

RESIDENTIAL BUILDING PERMITS ISSUED IN THE TWIN CITIES REGION DURING 2006 (Preliminary)

The Twin Cities region followed the national trend toward a distinctly cooler housing construction climate in 2006. High production levels and price appreciation earlier in the decade were unsustainable over the long term, and a slower pace of construction will make it possible to absorb excess supply. Nationally, the number of new housing units authorized by building permits in 2006 was down 15 percent from 2005, while in the Twin Cities region the decrease was 28 percent. Among the nation's 25 largest metropolitan statistical areas, Minneapolis-St. Paul ranked mid-range in 2006 housing growth per capita (16th).

In the seven county area, permits were issued for 8,313 single-family housing units (down 27 percent from 2005) and 3,199 multifamily units (down 31 percent), according to preliminary data from the U.S. Census Bureau.

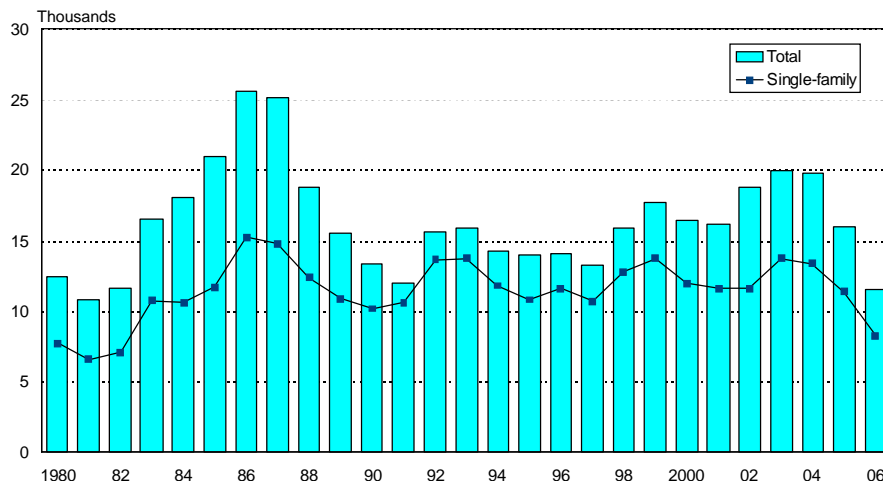
Despite a slower construction pace in 2005 and 2006, the region is on target to accommodate forecasted growth, considering above-target annual growth earlier in the decade. Trends in the distribution of new housing also remain in line with the goal of meeting a portion of housing need in areas where urban services are already in place. In 2006, 35 percent of permitted units were in developed areas, slightly higher than in recent years. Fifty-five percent were in developing suburbs, and less than ten percent in rural towns and surrounding areas.

Minneapolis, with 1,757 permitted housing units in 2006, was the leading permit-issuing city as it was in 2005. A majority of its total was in multifamily activity. Woodbury followed, with 713 single-family units. Other top cities were St. Paul (543), Lakeville (442), Brooklyn Park (440) and Blaine (425).

Average building permit valuation per unit increased 11 percent for single-family (\$248,500). The multifamily average, which had climbed sharply from 2004 to 2005, fell back in 2006 by 7 percent (\$141,600).

Housing construction in the six counties adjacent to the region accounted for 23 percent of the 13-county MSA total, slightly less than in 2005.

**Twin Cities Region
Residential Permits, January-December, 1980-2006**



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

ABOUT THIS REPORT

This report summarizes preliminary data on new residential construction in the Minneapolis-St. Paul metropolitan area during 2006. 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, permitted housing units 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.

