

As part of the city's ambitious 2040 Plan, Minneapolis has been investing heavily in affordable housing and public transit. This has so far taken the form of encouraging mixed-use developments and "complete neighborhoods," which have commercial spaces, schools, and healthcare facilities within walking distance for most residents. It will take some time for the results of this plan to be felt, but early initiatives are beginning to bear fruit. Minneapolis has rents lower than comparable cities and there are more than 21,000 new projects in the pipeline.

The city's market has slowly adapted to this change, with just over 20% of residential spending this year going to multifamily projects.

Infrastructure spending is set to decline this year but should grow over 2024 as federal money rolls in. With the goal of reducing carbon emissions from personal vehicles, the Minneapolis Metro is seeing a lot of new attention. An extension to the Green Line is already underway, while extensions to the Blue Line and three new bus rapid transit routes are under consideration from the local government.

Minneapolis, MN

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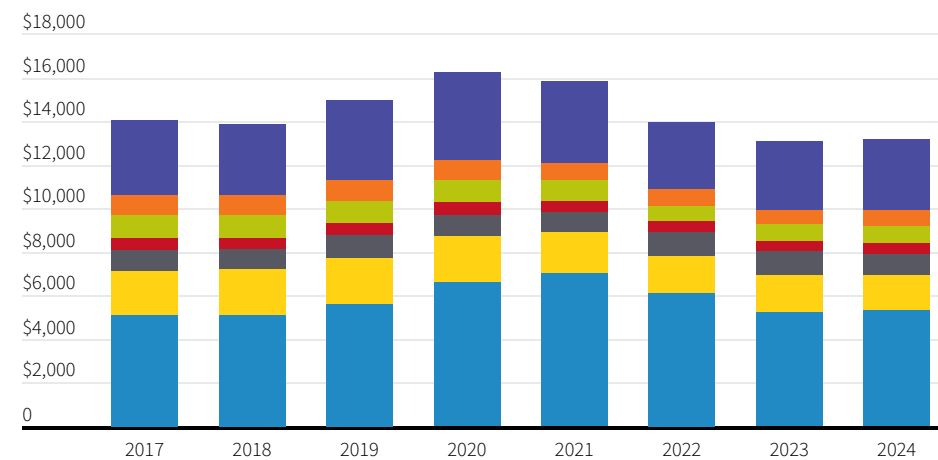
Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------------------------|--------|-------|-------|-------|--------|--------|--------|--------|
| Total Increase | 2.3% | -0.7% | 7.9% | 8.4% | -3.0% | -11.5% | -6.4% | 0.6% |
| Residential | 7.9% | 0.3% | 10.4% | 18.0% | 5.9% | -12.4% | -14.6% | 2.8% |
| Commercial | 3.5% | 2.5% | 1.3% | -0.3% | -10.7% | -9.8% | -1.1% | -7.5% |
| Manufacturing | -14.1% | -2.4% | 5.8% | -8.1% | -1.1% | 12.0% | 7.0% | -11.7% |
| Healthcare | 7.8% | -5.0% | 2.8% | 5.4% | -3.5% | -10.2% | -5.5% | 2.1% |
| Education | 3.9% | 0.7% | 2.4% | -1.2% | -14.6% | -15.5% | 0.7% | 3.0% |
| Other Structure* | 7.0% | 1.4% | -0.2% | 3.7% | -14.5% | -13.3% | -0.9% | 1.7% |
| Infrastructure | -3.0% | -3.8% | 13.8% | 7.9% | -8.1% | -15.6% | -0.8% | 4.8% |

◀ HISTORIC FORECAST ▶

* This includes religious buildings, amusement, government communications, and public recreation projects.

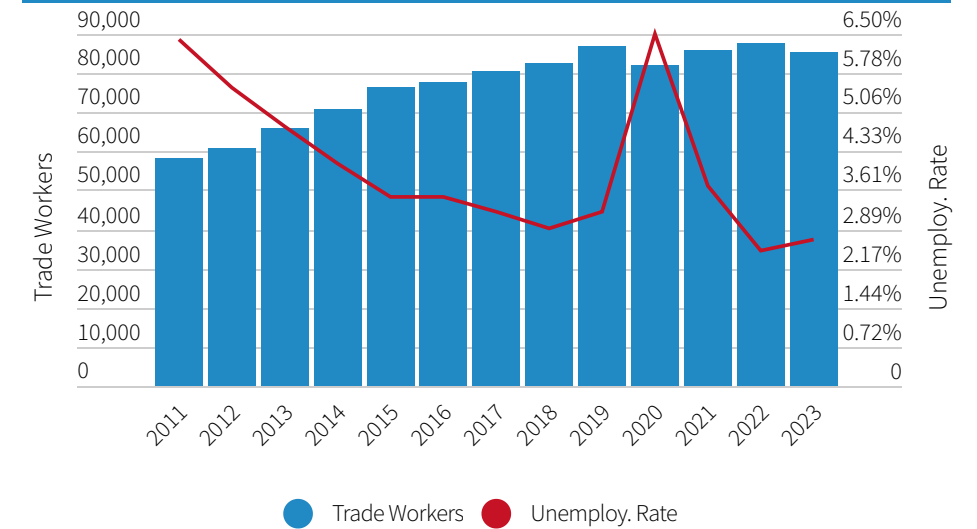
Annual Volume (x\$1M, 2012\$)



