

New Housing Construction Permits in the Twin Cities Region, 2008

August 2009

This *MetroStats* covers trends in new housing construction in the Twin Cities region during 2008 in the context of longer-range construction trends. Analysis is based on building permit authorizations by each local jurisdiction, collected annually by the Metropolitan Council from local officials.

Another data source, the U.S. Census Bureau, is also used to track building permits on a preliminary basis. Metropolitan Council verifies its data with local officials as needed to assure data quality. It can thus be considered the most accurate available and is used to calculate the Council's annual household and population estimates. The Council's data also enumerate townhouses separately, whereas Census data include these in the single-family category. Data are subject to revision for a year, but substantial revisions are not anticipated.

General trends shown by the two data sources are similar with Metropolitan Council data typically picking up a somewhat higher housing unit count. For 2008, the Council's survey showed 760 more housing units, a difference of 17 percent.

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Highlights

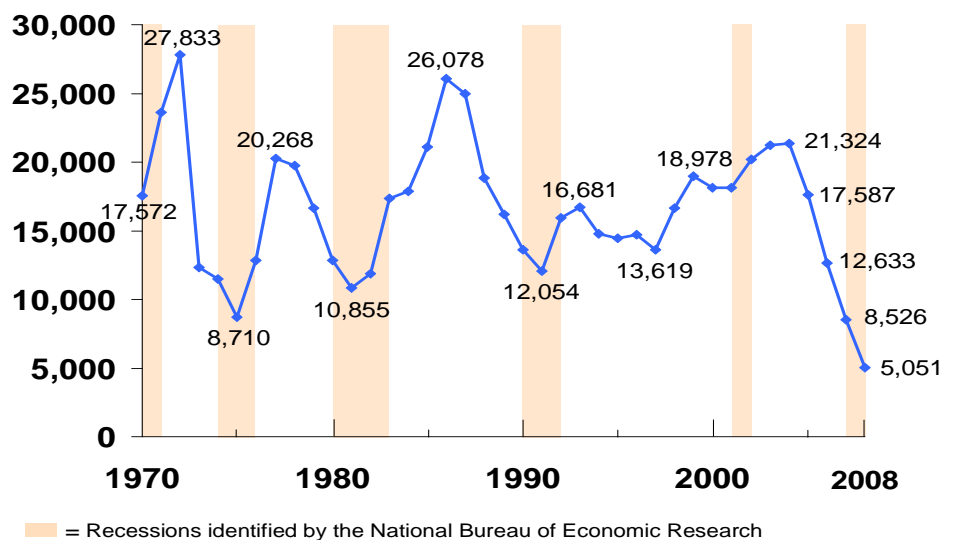
New housing construction sunk to a historic low in 2008 with just 5,051 new housing units permitted. Annual construction levels were more than four times higher during the peak years earlier this decade.

The region enjoyed a stronger pace of construction earlier in the decade than other large metropolitan areas outside the coastal and sun-belt areas, on a per-capita basis. Growth also continued here a little longer but saw a more dramatic reversal in recent years, compared to other large metros. (For more information see *MetroStats: Residential Construction in the Twin Cities Region, 2008 Preliminary*, from March 2009.)

This decade's growth averaged approximately 15,900 new housing units annually, climbing from the 15,100 units annually during the 1990s. In the longer-range context, these levels were below the scale experienced in the 1970s and 1980s when Baby Boomers were forming new households and expanding the pool of first-time homebuyers.

Townhouse and multifamily construction surged this decade to 57 percent of new housing units permitted (nearly 81,000 units). Their prevalence as a housing option can be seen increasingly in the region's newer-developing areas as well as in the region's core areas.

Housing units permitted annually, 1970-2008



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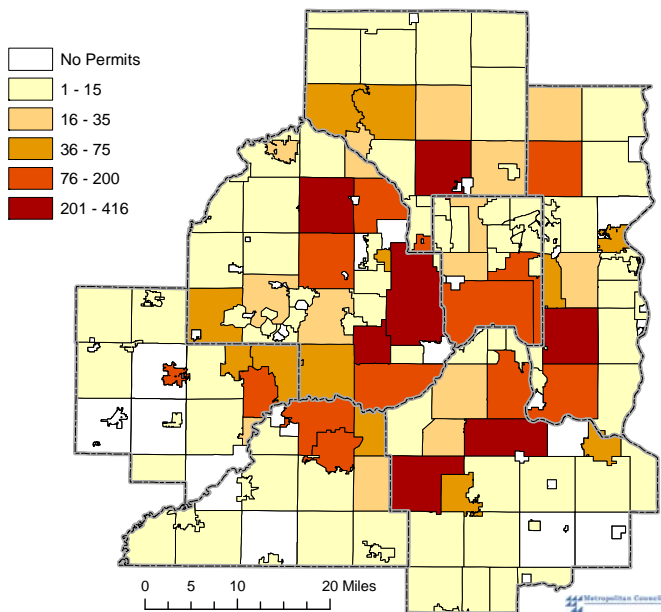
Permits Issued in 2008

After the economic downturn in 2001, the region's new housing permits climbed each year to a peak in 2004 with 21,355 housing units authorized. Permit totals have dropped sharply each year since then, falling to 8,526 units for 2007, and dropping another 41 percent between 2007 and 2008, to a total of 5,051 units for the year.

