

The Builders Association of the Twin Cities



2008 Market Update



2008 Market Update

The Builders Association of the Twin Cities is proud to present the 2008 BATC Market Update. The goal of this Update is to provide market information for the Twin Cities over the past year — including demographic changes, existing real estate and construction activity. We hope that this Update is informative and useful in your business planning over the course of 2008.

This year, we've added several new pieces of information that we hope you find valuable. These include more labor market statistics, added housing unit estimates, and information on the land development and remodeling industries.

We expect 2008 to hold many of the same challenges from 2007. From excess land inventory, escalated existing inventory, and backsliding price growth, our industry will face significant issues again this year.

With this in mind, BATC encourages our members to equip themselves with information. Understanding market forces can be a key to success, particularly in difficult times. In a time when many of our members face challenges, there are opportunities to turn those challenges into advantages by adapting, planning, and preparing for the next market cycle. We urge you to use our resources and explore all of the sources cited in this document to help create these advantages.

As always, BATC is here to help you in any way we can. If you have any questions, please contact us directly and we will be happy to help.

- The Builders Association of the Twin Cities

Twin Cities Population



Annual Population Estimates by County

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Anoka County | 299,855 | 305,544 | 310,182 | 313,879 | 319,454 | 323,403 | 327,005 |
| Carver County | 70,886 | 73,302 | 76,100 | 79,017 | 81,863 | 84,930 | 87,545 |
| Chisago County | 41,568 | 43,232 | 44,939 | 46,689 | 48,214 | 49,349 | 50,344 |
| Dakota County | 357,929 | 363,828 | 368,841 | 373,011 | 378,279 | 383,368 | 388,001 |
| Hennepin County | 1,117,817 | 1,123,523 | 1,120,871 | 1,119,633 | 1,119,423 | 1,118,746 | 1,122,093 |
| Isanti County | 31,536 | 32,636 | 33,884 | 35,424 | 36,489 | 37,582 | 38,576 |
| Pierce County (WI) | 36,906 | 37,085 | 37,411 | 37,880 | 38,424 | 38,956 | 39,373 |
| Ramsey County | 511,411 | 512,244 | 509,655 | 504,357 | 498,891 | 494,883 | 493,215 |
| Scott County | 91,125 | 97,562 | 103,846 | 108,863 | 114,840 | 120,008 | 124,092 |
| Sherburne County | 65,316 | 68,374 | 72,278 | 75,360 | 78,669 | 81,830 | 84,995 |
| St. Croix County (WI) | 63,672 | 65,838 | 68,413 | 71,224 | 74,223 | 77,266 | 80,015 |
| Washington County | 202,666 | 207,312 | 210,377 | 213,836 | 215,966 | 220,167 | 225,000 |
| Wright County | 90,795 | 93,928 | 98,429 | 102,811 | 106,990 | 110,562 | 114,787 |
| 13-County Region | 2,981,482 | 3,024,408 | 3,055,226 | 3,081,984 | 3,111,725 | 3,141,050 | 3,175,041 |

Most Populous Cities in 2000

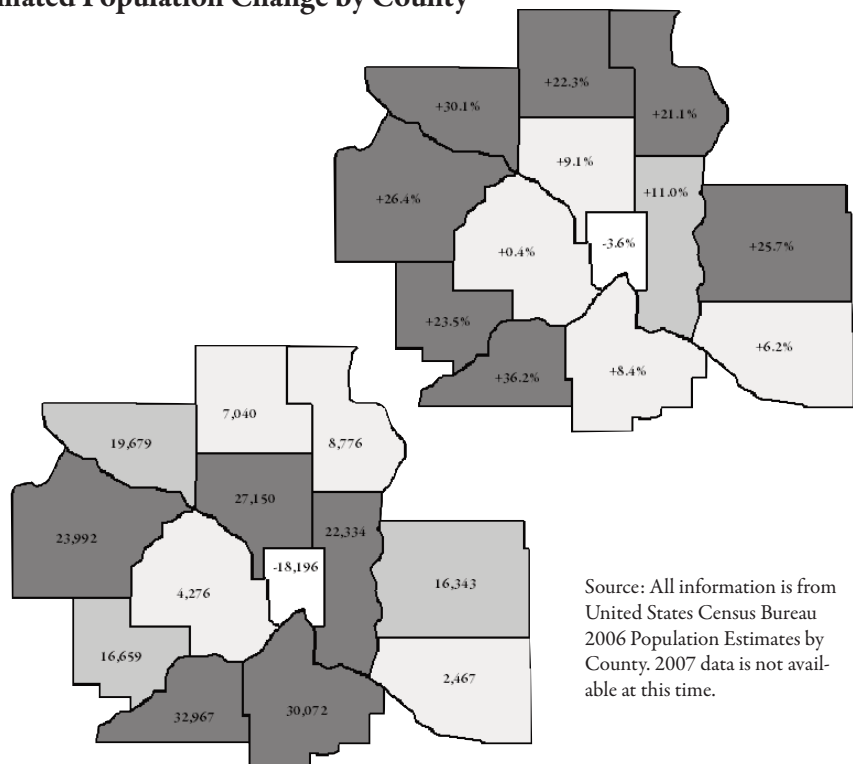
| | |
|---------------|---------|
| Minneapolis | 382,379 |
| St. Paul | 286,681 |
| Bloomington | 85,103 |
| Brooklyn Park | 67,526 |
| Plymouth | 66,006 |
| Eagan | 63,741 |
| Coon Rapids | 61,754 |
| Burnsville | 60,298 |
| Eden Prairie | 55,223 |
| Maple Grove | 51,354 |

