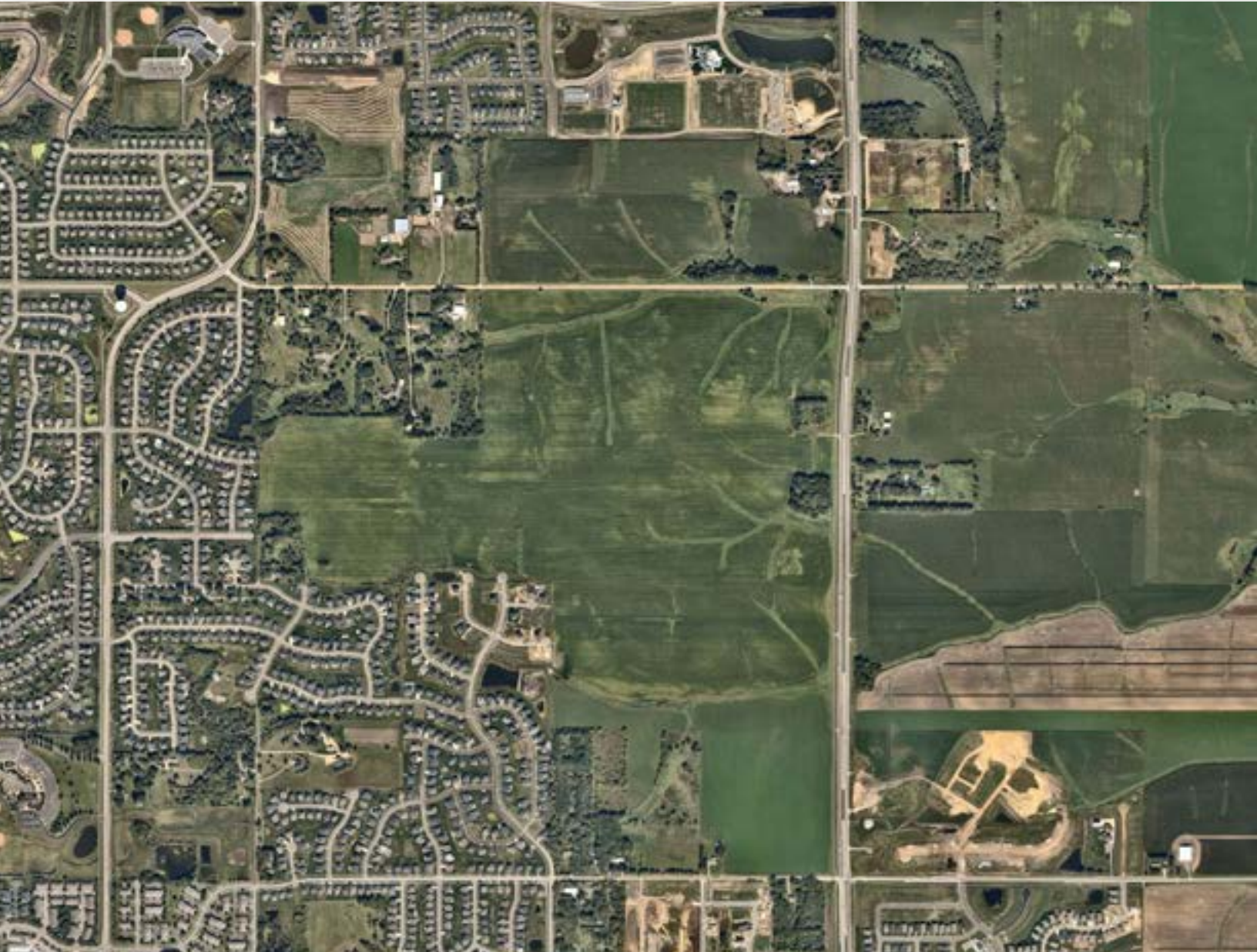




# Cedar Avenue

## Land Use & Market Analysis Study



Prepared by



January 2026

# Table of Contents

<b>Introduction.....</b>	<b>1</b>
Site Boundary	1
Background	1
Planning Process	2
<b>Existing Conditions Review .....</b>	<b>3</b>
Transportation and Infrastructure Context	3
Environmental Context	4
Development Context	4
<b>Market Analysis and Context Review .....</b>	<b>5</b>
Guidance for developing the Small Area Plan includes:	7
<b>Land Use .....</b>	<b>7</b>
Commercial and Office Development	7
<b>Concept Review and Development Framework .....</b>	<b>8</b>
<b>Small Area Plan .....</b>	<b>9</b>
Transportation Network	9
Land Use	10
Phasing	11
<b>Conclusion .....</b>	<b>11</b>

# Introduction

The City of Lakeville developed a Land Use and Market Analysis Plan for the Cedar Avenue corridor between 185th Street and 200th Street. While the City of Lakeville has consistently ranked as the fastest growing city in the Twin Cities metro area, this segment of the community has remained undeveloped. The purpose of this Plan is to understand the market and land use opportunities in this project area to support the City's broader 2050 planning efforts. Ultimately, the study aims to provide a baseline analysis of how the Cedar Avenue site is likely to develop based on current market conditions and develop a stronger understanding of stakeholder goals. The analysis serves as general guidance for land use decisions and sets the stage for comprehensive planning.

## Site Boundary

The limits of the study, shown in Figure 1, include 185th Street to the north, 200th Street to the south, Hamburg Avenue to the west, and the City boundary to the east.

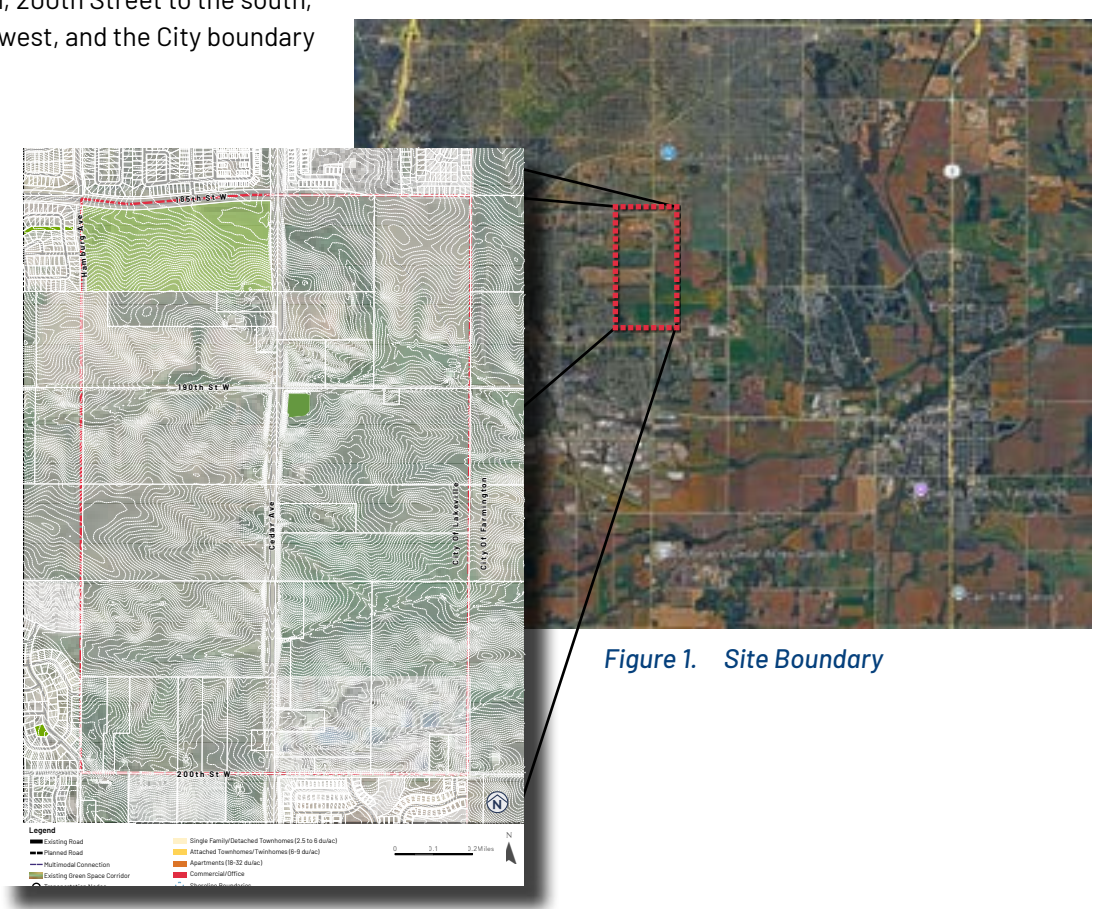


Figure 1. Site Boundary

## Background

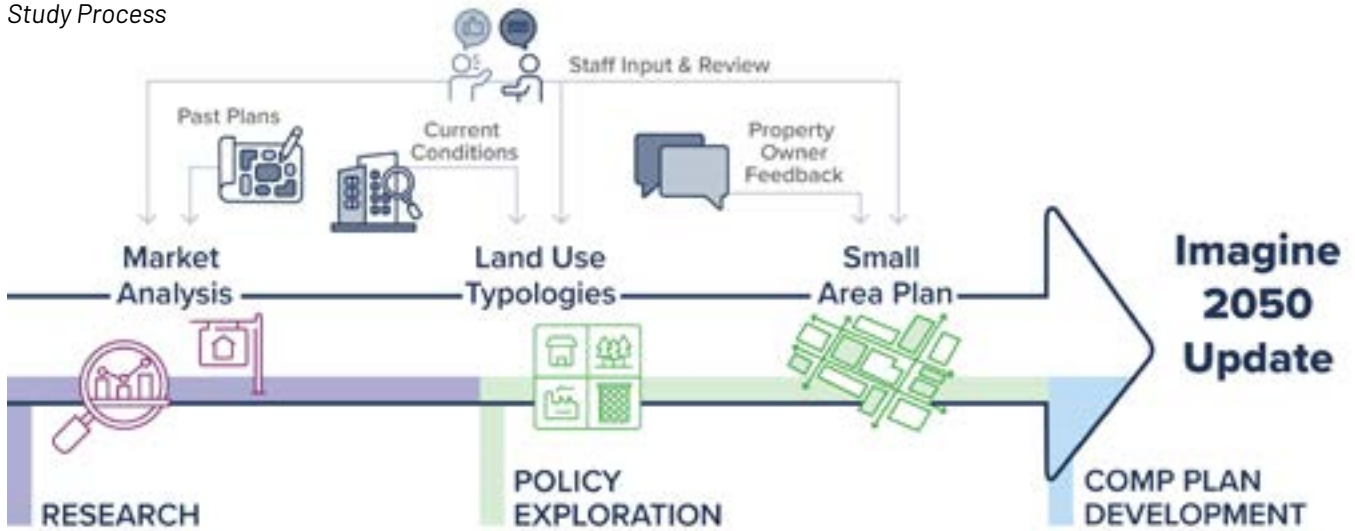
The 2040 Comprehensive Plan designated the Cedar Avenue Corridor as a special planning area, aligning land use approaches with plans for the Red Line Bus Rapid Transit (BRT) extension. It called for the creation of five transit station areas to support the Red Line's expansion through Lakeville. Additionally, the plan recommended increasing residential density to at least 8 units per acre within the Cedar Avenue Corridor, and between 20 and 40 units per acre within a half-mile of the five planned transit stations. However, since the Red Line BRT is no longer included in the Imagine 2050 Transportation Policy Plan, the City is now re-evaluating market trends and land use opportunities along the corridor to help shape the forthcoming 2050 Comprehensive Plan.

## Planning Process

The planning process began with a comprehensive assessment of the site's existing conditions, including land use, transportation connections, utilities, topography, and socioeconomic trends. The project team completed a market analysis specific to the project area, followed by an analysis of the current land use conditions. A design charrette was facilitated with city staff where a design framework and multiple alternatives were developed. After iterative review, a final alternative was selected and presented to property owners for review.



## Study Process



# Existing Conditions Review

## Transportation and Infrastructure Context

Dakota County has jurisdiction over Cedar Avenue (Highway 23) and 185th Street (Highway 60), as well as 200th Street (Highway 64) east of Cedar Avenue. All other roadways within the study area fall under the ownership and maintenance responsibilities of the City of Lakeville. Figure 2 provides a visual representation of the Annual Average Daily Traffic (AADT) volumes in the area, which indicates the approximate number of vehicles traveling along each roadway on an average day throughout the year. This information is important for understanding current traffic patterns and identifying potential areas of congestion or safety concerns.

Cedar Avenue, classified as a principal arterial, serves as the primary transportation corridor in the study area and currently experiences the highest volume of vehicular traffic. Crash data collected between 2015 and 2025 is mapped by both severity and location, providing insights into safety issues along these key corridors. Understanding crash patterns also informs future roadway design and traffic control measures.

Dakota County has identified a future extension of 185th Street, which is depicted as a dashed line on the project maps. This planned extension will continue eastward, ultimately connecting with the City of Farmington and linking to 195th Street. As the area continues to evolve, these planned transportation improvements will play a significant role in shaping travel patterns and supporting the long-term vision for the Cedar Avenue Corridor.

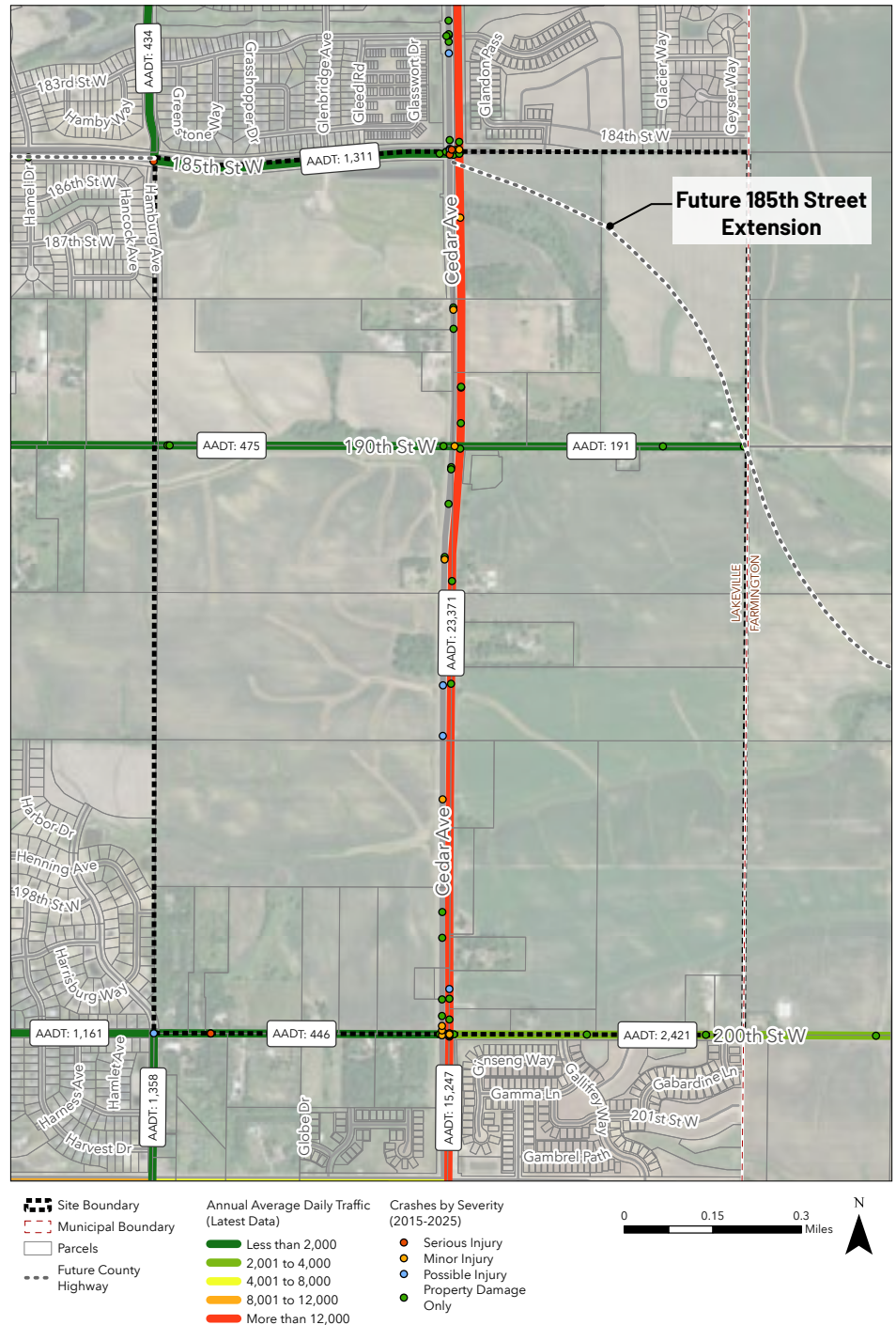


Figure 2. Transportation Context

## Environmental Context

Figure 3 represents the existing topography across the project. Areas in blue highlight low-lying drainage corridors. These corridors are crucial to the site's natural water management, as they direct stormwater runoff and help prevent flooding in developed and undeveloped areas. Understanding the location and extent of these low-lying areas is important for planning future development, as they may present constraints for building placement, infrastructure, and road alignments. Additionally, preservation of these drainage corridors can help maintain ecological function and support green infrastructure strategies, such as stormwater retention basins or natural open space buffers.

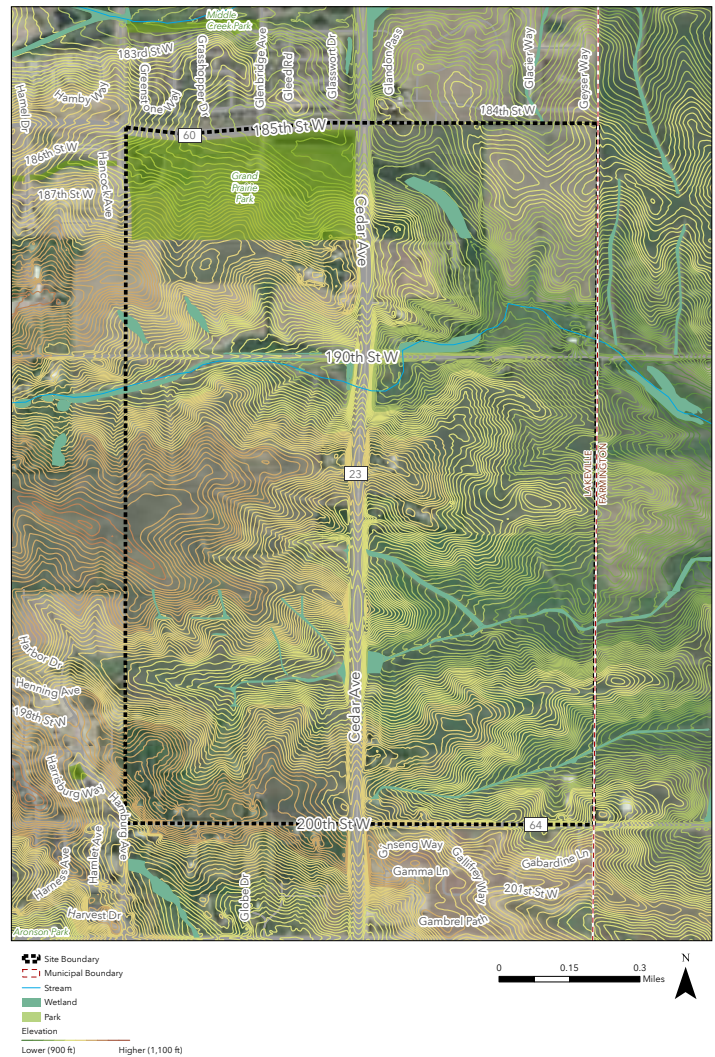


Figure 3. Environmental Context

## Development Context

Figure 4 illustrates recent developments in and near the project study area. See Table A for a summary of the overall densities. All developments are residential, with a mix of single-family and attached and detached townhomes. These new neighborhoods reflect current housing trends and demand for a variety of residential options within the area. The single-family homes provide traditional detached living, while the attached and detached townhomes offer higher-density alternatives that cater to diverse household preferences and affordability levels. These new residential areas contribute to shaping the character of the area and establish a foundation for future infrastructure investments, community amenities, and transportation improvements as outlined in the planning process.



