



MULTIFAMILY REPORT

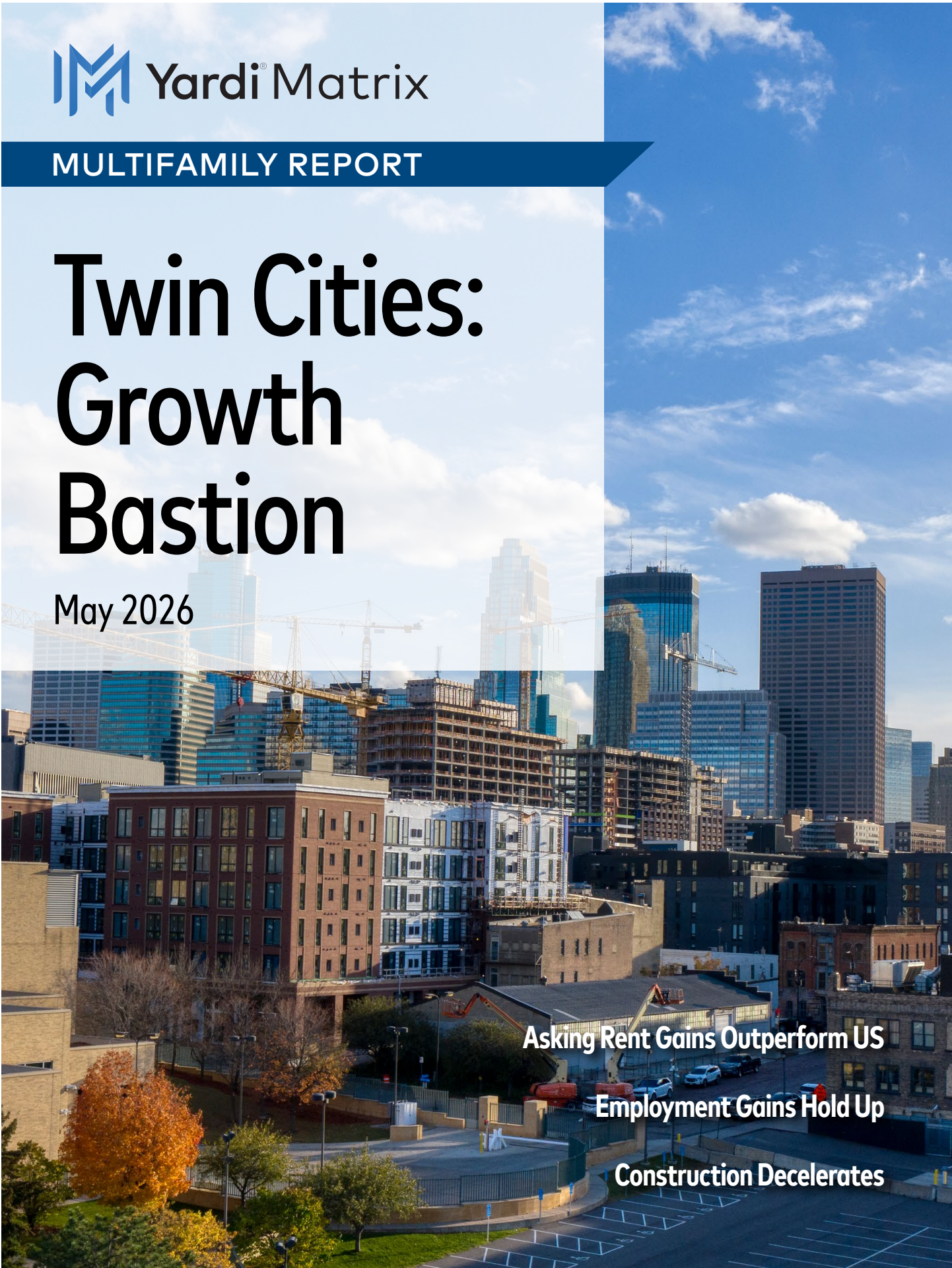
# Twin Cities: Growth Bastion

May 2026

**Asking Rent Gains Outperform US**

**Employment Gains Hold Up**

**Construction Decelerates**



# TWIN CITIES MULTIFAMILY



## Asking Rents Excel, Occupancy Still Stable

Twin Cities fundamentals remained healthy, with rent growth outpacing the U.S. and occupancy holding steady. Advertised asking rents rose 2.5% year-over-year, to \$1,621 in March, well above the 0.1% U.S. increase to \$1,750. As of March, Minneapolis–St. Paul ranked fourth for yearly rent growth among Yardi Matrix's top 30 markets. Occupancy in stabilized assets saw a 10-basis-point downtick over 12 months, to 95.2% in February.

Employment growth decelerated to 0.7% through December 2025, but remained ahead of the 0.6% U.S. pace. Unemployment reached 4.8% in February, above Minnesota and Wisconsin, as well as the 4.4% U.S. average. The market added 10,600 net jobs in 2025, with gains across six sectors, led by education and health services and manufacturing. Four sectors contracted, including financial activities. Notable project advancements include Boston Scientific's \$131 million Maple Grove expansion, set to add 52,500 square feet and 440 jobs, and the 2025 addition of three METRO bus rapid transit lines, broadening regional access.