Most Populous Cities in 2006

| | |
|---------------|---------|
| Minneapolis | 372,833 |
| St. Paul | 273,535 |
| Bloomington | 80,869 |
| Plymouth | 70,102 |
| Brooklyn Park | 69,942 |
| Eagan | 63,736 |
| Coon Rapids | 62,207 |
| Eden Prairie | 60,952 |
| Maple Grove | 60,584 |
| Burnsville | 59,321 |

Estimated Population Change by County

| | 2000-2006 Net Change | 2000-2006 Percent Change |
|-----------------------|----------------------|--------------------------|
| Anoka County | 27,150 | +9.1% |
| Carver County | 16,659 | +23.5% |
| Chisago County | 8,776 | +21.1% |
| Dakota County | 30,072 | +8.4% |
| Hennepin County | 4,276 | +0.4% |
| Isanti County | 7,040 | +22.3% |
| Pierce County (WI) | 2,467 | +6.2% |
| Ramsey County | -18,196 | -3.6% |
| Scott County | 32,967 | +36.2% |
| Sherburne County | 19,679 | +30.1% |
| St. Croix County (WI) | 16,343 | +25.7% |
| Washington County | 22,334 | +11.0% |
| Wright County | 23,992 | +26.4% |
| 13-County Region | 193,559 | +6.5% |



Source: All information is from United States Census Bureau 2006 Population Estimates by County. 2007 data is not available at this time.



Twin Cities Demographics

Resident Age Estimates

| Age | Estimate |
|----------------|----------|
| Under 20 Years | 892,138 |
| 20 to 24 Years | 208,706 |
| 25 to 34 Years | 432,159 |
| 35 to 44 Years | 511,281 |
| 45 to 54 Years | 496,167 |
| 55 to 59 Years | 193,105 |
| 60 to 64 Years | 128,920 |
| 65 to 74 Years | 163,155 |
| 75 to 84 Years | 103,896 |
| 85+ Years | 45,514 |

Source: US Census Bureau, ACS

Residence One Year Ago

| | |
|-----------------------|-----------|
| Same House | 2,662,949 |
| Different House in US | 449,106 |
| Same County | 242,814 |
| Different County | 206,292 |
| Same State | 133,571 |
| Different State | 72,721 |
| Abroad | 17,940 |

Source: US Census Bureau, ACS

Household Characteristics

| |
|------------------------------|
| Average Household Size: 2.52 |
| Average Family Size: 3.12 |

Source: US Census Bureau, ACS

Resident Educational Attainment

| | |
|---------------------------------|---------|
| High School Graduate | 516,205 |
| Some College | 457,686 |
| Associates Degree | 184,415 |
| Bachelor's Degree | 512,576 |
| Graduate or Professional Degree | 241,144 |

Source: US Census Bureau, ACS

Educational Attainment in Population

| |
|---|
| Population with High School Degree or Higher: 92.2% |
| Population with Bachelor Degree or Higher: 36.3% |

Source: US Census Bureau, ACS

Annual Household Income

| Household Income | Household Estimate |
|------------------------|--------------------|
| Less than \$15,000 | 112,216 |
| \$15,000 to \$24,999 | 95,726 |
| \$25,000 to \$34,999 | 104,776 |
| \$35,000 to \$49,999 | 168,874 |
| \$50,000 to \$74,999 | 254,470 |
| \$75,000 to \$99,999 | 194,119 |
| \$100,000 to \$149,999 | 189,689 |
| \$150,000 to \$199,999 | 59,951 |
| More than \$200,000 | 53,068 |

Source: US Census Bureau, ACS

Commuting to Work

| | |
|-----------------------|-----------|
| Automobile - Alone | 1,316,156 |
| Automobile - Carpool | 146,170 |
| Public Transportation | 68,403 |
| Walked | 39,457 |
| Other Means | 24,157 |
| Worked at Home | 74,956 |

Source: US Census Bureau, ACS

Employment Status

| | |
|--------------------|-----------|
| In Labor Force | 1,809,172 |
| Employed | 1,711,461 |
| Unemployed | 95,997 |
| Armed Forces | 1,714 |
| Not in Labor Force | 648,120 |

Source: US Census Bureau, ACS

National Ranking for the State of Minnesota

| | |
|--|------|
| Percentage of Population completed High School | 1st |
| Percentage of Population completed Bachelor Degree | 12th |
| Employment Ratio | 2nd |
| Median Family Income | 9th |
| Median Household Income | 10th |
| Median Housing Value | 20th |
| Average Household Size | 39th |
| Mean Travel Time to Work | 35th |