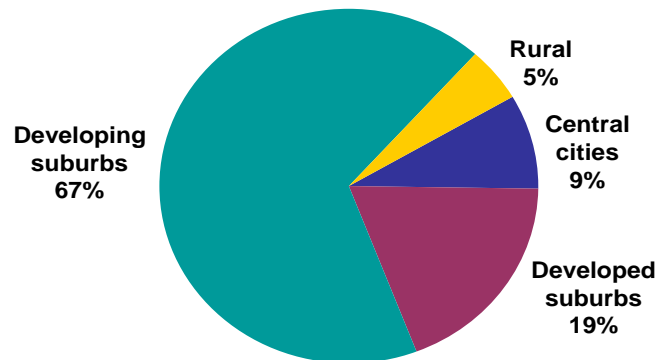
Leading communities within the region were Lakeville (416 units), Woodbury (342) and Maple Grove (322). No other community had permit totals in excess of 300 units. The edge of development continues to move out from the region's center albeit at a slower pace during this economic downturn.

During 2008, developed areas within the region accounted for 27 percent of building permit activity while still-developing areas accounted for 73 percent. Only 5 percent of new housing was going into rural areas. This split between developed and developing areas is consistent with trends of the 1990s and this decade to date. In the 1980s, in comparison, the shares were close to 50/50 with just slightly more of the new housing construction occurring in developing suburbs.

Building permits issued, 2008

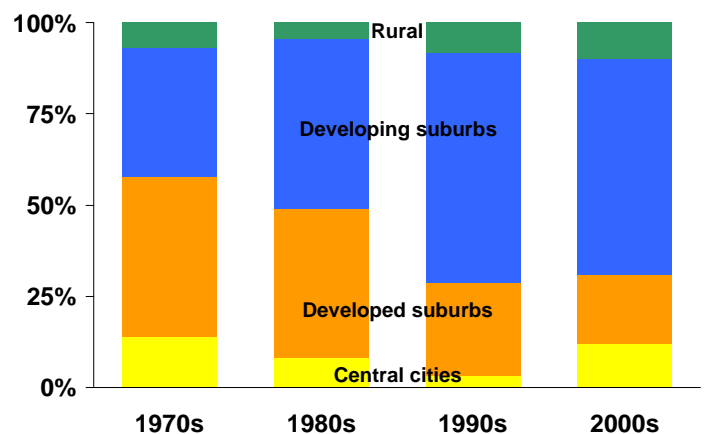


Planning area shares of region's 2008 permits



Top 10 Communities Issuing Permits, 2008	
Community	# Units
Lakeville	416
Woodbury	342
Maple Grove	322
Minneapolis	279
Edina	273
Blaine	238
Rosemount	237
Hugo	188
St. Paul	160
Plymouth	157

Planning area percent of region by decade

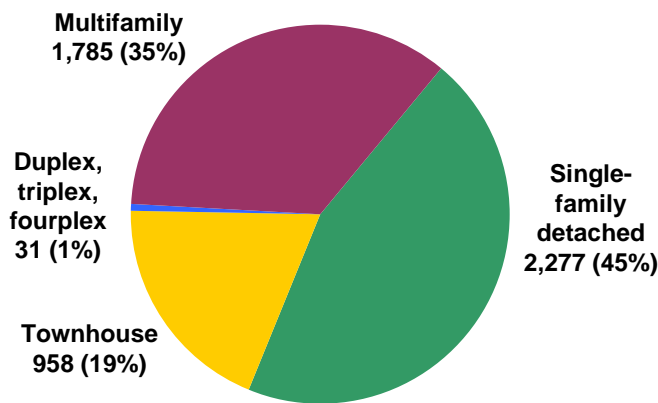


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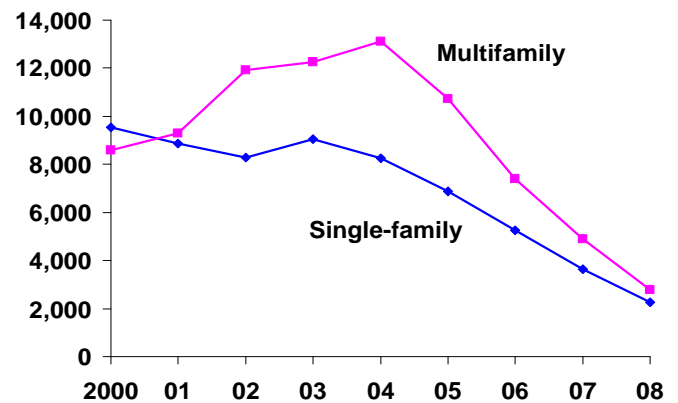
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For 2008, single-family detached housing maintained the largest market share at 45 percent of the region's total, followed by larger multifamily buildings with 35 percent. Duplexes, triplexes and quads only represented one percent. Townhouses made up the remaining 19 percent.

