

RESIDENTIAL BUILDING PERMITS ISSUED IN THE TWIN CITIES REGION DURING 2005 (Preliminary)

Nationwide, single-family housing production rose to a new record high in 2005, and the overall number of new units permitted was at near-record levels. Demand was fortified by low mortgage interest rates and continued employment growth. Hot spots were Phoenix, Atlanta, and Riverside, with growth rates twice that of the Minneapolis-St. Paul area. The region ranked 11th among the nation's 25 largest metro areas in housing production per capita.

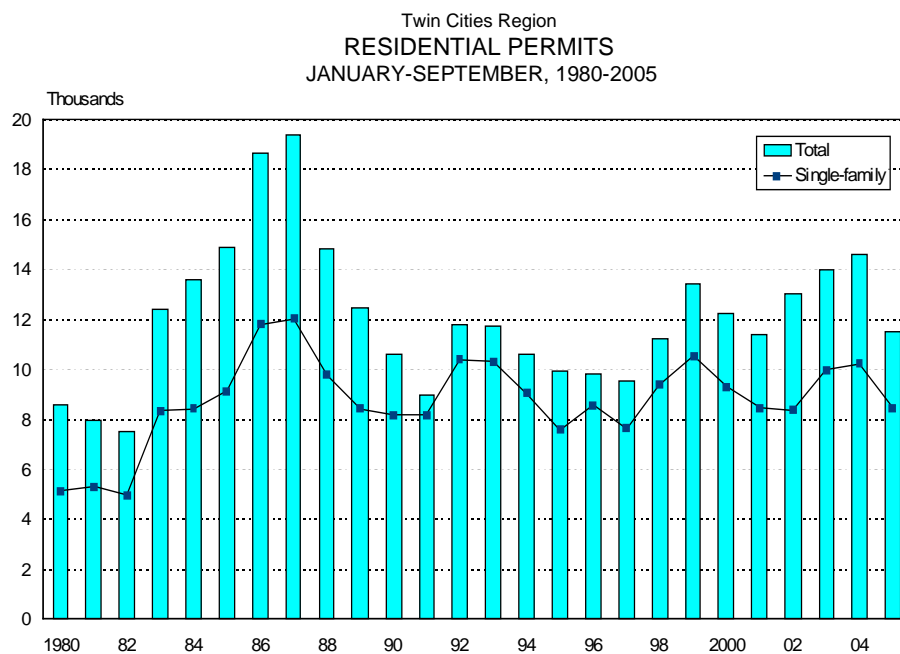
After three years of robust housing growth, building permits in the Twin Cities region tapered off in 2005, to a level close to the long-term average. Single-family permits were down 15 percent year-over-year (11,377 homes), while the multifamily sector dropped by 28 percent (4,625 units). Home sales rose to the second highest year on record, mostly due to low interest rates and turnover of existing housing. Home price appreciation continued, but at a more normal rate.

Despite a dip, the level of new housing production in 2005 was within the range of new units needed annually to accommodate forecasted growth within the region. Thirty percent of construction occurred in developed areas, 60 percent in developing suburbs, and ten percent in rural towns and surrounding areas. These trends are a continuation of trends seen in this decade, and in line with the goal of meeting a portion of housing need in areas where urban services are already in place.

Regional construction leaders were Minneapolis with 1,506 new units, a majority of them multifamily; Woodbury (981, majority in single-family); Hugo (765 single-family units); and Brooklyn Park (749 units).

Average building permit valuation per unit rose 9 percent for single-family (\$233,800). The multifamily average increased sharply, to \$152,100 per unit—a 37 percent hike.

Housing construction in the six counties adjacent to the region edged up as a proportion of the 13-county MSA total, to 25 percent.



ABOUT THIS REPORT

This report summarizes preliminary data on new residential construction in the Minneapolis-St. Paul metropolitan area during 2005. It is based on building permit authorizations reported by local governmental units to the U.S. Department of Commerce, Bureau of the Census. After the end of each year, the annual data from the Commerce Department is replaced with final data prepared by the Metropolitan Council based on a survey of local building officials. Final regionwide data is typically 4 to 6 percent higher than the preliminary Commerce Department data.

In this report, building permits are categorized as “single-family” and “multifamily”. Townhouses are included in the single-family category. (Final data from the Metropolitan Council enumerates townhouse units separately.) Housing permit data for individual cities appear in a table at the end of the report.

