

Comprehensive Housing Needs Analysis for Olmsted County, Minnesota

Prepared for:
Olmsted County
Rochester, MN

July 2020



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July 30, 2020

Mr. Jeremy Emmi
Coalition for Rochester Area Housing Director
Rochester Area Foundation
12 Elton Hills Drive NW
Rochester, MN 55901

Dear Mr. Emmi:

Attached is the *Comprehensive Housing Needs Analysis for Olmsted County, Minnesota* conducted by Maxfield Research and Consulting, LLC. The study projects housing demand from 2020 through 2030 and provides recommendations on the amount and type of housing that could be built in Olmsted County to satisfy demand from current and future residents over the next decade. The study identifies a potential demand for over 18,000 new housing units through 2030. Demand was divided between general-occupancy housing (71%) and age-restricted senior housing (29%).

Despite the COVID-19 pandemic, most real estate types have not been significantly affected to date. The for-sale market median sales price continues to appreciate; however, supply is at an all-time low and the vacant developed lot supply is dwindling. Although most senior housing operators are experiencing high vacancies because the pandemic; senior properties in Olmsted County have still maintained vacancies below equilibrium. Finally, the rental market has been extremely active over the past decade as nearly 5,000 new apartments have been delivered. Due to the influx of new product, vacancy rates have risen as new supply has been added this past year. Market rate vacancies are over 11%; however, after backing out new construction that was recently completed, vacancies drop to 5.2% among stabilized properties. As a result, concessions have increased as landlords seek to attract and retain tenants.

Detailed information regarding recommended housing concepts can be found in the *Recommendations and Conclusions* section at the end of the report.

We have enjoyed performing this study for you and are available should you have any questions or need additional information.

Sincerely,

MAXFIELD RESEARCH AND CONSULTING, LLC

Matt Mullins
Vice President
Attachment

Brian Smith
Research Associate

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KEY FINDINGS

This section highlights the key findings from the Comprehensive Housing Needs Assessment completed for Olmsted County. Calculations of projected housing demand are provided through 2030 and recommendations for housing products to meet demand over the short-term are found in the *Conclusions and Recommendations* section of the report.

Key Findings

1. Despite the COVID-19 pandemic, most housing product types have not seen a significant change in demand to-date. Most rental properties have maintained strong rent collections; however due to the increase in supply and the pandemic landlords are incentivizing tenants to renew and are keeping rents in check. Property managers are also offering concessions to prospective tenants to sign new leases. At the same time senior housing vacancy rates have stayed well below equilibrium contrary to most markets across Minnesota and United States that are experiencing a swell of vacancies and move-outs.
2. Population growth this past decade exceeded last decade (+23,638 persons); although the number of new households was slightly lower than last decade (+8,083 households). Projections for this decade estimate higher growth rates for both population and households. Olmsted County growth is exceptionally higher than the Southeast Minnesota region and State of Minnesota.
3. The aging baby boomer generation (ages 56 to 74 in 2020) is impacting the composition of Olmsted County's population. Younger seniors (ages 65 to 74) have exceptionally high growth rates over the next five years (+22%). This shift will result in demand for alternative housing products; both for-sale and rental housing types. At the same time, there is strong growth in the older Millennial generation (+10%) that will be seeking home ownership opportunities.
4. Olmsted County is a major job importer as the ratio of employed residents to jobs is 1.16; higher than Twin Cities Metro Area ratio of 1.04. Because Rochester is the employment hub in Southeastern Minnesota, there is a positive inflow of about 21,000 workers in the Olmsted County Market Area. Furthermore, the average wage in the Olmsted County is nearly as high as the Metro Area (\$52,416 vs. \$55,952) yet housing costs in Olmsted County are more affordable when compared to the Metro Area.
5. Housing costs in Olmsted County have historically been lower than the Twin Cities Metro Area, together with strong household incomes and wages, residents in Olmsted County have historically received more housing value for their dollar than the Twin Cities. However, over the past five years the pricing spread has diminished as housing costs in Rochester and Olmsted County have been creeping closer to housing costs in the Twin Cities. Housing cost appreciation is contributed to several factors; including: DMC investment from out-of-state real estate investors, high land costs in Downtown

KEY FINDINGS

Rochester, supply constraints from the for-sale market compared to the previous decade, lack of production builders, and regulatory fees. Collectively, the aforementioned factors together with challenges in land, labor, and materials has contributed to rising housing costs.

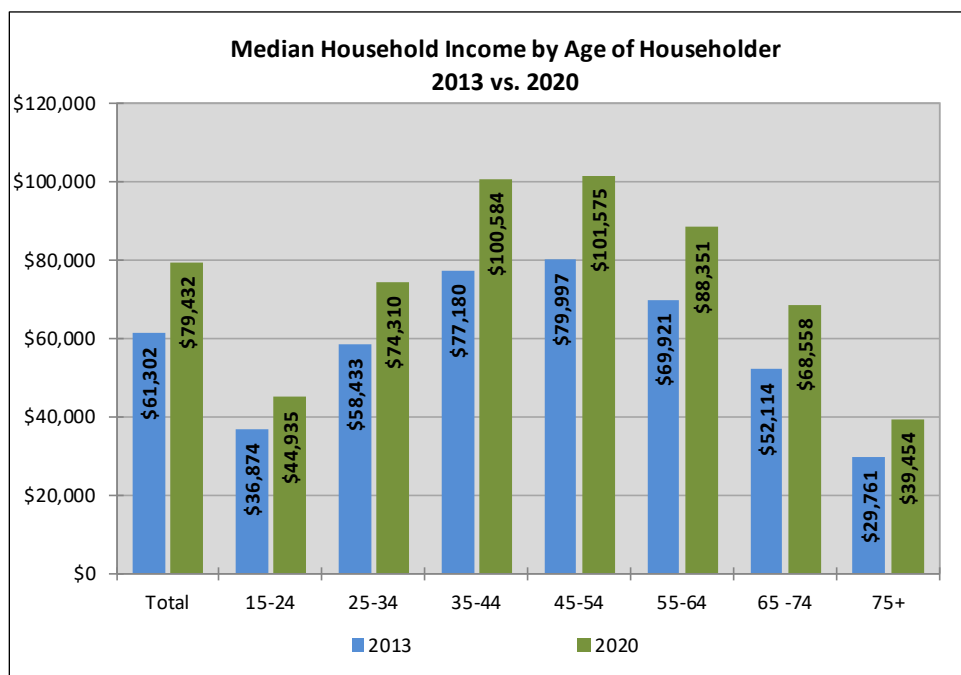
6. The overall rental vacancy rate in the Olmsted County Market Area is 4.4% (excluding properties in initial lease up). Rental vacancy rates are extremely low among affordable rental housing (2.8%) and subsidized rental housing (1.2%) products. Due to the strong velocity of new construction market rate apartments, the vacancy rate has risen to about 5% for stabilized properties. A review of over 8,400 market rate units found about 71% of units were NOAH (Naturally Occurring Affordable Housing) units affordable to household earning 60% or less of AMI. Emphasis should be on preserving these units as they are the bulk of the affordable housing supply in the Olmsted County Market Area.
7. The senior housing market is well-poised considering the COVID-19 pandemic that has had a major impact on many senior housing developments across the country. Age-restricted senior properties maintain exceptionally low vacancy rates indicating pent-up demand for new senior housing product. Demand is highest for both market rate and affordable active adult and independent service options.
8. After the Great Recession and hitting rock bottom in 2010, single-family housing values have risen 56% from a median resales price of \$161,600 in 2010 to \$252,000 in 2019. Over the past five years, the resales price in the Olmsted County Market Area has experienced 35% growth compared to 16% from 2010 to 2015. However, inventory is at an all-time low and it's a very competitive market for buyers seeking entry-level product under \$300,000.
9. Although housing demand has not been significantly impacted by COVID-19, the pandemic is having direct and indirect effects on the housing market. As employees have transitioned to working from home, there is greater emphasis on spending more time at home and an importance on healthy living and cleanliness. This has resulted in housing with more dedicated spaces for home offices, flex space, schooling, fitness room, etc. while incorporating more natural light, outdoor spaces, and access to the outdoors (patios, decks, etc.). Home buyers are also trading location for more square footage and affordability by locating further from their place of employment. There is also a preference toward new construction and the new home market has been strong in 2020 and builders have not kept the pace with demand.
10. The new construction market continues to face hurdles in producing homes priced under \$300,000 as builders are unable to pencil-out this price point given today's development and regulatory costs. Therefore, new construction caters to move-up and executive buyers; while entry-level homes are serviced by the existing housing stock or new townhome construction. New construction production has not kept with demand as it

KEY FINDINGS

is significantly lower than last decade prior to the Great Recession. Finally, the finished developed lot inventory is dwindling, and new lots need to be platted to meet future demand.

Demographic Analysis

- The strongest percentage growth occurred between 1990 and 2000. Olmsted County’s population grew by 17,807 people (16.5%) and continues through the 2010 as the population gained another 21,068 people (16%). Growth for the County is projected to remain strong as the population is projected to increase by 23,638 (15.5%) by 2020.
- The majority of the growth in Olmsted County can be attributed to the growth in the City of Rochester. Approximately 81% of all population growth in the Olmsted County Market Area occurred in the City of Rochester between 2010 and 2020.
- Olmsted County is estimated to experience continued strong growth during this decade. Maxfield Research projects that Olmsted County will grow by 27,400 persons (16.4%) and by about 11,597 households (17.6%) between 2020 and 2030.
- The 65 to 74 age cohort is estimated to have the greatest percentage growth increasing by 3,517 people (+24%) from 2020 to 2025. The growth in this age cohort can be primarily attributed to the baby boom generation aging into their young senior years.
- In 2020, the median household income in the Olmsted County Market Area was estimated to be \$79,432 and is projected to climb 13% to \$89,785 by 2025. The Olmsted County Analysis Area’s median income is on par with the Twin Cities Metro Area’s 2020 median income of \$81,390. The 2020 Olmsted County income is 30% higher when compared to 2013.



2013: \$61,302 | 2020: \$79,432

EXECUTIVE SUMMARY

- Within the Olmsted County Market Area, the Rochester Fringe submarket had the highest median household income in 2020, at \$111,543 (29% higher than the Olmsted County Market Area median), followed by the North Submarket at \$99,350. More modest incomes were found in the East (\$75,511) and Stewartville Submarkets (\$71,662).
- Overall, roughly 67% of the Olmsted County Market Area's renter households reside in the City of Rochester. The East submarket has the second highest proportion of renters in the Market Area at 20.4%, followed closely by the Stewartville submarket at 19.8%.
- Although black or African American families comprise roughly 4% (6% in the City of Rochester) of the population in the county, there is a significant disparity in equity compared to the white population (90% in Olmsted County, 88% in Rochester). The following disparities are present in Olmsted County:
 - Home Ownership
 - White households – 77%
 - Asian Alone – 59.5%
 - Black/African American households – 22%
 - Median HH income:
 - White households - \$91,359
 - Asian Alone - \$80,380
 - Black/African American households - \$31,786

Housing Characteristics

- Between 2011 and 2019, about 9,350 housing units were permitted resulting in roughly 1,040 units annually. Approximately 42% of these units were single-family while the remaining 58% were in multifamily structures. Compared to the 2013 study, where 4,904 units (700 units annually) were permitted from 2004 to 2010. During that period, only 24% were multifamily vs. 76% single family; a reversal this decade.
- The greatest percentages of homes built in the Olmsted County Market Area were built in the 2000s, which comprised nearly 20% of the entire housing stock. However, the vast majority of these housing units were constructed in the first half of the decade before the housing market decline after the peak in 2005/2006. Production was substantially lower after the peak as the percentage of lender-mediated properties spiked.
- The dominant housing type is the single-family detached home, representing 86% of all owner-occupied housing units in the Olmsted County Market Area.
- Approximately 67% of the Olmsted County Market Area's homeowners have a mortgage. Nationally, about 70% of U.S. homeowners have a mortgage on their property. About 15%

EXECUTIVE SUMMARY

of homeowners with mortgages in the Olmsted County Market Area also have a second mortgage and/or home equity loan.

- The median contract rent in the Olmsted County Market Area was estimated at \$808. Based on a 30% allocation of income to housing, an income of \$32,320 would be needed to afford the median rent.

Employment Trends

- Solid job growth is expected between 2020 and 2030 in Southeast Minnesota. The Southeast Minnesota planning region is projected to experience a 5% gain (12,721 jobs) during the decade. In comparison, employment in the Twin Cities Metro Area is projected to experience a 7% gain (120,569 jobs) during the decade.
- The Education and Health Services industry was the largest employment sector in Olmsted County, providing 52,068 jobs in 2019 (52% of the total). The Trade, Transportation and Utilities sector was the next largest sector with 13,459 workers (13% of the total jobs).
- Approximately 97,065 persons are employed in Olmsted County; however, the Olmsted County workforce is about 81,385 persons resulting in a positive net inflow of about 15,680 jobs. The rural Olmsted County submarkets have a combined outflow of about -15,200 jobs; while Rochester has a positive inflow of nearly 30,640 jobs.
- Since the 2013 study, unemployment rates have been steadily declining and have historically been lower than the State of Minnesota and the Nation. Since the onset of the pandemic in March of 2020, Olmsted has experienced a significant rise in unemployment due to the mandated shutdown early on and the continued limitations put on businesses in certain industries (i.e. food, entertainment, etc.). Olmsted County reached a high unemployment rate of 9.8% in May 2020 which was even higher the State of Minnesota. Since May however, unemployment rates have been steadily declining and as of September 2020, Olmsted County has fallen to 4.5%.

Rental Housing Market Analysis

- Maxfield Research surveyed nearly 165 general occupancy rental properties with over 11,000 total units. Our competitive inventory identified an overall 9.5% vacancy rate among the general occupancy rental product (market rate, affordable, and subsidized) as of 2nd Quarter 2020. However, this vacancy rate declines to 4.4% when subtracting all the newest rental properties that are in the initial lease-up and have been delivered recently. The following are vacancy rates by type;

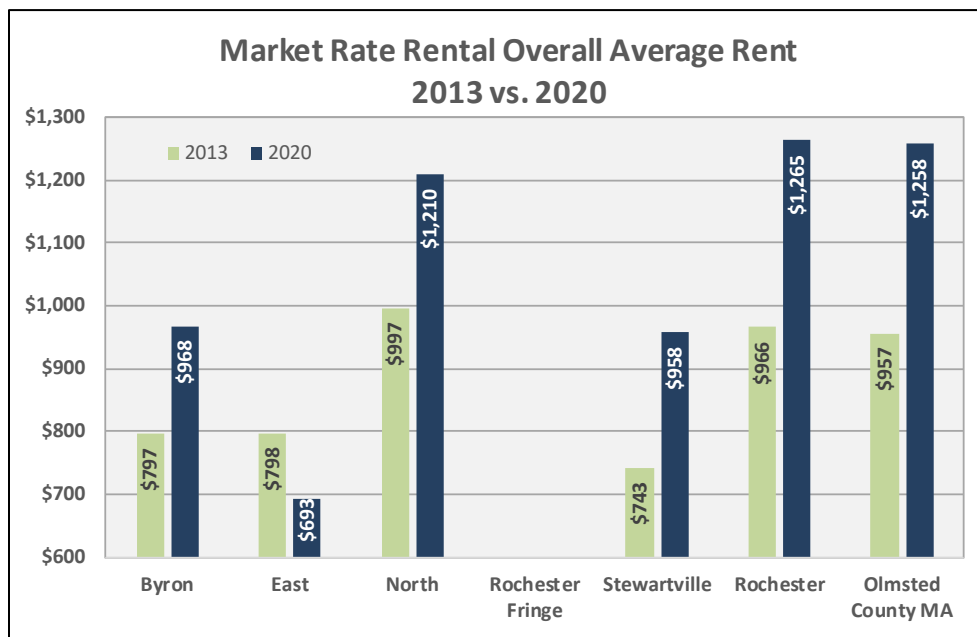
	<u>All Properties</u>	<u>Excluding Initial Lease-up</u>
○ Market Rate		
▪ Rochester	11.3%	5.2%
▪ Olmsted County	10.9%	5.1%
○ Affordable		
▪ Rochester	6.2%	2.8%
▪ Olmsted County	6.1%	2.8%
○ Subsidized		
▪ Rochester	1.0%	--
▪ Olmsted County	1.2%	--

- Of the surveyed buildings (12 units or larger), there have been 31 new market rate general occupancy rental buildings constructed since the 2013 study in the Olmsted County Market Area delivering a total of 3,250 units over the time period. That is triple the development over the previous decade. Nearly half of the supply of general occupancy market rate housing inventoried has been developed since 2010.
- Market rate rents have increased substantially, and newly developed units have been focused on studio and one-bedrooms targeting smaller household sizes. The majority of these smaller units are located in the core DMC/TOD area. The target market for these units are professional single and roommate renters that work at the Mayo Clinic along with short-term patient renters and their families.

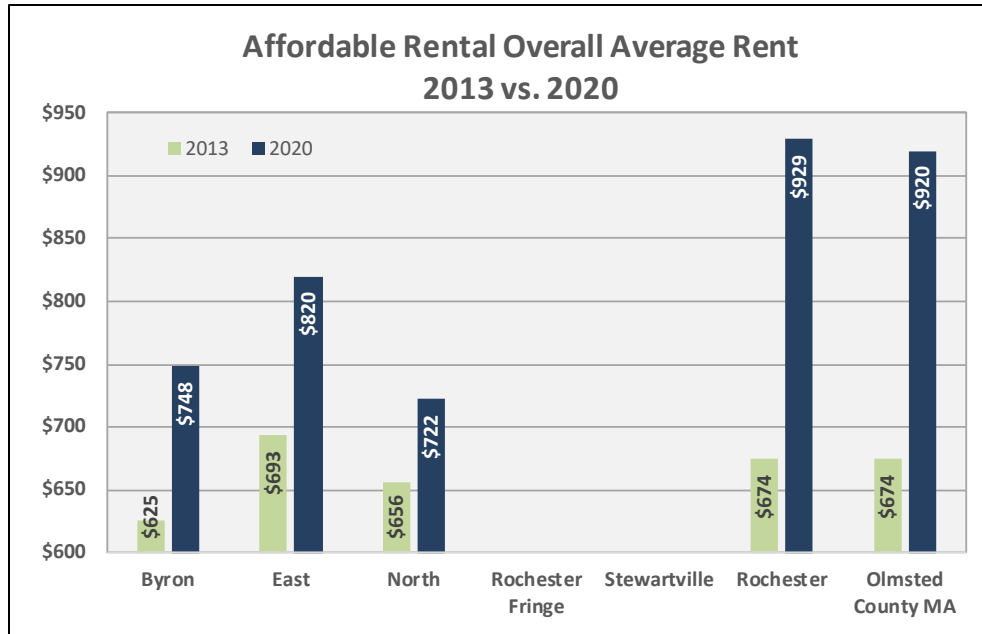
<u>Bedrooms</u>	<u>2020 Study</u>		<u>2013 Study</u>		<u>% Rent Change</u>
	<u>% of Units</u>	<u>Avg. Rent</u>	<u>% of Units</u>	<u>Avg. Rent</u>	
Studio	8.3%	\$1,047	3.4%	\$555	89%
1BR	33.8%	\$1,136	29.1%	\$802	42%
2BR	43.4%	\$1,296	49.5%	\$963	35%
3BR	11.1%	\$1,552	16.5%	\$1,156	34%
4BR	1.6%	\$1,510	1.5%	\$1,536	-2%

EXECUTIVE SUMMARY

- Although rents have seen a significant increase, 71.5% of surveyed market rate units are affordable at or below 60% of AMI based on MHFA/HUD income guidelines. Additionally, 22% of the units are affordable at 80% of AMI leaving only 6.5% of the units affordable at 100% of AMI or higher. These units are “Naturally Occurring Affordable Housing or NOAH” and emphasis should be on preserving their affordability.
- Outside of Rochester, most of the other communities in the Olmsted County Market Area lack newer, contemporary rental housing options and have strong demand for newer rental concepts. New rental housing can be developed immediately in these communities as vacancy rates are below equilibrium and rental housing inventory is limited.



- Market rate rents in Olmsted County overall have increased 31% since 2013; or just under 4% annually. Rising rents are contributed to a variety of factors, including: record delivery of newer luxury rentals, lack of new home construction, rising home prices, and a strong local economy. The Rochester submarket is the leading driver of increased rental rates.



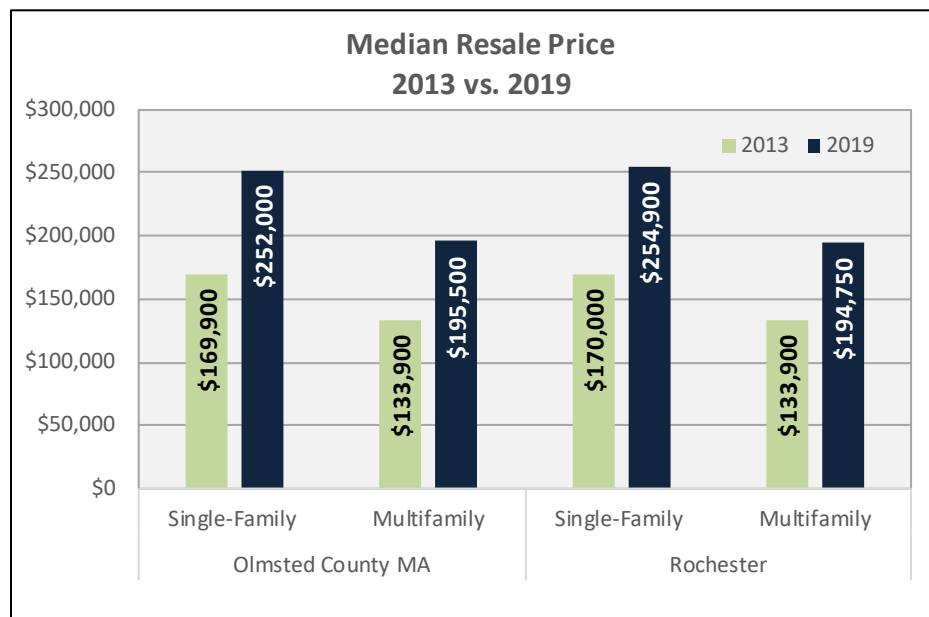
- Affordable rents in Olmsted County have increased 37% since 2013, 4.6% annually. As with market rate development, the new affordable projects built in Rochester have been constructed mainly at 60% AMI which has driven up the overall average rent for affordable products.

Senior Housing Market Analysis

- Maxfield Research surveyed 35 senior housing facilities located in the Olmsted County Market Area with a total of 1,410 units. Combined, the overall vacancy for senior projects is 3.5%. Generally, healthy senior housing vacancy rates range from 5% to 7% depending on service level. This vacancy rate indicated pent-up demand; especially during the COVID-19 pandemic where most senior housing properties are experiencing higher vacancy rates.
- There is a total of 893 units within fourteen affordable/subsidized senior projects. As of 2nd Quarter 2020, there were 10 units vacant (1.1% vacancy rate), indicating pent-up demand for affordable/subsidized senior rental units. Market equilibrium is typically at 3% or income-restricted senior housing products.
- Olmsted County Market Area has a total of 13 assisted living facilities with 594 units and a vacancy rate of 5.4%. However, *St. Charles Assisted Living* has twelve out of the thirty-two total vacancies. Excluding *St. Charles Assisted Living*, the vacancy rate is 3.4%. Equilibrium for assisted living is considered 7%; indicating a tight assisted living market in the Olmsted County Market Area.

For-Sale Housing Market Analysis

- Olmsted County’s resale values between 2015 and 2019 experienced a slightly higher growth rate than the Twin Cities Metro Area. Over this time, Olmsted County’s median resale value increased by 35% (\$181,000 to \$244,000), while the Twin Cities Metro Area resale price increased by 28% (\$224,900 to \$288,000).
- When compared to the Metro Area, Olmsted County median sales prices have been below that of the Metro Area over the past several years (15% lower on average). Ramsey County in the Metro Area however, had a lower median resale price than Olmsted County in 2017 and 2018. However, the housing costs gap between Olmsted County and the Twin Cities has been shrinking as Olmsted County pricing is appreciating at a faster pace.
- Rochester accounts for approximately 81% of all resales in the Olmsted County Market Area. Because of the high percentage of resales, the median resale price in Rochester mirrors the Olmsted County Market Area total each year.
- The percentage of lender-mediated sales has decreased substantially since the Great Recession and has declined to minimal levels in 2019. Lender-mediated sales in Olmsted County trend lower than the Metro Area and as of 2019 accounted for only 0.3% of all resales. Although the pandemic has impacted many households economically, most homeowners have substantial equity in their homes hence another wave of foreclosures like last decade is not projected.



- The median resale price of single-family homes in Olmsted County was 50% higher in 2019 when compared to the 2013 study. The multifamily resales price experienced similar appreciation at 45% higher in 2019 when compared to 2013. The increasing appreciation of

EXECUTIVE SUMMARY

home prices is having a significant effect on many first-time homebuyers as home prices are increasing faster than inflation and wage growth.

- The median list price in the Olmsted County Market Area is approximately \$357,000 (\$379,900 for single-family homes and \$279,900 for multifamily homes). The median sale price is generally a more accurate indicator of housing values in a community than the average sale price. Average sale prices can be easily skewed by a few very high-priced or low-priced home sales in any given year, whereas the median sale price better represents the pricing of a majority of homes in a given market.
- Inventory (i.e. homes for sale) has been extremely low over the past five years; resulting in a tight market of homes for sale for buyers. Inventory is tightest for homes priced under \$300,000 where competition is fierce and multiple offers are common. As a result,
- Maxfield Research inventoried nearly 150 subdivisions marketing with about 1,800 vacant lots. However, based on historic new construction volumes and demand the lot supply is only 3-years deep. As a result, new platted lots will be needed immediately to meet future demand.

Special Needs

- As the population ages, the proportion of those in the population with a defined disability increase. Among the population under 18, 4.5% had a disability. The proportion of the population with a disability rose to 7.9% for the 18 to 64 age cohort and jumps to 29.1% for the population over age 65.
- There are 221 licenses for Home and Community Based Services in Olmsted County. Of the 221 licenses, 62 were listed as Home and Community Based Services, 146 were listed as Home and Community Based Services – Community Residential Setting, 10 were licensed Home and Community Based – Day Services Facility and three were Home and Community Based Services – Residential Services Facility.

Planned & Pending Housing Developments

- There are approximately 1,500 housing units in the development pipeline either under construction, planned, or pending. About 85% of the housing units inventoried are located in the City of Rochester. In addition, about 80% of the units are for rental housing (48% market rate and 32% affordable).

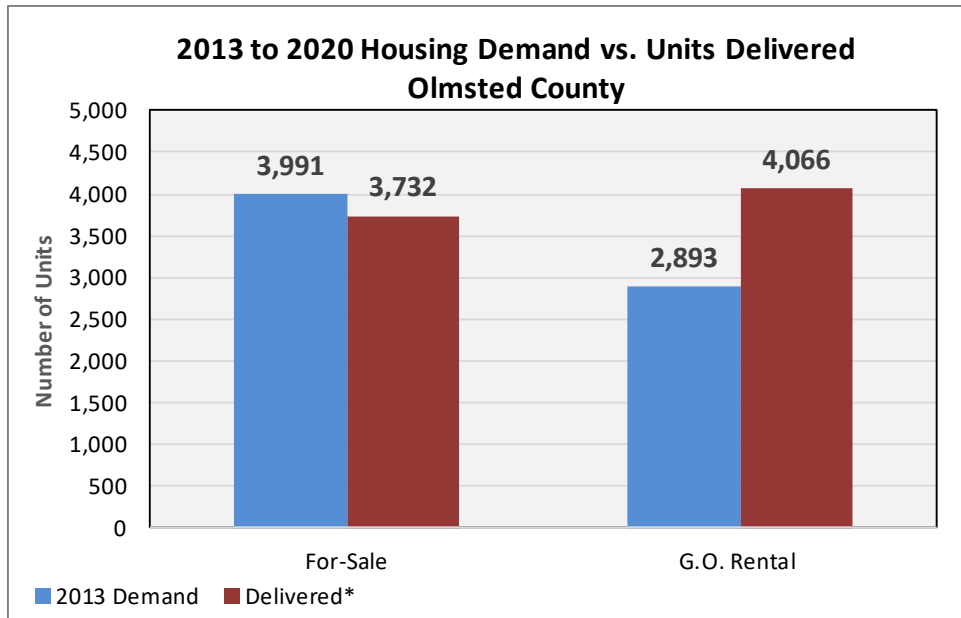
Housing Affordability

- Across all market rate rental units, about 38% of existing renters can afford the market rate monthly rents in Rochester without being cost burdened (i.e. spending more than 30% of income on housing). Due to lower rents outside of Rochester, 53% of existing renters can afford the market rents.
- About 19% of Olmsted County Market Area households have household incomes less than \$35,000. Persons earning less than \$35,000 could afford a home value of up to \$131,246. About 5% of all active listings in the Olmsted County Market Area are affordable to persons earning less than \$35,000.

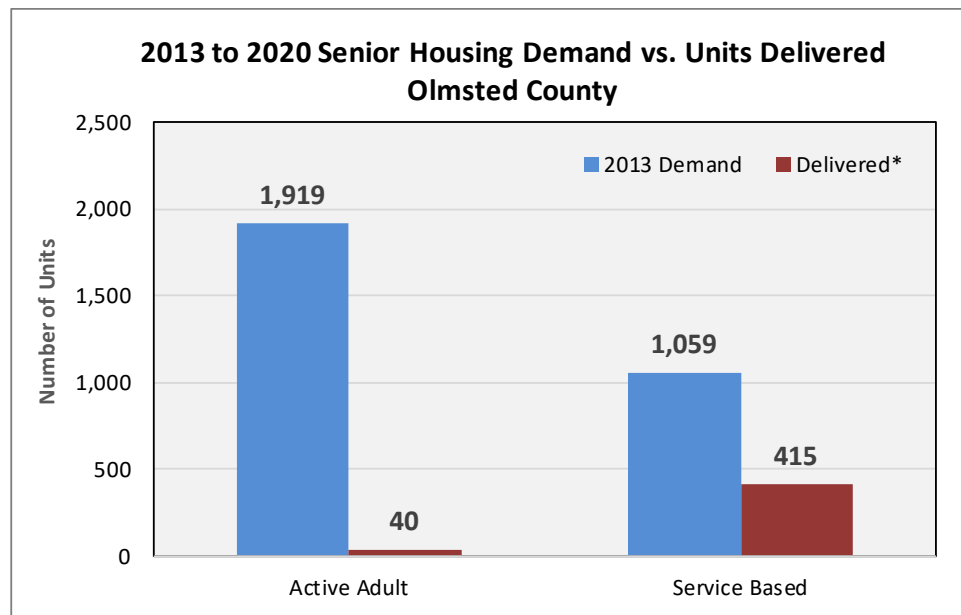
Housing Demand Analysis

- Based on our calculations, demand exists in the Olmsted County Analysis Area for the following general occupancy product types between 2020 and 2030:
 - Market rate rental 2,999 units
 - Affordable rental 1,274 units
 - Subsidized rental 762 units
 - For-sale single-family 5,623 units
 - For-sale multifamily 2,017 units
- In addition, we find demand for multiple senior housing product types. By 2030, demand in the Olmsted County Analysis Area for senior housing is forecast for the following:
 - Active adult ownership 859 units
 - Active adult market rate rental 1,461 units
 - Active adult affordable 1,063 units
 - Active adult subsidized 40 units
 - Independent Living 772 units
 - Assisted Living 738 units
 - Memory Care 477 units

Detailed demand calculations and recommendation by submarket are provided in more detail in the recommendations and conclusions section of the report.



- General occupancy rental housing development surpassed demand calculated from the 2013 study while for-sale housing production was slightly lower (-7%) than 2013 demand.



- Senior housing production been severely low compared to projections from the 2013 study. Active adult development was nearly non-existent while service-based product was about 40% of the overall 2013 demand. As a result, senior housing demand is even stronger to-day given the lack of production in recent years.

Purpose and Scope of Study

Maxfield Research and Consulting, LLC. was engaged by the Olmsted County to conduct a *Comprehensive Housing Needs Analysis* for Olmsted County, Minnesota. The Housing Needs Analysis provides recommendations on the amount and types of housing that should be developed in order to meet the needs of current and future households who choose to reside in the County.

The scope of this study includes:

- an analysis of the demographic growth trends and characteristics of the County to 2030;
- an assessment of current housing characteristics in the County;
- an analysis of the for-sale housing market in the County;
- an analysis of the rental housing market in the County;
- an analysis of the senior housing market in the County;
- an analysis of the special needs housing market in the County;
- an estimate of the demand for all types of housing in the County from 2020 to 2030; and
- recommendations of appropriate housing concepts to meet current and future needs of County residents.

Methodology

During the course of the study a number of resources were utilized to obtain information in the analysis. The primary data and information sources include the following:

- U.S. Census Bureau; American Community Survey
- Minnesota Department of Employment and Economic Development (DEED)
- United States Department of Housing and Urban Development (HUD)
- ESRI
- CoStar
- Regional Multiple Listing Service of Minnesota (MLS)
- Olmsted County
- City staff from communities across Olmsted County
- Longitudinal Employer-Household Dynamics (LEHD)
- Minnesota Geospatial Commons
- Minnesota Housing Finance Agency (MHFA)
- Novogradac
- Phone calls/emails from property owners/managers, realtors, brokers, developers, employers, among others, etc.

PURPOSE & SCOPE

Overview of Market Area

For purposes of the housing analysis, the Olmsted County Market Area (i.e. Market Area or “MA”) was divided into six submarkets; Byron, East, North, Rochester, Rochester Fringe, and Stewartville. Subsequent data in the housing analysis is illustrated by submarket and county-wide. The chart below defines each submarket by geography. The maps on Page 18 and 19 visually illustrates the regional location of Olmsted County compared to the State of Minnesota and the overall Market Area and submarkets.

OLMSTED COUNTY MARKET AREA -- Submarket Geographies --					
EAST SUBMARKET		ROCHESTER FRINGE SUBMARKET		NORTH SUBMARKET	
<u>Townships</u>	<u>Cities</u>	<u>Townships</u>	<u>Cities</u>	<u>Townships</u>	<u>Cities</u>
Dover	Chatfield (All)*	Cascade	--	Farmington	Oronoco
Elmira	Dover	Haverhill		New Haven	Pine Island (All)***
Eyota	Eyota	Marion		Oronoco	
Orion	St. Charles (All)**	Rochester			
Pleasant Grove					
Quincy					
Viola					
BYRON SUBMARKET		STEWARTVILLE SUBMARKET		ROCHESTER SUBMARKET	
<u>Townships</u>	<u>Cities</u>	<u>Townships</u>	<u>Cities</u>	<u>Townships</u>	<u>Cities</u>
Kalmar	Byron	High Forest	Stewartville	--	Rochester
Salem		Rock Dell			
Areas to be included OUTSIDE of Olmsted County					
Chatfield*	Partially in Olmsted and Fillmore County				
Saint Charles**	Located in Winona county				
Pine Island***	Partially in Olmsted and Goodhue county				

City of Rochester Quadrants

The map of page 19 provides a look at the City of Rochester and the four quadrants of which we have segmented. The quadrant boundaries are defined by Center Street (east/west) and Broadway Avenue (north/south). While the scope of this county-wide housing analysis did not include a detailed demographic and demand breakdown of these Rochester quadrants, we did provide further detailed competitive rental housing (G.O. and Senior) information based on these quadrants in the Rental Housing and Senior Housing Analysis section. The map also shows an overlay of Census Tracts. As the map shows, the Census Tracts do not line up with the city boundaries or the segmented quadrants.

Destination Medical Center

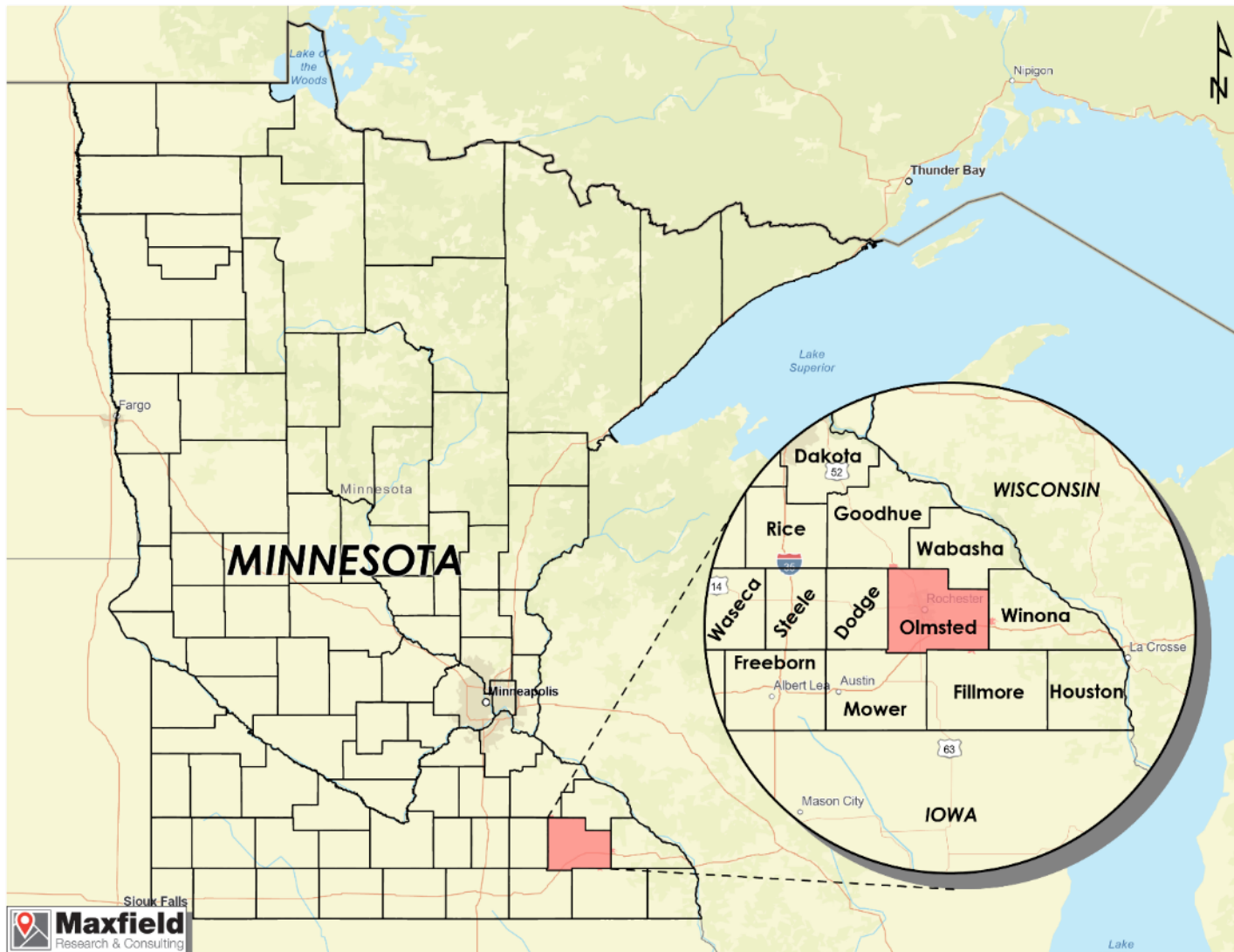
The Destination Medical Center (DMC) is planned to transform Rochester into a worldwide destination for medical care. The DMC is projected to bring 35,000 to 45,000 new jobs over the next few decades that would result in tremendous economic impact to Olmsted County and the region. At the end of 2016 private investment in the DMC district exceeded the \$200 million threshold as required by the State of Minnesota. As a result, the State of Minnesota is able to release state DMC funds towards public infrastructure in the City of Rochester. It is estimated that more than \$5 billion in private investments will be created over the next 20 years.

The map on page 20 provides a view of the DMC area of Rochester with an overlay of Census Tracts along with the segmented quadrants. As shown, the DMC covers a portion of eight Census Tracts and is included within all four quadrants. A detailed analysis of the DMC district was not included in the scope of this county-wide housing analysis.

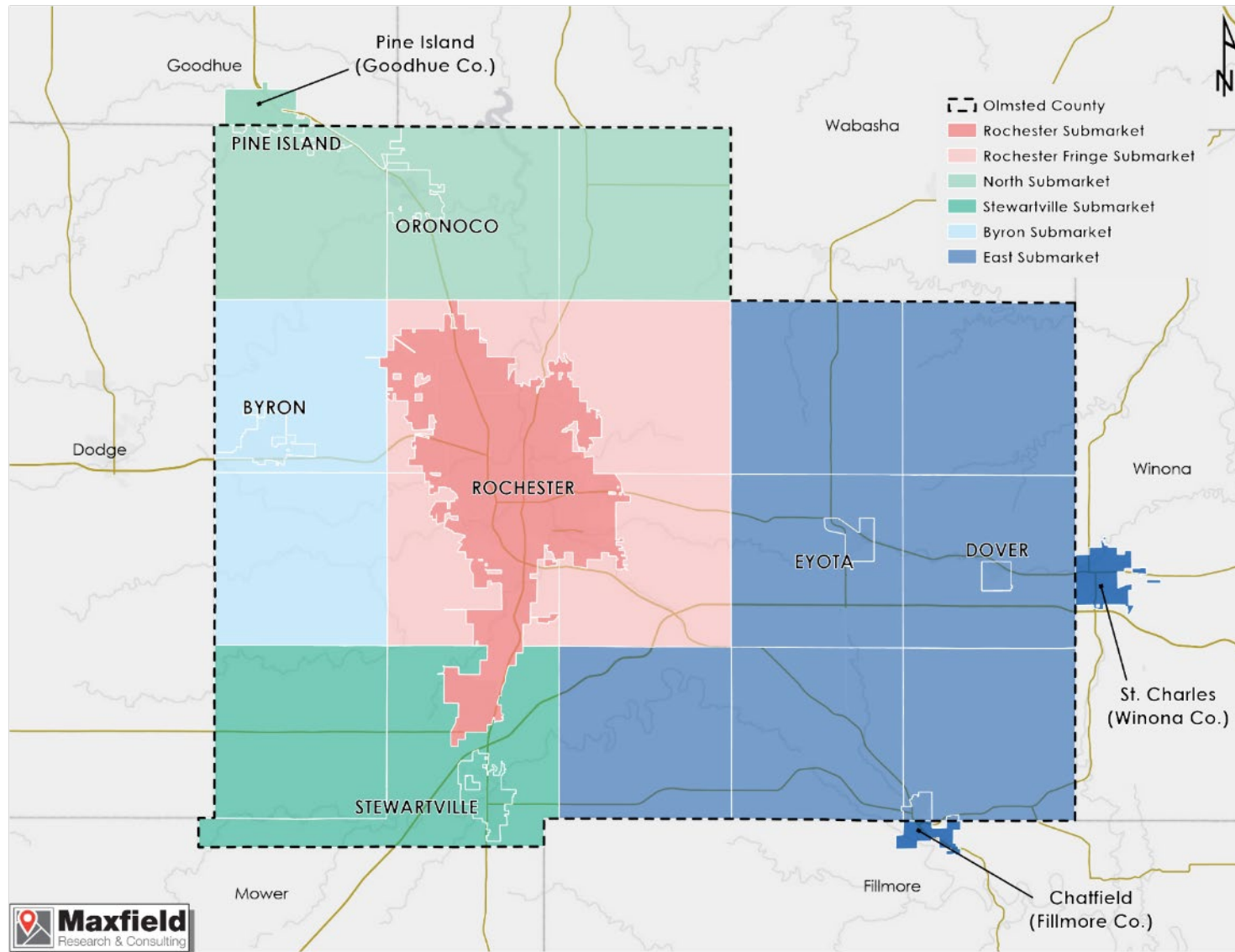
Rochester TOD (Transportation Oriented Development) Corridor

The map on Page 21 shows the proposed circulator route (TOD Corridor) as proposed by the City of Rochester. The proposed four-mile rapid transit line that will run along 2nd Street SW and South Broadway Avenue. A team of SB Friedman, Skidmore, Owings & Merrill, and Maxfield Research and Consulting completed a transit-oriented development (TOD) planning study in August 2020 for the City of Rochester. The study provided a comprehensive analysis of transit-supportive land uses and economic development opportunities along the proposed rapid transit line. A portion of the study was a market assessment to forecast development potential within the TOD. While TOD analysis was beyond the scope of this comprehensive housing analysis for the county, Maxfield Research has provided detailed findings for rental properties within the TOD corridor in the rental section of the report. A full detailed report including focused demographics and development strategies related to the TOD corridor can be accessed through the completed market analysis provided by SB Friedman via the following link <https://www.rochestermn.gov/home/showdocument?id=29040>.

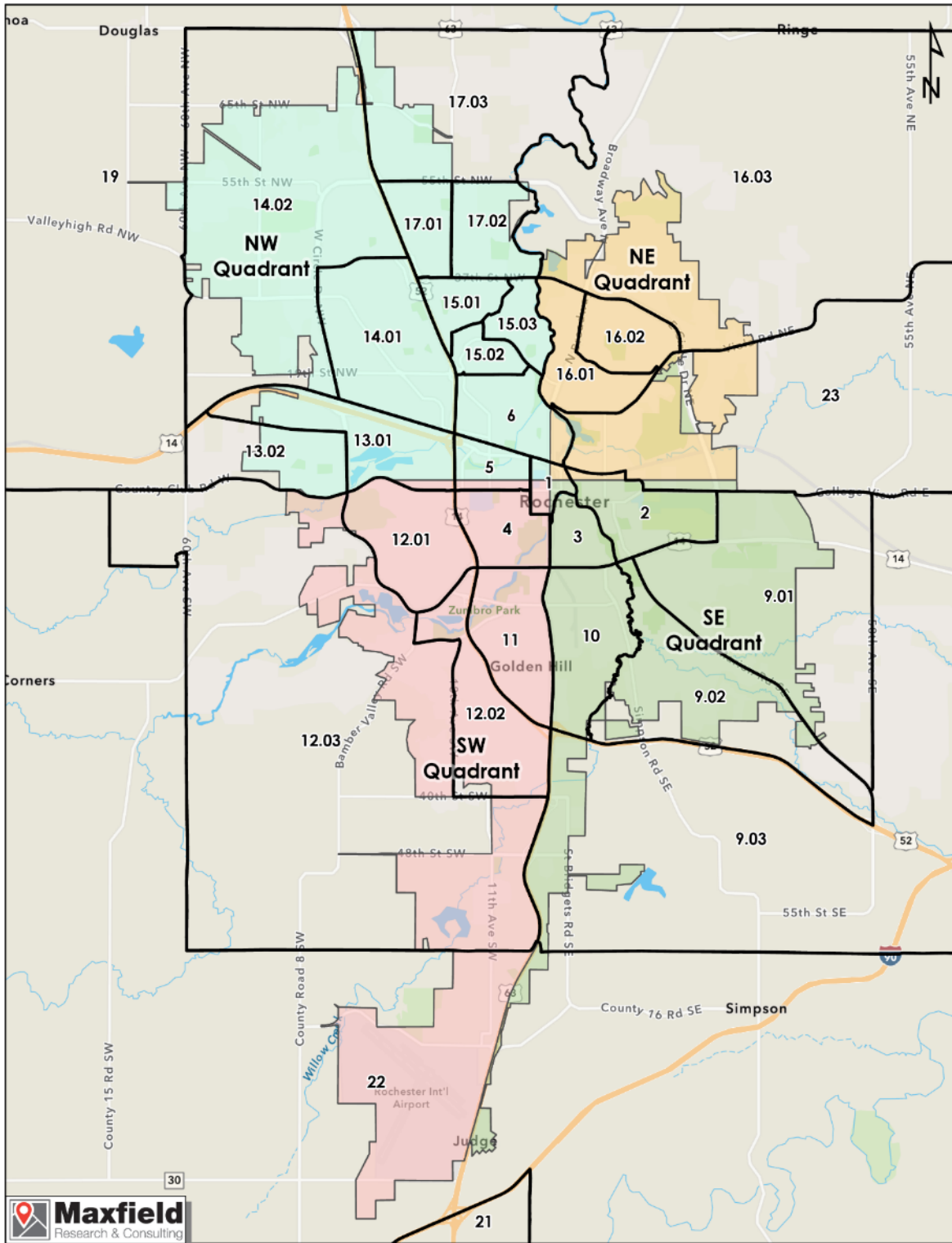
Regional Location



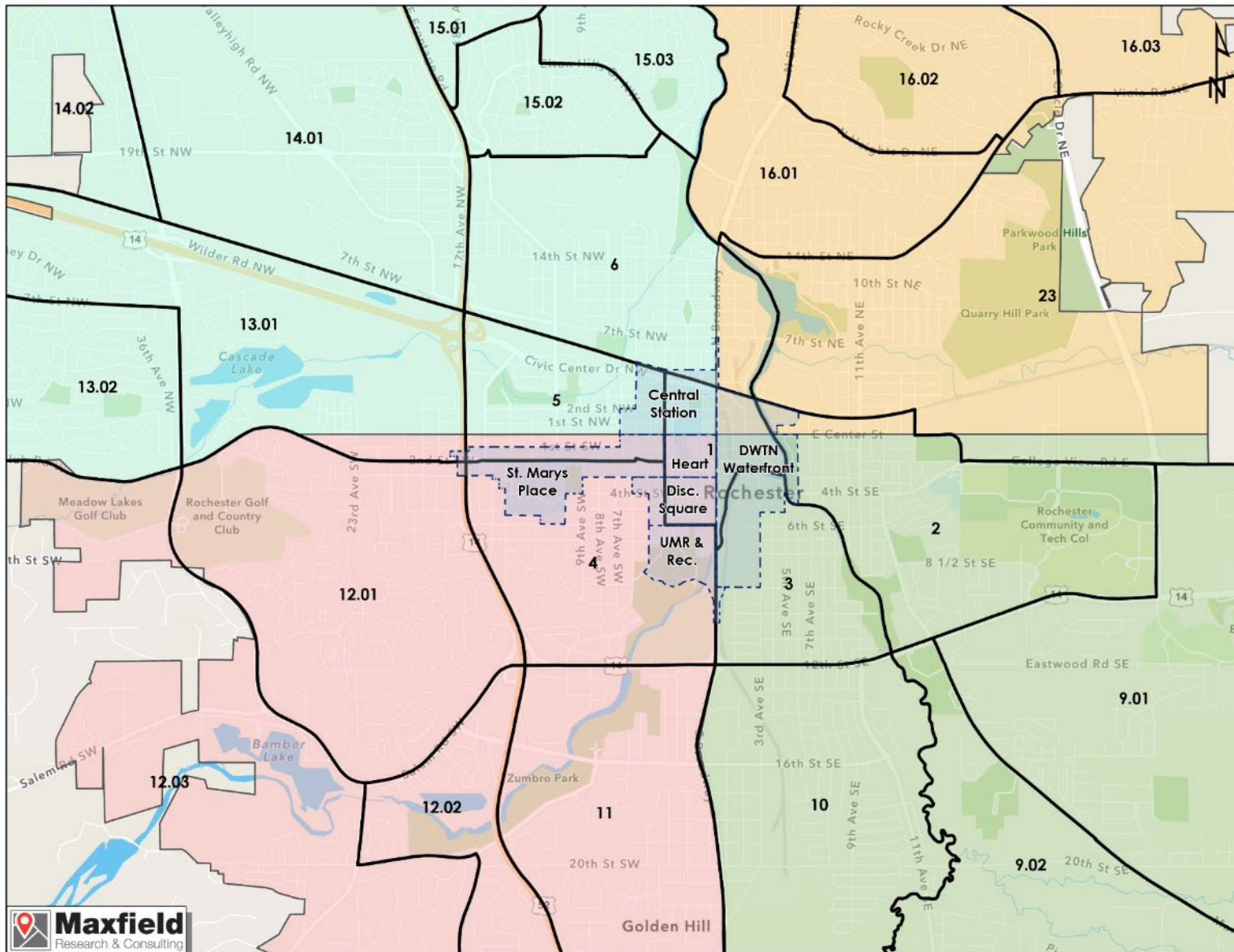
Olmsted County Market Area Submarket Map



City of Rochester Census Tract and Quadrant Map



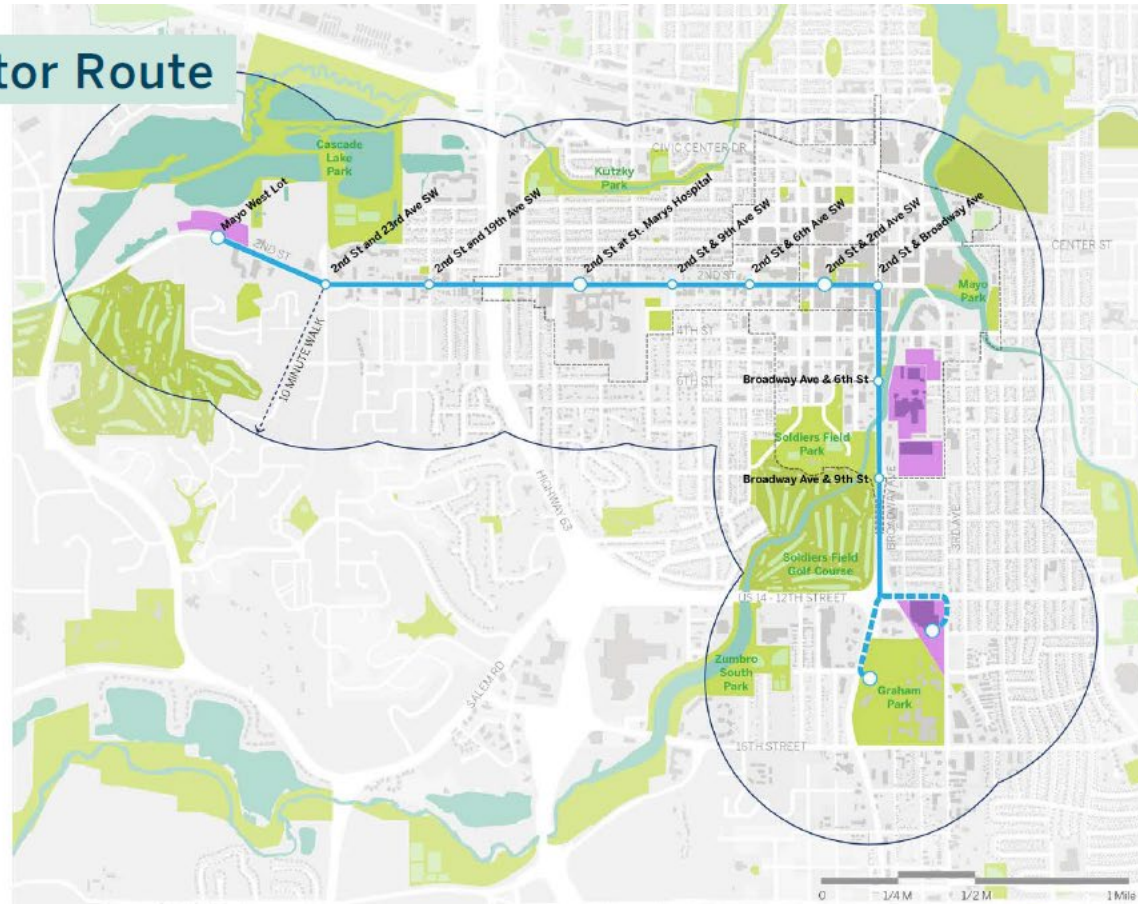
Rochester DMC Area/Census Tracts/Quadrant Map



Rochester TOD (Transportation Oriented Development) Corridor

Proposed Circulator Route

- OPEN SPACE
- LAKES AND RIVERS
- DESTINATION MEDICAL CENTER
- PROPOSED CIRCULATOR ROUTE
- KEY DEVELOPMENT SITES
- 10 MINUTE WALK FROM PROPOSED STATIONS



Introduction

This section of the report examines factors related to the current and future demand for both owner- and renter-occupied housing in Olmsted County, Minnesota. It includes an analysis of population and household growth trends and projections, projected age distribution, household income, household types, household tenure, and net worth in the Olmsted County Market Area. A review of these characteristics will provide insight into the demand for various types of housing in the County.

The Destination Medical Center (DMC) is planned to transform Rochester into a worldwide destination for medical care. The DMC is projected to bring 35,000 to 45,000 new jobs over the next few decades that would result in tremendous economic impact to Olmsted County and the region. At the end of 2016 private investment in the DMC district exceeded the \$200 million threshold as required by the State of Minnesota. As a result, the State of Minnesota is able to release state DMC funds towards public infrastructure in the City of Rochester. It is estimated that more than \$5 billion in private investments will be created over the next 20 years. Undoubtable the DMC will affect future housing needs in Olmsted County and beyond; however, it is too premature to estimate to what extent due to the current COVID-19 pandemic.

It is important to note that this study was completed during the COVID-19 pandemic. Demographic estimates and projections were calculated in the 1st Quarter 2020 before any major shutdowns ensued. It is unclear how this pandemic will affect population and household growth in the short term and through 2030. If the pandemic were to persist for an extended period of time beyond 2021, we would anticipate that the population and household growth may be lower than projected.

Population and Household Growth from 1990 to 2030

Tables D-1 and D-2 presents the population and household growth of each submarket in the Olmsted County Market Area. Data from 1990 to 2010 is based on the U.S. Census. Estimates for 2018 and projections through 2030 are based on information from the Minnesota Department of Administration and ESRI (a national demographics service provider) and adjusted by Maxfield Research based on local trends.

Population

- The strongest percentage growth occurred between 1990 and 2000. Olmsted County's population grew by 17,807 people (16.5%) and continues through the 2010 as the population gained another 21,068 people (16%). Growth for the County is estimated to remain strong as the population is projected to increase by 23,638 (15.5%) by 2020.

DEMOGRAPHIC ANALYSIS

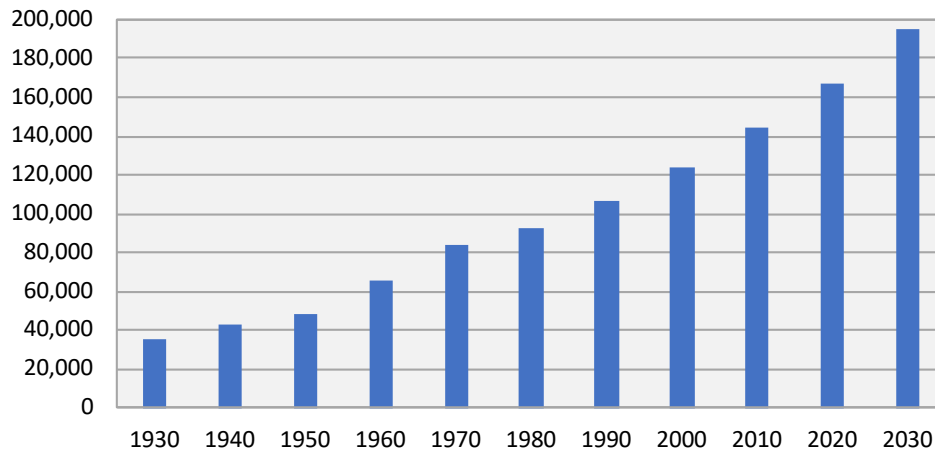
TABLE D-1 POPULATION AND HOUSEHOLD GROWTH TRENDS AND PROJECTIONS OLMSTED COUNTY MARKET AREA 1990 - 2030													
	Census			MN State Demo Est.	Estimate	Forecast		Change					
	1990	2000	2010	2018	2020	2025	2030	2000-2010		2010-2020		2020-2030	
								No.	Pct.	No.	Pct.	No.	Pct.
POPULATION													
Olmsted County Market Area	112,450	131,048	152,116	165,567	175,754	188,982	203,350	21,068	16.1%	23,638	15.5%	27,596	15.7%
Olmsted County	106,470	124,277	144,248	157,446	167,500	180,630	194,900	19,971	16.1%	23,252	16.1%	27,400	16.4%
Byron Submarket	4,768	5,757	7,046	7,971	8,575	9,298	10,106	1,289	22.4%	1,529	21.7%	1,531	17.9%
East Submarket	10,411	11,323	12,759	13,158	13,439	13,786	14,152	1,436	12.7%	680	5.3%	713	5.3%
North Submarket	6,618	7,180	8,411	8,913	9,223	9,754	10,355	1,231	17.1%	812	9.7%	1,127	12.3%
Rochester Fringe	13,781	13,859	9,592	10,161	10,640	11,186	11,767	-4,267	-30.8%	1,048	10.9%	1,127	10.6%
Rochester Submarket	70,745	85,806	106,769	117,444	125,776	136,457	148,046	20,963	24.4%	19,007	17.8%	22,270	17.7%
Stewartville Submarket	6,127	7,123	7,539	7,920	8,101	8,501	8,924	416	5.8%	562	7.5%	823	10.2%
Rochester MSA*	162,722	184,740	206,877	219,882	221,679	226,681	229,749	22,137	12.0%	14,802	7.2%	8,070	3.6%
Southeast MN Region^	420,094	460,102	494,684	510,781	508,663	511,457	511,341	34,582	7.5%	13,979	2.8%	2,678	0.5%
Minnesota	4,375,099	4,919,479	5,303,925	5,629,416	5,670,102	5,909,800	6,159,631	384,446	7.8%	366,177	6.9%	489,529	8.6%
HOUSEHOLDS													
Olmsted County Market Area	42,323	50,386	60,176	66,432	69,771	74,521	80,992	9,790	19.4%	9,595	15.9%	11,221	16.1%
Olmsted County	40,058	47,807	57,080	63,203	66,054	71,217	77,651	9,273	19.4%	8,974	15.7%	11,597	17.6%
Byron Submarket	1,590	1,996	2,629	3,016	3,275	3,588	3,938	633	31.7%	646	24.6%	663	20.2%
East Submarket	3,721	4,223	4,861	5,069	5,206	5,375	5,555	638	15.1%	345	7.1%	349	6.7%
North Submarket	2,325	2,631	3,209	3,434	3,547	3,770	4,027	578	22.0%	338	10.5%	480	13.5%
Rochester Fringe	4,651	4,806	3,512	3,751	3,983	4,236	4,508	-1,294	-26.9%	471	13.4%	525	13.2%
Rochester Submarket	27,913	34,116	43,025	48,044	50,492	54,093	59,300	8,909	26.1%	7,467	17.4%	8,808	17.4%
Stewartville Submarket	2,123	2,614	2,940	3,118	3,268	3,459	3,664	326	12.5%	328	11.2%	396	12.1%
Rochester MSA*	60,704	70,732	81,907	88,450	88,900	91,950	93,500	11,175	15.8%	6,993	8.5%	4,600	5.2%
Southeast MN Region^	155,422	174,764	193,690	202,911	208,100	210,250	211,000	18,926	10.8%	14,410	7.4%	2,900	1.4%
Minnesota	1,647,853	1,895,127	2,087,227	2,221,628	2,238,428	2,329,078	2,423,400	192,100	10.1%	151,201	7.2%	184,972	8.3%
PERSONS PER HOUSEHOLD													
Olmsted County Market Area	2.66	2.60	2.53	2.49	2.52	2.54	2.51						
Olmsted County	2.66	2.60	2.53	2.49	2.54	2.54	2.51						
Byron Submarket	3.00	2.88	2.68	2.64	2.62	2.59	2.57						
East Submarket	2.80	2.68	2.62	2.60	2.58	2.56	2.55						
North Submarket	2.85	2.73	2.62	2.60	2.60	2.59	2.57						
Rochester Fringe	2.96	2.88	2.73	2.71	2.67	2.64	2.61						
Rochester Submarket	2.53	2.52	2.48	2.44	2.49	2.52	2.50						
Stewartville Submarket	2.89	2.72	2.56	2.54	2.48	2.46	2.44						
Rochester MSA*	2.68	2.61	2.53	2.49	2.49	2.47	2.46						
Southeast MN Region^	2.70	2.63	2.55	2.52	2.44	2.43	2.42						
Minnesota	2.66	2.60	2.54	2.53	2.53	2.54	2.54						

*Rochester MSA includes the following counties: Olmsted, Dodge, Fillmore, and Wabasha.

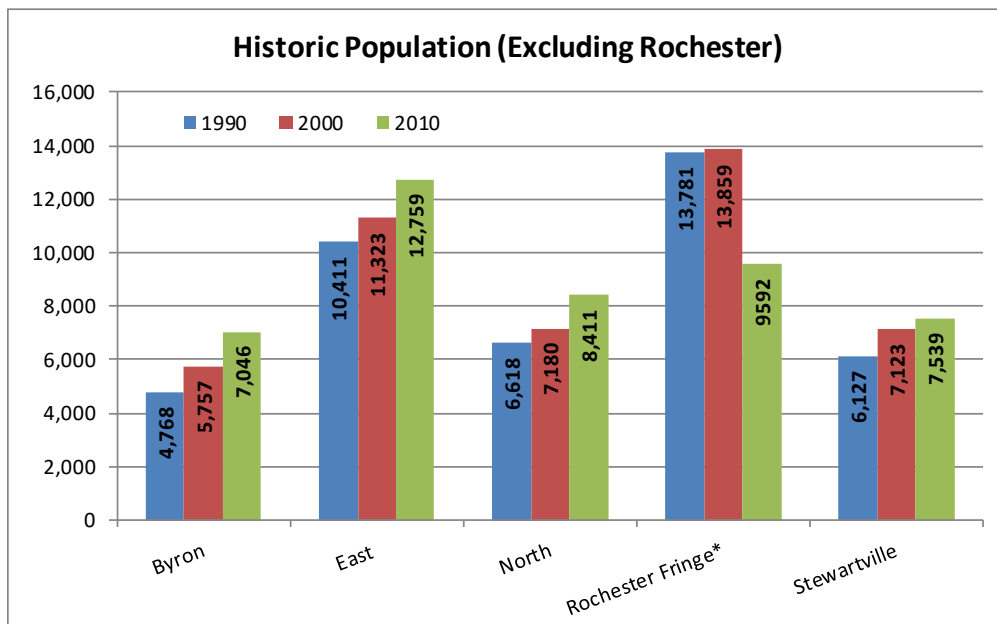
^Southeast MN Region includes the following counties: Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, and Winona.

Sources: US Census Bureau; MN State Demographic Center; ESRI; Maxfield Research & Consulting, LLC

Olmsted County Historic Population



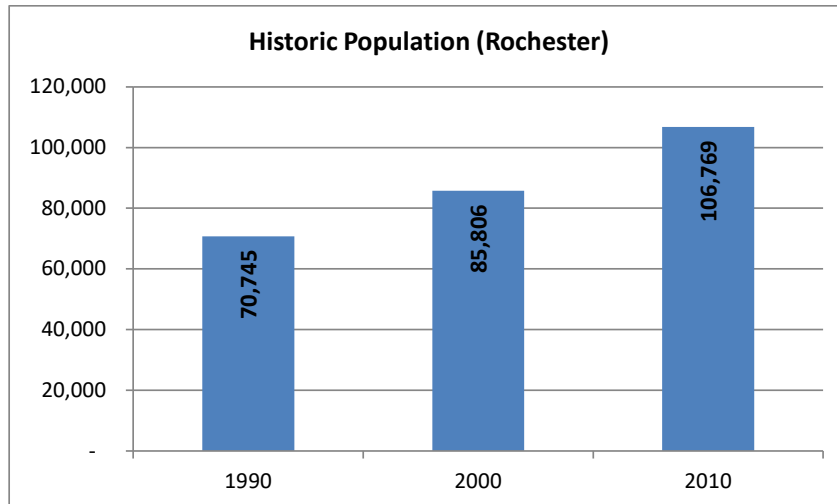
- The majority of the growth in Olmsted County can be attributed to the growth in the City of Rochester. Approximately 85% of all population growth in the County occurred in the City of Rochester between 1990 and 2000.
- Olmsted County’s population base grew from 124,277 people to 144,248 people between 2000 and 2010 (19,971 people, 16%). The majority of the growth occurred during the first half of the decade. Growth slowed during the late 2000s due to the housing downturn.



* Decrease in population in the Rochester Fringe occurred due to annexation into the City of Rochester

DEMOGRAPHIC ANALYSIS

- In comparison, the Olmsted County Market Area's population grew by 18,598 people (16.5%) between 1990 and 2000. From 2000 to 2010, the Olmsted County Market Area's base grew 21,068 people, 16%).

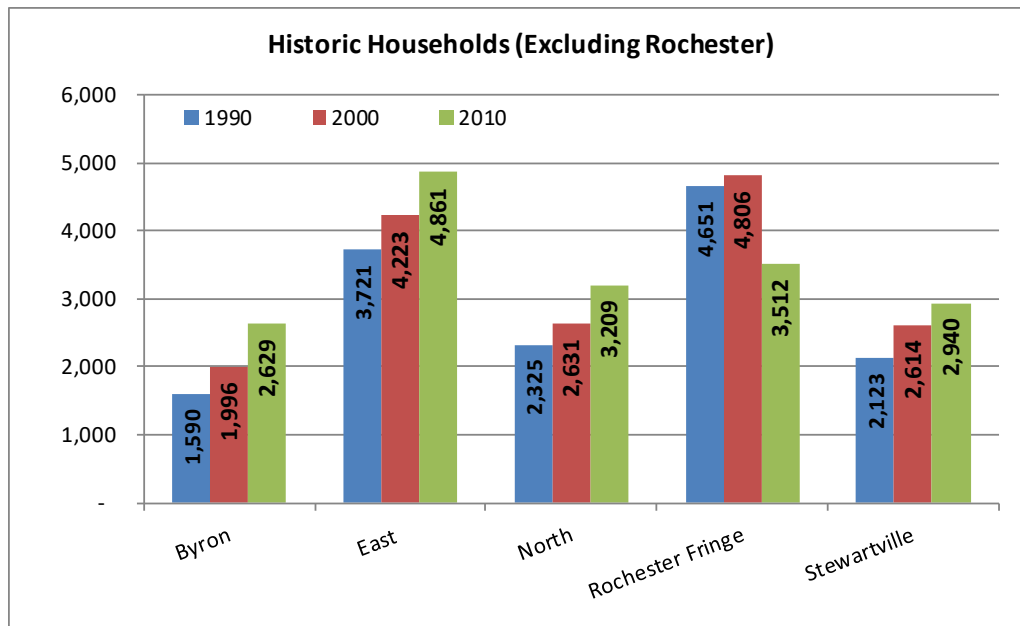


- The Rochester submarket experienced the largest percentage growth between 1990 and 2000 (21%) and grew by 24% between 2000 and 2010. In addition, the Byron submarket increased significantly between 1990 and 2000 (21%) and grew by 22% between 2000 and 2010.

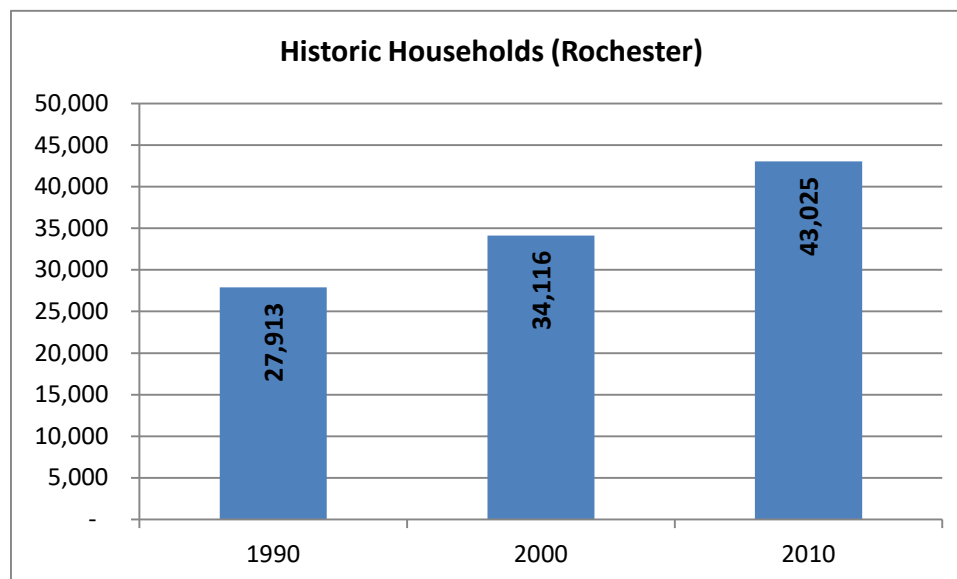
Households

- Household growth trends are typically a more accurate indicator of housing needs than population growth since a household is, by definition, an occupied housing unit. However, additional demand can result from changing demographics of the population base, which results in demand for different housing products.
- Olmsted County added 9,273 households during the 2000s (19%), increasing its household base to 57,080 households as of 2010.
- Approximately 96% of the growth between 2000 and 2010 occurred in the Rochester submarket.
- The Rochester Fringe submarket experienced a substantial decline between 2000 and 2010, decreasing its household base by 1,294 households (-27%). This was in part due to annexation agreements.

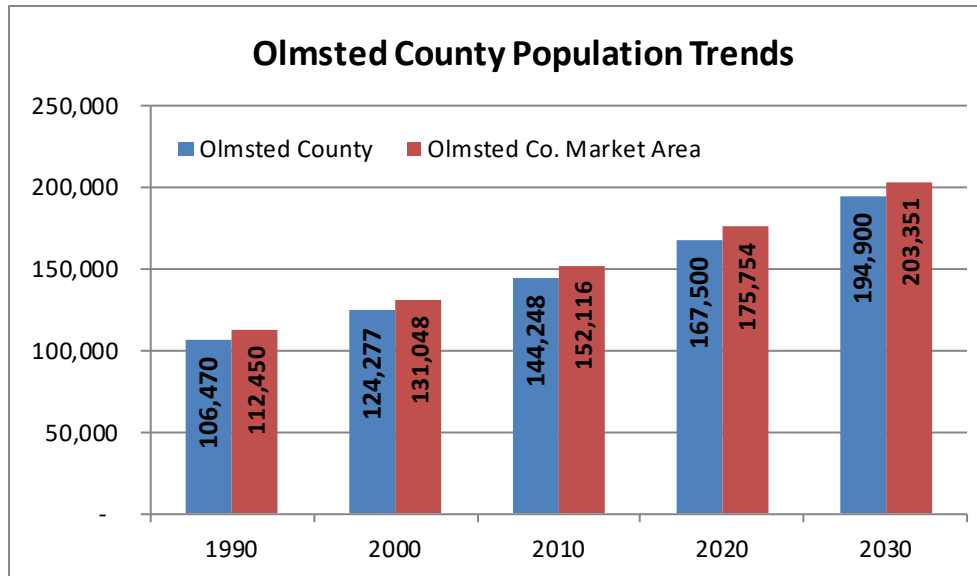
DEMOGRAPHIC ANALYSIS



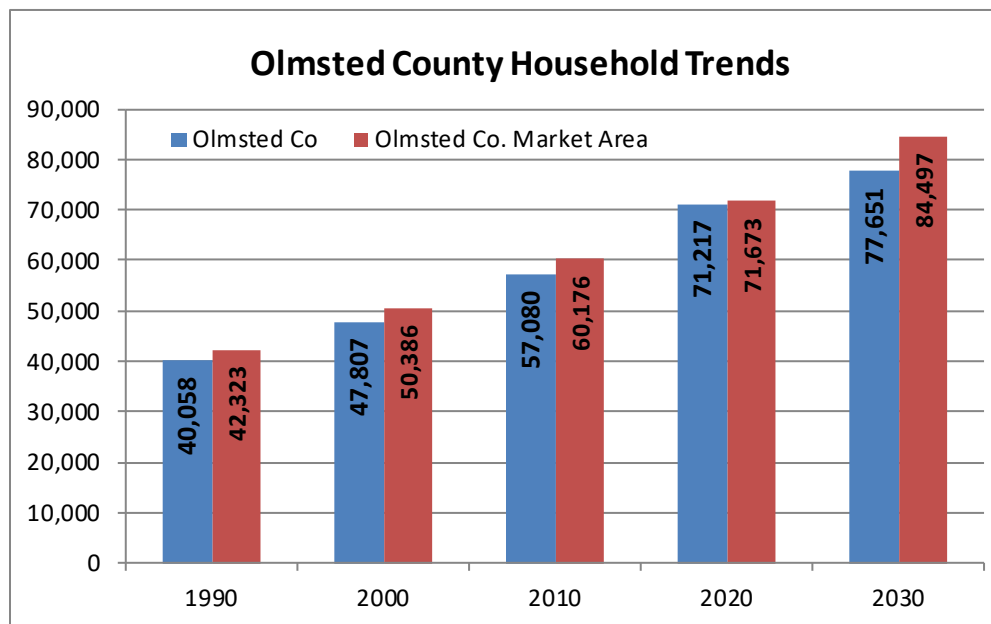
- Household growth rates outpaced population growth in Olmsted County. Olmsted County's population increased 16% compared to a 19% increase in households between 2000 and 2010. This is the result of fewer persons in each household, caused by demographic and social trends such as couples delaying marriage, an increasing senior base, and couples' decisions to have fewer children or no children at all.



- Olmsted County is estimated to experience continued strong growth during the next decade. Maxfield Research projects that Olmsted County will grow by 23,252 persons (16.0%) and by about 8,974 households (16%) between 2010 and 2020. In addition, Olmsted County is projected to grow by 27,400 persons (17%) and 11,597 households (16%) between 2020 and 2030.

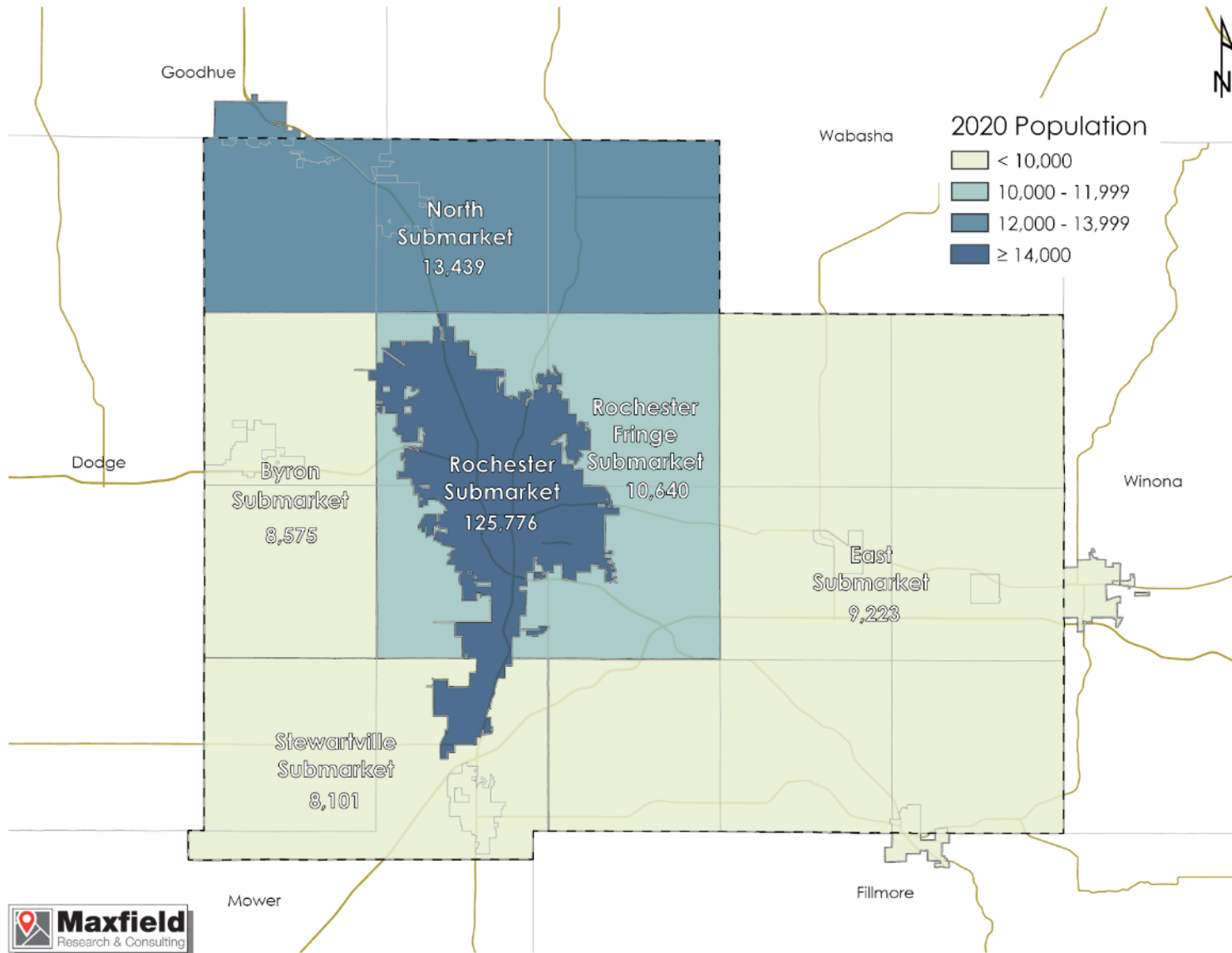


- In comparison, the Olmsted County Market Area is projected to grow by roughly 23,640 persons (15.5%) and 9,600 households (16%) between 2010 and 2020. By 2030, the Market Area is projected to grow by 27,598 persons (17%) and 11,222 households (15%).
- Since households are occupied housing units, the projected growth of approximately 11,600 households in Olmsted County this decade would need to be achieved with an equal number of available units to accommodate the new household growth.

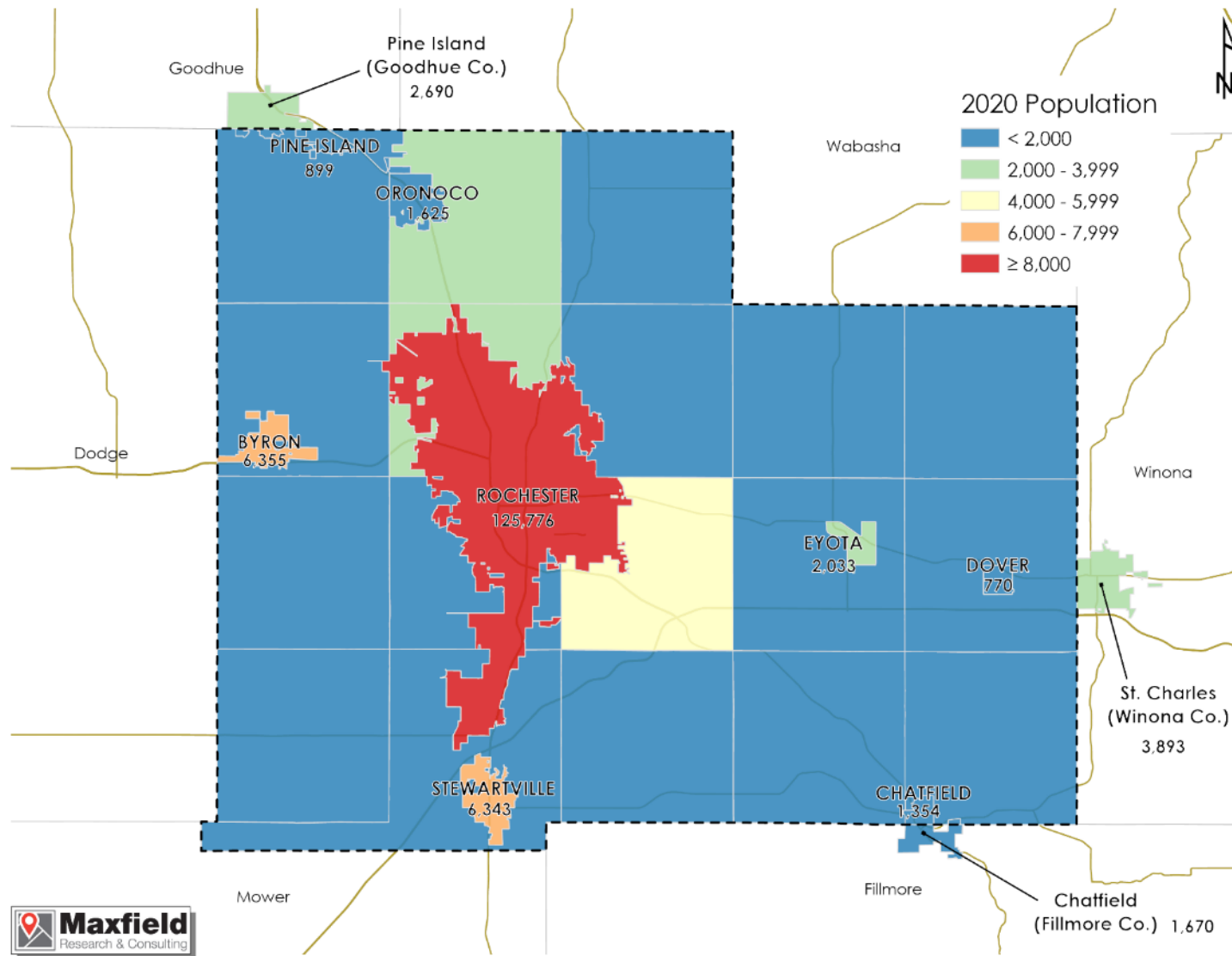


- Population and household growth are apparent in most cities within the Olmsted County Market Area. However, there has been a few townships that experienced a decline from 1990 to 2010 and we expect this trend to continue for some rural townships through 2030.

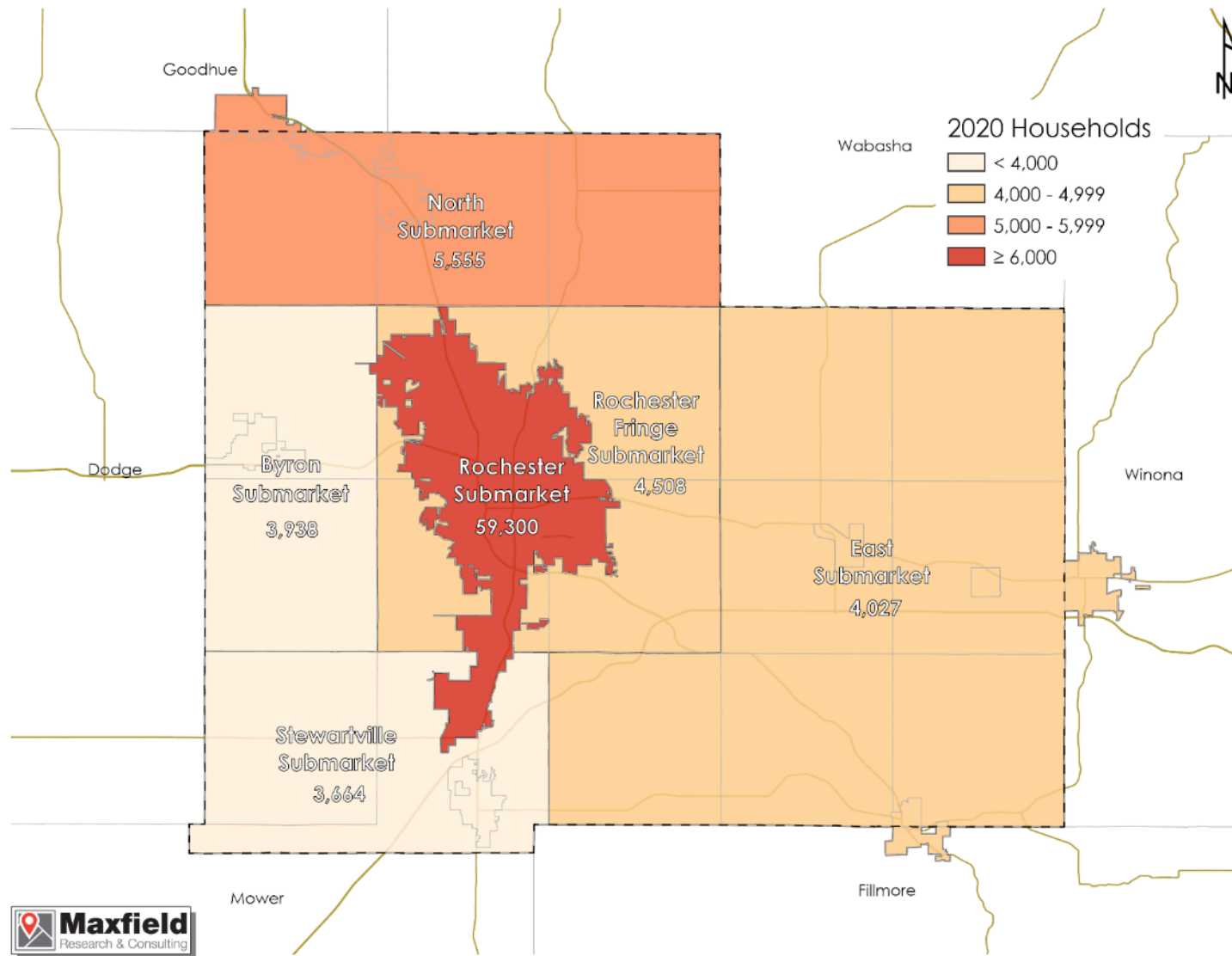
2020 Submarket Population



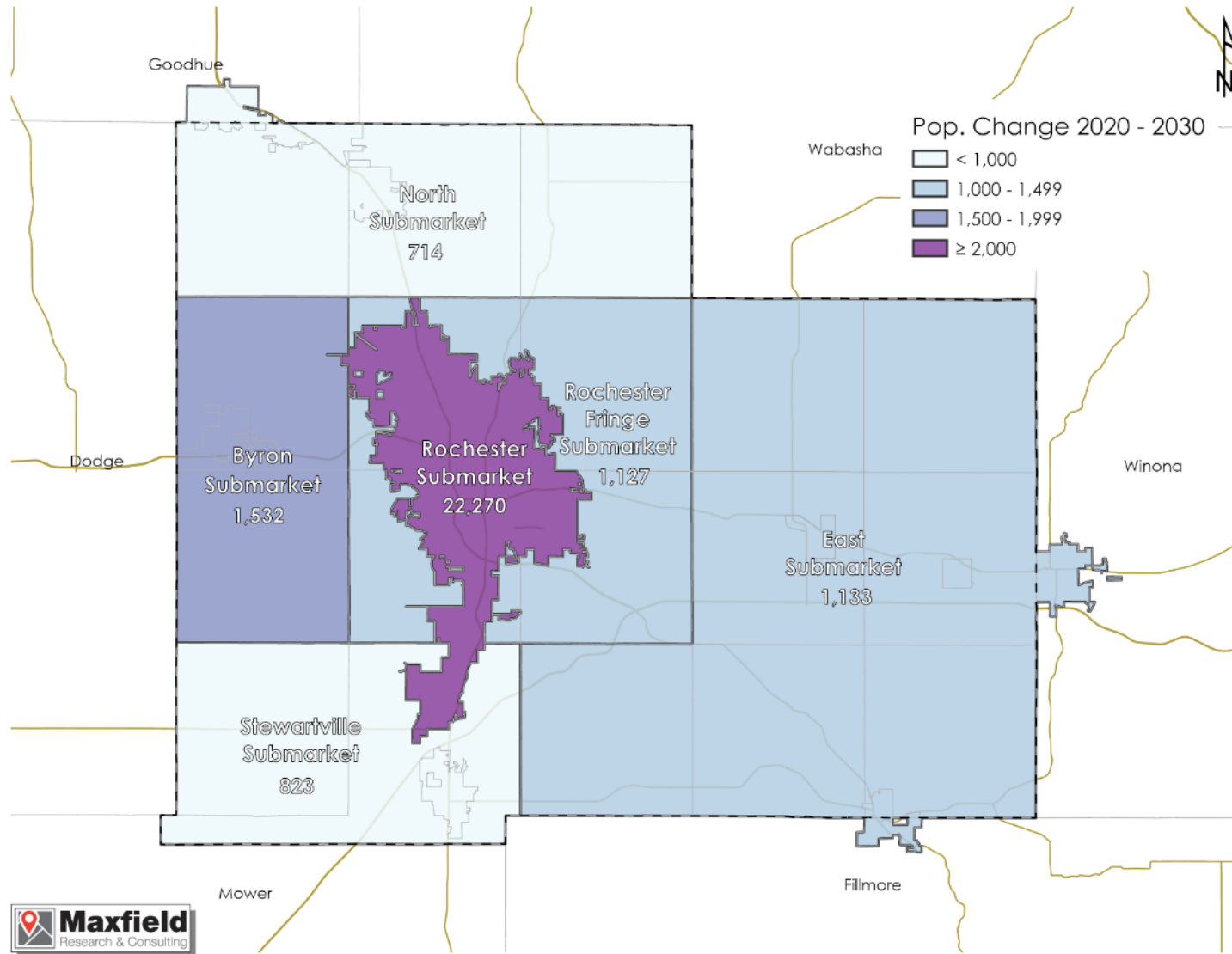
2020 County Subdivision Population



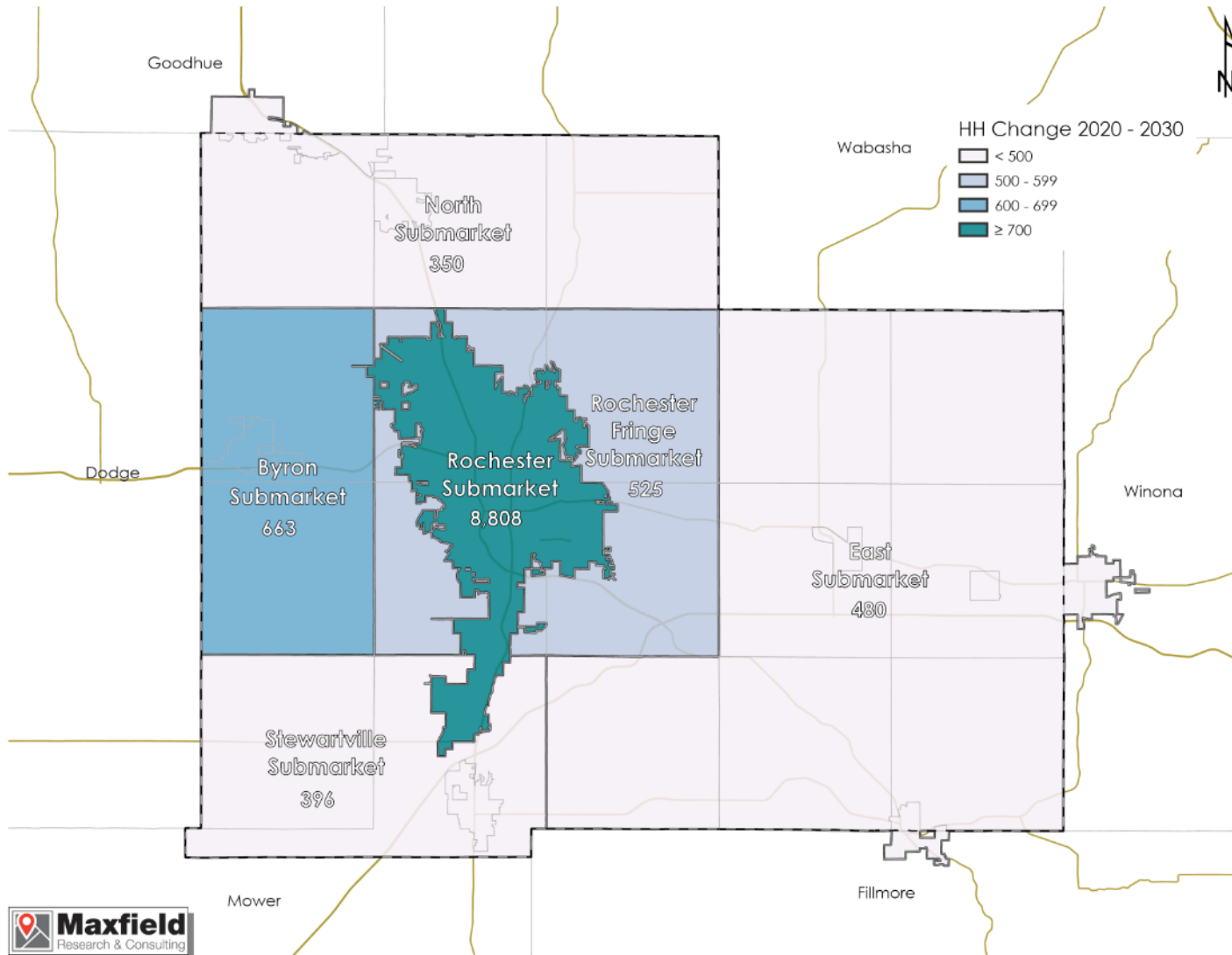
2020 Submarket Households



Population Change 2020 to 2030



Household Change 2020 to 2030



Household Size

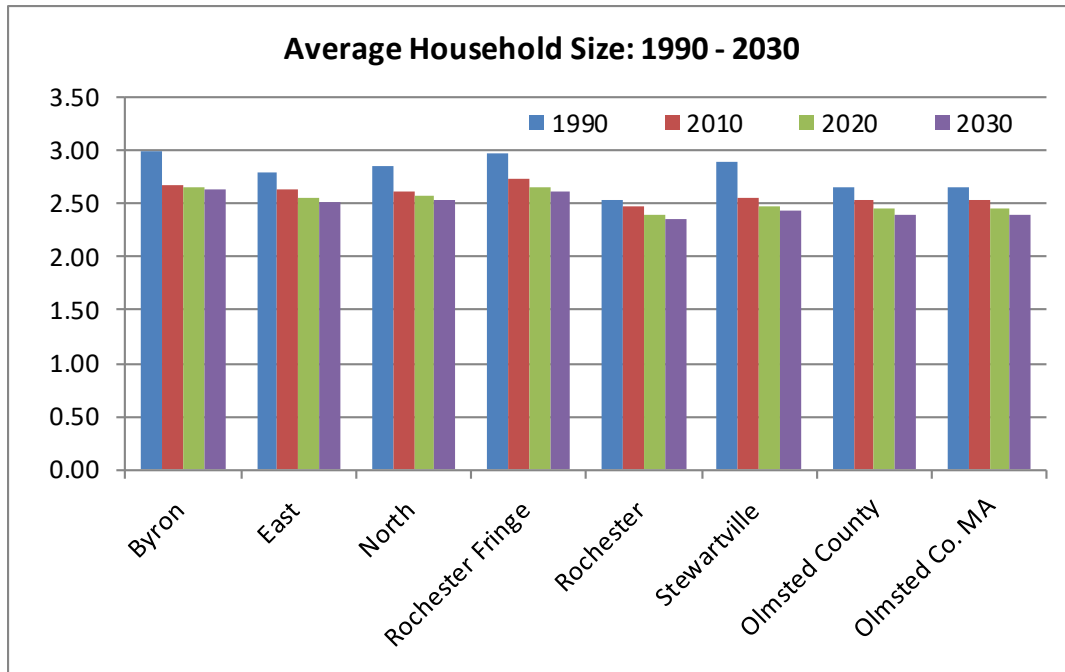
Household size is calculated by dividing the number of persons in households by the number of households (or householders). Nationally, the average number of people per household has been declining for over a century; however, there have been sharp declines starting in the 1960s and 1970s. Persons per household in the U.S. were about 4.5 in 1916 and declined to 3.2 in the 1960s. Over the past 50 years, it dropped to 2.57 as of the 2000 Census. However, due to the economic recession this trend has been temporarily halted as renters and laid-off employees “doubled-up” which increased the average U.S. household size to 2.59 as of the 2010 Census.

The declining household size has been caused by many factors, including: aging, higher divorce rates, smaller family sizes, demographic trends in marriage, etc. Most of these changes have resulted from shifts in societal values, the economy, and improvements in health care that have influenced how people organize their lives. Table D-4 and the following charts shows household size in each submarket in the Olmsted County Market Area.

- In 2010, the average household size ranged between 2.48 (Rochester Fringe submarket) and 2.73 (Rochester submarket). In Olmsted County Market Area overall, the average household size was 2.53.
- By 2030, the average household size in Olmsted County Market Area is projected to decrease to 2.51.

TABLE D-2 AVERAGE HOUSEHOLD SIZE OLMSTED COUNTY MARKET AREA					
	U.S. Census			Estimate	Projection
	1990	2000	2010	2020	2030
Byron	3.00	2.88	2.68	2.62	2.57
East	2.80	2.68	2.62	2.58	2.55
North	2.85	2.73	2.62	2.60	2.57
Rochester	2.96	2.88	2.73	2.67	2.61
Rochester Fringe	2.53	2.52	2.48	2.49	2.50
Stewartville	2.89	2.72	2.56	2.48	2.44
Olmsted County	2.66	2.60	2.53	2.54	2.51
Olmsted County Market Area	2.66	2.60	2.53	2.52	2.51
State of Minnesota	2.66	2.60	2.54	2.53	2.54

Source: Maxfield Research & Consulting, LLC



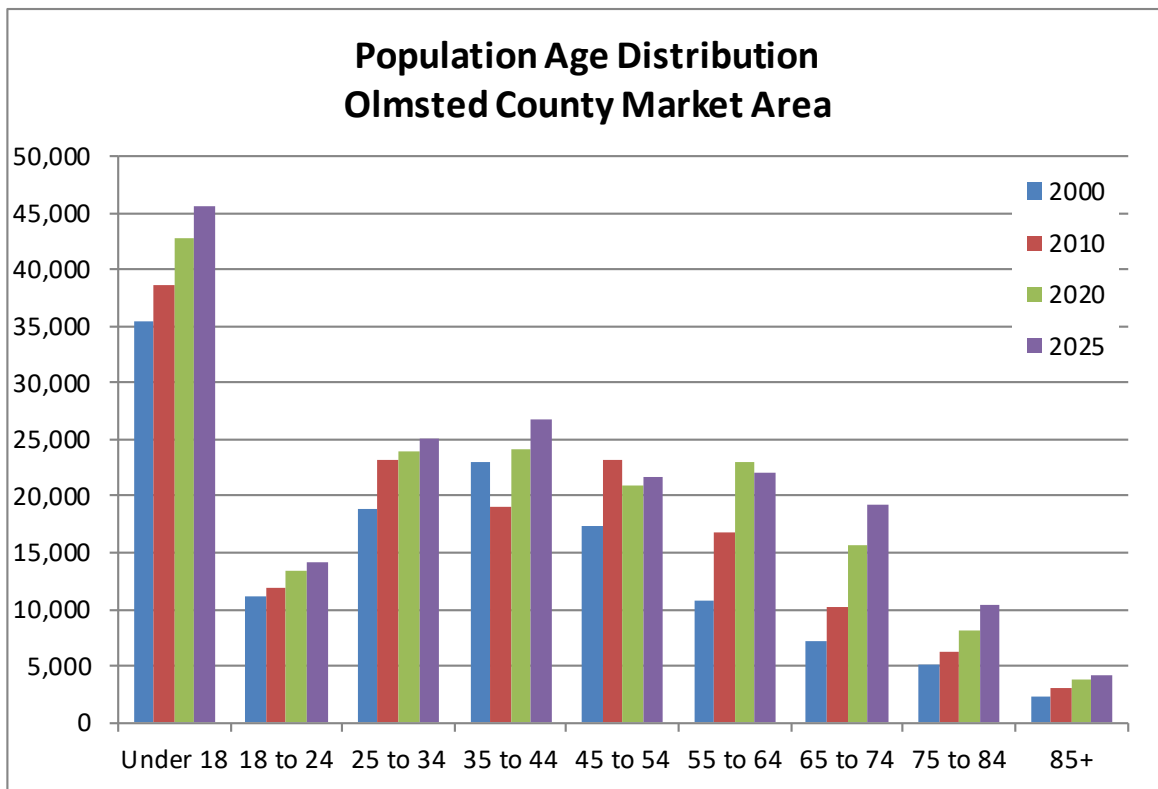
Age Distribution Trends

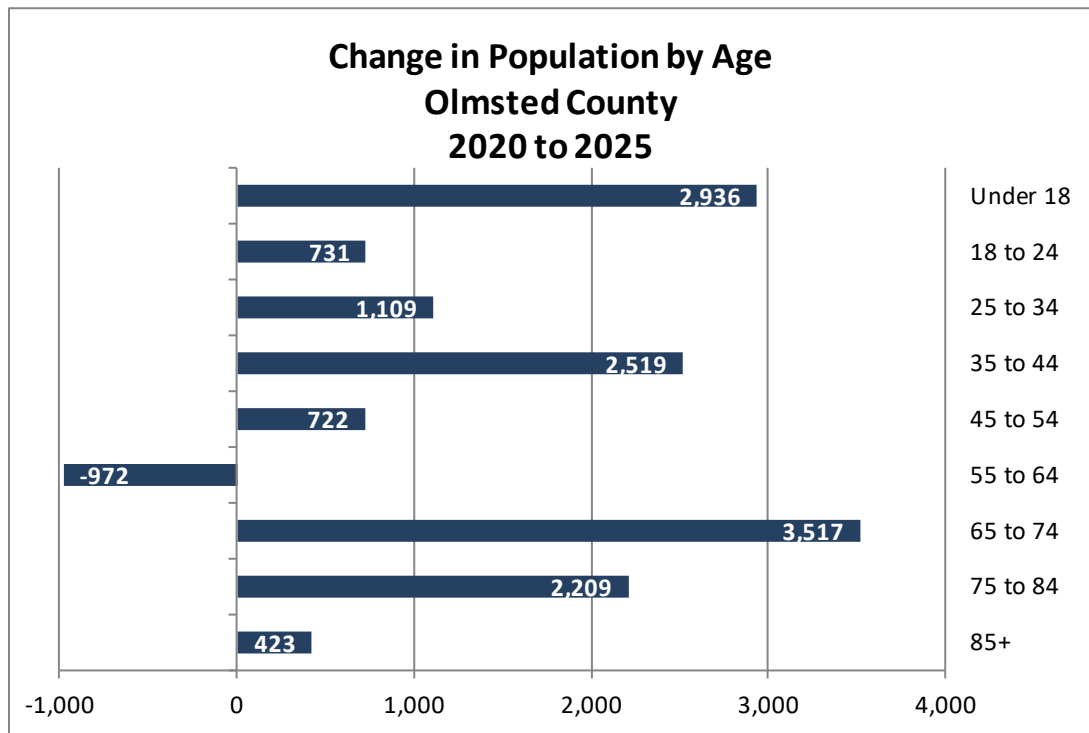
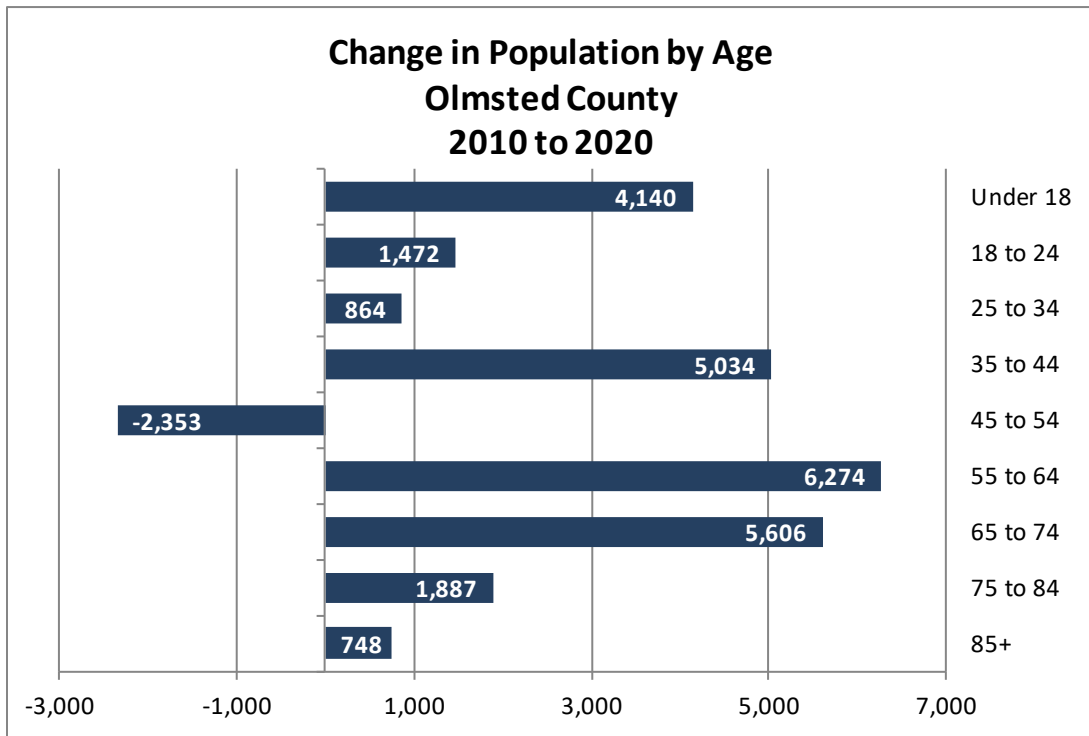
Table D-3 shows the distribution of persons within nine age cohorts for the six submarkets in the Olmsted County Market Area in 2000 and 2010 with estimates for 2020 and projections for 2025. Table D-3 also shows the distribution of persons for Olmsted County and the Olmsted County Market Area. The 2000 and 2010 age distribution are from the U.S. Census Bureau. Maxfield Research derived the 2020 estimates and 2025 projections by adjustments made to data obtained from ESRI and local trends. The following are key points from the table.

- In 2010, the largest adult cohort in the Olmsted County Market Area was 45 to 54, totaling 23,253 people (15% of the total population). Mirroring trends observed across the Nation, the aging baby boomer generation is substantially impacting the composition of County’s population. Born between 1946 and 1964, these individuals comprised the age groups 45 to 54 and 55 to 64 in 2010. As of 2010, baby boomers accounted for an estimated 26% of Olmsted County Market Area’s population.
- The social changes that occurred with the aging of the baby boom generation, such as higher divorce rates, higher levels of education, and lower birth rates has led to a greater variety of lifestyles than existed in the past – not only among the baby boomers, but also among their parents and children. The increased variety of lifestyles has fueled demand for alternative housing products to the single-family homes. Seniors, in particular, and middle-aged persons tend to do more traveling and participate in more activities than previous generations, and they increasingly prefer maintenance-free housing that enables them to spend more time on activities outside the home.

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- The 45 to 54 age group was the largest adult age cohort with 23,253 people (15%) followed closely by the 25 to 34-year-old age group with 23,120 people (15%).
- Olmsted County Market Area’s population of 18 to 34-year olds, which consists primarily of renters and first-time homebuyers, increased by 17% between 2000 and 2010, and is estimated to have increased (6%) between 2010 and 2020. This increase help fuel some of the demand for newer rental units and starter homes over the decade.
- The 55 to 64 age cohort is estimated to have the greatest percentage growth increasing by 5,970 people (36%) from 2010 to 2020. The growth in this age cohort can be primarily attributed to the trailing edge of the baby boom generation aging into their young senior years.
- As Baby Boomers continue to age, growth from 2020 to 2025 will be strongest among the older age cohorts. Growth of those 65 and older will account for 47% of the Market Area’s projected population increase over the next five years. The 65 to 74 age group is projected to experience the highest numerical increase gaining 3,517 people (35%) and the 75 to 84 age cohort projected to grow by the highest percentage of 35.5% (2,209 people).
- The population in the 35 to 44 age group is projected to grow by 2,519 people (13%) by 2025. The under 18 age cohort is projected to experience the second highest numerical gain of 2,933 (8%).





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TABLE D-3
POPULATION AGE DISTRIBUTION
OLMSTED COUNTY MARKET AREA
2000 to 2025

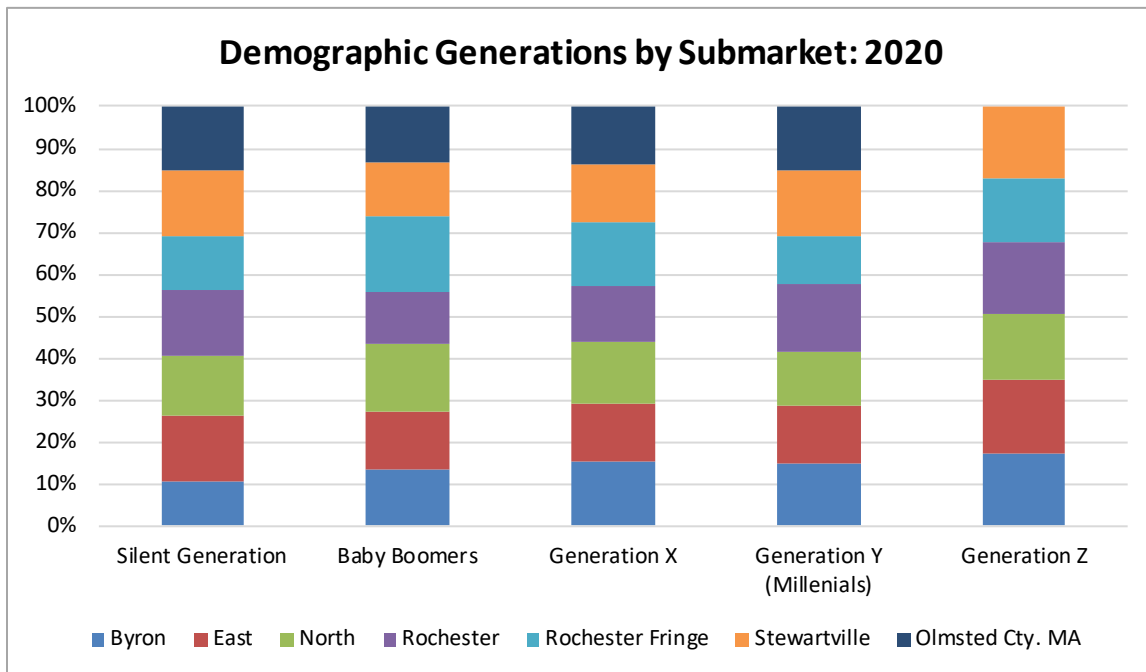
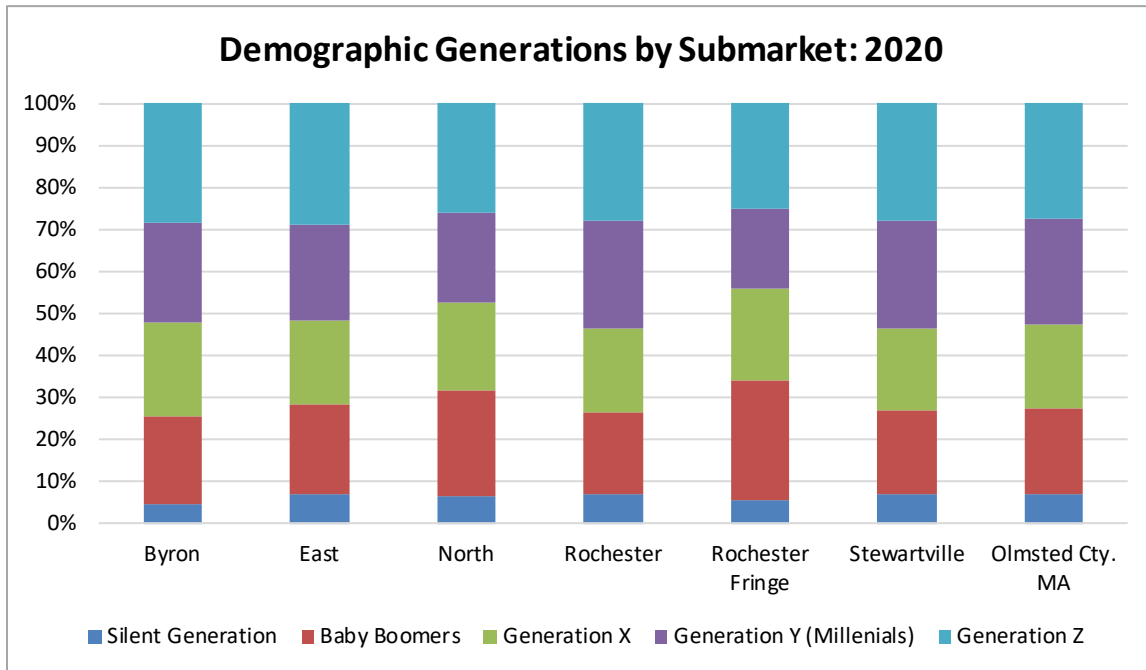
	Number of People				Change			
	U.S. Census		Estimate	Projection	2000-2010		2010-2025	
	2000	2010	2020	2025	No.	Pct.	No.	Pct.
Byron	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	1,805	1,981	2,128	2,229	176	8.9	248	12.5
18 to 24	471	485	694	714	14	2.9	229	47.2
25 to 34	696	889	1,058	1,293	193	21.7	404	45.5
35 to 44	1,129	979	1,192	1,268	-150	-15.3	289	29.5
45 to 54	747	1,226	1,169	1,155	479	39.1	-71	-5.8
55 to 64	523	763	1,202	1,225	240	31.5	462	60.5
65 to 74	228	489	725	875	261	53.4	386	79.0
75 to 84	126	186	333	437	60	32.3	251	134.8
85+	32	48	75	102	16	33.3	54	113.2
Total	5,757	7,046	8,575	9,298	1,289	18.3	2,252	32.0
East	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	3,214	3,538	3,443	3,530	324	9.2	-8	-0.2
18 to 24	905	868	981	924	-37	-4.3	56	6.4
25 to 34	1,393	1,618	1,629	1,651	225	13.9	33	2.0
35 to 44	1,878	1,677	1,725	1,838	-201	-12.0	161	9.6
45 to 54	1,434	1,906	1,665	1,584	472	24.8	-322	-16.9
55 to 64	860	1,374	1,796	1,684	514	37.4	310	22.5
65 to 74	749	848	1,246	1,474	99	11.7	626	73.8
75 to 84	646	599	634	781	-47	-7.8	182	30.4
85+	244	331	319	321	87	26.3	-10	-2.9
Total	11,323	12,759	13,439	13,786	1,436	11.3	1,027	8.0
North	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	2,014	2,207	2,147	2,247	193	8.7	40	1.8
18 to 24	496	515	573	555	19	3.7	40	7.9
25 to 34	740	930	1,037	1,044	190	20.4	114	12.3
35 to 44	1,353	1,046	1,168	1,329	-307	-29.3	283	27.0
45 to 54	1,102	1,581	1,216	1,207	479	30.3	-374	-23.6
55 to 64	650	1,058	1,467	1,353	408	38.6	295	27.9
65 to 74	418	601	1,020	1,262	183	30.4	661	110.0
75 to 84	299	318	430	582	19	6.0	264	83.0
85+	108	155	165	174	47	30.3	19	12.5
Total	7,180	8,411	9,223	9,754	1,231	14.6	1,343	16.0
Rochester	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	22,112	26,470	30,651	33,209	4,358	16.5	6,739	25.5
18 to 24	7,830	8,845	9,695	10,645	1,015	11.5	1,800	20.4
25 to 34	13,891	18,080	17,972	18,836	4,189	23.2	756	4.2
35 to 44	14,734	13,425	18,013	19,799	-1,309	-9.8	6,374	47.5
45 to 54	10,754	15,107	14,244	15,308	4,353	28.8	201	1.3
55 to 64	6,634	11,235	15,141	14,844	4,601	41.0	3,609	32.1
65 to 74	4,686	6,773	11,062	13,178	2,087	30.8	6,405	94.6
75 to 84	3,543	4,538	6,024	7,342	995	21.9	2,804	61.8
85+	1,622	2,296	2,975	3,296	674	29.4	1,000	43.6
Total	85,806	106,769	125,776	136,457	20,963	19.6	29,688	27.8

CONTINUED

DEMOGRAPHIC ANALYSIS

TABLE D-3 Continued POPULATION AGE DISTRIBUTION OLMSTED COUNTY MARKET AREA 2000 to 2025								
	Number of People				Change			
	U.S. Census		Estimate	Projection	2000-2010		2010-2025	
	2000	2010	2020	2025	No.	Pct.	No.	Pct.
Rochester Fringe	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	4,129	2,332	2,343	2,358	-1,797	-77.1	26	1.1
18 to 24	814	602	749	662	-212	-35.2	60	10.0
25 to 34	1,191	603	1,010	1,102	-588	-97.5	499	82.7
35 to 44	2,778	1,032	1,147	1,332	-1,746	-169.2	300	29.0
45 to 54	2,374	2,302	1,560	1,390	-72	-3.1	-912	-39.6
55 to 64	1,484	1,575	2,016	1,896	91	5.8	321	20.4
65 to 74	735	789	1,213	1,578	54	6.8	789	100.0
75 to 84	271	296	476	706	25	8.4	410	138.5
85+	83	61	125	163	-22	-36.1	102	167.2
Total	13,859	9,592	10,640	11,186	-4,267	-44.5	1,594	16.6
Stewartville	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	2,115	2,032	1,987	2,092	-83	-4.1	60	2.9
18 to 24	555	564	659	621	9	1.6	57	10.1
25 to 34	955	1,000	1,173	1,238	45	4.5	238	23.8
35 to 44	1,192	963	1,008	1,156	-229	-23.8	193	20.0
45 to 54	851	1,131	982	961	280	24.8	-170	-15.0
55 to 64	656	772	1,013	986	116	15.0	214	27.7
65 to 74	361	613	698	798	252	41.1	185	30.2
75 to 84	254	285	397	454	31	10.9	169	59.3
85+	184	179	182	196	-5	-2.8	17	9.3
Total	7,123	7,539	8,101	8,501	416	5.5	962	12.8
Olmsted County	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	35,533	36,440	40,566	43,424	907	2.5	6,984	19.2
18 to 24	8,506	11,307	12,702	13,521	2,801	24.8	2,214	19.6
25 to 34	18,043	22,018	22,929	24,032	3,975	18.1	2,014	9.1
35 to 44	21,990	18,182	23,089	25,558	-3,808	-20.9	7,376	40.6
45 to 54	16,471	22,166	19,998	20,744	5,695	25.7	-1,422	-6.4
55 to 64	10,342	16,002	22,037	21,160	5,660	35.4	5,158	32.2
65 to 74	6,729	9,587	14,972	18,411	2,858	29.8	8,824	92.0
75 to 84	4,643	5,795	7,696	9,835	1,152	19.9	4,040	69.7
85+	2,020	2,751	3,512	3,944	731	26.6	1,193	43.4
Total	124,277	144,248	167,500	180,630	19,971	13.8	36,382	25.2
Olmsted Co. MA	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	35,389	38,560	42,700	45,636	3,171	8.2	7,076	18.4
18 to 24	11,071	11,879	13,351	14,082	808	6.8	2,203	18.5
25 to 34	18,866	23,120	23,984	25,093	4,254	18.4	1,973	8.5
35 to 44	23,064	19,122	24,156	26,674	-3,942	-20.6	7,552	39.5
45 to 54	17,262	23,253	20,900	21,622	5,991	25.8	-1,631	-7.0
55 to 64	10,807	16,777	23,051	22,080	5,970	35.6	5,303	31.6
65 to 74	7,177	10,113	15,719	19,237	2,936	29.0	9,124	90.2
75 to 84	5,139	6,222	8,109	10,318	1,083	17.4	4,096	65.8
85+	2,273	3,070	3,818	4,241	797	26.0	1,171	38.2
Total	131,048	152,116	175,754	188,982	21,068	13.8	36,866	24.2

Sources: U.S. Census Bureau; ESRI; Maxfield Research & Consulting, LLC.



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**TABLE D-4
RACE BY HOUSEHOLDS
OLMSTED COUNTY MARKET AREA
2010 & 2018**

	White Alone		Black or African American Alone		American Indian or Alaska Native Alone		Native Hawaiian or Other Pacific Islander Alone		Asian Alone		Some Other Race		Two or More Races Alone	
	2010	2018	2010	2018	2010	2018	2010	2018	2010	2018	2010	2018	2010	2018
	Number		Number		Number		Number		Number		Number		Number	
Byron	2,578	2,863	13	14	1	0	0	0	21	39	8	0	8	0
East	4,748	4,871	7	11	10	0	0	0	37	35	38	49	21	19
North	3,142	3,280	12	12	3	0	3	0	22	47	5	3	22	9
Rochester	37,725	39,574	1,913	2,576	80	107	14	50	2,262	2,724	564	374	467	540
Rochester Fringe	3,367	3,552	19	28	7	0	2	0	84	102	12	16	21	16
Stewartville	2,904	3,048	11	3	3	0	0	0	7	0	5	0	10	17
Olmsted County	51,468	54,066	1,966	2,632	98	107	18	50	2,398	2,903	604	417	528	595
Olmsted Market Area	54,464	57,188	1,975	2,644	104	107	19	50	2,433	2,947	632	442	549	601
Percent of Total														
Byron	98.1%	98.2%	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.8%	1.3%	0.3%	0.0%	0.3%	0.0%
East	97.7%	97.7%	0.1%	0.2%	0.2%	0.0%	0.0%	0.0%	0.8%	0.7%	0.8%	1.0%	0.4%	0.4%
North	97.9%	97.9%	0.4%	0.4%	0.1%	0.0%	0.1%	0.0%	0.7%	1.4%	0.2%	0.1%	0.7%	0.3%
Rochester	87.7%	86.1%	4.4%	5.6%	0.2%	0.2%	0.0%	0.1%	5.3%	5.9%	1.3%	0.8%	1.1%	1.2%
Rochester Fringe	95.9%	95.6%	0.5%	0.8%	0.2%	0.0%	0.1%	0.0%	2.4%	2.7%	0.3%	0.4%	0.6%	0.4%
Stewartville	98.8%	99.3%	0.4%	0.1%	0.1%	0.0%	0.0%	0.0%	0.2%	0.0%	0.2%	0.0%	0.3%	0.6%
Olmsted County	90.2%	89.0%	3.4%	4.3%	0.2%	0.2%	0.0%	0.1%	4.2%	4.8%	1.1%	0.7%	0.9%	1.0%
Olmsted Market Area	90.5%	89.4%	3.3%	4.1%	0.2%	0.2%	0.0%	0.1%	4.0%	4.6%	1.1%	0.7%	0.9%	0.9%

Sources: U.S. Census Bureau; Maxfield Research & Consulting, LLC

Race and Ethnicity

The race and ethnicity of the population shows the diversity for each submarket in the Olmsted County Market Area. Tables D-4 (on the previous page) and D-5 present race and ethnicity data in 2010 and 2018 (American Community Survey).

- “Whites” comprise the largest proportion of the population in every submarket. In 2018, the Rochester submarket is estimated to have the lowest percentage (86%) and the Stewartville submarket had the highest (99%).
- While “Whites” is estimated to have remained the largest race category in 2018, it represented a smaller proportion of total population decreasing from 90% in 2010 to 89%.
- “Native Hawaiian or Other Pacific Islander Alone” experienced a large estimated percentage growth between 2010 and 2018, increasing 178% (32 people). “Black or African American Alone” is estimated to have had the largest numerical growth increasing by an estimated 666 households (34%).

	Hispanic or Latino		Not Hispanic or Latino	
	2010	2018	2010	2018
Number				
Byron	120	127	6,926	7,667
East	450	227	12,309	12,648
North	148	74	8,263	8,553
Rochester	5,508	6,665	101,261	107,248
Rochester Fringe	147	221	9,445	9,588
Stewartville	95	187	7,444	7,950
Olmsted County	6,081	7,402	138,167	145,663
Olmsted Market Area	6,468	7,501	145,648	153,654
Percent of Total				
Byron	1.7%	1.6%	98.3%	98.4%
East	3.5%	1.8%	96.5%	98.2%
North	1.8%	0.9%	98.2%	99.1%
Rochester	5.2%	5.9%	94.8%	94.1%
Rochester Fringe	1.5%	2.3%	98.5%	97.7%
Stewartville	1.3%	2.3%	98.7%	97.7%
Olmsted County	4.2%	4.8%	95.8%	95.2%
Olmsted Market Area	4.3%	4.7%	95.7%	95.3%
Sources: U.S. Census Bureau; Maxfield Research & Consulting, LLC				

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- Although “Hispanics or Latinos” comprised only about 5% of the estimated population in 2018, there was a 22% increase between 2010 and 2018. Over the last decade, the “Hispanic or Latino” population grew substantially by 105.5% between 2000 and 2010.
- It should be noted that one must select their race as well as whether one is of Hispanic/Latino origin. Since people self-identify their racial classification, there may be confusion on the part of some people about what category most accurately describes their race. Some people may choose to self-identify using their ethnicity as their race. The increasing diversity of the nation will likely result in some confusion over these figures for some time.

