

HOT SHEET



April 2017
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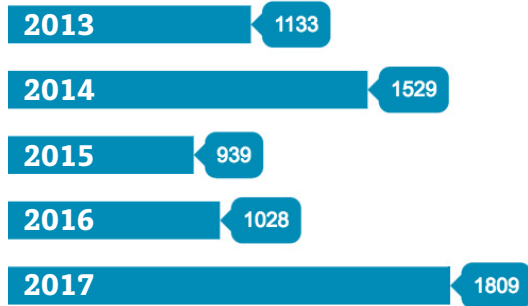
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"While there is an increasing demand for housing inventory, our builders are facing serious roadblocks trying to construct more entry-level homes. We are working with the MN REALTORS this year at the Capitol to support a package of common-sense legislative proposals that aim to protect the dream of homeownership for all by creating opportunities for first-time homebuyers and addressing the cost-drivers that are negatively impacting housing affordability."

BATC Executive Director, David Siegel

Twin Cities Building Activity



Permits Authorized Year-to-Date February 2013-2017

SOURCE: KEYSTONE REPORT

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[BATC]

BATC: Residential Construction Continues to Pick up the Pace in February

With housing inventory at a 14-year record low, Twin Cities residential construction continues to gather steam. February total units rose a remarkable 93 percent over this month last year, while permits were up 18 percent over February 2016. The increase in activity in home construction matches the increase in the number of homes in the Builders Association of the Twin Cities' 2017 spring Parade of Homes. With 481 homes, it is the largest spring tour in nearly a decade.

According to data compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), there were 339 permits issued for a total of 717 units during four comparable weeks in the

month of February.

"With a strong start to the year, our builders are very optimistic for a strong spring Parade of Homes Tour," said Bob Michels, the Builders Association of the Twin Cities 2017 President. "For the homebuyers that have been struggling to find their dream home in the community they love in this tight housing market, this year's event features the most new homes for Twin Cities' families to tour."

"While there is an increasing demand for housing inventory, our builders are facing serious roadblocks trying to construct more entry-level homes," said BATC Executive Director, David Siegel. "We are working with the MN REALTORS

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BATC 2017 President,
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For February, Plymouth took the top spot with 30 permits pulled. Lakeville came in next with 29 permits, followed by Lake Elmo with 24 permits, Woodbury with 18 permits, and Apple Valley with 14 permits pulled.

[MAAR]

Dear Sellers, Now is Your Time to Shine

by David Arbit of Minneapolis Area Association of REALTORS

With the number of homes available for sale at a 14-year low, the well-priced homes that are on the market are often getting full-price offers or better in record time. Active listings continue to drop, they're currently down 25.3 percent compared to last February. Those shopping for homes have 8,820 options from which to choose. But not enough sellers are taking advantage of the

opportunity to have their listing truly stand out.

New listings declined 7.5 percent to 5,418, while buyers signed just slightly more contracts this February compared to last. Pending sales increased 0.5 percent from February 2016. The fact that contract signing hasn't slowed down despite the supply constraints is testimony to the determination of Twin Cities home buyers. Closed sales, on the other hand, fell 18 units shy of last year's levels.

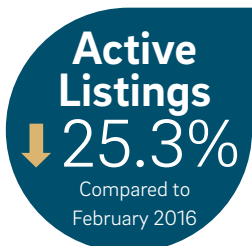
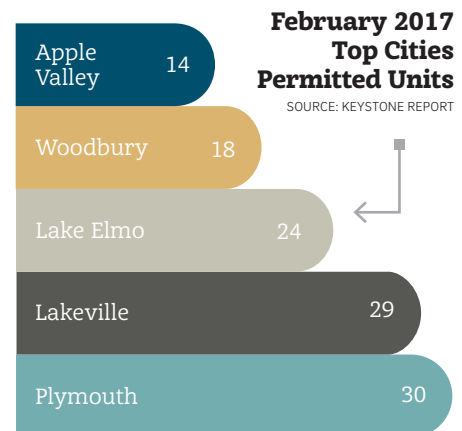
The median sales price increased 7.6 percent from last February to \$223,000. Competing bids in the form of multiple offers on attractive properties in the most desirable neighborhoods

are common in low inventory environments. Properties also tend to sell quickly and for close to or above list price. Average days on market until sale fell 14.6 percent to 82 days compared to 96 in February 2016. The average percent of original list price received at sale was 96.5 percent, 1.4 percent higher than last February.

Given the strong demand and weak supply, our market has only 1.8 months of supply—the second lowest figure on record for any month since January 2003. This indicator measures the balance between supply and demand. Generally, five to six months of supply is considered a balanced market.

