

# MINNEAPOLIS-ST. PAUL, MN

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.2%



DOWN 20 BPS YOY

Effective Rent

\$1,533



UP 2.3% YOY

Rent Share of Wallet

18.7%



DOWN 20 BPS YOY

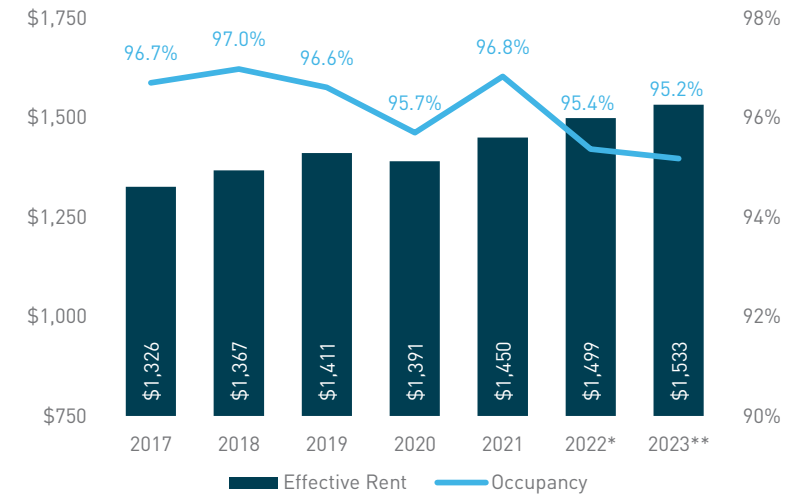
## Multifamily Development Following Industrial Growth and Redevelopment Prospects

Greater Minneapolis-St. Paul has over 9,150 units moving toward completion this year, which would make 2023 the third consecutive year with over 9,000 deliveries. Four submarkets will each deliver 1,000 or more units, accounting for 53.4% of incoming inventory. While the Downtown Minneapolis/University submarket's annual deliveries show modest increases compared to the five-year average, the Plymouth/Maple Grove, the Uptown/St. Louis Park, and the East St. Paul submarkets' estimated deliveries range from nearly double to more than triple their respective annual averages. Apart from historical occupancy rates that exceeded the national average, additional factors are contributing to bullish development. For example, developers are converting some vacant offices into mixed-use space, including the \$400 million redevelopment of the former Wells Fargo Operations Center that kicks off this year in Downtown, and the former Prudential Office Campus in Plymouth. Submarkets within the red-hot Northwest Industrial Corridor, like Plymouth/Maple Grove, may attribute multifamily expansion to incoming speculative projects, including Arbor Lakes Business Park III and 610 Broadway Business Center, adding more employees to the corridor's existing 60,000-job industrial workforce. Greater Minneapolis has over 9 million square feet in the industrial pipeline, which should attract new residents for jobs over the next several years. Apartment absorption projections show an 84.4% increase from last year, at approximately 8,114 net-move ins, with the same four submarkets responsible for 55.4%.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2022 are projected values. 2023 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

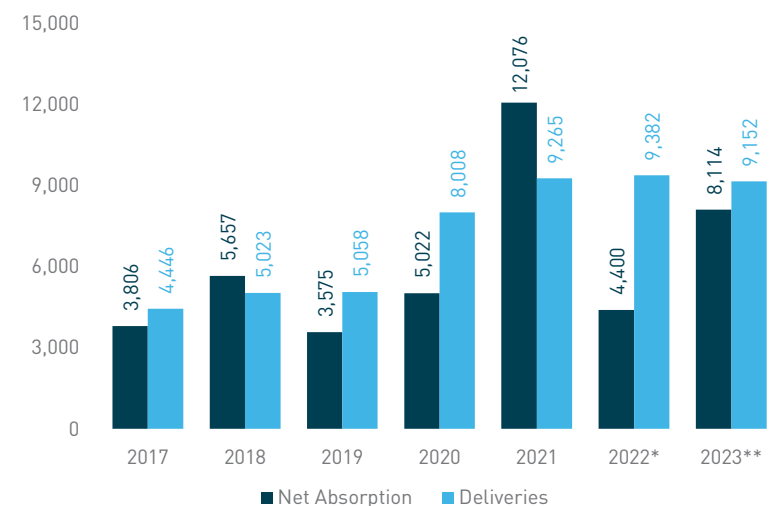
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

