

# HOT SHEET



**September 2015**  
Volume III, Issue: 9

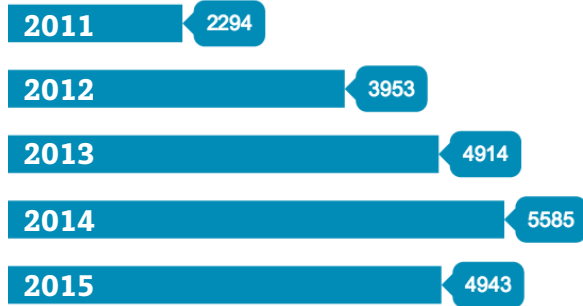
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"This month's drop in the more volatile multifamily side is a return to trend after an unusually high June. While multifamily production has fully recovered from the downturn, single-family starts are improving at a slow and sometimes intermittent rate as consumer confidence gradually rebounds. Continued job and economic growth will keep single-family housing moving forward."

NAHB Chief Economist David Crowe.

## Twin Cities Building Activity



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

SOURCE: KEYSTONE REPORT

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[NAHB]

## Single-Family Gains Push Housing Starts to Highest Level Since 2007

Led by a strong jump in single-family production, nationwide housing starts inched up 0.2 percent to a seasonally adjusted annual rate of 1.206 million units in July, according to newly released data from the U.S. Department of Housing and Urban Development and the Commerce Department. This is the highest level since October 2007.

Single-family starts rose 12.8 percent to a seasonally adjusted annual rate of 782,000 units after an upwardly revised June reading while multifamily production fell 17 percent to 424,000 units.

"Our builders are reporting more confidence in the market, and are stepping up production of single-family homes as a result,"

said NAHB Chairman Tom Woods, a home builder from Blue Springs, Mo. "However, builders are still reporting problems accessing land and labor."

"This month's drop in the more volatile multifamily side is a return to trend after an unusually high June," said NAHB Chief Economist David Crowe. "While multifamily production has fully recovered from the downturn, single-family starts are improving at a slow and sometimes intermittent rate as consumer confidence gradually rebounds. Continued job and economic growth will keep single-family housing moving forward."

Regionally in July, combined single- and multifamily

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starts rose by 20.1 percent in the Midwest and 7.7 percent in the South. The Northeast and West posted respective losses of 27.5 percent and 3.1 percent.

After several months of permit gains, overall permits fell 16.3 percent in July. Single-family permits dipped 1.9 percent to a rate of 679,000 while multifamily permits dropped 31.8 percent to 440,000.

All four regions posted permit losses in June. The Northeast, Midwest, South and West posted respective drops of 60.2 percent, 4.6 percent, 1.7 percent and 9.9 percent.

[BATC]

## Twin Cities Residential Construction Remains Steady in July 2015

Twin Cities' residential construction continued its somewhat lackluster performance during July. While single-family permits were up 3.6 percent when compared to July 2014, year to date remains down by a bit over one percent. Multi-family permits remained down, now at nearly 12 percent

behind this time last year.

According to data compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 459 permits issued for a total of 795 units during four comparable weeks in the month of July 2015.

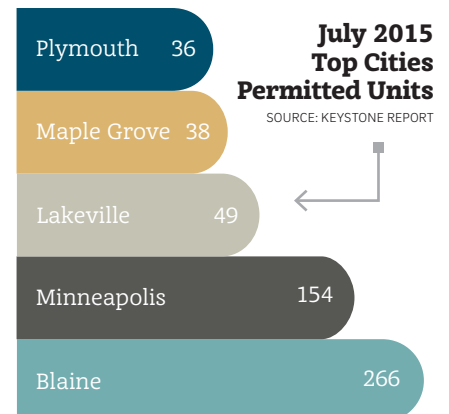
"While summer is traditionally slower for new construction, we're still lagging last year's numbers," said Chris Contreras, 2015 BATC President. "We're hopeful that the upcoming Fall Parade of Homes will inject some life in the market, putting us back on track with the rest of the country."

"With Twin Cities' resale housing hitting a ten year high in June, we can only believe that new home sales are sure to follow," said Contreras.

