

HOT SHEET



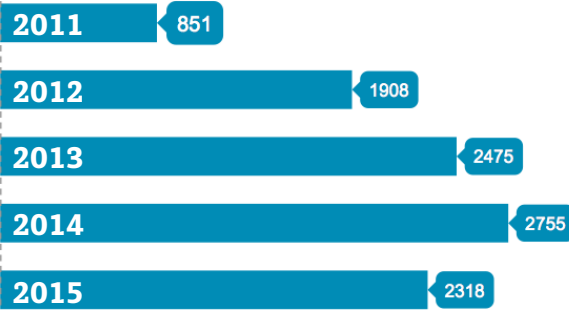
June 2015
Volume III, Issue: 6
Sponsored by:



“The April gains make up for the production dips we saw in the past two months, but single-family housing is still only about halfway back to what could be considered a normal market, with low interest rates and affordable home prices, we expect more upward momentum in the months ahead.”

NAHB Chief Economist David Crowe.

Twin Cities Building Activity



Units Authorized Year-to-Date April 2011-2015

SOURCE: KEYSTONE REPORT

LOVE INDUSTRY DATA & NEWS?
FOLLOW THE BATC DAILY BLOG AT BATC.ORG

[NAHB]

Housing Production Jumps 20.2 Percent in April

Nationwide housing starts rose 20.2 percent to a seasonally adjusted annual rate of 1.135 million units in April from an upwardly revised March reading, according to newly released data from the U.S. Commerce Department. This is the highest level of housing production since November 2007.

Both housing sectors registered production gains this month. Single-family housing starts increased 16.7 percent to a seasonally adjusted annual rate of 733,000 in April while multifamily starts rose 27.2 percent to 402,000 units.

“Our builders tell us that consumers are slowly returning to the market,” said NAHB Chairman Tom Woods, a homebuilder

from Blue Springs, Mo. “This month’s report shows release of pent-up demand and evidence of a sustainable housing recovery.”

“The April gains make up for the production dips we saw in the past two months, but single-family housing is still only about halfway back to what could be considered a normal market,” said NAHB Chief Economist David Crowe. “With low interest rates and affordable home prices, we expect more upward momentum in the months ahead.”

Combined single- and multifamily starts were up in three out of the four regions in April. The Northeast posted an 85.9 percent gain, the Midwest rose 27.8 percent and the

“With low interest rates and affordable home prices, we expect more upward momentum in the months ahead.”

NAHB Chief Economist David Crowe

West increased 39 percent. Housing production dropped 1.8 percent in the South.

Overall permit issuance rose 10.1 percent in April to a rate of 1.143 million.

Multifamily permits registered a 20.5 percent gain to a rate of 477,000 while single-family permits increased 3.7 percent to 666,000.

Regionally, the Northeast, South and West posted respective permit gains of 38.8 percent, 9.9 percent and 3 percent. Permits dipped 1.3 percent in the Midwest.

[BATC]

Twin Cities Single Family Construction Remains Flat in April

New home construction in the Twin Cities has yet to see the growth economists had predicted it would see in 2015. Single-family permits were exactly the same as April 2014, while multi-family permits were down by nearly 20 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 350 permits issued for a total of 451 units during four comparable weeks in the month of April 2015.

“We’re pleased to see stable numbers, but with early year forecasts across the board predicting a year of more substantial gains, being flat is disappointing,” said Chris Contreras, 2015 BATC President. “In an environment when used housing is selling rapidly, we’re concerned that new home production is not more robust.”

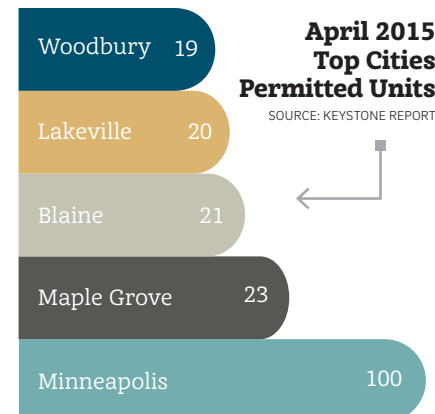
When we ask why we continue to find that the regulatory burden is making housing affordability a challenge.”

“BATC continues to focus its attention on housing affordability with the legislature, Metropolitan Council, and local governments throughout the region,” said Contreras.

For the month, Minneapolis issued the most permitted units at 100, followed by Maple Grove with 23, and Blaine for third with a total of 21 units. Rounding out the top five is Lakeville with 20 permitted units and Woodbury with 19 units.

