



# NEWS RELEASE

## Home Builders Association of Fargo-Moorhead

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For immediate release

## Housing starts increase despite economy, flood

### New housing incentives bolster local construction

**F-M Metro Area** - The Home Builders Association of F-M released its 2009 year-end building permit report for Fargo, Moorhead, West Fargo and Dilworth at a press conference at 9:30 a.m. Jan. 27 at the HBA office, 1802 32nd Ave. S. in Fargo. HBA President Terry Becker, Terry Becker Construction, LLC, presented comments on the report. F-M Area Association of Realtors President Peggy Isakson, Coldwell Banker First Realty also offered comments on existing home sales in 2009.

Despite the construction industry shutting down to help battle the flood through the first part of 2009 and facing an already embattled economy, the metro housing market saw an increase in total housing starts for the first time in four years.

“This is great news for the industry and for the local economy,” says Becker. “We owe a good deal of thanks to our congressional delegation and our state legislatures for acting swiftly to give the housing market a few incentives to keep people working building and selling homes.”

Single-family construction increased 5 percent in 2009 to 506 units from 479 in 2008. Total housing starts (which include twin homes, duplexes and town houses) were up three units to a total of 759.

Spurred by low vacancy numbers across the metro area and an ever increasing need for student housing near North Dakota State University, multi-family housing construction saw a strong increase of 47 percent. (The year-end permit report listing for multi-family includes permits for some mixed-use developments which can affect the value per unit comparison.)

A crucial aspect of the construction industry’s strength in 2009 was due to the housing incentives passed by Congress, (available through April 2010) giving \$8,000 to first-time home buyers, and offering the newly expanded incentive of \$6,500 for qualifying repeat home buyers. More information on the federal incentives can be found at [www.federalhousingtaxcredit.com](http://www.federalhousingtaxcredit.com).

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The Minnesota and North Dakota legislatures also preemptively acted this year to bolster a construction industry facing a tough economy and local flooding. Both states now offer a property tax exemption to owners of newly constructed homes: homeowners get an exemption on up to \$150,000 of value in North Dakota and up to \$200,000 of value in Minnesota. Visit [www.hbafm.com](http://www.hbafm.com) for more information on these incentives.

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Home buyers have remained active as well. According to the F-M Area Association of Realtors, the area had an increase in total number of home sales with 3,133 in 2009, a 6 percent increase over 2008. Home values also continue to rise at a rate of 3 percent over the year-end 2008 average home sale price.

“In the last decade, the average sales price of an existing home has gone up 58 percent,” says Isakson. “Homeownership continues to be one of the best investments a person can make.”

The HBA of F-M is a non-profit trade association of over 800 members that has been in existence since 1956. Its mission is to provide quality services, benefits and education to members and the community while representing the collective interests of the home building industry.

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For any questions regarding this release, please call Krista Mund at (701) 232-5846.