



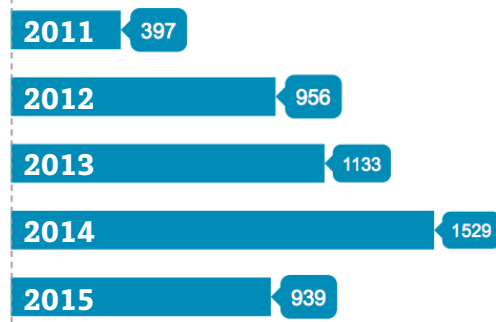
**May 2015**  
Volume III, Issue: 5  
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NAHB Chief Economist David Crowe.

## Twin Cities Building Activity



### Units Authorized Year-to-Date March 2011-2015

SOURCE: KEYSTONE REPORT

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[NAHB]

## Housing Production Edges Up 2 Percent in March

Nationwide housing starts rose 2 percent to a seasonally adjusted annual rate of 926,000 units in March from an upwardly revised February reading, according to newly released data from the U.S. Commerce Department.

Single-family housing production rose 4.4 percent to a seasonally adjusted annual rate of 618,000 in March while multifamily starts dropped 2.5 percent to 308,000 units.

“Today’s reading demonstrates that the housing industry continues to make gains at a gradual pace,” said NAHB Chairman Tom Woods, a home builder from Blue Springs, Mo. “There are still some price sensitive buyers who

remain on the fence.”

“Builders are being careful not to add inventory beyond expected demand, especially as they struggle with increasing costs for lots, labor and materials,” said NAHB Chief Economist David Crowe. “However, pent-up demand, low mortgage interest rates and a growing economy should keep the housing industry moving forward throughout the rest of the year.”

Regionally, combined single- and multifamily starts increased the Northeast and Midwest, with respective gains of 114.9 percent and 31.3 percent. Housing production dropped 3.5 percent in the South and 19.3 percent in the West.



“...the housing industry continues to make gains at a gradual pace.”

NAHB Chairman Tom Woods, a home builder from Blue Springs, Mo.

Led by a drop in the volatile multifamily sector, overall permit issuance declined 5.7 percent in March to a rate of 1.039 million.

Multifamily permits fell 15.9 percent to a rate of 403,000 while single-family permits rose 2.1 percent to 636,000.

Regionally, the Northeast registered a permit gain of 39.8 percent, while the Midwest, South and West posted respective losses of 4.4 percent, 14.2 percent and 4.3 percent.

[BATC]

## Single Family Construction Dipped in March while Multi-Family Construction Picked up

As feared, single-family construction slowed this month, after a slight peak in February as many rushed to get permits filed before the new building code took effect. Single-family permits were down seven percent compared to March 2014, while multifamily permits spiked by more than 92 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 334 permits issued for a total of 928 units during four comparable weeks in the month of March 2015.

“We are deeply concerned that the new building code and the unnecessary costs that come with it could stifle our industry in 2015,” said Chris Contreras, 2015 BATC President. “The new codes are unnecessarily expensive for homeowners, and we believe there are more affordable ways to build our homes to the same safety and energy standards.

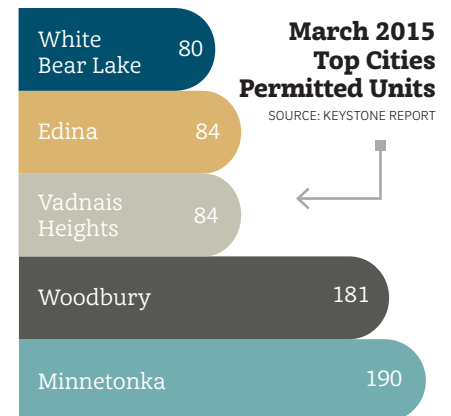
We need to send the code back to the Department of Labor and Industry and get it right.”

“We are hoping to see single family activity grow significantly in April and May based on the strong attendance during the Spring Parade of Homes,” Contreras said.

For the month, Minnetonka issued the most permitted units at 190 (180 in one building), followed by Woodbury with 181 (160 in one building), and Vadnais Heights and Edina for third with a total of 84 units. Rounding out the top five is White Bear Lake with 80 permitted units (79 in one building).

