2023 Development Trends Along Transit

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Definitions

High Frequency Transit:

• Local bus, Bus Rapid Transit and Light Rail Transit that
  Operates every 15 minutes or less on weekdays between 6 a.m. and 7 p.m. and on Saturdays between 9 a.m. and 6 p.m.

Development Types:

• Multifamily Residential – Two or more units, new construction
• Commercial – New construction, conversions, & renovations
• Public & Institutional – New construction, not airport or utility projects
• Industrial – New construction, conversions, and renovations
Development Permits

Includes permits issued after:

• A New Starts project enters project development
• A Small Starts project enters project development
• An Arterial BRT project has a Council-approved station plan

Beginning year

Blue Line: 2003
Green Line: 2006
Green Line Ext.: 2011
Orange Line: 2014
A Line: 2014
C Line: 2016
D Line: 2018
Gold Line: 2018
B Line: 2021
E Line: 2022
New for 2023 report

- **E Line BRT** added for 2022
- Updated Affordable Housing Production dataset
- Tax Base Impacts
High Frequency Transitway station areas and buffers make up just 3.2% of the 7-county metropolitan region by land area.

Since 2009, 34% of regional development has been permitted along high frequency transitways.
High Frequency Transit Permit Value by Development Type

- $500,000,000
- $1,000,000,000
- $1,500,000,000
- $2,000,000,000
- $2,500,000,000

- Residential
- Commercial
- Public/Institutional
- Industrial
- All High Frequency Transit
Affordable Housing Near Transit

- Blue Line
- Green Line
- Green Line Extension
- Orange Line
- A-Line
- B-Line
- C-Line
- D-Line
- E Line
- Gold Line
- High Frequency Local Bus

30% AMI, 50% AMI, 60% AMI
Twin Cities inflation is still lower than U.S.: Here are 5 things to know

Prices rose 2.2% in the Minneapolis-St. Paul region over the past year as of September, compared to 3.7% nationally.

Inflation declines in the Minneapolis-St. Paul region have stood out while compared to the rest of the country. Schipper attributed the trend in part to lower population growth in the Upper Midwest, and a spree in multifamily housing construction in the Twin Cities.

"What you have less people wanting homes, too, that's also going to put less upward pressure on both rental prices and home rates," he said. "I think those two things combined probably explain a big part of it."
Regional Development Highlights

- 53,200 multifamily units permitted along high frequency transit:
  - 40% of multifamily units in the region
  - 31,600 units in LRT station areas
  - 18,500 units in BRT station areas
  - 13,350 units along high frequency local bus routes

<table>
<thead>
<tr>
<th>Type</th>
<th>Regional Total</th>
<th>High Frequency Transit</th>
<th>Share of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$21.4 B</td>
<td>$9.1 B</td>
<td>43%</td>
</tr>
<tr>
<td>Commercial</td>
<td>$17.1 B</td>
<td>$6.1 B</td>
<td>36%</td>
</tr>
<tr>
<td>Public Institutional</td>
<td>$9.6 B</td>
<td>$2.9 B</td>
<td>30%</td>
</tr>
<tr>
<td>Industrial</td>
<td>$5.3 B</td>
<td>$209 M</td>
<td>4%</td>
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<tr>
<td>Total</td>
<td>$53.3 billion</td>
<td>$18.3 billion</td>
<td>34%</td>
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</tbody>
</table>
Property Tax per Acre

- 0-0.25 Miles
- 0.25-0.5 Miles
- 0.5-1 Miles
- 1-3 Miles
Tax Base Highlights

• Tax base increasing faster near transit

• Increase is driven by new projects, not existing housing/commercial uses
<table>
<thead>
<tr>
<th></th>
<th>Existing Single-Family</th>
<th>Existing Multi-Family</th>
<th>New Multi-Family</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tax Capacity/Acre</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>$15,554</td>
<td>$89,912</td>
<td>$12,440</td>
</tr>
<tr>
<td>2022</td>
<td>$22,955</td>
<td>$156,038</td>
<td>$226,038</td>
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<tr>
<td><strong>Property Tax/Acre</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>$28,188</td>
<td>$159,916</td>
<td>$27,610</td>
</tr>
<tr>
<td>2022</td>
<td>$31,964</td>
<td>$214,842</td>
<td>$307,132</td>
</tr>
</tbody>
</table>
Planned Development

