



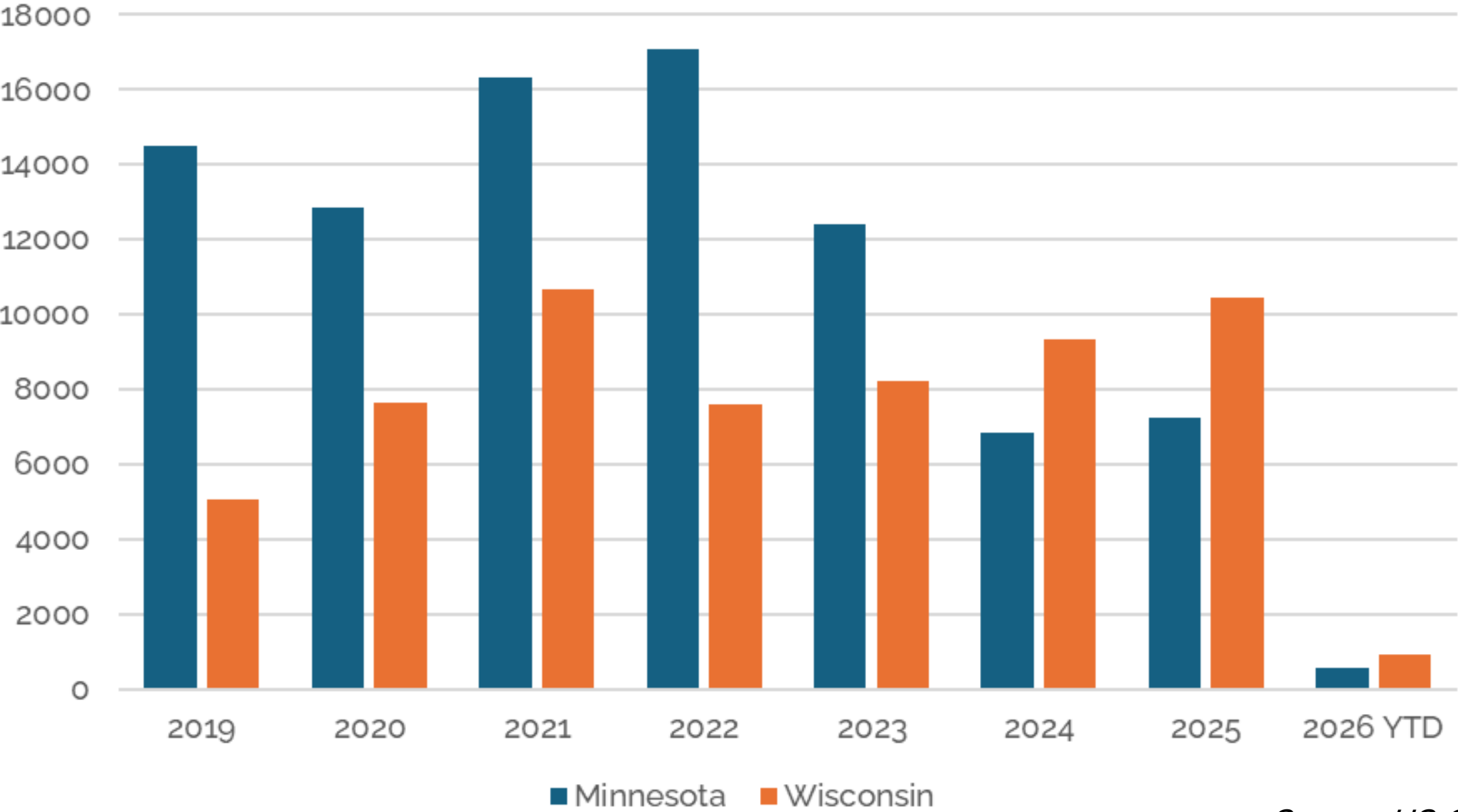
Spring Social: Multifamily Headwinds



Mission Statement

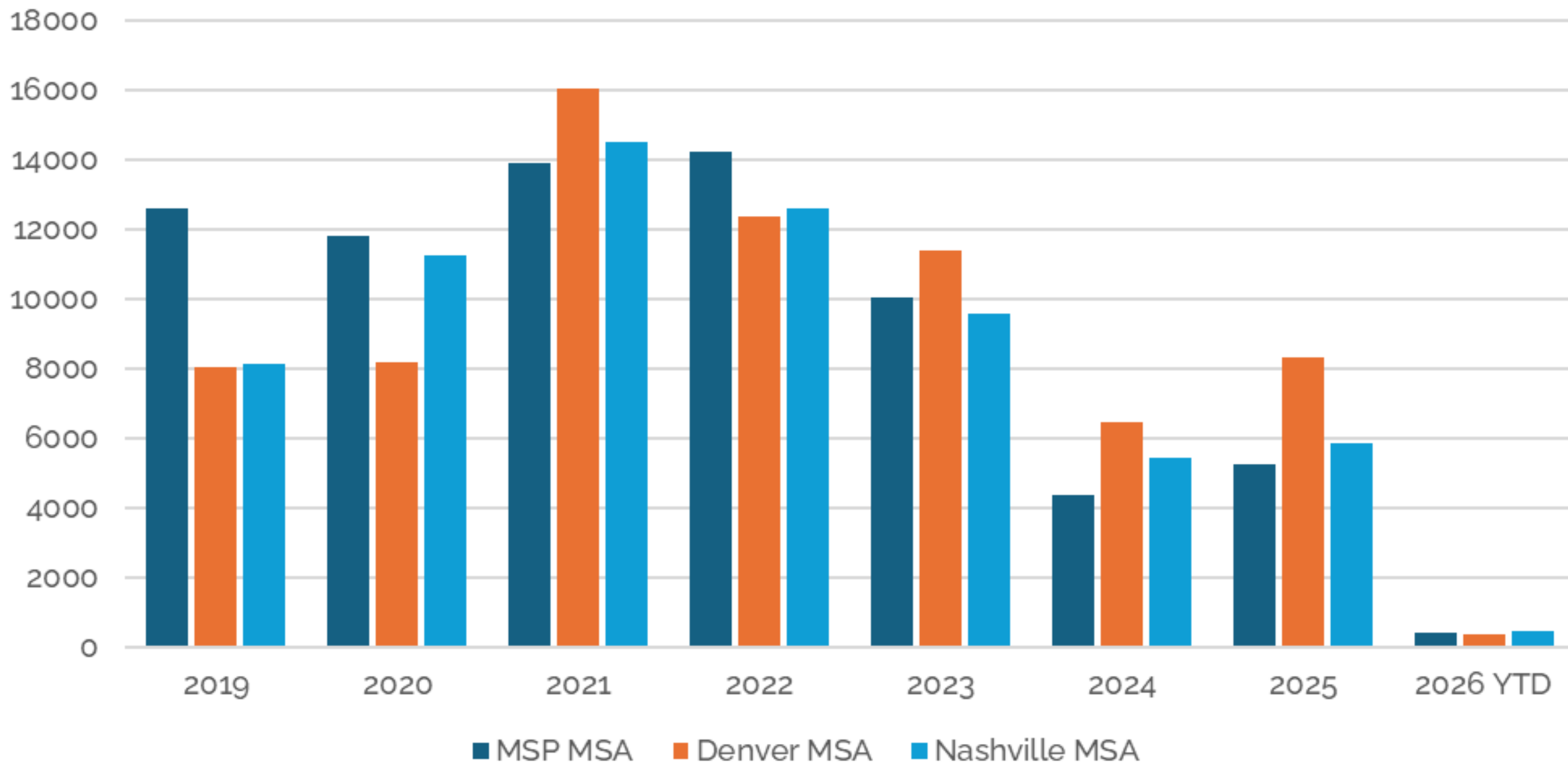
MHA **supports** the multi-housing industry through **public policy leadership, educational opportunities, innovations, communications,** and **marketing** in ways that enhance the industry for its members, its residents, and its communities.

