

TWIN CITIES Q1 2022 REVIEW MULTIFAMILY MARKET

OVER \$2,000,000,000 IN APARTMENT PROPERTIES SOLD!



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**MICHEL
COMMERCIAL**
REAL ESTATE™

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TWIN CITIES AVERAGE PRICE PER UNIT



Overall Average

\$148,374
per unit

Class A Average

\$277,205
per unit

Class B Average

\$199,569
per unit

Class C Average

\$119,850
per unit

The Twin Cities multifamily market remains strong with many 2021 trends carrying over into the new year. While interest rates have increased and buyers have been forced to “sharpen their pencils”, **property values continue to climb and buyer interest remains fierce** across all property classes (A, B, and C).

Suburban locations (and tertiary markets) continue to attract renters and investors alike as renters prioritize larger unit sizes, more affordable rents, and green space over urban amenities (i.e. walkability, bars, coffee shops, etc). The urban rental market has not yet made a full recovery from the pandemic and the civil unrest, with many neighborhoods within Minneapolis and St. Paul continuing to offer concessions and experiencing muted rent increases. There are bright spots within the urban core where city life is thriving, namely the North Loop in Minneapolis with its dynamic work/play environment.

On May 1, 2022, St. Paul is expected to implement a residential rent stabilization ordinance that limits property owners to a maximum 3% rent increase each year. Since the approval of this ordinance in

November of 2021, investor activity in St. Paul has slowed down a bit as buyers wait to see how the ordinance plays out. The city of Minneapolis also passed a rent stabilization ordinance, however, they have yet to outline their plan and will likely wait to see how rent control impacts the city of St. Paul.

Development of multifamily properties is at a forty-year high. An estimated 13,000 units are under construction in the Twin Cities despite the struggles of rising lumber costs, supply chain disruptions, and labor shortages. These challenges contribute to the national shortage of affordable housing, yet the current rate of construction is in line with the demand for housing and the lease-up of new properties continues to be strong. In addition, local and national buyers remain eager for new, quality product and multiple new developments have recently sold (with a few sold before they were fully leased up).

Overall, the **Twin Cities multifamily market is flourishing** and is attracting buyers from all over the nation.

MICHEL COMMERCIAL Q1 2022 HIGHLIGHTS



THE CLIFFS OF MINNETONKA
456 UNITS | MINNETONKA, MN



SPRINGBROOK APARTMENTS
361 UNITS | FRIDLEY, MN



FALCON HEIGHTS TOWN SQUARE
175 UNITS | FALCON HEIGHTS, MN

Q1 2022 TWIN CITIES MULTIFAMILY REAL ESTATE TRANSACTIONS

A = CLASS "A"

B = CLASS "B"

C = CLASS "C"

