

# Minneapolis Rental Housing Brief

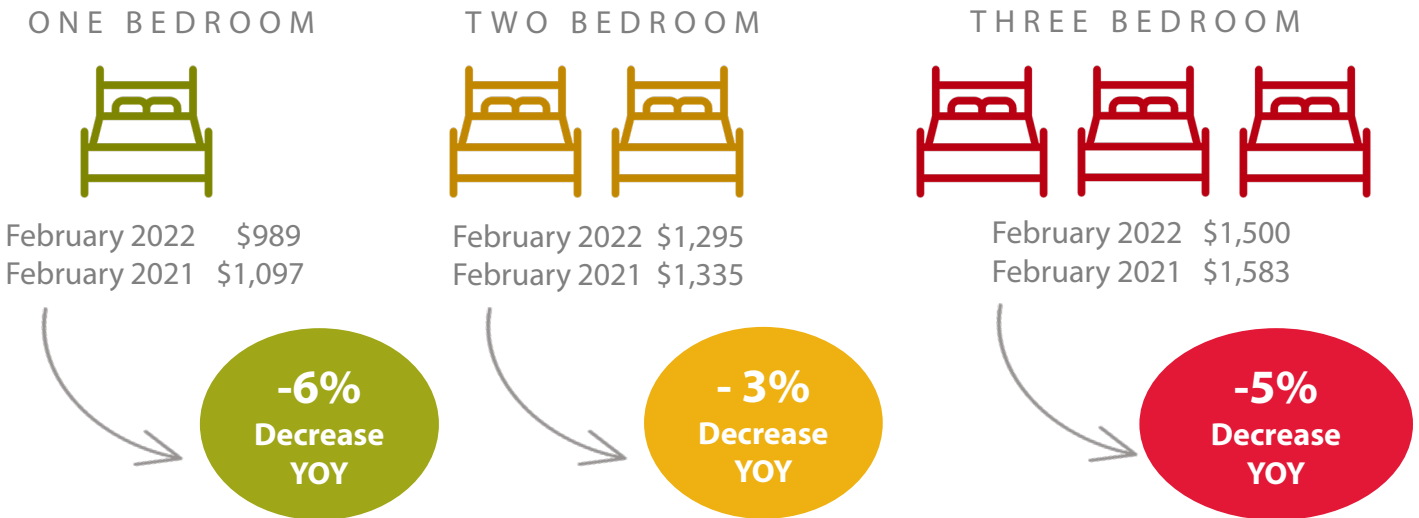
February 2022



Housing**Link** 

# Rents

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



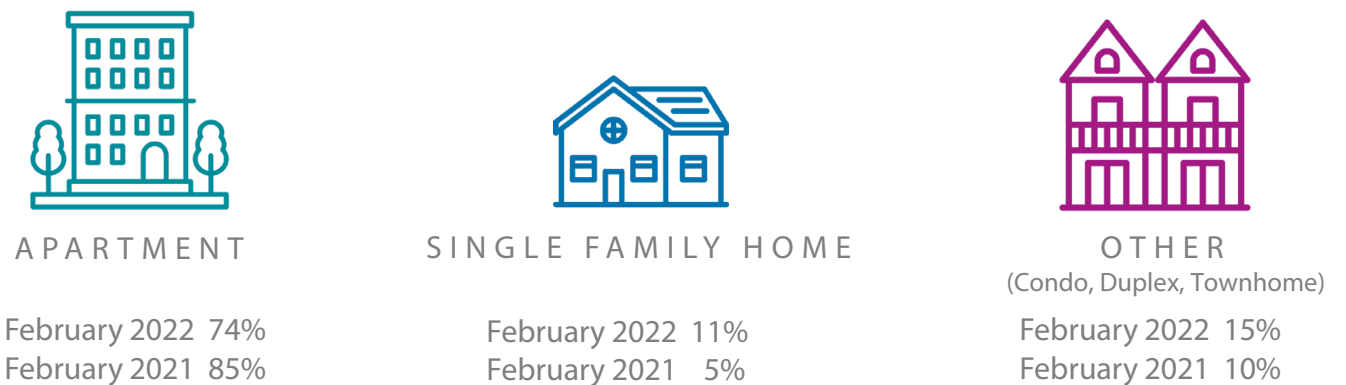
## Income Required to Rent a Home in February 2022



