

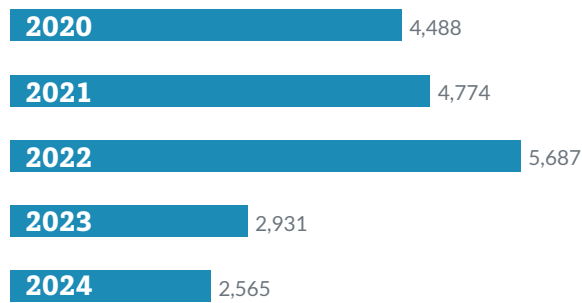


May 2024  
Volume XII, Issue: 5

“Our market continues to be impacted by high interest rates. However, with our region severely short of homes, there’s a strong resilience within the industry. Builders are not just problem solvers; they’re innovators, constantly seeking new ways to meet the ever-evolving demands of the market.”

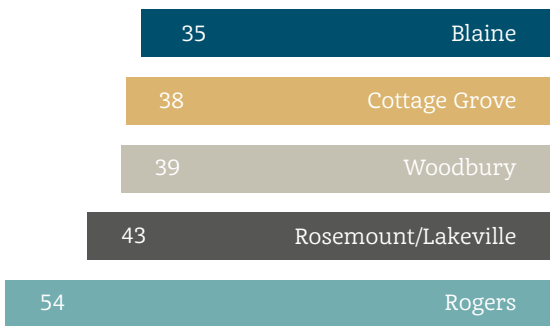
Art Pratt, board chair of Housing First Minnesota

## Twin Cities Building Activity



### Units Authorized Year-to-Date April 2020-2024

SOURCE: KEYSTONE REPORT



### April Top Cities for Residential Permits

SOURCE: KEYSTONE REPORT

[Housing First Minnesota]

## Twin Cities Homebuilding Remains Strong Despite Interest Rate Woes

Homebuilding in the Twin Cities stayed on a positive streak for the month of April with 541 single-family home permits pulled – a 40% jump over the same time last year.

However, multifamily construction activity continued to see declines. Builders pulled permits for only 115 multifamily units during the month of April. This is a 55% decrease in activity year-over-year.

“Our market continues

to be impacted by high interest rates,” said Art Pratt, 2024 board chair of Housing First Minnesota. “However, with our region severely short of homes, there’s a strong resilience within the industry. Builders are not just problem solvers; they’re innovators, constantly seeking new ways to meet the ever-evolving demands of the market.”

There were 553 permits issued for a total of 656 units during four comparable weeks in April, according to the Keystone Report.

“The Legislature’s lack of action to address the issues of housing supply this session is cause for concern,” said James Vagle, CEO of Housing First Minnesota. “We

cannot afford to wait any longer to address these pressing issues. It is time for Minnesota to act and to allow starter homes to be built again.”

For the month in permits, Rogers took the top spot with 54 permits issued. Rosemount and Lakeville came in next with 43 permits each. Woodbury was third highest with 39. Cottage Grove was fourth with 38 permits and Blaine rounded out the top five with 35.

For the month in units, Plymouth came in on top with 75 permitted units. Rosemount came next with 67 units, followed by Rogers with 54 units. Lakeville came in fourth with 43 units. Woodbury rounded out the top five with 42 permitted units.



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

## Listings Are Up More Than Sales Meaning Buyers Are Seeing More Options

According to new data from Minneapolis Area REALTORS® and the Saint Paul Area Association of REALTORS®, both listings and sales rose compared to last year at this time. Prices and inventory levels were also higher.

May and June tend to be the busiest times of year for buying and selling homes. This year has seen

growth in both listings and sales compared to 2023. Through April, seller activity is up 19.3% while buyer activity is up 9.1%. Even with that increase in inventory, we’d need about 20,000 active listings to have a balanced market and we have under 8,000.

