

# Minneapolis Rental Housing Brief

April 2022



Housing**Link** 

# Rents

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



## Income Required to Rent a Home in April 2022



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

Bedroom Type	Income Required
ONE BEDROOM	\$2,563
TWO BEDROOM	\$3,438
THREE BEDROOM	\$3,875

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



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

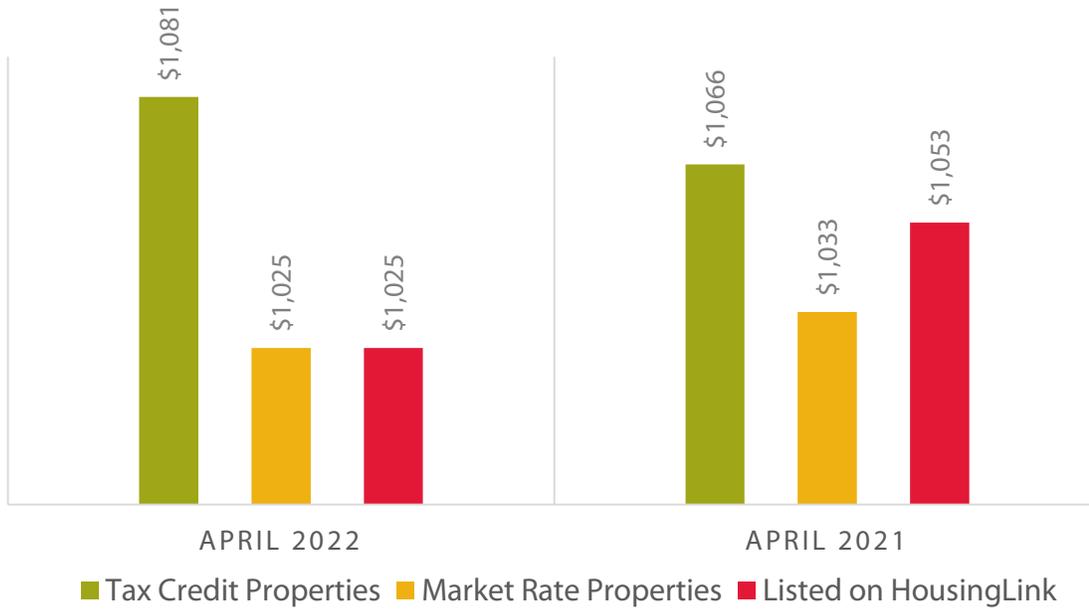
<sup>2</sup> Different than "vacancy rate," we are saying that OF the vacancy rate (around 3%), xx% of the vacancies are apartments, xx% are single family homes, and xx% are of another building type.

Source: HousingLink's *Rental Revue* data.

