



2025 Development Trends Along Transit

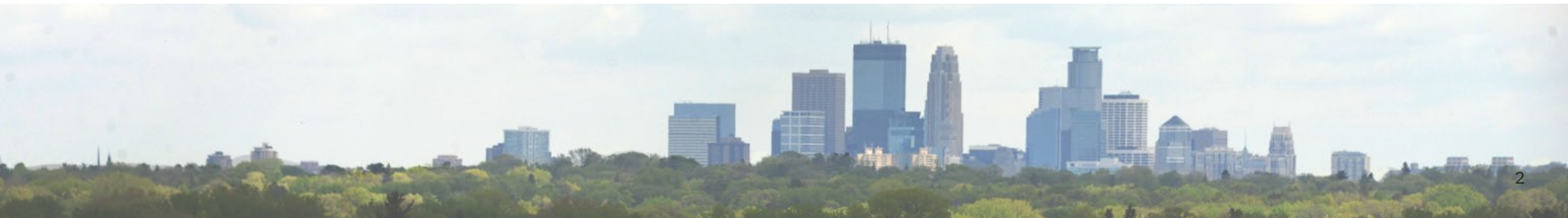
Ames Yoder – they/them/theirs | Planner, TOD



Why do we track development?

Transit-Oriented Communities Change Lives

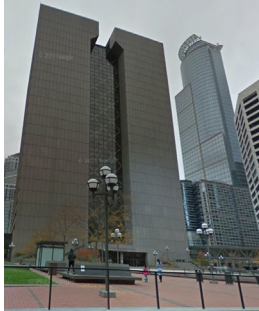
- Diverse housing supply lowers housing prices and reduces homelessness
- Transportation is an essential part of affordability
- TOD reduces VMT and climate warming emissions
- Jobs and housing density drives transit effectiveness and efficiency
- TOD reduces pressure on municipal budgets



Grow Ridership through Destination Density

$$\text{Transit Accessibility} = \text{Service Quality} \times \text{Destination Density} \rightarrow \text{Transit Ridership}$$

Density Mix of Uses Ped/ Bike Connections



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 and renovations
- Commercial – New construction, conversions, and renovations
- Public & Institutional – New construction and renovations, 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/corridor 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

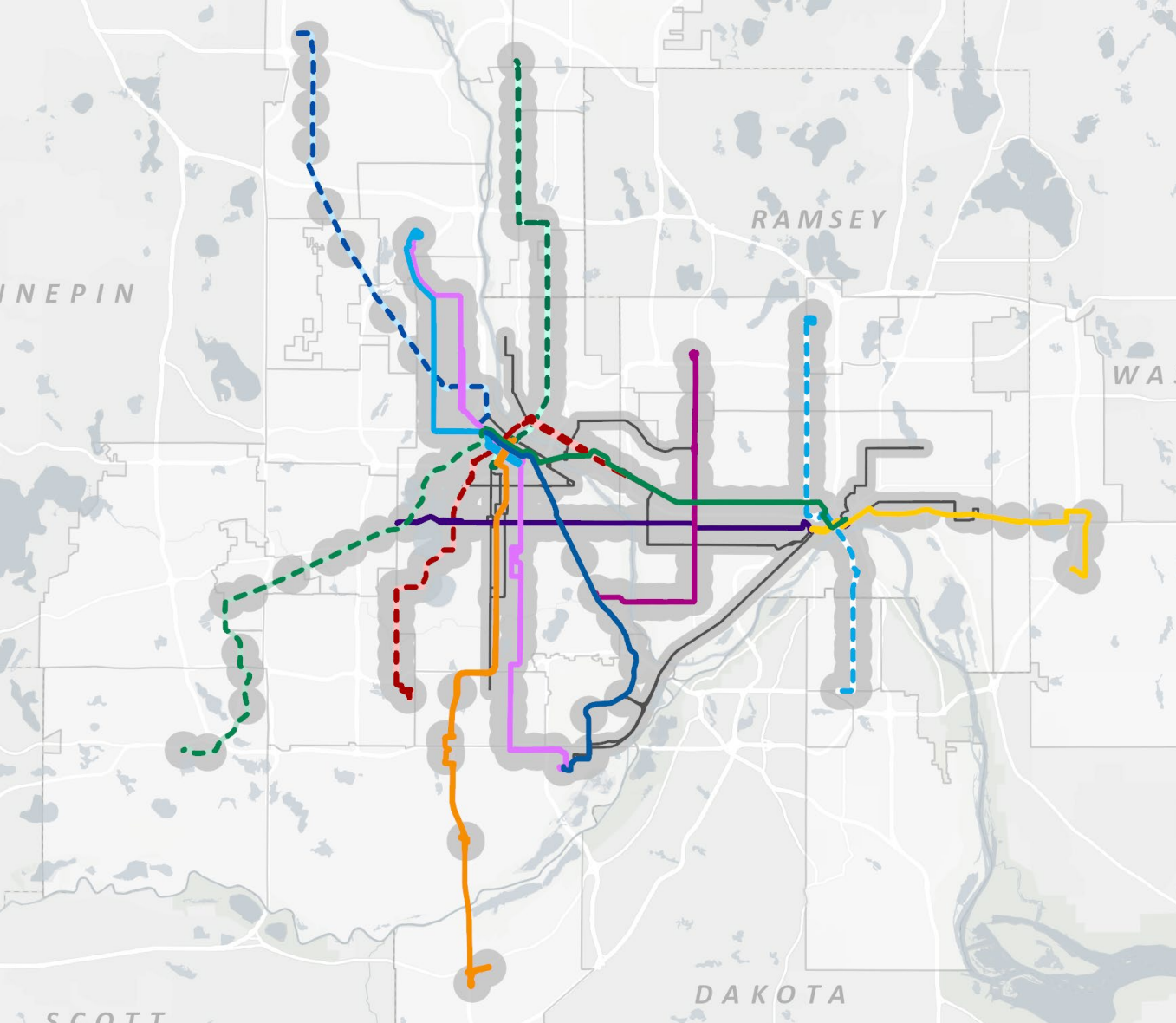
B Line: 2021

E Line: 2022

F Line 2023

Blue Line Ext 2024

G Line 2024



High Frequency Transit (HFT) station areas and buffers make up **just 4%** of the 7-county metropolitan region by land area.

Since 2009, **39%** of regional development has been permitted along high frequency transit corridors.