Overall, sellers accepted offers just shy of full list price (99.9%),

which was actually down a hair from last year. Moreover, they got those offers after an average of 45 days on market, which was faster than last year. That also varied by price point and area. Single-family homes are selling after 43 days, but condos are taking 74 days.

“This is a market where both sides really can be successful with their

needs but may not get all of their wants,” said Jamar Hardy, president of Minneapolis Area REALTORS®.

“It’s okay to be excited about more inventory, but people should know that we still have an undersupplied market which means sellers have the advantage overall.”

# April 2024 Metro Building Activity

Metro homebuilders had another positive month of permitting activity with 541 permits pulled for single-family homes in April, a 40% increase from the same time last year.



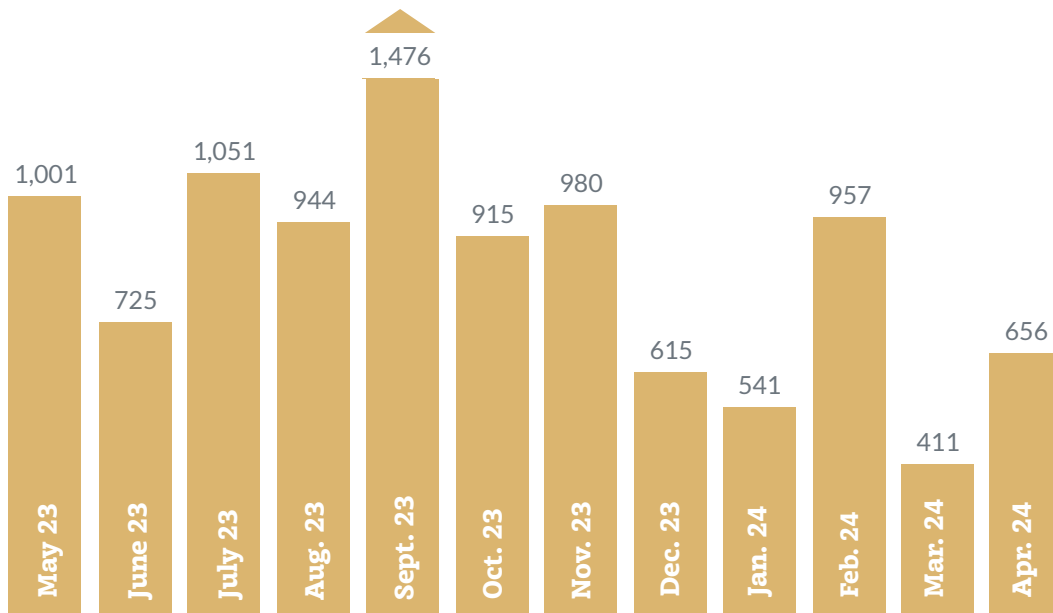
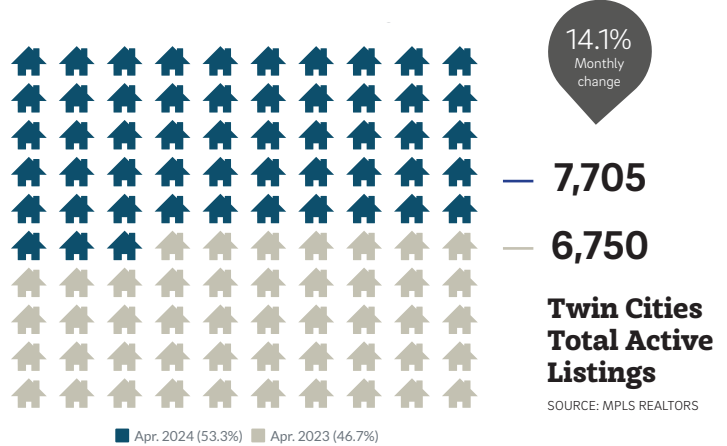
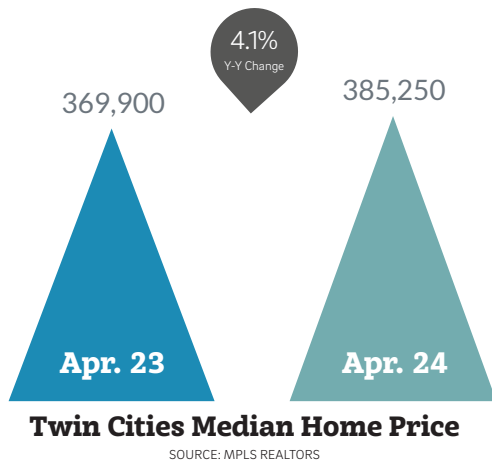
38.0%  
Y-Y Change

