

Minneapolis Rental Housing Brief

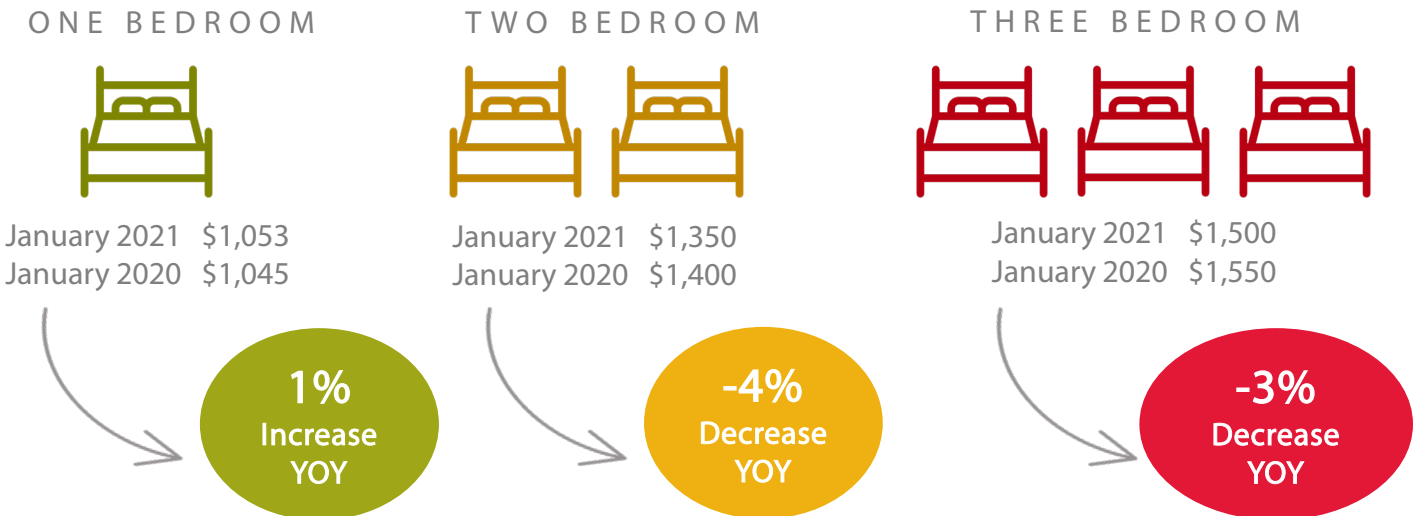
January 2021



Housing**Link** 

Rents

Median Rents¹



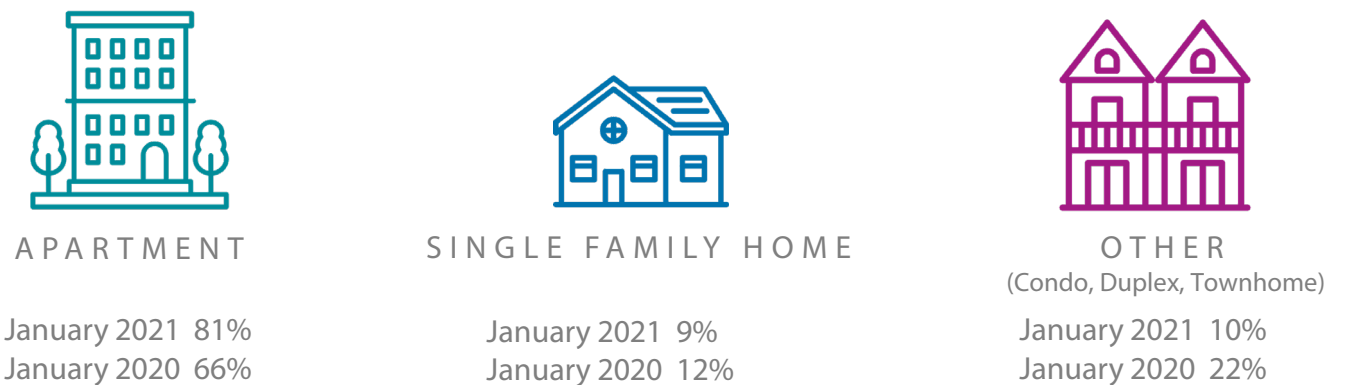
Income Required to Rent a Home in January 2021



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
\$2,633	\$3,375	\$3,750

Vacancy Distribution by Building Type²



¹ To learn more about HousingLink rent data, [watch this video](#).

