

Minneapolis Rental Housing Brief

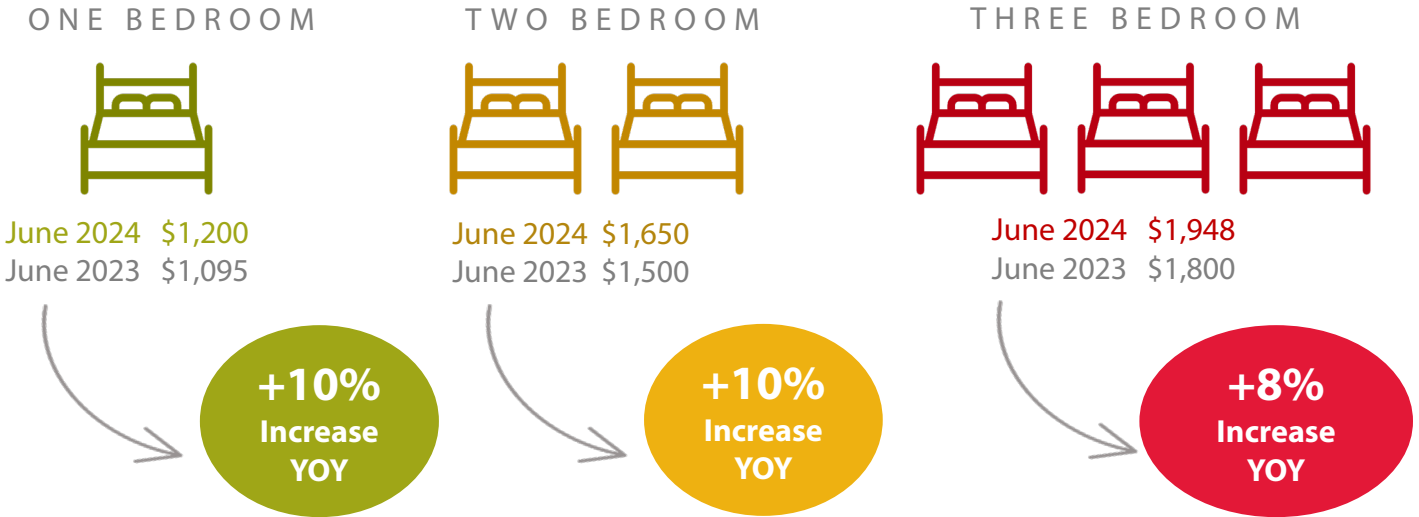
June 2024



Housing**Link** 

Rents

Median Rents¹



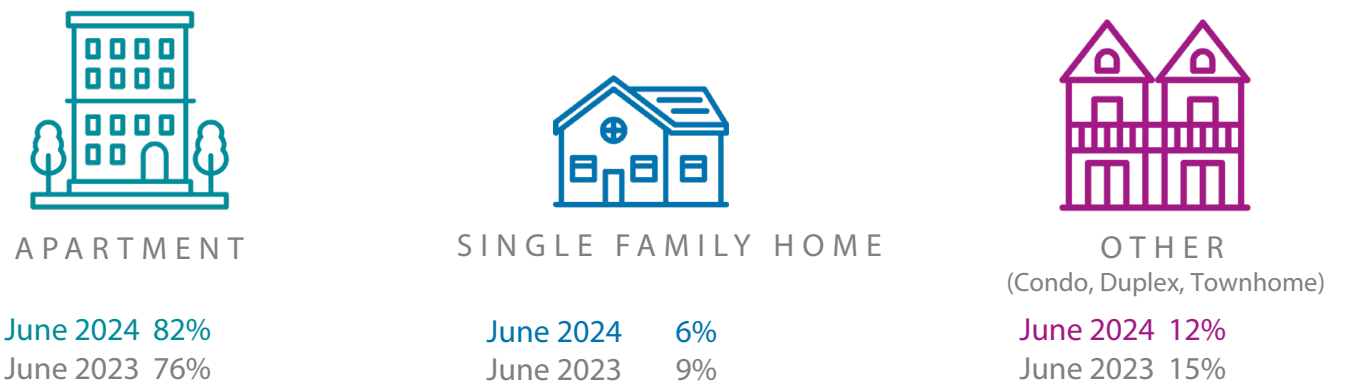
Income Required to Rent a Home in June 2024