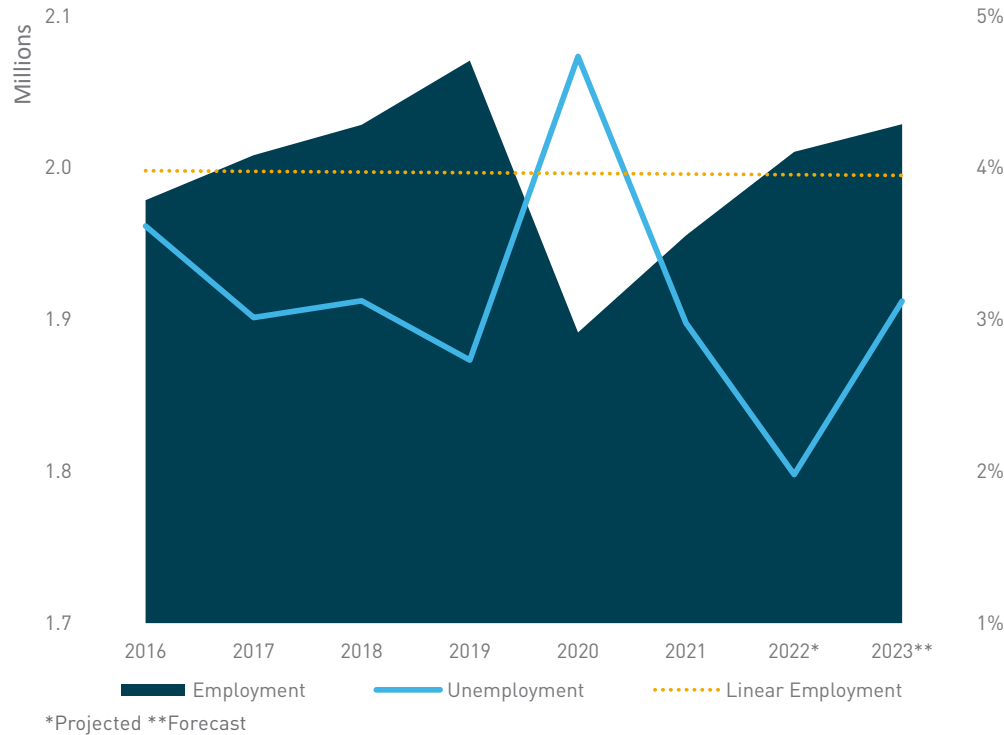


\*Projected \*\*Forecast

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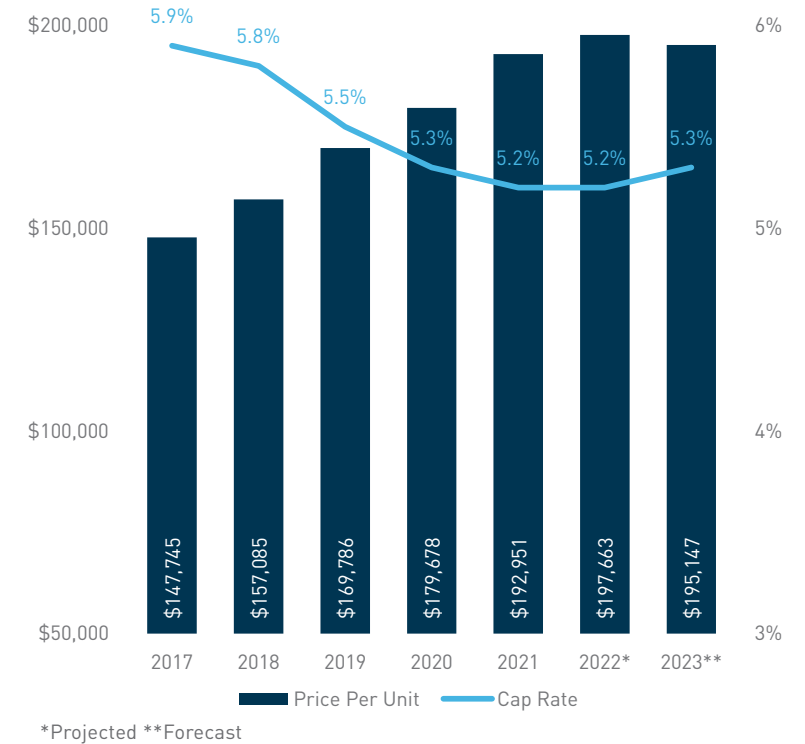
## Employment Trends

Market Employment Trends



## Sales Trends

Price Per Unit & Cap Rate



<p>Employment</p> <p><b>2,028,700</b></p> <p>↑</p> <p>UP 0.9% YOY</p>	<p>Unemployment</p> <p><b>3.1%</b></p> <p>↑</p> <p>UP 110 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$98,417</b></p> <p>↑</p> <p>UP 3.5% YOY</p>
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<p>Price Per Unit</p> <p><b>\$195,147</b></p> <p>↓</p> <p>DOWN 1.3% YOY</p>	<p>Cap Rate</p> <p><b>5.3%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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