Household Income by Age of Householder

The estimated distribution of household incomes of each of the submarkets within the Olmsted County Market Area for 2020 and 2025 are shown in Tables D-6. The data was estimated by Maxfield Research based on income trends provided by ESRI. The data helps ascertain the demand for different housing products based on the size of the market at specific cost levels.

The Department of Housing and Urban Development defines affordable housing costs as 30% of a household’s adjusted gross income. For example, a household with an income of \$50,000 per year would be able to afford a monthly housing cost of about \$1,250. Maxfield Research utilizes a figure of 25% to 30% for younger households and 40% or more for seniors, since seniors generally have lower living expenses and can often sell their homes and use the proceeds toward rent payments.

A generally accepted standard for affordable owner-occupied housing is that a typical household can afford to pay 3.0 to 3.5 times their annual income on a single-family home. Thus, a \$50,000 income would translate to an affordable single-family home of \$150,000 to \$175,000. The higher end of this range assumes that the person has adequate funds for down payment and closing costs, but also does not include savings or equity in an existing home which would allow them to purchase a higher priced home.

- In 2020, the median household income in the Olmsted County Market Area was estimated to be \$79,432 and is projected to climb 13% to \$89,785 by 2025.
- Within the Olmsted County Market Area, the Rochester Fringe submarket had the highest median household income in 2020, at \$111,543 (29% higher than the Olmsted County Market Area median), followed by North at \$99,350. Lower incomes were found in East (\$75,511) and Stewartville (\$71,662).
- The City of Rochester had an overall median income of \$76,418 in 2020. This was about 4% lower than the Olmsted Market Area.

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- As households age through the lifecycle, their household incomes tend to peak in their late 40s and early 50s which explains why most upscale housing is targeted to persons in this age group. This trend is apparent in the Olmsted County Market Area as households in the 45 to 54 age group have a median household income of \$101,575.
- With a household income of \$79,432, a household could afford a monthly housing cost of about \$1,986, based on an allocation of 30% of income toward housing.

TABLE D-6 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER BYRON SUBMARKET (Number of Households) 2020 & 2025								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65-74	75+
2020								
Less than \$15,000	64	5	7	4	9	10	13	16
\$15,000 to \$24,999	125	4	12	12	15	26	21	35
\$25,000 to \$34,999	136	9	22	11	12	19	22	42
\$35,000 to \$49,999	238	20	48	26	29	32	27	56
\$50,000 to \$74,999	643	34	109	79	94	142	126	60
\$75,000 to \$99,999	497	10	84	98	116	117	63	9
\$100,000 to \$149,999	937	12	147	282	201	187	78	30
\$150,000 to \$199,999	368	5	60	74	95	82	37	15
\$200,000+	269	3	25	49	70	68	38	15
Total	3,275	102	514	634	641	682	425	277
<i>Median Income</i>	<i>\$95,894</i>	<i>\$56,302</i>	<i>\$90,737</i>	<i>\$108,657</i>	<i>\$107,118</i>	<i>\$98,796</i>	<i>\$76,101</i>	<i>\$46,246</i>
2025								
Less than \$15,000	47	4	6	3	6	3	10	15
\$15,000 to \$24,999	98	3	11	7	10	15	18	34
\$25,000 to \$34,999	116	8	19	8	7	11	19	45
\$35,000 to \$49,999	204	18	43	17	18	21	24	64
\$50,000 to \$74,999	598	33	106	64	74	113	131	77
\$75,000 to \$99,999	503	12	101	94	106	106	74	10
\$100,000 to \$149,999	1,131	18	212	318	206	211	113	54
\$150,000 to \$199,999	524	8	96	98	120	113	58	31
\$200,000+	367	4	34	61	84	90	64	30
Total	3,588	108	628	668	630	683	511	361
<i>Median Income</i>	<i>\$106,011</i>	<i>\$62,825</i>	<i>\$103,669</i>	<i>\$113,986</i>	<i>\$116,604</i>	<i>\$111,552</i>	<i>\$91,612</i>	<i>\$54,970</i>
Change - 2020 to 2025								
Less than \$15,000	-17	-1	-2	-1	-3	-6	-3	-1
\$15,000 to \$24,999	-27	-1	-1	-5	-5	-10	-4	-1
\$25,000 to \$34,999	-21	-1	-4	-3	-5	-8	-4	4
\$35,000 to \$49,999	-34	-3	-5	-9	-11	-11	-2	7
\$50,000 to \$74,999	-45	-1	-3	-15	-20	-29	5	18
\$75,000 to \$99,999	6	3	17	-4	-10	-11	11	1
\$100,000 to \$149,999	194	6	65	35	5	24	35	24
\$150,000 to \$199,999	156	2	36	25	25	30	21	16
\$200,000+	99	1	10	12	13	22	26	15
Total	313	6	114	34	-11	1	85	84
<i>Median Income</i>	<i>\$10,117</i>	<i>\$6,523</i>	<i>\$12,932</i>	<i>\$5,329</i>	<i>\$9,486</i>	<i>\$12,756</i>	<i>\$15,511</i>	<i>\$8,724</i>

Sources: ESRI; Maxfield Research & Consulting, LLC

DEMOGRAPHIC ANALYSIS

TABLE D-6 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER EAST SUBMARKET (Number of Households) 2020 & 2025								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65-74	
2020								
Less than \$15,000	359	25	45	31	39	67	53	100
\$15,000 to \$24,999	340	21	32	30	31	54	53	121
\$25,000 to \$34,999	363	19	46	33	29	40	55	143
\$35,000 to \$49,999	456	33	76	48	49	69	74	107
\$50,000 to \$74,999	1,063	37	184	156	173	230	197	86
\$75,000 to \$99,999	813	13	127	161	191	194	106	21
\$100,000 to \$149,999	1,170	21	173	354	225	226	124	48
\$150,000 to \$199,999	365	9	57	71	98	83	34	12
\$200,000+	277	2	34	52	70	81	33	6
Total	5,206	178	774	934	905	1,045	727	643
<i>Median Income</i>	<i>\$75,511</i>	<i>\$45,325</i>	<i>\$75,634</i>	<i>\$100,630</i>	<i>\$90,357</i>	<i>\$81,284</i>	<i>\$63,728</i>	<i>\$31,214</i>
2025								
Less than \$15,000	295	22	34	25	26	45	44	99
\$15,000 to \$24,999	279	16	23	21	20	36	45	118
\$25,000 to \$34,999	316	14	35	29	18	27	48	146
\$35,000 to \$49,999	394	28	62	42	32	46	68	116
\$50,000 to \$74,999	981	37	166	137	134	182	211	114
\$75,000 to \$99,999	789	13	122	154	170	172	129	29
\$100,000 to \$149,999	1,403	27	211	411	244	248	184	78
\$150,000 to \$199,999	542	15	86	109	126	116	63	27
\$200,000+	376	2	44	68	91	104	58	9
Total	5,375	172	783	995	860	978	851	735
<i>Median Income</i>	<i>\$86,754</i>	<i>\$53,373</i>	<i>\$87,781</i>	<i>\$105,823</i>	<i>\$103,814</i>	<i>\$96,200</i>	<i>\$76,273</i>	<i>\$35,447</i>
Change - 2020 to 2025								
Less than \$15,000	-64	-3	-10	-6	-13	-22	-8	-2
\$15,000 to \$24,999	-61	-5	-9	-9	-11	-17	-7	-3
\$25,000 to \$34,999	-46	-5	-10	-4	-11	-13	-6	3
\$35,000 to \$49,999	-62	-5	-14	-5	-17	-23	-6	9
\$50,000 to \$74,999	-82	1	-19	-19	-39	-48	14	28
\$75,000 to \$99,999	-24	-0	-5	-7	-21	-22	23	8
\$100,000 to \$149,999	232	6	37	57	19	22	60	30
\$150,000 to \$199,999	177	6	28	38	28	33	29	15
\$200,000+	99	-0	11	16	20	23	25	3
Total	169	-6	9	61	-45	-66	124	92
<i>Median Income</i>	<i>\$11,243</i>	<i>\$8,048</i>	<i>\$12,147</i>	<i>\$5,193</i>	<i>\$13,457</i>	<i>\$14,916</i>	<i>\$12,545</i>	<i>\$4,233</i>

Sources: ESRI; Maxfield Research & Consulting, LLC

DEMOGRAPHIC ANALYSIS

TABLE D-6 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER NORTH SUBMARKET (Number of Households) 2020 & 2025								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65-74	75+
2020								
Less than \$15,000	197	12	20	22	23	31	40	49
\$15,000 to \$24,999	206	9	16	13	18	33	49	67
\$25,000 to \$34,999	188	7	22	16	14	31	45	53
\$35,000 to \$49,999	214	11	30	21	23	30	45	54
\$50,000 to \$74,999	528	17	80	64	74	122	119	51
\$75,000 to \$99,999	455	1	71	85	77	119	89	12
\$100,000 to \$149,999	939	14	121	205	217	206	136	41
\$150,000 to \$199,999	397	4	48	102	89	98	41	16
\$200,000+	423	4	49	72	112	123	53	10
Total	3,547	80	458	601	648	791	616	353
<i>Median Income</i>	<i>\$99,350</i>	<i>\$50,463</i>	<i>\$95,032</i>	<i>\$112,761</i>	<i>\$114,993</i>	<i>\$104,768</i>	<i>\$77,295</i>	<i>\$36,559</i>
2025								
Less than \$15,000	151	10	13	16	18	14	31	49
\$15,000 to \$24,999	168	6	11	9	11	20	40	69
\$25,000 to \$34,999	158	4	16	11	9	19	39	60
\$35,000 to \$49,999	191	10	27	19	16	18	42	60
\$50,000 to \$74,999	501	18	69	61	59	94	130	69
\$75,000 to \$99,999	438	1	63	81	70	98	107	18
\$100,000 to \$149,999	1,078	18	133	239	217	203	198	70
\$150,000 to \$199,999	559	7	63	145	112	120	76	36
\$200,000+	527	3	59	96	127	133	88	21
Total	3,770	78	455	676	639	719	751	452
<i>Median Income</i>	<i>\$108,450</i>	<i>\$58,430</i>	<i>\$106,560</i>	<i>\$122,872</i>	<i>\$124,987</i>	<i>\$117,865</i>	<i>\$95,719</i>	<i>\$46,245</i>
Change - 2020 to 2025								
Less than \$15,000	-46	-2	-7	-7	-6	-16	-9	-0
\$15,000 to \$24,999	-38	-3	-5	-4	-7	-13	-9	2
\$25,000 to \$34,999	-30	-3	-7	-5	-5	-12	-5	7
\$35,000 to \$49,999	-22	-1	-3	-3	-8	-12	-2	6
\$50,000 to \$74,999	-27	0	-11	-3	-15	-28	11	18
\$75,000 to \$99,999	-17	0	-8	-5	-7	-21	18	5
\$100,000 to \$149,999	139	3	12	34	0	-3	61	30
\$150,000 to \$199,999	162	3	15	43	23	22	35	20
\$200,000+	104	-1	10	24	15	10	35	11
Total	223	-3	-3	75	-9	-72	135	99
<i>Median Income</i>	<i>\$9,100</i>	<i>\$7,967</i>	<i>\$11,528</i>	<i>\$10,111</i>	<i>\$9,994</i>	<i>\$13,097</i>	<i>\$18,424</i>	<i>\$9,686</i>

Sources: ESRI; Maxfield Research & Consulting, LLC

DEMOGRAPHIC ANALYSIS

TABLE D-6 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER ROCHESTER FRINGE SUBMARKET (Number of Households) 2020 & 2025								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65-74	75+
2020								
Less than \$15,000	102	2	9	9	9	22	17	35
\$15,000 to \$24,999	97	3	9	10	11	22	16	27
\$25,000 to \$34,999	132	4	16	8	10	17	34	44
\$35,000 to \$49,999	253	12	35	27	26	43	61	51
\$50,000 to \$74,999	556	10	74	60	76	136	100	99
\$75,000 to \$99,999	549	4	65	86	80	161	126	27
\$100,000 to \$149,999	930	7	99	163	216	271	132	42
\$150,000 to \$199,999	556	3	57	114	123	169	75	15
\$200,000+	807	4	41	119	246	253	112	31
Total	3,983	49	404	596	798	1,094	673	369
<i>Median Income</i>	<i>\$111,543</i>	<i>\$56,518</i>	<i>\$97,262</i>	<i>\$124,412</i>	<i>\$140,232</i>	<i>\$121,411</i>	<i>\$95,646</i>	<i>\$54,922</i>
2025								
Less than \$15,000	79	1	7	6	5	14	14	34
\$15,000 to \$24,999	76	2	6	9	7	14	13	27
\$25,000 to \$34,999	114	3	13	6	7	8	31	47
\$35,000 to \$49,999	229	9	28	24	17	29	58	64
\$50,000 to \$74,999	536	12	65	59	50	100	116	134
\$75,000 to \$99,999	519	4	62	82	62	123	148	40
\$100,000 to \$149,999	1,006	11	111	186	194	256	178	70
\$150,000 to \$199,999	747	5	83	157	137	198	129	38
\$200,000+	930	4	53	149	223	264	175	63
Total	4,236	49	427	678	702	1,004	860	516
<i>Median Income</i>	<i>\$122,669</i>	<i>\$70,588</i>	<i>\$110,511</i>	<i>\$137,519</i>	<i>\$152,342</i>	<i>\$138,826</i>	<i>\$110,512</i>	<i>\$63,388</i>
Change - 2020 to 2025								
Less than \$15,000	-23	-1	-2	-3	-4	-8	-3	-1
\$15,000 to \$24,999	-21	-1	-3	-1	-4	-8	-3	0
\$25,000 to \$34,999	-18	-1	-3	-2	-3	-9	-3	4
\$35,000 to \$49,999	-24	-3	-7	-3	-8	-14	-3	13
\$50,000 to \$74,999	-20	2	-10	-1	-26	-36	16	35
\$75,000 to \$99,999	-30	-0	-3	-4	-19	-38	22	13
\$100,000 to \$149,999	76	4	12	23	-22	-15	46	29
\$150,000 to \$199,999	191	2	26	43	14	29	54	23
\$200,000+	123	-0	12	29	-23	10	62	32
Total	253	1	22	82	-96	-90	187	147
<i>Median Income</i>	<i>\$11,126</i>	<i>\$14,070</i>	<i>\$13,249</i>	<i>\$13,107</i>	<i>\$12,110</i>	<i>\$17,415</i>	<i>\$14,866</i>	<i>\$8,466</i>

Sources: ESRI; Maxfield Research & Consulting, LLC

DEMOGRAPHIC ANALYSIS

TABLE D-6 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER ROCHESTER SUBMARKET (Number of Households) 2020 & 2025								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65-74	75+
2020								
Less than \$15,000	3,394	314	629	440	338	499	450	724
\$15,000 to \$24,999	3,539	340	598	403	283	470	508	937
\$25,000 to \$34,999	3,471	311	753	456	329	370	455	796
\$35,000 to \$49,999	4,659	347	987	708	516	623	676	803
\$50,000 to \$74,999	9,629	417	1,825	1,571	1,439	1,871	1,494	1,013
\$75,000 to \$99,999	7,297	258	1,348	1,522	1,244	1,527	983	416
\$100,000 to \$149,999	10,701	261	1,901	2,931	2,084	1,972	990	563
\$150,000 to \$199,999	3,922	67	611	926	958	833	356	172
\$200,000+	3,878	47	498	851	955	891	461	177
Total	50,492	2,361	9,149	9,809	8,144	9,057	6,373	5,599
<i>Median Income</i>	<i>\$76,418</i>	<i>\$43,151</i>	<i>\$70,896</i>	<i>\$95,888</i>	<i>\$98,022</i>	<i>\$84,466</i>	<i>\$66,122</i>	<i>\$40,243</i>
2025								
Less than \$15,000	2,767	297	426	357	264	340	400	683
\$15,000 to \$24,999	3,108	318	452	341	228	351	502	916
\$25,000 to \$34,999	3,249	305	624	410	272	301	467	870
\$35,000 to \$49,999	4,441	364	880	653	456	502	688	898
\$50,000 to \$74,999	9,927	497	1,795	1,547	1,395	1,659	1,759	1,276
\$75,000 to \$99,999	7,583	325	1,376	1,545	1,236	1,366	1,177	558
\$100,000 to \$149,999	12,668	369	2,267	3,420	2,371	2,029	1,343	869
\$150,000 to \$199,999	5,561	107	908	1,298	1,302	1,034	598	313
\$200,000+	4,789	61	639	1,047	1,117	965	678	282
Total	54,093	2,643	9,368	10,619	8,640	8,547	7,611	6,665
<i>Median Income</i>	<i>\$84,964</i>	<i>\$51,280</i>	<i>\$82,544</i>	<i>\$103,782</i>	<i>\$106,319</i>	<i>\$94,352</i>	<i>\$74,803</i>	<i>\$49,238</i>
Change - 2020 to 2025								
Less than \$15,000	-627	-17	-203	-83	-74	-159	-50	-40
\$15,000 to \$24,999	-432	-22	-146	-63	-55	-119	-6	-21
\$25,000 to \$34,999	-222	-6	-129	-46	-57	-69	11	73
\$35,000 to \$49,999	-218	16	-106	-55	-59	-121	12	95
\$50,000 to \$74,999	298	80	-30	-24	-44	-212	264	263
\$75,000 to \$99,999	286	67	29	23	-8	-162	195	142
\$100,000 to \$149,999	1,966	108	366	489	287	57	353	306
\$150,000 to \$199,999	1,639	41	297	372	345	202	242	141
\$200,000+	911	15	141	196	162	74	218	106
Total	3,601	282	219	809	497	-510	1,238	1,066
<i>Median Income</i>	<i>\$8,546</i>	<i>\$8,129</i>	<i>\$11,648</i>	<i>\$7,894</i>	<i>\$8,297</i>	<i>\$9,886</i>	<i>\$8,681</i>	<i>\$8,995</i>

Sources: ESRI; Maxfield Research & Consulting, LLC

DEMOGRAPHIC ANALYSIS

TABLE D-6 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER STEWARTVILLE SUBMARKET (Number of Households) 2020 & 2025								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65-74	75+
2020								
Less than \$15,000	236	16	40	24	29	44	38	45
\$15,000 to \$24,999	163	7	17	11	12	21	32	62
\$25,000 to \$34,999	285	16	49	23	24	32	50	90
\$35,000 to \$49,999	433	28	87	52	54	63	70	79
\$50,000 to \$74,999	568	34	121	79	92	115	82	46
\$75,000 to \$99,999	453	13	85	80	108	99	51	17
\$100,000 to \$149,999	768	17	141	225	158	125	63	39
\$150,000 to \$199,999	241	4	42	45	72	50	21	6
\$200,000+	121	1	18	22	29	33	15	3
Total	3,268	137	600	561	579	582	423	387
<i>Median Income</i>	<i>\$71,662</i>	<i>\$50,454</i>	<i>\$70,926</i>	<i>\$101,090</i>	<i>\$91,335</i>	<i>\$77,888</i>	<i>\$54,745</i>	<i>\$34,438</i>
2025								
Less than \$15,000	179	13	30	18	21	25	31	42
\$15,000 to \$24,999	136	5	15	10	9	15	25	56
\$25,000 to \$34,999	253	15	42	21	15	26	45	91
\$35,000 to \$49,999	383	24	73	46	40	51	66	83
\$50,000 to \$74,999	571	35	122	82	74	105	94	58
\$75,000 to \$99,999	465	16	90	85	97	92	62	24
\$100,000 to \$149,999	941	20	177	269	178	138	93	67
\$150,000 to \$199,999	355	6	67	75	91	69	36	11
\$200,000+	175	1	25	34	39	44	27	5
Total	3,459	134	640	641	563	564	479	438
<i>Median Income</i>	<i>\$84,643</i>	<i>\$55,328</i>	<i>\$84,039</i>	<i>\$105,573</i>	<i>\$104,230</i>	<i>\$89,568</i>	<i>\$67,461</i>	<i>\$39,195</i>
Change - 2020 to 2025								
Less than \$15,000	-56	-4	-10	-7	-8	-19	-6	-3
\$15,000 to \$24,999	-28	-2	-3	-1	-3	-7	-7	-6
\$25,000 to \$34,999	-31	-2	-7	-3	-10	-6	-5	1
\$35,000 to \$49,999	-50	-4	-14	-6	-14	-12	-5	5
\$50,000 to \$74,999	3	2	1	4	-18	-10	12	12
\$75,000 to \$99,999	12	2	5	6	-11	-7	10	7
\$100,000 to \$149,999	174	2	36	44	20	13	30	28
\$150,000 to \$199,999	115	2	25	30	18	19	15	5
\$200,000+	54	0	7	12	10	11	12	2
Total	191	-2	40	80	-16	-18	56	51
<i>Median Income</i>	<i>\$12,981</i>	<i>\$4,874</i>	<i>\$13,113</i>	<i>\$4,483</i>	<i>\$12,895</i>	<i>\$11,680</i>	<i>\$12,716</i>	<i>\$4,757</i>

Sources: ESRI; Maxfield Research & Consulting, LLC

DEMOGRAPHIC ANALYSIS

TABLE D-6 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER OLMSTED COUNTY (Number of Households) 2020 & 2025								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65-74	75+
2020								
Less than \$15,000	3,980	346	693	487	409	612	560	873
\$15,000 to \$24,999	4,159	368	647	449	345	573	632	1,145
\$25,000 to \$34,999	4,244	346	861	511	389	463	605	1,068
\$35,000 to \$49,999	5,916	422	1,199	835	659	806	905	1,090
\$50,000 to \$74,999	12,280	518	2,257	1,894	1,842	2,473	1,999	1,298
\$75,000 to \$99,999	9,560	290	1,678	1,923	1,714	2,109	1,366	481
\$100,000 to \$149,999	14,683	316	2,456	3,927	2,947	2,853	1,457	727
\$150,000 to \$199,999	5,646	87	840	1,289	1,391	1,273	539	227
\$200,000+	5,585	56	632	1,125	1,444	1,406	684	238
Total	66,054	2,750	11,262	12,439	11,140	12,569	8,747	7,148
<i>Median Income</i>	<i>\$80,078</i>	<i>\$45,203</i>	<i>\$74,598</i>	<i>\$100,810</i>	<i>\$102,144</i>	<i>\$89,262</i>	<i>\$69,344</i>	<i>\$40,499</i>
2025								
Less than \$15,000	3,226	323	479	393	310	403	487	831
\$15,000 to \$24,999	3,627	339	494	373	269	419	607	1,126
\$25,000 to \$34,999	3,938	334	714	455	308	360	602	1,165
\$35,000 to \$49,999	5,567	426	1,062	763	553	631	905	1,227
\$50,000 to \$74,999	12,529	604	2,205	1,855	1,705	2,153	2,328	1,680
\$75,000 to \$99,999	9,865	364	1,725	1,942	1,652	1,874	1,649	660
\$100,000 to \$149,999	17,398	441	2,972	4,589	3,250	2,952	2,025	1,168
\$150,000 to \$199,999	8,060	141	1,265	1,837	1,843	1,604	931	440
\$200,000+	7,007	73	821	1,420	1,653	1,569	1,061	411
Total	71,217	3,045	11,737	13,628	11,542	11,963	10,594	8,708
<i>Median Income</i>	<i>\$90,465</i>	<i>\$52,853</i>	<i>\$86,439</i>	<i>\$106,723</i>	<i>\$110,102</i>	<i>\$101,464</i>	<i>\$79,345</i>	<i>\$50,045</i>
Change - 2020 to 2025								
Less than \$15,000	-754	-23	-214	-94	-99	-210	-73	-42
\$15,000 to \$24,999	-532	-28	-153	-75	-76	-154	-25	-20
\$25,000 to \$34,999	-306	-12	-147	-56	-81	-103	-3	97
\$35,000 to \$49,999	-349	4	-136	-72	-106	-175	-0	138
\$50,000 to \$74,999	249	86	-52	-39	-137	-320	329	381
\$75,000 to \$99,999	305	75	47	19	-63	-235	283	179
\$100,000 to \$149,999	2,714	125	517	662	304	98	568	441
\$150,000 to \$199,999	2,414	54	425	548	452	331	391	213
\$200,000+	1,422	16	189	296	209	163	377	173
Total	5,163	295	475	1,189	402	-605	1,847	1,560
<i>Median Income</i>	<i>\$10,387</i>	<i>\$7,650</i>	<i>\$11,841</i>	<i>\$5,913</i>	<i>\$7,958</i>	<i>\$12,202</i>	<i>\$10,001</i>	<i>\$9,546</i>

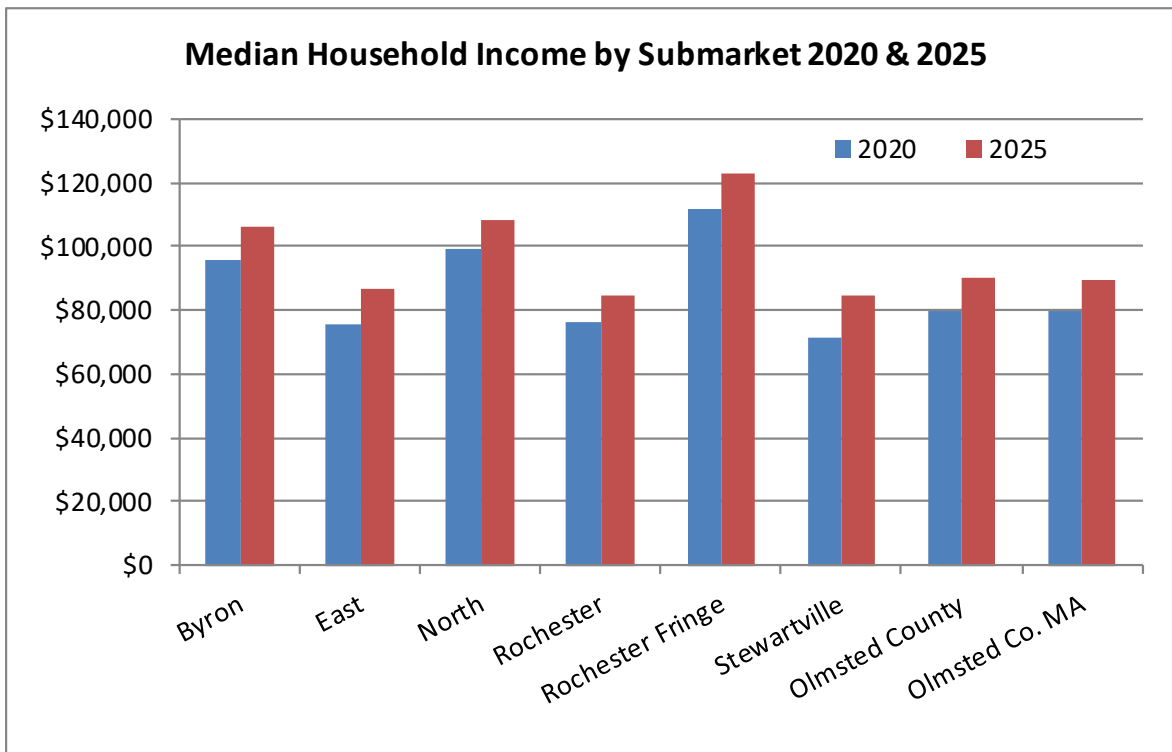
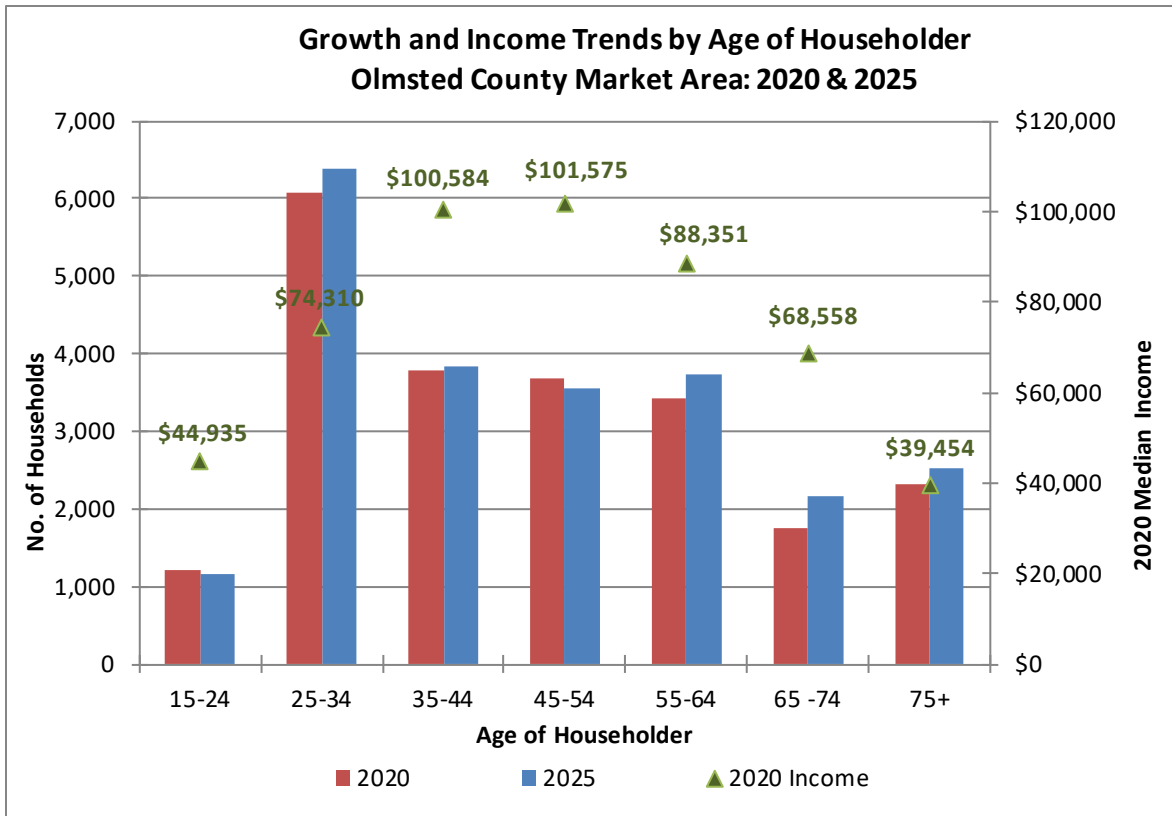
Sources: ESRI; Maxfield Research & Consulting, LLC

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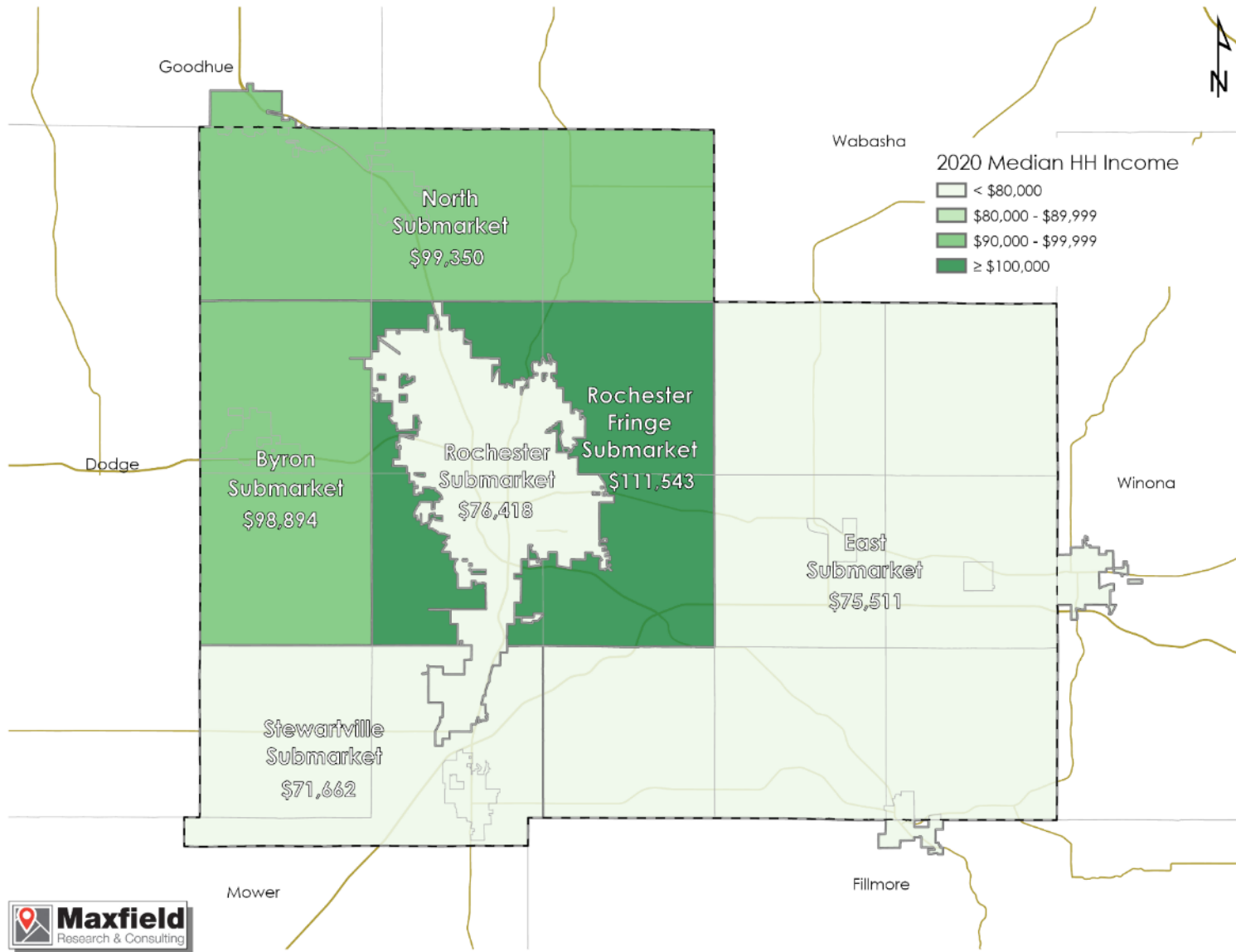
TABLE D-6 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER OLMSTED COUNTY MARKET AREA (Number of Households) 2020 & 2025								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65-74	
2020								
Less than \$15,000	4,350	374	748	530	446	673	610	969
\$15,000 to \$24,999	4,464	383	681	478	370	625	678	1,249
\$25,000 to \$34,999	4,572	364	905	546	417	508	662	1,170
\$35,000 to \$49,999	6,249	450	1,259	880	696	860	954	1,150
\$50,000 to \$74,999	12,980	547	2,391	2,005	1,948	2,616	2,118	1,354
\$75,000 to \$99,999	10,063	297	1,777	2,031	1,818	2,221	1,419	501
\$100,000 to \$149,999	15,447	331	2,579	4,156	3,102	2,991	1,527	761
\$150,000 to \$199,999	5,855	92	874	1,333	1,436	1,318	566	235
\$200,000+	5,791	61	664	1,166	1,488	1,457	714	242
Total	69,771	2,900	11,879	13,123	11,720	13,268	9,249	7,631
<i>Median Income</i>	<i>\$79,432</i>	<i>\$44,935</i>	<i>\$74,310</i>	<i>\$100,584</i>	<i>\$101,575</i>	<i>\$88,351</i>	<i>\$68,558</i>	<i>\$39,454</i>
2025								
Less than \$15,000	3,518	346	516	423	337	442	530	923
\$15,000 to \$24,999	3,857	349	516	395	285	450	642	1,221
\$25,000 to \$34,999	4,202	347	745	483	326	390	649	1,261
\$35,000 to \$49,999	5,836	450	1,110	799	577	667	947	1,286
\$50,000 to \$74,999	13,100	629	2,317	1,947	1,783	2,252	2,440	1,732
\$75,000 to \$99,999	10,293	369	1,810	2,038	1,739	1,959	1,701	678
\$100,000 to \$149,999	18,216	460	3,102	4,835	3,409	3,089	2,114	1,208
\$150,000 to \$199,999	8,301	148	1,301	1,885	1,888	1,656	966	456
\$200,000+	7,198	76	854	1,459	1,688	1,613	1,097	411
Total	74,521	3,173	12,270	14,266	12,033	12,518	11,086	9,175
<i>Median Income</i>	<i>\$89,785</i>	<i>\$52,571</i>	<i>\$86,055</i>	<i>\$106,398</i>	<i>\$109,472</i>	<i>\$100,965</i>	<i>\$78,798</i>	<i>\$48,419</i>
Change - 2020 to 2025								
Less than \$15,000	-833	-28	-233	-106	-108	-231	-80	-46
\$15,000 to \$24,999	-607	-34	-166	-83	-85	-174	-36	-29
\$25,000 to \$34,999	-370	-18	-160	-63	-91	-118	-13	91
\$35,000 to \$49,999	-413	0	-150	-80	-119	-193	-7	136
\$50,000 to \$74,999	120	82	-74	-58	-165	-364	322	378
\$75,000 to \$99,999	230	71	33	8	-79	-262	281	177
\$100,000 to \$149,999	2,769	128	523	678	307	98	587	447
\$150,000 to \$199,999	2,446	56	427	552	452	338	400	220
\$200,000+	1,408	15	190	293	201	156	383	169
Total	4,750	273	390	1,142	312	-750	1,838	1,544
<i>Median Income</i>	<i>\$10,353</i>	<i>\$7,636</i>	<i>\$11,745</i>	<i>\$5,814</i>	<i>\$7,897</i>	<i>\$12,614</i>	<i>\$10,240</i>	<i>\$8,965</i>

Sources: ESRI; Maxfield Research & Consulting, LLC

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Household Income 2020



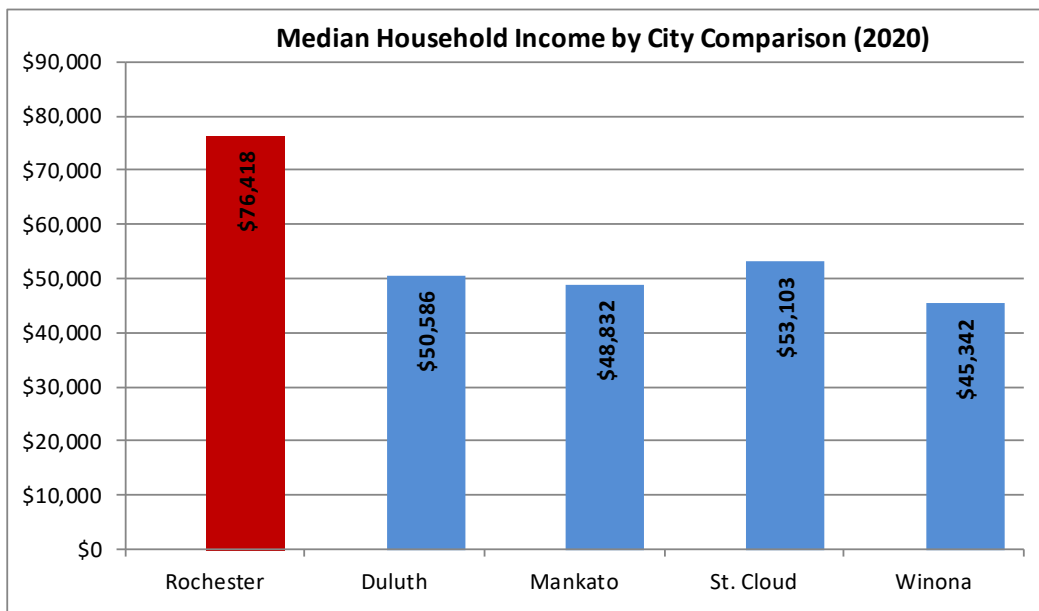
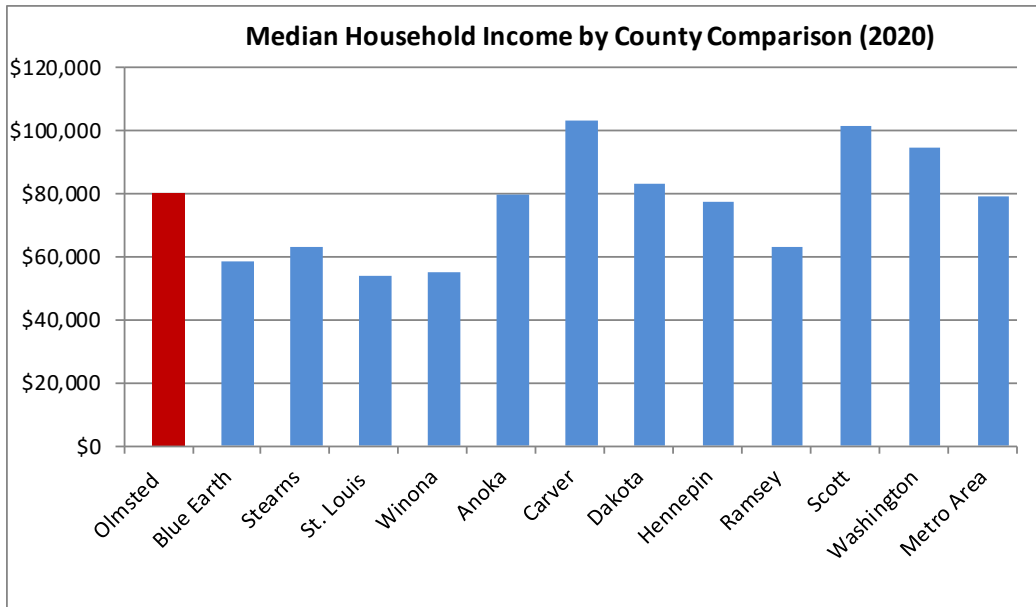
Household Income Comparison

Table D-7 compares household income in Olmsted County and Rochester against the Metro Area and select outstate Minnesota cities and counties. The table displays household median and average incomes in 2020 similar to Table D-6. Key findings follow.

- The 2020 median household income in Olmsted County is slightly higher than the Metro Area (\$80,078 versus \$79,721). However, four of the seven Metro Area counties have median household incomes higher than Olmsted County.
- When compared to other non-Metro Area counties, Olmsted County has median household incomes from 21% higher than Stearns County (\$63,375) to 33% higher than St. Louis County (\$53,816).
- Similarly, Rochester has higher incomes compared to other outstate Minnesota communities. Rochester's median income of \$76,418 is about 30.5% higher than St. Cloud's (\$53,103) and 41% higher than Winona's (\$45,342).

TABLE D-7		
HOUSEHOLD INCOME COUNTY COMPARISONS		
2020		
	Household Income	
	Median	Average
Out-state MN Counties		
Olmsted	\$80,078	\$101,807
Blue Earth	\$58,610	\$77,895
Stearns	\$63,375	\$81,673
St. Louis	\$53,816	\$70,791
Winona	\$54,842	\$71,966
Out-state MN Cities		
Rochester	\$76,418	\$97,332
Duluth	\$50,586	\$68,681
Mankato	\$48,832	\$69,542
St. Cloud	\$53,103	\$72,268
Winona	\$45,342	\$63,261
Metro Area Counties		
Anoka	\$79,721	\$96,847
Carver	\$103,293	\$130,169
Dakota	\$82,896	\$106,961
Hennepin	\$77,509	\$109,869
Ramsey	\$63,368	\$88,977
Scott	\$101,233	\$119,732
Washington	\$94,378	\$122,405
Metro Area	\$79,195	\$106,427
Source: ESRI, Maxfield Research & Consulting, LLC.		

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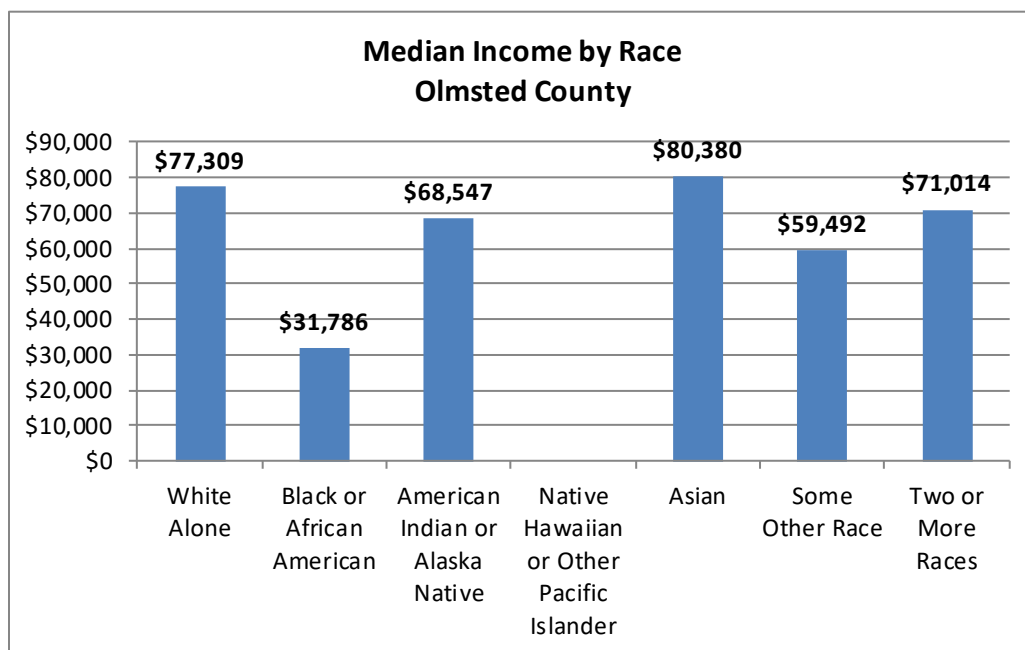
Median Income by Race

Table D-8 shows 2018 income by race data for each of the major cities within the Olmsted County Market Area from the U.S. Census Bureau. Only select data was available for the major cities within the Market Area. The following are key findings from Table D-10.

- In 2018, Oronoco has the highest “White Alone” median income out of all the major cities within the Olmsted County Market Area. The “White Alone” median income in Oronoco is \$114,167, which is significantly higher than Olmsted County (\$77,309).
- As the table illustrates, Rochester has median incomes by race that are comparable to Olmsted County.
- In 2018, Olmsted County’s highest median income is from “Asians,” who have a median income of \$80,380 a year.

Race	Major Cities									
	Byron	Chatfield	Dover	Eyota	Oronoco	Pine Island	Rochester	St.Charles	Stewartville	Olmsted Cty.
White Alone	\$88,125	\$70,103	\$74,196	\$73,413	\$114,167	\$70,100	\$73,502	\$69,000	\$63,491	\$77,309
Black or African American	n/a	n/a	n/a	n/a	n/a	n/a	\$30,877	n/a	n/a	\$31,786
American Indian/ Alaska Native	n/a	n/a	n/a	n/a	n/a	n/a	\$68,547	n/a	n/a	\$68,547
Native Hawaiian/Other Pacific Islander	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Asian	\$85,694	n/a	n/a	n/a	n/a	n/a	\$81,087	\$163,750	n/a	\$80,380
Some Other Race	n/a	n/a	n/a	n/a	n/a	n/a	\$59,219	n/a	n/a	\$59,492
Two or More Races	n/a	n/a	n/a	n/a	n/a	n/a	\$70,896	n/a	n/a	\$71,014

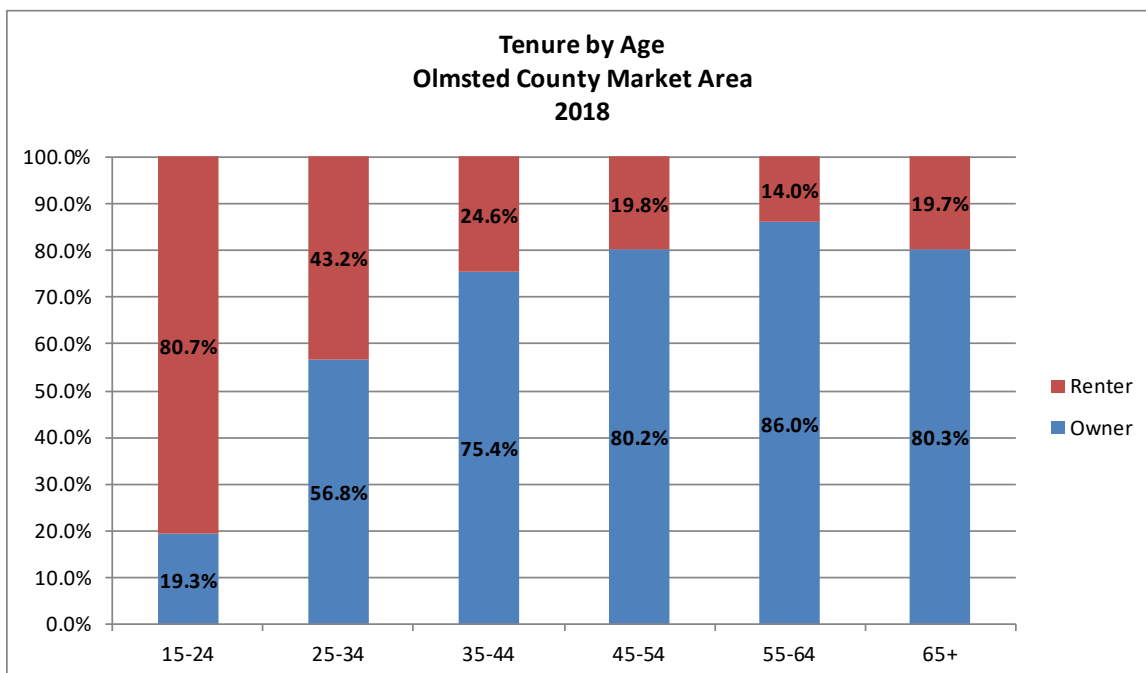
Source: U.S. Census; Maxfield Research & Consulting, LLC



Tenure by Age of Householder

Table D-9 shows 2018 tenure data for each of the submarkets within the Olmsted County Market Area from the U.S. Census Bureau. This data is useful in determining demand for certain types of housing since housing preferences change throughout an individual’s life cycle. The following are key findings from Table D-11.

- In 2018, it is estimated that 73% of all households in the Olmsted County Market Area owned their housing which is a decline of roughly 2% from the Census figure in 2010 (74.9%). This is higher than the Twin Cities Metro Area with a 70% homeownership rate.
- Within the Olmsted County Market Area, Rochester Fringe had the highest ownership rate at 94% while Rochester had the lowest ownership rate (68.5%).
- As households progress through their life cycle, housing needs change. Typically, the proportion of renter households decreases as households age out of their young-adult years. This pattern is apparent in the Olmsted County Market Area as an estimated 81% of households age 15 to 24, 43% of age 25 to 34 households, and 20% of 65 and older households rented in 2018.
- In the 15 to 24 age group, Rochester had the highest number of renters at 2,380 households (82%), followed by East with 191 renter households (69%). Stewartville is estimated to have the highest percentage of renters in this group at 86% with 77 renter households.



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**TABLE D-9
TENURE BY AGE OF HOUSEHOLDER
OLMSTED COUNTY MARKET AREA
2018**

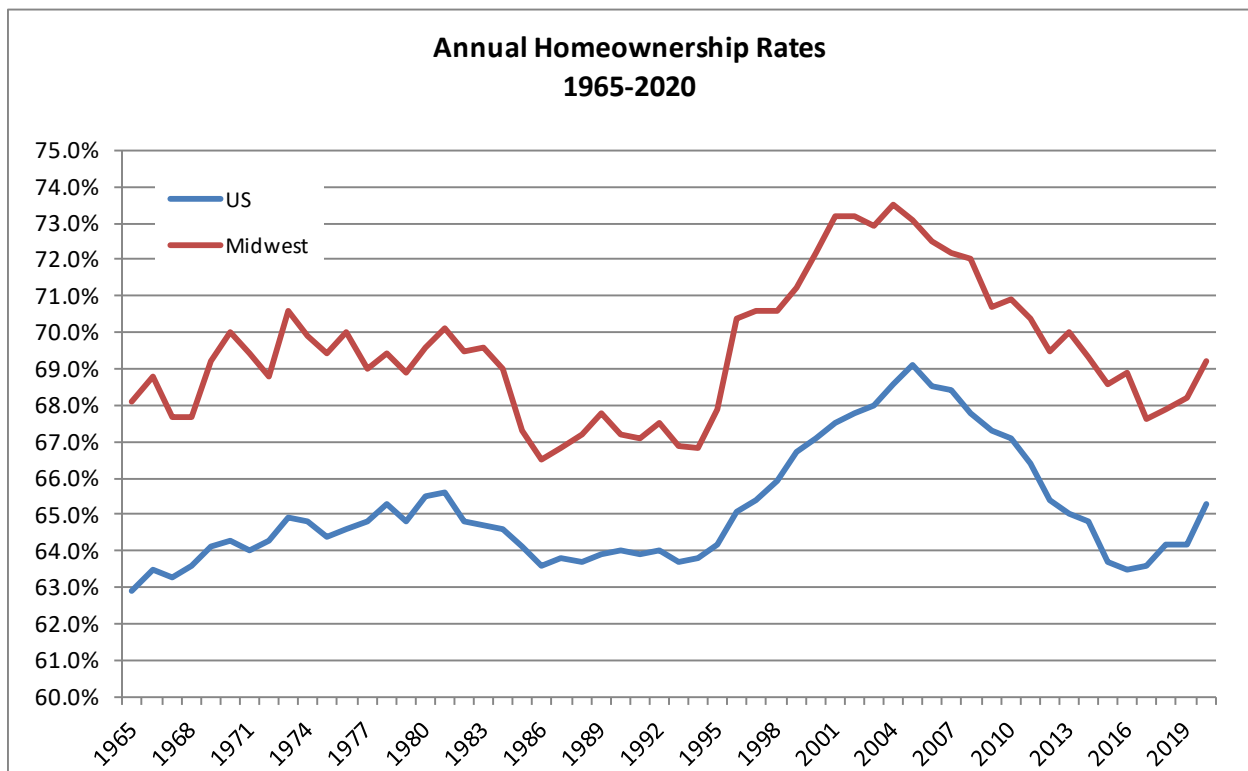
Age	Byron		East		North		Rochester		Rochester Fringe		Stewartville		Olmsted Co.		Olmsted MA		
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	
15-24	Own	29	63.0	85	30.8	14	18.7	508	17.6	6	35.3	14	15.4	580	18.5	656	19.3
	Rent	17	37.0	191	69.2	61	81.3	2,380	82.4	11	64.7	77	84.6	2,561	81.5	2,737	80.7
	Total	46	100.0	276	100.0	75	100.0	2,888	100.0	17	100.0	91	100.0	3,141	100.0	3,393	100.0
25-34	Own	332	72.6	588	79.2	297	71.6	4,780	52.4	156	78.4	322	71.4	6,094	56.1	6,475	56.8
	Rent	125	27.4	154	20.8	118	28.4	4,350	47.6	43	21.6	129	28.6	4,769	43.9	4,919	43.2
	Total	457	100.0	742	100.0	415	100.0	9,130	100.0	199	100.0	451	100.0	10,863	100.0	11,394	100.0
35-44	Own	643	89.3	655	81.9	491	76.4	5,828	71.9	453	90.1	496	84.9	8,181	75.4	8,566	75.4
	Rent	77	10.7	145	18.1	152	23.6	2,276	28.1	50	9.9	88	15.1	2,667	24.6	2,788	24.6
	Total	720	100.0	800	100.0	643	100.0	8,104	100.0	503	100.0	584	100.0	10,848	100.0	11,354	100.0
45-54	Own	504	93.3	863	86.9	515	81.5	5,950	77.0	798	95.3	458	76.7	8,561	80.4	9,088	80.2
	Rent	36	6.7	130	13.1	117	18.5	1,780	23.0	39	4.7	139	23.3	2,091	19.6	2,241	19.8
	Total	540	100.0	993	100.0	632	100.0	7,730	100.0	837	100.0	597	100.0	10,652	100.0	11,329	100.0
55-64	Own	536	94.5	794	83.6	691	93.1	6,501	82.7	1,116	98.4	568	91.8	9,861	86.4	10,206	86.0
	Rent	31	5.5	156	16.4	51	6.9	1,361	17.3	18	1.6	51	8.2	1,552	13.6	1,668	14.0
	Total	567	100.0	950	100.0	742	100.0	7,862	100.0	1,134	100.0	619	100.0	11,413	100.0	11,874	100.0
65 +	Own	523	89.2	984	80.4	767	90.9	7,922	77.4	952	93.0	604	83.2	11,176	80.7	11,752	80.3
	Rent	63	10.8	240	19.6	77	9.1	2,309	22.6	72	7.0	122	16.8	2,677	19.3	2,883	19.7
	Total	586	100.0	1,224	100.0	844	100.0	10,231	100.0	1,024	100.0	726	100.0	13,853	100.0	14,635	100.0
TOTAL	Own	2,567	88.0	3,969	79.6	2,775	82.8	31,489	68.5	3,481	93.7	2,462	80.2	44,453	73.1	46,743	73.1
	Rent	349	12.0	1,016	20.4	576	17.2	14,456	31.5	233	6.3	606	19.8	16,317	26.9	17,236	26.9
	Total	2,916	100.0	4,985	100.0	3,351	100.0	45,945	100.0	3,714	100.0	3,068	100.0	60,770	100.0	63,979	100.0

Sources: U.S. Census Bureau; Maxfield Research & Consulting, LLC

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- The largest number of renters occurs in the 25 to 34 age group with an estimated 4,919 renter households (28.5% of all renter households) in the Olmsted County Market Area. Within the submarkets, the City of Rochester has an estimated 4,350 renter households (48%) which accounts for 74% of the total Market Area renters.
- Overall, roughly 67% of the Olmsted County Market Area's renter households reside in the City of Rochester. The East submarket has the second highest proportion of renters in the Market Area at 20.4% followed closely by the Stewartville submarket at 19.8%.

The decline in homeownership rates is a national trend as the U.S. homeownership rate fell to the lowest since 1995. The share of American homeowners was 63.5% in 2015, down slightly from 63.7% a year earlier and the lowest level since 1995. Tight for-sale inventory, declining supply of new construction, an increasing supply of single-family rentals and construction of new apartment lowered the homeownership rate. However, homeownership rates are the highest in the Midwest with a 69% homeownership rate in 2020 compared to 65% in the U.S. The graphic on the following page shows the annual homeownership rates in the U.S. and Midwest from the American Community Survey.



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Tenure by Race

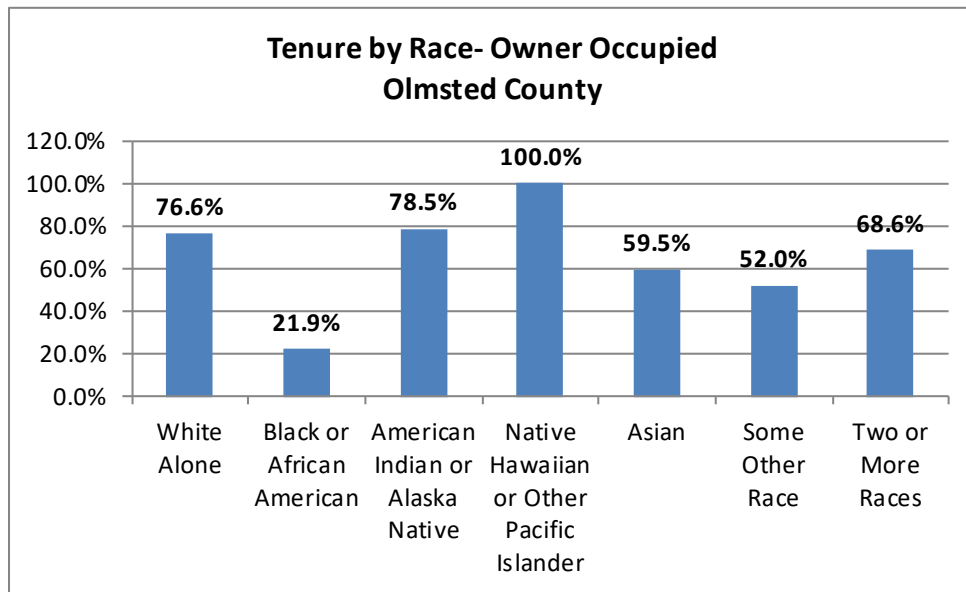
Table D-10 shows 2018 tenure by race data for each of the major cities within the Olmsted County Market Area from the U.S. Census Bureau. The following are key findings from Table D-12.

TABLE D-10 TENURE BY RACE OLMSTED COUNTY MARKET AREA CITIES 2018							
	White Alone	Black or African American Alone	American Indian or Alaska Native Alone	Native Hawaiian or Other Pacific Islander Alone	Asian Alone	Some Other Race Alone	Two or More Races Alone
Byron							
Total	1,960	0	0	0	36	0	0
Owned Occupied	1,729	0	0	0	23	0	0
Renter Occupied	231	0	0	0	13	0	0
Chatfield							
Total	1,185	0	0	0	0	5	6
Owned Occupied	863	0	0	0	0	5	0
Renter Occupied	322	0	0	0	0	0	6
Dover							
Total	291	3	0	0	0	5	3
Owned Occupied	245	3	0	0	0	5	3
Renter Occupied	46	0	0	0	0	0	0
Eyota							
Total	753	0	0	0	0	5	0
Owned Occupied	606	0	0	0	0	0	0
Renter Occupied	147	0	0	0	0	5	0
Oronoco							
Total	496	0	0	0	7	3	2
Owned Occupied	463	0	0	0	7	3	2
Renter Occupied	33	0	0	0	0	0	0
Pine Island							
Total	1,292	12	0	0	9	0	0
Owned Occupied	925	0	0	0	0	0	0
Renter Occupied	367	12	0	0	9	0	0
Rochester							
Total	39,574	2,576	107	50	2,724	374	540
Owned Occupied	28,705	521	84	50	1,582	188	359
Renter Occupied	10,869	2,055	23	0	1,142	186	181
St. Charles							
Total	1,326	0	0	0	35	54	25
Owned Occupied	1,024	0	0	0	35	15	7
Renter Occupied	302	0	0	0	0	39	18
Stewartville							
Total	2,340	3	0	0	0	0	17
Owned Occupied	1,799	3	0	0	0	0	17
Renter Occupied	541	0	0	0	0	0	0
Olmsted County							
Total	54,066	2,632	107	50	2,903	417	595
Owned Occupied	41,391	577	84	50	1,726	217	408
Renter Occupied	12,675	2,055	23	0	1,177	200	187

Source: U.S. Census, Maxfield Research & Consulting, LLC

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- As a percentage, Pine Island has the lowest estimated percentage of “White Alone” owner-occupied households at 71.6%. Rochester has the second lowest percentage at 72.5% followed by Chatfield at 72.8%, which are lower than Olmsted County (76.6%).
- “Black or African American Alone” has the highest percentage of renter-occupied households in Olmsted County (78%), followed by Some Other Race Alone at 48% and Asian Alone at 40.5%.
- The second highest percentage of owner-occupied households in Olmsted County is from “Other Pacific Islander Alone” at 100%.



Tenure by Household Income

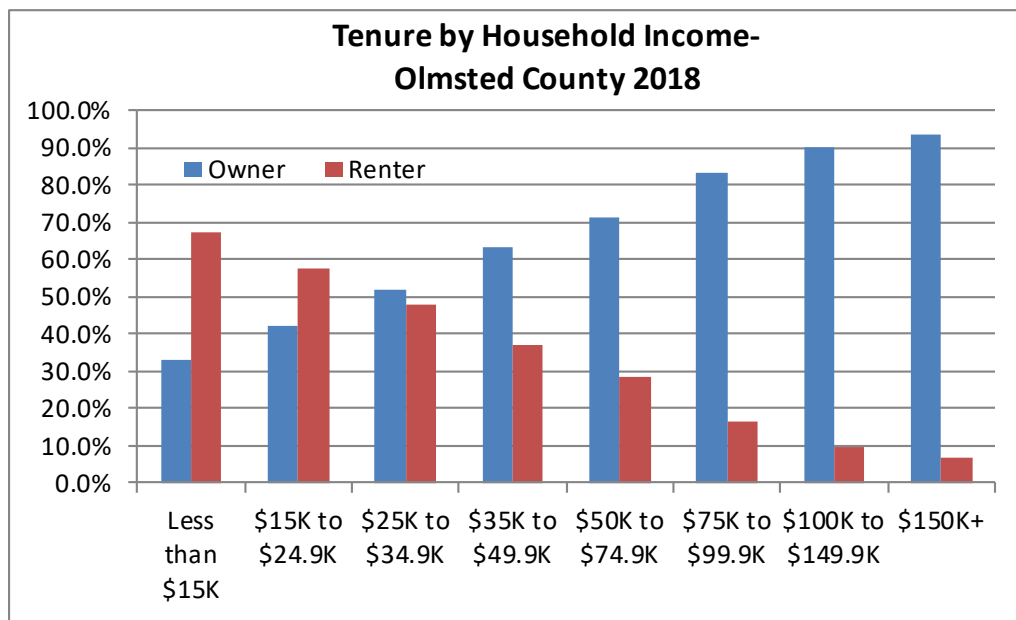
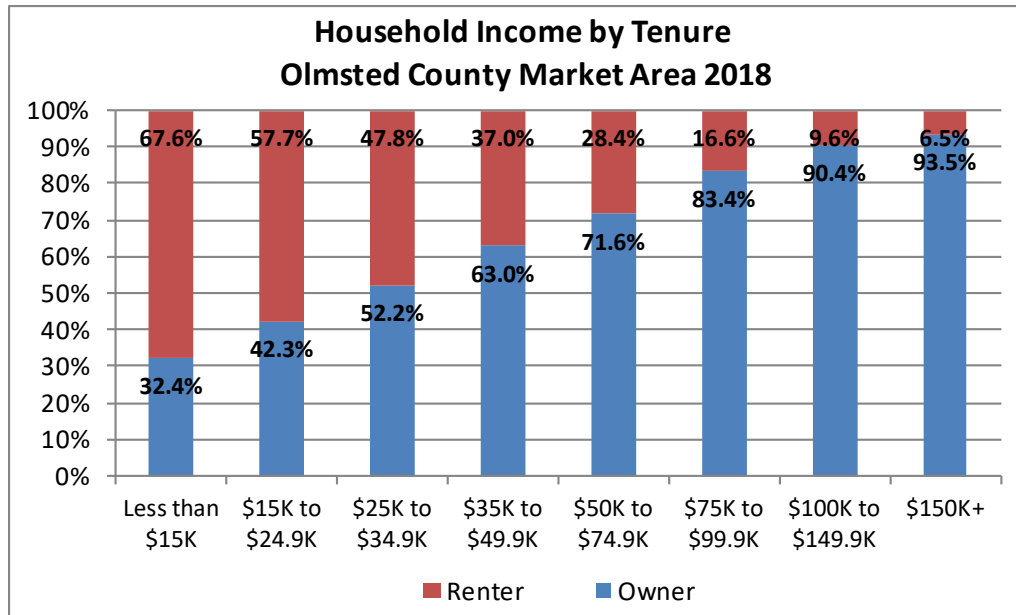
Table D-11 shows household tenure by income for Olmsted County Market Area in 2018. Data is an estimate from the American Community Survey. Household tenure information is important to assess the propensity for owner-occupied or renter-occupied housing options based on household affordability. As stated earlier, the Department of Housing and Urban Development determines affordable housing as not exceeding 30% of the household’s income. It is important to note that the higher the income, the lower percentage a household typically allocates to housing. Many lower income households, as well as many young and senior households, spend more than 30% of their income, while middle-aged households in their prime earning years typically allocate 20% to 25% of their income.

- Typically, as income increases, so does the rate of homeownership. This can be seen in the Olmsted County Market Area, where the homeownership rate steadily increases from 32%

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of households with incomes below \$15,000 to 92% of households with incomes above \$100,000.

- A portion of renter households that are referred to as lifestyle renters, or those who are financially able to own but choose to rent, have household incomes above \$50,000 (about 38% of Olmsted County Market Area's renters in 2018). Households with incomes below \$15,000 are typically a market for deep subsidy rental housing (about 20% of Olmsted County Market Area's renters in 2018).



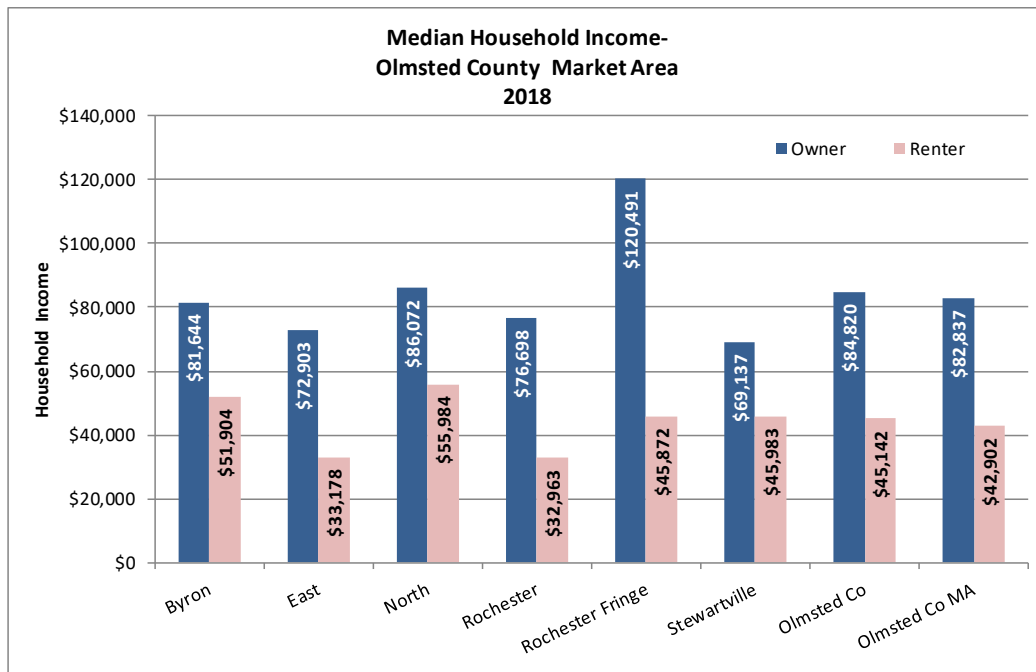
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**TABLE D-11
TENURE BY HOUSEHOLD INCOME
OLMSTED COUNTY MARKET AREA
2018**

Income	BYRON				EAST				NORTH				ROCHESTER			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
Less than \$15,000	32	82.1%	7	17.9%	145	37.2%	245	62.8%	101	44.9%	124	55.1%	1,025	26.5%	2,844	73.5%
\$15,000 to \$24,999	47	46.5%	54	53.5%	201	58.3%	144	41.7%	102	64.6%	56	35.4%	1,298	39.0%	2,026	61.0%
\$25,000 to \$34,999	137	77.0%	41	23.0%	178	61.0%	114	39.0%	136	63.3%	79	36.7%	1,570	45.6%	1,875	54.4%
\$35,000 to \$49,999	216	79.4%	56	20.6%	437	70.3%	185	29.7%	270	78.9%	72	21.1%	3,242	59.6%	2,201	40.4%
\$50,000 to \$74,999	480	81.2%	111	18.8%	727	80.1%	181	19.9%	479	76.5%	147	23.5%	5,523	67.8%	2,618	32.2%
\$75,000 to \$99,999	464	100.0%	0	0.0%	659	89.3%	79	10.7%	408	87.0%	61	13.0%	5,220	80.1%	1,296	19.9%
\$100,000 to \$149,999	766	93%	55	6.7%	1,013	94.4%	60	5.6%	680	95.5%	32	4.5%	7,091	88.0%	964	12.0%
\$150,000+	425	94.4%	25	5.6%	609	98.7%	8	1.3%	599	99.2%	5	0.8%	6,520	91.2%	632	8.8%
Total	2,567	88.0%	349	12.0%	3,969	79.6%	1,016	20.4%	2,775	82.8%	576	17.2%	31,489	68.5%	14,456	31.5%
Median Household Income	\$95,632		\$47,399		\$85,450		\$38,229		\$93,911		\$35,722		\$87,919		\$37,549	

Units in Structure	ROCHESTER FRINGE				STEWARTVILLE				OLMSTED COUNTY				OLMSTED COUNTY MARKET AREA			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
Less than \$15,000	166	88.3%	22	11.7%	128	57.9%	93	42.1%	1,509	33.0%	3,060	67.0%	1,597	32.4%	3,335	67.6%
\$15,000 to \$24,999	86	68.8%	39	31.2%	111	36.0%	197	64.0%	1,747	42.3%	2,382	57.7%	1,845	42.3%	2,516	57.7%
\$25,000 to \$34,999	161	95.8%	7	4.2%	171	83.0%	35	17.0%	2,242	52.1%	2,062	47.9%	2,353	52.2%	2,151	47.8%
\$35,000 to \$49,999	152	83.5%	30	16.5%	282	63.5%	162	36.5%	4,337	63.0%	2,548	37.0%	4,599	63.0%	2,706	37.0%
\$50,000 to \$74,999	386	88.9%	48	11.1%	393	85.8%	65	14.2%	7,521	71.3%	3,022	28.7%	7,988	72%	3,170	28.4%
\$75,000 to \$99,999	400	91.3%	38	8.7%	426	92.2%	36	7.8%	7,179	83.3%	1,438	16.7%	7,577	83.4%	1,510	16.6%
\$100,000 to \$149,999	821	95.7%	37	4.3%	652	97.3%	18	2.7%	10,473	90.3%	1,123	9.7%	11,023	90%	1,166	9.6%
\$150,000+	1,309	99.1%	12	0.9%	299	100.0%	0	0.0%	9,445	93.3%	682	6.7%	9,761	93%	682	6.5%
Total	3,481	93.7%	233	6.3%	2,462	80.2%	606	19.8%	44,453	73.1%	16,317	26.9%	46,743	73.1%	17,236	26.9%
Median Household Income	\$130,984		\$65,221		\$81,534		\$34,351		\$90,754		\$38,058		\$91,359		\$37,986	

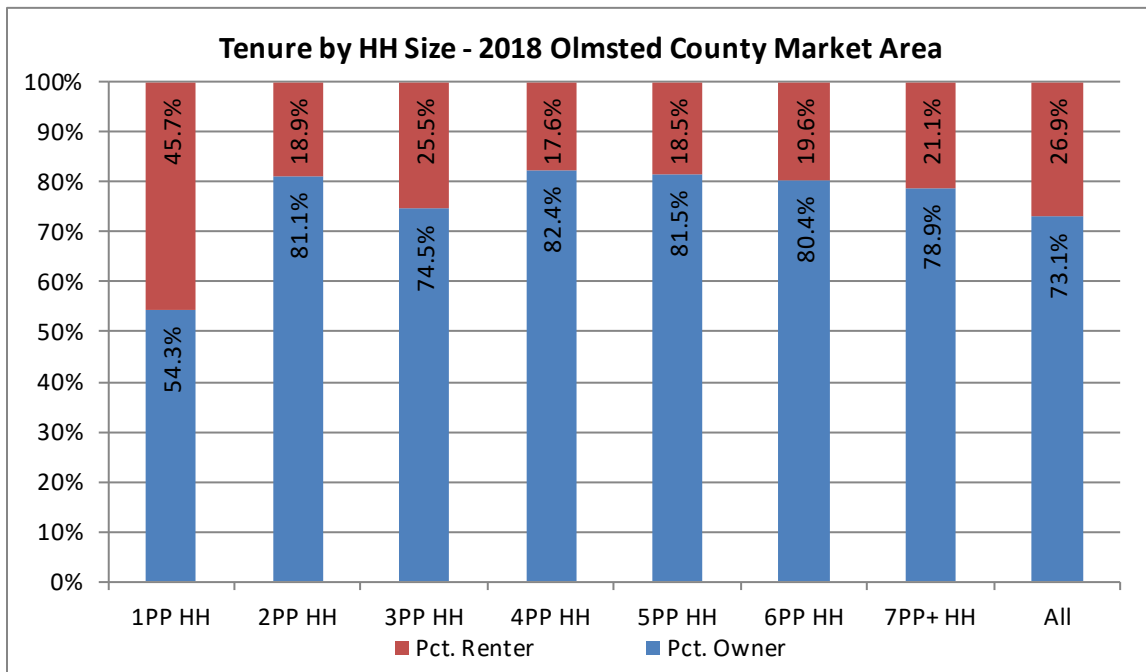
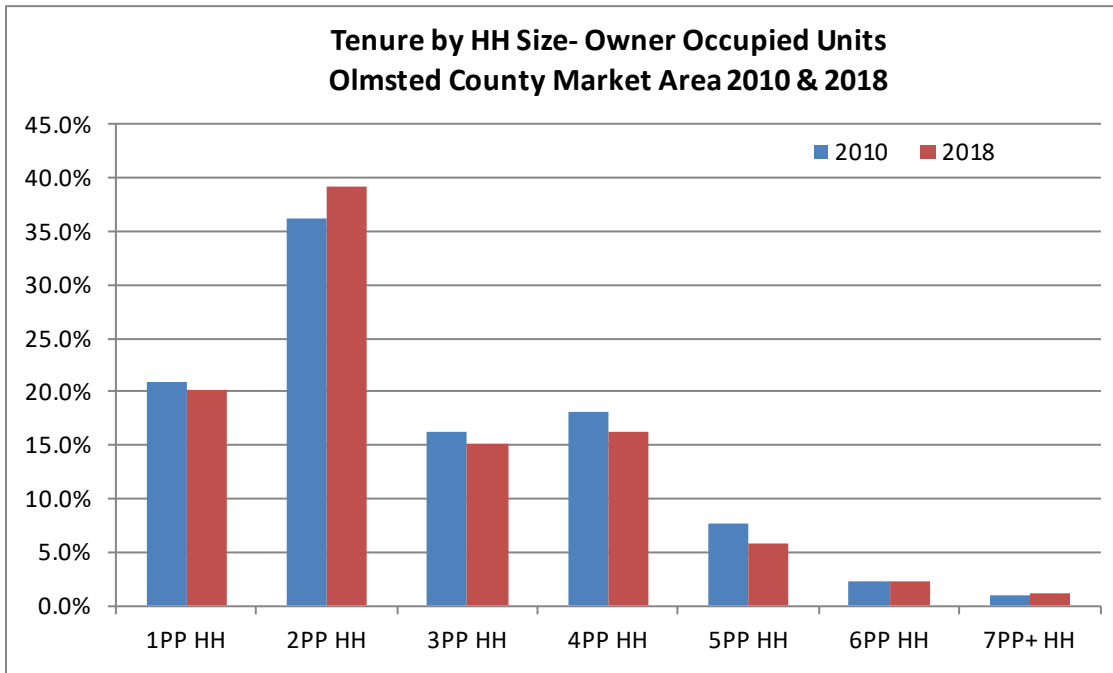
Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC



Tenure by Household Size

Table D-14 shows the distribution of households by size and tenure in the Olmsted County Market Area in 2010 and 2018. This data is useful in that it sheds insight into the number of units by unit type that may be most needed in Olmsted County Market Area.

- Household size for renters tends to be smaller than for owners. This trend is a result of the typical market segments for rental housing, including households that are younger and are less likely to be married with children as well as older adults and seniors who choose to downsize from their single-family homes. In 2018, 46% of the total renter-occupied households in the Olmsted County Market Area were estimated to be one-person households.
- An estimated 71% of renter households in the Olmsted County Market Area in 2018 have either one or two people. The one-person households would primarily seek one-bedroom units and two-person households that are couple would primarily seek one-bedroom units. Two-person households that consist of a parent and child or roommate would primarily seek two-bedroom units. Larger households would seek units with multiple bedrooms.



DEMOGRAPHIC ANALYSIS

TABLE D-12
TENURE BY HOUSEHOLD SIZE
OLMSTED COUNTY MARKET AREA
2010 & 2018

Size	Byron Submarket								East Submarket								North Submarket							
	2010				2018				2010				2018				2010				2018			
	Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
1PP Household	336	15.0%	148	38.0%	354	13.8%	132	37.8%	652	16.9%	483	48.3%	677	17.1%	535	52.7%	480	17.6%	189	38.9%	528	19.0%	208	36.1%
2PP Household	860	38.4%	106	27.2%	999	38.9%	87	24.9%	1,468	38.0%	247	24.7%	1,669	42.1%	252	24.8%	1,073	39.4%	142	29.2%	1,079	38.9%	137	23.8%
3PP Household	377	16.8%	65	16.7%	463	18.0%	61	17.5%	612	15.8%	109	10.9%	574	14.5%	118	11.6%	454	16.7%	70	14.4%	409	14.7%	102	17.7%
4PP Household	441	19.7%	39	10.0%	527	20.5%	49	14.0%	713	18.5%	84	8.4%	602	15.2%	62	6.1%	440	16.2%	49	10.1%	532	19.2%	115	20.0%
5PP Household	167	7.5%	23	5.9%	142	5.5%	18	5.2%	290	7.5%	47	4.7%	259	6.5%	18	1.8%	201	7.4%	21	4.3%	150	5.4%	10	1.7%
6PP Household	44	2.0%	7	1.8%	66	2.6%	2	0.6%	89	2.3%	20	2.0%	135	3.4%	28	2.8%	53	1.9%	12	2.5%	56	2.0%	4	0.7%
7PP+ Household	15	0.7%	1	0.3%	16	0.6%	0	0.0%	38	1.0%	9	0.9%	53	1.3%	3	0.3%	22	0.8%	3	0.6%	21	0.8%	0	0.0%
Total	2,240	100.0%	389	100.0%	2,567	100.0%	349	100.0%	3,862	100.0%	999	100.0%	3,969	100.0%	1,016	100.0%	2,723	100.0%	486	100.0%	2,775	100.0%	576	100.0%

Size	Rochester Submarket								Rochester Fringe Submarket								Stewartville Submarket							
	2010				2018				2010				2018				2010				2018			
	Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
1PP Household	7,087	23.3%	5,844	46.6%	6,953	22.1%	6,728	46.5%	408	12.3%	65	34.6%	452	13.0%	75	32.2%	454	18.6%	248	49.5%	436	17.7%	225	37.1%
2PP Household	11,450	37.6%	3,215	25.6%	11,926	37.9%	3,660	25.3%	1,478	44.5%	52	27.7%	1,724	49.5%	39	16.7%	933	38.3%	117	23.4%	970	39.4%	102	16.8%
3PP Household	4,617	15.2%	1,559	12.4%	4,803	15.3%	1,900	13.1%	549	16.5%	27	14.4%	492	14.1%	57	24.5%	427	17.5%	70	14.0%	328	13.3%	177	29.2%
4PP Household	4,435	14.6%	979	7.8%	5,033	16.0%	1,304	9.0%	541	16.3%	21	11.2%	452	13.0%	25	10.7%	385	15.8%	44	8.8%	434	17.6%	62	10.2%
5PP Household	1,839	6.0%	508	4.0%	1,687	5.4%	533	3.7%	235	7.1%	11	5.9%	262	7.5%	30	12.9%	159	6.5%	14	2.8%	190	7.7%	2	0.3%
6PP Household	693	2.3%	251	2.0%	644	2.0%	191	1.3%	84	2.5%	6	3.2%	84	2.4%	7	3.0%	53	2.2%	5	1.0%	89	3.6%	30	5.0%
7PP+ Household	351	1.2%	197	1.6%	443	1.4%	140	1.0%	29	0.9%	6	3.2%	15	0.4%	0	0.0%	28	1.1%	3	0.6%	15	0.6%	8	1.3%
Total	30,472	100.0%	12,553	100.0%	31,489	100.0%	14,456	100.0%	3,324	100.0%	188	100.0%	3,481	100.0%	233	100.0%	2,439	100.0%	501	100.0%	2,462	100.0%	606	100.0%

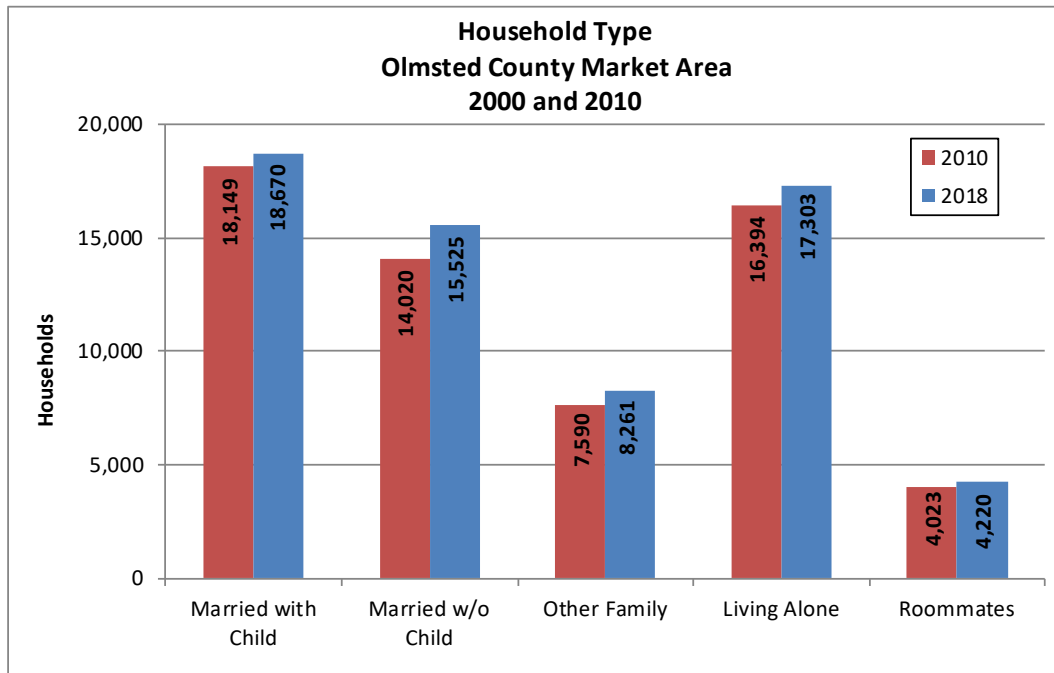
Size	Olmsted County								Total Olmsted County PMA								MN			
	2010				2018				2010				2018				2010		2018	
	Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied		Owner	Renter	Owner	Renter
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Pct.	Pct.	Pct.	Pct.
1PP Household	8,988	21.0%	6,536	45.8%	8,934	20.1%	7,362	45.1%	9,417	20.9%	6,977	46.2%	9,417	20.9%	6,977	46.2%	22.7%	45.9%	22.0%	44.5%
2PP Household	16,409	38.3%	3,677	25.8%	17,527	39.4%	4,083	25.0%	17,262	38.3%	3,879	25.7%	17,262	38.3%	3,879	25.7%	40.6%	27.1%	39.4%	26.3%
3PP Household	6,688	15.6%	1,814	12.7%	6,720	15.1%	2,327	14.3%	7,036	15.6%	1,900	12.6%	7,036	15.6%	1,900	12.6%	15.2%	12.8%	14.8%	12.4%
4PP Household	6,569	15.3%	1,149	8.1%	7,192	16.2%	1,535	9.4%	6,955	15.4%	1,216	8.0%	6,955	15.4%	1,216	8.0%	14.8%	9.3%	14.4%	9.0%
5PP Household	2,734	6.4%	595	4.2%	2,575	5.8%	605	3.7%	2,891	6.4%	624	4.1%	2,891	6.4%	624	4.1%	6.4%	4.6%	6.2%	4.5%
6PP Household	967	2.3%	284	2.0%	967	2.2%	254	1.6%	1,016	2.3%	301	2.0%	1,016	2.3%	301	2.0%	2.2%	2.0%	2.1%	1.9%
7PP+ Household	457	1.1%	213	1.5%	538	1.2%	151	0.9%	483	1.1%	219	1.4%	483	1.1%	219	1.4%	1.3%	1.5%	1.2%	1.4%
Total	42,812	100.0%	14,268	100.0%	44,453	100.0%	16,317	100.0%	45,060	100.0%	15,116	100.0%	45,060	100.0%	15,116	100.0%	103.3%	103.3%	100.0%	100.0%

Sources: U.S. Census Bureau; Maxfield Research & Consulting, LLC

Household Type

Table D-13 shows a breakdown of the type of households present in the Olmsted County Market Area in 2010 and 2018. The data is useful in assessing housing demand since the household composition often dictates the type of housing needed and preferred.

- Family households were the most common type of household in the Olmsted County Market Area, representing an estimated 66.5% of all households in 2018.
- Married couples without children comprised an estimated 29% of all households in the Olmsted County Market Area in 2018 which declined from 2010 (30%). Married couple families with children comprised an estimated 24% of all the Olmsted County Market Area households in 2018, increasing from 23% in 2010.



- Married couple families without children are generally made up of younger couples that have not had children and older couples with adult children that have moved out of the home. There is also a growing national trend toward married couples choosing delay child-birth, delaying children, or choosing not to have children entirely as birthrates have noticeably decreased. Older couples with adult children often desire multifamily housing options for convenience reasons but older couples in rural areas typically hold onto their single-family homes until they need services. Married couple families with children typically generate demand for single-family detached ownership housing. Other family households, defined as a male or female householder with no spouse present (typically single-parent households), often require affordable housing.

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**TABLE D-13
HOUSEHOLD TYPE
OLMSTED COUNTY MARKET AREA
2010 & 2018**

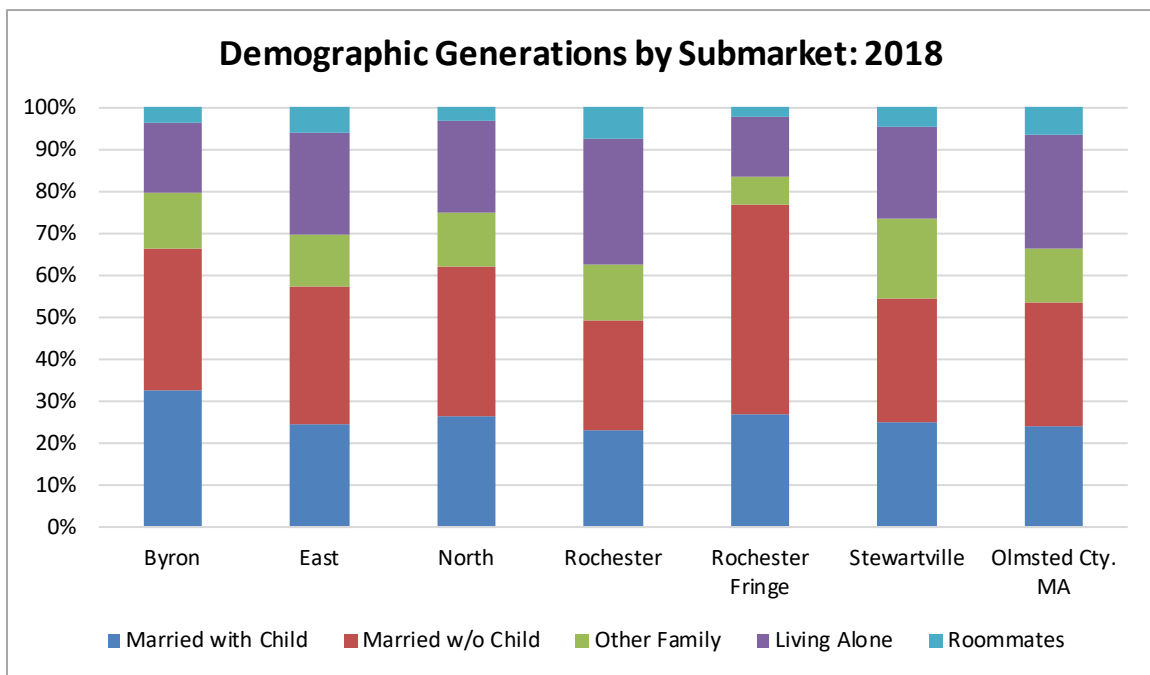
Number of Households	Total HH's		Family Households						Non-Family Households			
	2010	2018	Married w/o Child		Married w/ Child		Other *		Living Alone		Roommates	
			2010	2018	2010	2018	2010	2018	2010	2018	2010	2018
Byron	2,629	2,916	926	983	770	960	331	388	484	486	118	99
East	4,861	4,985	1,584	1,655	1,291	1,219	638	603	1,135	1,212	213	296
North	3,209	3,351	1,177	1,183	862	896	343	432	669	736	158	104
Rochester	43,025	45,945	11,877	12,099	9,376	10,676	5,600	5,999	12,931	13,681	3,241	3,490
Rochester Fringe	3,512	3,714	1,644	1,851	986	1,005	271	246	473	527	138	85
Stewartville	2,940	3,068	941	899	735	769	407	593	702	661	155	146
Olmsted Co. Total	57,080	60,770	17,258	17,828	13,287	14,786	7,148	7,808	15,524	16,296	3,863	4,052
Olmsted Co. MA Total	60,176	63,979	18,149	18,670	14,020	15,525	7,590	8,261	16,394	17,303	4,023	4,220
Percent of Total												
Byron	100%	100%	35.2%	33.7%	29.3%	32.9%	12.6%	13.3%	18.4%	16.7%	4.5%	3.4%
East	100%	100%	32.6%	33.2%	26.6%	24.5%	13.1%	12.1%	23.3%	24.3%	4.4%	5.9%
North	100%	100%	36.7%	35.3%	26.9%	26.7%	10.7%	12.9%	20.8%	22.0%	4.9%	3.1%
Rochester	100%	100%	27.6%	26.3%	21.8%	23.2%	13.0%	13.1%	30.1%	29.8%	7.5%	7.6%
Rochester Fringe	100%	100%	46.8%	49.8%	28.1%	27.1%	7.7%	6.6%	13.5%	14.2%	3.9%	2.3%
Stewartville	100%	100%	32.0%	29.3%	25.0%	25.1%	13.8%	19.3%	23.9%	21.5%	5.3%	4.8%
Olmsted Co. Total	100.0%	100.0%	30.2%	29.3%	23.3%	24.3%	12.5%	12.8%	27.2%	26.8%	6.8%	6.7%
Olmsted Co. MA Total	100.0%	100.0%	30.2%	29.2%	23.3%	24.3%	12.6%	12.9%	27.2%	27.0%	6.7%	6.6%

* Single-parent families, unmarried couples with children.

Sources: U.S. Census Bureau; Maxfield Research & Consulting, LLC

DEMOGRAPHIC ANALYSIS

- Non-family households made up an estimated 34% of all households in the Olmsted County Market Area in 2018, remaining stable from 2010. The percentage of people living alone remained at from 27% from 2010 to 2018. Roommates and unmarried couples comprised an estimated 7% of Olmsted County Market Area households in 2010 and 2018.
- Between 2010 and 2018, 'Married with Children' family households experienced the largest increase as a percentage (11%). 'Other Family' households are estimated to have experienced the second highest growth increased at 9%. Other families include single-parents and unmarried couples with children. With only one income, these families are most likely to need affordable or modest housing, both rental and for-sale.
- According to the 2020 National Association of Realtors (NAR) Home Buyer and Seller Generational Trends, approximately 61% of all homebuyers were married couples, 26% were single, 9% were unmarried couples, and 4% were other.



Net Worth

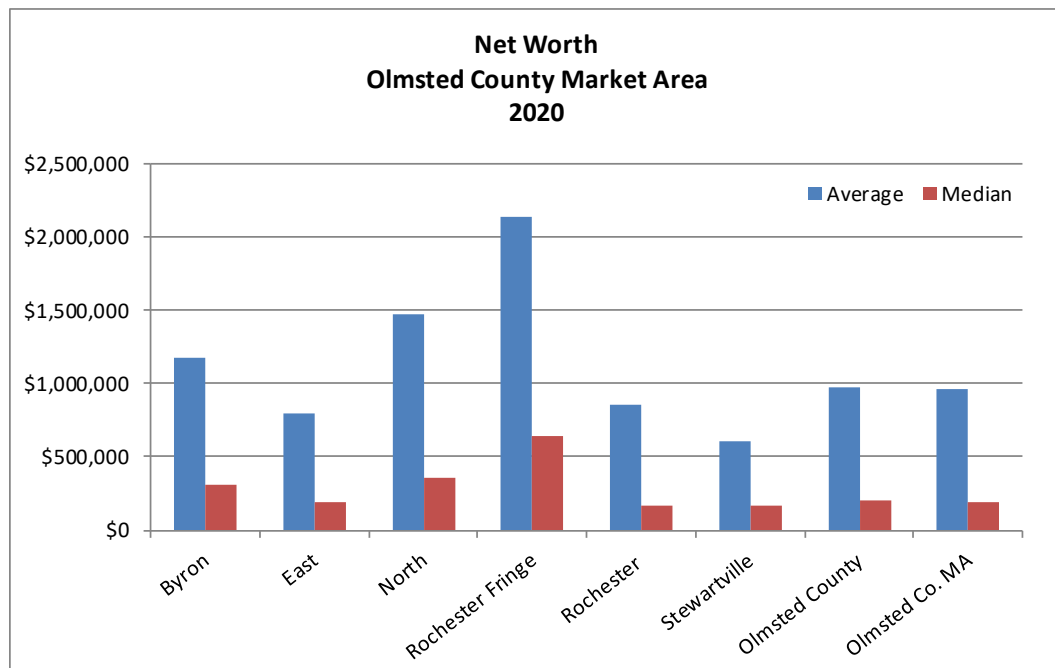
Table D-14 shows household net worth in the Olmsted County Market Area in 2020. Simply stated, net worth is the difference between assets and liabilities, or the total value of assets after the debt is subtracted. The data was compiled and estimated by ESRI based on the Survey of Consumer Finances and Federal Reserve Board data.

Based on research from the 2013 to 2016 Federal Reserve Survey of Consumer Finances (the most recent survey, the average American homeowner has a net worth about 46 times greater

DEMOGRAPHIC ANALYSIS

than that of a renter. Data showed the average net worth of a homeowner was \$231,400 (a 15% increase since 2013), whereas the average net worth of a renter was \$5,200 (a 5% decrease from 2013).

- Olmsted County had an average net worth of \$980,304 in 2020 and a median net worth of \$199,925. Median net worth is generally a more accurate depiction of wealth than the average figure. A few households with very large net worth can significantly skew the average. As a comparison, the Olmsted County Market Area had an average net worth of \$963,735 and median net worth of \$195,041.
- Similar to household income, net worth increases as households age and decreases after they pass their peak earning years and move into retirement. Median and average net worth peak in the 55 to 64 age cohort, posting an average net worth of \$1,719,639 and a median net worth of \$456,333 in the Olmsted County Market Area.
- Within the Olmsted County Market Area, the Rochester Fringe submarket had the highest median net worth at \$644,174 followed by the North submarket at \$357,285. Conversely, the Rochester submarket had the lowest median net worth at \$165,391.
- Households often delay purchasing homes and instead choose to rent until they acquire sufficient net worth to cover the costs of a down payment and closing costs associated with home ownership. Due to the COVID-19 pandemic, tightening lending requirements including higher down payments and credit scores make mortgages with little or no down payments more difficult to obtain.



DEMOGRPHIC ANALYSIS

TABLE D-14
ESTIMATED NET WORTH BY AGE OF HOUSEHOLDER
OLMSTED COUNTY MARKET AREA
2020

	Age of Householder															
	Total		15-24		25-34		35-44		45-54		55-64		65-74		75+	
	Average	Median	Average	Median	Average	Median	Average	Median	Average	Median	Average	Median	Average	Median	Average	Median
Byron	\$1,173,044	\$305,452	\$66,571	\$16,407	\$168,375	\$93,661	\$443,910	\$231,317	\$1,104,795	\$343,569	\$1,945,773	\$634,500	\$1,921,157	\$659,670	\$2,219,769	\$809,396
East	\$798,995	\$190,267	\$44,040	\$14,835	\$137,376	\$75,291	\$342,879	\$153,943	\$801,896	\$239,654	\$1,504,803	\$367,276	\$1,159,467	\$352,544	\$885,347	\$246,746
North	\$1,472,596	\$357,285	\$64,464	\$20,207	\$212,146	\$98,863	\$681,638	\$153,943	\$1,654,373	\$466,419	\$2,465,178	\$815,268	\$1,767,803	\$597,712	\$1,688,872	\$435,056
Rochester Fringe	\$2,136,669	\$644,174	\$106,247	\$29,213	\$240,335	\$107,739	\$823,306	\$294,627	\$2,302,985	\$747,821	\$2,302,985	\$1,000,001	\$2,759,782	\$1,000,001	\$2,615,753	\$1,000,001
Rochester	\$858,191	\$165,391	\$39,151	\$12,109	\$121,867	\$39,279	\$375,318	\$117,149	\$976,410	\$243,928	\$1,540,821	\$389,693	\$1,420,641	\$388,373	\$1,336,093	\$369,098
Stewartville	\$608,744	\$166,068	\$36,246	\$14,669	\$126,449	\$69,136	\$270,056	\$127,188	\$607,417	\$225,970	\$1,157,147	\$311,940	\$998,676	\$300,405	\$803,217	\$266,118
Olmsted County Total	\$980,304	\$199,925	\$41,671	\$12,651	\$133,003	\$51,891	\$412,791	\$142,531	\$1,102,226	\$276,218	\$1,745,612	\$472,274	\$1,553,541	\$458,373	\$1,426,828	\$396,821
Olmsted County MA Total	\$963,735	\$195,041	\$42,147	\$12,681	\$132,773	\$51,901	\$406,847	\$139,624	\$1,082,875	\$271,780	\$1,719,639	\$456,333	\$1,527,433	\$440,687	\$1,381,260	\$374,457

Sources: ESRI; Maxfield Research & Consulting, LLC

Demographic Comparisons

Table D-15 provides a demographic summary that compares the Olmsted County Market Area to the counties in the Metro Area. Table D-16 shows a demographic summary comparison of the Olmsted County Market Area submarkets.

Metro Area Comparison

- Compared to the Metro Area, the Olmsted County Market Area had the sixth largest population size at 161,155 people in 2018.
- The Olmsted County Market Area had the sixth highest median household income at \$79,432 in 2018.
- The Olmsted County Market Area had the sixth highest ownership rate at 73.1%.
- The Olmsted County Market Area had the sixth highest percentage of married without children households, comprising 29.2% of all households in 2018.

Submarket Comparison

- Compared to the other submarkets, the City of Rochester had largest population size at 125,776 people in 2020. The East Submarket (13,439 people) was the second most populated submarket far behind the Rochester Submarket.
- The Rochester Fringe Submarket had the highest median household income at \$111,543 followed by The North Submarket (\$99,350). The Stewartville Submarket had the lowest median income in the Olmsted County Market Area.
- The Rochester Fringe Submarket had the highest ownership rate at 94% while the Rochester Submarket experienced the lowest rate at 68.5%.
- The Rochester Fringe Submarket had the highest percentage of married without children households, comprising 50% of all households in 2020 while the Rochester Submarket had the lowest at 26%. The Rochester Submarket had the highest percent of roommate (8%) households and those living alone (29.8%)

DEMOGRPHIC ANALYSIS

**TABLE D-15
DEMOGRAPHIC SUMMARY
OLMSTED COUNTY MARKET AREA COMPARED TO OTHER COUNTIES
2018**

Demographic Summary	Anoka		Carver		Dakota		Hennepin		Ramsey		Scott		Washington		Olmsted MA	
	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.
Total Population and Households																
Population	347,431		100,416		418,201		1,235,478		541,493		143,372		253,317		161,155	
Households	126,848		35,852		160,144		503,476		209,069		48,510		93,184		63,979	
Age Distribution																
Under 18	83,783	24.1%	27,382	27.3%	103,257	24.7%	273,331	22.1%	126,490	23.4%	40,405	28.2%	63,020	24.9%	42,700	26.5%
18 to 24	27,702	8.0%	8,051	8.0%	33,517	8.0%	107,469	8.7%	55,420	10.2%	11,035	7.7%	20,187	8.0%	13,351	8.3%
25 to 34	45,661	13.1%	10,976	10.9%	55,159	13.2%	210,898	17.1%	89,740	16.6%	17,521	12.2%	29,630	11.7%	23,984	14.9%
35 to 44	46,104	13.3%	14,329	14.3%	55,233	13.2%	164,066	13.3%	65,173	12.0%	21,521	15.0%	32,893	13.0%	24,156	15.0%
45 to 54	51,589	14.8%	15,857	15.8%	60,195	14.4%	159,223	12.9%	63,728	11.8%	22,162	15.5%	37,651	14.9%	20,900	13.0%
55 to 64	47,342	13.6%	12,859	12.8%	55,994	13.4%	156,331	12.7%	66,694	12.3%	16,422	11.5%	34,953	13.8%	23,051	14.3%
65 to 74	28,068	8.1%	6,451	6.4%	33,034	7.9%	94,842	7.7%	42,271	7.8%	8,854	6.2%	21,113	8.3%	15,719	9.8%
75+	17,182	4.9%	4,511	4.5%	21,812	5.2%	69,318	5.6%	31,977	5.9%	5,452	3.8%	13,870	5.5%	11,927	7.4%
Household Income																
Median Household Income	\$79,923		\$97,895		\$83,288		\$74,113		\$62,304		\$97,744		\$92,236		\$79,432	
Household Tenure																
Own	101,740	80.2%	29,217	81.5%	119,031	74.3%	314,239	62.4%	123,968	59.3%	39,930	82.3%	76,033	81.6%	46,743	73.1%
Rent	25,108	19.8%	6,635	18.5%	41,113	25.7%	189,237	37.6%	85,101	40.7%	8,580	17.7%	17,151	18.4%	17,236	26.9%
Household Type																
Married with Children	31,008	24.4%	11,768	32.8%	39,206	24.5%	98,278	19.5%	39,210	18.8%	16,360	33.7%	24,881	26.7%	15,525	24.3%
Married without Children	40,160	31.7%	11,846	33.0%	48,592	30.3%	125,530	24.9%	49,039	23.5%	14,856	30.6%	30,000	32.2%	18,670	29.2%
Other	19,741	15.6%	3,380	9.4%	6,772	4.2%	18,799	3.7%	9,428	4.5%	2,006	4.1%	3,705	4.0%	8,261	12.9%
Living Alone	28,589	22.5%	7,114	19.8%	39,356	24.6%	165,600	32.9%	69,011	33.0%	8,875	18.3%	21,011	22.5%	16,499	25.8%
Roommates	7,350	5.8%	1,744	4.9%	9,642	6.0%	48,879	9.7%	17,514	8.4%	2,351	4.8%	4,988	5.4%	4,023	6.3%

Source: U.S. Census Bureau; ESRI; Maxfield Research & Consulting, LLC

DEMOGRPHIC ANALYSIS

**TABLE D-16
DEMOGRAPHIC SUMMARY
OLMSTED COUNTY MARKET AREA
2020**

Demographic Summary	Byron		East		North		Rochester		Rochester Fringe		Stewartville		Olmsted Co.		Olmsted MA	
	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.
Total Population and Households																
Population	8,575		13,439		9,223		125,776		10,640		8,101		167,500		175,754	
Households	3,275		5,206		3,547		54,093		3,983		3,268		66,054		69,771	
Age Distribution																
Under 18	2,128	24.8%	34,433	256.2%	2,147	23.3%	30,651	24.4%	2,343	22.0%	1,987	24.5%	40,566	24.2%	42,700	24.3%
18 to 24	694	8.1%	981	7.3%	573	6.2%	9,695	7.7%	749	7.0%	659	8.1%	12,702	7.6%	13,351	7.6%
25 to 34	1,058	12.3%	1,629	12.1%	1,037	11.2%	17,972	14.3%	1,010	9.5%	1,173	14.5%	22,929	13.7%	23,984	13.6%
35 to 44	1,192	13.9%	1,725	12.8%	1,168	12.7%	18,013	14.3%	1,147	10.8%	1,008	12.4%	23,089	13.8%	24,156	13.7%
45 to 54	1,169	13.6%	1,665	12.4%	1,216	13.2%	14,244	11.3%	1,560	14.7%	982	12.1%	19,998	11.9%	20,900	11.9%
55 to 64	1,202	14.0%	1,796	13.4%	1,467	15.9%	15,141	12.0%	2,016	18.9%	1,013	12.5%	22,037	13.2%	23,051	13.1%
65 to 74	728	8.5%	1,246	9.3%	1,020	11.1%	11,062	8.8%	1,213	11.4%	698	8.6%	14,972	8.9%	15,719	8.9%
75+	408	4.8%	953	7.1%	595	6.5%	8,999	7.2%	601	5.6%	579	7.1%	11,208	6.7%	11,927	6.8%
Household Income																
Average Household Income	\$111,390		\$91,043		\$116,486		\$97,332		\$148,092		\$85,199		\$101,807		\$100,914	
Median Household Income	\$95,894		\$75,511		\$99,350		\$76,418		\$111,543		\$71,662		\$80,078		\$79,432	
Net Worth																
Average Net Worth	\$1,173,044		\$798,995		\$1,472,596		\$858,191		\$2,136,669		\$608,744		\$980,304		\$963,735	
Median Net Worth	\$305,425		\$190,267		\$357,285		\$165,391		\$644,174		\$166,068		\$199,925		\$195,041	
Household Tenure (2018)																
Own	2,567	88.0%	3,969	79.6%	2,775	82.8%	31,489	68.5%	3,481	93.7%	2,462	80.2%	44,453	73.1%	46,743	73.1%
Rent	349	12.0%	1,016	20.4%	576	17.2%	14,456	31.5%	233	6.3%	606	19.8%	16,317	26.9%	17,236	26.9%
Household Type (2018)																
Married with Children	960	32.9%	1,219	24.5%	896	26.7%	10,676	23.2%	1,005	27.1%	769	25.1%	14,786	24.3%	15,525	24.3%
Married without Children	983	33.7%	1,655	33.2%	1,183	35.3%	12,099	26.3%	1,851	49.8%	899	29.3%	17,828	29.3%	18,670	29.2%
Other	388	13.3%	603	12.1%	432	12.9%	5,999	13.1%	246	6.6%	593	19.3%	7,808	12.8%	8,261	12.9%
Living Alone	486	16.7%	1,212	24.3%	736	22.0%	13,681	29.8%	527	14.2%	661	21.5%	16,296	26.8%	16,499	27.0%
Roommates	99	3.4%	296	5.9%	104	3.1%	3,490	7.6%	85	2.3%	146	4.8%	4,052	6.7%	4,023	6.6%

Source: U.S. Census Bureau; ESRI; Maxfield Research & Consulting, LLC

Demographic Comparison to Outstate Minnesota

Table D-17 provides a demographic summary that compares Rochester to other similar cities throughout Minnesota. Table D-18 shows a demographic summary comparison of Olmsted County to other similar counties throughout Minnesota.

- On a city level, Rochester has the highest median income compared to the other cities (\$70,749). In addition, Rochester has the highest ownership rate (68.5%) and highest average weekly wage (\$1,275).
- St. Cloud has the highest mobility rate at 29.8% compared to the other cities. Mankato has the highest renter-occupied household percentage (49.6%).
- On a county level, Olmsted County has the highest median income compared to the other counties (\$74,880). Also, Olmsted County has the highest ownership rate (73%).
- Winona County has the lowest average weekly wage (\$835) and the lowest total labor force with 29,053.

TABLE D-17 DEMOGRAPHIC SUMMARY COMPARABLE CITIES THROUGHOUT MINNESOTA 2018										
	Rochester		Duluth		Mankato		St. Cloud		Winona	
	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.
Demographic Summary										
Population	113,913		86,004		41,701		67,513		26,981	
Households	45,945		36,039		16,247		26,264		10,552	
HH Size	2.48		2.39		2.57		2.57		2.56	
HH Income/Median	\$70,749		\$49,441		\$45,621		\$46,854		\$44,630	
Percent HH's w/Children	30.7%		22.0%		24.2%		22.7%		16.8%	
Percent HH's Living Alone	29.8%		36.3%		28.6%		33.2%		38.5%	
Housing Characteristics										
Percent Own	68.5%		60.3%		50.4%		51.7%		60.1%	
Percent Rent	31.5%		39.7%		49.6%		48.3%		39.9%	
Median Contract Rent	\$830		\$733		\$778		\$695		\$600	
Mobility Rate (Percent Moved)	16.2%		23.7%		25.4%		29.8%		29.3%	
Employment										
Avg. Weekly Wage	\$1,275		\$981		\$887		\$999		\$835	
Unemployment Rate (2019)	2.6%		3.2%		2.6%		3.5%		3.0%	
Total Labor Force (2019)	66,365		46,306		26,492		37,825		15,554	

Source: U.S. Census Bureau; ESRI; DEED; Maxfield Research & Consulting, LLC

DEMOGRAPHIC ANALYSIS

	Olmsted		Blue Earth		Stearns		St. Louis		Winona	
	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.
Demographic Summary										
Population	153,065		66,322		156,819		200,080		50,847	
Households	60,770		25,783		58,891		85,644		19,515	
HH Size	2.52		2.57		2.66		2.34		2.61	
HH Income/Median	\$74,880		\$55,861		\$60,606		\$53,344		\$55,529	
Percent HH's w/Children	31.8%		26.1%		29.1%		22.2%		21.9%	
Percent HH's Living Alone	26.8%		25.7%		26.8%		34.0%		31.1%	
Housing Characteristics										
Percent Own	73.1%		61.9%		69.0%		70.9%		69.8%	
Percent Rent	26.9%		38.1%		31.0%		29.1%		30.2%	
Median Contract Rent	\$817		\$747		\$722		\$671		\$601	
Mobility Rate (Percent Moved)	14.4%		19.1%		19.4%		16.6%		19.8%	
Employment										
Avg. Weekly Wage	\$1,242		\$874		\$927		\$932		\$835	
Unemployment Rate (2019)	2.6%		2.8%		3.2%		4.1%		2.9%	
Total Labor Force (2019)	89,730		41,062		92,043		103,243		29,053	

Source: U.S. Census Bureau; ESRI; DEED; Maxfield Research & Consulting, LLC

Summary of Demographic Trends

The following points summarize key demographic trends that will impact demand for housing throughout the Olmsted County Market Area.

- Rochester is the population center of the Olmsted County Market Area, accounting for 72% of the Market Area population. The Rochester Submarket population is forecast to add the greatest number new residents (22,270 people) and households (8,808 households) to the Olmsted County Market Area between 2020 and 2030.
- The estimate for the largest adult age cohort in the Olmsted County Market Area in 2020 were those age 35 to 44, representing 18.2% of the population over age 18, followed by the 25 to 34 age cohort accounting for 18% of the adult age population.
- By 2025, the largest adult age cohorts in the Market Area will continue to be those 35 to 44 and 25 to 34, representing 18.6% and 17.5% of the population respectively.
- Between 2020 and 2025, the largest proportional growth is expected in the 75 to 84 age cohort in the Olmsted County Market Area, increasing by 27.2%.
- In 2018, most Olmsted County Market Area residents, 90.5%, reported their race as “White Alone” followed by 4.6% of the population reported their race as “Asian Alone”, and 4.1% as “Black or African American Alone”. Nearly 5% of the Olmsted County Market Area report their ethnicity as Hispanic or Latino.

DEMOGRAPHIC ANALYSIS

- The median income for the Olmsted County Market Area is projected to rise by 13% from \$79,432 to \$89,785 in 2025.
- In 2020, the highest median incomes were reported in the Rochester Fringe Submarket (\$111,543), followed by the North Submarket (\$99,350). The Stewartville Submarket trails the other submarkets in income, with a median income in 2020 of \$71,662.
- The majority of households in the Olmsted County Market Area (73%) were owner households. The Rochester Submarket's homeownership rate is the lowest at 68.5% while all other submarkets have homeownership rate at 80% or higher.
- In the overall Market Area, all household types are estimated to be growing with married households with children and other family households (typically single-parent households) are growing at an estimated 11% and 9%, respectively. Roommate households are estimated to have grown 5% while households of married couples without children grew by an estimated 3%. Those living alone are estimated to have the smallest growth at less than 1%.

Introduction

The variety and condition of the housing stock in a community provides the basis for an attractive living environment. Housing functions as a building block for neighborhoods and goods and services. We examined the housing market in each Olmsted County submarket by reviewing data on the age of the existing housing supply; examining residential building trends since 2010; and reviewing housing data from the American Community Survey.

Residential Construction Trends 2010 to Present

Maxfield Research obtained data on the number of building permits issued for new housing units from 2010 through 2019 from the U.S. Census Building Permits Survey (BPS) and from the individual cities and townships. The purpose of the BPS is to provide national, state, and local statistics on the new privately-owned housing units authorized by building or zoning permits in the United States. Statistics from the BPS are based on reports submitted by local permit officials and the survey covers all “permit-issuing places” which are jurisdictions that issue building or zoning permits. Areas for which no authorization is required to construct new housing units are not included in the survey.

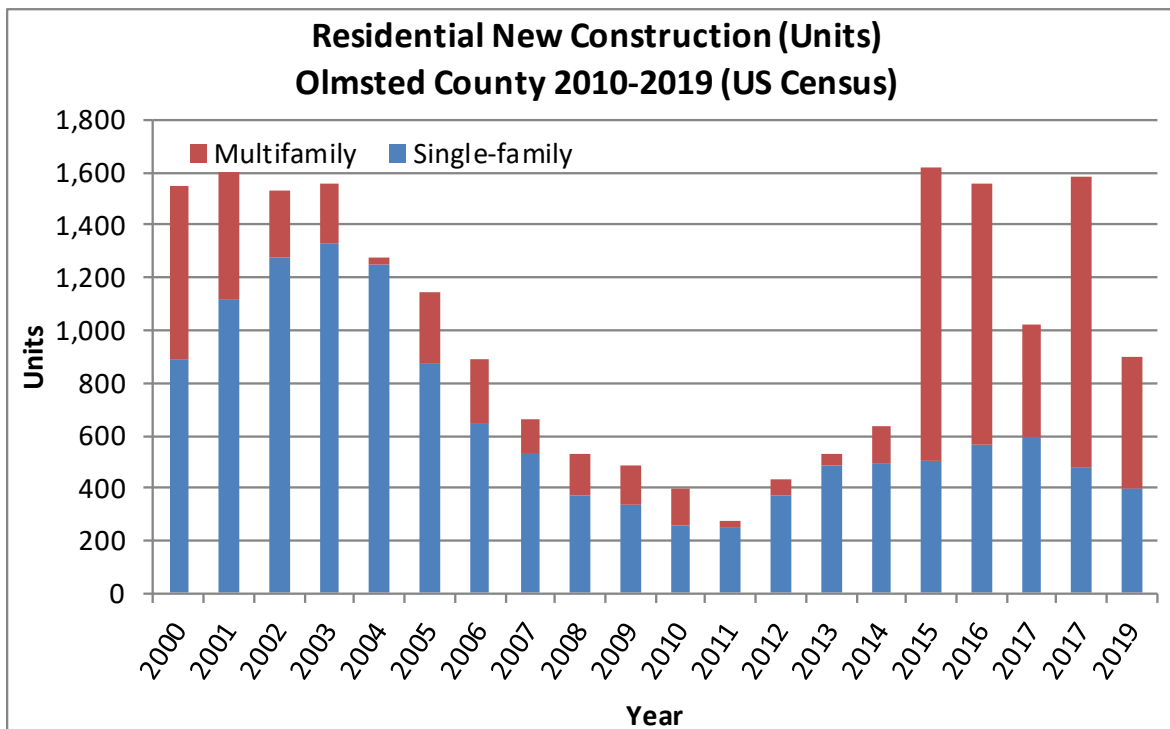
Table HC-1 displays the number of units permitted for single-family homes and multifamily structures (includes duplexes, structures with three or four units, and structures with five or more units) from 2010 through 2019, which is the most recent full-year data available. Multifamily housing includes both for-sale and rental units and is defined as residential buildings containing units built one on top of another and those built side-by-side which do not have a ground-to-roof wall and/or have common facilities. Single-family housing is defined as fully detached, semi-detached (semi-attached, side-by-side), row houses, and townhouses. For attached units, each unit must be separated from the adjacent unit by a ground-to-roof wall and they must not share systems or utilities to be classified as single-family.

- Between 2010 and 2019, nearly 9,000 units were issued in Olmsted County, equating to roughly 900 units annually. Approximately 49% of these units were single-family while the remaining 51% were in multifamily structures of which 99% were five units or larger buildings.
- Eighty two percent of all residential units permitted between 2010 and 2014 were single-family homes; averaging nearly 372 units per year. However, as the economy and the housing market rebounded from the Great Recession, Olmsted County has averaged 508 single family units annually since 2015.
- Townhomes/twinhomes and three- and four-unit structures accounted for 2% of the multifamily units constructed since 2010 in Olmsted County. About 98% of the multifamily units permitted were in structures of five or more units.

HOUSING CHARACTERISTICS

TABLE HC-1 RESIDENTIAL CONSTRUCTION/ANNUAL BUILDING PERMITS ISSUED OLMSTED COUNTY US CENSUS BUREAU 2010 to 2019					
Olmsted County Units					
	Single-Family Homes	Townhome/Twinhome	3 & 4 Unit	Multifamily (5+ units)	Total Housing Units
Reported Only					
2010	256	0	4	138	398
2011	252	0	0	24	276
2012	369	0	0	62	431
2013	488	0	4	40	532
2014	497	4	16	122	639
2015	505	6	3	1,107	1,621
2016	569	12	4	977	1,562
2017	594	4	0	425	1,023
2017	474	8	0	1,098	1,580
2019	402	0	13	484	899
Total	4,406	34	44	4,477	8,961
Avg.	441	3	4	448	896

Sources: U.S. Census; Maxfield Research & Consulting, LLC

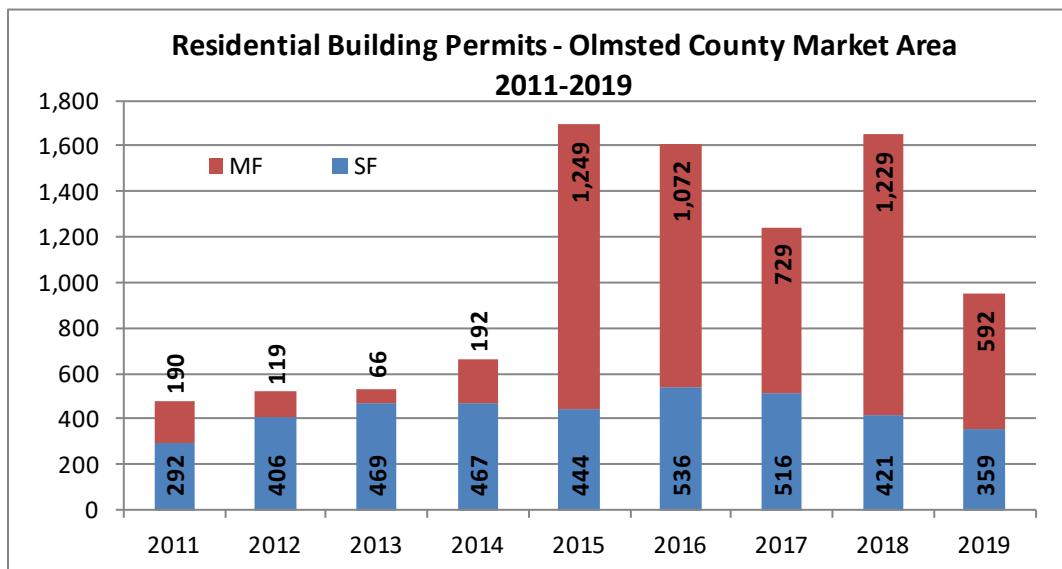


HOUSING CHARACTERISTICS

- As illustrated in the table, 2015 was the most active year for residential permitting activity in Olmsted County since 2001, with a total of 1,580 units permitted (1,603 units in 2001), followed by 2016 (1,562 units). Residential construction activity slowed considerably after 2006 before picking up substantially in 2016. However, there has been a significant shift from single family to larger multifamily development.

In addition, Maxfield Research contacted each municipality and township in the Olmsted County Market Area to further identify building permit trends at the local level. It is important to note that complete data was not provided for all years by all communities so gaps are presents. Also, each community collects and categorizes building permit activity differently and thus the level of detail can vary between communities. Table HC-2 illustrates building permit activity from 2011 to 2019 for those communities. The subsequent bullet points highlight new construction activity by submarket.

- Between 2011 and 2019, about 9,350 housing units were permitted equating to roughly 1,040 units annually. Approximately 42% of these units were single-family while the remaining 58% were in multifamily structures.
- The number of Olmsted County Market Area permits was highest over the period in 2015 with 1,693 new housing units. This is a substantial increase from prior years when the average units permitted per year was 550 (2011 to 2014). Permitted units have averaged about 1,550 units per year from 2015 to 2018 before falling to around 950 in 2019.



- Nearly 7,900 housing units were permitted in Rochester between 2011 and 2019, accounting for 84% of the total building activity in the Olmsted County Market Area. Like the Olmsted County Market Area, 2015 was the peak year in Rochester when over 1,500 units were permitted.

HOUSING CHARACTERISTICS

- In Rochester, 67% of development over the period was for multifamily units which accounts for 97% of the multifamily development in the Olmsted County Market Area. During the first part of the decade (2011-2014), multifamily development only accounted for 32% of the units built. Since 2014, multifamily units built in Rochester increased significantly to 77% of new construction.

