



MetroStats

Population Growth Continues: Twin Cities metro area in 2008

July 2009

This *MetroStats* discusses population growth and related trends in the Twin Cities. It draws on 2008 estimates from Metropolitan Council, as well as American Community Survey data from the US Census Bureau.

About Metropolitan Council's annual estimates

City- and town-level, annual estimates of population and households are a product of development monitoring and demographic research by Metropolitan Council Research, authorized by Minnesota Statutes 473.24.

Metropolitan Council Research employs a locally-detailed, housing-stock-based estimation methodology to calculate population. The Council accounts for housing stock changes – both gains and losses – since 2000. Households are the product of housing stock multiplied by estimated occupancy rates. Population in households is the product of households and estimated household size multipliers (persons per household).

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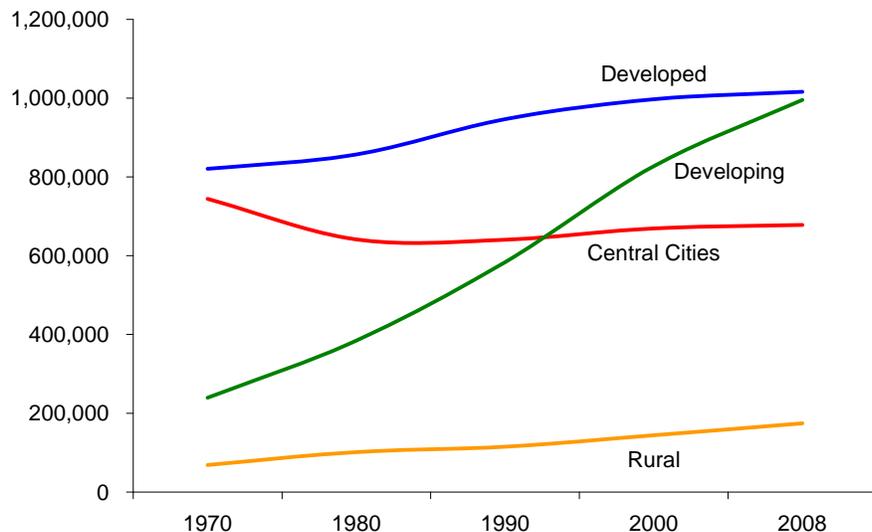
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The Twin Cities metro area population in 2008

The Twin Cities metro area's population grew to 2.87 million in 2008, up 228,000 or 8.6 percent since 2000. This population total includes 2.81 million in households and the balance in group quarters. Population growth from 2000 to 2004 averaged 32,000 residents per year; from 2004 to 2008, growth averaged 25,000 per year. While the pace of growth has slowed, the region continues to gain.

The region had 1.13 million households in 2008, up 108,000 or 10.6 percent since 2000. The count of households continues to rise faster than the population due to aging of the Baby Boom generation and a changing mix of households, skewed towards smaller household sizes.

Population by regional planning area



Developing suburban communities continue to lead metro-area growth. On a percentage basis, the rural areas have seen the fastest growth, growing 21 percent since 2000, though these 30,000 people are only 15 percent of the region's total expansion. In Minneapolis, substantial housing development has brought the city's population to 390,000 – close to where Minneapolis was in the mid-1970s. Saint Paul has a population of 288,000, a gain of 1,200 since Census 2000.

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The regional picture

While international immigration remains strong in the Twin Cities, the international gains are largely erased by domestic migration flows. Each year about 100,000 people move to the Twin Cities and about 100,000 people leave the Twin Cities. With the current housing slump making domestic migration financially difficult for many, households have become cautious about discretionary moves, lest they find themselves selling a home at a loss. Domestic migration to the Twin Cities could rebound in the future but will require first a rebound in the regional economy and labor market.

Population growth this decade has come mainly from “natural growth” – that is, more births than deaths, longer life expectancies, and spin-off households as young Twin Citians mature and leave the homes of their parents.

Additional demographic trends include a graying demographic profile and increasing diversity of ethnicities and languages – all of which will precipitate new social trends, activity patterns and housing market needs.

Trends in vacancy rates

With the 2008 estimates cycle, the Council’s population estimates begin to capture the effects of the recent rise in foreclosures. Nearly 13,000 sheriff’s sales occurred in the seven-county area in 2007. These numbers compare to less than 4,000 sheriff’s sales two years earlier in 2005. Rising foreclosures have driven up vacancy rates in some hard-hit neighborhoods. In Minneapolis, for example, one-quarter of the city’s Census tracts have vacancy rates from 11 to 32 percent, according to 2008 US Postal Service data.