Deliveries totaled 729 units in the first quarter, while 5,964 units were underway as of March, with construction starts moderating. Meanwhile, multifamily sales reached \$415 million in 2026 through March, but a value-add-heavy mix pushed the average price per unit down 29% year-to-date, to \$136,815. That stood well below the \$196,464 U.S. figure.

## Market Analysis | May 2026

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### Recent Twin Cities Transactions

#### The Burlington



City: St. Paul, Minn.  
Buyer: Highgate Capital Group  
Purchase Price: \$64 MM  
Price per Unit: \$149,391

#### Second + Second



City: Minneapolis  
Buyer: Roundhouse  
Purchase Price: \$48 MM  
Price per Unit: \$302,848

#### Avana Maple Grove



City: Maple Grove, Minn.  
Buyer: Greystar  
Purchase Price: \$42 MM  
Price per Unit: \$159,360

#### Venue on 78th

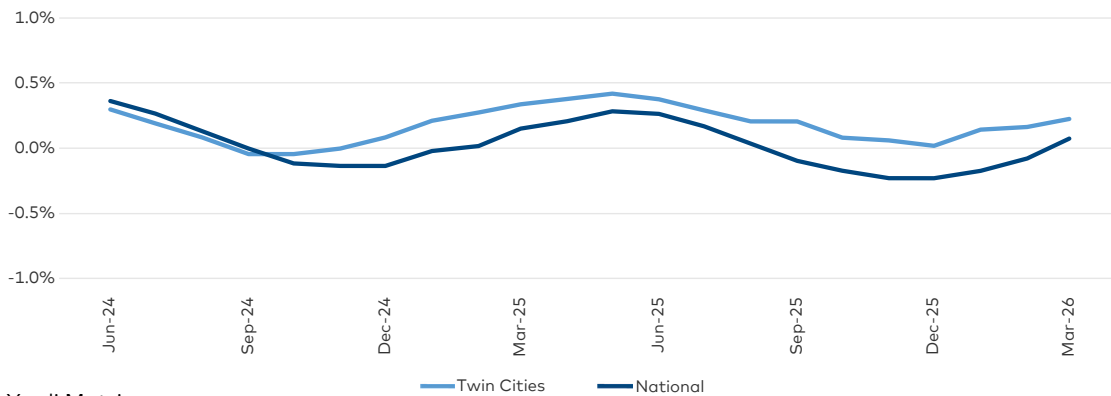


City: Chanhassen, Minn.  
Buyer: Highland Management Group  
Purchase Price: \$40 MM  
Price per Unit: \$296,941

