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## Housing

Data for the Housing section was acquired from several public and private sources, including the Minneapolis Public Housing Authority, Minneapolis Assessor's Office, Department of Regulatory Services, the Division of Inspection and various city agencies.

Basic inventory data, as well as information about housing condition and home purchase prices within the city, were provided by the Minneapolis Assessor's Office.

Contributors to the Housing Principles include the Assessor's Office, Division of Inspection, Minneapolis Public Housing Authority, Minneapolis Neighborhood Revitalization Program, Minneapolis Public Schools, the Office of Information and Technology Services, Minneapolis Community Development Agency, Office of the Mayor, Minneapolis Planning Commission and Minneapolis Planning Department.

The Minneapolis Public Housing Authority provided data on subsidized housing and housing assistance programs.

The Minneapolis Planning Department provided data on apartment rental costs within the city.

Permit files maintained by the Minneapolis Inspections Department were reviewed for new construction and demolition data.

This chapter can also be found on the city's web site at: [www.ci.minneapolis.mn.us/planning](http://www.ci.minneapolis.mn.us/planning)

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# Housing Inventory

The Minneapolis 1998 housing stock consisted of 103,217 residential structures containing 176,775 units. The City Assessor's records include an estimated: 77,648 single family detached homes; 8,083 single attached units (townhouse, condominiums, cooperatives); 24,928 duplex units; 7,813 apartments in structures with 3 or 4 units; and 58,303 apartments located in structures having 5 or more units. The 1998 housing profile shows that 80.6 percent of all residential structures in the city are owner occupied. Single family detached homes make up the majority of homestead properties, and over three quarters of the single attached units and one-half of the duplex structures are owner occupied. The housing profile shows that 20.8 percent of the city's housing units are rated as below average. The City Assessor over the past three years has been

working to establish a more standardized condition rating system. The age of residential buildings in the city reflects an older housing supply; 40 percent of the structures were built before 1920 and another 48 percent were built between 1920 and 1959, only 12 percent have been constructed since 1960.

The following tables and maps highlight the city's housing inventory for 1998. The first table shows the total number and percent of residential units by various housing categories for the city as a whole and for each of the city's eleven communities. This inventory table is followed by a city-wide housing profile which highlights the 1998 homestead status, condition rating for each housing category and an age profile of residential structures. This inventory is followed by a brief description and a distribution map for each housing category.

MINNEAPOLIS HOUSING INVENTORY, OCTOBER 1998  
By Number and Percent of Units

	Single Family Detached Units	Condo Townhouse Units	Duplex Units	Three/Four Units	Five or More Units	Total Units
Camden	9,897	140	1,214	144	936	12,331
Percent	80.2	1.1	9.9	1.2	7.7	
Northeast	8,461	144	5,058	779	2,710	17,152
Percent	49.3	0.8	29.5	4.5	15.8	
Near North	6,056	223	3,450	707	3,558	13,994
Percent	43.3	1.6	24.7	5.0	25.4	
Central	172	2,731	118	188	13,779	16,988
Percent	1.0	16.1	.7	1.1	81.1	
University	2,457	925	1,384	642	7,636	13,044
Percent	18.8	7.1	10.6	4.9	58.5	
Calhoun-Isles	4,222	1,251	1,650	1,526	8,812	17,461
Percent	24.2	7.2	9.5	8.7	50.5	
Powderhorn	8,294	1,136	4,590	2,158	8,909	25,087
Percent	32.8	4.6	18.5	8.7	35.4	
Phillips	1,173	470	1,820	692	4,277	8,432
Percent	13.8	5.6	21.6	8.2	50.8	
Longfellow	7,800	325	1,860	366	3,106	13,457
Percent	58.0	2.4	14.0	2.6	23.0	
Southwest	15,248	349	2,382	483	3,745	22,207
Percent	68.6	1.6	10.8	2.1	16.9	
Nokomis	13,870	389	1,402	141	807	16,609
Percent	83.5	2.3	8.4	0.9	4.9	
Minneapolis	77,650 *	8,083	24,928	7,826 *	58,275	176,762 *
Percent	43.9	4.6	14.3	4.4	33.0	

\* City-wide totals do not match the community totals because the inventories were completed on different days.

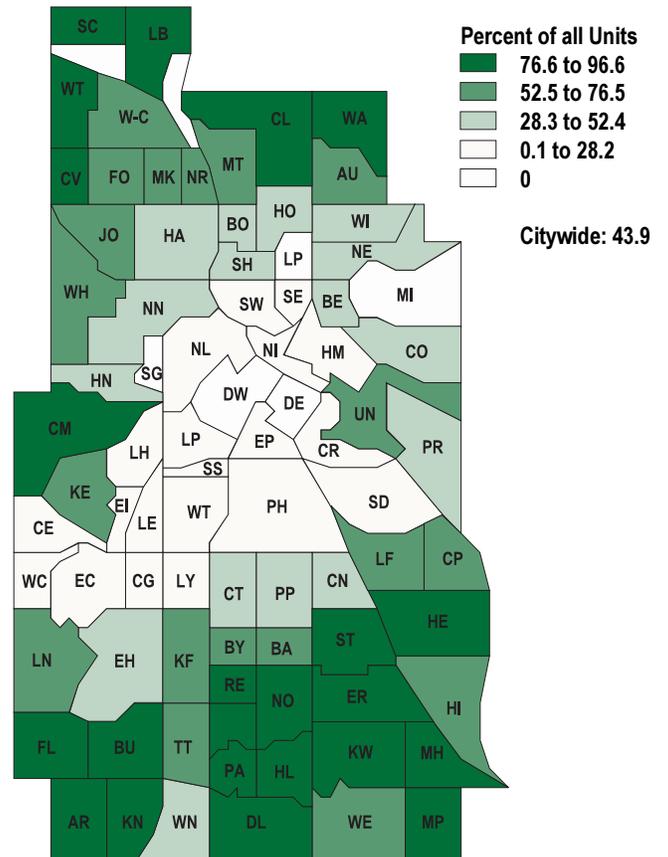
**MINNEAPOLIS HOUSING INVENTORY AND PROFILE, OCTOBER 1998**

	<b>Single Family Units</b>	<b>Condo, Townhouse Units</b>	<b>Duplex Units</b>	<b>Three/ Four Units</b>	<b>Five Or More Units</b>	<b>Total Units</b>
Units						
Number	77,648	8,083	24,928	7,813	58,303	176,775
Percent	43.9	4.6	14.1	4.4	33.0	
Homestead Status*						
Number	69,037	6,460	6,717	859	141	83,216
Percent	88.9	79.9	53.9	39.4	5.0	80.6
Below Average**						
Number	13,865	41	9,222	3,485	9,644	36,257
Unknown	296	970	42	12	1,113	2,433
Percent	17.9	.6	37.1	44.7	16.9	20.8
Age of Buildings						
Before 1920	27,901	2,448	8,335	1,672	868	41,124
Percent	35.9	29.1	66.9	76.6	30.6	39.8
1920-1959	44,568	597	3,453	379	826	49,823
Percent	57.4	.4	27.7	17.4	29.1	48.3
1960 to Date	5,179	5,138	676	130	1,147	12,270
Percent	6.7	63.6	5.4	6.0	40.3	11.9
<b>Total Buildings</b>	<b>77,648</b>	<b>8,083</b>	<b>12,464</b>	<b>2,181</b>	<b>2,841</b>	<b>103,217</b>

\* Calculations are for the number and percent of structures that are homesteads, counting the townhouse, coop and condo category as individual structures.