MINNESOTA

HIGHEST PRICE PER UNIT

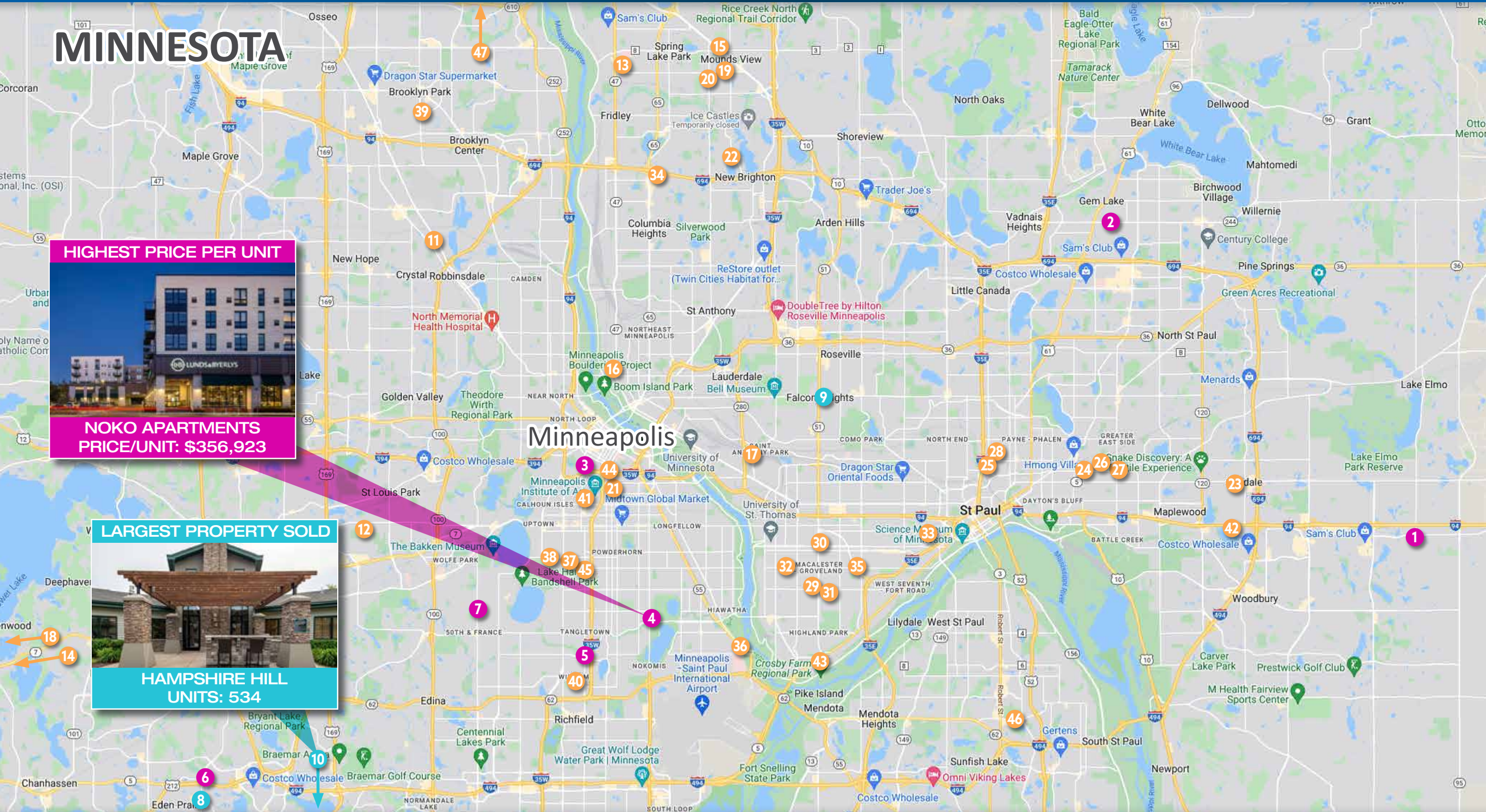


NOKO APARTMENTS
PRICE/UNIT: \$356,923

LARGEST PROPERTY SOLD



HAMPSHIRE HILL
UNITS: 534



Q1 2022 TWIN CITIES MULTIFAMILY TRANSACTIONS

A = CLASS "A"

B = CLASS "B"

C = CLASS "C"

No.	Property Name	Property Address	Property City	Year Built	No. Of Units	Building Class	Price/Unit	Sale Price	Sale Date
1	Beyond Woodbury	455 Karen Dr	Woodbury	2021	255	A	\$255,522	\$65,158,000	3/10/2022
2	The Barnum Apartments	1711 County Road E	White Bear Lake	2021	192	A	\$269,271	\$51,700,000	2/22/2022
3	Marquee Apartments	1410 Nicollet Ave	Minneapolis	2020	231	A	\$266,667	\$61,600,000	2/1/2022
4	Noko Apartments	4720 Longfellow Avenue S	Minneapolis	2021	130	A	\$356,923	\$46,400,000	1/26/2022
5	Zest Apartments	5426 Nicollet Ave	Minneapolis	2016	46	A	\$222,459	\$10,233,121	1/5/2022
6	Martin Blu	14301 Martin Dr	Eden Prairie	2015	191	A	\$251,309	\$48,000,000	1/5/2022
7	Elements of Linden Hills	4525 France Ave S	Minneapolis	2015	31	A	\$318,286	\$9,866,879	1/5/2022
8	The Reserve Eden Prairie	13905 Chestnut Drive	Eden Prairie	1986	375	B	\$231,333	\$86,750,000	3/28/2022
9	Falcon Heights Town Square & Falcon Heights Town Square- Senior	1530 & 1550 Larpenteur Ave W	Falcon Heights	2004	175	B	\$167,000	\$29,225,000	3/17/2022
10	Hampshire Hill	10660 Hampshire Ave S	Bloomington	1987	534	B	\$200,375	\$107,000,000	2/28/2022
11	Marr-Don Apartments	4825 Vera Cruz Ave N	Crystal	1967	18	C	\$102,778	\$1,850,000	3/31/2022
12		3063 Virginia Ave S	Saint Louis Park	1962	23	C	\$136,500	\$3,139,500	3/28/2022
13		415 74th Ave NE	Fridley	1964	12	C	\$96,667	\$1,160,000	3/24/2022
14		4076 Tower St	Saint Bonifacius	1983	18	C	\$101,806	\$1,832,500	3/16/2022
15	Silver Lake Commons Apartments	2631-2665 Mounds View Blvd NE	Saint Paul	1970	50	C	\$105,560	\$5,278,000	3/9/2022
16		1441 Marshall St NE	Minneapolis	1969	18	C	\$125,000	\$2,250,000	3/3/2022
17		1022 Manvel St	Saint Paul	1962	11	C	\$118,182	\$1,300,000	3/1/2022
18	Deer Park	329 N High Dr NW	Hutchinson	1998	137	C	\$104,569	\$14,326,000	2/28/2022
19	Scotland Green Apartments	2662 Scotland Ct	Mounds View	1972	385	C	\$125,325	\$48,250,000	2/16/2022
20	Silverwood	7190 Silver Lake Rd	Mounds View	1968	40	C	\$143,750	\$5,750,000	2/16/2022
21		2110 S Park Ave	Minneapolis	1959	22	C	\$95,591	\$2,103,000	2/15/2022
22	Pike Lake Apartments	1476-2050 14th St NW	New Brighton	1969	64	C	\$135,000	\$8,640,000	2/15/2022
23	Ridgecrest Apartments	969 Greenway Ave N	Oakdale	1973	50	C	\$139,000	\$6,950,000	2/11/2022
24		1447 7th St E	Saint Paul	1958	11	C	\$79,714	\$876,854	2/10/2022
25		905 Westminster St	Saint Paul	1965	15	C	\$87,804	\$1,317,055	2/10/2022
26		1651 7th St E	Saint Paul	1962	11	C	\$92,731	\$1,020,043	2/10/2022
27		1721 7th St E	Saint Paul	1964	11	C	\$92,731	\$1,020,043	2/10/2022

