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**Contact:** Wendy Danks, Director of Marketing  
651.697.7565, [wendy@batc.org](mailto:wendy@batc.org)  
Joshua Fowler, Executive Vice President  
651.697.7561, [joshua@batc.org](mailto:joshua@batc.org)

## **New Residential Construction Takes a Holiday in December**

Roseville, MN (January 12, 2009) – December permit statistics are a clear indication that regional builders were more than ready to close the books on 2008. Planned units dropped to just six more than the year’s monthly low in February, and down 60 percent compared to December 2007. Multi-family units made up just 36 percent of the month’s total, a drop from the 50 to 70 percent each month since July.

According to statistics compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 223 units permitted during the month of December 2008, down from the 420 units permitted in November 2008. Housing activity ended the year 40 percent below 2007. A total of 5,397 units were permitted in 2008, compared to 8,961 units permitted last year.

The housing sector has borne the brunt of this economic downturn, losing an estimated three million jobs since the peak of housing expansion in 2005.

“Housing traditionally accounts for 15 cents of every dollar spent in the United States,” says BATC President Mike Swanson. “Therefore housing must be a centerpiece of any recovery plan.”

“The housing industry, spearheaded by the National Association of Home Builders’ Fix Housing First Coalition, is urging Congress to take action that includes ensuring below-market mortgage rates and expanded home buyer tax credits,” explains Swanson. “These measures will help to stabilize home prices, prevent future foreclosures, restore consumer confidence and start creating jobs.”

Hudson, WI led the metro in building activity for the month with 29 units permitted in December. Woodbury followed with 19 units permitted, Maple Grove was next with 18 units permitted, followed by Blaine with 15 and Hugo at 12.

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# December 2008 Building Activity

## Past Twelve Months

	Permits	Permitted Units	Permit Value
December 2007	275	557	112,192,768
January 2008	235	364	92,261,940
February 2008	170	217	65,249,320
March 2008	207	229	68,710,517
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

## Five-Year Comparisons

	Permits	Permitted Units	Permit Value
December 2004	782	1,149	262,662,409
December 2005	877	2,121	346,974,792
December 2006	479	776	176,581,901
December 2007	275	557	112,192,768
December 2008	158	223	53,916,054

	Permits	Permitted Units	Permit Value
YTD 2004	10,942	18,591	3,330,401,924
YTD 2005	10,178	18,255	3,380,265,313
YTD 2006	7,325	12,644	2,572,860,160
YTD 2007	4,888	8,961	1,810,287,829
YTD 2008	2,799	5,397	1,113,122,718

## Multifamily Construction as a Percentage of Total Activity

Jan - 08	Feb - 08	Mar - 08	Apr - 08	May - 08	Jun - 08	Jul - 08	Aug - 08	Sep - 08	Oct - 08	Nov - 08	Dec - 08	YTD - 08
43	29	14	43	53	39	70	71	54	76	58	36	54

## Top Cities for Building Activity

Dec..				2008 Year-to-Date			
Permits		Permitted Units		Permits		Permitted Units	
Woodbury	14	Hudson WI	29	Maple Grove	221	Bloomington	464
Maple Grove	12	Woodbury	19	Blaine	190	Minneapolis	417
Blaine	10	Maple Grove	18	Woodbury	175	Lakeville	414
Hudson WI	9	Blaine	15	Lakeville	151	Woodbury	351
Shakopee	8	Hugo	12	Shakopee	104	Maple Grove	328

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 permit is issued per building which may include more than one housing unit). Permit value does not include the land/lot costs.