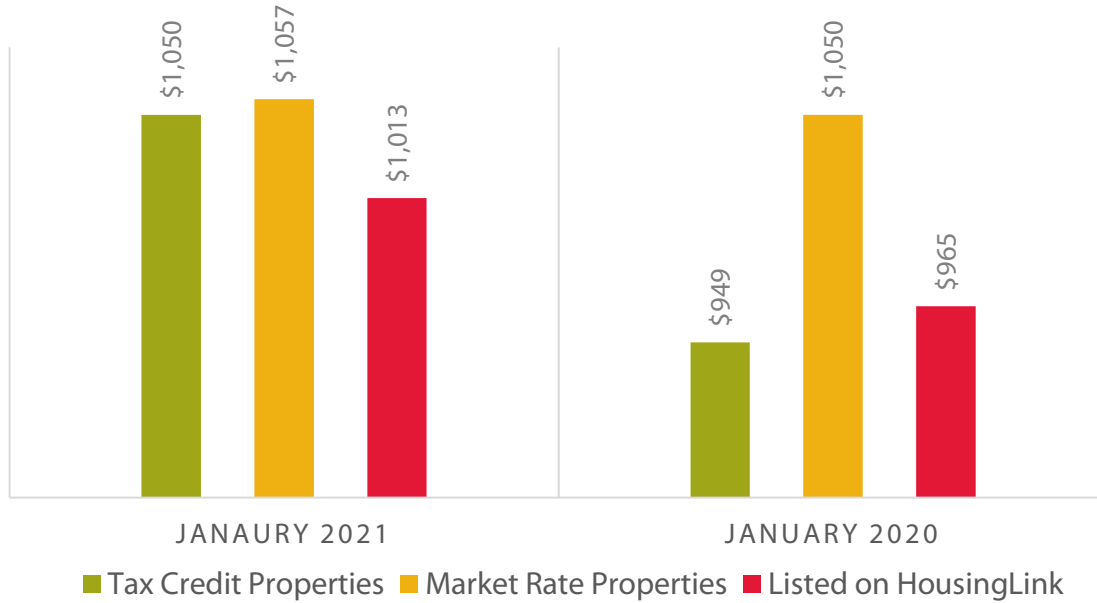
² Different than "vacancy rate," we are saying that OF the vacancy rate (around 3%), xx% of the vacancies are apartments, xx% are single family homes, and xx% are of another building type.

Source: HousingLink's *Market Rent Data*.



Rental Housing Affordability

Median One Bedroom Rents¹



Number of NOAH Rental Vacancies²



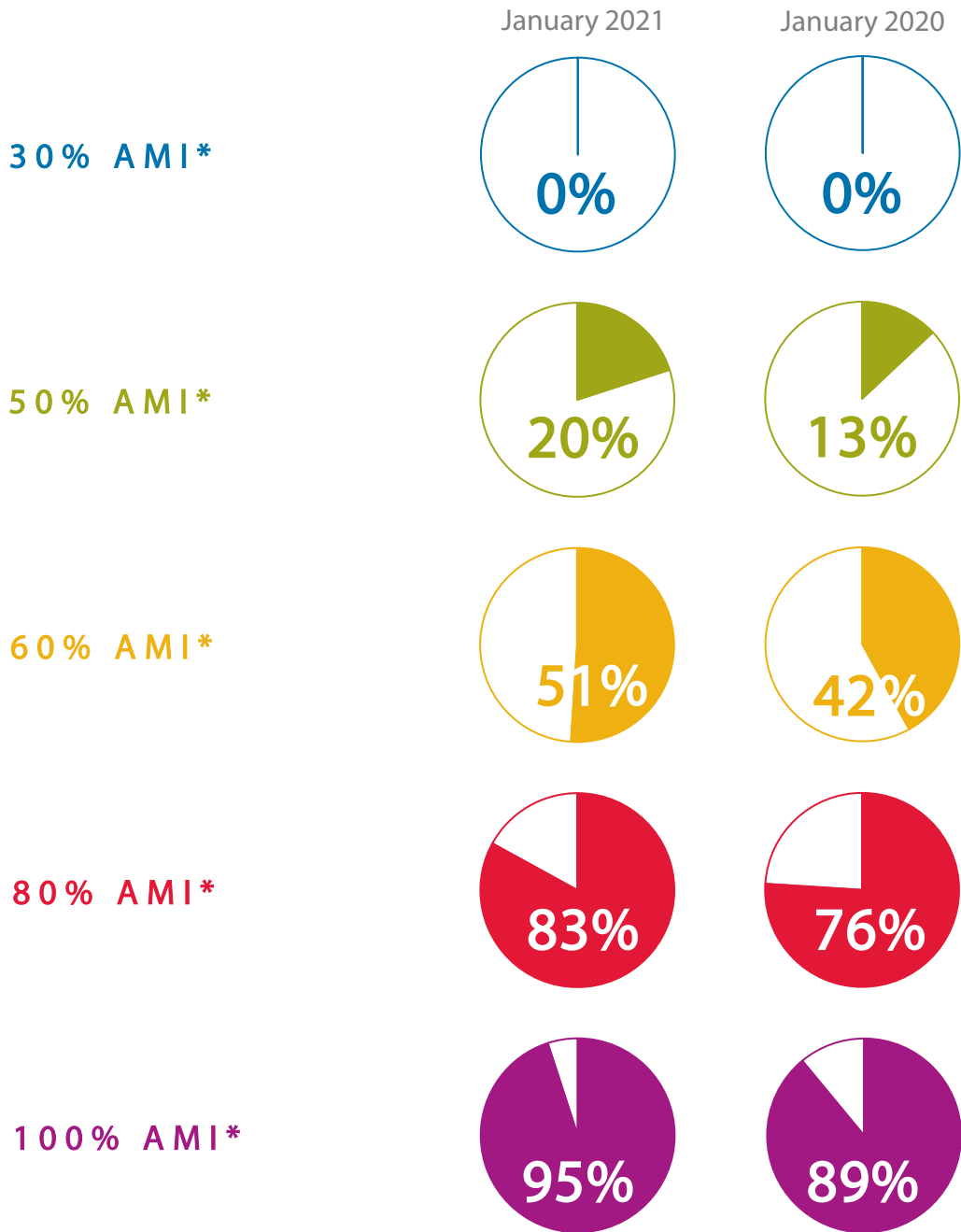
¹ Source: HousingLink's *Market Rent Data*.