## RENT TRENDS

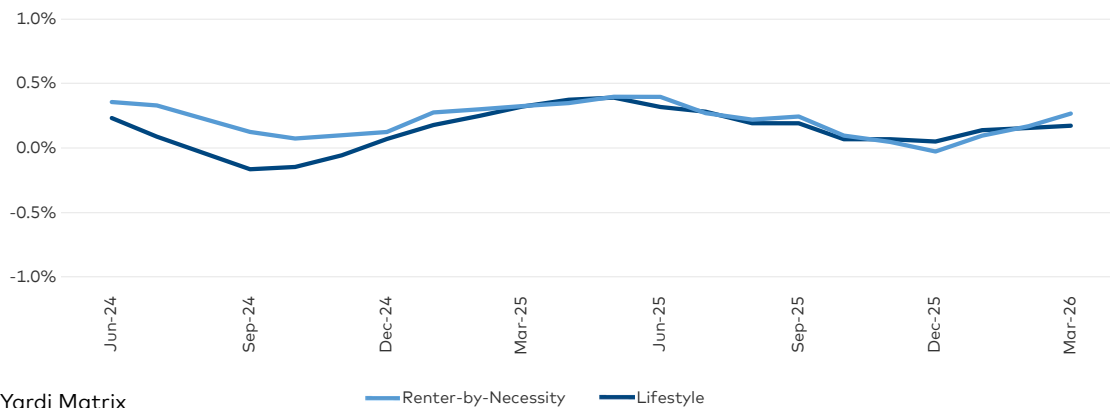
- ▶ Minneapolis–St. Paul’s average advertised asking rents rose 0.2%, on a trailing three-month (T3) basis through March, to \$1,621, keeping its lead over the U.S. average for the 18th consecutive month. The national figure was up 0.1%, to \$1,750. Year-over-year, Twin Cities rent gains stood at 2.5%, well above the 0.1% U.S. figure. The metro ranked fourth among our list of the top 30 markets, after New York City (4.5%), San Francisco (3.9%) and Chicago (3.4%).
- ▶ Rent growth was fairly balanced across quality segments, with a slight edge for working-class Renter-by-Necessity rates, where advertised asking rents rose 0.3%, on a T3 basis through March, to \$1,368. Meanwhile, the average Lifestyle asking rent increased 0.2% to \$1,908, maintaining its positive streak for the 16th consecutive month.
- ▶ Occupancy in stabilized assets remained healthy, at 95.2% in February, recording a 10-basis-point downtick over 12 months. The slide was due to a 10-basis-point drop in RBN occupancy, to 95.6%, while the Lifestyle figure remained virtually unchanged, at 94.8%.
- ▶ Rent growth was widespread across the map, with year-over-year gains recorded in 81 of the 87 submarkets tracked by Yardi Matrix. A quarter marked increases of 5.0% or more, including Spring Park (9.8% to \$1,747), Stillwater (6.8% to \$1,943) and Mendota, Twin Cities’ priciest area, up 5.0% to \$2,108. Four other submarkets had average rates above the \$2,000 mark: Minnetonka (4.4% to \$2,104), Maple Grove (2.4% to \$2,031), Edina/Eden Prairie (1.8% to \$2,031) and Woodbury/Cottage Grove (3.2% to 2,002).