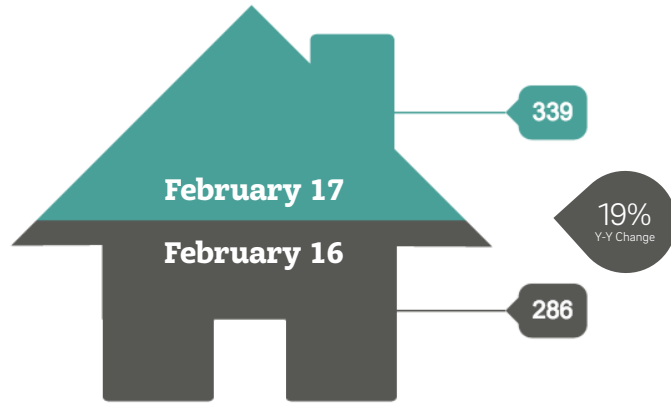
"The momentum in the market continues to favor sellers and higher prices—though not in every area nor at every price point. As we move into the spring market, more buyers will compete for limited inventory, making this environment quite attractive for sellers."

Kath Hammerseng, MAAR President-Elect



2017 February Metro Building Activity

With housing inventory at a 14-year record low, Twin Cities residential construction continues to gather steam. February total units rose a remarkable 93 percent over this month last year, while permits were up 18 percent over February 2016. The increase in activity in home construction matches the increase in the number of homes in the Builders Association of the Twin Cities' 2017 spring Parade of Homes. With 481 homes, it is the largest spring tour in nearly a decade.