\*\* Calculations are for the percent of units classified as below average. The unknown category is, therefore, subtracted from the total unit count.

**SINGLE FAMILY HOMES AS A PERCENT OF ALL HOUSING UNITS, BY NEIGHBORHOOD, 1998**



**Single Family Detached Housing**

In 1998, the single family detached home remains the dominate residential structure in Minneapolis with 77,648 homes accounting for 43.9 percent of the total stock of housing in the city. The communities of Nokomis, Camden and Southwest contain the greatest share of single family detached units and provide one-half (50.3 percent) of all single family detached homes in the city. Home ownership remains very strong with 88.9 percent of single family detached homes owner-occupied. The housing condition data show that 17.9 percent of the single family detached homes are considered below average. The age profile for single family detached houses shows that 35.9 percent were built before 1920 and only 6.7 percent have been built since 1960.

The following map indicates the distribution of single family detached housing in the city.

## Single Unit Attached Housing

(Townhouses, Condominiums and Cooperatives)

Single unit attached housing is the newest and fastest growing category in the housing stock. This category creates a classification problem in that each unit is counted as an individual structure even though some units are found in multi-unit buildings as well as townhouses. There are 8,083 single attached units in 1998 accounting for 4.6 percent of all housing units in the city. The four communities of Central, Calhoun-Isles, Powderhorn and University contain almost 75 percent of all single family attached units. City-wide, 79.9 percent of the single family attached units are owner-occupied. The housing condition data show less than one percent are classified as below average by the City Assessor. The condition rating system does not work well for this housing category, primarily because each unit is counted as a separate structure which results in many of the units classified as unknown. The year built profile for single family attached housing units is divided between old and new. Almost two-thirds (63.6 percent) of the single family attached units have been added since 1960, yet another 29.1 percent of the units were built prior to 1920. Most of the recently added units are either large buildings located in the downtown area or lower density townhouse developments located in a residential neighborhood.

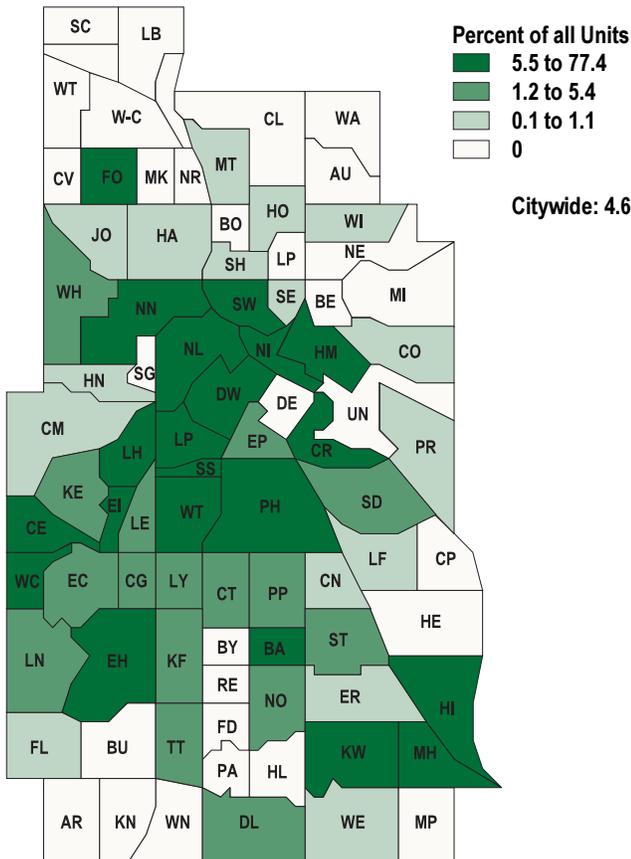
The following map indicates the distribution of single family attached housing in the city.

## Two-Unit Housing

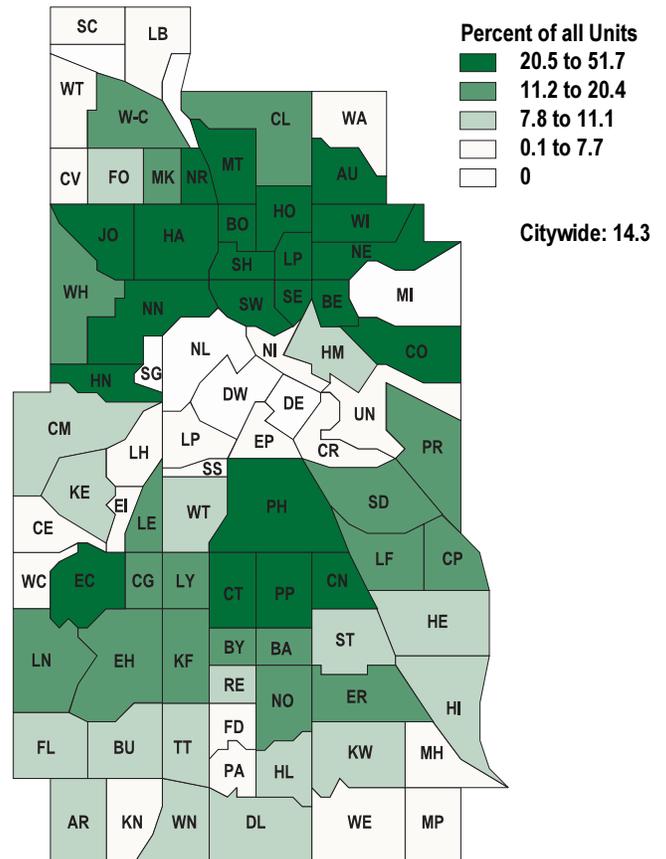
Two-unit residential structures in 1998 make up 14 percent of the city's housing supply and account for 24,928 units. The total number of duplex units has decreased slightly over the past few years. Over 60 percent of the duplex units are located in four communities, Northeast (5,058 units), Powderhorn (4,590 units), Near North (3,450 units) and Southwest (2,382 units). In 1998, the rate of owner-occupancy of duplex structures is 53.9 percent. A full two-thirds (67.0 percent) of the duplex structures were built prior to 1920, making them relatively old. Thirty-seven percent (37.1 percent) of the duplex properties are rated at below average condition. This high percentage of below average ratings reflects, in part, the age of these buildings as well.