Figure 4. Development Context

Table A. Recent Development Context

Development	Housing Types	Total Units	Net Density	Gross Density
<b>Voyager Farms Addition</b>	Detached townhomes	154 units	4.0 u/a	2.47 u/a
<b>Glacier Creek 5th Addition</b>	Single-family homes	39 units	3.18 u/a	3.10 u/a
<b>Amelia Meadows</b>	Single-family and attached townhomes	232 units	3.88 u/a	3.15 u/a
<b>Berres Ridge 9th Addition</b>	Single-family homes	34 units	2.6 u/a	1.95 u/a
<b>Reserve at Cedar Creek</b>	Single-family homes	48 units	3.27 u/a	2.40 u/a
<b>Cedar Creek Villas Addition</b>	Single-family homes	66 units	3.13 u/a	2.20 u/a
<b>Cedar Hills Addition</b>	Single-family homes	205 units	3.11 u/a	2.16 u/a

## Market Analysis and Context Review

The project team conducted a comprehensive market analysis to guide planning and land-use decisions for the undeveloped Cedar Avenue corridor in Lakeville (See Appendix A for the full report). The methodology included site analysis, demographic and economic assessment, review of competitive market conditions, and demand forecasts based on population, household, and employment projections, all adjusted with recent market trends. The intent of the market analysis was to provide a foundation of understanding for the current development opportunities in the project area. This data was used to influence the development of alternative concepts.

The market study identified expected development typologies for the corridor, providing density estimates and anticipated uses for each type:

- Single-Family Homes & Detached Townhomes: 3 units per acre
- Attached Townhomes & Twinhomes: 6 units per acre
- Apartments: 25 units per acre
- Restaurant & Retail: General retail, service, and office uses (no specified density)
- Office & Medical Office: Professional office uses, retail, sales, and services (no specified density)



Table B represents the market demand findings. The data illustrates approximately how many units of each development typology are likely to develop between 2025-2030 and 2030-2040 if development were left solely to the market. Note that a total build-out of all the land by 2040 is not anticipated.

Table B. Demand Estimates for the Project Area

	Development Densities from Market Analysis*	2025-2030	2030-2040
<b>Single-Family Homes and Detached Townhomes</b>	3.0 units per acre	350 – 400 units 115.0 – 135.0 acres	700 – 800 units 230.0 – 270.0 acres
<b>Attached Townhomes and Twinhomes</b>	6.0 units per acre	100 – 130 units 16.0 – 22.0 acres	200 – 300 units 33.0 – 50.0 acres
<b>Apartments</b>	25.0 units per acre	250 – 300 units 10.0 – 12.0 acres	500 – 600 units 20.0 – 24.0 acres
<b>Restaurant and Retail</b>	10,000 sqft per acre	8,000 – 12,000 sqft 1.0 – 1.5 acres	0 – 50,000 sqft 0.0 – 5.0 acres
<b>Office and Medical Office</b>	10,000 sqft per acre	0 – 15,000 units 0.0 – 1.5 acres	0 – 30,000 units 0.0 – 3.0 acres

\*These are typical densities of new developments in the City of Lakeville and are used to estimate absorption of land in the project area.

The following is a summary of key findings from this market analysis:

### Residential

- Overall, the site would work well for residential development
- Absorption of single-family homes/townhomes in Lakeville has been steady despite market swings, interest rate spikes, etc.
- Several new rental projects have been built in the Lakeville market in recent years, increasing overall supply, but absorption has been strong

### Restaurant and Retail

- Based on traffic counts and site characteristics, retail would work well at parcels immediately adjacent to Cedar Avenue
- However, the site currently lacks the east-west connections that would drive significant retail development in the study area

### Office, Medical Office, and Industrial

- General office development will continue to be slow, but there may be opportunities for medical office development in the study area

## Guidance for developing the Small Area Plan includes:

- Focus initial development on single-family residential projects closer to but not immediately adjacent to Cedar Avenue
- Cluster higher-density apartments and townhome developments closer to major intersections
- As housing affordability continues to drive household decisions, provide flexibility to pivot to more dense housing option—both for-sale and rental
- Set aside some parcels immediately adjacent to major intersections for retail development—especially the 185th Street intersection
- Carefully consider the specifics of the planned 185th Street extension into Farmington. This roadway will become critical in determining how traffic flows through the area and the overall commercial opportunity of these sites
- Plan for total build-out of area to be greater than 15 years
- Take the opportunity to develop a trail and park system throughout the area—leverage connectivity to the new Grand Prairie Park

## Land Use

The project team approached the determination of overall densities by utilizing them as a planning tool rather than as final recommendations. Densities helped estimate land consumption and identify appropriate locations for different housing typologies within the study area. The team compared market analysis findings with existing city policies and recent development trends within the City of Lakeville. This process allowed for a flexible and responsive land use plan that could adapt to evolving market conditions and community needs while maintaining consistency with broader city goals.

*Table C. 2040 Comprehensive Plan Land Use Categories*

Land Use	Density (du/ac)	Anticipated Uses	Acres	% of Area
<b>Low/Medium Density</b>	4.0-5.0	Single-family, two family, detached townhouses	557	64%
<b>Medium/High Density</b>	5.0-9.0	Detached townhouse, quad, row/back-to-back attached townhouses	119	14%
<b>Corridor Mixed Use</b>	26.0-45.0	High density residential, senior housing, commercial, office	119	14%
<b>Parks</b>	N/A	Open space and recreation	69	8%

The study compared market analysis findings against the Comprehensive Plan guidance and assumed the following residential density ranges for proposed development scenarios:

- Single-family Homes: 2.5-4.5 units/acre
- Attached Townhomes: 6.0-9.0 units/acre
- Detached Townhomes: 3.0-6.0 units/acre
- Apartments: 18.0-32.0 units/acre
- Twinhomes: 4.0-7.0 units/acre

## Commercial and Office Development

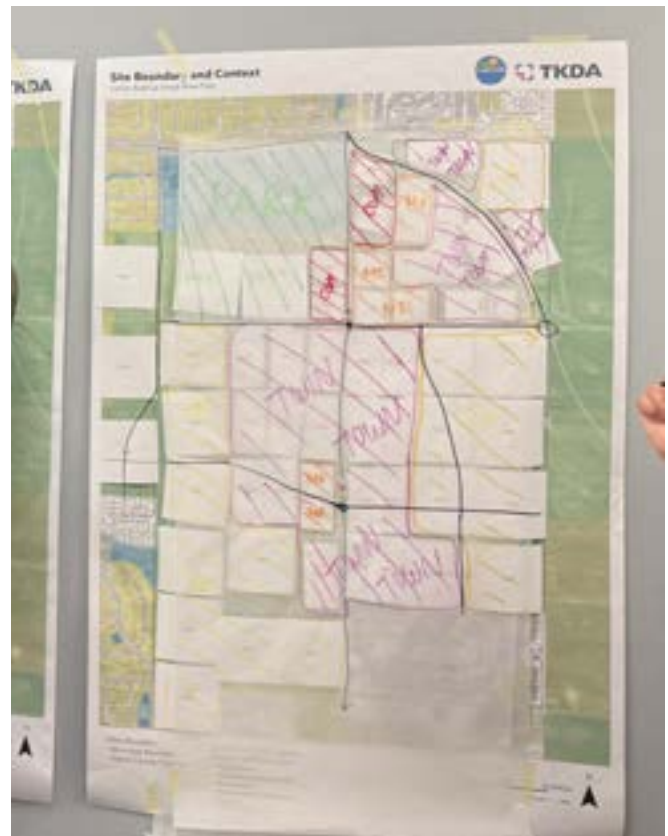
Commercial and office uses were estimated at 10,000 square feet per acre, with considerations for supporting retail, service, and office uses. These uses are planned to complement residential areas and support community needs.

# Concept Review and Development Framework

Following an analysis of the existing conditions and input gathered from City staff, a range of alternatives was considered. Each concept was carefully analyzed to understand its unique strengths, limitations, and potential impacts. The following design framework was developed to guide and evaluate each concept:

- **Balancing community amenities**
- **Enhancing multimodal transportation connectivity**
- **Developing robust east-west connections**
- **Providing flexibility in land uses**
- **Protecting green space corridors**
- **Developing “complete neighborhoods”**
- **Supporting Envision Lakeville and the Economic Development Strategic Plan**

These priorities aim to create vibrant, accessible, and sustainable neighborhoods along the Cedar Avenue Corridor.



Concepts Developed During Design Charrette

# Small Area Plan

Figure 5 represents the final alternative developed for the Small Area Plan. This concept represents the general location of the land use typologies and circulation through the project area if the site were to be built out. Based on the findings of the market study, complete consumption is not anticipated by 2040.

## Transportation Network

The solid black lines represent the existing roadways, while the dashed lines represent anticipated future connections. Dakota County's 2040 Transportation Plan allows for access to Cedar Avenue every 1/2 mile along principal arterials. An additional crossing is identified between 190th Street and 200th Street. The County-led 185th Street extension is illustrated, which would provide enhanced east-west connections at the north end of the project area. A north/south roadway is shown on the east connecting Glacier Creek down to Amelia Meadows. An additional north/south connection is anticipated outside of the project area connecting Hamburg Avenue to Berres Ridge. Internal circulation is anticipated within the proposed developments.

Multimodal connections are illustrated in purple dashed lines. Overall multimodal connectivity is desired along major thoroughfares, with the goal of connecting neighborhoods to community destinations, including Grand Prairie Park. A future greenway is desired along the low-lying green corridor in the northeast area of the project area, with a potential grade separated pedestrian crossing into Grand Prairie Park. An additional grade separated pedestrian crossing is identified at the center of the project area across Cedar Avenue.

(Note that at the time of this study, the City of Lakeville is undergoing a Parks System Master Plan Update which may effect some of the planned connections.)

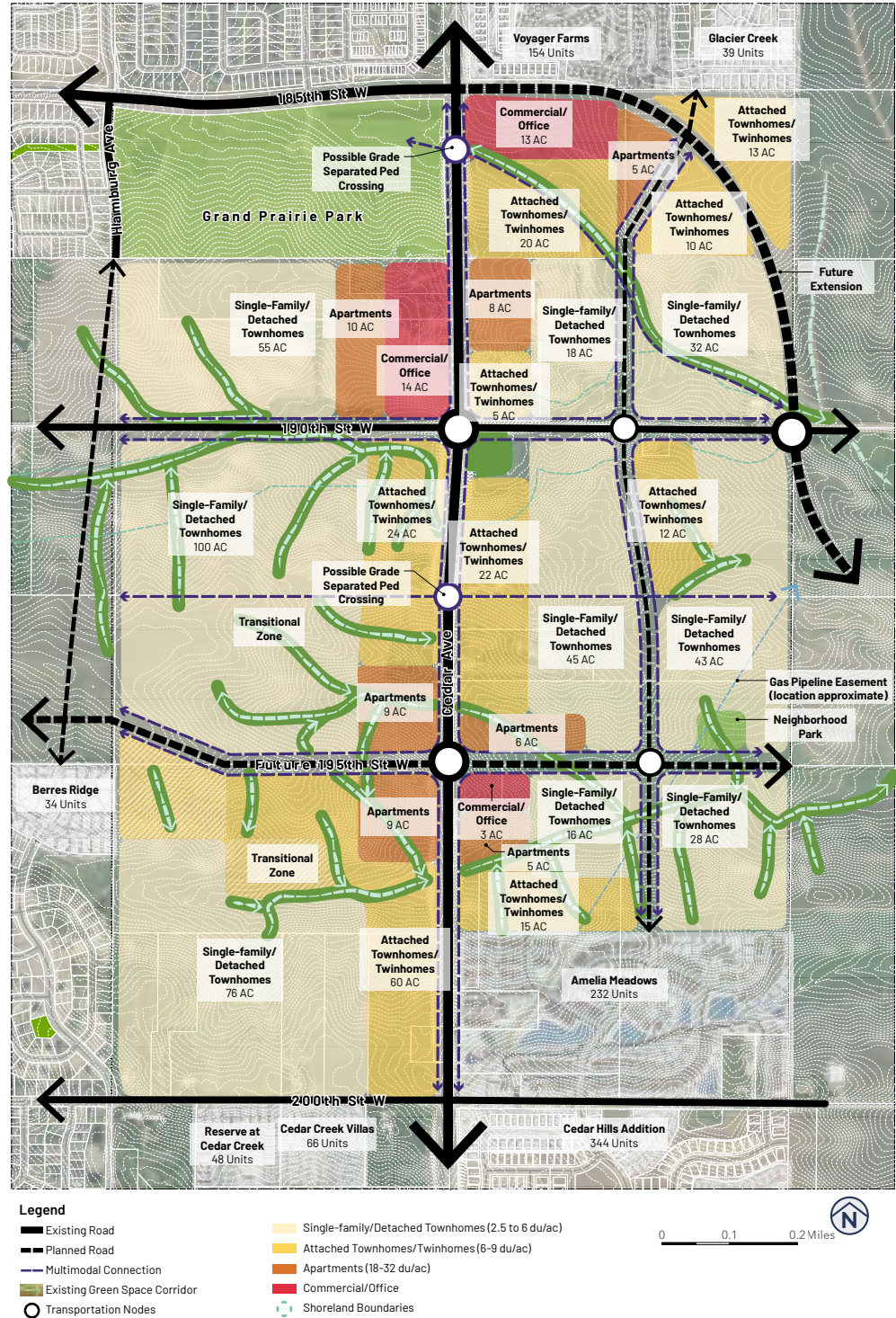


Figure 5. Small Area Plan

## Land Use

The proposed land use scenarios build upon the previously established development framework, prioritizing adaptability to accommodate a range of future growth patterns. Rather than concentrating density in isolated pockets, the plan envisions a thoughtful distribution of residential and commercial uses throughout the project area. This approach encourages a vibrant mix of housing types and commercial amenities, fostering a more integrated and dynamic community environment.

Preservation of existing green space corridors is a key principle, ensuring that new developments not only respect but actively enhance these ecological assets. By positioning buildings and infrastructure in harmony with natural features, the plan seeks to maintain critical habitats, support stormwater management, and offer residents direct access to recreational open spaces. Developments adjacent to these corridors are encouraged to incorporate pedestrian and bicycle pathways, further strengthening multimodal connections and encouraging active lifestyles.

Higher density residential housing is strategically situated near major intersections and commercial nodes to support walkability, increase accessibility to services, and promote efficient use of transportation networks. This placement allows residents to easily access shops, offices, and public transit options, reducing reliance on personal vehicles and supporting sustainable mobility.

The inclusion of a neighborhood park on the east side of the project area provides a central gathering place for community activities, recreation, and social interaction. The park's location is designed to maximize accessibility for nearby residents while complementing the broader network of green spaces and multimodal connections envisioned for the corridor. Collectively, these strategies aim to create a well-balanced, resilient, and inclusive neighborhood that aligns with the broader goals of the Cedar Avenue Corridor and the City of Lakeville's long-term vision.

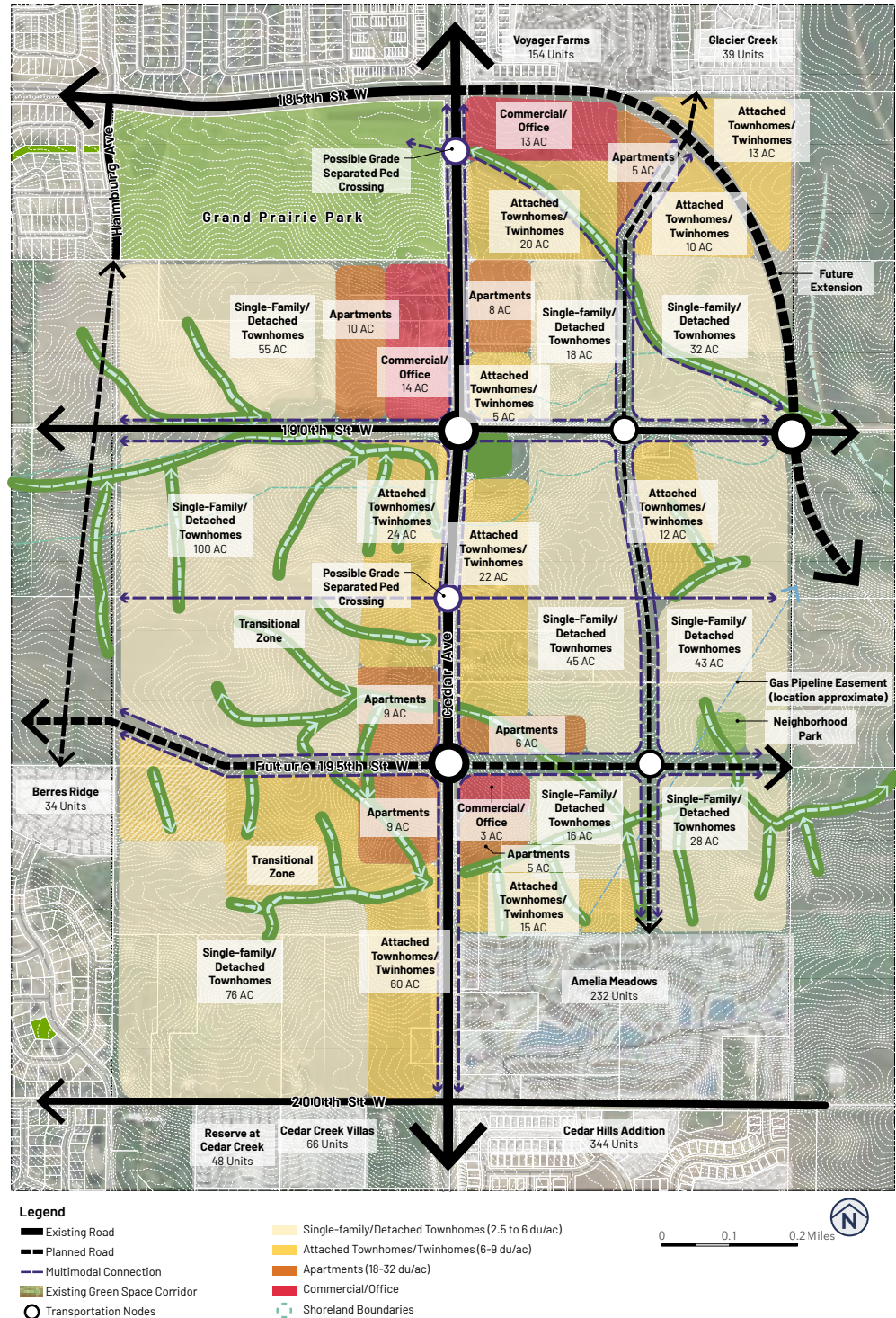


Figure 5. Small Area Plan

## Phasing

Due to the presence of existing utilities, it is anticipated that initial development will take place in the southeast portion of the project area. Subsequent phases of growth are expected to progress northward, then expand west, and finally extend down to the south as illustrated in Figure 6. This sequencing leverages available infrastructure to facilitate efficient development and supports the phased implementation of the Small Area Plan.

