled the costly and unnecessary sprinkler mandate invalid, we’re confident that we’ve helped to make homes more affordable for all families.”

“We remain disappointed to see Twin Cities home building activity lagging behind much of the country,” said Contreras.

For the month, Minneapolis issued the most permitted units at 242, followed by Monticello with 139, and Mahtomedi was third with 80 units. Rounding out the top five are Maplewood with 53 permitted units and Cambridge with 51 units.

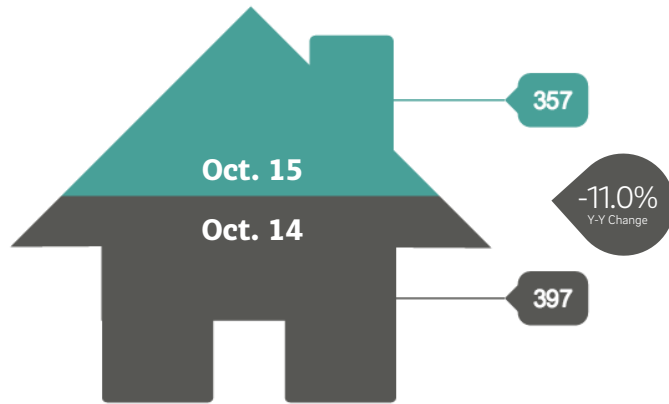
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Chris Contreras, 2015 President of the Builders Association of the Twin Cities



2015 October Metro Building Activity

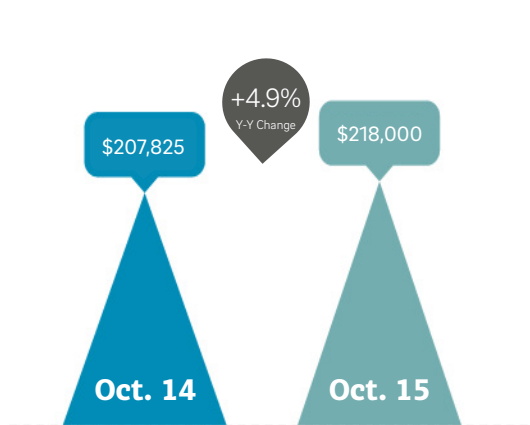
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YTD: 7,612
Multi-Family 48%
of Twin Cities Housing Units Authorized

