

FOR IMMEDIATE RELEASE

Contact: Wendy Danks, Director of Marketing
651.697.7565, wendy@batc.org
Joshua Fowler, Executive Vice President
651.697.7561, joshua@batc.org

Residential Construction Activity Shows Signs of Stability

Roseville, MN (May 4, 2009) – Residential permit numbers rebounded once again for the month of April, with planned units up 43 percent from March, 2009.

According to statistics compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 419 units permitted during the month of April 2009, and a total of 1,067 units have been permitted year-to-date in 2009.

Builders have seen sales increase this spring, driven partly by the \$8,000 first-time homebuyer tax credit. Optimism is increasing within the building community, buoyed by recent sales and reports like the Forbes.com story by Michael Woolsey which placed Minneapolis fourth on their list of America's Best Long-Term Housing Bets.

"Many economists believe the Twin Cities housing market should begin to improve late this year," says BATC President Mike Swanson. "But one of the biggest challenges we face is instilling confidence in home buyers that their investment is sound."

"It's clear, through a recent study by the McComb Group, that oft-reported home values only tell part of the story, and have a chilling effect on consumer confidence," explains Swanson. "The majority of recent home sales have been lender mediated on foreclosed or pre-foreclosure properties, yet these make up just nine percent of the region's total housing stock. That skews the average sales prices, reported by trusted names like Case Shiller, giving consumers a false sense of their home's value. The McComb study shows that the real value of 95 percent of Twin Cities homes has dropped by less than four percent, representing a modest correction for the vast majority of homeowners and good news for those homeowners ready to enter the market again."

St. Paul led the metro in building activity for the month with 171 units permitted in April. Bloomington followed with 93 units permitted, Brooklyn Park had 25 units, followed by Hugo and Maple Grove with 20 each.

MORE

April 2009 Building Activity

Past Twelve Months

	Permits	Permitted Units	Permit Value
April 2008	180	293	62,510,134
May 2008	255	498	98,695,290
June 2008	289	444	103,103,450
July 2008	255	650	111,957,805
August 2008	281	794	133,619,108
September 2008	224	447	82,119,343
October 2008	212	628	116,991,808
November 2008	206	420	84,035,773
December 2008	158	223	53,916,054
January 2009	127	340	57,966,957
February 2008	107	118	34,803,836
March 2009	113	143	38,660,696
April 2009	118	419	53,563,471

Five-Year Comparisons

	Permits	Permitted Units	Permit Value
April 2005	717	1,142	217,361,790
April 2006	670	1,177	223,216,758
April 2007	486	895	188,770,051
April 2008	180	293	62,510,134
April 2009	118	419	53,563,471

	Permits	Permitted Units	Permit Value
YTD 2005	2,539	4,184	818,246,573
YTD 2006	2,535	4,247	856,504,141
YTD 2007	1,552	2,883	615,266,840
YTD 2008	793	1,104	288,731,911
YTD 2009	500	1,067	198,740,515

Multifamily Construction as a Percentage of Total Activity

May - 08	Jun - 08	Jul - 08	Aug - 08	Sept - 08	Oct - 08	Nov - 08	Dec - 08	Jan - 09	Feb - 09	Mar - 09	Apr - 09	YTD - 09
53	39	70	71	54	76	58	36	63	14	24	72	56

Top Cities for Building Activity

March				2009 Year-to-Date			
Permits		Permitted Units		Permits		Permitted Units	
Maple Grove	15	St. Paul	171	Woodbury	46	St. Paul	180
Shakopee	14	Bloomington	93	Shakopee	45	Inver Grove Hts.	106
Woodbury	13	Brooklyn Pk.	25	Maple Grove	38	Bloomington	93
Blaine	10	Hugo	20	Blaine	37	Glencoe	65
Brooklyn Pk.	8	Maple Grove	20	Lakeville	24	Woodbury	57
Rosemount	8						

The Builders Association of the Twin Cities has contracted with Keystone Report, a local research firm, to maintain a database with information about new residential construction permits around the metropolitan area. After a builder has picked up the permit from a city, Keystone Report compiles and updates weekly residential housing permits by city for 70 percent of the metropolitan-area municipalities in the greater 13-county region. Planned units are the total number of housing units planned to be built under the permits issued (one permits is issued per building which may include more than one housing unit). Permit value does not include the land/lot costs.