



ULI MINNESOTA HOUSING STUDY | 2021

Missing Housing for Middle Incomes

## CASE STUDY

## POCKET PROPERTIES

## Project Summary

The Pocket Properties project at 3329 Nicollet is a 12-unit multifamily rental apartment development located in Minneapolis, in what is known as the Lyndale neighborhood. Completed in 2020, the development includes six townhomes which are all 3 Bed/3 Bath and six apartments comprised of a combination of 1 Bed/1 Bath and 2 Bed/1 Bath units.

All glass garage doors were used to allow natural light into the ground level of the townhome units. This, in addition to the fact that the space is fully finished allows for residents to use the space as parking or as a studio/maker space. The slab on grade construction, no precast concrete, and use of verticality in the townhome units allowed for lower construction costs and higher density. These savings trickled down to the residents as the costs for comparable new construction units of this size are 10-20% more expensive on other projects.

The diverse unit type allowed for no single 'target market'. The product appeals to singles, couples, roommates, and families.

Rent ranges for the various unit types are as follows:

Rents	
Type	Rent
1 Bed Apt	\$1,300
2 Bed Apt	\$1,600
3 Bed Townhome	\$2,450

## Key Innovations

This property was land owned by the City of Minneapolis. Although this made the entitlement process considerably longer than a traditional development, Pocket Properties was able to purchase the land for less than market rate. The lower land costs in addition to the fact that the development was slab on grade, used no precast concrete podiums and only provided parking to the townhomes allowed for Pocket Properties to keep the development costs down and pass those savings on to the residents. The interior and exterior materials chosen were of higher quality and were selected specifically for their longevity. The design elements chosen were intended to be as neutral as possible to stand the test of time and not allow the development to look as though it was built for a specific period in time.

## QUICK FACTS

### Location

Minneapolis, MN

### Site size

0.258 acres

### Project Address

3329 Nicollet Ave  
Minneapolis, MN

### Developer

Pocket Properties

Established in 2016, Pocket Properties focuses on infill, high transportation corridors within Minneapolis and St. Paul, MN. Typical project size is \$5 million. Pocket Properties attempts to find unique development opportunities that are either too large for traditional single-family homebuilders and too small for larger development corporations.

### General Contractor

Frerichs  
3600 Labore Road #8  
St. Paul, MN 5510

### Architect

Kaas Wilson Architects  
1301 American Blvd East  
Bloomington, MN 55425

## Design Features

### Exterior

- All exterior materials were either metal or cementitious (no to low maintenance)
- Glass garage doors
- All townhome units have a balconies

### Interior

#### Unit/Project amenities

- Stainless steel appliances
- Quartz counters
- Floor to ceiling tile in bathrooms
- Long lasting LVT flooring everywhere aside from stairwells and bathrooms
- High efficiency forced air furnace and A/C condensers (townhomes); MagicPaks for apartments
- All units have in unit washers and dryers

Common areas are minimal, including a single stairwell in each building that provides access to the three traditional apartments. Aside from the obvious cost savings that low to no amenity projects allow, in urban infill areas, the city itself provides enough amenities and allows for residents to be more engaged in the community.



## Site Challenges

**Tight site.** Mobilization was more challenging.

## Lessons Learned

**Bedroom and Bathroom types.** If the site would have allowed, we would have enlarged the bedroom dimensions in the townhomes.

