Residential Development Trends

Findings from the 2020 Building Permit Survey
Today’s presentation

• 2020 Building Permit Survey findings
  o Number, locations, and types of newly permitted housing
  o Context: How events of 2020 effected housing production

• What early 2021 data says about enduring impacts
Housing Permit Types

Net change in units
Added units
Other additions
Conversions
New construction
Units removed
Demolition
Other losses

Source: Metropolitan Council Building Permit Survey.
“Net change” is the total added units minus the total lost units.
Housing production since 2000

Net Change in Region’s New Housing

2000-2010 average: 14,600 added housing units
2010-2020 average: 12,900 added housing units

Years with over 20,000 units

Source: Metropolitan Council Building Permit Survey.
“Net change” is the total added units minus the total lost units.
Housing Production in context

Types of added housing

Source: Metropolitan Council Building Permit Survey.

This is a notable decline from recent years, where age-restricted units (mostly senior housing) was a large share of new multifamily housing.
Top producing jurisdictions

Added housing 2010-2020

<table>
<thead>
<tr>
<th>Range</th>
<th>Added Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>+2,000 to +9,000</td>
<td></td>
</tr>
<tr>
<td>+500 to +1,999</td>
<td></td>
</tr>
<tr>
<td>+100 to +499</td>
<td></td>
</tr>
<tr>
<td>Fewer than 100</td>
<td></td>
</tr>
<tr>
<td>No new units or loss</td>
<td></td>
</tr>
</tbody>
</table>

Jurisdictions with largest number of added units, 2010-2020

<table>
<thead>
<tr>
<th>Rank</th>
<th>Municipality</th>
<th>Added Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Minneapolis</td>
<td>29,236</td>
</tr>
<tr>
<td>2</td>
<td>St. Paul</td>
<td>8,625</td>
</tr>
<tr>
<td>3</td>
<td>Lakeville</td>
<td>6,012</td>
</tr>
<tr>
<td>4</td>
<td>Woodbury</td>
<td>5,696</td>
</tr>
<tr>
<td>5</td>
<td>Maple Grove</td>
<td>4,856</td>
</tr>
<tr>
<td>6</td>
<td>Blaine</td>
<td>4,387</td>
</tr>
<tr>
<td>7</td>
<td>Plymouth</td>
<td>3,877</td>
</tr>
<tr>
<td>8</td>
<td>Eagan</td>
<td>3,002</td>
</tr>
<tr>
<td>9</td>
<td>Bloomington</td>
<td>3,001</td>
</tr>
<tr>
<td>10</td>
<td>Minnetonka</td>
<td>2,956</td>
</tr>
</tbody>
</table>

Source: Metropolitan Council Building Permit Survey.
2020 Civil Unrest

• Damage not captured in building permit survey unless demolition & newly permitted
• Most property damage was commercial or mixed use
• According to local media report, over 50 residences were affected in St. Paul and Minneapolis

Midtown Corner, a housing project on Lake Street, was damaged in 2020 civil unrest. The 189-unit project has since been rebuilt and renamed Everlake.
COVID-19 impacts on construction

• Building standstill early in 2020; activity increased later in the year
• Sky-rocketing prices for lumber and other construction materials
• Shortage of materials; supply lines were disrupted
• Labor shortages
2021 data signal a full rebound

Multifamily Construction in the Twin Cities Region

Source: Dodge Reports; 2nd Quarter 2021
Takeaways

• Demand for housing remains strong, fueled by years of production shortfall and steady population growth in the Twin Cities.

• Multifamily remains the predominate housing type, but fewer age-restricted units were added in 2020. New single family homes trending upward, other housing types low and stagnant.

• New housing added across region’s jurisdictions since 2010, but volume in Minneapolis sets it apart from other places.

• Despite the COVID-19 pandemic pausing housing construction briefly, number of units added to region’s housing stock in 2020 was on par with recent years. Early 2021 data signals strong construction activity is expected.
Where to find this data

- Metrocouncil.org/research
  - Community Profiles
  - Download Data
  - Interactive
- MN Geospatial Commons
Thank you!

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