

# Minneapolis Rental Housing Brief

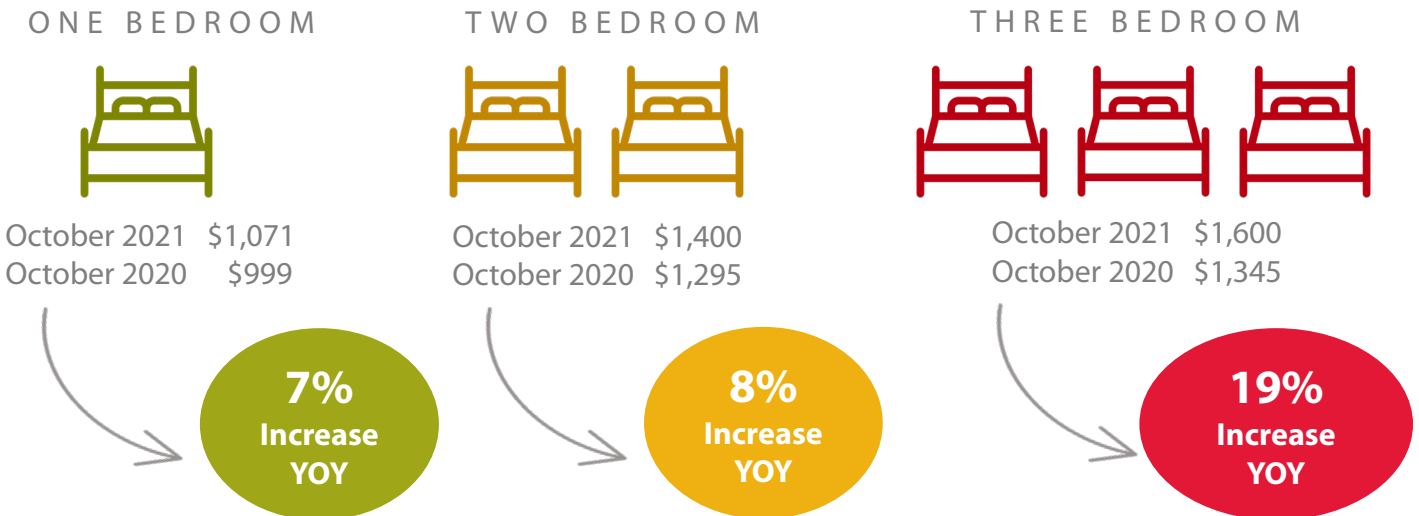
October 2021



Housing**Link** 

# Rents

## Median Rents<sup>1</sup>



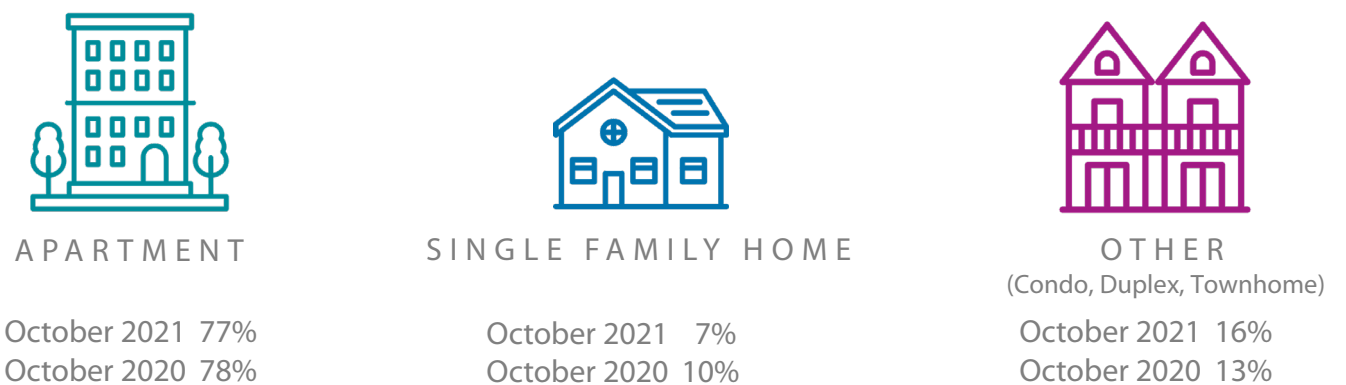
## Income Required to Rent a Home in October 2021



