

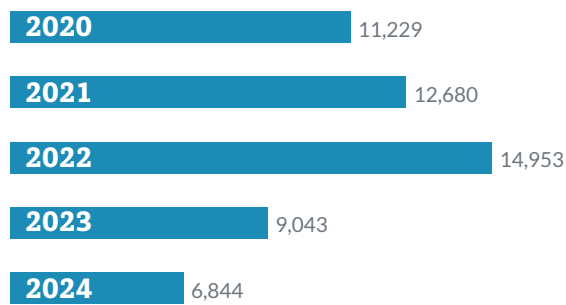


November 2024
Volume XII, Issue: 11

“Demand for new homes remains strong as we approach the last quarter of the year. Even with mortgage rates beginning to rise again, buyers are not willing to sit on the sidelines.”

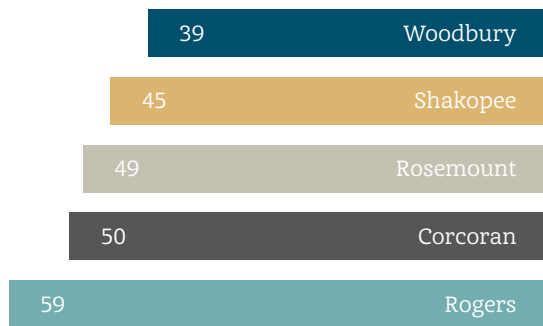
Art Pratt, board chair of Housing First Minnesota

Twin Cities Building Activity



Single-Family and Multifamily Units Authorized Year-to-Date - Oct. 2020-2024

SOURCE: KEYSTONE REPORT



October Top Cities for Residential Permits

SOURCE: KEYSTONE REPORT

[Housing First Minnesota]

Fall Homebuilding Ends on a Strong Note

Despite mortgage rates beginning to increase, Twin Cities homebuilding was strong in November. Metro homebuilders pulled 664 permits for single-family homes – a 13% increase over the same time last year.

Multifamily construction, however, posted its first year-over-year increase since February. Builders pulled permits for 354 multifamily units in November which is a 6% jump in activity from last year.

“Demand for new homes remains strong as we approach the last quarter of the year,” stated Art Pratt, chair of Housing First Minnesota. “Even with mortgage rates beginning to rise again, buyers are not willing to sit on the sidelines.”

There were 675 permits issued for a total of 1,018 housing units during the four comparable weeks in November, according to the Keystone Report.

“Strong activity in both sectors of the market this month is encouraging,” said James Vagle, CEO of Housing First Minnesota. “Despite this increase, the Minnesota housing market continues to lack adequate

housing supply. Unless legislative action, like zoning reform, is taken, this crisis will only continue to worsen.”

For the month in permits, Rogers took the top spot with 59 permits issued. Corcoran came in next with 50 permits. Rosemount was third highest with 49. Shakopee was fourth with 45 permits and Woodbury rounded out the top five with 39.

For the month in units, Bloomington came in on top with 208 permitted units. Rogers came next with 59 units, followed by Rosemount with 49 units. Burnsville came in fourth with 48 units. Shakopee rounded out the top five with 45 permitted units.



LOVE INDUSTRY DATA & NEWS?

STAY UP TO DATE ON INDUSTRY NEWS AT HOUSINGINDUSTRYNEWS.ORG

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

Sizable Gains In Listings and Sales Despite Rate Environment

According to new data from the Minnesota state and Twin Cities metro REALTOR® associations, listings, sales, prices and inventory all rose in November.

Mortgage rates hovered between 6.0–7.0% all month long, but buyers seem to be adjusting to the current rate environment as pending sales rose a strong 10.4% statewide and 14.3% in the metro.

The pent-up activity is on the supply side, too. Most sellers are also buyers, and those who chose to delay their move are getting restless. While they’ll be met with more inventory, they may not see the most ideal interest rate. Still, new listings were up 9.1% statewide and 8.7% in the metro compared to last November.