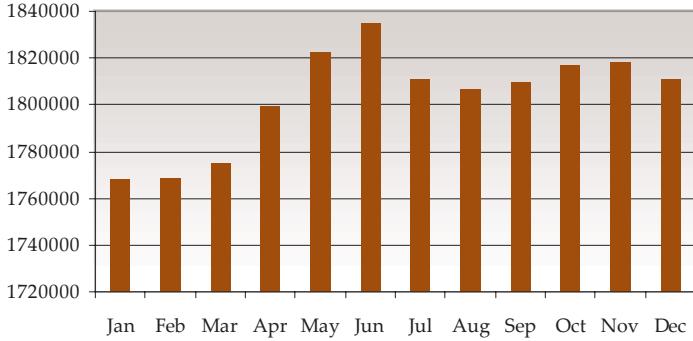
Source: US Census Bureau, ACS

Twin Cities Labor Market



Twin Cities Total Non-Farm Employment

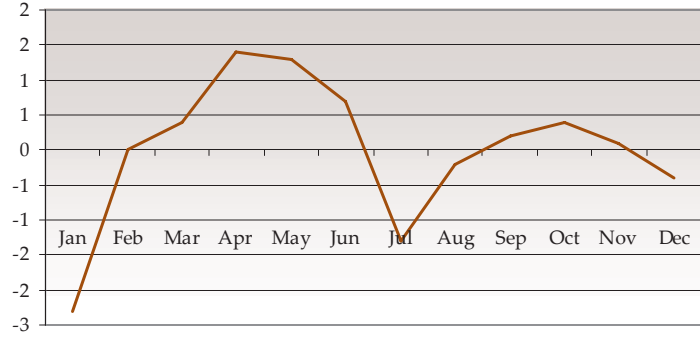
Not Seasonally Adjusted



Source: MN DEED

Twin Cities Total Non-Farm Job Growth

Not Seasonally Adjusted - Monthly Change



Source: MN DEED

Twin Cities Employment by Month

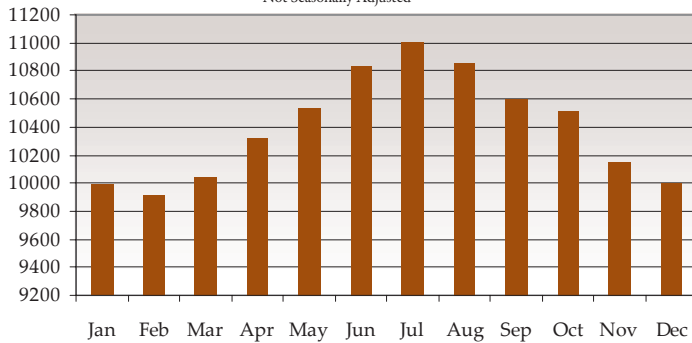
Not Seasonally Adjusted

| | January | February | March | April | May | June | July | August | September | October | November | December |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Non-Farm Employment (Not Adjusted) | 1,768,209 | 1,768,678 | 1,774,927 | 1,799,259 | 1,822,856 | 1,834,705 | 1,810,916 | 1,806,773 | 1,809,737 | 1,816,812 | 1,818,223 | 1,811,092 |
| Unemployment Rate | 4.7 | 4.5 | 4.4 | 4.2 | 4.0 | 4.4 | 4.2 | 4.1 | 4.7 | 4.0 | 3.9 | 4.5 |

Source: MN DEED

2007 Residential Construction Employment

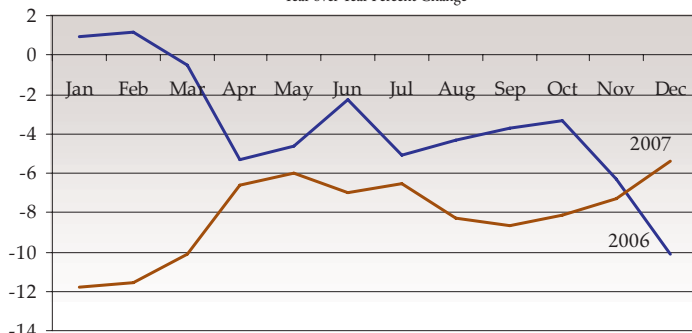
Not Seasonally Adjusted



Source: MN DEED

Residential Construction Employment Changes

Year over Year Percent Change



Source: MN DEED

Median Annual Salary by Job

| | |
|---|--------|
| First Line Supervisors/Managers | 65,320 |
| Brickmasons and Blockmasons | 55,180 |
| Carpenters | 46,590 |
| Carpet Installers | 49,440 |
| Floor Sanders and Finishers | 44,770 |
| Cement Masons and Concrete Finishers | 48,360 |
| Construction Laborers | 45,330 |
| Drywall and Ceiling Tile Installers | 63,750 |
| Electricians | 61,800 |
| Painters | 40,900 |
| Plumbers, Pipefitters, and Steamfitters | 60,120 |
| Plasterers and Stucco Masons | 55,030 |
| Roofers | 53,040 |
| Building Inspectors | 55,990 |