## Conclusion

The Small Area Plan for the Cedar Avenue Corridor presents a comprehensive and forward-thinking framework that balances growth, mobility, and environmental stewardship. By integrating flexible land use strategies, robust transportation networks, and enhanced multimodal connections, the plan aims to accommodate future development while preserving the area's natural assets and fostering a vibrant community. Key principles such as the distribution of diverse housing and commercial options, the creation of accessible public spaces, and the reinforcement of greenway corridors ensure that the evolving neighborhood remains resilient, inclusive, and sustainable. As the City of Lakeville continues to refine its vision through ongoing initiatives and future planning work, this plan provides a strong foundation for achieving a well-connected and thriving corridor for current and future residents.

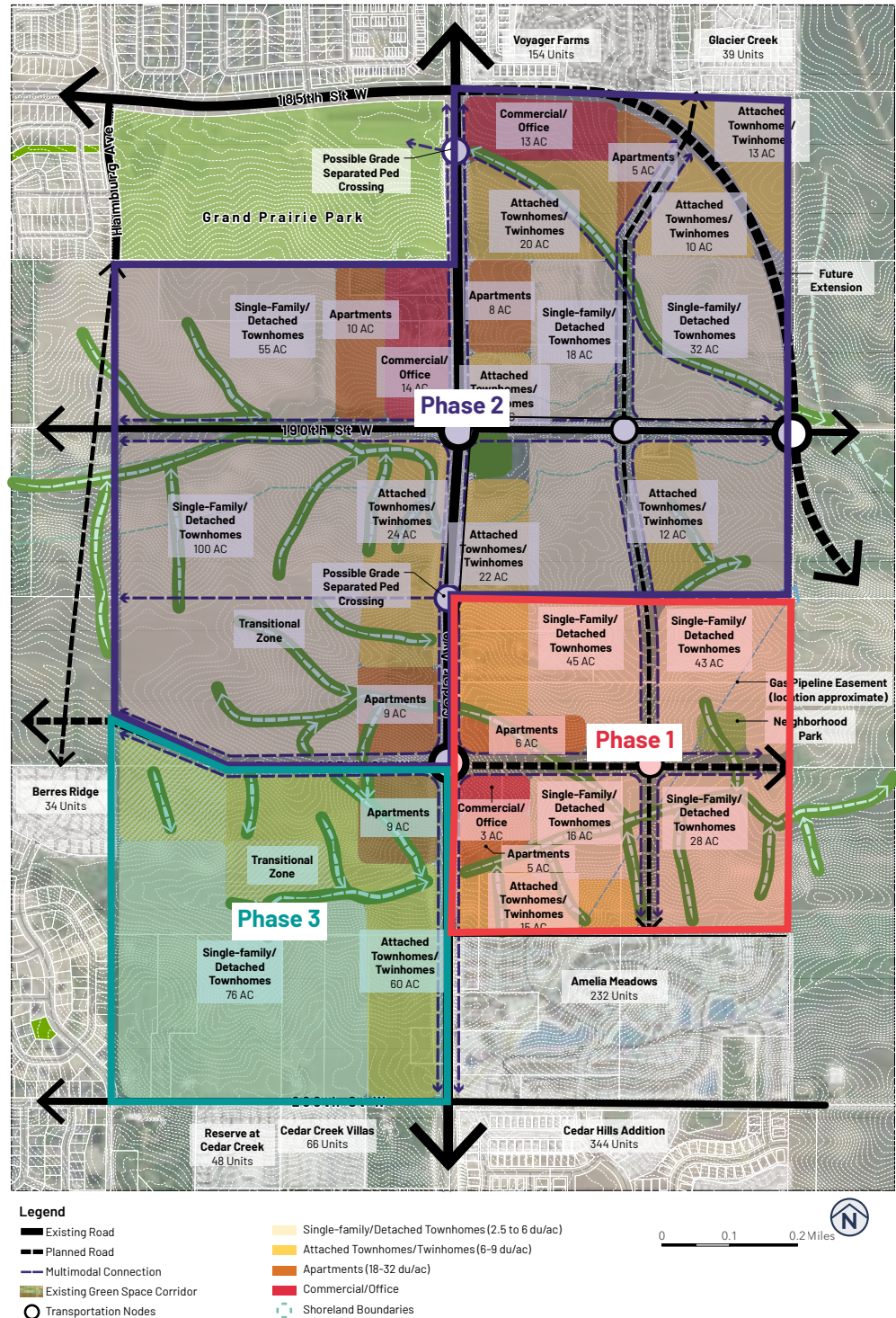


Figure 6. Development Phasing Plan

A decorative graphic on the left side of the page consists of a dark blue triangle pointing downwards, a yellow triangle pointing upwards, and a white circle at their common vertex.

# **Market Analysis for the Cedar Avenue Small Area Planning Study**

Prepared for TKDA and the City of Lakeville  
September 9, 2025



# Market Analysis for Cedar Avenue Small Area Planning Study

## Purpose

- Provide market analytics component to guide a larger planning and land-use analysis for an undeveloped area on the Cedar Avenue corridor

## Overall Methodology

- Site analysis
- Demographic and economic analysis
- Review of competitive market
- Forecasts of demand
  - Based on demographic and economic projections
  - Calibrated with recent market trends
- Summary of findings and recommendations

## Considered Uses

- Single-family homes
- Townhomes and twinhomes
- Multifamily apartment buildings
- Restaurant and retail space
- Other commercial land uses



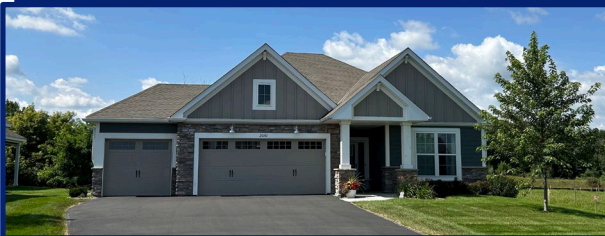


# Market Analysis Methodology Summary

	Summary of Demand Estimate Methodology	Sources of Data
<b>Residential Demand</b>	<ol style="list-style-type: none"> <li>1. Use household forecasts from ESRI and Metropolitan Council to forecast demand from new households.</li> <li>2. Use existing rental rates to estimate split between for-sale and rental.</li> <li>3. Use turnover rates to estimate demand from existing households.</li> <li>4. Use building permits and recent sales to estimate the demand for single-family versus attached units.</li> <li>5. Calibrate with absorption from market analysis and with other estimates.</li> <li>6. Project forward next 10 years using population, household, and employment assumptions from the Metropolitan Council.</li> </ol>	<ul style="list-style-type: none"> <li>• US Census</li> <li>• HUD and City of Lakeville (building permits)</li> <li>• ESRI</li> <li>• Metropolitan Council</li> <li>• Costar</li> <li>• Minneapolis Area Association of Realtors</li> <li>• Fieldwork, interviews, and other primary research</li> </ul>
<b>Commercial Demand</b>	<ol style="list-style-type: none"> <li>1. Understand strengths and challenges for commercial uses at the site</li> <li>2. Use consumer expenditure and employment projections to estimate increase in demand for retail and office space.</li> <li>3. Use site analysis, sales tax data, and existing commercial space to estimate amount capturable by the site.</li> <li>4. Calibrate with findings from the commercial market analyses.</li> <li>5. Project forward next 10 year using population, household, and employment assumptions from the Metropolitan Council.</li> </ol>	<ul style="list-style-type: none"> <li>• City of Lakeville</li> <li>• US Census</li> <li>• ESRI</li> <li>• Metropolitan Council</li> <li>• Costar</li> <li>• Fieldwork and other primary research</li> </ul>



# Demand Estimates for the Cedar Avenue Small Area Planning Process



	Development Densities from Market Analysis*	2025-2030	2030-2040
<b>Single-Family Homes and Detached Townhomes</b>	3.0 units per acre	350 – 400 units 115.0 – 135.0 acres	700 – 800 units 230.0 – 270.0 acres
<b>Attached Townhomes and Twinhomes</b>	6.0 units per acre	100 – 130 units 16.0 – 22.0 acres	200 – 300 units 33.0 – 50.0 acres
<b>Apartments</b>	25.0 units per acre	250 – 300 units 10.0 – 12.0 acres	500 – 600 units 20.0 – 24.0 acres
<b>Restaurant and Retail</b>	10,000 sq. ft. per acre	8,000 – 12,000 sq. ft. 1.0 – 1.5 acres	0 – 50,000 sq. ft. 0.0 – 5.0 acres
<b>Office and Medical Office</b>	10,000 sq. ft. per acre	0 – 15,000 sq. ft. 0.0 – 1.5 acres	0 – 30,000 sq. ft. 0.0 – 3.0 acres



# Preliminary Findings

## Key Findings from Market Analysis

### ***Residential***

- Overall, the site would work well for residential development
- Absorption of single-family homes/townhomes in Lakeville has been steady despite market swings, interest rate spikes, etc.
- Several new rental projects have been built in the Lakeville market in recent years, increasing overall supply, but absorption has been strong

### ***Restaurant and Retail***

- Based on traffic counts and site characteristics, retail would work well at parcels immediately adjacent Cedar Avenue
- However, the site currently lacks the east-west connections that would drive significant retail development in the study area

### ***Office, Medical Office, and Industrial***

- General office development will continue to be slow; but there may be opportunities for medical office development in the study area

## Guidance for Small Area Planning Process

- Focus initial development on single family residential projects closer to but not immediately adjacent to Cedar Avenue
- Cluster higher-density apartments and townhome developments nearer to major intersections
- As housing affordability continues to drive household decisions, provide flexibility to pivot to more dense housing option—both for-sale and rental
- Set aside some parcels immediately adjacent to major intersections for retail development—especially the 185<sup>th</sup> Street intersection
- Carefully consider the specifics of the planned 185<sup>th</sup> Street extension into Farmington. This roadway will become critical in determining how traffic flows through the area and the overall commercial opportunity of these sites
- Plan for total buildout of area to be greater than 15 years
- Take opportunity to develop trail and park system throughout the area—leverage connectivity to the new Grand Prairie Park

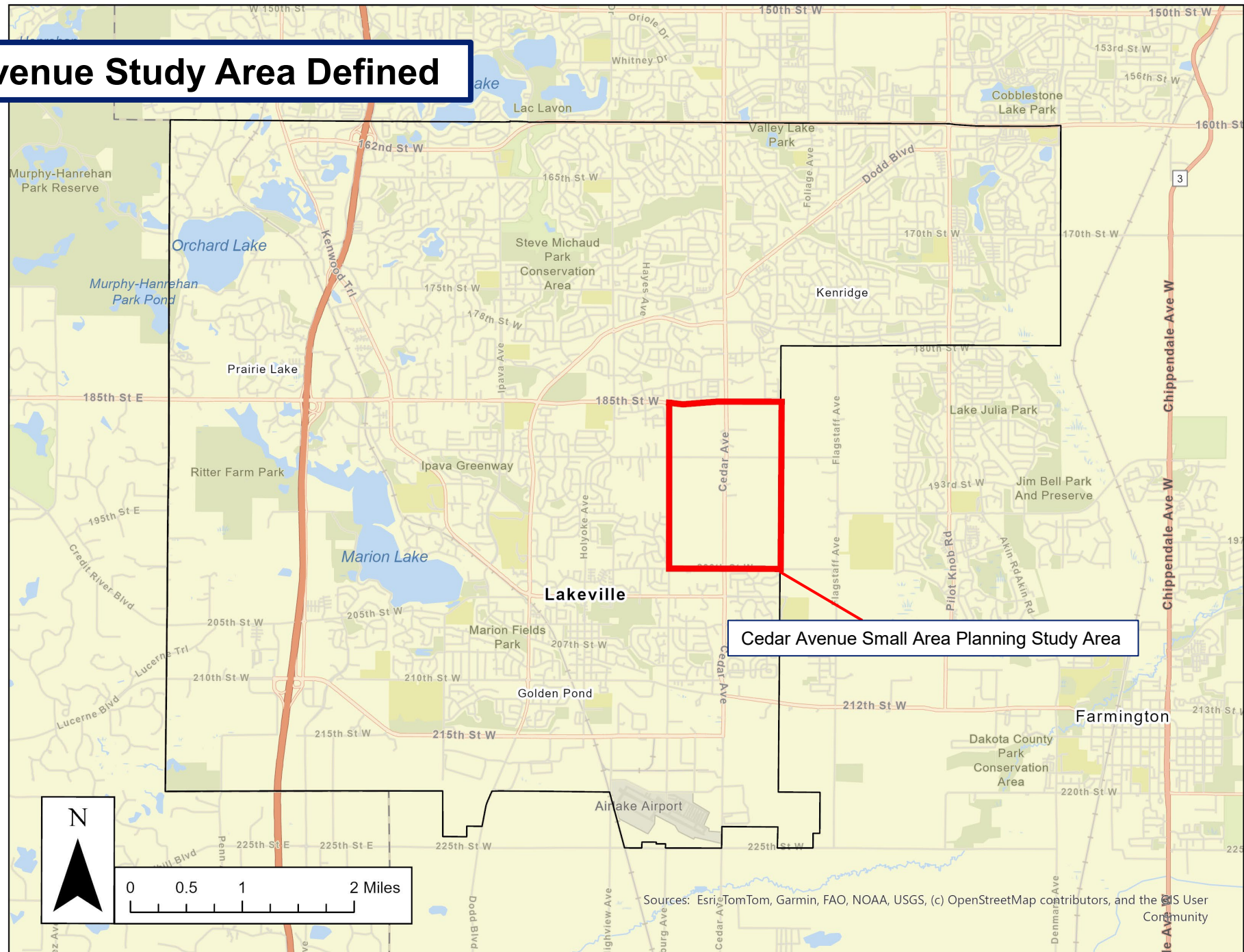


---

# Market Analysis for the Cedar Avenue Small Area Planning Study

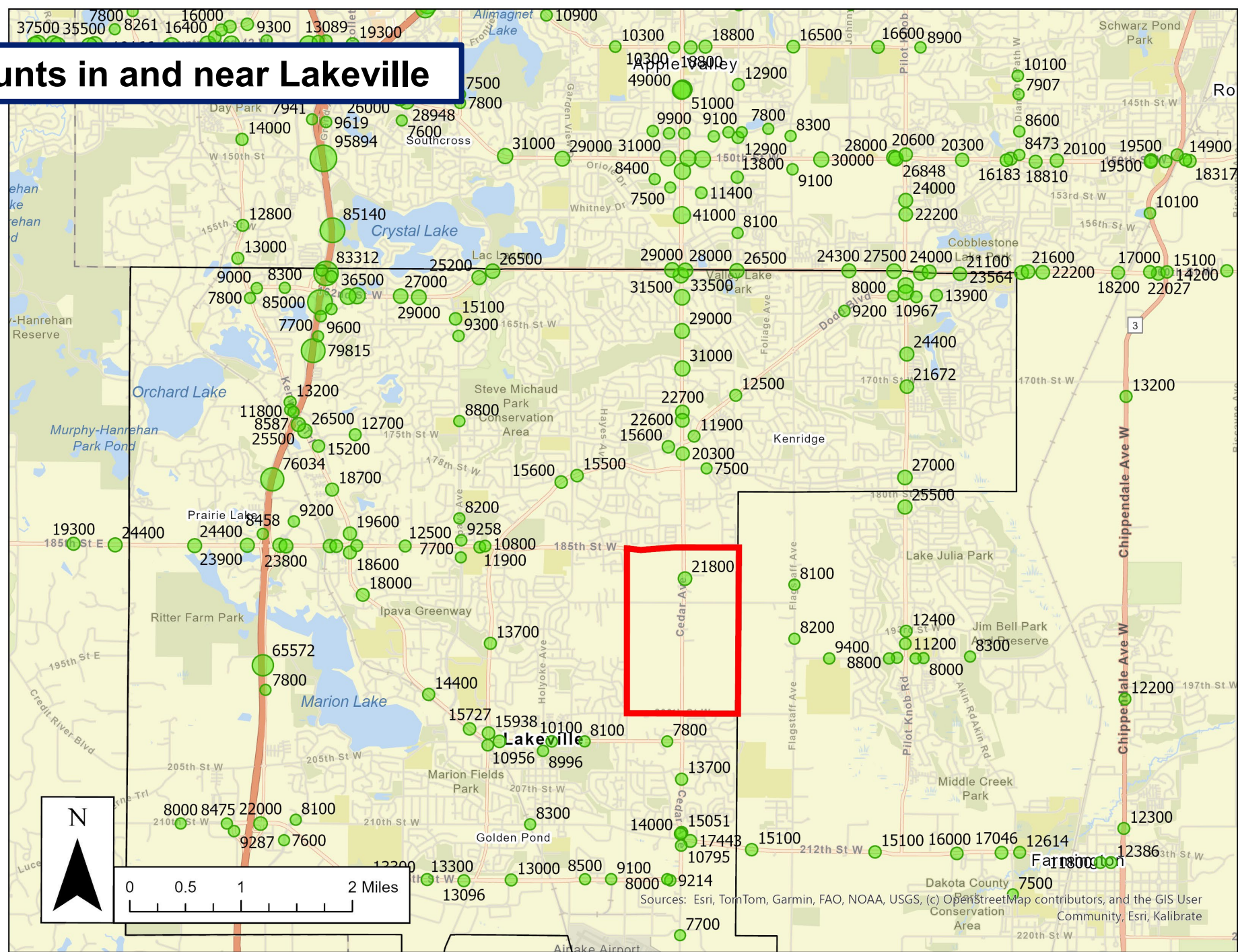
# Site Analysis: Cedar Avenue Study Area Defined