For the month, Blaine issued the most permitted units at 266, followed by Minneapolis with 154, and Lakeville was third with 49 units. Rounding out the top five are Maple Grove with 38 permitted units and Plymouth with 36 units.

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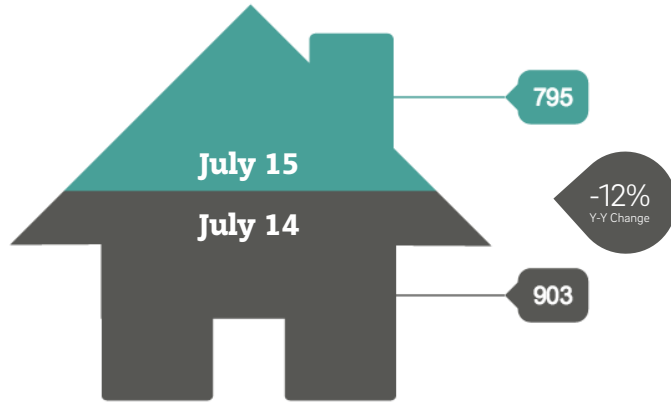
Chris Contreras, 2015 President of the Builders Association of the Twin Cities



Single-family Permits ↑ 3.6% Compared to July 2014

# 2015 July Metro Building Activity

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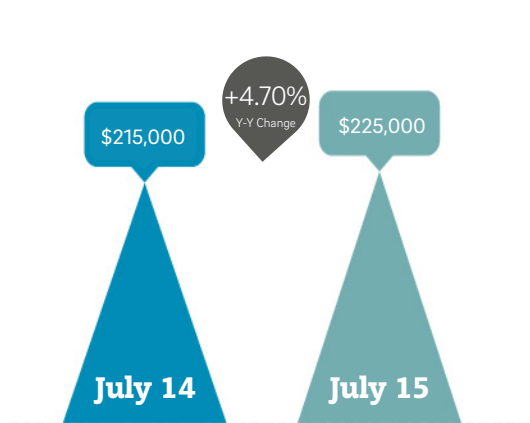