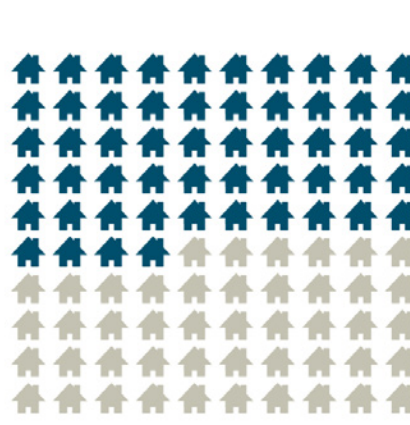
Twin Cities Housing Units Authorized

SOURCE: KEYSTONE REPORT



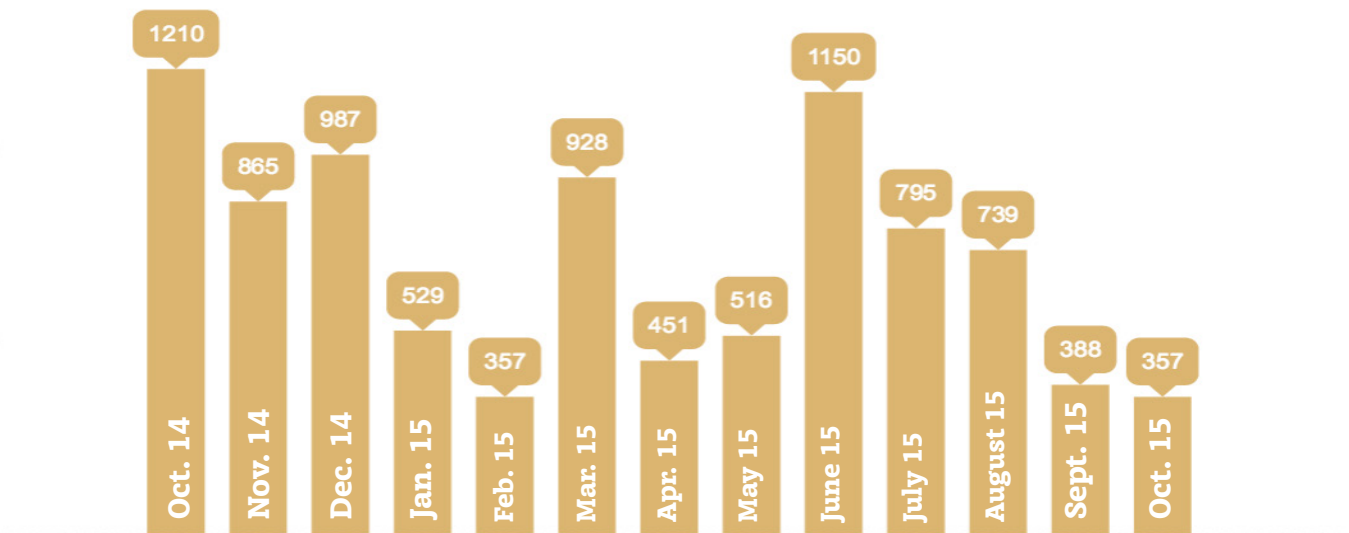
Twin Cities Median Home Price

SOURCE: MPLS REALTORS



Twin Cities Total Active Listings

SOURCE: MPLS REALTORS

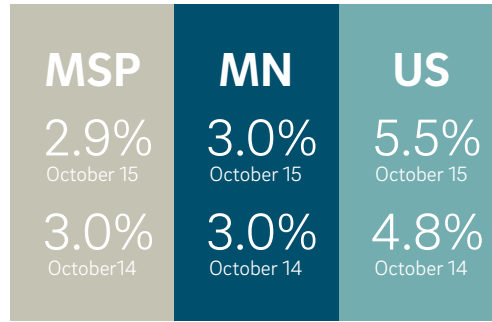


Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

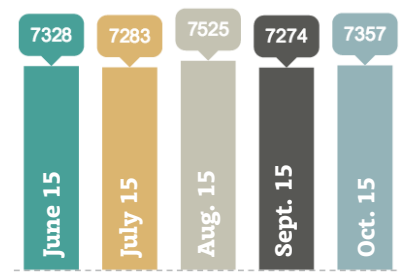
Employment

The state lost 1,700 jobs in October adding to a slow stretch. Minnesota lost 6,700 jobs in September, but employment is still up by nearly 24,000 for the year. Education, health and business services are major bright spots for job growth in the last year.



