



MULTIFAMILY REPORT

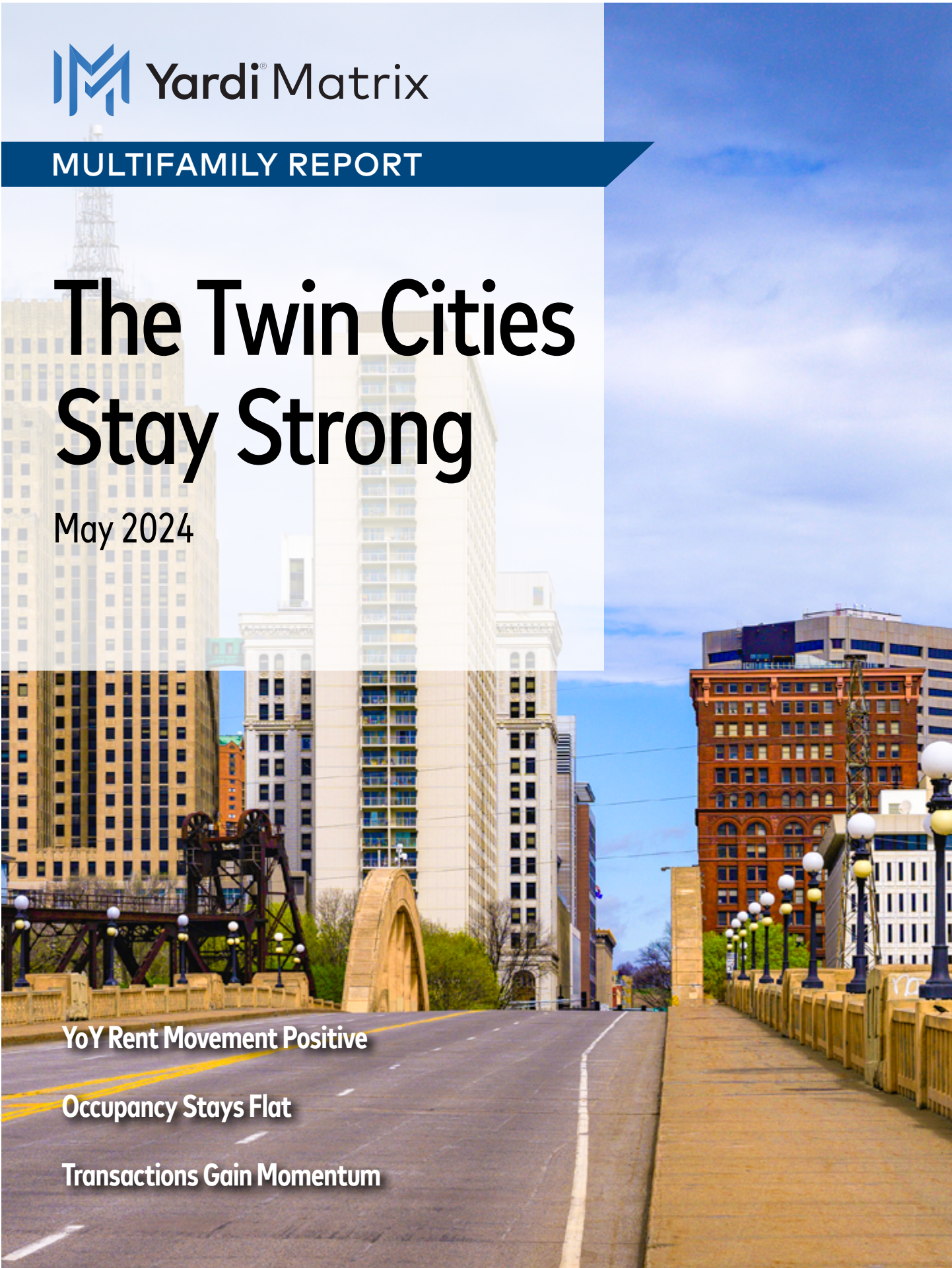
The Twin Cities Stay Strong

May 2024

YoY Rent Movement Positive

Occupancy Stays Flat

Transactions Gain Momentum



TWIN CITIES MULTIFAMILY



Rents, Occupancy Show Positive Signs

Minneapolis-St. Paul fundamentals improved in the first quarter of 2024, despite macroeconomic uncertainty. Rents were up 0.3% on a trailing three-month basis, to \$1,500, while the average overall occupancy rate was flat year-over-year through February, at 94.8%. Considering that only a few metros recorded occupancy improvement, this is a sign of strong absorption for the Twin Cities.

Employment in the Twin Cities expanded by 1.5% in 2023, adding 31,500 net jobs. The metro's rate of growth was 50 basis points below the national average. Education and health services led gains, with 15,300 positions added, marking a 4.1% increase. The area's jobless rate stood at 3.3% as of February, 60 basis points below the U.S. figure, according to preliminary data from the Bureau of Labor Statistics. And while the job market is starting to show some cracks, the metro has no shortage of large-scale projects. One such upcoming development is a 3 million-square-foot technology park proposed in Farmington, Minn.

Development in the Twin Cities is decelerating, due to market conditions. Just 1,263 units came online this year through March, a clear downward shift compared to the continuous growth registered in the previous six years. The metro also recorded \$287 million in multifamily transactions through March, an improvement from the same time frame last year.

Market Analysis | May 2024

Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Madalina Pojoga
Associate Editor

Recent Twin Cities Transactions

Arlo West End



City: St. Louis Park, Minn.
Buyer: Belgrade Enterprises
Purchase Price: \$53 MM
Price per Unit: \$325,610

The Cosmopolitan



City: St. Paul, Minn.
Buyer: Bigos Management
Purchase Price: \$34 MM
Price per Unit: \$131,395

Gateway Commons



City: Brooklyn Center, Minn.
Buyer: Market Equities
Purchase Price: \$30 MM
Price per Unit: \$119,183

Emberwood



City: Blaine, Minn.
Buyer: Gold Block Ventures
Purchase Price: \$23 MM
Price per Unit: \$202,013