**Units YTD:**  
**2,565**

**Multifamily**  
**18%**  
of Twin Cities Housing  
Units Authorized

## Twin Cities Housing Permits Authorized

SOURCE: KEYSTONE REPORT



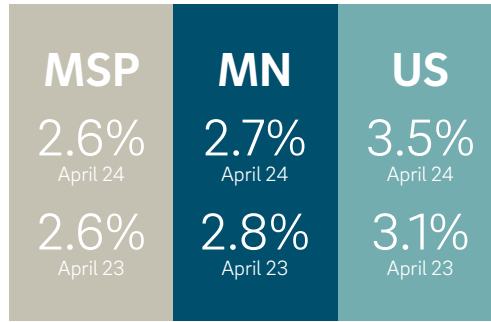
## Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

# Employment

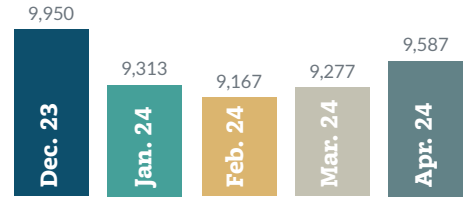
Minnesota's non-seasonally adjusted unemployment dropped to 2.7% in April, according to the Minnesota Department of Employment and Economic Development. This is compared to the March rate of 3.2%.

The national unemployment rate also saw a tick down from 3.9% in March to 3.5% in April. Construction employment in Minnesota reported a gain of 1,100 jobs.



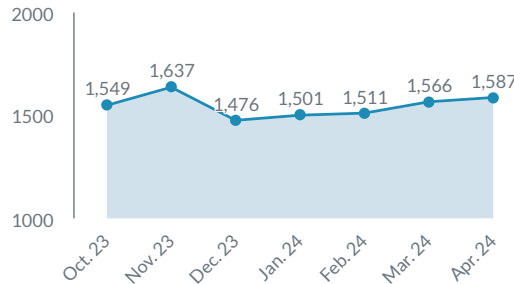
**Unemployment Rate Snapshot**

SOURCE: DEED-MN



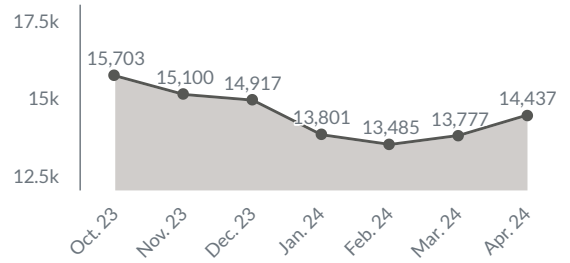
**Twin Cities Construction Employment**

SOURCE: DEED-MN



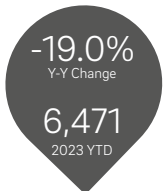
**Twin Cities Construction Weekly Wages**