Source: US Bureau of Labor Statistics



Twin Cities Housing

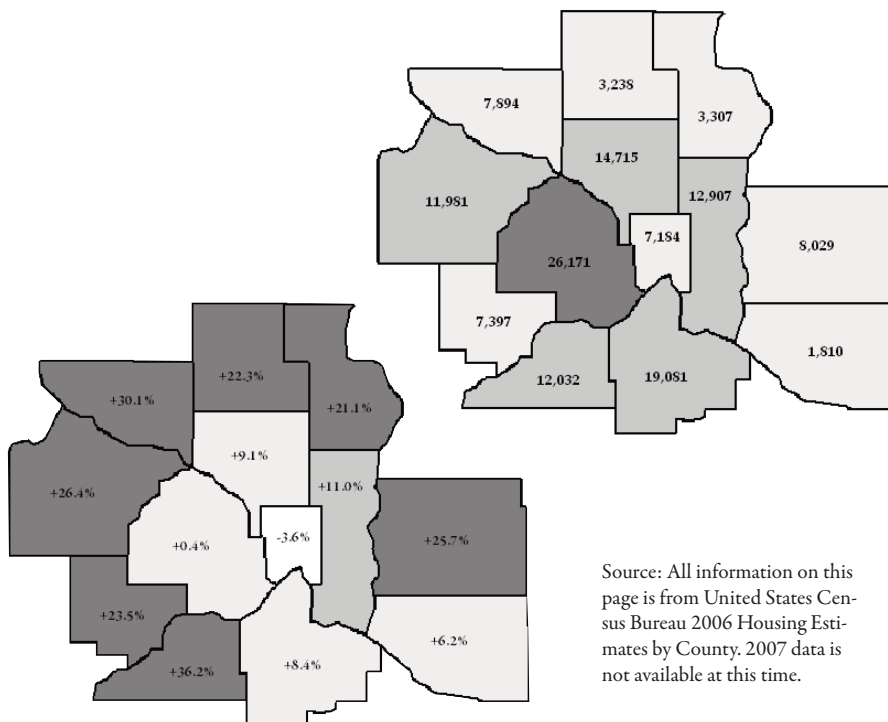
Annual Housing Estimates by County

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Anoka County | 108,593 | 110,574 | 112,854 | 115,250 | 118,013 | 121,187 | 123,308 |
| Carver County | 25,219 | 26,555 | 27,693 | 29,105 | 30,506 | 31,686 | 32,616 |
| Chisago County | 15,697 | 16,345 | 17,012 | 17,598 | 18,232 | 18,692 | 19,004 |
| Dakota County | 134,517 | 137,561 | 140,577 | 143,992 | 147,976 | 151,318 | 153,598 |
| Hennepin County | 469,822 | 473,798 | 477,431 | 483,318 | 487,947 | 492,083 | 495,993 |
| Isanti County | 12,142 | 12,460 | 13,241 | 13,754 | 14,194 | 14,871 | 15,380 |
| Pierce County (WI) | 13,542 | 13,783 | 14,097 | 14,458 | 14,775 | 15,107 | 15,352 |
| Ramsey County | 206,630 | 207,341 | 208,345 | 209,444 | 210,830 | 213,126 | 213,814 |
| Scott County | 32,140 | 34,269 | 36,160 | 38,112 | 40,621 | 42,575 | 44,172 |
| Sherburne County | 23,119 | 24,390 | 25,543 | 26,818 | 28,403 | 29,872 | 31,013 |
| St. Croix County (WI) | 24,510 | 25,564 | 27,066 | 28,449 | 29,923 | 31,406 | 32,539 |
| Washington County | 74,171 | 76,306 | 78,221 | 79,820 | 81,988 | 84,554 | 87,078 |
| Wright County | 34,766 | 36,427 | 38,510 | 40,752 | 42,583 | 44,665 | 46,747 |
| 13-County Region | 1,174,868 | 1,195,373 | 1,216,750 | 1,240,870 | 1,265,991 | 1,291,142 | 1,310,614 |

Most Housing by County in Minnesota

| | |
|-------------------|---------|
| Hennepin County | 495,993 |
| Ramsey County | 213,814 |
| Dakota County | 153,598 |
| Anoka County | 123,308 |
| St. Louis County | 99,411 |
| Washington County | 87,078 |
| Stearns County | 58,836 |
| Olmsted County | 58,344 |
| Wright County | 46,747 |
| Scott County | 44,172 |

Estimated Housing Change by County



Source: All information on this page is from United States Census Bureau 2006 Housing Estimates by County. 2007 data is not available at this time.

| | 2000-2006 Net Change | 2000-2006 Percent Change |
|-----------------------|----------------------|--------------------------|
| Anoka County | 14,715 | +13.5% |
| Carver County | 7,397 | +29.3% |
| Chisago County | 3,307 | +21.1% |
| Dakota County | 19,081 | +14.2% |
| Hennepin County | 26,171 | +5.6% |
| Isanti County | 3,238 | +26.7% |
| Pierce County (WI) | 1,810 | +13.4% |
| Ramsey County | 7,184 | +3.5% |
| Scott County | 12,032 | +37.4% |
| Sherburne County | 7,894 | +34.1% |
| St. Croix County (WI) | 8,029 | +32.8% |
| Washington County | 12,907 | +17.4% |
| Wright County | 11,981 | +34.5% |
| 13-County Region | 135,746 | +11.6% |

