

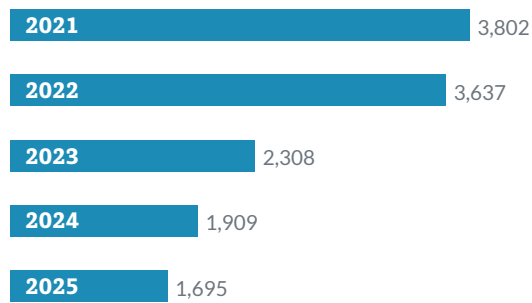


April 2025  
Volume XIII, Issue: 4

“Despite continued challenges from high mortgage rates, buyer interest in new homes remains steady. The spring season is an important time in the housing market and builders are looking ahead with optimism and are prepared to meet market needs.”

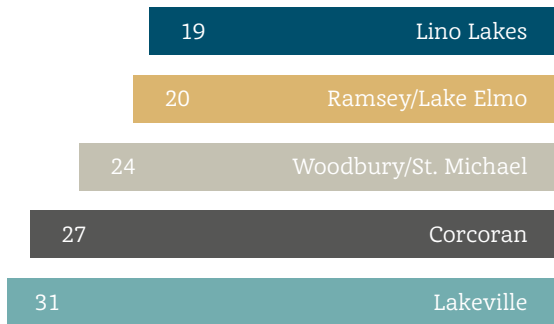
Tim Fohr, 2025 board chair of Housing First Minnesota

## Twin Cities Building Activity



### Single-Family and Multifamily Units Authorized Year-to-Date - Mar. 2021-2025

SOURCE: KEYSTONE REPORT



### March Top Cities for Residential Permits

SOURCE: KEYSTONE REPORT

[Housing First Minnesota]

## Twin Cities Homebuilders Feel Impacts of Economic Outlook

Twin Cities homebuilders saw a small decrease in activity in March, as mortgage rate pressures and economic uncertainty continue. Metro homebuilders pulled 380 permits for single-family homes throughout the month of March, marking a 6% decline in year-over-year activity.

Multifamily construction, however, saw a healthy increase in activity this month with permits being pulled for 257 units.

“Despite continued challenges from high mortgage rates, buyer interest in new homes remains steady,” said Tim Fohr, board chair of Housing First Minnesota. “The spring season is an important time in the housing market and builders are looking ahead with optimism and are prepared to meet market needs.”

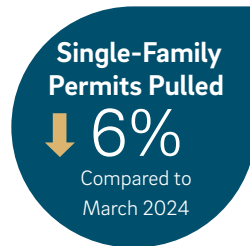
There were 383 permits issued for a total of 637 housing units during the four comparable weeks in March, according to the Keystone Report.

“A recent poll found that two-thirds of respondents believe there are not enough homes for the average person to afford,” said James Vagle, CEO of Housing First Minnesota. “Minnesota’s housing supply crisis is

real. The legislature has a pivotal opportunity to step up, take bold action, and bring back starter homes.”

For the month in permits, Lakeville took the top spot with 31 permits issued. Corcoran came in second with 27 permits. Woodbury and St. Michael were tied for third with 24 permits each. Ramsey and Lake Elmo tied for fourth with 20 permits each. Lino Lakes rounded out the top cities with 19 permits.

For the month in units, Woodbury came in on top with 149 permitted units. Waconia came next with 105 units, followed by Mahtomedi with 41 units. Lakeville came in fourth with 31 units. Corcoran rounded out the top five with 27 permitted units.



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[Minnesota State and Twin Cities Metro Realtor® Associations]

## Better Rates Boost Sales as Sellers Ramp Up Listings Despite Broader Economic Concerns

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

With the spring buying season upon us, home buyers and sellers are facing a mixed bag of uncertainty and opportunity. In March, mortgage rates hit their lowest level since October 2024.

This drop facilitated an increase in housing demand from sidelined buyers, who remain frustrated by the affordability environment and thin supply.