**Twin Cities vs. National Rent Growth (Trailing 3 Months)**



Source: Yardi Matrix

**Twin Cities Rent Growth by Asset Class (Trailing 3 Months)**



Source: Yardi Matrix

## ECONOMIC SNAPSHOT

- ▶ Twin Cities' employment growth decelerated to 0.7% as of December, marking the first decline in five months, but stood ahead of the 0.6% U.S. average. Meanwhile, unemployment reached 4.8% in February, up 130 basis points over 12 months, landing above Minnesota (4.5%), Wisconsin (3.4%) and the U.S. (4.4%), according to preliminary Bureau of Labor Statistics data.
- ▶ Minneapolis–St. Paul added 10,600 net jobs in 2025, with six sectors expanding, led by education and health services (5,900 units), manufacturing (4,600) and government (3,000). Gains were partly offset by 6,300 fewer positions across four sectors, with steeper losses in financial activities (-2,900), mining, logging and construction (-1,900) and information (-1,000).
- ▶ Key project advancements across the Twin Cities include Boston Scientific's \$131 million Maple Grove expansion, which will add roughly 52,500 square feet of manufacturing and office space and is expected to support 440 new jobs within the project's first three years. Meanwhile, the region's transit buildout expanded with three new METRO bus rapid transit lines in 2025, extending the network to eight lines and providing access within a half-mile of a METRO station to over 500,000 jobs and nearly 500,000 residents. Looking ahead, the Gold Line Extension remains in engineering through 2025 and 2026 ahead of 2026 construction and a planned 2027 opening.

### Twin Cities Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	407.7	19.3%
30	Manufacturing	219.1	10.4%
90	Government	280.8	13.3%
40	Trade, Transportation and Utilities	378.7	17.9%
60	Professional and Business Services	295.3	14.0%
80	Other Services	81.2	3.8%
70	Leisure and Hospitality	184.1	8.7%
50	Information	27.7	1.3%
15	Mining, Logging and Construction	91.5	4.3%
55	Financial Activities	146.3	6.9%

Sources: Yardi Matrix, Bureau of Labor Statistics

## Population

- ▶ Minneapolis–St. Paul's population increased by 2.9% between 2019 and 2022, outperforming the 2.0% U.S. average.
- ▶ Area growth moderated between mid-2022 and mid-2025, to 2.4%, in line with the 2.3% U.S. figure, according to recent Census estimates.

### Twin Cities vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Twin Cities	3,573,609	3,605,450	3,659,156	3,678,328

Source: U.S. Census

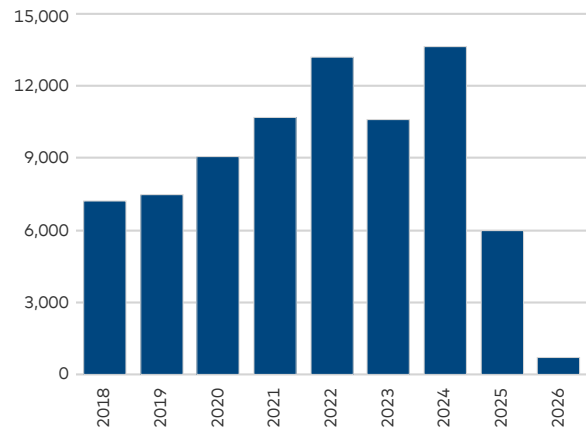
## SUPPLY

- ▶ In the first quarter of 2026, deliveries in Minneapolis–St. Paul reached 729 units, or 0.3% of existing stock, equal to the U.S. average. After a five-year stretch with new supply being 4.7% of total stock on average, deliveries dropped to 2.2% in 2025, the lowest annual rate since 2018. Completions in 2026 through March were mostly Lifestyle units, with the exception of a 60-unit fully affordable property.
- ▶ The current Twin Cities pipeline underpins the slowdown pattern seen in deliveries, as developers had just 5,964 units underway across the metro as of March. The under-construction pipeline encompassed 62.5% Lifestyle, 29.2% fully affordable and 8.3% RBN projects going into the second quarter.
- ▶ First-quarter construction starts totaled 441 units, across three properties that were all in suburban submarkets. That marked a 36% contraction from the 692 units across five properties that broke ground during the first quarter of 2025.
- ▶ Active development was recorded in 31 of the 87 submarkets tracked by Yardi Matrix, with suburban areas accounting for more than two-thirds of units underway as of March. The top four submarkets by development volume were

all suburbs, led by Woodbury/Cottage Grove (600 units) and Brooklyn Park (542).