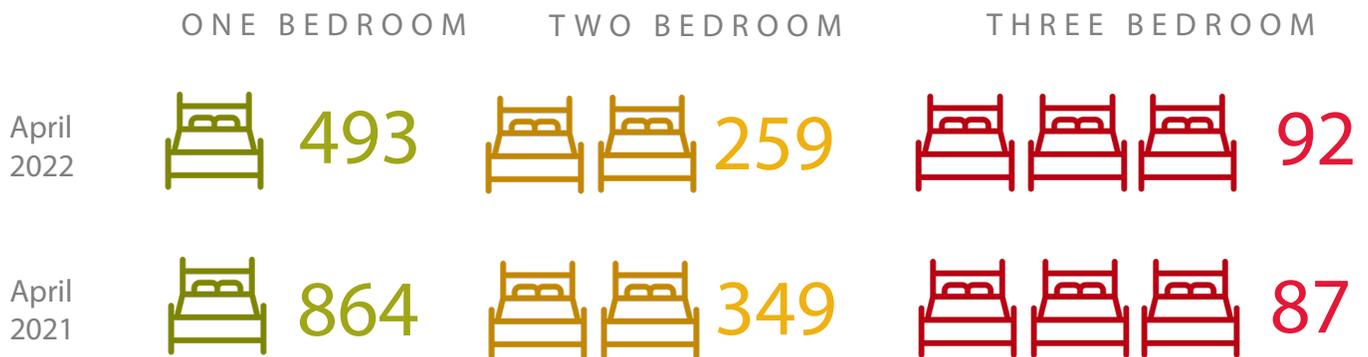


# Rental Housing Affordability

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



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



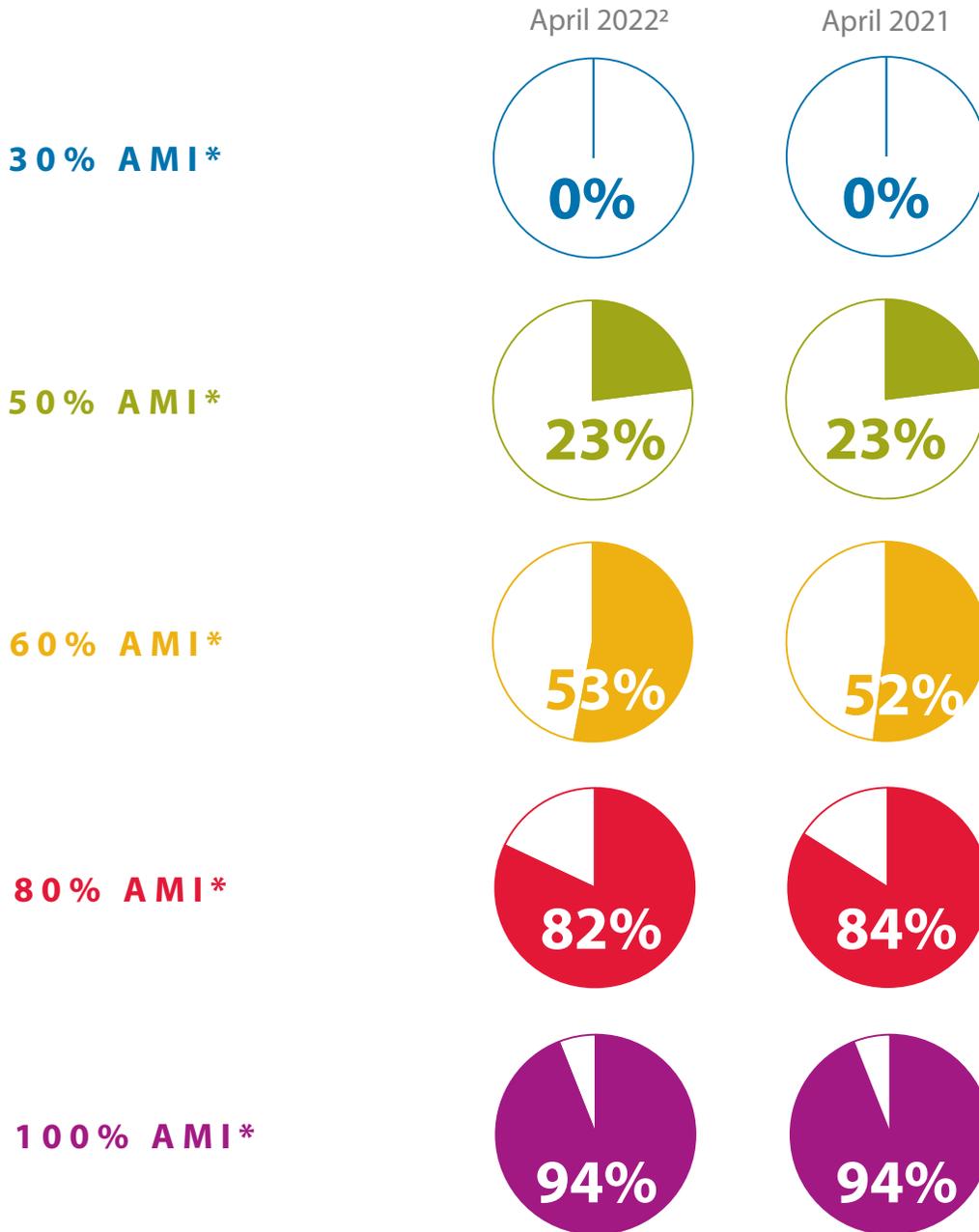
<sup>1</sup> Source: HousingLink's *Rental Revue* data.

