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NAHB Chief Economist, David Crowe

Twin Cities Building Activity



Units Authorized Year-to-Date September 2011-2015

SOURCE: KEYSTONE REPORT

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[NAHB]

NAHB: New-Home Sales Drop 11.5 Percent in September

Sales of newly built, single-family homes fell 11.5 percent to a seasonally adjusted annual rate of 468,000 units in September, according to newly released data from HUD and the U.S. Census Bureau.

"Despite this monthly drop, our members continue to tell us that housing is moving in the right direction," said Tom Woods, chairman of the National Association of Home Builders (NAHB) and a home builder from Blue Springs, Mo.

"Consumers may have simply been reacting to soft job numbers."

"It is not surprising to see sales pull back in September following a strong August reading, especially after a few months of weak job creation," said NAHB Chief Economist David Crowe. "However, new-home sales year-to-date are up 17.6 percent compared to the same period of 2014, and we expect the market to continue improving at a gradual but steady pace for the rest of year."

"...New-home sales year-to-date are up 17.6 percent compared to the same period of 2014, and we expect the market to continue improving..."

NAHB Chief Economist
David Crowe

Regionally, new-home sales were down across the board. Sales fell 61.8 percent in the Northeast, 8.3 percent in the Midwest, 8.7 percent in the South and 6.7 percent in the West.

The inventory of new homes for sale was 225,000 units in September. This is a 5.8-month supply at the current sales pace.

[BATC]

While Home Building Soars Nationally Twin Cities Residential Construction Remains Flat

Markets across the country are seeing a strong rise in new home building, but here in the Twin Cities, residential construction remains slow and steady. For September, single-family permits were down six percent when compared to this month last year, and multi-family permits were down more than 50 percent.

According to data compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 388 permits issued for a total of 903 units during four comparable weeks in the month of September 2015.

"We are happy to see Twin Cities residential construction holding steady, but we remain disappointed as the number of permits pulled continues to miss our expectations," said Chris Contreras, 2015 BATC President. "As we hear more and more news of the major residential construction gains across the country, we grow more concerned that our state's

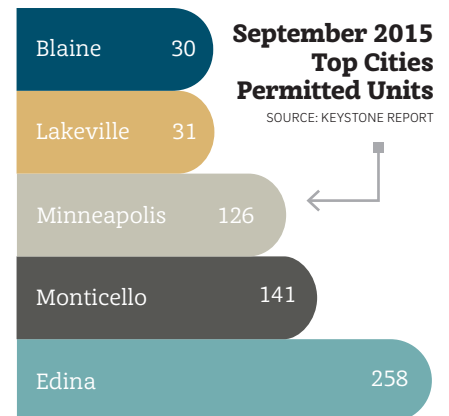
regulatory burden is making housing affordability a challenge."

"We're hopeful that the great showing during this fall's Parade of Homes, will give us the boost we've been anticipating all year," said Contreras.

For the month, Edina issued the most permitted units at 258, followed by Monticello with 141, and Minneapolis was third with 126 units. Rounding out the top five are Lakeville with 31 permitted units and Blaine with 30 units.

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



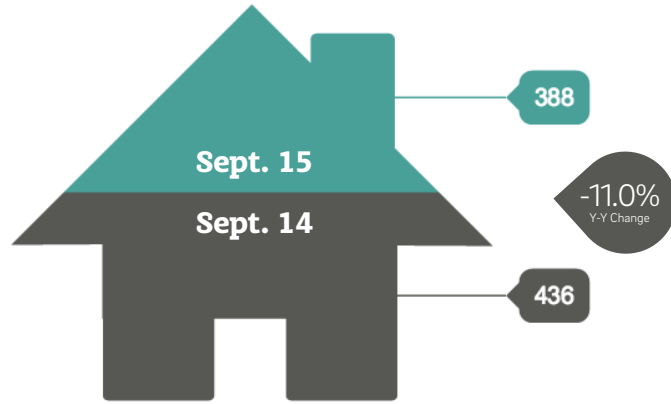
September 2015 Top Cities Permitted Units

SOURCE: KEYSTONE REPORT

Single-family Permits
↓ 6%
Compared to September 2014

2015 September Metro Building Activity

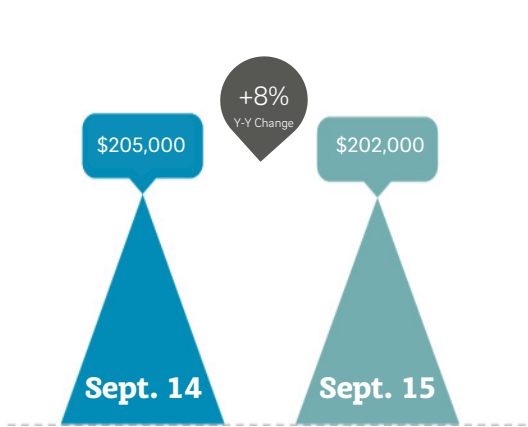
Markets across the country are seeing a strong rise in new home building, but here in the Twin Cities, residential construction remains slow and steady. For September, single-family permits were down six percent when compared to this month last year, and multi-family permits were down more than 50 percent.



