

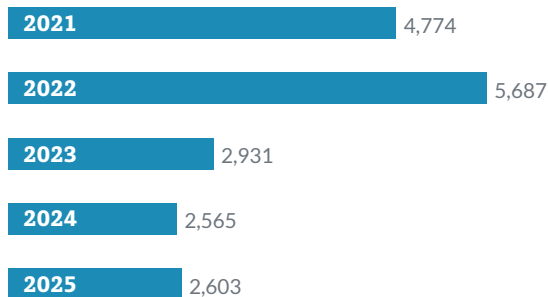


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"Minnesota's spring housing market is staying steady, and as seen with the Spring Parade of Homes, there's a lot of positive energy as buyers stay active. But we remain far from a balanced market. As we approach the end of the legislative session, it is critical that lawmakers keep meaningful housing solutions in play."

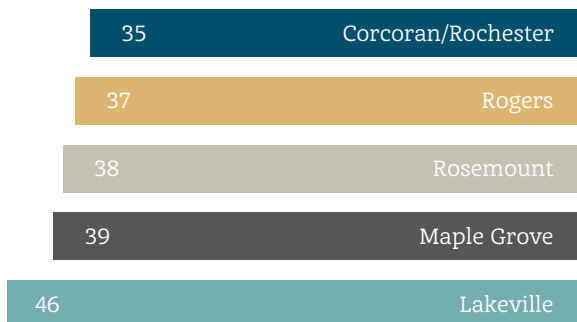
Tim Fohr, 2025 board chair of Housing First Minnesota

Twin Cities Building Activity



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

SOURCE: KEYSTONE REPORT



April Top Cities for Residential Permits

SOURCE: KEYSTONE REPORT

[Housing First Minnesota]

Homebuilding Shines as Economic Uncertainty Looms

Despite economic concerns, Twin Cities homebuilders recorded a positive month of activity. Metro builders pulled 608 permits for single-family homes in April, marking a 12% growth in year-over-year activity.

Multifamily construction also recorded a 17% uptick in activity compared to the previous month.

"Minnesota's spring housing market is staying steady, and as seen with the

Spring Parade of Homes, there's a lot of positive energy as buyers stay active," said Tim Fohr, board chair of Housing First Minnesota. "Minnesota homebuilders are optimistic and gearing up to meet demand as momentum builds through the rest of the spring season."

According to the Keystone Report, 617 permits were issued for a total of 908 housing units during the four comparable weeks in April.

"A positive month of homebuilding activity is always encouraging," said James Vagle, CEO of Housing First Minnesota. "But we remain far from a balanced market. As we approach the end of the legislative

session, it is critical that lawmakers keep meaningful housing solutions in play."

For the month in permits, Lakeville took the top spot with 46 permits issued. Maple Grove came in second with 39 permits. Rosemount was the third highest with 38. Rogers came in fourth with 37 permits each. Corcoran and Rochester rounded out the top cities with 35 permits each.

For the month in units, Rosemount came in on top with 209 permitted units. Savage came next with 109 units, followed by Lakeville with 46 units. Maple Grove came in fourth with 39 units. Rogers rounded out the top five with 37 permitted units.

Single-Family Permits Pulled

↑ 12%
Compared to April 2024

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[Minnesota State and Twin Cities Metro Realtor® Associations]

Somewhat Favorable Rates Fuel Modest Sales Gains Though Buyer Activity Flat On Year

In the wake of tariff announcements at the beginning of the month, April brought significant bond and stock market swings. That trickled over into mortgage rates, which swung from a low of 6.6% to nearly 7.1%. April mortgage rates hovered below January and February levels but above March levels. Given the affordability environment and buyers' sensitivity to payments and mortgage rates, the fluctuation in rates partly fueled gains in signed purchase agreements.

With the spring buying season upon us, home buyers and sellers face a mixed bag of uncertainty and opportunity. "On the one hand, the economic and trade uncertainty might've had an impact on certain buyers," said Patti Jo Fitzpatrick, president of Minnesota Realtors®. "But on the other hand, many aspiring buyers are seeing less competition and more inventory this spring, giving them more time to consider options and find the right home."

In fact, inventory levels rose 8.5% statewide to the highest April level since 2020. The Twin Cities metro showed a 4.8% increase. New homes make up around 10% of our market, but sales of newly built homes fell nearly 13.0% while existing home sales were up 5.6% year over year. The fact that new homes have a roughly 45.0% price premium over existing homes is a factor in the sales dip.

Despite inventory limitations and higher mortgage rates, highly

qualified serious buyers remain active and determined. Prices are up partly because both new homes and \$1M+ luxury homes have made up a larger share of the pie. The same goes for larger homes over 2,500 square feet. Overall, the statewide median home price was up 2.9% to \$360,000, while the metro median price rose 3.5% to \$398,900. And those sales took 44 days to go under contract statewide and 50 days in the metro—both up modestly from last April.

April 2025 Metro Building Activity

Metro homebuilders had an decline in permitting activity this month with 608 permits pulled for single-family homes in April, a 12.0% increase from the same time last year.