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

ONE BEDROOM	TWO BEDROOM	THREE BEDROOM
\$3,000	\$4,125	\$4,869

Vacancy Distribution by Building Type²



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

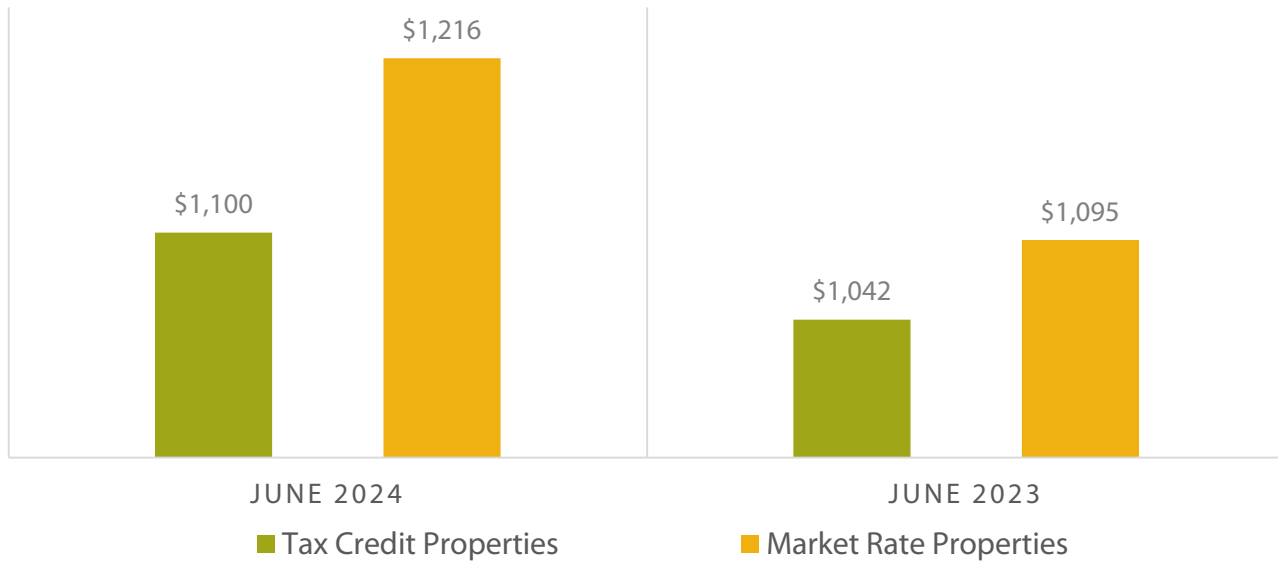
² Different than "vacancy rate," we are saying that OF the vacancy rate (around 5%), xx% of the vacancies are apartments, xx% are single family homes, and xx% are of another building type.

Source: HousingLink's *Rental Revue* data.