Please note that monthly totals published by the Commerce Department may not add to the year-to-date figures, since the Commerce Department makes corrections and additions to its database as the year progresses.

Questions about this information may be directed to Regan Carlson in the Metropolitan Council's Research Office, at (651) 602-1407 or regan.carlson@metc.state.mn.us

The Metropolitan Council also publishes information about nonresidential construction activity. See www.metrocouncil.org or contact the Data Center at (651) 602-1140.

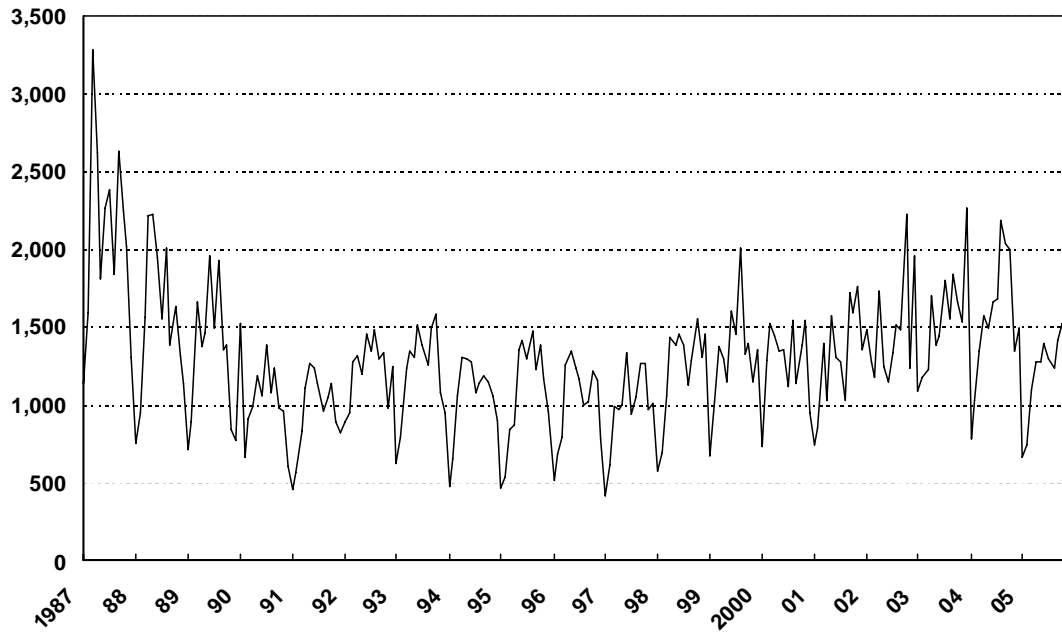
DEFINITIONS

Residential activity in this report is measured in terms of **housing units**. A housing unit is defined as a house or apartment unit intended for occupancy as separate living quarters. A unit may have direct access from the outside, or through a common hall. Each apartment in an apartment building is counted as one unit. Housing units do not include group quarters such as institutions, dormitories, hotels, and motels.

The **Twin Cities Region** includes seven counties under the jurisdiction of the Metropolitan Council: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties. The Minneapolis-St. Paul **Metropolitan Statistical Area (MSA)** includes these plus the adjacent counties of Chisago, Isanti, Sherburne, and Wright Counties in Minnesota and Pierce and St. Croix Counties in Wisconsin. Metropolitan statistical areas are defined by the U.S. Office of Management and Budget for the purpose of standardized data compilation and analysis.