Twin Cities Resale Market

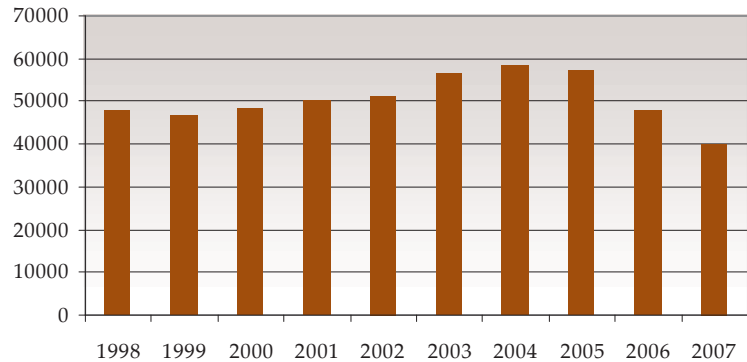


Annual Home Sales and Prices

| | Unit Sales | Average Sale Price |
|------|------------|--------------------|
| 1998 | 47,836 | 147,346 |
| 1999 | 46,675 | 163,277 |
| 2000 | 48,208 | 181,605 |
| 2001 | 50,298 | 203,136 |
| 2002 | 51,212 | 221,275 |
| 2003 | 56,528 | 238,446 |
| 2004 | 58,233 | 256,252 |
| 2005 | 57,283 | 272,522 |
| 2006 | 47,906 | 278,462 |
| 2007 | 40,055 | 274,767 |

Source: Minneapolis Area Association of REALTORS

Annual Home Sales



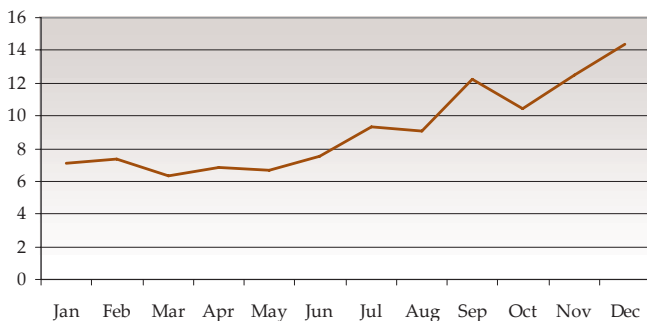
Source: Minneapolis Area Association of REALTORS

2007 Monthly Home Sales and Prices

| | Unit Sales | Average Sale Price | Median Sale Price | Total Active Listings |
|-----------|------------|--------------------|-------------------|-----------------------|
| January | 2,502 | 277,108 | 226,700 | 25,188 |
| February | 2,325 | 266,646 | 225,000 | 26,812 |
| March | 3,056 | 271,368 | 225,000 | 29,285 |
| April | 3,440 | 262,017 | 222,000 | 31,882 |
| May | 4,298 | 274,979 | 227,495 | 33,898 |
| June | 4,423 | 286,782 | 232,500 | 34,630 |
| July | 4,522 | 286,202 | 233,000 | 34,722 |
| August | 4,173 | 282,721 | 230,000 | 34,808 |
| September | 3,116 | 271,942 | 225,000 | 34,042 |
| October | 3,254 | 266,079 | 220,000 | 32,547 |
| November | 2,618 | 269,438 | 216,500 | 30,126 |
| December | 2,376 | 266,121 | 214,900 | 26,675 |

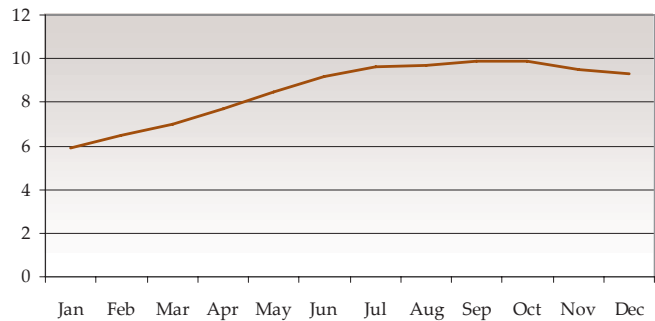
Source: Minneapolis Area Association of REALTORS

2007 Supply-Demand Ratio



Source: Minneapolis Area Association of REALTORS

2007 Housing Supply Outlook



Source: Minneapolis Area Association of REALTORS



Twin Cities Building Activity

Twin Cites 2007 Building Activity by Month

| | Permits | Permitted Units |
|-----------|---------|-----------------|
| January | 379 | 896 |
| February | 305 | 580 |
| March | 330 | 443 |
| April | 486 | 895 |
| May | 534 | 753 |
| June | 592 | 773 |
| July | 440 | 974 |
| August | 434 | 911 |
| September | 298 | 433 |
| October | 299 | 619 |
| November | 380 | 615 |
| December | 275 | 557 |

