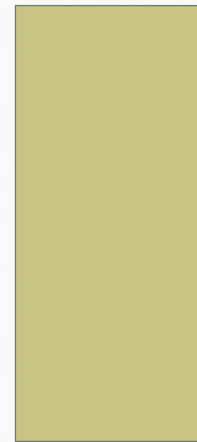


MARKET WATCH FALL 2015

TRENDS IN SAINT PAUL



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- Building and development
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HIGHLIGHTS

- Building and Development activity in the city remains strong. Fifteen projects were issued construction permits worth \$1 million or more in the first half of 2015, nearing last year's total of 18 projects. The rolling annual average permit value in 2015 is also higher than the previous year, showing a continued upward trend since 2007 and 2008.
- Single-family home starts and remodels are also up from previous years, though the growth rate may be starting to level off compared to 2014.
- The foreclosure rate remains relatively low in 2015, following a 31% decrease from 2012 to 2014.
- Unemployment has dropped to 3.9% for the second quarter of 2015, down from the 5.3% average for 2014. The number of jobs in the City continues to increase over previous years.

BUILDING AND DEVELOPMENT

- 186 permits for new buildings issued by end of Q2 2015; 388 by year end 2015
- 270 new residential units permitted by end of Q2 2015; 1,091 units by year end
- Total year end permit valuation of more than \$830M
 - Includes \$113M+ for Capitol Area projects

MAJOR NEW CONSTRUCTION PROJECTS

- In the first half of 2015 four new construction projects worth at least \$1M were permitted in 2015

Table 4 - "New" construction permits worth \$1 million or more (2015 \$)

Year	Address	Project Name	Building Type	Permit value	Units
2015	2700 University Ave W	City Limits Apartments	Mixed C/R	\$37,273,368	246
2015	1761 University Ave W	Saint Paul YMCA	Commercial	\$11,850,000	
2015	95 University Ave W	State Capitol*	Institutional	\$8,272,032	
2015	50 Chester St	CHS, Inc. Warehouse	Commercial	\$3,000,000	

*These projects had multiple permits worth at least \$1,000,000.

MAJOR REHAB/REMODEL CONSTRUCTION PROJECTS

- 15 issued in first half of 2015:

Table 5 - Recent construction projects over \$1 million (2015 \$)

Address	Description	Building Type	Activity	Permit value	Units
180 Kellogg Blvd E	Custom House	Commercial/ Residential	Remodel/ Re-use	\$16,332,650	140
333 Smith Ave N*	United Hospital	Institutional	Remodel	\$6,424,828	
1301 L'Orient St	Metro Mechanical Contractors	Commercial	Remodel	\$4,042,428	
640 Jackson St	Regions Hospital	Institutional	Remodel	\$3,556,959	
781 Palace Ave	Palace Recreation Center	Institutional	Addition	\$2,820,593	
400 Western Ave N	Sunlight Senior Living	Mixed C/R	Addition	\$2,200,000	69
250 6th Street E	Cosmopolitan on Mears Park	Residential (Multi-Fam)	Repair	\$2,077,808	
261 Chester St	FedEx Ship Center	Commercial	Remodel	\$1,543,407	
225 Smith Ave N	John Nasseff Neuroscience Specialty Clinic	Institutional	Remodel	\$1,420,682	
2080 Ford Pkwy	Target	Commercial	Remodel	\$1,414,850	
235 Marshall Ave	St Paul College	Institutional	Remodel	\$1,197,800	
59 10th St W	St. Joe's Parking Ramp	Institutional	Repair	\$1,180,000	
400 Spring St	Upper Landing Block 6	Residential (Multi-Fam)	Repair	\$1,165,440	
354 Wabasha St N	American Burger Bar	Commercial	Remodel	\$1,160,000	
1065 Phalen Blvd	Beacon Bluff Business Center	Commercial	Remodel	\$1,022,542	

*These projects had multiple permits worth at least \$1,000,000.