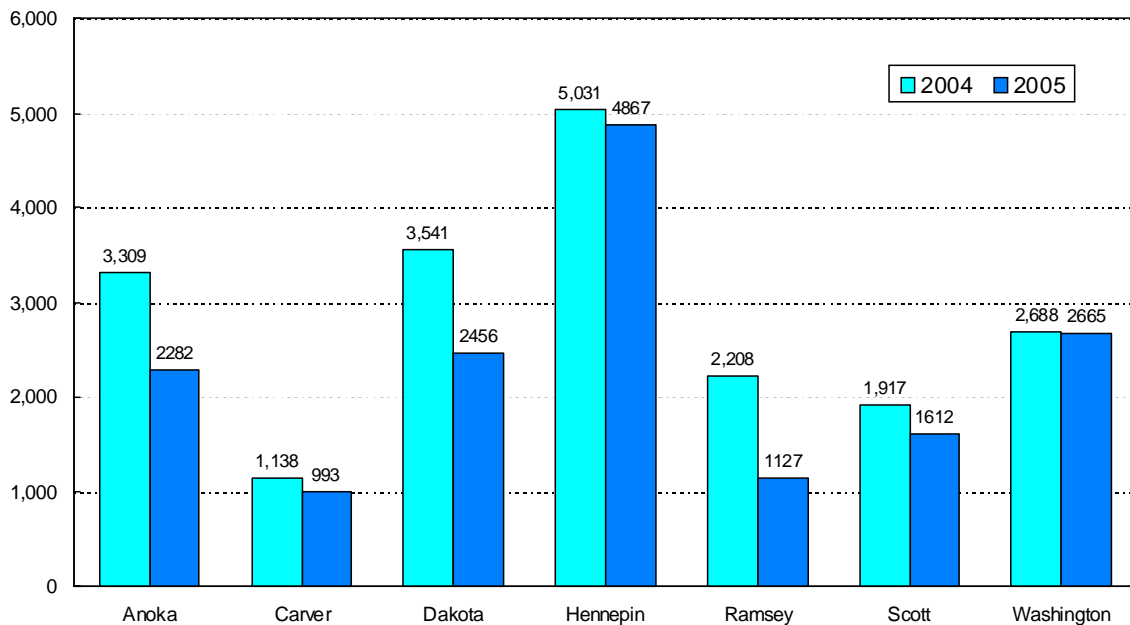
Valuation refers to the building cost assigned to a project at the time the permit is issued. Generally, the building permit valuation is determined by the local government official on the basis of average square footage costs for various types of construction, according to Minnesota Department of Administration guidelines. Consideration is also given to other factors. It is intended to measure the cost of construction, and in the majority of cases is lower than actual sales price. For instance, the cost of the lot is typically not included.

Twin Cities Region Residential Building Permits, January 1987-December 2005



Source: U.S. Census Bureau, Residential Building Permits Survey.

Twin Cities Region RESIDENTIAL BUILDING PERMITS BY COUNTY JANUARY-DECEMBER, 2004 AND 2005



Source: U.S. Census Bureau, Residential Building Permits Survey.

**TOP 20 CITIES ISSUING NEW RESIDENTIAL BUILDING PERMITS
DURING 2005**

Single Family Leaders	# of Units	Multifamily Leaders	# of Units	Leading in Total Units	# of Units
Woodbury	905	Minneapolis	1308	Minneapolis	1506
Hugo	765	Brooklyn Park	301	Woodbury	981
Blaine	639	St. Paul	289	Hugo	765
Shakopee	568	Rosemount	210	Brooklyn Park	749
Lakeville	548	Maple Grove	190	Shakopee	669
Brooklyn Park	448	Plymouth	170	Lakeville	651
Ramsey	380	Burnsville	161	Blaine	639
Maple Grove	278	Spring Park	159	Maple Grove	468
Cottage Grove	264	Apple Valley	151	Rosemount	454
Eden Prairie	257	Chaska	135	St. Paul	424
Rosemount	244	Hastings	135	Ramsey	380
Maplewood	244	Inver Grove Heights	132	Plymouth	367
Stillwater	244	St. Anthony	132	Maplewood	312
Andover	226	New Brighton	122	Eden Prairie	291
Farmington	198	Lakeville	103	Chaska	280
Minneapolis	198	Shakopee	101	Cottage Grove	264
Plymouth	197	Bloomington	97	Savage	256
Lino Lakes	196	Savage	78	Andover	256
Savage	178	Woodbury	76	Hastings	244
Coon Rapids	173	Maplewood	68	Stillwater	244
TOP 10 SUBTOTAL:	5,052		3,074		7,306
PCT. OF REGION	44.4%		66.5%		45.7%
TOP 20 SUBTOTAL:	7,150		4,118		10,200
PCT. OF REGION	62.8%		89.0%		63.7%
REGION TOTAL	11,377		4,625		16,002