Source: BATC/Keystone Report

Twin Cities Annual Building Activity

| | Permits | Permitted Units |
|------|---------|-----------------|
| 1997 | 9,401 | 12,901 |
| 1998 | 11,593 | 16,410 |
| 1999 | 12,157 | 16,996 |
| 2000 | 11,529 | 16,448 |
| 2001 | 10,696 | 16,364 |
| 2002 | 10,631 | 17,135 |
| 2003 | 11,472 | 19,000 |
| 2004 | 10,942 | 18,591 |
| 2005 | 10,178 | 18,255 |
| 2006 | 7,325 | 12,644 |
| 2007 | 4,888 | 8,660 |

Source: BATC/Keystone Report

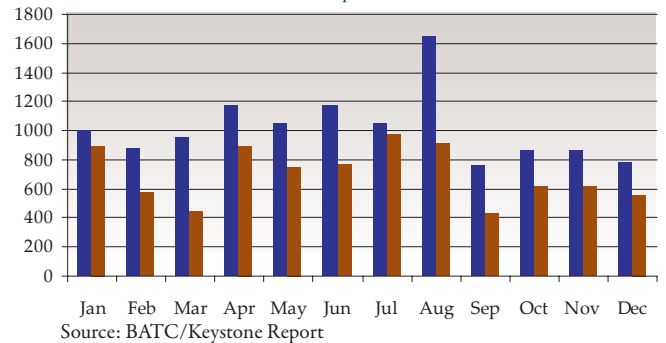
Multifamily Construction as a Percentage of Total Activity

| 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|------|------|------|------|------|------|------|------|
| 37.5 | 41.5 | 43.7 | 48.6 | 52.7 | 51.9 | 51.2 | 49.4 |

Source: BATC/Keystone Report

Building Activity by Month

2006 compared to 2007



Source: BATC/Keystone Report

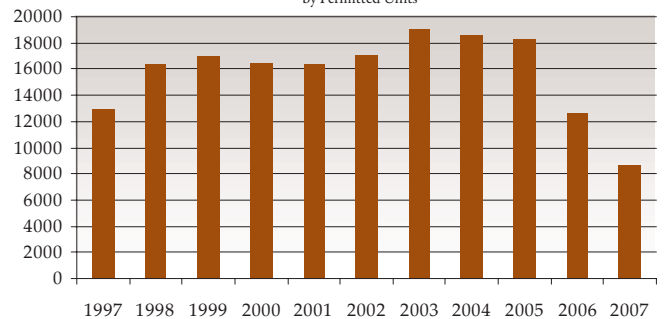
2007 Top Cities by Building Activity

| Permits | | Permitted Units | |
|---------------|-----|-----------------|-------|
| Woodbury | 301 | Minneapolis | 1,012 |
| Blaine | 226 | Woodbury | 459 |
| Maple Grove | 216 | St. Paul | 409 |
| Lakeville | 215 | Lakeville | 374 |
| Otsego | 206 | Blaine | 299 |
| Shakopee | 148 | Otsego | 290 |
| Brooklyn Park | 128 | Shakopee | 286 |
| Plymouth | 124 | Maple Grove | 268 |
| Minneapolis | 119 | Hugo | 263 |
| Ramsey | 109 | Farmington | 260 |

