

2040





Analysis of Local Forecasts:

A Vision of our Future

The Metropolitan Council develops forecasts of when, where, and how much population, household, and job growth the region and its communities can expect. Reflecting the varied choices and needs of households and businesses, these forecasts anticipate where growth is most likely to occur, given shifting demographics, land use capacity, and local policy. Looking ahead to 2040, the Council forecasts robust growth across a range of communities in various stages of development.

Following World War II, the construction of the modern highway network revolutionized accessibility and opened up a supply of new land viable for development. Historically, the region's urbanized footprint has expanded as far as the new accessibility allowed. However, the trend appears to have limits, and a new balance of regional growth is emerging with substantial redevelopment in the Urban Center.

The maps describe the communities seeing the most household growth by decade since 1970. Eden Prairie, Maple Grove and Plymouth have remained among the 10 highest-growth communities in all four decades. Maple Grove and Plymouth are the only two from the lists of the 1970s and 1980s that remain designated Suburban Edge; other growth hotspots, including Eden Prairie, have progressed into the Suburban or Urban Community Designations that describe more fully developed cities. Of the top 10 highest-growth communities from the 2000s, all but Eden Prairie are in the Suburban Edge or the Emerging Suburban Edge.

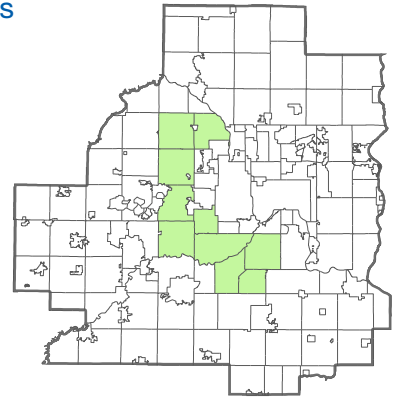
The Council’s forecasts to 2040 anticipate that significant growth in households will continue in the Suburban Edge and Emerging Suburban Edge. Communities in these two designations have ample supplies of undeveloped land and will attract almost half of the region’s forecasted household growth. At the same time, Council forecasts project a significant pivot of growth back into Urban and Urban Center communities.

Demographic shifts will influence the changing real estate demand. Three-quarters of net new households will be older households, headed by individuals age 65 and older. This group’s needs and preferences will shape the location and type of real estate added over the next three decades. Only one in five net new households will be households with children.

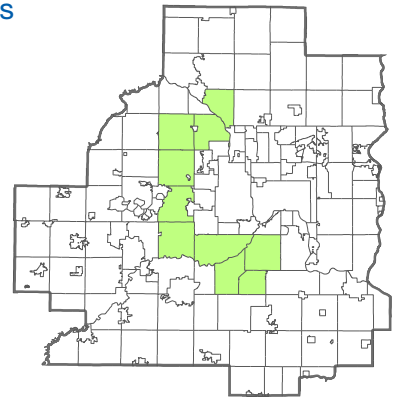
Older households and households without children (whether young or old) are more likely to prefer attached housing in walkable, amenity-rich neighborhoods. While many senior households want to age in place, the massive increase in the senior population will magnify the impact of those seniors who choose to move. Senior households are likely to want smaller, easy-maintenance housing products, and easy access to services and amenities. Most senior households live on fixed incomes and have greater interest in or need of rental housing options; this propensity increases with age.

Top 10 growing communities by decade

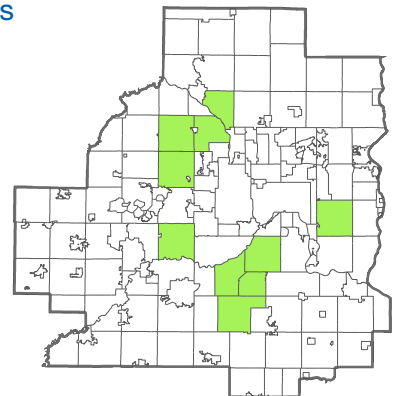
1970s



1980s



1990s

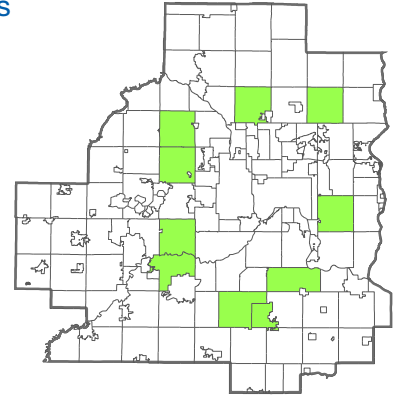


While these demographic shifts affect real estate demand, the region's land supply is also changing and adjusting to limits. Land costs are lower in Emerging Suburban Edge communities than more centrally located sites. However, the minimal growth anticipated in regional highways will limit the expansion of the region's urbanized area. As households weigh the tradeoffs between cost and location, the land cost advantages on the developing edge will diminish, and the real estate market will rebalance. Demand for central location and accessibility will create opportunities that exceed the costs and challenges of redevelopment, and more growth will be in areas with higher levels of urban services.