High Frequency Transit Corridors

Permits in 2024

Over \$2.2 billion
near HFT

Multifamily
permits down but
share of regional
permit value for
all development
types remained at
38%

2,750 new MF
units

CARVER

SCOTT

ANOKA

RAMSEY

WASHINGTON

DAKOTA



Permit Value (\$) In Millions

- < 1.0
- 1.0 - 9.9
- 10.0 - 19.9
- 20.0 - 538.1

Residential in
buffer area

Commercial in
buffer area

Public/Institution
in buffer area

Industrial in
buffer area

Permit data includes
Year 2024 ONLY

Transitway

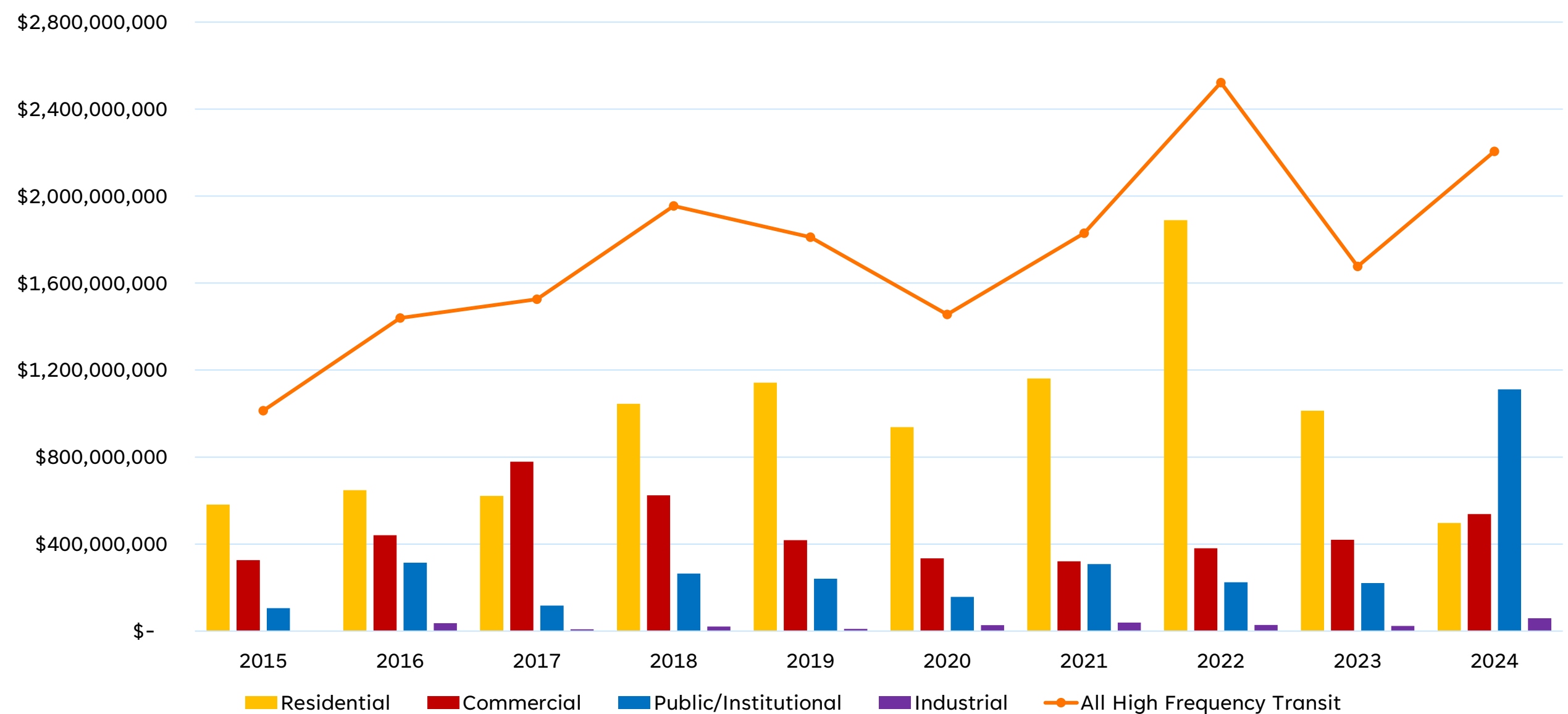
- Blue Line LRT
- Green Line LRT
- Green Line Ext. LRT
- A Line BRT
- Orange Line BRT
- C Line BRT
- D Line BRT
- Gold Line BRT
- B Line BRT
- E Line BRT
- F Line BRT
- Blue Line Ext. LRT
- G Line BRT
- High Frequency
Local Bus Network

0 1 2 4
Miles

Regional Development Highlights

- **69,000 multifamily units permitted along high frequency transit:**
 - **42% of multifamily units in the region**
 - 39,600 units in LRT station areas
 - 28,600 units in BRT station areas
 - 15,200 units along high frequency local bus routes

Type	Regional Total	High Frequency Transit	Share of Total
Residential	\$25.87 B	\$11.2 B	44%
Commercial	\$15 B	\$6.7 B	44%
Public Institutional	\$9.6 B	\$3.5 B	36%
Industrial	\$5.4 B	\$277 M	5%
Total	\$56 billion	\$21.7 billion	39%



High Frequency Transit Permit Value by Development Type

Multifamily Residential Map 2020-2024

69,000 units

\$11.3 billion permit value
44% of residential value in
region

Permit Value (\$ In Millions)

