

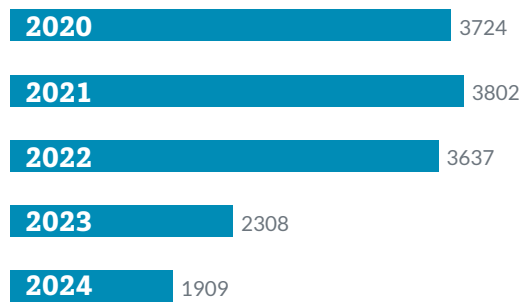


April 2024
Volume XII, Issue: 4

“Minnesota’s spring housing market is off and running as more buyers are ready to buy. Twin Cities homebuilders continue to rise to the occasion, stepping up their production to meet the needs of eager buyers.”

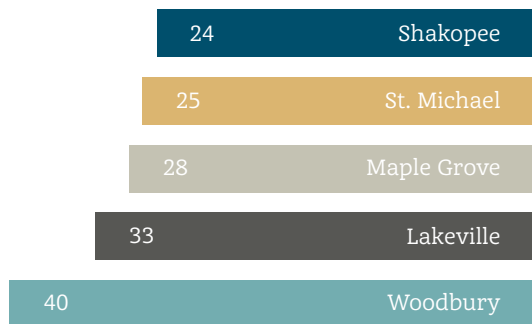
Art Pratt, board chair of Housing First Minnesota

Twin Cities Building Activity



Units Authorized Year-to-Date March 2020-2024

SOURCE: KEYSTONE REPORT



March Top Cities for Residential Permits

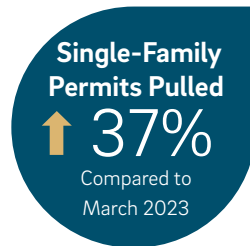
SOURCE: KEYSTONE REPORT

[Housing First Minnesota]

Twin Cities Homebuilding Sees Surge in Activity

Metro homebuilders had another positive month of permitting activity with 405 permits pulled for single-family homes in March, a 37% increase from the same time last year.

Activity in the multifamily construction sector, however, saw a severe decline in overall activity with permits pulled for just six units – a 168% decrease compared to this same time last year.



“Minnesota’s spring housing market is off and running as more buyers are ready to buy,” said Art Pratt, 2024 board chair of Housing First Minnesota. “Twin Cities homebuilders continue to rise to the occasion, stepping up their production to meet the needs of eager buyers.”

There were 408 permits issued for a total of 411 units during four comparable weeks in March, according to the Keystone Report.

“While homebuilding continues at a strong pace, affordability and supply challenges remain in our housing market,” said James Vagle, CEO of Housing First Minnesota.

“These issues must be addressed by the legislature this session.”

For the month in permits, Woodbury took the top spot with 40 permits issued. Lakeville came in next with 33 permits. Maple Grove was third highest with 28. St. Michael was fourth with 25 permits and Shakopee rounded out the top five with 24.

For the month in units, Woodbury came in on top with 40 permitted units. Lakeville came next with 33 units, followed by Maple Grove with 28 units. St. Michael came in fourth with 25 units. Shakopee rounded out the top five with 24 permitted units.

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[Minneapolis Area REALTORS® and the Saint Paul Area Association of REALTORS®]

Spring Market Continues Budding; Buyers Seeing More Options

According to new data from Minneapolis Area REALTORS® and the Saint Paul Area Association of REALTORS®, both buyer and seller activity rose in March. Inventory levels and prices were also higher.

With warmer temperatures comes heightened homebuyer and seller activity. Metro-wide, we’ve now

seen five consecutive year-over-year increases in new listings and four consecutive increases in pending sales. During the first quarter (YTD), seller activity rose 17.9% while pending sales were up 9.4%. That’s allowed inventory levels to also rise – most recently up 8.4% to 6,879 active listings.

Perhaps surprisingly, REALTORS® still report multiple offer situations in some markets and price points. If rates were to ease further toward 6.0%, that will continue. Listings spent 6.9% fewer days on market compared to last March.

“We’re in a unique place. The market remains tight even as we

see it loosening a bit with more inventory and more buyers coming out to shop,” said Amy Peterson, president of the Saint Paul Area Association of REALTORS®. “A market like this is never monolithic. Every price point, segment and area are different – sometimes very different.”

March 2024 Metro Building Activity

Metro homebuilders had another positive month of permitting activity with 405 permits pulled for single-family homes in March, a 37% increase from the same time last year.