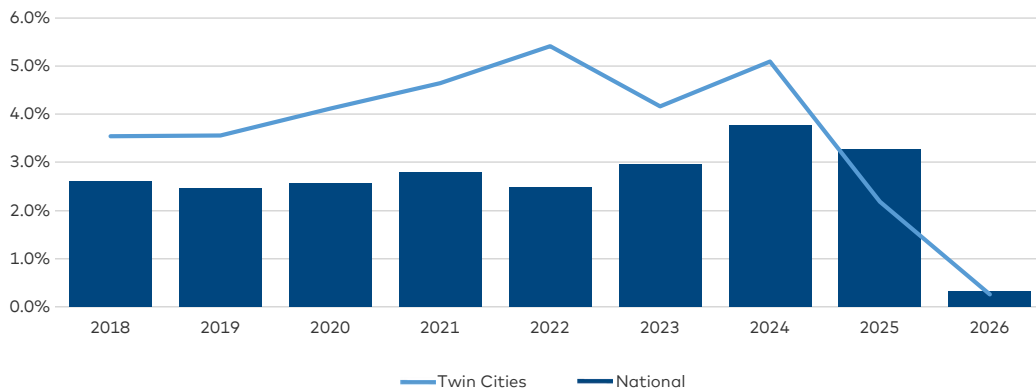
- ▶ Recent completions included The Winn at Golden Valley, a partially affordable, 303-unit Lifestyle project in Golden Valley. Owned by Sentinel Management, it includes 46 affordable units and was built with aid from two construction loans totaling \$59.8 million, originated by Old National Bank and Bridgewater Bank.

**Twin Cities Completions** (as of March 2026)



Source: Yardi Matrix

**Twin Cities vs. National Completions as a Percentage of Total Stock** (as of March 2026)

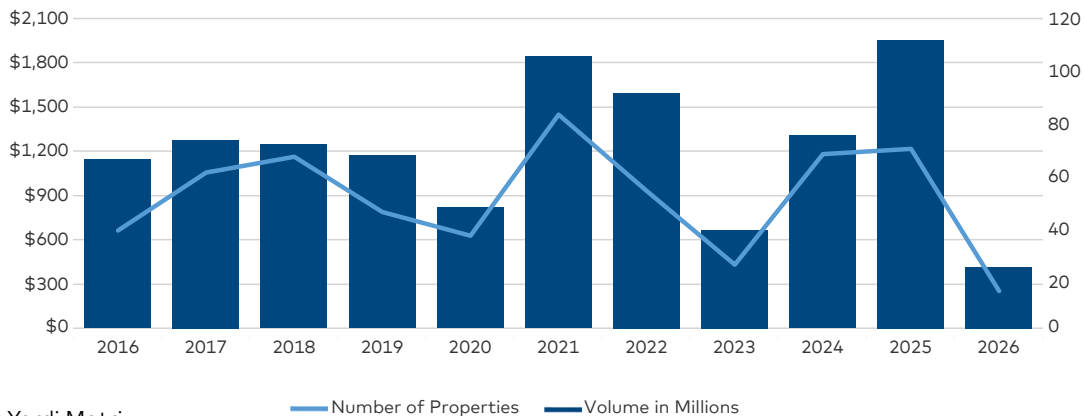


Source: Yardi Matrix

## TRANSACTIONS

- ▶ The Twin Cities remained relatively appealing to investors, with multifamily sales reaching \$415 million in 2026 through March, on the heels of nearly \$2 billion in 2025, the highest annual transaction volume of the past decade. Urban submarkets had an edge in the first quarter, recording \$248 million across nine transactions.
- ▶ In the first quarter of 2026, confirmed sales indicated higher investor interest in value-add plays, with RBN assets accounting for two-thirds of deals. This drove a 29% year-to-date decline in the average price per unit, to \$136,815 as of March, well below the \$196,464 U.S. figure.
- ▶ Notable deals of the first quarter included the \$63.8 million sale of The Burlington, a 427-unit Lifestyle asset in St. Paul-Como. Highgate Capital Group acquired the community from White Oak Partners, assuming the \$52.6 million outstanding balance of a \$56 million, 10-year loan held by Fannie Mae since 2019 and issued by Newmark.