Multifamily (5+ units) Permits Issued



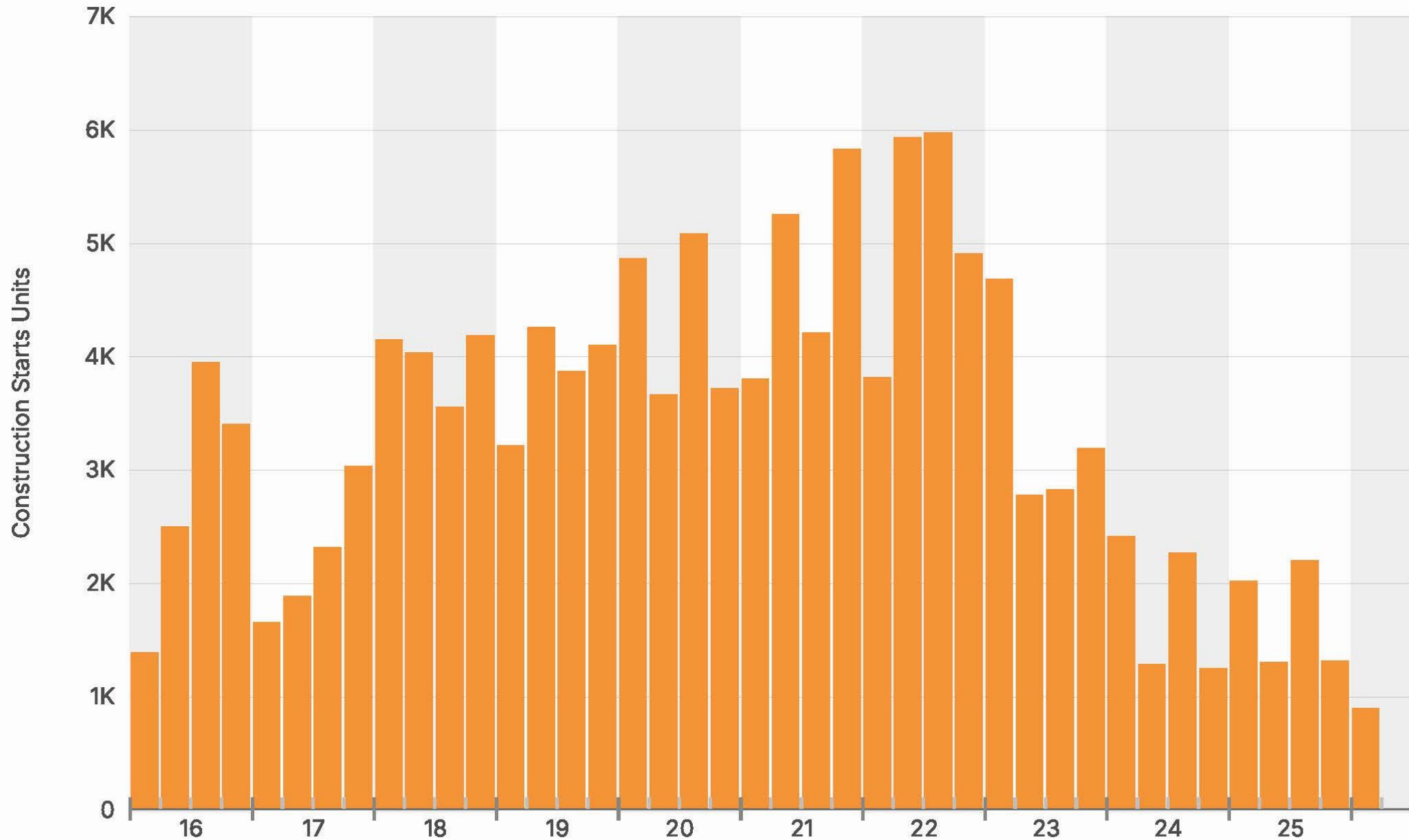
Source: US Census Bureau

Multifamily (5+ units) Permits Issued



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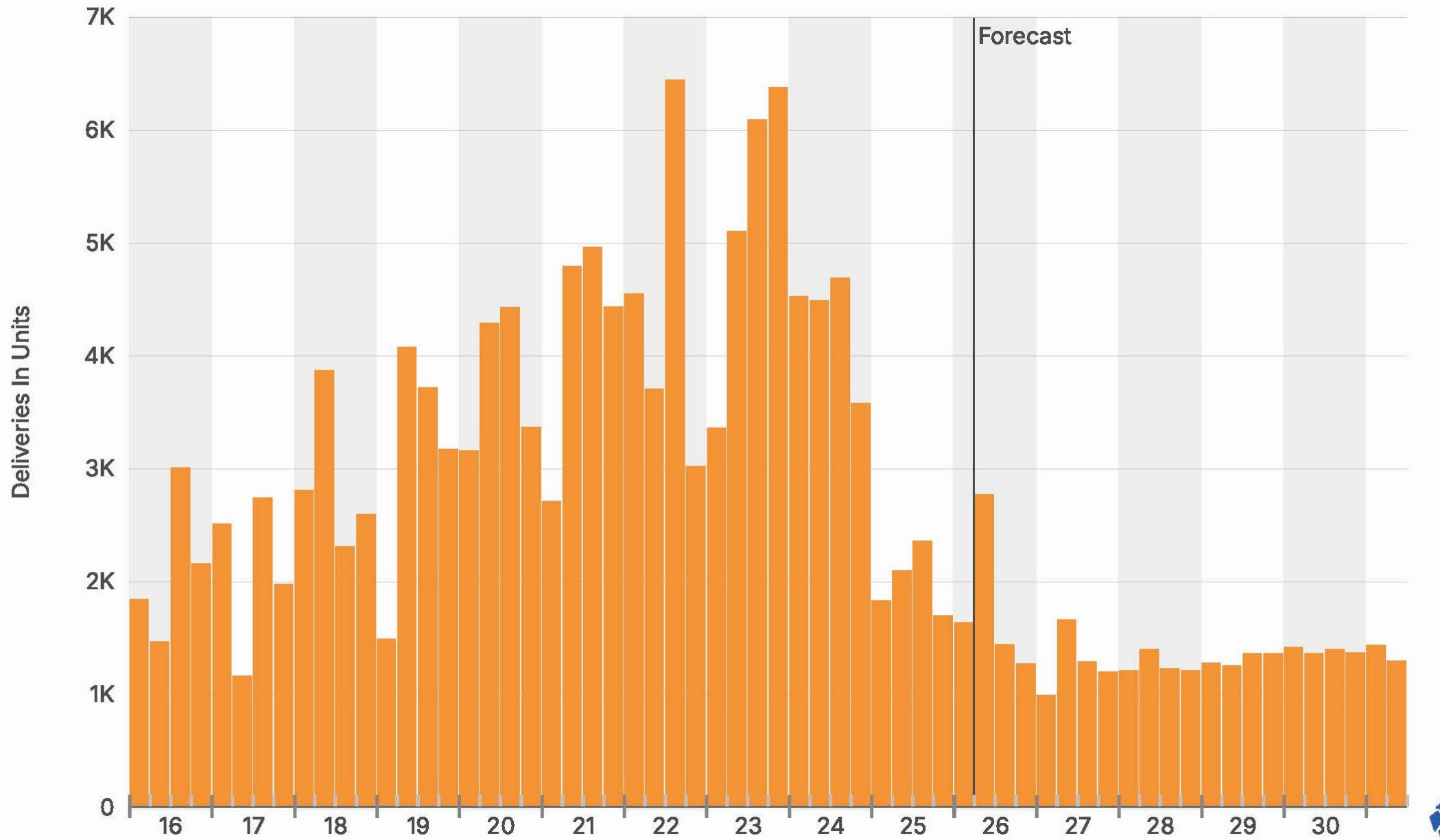
Construction Starts



Multifamily development: COMING

Market	Inventory	T12 unit deliveries		Under Construction	Vacancy	Asking Rent/Unit
		2025/26	2024/25			
Twin Cities	287,096	3,973	8,719	5,794	6.7%	\$1,582
Rochester	12,814	528	309	254	6.9%	\$1,590
St. Cloud	16,333	48	102	--	3.9%	\$1,100
Mankato	6,283	56	551	61	4.6%	\$1,321
Duluth	9,279	--	389	204	3.4%	\$1,483
TOTAL	331,805	4,605	10,070	6,313	Source: CoStar	

Deliveries



Why such a slowdown?



- Interest rates
- Underwriting operating expenses
- Construction pricing (inflation/volatility)
- Regulatory over-reach
- Demand