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
\$2,473	\$3,238	\$3,750

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



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

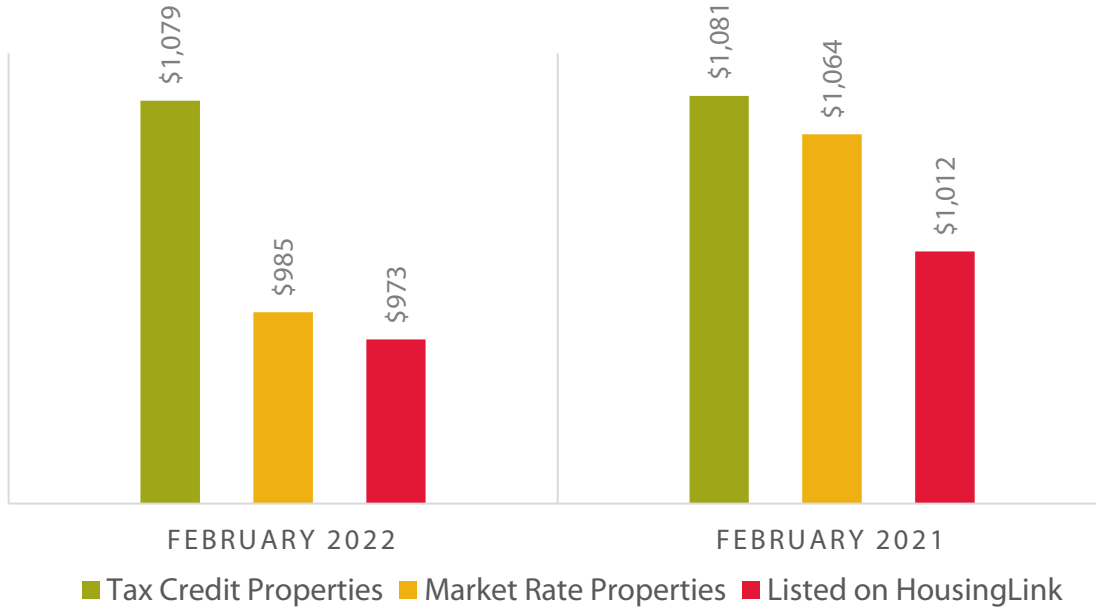
<sup>2</sup> Different than "vacancy rate," we are saying that OF the vacancy rate (around 3%), xx% of the vacancies are apartments, xx% are single family homes, and xx% are of another building type.

Source: HousingLink's *Market Rent Data*.