- The red boundary marks the study area in the City of Lakeville
- The area includes about 950 acres



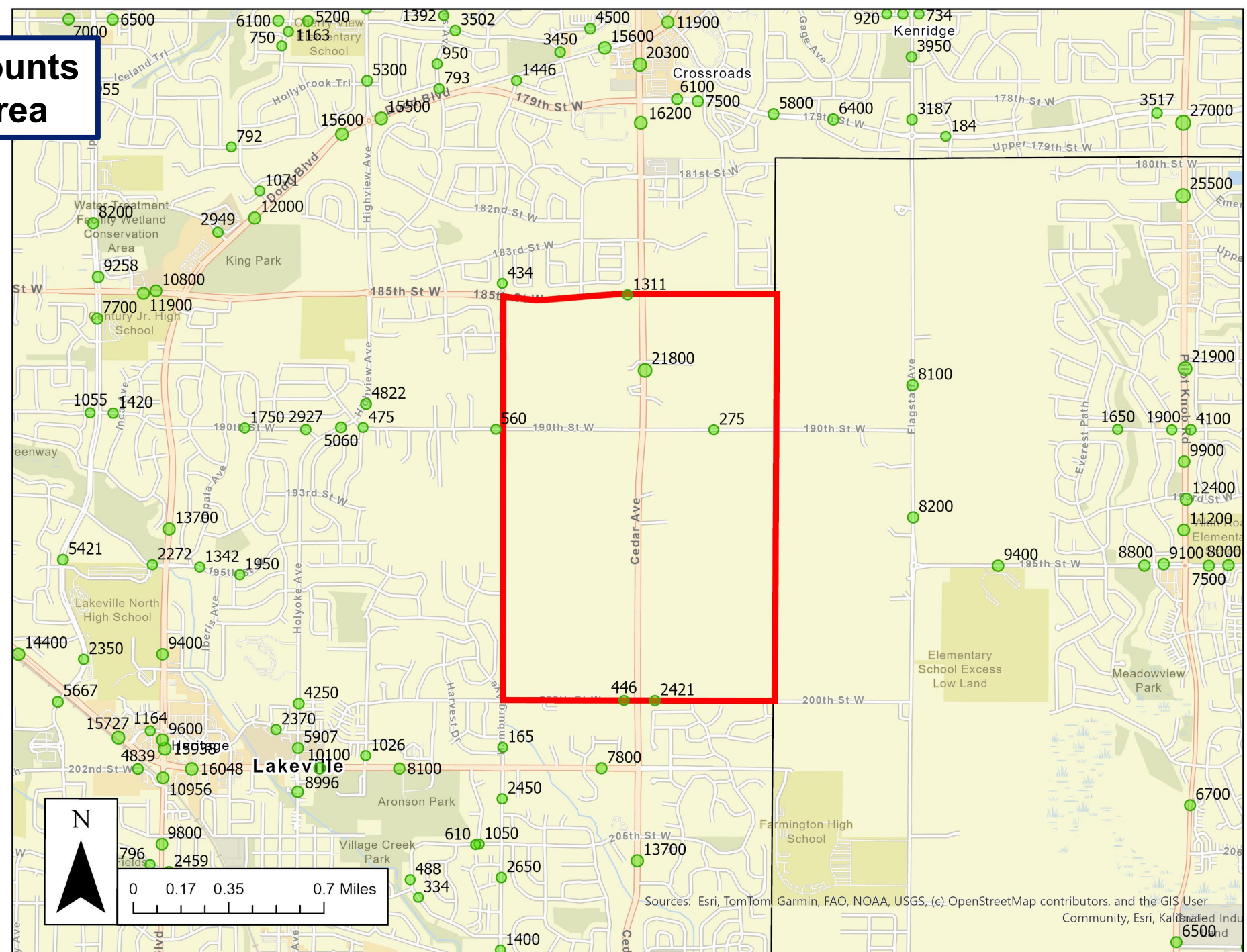
# Site Analysis: Traffic Counts in and near Lakeville

- Cedar Avenue has about 22,000 vehicles per day through the study area
- There are intersections carrying existing vehicle traffic on Cedar Avenue at:
  - 150<sup>th</sup> Street (CSAH 42)
  - 160<sup>th</sup> Street (CSAH 60)
  - Dodd Boulevard
  - 179<sup>th</sup> Street (CSAH 9)
  - 202<sup>nd</sup> Street/Lakeville Boulevard (CSAH 50)
  - 215<sup>th</sup> Street (CSAH 70)



# Site Analysis: Traffic Counts in and near the Study Area

- Traffic counts east-west through the study area are limited
  - 185<sup>th</sup> Street: 1,300 vehicles per day
  - 190<sup>th</sup> Street: 300-600 vehicles per day
  - 200<sup>th</sup> Street: 500-2,400 vehicles per day
  
- Traffic counts through this area will evolve as road connections are made further east of the study area and as development occurs



Source: ESRI; LOCi Consulting LLC

Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community, Esri, Kalibrated Indu

## Strengths

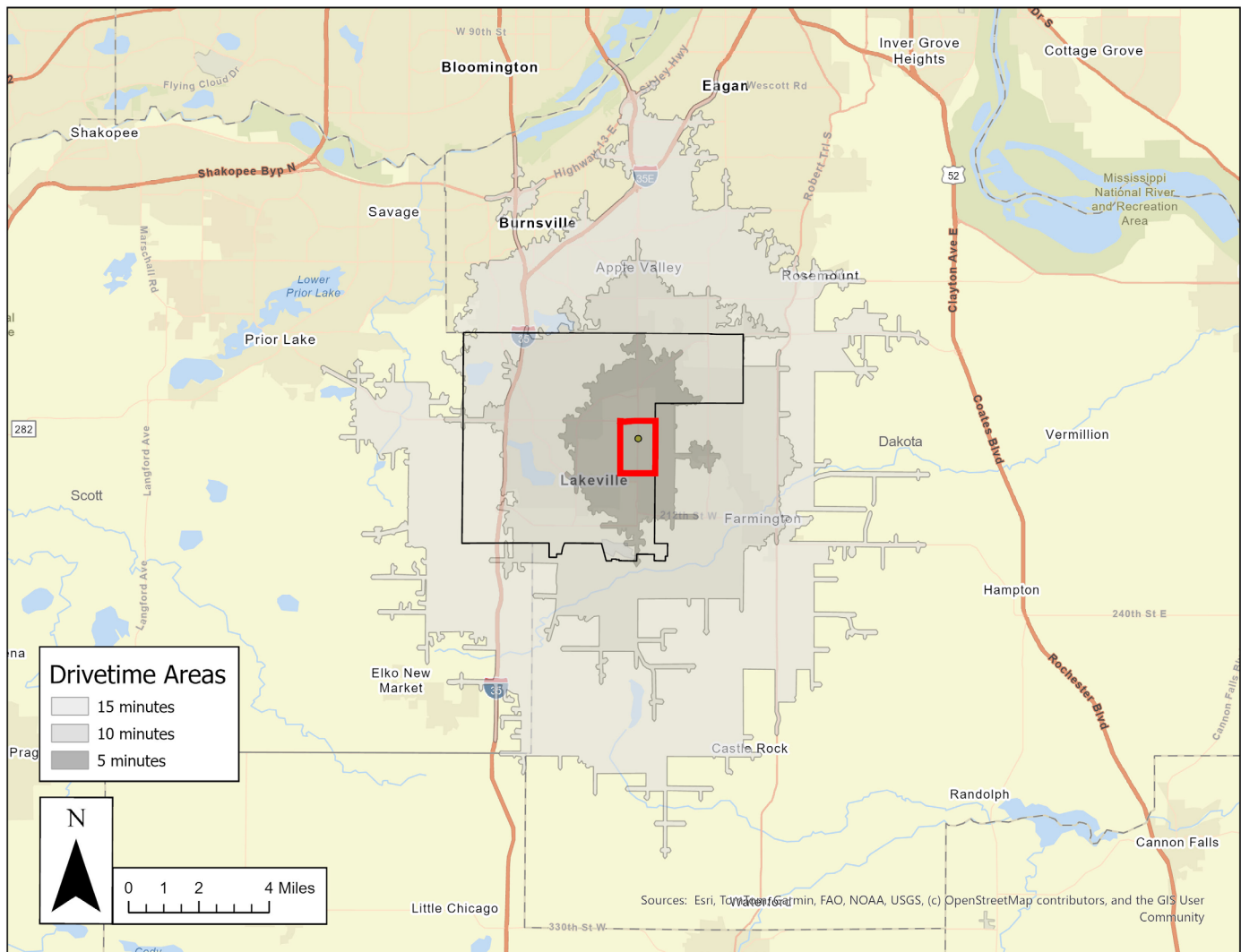
- Large, vacant parcels create open opportunity for development, with potential create road network to optimize future development
- Cedar Avenue provides excellent connectivity north to Apple Valley and the central Twin Cities area
- New housing growth and commercial development already on the edge of the development
- Close to strong retail districts at Cedar Avenue and Dodd Boulevard and farther north along Cedar Avenue in Apple Valley
- Employment districts south of the site provides daytime employment that is attractive to commercial uses

## Weaknesses

- In the short term, there is no key east-west thoroughfare to attract commercial development
- Connections to key interchanges on Interstate 35 (202<sup>nd</sup> Street (CSAH 50), 185<sup>th</sup> Street, and 215<sup>th</sup> Street (CSAH 70)) east of the study area are not simple and can be challenging to navigate. There is no one east-west road funneling traffic to the interstate
- Mass of retail to the north near Cedar Avenue and CSAH 42 in Apple Valley and northeast at Pilot Knob Road and 160<sup>th</sup> Street and may limit demand in the study area
- Over the long term, the large industrial district and airport to the south may create a psychological barrier to developing residential markets south of the industrial district



# Demographics: Drive-Time Rings around the Cedar Avenue Study Area



- Primary market area for residential development is generally defined as the City of Lakeville
- It is assumed that almost all demand for housing will come from forecasted growth and turnover in the City of Lakeville
- For retail and other commercial demand, the trade area is assumed to be the 10-minute drivetime area around the study area
- For the retail and commercial analysis, it is assumed development at the study area will capture a portion of the growth occurring in this 10-minute drivetime area



# Demographics: Population and Population Growth

- Lakeville is seeing strong population growth
- The population of the Lakeville is approximately 78,000, according to ESRI\*\*, a national demographics firm used by real estate developer and users
- The rate of growth for the City of Lakeville and the drivetime areas exceed growth rates in Dakota County, the Twin Cities MSA\*, and the nation as a whole
- The annual growth rate over the next five years is projected to slow considerably, compared to the previous 15 years

## 1 Population and Population Growth

	Census 2010	Census 2020	Estimate 2025	Forecast 2030	Annual Growth Rate 2010-2025	Proj. Annual Growth Rate 2025-2030
City of Lakeville	55,975	69,496	77,927	83,439	2.2%	1.4%
<u>Cedar Avenue Study Area</u>						
5-Minute Drive-Time Area	16,803	24,238	29,551	32,023	3.8%	1.6%
10-Minute Drive-Time Area	91,639	111,712	121,354	127,342	1.9%	1.0%
15-Minute Drive-Time Area	182,366	208,553	220,045	226,662	1.3%	0.6%
Dakota County	398,552	439,882	456,240	468,184	0.9%	0.5%
Minneapolis-St. Paul MSA	3,333,633	3,690,261	3,809,346	3,903,629	0.9%	0.5%
United States	308,745,538	331,449,281	339,887,819	347,149,422	0.6%	0.4%

Source: US Census Bureau; ESRI; LOCi Consulting LLC

\*The Census-defined Minneapolis-St. Paul Metropolitan Statistical Area (MSA) consists of Hennepin, Ramsey, Dakota, Anoka, Washington, Scott, Wright, Carver, Sherburne, Chisago, Isanti, Le Sueur, Mille Lacs counties in Minnesota and St. Croix and Pierce counties in Wisconsin.

\*\*This analysis uses ESRI data because it is forecasted for smaller areas and geographies (e.g., drivetime areas). It also provides 5-year forecasts by demographic characteristics (e.g., age and income). Further, this data source is used by developers and private sector decision makers for site selection.



# Demographics: Households and Household Growth

- Household growth is strong in Lakeville
- The City of Lakeville has approximately 27,000 households, based on ESRI estimates
- As with population, household growth in the city and the drivetime areas is projected to exceed the comparison areas
- The annual household growth rate is projected to slow in the next five years, compared to the previous 15-year period

## 2 Households and Household Growth

	Census 2010	Census 2020	Estimate 2025	Forecast 2030	Annual Growth Rate 2010-2025	Proj. Annual Growth Rate 2025-2030
City of Lakeville	18,690	23,267	26,691	28,873	2.4%	1.6%
<u>Cedar Avenue Study Area</u>						
5-Minute Drive-Time Area	5,689	7,955	9,998	10,897	3.8%	1.7%
10-Minute Drive-Time Area	31,734	38,525	42,500	45,047	2.0%	1.2%
15-Minute Drive-Time Area	66,598	75,813	81,101	84,359	1.3%	0.8%
Dakota County	152,060	168,008	176,680	182,870	1.0%	0.7%
Minneapolis-St. Paul MSA	1,293,601	1,434,315	1,498,244	1,546,472	1.0%	0.6%
United States	116,716,292	126,817,580	132,422,916	136,716,884	0.8%	0.6%

Source: US Census Bureau; ESRI; LOCi Consulting LLC



# Demographics: Long-Term Population, Household, and Employment Projections

- The long-term projections show continued growth in Lakeville but rates of growth slowing
- Metropolitan Council has preliminary estimates available for projected population, households, and employment, 2020 to 2050
- (Note that these forecasts are more conservative than the ESRI forecasts for the current decade)
- Growth rates for both population and households are projected to slow somewhat between 2030 and 2050, according to the Metropolitan Council
- Demand forecasts for residential and commercial uses in this analysis account for this projected slow down

### 3 Long-Term Population, Household, and Employment Projections

	Census	Forecast	Forecast	Forecast	Projected Change			Projected Annual % Growth Rate		
	2020	2030	2040	2050	2020-2030	2030-2040	2040-2050	2020-2030	2030-2040	2040-2050
<b>Population</b>										
Lakeville	69,490	79,900	84,700	89,500	10,410	4,800	4,800	1.4%	0.6%	0.6%
Dakota County	439,882	468,828	489,346	524,186	28,946	20,518	34,840	0.6%	0.4%	0.7%
Seven-County Metro Area	3,163,100	3,374,100	3,559,300	3,814,000	211,000	185,200	254,700	0.6%	0.5%	0.7%
<b>Households</b>										
Lakeville	23,265	28,100	31,000	33,100	4,835	2,900	2,100	1.9%	1.0%	0.7%
Dakota County	168,008	184,913	198,226	213,600	16,905	13,313	15,374	1.0%	0.7%	0.7%
Seven-County Metro Area	1,239,525	1,357,300	1,454,300	1,563,300	117,775	97,000	109,000	0.9%	0.7%	0.7%
<b>Employment</b>										
Lakeville	15,888	23,100	25,200	29,900	7,212	2,100	4,700	3.8%	0.9%	1.7%
Dakota County	166,945	202,433	217,393	244,283	35,488	14,960	26,890	1.9%	0.7%	1.2%
Seven-County Metro Area	1,543,400	1,814,100	1,901,400	2,061,700	270,700	87,300	160,300	1.6%	0.5%	0.8%

\* Imagine 2050 local forecasts approved February 2025

Source: Metropolitan Council; LOCi Consulting LLC



# Demographics: Daytime Employment

## 4 Daytime Population, 2025

	Total Population	Total Daytime Population	Daytime Population: Workers	Daytime Population: Residents
City of Lakeville	77,927	61,065	25,315	35,750
<u>Cedar Avenue Study Area</u>				
5-Minute Drive-Time Area	29,551	23,064	9,261	13,803
10-Minute Drive-Time Area	121,354	99,039	44,205	54,834
15-Minute Drive-Time Area	220,045	182,745	81,824	100,921
Dakota County	456,240	422,035	208,817	213,218

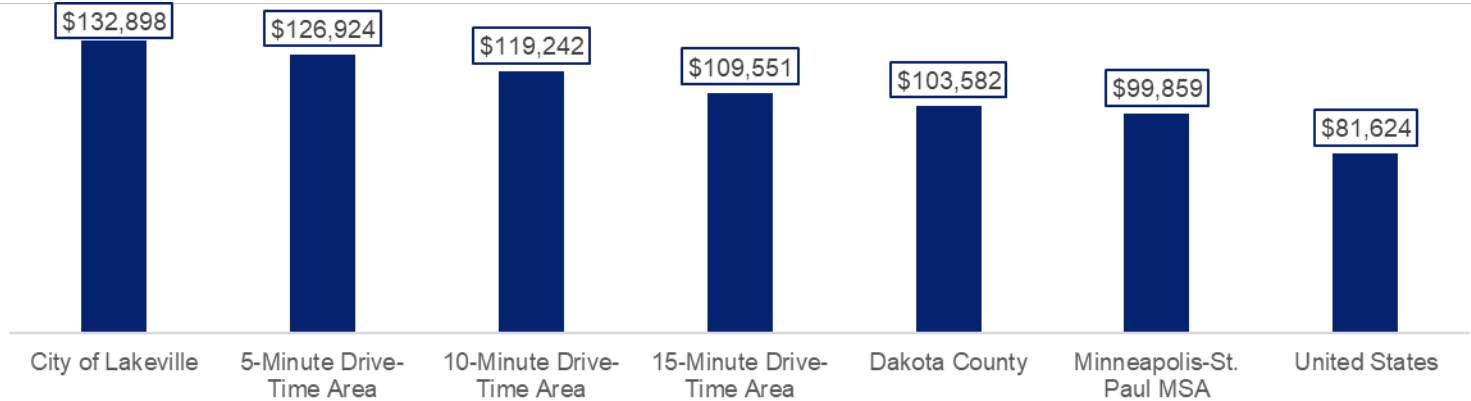
Source: US Census Bureau; ESRI; LOCi Consulting LLC

- The employment base in Lakeville contributes to residential and commercial demand
- Because many workers who reside in Lakeville commute outside of the city, the daytime population shrinks to about 61,000 people
- Based on US Census Data from 2022 (not shown on chart):
  - 14,185 workers commute into the city
  - 32,338 residents commute out of the city
  - 4,470 residents both work and live in Lakeville
- Workers who commute into Lakeville provide additional retail spending
- These workers are also potential residents who may consider homes in Lakeville to be closer to their jobs

