MINNEAPOLIS-ST. PAUL, MN

2025 MARKET AT A GLANCE

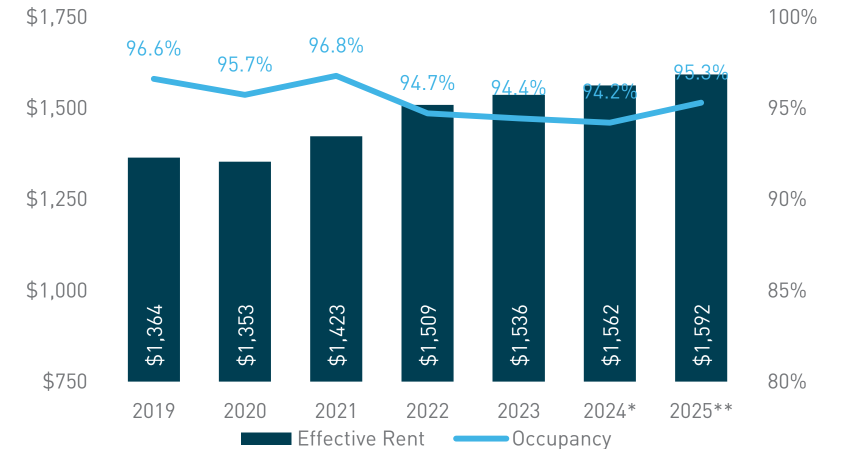
OCCUPANCY RATE (Q4 2025)	EFFECTIVE RENT (Q4 2025)	RENT SHARE OF WALLET (Q4 2025)
95.3%	$1,592	18.8%
UP 110 BPS YOY	UP 1.9% YOY	DOWN 20 BPS YOY

Elevated Net In-Migration and Job Growth Strengthens Apartment Demand and Occupancy

Demand for Minneapolis-St. Paul apartments will outpace new supply in 2025, leading to a recovery in the metro's multifamily occupancy rate, which has declined since 2021. By the fourth quarter of 2025, the occupancy rate is expected to rise by 110 basis points to 95.3%. This increased occupancy will support a rent increase 20 basis points higher than the previous year, bringing the average effective rent to $1,592 per month by year-end. Net in-migration and rising employment will support the 16.4% year-over-year increase in net apartment absorption during 2025. This year, net in-migration is projected to exceed 28,100 new residents , more than double the average during the expansion period between 2010 and 2019. Job growth will likely attract many of these new residents, as employers are expected to create 15,900 net new positions, gaining back the jobs lost during 2024. Four suburban submarkets on the edge and outside of Hennepin County with existing business and industrial hubs will account for almost 40% of net move-ins this year. Eden Prairie/Shakopee/Chaska, Plymouth/Maple Grove, Burnsville/Apple Valley, and Minnetonka will rank first, third, fourth, and fifth, respectively, for this metric. Eden Prairie/Shakopee/Chaska hosts the Golden Triangle professional park and will soon welcome GN Resound's 550-person headquarters. Plymouth/Maple Grove features an expansive commercial corridor around I-494, where BAE Systems recently promised 500 jobs, and Boston Scientific is building a new campus that will retain 1,000 jobs and create nearly 200 more after its completion in 2025. Burnsville/Apple Valley is home to AirLake, the state's second-largest industrial park.

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 2024 are projected values. 2025 figures are forecast projections.

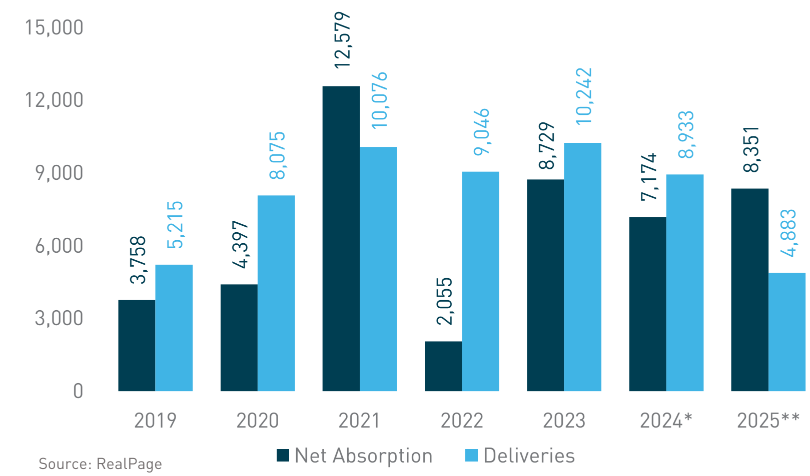
APARTMENT TRENDS



Source: RealPage

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.



