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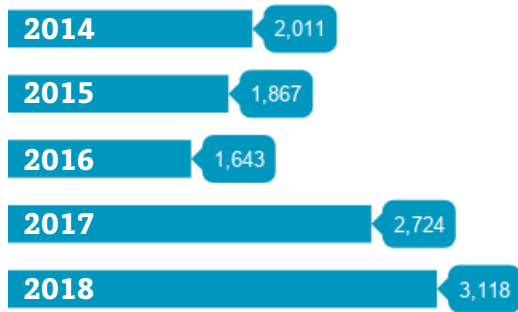


"Coming off a very successful Parade of Homes, our builders are busy right now. We expect the permit numbers to rise as we get closer to summer and the more active home buying months."

Tom Wiener, President of Housing First Minnesota



Twin Cities Building Activity



Permits Authorized Year-to-Date March 2014-2018

SOURCE: KEYSTONE REPORT

LOVE INDUSTRY DATA & NEWS?

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[BATC-Housing First Minnesota]

Twin Cities Homebuilding Activity Marches On

Single-family construction continues at a slow and steady pace in 2018. Both the total number of permits pulled in March and the number of single-family permits pulled were down slightly compared to March 2017. Several large multifamily projects helped the total number of multifamily units climb significantly over this month last year.

According to data compiled by the Keystone Report for Housing First Minnesota, there were 509 permits issued for a total of 1,310 units during four comparable weeks in the month of March.

"Coming off a very successful Parade of Homes, our builders are busy right now," said Tom Wiener, president of Housing First Minnesota. "We expect the permit numbers to rise as we get closer to summer and the more active home buying months."

"The demand is there, but there are several factors that are holding back the market right now," said David Siegel, executive director of Housing First Minnesota. "Our builders simply can't build more homes with the number of workers that they have right now."

"The demand is there, but there are several factors that are holding back the market right now."

David Siegel, executive director of Housing First Minnesota

We need to address the workforce challenge and continue to work on the challenge of housing affordability."

For the month, Lakeville took the top spot with 45 permits issued. Lake Elmo came in next with 39 permits, followed by Plymouth with 34 permits. Rounding out the top five are Woodbury with 28 permits issued and Blaine with 24 permits issued.

[MAAR]

MIXED SPRING: ACTIVITY COOLS WHILE PRICES, MARKET TIMES REMAIN HOT

By David Arbit, Minneapolis Area Association of REALTORS®

From colder-than-average temperatures to a record-breaking snow storm, this spring has been anything but normal. While those searching for homes have seen more options since January or February, they're still seeing fewer options compared to last year. That's capped sales activity—

particularly at the entry-level prices—and the lack of inventory combined with rising prices is encouraging some sellers to hold onto their properties.

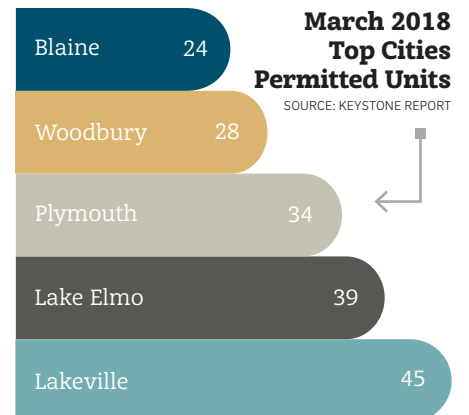
In March, sellers listed 17.5 percent fewer homes on the market—the fifth consecutive month of declines compared to a year ago. Largely due to the shortage, closed sales declined 10.3 percent compared to the year prior. For-sale housing inventory was 26.1 percent lower than March 2017, the largest decline in over a year. This shortage has created a competitive environment where multiple offers and homes selling

for over list price have become more common.

Sellers are receiving strong offers close to their original list price quickly, which can sometimes frustrate home buyers. New construction closed sales rose 13.1 percent compared to last March. Although single family homes made up about 74.0 percent of all sales, townhomes have enjoyed more resilient demand lately. Similarly, previously-owned homes made up about 89.0 percent of sales but new construction showed a much stronger increase in pending and closed purchase activity.

