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New Residential Construction Remained Stable in November

Roseville, MN (December 4, 2008) – This November, even as the economy faltered and Fall traditionally marks a decline in construction, permit activity remained relatively steady. Planned units are still almost two times higher than last winter’s low, but remain about 30 percent below November 2007. Multi-family units made up 58 percent of the month’s total.

According to statistics compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 420 units permitted during the month of November 2008, down from the 628 units permitted in October 2008, but similar to the 447 permits in September. Year-to-date, activity in 2008 remains about 39 percent below 2007, with 5,175 units permitted thus far, compared to 8,384 units permitted through the same point last year.

While many families still have a wait-and-see attitude, the extremely low mortgage interest rates and high affordability factors are encouraging some first-time buyers to make a move.

“We’ve seen 30-year fixed-rate mortgages move well south of six percent,” says BATC President KC Chermak. “And nationally, sales prices down to 2004 levels, making this is a great time for some families to purchase a new home.”

“Particularly for those who don’t have a home to sell right now, taking advantage of today’s low prices while getting the energy and technological advantages of new construction is really a smart choice,” explains Chermak.

Lakeville led the metro in building activity for the month with 102 units permitted in November. Edina followed with 42 units permitted, Albertville was next with 37 units permitted, followed by Maple Grove with 30 and Farmington at 26.

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November 2008 Building Activity

Past Twelve Months

	Permits	Permitted Units	Permit Value
November 2007	380	615	150,337,378
December 2007	275	557	112,192,768
January 2007	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

Five-Year Comparisons

	Permits	Permitted Units	Permit Value
November 2004	816	1,449	263,520,707
November 2005	793	1,432	298,690,509
November 2006	492	866	178,135,497
November 2007	380	615	150,337,378
November 2008	206	420	84,035,773

	Permits	Permitted Units	Permit Value
YTD 2004	10,073	17,010	3,038,984,769
YTD 2005	9,301	16,132	3,009,608,234
YTD 2006	6,918	11,991	2,422,635,022
YTD 2007	4,613	8,384	1,698,095,061
YTD 2008	2,642	5,175	1,059,751,664

Multifamily Construction as a Percentage of Total Activity

Dec - 07	Jan - 08	Feb - 08	Mar - 08	Apr - 08	May - 08	Jun - 08	Jul - 08	Aug - 08	Sep - 08	Oct - 08	Nov - 08	YTD - 08
55	43	29	14	43	53	39	70	71	54	76	58	54

Top Cities for Building Activity

Nov.				2008 Year-to-Date			
Permits		Permitted Units		Permits		Permitted Units	
Maple Grove	20	Lakeville	102	Maple Grove	209	Bloomington	464
Blaine	15	Edina	42	Blaine	180	Minneapolis	412
Rosemount	10	Albertville	37	Woodbury	161	Lakeville	409
Lakeville	9	Maple Grove	30	Lakeville	146	Woodbury	332
Shakopee	9	Farmington	26	Shakopee	96	Maple Grove	310

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.