The following map shows the distribution of two-unit housing in the city.

CONDOS, TOWNHOUSES AND CO-OPS AS A PERCENT OF ALL HOUSING UNITS, BY NEIGHBORHOOD, 1998



DUPLEX UNITS AS A PERCENT OF ALL HOUSING UNITS, BY NEIGHBORHOOD, 1998



### Triplex and Fourplex Housing

There are 7,813 dwelling units in residential buildings with three or four units, accounting for 4.4 percent of the city's total housing supply. Almost half (47.4 percent) of the city's small apartment buildings are located in just two communities, Powderhorn with 2,158 units and Calhoun-Isles with 1,526 units. Almost 40 percent (39.4 percent) of the small apartment buildings are owner-occupied. Age and condition are significant features for this housing category. Over 75 percent (76.6 percent) of these residential structures were built prior to 1920. The result of aging is that 44.7 percent are rated as below average. This category of housing has also decreased numerically over the last few years in an effort to reduce residential blight in the neighborhoods. Replacement units have generally been in the form of attached units, mainly new townhouse developments located within residential neighborhoods.

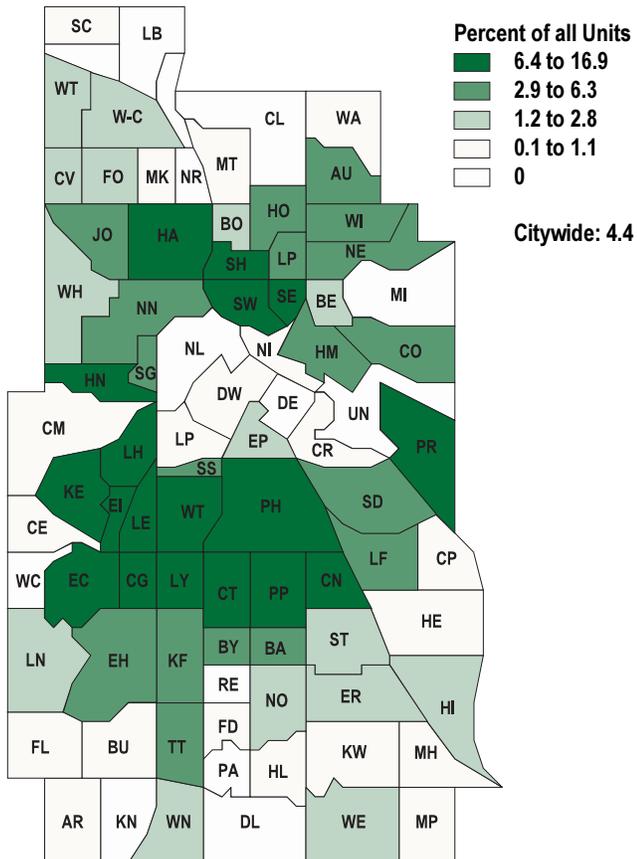
The following map shows the distribution of small apartment buildings by neighborhood.

### Five or More Unit Housing

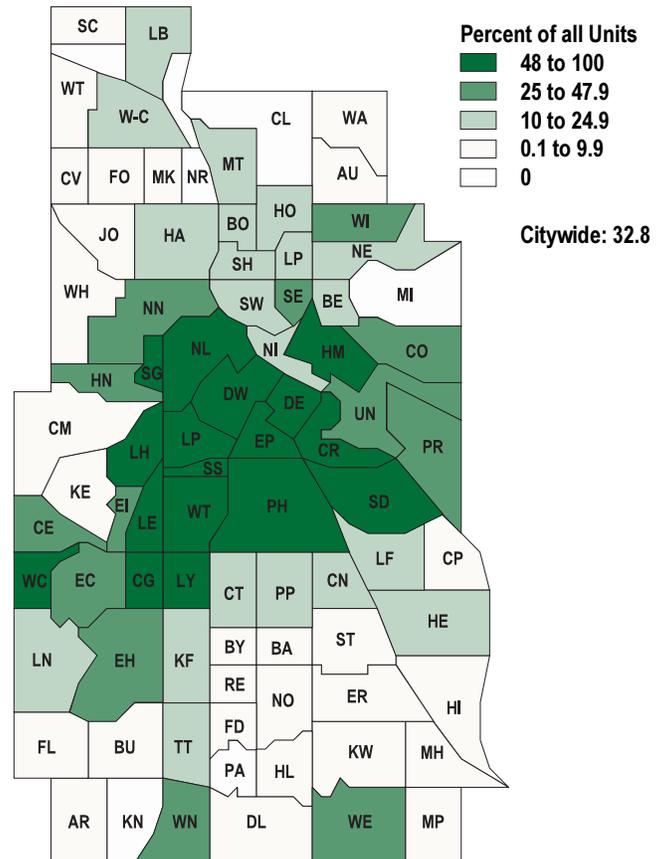
There are 58,303 apartment units located in 2,841 residential buildings which contain five or more units. The apartment category supplies one-third of all housing units in the city. Two-thirds of the city's apartment units in larger buildings are located in four communities surrounding the downtown central business district: Central (13,779 units); Calhoun-Isles (8,812 units); Powderhorn (8,909 units); and University (7,636 units). The housing condition data show 16.9 percent of the apartment units located in larger buildings are classified as below average. The age profile for this residential category shows that 40.3 percent of the city's apartments have been added since 1960. Most of the recently added units are either large buildings located in or near the downtown area, or lower density townhouse developments located in a lower density residential neighborhood. In addition, 30.6 percent of this housing category includes many older apartment buildings constructed prior to 1920. These older buildings are often in poor condition and need serious reinvestment to make them competitive with newer, more modern apartment buildings.

The following map indicates the density of apartment units located in each neighborhood.

**UNITS LOCATED IN THREE AND FOUR UNIT BUILDINGS AS A PERCENT OF ALL HOUSING UNITS, BY NEIGHBORHOOD, 1998**



**UNITS LOCATED IN FIVE OR MORE UNIT BUILDINGS AS A PERCENT OF ALL HOUSING UNITS, BY NEIGHBORHOOD, 1998**





# Housing Principles and Achievement Goals

Mayor Sayles Belton initiated the current housing discussion in her 1995 State of the City Message. By mid-year, the Mayor had held several meetings to discuss the content of a city-wide housing policy statement. The City Council agreed to support a resolution containing four housing principles. The City Planning Commission has been charged with the responsibility to coordinate the study efforts of the working group and to provide liaison with the elected officials.