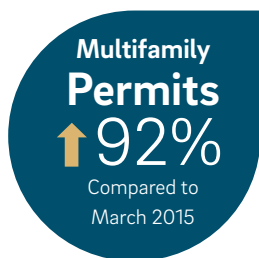
“We are deeply concerned that the new building code and the unnecessary costs that come with it could stifle our industry in 2015.”

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



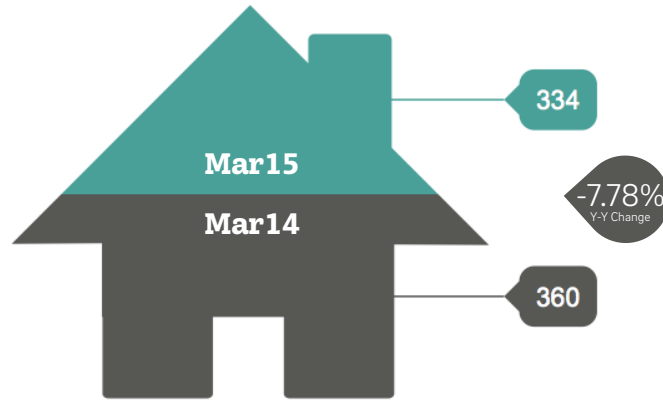
### March 2015 Top Cities Permitted Units

SOURCE: KEYSTONE REPORT



# 2015 March Metro Building Activity

As feared, single-family construction slowed this month, after a slight peak in February as many rushed to get permits filed before the new building code took effect. Single-family permits were down seven percent compared to March 2014, while multifamily permits spiked by more than 92 percent from this time last year.

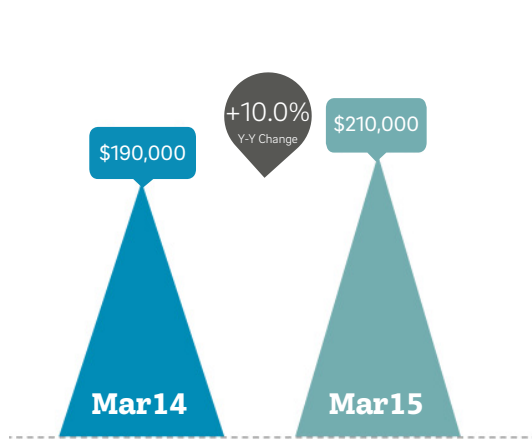


**YTD: 704**

**Multi-Family 46%**  
of Twin Cities  
Housing Units  
Authorized

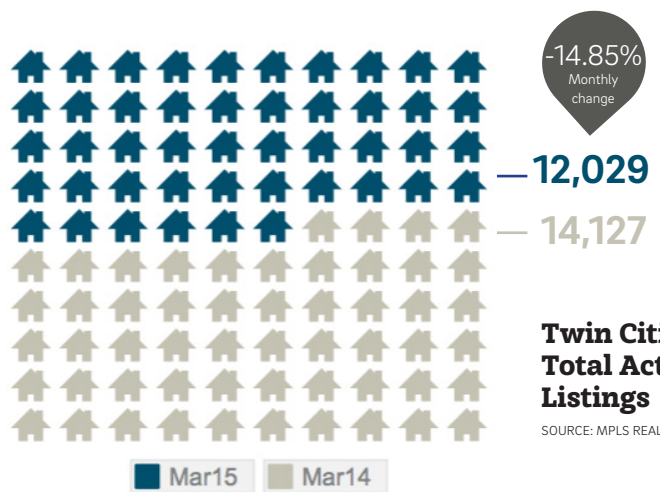
**Twin Cities Housing Units Authorized**

