Minneapolis Rental Housing Brief

December 2018
Rents

Median Rents

**ONE BEDROOM**

Dec 2018  $1,100
Dec 2017  $1,070

+2.8% Increase YOY

**TWO BEDROOM**

Dec 2018  $1,500
Dec 2017  $1,548

-3.1% Decrease YOY

**THREE BEDROOM**

Dec 2018  $1,600
Dec 2017  $1,385

+7.2% Increase YOY

Income Required to Rent a Home in December 2018

Figures are based on the common landlord screening requirement that an applicant must earn 2.5 times the rent in income.

**ONE BEDROOM**  $2,750

**TWO BEDROOM**  $3,750

**THREE BEDROOM**  $3,885

Vacancies by Building Type

**APARTMENT**

Dec 2018  65%
Dec 2017  70%

**SINGLE FAMILY HOME**

Dec 2018  9%
Dec 2017  9%

**OTHER** (Condo, Duplex, Townhome)

Dec 2018  26%
Dec 2017  21%

Source: HousingLink’s Twin Cities Rental Revue, based on an average of 605 rental vacancy rental listings a month for a variety of building types including multifamily apartments, single-family homes, duplexes, condominiums, and townhomes.
Rental Housing Affordability

Median One Bedroom Rents\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>DEC 2018</th>
<th>DEC 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Credit Properties</td>
<td>$894</td>
<td>$1,001</td>
</tr>
<tr>
<td>Market Rate Properties</td>
<td>$1,120</td>
<td>$1,075</td>
</tr>
<tr>
<td>Listed on HousingLink</td>
<td>$590</td>
<td>$695</td>
</tr>
</tbody>
</table>

Number of NOAH Rental Vacancies\(^2\)

<table>
<thead>
<tr>
<th></th>
<th>ONE BEDROOM</th>
<th>TWO BEDROOM</th>
<th>THREE BEDROOM</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2018</td>
<td>185</td>
<td>65</td>
<td>9</td>
</tr>
<tr>
<td>December 2017</td>
<td>145</td>
<td>50</td>
<td>10</td>
</tr>
</tbody>
</table>

\(^1\) Source HousingLink’s Twin Cities Rental Revue, based on an average of 605 rental vacancy rental listings a month for a variety of building types including multifamily apartments, single-family homes, duplexes, condominiums, and townhomes.

\(^2\) Ibid. “NOAH” refers to “Naturally Occurring Affordable Housing” rental vacancies, defined in this report as those between $550 and $1,200 per month, a standard established by the locally-based NOAH Impact Fund: [https://noahimpactfund.com/impact-investing-affordable-housing-Minnesota/what-is-noah/](https://noahimpactfund.com/impact-investing-affordable-housing-Minnesota/what-is-noah/)
Rental Housing Affordability

% of Minneapolis Rental Vacancies Affordable by Income Level

<table>
<thead>
<tr>
<th>Income Level</th>
<th>December 2018</th>
<th>December 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% AMI ($27,120)</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>50% AMI ($45,200)</td>
<td>10%</td>
<td>3%</td>
</tr>
<tr>
<td>60% AMI ($54,240)</td>
<td>30%</td>
<td>20%</td>
</tr>
<tr>
<td>80% AMI ($72,320)</td>
<td>59%</td>
<td>54%</td>
</tr>
<tr>
<td>100% AMI ($90,400)</td>
<td>73%</td>
<td>84%</td>
</tr>
</tbody>
</table>

Source: HousingLink’s Twin Cities Rental Revue, based on an average of 605 rental vacancy rental listings a month for a variety of building types including multifamily apartments, single-family homes, duplexes, condominiums, and townhomes. Household Income for a family of four based on HUD’s Income Limits data, published annually at https://www.huduser.gov. Affordability analysis based on a family paying no more than 30% of income on gross housing costs, accounting for household size, utility costs, and building type.
Subsidized Housing in Minneapolis

December 2018 Vacancies Willing to Accept Section 8 Housing Choice Voucher

<table>
<thead>
<tr>
<th>Type</th>
<th>Dec 2018</th>
<th>Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Bedroom</td>
<td>21</td>
<td>14</td>
</tr>
<tr>
<td>Two Bedroom</td>
<td>16</td>
<td>10</td>
</tr>
<tr>
<td>Three Bedroom</td>
<td>9</td>
<td>8</td>
</tr>
</tbody>
</table>

Housing Choice Vouchers forfeited from September to December 2018

This figure refers to vouchers families were unable to place in service. This can result from rent exceeding the Public Housing Authority’s ability to adequately subsidize the voucher holder’s portion, or a landlord’s unwillingness to participate in the Section 8 Housing Choice Voucher program. Periods of low vacancy, such as Minneapolis is currently experiencing, typically exacerbate both of these constraints.