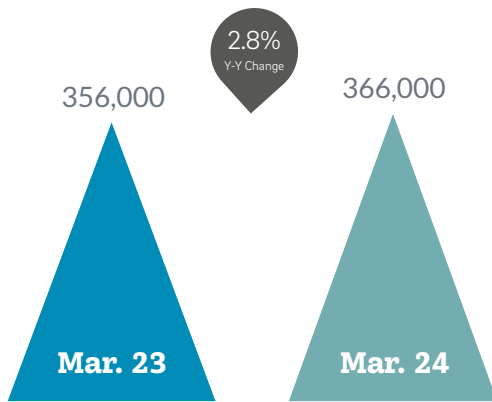
21.8%
Y-Y Change

Units YTD:
1,909

Multifamily
2%
of Twin Cities Housing
Units Authorized

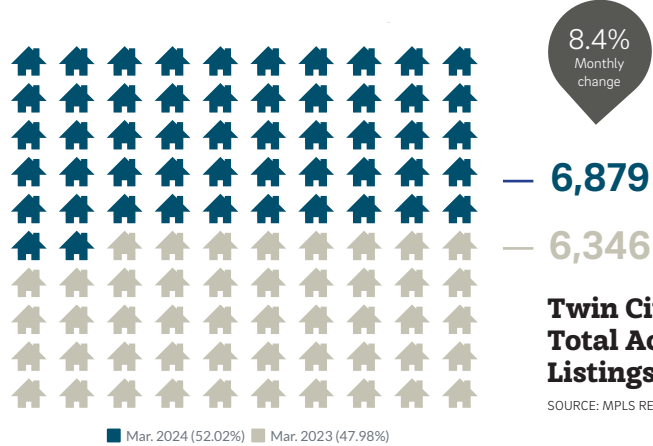
Twin Cities Housing Permits Authorized

SOURCE: KEYSTONE REPORT

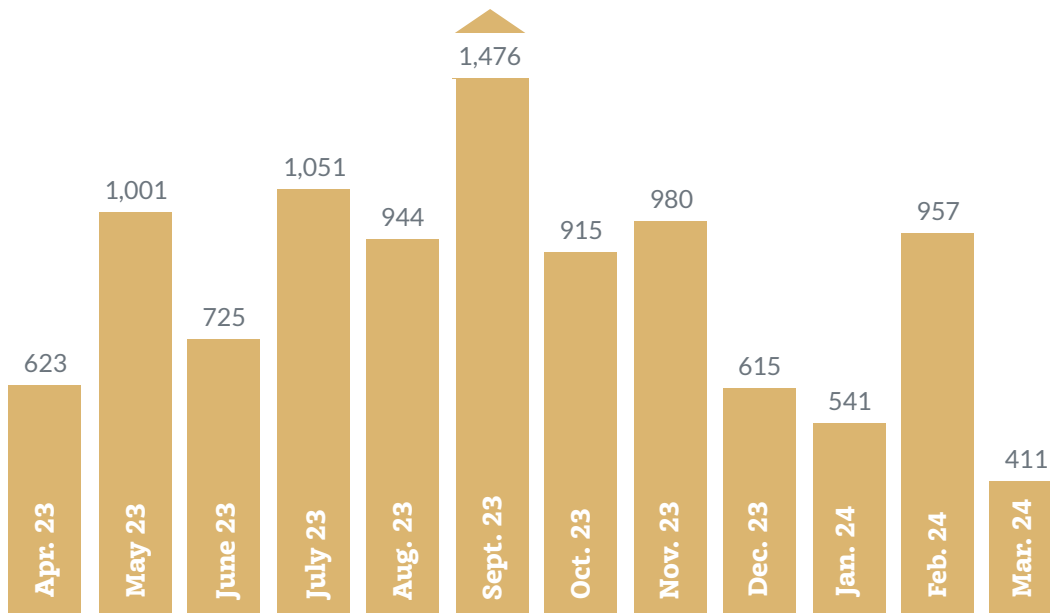


Twin Cities Median Home Price

SOURCE: MPLS REALTORS



SOURCE: MPLS REALTORS



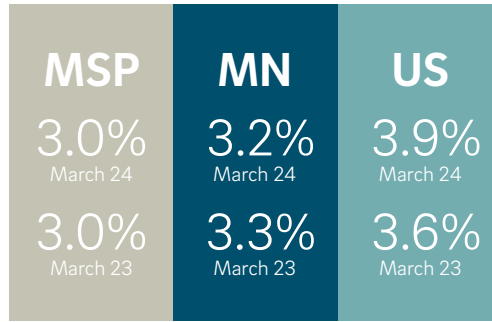
Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

Employment

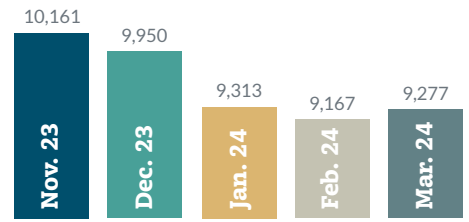
Minnesota's non-seasonally adjusted unemployment dropped to 3.2% in March, according to the Minnesota Department of Employment and Economic Development. This is compared to the February rate of 3.6%.

The national unemployment rate also saw a slight tick down from 4.2% in February to 3.9% in March. Construction employment in Minnesota reported a gain of 2,700 jobs.