Region's 2008 permits by Housing Type



New housing units permitted, 2000-2008



The Metropolitan Council enumerates new residential structures on the basis of four housing types, since they are associated with different rates of land consumption and average household size. Categorization is on the basis of structural characteristics rather than ownership. For example, the multifamily category includes condos as well as apartments.

The condo boom in the central cities helped to lift permit totals mid-decade, but strong demand for alternatives to detached single-family homes was certainly not only a phenomenon of the region's core areas.

Mix of Housing Types, 2000-2008

Although total permits trended upward until 2004 before plunging to 2008's levels, the trends for single-family detached housing and for other housing types were distinctly different. Single-family activity trended downward throughout the decade, with just a slight uptick in 2003. Other housing types, including townhouses, apartments and condos, expanded strongly through 2004. For the overall period 2000 through 2008, 57 percent of all housing units permitted were housing types other than single-family detached. At the start of the decade the percentage was 47 percent, climbing to 64 percent mid-decade. The 2008 share was close to the decade-to-date total at 55 percent.

Regional townhouse construction averaged 1,971 and 1,972 units per year during the 1980s and 1990s respectively. During 2000-2008 the average shot up to 3,260 units per year. Developed and developing suburbs had roughly equal shares of townhouse activity during the 1980s (approximately 900 units annually). During the 1990s and in the current decade the volume of new townhouse construction in developed areas edged downward (711 units on average, 2000-08), but in the developing areas it more than doubled to a 2000-08 average of 2,340 per year.

During the 2000-08 period nine communities approved permits in excess of 1,000 new townhouse units. Woodbury led with 1,418 units, followed by Prior Lake, Blaine, Shakopee, Lakeville, Plymouth, Ramsey, Savage, and Eden Prairie.

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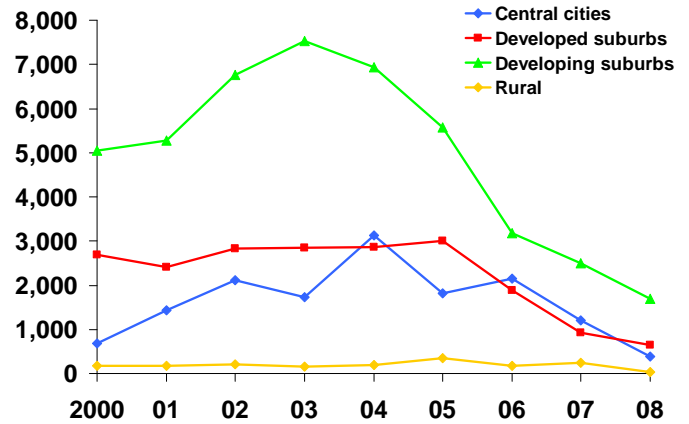
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Multifamily units (condo and rental) were at a strong 6,760 units per year in the 1980s, falling to 3,094 units in the 1980s, and rebounding to 5,734 units this decade. Averages for 2000-2008 were 1,548 in the central cities, 1,521 in developed suburbs, and a significantly higher 2,604 units in the developing suburbs.

Minneapolis and St. Paul chalked up 8,857 multifamily units and 5,076 multifamily units respectively. Top suburban locations were nearly all still-developing suburbs. Cities with multifamily totals ranging from 2,476 down to 1,504 units were, in descending order, Maple Grove, Plymouth, St. Louis Park, Apple Valley, Eden Prairie, Inver Grove Heights and Lakeville.

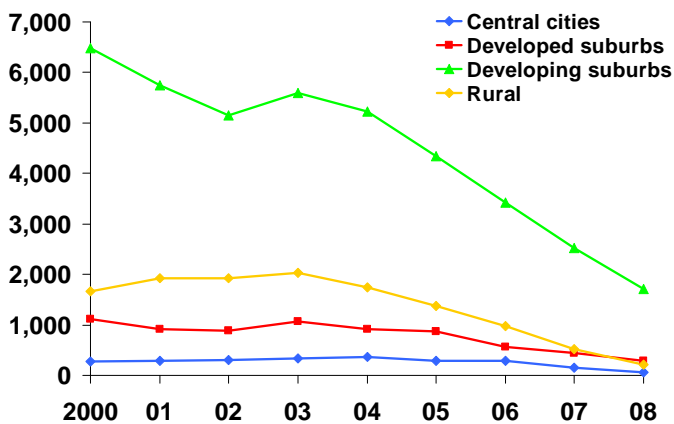
The two charts below show single-family and multifamily trends over the decade with large proportions of the region's growth occurring in the developing suburbs. The multifamily chart illustrates permit activity falling off noticeably beginning in 2005, but blunted somewhat by an uptick in construction levels in the central cities.