U.S. 10-Year Treasury Yield

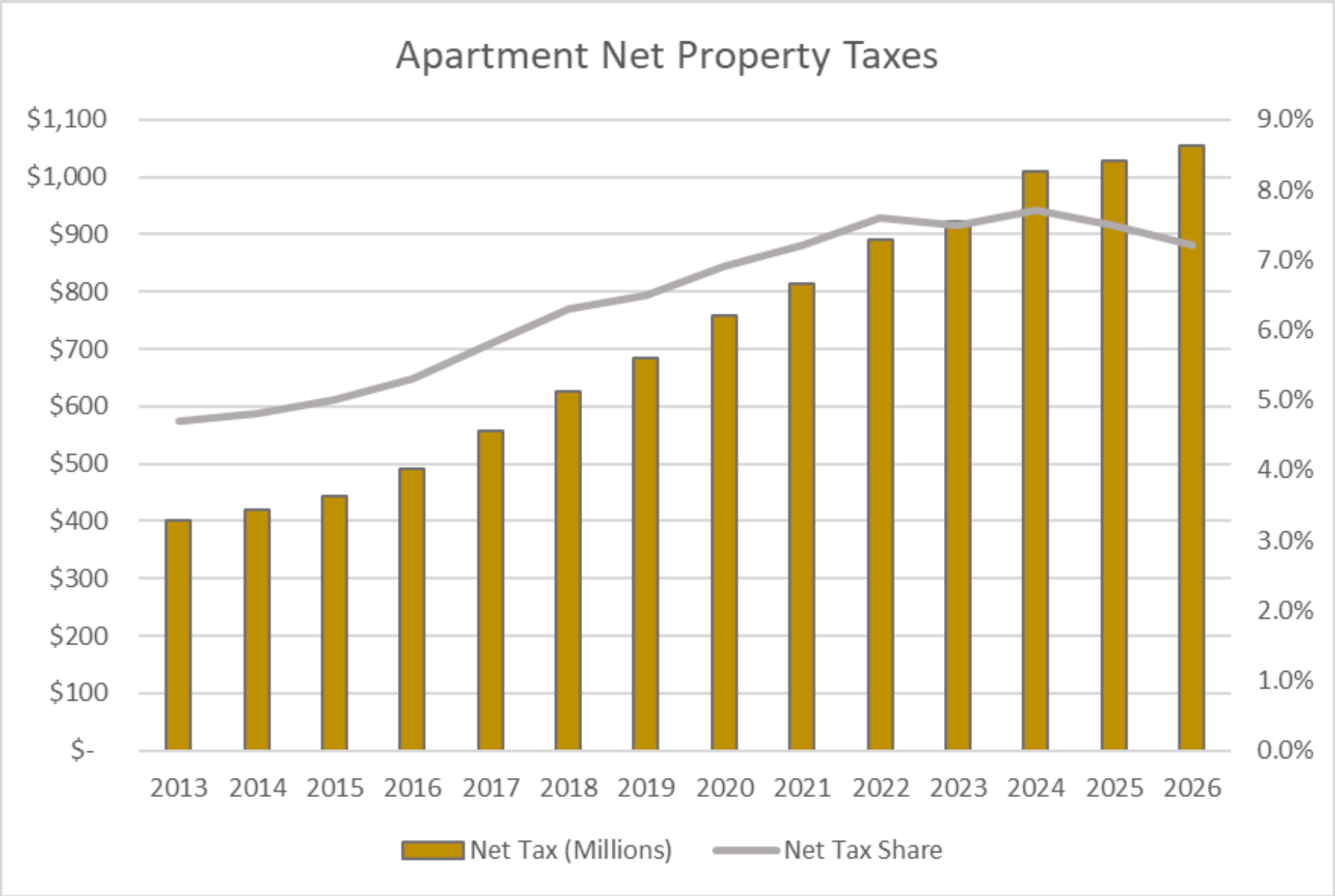


Source: Board of Governors of the Federal Reserve System (US) via FRED®

Shaded areas indicate U.S. recessions.

