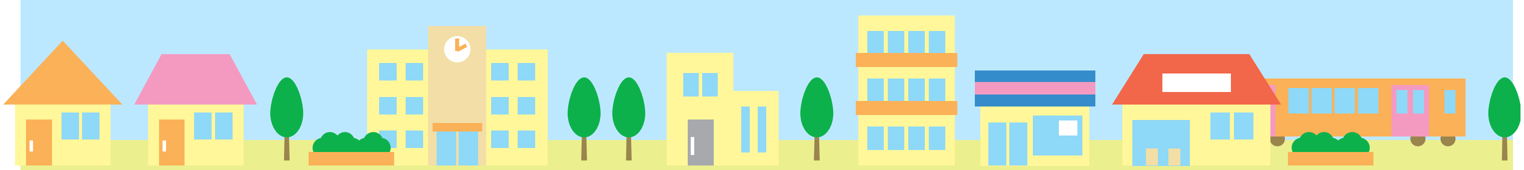
Minneapolis Rental Housing Brief

March 2020



HousingLink

Rents

Median Rents

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

ONE BEDROOM	TWO BEDROOM	THREE BEDROOM
March 2020 $1,025	March 2020 $1,320	March 2020 $1,500
March 2019 $1,100	March 2019 $1,530	March 2019 $1,550
-7% Decrease YOY	-14% Decrease YOY	-3% Decrease YOY

Income Required to Rent a Home in March 2020

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

ONE BEDROOM	TWO BEDROOM	THREE BEDROOM
$2,563	$3,300	$3,750

Vacancy Distribution by Building Type[1]

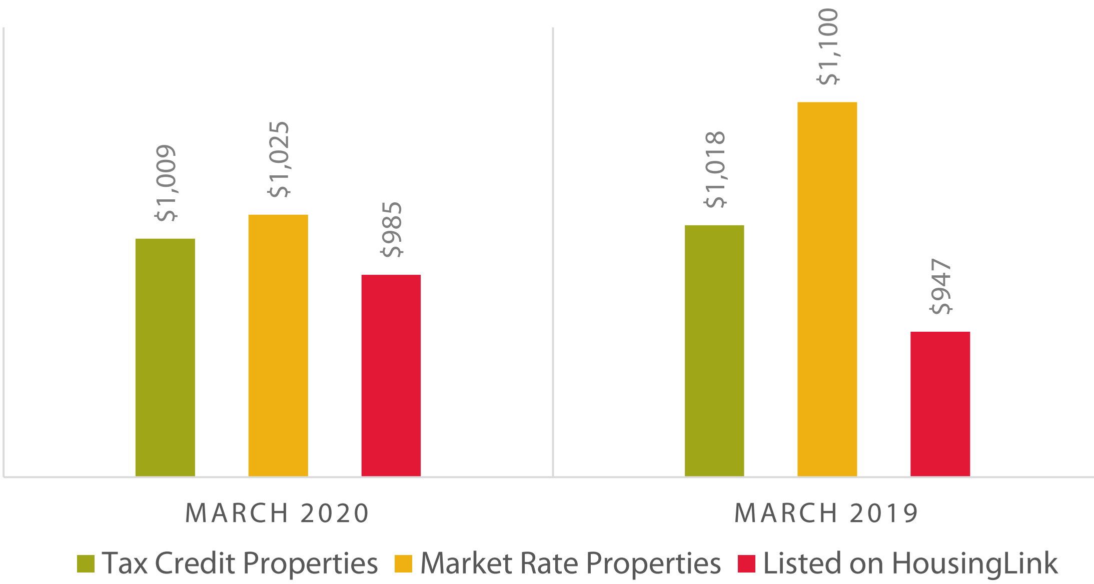
APARTMENT	SINGLE FAMILY HOME	OTHER (Condo, Duplex, Townhome)
March 2020 77%	March 2020 9%	March 2020 14%
March 2019 69%	March 2019 10%	March 2019 21%

[1] Different than "vacancy rate," we are saying that OF the vacancy rate (around 3%), 77% of the vacancies are apartments, 9% are single family homes, and 14% are of another building type.

