Minneapolis Rental Housing Brief
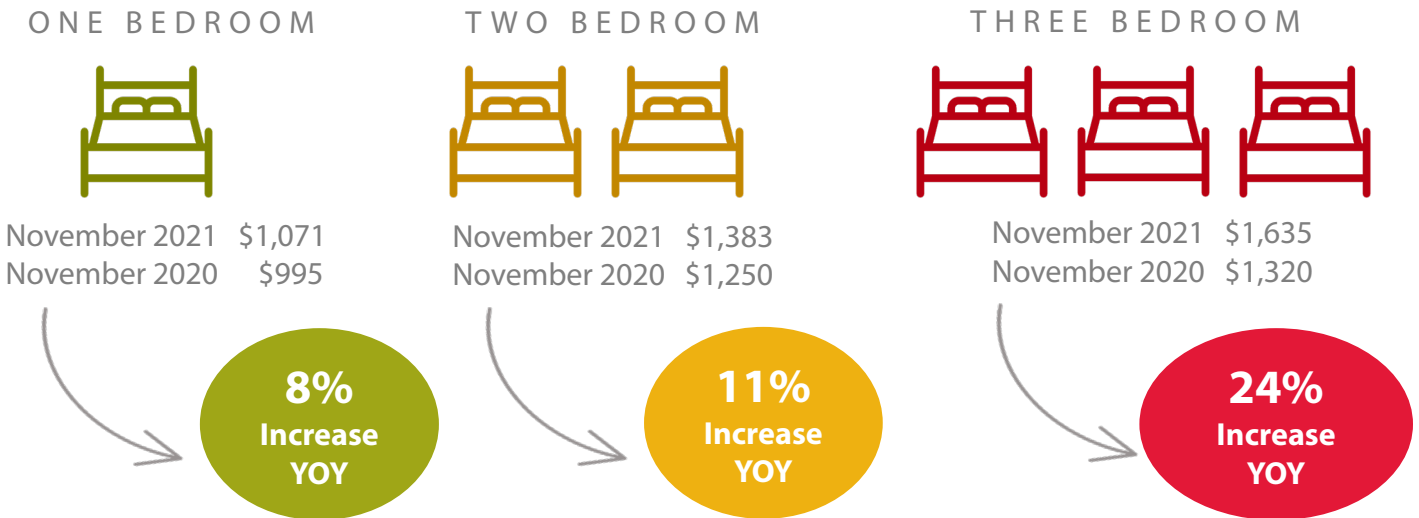
November 2021

HousingLink

Rents

Median Rents[1]

ONE BEDROOM

November 2021 $1,071
November 2020 $995

8%
Increase YOY

TWO BEDROOM

November 2021 $1,383
November 2020 $1,250

11%
Increase YOY

THREE BEDROOM

November 2021 $1,635
November 2020 $1,320
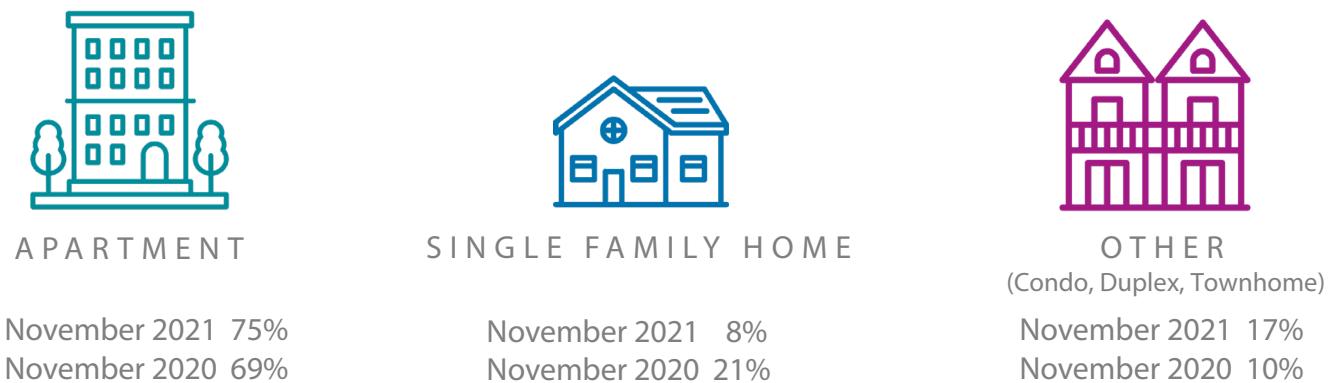
24%
Increase YOY

