



MULTIFAMILY REPORT

The Twin Cities Keep Up

September 2025

Rent Growth Stays Above US

Occupancy Still High

Supply Slows

TWIN CITIES MULTIFAMILY



Rent Growth Solid, Occupancy Up

Minneapolis–St. Paul maintained its performance at the beginning of the third quarter, building on the previous months' solid footing. Average advertised asking rents were up 0.3%, on a trailing three-month basis through July, to \$1,590, 10 basis points ahead of the national figure. Year-over-year, rents were up 2.2%, placing the metro in the top 10 among the markets tracked by Yardi Matrix. The average occupancy for stabilized assets remained high, even after four years of record supply growth, at 95.5% in June.

Employment growth was 0.7% year-over-year through May, 10 basis points behind the national average. The metro added 15,700 net jobs over the 12-month period ending in May, with education and health services leading gains (14,200 jobs). The area's jobless rate stood at 3.7% as of June, 40 basis points below the U.S. figure, according to preliminary data from the Bureau of Labor Statistics. The Twin Cities industrial market continues to attract investors. Hempel Real Estate and TPG Angelo Gordon formed a \$300 million joint venture that will target development and acquisition, including the construction of Brockton Business Park.

Developers completed 3,437 units this year through July, accounting for 1.3% of existing stock, reflecting an expected slowdown after record-breaking numbers in the past four years. Multifamily investment also slowed, with \$588 million changing hands in the first seven months, in line with nationwide economic uncertainty.

Market Analysis | September 2025

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Recent Twin Cities Transactions

365 Nicollet



City: Minneapolis
Buyer: Waterton
Purchase Price: \$112 MM
Price per Unit: \$301,351

Borealis



City: Minneapolis
Buyer: L&B Realty Advisors
Purchase Price: \$46 MM
Price per Unit: \$372,984

The Haven of Battle Creek



City: St. Paul, Minn.
Buyer: Huber Equity Group
Purchase Price: \$22 MM
Price per Unit: \$99,537

Granite City



City: Brooklyn Center, Minn.
Buyer: Stone Arch Holdings
Purchase Price: \$4 MM
Price per Unit: \$53,472