Submarket	2011	2012	2013	2014	2015	2016	2017	2018	2019	11-'19
TOTAL UNITS										
Byron Submarket	24	45	58	62	57	52	58	74	43	473
Byron	23	42	53	55	47	42	56	67	36	421
Kalmar Twp.	1	3	1	4	8	7	1	3	6	34
Salem Twp.	0	0	4	3	2	3	1	4	1	18
East Submarket	23	16	9	25	38	44	51	47	32	285
Eyota	6	1	2	0	8	2	8	2	2	31
Eyota Twp.	4	1	2	1	2	3	1	3	2	19
Elmira Twp.	3	0	3	1	1	1	4	1	1	15
Dover	1	0	--	--	6	6	5	6	4	28
Dover Twp.	1	1	0	3	2	3	1	0	2	13
Chatfield	0	4	--	--	--	--	17	20	7	48
Pleasant Grove Twp.	1	0	1	1	1	2	1	1	1	9
Orion Twp.	2	1	1	2	2	0	0	1	1	10
St. Charles	5	3	--	17	13	26	12	11	11	98
Quincy Twp.	0	1	0	0	0	0	0	1	1	3
Viola Twp.	0	4	0	0	3	1	2	1	0	11
North Submarket	11	11	14	16	22	35	34	67	33	243
Pine Island	6	7	7	9	12	19	17	53	15	145
Oronoco	0	0	--	0	0	0	0	0	0	0
Oronoco Twp.	4	2	5	7	7	11	10	7	7	60
New haven Twp.	1	2	2	0	3	5	7	7	11	38
Farmington Twp.					Not Available					
Rochester Submarket	391	417	386	493	1,520	1,397	1,042	1,414	808	7,868
Rochester Fringe Submarket	20	23	47	41	44	60	43	38	23	339
Cascade Twp.	0	2	2	7	6	9	6	6	5	43
Rochester Twp.	7	12	22	13	16	16	17	18	7	128
Marion Twp.	8	8	20	16	20	24	19	10	7	132
Haverhill Twp.	5	1	3	5	2	11	1	4	4	36
Stewartville Submarket	13	13	21	22	12	20	17	10	12	140
Stewartville	8	12	16	19	10	17	13	6	6	107
Rock Dell Twp.	2	0	3	1	1	0	3	2	4	16
High Forest Twp.	3	1	2	2	1	3	1	2	2	17
Olmsted County & Vicinity	482	525	535	659	1,693	1,608	1,245	1,650	951	9,348

Continued

HOUSING CHARACTERISTICS

**TABLE HC-2
ANNUAL RESIDENTIAL BUILDING ACTIVITY, UNITS PERMITTED
OLMSTED COUNTY MARKET AREA
2011 - 2019
(Continued)**

Submarket	2011	2012	2013	2014	2015	2016	2017	2018	2019	11-'19
SINGLE-FAMILY UNITS										
Byron Submarket	20	45	56	44	50	49	38	36	26	364
<i>Byron</i>	19	42	51	37	40	39	36	29	19	312
<i>Kalmar Twp.</i>	1	3	1	4	8	7	1	3	6	34
<i>Salem Twp.</i>	0	0	4	3	2	3	1	4	1	18
East Submarket	23	16	9	25	34	44	49	47	32	279
<i>Eyota</i>	6	1	2	0	4	2	6	2	2	25
<i>Eyota Twp.</i>	4	1	2	1	2	3	1	3	2	19
<i>Elmira Twp.</i>	3	0	3	1	1	1	4	1	1	15
<i>Dover</i>	1	0	--	--	6	6	5	6	4	28
<i>Dover Twp.</i>	1	1	0	3	2	3	1	0	2	13
<i>Chatfield</i>	0	4	--	--	--	--	17	20	7	48
<i>Pleasant Grove Twp.</i>	1	0	1	1	1	2	1	1	1	9
<i>Orion Twp.</i>	2	1	1	2	2	0	0	1	1	10
<i>St. Charles</i>	5	3	--	17	13	26	12	11	11	98
<i>Quincy Twp.</i>	0	1	0	0	0	0	0	1	1	3
<i>Viola Twp.</i>	0	4	0	0	3	1	2	1	0	11
North Submarket	11	11	14	16	22	32	34	29	33	202
<i>Pine Island</i>	6	7	7	9	12	16	17	15	15	104
<i>Oronoco</i>	0	0	0	0	0	0	0	0	0	0
<i>Oronoco Twp.</i>	4	2	5	7	7	11	10	7	7	60
<i>New Haven Twp.</i>	1	2	2	0	3	5	7	7	11	38
<i>Farmington Twp.</i>					Not Available					
Rochester	205	298	322	323	282	335	335	261	233	2,594
Rochester Fringe Submarket	20	23	47	41	44	60	43	38	23	339
<i>Cascade Twp.</i>	0	2	2	7	6	9	6	6	5	43
<i>Rochester Twp.</i>	7	12	22	13	16	16	17	18	7	128
<i>Marion Twp.</i>	8	8	20	16	20	24	19	10	7	132
<i>Haverhill Twp.</i>	5	1	3	5	2	11	1	4	4	36
Stewartville Submarket	13	13	21	18	12	16	17	10	12	132
<i>Stewartville</i>	8	12	16	15	10	13	13	6	6	99
<i>Rock Dell Twp.</i>	2	0	3	1	1	0	3	2	4	16
<i>High Forest Twp.</i>	3	1	2	2	1	3	1	2	2	17
Olmsted County & Vicinity	292	406	469	467	444	536	516	421	359	3,910
Continued										

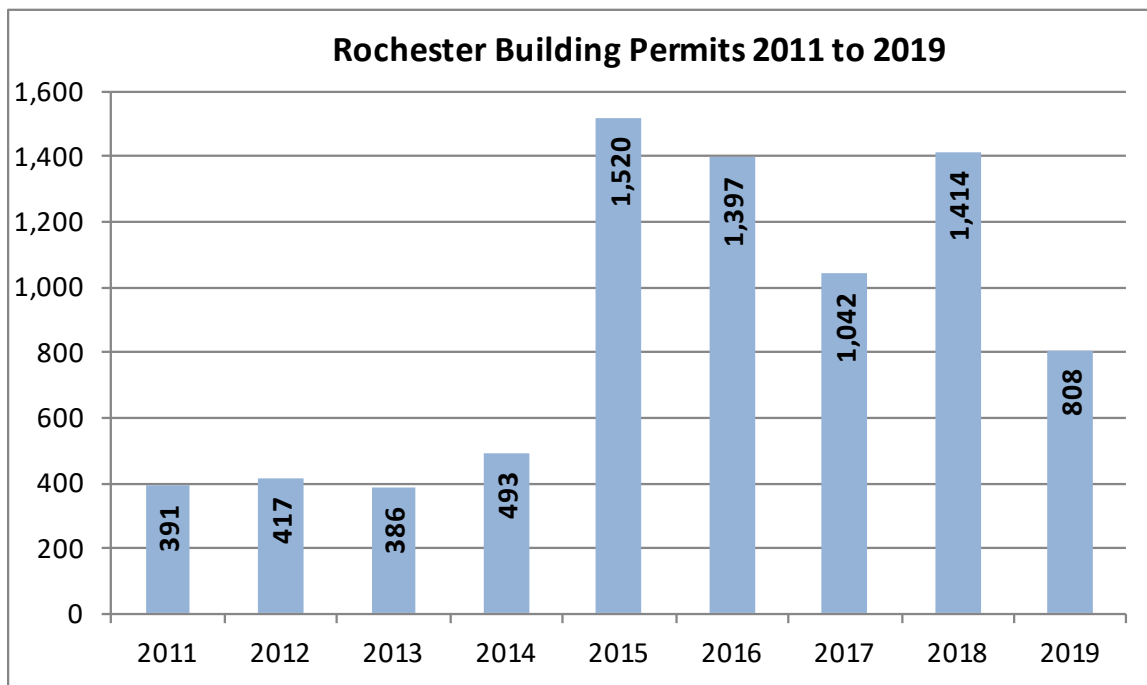
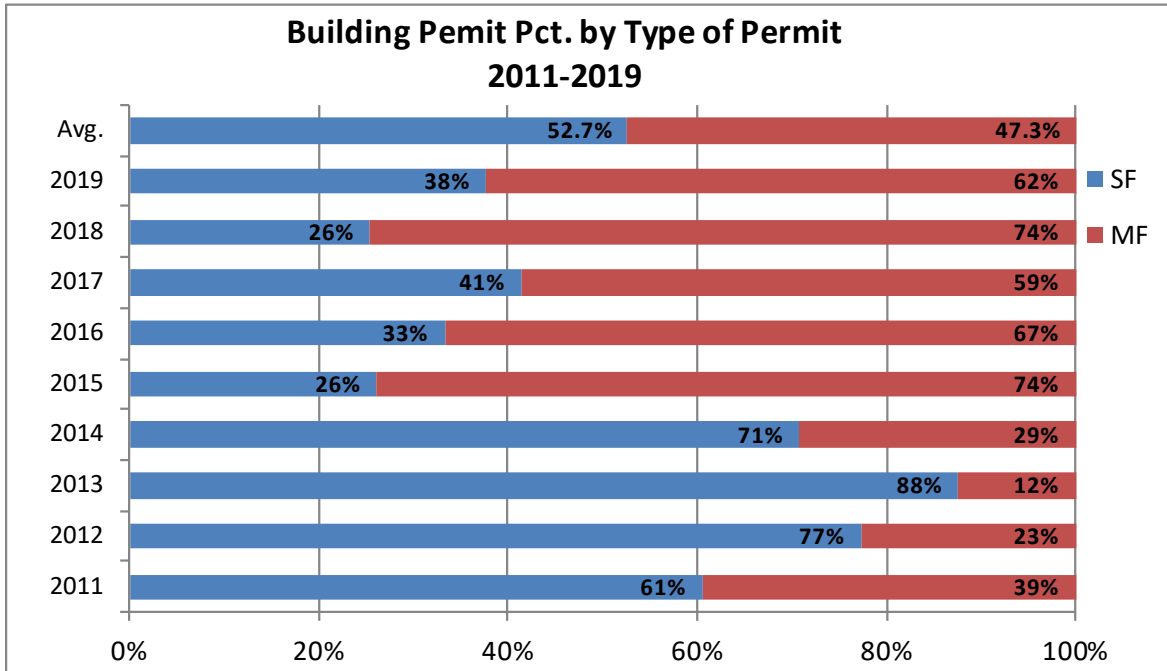
HOUSING CHARACTERISTICS

TABLE HC-2 (continued)
ANNUAL RESIDENTIAL BUILDING ACTIVITY, UNITS PERMITTED
OLMSTED COUNTY & VICINITY
2011 - 2019
(Continued)

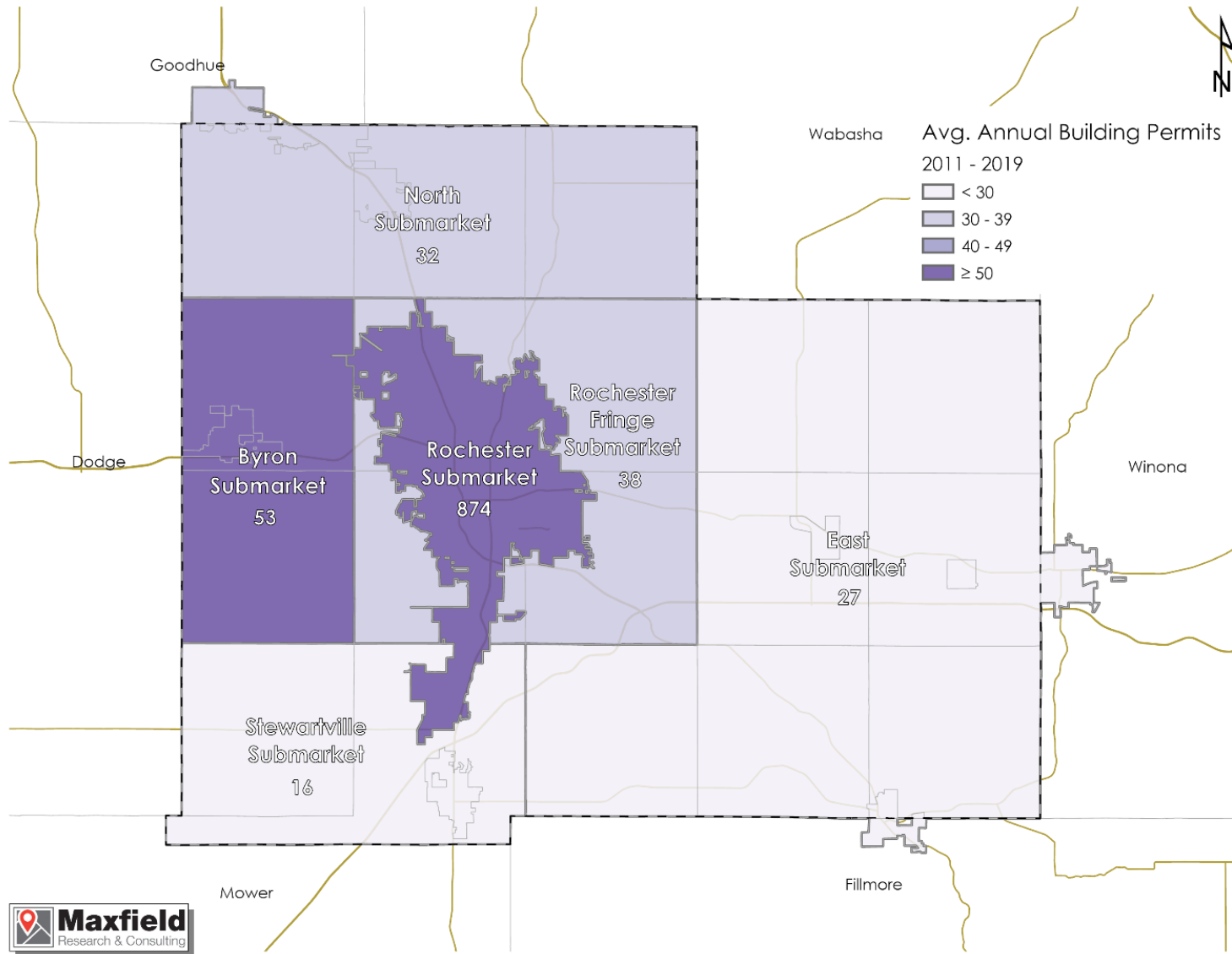
Submarket	Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>11-'19</u>
MULTIFAMILY UNITS										
Byron Submarket	4	0	2	18	7	3	20	38	17	109
<i>Byron</i>	4	0	2	18	7	3	20	38	17	109
<i>Kalmar Twp.</i>	0	0	0	0	0	0	0	0	0	0
<i>Salem Twp.</i>	0	0	0	0	0	0	0	0	0	0
East Submarket	0	0	0	0	4	0	2	0	0	6
<i>Eyota</i>	0	0	0	0	4	0	2	0	0	6
<i>Eyota Twp.</i>	0	0	0	0	0	0	0	0	0	0
<i>Elmira Twp.</i>	0	0	0	0	0	0	0	0	0	0
<i>Dover</i>	0	0	0	0	0	0	0	0	0	0
<i>Dover Twp.</i>	0	0	0	0	0	0	0	0	0	0
<i>Chatfield</i>	0	0	0	0	0	0	0	0	0	0
<i>Pleasant Grove Twp.</i>	0	0	0	0	0	0	0	0	0	0
<i>Orion Twp.</i>	0	0	0	0	0	0	0	0	0	0
<i>St. Charles</i>	0	0	0	0	0	0	0	0	0	0
<i>Quincy Twp.</i>	0	0	0	0	0	0	0	0	0	0
<i>Viola Twp.</i>	0	0	0	0	0	0	0	0	0	0
North Submarket	0	0	0	0	0	3	0	38	0	41
<i>Pine Island</i>	0	0	0	0	0	3	0	38	0	41
<i>Oronoco</i>	0	0	0	0	0	0	0	0	0	0
<i>Oronoco Twp.</i>	0	0	0	0	0	0	0	0	0	0
<i>New Haven Twp.</i>	0	0	0	0	0	0	0	0	0	0
<i>Farmington Twp.</i>	0	0	0	0	0	0	0	0	0	0
Rochester	186	119	64	170	1,238	1,062	707	1,153	575	5,274
Rochester Fringe Submarket	0	0	0	0	0	0	0	0	0	0
<i>Cascade Twp.</i>	0	0	0	0	0	0	0	0	0	0
<i>Rochester Twp.</i>	0	0	0	0	0	0	0	0	0	0
<i>Marion Twp.</i>	0	0	0	0	0	0	0	0	0	0
<i>Haverhill Twp.</i>	0	0	0	0	0	0	0	0	0	0
Stewartville Submarket	0	0	0	4	0	4	0	0	0	8
<i>Stewartville</i>	0	0	0	4	0	4	0	0	0	8
<i>Rock Dell Twp.</i>	0	0	0	0	0	0	0	0	0	0
<i>High Forest Twp.</i>	0	0	0	0	0	0	0	0	0	0
Olmsted County & Vicinity	190	119	66	192	1,249	1,072	729	1,229	592	5,438
Sources: Individual cities and townships; Maxfield Research & Consulting, LLC										

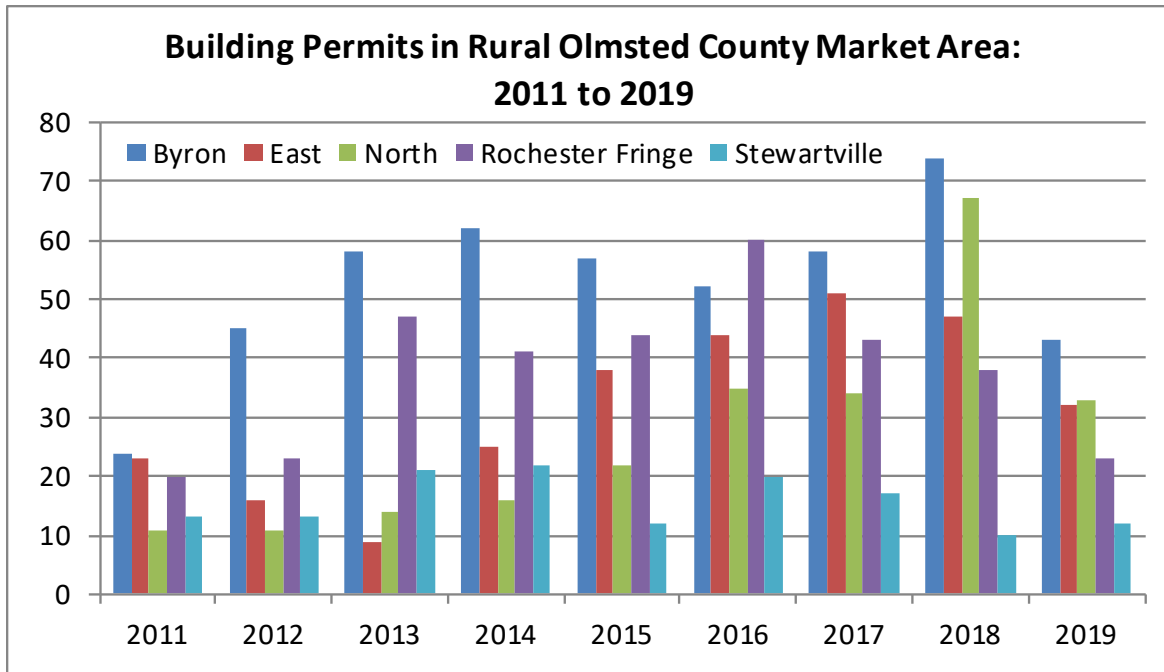
HOUSING CHARACTERISTICS

- Outside of the City of Rochester, the remainder of submarkets permitted units ranged from a total of 140 units (Stewartville Submarket) to 473 units in the Byron Submarket during the nine-year period. Overall, these submarkets averaged 296 permitted units per year compared to that of 874 units in the City of Rochester from 2011 to 2019.



Average Annual Building Permits (2011 to 2019)





Demolition Permits

In addition to building permits, the City of Rochester also tracks housing demolitions. A permit is required for demolishing or moving a housing structure and ensures the property will be removed from the assessor’s tax role. The permit also allows city staff and utility companies to prepare for the demolition or moving process. Please note that not all demolition permits result in a one-to-one replacement for new housing stock. Table HC-3 presents demolition permits in Rochester since 2010.

- Over the past 9 years nearly 130 single-family/townhomes and roughly 50 multifamily demolition permits have been issued in Rochester. On average, about 13 single-family and five multifamily permits are issued annually. Multifamily demolition permits account for about 28.5% of the number of demolition permits issued since 2010.

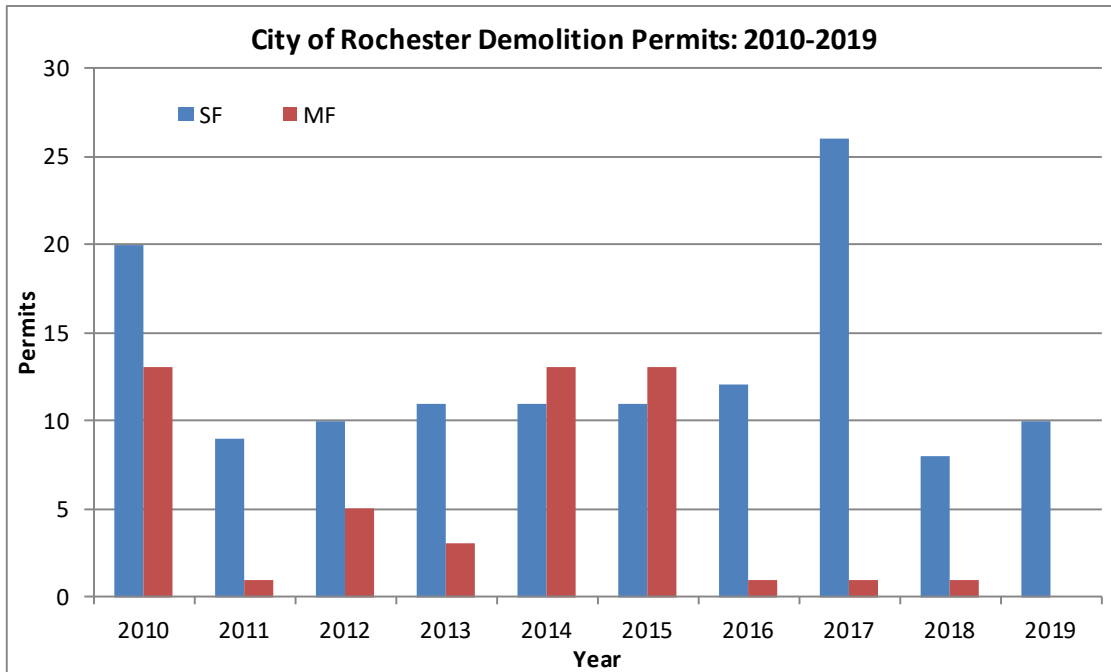


TABLE HC-3
Demolition Permits
City of Rochester
2010 to 2019

Year	One & Two- Unit Permits	Multifamily Permits
2010	20	13
2011	9	1
2012	10	5
2013	11	3
2014	11	13
2015	11	13
2016	12	1
2017	26	1
2018	8	1
2019	10	0
Total	128	51
Avg.	12.8	5

Note: Number of permits only; the number of units is not computed

Source: City of Rochester, Maxfield Research & Consulting, LLC

American Community Survey

The American Community Survey (“ACS”) is an ongoing statistical survey administered by the U.S. Census Bureau that is sent to approximately 3 million addresses annually. The survey gathers data previously contained only in the long form of the decennial census. As a result, the survey is ongoing and provides a more “up-to-date” portrait of demographic, economic, social, and household characteristics every year, not just every ten years. Whenever possible, Maxfield Research Inc. used the five-year estimates as it provides the largest sample size and has a longer period of data collection. It should be noted that all ACS surveys are subject to sampling error and uncertainty. The ACS reports margins of errors (MOEs) with estimates for most standard census geographies. The MOE is shown by reliability from low, medium to high. Due to the MOE, 2018 ACS data may have inconsistencies with previous 2010 Census data.

Tables HC-4 through HC-9 show key data from the American Community Survey for the Olmsted County Market Area. For a comparison, information for the Olmsted County Market Area is broken down by submarket.

Housing Units by Occupancy Status & Tenure

Tenure is a key variable that analyzes the propensity for householders to rent or own their housing unit. Tenure is an integral statistic used by numerous governmental agencies and private sector industries to assess neighborhood stability. Table HC-4 shows historic trends in 2010 and 2018.

- 73.1% of housing units in Olmsted County Market Area are estimated to be owner-occupied as of 2018. This is a slight decrease from 2010 (74.9%), in part due to the affects from the Great Recession and a shift from ownership to rental.
- The number of housing units are estimated to have increased by 5,447 units from 2010 to 2018 with owner-occupied units increasing by approximately 1,641 units (3.8% of the growth).
- The percentage of owner-occupied housing units is estimated to have increased in all submarkets between 2010 and 2018.
- The Rochester Fringe had the highest percentage of owner-occupied housing units in the Olmsted County Market Area at 93.7% as of the 2018 American Community Survey. The highest proportion of estimated renter-occupied housing units in 2018 could be found in the Rochester submarket (31.5%) and East submarket (20.4%).

HOUSING CHARACTERISTICS

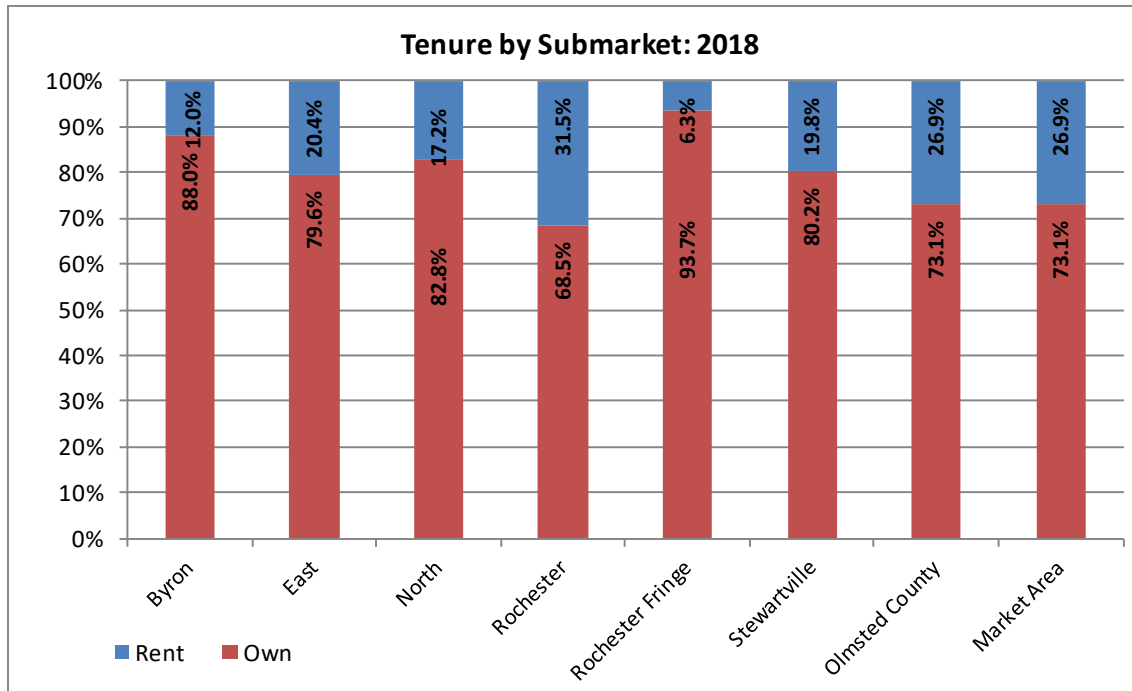
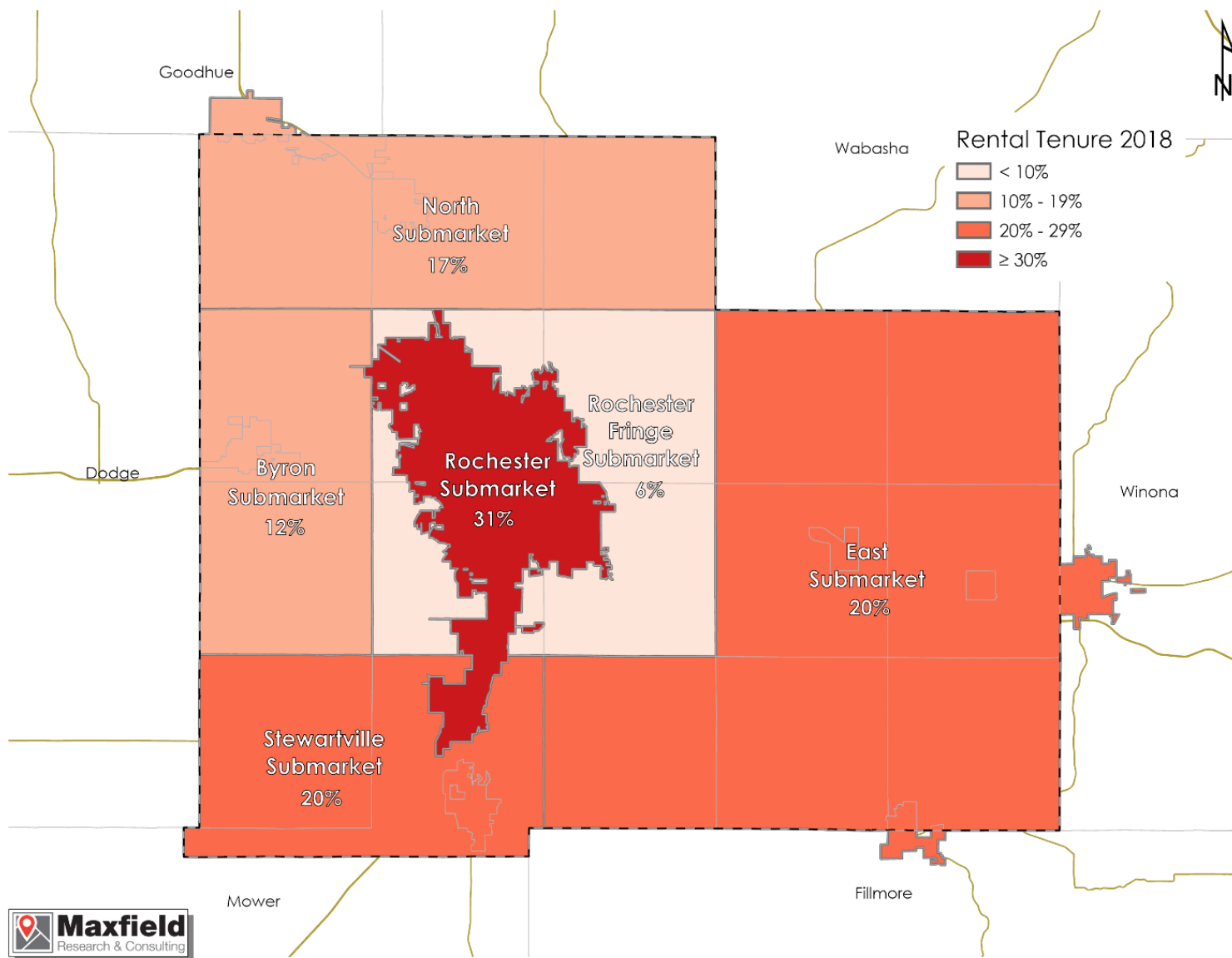


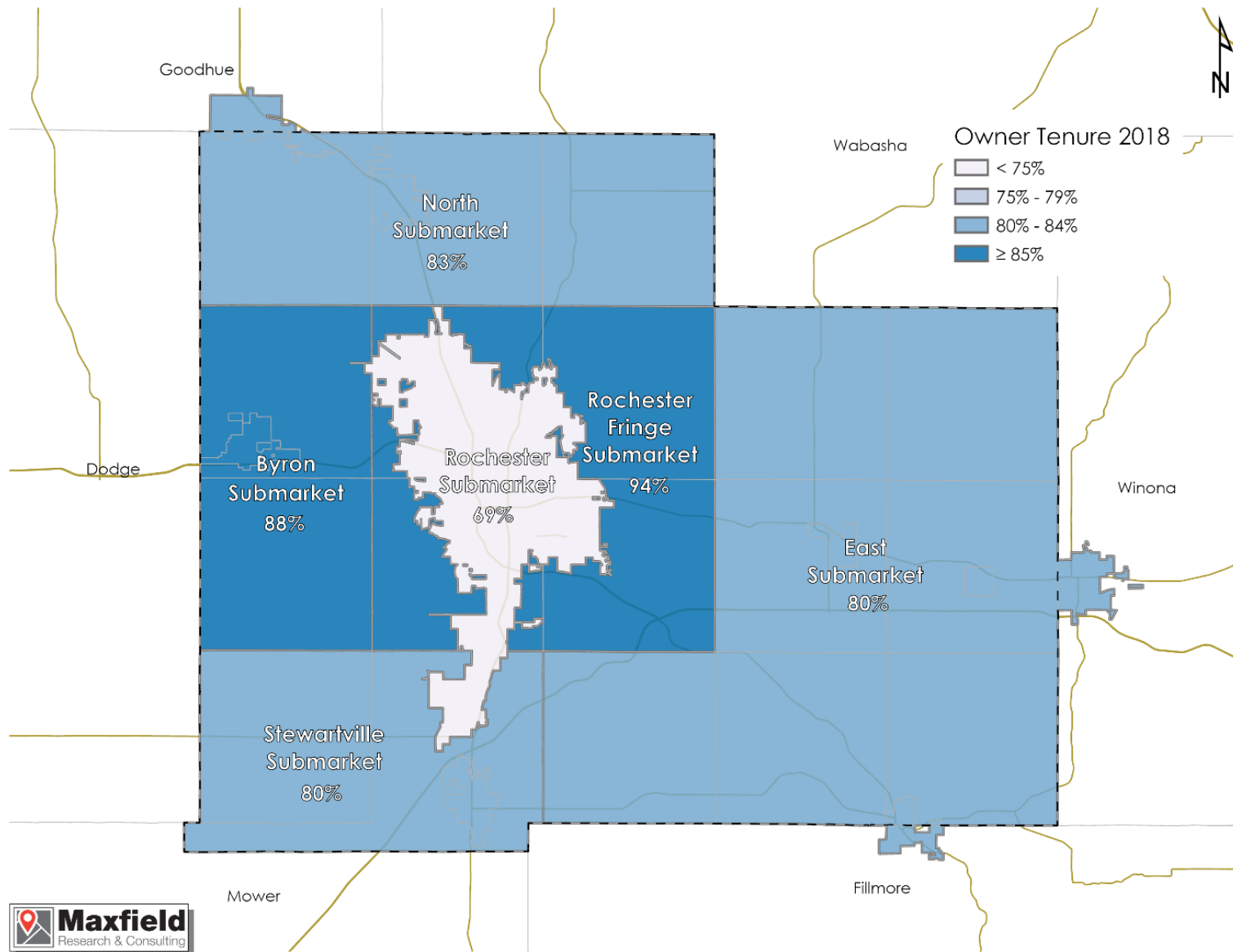
TABLE HC-4 HOUSING UNITS BY OCCUPANCY STATUS & TENURE OLMSTED COUNTY MARKET AREA 2010 & 2018								
2010								
Year/Occupancy	BYRON SUBMARKET		EAST SUBMARKET		NORTH SUBMARKET		CITY OF ROCHESTER	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Owner Occupied	2,240	85.2	3,862	79.4	2,723	84.9	30,472	70.8
Renter Occupied	389	14.8	999	20.6	486	15.1	12,553	29.2
Total	2,629	100.0	4,861	100.0	3,209	100.0	43,025	100.0
Year/Occupancy	ROCHESTER FRINGE		STEWARTVILLE		OLMSTED COUNTY		MARKET AREA TOTAL	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Owner Occupied	3,324	94.6	2,439	83.0	42,812	75.0	45,060	74.9
Renter Occupied	188	5.4	501	17.0	14,268	25.0	15,116	25.1
Total	3,512	100.0	2,940	100.0	57,080	100.0	60,176	100.0
2018								
Year/Occupancy	BYRON SUBMARKET		EAST SUBMARKET		NORTH SUBMARKET		CITY OF ROCHESTER	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Owner Occupied	2,567	88.0	3,969	79.6	2,775	82.8	31,489	68.5
Renter Occupied	349	12.0	1,016	20.4	576	17.2	14,456	31.5
Total	2,916	100.0	4,985	100.0	3,351	100.0	45,945	100.0
Year/Occupancy	ROCHESTER FRINGE		STEWARTVILLE		OLMSTED COUNTY		MARKET AREA TOTAL	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Owner Occupied	3,481	93.7	2,462	80.2	44,453	73.1	46,743	73.1
Renter Occupied	233	6.3	606	19.8	16,317	26.9	17,236	26.9
Total	3,714	100.0	3,068	100.0	60,770	100.0	63,979	100.0

Sources: U.S. Census Bureau; Maxfield Research & Consulting, LLC

Rental Tenure – 2018



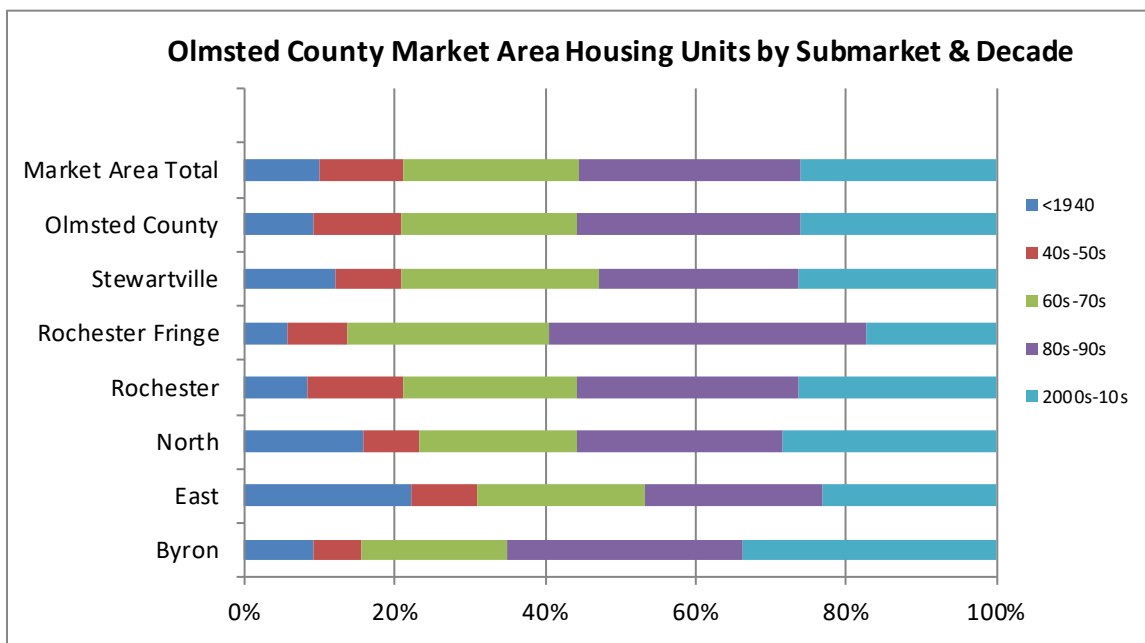
Owner Tenure – 2018



Age of Housing Stock

Table HC-5 illustrates the number of housing units built in the Olmsted County Market Area and the vicinity by decade based on data from the U.S. Census Bureau and the American Community Survey (5-year).

- The greatest percentages of homes built in the Olmsted County Market Area were built in the 2000s, which comprised 19.5% of the entire housing stock. However, the vast majority of these housing units were constructed in the first half of the decade before the housing market decline.
- About 8% of Rochester’s occupied housing units were constructed prior to 1940 (4,070 housing units). About 21% of Rochester’s housing stock was built prior to 1960 (10,234 units). Approximately 26% of Rochester’s housing stock has been constructed since 2000.
- The East submarket has the highest proportion of older homes as nearly 22% of the housing supply was built prior to 1940, followed by the North submarket (16%).
- Approximately 72% of all Olmsted County Market Area housing units are located in Rochester. Together with the Rochester Fringe, 78% of the housing units are in the Rochester Area.
- Since 2010, an estimated 4,360 housing units have been added to the Olmsted County Market Area’s housing stock, roughly 6.5% of the total. The Rochester submarket was the leader with 3,252 new units, accounting for 75% off all new units in the County since 2010.

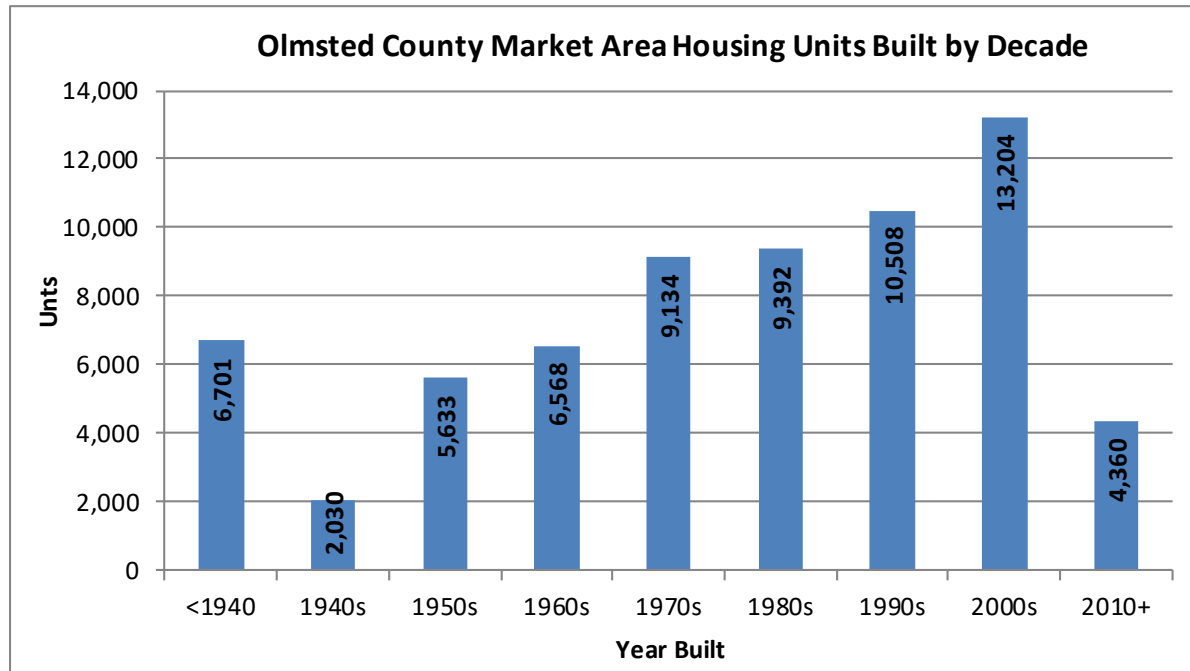


HOUSING CHARACTERISTICS

**TABLE HC-5
AGE OF HOUSING STOCK (OCCUPIED HOUSING UNITS)
OLMSTED COUNTY MARKET AREA
2018**

Submarket	Total Units	Med. Yr. Built	Year Structure Built																	
			<1940		1940s		1950s		1960s		1970s		1980s		1990s		2000 to 2010		2010 or later	
			No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Byron	3,041	1990	279	9.2%	36	1.2%	160	5.3%	243	8.0%	341	11.2%	292	9.6%	663	21.8%	796	26.2%	231	7.6%
East	5,333	1978	1,178	22.1%	128	2.4%	339	6.4%	511	9.6%	687	12.9%	510	9.6%	745	14.0%	1,046	19.6%	189	3.5%
North	3,560	1984	567	15.9%	115	3.2%	149	4.2%	154	4.3%	592	16.6%	356	10.0%	619	17.4%	829	23.3%	179	5.0%
City of Rochester	48,648	1984	4,070	8.4%	1,588	3.3%	4,576	9.4%	5,019	10.3%	6,308	13.0%	7,233	14.9%	7,040	14.5%	9,562	19.7%	3,252	6.7%
Rochester Fringe	3,797	1984	222	5.8%	67	1.8%	235	6.2%	328	8.6%	686	18.1%	729	19.2%	875	23.0%	461	12.1%	194	5.1%
Stewartville	3,151	1983	385	12.2%	96	3.0%	174	5.5%	313	9.9%	520	16.5%	272	8.6%	566	18.0%	510	16.2%	315	10.0%
Olmsted County	64,142	1984	5,942	9.3%	1,954	3.0%	5,407	8.4%	6,292	9.8%	8,710	13.6%	9,126	14.2%	9,972	15.5%	12,511	19.5%	4,228	6.6%
Market Area Total	67,530	1984	6,701	9.9%	2,030	3.0%	5,633	8.3%	6,568	9.7%	9,134	13.5%	9,392	13.9%	10,508	15.6%	13,204	19.6%	4,360	6.5%

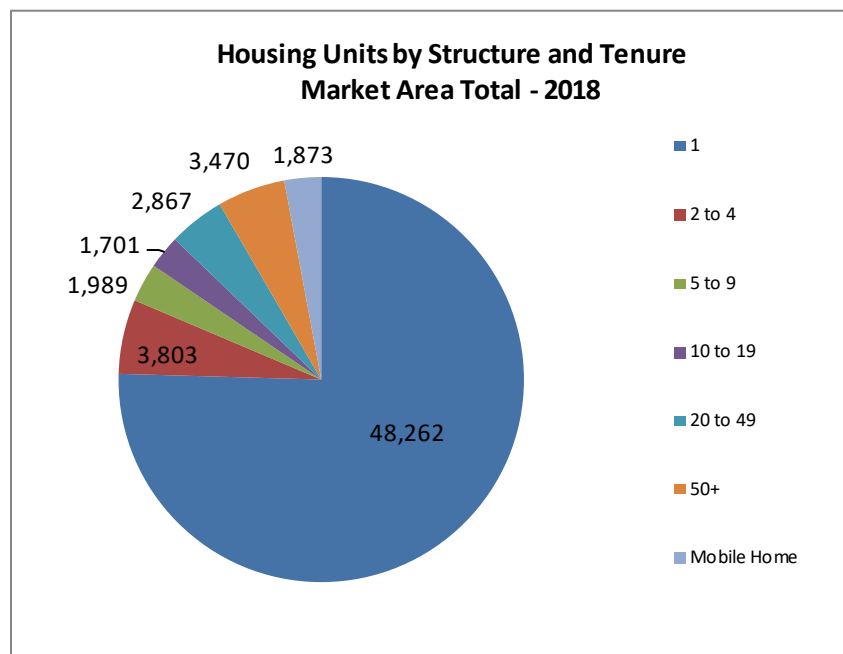
Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC



Housing Units by Structure and Occupancy or (Housing Stock by Structure Type)

Table HC-6 shows the housing stock in the Olmsted County Market Area by type of structure and tenure based on the 2018 ACS.

- The dominant housing type is the single-family detached home, representing 86% of all owner-occupied housing units in the Olmsted County Market Area.
- The East and Rochester Fringe submarkets have the highest proportions of single-family owner-occupied detached housing, representing 92% and 91.5% of their respective housing inventories. Conversely, the Rochester submarket has the smallest proportion of single-family owner-occupied detached housing in the Olmsted County Market Area at 84%.



- Although single-family housing is dominated by detached units, the majority of renter-occupied housing units are located in structures with two or more units. Nearly three-quarters of rental units are located in multifamily structures with two or more units.
- The Rochester Submarket contains an estimated 84% of the Olmsted County Market Area’s rental housing stock. Nearly 14,500 rental units were identified in Rochester, of which about one-half of the units are located in structures with more than 10 units.

HOUSING CHARACTERISTICS

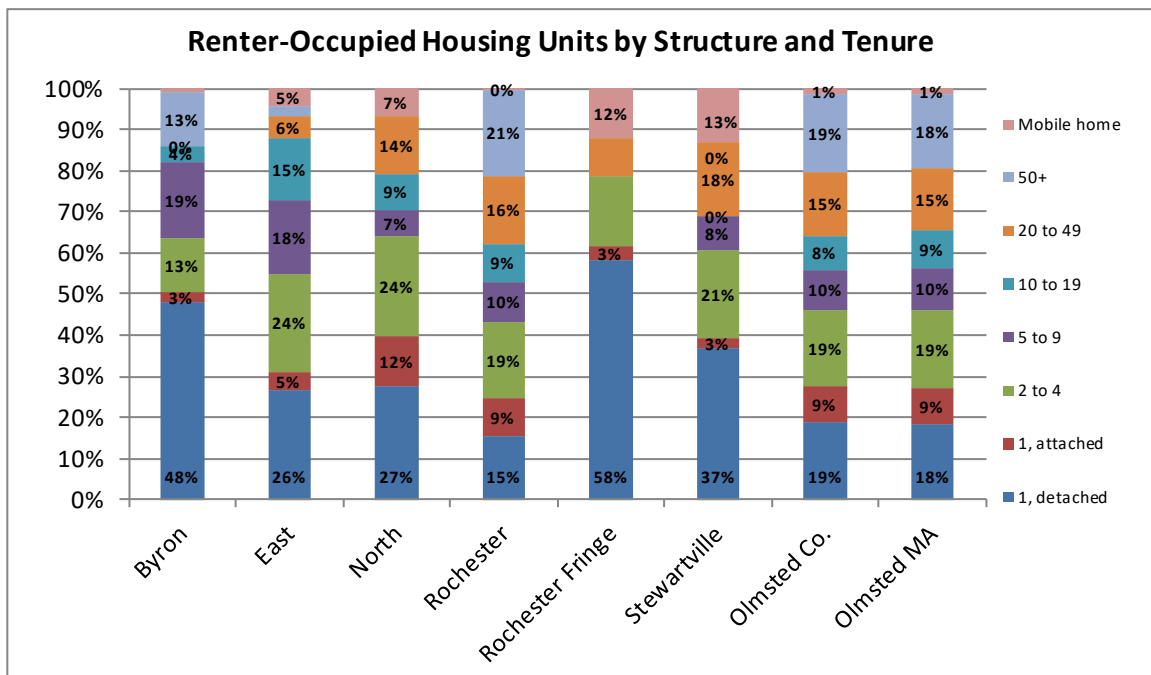
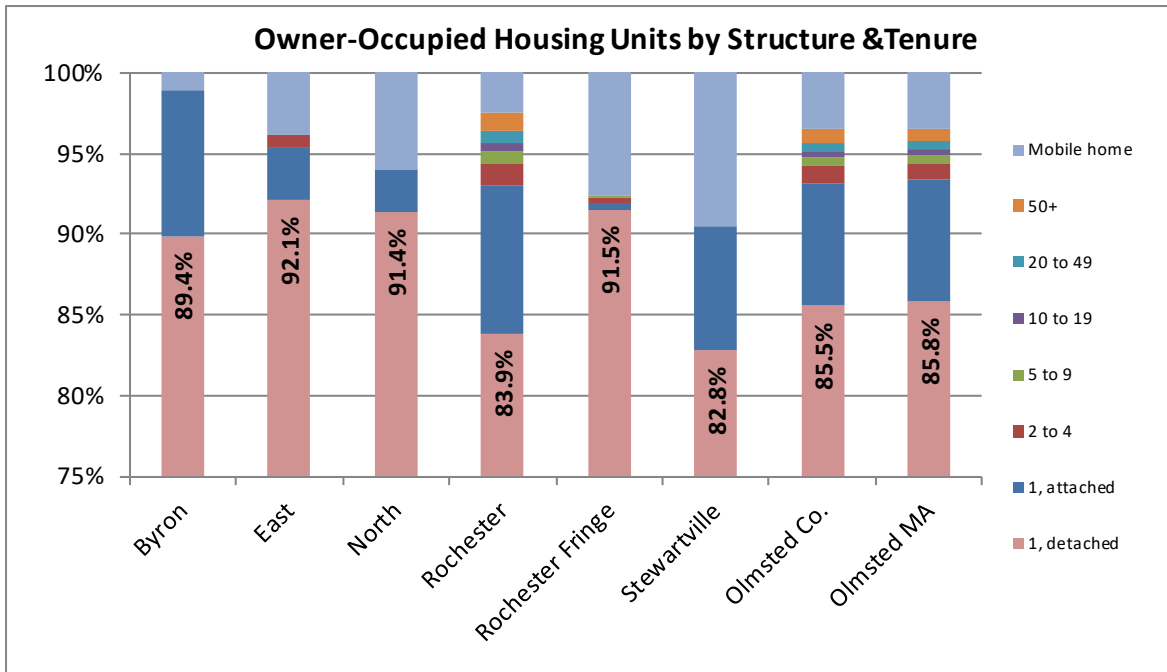
**TABLE HC-6
HOUSING UNITS BY STRUCTURE & TENURE
OLMSTED COUNTY MARKET AREA
2018**

Units in Structure	BYRON SUBMARKET				EAST SUBMARKET				NORTH SUBMARKET				CITY OF ROCHESTER			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
1, detached	2,295	89.4%	167	47.9%	3,654	92.1%	269	26.5%	2,535	91.4%	158	27.4%	26,408	83.9%	2,217	15.3%
1, attached	229	8.9%	9	2.6%	131	3.3%	47	4.6%	73	2.6%	70	12.2%	2,866	9.1%	1,325	9.2%
2	0	0.0%	23	6.6%	24	0.6%	118	11.6%	0	0.0%	53	9.2%	83	0.3%	716	5.0%
3 to 4	0	0.0%	22	6.3%	5	0.1%	123	12.1%	0	0.0%	87	15.1%	361	1.1%	2,008	13.9%
5 to 9	0	0.0%	66	18.9%	0	0.0%	182	17.9%	0	0.0%	38	6.6%	241	0.8%	1,405	9.7%
10 to 19	0	0.0%	13	3.7%	0	0.0%	152	15.0%	0	0.0%	51	8.9%	145	0.5%	1,340	9.3%
20 to 49	0	0.0%	0	0.0%	0	0.0%	58	5.7%	0	0.0%	79	13.7%	237	0.8%	2,361	16.3%
50 or more	0	0.0%	46	13.2%	0	0.0%	21	2.1%	0	0.0%	0	0.0%	371	1.2%	3,032	21.0%
Mobile home	29	1.1%	3	0.9%	155	3.9%	46	4.5%	167	6.0%	40	6.9%	777	2.5%	52	0.4%
Boat, RV, van, etc.	14	0.5%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	2,567	100%	349	100%	3,969	100%	1,016	100%	2,775	100%	576	100%	31,489	100%	14,456	100%

Units in Structure	ROCHESTER FRINGE SUBMARKET				STEWARTVILLE SUBMARKET				OLMSTED COUNTY				OLMSTED CO. MARKET AREA TOTAL			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
1, detached	3,186	91.5%	136	58.4%	2,038	82.8%	222	36.6%	38,011	85.5%	3,069	18.8%	40,116	85.8%	3,169	18.4%
1, attached	13	0.4%	7	3.0%	191	7.8%	16	2.6%	3,398	7.6%	1,409	8.6%	3,503	7.5%	1,474	8.6%
2	11	0.3%	40	17.2%	0	0.0%	15	2.5%	100	0.2%	836	5.1%	118	0.3%	965	5.6%
3 to 4	0	0.0%	0	0.0%	0	0.0%	114	18.8%	366	0.8%	2,216	13.6%	366	0.8%	2,354	13.7%
5 to 9	7	0.2%	0	0.0%	0	0.0%	50	8.3%	248	0.6%	1,577	9.7%	248	0.5%	1,741	10.1%
10 to 19	0	0.0%	0	0.0%	0	0.0%	0	0.0%	145	0.3%	1,381	8.5%	145	0.3%	1,556	9.0%
20 to 49	0	0.0%	22	9.4%	0	0.0%	110	18.2%	237	0.5%	2,500	15.3%	237	0.5%	2,630	15.3%
50 or more	0	0.0%	0	0.0%	0	0.0%	0	0.0%	371	0.8%	3,093	19.0%	371	0.8%	3,099	18.0%
Mobile home	264	7.6%	28	12.0%	233	9.5%	79	13.0%	1,563	3.5%	236	1.4%	1,625	3.5%	248	1.4%
Boat, RV, van, etc.	0	0.0%	0	0.0%	0	0.0%	0	0.0%	14	0.0%	0	0.0%	14	0.0%	0	0.0%
Total	3,481	100%	233	100%	2,462	100%	606	100%	44,453	100%	16,317	100%	46,743	100%	17,236	100%

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research Inc.

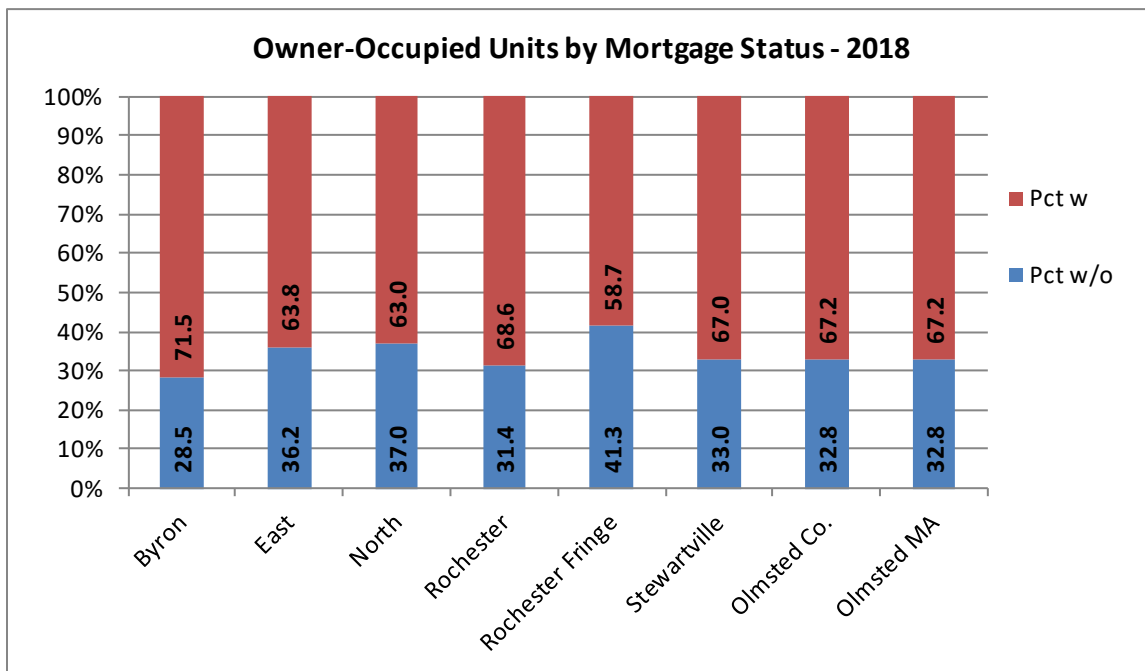
HOUSING CHARACTERISTICS



Owner-Occupied Housing Units by Mortgage Status

Table HC-7 shows mortgage status and average values from the American Community Survey for 2018 (5-Year). Mortgage status provides information on the cost of homeownership when analyzed in conjunction with mortgage payment data. A mortgage refers to all forms of debt where the property is pledged as security for repayment of debt. A first mortgage has priority claim over any other mortgage or if it is the only mortgage. A second (and sometimes third) mortgage is called a “junior mortgage,” a home equity line of credit (HELOC) would also fall into this category. Finally, a housing unit without a mortgage is owned free and clear and is debt free.

- Approximately 67% of the Olmsted County Market Area’s homeowners have a mortgage. Nationally, about 70% of U.S. homeowners have a mortgage on their property. About 15% of homeowners with mortgages in the Olmsted County Market Area also have a second mortgage and/or home equity loan.
- The average value for homes with a mortgage for the Olmsted County Market Area homeowners was approximately \$213,295. The Rochester Fringe submarket had the highest median value at \$374,926 and the Rochester submarket had the lowest at \$191,700.
- The Rochester Fringe submarket had the highest percentage of homeowners without a mortgage; approximately 41%. Conversely, the Byron Submarket had the highest percentage of homeowners with a mortgage at 71.5%.



HOUSING CHARACTERISTICS

**TABLE HC-7
OWNER-OCCUPIED HOUSING UNITS BY MORTGAGE STATUS
OLMSTED COUNTY MARKET AREA
2018**

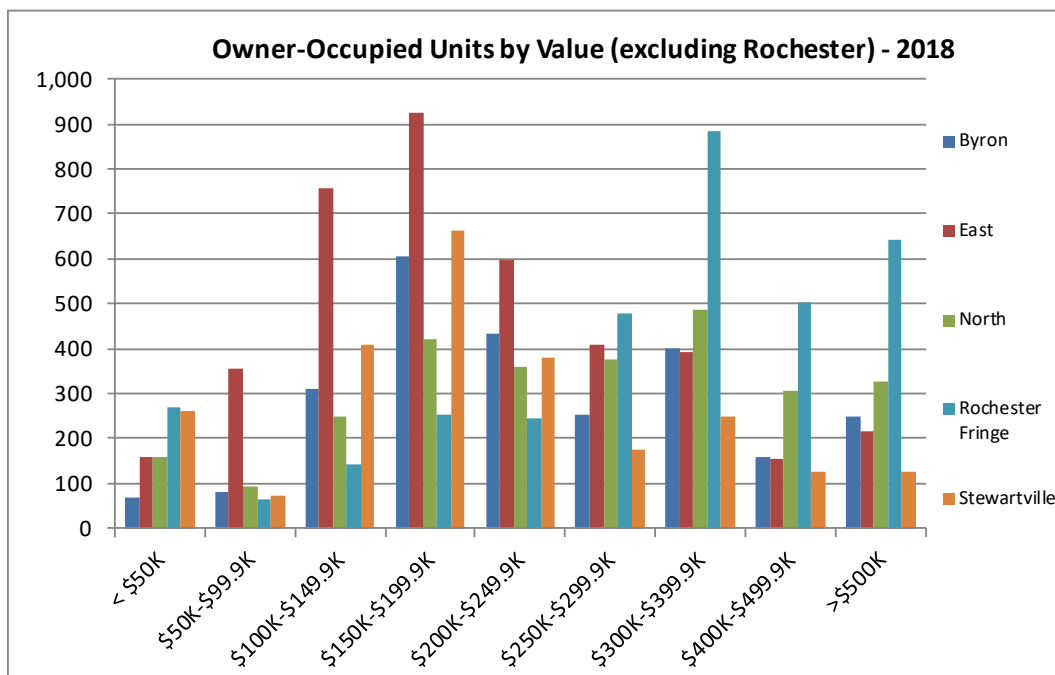
Mortgage Status	BYRON SUBMARKET		EAST SUBMARKET		NORTH SUBMARKET		CITY OF ROCHESTER	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Housing units without a mortgage	731	28.5	1,435	36.2	1,027	37.0	9,887	31.4
Housing units with a mortgage/debt	1,836	71.5	2,534	63.8	1,748	63.0	21,602	68.6
<i>Second mortgage only</i>	80	3.1	79	2.0	100	3.6	801	2.5
<i>Home equity loan only</i>	270	10.5	279	7.0	201	7.2	2,319	7.4
<i>Both second mortgage and equity loan</i>	4	0.2	3	0.1	6	0.2	111	0.4
<i>No second mortgage or equity loan</i>	1,482	57.7	2,173	54.7	1,441	51.9	18,371	58.3
Total	2,567	100.0	3,969	100.0	2,775	100.0	31,489	100.0
Average Value by Mortgage Status								
Housing units with a mortgage	\$232,068		\$207,664		\$281,187		\$191,700	
Housing units without a mortgage	\$252,544		\$197,802		\$225,823		\$179,300	
Mortgage Status	ROCHESTER FRINGE		STEWARTVILLE SUBMARKET		OLMSTED COUNTY		MARKET AREA TOTAL	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Housing units without a mortgage	1,439	41.3	813	33.0	14,575	32.8	15,332	32.8
Housing units with a mortgage/debt	2,042	58.7	1,649	67.0	29,878	67.2	31,411	67.2
<i>Second mortgage only</i>	73	2.1	44	1.8	1,134	2.6	1,177	2.5
<i>Home equity loan only</i>	298	8.6	187	7.6	3,430	7.7	3,554	7.6
<i>Both second mortgage and equity loan</i>	6	0.2	14	0.6	138	0.3	144	0.3
<i>No second mortgage or equity loan</i>	1,665	47.8	1,404	57.0	25,176	56.6	26,536	56.8
Total	3,481	100.0	2,462	100.0	44,453	100.0	46,743	100.0
Average Value by Mortgage Status								
Housing units with a mortgage	\$374,926		\$211,828		\$203,500		\$213,295	
Housing units without a mortgage	\$300,269		\$212,042		\$192,500		\$200,494	

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC

Owner-Occupied Housing Units by Value

Table HC-8 presents data on housing values summarized by nine price ranges. Housing value refers to the estimated price point the property would sell if the property were for sale. For single-family and townhome properties, value includes both the land and the structure. For condominium units, value refers to only the unit.

- The median owner-occupied home in Olmsted County was \$199,500 or \$10,440 lower than the median home value of the Market Area (\$209,937).
- Median values in the Olmsted County Market Area range from a low of \$188,000 in the Rochester Submarket to a high of \$343,845 in the Rochester Fringe Submarket.
- Stewartville, East, and Rochester were the only submarkets to have estimated median values below the Olmsted County Market Area median value. Rochester was the only submarket to have an estimated median value below Olmsted County.



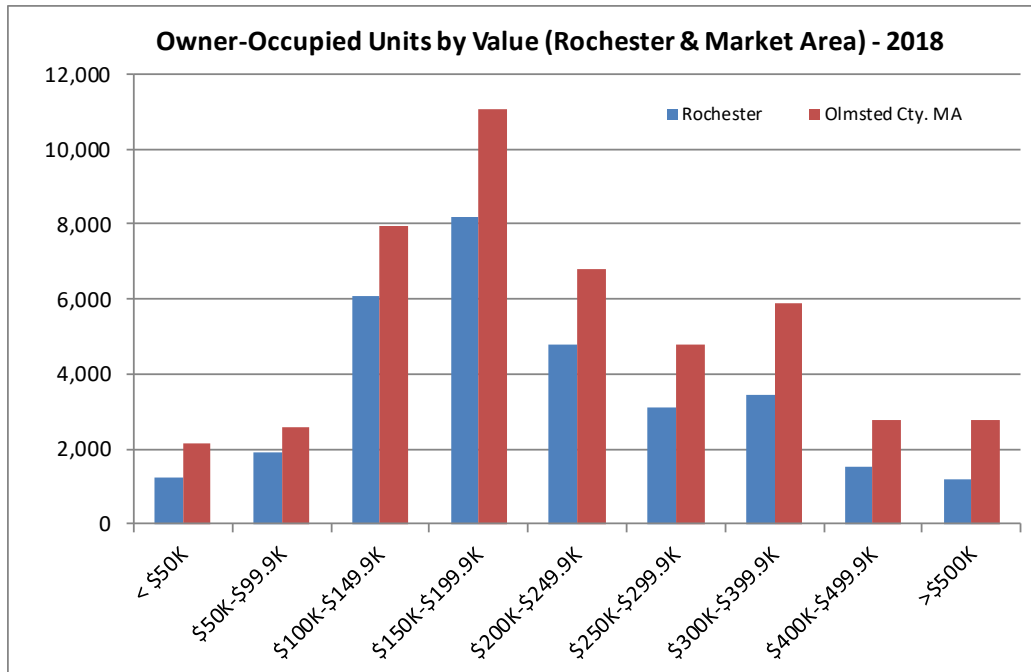
HOUSING CHARACTERISTICS

**TABLE HC-8
OWNER-OCCUPIED UNITS BY VALUE
OLMSTED COUNTY MARKET AREA
2018**

Home Value	BYRON SUBMARKET		EAST SUBMARKET		NORTH SUBMARKET		CITY OF ROCHESTER	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Less than \$50,000	70	2.7	160	4.0	158	5.7	1,243	3.9
\$50,000-\$99,999	81	3.2	357	9.0	93	3.4	1,893	6.0
\$100,000-\$149,999	312	12.2	758	19.1	249	9.0	6,100	19.4
\$150,000-\$199,999	607	23.6	923	23.3	422	15.2	8,185	26.0
\$200,000-\$249,999	435	16.9	599	15.1	358	12.9	4,777	15.2
\$250,000-\$299,999	253	9.9	408	10.3	375	13.5	3,100	9.8
\$300,000-\$399,999	402	15.7	394	9.9	488	17.6	3,446	10.9
\$400,000-\$499,999	158	6.2	153	3.9	306	11.0	1,538	4.9
Greater than \$500,000	249	9.7	217	5.5	326	11.7	1,207	3.8
Total	2,567	100.0	3,969	100.0	2,775	100.0	31,489	100.0
Median Home Value	\$236,024		\$205,151		\$274,515		\$188,000	

Home Value	ROCHESTER FRINGE		STEWARTVILLE SUBMARKET		OLMSTED COUNTY		MARKET AREA TOTAL	
	No.	Pct.	No.	Pct.	No.	Pct.	Pct.	Pct.
Less than \$50,000	271	7.8	261	10.6	2,070	4.7	2,163	4.6
\$50,000-\$99,999	63	1.8	73	3.0	2,287	5.1	2,560	5.5
\$100,000-\$149,999	144	4.1	409	16.6	7,469	16.8	7,972	17.1
\$150,000-\$199,999	252	7.2	663	26.9	10,494	23.6	11,052	23.6
\$200,000-\$249,999	243	7.0	381	15.5	6,404	14.4	6,793	14.5
\$250,000-\$299,999	477	13.7	174	7.1	4,539	10.2	4,787	10.2
\$300,000-\$399,999	886	25.5	250	10.2	5,692	12.8	5,866	12.5
\$400,000-\$499,999	504	14.5	126	5.1	2,764	6.2	2,785	6.0
Greater than \$500,000	641	18.4	125	5.1	2,734	6.2	2,765	5.9
Total	3,481	100.0	2,462	100.0	44,453	100.0	46,743	100.0
Median Home Value	\$343,845		\$208,903		\$199,500		\$209,937	

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC

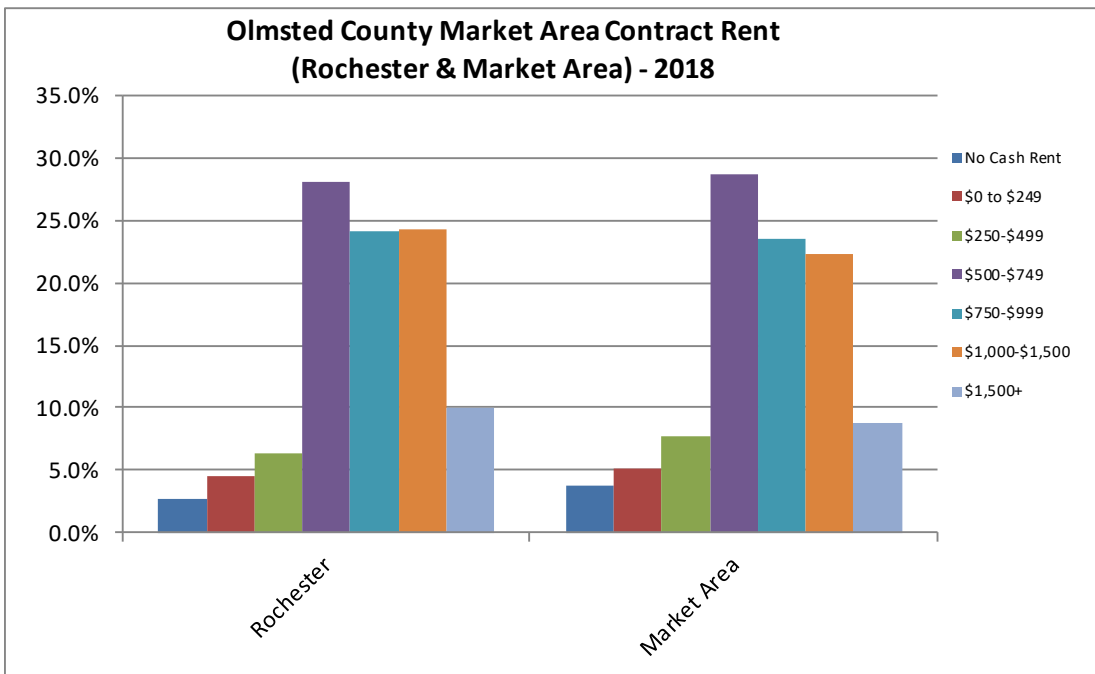
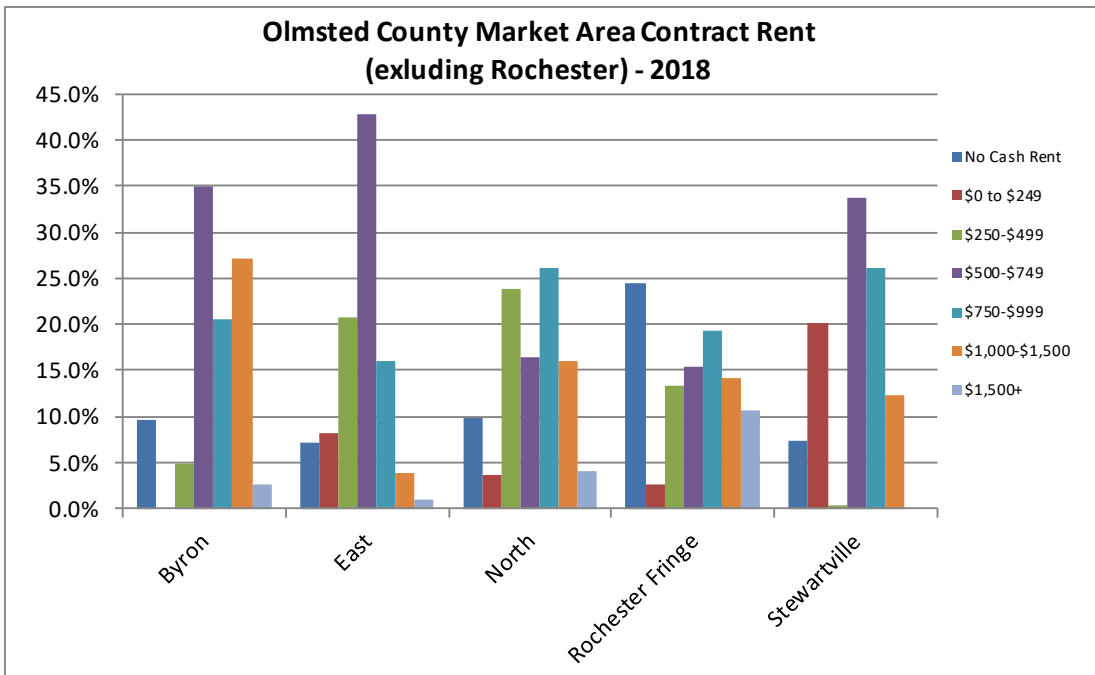


Renter-Occupied Units by Contract Rent

Table HC-9 presents information on the monthly housing costs for renters called contract rent (also known as asking rent) in 2018. Contract rent is the monthly rent agreed to regardless of any utilities, furnishings, fees, or services that may be included.

- The median contract rent in the Olmsted County Market Area was estimated at \$808. Based on a 30% allocation of income to housing, an income of \$32,320 would be needed to afford the median rent.
- The East Submarket had the lowest estimated contract rent at \$590. Rochester had the highest estimated contract rent at \$830.
- Nearly 29% of the Olmsted County Market Area renters paying cash have monthly rents ranging from \$500 to \$749, 24% had monthly rents ranging from \$750 to \$999, and 22% had monthly rents between \$1,000 and \$1,500. Only 8% of estimated renter households had monthly rents ranging from \$250 and \$499.
- Housing units without payment of rent (“no cash rent”) make up only 3.8% of the Olmsted County Market Area’s renters. Typically, units may be owned by a relative or friend who lives elsewhere whom allow occupancy without charge. Other sources may include caretakers or ministers who may occupy a residence without charge.

HOUSING CHARACTERISTICS



HOUSING CHARACTERISTICS

**TABLE HC-9
RENTER-OCCUPIED UNITS BY CONTRACT RENT
OLMSTED COUNTY MARKET AREA
2018**

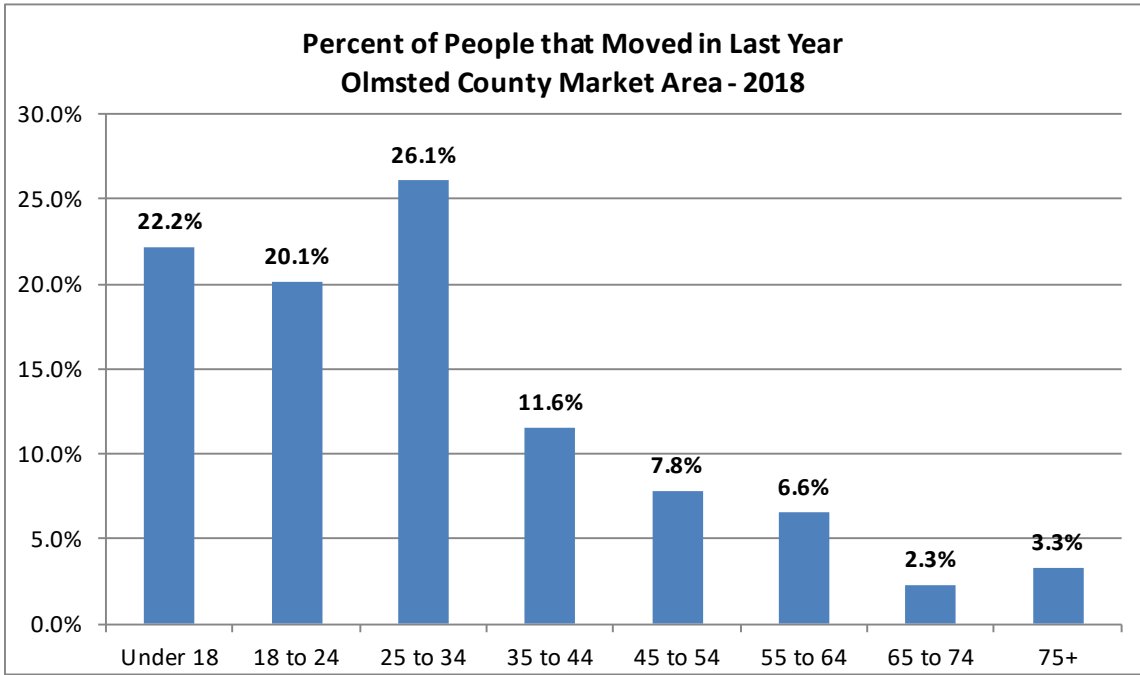
Contract Rent	BYRON SUBMARKET		EAST SUBMARKET		NORTH SUBMARKET		CITY OF ROCHESTER	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
No Cash Rent	34	9.7	73	7.2	57	9.9	387	2.7
Cash Rent	315	90.3	943	92.8	519	90.1	14,069	97.3
\$0 to \$249	0	0.0	84	8.3	21	3.6	653	4.5
\$250-\$499	17	4.9	212	20.9	137	23.8	927	6.4
\$500-\$749	122	35.0	435	42.8	95	16.5	4,047	28.0
\$750-\$999	72	20.6	162	15.9	150	26.0	3,476	24.0
\$1,000-\$1,500	95	27.2	40	3.9	92	16.0	3,511	24.3
\$1,500+	9	2.6	10	1.0	24	4.2	1,455	10.1
Total	349	100.0	1,016	100.0	576	100.0	14,456	100.0
Median Contract Rent	\$771		\$590		\$686		\$830	
Contract Rent	ROCHESTER FRINGE		STEWARTVILLE SUBMARKET		OLMSTED COUNTY		MARKET AREA TOTAL	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
No Cash Rent	57	24.5	45	7.4	642	3.9	653	3.8
Cash Rent	176	75.5	561	92.6	15,675	96.1	16,583	96.2
\$0 to \$249	6	2.6	122	20.1	816	5.0	886	5.1
\$250-\$499	31	13.3	2	0.3	1,076	6.6	1,326	7.7
\$500-\$749	36	15.5	204	33.7	4,615	28.3	4,939	28.7
\$750-\$999	45	19.3	158	26.1	3,901	23.9	4,063	23.6
\$1,000-\$1,500	33	14.2	75	12.4	3,762	23.1	3,846	22.3
\$1,500+	25	10.7	0	0.0	1,505	9.2	1,523	8.8
Total	233	100.0	606	100.0	16,317	100.0	17,236	100.0
Median Contract Rent	\$881		\$723		\$817		\$808	

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC

Mobility in the Past Year

Table HC-10 shows the mobility patterns of Olmsted County Market Area residents within a one-year time frame (2018 is the last year available). Table HC-11 shows mobility patterns of each submarket within the Olmsted County Market Area.

- The majority of residents (86%) did not move within the last year.
- Of the residents that moved within the last year, approximately 3% moved from outside of the Olmsted County Market Area but within Minnesota and 8% moved from within the Olmsted County Market Area.
- A greater proportion of younger age cohorts tended to move within the last year compared to older age cohorts. Approximately 22% of those age 18 to 24 moved within the last year compared to 3% of those age 75+.
- The East submarket had the highest percentage of people who were estimated to not have move in the last year (91%), while Rochester had the lowest percentage (84%).
- The North submarket had the highest percentage of people who moved from a different county from Minnesota (5%), while the East had the second-highest percentage (4%).



HOUSING CHARACTERISTICS

**TABLE HC-10
MOBILITY IN THE PAST YEAR BY AGE FOR CURRENT RESIDENCE
OLMSTED COUNTY MARKET AREA
2018**

Age	Not Moved		Moved							
	Same House		Within Same County		Different County Same State		Different State		Abroad	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Under 18	31,295	86.6%	2,939	8.1%	914	2.5%	522	1.4%	474	1.3%
18 to 24	7,415	62.7%	1,793	15.2%	1,379	11.7%	1,127	9.5%	103	0.9%
25 to 34	16,629	74.5%	3,002	13.4%	1,115	5.0%	1,234	5.5%	351	1.6%
35 to 44	17,215	87.2%	1,393	7.1%	339	1.7%	493	2.5%	300	1.5%
45 to 54	17,355	91.0%	1,034	5.4%	368	1.9%	219	1.1%	90	0.5%
55 to 64	18,490	92.8%	797	4.0%	247	1.2%	206	1.0%	186	0.9%
65 to 74	11,654	95.8%	247	2.0%	92	0.8%	100	0.8%	67	0.6%
75+	9,510	92.9%	372	3.6%	116	1.1%	177	1.7%	64	0.6%
Total	129,563	85.6%	11,577	7.6%	4,570	3.0%	4,078	2.7%	1,635	1.1%

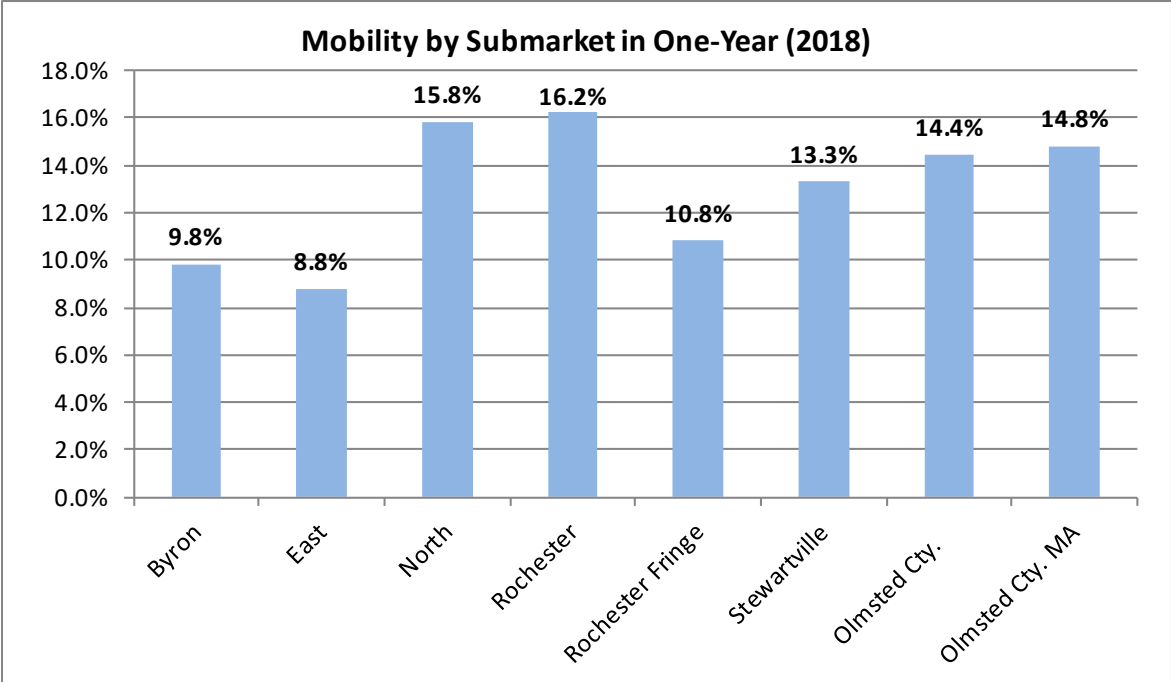
Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC

HOUSING CHARACTERISTICS

**TABLE HC-11
MOBILITY IN THE PAST YEAR BY SUBMARKET FOR CURRENT RESIDENCE
OLMSTED COUNTY MARKET AREA
2018**

Submarket	Not Moved		Moved							
	Same House		Within Same County		Different County Same State		Different State		Abroad	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Byron	6,966	90.2%	472	6.1%	157	2.0%	43	0.6%	87	1.1%
East	11,625	91.2%	449	3.5%	494	3.9%	148	1.2%	26	0.2%
North	7,552	84.2%	874	9.7%	441	4.9%	91	1.0%	13	0.1%
Rochester	94,370	83.8%	9,467	8.4%	3,659	3.2%	3,661	3.2%	1,495	1.3%
Rochester Fringe	9,028	89.2%	718	7.1%	235	2.3%	109	1.1%	33	0.3%
Stewartville	6,956	86.7%	762	9.5%	142	1.8%	162	2.0%	2	0.0%
Olmsted County	129,563	85.6%	11,577	7.6%	4,570	3.0%	4,078	2.7%	1,635	1.1%
Olmsted County Market Area	136,497	85.2%	12,742	8.0%	5,128	3.2%	4,214	2.6%	1,656	1.0%

Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC



Employment Trends

Since employment growth generally fuels household growth, employment trends are a reliable indicator of housing demand. Typically, households prefer to live near work for convenience. However, housing is often less expensive in smaller towns, making commuting from outlying communities to work in larger employment centers attractive for households concerned about housing affordability.

Employment Growth & Projections

Tables EMP-1 and EMP-2 show historic and projected employment growth in Olmsted County. Table EMP-1 illustrates Olmsted County employment from 1970 to 2030 and is sourced to Woods & Poole Economics, a national economic and demographic provider. Table EMP-2 shows employment growth trends and projections from 2020 to 2030 based on the most recent information available from the Minnesota Department of Employment and Economic Development (DEED). The 2030 forecast is based on 2016-2026 industry projections for the southeast Minnesota region and the Twin Cities Metro Area. Maxfield Research applied the projected ten-year growth rate of 4.6% for Olmsted County and 6.8% in the Twin Cities to the 2019 employment data to arrive at the 2030 forecast for the Metro Area.

Year	Total Jobs	Pct. Change by Decade
1970	41,600	-
1980	61,260	47.3%
1990	78,980	28.9%
2000	99,890	26.5%
2010	107,992	8.1%
2020	127,561	18.1%
2030	154,524	21.1%

Source: Woods & Poole Economics, Maxfield Research & Consulting, LLC.

- Olmsted County experienced strong job growth over the past four decades. Job growth over the last decade increased by 8% between 2000 and 2010; although growth was not as high given the housing slowdown and ensuing Great Recession.

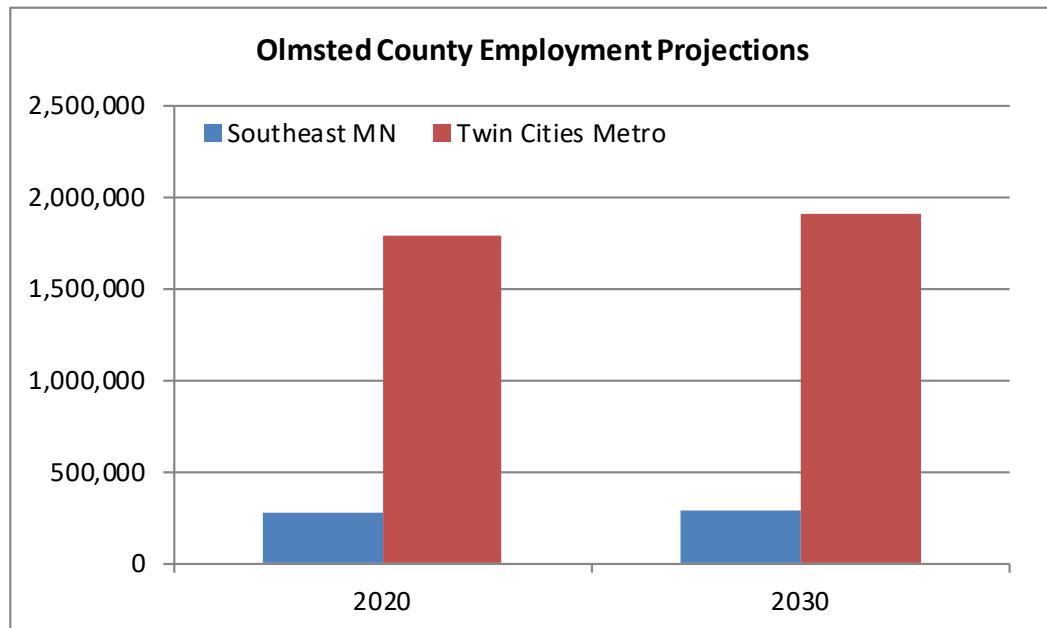
EMPLOYMENT TRENDS

- Significant job growth is expected between 2020 and 2030 (18%). Nearly 27,000 jobs are projected over the next decade.
- Solid job growth is expected between 2020 and 2030 in Southeast Minnesota as well. The Southeast Minnesota planning region is projected to experience a 5% gain (12,721 jobs) during the decade. In comparison, employment in the Twin Cities Metro Area is projected to experience a 7% gain (120,569 jobs) during the decade.

TABLE EMP-2 EMPLOYMENT PROJECTIONS OLMSTED COUNTY 2020-2030				
	Estimate		Forecast	
	2020	2030	2020-2030	
	No.	No.	No.	Pct.
Southeast Minnesota	277,816	290,537	12,721	4.6%
Twin Cities Metro Area	1,785,135	1,905,704	120,569	6.8%

Note: Twin Cities Metro represents the 7-County planning region

Sources: MN Dept of Employment and Economic Development; Metropolitan Council; Maxfield Research & Consulting, LLC



Resident Labor Force

Table EMP-3 presents historic employment statistics for Olmsted County from 1990 to 2019. Table EMP-4 presents annual data between 2000 and 2019. The data is from the Minnesota Workforce Center. Table EMP-4 presents resident employment data for Olmsted County. Resident employment data is calculated as an annual average *and reveals the work force and number of employed persons living in the County*. It is important to note that not all of these individuals necessarily work in the County. The data is from the Minnesota Department of Employment and Economic Development.

- Olmsted County’s labor force has grown substantially over the past few decades. During the 1990s the labor force added 10,788 people (+17.4%) and the 2000s added 8,464 people (11.7%). As of 2019, the county has added over 8,600 people to the labor force.
- Resident employment in Olmsted County increased by about 10,370 people between 2011 and 2019 (13.5%). The number of individuals in the labor market also increased, but at a lower rate than resident employment. This resulted in a decrease in unemployment from 5.3% (2011) to 2.6% (2019).
- Olmsted County’s unemployment rate has been lower than the State of Minnesota in every year from over the past two decades.
- The unemployment rate in Olmsted County reached a high of 6.1% in 2009 during the last recession. However, since 2009 the unemployment rate has fallen nearly every year over the past decade. There was a slight increase in unemployment of 0.3% from 2.3% in 2018 to 2.6% in 2019.
- Due to the Novel Coronavirus and COVID-19, unemployment rates in Olmsted County increased dramatically in from 2.5% in March to 7.2% in April 2020. In May 2020, the unemployment rate jumped again to 10.7%. The majority of the unemployment were temporary furloughs due to the Stay at Home order. The Mayo Clinic furloughed roughly 35,000 employees during this time. As of writing this report, the Mayo Clinic has

TABLE EMP-3 HISTORIC UNEMPLOYMENT STATISTICS OLMSTED COUNTY 1990 to 2019											
	1990	2000	2010	2019	2020*	1990-2000		2000-2010		2010-2019	
						No.	Pct.	No.	Pct.	No.	Pct.
Labor Force	61,845	72,623	81,107	89,730	88,818	10,778	17.4%	8,484	11.7%	8,623	10.6%
Employment	60,116	70,702	76,241	87,408	84,398	10,586	17.6%	5,539	7.8%	11,167	14.6%
Unemployment	1,729	1,921	4,866	2,322	4,420	192	11.1%	2,945	153.3%	-2,544	-52.3%
Unemployment Rate	2.8%	2.6%	6.0%	2.6%	5.0%						

* 2020 is an averaged of the most recent data reported through May.

Source: Minnesota Workforce Center, Maxfield Research & Consulting, LLC

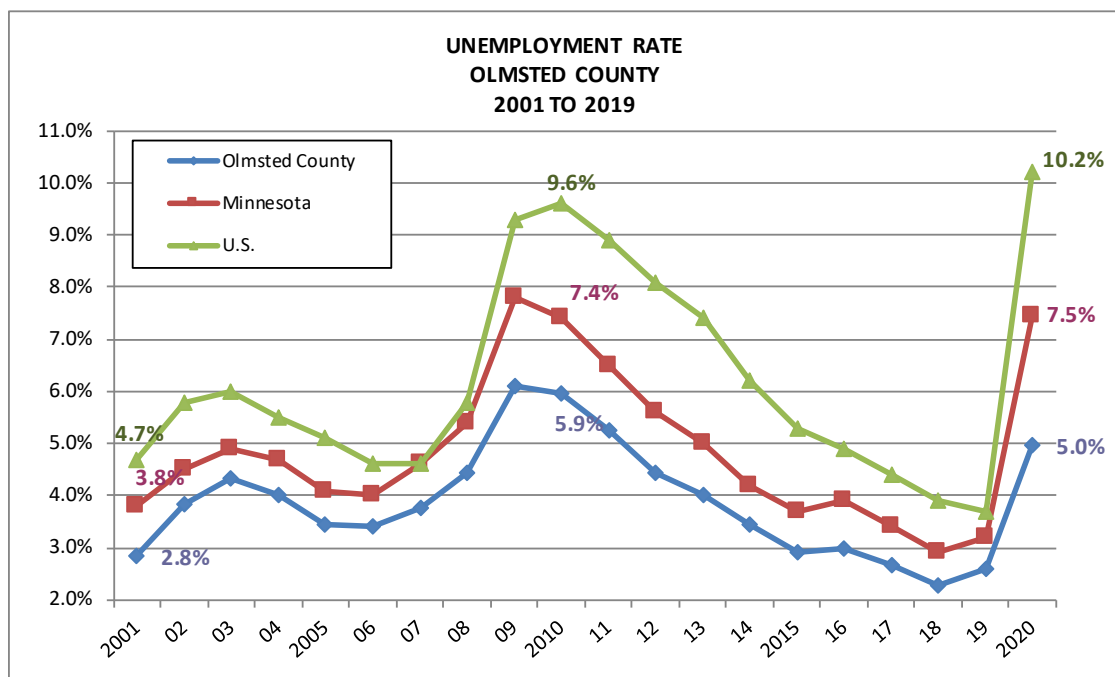
EMPLOYMENT TRENDS

**TABLE EMP-4
RESIDENT EMPLOYMENT (ANNUAL AVERAGE)
OLMSTED COUNTY
2000 through May 2020**

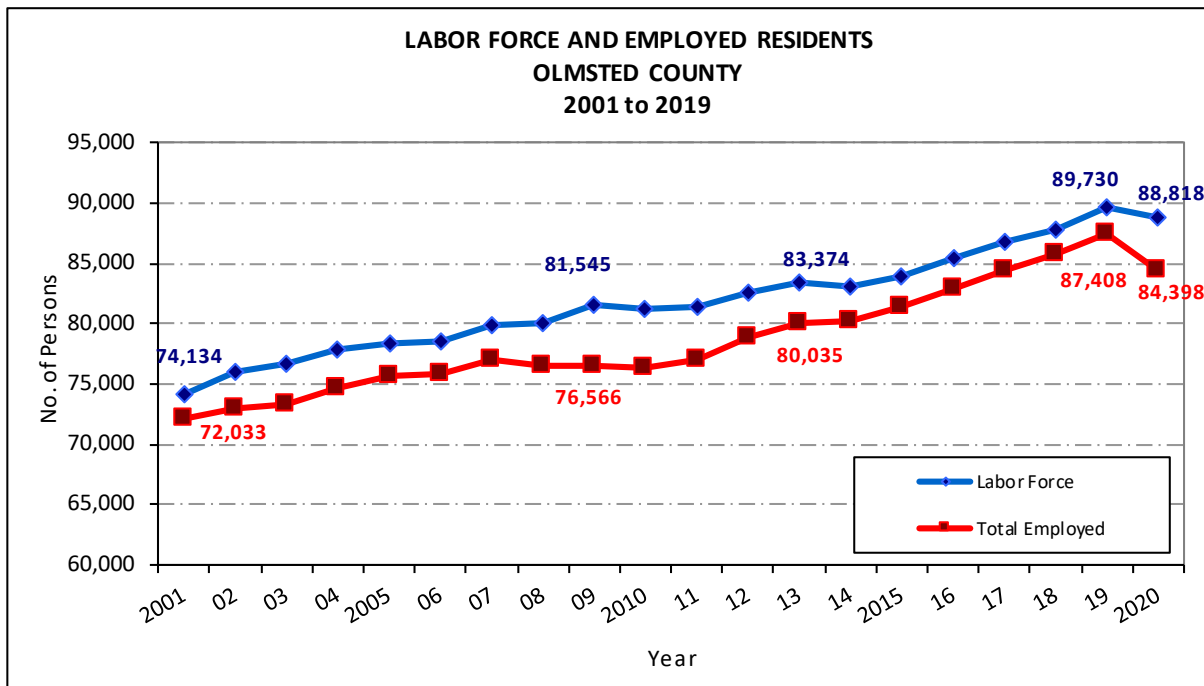
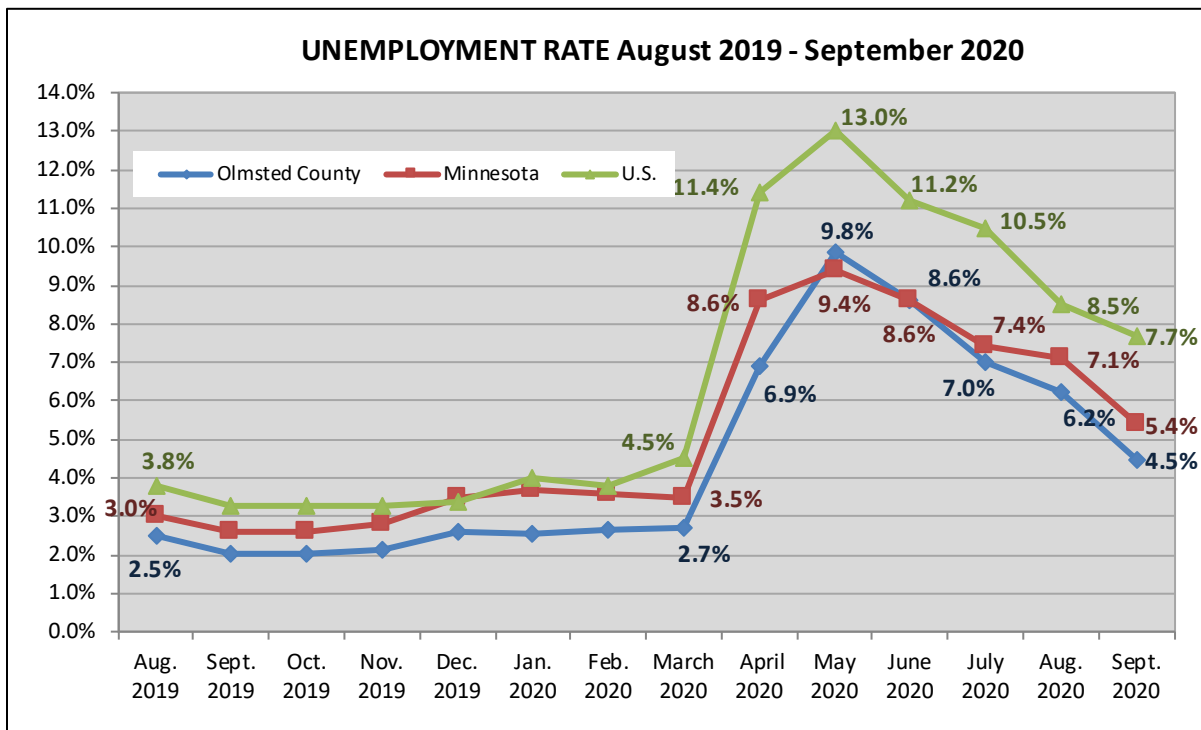
Year	Total Labor Force	Total Employed	Total Unemployed	Unemployment Rate	Minnesota Unemployment Rate	U.S. Unemployment Rate
2001	74,134	72,033	2,101	2.8%	3.8%	4.7%
2005	78,290	75,583	2,707	3.5%	4.1%	5.1%
2010	81,197	76,368	4,829	5.9%	7.4%	9.6%
2011	81,313	77,037	4,276	5.3%	6.5%	8.9%
2012	82,541	78,892	3,649	4.4%	5.6%	8.1%
2013	83,374	80,035	3,339	4.0%	5.0%	7.4%
2014	83,045	80,180	2,865	3.4%	4.2%	6.2%
2015	83,886	81,446	2,440	2.9%	3.7%	5.3%
2016	85,455	82,912	2,543	3.0%	3.9%	4.9%
2017	86,722	84,418	2,304	2.7%	3.4%	4.4%
2018	87,757	85,748	2,009	2.3%	2.9%	3.9%
2019	89,730	87,408	2,322	2.6%	3.2%	3.7%
2020*	88,818	84,398	4,420	5.0%	7.5%	10.2%
Change 2001-10	7,063	4,335	2,728	3.3%	4.0%	4.6%
Change 2011-19	8,417	10,371	-1,954	-2.7%	-3.3%	-5.2%

* 2020 is an averaged of the most recent data reported through May.

Sources: Minnesota Workforce Center; Maxfield Research & Consulting, LLC



EMPLOYMENT TRENDS

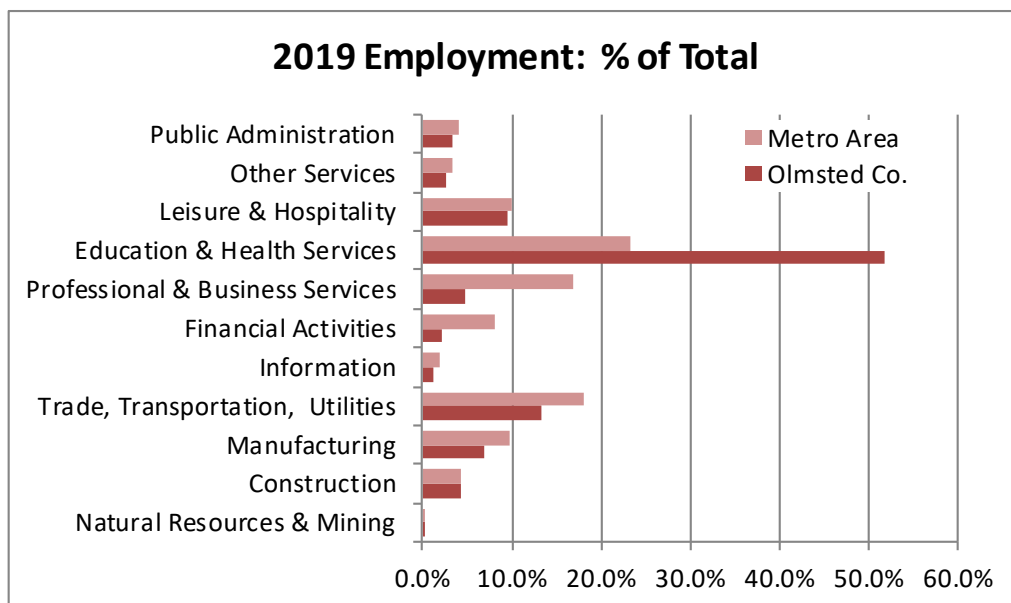


Covered Employment by Industry

The following tables display information on the employment and wage situation in Olmsted County along with a summary for the Twin Cities Metro Area. Covered employment data is calculated as an annual average and *reveals the number of jobs in the submarket, which are covered by unemployment insurance*. Most farm jobs, self-employed persons, and some other types of jobs are not covered by unemployment insurance and are not included in the table. The data is from the Minnesota Department of Employment and Economic Development.

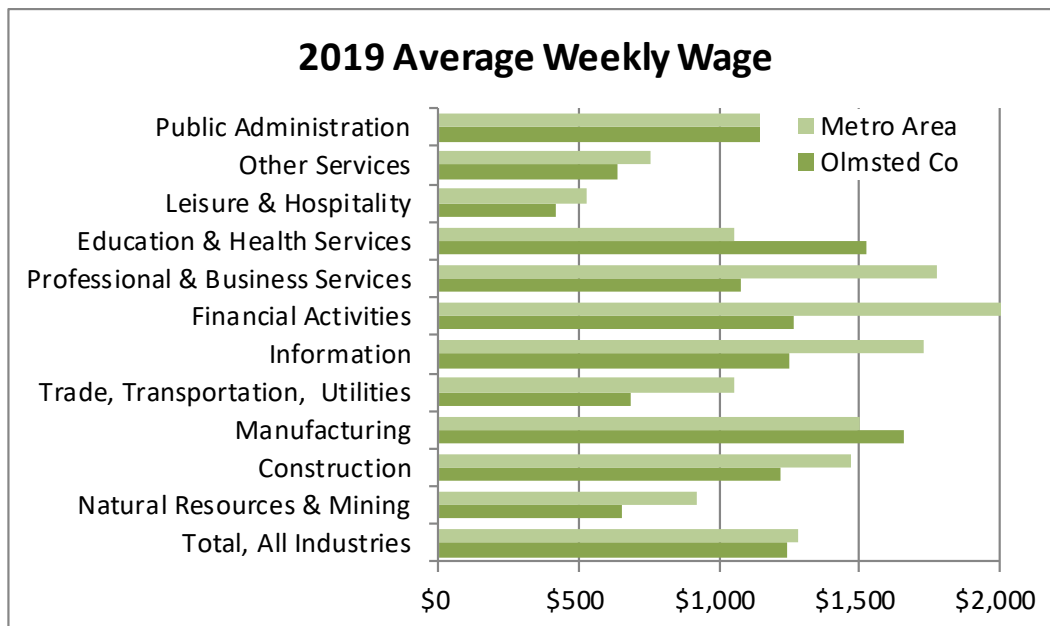
Olmsted County

- There were 99,710 jobs in Olmsted County as of 2019 which, based on the 2019 annual count of employed residents, represented a jobs to employed resident ratio of 1.16 compared to 1.04 in the Metro Area. The ratio of 1.16 for Olmsted County means that there were more jobs than employed residents, indicating that employers brought in workers from outside the County.
- As illustrated in the chart on the following page, the County’s employment concentrations were higher than the Metro Area in the Natural Resource and Mining, and Education and Health Services industries, while all other sectors had lower concentrations of employment.
- The Education and Health Services industry was the largest employment sector in Olmsted County, providing 52,068 jobs in 2019 (52% of the total). The Trade, Transportation and Utilities sector was the next largest sector with 13,459 workers (13% of the total jobs).

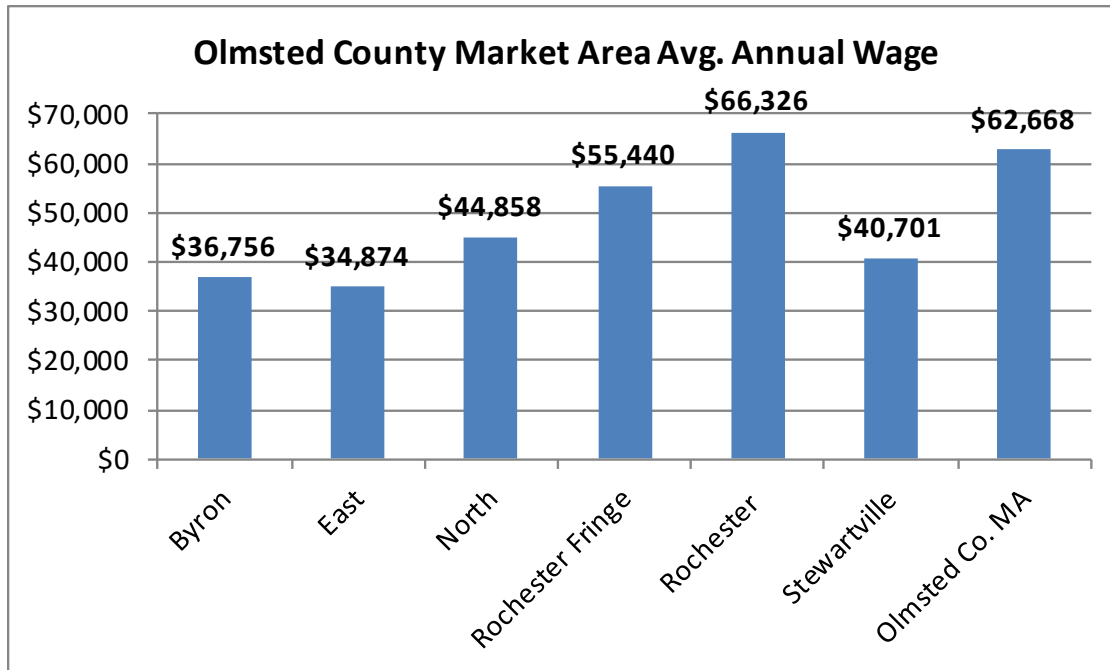


EMPLOYMENT TRENDS

- Within Olmsted County, the most notable job losses since 2013 occurred in the Trade, Transportation, Utilities industry (-684 jobs for a 5% decline). The most significant hiring occurred in the Education and Health Services sector (6,461 jobs for a 14% increase). However, as a percentage, the Construction industry had the largest growth over the period (36% increase).
- From 2013 to 2019, the average weekly wage in Olmsted County increased 21% (\$216) to \$1,242. By comparison, wages increased 18% in the Metro Area to \$1,278. Average wages were lower in Olmsted County than in the Metro Area for most of the industry sectors.
- Average annual wages in the Olmsted County Market Area vary considerably by submarket. Although the average wage is nearly \$62,700, wages ranged from \$34,874 in the East submarket to \$66,326 in the Rochester submarket.



EMPLOYMENT TRENDS



**TABLE EMP-5
QUARTERLY CENSUS OF EMPLOYMENT AND WAGES
OLMSTED COUNTY & TWIN CITIES METRO AREA**

Industry	2013			2019			Change 2013 - 2019			
	Establish-ments	Employ-ment	Weekly Wage	Establish-ments	Employ-ment	Weekly Wage	Employment		Wage	
							#	%	#	%
OLMSTED COUNTY										
Total, All Industries	3,394	92,442	\$1,026	3,706	100,623	\$1,242	8,181	8.8%	\$216	21.1%
Natural Resources & Mining	43	271	\$541	49	306	\$651	35	12.9%	\$110	20.3%
Construction	368	3,154	\$996	397	4,285	\$1,216	1,131	35.9%	\$220	22.1%
Manufacturing	106	7,344	\$1,500	109	6,991	\$1,660	-353	-4.8%	\$160	10.7%
Trade, Transportation, Utilities	815	14,143	\$563	751	13,459	\$681	-684	-4.8%	\$118	21.0%
Information	54	1,545	\$1,021	55	1,291	\$1,251	-254	-16.4%	\$230	22.5%
Financial Activities	333	2,135	\$996	351	2,068	\$1,268	-67	-3.1%	\$272	27.3%
Professional & Business Services	438	5,073	\$791	477	4,835	\$1,078	-238	-4.7%	\$287	36.3%
Education & Health Services	376	45,607	\$1,267	581	52,068	\$1,524	6,461	14.2%	\$257	20.3%
Leisure & Hospitality	382	8,083	\$310	419	9,562	\$414	1,479	18.3%	\$104	33.5%
Other Services	410	2,232	\$494	457	2,522	\$634	290	13.0%	\$140	28.3%
Public Administration	70	2,854	\$1,212	62	3,234	\$1,393	380	13.3%	\$181	14.9%
TWIN CITIES METRO AREA										
Total, All Industries	78,627	1,620,612	\$1,087	84,632	1,773,078	\$1,278	152,466	9.4%	\$191	17.6%
Natural Resources & Mining	297	3,688	\$803	313	3,598	\$922	-90	-2.4%	\$119	14.8%
Construction	6,396	57,496	\$1,216	6,683	75,561	\$1,470	18,065	31.4%	\$254	20.9%
Manufacturing	4,081	162,814	\$1,339	4,067	173,042	\$1,505	10,228	6.3%	\$166	12.4%
Trade, Transportation, Utilities	16,126	303,074	\$930	15,720	321,120	\$1,055	18,046	6.0%	\$125	13.4%
Information	1,410	40,639	\$1,393	1,676	35,127	\$1,726	-5,512	-13.6%	\$333	23.9%
Financial Activities	8,814	136,971	\$1,728	8,993	142,421	\$2,047	5,450	4.0%	\$319	18.5%
Professional & Business Services	15,340	269,885	\$1,451	16,471	300,923	\$1,774	31,038	11.5%	\$323	22.3%
Education & Health Services	9,900	366,191	\$910	12,588	413,997	\$1,050	47,806	13.1%	\$140	15.4%
Leisure & Hospitality	6,977	159,264	\$413	7,858	176,882	\$526	17,618	11.1%	\$113	27.4%
Other Services	8,296	54,104	\$616	9,485	57,193	\$751	3,089	5.7%	\$135	21.9%
Public Administration	992	66,483	\$1,074	781	73,101	\$1,291	6,618	10.0%	\$217	20.2%

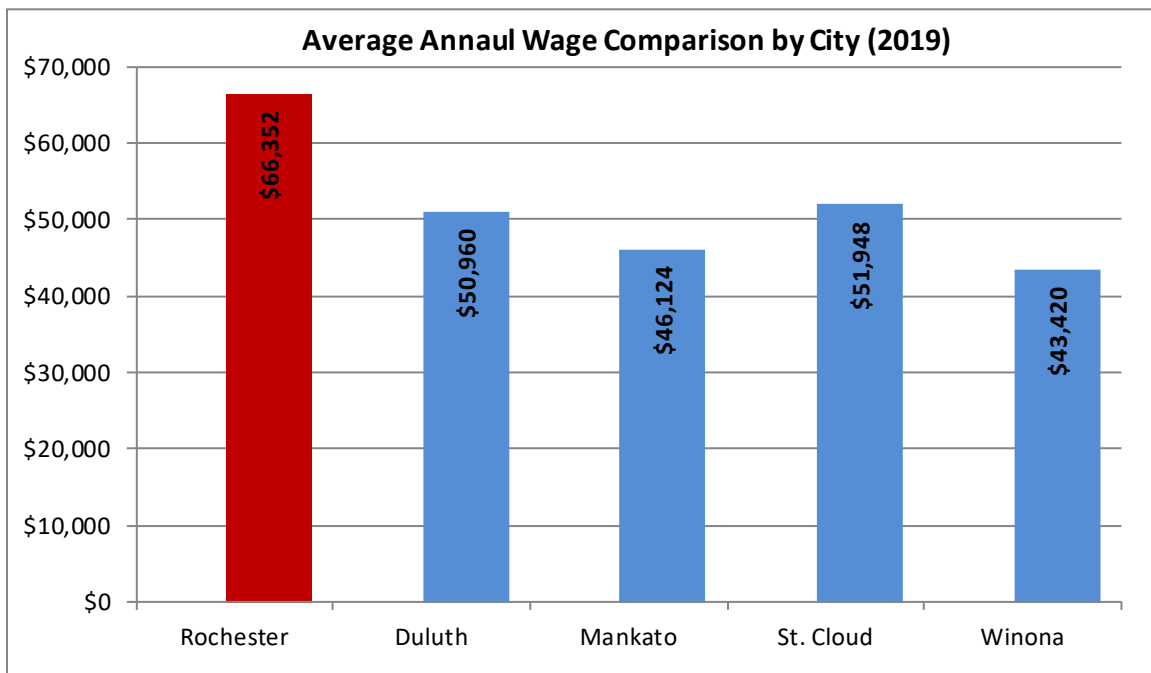
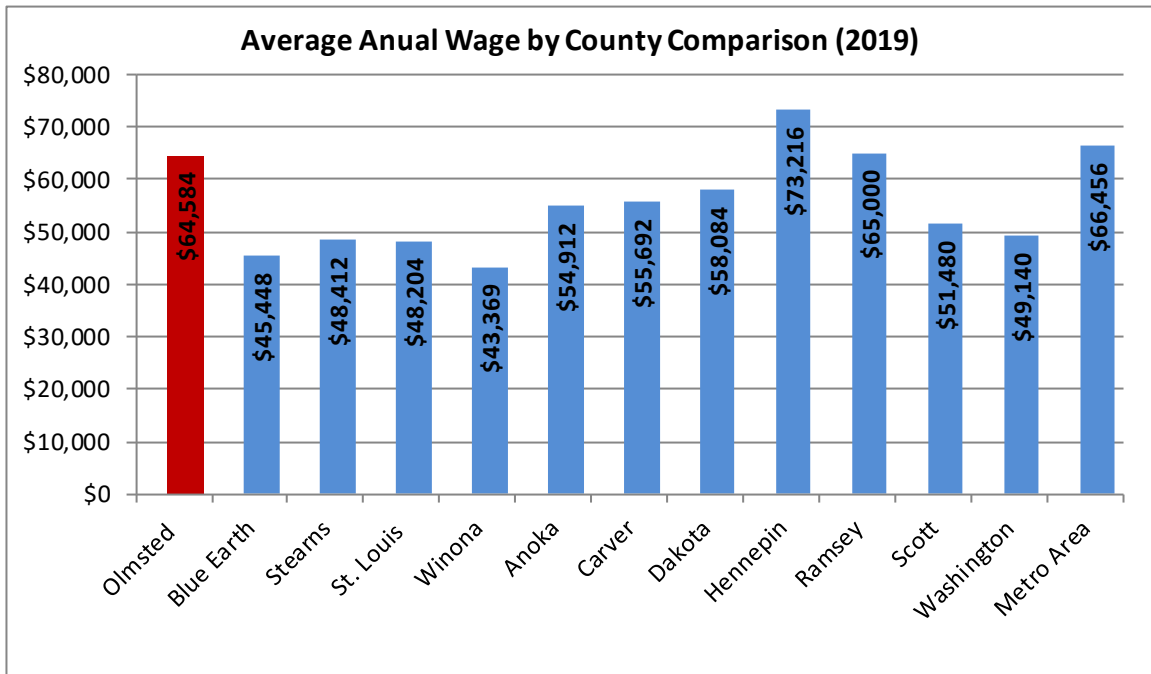
Sources: Minnesota Workforce Center; Maxfield Research & Consulting, LLC

TABLE EMP-6 AVG. ANNUAL WAGES OLMSTED COUNTY MARKET AREA 2019		
	Avg. Weekly Wage	Avg. Annual Wage
Submarket/Location		
Byron Submarket	\$707	\$36,756
Byron, Olmsted	\$691	\$35,932
Kalmar Twp, Olmsted	\$731	\$38,025
Salem Twp, Olmsted	\$804	\$41,795
East Submarket	\$671	\$34,874
Chatfield, Fillmore-Olmsted	\$683	\$35,529
Dover Twp, Olmsted	\$711	\$36,972
Dover, Olmsted	\$412	\$21,437
Elmira Twp, Olmsted	\$884	\$45,981
Eyota Twp, Olmsted	\$905	\$47,047
Eyota, Olmsted	\$642	\$33,397
Orion Twp, Olmsted	\$775	\$40,313
Pleasant Grove Twp, Olmsted	\$751	\$39,039
Quincy Twp, Olmsted	\$395	\$20,527
Saint Charles, Winona	\$620	\$32,214
Viola Twp, Olmsted	\$730	\$37,973
North Submarket	\$863	\$44,858
Farmington Twp, Olmsted	\$504	\$26,221
New Haven Twp, Olmsted	\$848	\$44,083
Oronoco Twp, Olmsted	\$612	\$31,837
Oronoco, Olmsted	\$1,124	\$58,448
Pine Island, largely Goodhue	\$855	\$44,473
Rochester Fringe Submarket	\$1,066	\$55,440
Cascade Twp, Olmsted	\$1,248	\$64,896
Haverhill Twp, Olmsted	\$1,219	\$63,375
Marion Twp, Olmsted	\$969	\$50,401
Rochester Twp, Olmsted	\$649	\$33,761
Rochester Submarket	\$1,276	\$66,326
Rochester, Olmsted	\$1,276	\$66,326
Stewartville Submarket	\$783	\$40,701
High Forest Twp, Olmsted	\$1,009	\$52,481
Rock Dell Twp, Olmsted	\$418	\$21,723
Stewartville, Olmsted	\$767	\$39,858
Olmsted County Market Area Total	\$1,205	\$62,668
Note: Wages are for jobs located in the selected geography		
Source: MN Workforce Center; Maxfield Research & Consulting, LLC		

TABLE EMP-7 WAGE COMPARISONS 2019		
Location	Avg. Weekly Wage	Avg. Annual Wage
Out-State MN Counties		
Olmsted	\$1,242	\$64,584
Blue Earth	\$874	\$45,448
Saint Louis	\$931	\$48,412
Stearns	\$927	\$48,204
Winona	\$834	\$43,368
Out-State MN Cities		
Rochester	\$1,276	\$66,352
Duluth	\$980	\$50,960
Mankato	\$887	\$46,124
St. Cloud	\$999	\$51,948
Winona	\$835	\$43,420
Metro Area Counties		
Anoka	\$1,056	\$54,912
Carver	\$1,071	\$55,692
Dakota	\$1,117	\$58,084
Hennepin	\$1,408	\$73,216
Ramsey	\$1,250	\$65,000
Scott	\$990	\$51,480
Washington	\$945	\$49,140
Metro Area	\$1,278	\$66,456
Source: MN DEED, Maxfield Research & Consulting, LLC		

- Although Olmsted County wages are slightly lower than the Metro Area average, Olmsted County wages are higher than five of the seven Metro Area counties (all but Hennepin and Ramsey Counties).
- Olmsted County wages are about 25% to 33% higher than other outstate Minnesota counties identified. Similarly, Rochester wages are about 22% to 35% higher than other larger outstate Minnesota communities.

EMPLOYMENT TRENDS



Commuting Patterns

Proximity to employment is often a primary consideration when choosing where to live, since transportation costs often account for a large proportion of households' budgets. Table EMP-8 through EMP-13 highlight the commuting patterns of workers in each submarket located in Olmsted County in 2017 (the most recent data available), based on Employer-Household Dynamics data from the U.S. Census Bureau. Tables EMP-14 and EMP-15 highlight commuting patterns of the entire County. Data is unavailable for the entire Olmsted County Market Area; therefore, tables do not include portions outside of Olmsted County (Chatfield in Fillmore County, St. Charles in Winona County, and Pine Island in Goodhue County). Home Destination is defined as where workers live who work in the submarket, whereas Work destination is where workers are employed that live in the submarket.

Commuting Patterns by Olmsted County Submarkets

- The majority of Olmsted County residents also worked in Rochester. The Rochester Fringe has the highest percentage (76%), followed by the Rochester submarket (75%). Surrounding submarkets, Byron (64%), North (57%), Stewartville (57%), and East (48%) also had high percentages of residents working in Rochester.
- Other than the cities located within Olmsted County, commuters were most often coming from nearby cities such as Kasson, St. Charles, Austin, or Plainview. However, Rochester attracts a number of commuters from many communities in southern Minnesota, southwestern Wisconsin along with the Twin Cities Metro Area.
- All Other Locations accounted for a significant amount in each of the submarkets, as well as Olmsted County as a whole. For residents who worked in the County, percentages ranged from 17% to 30%.
- Approximately 97,065 persons are employed in Olmsted County; however, the Olmsted County workforce is about 81,385 persons resulting in a positive net inflow of about 15,680 jobs. The rural Olmsted County submarkets have a combined outflow of about 15,200 jobs, while Rochester has a positive inflow of nearly 30,640 jobs.

EMPLOYMENT TRENDS

**TABLE EMP-8
COMMUTING PATTERNS
BYRON SUBMARKET
2017**

Home Destination			Work Destination		
<u>Place of Residence</u>	<u>Count</u>	<u>Share</u>	<u>Place of Employment</u>	<u>Count</u>	<u>Share</u>
Rochester city, MN	380	24.7%	Rochester city, MN	2,686	64.2%
Byron city, MN	285	18.5%	Byron city, MN	308	7.4%
Kasson city, MN	94	6.1%	Dodge Center city, MN	86	2.1%
Dodge Center city, MN	47	3.0%	Minneapolis city, MN	64	1.5%
Pine Island city, MN	31	2.0%	Pine Island city, MN	51	1.2%
Mantorville city, MN	23	1.5%	Stewartville city, MN	41	1.0%
Oronoco city, MN	22	1.4%	Kasson city, MN	39	0.9%
Hayfield city, MN	20	1.3%	Bloomington city, MN	36	0.9%
Stewartville city, MN	20	1.3%	St. Paul city, MN	34	0.8%
Austin city, MN	19	1.2%	Winona city, MN	26	0.6%
All Other Locations	600	38.9%	All Other Locations	813	19.4%
Total All Jobs	1,541		Total All Jobs	4,184	

Home Destination = Where workers live who are employed in the selection area
 Work Destination = Where workers are employed who live in the selection area

Sources: US Census Bureau Local Employment Dynamics; Maxfield Research & Consulting, LLC

**TABLE EMP-9
COMMUTING PATTERNS
EAST SUBMARKET
2017**

Home Destination			Work Destination		
<u>Place of Residence</u>	<u>Count</u>	<u>Share</u>	<u>Place of Employment</u>	<u>Count</u>	<u>Share</u>
Rochester city, MN	535	14.8%	Rochester city, MN	3,199	48.0%
St. Charles city, MN	395	11.0%	St. Charles city, MN	450	6.7%
Chatfield city, MN	274	7.6%	Chatfield city, MN	403	6.0%
Eyota city, MN	198	5.5%	Winona city, MN	159	2.4%
Dover city, MN	93	2.6%	Eyota city, MN	105	1.6%
Stewartville city, MN	75	2.1%	Minneapolis city, MN	85	1.3%
Wykoff city, MN	50	1.4%	Stewartville city, MN	75	1.1%
Fountain city, MN	48	1.3%	Lewiston city, MN	66	1.0%
Winona city, MN	48	1.3%	St. Paul city, MN	60	0.9%
Plainview city, MN	41	1.1%	Preston city, MN	54	0.8%
All Other Locations	1,850	51.3%	All Other Locations	2,014	30.2%
Total All Jobs	3,607		Total All Jobs	6,670	

Home Destination = Where workers live who are employed in the selection area
 Work Destination = Where workers are employed who live in the selection area

*Note: Data only includes Cities and Townships in Olmsted County.

Sources: US Census Bureau Local Employment Dynamics; Maxfield Research & Consulting, LLC.

EMPLOYMENT TRENDS

**TABLE EMP-10
COMMUTING PATTERNS
NORTH SUBMARKET
2017**

Home Destination			Work Destination		
<u>Place of Residence</u>	<u>Count</u>	<u>Share</u>	<u>Place of Employment</u>	<u>Count</u>	<u>Share</u>
Rochester city, MN	351	20.0%	Rochester city, MN	2,839	57.4%
Pine Island city, MN	183	10.4%	Pine Island city, MN	265	5.4%
Zumbrota city, MN	86	4.9%	Zumbrota city, MN	145	2.9%
Oronoco city, MN	55	3.1%	Byron city, MN	99	2.0%
Byron city, MN	53	3.0%	Minneapolis city, MN	87	1.8%
Stewartville city, MN	23	1.3%	St. Paul city, MN	68	1.4%
Plainview city, MN	22	1.3%	Bloomington city, MN	46	0.9%
Wanamingo city, MN	21	1.2%	Oronoco city, MN	44	0.9%
Kasson city, MN	17	1.0%	Red Wing city, MN	43	0.9%
Austin city, MN	15	0.9%	Eden Prairie city, MN	37	0.7%
All Other Locations	926	52.9%	All Other Locations	1,271	25.7%
Total All Jobs	1,752		Total All Jobs	4,944	

Home Destination = Where workers live who are employed in the selection area
 Work Destination = Where workers are employed who live in the selection area

Note: Data only includes cities and townships in Olmsted County.

Sources: US Census Bureau Local Employment Dynamics; Maxfield Research & Consulting, LLC.