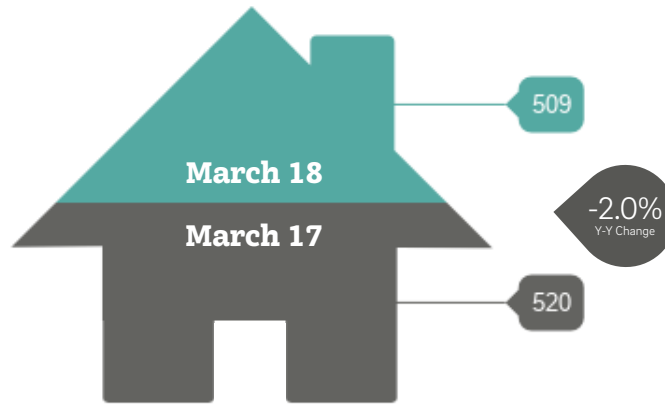
"We're seeing some early evidence that the seller's market could be starting to shift toward a balanced market. When it comes to the long-term health of the housing market, that's very much a good thing."

Kath Hammerseng, President of the Minneapolis Area Association of REALTORS® (MAAR)



2018 March Metro Building Activity

Single-family construction continues at a slow and steady pace in 2018. Both the total number of permits pulled in March and the number of single-family permits pulled were down slightly compared to March 2017. Several large multifamily projects helped the total number of multifamily units climb significantly over this month last year.