SOURCE: KEYSTONE REPORT



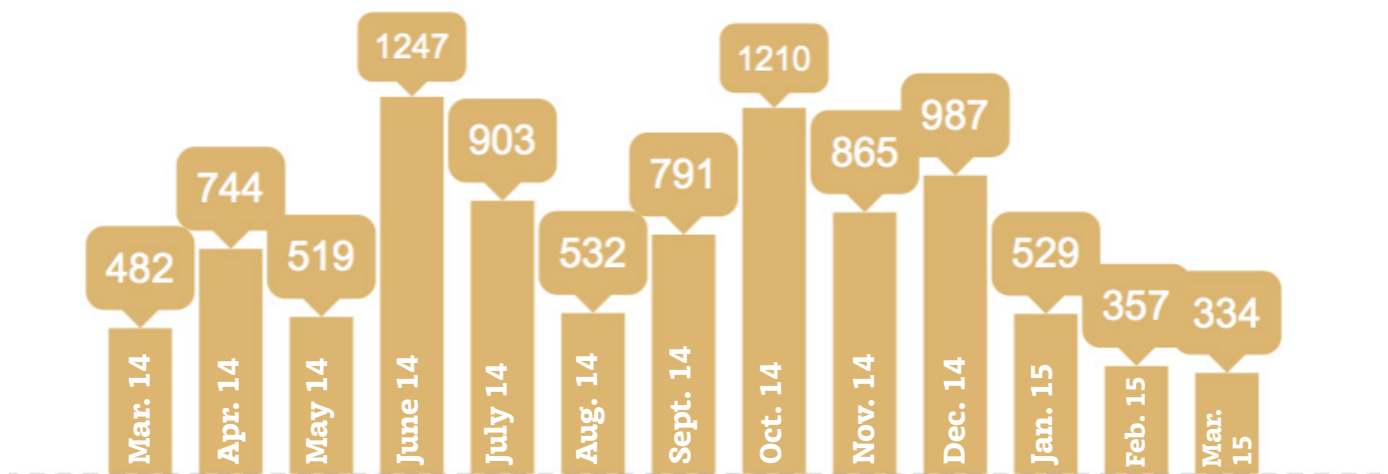
**Twin Cities Median Home Price**

SOURCE: MPLS REALTORS



**Twin Cities  
Total Active  
Listings**

SOURCE: MPLS REALTORS

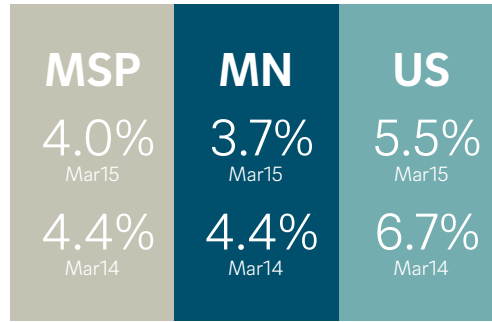


**Metro Building Units - Past 12 Months**

SOURCE: KEYSTONE REPORT

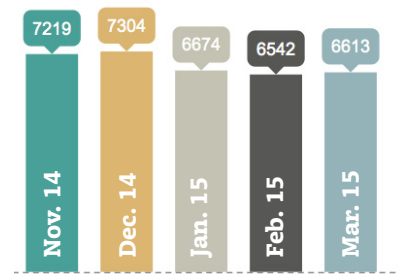
# Employment

Despite the addition of 7,800 jobs in March, Minnesota's unemployment rate held at 3.7 percent for the eighth month in a row. Minnesota is still sitting a full 1.5% better than the US Average, which held steady as well at 5.5%. Homebuilding industry employment picked up slightly with a 1.1 percent increase in employment and a slight increase in weekly wages.



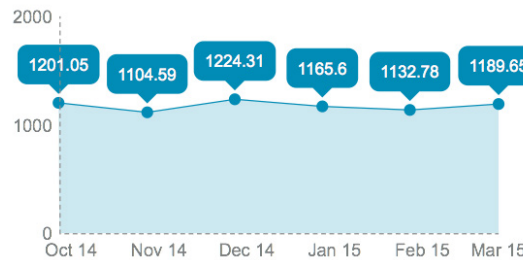
**Unemployment Rate Snapshot**

SOURCE: DEED-MN



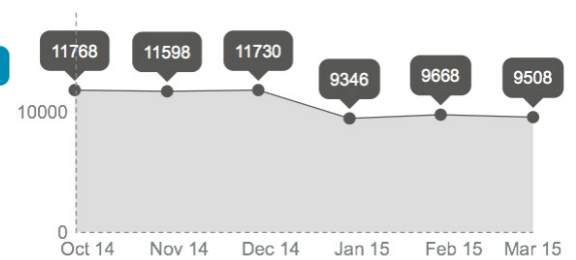
**Twin Cities Construction Employment**

SOURCE: DEED-MN



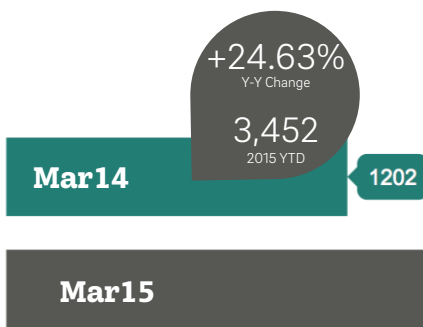
**Twin Cities Construction Weekly Wage**