**TABLE EMP-11
COMMUTING PATTERNS
ROCHESTER
2017**

Home Destination			Work Destination		
<u>Place of Residence</u>	<u>Count</u>	<u>Share</u>	<u>Place of Employment</u>	<u>Count</u>	<u>Share</u>
Rochester city, MN	44,070	49.7%	Rochester city, MN	44,070	75.1%
Byron city, MN	1,858	2.1%	Minneapolis city, MN	969	1.7%
Stewartville city, MN	1,821	2.1%	St. Paul city, MN	578	1.0%
Kasson city, MN	1,568	1.8%	Dodge Center city, MN	558	1.0%
Pine Island city, MN	909	1.0%	Eden Prairie city, MN	535	0.9%
St. Charles city, MN	804	0.9%	Bloomington city, MN	495	0.8%
Austin city, MN	767	0.9%	Stewartville city, MN	384	0.7%
Plainview city, MN	718	0.8%	Winona city, MN	365	0.6%
Chatfield city, MN	589	0.7%	St. Charles city, MN	328	0.6%
Eyota city, MN	568	0.6%	Austin city, MN	317	0.5%
All Other Locations	34,924	39.4%	All Other Locations	10,047	17.1%
Total All Jobs	88,596		Total All Jobs	58,646	

Home Destination = Where workers live who are employed in the selection area
 Work Destination = Where workers are employed who live in the selection area

Sources: US Census Bureau Local Employment Dynamics; Maxfield Research & Consulting, LLC

EMPLOYMENT TRENDS

**TABLE EMP-12
COMMUTING PATTERNS
ROCHESTER FRINGE
2017**

Home Destination			Work Destination		
<u>Place of Residence</u>	<u>Count</u>	<u>Share</u>	<u>Place of Employment</u>	<u>Count</u>	<u>Share</u>
Rochester city, MN	1,034	38.7%	Rochester city, MN	5,037	75.9%
Stewartville city, MN	73	2.7%	Minneapolis city, MN	90	1.4%
Byron city, MN	69	2.6%	St. Paul city, MN	66	1.0%
Kasson city, MN	61	2.3%	St. Charles city, MN	64	1.0%
Plainview city, MN	40	1.5%	Stewartville city, MN	48	0.7%
St. Charles city, MN	36	1.3%	Bloomington city, MN	45	0.7%
Chatfield city, MN	34	1.3%	Dodge city, MN	45	0.7%
Pine Island city, MN	31	1.2%	Eden Prairie city, MN	42	0.6%
Spring Valley city, MN	29	1.1%	Byron Center city, MN	32	0.5%
Eyota city, MN	26	1.0%	Austin city, MN	30	0.5%
All Other Locations	1241	46.4%	All Other Locations	1138	17.1%
Total All Jobs	2,674		Total All Jobs	6,637	

Home Destination = Where workers live who are employed in the selection area
 Work Destination = Where workers are employed who live in the selection area

Sources: US Census Bureau Local Employment Dynamics; Maxfield Research & Consulting, LLC.

**TABLE EMP-13
COMMUTING PATTERNS
STEWARTVILLE
2017**

Home Destination			Work Destination		
<u>Place of Residence</u>	<u>Count</u>	<u>Share</u>	<u>Place of Employment</u>	<u>Count</u>	<u>Share</u>
Stewartville city, MN	586	28.1%	Rochester city, MN	2,535	57.3%
Rochester city, MN	463	22.2%	Stewartville city, MN	673	15.2%
Grand Meadow city, MN	43	2.1%	Minneapolis city, MN	53	1.2%
Spring Valley city, MN	38	1.8%	St. Charles city, MN	51	1.2%
Austin city, MN	21	1.0%	Dodge Center city, MN	35	0.8%
Chatfield city, MN	20	1.0%	St. Paul city, MN	35	0.8%
Byron city, MN	17	0.8%	Bloomington city, MN	33	0.7%
Kasson city, MN	16	0.8%	Eden Prairie city, MN	29	0.7%
St. Charles city, MN	15	0.7%	Winona city, MN	28	0.6%
Plainview city, MN	14	0.7%	Austin city, MN	25	0.6%
All Other Locations	855	40.9%	All Other Locations	928	21.0%
Total All Jobs	2,088		Total All Jobs	4,425	

Home Destination = Where workers live who are employed in the selection area
 Work Destination = Where workers are employed who live in the selection area

Sources: US Census Bureau Local Employment Dynamics; Maxfield Research & Consulting, LLC

EMPLOYMENT TRENDS

Commuting Patterns by County in Olmsted County

- As the table illustrates, Olmsted County is top home destination for workers in the County with a 66% share, while 34% of Olmsted County's workers reside outside the County, with most commuting from Dodge County (5%), Wabasha County (3.5%), Goodhue County (3%), Fillmore County (3%), Mower County (3%), and Winona County (3%) for employment. Hennepin County only accounts for roughly 1% of commuters to the county.
- Approximately 59% of the workers in Olmsted County reside within ten miles of their place of employment while over 12% travel greater than 50 miles. About 20% of workers in the County travel 10 to 24 miles for employment and 9.5% commute a distance ranging from 25 to 50 miles.

TABLE EMP-14 COMMUTING PATTERNS OLMSTED COUNTY 2017					
Home Destination			Work Destination		
Place of Residence	Count	Share	Place of Employment	Count	Share
Olmsted County	63,646	65.6%	Olmsted County	63,646	78.2%
Dodge County	4,914	5.1%	Hennepin County	4,314	5.3%
Wabasha County	3,416	3.5%	Winona County	1,644	2.0%
Goodhue County	3,084	3.2%	Dodge County	1,481	1.8%
Fillmore County	3,047	3.1%	Ramsey County	1,439	1.8%
Winona County	2,835	2.9%	Goodhue County	1,025	1.3%
Mower County	2,740	2.8%	Dakota County	1,021	1.3%
Hennepin County	1,295	1.3%	Fillmore County	639	0.8%
Dakota County	1,038	1.1%	Mower County	587	0.7%
Steele County	916	0.9%	Wabasha County	460	0.6%
All Other Locations	10,133	10.4%	All Other Locations	5,127	6.3%
Distance Traveled			Distance Traveled		
Total All Jobs	97,064	100.0%	Total All Jobs	81,383	100.0%
Less than 10 miles	57,399	59.1%	Less than 10 miles	57,336	70.5%
10 to 24 miles	19,074	19.7%	10 to 24 miles	9,669	11.9%
25 to 50 miles	9,223	9.5%	25 to 50 miles	3,046	3.7%
Greater than 50 miles	11,368	11.7%	Greater than 50 miles	11,332	13.9%
Home Destination = Where workers live who are employed in the selection area					
Work Destination = Where workers are employed who live in the selection area					
Sources: US Census Bureau Local Employment Dynamics; Maxfield Research & Consulting, LLC					

EMPLOYMENT TRENDS

Commuting Patterns by City in Olmsted County

- Roughly 72% of the workers living in Olmsted County also have jobs in Rochester. The remaining 28% commute to other communities, such as Minneapolis (2%), Stewartville (1.5%), and St. Paul (1%).
- Just over 70% of Olmsted County's residents travel less than ten miles to their place of employment, while 14% have a commute distance of more than 50 miles. Nearly 4% commute between 25 and 50 miles to get to work and 12% travel from 10 to 24 miles.

TABLE EMP-15 COMMUTING PATTERNS OLMSTED COUNTY 2017					
Home Destination			Work Destination		
Place of Residence	Count	Share	Place of Employment	Count	Share
Rochester	46,337	47.7%	Rochester	58,658	72.1%
Stewartville	2,535	2.6%	Minneapolis	1,277	1.6%
Byron	2,272	2.3%	Stewartville	1,199	1.5%
Kasson	1,759	1.8%	St. Paul	782	1.0%
Pine Island	1,042	1.1%	Byron	781	1.0%
St. Charles	911	0.9%	Dodge Center	773	0.9%
Austin	848	0.9%	Eden Prairie	688	0.8%
Plainview	819	0.8%	Bloomington	666	0.8%
Chatfield	780	0.8%	St. Charles	610	0.7%
Eyota	730	0.8%	Winona	496	0.6%
All Other Locations	39,031	40.2%	All Other Locations	15,453	19.0%
Distance Traveled			Distance Traveled		
Total All Jobs	97,064	100.0%	Total All Jobs	81,383	100.0%
Less than 10 miles	57,399	59.1%	Less than 10 miles	57,336	70.5%
10 to 24 miles	19,074	19.7%	10 to 24 miles	9,669	11.9%
25 to 50 miles	9,223	9.5%	25 to 50 miles	3,046	3.7%
Greater than 50 miles	11,368	11.7%	Greater than 50 miles	11,332	13.9%
Home Destination = Where workers live who are employed in the selection area					
Work Destination = Where workers are employed who live in the selection area					
Sources: US Census Bureau Local Employment Dynamics; Maxfield Research & Consulting, LLC					

TABLE EMP-16 COMMUTTING PATTERNS SUMMARY OLMSTED COUNTY SUBMARKETS 2017		
Submarket	Employed Workers in Submarket (i.e. Jobs)	Workforce Living in Submarket
Byron	1,541	4,184
East	3,607	6,670
North	1,752	4,944
Rochester	88,596	58,646
Rochester Fringe	2,674	6,637
Stewartville	2,088	4,425
Olmsted County	100,258	85,506
Source: US Census LEHD, Maxfield Research & Consulting, LLC		

Inflow/Outflow

Table EMP-17 provides a summary of the inflow and outflow of workers in Olmsted County and the Olmsted County submarkets. Outflow reflects the number of workers living in the area but employed outside of the area while inflow measures the number of workers that are employed in the area but live outside the area. Interior flow reflects the number of workers that both live and work in the Olmsted County. Data is unavailable for the Olmsted Market Area; therefore, tables will not include portions outside of Olmsted County (Chatfield-Fillmore County, St. Charles- Winona County, and Pine Island-Goodhue County).

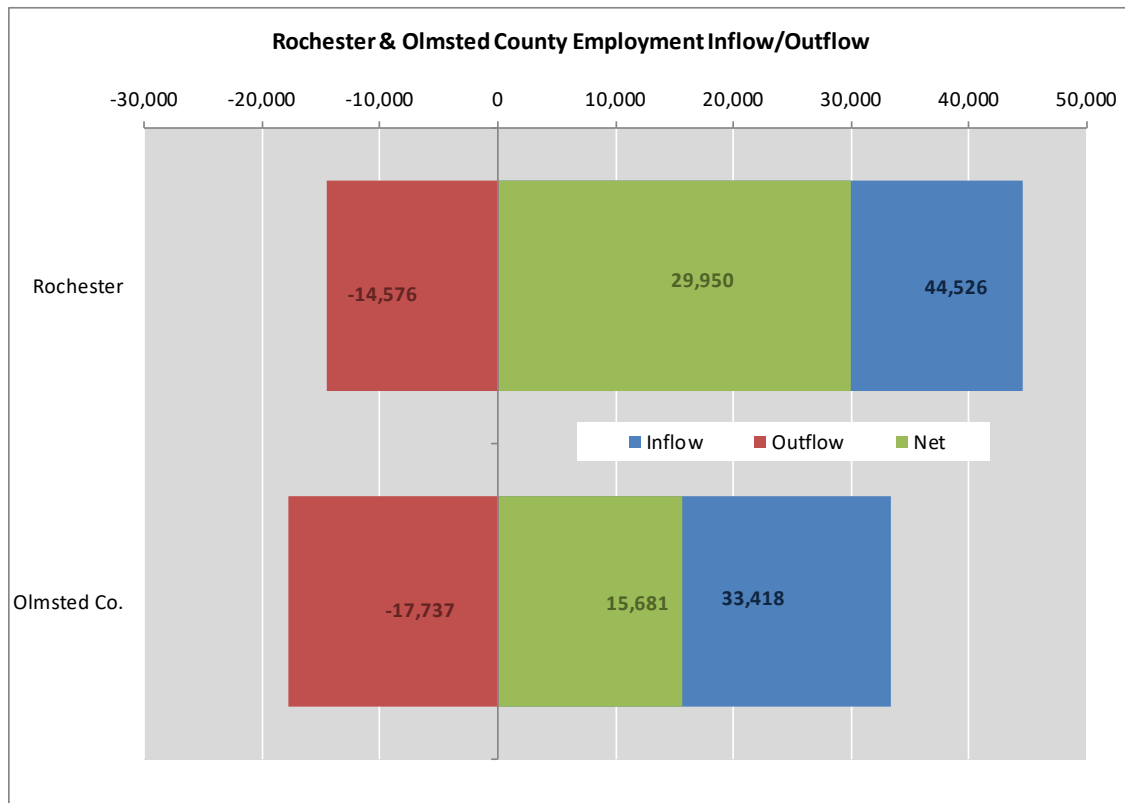
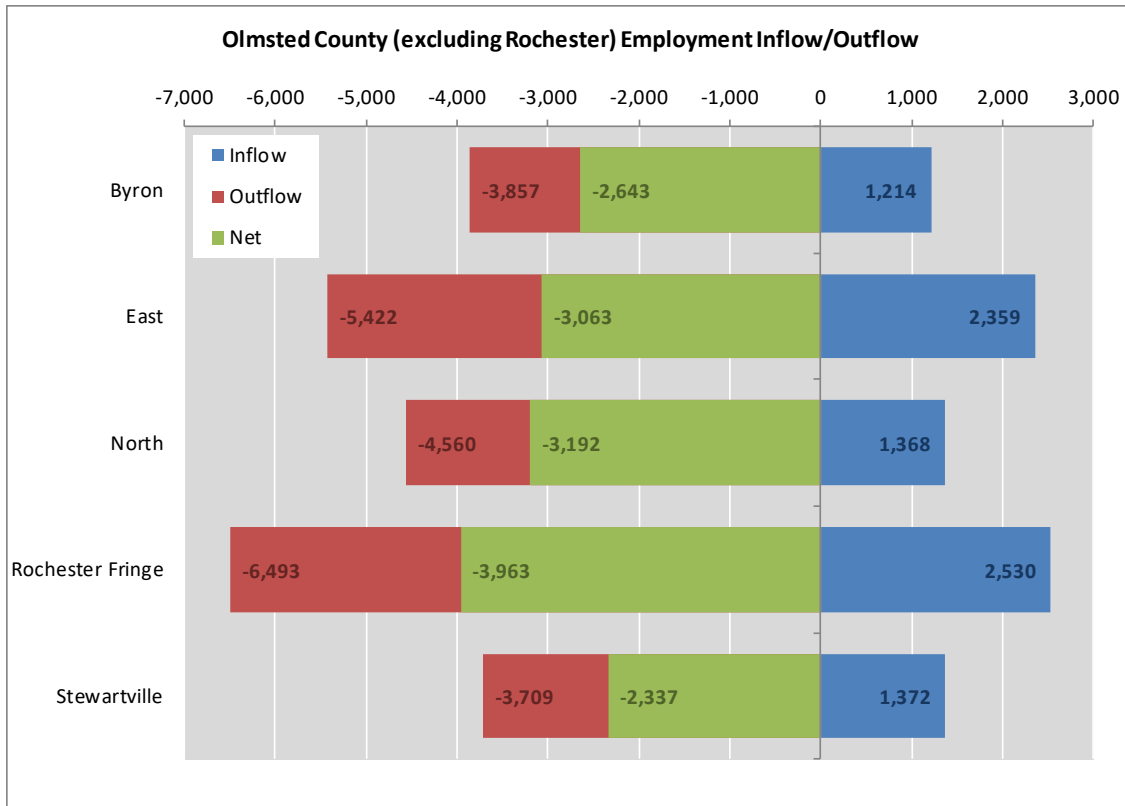
- Olmsted County can be considered an importer of workers, as the number of residents coming into the County (inflow) for employment exceeded the number of residents leaving the County for work (outflow). Approximately 33,418 workers came into the County for work while 17,737 workers left, for a net difference of 15,680.
- The Rochester submarket is the only submarket in the Market Area that imports workers. All of the rural Olmsted County submarkets are exporters of workers and are “bedroom communities” to Rochester. The five rural submarkets have a net loss of workers ranging from 3,709 in the Stewartville submarket to 6,493 workers in the Rochester Fringe submarket.

EMPLOYMENT TRENDS

TABLE EMP-17 COMMUTING INFLOW/OUTFLOW OLMSTED COUNTY MARKET AREA 2017								
	BYRON		EAST		NORTH		ROCHESTER	
	Num.	Pct.	Num.	Pct.	Num.	Pct.	Num.	Pct.
Employed in the Selection Area	1,541	100.0%	3,607	100.0%	1,752	100.0%	88,596	100.0%
Employed in the Selection Area but Living Outside	1,214	78.8%	2,359	65.4%	1,368	78.1%	44,526	50.3%
Employed and Living in the Selection Area	327	21.2%	1,248	34.6%	384	21.9%	44,070	49.7%
Living in the Selection Area	4,184	100.0%	6,670	100.0%	4,944	100.0%	58,646	100.0%
Living in the Selection Area but Employed Outside	3,857	92.2%	5,422	81.3%	4,560	92.2%	14,576	24.9%
Living and Employed in the Selection Area	327	7.8%	1,248	18.7%	384	7.8%	44,070	75.1%
	ROCHESTER FRINGE		STEWARTVILLE		OLMSTED COUNTY		OLMSTED COUNTY MA	
	Num.	Pct.	Num.	Pct.	Num.	Pct.	Num.	Pct.
Employed in the Selection Area	2,674	100.0%	2,088	100.0%	97,064	100.0%	100,258	100.0%
Employed in the Selection Area but Living Outside	2,530	94.6%	1,372	65.7%	33,418	34.4%	32,918	32.8%
Employed and Living in the Selection Area	144	5.4%	716	34.3%	63,646	65.6%	67,340	67.2%
Living in the Selection Area	6,637	100.0%	4,425	100.0%	81,383	100.0%	85,506	100.0%
Living in the Selection Area but Employed Outside	6,493	97.8%	3,709	83.8%	17,737	21.8%	18,166	21.2%
Living and Employed in the Selection Area	144	2.2%	716	16.2%	63,646	78.2%	67,340	78.8%

Sources: Longitudinal Employer-Household Dynamics; Maxfield Research & Consulting, LLC

EMPLOYMENT TRENDS



Resident/Worker Profile Comparison

Table EMP-18 compares characteristics of employed residents living in the Olmsted County in 2017. Information on monthly earnings, age, race and ethnicity, educational attainment and job classification is provided. Conversely, Table EMP-19 compares characteristics of employees working in the Olmsted County. Data is unavailable for the entire Olmsted Market Area; therefore, tables do not include portions outside of Olmsted County (Chatfield in Fillmore County, St. Charles in Winona County, and Pine Island in Goodhue County).

Resident Profile

- Olmsted County residents have a large proportion of high-income earners. As of 2017, approximately 52% of all employed residents earn more than \$3,333 per month. The Rochester submarket has over 51% of their employed residents earning more than \$3,333 per month, with only the Rochester Fringe (52%) being higher. The rural submarkets have a significantly lower percentage of employed residents earning more than \$3,333 per month. The Bryon, East, North, and Stewartville submarkets have between 37% and 43% of employed residents exceeding \$3,333 monthly.
- Higher earnings also correlated to higher educational attainment. Approximately 26.5% of all employed Olmsted County residents had a bachelor's degree or advanced degree. The Rochester submarket has approximately 26% of their employed residents earning a bachelor's degree or Advanced Degree, followed by the East submarket (21%).
- The greatest proportion of Olmsted County residents worked in the Health Care and Social Assistance industry (39.5% in 2017).

Worker Profile

- Olmsted County workers have a large proportion of high-income earners. As of 2017, approximately 53% of all employed residents earn more than \$3,333 per month. The Rochester Fringe submarket has over 58% of their employed residents earning more than \$3,333 per month, followed by North (55%). Although resident employment showed lower wages for the rural submarkets, workers from the rural submarkets commuting to Rochester have significantly higher wages.
- Higher earnings also correlated to higher educational attainment. Approximately 27% of all employed Olmsted County residents had a bachelor's degree or advanced degree. The Rochester Fringe submarket has approximately 29% of their employed residents earning a bachelor's degree or Advanced Degree, followed by North (27.5%).
- The greatest proportion of Olmsted County residents worked in the Health Care and Social Assistance industry (45% in 2017).

EMPLOYMENT TRENDS

TABLE EMP-18 RESIDENT PROFILE OLMSTED COUNTY 2017														
Corridor-Wide Resident Profile	Byron		East		North		Rochester		Rochester Fringe		Stewartville		Olmsted County	
	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.
Total Working in Selection Area														
Total Working in Selection Area	1,541	100%	3,352	100%	1,752	100%	58,646	100%	2,674	100%	2,088	100%	81,383	100%
Monthly Earnings														
\$1,250 or Less	518	33.6%	932	27.8%	473	27.0%	12,564	21.4%	563	21.1%	523	25.0%	17,273	21.2%
\$1,251 to \$3,333	449	29.1%	1,043	31.1%	523	29.9%	16,073	27.4%	724	27.1%	761	36.4%	21,666	26.6%
More Than \$3,333	574	37.2%	1,377	41.1%	756	43.2%	30,009	51.2%	1,387	51.9%	804	38.5%	42,444	52.2%
Worker Ages														
Age 29 or Younger	495	32.1%	752	22.4%	426	24.3%	14,631	24.9%	626	23.4%	553	26.5%	19,622	24.1%
Age 30 to 54	766	49.7%	1,728	51.6%	858	49.0%	30,711	52.4%	1,437	53.7%	1,017	48.7%	42,896	52.7%
Age 55 or Older	280	18.2%	872	26.0%	468	26.7%	13,304	22.7%	611	22.8%	518	24.8%	18,865	23.2%
Worker Race and Ethnicity														
Race														
White Alone	1,456	94.5%	3,219	96.0%	1,684	96.1%	49,438	84.3%	2,472	92.4%	1,956	93.7%	71,088	87.3%
Black or African American Alone	19	1.2%	44	1.3%	27	1.5%	3,735	6.4%	80	3.0%	60	2.9%	4,033	5.0%
American Indian or Alaska Native Alone	7	0.5%	8	0.2%	2	0.1%	205	0.3%	8	0.3%	12	0.6%	253	0.3%
Asian Alone	37	2.4%	60	1.8%	18	1.0%	4,375	7.5%	84	3.1%	49	2.3%	4,911	6.0%
Native Hawaiian or Other Pacific Islander Alone	0	0.0%	1	0.0%	5	0.3%	48	0.1%	3	0.1%	0	0.0%	77	0.1%
Two or More Race Groups	22	1.4%	20	0.6%	16	0.9%	845	1.4%	27	1.0%	11	0.5%	1,021	1.3%
Ethnicity														
Not Hispanic or Latino	1,496	97.1%	3,267	97.5%	1,704	97.3%	56,029	95.5%	2,562	95.8%	2,017	96.6%	78,340	96.3%
Hispanic or Latino	45	2.9%	85	2.5%	48	2.7%	2,617	4.5%	112	4.2%	71	3.4%	3,043	3.7%
Worker Educational Attainment														
Less Than High School	85	5.5%	164	4.9%	113	6.4%	3,294	5.6%	172	6.4%	168	8.0%	4,292	5.3%
High School or Equivalent, No College	244	15.8%	712	21.2%	370	21.1%	9,876	16.8%	673	25.2%	446	21.4%	14,115	17.3%
Some College or Associate Degree	406	26.3%	1,016	30.3%	508	29.0%	15,370	26.2%	747	27.9%	509	24.4%	21,804	26.8%
Bachelor's Degree or Advanced Degree	311	20.2%	708	21.1%	335	19.1%	15,475	26.4%	456	17.1%	412	19.7%	21,550	26.5%
Educational Attainment Not Available	495	32.1%	752	22.4%	426	24.3%	14,631	24.9%	626	23.4%	553	26.5%	19,622	24.1%
Jobs by NAICS Industry Sector														
Agriculture, Forestry, Fishing and Hunting	21	1.4%	177	5.3%	35	2.0%	193	0.3%	40	1.5%	8	0.4%	423	0.5%
Mining, Quarrying, and Oil and Gas Extraction	5	0.3%	0	0.0%	0	0.0%	12	0.0%	3	0.1%	0	0.0%	17	0.0%
Utilities	0	0.0%	0	0.0%	56	3.2%	103	0.2%	6	0.2%	0	0.0%	158	0.2%
Construction	164	10.6%	219	6.5%	205	11.7%	1,808	3.1%	694	26.0%	135	6.5%	2,964	3.6%
Manufacturing	239	15.5%	368	11.0%	273	15.6%	5,335	9.1%	402	15.0%	564	27.0%	7,542	9.3%
Wholesale Trade	20	1.3%	160	4.8%	73	4.2%	1,218	2.1%	292	10.9%	159	7.6%	1,897	2.3%
Retail Trade	173	11.2%	243	7.2%	165	9.4%	5,934	10.1%	207	7.7%	272	13.0%	8,473	10.4%
Transportation and Warehousing	28	1.8%	129	3.8%	14	0.8%	1,112	1.9%	136	5.1%	80	3.8%	1,638	2.0%
Information	0	0.0%	10	0.3%	15	0.9%	1,046	1.8%	97	3.6%	5	0.2%	1,393	1.7%
Finance and Insurance	30	1.9%	47	1.4%	42	2.4%	996	1.7%	1	0.0%	38	1.8%	1,387	1.7%
Real Estate and Rental and Leasing	20	1.3%	1	0.0%	7	0.4%	400	0.7%	10	0.4%	10	0.5%	579	0.7%
Professional, Scientific, and Technical Services	39	2.5%	60	1.8%	15	0.9%	1,356	2.3%	21	0.8%	10	0.5%	1,847	2.3%
Management of Companies and Enterprises	0	0.0%	0	0.0%	0	0.0%	600	1.0%	1	0.0%	0	0.0%	831	1.0%
Admin & Support, Waste Mgmt and Remediation	79	5.1%	10	0.3%	249	14.2%	2,089	3.6%	186	7.0%	51	2.4%	2,717	3.3%
Educational Services	356	23.1%	593	17.7%	205	11.7%	3,967	6.8%	66	2.5%	340	16.3%	5,674	7.0%
Health Care and Social Assistance	69	4.5%	951	28.4%	156	8.9%	23,908	40.8%	134	5.0%	141	6.8%	32,144	39.5%
Arts, Entertainment, and Recreation	29	1.9%	37	1.1%	4	0.2%	658	1.1%	7	0.3%	36	1.7%	926	1.1%
Accommodation and Food Services	129	8.4%	167	5.0%	109	6.2%	4,718	8.0%	266	9.9%	161	7.7%	6,231	7.7%
Other Services (excluding Public Administration)	128	8.3%	73	2.2%	73	4.2%	1,681	2.9%	88	3.3%	59	2.8%	2,250	2.8%
Public Administration	12	0.8%	107	3.2%	56	3.2%	1,512	2.6%	17	0.6%	29	1.4%	2,292	2.8%

Source: U.S. Census Bureau; Maxfield Research & Consulting, LLC

EMPLOYMENT TRENDS

TABLE EMP-19 WORKER PROFILE OLMSTED COUNTY 2017														
Corridor-Wide Worker Profile	Byron		East		North		Rochester		Rochester Fringe		Stewartville		Olmsted County	
	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.
Total Working in Selection Area														
Total Working in Selection Area	4,184	100%	6,082	100%	4,944	100%	88,596	100%	6,637	100%	4,425	100%	97,064	100%
Monthly Earnings														
\$1,250 or Less	928	22.2%	1,355	22.3%	1,007	20.4%	16,886	19.1%	1,378	20.8%	929	21.0%	19,168	19.7%
\$1,251 to \$3,333	2,320	55.4%	1,777	29.2%	1,213	24.5%	23,811	26.9%	1,403	21.1%	1,284	29.0%	26,435	27.2%
More Than \$3,333	936	22.4%	2,950	48.5%	2,724	55.1%	47,899	54.1%	3,856	58.1%	2,212	50.0%	51,461	53.0%
Worker Ages														
Age 29 or Younger	880	21.0%	1,403	23.1%	1,056	21.4%	20,285	22.9%	1,389	20.9%	1,048	23.7%	22,506	23.2%
Age 30 to 54	930	22.2%	3,210	52.8%	2,615	52.9%	47,624	53.8%	3,465	52.2%	2,403	54.3%	51,904	53.5%
Age 55 or Older	2,374	56.7%	1,469	24.2%	1,273	25.7%	20,687	23.3%	1,783	26.9%	974	22.0%	22,654	23.3%
Worker Race and Ethnicity														
Race														
White Alone	4,025	96.2%	5,846	96.1%	4,714	95.3%	78,957	89.1%	6,130	92.4%	4,273	96.6%	86,950	89.6%
Black or African American Alone	59	1.4%	64	1.1%	69	1.4%	3,716	4.2%	114	1.7%	59	1.3%	3,899	4.0%
American Indian or Alaska Native Alone	3	0.1%	11	0.2%	15	0.3%	266	0.3%	16	0.2%	15	0.3%	298	0.3%
Asian Alone	62	1.5%	113	1.9%	70	1.4%	4,547	5.1%	313	4.7%	54	1.2%	4,726	4.9%
Native Hawaiian or Other Pacific Islander Alone	14	0.3%	3	0.0%	15	0.3%	68	0.1%	3	0.0%	0	0.0%	72	0.1%
Two or More Race Groups	21	0.5%	45	0.7%	61	1.2%	1,042	1.2%	61	0.9%	24	0.5%	1,119	1.2%
Ethnicity														
Not Hispanic or Latino	4,099	98.0%	5,922	97.4%	4,832	97.7%	85,525	96.5%	6,501	98.0%	4,354	98.4%	93,695	96.5%
Hispanic or Latino	85	2.0%	160	2.6%	112	2.3%	3,071	3.5%	136	2.0%	71	1.6%	3,369	3.5%
Worker Educational Attainment														
Less Than High School	178	4.3%	289	4.8%	211	4.3%	4,221	4.8%	259	3.9%	218	4.9%	4,769	4.9%
High School or Equivalent, No College	775	18.5%	1,211	19.9%	912	18.4%	14,756	16.7%	1,200	18.1%	819	18.5%	16,579	17.1%
Some College or Associate Degree	1,163	27.8%	1,786	29.4%	1,404	28.4%	24,784	28.0%	1,849	27.9%	1,281	28.9%	27,054	27.9%
Bachelor's Degree or Advanced Degree	1,140	27.2%	1,393	22.9%	1,361	27.5%	24,550	27.7%	1,940	29.2%	1,059	23.9%	26,156	26.9%
Educational Attainment Not Available	928	22.2%	1,403	23.1%	1,056	21.4%	20,285	22.9%	1,389	20.9%	1,048	23.7%	22,506	23.2%
Jobs by NAICS Industry Sector														
Agriculture, Forestry, Fishing and Hunting	24	0.6%	158	2.6%	53	1.1%	27	0.0%	33	0.5%	28	0.6%	301	0.3%
Mining, Quarrying, and Oil and Gas Extraction	0	0.0%	4	0.1%	4	0.1%	7	0.0%	1	0.0%	1	0.0%	15	0.0%
Utilities	6	0.1%	14	0.2%	19	0.4%	97	0.1%	12	0.2%	12	0.3%	159	0.2%
Construction	219	5.2%	364	6.0%	285	5.8%	2,766	3.1%	267	4.0%	218	4.9%	4,031	4.2%
Manufacturing	454	10.9%	598	9.8%	549	11.1%	6,340	7.2%	604	9.1%	398	9.0%	7,614	7.8%
Wholesale Trade	122	2.9%	229	3.8%	167	3.4%	892	1.0%	152	2.3%	169	3.8%	1,487	1.5%
Retail Trade	414	9.9%	688	11.3%	542	11.0%	8,925	10.1%	702	10.6%	588	13.3%	9,842	10.1%
Transportation and Warehousing	83	2.0%	205	3.4%	96	1.9%	1,310	1.5%	116	1.7%	126	2.8%	1,667	1.7%
Information	70	1.7%	62	1.0%	77	1.6%	1,525	1.7%	100	1.5%	71	1.6%	1,629	1.7%
Finance and Insurance	89	2.1%	117	1.9%	101	2.0%	989	1.1%	88	1.3%	82	1.9%	1,059	1.1%
Real Estate and Rental and Leasing	39	0.9%	43	0.7%	32	0.6%	569	0.6%	45	0.7%	40	0.9%	616	0.6%
Professional, Scientific, and Technical Services	83	2.0%	128	2.1%	118	2.4%	1,452	1.6%	145	2.2%	92	2.1%	1,557	1.6%
Management of Companies and Enterprises	60	1.4%	62	1.0%	50	1.0%	636	0.7%	67	1.0%	36	0.8%	637	0.7%
Admin & Support, Waste Mgmt and Remediation	133	3.2%	125	2.1%	156	3.2%	2,105	2.4%	169	2.5%	127	2.9%	2,668	2.7%
Educational Services	326	7.8%	499	8.2%	374	7.6%	4,682	5.3%	486	7.3%	340	7.7%	5,882	6.1%
Health Care and Social Assistance	1,487	35.5%	1,902	31.3%	1,661	33.6%	43,699	49.3%	2,758	41.6%	1,449	32.7%	44,080	45.4%
Arts, Entertainment, and Recreation	62	1.5%	59	1.0%	48	1.0%	982	1.1%	78	1.2%	53	1.2%	1,075	1.1%
Accommodation and Food Services	286	6.8%	389	6.4%	293	5.9%	6,765	7.6%	446	6.7%	327	7.4%	7,479	7.7%
Other Services (excluding Public Administration)	100	2.4%	174	2.9%	133	2.7%	2,348	2.7%	146	2.2%	129	2.9%	2,689	2.8%
Public Administration	127	3.0%	262	4.3%	186	3.8%	2,480	2.8%	222	3.3%	139	3.1%	2,577	2.7%

Source: U.S. Census Bureau; Maxfield Research & Consulting, LLC

Long-term Growth/ High-Paying Jobs

Table EMP-20 shows long-term growth for high-paying jobs located in the Southeast Minnesota Planning Area as provided from the Department of Employment and Economic Development. The table depicts the 2016 (the most recent data available) to 2026 estimated employment and the estimated job openings and median salary for future high-paying jobs in the region.

- The largest number of job openings in Southeastern Minnesota is for Registered Nurses, which will be experiencing a projected 5,900 openings. This profession has a median salary of \$76,708.
- Heavy and Tractor-Trailer Truck Drivers and Licensed Vocational Nurses will experience a significant number of projected job openings as well, with 4,200 and 2,347 respectively. A high-percentage of these jobs will be located in Rochester among various health-care providers.
- The greatest percentage growth is projected to occur for Nurse Practitioners which is estimated to experience a 33% change (687 jobs). Medical Assistants are projected to grow by 27.5% (3,654 jobs) followed by Medical and Health Service Managers 24% (1,160 jobs), and Plumber/Pipefitters, and Steamfitters 19% (1,164 jobs).
- Overall, the Southeast Minnesota Planning Area is projected to have 273,731 jobs by 2026 which will be a 4.6% change from the previous decade with 310,127 openings. Median salary is estimated to be approximately \$39,319 a year.

Long-term Growth/ Low-Paying Jobs

Table EMP-21 shows long-term growth projections for select low-paying jobs located in the Southeast Minnesota Planning Area as provided from the Department of Employment and Economic Development. The table depicts the 2016 (the most recent data available) to 2026 estimated employment and the estimated job openings for future low-paying jobs in the region.

- The largest number of job openings in Southeastern Minnesota is for Food and Beverage Serving Workers and Retail Sales Workers, which will be experiencing a projected 25,056 and 24,107 openings, respectively.
- Other Personal Care and Service Workers and Cashiers will experience a significant number of projected job openings as well, with 14,115 and 13,022 respectively.
- The greatest growth is projected to occur for Other Healthcare Support Occupations which is estimated to experience an increase of 907 jobs (19.7%). Other Personal Care and Service

EMPLOYMENT TRENDS

Workers are projected to grow by 797 jobs (9.1%) followed by Personal Care Aides 755 jobs (16.1%), and Combined Food Preparation and Serving Workers 432 jobs (7.8%).

- Overall, the Southeast Minnesota Planning Area is projected to have 114,717 of these select low-pay jobs by 2026 which will be a projected 4.2% change from 2016 with 110,049 openings.
- The development of the DMC Area may have an impact on the creation of additional low paying jobs.

The majority of the low pay jobs in table are typically part-time employment with few full-time positions. Many earn minimum wage or slightly more and thus need to have more than one job to make a living. A number of jobs on this list such as cashier, retail sales, and fast food historically have been occupied by younger people. However, there has been a shift to more immigrant workers filling these positions.

The increasing shift in the type of individual filling these low pay positions creates additional need for more affordable housing development. However, there appears to be a mismatch of these workers and the types of affordable housing being developed. Immigrant households have a need for larger unit types of which have not substantially developed in the county along with the increasing cost of affordable housing pricing out these households.

EMPLOYMENT TRENDS

TABLE EMP-20
LONG TERM HIGH GROWTH/HIGH PAY JOBS
SOUTHEAST MINNESOTA PLANNING AREA
2016 to 2026

Title	2016 Employment	2026 Percent Change	Estimated Job Openings	Median Salary
Registered Nurses	9,455	9.6	5,899	\$76,708
Heavy and Tractor-Trailer Truck Drivers	3,624	7	4,200	\$41,292
Licensed Practical and Licensed Vocational Nurses	2,803	10.2	2,347	\$46,382
Medical Assistants	2,481	27.5	3,654	\$41,274
Sales Representatives, Wholesale and Manufacturing	2,279	7	2,517	\$60,296
Maintenance and Repair Workers, General	2,052	7.4	2,202	\$40,873
Medical Secretaries	2,037	17.7	2,718	\$42,069
Accountants and Auditors	1,746	9	1,746	\$56,150
Business Operations Specialists, All Other	1,601	6.4	1,573	\$57,607
First-Line Supervisors of Production and Operating	1,323	7.4	1,413	\$57,140
Machinists	1,115	8.4	1,255	\$44,534
Electricians	1,069	10.9	1,347	\$63,227
Medical and Health Services Managers	1,068	23.7	1,160	\$105,035
Industrial Truck and Tractor Operators	1,043	16.7	1,414	\$40,855
Welders, Cutters, Solderers, and Brazers	917	17.1	1,199	\$41,765
Plumbers, Pipefitters, and Steamfitters	886	18.6	1,164	\$57,537
Financial Managers	878	14.1	805	\$105,859
Industrial Machinery Mechanics	873	14.2	923	\$49,523
Food Batchmakers	869	10.9	1,364	\$43,541
Sales Managers	836	6.3	773	\$104,077
Police and Sheriff's Patrol Officers	818	5.4	574	\$59,095
Nurse Practitioners	768	33.3	687	\$115,484
Industrial Engineers	721	12.9	581	\$79,820
Child, Family, and School Social Workers	714	5.9	773	\$60,472
Production Workers, All Other	699	13.6	933	\$40,100
Market Research Analysts and Marketing Specialists	691	14	801	\$53,169
Medical Records and Health Information Technicians	648	13	492	\$48,377
Physical Therapists	634	13.1	354	\$84,739
Software Developers, Applications	626	17.4	536	\$88,306
First-Line Supervisors of Mechanics, Installers, a	593	5.9	548	\$66,411
Bus and Truck Mechanics and Diesel Engine Speciali	570	13.5	611	\$49,502
Industrial Production Managers	561	4.8	423	\$93,864
Administrative Services Managers	549	7.7	492	\$85,954
Dental Assistants	537	11.2	674	\$48,321
Production, Planning, and Expediting Clerks	525	6.3	572	\$44,994
Mechanical Engineers	471	7.9	340	\$76,111
Highway Maintenance Workers	460	7.4	510	\$48,016
Graphic Designers	444	7.9	457	\$42,411
Dental Hygienists	440	12	326	\$68,605
Computer-Controlled Machine Tool Operators, Metal	432	10.4	489	\$39,364
Healthcare Social Workers	383	8.4	429	\$61,383
Securities, Commodities, and Financial Services Sa	382	4.7	379	\$77,534
Nurse Anesthetists	372	15.1	243	\$193,808
Food Service Managers	371	5.1	420	\$52,332
Computer Occupations, All Other	325	5.8	239	\$70,317
Heating, Air Conditioning, and Refrigeration Mecha	303	13.9	348	\$48,571
First-Line Supervisors of Housekeeping and Janitor	302	4.6	357	\$46,086
Computer Network Architects	298	6.7	215	\$118,921
Occupational Therapists	290	7.9	169	\$74,786
Butchers and Meat Cutters	280	8.2	376	\$41,589
Human Resources Managers	276	7.2	245	\$96,902
Total, All Occupations	273,731	4.6	310,127	\$39,319

Source: DEED; Maxfield Research & Consulting, LLC

EMPLOYMENT TRENDS

TABLE EMP-21
SELECT LOWER WAGE PAY JOBS
SOUTHEAST MINNESOTA PLANNING AREA
2016 to 2026

Title	2016 Employment	2026 Employment	2026 Pct. Change	Estimated Job Openings
<u>Healthcare Support Occupations</u>				
Home Health Aides	2,133	2,321	8.8	2,667
Other Healthcare Support Occupations	4,601	5,508	19.7	6,405
<u>Protective Service Occupations</u>				
Security Guards	713	707	-0.8	916
<u>Food Preparation and Serving Related Occupations</u>				
Cooks and Food Preparation Workers	4,041	4,182	3.5	6,104
Cooks, Institution and Cafeteria	802	837	4.4	1,171
Cooks, Restaurant	2,099	2,156	2.7	3,006
Food and Beverage Serving Workers	13,458	13,790	2.5	25,056
Bartenders	1,675	1,646	-1.7	2,676
Combined Food Preparation and Serving Workers, Inc.	5,510	5,942	7.8	10,805
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	1,220	1,176	-3.6	2,526
Waiters and Waitresses	4,188	4,127	-1.5	7,731
Food Servers, Nonrestaurant	865	899	3.9	1,318
Other Food Preparation and Serving Related Workers	1,600	1,568	-2	2,846
Dishwashers	620	598	-3.5	914
Hosts, Hostesses, Restaurant, Lounge, and Coffee Shop	540	528	-2.2	1,187
<u>Building and grounds Cleaning and Maintenance Occupations</u>				
Building Cleaning and Pest Control Workers	5,881	6,247	6.2	8,168
Janitors and Cleaners	3,906	4,178	7	5,446
Maids and Housekeeping Cleaners	1,900	1,982	4.3	5,604
Grounds Maintenance Workers	15,550	1,682	8.2	2,040
Landscaping and Groundskeeping Workers	1,463	1,582	8.1	1,918
<u>Personal Care and Service Occupations</u>				
Animal Care and Service Workers	393	475	20.3	703
Nofarm Animal Caretakers	333	399	19.8	611
Entertainment Attendants and Related Workers	1,060	1,047	-1.2	2,128
Amusement and Recreation Attendants	579	564	-2.6	1,267
Other Personal Care and Service Workers	8,783	9,580	9.1	14,115
Childcare Workers	2,420	2,468	2	3,557
Personal Care Aides	4,682	5,437	16.1	7,835
Recreation Workers	813	823	1.2	1,363
<u>Sales and Related Occupations</u>				
Retail Sales Workers	14,921	14,929	0.1	24,107
Cashiers	6,719	7,008	4.3	13,022
Counter and Rental Clerks	447	449	0.4	566
Parts Salesperson	452	446	-1.3	544
Retail Salesperson	7,228	6,954	-3.8	9,842
Sales Representatives, Service	2,454	2,482	1.1	2,710

Source: DEED; Maxfield Research & Consulting, LLC

Major Employers

Table EMP-22 shows the major employers based on data provided by Rochester Area Economic Development and surrounding cities within the Olmsted County Market Area. Please note that the table is not a comprehensive list of all employers and presents a selected list of employers and their employees as identified by the Rochester Area Economic Development (RAEDI) and community officials. The data is updated and collected by the city in fragmented time periods and is not an official survey. The following are key points from the major employers table.

- The Mayo Clinic in Rochester is by far the largest employer in the Olmsted County Market Area with over 36,000 employees. According to the Minnesota Department of Employment and Economic Development, the Mayo Clinic is the third largest employer in Minnesota, behind the State of Minnesota and the United States Federal Government.
- Rochester Public Schools is the second largest employer with nearly 2,900 employees.
- IBM, also located in Rochester, is the third largest employer in the Olmsted County Market Area with about 2,800 employees.

Destination Medical Center

The Destination Medical Center (“DMC”) initiative is one of the largest and most advanced economic development strategies in the State of Minnesota. Its goal is to secure Rochester’s and Minnesota’s status as a global medical destination.

DMC main objectives are as follows:

- Sustain Rochester and Minnesota as a global destination that offers patients a welcoming, comfortable and engaging environment in which to receive the most advanced medical care in the world.
- Grow Rochester as a magnet community attracting the most promising students and sophisticated healthcare professionals from across the globe.
- Leverage Mayo Clinic’s presence in Minnesota to ignite institutional and commercial research in an environment that encourages shared knowledge, partnerships, medical advancements, and innovation.
- Create unparalleled and meaningful experiences of hope, health, and hospitality for every person.
- Provide the ideal patient, companion, and visitor experience to become the world’s premier destination medical community.

EMPLOYMENT TRENDS

**TABLE EMP-22
MAJOR EMPLOYERS
OLMSTED COUNTY MARKET AREA
DECEMBER 2013**

Name	City	Industry/Product/Service	Employee Size
Rochester Submarket			
Mayo Clinic	Rochester	Medical/Hospital	36,330
IBM	Rochester	Electronics-Computer	2,791
Rochester Public Schools	Rochester	Education Services	2,873
Olmsted County	Rochester	Government	1,340
Olmsted Medical Center	Rochester	Medical/Hospital Services	1,346
City of Rochester	Rochester	Local Government	1,764
McNeilus Truck & Manuf.	Rochester	Cement & Garbage Truck Manufacturer	1,250
Spectrum	Rochester	Cable Television/High Speed Internet	634
Crenlo	Rochester	Fabricated Metal	703
Benchmark Electronics	Rochester	Engineering and Manufacturing	540
Cardinal of Minnesota, Ltd.	Rochester	Supportive Care for Mental Health Disabilities	520
RCTC	Rochester	Post Secondary Education	500
McNeilus Steel, Inc	Rochester	Manufacturer of Steel Products	470
Reichel Foods	Rochester	Refrigerated lunch & snacks	450
Federal Medical Center	Rochester	Corrections/Medical	450
Halcon	Rochester	Office Furniture Manufacturer	400
Samaritan Bethany, Inc.	Rochester	Health Care of the Aging	375
Kemps	Rochester	Dairy Processing and Distribution	306
Other Submarkets*			
Curtis 1000	Byron	Printing Services	195
Strongwell	Chatfield	Fiberglass Prolusion	150
Chosen Valley Care Center	Chatfield	Skilled Nursing	150
Tuohy Furniture Corp	Chatfield	Wood Furniture	130
Chosen Valley Public Schools	Chatfield	Education	120
EZ Fabrication	Chatfield	Metal Fabrication	70
Byron Schools ISD 531	Byron	Education	n.a.
Dover-Eyota Public Schools	Eyota	Education	n.a.
North Star Foods Inc	St.Charles	Animal Slaughtering & Processing	n.a.
St Charles Schools-ISD #858	St.Charles	Elementary & Secondary Schools	n.a.
Somerby Golf Community	Byron	Golf Course	n.a.
Whitewater Healthcare Ctr	St.Charles	Nursing Care Facilities	n.a.
Gar-Lin Dairy Farm	Eyota	Agriculture	n.a.
Excel Manufacturing Inc	St.Charles	Other General Purpose Machinery	n.a.
Stewartville Care Center	Stewartville	Nursing Care Facilities	n.a.
Pine Island Public Schools	Pine Island	Education	n.a.
* Due to COVID-19 limitations Data for Other Submarkets was unavailable at this time.			
Source: Rochester Area Economic Development; Surrounding cities within Market Area; Maxfield Research & Consulting, LLC			

EMPLOYMENT TRENDS

Although Rochester is known worldwide for Mayo Clinic, the city is transforming into a hub for medical education, research, and innovation. Rochester is a regional employment center for southeast Minnesota, with a current employment base of approximately 88,600 jobs according to the US Census Bureau Local Employment Dynamics (2017). With just over 58,600 persons employed and living in Rochester, this means the city supports employment that is about 66% higher than its local workforce population.

The DMC is a major economic development initiative that will drive substantial new job growth for future generations. The target for the DMC is to grow the employment base by more than 30,000 jobs and bring tax revenue in excess of \$7 billion to the State over the next 35 years.

Employer Survey

Due to the global COVID-19 pandemic, Maxfield Research has reached out to some of the largest local employers in Olmsted County in an attempt to survey their opinion about issues related to housing in the area. Community economic development information can provide useful job growth data and assists in identifying housing demand in an area. Unfortunately, during the time of our survey COVID-19 has made participation in this survey minimal, however we encourage diving deeper into surveying local employers after the pandemic has stabilized.

Employment Summary

Table EMP-23 provides an employment summary that compares Olmsted County to Metro Area counties.

- Olmsted County had the second highest inflow/outflow ratio. There were nearly twice (47%) as many people coming into Olmsted County than commuting outside of Olmsted County. Washington County had the highest ratio (51%) of people leaving the county for employment than coming into the county.
- Olmsted County had the lowest percentage of employees earning \$1,250 or less per month (19.7%) followed by Hennepin County with 20.2% earning \$1,250 or less.
- Olmsted County had the highest percentage of Health Care and Social Assistance (45.4%).
- Olmsted County had the second highest percentage of Accommodation and Food Service jobs at 7.7% and third highest in Retail Trade jobs at 10.1%.

EMPLOYMENT TRENDS

TABLE EMP-23
EMPLOYMENT SUMMARY
OLMSTED COUNTY COMPARED TO OTHER COUNTIES
2017

Employment Summary	Dakota		Hennepin		Ramsey		Carver		Washington		Olmsted	
	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.
Inflow/Outflow												
Inflow	105,783		462,570		230,641		24,415		51,121		33,418	
Outflow	143,696		177,818		153,919		40,060		104,115		17,737	
Interior Flow	84,471		469,786		114,613		15,011		32,014		63,646	
Employee Monthly Earnings												
\$1,250 or Less	44,269	23.3%	186,538	20.2%	71,233	20.6%	8,708	22.1%	22,674	27.3%	19,168	19.7%
\$1,251 to \$3,333	50,874	26.7%	230,616	25.0%	84,887	24.6%	9,835	24.9%	23,605	28.4%	26,435	27.2%
More Than \$3,333	95,111	50.0%	515,202	55.9%	189,134	54.8%	20,883	53.0%	36,856	44.3%	51,461	53.0%
Employee Ages												
Age 29 or Younger	45,792	24.1%	218,451	23.7%	77,764	22.5%	9,017	22.9%	22,703	27.3%	22,506	23.2%
Age 30 to 54	101,841	53.5%	518,189	56.2%	188,215	54.5%	21,575	54.7%	43,108	51.9%	51,904	53.5%
Age 55 or Older	42,621	22.4%	195,716	21.2%	79,275	23.0%	8,834	22.4%	17,324	20.8%	22,654	23.3%
Jobs by NAICS Industry Sector												
Agriculture, Forestry, Fishing and Hunting	920	0.5%	800	0.1%	71	0.0%	127	0.3%	698	0.8%	301	0.3%
Mining	218	0.1%	297	0.0%	35	0.0%	0	0.0%	77	0.1%	15	0.0%
Utilities	569	0.3%	3,474	0.4%	1,293	0.4%	44	0.1%	257	0.3%	159	0.2%
Construction	10,288	5.4%	29,970	3.2%	12,330	3.6%	2,266	5.7%	4,469	5.4%	4,031	4.2%
Manufacturing	19,157	10.1%	73,202	7.9%	29,773	8.6%	9,756	24.7%	9,603	11.6%	7,614	7.8%
Wholesale Trade	11,573	6.1%	52,148	5.6%	13,510	3.9%	1,907	4.8%	2,812	3.4%	1,487	1.5%
Retail Trade	22,261	11.7%	75,023	8.0%	27,753	8.0%	2,887	7.3%	12,584	15.1%	9,842	10.1%
Transportation & Warehousing	10,929	5.7%	22,764	2.4%	5,768	1.7%	425	1.1%	1,995	2.4%	1,667	1.7%
Information	7,008	3.7%	21,939	2.4%	7,238	2.1%	349	0.9%	943	1.1%	1,629	1.7%
Finance & Insurance	12,408	6.5%	71,965	7.7%	17,457	5.1%	902	2.3%	3,182	3.8%	1,059	1.1%
Real Estate, Rental & Leasing	2,463	1.3%	16,887	1.8%	4,932	1.4%	409	1.0%	965	1.2%	616	0.6%
Professional, Scientific & Tech Services	8,201	4.3%	102,695	11.0%	16,201	4.7%	2,043	5.2%	3,779	4.5%	1,557	1.6%
Management of Companies & Enterprises	3,567	1.9%	46,684	5.0%	22,396	6.5%	994	2.5%	1,683	2.0%	637	0.7%
Admin & Support & Waste Mgmt & Remediation	9,105	4.8%	51,664	5.5%	17,315	5.0%	1,100	2.8%	2,746	3.3%	2,668	2.7%
Educational Services	17,057	9.0%	73,956	7.9%	37,440	10.8%	4,285	10.9%	7,998	9.6%	5,882	6.1%
Health Care & Social Assistance	23,945	12.6%	143,168	15.4%	62,203	18.0%	5,208	13.2%	12,025	14.5%	44,080	45.4%
Arts, Entertainment & Recreation	3,166	1.7%	17,663	1.9%	6,183	1.8%	1,215	3.1%	1,921	2.3%	1,075	1.1%
Accommodation & Food Services	14,024	7.4%	67,989	7.3%	24,847	7.2%	2,982	7.6%	8,549	10.3%	7,479	7.7%
Other Services (except Public Administration)	7,296	3.8%	28,781	3.1%	11,659	3.4%	1,022	2.6%	3,119	3.8%	2,689	2.8%
Public Administration	6,099	3.2%	21,287	2.3%	26,850	7.8%	1,505	3.8%	3,730	4.5%	2,577	2.7%

Source: U.S. Census Bureau; Maxfield Research & Consulting, LLC

Introduction

Maxfield Research identified and surveyed larger rental properties of 12 or more units in the Olmsted County Market Area. Because many of the rental properties of less than 20 units are owned by private investors with no property management firm, many of the smaller rental properties were difficult to reach. In addition, interviews were conducted with real estate agents, developers, rental housing management firms, and others in the community familiar with Olmsted County's rental housing stock.

For purposes of our analysis, we have classified rental projects into two groups, general occupancy and senior (age restricted). All senior projects are included in the *Senior Rental Analysis* section of this report. The general occupancy rental projects are divided into three groups, market rate (those without income restrictions), affordable, (those receiving tax credits in order to keep rents affordable), and subsidized (those with income restrictions based on 30% allocation of income to housing).

Rental Market Conditions

Maxfield Research utilized data from the American Community Survey (ACS) to summarize rental market conditions in Olmsted County. The ACS is an ongoing survey conducted by the United States Census Bureau that provides data every year rather than every ten years as presented by the decennial census. We utilize this data because these figures are not available from the decennial census.

Table R-1 on the following page presents a breakdown of median gross rent and monthly gross rent ranges by number of bedrooms in renter-occupied housing units from the 2018 ACS in Olmsted County in comparison to the Twin Cities Metro Area and Minnesota. Gross rent is defined as the amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, wood, etc.) if these are paid by the renter.

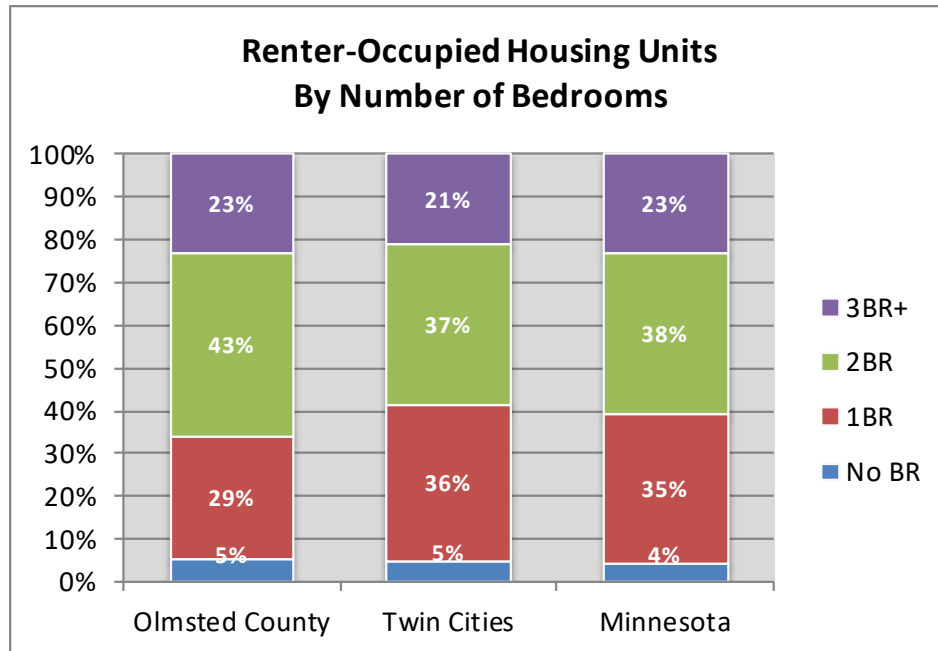
- Approximately 23% of the renter-occupied housing units in Olmsted County have three or more bedrooms compared to 20% in the Metro Area. One-bedroom units comprise 29% of Olmsted County's renter-occupied housing supply, while only 5% of the renter-occupied units have no bedrooms. By comparison, roughly 36% of the Metro Area's renter-occupied housing units are one-bedroom and 7% have no bedrooms.
- Roughly 43% of the renter-occupied housing units in Olmsted County are two bedrooms compared to 37% in the Metro Area.
- Olmsted County has nearly identical rents compared to Minnesota. The median gross rent in Olmsted County is \$935 which is 13% lower than the median rent of \$1,072 in the Metro Area.

RENTAL MARKET ANALYSIS

- Olmsted County's monthly gross rents range from less than \$300 to over \$1,000 with 42.5% renting for \$1,000 or more per month. Approximately 25% have gross monthly rents \$750 to \$999 and 19% with gross monthly rents from \$500 to \$749. Only about 5% have rents between \$300 and \$499 and another 5% with rents below \$300.

	Olmsted County		Twin Cities Metro Area		Minnesota	
	#	% of Total	#	% of Total	#	% of Total
Total:	16,317	100%	372,925	100%	551,895	100%
Median Gross Rent	\$935		\$1,072		\$944	
No Bedroom	872	5%	25,818	7%	23,344	4%
Less than \$300	41	0%	2,240	1%	3,652	1%
\$300 to \$499	84	1%	1,720	0%	4,628	1%
\$500 to \$749	517	3%	7,218	2%	11,028	2%
\$750 to \$999	109	1%	7,719	2%	9,496	2%
\$1,000 or more	121	1%	6,608	2%	7,847	1%
No cash rent	0	0%	313	0%	628	0%
1 Bedroom	4,656	29%	133,924	36%	192,165	35%
Less than \$300	471	3%	11,293	3%	22,028	4%
\$300 to \$499	381	2%	7,988	2%	22,271	4%
\$500 to \$749	1,297	8%	16,695	4%	38,892	7%
\$750 to \$999	1,130	7%	50,518	14%	60,768	11%
\$1,000 or more	1,298	8%	46,064	12%	53,308	10%
No cash rent	79	0%	1,366	0%	2,708	0%
2 Bedrooms	6,990	43%	137,271	37%	208,573	38%
Less than \$300	146	1%	3,225	1%	6,605	1%
\$300 to \$499	113	1%	3,418	1%	11,053	2%
\$500 to \$749	1,117	7%	6,954	2%	34,629	6%
\$750 to \$999	2,511	15%	29,521	8%	60,220	11%
\$1,000 or more	2,913	18%	91,224	24%	109,681	20%
No cash rent	190	1%	2,929	1%	7,806	1%
3 or More Bedrooms	3,799	23%	75,912	20%	127,813	23%
Less than \$300	134	1%	1,085	0%	2,594	0%
\$300 to \$499	165	1%	2,194	1%	6,766	1%
\$500 to \$749	186	1%	4,490	1%	14,938	3%
\$750 to \$999	340	2%	4,888	1%	19,968	4%
\$1,000 or more	2,601	16%	58,897	16%	90,192	16%
No cash rent	373	2%	4,358	1%	14,805	3%

Sources: American Community Survey 2018; Maxfield Research & Consulting, LLC



- By comparison, in the Metro Area, about 54% of units have gross monthly rents that are \$1,000 or more. Also, nearly 25% have gross monthly rents that are \$750 to \$999 as well. In addition, around 9.5% have rents between \$500 and \$749.

General-Occupancy Rental Projects

Our research of Olmsted County Market Area’s general occupancy rental market included a survey of 114 market rate apartment properties (12 units and larger) and 49 affordable/subsidized communities (six of which were mixed income with market rate units) in the 2nd quarter of 2020. These projects represent a combined total of 11,054 units, including 8,544 market rate units and 2,542 affordable/subsidized units. Although we were able to contact and obtain up-to-date information on the majority of rental properties, there were some projects we were unable to reach. It was common for smaller older complexes, which are most often privately-owned, to not participate in our survey. In addition, there are also a number of privately owned and operated older rental buildings we were unable to gather contact information for and thus could not include in the study. Overall, we were able to ascertain information for a large number of properties of which 150 out of 156 properties we surveyed provided information (96% participation rate).

At the time of our survey, 934 market rate units and 63 affordable/subsidized units were vacant, resulting in an overall vacancy rates of 9.5% for market rate units and 4.6 % for affordable/subsidized. The vacancy rate drops to 5.1% for market rate and 2.3% for affordable/subsidized unit if we exclude developments that are in the initial lease up period. The overall market rate vacancy rate of 5.1% is at the industry standard of 5% vacancy for a stabilized rental market, which promotes competitive rates, ensures adequate choice, and allows for unit turnover.

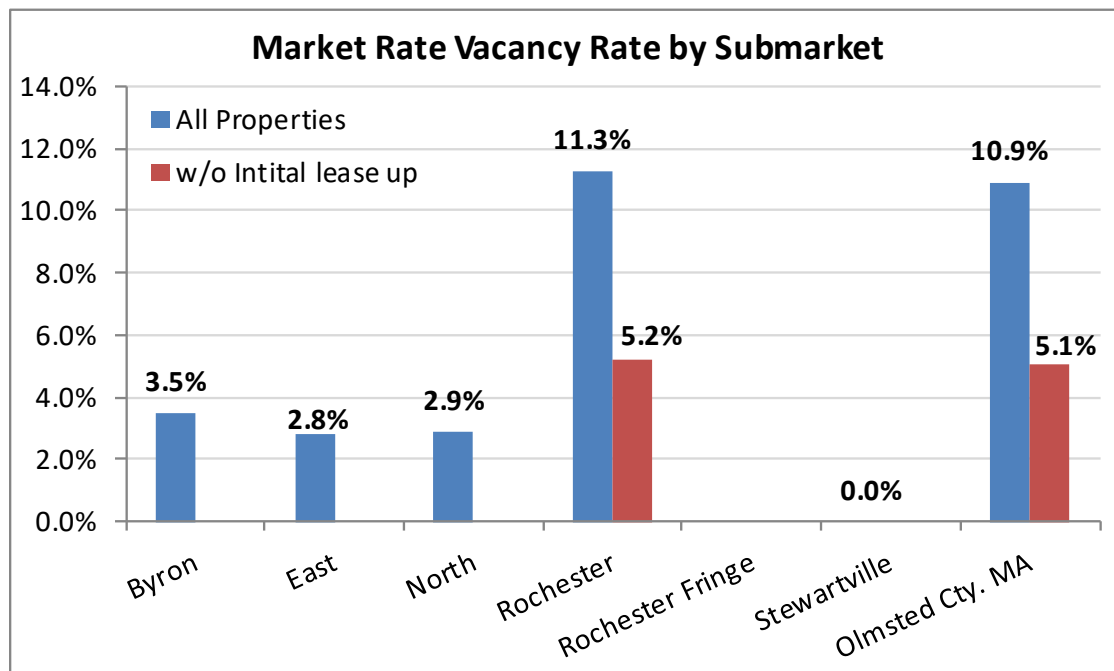
RENTAL MARKET ANALYSIS

Table R-2 shows vacancy rate comparison of submarkets within the Olmsted County Market Area. Table R-3 summarizes information on market rate projects, while Table R-4 summarizes information on affordable and subsidized projects.

Submarket	Market Rate		Affordable		Subsidized		Total	
	Units	Vacancy Rate*	Units	Vacancy Rate*	Units	Vacancy Rate*	Units	Vacancy Rate*
Byron	121	3.5%	48	4.2%	-	-	169	3.6%
East	75	2.8%	24	4.2%	68	0.0%	167	1.2%
North	104	2.9%	24	0.0%	56	5.4%	184	3.3%
Rochester**	8,160	11.3%	1,669	6.2%	598	1.0%	10,427	10.0%
<i>Rochester TOD**</i>	3,091	17.4%	285	9.8%	116	0.9%	3,492	16.2%
Rochester^	7,290	5.2%	1,381	2.8%	598	1.0%	9,269	4.6%
<i>Rochester TOD^</i>	2,462	4.7%	256	2.7%	116	0.9%	2,834	4.3%
Rochester Fringe	-	-	-	-	-	-	-	-
Stewartville	84	0.0%	-	-	55	0.0%	139	0.0%
Total**	8,544	10.9%	1,765	6.1%	777	1.2%	11,086	9.5%
Total^	7,674	5.1%	1,477	2.8%	777	1.2%	9,928	4.4%

* Vacancy rates based on partipating properties.
 ** Includes properties in initial lease up.
 ^ Excludes properties in initial lease up.

Source: Maxfield Research & Consulting, LLC

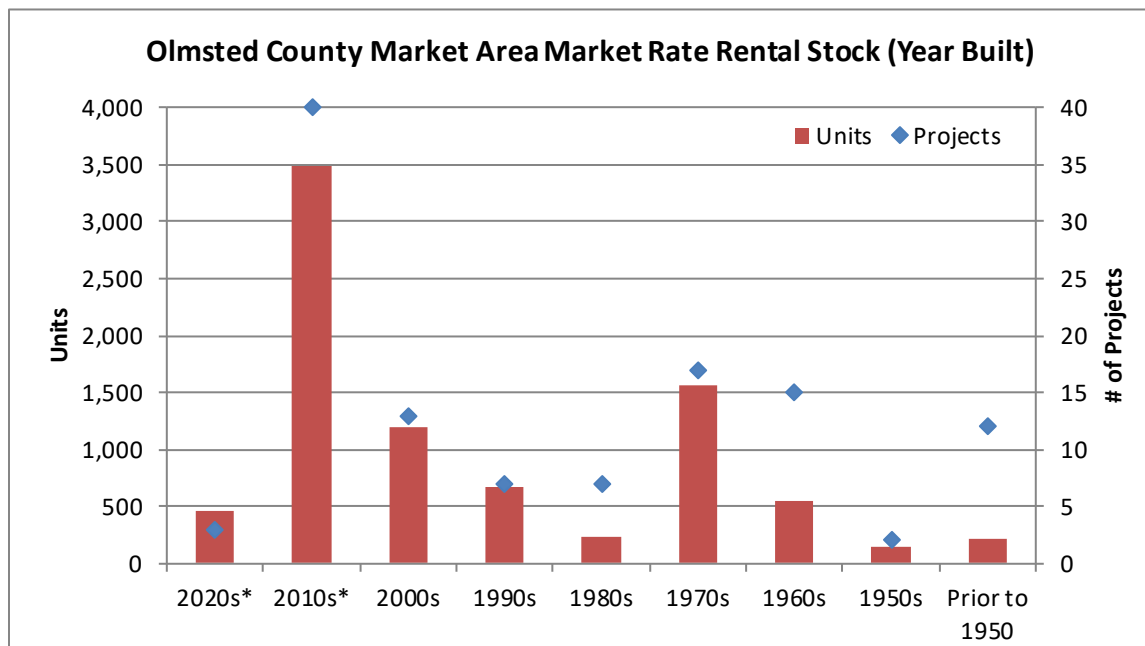


RENTAL MARKET ANALYSIS

Market Rate Rental

- There have been 31 new market rate rental buildings constructed since the 2013 housing study in the Olmsted County Market Area. All but of one (301 Apartments in Pine Island – 36 units) of these developments were located in Rochester.
- The number of market rate units added in the Olmsted County Market Area since 2013 totaled 3,249; including 3,213 in Rochester.
- The following information shows by year the number of developments and total units added since 2013 (Does not include buildings updated with renovations):

<u>Year</u>	<u>Projects</u>	<u>Units</u>
2020	2	395
2019	5	469
2018	6	500
2017	4	421
2016	10	1,056
2015	2	306
2014	1	39
2013	1	62



*Includes properties in the 2010s and 2020s that have undergone some sort of renovation/remodeling.

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- In addition to the newly built properties, our research identified seven older properties that underwent various renovations from updating interior units to full building (interior /exterior) renovations. These properties renovated a total of 293 units of existing older developments.
- Due to the significant number of units built since the previous study in 2013, the weighted average year built for all units surveyed has increased from 1983 to 1997 for the Olmsted County Market Area. About 41% of Olmsted County Market Area's market rate rental units were constructed in the 2010s. Previously, the 1970s decade had the highest percentage of rental units with 18%. It important to note that this data is for surveyed units only. It does not account for buildings under 12 units.
- Since 2010, there has been 3,647 market rate rental units added to the Market Area which is nearly the amount added during the previous four decades combined (roughly 3,678 units). (Note: There may be a number of older properties in which we were unable to survey due to lack of contact information.)
- Two-bedroom units which accounted for nearly 50% of the units in 2013 fell to 43% as the addition of a number of studio/efficiency and one-bedroom units were added to the Olmsted County Market Area. Studio/efficiency units grew from 3.4% of the total to 8.3% while one-bedroom units increased from 29.1% to 33.8% currently in 2020. The unit breakout by unit type is summarized below.

	<u>2020</u>	<u>2013 Study</u>
○ Studio/Efficiency units:	8.3%	3.4%
○ One-bedroom units:	33.8%	29.1%
○ One-bedroom/Den Units:	1.4%	0%
○ Two-bedroom units:	43.4%	49.5%
○ Two-Bedroom/Den Units:	0.4%	0%
○ Three-bedroom units:	11.1%	16.5%
○ Four-bedroom units:	1.6%	1.5%

- The following is the monthly rent ranges and average rent for each unit type:

<u>Q2 2020</u>		
○ Studio/Efficiency units:	\$500 to \$1,668	Avg. \$1,047
○ One-bedroom units:	\$625 to \$1,990	Avg. \$1,136
○ One-bedroom/Den units:	\$1,200 to \$2,280	Avg. \$1,470
○ Two-bedroom units:	\$689 to \$2,792	Avg. \$1,296
○ Two-bedroom/Den units:	\$2,500 to \$3,713	Avg. \$3,284
○ Three-bedroom units:	\$739 to \$4,070	Avg. \$1,552
○ Four-bedroom units:	\$1,012 to \$1,920	Avg. \$1,510

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2013 Study

- Studio/Efficiency units: \$485 to \$905 | Avg. \$555
- One-bedroom units: \$545 to \$1,338 | Avg. \$802
- Two-bedroom units: \$595 to \$1,595 | Avg. \$963
- Three-bedroom units: \$810 to \$1,630 | Avg. \$1,156
- Four-bedroom units: \$1,500 to \$1,820 | Avg. \$1,536

- The average monthly rent per square foot among those surveyed properties was \$1.39 (\$1.01 in 2013 study). Rent per square foot varied by unit type as illustrated below:

Q2 2020

- Studio/Efficiency units: \$2.06
- One-bedroom units: \$1.55
- One-bedroom/Den units: \$1.56
- Two-bedroom units: \$1.25
- Two-bedroom/Den units: \$2.28
- Three-bedroom units: \$1.08
- Four-bedroom units: \$1.57

2013 Study

- Studio/Efficiency units: \$1.22
- One-bedroom units: \$1.14
- Two-bedroom units: \$1.02
- Three-bedroom units: \$0.86
- Four-bedroom units: \$1.19



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Table R-3 Market Rate Rental Properties Olmsted County Market Area 2nd Quarter 2020							
Project Name/Location	Year Built	Total	Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
BYRON SUBMARKET							
Kodiak Apartments	2003	73	4	2 - 1BR	892	\$950	\$1.07
304 9th Ave				53 - 2BR	1,058 - 1,154	\$1,025 - \$1,150	\$0.97 - \$1.00
Byron				18 - 3BR	1,078 - 1,154	\$1,250	\$1.08 - \$1.16
Villa Grande	1985	48	0	16 - 1BR	602	\$695	\$1.15
109 7th St NE				32 - 2BR	761	\$750	\$0.99
Byron							
Byron Submarket Total		121	4	3.3% Vacancy Rate			
EAST SUBMARKET							
Brittany Apartments	1979	36	1	7 - 1BR	600 - 700	\$639 - \$649	\$0.93 - \$1.07
1097, 1112, 1160 Oakview Drive				25 - 2BR	750 - 825	\$689 - \$709	\$0.86 - \$0.92
St. Charles				4 - 3BR	980	\$739	\$0.75
Coyote Apartments	1930	8	n.a.	2 - studio	n.a.	n.a.	n.a.
15 2nd Street SE				2 - 1BR	n.a.	n.a.	n.a.
Chatfield				4 - 2BR	n.a.	n.a.	n.a.
Main Street Apts	n/a	15	n.a.	n.a. - 1BR	n.a.	n.a.	n.a.
714 South Main Street				n.a. - 2BR	n.a.	n.a.	n.a.
Chatfield							
R & M Apts	n.a.	16	n.a.	n.a. - 1BR	n.a.	n.a.	n.a.
815 Grand Street SE				n.a. - 2BR	n.a.	n.a.	n.a.
Chatfield							
East Submarket Total		75	1	2.8% Vacancy Rate*			
NORTH SUBMARKET							
301 Apartments	2018	36	3	10 - 1BR	696 - 720	\$1,000 - \$1,225	\$1.44 - \$1.70
301 Main Street				26 - 2BR	868 - 1,216	\$1,200 - \$1,625	\$1.34 - \$1.38
Pine Island							
Ridgeway Estates	2001	34	0	20 - 2BR	910	\$1,050	\$1.15
501 Ridgeway Lane NE				14 - 3BR	1,200	\$1,150	\$0.96
Pine Island							
Pineview Townhomes	2000	34	0	31 - 2BR	1,426 - 2,051	\$1,100 - \$1,300	\$0.63 - \$0.77
700 SW 10th Street				3 - 3BR	1,742 - 2,051	\$1,200 - \$1,300	\$0.63 - \$0.69
Pine Island							
North Submarket Total		104	3	2.9% Vacancy Rate			
ROCHESTER SUBMARKET							
<i>Rochester Northwest</i>							
Technology Park Apartments	2019	41	4	52 - Studio	551	\$1,050	\$1.91
3731/3745 Technology Drive NW	Oct.	Initial Lease-Up		32 - 1BR	661	\$1,125	\$1.70
Rochester				80 - 2BR	827 - 1,059	\$1,215 - \$1,425	\$1.35 - \$1.47
164 total units (123 units @ 60% & 80%)							
The Pines of Rochester	2017	192	10	120 - 1BR	720	\$1,245 - \$1,255	\$1.73 - \$1.74
4820 Alpha Parkway NW				72 - 2BR	1,010 - 1,100	\$1,495 - \$1,545	\$1.40 - \$1.48
Rochester							
The Park^A	2016	72	9	14 - 0BR	555 - 623	\$1,195 - \$1,248	\$2.00 - \$2.15
408 8 1/2 Avenue NW				26 - 1BR	680 - 740	\$1,295 - \$1,345	\$1.82 - \$1.90
Rochester				32 - 2BR	920 - 1,175	\$1,450 - \$1,850	\$1.57 - \$1.58
90 total units (19 units @ 60%)							
Cascade Apartments	2016	44	2	4 - EFF	474	\$900	\$1.90
957 Pendant Lane NW				20 - 1BR	603 - 830	\$1,000 - \$1,200	\$1.45 - \$1.66
Rochester				10 - 1BR+D	881 - 889	\$1,200 - \$1,275	\$1.36 - \$1.43
				10 - 2BR	988 - 1,069	\$1,300 - \$1,375	\$1.29 - \$1.32
Nue 52	2016	83	7	36 - 1BR	720 - 720	\$1,050 - \$1,110	\$1.46 - \$1.54
6717 Gaillardia Drive NW				47 - 2BR	1,008 - 1,010	\$1,285 - \$1,320	\$1.27 - \$1.31
Rochester							
Kascade Place	2016	96	5	59 - 1BR	720 - 1,010	\$1,110 - \$1,125	\$1.11 - \$1.54
6520 Clarkia Drive NW				37 - 2BR	1,010 - 1,010	\$1,340 - \$1,465	\$1.33 - \$1.45
Rochester							
Rivers Edge Apartments	2003	39	2	8 - 1BR	695	\$625 - \$735	\$0.90 - \$1.06
33 13 1/2 ST NW				31 - 2BR	874 - 1,154	\$775 - \$935	\$0.89 - \$1.07
Rochester							
Avalon Cove Townhomes^A	2002	188	1	120 - 2BR	1,248	\$1,355 - \$1,525	\$1.09 - \$1.22
3202 Avalon Cove Lane NW				68 - 3BR	1,530 - 1,862	\$1,520 - \$1,862	\$0.99 - \$1.00
Rochester							
Continued							

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Table R-3 Market Rate Rental Properties Olmsted County Market Area 2nd Quarter 2020 (Continued)							
Project Name/Location	Year Built	Total	Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
ROCHESTER SUBMARKET (Cont.)							
<i>Rochester Northwest (Cont.)</i>							
Quarry Ridge Apartments	2001/	313	13	5 - EFF	337 - 445	\$800 - \$1,000	\$2.25 - \$2.37
1823 Quarry Ridge Place NW	2012			95 - 1BR	765 - 939	\$1,100 - \$1,200	\$1.28 - \$1.44
<i>Rochester</i>				39 - 1BR+D	1,025 - 1,041	\$1,250 - \$1,275	\$1.22 - \$1.22
				138 - 2BR	1,047 - 1,120	\$1,165 - \$1,290	\$1.11 - \$1.15
				36 - 3BR	1,320 - 1,451	\$1,315 - \$1,560	\$1.00 - \$1.08
Crown Apartments	2001	48	0	6 - 1BR	714	\$989	\$1.39
2852 59th ST NW				34 - 2BR	865 - 1,050	\$1,099 - \$1,199	\$1.14 - \$1.27
<i>Rochester</i>				8 - 3BR	1,182 - 1,231	\$1,279 - \$1,299	\$1.06 - \$1.08
The Brittany's Townhomes	2001	98	0	18 - 2BR	1,000	\$1,005	\$1.01
3085 Brittany Lane NW				80 - 3BR TH	1,600 - 1,600	\$1,355 - \$1,475	\$0.85 - \$0.92
<i>Rochester</i>							
Georgetowne Homes	2001	51	9	68 - 2BR	1,170	\$1,307	\$1.12
2670 Georgetowne Pl NW				32 - 3BR	1,360	\$1,449	\$1.07
<i>Rochester</i>							
100 Total Units (49 LIHTC @ 60%)							
Sunset Trail Apartments	2000	146	7	50 - 1BR	701 - 832	\$1,145 - \$1,150	\$1.38 - \$1.63
3639 41st St. NW				72 - 2BR	1,053 - 1,207	\$1,175 - \$1,330	\$1.10 - \$1.12
<i>Rochester</i>				24 - 3BR	1,420	\$1,395 - \$1,475	\$0.98 - \$1.04
The Village at Essex Park	1999	144	5	38 - 1BR	718	\$1,098 - \$1,108	\$1.53 - \$1.54
937 41st Street NW				52 - 2BR	998	\$1,282 - \$1,355	\$1.28 - \$1.36
<i>Rochester</i>				54 - 3BR	1,148 - 1,336	\$1,553 - \$1,664	\$1.16 - \$1.35
French Creek Townhomes	1991	40	1	28 - 2BR	1,038 - 1,485	\$1,255 - \$1,275	\$1.21 - \$1.23
2000 Chardonay Lane NW				12 - 3BR	1,485	\$1,410	\$0.95
<i>Rochester</i>							
Jordan Mills	1990	119	7	76 - 2BR	920 - 950	\$1,020 - \$1,080	\$1.11 - \$1.14
1737 48h Street NW				43 - 3BR	1,060 - 1,280	\$1,339 - \$1,590	\$1.24 - \$1.26
<i>Rochester</i>							
Jordan Creek	1985	62	0	62 - 2BR	885 - 900	\$1,000 - \$1,005	\$1.12 - \$1.13
4811 16th Avenue NW							
<i>Rochester</i>							
Country View Apartments	1984	12	0	12 - 2BR	870	\$950	\$1.09
2420 30th Avenue NW							
<i>Rochester</i>							
Rolling Greens Apartments	1978	44	0	11 - 1BR	750	\$696	\$0.93
1820 37th St				33 - 2BR	850	\$750	\$0.88
<i>Rochester</i>							
Summit Square	1975	150	5	78 - 1BR	700 - 750	\$854 - \$1,146	\$1.22 - \$1.53
936 41st Street NW				72 - 2BR	860 - 910	\$890 - \$1,221	\$1.03 - \$1.34
<i>Rochester</i>							
Timberland Heights	1975	161	11	49 - 1BR	630 - 640	\$875 - \$1,065	\$1.39 - \$1.66
1515 41st St. NW				91 - 2BR	940	\$950 - \$1,160	\$1.01 - \$1.23
<i>Rochester</i>				21 - 3BR	1,080	\$1,190 - \$1,435	\$1.10 - \$1.33
Berkshire Village	1974	90	5	30 - 1BR	600	\$800 - \$865	\$1.33
1258 17th Avenue NW				60 - 2BR	800 - 825	\$865 - \$920	\$1.08 - \$1.12
<i>Rochester</i>							
Village Green Townhomes	1972	36	0	18 - 2BR	1,160	\$1,055	\$0.91
1828 41st Street NW				18 - 3BR	1,160 - 1,250	\$1,200 - \$1,310	\$1.03 - \$1.05
<i>Rochester</i>							
Gates of Rochester	1971	412	7	112 - 1BR	710	\$775 - \$860	\$1.09 - \$1.21
2015 41st Street NW				208 - 2BR	870 - 1,110	\$825 - \$1,001	\$0.90 - \$0.95
<i>Rochester</i>				92 - 3BR	970 - 1,200	\$999 - \$1,110	\$0.93 - \$1.03
Winchester Apartments	1970	115	7	60 - 1BR	700	\$845 - \$890	\$1.21 - \$1.27
3908 19th Avenue NW				55 - 2BR	950	\$930 - \$955	\$0.98 - \$1.01
<i>Rochester</i>							
Heritage Manor	1968	182	9	12 - EFF	400	\$650	\$1.63
2408 18 1/2 Avenue NW				12 - studio	500	\$735 - \$760	\$1.47 - \$1.52
<i>Rochester</i>				86 - 1BR	700	\$760 - \$810	\$1.09 - \$1.16
				74 - 2BR	900 - 930	\$980 - \$1,005	\$1.09 - \$1.12

Continued

RENTAL MARKET ANALYSIS

Table R-3 Market Rate Rental Properties Olmsted County Market Area 2nd Quarter 2020 (Continued)							
Project Name/Location	Year Built	Total	Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
ROCHESTER SUBMARKET (Cont.)							
<i>Rochester Northwest (Cont.)</i>							
Mile Manor Apartments^	1965	53	1	8 - studio	480	\$650 - \$675	\$1.35 - \$1.41
1617 4th St NW				12 - 1BR	756	\$690	\$0.91
Rochester				32 - 2BR	896	\$750 - \$775	\$0.84 - \$0.86
				1 - 3BR	1,100	\$950	\$0.86
The Whitehall Apatments	1965	18	0	18 - 2BR	900	\$900	\$1.00
1915 18 1/2 Avenue NW							
Rochester							
Hillcrest Apartments	1963	34	0	34 - studio	280 - 480	\$500 - \$600	\$1.79 - \$2.14
1701 Hwy 52							
Rochester							
Regency Apartments^	1963	20	3	18 - 1BR	650 - 700	\$950	\$1.46 - \$1.36
513 2nd St NW				2 - 2BR	900	\$1,150 - \$1,400	\$1.28 - \$1.56
Rochester							
The Georgian Apartments	n.a.	12	0	12 - 2BR	900	\$850	\$0.94
1955 19th Street NW							
Rochester							
Subtotal Rochester NW		3,115	123	3.9%	Vacancy Rate		
Subtotal TOD Rochester NW		333	14	4.2%	Vacancy Rate		
<i>Rochester Northeast</i>							
River Glen	2019	80	47	16 - 1BR	754 - 796	\$1,050	\$1.32 - \$1.39
191 Sandbar Court NE	June			56 - 2BR	1,074 - 1,122	\$1,200	\$1.07 - \$1.12
Rochester				8 - 3BR	1,346 - 1,400	\$1,500	\$1.07 - \$1.11
<i>Mixed Income (128 units @ 60% AMI)</i>							
208 Total Units							
The Riverwalk Apartments^	2019	107	10	93 - 1BR	596 - 1,232	\$1,210 - \$2,800	\$2.03 - \$2.27
449 East Center Street	Feb.			20 - 1BR+D	817 - 997	\$1,635 - \$2,300	\$2.00 - \$2.31
Rochester				27 - 2BR	948 - 1,144	\$1,899 - \$2,600	\$2.00 - \$2.27
<i>Mixed Income (30 units @ 60% AMI, 15 units @ 50%)</i>							
152 Total Units							
				<u>Townhomes</u>			
				8 - 1BR	989 - 1,232	\$3,469 - \$2,800	\$2.27 - \$3.51
				2 - 2BR+D	1,723 - 1,735	\$3,470 - \$3,800	\$2.01 - \$2.19
				2 - 3BR	1,723 - 1,735	\$3,470 - \$3,800	\$2.01 - \$2.19
<i>Unfurnished - Furnished</i>							
Civic Square Apartments^	1991	124	0	83 - 1BR	470 - 826	\$850 - \$1,000	\$1.21 - \$1.81
101 Civic Center Dr NE				41 - 2BR	855 - 1,100	\$950 - \$1,250	\$1.11 - \$1.14
Rochester							
Northern Valley Apartments	1984	16	0	16 - 2BR	800	\$899	\$1.12
2826 Northern Valley Drive NE							
Rochester							
Olympik Village	1976	140	14	24 - 1BR	700	\$785	\$1.12
402 31st Street NE				98 - 2BR	875	\$910 - \$1,170	\$1.04 - \$1.34
Rochester				18 - 3BR	1,150	\$1,160 - \$1,380	\$1.01 - \$1.20
Far Park Apartments	1968	27	0	6 - 1BR	650	\$750	\$1.15
417/423 27th St NE				21 - 2BR	934 - 977	\$850 - \$900	\$0.91 - \$0.92
Rochester							
1541/1545 2nd Avenue NE^	1958	16	1	2 - 1BR	700	\$700	\$1.00
1541/1545 2nd Avenue NE				14 - 2BR	900	\$750	\$0.83
Rochester							
Silver Lake Apartments	1955	126	0	42 - EFF	550	\$650	\$1.18
1515 3rd Avenue NE				84 - 1BR	700	\$750	\$1.07
Rochester							
Parker Apartments^	1919/ 2016	62	0	62 - Micro	160 - 225	\$600 - \$745	\$3.31 - \$3.75
101 East Center Street							
Rochester							
Subtotal Rochester NE		698	72	10.3%	Vacancy Rate		
Subtotal TOD Rochester NE		309	12	3.9%	Vacancy Rate		
Continued							

RENTAL MARKET ANALYSIS

Table R-3 Market Rate Rental Properties Olmsted County Market Area 2nd Quarter 2020 (Continued)							
Project Name/Location	Year Built	Total	Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
ROCHESTER SUBMARKET (Cont.)							
<i>Rochester Southeast</i>							
Falcon Heights Townhomes	2020/	120	71	4 - 1BR	1,304	\$1,625	\$1.25
4400 Red hawk Drive SE	2018	Initial Lease-up		56 - 2BR	1,190	\$1,750 - \$1,925	\$1.47 - \$1.53
Rochester				60 - 3BR	1,403	\$1,950 - \$2,150	\$1.39 - \$1.53
Phase I opened in April 2018 with 72 units and Phase II Spring of 2020 with 48 units. Offer flexible leasing with 2-11 month plans thus higher turnover.							
Avani Living^A	2018	107	0	46 - 0BR	530 - 530	\$985 - \$1,190	\$1.86 - \$2.25
1610 Center Street	October			41 - 1BR	690 - 685	\$1,056 - \$1,444	\$1.53 - \$2.11
Rochester				20 - 2BR	1,079 - 1,147	\$1,267 - \$2,049	\$1.17 - \$1.79
SoRoc on Maine	2018	186	17	20 - 0BR	516 - 542	\$910 - \$946	\$1.75 - \$1.76
4850 Maine Avenue SE	April			50 - 1BR	624 - 1,027	\$1,330 - \$1,380	\$1.34 - \$2.13
Rochester				86 - 2BR	931 - 1,413	\$1,533 - \$1,905	\$1.35 - \$1.65
				30 - 3BR	1,405 - 1,536	\$1,845 - \$1,985	\$1.29 - \$1.31
Flats on 4th ^A	2018	73	1	24 - 0BR	507 - 578	\$1,200 - \$1,400	\$2.37 - \$2.42
412 SE 3rd Avneue	February			37 - 1BR	623 - 758	\$1,350 - \$1,675	\$2.17 - \$2.21
Rochester				15 - 2BR	965 - 1,129	\$1,975 - \$2,300	\$2.04 - \$2.05
Mixed Income (19 units @ 50%)				6 - 2BR+D	1,295 - 1,417	\$2,500 - \$2,750	\$1.93 - \$1.94
92 Total Units							
Lofts at Mayo Park^A	2017	29	1	8 - 1BR	740	\$1,475	\$1.99
123 6th Avenue S				7 - 1BR/Furn.	740	\$3,200	\$4.32
Rochester				4 - 1BR/Pent.	982	\$3,200	\$3.26
				5 - 2BR	1,086 - 1,364	\$2,781 - \$2,792	\$2.05 - \$2.56
				3 - 2BR/Furn.	1,086 - 1,138	\$3,600 - \$4,200	\$3.31 - \$3.69
				2 - 2BR/Pent.	1,425	\$5,100	\$3.58
Eastwood Ridge Apartments	2016	209	6	66 - 0BR	462 - 550	\$930 - \$990	\$1.80 - \$2.01
3043 Towne Club Parkway				30 - 1BR	620 - 710	\$1,095 - \$1,305	\$1.77 - \$1.84
Rochester				65 - 2BR	953 - 1,079	\$1,345 - \$1,636	\$1.41 - \$1.52
				48 - 3BR	1,237 - 1,440	\$1,615 - \$1,933	\$1.31 - \$1.34
Preserve on Maine	2016	205	4	96 - 1BR	569 - 782	\$990 - \$1,060	\$1.36 - \$1.74
4010 SE Maine				91 - 2BR	988 - 1,315	\$1,460 - \$1,825	\$1.39 - \$1.48
Rochester				18 - 3BR	1,347 - 1,364	\$1,910 - \$1,930	\$1.41 - \$1.42
Springs at South Broadway	2016	228	12	24 - 0BR	623 - 623	\$1,163 - \$1,246	\$1.87 - \$2.00
560 28th Street				96 - 1BR	760 - 909	\$1,214 - \$1,658	\$1.60 - \$1.82
Rochester				84 - 2BR	1,062 - 1,185	\$1,311 - \$1,616	\$1.23 - \$1.36
				24 - 3BR	1,334 - 1,430	\$1,483 - \$2,038	\$1.11 - \$1.43
The Boulders Apartments & TH	2015	224	6	115 - 1BR	752 - 1,025	\$1,349 - \$1,624	\$1.58 - \$1.79
350 Boulder Road SE				28 - 2BR	1,113	\$1,669	\$1.50
Rochester				1 - 3BR	1,464	\$1,779	\$1.22
				72 - 2BR TH	1,307 - 1,545	\$1,699 - \$1,879	\$1.22 - \$1.30
				8 - 3BR TH	1,611	\$2,149	\$1.33
Rolling Ridge Townhomes	2003	35	0	18 - 2BR	1,100	\$868	\$0.79
851 Rolling Ridge Ave SE				17 - 3BR	1,200	\$978	\$0.82
Rochester							
Parkside Townhomes	2001	24	0	12 - 2BR	1,035	\$960	\$0.93
1042 Peregrine Dr SE				12 - 3BR	1,250	\$1,060	\$0.85
Rochester							
Creekside Apartments	1992/	72	0	3 - 1BR	597	\$660	\$1.11
1405-1505 Marion Road SE	2015			53 - 2BR	868	\$856	\$0.99
Rochester	Renovated			16 - 3BR	1,285	\$1,127	\$0.88
Edgewood Apts	1991/	36	22	36 - 4BR	1,200	\$1,100	\$0.92
897 16th Ave SE	2019						
Rochester	Renovated	Vacancies due to complete rehabilitation of all three buildings. One building fully occupied.					
The Quarters @ Rochester	1986	63	9	3 - 2BR	800	\$625 - \$1,250	\$1.56
842 21st Avenue SE		54 Student Units	85% Pre	60 4BR	1,100	\$480 - \$1,920	\$1.75
Rochester		9 MR Units	Leased For			Per Room	Per Unit
			20/21 School Year				
Sutton Place Apartments (Formerly Park Place)	1979	72	1	72 - 1BR	690	\$625 - \$675	\$0.91 - \$0.98
1903 17th St SE							
Rochester							

Continued

RENTAL MARKET ANALYSIS

Table R-3 Market Rate Rental Properties Olmsted County Market Area 2nd Quarter 2020 (Continued)							
Project Name/Location	Year Built	Total	Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
ROCHESTER SUBMARKET (Cont.)							
<i>Rochester Southeast (Cont.)</i>							
Andover Park Apartments (Formerly Hunter Ridge Properties) 2016 8 1/2 St SE Rochester	1979	80	4	5 - 2BR 75 - 3BR	1,175 1,175	\$900 \$1,000	\$0.77 \$0.85
21st Street Apartments (Formerly The Ege Apts. Of UCR) 875 21st Ave SE Rochester	1977/ 2020 Under Renovation	60	60	36 - 2BR 24 - 3BR	900 1,000	\$1,100 \$1,300	\$1.22 \$1.30
Center Street Village^ 626 E Center St Rochester	1976	36	0	36 - 2BR	805	\$900 - \$1,200	\$1.12 - \$1.49
Meadow Park Apartments^ 412 14th St SE Rochester	1975	90	0	24 - 1BR 48 - 2BR 18 - 3BR	700 900 1,100	\$650 \$750 \$850	\$0.93 \$0.83 \$0.77
Eastwood Manor 1532 10th Street SE Rochester	1973	29	1	15 - 1BR 24 - 2BR	700 900	\$660 \$850	\$0.94 \$0.94
Lamoine Apartments 1525 10th Street SE Rochester	1973	20	0	4 - 1BR 16 - 2BR	550 830	\$750 \$875	\$1.36 \$1.05
504/512 14th Street SE^ 504/512 14th Street SE Rochester	1969/ 2018 Renovated	18	2	2 - 1BR 16 - 2BR	550 800	\$695 \$795	\$1.26 \$0.99
Chester Estates^ 1463-1537 6th Avenue SE Rochester	1969 (4 plexes) 1977 (6 plexes)	40	4	7 - 1BR 33 - 2BR	700 900	\$695 \$795	\$0.99 \$0.88
The Beacon^ 431 3rd Avenue SE Rochester	1966/ 2019 Renovated	25	1	25 - 0BR	225 - 325	\$750 - \$950	\$2.92 - \$3.33
Subtotal Rochester SE		2,081	216	10.4% Vacancy Rate			
Subtotal TOD Rochester SE		418	9	2.2% Vacancy Rate			
<i>Rochester Southwest</i>							
The Berkman^ 1400 2nd Street Rochester	2020	347	262	78 - 0BR 120 - 1BR 17 - 1BR+D 90 - 2BR 22 - 2BR+D 2 - 2BR TH 2 - 2BR/Pent. 9 - 3BR 1 - 3BR+D 2 - 3BR/Pent. 4 - 3BR TH	427 - 558 665 - 740 865 - 987 976 - 1,258 1,286 - 1,611 1,968 - 1,988 2,390 1,516 - 1,687 1,876 1,808 2,352	\$1,075 - \$1,640 \$1,660 - \$1,990 \$1,995 - \$2,280 \$2,130 - \$2,565 \$3,089 - \$3,684 \$2,830 - \$4,550 \$6,050 \$3,304 - \$4,070 \$5,040 \$5,820 - \$6,070 \$5,300	\$2.52 - \$2.94 \$2.50 - \$2.69 \$2.31 - \$2.31 \$2.04 - \$2.18 \$2.29 - \$2.40 \$1.44 - \$2.29 \$2.53 \$2.18 - \$2.41 \$2.69 \$3.22 - \$3.36 \$2.25
The Maven on Broadway^ 4252 S Broadway Rochester	2020	156	84	24 - 0BR 50 - 1BR 62 - 2BR 2 - Penthouse 5 - 0BR Furn. 5 - 1BR Furn. 10 - 2BR Furn.	573 - 698 698 - 844 1,093 - 1,245 1,790 573 - 591 698 - 743 1,093 - 1,201	\$1,405 - \$1,668 \$1,603 - \$1,869 \$2,355 - \$2,675 \$4,202 \$2,457 - \$2,487 \$2,954 - \$3,153 \$4,583 - \$5,062	\$2.39 - \$2.45 \$2.21 - \$2.30 \$2.15 - \$2.15 \$2.35 \$4.21 - \$4.29 \$4.23 - \$4.24 \$4.19 - \$4.21
The Gryff^ 1935 2nd Street SW Rochester	2019 Dec.	26	6	12 - 2BR 14 - 3BR	524 - 551 655 - 841	\$1,175 - \$1,300 \$1,300 - \$1,350	\$2.24 - \$2.36 \$1.61 - \$1.98
Residency at Discovery Square^ 511 3rd Avenue SW Rochester	2019 Sept.	100	71	57 - 0BR 64 - 1BR 8 - 2BR	504 - 673 705 - 904 1,096 - 1,167	\$974 - \$1,525 \$1,199 - \$1,700 \$1,923 - \$2,495	\$1.93 - \$2.27 \$1.70 - \$1.88 \$1.75 - \$2.14
<i>Mixed Income (29 units @ 60% AMI)</i> 129 Total Units							
Continued							

RENTAL MARKET ANALYSIS

Table R-3 Market Rate Rental Properties Olmsted County Market Area 2nd Quarter 2020 (Continued)							
Project Name/Location	Year Built	Total	Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
ROCHESTER SUBMARKET (Cont.)							
<i>Rochester Southwest</i>							
Red44 839 16th Street SW Rochester	2017	159	12	19 - 0BR 94 - 1BR 42 - 2BR 4 - 2BR+D	533 - 533 687 - 1,007 1,030 - 1,164 1,505 - 1,575	\$1,190 - \$1,225 \$1,349 - \$1,768 \$1,707 - \$1,975 \$3,698 - \$3,713	\$2.23 - \$2.30 \$1.76 - \$1.96 \$1.66 - \$1.70 \$2.36 - \$2.46
Uptown Apartment Homes^ 1721 3rd Street Sw Rochester	2017	29	7	11 - 1BR 18 - 2BR	678 - 861 909 - 1,226	\$1,200 - \$1,390 \$1,400 - \$1,670	\$1.61 - \$1.77 \$1.36 - \$1.54
The Oliver Apartments^ 807 1st Street SW Rochester	2017	15	0	n.a. - n.a. n.a. - n.a.	n.a. - n.a. n.a. - n.a.	n.a. - n.a. n.a. - n.a.	n.a. - n.a. n.a. - n.a.
501 on First^ 501 1st Avenue SW Rochester	2016	84	0	4 - 0BR 66 - 1BR 4 - 1BR+D 10 - 2BR	462 - 550 609 - 924 859 1,021 - 1,313	\$1,150 - \$1,320 \$1,350 - \$1,450 \$1,400 \$1,975 - \$2,600	\$2.40 - \$2.49 \$1.57 - \$2.22 \$1.63 \$1.93 - \$1.98
Lofts^ 609 1st Street SW Rochester	2016	20	2	3 - 0BR 17 - 1BR	528 632 - 757	\$1,095 - \$1,120 \$1,300 - \$1,350	\$2.07 - \$2.12 \$1.78 - \$2.06
Nicholas Apartments^ 722 West Center Street Rochester	2015	83	0	8 - 0BR 52 - 1BR 16 - 1BR+D 7 - 2BR	549 690 916 912 - 960	\$950 \$1,200 \$1,350 \$1,550	\$1.73 \$1.74 \$1.47 \$1.61 - \$1.70
5th on 5th^ 510 5th Street SW Rochester	2015	39	1	4 - 0BR 20 - 1BR 15 - 1BR+D	551 - 700 772 - 1,035 813 - 875	\$1,050 - \$1,150 \$1,150 - \$1,425 \$1,250 - \$1,450	\$1.64 - \$1.91 \$1.38 - \$1.49 \$1.54 - \$1.66
Metropolitan Market Place^ 515 1st Ave SW Rochester	2013	62	2	36 - 0BR 12 - 1BR 11 - 2BR 3 - 3BR	431 - 541 656 - 656 783 - 1,060 1,182 - 1,182	\$1,145 - \$1,325 \$1,295 - \$1,450 \$1,495 - \$2,000 \$1,800 - \$2,000	\$2.45 - \$2.66 \$1.97 - \$2.21 \$1.89 - \$1.91 \$1.52 - \$1.69
318 Commons^ 318 First Avenue SW Rochester	2012	98	5	20 - 0BR 8 - 1BR 44 - 2BR 12 - 3BR 14 - 4BR	500 - 500 667 850 1,100 - 1,100 1,300	\$1,040 - \$1,115 \$1,205 \$940 \$925 - \$1,012 \$1,012	\$2.08 - \$2.23 \$1.81 \$1.11 \$0.84 - \$0.92 \$0.78
Richard Apartments^ 11 7th Ave SW Rochester	2012	24	1	23 - 1BR 1 - 1BR+D	700 860	\$1,150 - \$1,195 \$1,295	\$1.64 - \$1.71 \$1.51
Hamilton Apartments^ 500 4th Street SW Rochester	2011	24	0	8 - studio 16 - 1BR	540 - 565 678 - 840	\$975 - \$1,025 \$1,175 - \$1,295	\$1.81 - \$1.81 \$1.54 - \$1.73
Cascade Shores^ 144 Beach Lake Rd SW Rochester	2010	90	4	62 - 2BR 28 - 3BR	1,012 - 1,532 1,693 - 2,850	\$1,360 - \$1,710 \$1,645 - \$1,960	\$1.12 - \$1.34 \$0.69 - \$0.97
GrandeVille @ Cascade Lake Apts.^ 182 Grandeville Rd SW Rochester	2006	276	13	68 - 1BR 136 - 2BR 64 - 3BR 8 - 4BR	712 - 917 1,161 - 1,315 1,376 - 1,440 1,612	\$1,160 - \$1,347 \$1,310 - \$1,335 \$1,375 - \$1,470 \$1,610 - \$1,785	\$1.47 - \$1.63 \$1.02 - \$1.13 \$1.00 - \$1.07 \$1.00 - \$1.11
Crystal Bay Townhomes 2301 Crystal Bay SW Rochester	1997	76	0	62 - 2BR 14 - 3BR	1,248 1,485	\$1,475 \$1,685	\$1.18 \$1.13
Woodridge Apartments^ 2804 2nd Street SW Rochester	1990	110	12	2 - 0BR 47 - 1BR 48 - 2BR 3 - 3BR	620 - 651 760 - 815 1,045 - 1,100 1,247 - 1,300	\$1,050 - \$1,150 \$1,333 - \$1,388 \$1,453 - \$1,503 \$1,700 - \$1,808	\$1.69 - \$1.77 \$1.70 - \$1.75 \$1.37 - \$1.39 \$1.36 - \$1.39
Highland Townhomes^ 2214 2nd Street SW Rochester	1984	32	1	32 - 2BR	840	\$895	\$1.07
Continued							

RENTAL MARKET ANALYSIS

Table R-3 Market Rate Rental Properties Olmsted County Market Area 2nd Quarter 2020 (Continued)							
Project Name/Location	Year Built	Total	Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
ROCHESTER SUBMARKET (Cont.)							
<i>Rochester Southwest (Cont.)</i>							
Uptown Landing Apartments^ 621 1st Street SW Rochester	1969	23	0	23 - 1BR	525	\$773 - \$790	\$1.47 - \$1.50
Colby Manor^ 1804 2nd St SW Rochester	1967	32	2	32 - 1BR	650 - 650	\$625 - \$650	\$0.96 - \$1.00
Uptown Terrace^ 625 3rd Street SW Rochester	1967	18	0	16 - 1BR 2 - 2BR	500 700	\$925 \$1,080	\$1.85 \$1.54
Residences of Old City Hall^ 224 1st Ave SW Rochester	1966	22	2	22 - 1BR	612 - 1,400	\$950 - \$1,225	\$1.55 - \$2.00
Uptown Court^ 225 6th Avenue SW Rochester	1966	28	0	28 - 1BR	525	\$695 - \$750	\$1.32 - \$1.43
2nd Street Villas^ 620 2nd St SW Rochester	1965	39	8	39 - 1BR	400 - 600	\$750 \$1,500 Furnished	\$1.25 - \$1.88
Med City Apartments^ 214 16th Avenue SW Rochester	1964/ 2019 Renovated	12	2	1 - 0BR 3 - 1BR 8 - 2BR	399 489 - 551 656 - 837	\$1,142 \$1,195 - \$1,271 \$1,425 - \$1,525	\$2.86 \$2.44 - \$2.60 \$2.17 - \$2.32
Windsor Court^ 1226 4th Ave SW Rochester	1964	36	1	36 - 1BR	650	\$675	\$1.04
First Avenue Suites^ 100 1st Avenue SW Rochester	1939/ 2019 Renovated	20	4	5 - 0BR Furn. 5 - 1BR Furn. 5 - 2BR Furn. 5 - 3BR Furn.	431 - 431 656 - 656 783 - 960 1,182 - 1,182	\$2,670 - \$2,670 \$3,300 - \$3,300 \$4,050 - \$4,050 \$5,250 - \$5,250	\$6.19 - \$6.19 \$5.03 - \$5.03 \$4.22 - \$5.17 \$4.44 - \$4.44
Edison Apartments^ 716 7th Avenue SW Rochester	1929	8	1	8 - 1BR	n.a.	\$950	n.a.
1301 1st Street SW^ 1301 1st Street SW Rochester	1928	23	0	4 - Studio 17 - 1BR	350 - 400 450 - 750	\$525 - \$545 \$775 - \$900	\$1.36 - \$1.50 \$1.20 - \$1.72
Hillside Apartments^ 718 5th Street SW Rochester	1928	54	2	20 - 0BR 10 - 1BR 24 - 2BR	343 - 473 580 - 600 671 - 971	\$715 - \$790 \$915 - \$940 \$1,078 - \$1,180	\$1.67 - \$2.08 \$1.57 - \$1.58 \$1.22 - \$1.61
Pill Hill Apartments^ 730 5th Street Rochester	1928	15	0	5 - studio 4 - 1BR 6 - 2BR	n.a. n.a. n.a.	\$825 \$850 \$900	n.a. n.a. n.a.
Chalet Apartments^ 855 1st Street SW Rochester	1928	19	0	8 - 0BR 9 - 1BR 2 - Micro	250 - 300 450 - 500 150 - 150	\$675 - \$875 \$825 - \$1,075 \$395 - \$395	\$2.70 - \$3.50 \$1.83 - \$2.39 \$2.63 - \$2.63
Zick Apartments^ 603 1st Street SW Rochester	1927	19	3	6 - studio 12 - 1BR 1 - 2BR	540 648 807	\$775 - \$800 \$875 - \$900 \$1,000	\$1.44 - \$1.48 \$1.35 - \$1.39 \$1.24
Raymond Apartments^ 23 7th Ave SW Rochester	1921	26	2	15 - studio 11 - 1BR	530 648	\$750 - \$775 \$850 - \$895	\$1.42 - \$1.46 \$1.31 - \$1.38
Furlow Apartments^ 512 4th Street SW Rochester	1900	22	5	1 - EFF 6 - studio 15 - 1BR	450 450 525	\$750 \$750 \$825 - \$900	\$1.67 \$1.67 \$1.57 - \$1.71
Subtotal Rochester SW		2,266	515	22.7% Vacancy Rate			
Subtotal TOD Rochester SW		2,031	503	24.8% Vacancy Rate			
Rochester Submarket Total		8,160	926	11.3% Vacancy Rate			
Rochester TOD Total		3,091	538	17.4% Vacancy Rate			
Continued							

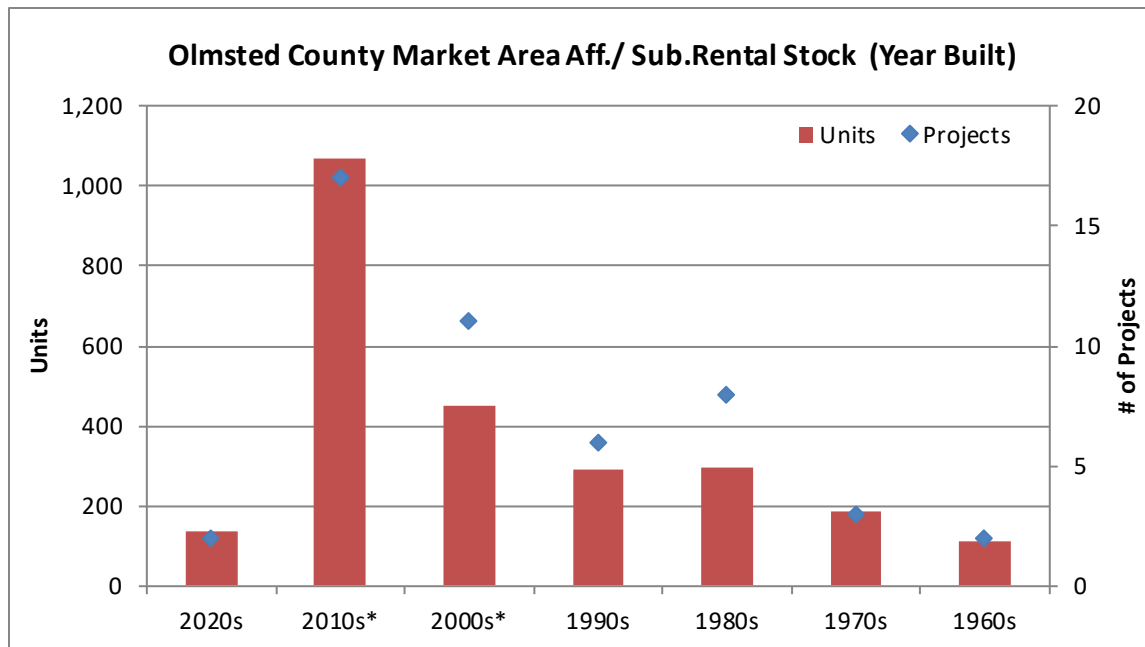
RENTAL MARKET ANALYSIS

Table R-3 Market Rate Rental Properties Olmsted County Market Area 2nd Quarter 2020 (Continued)							
Project Name/Location	Year Built	Total	Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
STEWARTVILLE SUBMARKET							
Cottages of Stewartville 1830 Maple St Stewartville	1995	60	0	16 · 1BR 28 · 2BR 16 · 3BR	800 1,000 1,080	\$885 \$985 \$1,105	\$1.11 \$0.99 \$1.02
Cedarwood Apartments 118 1st St E Stewartville	1978	16	0	16 · 2BR	802	\$934	\$1.16
Ralex-Stewartville Apartments 801 6th Street Stewartville	1980	8	0	1 · 1BR 7 · 2BR	650 750	\$750 \$775	\$1.15 \$1.03
Stewartville Submarket Total		84	0	0.0% Vacancy Rate			
Total of All Submarkets		8,544	934	10.9% * Vacancy Rate*			
*Vacancy rate does not include properties that did not participate in rental survey.							
**Properties are primarily used for student-housing.							
^ Properties that are located within the Rochester TOD designated area.							
Source: Maxfield Research & Consulting, LLC							

Affordable/Subsidized Rental

- There are 49 income-restricted projects (affordable and subsidized) in the Olmsted County Market Area with 2,542 total units. Since the original Study conducted in 2013, 15 new developments were added to the Market Area consisting of 971 units (all shallow-subsidy units) all located in the City of Rochester. Combined, 118 units are vacant posting a vacancy rate of 4.6%. If we exclude the buildings opened since 2019 and which are in the initial lease-up period, the overall vacancy rate falls to 2.5%. Typically, affordable and subsidized rental properties should be able to maintain vacancy rates of 3% or less in most housing markets. A rate of 2.5% falls just below market equilibrium.
- The Olmsted County Market Area has added 1,202 affordable/subsidized units since 2010 of which 1,066 were shallow-subsidy units that account for 42% of the total affordable and subsidized inventory. This nearly equals the total number of affordable/subsidized units built in the last 50 years since the first affordable subsidized unit was added in the 1960s (1,340 units). This is compared to inventory of affordable and subsidized housing built in the 2000s of 18%, 11% in the 1990s, and 12% in the 1980s.
- All of the affordable units were added in the City of Rochester. Only one deep-subsidy project was added last decade with a total of 55 units. Gage East was opened in 2016 in Rochester and is supportive housing for homeless families and youth.
- There has been no deep-subsidy housing built since the 1980s for the general occupancy population that do not need supportive housing services. Any subsidized housing developed after 1990 offer supportive housing services targeted to those with disabilities, chronic inebriates, and homelessness.

RENTAL MARKET ANALYSIS



- We identified a total of 31 affordable projects in the Olmsted County Market Area that consist of 1,765 units. As of 2nd Quarter 2020, there are 109 vacancies (6.2% vacancy rate). As mentioned previously, four projects are still in the initial lease-up phase and have a combined 67 vacancies. Excluding these properties decreases the vacancy rate to 2.8% which is near the suggest market equilibrium of 3.0% suggesting a stable affordable housing market.
- There have been seven new shallow-subsidy developments (total 605 units) that opened since 2019 that are contributing to the majority of vacant units. Harvestview Place I & II (February and July 2020) has 5 and 29 vacant units, respectively. The Residency at Discovery Square (September 2019) has 21 vacant units and Technology Park (October 2019) has 12 vacant units. Eastgate (January 2020), River Glen (June 2019), and The Riverwalk (February 2019) combined only have two vacant units. These seven properties account for over half (69 units) of the vacant affordable/subsidized units in the market.
- Excluding the newest shallow-subsidy affordable properties that are in the initial lease-up period decreases the overall vacancy rate to 2.8% for affordable developments. Typically, affordable rental properties should be able to maintain vacancy rates of 3% or less in most housing markets. A vacancy rate of 2.8% in the market indicates a stable market for affordable units in the area.
- Affordable projects are typically financed through the Low-Income Housing Tax Credit (LIHTC) program, otherwise known as the Section 42 program. The maximum income limit for residency at these projects is established by HUD and the Minnesota Housing Finance agency (MHFA) and is based on Olmsted County incomes (see page the figure on the following page). All of the projects are based between 40% to 80% of area median income (AMI).

RENTAL MARKET ANALYSIS

- The nineteen subsidized projects comprise 777 units and nine vacancies (1.2% vacancy rate). The properties are a mix of Section 8, Section 236, and permanent supportive housing developments. Projects have rents based on 30% of a resident's adjusted gross income (AGI).
- The newer tax credit properties offer more amenities than the older affordable and subsidized properties. Project amenities include laundry, dishwashers, air-conditioning, attached/underground garage parking, community room, fitness center, and extra storage space.

RENTAL MARKET ANALYSIS

Table R-4 Affordable/ Subsidized Rental Properties Olmsted County Market Area 2nd Quarter 2020							
Project Name/Location	Year Built	Total	Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
BYRON SUBMARKET- AFFORDABLE							
ValleyView Estates	1995	48	2	36 - 2BR	880	\$720	\$0.82
711 ValleyView Court NE				12 - 3BR	1,008	\$830	\$0.82
Byron							
LIHTC (60% of AMI)							
Byron Submarket Total		48	2	4.2% Vacancy Rate			
EAST SUBMARKET- AFFORDABLE							
Mill Pond Townhomes	1999	24	1	12 - 2BR	950	\$770	\$0.81
348 Hilltop Dr				12 - 3BR	1,250	\$870	\$0.70
Chatfield							
LIHTC (60% of AMI)							
East Submarket Total		24	1	4.2% Vacancy Rate			
NORTH SUBMARKET- AFFORDABLE							
Wazuweeta Woods Apartments	2002	24	0	12 - 2BR	910	\$675 - \$730	\$0.74 - \$0.80
532 6th Street SW				10 - 3BR	1,150	\$755 - \$810	\$0.66 - \$0.70
Pine Island				2 - 4BR	1,470	\$835 - \$890	\$0.57 - \$0.61
LIHTC (60% of AMI)							
North Submarket Total		24	0	0.0% Vacancy Rate			
ROCHESTER SUBMARKET- AFFORDABLE							
<i>Rochester Northwest</i>							
Harvetview Place II	2020	76	29	13 - 1BR	705	\$828	\$1.17
5340 56th Street NW	July			38 - 2BR	965 - 1,103	\$992	\$0.90 - \$1.03
Rochester				25 - 3BR	1,096 - 1,137	\$1,137	\$1.00 - \$1.04
LIHTC (60% of AMI)							
Harvetview Place I	2020	60	5	13 - 1BR	705	\$828	\$1.17
5067 55th Street NW	Feb.			30 - 2BR	965 - 1,103	\$992	\$0.90 - \$1.03
Rochester				17 - 3BR	1,096 - 1,137	\$1,137	\$1.00 - \$1.04
LIHTC (60% of AMI)							
Technology Park Apartments	2019	123	12	52 - Studio	551 - 551	\$900 - \$925	\$1.63 - \$1.68
3731/3745 Technology Drive NW	Oct.			32 - 1BR	661 - 661	\$945 - \$1,050	\$1.43 - \$1.59
Rochester				80 - 2BR	827 - 1,059	\$1,130 - \$1,300	\$1.23 - \$1.37
(66-60% AMI units & 57-80% AMI units)						60% AMI - 80% AMI	
Freddie Mac Non-LIHTC Forward Commitment							
Valleyhigh Flats	2018	60	0	15 - 1BR	750	\$831	\$1.11
3433 Kenosha Drive NW				27 - 2BR	964 - 1,035	\$995	\$0.96 - \$1.03
Rochester				18 - 3BR	1,137 - 1,167	\$1,141	\$0.98 - \$1.00
LIHTC (60% of AMI)							
The Park^	2016	18	0	6 - 0BR	555	\$795	\$1.43
408 8 1/2 Avenue NW				10 - 1BR	680 - 740	\$895	\$1.21 - \$1.32
Rochester				2 - 2BR	920 - 1,275	\$995	\$0.78 - \$1.08
TIF financed Affordability (60% AMI)							
Total of 90 units (72 Market Rate)							
Ashland Place	2015	49	1	10 - 1BR	689	\$828	\$1.20
1900 Ashland Drive NW				24 - 2BR	1,034	\$992	\$0.96
Rochester				15 - 3BR	1,318	\$1,137	\$0.86
LIHTC (60% of AMI)							
Washington Village East	2012	47	9	10 - 1BR	677	\$925	\$1.37
970 11th Avenue NW				34 - 2BR	956 - 970	\$1,037	\$1.08 \$0.00
Rochester				3 - 3BR	1,228	\$1,290	\$1.05
LIHTC (60% of AMI)							
Continued							

RENTAL MARKET ANALYSIS

Table R-4 Affordable/ Subsidized Rental Properties Olmsted County Market Area 2nd Quarter 2020 (Continued)							
Project Name/Location	Year Built	Total	Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
ROCHESTER SUBMARKET- AFFORDABLE (Cont.)							
<i>Rochester Northwest (Cont.)</i>							
Cascade Creek Apts.^	2011	40	3	8 - 1BR	700	\$985	\$1.41
421 6th Avenue NW				19 - 2BR	860	\$1,174	\$1.37
Rochester				13 - 3BR	1,100	\$1,351	\$1.23
LIHTC (60% of AMI)							
Washington Village West	2009	67	8	10 - 1BR	705	\$925	\$1.31
910 11th Ave NW				38 - 2BR	970 - 990	\$1,037	\$1.05 - \$1.07
Rochester				19 - 3BR	1,185	\$1,290	\$1.09
LIHTC (60% of AMI)							
Georgetowne Homes	2001	49	0	68 - 2BR	1,170	\$858	\$0.73
2670 Georgetowne Pl NW				32 - 3BR	1,360	\$984	\$0.72
Rochester							
LIHTC (60% AMI)							
Georgetowne Square	2005	32	0	24 - 2BR	1,170	\$906	\$0.77
2615 Georgetown Place NW				8 - 3BR	1,360	\$1,041	\$0.77
Rochester							
LIHTC (60% AMI)							
Douglas Trail Townhomes	2001	100	4	40 - 2BR	850	\$875	\$1.03
5041 Weatherstone Circle NW				60 - 3BR	1,150	\$1,050	\$0.91
Rochester							
LIHTC (60% AMI)							
Sunrise Townhomes	2000	24	0	8 - 2BR	1,170	\$1,000	\$0.85
5920 Bandel Road NW				16 - 3BR	1,270	\$1,100	\$0.87
Rochester							
LIHTC (60% AMI)							
Valley High Apartments	2000	24	0	10 - 2BR	1,015 - 1,117	\$960 - \$1,085	\$0.95 - \$0.97
2350 Valleyhigh Dr. NW				14 - 3BR	1,269 - 1,400	\$1,045 - \$1,100	\$0.79 - \$0.82
Rochester							
LIHTC (60% AMI)							
Royal Oaks Townhomes	1997	24	0	12 - 2BR	1,003 - 1,113	\$800	\$0.72 - \$0.80
3094 25th St NW				12 - 3BR	1,159 - 1,290	\$900	\$0.70 - \$0.78
Rochester							
LIHTC (60% AMI)							
Bandel Hills Townhomes	1996	25	0	8 - 2BR	1,221	\$617 - \$748	\$0.51 - \$0.61
5920 Bandel Rd NW				10 - 3BR	1,464	\$608 - \$738	\$0.42 - \$0.50
Rochester				7 - 4BR	1,560	\$677 - \$840	\$0.43 - \$0.54
LIHTC (40%/60% AMI)							
The Villages at Essex Place	1991	144	3	28 - 1BR	750	\$955	\$1.27 - \$0.00
937 41st Street NW				80 - 2BR	1,008	\$1,028 - \$1,091	\$1.02 - \$1.08
Rochester				24 - 3BR	1,008 - 1,372	\$1,116 - \$1,156	\$1.11 - \$1.15
LIHTC (50% of AMI)							
Subtotal Rochester NW		962	73	7.6% Vacancy Rate			
Subtotal TOD Rochester NW		58	3	5.2% Vacancy Rate			
Continued							

RENTAL MARKET ANALYSIS

Table R-4 Affordable/ Subsidized Rental Properties Olmsted County Market Area 2nd Quarter 2020 (Continued)							
Project Name/Location	Year Built	Total	Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
ROCHESTER SUBMARKET- AFFORDABLE (Cont.)							
<i>Rochester Northeast</i>							
River Glen	2019	128	1	32 - 1BR	796	\$845	\$1.06
1919 Sandbar Court NE	June			48 - 2BR	1122	\$975	\$0.87
Rochester				48 - 3BR	1400	\$1,300	\$0.93
LIHTC (60% of AMI) and TIF financed							
The Riverwalk^	2019	45	1	101 - 1BR	596 - 1,232	Would not participate	
449 East Center Street	Feb.			20 - 1BR+D	817 - 997	n.a. - n.a.	n.a. - n.a.
Rochester				27 - 2BR	948 - 1,144	n.a. - n.a.	n.a. - n.a.
Mixed Income 152 total units				2 - 2BR+D	1723 - 1,735	n.a. - n.a.	n.a. - n.a.
(15 units @ 50% AMI and 30 units @ 60% AMI)				2 - 3BR	1723 - 1,735	n.a. - n.a.	n.a. - n.a.
1st Avenue Flats^	2017	68	3	16 - 1BR	597 - 678	\$958 - \$970	\$1.60 - \$1.62
400 1st Avenue NE				52 - 2BR	940 - 1,146	\$884 - \$1,162	\$0.94 - \$1.24
Rochester							
LIHTC (60% of AMI)							
The Square on 31st	1971/ 2014	9	0	3 - 1BR	575	\$848	\$1.47
320 31st Street NE				6 - 2BR	700	\$1,002	\$1.43
Rochester	Renovation						
LIHTC (60% of AMI)							
Total of 104 units w/ 95 units Section 8							
Subtotal Rochester NE		250	5	2.0% Vacancy Rate			
Subtotal TOD Rochester NE		113	4	3.5% Vacancy Rate			
<i>Rochester Southeast</i>							
Eastgate	2020	144	0	16 - 0BR	518	\$890 - \$925	\$1.72 - \$1.79
127 Eastgate Drive SE	Jan.			80 - 1BR	685	\$895 - \$960	\$1.31 - \$1.40
Rochester				48 - 2BR	1,018 - 1,084	\$1,125 - \$1,275	\$1.04 - \$1.11
50% to 70% AMI							
Flats on 4th^	2017	19	0	6 - 0BR	511 - 578	\$606	\$1.05 - \$1.19
410 3rd Avenue SE				10 - 1BR	670 - 725	\$657	\$0.91 - \$0.98
Rochester				3 - 2BR	1,113 - 1,129	\$859	\$0.76 - \$0.77
LIHTC (60% of AMI)							
The Meadows	2016	54	0	12 - 1BR	675	\$720	\$1.07
1225 20th Street SE				30 - 2BR	955	\$860	\$0.90
Rochester				12 - 3BR	1,167	\$1,005	\$0.86
LIHTC (60% of AMI)							
Village on 3rd Apts.^	2007	66	0	16 - 1BR	655 - 689	\$730 - \$815	\$1.11 - \$1.24
516 3rd Avenue SE				37 - 2BR	916 - 974	\$890 - \$965	\$0.97 - \$1.05
Rochester				13 - 3BR	1,120 - 1,245	\$1,060 - \$1,130	\$0.95 - \$1.01
LIHTC (60% of AMI)							
Homestead Village Townhomes	1961	102	6	82 - 2BR	825	\$795 - \$850	\$0.96 - \$1.03
862 Homestead Lane SE				20 - 3BR	1,083	\$1,050 - \$1,075	\$0.97 - \$0.99
Rochester							
LIHTC (60% of AMI)							
Subtotal Rochester SE		385	6	1.6% Vacancy Rate			
Subtotal TOD Rochester SE		85	0	0.0% Vacancy Rate			
Continued							

RENTAL MARKET ANALYSIS

Table R-4 Affordable/ Subsidized Rental Properties Olmsted County Market Area 2nd Quarter 2020 (Continued)							
Project Name/Location	Year Built	Total	Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
ROCHESTER SUBMARKET- AFFORDABLE (Cont.)							
<i>Rochester Southwest</i>							
Residence @ Discovery Square[^]	2019	29	21	57 - 0BR #	504 - 673	\$985	\$1.46 - \$1.95
511 3rd Avenue SW	Sept.			64 - 1BR #	705 - 904	\$1,056	\$1.17 - \$1.50
(In initial lease Up)				8 - 2BR 8	1096 - 1,167	\$1,267	\$1.09 - \$1.16
TIF financed Affordability (60% AMI)							
All affordable units are designated for students							
Bear Creek Apartments	1972/2009	43	0	18 - 1BR	350	\$600	\$1.71
Restoration Road SW	2018			13 - 4BR	1,150	\$1,050	\$0.91
Rochester	me Renovation		6 BR	6 - TH	2,400	\$420/ Room	n.a.
Subtotal Rochester SW		72	21	29.2% Vacancy Rate			
Subtotal TOD Rochester SW		29	21	72.4% Vacancy Rate			
Rochester Submarket Total		1,669	105	6.3% Vacancy Rate			
Subtotal TOD Rochester Total		285	28	9.8% Vacancy Rate			
Olmsted Market Area Affordable Total		1,765	108	6.1% Vacancy Rate			
BYRON SUBMARKET- SUBSIDIZED							
None							
EAST SUBMARKET- SUBSIDIZED							
Whitewater Way Apartments	1989	24	0	3 - 1BR	595	\$510 - \$575	\$0.86
418 Wabasha Ave West				21 - 2BR	765	\$545 - \$610	\$0.71
St. Charles						30% of AGI	
Rural Development (14 units w/subsidy)							
Eyota Manor	1986	12	0	6 - 1BR	600	\$510 - \$640	\$0.85 - \$1.07
319 W 2nd Street				4 - 2BR	750	\$535 - \$665	\$0.71 - \$0.89
Eyota				2 - 3BR	900	\$550 - \$680	\$0.61 - \$0.76
Rural Development							
24 total units w/ 12 senior (16 units w/subsidy)							
Clover Patch Apartments	1980s	32	0	24 - 1BR	600	\$511 - \$530	\$0.85
400 Clover Court				8 - 2BR	750	\$541 - \$560	\$0.72
St. Charles						30% of AGI	
Rural Development (22 units w/subsidy)							
East Submarket Total		68	0	0.0%			
NORTH SUBMARKET- SUBSIDIZED							
Knollwood Apartments	1987	24	1	6 - 1BR	600	\$495 - \$656	\$0.83 - \$1.09
505 5th Street SW				18 - 2BR	750	\$530 - \$696	\$0.71 - \$0.93
Pine Island						30% of AGI	
Rural Development (18 units w/subsidy)							
Fox Meadows	1977	32	2	16 - 1BR	600	30% of AGI	--
600 Main Street NW				16 - 2BR	750		--
Pine Island							
Project-based Section 8							
North Submarket Total		56	3	5.4%			
Continued							

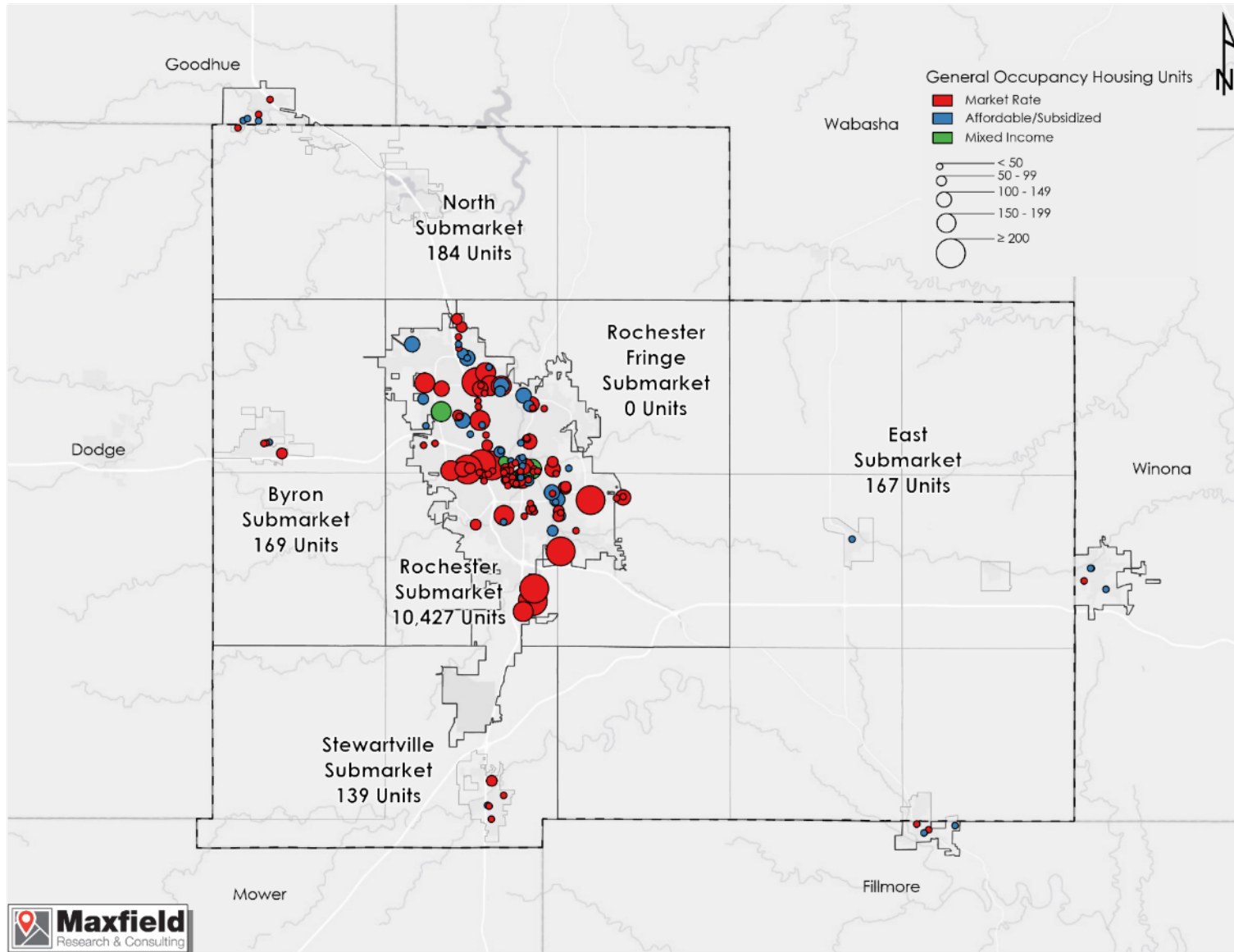
RENTAL MARKET ANALYSIS

Table R-4 Affordable/ Subsidized Rental Properties Olmsted County Market Area 2nd Quarter 2020 (Continued)							
Project Name/Location	Year Built	Total	Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
ROCHESTER SUBMARKET- SUBSIDIZED							
<i>Rochester Northwest</i>							
Gage East 920 40th Street NW Rochester <i>Homeless Families and Youth</i>	2016	55	2	25 - 1BR 20 - 2BR 10 - 3BR	n.a. n.a. n.a.	30% of AGI	--
Innsbruck 1510-1570 50th St NW Rochester Project-based Section 8	1982	40	0	27 - 2BR 12 - 3BR 1 - 4BR	885 1,076 1,517	30% of AGI	--
The Hylands 2700 Charles Court NW Rochester Project-based Section 8	1980	100	0	6 - 1BR 62 - 2BR 32 - 3BR	n/a n/a n/a	30% of AGI	-- -- --
Oakridge Apts[^] 539 Broadway Ave NW Rochester Project-based Section 8	1990	26	0	20 - 1BR 6 - 2BR	529 622	30% of AGI	-- --
Northgate Community Housing 2025 18 1/2 Avenue NW Rochester Project-based Section 8	1965	12	0	12 - 1BR	618	30% of AGI	---
Subtotal Rochester NW		233	2	0.9% Vacancy Rate			
Subtotal TOD Rochester NW		26	0	0.0% Vacancy Rate			
<i>Rochester Northeast</i>							
Castleview Apts.[^] 120 N Broadway Avenue Rochester <i>Homeless and disabled</i>	2007	32	1	32 - EFF	400	30% of AGI	--
The Square on 31st 320 31st Street NE Rochester Project-based Section 8 Total of 104 units w/ 95 units Section 8	1971/ 2014 Renovation	95	0	12 - Eff 35 - 1BR 48 - 2BR	400 575 700	30% of AGI	--
Subtotal Rochester NE		127	1	0.8% Vacancy Rate			
Subtotal TOD Rochester NE		32	1	3.1% Vacancy Rate			
<i>Rochester Southeast</i>							
Silver Creek Corner 2125 Campus Drive SE Rochester <i>Chronic Inebriates</i>	2011	40	3	40 - 0BR	300	30% of AGI	--
Bostrom Terrace 1600 Eastwood Rd SE Rochester Project-based Section 8	2005	14	0	14 - 1BR	540	30% of AGI	--
Continued							

RENTAL MARKET ANALYSIS

Table R-4 Affordable/ Subsidized Rental Properties Olmsted County Market Area 2nd Quarter 2020 (Continued)							
Project Name/Location	Year Built	Total	Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
ROCHESTER SUBMARKET- SUBSIDIZED (Cont.)							
<i>Rochester Southeast (Cont.)</i>							
Eastridge Estates 2009 17th Street SE Rochester Project-based Section 8	1970	126	0	65 - 1BR 42 - 2BR 19 - 3BR	835 1,140 1,300	30% of AGI	--
Subtotal Rochester SE		180	3	1.7% Vacancy Rate			
Subtotal TOD Rochester SE		0	0	0.0% Vacancy Rate			
<i>Rochester Southwest</i>							
The Francis ^ 17 4th Street SW Rochester <i>Homeless Housing</i>	1917/ 2005	17	0	17 - 0BR	325 - 350	30% of AGI	--
Newbridge Apartments^ 325 1st Ave SW Rochester Project-based Section 8	1985	41	0	30 - 1BR 11 - 2BR	533 745	30% of AGI	--
Subtotal Rochester SW		58	0	0.0% Vacancy Rate			
Subtotal TOD Rochester SE		58	0	0.0% Vacancy Rate			
Rochester Submarket Total		598	6	1.0% Vacancy Rate			
Subtotal TOD Rochester SE		116	1	0.9% Vacancy Rate			
STEWARTVILLE SUBMARKET- SUBSIDIZED							
Stewartville Apartments 206 6th Street SE Stewartville <i>Rural Development (11 units w/subsidy)</i>	1980	25	0	17 - 1BR 8 - 2BR	650 750	\$420 - \$450 \$465 - \$495 30% of income	\$0.65 - \$0.69 \$0.62 - \$0.66
Eastside Village 111 2nd St Stewartville Project-based Section 8	1977	30	0	16 - 1BR 10 - 2BR 4 - 3BR	-- -- --	30% of income	-- -- --
Stewartville Submarket Total		55	0	0.0% Vacancy Rate			
Olmsted County Subsidized Total		777	9	1.2% Vacancy Rate			
Olmsted County Affordable/Subsidized Total		2,542	117	4.6% Vacancy Rate			
Source: Maxfield Research & Consulting, LLC							

General Occupancy Rental Housing – Olmsted County Market Area



Single-Family Home Rentals

- Single-family home rentals are a popular rental option in Olmsted County. Table HC-6 in the Housing Characteristics section shows housing units by structure in 2018. The table shows approximately 27% of all renter-occupied housing units in the Olmsted County Market Area are single-family detached/attached homes.
- As of 2018, there are approximately 17,236 rental units in the Olmsted County Market Area. These units range from single-family structures to multifamily structures of up to 50 units. Within the Olmsted County there are approximately 3,169 single-family detached rental homes and 1,474 detached single-family rental homes.
- A sample of single-family rentals in Olmsted County were surveyed and on average a standard home rents for about \$1,300 a month. By bedroom size, a two-bedroom home averages \$1,070 per month, a three-bedroom home rents at \$1,365 per month, and four-bedroom homes rent for \$1,565. As described in the following section (NOAH – Naturally Occurring Affordable Housing), these homes would be affordable at 50% of AMI.