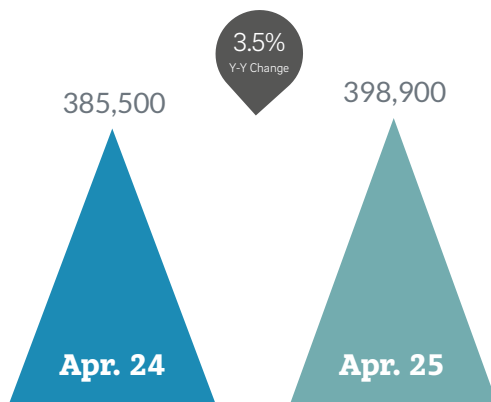
38.0%
Y-Y Change

Units YTD:
2,603

Multifamily
33.0%
of Twin Cities Housing
Units Authorized

Twin Cities Housing Permits Authorized

SOURCE: KEYSTONE REPORT



Twin Cities Median Home Price

SOURCE: MPLS REALTORS



4.8%
Monthly change

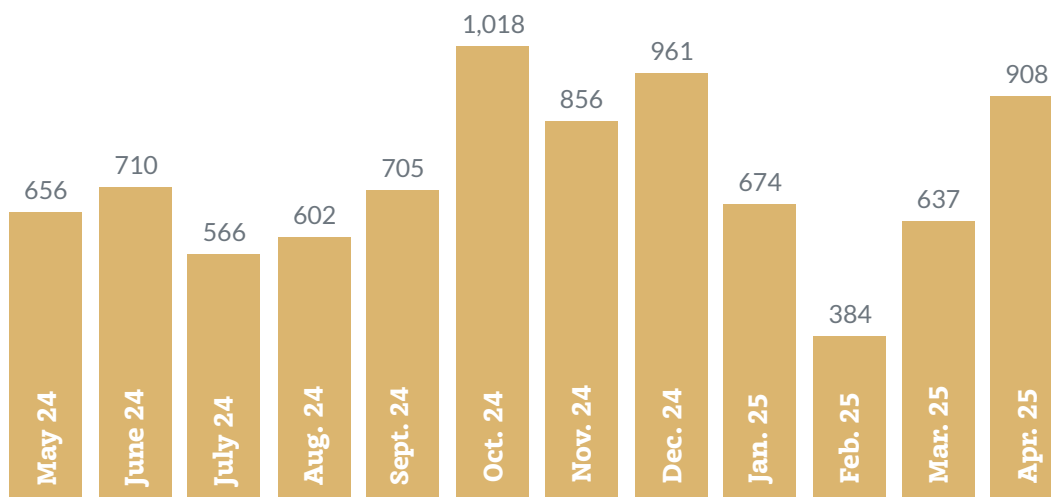
8,617

8,226

Twin Cities Total Active Listings

SOURCE: MPLS REALTORS

■ Apr. 2025 (51.16%) ■ Apr. 2024 (48.84%)



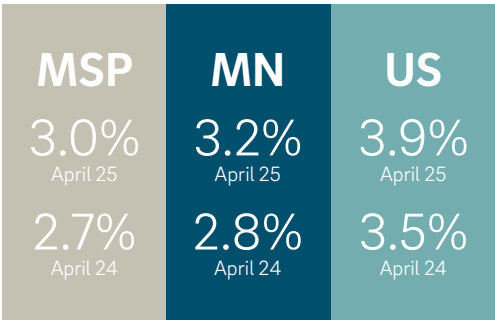
Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

Employment

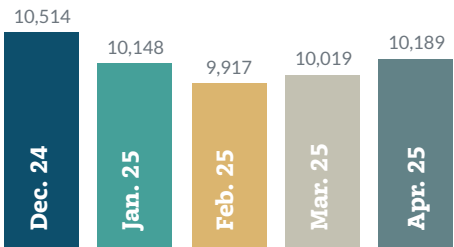
Minnesota's non-seasonally adjusted unemployment rate decreased in April to 3.2%, according to the Minnesota Department of Employment and Economic Development. This is compared to the March rate of 3.9%.

The national unemployment rate also saw a reduction from 4.2% in March to 3.9% in April. Construction employment in Minnesota saw a slight increase in April with a gain of 600 jobs across all sectors of the industry.



