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New Activity Down While Builders Showcase Work

Roseville, MN (March 7, 2008) – Builders across the Twin Cities metro continued to curtail home construction during the month of February. Currently in the midst of one of their premier marketing events, local residential builders may not be increasing new activity but they are seeing unique opportunities and positive aspects in the market.

According to statistics compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 217 units permitted during the month of February 2008, down from 364 units permitted in January 2008. Year-to-date activity in 2008 trails last year, with 581 units permitted thus far, down from 1,476 units permitted through the same month in 2007.

Last year, homebuyers found opportunities abound yet they stayed on the sidelines to wait out better deals. With the market still balanced toward the buyer, builders are finding their own opportunities to showcase the value of their homes says 2008 BATC President KC Chermak.

“As long as we continue to create beautiful new homes and neighborhoods, there will be buyers in our market,” says Chermak. “Even in a challenging market, there is fundamental financial and emotional value in owning a new home.”

Builders are using events such as the 2008 Parade of Homes Spring PreviewSM to showcase that value says Chermak. Furthermore, the Parade of HomesSM highlights positive aspects of the total homebuilding and remodeling industry.

“We are very proud of the tremendous work being done by our industry,” says Chermak. “This year’s Parade of HomesSM includes MN Green-Star Homes, as well as the Builders Outreach Foundation’s work to remodel the home of a local War Veteran. This is work that should make our entire community proud.”

Maple Grove led the metro in building activity for the month with 49 units permitted in February. Blaine and Woodbury both follow with 23 units permitted in each city, Lakeville with 21 units permitted, and Shakopee with 20.

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February 2008 Building Activity

Past 12 Months

	Permits	Permitted Units	Permit Value
March 2007	330	443	122,163,105
April 2007	486	895	188,770,051
May 2007	534	753	172,815,704
June 2007	592	773	174,981,932
July 2007	440	974	160,329,637
August 2007	434	911	157,413,714
September 2007	298	433	117,717,331
October 2007	299	619	122,686,830
November 2007	380	615	150,337,378
December 2007	275	557	112,192,768
January 2008	235	364	92,261,940
February 2008	170	217	65,249,320

5-Year Comparisons

	Permits	Permitted Units	Permit Value
Feb 2004	597	905	176,687,436
Feb 2005	472	735	152,851,160
Feb 2006	542	872	187,184,233
Feb 2007	305	580	119,839,736
Feb 2008	170	217	65,249,320

	Permits	Permitted Units	Permit Value
YTD 2004	1,385	2,410	419,979,818
YTD 2005	1,082	1,678	344,833,388
YTD 2006	1,155	1,872	390,220,972
YTD 2007	684	1,476	287,454,874
YTD 2008	405	581	157,511,260

Multifamily Construction as a Percentage of Total Activity

Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
33	52	36	31	60	58	64	59	46	55	43	29

February				2007 Year-to-Date			
Permits		Units		Permits		Units	
Maple Grove	33	Maple Grove	43	Maple Grove	49	Minneapolis	62
Lakeville	12	Blaine	14	Blaine	23	Maple Grove	59
Woodbury	10	Lakeville	14	Woodbury	23	Woodbury	33
Blaine	9	Rosemount	13	Lakeville	21	Brooklyn Park	32
Cottage Grove	7	Woodbury	13	Shakopee	20	Blaine	31

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.