

# Minneapolis Rental Housing Brief

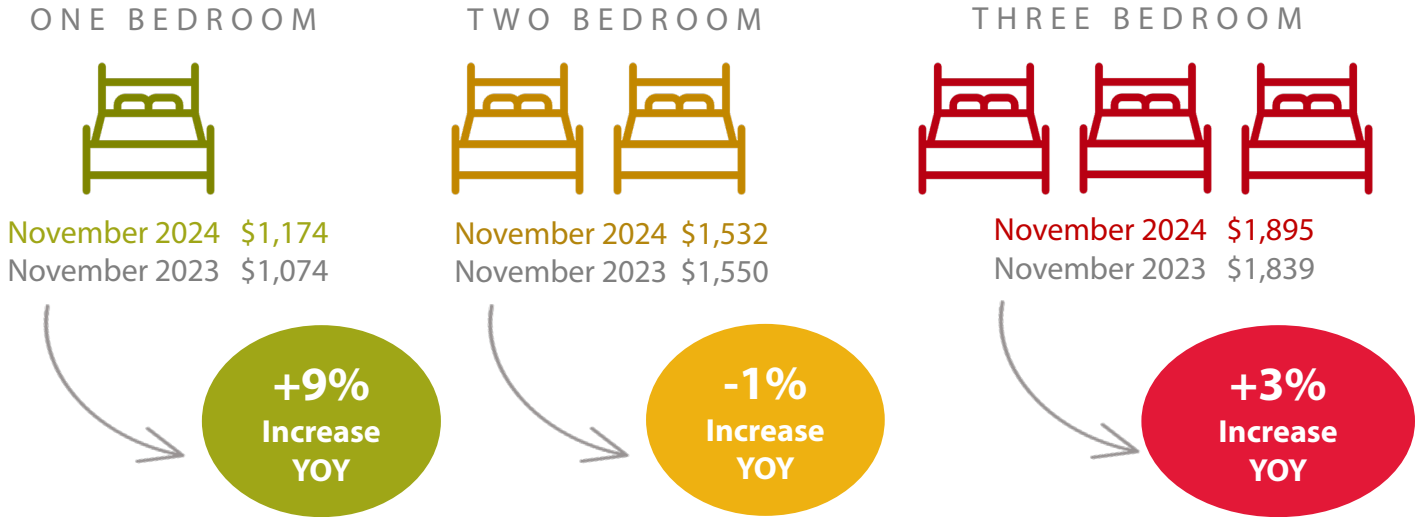
November 2024



Housing**Link** 

# Rents

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



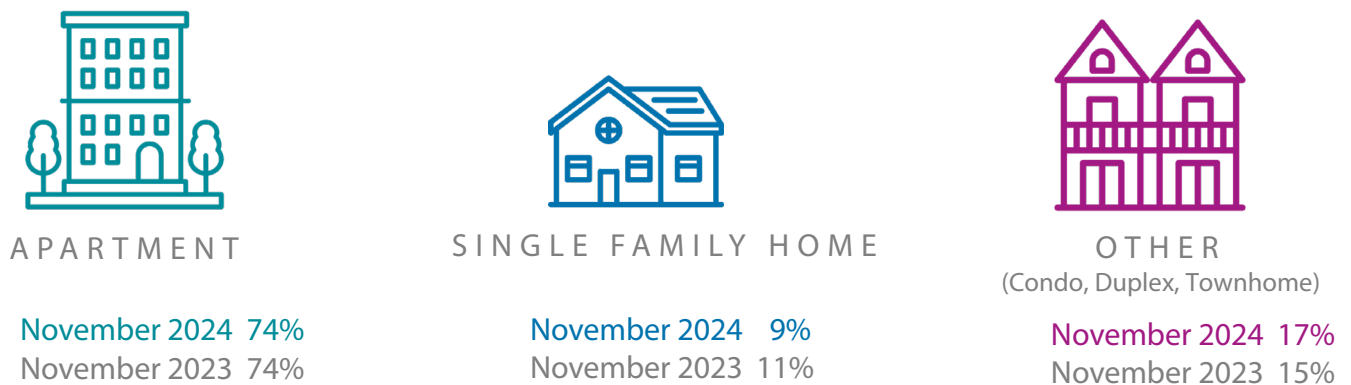
## Income Required to Rent a Home in November 2024