² Ibid. As of the April 2020 report, we re-defined "NOAH" from a set rent range across all rental listings to a standard "affordable to 60% of Area Median Income" benchmark that accommodates changing incomes as well as number of bedrooms and likely utility costs by unit.



Rental Housing Affordability

% of Minneapolis Rental Vacancies Affordable by Income Level¹



¹ To learn more about how HousingLink calculates affordability by area median income, [watch this video](#).




*AMI (Area Median Income) is \$72,400 for an individual and \$103,400 for a family of four in the Twin Cities Metro (HUD, 2020).

Source: HousingLink's *Market Rent Data*. 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

January 2021 Vacancies Willing to Accept a Section 8 Housing Choice Voucher¹

	January 2021	January 2020
ONE BEDROOM 	40	23
TWO BEDROOM 	41	15
THREE BEDROOM 	47	11

8

Housing Choice Vouchers forfeited from Q4 2020²

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.

12

January 2021 Waiting List Openings³ ↔ no change from 12 last year.

¹ Source: HousingLink's *Market Rent Data*.

² Source: Minneapolis Public Housing Authority.

³ Source: Waiting list openings advertised on HousingLink include Public Housing, Project Based Section 8, Tax Credit, and more.

Rental Housing Stock

Licensed Rental Units – Q4 2020¹



93,508

Licensed units

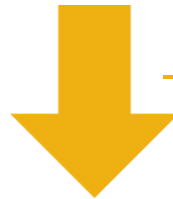


-2.6% since 2020



1,618

"Tier 3" rental units



-11.5% since 2020

24,962

Units in 1 and 2 Unit Licenses



+1.9% since 2020



1,396

Units of Short-Term Rental Stock
(↓ 2.9% from 2020)



airbnb 300+
entire home rentals listed²

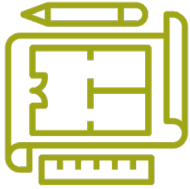
¹ Source: Analysis of City of Minneapolis Regulatory Services rental license data. Note: The City of Minneapolis uses a tiered rating system as part of their rental process. Tier 3 rentals are those which require excessive city services, are poorly maintained or managed, and may be at a higher risk for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

² Source: January 2021 search of "entire home" rentals on AirBnB.com.



Apartment Sales & Development

Apartment Development as of the end of Q4 2020¹



PROJECTS PROPOSED

w/Known Affordable Units 49
w/no Known Affordable Units 95



PROJECTS PERMITTED & UNDER CONSTRUCTION

w/Known Affordable Units 33
w/no Known Affordable Units 109

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 Q1 2020– Q4 2020²



\$170,199
Per unit



**18% down from
previous 12 months**

¹ Source: 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

44% 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.

6% 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 January 2021³

67

Housing openings with one or more accessible features (↑ up from 41 last year).

154

Keys-for-Heroes (Veteran-Friendly) openings. (↑ up from 69 last year)

¹ Source: Analysis of 2020 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://metro council.org/Housing/Planning/Housing-Policy-Plan-Dashboard/Housing-Cost-Burden.aspx>

² Source: Minneapolis Public Schools, for the 2019-2020 school year.

³ Source: Advertised vacancies on HousingLink.org.



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



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