Source: BATC/Keystone Report

Twin Cities Annual Building Activity

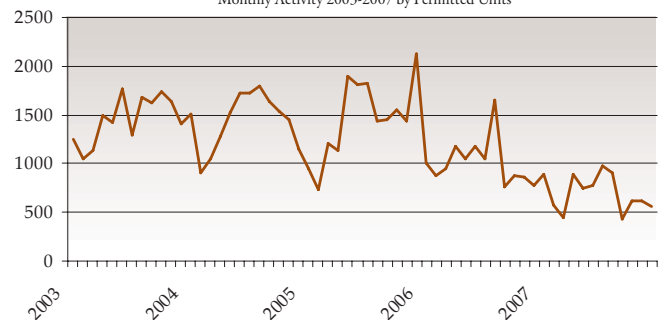
by Permitted Units



Source: BATC/Keystone Report

Slowing Down from the Peak

Monthly Activity 2003-2007 by Permitted Units



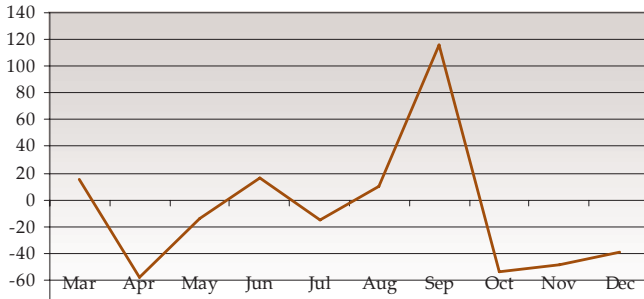
Source: BATC/Keystone Report

Twin Cities Building Activity



Twin Cities Buyer Traffic

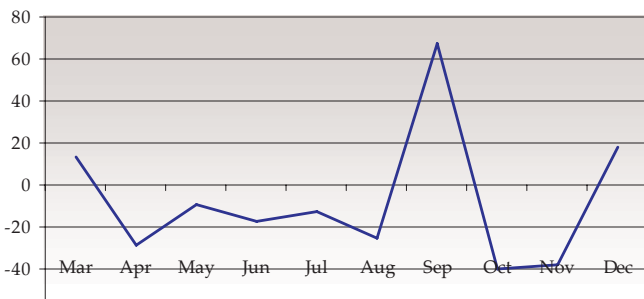
Month-to-Month Percent Change



Source: Metrostudy - Twin Cities

Twin Cities New-Home Contract

Month-to-Month Percent Change



Source: Metrostudy - Twin Cities

Twin Cities Monthly Conversion Rates

| Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|
| 4.3 | 7.2 | 7.9 | 5.7 | 5.9 | 4.0 | 3.0 | 4.0 | 5.1 | 10.1 |

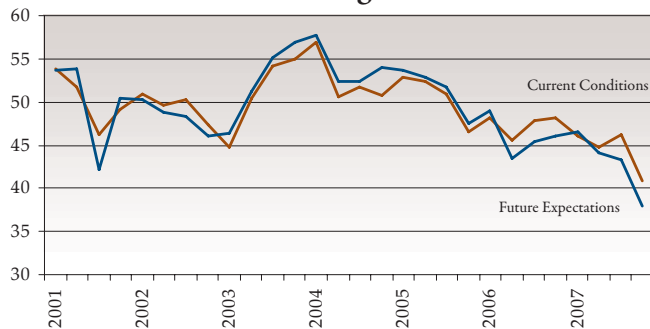
Source: Metrostudy - Twin Cities

Twin Cities Monthly Cancellation Rates

| Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|------|------|------|------|------|------|------|------|------|
| 21.7 | 21.4 | 18.4 | 22.9 | 28.2 | 40.7 | 27.3 | 44.9 | 44.6 | 36.5 |

Source: Metrostudy - Twin Cities

US Remodeling Market Index



Source: National Association of Home Builders

Twin Cities Developed Lot Count

| | |
|----------------------|---------------|
| April 2005 | 31,517 |
| April 2006 | 38,533 |
| April 2007 | 41,927 |
| August 2005 | 30,308 |
| August 2006 | 39,251 |
| August 2007 | 42,524 |
| December 2005 | 34,024 |
| December 2006 | 40,705 |
| December 2007 | 42,287 |

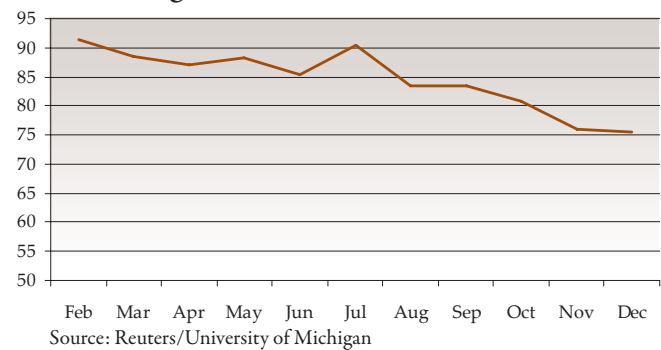
Source: Marketgraphics

Twin Cities Counted Inventory of New Homes

| | |
|----------------------|---------------|
| April 2005 | 11,260 |
| April 2006 | 11,487 |
| April 2007 | 12,303 |
| August 2005 | 12,097 |
| August 2006 | 13,587 |
| August 2007 | 11,391 |
| December 2005 | 11,365 |
| December 2006 | 12,772 |
| December 2007 | 9,935 |

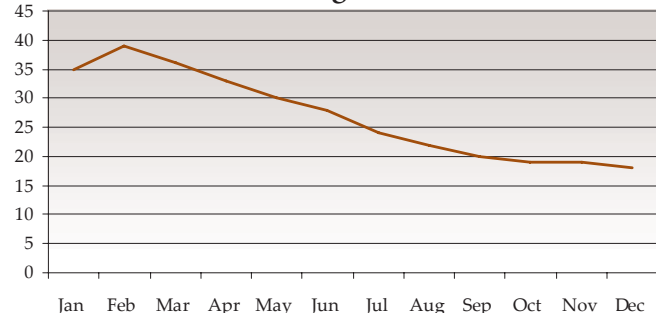
Source: Marketgraphics

Michigan Index of Consumer Confidence



Source: Reuters/University of Michigan

US Housing Market Index



Source: National Association of Home Builders/ Wells Fargo



Homebuilder's Economy

Keeping Building Affordable During a Difficult Market

Last year, most industry experts were making predictions about the future of the region's housing market. Specifically, our industry saw a downturn through fall 2006 and wondered where the market was headed both in the near future and long-term. Certainly, a few people expected a sustained correction throughout 2007, but for the most part, many predicted a short correction from record activity back to a sustainable rate of production.

However, the correction has sustained through 2007 and looks to drag into at least the first part of 2008. Subsequent forecasts have pushed off recovery another quarter each time. There are seemingly ubiquitous explanations for a lagging market correction, without many solutions to aid in a recovery.

