



MULTIFAMILY REPORT

The Twin Cities Stay Solid

September 2024



Transactions Pick Up YoY

Rent Growth Still Positive

Employment Below US Rate

TWIN CITIES MULTIFAMILY



Balanced Market Performance

The Minneapolis-St. Paul multifamily market showed signs of stability in the face of an overall national slowdown. Advertised asking rents were up 0.1% on a T3 basis, to \$1,512, 20 basis points lower than the U.S. average growth rate. Meanwhile, the occupancy rate in stabilized properties increased by 20 basis points year-over-year, to 95.2%.

Employment in Minneapolis-St. Paul was up 0.9% in the 12 months ending in May. The metro's growth rate was 40 basis points below the national average. Education and health services led gains, accounting for 20,000 new positions. The area's unemployment rate stood at 3.7% as of June, 40 basis points below the U.S. figure, according to the Bureau of Labor Statistics. In terms of new development, Heliene partnered with Premier Energies to build a solar cell facility in the greater Minneapolis-St. Paul area. The \$145 million project is expected to generate 200 jobs and will begin production in the second quarter of 2026.

A total of 4,231 units, or 1.7% of existing stock, came online this year through July, 30 basis points higher than the national rate of completions. Five of the 22 delivered projects were Lifestyle communities located evenly across urban and suburban submarkets. With \$624 million in assets changing hands through July, transaction volume is picking up, as the total investment volume last year amounted to \$655 million.

Market Analysis | September 2024

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Recent Twin Cities Transactions

Nordhaus



City: Minneapolis, Minn.
Buyer: FPA Multifamily
Purchase Price: \$74 MM
Price per Unit: \$265,179

Creekside



City: Plymouth, Minn.
Buyer: Heartland Realty Investors
Purchase Price: \$46 MM
Price per Unit: \$225,490

Rivertown Commons



City: Stillwater, Minn.
Buyer: Standard Communities
Purchase Price: \$14 MM
Price per Unit: \$145,833

Granite Peaks



City: Brooklyn Center, Minn.
Buyer: Huber Equity Group
Purchase Price: \$5 MM
Price per Unit: \$99,915