



MARKET AT A GLANCE



OCCUPANCY RATE **96.2%**
Down **90 bps** since 2Q19



EFFECTIVE RENT **\$1,380**
Up **0.9%** since 2Q19



RENT PAYMENT TRACKER (July 1-13) **94.1%**
Down **70 bps** since June 1-13

OCCUPANCY AND RENT TRENDS

OCCUPANCY STANDS AT 96.2% AS COVID-19 PRESSURES LOCAL BUSINESSES

Despite economic woes hurting apartment fundamentals, especially in submarkets where numerous businesses are dealing with reduced foot traffic and potential closures, positive signs in the second quarter indicated that long-term opportunities for multifamily development remain plentiful in Minneapolis. Multifamily construction permits were up 26% annually in June, according to a Keystone Report. Major firms like FedEx Freight and manufacturer ProMed announced plans to expand their presence in the metro, promising over 180 new jobs. Due to a workforce comprised of primarily low- and medium-risk industries, the metro's 10.7% unemployment rate was lower than the national average. Fewer job losses allowed 94.1% of renters to make payments through July 13, just short of the 94.8% of renters who made payments in June. Metrowide, operators reduced effective rent 0.3%. However, in several submarkets, such as Uptown/St. Louis Park, demand accelerated on a quarterly basis, encouraging operators to commit to moderate rent increases despite short-term uncertainty. Overall, renters absorbed 1,260 units in the second quarter, trailing the preceding five-year quarterly average but keeping occupancy unchanged at 96.2%.



MINNEAPOLIS - ST. PAUL

MULTIFAMILY REPORT

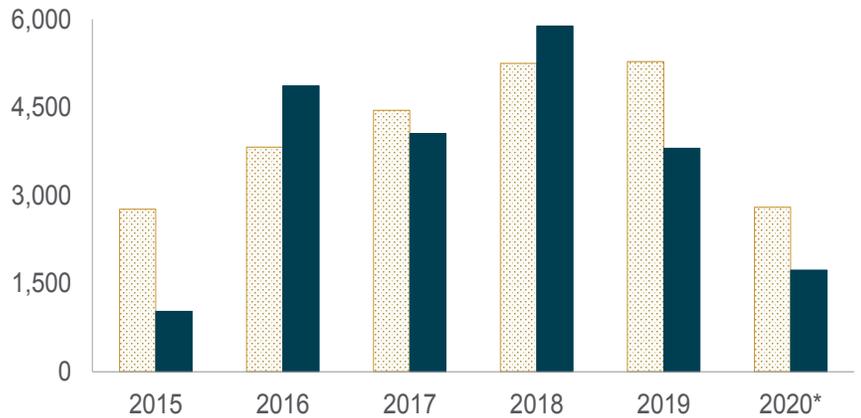
DELIVERIES AND DEMAND



DELIVERIES 2,802
Units YTD



NET ABSORPTION 1,730
Units YTD



*Year to date

■ Deliveries ■ Demand

ECONOMIC TRENDS

2019 2.9% UNEMPLOYMENT* 2020 10.7%
780 BPS CHANGE

2019 2.0m EMPLOYMENT** 2020 1.8m
-9.8% CHANGE

2019 57.8k EXISTING SFH SALES** 2020 44.5k
-23.0% CHANGE

2019 3.7m POPULATION** 2020 3.7m
0.9% CHANGE

2019 2.07% 10-YEAR TREASURY** 2020 0.73%
-130 BPS CHANGE

*May; **June



MINNEAPOLIS - ST. PAUL

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	2Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	2Q20	Q-o-Q Change	Y-o-Y Change	2Q20	Annual	2Q20	Annual
Anoka County	97.2%	40	-60	\$1,182	1.0%	1.7%	90	141	0	313
Bloomington	96.5%	-30	20	\$1,341	-1.1%	1.0%	50	108	88	88
Burnsville/Apple Valley	96.5%	10	-50	\$1,305	0.0%	1.7%	204	388	200	463
Central St. Paul	95.4%	-80	-60	\$1,409	-0.9%	-0.6%	-125	211	0	316
Downtown Minneapolis/University	94.6%	-20	-150	\$1,726	-1.3%	-0.4%	399	840	517	1,637
East St. Paul	97.0%	50	-80	\$1,267	0.1%	1.7%	151	-166	0	78
Eden Prairie/Shakopee/Chaska	96.4%	-10	-100	\$1,380	-1.0%	1.0%	15	415	36	577
Minnetonka	96.8%	-40	-100	\$1,416	0.4%	1.0%	-7	198	51	344
North Minneapolis	96.3%	40	-120	\$1,195	0.3%	2.1%	230	10	139	339
Plymouth/Maple Grove	96.2%	0	-140	\$1,448	-0.5%	0.5%	69	83	72	294
South Minneapolis/Richfield	95.6%	-50	-190	\$1,418	-0.8%	0.1%	-50	667	44	1,067
South St. Paul/Eagan	96.9%	-30	-110	\$1,272	-0.5%	0.9%	6	42	58	221
Uptown/St. Louis Park	96.1%	0	-20	\$1,576	0.2%	0.5%	182	510	178	585
West St. Paul	96.6%	20	-40	\$1,191	0.1%	1.4%	46	41	0	163
TOTALS	96.2%	0	-90	\$1,380	-0.3%	0.9%	1,260	3,487	1,383	6,485



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