Every area and market segment is unique. Some listings are

getting multiple offers and closing for over list price. But overall, sellers accepted offers at 97.1% of list price statewide and 97.8% in the metro—both down from last year. And those offers were accepted after an average of 42 days on market statewide and 45 days in the metro—both figures up from a year ago.

“We’re seeing different activity in different price points, areas and

segments such as condos or new construction,” said Jamar Hardy, president of Minneapolis Area REALTORS®. “What’s impacting \$1M+ buyers isn’t necessarily on the mind of a \$300,000 buyer, and condos and new construction are better supplied and more accessible than the existing single-family market, for example.”

October 2024 Metro Building Activity

Metro homebuilders had an increase this month of permitting activity with 664 permits pulled for single-family homes in October, a 13% increase from the same time last year.



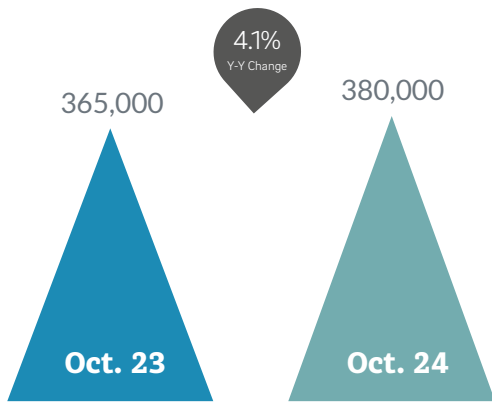
+13.0%
Y-Y Change

Units YTD:
6,844

Multifamily
35%
of Twin Cities Housing
Units Authorized

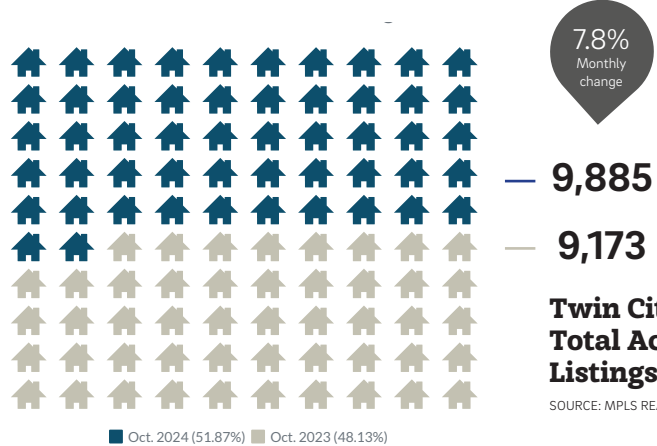
Twin Cities Housing Permits Authorized

SOURCE: KEYSTONE REPORT

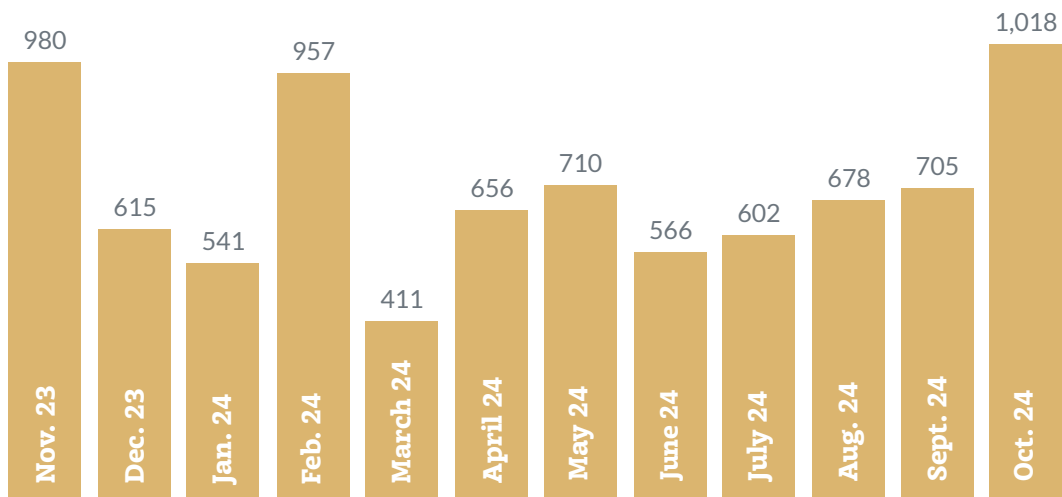