Multifamily/townhouse units permitted, 2000-2008

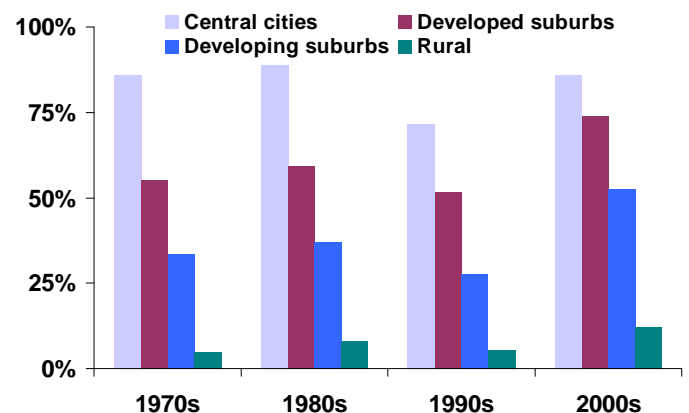


Multifamily and townhouse construction has taken the highest percentage of market share within the central cities, compared to elsewhere in the region. It has accounted for over half of the construction total in the developed suburbs since the 1970s and gained especially during this decade, growing to a 74 percent share. In the currently developing suburbs, only a third of new housing was multifamily/townhouses in the 1970s, but that proportion has climbed to over half (53 percent) this decade. Even in the rural areas of the region, these housing types have stepped up to a 12 percent share over the decade and 17 percent in 2008.

Single-family units permitted, 2000-2008



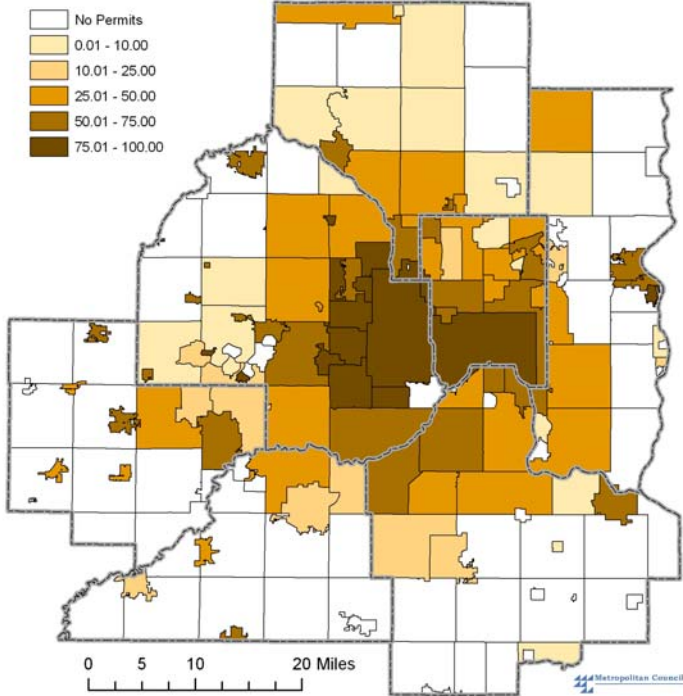
Multifamily/townhouse permits as percent of total permits, by decade



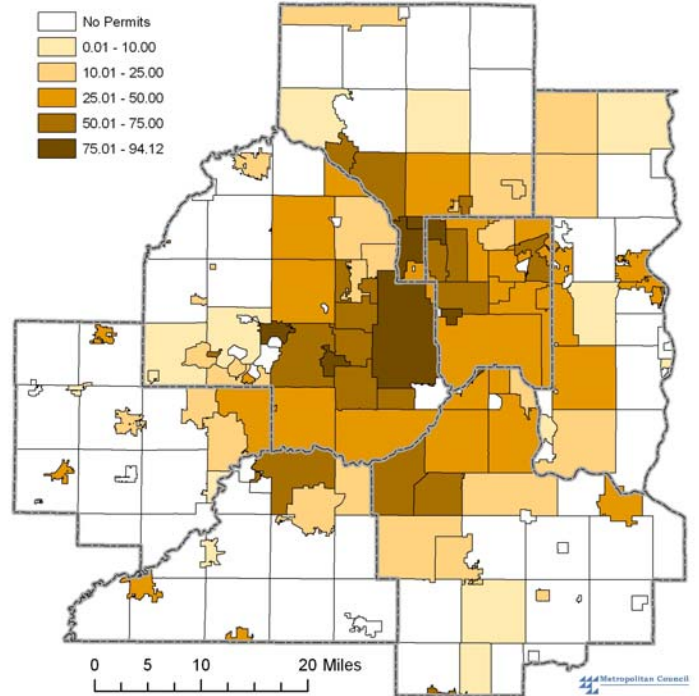
Examples of this shift include Hugo (5 percent in the 1980s, 15 percent in the 1990s, and 63 percent this decade); Ramsey (3 percent, 6 percent, 61 percent); and Savage (16 percent, 16 percent, 63 percent).