December 2018 Waiting List Openings

An 8% decrease from last year.

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1 Source: HousingLink’s Twin Cities Rental Revue, based on an average of 605 rental vacancy rental listings a month for a variety of building types including multifamily apartments, single-family homes, duplexes, condominiums, and townhomes.

2 Source: Minneapolis Public Housing Authority.

3 Source: Waiting list openings advertised on HousingLink. May include Public Housing, Project Based Section 8, Tax Credit, and more.
Rental Housing Stock
Licensed Rental Units – Q4 2018

95,252
0.7% since last year

2,030
"Tier 3" rental units
27% since last year

24,887
Units in 1 and 2 Unit Licenses
0.3% since last year

1,103
Units of Short-Term Rental Stock
(new in 2018 – up 80% from previous quarter)

airbnb 300+
entire home rentals listed

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1 Source: Analysis of City of Minneapolis Regulatory Services rental license data. Note: The City of Minneapolis uses a tiered rating system as part of their rental process. Tier 3 rentals are those which require excessive city services, are poorly maintained or managed, and may be at a higher risk for fire damage. Tier 3 rentals are additionally on the most frequent inspection cycle (one-year).

2 Source: December 31 Search of "entire home" rentals on AirBnB.com.
Apartment Sales & Development

Apartment Development in Units as of Q4 2018¹

<table>
<thead>
<tr>
<th></th>
<th>Proposed</th>
<th>Under Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable</td>
<td>3,064</td>
<td>621</td>
</tr>
<tr>
<td>Mixed Income</td>
<td>2,059</td>
<td>637</td>
</tr>
<tr>
<td>Market Rate</td>
<td>7,337</td>
<td>2,022</td>
</tr>
</tbody>
</table>

Average Price-Per-Unit Apartment Sales through Q4 2018²

1 Source: This analysis is based on research conducted since 2011 exclusively on projects vetted or written about by Finance & Commerce publication for its Twin Cities Apartment Development Tracker, available at finance-commerce.com.

2 Source: This analysis is based on research conducted since 2011 exclusively on projects vetted or written about by Finance & Commerce publication for its Twin Cities Apartment Sales Tracker, available at finance-commerce.com.
Notable Housing Facts

47% of Minneapolis renters live in housing that is not affordable to them¹

Affordability is defined as paying no more than 30% of pre-tax household income on gross housing costs (which includes rent and utilities). Those paying more than 30% of their income on housing are considered cost-burdened, a figure that is typically much higher among renters than homeowners.

7.3% of Minneapolis Public Schools students experienced homelessness in the past year²

Minneapolis Public Schools tracks “homeless and highly mobile” students “…who lack a fixed, regular, and adequate nighttime residence.” This includes children who live in shelters and transitional housing; those living in motels, hotels, and weekly-rate residences; those doubled-up with friends or non-immediate family; those living in abandoned buildings, public space, or cars; and those awaiting foster care placement. Source: Minneapolis Public Schools.

Availability of Housing for Special Populations
December 2018³

<table>
<thead>
<tr>
<th>Housing Openings</th>
<th>Keys-for-Heroes (Veteran-Friendly) Openings</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>61</td>
</tr>
</tbody>
</table>

Housing openings with one or more accessible features (↑up 42% from last year).

Keys-for-Heroes (Veteran-Friendly) openings. (↑up 74% from last year)

¹Source Analysis of 2017 1-year American Community Survey data from the US Census. For more discussion of this topic, including figures on “severe cost burden” (those paying more than 50% of their income on housing costs), visit: https://metrocouncil.org/Housing/Planning/Housing-Policy-Plan-Dashboard/Housing-Cost-Burden.aspx

²Source: Minneapolis Public Schools.

³Source: Advertised vacancies on HousingLink.org
To learn more about HousingLink’s rental market research, or to inquire specifically about this report, contact:

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Visit HousingLink.org for additional research, affordable rental housing opening and information.