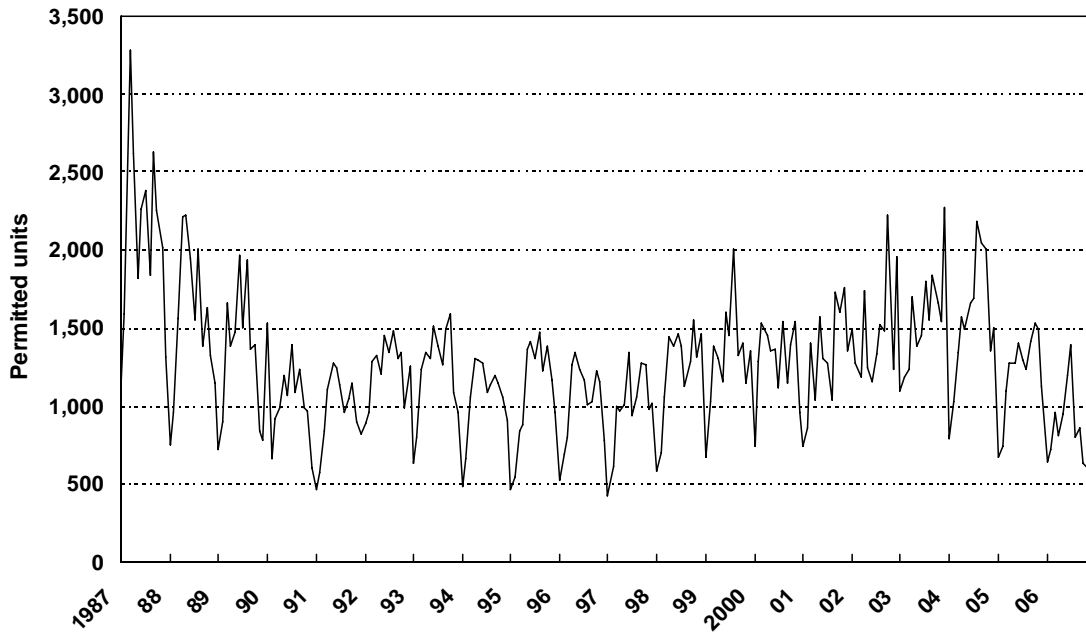
DEFINITIONS

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.

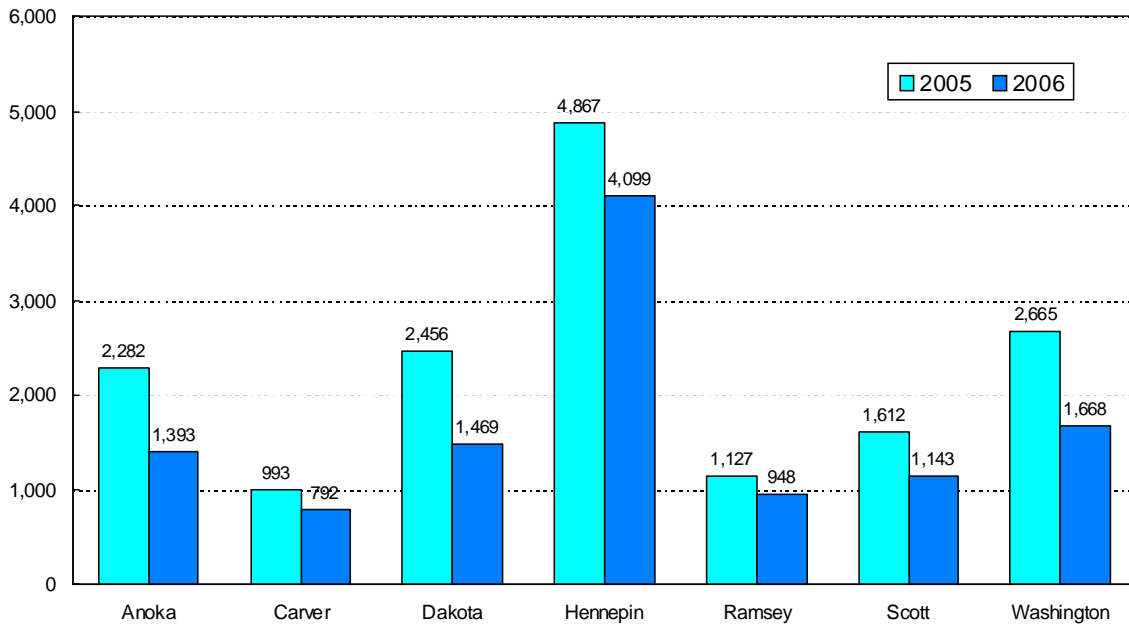
Valuation refers to the building cost assigned to a project at the time the permit is issued. Generally, the building permit valuation is determined by the local government official on the basis of average square footage costs for various types of construction, according to Minnesota Department of Administration 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 2006



