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Twin Cities Residential Construction Permits Continue Upward Momentum

Roseville, MN (November 4, 2009) – October building permit activity in the region continues to show signs of improvement. Residential permits issued last month climbed 53 percent over October 2008, and were at the highest level since November, 2007

According to statistics compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 326 permits for a total of 401 units permitted during the month of October 2009, and a total of 3,408 units have been permitted year-to-date in 2009.

The increase in permits suggests that demand for single-family homes has begun to improve, although some of this gain may be attributable to the Federal first-time homebuyer tax credit which is slated to expire by the end of November.

“The first-time home buyer credit has been a shot-in-the-arm for the home building industry and the economy as a whole,” says BATC President Mike Swanson. “As home prices stabilize and families begin to feel better about investing in a home, now is not the time to put the brakes back on. Remember, this is not a bailout for builders, its about fixing the economy which is directly linked to the declining value of housing and the wealth of the average American whose long term financial asset has always been housing. If this decline is not stopped, we will be heading right back into a recession, if not a full depression.

“We’re pleased that the Senate has included an extention and expansion of the credit in a recent bill, and hope they will pass this bill and send it to President Obama for his signature by week’s end.” Swanson says.

Shakopee led the metro in building activity for the month with 56 units permitted in October. Blaine followed with 47 units, Woodbury was next with 40, followed by Maple Grove with 26 and Lakeville with 20.

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October 2009 Building Activity

Past Twelve Months

	Permits	Permitted Units	Permit Value
October 2008	212	628	116,991,808
November 2008	206	420	84,035,773
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 2008	238	332	77,741,321
July 2009	238	269	60,752,708
August 2008	264	542	93,071,986
September 2009	235	437	49,788,000
September 2009	326	401	92,684,459

Five-Year Comparisons

	Permits	Permitted Units	Permit Value
October 2005	853	1,547	287,716,677
October 2006	455	871	180,069,028
October 2007	299	619	122,686,830
October 2008	212	628	116,991,808
October 2009	326	401	92,684,459

	Permits	Permitted Units	Permit Value
YTD 2005	8,508	14,700	2,734,310,012
YTD 2006	6,364	11,039	2,221,212,149
YTD 2007	4,232	7,761	1,546,817,683
YTD 2008	2,435	4,754	975,158,891
YTD 2009	2,076	3,408	682,211,838

Multifamily Construction as a Percentage of Total Activity

Nov - 08	Dec - 08	Jan - 09	Feb - 09	Mar - 09	Apr - 09	May - 09	Jun - 09	Jul - 09	Aug - 09	Sep - 09	Oct - 09	YTD - 09
58	36	63	14	24	24	22	33	21	53	49	29	43

Top Cities for Building Activity

September				2009 Year-to-Date			
Permits		Permitted Units		Permits		Permitted Units	
Shakopee	54	Shakopee	56	Shakopee	264	Shakopee	281
Blaine	30	Blaine	47	Blaine	158	Blaine	212
Maple Grove	24	Woodbury	40	Maple Grove	144	Woodbury	205
Woodbury	23	Maple Grove	26	Woodbury	143	St. Paul	180
Lakeville	20	Lakeville	20	Lakeville	109	Maplewood	179

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.