

RESIDENTIAL BUILDING PERMITS ISSUED IN THE TWIN CITIES AREA DURING 2004 (Preliminary)

A still favorable, though rising, mortgage interest rate environment, along with signs of improving economic conditions, supported strong demand for housing construction again in 2004. Relatively mild winter weather played a part in sustaining fourth-quarter activity. The year-end building permit total did not quite match 2003's level, but was off by less than one percent. Multifamily construction activity expanded by 3.5 percent, while single-family volume slipped 2.6 percent. Overall, 19,832 new units were authorized.

Nationwide, builders enjoyed a 7 percent increase in overall activity; up 8 percent for single-family construction and 5 percent in the multifamily sector. In a comparison of the nation's 25 largest metropolitan areas, Minneapolis-St. Paul building permits ranked above average in its growth rate (calculated on a per capita basis). The 25 metro areas as a group averaged 7 new housing units per capita—#1-ranked Phoenix's rate was twice that. Minneapolis-St. Paul, with 9 units per capita, ranked 8th highest.

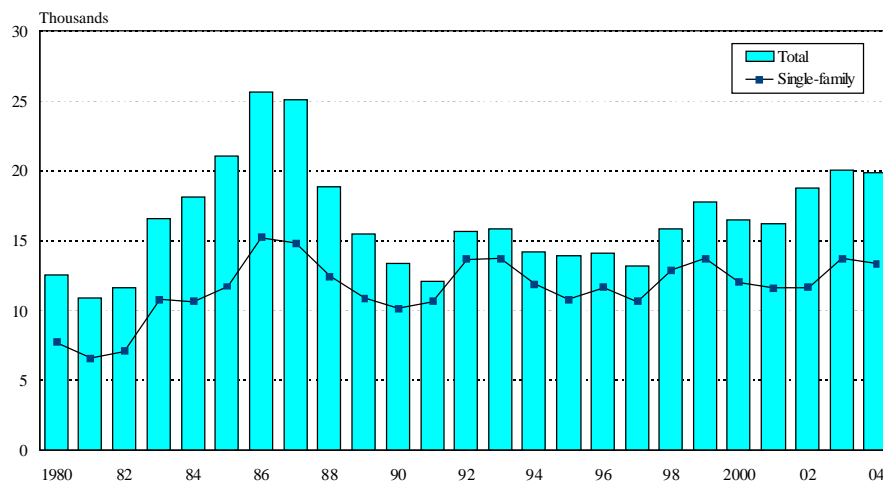
A surge in multifamily building put Minneapolis and St. Paul in top ranking among the region's cities, with a combined 17 percent of the regional 2004 new housing unit total (1700 units each). Woodbury and Blaine followed with 1287 units and 1072 units respectively (primarily single-family construction).

Because central city permits accounted for an increased regional share in 2004, shares of growth in currently developing suburbs and developed suburbs dropped slightly (59 percent and 15 percent). Construction in the rural area amounted to only an 8 percent share.

Development in collar counties to the north and east of the region has continued to accelerate slowly but steadily. The six other Minneapolis-St. Paul MSA counties reported permit authorizations for 6,352 new units in 2004, which was 24.3 percent of the 13-county total. Wright County saw the most activity with 2,051 units.

Single-family construction costs rose more rapidly in 2004 than the previous couple of years. The average permit valuation per home of \$205,300 was 7.5 percent above the 2003 average. Multifamily average valuation, at \$111,000 per unit, was up less than 1 percent.

**Twin Cities Region
Residential Permits, January-December, 1980-2004**



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 2004. It is based on building permit authorizations as reported by local governmental units to the U.S. Department of Commerce, Bureau of the Census. Revised (final) data will be available in June 2005, based on a Metropolitan Council annual 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 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 shown in the Census Bureau data may not add to the year-to-date figures, since the Census Bureau makes corrections and additions to the data 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.