The four housing principles were adopted July 6, 1995 and are summarized below in short form. The full resolution contains more specific direction for policy and strategy development.

- The variety of housing types throughout the city, its communities, and the metropolitan area shall be increased, giving prospective buyers and renters greater choice in where they live.
- The management, quality and balance of subsidized housing throughout the City and the Metro area shall be improved.
- Housing markets that are already strong shall be preserved and strengthened.
- The quality of Minneapolis housing stock shall be improved.

In order to determine success in implementing the defined Housing Principles, it was necessary to identify key indicators that are easily measurable with statistics that are readily available. We can then note historical trends, establish baseline data, and develop achievement goals which will allow us to develop strategies to influence the successful outcome of the Housing Principles. The following impact measures will be monitored over time to identify the city's success in implementing its housing principles. Trend line data have been added showing the 1996 and 1997 achievements compared to the year 2000 achievement goal. Analysis of the city's progress toward these achievement goals is somewhat premature since only two years has passed since establishing the baseline information.

### • Residential Homestead Status

The residential homestead status relates to the Housing Principle that speaks of preserving and strengthening housing markets. A high level of owner-occupancy in a neighborhood can be directly related to investment in properties and appreciation of their values

DATA ELEMENT: TOTAL NUMBER OF OWNER-OCCUPIED RESIDENTIAL STRUCTURES

Data Element Descriptions	Trend Data (Actual)						Baseline Data	Achievement		Achievement Goals		
	1990	1991	1992	1993	1994	1995		1996	1997	2000	2005	2010
Total Residential Homestead	81,673	81,269	82,858	82,909	85,279	84,518	84,518	84,352	85,234	86,208	88,743	N/A
Single Family Detached	67,223	67,449	67,649	67,188	68,701	68,153	68,153	69,764	69,052	69,516	71,560	N/A
Single Family Attached	7,262	6,632	7,936	8,213	8,665	8,722	8,722	6,931	8,104	8,896	9,158	N/A
Duplex/triplex	6,873	6,865	6,942	7,171	7,472	7,220	7,220	7,153	7,372	7,364	7,581	N/A
Apartments	315	323	331	337	441	423	423	504	533	432	444	N/A

Source: City of Minneapolis Assessor's records

**• Residential Property Values**

Increasing property values are critical to achieving Housing Principles Three and Four which relate to strengthening housing markets and improving the quality of the city's housing stock. As the housing stock ages, it is important that owners maintain their property and that they can be confident that making improvements to their property is economically justified. Homes represent the largest single investment that most people make. Their confidence that the investment will be increasing in value over time is essential in achieving the Housing Principles.

**• Real Estate Investment**

The outcome measures for increased real estate investment through completed residential permits relate directly to the city's Housing Principles in that they demonstrate a willingness on the part of owners to invest in their property. This investment indicates a commitment to stay and a belief that there will be a return on that investment when the property is sold. Increased investment will lead to still further investment as more structures are properly maintained and also improved. Increased residential permit activity will indicate whether we are preserving and strengthening our housing market. The first chart shows the dollar valuation for permits issued for all housing, including new construction permits, while the second chart shows the dollar valuation for permits issued only for existing housing, excluding new construction permits.

**DATA ELEMENT: AGGREGATE MARKET VALUES OF RESIDENTIAL PROPERTIES**  
(in millions of dollars)

Data Element Descriptions	Trend Data (Actual)						Baseline	Achievement		Achievement Goals		
	1990	1991	1992	1993	1994	1995	Data	1996	1997	2000	2005	2010
Total Residential Value	8,580	8,610	8,650	8,660	8,740	8,800	8,800	9,095	9,775	10,100	11,900	N/A
All Residential Non-Apartment	7,290	7,340	7,410	7,480	7,610	7,700	7,700	7,930	8,600	9,000	10,700	N/A
All Residential Apartment	1,290	1,270	1,240	1,180	1,130	1,100	1,100	1,166	1,175	1,100	1,200	N/A

Source: City of Minneapolis Assessor's records

**DATA ELEMENT: VALUE OF COMPLETED PERMITS FOR ALL RESIDENTIAL PROPERTY**  
(in millions of dollars)

Data Element Descriptions	Trend Data (Actual)					Baseline	Achievement		Achievement Goals		
	1992	1993	1994	1995	1995	Data	1996	1997	2000	2005	2010
Total Residential Value	126	104	240	173	161	134	143	209	258	N/A	
Single Family	95	76	180	124	119	110	118	153	189	N/A	
Duplex	10	10	43	12	19	9	9	25	30	N/A	
Triplex	2	1	2	2	2	1	1	3	3	N/A	
Multi-Family	15	16	16	35	21	14	15	27	34	N/A	

Source: Property Management System & Inspections

**DATA ELEMENT: VALUE OF COMPLETED PERMITS FOR ALL EXISTING RESIDENTIAL PROPERTY**  
(in millions of dollars)

Data Element Descriptions	Trend Data (Actual)						Baseline	Achievement		Achievement Goals		
	1990	1991	1992	1993	1994	1995	Data	1996	1997	2000	2005	2010
Existing Residential Value			112	90	189	148	135	105	121	174	214	N/A
Single Family			87	68	136	101	98	82	96	128	157	N/A
Duplex			9	8	41	9	17	9	9	22	27	N/A
Triplex			2	1	1	1	1	1	1	1	1	N/A
Multi-Family			14	12	12	35	18	13	15	23	29	N/A

Source: Property Management System & Inspections



## Change in Housing Condition

The City Assessor's Office has the responsibility for maintaining property descriptions on all parcels in the city as a basis for estimating their market values for tax purposes. The condition rating is a qualitative factor that is one of the variables used in valuing properties. With the implementation of an automated valuation system, a comprehensive review was made of all condition ratings. The result of that review is that during 1996 and 1998 all properties were viewed from at least the exterior, and the condition ratings updated. It had been an extended period of time since a similar project was done on a citywide basis.

Therefore, the appropriate "base line" information would appear in 1997, encompassing 77 of the city's residential neighborhoods, and the 1998 assessment year which included all residential properties. Caution should be used in making conclusions about trends that have occurred up until the base year due to the possibility of using outdated information in years 1996 and earlier.