Still, at region-level, the Council’s model estimates that residential vacancy rates are stable at 3.8-3.9 percent over the 2006 to 2008 period. This suggests that rising vacancies in some places are being matched by declining vacancies elsewhere, by declining vacancies in the rental market, by absorption of recently built homes, as well as reductions in new home-building activity.

Local population trends

Fourteen of the 15 cities experiencing the most growth between 2000 and 2008 are developing suburbs that have added thousands of housing units. Shakopee has added 13,400 residents since 2000. Woodbury, Blaine, Lakeville, and Maple Grove have also grown quickly. These

Population Growth Leaders, 2000-2008

	Population April 1, 2008	Population Added 2000-08
Shakopee	33,969	+13,401
Woodbury	58,430	11,967
Blaine	56,888	11,874
Lakeville	54,328	11,200
Maple Grove	59,932	9,567
Brooklyn Park	75,156	7,768
Eden Prairie	62,610	7,709
Minneapolis	390,131	7,384
Prior Lake	22,917	7,000
Chaska	24,048	6,445
Farmington	18,735	6,370
Rosemount	20,956	6,337
Hugo	12,573	6,210
Savage	26,852	5,737
Plymouth	71,536	5,642

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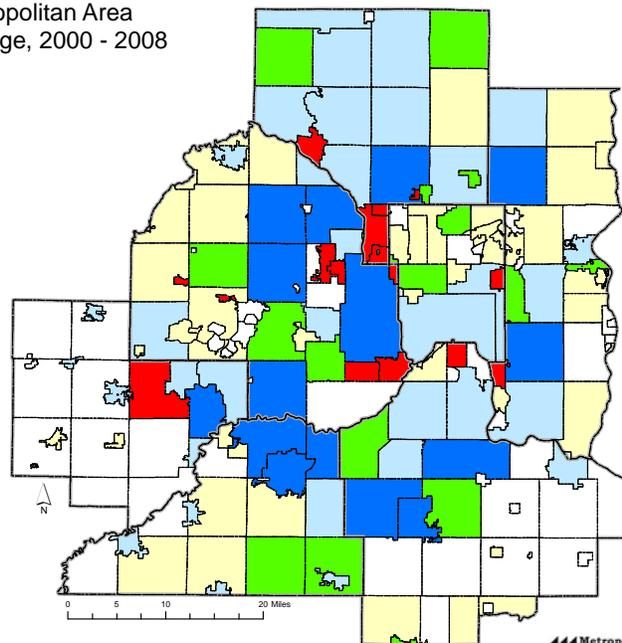
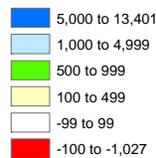
communities have the room to grow, in terms of available land, as well as the desire to grow, providing the planning and services that encourage and accommodate new growth.

Generally, developing suburbs have larger household sizes as new single-family construction attracts younger families. According to the American Community Survey (2007), the average size of households headed by adults under 45 is 2.84 persons per household. Meanwhile, many older developed suburbs with middle-aged and older residents are seeing stable to declining populations, as empty nesthood reduces household size. As families see their children leave the nest, households headed by adults aged 45 to 64 have an average size of 2.45 persons per household. Lacking significant new housing development and demographic turnover, some of the older first-ring suburbs that have lost population since 2000 are Fridley, Richfield, Crystal, Robbinsdale, West St. Paul and Columbia Heights.

Brooklyn Center is an older suburb that, despite losing households since 2000, has added 1,100 in population with larger households driven by its high share of foreign-born residents. While the American Community Survey found that nearly 10 percent of the metro area population was foreign-born, 20 percent of the Brooklyn Center population was foreign-born. On average, immigrant heads-of-households are younger than US-born “natives” – and their households have more children and other family members with an average household size of 3.25 persons.

Within the changing mix, “empty nest” Baby Boomers remain a major, market-moving force. Immigrant-headed households are providing an infusion of young Twin Citians though not enough to offset the trend of smaller household sizes. Metropolitan Council estimates the regional average at 2.49 persons per household in 2008 – down from the 2.53 average found by Census 2000. Even as new housing goes up, demographic dynamics are dampening the population gains: smaller households are the trend.

Twin Cities Metropolitan Area
Population Change, 2000 - 2008



Source: Metropolitan Council.

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