

# Minneapolis Rental Housing Brief

May 2019



Housing**Link** 

# Rents

## Median Rents

### ONE BEDROOM



May 2019 \$1,145  
May 2018 \$1,225

**-7%**  
Decrease  
YOY

### TWO BEDROOM



May 2019 \$1,598  
May 2018 \$1,480

**+8%**  
Increase  
YOY

### THREE BEDROOM



May 2019 \$1,600  
May 2018 \$1,600

**No  
Change  
YOY**

## Income Required to Rent a Home in May 2019



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

### ONE BEDROOM

**\$2,863**

### TWO BEDROOM

**\$3,995**

### THREE BEDROOM

**\$4,000**

## Vacancy Distribution by Building Type<sup>1</sup>



### APARTMENT

May 2019 69%  
May 2018 73%



### SINGLE FAMILY HOME

May 2019 8%  
May 2018 10%



### OTHER (Condo, Duplex, Townhome)

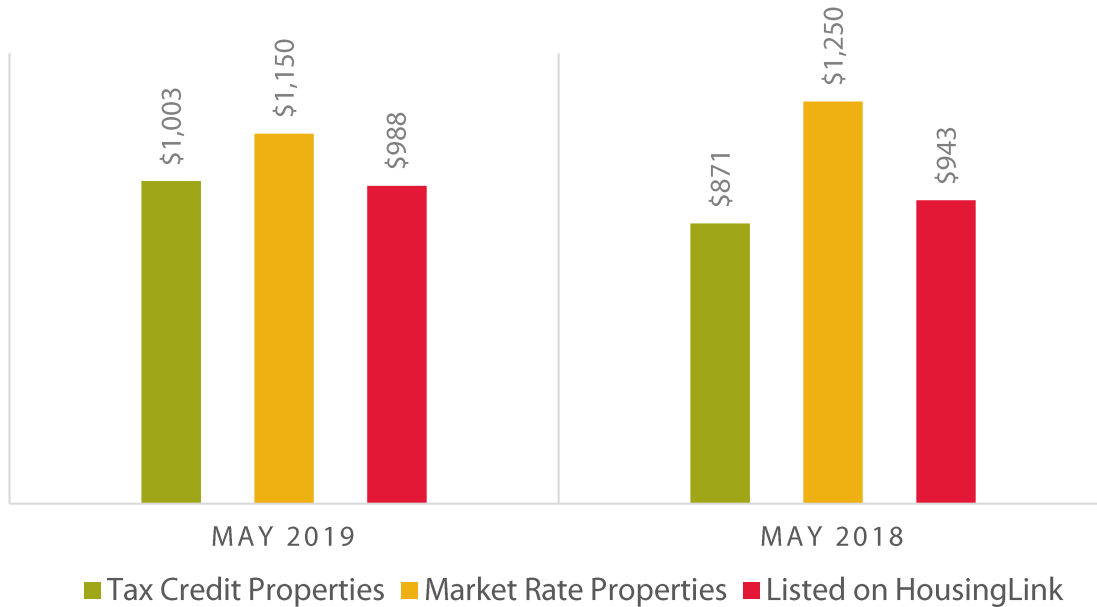
May 2019 23%  
May 2018 17%

<sup>1</sup> Different than "vacancy rate," we are saying that OF the vacancy rate (around 3%), 69% of the vacancies are apartments, 8% are single family homes, and 23% are of another building type.

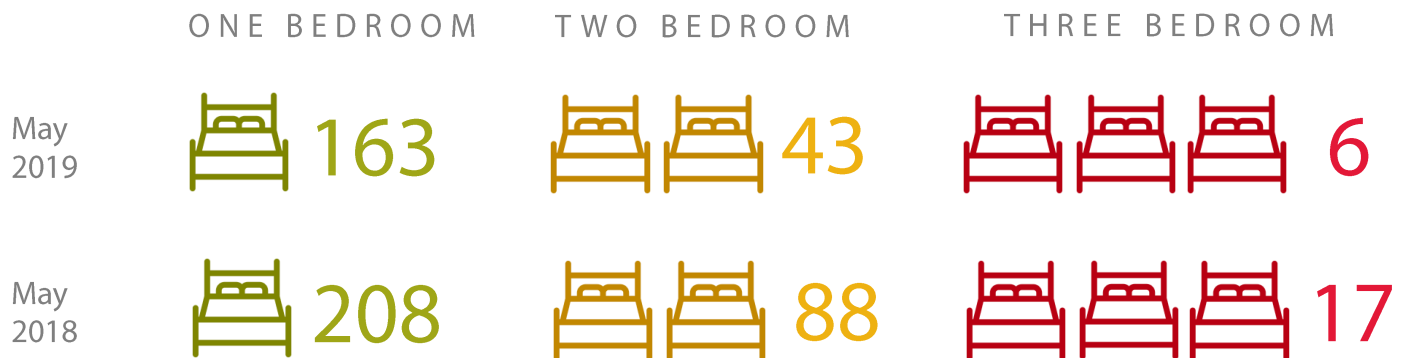
Source: HousingLink's Twin Cities Rental Revue, based on an average of 789 rental vacancy rental listings a month for a variety of building types including multifamily apartments, single-family homes, duplexes, condominiums, and townhomes.