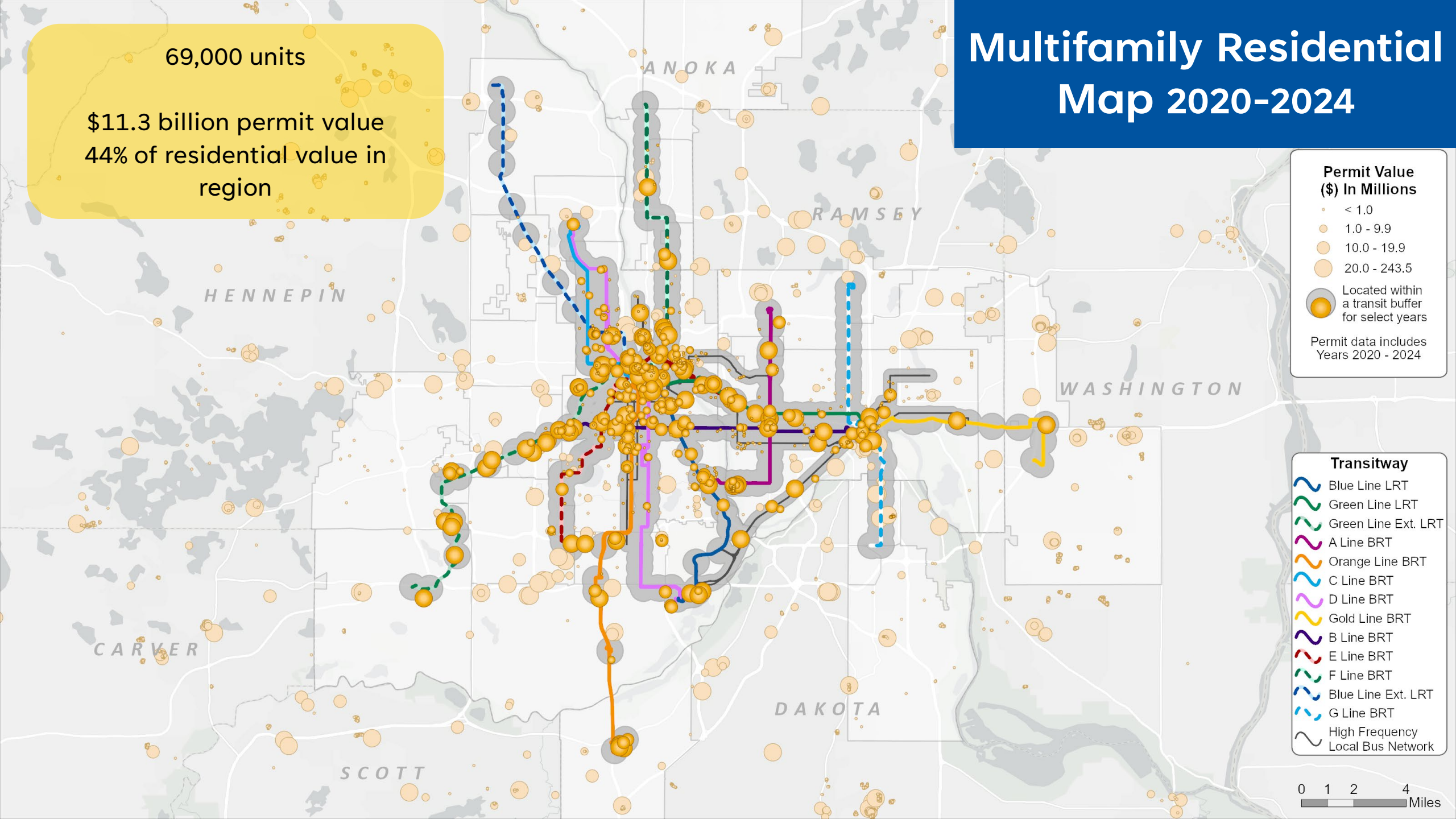
- < 1.0
- 1.0 - 9.9
- 10.0 - 19.9
- 20.0 - 243.5

Located within a transit buffer for select years

Permit data includes Years 2020 - 2024

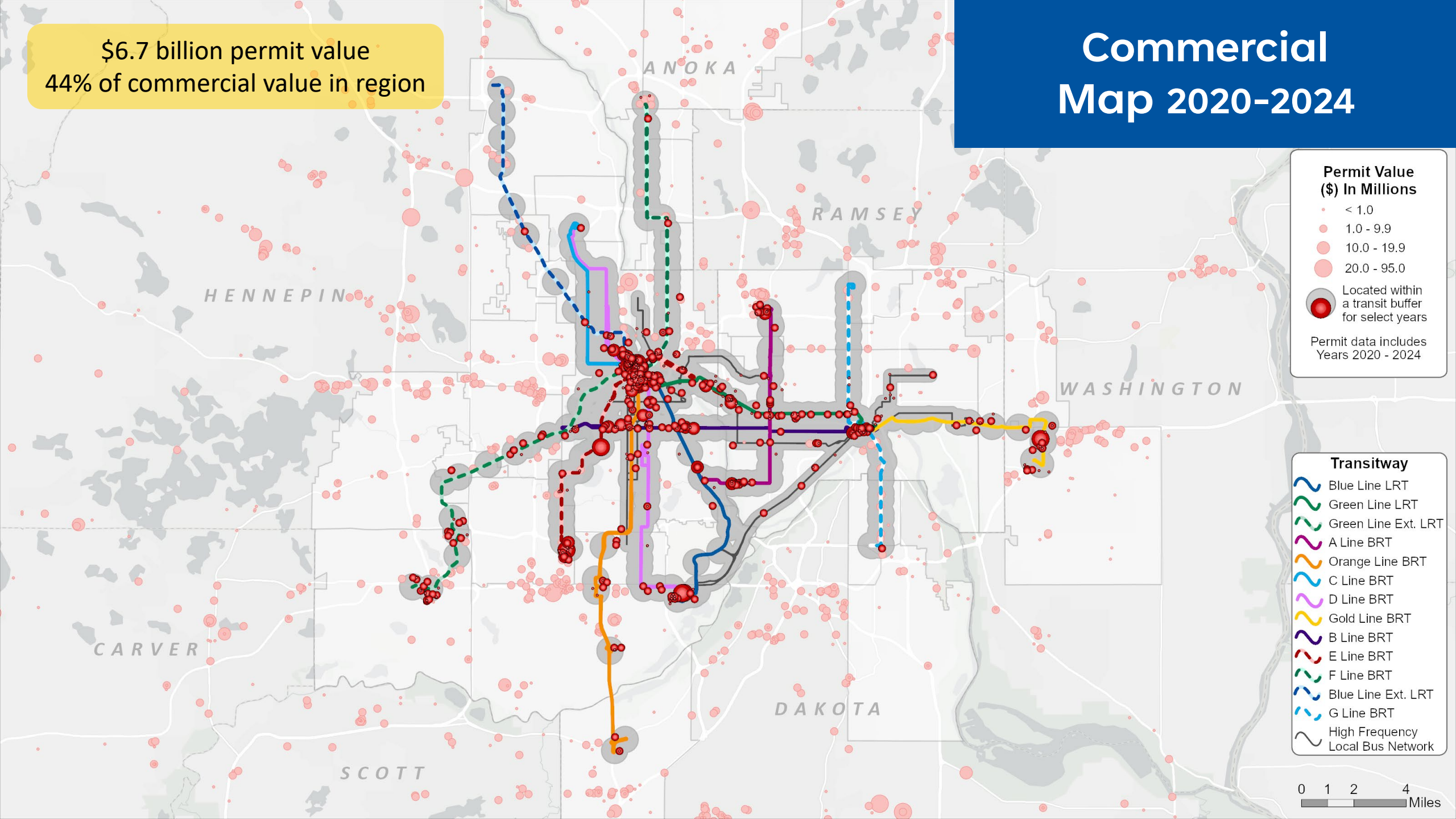
Transitway

- Blue Line LRT
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- G Line BRT
- High Frequency Local Bus Network