Q1 2022 TWIN CITIES MULTIFAMILY TRANSACTIONS

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No.	Property Name	Property Address	Property City	Year Built	No. Of Units	Building Class	Price/Unit	Sale Price	Sale Date
28		1074 Arkwright St	Saint Paul	1960	11	C	\$96,910	\$1,066,005	2/10/2022
29		1510 Randolph Ave	Saint Paul	1950	10	C	\$111,951	\$1,119,506	2/10/2022
30		1576 Portland Ave	Saint Paul	1921	13	C	\$129,437	\$1,682,679	2/10/2022
31		1500 Randolph Ave	Saint Paul	1950	10	C	\$146,951	\$1,469,509	2/10/2022
32		1923 St Clair Ave	Saint Paul	1924	22	C	\$129,451	\$2,847,912	2/10/2022
33		149 Virginia St	Saint Paul	1950	23	C	\$140,000	\$3,220,000	2/6/2022
34	Cherry Lux	1200-1230 Cheri Ln NE	Columbia Heights	1963	72	C	\$136,944	\$9,860,000	2/4/2022
35		234 Dunlap St S	Saint Paul	1954	12	C	\$129,451	\$1,553,406	2/1/2022
36	Minnehaha Manor Apartments	5315 Minnehaha Ave S	Minneapolis	1971	30	C	\$132,000	\$3,960,000	1/31/2022
37		3700 Grand Ave S	Minneapolis	1960	18	C	\$154,389	\$2,779,003	1/31/2022
38		3554 Emerson Ave S	Minneapolis	1957	27	C	\$158,038	\$4,267,032	1/31/2022
39	Ridgebrook	5840 73rd Ave N	Minneapolis	1969	144	C	\$137,153	\$19,750,000	1/27/2022
40	Brentwood Court	5924 Pillsbury Ave S	Minneapolis	1966	33	C	\$106,061	\$3,500,000	1/21/2022
41		6-12 E 25th St	Minneapolis	1940	24	C	\$166,728	\$4,001,471	1/20/2022
42	Ashwood Ponds	6725 Ashwood Rd	Woodbury	1996	36	C	\$125,000	\$4,500,000	1/13/2022
43	Marjon Terrace	2390 W 7th St	Saint Paul	1965	18	C	\$111,111	\$2,000,000	1/12/2022
44		1818 Park Ave S	Minneapolis	1916	19	C	\$105,263	\$2,000,000	1/12/2022
45		3816 Nicollet Ave	Minneapolis	1966	18	C	\$106,000	\$1,908,000	1/10/2022
46	Southview Green	4835-4865 Babcock Trl	Inver Grove Heights	1988	54	C	\$138,889	\$7,500,000	1/7/2022
47	Turtle Ridge Townhouse	2664 230th Ct NW	Saint Francis	2000	30	C	\$90,000	\$2,700,000	1/4/2022

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Total Averages	1973	78	\$148,374	\$14,993,203
Total Class A Averages	2018	154	\$277,205	\$41,851,143
Total Class B Averages	1992	361	\$199,569	\$74,325,000
Total Class C Averages	1963	41	\$119,850	\$5,101,284

Disclaimer: Data analytics provided by CoStar™ Realty Information, Inc. Michel Commercial Real Estate is not responsible for the accuracy of content provided herein. More information may be available online at www.CoStar.com.

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