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

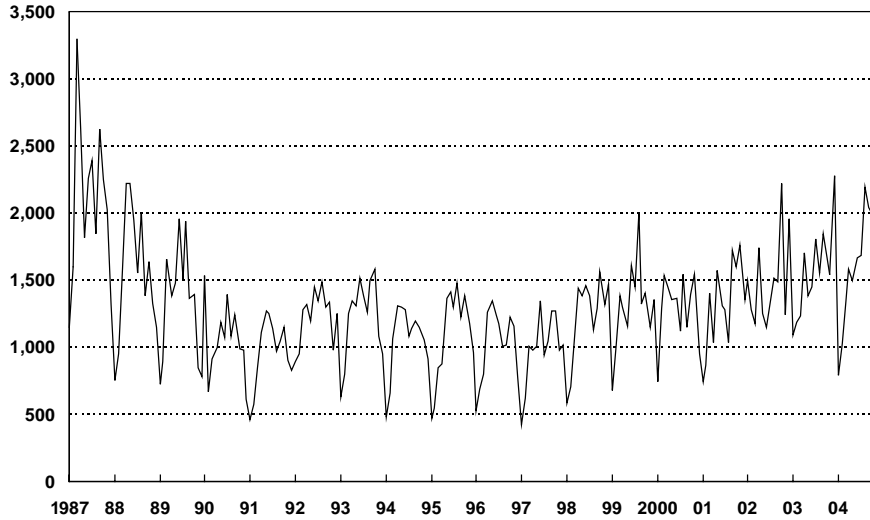
DEFINITIONS

Residential activity in this report is measured in terms of *residential units (housing units)*. A housing unit is defined as a house or apartment unit intended for occupancy as separate living quarters, which 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 collection and analysis.

Building cost refers to the valuation assigned to a building permit 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 Administration Department 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 2004**

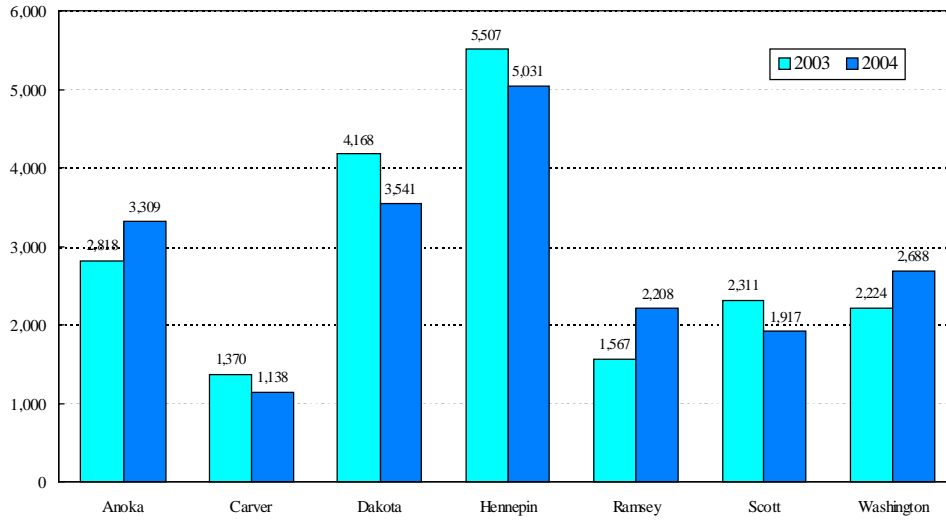


Source: U.S. Census Bureau, Residential Building Permits Survey.

RESIDENTIAL BUILDING PERMITS FOURTH QUARTER 2004						
	OCTOBER		NOVEMBER		DECEMBER	
COUNTY	SINGLE FAMILY	MULTI- FAMILY	SINGLE FAMILY	MULTI- FAMILY	SINGLE FAMILY	MULTI- FAMILY
Anoka	225	0	172	0	153	69
Carver	60	99	79	32	86	3
Dakota	139	149	130	159	136	19
Hennepin	226	418	216	191	198	424
Ramsey	136	252	39	57	47	41
Scott	138	48	140	0	98	2
Washington	108	0	133	2	218	4
REGION	1,032	966	909	441	936	562
Chisago	22	0	5	0	25	0
Isanti	34	36	55	6	43	0
Pierce (Wisc.)	15	2	40	0	22	0
St. Croix (Wisc.)	38	24	61	7	59	0
Sherburne	109	0	134	0	96	0
Wright	184	2	154	0	118	2
MSA	1,434	1,030	1,358	454	1,299	564

(Monthly figures may not add exactly to the year-to-date total, since corrections are made to the data as the year progresses).

