

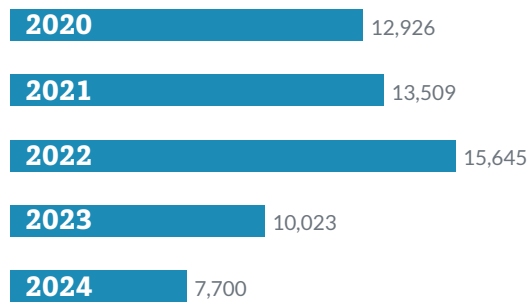


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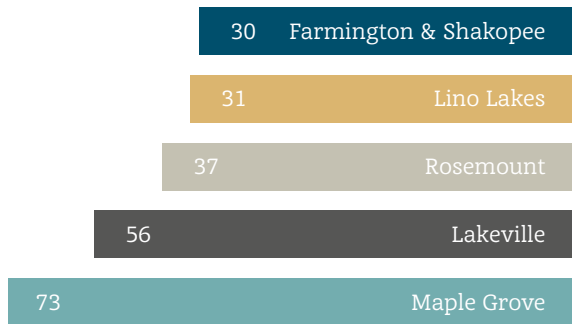
Art Pratt, board chair of Housing First Minnesota

Twin Cities Building Activity



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

SOURCE: KEYSTONE REPORT



November Top Cities for Residential Permits

SOURCE: KEYSTONE REPORT

[Housing First Minnesota]

Homebuilding Holds Steady in November

Twin Cities homebuilding continued to show resilience in November. Metro homebuilders pulled 660 permits for single-family homes during the month of November – a 15% increase over the same time last year.

Multifamily construction, however, saw a decrease in activity from the previous month. Builders pulled permits for 196 multifamily units in November which is a 45% drop in activity from October.

"It is encouraging to see steady activity in the homebuilding sector as we begin to close out the year," said Art Pratt, board chair of Housing First Minnesota. "The demand for new homes is strong, and homebuilders are ready to respond to that need."

There were 670 permits issued for a total of 856 housing units during the four comparable weeks in November, according to the Keystone Report.

"The steady growth in the homebuilding space reflects a desire for homeownership opportunities in Minnesota," said James Vagle, CEO of Housing First Minnesota. "As the legislature prepares to convene for the 2025 session, we call on legislators to address the systemic regulatory

issues and hurdles directly impacting homeownership access for so many Minnesotans."

For the month in permits, Maple Grove took the top spot with 73 permits issued. Lakeville came in next with 56 permits. Rosemount was third highest with 37. Lino Lakes was fourth with 31 permits. Farmington and Shakopee rounded out the top five with 30 permits each.

For the month in units, Burnsville came in on top with 172 permitted units. Maple Grove came next with 73 units, followed by Lakeville with 56 units. Rosemount came in fourth with 37 units. Lino Lakes rounded out the top five with 31 permitted units.



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

Sellers Slower, Buyers Busier, Inventory Increasing

According to new residential market data from the Minnesota state and Twin Cities metro REALTOR® associations, sales, prices and inventory all rose in November while seller activity was down slightly.

With 11 months in the books so far, we're getting a clear picture of how the 2024 housing market performed relative to past years. For November, pending sales statewide rose for a second

month in a row while new listings showed their first decline in three months.

Buyers remain rate-sensitive, though perhaps less than in the recent past. In November, the 30-year mortgage rate averaged its highest level since July of this year. Despite that, statewide pending sales rose 8.5%, their second largest increase in eight months. This could signify a growing acceptance of the current

rate environment. There's also a high degree of pent-up demand to make a move. But listings declined 0.9% in November, which was essentially flat.

"I see buyers showing more interest yet also being more cautious," said Jamar Hardy, president of Minneapolis Area REALTORS®. "And part of that is that they're slowly but surely seeing more options hit the marketplace. Minneapolis and the

surrounding suburbs in particular offer a wide array of housing options across the entire price spectrum."

The statewide median home price was up 4.4% to \$340,000 while the Twin Cities price was up 3.4% to \$375,000. Aside from more choices for buyers, improved housing supply should also translate to less upward price pressure and thus more modest price growth.

November 2024 Metro Building Activity

Metro homebuilders had an increase in permitting activity this month with 660 permits pulled for single-family homes in November, a 15% increase from the same time last year.