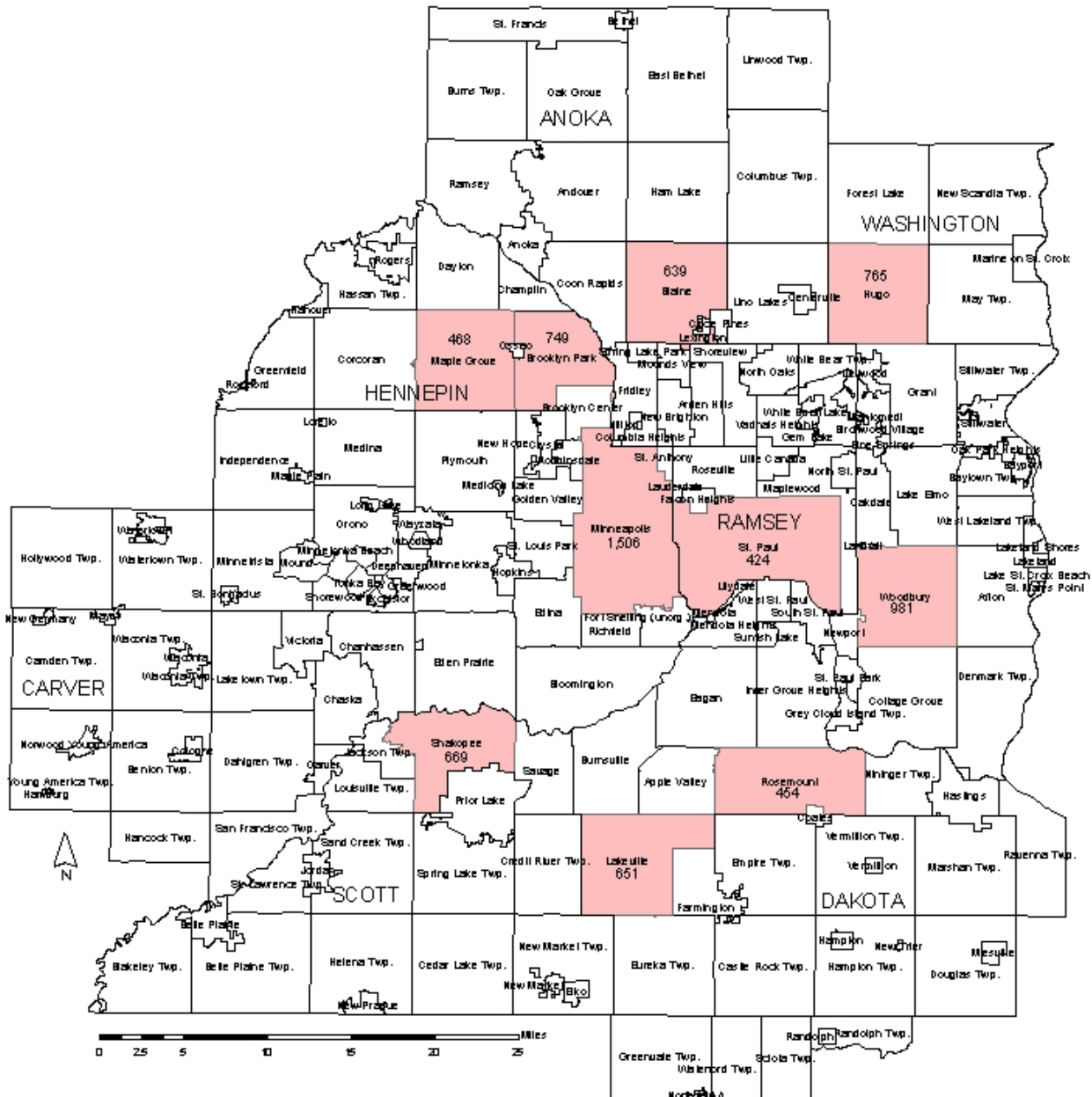
**RESIDENTIAL BUILDING PERMITS BY PLANNING AREA
2005**

PLANNING AREA	TOTAL (NUMBER OF UNITS)	SHARE OF REGIONAL TOTAL
Central Cities	1,930	12.1
Developed Suburbs	2,814	17.6
Developing Suburbs	9,671	60.4
Rural Area	1,587	9.9
REGION	16,002	100.0