Source: HousingLink's Twin Cities Rental Revue, *based on an average of 823 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]



Number of NOAH Rental Vacancies[2]

	ONE BEDROOM	TWO BEDROOM	THREE BEDROOM
March 2020	276	84	30
March 2019	196	45	5

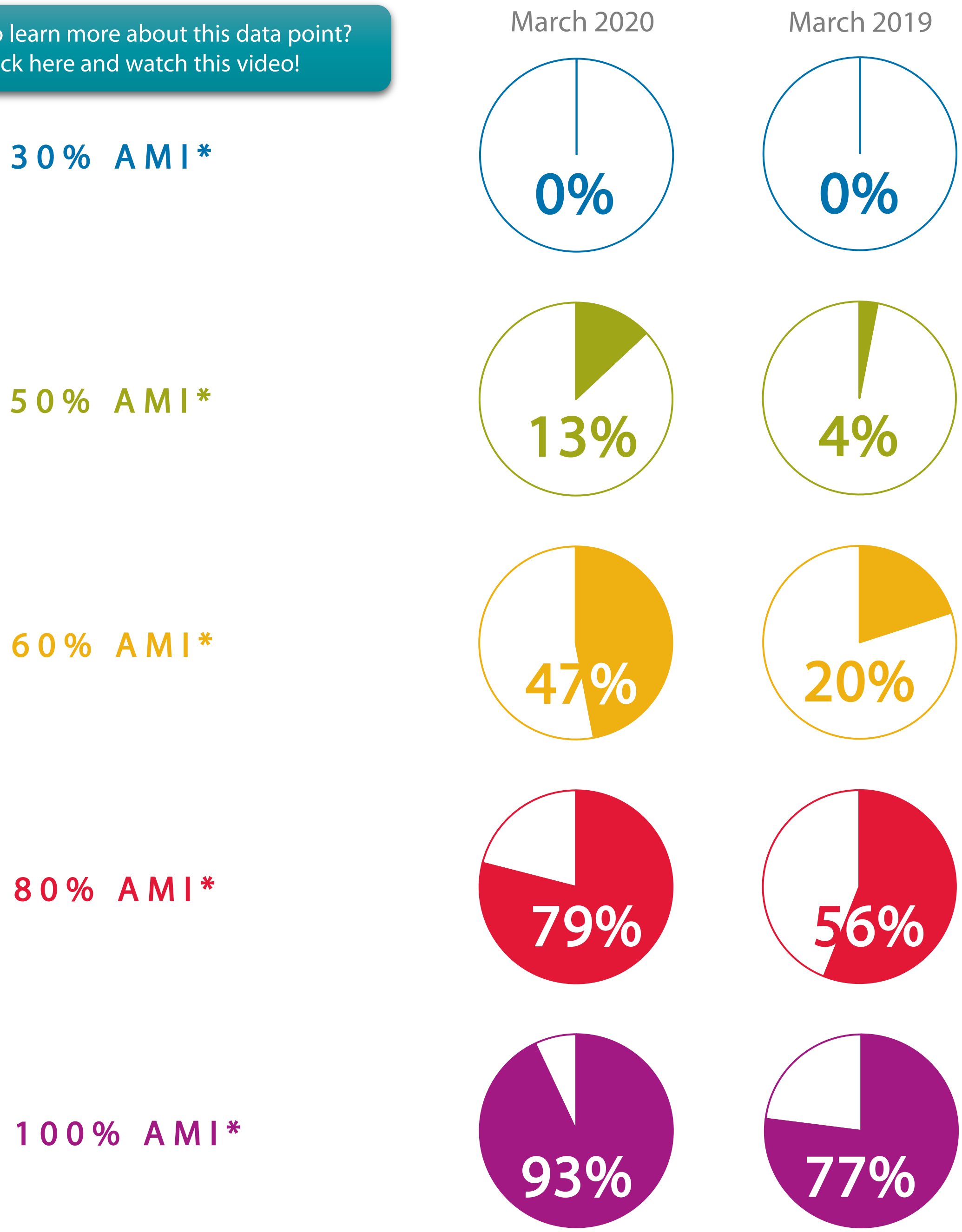
[1] *Source: HousingLink's* Twin Cities Rental Revue, *based on an average of 823 rental vacancy rental listings a month for a variety of building types including multifamily apartments, single-family homes, duplexes, condominiums, and townhomes.*

[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/

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!