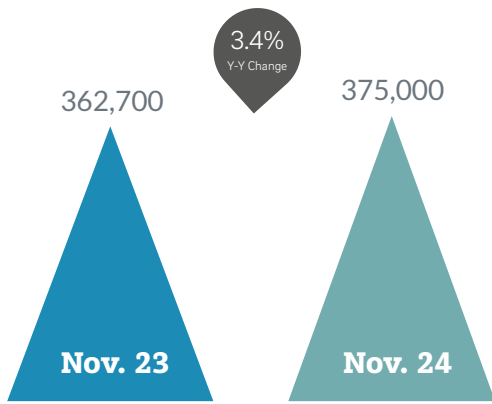
+13.0%
Y-Y Change

Units YTD:
7,700

Multifamily
-13%
of Twin Cities Housing
Units Authorized

Twin Cities Housing Permits Authorized

SOURCE: KEYSTONE REPORT



Twin Cities Median Home Price

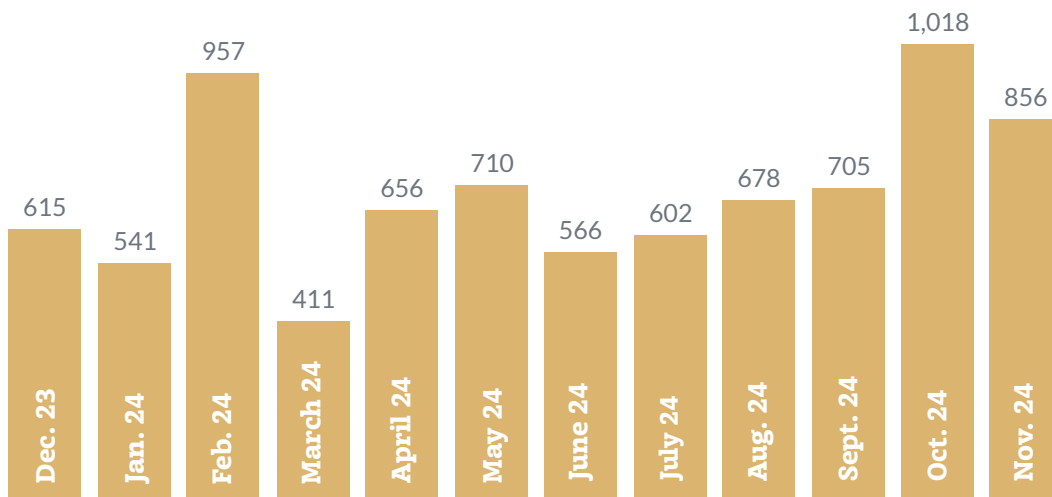
SOURCE: MPLS REALTORS



Twin Cities Total Active Listings

SOURCE: MPLS REALTORS

■ Nov. 2024 (50.61%) ■ Nov. 2023 (49.39%)



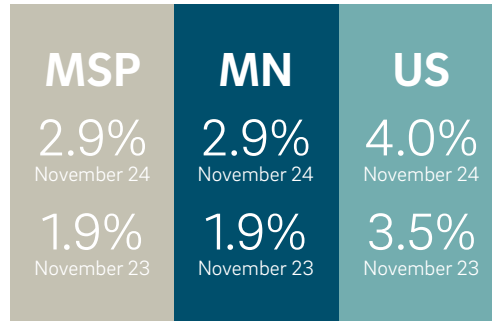
Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

Employment

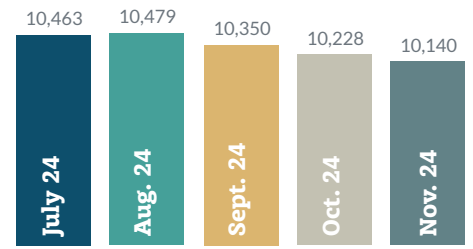
Minnesota's non-seasonally adjusted unemployment rate increased in November to 2.9%, according to the Minnesota Department of Employment and Economic Development. This is compared to the October rate of 2.6%

The national unemployment rate also saw an uptick from 3.9% in October to 4% in November. Construction employment in Minnesota saw a gain of 2,800 jobs across all areas of the construction sector.