YTD: 6,586
Multi-Family 40%
 of Twin Cities Housing Units Authorized

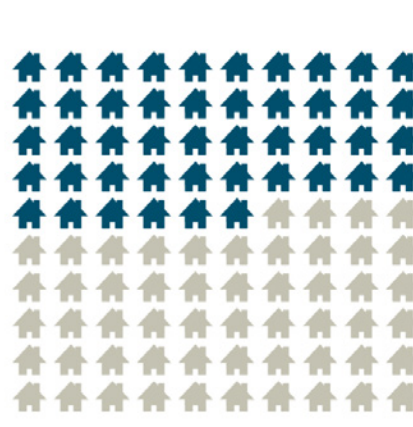
Twin Cities Housing Units Authorized

SOURCE: KEYSTONE REPORT



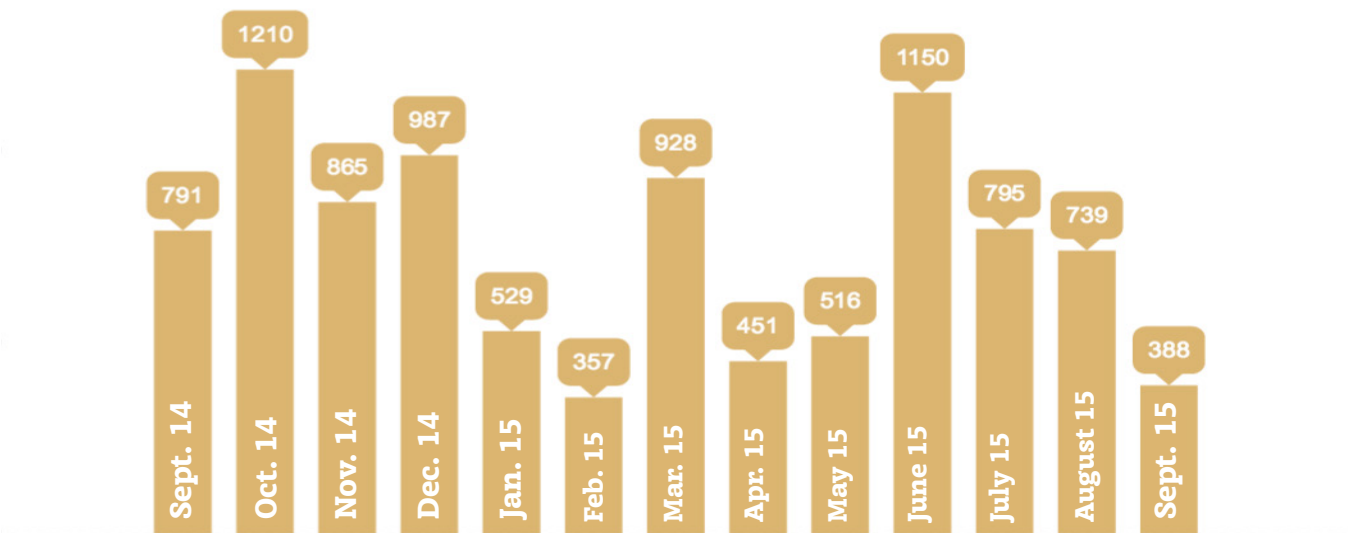
Twin Cities Median Home Price

SOURCE: MPLS REALTORS



Twin Cities Total Active Listings

SOURCE: MPLS REALTORS

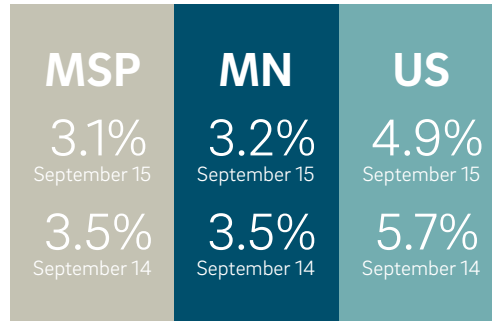


Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

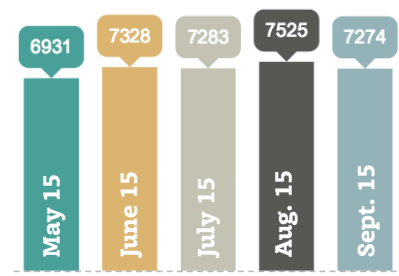
Employment

Minnesota has added 35,242 jobs in the past year, a 1.2 percent growth rate compared with a 1.9 percent U.S. growth rate during that period.