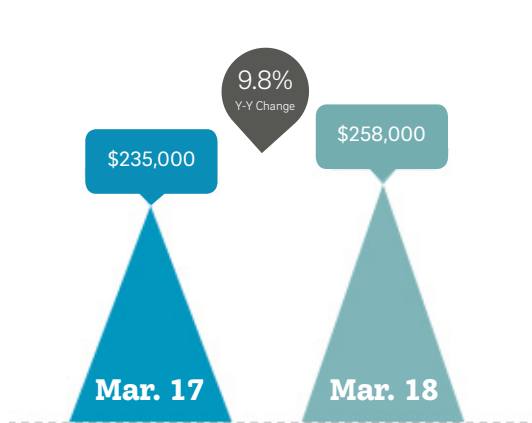


Units YTD:
3,110

Multi-Family
62%
of Twin Cities
Housing Units
Authorized

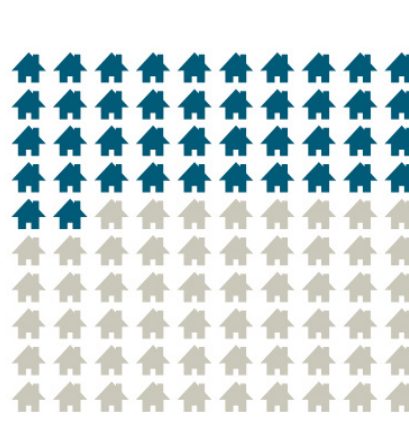
Twin Cities Housing Permits Authorized

SOURCE: KEYSTONE REPORT



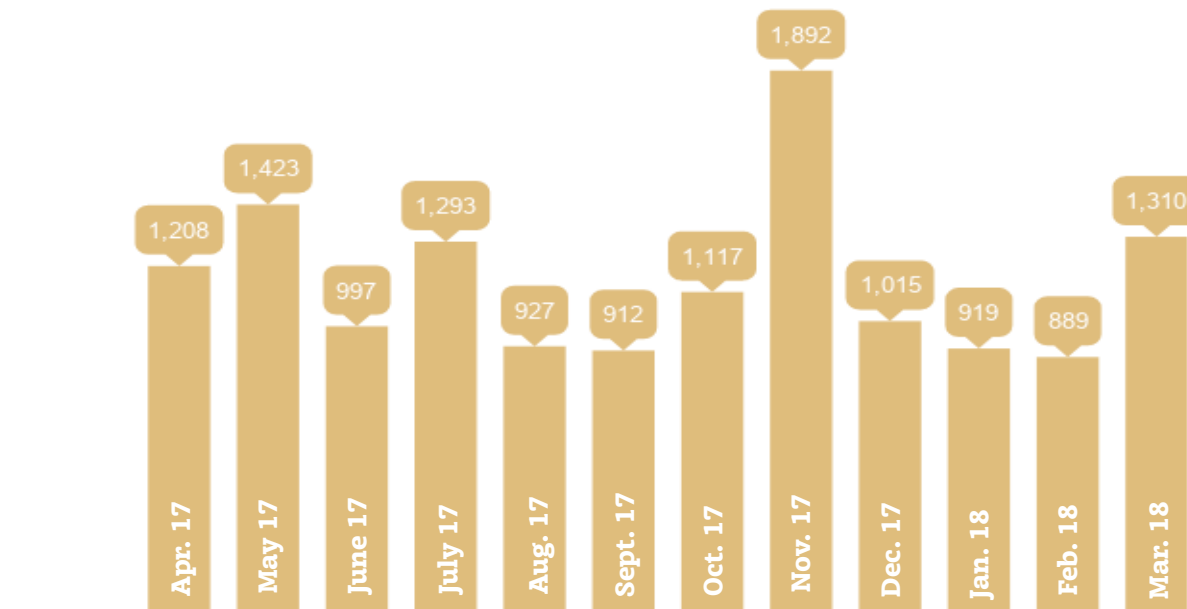
Twin Cities Median Home Price

SOURCE: MPLS REALTORS



Twin Cities Total Active Listings

SOURCE: MPLS REALTORS

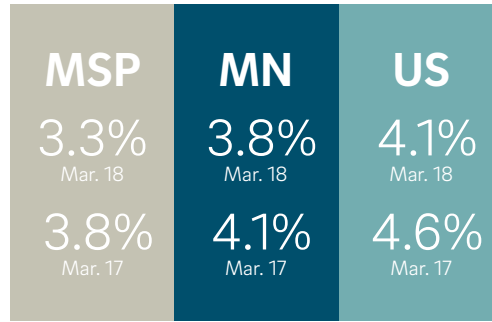


Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

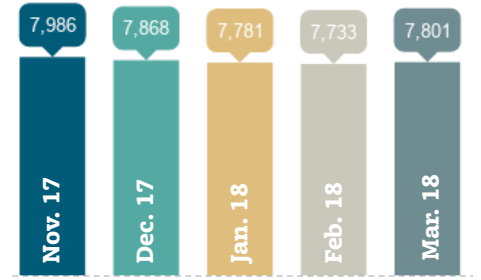
Employment

Minnesota's unemployment rate remained steady at 3.2 percent as the state's employers added 2,900 jobs in March. The states job growth the past 12-months of 0.7 percent is below the national 1.6 percent rate.



