

[The Twin Cities housing market maintains growth in the second quarter of 2013](#)

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(Minneapolis, MN – July 17, 2013) The Twin Cities economy looks to be very strong and the new home market is positioned to grow right along with it. This is according, to a recent report by Metrostudy, a national housing data and consulting firm that maintains the most extensive primary database on residential construction in the US housing market.

The Twin Cities current employment estimates indicate that employers added approximately 49,500 new jobs to their payrolls over the past 12 months. “Education and Health Care related firms remain one of the strongest and fastest growing employment sectors adding (+12,700) new jobs in the last year,” said Ryan Jones, director of Metrostudy’s Twin Cities division. The local unemployment rate continues to remain one of the lowest in the country, amongst major metropolitan areas, currently sitting at 4.7%.

According to Metrostudy’s quarterly survey, 1,730 new homes were started in 2Q13, up +54.3% from last quarter, and +46% from 2Q12 when 1,184 homes were started. “While the rate of growth in new construction over the past twelve months was likely being held back by the lingering impacts of the stagnant economy, the next twelve months will present new challenges as lot and labor shortages will likely constrain the new home construction market,” said Jones.

At the end of June 2013, there were 2,765 new housing units in inventory, up 13% from last quarter. Of that total, 2,139 units (77%) are under construction, 395 (14%) are finished vacant inventory and 231 (8%) are model homes. Housing supply fell compared to last year remaining very healthy at 6.7 months. Finished inventory months of supply sits at slightly below one month, which is actually below equilibrium, considered to be between 1.5-2.0 months. “These numbers should come up a little over the next couple months as more housing units near completion and demand will remain strong,” said Jones.

There are currently 22,882 vacant developed lots throughout the Twin Cities, representing a decline of 12% compared to last year. (10,812 vacant developed lots throughout the metro seven counties, a decline of 18.1% compared to last year). “Lot supplies across the seven county metro area are down to just 28.2 months, down below pre-housing boom figures. As activity continues to increase we will need to see substantial lot deliveries across the metro in order to meet demand,” said Jones.

“Those in the housing industry need to continue planning for the next 5 – 10 years so that the market can grow successfully from within. We will likely end 2013 up over 6,000 new home starts, twice the amount from 2011. Challenges exist, but the Twin Cities trend will continue to remain positive,” said Jones.

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About Metrostudy

Metrostudy, a Hanley Wood company, is the leading provider of primary and secondary market information to the housing and related industries nationwide. Established in 1975 in Houston, Metrostudy provides research, data, analytics and consulting services that help builders, developers, lenders, suppliers, retailers, utilities and others make investment and business decisions every day. www.metrostudy.com.

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