Ostensibly, the new home market should be in good shape by now. Builders have held back new activity, focused on reducing inventory of spec homes, created financing incentives, and even resorted to flat-out price reductions. The tactics have been successful and, by most accounts, many builders reduced inventory by dramatic numbers. Yet, persistently, the market will not return. There is not a single cause to the lag on the new home market. Instead, there are a number of issues in the existing market slowing the recovery of the overall market and, specifically, new homes.

At BATC, we create various materials on the housing market. Whatever the materials, they have usually include some explanation that there is an inexorable relationship between the existing and new home market. For the most part, new-home buyers are moving up from an existing home. As sellers of their current home, these buyers are affected by existing market conditions. If they face competition or price reductions on their sale, they may want to make up that difference on their purchase somehow. Or, in some cases, they may want to make their purchase of a new home contingent on the sale of their existing home.

Of course, first-time buyers are not immune from the effects of the existing market either. Even if a buyer does not have an existing home, a builder is competing with the existing market for these consumers. For example, if they are looking to purchase a town home, they could be comparing a new unit to a unit that is only three years old. If the existing town homeowner lowers their price, this will put downward pressure on a builder's price of the new unit.

However, builders are unique from the existing market in that they are price-takers. Builders deal with a set of input costs in a home that determine the final sale price. The moment that a builder purchases a lot, a portion of the final sale price is already determined. As each component of the home is completed, another cost input is added and the final price increases. At the end, costs are tallied, a reasonable profit margin is added, and the sale price is set. Compare this to the inputs

that set the sale price of an existing home – minimal, at best – and price can cause pressure between the two markets.

A builder has difficulty reasonably competing with price corrections while maintaining a profit margin beyond cost inputs. In addition, the market has thrown another curveball with the mortgage market instability and resulting foreclosures. While homeowners only will lower prices to a point before removing a home from the market, a bank may take less in a home auction or otherwise.

In addition to lowering prices in the existing market, many builders face rising costs in their inputs. These include materials, fuel, and labor. Most notable though is the increased costs due to more, and oftentimes duplicative, regulation.

These "soft costs" on a project are usually included in the lot price as part of development costs. For example, environmental protections are very much needed regulations. However, the duplicative nature of the regulations consistently adds costs and time delays to projects. On one site alone, and oftentimes with minimal coordination, a developer could expect site inspections from the Minnesota Pollution Control Agency, the Department of Natural Resources, the Board of Water and Soil Resources, a watershed district or water management organization, a soil and water conservation district, the county, and city. Clearly, this is an exhaustive list and not every regulator will visit an individual site, but it demonstrates that the layers of regulation exist.

There are costs to builders as well. Every building permit has a permit fee, and while the number of building permits being reviewed by a city has likely gone down, the permit fee has likely not done the same. Review time for a permit is also an added cost that is difficult to quantify for a builder. The time lost on building and carrying costs on a lot adds up in the final sale price of a home.

If growth is to continue, regulators should resolve to create efficient and cost effective processes. Not only do these public policy decisions affect the industry, they serve to maintain housing affordability in communities throughout the Twin Cities. The National Association of Home Builders estimates that for every \$1,000 increase in home prices, nearly 1,400 families are priced out of the Twin Cities home market. If a regulator is to create a more efficient process, it will aid the residents buying new homes.

BATC's public policy department provides a voice for the industry to help maintain housing affordability in our region. Our association lobbies at the state legislature, in state agencies, at the Met Council, and in cities for fair regulation that is easy to understand and cost effective. If you find a public policy issue that is affecting housing affordability, please contact BATC and let us know how to get involved.

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BATC Public Policy Efforts

Educating various markets about the issues surrounding housing affordability, construction codes and defects, development and redevelopment is a key objective of BATC's public policy efforts.

These problems are often depicted independent of one another, with market forces and consumer choice left out of the picture entirely. Members know otherwise and it is the task of BATC to provide a comprehensive and integrated approach to the complex nature of the home building industry, providing balance and equity in the policies advanced by local, state and federal policy makers.

BATC's policy efforts are focused on working to bring fees and regulations in line, ensuring adequate developable land supply exists in our market, and advancing best building practices, codes and laws for the home building industry. Monitoring and advocating on policy initiatives before local governments, the Metropolitan Council and State Legislature are central to our efforts.

Public Policy Committee

The BATC Public Policy Committee is a group of member builders, developers and financiers all of whom have tremendous experience in various aspects of the residential construction industry. The Public Policy Committee meets quarterly in order to discuss major public policy matters. The Committee gives the Public Policy Department staff direction and advice when engaging in policy endeavors, sometimes after a vote of the committee.

Public Policy Functions

- Legislative & Administrative Advocacy
- Construction – codes, defects & warranties
- Economics – fees, public financing tools & taxes
- Land Use & Entitlements – annexation, environment and government approvals
- Local Governments & Metropolitan Affairs
- Industry Research & Messaging
- Legal Aspects
- Special Projects



The Builders Association of the Twin Cities

2960 Centre Pointe Drive
Roseville, MN 55113