Unemployment Rate Snapshot

SOURCE: DEED-MN



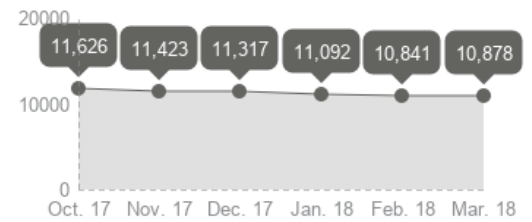
Twin Cities Construction Employment

SOURCE: DEED-MN



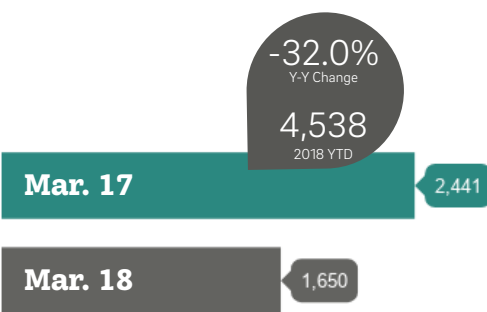
Twin Cities Construction Weekly Wages

SOURCE: DEED-MN



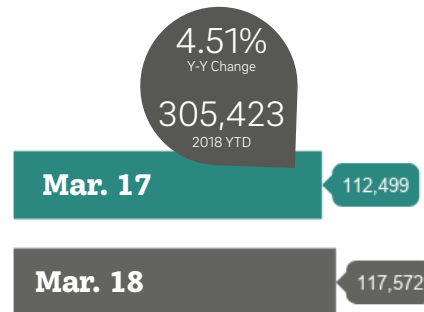
MN Construction Employment

SOURCE: DEED-MN



MN Housing Units Authorized

SOURCE: US CENSUS

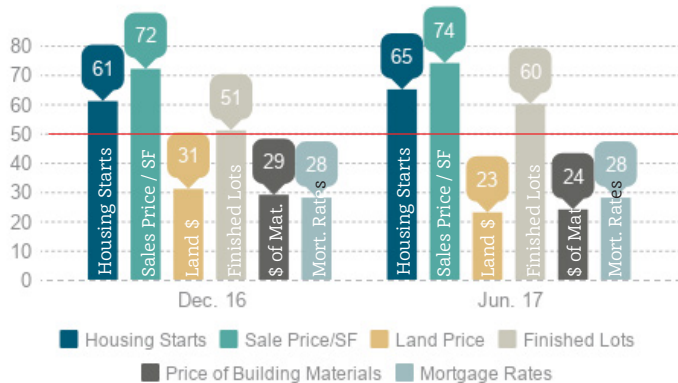


US Housing Units Authorized

SOURCE: US CENSUS

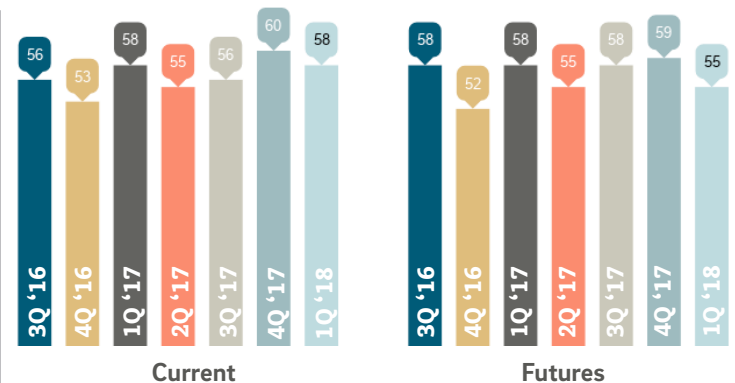
Regional/National Statistics

Despite the rebound in U.S. homebuilding last month, activity appears to be slowing. Single-family homebuilding, which accounts for the largest share of the housing market, fell 3.7 percent to a rate of 867,000 units in March.



Twin Cities Home Builders Survey

SOURCE: UNIVERSITY OF ST. THOMAS & BUILDERS ASSOCIATION OF THE TWIN CITIES
(OVER 50 IS POSITIVE, BELOW 50 IS NEGATIVE)

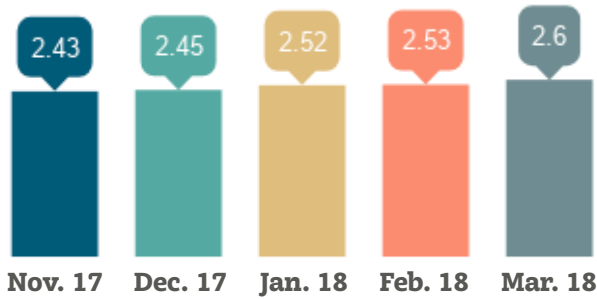


Remodeling Market Indicies

SOURCE: NAHB

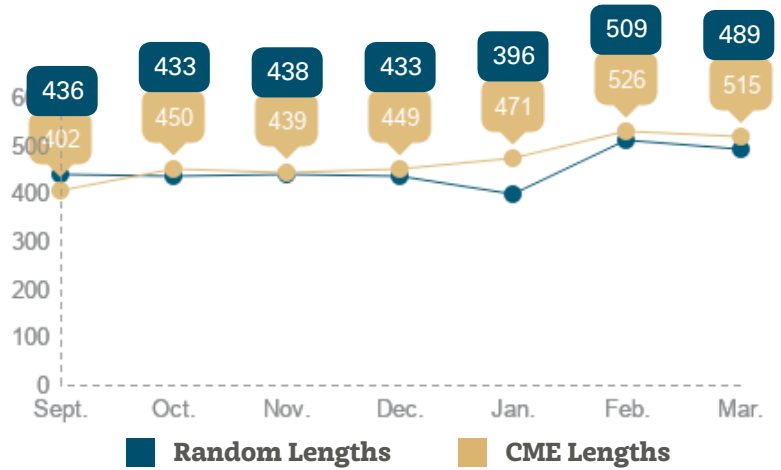
Key Indicators

Lumber prices continue to rise to new records thanks to a confluence of import tariffs, transport bottlenecks and strong housing demand. The National Association of Home Builders estimates the tariffs will increase the price of an average single-family home built in 2018 by \$1,360.



MN Monthly Retail Gasoline Prices

SOURCE: ENERGY INFORMATION ADMIN



Framing Lumber

SOURCE: NAHB

Mortgage Rates

FROM MAY 22, 2018
SOURCE: ASSOCIATED BANK



A DREAM HOME

DOESN'T HAVE TO BE A DREAM.

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