Natural Occurring Affordable Housing (i.e. Unsubsidized Affordable)

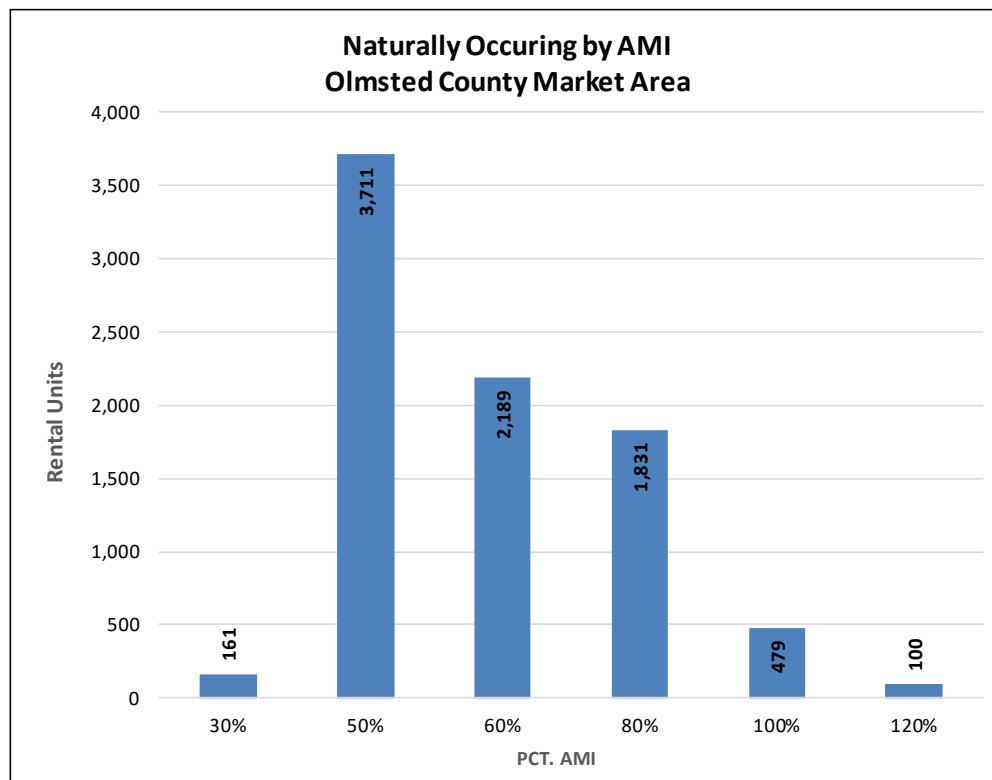
Although affordable housing is typically associated with an income-restricted property, there are other types of housing in communities that provide affordable housing. Housing units that were not developed or designated with income guidelines (i.e. assisted) yet are affordable to low- and moderate-income households are considered “naturally-occurring” or “unsubsidized affordable” units. This rental supply is available through the private market, versus assisted housing programs through various governmental agencies. Property values on these units are lower based on a combination of factors, such as: age of structure/housing stock, location, condition, size, functionally obsolete, school district, etc.

According to the *Joint Center for Housing Studies of Harvard University*, the privately unsubsidized housing stock supplies three times as many low-cost affordable units than assisted projects nationwide. Unlike assisted rental developments, most unsubsidized affordable units are scattered across small properties (one- to four-unit structures) or in older multifamily structures. Many of these older developments are vulnerable to redevelopment due to their age, modest rents, and deferred maintenance. Rehabilitation of properties can often increase the property value. Properties that are being rehabilitated can potentially displace occupants while the construction is occurring. Properties that have been recently rehabilitated and are also used as rental properties could have the potential of increased rents that match newer rental product rent rates, removing their unsubsidized affordable property status.

RENTAL MARKET ANALYSIS

Because many of these projects have affordable rents, project-based and private housing markets cannot be easily separated. Some household's income-qualify for both market rate and project-based affordable housing. Therefore, it is important to recognize the naturally occurring affordable housing stock to quantify the proportion of renters that might be eligible for housing assistance based on income. Table R-6 illustrates monthly rents by unit type and household size as they relate to affordability. Table R-5 summarizes project data from Table R-7 based on unit type and affordability. Table R-7 which presents a breakdown of all market rate general-occupancy rental projects by household size and area median income (AMI). It is important to note that the total unit count from Table R-3 does not match with Tables R-5 and R-7 due to units that are rented as fully furnished. We have excluded these units from our naturally occurring affordability analysis.

- Due to the high incomes in Olmsted County (\$103,000 for a 4-person household), the majority (71.5%) of rental units in the Olmsted County Market Area are considered affordable at 60% AMI or less according to the maximum rent based on income (HUD guideline of spending 30% of income on housing).
- Among the market rate units that were inventoried by unit mix and monthly rents, roughly 44% of the units are affordable to householders at 50% AMI. Together with 26% of the units affordable at 60% AMI, nearly 70% of the market rate rental housing inventory is affordable at 50% to 60% AMI.



RENTAL MARKET ANALYSIS

- Over 38% of market rate one-bedroom units are affordable at 50% AMI. Comparatively, studio units were 31% while two- and three-bedroom units were 49.5% and 54%, respectively. At 60% of AMI, 26% of one-bedroom units were affordable, 32% of studio units, 27% of two-bedroom units, and 21% of three-bedroom units.
- Some of the older market rate properties have rents so low that they fall under 30% of AMI. Just about 2% of the units surveyed had rents at 30% of AMI. The majority of these were two-bedroom units.

Unit Type	Market Rate Affordability by AMI						Total Units	Total <60%	Pct. <60%
	30%	50%	60%	80%	100%	120%			
STUDIO/EFF.	19	248	258	209	74	0	808	525	65.0%
1 BR	--	1,087	733	791	224	0	2,835	1,820	64.2%
1BR+D	--	--	2	98	25	12	137	2	1.5%
2 BR	120	1,778	975	509	156	55	3,593	2,873	80.0%
2BR+D	--	--	--	--	--	19	19	0	--
3 BR	22	548	213	224	--	13	1,020	783	76.8%
3BR+D/4BR	--	50	8	--	--	1	59	58	98.3%
Subtotal	161	3,711	2,189	1,831	479	100	8,471	6,061	71.5%
Pct. Of Total	1.9%	43.8%	25.8%	21.6%	5.7%	1.2%			
Pct. Of Affordability Category									
STUDIO/EFF.	11.8%	6.7%	11.8%	11.4%	15.4%	--		8.7%	
1 BR	--	29.3%	33.5%	43.2%	46.8%	--		30.0%	
1BR+D	--	--	0.1%	5.4%	5.2%	12.0%		0.03%	
2 BR	74.5%	47.9%	44.5%	27.8%	32.6%	55.0%		47.4%	
2BR+D	--	--	--	--	--	19.0%		0.0%	
3 BR	13.7%	14.8%	9.7%	12.2%	--	13.0%		12.9%	
3BR+D/4BR	--	1.3%	0.4%	--	--	1.0%		1.0%	
Source: Maxfield Research & Consulting, LLC									

RENTAL MARKET ANALYSIS

**TABLE R-6
MAXIMUM RENT BASED ON HOUSEHOLD SIZE AND AREA MEDIAN INCOME
OLMSTED COUNTY - 2020**

Unit Type ¹	HHD Size		Maximum Rent Based on Household Size (@30% of Income)											
	Min	Max	30%		50%		60%		80%		100%		120%	
			Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Studio	1	1	\$532 - \$532	\$886 - \$886	\$1,064 - \$1,064	\$1,418 - \$1,418	\$1,773 - \$1,773	\$2,127 - \$2,127						
1BR	1	2	\$532 - \$608	\$886 - \$1,013	\$1,064 - \$1,215	\$1,418 - \$1,620	\$1,773 - \$2,025	\$2,127 - \$2,430						
2BR	2	4	\$608 - \$759	\$1,013 - \$1,265	\$1,215 - \$1,518	\$1,620 - \$2,024	\$2,025 - \$2,530	\$2,430 - \$3,036						
3BR	3	6	\$683 - \$881	\$1,139 - \$1,468	\$1,367 - \$1,761	\$1,822 - \$2,348	\$2,278 - \$2,935	\$2,733 - \$3,522						
4BR	4	8	\$759 - \$1,002	\$1,265 - \$1,670	\$1,518 - \$2,004	\$2,024 - \$2,672	\$2,530 - \$3,340	\$3,036 - \$4,008						

¹ One-bedroom plus den and two-bedroom plus den units are classified as 1BR and 2BR units, respectively. To be classified as a bedroom, a den must have a window and closet.

Note: 4-person Olmsted County AMI is \$103,000 (2020)

Sources: HUD, Novogradac, Maxfield Research and Consulting, LLC

RENTAL MARKET ANALYSIS

**TABLE R-7
MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS
NATURALLY OCCURRING AFFORDABLE RENTAL HOUSING
OLMSTED COUNTY MARKET AREA
2nd Quarter 2020**

Unit Type/Project Name	Total Units	Rent Range		Min. Income Needed to Afford ¹	Units that are Market Rate Affordability by AMI ²					
		Min	Max		30%	50%	60%	80%	100%	120%
Studio/Efficiency					30%	50%	60%	80%	100%	120%
<u>Rochester Submarket NW</u>										
Technology Park	52	\$1,050		\$42,000	--	--	52	--	--	--
The Park [^]	14	\$1,195 - \$1,248		\$47,800 - \$49,920	--	--	--	14	--	--
Cascade Apartments	4	\$900		\$36,000	--	4	--	--	--	--
Quarry Ridge	5	\$800 - \$1,000		\$32,000 - \$40,000	--	3	2	--	--	--
Heritage Manor	24	\$650		\$26,000	--	24	--	--	--	--
Mile Manor Apartments	8	\$650 - \$675		\$26,000 - \$27,000	--	8	--	--	--	--
Hillcrest Apartments	34	\$500 - \$600		\$20,000 - \$24,000	17	17	--	--	--	--
<u>Rochester Submarket NE</u>										
Silver Lake Apartments	42	\$650		\$26,000	--	42	--	--	--	--
Parker Apartments (Micro)	62	\$600 - \$745		\$24,000 - \$29,800	--	62	--	--	--	--
<u>Rochester Submarket SE</u>										
Avani Living [^]	46	\$985 - \$1,190		\$39,400 - \$47,600	--	--	23	23	--	--
SoRoc on Maine	20	\$910 - \$946		\$36,400 - \$37,840	--	--	20	--	--	--
Flats on 4th [^]	24	\$1,200 - \$1,400		\$48,000 - \$56,000	--	--	--	24	--	--
Eastwood Ridge Apartments	66	\$930 - \$990		\$37,200 - \$39,600	--	--	66	--	--	--
Preserve on Maine	29	\$990 - \$1,060		\$39,600 - \$42,400	--	--	29	--	--	--
Springs at South Broadway	24	\$1,163 - \$1,246		\$46,520 - \$49,840	--	--	--	24	--	--
The Beacon [^]	25	\$750 - \$950		\$30,000 - \$38,000	--	25	--	--	--	--
<u>Rochester Submarket SW</u>										
The Berkman [^]	78	\$1,075 - \$1,640		\$43,000 - \$65,600	--	--	--	39	39	--
The Maven on Broadway [^]	24	\$1,405 - \$1,668		\$56,200 - \$66,720	--	--	--	--	24	--
Residency @ Discovery Square [^]	57	\$974 - \$1,525		\$38,960 - \$61,000	--	--	23	23	11	--
Red44	19	\$1,190 - \$1,225		\$47,600 - \$49,000	--	--	19	--	--	--
501 of First [^]	4	\$1,150 - \$1,320		\$46,000 - \$52,800	--	--	--	4	--	--
Lofts [^]	3	\$1,095 - \$1,125		\$43,800 - \$45,000	--	--	--	3	--	--
Nicholas Apartments [^]	8	\$950		\$38,000	--	--	8	--	--	--
5th on 5th [^]	4	\$1,050 - \$1,150		\$42,000 - \$46,000	--	--	2	2	--	--
Metropolitan Market Place [^]	36	\$1,145 - \$1,325		\$45,800 - \$53,000	--	--	--	36	--	--
318 Commons [^]	20	\$1,040 - \$1,115		\$41,600 - \$44,600	--	--	5	15	--	--
Hamilton Apartments [^]	8	\$975 - \$1,025		\$39,000 - \$41,000	--	--	8	--	--	--
Woodridge Apartments [^]	2	\$1,050 - \$1,150		\$42,000 - \$46,000	--	--	1	1	--	--
Med City Apartments [^]	1	\$1,142		\$45,680	--	--	--	1	--	--
1301 1st Avenue [^]	4	\$525 - \$545		\$21,000 - \$21,800	2	2	--	--	--	--
Hillside Apartments [^]	20	\$715 - \$790		\$28,600 - \$31,600	--	20	--	--	--	--
Pill Hill [^] &	5	\$825 - \$900		\$33,000 - \$36,000	--	5	--	--	--	--
Chalet Apartments [^]	8	\$675 - \$875		\$27,000 - \$35,000	--	8	--	--	--	--
Zick Apartments [^]	6	\$775 - \$800		\$31,000 - \$32,000	--	6	--	--	--	--
Raymond Apartments [^]	15	\$750 - \$775		\$30,000 - \$31,000	--	15	--	--	--	--
Furlow Apartments [^]	7	\$750		\$30,000	--	7	--	--	--	--
Market Area Studio/Efficiency Total	808				19	248	258	209	74	0
City of Rochester Total	808				19	248	258	209	74	0
TOD Area Total	419				2	88	70	185	74	0
One-Bedroom					30%	50%	60%	80%	100%	120%
<u>Submarkets Outside Rochester</u>										
Kodiak Apartments	2	\$950		\$38,000	--	--	2	--	--	--
Villa Grande	16	\$695		\$27,800	--	16	--	--	--	--
Brittany Apartments	7	\$639 - \$649		\$25,560 - \$25,960	--	7	--	--	--	--

Continued

RENTAL MARKET ANALYSIS

TABLE R-7 (continued)
MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS
NATURALLY OCCURRING AFFORDABLE RENTAL HOUSING
OLMSTED COUNTY MARKET AREA
2nd Quarter 2020

Unit Type/Project Name	Total Units	Rent Range		Min. Income Needed to Afford ¹	Units that are Market Rate Affordability by AMI ²					
		Min	Max		30%	50%	60%	80%	100%	120%
One-Bedroom (Cont.)					30%	50%	60%	80%	100%	120%
<u>Submarkets Outside Rochester (Cont.)</u>										
301 Apartments	10	\$1,000	\$1,225	\$40,000 - \$49,000	--	4	6	--	--	--
Cottages of Stewartville	16	\$885		\$35,400	--	16	--	--	--	--
Ralex-Stewartville Apartments	1	\$750		\$30,000	--	1	--	--	--	--
<u>Rochester Submarket NW</u>										
Technolgy Park	32	\$1,125		\$45,000	--	--	32	--	--	--
The Pines	120	\$1,245	\$1,255	\$49,800 - \$50,200	--	--	--	120	--	--
The Park [^]	26	\$1,295	\$1,345	\$51,800 - \$53,800	--	--	--	26	--	--
Cascade Apartments	20	\$1,000	\$1,200	\$40,000 - \$48,000	--	--	20	--	--	--
Nue 52	36	\$1,050	\$1,100	\$42,000 - \$44,000	--	--	36	--	--	--
Kascade Place	59	\$1,110	\$1,125	\$44,400 - \$45,000	--	--	59	--	--	--
Rivers Edge	8	\$625	\$735	\$25,000 - \$29,400	--	8	--	--	--	--
Quarry Ridge	95	\$1,000	\$1,200	\$40,000 - \$48,000	--	20	75	--	--	--
Crown Apartments	6	\$989		\$39,560	--	6	--	--	--	--
Sunset Trail Apartments	50	\$1,145	\$1,150	\$45,800 - \$46,000	--	--	50	--	--	--
The Village at Essex Pak	38	\$1,098	\$1,108	\$43,920 - \$44,320	--	--	38	--	--	--
Rolling Greens Apartments	11	\$696		\$27,840	--	11	--	--	--	--
Summit Square	78	\$854	\$1,146	\$34,160 - \$45,840	--	44	34	--	--	--
Timberland Heights	49	\$875	\$1,065	\$35,000 - \$42,600	--	49	--	--	--	--
Berkshire Village	30	\$865		\$34,600	--	30	--	--	--	--
Gates of Rochester	112	\$775	\$860	\$31,000 - \$34,400	--	112	--	--	--	--
Winchester Apartments	60	\$845	\$890	\$33,800 - \$35,600	--	60	--	--	--	--
Heritage manor	86	\$760	\$810	\$30,400 - \$32,400	--	86	--	--	--	--
Mile Manor Apartments [^]	12	\$690		\$27,600	--	12	--	--	--	--
Regency Apartments [^]	18	\$950		\$38,000	--	18	--	--	--	--
<u>Rochester Submarket NE</u>										
The Riverwalk Apartments [^]	93	\$1,210		\$48,400	--	--	93	--	--	--
River Glen	16	\$1,050		\$42,000	--	--	16	--	--	--
Civic Square Apartments [^]	83	\$850	\$1,000	\$34,000 - \$40,000	--	83	--	--	--	--
Olympik Village	24	\$785		\$31,400	--	24	--	--	--	--
Far Park Apartments	6	\$750		\$30,000	--	6	--	--	--	--
1541/1545 2nd Avenue NE	2	\$700		\$28,000	--	2	--	--	--	--
Silver Lake Apartments	84	\$750		\$30,000	--	84	--	--	--	--
Avani Living [^]	41	\$1,056	\$1,444	\$42,240 - \$57,760	--	--	20	21	--	--
<u>Rochester Submarket SE</u>										
Falcon Heights Townhomes	4	\$1,625		\$65,000	--	--	--	4	--	--
SoRoc on Maine	50	\$1,330	\$1,360	\$53,200 - \$54,400	--	--	--	50	--	--
Flats on 4th [^]	37	\$1,350	\$1,675	\$54,000 - \$67,000	--	--	--	37	--	--
Lofts at Mayo Park [^]	8	\$1,475		\$59,000	--	--	--	8	--	--
Eastwood Ridge	30	\$1,095	\$1,305	\$43,800 - \$52,200	--	--	20	10	--	--
Preserve on Maine	68	\$1,200	\$1,345	\$48,000 - \$53,800	--	--	10	58	--	--
Springs at South Broadway	96	\$1,214	\$1,658	\$48,560 - \$66,320	--	--	--	86	10	--
The Boulders Apartments	115	\$1,349	\$1,624	\$53,960 - \$64,960	--	--	--	115	--	--
Creekside Apartments	3	\$660		\$26,400	--	3	--	--	--	--
Sutton Place Apartments	72	\$625	\$675	\$25,000 - \$27,000	--	72	--	--	--	--
Meadow Park Apartments [^]	24	\$650		\$26,000	--	24	--	--	--	--
Eastwood Manor	15	\$660		\$26,400	--	15	--	--	--	--
Lamoine Apartments	4	\$750		\$30,000	--	4	--	--	--	--
504/512 14th Street SE [^]	2	\$695		\$27,800	--	2	--	--	--	--
Chester Estates [^]	7	\$695		\$27,800	--	7	--	--	--	--

Continued

RENTAL MARKET ANALYSIS

TABLE R-7 (continued)
MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS
NATURALLY OCCURRING AFFORDABLE RENTAL HOUSING
2nd Quarter 2020

Unit Type/Project Name	Total Units	Rent Range		Min. Income Needed to Afford ¹	Units that are Market Rate Affordability by AMI ²					
		Min	Max		30%	50%	60%	80%	100%	120%
One-Bedroom (Cont.)					30%	50%	60%	80%	100%	120%
<u>Rochester Submarket SW</u>										
The Berkman [^]	120	\$1,660	\$1,990	\$66,400 - \$79,600	--	--	--	--	120	--
The Maven on Broadway [^]	50	\$1,603	\$1,869	\$64,120 - \$74,760	--	--	--	5	45	--
Residency @ Discovery Square [^]	64	\$1,199	\$1,700	\$47,960 - \$68,000	--	--	64	--	--	--
Red44	94	\$1,349	\$1,768	\$53,960 - \$70,720	--	--	--	45	49	--
Uptown Apartment Homes [^]	11	\$1,200	\$1,390	\$48,000 - \$55,600	--	--	--	11	--	--
The Oliver Apartments [^]					--	--	--	--	--	--
501 on First [^]	66	\$1,350	\$1,450	\$54,000 - \$58,000	--	--	--	66	--	--
Lofts [^]	17	\$1,300	\$1,350	\$52,000 - \$54,000	--	--	--	17	--	--
Nicholas Apartments [^]	52	\$1,200		\$48,000	--	--	52	--	--	--
5th on 5th [^]	20	\$1,150	\$1,425	\$46,000 - \$57,000	--	--	10	10	--	--
Metropolitan Market Place [^]	12	\$1,295	\$1,450	\$51,800 - \$58,000	--	--	--	12	--	--
318 Commons [^]	8	\$1,205		\$48,200	--	--	8	--	--	--
Richard Apartments [^]	23	\$1,150	\$1,195	\$46,000 - \$47,800	--	--	23	--	--	--
Hamilton Apartments [^]	16	\$1,175	\$1,295	\$47,000 - \$51,800	--	--	10	6	--	--
Grandville @ Cascade Lake [^]	68	\$1,160	\$1,347	\$46,400 - \$53,880	--	--	34	34	--	--
Woodridge Apartments [^]	47	\$1,253	\$1,293	\$50,120 - \$51,720	--	--	--	47	--	--
Uptown Landing [^]	23	\$773	\$790	\$30,920 - \$31,600	--	23	--	--	--	--
Colby Manor [^]	32	\$625	\$650	\$25,000 - \$26,000	--	32	--	--	--	--
Uptown Terrace [^]	16	\$925		\$37,000	--	16	--	--	--	--
Residences at Old City Hall [^]	22	\$950	\$1,225	\$38,000 - \$49,000	--	5	15	2	--	--
Uptown Court [^]	28	\$925		\$37,000	--	28	--	--	--	--
2nd Street Villas [^]	39	\$750		\$30,000	--	39	--	--	--	--
Med City Apartments [^]	3	\$1,195	\$1,271	\$47,800 - \$50,840	--	--	2	1	--	--
Windsor Court [^]	36	\$675		\$27,000	--	36	--	--	--	--
Edison Apartments [^]	8	\$950		\$38,000	--	8	--	--	--	--
1301 1st Street [^]	17	\$775	\$900	\$31,000 - \$36,000	--	17	--	--	--	--
Hillside Apartments [^]	10	\$915	\$940	\$36,600 - \$37,600	--	10	--	--	--	--
Pill Hill Apartments [^]	4	\$850		\$34,000	--	4	--	--	--	--
Chalet Apartments [^]	9	\$825	\$1,075	\$33,000 - \$43,000	--	5	4	--	--	--
Zick Apartments [^]	12	\$875	\$900	\$35,000 - \$36,000	--	12	--	--	--	--
Raymond Apartments [^]	11	\$850	\$895	\$34,000 - \$35,800	--	11	--	--	--	--
Furlow Apartments [^]	15	\$825	\$900	\$33,000 - \$36,000	--	15	--	--	--	--
Market Area 1BR Total	2,835				0	1,087	733	791	224	0
Non-Rochester Submarkets Total	52				0	44	8	0	0	0
City of Rochester Total	2,783				0	1,043	725	791	224	0
TOD Area Totals	1,210				0	407	335	303	165	0
One-Bedroom Plus Den					30%	50%	60%	80%	100%	120%
<u>Rochester Submarket NW</u>										
Cascade Apartments	10	\$1,200	\$1,275	\$48,000 - \$51,000	--	--	2	8	--	--
Quarry Ridge Apartments	39	\$1,250	\$1,275	\$50,000 - \$51,000	--	--	--	39	--	--
<u>Rochester Submarket NE</u>										
The Riverwalk Apartments [^]	20	\$1,635		\$65,400	--	--	--	--	20	--
<u>Rochester Submarket SW</u>										
The Berkman [^]	17	\$1,995	\$2,280	\$79,800 - \$91,200	--	--	--	--	5	12
501 on First [^]	4	\$1,400		\$56,000	--	--	--	4	--	--

Continued

RENTAL MARKET ANALYSIS

TABLE R-7 (continued)
MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS
NATURALLY OCCURRING AFFORDABLE RENTAL HOUSING
2nd Quarter 2020

Unit Type/Project Name	Total Units	Rent Range		Min. Income Needed to Afford ¹	Units that are Market Rate Affordability by AMI ²					
		Min	Max		30%	50%	60%	80%	100%	120%
One-Bedroom Plus Den (Cont.)					30%	50%	60%	80%	100%	120%
<i>Rochester Submarket SW (Cont.)</i>										
Nicholas Apartments^	16	\$1,350		\$54,000	--	--	--	16	--	--
5th on 5th^	15	\$1,250 - \$1,450		\$50,000 - \$58,000	--	--	--	15	--	--
Richard Apartments^	16	\$1,295		\$51,800	--	--	--	16	--	--
Market Area 1BR+D Total	137				0	0	2	98	25	12
City of Rochester Total	137				0	0	2	98	25	12
TOD Area Total	88				0	0	0	51	25	12
Two-Bedroom					30%	50%	60%	80%	100%	120%
<i>Submarkets Outside Rochester</i>										
Kodiak Apartments	53	\$1,025 - \$1,150		\$41,000 - \$46,000	--	--	53	--	--	--
Villa Grande	32	\$750		\$30,000	32	--	--	--	--	--
Brittany Apartments	25	\$689 - \$709		\$27,560 - \$28,360	25	--	--	--	--	--
301 Apartments	26	\$1,200 - \$1,625		\$48,000 - \$65,000	--	5	14	7	--	--
Ridgeway Estates	20	\$1,050		\$42,000	--	20	--	--	--	--
Pineview Townhomes	31	\$1,100 - \$1,300		\$44,000 - \$52,000	--	10	21	--	--	--
Cottages of Stewartville	28	\$985		\$39,400	--	28	--	--	--	--
Cedarwood Apartments	16	\$934		\$37,360	--	16	--	--	--	--
Ralex-Stewartville Apartments	7	\$775		\$31,000	--	7	--	--	--	--
<i>Rochester Submarket NW</i>										
Technology Park Apartments	80	\$1,215 - \$1,425		\$48,600 - \$57,000	--	15	65	--	--	--
The Pines	72	\$1,495 - \$1,545		\$59,800 - \$61,800	--	--	67	5	--	--
The Park^	32	\$1,450 - \$1,850		\$58,000 - \$74,000	--	--	8	24	--	--
Caascade Apartments	10	\$1,300 - \$1,375		\$52,000 - \$55,000	--	--	10	--	--	--
Nue 52	47	\$1,285 - \$1,320		\$51,400 - \$52,800	--	--	47	--	--	--
Kascade Place	37	\$1,340 - \$1,465		\$53,600 - \$58,600	--	--	37	--	--	--
Rivers Edge Apartments	31	\$775 - \$935		\$31,000 - \$37,400	--	31	--	--	--	--
Avalon Cove Townhomes^	68	\$1,490 - \$1,525		\$59,600 - \$61,000	--	--	68	--	--	--
Quarry Ridge Apartments	138	\$1,165 - \$1,290		\$46,600 - \$51,600	--	118	20	--	--	--
Crown Apartments	34	\$1,099 - \$1,199		\$43,960 - \$47,960	--	34	--	--	--	--
The Brittany's Townhomes	18	\$1,005		\$40,200	--	18	--	--	--	--
Georgetown Homes	68	\$1,307		\$52,280	--	--	68	--	--	--
Sunset Trail Apartments	72	\$1,175 - \$1,330		\$47,000 - \$53,200	--	36	36	--	--	--
The Village at Essex Park	52	\$1,282 - \$1,355		\$51,280 - \$54,200	--	--	52	--	--	--
French Creek Townhomes	28	\$1,255 - \$1,275		\$50,200 - \$51,000	--	--	28	--	--	--
Jordan Mills	76	\$1,020 - \$1,080		\$40,800 - \$43,200	--	76	--	--	--	--
Jordan Creek	62	\$1,000 - \$1,005		\$40,000 - \$40,200	--	62	--	--	--	--
Country View Apartments	12	\$950		\$38,000	--	12	--	--	--	--
Rolling Greens Apartments	33	\$750		\$30,000	33	--	--	--	--	--
Summit Square	72	\$1,040 - \$1,251		\$41,600 - \$50,040	--	72	--	--	--	--
Timberland Heights	91	\$835 - \$1,045		\$33,400 - \$41,800	--	91	--	--	--	--
Berkshire Village	60	\$865 - \$920		\$34,600 - \$36,800	--	60	--	--	--	--
Village Green Townhomes	18	\$1,055		\$42,200	--	18	--	--	--	--
Gates of Rochester	208	\$825 - \$1,001		\$33,000 - \$40,040	--	208	--	--	--	--
Winchester Apartments	55	\$930 - \$955		\$37,200 - \$38,200	--	55	--	--	--	--
Heritage Manor	74	\$885 - \$995		\$35,400 - \$39,800	--	74	--	--	--	--
Mile Manor Apartments^	32	\$750 - \$775		\$30,000 - \$31,000	16	16	--	--	--	--
The Whitehall Apartments	18	\$900		\$36,000	--	18	--	--	--	--
Regency Apartments^	2	\$1,150 - \$1,400		\$46,000 - \$56,000	--	1	1	--	--	--
The Georgian Apartments	12	\$850		\$34,000	--	12	--	--	--	--

Continued

RENTAL MARKET ANALYSIS

TABLE R-7 (continued)
MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS
NATURALLY OCCURRING AFFORDABLE RENTAL HOUSING
2nd Quarter 2020

Unit Type/Project Name	Total Units	Rent Range		Min. Income Needed to Afford ¹	Units that are Market Rate Affordability by AMI ²					
		Min	Max		30%	50%	60%	80%	100%	120%
Two-Bedroom (Cont.)					30%	50%	60%	80%	100%	120%
<u>Rochester Submarket NE</u>										
The Riverwalk Apartments^	27	\$1,899		\$75,960	--	--	--	27	--	--
Civic Square Apartments^	41	\$950 - \$1,250		\$38,000 - \$50,000	--	41	--	--	--	--
Northern Valley Apartments	16	\$899		\$35,960	--	16	--	--	--	--
Olympik Village	98	\$910 - \$1,170		\$36,400 - \$46,800	--	98	--	--	--	--
Far Park Apartments	21	\$850 - \$900		\$34,000 - \$36,000	--	21	--	--	--	--
1541/1545 2nd Avenue NE	14	\$700 - \$750		\$28,000 - \$30,000	14	--	--	--	--	--
<u>Rochester Submarket SE</u>										
Avani Living^	20	\$1,267 - \$2,049		\$50,680 - \$81,960	--	--	10	10	--	--
Falcon Heights Townhomes	56	\$1,750 - \$1,925		\$70,000 - \$77,000	--	--	--	56	--	--
SoRoc on Maine	86	\$1,533 - \$1,905		\$61,320 - \$76,200	--	--	--	86	--	--
Flats on 4th^	15	\$1,975 - \$2,300		\$79,000 - \$92,000	--	--	--	5	10	--
Lofts at Mayo Park^	5	\$2,781 - \$2,792		\$111,240 - \$111,680	--	--	--	--	--	5
Eastwood Ridge Apartments	65	\$1,345 - \$1,636		\$53,800 - \$65,440	--	--	30	35	--	--
Preserve on Maine	70	\$1,470 - \$1,825		\$58,800 - \$73,000	--	--	30	40	--	--
Springs at South Broadway	84	\$1,311 - \$1,616		\$52,440 - \$64,640	--	--	44	40	--	--
The Boulders Apartments	28	\$1,669		\$66,760	--	--	--	28	--	--
The Boulders Townhomes	72	\$1,699 - \$1,879		\$67,960 - \$75,160	--	--	--	72	--	--
Rolling Ridge Townhomes	18	\$868		\$34,720	--	18	--	--	--	--
Parkside Townhomes	12	\$960		\$38,400	--	12	--	--	--	--
Creekside Apartments	53	\$856		\$34,240	--	53	--	--	--	--
The Quarters @ Rochester	19	\$1,250		\$50,000	--	19	--	--	--	--
Andover Park Apartments	5	\$900		\$36,000	--	5	--	--	--	--
21st Street Apartments	36	\$1,100		\$44,000	--	36	--	--	--	--
Center Street Village^	36	\$900 - \$1,200		\$36,000 - \$48,000	--	36	--	--	--	--
Meadow Park Apartments^	48	\$750		\$30,000	--	48	--	--	--	--
Eastwood Manor	24	\$850		\$34,000	--	24	--	--	--	--
Lamoine Apartments	16	\$875		\$35,000	--	16	--	--	--	--
504/512 14th Street SE^	16	\$795		\$31,800	--	16	--	--	--	--
Chester Estates^	33	\$795		\$31,800	--	33	--	--	--	--
<u>Rochester Submarket SW</u>										
The Berkman^	90	\$2,130 - \$2,565		\$85,200 - \$102,600	--	--	--	--	85	5
The Berkman (Townhomes)^	2	\$2,830 - \$4,550		\$113,200 - \$182,000	--	--	--	--	--	2
The Maven on Broadway^	62	\$2,355 - \$2,675		\$94,200 - \$107,000	--	--	--	--	32	30
The Gryff^	12	\$1,175 - \$1,300		\$47,000 - \$52,000	--	8	4	--	--	--
Residency at Discovery Square^	8	\$1,923 - \$2,495		\$76,920 - \$99,800	--	--	--	4	4	--
River Glen	56	\$1,200		\$48,000	--	56	--	--	--	--
Red44	42	\$1,707 - \$1,975		\$68,280 - \$79,000	--	--	--	42	--	--
Uptown Apatment Homes^	18	\$1,400 - \$2,850		\$56,000 - \$114,000	--	--	4	5	5	4
501 on First^	10	\$1,975 - \$2,600		\$79,000 - \$104,000	--	--	--	--	10	--
Nicholas Apartments^	7	\$1,550		\$62,000	--	--	--	7	--	--
Metropolitan Market Place^	11	\$1,495 - \$2,000		\$59,800 - \$80,000	--	--	4	7	--	--
318 Commons^	44	\$940		\$37,600	--	44	--	--	--	--
Cascade Shores^	28	\$1,665 - \$2,865		\$66,600 - \$114,600	--	--	--	9	10	9
GrandVille @ Cascade Lake^	136	\$1,310 - \$1,335		\$52,400 - \$53,400	--	--	136	--	--	--
Crystal Bay Townhomes^	62	\$1,475		\$59,000	--	--	62	--	--	--
Woodridge Apartments^	48	\$1,453 - \$1,503		\$58,120 - \$60,120	--	--	48	--	--	--
Highland Townhomes^	32	\$895		\$35,800	--	32	--	--	--	--
Uptown Terrace^	2	\$1,080		\$43,200	--	2	--	--	--	--
Med City Apartments^	8	\$1,425 - \$1,525		\$57,000 - \$61,000	--	--	8	--	--	--
Hillside Apartments^	24	\$1,078 - \$1,180		\$43,120 - \$47,200	--	24	--	--	--	--

Continued

RENTAL MARKET ANALYSIS

TABLE R-7 (continued)
MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS
NATURALLY OCCURRING AFFORDABLE RENTAL HOUSING
2nd Quarter 2020

Unit Type/Project Name	Total Units	Rent Range		Min. Income Needed to Afford ¹	Units that are Market Rate Affordability by AMI ²					
		Min	Max		30%	50%	60%	80%	100%	120%
Two-Bedroom (Cont.)					30%	50%	60%	80%	100%	120%
<i>Rochester Submarket SW (Cont.)</i>										
Pill Hill Apartments^	6	\$900		\$36,000	--	6	--	--	--	--
Zick Apartments^	1	\$1,000		\$40,000	--	1	--	--	--	--
Market Area 2BR Total	3,593				120	1,778	975	509	156	55
Non-Rochester Submarkets Total	238				57	86	88	7	0	0
City of Rochester Total	3,355				63	1,692	887	502	156	55
TOD Area Totals	986				16	308	353	98	156	55
Two-Bedroom Plus Den										
<i>Rochester Submarket NW</i>										
Flats on 4th^	6	\$2,500 - \$2,750		\$100,000 - \$110,000	--	--	--	--	--	6
<i>Rochester Submarket SW</i>										
The Berkman^	9	\$3,089 - \$3,684		\$123,560 - \$147,360	--	--	--	--	--	9
Red 44	4	\$3,698 - \$3,713		\$147,920 - \$148,520	--	--	--	--	--	4
Market Area 2BR+D Total	19				0	0	0	0	0	19
City of Rochester Total	19				0	0	0	0	0	19
TOD Area Total	15				0	0	0	0	0	15
Three-Bedroom										
<i>Submarkets Outside Rochester</i>										
Kodiak Apartments	18	\$1,250		\$50,000	--	18	--	--	--	--
Brittany Apartments	4	\$739		\$29,560	4	--	--	--	--	--
Ridgeway Estates	14	\$1,150		\$46,000	--	14	--	--	--	--
Pineview Townhomes	3	\$1,200 - \$1,300		\$48,000 - \$52,000	--	3	--	--	--	--
Cottages of Stewartville	16	\$1,105		\$44,200	--	16	--	--	--	--
<i>Rochester Submarket NW</i>										
Avalon Cove Townhomes	68	\$1,760 - \$1,862		\$70,400 - \$74,480	--	--	--	68	--	--
Quarry Ridge Apartments	36	\$1,315 - \$1,560		\$52,600 - \$62,400	--	6	30	--	--	--
Crown Apartments	8	\$1,279 - \$1,299		\$51,160 - \$51,960	--	8	--	--	--	--
The Brittany Townhomes	80	\$1,355 - \$1,475		\$54,200 - \$59,000	--	80	--	--	--	--
Georgetown Homes	32	\$1,449		\$57,960	--	32	--	--	--	--
Sunset Trail Apartments	24	\$1,395 - \$1,475		\$55,800 - \$59,000	--	24	--	--	--	--
The Village at Essex Park	54	\$1,553 - \$1,664		\$62,120 - \$66,560	--	--	54	--	--	--
French Creek Townhomes	13	\$1,410		\$56,400	--	13	--	--	--	--
Jordan Mills	43	\$1,339 - \$1,590		\$53,560 - \$63,600	--	21	22	--	--	--
Timberland Heights	21	\$1,190 - \$1,435		\$47,600 - \$57,400	--	21	--	--	--	--
Village Green Townhomes	18	\$1,055		\$42,200	--	18	--	--	--	--
Gates of Rochester	92	\$999 - \$1,110		\$39,960 - \$44,400	--	92	--	--	--	--
Mile Manor Apartments^	1	\$950		\$38,000	--	1	--	--	--	--
Olympik Village	18	\$910 - \$1,170		\$36,400 - \$46,800	--	18	--	--	--	--
Falcon Heights Townhomes	60	\$1,950 - \$2,150		\$78,000 - \$86,000	--	--	--	60	--	--
Eastwood Ridge Apartments	30	\$1,615 - \$1,933		\$64,600 - \$77,320	--	--	--	30	--	--
Preserve on Maine	41	\$1,910 - \$1,925		\$76,400 - \$77,000	--	--	--	41	--	--
Springs at South Broadway	24	\$1,483 - \$2,038		\$59,320 - \$81,520	--	--	12	12	--	--
The Boulders Apartments	1	\$1,778		\$71,120	--	--	--	1	--	--
The Boulders Townhomes	8	\$2,149		\$85,960	--	--	--	8	--	--
Rolling Ridge Townhomes	17	\$978		\$39,120	--	17	--	--	--	--
Parkside Townhomes	12	\$1,060		\$42,400	--	12	--	--	--	--
Creekside Apartments	16	\$1,127		\$45,080	--	16	--	--	--	--
Andover Park Apartments	75	\$1,000		\$40,000	--	75	--	--	--	--

Continued

RENTAL MARKET ANALYSIS

TABLE R-7 (continued)										
MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS										
NATURALLY OCCURRING AFFORDABLE RENTAL HOUSING										
2nd Quarter 2020										
Unit Type/Project Name	Total Units	Rent Range		Min. Income Needed to Afford ¹	Units that are Market Rate Affordability by AMI ²					
		Min	Max		30%	50%	60%	80%	100%	120%
Three-Bedroom (Cont.)										
<u>Rochester Submarket NW (Cont.)</u>										
21st Street Apartments	24	\$1,300		\$52,000	--	24	--	--	--	--
Meadow Park Apartments [^]	18	\$850		\$34,000	18	--	--	--	--	--
The Berkman [^]	9	\$3,304 - \$4,070		\$132,160 - \$162,800	--	--	--	--	--	9
The Berkman (Townhomes) [^]	4	\$5,300		\$212,000	--	--	--	--	--	4
The Gryff [^]	14	\$1,300 - \$1,350		\$52,000 - \$54,000	--	7	7	--	--	--
River Glen	8	\$1,500		\$60,000	--	--	8	--	--	--
Metropolitan Market Place [^]	3	\$1,800 - \$2,000		\$72,000 - \$80,000	--	--	--	3	--	--
318 Commons [^]	12	\$925 - \$1,012		\$37,000 - \$40,480	--	12	--	--	--	--
Grandville @ Cascade Lake [^]	64	\$1,375 - \$1,470		\$55,000 - \$58,800	--	--	64	--	--	--
Crystal Bay Townhomes [^]	14	\$1,685		\$67,400	--	--	14	--	--	--
Woodridge Apartments [^]	3	\$1,700 - \$1,808		\$68,000 - \$72,320	--	--	2	1	--	--
Market Area 2BR Total	1,020				22	548	213	224	0	13
Non-Rochester Submarkets Total	55				4	51	0	0	0	0
City of Rochester Total	965				18	497	213	224	0	13
TOD Area Totals	210				18	20	87	72	0	13
Three-Bedroom Plus Den/Four-Bedroom Units										
<u>Rochester Submarket SE</u>										
Edgewood Apartments	36	\$1,100		\$44,000	--	36	--	--	--	--
<u>Rochester Submarket SW</u>										
The Berkman [^]	1	\$3,304 - \$4,070		\$132,160 - \$162,800	--	--	--	--	--	1
318 Commons [^]	14	\$1,012		\$40,480	--	14	--	--	--	--
Grandville @ Cascade Lake [^]	8	\$1,610 - \$1,785		\$64,400 - \$71,400	--	--	8	--	--	--
Market Area 2BR+D Total	59				0	50	8	0	0	1
City of Rochester Total	59				0	50	8	0	0	1
TOD Area Total	23				0	14	8	0	0	1
¹ Based on a 30% allocation of income to housing for general-occupancy. Senior housing projects were excluded from the calculation.										
² Market rate housing that has rents that could be classified as "unsubsidized affordable" units based on the monthly rents and adjusted for household size.										
[^] These properties are located within the the Rochester TOD Zone (Transportation Oriented Development)										
Source: Maxfield Research & Consulting, LLC										

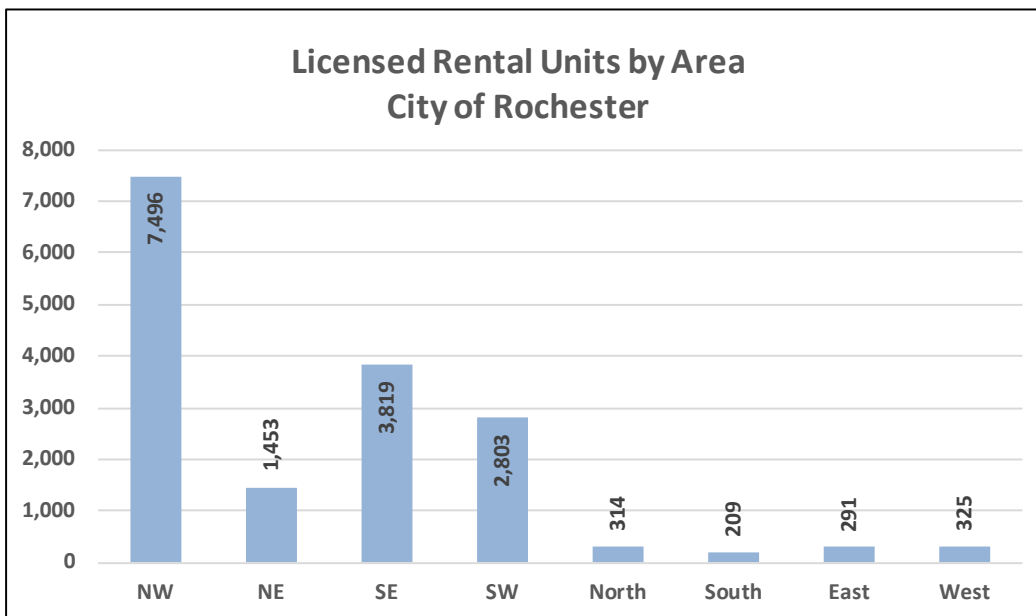
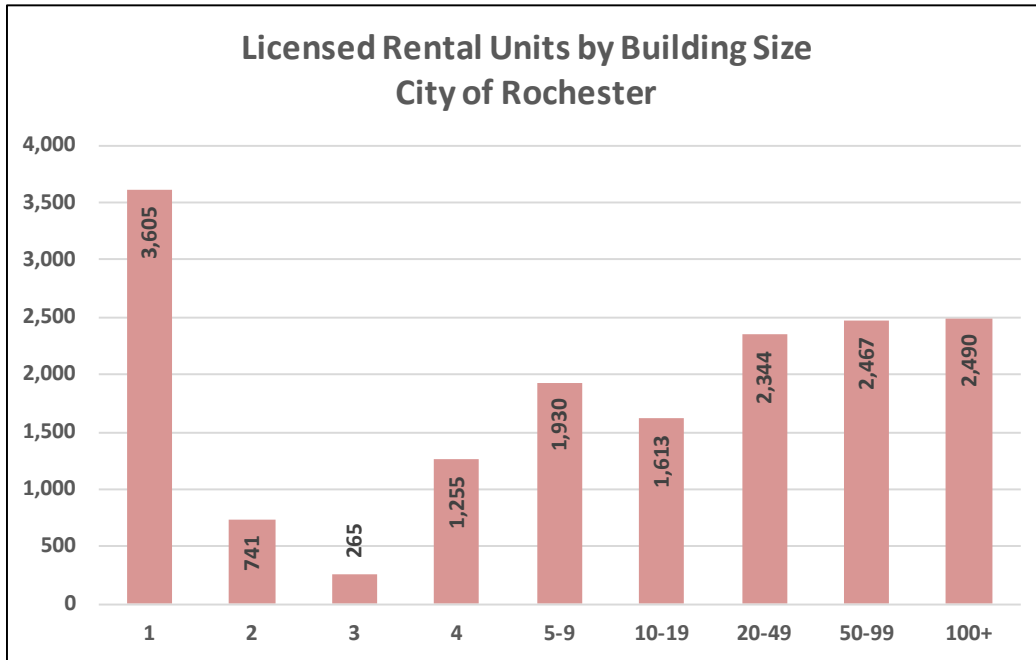
Licensed Rental Ordinance

The City of Rochester has an ordinance that requires the licensing of all rental properties in the community. The ordinance is designed to ensure all rental properties meet local building and fire safety codes. The rental ordinance requires that all landlords or owners register all rental housing units (from single-family homes to traditional multifamily apartment buildings) and apply for an annual business license. The city ordinance requires annual renewals, initial inspection, and periodic inspections to ensure minimum code requirements.

The following information provided by the City of Rochester identifies that there were 16,710 active rental licenses as of 2020. This data Table R-8 summarizes the licensed rental units in Rochester by submarket and does not equal data from the U.S. Census American Community

RENTAL MARKET ANALYSIS

Survey 2018 figures on Table HC-4 in the Housing Characteristics section. ACS data is an estimate and thus the discrepancy. Due to the data file provided, units were separated into submarkets by address. Units located in Downtown Rochester have addresses with N, S, E, and W and thus could not be separated into the designated submarkets due to the large number of rental units in the area.



RENTAL MARKET ANALYSIS

**TABLE 8
LICENSED RENTAL UNITS BY SIZE
CITY OF ROCHESTER
2020**

Housing Type	# of Units by Area of Rochester								Total
	NW	NE	SE	SW	North*	South*	East*	West*	
1-Unit Attached/Detached	1,849	478	636	547	6	36	24	29	3,605
Twinhome/Duplex	342	140	137	80	6	3	15	18	741
Tri-plex	141	42	35	24	1	0	7	15	265
Quad/4-Plex	964	140	66	63	4	0	2	16	1,255
5 to 9 units	842	53	503	466	5	0	29	32	1,930
10 to 19 units	572	371	384	245	0	16	0	25	1,613
20 to 49 units	1,057	0	664	511	112	0	0	0	2,344
50 to 99 units	1,142	104	633	443	0	0	62	83	2,467
100+ units	587	125	761	424	180	154	152	107	2,490
Total	7,496	1,453	3,819	2,803	314	209	291	325	16,710

* Units are located in the Downtown Rochester core.

Sources: City of Rochester; Maxfield Research & Consulting, LLC

Rental Market Interview Summary

Interviews with area rental property management companies, individual property managers, real estate agents, developers, and other persons familiar with the rental market in Olmsted County were conducted to solicit their impressions of the rental housing market in the community. The following are some key points from these interviews:

- One property management company that operates a sizable number of smaller rental properties including duplexes, triplexes, 4-plexes, and single-family homes provided detailed information on their portfolio. The tables on the following page show a summary of these properties by building size and by decade of year built.
- The average age of unit in the portfolio provided was 1962 with the average bedroom size of 2.2 bedrooms and an overall average rent of \$996.
- The majority of the units managed were single-family units with an average of 2.89 bedrooms and average rents of \$1,307 per month. The next largest property type is 4-plex units which had average bedroom size of 1.93 and average monthly rent of \$822.

RENTAL MARKET ANALYSIS

Market Rate Rental Properties Sample of Smaller Properties By Building Size				
Type	Unit Count	Avg. Rent	Avg. BR	Rent/BR
Single-family	138	\$1,307	2.89	\$452
Duplex	18	\$865	2.00	\$432
Triplex	18	\$802	1.94	\$413
4-Plex	122	\$822	1.93	\$425
6-Plex	24	\$637	1.00	\$637
9-Unit	9	\$621	1.33	\$466
11-Unit	11	\$647	1.27	\$508
Total/Avg.	340	\$996	2.48	\$402

Market Rate Rental Properties Sample of Smaller Properties By Decade Property was Built				
Decade	Count	Avg. Rent	Avg. BR	Rent/BR
1800	11	\$967	2.52	\$383
1900	11	\$1,089	2.77	\$393
1910	21	\$887	1.98	\$449
1920	33	\$946	2.12	\$446
1930	9	\$1,063	2.22	\$478
1940	16	\$1,237	2.63	\$471
1950	32	\$876	1.66	\$526
1960	42	\$792	1.78	\$445
1970	20	\$906	2.10	\$432
1980	100	\$905	2.09	\$433
1990	17	\$1,500	3.35	\$447
2000	26	\$1,446	3.00	\$482
2010	2	\$1,860	4.00	\$465
Total/Avg.	340	\$996	2.48	\$402

- It is easy for prospective residents to locate bigger-unit complexes online. However, many of the smaller-unit complexes are managed by individuals rather than management companies and only advertise with a phone number on the building or the local newspaper. As a result, it can be difficult for future residents to discover these complexes.
- Typically, affordable apartments have had no issue finding future residents, however, due to increased construction of newer affordable rental units being absorbed into the market, several older affordable rental properties are experiencing longer vacancy periods. While these periods are not significant, past vacancies could be filled prior to a resident moving out of the unit. Thus, the belief from property managers is that the need for affordable housing units at this time has softened.

RENTAL MARKET ANALYSIS

- Several property managers believe there is an extreme need for subsidized housing in Olmsted County; most affordable housing has targeted households at 60% AMI.
- Despite COVID-19; rent collections have been strong for property management portfolios. Most interviewees found rent collection were only slightly affected and in the 95% range. Rent collections were slightly lower in Class C properties as workers in the lower rent properties employed in service-sectors experienced layoffs. However, landlords have been flexible with working with tenants on future rent collections. It is also important to note our interviews were conducted during the time in which those unemployed were receiving an extra \$600 on top of their typical unemployment check. Rent collection could dip once this \$600 extra payment ends and people remain unemployed.
- During the pandemic; most landlords have not increased rents and are maintaining rental costs for both new leases and existing tenants. Rental inquires and leasing activity was down significantly once the stay at home mandate was issued. However, landlords have found rent renewals have been stronger than new lease activity. Landlords had to pivot and market virtually to any prospective tenant; either through virtual tours or touch-free self-guided tours.
- The Mayo Clinic presence drives the local rental market; any hiring freezes, furloughs, and layoffs will have a major impact on the rental market success. The temporary furlough at the Mayo Clinic from the pandemic temporarily impacted potential leasing traffic at many properties. Any future furloughs or layoffs that occur if the pandemic were to worsen will likely have an effect on the rental market.
- “Match Day” at the Mayo Clinic is one of the busiest times of the year in the rental housing market. Leasing activity is vibrant in the spring months as medical students descend on Rochester as they make Rochester their place of residents for several years. Many Mayo medical students sign leases starting in the months of May or June; some residents will prefer to sign a long-term lease (12+ months).
- Several property managers commented on the healthy wages at the Mayo and the fact they do not qualify for affordable housing income guidelines. Therefore, Mayo workers seeking more affordable rents must seek housing in market rate NOAH properties.
- Several property managers commented on the escalating property taxes for all rental housing properties across Rochester. New apartment construction has driven up market values of the existing multifamily stock. Any increase in property tax expenses must be absorbed and have decreased affordability to tenants as landlords must increase rents to offset operating expenses. There is a direct correlation to increased property taxes and less affordable rents.

RENTAL MARKET ANALYSIS

- Rent concessions are used quite frequently on newer market rate apartment developments. Most newer properties are offering at least 1 free month's rent with the signing of a 12-month lease. Concessions are expected to remain prevalent given the number of newly constructed projects in the pipeline and the state of the economy. Many landlords have been experiencing much longer "vacancy loss" than previous years.
- Because of the strong health care industry, many apartments offer furnished units for long-term stay patients at the Mayo. However, this market has completely evaporated during the pandemic from the halt of non-emergency medical services.
- There is strong demand for single-family rentals throughout Rochester; from both Mayo medical students and from families. Single-family homes closest to downtown are smaller, older housing stock; and rent for more PSF than locations further from the core. Demand is especially strong for the single-family and/or townhome rental stock near Downtown Rochester. Most of the owners of the single-family rental stock are smaller, "mom and pop" operators versus larger corporations. Many owners have been selling their rental property in recent years due to appreciation and the new owners are typically owner-occupied buyers.
- Renter expectations have grown substantially over the past five years. Renters continue to seek out properties with the newest features and amenities (in-unit laundry, walk-in-closets, high-end kitchens, fitness centers, etc.). What used to be an additional fee years ago is now an included fee or option in the newest properties.
- Many property managers commented that there has been softening in the Rochester rental market and units are readily available as the supply has vacancies for households at all rent levels. In addition, many landlords mentioned they had vacancies in NOAH units as some tenants moved to newer construction. Several interviews commented on the vast supply of NOAH product in most apartments that are 15+ years old.
- The pandemic has slightly affected some new construction deliveries due to access to materials that were to be imported. However, most projects in the pipeline have been able to pivot and source building products from other manufacturers.
- Most tenants filing a rental application qualify for an apartment financially. If a prospective tenant is denied; it's usually too due to a failed background check (i.e. felony, misdemeanor, etc.).

Senior Housing Defined

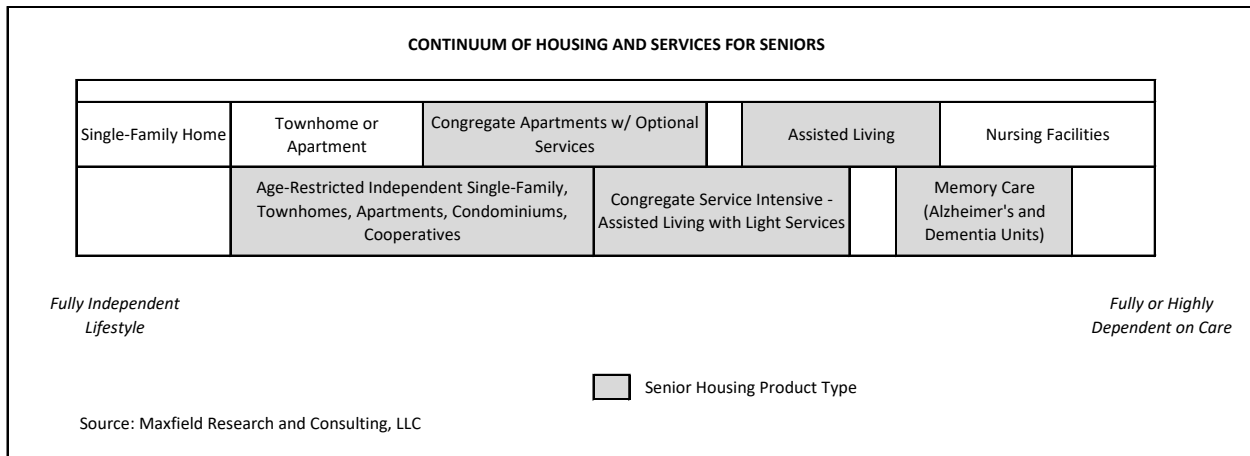
The term “senior housing” refers to any housing development that is restricted to people age 55 or older. Today, senior housing includes an entire spectrum of housing alternatives, which occasionally overlap, thus making the differences somewhat ambiguous. However, the level of support services offered best distinguishes them. Maxfield Research and Consulting LLC classifies senior housing projects into five categories based on the level of support services offered:

- ▶ **Active Adult** properties (or independent living without services available) are similar to a general-occupancy building, in that they offer virtually no services but have age-restrictions (typically 55 or 62 or older). Organized activities and occasionally a transportation program is usually all that are available at these properties. Because of the lack of services, active adult properties typically do not command the rent premiums of more service-enriched senior housing. Active adult properties can have a rental or owner-occupied (condominium or cooperative) format.
- ▶ **Congregate** properties (or independent living with services available) offer support services such as meals and/or housekeeping, either on an optional basis or a limited amount included in the rents. These properties typically dedicate a larger share of the overall building area to common areas, in part, because the units are smaller than in adult housing and in part to encourage socialization among residents. Congregate properties attract a slightly older target market than adult housing, typically seniors age 75 or older. Rents are also above those of the active adult buildings, even excluding the services. Sponsorship by a nursing home, hospital or other health care organization is common.
- ▶ **Assisted Living** properties come in a variety of forms, but the target market for most is generally the same: very frail seniors, typically age 80 or older (but can be much younger, depending on their particular health situation), who are in need of extensive support services and personal care assistance. Absent an assisted living option, these seniors would otherwise need to move to a nursing facility. At a minimum, assisted living properties include two meals per day and weekly housekeeping in the monthly fee, with the availability of a third meal and personal care (either included in the monthly fee or for an additional cost). Assisted living properties also have either staff on duty 24 hours per day or at least 24-hour emergency response.
- ▶ **Memory Care** properties, designed specifically for persons suffering from Alzheimer’s disease or other dementias, is one of the newest trends in senior housing. Properties consist mostly of suite-style or studio units or occasionally one-bedroom apartment-style units, and large amounts of communal areas for activities and programming. In addition, staff typically undergoes specialized training in the care of this population. Because of the greater amount of individualized personal care required by residents, staffing ratios are much higher than traditional assisted living and thus, the costs of care are also higher. Unlike conventional assisted living, however, which deals almost exclusively with widows or widowers, a higher proportion of persons afflicted with Alzheimer’s disease are in two-

SENIOR HOUSING ANALYSIS

person households. That means the decision to move a spouse into a memory care facility involves the caregiver’s concern of incurring the costs of health care at a special facility while continuing to maintain their home.

- ▶ **Skilled Nursing Care**, or long-term care facilities, provides a living arrangement that integrates shelter and food with medical, nursing, psychosocial and rehabilitation services for persons who require 24-hour nursing supervision. Residents in skilled nursing homes can be funded under Medicare, Medicaid, Veterans, HMOs, insurance as well as use of private funds.



The senior housing products available today, when combined with long-term care facilities form a full continuum of care, extending from virtually a purely residential model to a medically intensive one. Often the services available at these properties overlap with another making these definitions somewhat ambiguous. In general, active adult properties tend to attract younger active seniors, who merely wish to rid themselves of home maintenance; congregated properties serve independent seniors that desire support services (i.e., meals, housekeeping, transportation, etc.) while assisted living properties tend to attract older, frail seniors who need assistance with daily activities, but not the skilled medical care available only in a nursing facility.

Senior Housing in Olmsted County

As of 2nd Quarter 2020, Maxfield Research identified 35 senior housing developments in the Olmsted County Market Area. Combined, these projects contain a total of 3,007 units. Tables S-1 provides a summary of units and vacancies for each submarket within the Olmsted County Market Area. Tables S-2 through S-4 provides information on both the market rate and affordable/subsidized projects. Information in the table includes year built, number of units, unit mix, number of vacant units, rents, and general comments about each project. Tables S-5 and S-8 identify amenities and services at each of the projects. Table S-9 shows information on nursing home facilities in the Olmsted County Market Area.

Senior Housing Summary by Submarket

Product Type	Olmsted County Submarket						Total
	Byron	East	North	Rochester	Rochester Fringe	Stewartville	
Affordable/Subsidized							
Units	16	46	23	773	-	35	893
Vacancy Rate*	0.0%	0.8%	0.0%	1.5%	-	2.9%	1.1%
Active Adult Ownership							
Units	-	-	-	276	-	-	276
Vacancy Rate*	-	-	-	2.1%	-	-	2.1%
Active Adult Rental							
Units	-	-	-	-	-	12	12
Vacancy Rate*	-	-	-	-	-	8.3%	8.3%
Congregate - Optional Services							
Units	20	--	12	507	-	29	568
Vacancy Rate*	5.0%	--	0.0%	2.2%	-	0.0%	1.2%
Congregate - Service Intensive							
Units	-	-	-	315	-	-	315
Vacancy Rate*	-	-	-	3.3%	-	-	2.2%
Assisted Living							
Units	16	76	12	490	-	-	594
Vacancy Rate*	12.5%	20.2%	0.0%	4.0%	-	-	5.4%
Memory Care							
Units	14	6	-	341	-	-	361
Vacancy Rate*	0.0%	16.7%	-	3.6%	-	-	2.3%
Total							
Units	66	128	47	2,712	-	76	3,007
Vacancy Rate	-	17.5%	0.0%	4.5%	-	2.1%	3.5%

* Vacancy rate includes only participating properties

Source: Maxfield Research & Consulting

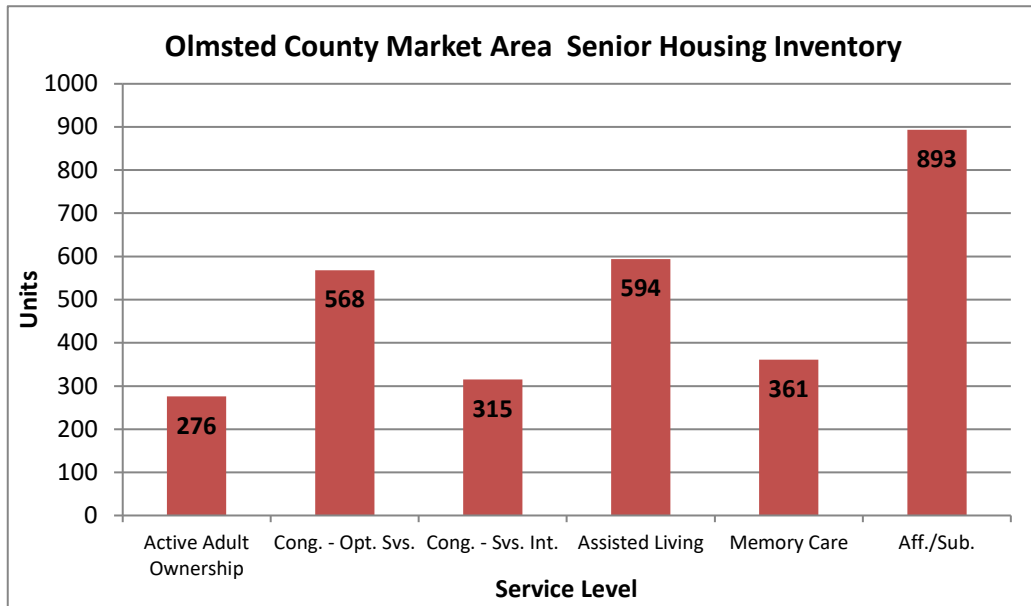
The following are key points from our survey of the senior housing supply.

Subsidized/Affordable Active Adult

- Subsidized senior housing offers affordable rents to qualified lower income seniors and handicapped/disabled persons. Typically, rents are tied to residents’ incomes and based on 30 percent of adjusted gross income (AGI), or a rent that is below the fair market rent. For those households meeting the age and income qualifications, subsidized senior housing is usually the most affordable rental option available. Affordable projects are typically tax-credit projects that are limited to households earning less than 80% of Olmsted County’s area median income. There were no age-restricted senior housing developments identified that are designated affordable in the Olmsted County Market Area.
- There is a total of 893 units in fourteen affordable/subsidized senior projects. As of 2nd Quarter 2020, there were 10 units vacant (1.1% vacancy rate), indicating pent-up demand for affordable/subsidized senior rental units.

SENIOR HOUSING ANALYSIS

- About 94% of the affordable/subsidized units are one-bedrooms. The remaining units are two-bedrooms (5.0%), three-bedrooms (0.6%), and four-bedrooms (0.4%).



Market Rate Active Adult Ownership & Rental

- One market rate active adult rental property was identified in the Olmsted County Market Area. This property offers studios and one-bedroom units and ranged from \$467 for a studio to \$759 for a one-bedroom. Of the 12 units available one unit was vacant at the time of this study.
- There are four existing adult ownership senior projects in the Olmsted County Market Area. All together these projects total 276 units. Combined the four projects have 11 vacancies, resulting in a vacancy factor of 4.0%. Generally, a healthy senior housing market will have a vacancy rate of around 5.0% in order to allow for sufficient consumer choice and turnover.
- *River Bluff Cooperative at Elton Hill* is the newest active adult ownership project in the Olmsted County Market Area. It has 50 total units and is currently 98% occupied as of 2nd Quarter 2020. Entrance fees/purchase prices range from \$145,000 to \$150,000 for a one-bedroom, \$200,000 to \$245,000 for a two-bedroom, \$250,000 for a two-bedroom plus den, and \$280,000 for a three-bedroom unit. Unit sizes range from 798 to 922 sq. ft. for a one-bedroom, 1,104 to 1,290 sq. ft. for a two-bedroom, 1,350 for a two-bedroom plus den, and 1,461 sq. ft. for a three-bedroom.
- *Fairway Ridge* is the second newest adult ownership project that consists of 52 total units and is currently 96% occupied.

Congregate Optional Services

- There is a total of seven congregate optional-services projects in the Olmsted County Market Area. Combined these facilities total 568 units and are 98.8% occupied as of 2nd Quarter 2020.
- Rent amongst all the congregate optional services projects range between \$767 to \$2,338 for a one-bedroom unit, \$2,393 to \$2,474 for one-bedroom plus den, and \$1,025 to \$2,615 for a two-bedroom unit.
- Services include local transportation, coordinated activities, and 24-hour on-site staff. Meal plans and housekeeping services are optional at many of the facilities.

Congregate Service Intensive

- There are two congregate service intensive projects in the Olmsted County Market Area that total 315 units. Together, the projects have a vacancy rate of 2.2%. Both projects are located in Rochester.
- Charter House also offers some large two-bedroom units that range from \$3,965 to \$7,155 a month. Rent ranges can vary depending on entrance fees at some congregate service-intensive facilities.
- Services include shuttle to local areas, activities coordinated by staff, two to three meals daily, weekly/monthly housekeeping, and 24-hour on-site staff.

Assisted Living

- The Olmsted County Market Area has a total of 13 assisted living facilities with 594 units with a vacancy rate of 5.4%. However, *St. Charles Assisted Living* has twelve out of the thirty-two total vacancies. Excluding *St. Charles Assisted Living*, the vacancy rate is 3.4%.
- Rent amongst all the assisted living facilities range between \$2,130 to \$3,800 for an efficiency unit, \$2,560 to \$4,620 for a one-bedroom unit and \$3,677 to \$6,370 for a two-bedroom unit. Private and enhanced care suites are also available at some facilities, which can range from \$7,600 to \$8,086.
- All of the assisted living projects include scheduled activities, weekly housekeeping, laundry, 24-hour staff, and at least one meal daily. Base monthly fees vary from project to project, depending largely on the personal care package and health services that are included in the monthly rent.

Memory Care

- A total of ten memory care facilities with 354 units are located in the Olmsted County Market Area. The memory care vacancy rate is approximately 2.3% as of 2nd Quarter 2020.
- *Madonna Summit of Byron* is the newest memory care development in the Olmsted County Market Area. It has a total of 14 units and is currently 100% occupied as of 2nd Quarter 2020. Rents range from \$6,750 to \$7,650 for the 14 studio units.
- Rent amongst all the memory care developments range between \$2,383 to \$7,650 for a studio unit, \$2,700 to \$4,570 for one-bedroom units, and \$4,543 to \$6,000 for two-bedroom units.
- All of the memory care developments include scheduled activities, weekly housekeeping, laundry, 24-hour staff, and three meals daily. Base monthly fees vary from project to project, depending largely on the personal care package and health services that are included in the monthly rent.

SENIOR HOUSING ANALYSIS

TABLE S-2 DEEP-SUBSIDY/SHALLOW-SUBSIDY AGE-RESTRICTED PROPERTIES OLMSTED COUNTY MARKET AREA 2nd QUARTER 2020								
Project Name	Occ. Date	No. of Units	Vac. Units/ Vac. Rate	Unit Mix	Unit Sizes (Sq. Ft.)	Monthly Rents*	Rent/Price Per Square Foot	Comments
Active Adult/Few Services								
Kenosha Drive Apartments 3461 Kenosha Drive NW Rochester, MN	2010	53	6 11.3%	53 - 1BR	540	n.a. 30% of AMI	n.a.	Section 202 for seniors age 62+. Rent includes heat, water, sewer, and trash. Outdoor patio with grills; exercise room; assisted living services available through third-party provider;
The High Pointe II 1830 High Pointe Lane NW Rochester, MN	2004	54	0 0.0%	54 - 16	540	\$544 30% of AMI	\$1.01	PRAC 202 for seniors 62+. Owned and operated by Volunteers of America.
The High Pointe I 1800 High Pointe Lane NW Rochester, MN	2001	39	0 0.0%	39 - 1BR	540	\$658 30% of AMI	\$1.22	PRAC 202 for seniors 62+. Owned and operated by Volunteers of America. Wait list for units.
Rolling Heights Apartments 703/707 1st Avenue NE Byron, MN	n.a. 2005 Rehabbed	16	0 0.0%	12 - 1BR 4 - 2BR	540	n.a. 30% of AMI	--	Rural Development. Owned by the Olmsted County Housing & Redevelopment Authority. 14 units with subsidy.
Eyota Manor Apartments 319 2nd Street SW Eyota, MN	1986	12	0 0.0%	11 - 1BR 1 - 2BR	600 750	\$510 - \$640 \$535 - \$665 30% of AMI	\$0.85 - \$1.07 \$0.71 - \$0.89	Rural Development. Consists of 24 total units, of which 12 are for elderly/disabled and 12 are for families. 16 total units out of 24 are with subsidy.
Fontaine Towers 102 2nd Street SE Rochester, MN	1983	151	1 0.7%	150 - 1BR 1 - 2BR	545 1,025	Contract - n.a. Contract - n.a. 30% AMI	-- --	Section 8. 17-story tower located in Downtown Rochester. 8 units are handicapped accessible.
Halter Heights 1224 East Avenue St. Charles, MN	1980	12	1 8.3%	11 - 1BR 1 - 2BR	624 750	Basic - \$490 Market - \$510 Basic - \$510 Market - \$530	\$0.79 \$0.82 \$0.68 \$0.71	Rural Development. Six units with subsidy.
Northgate Plaza 902 11th Avenue NW Rochester, MN	1979	151	1 0.7%	151 - 1BR	561	n.a. 30% of AMI	--	Section 8. senior dining; community room; common laundry.
Park Towers 22 North Broadway Rochester, MN	1973	180	0 0.0%	180 - 1BR	650	\$679 - \$743 30% of AMI	\$1.04 - \$1.14	Section 8. Noon meals provided 5 days/week by SEMCAC.
Lakewood Apartments 420 Bench Street Chatfield, MN	1974	24	0	24 - 1BR	475	30% AMI	n/a - n/a	Public Housing. Residents pay 30% or less of income; must qualify at 50% or less of AMI; 62+ community, disabled or handicapped.
City Centre Apartments 300 SE 1st Ave Pine Island, MN	n/a	23	0 0.0%	21 - 1BR 2 - 2BR	602 - 609 764	\$595 - \$625 \$595 - \$625 30% of AGI	\$0.99 - \$1.03 \$0.78 - \$0.82	USDA Rural Development Section 515 for those age 62+ or disabled. All units are with subsidy.
Central Towers 200 First Ave NE Rochester, MN	1965	105	0 0.0%	96 1BR 9 2BR	525 765	Contract - n.a. Contract - n.a. 30% of AGI	-- --	Section 8. LIHTC financed rehabilitation
Downtowner II 106 4th Street NE Stewartville, MN	1976	35	1 2.9%	31 - 1BR 4 - 2BR	520 775	\$545 - \$610 \$570 - \$635 30% of AGI	\$1.05 - \$1.17 \$0.74 - \$0.82	USDA Rural Development, age restricted to 62 and older or disabled. 29 units are with subsidy.
Towne Club Apartments 1081 Felty Avenue SE Rochester, MN	2015	40	0 0.0%	40 - 1BR	520 - 536	\$597 30% of AGI	\$1.11 - \$1.15	Section 202. Owned and managed by Common Bond Communities. Building features community room, computer room, pets allowed, and laundry on each floor. Waiting list.
Total Deep-/Shallow-Subsidy		895	10	1.1%	Vacancy Rate			

Source: Maxfield Research and Consulting, LLC

SENIOR HOUSING ANALYSIS

TABLE S-3 MARKET RATE SENIOR HOUSING PROJECTS OLMSTED COUNTY MARKET AREA 2nd QUARTER 2020									
Project Name	Occupancy Date	No. of Units	Vacant Units/ Vacancy Rate	Unit Mix	Unit Sizes (Sq. Ft.)	Entrance Fee/ Share Cost*	Monthly Rents/Fees ¹	Rent/Price Per Square Foot	Comments
Active Adult Ownership									
River Bluff Cooperative at Elton Hills	2009	50	1	12 - 1BR	798 - 922	\$145,000 - \$150,000	\$408 - \$495	\$0.51 - \$0.62	Features an underground car-wash bay, business center, workshop, trash chutes and party room with fully equipped kitchen. Two units sold in 2019 and typically sell around 2 units per year. One owner rents unit. (Can rent to under age 55 but has to be board approved)
1880 3rd Avenue NW Rochester, MN			2.0%	30 - 2BR	1,104 - 1,290	\$200,000 - \$245,000	\$530 - \$643	\$0.48 - \$0.50	
				2 - 2BR+D	1,350	\$250,000	\$683	\$0.51	
				6 - 3BR	1,461	\$280,000	\$730	\$0.50	
Fairway Ridge	2004	52	2	4 - 1BR	807 - 1,044	n.a. - \$70,000	n.a. - \$1,082	n.a. - \$1.04	Features computer room, workshop and car wash. Units feature six panel doors, walk-out deck, walk-in closet, balcony. Price data reflects most recent sales in past few years (2017-present). Not available pricing for some as sales too old.
3504 Fairway Ridge Lane SW Rochester, MN			3.8%	15 - 1BR/D	976 - 1,044	n.a. - n.a.	n.a. - n.a.	n.a. - n/a	
				25 - 2BR	1,195 - 1,717	\$88,000 - \$158,385	\$1,139 - \$1,143	\$0.67 - \$0.95	
				8 - 3BR	1,471	n.a. - n.a.	n.a. - n.a.	n/a - n/a	
				20 - 2BR - TH	1,700 - 3,400	\$336,000 - \$383,000	\$205 - \$225	\$0.07 - \$0.12	
Gramercy Park	1997	87	0	26 - 1BR	695 - 876	\$31,773 - \$40,056	\$602 - \$814	\$0.87 - \$0.93	Currently has a waiting list. \$500 deposit fee to add name to wait list.
1333 Arthur Lane NW Rochester, MN				61 - 2BR	993 - 1,352	\$43,425 - \$60,513	\$860 - \$1,274	\$0.87 - \$0.94	
Realife Cooperative	1993	87	0	23 - 1BR	660 - 795	\$31,700 - \$38,500	\$594 - \$640	\$0.90 - \$0.97	Currently has a waiting list. \$200 deposit fee to be added to wait list.
825 Essex Parkway NW Rochester, MN			0.0%	64 - 2BR	1,074 - 1,387	\$47,400 - \$68,300	\$768 - \$1,279	\$0.72 - \$0.92	
Active Adult Ownership Subtotal		276	3						1.1%
Active Adult Rental									
Stewartville Garden Cottages	n/a	12	1	4 - Studio	306	---	\$467	\$1.53	Heat, water, sewer and trash included; tenant pay electric, phone and Cable TV. 1 mos rent as deposit 50+ building; common laundry, no charge
500 1st Ave SE Stewartville			8.3%	8 - 1BR	580	---	\$759	\$1.31	
Active Adult Rental Subtotal		12	1						8.3%
Congregate - Service Intensive									
Charter House²	1985	234	3	106 - 1BR	670 - 750	\$0	\$3,175 - \$4,555	\$4.74 - \$6.07	The facility is a CCRC. Most residents put down entrance fees. Second occupant fee of \$660. Used to feature 239 units, but converted some to guest suites. One unit was combined with another resulting in a 2,100 s.f. two-bedroom apartment.
211 2nd St NW Rochester, MN			1.3%	75 - 2BR	1,000 - 1,340	\$105,000 - \$135,000	\$2,520 - \$3,440	\$156.72 - \$180.00	
						\$0	\$5,085 - \$7,155	\$5.09 - \$5.34	
				53 - 2BR/Den	1,460 - 1,750	\$180,000 - \$180,000	\$3,965 - \$5,930	\$134.33 - \$180.00	
						\$275,000 - \$340,000	\$7,890 - \$7,890	\$4.51 - \$5.40	
							\$5,765 - \$6,510	\$188.36 - \$194.29	
Madonna Towers²	1967	81	4	6 - Studio	304	---	\$1,420 - \$2,430	\$1.54 - \$4.02	Entrance fee is optional. Offers home health care and rehab services. Features garden plots, mini-store and chapel.
4001 19th Ave NW Rochester, MN			4.9%	51 - 1BR	515 - 608	---	\$1,380 - \$2,010	\$1.36 - \$5.29	
				3 - 1BR TH	540 - 660	---	\$3,080	\$3.55 - \$4.06	
				15 - 2BR	878 - 1,321	---	\$1,920 - \$3,840	\$2.18 - \$4.00	
				6 - 2BR TH	878 - 1,321	---	\$5,480	\$3.55 - \$4.06	
Congregate Service Intensive Total		315	7						2.2%
Congregate - Optional Services									
The Homestead	2015	102	3	28 - 1BR/Sunroom	1,062 - 1,068	\$55,650 - \$55,650	\$2,445 - \$2,445	\$2.30 - \$2.29	A Volunteers of America property. Also features transitional/short term care. Bridgemoor, The Grove, & The Woodlands bldgs. There is a waiting list, but some people are not moving in right away. Residents have the option to put down an entrance fee in return for a smaller monthly rent.
1900 Ballington Boulevard NW Rochester, MN			2.9%	52 - 2BR/Sunroom	1,422 - 1,887	\$74,450 - \$95,350	\$3,300 - \$4,315	\$2.32 - \$2.29	
				22 - 2BR+D/Sunroom	1,700 - 1,722	\$86,650	\$3,925	\$2.31	
The Waters on Maywood	2015	70	0	3 - 1BR	626 - 686	---	\$2,600 - \$2,800	\$4.15 - \$4.08	Heat, central air, gas, electric, water, sewer, trash, recycling included; basic cable TV and Wi-Fi included; \$200 food & beverage credit monthly in restaurant; concierge services. Some floor plans have balcony and some do not; common area features include community room/spiritual center, creative arts studio, café, restaurant, storage, health services center. Waiting list. May select active or inactive wait list.
823 Maywood Road SW Rochester, MN			0.0%	16 - 1BR	658 - 658	---	\$2,680 - \$2,700	\$4.07 - \$4.10	
				3 - 1BR	694 - 694	---	\$2,750 - \$2,750	\$3.96 - \$3.96	
				3 - 1BR	731 - 731	---	\$2,950 - \$2,980	\$4.04 - \$4.08	
				8 - 1BR	753 - 810	---	\$3,100 - \$3,360	\$4.12 - \$4.15	
				7 - 1BR+Den	889 - 1,026	---	\$3,490 - \$3,620	\$3.93 - \$3.53	
				7 - 2BR/1BA	988 - 988	---	\$4,260 - \$4,260	\$4.31 - \$4.31	
				22 - 2BR/2BA	1,002 - 1,328	---	\$4,360 - \$5,370	\$4.35 - \$4.04	
				1 - Penthouse	2,040	---	\$6,600	\$3.24	
Madonna Summit of Byron³	2016	20	0	- Studio	341	---	\$2,560	\$1.54 - \$4.02	Entrance fee is optional. Includes daily evening meal; heat, electric, water, cable TV, Wi-Fi; emerg call; bi-monthly hkg; med transp; daily OK check; garage at addtl chg; in-unit w/dryer; some units have walk-out patios; also garden plots, mini-store and chapel.
551 Byron Main Court NE Byron, MN			0.0%	- 1BR	521 - 682	---	\$2,560 - \$4,250	\$1.36 - \$5.29	
				- 1BR TH	540 - 660	---	\$2,560	\$3.55 - \$4.06	
				- 2BR	878 - 1,321	---	\$3,270 - \$5,240	\$2.18 - \$4.00	
				- 2BR TH	878 - 1,321	---	\$3,270	\$2.18 - \$4.00	
The Homestead²	2005/ 2006	77	0	17 - 1BR	828 - 870	---	\$1,595	\$1.93 - \$1.83	A Volunteers of America property. Also features transitional/short term care. Bridgemoor, The Grove, & The Woodlands bldgs.
1900 Ballington Drive NW Rochester, MN			0.0%	7 - 1BR+D	682 - 725	\$32,500	\$1,395	\$1.68 - \$1.60	
						---	\$1,920	\$2.82 - \$2.65	
				32 - 2BR	660 - 1,205	\$41,000	\$1,670	\$2.45 - \$2.30	
						---	\$2,180 - \$3,270	\$3.30 - \$2.71	
						\$46,800 - \$72,300	\$1,890 - \$2,815	\$2.86 - \$2.34	
				21 - 2BR/Den	1,075 - 2,052	---	\$2,425 - \$4,075	\$2.26 - \$1.99	
						---	\$3,400 - \$90,500	\$2.10 - \$3.51	\$1.95 - \$1.71

CONTINUED

SENIOR HOUSING ANALYSIS

TABLE S-3 CONTINUED									
MARKET RATE SENIOR HOUSING PROJECTS									
OLMSTED COUNTY MARKET AREA									
2nd QUARTER 2020									
Project Name	Occupancy Date	No. of Units	Vacant Units/ Vacancy Rate	Unit Mix	Unit Sizes (Sq. Ft.)	Entrance Fee/ Share Cost*	Monthly Rents*	Rent/Price Per Square Foot	Comments
Congregate Optional Services (Continued)									
Shorewood Place¹ 2115 2nd St SW Rochester, MN	1999	157	0 0.0%	54 - 1BR 41 - 1BR/D 59 - 2BR 3 - 3BR	794 - 928 848 - 989 1,021 - 1,074 1,434	-- -- -- --	\$1,941 - \$2,338 \$2,393 - \$2,474 \$2,495 - \$2,615 \$3,229	\$2.44 - \$2.52 \$2.50 - \$2.82 \$2.43 - \$2.44 \$2.25	Have priority for the assisted living apartments. Features garden plots, patio and fireplace parlor.
Root River Estates 120 4th St. NE Stewartville, MN	1998	29	0 0.0%	23 - 1BR 6 - 2BR	500 736	-- --	\$1,331 \$1,700	\$2.66 \$2.31	Part of the Stewartville Care Center campus. Currently has a waitlist of over a year. Rental rates include all utilities and twice daily well-
Evergreen Place Pine Haven 210 3rd Street NW Pine Island, MN	1994	12	0 0.0%	6 - 1BR 6 - 2BR	505 - 538 600 - 636	-- --	\$831 - \$1,007 \$1,095 - \$1,155	\$1.54 - \$1.87 \$1.72 - \$1.83	Two-story building adjacent and connected to Pine Haven Care Center. Base care package required (\$400). Free storage lockers.
Samaritan Bethany - Arbor Terrace 24 8th Street NW Rochester, MN	1992	51	3 5.9%	35 - 1BR 16 - 2BR	380 - 450 590 - 650	-- --	\$1,485 - \$1,674 \$1,865 - \$2,057	\$3.72 - \$3.91 \$3.16 - \$3.16	Located Downtown Rochester near Mayo Clinic campus. Basi health service program \$240 per month includes breakfast service, 90 day care review and pendant service.
Stewartville Apartments 120 4th St. NE Rochester, MN	1980	32	0 0.0%	31 - 1BR 1 - 2BR	550 650	-- --	\$767 - \$926 \$1,230 - \$1,230	\$1.39 - \$1.68 \$1.89 - \$1.89	Three story building. Features two handicapped accessible apartments. Part of the Stewartville Care Center campus.
The Maples Apts. 1893 19th St. NW Rochester, MN	1960 1988	18	0 0.0%	4 - 1BR 14 - 2BR	650 727	-- --	\$795 \$1,025	\$1.22 \$1.41	Adjacent to and a part of the EdenbrookHealth Care and Rehabilitation Center. Four Second occupant fee is \$150. Only 2BR units have walk-in closets.
Congregate Optional Services Total		568	6	1.1%					
Congregate Total		883	13	1.5%					
Total Independent Living		1,171	17	1.5%					
¹ Fees includes a \$56/mo. mandatory meal package that includes eight meals per month. ² Multiple financing plans available. Source: Maxfield Research and Consulting, LLC									

SENIOR HOUSING ANALYSIS

TABLE S-4 ASSISTED LIVING SENIOR PROJECTS OLMSTED COUNTY MARKET AREA 2nd QUARTER 2020								
Project Name	Date Opened	No. of Units	Vacant Units/ Vacancy Rate	Unit Mix	Unit Sizes (Sq. Ft.)	Monthly Rents ¹	Rent/Price Per Square Foot	Comments
Assisted Living								
Madonna Summit of Byron 551 Byron Main Court NE Byron, MN	2016	16	2 12.5%	16 - 1BR	639 - 803	\$2,750 - \$3,350	\$3.42 - \$4.30	Three meals/day; daily wellness check; weekly hskgp; weekly laundry/linen; homcare coordination; emerg. Call w/24 hr monitoring; all utilities including Cable and Wi-Fi
River Bend 30 Silver Lake Place NW Rochester, MN	2015	70	3 4.3%	23 - 0BR 31 - 1BR 16 - 2BR	421 - 522 508 - 585 768 - 770	\$3,300 - \$3,800 \$4,160 - \$4,400 \$4,400 - \$4,760	\$7.84 - \$9.03 \$8.19 - \$8.66 \$5.73 - \$6.20	Includes two daily reassurance checks at meal time, vital sign management (monthly), housekeeping package with weekly light housekeeping, three loads of laundry week. Assitance package range from \$400 to \$2,000 a month based on assistance level.
Waters on Mayowood 823 Mayowood Road Rochester	2015	70	0 0.0%	33 - 1BR 7 - 1BR+Den 7 - 2BR/1BA 22 - 2BR/2BA 1 Penthouse	626 - 810 889 - 1,026 988 - 988 1,002 - 1,328 2,040	\$3,600 - \$4,360 \$4,590 - \$4,620 \$5,260 - \$5,260 \$5,360 - \$6,370 \$7,600	\$4.44 - \$5.75 \$5.16 - \$5.20 \$5.32 - \$5.32 \$5.35 - \$6.36 \$3.73	Residents select an apartment and if needed, receive additional services in their residence; care levels are based on nursing assessment; AL packages=Levels 1 to 3 range in price from \$1,000 to \$3,000 per month additional; additional chgs for some services.
The Homestead 1900 Ballington Drive NW Rochester, MN	2005	44	4 9.1%	35 - 1BR 9 - 2BR	515 - 803 964 - 1,082	\$3,000 - \$3,745 \$5,720 - \$5,720	\$3.74 - \$5.83 \$5.93 - \$5.93	The Brookmoor, The Garden & The Orchard buildings owned and managed by VOA. In-unit w/dryer in two-bedrooms only
Arbor Garden Place 535 Canyon Drive NW Eyota, MN	2003	34	2 5.9%	17 - Studio 11 - 1BR 6 2BR	476 515 - 709 1,032	\$2,900 \$3,100 - \$4,000 \$4,300	\$6.09 \$6.02 - \$7.77 \$4.17	Second person fee of \$545/month. Contracts with Olmsted County programs of CADI, EW and GRH.
St. Charles Assisted Living 402 West 4th St. St. Charles, MN	2002	42	12 28.6%	34 - Studio 8 - 1BR	390 - 450 550	\$2,130 - \$2,330 \$2,560	\$5.46 - \$5.97 \$4.65	Features a whirlpool room. Across the street from the Olmsted Medical Cetner and Weber & Judd.
Charter House 211 2nd Street MW Rochester, MN	2001	82	2 2.4%	50 - Prvt. Ste. 32 - Enhanced Care/ Supportive	470 218 - 240	\$7,361 \$7,860 - \$8,086	\$15.66 \$33.69 - \$36.06	Exclusively for residents of Indepenent living, not open to public. Daily rates are \$227 for private suites and range from \$245-\$262 for enhanced care.
Samaritan Bethany - Arbor Terrace 700 NW 2nd Avenue Rochester, MN	2000	16	2 12.5%	16 - Studio	240	\$3,380	\$14.08	Additional person \$1,262 per month (\$4,600). 3 meals per day, light housekeeping, 2 showers per week and sheets changed.
Shorewood Commons - Reflections 2115 2nd St. SW Rochester, MN	1999	61	0 0.0%	18 - Studio 32 - 1BR 11 - 2BR	451 528 - 668 681 - 882	\$2,944 \$3,355 - \$3,601 \$3,677 - \$4,252	\$6.53 \$5.39 - \$6.35 \$4.82 - \$5.40	Features garden plots, patio and fireplace parlor. Second occupant fee: \$800 (three meals/day) or \$100 monthly with no meals.
Madonna Meadows 3035 Salem Meadows Drive SW Rochester, MN	1999	72	3 4.2%	12 - Semi-Priv. Suite 54 - Deluxe Suite 6 - Grand Suite	430 270 300	\$2,250 \$2,800 \$3,400	\$5.23 \$10.37 - \$0.00 \$11.33	Three meals a day, weekly housekeeping (including bathroom), weekly laundry and linen services.
Evergreen Place Pine Haven 210 3rd Street NW Pine Island, MN	1994	12	0 0.0%	12 - Studio	350 - 375	\$2,300	\$6.57	Two-story building adjacent and connected to Pine Haven Care Center. Personal Care levels range from \$750 to \$1,625. Free storage lockers.
Madonna Towers 4001 19th Avenue NW Rochester, MN	1967	18	0 0.0%	10 - Studio 8 - 1BR	341 521	\$3,700 \$4,400	\$10.85 \$8.45	Features garden plots, mini-store and chapel.
Meadow Lakes 22 45th Avenue NW Rochester, MN	2000	57	2 3.5%	35 - 1BR 22 - 2BR	564 - 686 830	\$2,900 - \$3,500 \$3,850	\$4.23 - \$5.14 \$4.64	The Brookmoor, The Garden & The Orchard buildings owned and managed by VOA.
Assisted Living Total		594	32 5.4%					

CONTINUED

SENIOR HOUSING ANALYSIS

TABLE S-4 ASSISTED LIVING/MEMORY CARE SENIOR PROJECTS OLMSTED COUNTY MARKET AREA 2nd QUARTER 2020								
Project Name	Date Opened	No. of Units	Vacant Units/ Vacancy Rate	Unit Mix	Unit Sizes (Sq. Ft.)	Monthly Rents ¹	Rent/Price Per Square Foot	Comments
Memory Care								
Madonna Summit of Byron 551 Byron Main Court NE <i>Byron, MN</i>	2016	14	0 0.0%	14 - Studio	240	\$6,750 - \$7,650	\$28.13	Monthly rents are all inclusive. Low end of range (240 points or less); Higher end of range 241 points or higher/day
River Bend 30 Silver Lake Place NW <i>Rochester, MN</i>	2015	18	0 0.0%	12 - Private Studio 6 - Private 1BR 6 - Shared 2BR	257 478 493 - 575	\$6,025 \$6,350 \$4,750	\$23.44 \$13.28 \$9.63	Every memory care package includes: help with activities, medication management, emergency response call box, remote sensory monitoring, simple behavior communication, nutrition support, daily apartment tidying and monthly vital signs check.
The Waters on Mayowood 823 Mayowood Road SW <i>Rochester, MN</i>	2015	35	0 0.0%	27 - Studio 6 - 1BR 1 - 2BR	403 - 616 658 - 768 1,042	\$3,550 - \$3,770 \$4,260 - \$4,570 \$6,000		Memory Care and Enhanced Care; separate wings for each level of care 1st and 2nd floors; community room on each floor.
Samaritan Bethany - Arbor Terrace 700 NW 2nd Avenue <i>Rochester, MN</i>	2011	16	0 0.0%	16 - Studio	240	\$5,588	\$23.28	Monthly rents are all inclusive. 3 meals per day, light housekeeping weekly, assistance with 2 laundry loads per week, 2 showers and RN service.
Madonna Towers 4001 19th Avenue NW <i>Rochester, MN</i>	2008	16	2 12.5%	14 - Studio 2 - Shared	390 490	\$4,500 \$4,940	\$11.54 \$10.08	Attached to nursing home. Features enclosed courtyard. Second occupant fee of \$800.
The Homestead 1900 Ballington Drive NW <i>Rochester, MN</i>	2005	16	1 6.3%	5 - Studio 11 - 1BR	412 - 530 639 - 685	\$3,860 - \$3,915 \$4,495 - \$4,495	\$7.28 - \$9.37 \$7.03 - \$7.03	Bellemoor building owned and managed by VOA.
Arbor Garden Place 535 Canyon Drive NW <i>Eyota, MN</i>	2003	6	1 16.7%	6 - Private	308	\$5,200	\$16.88	Second person fee of \$545/month. Contracts with Olmsted County programs of CADI, EW and GRH.
Shorewood Commons* 2115 2nd St. SW <i>Rochester, MN</i>	1998	13	0 0.0%	4 - 0BR 7 - 1BR 2 - 2BR	270 - 450 528 - 669 681 - 882	\$2,383 - \$3,759 \$4,196 - \$4,460 \$4,543 - \$5,158	\$8.83 - \$13.92 \$6.67 - \$7.95 \$5.85 - \$6.67	Private bathroom in each unit. Services provided by 24-hour resident care team and RN.
Cottagewood Senior Communities* 4310-4336 55th Street NW - <i>Rochester, MN</i>	1995 2000	220	4 1.8%	192 - Shared 28 - Prvt. Ste.	340 540	\$3,765 \$4,230 - \$4,530	\$11.07 \$7.83 - \$8.39	Memory care only; also offer enhanced memory care; with services, monthly rates range from \$6,400 to \$8,400. Service pkg based on nursing assessment at entry; 8 different cottages
Meadow Lakes 22 45th Avenue NW <i>Rochester, MN</i>	2000	7	0 0.0%	7 - 1BR	564 - 686	\$2,700 - \$3,825	\$3.94 - \$4.79	Four levels of service available- Level 1 \$2,700, Level 2 \$3,080, Level 3 \$3,450, and Level 4 \$3,825.
Memory Care Total		354	8 2.3%					
Total AL/MC Units		948	40 4.2%					

Source: Maxfield Research & Consulting

SENIOR HOUSING ANALYSIS

**TABLE S-5
SERVICES COMPARISON
MARKET RATE SENIOR PROJECTS
OLMSTED COUNTY MARKET AREA
2ND QUARTER 2020**

	Utilities	Transportation	Activities	Meal Program	Laundry	Hskpg.	Health/Misc.
Active Adult Ownership							
River Bluff	Residents pay electric, heat, internet and phone.	Scheduled van service.	Coordinated by activities committee.	None.	In-Unit.	None.	None.
Fairway Ridge	Resident pays heat, electric & cable.	Scheduled van service.	Coordinated by mgmt. & resident committee.	None.	In-Unit	None.	None.
Grammercy Park	Resident pays heat, electric, & cable.	Scheduled 4x daily Monday through Friday.	Coordinated by Mgt. & resident committee.	None.	In-Unit	Optional \$25/hr.	None.
Realife	Electricity paid by resident.	Van service 4 x daily Monday - Friday.	Coordinated by mgmt. & resident committee.	None.	Free Community facilities.	None.	None.
Congregate Service Intensive							
The Homestead	All included and basic Cable TV and Wi-Fi.	Scheduled van transportation to Downtown Rochester weekly and nearby shopping	Full time director and staff.	Continental breakfast daily, additional meals at extra charge.	In-unit.	Optional at extra charge	Optional through on-site Home Health Agency.
The Waters on Maywood	All included except phone including cable TV and Wi-Fi	Group van transp to scheduled events, appts, outings	Coordinated by F.T. Activity Director.	\$200 monthly food/beverage allowance	In-unit laundry	Optional at extra charge	24-hour on-site staff. Services available in-unit pkgs and a-la-carte.
Congregate Optional Services							
Madonna Summit of Byron	Residents pay phone.	Scheduled transportation.	Full-time activities director.	Daily evening meal included	In-unit laundry	Bi-monthly incl	Available through separate home health service
The Homestead	All included and basic Cable TV and Wi-Fi.	Scheduled transportation to Downtown Rochester weekly and nearby shopping.	Full time director and staff.	Continental breakfast daily, additional meals at extra charge.	In-unit.	Optional at extra charge	Optional through on-site Home Health Agency.
Charter House	All included except internet and phone.	Daily van transportation.	Full-time director, 2 full time fitness staff.	26 meals/mo. Included.	Community facilities.	Weekly included.	Services available a-la carte via on-site Home Health.
Madonna Towers	All included.	Daily scheduled trips.	Full-time director.	20 meals a month.	Community facilities.	2 times a month.	Home Health agency on-site.
Shorewood Place	Residents pay electric and phone.	Scheduled transportation.	Full-time activities director.	6 meals required monthly.	Community facilities.	Optional.	Available through Comfort Home Health.
Root River Estates	All included electric, phone and cable.	Available through Heartland Express.	Coordinated by residents.	Optional.	Community facilities.	Optional.	24-hr emergency response. RN available.
Evergreen Place Pine Haven	All included except telephone.	Van to outings, appointments and shopping.	Coordinated by management and staff.	Optional. Available for purchase.	Free community W/Ds provided.	Light hskpg included weekly.	Optional and are available a-la carte.
Samaritan Bethany - Arbor Terrace	All included except phone and cable.	Medical appts Monday to Friday as needed, grocery shopping on Friday.	Full-time coordinator and staff.	Full breakfast included, additional meals are optional.	Community facilities.	Weekly/included.	Provided by on-site staff.
Stewartville Apartments	All included electric, telephone and cable.	Available through Heartland Express.	Coordinated by resident committee.	Optional.	Community facilities, optional.	Optional.	24-hr emergency response. RN available.
The Maples	All included except cable and phone	None.	Coordinated by resident committee.	Provided by Maple Manor.	One laundry room per 4-plex.	Weekly optional.	Available through Home Health agencies.

CONTINUED

SENIOR HOUSING ANALYSIS

TABLE S-5 CONTINUED SERVICES COMPARISON MARKET RATE SENIOR PROJECTS OLMSTED COUNTY MARKET AREA 2ND QUARTER 2020							
	Utilities	Transportation	Activities	Meal Program	Laundry	Hskpg.	Health/Misc.
Assisted Living							
Madonna Summit of Byron	All included.	Daily van transportation.	Full-time director	Three meals plus snacks daily.	Weekly included.	Weekly included and as needed.	Additional support services pkgs available based on point system
River Bend	All included except phone and cable.	Medical appts only Monday to Friday as needed, grocery shopping on Friday.	Full-time coordinator and staff.	Full breakfast included, additional meals are optional.	Weekly included.	Weekly included.	Provided by on-site staff.
Waters on Maywood	All included.	Daily van transportation. Tuesday - Friday	Health & Wellbeing Center	Three meals plus snacks daily.	Weekly included.	Weekly included and as needed.	Licensed Nurse available 24/7
The Homestead	All included except internet.	Scheduled van transportation and as needed.	Full time director and staff.	Three meals plus snacks daily.	Optional-extra chg In-unit w/dryer in 2BR apts only	Weekly included.	Point system ranging from \$425 at Level 1 (required) up to \$6,085 (Level 11). One call system pendant hardware only
Arbor Gardens	All included telephone and cable.	Van to outings and shopping on a scheduled basis.	Coordinated by mgmt.	Three meals plus snacks daily.	In-unit. Optional for an extra fee.	Weekly included.	24-hour on-site staff.
St. Charles Assisted Living	All included telephone and cable.	Van to outings and shopping on a scheduled basis.	Coordinated by mgmt.	Three meals plus snacks daily.	Weekly included.	Weekly included.	24-hour on-site staff.
Charter House	All included.	Daily van transportation.	Full-time director, 2 full time fitness staff.	Three meals plus snacks daily.	Weekly included.	Weekly included and as needed.	All inclusive with monthly rent.
Samaritan Bethany - Arbor Terrace	All included except phone and cable.	Medical appts only Monday to Friday as needed, grocery shopping on Friday.	Full-time coordinator and staff.	Full breakfast included, additional meals are optional.	Weekly included.	Weekly included.	Provided by on-site staff.
Shorewood Commons - Reflections	All included except phone.	Daily van transportation.	Full-time director, 2 full time fitness staff.	Three meals plus snacks daily.	Weekly included.	Weekly included and as needed.	All inclusive with monthly rent.
Madonna Meadows	All included except phone and cable.	Shuttle to and from appointments provided as needed.	Full-time coordinator and staff.	Three meals plus snacks daily.	Personal laundry included weekly.	Weekly included.	Licensed nurses and Home Health Aides available 24/7
Evergreen Place	All included except phone and cable.	Van transportation available as needed.	Coordinated by F.T. director.	Three meals per day included.	Weekly included.	Weekly included.	24-hour on-site staff.
Madonna Towers	All included except phone and cable.	Shuttle to and from appointments provided as needed.	Full-time director and staff.	Three meals plus snacks daily.	Personal laundry included weekly.	Weekly included.	Staffed 24 hours by licensed staff
Meadow Lakes	All included except cable and phone.	Scheduled van transportation and as needed.	Full time director and staff.	Three meals plus snacks daily.	Weekly included.	Weekly included.	Provided by on-site staff.
Memory Care							
Madonna Summit of Byron	All included.	Daily van transportation.	Full-time director	Three meals plus snacks daily.	Weekly included.	Weekly included and as needed.	All inclusive with monthly rent.
River Bend	All included except phone and cable.	Medical appts only Monday to Friday as needed, grocery shopping on Friday.	Full-time coordinator and staff.	Full breakfast included, additional meals are optional.	Weekly included.	Weekly included.	Provided by on-site staff.
Waters on Maywood	All included.	Daily van transportation. Tuesday - Friday	Health & Wellbeing Center	Three meals plus snacks daily.	Weekly included.	Weekly included and as needed.	Licensed Nurse available 24/7
Samaritan Bethany - Arbor Terrace	All included except phone and cable.	Medical appts only Monday to Friday as needed, grocery shopping on Friday.	Full-time coordinator and staff.	Full breakfast included, additional meals are optional.	Weekly included.	Weekly included.	Provided by on-site staff.
Madonna Towers	All included except phone and cable.	Shuttle to and from appointments provided as needed.	Full-time director and staff.	Three meals plus snacks daily.	Weekly included.	Weekly included.	Staffed 24/7 with licensed health care staff.
The Homestead	All included except internet.	Scheduled van transportation and as needed.	Full time director and staff.	Three meals plus snacks daily.	Weekly included.	Weekly included.	Services in packages ranging from \$2,545 to \$3,585.
Arbor Gardens	All included telephone and cable.	Van to outings and shopping on a scheduled basis.	Coordinated by mgmt.	Three meals plus snacks daily.	In-unit. Optional for an extra fee.	Weekly included.	24-hour on-site staff.
Meadow Lakes	All included except phone.	Daily van transportation.	Full-time director, 2 full time fitness staff.	Three meals plus snacks daily.	Weekly included.	Weekly included and as needed.	All inclusive with monthly rent.
Shorewood Commons*	All included except phone.	Daily van transportation.	Full-time director, 2 full time fitness staff.	Three meals plus snacks daily.	Weekly included.	Weekly included and as needed.	All inclusive with monthly rent.
Cottagewood Senior Communities	All included except phone and cable.	Scheduled transportation provided.	Full-time coordinator and staff.	Three meals plus snacks daily.	Weekly included.	Weekly included.	24-hour on-site staff.

Source: Maxfield Research & Consulting, LLC.

SENIOR HOUSING ANALYSIS

TABLE S-6
 AMENITY COMPARISON
 MARKET RATE SENIOR PROJECTS
 OLMSTED COUNTY MARKET AREA
 2nd QUARTER 2020

	Amenities/Features:																		
	Emer. Call	A/C	Dishwasher	Disposals	Balc./Patio	Walk-in Shower	Walk-in Closet	In Unit Laundry	Storage	Comm. Rm.	Dining Room	Exercise Rm.	Activity Rm.	Salon	Library	Game Rm.	Terrace/Porch	Guest Suites	Parking
Active Adult - Ownership																			
Fairway Ridge	Yes	Cent.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Underground included in fee
Grammercy Park	Yes	Cent.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Underground included in fee
Realife	Yes	Cent.	Yes	Yes	Yes	Some	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Underground \$45/mo.
River Bluff	No	Cent.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Underground included
Congregate																			
Meadow Lakes	Yes	Wall	No	No	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes	Garages \$45/mo.
Shorewood Place	Yes	Cent.	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Underground \$45/mo.
Samaritan Bethany - Arbor Terrace	Yes	Yes	No	No	No	Yes	No	No	No	Yes	Yes	No	Yes	Yes	Yes	No	Yes	No	Off street surface
Charter House	Yes	Cent.	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Ramp \$45/month
Madonna Towers	Yes	Cent.	No	No	Yes	Some	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Garages \$30/month
Arbor Gardens	Yes	Wall	Yes	Yes	Yes	Some	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Off street surface
Root River Estates	Yes	Cent.	No	No	No	No	No	No	No	Yes	Yes	Yes	No	No	No	No	Yes	No	Off street surface
Evergreen Place	Yes	Wall	No	Yes	No	Yes	No	No	Yes	Yes	Yes	No	No	Yes	No	No	No	No	Garages available
Stewartvilla Apartments	Yes	Yes	No	No	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	No	No	Off street surface
The Maples Apts.	Yes	Wall	No	Yes	No	No	Some	No	No	Yes	Yes	No	No	No	No	No	No	No	Off street surface
The Homestead	Yes	Cent.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Underground for \$47/mo.

CONTINUED

SENIOR HOUSING ANALYSIS

TABLE S-6 CONTINUED
 AMENITY COMPARISON
 MARKET RATE SENIOR PROJECTS
 OLMSTED COUNTY MARKET AREA
 2nd QUARTER 2020

	Amenities/Features:																		
	Emer. Call	A/C	Dishwasher	Disposals	Balc./Patio	Walk-in Shower	Walk-in Closet	In Unit Laundry	Storage	Comm. Rm.	Dining Room	Exercise Rm.	Activity Rm.	Salon	Library	Game Rm.	Terrace/porch	Guest Suites	Parking
Assisted Living																			
Charter House	Yes	Cent.	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Ramp \$45/month
Samaritan Bethany - Arbor Terrace	Yes	Yes	No	No	No	No	No	No	No	Yes	Yes	No	Yes	Yes	Yes	No	Yes	No	Off street surface
Shorewood Commons - Reflections	Yes	Cent.	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	NA
Madonna Meadows	Yes	Cent.	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Off street surface
Madonna Towers	Yes	Cent.	No	No	Yes	Some	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Garages \$30/month
Arbor Gardens	Yes	Yes	No	Yes	No	No	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	No	No	No	Surface
St. Charles Assisted Living	Yes	Cent.	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No	No	NA
Evergreen Place	Yes	Wall	No	Yes	No	Yes	No	No	Yes	Yes	Yes	No	No	Yes	No	No	No	No	Garages available
The Homestead	Yes	Cent.	No	No	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Underground for \$47/mo.
Memory Care																			
Cottagewood Senior Communities*	Yes	Cent.	No	No	No	Yes	Yes	No	No	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Off street surface
Shorewood Commons	Yes	Cent.	No	No	No	Yes	Yes	No	No	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Off street surface
Samaritan Bethany - Arbor Terrace	Yes	Yes	No	No	No	No	No	No	No	Yes	Yes	No	Yes	Yes	Yes	No	Yes	No	Off street surface
Madonna Towers	Yes	Cent.	No	No	No	Yes	Yes	No	No	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Off street surface
The Homestead	Yes	Cent.	No	No	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Underground for \$47/mo.

Source: Maxfield Research & Consulting

SENIOR HOUSING ANALYSIS

**TABLE S-7
SERVICES COMPARISON
SUBSIDIZED/AFFORDABLE SENIOR PROJECTS
OLMSTED COUNTY MARKET AREA
2nd QUARTER 2020**

	Utilities	Transportation	Activities	Meal Program	Laundry	Hskpg.	Health/Misc.
Active Adult							
Lakewood Apartments	Resident pay heat, electric, cable & internet.	Available through R&S Transportation	Resident Committee	None. Meals on Wheels available.	Community facilities provided.	None.	None.; residents may contract with provider.
City Centre Apartments	All utilities included in rent.	None	Resident Committee	None. Senior dining available nearby.	Common facilities provided	None.	None; residents may contract with provider.
Central Towers	All utilities included in rent.	None	Resident Committee	None.	Community facilities provided.	None.	None. Residents may contract with provider.
Rolling Heights Apartments	All included except electric, phone, cable and internet.	None.	Resident committee.	None.	Community facilities.	None.	None.
Fontaine Towers	Water, heat and trash removal included.	Walmart shuttle.	Resident club.	Noon meal provided Monday through Friday by SEMCAC for \$3.50.	Community facilities provided.	None.	Available through Home Health agency of their choosing.
Kenosha Drive Apartments	All utilities included in rent.	Transportation provided through community resources.	Available for residents who purchase Assisted Living services.	Three meals per day available for those who purchase Assisted Living service. Optional lunch delivery through SEMCAC.	Available for residents who purchase Assisted Living services.	Available for residents who purchase Assisted Living services.	24-hour on-site resident assistant staff for residents who purchase Assisted Living services.
Northgate Plaza	All utilities included in rent.	None	Resident Committee.	None.	Community facilities	None	None
Park Towers	All included. Pay \$8/month for a wall A/C, which is not provided by the facility.	None.	Social committee by residents.	Noon Meals delivered by SEMCAC five times a week.	Community facilities.	None.	None.
Eyota Manor Apartments	All included except electric, phone, cable and internet.	None.	Resident committee.	None.	Community facilities.	None.	None.
The High Pointe I	All included except electric, phone and cable.	None.	Coordinated by residents.	Optional meals Monday through Friday.	Community facilities.	None.	Service coordinator on-site.
The High Pointe II	All included except electric, phone and cable.	None.	Coordinated by residents.	Optional meals Monday through Friday.	Community facilities.	None.	Service coordinator on-site.
Downtowner II	All included except electric, phone and cable.	None.	None.	None.	Community facilities.	None.	None.
Halter Heights	All included except electric, cable and phone.	None.	None.	None.	None.	None.	None.
Lakewood Apartments	All utilities included except phone	Transportation provided through community resources.	Available for residents who purchase Assisted Living services.	Three meals per day available for those who purchase Assisted Living service. Optional lunch delivery through SEMCAC.	Available for residents who purchase Assisted Living services.	Available for residents who purchase Assisted Living services.	24-hour on-site resident assistant staff for residents who purchase Assisted Living services.

Source: Maxfield Research & Consulting

SENIOR HOUSING ANALYSIS

**TABLE S-8
AMENITY COMPARISON
DEEP-/SHALLOW SUBSIDY PROPERTIES
OLMSTED COUNTY MARKET AREA
2ND QUARETER 2020**

	Amenities/Features:																			
	Emer. Call	A/C	Dishwasher	Disposals	Balc./Patio	Walk-in Closet	In Unit Laundry	Storage	Comm. Rm.	Dining Room	Exercise Rm.	Activity Rm.	Salon	Library	Game Rm.	Terrace/porch	Guest Suites	Parking		
Adult																				
Lakewood Apartments	Yes	Wall	Yes	Yes	No	Yes	No	-	No	No	No	No	No	No	No	No	No	No	n/a	
City Centre Apartments	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Central Towers	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rolling Heights Apartments	Yes	Wall	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	No	Yes	No	No	No	No	Off-street surface	
Fontaine Towers	Yes	Wall	No	No	No	Some	No	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Ramp next door for \$75/month.	
Kenosha Drive Apartments	Yes	Yes	No	No	No	No	No	No	Yes	No	Yes	No	No	Yes	No	Yes	No	No	Off street surface	
Northgate Plaza	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Park Towers	Yes	No	No	No	No	Yes	No	No	Yes	Yes	No	Yes	No	No	Yes	Yes	No	No	Surface parking included, but is limited.	
Eyota Manor Apartments	Yes	Wall	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	No	Yes	No	No	No	No	Ramp	
The High Pointe I	Yes	Wall	No	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Surface included	
The High Pointe II	Yes	Wall	No	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Surface included	
Downtown II	No	Wall	Yes	Yes	No	Yes	No	No	Yes	No	No	No	No	No	No	No	No	No	Off-street included	
Halter Heights	Yes	Wall	Yes	Yes	No	No	No	No	Yes	No	No	No	No	No	No	No	No	No	Off-street included	
#REF!	Yes	Yes	No	No	No	No	No	No	Yes	No	Yes	No	No	Yes	No	Yes	No	No	Off street surface	
Towne Club Apartments	Yes	Yes	No	No	Yes	No	No	No	Yes	No	Yes	Yes	No	No	No	No	No	No	Off-street surface only	

Source: Maxfield Research and Consulting, LLC

SENIOR HOUSING ANALYSIS

Supply of Skilled Nursing Beds

Table S-9 shows the inventory of existing skilled nursing facilities located in the Olmsted County Market Area per the Minnesota Department of Health.

- The Olmsted County Market Area has ten skilled nursing facilities with 815 total licensed beds. *Samaritan Bethany Home on Eighth*, has 182 licensed beds and is the largest skilled nursing facility in the Market Area; accounting for 22% of all beds.