Multifamily/Townhouse Percent of Permits

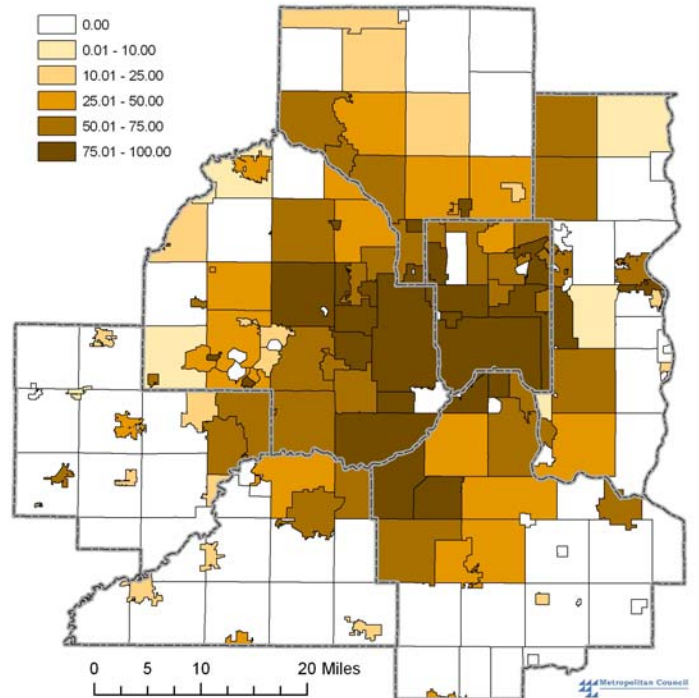
1980s



1990s



2000-2008



This set of maps illustrates the changing distribution and prevalence of townhouse/multifamily units over time. These housing types have remained somewhat more concentrated among top permit-issuing cities, compared to overall housing growth. In the 1980s, the top 10 multifamily/townhouse communities accounted for 55 percent of the region’s total, while the top 10 permit issuers overall accounted for 44 percent. During the 1990s and this decade, the top townhouse/multifamily hot spots made up just under half of the region’s total, and the top communities in total permits made up just under 40 percent.

The maps show an increasingly larger area of the more intense levels of development, as well as an increasing emergence of these housing types, in areas further from the region’s core.

Top 10 Communities In Multifamily/Townhouse Units

1980s		
Community	# Units	% of All New Units
Minneapolis	6,901	90.3
St. Paul	5,859	87.2
Eagan	5,541	50.3
Eden Prairie	4,775	49.3
Bloomington	4,692	72.1
Burnsville	4,540	62.7
Plymouth	4,537	45.7
Minnnetonka	4,468	68.4
Coon Rapids	3,586	48.1
St. Louis Park	2,641	96.9

2000-2008		
Community	# Units	% of All New Units
Minneapolis	9,310	87.2
St. Paul	5,336	84.3
Plymouth	3,494	81.0
Maple Grove	3,201	57.2
Woodbury	2,897	50.8
Lakeville	2,792	50.1
Eden Prairie	2,683	65.3
Apple Valley	2,569	88.0
Shakopee	2,547	48.1
Blaine	2,330	41.9

1990s		
Community	# Units	% of All New Units
Woodbury	4,108	39.5
Burnsville	2,980	68.2
Minneapolis	2,936	78.6
Apple Valley	2,800	55.7
Plymouth	2,710	44.0
Coon Rapids	2,605	53.0
Eden Prairie	2,472	42.9
Eagan	2,292	36.8
Shakopee	1,787	50.2
Inver Grove Heights	1,684	49.5



Historic downtown revitalization in Rosemount: Waterford Commons with 108 rental apartments and 13,000 square feet street-level commercial space.



Senior housing projects boost Lakeville to the region's #1 city in housing permits during 2008. Left: Highview Hills, "continuum of care" includes independent living apartments and assisted living (155 units total). Also, the Crossroads Senior Housing project, an initiative of the Dakota County Community Development Agency, will add 87 affordable units for seniors.

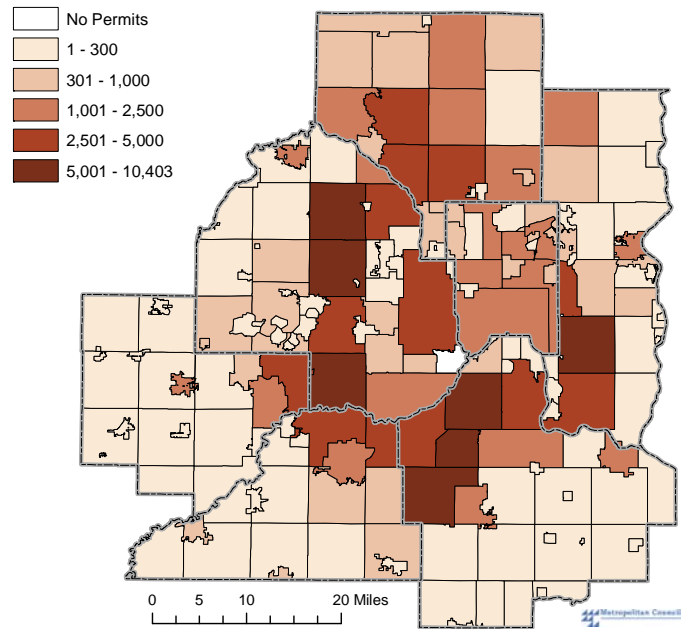
Overall Housing Growth

The following map series depicts the changing pattern of development intensity over time in terms of total housing units authorized per decade.