Income Required to Rent a Home in November 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	$3,456	$4,088

Vacancy Distribution by Building Type[2]

APARTMENT

November 2021 75%
November 2020 69%

SINGLE FAMILY HOME

November 2021   8%
November 2020 21%

OTHER
(Condo, Duplex, Townhome)

November 2021 17%
November 2020 10%

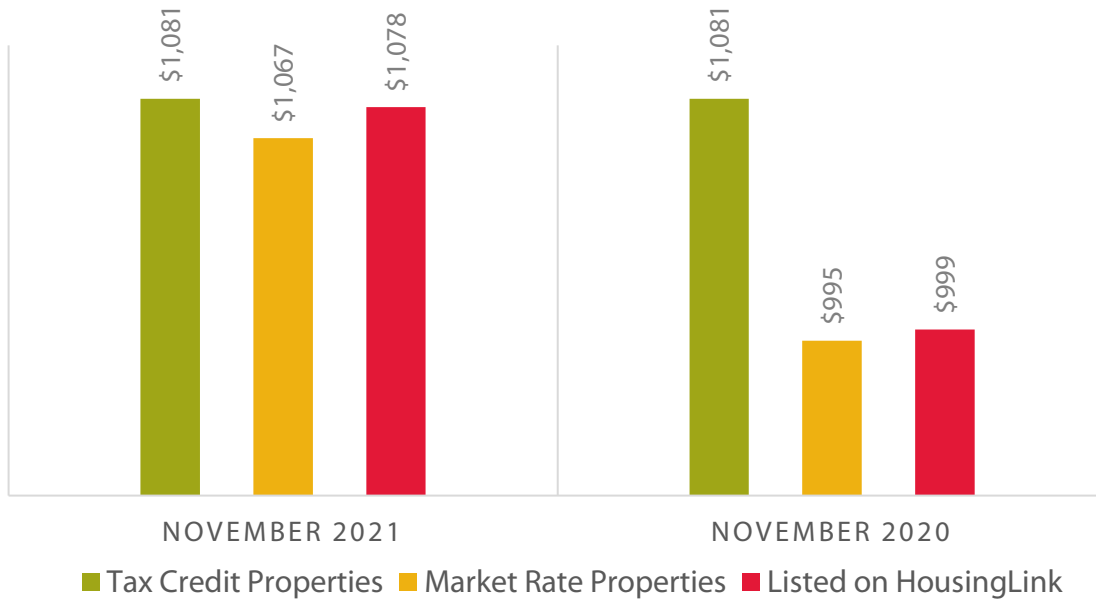[1] To learn more about HousingLink rent data, watch this video.
[2] Different than "vacancy rate," we are saying that OF the vacancy rate (around 3%), xx% of the vacancies are apartments, xx% are single family homes, and xx% are of another building type.

Source: HousingLink's *Market Rent Data*.

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Rental Housing Affordability

Median One Bedroom Rents[1]

NOVEMBER 2021
- $1,081 — Tax Credit Properties
- $1,067 — Market Rate Properties
- $1,078 — Listed on HousingLink

NOVEMBER 2020
- $1,081 — Tax Credit Properties
- $995 — Market Rate Properties
- $999 — Listed on HousingLink

■ Tax Credit Properties ■ Market Rate Properties ■ Listed on HousingLink

Number of NOAH Rental Vacancies[2]