Twin Cities Region
RESIDENTIAL BUILDING PERMITS BY COUNTY
 JANUARY-DECEMBER, 2003 AND 2004



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

**TOP 20 CITIES ISSUING NEW RESIDENTIAL BUILDING PERMITS
 DURING 2004**

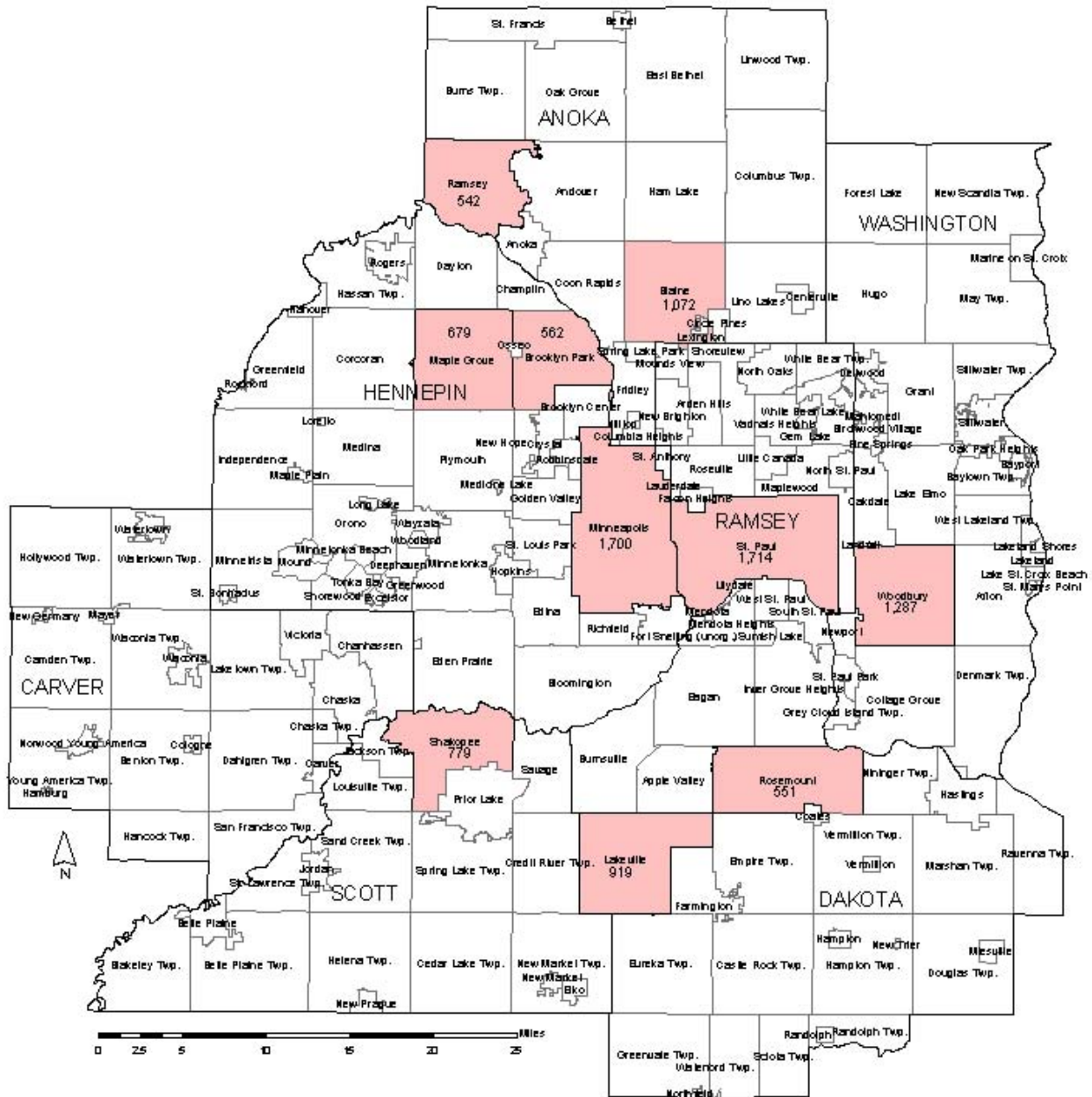
Single Family Leaders	# Units	Multifamily Leaders	# Units	Leading in Total Units	# Units
Woodbury	1,053	St. Paul	1465	St. Paul	1714
Blaine	985	Minneapolis	1450	Minneapolis	1700
Shakopee	739	Lakeville	378	Woodbury	1287
Ramsey	542	Maple Grove	314	Blaine	1072
Lakeville	541	Inver Grove Heights	307	Lakeville	919
Brooklyn Park	503	Chaska	241	Shakopee	779
Rosemount	411	Woodbury	234	Maple Grove	679
Maple Grove	365	Apple Valley	194	Brooklyn Park	562
Cottage Grove	307	Burnsville	169	Rosemount	551
Savage	299	Minnetonka	164	Ramsey	542
Eden Prairie	287	Circle Pines	142	Inver Grove Heights	524
Coon Rapids	283	Rosemount	140	Chaska	476
Plymouth	265	New Hope	136	Eden Prairie	370
Forest Lake	265	Hastings	133	Hastings	346
Andover	251	Blaine	87	Apple Valley	341
Minneapolis	250	Eden Prairie	83	Savage	323
St. Paul	249	Columbia Heights	67	Cottage Grove	307
Chaska	235	Bloomington	62	Plymouth	289
Farmington	228	White Bear Lake	60	Coon Rapids	283
Inver Grove Heights	217	Brooklyn Park	59	Forest Lake	275
TOP 10 SUBTOTAL:	5,745		4,916		9,805
PCT. OF REGION	43.0%		76.1%		49.4%
TOP 20 SUBTOTAL:	8,275		5,885		13,339
PCT. OF REGION	61.9%		91.2%		67.3%

