

HOT SHEET



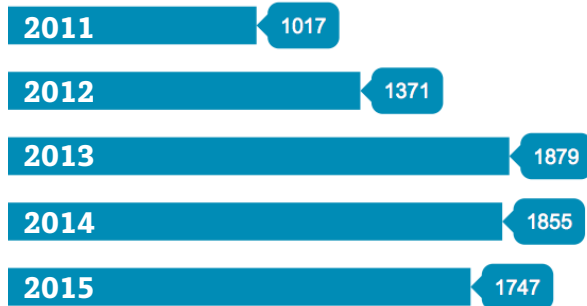
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NAHB Chief Economist David Crowe.

Twin Cities Building Activity



Units Authorized Year-to-Date May 2011-2015

SOURCE: KEYSTONE REPORT

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[NAHB]

Housing Starts Readjust in May

Nationwide housing starts dropped 11.1 percent to a seasonally adjusted annual rate of 1.036 million units in May from an upwardly revised April reading, according to newly released data from the U.S. Department of Housing and Urban Development and the Commerce Department. Overall permit issuance rose 11.8 percent to a rate of 1.275 million, the highest level since August 2007.

“The uptick in permits shows our builders are optimistic that more consumers are returning to the housing market,” said NAHB Chairman Tom Woods, a home builder from Blue Springs, Mo. “Even with this month’s dip in production, it should be a solid year for home building.”

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Both housing sectors posted production declines this month. Single-family housing starts fell 5.4 percent to a seasonally adjusted annual rate of 680,000 in May while multifamily starts dropped 20.2 percent to 356,000 units.

Combined single- and

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multifamily starts fell in all four regions in May. The Northeast, Midwest, South and West posted respective losses of 26.5 percent, 10.2 percent, 5 percent and 12.5 percent.

Multifamily permits rose 24.9 percent to a rate of 592,000, the highest level in 25 years. Single-family permits increased 2.6 percent to 683,000.

Regionally, the Northeast and Midwest posted respective permit gains of 77.7 percent and 16.3 percent. The South and West fell 3.6 percent and 1.9 percent, respectively.

[BATC]

Twin Cities Single Family Construction Remains Slow and Steady

For the third month in a row residential construction failed to beat the previous year’s numbers. Single-family permits were down 12 percent when compared to May 2014, while multi-family permits were down 15 percent from this time last year.

According to data compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 359 permits issued for a total of 516 units during four comparable weeks in the month of May 2015.

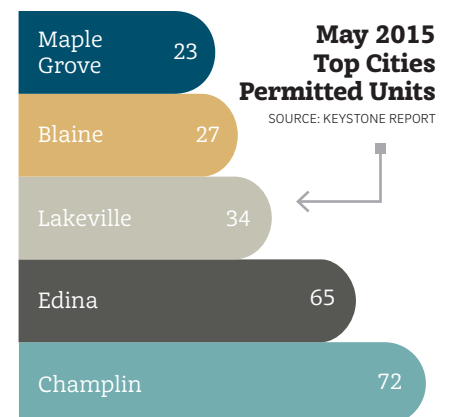
“While we are pleased to see construction clipping along at a relatively steady pace, we remain concerned after seeing three months of disappointing numbers,” said Chris Contreras, 2015 BATC President. “The rest of the country is reporting major construction gains, which leaves us wondering why we are not seeing the same here in the Midwest.”

“We remain worried that the increased regulatory burden in our state is making housing affordability a challenge, and putting a strain on the new construction market,” said Contreras.

For the month, Champlin issued the most permitted units at 72, followed by Edina with 65, and Lakeville for third with a total of 34 units. Rounding out the top five is Blaine with 27 permitted units and Maple Grove with 23 units.

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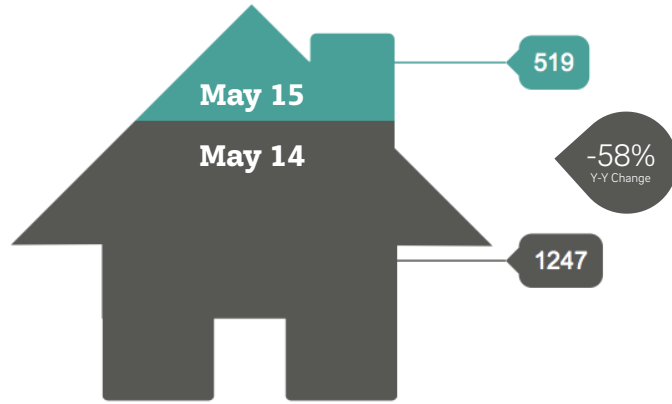
Chris Contreras, 2015 President of the Builders Association of the Twin Cities