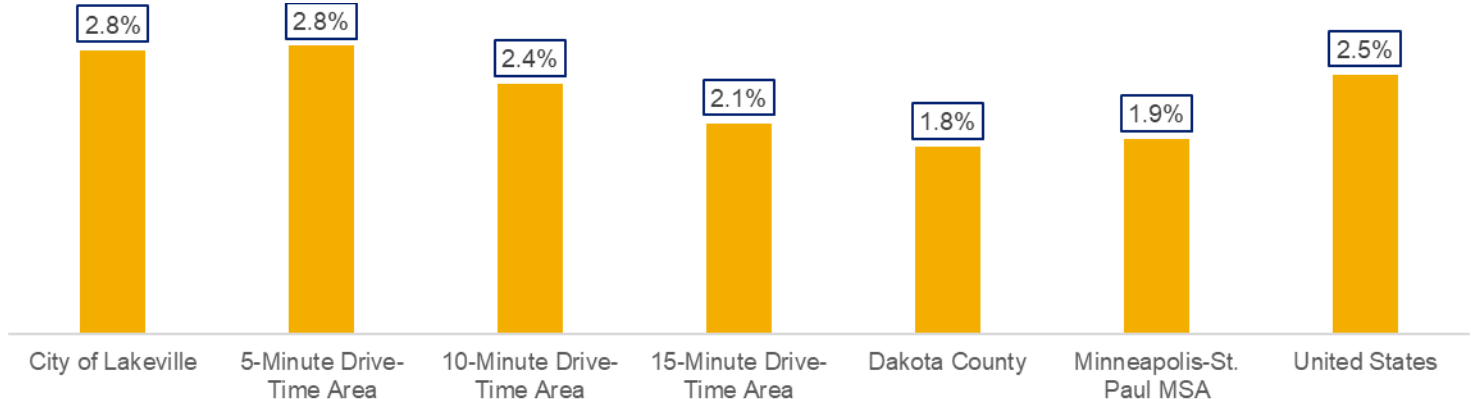


# Demographics: Median Household Income

## 5. Median Household Income, 2025



## 6. Projected Annual Growth in Median Household Income, 2025-2030

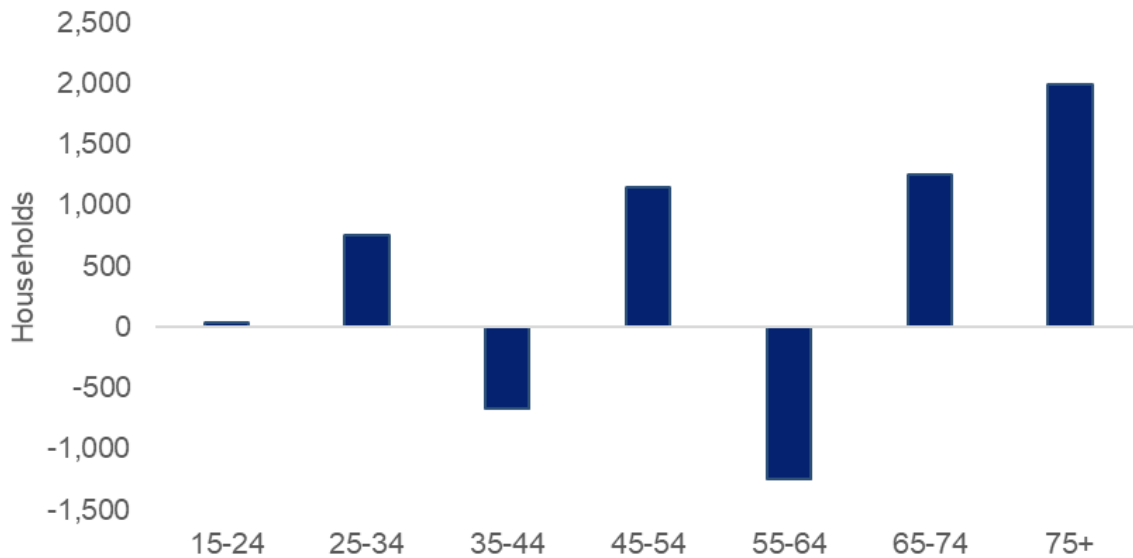


- Incomes are high in the City of Lakeville and increasing relative to inflation
- Median household income in the City of Lakeville is about \$133,000—33% higher than the median for the Metro MSA
- ESRI is forecasting 2.4% inflation over the 2025-2030 period and provide forecasts without adjustments for inflation—so growth below 2.4% means that incomes are actually declining relative to inflation
- The projected annual growth rates for the City of Lakeville and the 5- and 10-minute drivetime areas meet or exceed this projected inflation—2.4% to 2.8%
- This forecasts suggests that income growth in the market is real growth
- Dakota County and the Metro MSA, however, are projected to see declines in income relative to inflation
- Higher base incomes and income growth are attractive to housing and commercial developers



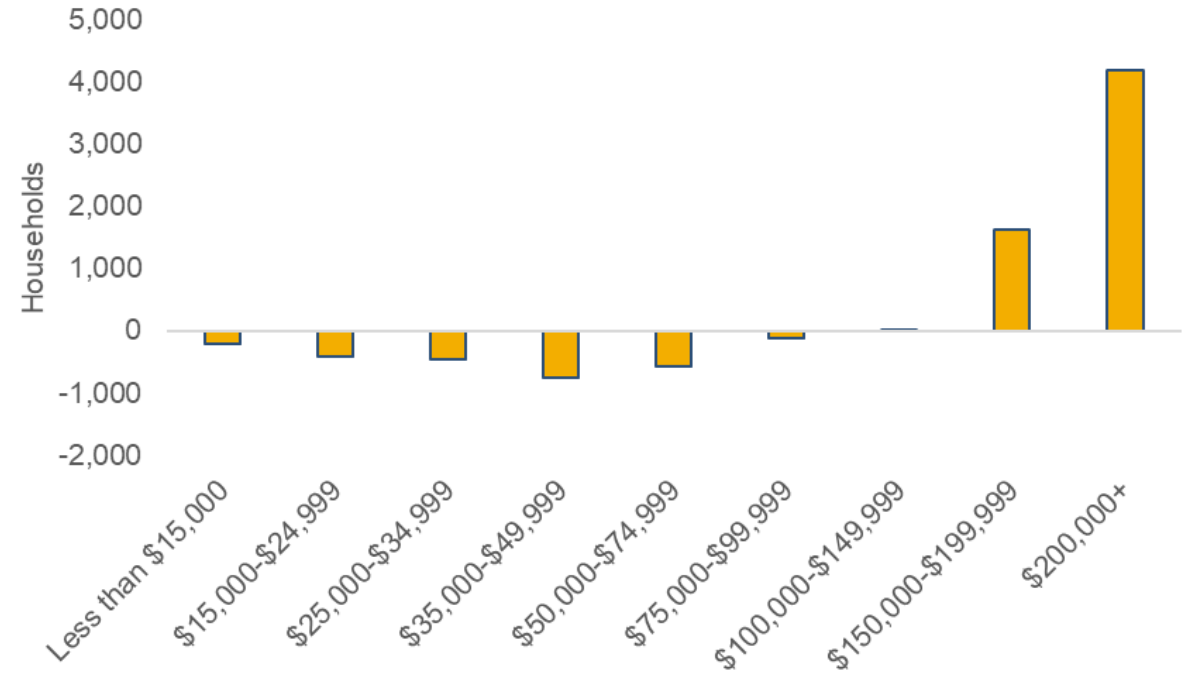
# Demographics: Projected Household Growth by Age of Householder in the City of Lakeville, 2025 to 2030

**7. Projected Household Growth by Age of Householder, City of Lakeville, 2025 to 2030**



- Baby Boomers (Age 65 plus) will continue to drive household growth

**8. Projected Household Growth by Income of Householder, City of Lakeville, 2025 to 2030**

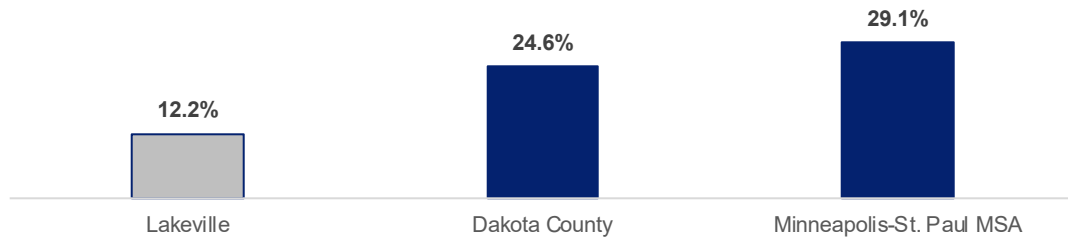


- Overall shift in growth to higher income groups—Millennials hitting higher income earning years and Baby Boomers with higher investment incomes



# Demographics: Household Rental Rates and Housing Turnover for Homeowners and Renters in the City of Lakeville

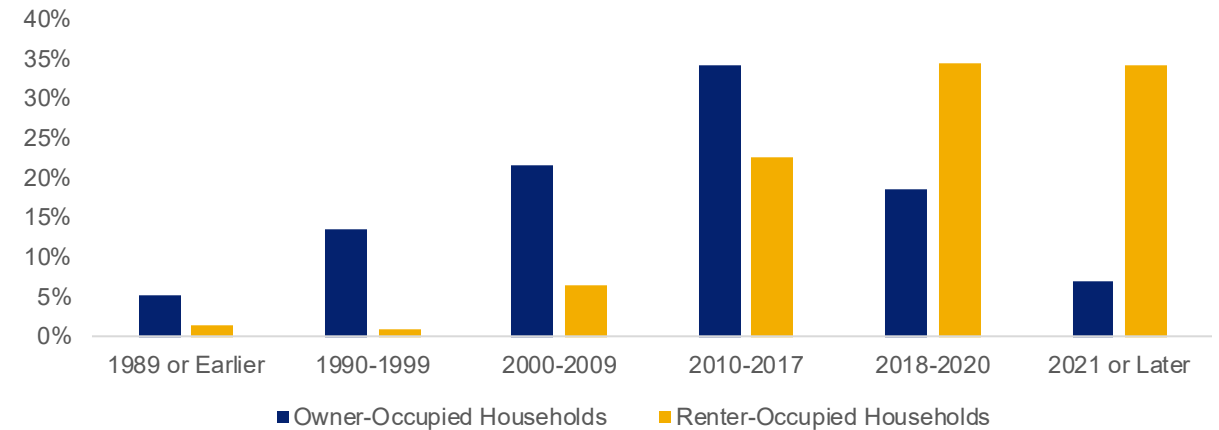
## 9 Household Rental Rates in Lakeville, 2023



Source: American Community Survey, U.S. Census; ESRI; LOCi Consulting LLC

- The household rental rate in Lakeville is half the rate for the Minneapolis-St. Paul market as a whole

## 10 Move-In Year for Households in Lakeville, 2023



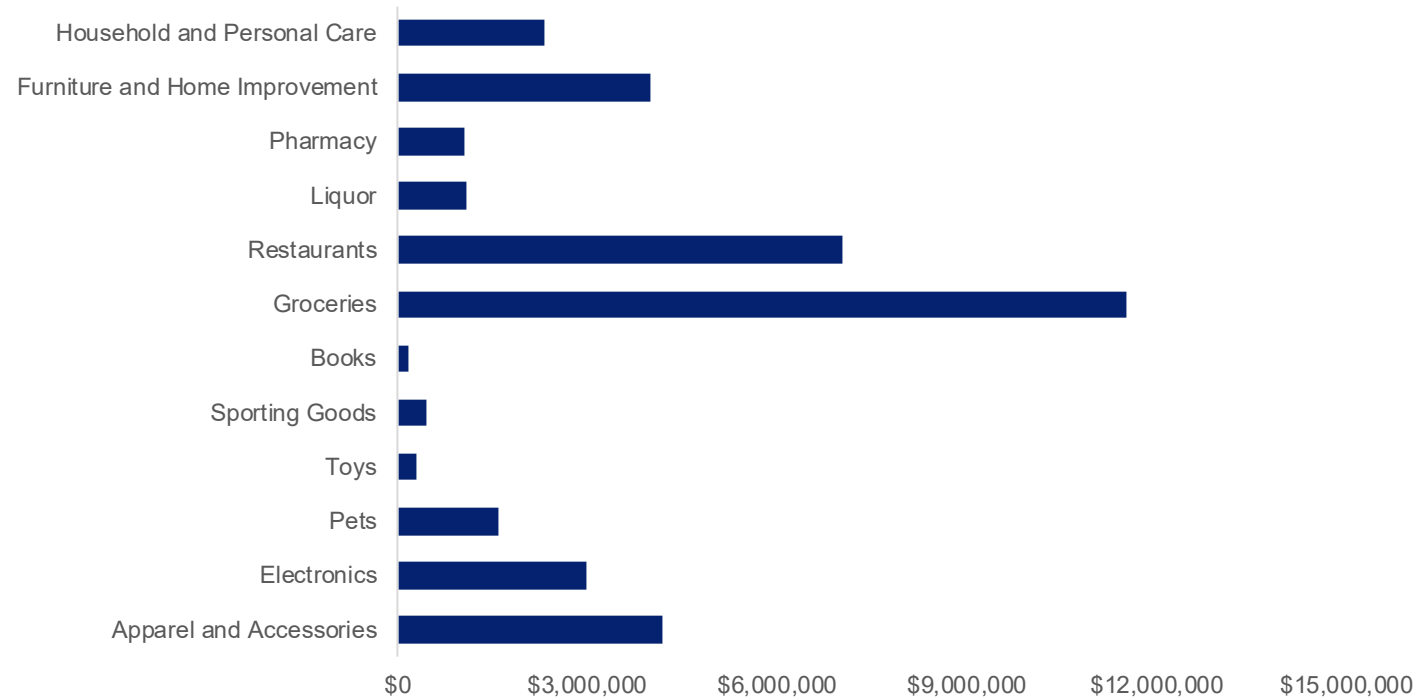
Source: American Community Survey, US Census Bureau; ESRI; LOCi Consulting LLC

- 26% of homeowners and 68% of renters moved into their homes within the last five years
- This data is used to determine housing demand from turnover within existing households



# Demographics: Growth in Consumer Expenditure in Retail Categories

## 11 Forecasted Growth in Consumer Spending in the 10-Min Drivetime Area, 2025-2030



\* Data is shown in 2024 Dollars, adjusted from ESRI projection. ESRI assumes 2.4% inflation.

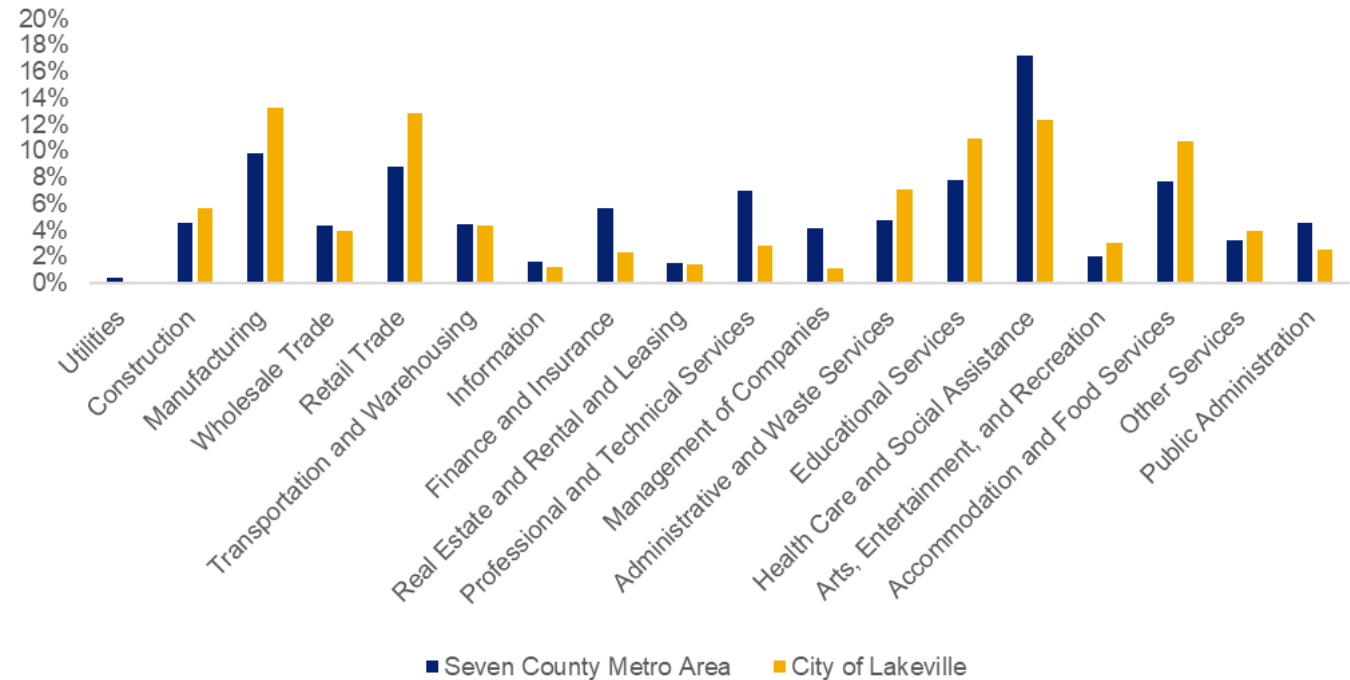
Source: US Census Bureau; ESRI; LOCi Consulting LLC

- Retail expenditure is projected to grow by about \$37 million in the 10-Minute Drivetime Area—about 0.6% per year when adjusted for inflation
- This growth is driven by new households in the market and real income growth
- Grocery stores and restaurant categories are projected to see the highest increases in consumer spending
- These categories make up the largest percentage of overall spending
- Additionally, groceries and restaurants tend to be less impacted by online competition, so these categories have seen more growth in commercial real estate demand

## Demographics: Employment by Industry

- Compared to the Seven-County Metro Area, the City of Lakeville has a higher percentage of Construction, Manufacturing, Retail Trade, Educational Service, and Accommodation and Food Service jobs
- These types of jobs are more likely to be located at retail and industrial real estate and less likely to be located in office space

**12** Distribution of Employment for the City of Lakeville and the Metro Area, 2024



Notes:

Utilities employment is not disclosed for the City of Lakeville.

