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## **July Home Building Activity Maintains Pace**

Roseville, MN (August 6, 2008) – Twin Cities residential builders have maintained a relatively stable pace of activity through the month of July. With two large multi-unit complexes permitted in Bloomington, total planned units jumped to about 67 percent of last year statistics to date, but permits remained at about one-half of 2007 totals. This marks the third consecutive month where activity has maintained a level slightly elevated from the lows seen in first quarter in 2008.

According to statistics compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 650 units permitted during the month of July 2008, up from the 444 units permitted in June 2008. Year-to-date activity in 2008 trails 2007, with 2,823 units permitted thus far, compared to 5,497 units permitted through the same point last year.

The reduced pace of construction has had the desired impact of reducing the inventory of new homes on the market. According to Metrostudy's report for the second quarter of 2008, total new home inventory had declined 32 percent from the second quarter of 2007, and the supply of finished vacant homes held at 3.8 months.

"The home building industry has adapted to the slow market with prudence," says BATC President KC Chermak. "As a whole, the region's home builders have contracted operations to meet the current level of demand."

As the national economic picture remains uncertain, our industry like most others, will continue ahead with caution says Chermak.

"The steady pace of activity over the past few months, the declining new home inventory, and a reduced resale inventory are all positive signs that the balance between current supply and demand is stabilizing," says Chermak. "And a more stable environment is critical to the long-term health of the regional housing market."

Bloomington led the metro in building activity for the month with 232 units permitted in July. Chaska followed with 75 units permitted, Minneapolis was next with 64 units permitted, followed by Hugo with 34 and Woodbury at 25.

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# July 2008 Building Activity

## Past Twelve Months

	Permits	Permitted Units	Permit Value
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
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

## Five-Year Comparisons

	Permits	Permitted Units	Permit Value
July 2004	1,045	1,726	310,415,954
July 2005	1,019	1,827	311,856,329
July 2006	636	1,047	215,034,953
July 2007	440	974	160,329,637
July 2008	255	650	111,957,805

	Permits	Permitted Units	Permit Value
YTD 2004	6,462	10,392	1,863,997,327
YTD 2005	5,877	9,972	1,817,744,641
YTD 2006	4,802	7,655	1,596,230,669
YTD 2007	3,199	5,497	1,148,391,518
YTD 2008	1,679	2,823	629,540,897

## Multifamily Construction as a Percentage of Total Activity

Aug - 07	Sept - 07	Oct - 07	Nov - 07	Dec - 07	Jan - 08	Feb - 08	Mar - 08	Apr - 08	May - 08	June - 08	July - 08	YTD - 08
58	64	59	46	55	43	29	14	43	53	39	70	45

## Top Cities for Building Activity

July				2008 Year-to-Date			
Permits		Permitted Units		Permits		Permitted Units	
Hugo	21	Bloomington	232	Maple Grove	146	Bloomington	332
Blaine	20	Chaska	75	Woodbury	107	Minneapolis	313
Cottage Grove	20	Minneapolis	64	Blaine	104	Maple Grove	171
Lakeville	17	Hugo	34	Lakeville	97	Woodbury	135
Woodbury	17	Woodbury	25	Brooklyn Park	61	Blaine	128
				Plymouth	61		
				Shakopee	61		

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.