Twin Cities Median Home Price

SOURCE: MPLS REALTORS



SOURCE: MPLS REALTORS



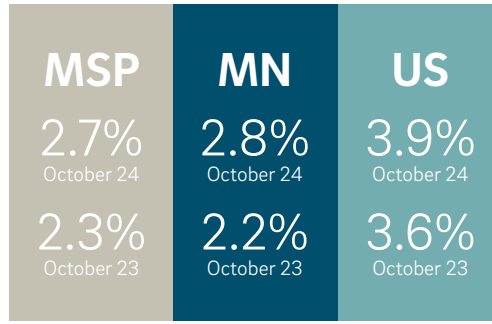
Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

Employment

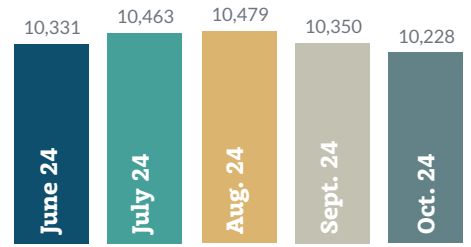
Minnesota's non-seasonally adjusted unemployment rate was unchanged in October at 3.4%, according to the Minnesota Department of Employment and Economic Development.

The national unemployment rate also remained at the same level from the previous month at 4.1%. Construction employment in Minnesota saw a decrease from September with a loss of 1,100 jobs.



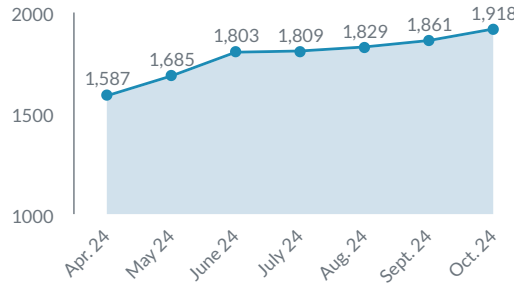
Unemployment Rate Snapshot

SOURCE: DEED-MN



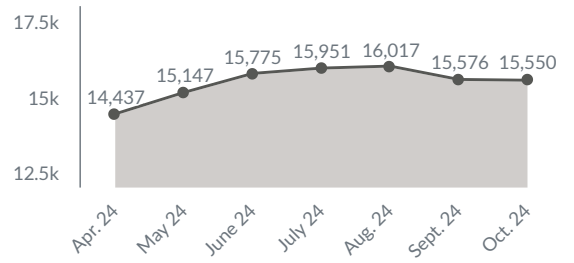
Twin Cities Construction Employment

SOURCE: DEED-MN



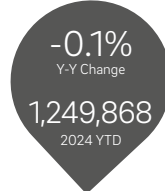
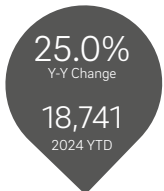
Twin Cities Construction Weekly Wages

SOURCE: DEED-MN



MN Construction Employment

SOURCE: DEED-MN



MN Housing Units Authorized

SOURCE: US CENSUS



US Housing Units Authorized

SOURCE: US CENSUS

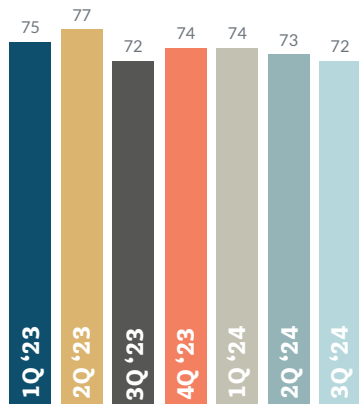
Regional/National Statistics

Existing-home sales climbed 3.4% in October, according to the National Association of REALTORS®.