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

Twin Cities Region RESIDENTIAL BUILDING PERMITS BY COUNTY JANUARY-DECEMBER, 2005 AND 2006



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

**TOP 20 CITIES ISSUING NEW RESIDENTIAL BUILDING PERMITS
DURING 2006**

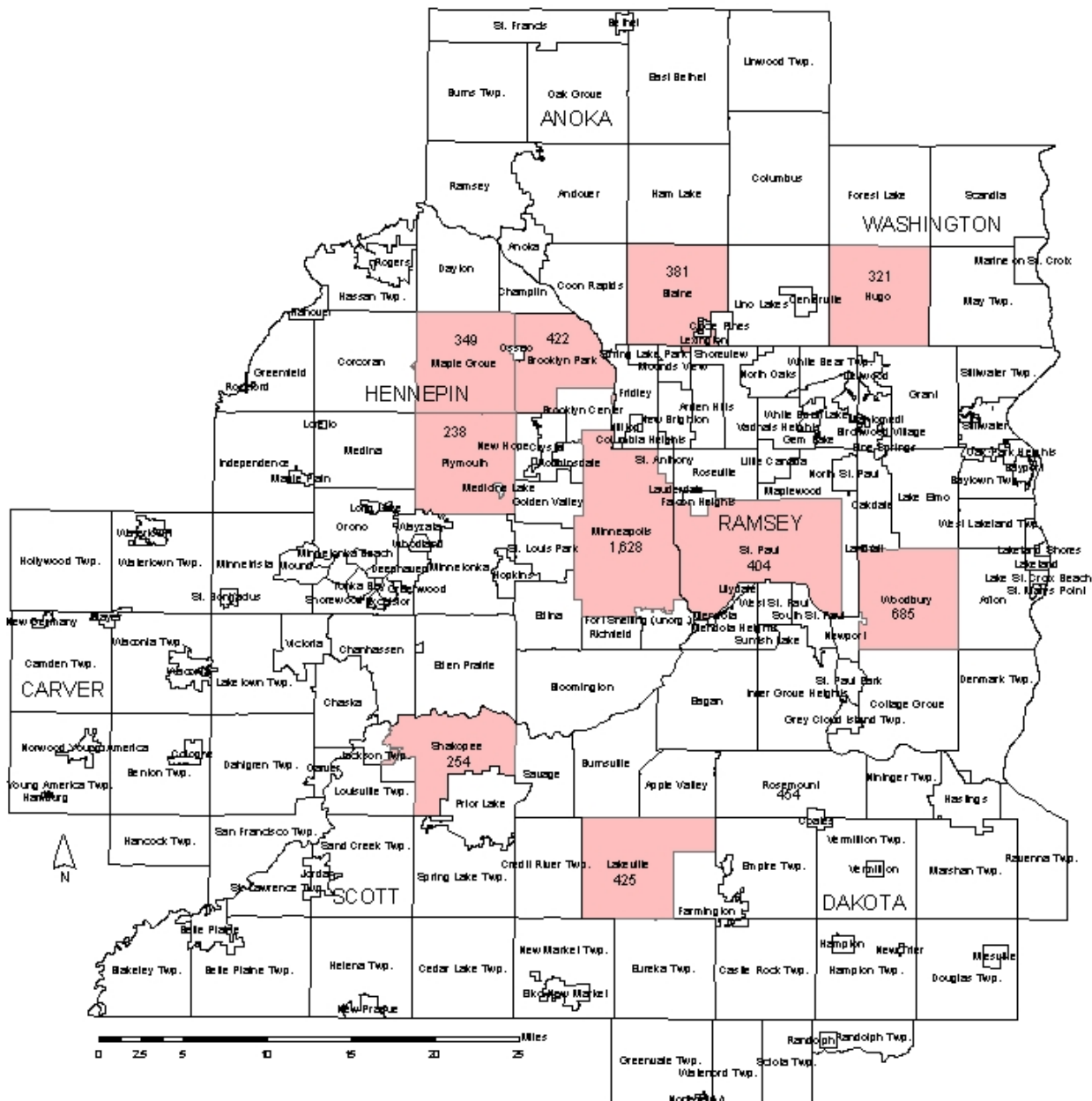
Single Family Leaders	# of Units	Multifamily Leaders	# of Units	Leading in Total Units	# of Units
Woodbury	713	Minneapolis	1,539	Minneapolis	1,757
Brooklyn Park	428	St. Paul	403	Woodbury	713
Blaine	425	Edina	132	St. Paul	543
Lakeville	406	Chaska	127	Lakeville	442
Maple Grove	365	Rosemount	79	Brooklyn Park	440
Hugo	338	Mendota Heights	71	Blaine	425
Shakopee	276	Savage	62	Maple Grove	365
Plymouth	221	Oakdale	61	Hugo	338
Minneapolis	218	Maplewood	56	Shakopee	276
Farmington	200	Prior Lake	54	Plymouth	253
Cottage Grove	185	Bloomington	50	Rosemount	224
Prior Lake	164	Chanhassen	48	Prior Lake	218
Hastings	161	Vadnais Heights	48	Chaska	201
Ramsey	160	Inver Grove Heights	42	Farmington	200
Eden Prairie	157	Roseville	42	Cottage Grove	185
Rogers	154	New Hope	41	Edina	180
Andover	151	Coon Rapids	38	Chanhassen	179
Rosemount	145	Forest Lake	38	Coon Rapids	172
St. Paul	140	Lakeville	36	Hastings	169
Coon Rapids	134	West St. Paul	35	Rogers	168
TOP 10 SUBTOTAL:	3,590		2,584		5,552
PCT. OF REGION	43.2%		80.8%		48.2%
TOP 20 SUBTOTAL:	5,141		3,002		7,448
PCT. OF REGION	61.8%		93.8%		64.7%
REGION TOTAL	8,313		3,199		11,512