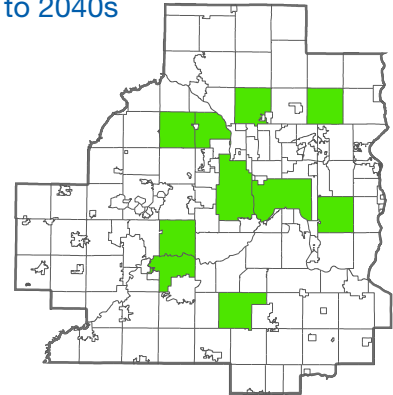
Both Minneapolis and Saint Paul are well-positioned to take advantage of this increased interest in urban living. The region's two central cities' density and street patterns work well with transit and benefit from investments in amenities, parks, and livability. Minneapolis and Saint Paul experienced minimal household growth from 1980 to 2010, but have seen significant building since the end of the recent recession. From 2010 to 2040, the Council is forecasting that these cities will be the top two in the region for household growth, capturing 17% of net new households, 10 times their share of the last three decades.

Collectively, Urban Center and Urban communities accounted for 10% of household growth from 1980 to 2010. The Council forecasts that these communities will capture 28% of household growth from 2010 to 2040. The Urban Center and Urban communities benefit from higher demand for attached and small-lot (less than $\frac{1}{4}$ acre) detached housing in walkable, amenities-rich neighborhoods—characterized by a mix of housing types, higher housing density, interconnected urban street networks, and mixed land use. Some neighborhoods in the oldest parts of the region may need to address resident concerns about crime, schools, and amenities to fully benefit from their good urban design and central location.

2000s



2010 to 2040s



Central locations will continue to draw the region's employment growth. The Council forecasts that communities in the Urban Center will add 141,700 new jobs over the next 30 years, and will continue to account for the plurality of the region's employment. Cities with existing concentrations of employment and good accessibility to workers and customers will see further job growth over the next 30 years. Minneapolis and Saint Paul are expected to gain 74,000 and 42,000 new jobs, respectively.

While Minneapolis and Saint Paul are well-situated financially and institutionally to support redevelopment, other cities face larger challenges. The Council's forecasts indicate demand for housing in more-centrally located places, but many cities are concerned about the desirability and feasibility of accommodating growth beyond these forecasts. For some smaller cities, the challenges are financial—what tools are available to support redevelopment, particularly of commercial sites and apartment buildings that no longer meet market needs? For other cities, the challenge is the prospect of change as additional growth would require the replacement of existing housing or the introduction of unfamiliar housing types.

Increased interest in connected locations will also benefit established communities in the Suburban area. Three of the suburbs forecasted to see the most household growth over the next 30 years—Eden Prairie, Brooklyn Park and Apple Valley—are or are expected to be on transitways that provide greater access and connectivity to jobs and opportunity across the region. Benefiting from both highway and transitway connections, Suburban communities are expected to attract over 161,400 new jobs from 2010 to 2040. Many communities in the Suburban area are already employment centers that are home to many of the region's corporate headquarters. Accessibility and job density will continue to draw employment growth over the next decades.

The Council anticipates no expansion of the planned 2030 Metropolitan Urban Service Area by 2040. With the round of local 2030 comprehensive plans, communities guided land for 1,492,000 households. The Council now forecasts reaching 1,509,000 households in 2040—only slightly more households than the previous 2030 forecast. With increased demand for housing in more central locations, communities on the developing edge of the region have already guided enough land within the 2030 Metropolitan Urban Service Area to meet the housing needs of 2040.



The production of local forecasts

The Council's forecasts facilitate shared expectations of when, where and how much growth will occur in local communities. These shared expectations provide a basis for coordinated regional and local planning and investment in regional and local infrastructure.

To develop local forecasts, the Council uses a land use model, simulating real estate development possibilities, and predicting growth patterns responsive to the region's future industry mix and future demographics. Local data—including planned land use from each community's 2030 comprehensive plan—inform the model about land supply and allowable land uses.

Future transportation networks also influence the local forecasts. The Council's land use model and transportation models are run in tandem to assess the impact of transportation investments programmed for the next three decades. The land use model provides the spatial distributions of households and employment in the region; in turn, the transportation model returns results on accessibility and the planned transportation network, which can inform land use decisions.

These forecasts reflect the array of growth policies, investment priorities, infrastructure plans, and redevelopment tools that currently exist. Any changes that influence the relative costs and feasibility of development and redevelopment in different locations within the region could affect the distribution of growth in the Council's forecasts.

The Council will update local forecasts as new land use and transportation policies emerge and as new data become available. The Council will prepare and publish forecasts for the decennial milestones 2020 and 2030 for local discussion and subsequent Council adoption later in 2014.