The 1998 property management files show that 20.8 percent of all Minneapolis housing units were located in structures classified below average. In 1998, the Minneapolis housing inventory based on the City Assessor's regular assessment of all city residential structures, saw a continued change in condition rating between 1997 and 1998 as shown in the following table. The over all change in housing condition shows fewer units (-881 units) in residential structures of average or above condition and a greater number of units in structures identified as below average (+1,012).

The following table shows the change in housing conditions for each housing category over the past four years. The number of single family detached units classified below average increased to 17.9 percent. The 1998 data show 13,865 single family detached units were classified below average, compared to 13,469 in 1997.

Over one-third (37.1 percent) of all units in duplex structures are currently rated below average. The number of units classified below average increased to 9,222 in 1998.

Small apartment buildings with 3 or 4 units also have a large percentage of below average units, at 44.7 percent in 1998. This represents a significant increase over the 1995 figure, again showing the city's emphasis on improving its classification system.

Apartment buildings with five or more units contribute 9,644 below average units, which is 16.9 percent for this housing category. The 1998 data show a three-fold increase in units rated as below average condition compared to 1995 figures. The higher percentage of below average units represents an effort on the part of the City Assessor's Office to improve their condition rating system for this housing category.

Minneapolis housing condition is based on the Minneapolis Assessor's regular assessment of all residential structures in the city. The definitions used for the new categories are listed below. Generally, the need for rehabilitation is associated with parcels classified as Condition 6 or higher. As the condition rating system becomes more standardized, the Assessor's Office will be able to adjust and refine their definitions to help identify the type and extent of rehabilitation that may be necessary within each condition classification.

The table below provides a comparison of the estimated number of units identified in each housing category as average or above, below average, those without a classification and the percent rated below average, for the years 1995 through 1998.

### HOUSING CONDITION 1995 - 1998

#### Single Family Detached Units

Condition	1995	1996	1997	1998
Average or Above	68,994	65,726	63,705	63,487
Below Average	9,873	11,268	13,469	13,865
Unknown	459	466	279	296
Percent Below Average	12.9%	14.6%	17.5%	17.9%

#### Single Family Attached Units

##### (Condominium, Cooperative and Townhouse Units)

Condition	1995	1996	1997	1998
Average or Above	6,050	6,836	6,913	7,072
Below Average	33	36	46	41
Unknown	3,394	3,271	1,107	970
Percent Below Average	.5%	.5%	.7%	.6%

#### Units in Two Unit Structures

Condition	1995	1996	1997	1998
Average or Above	17,934	17,382	15,890	15,664
Below Average	7,504	7,918	9,208	9,222
Unknown	72	72	42	42
Percent Below Average	29.5%	31.3%	36.7%	37.1%

#### Units in Three and Four Unit Structures

Condition	1995	1996	1997	1998
Average or Above	5,938	4,841	4,566	4,340
Below Average	1,730	2,841	3,211	3,485
Unknown	20	12	12	12
Percent Below Average	22.6%	37.0%	41.3%	44.7%

#### Units in Five and More Unit Structures

Condition	1995	1996	1997	1998
Average or Above	52,663	48,449	47,992	47,546
Below Average	3,375	8,232	9,311	9,644
Unknown	1,811	1,027	810	1,113
Percent Below Average	6.0%	14.5%	16.3%	16.9%

#### Units in All Structures

Condition	1995	1996	1997	1998
Average or Above	149,876	143,234	138,966	138,085
Below Average	22,515	30,295	35,245	36,257
Unknown	5,756	4,844	2,250	2,433
Percent Below Average	13.1%	17.5%	20.2%	20.8%

<b>Total Number of Units</b>	<b>178,147</b>	<b>178,373</b>	<b>176,461</b>	<b>176,775</b>
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**The Condition Rating System**

The following definitions of the condition rating classifications were adapted from the former classification system.

**Condition 1, Excellent; Condition 2, Very Good; Condition 3, Good**

The top three classifications represent a well built house with no observable maintenance requirements. Everything is in perfect condition.

**Condition 4, Average Plus**

This classification represents houses with no observable defects in structure and only minor maintenance requirements such as small plaster or stucco cracks. Minor wear and tear on woodwork and cabinets may be noticeable, and it may need some paint or shingles, but no maintenance items have yet been deferred to the point where permanent damage exists.

**Condition 5, Average**

This is the midway range in the condition category and represents the largest grouping. The assumption is that the average structure is in satisfactory condition and is a desirable property as living or working quarters. The maintenance requirements are being satisfactorily covered and the buildings are perfectly salable as is. No major defects or maintenance requirements are observable, but a considerable number of minor items can be seen. Many items such as the roof, plumbing, heating, windows, cabinet work and exterior are showing some deterioration but are still reliable and not in need of immediate replacement.

**Condition 6, Average Minus; Condition 7, Fair**

These classifications represent houses that have considerable deferred maintenance, with permanent damage to structural items, such as roof line sagging or cracks in basement foundation beginning to show. Windows, window frames and sills may be deteriorating from water in the wood. Floors and roof may have some sag. Plaster may have some water stains or damage. The foundation has cracks, but no major settling. Considerable wear and tear on woodwork and cabinets may be noticeable and cabinets should probably be replaced. Heating and plumbing are beginning to show considerable wear and may be unreliable.

**Condition 8, Poor**

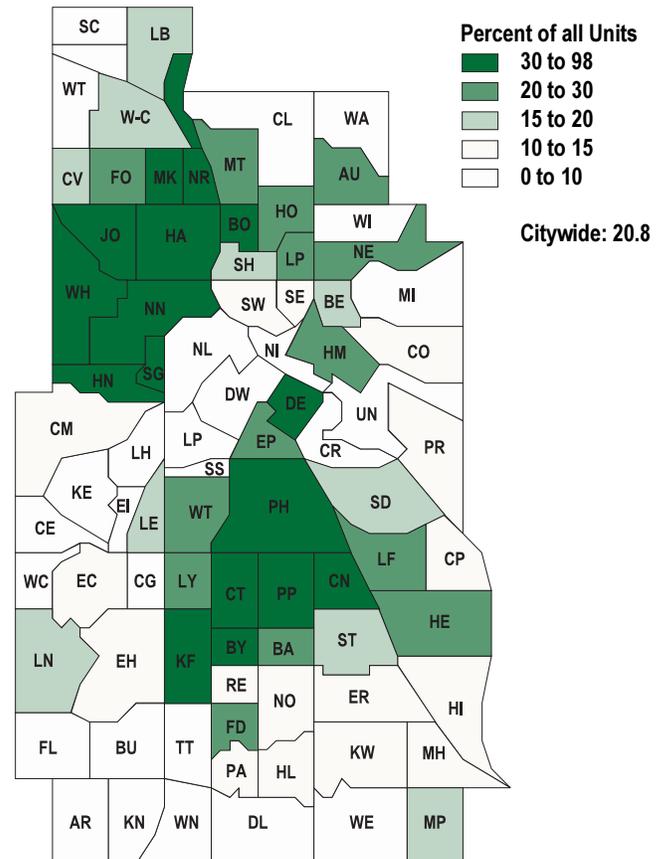
The last two classifications represent houses which show considerable damage to major structural items. The foundation has large cracks and settling may be substantial. Substantial settling may be noticeable in floors, with doors and windows no longer square. Rotting wood, large plaster and stucco cracks may be observable in several places. Heating and plumbing is unreliable. House is still habitable, but probably beyond the present occupant's capacity to restore it or even maintain it.