\$6.7 billion permit value
44% of commercial value in region

Commercial Map 2020-2024



Permit Value (\$ In Millions)

- < 1.0
- 1.0 - 9.9
- 10.0 - 19.9
- 20.0 - 95.0

Located within a transit buffer for select years

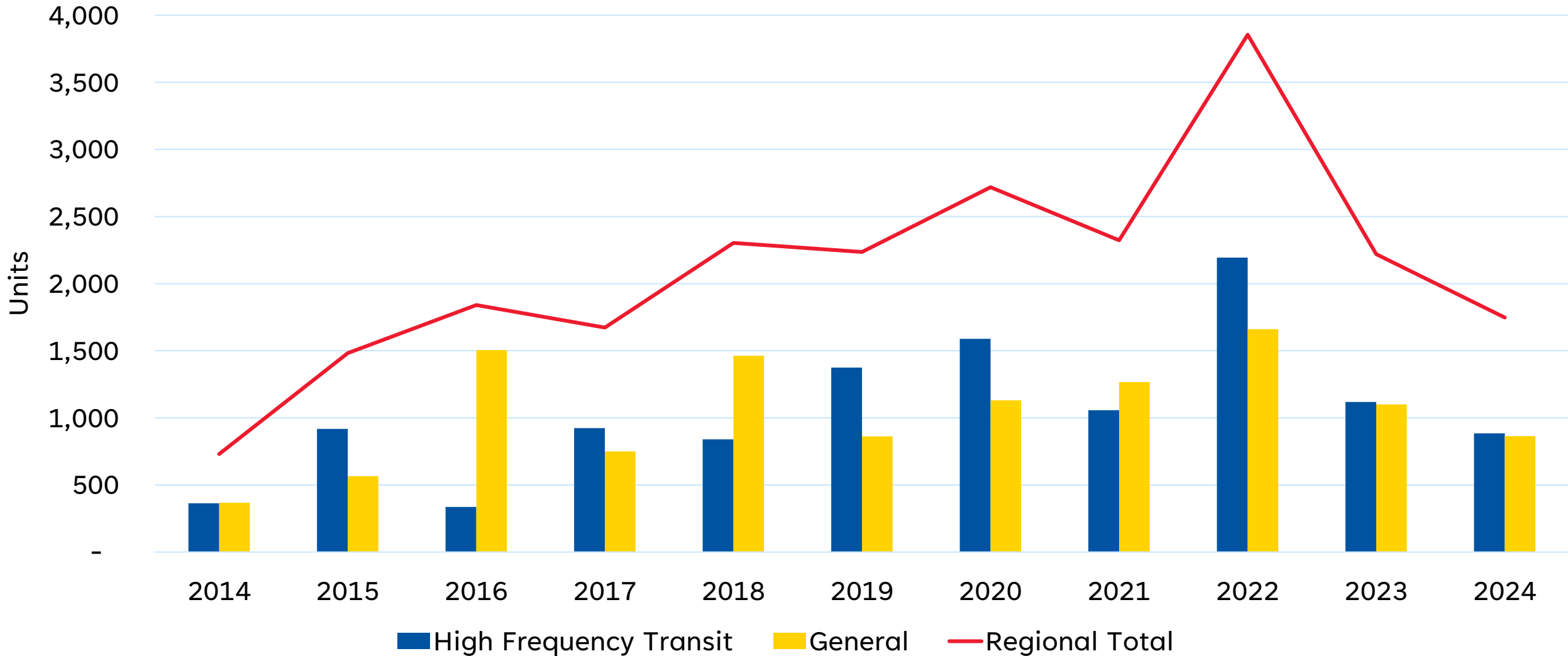
Permit data includes Years 2020 - 2024

Transitway

- Blue Line LRT
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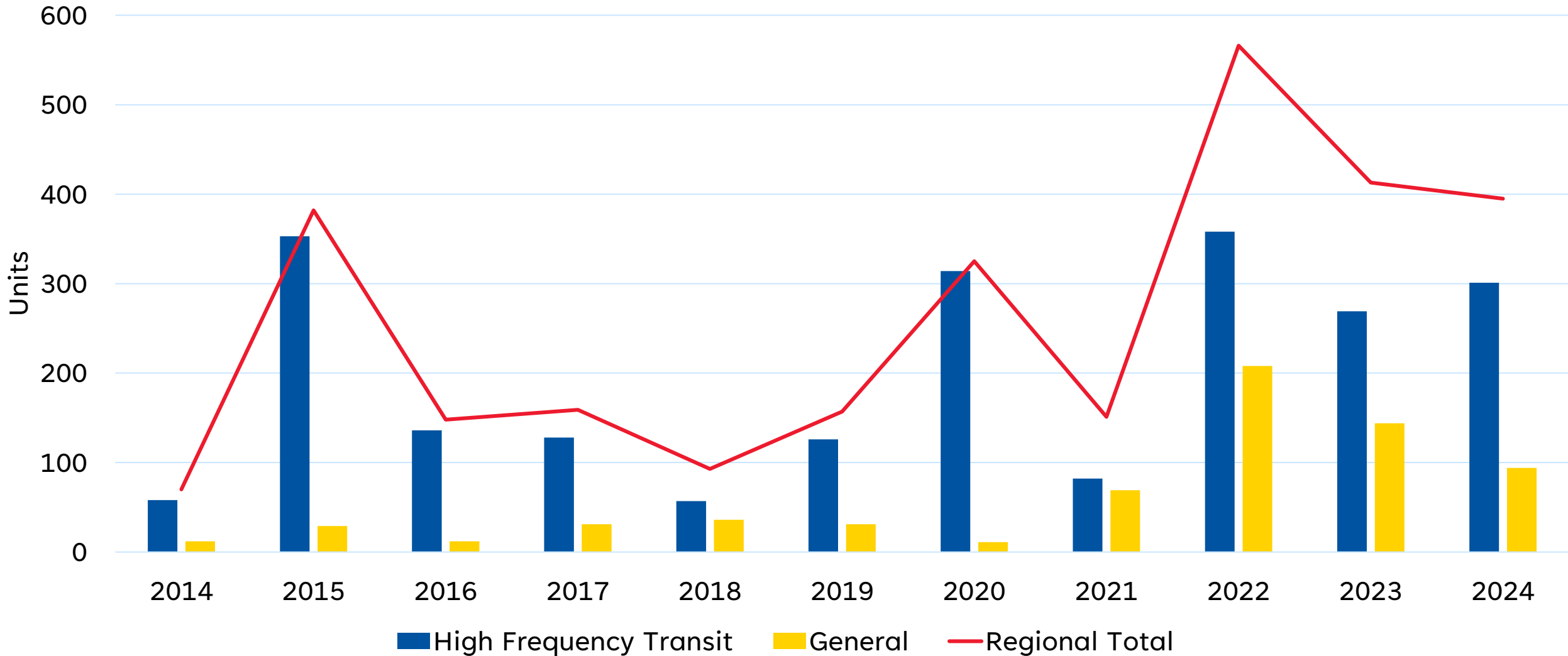
0 1 2 4 Miles