Source: RealPage

*Projected **Forecast

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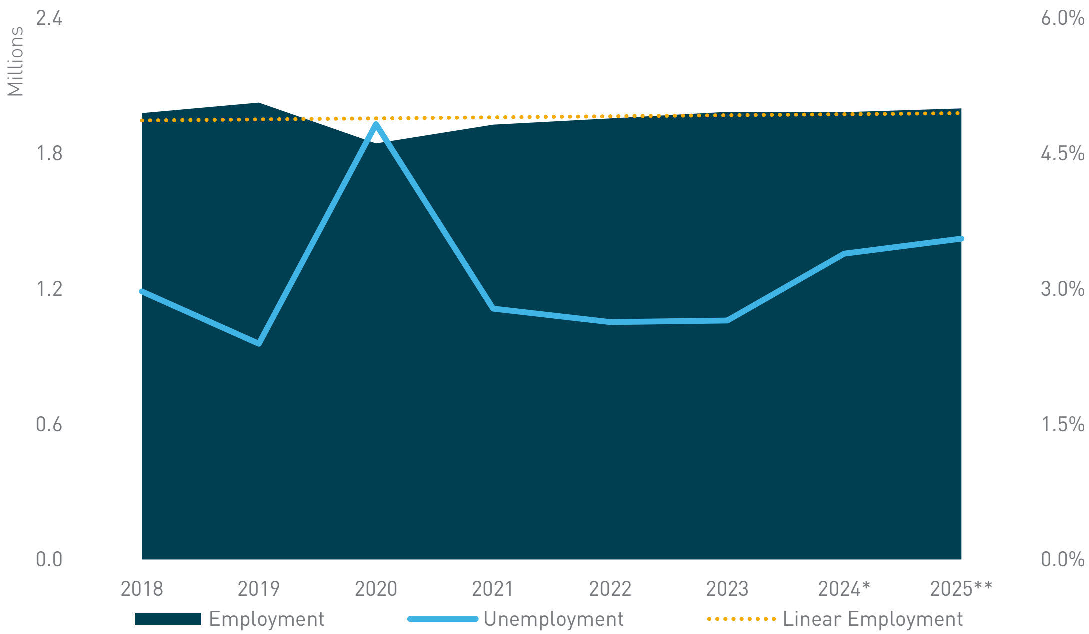
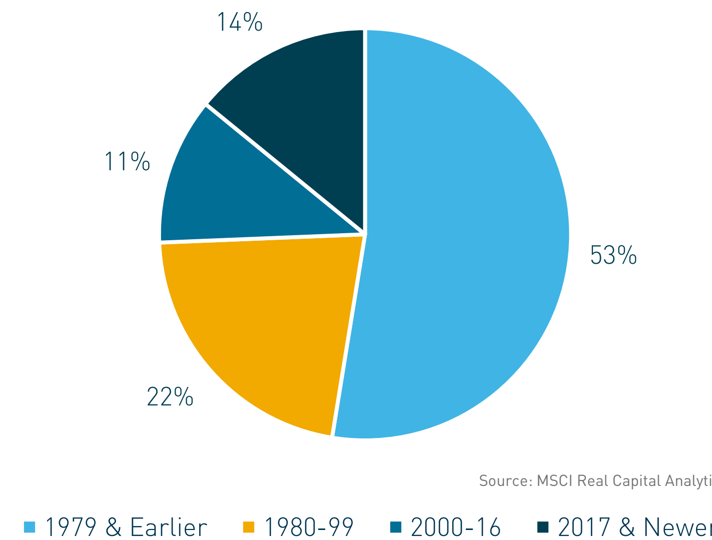
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

2024 SALES TRENDS*



*YTD through Oct.

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT
(DEC. 2025)
1,999,500
UP 0.8% YOY

UNEMPLOYMENT
(DEC. 2025)
3.6%
UP 20 BPS YOY

MEDIAN HOUSEHOLD INCOME
(DEC. 2025 SAAR)
$101,547
UP 3.2% YOY

PRICE PER UNIT
(2024 AVG.)
$174,741
DOWN 6.1% YOY

CAP RATE
(2024 AVG.)
6.2%
UP 60 BPS YOY