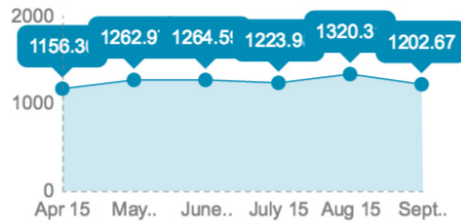
Unemployment Rate Snapshot

SOURCE: DEED-MN



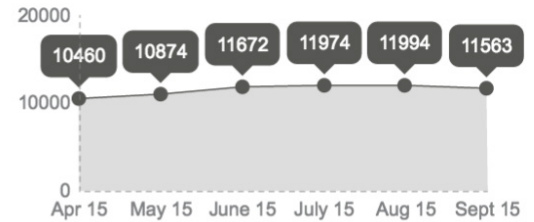
Twin Cities Construction Employment

SOURCE: DEED-MN



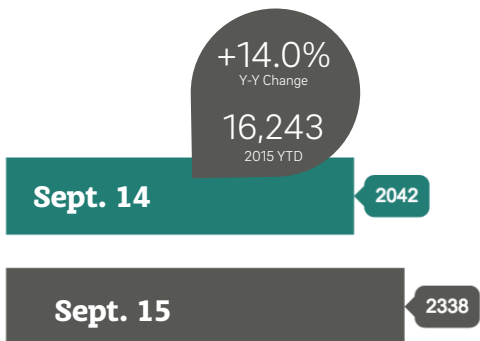
Twin Cities Construction Weekly Wage

SOURCE: DEED-MN



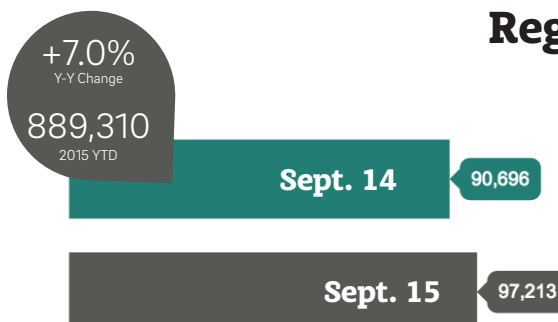
MN Construction Employment

SOURCE: DEED-MN



MN Housing Units Authorized

SOURCE: US CENSUS



US Housing Units Authorized

SOURCE: US CENSUS

Regional/National Statistics

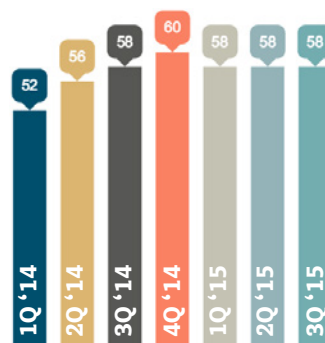
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Remodeling Market Indices

SOURCE: NAHB

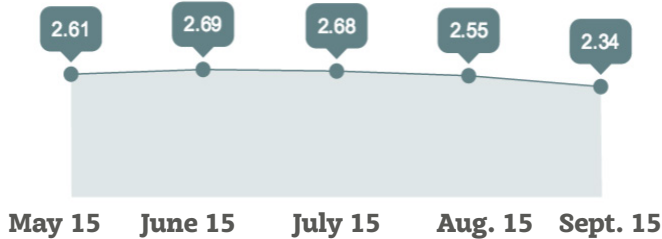
Current



Futures

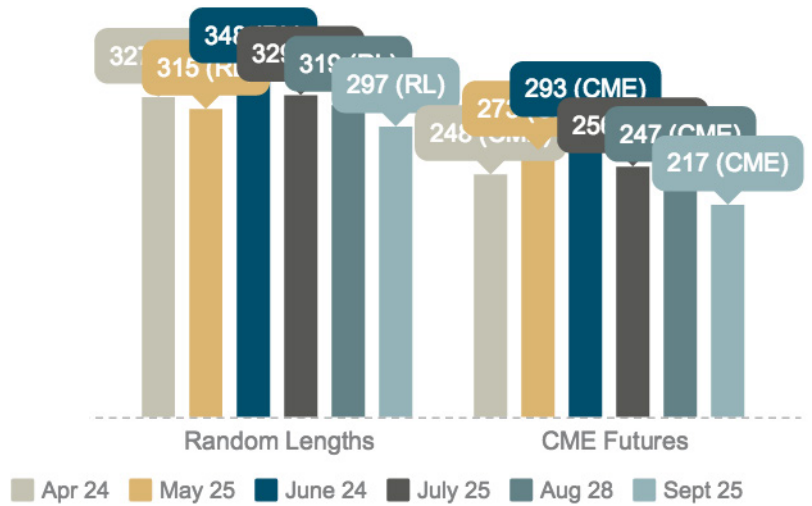
Key Indicators

Regular gasoline prices have fallen more than 28% in the past year to an average of \$2.18 for a gallon of regular unleaded. Gas prices are expected to fall to \$2.03 a gallon by year-end, as people drive less in the winter and some refineries reopen. Lumber prices in the U.S have been falling since December 2014 and are down about 30 percent from about a year ago.



MN Monthly Retail Gasoline Prices

SOURCE: ENERGY INFORMATION ADMIN



Framing Lumber

SOURCE: NAHB

Mortgage Rates

FROM SEPTEMBER 25, 2015
SOURCE: WELLS FARGO

30 Year	4.1%
30 Year Fixed FHA	3.8%
15 Year	3.37%
5 Year ARM	3.625%
30 Year Jumbo	3.75%



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