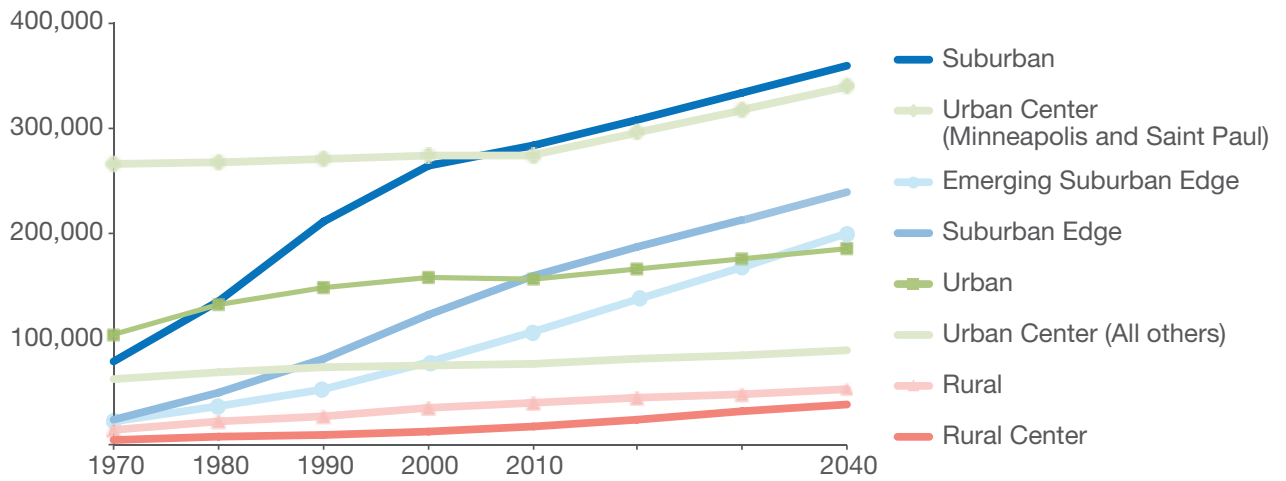


Forecasted Growth by Community Designation

		2010	2040	Absolute Growth	Percent Growth	Percent Regional Growth
Urban Center	Population	839,757	1,001,950	162,193	19%	20%
	Households	350,656	430,250	79,594	23%	20%
	Employment	574,662	716,360	141,698	25%	25%
Urban	Population	377,392	433,100	55,708	15%	7%
	Households	157,495	186,100	28,605	18%	7%
	Employment	301,771	388,880	87,109	29%	16%
Suburban	Population	723,015	881,730	158,715	22%	19%
	Households	282,898	358,920	76,022	27%	19%
	Employment	376,922	538,340	161,418	43%	29%
Suburban Edge	Population	436,559	617,900	181,341	42%	22%
	Households	160,667	239,300	78,633	49%	20%
	Employment	175,845	268,000	92,155	52%	17%
Emerging Suburban Edge	Population	304,803	506,000	201,197	66%	24%
	Households	106,744	200,000	93,256	87%	24%
	Employment	88,141	146,350	58,209	66%	10%
Rural Center	Population	48,566	93,770	45,204	93%	5%
	Households	17,075	38,070	20,995	123%	5%
	Employment	9,014	17,570	8,556	95%	2%
Rural	Population	113,013	128,790	15,777	14%	2%
	Households	39,802	51,950	12,148	31%	3%
	Employment	14,775	22,220	7,445	50%	1%

Note: Rural includes three community designations: Rural Residential, Diversified Rural, and Agricultural.

Household Growth by Community Designation



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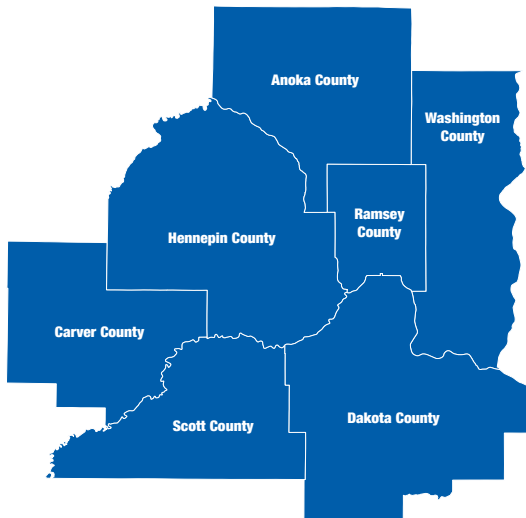
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The Council's mission is to foster efficient and economic growth for a prosperous metropolitan region

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The Metropolitan Council is the regional planning organization for the seven-county Twin Cities area. The Council operates the regional bus and rail system, collects and treats wastewater, engages communities and the public in planning for future growth, coordinates regional water resources, plans and helps fund regional parks, and administers federal funds that provide housing opportunities for low- and moderate-income individuals and families. The 17-member Council board is appointed by and serves at the pleasure of the governor.

On request, this publication will be made available in alternative formats to people with disabilities. Call Metropolitan Council information at 651-602-1500 or TTY 651-291-0904.





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