The statewide median home price was up 3.0% to \$345,000, while the metro median price rose 3.5% to \$380,000. Even as home prices rise, monthly payments could fall if rates decline enough. A typical “all-in” payment on the

median priced home, including taxes and insurance, was about \$2,500 statewide and \$2,800 in the metro for 2024. In 2021, \$1,800 per month was the typical metro mortgage payment.

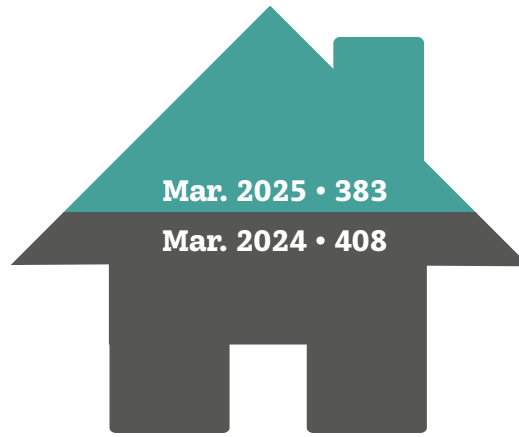
“Different buyers are sensitive to different dynamics,” said Frank D’Angelo, President of Minneapolis Area REALTORS®. “While the luxury segment is seeing near record levels of cash

deals, other buyers, sellers and builders alike are getting creative in order to get deals done.”

On average, sellers accepted offers at 98.1% of their list price statewide and 99.0% in the metro. That marks a fifth consecutive month of metro gains. And those listings spent 51 days on market statewide and 58 days in the metro—both up slightly from a year ago.

# March 2025 Metro Building Activity

Metro homebuilders had a decline in permitting activity this month with 380 permits pulled for single-family homes in March, a 6.0% decrease from the same time last year.



