

**Yardi® Matrix**

# Twin Cities' Ongoing Strength

Multifamily Report Fall 2019

**Rent Growth Outpaces US Average**

**Development Boom Endures in Urban Core**

**Transaction Activity Decelerates**



# TWIN CITIES MULTIFAMILY

Yardi® Matrix

## Market Analysis

Fall 2019

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## Strong Demand Supports Rent Growth

The Twin Cities' multifamily market remains healthy, backed by strong population gains and solid demand. At 3.8% year-over-year through September, rent growth has outperformed the U.S. average for the past three years.

Employment growth was led by mining, logging and construction, which gained 4,900 jobs. This sector, along with leisure and hospitality, and manufacturing and financial activities, offset the losses recorded by all the other industries. Several construction projects along Interstates 35 and 35W are underway: The Minnesota Department of Transportation is adding MnPass Express Lanes from Roseville to Blaine—as part of a \$208 million project—rebuilding the freeway in Minneapolis and repairing the bridge over the Minnesota River in Bloomington. The education and health sector is at the other end of the spectrum. This year, the Minnesota Legislature voted to improve education spending by \$543 million, but that number isn't enough to avoid cutting teaching positions.

Despite a slow deceleration, the metro's development pipeline is still solid, with 11,740 units under construction as of September. In the meantime, the multifamily transaction volume slightly dropped across the city. Yardi Matrix expects rents to advance 4.7% this year.

## Recent Twin Cities Transactions

City Walk at Woodbury



City: Woodbury, Minn.  
Buyer: The Connor Group  
Purchase Price: \$108 MM  
Price per Unit: \$238,411

Lake Calhoun Flats



City: Minneapolis, Minn.  
Buyer: Weidner Investment Services  
Purchase Price: \$33 MM  
Price per Unit: \$208,861

The Buckingham



City: Minneapolis, Minn.  
Buyer: Sentinel Real Estate  
Purchase Price: \$17 MM  
Price per Unit: \$135,738

Blaisdell Housing



City: Minneapolis, Minn.  
Buyer: Investment Property Group  
Purchase Price: \$15 MM  
Price per Unit: \$96,026