TABLE S-9 NURSING HOME FACILITIES OLMSTED COUNTY MARKET AREA 2ND QUARTER 2020										
	Year Built	# of Beds Lic.	# of Beds in svc.	Current Census		Payment Source			Daily Rates	Comments:
				Total	%	Prvt. Pay	Medicare	Medicaid		
OLMSTED COUNTY										
Madonna Towers 4001 19th Avenue NW Rochester, MN	1967/ 2003	62	62 62	62 - Private	100%	40.0%	25.0%	35.0%	\$147.38 - \$318.99	Private room differential of \$46.50. two beds are medicare and the remaining 60 are medicare/medicaid.
Charter House 211 NW 2nd St. Rochester, MN	2001	32	31 16 16	32 - Semi-Prvt. - Prvt.	97%	5.0%	95.0%	--	-- \$604 \$633	Short-term rehabilitation.
Golden LivingCenter-Rochester East 501 8th Ave SE Rochester, MN	1960s 1970s	116	114	114	98%	28.85%	10.95%	54.19%	\$119.31 - \$280.77	Private room differential of \$30.00. The remaining 6% of payment sources are managed sources.
Golden LivingCenter-Rochester West 2215 Highway 52 Rochester, MN	NA	54	NA	- NA	NA	NA	NA	NA	\$124.67 - \$309.90	Private room differential of \$25.00.
Maple Manor Healthcare & Rehab 1875 19th Street NW Rochester, MN	1964/ 1975	81	75 74 7	81 - Semi-Prvt. - Prvt.	93%	NA	NA	NA	\$125.65 - \$331.94	Private room differential: small private is \$25.00, semi-private is \$50.00 and regular private is \$30.00.
Samaritan Bethany Home on Eighth 24 8th Street NW Rochester, MN	1922/ 2011	182	182 20 162	182 - Private - Semi-private	100%	33.0%	16.6%	50.4%	\$152.58 - \$361.83	Private room differential of \$25.25.
Stewartville Care Center 110 4th Street NE Stewartville, MN	1970	85	76 25 60	85 - Private - Semi-Prvt		30.0%	10.0%	60.0%	\$125.93 - \$326.09	Private room differential of \$16.69.
Olmsted County Subtotal		612		540	88%					
OLMSTED COUNTY COLLAR CITIES										
Pine Haven Care Center 210 NW 3rd Street Pine Island, MN	1964/ 2014	70	66 3 67	70 - Private - Semi-private	94%	35.0%	5.0%	60.0%	\$111.70 - \$300.03	Private room differential of \$14.82. Adding onto the facility beginning Spring 2014 and will double the size of the facility.
Chosen Valley Care Center 1102 Liberty Street SE Chatfield, MN	1976	78	76 16 62	76 - Private - Semi-private	97%	NA	NA	NA	\$116.57 - \$297.28	Private room differential of \$15.29 for beds in private rooms and \$13.29 for beds in single rooms.
Golden LivingCenter-Whitewater 525 Bluff Avenue St. Charles, MN	1967/ 2000	55	55 8 47	55 - Private - Semi-private	100%	NA	NA	NA	\$116.05 - \$274.40	Private room differential of \$20.00.
Olmsted County Vicinity Subtotal		203		197	97%					
Olmsted County Market Area Totals		815	737							
		Occupancy Rate	90%							

Source: Maxfield Research & Consulting LLC

Select Senior Housing Projects – Olmsted County Market Area



Madonna Summit
Byron Submarket



Chosen Valley
East Submarket



St. Charles Assisted Living
East Submarket



The Homestead
Rochester Submarket



Arbor Garden
East Submarket



The Waters on Maywood
Rochester Submarket

SENIOR HOUSING ANALYSIS



River Bend
Rochester Submarket



Madonna Towers
Rochester Submarket



Madonna Meadows
Rochester Submarket



Kenosha Drive Apartments
Rochester Submarket

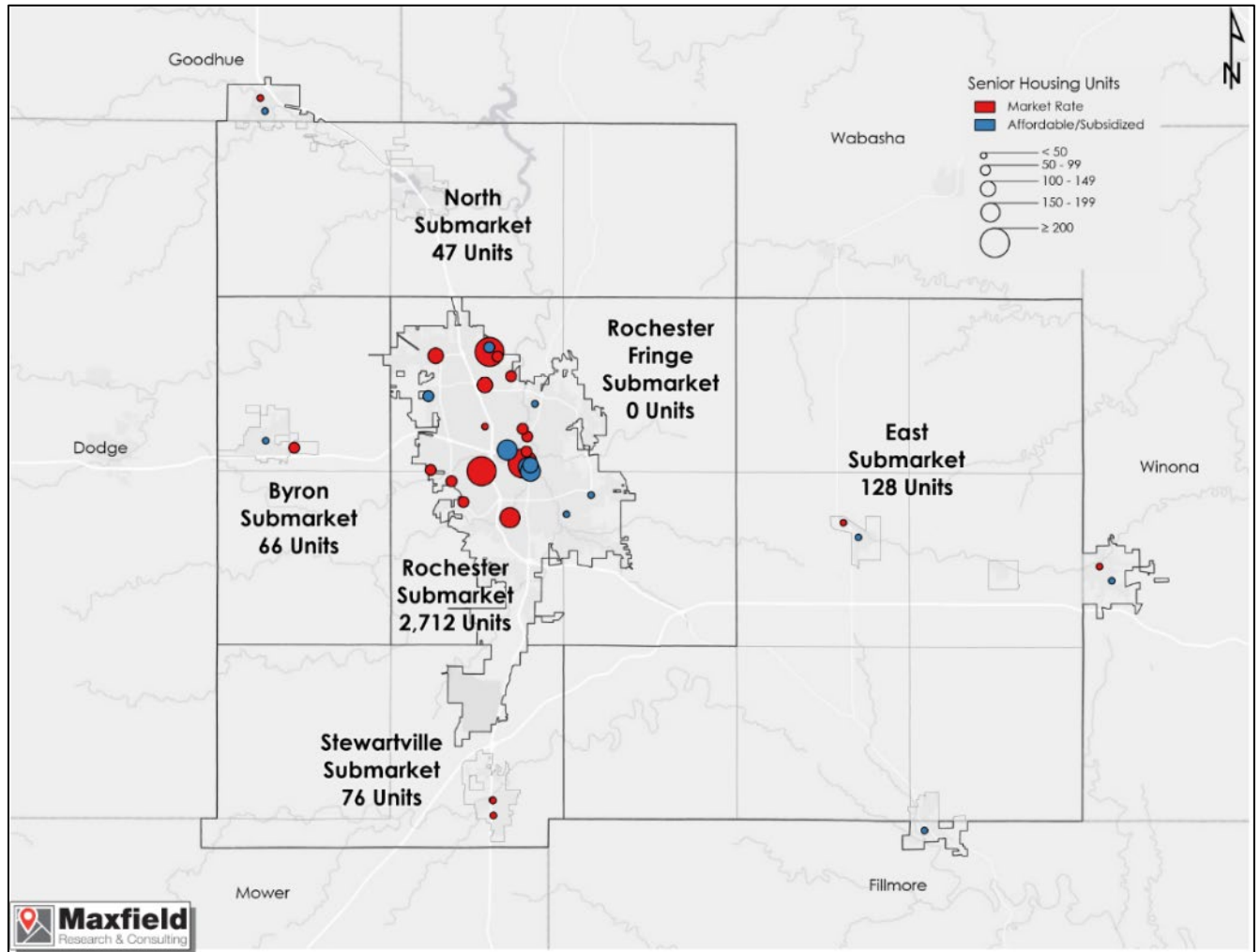


Meadow Lakes Senior Living
Rochester Submarket



Charter House
Rochester Submarket

Senior Housing – Olmsted County Market Area



Introduction

Maxfield Research & Consulting analyzed the for-sale housing market in the Olmsted County Market Area by analyzing data on single-family and multifamily home sales and active listings, identifying active subdivisions and pending for-sale developments; reviewing lender-mediated property data, and conducting interviews with local real estate professionals, developers and planning officials.

County-wide Home Resale Comparison

Table FS-1 compares Olmsted County resale data against the Twin Cities Metro Area. The tables show summary-level resale data for single-family and multifamily housing units in 2005, 2010 and between 2015 and 2019 according to the Minneapolis Association of Realtors (“MAAR”). The following are key points from Table FS-1.

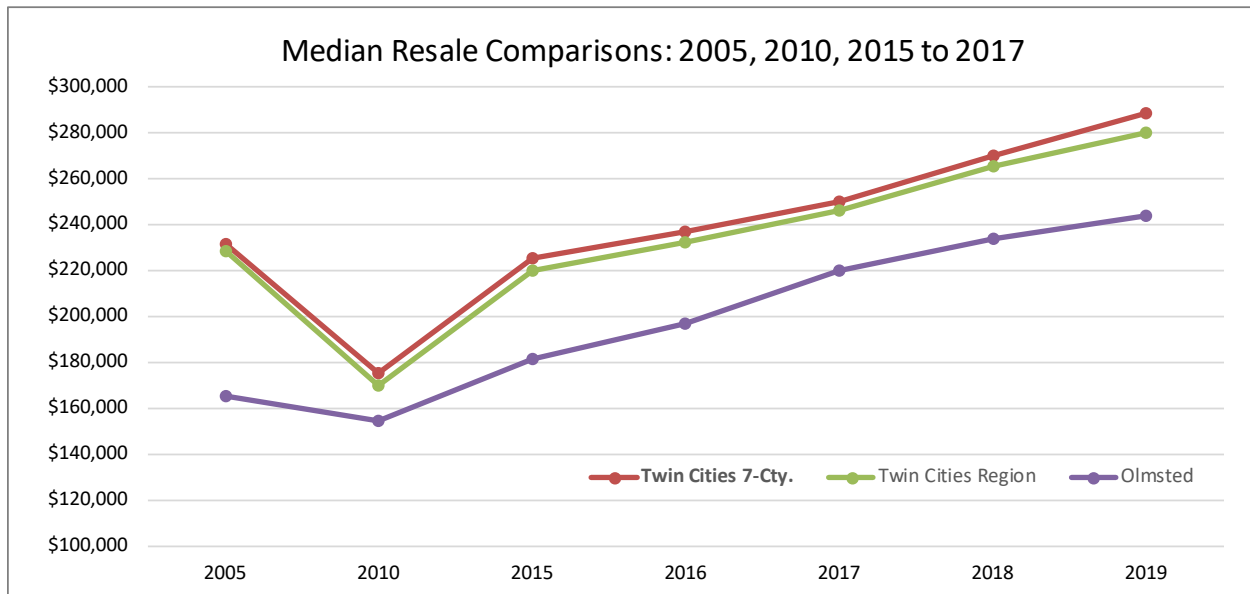
- Olmsted County’s resale values between 2015 and 2019 experienced a slightly higher growth rate than the Twin Cities Metro Area. Over this time, Olmsted County’s median resale value increased by 35% (\$181,000 to \$244,000), while the Twin Cities Metro Area resale price increased by 28% (\$224,900 to \$288,000).
- Olmsted County pricing increased by 8% annually over the past six years. Between 2016 and 2017, Olmsted County experienced the highest growth rate of 12%. Olmsted County posted its highest median resale value in 2019 (\$244,000) as resale prices have continued to rise.
- When compared to the Metro Area, Olmsted County median sales prices have been below that of the Metro Area over the past several years (15% on average). Ramsey County however, had a lower median resale price than Olmsted County in 2017 and 2018.
- New construction accounted for 9.5% of Olmsted County resales in 2019. This percentage is on par with the percentage of newly constructed home sales in the Metro Area. Carver and Washington Counties had the highest new construction percentage at 18% and 16.5% respectively.
- The number of distressed resales in Olmsted County and the Metro Area have declined considerably since the great recession. In 2019, less than 1% of all resales in Olmsted County were lender-mediated compared to 1.7% in the Metro Area. Despite the pandemic, lender-mediated sales are expected to remain low given strong demand from entry-level buyers and home equity of sellers.

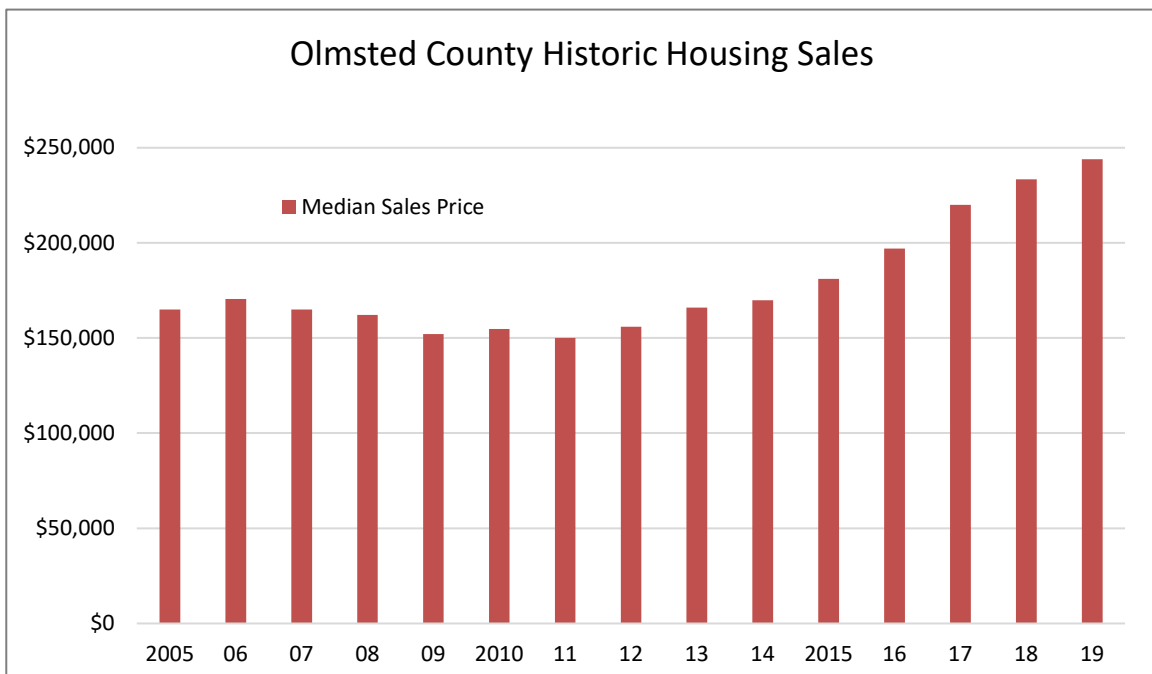
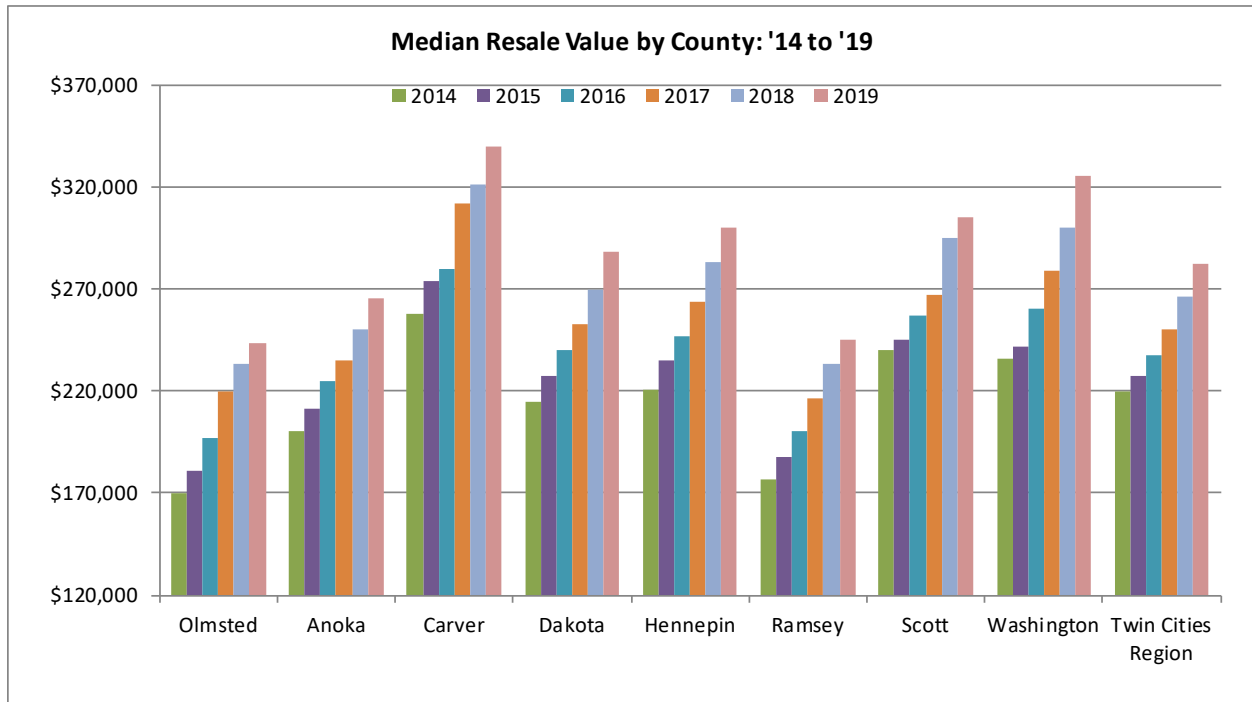
FOR-SALE MARKET ANALYSIS

**TABLE FS-1
MEDIAN RESALE COMPARISON BY OLMSTED COUNTY & METRO AREA COUNTIES
2005 to 2019**

County	2005	2010	2015	2016	2017	2018	2019
Olmsted	\$164,900	\$154,700	\$181,000	\$197,000	\$220,000	\$233,475	\$244,000
Twin Cities 7-County Metro Area							
Anoka	\$224,900	\$155,000	\$200,000	\$219,900	\$232,000	\$250,000	\$265,000
Carver	\$256,726	\$230,000	\$273,240	\$279,950	\$311,650	\$321,361	\$340,000
Dakota	\$233,000	\$175,000	\$227,000	\$240,000	\$252,500	\$269,900	\$288,500
Hennepin	\$233,855	\$184,000	\$235,000	\$246,500	\$263,500	\$283,000	\$300,000
Ramsey	\$213,000	\$145,000	\$187,810	\$200,000	\$216,500	\$232,900	\$245,750
Scott	\$250,000	\$190,000	\$245,000	\$257,000	\$266,950	\$295,000	\$305,000
Washington	\$251,700	\$195,000	\$242,150	\$260,000	\$278,500	\$299,999	\$325,000
Twin Cities 7-Cty.	\$231,400	\$175,000	\$224,900	\$236,900	\$250,000	\$270,000	\$288,000
Twin Cities Region	\$227,900	\$169,900	\$220,000	\$232,000	\$246,000	\$265,000	\$280,000

Source: Regional Multiple Listing Service of Minnesota, Maxfield Research & Consulting, LLC



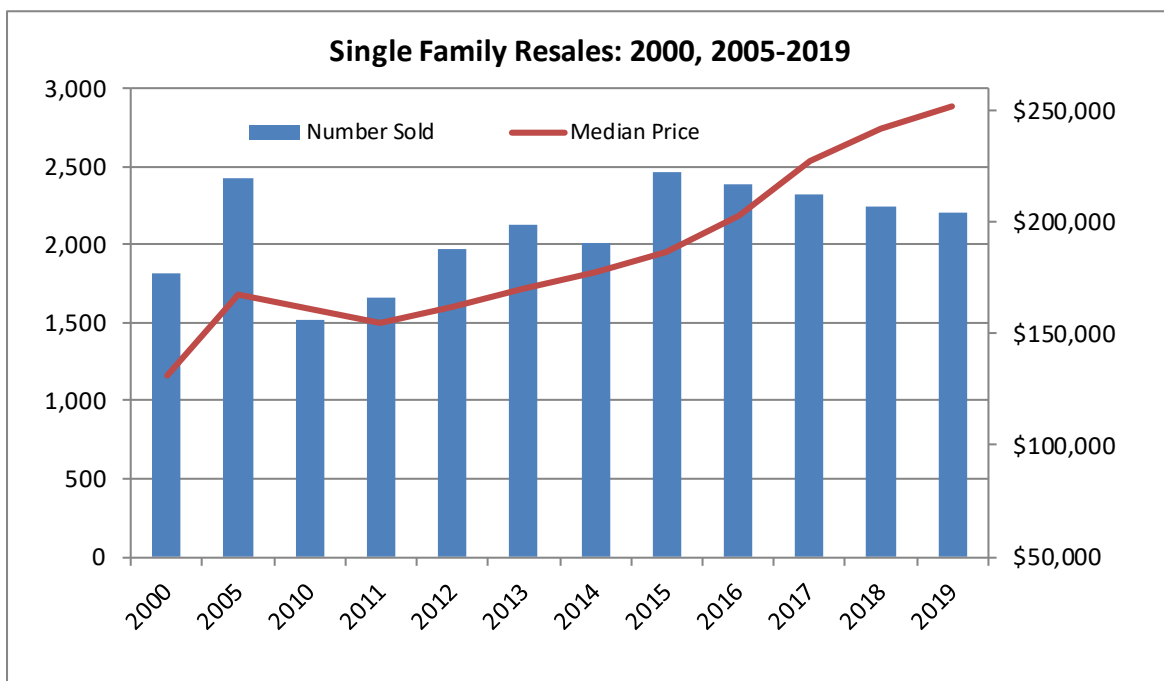


Home Resale Comparison in Olmsted County & Vicinity

Tables FS-2 and FS-3 present summary data for resales of single-family and multifamily housing units for the Olmsted County submarkets in 2010, and from 2015 to 1st Quarter 2020. All data is sourced to the Southeast Minnesota Association of Realtors (SEMAR) or the Regional Multiple Listing Service of Minnesota (RMLS). Because real estate data is tied to mailing addresses, the Rochester Fringe submarket has been combined with the Rochester submarket.

Single-Family Resales

- Between 2000 and 2005, Olmsted County submarkets experienced rapid home sale appreciation during the real estate boom, posting a median sales price increase of 28% in the Olmsted County Market Area. However, after the housing market plateaued in 2006, Olmsted County communities experienced modest housing value declines as the housing market burst nationwide. Between 2005 and 2010, the median resale price declined by 4%.
- After the Great Recession, single-family housing values have risen 56% from a median resale price of \$161,600 in 2010 to \$252,000 in 2019. Over the past five years, the resale price in the Olmsted County Market Area has experienced 35% growth compared to 16% from 2010 to 2015.
- The number of resales in the Olmsted County peaked in 2015 with 2,463 transactions. Resales declined year-to-year during the Great Recession to 2010, before increasing annually to the most recent peak in 2015. Sales since 2015 have declined annually to 2,200 in 2019 yet still higher than during the recession.



FOR-SALE MARKET ANALYSIS

**TABLE FS-2
SINGLE-FAMILY HOME RESALES
OLMSTED COUNTY & VICINITY
2000, 2005, 2010 to 2019**

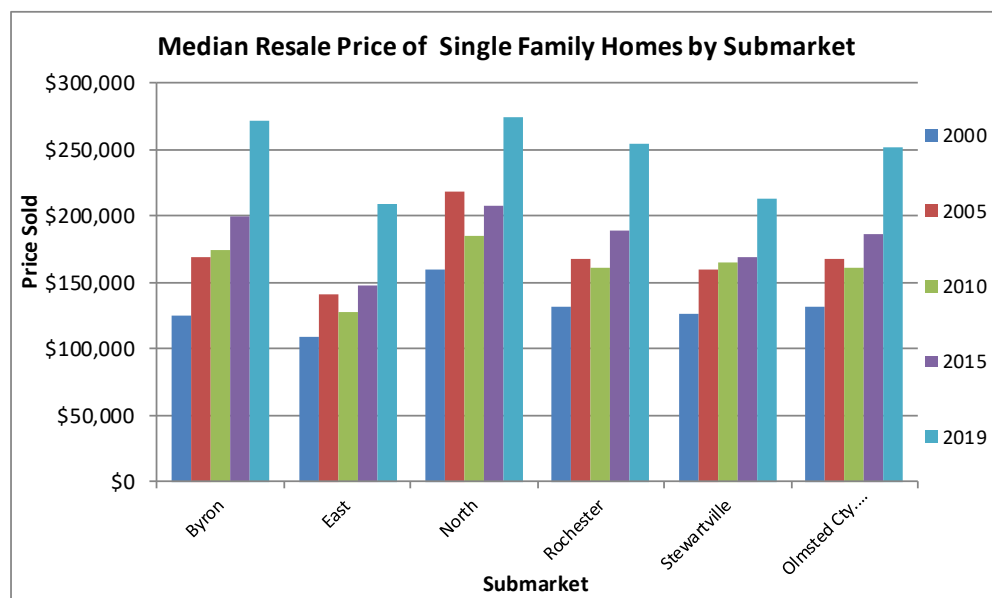
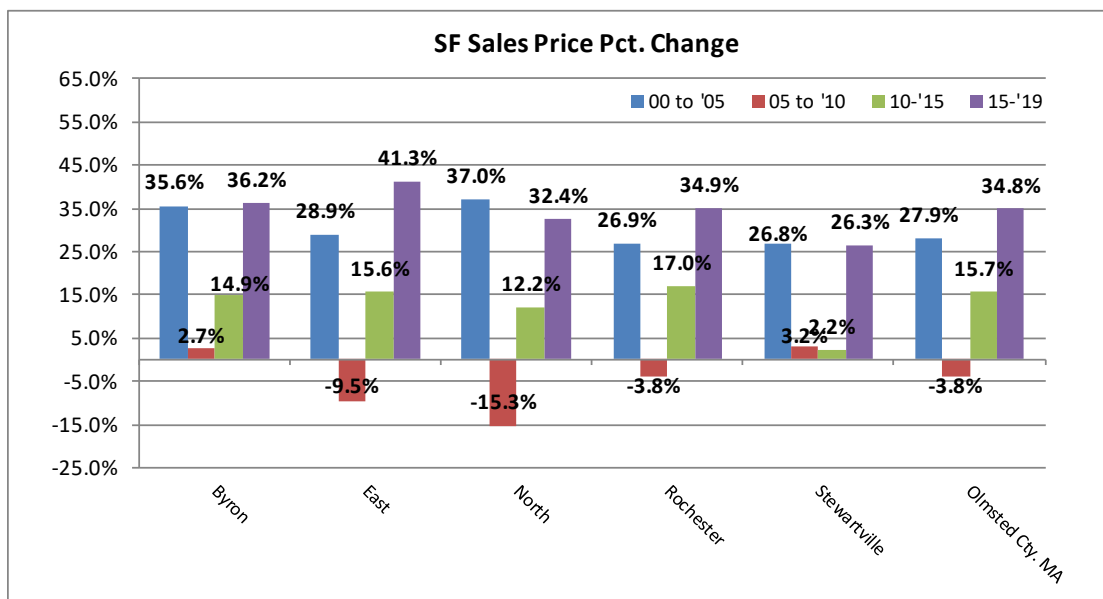
Year	No. Sold	Avg. Sold Price	Median Sold Price	Avg. Time on Market ¹	Year	No. Sold	Avg. Sold Price	Median Sold Price	Avg. Time on Market ¹
Byron Submarket					East Submarket				
2000	69	\$130,692	\$125,000	--	2000	82	\$123,804	\$109,675	--
2005	94	\$204,288	\$169,500	--	2005	154	\$157,074	\$141,369	--
2010	65	\$229,258	\$174,000	138	2010	103	\$140,608	\$127,900	135
2011	85	\$192,653	\$165,000	136	2011	119	\$133,347	\$124,750	153
2012	90	\$239,514	\$189,500	104	2012	141	\$160,795	\$144,500	112
2013	81	\$218,372	\$190,000	70	2013	135	\$143,137	\$135,000	123
2014	89	\$258,598	\$206,000	79	2014	120	\$138,675	\$130,850	114
2015	113	\$226,025	\$199,900	60	2015	152	\$168,154	\$147,900	83
2016	125	\$270,467	\$230,000	54	2016	173	\$187,350	\$167,900	74
2017	115	\$281,804	\$274,000	62	2017	142	\$205,172	\$176,500	58
2018	114	\$314,561	\$285,250	52	2018	123	\$210,896	\$187,500	42
2019	108	\$305,401	\$272,250	76	2019	121	\$238,377	\$209,000	56
Pct. Change					Pct. Change				
00 to 05	36%	56%	36%	--	00 to 05	88%	27%	29%	--
05 to 10	-31%	12%	3%	--	05 to 10	-33%	-10%	-10%	--
10 to 15	74%	-1%	15%	--	10 to 15	48%	20%	16%	--
15 to 19	-4%	35%	36%	--	15 to 19	-20%	42%	41%	--
North Submarket					Rochester Submarket				
2000	84	\$166,937	\$159,450	--	2000	1,504	\$150,467	\$132,340	--
2005	100	\$242,914	\$218,450	--	2005	1,978	\$202,185	\$168,000	--
2010	79	\$199,359	\$185,000	149	2010	1,188	\$186,046	\$161,550	126
2011	75	\$181,074	\$154,000	139	2011	1,312	\$188,456	\$156,900	132
2012	73	\$201,597	\$159,900	109	2012	1,595	\$189,916	\$162,900	118
2013	108	\$235,564	\$219,450	97	2013	1,717	\$199,862	\$170,000	69
2014	108	\$207,613	\$172,500	77	2014	1,612	\$213,424	\$179,900	67
2015	142	\$237,805	\$207,500	89	2015	1,972	\$225,127	\$189,000	60
2016	118	\$263,343	\$229,900	71	2016	1,881	\$243,543	\$205,000	41
2017	122	\$263,845	\$233,250	47	2017	1,864	\$273,155	\$230,000	40
2018	104	\$291,078	\$253,675	63	2018	1,837	\$287,423	\$244,000	43
2019	118	\$304,898	\$274,750	--	2019	1,779	\$295,725	\$254,900	53
Pct. Change					Pct. Change				
00 to 05	19%	46%	37%	--	00 to 05	32%	34%	27%	--
05 to 10	-21%	-18%	-15%	--	05 to 10	-40%	-8%	-4%	--
10 to 15	80%	19%	12%	--	10 to 15	66%	21%	17%	--
15 to 19	-17%	28%	32%	--	15 to 19	-10%	31%	35%	--
Stewartville Submarket					Olmsted County Market Area				
2000	72	\$133,910	\$126,075	--	2000	1,811	\$148,612	\$131,250	--
2005	104	\$166,646	\$159,925	--	2005	2,430	\$199,562	\$167,900	--
2010	79	\$167,197	\$165,000	95	2010	1,513	\$184,610	\$161,600	127
2011	71	\$159,660	\$140,000	97	2011	1,662	\$183,162	\$154,900	132
2012	81	\$146,775	\$151,200	84	2012	1,967	\$190,115	\$162,000	99
2013	90	\$168,888	\$155,250	59	2013	2,131	\$197,473	\$169,900	108
2014	78	\$172,882	\$161,500	70	2014	2,007	\$209,069	\$177,500	71
2015	84	\$177,476	\$168,700	61	2015	2,463	\$220,758	\$186,900	63
2016	85	\$189,202	\$172,000	40	2016	2,382	\$239,916	\$203,000	46
2017	81	\$196,592	\$185,000	42	2017	2,324	\$266,272	\$226,950	43
2018	65	\$221,834	\$199,999	38	2018	2,244	\$282,900	\$241,500	46
2019	74	\$237,481	\$213,075	54	2019	2,200	\$291,579	\$252,000	55
Pct. Change					Pct. Change				
00 to 05	44%	24%	27%	--	00 to 05	34%	34%	28%	--
05 to 10	-24%	0%	3%	--	05 to 10	-38%	-7%	-4%	--
10 to 15	6%	6%	2%	--	10 to 15	63%	20%	16%	--
15 to 19	-12%	34%	26%	--	15 to 19	-11%	32%	35%	--

¹ Cumulative Days on the Market began in 2008

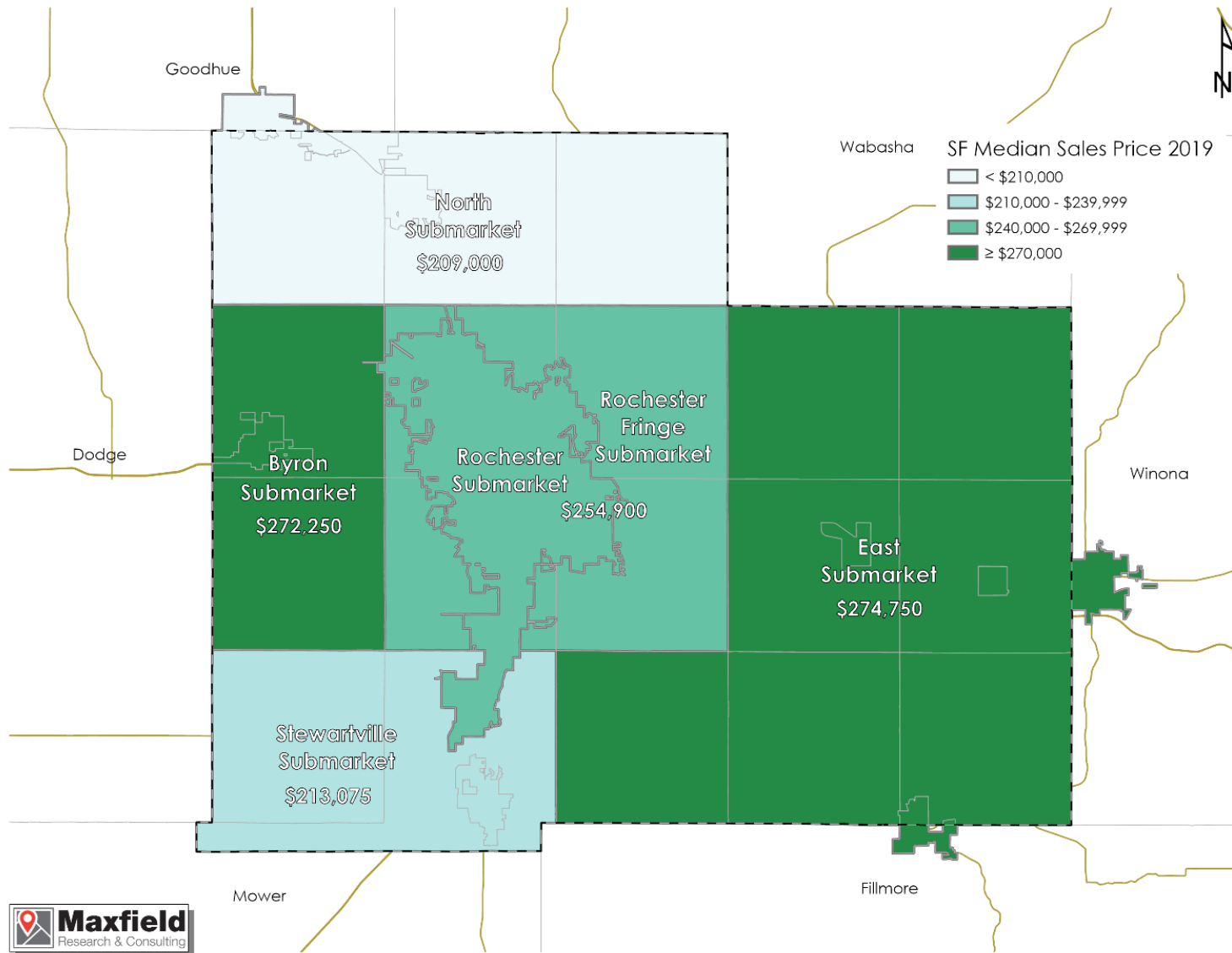
Sources: Southeast MN Association of Realtors; Maxfield Research & Consulting, LLC

FOR-SALE MARKET ANALYSIS

- Rochester accounts for approximately 81% of all resales in the Olmsted County Market Area. Because of the high percentage of resales, the median resale price in Rochester mirrors the Olmsted County Market Area total each year.
- The East submarket experienced significant gains in both resales and the median resale price between 2015 and 2019. Resales increased 42% and the median sales price increased by 41% during the aforementioned period of time.
- All submarkets have experienced strong growth in resale since 2015. The Average resale price increased at a growth rate range of 28% (North) to 42% (East) and a range of 26% (Stewartville) to 41% (East) growth in the median resale price from 2015 to 2019.



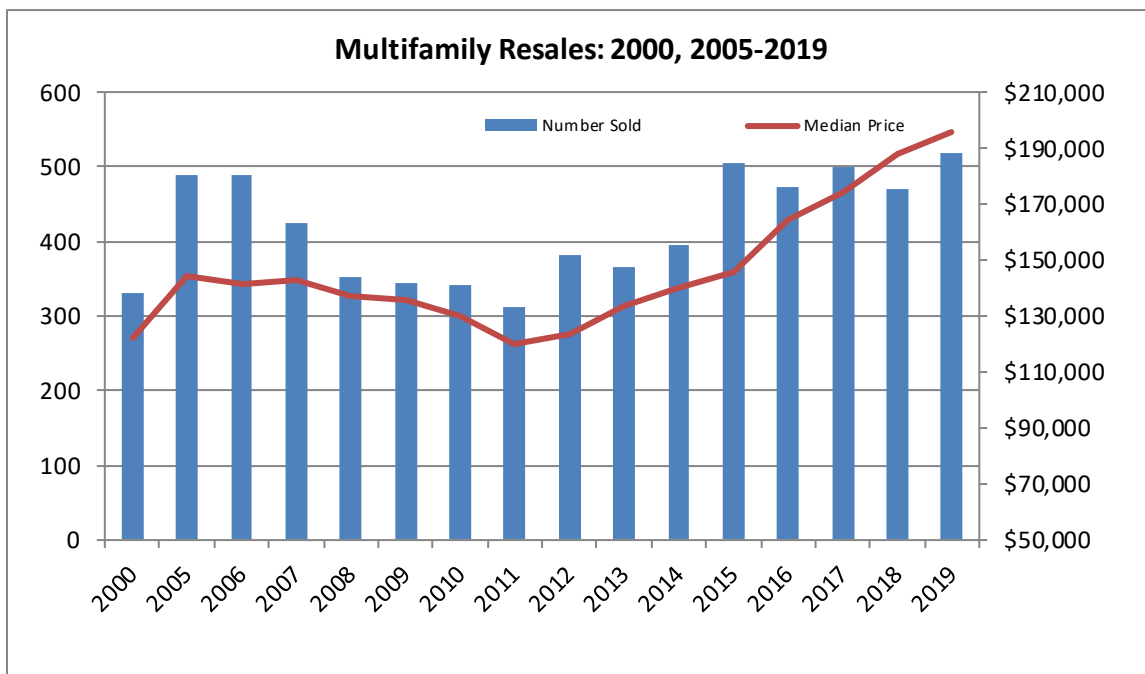
Single-family Resale Values 2019



Note: Real estate data is tied to mailing addresses, the Rochester Fringe submarket is combined with the Rochester submarket.

Multifamily Resales

- Between 2015 and 2019, multifamily resales have accounted for approximately 17.5% of Olmsted County Market Area resales.
- Multifamily resales in the Olmsted County Market Area has so far peaked in 2019 (518 transactions). Multifamily resales decreased between 2005 and 2010 before increasing in 2012. Multifamily resales have remained relatively steady over the past five years average roughly 500 sales per year which is similar to sales during the housing boom last decade.
- Multifamily resales in Rochester account for approximately 90% of all transactions in the Olmsted County Market Area. The submarkets outside of Rochester are dominated by single-family housing stock.
- The multifamily median resale price has increased substantially over the past decade. Multifamily housing in the Olmsted County Market Area did not experience the peaks and valleys like the Twin Cities Metro Area. Although the pricing is significantly higher from the low in 2011, multifamily housing resale values have increased 63% since 2011 from a median of \$119,896 to \$195,500 in 2019.



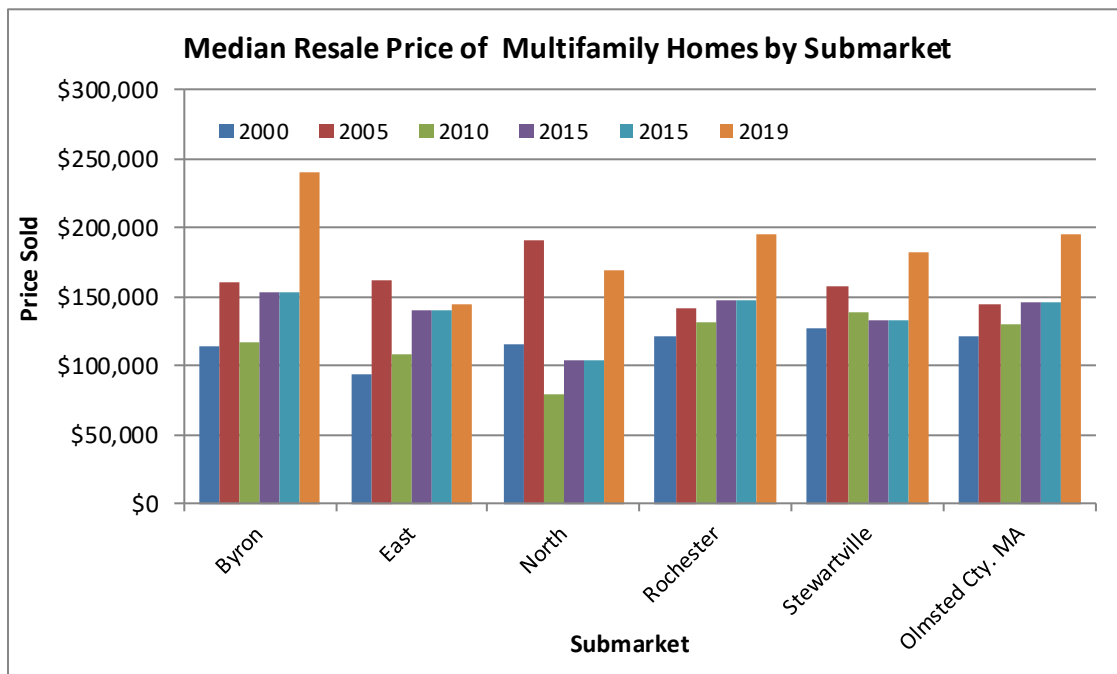
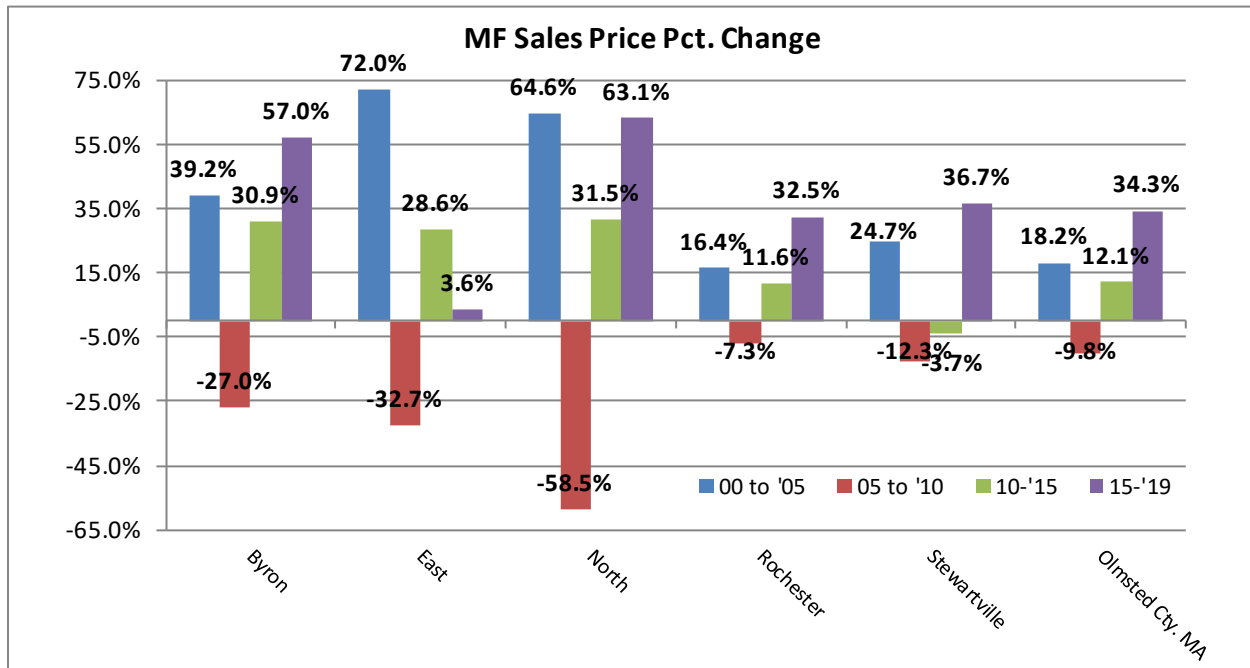
FOR-SALE MARKET ANALYSIS

**TABLE FS-3
MULTI-FAMILY HOME RESALES
OLMSTED COUNTY & VICINITY
2000, 2005, 2010 to 2019**

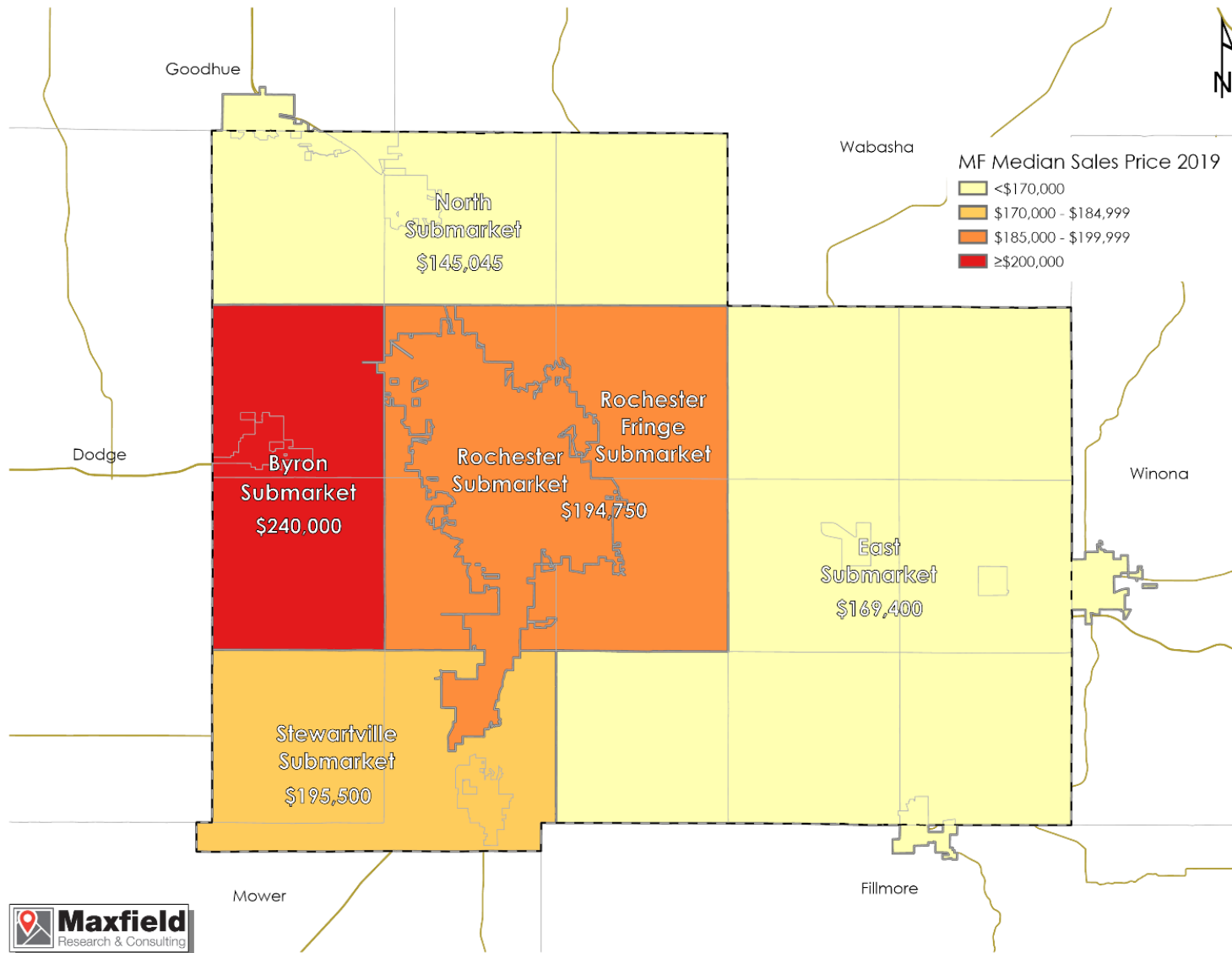
Year	No. Sold	Avg. Sold Price	Median Sold Price	Avg. Time on Market ¹	Year	No. Sold	Avg. Sold Price	Median Sold Price	Avg. Time on Market ¹
Byron Submarket					East Submarket				
2000	5	\$116,460	\$114,900	0	2000	4	\$99,750	\$94,000	0
2005	18	\$186,918	\$159,950	97	2005	10	\$176,130	\$161,650	0
2010	16	\$107,931	\$116,838	181	2010	6	\$129,945	\$108,860	120
2011	14	\$191,936	\$145,950	213	2011	6	\$116,483	\$119,950	192
2012	18	\$135,211	\$122,500	104	2012	5	\$114,949	\$122,000	233
2013	15	\$176,527	\$135,800	125	2013	7	\$150,414	\$142,000	109
2014	15	\$180,515	\$145,500	88	2014	5	\$175,537	\$197,500	304
2015	21	\$209,386	\$152,900	110	2015	9	\$160,631	\$140,000	83
2016	25	\$227,934	\$179,900	116	2016	13	\$153,400	\$143,000	39
2017	19	\$260,768	\$210,000	53	2017	16	\$173,598	\$172,400	50
2018	20	\$249,853	\$214,400	96	2018	12	\$157,554	\$147,500	84
2019	35	\$291,403	\$240,000	156	2019	7	\$176,442	\$145,045	68
Pct. Change					Pct. Change				
00 to 05	260%	60%	39%	--	00 to 05	150%	77%	72%	--
05 to 10	-11%	-42%	-27%	--	05 to 10	-40%	-26%	-33%	--
10 to 15	31%	94%	31%	--	10 to 15	50%	24%	29%	--
15 to 19	67%	39%	57%	--	15 to 19	-22%	10%	4%	--
North Submarket					Rochester Submarket				
2000	1	\$115,725	\$115,725	0	2000	319	\$120,803	\$122,000	6
2005	2	\$190,500	\$190,500	53	2005	455	\$145,361	\$142,000	16
2010	19	\$76,670	\$79,000	62	2010	294	\$139,397	\$131,675	140
2011	5	\$88,360	\$86,900	70	2011	282	\$123,745	\$118,950	173
2012	4	\$85,100	\$82,750	84	2012	312	\$139,500	\$126,250	145
2013	5	\$86,438	\$89,900	28	2013	334	\$149,954	\$133,900	98
2014	6	\$86,183	\$172,000	99	2014	361	\$151,060	\$139,900	80
2015	8	\$102,381	\$103,875	31	2015	450	\$170,630	\$146,950	55
2016	4	\$119,155	\$116,060	5	2016	421	\$185,920	\$164,900	45
2017	9	\$193,533	\$152,000	45	2017	451	\$198,412	\$174,000	44
2018	7	\$157,051	\$150,555	18	2018	425	\$208,467	\$187,100	46
2019	4	\$160,425	\$169,400	43	2019	460	\$215,171	\$194,750	51
Pct. Change					Pct. Change				
00 to 05	100%	65%	65%	--	00 to 05	43%	20%	16%	--
05 to 10	850%	-60%	-59%	--	05 to 10	-35%	-4%	-7%	--
10 to 15	-58%	34%	31%	--	10 to 15	53%	22%	12%	--
15 to 19	-50%	57%	63%	--	15 to 19	2%	26%	33%	--
Stewartville Submarket					Olmsted County Market Area				
2000	1	\$126,900	\$126,900	0	2000	330	\$120,485	\$121,813	6
2005	5	\$184,126	\$158,200	98	2005	490	\$148,095	\$143,990	19
2010	8	\$130,660	\$138,700	166	2010	343	\$134,085	\$129,900	138
2011	5	\$129,280	\$124,500	126	2011	312	\$126,187	\$119,896	173
2012	9	\$123,176	\$122,780	76	2012	381	\$135,396	\$123,497	129
2013	6	\$137,700	\$137,500	215	2013	367	\$149,983	\$133,900	101
2014	8	\$149,388	\$146,150	90	2014	395	\$151,469	\$139,900	83
2015	16	\$140,638	\$133,500	27	2015	504	\$170,031	\$145,575	57
2016	11	\$158,546	\$175,000	28	2016	474	\$186,045	\$164,450	48
2017	5	\$148,510	\$136,000	46	2017	500	\$199,401	\$174,000	44
2018	6	\$209,460	\$214,680	12	2018	470	\$208,176	\$188,000	48
2019	12	\$193,700	\$182,500	57	2019	518	\$218,879	\$195,500	58
Pct. Change					Pct. Change				
00 to 05	400%	45%	25%	--	00 to 05	48%	23%	18%	--
05 to 10	60%	-29%	-12%	--	05 to 10	-30%	-9%	-10%	--
10 to 15	100%	8%	-4%	--	10 to 15	47%	27%	12%	--
15 to 19	-25%	38%	37%	--	15 to 19	3%	29%	34%	--

¹ Cumulative Days on the Market began in 2008

Sources: Southeast MN Association of Realtors; Maxfield Research & Consulting, LLC



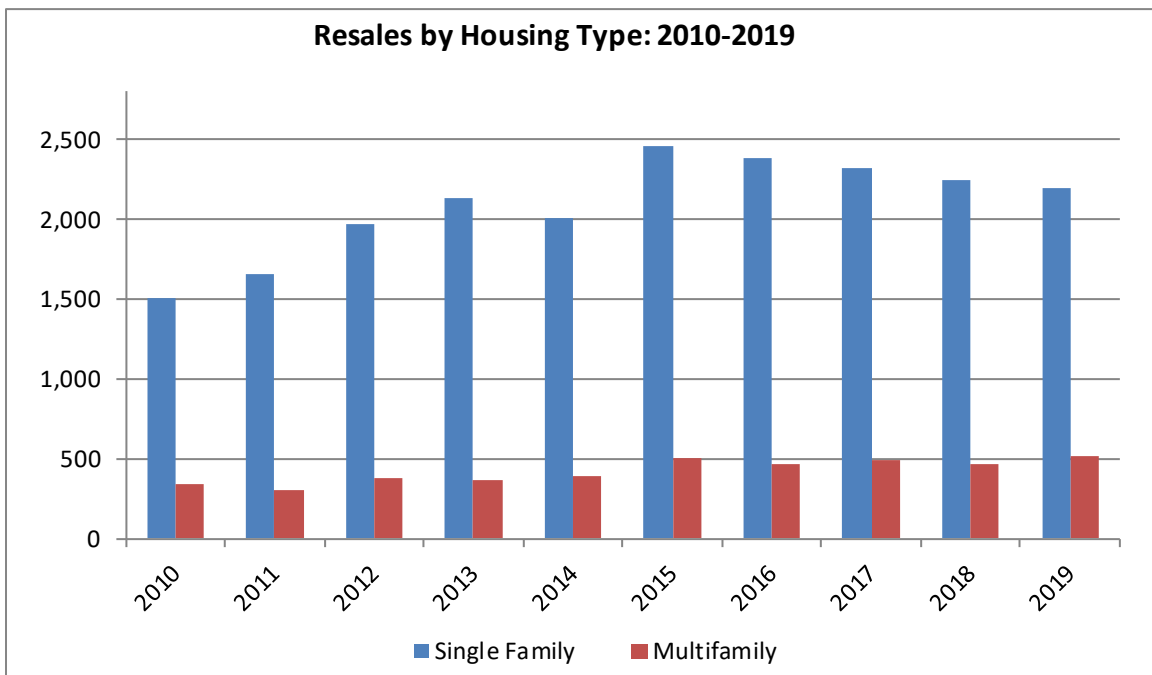
Multifamily Housing Resale Values 2019

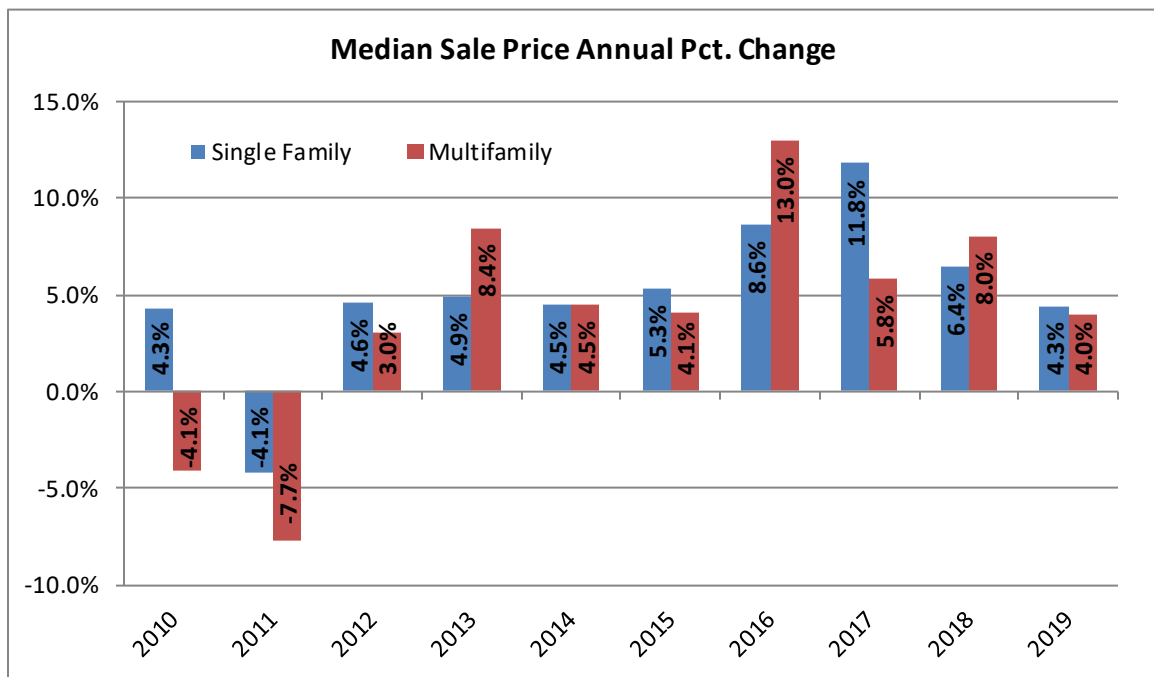
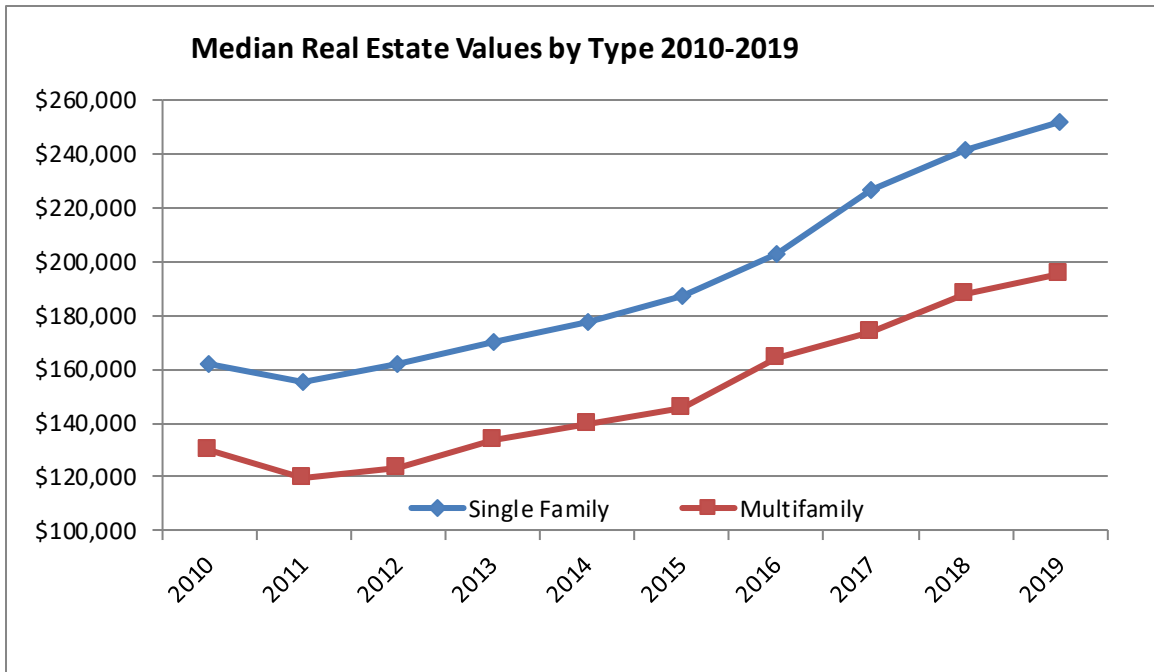


Note: Real estate data is tied to mailing addresses, the Rochester Fringe submarket is combined with the Rochester submarket.

Single-family vs. Multifamily Resales

- Multifamily property resales have historically accounted from 15% to 19% of all resales in the Olmsted County Market Area since 2010. In 2019, multifamily resales made up 19% of total transactions.
- Historically, single-family homes have sold for approximately 20% higher price than multifamily housing products. In the early 2000s multifamily housing resale values were similar to single-family values, however during the housing boom the gap between single-family and multifamily product types began to widen and after the Great Recession the gap grew wider.
- During the decade, single-family homes have sold for about 28% higher than multifamily housing. As of 2019, multifamily property median values are about 29% lower than single-family housing stock.





Resales by Price (2019)

Table FS-4 shows the distribution of sales within twelve price ranges from resales in 2019. The graph on the following page visually displays the sales data.

- Approximately 30% of the single-family homes in Olmsted County sold in 2019 were priced under \$200,000. Another 30% of single-family homes sold from \$200,000 to \$300,000. About 30% of transactions sold above \$300,000.
- About 52% of the multifamily product sold last year was priced under \$200,000 and another 32% was priced from \$200,000 to \$300,000. Another 15% was priced above \$300,000.

Price Range	Byron Submarket						East Submarket					
	Single-Family		Multifamily ¹		Total		Single-Family		Multifamily ¹		Total	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
< \$99,999	0	0.0%	0	0.0%	0	0.0%	5	4.2%	0	0.0%	5	3.9%
\$100,000 to \$149,999	4	3.8%	1	3.1%	5	3.7%	19	15.8%	4	57.1%	23	18.1%
\$150,000 to \$199,999	18	17.3%	9	28.1%	27	19.9%	35	29.2%	1	14.3%	36	28.3%
\$200,000 to \$249,999	25	24.0%	10	31.3%	35	25.7%	18	15.0%	1	14.3%	19	15.0%
\$250,000 to \$299,999	16	15.4%	5	15.6%	21	15.4%	15	12.5%	1	14.3%	16	12.6%
\$300,000 to \$349,999	12	11.5%	0	0.0%	12	8.8%	9	7.5%	0	0.0%	9	7.1%
\$350,000 to \$399,999	9	8.7%	1	3.1%	10	7.4%	8	6.7%	0	0.0%	8	6.3%
\$400,000 to \$449,999	4	3.8%	0	0.0%	4	2.9%	4	3.3%	0	0.0%	4	3.1%
\$450,000 to \$499,999	7	6.7%	5	15.6%	12	8.8%	3	2.5%	0	0.0%	3	2.4%
\$500,000 to \$749,999	7	6.7%	0	0.0%	7	5.1%	4	3.3%	0	0.0%	4	3.1%
\$750,000 to \$999,999	2	1.9%	1	3.1%	3	2.2%	0	0.0%	0	0.0%	0	0.0%
\$1,000,000 and Over	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	104	100%	32	100%	136	100%	120	100%	7	100%	127	100%
Minimum	\$100,000		\$126,000		\$100,000		\$65,000		\$129,900		\$65,000	
Maximum	\$990,000		\$889,900		\$990,000		\$674,900		\$294,900		\$674,900	
Median	\$272,000		\$240,000		\$264,471		\$237,634		\$145,045		\$232,531	
Average	\$305,789		\$291,403		\$302,404		\$207,000		\$176,442		\$205,316	
Price Range	North Submarket						Rochester Submarket					
	Single-Family		Multifamily ¹		Total		Single-Family		Multifamily ¹		Total	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
< \$99,999	3	2.8%	0	0.0%	3	2.7%	17	0.9%	36	8.0%	53	2.3%
\$100,000 to \$149,999	7	6.6%	1	25.0%	8	7.3%	74	4.0%	73	16.2%	147	6.4%
\$150,000 to \$199,999	18	17.0%	3	75.0%	21	19.1%	327	17.9%	130	28.8%	457	20.0%
\$200,000 to \$249,999	10	9.4%	0	0.0%	10	9.1%	445	24.3%	91	20.2%	536	23.5%
\$250,000 to \$299,999	25	23.6%	0	0.0%	25	22.7%	331	18.1%	48	10.6%	379	16.6%
\$300,000 to \$349,999	12	11.3%	0	0.0%	12	10.9%	194	10.6%	25	5.5%	219	9.6%
\$350,000 to \$399,999	6	5.7%	0	0.0%	6	5.5%	133	7.3%	19	4.2%	152	6.7%
\$400,000 to \$449,999	5	4.7%	0	0.0%	5	4.5%	92	5.0%	14	3.1%	106	4.6%
\$450,000 to \$499,999	9	8.5%	0	0.0%	9	8.2%	62	3.4%	8	1.8%	70	3.1%
\$500,000 to \$749,999	10	9.4%	0	0.0%	10	9.1%	114	6.2%	7	1.6%	121	5.3%
\$750,000 to \$999,999	1	0.9%	0	0.0%	1	0.9%	25	1.4%	0	0.0%	25	1.1%
\$1,000,000 and Over	0	0.0%	0	0.0%	0	0.0%	15	0.8%	0	0.0%	15	11.0%
	106	100%	4	100%	110	100%	1,829	100%	451	100%	2,280	110%
Minimum	\$40,000		\$125,000		\$40,000		\$40,000		\$51,000		\$40,000	
Maximum	\$980,000		\$177,900		\$980,000		\$1,894,856		\$669,012		\$1,894,856	
Median	\$282,000		\$169,400		\$277,905		\$254,900		\$194,500		\$242,952	
Average	\$313,202		\$160,425		\$307,646		\$298,053		\$215,250		\$281,674	

CONTINUED

FOR-SALE MARKET ANALYSIS

- The East submarket had the highest percentage of “affordable” homes as 49% of single-family resales were priced under \$200,000. The Stewartville submarket was the second most affordable submarket with 42% of transactions under \$200,00.
- The North submarket has the highest proportion of homes that sold for more than \$500,000 at 10%. About 9% in the Byron submarket and 8.4% in the Rochester submarket sold for more than \$500,000.
- The Byron Submarket had the fewest home sales under \$200,000 at 21.2% of all transactions. The Rochester submarket posted similar percentages as about 23% of resales were priced under \$200,000.

TABLE FS-4 RESALES BY PRICE POINT OLMSTED COUNTY & VICINITY 2019												
Price Range	Stewartville Submarket						Olmsted County & Vicinity Total					
	Single-Family		Multifamily ¹		Total		Single-Family		Multifamily ¹		Total	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
< \$99,999	2	2.7%	0	0.0%	2	2.4%	27	1.2%	36	7.1%	63	2.3%
\$100,000 to \$149,999	6	8.1%	1	9.1%	7	8.2%	110	4.9%	80	15.8%	190	6.9%
\$150,000 to \$199,999	23	31.1%	7	63.6%	30	35.3%	421	18.9%	150	29.7%	571	20.9%
\$200,000 to \$249,999	23	31.1%	2	18.2%	25	29.4%	521	23.3%	104	20.6%	625	22.8%
\$250,000 to \$299,999	10	13.5%	1	9.1%	11	12.9%	397	17.8%	55	10.9%	452	16.5%
\$300,000 to \$349,999	4	5.4%	0	0.0%	4	4.7%	231	10.3%	25	5.0%	256	9.3%
\$350,000 to \$399,999	1	1.4%	0	0.0%	1	1.2%	157	7.0%	20	4.0%	177	6.5%
\$400,000 to \$449,999	3	4.1%	0	0.0%	3	3.5%	108	4.8%	14	2.8%	122	4.5%
\$450,000 to \$499,999	0	0.0%	0	0.0%	0	0.0%	81	3.6%	13	2.6%	94	3.4%
\$500,000 to \$749,999	1	1.4%	0	0.0%	1	1.2%	136	6.1%	7	1.4%	143	5.2%
\$750,000 to \$999,999	1	1.4%	0	0.0%	1	1.2%	29	1.3%	1	0.2%	30	1.1%
\$1,000,000 and Over	0	0.0%	0	0.0%	0	0.0%	15	0.7%	0	0.0%	15	0.5%
	74	100%	11	100%	85	100%	2,233	100%	505	100%	2,738	100%
Minimum	\$50,000		\$141,500		\$50,000		\$40,000		\$50,000			
Maximum	\$754,900		\$296,000		\$754,900		\$1,894,856		\$889,900			
Median	\$211,150		\$210,000		\$211,001		\$254,605		\$196,836		\$243,950	
Average	\$236,579		\$231,201		\$235,883		\$292,202		\$219,451		\$278,784	

¹ Includes townhomes, detached townhomes, twinhomes, condominiums, and cooperatives

Sources: Regional Multiple Listing Service of Minnesota (RMLS)
Maxfield Research & Consulting, LLC

Home Resales per Square Foot (“PSF”)

Table FS-5 shows the distribution of sales by sales price per square foot (“PSF”) from 2005 to 2019. The sales per square foot metric is simply the sales price of the home divided by the finished square footage. Table FS-6 illustrates PSF pricing between existing homes and new construction in Olmsted County and the Twin Cities Metro Area. The graphs on the following page visually displays the sales data.

- The median and average price per square foot declined significantly between 2005/2006 and 2011. Olmsted County’s median price per square foot was \$82 in 2007 before declining

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to its lowest point in 2011 at \$73 per square foot (-11%). Since 2011 the price per square foot has steadily increase to \$125 per square foot (+72%) as of 2019.

- Olmsted County housings costs on a median PSF basis are about 20% less than the Twin Cities Metro Area average.
- On average since 2005, the price of an existing home PSF costs in Olmsted County is about 43% less than the cost of new construction. Prior to the recession last decade, the gap was only about 15% to 20%; however, after the recession the gap widened. In 2019, new construction carried a 43.4% premium over an existing home.
- Last decade, new construction PSF costs in Olmsted County had historically been significantly lower than the Metro Area. However, this decade Olmsted County new construction has been on-par with the Metro Area. Over the past six years new construction pricing has been very similar between the Twin Cities and Olmsted County.

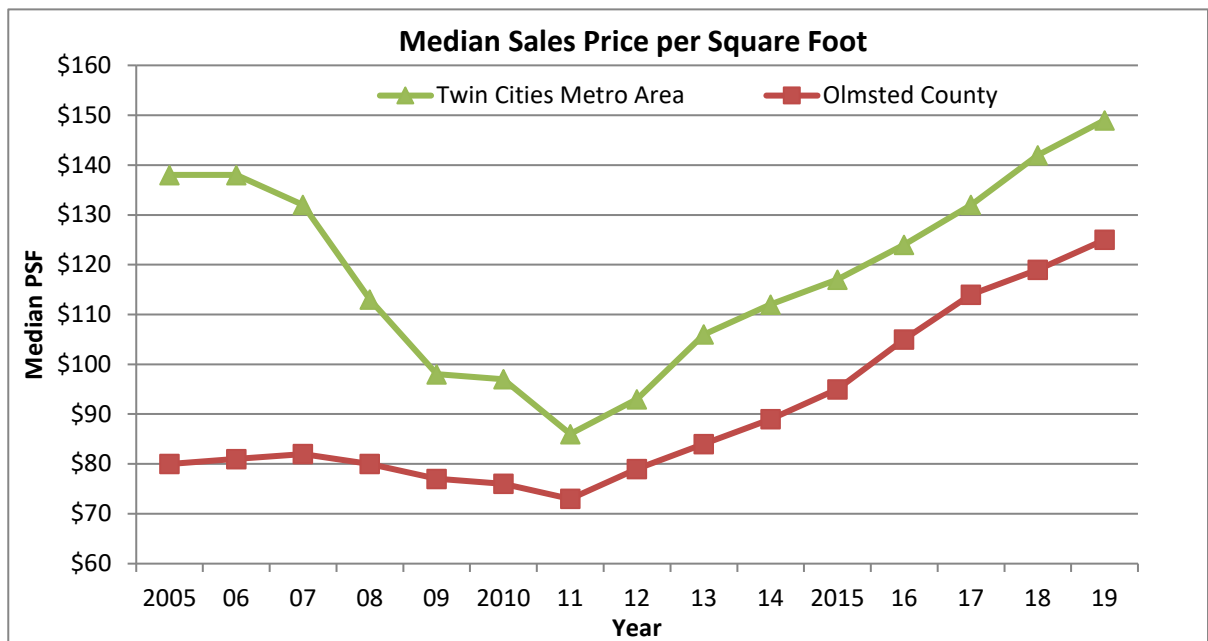
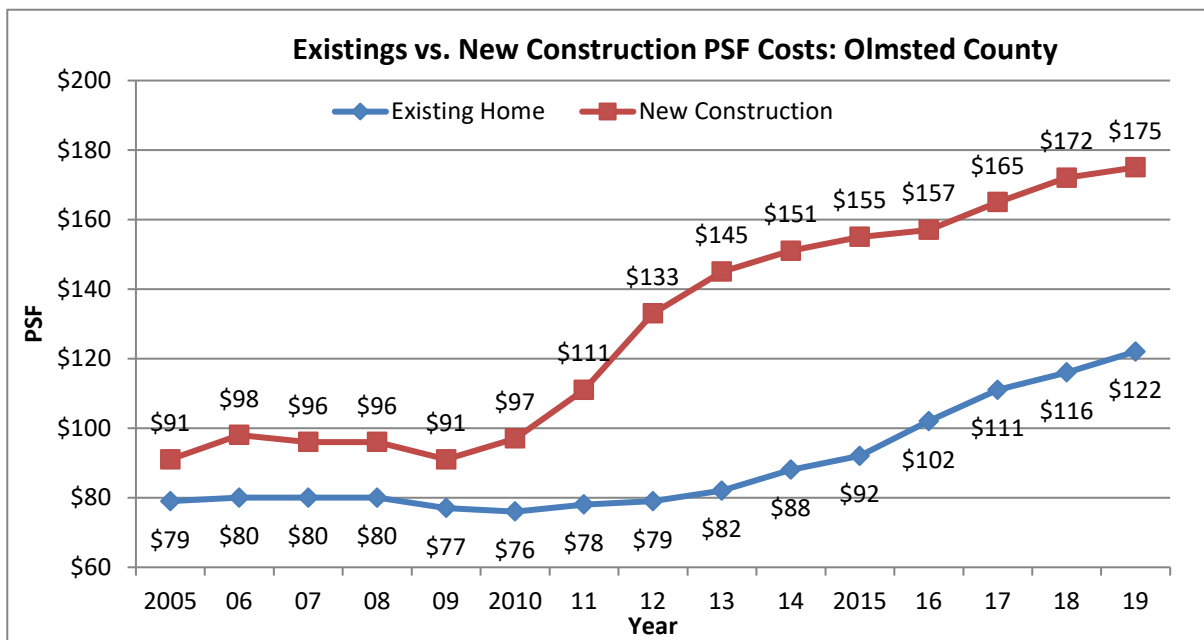


TABLE FS-5
AVERAGE & MEDIAN SALES PRICE PER SQUARE FOOT (PSF)
OLMSTED COUNTY AND TWIN CITIES METRO AREA
2005 to 2019

Year	Olmsted County		Twin Cities Metro Area	
	Avg.	Median	Avg.	Median
2005	\$84	\$80	\$150	\$138
2006	\$86	\$81	\$150	\$138
2007	\$85	\$82	\$143	\$132
2008	\$81	\$80	\$120	\$113
2009	\$79	\$77	\$104	\$98
2010	\$78	\$76	\$104	\$97
2011	\$73	\$73	\$93	\$86
2012	\$82	\$79	\$101	\$93
2013	\$90	\$84	\$113	\$106
2014	\$94	\$89	\$122	\$112
2015	\$101	\$95	\$127	\$117
2016	\$111	\$105	\$134	\$124
2017	\$122	\$114	\$143	\$132
2018	\$127	\$119	\$154	\$142
2019	\$131	\$125	\$161	\$149

Source: 10K Research & Marketing, Maxfield Research & Consulting, LLC

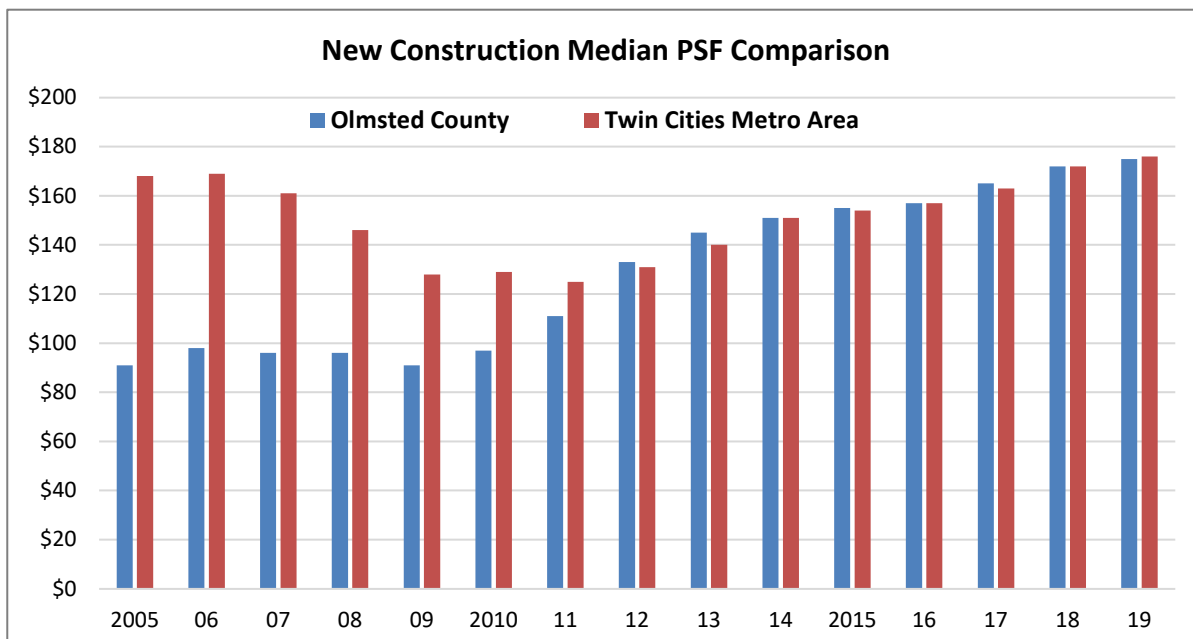


**TABLE FS-6
 MEDIAN SALES PRICE PER SQUARE FOOT (PSF) COMPARISON
 EXISTING HOME VS. NEW CONSTRUCTION
 OLMSTED COUNTY AND TWIN CITIES METRO AREA
 2005 to 2019**

Year	Olmsted County		Twin Cities Metro Area	
	Existing Home	New Const.	Existing Home	New Const.
2005	\$79	\$91	\$135	\$168
2006	\$80	\$98	\$135	\$169
2007	\$80	\$96	\$130	\$161
2008	\$80	\$96	\$111	\$146
2009	\$77	\$91	\$96	\$128
2010	\$76	\$97	\$95	\$129
2011	\$78	\$111	\$84	\$125
2012	\$79	\$133	\$91	\$131
2013	\$82	\$145	\$103	\$140
2014	\$88	\$151	\$110	\$151
2015	\$92	\$155	\$115	\$154
2016	\$102	\$157	\$122	\$157
2017	\$111	\$165	\$130	\$163
2018	\$116	\$172	\$139	\$172
2019	\$122	\$175	\$146	\$176

Note: Twin Cities Metro Area = Twin Cities MSA

Source: 10K Research & Marketing, Maxfield Research & Consulting, LLC



Owner-occupied Turnover

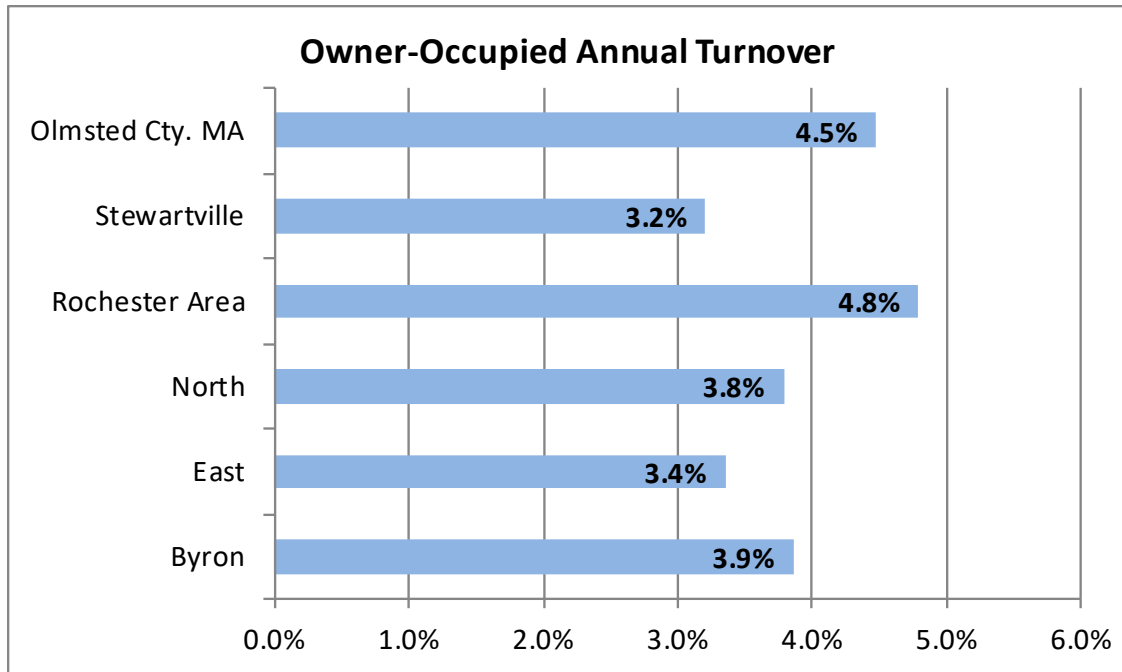
Table FS-7 illustrates existing home turnover as a percentage of owner-occupied units by Olmsted County submarket. Resales are based on historic transaction volume between 2010 and 2019 as listed on the Multiple Listing Service. Owner-occupied housing units are sourced to the U.S. Census American Community Survey estimates as of 2018.

As displayed in the table, approximately 4.5% of the Olmsted County Market Area’s owner-occupied housing stock is sold annually. The Rochester Area had the highest turnover rates in the Olmsted County Market Area (4.8%), while the Stewartville submarket had the lowest turnover at roughly 3.2%. Typically, we find owner-occupied turnover ranges from 3% at the low-end to 8% at the high-end in many communities throughout Minnesota.

Submarket	Owner-occupied Housing Units¹	Resales Annual Avg.²	Turnover Pct.
Byron	2,567	99	3.9%
East	3,969	133	3.4%
North	2,775	105	3.8%
Rochester/Rochester Fringe	34,970	1,676	4.8%
Stewartville	2,462	79	3.2%
Olmsted County Market Area	46,743	2,092	4.5%

¹ Owner-occupied housing units in 2018 (ACS)
² Average of MLS resales between 2010 and 2019

Source: U.S. Census Bureau, Minneapolis Assoc. of Realtors, Maxfield Research & Consulting, LLC



Current Supply of Homes on the Market

To more closely examine the current market for available owner-occupied housing in the Olmsted County Market Area, we reviewed the current supply of homes on the market (listed for sale). Table FS-8 shows homes currently listed for sale in the Olmsted County Market Area distributed into 11 price ranges. The data was provided by the Regional Multiple Listing Services of Minnesota (RMLS) and is based on active listings in May 2020. MLS listings generally account for the vast majority of all residential sale listings in a given area. Table FS-9 summarizes active listings by submarket and housing type. Table FS-10 shows listings by home style (i.e. one-story, two-story, townhome, condominium) and illustrate key metrics by each housing type. Key findings from the tables follow.

- As of May 2020, there were 450 homes listed for sale in the Olmsted County Market Area. Single-family homes accounted for 77% of all listings.
- The median list price in the Olmsted County Market Area is approximately \$357,000 (\$379,900 for single-family homes and \$279,900 for multifamily homes). The median sale price is generally a more accurate indicator of housing values in a community than the average sale price. Average sale prices can be easily skewed by a few very high-priced or low-priced home sales in any given year, whereas the median sale price better represents the pricing of a majority of homes in a given market.

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**TABLE FS-8
HOMES CURRENTLY LISTED FOR-SALE
OLMSTED COUNTY & VICINITY
May 2020**

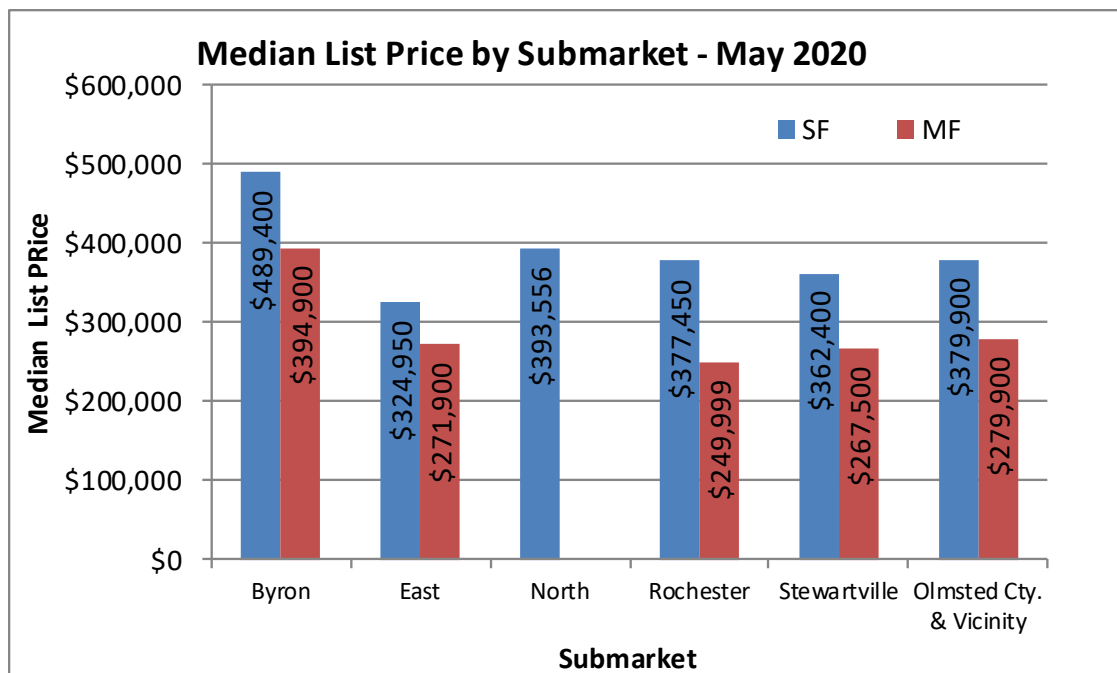
Price Range	Byron Submarket				East Submarket				North Submarket				Rochester Submarket			
	Single-Family		Multifamily ¹		Single-Family		Multifamily ¹		Single-Family		Multifamily ¹		Single-Family		Multifamily ¹	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
< \$49,999	0	--	0	--	2	7.1%	0	--	0	--	0	--	0	0.0%	0	0.0%
\$50,000 to \$99,999	0	--	0	--	0	--	0	--	0	--	0	--	1	0.4%	5	5.7%
\$100,000 to \$149,999	0	--	0	--	3	10.7%	0	--	1	5.9%	0	--	4	1.5%	9	10.3%
\$150,000 to \$199,999	2	7.7%	1	9.1%	2	--	0	0.0%	3	17.6%	0	--	20	7.6%	15	17.2%
\$200,000 to \$249,999	0	--	0	--	1	3.6%	0	--	1	5.9%	0	--	30	11.5%	15	17.2%
\$250,000 to \$299,999	3	11.5%	1	9.1%	4	14.3%	2	100.0%	3	17.6%	0	--	26	9.9%	6	6.9%
\$300,000 to \$399,999	2	7.7%	5	45.5%	10	35.7%	0	--	4	23.5%	0	--	61	23.3%	23	26.4%
\$400,000 to \$499,999	6	23.1%	2	18.2%	4	14.3%	0	--	2	11.8%	0	--	38	14.5%	7	8.0%
\$500,000 to \$749,999	10	38.5%	1	9.1%	2	7.1%	0	--	3	17.6%	0	--	50	19.1%	7	8.0%
\$750,000 to \$999,999	3	11.5%	1	9.1%	0	--	0	--	0	--	0	--	18	6.9%	0	0.0%
\$1,000,000 and Over	0	--	0	--	0	--	0	--	0	--	0	--	14	5.3%	0	0.0%
	26	100%	11	100%	28	93%	2	100%	17	100%	0	0%	262	100%	87	100%
Minimum	\$169,000		\$195,500		\$43,900		\$263,900		\$169,900		--		\$89,900		\$64,900	
Maximum	\$950,000		\$889,900		\$649,900		\$279,900		\$629,900		--		\$1,759,000		\$694,000	
Median	\$489,400		\$394,900		\$324,950		\$271,900		\$393,556		--		\$377,450		\$249,999	
Average	\$507,860		\$423,400		\$314,514		\$271,900		\$409,900		--		\$464,748		\$283,029	

Price Range	Stewartville Submarket				Olmsted County & Vicinity			
	Single-Family		Multifamily ¹		Single-Family		Multifamily ¹	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
< \$49,999	0	--	0	--	2	0.6%	0	0.0%
\$50,000 to \$99,999	0	--	0	--	1	0.3%	5	4.9%
\$100,000 to \$149,999	2	14.3%	0	--	10	2.9%	9	8.7%
\$150,000 to \$199,999	1	7.1%	1	33.3%	28	8.1%	17	16.5%
\$200,000 to \$249,999	2	14.3%	0	--	34	9.8%	15	14.6%
\$250,000 to \$299,999	0	0.0%	2	66.7%	36	10.4%	11	10.7%
\$300,000 to \$399,999	6	42.9%	0	--	83	23.9%	28	27.2%
\$400,000 to \$499,999	1	7.1%	0	--	51	14.7%	9	8.7%
\$500,000 to \$749,999	1	7.1%	0	--	66	19.0%	8	7.8%
\$750,000 to \$999,999	1	7.1%	0	--	22	6.3%	1	1.0%
\$1,000,000 and Over	0	--	0	--	14	4.0%	0	--
	14	100%	3	100%	347	100.0%	103	100.0%
Minimum	\$139,900		\$177,900		\$43,900		\$64,900	
Maximum	\$820,000		\$287,000		\$1,759,000		\$889,900	
Median	\$362,400		\$267,500		\$379,900		\$279,900	
Average	\$364,364		\$244,133		\$448,476		\$296,671	

Sources: Northstar Multiple Listing Service of Minnesota (RMLS), Maxfield Research & Consulting, LLC

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- Based on a median list price in the Olmsted County Area of \$379,900, the income required to afford a home at this price would be about \$108,540 to \$126,630, based on the standard of 3.0 to 3.5 times the median income (and assuming these households do not have a high level of debt). A household with significantly more equity (in an existing home and/or savings) could afford a higher priced home. About 35% of Olmsted County Market Area households have annual incomes at or above \$108,540.
- Only eight properties, or 2% of all listings, are priced under \$100,000 while roughly 12% of listings are priced from \$100,000 to \$199,999. However, only 12% of single-family listings are priced under \$200,000 compared to 30% of multifamily properties. The majority (75%) of homes priced under \$200,000 are located in the Rochester submarket.
- Roughly 21% of all active listings are priced between \$200,000 and \$299,999 and 25% of all listings are priced between \$300,000 and \$399,999; the largest numeric category (111 listings).
- About 38% of listings are priced higher than \$400,000. Single-family properties account for 89% of all listings priced higher than \$400,000. Many of the homes priced above \$400,000 are for new construction.
- The median list price for single-family homes ranges from \$325,000 in the East submarket to \$489,400 in the Byron submarket. Multifamily median list prices range from \$249,999 in the Rochester submarket to \$394,900 in the Byron submarket.

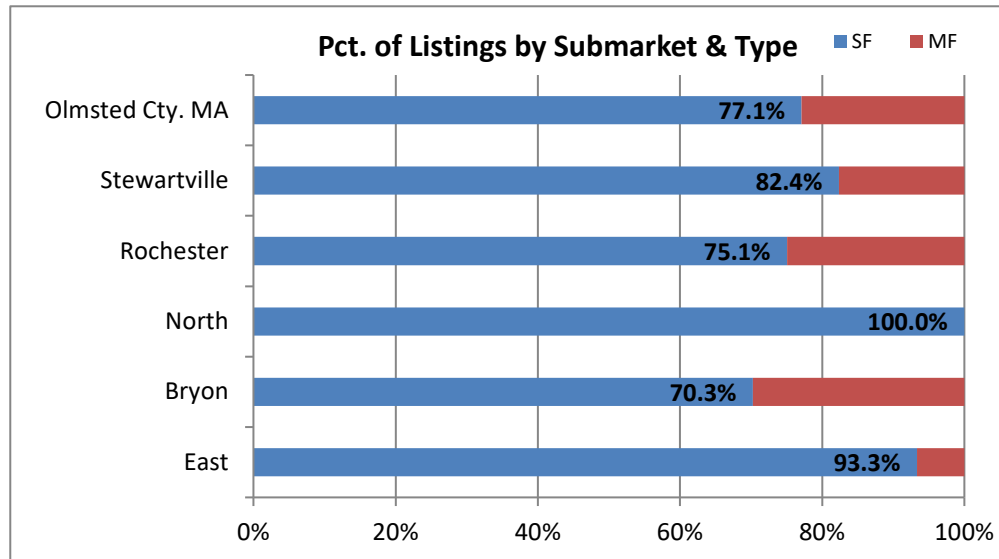


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- The Rochester submarket boasts nearly 349 listings in the Olmsted County Market Area, accounting for 78% of the supply of homes for sale in the Olmsted County Market Area. About 25% of the Rochester submarket listings are multifamily properties, mostly townhomes. The Rochester submarket contains 84% of all multifamily listings in the Olmsted County Market Area.
- About 80% of for-sale multifamily product is either townhomes or twinhomes. There were 22 condominiums listed for-sale as of May 2020. All of the condominium listings were located in the City of Rochester.

Submarket	Product Type			Total
	Single-Family	Townhome/Twinhome	Condo/Coop	
Listings				
East	28	2	0	30
Bryon	26	11	0	37
North	17	0	0	17
Rochester	262	65	22	349
Stewartville	14	3	0	17
Olmsted County Market Area	347	81	22	450
Percent				
East	93.3%	6.7%	0.0%	100%
Bryon	70.3%	29.7%	0.0%	100%
North	100.0%	0.0%	0.0%	100%
Rochester	75.1%	18.6%	6.3%	100%
Stewartville	82.4%	17.6%	0.0%	100%
Olmsted County Market Area	77.1%	18.0%	4.9%	100%
Source: Northstar Multiple Listing Service of MN; Maxfield Research & Consulting, LLC				

FOR-SALE MARKET ANALYSIS

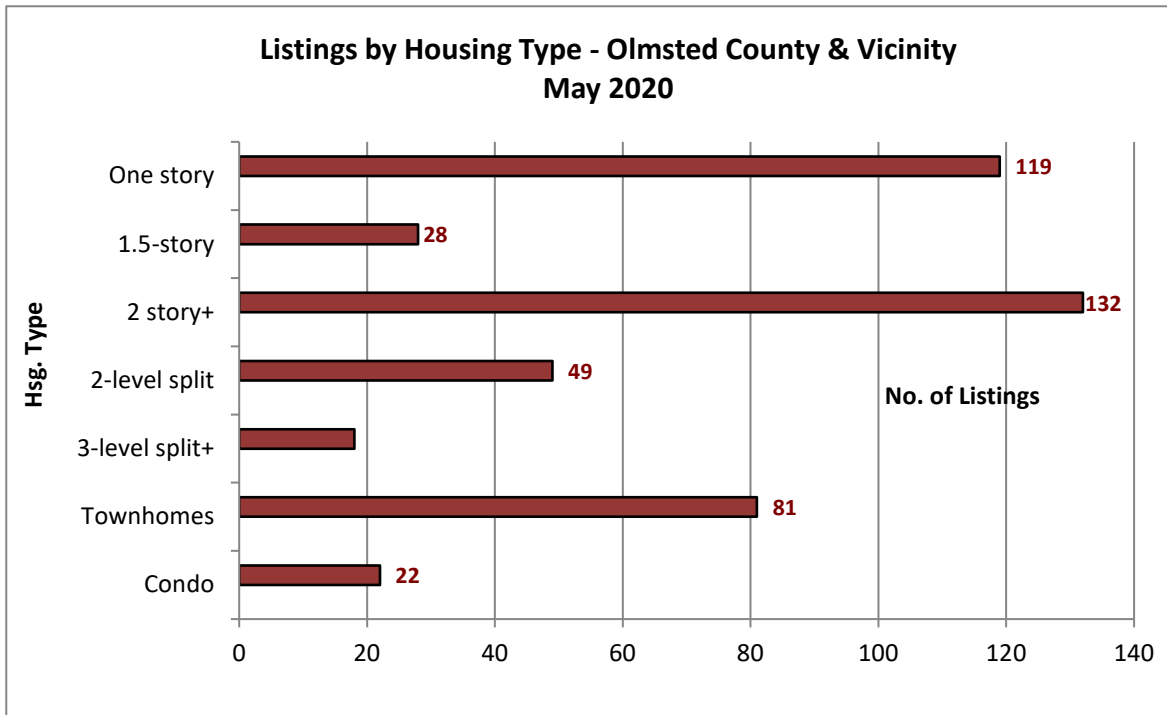


- Two-story plus properties have the highest sale prices in the Olmsted County Market Area, averaging about \$962,500 and nearly 4,900 square feet. Two-story plus housing types account for only 2.6% of the single-family inventory.

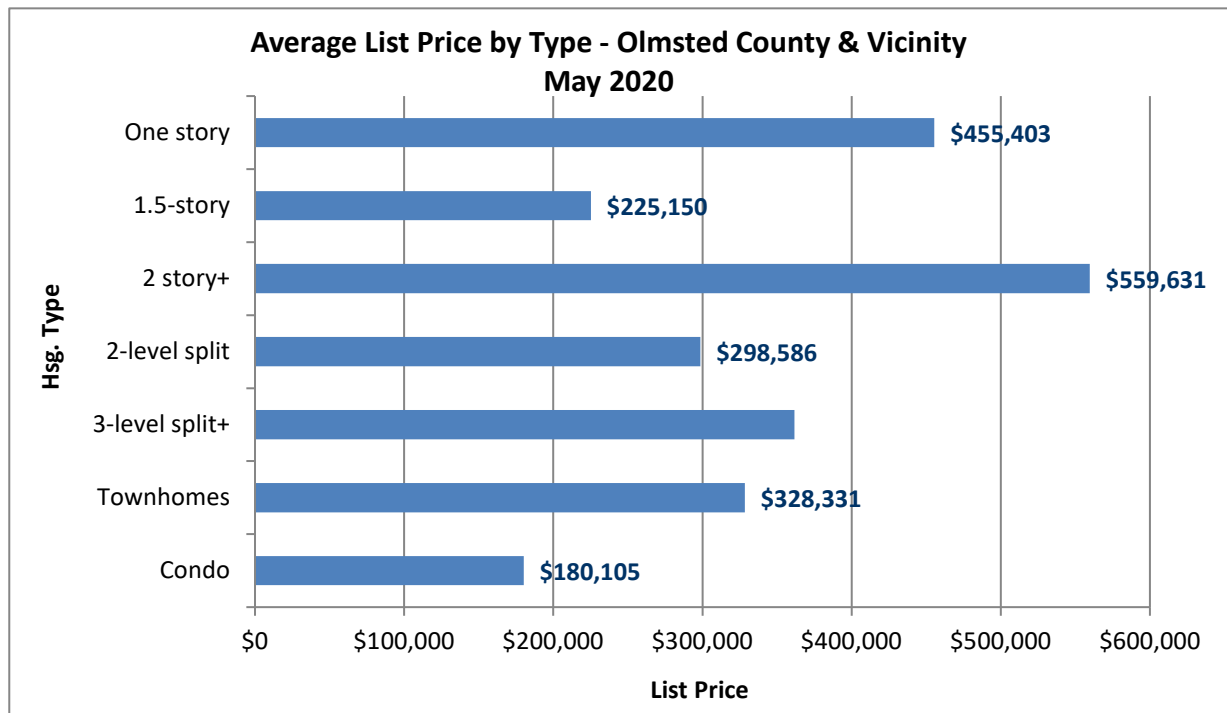
Property Type	Listings	Pct.	Avg. List Price	Avg. Size (Sq. Ft.)	Avg. List Price Per Sq. Ft.	Avg. Bedrooms	Avg. Bathrooms	Avg. Age of Home
Single-Family								
One story	119	34.4%	\$455,403	2,776	\$164	3.8	2.8	1998
1.5-story	28	8.1%	\$225,150	1,885	\$119	3.3	1.9	1938
2-story	122	35.3%	\$551,960	3,358	\$164	4.2	3.6	1985
Modified 2-story	1	0.3%	\$299,500	2,154	\$139	3.0	2.0	1997
More than 2-stories	9	2.6%	\$692,522	4,862	\$142	4.8	3.9	1927
Split entry/Bi-level	49	14.2%	\$298,586	2,124	\$141	4.0	2.3	1999
3-level split	7	2.0%	\$444,341	2,883	\$154	4.0	3.1	1979
4 or more split-level	11	3.2%	\$309,100	2,547	\$121	3.9	2.7	1978
Other	--	--	--	--	--	--	--	--
Total/Avg.	346	100.0%	\$448,476	2,845	\$158	3.9	3.0	1986
Townhomes/Twinhomes								
Detached	9	11.1%	\$535,411	2,768	\$193	3.4	3.0	2017
Quad/4 Corners	7	8.6%	\$189,229	1,225	\$154	2.0	2.0	1996
Side-by-Side	63	77.8%	\$315,995	1,980	\$160	2.6	2.4	2009
Twin Homes	2	2.5%	\$271,900	1,614	\$168	2.0	2.0	2016
Total/Avg.	81	100.0%	\$328,331	1,993	\$165	2.6	2.4	2009
Condominiums/Cooperatives								
High Rise (4+ stories)	10	45.5%	\$242,280	1,055	\$230	1.5	1.6	1978
Low Rise (3 stories or less)	10	45.5%	\$123,200	1,045	\$118	2.1	1.6	1976
Manor/Village	2	9.1%	\$153,750	1,320	\$116	2.5	2.0	1955
Total/Avg.	22	100.0%	\$180,105	1,075	\$168	1.9	1.6	1979
Olmsted Cty. Market Area Total	449		\$363,313	2,415	\$150	3.4	2.6	1979

* Includes Coming Soon & Temporarily Not Available For Showing

Source: Regional Multiple Listing Service of MN; Maxfield Research & Consulting, LLC

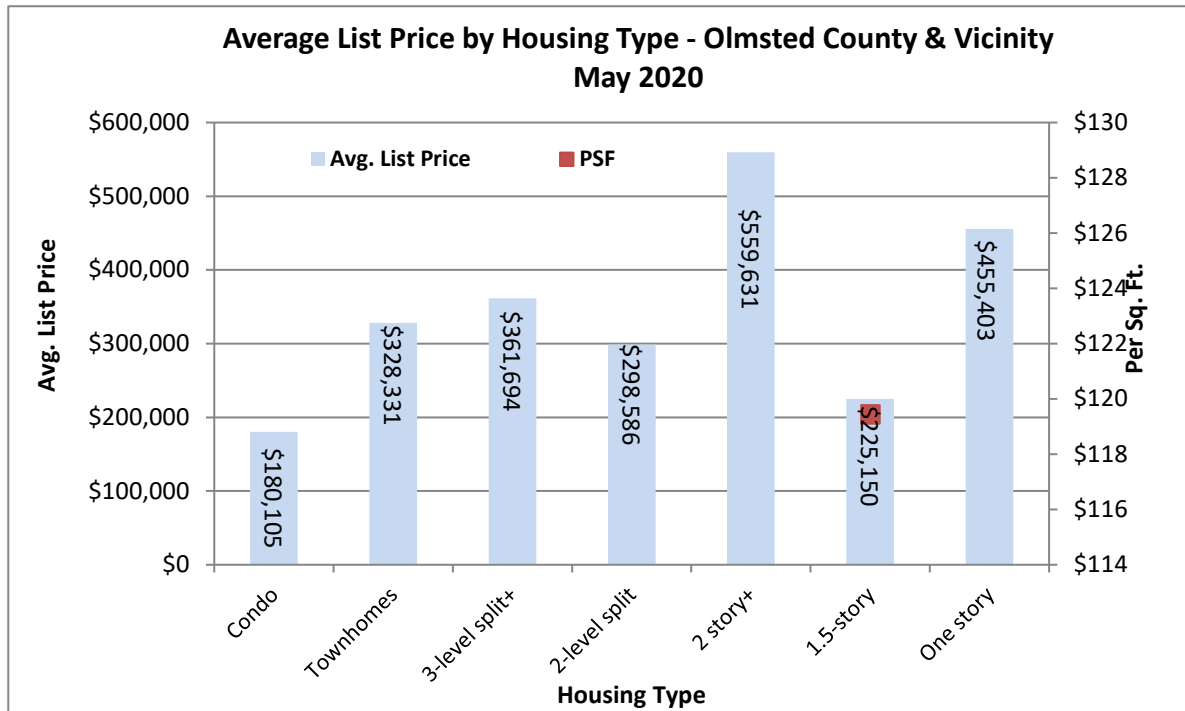


- One and one-half story homes have the lowest average list price for single-family homes in the Olmsted County Market Area, averaging about \$225,150 (\$119 per square foot). This style generally contains the oldest housing stock in Olmsted County as the average age of home is over 80 years old.



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- Side-by-side townhomes (often referred to as row homes) dominate the townhome-style property types (78%). However, there has recently been resurgence in twin homes or detached townhomes that target older buyers who are looking to downsize or right-size.



Months of Active Supply

Table FS-11 illustrates the historic supply of actively marketing properties in Olmsted County and the Twin Cities Metro Area for 2005 to 2019. The table depicts the number of homes for sale at the end of each year and the months of supply. The months of supply metric calculates the number of months it would take for all the current homes for sale to sell given the monthly sales absorption. Generally, a balanced supply is considered four to six months. The higher the months of supply indicates there are more sellers than buyers; and the lower the months of supply indicates there are more buyers than sellers. Key findings from Table FS-9 follow.

- The number of homes for-sale in Olmsted County peaked in 2010 at 1,427. However, the supply has decreased significantly since 2010 and there were a third of the homes on the market in 2017 (411 homes) as compared to 2010. The number of homes for-sale increased from the low in 2017 to 479 homes in 2019
- Olmsted County months of supply was 2.2 in 2019, indicating a sellers' market given the home inventory. Olmsted County inventory has favored sellers since 2012.

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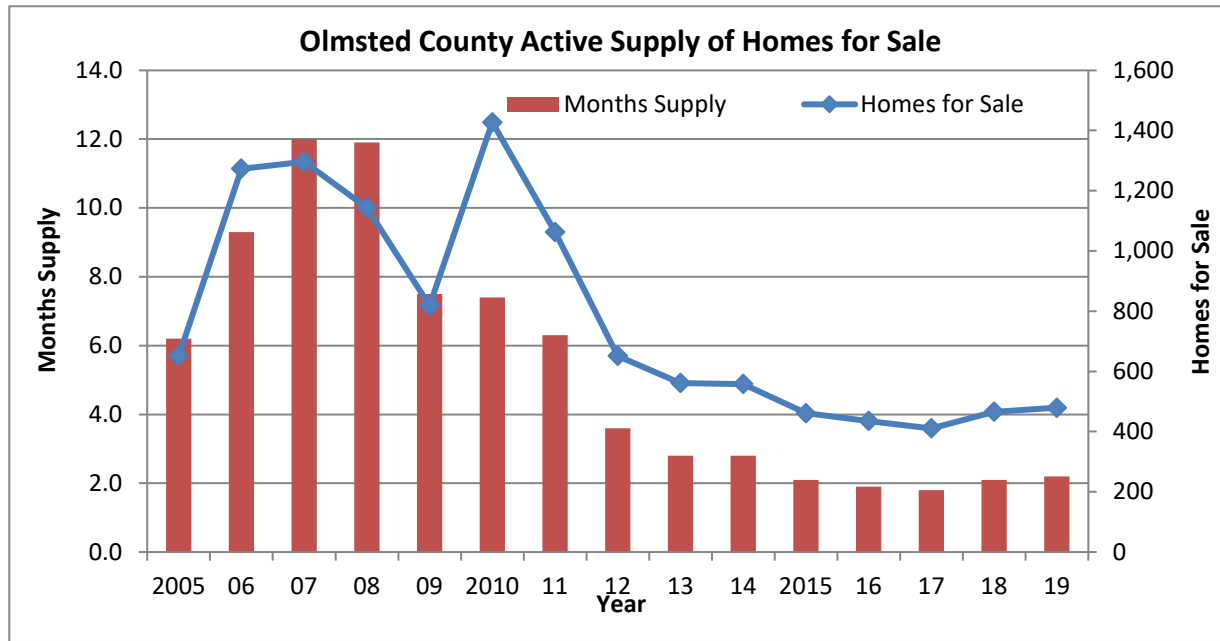
- Prior to the Great Recession, the Olmsted County supply was usually higher than the Twin Cities Metro. However, since the valley of the market in 2011 Olmsted County supply has been lower than the Metro Area in most years.

**TABLE FS-11
ACTIVE SUPPLY OF HOMES FOR SALE
OLMSTED COUNTY & METRO AREA
2005 to 2019**

Year	Months Supply		Homes for Sale	
	Olmsted County	Twin Cities Region	Olmsted County	Twin Cities Region
2005	6.2	4.2	651	23,364
2006	9.3	6.6	1,273	29,366
2007	12.0	8.8	1,296	32,373
2008	11.9	9.7	1,144	31,557
2009	7.5	7.3	818	26,156
2010	7.4	7.6	1,427	27,228
2011	6.3	7.1	1,063	23,335
2012	3.6	4.5	651	17,691
2013	2.8	3.6	561	15,538
2014	2.8	3.9	558	16,733
2015	2.1	3.5	461	15,854
2016	1.9	2.7	435	13,555
2017	1.8	2.3	411	11,611
2018	2.1	2.2	466	11,018
2019	2.2	2.3	479	11,188

Note: Homes for sale based on rolling 12-month data at end of year

Source: 10K Research & Marketing, Maxfield Research & Consulting, LLC



Lender-Mediated Properties

Table FS-12 identifies lender-mediated real estate sales activity in Olmsted County as listed on the Regional Multiple listing Service of Minnesota (RMLS). Lender-mediated transactions (foreclosures and short sales) are different from traditional sales because a third party (often the lender) is involved in the transaction; either acting as the seller in the case of foreclosures, or as an intermediary with approval powers in the case of a short sale.

Foreclosures are properties in which the financial institutions or lender has taken possession of the home from the owner due to non-payment of mortgage obligations/default by the borrower. In a short sale, the lender(s) and the home owner work together and attempt to sell the home prior to foreclosure. Because the net proceeds from the sale are not enough to cover the sellers’ mortgage obligations, the difference is forgiven by the lender, or other arrangements are made with the lender to settle the remainder of the debt. In either circumstance, lenders want to move the debt off their books and will hence discount the asking price.

Lender-mediated property information is an important metric when reviewing the health of real estate markets. After the real estate bust and ensuing Great Recession, lender-mediated homes increased substantially as an overall market share of the for-sale inventory. The higher market share resulted in downward pricing on aggregate sales price figures, giving the impression that the entire housing market was losing considerable value. However, real estate sales data shows stark differences between traditional and lender-mediated transactions.

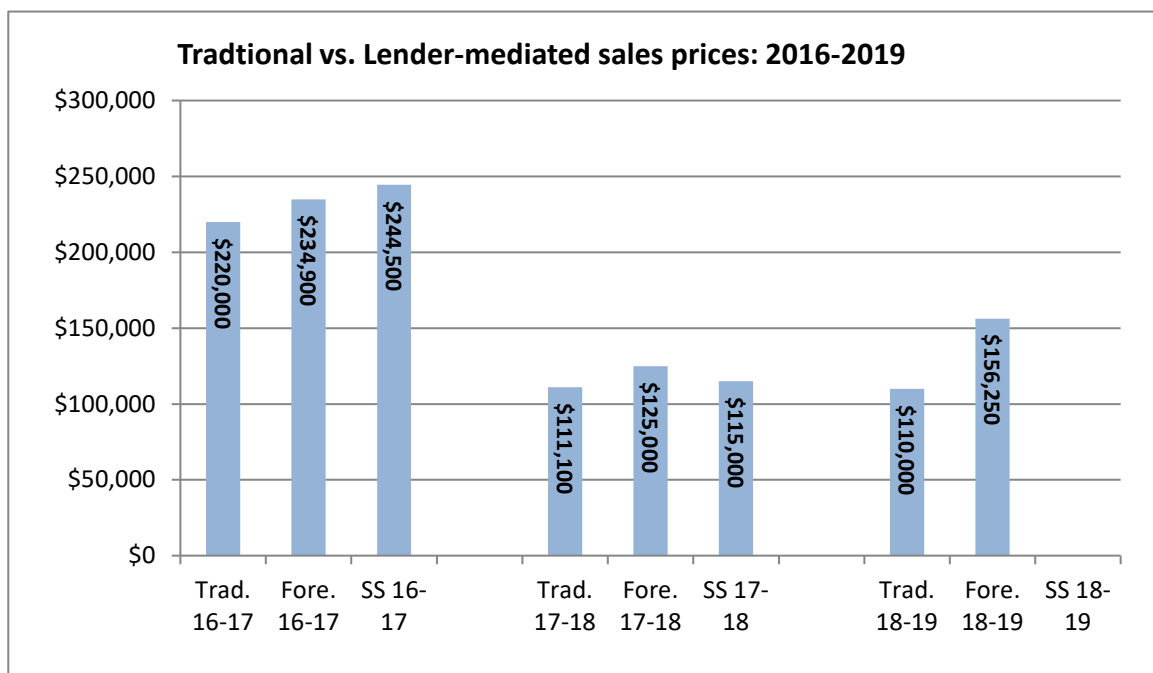
FOR-SALE MARKET ANALYSIS

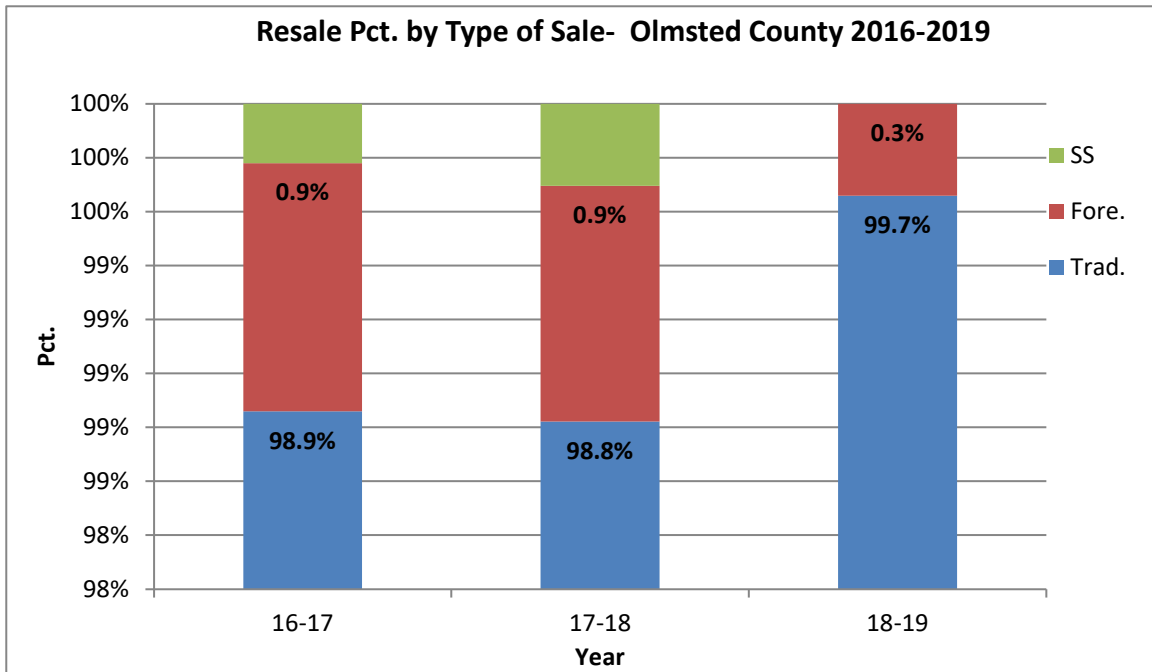
Table FS-12 illustrates lender-mediated transaction activity for Olmsted County that sold between 2016 and 2019 that have sold via a foreclosure or short sale. Key points from the table follow.

- The percentage of lender-mediated sales has decreased substantially since the Great Recession and has declined to minimal levels in 2019. In 2017, lender-mediated sales accounted for about 1% of all resales decreasing to less than 0.05% in 2019.
- Lender-mediated sales pricing in Olmsted County were discounted by about 50% for both foreclosures and short sales when compared to traditional sales over the period.

	Traditional			Foreclosures			Short Sales		
	'16-'17	'17-'18	'18-'19	'16-'17	'17-'18	'18-'19	'16-'17	'17-'18	'18-'19
Median Sales Price									
Olmsted County	\$220,000	\$234,900	\$244,500	\$111,100	\$125,000	\$115,000	\$110,000	\$156,250	--
Total Transactions									
Olmsted County	2,686	2,599	2,634	25	23	9	6	8	0

Sources: 10K Research & Marketing, Maxfield Research Inc.





New Construction Pricing

Table FS-13 compares new construction median sales pricing in Olmsted County versus the Twin Cities Metro Area counties. The table compares new construction sales prices for 2005 and from 2010 to 2019 and the annual percentage change.

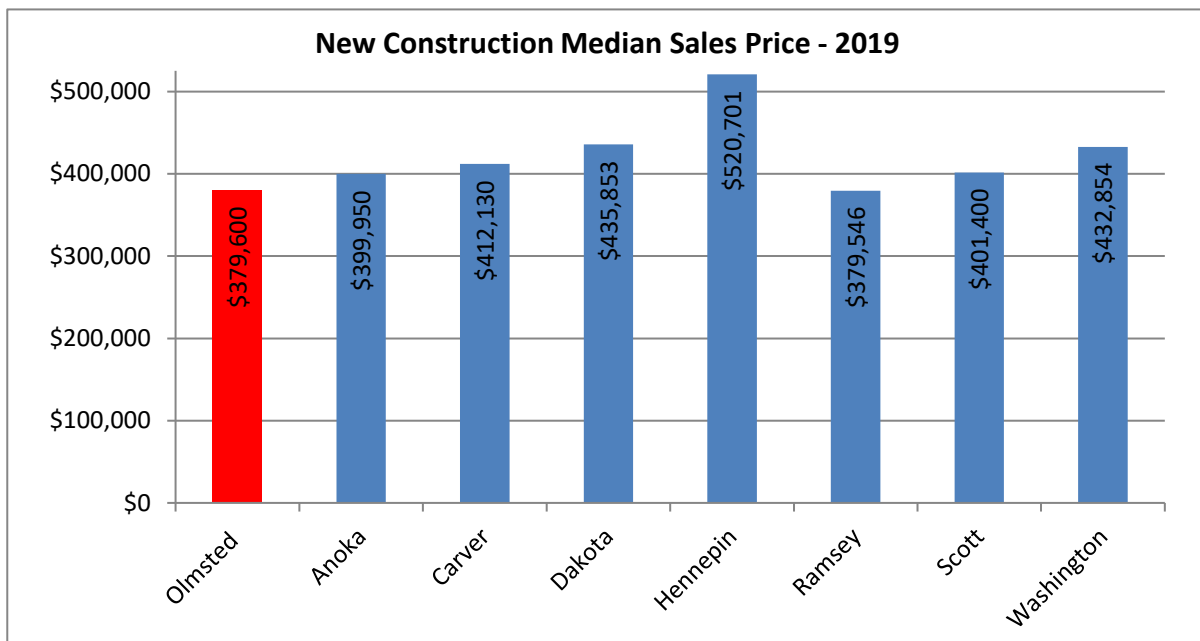
- Compared to the Metro Area, new construction over the past decade in Olmsted County is historically priced about 28% lower. Olmsted County new construction pricing is closest to Anoka County and Ramsey County in the Metro Area.
- Although Olmsted County had the lowest median new construction sales price in 2010, Olmsted County posted the highest percentage annual change between 2012 and 2013 (25%); likely linked to the number of lender-mediated foreclosures that were absorbed between 2009 and 2012.
- Olmsted County did not experience the peaks and valleys during the housing downturn like many areas in the Metro Area. Since 2010, Olmsted County new construction pricing has increased by 51% and the price spread gap between Olmsted County and the Metro Area has lessened.

FOR-SALE MARKET ANALYSIS

**TABLE FS-13
NEW CONSTRUCTION MEDIAN SALES PRICE
OLMSTED COUNTY VS. METRO AREA COUNTIES & COLLAR COUNTIES
2005, 2010 to 2019**

Year	Olmsted	7-County Metro Area							
		Anoka	Carver	Dakota	Hennepin	Ramsey	Scott	Washington	7-Cty
2005	\$251,900	\$294,700	\$256,750	\$225,360	\$289,000	\$237,000	\$283,130	\$312,897	\$280,392
2010	\$227,000	\$240,000	\$331,232	\$307,643	\$351,860	\$220,000	\$235,750	\$306,853	\$277,038
2011	\$254,000	\$239,000	\$360,920	\$322,000	\$399,607	\$287,000	\$297,408	\$319,945	\$299,900
2012	\$237,089	\$271,661	\$344,628	\$320,100	\$434,000	\$446,450	\$310,000	\$319,995	\$325,160
2013	\$297,205	\$297,148	\$361,291	\$367,900	\$487,000	\$374,380	\$329,779	\$372,213	\$368,919
2014	\$305,000	\$325,450	\$372,106	\$402,995	\$503,000	\$533,295	\$366,207	\$419,900	\$405,000
2015	\$305,000	\$353,899	\$398,628	\$415,000	\$529,500	\$566,176	\$414,169	\$443,510	\$429,700
2016	\$309,545	\$368,000	\$391,725	\$399,580	\$531,925	\$436,195	\$418,035	\$423,333	\$422,900
2017	\$341,270	\$365,000	\$416,950	\$408,000	\$515,000	\$512,970	\$411,000	\$430,000	\$425,000
2018	\$372,955	\$376,934	\$383,490	\$435,356	\$519,900	\$460,000	\$410,593	\$437,153	\$431,899
2019	\$379,600	\$399,950	\$412,130	\$435,853	\$520,701	\$379,546	\$401,400	\$432,854	\$439,900
Annual Pct. Change									
2005-10	-9.9%	-18.6%	29.0%	36.5%	21.8%	-7.2%	-16.7%	-1.9%	-1.2%
2010-11	11.9%	-0.4%	9.0%	4.7%	13.6%	30.5%	26.2%	4.3%	8.3%
2011-12	-6.7%	13.7%	-4.5%	-0.6%	8.6%	55.6%	4.2%	0.0%	8.4%
2012-13	25.4%	9.4%	4.8%	14.9%	12.2%	-16.1%	6.4%	16.3%	13.5%
2013-14	2.6%	9.5%	3.0%	9.5%	3.3%	42.4%	11.0%	12.8%	9.8%
2014-15	0.0%	8.7%	7.1%	3.0%	5.3%	6.2%	13.1%	5.6%	6.1%
2015-16	1.5%	4.0%	-1.7%	-3.7%	0.5%	-23.0%	0.9%	-4.5%	-1.6%
2016-17	10.2%	-0.8%	6.4%	2.1%	-3.2%	17.6%	-1.7%	1.6%	0.5%
2017-18	9.3%	3.3%	-8.0%	6.7%	1.0%	-10.3%	-0.1%	1.7%	1.6%
2018-19	1.8%	6.1%	7.5%	0.1%	0.2%	-17.5%	-2.2%	-1.0%	1.9%

Source: 10K Research and Marketing, Maxfield Research & Consulting, LLC



Lot Supply

Maxfield Research & Consulting identified the vacant lot supply of newer subdivisions with vacant lots in the Olmsted County Market Area. Table FS-14 identifies newer subdivisions with available lots in Olmsted County and the surrounding communities. The table identifies the number of lots, available lots, typical lot sizes (if available), and assessed values for lots and homes. Please note: the table does not include scattered, infill lots. Key points from the table follow.

- Maxfield Research & Consulting identified 142 subdivisions with nearly 1,800 vacant lots among the most active subdivisions. About 82% of the subdivisions (117) were single-family and accounted for 85% of all vacant lots in the Olmsted County Market Area (1,521 vacant lots).
- Of the 117 single-family subdivisions inventoried; 59 were located in the Rochester Submarket. Collectively the Rochester Submarket accounted for 57% of all vacant single-family lots in the Olmsted County Market Area. At the same time, the Rochester Submarket showed 11 active multifamily development that account for 46.5% of the multifamily vacant lot inventory.
- The Rochester Fringe Submarket showed 14 active single-family subdivisions with 18.1% of the vacant lot inventory. However, due to the rural zoning of these townships there are no multifamily for-sale developments and guided single-family residential.
- The Rochester and Rochester Fringe Submarket accounted for 75% of the single-family vacant lot supply in the Olmsted County Market Area.
- The Byron Submarket accounts for 8.7% of the vacant single-family lot supply but 36% of the multifamily lots. Most of the lots in Byron are located in a neighborhood within the Somerby Golf Community.
- The average single-family lot size skews higher across the county due to a combination of city and township lots. Combined, the average lot size is 0.68-acres, ranging from 0.27 acres in the East Submarket to 1.44 acres in the Rochester Fringe.
- The average assessed value of a single-family lot in a new subdivision across the county averaged about \$70,000, ranging from \$40,172 in the Stewartville Submarket up to \$97,840 in the Rochester Fringe Submarket. Combined with the building value, the average assessed new home price ranges from \$286,779 in the East Submarket to \$446,206 in the Rochester Fringe.
- Townhome lots across Olmsted County are consistent from submarket to submarket, averaging 0.07 acres per lot.