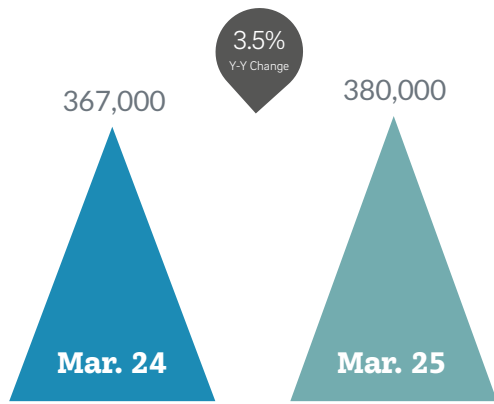
-20.0%  
Y-Y Change

**Units YTD:**  
**1,695**

**Multifamily**  
**40.0%**  
of Twin Cities Housing  
Units Authorized

## Twin Cities Housing Permits Authorized

SOURCE: KEYSTONE REPORT



## Twin Cities Median Home Price

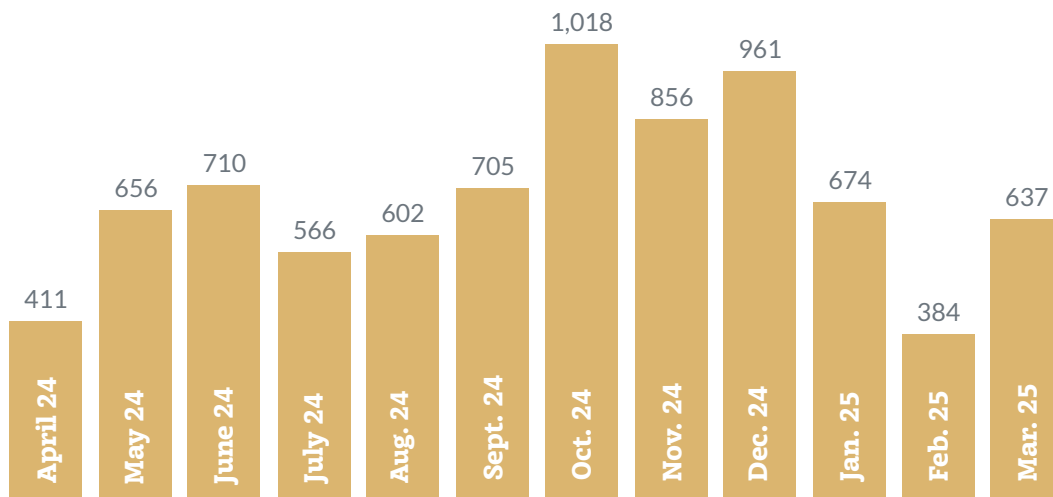
SOURCE: MPLS REALTORS



## Twin Cities Total Active Listings

SOURCE: MPLS REALTORS

■ Mar. 2025 (50.52%) ■ Mar. 2024 (49.48%)



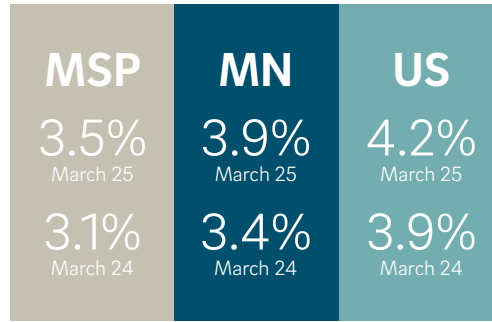
## Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

# Employment

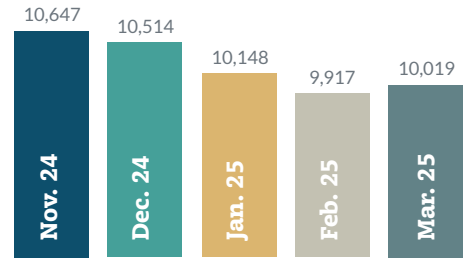
Minnesota's non-seasonally adjusted unemployment rate remained unchanged in March at 3.9% according to the Minnesota Department of Employment and Economic Development.

The national unemployment rate saw a slight decrease from 4.5% in February to 4.2% in March. Construction employment in Minnesota recorded an increase in March with a gain of 1,900 jobs across all sectors of the industry.



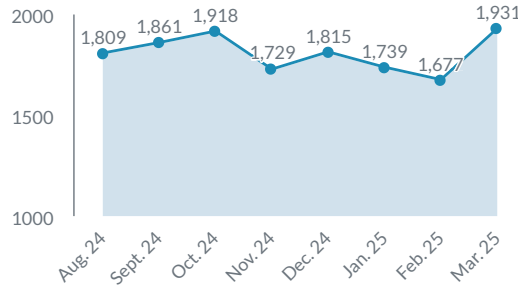
**Unemployment Rate Snapshot**

SOURCE: DEED-MN



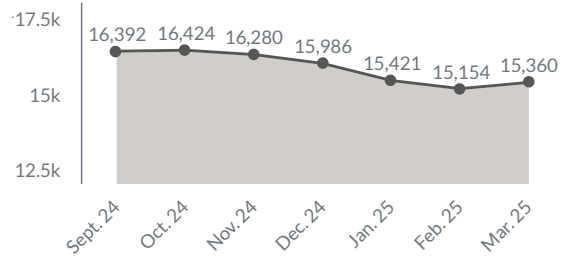
**Twin Cities Construction Employment**

SOURCE: DEED-MN



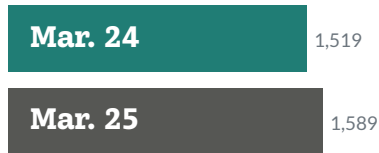
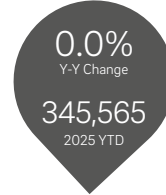
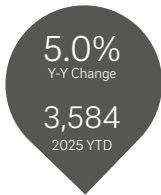
**Twin Cities Construction Weekly Wages**