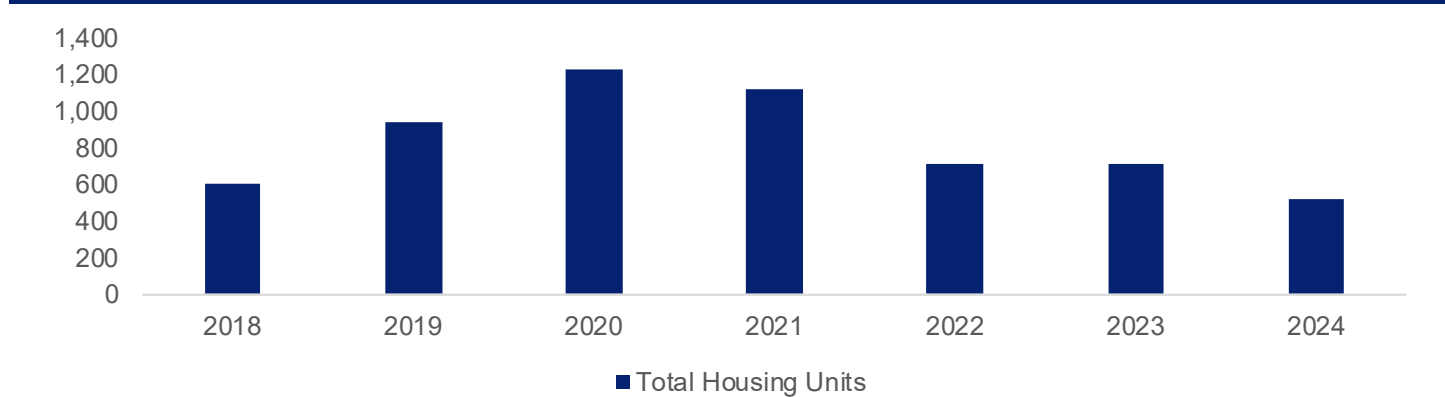
Source: Minnesota Department of Employment and Economic Development; Quarterly Census of Employment and Wages; Employment Outlook; LOCi Consulting LLC



# Building Permits: Lakeville is averaging 835 housing unit permits per year since 2018, although production has slowed significantly in the last year



**13** Building Permit Units in the City of Lakeville, 2018-2024



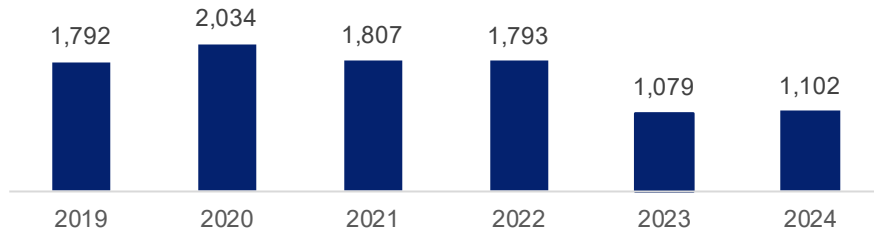
	2018	2019	2020	2021	2022	2023	2024
<b>Total Housing Units</b>	602	945	1,223	1,126	714	713	523
Single-Family Homes	446	521	639	527	325	309	285
Detached Townhomes	32	35	103	136	62	58	100
Townhomes	49	64	73	73	160	94	49
Apartment Units	75	325	408	390	167	252	89

Source: City of Lakeville; LOCi Consulting LLC



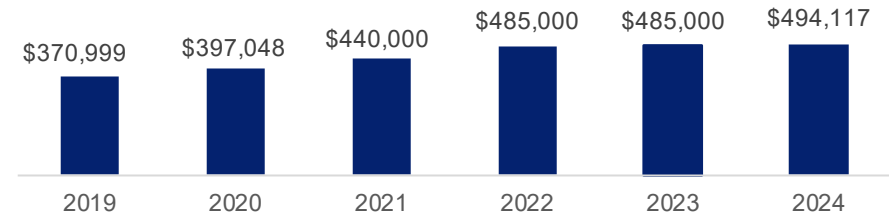
# For-Sale Residential Market: With rising interest rates, existing home sales have cooled Lakeville, driven by interest rate increases and following national trends

## 14 Residential Real Estate Transactions in Lakeville



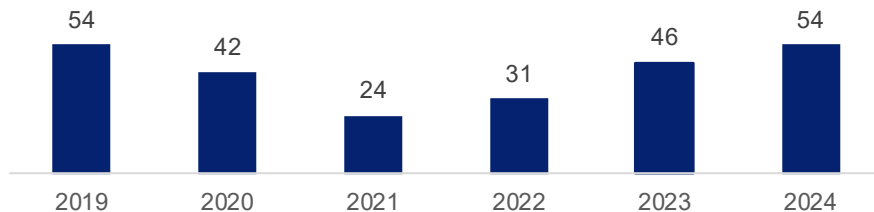
Source: Multiple Listing Service; LOCi Consulting LLC

## 15 Median Sales Price of Home Sales in Lakeville



Source: Multiple Listing Service; LOCi Consulting LLC

## 16 Average Days on the Market for Home Sales in Lakeville



Source: Multiple Listing Service; LOCi Consulting LLC



## For-Sale Residential Market: Select Actively Marketing Single-Family Developments in Lakeville

Development	Units	Square Footage	Price Points	Estimated Units per Acre
<b>Cedar Hills – Discovery Collection</b> Single-Family Homes 2020	139 (85 sold)	2,185 – 2,706	\$559,810 - 612,550	1.3 (78-acre development)
<b>Glacier Creek, 2<sup>nd</sup> 4<sup>th</sup> and 5<sup>th</sup> Additions</b> Single-Family Homes 2021	99 (77 Sold)	2,984 - 3,921	\$635,529 - 799,900	3.0 (32-acre development)
<b>Berres Ridge, 7<sup>th</sup> 8<sup>th</sup> and 9<sup>th</sup> Additions</b> Single-Family Homes 2020	88 (44 Sold)	2,377 – 4,801	\$548,900 – 774,900	2.1 (42-acre development)



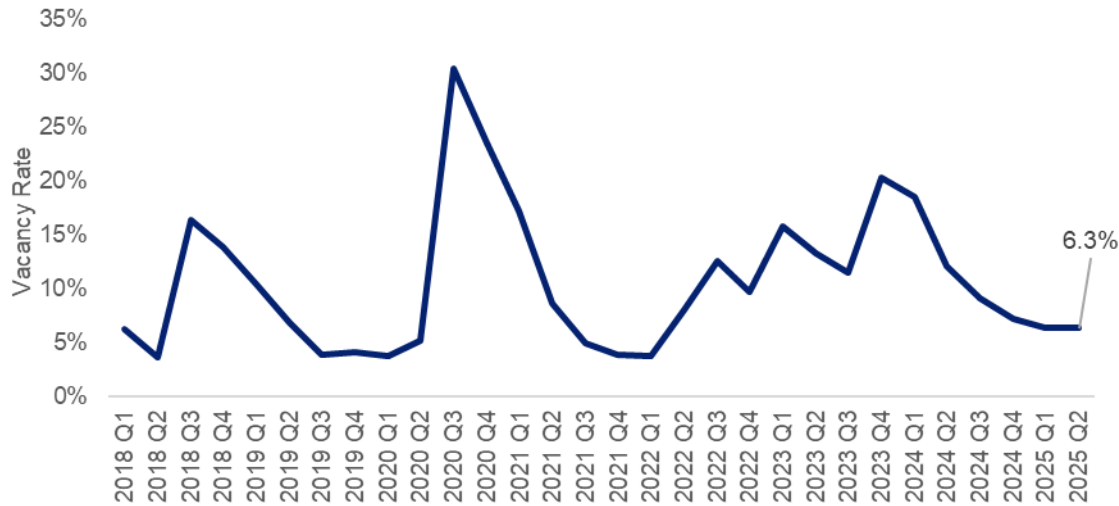
## For-Sale Residential Market: Select Actively Marketing Townhome Developments in Lakeville

Development	Units	Square Footage	Price Points	Estimated Units per Acre
<b>Cedar Hills – Villa Collection</b> Detached Townhomes 2020	205 (85 sold)	1,783 – 1,968	\$498,685 - 579,780	2.6 (76-acre development— estimated as the gross acreage for the development)
<b>Voyageur Farms</b> Detached Townhomes 2022	90 (24 sold)	1,828 – 2,502	\$439,900 – 570,000	2.4 (38-acre development)
<b>Brookshire</b> Side-by-Side Townhomes 2022	71 (45 Sold)	1,665 – 1,894	\$349,000 – 422,000	7.1 (10-acre development)
<b>Cordelia, 2<sup>nd</sup> Addition</b> Side-by-Side Townhomes 2023	91 (61 Sold)	1,883 – 2,011	\$363,000 – 450,000	7.5 (12-acre development)



# Rental Market: New rental product developed in the market has pushed the vacancy rate above 5%, but market-rate rents are still seeing growth

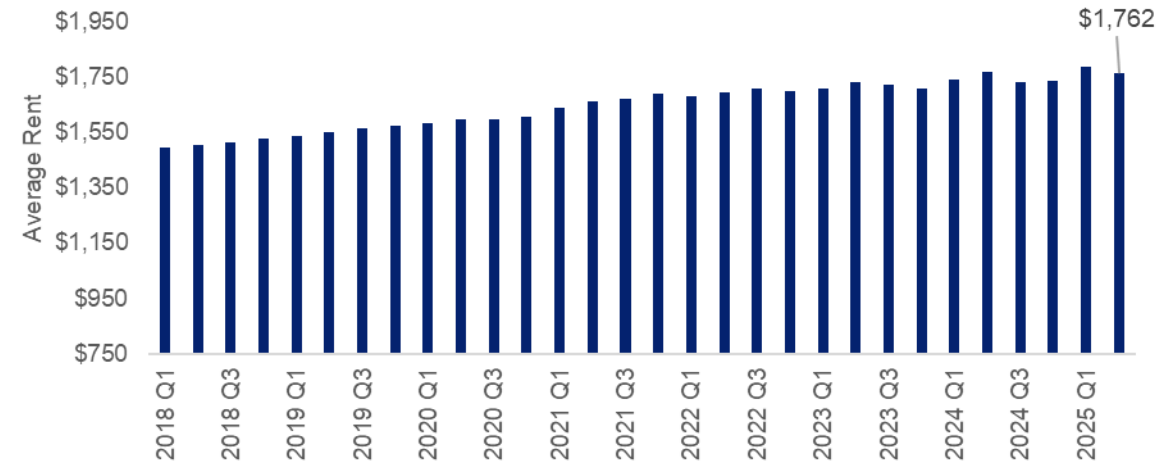
**17** Vacancy Rates for Market-Rate Rental Housing in Lakeville



\* Data is Q1 2018 to Q2 2025

Source: CoStar; LOCi Consulting LLC

**18** Average Rent for Market-Rate Rental in Lakeville



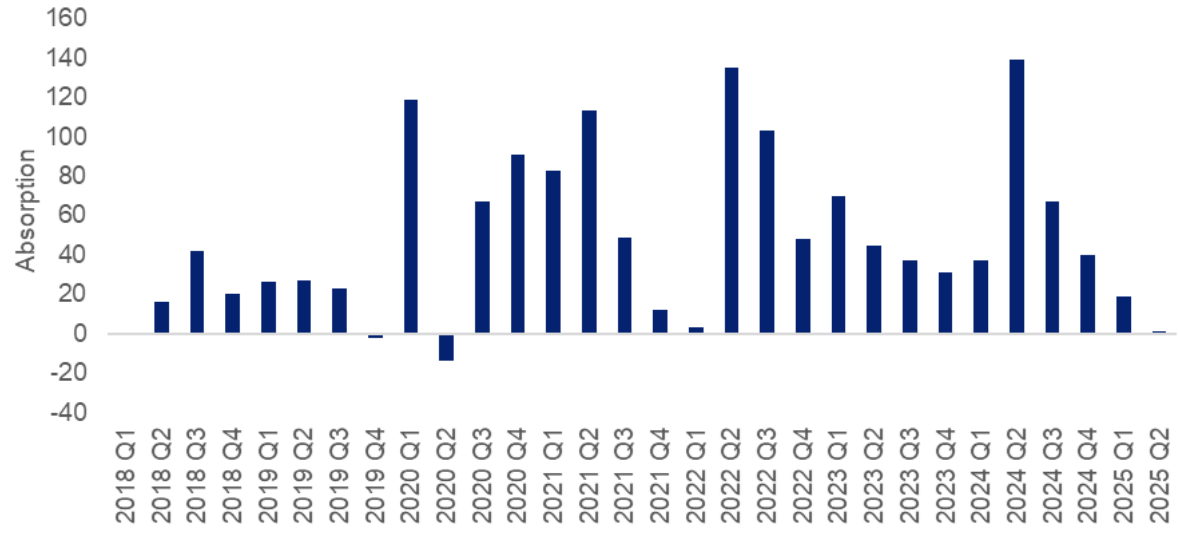
\* Data is Q1 2018 to Q2 2025

Source: CoStar; LOCi Consulting LLC



# Rental Market: Absorption of rental units has remained strong in Lakeville

## 19 Quarterly Absorption of Units for Market-Rate Rental in Lakeville



\* Data is Q1 2018 to Q2 2025

Source: CoStar; LOCi Consulting LLC

- The Lakeville rental market has seen an average rental unit absorption of about 200 units per year since 2018 (about 50 units per quarter)





## Rental Market: Recently Constructed Rental in Lakeville—Since 2018

Development	Year Built	Units	Vacancies	Square Footages	Rents	Estimated Units per Acre	Notes
<b>Authentix Lakeville</b> 11656 207th St W	2023	252	10	544 – 1,348	\$1,303 – 2,933	20.9 (12.0-acre development)	Townhome-style, rental development
<b>Livery Modern Apts.</b> 5076 161st St W	2022	204	4	868 – 1,505	\$1,775 – 2,851	19.2 (10.7-acre development)	Townhome-style, rental development
<b>Arris Apartments</b> 10805 173rd St W	2021	197	7	515 – 1,333	\$1,353 – 2,637	25.3 (7.8-acre development)	Four-story apartment building
<b>Northlake Lofts</b> 18400 Orchard Trail	2022	208	6	515 – 1,580	\$1,414 – 2,762	20.6 (10.0-acre development)	Four-story apartment building
<b>The Springs at Lakeville</b> 17400 Glacier Way	2020	260	11	662 – 1,436	\$1,609 - 2,629	16.8 (15.5-acre development)	Townhome-style, rental development
<b>The Edison at Spirit</b> 5181 161st St	2019	160	0	752 – 1,337	\$1,534 – 1,960	30.8 (5.2-acre development)	Four-story apartment building
<b>Lakeside Flats</b> 16255 Kenyon Ave	2018	120	6	588 – 1,679	\$1,415 – 2,335	29.5 (4.2-acre development)	Three-story apartment building



# Residential Market: Themes from Interviews and Discussions

## ***For Sale Market***

- 2024 and 2025 have been much slower than 2022 and 2023—because of higher interest rates—but sales seem to be trending up in the last few months
- A significant portion of townhome demand is driven by investors—depending on the homeowner association agreements, the number of investor buyers is often capped
- Buyers with contingent sales have become much more common in the last two years
- Homebuyers frequently say they want larger lot sizes, but lot size is not a critical issue—brokers said they believe most buyers will be willing to go smaller on lot size to keep the overall cost lower
- There is strong demand from 1<sup>st</sup> and 2<sup>nd</sup> generation immigrant families in Lakeville
- The strong school district(s) are a strong selling point for Lakeville

## ***Rental Market***

- Lease up of new projects is going well—managers are still seeing strong demand
- Renters like the variety of rental types offered in Lakeville, with both apartment buildings and townhome style rentals
- Renters are coming from all over the Twin Cities and a wide variety of new household formations, middle-aged and young senior renters, and change-of life-renters

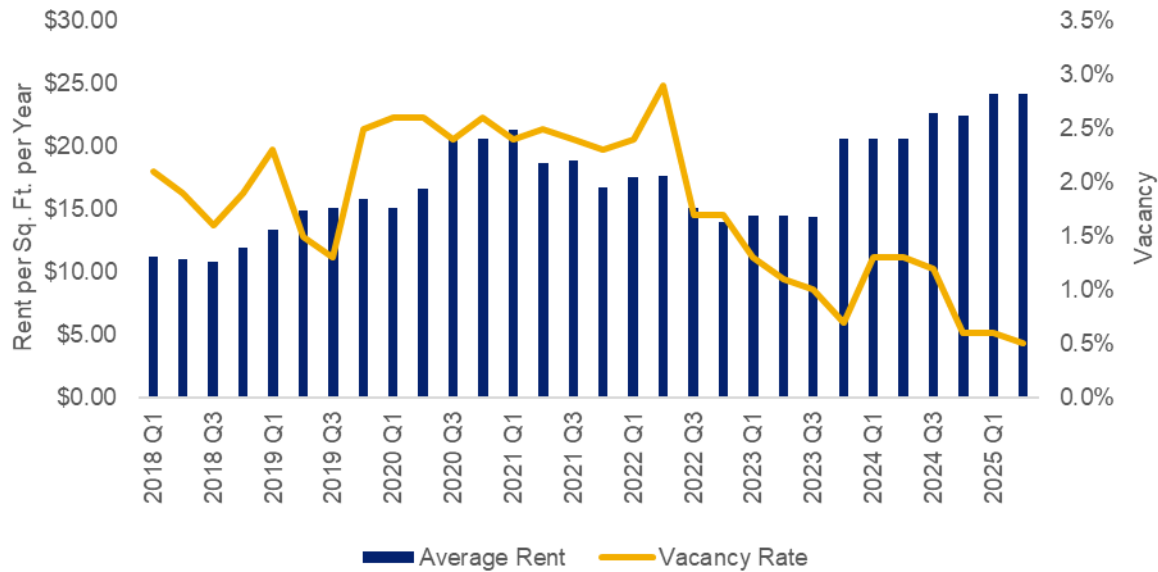


Source: Interviews, LOCi Consulting LLC



# Retail Real Estate Market: Vacancy rates for retail are much lower than the Metro Area and absorption over the last 10 years has been strong

**20** Average Lease and Vacancy Rates for Retail Space in Lakeville

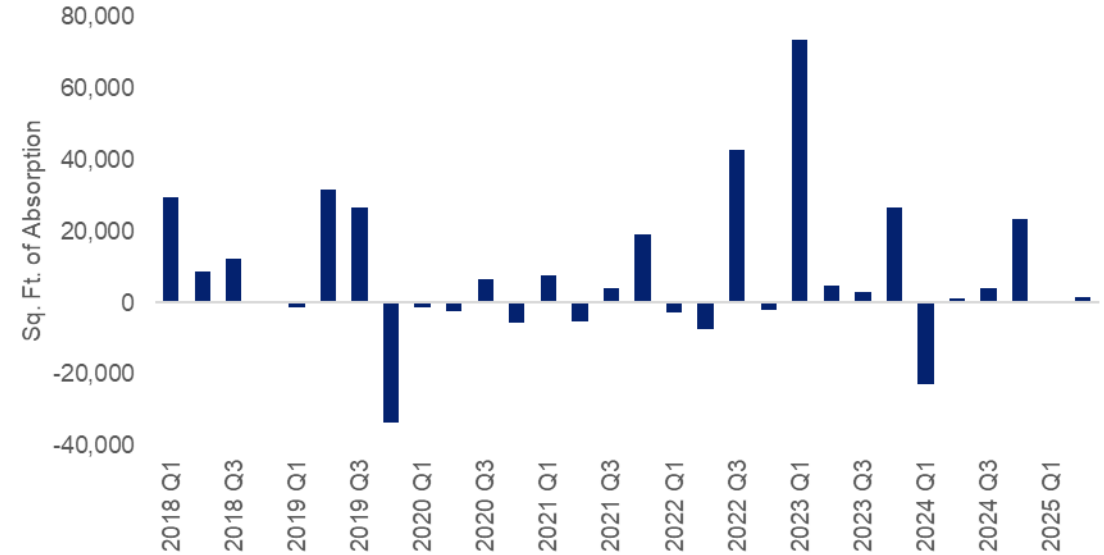


\* Data is Q1 2018 to Q2 2025.. Rents are average for all lease types.

