

March 10, 2025



CENTRAL MINNESOTA
**BUILDERS
ASSOCIATION**

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CMBA SUPPORTS THE STARTER HOME ACT – SF2229 / HF1987

CMBA represents nearly 300 local developers, builders, contractors, and related businesses in the Greater St. Cloud area. CMBA strives to improve the Central Minnesota building industry by advocating at the local, state, and national levels, educating our members about building industry best practices, and connecting our members in activities that strengthen competitiveness, professionalism, and the public's confidence in our industry. CMBA also collaborates with our local communities in addressing development and building needs, including the need for housing in which people can afford to live.

As part of CMBA's overall efforts to address the increasingly critical need for housing of all types in our communities, **we enthusiastically support passage of the Minnesota Starter Home Act SF2229/HF1987.**

Starter homes see it all: marriages, births, first steps, and most importantly, achieving the American dream of home ownership. Starter homes help Minnesotans build equity and generational wealth, and make move-up homes more attainable. **They are at the core of building community!**

Starter homes are a critical feature of a healthy housing ecosystem, yet they are not a fixture of Minnesota's new home market. The Minnesota Starter Home Act (SF2229 /HF1987) gives us all the best chance to fix that on a bi-partisan basis.

Why We Need The Minnesota Starter Home Act:

- **Minnesota has the highest median new home price in the region:** nearly 30% higher than North Dakota, more than 41% higher than Iowa, and more than 51% higher than South Dakota. This comparison is apples-to-apples, and takes into account differences in property values among states. (*Zonda*).
- Our state's **housing deficit has doubled** since 2018 and now represents nearly four years of homebuilding; **the status quo is no longer capable of addressing and solving this crisis.** (*State Task Force on Housing, Up for Growth*)
- The **median first-time home buyer age is nearing 40**, leaving the next generation of homeowners to lose out on a decade of wealth building. (*National Association of Realtors – real # is 38*)
- Since 2005, **home price growth has eclipsed income growth.** The median new home price has increased 85.87%, while incomes are up only 11.38%. (*Zonda and U.S. Census*)

These are important reasons why CMBA supports the Minnesota Starter Home Act. Builders across the country build affordable new starter homes. But in Minnesota, **our outdated land use laws make it too difficult to supply new starter homes** – particularly at entry-level price points. Minnesota's regulatory framework does not allow the starter homes we need for the future of our state.

We appreciate your careful consideration, and **urge you to vote "YES"** on the Minnesota Starter Home Act.

Sincerely yours,

Wanda Schroeder
Executive Director

Cc: CMBA Board of Directors