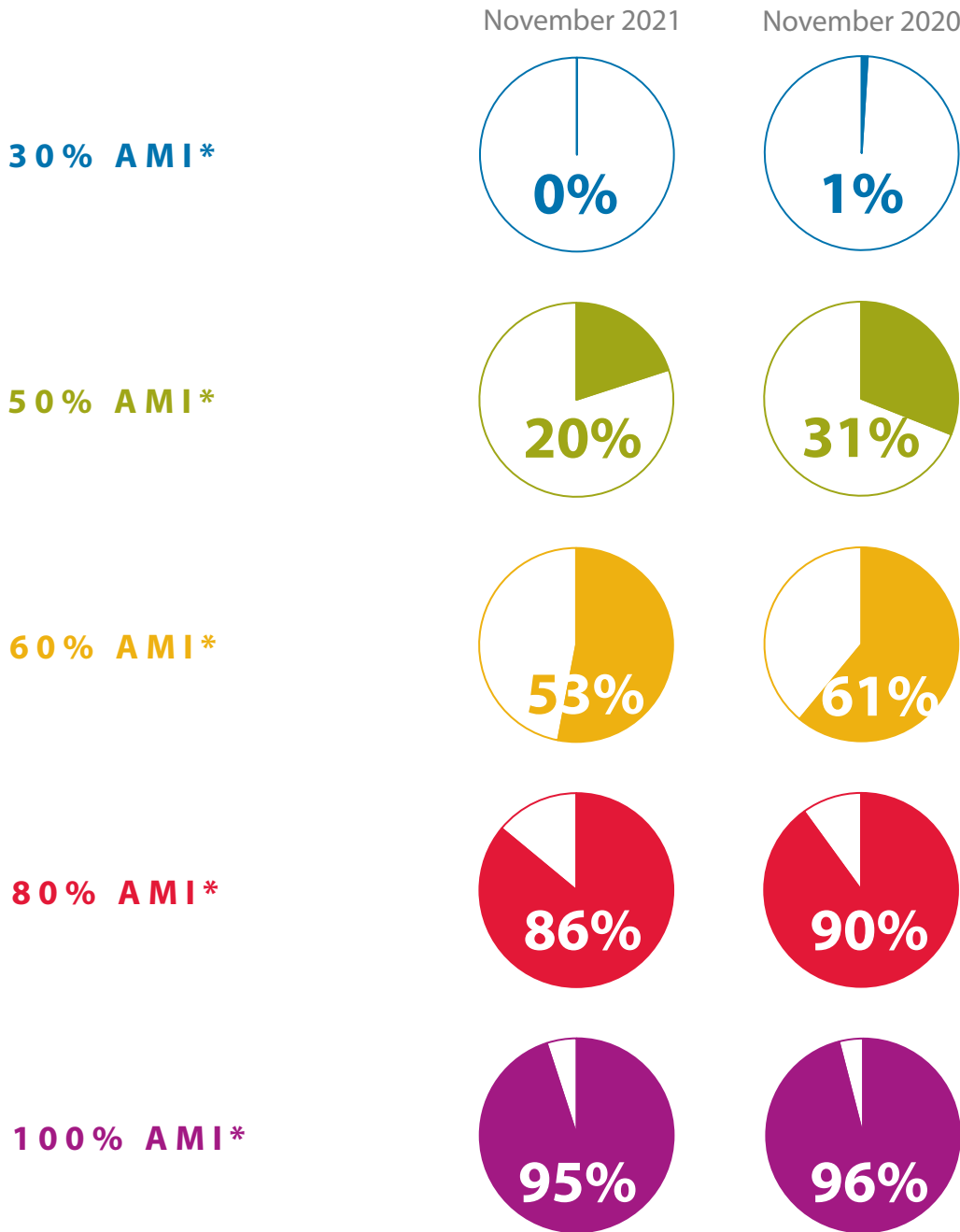|	ONE BEDROOM	TWO BEDROOM	THREE BEDROOM
November 2021	366	181	47
November 2020	576	301	170

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[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, including likely utility costs, depending on number of bedrooms and building type. To learn more about NOAH rental supply, watch this video.

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Rental Housing Affordability

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

	November 2021	November 2020
30% AMI*	0%	1%
50% AMI*	20%	31%
60% AMI*	53%	61%
80% AMI*	86%	90%
100% AMI*	95%	96%

[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.

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Subsidized Housing in Minneapolis

0 Housing Choice Voucher forfeited in Q3 2021[1]

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.

13 November 2021 Waiting List Openings[2]

↓ down from 16 last year.

39 November housing openings with one or more accessible features[2]

↓ down from 94 last year.

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[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.

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Rental Housing Stock

Licensed Rental Units – Q3 2021[1]

102,080
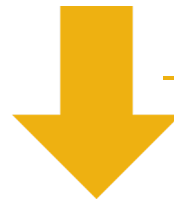Licensed units

↑ +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[2]

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[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 November 2021 we are obtaining this data from Insider AirBnB, an independent aggregator of AirBnB data at insideairbnb.com.

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Apartment Sales & Development

Apartment Development as of the end of Q3 2021[1]
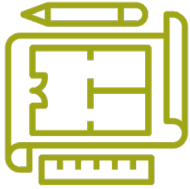
**P R O J E C T S
P R O P O S E D**

w/Known Affordable Units	49
w/no Known Affordable Units	97

**P R O J E C T S
P E R M I T T E D & U N D E R C O N S T R U C T I O N**

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[2]

$155,691
Per unit

7% down from previous 12 months

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[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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