**YTD:  
4,943**

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

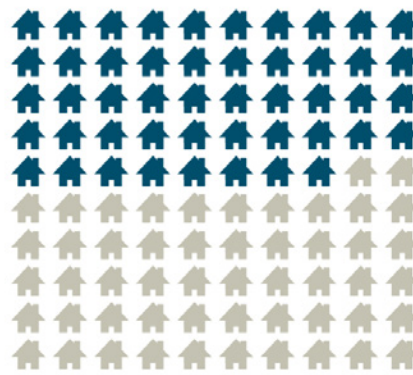
## Twin Cities Housing Units Authorized

SOURCE: KEYSTONE REPORT



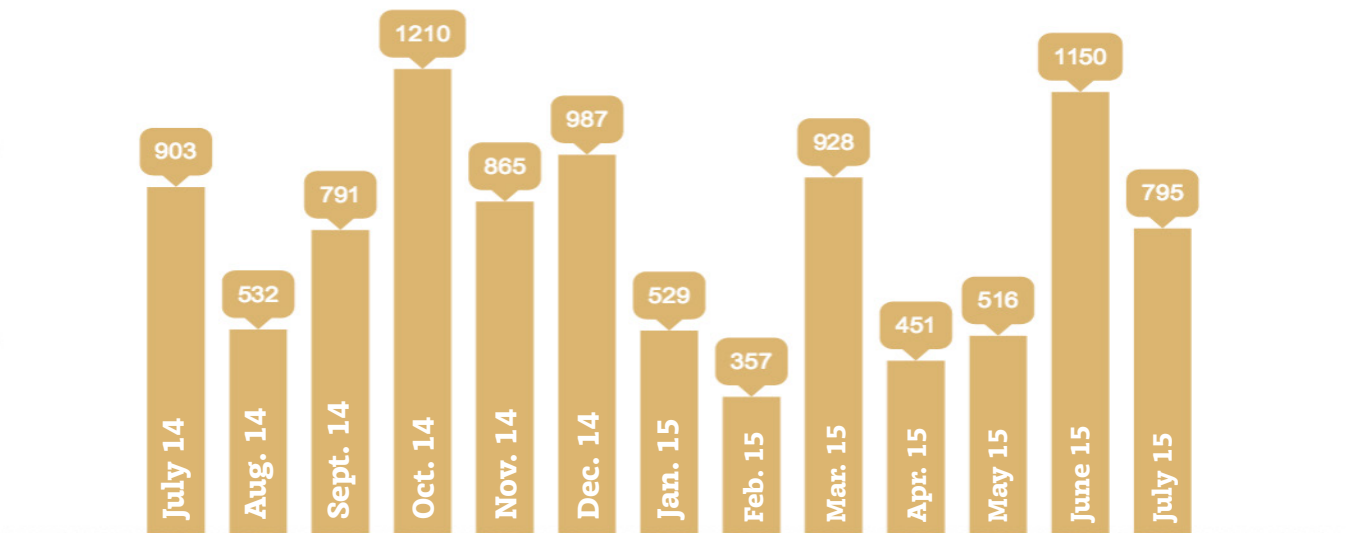
## Twin Cities Median Home Price

SOURCE: MPLS REALTORS



## Twin Cities Total Active Listings

SOURCE: MPLS REALTORS

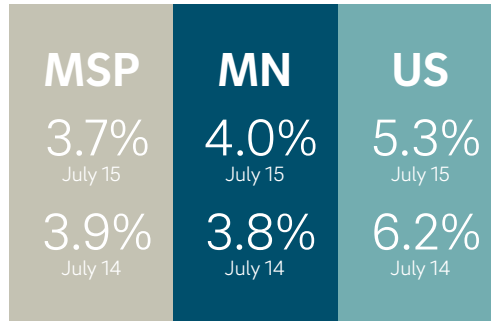


## Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

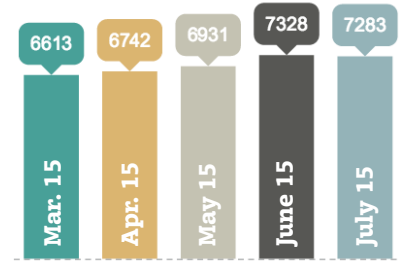
# Employment

Minnesota's unemployment rate is up and its job count is down, according to July data. The unemployment rate climbed to 4 percent, it's the first highest since May 2014. Minnesota's rate remains well below the 5.3 percent rate nationally.



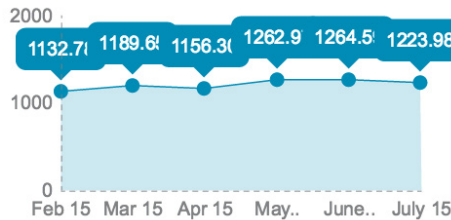
**Unemployment Rate Snapshot**

SOURCE: DEED-MN



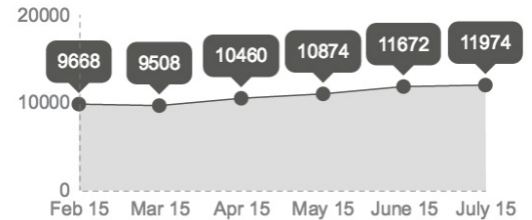
**Twin Cities Construction Employment**

SOURCE: DEED-MN



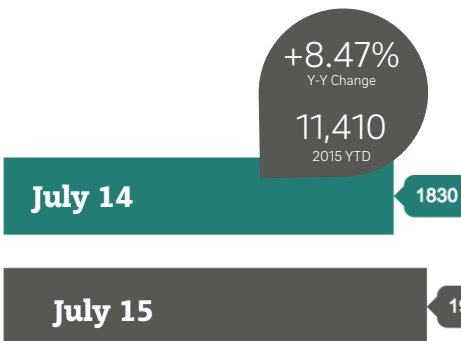
**Twin Cities Construction Weekly Wage**