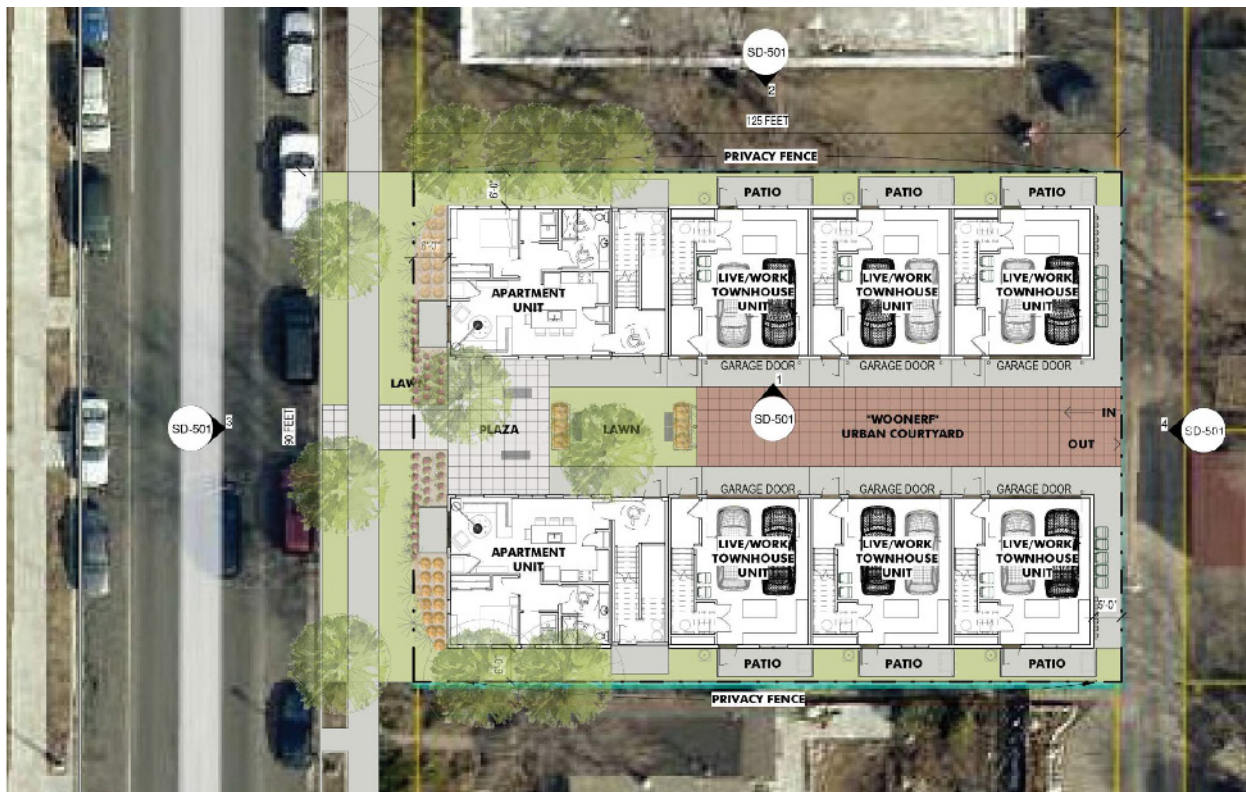
**Exterior.** Given the tight site, consideration would be given to heated driveways and sidewalks to aid in snow removal, as this has proven more difficult on such a small site.



## SOURCES & USES / FLOW OF FUNDS

Sources		Per Unit	% TDC
Merchants Bank Construction Loan	2,400,000	200,000	80.00%
Developer Equity	600,000	50,000	20.00%
<b>Total sources</b>	<b>3,000,000</b>	<b>250,000</b>	<b>100.0%</b>

Uses			
Land & Site Work	56,200	4,684	1.9%
Hard Costs	2,752,372	229,364	91.7%
Soft Costs	191,428	15,952	6.4%
<b>Total Uses</b>	<b>3,000,000</b>	<b>250,000</b>	<b>100.00%</b>



12-unit new construction development in Minneapolis, MN developed by Pocket Properties. Development includes 6 townhomes and 6 apartment units. Two garage spaces for townhomes; no parking for apartments. Total development costs \$3 million or \$250,000/unit.



Typical kitchen with quartz countertops and island, open to the living room.



Bathroom with floor to ceiling tile.



In-unit washer and dryer in all units (townhome pictured).



Balcony off living room, included in all units (ground floor units have patios).



# Minnesota

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