- 36,900 units of multifamily housing are planned to be near high frequency transit
- 47.4% of all planned developments located near high frequency transitways
- 56% of units planned near HFT are mixed use
- 60% of mixed-use development is planned near HFT
<table>
<thead>
<tr>
<th>Development Types</th>
<th>Permitted Development</th>
<th>Planned Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential (Units)</td>
<td>3,076</td>
<td>5,901</td>
</tr>
<tr>
<td>Residential (Value)</td>
<td>$437,700,000</td>
<td>$245,500,000</td>
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<tr>
<td>Commercial (Value)</td>
<td>$376,300,000</td>
<td>$32,500,000</td>
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<tr>
<td>Public/Inst. (Value)</td>
<td>$122,300,000</td>
<td>$92,200,000</td>
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<tr>
<td>Industrial</td>
<td>$16,700,000</td>
<td>$0</td>
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<tr>
<td>Mixed Use (Value)</td>
<td>N/A</td>
<td>$1,510,000,000</td>
</tr>
<tr>
<td>Total (Value)</td>
<td>$953,000,000</td>
<td>$1,880,200,000</td>
</tr>
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### Development Types Permitted

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<th>Planned Development</th>
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<tr>
<td>Residential (Units)</td>
<td>8,120</td>
<td>7,010</td>
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<tr>
<td>Residential (Value)</td>
<td>$1,594,700,000</td>
<td>$398,600,000</td>
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<tr>
<td>Commercial (Value)</td>
<td>$931,700,000</td>
<td>$50,000,000</td>
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<tr>
<td>Public/Inst. (Value)</td>
<td>$190,300,000</td>
<td>$44,000,000</td>
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<tr>
<td>Industrial</td>
<td>$69,100,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>Mixed Use (Value)</td>
<td>N/A</td>
<td>$267,600,000</td>
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<tr>
<td>Total (Value)</td>
<td>$2,785,900,000</td>
<td>$780,200,000</td>
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## Development Types Permitted

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<th>Planned Development</th>
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<tr>
<td>Residential (Units)</td>
<td>21,300</td>
<td>10,379</td>
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<tr>
<td>Residential (Value)</td>
<td>$3,777,000,000</td>
<td>$487,100,000</td>
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<tr>
<td>Commercial (Value)</td>
<td>$3,091,200,000</td>
<td>$136,200,000</td>
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<tr>
<td>Public/Inst. (Value)</td>
<td>$861,300,000</td>
<td>$857,500,000</td>
</tr>
<tr>
<td>Industrial</td>
<td>$35,600,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>Mixed Use (Value)</td>
<td>N/A</td>
<td>$3,355,800,000</td>
</tr>
<tr>
<td><strong>Total (Value)</strong></td>
<td><strong>$7,765,000,000</strong></td>
<td><strong>$4,856,600,000</strong></td>
</tr>
</tbody>
</table>

**METRO Green Line Permits**

### Development Planned Development

- **Residential (Units)**: 10,379
- **Residential (Value)**: $487,100,000
- **Commercial (Value)**: $136,200,000
- **Public/Inst. (Value)**: $857,500,000
- **Industrial (Value)**: $20,000,000
- **Mixed Use (Value)**: $3,355,800,000
- **Total (Value)**: $4,856,600,000
Summary

The region’s growth has concentrated along high frequency transit as the transit network has grown.

- 40% of multifamily units built in the region in the time periods of this study are located near high frequency transit.
- 34% of recent total regional development value occurred along high frequency transit.

An additional 36,900 units of multifamily housing are planned to be near high frequency transit, with 47.4% of all planned developments located near high frequency transitways.
Thank you!

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