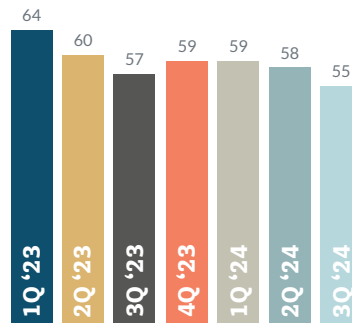
Regionally, sales in the Northeast increased 2.2% in September and 6.7% in the Midwest. Sales of existing homes in the South grew 2.9% throughout the month and sales in the West increased 1.3% from the previous month.

Remodeling Market Indices

SOURCE: NAHB



Current

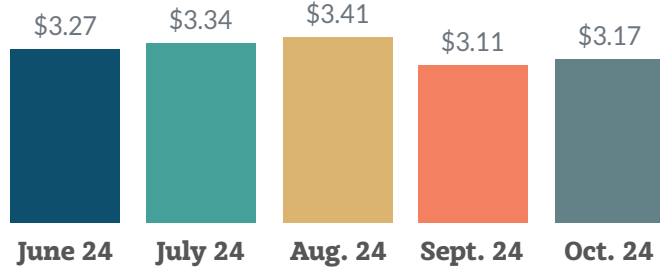


Futures

Key Indicators

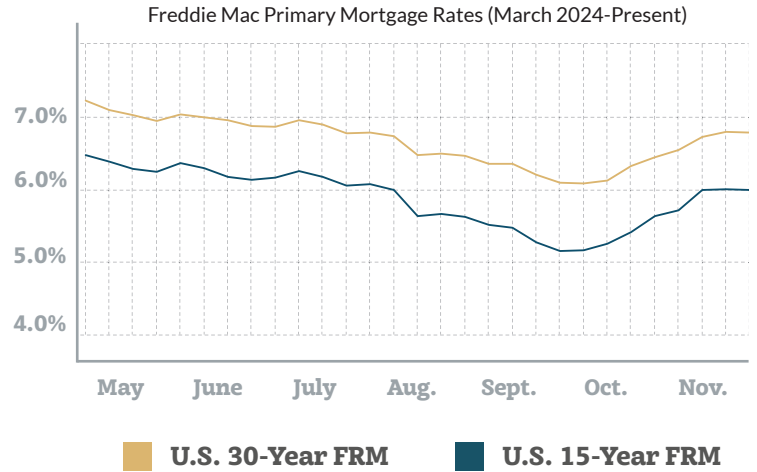
Builder sentiment improved for the third straight month and builders expect market conditions will continue to improve with Republicans winning control of the White House and Congress. Builder confidence in the market for newly built single-family homes was 46 in November, up three points from October, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI).

"With the elections now in the rearview mirror, builders are expressing increasing confidence that Republicans gaining all the levers of power in Washington will result in significant regulatory relief for the industry that will lead to the construction of more homes and apartments," said NAHB Chairman Carl Harris.



MN Monthly Retail Gasoline Prices

SOURCE: ENERGY INFORMATION ADMIN



Mortgage Rates

SOURCE: FREDDIE MAC

MINNESOTA HOUSING INDUSTRY NEWS

THE MINNESOTA HOUSING INDUSTRY NEWS SOURCE BY HOUSING FIRST MINNESOTA

[NEWS](#) [VIDEO](#) [ABOUT](#) [ARCHIVE](#)

LATEST NEWS

Federal Reserve announces rate cut

The Federal Reserve announced today that they would cut interest rates for the first time since March 2020. This marks a pivotal shift after nearly two years of elevated borrowing costs. After a series of rate hikes aimed at curbing inflation, the Fed's pivot to lowering rates reflects its growing concerns over slowing economic growth...

[Read More >](#)

LEARN MORE AT

HousingIndustryNews.org

