

HOT SHEET



October 2015
Volume III, Issue: 10

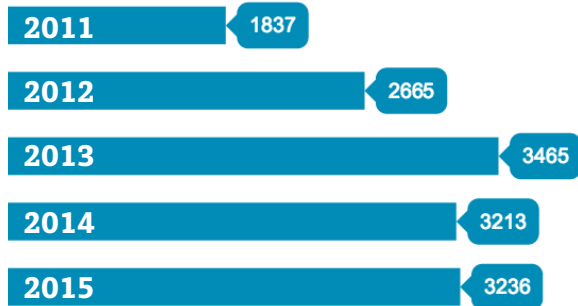
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"We continue to hear from our members that more serious home buyers are returning to the market. Builders are gradually adding inventory to meet future demand as they handle shortages of lots and labor."

Tom Woods, chairman of NAHB and a homebuilder from Blue Springs, Mo.

Twin Cities Building Activity



Units Authorized Year-to-Date August 2011-2015

SOURCE: KEYSTONE REPORT

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[NAHB]

NAHB: New Home Sales Rise 5.7 Percent in August

Sales of newly built, single-family homes rose 5.7 percent to a seasonally adjusted annual rate of 552,000 units in August from an upwardly revised July reading, according to newly released data from HUD and the U.S. Census Bureau.

"We continue to hear from our members that more serious home buyers are returning to the market," said Tom Woods, chairman of the National Association of Home Builders (NAHB) and a homebuilder from Blue Springs, Mo. "Builders

are gradually adding inventory to meet future demand as they handle shortages of lots and labor."

"Today's report indicates the release of pent-up housing demand as the overall economy strengthens, consumer confidence grows and mortgage interest rates remain low," said NAHB Chief Economist David Crowe. "The housing market should continue to move forward at a modest but more persistent pace throughout the rest of 2015."

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NAHB Chief Economist
David Crowe

Regionally, the Northeast, South and West posted respective gains of 24.1 percent, 7.4 percent and 5.4 percent. The Midwest registered a 9.1 percent decline.

The inventory of new homes for sale was 216,000 units in August. This is a 4.7-month supply at the current sales pace.

[BATC]

Twin Cities Residential Construction Steadily Climbs in August

Despite seeing month over month improvements for the past two months, the Twin Cities' residential construction remains flat for the year. While single-family permits were up 13 percent when compared to August 2014, year to date remains flat with a rise of less than one percent in total permits. Several multi-family permits pulled

this month caused a slight boost in that area, with a five percent increase from this time last year.

According to data compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 470 permits issued for a total of 739 units during four comparable weeks in the month of August 2015.

"While we're happy to see another month of improvement in the market, we were hoping for a much stronger year in 2015," said Chris Contreras, 2015 BATC President. "We remain concerned that the regulatory burden is making housing

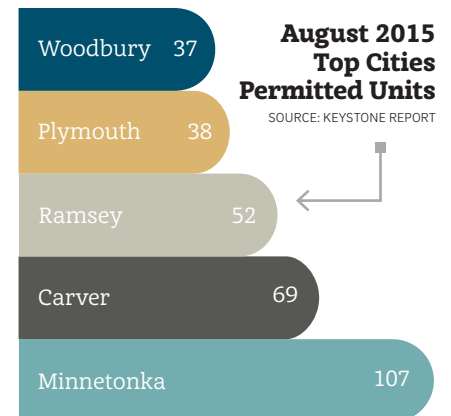
affordability a challenge, and that it may be keeping prices out of reach for would be new home buyers."

"With the excitement surrounding the upcoming Fall Parade of Homes, we're hopeful that we'll see the boost we've been anticipating all year," said Contreras.

For the month, Minnetonka issued the most permitted units at 107, followed by Carver with 69, and Ramsey was third with 52 units. Rounding out the top five are Plymouth with 38 permitted units and Woodbury with 37 units. See Permit Data Chart for details.