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
\$2,935	\$3,830	\$4,738

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



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

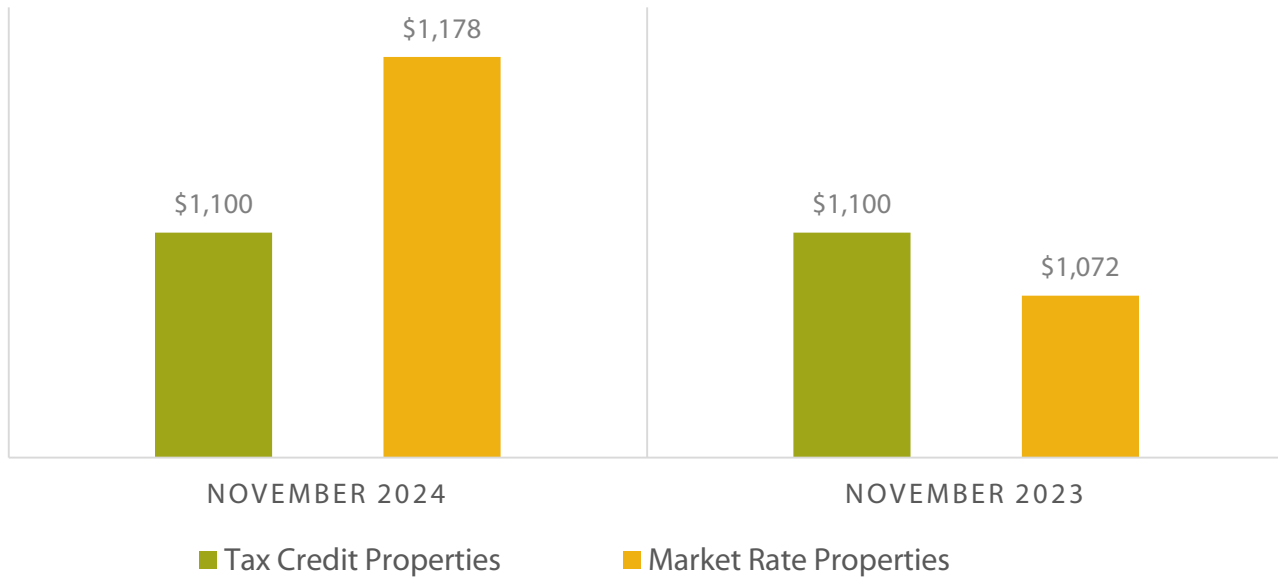
<sup>2</sup> Different than "vacancy rate," we are saying that OF the vacancy rate (around 5%), xx% of the vacancies are apartments, xx% are single family homes, and xx% are of another building type.

Source: HousingLink's *Rental Revue* data.