FOR-SALE MARKET ANALYSIS

**TABLE FS-14
LOT INVENTORY - ACTIVE SUBDIVISIONS
OLMSTED COUNTY & VICINITY
2nd Quarter 2020**

Subdivision	City/Twp.	Owner	Year Platted	No. of Lots/Units	Vacant/ Avail. Lots	Avg. Lot Size	Avg. Lot Value	Avg. Home Value
BYRON SUBMARKET - SINGLE-FAMILY								
Brook Lawn Estates 10th	Byron	Various	2012	23	2	0.28	\$50,000	\$370,624
Byron Towne Village II	Byron	Bigelow Homes	2005	82	2	0.23	\$50,060	\$307,518
Byron Towne Village III	Byron	Bigelow Homes	2015	23	6	0.22	\$50,000	\$301,850
East Brookfield 3rd Addn	Byron	Timothy Meek	2013	20	1	0.42	\$51,389	\$327,011
East Brookfield 4th Addn	Byron	East Brookfield, LLC	2018	16	16	0.34	\$10,000	n/a
East Village\Bearwood Town Village	Byron	The East Village Byron LLC	2016	32	12	0.30	\$57,343	\$342,183
Montgomery Meadows	Kalmar Twp	Montgomery Meadows IV LLC	2017	14	13	0.67	\$100,000	n/a
Montgomery Meadows 2nd	Kalmar Twp	Montgomery Meadows IV LLC	2018	18	18	0.30	\$80,000	n/a
Somerby - Bridgeford	Byron	Golden Tee Development	2012	29	18	0.24	\$121,667	\$529,988
Somerby - Golf Community	Byron	Golden Tee Development, Bigelow, others	2002	132	18	0.33	\$98,210	\$522,872
Somerby - Papplewick	Byron	Bigelow Homes LLC	2018	7	7	0.24	\$70,000	n/a
Somerby - Southwell	Byron	Golden Tee Development	2015	29	20	0.47	\$113,448	\$564,189
SF Subtotal				425	133	0.29	\$75,542	\$418,071
BYRON SUBMARKET - MULTIFAMILY								
Country Ridge View Estates/Brook Bear TH	Byron	Country View Estate of Byron	2016	25	17	0.28	\$30,625	\$255,725
Diseworth Townhomes at Somerby	Byron	Various	2002	28	4	0.09	\$77,500	\$447,554
Shardlow Addition	Byron	Bigelow	2002	46	5	0.02	\$15,882	\$164,776
Shardlow Addition 2nd	Byron	Bigelow	2004	36	15	0.06	\$23,333	\$269,124
Somerby - Belvior at Somerby	Byron	TCP Somerby LLC	2002	21	18	0.07	\$76,667	\$418,900
Stone Ridge Townhomes/Stone Haven	Byron	Stony Ridge Townhomes Byron	2018	30	20	0.04	\$15,667	\$142,030
Town Square Townhomes/East Village	Byron	Bigelow	2003	52	6	0.05	\$15,000	\$167,407
Town Square Townhomes/East Village	Byron	The East Village Byron LLC	2003	14	14	0.04	\$20,000	n/a
MF Subtotal				252	99	0.08	\$30,950	\$243,512

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FOR-SALE MARKET ANALYSIS

**TABLE FS-14
LOT INVENTORY - ACTIVE SUBDIVISIONS
OLMSTED COUNTY & VICINITY
2nd Quarter 2020**

Subdivision	City/Twp.	Owner	Year Platted	No. of Lots/Units	Vacant/ Avail. Lots	Avg. Lot Size	Avg. Lot Value	Avg. Home Value
EAST SUBMARKET - SINGLE FAMILY								
Amco Addition*	Chatfield	Amco Partnership		13	6	n/a	n/a	n/a
Fingerson-Donahoe 1st*	Chatfield	Amco Partnership		31	1	n/a	\$45,900	\$338,833
Fingerson-Donahoe Future*	Chatfield	Amco Partnership		16	16	n/a	n/a	n/a
Hilltop Estates 1st*	Chatfield	Chatfield Hilltop Estates	2008	17	1	n/a	\$51,443	\$386,183
Hilltop Estates 2nd*	Chatfield	Chatfield Hilltop Estates		6	0	n/a	\$56,114	\$397,214
Hilltop Estates 3rd*	Chatfield	Chatfield Hilltop Estates		6	6	n/a	n/a	n/a
Landmarket Subdivision (future)*	Chatfield			9	9	n/a	n/a	n/a
Lone stone Court*	Chatfield	Lone Stone LLC		59	3	n/a	\$32,400	\$238,700
Henry Estates 7th Addition	Dover	Darrell Koehler	2005	20	2	0.34	\$35,000	\$216,435
Markham's	Dover	Various	1977	30	12	0.21	\$21,611	\$172,678
Stone Gate Estates	Eyota	Meier Companies		15	7	0.29	\$42,333	\$263,733
Countryside Acres*	St. Charles	St. Charles Real Estate		16	11	n/a	\$63,900	\$378,300
Northern Hills*	St. Charles	Pearson Properties	1969	99	9	n/a	\$43,060	\$287,600
Pine Ridge Subdivision*	St. Charles	Pearson Properties		16	8	n/a	\$30,780	\$280,000
Southfork Subdivision*	St. Charles	SE MN Multi-County Housing		32	8	n/a	\$39,900	\$191,533
Whispering Hills*	St. Charles	Pearson Properties		103	12	n/a	\$53,940	\$341,700
SF Subtotal				488	111	0.27	\$43,107	\$286,779
EAST SUBMARKET - MULTI FAMILY								
Clark's First	Chatfield	Lawrence Clark	1997	10	4	0.05	\$12,000	\$167,983
Orchard Ridge Townhomes	Chatfield	G Cubed	2000	24	2	0.07	\$25,455	\$222,636
SF Subtotal				34	6	0.06	\$21,498	\$206,562

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FOR-SALE MARKET ANALYSIS

**TABLE FS-14
LOT INVENTORY - ACTIVE SUBDIVISIONS
OLMSTED COUNTY & VICINITY
2nd Quarter 2020**

Subdivision	City/Twp.	Owner	Year Platted	No. of Lots/Units	Vacant/ Avail. Lots	Avg. Lot Size	Avg. Lot Value	Avg. Home Value
NORTH SUBMARKET - SINGLE FAMILY								
River Bend Estates	Oronoco	River Bend Development	2017	17	10	1.34	\$90,200	\$471,140
River Park	Oronoco	Various	2005	85	5	0.99	\$86,813	\$491,066
Kurth's	Oronoco Twp.	Various	1929	33	10	1.02	\$114,417	\$308,657
Norton and Armstrong	Oronoco Twp.	Various	1920	46	19	0.55	\$35,370	\$162,492
Zumbro Haven	Oronoco Twp.	Various	2002	45	6	0.76	\$111,282	\$527,310
Champagne Hill	Pine Island	Crescent Builders	2004	15	8	0.33	\$42,857	\$283,086
Greens View North*	Pine Island	Private	2000	48	1	0.53	\$68,168	\$387,063
Hasslers 1st Addition	Pine Island	Various	2003	43	2	0.24	\$40,000	\$286,610
Kispert Farms	Pine Island	Crescent Builders	2000	29	6	0.26	\$40,000	\$236,083
Pine Crest*	Pine Island	Various	2002	119	17	0.29	\$51,161	\$247,047
Rolling Woods	Pine Island	Various	2002	21	4	0.37	\$41,176	\$299,900
Trophy Lake Estates	New Haven Twp.	Various	2003	22	8	2.48	\$104,286	\$416,836
Village of Genoa	New Haven Twp.	Various	1867	23	9	1.08	\$39,286	\$188,657
SF Subtotal				546	105	0.98	\$95,696	\$354,521
NORTH SUBMARKET - MULTI FAMILY								
Kispert Farms 4th Addition	Pine Island	JJ&M Property Investments LLC	2003	58	14	0.04	\$15,000	\$134,295
Westwod Estates*	Pine Island	Dan Heim Consruction Inc.	2000	17	2	0.20	\$27,106	\$209,527
MF Subtotal				75	16	0.08	\$17,744	\$151,348

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FOR-SALE MARKET ANALYSIS

**TABLE FS-14
LOT INVENTORY - ACTIVE SUBDIVISIONS
OLMSTED COUNTY & VICINITY
2nd Quarter 2020**

Subdivision	City/Twp.	Owner	Year Platted	No. of Lots/Units	Vacant/ Avail. Lots	Avg. Lot Size	Avg. Lot Value	Avg. Home Value
ROCHESTER SUBMARKET - SINGLE FAMILY								
Baihly Estates 6th	Rochester	Various	2010	34	4	0.29	\$58,063	\$437,280
Cassidy Ridge 3rd	Rochester	Paks Properties IV, Pagro Inc.	2017	30	28	0.35	\$82,000	\$432,700
Cassidy Ridge 2nd	Rochester	Paks Properties IV	2016	25	21	0.58	\$80,000	\$487,925
Catalina Ridge	Rochester	ERH Construction	2015	25	17	0.35	\$72,500	\$416,783
Century Valley	Rochester	Bella Terra Group LLC	2017	30	27	0.46	\$103,333	\$355,700
Cetenturian Ridge	Rochester	Cetenturian Ridge LLC	2014	44	22	n/a	\$90,526	\$523,247
Country Club Estates 2nd	Rochester	Various	1989	8	2	0.32	\$64,600	\$445,383
Echo Ridge	Rochester	Todd Eidem Construction	2006	74	2	0.43	\$64,930	\$429,463
Essex Estates 5th	Rochester	Essex Estates Properties LLC	2004	71	45	0.28	\$60,000	\$336,442
Estates at Windamere Woods	Rochester	Various (Range Construction, Craig Swanson Buil	2016	33	13	1.10	\$171,250	\$763,595
Ferguson's Replat	Rochester	JC Investments	1986	23	4	0.24	\$26,842	\$195,763
Fieldstone 3rd	Rochester	River Bend Development	2013	28	6	0.27	\$55,455	\$427,073
Fieldstone 5th	Rochester	GP Development Inc.	2016	26	8	0.65	\$111,765	\$523,353
Fieldstone 6th	Rochester	GP Development Inc.	2017	29	21	0.69	\$106,250	\$377,350
Fieldstone 7th	Rochester	Anderson Builders, GP Development	2019	22	21	0.32	n/a	n/a
Forest Hills 6th	Rochester	Various	2005	9	6	0.78	\$40,000	\$263,800
Glendale Hills 4th	Rochester	Thomas Hexum	2003	33	4	0.56	\$72,703	\$417,407
Hadley Creek Village 2nd	Rochester	Bigelow	2008	37	14	0.15	\$57,826	\$306,509
Hadley Creek Village 4th	Rochester	Bigelow	2018	6	6	0.18	n/a	n/a
Hart Farm South 6th	Rochester	Markham Homes LLC	2014	24	6	0.35	\$50,000	\$343,463
Hart Farm South 8th	Rochester	Castlewood Homes	2018	19	14	0.29	\$50,000	n/a
Harvestview 3rd	Rochester	KRB Rochester, Bigelow	2008	102	97	0.14	\$40,000	\$229,200
Harvestview Place	Rochester	Joel Bigelow & Sons Enterprise	2019	12	12	0.10	n/a	n/a
Hundred Acre Woods	Rochester	Various	2003	67	8	0.31	\$57,151	\$356,017
Hundred Acre Woods 2nd	Rochester	Bella Terra Group	2005	71	18	0.36	\$65,849	\$412,883
ManorWood Lakes 7th	Rochester	Western Walls Inc.	2004	49	10	0.24	\$65,789	\$449,200
Meadow Hills South	Rochester	Various	1992	32	3	0.26	\$30,690	\$256,372
Meadow Lakes Estates	Rochester	Meadow Lakes Builders of Rochester	2005	14	3	0.64	\$114,500	\$670,760
Millie Meadow Estates	Rochester	South 40 Inc.	2018	30	30	2.16	\$182,500	n/a
Morris Hills 2nd	Rochester	Various	2013	18	7	0.33	\$61,364	\$302,927
Northern Heights North 4th	Rochester	Stonehedge Townhouses LLC	2003	16	10	0.29	\$59,167	\$453,217
North Summit	Rochester	North Summit Inc, Penz Custom Homes	2016	48	13	0.26	\$68,571	\$357,191
North Summit 2nd	Rochester	North Summit Inc, Penz Custom Homes	2017	58	51	0.24	\$67,000	\$255,150
North Sunny Slopes	Rochester	Various	1967	27	3	0.51	\$35,565	\$313,455
Pebble Creek	Rochester	Pebble Creek of Rochester	2006	51	16	0.12	\$28,594	\$230,206
Pine Ridge Heights	Rochester	DKMC Development LLP	2015	35	31	0.42	\$60,000	\$437,300
Prairie Crossing	Rochester	Majestic Homes, others	2005	87	42	0.37	\$70,000	\$324,658
Prairie Crossing 1st Replat	Rochester	Majestic Homes	2007	13	12	0.17	\$70,000	\$306,300
Reflections at Mayo Lake	Rochester	Various	2010	21	5	0.36	\$185,938	\$764,875
Reflections at Mayo Lake 2nd	Rochester	Various	2016	19	14	0.70	\$275,000	\$787,900
Replat of Block 6 Marvale	Rochester	Theodore W. Kauau	1955	10	6	0.39	\$30,000	n/a
Ridgeview Manor 6th	Rochester	BBB Development LLC	2017	27	17	0.27	\$79,400	\$415,450

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FOR-SALE MARKET ANALYSIS

**TABLE FS-14
LOT INVENTORY - ACTIVE SUBDIVISIONS
OLMSTED COUNTY & VICINITY
2nd Quarter 2020**

Subdivision	City/Twp.	Owner	Year Platted	No. of Lots/Units	Vacant/ Avail. Lots	Avg. Lot Size	Avg. Lot Value	Avg. Home Value
ROCHESTER SUBMARKET - SINGLE FAMILY (CONTINUED)								
Rose Harbor 1st	Rochester	Kevin Berge Builders LLC	1964	21	3	n/a	\$22,147	\$152,447
Rose Harbor 2nd	Rochester	Sherman Swanson	1964	71	8	n/a	\$33,497	\$181,093
Rose Harbor 4th	Rochester	Various	1958	25	7	n/a	\$28,294	\$160,253
Scenic Oaks 9th Addition	Rochester	R & M Development Company	2014	25	5	0.44	\$100,000	\$879,000
Scenic Oaks West 1st	Rochester	R & M Development Company	2018	51	42	0.46	\$113,889	\$454,111
Serenity Hills	Rochester	ERH Developing Inc.	2015	9	7	4.01	\$250,000	\$1,076,700
Shannon Oaks 6th	Rochester	Meier Companies	2016	17	4	0.53	\$86,154	\$488,638
Steffenson's 1st	Rochester	Rodney or Nathan Nagel	1957	9	7	0.51	\$35,000	\$162,350
Spruce Meadows	Rochester	Arnold Bomgaars	2000	6	5	0.33	\$40,000	\$360,700
Stonebridge	Rochester	KSPK, Susan Powell	2003	67	3	0.21	\$49,766	\$307,464
Stonehedge Estates 5th	Rochester	Various	2013	31	2	0.43	\$89,483	\$493,000
Stonebrook 3rd	Rochester	Bigelow	2016	20	6	0.21	\$40,000	\$282,636
Summit Pointe 5th	Rochester	Arcon Land III LLC	2016	24	8	0.33	\$89,067	\$520,673
Summit Pointe 6th	Rochester	Arcon Land III LLC, H & H company,	2003	19	17	0.32	\$93,000	n/a
Valley Side Estates 3rd	Rochester	AGI Properties of Ornonoco LLC	2006	42	7	0.19	\$34,143	\$211,597
Weatherstone West	Rochester	Hiawatha Homes Foundation	2006	36	3	0.23	\$45,303	\$274,030
Willow Hieghts 5th	Rochester	Willow Heights LLC, R L Homes LLC	2018	25	25	0.32	\$54,800	n/a
Tyrol Hills	Rochester	Tyrol Group LLC	2004	22	11	0.58	\$51,818	\$325,700
SF Subtotal				1,957	869	0.37	\$70,828	\$387,055
ROCHESTER SUBMARKET - MULTI FAMILY								
Crimson Ridge 4th & 5th	Rochester	Wright Homes	2019	12	8	0.13	\$70,000	\$387,275
Foxfield	Rochester	Brandl/Anderson Homes	2003	143	14	0.05	\$25,000	\$190,684
Hawk Ridge	Rochester	Hawk Ridge Development LLC	2003	144	18	0.11	\$30,000	\$240,736
Hawthorne Meadows	Rochester	HM Development	2015	33	21	0.09	\$56,000	\$307,330
Northern Reserve	Rochester	Abbas Tabatabai	2006	30	12	0.09	\$33,333	\$309,617
Northern Reserve 2nd	Rochester	Abbas Tabatabai	2011	21	2	n/a	\$35,000	\$318,150
Stonehedge Townhouses	Rochester	Stonehedge Townhouses LLC	2002	28	2	0.09	\$35,000	\$336,742
Stonehedge Townhouses 4th	Rochester	Stonehedge Townhouses LLC	2003	30	8	0.09	\$35,000	\$215,618
Villas of Valley Side 2	Rochester	First Homes Properties	2002	39	14	0.04	\$24,104	\$160,411
Weatherstone	Rochester	BTS LLC	2000	78	20	0.04	\$29,224	\$168,376
Whispering Oaks	Rochester	JAD Ventures, Forbrook Bigelow Development	2005	46	8	0.14	\$64,722	\$371,522
MF Subtotal				604	127	0.08	\$33,979	\$237,373

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FOR-SALE MARKET ANALYSIS

TABLE FS-14
LOT INVENTORY - ACTIVE SUBDIVISIONS
OLMSTED COUNTY & VICINITY
2nd Quarter 2020

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ROCHESTER FRINGE SUBMARKET - SINGLE FAMILY								
Boulder Creek 3rd	Rochester Twp.	Al Hashemi	2007	24	5	1.37	\$285,000	\$1,321,925
Colonial Oaks Three	Marion Twp	Various	2004	52	12	3.22	\$82,125	\$459,773
Colonia Oaks 5th	Marion Twp	Various	2014	28	5	2.65	\$81,304	\$510,109
Hilltop Oaks 1st	Marion Twp	Various	1979	46	30	0.61	\$55,625	\$273,356
Homewood Addition	Marion Twp	Various	1954	205	140	0.33	\$25,000	\$178,181
Lilly Farm	Rochester Twp.	GMR Development, JC Custom Homes	2015	19	6	2.73	\$251,923	\$939,477
Lilly Farm 2nd	Rochester Twp.	GMR Development	2016	9	8	2.41	\$227,778	\$1,002,300
Majestic Meadows	Cascade Twp.	Majestic Homes Inc.	2014	22	9	2.76	\$141,538	\$556,715
Mayo Woodlands	Rochester Twp.	Various	2002	58	4	1.56	\$176,604	\$792,809
Mayo Woodland at the River	Rochester Twp.	Rochester Property Solutions	2008	12	5	3.98	\$214,286	\$879,329
Providentia Hills	Oronoco Twp.	Providentia LLC	2018	12	11	3.26	\$200,000	\$456,100
Sally Hill	Cascade Twp.	Sally Hill Development	2011	21	14	2.02	\$167,143	\$702,786
Sally Hill Replat	Cascade Twp.	Sally Hill Development	2017	8	7	4.65	\$440,000	\$1,092,600
Village of Marion	Marion Twp	Various	1856	58	19	1.17	\$49,903	\$215,126
Subtotal				574	275	1.44	\$97,840	\$446,206
STEWARTVILLE SUBMARKET - SINGLE FAMILY								
Georgetown Meadows 6th	Stewartville	Various	2009	16	2	0.28	\$40,000	\$313,531
Petersen 6th	Stewartville	Radcliffe Homes Inc.	2016	13	11	0.26	\$40,384	\$320,950
Schumann's Rolling Ridge 3rd	Stewartville	MS LLC	2018	15	15	0.33	\$45,000	n/a
SF Subtotal				44	28	0.27	\$40,172	\$316,857
STEWARTVILLE SUBMARKET - MULTI FAMILY								
Golfview Village 6th	Stewartville	Daniel Himmer		26	22	0.06	\$25,000	\$221,400
Villas at Golfview	Stewartville	Daniel Himmer		28	3	0.02	\$20,000	\$118,029
MF Subtotal				54	25	0.04	\$22,407	\$167,800
Summary								
Single-Family				4,034	1,521	0.68	\$70,067	\$370,080
Multi-Family				1,019	273	0.08	\$30,943	\$227,418
Total				5,053	1,794			

* Multifamily includes detached and attached townhomes, twinhomes, detached townhomes, and condominiums

Note: Average lot and home value based on county assessor market values in 2ndQ 2020

Sources: Olmsted County GIS, Olmsted County Assessor, City governments, builder and Realtor interviews, Maxfield Research & Consulting

FOR-SALE MARKET ANALYSIS

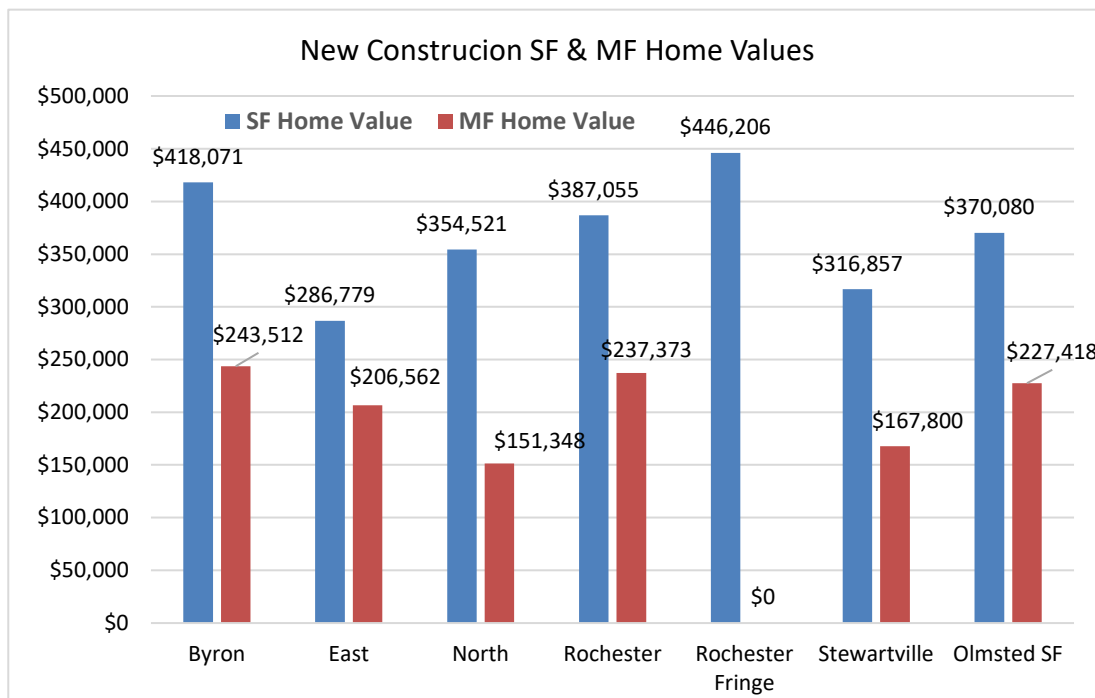
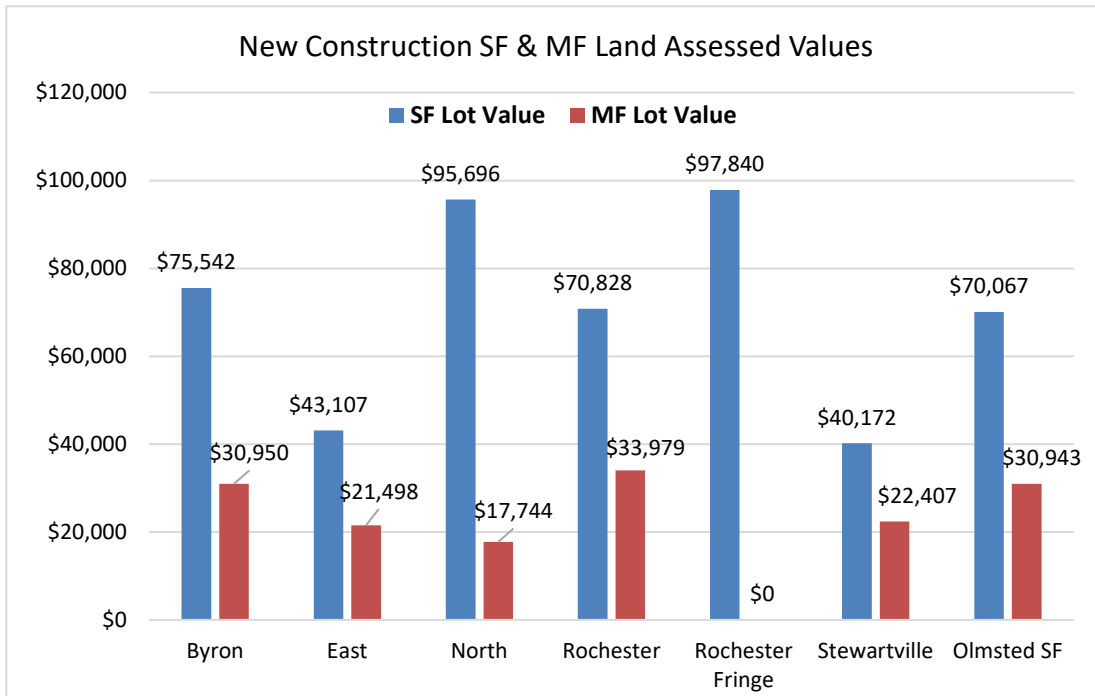
- The average assessed value of a multi-family lot in a new subdivision across the county averaged about \$31,000, ranging from \$17,744 in the North Submarket up to \$34,000 in the Rochester Submarket. Combined with the building value, the average assessed new home price ranges from \$151,348 in the North Submarket to \$243,512 in the Byron Submarket.
- New construction multifamily housing is priced about 40% less than single-family housing products (\$227,418 vs. \$370,080).

Submarket	SF Vacant	Single-Family Avg. Lot Size	SF Taxable Market Values	
			Land	Home Value
Byron	133	0.29	\$75,542	\$418,071
East	111	0.27	\$43,107	\$286,779
North	105	0.98	\$95,696	\$354,521
Rochester	869	0.37	\$70,828	\$387,055
Rochester Fringe	275	1.44	\$97,840	\$446,206
Stewartville	28	0.27	\$40,172	\$316,857
Subtotal	1,521	0.68	\$70,067	\$370,080

Submarket	MF Vacant	Multi-Family Avg. Lot Size	MF Taxable Market Values	
			Land	Home Value
Byron	99	0.08	\$30,950	\$243,512
East	6	0.06	\$21,498	\$206,562
North	16	0.08	\$17,744	\$151,348
Rochester	127	0.08	\$33,979	\$237,373
Rochester Fringe				
Stewartville	25	0.04	\$22,407	\$167,800
Subtotal	273	0.07	\$30,943	\$227,418

Note: Market Values based on 2Q 2020 Assessed Values

Source: Maxfield Research & Consulting



Actively Marketing Subdivisions

Maxfield Research identified single-family and multifamily developments that are currently being marketed in the Olmsted County Market Area. Subdivisions are classified as active if they are marketing homes and/or lots on the Multiple Listing Service (“MLS”) or marketing lots through the Builders Association of Rochester. Because not all new construction or vacant lots are listed on the MLS, it is likely there are several subdivisions that are marketing lots that are not identified in Tables FS-16 and FS-17. Furthermore, because many builders have already purchased the lot, many builders are selling the home as a retail package (land + home); hence they are not actively marketing the land.

Table FS-16 identifies single-family subdivisions and includes information on year platted, average marketing lot costs, average marketing sales prices, and average PSF costs. Table FS-13 inventories marketing multifamily developments and illustrated unit size, average marketing home prices, and average PSF. Key points from the tables follow.

- Combined, there are 89 subdivisions marketing according to the table. The vast majority of subdivisions are single-family home communities (85% of active subdivisions).
- There are few multifamily for-sale developments marketing across the county; however, the vast majority of association-maintained developments are located either in Rochester or Byron in the Somerby master-planned community. There are no new developments in the Rochester Fringe, North, or East Submarkets.
- New association-maintained housing is priced about 40% less than single-family housing (\$293,000 vs. \$489,500).
- Lot prices vary considerably based on location, acreage, views, topography, etc. The East submarket has the lowest average single-family lot cost (\$46,260); while the Rochester Fringe Submarket has the highest average lot cost (\$268,272). Collectively, the average lot cost in the Olmsted County Market Area from the inventoried subdivisions is about \$125,832.
- The price per square foot (including land) varies considerably based on design, amenities, square footage, type of lot, etc. The average actively marketing single-family home price is approximately \$489,500 in the Olmsted County Market Area; or about \$183 PSF. New for-sale product has an average price of about \$293,000 or \$166 PSF.

FOR-SALE MARKET ANALYSIS

**TABLE FS-16
ACTIVE SUBDIVISIONS MARKETING
OLMSTED COUNTY MARKET AREA
2nd QUARTER 2020**

Subdivision/Location	City/Twp.	Owner	Active Lot Costs ¹		Marketing Home Costs ²		PSF Range	
			Min	Max	Min	Max	Min	Max
Byron Submarket								
Brook Lawn Estates 10th	Byron	Various			\$347,500	- \$355,000	\$247	
Byron Towne Village II	Byron	Bigelow Homes			\$362,000	- \$397,000	\$157 - \$177	
Byron Towne Village III	Byron	Bigelow Homes			\$320,000	- \$359,900	\$125 - \$143	
East Brookfield 3rd Addn	Byron	Timothy Meek			\$439,900		\$159	
East Brookfield 4th Addn	Byron	East Brookfield, LLC			\$505,000	- \$508,000	\$280	
East Village\Bearwood Town Village	Byron	The East Village Byron LLC			\$339,000	- \$435,900	\$150 - \$250	
Montgomery Meadows	Byron	Montgomery Meadows IV LLC	\$97,500	- \$159,900	\$683,350		\$202	
Montgomery Meadows 2nd	Byron	Montgomery Meadows IV LLC	\$59,900	- \$97,500	\$675,000		\$193	
Somerby - Bridgeford	Byron	Golden Tee Development		-	\$769,900	- \$889,900	\$235 - \$247	
Somerby - Golf Community	Byron	Golden Tee Development, Bigelow, others	\$81,900	- \$199,900	\$468,900	- \$572,900	\$203 - \$247	
Somerby - Papplewick	Byron	Bigelow Homes LLC			\$468,900	- \$509,900	\$179 - \$234	
Somerby - Southwell	Byron	Golden Tee Development	\$179,900	- \$199,900	\$806,500	-	\$212	
Subtotal				\$136,578		\$579,365		\$218
East Submarket								
Amco Addition*	Chatfield	Amco Partnership			\$321,900	- \$389,900	\$127 - \$149	
Hilltop Estates 1st*	Chatfield	Chatfield Hilltop Estates			\$371,222	- \$428,000	\$125 - \$235	
Lone stone Court* (Lone Stone 2nd, 3rd, 4th)	Chatfield	Lone Stone, LLC			\$239,900	- \$299,900	\$116 - \$148	
Henry Estates 7th Addition	Dover	Darrell Koehler			\$283,000	- \$369,900	\$119 - \$136	
Stone Gate Estates	Eyota	Meier Companies	\$39,900	- \$44,900	\$239,900	- \$399,900	\$140 - \$256	
Northern Hills	St. Charles	Pearson Properties	\$35,000	- \$68,000	\$299,250	- \$540,000	\$143 - \$254	
Pine Ridge Subdivision	St. Charles	Pearson Properties	\$40,000	- \$55,000	\$395,000	- \$498,000	\$140 - \$148	
Southfork Subdivision	St. Charles	SE MN Multi-County Housing	\$15,000	-	\$224,350	- \$236,085	\$140 - \$145	
Whispering Hills	St. Charles	Pearson Properties	\$74,900		\$479,000	- \$540,000	\$141 - \$143	
Subtotal				\$46,260		\$364,178		\$156
North Submarket								
River Bend Estates	Oronoco	River Bend Development			\$480,000	- \$618,350	\$161 - \$235	
River Park	Oronoco	Various			\$386,900	- \$526,761	\$204 - \$244	
Greens View North	Pine Island				\$467,500	- \$504,900	\$132 - \$202	
Pine Crest*	Pine Island	Various			\$255,000	- \$364,900	\$140 - \$237	
Rolling Woods	Pine Island	Various			\$280,000	- \$364,900	\$125 - \$215	
Trophy Lake Estates	New Haven Twp	Various	\$139,900		\$616,257		\$214	
Subtotal				\$139,900		\$522,334		\$237
CONTINUED								

FOR-SALE MARKET ANALYSIS

TABLE FS-16 (Con't)
ACTIVE SUBDIVISIONS
OLMSTED COUNTY MARKET AREA
2nd QUARTER 2020

Subdivision/Location	City/Twp.	Owner	Active Lot Costs ¹		Marketing Home Costs ²		PSF Range	
			Min	Max	Min	Max	Min	Max
Rochester Submarket								
Cassidy Ridge 3rd	Rochester	Paks Properties IV, Pagro Inc.	\$72,900	- \$99,900	\$464,900	- \$599,900	\$247	- \$256
Cassidy Ridge 2nd	Rochester	Paks Properties IV	\$93,900	- \$93,900	\$539,900	- \$599,900	\$167	- \$235
Catalina Ridge	Rochester	ERH Construction	\$69,900	- \$72,900	\$408,820	- \$520,690	\$201	- \$235
Century Valley	Rochester	Bella Terra Group LLC	\$85,900	- \$125,900	\$579,900	- \$856,747	\$143	- \$203
Cetenturian Ridge	Rochester	Centerian Ridge LLC			\$452,739	- \$714,085	\$165	- \$275
Echo Ridge	Rochester	Todd Eidem Construction			\$470,400	- \$527,000	\$147	- \$197
Estates at Windamere Woods	Rochester	Various (Range Construction, Craig Swanson	\$210,000	- \$240,000	\$875,000	- \$1,894,856	\$190	- \$346
Fieldstone 3rd	Rochester	River Bend Development	\$69,900	- \$69,900	\$529,900	- \$549,900	\$163	- \$181
Fieldstone 5th	Rochester	GP Development Inc.	\$79,900	- \$84,900		\$620,000	\$229	
Fieldstone 6th	Rochester	GP Development Inc.	\$95,900	- \$105,900	\$568,261	- \$835,000	\$170	- \$278
Fieldstone 7th	Rochester	Anderson Builders, GP Development	\$84,900	- \$150,000	\$469,900	- \$489,900	\$146	- \$218
Hadley Creek Village 2nd	Rochester	Bigelow			\$289,325	- \$435,700	\$141	- \$206
Hart Farm South 6th	Rochester	Markham Homes LLC			\$386,250	- \$415,000	\$131	- \$262
Hart Farm South 8th	Rochester	Castlewood Homes			\$399,900	- \$492,000	\$188	- \$268
Harvestview 3rd	Rochester	KRB Rochester, Bigelow			\$299,900	- \$350,000	\$153	- \$173
Harvestview Place	Rochester	Joel Bigelow & Sons Enterprise			\$259,900	- \$339,900	\$172	- \$231
Hundred Acre Woods	Rochester	Various			\$315,000	- \$552,000	\$160	- \$243
Hundred Acre Woods 2nd	Rochester	Bella Terra Group			\$378,000	- \$819,431	\$167	- \$256
ManorWood Lakes 7th	Rochester	Western Walls Inc.			\$299,900	- \$389,900	\$138	- \$230
Meadow Lakes Estates	Rochester	Meadow Lakes Builders of Rochester			\$890,000		\$203	
Millie Meadow Estates	Rochester	South 40 Inc.	\$150,000	- \$275,000	\$1,100,000	- \$1,150,000	\$218	- \$251
Morris Hills 2nd	Rochester	Various			\$304,400	- \$715,712	\$138	- \$217
Northern Heights North 4th	Rochester	Stonehedge Townhouses LLC	\$75,000		\$415,000		\$132	
North Summit	Rochester	North Summit Inc, Penz Custom Homes	\$63,000	- \$84,250	\$303,000	- \$460,000	\$156	- \$206
North Summit 2nd	Rochester	North Summit Inc, Penz Custom Homes			\$315,000	- \$456,320	\$153	- \$250
Pebble Creek	Rochester	Pebble Creek of Rochester			\$245,000	- \$311,430	\$157	- \$238
Pine Ridge Heights	Rochester	DKMC Development LLP			\$550,000	- \$679,000	\$156	- \$220
Prairie Crossing	Rochester	Majestic Homes, others			\$280,000	- \$424,000	\$141	- \$160
Prairie Crossing 1st Replat	Rochester	Majestic Homes			\$305,000		\$145	
Reflections at Mayo Lake	Rochester	Various	\$130,000	- \$430,000	\$438,000	- \$442,000	\$245	- \$254
Reflections at Mayo Lake 2nd	Rochester	Various	\$150,000	- \$379,000	\$1,600,000		\$296	
Ridgeview Manor 6th	Rochester	BBB Development LLC			\$386,700	- \$550,657	\$137	- \$234
Rose Harbor 2nd	Rochester	Sherman Swanson			\$219,900	- \$228,500	\$237	- \$246
Scenic Oaks 9th Addition	Rochester	R & M Development Company			\$525,000	- \$954,145	\$143	- \$240
Scenic Oaks West 1st	Rochester	R & M Development Company	\$100,000	- \$150,000	\$600,000	- \$1,096,577	\$181	- \$346
Serenity Hills	Rochester	ERH Developing Inc.	\$245,000	- \$450,000	\$980,987		\$361	
Shannon Oaks 6th	Rochester	Meier Companies			\$436,175	- \$679,900	\$166	- \$203
Stonebridge	Rochester	KSPK, Susan Powell	\$69,900	- \$69,900	\$310,400	- \$387,389	\$170	- \$201
Stonebrook 3rd	Rochester	Bigelow			\$260,000	- \$336,400	\$149	- \$244
Summit Pointe 5th	Rochester	Arcon Land III LLC			\$495,000	- \$674,000	\$142	- \$248
Summit Pointe 6th	Rochester	Arcon Land III LLC, H & H company,			\$427,727	- \$619,900	\$175	- \$211
Willow Hieghts 5th	Rochester	Willow Heights LLC, R L Homes LLC	\$82,000	- \$109,000	\$429,900	- \$465,000	\$184	- \$198
Subtotal				\$132,120		\$495,922		\$176

CONTINUED

FOR-SALE MARKET ANALYSIS

**TABLE FS-16 (Con't)
ACTIVE SUBDIVISIONS
OLMSTED COUNTY MARKET AREA
2nd QUARTER 2020**

Subdivision/Location	City/Twp.	Owner	Active Lot Costs ¹		Marketing Home Costs ²		PSF Range	
			Min	Max	Min	Max	Min	Max
Rochester Fringe Submarket								
Majestic Meadows	Cascade Twp.	Majestic Homes Inc.			\$511,000	- \$813,000	\$213	- \$240
Salley Hill	Cascade Twp.	Sally Hill Development	\$134,900	- \$275,000	\$790,000	- \$1,095,000	\$187	- \$247
Providentia Hills	Oronoco Twp.	Providentia LLC	\$229,000	- \$450,000				
Lilly Farm	Rochester Twp.	GMR Development, JC Custom Homes	\$275,000	- \$650,000	\$1,284,509	- \$1,470,000	\$233	- \$235
Mayo Woodlands	Rochester Twp.	Rochester Property Solutions	\$150,000	- \$275,000	\$850,000		\$212	
Subtotal			\$268,272		\$931,368		\$222	
Stewartville Submarket								
Petersen 6th	Stewartville	Radcliffe Homes Inc.	\$55,000	- \$84,900	\$289,900	- \$309,900	\$246	
Schumanns Rolling Ridge 3rd	Stewartville	MS LLC	\$35,000	- \$55,000	\$368,000	- \$386,000	\$156	- \$161
Subtotal			\$55,556		\$344,381		\$196	
Olmsted County Market Area			\$125,832		\$489,546		\$183	

¹ Marketing lot price based on current lots marketing

² Package price (lot + home) based on currently marketing homes in subdivision

Sources: SEMAR; Builder's Association of Rochester; Olmsted County Assessor's Data; Builder/Realtor's, Maxfield Research & Consulting

FOR-SALE MARKET ANALYSIS

TABLE FS-17
ACTIVE MULTIFAMILY SUBDIVISIONS
OLMSTED COUNTY MARKET AREA
2nd Quarter 2020

Subdivision/Location	City/Twp.	Owner	Unit Size	Average Home	PSF Range		Comments
			Square Feet	Market List Price	Min	Max	
Byron Submarket							
Country Ridge View Estates/Brook Bear TH	Byron	Country View Estate of Byron	2,600 - 3,622	\$369,900 - \$576,000	\$132	\$252	Cordes Construction
Diseworth Townhomes at Somerby	Byron	Various	2,802 - 2,862	\$459,900 - \$472,000	\$164	\$169	
Shardlow Addition 2nd	Byron	Bigelow	1,421 - 2,808	\$289,900 - \$295,000	\$179	\$256	Bigelow, Tri-plex
Somerby - Belvior at Somerby	Byron	TCP Somerby LLC	2,059 - 2,692	\$389,900 - \$399,900	\$149	\$189	Side by side
Town Square Townhomes/East Village	Byron	The East Village Byron LLC	1,500 - 2,308	\$219,900 - \$266,900	\$116	\$153	side by side
Subtotal			2,467	\$373,930	\$176		
East Submarket							
None							
North Submarket							
None							
Rochester Submarket							
Crimson Ridge 4th & 5th	Rochester	Wright Homes	2,564 - 3,898	\$423,215 - \$635,000	\$154	\$238	Wright Homes
Foxfield	Rochester	Brandl/Anderson Homes	2,120 - 2,231	\$213,085 - \$250,000	\$115	\$118	side by side
Hawk Ridge	Rochester	Hawk Ridge Development LLC	1,680 - 3,157	\$255,000 - \$367,000	\$154	\$206	side by side
Hawthorne Meadows	Rochester	Meier Companies	1,858 - 3,122	\$309,900 - \$40,990	\$139	\$269	side by side
Northern Reserve 2nd	Rochester	Abbas Tabatabai	1,858 - 3,736	\$349,900 - \$429,900	\$131	\$201	
Weatherstone	Rochester	BTS LLC	1,249 - 1,929	\$219,900 - \$254,900	132-	\$176	Quad
Subtotal			2,234	\$270,855	\$160		
Stewartville Submarket							
Golfview Village 6th	Stewartville	Daniel Himmer	1,425	\$287,000	\$201		
Villas at Golfview	Stewartville	Daniel Himmer	1,040 - 1,201	\$169,900 - \$185,000	\$141	\$192	
Subtotal			1,267	\$230,196	\$183		
Olmsted County Totals			2,212	\$293,270	\$166		

Source: Maxfield Research & Consulting, LLC

FOR-SALE MARKET ANALYSIS

- Across the Olmsted County Market Area; lot costs account for about 25% of the final purchase price of the home. However, home buyers in the East and Stewartville Submarkets are paying a much lower percentage of the home towards land – about 13% to 16% of the final purchase price. Land to house cost ratios are highest in Rochester and the Rochester Fringe where the land is averaging upwards of 26% to 28% of the final purchase retail price of the home.

**TABLE FS-18
NEW CONSTRUCTION PRICING SUMMARY
2Q 2020**

Submarket	Single-Family Avg. Lot Cost	Single-Family Avg. Home Price	Single-Family Avg. PSF
Byron	\$136,578	\$579,365	\$218
East	\$46,260	\$364,178	\$156
North	\$139,900	\$522,334	\$237
Rochester	\$132,120	\$495,922	\$176
Rochester Fringe	\$268,272	\$931,368	\$222
Stewartville	\$55,556	\$344,381	\$196
Subtotal	\$125,832	\$489,546	\$183

Submarket	Multi-Family Avg. Lot Cost	Multi-Family Avg. Home Price	Multi-Family Avg. PSF
Byron	--	\$373,930	\$176
East	--	--	--
North	--	--	--
Rochester	--	\$334,406	\$173
Rochester Fringe	--	--	--
Stewartville	--	\$232,225	\$184
Subtotal		\$293,270	\$166

Source: Maxfield Research & Consulting

- Although lot size compression has resulted in some of the communities; lot sizes are still generous throughout much of the Olmsted County Market Area. On average, most finished city lot sizes fall between one-quarter (0.25) to one-half (0.50) acres. Some of the newer platted subdivisions in Rochester have compressed lot sizes and are in the 0.20 to 0.25-acre range.

Realtor/Builder/Developer Interviews

Maxfield Research and Consulting interviewed real estate agents, home builders, and other professionals familiar with Olmsted County's owner-occupied market to solicit their impressions of the for-sale housing market in the county. Key points are summarized by topic as follows. Please note: most of the interviews occurred after March 2020 after the COVID-19 pandemic began to disrupt the economy.

Market Overview

- The supply of homes for sale in Olmsted County has been low for five years plus. With the COVID-19 pandemic supply has decreased even more-so as sellers have pulled homes off the market or have delayed listing their home. As a result, supply in the spring and early summer months of 2020 has been at an all-time low.
- Market sentiment from Realtors is very positive, despite the pandemic. However, the pandemic shifted the normal hot spring market into summer. As a result, Realtors have been very busy as the stay at home mandates have lifted and consumers have reactivated their home search.
- The lack of supply has contributed to strong appreciation gains. Because it's a seller's market, most sellers are able to command sales prices near the original asking price or above list price. Some Realtors commented the supply could even tighten as seniors are hesitant sell their homes and downsize due to COVID19. Sales volumes could be higher if the number of homes for sale increased.
- Selling activity during the stay at home mandate slowed as open houses were cancelled and showings moved to contactless virtual tours and other on-line formats. Realtors believe pent-up demand will continue for much of 2020 after the market was stalled in the spring.
- At the same time, the pandemic has not slowed down buyers as demand is still strong. Buyers are often in a multiple offer situation; especially for homes at the lower-end price points, given the supply constraints. Many of these homes will sell for over list price as supply is lowest for entry-level homes.
- Record low interest rates have kept affordability at bay and buyers are out taking advantage of the historically low interest rates. Most Realtors believe low rates are here to stay for at least another year or more.
- Due to COVID-19, lending requirements have tightened at some banks. This could affect the housing market if lenders continue to implement higher down payment requirements and higher credit scores. Lending has tightened the most on jumbo mortgages and home equity lines of credit (HELOC).

FOR-SALE MARKET ANALYSIS

- The days on market (“DOM”) has been low for several years; in-part due to the low inventory of homes for sale. The average days on market has been less than 50 days for years.
- Several Realtors commented on buyers shifting their home search from Rochester to a nearby community for more affordable home prices. Outside of Rochester, housing costs generally decline in most other communities in Olmsted County.
- Several interviewees commented on the “work from home” mandate that has forced employees to work remotely and telecommute. There is the potential to capture greater market share to Olmsted County as buyers in or near the Metro Area seek out more affordable housing stock. Similarly, there is the potential for smaller communities to gain households from the City of Rochester. In addition, separate dedicated office space in the home is highly attractive to today’s home buyers.

New Construction/Land & Lots

- Builders and developers voiced concern over a newly passed impact fee for sanitary sewer rates. According to interviews this cost will raise the cost of new construction and decrease affordability to the end consumer (i.e. increased home prices).
- New construction building activity is still very low compared to last decade prior to the Great Recession. Despite a strong economy for most of the past decade and a low supply, Rochester builders have only been delivering less than 300 homes annually. The local construction market has not recovered the lost jobs from the recession as workers either moved or left the industry.
- Olmsted County is home to several builders that build less than a dozen homes annually. The market is largely composed of local builders as the national production builders have not entered the market. Builders and subcontractors have been staying very busy and several builders are delaying projects into 2021 already due to lack of labor.
- Similarly, developers and builders are delivering smaller subdivisions and mitigating risk from a downturn by slowly phasing in new plats and subdivisions. Land holdings have been low for most of the past decade as developers have not pursued larger housing communities.
- After years of escalating pricing, construction costs have been rather flat in 2020. Material costs and labor costs have leveled after strong increases over the past few years. Despite the global pandemic, most builders have not experienced major delays in receiving building products.

FOR-SALE MARKET ANALYSIS

- Remodeling and the home improvement industry has been especially strong as homeowners have been on stay at home mandates and are looking to improve their home. Contractors in the remodeling business have been especially busy in 2020.
- Because of the challenges building entry-level homes (land, infrastructure, labor, material costs, building codes, etc.); many builders have shifted away from starter homes and target move-up buyers. As a result, there are few new single-family homes constructed today for less than \$225,000 to \$250,000.
- Several Realtors commented on the demand for condominium housing in Rochester that is not being met in the current housing stock. Condominiums could be constructed throughout the City of Rochester; however, a Downtown condominium would be well received. In addition, Realtors commented on the need for more “one-level living” product that could be offered in villas, patio homes, townhomes, or single-family ramblers.
- There has been a slight uptick in the desire for new construction and for homes that have not been lived in. Due to COVID-19; some buyers have preferred a new construction product versus an existing home due to the possibility of the spread of the virus. In addition, the supply has been so lean that some buyers have shifted their focus to the new home market.
- During the pandemic, buyers have also been preferring homes with more green space and a shift away from denser neighborhoods. In addition, there is a preference for multifunctional space so they can work from home, exercise, and home school.

Introduction

This section of the report examines the need for additional special needs housing in Olmsted County by examining the following data:

- number of people in the County with disabilities;
- estimates of disability by income level;
- housing services for disabled persons;
- number of people with HIV and AIDS;
- homelessness by age and living situation;
- characteristics of veterans;
- characteristics of the population below poverty level;

Persons with Disabilities

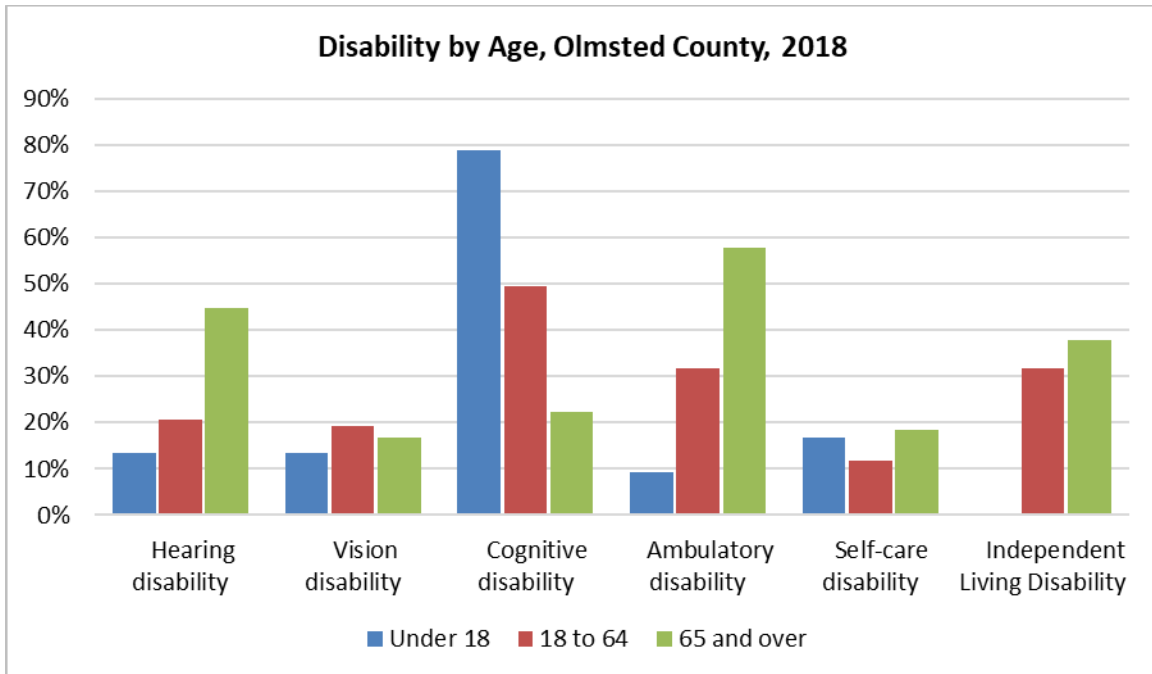
Data on the number of people in the Olmsted County with disabilities was obtained from the 2018 US Census American Community Survey. The Census Bureau defines a disability as a long-lasting physical, mental, or emotional condition lasting six months or more.

Table SN-1 shows the number of people by age group who are classified as having one of four types of disabilities: hearing, vision, cognitive (difficulty with various types of mental tasks) and ambulatory (difficulty moving from place to place without aid). It should be noted that a person can have more than one disability, as a result, the total number of persons with a disability listed in the table does not match the summed total of the numbers listed.

The following are key points from Table SN-1.

- Overall, 10.1% of the County's non-institutionalized population has some form of disability, nearly equal with 10.8% of the State of Minnesota population with a disability.
- As the population ages, the proportion of those in the population with a defined disability increases. Among the population under 18, 4.5% had a disability. The proportion of the population with a disability rose to 7.9% for the 18 to 64 age cohort and jumps to 29.1% for the population over age 65.
- Cognitive disability is the most prevalent type of disability among children. Of the population under age 18, 79% of those with a disability reported a cognitive disability. Among ages 18 to 64, half of reported disabilities were cognitive disabilities. The most common disability among seniors was an ambulatory disability, accounting for 58% of all disabilities in the 65 and over age cohort.

TABLE SN-1 TYPE OF DISABILITY BY AGE OF NON-INSTITUTIONALIZED PERSON OLMSTED COUNTY 2018		
	<u>Total Number</u>	<u>Percent with a Disability</u>
Age under 18 years		
Hearing disability	229	0.6%
Vision disability	225	0.6%
Cognitive disability	1,332	4.9%
Ambulatory disability	155	0.6%
Total	1,690	4.5%
<i>Self-care disability</i>	282	1.0%
Age 18 to 64 years		
Hearing disability	1,496	1.6%
Vision disability	1,391	1.5%
Cognitive disability	3,606	3.9%
Ambulatory disability	2,314	2.5%
Total	7,274	7.9%
<i>Self-care disability</i>	850	0.9%
<i>Independent Living Disability</i>	2,314	0.9%
Age 65 years and over		
Hearing disability	2,803	13.0%
Vision disability	1,045	4.8%
Cognitive disability	1,398	6.5%
Ambulatory disability	3,615	16.8%
Total	6,270	29.1%
<i>Self-care disability</i>	1,154	5.4%
<i>Independent Living Disability</i>	2,373	11.0%
Total disabilities (all ages):	15,234	10.1%
Sources: Census 2018 ACS; Maxfield Research and Consulting, LLC		



People with Limitations/Disabilities

The 2000 Census provided a strong dataset on the number of people with disabilities. Disability categories were expanded in the 2000 Census and included several categories. This data gathering was not available for the 2010 Census and information obtained through the American Community Survey provides only limited information for selected larger communities. HUD Consolidated Planning division has compiled specific tabulations of households with various types of disabilities to address this issue. The special tabulations were developed using information specifically provided to HUD by the Census Bureau using an average between 2012 and 2016.

Table SN-2 summarizes the number of households in Olmsted County that have identified some physical or mental limitation or none of the above limitations. Disabilities represented on the table include: hearing or vision impairment, ambulatory limitation (a condition that substantially limits one or more basic physical activities, such as walking, climbing stairs, reaching lifting, or carrying), cognitive (difficulty learning, remembering, or concentrating) and self-care or independent living limitation (household requires assistance with activities of daily living such as bathing, dressing, grooming). A household may have more than one member with these limitations and an individual may have more than one limitation.

SPECIAL NEEDS HOUSING

The following are key points from Table SN-2.

- Reported limitations decline as household income rises. Among households with incomes of 30% AMI or less, 50% reported a limitation. The proportion fell to 38% of households earning between 30% and 50% AMI and 34% of households earning between 50% and 80% AMI. Reported limitations dropped further to 20% among households earning more than 80% of the AMI.
- The largest difference between the proportion of renter and owner households reporting a disability was among households earning less than 30% AMI, 54% of renter households reported a disability, compared to 42% of owner households.
- All limitations were reported with nearly equal proportions. Hearing or vision impairments, ambulatory limitations, cognitive limitations and self-care of independent living limitations each accounted for approximately one-quarter of the reported limitations.

Type of Limitation and Income Category	Total HHs		Owner HHs		Renter HHs	
	No.	Pct.	No.	Pct.	No.	Pct.
Households w/Incomes at or less than 30% AMI						
With a hearing or vision impairment	775	1.3%	325	0.8%	450	2.9%
With an ambulatory limitation	1,245	2.1%	375	0.9%	870	5.7%
With a cognitive limitation	1,230	2.1%	225	0.5%	1,005	6.5%
With a self-care or independent living limitation	1,160	2.0%	285	0.7%	875	5.7%
With none of the above limitations	4,425	7.5%	1,680	3.9%	2,745	17.8%
Households w/Incomes greater than 30% but 50% or less of AMI						
With a hearing or vision impairment	795	1.4%	455	1.1%	340	2.2%
With an ambulatory limitation	880	1.5%	440	1.0%	440	2.9%
With a cognitive limitation	740	1.3%	330	0.8%	410	2.7%
With a self-care or independent living limitation	765	1.3%	360	0.8%	405	2.6%
With none of the above limitations	5,230	8.9%	2,695	6.2%	2,535	16.5%
Households w/Incomes greater than 50% but 80% or less of AMI						
With a hearing or vision impairment	1,345	2.3%	965	2.2%	380	2.5%
With an ambulatory limitation	1,095	1.9%	800	1.8%	295	1.9%
With a cognitive limitation	925	1.6%	630	1.5%	295	1.9%
With a self-care or independent living limitation	980	1.7%	650	1.5%	330	2.1%
With none of the above limitations	8,565	14.6%	5,865	13.5%	2,700	17.6%
Households w/Incomes greater than 80% of AMI						
With a hearing or vision impairment	2,255	3.8%	2,070	4.8%	185	1.2%
With an ambulatory limitation	1,835	3.1%	1,560	3.6%	275	1.8%
With a cognitive limitation	1,570	2.7%	1,370	3.2%	200	1.3%
With a self-care or independent living limitation	1,435	2.4%	1,215	2.8%	220	1.4%
With none of the above limitations	29,250	49.8%	25,645	59.2%	3,605	23.4%
Total	58,690		43,310		15,380	
Proportion Owner vs. Renter			73.8%		26.2%	

Source: HUD CHAS 2012-2016

Housing Facilities for Disabled Persons

Olmsted County has 312 facilities that serve persons with disabilities licensed with the Minnesota Department of Human Services as of April 2020. These facilities are summarized in Table SN-3 by the type of program. The table also provides a program description.

The following are key points from Table SN-3.

- There are 221 licenses for Home and Community Based Services in Olmsted County. Of the 221 licenses, 62 were listed as Home and Community Based Services, 146 were listed as Home and Community Based Services – Community Residential Setting, 10 were licensed Home and Community Based – Day Services Facility and three were Home and Community Based Services – Residential Services Facility.
- There are 91 facilities licensed for Adult Foster Care in Olmsted County.
- There are also a small number of facilities licensed for to serve as residential facilities for adults with mental illness (2) and to treat substance use (19).

TABLE SN-3 LICENSED HOUSING SERVICES FOR DISABLED PERSONS OLMSTED COUNTY		
Adult Foster Care	91	A living arrangement that provides food, lodging, supervision, and household services. They may also provide personal care and medication assistance. Adult foster care providers may be licensed to serve up to four adults and costs for room and board are met with client such as Social Security Income and Group Residential Housing (GRH).
Home and Community Based Services	221	Services provided to people with disabilities and those over age 65. Most services are funded under one of Minnesota's Medicaid waiver programs.
Semi-Independent Living Services (SILS)	N/A	Includes training and assistance to persons managing money, preparing meals, shopping, personal appearance, hygiene and other activities needed to maintain and improve the capacity of a developmentally disabled person to live in the community.
Residential Facilities for Adults with Mental Illness	2	Provides cash to families with a member that has a development disability, with the goal of preventing, or delaying, out of home placement
Substance Use Disorder Treatment	19	Services provided to people with disabilities and those over age 65. Most services are funded under one of Minnesota's Medicaid waiver programs.
Total	312	
Source: MN Dept. of Human Services; Maxfield Research and Consulting, LLC		

Housing Assistance Programs

Olmsted County offers a variety of housing assistance program and developments for households in special circumstances. Programs and developments are described in table SN-4 below.

- Many programs place participants from the Coordinated Entry List. Coordinated Entry is a coordinated program for participant intake, assessment and provision of referrals.
- Heading Home Olmsted is a plan to prevent and end homelessness by developing local housing and supportive services that provide both temporary or emergency housing and choices for permanent housing to all persons in Olmsted County.
- There are three housing developments associated with the Heading Home Olmsted initiative.
- The Francis and Silver Creek Corner focus on supportive housing for those currently experiencing homelessness. Damascus Way is housing for corrections clients who would become homeless on their release if not admitted to Damascus Way.

TABLE SN-4 COUNTY HOUSING ASSISTANCE PROGRAMS OLMSTED COUNTY May 2020	
Program	Program Description
Bridges	Income based rental assistance program for low-income adults diagnosed with mental illness. The program provides a rental subsidy voucher for a private rental in Olmsted County. Bridges serves 15 households, which are selected through the Coordinated Entry Program
Housing Options Program	Income based program for low income disabled adults. The program serves 30 households, all of which are referred by the Zumbro Valley Health Center. A subsidy of \$250 is provided for a private rental unit in Olmsted County.
Transitional Rental Assistance Program	Income based rental assistance program serving households experiencing homelessness or near homelessness. Households must have incomes at or below 30% of median income. The program serves 18 households, selected from the Coordinated Entry List, with a \$400 subsidy towards the rental of private unit.
Gage East Apartments	55-unit supportive housing development, 25 units are dedicated to youth ages 16-21 and 30 units are for families. Family units receive a Housing Choice from the HRA. Participants are selected from the Coordinated Entry List.
Emergency Assistance Program	Short-term assistance for shelter or utility crisis funded through the MFIP consolidated fund. Limited to one issuance in a 12 month period. Households must complete an application, interview and be state residents for 30 days. Net household income must be below 200% of Federal Poverty Guidelines.
Emergency General Assistance Program	Short-term assistance for shelter or utility crisis for single individuals and married couples without children. Limited to one issuance in a 12 month period. Households must complete an application, interview and be state residents for 30 days. Net household income must be below 200% of Federal Poverty Guidelines.
Group Residential Housing	Income supplement program pays for room-and-board costs for low-income elderly adults and adults with disabilities who have been placed in licensed or registered setting where a county human service agency has negotiated a monthly rate.
Heading Home Olmsted	
The Francis	A 17-unit efficiency apartment building with supportive services for adults with mental illness or who meet the definitions of chronic long-term homelessness
Damascus Way	Serves corrections clients who would experience homelessness with the housing provided by Damascus Way. Residents can stay a maximum of 90 days and receive supportive services
Silver Creek Corner	A 40-bed supportive housing facility for individuals experiencing homelessness who are chronic inebriates.
Source: Olmsted County Community Services; Maxfield Research and Consulting, LLC	

People Living With AIDS

Acquired Immunodeficiency Syndrome, or AIDS, was first reported in the United States in mid-1981. AIDS is caused by the human immunodeficiency virus (HIV). This virus infects certain cells of the immune system and can also directly infect the central nervous system and brain. Infection with HIV may not always lead to AIDS. Some infected persons remain in good health for years. Others develop illness varying in severity from mild to extremely serious. There is no vaccine to prevent HIV infection nor is there a cure. There are treatments that can help persons live longer and healthier, however.

Table SN-5 shows the estimated number of people living with HIV and AIDS in 2018 in Olmsted County, as well as, the surrounding counties.

TABLE SN-5 ESTIMATED PEOPLE LIVING WITH AIDS Olmsted and Surrounding Counties, 2018		
County	No. of People with HIV (non- AIDS)	No. of People with AIDS
Olmsted County	93	83
Goodhue County	6	14
Wabasha County	3	5
Winona County	18	8
Fillmore County	4	2
Mower County	32	31
Dodge County	3	2
Greater Minnesota	777	745
Minnesota	4,924	4,042
U.S. Total ¹	1,006,691	534,515
¹ Data from 2016		
Source: Minnesota Department of Health, Maxfield Research and Consulting, LLC		

- There were 93 people living with HIV and 83 people living with AIDS in Olmsted County in 2018.
- Surrounding counties reported lower numbers of HIV and AIDS cases. Mower County had the highest number of reported HIV cases (32) and AIDS cases (31) of surrounding counties outside Olmsted County.

American Community Survey

Veterans

According to the Federal Government, a veteran is any person who served honorably on active duty in the armed forces of the United States. The 2018 American Community Survey counted 8,153 veterans in Olmsted County. Among these veterans, the dominant demographic characteristics are provided in SN-6.

- Veterans who served in the Vietnam Era accounted for the largest share (47%) of veterans in Olmsted County.
- Veterans age 75 and older and veterans age 65 to 74 were the largest veteran age cohorts. Approximately 30% of veterans in Olmsted County were age 75 and older and 27% were age 65 to 74.

TABLE SN-6 VETERAN DEMOGRAPHIC OLMSTED COUNTY 2018		
	NUMBER	PERCENT
PERIOD OF SERVICE		
Gulf War (9/2001 or later) veterans	988	15%
Gulf War (8/1990 to 8/2001) veterans	1,070	16%
Vietnam era veterans	3,082	47%
Korean War veterans	946	14%
World War II veterans	493	7%
AGE		
18 to 34 years	659	8%
35 to 54 years	1,429	18%
55 to 64 years	1,410	17%
65 to 74 years	2,237	27%
75 years and over	2,418	30%
MEDIAN INCOME		
Total with an Income	\$42,172	
EMPLOYMENT STATUS		
Labor force participation rate		82.60%
Unemployment rate		4.40%
POVERTY STATUS IN THE PAST 12 MONTHS		
Income in the past 12 months below poverty level	326	4%
Income in the past 12 months at or above poverty level	7,617	96%
DISABILITY STATUS		
With any disability	2,313	29%
Without a disability	5,630	71%
Sources: American Community Survey, Maxfield Research and Consulting, LLC		

SPECIAL NEEDS HOUSING

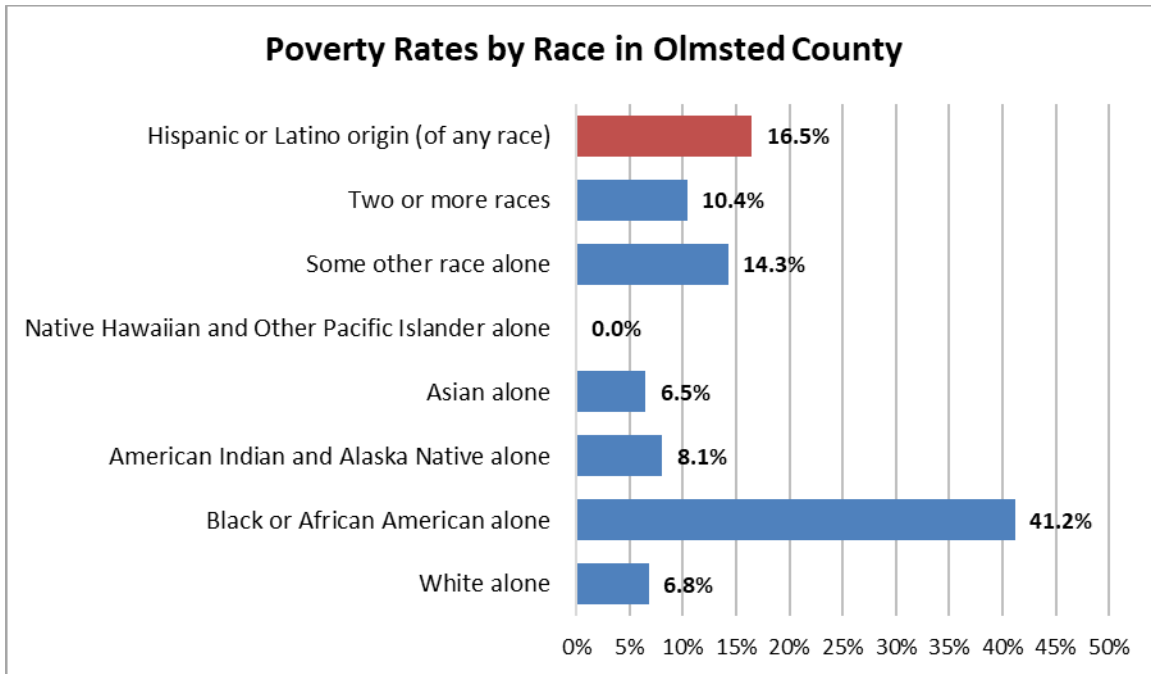
- Unemployment among veterans in Olmsted County was 4.4% in 2018.
- Approximately 4% of veterans reported an income below the poverty level in 2018.
- Nearly 83% of veterans participated in the labor force. Among veterans earning an income, the median income was \$44,172.
- An estimated 29% of veterans in Olmsted County reported a disability.

Poverty

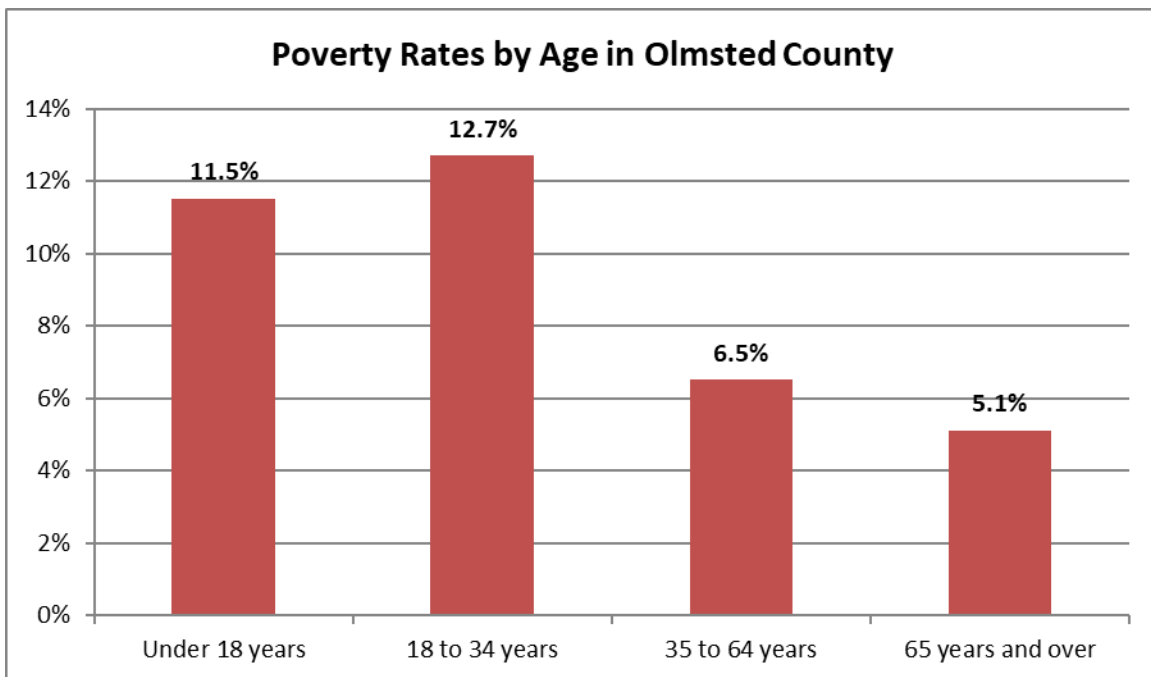
In 2018, the American Community Survey reported 13,490 people living below the poverty level in Olmsted County. This represents nearly 9% of the County's population. Table SN-7 highlights the race, ethnicity and age characteristics of the population living below the poverty level.

TABLE SN-7 CHARACTERISTIC OF THE POPULATION BELOW THE POVERTY LEVEL OLMSTED COUNTY 2018			
	TOTAL POPULATION	NUMBER BELOW POVERTY LEVEL	PERCENT BELOW POVERTY LEVEL
RACE AND HISPANIC OR LATINO ORIGIN			
White alone	127,263	8,628	6.8%
Black or African American alone	8,791	3,620	41.2%
American Indian and Alaska Native alone	422	34	8.1%
Asian alone	8,869	579	6.5%
Native Hawaiian and Other Pacific Islander alone	70	0	0.0%
Some other race alone	1,493	214	14.3%
Two or more races	4,008	415	10.4%
Hispanic or Latino origin (of any race)	7,198	1,185	16.5%
AGE			
Under 18 years	37,337	4,279	11.5%
18 to 34 years	33,889	4,313	12.7%
35 to 64 years	58,127	3,796	6.5%
65 years and over	21,563	1,102	5.1%
Sources: American Community Survey, Maxfield Research and Consulting, LLC			

- Of the population who reported their race as Black or African American in 2018, 41.2% were below the poverty level.
- Among people who reported their ethnicity as Hispanic/Latino, 16.5% were living below the poverty level.



- In Olmsted County, poverty is affecting the younger age cohorts to a greater degree compared to the older age cohorts. The age cohort for those under age 18, reported 11.5% of the population living below the poverty level and the 18 to 34 age cohort reported 12.7% of the population below the poverty level in 2018. In comparison, 6% of the 35 to 64 age cohort and 5% of the 65 years and older age cohort.



Homelessness

This section presents findings from the Wilder Survey of the homeless population and information on the housing needs of the homeless in the Southeast Minnesota Region. Data below the county level is not available. Wilder Research conducts a one-night statewide survey of homeless people in Minnesota every three years. The most recent study was conducted in October 2018. Data on the total number of homeless people and detailed data on the characteristics of homeless people in Southeast Minnesota is based on the 2018 study.

Demographic and Economic Statistics on Homeless Populations

Table SN-8 shows the number of homeless people in temporary housing programs, or unsheltered as of October 2018.

- As shown, in Southeast Minnesota, 589 people including adults, youth and children were homeless. Of that number, 349 were adults age 18 or older.

TABLE SN-8 NUMBER OF HOMELESS PEOPLE SOUTHEAST MN AND MINNESOTA OCTOBER 2018				
Housing Situation	Total number of people in temporary housing programs, informal housing or unsheltered		Total number of adults* age 18+ in temporary housing programs, informal housing or unsheltered	
	SOUTHEAST MN	MINNESOTA	SOUTHEAST MN	MINNESOTA
Emergency shelter	143	3,741	77	2,543
Battered women's shelter	83	673	39	322
Transitional housing	180	2,569	91	1,448
Rapid Rehousing	2	508	2	204
Detox	N/A	48	N/A	N/A
<i>Total in shelters</i>	<i>408</i>	<i>7,539</i>	<i>209</i>	<i>4,517</i>
<i>Total not in shelters</i>	<i>181</i>	<i>2,694</i>	<i>140</i>	<i>2,211</i>
TOTAL	589	10,233	349	6,728
* Homeless people age 18 and older, excluding children with parents and unaccompanied youth				
Note: People experiencing homelessness in detox are considered homeless according to the federal definition of homelessness, however only a total count is available for them due to limited access to detox data.				
Sources: Wilder Research, March 2019. "Homelessness in Minnesota, 2018" Maxfield Research and Consulting, LLC				

SPECIAL NEEDS HOUSING

Table SN-9 presents information on the age distribution of homeless adults, age 18 or older in Southeast Minnesota and Minnesota as of October 2018.

- The table shows that the median age of the homeless in Southeast Minnesota and Minnesota were similar at 37 years in Southeast Minnesota and 40 years in Minnesota.
- In Southeast Minnesota, the largest number of homeless was those ages 30 to 39, followed by those 40 to 49. By comparison, 30 to 39 was the largest homeless age group in Minnesota, followed by age 40 to 49.
- This table shows that, in general, the largest group of homeless is young to mid-age, between the ages of 25 and 50 years old.

TABLE SN-9 AGE DISTRIBUTION HOMELESS PEOPLE IN SOUTHEAST MN AND MINNESOTA OCTOBER 2018				
Age	SOUTHEAST MN		Minnesota	
	Number	Pct.	Number	Pct.
18 to 21	48	14.6%	656	10.3%
21 to 29	64	19.5%	1,114	17.5%
30 to 39	75	22.9%	1,543	24.3%
40 to 49	72	22.0%	1,227	19.3%
50 to 54	29	8.8%	670	10.5%
55 to 59	16	4.9%	569	9.0%
60 to 69	24	7.3%	521	8.2%
70 to 79	0	0.0%	49	0.8%
80+	0	0.0%	2	0.0%
	328	100.0%	6,351	100.0%
Average age	37		40	
* People living in temporary housing programs or informal housing and identified unsheltered people, excluding youth less than 18 years of age and children staying with parents				
Sources: Wilder Research, March 2019. "Homelessness in Minnesota, 2018" Maxfield Research and Consulting, LLC				

Table SN-10 presents information on the ethnic background of those that were identified as homeless in 2018. The table presents information based on self-identification of ethnic background from the homeless that were surveyed.

- As shown on the table, the largest number of homeless was identified as being White or Caucasian in Southeast Minnesota. In Minnesota 33.4% of homeless were identified as White or Caucasian.

SPECIAL NEEDS HOUSING

- The second highest category was African American, accounting for 24.1% of the homeless in Southeast Minnesota and 32.1% in Minnesota.
- African born individuals represented 0.2% of the homeless population in Southeast Minnesota and 2.4% in Minnesota, while individuals being identified as multiracial represented 4.7% and 7.0% of the homeless populations in Southeast Minnesota and Minnesota, respectively.
- Hispanic, Latino or Chicano accounted for 9.7% in Southeast Minnesota and 7.5% in Minnesota. Other ethnicities such as Asian, unspecified, or other groups were identified in much smaller proportions.

TABLE SN-10				
ETHNIC BACKGROUND OF HOMELESS PEOPLE SURVEYED				
HOMELESS PEOPLE IN SOUTHEAST MN AND MINNESOTA				
OCTOBER 2018				
Racial/Ethnic background	SOUTHEAST MN		Minnesota	
	Number	Pct.	Number	Pct.
White or Caucasian	194	53.7%	2,296	33.4%
African American	87	24.1%	2,206	32.1%
American Indian	8	2.2%	826	12.0%
Multi-racial	17	4.7%	482	7.0%
African Native	2	0.6%	162	2.4%
Other	2	0.6%	162	2.4%
Asian or Pacific Islander	4	1.1%	116	1.7%
Not Specified	12	3.3%	100	1.5%
Hispanic, Latino, or Chicano	35	9.7%	515	7.5%
TOTAL	361	100.0%	6,865	100.0%

Sources: Wilder Research, March 2019. "Homelessness in Minnesota, 2018"
Maxfield Research and Consulting, LLC

Table SN-11 on the following page presents information on the income of those that were homeless in 2018.

- As shown in the table, the highest proportion of homeless people surveyed has a monthly income of less than \$200. In Southeast Minnesota, 35.3% of those surveyed are in this category compared to 27.5% in Minnesota.
- About 15.0% of homeless in Southeast Minnesota and 20.8% in Minnesota have a monthly income of \$1,000 or more.

SPECIAL NEEDS HOUSING

- The mean monthly income for the homeless surveyed was \$592 in Southeast Minnesota and \$684 in Minnesota. The median monthly income for the homeless surveyed was \$520 in Southeast Minnesota and \$550 in Minnesota.
- At the mean and median income levels, the homeless are generally not able to afford to house themselves through the private market. Public housing may be available, but the wait lists are exceptionally long. Other life issues may be a challenge as well for many homeless requiring support services in addition to providing housing.

SN-11 MONTHLY INCOME OF THE HOMELESS PEOPLE SURVEYED HOMELESS PEOPLE IN SOUTHEAST MN AND MINNESOTA OCTOBER 2018				
Monthly Income	SOUTHEAST MN		Minnesota	
	Number	Pct.	Number	Pct.
Under \$200	101	35.3%	1,578	27.5%
\$200 to \$400	31	10.8%	916	16.0%
\$400 to \$600	33	11.5%	521	9.1%
\$600 to \$800	50	17.5%	981	17.1%
\$800 to \$1,000	28	9.8%	539	9.4%
\$1,000+	43	15.0%	1,194	20.8%
TOTAL	286	100.0%	5,729	100.0%
Mean Income	\$592		\$684	
Median Income	\$520		\$550	

Sources: Wilder Research, March 2019. "Homelessness in Minnesota, 2018"
Maxfield Research and Consulting, LLC

Table SN-12 presents information on the maximum rent affordable for the homeless that were surveyed in October 2018.

- The table shows the mean affordable rent was \$237 per month in Southeast Minnesota and \$274 per month in Minnesota. The median affordable rent was \$208 per month in Southeast Minnesota and \$220 in Minnesota.
- Roughly 35.3% of those surveyed could only afford a monthly rent of less than \$200 in Southeast Minnesota compared to 27.5% across Minnesota.
- With an average rent in Olmsted County in the private market at \$935 per month (2018 ACS), apartment rents in the PMA are substantially higher than what is considered affordable by the surveyed population.

SPECIAL NEEDS HOUSING

- Unless the household can obtain a Housing Choice Voucher or is in project-based Section 8 housing or public housing, there is little likelihood of being able to find housing at a cost level that is affordable to the vast majority of these households.

SN-12 MAXIMUM AFFORDABLE RENTS AMONG SURVEYED HOMELESS PEOPLE HOMELESS PEOPLE IN SOUTHEAST MN AND MINNESOTA OCTOBER 2018				
Monthly Rent	SOUTHEAST MN		Minnesota	
	Number	Pct.	Number	Pct.
Under \$200	101	35.3%	1,578	27.5%
\$200 to \$400	31	10.8%	916	16.0%
\$400 to \$600	33	11.5%	521	9.1%
\$600 to \$800	50	17.5%	981	17.1%
\$800 to \$1,000	28	9.8%	539	9.4%
\$1,000+	43	15.0%	1,194	20.8%
TOTAL	286	100.0%	5,729	100.0%
Mean Affordable Rent	\$237		\$274	
Median Affordable Rent	\$208		\$220	

Sources: Wilder Research, March 2019. "Homelessness in Minnesota, 2018"
Maxfield Research and Consulting, LLC

Table SN-13 presents information on the size of bedroom needed for those surveyed as of October 2018.

- Data shows that the overwhelming housing need among the homeless population surveyed was for efficiency and one-bedroom units (58.5% in Southeast Minnesota and 62.3% in Minnesota).
- Roughly 35% of those surveyed in Southeast Minnesota indicated that they would need an efficiency unit, compared to 26% in Minnesota.
- Another 33.8% indicated a need for a one-bedroom unit in Southeast Minnesota, compared to 36.2% in Minnesota.
- Data in the table suggests that the majority of homeless are likely singles that do not have children and would only require housing for themselves. This is the group that will be targeted for assistance through the proposed LTH units at proposed project.

SN-13 NUMBER OF BEDROOM SIZE NEEDED HOMELESS PEOPLE IN SOUTHEAST MN AND MINNESOTA OCTOBER 2018				
No. of Bedroom	SOUTHEAST MN		Minnesota	
	No.	Pct.	No.	Pct.
OBR or single-room occ.	81	24.7%	1,648	26.1%
1 BR	111	33.8%	2,282	36.2%
2 BR	72	22.0%	1,476	23.4%
3 BR	51	15.5%	667	10.6%
4 or More	13	4.0%	236	3.7%
TOTAL	328	100.0%	6,309	100.0%
Sources: Wilder Research, March 2019. "Homelessness in Minnesota, 2018" Maxfield Research and Consulting, LLC				

Comparison of Homeless Figures

Based on figures from the 2015 and 2018 studies completed by the Wilder Foundation, exacerbated by the rising cost of housing throughout the state, the number of people experiencing homelessness has increased.

The Wilder study counted a total of 589 homeless in Southeast Minnesota as of October 2018, a 3.2% increase from October 2015. Significant findings from the 2015 study as compared to the 2018 report are summarized below.

- The number of people experiencing homelessness for more than one year increased by 19.0% in Southeast Minnesota, from 121 people in 2015 to 144 people in 2020.
- People experiencing joblessness for more than one year increased by 7.5% in Southeast Minnesota, compared to an increase of 14.0% statewide.
- Homeless people with fulltime jobs decreased by 23.8% between 2015 and 2018, while increasing by 7.0% across Minnesota.
- Interestingly, the number of homeless people citing “a lack of employment opportunities” as the biggest barrier to finding employment declined 73.7% between 2015 and 2018 in Southeast Minnesota.
- Consistent with findings from the 2015 report, the 2018 study showed high levels of distress among the homeless, including high rates of mental illness, physical disabilities, or substance abuse disorder.

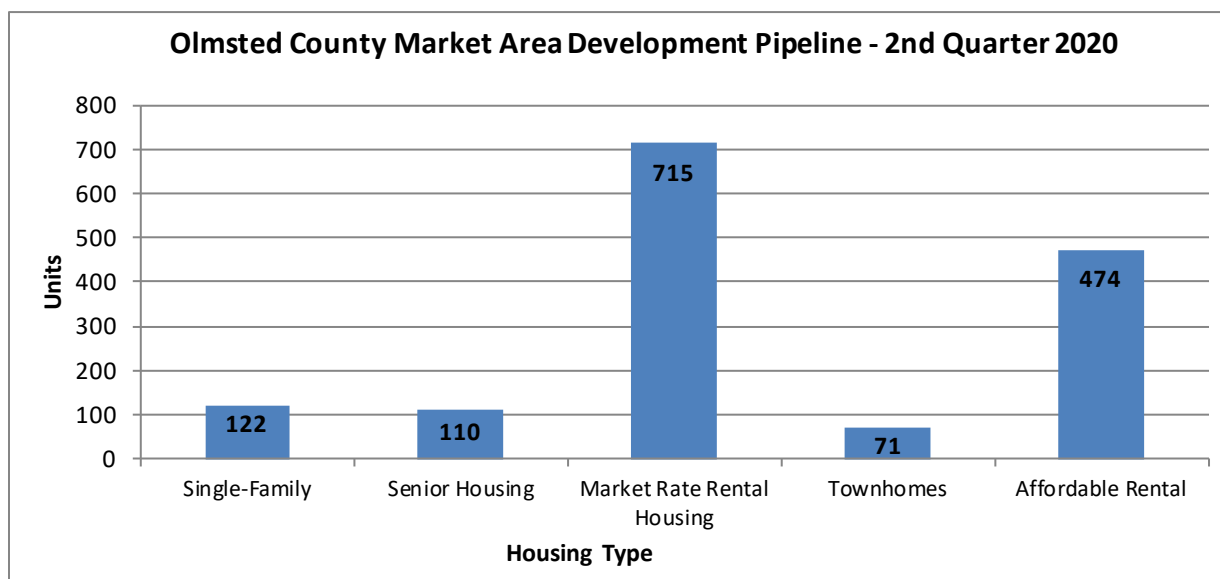
SPECIAL NEEDS HOUSING

- While the median income in Southeast Minnesota increased between 2015 and 2018, there remains a large affordability gap between these rents and average private market rents.
- The number of homeless who reported using food stamps in Southeast Minnesota increased by 16.7%, compared to 13.0% in Minnesota.

Planned and Proposed Housing Projects

Maxfield Research interviewed municipal staff members in communities throughout the Olmsted County Market Area order to identify housing developments under construction, planned, or pending. Table P-1 inventories and summarizes the number of housing units by product type that are either recently completed, under construction, or are planned to move forward. In addition, we also identified other projects that are either in the concept stages or have stalled.

- There are approximately 1,500 housing units in the development pipeline either under construction, planned, or pending. This includes 190 units that are speculative from Regency Multifamily (Phase III of The Pines) which has yet to be submitted to the City. About 85% of the housing units inventoried are located in Rochester.
- Rental housing accounts for 80% of all planned or proposed in the county (91% of the rental units are planned in Rochester). Market rate rental housing makes-up 60% of the planned rental inventory (715 units) and affordable units only 40% (474 units).
- Single-family housing subdivisions account for 8% of the housing units (122 lots) while townhome units account for only about 5% of the total planned development (71 units). Only one senior project is proposed accounting for 7% of the proposed development in the Olmsted County Market Area (110 units).
- Outside of Rochester, there are limited projects planned or proposed in the smaller Olmsted County communities. Combined there are 10 projects that include 86 single-family lots, 32 townhome units, and two market rate rental apartments with a total 102 units.



PLANNED & PENDING HOUSING DEVELOPMENTS

TABLE P-1 PLANNED/PENDING RESIDENTIAL PROJECTS OLMSTED COUNTY MARKET AREA 2nd Quarter 2020							
Project Name/Location	Developer/Applicant	Project Type	Units/Lots			Status/ Timing	Status/Notes
			Aff./Sub.	MR	Total		
City of Rochester							
412 2nd Avenue NW 412 2nd Avenue NW	MWF Development	Rental Housing (Affordable @ 60% and 60%)	150	--	150	Undetermined	Proposed
12th Street 4-Plex 127 12th Street North	Unknown	Rental Housing - Market Rate	--	4	4	Undetermined	Approved Lot open to builders
324 Apartments 1st Avenue & 4th St. SW	North Rock Real Estate	Rental Housing - Market Rate Micro Apartments	--	50	50	2021	Approved Mixed use with commercial
Cottage Grove 14th Avenue SW near Peace Garden Drive SW	Christie and Michael Lindsey	Rental Housing - Market Rate	--	15	15	Undetermined	Approved
Heart of the City North 6 First Avenue NW	Hammes Company	Rental Housing - Market Rate Mixed Use Hotel/Apartments/Parking	--	120	120	--	Withdrew Application in 2017
SoRoc on Maine Phase II 4850, 4860, & 4870 Maine Avenue SE	Pinnacle Living	Rental Housing - Market Rate	--	164	164	Undetermined	Approved 350 units total when complete
Bear Creek Apartments Restoration Road SW	Bear Creek Christian Church	Rental Housing - Low-Income	17	--	17	Under Construction Phase I Fall 2020	Nine studio units in Phase I with a total of 17 studio units planned through 2020
The Pines (Phase II) Alpha Parkway NW and 50th Avenue NW	Regency Multifamily	Rental Housing - Market Rate	--	190	190	Spring 2021	Under Construction
The Woods of Rochester (The Pines Phase III) Alpha Parkway NW and 50th Avenue NW	Regency Multifamily	Rental Housing - Market Rate	--	190	190	Undetermined	Planned but not submitted
Bella Grove (Phase I) Alpha Parkway NW	Pedcor Companies/Village Capital	Rental Housing (Affordable @ 50% and 60%)	128	--	128	Spring 2021	Under Construction TIF Agreement & 4% LIHTC
Mayowood Apartments 1025 Mayowood Road	Center City Housing Corporation	Supportive Housing (Homeless) (Affordable up to 60% MTSP)	63	--	63	Undetermined	Proposed (Senior Focused) Phase I - 25 Homeless/5 Disability units Phase II - 33 units
Jeremiah Program 2915 Jeremiah Lane	Jeremiah Program	Supportive Housing for Single Moms (Affordable - 31 units 60%/9 units 30%)	40	--	40	Summer 2020	Under Construction
Century Heights East Circle Road NE & Wheelock Dr. NE	Joseph Development	Supportive Housing (Affordable up to 60% MTSP)	76	--	76	Undetermined	Approved 8 Homeless units/4 Disability units
Applewood Pointe Berkshire Road SW & W Circle Dr. SW	United Properties	Senior Housing (Cooperative)	--	110	110	Fall 2021	Approved
Fieldstone 8th Addition Fieldstone Rd. SW & Woodstone Dr. SW	GP Development	Single-family subdivision	--	33	33	2020+	Approved 28.81 acres
Pine Ridge Estates 2nd Addition Ponderosa Dr. SW & 16th Avenue SW	Browns Creek West, LLC	Single-family subdivision	--	3	3	2020+	Approved 3.16 acres
Stonehedge Stonehedge Drive NE	Stonehedge Townhouses, LLC Countryside Builders	Townhome subdivision	--	39	39	2020+	Approved Model Townhome built

CONTINUED

PLANNED & PENDING HOUSING DEVELOPMENTS

TABLE P-1 (Continued)
 PLANNED/PENDING RESIDENTIAL PROJECTS
 OLMSTED COUNTY MARKET AREA
 2nd Quarter 2020

Project Name/Location	Developer/Applicant	Project Type	Units/Lots			Status/ Timing	Status/Notes
			Aff./Sub.	MR	Total		
City of Byron							
TBD Corner of 4th Street NE, Byron Main Cty	Byron 47 LLC	Rental Housing - Market Rate	--	47	47	Under Construction Summer 2021	Estimated rents from \$950 to \$1,500
City of Chatfield							
Gjere Addition Division Street & Mill Creek Road NW	--	Subdivision TBD Single-family	--	8	8	Estimated 2020 Phase I Start	Planning stage - 10 acres Price point TBD but speculative in the \$225,000- \$250,000 range.
Amco Lane Amco Drive SE	--	Single-family subdivision	--	14	14	Undetermined	Proposed Not platted yet (\$350K+ estimate)
Hilltop 3rd n.a.	--	Single-family subdivision	--	6	6	Undetermined	Approved Platted (\$400K+ estimate)
City of Dover							
None							
City of Eyota							
Stone garden Estates I Whitestone Place NW	--	Single-family subdivision	--	15	15	Lots for Sale	Platted
Stone Garden Estates II Sandstoen Drive NW	--	Single-family and Townhome Sub.	--	27	27	Undetermined	Platted Seven single-family lots and 20 TH units
Keefe 1st & 2nd Additions Grace Avenue NE	--	Single-family subdivision	--	20	20	Undetermined	Platted
City of Oronoco							
None							
City of Pine Island							
TBD	Unknown	Single-family subdivision	--	16	16	2020/2021	Approved
City of St. Charles							
None							
City of Stewartville							
Flats 55 Apartments 11 th Avenue NW	PGGMI	Rental Housing - Market Rate	--	55	55	Spring 2021	Broke Ground April 2020 1BR and 2BR Units \$1,100/mo.
Bucknell Estates Bucknell Lane SE & 9th Street SE	--	Stand-alone Town Homes	--	12	12	Undetermined	Final Plat Approved
Source: Interviews with community staff, Maxfield Research & Consulting, LLC							

Housing Affordability

Affordable housing is a term that has various definitions according to different people and is a product of supply and demand. According to the U.S. Department of Housing and Urban Development (HUD), the definition of affordability is for a household to pay no more than 30% of its annual income on housing (including utilities). Families who pay more than 30% of their income for housing (either rent or mortgage) are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.

Generally, housing that is income-restricted to households earning at or below 80% of Area Median Income (AMI) is considered affordable. However, many individual properties have income restrictions set anywhere from 30% to 80% of AMI. Rent is not based on income but instead is a contract amount that is affordable to households within the specific income restriction segment. Moderate-income housing, often referred to as “workforce housing,” refers to both rental and ownership housing. Hence the definition is broadly defined as housing that is income-restricted to households earning between 50% and 120% AMI. Figure 1 below summarizes income ranges by definition.

FIGURE 1
AREA MEDIAN INCOME (AMI) DEFINITIONS

Definition	AMI Range
Extremely Low Income	0% - 30%
Very Low Income	31% - 50%
Low Income	51% - 80%
Moderate Income Workforce Housing	50% - 120%

Note: Olmsted County 4-person AMI = \$103,400 (2020)

Naturally Occurring Affordable Housing (i.e. Unsubsidized Affordable)

Although affordable housing is typically associated with an income-restricted property, there are other housing units in communities that indirectly provide affordable housing. Housing units that were not developed or designated with income guidelines (i.e. assisted) yet are more affordable than other units in a community are considered “naturally-occurring” or “unsubsidized affordable” units. This rental supply is available through the private market, versus assisted housing programs through various governmental agencies. Property values on these units are lower based on a combination of factors, such as: age of structure/housing stock, location, condition, size, functionally obsolete, school district, etc. Because of these factors, housing costs tend to be lower.

HOUSING AFFORDABILITY

According to the *Joint Center for Housing Studies of Harvard University*, the privately unsubsidized housing stock supplies three times as many low-cost affordable units than assisted projects nationwide. Unlike assisted rental developments, most unsubsidized affordable units are scattered across small properties (one to four-unit structures) or in older multifamily structures. Many of these older developments are vulnerable to redevelopment due to their age, modest rents, and deferred maintenance.

Because many of these housing units have affordable rents, project-based and private housing markets cannot be easily separated. Some households (typically those with household incomes of 50% to 60% AMI) income-qualify for both market rate and project-based affordable housing.

Rent and Income Limits

Table HA-1 shows the maximum allowable incomes by household size to qualify for affordable housing and maximum gross rents that can be charged by bedroom size in Olmsted County. These incomes are published and revised annually by the Department of Housing and Urban Development (HUD) and also published separately by the Minnesota Housing Finance Agency (MHFA) based on the date the project was placed into service. Fair market rent is the amount needed to pay gross monthly rent at modest rental housing in a given area. This table is used as a basis for determining the payment standard amount used to calculate the maximum monthly subsidy for families at financially assisted housing.

	Income Limits by Household Size							
	1 phh	2 phh	3 phh	4 phh	5 phh	6 phh	7 phh	8 phh
30% of median	\$21,270	\$24,300	\$27,330	\$30,360	\$32,790	\$35,220	\$37,650	\$40,080
50% of median	\$35,450	\$40,500	\$45,550	\$50,600	\$54,650	\$58,700	\$62,750	\$66,800
60% of median	\$42,540	\$48,600	\$54,660	\$60,720	\$65,580	\$70,440	\$75,300	\$80,160
80% of median	\$56,720	\$64,800	\$72,880	\$80,960	\$87,440	\$93,920	\$100,400	\$106,880
100% of median	\$70,900	\$81,000	\$91,100	\$101,200	\$109,300	\$117,400	\$125,500	\$133,600
120% of median	\$85,080	\$97,200	\$109,320	\$121,440	\$131,160	\$140,880	\$150,600	\$160,320
	Maximum Gross Rent							
	EFF	1BR	2BR	3BR	4BR			
30% of median	\$531	\$569	\$683	\$789	\$880			
50% of median	\$886	\$949	\$1,138	\$1,315	\$1,467			
60% of median	\$1,063	\$1,139	\$1,366	\$1,578	\$1,761			
80% of median	\$1,418	\$1,519	\$1,822	\$2,105	\$2,348			
100% of median	\$1,772	\$2,025	\$2,277	\$2,530	\$2,732			
120% of median	\$2,127	\$2,430	\$2,733	\$3,036	\$3,279			
	Fair Market Rent							
	EFF	1BR	2BR	3BR	4BR			
Fair Market Rent	\$667	\$777	\$1,016	\$1,416	\$1,748			

Sources: MHFA, HUD, Maxfield Research & Consulting, LLC

HOUSING AFFORDABILITY

**TABLE HA-2
MAXIMUM RENT BASED ON HOUSEHOLD SIZE AND AREA MEDIAN INCOME
OLMSTED COUNTY - 2020**

Unit Type ¹	HHD Size		Maximum Rent Based on Household Size (@30% of Income)											
	Min	Max	30%		50%		60%		80%		100%		120%	
			Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Studio	1	1	\$532	- \$532	\$886	- \$886	\$1,064	- \$1,064	\$1,418	- \$1,418	\$1,773	- \$1,773	\$2,127	- \$2,127
1BR	1	2	\$532	- \$608	\$886	- \$810	\$1,064	- \$1,215	\$1,418	- \$1,620	\$1,773	- \$2,025	\$2,127	- \$2,430
2BR	2	4	\$608	- \$759	\$810	- \$1,265	\$1,215	- \$1,518	\$1,620	- \$2,024	\$2,025	- \$2,530	\$2,430	- \$3,036
3BR	3	6	\$683	- \$881	\$1,139	- \$1,468	\$1,367	- \$1,761	\$1,822	- \$2,348	\$2,278	- \$2,935	\$2,733	- \$3,522
4BR	4	8	\$759	- \$1,002	\$1,265	- \$1,670	\$1,518	- \$2,004	\$2,024	- \$2,672	\$2,530	- \$3,340	\$3,036	- \$4,008

¹One-bedroom plus den and two-bedroom plus den units are classified as 1BR and 2BR units, respectively. To be classified as a bedroom, a den must have a window and closet.

Note: 4-person Olmsted County AMI is \$103,000 (2020)

Sources: HUD, MHFA, Maxfield Research & Consulting, LLC

HOUSING AFFORDABILITY

Table HA-2 shows the maximum rents by household size and AMI based on income limits illustrated in Table HA-1. The rents on Table HA-2 are based on HUD's allocation that monthly rents should not exceed 30% of income. In addition, the table reflects maximum household size based on HUD guidelines of number of persons per unit. For each additional bedroom, the maximum household size increases by two persons.

Rental Affordability by Bedroom Type

Table HA-3 shows the average market rate rents by unit type and the proportion of Olmsted County Market Area renter households that could afford the monthly rents. Monthly rents are based on a 30% allocation of household income to housing costs and quoted market rate rental rates are shown for Rochester and the Remainder of Olmsted County. Key findings from the table follow.

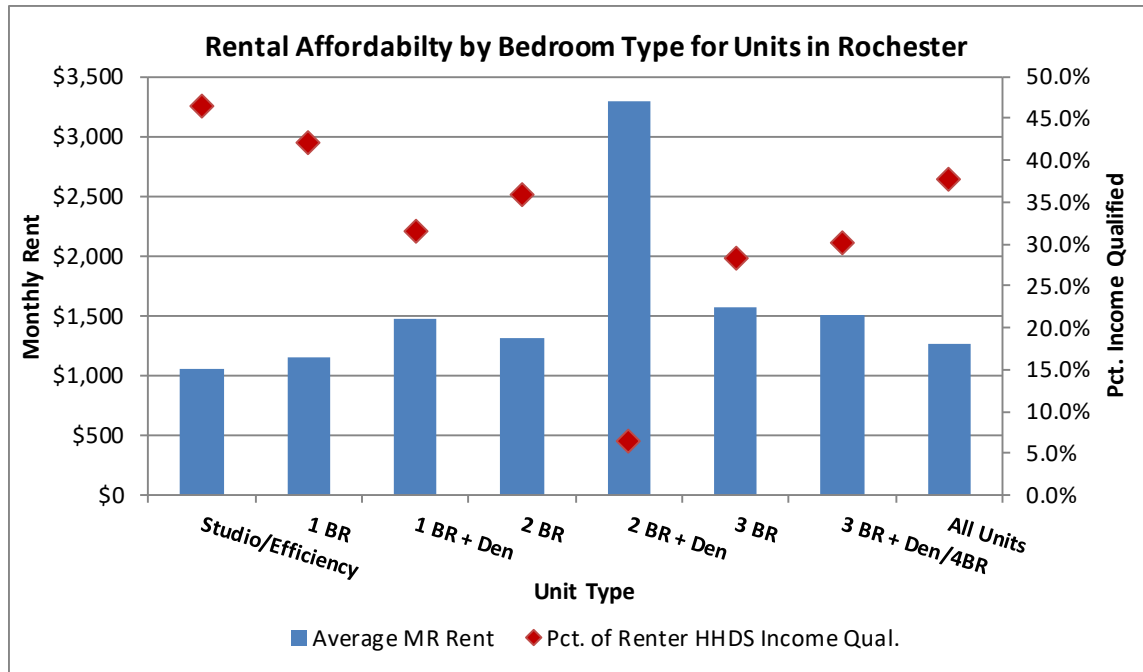
- Across all market rate rental units, about 38% of existing renters can afford the market rate monthly rents in Rochester without being cost burdened (i.e. spending more than 30% of income on housing). Due to lower rents outside of Rochester, 53% of existing renters can afford the market rents.
- Based on the average price for rental units in the City of Rochester, nearly half of Olmsted County Market Area renters can afford to rent an efficiency unit. The number of income-qualified renter households decreases with each larger unit as rents increase. Approximately 42% can afford one-bedroom units, 36% could afford two-bedroom units, 28% could afford three-bedroom units, and 30% can afford four-bedroom units. One- and two-bedroom plus den units have recently been added to the market in a few developments with 31% of householder being able to afford one-bedroom plus den units.

Unit Type	Average MR Rent		HHD Income Needed to Afford		Pct. of Renter Market Area HHDS that can Afford*	
	Outside Rochester	Rochester	Outside Rochester	Rochester	Outside Rochester	Rochester
Studio/Efficiency	--	\$1,047	--	\$41,880	--	46.4%
1 BR	\$838	\$1,148	\$33,520	\$45,920	54.8%	42.1%
1 BR + Den	--	\$1,470	--	\$58,800	--	31.4%
2 BR	\$1,017	\$1,315	\$40,680	\$52,600	43.7%	36.0%
2 BR + Den	--	\$3,284	--	\$131,360	--	6.5%
3 BR	\$1,145	\$1,577	\$45,800	\$63,080	40.5%	28.3%
3 BR + Den/4BR	--	\$1,510	--	\$60,400	--	30.2%
All Units	\$1,010	\$1,265	\$40,400	\$50,600	53.4%	37.6%

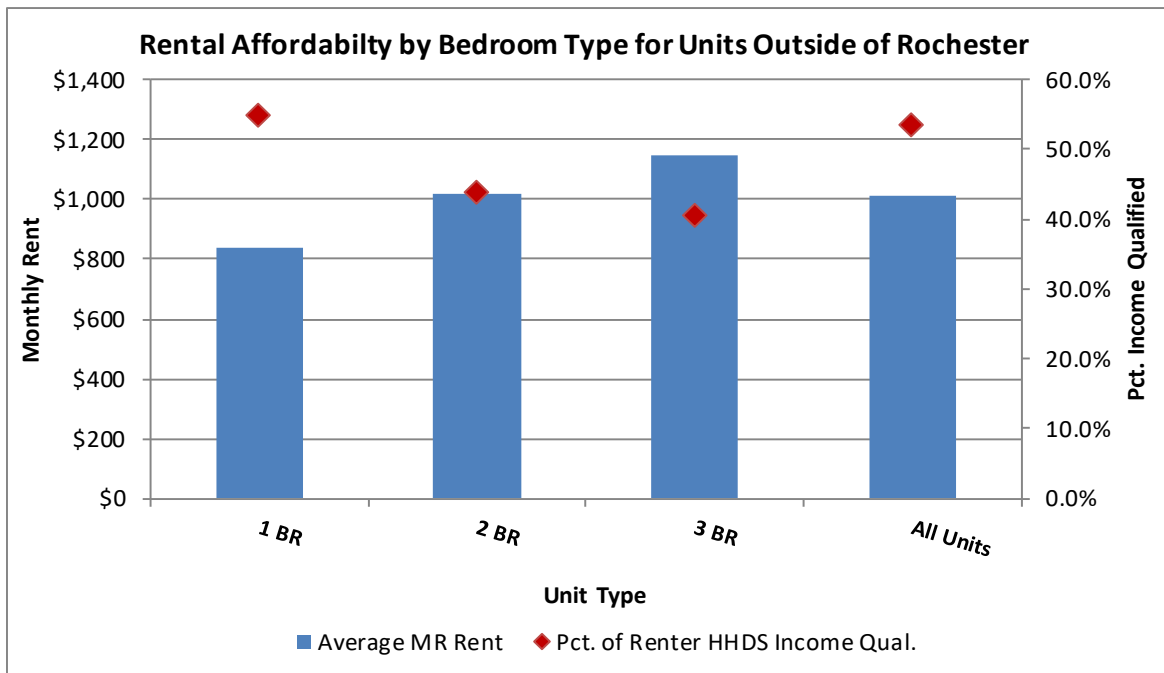
* Based on 2018 renter incomes

Source: Maxfield Research & Consulting

HOUSING AFFORDABILITY



- When we compare the City of Rochester to those units in the surrounding communities, the number of income-qualified renter households increases from 8% to 13% higher than in Rochester. Approximately 55% can afford one-bedroom units, 44% could afford two-bedroom units, and 40.5% could afford three-bedroom units.



HOUSING AFFORDABILITY

- As new units were added to the market and the economy continued to improve for most of last decade, rental rates increased. When compared to the previous 2013 study, the percentage of existing renters that can afford the market rate monthly rents without being cost burdened has decreased. Across all market rate rental units, the Olmsted County Market Area experienced a decline of percentage of renters who could afford the average rent from 42% in 2013 to 38% currently in 2020.
- Based on unit type, renters who could afford studio/efficiency units has dropped 20% from 66% in 2013 to 46% in 2020. One-bedroom units has decreased from 56% to 43%, two-bedroom units from 42% to 31%, and three-bedroom units from 33% to 29%

Home Ownership and Rental Affordability by Submarket

Table HA-4 shows the average sales price of a home in 2019 by Olmsted County submarket and the minimum household income needed to purchase a home. Prior to the Great Recession and housing bust, a household could afford to purchase a home of about three times their gross income. However, due to the record low mortgage rates, affordability has increased, and the purchasing power is higher (from 3.0 to 3.5 times gross income).

Please note that Table HA-4 does not consider strict underwriting criteria for home purchases (i.e. credit scores, down payment, length of employment, etc.). Because of rather strict lender guidelines that tightened after the COVID-19 pandemic and a strong resale market; not all owner households will financially qualify. The table also illustrates the number of income-qualified households that could afford market rate rents based on the average rent of each submarket. Exhibited household incomes are based on 2018 (ACS) household income figures by tenure (i.e. owner and renter). The following bullet points identify key findings.

- About 61% of existing owners could afford an average priced home in the Olmsted County Market Area. Nearly 70% of owner households qualify to purchase in the East and Stewartville Submarkets compared to 57% income-qualified in the Byron and North Submarkets.
- Home prices have increased steadily from the previous study in 2013 and thus the Market Area has experienced a decline in the percentage of owner householders who can afford the average sales price of home. The decrease ranges from 2.6% in the North submarket to 11% in the East submarkets. Overall, the percentage of Olmsted County owner households who can afford the average sales price fell from 69% in 2013 to 61% in 2020.
- Because homeowner incomes are greater than renter incomes, a higher percentage of households can afford the average home price than average market rent. Only 38% of renter households can afford the average monthly rent in the Olmsted County Market Area.

HOUSING AFFORDABILITY

- About 37% of renter households in the Rochester Area can afford the average market rate rent (\$1,269). Whereas about 63% of renters in the East submarket can afford the average market rate rent (\$693).
- The decrease in the percentage of the renter households in the Olmsted County Market Area who could afford the average rent was not as significant as for for-sale housing. This is likely due to incomes rising faster than average rents. This is evident in rural submarkets where limited new rental development has occurred. Decreases range from 0.3% in the Byron submarket to 5% in the North submarket with an overall Market Area decline of 4% from 2013.

Submarket	Home Ownership			Market Rate Rental Housing		
	Average Sales Price ¹	HHD Income Needed to Afford Avg. Home	Pct. of Olmsted Co. Owner HHDs Who can Afford ²	Average MR Rent	HHD Income Needed to Afford Avg. Rent	Pct. of Olmsted Co. Renter HHDs Who can Afford ²
Byron	\$301,975	\$80,527	56.9%	\$968	\$38,720	49.6%
East	\$234,990	\$62,664	69.0%	\$693	\$27,720	62.7%
North	\$300,161	\$80,043	57.1%	\$1,210	\$48,400	39.6%
Rochester Area*	\$279,175	\$74,447	61.0%	\$1,269	\$50,760	37.3%
Stewartville	\$231,372	\$61,699	69.7%	\$959	\$38,360	50.1%
Olmsted MA Avg.	\$277,724	\$74,060	61.2%	\$1,259	\$50,360	37.6%

¹ Average sales price includes both single-family and multifamily resales. Based on 2019 resale data.

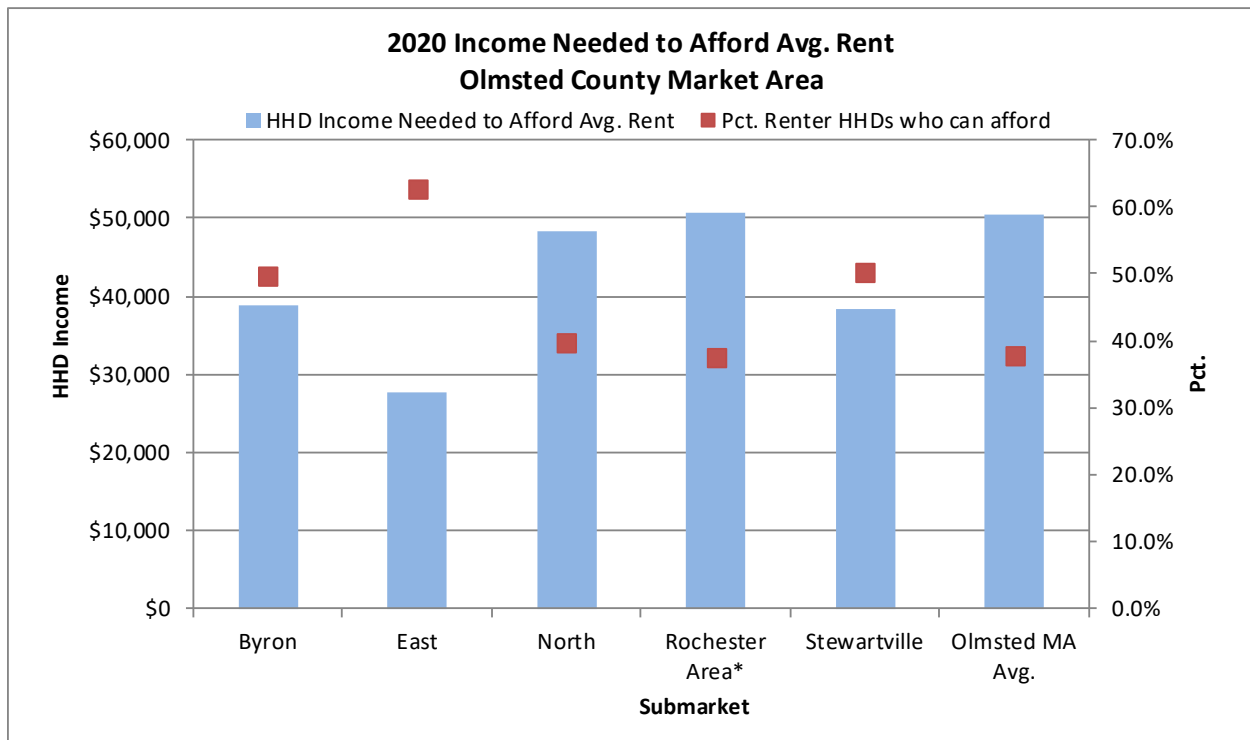
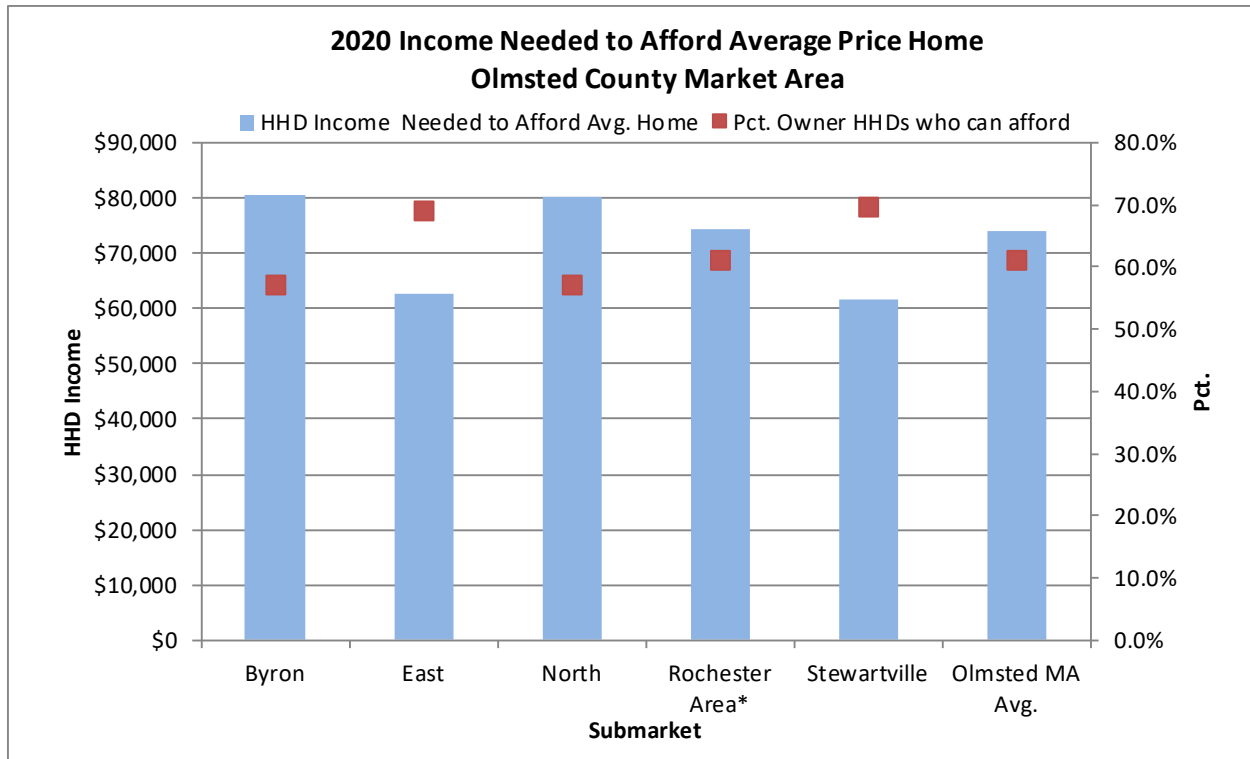
² Based on 2018 ACS household incomes by tenure (i.e. owner and renter incomes)

* Pricing based on Rochester and Rochester Fringe averages

Note: Affordability has been adjusted to account for today's record low interest rates (3.0%; 30-year fixed mortgage)

Source: Maxfield Research & Consulting, LLC

HOUSING AFFORDABILITY



HOUSING AFFORDABILITY

Home Ownership Affordability by Household Income

Table HA-5 illustrates the price point of a home Olmsted County Market Area householders could afford based on household income. In addition, the table shows the number of active listings that fall within the home price range. The active listings were provided by the Regional Multiple Listing Service of Minnesota from May 2020. Please note: active listing home prices do not reflect the final purchase price of the home.

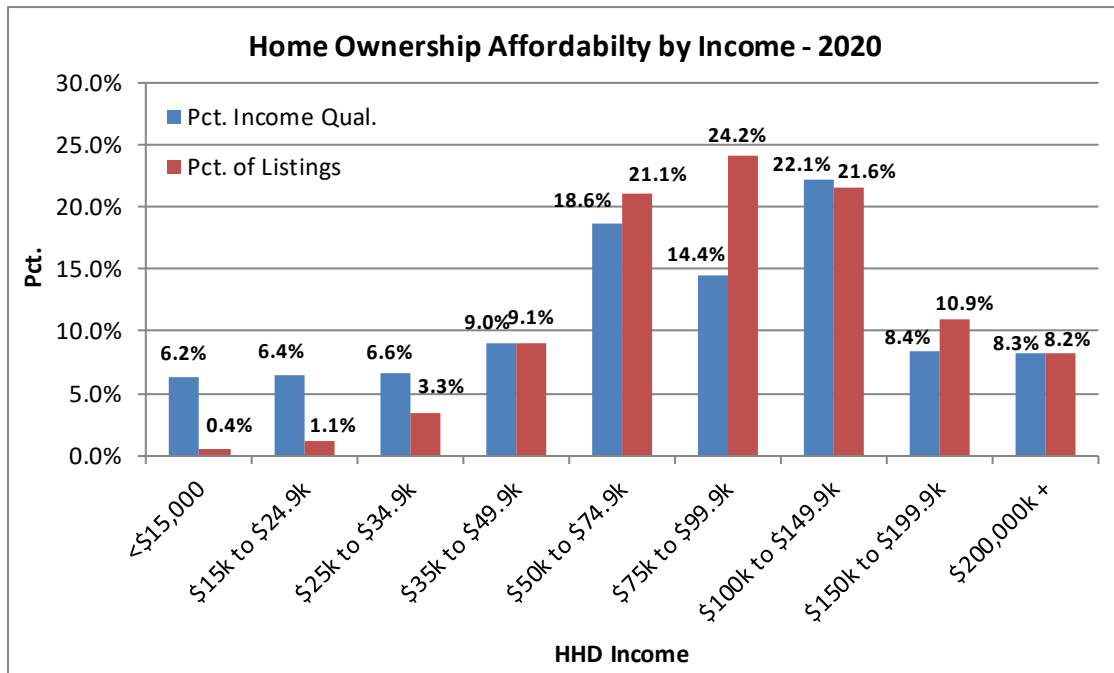
Key findings from the table follow.

- About 19% of Olmsted County Market Area households have household incomes less than \$35,000. Persons earning less than \$35,000 could afford a home value of up to \$131,246. About 5% of all active listings in the Olmsted County Market Area are affordable to persons earning less than \$35,000.
- The proportion of listings to household income is higher than for householders earning more than \$50,000. However, for householders earning between \$25,000 and \$49,999 there is slightly lower home inventory based on the number of income-qualified households.
- For households earning between \$50,000 and \$100,000; the inventory of homes for sale is the highest among all income brackets. About 43% of all homes for sale would be income qualified for a householder earning between \$50,000 and \$100,000.

2020 Income *	Pct. of HHDs Income Qual.	Affordable Home Price		Active Listings	
		Min	Max	No.	Pct.
<\$15,000	6.2%	\$0	\$56,250	2	0.4%
\$15k to \$24.9k	6.4%	\$56,250	\$93,746	5	1.1%
\$25k to \$34.9k	6.6%	\$93,750	\$131,246	15	3.3%
\$35k to \$49.9k	9.0%	\$131,250	\$187,496	41	9.1%
\$50k to \$74.9k	18.6%	\$187,500	\$281,246	95	21.1%
\$75k to \$99.9k	14.4%	\$281,250	\$374,996	109	24.2%
\$100k to \$149.9k	22.1%	\$375,000	\$562,496	97	21.6%
\$150k to \$199.9k	8.4%	\$562,500	\$749,996	49	10.9%
\$200,000k +	8.3%	\$750,000		37	8.2%

* Household income includes both renters and owners.

Source: Regional Multiple Listing Service of MN, Maxfield Research & Consulting, LLC

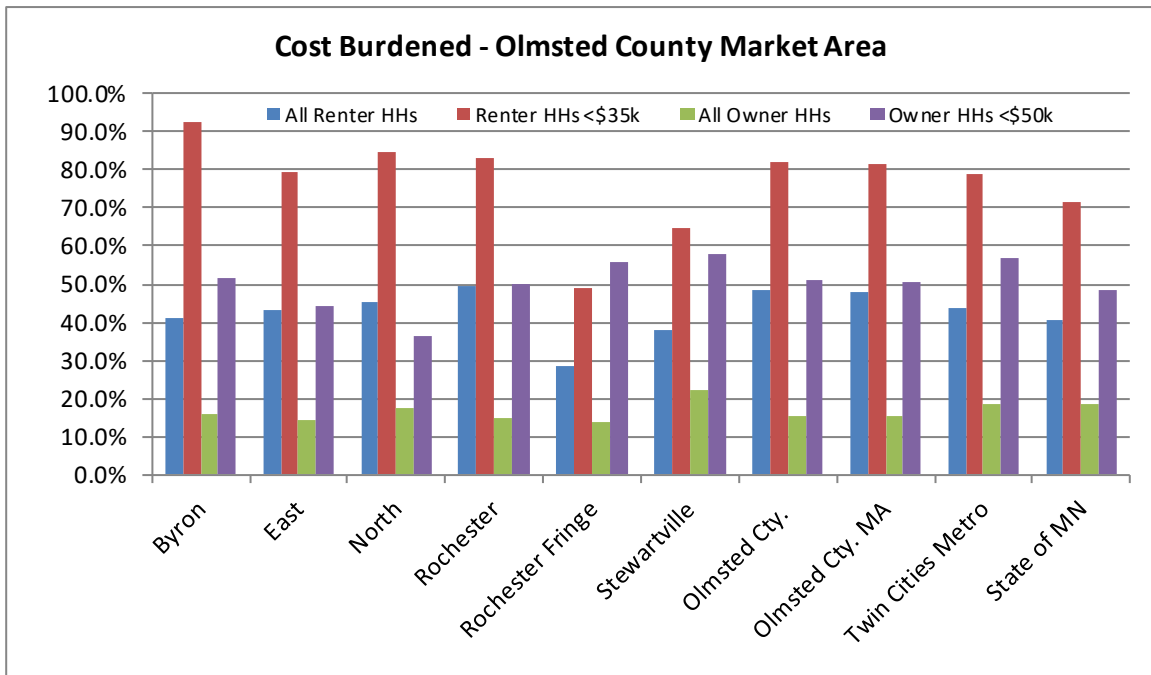


Housing Cost Burden

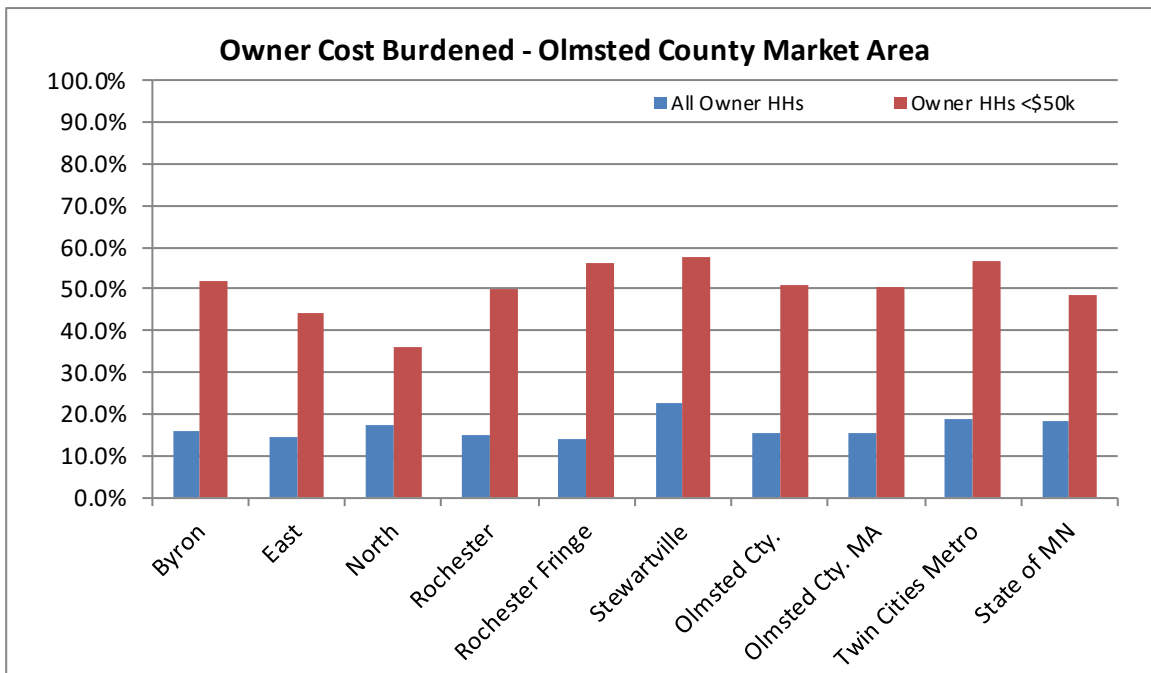
Table HA-6 shows the number and percentage of owner and renter households in the Olmsted County Market Area that pay 30% or more of their gross income for housing. This information was compiled from the American Community Survey 2018 estimates. This information is different than the 2010 Census which separated households that paid 35% or more in housing costs. As such, the information presented in the tables may be overstated in terms of households that may be “cost burdened.” The Federal standard for affordability is 30% of income for housing costs. Without a separate break out for households that pay 35% or more, there are likely a number of households that elect to pay slightly more than 30% of their gross income to select the housing that they choose. Moderately cost-burdened is defined as households paying between 30% and 50% of their income to housing; while severely cost-burdened is defined as households paying more than 50% of their income for housing.

Higher-income households that are cost-burdened may have the option of moving to lower priced housing, but lower-income households often do not. The figures focus on owner households with incomes below \$50,000 and renter households with incomes below \$35,000.

- About 15% of owner households and 48% of renter householders are estimated to be paying more than 30% of their income for housing costs. Compared to the Metro Area, the percentage of cost burdened households is lower in Olmsted County for owners but not renters. Metro Area cost burdened households are 19% for owner households and 44% for renter households.