Multifamily Units Affordable up to 60% AMI from 2014 to 2024



50% of Affordable Housing Near High Frequency Transit

Multifamily Units Affordable at 30% AMI from 2014 to 2024



**76% of Deeply Affordable Housing
Near High Frequency Transit**

Summary

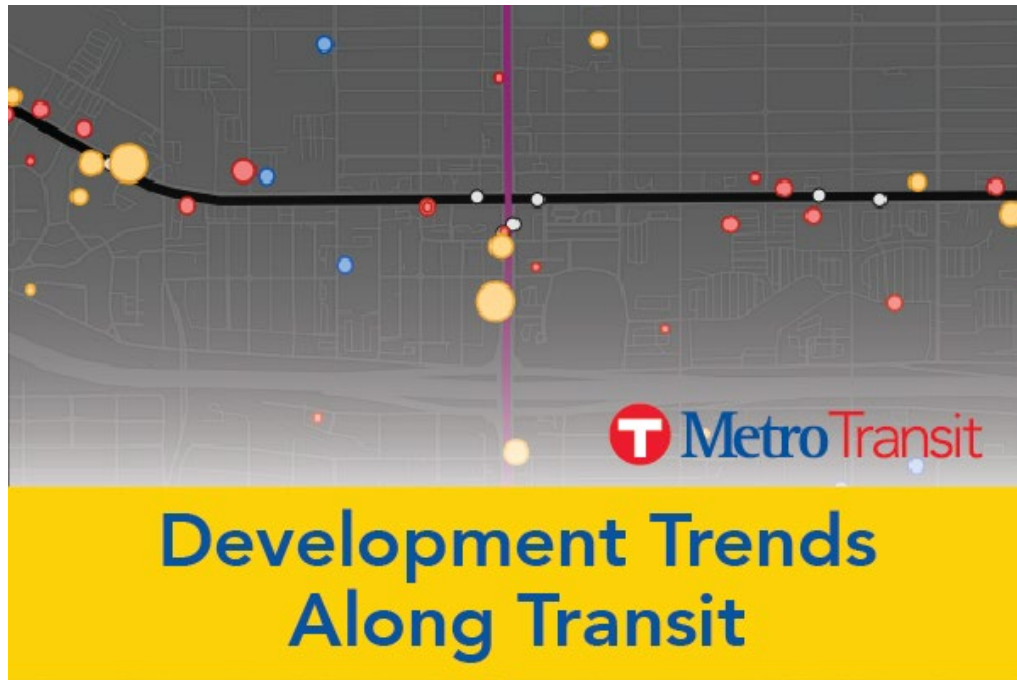
The region's growth has concentrated along high frequency transit as the transit network has grown.

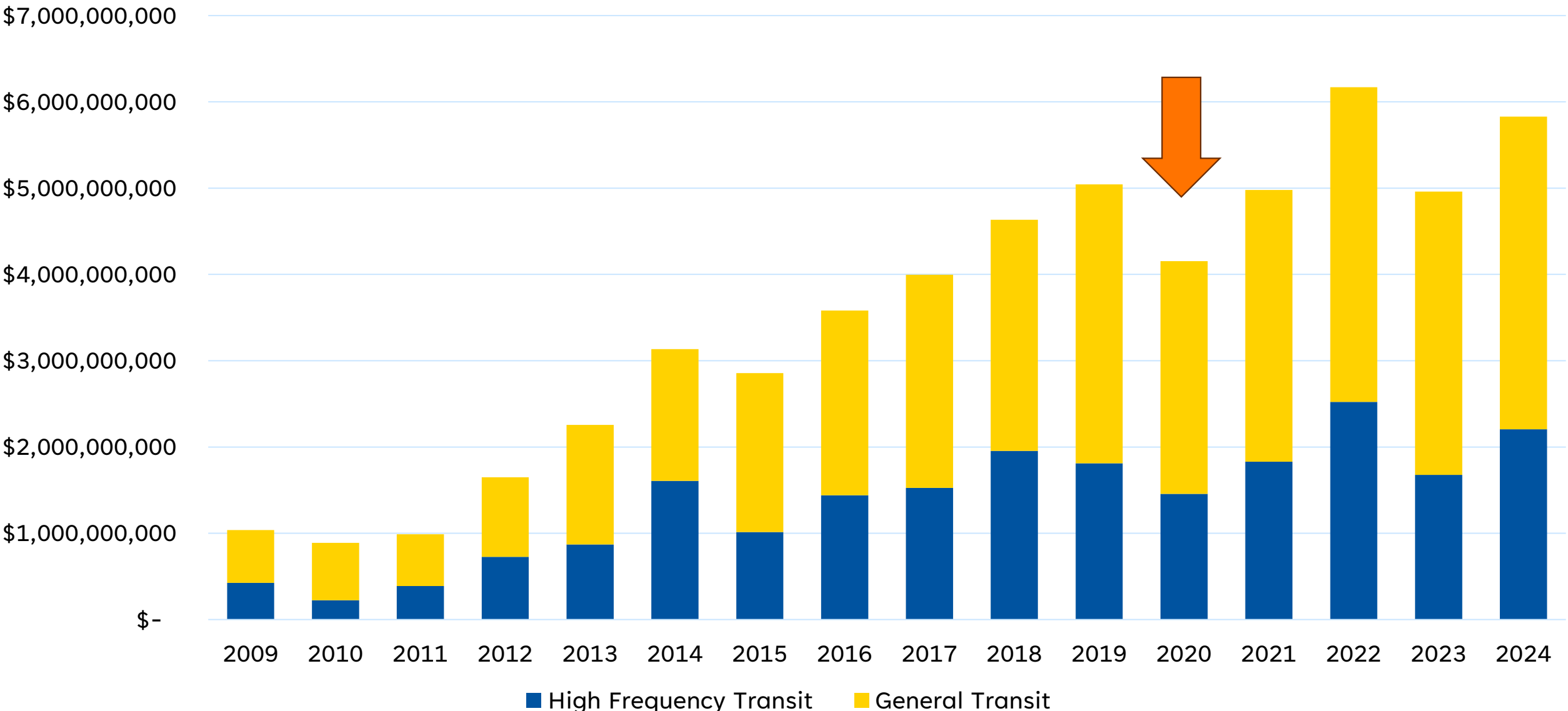
44% of multifamily permits by value built in the region since 2009 are located near high frequency transit, including **69,000** multifamily units.