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



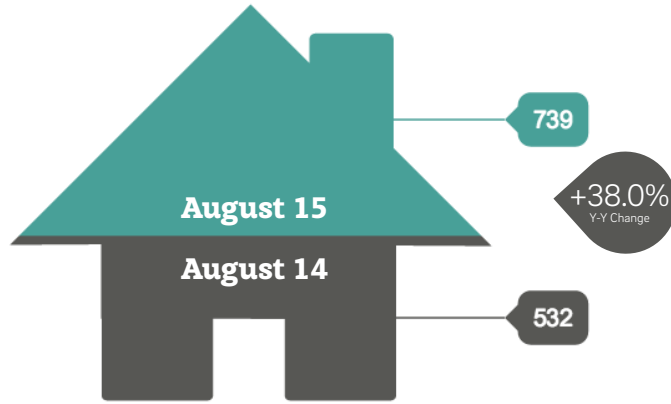
August 2015 Top Cities Permitted Units

SOURCE: KEYSTONE REPORT

Single-family Permits ↑ 13%
Compared to August 2014

2015 August Metro Building Activity

Despite seeing month over month improvements for the past two months, the Twin Cities' residential construction remains flat for the year. While single-family permits were up 13 percent when compared to August 2014, year to date remains flat with a rise of less than one percent in total permits. Several multi-family permits pulled this month caused a slight boost in that area, with a five percent increase from this time last year.