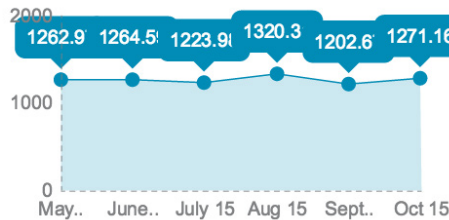
Unemployment Rate Snapshot

SOURCE: DEED-MN



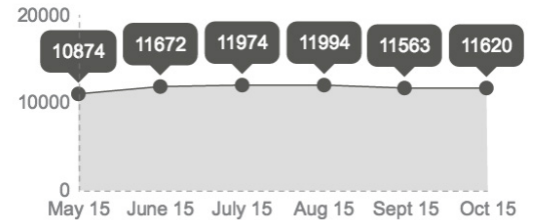
Twin Cities Construction Employment

SOURCE: DEED-MN



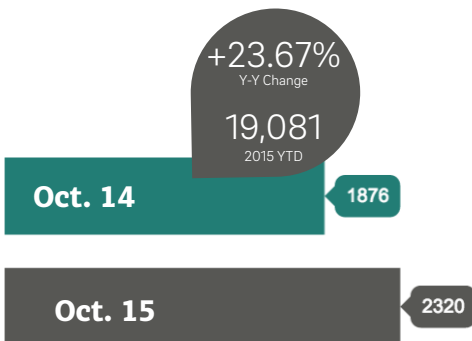
Twin Cities Construction Weekly Wage

SOURCE: DEED-MN



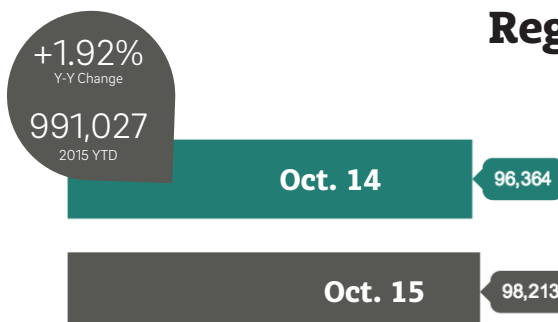
MN Construction Employment

SOURCE: DEED-MN



MN Housing Units Authorized

SOURCE: US CENSUS

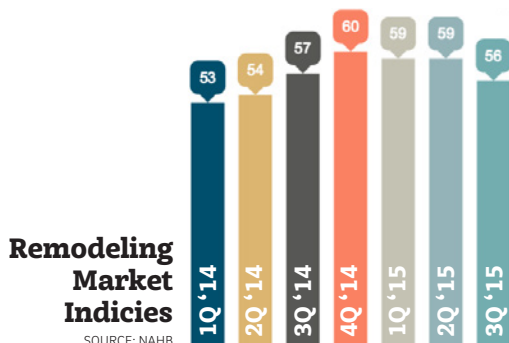


US Housing Units Authorized

SOURCE: US CENSUS

Regional/National Statistics

New-home sales were up in three out of the four regions. Sales rose 135.3 percent in the Northeast, 5.3 percent in the Midwest, and 8.9 percent in the South. Sales fell 0.9 percent in the West.



Remodeling Market Indices

SOURCE: NAHB

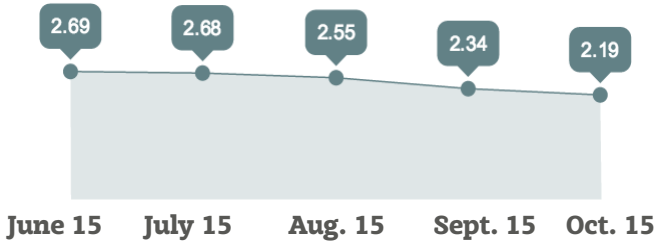
Current



Futures

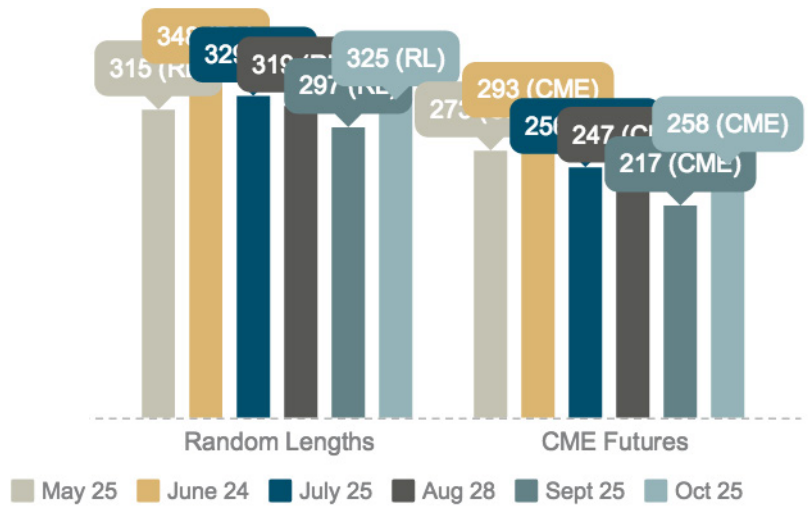
Key Indicators

Gasoline prices in the United States are nearing their lowest since 2004. Because nearly 90 percent of Americans will travel by car over the winter holidays, the savings will add up. Even with the pickup in U.S. housing starts in 2015, lumber prices are down year-over-year. Overall the decline in prices is probably due to more supply, and less demand from China.



MN Monthly Retail Gasoline Prices

SOURCE: ENERGY INFORMATION ADMIN



Framing Lumber

SOURCE: NAHB

Mortgage Rates

FROM DECEMBER 2, 2015
SOURCE: WELLS FARGO



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