**Condition 9, Bad**

These houses are condemned and uninhabitable.

The following map shows the percentage of all housing units in each neighborhood rated below average at year end 1998.

**PERCENT OF ALL HOUSING UNITS RATED BELOW AVERAGE, BY NEIGHBORHOOD, 1998 (Condition Rating 6 - 9)**





## Construction and Demolition

New residential construction permits were issued for 272 housing units in the first six months of 1998. The University Housing Project was issued a new construction permit for 199 units. This large addition created a positive net change for the first half of this year. Wrecking permits were issued for 175 residential units. Demolition continued at the high level established earlier in the decade. About one third of the wrecking permits were issued to remove older single family detached buildings, while two-thirds of the wrecking permits were issued to remove older deteriorated duplex and apartment structures.

Construction permit data indicate a proposed addition of 272 housing units for the first half of 1998. The addition of 199 units in the University Housing apartment building created the net change in units to a positive figure. New residential construction permits were issued to build 26 single family detached homes and 24 townhouse units in the first half of 1998.

Residential wrecking permits were issued for the removal of 175 residential units during the first half of 1998. Total demolition activity for the second year saw a significant decline from the previous five-year experience. The city is now reducing the housing inventory at a much slower rate. In part, due to a reduced housing supply, but also due to heavier demand for residential dwellings. Most permits were issued to remove small apartment buildings. Wrecking permits were also issued for 54 single family detached structures and the removal of 92 units in smaller apartment buildings with 3 or 4 units.

### CONSTRUCTION/DEMOLITION, 1990-1998

Construction Permits (Units Added)	90	91	92	93	94	95	96	97	98	1st Half
Single Family	89	62	55	57	113	88	79	43	26	26
Townhouse	27	22	2	30	3	21	-	16	24	24
2,3,4-unit	14	8	19	27	6	2	4	-	10	10
5+ unit Rental	693	34	-	110	98	69	44	349	212	212
Condominium	-	-	-	-	-	20	-	-	-	-
Total Units Added	823	126	76	224	220	200	127	408	272	272
<b>Demolition Permits (Units Removed)</b>										
Single Family	108	98	107	139	153	149	147	78	54	54
2,3,4-unit	194	197	232	280	358	296	204	92	92	92
5+ unit	34	82	43	115	92	110	73	55	29	29
Total Units Removed	336	377	382	534	603	555	424	225	175	175
<b>Net Change in Units</b>	<b>487</b>	<b>-251</b>	<b>-306</b>	<b>-310</b>	<b>-383</b>	<b>-355</b>	<b>-297</b>	<b>183</b>	<b>+97</b>	<b>+97</b>



## Housing Vacancy

Northern States Power Company changed their computer system and can no longer update the files used for this section of the report. The following data is for 1995.

Housing vacancy in Minneapolis declined slightly during the first half of 1995. The overall vacancy rate for all housing units fell to 4.5 percent setting a new five-year low. Apartment vacancy rates dropped to 9.3 percent from the previous high of 10.1 percent set last year. Vacancy among non-apartment units, single family, duplex and triplex units, decreased from 2.7 percent to 2.4 percent at mid-year 1995. Long-term vacancy remained steady, at 1.2 percent, for the third consecutive year.

The vacancy rate for all housing units set a new five-year low, at 4.5 percent for the first six months of 1995. Apartment vacancies moved down slightly to 9.3 percent, equaling the rate set in 1993. Vacancy among non-apartment units, the single family, duplex and triplex units, declined to 2.4 percent during the first half of 1995. The long-term vacancy rate, at 1.2 percent, was unchanged for the third year in a row.

The majority of communities saw a decrease in their apartment vacancy rate. Six communities reported a vacancy rate less than the city average of 9.3 percent. The highest apartment vacancy rates were reported by Phillips, 16.9% percent, Near North, 15.6 percent, and Powderhorn, 10.5 percent. Two communities, Central at 9.7 percent and Camden at 9.5 percent, reported a vacancy rate very near the city rate. The lowest apartment vacancy rates were reported by Nokomis, 6.7 percent, Calhoun-Isles and Southwest Communities, 7.2 percent, followed by Northeast 7.7 percent, and Longfellow and University, both with 8.3 percent. Geographic areas that have a higher than average apartment vacancy rate generally contain a relatively high proportion of older apartment buildings. Efficiency and one bedroom apartments are having more difficulty attracting renters, especially if located in older buildings or do not offer modern amenities desired by today's younger renters.



## Home Prices

### MID-YEAR HOUSING VACANCY RATES, 1991-1995

	1991	1992	1993	1994	1995
All Housing	4.8%	4.7%	4.6%	5.0%	4.5%
Apartment	10.0	9.8	9.3	10.1	9.3
Non-Apartment	2.5	2.3	2.5	2.7	2.4
Vacant Six Months or Longer	0.9	1.1	1.2	1.2	1.2

### MID-YEAR APARTMENT VACANCY RATES BY COMMUNITY, 1991-1995

Community	1991	1992	1993	1994	1995
Camden	7.6%	7.3%	7.0%	11.1%	9.5%
Northeast	8.2	8.3	7.4	8.5	7.7
Near North	12.5	12.3	14.2	13.4	15.6
Central	9.9	9.9	9.2	9.2	9.7
University	11.2	10.4	9.8	11.1	8.3
Calhoun-Isles	8.4	8.6	7.9	8.6	7.2
Powderhorn	11.9	11.8	11.1	12.1	10.5
Phillips	15.2	14.2	16.1	18.0	16.9
Longfellow	9.8	8.2	6.3	8.9	8.3
Southwest	5.5	5.8	5.2	5.6	7.2
Nokomis	7.6	6.5	6.0	7.8	6.7

Home sales data for the first quarter of 1998 remain strong showing an increase in both average and median single family detached home sale prices for the city. The sales market for existing single family homes continues fairly strong compared to the 1996 very active housing market. Minneapolis' sales volume and prices held firm and only two communities saw declining prices. The strong economy, high employment rate and relatively lower mortgage interest rates each contributed to the robust home sale market within the city. The average sale price for a single family detached home was \$109,425 dollars. Single family detached home sales volume moved up slightly to 867 sales during the first quarter of 1998.