39% of recent total regional development by permit value occurred along high frequency transit on just 4% of regional land area.

Additionally, development monitoring indicates that 46% of all planned units are located near high frequency transitways.

Metro Transit TOD Web Applications





Regional Permit Value

Slowed Housing Development

Key Challenges:

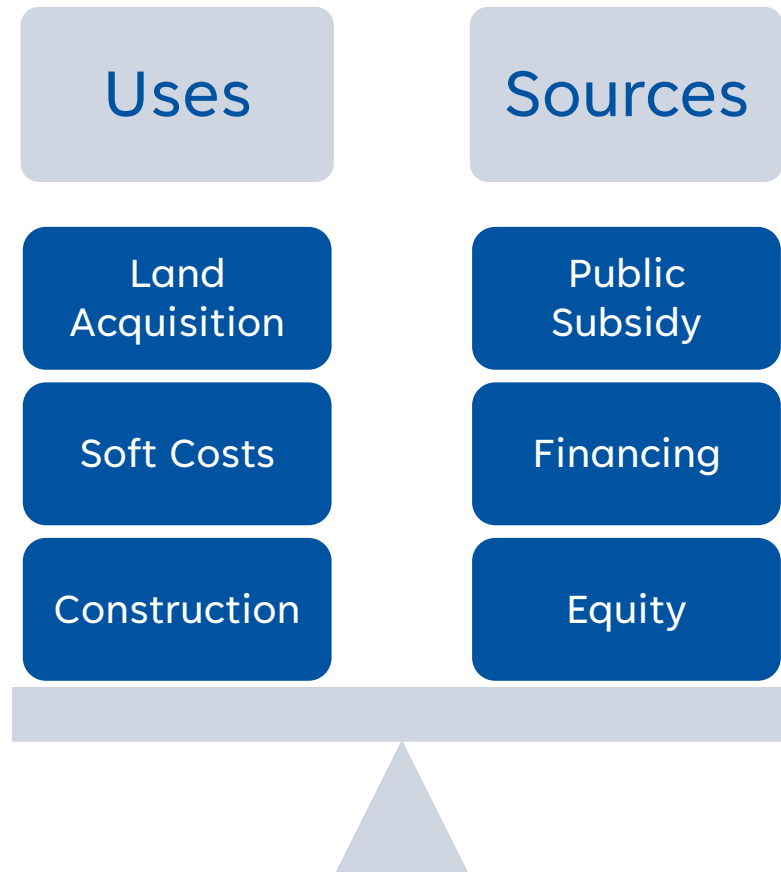
- High cost of materials and labor, supply chain challenges, and a shortage of skilled labor
- Increasing interest rates and insurance costs
- Historically exclusionary land use and zoning practices
- Aging and insufficient infrastructure

Slowed Housing Development

Key Challenges:

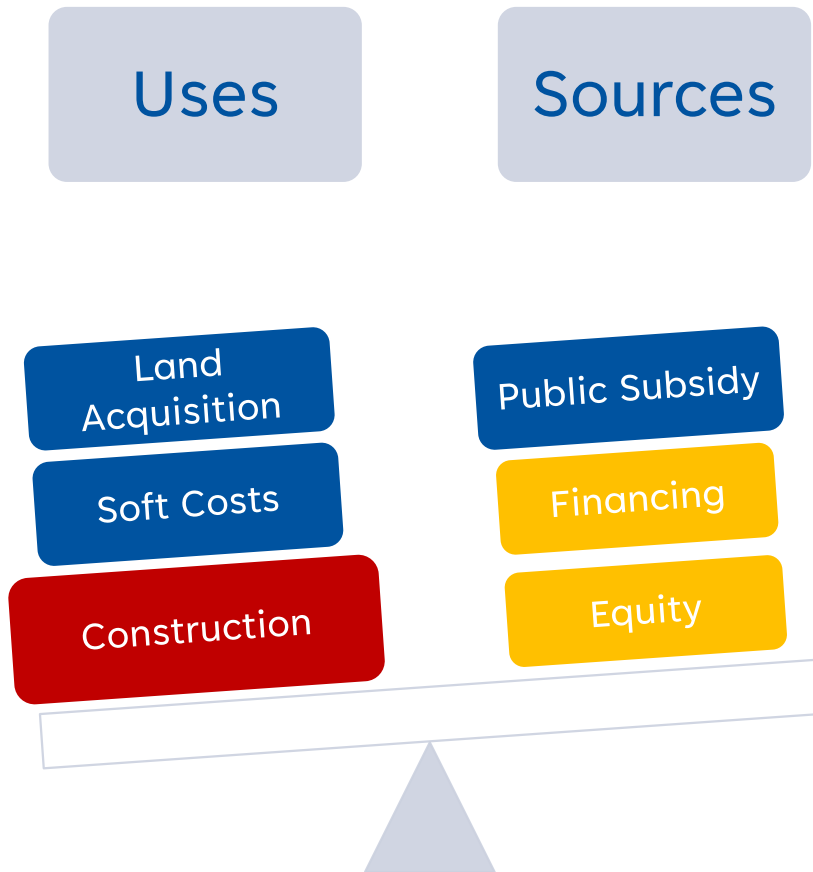
- High cost of materials and labor, supply chain challenges, and a shortage of skilled labor
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Development Phase



There are things that must be **done** to get a project out of the ground (land acquisition, design, construction, etc.) and the team must find funding sources for those activities/uses