### Twin Cities Sales Volume and Number of Properties Sold (as of March 2026)



Source: Yardi Matrix

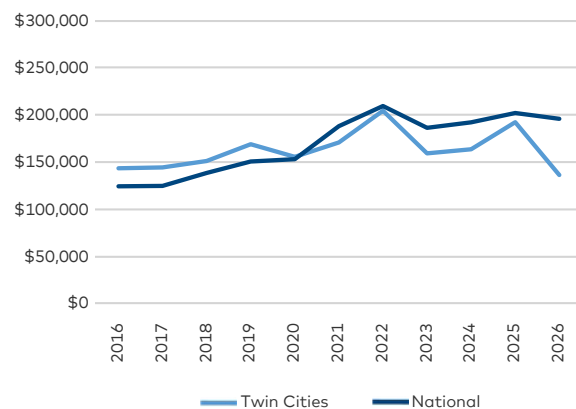
### Top Submarkets for Transaction Volume<sup>1</sup>

Submarket	Volume (\$MM)
Minneapolis-Central	451
Minneapolis-Calhoun Isle	187
Shakopee	84
St. Louis Park	76
Chaska	68
St. Cloud-North	66
St. Paul-Como	64

Source: Yardi Matrix

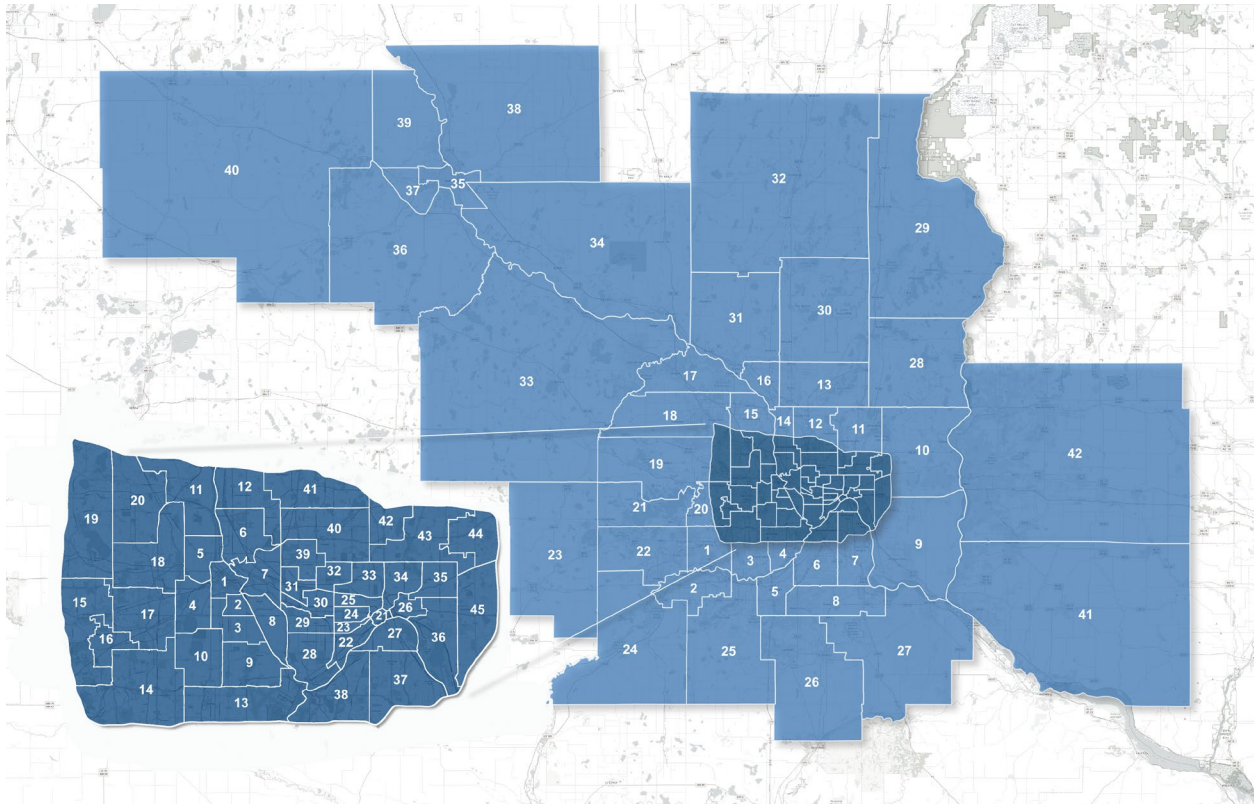
<sup>1</sup> From April 2025 to March 2026