Home sale prices presented in this section represent a sample of detached single family home sales within Minneapolis. Prices reflect sales occurring during the first quarter of the past five years. Sales data represent unverified and unadjusted prices reported on certificates of value submitted to the Hennepin County Property Taxation Department.

The average sale price of a Minneapolis single family detached home sold during the first quarter of 1998 was \$109,425. This reflects a 2.2 percent increase and is the third consecutive year that Minneapolis' average sales price exceeded one hundred thousand dollars. The median sale price for a single family detached home increased by 8.2 percent to \$89,000 in the first quarter of 1998. The high prices continue to reflect the relatively low mortgage interest rates. The volume of single family detached home sales increased slightly to 867 sales for the first quarter of 1998.

Community data show that the median sale price ranged from \$55,000 for Near North Community to more than \$186,000 in Calhoun-Isles Community. Three communities reported a median sale price at or above the \$89,000 city-wide median. Five communities reported lower than city-wide median sale prices. Three communities reported an insufficient number of detached single family sales for reporting purposes.

**FIRST QUARTER SINGLE FAMILY HOME SALES,  
1993-1998**

	1993	1994	1995	1996	1997	1998
Median Price*	\$75,900	\$77,150	\$75,425	\$79,900	\$82,148	\$89,000
Average Price*	\$92,411	95,861	91,589	\$101,250	\$107,123	\$109,425
Number of Reported Sales	1,177	1,117	984	801	838	867

**FIRST QUARTER SINGLE FAMILY HOME SALE PRICES BY COMMUNITY,  
1995-1998\***

Community	Average Price				Median Price			
	1995	1996	1997	1998	1995	1996	1997	1998
Camden	\$58,875	\$59,695	\$62,660	67,708	\$58,500	\$59,900	\$60,000	67,950
Northeast	70,600	73,650	75,434	78,900	65,500	75,250	78,450	79,500
Near North	39,747	45,492	53,917	59,133	34,450	44,974	49,900	54,950
Central**	NA	NA	NA	NA	NA	NA	NA	NA
University**	NA	NA	NA	NA	NA	NA	NA	NA
Calhoun-Isles	237,612	266,808	332,937	225,520	181,550	245,900	216,250	186,000
Powderhorn	62,377	67,067	64,839	71,615	60,750	67,000	65,000	72,590
Phillips**	NA	NA	NA	NA	NA	NA	NA	NA
Longfellow	75,359	82,934	80,796	85,353	69,000	72,500	75,900	81,950
Southwest	137,334	142,511	161,861	161,914	120,000	124,200	127,500	138,375
Nokomis	88,555	94,328	95,229	103,120	82,700	90,200	92,000	95,000

\*All figures reflect current dollars unadjusted for inflation.

\*\*These communities reported an insufficient number of single family home sales.



## Rental Costs

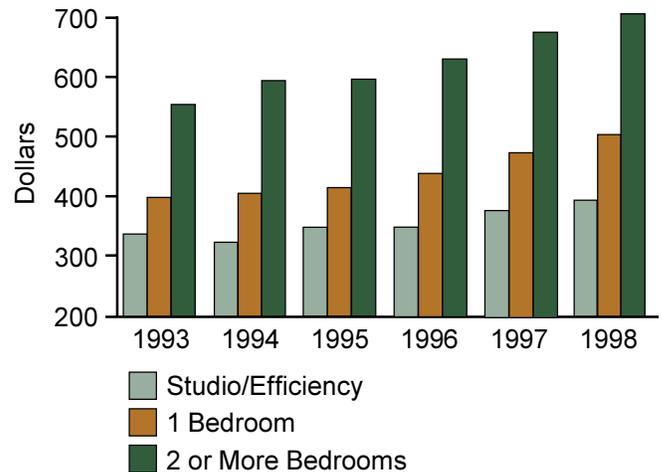
Average apartment rents continued upward during the first half of 1998. Average rent for a Minneapolis apartment moved up to \$536 dollars, an increase of 5.7 percent for the first half of 1998. Rental survey data show rental costs increased for all unit types. Small studio/efficiency apartments indicate a 2.4 percent increase. One bedroom apartments increased by 5.5 percentage points. Large apartments with two or more bedrooms moved 4.5 percent higher than the first half of 1997. Median rental costs increased to \$495 in the first half of 1998, a 4.2 percent increase over the first half of a year ago.

Apartment rental costs are measured using a sample survey of advertisements taken from the Sunday editions of the Minneapolis Star Tribune. Rents are reported for studio/efficiency, one bedroom, and two or more bedroom apartments. Numbers reported reflect rents during the first six months of 1998. Sample size in this report is about 15 percent of the total.

The average advertised rent for Minneapolis apartments increased to \$536 dollars, a 5.7 percent increase from the first half of 1997. Average rents ranged from \$390 for a studio/efficiency unit to \$502 for a one bedroom unit, and \$704 for units with two or

more bedrooms. Median rental costs moved up to \$495 in the first half of 1998. Affordability, housing condition and neighborhood livability remain top concerns for most renters, particularly for families with children who have very limited income and, therefore, very limited choice of housing.

AVERAGE MINNEAPOLIS APARTMENT RENT  
1993 - 1998  
(Mid-Year Survey Data)



FIRST HALF AVERAGE APARTMENT RENTS,  
1992-1998

Apartment Type	1992	1993	1994	1995	1996	1997	1998
All Apartments	\$413	\$422	\$440	\$452	\$477	\$507	\$536
Studio/Efficiency	309	340	325	349	351	381	390
One Bedroom	387	399	404	415	440	476	502
Two or More Bedrooms	536	552	592	593	629	674	704
Median All Apartments	385	395	400	420	445	475	495



## Mobility

Northern States Power Company changed their computer system and can no longer update the files used for this section of the report. The following data is for 1995.

**Mid-year 1995 mobility data show long-term occupancy at a five-year high, while short-term occupancy falls to a new five-year low. Over one-half of Minneapolis households (55.1 percent) have occupied their current unit for more than three years. Short-term occupancy (units occupied less than six months) was reported at an all time low of 11.8 percent, setting a new five-year low.**

Long-term occupancy, units occupied three or more years, reached a five-year high of 55.1 percent during the first half of 1995. In part, long-term residency reflects improved neighborhood stability and possibly an improved economic condition of the city's households. The lower short-term occupancy rate appears to reflect the demographic trend of a lower rate of new household formation and reduced housing demand. Units occupied six months to one year increased to 12.1 percent compared to the first half 1994 rate of 11.4 percent. Medium-term occupancy, a unit occupied one to three years, improved along with the long-term rate and increased by more than one percent. First half 1995 data show the mid-term occupancy rate set a new five year high at 21.0 percent compared to 19.9 percent in 1994.

