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2009 Year End Twin Cities Residential Construction Permits Remain Positive

Roseville, MN (January 5, 2010) – While December is historically a slow month for residential construction, this year a relatively strong finish was welcome news. After bottoming out in spring, residential permits have stabilized since mid-year at about two-times higher than the earlier lows. Residential permits issued last month were 64 percent higher and permits ran 89 percent higher than in December 2008.

According to statistics compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 260 permits for a total of 423 units permitted during the month of December 2009, and a total of 4,405 units were permitted for the year.

The latter half of this year marked a rebound in single-family construction. Total permits issued were down just seven percent from 2008, and multi-family units were less than half (45 percent) of the total units permitted in 2009, a substantial drop from 2008's 54 percent.

"Owning a home with a yard is still the dream of the majority of families, and we expect single-family homes will continue to gain strength," said Builders Association of the Twin Cities 2010 President, Gary Aulik.

"Shakopee was the region's top growth city in 2009, and more than 92 percent of its construction was single-family.

"There has been considerable pent-up demand as families postponed moving to a more suitable home over the past couple of years. And now that existing home buyers are eligible for up to a \$6,500 tax credit through the end of April, we are anticipating a strong first quarter 2010," Aulik said.

Inver Grove Heights led the metro in building activity for the month with 45 units permitted. Maple Grove followed with 41 units, Minneapolis was next with 33, followed by Cambridge with 30 and Hugo with 27.

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December 2009 Building Activity

Past Twelve Months

	Permits	Permitted Units	Permit Value
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 2009	118	419	53,563,471
May 2009	187	233	54,132,420
June 2009	238	332	77,741,321
July 2009	238	269	60,752,708
August 2009	264	542	93,071,986
September 2009	235	437	49,788,000
October 2009	326	401	92,684,459
November 2009	263	574	95,322,365
December 2009	260	423	89,706,776

Five-Year Comparisons

	Permits	Permitted Units	Permit Value
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
December 2009	260	423	89,706,776

	Permits	Permitted Units	Permit Value
YTD 2005	10,178	18,255	3,380,265,313
YTD 2006	7,325	12,644	2,572,860,160
YTD 2007	4,888	8,061	1,810,287,829
YTD 2008	2,799	5,397	1,113,122,718
YTD 2009	2,599	4,405	867,240,979

Multifamily Construction as a Percentage of Total Activity

Jan - 09	Feb - 09	Mar - 09	Apr - 09	May - 09	Jun - 09	Jul - 09	Aug - 09	Sep - 09	Oct - 09	Nov - 09	Dec - 09	YTD - 09
63	14	24	72	22	33	21	53	49	29	59	43	45

Top Cities for Building Activity

December				2009 Year-to-Date			
Permits		Permitted Units		Permits		Permitted Units	
Maple Grove	26	Inver Grove Hts	45	Shakopee	304	Shakopee	328
Shakopee	22	Maple Grove	41	Blaine	203	Blaine	274
Blaine	21	Minneapolis	33	Maple Grove	197	Minneapolis	274
Woodbury	21	Cambridge	30	Woodbury	181	Woodbury	245
Lakeville	18	Hugo	27	Lakeville	140	Maple Grove	232

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.