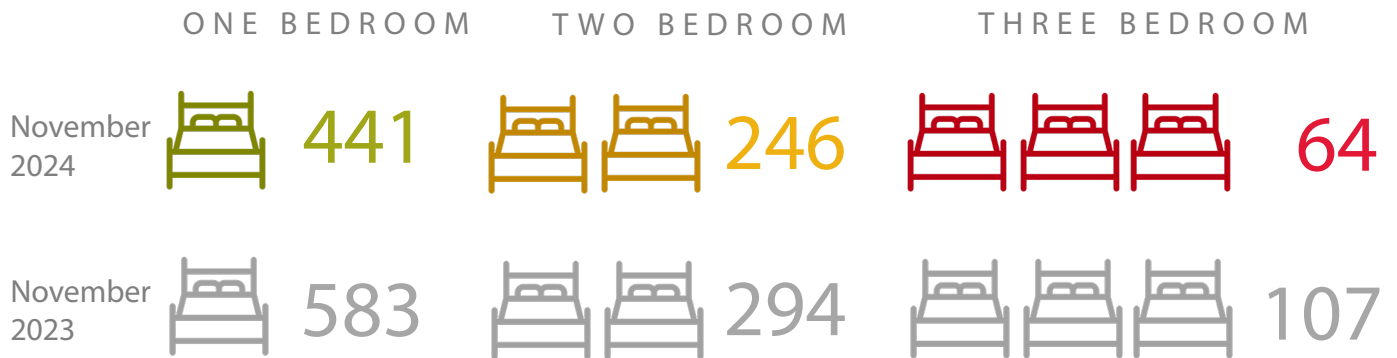


# Rental Housing Affordability

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



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



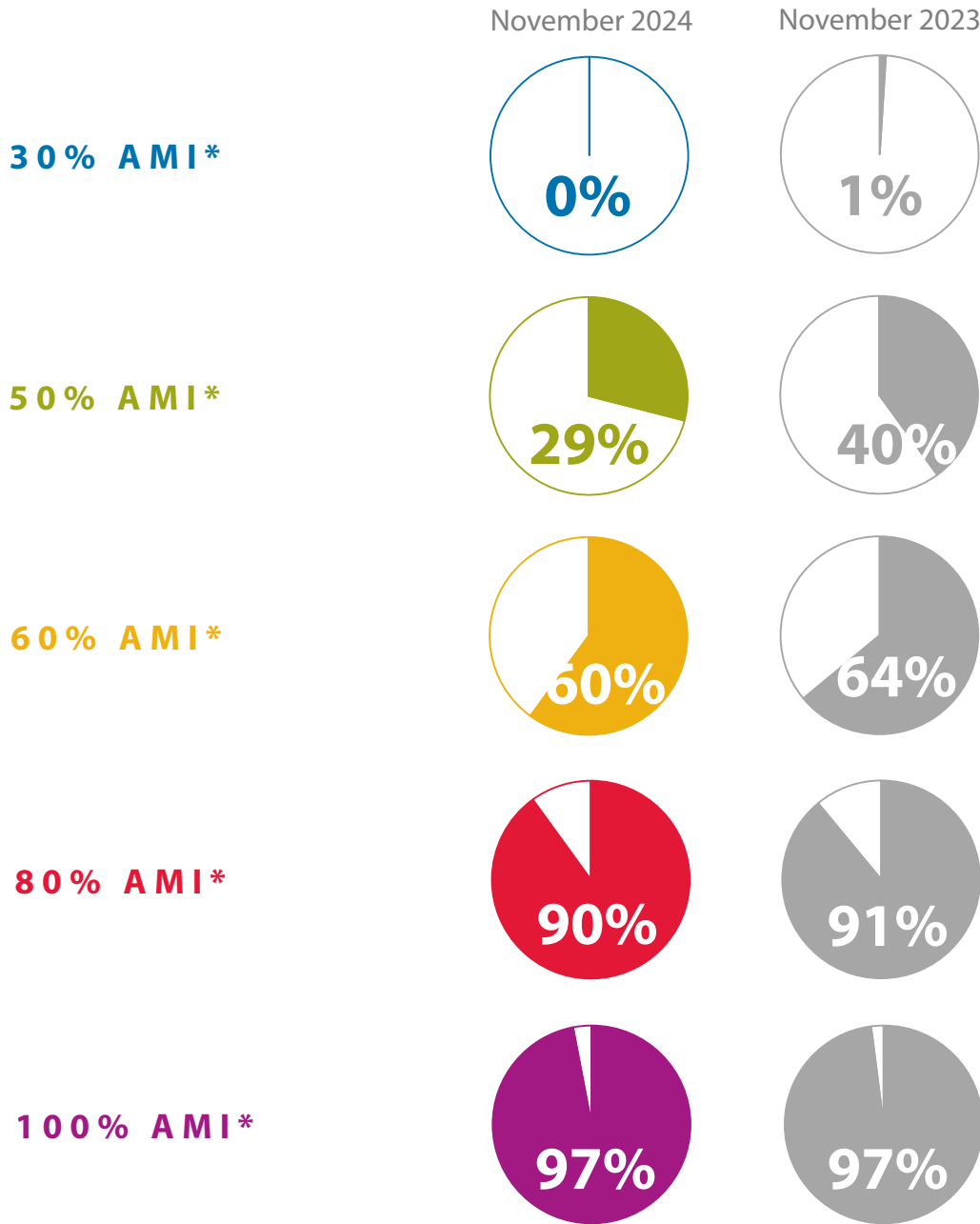
<sup>1</sup> Source: HousingLink's *Rental Revue* data.