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
\$2,678	\$3,500	\$4,000

## Vacancy Distribution by Building Type<sup>2</sup>



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

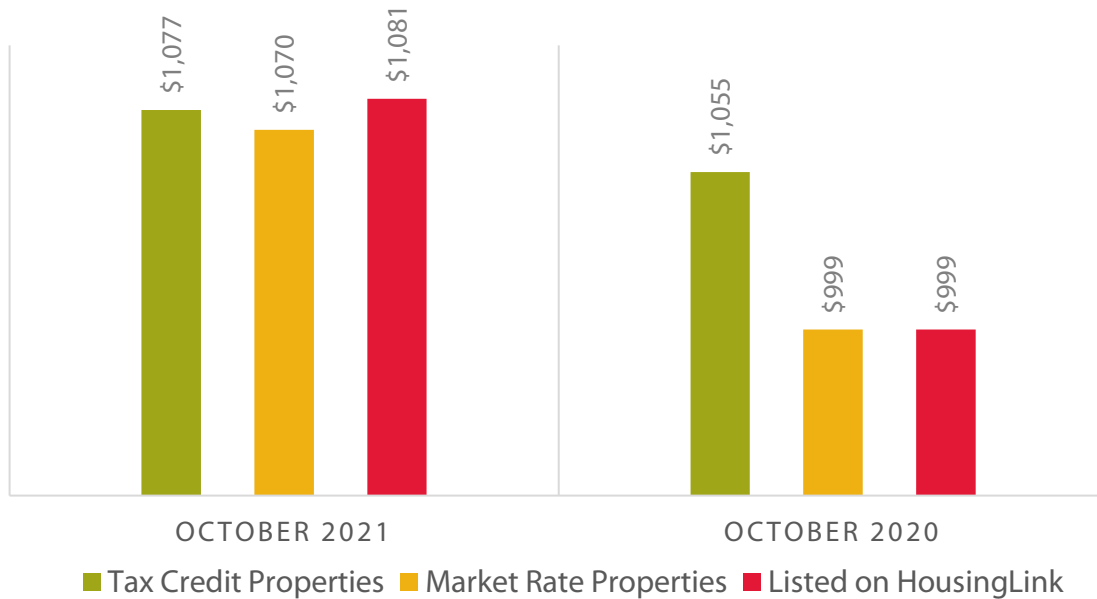
<sup>2</sup> Different than “vacancy rate,” we are saying that OF the vacancy rate (around 3%), xx% of the vacancies are apartments, xx% are single family homes, and xx% are of another building type.

Source: HousingLink’s *Market Rent Data*.



