Rents

Median Rents¹

<table>
<thead>
<tr>
<th>Room Type</th>
<th>September 2021</th>
<th>September 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Bedroom</td>
<td>$1,045</td>
<td>$1,050</td>
</tr>
<tr>
<td>Two Bedroom</td>
<td>$1,399</td>
<td>$1,362</td>
</tr>
<tr>
<td>Three Bedroom</td>
<td>$1,650</td>
<td>$1,450</td>
</tr>
</tbody>
</table>

0% No Change YOY

3% Increase YOY

14% Increase YOY

Income Required to Rent a Home in September 2021

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

<table>
<thead>
<tr>
<th>Room Type</th>
<th>September 2021</th>
<th>September 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Bedroom</td>
<td>$2,613</td>
<td></td>
</tr>
<tr>
<td>Two Bedroom</td>
<td>$3,498</td>
<td></td>
</tr>
<tr>
<td>Three Bedroom</td>
<td>$4,125</td>
<td></td>
</tr>
</tbody>
</table>

3% Increase YOY

14% Increase YOY

Vacancy Distribution by Building Type²

<table>
<thead>
<tr>
<th>Building Type</th>
<th>September 2021</th>
<th>September 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apartment</td>
<td>79%</td>
<td>77%</td>
</tr>
<tr>
<td>Single Family Home</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>Other (Condo, Duplex, Townhome)</td>
<td>15%</td>
<td>14%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>SEPTEMBER 2021</th>
<th>SEPTEMBER 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Credit Properties</td>
<td>$1,048</td>
<td>$1,085</td>
</tr>
<tr>
<td>Market Rate Properties</td>
<td>$1,045</td>
<td>$1,050</td>
</tr>
<tr>
<td>Listed on HousingLink</td>
<td>$1,061</td>
<td>$1,050</td>
</tr>
</tbody>
</table>

¹ Source: HousingLink's Market Rent Data.

Number of NOAH Rental Vacancies²

<table>
<thead>
<tr>
<th>ONE BEDROOM</th>
<th>TWO BEDROOM</th>
<th>THREE BEDROOM</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2021</td>
<td>776</td>
<td>317</td>
</tr>
<tr>
<td>September 2020</td>
<td>454</td>
<td>303</td>
</tr>
</tbody>
</table>

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. To learn more about NOAH rental supply, watch this video.
Rental Housing Affordability

% of Minneapolis Rental Vacancies Affordable by Income Level¹

<table>
<thead>
<tr>
<th>Income Level</th>
<th>September 2021</th>
<th>September 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% AMI*</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>50% AMI*</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td>60% AMI*</td>
<td>51%</td>
<td>52%</td>
</tr>
<tr>
<td>80% AMI*</td>
<td>82%</td>
<td>85%</td>
</tr>
<tr>
<td>100% AMI*</td>
<td>96%</td>
<td>94%</td>
</tr>
</tbody>
</table>

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

Housing Choice Voucher forfeited in Q3 2021¹
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.

September 2021 Waiting List Openings²
↓ down from 13 last year.

September housing openings with one or more accessible features²
↑ up from 60 last year.

¹ Source: Minneapolis Public Housing Authority.
² Source: Waiting list openings advertised on HousingLink include Public Housing, Project Based Section 8, Tax Credit, and more.
³ Source: Advertised vacancies on HousingLink.org featuring one or more accessible features.
Rental Housing Stock
Licensed Rental Units – Q3 2021¹

102,080 Licensed units

↑ 63% from 2020

1,587 “Tier 3” rental units

↑ 3.2% since 2020

24,528 Units in 1 and 2 Unit Licenses

↓ -3.6% since 2020

-1.3% since 2020

1,652 Units of Short-Term Rental Stock
(↑ 63% from 2020)

1,279 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: As of September 2021 we are obtaining this data from Insider AirBnB, an independent aggregator of AirBnB data at insideairbnb.com.
Apartment Development as of the end of Q3 2021¹

Projects Proposed
- w/Known Affordable Units: 49
- w/no Known Affordable Units: 97

Projects Permitted & Under Construction
- w/Known Affordable Units: 33
- w/no Known Affordable Units: 111

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
Q4 2020–Q3 2021²

$155,691 Per unit
7% 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.
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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

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