“In an environment when used housing is selling rapidly, we’re concerned that new home production is not more robust.”

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



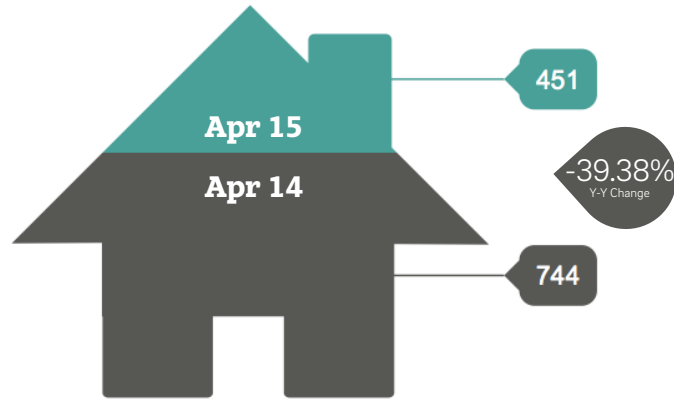
April 2015 Top Cities Permitted Units

SOURCE: KEYSTONE REPORT

Multifamily Permits
↓ 20%
Compared to April 2015

2015 April Metro Building Activity

New home construction in the Twin Cities has yet to see the growth economists had predicted it would see in 2015. Single-family permits were exactly the same as April 2014, while multi-family permits were down by nearly 20 percent from this time last year.