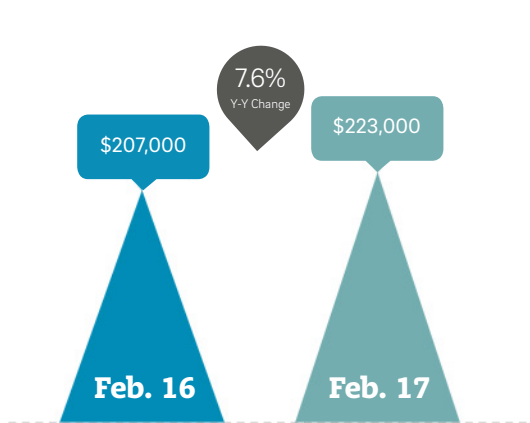


Units YTD: 1,809

Multi-Family 58%
of Twin Cities Housing Units Authorized

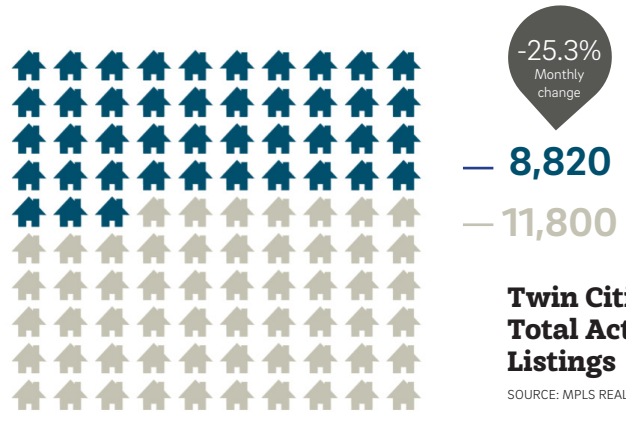
Twin Cities Housing Permits Authorized

SOURCE: KEYSTONE REPORT



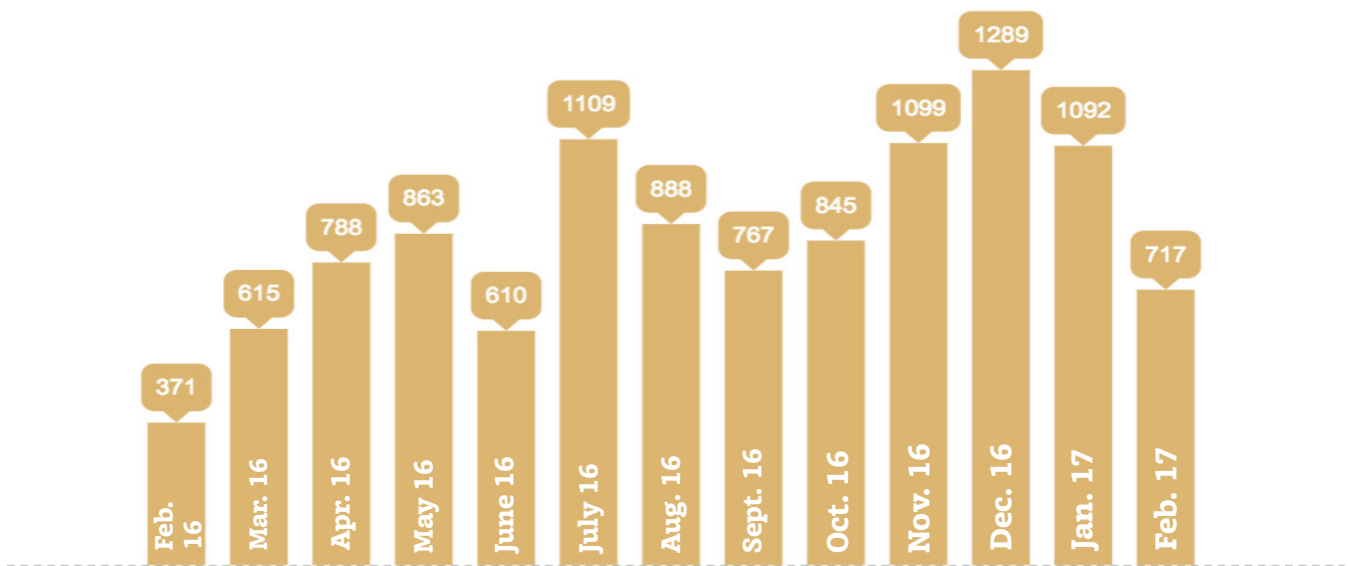
Twin Cities Median Home Price

SOURCE: MPLS REALTORS



Twin Cities Total Active Listings

SOURCE: MPLS REALTORS

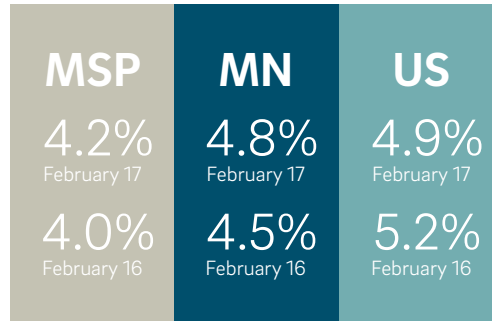


Metro Building Units - Past 12 Months

SOURCE: KEYSTONE REPORT

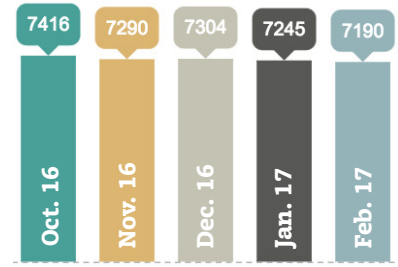
Employment

Minnesota employers added 3,800 jobs during the month of February, but the unemployment rate stayed steady at 4 percent. Jobs in trade, transportation and utilities led growth for the month with 5,700 added. Construction ranked highly as well with 4,500 jobs.