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

RESIDENTIAL BUILDING PERMITS				
2003				
	SINGLE FAMILY		MULTIFAMILY	
COUNTY	Number of Units	Total Permit Valuation	Number of Units	Total Permit Valuation
Anoka	2,752	\$435,958,016	66	\$6,540,472
Carver	873	187,251,356	497	47,712,972
Dakota	2,704	501,833,736	1,464	151,174,752
Hennepin	3,059	694,239,906	2,448	309,927,711
Ramsey	422	81,328,521	1,145	109,881,116
Scott	1,893	322,007,177	418	36,542,904
Washington	2,024	398,647,719	200	24,817,447
REGION	13,727	\$2,621,266,431	6,238	\$686,597,374
Chisago	563	\$83,825,661	65	\$3,798,314
Isanti	435	54,451,842	0	0
Pierce (Wisc.)	358	56,347,101	16	1,805,156
St. Croix (Wisc.)	1,087	179,276,474	331	25,325,195
Sherburne	1,414	210,108,269	70	5,500,000
Wright	1,681	279,180,721	95	11,026,099
MSA	19,265	\$3,484,456,499	6,815	\$734,052,138

Twin Cities Region Top 10 Cities Issuing New Residential Permits January-December 2004



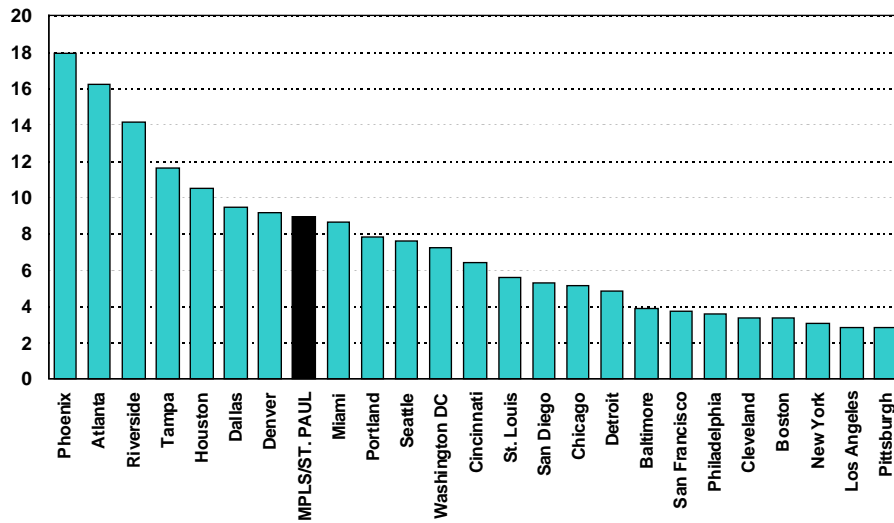
Source: U.S. Census Bureau, Residential Building Permits Survey.

