BUILD MORE HOMES IN MSP TO SECURE A PROSPEROUS FUTURE FOR OUR REGION

The Minneapolis-St. Paul (MSP) region has been a melting pot to many assets and amenities:
- 2 million residents
- Renowned medical schools
- Attractive tax and cost of living

Over the past decades, population in the MSP region has grown faster than the national average.

Housing has been a key driver of strong performance for MSP, ranking as one of the West’s best in maintaining homes, ocean, and considerable climate variation.

Housing affordability: As housing availability affects the key metrics for individuals, professionals, and investors, there is a growing concern.

However, that key driver is now at risk.

Relative to population growth, most peer regions are building more homes than MSP.

Percentage difference between population growth and housing growth: 2019-2020
- Population growth: -2.0%
- Housing growth: -1.8%

To meet projected future growth and make up for a decade of underbuilding, the MSP region needs to produce 160,000 housing units per year, a 30% increase over the 2000-2020 average of 120,800.

- Adding homes in the region will help MSP attract residents and jobs, and reshape housing price dynamics.
- Building more makes good economic sense, but research shows that not every market saw a high demand for new residential prices when they built small.

To address the housing issues, the ITasca Project has developed several recommendations to ensure that we are able to keep our current households and accommodate new households at 5.7% annually, over 400,000 households.

Some examples of key recommendations include:
- Office shifts, traffic demand, and focused residential needs.

ITASCA PROJECT PARTNERS WILL LEAD THROUGH THREE KEY FORCES:

- Supply: Developing a more efficient housing value chain.
- Demand: Identifying the key drivers of housing demand.
- Policy and planning: Creating innovative financial, business, and policy opportunities to align communities and generate new housing resources.

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