Minneapolis Rental Housing Brief

January 2020
Rents

Median Rents

**ONE BEDROOM**

<table>
<thead>
<tr>
<th>January 2020</th>
<th>January 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,045</td>
<td>$1,208</td>
</tr>
</tbody>
</table>

-13% Decrease YOY

**TWO BEDROOM**

<table>
<thead>
<tr>
<th>January 2020</th>
<th>January 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,400</td>
<td>$1,688</td>
</tr>
</tbody>
</table>

-17% Decrease YOY

**THREE BEDROOM**

<table>
<thead>
<tr>
<th>January 2020</th>
<th>January 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,550</td>
<td>$1,600</td>
</tr>
</tbody>
</table>

-3% Decrease YOY

Income Required to Rent a Home in January 2020

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

**ONE BEDROOM**

$2,613

**TWO BEDROOM**

$3,500

**THREE BEDROOM**

$3,875

Vacancy Distribution by Building Type

**APARTMENT**

<table>
<thead>
<tr>
<th>January 2020</th>
<th>January 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>66%</td>
<td>71%</td>
</tr>
</tbody>
</table>

**SINGLE FAMILY HOME**

<table>
<thead>
<tr>
<th>January 2020</th>
<th>January 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>12%</td>
<td>7%</td>
</tr>
</tbody>
</table>

**OTHER**

(Condo, Duplex, Townhome)

<table>
<thead>
<tr>
<th>January 2020</th>
<th>January 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>22%</td>
<td>22%</td>
</tr>
</tbody>
</table>

1 Different than “vacancy rate,” we are saying that 66% of the vacancies are apartments, 12% are single family homes, and 22% are of another building type.

Source: HousingLink’s Twin Cities Rental Revue, based on an average of 969 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 Rents¹

<table>
<thead>
<tr>
<th></th>
<th>JANUARY 2020</th>
<th>JANUARY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$949</td>
<td>$1,050</td>
<td>$1,210</td>
</tr>
<tr>
<td>$965</td>
<td>$1,048</td>
<td>$550</td>
</tr>
</tbody>
</table>

Tax Credit Properties  Market Rate Properties  Listed on HousingLink

Number of NOAH Rental Vacancies²

<table>
<thead>
<tr>
<th>ONE BEDROOM</th>
<th>TWO BEDROOM</th>
<th>THREE BEDROOM</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2020</td>
<td>263</td>
<td>81</td>
</tr>
<tr>
<td></td>
<td></td>
<td>17</td>
</tr>
<tr>
<td>January 2019</td>
<td>308</td>
<td>83</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9</td>
</tr>
</tbody>
</table>

¹ Source HousingLink’s Twin Cities Rental Revue, based on an average of 969 rental vacancy rental listings a month for a variety of building types including multifamily apartments, single-family homes, duplexes, condominiums, and townhomes.

² 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

Want to learn more about this data point? Click here and watch this video!

<table>
<thead>
<tr>
<th>Income Level</th>
<th>January 2020</th>
<th>January 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% AMI*</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>50% AMI*</td>
<td>13%</td>
<td>2%</td>
</tr>
<tr>
<td>60% AMI*</td>
<td>42%</td>
<td>17%</td>
</tr>
<tr>
<td>80% AMI*</td>
<td>76%</td>
<td>47%</td>
</tr>
<tr>
<td>100% AMI*</td>
<td>89%</td>
<td>73%</td>
</tr>
</tbody>
</table>

*AMI (Area Median Income) is $70,000 for an individual and $100,000 for a family of four in the Twin Cities Metro (HUD, 2020).

Source: HousingLink’s Twin Cities Rental Revue, based on an average of 969 rental vacancy rental listings a month for a variety of building types including multifamily apartments, single-family homes, duplexes, condominiums, and townhomes. 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

### January 2020 Vacancies Willing to Accept Section 8 Housing Choice Voucher¹

<table>
<thead>
<tr>
<th>Type</th>
<th>January 2020</th>
<th>January 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Bedroom</td>
<td>23</td>
<td>19</td>
</tr>
<tr>
<td>Two Bedroom</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Three Bedroom</td>
<td>11</td>
<td>9</td>
</tr>
</tbody>
</table>

¹ Source: HousingLink’s Twin Cities Rental Revue, based on an average of 969 rental vacancy rental listings a month for a variety of building types including multifamily apartments, single-family homes, duplexes, condominiums, and townhomes.

### Housing Choice Vouchers forfeited from Q4 2020²

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.

### January 2020 Waiting List Openings³ ▲ up from 9 last year.

³ 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 – Q4 2019¹

- 96,034 Licensed units
  +0.8% since 2018

- 1,828 “Tier 3” rental units
  -10.0% since 2018

- 24,507 Units in 1 and 2 Unit Licenses
  -1.5% since 2018

- 1,356 Units of Short-Term Rental Stock
  (↑ up 26% from 2018)

airbnb 300+
entire home rentals listed²

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 beat a higher risk for fire damage. Tier 3 rentals are additionally on the most frequent inspection cycle (one-year).

² Source: January 30, 2020 search of “entire home” rentals on AirBnB.com.
Apartment Sales & Development

Apartment Development as of the end of Q4 2019

PROJECTS PROPOSED
w/Known Affordable Units 43
w/no Known Affordable Units 99

PROJECTS PERMITTED & UNDER CONSTRUCTION
w/Known Affordable Units 23
w/no Known Affordable Units 84

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 2019–Q4 2019

$172,519 Per unit
30% down from previous 12 months

1 Source: As of the January 2020 Minneapolis Rental Housing Brief, 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 ongoing basis from daily, weekly, monthly and quarterly publications such as Finance & Commerce, Mpls./St. Paul Business Journal, PioneerPress, 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.
Notable Housing Facts

46% of Minneapolis renters live in housing that is not affordable to them¹

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 year²

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
January 2020³

- 41 Housing openings with one or more accessible features (↑ up from 22 last year).
- 69 Keys-for-Heroes (Veteran-Friendly) openings. (↑ up from 51 last year)

---

¹ Source: Analysis of 2018 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

² Source: Minneapolis Public Schools.

³ Source: Advertised vacancies on HousingLink.org
Not currently receiving this report?  
Join the email list

Questions about the data?  
Dan Hylton  
Research Manager  
dhylton@housinglink.org

Media inquiries:  
Sue Speakman-Gomez  
President  
sgomez@housinglink.org

Want a report like this for your community?  
Josh Dye  
Marketing Manager  
jdye@housinglink.org

Visit HousingLink.org for additional research, plus affordable rental housing openings and information.