Minneapolis Rental Housing Brief

August 2019
Rents

Median Rents

**ONE BEDROOM**
- August 2019: $1,081
- August 2018: $1,095
- **-1% Decrease YOY**

**TWO BEDROOM**
- August 2019: $1,425
- August 2018: $1,545
- **-8% Decrease YOY**

**THREE BEDROOM**
- August 2019: $1,600
- August 2018: $1,588
- **+1% Increase YOY**

Income Required to Rent a Home in August 2019

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

**ONE BEDROOM**
- $2,703

**TWO BEDROOM**
- $3,563

**THREE BEDROOM**
- $4,000

Vacancy Distribution by Building Type¹

**APARTMENT**
- August 2019: 65%
- August 2018: 68%

**SINGLE FAMILY HOME**
- August 2019: 10%
- August 2018: 9%

**OTHER**
- (Condo, Duplex, Townhome)
- August 2019: 25%
- August 2018: 23%

¹ Different than “vacancy rate,” we are saying that OF the vacancy rate (around 3%), 65% of the vacancies are apartments, 10% are single family homes, and 25% are of another building type.

Source: HousingLink’s Twin Cities Rental Review, based on an average of 820 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**

<table>
<thead>
<tr>
<th></th>
<th>Tax Credit Properties</th>
<th>Market Rate Properties</th>
<th>Listed on HousingLink</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AUGUST 2019</strong></td>
<td>$1,081</td>
<td>$975</td>
<td>$975</td>
</tr>
<tr>
<td><strong>AUGUST 2018</strong></td>
<td>$1,095</td>
<td>$959</td>
<td>$959</td>
</tr>
</tbody>
</table>

Number of NOAH Rental Vacancies

<table>
<thead>
<tr>
<th></th>
<th>ONE BEDROOM</th>
<th>TWO BEDROOM</th>
<th>THREE BEDROOM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>August 2019</strong></td>
<td>223</td>
<td>58</td>
<td>19</td>
</tr>
<tr>
<td><strong>August 2018</strong></td>
<td>264</td>
<td>54</td>
<td>15</td>
</tr>
</tbody>
</table>

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1 Source HousingLink’s Twin Cities Rental Revue, based on an average of 820 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

Want to learn more about this data point? Click here and watch this video!

**30% AMI**

- August 2019: 0%
- August 2018: 0%

**50% AMI**

- August 2019: 11%
- August 2018: 3%

**60% AMI**

- August 2019: 39%
- August 2018: 17%

**80% AMI**

- August 2019: 73%
- August 2018: 52%

**100% AMI**

- August 2019: 90%
- August 2018: 73%

*AMI (Area Median Income) is $70,000 for an individual and $116,000 for a family of four in the Twin Cities Metro (HUD, 2019).

Source: HousingLink’s Twin Cities Rental Revue, based on an average of 380 rental vacancy rental listings a month for a variety of building types including multifamily apartments, single-family homes, duplexes, condominiums, and townhomes. AMI based on HUD’s Income Limits data, published annually at [https://www.huduser.gov](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

August 2019 Vacancies Willing to Accept Section 8 Housing Choice Voucher

<table>
<thead>
<tr>
<th></th>
<th>August 2019</th>
<th>August 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Bedroom</td>
<td>19</td>
<td>8</td>
</tr>
<tr>
<td>Two Bedroom</td>
<td>15</td>
<td>6</td>
</tr>
<tr>
<td>Three Bedroom</td>
<td>16</td>
<td>8</td>
</tr>
</tbody>
</table>

Housing Choice Vouchers forfeited from Q2 2019

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 of, 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.

August 2019 Waiting List Openings

+9% over last year.

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1 Source: HousingLink’s Twin Cities Rental Revue, based on an average of 820 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 – Q2 2019

96,433 Licensed units
+1.2% since 2018

1,890 “Tier 3” rental units
-6.9% since 2018

24,856 Units in 1 and 2 Unit Licenses
-0.1% since 2018

887 Units of Short-Term Rental Stock
(new in 2018 – down 20% from 2018 peak)

Airbnb 300+ entire home rentals listed

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: August 30, 2019 search of “entire home” rentals on AirBnB.com.
Apartment Sales & Development

Apartment Development in Units as of Q2 2019

- **Proposed**
  - Affordable: 3,416
  - Mixed Income: 2,073
  - Market Rate: 8,334

- **Under Construction**
  - Affordable: 790
  - Mixed Income: 637
  - Market Rate: 2,022

Average Price-Per-Unit Apartment Sales
Q3 2018–Q2 2019

$262,356
Per unit

+32% over previous 12 months

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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 lacking a fixed, regular, and adequate nighttime residence (homelessness as defined by the McKinney-Vento Homeless Assistance Act). 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.

Availability of Housing for Special Populations August 2019³

- 32 Housing openings with one or more accessible features (↑ up 3% from last year).
- 62 Keys-for-Heroes (Veteran-Friendly) openings. (↑ up 72% from last year)

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¹ Source: 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](https://metrocouncil.org/Housing/Planning/Housing-Policy-Plan-Dashboard/Housing-Cost-Burden.aspx)

² Source: Minneapolis Public Schools.

³ Source: Advertised vacancies on HousingLink.org
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