RESIDENTIAL BUILDING PERMITS 2005				
	SINGLE FAMILY		MULTIFAMILY	
COUNTY	Number of Units	Total Permit Valuation	Number of Units	Total Permit Valuation
Anoka	2,156	\$375,655,477	126	\$12,421,320
Carver	842	210,970,735	151	21,556,609
Dakota	1,490	321,506,359	966	122,577,863
Hennepin	2,320	641,436,150	2,547	440,133,522
Ramsey	616	114,621,494	511	70,841,829
Scott	1,433	334,197,504	179	16,899,855
Washington	2,520	547,558,855	145	18,817,807
REGION	11,377	\$2,545,946,574	4,625	\$703,248,805
Chisago	350	\$52,182,405	0	\$0
Isanti	483	67,897,010	62	7,154,728
Pierce (Wisc.)	378	66,824,534	12	1,457,000
St. Croix (Wisc.)	767	139,931,508	117	10,622,900
Sherburne	1,138	191,642,274	0	0
Wright	2,068	365,101,334	90	8,415,046
MSA	16,561	\$3,429,525,639	4,906	\$730,898,479

RESIDENTIAL BUILDING PERMITS 2004				
	SINGLE FAMILY		MULTIFAMILY	
COUNTY	Number of Units	Total Permit Valuation	Number of Units	Total Permit Valuation
Anoka	2,887	\$488,460,540	422	\$40,201,785
Carver	840	179,605,034	298	35,061,972
Dakota	2,169	414,911,092	1,372	170,533,549
Hennepin	2,670	651,610,641	2,361	305,436,528
Ramsey	587	113,755,092	1,621	130,904,542
Scott	1,800	370,521,382	117	12,328,513
Washington	2,423	527,874,584	265	22,118,212
REGION	13,376	\$2,746,738,365	6,456	\$716,585,101
Chisago	456	\$65,230,329	6	\$872,856
Isanti	547	75,505,990	114	11,177,592
Pierce (Wisc.)	431	72,323,725	69	6,054,495
St. Croix (Wisc.)	1,011	174,952,924	137	12,644,020
Sherburne	1,490	229,651,568	40	3,264,000
Wright	1,966	319,045,842	85	8,379,688
MSA	19,277	\$3,683,448,743	6,907	\$758,977,752

Twin Cities Region Top 10 Cities Issuing New Residential Permits January - December 2005



Source: U.S. Census Bureau, Residential Building Permits Survey.

MULTI-UNIT PERMITS BY TYPE, 2005	Total Units	Duplex Units	Buildings with 3-4 units:		Buildings with 5+ units:	
			Bldgs.	Units	Bldgs.	Units
Minneapolis	1308	12	8	26	18	1,270
Brooklyn Park	301	4	0	0	2	297
St. Paul	289	16	5	18	9	255
Rosemount	210	0	12	43	16	167
Maple Grove	190	0	10	30	20	160
Plymouth	170	0	0	0	10	170
Burnsville	161	0	0	0	2	161
Spring Park	159	0	0	0	3	159
Apple Valley	151	2	4	16	14	133
Chaska	135	20	5	18	6	97
Hastings	135	12	6	22	9	101
Inver Grove Heights	132	4	16	60	9	68
St. Anthony	132	0	0	0	2	132
New Brighton	122	0	0	0	1	122
Lakeville	103	8	7	27	9	68
Shakopee	101	0	0	0	2	101
Bloomington	97	2	0	0	1	95
Savage	78	2	5	20	5	56
Woodbury	76	0	0	0	1	76
Maplewood	68	0	0	0	3	68
Eagan	59	0	0	0	2	59
Orono	57	0	0	0	1	57
Oak Grove	52	0	0	0	1	52
Minnnetonka	39	0	0	0	1	39
Eden Prairie	34	0	0	0	1	34
Roseville	32	0	0	0	1	32
St. Francis	30	10	0	0	3	20
Andover	30	0	0	0	1	30
Oak Park Heights	29	0	0	0	1	29
New Hope	26	0	0	0	1	26
Oakdale	25	0	2	8	3	17
Medina	18	0	0	0	1	18
Richfield	16	0	0	0	1	16
South St. Paul	12	12	0	0	0	0
Willernie	9	0	1	4	1	5
Victoria	8	4	1	4	0	0
Norwood Young America	8	8	0	0	0	0
Forest Lake	6	6	0	0	0	0
Anoka	6	2	1	4	0	0
Ham Lake	4	4	0	0	0	0
Fridley	4	4	0	0	0	0
Hampton	3	0	1	3	0	0
REGION	4,625	132	84	303	161	4,190