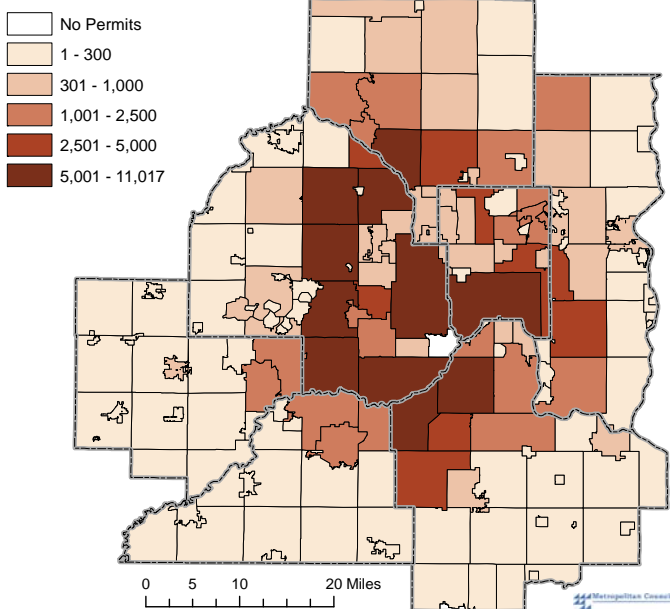
Minneapolis and St. Paul led the region in housing construction during the 1980s due to their continuing multifamily development. There was a pronounced weighting toward the region's western side, with the highest numbers of new units going to second-tier suburbs. Starting with the 1990s, growth began to increase in developing suburbs to the south, west, and north; and continued to increase in areas at greater distances from the region's center.

Apart from Minneapolis and St. Paul, leading communities in the 1980s were Eagan, Plymouth, and Eden Prairie. During the 1990s, top growth areas were Woodbury, Eagan, and Plymouth. From 2000 through 2008, leaders were Woodbury, Maple Grove, and Lakeville.

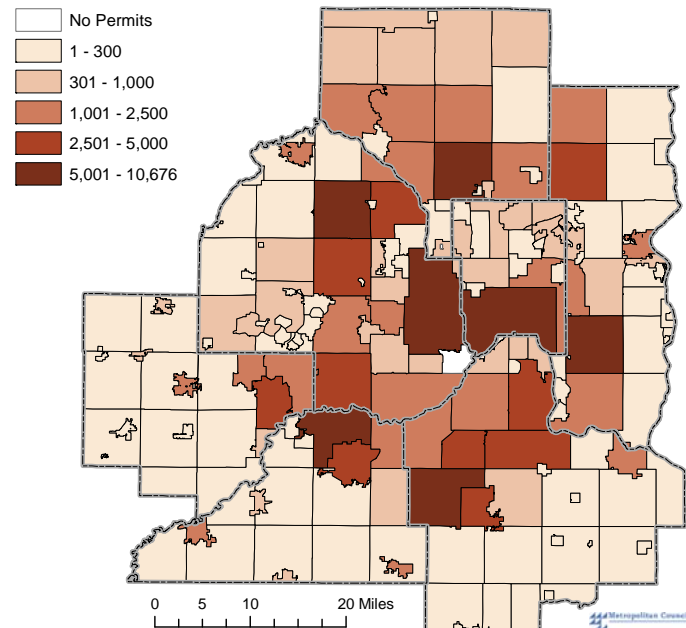
1990s



1980s



2000-2008



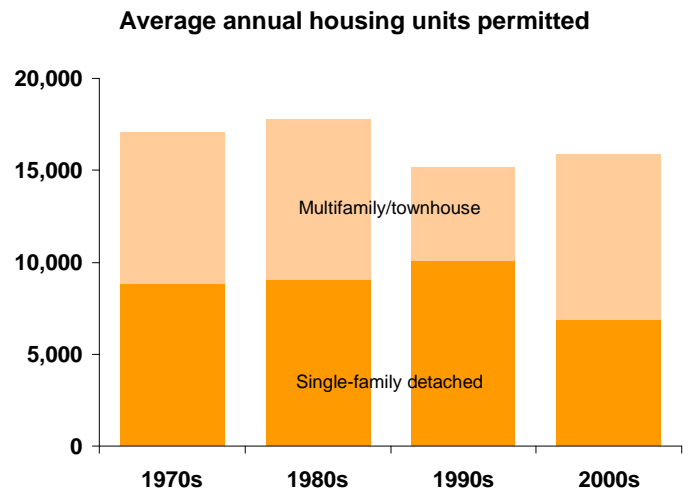
Top 10 Communities in Total New Housing Units

1980s	
Community	# Units
Eagan	11,017
Plymouth	9,917
Eden Prairie	9,693
Minneapolis	7,642
Coon Rapids	7,453
Burnsville	7,239
St. Paul	6,720
Minnetonka	6,536
Bloomington	6,506
Maple Grove	6,310

1990s	
Community	# Units
Woodbury	10,403
Eagan	6,231
Plymouth	6,163
Lakeville	5,848
Eden Prairie	5,766
Maple Grove	5,176
Apple Valley	5,025
Coon Rapids	4,913
Burnsville	4,368
Brooklyn Park	4,275

2000-2008	
Community	# Units
Minneapolis	10,676
St. Paul	6,239
Woodbury	5,699
Maple Grove	5,598
Lakeville	5,568
Blaine	5,557
Shakopee	5,294
Plymouth	4,314
Eden Prairie	4,110
Brooklyn Park	3,414