**AMI (Area Median Income) is $70,000 for an individual and $100,000 for a family of four in the Twin Cities Metro (HUD, 2020).*

Source: HousingLink's Twin Cities Rental Revue, *based on an average of 823 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. 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

March 2020 Vacancies Willing to Accept a Section 8 Housing Choice Voucher[1]

	March 2020	March 2019
ONE BEDROOM	12	13
TWO BEDROOM	13	17
THREE BEDROOM	14	7

5

Housing Choice Vouchers forfeited from Q1 2020[2]

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.

14

March 2020 Waiting List Openings[3] ↓ down from 16 last year.

[1] *Source: HousingLink's* Twin Cities Rental Revue*, based on an average of 823 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 – Q1 2020[1]

95,970
Licensed units

-0.3% since 2019

1,653
"Tier 3" rental units

-13.5% since 2019

24,375
Units in 1 and 2 Unit Licenses

-2.2% since 2019

1,064

Units of Short-Term Rental Stock
(↑ up 27% from 2019)

airbnb 300+
entire home rentals listed[2]

---

[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: March 2020 search of "entire home" rentals on AirBnB.com.*

Apartment Sales & Development

Apartment Development as of the end of Q1 2020[1]

PROJECTS
PROPOSED

w/Known Affordable Units	49
w/no Known Affordable Units	15

PROJECTS
PERMITTED & UNDER CONSTRUCTION

w/Known Affordable Units	25
w/no Known Affordable Units	24

Presence of affordable units is not always known when information is gathered for this metric and thus it is most accurate to simply refer to projects "w/Known Affordable Units" and projects "w/no Known Affordable Units."

Average Price-Per-Unit Apartment Sales Q2 2019– Q1 2020[2]

$169,349
Per unit

14% down from previous 12 months

---

[1] *Source: As of the March 2020 Minneapolis Rental Housing Brief, this analysis is based on development monitoring by the Metropolitan Council, and consists of selected proposed, permitted, and under-construction place-level residential and nonresidential projects, as opposed to individual units. Data on residential and nonresidential projects are obtained on an on-going basis from daily, weekly, monthly and quarterly publications such as Finance & Commerce, Mpls./St. Paul Business Journal, Pioneer Press, Star Tribune, Twin Cities Business Magazine, and Minneapolis Trends Reports, as well as a multitude of other sources such as school district updates, developer websites and television news reports, among others. Complete attribute data for all entries may not be available and for purposes of this report, projects in a withdrawn, on hold, or complete status are not reported.*

[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

46% of Minneapolis renters live in housing that is not affordable to them[1]

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 year[2]

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 March 2020[3]

21 Housing openings with one or more accessible features (↑ up from 16 last year).

48 Keys-for-Heroes (Veteran-Friendly) openings. (↑ up from 44 last year)

[1] *Source: Analysis of 2018 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*

[2] *Source: Minneapolis Public Schools.*

[3] *Source: Advertised vacancies on HousingLink.org.*

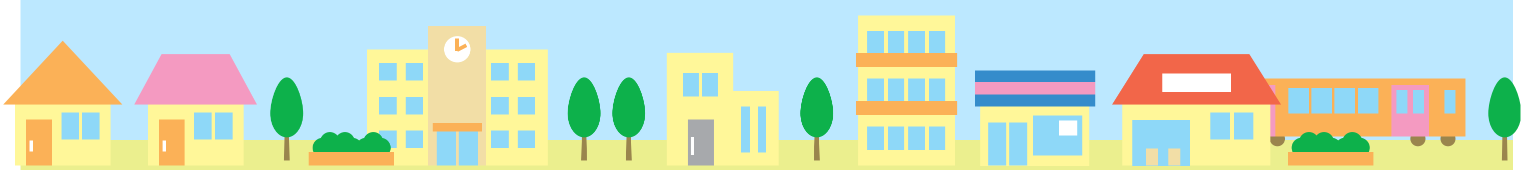
Not currently receiving this report?
Join the email list

Questions about the data?
Dan Hylton
Research Manager
dhylton@housinglink.org

Media inquiries:
Sue Speakman-Gomez
President
sgomez@housinglink.org

Want a report like this for your community?
Josh Dye
Marketing Manager
jdye@housinglink.org

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



HousingLink