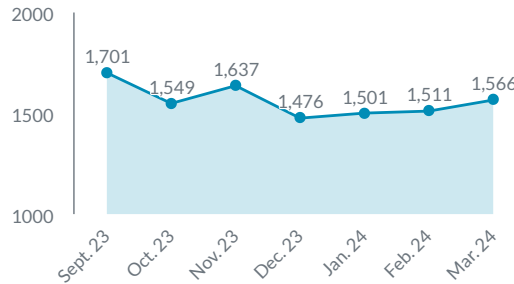
Unemployment Rate Snapshot

SOURCE: DEED-MN



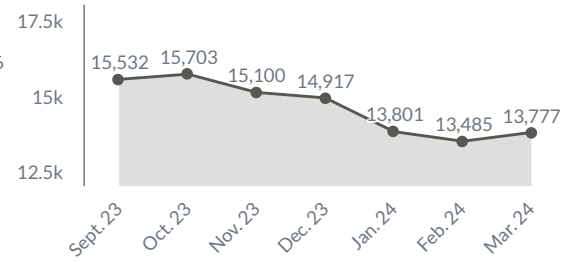
Twin Cities Construction Employment

SOURCE: DEED-MN



Twin Cities Construction Weekly Wages

SOURCE: DEED-MN



MN Construction Employment

SOURCE: DEED-MN



MN Housing Units Authorized

SOURCE: US CENSUS



US Housing Units Authorized

SOURCE: US CENSUS

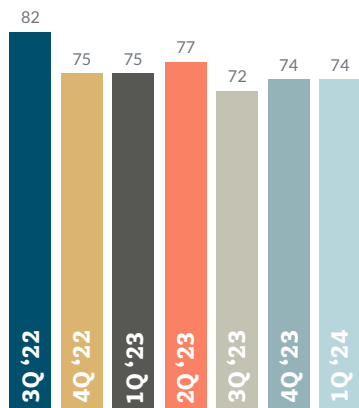
Regional/National Statistics

Existing-home sales fell 4.3% in March according to the National Association of REALTORS®.

Regionally, sales in the Northeast increased 4.2% but were down 1.9% in the Midwest. In the South, sales were down 5.9% over the previous month, and the West saw the largest decrease at 8.2%.

Remodeling Market Indices

SOURCE: NAHB



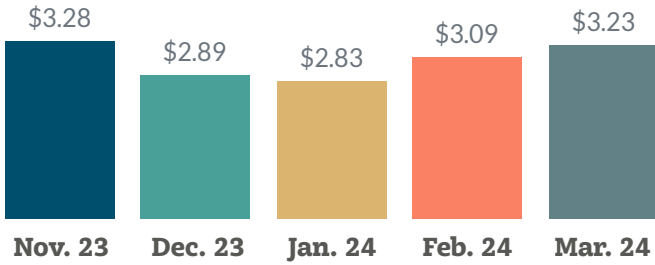
Current

Futures

Key Indicators

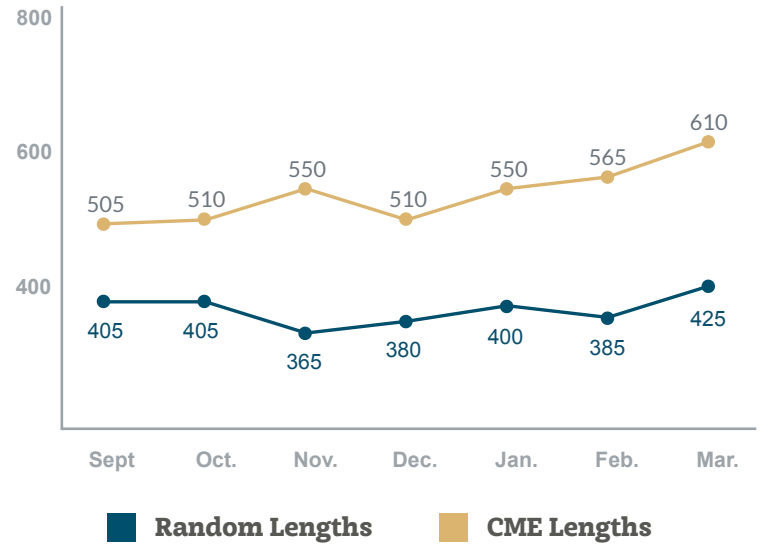
Despite rising mortgage rates, new home sales in March increased 8.3% over last year, according to the National Association of Homebuilders (NAHB). Regionally, on a year-to-date basis, new home sales are up 15.1% in the Northeast, 17.8% in the Midwest and 28.1% in the West. New home sales are down 6.6% in the South.

"Although consumer demand has been somewhat dampened due to higher interest rates, builders continue to supply new homes to the market to lift inventory to make up for the low resale supply," said Carl Harris, chairman of NAHB.



MN Monthly Retail Gasoline Prices

SOURCE: ENERGY INFORMATION ADMIN



Framing Lumber

SOURCE: NAHB

MINNESOTA HOUSING INDUSTRY NEWS

THE MINNESOTA HOUSING INDUSTRY NEWS SOURCE BY HOUSING FIRST MINNESOTA

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LATEST NEWS

U.S. Supreme Court Hands Down Ruling on Impact Fee Case

In 2016, property owner George Sheetz bought a parcel of land where he hoped to place a manufactured home. Before Sheetz could get a building permit, the County conditioned approval of the permit on the payment of a \$23,000 traffic impact fee. Sheetz sued, arguing the imposition of the fee sidestepped the Constitution's Fifth Amendment...

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