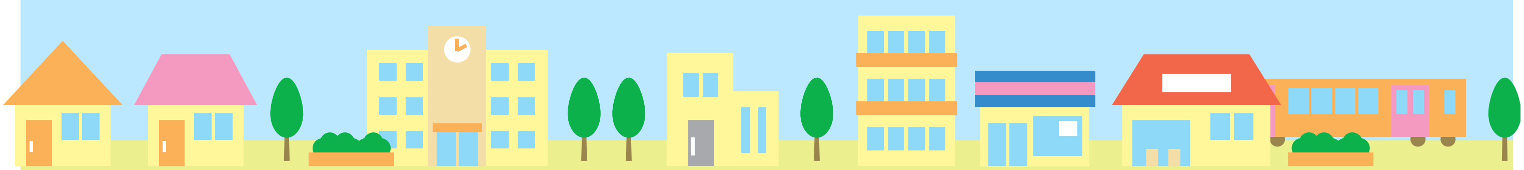
Minneapolis Rental Housing Brief

April 2021



HousingLink

Rents

Median Rents[1]

ONE BEDROOM

April 2021 $1,033
April 2020 $1,049

-2% Decrease YOY

TWO BEDROOM

April 2021 $1,400
April 2020 $1,375

2% Increase YOY

THREE BEDROOM

April 2021 $1,590
April 2020 $1,550

3% Increase YOY

Income Required to Rent a Home in April 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
$2,581	$3,500	$3,975

Vacancy Distribution by Building Type[2]

APARTMENT

April 2021 80%
April 2020 77%

SINGLE FAMILY HOME

April 2021 6%
April 2020 10%

OTHER
(Condo, Duplex, Townhome)

April 2021 13%
April 2020 13%

[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 Rents[1]

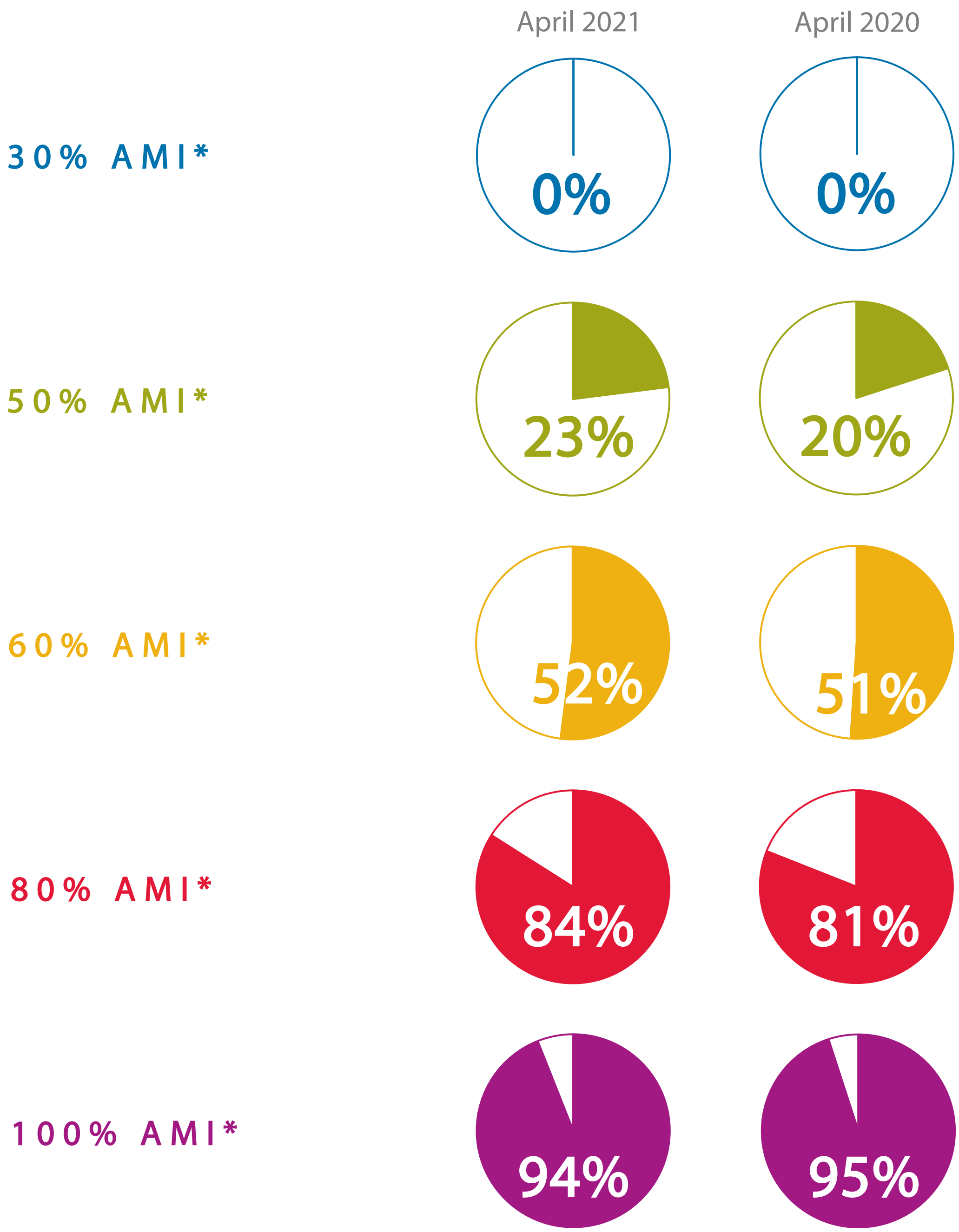
Number of NOAH Rental Vacancies[2]