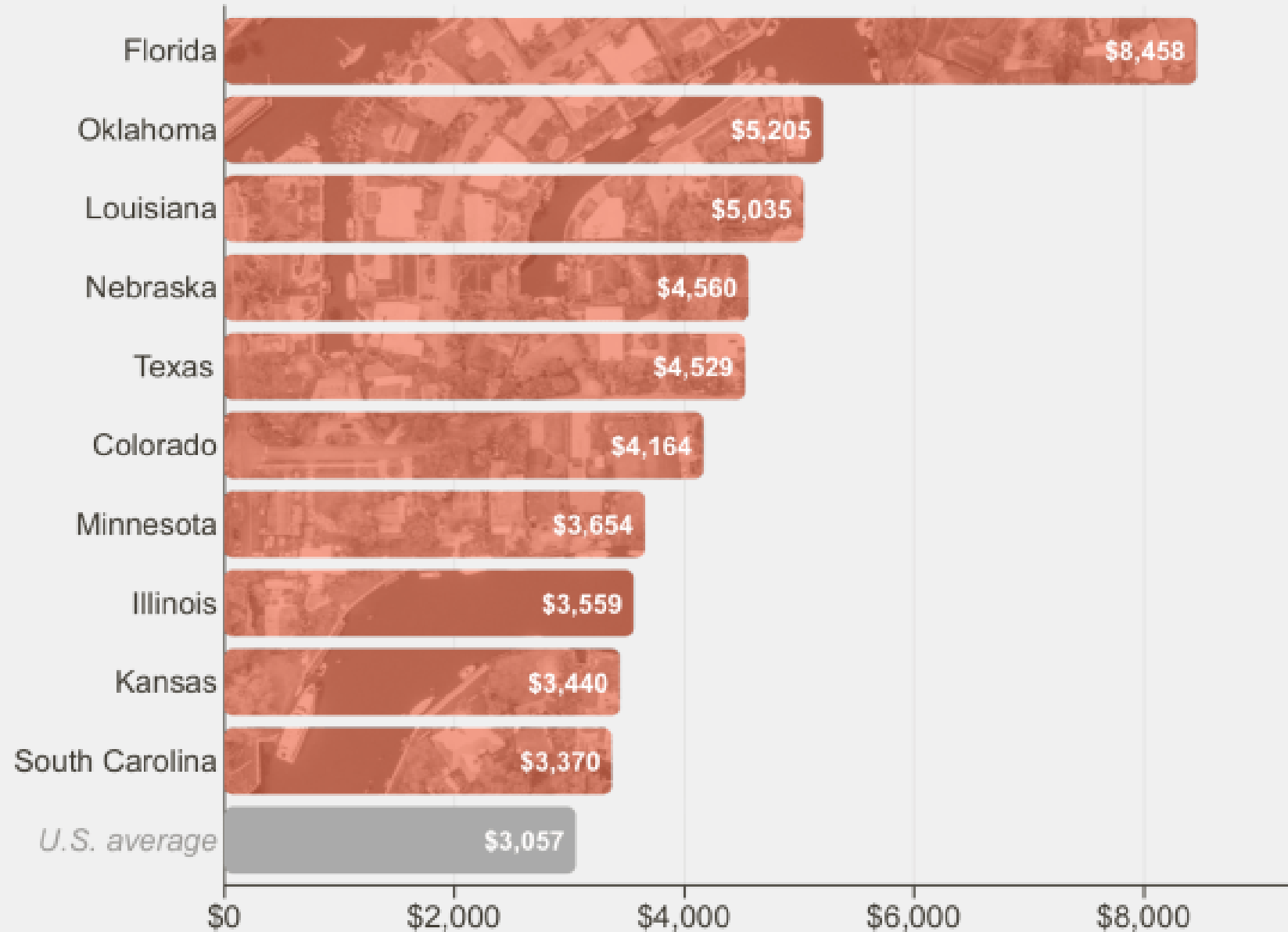


Property Taxes





2026 Proj. Home Insurance Rates

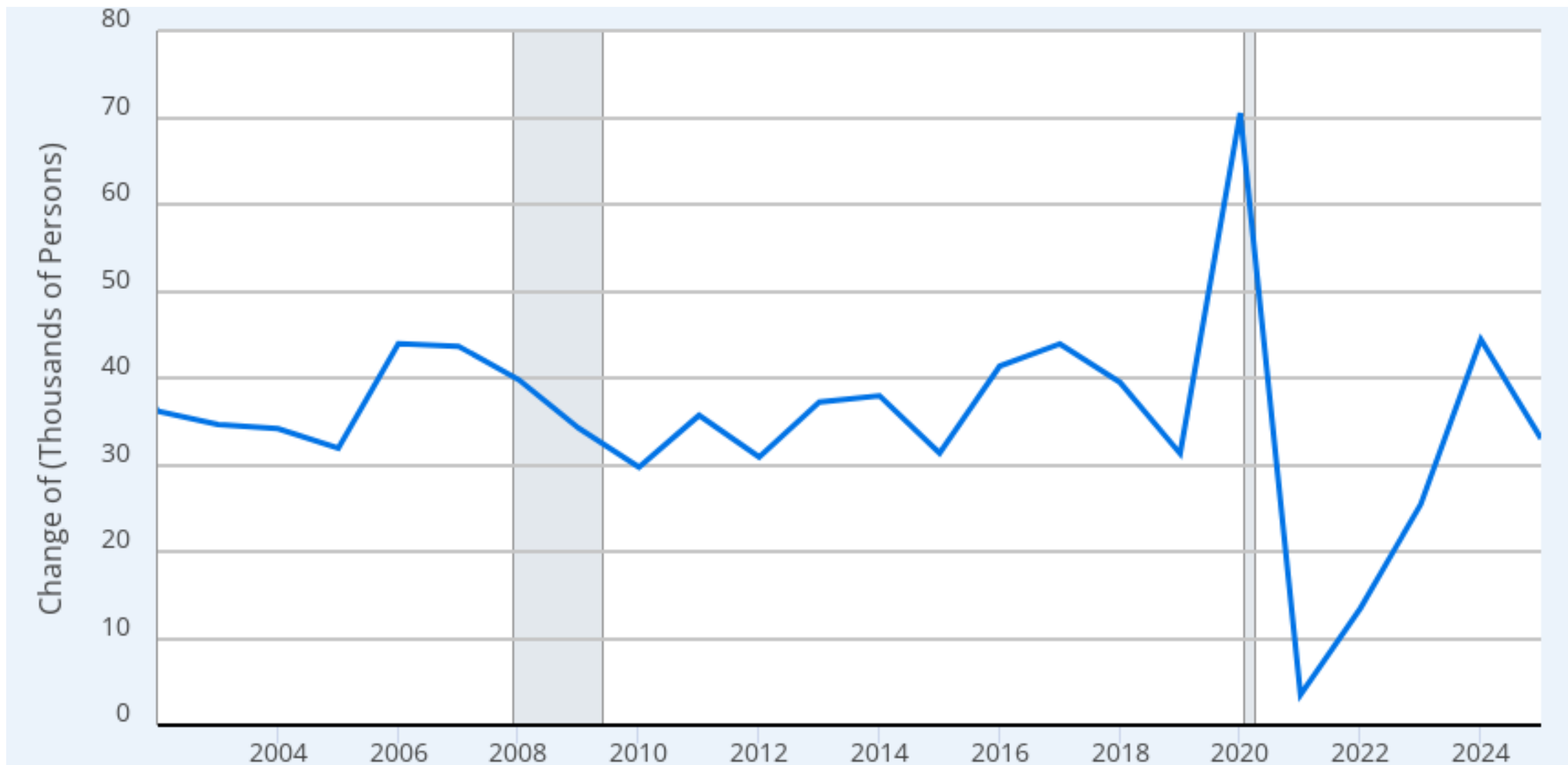


Credit: Insurify & Quadrant

Minnesota Regulations

- Rent Control (St. Paul/Duluth?)
- Taxes (Income/Sales/Property)