SOURCE: DEED-MN



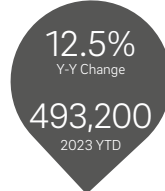
**MN Construction Employment**

SOURCE: DEED-MN



**MN Housing Units Authorized**

SOURCE: US CENSUS



**US Housing Units Authorized**

SOURCE: US CENSUS

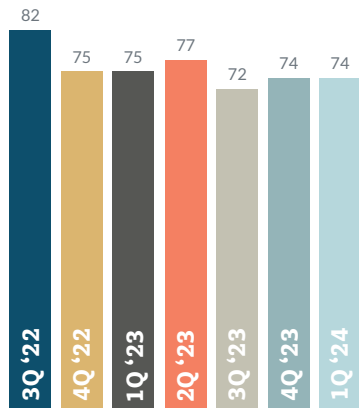
# Regional/National Statistics

Existing-home sales fell 1.9% in April, according to the National Association of REALTORS®.

Regionally, sales in the Northeast decreased 4% and were down 1% in the Midwest. In the South, sales retreated 1.6% over the previous month, and the West saw sales wane 2.6%.

## Remodeling Market Indices

SOURCE: NAHB



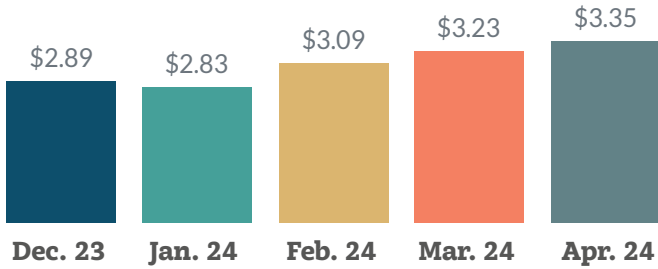
**Current**

**Futures**

## Key Indicators

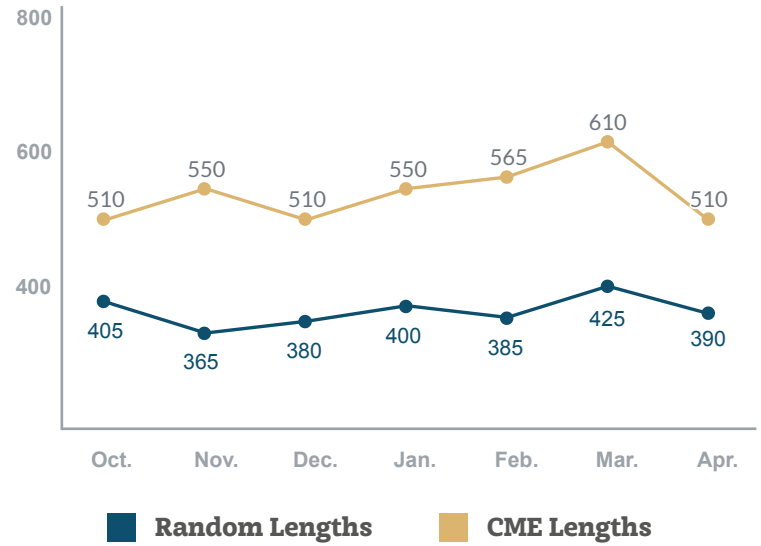
At the start of the year, many expected the Federal Reserve to begin cutting interest rates. However, the Fed, throughout the first half of the year, has made no changes to their baseline rates. According to Freddie Mac, mortgage rates crossed the 7% threshold in mid-April and jumped to an average of 7.17% for 30-year, fixed-rate loans by the end of the month.

"The housing market has always been interest rate sensitive. When rates go up, we tend to see less activity," said Realtor.com chief economist Danielle Hale. "The housing market is even more rate sensitive now because many people are locked into low mortgage rates and because first-time buyers are really stretched by high prices and borrowing costs."



**MN Monthly Retail Gasoline Prices**

SOURCE: ENERGY INFORMATION ADMIN



**Framing Lumber**

SOURCE: NAHB

**HOUSING FIRST • MN**

VIRTUAL

# Membership Town Hall

## Legislative Session Wrap-Up

Monday, June 10 | 12 PM