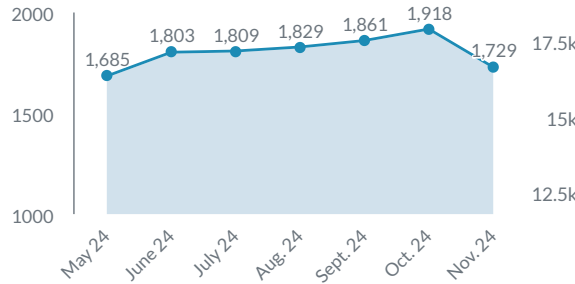
Unemployment Rate Snapshot

SOURCE: DEED-MN



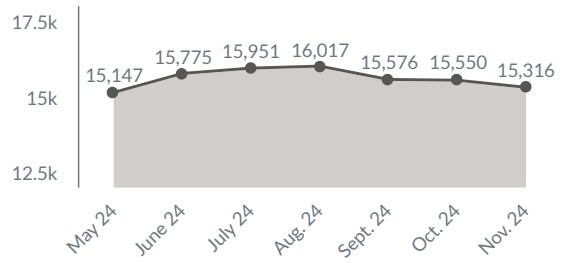
Twin Cities Construction Employment

SOURCE: DEED-MN



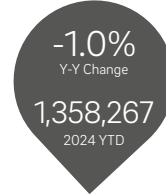
Twin Cities Construction Weekly Wages

SOURCE: DEED-MN



MN Construction Employment

SOURCE: DEED-MN



MN Housing Units Authorized

SOURCE: US CENSUS



US Housing Units Authorized

SOURCE: US CENSUS

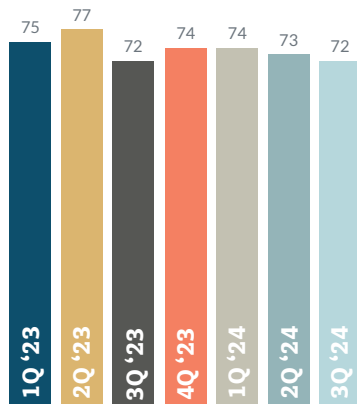
Regional/National Statistics

Existing-home sales climbed 4.8% in November, according to the National Association of REALTORS®.

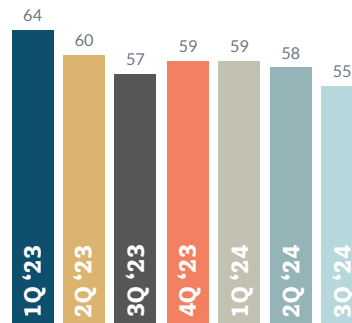
Regionally, sales in the Northeast increased 8.5% in November and 5.3% in the Midwest. Sales of existing homes in the South grew 5.6% throughout the month and sales in the West were unchanged from the previous month.

Remodeling Market Indices

SOURCE: NAHB



Current

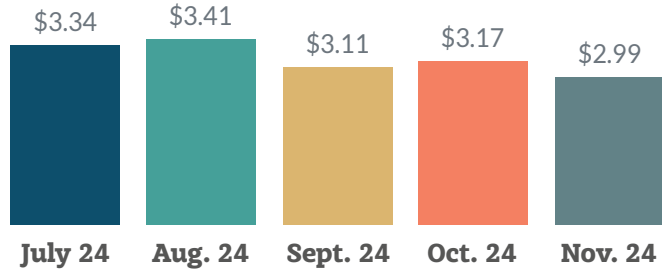


Futures

Key Indicators

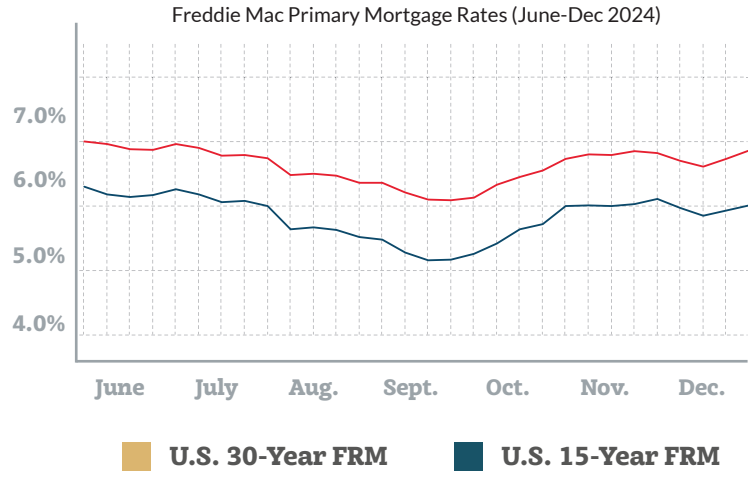
Builder confidence in the market for newly built single-family homes was 46 in December, the same reading as last month, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) released today.

"NAHB is forecasting additional interest rate cuts from the Federal Reserve in 2025, but with inflation pressures still present, we have reduced that forecast from 100 basis points to 75 basis points for the federal funds rate," said NAHB Chief Economist Robert Dietz. "Concerns over inflation risks in 2025 will keep long-term interest rates, like mortgage rates, near current levels with mortgage rates remaining above 6%."



MN Monthly Retail Gasoline Prices

SOURCE: ENERGY INFORMATION ADMIN



Mortgage Rates
SOURCE: FREDDIE MAC

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