Regional Permit Totals, 2000-2008				
	Single family	Town-house	Multi-family	Total units
2000	9,542	3,393	5,193	18,128
2001	8,870	3,302	5,997	18,169
2002	8,284	3,427	8,492	20,203
2003	9,036	4,619	7,630	21,285
2004	8,249	5,126	7,980	21,355
2005	6,878	3,795	6,947	17,620
2006	5,251	2,961	4,437	12,649
2007	3,648	1,845	3,033	8,526
2008	2,277	958	2,774	5,051



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Residential Building Permits Issued by Community in 2008

	Single-family	Duplex/Triplex/ Fourplex	Townhouse	Multifamily	Total Units
ANOKA COUNTY					
Andover	48	-	1	-	49
Anoka	2	-	-	22	24
Bethel	-	-	-	-	-
Blaine (part)	101	-	74	63	238
Centerville	1	-	-	-	1
Circle Pines	-	-	-	-	-
Columbia Hgts.	1	-	14	76	91
Columbus	1	-	-	-	1
Coon Rapids	5	-	4	-	9
East Bethel	6	-	-	-	6
Fridley	1	-	-	-	1
Ham Lake	14	-	4	-	18
Hilltop	-	-	-	-	-
Lexington	-	-	-	-	-
Lino Lakes	23	-	8	-	31
Linwood Twp.	14	-	-	-	14
Nowthen	4	-	-	-	4
Oak Grove	12	-	-	-	12
Ramsey	57	-	18	-	75
Spring Lake Park (part)	1	-	-	-	1
St. Francis	4	-	-	-	4
ANOKA COUNTY TOTAL	295	-	123	161	579
CARVER COUNTY					
Benton Twp.	-	-	-	-	-
Camden Twp.	1	-	-	-	1
Carver	13	-	20	-	33
Chanhassen (part)	28	-	26	12	66
Chaska	36	-	16	58	110
Cologne	3	-	-	-	3
Dahlgren Twp.	1	-	-	-	1
Hamburg	-	-	-	-	-
Hancock Twp.	1	-	-	-	1
Hollywood Twp.	2	-	-	-	2
Laketown Twp.	2	-	-	-	2
Mayer	6	2	-	-	8
New Germany	-	-	-	-	-
Norwood Young America	-	-	-	-	-
San Francisco Twp.	-	-	-	-	-
Victoria	37	-	6	-	43
Waconia	38	-	-	48	86
Waconia Twp.	-	-	-	-	-

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	Single- family	Duplex/Triplex/ Fourplex	Townhouse	Multifamily	Total Units
Watertown	2	-	-	-	2
Watertown Twp.	1	-	-	-	1
Young America Twp.	-	-	-	-	-
CARVER COUNTY TOTAL	171	2	68	118	359
DAKOTA COUNTY					
Apple Valley	21	-	-	-	21
Burnsville	6	-	6	-	12
Castle Rock Twp.	2	-	-	-	2
Coates	-	-	-	-	-
Douglas Twp.	-	-	-	-	-
Eagan	22	-	8	-	30
Empire Twp.	8	-	-	-	8
Eureka Twp.	2	-	-	-	2
Farmington	33	-	41	-	74
Greenvale Twp.	1	-	-	-	1
Hampton	-	-	-	8	8
Hampton Twp.	-	-	-	-	-
Hastings (part)	6	-	4	36	46
Inver Grove Hgts.	15	-	-	103	118
Lakeville	138	-	36	242	416
Lilydale	-	-	-	-	-
Marshan Twp.	2	-	-	-	2
Mendota	2	-	-	-	2
Mendota Hgts.	6	-	-	-	6
Miesville	-	-	-	-	-
New Trier	-	-	-	-	-
Nininger Twp.	-	-	-	-	-
Northfield (part)	3	-	-	-	3
Randolph	-	-	-	-	-
Randolph Twp.	1	-	-	-	1
Ravenna Twp.	1	-	-	-	1
Rosemount	84	-	45	108	237
Sciota Twp.	1	-	-	-	1
South St. Paul	4	-	4	-	8
Sunfish Lake	1	-	-	-	1
Vermillion	-	-	-	-	-
Vermillion Twp.	2	-	-	-	2
Waterford Twp.	2	-	-	-	2
West St. Paul	1	-	-	-	1
DAKOTA COUNTY TOTAL	364	-	144	497	1,005