Residential Commercial Manufacturing Healthcare Education Other Struct Infrastructure

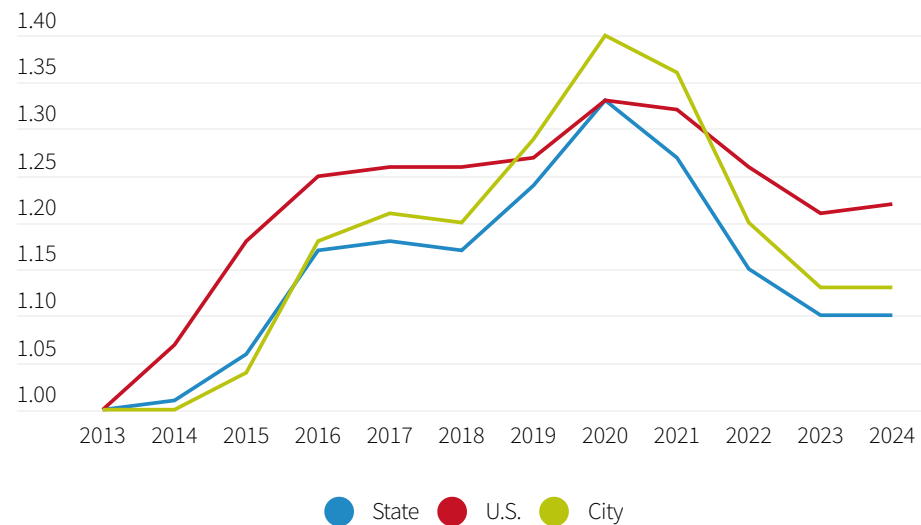
SOURCE: IHS-Market

Regional Construction Employment



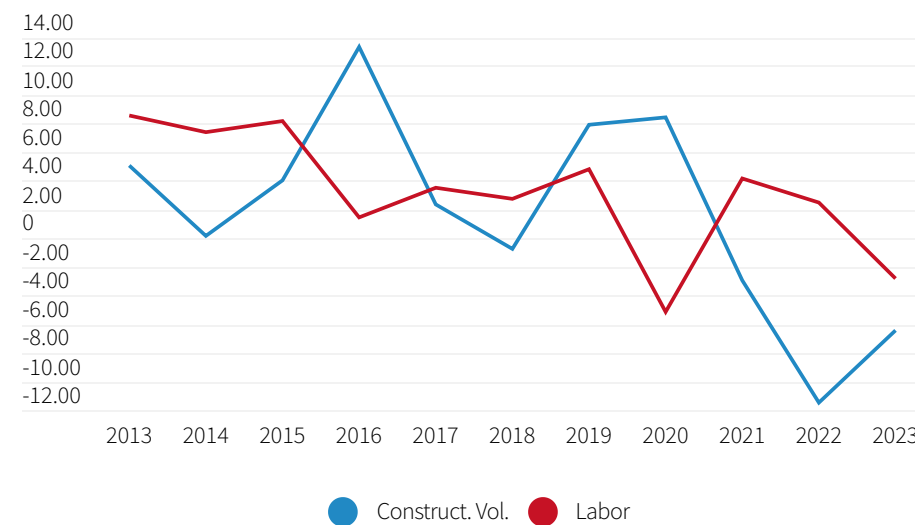
SOURCE: U.S. Bureau of Labor Statistics

Construction Spending Index 2013-2024 (2013=1.0)



SOURCE: IHS-Market

Construction Volume vs Labor - Annual Increase/Decrease



SOURCE: ReedConnect

Top Regional Projects Sorted by Construction Value

| Project Name | Location | Value |
|---|------------|--------|
| Destination Medical Center Initiative | Rochester | \$6.5B |
| CloudHQ Data Center | Chaska | \$1B |
| Highland Bridge | Saint Paul | \$1B |
| Saint Mary's Hospital Replacement - Vision Northland | Duluth | \$915M |
| Xcel Energy Co Plant | Becker | \$800M |
| Data Center | Becker | \$700M |
| Nemaji Trail Energy Center Proposed Natural Gas Plant | Duluth | \$700M |
| Google Data Center | Becker | \$600M |
| State Capitol Renovation and Addition | Saint Paul | \$498M |
| Huber Engineered Woods - Cohasset | Cohasset | \$440M |

SOURCE: ReedConnect