

# Yardi® Matrix

## MULTIFAMILY REPORT

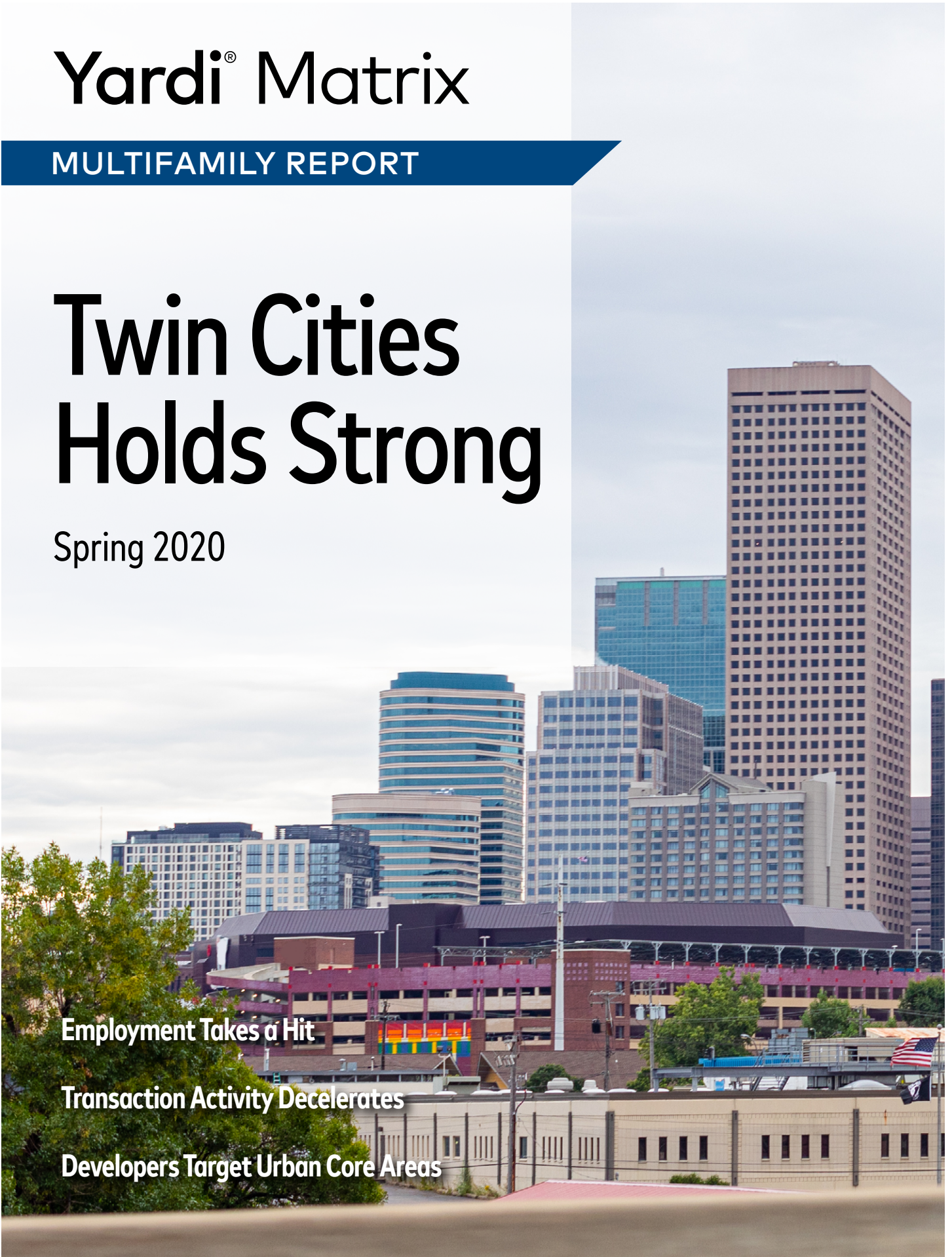
# Twin Cities Holds Strong

Spring 2020

**Employment Takes a Hit**

**Transaction Activity Decelerates**

**Developers Target Urban Core Areas**



# TWIN CITIES MULTIFAMILY

Yardi® Matrix

## Economic Growth Faces New Challenges

Fueled by steady demographics, Twin Cities' multifamily market has remained stable, despite headwinds caused by the coronavirus outbreak. Although on a downward trajectory, rent growth in Minneapolis-St. Paul is still above the national rate. On a trailing three-month basis as of March, rents were up by 0.3% to an average of \$1,339.

Employment growth plateaued last year, due to significant losses in education and health services and professional and business services (-9,100 jobs combined). The beginning of the year also brought new trials for hospitality, retail and construction. As of mid-April, 14% of Minnesota's workers had applied for unemployment insurance, according to the Minnesota Department of Employment and Economic Development. To help offset costs associated with the health crisis, the state is expected to receive \$2.2 billion through the federal coronavirus relief package. Another helpful measure is the Pandemic Emergency Unemployment Compensation program, which provides a 13-week extension of unemployment benefits.

Multifamily sales volume was limited in the first quarter and investors will likely wait for the market to stabilize. With many new landlords already offering rent concessions, demand is likely to soften in the short and medium term.

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## Market Analysis | Spring 2020

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### Recent Twin Cities Transactions

#### Huntington Place



City: Brooklyn Park, Minn.  
Buyer: Aeon  
Purchase Price: \$75 MM  
Price per Unit: \$89,928

#### Eitel



City: Minneapolis  
Buyer: Sentinel Real Estate  
Purchase Price: \$55 MM  
Price per Unit: \$256,338

#### Rayette Lofts



City: St. Paul, Minn.  
Buyer: The Goodman Group  
Purchase Price: \$21 MM  
Price per Unit: \$240,909

#### The Tradewinds



City: New Hope, Minn.  
Buyer: Relay Properties  
Purchase Price: \$12 MM  
Price per Unit: \$100,417