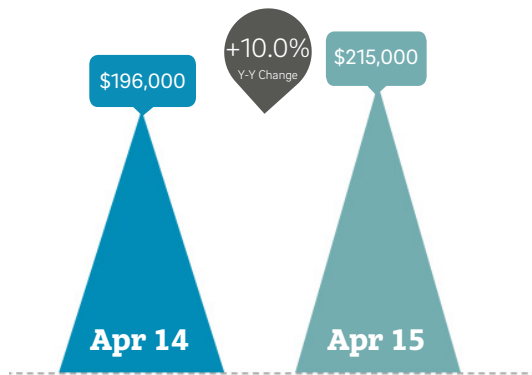


YTD: 2,318

Multi-Family 23%
of Twin Cities Housing Units Authorized

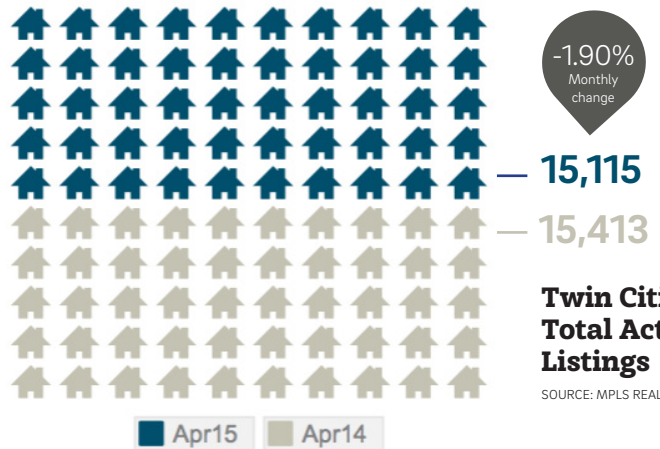
Twin Cities Housing Units Authorized

SOURCE: KEYSTONE REPORT



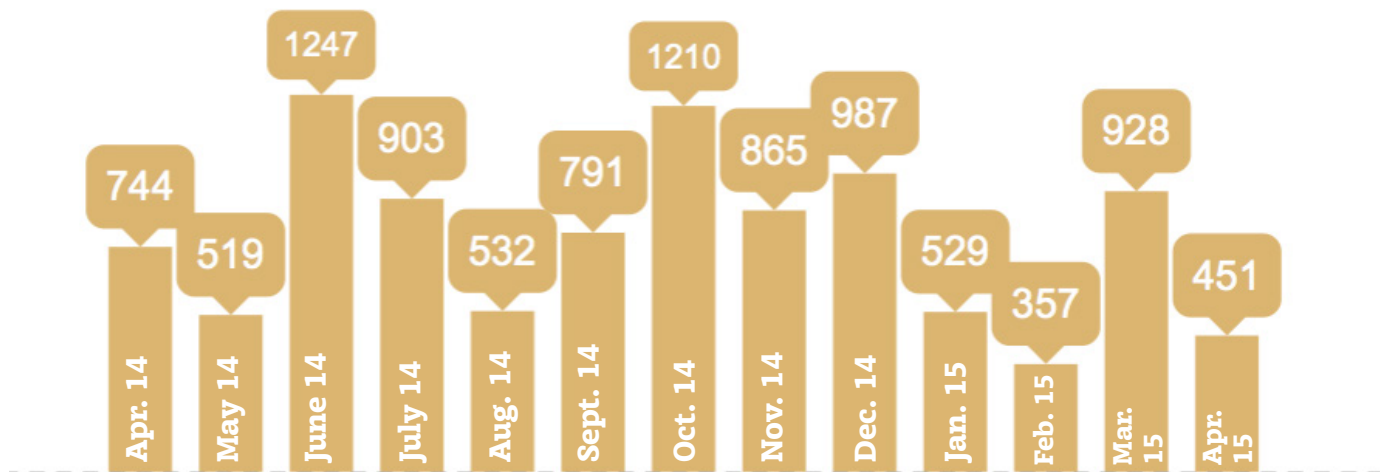
Twin Cities Median Home Price

SOURCE: MPLS REALTORS



Twin Cities Total Active Listings

SOURCE: MPLS REALTORS

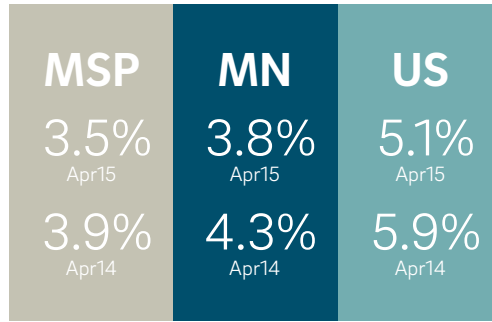


Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

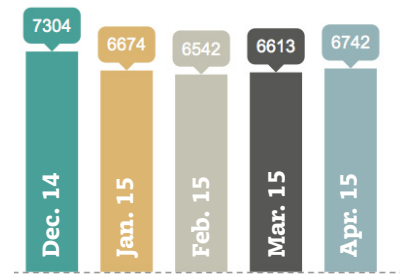
Employment

Minnesota's construction industry added 6,600 jobs in April, outpacing all other sectors and reigniting hopes for stronger construction prospects. The state's seasonally adjusted unemployment rate held at 3.7 percent, essentially matching figures from the past eight months and falling short of the nationwide rate of 5.4 percent for April.