Long-term occupancy continued to trend upward, which suggests a stabilizing influence in our neighborhoods. The decline in short-term occupancy during the first half of 1995 may in part reflect fewer new households being created as well as improved employment opportunities for city residents. The improved economy translates into more jobs and higher incomes which allow households to improve their housing. Mobility, or the length of occupancy of a unit, is often a measure of a household's income stability. With an improved economy and reduced unemployment, households are also apparently improving their housing choice.

The following table displaying the length of residency by community reveals that the highest proportion of households having long-term residency are located at the edge of the city where single family housing is most prevalent. The households having the greatest proportion of short-term residency can be found near the center of the city. This pattern is attributable to such factors as the density of rental housing, the concentration of single persons and institutions such as the University of Minnesota.

**MID-YEAR LENGTH OF RESIDENCY RATES,  
1991-1995**

	1991	1992	1993	1994	1995
Short-term					
(Less than 6 Mon.)	16.0%	13.4%	13.2%	14.2%	11.8%
6 Months to 1 Year	10.8	11.8	11.8	11.4	12.1
1 to 3 Years	19.6	20.4	20.3	19.9	21.0
Long-term					
(More than 3 Yrs.)	53.6	54.4	54.7	54.4	55.1

**MID-YEAR 1995 LENGTH OF RESIDENCY RATES  
BY COMMUNITY**

Community	Short-Term	6 Months to 1 Yr.	1 to 3 Years	Long-Term
Camden	9.1	8.5%	17.1%	65.2%
Northeast	9.9	9.1	19.0	62.0
Near North	15.4	12.6	21.7	50.3
Central	20.8	20.5	26.0	32.7
University	13.8	22.7	23.7	39.9
Calhoun-Isles	14.3	15.6	25.3	44.8
Powderhorn	15.8	14.5	23.7	46.0
Phillips	20.6	16.8	22.6	40.1
Longfellow	8.1	9.0	18.2	64.7
Southwest	7.3	7.6	19.3	65.8
Nokomis	5.8	6.0	16.8	71.4
<b>City-wide</b>	<b>11.8</b>	<b>12.1</b>	<b>21.0</b>	<b>55.1</b>



## Publicly-Owned Rental Housing

The mission of the Minneapolis Public Housing Authority (MPHA) is to provide well-managed, high-quality housing for eligible families and individuals; to increase the supply of affordable rental housing in the metropolitan area; and to assist public housing residents in realizing their personal goals for economic independence and self-sufficiency. In 1997, MPHA provided good, affordable housing for more than 20,000 men, women and children through both its public housing and Section 8 rental assistance programs.

In early 1998, the U. S. Department of Housing and Urban Development designated MPHA to be one of the country's highest rated housing authorities based on the agency's outstanding performance in 1997. MPHA earned an overall score of 96.25 out of a possible 100 points in its annual evaluation of its overall operations, earning it the coveted "High Performer" status in the public housing industry nation wide. In fact, only New York City, Seattle and San Antonio scored higher than Minneapolis (MPHA) among cities with more than 5,000 public housing units.

An inventory of publicly owned housing in Minneapolis reveals that the Minneapolis Public Housing Authority owns and manages 5,884 public housing units throughout Minneapolis. There are 4,855 units in 40 high-rise, mid-rise and low-rise apartment buildings. Also, there are 379 row house and townhome apartments in Glendale (Prospect Park near the University of Minnesota) and Glenwood-Lyndale (south of Olson Memorial Highway on the city's north side) family developments. The Public Housing Authority owns 650 scattered-site, single family homes.

The Minneapolis Public Housing Authority administered some 3,300 Section 8 certificates and vouchers during 1998. MPHA opened its Section 8 waiting list for three days at the end of August in 1998 for the first time in six years. More than 6,600 applications were requested, and more than 4,000 new applications for Section 8 rent assistance were returned to MPHA. The agency now has 4,250 families on its Section 8 waiting list.

The agency also played a leading role in preserving affordable housing in two large privately owned apartment complexes last year - Oak Grove Towers and Rivergate - when the building's owners opted out of their Section 8 contract with HUD by prepaying their mortgages. MPHA stepped forward and agreed to administer tenant-based Section 8 assistance in the form of "enhanced" Section 8 vouchers, maintaining nearly 350 apartments as affordable housing for residents.

The Minneapolis Public Housing Authority accepted 2,568 new applications for housing during its fiscal year 1998 (Oct. 1, 1997 - Sept. 30, 1998) and signed 1,041 new leases. At the end of October 1998, there were 2,700 applicants on the agency's public housing waiting list.

In light of the affordable housing crunch in Minneapolis and the Twin Cities, MPHA is doing its job to ensure that what housing is available is utilized as fully as possible. As of September 1998, MPHA had maintained 99% occupancy of all of its available units for 33 straight months. Meanwhile, it has also consistently maintained at least 90% or higher utilization of all the Section 8 assistance it administers.

### Home Ownership

The Minneapolis Public Housing Authority continued to provide home ownership opportunities to eligible public housing and Section 8 families, while increasing home ownership throughout the city. MPHA initiated its Home Ownership Made Easy (HOME) Program in January 1993. Since that time, more than 450 families have participated in home ownership educational counseling, and 80 families have become first-time homeowners by purchasing houses in Minneapolis.

At the request of Mayor Sharon Sayles Belton, the Minneapolis Public Housing Authority developed a national demonstration program to utilize Section 8 rent assistance funding from HUD to assist 50 current Minneapolis Section 8 families in becoming homeowners. HUD approved the program in 1998, making MPHA the first and only housing authority in the country to offer such an innovative approach. The program, *Moving Home*, was introduced in September 1998, with 135 families becoming the first to get on this new path to achieving home ownership.

### Capital Improvements

The Department of Housing and Urban Development (HUD) introduced a Comprehensive Grant Program in 1992 through which funding for capital and management improvements could be provided to housing authorities across the country. This funding has enabled the Minneapolis Public Housing Authority to embark on the most ambitious and comprehensive modernization of public housing in the city's history. Since initiating its Comprehensive Grant Program, Minneapolis has received \$105 million in capital and management improvements in projects throughout the city.

Nearly \$90 million in capital and management improvements have already been completed throughout the city—including the renovation of all 40 highrise buildings and the rehabilitation of 450 scattered-site homes. By the end of 1999, MPHA expects this unprecedented renewal of the city's public housing to reach near the \$120 million mark. MPHA's capital