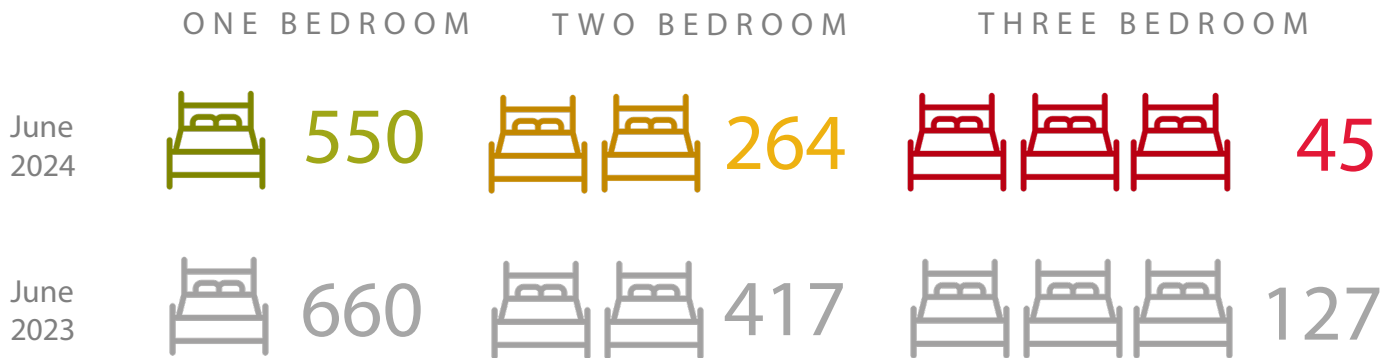


Rental Housing Affordability

Median One Bedroom Rents¹



Number of NOAH Rental Vacancies²



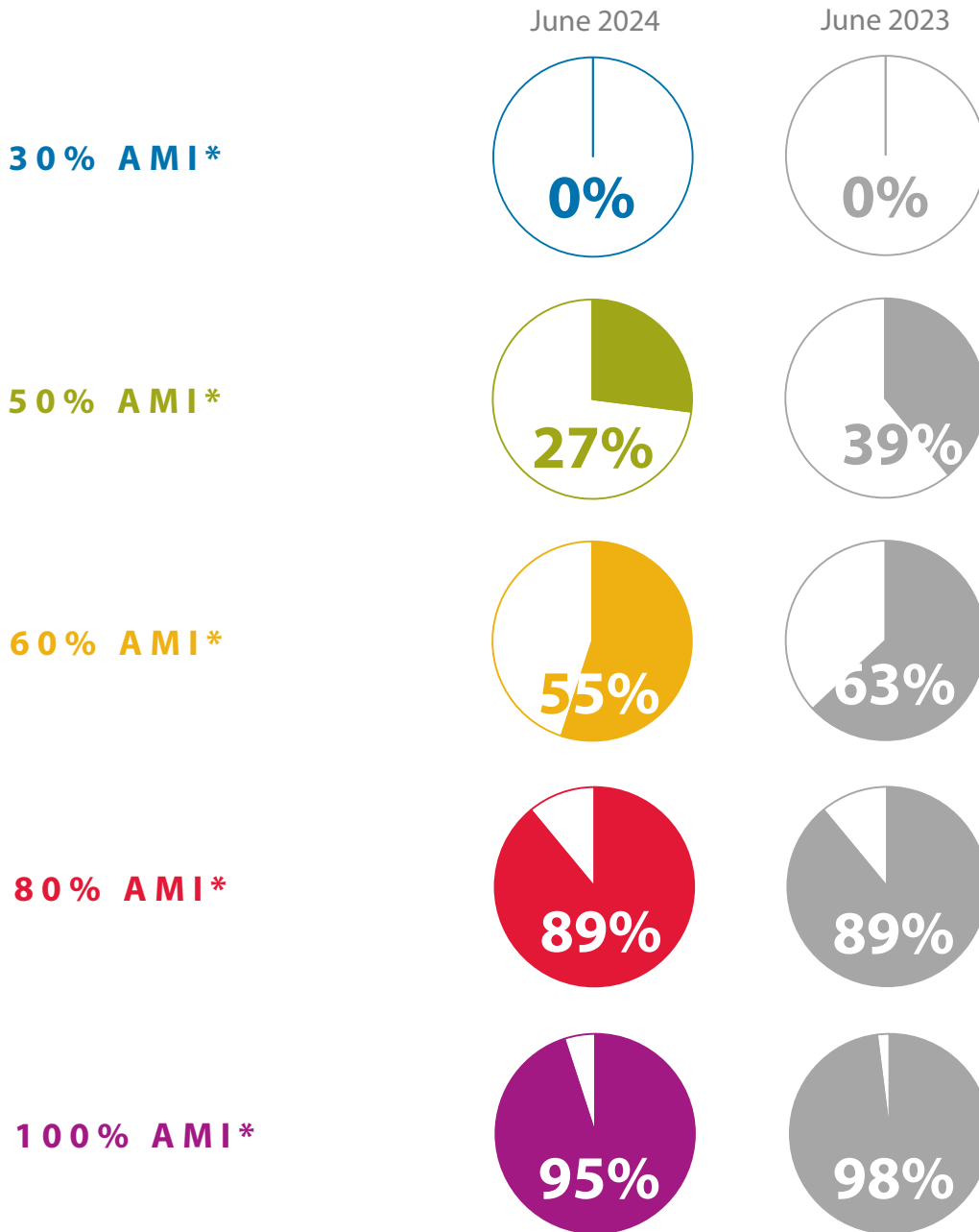
¹ Source: HousingLink's *Rental Revue* data.

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. HousingLink follows widely-accepted basic practices for analyzing housing affordability, which involve comparing rents to area median incomes provided every year by HUD. It is important to remember that an overall standard of "affordability" is a broad brush and individual families looking for housing can only evaluate the notion of "affordable" relative to their own circumstances. To learn more about NOAH rental supply, [watch this video](#).



Rental Housing Affordability

% of Minneapolis Rental Vacancies Affordable by Income Level¹



¹ AMI (Area Median Income) is \$87,000 for an individual and \$124,200 for a family of four in the Twin Cities Metro (HUD, 2024). HousingLink follows widely-accepted basic practices for analyzing housing affordability, which involve comparing rents to area median incomes provided every year by HUD. It is important to remember that an overall standard of “affordability” is a broad brush and individual families looking for housing can only evaluate the notion of “affordable” relative to their own circumstances. 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

7

Housing Choice Vouchers forfeited in Q2 2024¹

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 property manager'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.