# Rental Housing Affordability

## Median One Bedroom Rents<sup>1</sup>



## Number of NOAH Rental Vacancies<sup>2</sup>



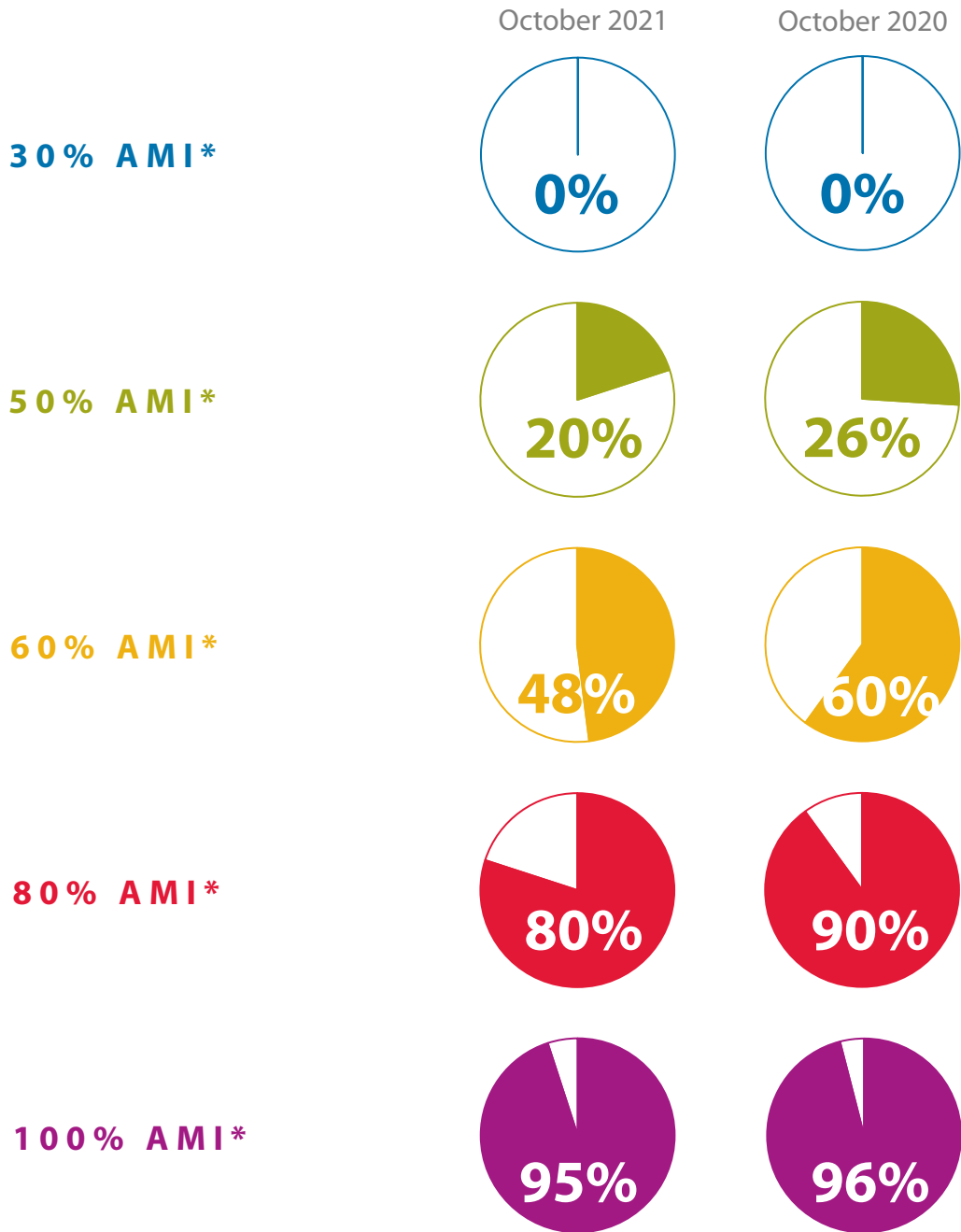
<sup>1</sup> Source: HousingLink's *Market Rent Data*.

<sup>2</sup> 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 Level<sup>1</sup>



<sup>1</sup> 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

0

## Housing Choice Voucher forfeited in Q3 2021<sup>1</sup>

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

## October 2021 Waiting List Openings<sup>2</sup>

↓ down from 16 last year.

92

## October housing openings with one or more accessible features<sup>2</sup>

↑ up from 66 last year.

<sup>1</sup> Source: Minneapolis Public Housing Authority.

<sup>2</sup> Source: Waiting list openings advertised on HousingLink include Public Housing, Project Based Section 8, Tax Credit, and more.

<sup>3</sup> Source: Advertised vacancies on HousingLink.org featuring one or more accessible features.

# Rental Housing Stock

## Licensed Rental Units – Q3 2021<sup>1</sup>



102,080

Licensed units



+3.2% since 2020



1,587

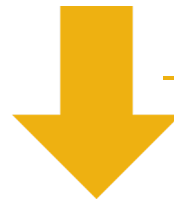
"Tier 3" rental units



-3.6% since 2020

24,528

Units in 1 and 2 Unit Licenses



-1.3% since 2020



1,652

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



airbnb 1,279  
entire home rentals listed<sup>2</sup>

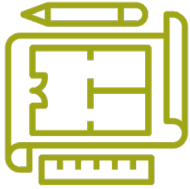
<sup>1</sup> Source: Analysis of City of Minneapolis Regulatory Services rental license data. Note: The City of Minneapolis uses a tiered rating system as part of their rental process. Tier 3 rentals are those which require excessive city services, are poorly maintained or managed, and may be at a higher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

<sup>2</sup> Source: As of October 2021 we are obtaining this data from Insider AirBnB, an independent aggregator of AirBnB data at [insideairbnb.com](https://insideairbnb.com).



# Apartment Sales & Development

## Apartment Development as of the end of Q3 2021<sup>1</sup>



### 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 2021<sup>2</sup>



**\$155,691**  
Per unit



**7% down from  
previous 12 months**

<sup>1</sup> 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.

<sup>2</sup> 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](https://finance-commerce.com).



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