



## MULTIFAMILY REPORT

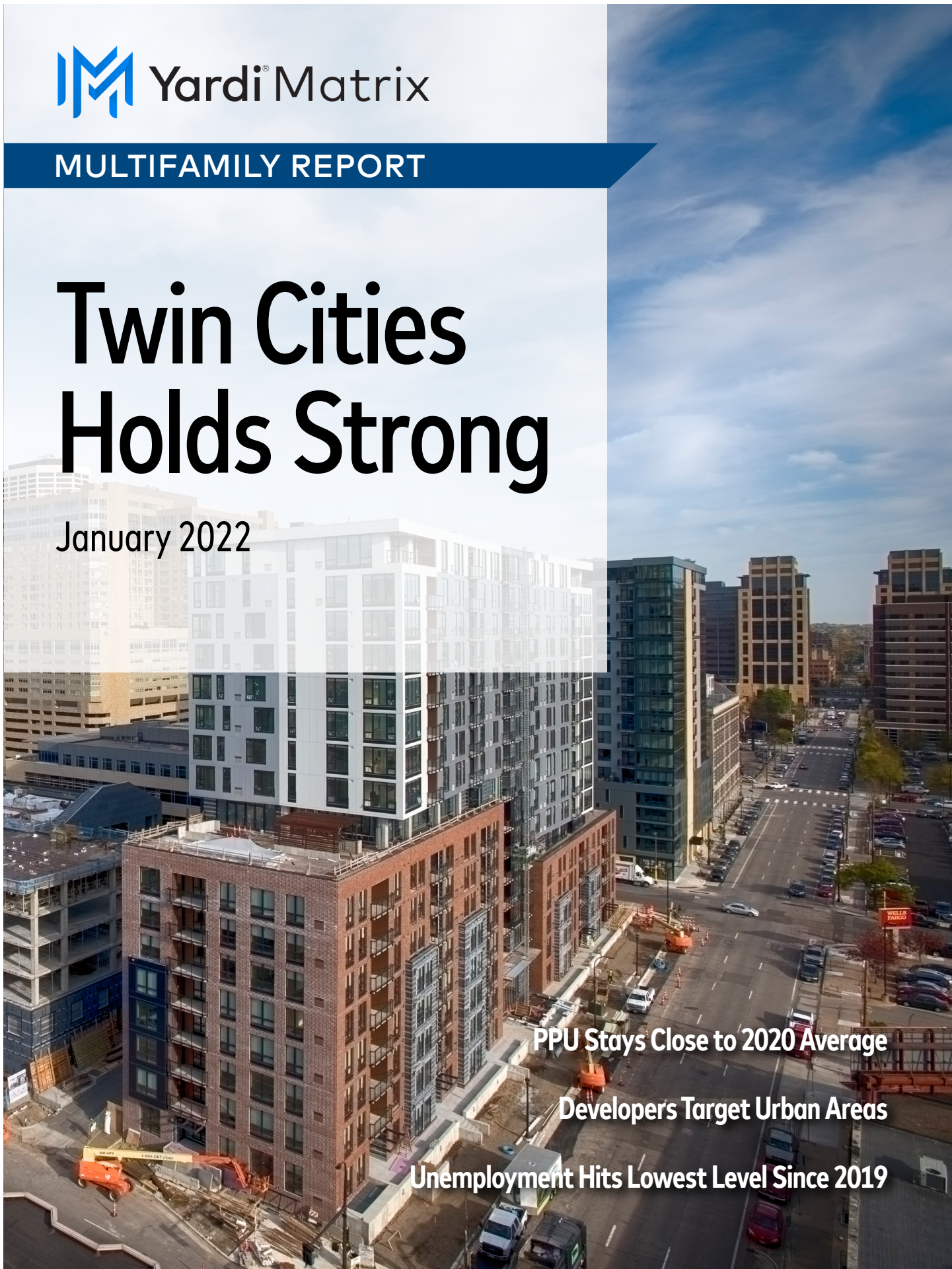
# Twin Cities Holds Strong

January 2022

**PPU Stays Close to 2020 Average**

**Developers Target Urban Areas**

**Unemployment Hits Lowest Level Since 2019**





# TWIN CITIES MULTIFAMILY



## Investment Bounces Back, Development Explodes

Showing a great deal of resilience, the Twin Cities multifamily market is making strides toward full recovery as health-crisis-induced difficulties fade away. Mirroring pre-pandemic trends, rent growth is slow, but steady. On a trailing three-month basis through November, rates inched up 0.5% to an average of \$1,425. Meanwhile, U.S. rents increased by 1.0% to \$1,590.

Employment improved by 5.7% in the 12 months ending in September, with leisure and hospitality leading growth with 23,500 jobs. Preliminary Bureau of Labor Statistics data shows that the unemployment rate in Minneapolis-St. Paul decreased to 2.6% in October, marking the lowest level reported since December 2019. This has put great pressure on employers, who are having a hard time finding and retaining talent, despite increased pay. Four employment sectors contracted by a combined 7,200 jobs, including government, financial activities and information. Several newspapers and publications closed or moved to a digital structure, resulting in hundreds of employees being furloughed.

Investors' appetite for Twin Cities multifamily assets picked up in 2021, hitting \$1.2 billion through November. This was a significant improvement from 2020's \$883 million total investment volume. Developers delivered 7,382 units in the first 11 months of 2021 and had another 18,028 apartments under construction.

## Market Analysis | January 2022

### Contacts

#### Jeff Adler

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

#### Jack Kern

Director of Research  
and Publications  
[Jack.Kern@Yardi.com](mailto:Jack.Kern@Yardi.com)  
(800) 866-1124 x2444

#### Ron Brock, Jr.

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

#### Doug Ressler

Media Contact  
[Doug.Ressler@Yardi.com](mailto:Doug.Ressler@Yardi.com)  
(480) 695-3365

#### Author

**Laura Calugar**  
Senior Editor

### Recent Twin Cities Transactions

#### Equinox



City: St. Anthony, Minn.  
Buyer: DRA Advisors  
Purchase Price: \$44 MM  
Price per Unit: \$164,474

#### RiZE at Opus Park



City: Minnetonka, Minn.  
Buyer: Virtus Real Estate Capital  
Purchase Price: \$42 MM  
Price per Unit: \$130,016

#### Eagle Pointe



City: West St. Paul, Minn.  
Buyer: Monument Capital Management  
Purchase Price: \$30 MM  
Price per Unit: \$140,046

#### Frost English Silver



City: Maplewood, Minn.  
Buyer: Axial Real Estate Advisors  
Purchase Price: \$27 MM  
Price per Unit: \$251,916