MULTI-UNIT PERMITS BY TYPE, 2004	Total Units	Duplex Units	Buildings with 3-4 units:		Buildings with 5+ units:	
			Bldgs.	Units	Bldgs.	Units
St. Paul	1465	26	4	15	23	1424
Minneapolis	1450	22	5	17	35	1411
Lakeville	378	10	15	56	40	312
Maple Grove	314	6	25	91	28	217
Inver Grove Heights	307	0	15	60	16	247
Chaska	241	0	12	45	23	196
Woodbury	234	0	0	0	3	234
Apple Valley	194	0	4	15	18	179
Burnsville	169	0	0	0	3	169
Minnetonka	164	0	0	0	1	164
Circle Pines	142	0	0	0	2	142
Rosemount	140	0	5	15	17	125
New Hope	136	0	1	4	4	132
Hastings	133	18	5	20	5	95
Blaine	87	0	0	0	1	87
Eden Prairie	83	6	6	23	5	54
Columbia Heights	67	0	0	0	1	67
Bloomington	62	2	0	0	1	60
White Bear Lake	60	0	0	0	1	60
Brooklyn Park	59	0	0	0	1	59
Oak Grove	56	4	0	0	1	52
Falcon Heights	56	0	0	0	1	56
Victoria	45	0	0	0	1	45
Shakopee	40	0	0	0	1	40
Hopkins	36	0	0	0	2	36
South St. Paul	35	0	0	0	1	35
Centerville	31	0	0	0	1	31
New Prague	31	28	1	3	0	0
Plymouth	24	0	6	24	0	0
Savage	24	0	0	0	2	24
Ham Lake	18	18	0	0	0	0
Maplewood	18	6	3	12	0	0
White Bear township	18	18	0	0	0	0
Mendota Heights	16	0	0	0	1	16
Greenfield	16	0	1	4	2	12
Prior Lake	16	0	4	16	0	0
Oakdale	16	10	0	0	1	6
St. Francis	12	12	0	0	0	0
Forest Lake	10	2	0	0	1	8
Anoka	9	0	1	4	1	5
Norwood Young America	8	8	0	0	0	0
Richfield	7	0	0	0	1	7
Mound	6	2	1	4	0	0
Jordan	6	0	0	0	1	6
Afton	5	0	0	0	1	5
Brooklyn Center	4	0	1	4	0	0
Vadnais Heights	4	0	1	4	0	0
Hamburg, Watertown 2 units ea.	4	4	0	0	0	0
REGION	6,456	202	116	436	247	5,818

PERMITS ISSUED IN MSA COUNTIES ADJACENT TO THE TWIN CITIES REGION							
COUNTY	1998	1999	2000	2001	2002	2003	2004
Chisago	574	692	659	687	610	628	462
Isanti	319	294	283	807	537	435	661
Pierce (Wisc.)	292	317	303	372	446	374	500
St. Croix (Wisc.)	642	686	854	1,014	1,308	1,418	1,148
Sherburne	1,091	1,152	1,282	1,125	1,109	1,484	1,530
Wright	1,134	1,353	1,526	1,697	1,959	1,776	2,051
6-COUNTY TOTAL:	4,275	4,494	4,907	5,702	5,969	6,115	6,352
PERCENT OF THE 13-COUNTY MSA:	20.9%	19.2%	21.6%	23.9%	23.1%	22.4%	24.3%

(Data for 2004 are preliminary, from U.S. Commerce Department. Data for 1997 through 2003, for the adjacent six counties, are revised (final) data from the Commerce Department. The percentages are based on final data for the Twin Cities seven county area, from Metropolitan Council annual survey data.)

25 Largest Metropolitan Areas Ranked by 2004 December Year-to-Date Residential Building Permits Per 1,000 Population



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

Data for this graphic is based on the most current geographic definitions of these metropolitan areas (2003).