# Rental Housing Affordability

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



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

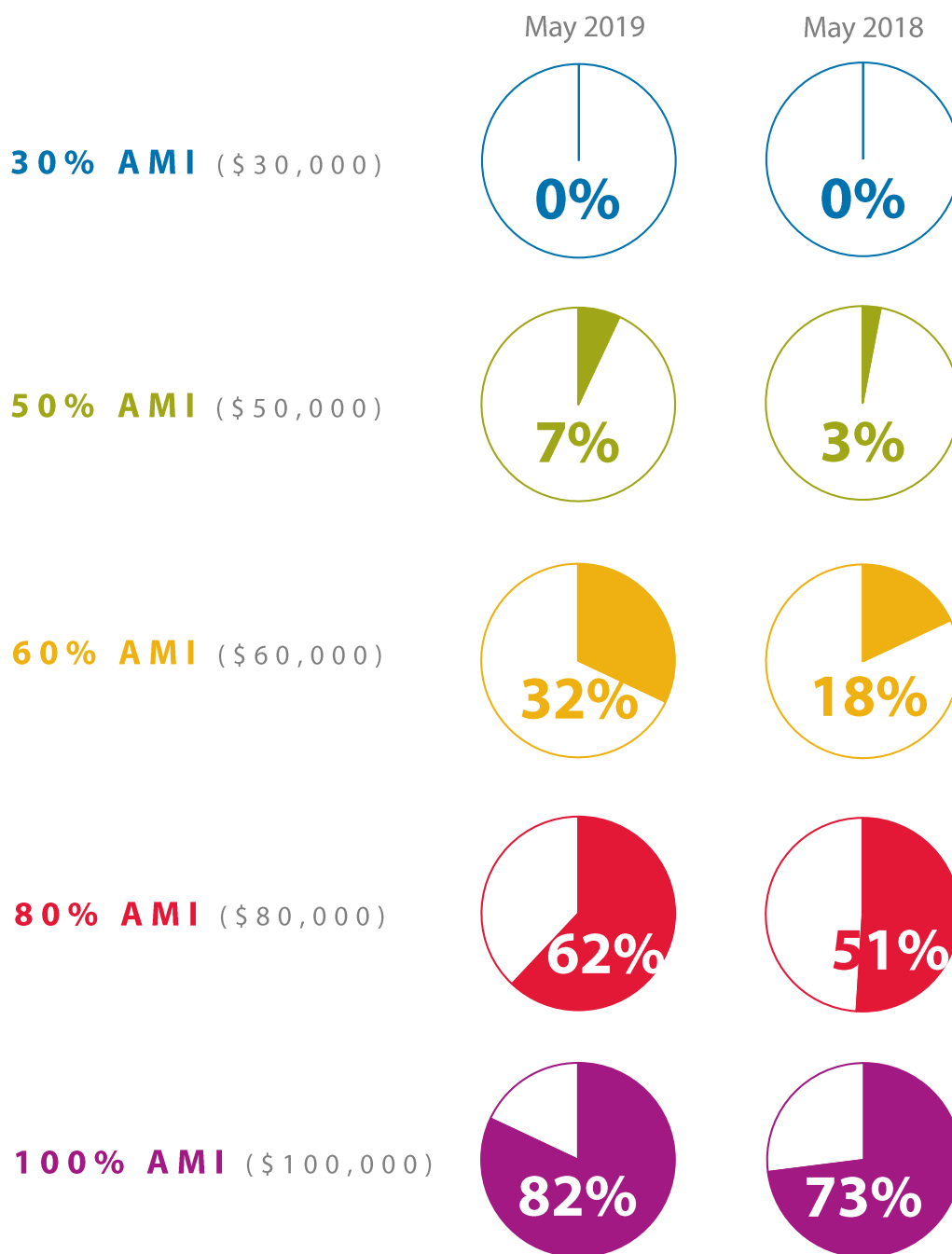


<sup>1</sup> Source: HousingLink's Twin Cities Rental Revue, based on an average of 789 rental vacancy rental listings a month for a variety of building types including multifamily apartments, single-family homes, duplexes, condominiums, and townhomes.