### Twin Cities vs. National Sales Price per Unit



Source: Yardi Matrix

# TWIN CITIES SUBMARKETS



Area No.	Submarket
1	Minneapolis-Central
2	Minneapolis-Phillips
3	Minneapolis-Powderhorn
4	Minneapolis-Calhoun Isle
5	Minneapolis-Near North
6	Minneapolis-Northeast
7	Minneapolis-University
8	Minneapolis-Longfellow
9	Minneapolis-Nokomis
10	Minneapolis-Southwest
11	Brooklyn Center/Camden
12	Columbia Heights
13	Richfield
14	Edina/Eden Prairie
15	Minnetonka

Area No.	Submarket
16	Hopkins
17	St. Louis Park
18	Golden Valley
19	Plymouth
20	New Hope/Crystal
21	St. Paul-Downtown
22	St. Paul-West Seventh
23	St. Paul-Summit Hill
24	St. Paul-Summit-University
25	St. Paul-Thomas-Dale
26	St. Paul-Dayton's Bluff
27	St. Paul-West Side
28	St. Paul-Highland
29	St. Paul-Macalester-Groveland
30	St. Paul-Lexington Hamline

Area No.	Submarket
31	St. Paul-St. Anthony
32	St. Paul-Como
33	St. Paul-North End
34	St. Paul-Payne-Phalen
35	St. Paul-Greater East Side
36	St. Paul-Sunray-Battlecreek
37	West St. Paul
38	Mendota
39	Falcon Heights
40	Roseville
41	New Brighton
42	Little Canada
43	Maplewood
44	Oakdale-North
45	Oakdale-South

Area No.	Submarket
1	Eden Prairie
2	Shakopee
3	Bloomington-West
4	Bloomington-East
5	Burnsville
6	Eagan
7	Inver Grove Heights
8	Apple Valley
9	Woodbury/Cottage Grove
10	Stillwater
11	White Bear Lake
12	Mounds View
13	Blaine
14	Fridley

Area No.	Submarket
15	Brooklyn Park
16	Coon Rapids
17	Champlin-Rogers
18	Maple Grove
19	Plymouth
20	Minnetonka
21	Spring Park
22	Chaska
23	Wacoma
24	Jordan
25	Savage
26	Lakeville
27	Hastings
28	Forest Lake

Area No.	Submarket
29	Chisago City
30	Andover
31	Anoka
32	Cambridge
33	Buffalo
34	Elk River
35	St. Cloud-North
36	St. Cloud-South
37	Waite Park
38	Sauk Rapids
39	Sartell
40	Melrose
41	River Falls
42	Hudson

## DEFINITIONS

**Lifestyle households (renters by choice)** have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

**Renter-by-Necessity households** span a range. In descending order, household types can be:

- ▶ *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- ▶ *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- ▶ *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- ▶ *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- ▶ *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- ▶ *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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