SOURCE: DEED-MN



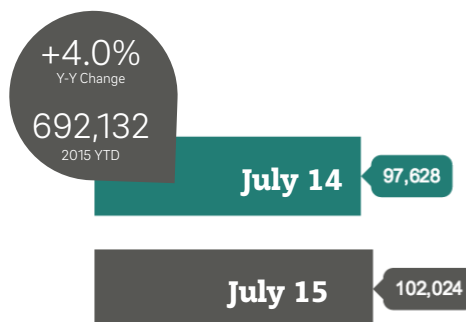
**MN Construction Employment**

SOURCE: DEED-MN



**MN Housing Units Authorized**

SOURCE: US CENSUS

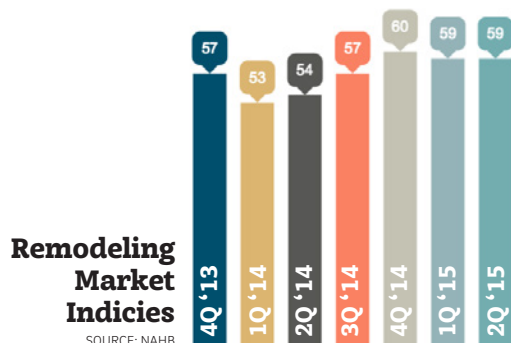


**US Housing Units Authorized**

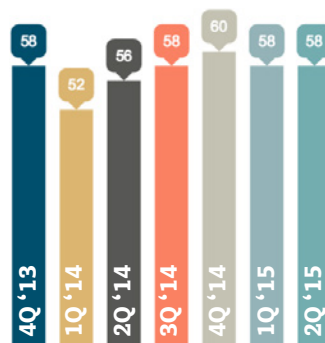
SOURCE: US CENSUS

# Regional/National Statistics

U.S. housing starts rose to a near eight-year high in July as builders ramped up construction of single-family homes, suggesting that the economy was firing on almost all cylinders. Minnesota saw a much smaller boost with an increase of 3 percent in total permits.



**Current**

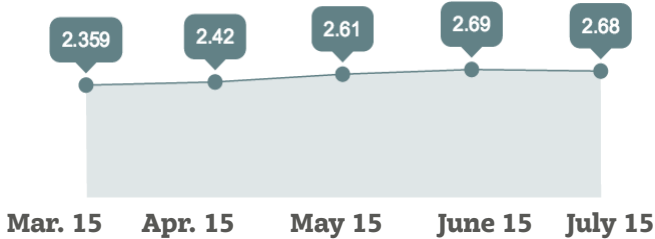


**Futures**

**Remodeling Market Indices**  
SOURCE: NAHB

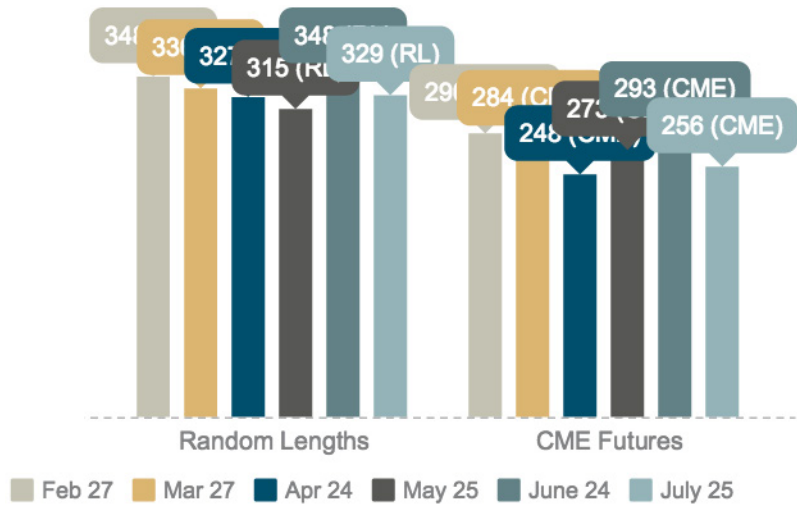
# Key Indicators

Both lumber and oil prices have slowly been inching their way back up. Despite these increases experts are still expecting many commodity prices to drop this fall including oil and lumbers.



**MN Monthly Retail Gasoline Prices**

SOURCE: ENERGY INFORMATION ADMIN



**Framing Lumber**

SOURCE: NAHB

# Mortgage Rates

FROM AUGUST 28, 2015  
SOURCE: WELLS FARGO

30 Year	4.125%
30 Year Fixed FHA	3.875%
15 Year	3.25%
5 Year ARM	3.5%
30 Year Jumbo	3.75%

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