<sup>2</sup> Ibid. "NOAH" refers to "Naturally Occurring Affordable Housing" rental vacancies, defined in this report as those between \$550 and \$1,200 per month, a standard established by the locally-based NOAH Impact Fund: <https://noahimpactfund.com/impact-investing-affordable-housing-Minnesota/what-is-noah/>

# Rental Housing Affordability







## % of Minneapolis Rental Vacancies Affordable by Income Level



Source: HousingLink's Twin Cities Rental Revue, based on an average of 789 rental vacancy rental listings a month for a variety of building types including multifamily apartments, single-family homes, duplexes, condominiums, and townhomes. Household Income for a family of four 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

## May 2019 Vacancies Willing to Accept Section 8 Housing Choice Voucher<sup>1</sup>

	May 2019	May 2018
ONE BEDROOM 	16	
TWO BEDROOM 	16	
THREE BEDROOM 	7	

Why am I seeing the "Have a Voucher" icon instead of last year's data?  
Watch [this video](#) to see why.

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### Housing Choice Vouchers forfeited from Q1 2019<sup>2</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.

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### May 2019 Waiting List Openings<sup>3</sup> A 9% increase from last year.

<sup>1</sup> Source: HousingLink's Twin Cities Rental Revue, based on an average of 789 rental vacancy rental listings a month for a variety of building types including multifamily apartments, single-family homes, duplexes, condominiums, and townhomes.

<sup>2</sup> Source: Minneapolis Public Housing Authority.

<sup>3</sup> Source: Waiting list openings advertised on HousingLink. May include Public Housing, Project Based Section 8, Tax Credit, and more.

# Rental Housing Stock

Licensed Rental Units – Q1 2019<sup>1</sup>



96,232

Licensed units



+1.0% since 2018



1,911

"Tier 3" rental units



-5.9% since 2018

24,927

Units in 1 and 2 Unit  
Licenses



+0.2% since 2018



838

Units of Short-Term Rental Stock  
(new in 2018 – down 24% from 2018 peak)



**airbnb 300+**  
entire home rentals listed<sup>2</sup>

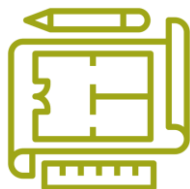
<sup>1</sup> Source: Analysis of City of Minneapolis Regulatory Services rental license data. Note: The City of Minneapolis uses a tiered rating system as part of their rental process. Tier 3 rentals are those which require excessive city services, are poorly maintained or managed, and may be at a higher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

<sup>2</sup> Source: May 31, 2019 search of "entire home" rentals on AirBnB.com.



# Apartment Sales & Development

## Apartment Development in Units as of Q1 2019<sup>1</sup>



### PROPOSED

Affordable	2,923
Mixed Income	2,298
Market Rate	7,464



### UNDER CONSTRUCTION

Affordable	790
Mixed Income	637
Market Rate	2,022

## Average Price-Per-Unit Apartment Sales Q2 2018– Q1 2019<sup>2</sup>



**\$197,070**

Per unit



**+48% over  
previous 12 months**

<sup>1</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 Development Tracker, available at [finance-commerce.com](http://finance-commerce.com).

<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](http://finance-commerce.com).

# Notable Housing Facts

## 47% of Minneapolis renters live in housing that is not affordable to them<sup>1</sup>

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.



## 7.3% of Minneapolis Public Schools students experienced homelessness in the past year<sup>2</sup>

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 placement.



## Availability of Housing for Special Populations May 2019<sup>3</sup>

**34**

Housing openings with one or more accessible features (↑ up 36% from last year).

**31**

Keys-for-Heroes (Veteran-Friendly) openings. (↓ down 42% from last year)

<sup>1</sup> Source: Analysis of 2017 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>

<sup>2</sup> Source: Minneapolis Public Schools.

<sup>3</sup> Source: Advertised vacancies on HousingLink.org





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