<sup>2</sup> Ibid. For purposes of this report, we define "NOAH" private market housing that is affordable to 60% of Area Median Income, including likely utility costs, depending on number of bedrooms and building type. HousingLink follows widely-accepted basic practices for analyzing housing affordability, which involve comparing rents to area median incomes provided every April by HUD. Their adjustments for income this year were tied closely to inflation and resulted in much higher thresholds for affordability that resulted in much higher thresholds for affordability. We have made the decision to maintain our existing affordable rent thresholds while we further evaluate the impact of these significant median income changes on our analysis. To learn more about how HousingLink calculates affordability by area median income, [watch this video](#). 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> AMI (Area Median Income) is \$82,200 for an individual and \$117,300 for a family of four in the Twin Cities Metro (HUD, 2021). HousingLink follows widely-accepted basic practices for analyzing housing affordability, which involve comparing rents to area median incomes provided every April by HUD. Their adjustments for income this year were tied closely to inflation and resulted in much higher thresholds for affordability that we do not believe reflect the experience of most renters looking for an affordable place to live. We have made the decision to maintain our existing "affordable rent" thresholds while we further investigate the impact of median income changes on our analysis. To learn more about how HousingLink calculates affordability by area median income, [watch this video](#).

Source: HousingLink's *Rental Revue* data.



# Subsidized Housing in Minneapolis

34

## Housing Choice Vouchers forfeited in Q1 2022<sup>1</sup>

This figure refers to vouchers families were unable to place in service. Traditionally, this has usually resulted 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.

Another scenario resulting in forfeiture can involve Public Housing residents who ultimately make a choice to stay in their current unit. This is not uncommon, as the individuals may find that living with a voucher is more costly than living in a public housing unit.

And some simply do not search for a unit because they have existing housing they are not ready or willing to leave, or have circumstances otherwise preventing a housing search.

14

## April 2022 Waiting List Openings<sup>2</sup>

↑ up from 11 last year.

49

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

↓ down from 121 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 – Q1 2022<sup>1</sup>

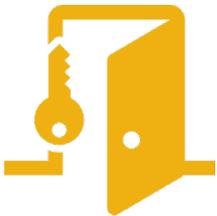


103,144

Licensed units



+2.9% since 2021



477

"Tier 3" rental units



-70% since 2021<sup>2</sup>

23,832

Units in 1 and 2 Unit Licenses



-3.3% since 2021



1,671

Units of Short-Term Rental Stock  
(↑ 14.5% from 2021)



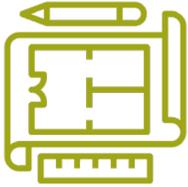
**airbnb 1,185**  
entire home rentals listed<sup>2</sup>

<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). In 2020 Regulatory Services updated the Tiering system to better reflect the known property conditions of rental units and to prioritize inspections.

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

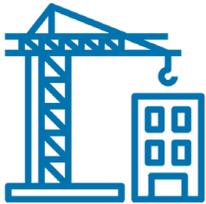
# Apartment Sales & Development

## Apartment Development as of the end of Q1 2022<sup>1</sup>



### PROJECTS PROPOSED

w/Known Affordable Units 42  
w/no Known Affordable Units 109



### PROJECTS PERMITTED & UNDER CONSTRUCTION

w/Known Affordable Units 14  
w/no Known Affordable Units 36

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 2021– Q1 2022<sup>2</sup>



**\$220,972**  
Per unit



**53% up from  
previous 12 months**

<sup>1</sup> Source: The analysis consists of selected proposed, permitted, and under construction place-level residential and nonresidential projects, as opposed to individual units. 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. **IMPORTANT NOTE:** This analysis is typically based on development monitoring by the Metropolitan Council; however, that data source was not available for Q1 2022 and *Finance & Commerce* instead provided data from their *Apartment Development Tracker* database. As a result of differing data sources, comparisons of these unit counts to last-year same period should not be deemed reliable.

<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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