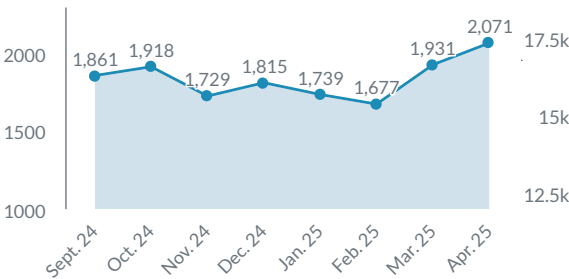
Unemployment Rate Snapshot

SOURCE: DEED-MN



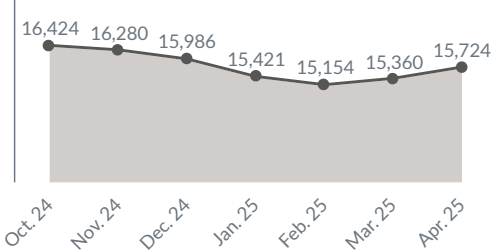
Twin Cities Construction Employment

SOURCE: DEED-MN



Twin Cities Construction Weekly Wages

SOURCE: DEED-MN



MN Construction Employment

SOURCE: DEED-MN

36.0%
Y-Y Change

5,857
2025 YTD

Apr. 24

1,683

Apr. 25

2,297

MN Housing Units Authorized

SOURCE: US CENSUS

-2.0%
Y-Y Change

474,927
2025 YTD

Apr. 24

132,325

Apr. 25

129,942

US Housing Units Authorized

SOURCE: US CENSUS

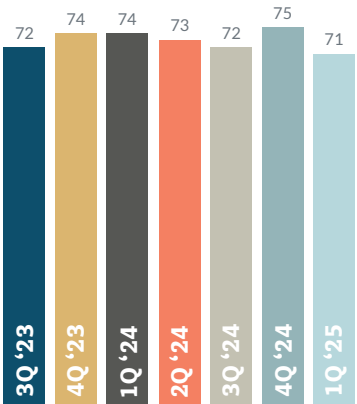
Regional/National Statistics

Existing-home sales nationwide were unchanged in April, according to the National Association of REALTORS®.

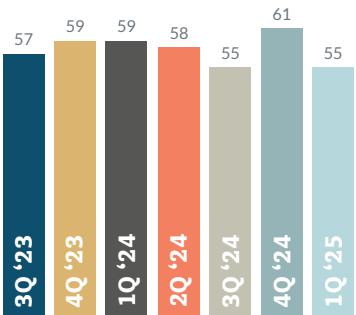
Regionally, sales in the Northeast decreased 2% in March and improved 2.1% from the previous month in the Midwest. Sales of existing homes in the South were unchanged throughout the month and sales in the West dropped 3.9% from the previous month.

Remodeling Market Indices

SOURCE: NAHB



Current

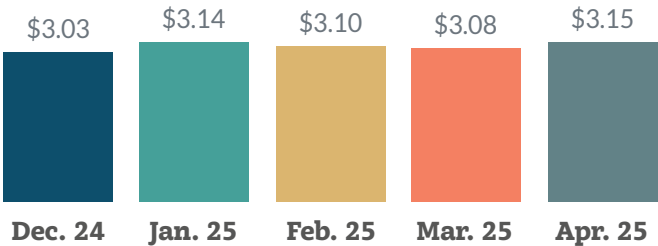


Futures

Key Indicators

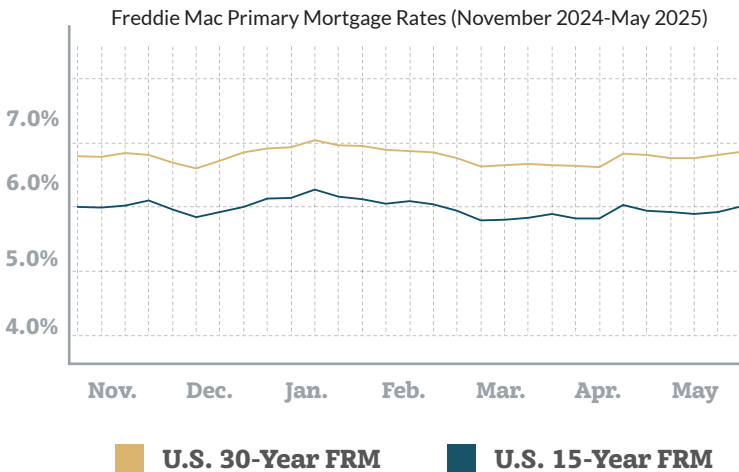
Tariff uncertainty from the Trump administration continues to impact home builders across the country, as builders prepare for potential price hikes and supply chain issues. Lumber remains a primary concern, with countervailing and antidumping duties expected to more than double this fall.

According to the April NAHB/Wells Fargo Housing Market Index (HMI), on average, suppliers increased their prices by 6.3% in response to announced, enacted or expected tariffs. Builders estimate an average cost increase of \$10,900 per home due to these tariff actions.



MN Monthly Retail Gasoline Prices

SOURCE: ENERGY INFORMATION ADMIN



Mortgage Rates

SOURCE: FREDDIE MAC

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THE MINNESOTA HOUSING INDUSTRY NEWS SOURCE BY HOUSING FIRST MINNESOTA

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Minnesota leading nation in energy-efficient homebuilding

According to recent data from the Residential Energy Services Network (RESNET), Minnesota homebuilders are leading the nation in energy-efficient construction for states that test over 4,000 homes. In 2024, Minnesota tested 8,881 homes, achieving an average Home Energy Rating System (HERS) Index Score of 47 – the lowest among states that tested more than 4,000...

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