Single-family Permits ↓ 12%
Compared to May 2014

2015 May Metro Building Activity

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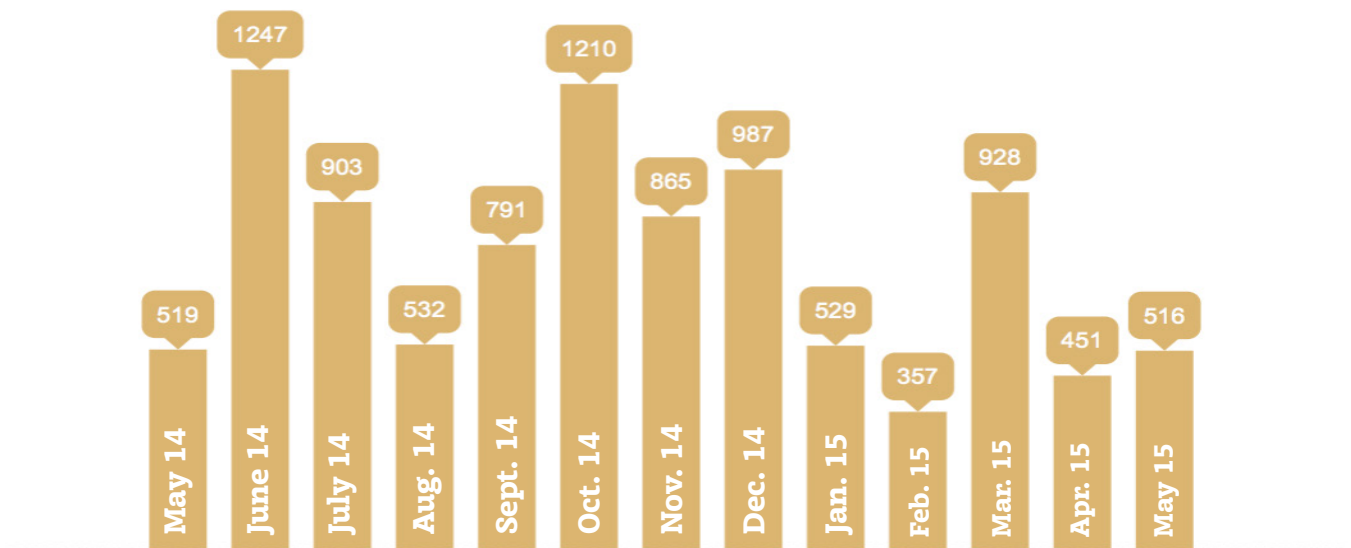


YTD:
2,834

Multi-Family
40%
of Twin Cities
Housing Units
Authorized

Twin Cities Housing Units Authorized

SOURCE: KEYSTONE REPORT

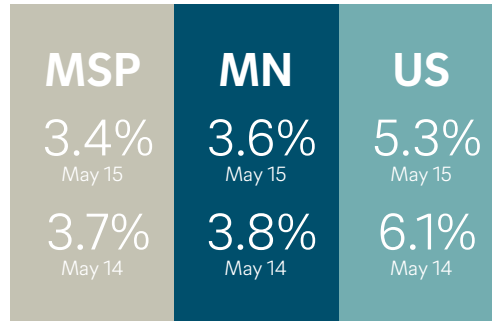


Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

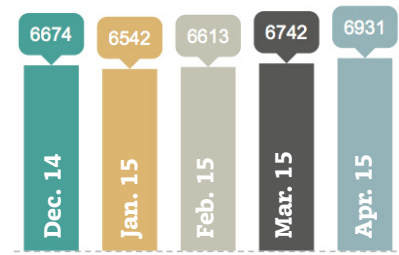
Employment

Minnesota's job market was flat in May. The unemployment rate climbed in slightly, to 3.8 percent, mostly because of growth in the labor force as another 6,000 people joined the ranks of those working or looking for a job. Stronger national job growth over the past 12 months contributes to the unfavorable comparison.



