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Twin Cities Residential Construction Activity Inches Upward in August

Roseville, MN (August 31, 2009) – With evidence mounting that the overall economy is gaining strength, the Twin Cities new construction market appears to be following suit. Residential permits issued in the region grew by ten percent over last month, while planned units more than doubled from July 2009.

According to statistics compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 542 units permitted during the month of August 2009, and a total of 2,516 units have been permitted year-to-date in 2009.

August permit numbers were higher than any month since August of last year, and planned unit totals were higher than any month since October of 2008.

“We are excited to see the beginnings of recovery in our industry,” says BATC President Mike Swanson. “Rising sales figures, coupled with low interest rates and dropping inventory are real signs of improvement and very welcome news.”

“Our fall Parade of HomesSM gets underway on September 11th, and we’re anticipating a strong turnout.” Swanson says. “With the first-time homebuyer tax credit about to expire, Parade of HomesSM visitors have a great opportunity to search out “Move in Now” homes which could meet the November 30th deadline for closing.”

St. Louis Park led the metro in building activity for the month with 134 units permitted in August (which included one multi-family project at 133 units). Apple Valley followed with 67 units (60 units in one multi-family project), White Bear Lake with 61 units (one 60-unit multi-family project), followed by Shakopee with 37 and Blaine with 29.

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August 2009 Building Activity

Past Twelve Months

	Permits	Permitted Units	Permit Value
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 2009	107	118	34,803,836
March 2009	113	143	38,660,696
April 2008	118	419	53,563,471
May 2009	187	233	54,132,420
June 2008	238	332	77,741,321
July 2009	238	269	60,752,708
August 2009	264	542	93,071,986

Five-Year Comparisons

	Permits	Permitted Units	Permit Value
August 2005	795	1,438	261,591,754
August 2006	626	1,646	255,744,115
August 2007	434	911	154,413,714
August 2008	281	794	133,619,108
August 2009	264	542	93,071,986

	Permits	Permitted Units	Permit Value
YTD 2005	6,672	11,410	2,079,336,395
YTD 2006	5,492	9,402	1,878,004,244
YTD 2007	3,633	6,408	1,305,805,232
YTD 2008	1,944	3,596	1,050,110,969
YTD 2009	1,473	2,516	499,907,994

Multifamily Construction as a Percentage of Total Activity

Sep - 08	Oct - 08	Nov - 08	Dec - 08	Jan - 09	Feb - 09	Mar - 09	Apr - 09	May - 09	Jun - 09	Jul - 09	Aug - 09	YTD - 09
54	76	58	36	63	14	24	72	22	33	21	53	45

Top Cities for Building Activity

August				2009 Year-to-Date			
Permits		Permitted Units		Permits		Permitted Units	
Shakopee	37	St. Louis Park	134	Shakopee	157	St. Paul	180
Blaine	23	Apple Valley	67	Blaine	116	Shakopee.	165
Woodbury	14	White Bear Lk.	61	Maple Grove	107	Blaine	153
Lakeville	13	Shakopee	37	Woodbury	104	Woodbury	144
Maple Grove	12	Blaine	29	Lakeville	79	St. Louis Park	140
Otsego	12						

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.