**RESIDENTIAL BUILDING PERMITS BY PLANNING AREA
2006**

PLANNING AREA	TOTAL (NUMBER OF UNITS)	SHARE OF REGIONAL TOTAL
Central Cities	2,300	20.0
Developed Suburbs	1,776	15.4
Developing Suburbs	6,352	55.2
Rural Area	1,084	9.4
REGION	11,512	100.0

Twin Cities Region

Top 10 Cities Issuing New Residential Permits January - December 2006



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

RESIDENTIAL BUILDING PERMITS 2006				
	SINGLE FAMILY		MULTIFAMILY	
COUNTY	Number of Units	Total Permit Valuation	Number of Units	Total Permit Valuation
Anoka	1,355	251,329,951	38	\$3,610,000
Carver	580	161,688,944	212	24,627,312
Dakota	1,170	258,575,474	299	37,893,722
Hennepin	2,223	639,452,298	1,876	289,436,582
Ramsey	397	82,726,349	551	70,291,685
Scott	1,019	277,687,604	124	14,002,842
Washington	1,569	394,088,766	99	13,029,922
REGION	8,313	\$2,065,549,386	3,199	\$452,892,065
Chisago	254	40,017,440	0	\$0
Isanti	249	35,202,947	131	14,933,153
Pierce (Wisc.)	260	42,761,413	49	4,675,000
St. Croix (Wisc.)	464	88,409,689	23	3,038,000
Sherburne	721	133,224,445	0	0
Wright	1,266	241,377,176	10	1,331,493
MSA	11,527	\$2,646,542,496	3,412	\$476,869,711

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

MULTI-UNIT PERMITS BY TYPE, 2006	Total Units	Duplex Units	Buildings with 3-4 units:		Buildings with 5+ units:	
			Bldgs.	Units	Bldgs	Units
Minneapolis	1,539	8	9	27	22	1,504
St. Paul	403	10	2	6	8	387
Edina	132	4	0	0	1	128
Chaska	127	4	1	3	4	120
Rosemount	79	0	7	27	7	52
Mendota Heights	71	0	0	0	2	71
Savage	62	0	3	12	5	50
Oakdale	61	0	0	0	2	61
Maplewood	56	0	0	0	2	56
Prior Lake	54	0	0	0	1	54
Bloomington	50	0	0	0	1	50
Chanhassen	48	0	0	0	1	48
Vadnais Heights	48	0	0	0	1	48
Inver Grove Heights	42	2	0	0	1	40
Roseville	42	0	0	0	1	42
New Hope	41	0	0	0	1	41
Coon Rapids	38	0	2	8	2	30
Forest Lake	38	0	0	0	6	38
Lakeville	36	6	2	6	3	24
West St. Paul	35	0	0	0	1	35
Plymouth	32	0	1	4	2	28
Eagan	24	2	6	22	0	0
Hopkins	23	0	0	0	1	23
Watertown	21	2	2	8	2	11
Mound	20	0	0	0	1	20
Carver	16	0	0	0	2	16
Rogers	14	0	1	4	1	10
Brooklyn Park	12	0	3	12	0	0
Hastings	8	4	1	4	0	0
New Market	4	0	1	4	0	0
Jordan	4	4	0	0	0	0
Shorewood	4	4	0	0	0	0
Apple Valley	4	0	1	4	0	0
Wayzata	4	4	0	0	0	0
Champlin	3	0	1	3	0	0
Minnetonka	2	2	0	0	0	0
New Brighton	2	2	0	0	0	0
REGION	3,199	58	43	154	81	2,987