	ONE BEDROOM	TWO BEDROOM	THREE BEDROOM
April 2021	864	349	87
April 2020	411	190	74

[1] Source: HousingLink's *Market Rent Data*.
[2] Ibid. For purposes of this report, we define "NOAH" private market housing that is affordable to 60% of Area Median Income, accounting for likely household size by bedroom and likely utility cost, depending on number of bedrooms and building type.

Rental Housing Affordability

% of Minneapolis Rental Vacancies Affordable by Income Level[1]



[1] To learn more about how HousingLink calculates affordability by area median income, [watch this video](#).
*AMI (Area Median Income) is $73,500 for an individual and $104,900 for a family of four in the Twin Cities Metro (HUD, 2021).

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

April 2021 Vacancies Willing to Accept a Section 8 Housing Choice Voucher[1]

	April 2021	April 2020
ONE BEDROOM	35	15
TWO BEDROOM	33	16
THREE BEDROOM	26	12

1 Housing Choice Vouchers forfeited from Q1 2021[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.

11 April 2021 Waiting List Openings[3] ↓ down from 14 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 – Q1 2021[1]

100,231
Licensed units

+4.4% since 2020

1,589
"Tier 3" rental units

-3.9% since 2020

24,657
Units in 1 and 2 Unit Licenses

+1.2% since 2020

1,459

Units of Short-Term Rental Stock
(↑ 37% from 2020)

airbnb **1,411**
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: As of April 2021 we are obtaining this data from Insider AirBnB, an independent aggregator of AirBnB data at insideairbnb.com.

Apartment Sales & Development

Apartment Development as of the end of Q1 2021[1]

PROJECTS
PROPOSED

w/Known Affordable Units	48
w/no Known Affordable Units	97

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 Q2 2020– Q1 2021[2]

$144,794

Per unit

29% 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 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.

6% 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 placeent.

Housing openings with one or more accessible features April 2021[3]

121 ↑ up from 17 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://metrocouncil.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.

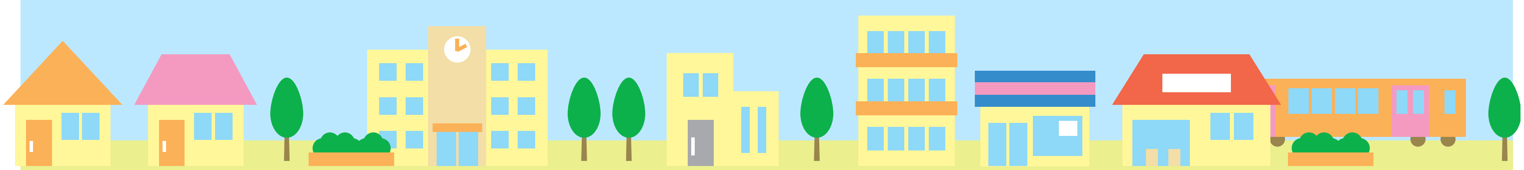
Not currently receiving this report?
Join the email list

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