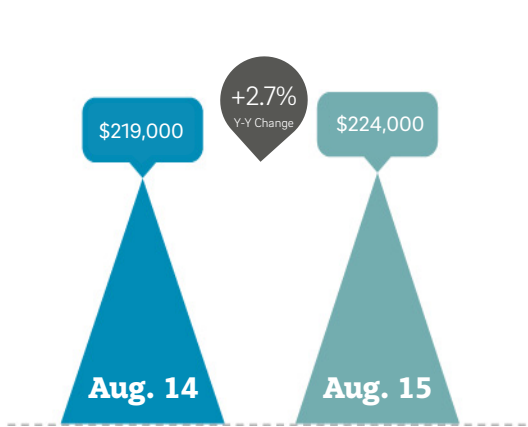


YTD:
5,682

Multi-Family
40%
of Twin Cities
Housing Units
Authorized

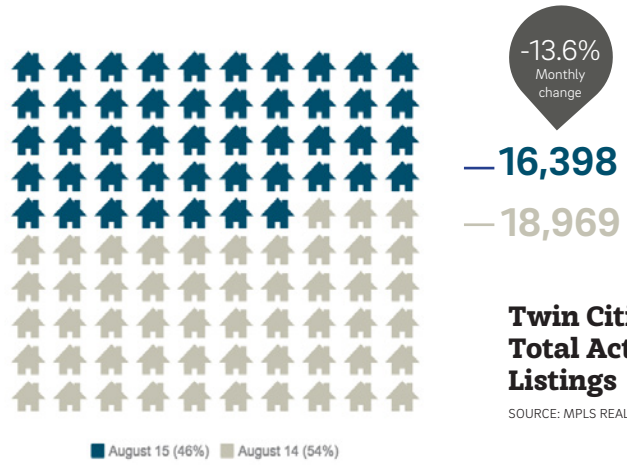
Twin Cities Housing Units Authorized

SOURCE: KEYSTONE REPORT



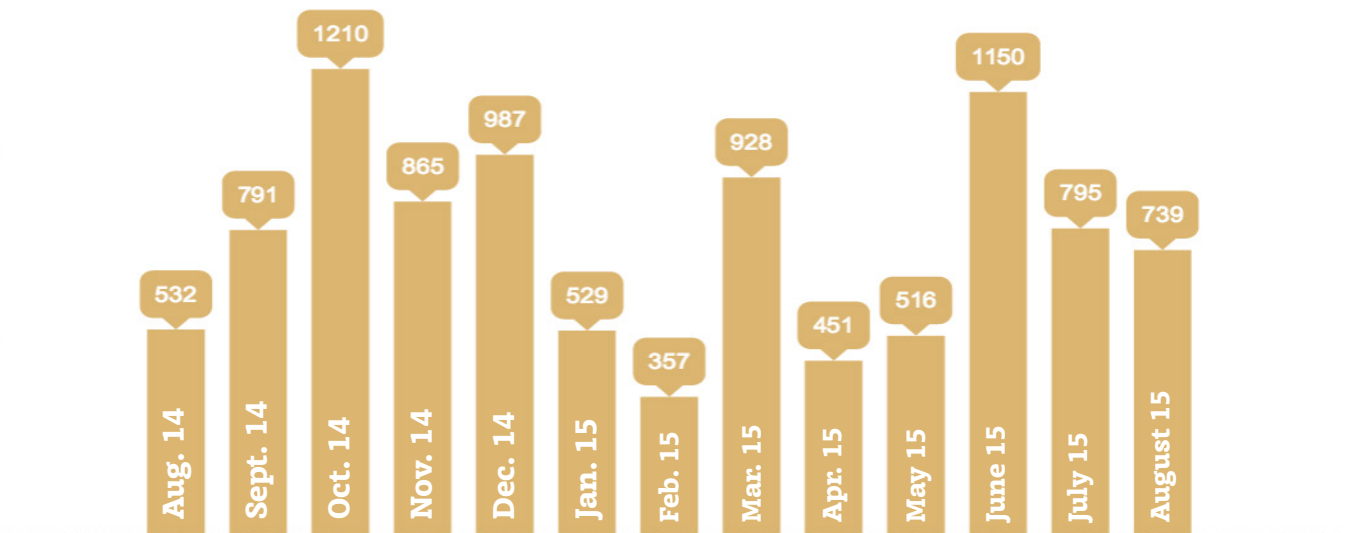
Twin Cities Median Home Price

SOURCE: MPLS REALTORS



Twin Cities Total Active Listings

SOURCE: MPLS REALTORS

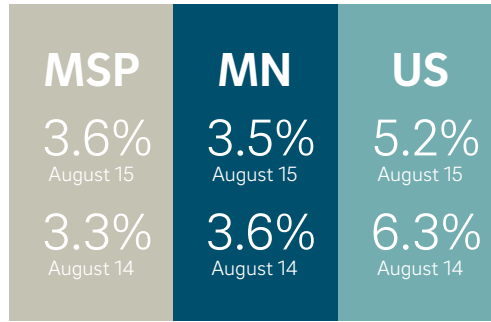


Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

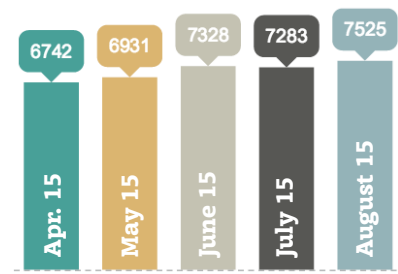
Employment

Minnesota employers added 7,300 jobs in August and added 2,800 more jobs in July than previously estimated. The state's unemployment rate of 4 percent was unchanged from July. The national jobless rate is 5.1 percent, down from 5.3 percent prior month.