MAJOR CONSTRUCTION PROJECTS FOR ALL OF 2015

- The 20 top building permits issued in 2015:

CITY OF SAINT PAUL'S TOP 20 BUILDING PERMITS ISSUED IN 2015 BY VALUATION

Project Name	Building Type	Activity	Valuation	Address
STATE CAPITAL GROUNDS	Institutional	Remodel	\$81,587,055.00	75 REV DR MARTIN LUTHER KING JR BLVD
HEALTH PARTNERS NEUROSCIENCE CENTER	Institutional	New	\$51,383,700.00	295 PHALEN BLVD
CUSTOM HOUSE	Mixed (Commercial/Residential)	Remodel	\$38,419,478.00	180 KELLOGG BLVD E
CITY LIMITS APARTMENTS	Mixed (Commercial/Residential)	New	\$37,273,368.00	2700 UNIVERSITY AVE W
HIGHER GROUND	Residential (Multi-Fam)	New	\$28,640,212.00	411 MAIN ST
WEST 7TH APARTMENTS	Mixed (Commercial/Residential)	New	\$25,500,000.00	202 7TH ST W
MINNESOTA CAPITOL OFFICE BUILDING	Institutional	New	\$24,037,561.00	95 UNIVERSITY AVE W
VICTORIA PARK PHASE II	Residential (Multi-Fam)	New	\$20,250,000.00	750 OTTO AVE
CUSTOM HOUSE	Commercial	Remodel	\$16,332,650.00	180 KELLOGG BLVD E
CHILDRENS MUSEUM	Commercial	Addition	\$13,417,464.00	10 7TH ST W
HAMPTON HOTEL	Commercial	New	\$13,300,000.00	200 7TH ST W
MIDWAY YMCA	Commercial	New	\$11,850,000.00	1761 UNIVERSITY AVE W
TWIN CITIES ACADEMY	Institutional	New	\$11,850,000.00	690 BIRMINGHAM ST
EAST 7TH ST SENIOR APARTMENTS	Residential (Multi-Fam)	New	\$11,000,000.00	720 7TH ST E
ST AGNES SCHOOL	Institutional	Addition	\$9,046,000.00	530 LAFOND AVE
ASSISTED LIVING	Residential (Multi-Fam)	Addition	\$8,200,000.00	1925 NORFOLK AVE
MINNESOTA CAPITOL OFFICE BUILDING	Institutional	New	\$8,185,212.00	95 UNIVERSITY AVE W
PRIOR CROSSING	Residential (Multi-Fam)	New	\$7,153,126.00	1949 UNIVERSITY AVE W
SKYLINE TOWERS PARKING LOT	Residential (Multi-Fam)	Repair	\$7,036,795.00	1247 ST ANTHONY AVE
UNITED HOSPITAL	Institutional	Remodel	\$6,424,828.00	333 SMITH AVE N

DEMOLITIONS, FORECLOSURES, VACANT BUILDINGS

- 100 residential demolition permits pulled in first half
 - On pace to exceed record lows from 2014
- 252 foreclosures in first half of 2015
- Leveling off, and more on par with pre-recession
- Fell from a high in 2008 of more than 2,200
- Registered vacant buildings are down 52% since 2008

EMPLOYMENT AND JOBS

- The Saint Paul labor force was 154,891 through Q2 2015, of those 148,810 were employed, an unemployment rate of 3.9%
- This is lower than during the same period in 2014, when it was 4.1%
- Representing an increase in employed persons by almost 1 percent
- “Decrease” in available jobs represents seasonal fluctuations

RENTAL MARKET INFORMATION

- PED receives quarterly rental market data from the Twin Cities Rental Revue (a project of 10K research and the NorthStar MLS).
- Peak season data (Q2) from 2014 and 2015 are compared in this report.
- Average rents in both the apartment and “shadow” markets are increasing.
 - The “shadow” market represents single-family, duplex, triplex, condo and townhome rentals
- However, rents are not increasing as quickly or steeply as in the metropolitan area as a whole.

QUESTIONS?

- Find the full current and past reports here:
 - <https://www.stpaul.gov/departments/planning-economic-development/maps-and-data>

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