SOURCE: DEED-MN



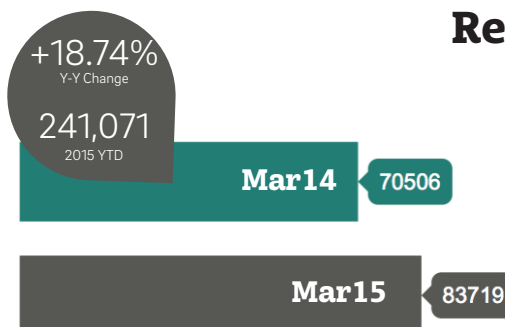
**MN Construction Employment**

SOURCE: DEED-MN



**MN Housing Units Authorized**

SOURCE: US CENSUS

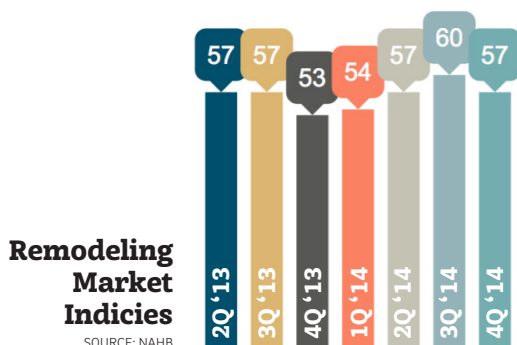


**US Housing Units Authorized**

SOURCE: US CENSUS

# Regional/National Statistics

The US housing numbers continued a steady climb in March with a 4.4 percent increase in single-family construction. Minnesota single-family construction did the opposite with a 7 percent drop.



**Remodeling Market Indices**

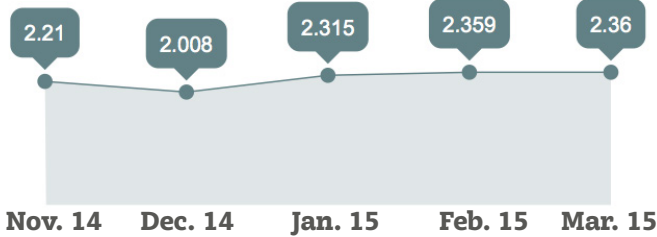
SOURCE: NAHB

Current

Futures

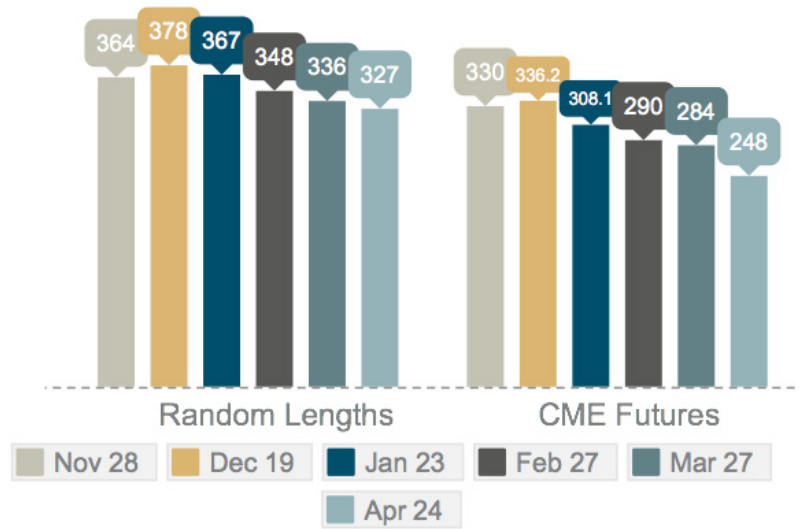
# Key Indicators

Gas prices continue to inch up, 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 APRIL 30, 2015  
SOURCE: WELLS FARGO

30 Year	4.0%
30 Year Fixed FHA	3.75%
15 Year	3.25%
5 Year ARM	3.25%
30 Year Jumbo	3.875%

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