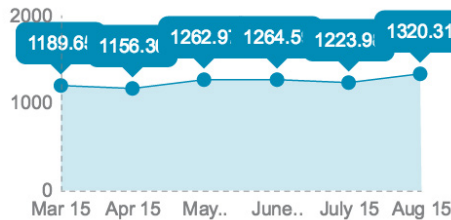
Unemployment Rate Snapshot

SOURCE: DEED-MN



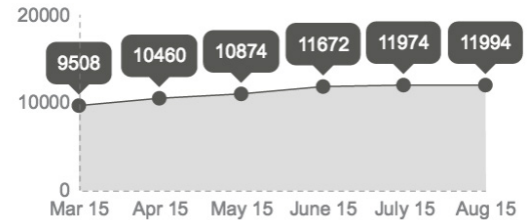
Twin Cities Construction Employment

SOURCE: DEED-MN



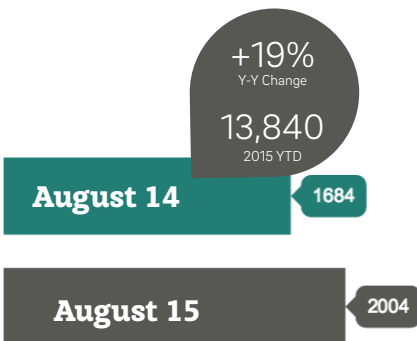
Twin Cities Construction Weekly Wage

SOURCE: DEED-MN



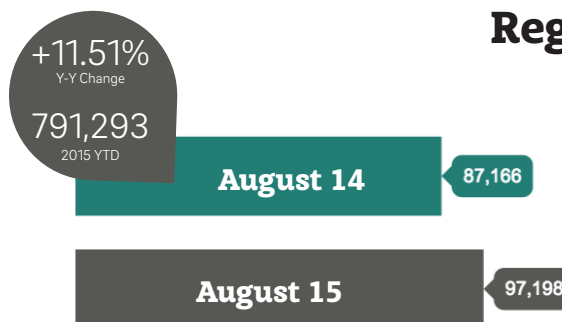
MN Construction Employment

SOURCE: DEED-MN



MN Housing Units Authorized

SOURCE: US CENSUS

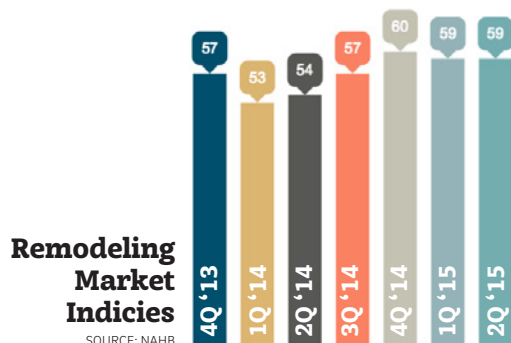


US Housing Units Authorized

SOURCE: US CENSUS

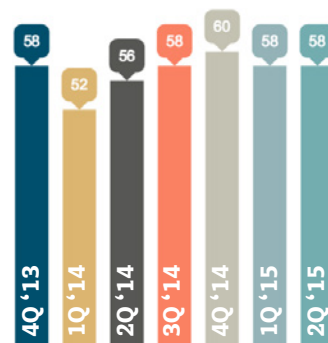
Regional/National Statistics

Nationally sales of newly built, single-family homes rose 5.7 percent in August. Regionally, the Midwest was the only area that saw negative numbers with a 9.1 percent decline.



Remodeling Market Indices

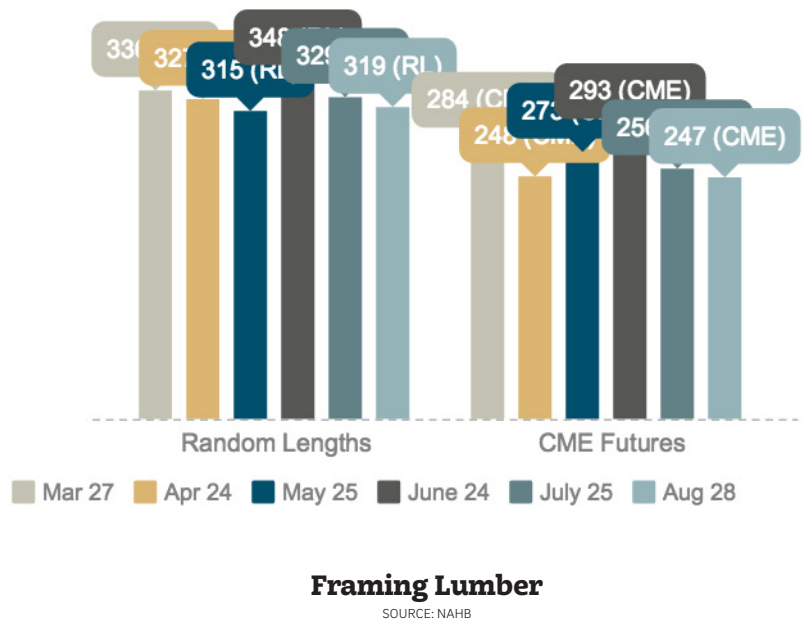
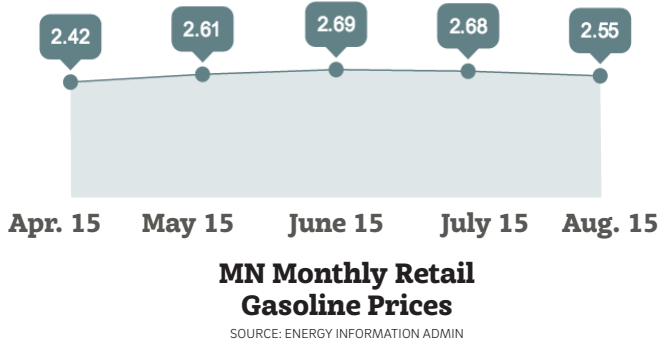
SOURCE: NAHB



Futures

Key Indicators

Oil prices took another drop in August and are expected to inch lower and stay low throughout the rest of 2015. Softwood lumber prices have fallen throughout a majority of the main markets in the world during the second quarter of 2015 because of weaker demand, ample supply throughout the distribution chain and a strengthening US dollar.



Mortgage Rates

FROM SEPTEMBER 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	3.625%

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