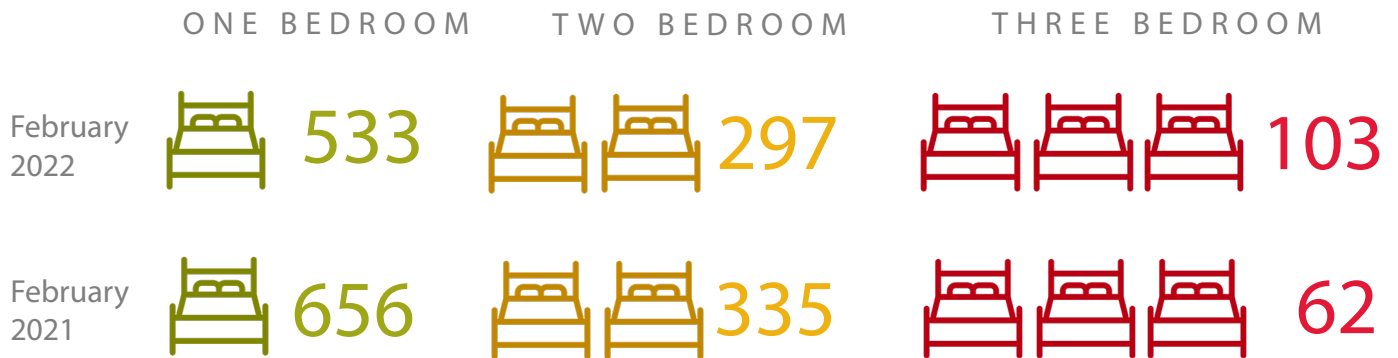


# Rental Housing Affordability

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



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



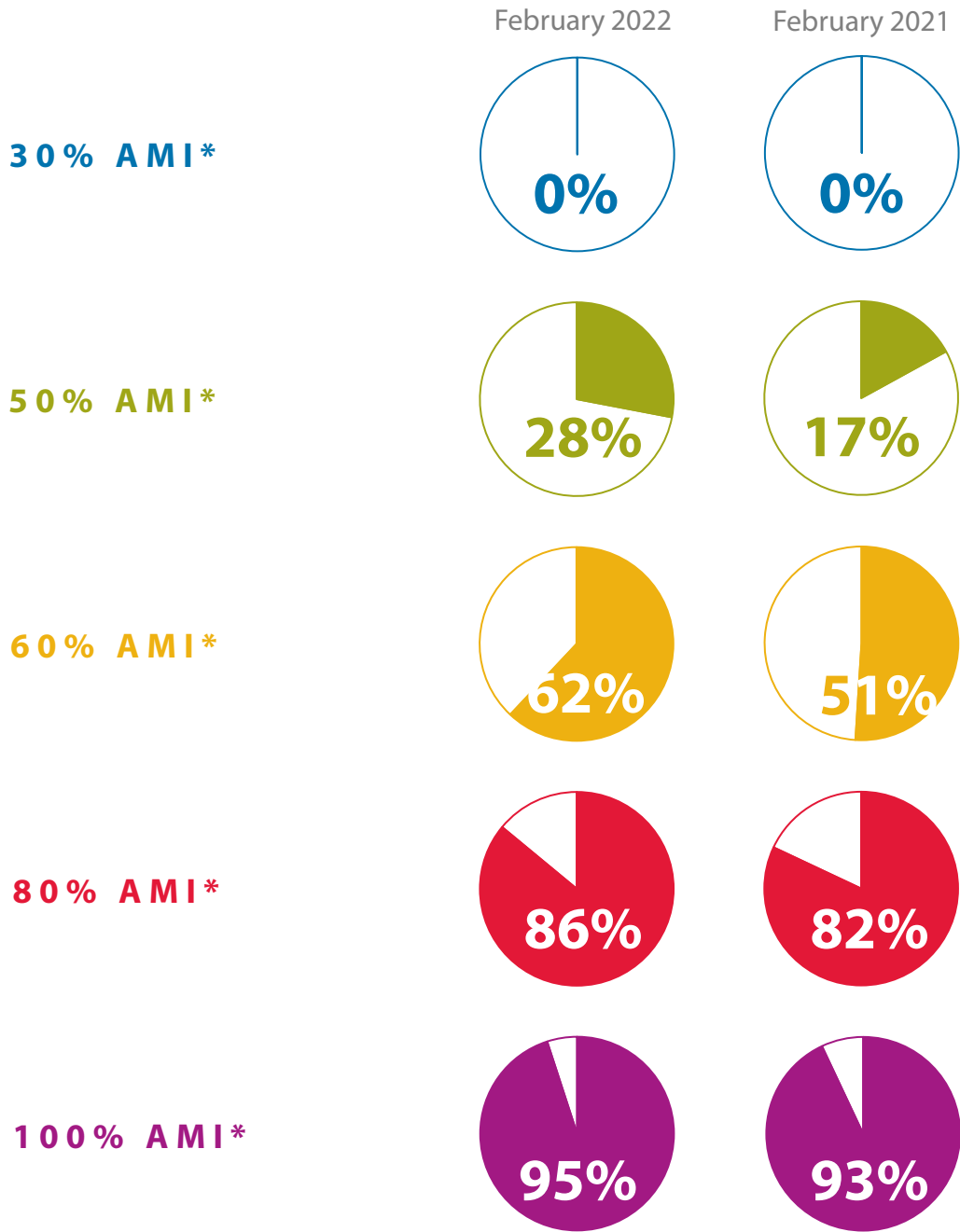
<sup>1</sup> Source: HousingLink's *Market Rent Data*.

<sup>2</sup> Ibid. For purposes of this report, we define "NOAH" private market housing that is affordable to 60% of Area Median Income, including likely utility costs, 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

11

## Housing Choice Vouchers forfeited in Q4 2021<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.

15

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

↑ up from 12 last year.

38

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

↓ down from 82 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 – Q4 2021<sup>1</sup>



102,389

Licensed units



+9.5% since 2020



527

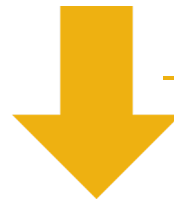
"Tier 3" rental units



-67.4% since 2020<sup>2</sup>

24,202

Units in 1 and 2 Unit Licenses



-3.0% since 2020



1,726

Units of Short-Term Rental Stock  
(↑ 23.6% from 2020)



**airbnb 1,192**  
entire home rentals listed<sup>3</sup>

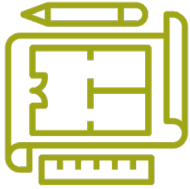
<sup>1</sup> Source: Analysis of City of Minneapolis Regulatory Services rental license data. Note: The City of Minneapolis uses a tiered rating system as part of their rental process. Tier 3 rentals are those which require excessive city services, are poorly maintained or managed, and may be at a higher 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> 2021 tiering reflects a lower volume of both inspections and violations during the pandemic. 2020 tiering was as a result of inspections and violations in 2019, a pre-pandemic year.

<sup>3</sup> Source: As of February 2022 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 Q4 2021<sup>1</sup>



### PROJECTS PROPOSED

w/Known Affordable Units 49  
w/no Known Affordable Units 98



### 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 Q1 2021– Q4 2021<sup>2</sup>



**\$231,843**  
Per unit



36% up 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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