Development Phase



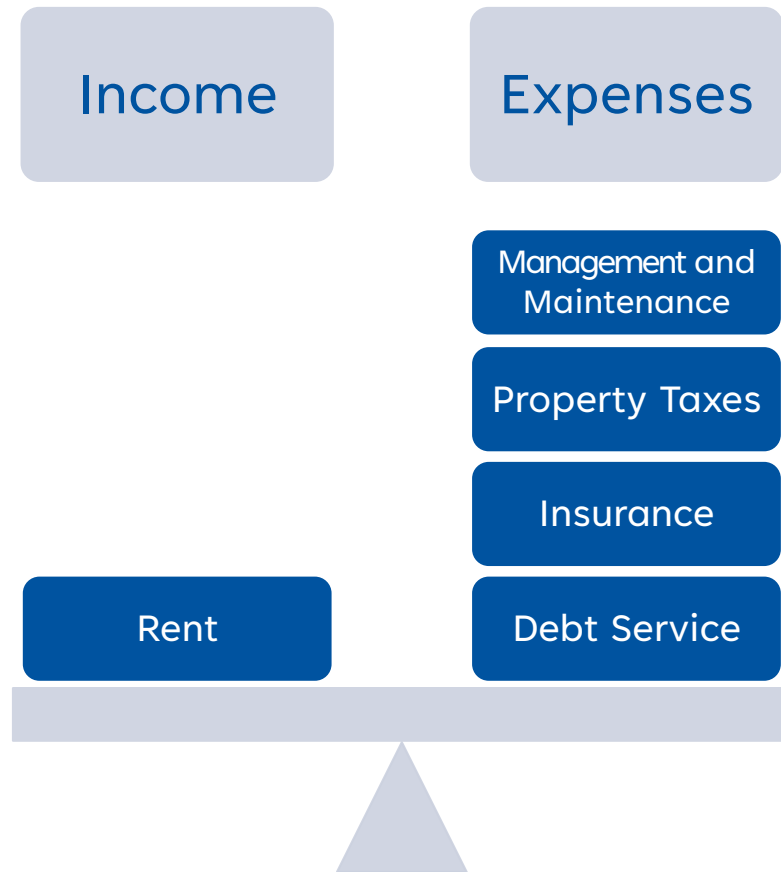
↑ Construction costs (materials and labor) are UP

↑ Interest Rates are UP

? Equity is more risk-adverse

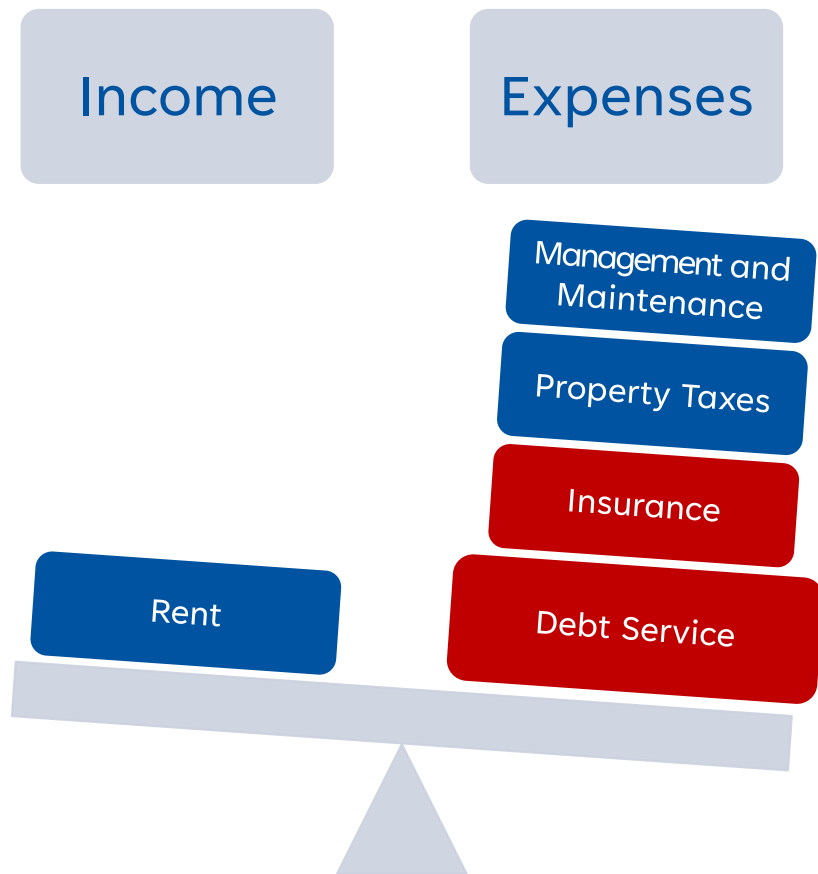
Projects die if they can't "pencil"

Planned Operations



Usually represented by a pro forma during development, the eventual operations of a project must balance income (rent) with expenses, including debt service