- Paid Family Leave
- Independent Contractors
- Landlord-Tenant Law
- Dept. of Labor & Industry
- Minneapolis and St Paul City Govt.

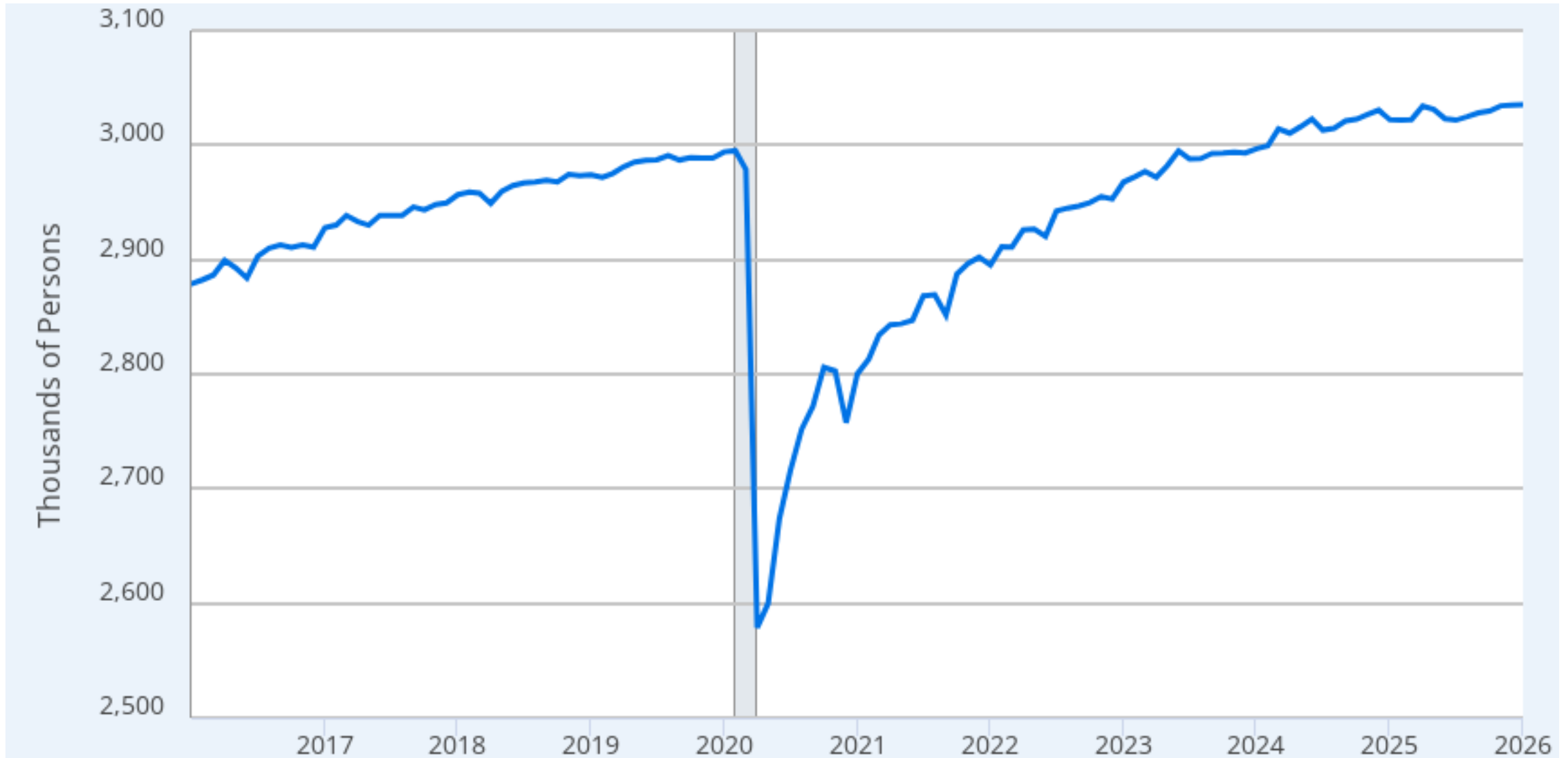
MN Population Change



Source: U.S. Census Bureau via FRED®

Shaded areas indicate U.S. recessions.