Source: CoStar; LOCi Consulting LLC

- Lakeville’s retail vacancy rate was 0.5% in 2<sup>nd</sup> quarter of 2025 (versus 2.7% for the Minneapolis Market)

**21** Net Quarterly Absorption for Retail Space in Lakeville

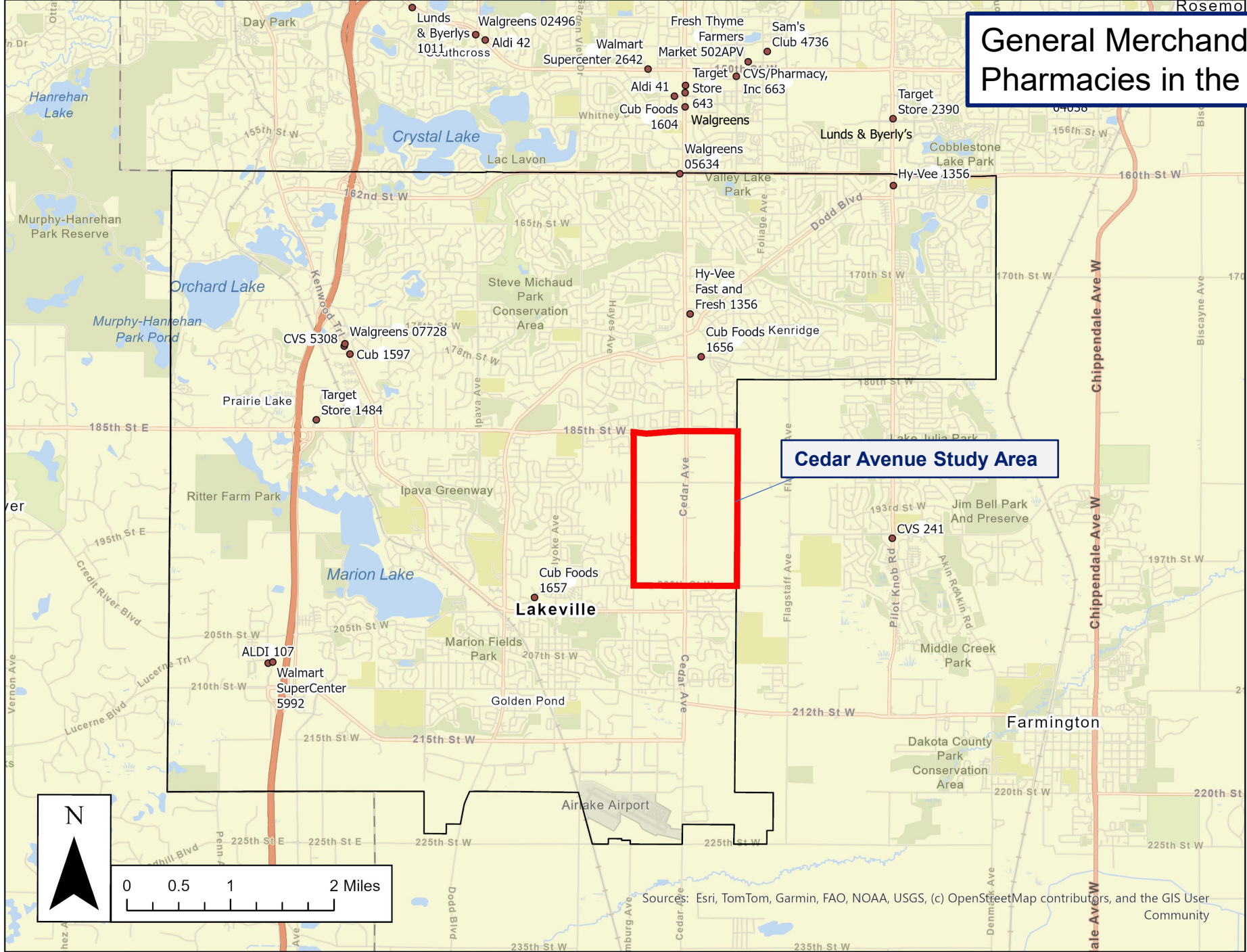


\* Data is Q1 2018 to Q2 2025

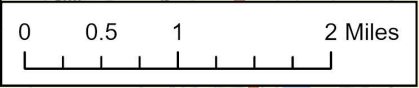
Source: CoStar; LOCi Consulting LLC

- The retail market in Lakeville has seen average annual absorption\* of over 50,000 square feet of space per year (2018-2025 Q2)

# General Merchandisers, Grocers, and Pharmacies in the Lakeville Area



**Cedar Avenue Study Area**



Source: Esri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community



## Retail Real Estate Market: New Construction in Lakeville since 2018

Development	Year Built	Square Footage	Acreage	Floor Area Ratio
20681 Keokuk Ave – Taco Bell	2024	2,867	1.76	0.04
17401 Dodd Blvd – New Creations Child Care and Learning Center	2023	23,842	1.31	0.14
7200 Lakeville Blvd – Apple Collision and Glass	2022	61,674	10.28	0.13
20170 Iberia Avenue – Tires Plus	2021	6,500	1.08	0.14
18477 Kenrick Ave – Raising Cane’s	2021	3,365	1.49	0.08



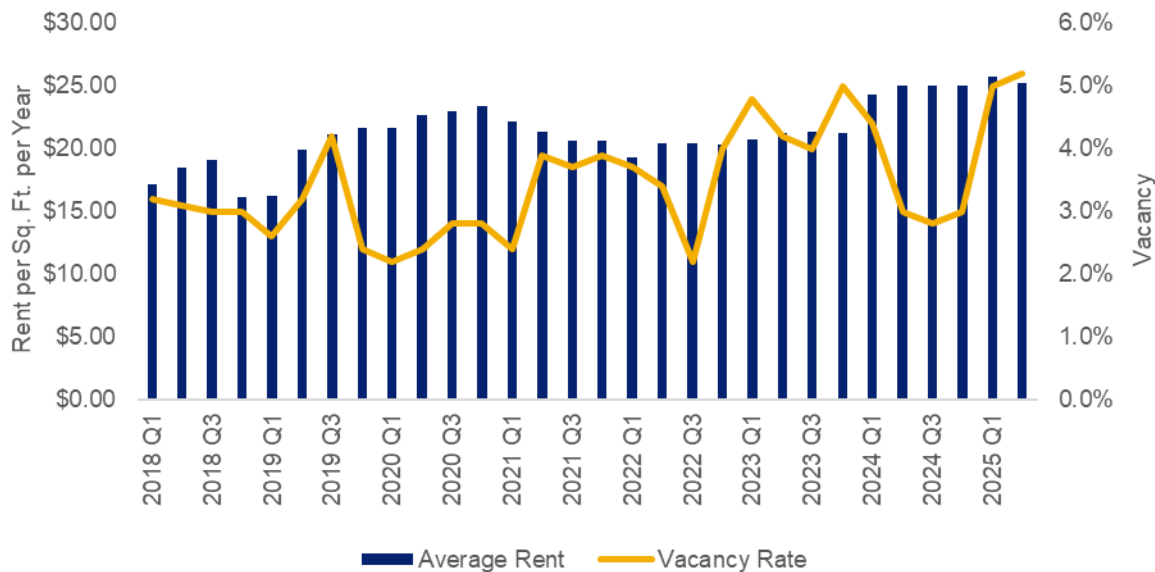
## Retail Real Estate Market: New Construction in Lakeville since 2018 (Continued)

Development	Year Built	Square Footage	Acreage	Floor Area Ratio
20880 Keokuk Ave – Strip Mall (Emporium Room)	2021	19,611	2.74	0.16
17380 Cedar Ave – Hy-Vee Fast & Fresh	2019	7,830	3.90	0.05
11542 207th St – ALDI	2018	22,261	2.52	0.20
9139 202 <sup>nd</sup> St – O’Reilly Auto Parts	2018	7,569	1.01	0.17
19925 Idealic Ave – Advanced Oral Surgery	2018	4,164	0.75	.013



# Office Real Estate Market: Vacancy rates are lower than the metro and positive office space absorption since 2020 (driven mostly by medical office)

**22** Average Lease and Vacancy Rates for Office Space in Lakeville

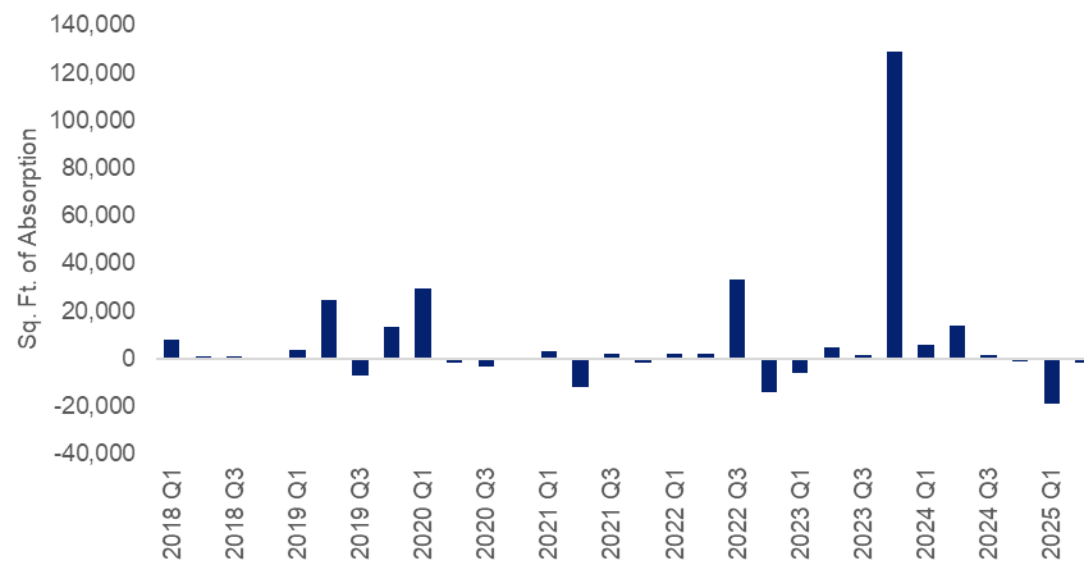


\* Data is Q1 2018 to Q2 2025.. Rents are average for gross lease types.

Source: CoStar; LOCi Consulting LLC

- Lakeville’s office vacancy rate was 5.2% in 2<sup>nd</sup> quarter of 2025 (versus 11.6% for the Minneapolis Market)

**23** Net Quarterly Absorption for Office Space in Lakeville



\* Data is Q1 2018 to Q2 2025

Source: CoStar; LOCi Consulting LLC

- The Lakeville office market has seen absorption\* of about 20,000-square feet per year since 2018, although the last year (2024 Q2 to 2025 Q2) saw negative absorption



## Office Real Estate Market: New Office Constructed in Lakeville since 2018 – all but one development is medical office

Development	Year Built	Square Footage	Acreage	Floor Area Ratio
18465 Orchard Trail – Lakeville Specialty Center	2022	107,036	4.24	0.58
17489 Dodd Blvd – Allina Health Lakeville North Clinic	2022	68,356	4.47	0.35
17210 Kenyon Ave – Summit Orthopedics	2021	25,600	1.72	0.34
18484 Kachina Ct – Park Nicollet Clinic	2019	28,128	4.63	0.14
21088 Keswick Loop – Compeer Financial	2018	30,295	3.40	0.20



## Planned and Pending Developments in Lakeville

### Residential

#### ***Single-Family***

- 539 total available single-family lots as of June 30, 2025
- 259 total single-family lots preliminary platted, pending final plat

#### ***Townhomes***

- 616 total available townhome lots as of June 30, 2025
- 250 townhome lots preliminary platted, pending final plat

#### ***Apartments***

- Crown LMN, LLC been approved to develop two market-rate, four story multi-family apartment buildings with 182 units on just under 10 acres located north of 210th Street (CSAH 70) and west of Keokuk Avenue (This project may not move forward)
- Ron Clark Construction has received final plat approval by the City Council for a development to be known as Kenyon Green—with 15 attached townhomes and a 49-unit multi-family apartment building on a 6.5-acre parcel

### Commercial

- Heritage Commons 10th Addition has received pre-plat approval for the construction of two convenience restaurants - Chipotle and a drive-thru coffee shop, located at 202<sup>nd</sup> Street and Dodd Boulevard
- Oppidan is proposing the 13-acre Marketplace at Cedar with nine commercial lots located at the SE corner of Cedar Avenue (CSAH 23) and 179th Street (CSAH 9). Marketed tenants include ALDI, Taco Bell, Valvoline, and a credit union. The project received preliminary plat approval by the City Council
- MSP Pilot Knob, LLC has proposed the development of a 9,205 square-foot commercial space to be located within the Spirit of Brandtjen Farm commercial development for Grow Pediatrics. The project has not received final council approval
- Heritage Commons 9<sup>th</sup> Addition has received final plat approval for the development of a Chase Bank

# Appendix



**A.1 Median Household Income**

	Estimate 2025	Forecast 2030	Proj. Annual Growth Rate 2025-2030
City of Lakeville	\$132,898	\$152,332	2.8%
<u>Cedar Avenue Study Area</u>			
5-Minute Drive-Time Area	\$126,924	\$145,765	2.8%
10-Minute Drive-Time Area	\$119,242	\$134,470	2.4%
15-Minute Drive-Time Area	\$109,551	\$121,263	2.1%
Dakota County	\$103,582	\$113,378	1.8%
Minneapolis-St. Paul CBSA	\$99,859	\$109,679	1.9%
United States	\$81,624	\$92,476	2.5%

Source: US Census Bureau; ESRI; LOCi Consulting LLC

## A.2 Households by Age and Income in Lakeville

2025							
	Age of Householder						
	15-24	25-34	35-44	45-54	55-64	65-74	75+
Less than \$15,000	147	289	255	282	444	501	686
\$15,000-\$24,999	114	209	248	249	469	501	739
\$25,000-\$34,999	99	262	268	235	388	503	846
\$35,000-\$49,999	300	858	958	643	938	1,089	1,362
\$50,000-\$74,999	322	1,543	1,753	1,516	1,697	2,196	1,713
\$75,000-\$99,999	350	1,919	2,288	2,007	1,959	1,997	1,155
\$100,000-\$149,999	235	2,590	3,871	3,644	3,423	2,349	744
\$150,000-\$199,999	75	1,855	3,309	3,010	2,577	1,202	514
\$200,000+	28	1,742	4,028	4,219	3,559	1,426	393

Median HH Inc.	\$61,128	\$107,258	\$130,460	\$137,297	\$121,482	\$86,722	\$54,588
Minneapolis-St. Paul CBSA	\$53,317	\$97,534	\$119,053	\$126,783	\$112,459	\$80,580	\$52,412

2030							
	Age of Householder						
	15-24	25-34	35-44	45-54	55-64	65-74	75+
Less than \$15,000	143	250	211	251	300	438	790
\$15,000-\$24,999	99	174	172	193	312	423	742
\$25,000-\$34,999	84	201	197	159	245	420	831
\$35,000-\$49,999	282	730	757	541	676	931	1,477
\$50,000-\$74,999	327	1,396	1,476	1,376	1,332	2,178	2,075
\$75,000-\$99,999	375	1,815	2,032	2,013	1,680	2,114	1,525
\$100,000-\$149,999	270	2,700	3,505	3,633	3,016	2,702	1,044
\$150,000-\$199,999	89	2,224	3,345	3,447	2,623	1,568	864
\$200,000+	38	2,530	4,613	5,335	4,022	2,236	799

Median HH Inc.	\$66,838	\$121,424	\$145,999	\$153,123	\$139,550	\$100,012	\$62,376
Minneapolis-St. Paul CBSA	\$56,933	\$107,563	\$130,078	\$140,611	\$127,872	\$93,170	\$60,030



**A3 Consumer Spending in Retail Categories In the PMA**

	Estimate 2025	Forecast 2030	Growth 2025-2030
Apparel and Accessories	\$131,952,021	\$136,147,978	\$4,195,957
Electronics	\$98,644,558	\$101,637,838	\$2,993,280
Pets	\$53,786,322	\$55,381,732	\$1,595,410
Toys	\$9,538,135	\$9,832,874	\$294,739
Sporting Goods	\$14,340,669	\$14,807,825	\$467,156
Books	\$6,332,023	\$6,514,428	\$182,405
Groceries	\$378,421,636	\$389,942,505	\$11,520,869
Restaurants	\$220,651,845	\$227,693,334	\$7,041,489
Liquor	\$36,035,529	\$37,126,013	\$1,090,484
Pharmacy	\$37,276,088	\$38,321,474	\$1,045,386
Furniture and Home Improvement	\$129,996,336	\$133,973,377	\$3,977,041
Household and Personal Care	\$75,548,333	\$77,875,734	\$2,327,401
<b>Total</b>	<b>\$1,192,523,495</b>	<b>\$1,229,255,113</b>	<b>\$36,731,618</b>

\* Data is shown in 2025 Dollars, adjusted from ESRI projection. ESRI assumes 2.4% inflation.

Source: US Census Bureau; ESRI; LOCi Consulting LLC



**A4 Est. Employment by Industry for the Metro Area and Lakeville, 2024**

	Seven County Metro Area		City of Lakeville	
	Number	Pct.	Number	Pct.
Utilities	7,035	0%	---	---
Construction	80,031	5%	1,237	6%
Manufacturing	172,794	10%	2,871	13%
Wholesale Trade	77,820	4%	853	4%
Retail Trade	155,474	9%	2,787	13%
Transportation and Warehousing	79,091	4%	948	4%
Information	28,735	2%	267	1%
Finance and Insurance	99,668	6%	502	2%
Real Estate and Rental and Leasing	27,103	2%	317	1%
Professional and Technical Services	124,295	7%	615	3%
Management of Companies	74,226	4%	237	1%
Administrative and Waste Services	84,323	5%	1,525	7%
Educational Services	137,938	8%	2,369	11%
Health Care and Social Assistance	304,451	17%	2,668	12%
Arts, Entertainment, and Recreation	35,946	2%	659	3%
Accommodation and Food Services	135,106	8%	2,319	11%
Other Services	56,525	3%	856	4%
Public Administration	79,689	5%	542	3%
<b>Total</b>	<b>1,764,363</b>	<b>100%</b>	<b>21,599</b>	<b>100%</b>

Notes:

Utilities employment is not disclosed for the City of Lakeville.

Source: Minnesota Department of Employment and Economic Development; Quarterly Census of Employment and Wages; Employment Outlook; LOCi Consulting LLC

## A.5

 For-Sale Housing Demand in the Study Area, 2025 to 2030.