<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 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 Level<sup>1</sup>



<sup>1</sup> 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

6

## Housing Choice Vouchers forfeited in Q3 2024<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 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.

29

## November 2024 Waiting List Openings<sup>2</sup>

↑ up from 27 last year.

68

## November housing openings with one or more accessible features<sup>3</sup>

↓ down from 77 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 – Q3 2024<sup>1</sup>



111,319

Licensed units



+3% from previous year



3,306

"Tier 3" rental units



+115% from previous year<sup>2</sup>

23,136

Units in 1 and 2 Unit Licenses



-2% from previous year



1,670

Units of Short-Term Rental Stock  
(+3% from previous year)



airbnb 1,400+  
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.

<sup>2</sup> 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.

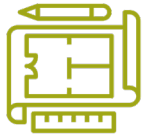
<sup>3</sup> Based on analysis of three years of data from [insideairbnb.com](https://insideairbnb.com).



# Apartment Sales & Development

## Multifamily (5+) Units Permitted for New Construction<sup>1</sup>

Q4 2023 to Q3 2024

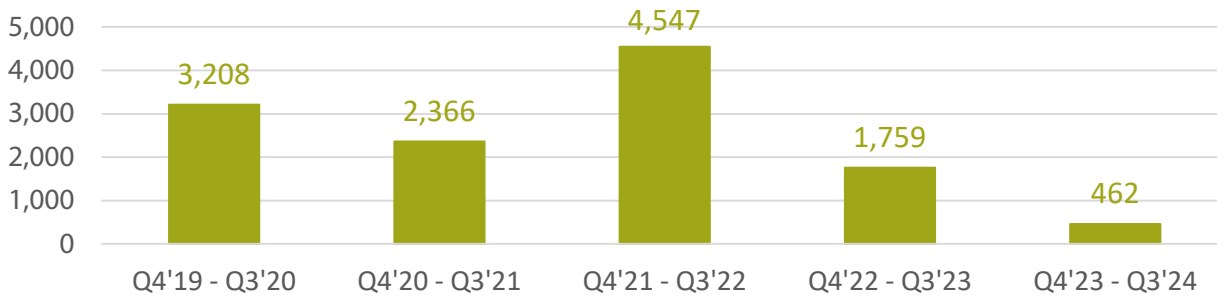


462  
Units



-74% year over year

5-year view



## Multifamily Apartment Sales<sup>2</sup>

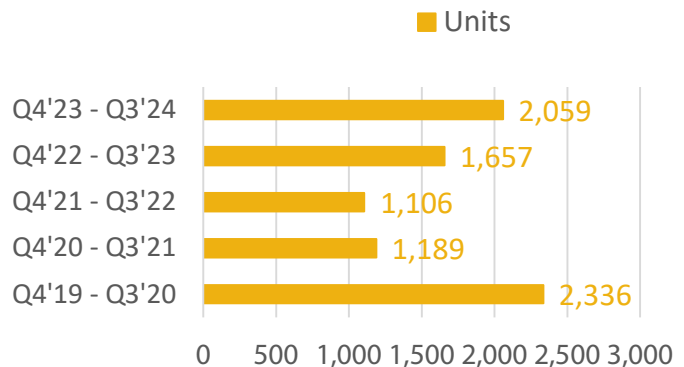
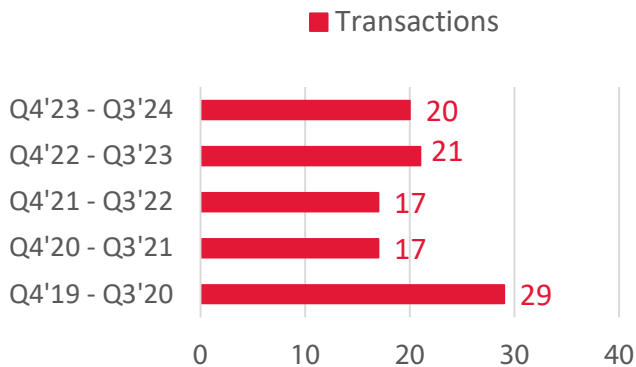
Q4 2023 to Q4 2024

20

Transactions

2,057

Units



<sup>1</sup> 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](#). <sup>2</sup> 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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