Residential Building Permits Issued by Community in 2008

	<u>Single- family</u>	<u>Duplex/Triplex/ Fourplex</u>	<u>Townhouse</u>	<u>Multifamily</u>	<u>Total Units</u>
HENNEPIN COUNTY					
Bloomington	3	-	-	86	89
Brooklyn Center	-	-	-	-	-
Brooklyn Park	64	-	62	10	136
Champlin	5	-	16	-	21
Chanhassen (part)	-	-	-	-	-
Corcoran	7	-	-	-	7
Crystal	4	-	-	-	4
Dayton (part)	6	-	-	-	6
Deephaven	2	-	-	-	2
Eden Prairie	33	2	36	-	71
Edina	38	-	-	235	273
Excelsior	-	-	-	-	-
Fort Snelling	-	-	-	-	-
Golden Valley	15	-	-	-	15
Greenfield	3	-	-	-	3
Greenwood	-	-	-	-	-
Hanover (part)	1	-	-	-	1
Hassan Twp.	3	-	-	-	3
Hopkins	2	-	-	-	2
Independence	6	-	-	-	6
Long Lake	-	-	-	-	-
Loretto	-	-	-	-	-
Maple Grove	197	-	18	107	322
Maple Plain	-	-	-	-	-
Medicine Lake	-	-	-	-	-
Medina	12	-	-	-	12
Minneapolis	45	21	12	201	279
Minnetonka	22	-	-	-	22
Minnetonka Beach	2	-	-	-	2
Minnetrissa	42	-	-	-	42
Mound	5	-	-	-	5
New Hope	-	-	-	-	-
Orono	16	-	7	-	23
Osseo	-	-	-	-	-
Plymouth	83	-	74	-	157
Richfield	4	-	-	-	4
Robbinsdale	4	-	16	36	56
Rockford (part)	-	-	-	-	-
Rogers	18	-	8	-	26
Shorewood	7	-	-	-	7
Spring Park	-	-	-	-	-
St. Anthony (part)	1	-	-	-	1

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St. Bonifacius	-	-	-	-	-
St. Louis Park	7	-	-	-	7
Tonka Bay	5	-	-	-	5
Wayzata	11	-	-	-	11
Woodland	-	-	-	-	-
HENNEPIN COUNTY TOTAL	673	23	249	675	1,620
RAMSEY COUNTY					
Arden Hills	2	-	-	-	2
Blaine (part)	-	-	-	-	-
Falcon Hgts.	-	-	-	-	-
Gem Lake	1	-	-	-	1
Lauderdale	-	-	-	-	-
Little Canada	3	-	-	-	3
Maplewood	5	-	112	-	117
Mounds View	4	-	-	-	4
New Brighton	2	-	-	-	2
North Oaks	4	-	-	-	4
North St. Paul	5	-	-	-	5
Roseville	16	-	-	-	16
Shoreview	16	-	-	-	16
Spring Lake Park (part)	-	-	-	-	-
St. Anthony (part)	-	-	-	-	-
St. Paul	17	4	-	139	160
Vadnais Hgts.	2	-	3	-	5
White Bear Lake (part)	2	2	-	-	4
White Bear Twp.	4	-	-	-	4
RAMSEY COUNTY TOTAL	83	6	115	139	343
SCOTT COUNTY					
Belle Plaine	7	-	-	-	7
Belle Plaine Twp.	1	-	-	-	1
Blakeley Twp.	1	-	-	-	1
Cedar Lake Twp.	8	-	-	-	8
Credit River Twp.	22	-	-	-	22
Elko New Market	6	-	9	-	15
Helena Twp.	-	-	-	-	-
Jackson Twp.	-	-	-	-	-
Jordan	5	-	-	-	5
Louisville Twp.	3	-	-	-	3
New Market Twp.	1	-	-	-	1
New Prague (part)	3	-	19	-	22
Prior Lake	65	-	-	-	65

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	Single-family	Duplex/Triplex/ Fourplex	Townhouse	Multifamily	Total Units
Sand Creek Twp.	1	-	21	-	22
Savage	21	-	5	14	40
Shakopee	95	-	-	-	95
Spring Lake Twp.	3	-	-	-	3
St. Lawrence Twp.	-	-	-	-	-
SCOTT COUNTY TOTAL	242	-	54	14	310
WASHINGTON COUNTY					
Afton	8	-	-	-	8
Bayport	8	-	-	-	8
Baytown Twp.	6	-	-	-	6
Birchwood	-	-	-	-	-
Cottage Grove	86	-	3	-	89
Dellwood	1	-	-	-	1
Denmark Twp.	3	-	-	-	3
Forest Lake	20	-	-	-	20
Grant	4	-	-	-	4
Grey Cloud Twp.	-	-	-	-	-
Hastings (part)	-	-	-	-	-
Hugo	64	-	98	26	188
Lake Elmo	23	-	-	-	23
Lake St. Croix Beach	-	-	-	-	-
Lakeland	1	-	-	-	1
Lakeland Shores	-	-	-	-	-
Landfall	-	-	-	-	-
Mahtomedi	4	-	-	-	4
Marine on St. Croix	-	-	-	-	-
May Twp.	8	-	-	-	8
Newport	1	-	-	-	1
Oak Park Hgts.	-	-	4	-	4
Oakdale	3	-	15	29	47
Pine Springs	-	-	-	-	-
Scandia	4	-	-	-	4
St. Mary's Point	-	-	-	-	-
St. Paul Park	1	-	4	-	5
Stillwater	42	-	18	-	60
Stillwater Twp.	-	-	-	-	-
West Lakeland Twp.	9	-	-	-	9
White Bear Lake (part)	-	-	-	-	-
Willernie	-	-	-	-	1
Woodbury	153	-	63	126	342
WASHINGTON CO. TOTAL	449	-	205	181	836
REGIONAL TOTAL	2,277	31	958	1,785	5,051