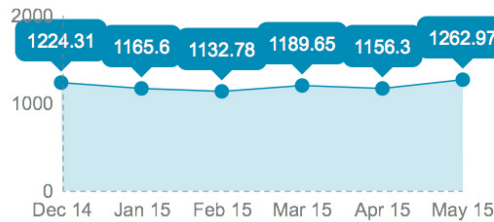
Unemployment Rate Snapshot

SOURCE: DEED-MN



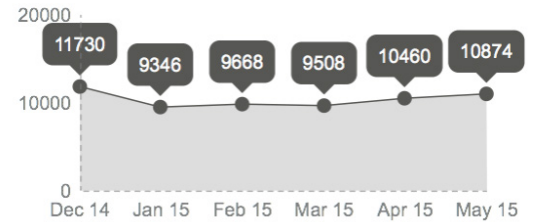
Twin Cities Construction Employment

SOURCE: DEED-MN



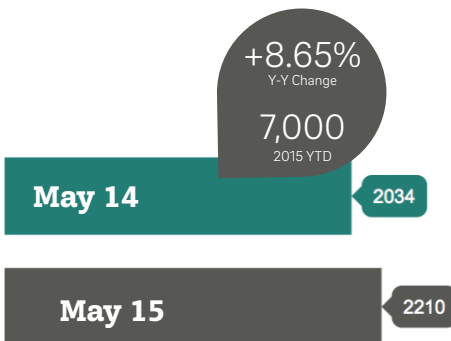
Twin Cities Construction Weekly Wage

SOURCE: DEED-MN



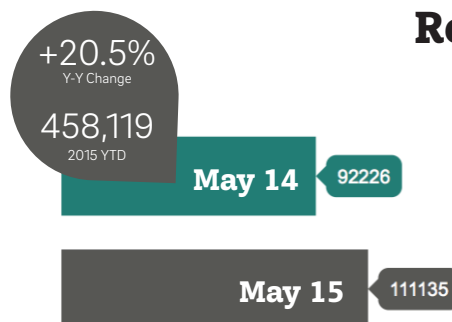
MN Construction Employment

SOURCE: DEED-MN



MN Housing Units Authorized

SOURCE: US CENSUS



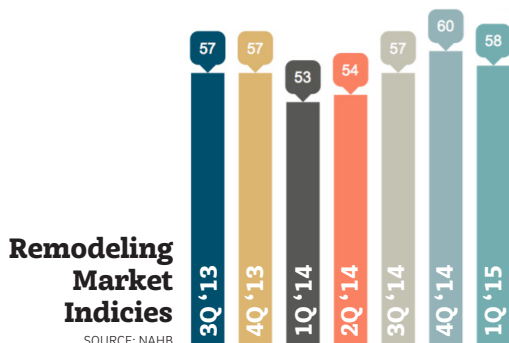
US Housing Units Authorized

SOURCE: US CENSUS

Regional/National Statistics

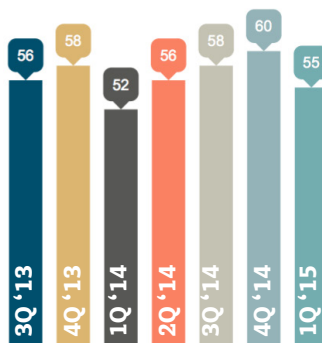
Sales of new homes rose 2.2% in May from the month before to their highest level in seven years, thanks to a wave of homes listed in the Northeastern U.S.

The Midwest was the exception where we saw a modest decline.



Remodeling Market Indices

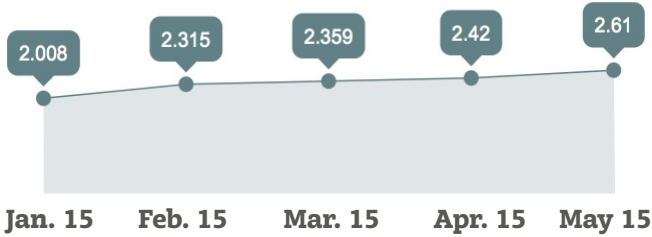
SOURCE: NAHB



Futures

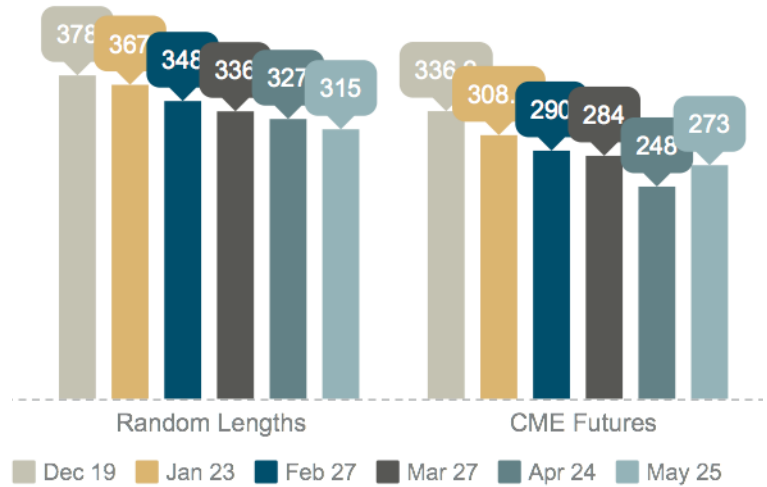
Key Indicators

Oil prices are under pressure partly from the strong U.S. dollar with average sitting bit higher than the start of the year. The booming US housing market is expected to boost lumber prices that have been falling for the last few months.



MN Monthly Retail Gasoline Prices

SOURCE: ENERGY INFORMATION ADMIN



Framing Lumber

SOURCE: NAHB

Mortgage Rates

FROM JUNE 25, 2015
SOURCE: WELLS FARGO

30 Year	4.25%
30 Year Fixed FHA	4.125%
15 Year	3.5%
5 Year ARM	3.375%
30 Year Jumbo	4.125%

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