



MULTIFAMILY REPORT

The Twin Cities: Solid Position

May 2025



T3 Rent Movement Positive
Transaction Activity Picks Up
Job Expansion Below US Average

TWIN CITIES MULTIFAMILY



Solid First-Quarter Performance

The Minneapolis–St. Paul multifamily market showed signs of improvement in the first quarter of 2025. The average advertised asking rate was up 0.4% on a trailing three-month basis, to \$1,568. This was also 30 basis points above the U.S. figure, which registered a modest 0.1% uptick during the same time frame. Despite a 10-basis-point decrease year-over-year, the metro's average overall occupancy in stabilized properties stood at 95.0% as of March.

Employment in Minneapolis–St. Paul was up 0.9% year-over-year through January, 10 basis points lower than the national average. Despite job losses in four sectors, education and health services remained one of the metro's key employment drivers, adding 16,900 new jobs to the workforce. The metro's unemployment rate stood at 3.5% as of February, 60 basis points below the U.S. rate, according to preliminary data from the Bureau of Labor Statistics. Another portion of the former Thomson Reuters 263-acre campus in Eagan, Minn., has been acquired. In February, Amazon paid \$53 million for 95 acres.

Development is slowing down, as only 1,159 units came online this year through March, accounting for 0.3% of stock and 20 basis points below the national rate. Construction is also slowing, with only half the number of units breaking ground compared to the same period last year. Meanwhile, transaction activity remains solid, recording \$370 million in assets changing hands.

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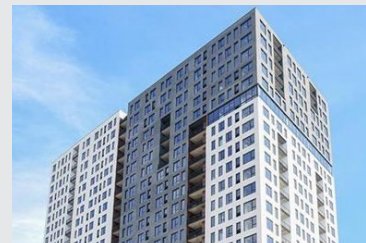
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Recent Twin Cities Transactions

Rafter



City: Minneapolis, Minn.
Buyer: Roundhouse
Purchase Price: \$83 MM
Price per Unit: \$292,756

5 Central



City: Osseo, Minn.
Buyer: Zurich Alternative Asset
Management
Purchase Price: \$30 MM
Price per Unit: \$214,071

Gentry



City: Oakdale, Minn.
Buyer: METIS Development Group
Purchase Price: \$12 MM
Price per Unit: \$129,056

Portland Terrace



City: Richfield, Minn.
Buyer: PAK Properties
Purchase Price: \$6 MM
Price per Unit: \$91,176