Finally, 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.

26

June 2024 Waiting List Openings²

↑ up from 18 last year.

87

June housing openings with one or more accessible features³

↑ up from 79 last year.

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.

Rental Housing Stock

Licensed Rental Units – Q2 2024¹



111,065

Licensed units



+4% from previous year



3,312

"Tier 3" rental units



+112% from previous year²

23,301

Units in 1 and 2 Unit Licenses



-1% from previous year



1,690

Units of Short-Term Rental Stock
(+5% from previous year)



airbnb

1,455

entire home rentals listed³

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.

² Tier 3 rentals are typically on the most frequent inspection cycle (one-year); however, seemingly elevated levels of Tier 3 rentals in recent quarters are largely due to comparisons versus pandemic-era quarters, where there was more limited capacity for inspection.

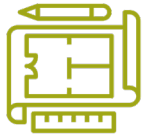
³ Source: insideairbnb.com.



Apartment Sales & Development

Multifamily (5+) Units Permitted for New Construction¹

Q3 2023 to Q2 2024

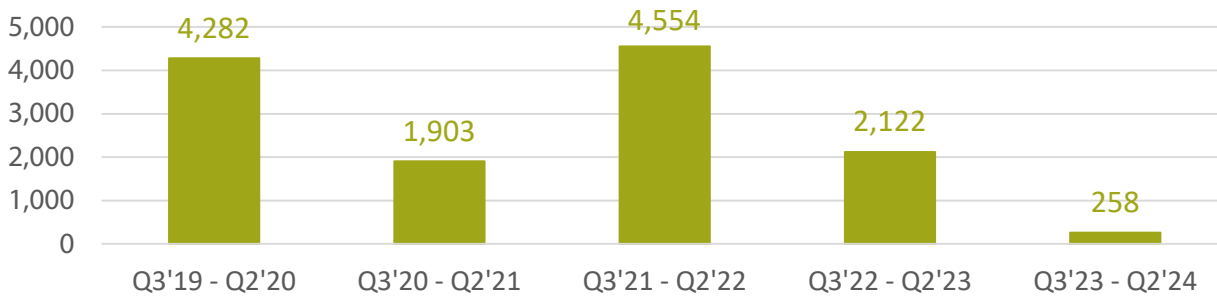


258
Units



-88% year over year

5-year view



Multifamily Apartment Sales²

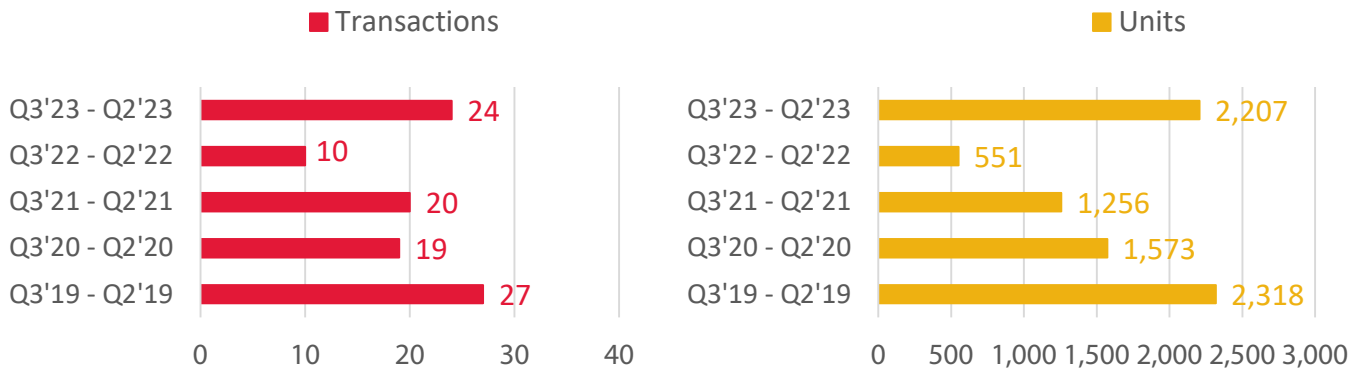
Q3 2023 to Q2 2024

24

Transactions

2,207

Units



¹ Source: HUD's [SOCDS Building Permits Database](#), which contains data on permits for privately-owned residential construction collected in the Census Bureau's *Building Permits Survey*. This data does not include any publicly-owned buildings, housing units created in conversions from other kinds of structures, or housing units created through additions to existing structures. Additionally, it only counts new housing units upon issuing of the final building permit. For more information on what is included see [here](#). ² Source: This analysis, focusing primarily on larger multifamily apartment projects, 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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