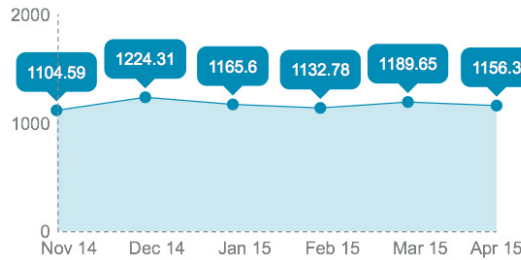
Unemployment Rate Snapshot

SOURCE: DEED-MN



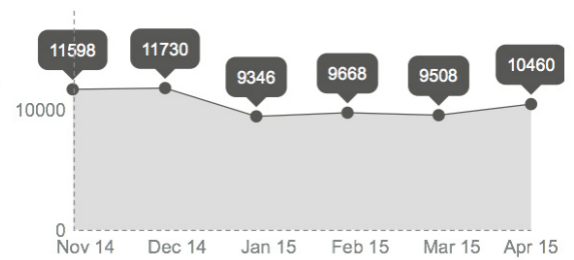
Twin Cities Construction Employment

SOURCE: DEED-MN



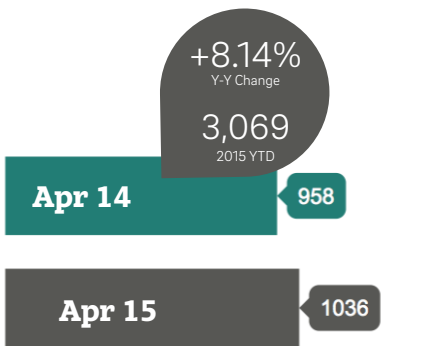
Twin Cities Construction Weekly Wage

SOURCE: DEED-MN



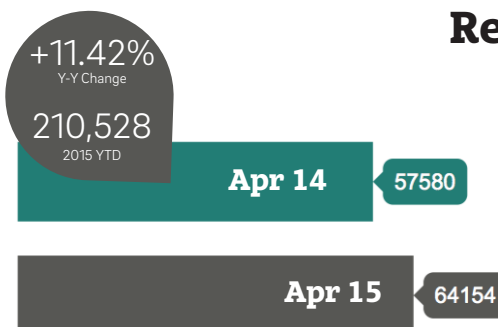
MN Construction Employment

SOURCE: DEED-MN



MN Housing Units Authorized

SOURCE: US CENSUS

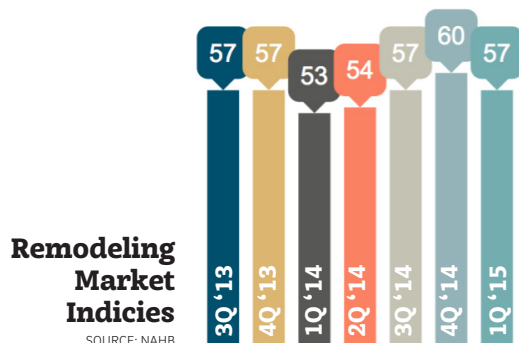


US Housing Units Authorized

SOURCE: US CENSUS

Regional/National Statistics

The US housing numbers got a boost in April with an 11 percent increase in single-family construction. Minnesota single-family construction saw an increase as well, but not as strong as the rest of the country with 8 percent.



Remodeling Market Indices

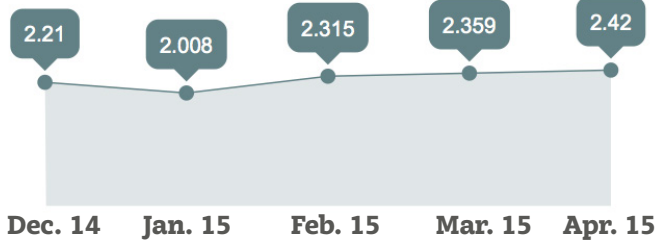
SOURCE: NAHB

Current

Futures

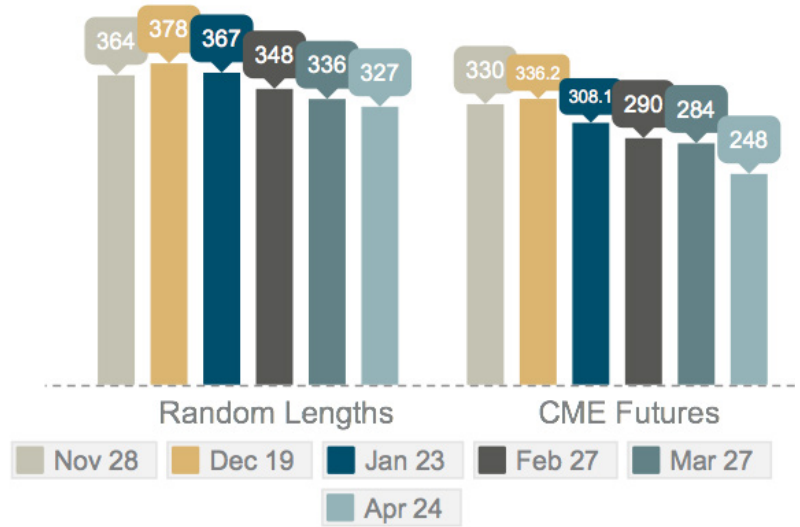
Key Indicators

Gas prices are sitting a bit higher than they were in January, but still remain below the historic prices of the past five years. Framing lumber prices dropped by 2 percent in the random lengths and by over 14 percent in CME futures indices.



MN Monthly Retail Gasoline Prices

SOURCE: ENERGY INFORMATION ADMIN



Framing Lumber

SOURCE: NAHB

Mortgage Rates

FROM MAY 29, 2015
SOURCE: WELLS FARGO

30 Year	4.0%
30 Year Fixed FHA	3.75%
15 Year	3.375%
5 Year ARM	3.25%
30 Year Jumbo	3.75%

Well-established,
well-respected, Wells Fargo



Wells Fargo Home Mortgage provides the security you and your buyers need. Recognized nationally for its industry-leading lending practices and standards, our team remains committed to serving the needs of builders. With our proven capabilities to excel during market fluctuations, it's in your best interest to work with the nation's leading residential mortgage lender and #1 lender to new construction homebuyers - Wells Fargo Home Mortgage.

Call today.

James Fisher
Regional Builder Sales Manager
651-430-9930
james.fisher@wellsfargo.com

This information is for real estate, builder and financial planning professionals only and is not intended for consumer distribution. Information is accurate as of date of printing and is subject to change without notice. Wells Fargo Home Mortgage is a division of Wells Fargo Bank, N.A. © 2014 Wells Fargo Bank, N.A. All rights reserved. NMSLR ID 399801. AS1051200 Expires 07/2015