Demand from Household Growth in Lakeville		
Households in 2025		26,691
Households in 2030		28,873
Projected growth of the market		2,182
Estimated percentage that will choose new for-sale housing		88%
Units needed to meet demand from household growth in Lakeville		1,916
Demand from For-Sale Housing Turnover in Lakeville		
Estimated number of households that own in Lakeville in 2025		23,442
Pct. that will seek new for-sale housing between 2025 and 2030		26%
Pct. that will choose new for-sale housing		3%
Units needed to meet demand from turnover in PMA		150
Demand from Outside the PMA		
Estimated demand from outside PMA		5%
Total Demand for For-Sale Housing in Lakeville		2,175
Planned and Pending Single-Family and Townhome Lots		
Planned or pending lots in Lakeville		1,664
Units needed in Lakeville		511
Demand in Lakeville by Housing Type <sup>1</sup>		
	Single-Family	Townhomes
	75%	25%
Units needed in Lakeville	383	128

1. Based on distribution of MLS listed new construction sold between 2020 and 2024.

## **A.6** Rental Housing Demand in the Growth Area, 2025 to 2030

Demand from Household Growth in Lakeville	
Households in 2025	26,691
Households in 2030	28,873
Projected growth of the market	2,182
Estimated percentage that will choose new rental housing	12%
Units needed to meet demand from household growth in Lakeville	266
Demand from For-Sale Housing Turnover in Lakeville	
Estimated number of households that rent in Lakeville in 2024	3,249
Pct. that will seek new rental housing between 2025 and 2030	69%
Pct. that will choose new rental housing	10%
Units needed to meet demand from turnover in PMA	223
Planned and Pending Rental Units	
Planned or pending rental units	230
Total Demand for For-Sale Housing in Lakeville	258
Demand from Outside the PMA	
Estimated demand from outside PMA	5%
Total Demand for For-Sale Housing in Lakeville	272

Source: LOCi Consulting LLC



---

**A7** Retail Space Demand in the Growth Area, 2025-2030

---

Increase in Consumer Demand in 2025 Dollars, 2025 to 2030	\$36,731,618
Percent of Consumer Demand Spent at Brick and Mortar Retail	85%
Demand from Brick-and-Mortar Retail in the Market	<u>\$31,222,000</u>
Times Percentage Capturable by the Retail Node	15.0%
Equals Consumer Demand for Retail Sales in the Market	<u>\$4,683,300</u>
Divided by Average Sales per Square Foot	<u>\$400 - \$600</u>
Equals Demand for New Retail Space in the Retail Node	<u>7,800 - 11,700</u>

---

Source: ESRI; Minnesota Department of Revenue; Costar; LOCi Consulting LLC



**A.8 Medical Office Space Demand in the Study Area, 2025-2030**

Estimated Base of Medical Office Employment, Seven County Metro Area, 2023	
Ambulatory Health Care Services	91,729
<b>Total</b>	<b>91,729</b>
Estimated Total Square Footage Medical Office in Seven County Metro, 2025 <sup>1</sup>	24,000,000
Medical Office Square Footage per Employee	262
Estimated Five-Year Growth of Medical Office Employment, Seven County Metro Area, 2022 - 2032	
Ambulatory Health Care Services	4,450
<b>Total</b>	<b>4,450</b>
Additional Medical Office Space Demanded in Seven County Metro, 2025-2030	1,200,000
Medical Office SF in Lakeville, 2025 <sup>1</sup>	339,000
Medical Office SF in Lakeville as Percent of Total Metro	1.4%
Estimated Demand for Medical Office SF in Lakeville	16,950
Estimated capture rate for Study Area	10.0%
Estimated Demand for Medical Office SF in Lakeville	1,695
1. Costar data.	

Source: ESRI; Minnesota Department of Employment and Economic Development; CoStar;  
LOCi Consulting LLC



## Data Resources and Study Limitations

---

The data in this market analysis are compiled from a variety of sources, including interviews with city officials, property managers, and real estate salespeople, along with secondary demographic, economic, and competitive resources. Sources are identified in the tables and figures.

LOCi Consulting believes that these sources are reliable. However, there is no way to authenticate this data and information. LOCi Consulting does not guarantee the data and assumes no liability for any errors in fact, analysis, or judgement. The data in this analysis includes the most recent information available at the time of this analysis.

The findings, conclusions, and recommendations in this demand analysis are based on the best judgements and analysis at the time of the study. LOCi Consulting makes no guarantees or assurances that the projections or conclusions will be realized as stated.



**Thank you!**

**Services:**

- Market studies
- Demographic analysis
- Customer segmentation
- Market identification
- Market sizing
- Competitive analysis
- Geographic Information Systems (GIS) and site selection
- Data analytics

**Contact Information:**

Grant Martin  
Principal  
LOCi Consulting LLC  
651-888-8464  
[grant@lociconsult.com](mailto:grant@lociconsult.com)  
<https://www.lociconsult.com/>



# Cedar Avenue Land Use & Market Analysis Study

## Appendix B: Land Use Analysis

Prepared by



DRAFT January 2026

### Introduction

An analysis of past and current land use policy, recent developments, and future needs was completed to inform land use recommendations within Cedar Avenue Small Area Plan. Outcomes of each of these analyses are highlighted within this appendix to provide additional context and background. Additionally, considerations for how this analysis can be used within future policy updates and the 2050 Comprehensive Plan are provided.

### Existing Framework

A review of existing land use policy and recent development activity established an existing framework and understanding for the small area plan to be built upon.

### 2040 Comprehensive Plan

Lakeville Thrive!, the 2040 Comprehensive Land Use Plan, has guided Lakeville's development decisions since its adoption in October of 2019. The plan established growth management and land use goals and policies that support fiscally responsible growth that aligns with community needs and character. The future land use plan utilizes 16 land use categories to guide development decision throughout the community.

The Cedar Avenue small area plan study area is included within the Cedar Corridor special planning area. At the time of the plan's development the Red Line Bus Rapid Transit Corridor (BRT) was planned for extension along



Cedar Avenue. The Cedar Corridor was analyzed for transit-oriented development at a minimum average density of 8.0 dwelling units per acre to support the transit operations. Four land use categories were used within the small area plan study area:

*Table 1. 2040 Comprehensive Plan Land Use Categories*

Land Use	Density (du/ac)	Anticipated Uss	Acres	% of Area
<b>Low to Medium Density</b>	4.0-5.0	Single family, two family, detached townhouses	557	64%
<b>Medium to High Density</b>	5.0-9.0	Detached townhouse, quad, row/back-to-back attached townhouses	119	14%
<b>Corridor Mixed Use</b>	26.0-45.0	High density residential, senior housing, commercial, office	119	14%

A station was planned at Cedar Avenue and 195th Street, located within the study area. Land within a ½ mile of the transit station was guided to support the development of 2,283 to 3,656 new dwelling units at a density range of 0.1 to 45.0 units per acre. The Corridor Mixed Use land use category was guided to support the creation of 1 job per every 920 sf, resulting in a total job creation within the study area of 1,557 employees.

*Table 2. 195th Street Transit Station Plan*

Land Use	Net Acres	Density		Dwelling Units	
		Min	Max	Min	Max
<b>Low Density Residential</b>	1.0	0.1	3.0	1	3
<b>Low to Medium Density</b>	159.3	4.0	5.0	637	796
<b>Medium to High Density</b>	106.1	4.0	7.0	424	743
<b>Corridor Mixed Use</b>	47	26.0	45	1,221	2,114
<b>Total</b>	313.2			2,283	3,656

**The extension of the Red Line BRT is no longer planned following Metropolitan Council and Dakota County decisions, initiating the desire to explore land use opportunities and market realities through this small area plan.**

## Recent Development Context

While transportation context has changed, development surrounding the project area has continued. Adjacent development has included a combination of single-family homes alongside detached and attached townhomes, reflecting broader housing market trends and responding to Lakeville’s evolving demographic and economic conditions. In recent years, the surrounding area has experienced steady housing development and demand, supported by both traditional detached homes and higher-density, lower-maintenance and more affordable housing options. These developments support the addition of 778 units near the study area.

*Table 3. Recent Development Context*

Development	Housing Types	Total Units	Net Density	Gross Density
<b>Voyager Farms Addition</b>	Detached townhomes	154 units	4.0 u/a	2.47 u/a
<b>Glacier Creek 5th Addition</b>	Single-family homes	39 units	3.18 u/a	3.10 u/a
<b>Ameila Meadows</b>	Single-family and attached townhomes	232 units	3.88 u/a	3.15 u/a
<b>Berres Ridge 9th Addition</b>	Single-family homes	34 units	2.6 u/a	1.95 u/a
<b>Reserve at Cedar Creek</b>	Single-family homes	48 units	3.27 u/a	2.4 u/a
<b>Cedar Creek Villas Addition</b>	Detached townhomes	66 units	3.13 u/a	2.20 u/a
<b>Cedar Hills Addition</b>	Detached townhomes	205 units	3.11 u/a	2.16 u/a

Spatially, these new neighborhoods are concentrated near existing transportation corridors and utility infrastructure extensions, enabling incremental and efficient expansion of the built environment. Their location also places new residents in close proximity to emerging commercial areas, parks, and city services, enhancing the overall accessibility and reinforcing development opportunities. Development to the south-east of the study area supports the extension of city services into the study area, opening opportunities for growth within the study area, moving from south to north on the east side of Cedar Avenue before crossing over Cedar Avenue to support development on the west side.

As these developments take shape, they are beginning to define the character of the study area, transitioning it from largely rural and low-density development patterns towards neighborhoods that support neighborhood commercial uses while preserving existing natural corridors. The concentration of new developments and growth opportunities underscores the need for coordinated planning across land use and transportation networks to support safe, convenient, and equitable infrastructure and development.

# Land Use Analysis

The land use analysis for the Cedar Avenue Small Area Plan was developed to establish a clear and data-informed foundation for how this key growth area should evolve over time. The analysis combined insights from the market study, recent development patterns, and the city’s adopted policy guidance to create a land use framework that reflects current conditions while anticipating future opportunities. This approach ensures that land use recommendations are grounded in local context, aligned with market realities, and positioned to support strategic public investment.

This work comes at a pivotal time, as the city will soon begin its 2050 Comprehensive Plan update. The land use analysis completed for the small area plan is intentionally designed to inform and complement this upcoming effort. The framework, land use categories, and development are intended to serve as foundational inputs and data points for the broader Comprehensive Plan. In particular, the analysis helps define land use typologies that support investment within the study area and respond to the community’s long-term housing, employment, and commercial needs.

The Cedar Avenue study area is a significant growth area within the community, as one of the largest areas positioned to accommodate new housing, commercial development, infrastructure extension, and public and open spaces. With ongoing shifts in residential densities and evolving expectations for neighborhood-serving commercial development, it is critical to understand the development capacity of the area and how it contributes to Lakeville’s overall land use balance. Establishing this understanding ensures that future development not only fits the study area context but also supports broader community goals related to housing diversity, fiscal health, and sustainable infrastructure expansion.

The market analysis prepared as part of the study served as the basis for defining a set of land use typologies tailored to the study area. These typologies reflect both recent development patterns in Lakeville and the projected market environment for the next 10 to 15 years. By grounding land use guidance in market conditions, the analysis supports development that is realistic, financially feasible, and responsive to long-term community needs.

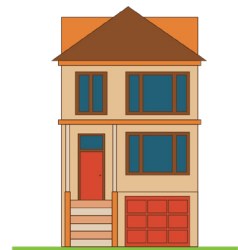
A total of six land use typologies were used to build land use recommendations within the study area. These categories provide a structured approach for evaluating development scenarios, calculating housing capacity, and identifying the infrastructure needed to support full build-out of the area.



## Single-family homes

**Density:** 2.5 to 4.5 units/acre

**Description:** This typology reflects traditional detached housing on individual lots, offering private yards, driveway access, and lower-density neighborhood character.



## Detached townhomes

**Density:** 3.0 to 6.0 units/acre

**Description:** Detached townhomes provide a transition between single-family neighborhoods and higher-density residential forms. These homes offer standalone units, but at a slightly higher density and may incorporate shared maintenance or managed common areas.



### Twinhomes

**Density:** 4.0 to 7.0 units/acre

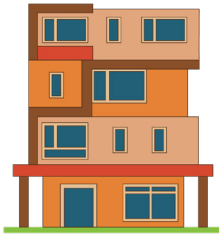
**Description:** Twinhomes include two attached units within a single structure, blending moderate density living with a residential character similar to single-family homes.



### Attached townhomes

**Density:** 6.0 to 9.0 units/acre

**Description:** Attached townhomes offer a medium-density building typology, where units share walls and have smaller individual yards.



### Apartments

**Density:** 18.0 to 32.0 units/acre

**Description:** Apartments provide the highest-density residential option within the study area, typically consisting of multi-story buildings with a mix of unit sizes and shared amenities.



### Commercial and office development

**Description:** Commercial and office developments accommodate retail service, medical, and employment-oriented businesses that support both the study area and the broader community.

Several key physical and environmental considerations also shaped the small area plan recommendations within the study area. The construction of Grand Prairie Park introduces a major amenity that will serve as a regional attraction and influence land values, development desirability and connections to outdoor recreation. Additionally, the study area includes multiple green space corridors and natural drainageways that lay a critical role in storm-water management. These natural features, combined with areas of challenging topography, represent important constraints but also significant opportunities to integrate environmental systems into neighborhood design. Preserving and enhancing these features will support both ecological function and community character as development progresses.

## Consumption estimates

The market analysis findings identified land use consumption estimates for the next 15 years. These estimates were identified to align with the city’s 2050 household projections identified by the Metropolitan County and overall market trends and conditions. This analysis found that nearly 75 percent of the study area could be built out by 2040, with the remaining area assumed to be developed in following years. The timeline for this development was not identified, because it is challenging to forecast accurate and defensible market conditions beyond 15 years.

*Table 4. 2050 Forecasts*

Forecast	2020	2030	2040	2050
Population	69,690	79,990	84,700	89,550
Households	23,265	28,100	31,000	33,100
Employment	15,888	23,100	25,200	29,900

To support further understanding of development potential and the relationship to various land use categories and infrastructure planning, a development phasing plan was developed (Figure 6 of the study report). This phasing aligns with the planned utility extension from the southeast in Amelia Meadows to the north. It also aligns with the 2050 forecasts, assuming that the market and development potential supports 59% of the city’s household growth for the 2020 to 2030 and 2030 to 2040 growth periods.

The phasing plan was developed to identify the land use consumption need to support the development of a mix of residential typologies to support housing forecasts. The following table outlines the total acres identified for the land use typologies as grouped together in the small area plan by forecast period. The number of units identified was calculated using an average density for each typology group. Additionally, the unit total and density calculations did not remove acreage for future infrastructure of service uses. It is recommended that further analysis is completed during the Comprehensive Plan update.

*Table 5. Land Use Consumption by Phase.*

	2025-2030			
	Total	Single-family and Detached townhomes	Attached townhomes and Twinhomes	Apartments
		3 u/a	6 u/a	18 u/a
Acres	169 acres	135 acres	22 acres	12 acres
Household units	753 units	405 units	132 units	216 units
	4.5	Average Net Density		

2030 - 2040				
	Total	Single-family and Detached townhomes 3 u/a	Attached townhomes and Twinhomes 6 u/a	Apartments 18 u/a
Acres	344 acres	270 acres	50 acres	24 acres
Household units	1,542 units	810 units	300 units	432 units

**4.5 Average Net Density**

Beyond 2040 (Full build-out)				
	Total	Single-family and Detached townhomes 3 u/a	Attached townhomes and Twinhomes 6 u/a	Apartments 18 u/a
Acres	164 acres	114 acres	35 acres	15 acres
Household units	822 units	342 units	210 units	270 units

**5.0 Average Net Density**

## 2050 Considerations

The small area plan provides data points and interim recommendations that can be used by the city within the 2050 Comprehensive Plan update process and to inform conversations with developers and property owners about development and infrastructure activities within and near the study area. The following considerations may help to inform future planning efforts regarding the Cedar Avenue study area.

### Evolving density expectations for lower density residential typologies

Single-family and detached townhome typologies traditionally align with Lakeville’s lower density land use categories. However, recent development activity in and around the study area has produced higher net densities for these housing types. This trend may warrant revisiting and potentially increasing density ranges for these categories in future land use planning to better reflect market conditions, development feasibility, and efficient use of infrastructure.

### Medium-Density typologies align with established land use categories

Attached townhomes and twinhomes are well aligned with Lakeville’s existing medium density land use categories. These typologies fit comfortably within density ranges historically applied in the City’s planning framework and continue to meet demand for flexible, attainable, and moderately dense housing options. Their placement in the land use plan should reinforce transitions between lower-density neighborhoods and higher-density districts.

## **High-Density Residential should consider form and function**

Apartment development aligns with the City's high density residential categories and has historically been delivered across a wide density spectrum. Future planning should explore this full range, including building scale, internal circulation, access, parking design, and resident amenities, to ensure the City provides rental options suitable for a diverse array of households. The land use plan should support strategic placement of high density housing to reinforce multimodal access, transit potential, and proximity to services.

## **Commercial and office uses should consider both neighborhood and regional needs**

Commercial and office areas in the study area should be planned to accommodate a variety of small scale neighborhood services and may support broader regional commercial activity. The study area's location along Cedar Avenue and the future 185th Street extension, support both localized daily needs and regional visitation.

## **Green Corridors are foundational to future land use and infrastructure planning**

The green corridors that traverse the study area, including drainageways, natural resource areas, and challenging topography, are key structural elements for future neighborhood design. These features must be intentionally integrated into master planning efforts to ensure ecological function, stormwater performance, and community character are preserved. The corridors also offer opportunities for trails, open space connections, and neighborhood identity.

## **Single-Family and Detached Townhomes will remain leading market drivers**

According to the market study, single-family and detached townhomes show the highest demand and absorption potential. These are also the development types most recently delivered in surrounding areas. Their placement within the land use framework should reflect the small area plan's development structure, align with lower volume transportation networks, and take advantage of adjacency to green corridors to enhance neighborhood quality.

## **Twinhomes and Attached Townhomes as transitional, market-driven housing options**

Twinhome and attached townhome products also exhibit strong market support and may occupy significant development areas within the study area. These typologies serve as effective transitions between lower-density housing and higher intensity uses. They are well suited near apartment sites, commercial areas, and community amenities where increased activity levels and infrastructure capacity support a more compact residential form.

## **Strategic distribution of apartment development to support housing diversity and commerce**

Apartment land uses were intentionally placed in smaller concentrations throughout the study area to diversify housing choices and strengthen the viability of commercial development. By locating higher-density housing near amenities and activity centers, the plan supports walkability, enhances access to services, and helps generate customer bases for emerging commercial nodes.

## **Commercial typology supports local and regional activity nodes**

The commercial typology was applied to areas positioned to serve both neighborhood residents and regional travelers. Its placement leverages visibility and access along Cedar Avenue while also benefiting from proximity to higher-density residential development. The future extension of 185th Street is expected to further enhance mobility and access, potentially catalyzing additional commercial investment in the study area.