SOURCE: DEED-MN



**MN Construction Employment**

SOURCE: DEED-MN



**MN Housing Units Authorized**

SOURCE: US CENSUS



**US Housing Units Authorized**

SOURCE: US CENSUS

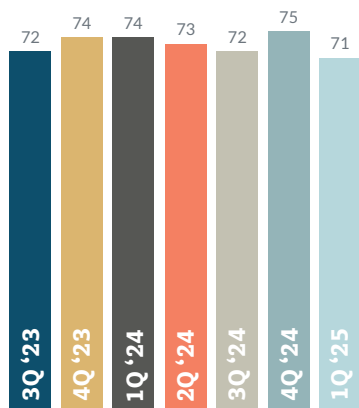
# Regional/National Statistics

Existing-home sales decreased 5.4% in March, according to the National Association of REALTORS®.

Regionally, sales in the Northeast decreased 2% in March and waned 5% from the previous month in the Midwest. Sales of existing homes in the South fell 5.7% throughout the month and sales in the West dropped 9.4% from the previous month.

## Remodeling Market Indices

SOURCE: NAHB



**Current**

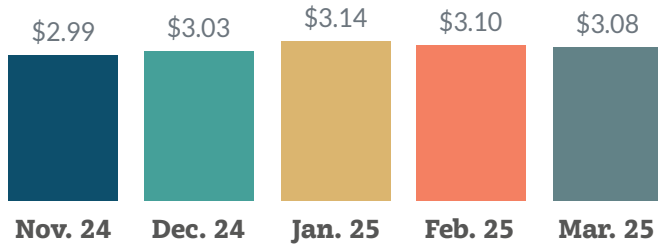
**Futures**

# Key Indicators

A modest decline in mortgage rates and lean existing inventory helped boost new home sales in March even as builders and consumers contend with uncertain market conditions.

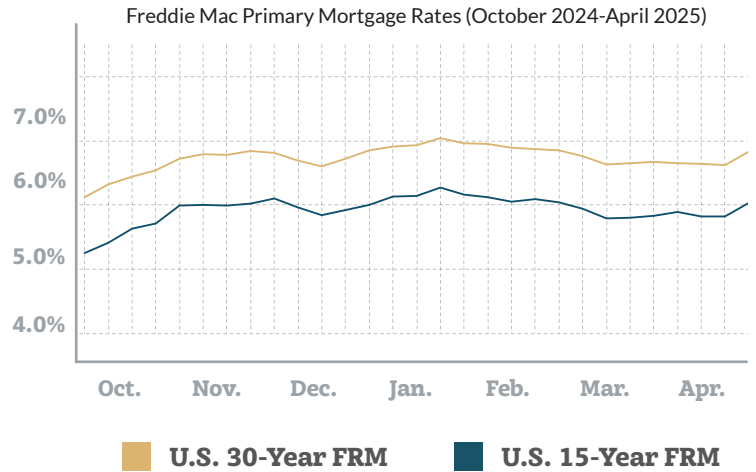
Sales of newly built, single-family homes in March increased 7.4% to a 724,000 seasonally adjusted annual rate from a revised January number, according to newly released data from the U.S. Department of Housing and Urban Development and the U.S. Census Bureau. The pace of new home sales in March was up 6.0% compared to a year earlier.

"The March new home sales data shows that demand continues to be present in the market, provided affordability conditions permit a purchase," said Buddy Hughes, chairman of the National Association of Home Builders (NAHB). "An increase in economic certainty would be a big boost to future sales conditions."



## MN Monthly Retail Gasoline Prices

SOURCE: ENERGY INFORMATION ADMIN



## Mortgage Rates

SOURCE: FREDDIE MAC

**HOUSING FIRST • MN**

VIRTUAL

# Membership Town Hall

## Legislative Session Wrap-Up

**Tuesday, June 3 | 8:00-8:30 AM**