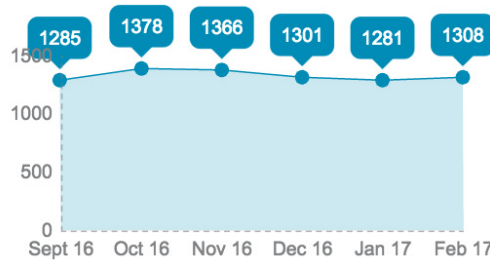
Unemployment Rate Snapshot

SOURCE: DEED-MN



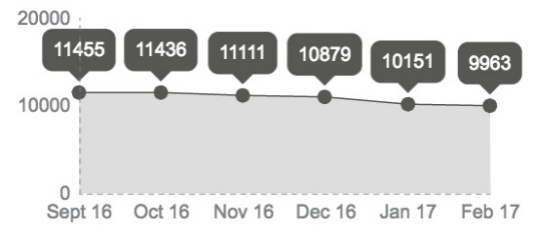
Twin Cities Construction Employment

SOURCE: DEED-MN



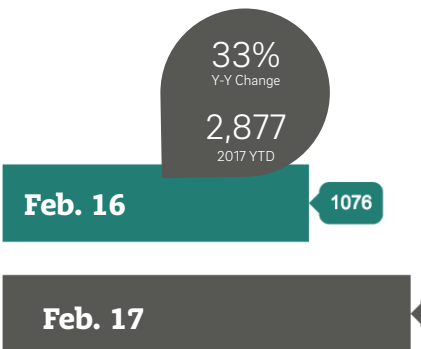
Twin Cities Construction Weekly Wage

SOURCE: DEED-MN



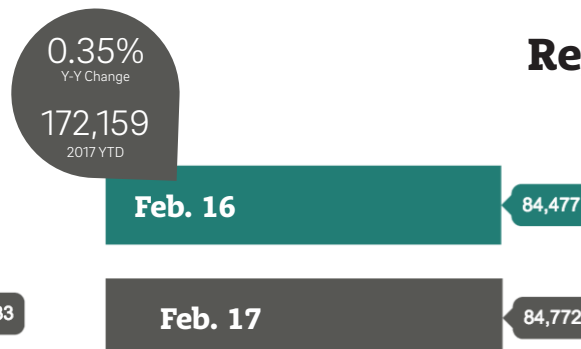
MN Construction Employment

SOURCE: DEED-MN



MN Housing Units Authorized

SOURCE: US CENSUS

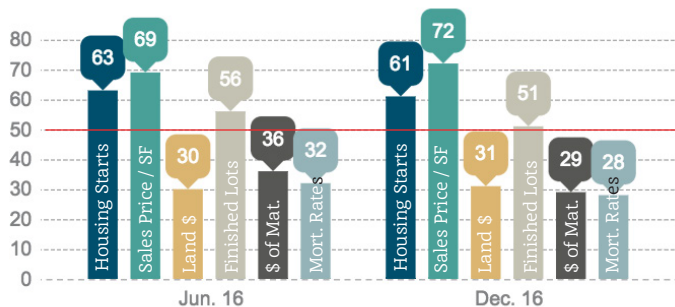


US Housing Units Authorized

SOURCE: US CENSUS

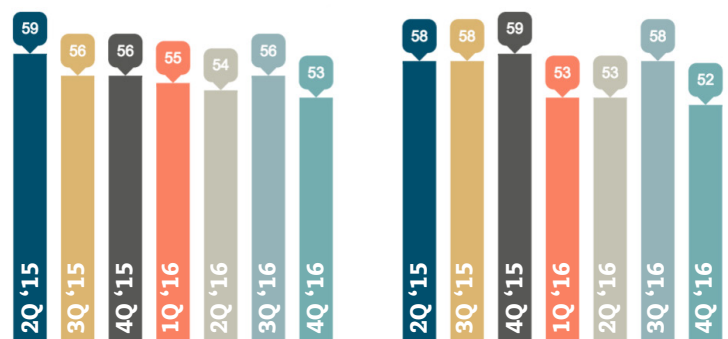
Regional/National Statistics

New residential construction climbed to a four-month high in February despite rising mortgage rates, led by the strongest pace of single-family homebuilding in the United States since 2007. Single-family starts rose in the West, Northeast and Midwest, but fell in the South.



Twin Cities Home Builders Survey

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

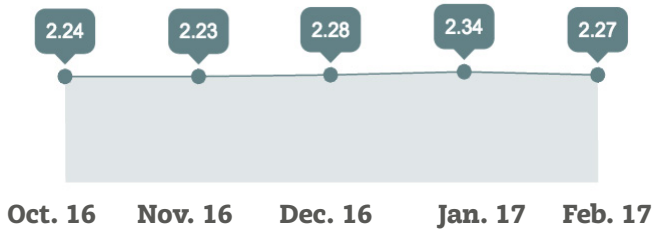


Remodeling Market Indicies

SOURCE: NAHB

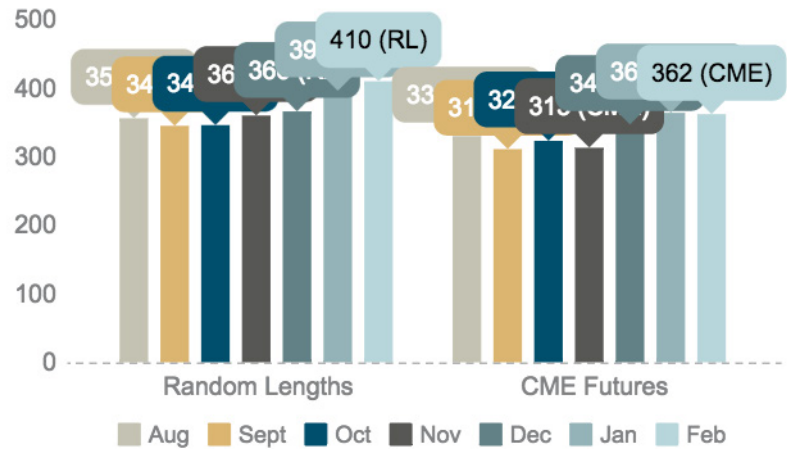
Key Indicators

United States lumber prices in February hit their highest price since the start of the housing market crash that triggered the global financial crisis. Though mortgage rates have declined week-over-week, February's rates were still higher than January's.



MN Monthly Retail Gasoline Prices

SOURCE: ENERGY INFORMATION ADMIN



Framing Lumber

SOURCE: NAHB

Mortgage Rates

FROM APRIL 19, 2017
SOURCE: ASSOCIATED BANK



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