MN Total Nonfarm Employees



Source: U.S. Bureau of Labor Statistics via FRED®

Shaded areas indicate U.S. recessions.

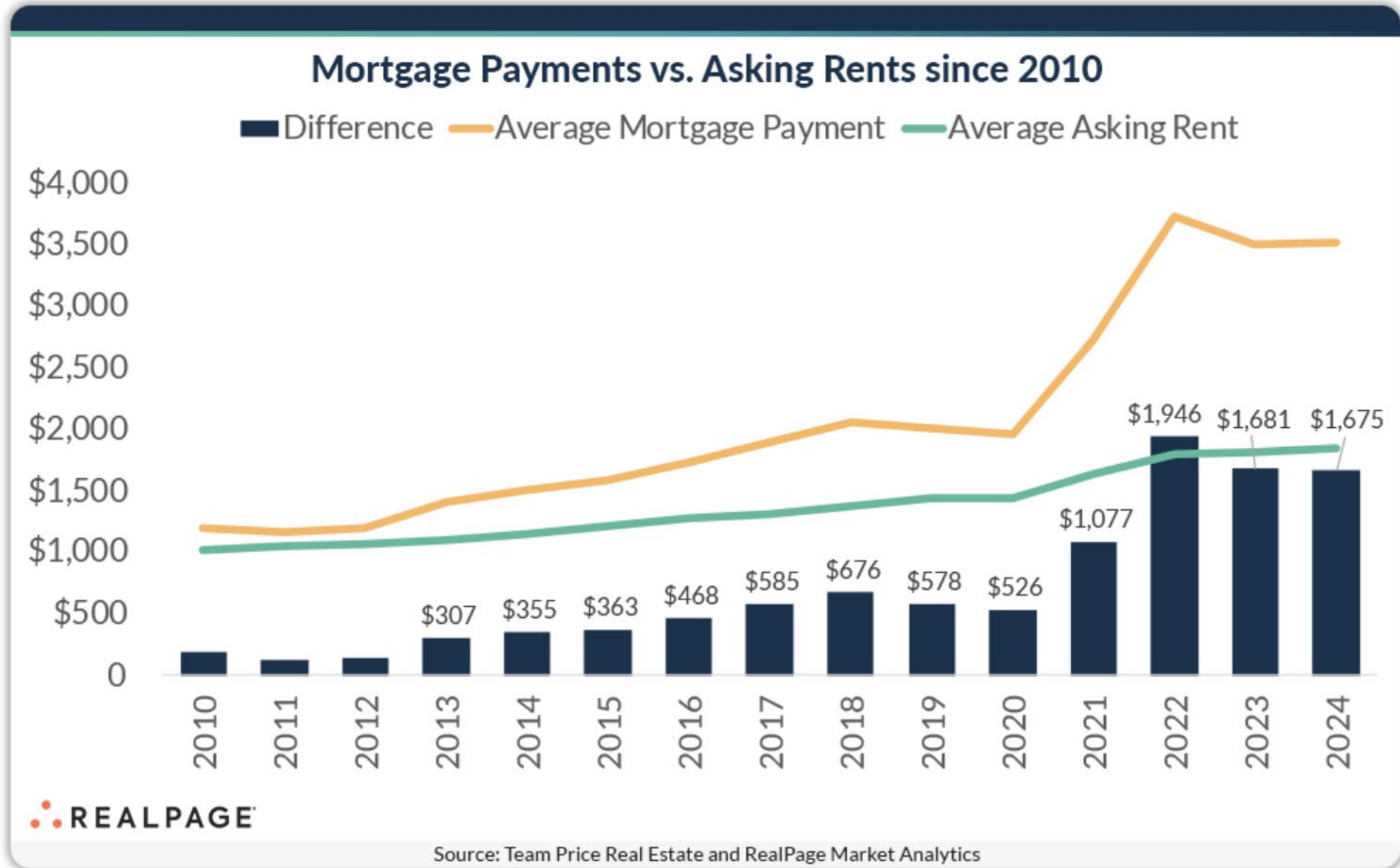
Signs of Change

- 10-Year Treasury falls 100-150 bps
- Rent growth
- Population and job growth
- Government and Tax reform





Rental Affordability



Questions