Planned Operations



↑ Increased construction costs

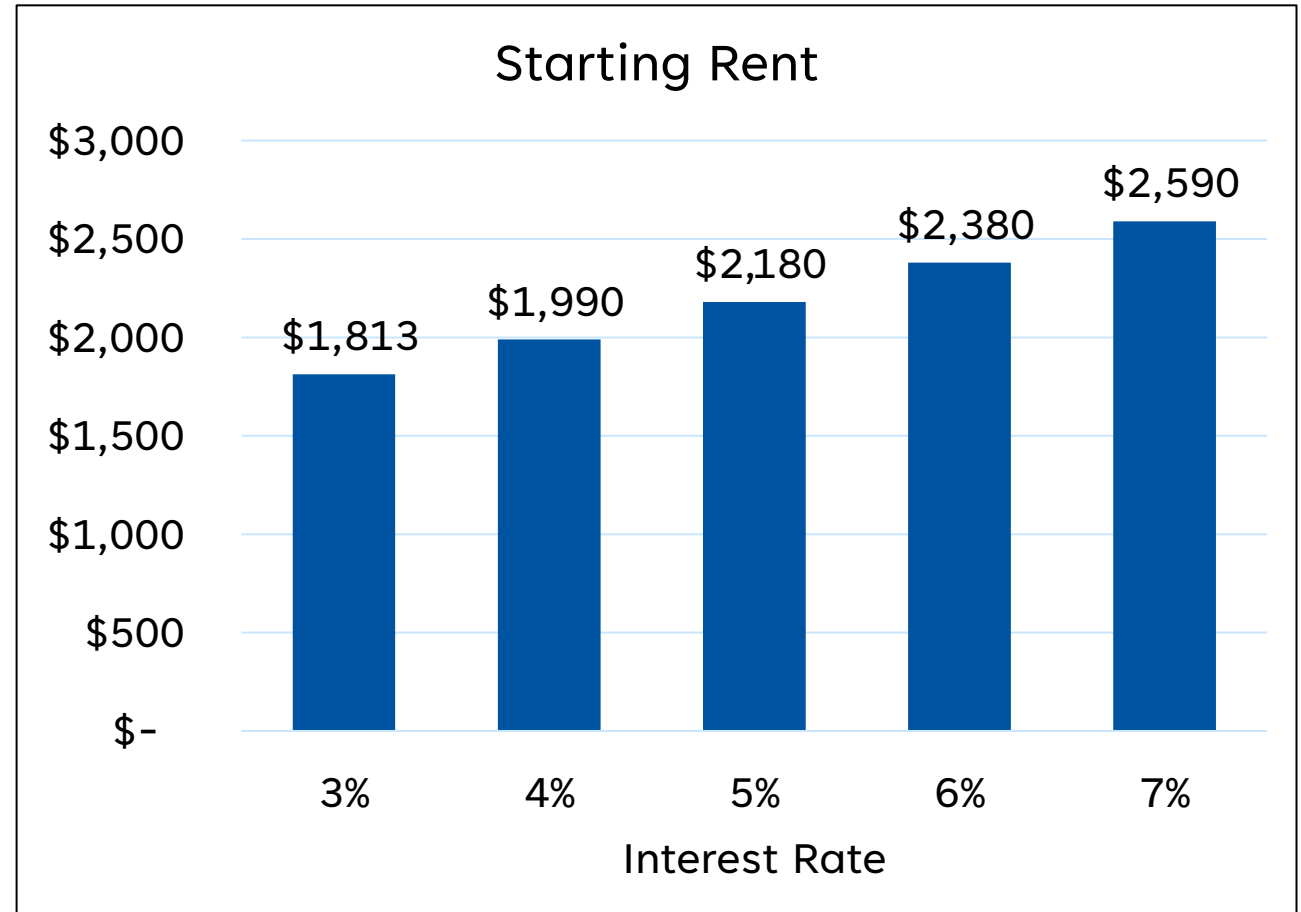
↑ Increased Interest Rates

↑ Increased Insurance costs

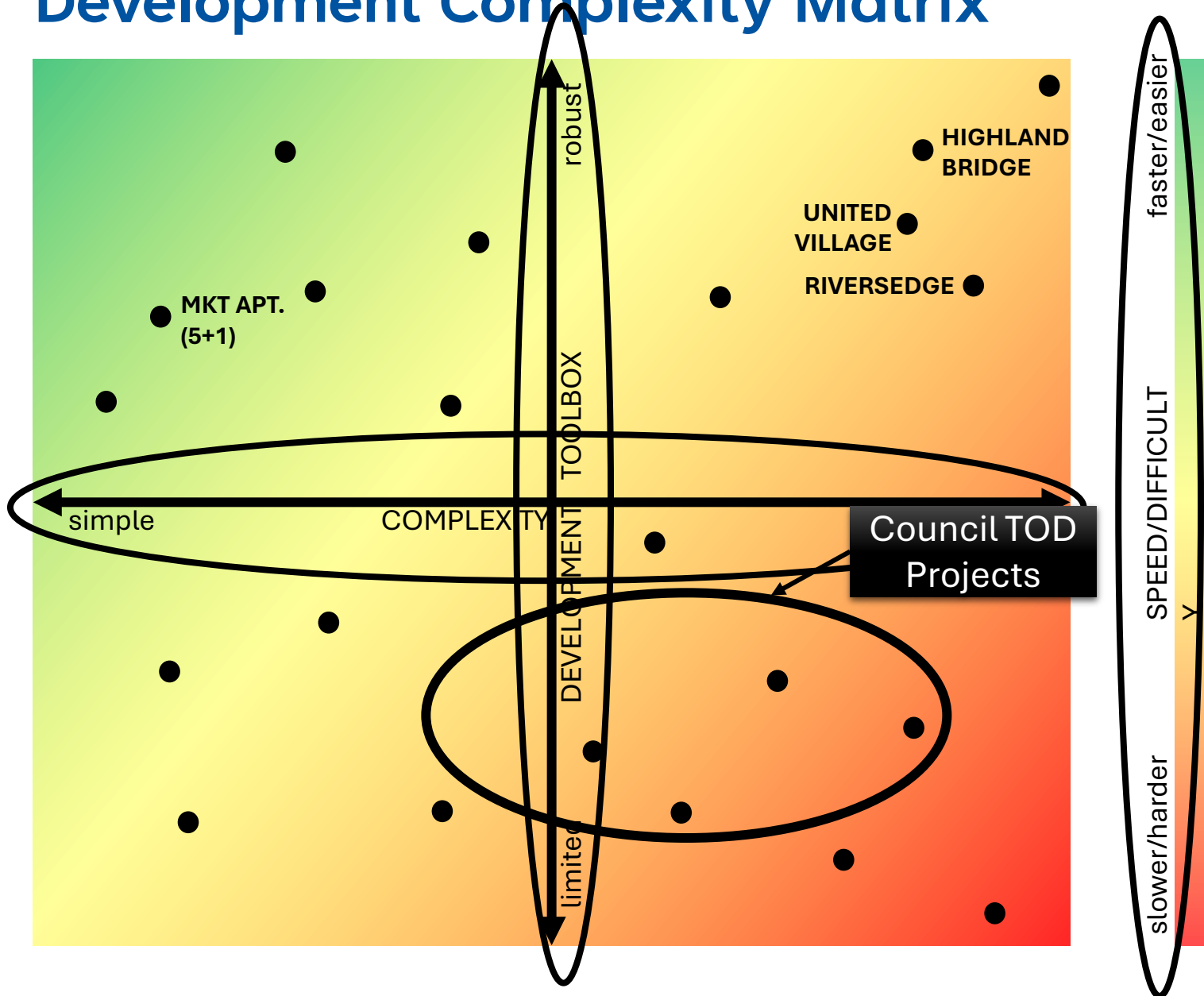
Successful projects need higher rents, more subsidy, or both

Interest Rate Impact on Rent

- Assumptions:
 - 100 one-bedroom apartments
 - Construction cost per unit = \$300,000
 - Commercial Loan Amount = \$24 million (80% LTC)



Development Complexity Matrix



COMPLEXITY DRIVERS

- Market Conditions
- Site Size
- Fragmented Land
- Contamination
- Utilities (location/availability)
- Developer Experience
- Public Goals
- # Project Partners
- Entitlements
- Neighborhood Opposition

DEVELOPMENT TOOLBOX

- Tax Increment Financing
- Bonds
- Grants
- Loans (e.g. TIFIA/RRIF)
- Land Acquisition
- Streamlined Entitlements/ Administrative Approval
- Staff/Consultant Resources
- Clear Process

Responding to Development Challenges

Outside Council Influence:

- High cost of materials and labor, supply chain challenges, and a shortage of skilled labor
- Increasing interest rates and insurance costs

Within Council Influence:

- Help address exclusionary land use and zoning practices
- Support updates of key infrastructure
- Reduce Housing+Transportation Costs by Expanding Transit Access and aligning housing with transit

Thank you!

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