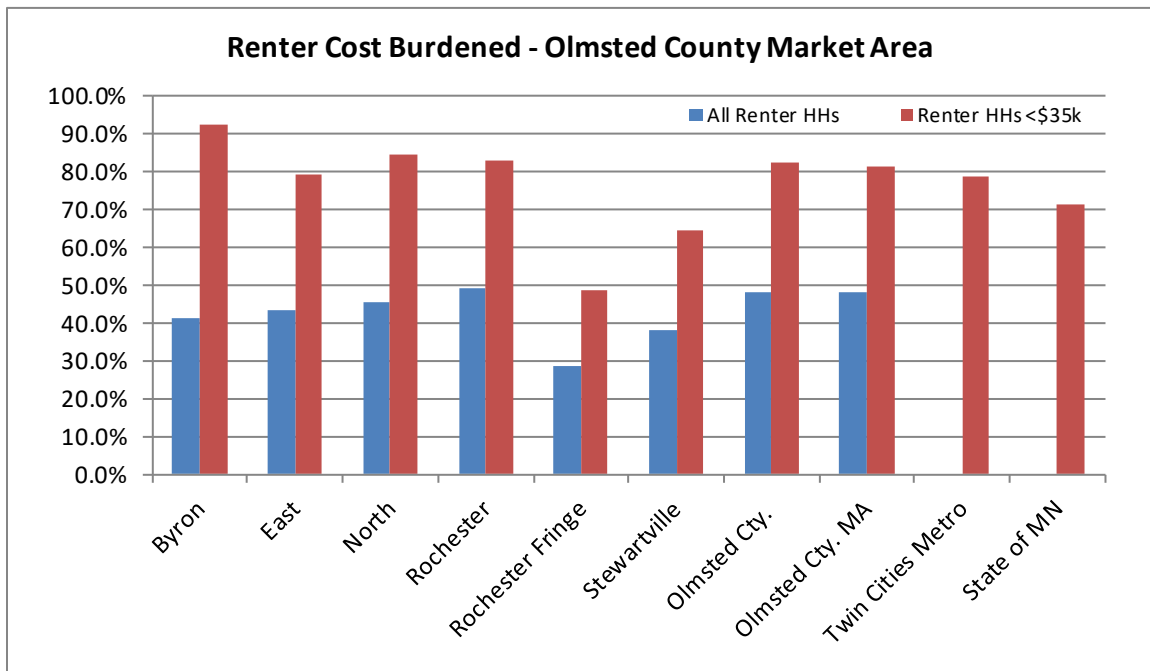


- The number of cost burdened households in the Olmsted County Market Area increases proportionally based on lower incomes. About 81% of renters with incomes below \$35,000 are cost burdened and 51% of owners with incomes below \$50,000 are cost burdened.



HOUSING AFFORDABILITY

- The Stewartville Submarket has the highest percentage of cost burdened owner households in the Olmsted County Market Area. About 22.5% of all owner households are cost burdened, while 58% of owner households earning less than \$50,000 are cost burdened.
- Nearly 87% of all cost burdened renter households in the Olmsted County Market Area are located in the Rochester Submarket (6,491 households). Over 81% of renter households earning less than \$35,000 are cost burdened in the Olmsted County Market Area.

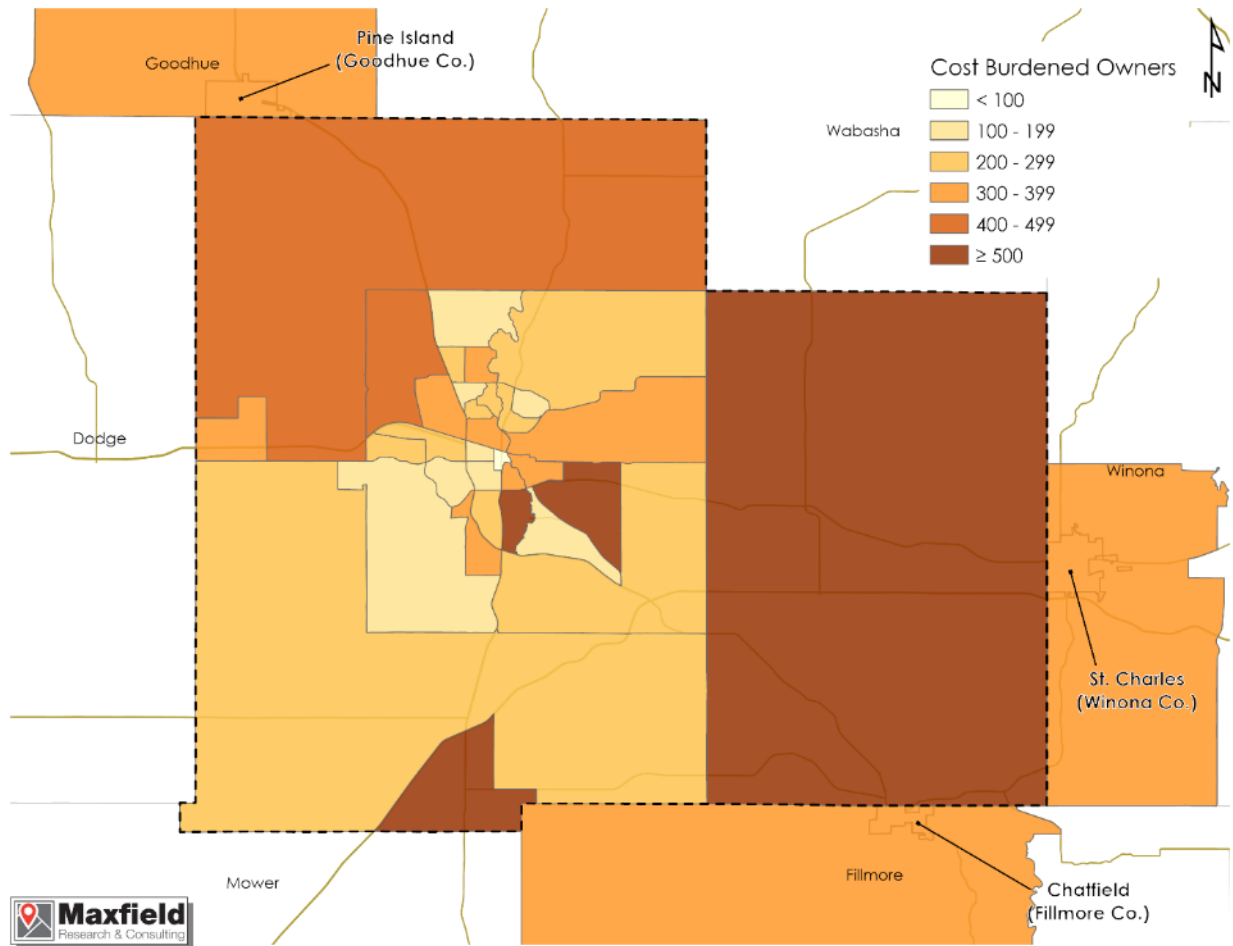


HOUSING AFFORDABILITY

TABLE HA-6 HOUSING COST BURDEN OLMSTED COUNTY MARKET AREA 2018										
	Byron		East		North		Rochester		Rochester Fringe	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Owner Households										
All Owner Households	2,567		3,947		2,775		31,383		3,473	
Cost Burden 30% or greater	412	16.0%	571	14.5%	482	17.4%	4,628	14.8%	482	13.9%
Owner Households w/ incomes <\$50,000	432		939		939		7,029		557	
Cost Burden 30% or greater	224	51.9%	412	44.4%	336	36.2%	3,460	49.8%	307	56.0%
Renter Households										
All Renter Households	315		936		519		13,794		176	
Cost Burden 30% or greater	117	41.3%	369	43.3%	224	45.4%	6,491	49.3%	46	28.6%
Renter Households w/ incomes <\$35,000	99		461		248		6,232		49	
Cost Burden 30% or greater	86	92.5%	336	79.2%	179	84.8%	4,862	83.1%	22	48.9%
Median Contract Rent ¹	\$771		\$590		\$686		\$830		\$881	
	Stewartville		Olmsted County		Olmsted County MA		Twin Cities Metro		State of MN	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Owner Households										
All Owner Households	2,382		44,242		46,527		800,738		1,544,007	
Cost Burden 30% or greater	532	22.5%	6,824	15.5%	7,107	15.3%	149,828	18.7%	286,158	18.5%
Owner Households w/ incomes <\$50,000	612		9,624		10,178		159,559		394,500	
Cost Burden 30% or greater	345	57.8%	4,854	51.1%	5,084	50.6%	90,435	56.7%	191,422	48.5%
Renter Households										
All Renter Households	561		15,351		16,301		359,456		582,930	
Cost Burden 30% or greater	207	38.2%	7,062	48.4%	7,454	48.1%	156,169	43.5%	237,693	40.8%
Renter Households w/ incomes <\$35,000	307		6,903		7,396		146,294		267,861	
Cost Burden 30% or greater	191	64.5%	5,317	82.2%	5,654	81.4%	114,761	78.7%	191,576	71.6%
Median Contract Rent ¹	\$723		\$817		\$808		\$980		\$850	
¹ American Community Survey 2018										
Note: Calculations exclude households not computed.										
Sources: American Community Survey; Maxfield Research & Consulting, LLC										

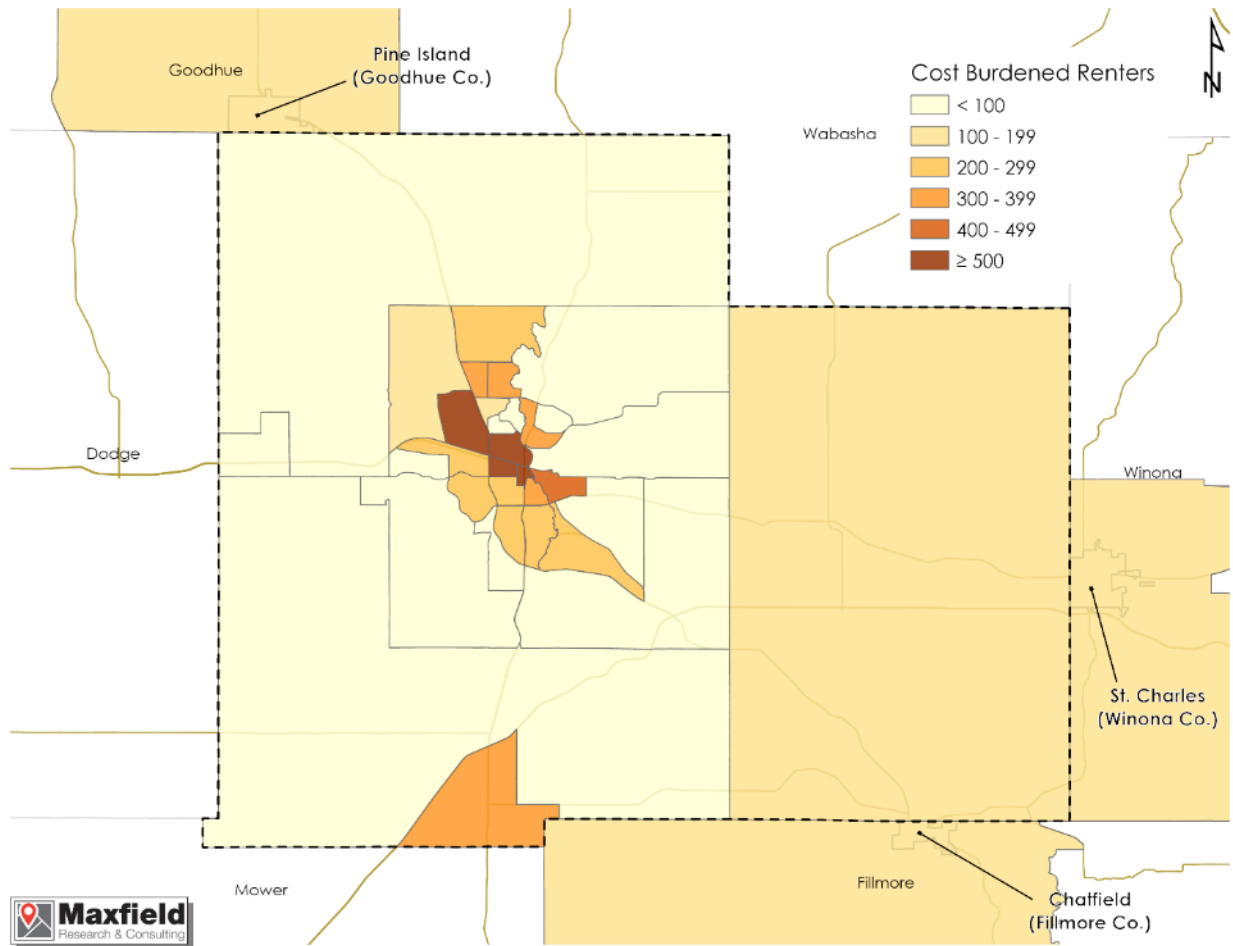
HOUSING AFFORDABILITY

Housing Cost Burden for Owners w/Incomes less than \$50k (by Census Tract & Number)



HOUSING AFFORDABILITY

Housing Cost Burden for Renters w/Incomes less than \$35k (by Census Tract & Number)



Housing Vouchers

In addition to subsidized apartments, “tenant-based” subsidies like *Housing Choice Vouchers*, can help lower income households afford market-rate rental housing. The tenant-based subsidy is funded by the Department of Housing and Urban Development (HUD), and is managed by the Olmsted County HRA. Under the Housing Choice Voucher program (also referred to as Section 8) qualified households are issued a voucher that the household can take to an apartment that has rent levels with Payment Standards. The household then pays approximately 30% of their adjusted gross income for rent and utilities, and the Federal government pays the remainder of the rent to the landlord. The maximum income limit to be eligible for a Housing Choice Voucher is 50% AMI based on household size, as shown in Table HA-1.

Currently, the HRA administers approximately 539 Housing Choice Vouchers in Olmsted County and 70 portability. Portability clients are households who hold a Housing Choice Voucher issued from another jurisdiction but have chosen to live in Olmsted County. The current waiting list for the Housing Choice Voucher program is closed for new pre-applications. In 2019, 11 vouchers turned over from among the 525 pre-applications that were received.

TABLE HA-7 AVERAGE HOUSING VOUCHERS BY YEAR OLMSTED COUNTY 2013 to 2020							
	2014	2015	2016	2017	2018	2019	2020
Vouchers	549	542	554	510	588	543	539
Vouchers Port-In	41	11	38	63	36	66	70

Source: Olmsted County HRA; Maxfield Research & Consulting, LLC

Housing Costs as Percentage of Household Income

Housing costs are generally considered affordable at 30% of a households adjusted gross income. Table HA-8 illustrates key housing metrics based on housing costs and household incomes in the Olmsted County Market Area. The table estimates the percentage of Market Area householders that can afford rental and for-sale housing based on a 30% allocation of income to housing. Housing costs are based on the Market Area average.

The housing affordability calculations assume the following:

For-Sale Housing

- 10% down payment with good credit score
- Closing costs rolled into mortgage
- 30-year mortgage at 3.0% interest rate

HOUSING AFFORDABILITY

- Private mortgage insurance (equity of less than 20%)
- Homeowners insurance for single-family homes and association dues for townhomes
- Owner household income per 2018 ACS

Rental Housing

- Background check on tenant to ensure credit history
- 30% allocation of income
- Renter household income per 2018 ACS

Because of the down payment requirement and strict underwriting criteria for a mortgage, not all households will meet the income qualifications as outlined above.

- The estimated median income of all Olmsted County Market Area households in 2020 is about \$79,432. However, the median income varies by tenure. According to the 2018 American Community Survey, the median income of a homeowner is \$91,359 compared to \$37,986 for renters.
- Approximately 67% of all households and 73% of owner households could afford to purchase an entry-level home in the Market Area (\$250,000). When adjusting for move-up buyers (\$350,000) about 50% of all households and 57% of owner households would income qualify.
- About 53% of existing renter households can afford to rent a one-bedroom unit in Market Area (\$900/month). The percentage of renter income-qualified households decreases to 40% that can afford an existing three-bedroom unit (\$1,200/month). After adjusting for new construction rental housing (developments built 2015 to 2020), the percentage of renters that are income-qualified decreases significantly. About 36% of renters can afford a new market rate one-bedroom unit while only 18% can afford a new three-bedroom unit.

HOUSING AFFORDABILITY

TABLE HA-8 OLMSTED COUNTY MARKET AREA HOUSING AFFORDABILITY - BASED ON HOUSEHOLD INCOME						
For-Sale (Assumes 10% down payment and good credit)						
	Single-Family			Townhome/Condo		
	Entry-Level	Move-Up	Executive	Entry-Level	Move-Up	Executive
Price of House	\$250,000	\$350,000	\$575,000	\$150,000	\$250,000	\$350,000
Pct. Down Payment	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Total Down Payment Amt.	\$25,000	\$35,000	\$57,500	\$15,000	\$25,000	\$35,000
Estimated Closing Costs (rolled into mortgage)	\$7,500	\$10,500	\$17,250	\$4,500	\$7,500	\$10,500
Cost of Loan	\$232,500	\$325,500	\$534,750	\$139,500	\$232,500	\$325,500
Interest Rate	3.000%	3.000%	3.000%	3.000%	3.000%	3.000%
Number of Pmts.	360	360	360	360	360	360
Monthly Payment (P & I)	-\$980	-\$1,372	-\$2,255	-\$588	-\$980	-\$1,372
(plus) Prop. Tax	-\$260	-\$365	-\$599	-\$156	-\$260	-\$365
(plus) HO Insurance/Assoc. Fee for TH	-\$83	-\$117	-\$192	-\$150	-\$150	-\$150
(plus) PMI/MIP (less than 20%)	-\$101	-\$141	-\$232	-\$60	-\$101	-\$141
Subtotal monthly costs	-\$1,425	-\$1,995	-\$3,277	-\$955	-\$1,491	-\$2,028
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$56,989	\$79,785	\$131,075	\$38,194	\$59,656	\$81,118
Pct. of ALL Olmsted County MA HHDS who can afford¹	66.6%	50.4%	23.3%	78.4%	64.6%	49.6%
No. of Olmsted County MA HHDS who can afford¹	46,502	35,143	16,280	54,698	45,074	34,640
Pct. of Olmsted County MA owner HHDS who can afford²	73.0%	57.4%	28.0%	84.9%	71.1%	56.6%
No. of Olmsted County MA owner HHDS who can afford²	34,112	26,846	13,068	39,706	33,234	26,467
No. of Olmsted County MA owner HHDS who cannot afford²	12,631	19,897	33,675	7,037	13,509	20,276
Rental (Market Rate)						
	Existing Rental			New Rental		
	1BR	2BR	3BR	1BR	2BR	3BR
Monthly Rent	\$900	\$1,100	\$1,200	\$1,300	\$1,800	\$2,000
Annual Rent	\$10,800	\$13,200	\$14,400	\$15,600	\$21,600	\$24,000
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$36,000	\$44,000	\$48,000	\$52,000	\$72,000	\$80,000
Pct. of ALL Olmsted County MAHHDS who can afford¹	80.2%	75.4%	73.0%	70.4%	55.5%	50.4%
No. of Olmsted County MA HHDS who can afford¹	55,948	52,636	50,967	49,098	38,714	35,143
Pct. of Olmsted County MA renter HHDS who can afford²	52.5%	44.2%	40.0%	36.4%	21.7%	17.7%
No. of Olmsted County MA renter HHDS who can afford²	9,045	7,610	6,888	6,274	3,738	3,056
No. of Olmsted County MA renter HHDS who cannot afford²	8,191	9,626	10,348	10,962	13,498	14,180
¹ Based on 2020 household income for ALL households						
² Based on 2018 ACS household income by tenure (i.e. owner and renter incomes. Owner incomes = \$91,359 vs. renter incomes = \$37,986)						
Note: Housing costs based on a blended housing value across the Market Area; hence values are averaged upward based on Rochester's proportion of the Olmsted County Market Area's housing stock.						
Source: Maxfield Research and Consulting, LLC						

Industry Wages & Affordability

Tables HA-9 and HA-10 showcase Olmsted County wages by industry against housing costs for market rate rental housing units and the median sales price of a home in Olmsted County. All employment and wage data is sourced to MN DEED and all housing costs are sourced to Maxfield Research based on data collected in this report. Please note that the wage data and housing affordability comparisons is based on ONE wage earner in a household. The data does not take into account a 2nd wage earner in the household that would boost household income. Key points follow.

- The average wage in Olmsted County is approximately \$64,500; resulting in “affordable” housing costs of about \$1,600 per month based on a 30% allocation of income to housing. Based on this income, an affordable priced home would likely range from about \$194,000 to \$242,000.
- Many employment sectors have wages that can afford either a market rate rental or median priced home. However, there is a large discrepancy in average wages between Leisure and Hospitality (\$21,528) and Manufacturing (\$86,320).
- Because of the stronger wages in the county, the area median income (AMI) at 60% is on-par with many market rate rental communities in the county. Most industries that qualify for an affordable unit are also able to afford market rate rents.
- Table HA-10 details several workforce occupations and the median hourly wage and annually income. As illustrated, there are several occupations where the median salary is not sufficient to afford a market rate apartment or an apartment at 60%. Several professions have wages that would fall between the 30% and 50% AMI income bandwidth to be affordable and not cost burdened.

HOUSING AFFORDABILITY

TABLE HA-9 HOUSING AFFORDABILITY BASED ON INDUSTRY WAGES OLMSTED COUNTY 2019									
Average Number of Employees			Avg. Annual Wage	Max. Monthly Housing Cost @	Avg. Aff. Home Price		Can Aff. Rental Hsg.		Can Aff. Med. Price Home
Industry	2019	Pct.	2019	2019	Range		60% AMI	MR	
Natural Resources & Mining	306	0.3%	\$33,852	\$846	\$101,556	\$126,945			
Construction	4,285	4.3%	\$63,232	\$1,581	\$189,696	\$237,120	X	X	
Manufacturing	6,991	6.9%	\$86,320	\$2,158	\$258,960	\$323,700	X	X	X
Trade, Transportation and Utilities	13,459	13.4%	\$35,412	\$885	\$106,236	\$132,795			
Information	1,291	1.3%	\$65,052	\$1,626	\$195,156	\$243,945	X	X	X
Financial Services	2,068	2.1%	\$65,936	\$1,648	\$197,808	\$247,260	X	X	X
Professional and Business Services	4,835	4.8%	\$56,056	\$1,401	\$168,168	\$210,210	X	X	
Education and Health Services	52,068	51.7%	\$79,248	\$1,981	\$237,744	\$297,180	X	X	X
Leisure and Hospitality	9,562	9.5%	\$21,528	\$538	\$64,584	\$80,730			
Other Services	2,522	2.5%	\$32,968	\$824	\$98,904	\$123,630			
Public Administration	3,234	3.2%	\$72,436	\$1,811	\$217,308	\$271,635	X	X	X
Totals	100,623		\$64,584	\$1,615	\$193,752	\$242,190			
Note: Data based off of one wage earner									
Average Rent: Market Rate One-Bedroom Rent \$1,136 in Olmsted County Market Area									
Maximum One-Bedroom Gross Rent @ 60% AMI for a 1 pph \$1,139 (Income Limit of \$42,450)									
Median Housing Price: \$241,232									
Source: MN DEED; Maxfield Research & Consulting, LLC									

HOUSING AFFORDABILITY

TABLE HA-10 HOUSING AFFORDABILITY BASED ON OCCUPATION WAGES ECONOMIC DEVELOPMENT REGION 10 QUARTER 1 2020										
Occupation	Employee Count		Median Hourly Wage	Median Annual Income	Max. Monthly Housing Cost @ 30%	Avg. Aff. Home Price		Can Aff. Rental Hsg. 60% AMI		Can Aff. Med. Price Home
	Q1 2020	Pct.	Q1 2020	Q1 2020	Q1 2020	Range		60% AMI	MR	Price Home
Social & Human Service Worker	700	1.1%	\$17.83	\$37,086	\$927	\$111,259	\$139,074			
Registered Nurse	13,100	20.3%	\$36.62	\$76,170	\$1,904	\$228,509	\$285,636	X	X	X
Nursing Assistant	4,410	6.8%	\$16.64	\$34,611	\$865	\$103,834	\$129,792			
Police & Sheriff Patrol Officer	720	1.1%	\$31.89	\$66,331	\$1,658	\$198,994	\$248,742	X	X	X
Fast Food Worker	6,400	9.9%	\$11.95	\$24,856	\$621	\$74,568	\$93,210			
Personal & Home Care Aid	6,620	10.2%	\$13.55	\$28,184	\$705	\$84,552	\$105,690			
Cashier	7,630	11.8%	\$12.18	\$25,334	\$633	\$76,003	\$95,004			
Retail Salesperson	6,470	10.0%	\$12.67	\$26,354	\$659	\$79,061	\$98,826			
Office Clerk	4,260	6.6%	\$16.87	\$35,090	\$877	\$105,269	\$131,586			
Carpenter	1,360	2.1%	\$24.75	\$51,480	\$1,287	\$154,440	\$193,050	X	X	
Operating Engr./ Cons. Eqpt. Operators	790	1.2%	\$28.63	\$59,550	\$1,489	\$178,651	\$223,314	X	X	
Plumbers, Pipefitters, & Steamfitters	1,210	1.9%	\$32.56	\$67,725	\$1,693	\$203,174	\$253,968	X	X	X
Auto Service Tech. & Mechanics	1,350	2.1%	\$20.43	\$42,494	\$1,062	\$127,483	\$159,354			
Maint. & Repair Worker	2,020	3.1%	\$21.13	\$43,950	\$1,099	\$131,851	\$164,814			
Manufacturing Assembler	3,180	4.9%	\$15.81	\$32,885	\$822	\$98,654	\$123,318			
Bus Driver	350	0.5%	\$18.79	\$39,083	\$977	\$117,250	\$146,562			
Truck Drivers (Heavy & Tractor-Trailer)	4,110	6.4%	\$22.07	\$45,906	\$1,148	\$137,717	\$172,146	X	X	
Totals	64,680									

Note: Data based off of one wage earner
Average Rent: Market Rate One-Bedroom Rent \$1,136 in Olmsted County Market Area
Maximum One-Bedroom Gross Rent @ 60% AMI for a 1 pph \$1,139 (Income Limit of \$42,450)
Median Housing Price: \$241,232

Source: MN DEED; Maxfield Research & Consulting, LLC

Introduction

Previous sections of this study analyzed the existing housing supply and the growth and demographic characteristics of the population and household base in the Olmsted County Market Area. This section of the report presents our estimates of housing demand in the County from 2020 through 2030. Demand estimates assume an economic recovery in 2021 and do not reflect a continued decline in the economy due to the COVID-19 pandemic.

Demographic Profile and Housing Demand

The demographic profile of a community affects housing demand and the types of housing that are needed. The housing life-cycle stages are:

1. *Entry-level householders*
 - Often prefer to rent basic, inexpensive apartments
 - Usually singles or couples in their early 20's without children
 - Will often "double-up" with roommates in apartment setting

2. *First-time homebuyers and move-up renters*
 - Often prefer to purchase modestly priced single-family homes or rent more upscale apartments
 - Usually married or cohabiting couples, in their mid-20's or 30's, some with children, but most are without children

3. *Move-up homebuyers*
 - Typically prefer to purchase newer, larger, and therefore more expensive single-family homes
 - Typically, families with children where householders are in their late 30's to 40's

4. *Empty-nesters (persons whose children have grown and left home) and never-nesters (persons who never have children)*
 - Prefer owning but will consider renting their housing
 - Some will move to alternative lower-maintenance housing products
 - Generally, couples in their 50's or 60's

5. *Younger independent seniors*
 - Prefer owning but will consider renting their housing
 - Will often move (at least part of the year) to retirement havens in the Sunbelt and desire to reduce their responsibilities for upkeep and maintenance
 - Generally, in their late 60's or 70's

6. *Older seniors*

- May need to move out of their single-family home due to physical and/or health constraints or a desire to reduce their responsibilities for upkeep and maintenance
- Generally single females (widows) in their mid-70's or older

Demand for housing can come from several sources including: household growth, changes in housing preferences, and replacement need. Household growth necessitates building new housing unless there is enough desirable vacant housing available to absorb the increase in households. Demand is also affected by shifting demographic factors such as the aging of the population, which dictates the type of housing preferred. New housing to meet replacement need is required, even in the absence of household growth, when existing units no longer meet the needs of the population and when renovation is not feasible because the structure is physically or functionally obsolete.

The graphic on the following page provides greater detail of various housing types supported within each housing life cycle. Information on square footage, average bedrooms/bathrooms, and lot size is provided on the subsequent graphic.

Housing Demand Overview

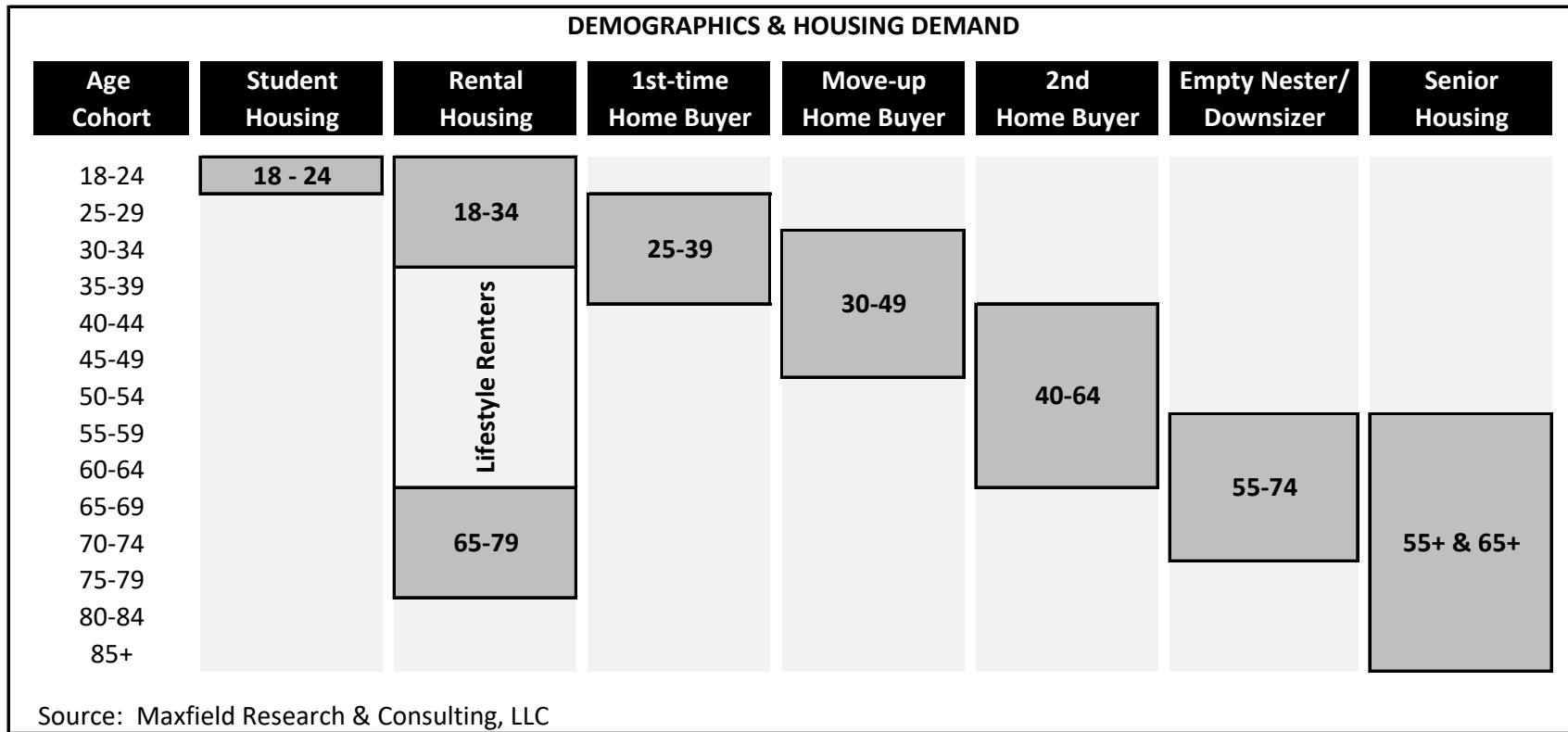
The previous sections of this assessment focused on demographic and economic factors driving demand for housing in the Olmsted County Market Area. In this section, we utilize findings from the economic and demographic analysis to calculate demand for new general occupancy housing units in the County. In addition, we present housing demand for each submarket in the County.

Housing markets are driven by a range of supply and demand factors that vary by location and submarket. The following points outline several of the key variables driving housing demand.

Demographics

Demographics are major influences that drive housing demand. Household growth and formations are critical (natural growth, immigration, etc.), as well as household types, size, age of householders, incomes, etc.

HOUSING DEMAND ANALYSIS



HOUSING DEMAND ANALYSIS

TYPICAL HOUSING TYPE CHARACTERISTICS				
	Housing Types	Target Market/ Demographic	Unit/Home Characteristics	Lot Sizes/ Units Per Acre ¹
For-Sale Housing	Entry-level single-family	First-time buyers: Families, couples w/no children, some singles	1,200 to 2,200 sq. ft. 2-4 BR 2 BA	80'+ wide lot 2.5-3.0 DU/Acre
	Move-up single-family	Step-up buyers: Families, couples w/no children	2,000 sq. ft.+ 3-4 BR 2-3 BA	80'+ wide lot 2.5-3.0 DU/Acre
	Executive single-family	Step-up buyers: Families, couples w/no children	2,500 sq. ft.+ 3-4 BR 2-3 BA	100'+ wide lot 1.5-2.0 DU/Acre
	Small-lot single-family	First-time & move-down buyers: Families, couples w/no children, empty nesters, retirees	1,700 to 2,500 sq. ft. 3-4 BR 2-3 BA	40' to 60' wide lot 5.0-8.0 DU/Acre
	Entry-level townhomes	First-time buyers: Singles, couples w/no children	1,200 to 1,600 sq. ft. 2-3 BR 1.5BA+	6.0-12.0 DU/Acre
	Move-up townhomes	First-time & step-up buyers: Singles, couples, some families, empty-nesters	1,400 to 2,000 sq. ft. 2-3 BR 2BA+	6.0-8.0 DU/Acre
	Executive townhomes/twinhomes	Step-up buyers: Empty-nesters, retirees	2,000+ sq. ft. 3 BR+ 2BA+	4.0-6.0 DU/Acre
	Detached Townhome	Step-up buyers: Empty-nesters, retirees, some families	2,000+ sq. ft. 3 BR+ 2BA+	4.0-6.0 DU/Acre
	Condominiums	First-time & step-up buyers: Singles, couples, empty-nesters, retirees	800 to 1,700 sq. ft. 1-2 BR 1-2 BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 75.0+ DU/Acre
Rental Housing	Apartment-style rental housing	Singles, couples, single-parents, some families, seniors	675 to 1,250 sq. ft. 1-3 BR 1-2 BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 75.0+ DU/Acre
	Townhome-style rental housing	Single-parents, families w/children, empty nesters	900 to 1,700 sq. ft. 2-4 BR 2BA	8.0-12.0 DU/Acre
	Student rental housing	College students, mostly undergraduates	550 to 1,400 sq. ft. 1-4BR 1-2 BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 50.0+ DU/Acre
Both	Senior housing	Retirees, Seniors	550 to 1,500 sq. ft. Suites - 2BR 1-2 BA	Varies considerably based on senior product type

¹ Dwelling units(DU) per acre expressed in net acreage (minus right-of-way)

Source: Maxfield Research & Consulting, LLC

Economy & Job Growth

The economy and housing market are intertwined; the health of the housing market affects the broader economy and vice versa. Housing market growth depends on job growth (or the prospect of); jobs generate income growth which results in the formation of more households and can stimulate household turnover. Historically low unemployment rates have driven both existing home purchases and new-home purchases. Lack of job growth leads to slow or diminishing household growth, which in-turn relates to reduced housing demand. Additionally, low income growth results in fewer move-up buyers which results in diminished housing turnover across all income brackets.

HOUSING DEMAND ANALYSIS

Consumer Choice/Preferences

A variety of factors contribute to consumer choice and preferences. Many times, a change in family status is the primary factor for a change in housing type (i.e. growing families, empty-nest families, etc.). However, housing demand is also generated from the turnover of existing households who decide to move for a range of reasons. Some households may want to move-up, downsize, change their tenure status (i.e. owner to renter or vice versa), or simply move to a new location.

Supply (Existing Housing Stock)

The stock of existing housing plays a crucial component in the demand for new housing. There are a variety of unique household types and styles, not all of which are desirable to today's consumers. The age of the housing stock is an important component for housing demand, as communities with aging housing stocks have higher demand for remodeling services, replacement new construction, or new home construction as the current inventory does not provide the supply that consumers seek.

Pent-up demand may also exist if supply is unavailable as householders postpone a move until new housing product becomes available.

Housing Finance

Household income is the fundamental measure that dictates what a householder can afford to pay for housing costs. According to the U.S. Department of Housing and Urban Development (HUD), the definition of affordability is for a household to pay no more than 30% of its annual income on housing (including utilities). Families who pay more than 30% of their income for housing (either rent or mortgage) are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.

The ability of buyers to obtain mortgage financing has recently become more challenging due to COVID-19. Some lenders are requiring higher down payments and higher credit scores.

Mobility

It is important to note that demand is somewhat fluid between submarkets and will be impacted by development activity in nearby areas, including other communities outside Olmsted County. Demand given for each submarket may be lower or higher if proposed and/or planned developments move forward. For example, if a senior housing project moves ahead in Stewartville, Stewartville may also capture a portion of the southern Rochester submarkets' potential demand. Because of Rochester's size and employment opportunities, Rochester will draw from all of Olmsted County and throughout Southeast Minnesota and beyond.

For-Sale Housing Market Demand Analysis

Tables DMD-1 and DMD-2 presents our demand calculations for general occupancy for-sale housing in the Olmsted County Market Area between 2020 and 2030. This analysis identifies potential demand for general occupancy for-sale housing that is generated from both new households and turnover households. The following points summarize our findings.

- According to our projections, the Olmsted County Market Area is expected to increase by 6,118 non-senior households and 5,101 senior households between 2020 and 2030. Because the 65 and older cohort is typically not a target market for new general-occupancy market rate for-sale housing, we limit demand from senior household growth to only 15% of those households over the age of 65.
- Based on household tenure data from the U.S. Census, we expect that between 66% of the demand to 94% of the demand will be for owner-occupied housing units for non-senior households and from 77% to 93% for senior households. Adjusting for homeownership rates equates to a potential for 4,836 owner households from household growth.
- As of 2020, there are approximately 36,050 owner households under the age of 65 and 13,519 senior homeowners in the Olmsted County Market Area. Based on household turnover data from the 2018 American Community Survey, we estimate that between 28% and 40% of the under-65 households and 5% to 16% of senior households will experience turnover between 2020 and 2030 (turnover rate varies by submarket). This estimate results in anticipated turnover of approximately 15,900 existing households by 2030.
- We then estimate the percent of existing owner households turning over that would prefer to purchase new housing. Considering the wide age-range of housing stock in the Olmsted County Market Area, we conservatively estimate that 10% of the households turning over will desire new housing. This estimate results in demand from existing households for 1,432 new residential units in the Olmsted County Market Area from turnover households between 2020 and 2030.
- Total demand from household growth and existing household turnover between 2020 and 2030 equates to 6,267 new for-sale housing units.
- Next, we estimate that a portion of the total demand for new for-sale units in the Olmsted County Market Area will come from people currently living outside of the each of the six submarkets. Adding demand from outside the submarket areas to the existing demand potential, results in a total estimated demand for about 7,700 for-sale housing units by 2030 in the Olmsted County Market Area.

HOUSING DEMAND ANALYSIS

- After adjusting for the portion of single-family and multifamily for-sale demand, demand exists for about 5,530 single-family units and 2,070 multifamily units. The Rochester submarket accounts for 75% of the total single-family demand (4,212 units) and 87% of the total multifamily demand (1,805 units).
- Outside of the Rochester submarket, the Byron submarket shows the next highest demand through 2030 with 569 housing units followed by the Stewartville submarket (313 units).

Single Family Demand

- Single-family demand is calculated for modest homes, move-up homes, and executive homes. The existing resale market will satisfy the demand for most entry-level for-sale housing. Because of the pricing differentiation between the Rochester/Byron submarkets and the remainder of the Market Area; the definition is defined as follows:
 - Modest: <\$250k (Remainder of Olmsted MA) | <\$300k (Rochester/Byron submarkets)
 - Move-up: \$250k-\$350k (Remainder of Olmsted MA) | \$300k-\$500k (Rochester/Byron submarkets)
 - Executive: \$350k+ (Remainder of Olmsted MA) | \$500k+ (Rochester/Byron submarkets)
- Approximately 30% of the new single-family homes built in the Olmsted County Market Area between 2020 and 2030 are projected to be modest, 44% are projected to be move-up, and 26% are projected to be executive homes. Increased costs for building materials and labor, together with a diminishing lot supply have made housing construction more expensive. Existing single-family homes and new for-sale townhomes will accommodate much of the demand for modest homes.

Multifamily Demand

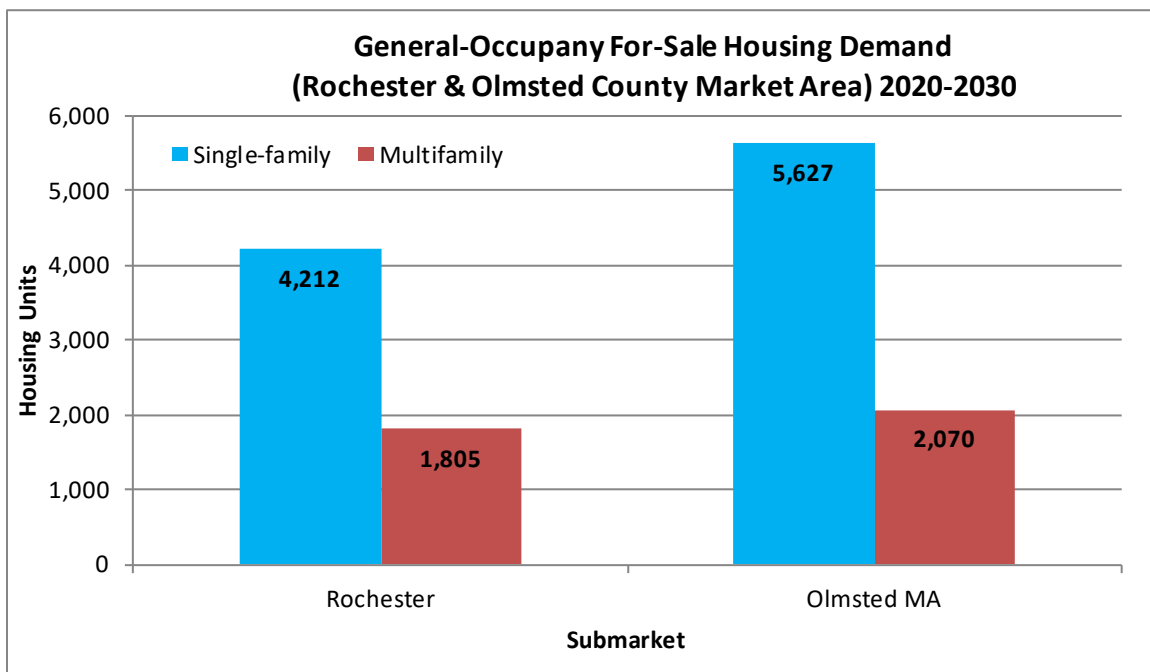
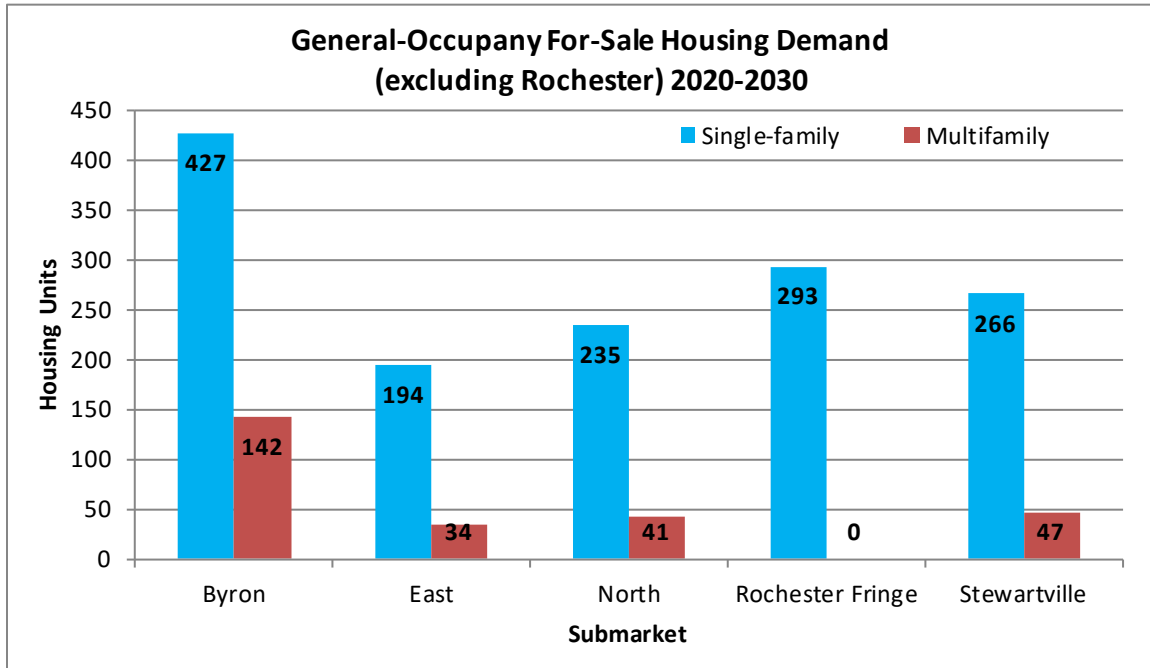
- While there are various target markets for multifamily ownership housing, a portion of demand will be from younger households who have modest incomes and little savings or equity in an existing home. The other target market will be from empty-nesters and younger seniors seeking to downsize from their existing single-family homes into one-level living multifamily options. According to many Realtors, this market segment has been strong with many baby boomers and older adults purchasing executive-level, villa style homes.

HOUSING DEMAND ANALYSIS

TABLE DMD-1 DEMAND FOR ADDITIONAL FOR-SALE HOUSING OLMSTED COUNTY MARKET AREA 2020 to 2030													
	Byron	East	North	Rochester	Rochester Fringe	Stewartville	Olmsted County MA						
DEMAND FROM NEW HOUSEHOLD GROWTH													
Household growth under age 65, 2020 to 2030 (times) % propensity to own ¹	408 87.7%	80 79.4%	164 80.1%	5,130 66.0%	102 94.0%	234 79.3%	6,118 --						
Household growth over age 65, 2020 to 2030 (times) % propensity to own ¹	255 89.2%	268 80.4%	316 90.9%	3,678 77.4%	422 93.0%	162 83.2%	5,101 --						
(Equals) Demand from new household growth	392	96	174	3,813	155	206	4,836						
DEMAND FROM EXISTING HOUSEHOLDS													
Total owner households under age 65, 2020 (times) % of owner turnover 2020-2030 ²	2,257 39.9%	2,986 36.1%	2,096 35.0%	24,074 40.7%	2,765 28.4%	1,868 39.9%	36,045 --						
Total owner households over age 65, 2020 (times) % of owner turnover 2020-2030 ²	626 13.6%	1,102 12.0%	881 5.3%	9,266 15.8%	970 10.1%	673 7.3%	13,519 --						
(times) % desiring new owner housing	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	--						
(Equals) Demand from existing households	91	110	74	1,002	80	75	1,432						
TOTAL MARKET DEMAND													
Total demand from new HH growth and turnover	483	205	248	4,814	235	281	6,267						
(Plus) Demand from Outside Submarket	15%	10%	10%	20%	20%	10%	--						
(Equals) Total demand from Outside Submarket	569	228	276	6,018	293	313	7,697						
Proportion Single-family vs. Multifamily	<u>75%</u>	<u>25%</u>	<u>85%</u>	<u>15%</u>	<u>85%</u>	<u>15%</u>	<u>70%</u>	<u>30%</u>	<u>100%</u>	<u>0%</u>	<u>85%</u>	<u>15%</u>	--
No. of Single-family vs. Multifamily Units	<u>427</u>	<u>142</u>	<u>194</u>	<u>34</u>	<u>235</u>	<u>41</u>	<u>4,212</u>	<u>1,805</u>	<u>293</u>	<u>0</u>	<u>266</u>	<u>47</u>	
Single-Family													
Percent Modest (<\$250k or \$300k)	35%	45%	35%	30%	0%	40%	30%						
Number	149	87	82	1,264	0	106	1,689						
Percent Move-up (\$250k-\$350k or \$300k to \$500k)	40%	40%	45%	45%	50%	40%	44%						
Number	171	78	106	1,896	147	106	2,502						
Percent Executive (\$350k+ or \$500k+)	25%	15%	20%	25%	50%	20%	26%						
Number	107	29	47	1,053	147	53	1,436						
Multifamily³													
Percent Modest (<\$200k)	45%	60%	50%	35%	0%	60%	37%						
Number	64	21	21	632	0	28	765						
Percent Move-up (\$200k+)	55%	40%	50%	65%	0%	40%	63%						
Number	78	14	21	1,173	0	19	1,305						
¹ Based on percent owner households (2018 American Community Survey, Five Year Estimates)													
² Based on household turnover and mobility data (2018 American Community Survey, Five Year Estimates)													
³ Includes twinhomes, townhomes, detached townhomes, condos, etc.													
Note: Demand by price point varies between the Rochester/Byron Submarkets and all other submarkets.													
Source: Maxfield Research & Consulting, LLC													

HOUSING DEMAND ANALYSIS

- Similar to single-family demand, multifamily demand was apportioned between modest homes and move-up homes. Modest multifamily is classified as homes under \$200,000; whereas move-up multifamily includes homes greater than \$200,000. Move-up multifamily homes would also include executive-level townhomes, twinhomes, villa homes, and detached townhomes. Through 2030, demand was calculated for about 765 modest units (37%) and 1,305 move-up homes (63%).



General Occupancy Rental Housing Demand Analysis

Tables DMD-2 presents our calculation of general-occupancy rental housing demand for the Olmsted County Market Area. This analysis identifies potential demand for rental housing that is generated from both new households and turnover households. Market rate housing is defined as non-income restricted, affordable housing is generally 50% to 80% AMI, and subsidized is 30% AMI.

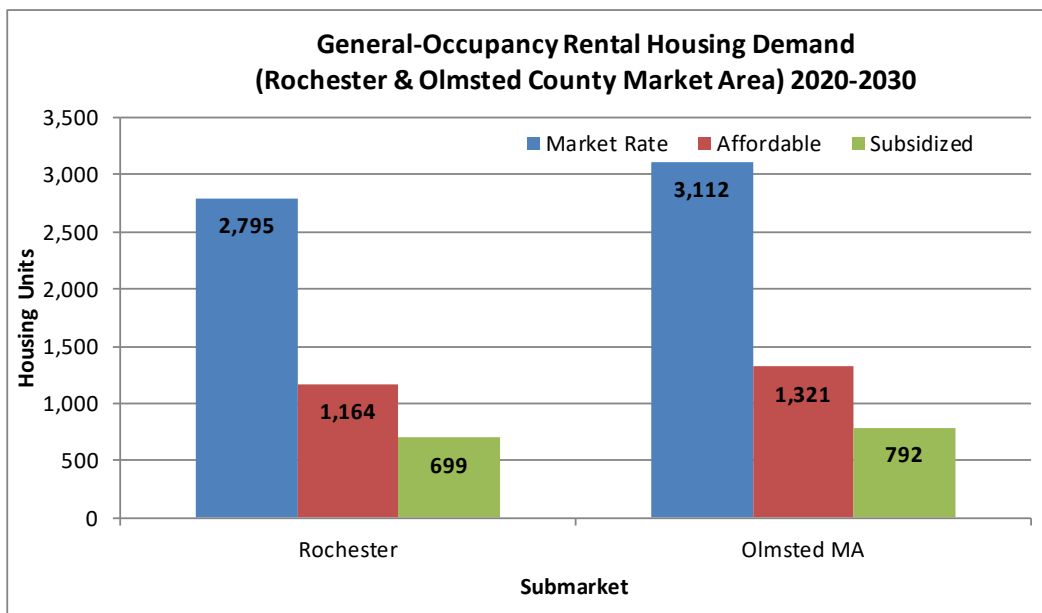
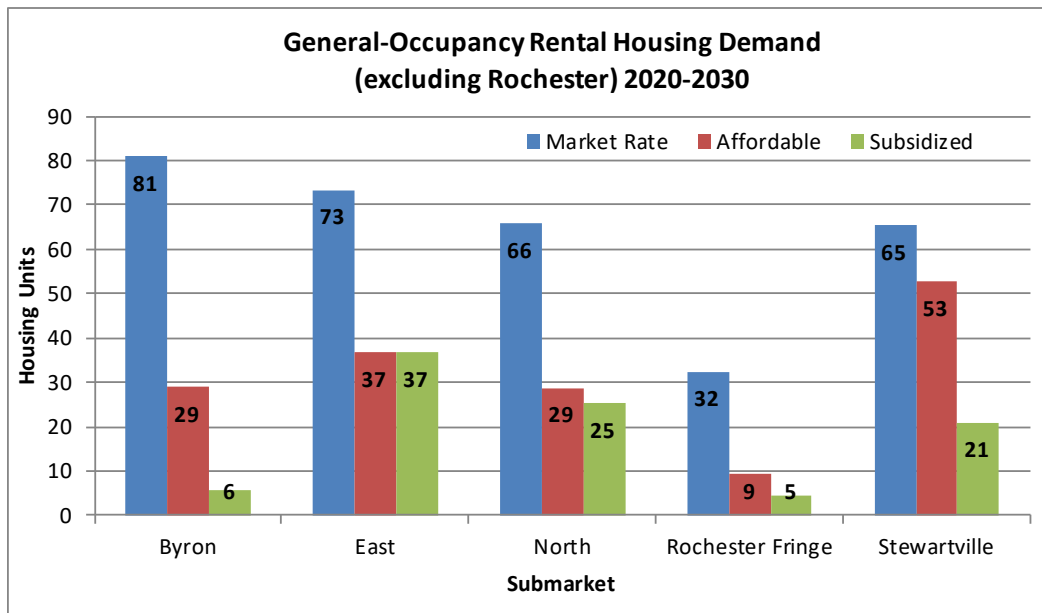
- According to our projections, the Olmsted County Market Area is expected to increase by 6,118 non-senior households and 5,101 senior households between 2020 and 2030. Because the 65 and older cohort is typically not a target market for new general-occupancy market rate rental housing, we limit demand from senior household growth to only 15% of those households over the age of 65.
- We identify the percentage of households that are likely to rent their housing based on 2018 (ACS) census tenure data. The propensity to rent ranges from 6% to 34% for non-senior and 7% to 23% for seniors based on the submarket. After adjusting household growth by renters, there is growth of 2,048 renters through 2030 for renter households in the Olmsted County Market Area.
- Secondly, we calculate demand from existing households in the Olmsted County Market Area that could be expected to turnover between 2020 and 2030. As of 2020, there are 14,649 non-senior renter households and 2,229 senior renter households in the Olmsted County Market Area. Based on household turnover data from the 2018 American Community Survey, we estimate that between 76% and 88% of non-senior households and between 57% and 81% of senior households will experience turnover between 2020 and 2030 (turnover rate varies by submarket).
- We then estimate the percent of existing renter households turning over that would prefer to rent in a new rental development. Considering the age of the Market Area's housing stock, we estimate that 15% of the households turning over in the Olmsted County Market Area will desire new rental housing. This estimate results in demand from existing households for 1,895 new residential rental units between 2020 and 2030.
- Combining demand from household growth plus turnover results in total demand in the Market Area for 3,942 rental units between 2020 and 2030.
- Like for-sale housing, we estimate that 5% to 30% of the total demand for new rental housing units in the Olmsted County Market Area will come from people currently living outside of the specific submarket.

HOUSING DEMAND ANALYSIS

TABLE DMD-2 DEMAND FOR ADDITIONAL RENTAL HOUSING OLMSTED COUNTY MARKET AREA 2020 to 2030							
	Byron	East	North	Rochester	Rochester Fringe	Stewartville	Olmsted County MA
DEMAND FROM NEW HOUSEHOLD GROWTH							
Household growth under age 65, 2020 to 2030	408	80	164	5,130	102	234	6,118
(times) % propensity to rent ¹	12.3%	20.6%	19.9%	34.0%	6.0%	20.7%	--
Household growth over age 65, 2020 to 2030	255	268	316	3,678	422	162	5,101
(times) % propensity to rent ¹	10.8%	19.6%	9.1%	22.6%	7.0%	16.8%	--
(Equals) Demand from new household growth	54	24	37	1,869	11	53	2,048
DEMAND FROM EXISTING HOUSEHOLDS							
Total renter households under age 65, 2020	287	775	521	12,402	177	487	14,649
(times) % of renter turnover 2020-2030 ²	88.4%	81.2%	76.8%	84.4%	76.3%	84.3%	--
Total renter households overage 65, 2020	76	269	8	2,706	73	136	3,268
(times) % of renter turnover 2020-2030 ²	57.1%	59.2%	59.7%	69.0%	61.1%	81.1%	--
(times) % desiring new rental housing	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	--
(Equals) Demand from existing households	39	98	60	1,612	21	64	1,895
TOTAL MARKET DEMAND							
Total demand from new HH growth and turnover	93	122	97	3,481	32	117	3,942
(Plus) Demand from Outside Submarket	15%	10%	10%	30%	5%	10%	--
(Equals) Total demand from Outside Submarket	107	135	107	4,525	33	128	5,036
Percent Market Rate ³	70%	50%	55%	60%	70%	47%	76%
Number	75	67	59	2,715	23	60	3,000
Percent Affordable ³	25%	25%	24%	25%	20%	38%	32%
Number	27	34	26	1,131	7	49	1,273
Percent Subsidized ³	5%	25%	21%	15%	10%	15%	19%
Number	5	34	22	679	3	19	763
¹ Based on percent rental households (2018 American Community Survey, Five Year Estimates) ² Based on household turnover and mobility data (2018 American Community Survey, Five Year Estimates) ³ Based on the pricing of current rental product and household incomes of area renters (i.e. excludes owner incomes)							
Source: Maxfield Research & Consulting, LLC							

HOUSING DEMAND ANALYSIS

- Based on a review of renter household incomes and sizes and monthly rents at existing properties, we estimate that 47% to 70% of the total demand will be for market rate housing. Through 2030, demand exists for about 3,000 market rate rental units in the Olmsted County Market Area. Demand for market rate rental housing will be concentrated mainly in Rochester, as about 90% of all market rate demand is located in the Rochester submarket.
- We estimate that 20% to 38% of the total demand in the Olmsted County Market Area will be for affordable housing and 5% to 25% will be for subsidized housing. The percentage breakdown varies by submarket. Through 2030, demand exists for 1,273 affordable rental units and 763 subsidized rental units in the Olmsted County Market Area.



Senior Housing Demand Analysis

Tables DMD-3 through DMD-7 show demand calculations for senior housing in the Olmsted County Market Area by submarket in 2020 and 2030. Demand methodology employed by Maxfield Research utilizes capture and penetration rates that blend national senior housing trends with local market characteristics, preferences and patterns. Unlike demand for general occupancy housing, demand for senior housing is need driven and dependent on the capture rate of the point-in-time population versus population growth. As a result, senior demand is calculated for 2020 and 2030. Our demand calculations consider the following target market segments for each product types:

Market Rate Active Adult Rental and Ownership Housing: Target market base includes age 55+ older adult and senior households with incomes of \$40,000 or more and senior homeowners with incomes between \$35,000 and \$44,999.

Affordable/Subsidized Independent Housing: Target market base includes age 55+ older adult and senior households with incomes of \$40,000 or less.

Congregate Housing: Target market base includes age 65+ seniors who would be financially able to pay for housing and service costs associated with congregate housing. Income-ranges considered capable of paying for congregate housing are the same as for active adult housing.

Assisted Living Housing: Target market base includes older seniors (age 75+) who would be financially able to pay for private pay assisted living housing (incomes of \$50,000 or more and some homeowners with incomes below \$50,000). Additional demand for subsidized assisted living is not included in this demand but would result in greater demand for assisted living housing if considered.

Memory Care Housing: Target market base includes age 65+ seniors with memory impairments who would be financially able to pay for housing and service costs associated with memory care housing. Income ranges considered capable of paying for memory care housing (\$60,000 or more) are higher than other service levels due to the increased cost of care.

Existing and pending senior housing units are subtracted from overall demand for each product type. Finally, it is important to note that the senior housing demand is only for those age-income qualified senior households within the respective submarket and excludes demand from outside the respective Market Area. Typically, most senior projects draw about 25% of residents from outside the trade area. This demand will usually consist primarily of parents of adult children living in the Market Area, individuals who live just outside of the Market Area and have an orientation to the area, as well as former residents who desire to return. This percentage is even higher in Rochester which has an expansive draw area because of the Mayo Clinic and proximity to other medical services.

HOUSING DEMAND ANALYSIS

TABLE DMD-3 DEMAND FOR MARKET RATE ACTIVE ADULT RENTAL HOUSING OLMSTED COUNTY MARKET AREA 2020 to 2030							
	Byron	East	North	Rochester	Rochester Fringe	Stewartville	Olmsted County MA
2020							
Households age 55-64	682	1,045	791	9,057	1,094	582	13,251
(times) % income qualified ¹	90.5%	82.4%	86.9%	82.9%	93.2%	79.7%	--
(times) HO factor \$30k-\$40k	1.9%	2.3%	2.1%	2.6%	1.5%	4.0%	--
(plus) Homeowners w/incomes \$30k-40k ²	13	24	16	239	16	23	332
(times) potential capture rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	--
(equals) demand potential	9	13	11	116	16	7	172
Households age 65-74	425	727	616	6,373	673	423	9,237
(times) % income qualified ¹	84.6%	74.7%	75.9%	74.3%	87.1%	66.2%	--
(times) HO factor \$30k-\$40k	3.3%	4.6%	4.6%	4.6%	4.0%	8.1%	--
(plus) Homeowners w/incomes \$30k-40k ²	14	34	28	292	27	34	429
(times) potential capture rate	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	--
(equals) demand potential	32	49	42	427	52	27	629
Households age 75+	277	643	353	5,599	369	387	7,628
(times) % income qualified ¹	59.7%	37.9%	47.1%	51.3%	66.9%	42.3%	--
(times) HO factor \$30k-\$40k	7.8%	11.4%	9.7%	6.5%	7.2%	10.1%	--
(plus) Homeowners w/incomes \$30k-40k ²	22	74	34	365	27	39	560
(times) potential capture rate	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	--
(equals) demand potential	28	48	30	486	41	30	663
(Equals) Demand potential from Submarket	69	110	83	1,029	109	64	1,464
(plus) Demand from Outside Submarket)	20%	10%	10%	35%	0%	10%	
(Equals) total Demand Potential	87	122	92	1,583	109	72	2,064
Percent Owner-Occupied	40%	25%	25%	45%	100%	30%	
Number	35	31	23	712	109	21	931
(minus) Existing and Pending Units ³	0	0	0	262	0	0	262
(equals) Total Owner-Occupied Demand	35	31	23	450	109	21	669
Percent Renter-Occupied	60%	75%	75%	55%	0%	70%	
Number	52	92	69	871	0	50	1,133
(minus) Existing and Pending Units ³	0	0	0	0	0	11	11
(equals) Total Renter-Occupied Demand	52	92	69	871	0	39	1,122
CONTINUED							

HOUSING DEMAND ANALYSIS

TABLE DMD-3 CONT. DEMAND FOR MARKET RATE ACTIVE ADULT RENTAL HOUSING OLMSTED COUNTY MARKET AREA 2020 to 2030							
	Byron	East	North	Rochester	Rochester Fringe	Stewartville	Olmsted County MA
2030							
Households age 55-64	749	1,011	768	9,370	1,068	597	13,564
(times) % income qualified ¹	93.6%	85.8%	91.0%	84.5%	94.6%	79.7%	--
(times) HO factor \$35k-\$45k	1.6%	2.4%	1.3%	3.0%	1.8%	5.1%	--
(plus) Homeowners w/incomes \$35k-45k ²	12	24	10	277	19	31	373
(times) potential capture rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	--
(equals) demand potential	11	13	11	123	15	8	181
Households age 65-74	561	880	802	8,344	915	507	12,009
(times) % income qualified ¹	87.8%	78.5%	81.5%	76.0%	88.9%	66.2%	--
(times) HO factor \$35k-\$45k	2.5%	4.3%	3.3%	4.7%	4.3%	8.0%	--
(plus) Homeowners w/incomes \$35k-45k ²	14	38	26	393	39	41	552
(times) potential capture rate	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	--
(equals) demand potential	43	62	58	572	72	32	840
Households age 75+	396	760	483	7,307	549	464	9,958
(times) % income qualified ¹	61.9%	40.1%	51.8%	54.0%	70.8%	42.3%	--
(times) HO factor \$35k-\$45k	7.9%	8.4%	8.1%	5.6%	6.8%	8.2%	--
(plus) Homeowners w/incomes \$35k-45k ²	31	64	39	411	37	38	620
(times) potential capture rate	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	--
(equals) demand potential	41	55	43	653	64	35	893
(Equals) Demand potential from Submarket	95	131	112	1,349	152	75	1,913
(plus) Demand from Outside Submarket)	20%	10%	10%	35%	0%	10%	
(Equals) total Demand Potential	119	145	124	2,075	152	83	2,698
Percent Owner-Occupied	40%	25%	25%	45%	100%	30%	
Number	48	36	31	934	152	25	1,225
(minus) Existing and Pending Units ³	0	0	0	367	0	0	367
(equals) Total Owner-Occupied Demand	48	36	31	567	152	25	859
Percent Renter-Occupied	60%	75%	75%	55%	0%	70%	
Number	71	109	93	1,141	0	58	1,473
(minus) Existing and Pending Units ³	0	0	0	0	0	11	11
(equals) Total Renter-Occupied Demand	71	109	93	1,141	0	47	1,462
¹ Based on households earning \$40,000+ in 2020. 2030 Calculations are based on households earnign \$45,000+ due to inflation.							
² Estimated homeowners with incomes between \$30,000 and \$39,999 in 2020. Incomes between \$35,000 and \$44,999 in 2030							
³ Existing and pending units are deducted at market equilibrium (95% occupancy).							
Source: Maxfield Research & Consulting, LLC							

HOUSING DEMAND ANALYSIS

TABLE DMD-4 DEMAND FOR SUBSIDIZED/AFFORDABLE ACTIVE ADULT SENIOR HOUSING OLMSTED COUNTY MARKET AREA 2020 to 2030							
	Byron	East	North	Rochester	Rochester Fringe	Stewartville	Olmsted County MA
2020							
Households age 55-64	682	1,045	791	9,057	1,094	582	13,251
(times) % income qualified ¹	9.5%	17.6%	13.1%	17.1%	6.8%	20.3%	
(times) potential capture rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Households age 65-74	425	727	616	6,373	673	423	9,237
(times) % income qualified ¹	15.4%	25.3%	24.1%	25.7%	12.9%	33.8%	
(times) potential capture rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
Households age 75+	277	643	353	5,599	369	387	7,628
(times) % income qualified ¹	40.2%	62.1%	52.9%	48.7%	33.1%	57.7%	
(times) potential capture rate	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	
(Equals) Demand potential from Submarket	30	102	54	740	35	61	1,022
(plus) Demand from Outside Submarket)	25%	15%	15%	40%	0%	15%	
(Equals) total Demand Potential	40	120	64	1,234	35	72	1,564
Percent Subsidized ²	33%	43%	44%	45%	37%	38%	
Number	13	52	28	549	13	27	682
(minus) Existing and Pending Units ³	15	46	22	697	0	33	813
(equals) Total Subsidized Demand	0	6	6	0	13	0	25
Percent Affordable ²	67%	57%	56%	56%	63%	62%	
Number	27	68	36	685	22	45	882
(minus) Existing and Pending Units ³	0	0	0	0	0	0	0
(equals) Total Affordable Demand	27	68	36	685	22	45	882

CONTINUED

HOUSING DEMAND ANALYSIS

TABLE DMD-4 CONT. DEMAND FOR SUBSIDIZED/AFFORDABLE ACTIVE ADULT SENIOR HOUSING OLMSTED COUNTY MARKET AREA 2020 to 2030							
	Byron	East	North	Rochester	Rochester Fringe	Stewartville	Olmsted County MA
2030							
Households age 55-64	749	1,011	768	9,370	1,068	597	13,564
(times) % income qualified ¹	6.4%	14.2%	9.0%	15.5%	5.4%	17.7%	
(times) potential capture rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Households age 65-74	561	880	802	8,344	915	507	12,009
(times) % income qualified ¹	12.2%	21.5%	18.5%	24.0%	11.1%	30.3%	
(times) potential capture rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
Households age 75+	396	760	483	7,307	549	464	9,958
(times) % income qualified ¹	38.1%	59.9%	48.2%	46.0%	29.2%	55.8%	
(times) potential capture rate	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	
(Equals) Demand potential from Submarket	38	113	63	901	43	69	1,228
(plus) Demand from Outside Submarket)	25%	15%	15%	40%	0%	15%	
(Equals) total Demand Potential	51	133	74	1,502	43	81	1,885
Percent Subsidized ²	33%	43%	44%	45%	37%	38%	
Number	17	57	32	669	16	31	822
(minus) Existing and Pending Units ³	15	46	22	697	0	33	813
(equals) Total Subsidized Demand	2	11	11	0	16	0	39
Percent Affordable ²	67%	57%	56%	56%	63%	62%	
Number	34	76	41	834	27	51	1,063
(minus) Existing and Pending Units ³	0	0	0	0	0	0	0
(equals) Total Affordable Demand	34	76	41	834	27	51	1,063
¹ Based on households earning \$40,000 and under in 2020. Households earning \$45,000 and under in 2030. ² Based on household income by age. ³ Existing and pending units are deducted at market equilibrium (95% occupancy).							
Source: Maxfield Research & Consulting, LLC							

HOUSING DEMAND ANALYSIS

<p align="center">TABLE DMD-5 DEMAND FOR CONGREGATE RENTAL HOUSING OLMSTED COUNTY MARKET AREA 2020 to 2030</p>							
	Byron	East	North	Rochester	Rochester Fringe	Stewartville	Olmsted County MA
2020							
Households age 65-74	682	727	616	6,373	673	423	9,494
(times) % income qualified ¹	84.6%	74.7%	75.9%	74.3%	87.1%	66.2%	--
(times) HO factor \$30k-\$40k	2.1%	4.6%	4.6%	4.6%	4.0%	8.1%	--
(plus) Homeowners w/incomes \$30k-40k ²	14	34	28	292	27	34	429
(times) potential capture rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	--
(equals) demand potential	9	9	7	75	9	5	114
Households age 75+	277	643	353	5,599	369	387	7,628
(times) % income qualified ¹	59.7%	37.9%	47.1%	51.3%	66.9%	42.3%	--
(times) HO factor \$30k-\$40k	7.8%	11.4%	9.7%	6.5%	7.2%	10.1%	--
(plus) Homeowners w/incomes \$30k-40k ²	22	74	34	365	27	39	560
(times) potential capture rate	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	--
(equals) demand potential	25	43	27	437	37	27	596
(Equals) Demand potential from Submarket	34	51	34	512	46	32	711
(plus) Demand from Outside Submarket)	20%	10%	10%	35%	0%	10%	--
(Equals) total Demand Potential	43	57	38	788	46	36	1,008
(minus) Existing and Pending Units ³	19	0	11	389	0	28	447
(Equals) Total Congregate Demand	24	57	27	400	46	0	554

CONTINUED

HOUSING DEMAND ANALYSIS

TABLE DMD-5 CONT. DEMAND FOR CONGREGATE RENTAL HOUSING OLMSTED COUNTY MARKET AREA 2020 to 2030							
	Byron	East	North	Rochester	Rochester Fringe	Stewartville	Olmsted County MA
2030							
Households age 65-74	561	880	802	8,344	915	507	12,009
(times) % income qualified ¹	87.8%	78.5%	81.5%	76.0%	88.9%	62.2%	--
(times) HO factor \$35k-\$45k	2.5%	4.3%	3.3%	4.7%	4.3%	8.0%	--
(plus) Homeowners w/incomes \$35k-45k ²	14	38	26	393	39	41	552
(times) potential capture rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	--
(equals) demand potential	8	11	10	101	13	5	148
Households age 75+	396	760	483	7,307	549	464	9,958
(times) % income qualified ¹	61.9%	40.1%	51.8%	54.0%	70.8%	42.3%	--
(times) HO factor \$35k-\$45k	7.9%	8.4%	8.1%	5.6%	6.8%	8.2%	--
(plus) Homeowners w/incomes \$35k-45k ²	31	64	39	411	37	38	620
(times) potential capture rate	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	--
(equals) demand potential	37	50	39	588	58	32	803
(Equals) Demand potential from Submarket	45	61	49	689	70	37	951
(plus) Demand from Outside Submarket)	20%	10%	10%	35%	0%	10%	--
(Equals) total Demand Potential	56	67	55	1,060	70	41	1,350
(minus) Existing and Pending Units ³	19	0	11	389	0	28	447
(Equals) Total Congregate Demand	37	67	43	672	70	0	890
¹ Based on households earning \$40,000+ in 2020. 2030 Calculations are based on households earnign \$45,000+ due to inflation. ² Estimated homeowners with incomes between \$30,000 and \$39,999 in 2020. Incomes between \$35,000 and \$44,999 in 2030 ³ Existing and pending units are deducted at market equilibrium (95% occupancy). Excludes units that are located in a CCRC.							
Source: Maxfield Research & Research, LLC							

HOUSING DEMAND ANALYSIS

TABLE DMD-6 DEMAND FOR ASSISTED LIVING RENTAL HOUSING OLMSTED COUNTY MARKET AREA 2020 to 2030							
	Byron	East	North	Rochester	Rochester Fringe	Stewartville	Olmsted County MA
2020							
People age 75-79	223	376	286	3,201	309	227	4,622
(times) % needing assistance ¹	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%	--
People age 80-84	111	255	148	2,416	170	170	3,271
(times) % needing assistance ¹	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%	--
People age 85+	75	319	165	2,975	125	182	3,841
(times) % needing assistance ¹	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%	--
(Equals) Number needing assistance	133	346	208	3,163	200	209	4,259
(times) Percent Income-Qualified ²	60.7%	49.1%	55.2%	58.1%	64.7%	67.7%	--
(equals) Total Potential Market	81	170	115	1,838	130	141	2,475
(times) Percent Living Alone	41.3%	55.5%	47.7%	49.4%	28.0%	56.1%	--
(equals) Age-Income-Qualified singles needing assistance	33	94	55	908	36	79	1,206
(plus) Proportion of demand from couples (12%) ³	5	13	7	124	5	11	164
(equals) Total Age-Income Qualified market needing assistance	38	107	62	1,032	41	90	1,371
(times) Potential penetration rate ⁴	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	--
(Equals) Demand potential from Submarket	11	32	19	310	12	27	411
(plus) Demand from Submarket	20%	10%	10%	35%	0%	10%	--
(Equals) total Demand Potential	14	36	21	476	12	30	589
(minus) Existing and Pending Units ⁵	13	60	9	284	0	0	366
(Equals) Total Assisted Living Demand	1	0	11	192	12	30	247

CONTINUED

HOUSING DEMAND ANALYSIS

TABLE DMD-6 CONT. DEMAND FOR ASSISTED LIVING RENTAL HOUSING OLMSTED COUNTY MARKET AREA 2020 to 2030							
	Byron	East	North	Rochester	Rochester Fringe	Stewartville	Olmsted County MA
2030							
People age 75-79	263	481	393	4,827	482	286	6,732
(times) % needing assistance ¹	25.5%	25.5%	25.5%	25.5%	25.5%	25.5%	--
People age 80-84	131	325	228	3,458	259	187	4,589
(times) % needing assistance ¹	33.6%	33.6%	33.6%	33.6%	33.6%	33.6%	--
People age 85+	111	330	185	3,782	177	206	4,789
(times) % needing assistance ¹	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%	--
(Equals) Number needing assistance	168	402	272	4,344	301	242	5,730
(times) Percent Income-Qualified ²	64.1%	52.1%	59.6%	60.4%	64.7%	69.9%	--
(equals) Total Potential Market	108	209	162	2,625	195	169	3,469
(times) Percent Living Alone	41.3%	55.0%	46.8%	49.4%	28.0%	56.1%	--
(equals) Age-Income-Qualified singles needing assistance	45	115	76	1,298	55	95	1,683
(plus) Proportion of demand from couples (12%) ³	6	16	10	177	7	13	229
(equals) Total Age-Income Qualified market needing assistance	51	131	86	1,475	62	108	1,912
(times) Potential penetration rate ⁴	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	--
(Equals) Demand potential from Submarket	20	52	34	590	25	43	765
(plus) Demand from Submarket	20%	10%	10%	35%	0%	10%	--
(Equals) total Demand Potential	25	58	38	908	25	48	1,102
(minus) Existing and Pending Units ⁵	13	60	9	284	0	0	366
(Equals) Total Assisted Living Demand	12	0	29	624	25	48	738
¹ The percentage of seniors unable to perform or having difficulty with ADLs, based on the publication Health, United States, 1999 Health and Aging Chartbook, conducted by the Centers for Disease Control and Prevention and the National Center for Health Statistics. ² Includes households with incomes of \$50,000 or more (who could afford monthly rents of \$3,000+ per month) plus 40% of the estimated owner households with incomes below \$50,000 (who will spend down assets, including home-equity, in order to live in assisted living housing). ³ The 2009 Overview of Assisted Living (a collaborative project of AAHSA, ASHA, ALFA, NCAL & NIC) found that 12% of assisted living residents are couples. ⁴ We estimate that 70% of the qualified market needing assistance with ADLs could either remain in their homes or reside at less advanced senior housing with the assistance of a family member or home health care, or would need greater care provided in a skilled care facility. ⁵ Existing and pending units at 93% occupancy. We exclude 15% of units to be Elderly Waiver. Excludes units that are located in a CCRC.							
Source: Maxfield Research & Consulting, LLC							

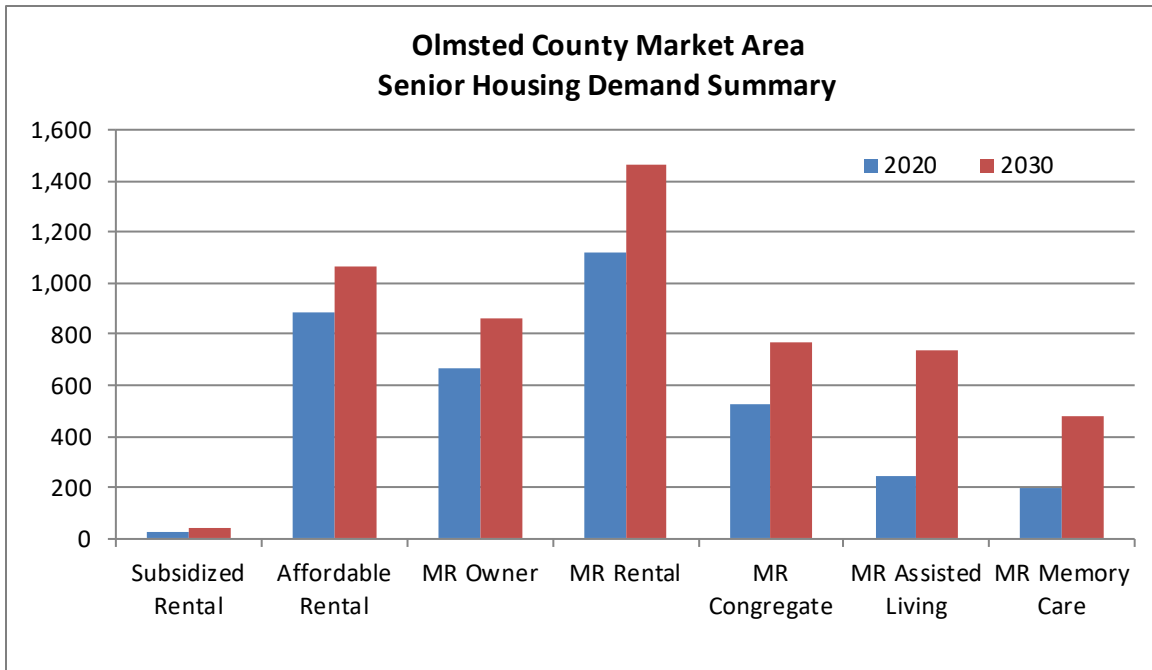
HOUSING DEMAND ANALYSIS

TABLE DMD-7 DEMAND FOR MEMORY CARE RENTAL HOUSING OLMSTED COUNTY MARKET AREA 2020 to 2030							
	Byron	East	North	Rochester	Rochester Fringe	Stewartville	Olmsted County MA
2020							
People age 65-74	725	1,246	1,020	10,790	1,213	698	15,692
(times) Dementia incident rate ¹	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	--
People age 75-84	333	634	430	5,838	476	397	8,108
(times) Dementia incident rate ¹	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	--
People age 85+	75	319	165	2,975	125	182	3,841
(times) Dementia incident rate ¹	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	--
(Equals) Total senior population with dementia	102	247	157	2,268	157	147	3,078
(times) Percent Income-Qualified ²	50.2%	42.2%	47.8%	45.5%	54.6%	40.1%	--
(times) Potential penetration rate	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	--
(Equals) Demand potential from Submarket	10	21	15	206	17	12	281
(plus) Demand from Submarket	20%	10%	10%	35%	0%	10%	--
(Equals) total Demand Potential	13	23	17	317	17	13	400
(minus) Existing and Pending Units ³	11	5	0	184	0	0	200
(Equals) Total Memory Care Demand	2	18	17	133	17	13	200

CONTINUED

HOUSING DEMAND ANALYSIS

TABLE DMD-7 CONT. DEMAND FOR MEMORY CARE RENTAL HOUSING OLMSTED COUNTY MARKET AREA 2020 to 2030							
	Byron	East	North	Rochester	Rochester Fringe	Stewartville	Olmsted County MA
2030							
People age 65-74	951	1,513	1,340	14,297	1,660	838	20,599
(times) Dementia incident rate ¹	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	--
People age 75-84	475	802	617	7,966	743	477	11,079
(times) Dementia incident rate ¹	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	--
People age 85+	111	330	185	3,782	171	206	4,784
(times) Dementia incident rate ¹	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	--
(Equals) Total senior population with dementia	145	287	204	2,993	231	172	4,032
(times) Percent Income-Qualified ²	51.7%	44.3%	50.8%	46.6%	56.1%	43.1%	--
(times) Potential penetration rate	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	--
(Equals) Demand potential from Submarket	19	32	26	349	32	19	476
(plus) Demand from Submarket	20%	10%	10%	35%	0%	10%	--
(Equals) total Demand Potential	23	35	29	537	32	21	677
(minus) Existing and Pending Units ³	11	5	0	184	0	0	200
(Equals) Total Memory Care Demand	12	30	29	353	32	21	477
¹ Alzheimer's Association: Alzheimer's Disease Facts & Figures (2007)							
² Includes seniors with income at \$60,000 or above plus 25% of homeowners with incomes below this threshold (who will spend dow assets, including home-equity, in order to live							
³ Existing and pending units at 93% occupancy. We exclude an estiamted 15% of the units to be Elderly Waiver. Exlcudes units that are part of a CCRC.							
Source: Maxfield Research & Consulting, LLC							



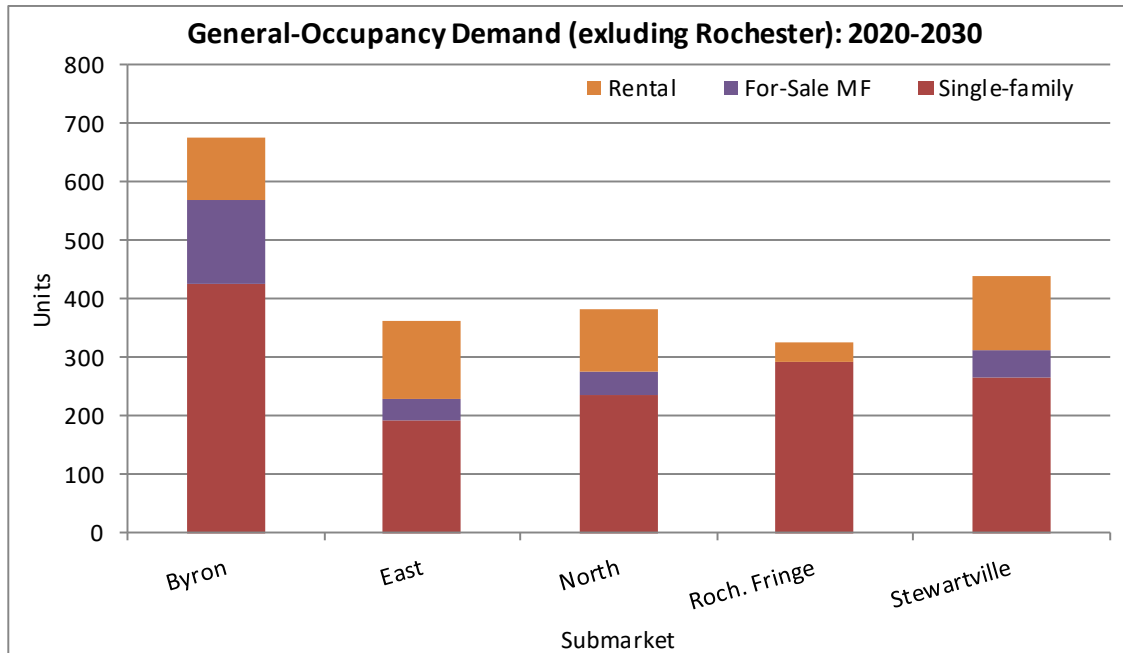
Olmsted County Market Area Demand Summary

The housing demand calculations in Tables DMD-1 through DMD-7 indicate that between 2020 and 2030, nearly 7,700 for-sale housing units, over 5,000 rental units, and over 5,400 senior units will be needed in the Olmsted County Market Area to satisfy the housing demand for current and future residents. Summary demand tables for general occupancy and senior housing are broken down by submarket in Tables DMD-8 and DMD-9.

Submarket	2020 to 2030										
	Single-Family				For-Sale Multifamily			Rental			
	Modest	Move-up	Executive	Total	Modest	Move-up	Total	Market Rate	Affordable	Subsidized	Total
Byron	149	171	107	427	64	78	142	75	27	5	107
East	87	78	29	194	21	14	35	67	34	34	135
North	82	106	47	235	21	21	42	59	26	22	107
Rochester	1,264	1,896	1,053	4,213	632	1,173	1,805	2,715	1,131	679	4,525
Rochester Fringe	0	147	147	294	0	0	0	23	7	3	33
Stewartville	106	106	53	265	28	19	47	60	49	19	128
OLMSTED COUNTY MA	1,688	2,504	1,436	5,628	766	1,305	2,071	2,999	1,274	762	5,035

Sources: Maxfield Research & Consulting, LLC

We recommend maintaining a single-family lot supply of at least three years to provide adequate consumer choice but not prolonged developer carrying costs. With an average of about 435 new single-family homes built annually between 2011 and 2019, this equates to a lot supply of 4,350 lots. According to Table FS-14, there are about 1,520 vacant single-family lots in Olmsted County as of the second quarter 2020 which equates to a three and one-half year lot supply.



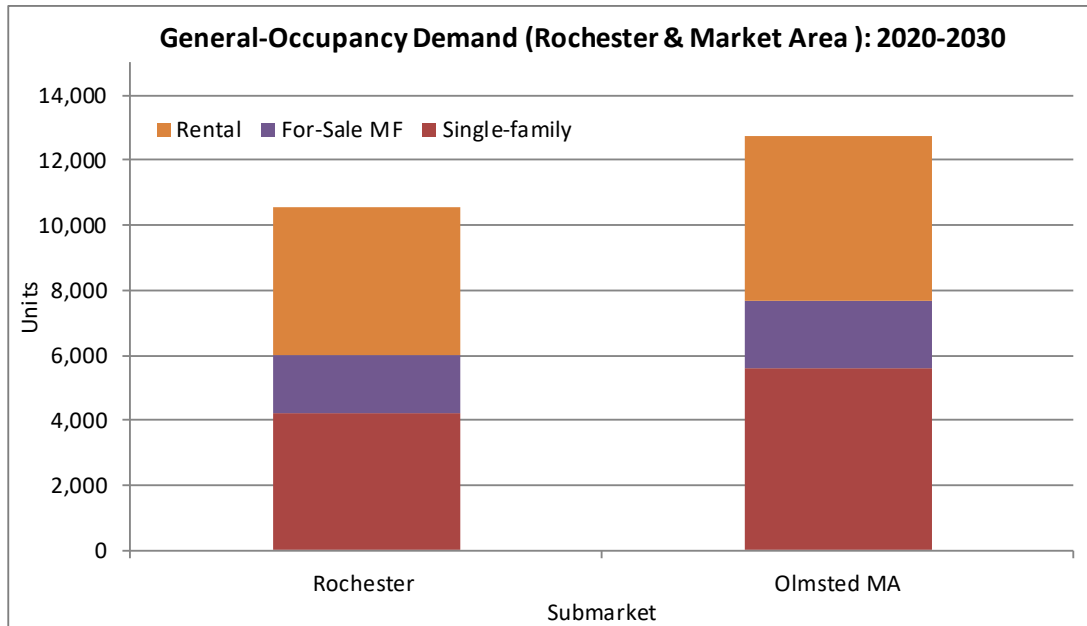
Since Maxfield Research’s previous completed study in 2013, the rental market has added nearly 3,300 market rate rental units and nearly 1,000 affordable rental units. Overall, the rental market has been strong over the past few years but the market is showing signs of softening with the absorption of the number of new units being added.

Excluding the the new market rate product, the vacancy rate for market rate rental as of the second Quarter 2020 was 5.1% indicating a stable market. A market equilibrium of 5.0% is recommended to allow for a healthy market and adequate turnover. If we to include newly opened developments the vacancy jumps to 10.9% and roughly 510 units would nbeed to be absorbed to reach the 5.0% stalabalization mark.

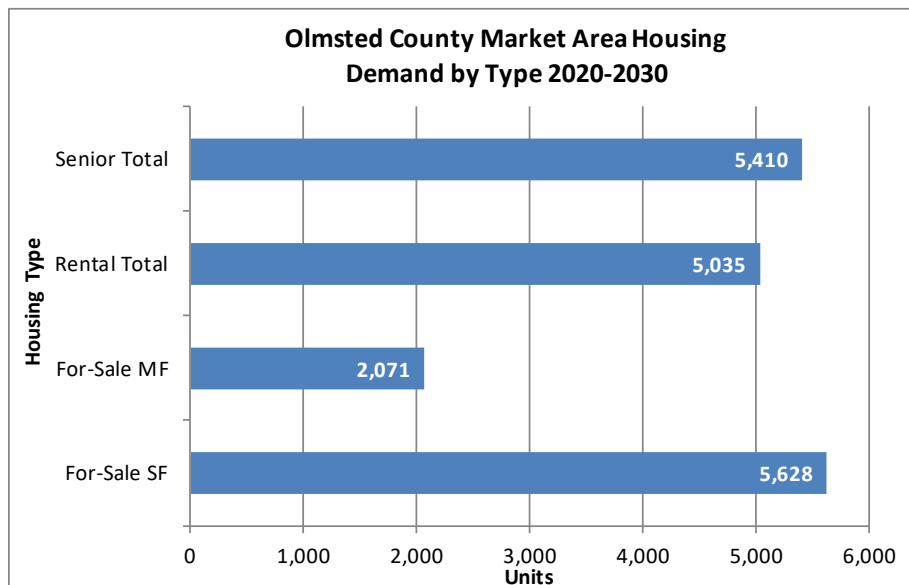
The rental market for affordable product had a vacancy rate of nearly 6.2% in second quarter 2020. Excluding the four new affordable rental development in initial lease up phase decreases the rate to 2.8%. Typically, affordable/subsidized rental properties should be able to maintain vacancy rates of 3% or less in most housing markets. A vacancy rate of 2.8% in the market indicates a currently stable market for affordable units in the area. Accounting for the available units at new affordable developments in the initial lease up phase, 53 units need to be absorbed to bring the vacancy rate to market equilibrium.

Subsidized housing typically has stronger occupancy rates historically due to lack of product and nearly non-existent new development serving this market. The Olmsted County Market Area had a vacancy rate of only 1.2% at the time of the survey with two-thirds of the available units occurring in permanent support service based (i.e. homelessness, chronic inebriates, and disabled) subsidized housing.

HOUSING DEMAND ANALYSIS



Vacancy rates for senior housing vary by submarket, but overall Olmsted County Market Area senior housing projects are performing well with a vacancy rate of only 1.5% for independent living and 4.2% for service based (assisted living/memory care) housing. As such, additional senior development will be needed to meet the projected growth in the senior population over this decade. In the short-term, there is only senior project planned that will absorb some active adult ownership demand (see Table P-1).



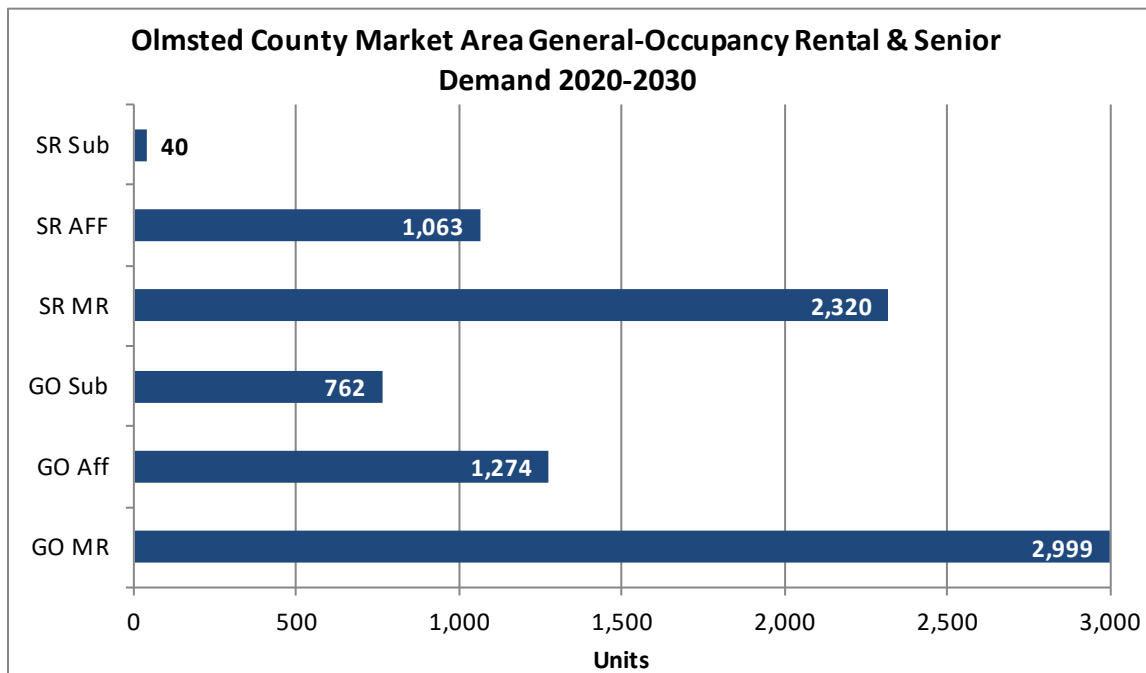
HOUSING DEMAND ANALYSIS

TABLE DMD-9 SENIOR HOUSING EXCESS DEMAND SUMMARY OLMSTED COUNTY MARKET AREA 2020 to 2030									
2020									
	ACTIVE ADULT					SERVICE-ENHANCED**			
	Subsidized Rental	Affordable Rental	MR Owner	MR Rental	Total	MR Congregate	MR Assisted Living	MR Memory Care	Total
Byron	0	27	35	52	114	24	1	2	27
East	6	68	31	92	197	32	0	18	50
North	6	36	23	69	134	27	11	17	55
Rochester	0	685	450	871	2,006	400	192	133	725
Rochester Fringe	13	22	109	0	144	46	12	17	75
Stewartville	0	45	21	39	105	0	30	13	43
OLMSTED COUNTY MA	25	883	669	1,123	2,700	529	246	200	975
2030									
	ACTIVE ADULT					SERVICE-ENHANCED**			
	Subsidized Rental	Affordable Rental	MR Owner	MR Rental	Total	MR Congregate	MR Assisted Living	MR Memory Care	Total
Byron	2	34	48	71	155	19	12	12	43
East	11	76	36	109	232	0	0	30	30
North	11	41	31	93	176	11	29	29	69
Rochester	0	834	567	1,141	2,542	672	624	353	1,649
Rochester Fringe	16	27	152	0	195	70	25	32	127
Stewartville	0	51	25	47	123	0	48	21	69
OLMSTED COUNTY MA	40	1,063	859	1,461	3,423	772	738	477	1,987

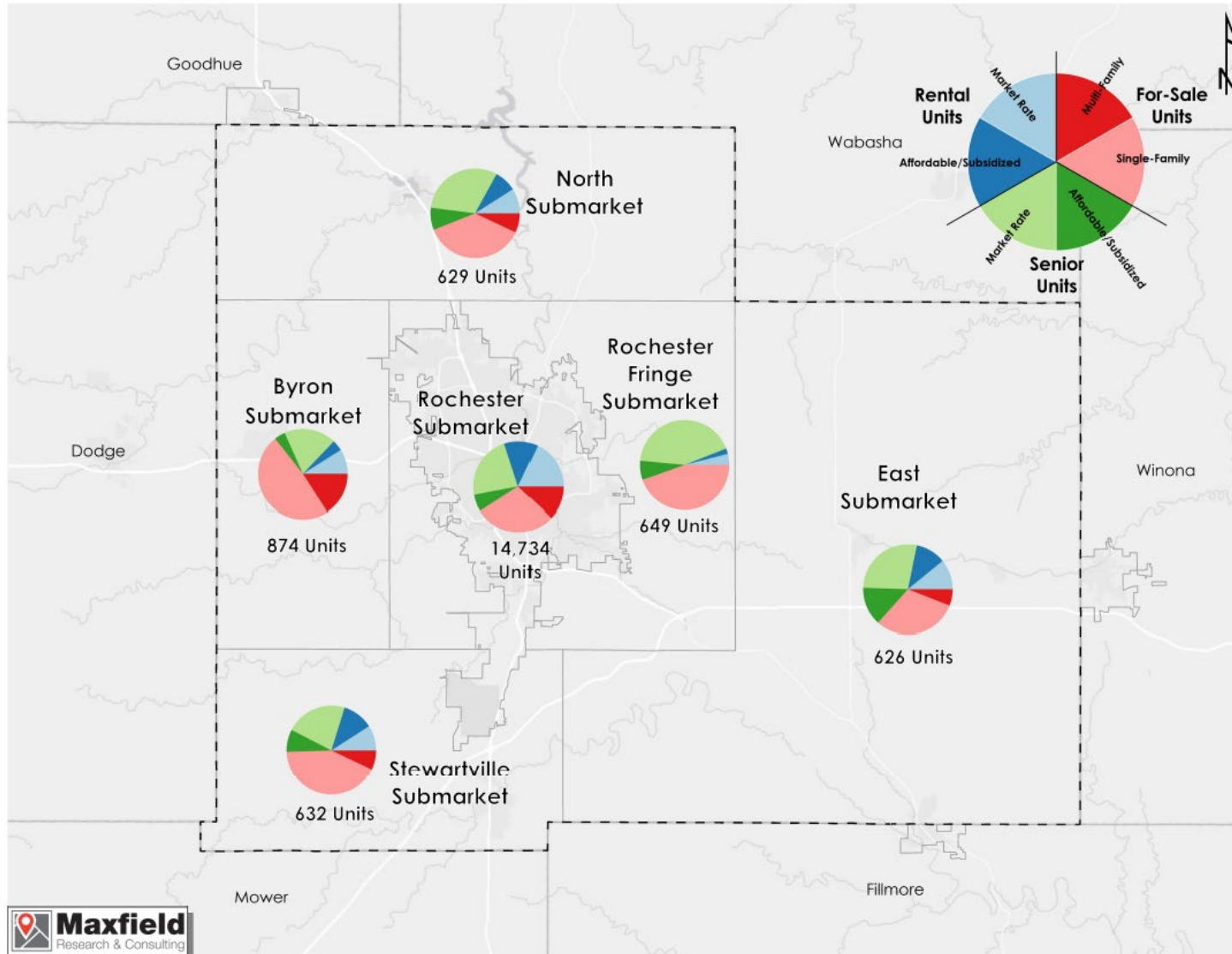
** Service-enhanced demand is calculated for private pay seniors only; additional demand could be captured if Elderly Waiver and other sources of non-private payment sources are permitted.

Please note: Demand for each benchmark year is a "point in time demand" and not a cumulative demand for each year.

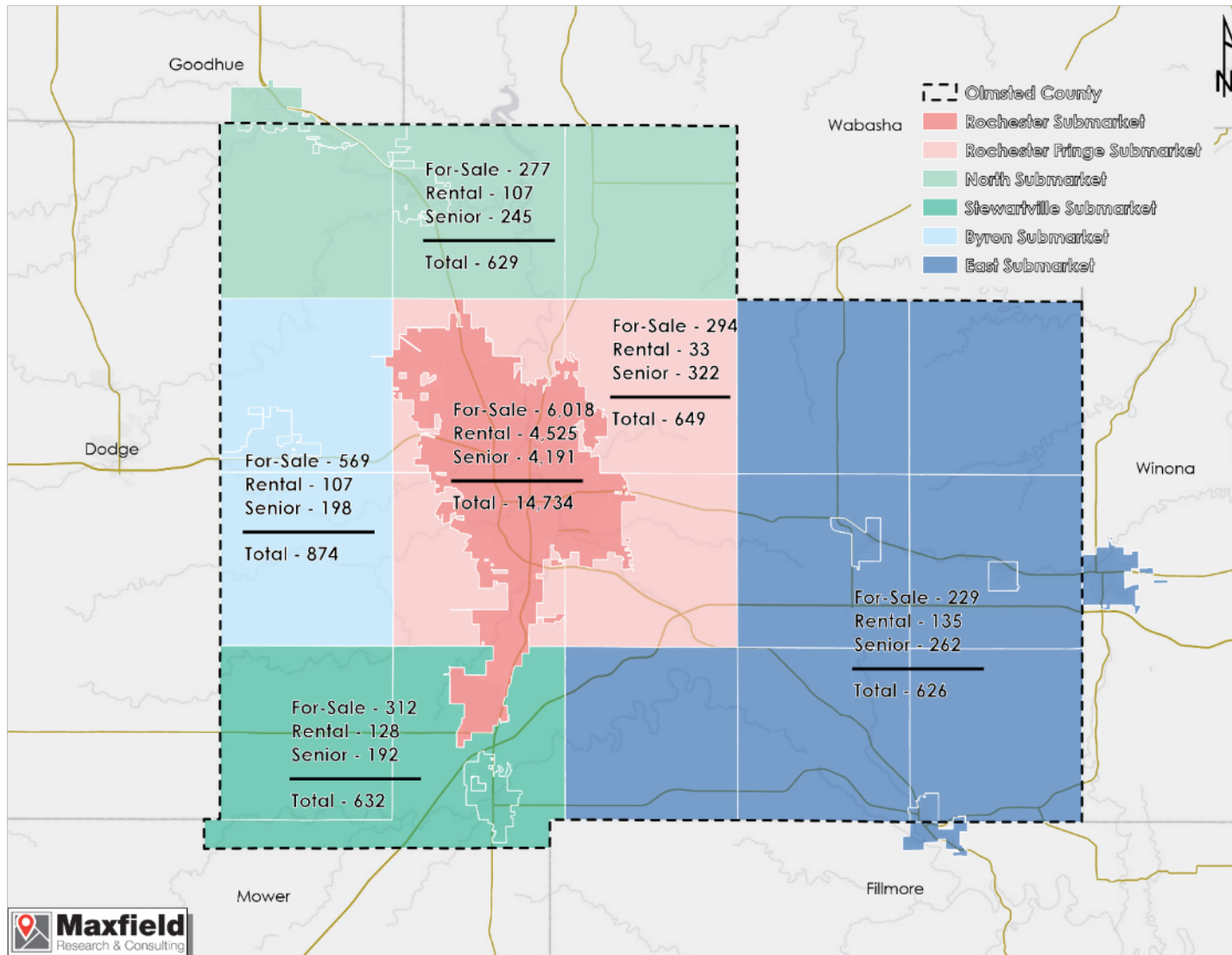
Sources: Maxfield Research & Consulting, LLC



Olmsted County Market Area Demand Summary



Olmsted County Market Area Demand Units By Type

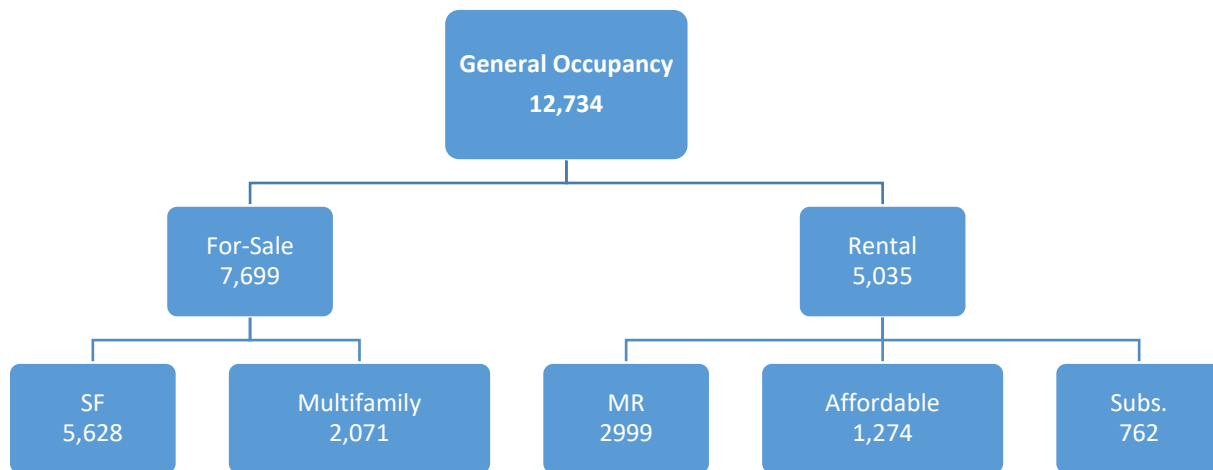


Introduction

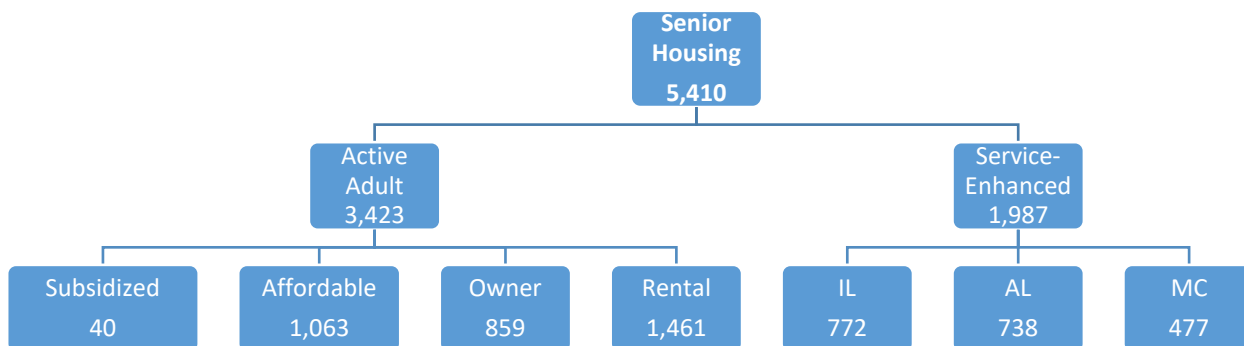
Based on the finding of our analysis and demand calculations, Tables DMD-8 and DMD-9 provides a summary of housing demand county and submarket through 2030. Demand exists in the Olmsted County Analysis Area for a variety of product types. The following section summarizes housing concepts and housing types that will be demanded from various target markets. It is important to note that not all housing types will be supportable in all communities and that the demand illustrated in Tables DMD-8 and DMD-9 may not directly coincide with housing development due to a variety of factors (i.e. economies of scale, infrastructure capacity, land availability, crossover demand in adjacent submarket, etc.).

Based on the findings of our analysis and demand calculations, Table CR-1 provides a summary of the recommended development concepts by product type for Olmsted County. It is important to note that these proposed concepts are intended to act as a development guide to most effectively meet the housing needs of existing and future households in Olmsted County. The recommended development types do not directly coincide with total demand as illustrated in Tables DMD-8 and DMD-9.

Olmsted County Projected General Occupancy Demand, 2020 – 2030



Olmsted County Projected Senior Demand, 2020 – 2030



Recommended Housing Product Types

Owner Occupied

Single-Family Housing

Table DMD-1 identified demand for over 5,600 single-family housing units in Olmsted County through 2030. Table FS-14 summarized the vacant lot supply and indicated there are not enough vacant developed lots to meet this future long-term demand.

The lot supply benchmark for growing communities is a three- to five-year lot supply, which ensures adequate consumer choice without excessively prolonging developer-carrying costs. Given the number of existing platted lots in Olmsted County and the number of homes constructed annually, the current lot supply should be adequate in the next few years for all communities. However, the longer-term lot supply will not meet the expected demand for several communities over the next three years (Rochester, Byron Submarket, East Submarket and the Stewartville Submarket). Therefore, new platted lots will be needed to accommodate demand in the short-term to accommodate this demand. New lot delivery should be a high priority given the length of time to bring a new platted subdivision to a finished lot for new construction. Although there are scattered, infill lots in all of the Olmsted County Submarkets, many of these lots are undesirable to today's buyers (i.e. larger lot sizes, locations preferences, etc.)

Because most builders have been unable to deliver new construction homes for less than \$300,00 in most areas of the county; new construction typically caters to move-up or executive buyers. As a result, the existing housing stock is often the target housing type for entry-level or first-time home buyers. Entry-level homes, which we generally classify as homes priced under \$250,000 (pending submarket) will be mainly satisfied by existing single-family homes as residents of existing homes move into newer housing products built in Olmsted County communities, such as move-up single-family homes, twin homes, rental housing and senior housing.

Distressed lots left over from the Great Recession have been absorbed, hence newly platted lots are priced significantly higher to account for today's higher development costs (i.e. raw land, infrastructure costs, fees, regulations, etc.). Because the finished lot costs are expected to rise, the overall price of the home will likely increase to compensate for higher land expenses. Builders and developers will continue to shrink lot sizes to combat rising land development costs.

For-Sale Multifamily Housing

A growing number of households' desire alternative housing types such as townhouses, detached townhomes, twin homes, villas, and condominiums. Typically, the target market for for-sale multifamily housing is empty-nesters and retirees seeking to downsize from their single-family homes. In addition, professionals, particularly singles and couples without children, also will seek townhomes if they prefer not to have the maintenance responsibilities of a single-family home. In some housing markets, younger households also find purchasing multifamily units to be generally more affordable than purchasing new single-family homes.

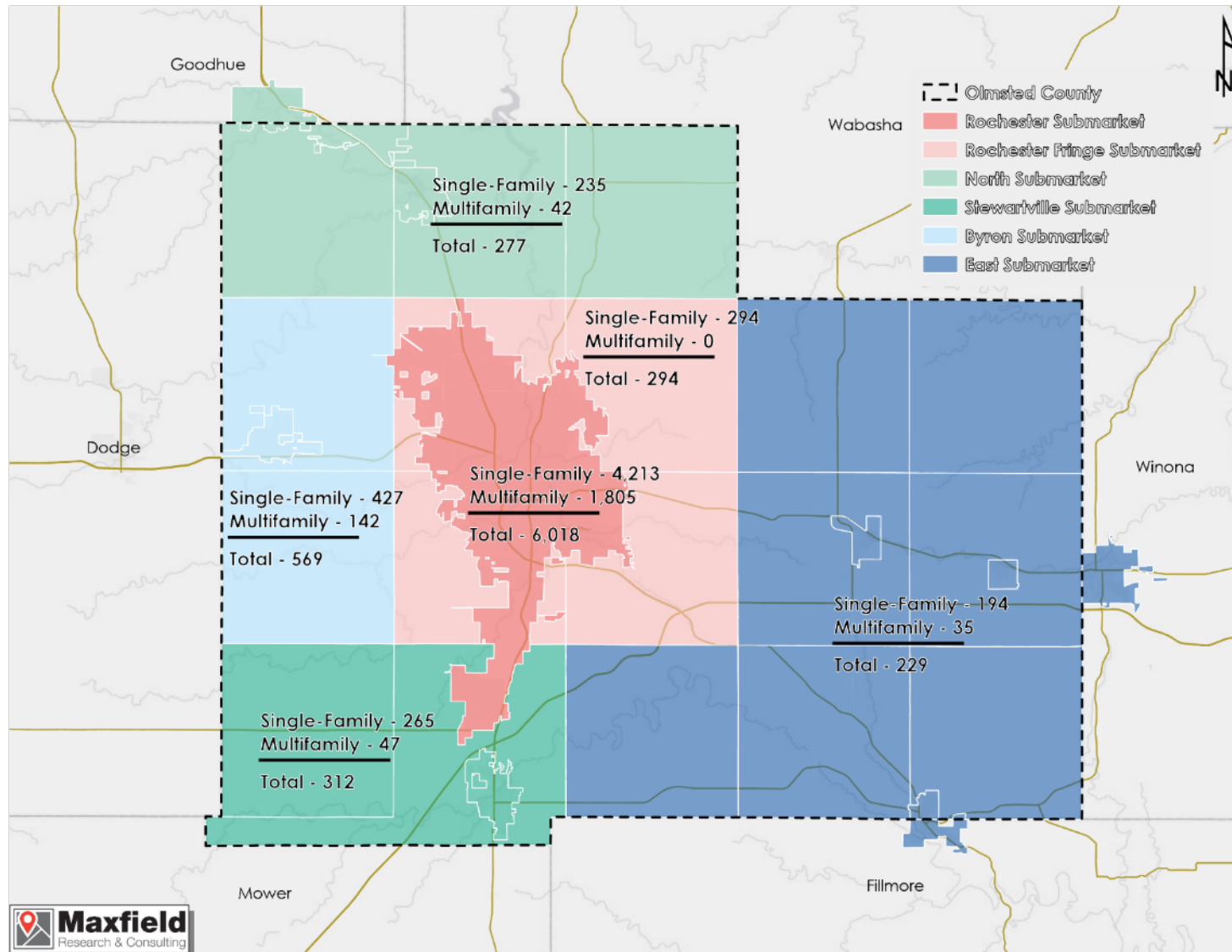
Our review of the Olmsted County for-sale housing stock found few maintenance-free products as historically buyers have preferred the single-family house. Over the past fifteen years multifamily products have averaged about 15% of all real estate transactions in the county. However, given the aging of the population and the high growth rate in the 65+ population as well as demand from other demographic cohorts, Olmsted County would benefit from a more diversified housing stock.

Several Realtors also commented on high-demand for one-level living product as buyers are purchasing new construction faster than builders are producing new stock. Based on the changing demographics, demand was calculated for over 2,000 new multifamily for-sale units in the Olmsted County Market Area through 2030. These association-maintained units could be developed as twin homes, detached townhomes, cottages, villas, townhomes/row homes, or any combination. Because one of the main target markets is empty-nesters and young seniors, the majority of townhomes should be one-level, or at least have a master suite on the main level if a unit is two-stories. The following provides greater detail into townhome and twin home style housing.

- *Twin Homes*– By definition, a twin home is basically two units with a shared wall with each owner owning half of the lot the home is on. Some one-level living units are designed in three-, four-, or even six-unit buildings in a variety of configurations. The swell of support for twin home and one-level living units is generated by the aging baby boomer generation, which is increasing the numbers of older adults and seniors who desire low-maintenance housing alternatives to their single-family homes but are not ready to move to service-enhanced rental housing (i.e. downsizing or right sizing).

Traditionally most twin home developments have been designed with the garage being the prominent feature of the home; however, today's newer twin homes have much more architectural detail. Many higher-end twin home developments feature designs where one garage faces the street and the other to the side yard. This design helps reduce the prominence of the garage domination with two separate entrances. Housing products designed to meet the needs of these aging Olmsted County residents, many of whom desire to stay in their current community if housing is available to meet their needs, will be needed into the foreseeable future.

Olmsted County Analysis Area – For-Sale Demand, 2020 - 2030



RECOMMENDATIONS AND CONCLUSIONS

Because the demand for 2,000 units is spread across Olmsted County, twin homes will be one of the preferred multifamily product types as units can be constructed as demand warrants in communities of all sizes. Because townhomes bring higher density and economies of scale to the construction process, the price point can be lower than stand-alone single-family housing. We recommend a broad range of pricing for twin homes; however, pricing should start at around \$300,000.

Many older adults and seniors will move to this housing product with substantial equity in their existing single-family home and will be willing to purchase a maintenance-free home that is priced similar to their existing single-family home. The twin homes should be association-maintained with 40'- to 50'-wide lots on average.

- *Detached Townhomes/Villas* – An alternative to the twin home is the one-level villa product and/or rambler. This product also appeals mainly to baby boomers and empty nesters seeking a product similar to a single-family living on a smaller scale while receiving the benefits of maintenance-free living. Many of these units are designed with a walk-out or look-out lower level if the topography warrants. We recommend lot widths ranging from 45 to 55 feet with main level living areas between 1,600 and 1,800 square feet. The main level living area usually features a master bedroom, great room, dining room or open dining area, kitchen, and laundry room while offering a “flex room” that could be another bedroom, office, media room, or exercise room. However, owners should also be able to purchase the home with the option to finish the lower level (i.e. additional bedrooms, game room, storage, den/study, workshop, etc.) and some owners may want a slab-on-grade product for affordability reasons. Finally, builders could also provide the option to build a two-story detached product that could be mixed with the villa product.

Pricing for a detached townhome/villa will vary based on a slab-on-grade home versus a home with a basement. Base pricing should start at \$265,000 and will fluctuate based on custom finishes, upgrades, etc. Demand for one-level villa product has been strong and will continue to grow with the growth of the growing 55+ market.

- *Side-by-Side and Back-to-Back Townhomes* – This housing product is designed with three or four or more separate living units in one building and can be built in a variety of configurations. With the relative affordability of these units and multi-level living, side-by-side and back-to-back townhomes have the greatest appeal among entry-level households without children, young families and singles and/or roommates across the age span. However, two-story townhomes would also be attractive to middle-market, move-up, and empty-nester buyers. Many of these buyers want to downsize from a single-family home into maintenance-free housing, many of which will have equity from the sale of their single-family home.

RECOMMENDATIONS AND CONCLUSIONS

Townhome construction was strong prior to the Great Recession last decade; however, several developments went into foreclosures and construction has not bounced back to pre-recessionary levels. After years of dormancy, the townhome market has been gradually making a comeback and there are several attached projects marketing across Olmsted County. Base pricing for entry-level side-by-side townhomes should begin around \$220,000. Townhomes will continue to see increased demand because builders are able to construct this product at a lower price than detached single-family housing.

- *Condominiums* – Condominium development has been slow across Minnesota and nationwide since the Great Recession. At first the condominium slowdown was a result of overbuilding and subprime lending leading up to the housing crash and ensuing recession. However, demand has returned while development has waned in part due to statutory laws. Due to the statutory home warranty changes initiated in 2010; builders and developers focused on less adverse real estate types due to regulatory effects. In addition to pre-sale requirements and owner-occupied minimums by lenders, condominium developers and contractors faced a wave of litigation over the past decade related to condo projects that were built prior to the recession, which deterred building.

However, in 2017 the Minnesota State Legislature revised the state law and requires homeowner's association to implement a preventative maintenance plan, go through mediation, and have the majority of the home owner's association members to vote on whether they will proceed with a construction defect lawsuit. As a result of the new modifications to the law, new condominium and townhome developments are more likely to move forward.

Although we find strong demand for a condominium building, especially in or near Downtown Rochester, the risk factor remains high for developers given financing challenges and lenders that prefer to finance apartments over condominiums. However, we recommend promoting a condominium concept near the Downtown or in other amenitized areas in the City of Rochester. New condominium projects would appeal to a wide range of buyers, including entry-level, move-up, and executive buyers, as well as independent seniors. These prospective buyers would especially be attracted to condominium housing near Downtown Rochester due to the proximity to retail, services, employment, and medical services. A Downtown condominium project would target the move-up or luxury market and would command premiums for location.

RECOMMENDATIONS AND CONCLUSIONS

General Occupancy Rental Housing

Maxfield Research and Consulting calculated demand for over 5,000 general-occupancy rental units in Olmsted County through 2030 (3,000 market rate, 1,275 affordable, and 760 subsidized units). Nearly 90% of all rental housing demand in the Olmsted County Market Area is slated for the City of Rochester (about 4,500 units).

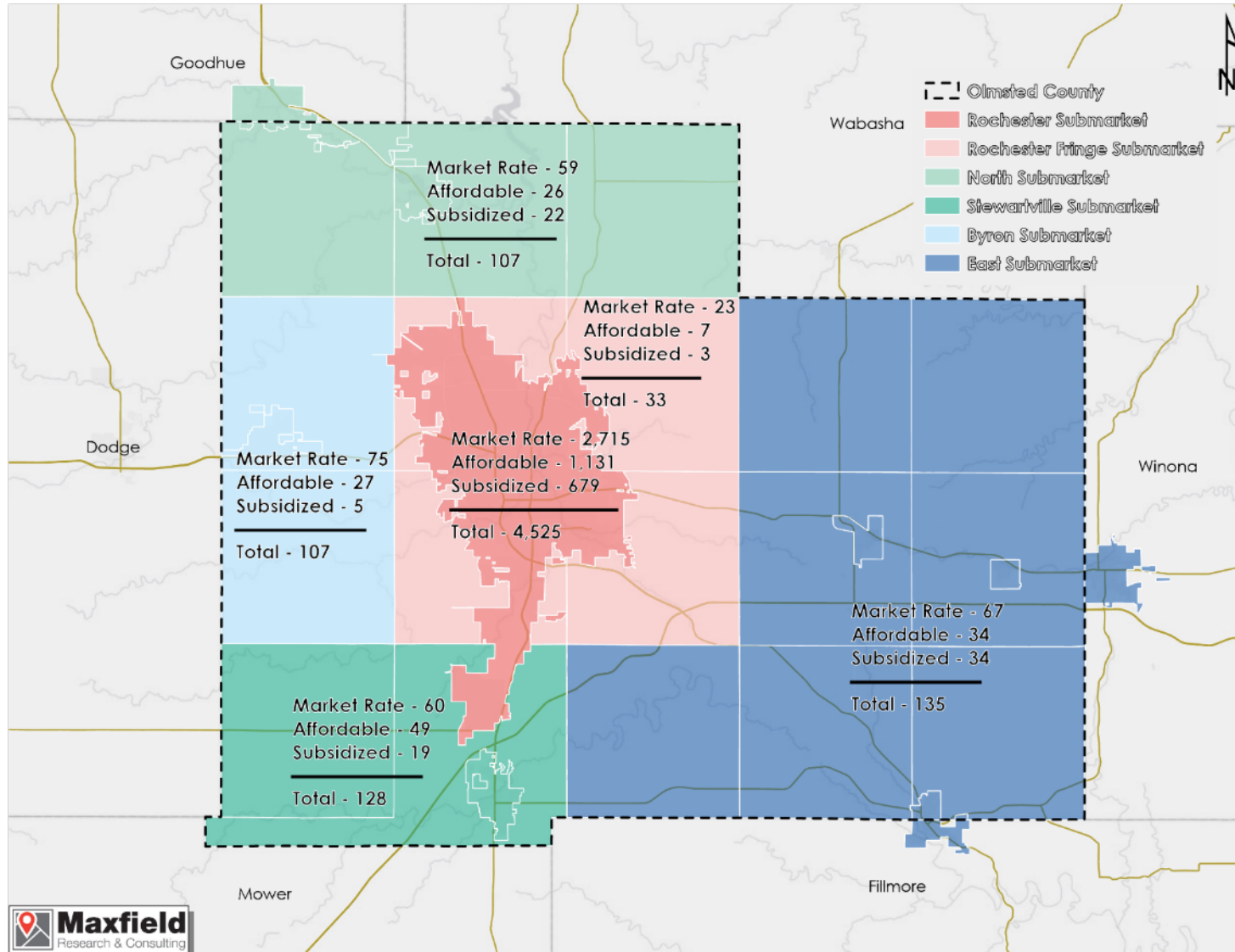
Our competitive inventory identified 9.5% vacancy rate among the general occupancy rental product (market rate, affordable, and subsidized) as of 2nd Quarter 2020. However, this vacancy rate declines to 4.4% when subtracting all the newest rental properties that are in the initial lease-up and have been delivered recently. Vacancy rates for affordable housing are also above equilibrium with the newest construction (6.1%); however, when adjusting for the newest properties the vacancy rate declines to only 2.8%. Subsidized housing has the lowest vacancy rates at only 1.2% across the Olmsted County Market Area.

Because of the economies of scale when constructing multifamily rental housing, new construction requires density that will be difficult to achieve in some of the smaller Olmsted County Market Area communities. Outside of Rochester, most of the communities lack newer, contemporary rental housing options and have strong demand for newer rental concepts. New rental housing can be developed immediately in these communities as vacancy rates are below equilibrium and rental housing inventory is limited. The following rental product types are recommended through 2030:

- ***Market Rate Rental*** – As illustrated in Table R-3, the market rate vacancy from the over 8,500 apartments inventoried across the Olmsted County Market Area was about 11%. However, the vacancy rate includes newly constructed projects in the initial lease-up phase. Excluding newly constructed units, the overall market rate vacancy rate is at equilibrium at 5.1% vacant. Outside of the Rochester Submarket, most submarkets have market rate vacancies under 3%. Demand was found for about 3,000 market rate units over the course of this decade. Townhome rentals make-up about 9% of the entire rental housing stock while single-family rentals comprise 18% of all rental housing units. However, submarkets such as Byron and the Rochester Fringe have upwards of 50% of their rental stock in the single-family sector. About 35% of the rental housing stock in the Olmsted County Market Area is located within larger multifamily-style buildings of over 10 units.

Due to the lack of rental supply throughout many Olmsted County communities, we recommend new market rate rental products in all submarkets minus the Rochester Fringe (zoning not permitted). All of the communities across the Olmsted County Market Area have a need for additional rental housing. However, for the achievable market rate rents will be lower than rents in the City of Rochester. We recommend new market rental project(s) that will attract a diverse resident profile, including young to mid-age professionals as well as singles and couples across all ages (including seniors) and families.

Olmsted County Analysis Area – Rental Demand, 2020 - 2030



RECOMMENDATIONS AND CONCLUSIONS

Due to the level of new construction in the Rochester Submarket and the current COVID-19 pandemic; new development could be delayed as developers put projects on-hold to monitor the situation. Maxfield Research & Consulting anticipates some of the projects outlined in Table P-1 will not move forward in 2020 as developers delay projects during the pandemic.

- *Market Rate General Occupancy Rental Townhomes*– In addition to the traditional multi-family structures, we find that demand exists for larger townhome units for families and couples – including those who are new to the community and want to rent until they find a home for purchase. A portion of the overall market rate demand could be a townhome style development versus traditional multifamily design. The recent COVID-19 pandemic has resulted in many renters desiring a separate-entrance away from a corridor-loaded structure; hence increasing demand for townhome-style rentals. We recommend a project with rents of approximately \$1,700 for two-bedroom units to \$2,000 for three-bedroom units. Units should feature contemporary amenities (i.e. in-unit washer/dryer, high ceilings, etc.) and an attached 1 or 2 stall garage. Again, like traditional multifamily development, these rents are higher than the existing rental product.
- *Market Rate General Occupancy Single-Family Built for Rent (SFBFR)*– Similar to Rental Townhomes, the newest concept is a rental community of detached housing units located within a rental community. Across the country, about 35% of all rental units are located within single-family rentals. In 2019, about 5% of all new single-family homes built across the country were constructed for the rental market; a trend that is growing and has been experiencing strong demand. Maxfield Research finds strong demand for detached rentals that are attractive to all demographics; retiring baby boomers, families, professionals, etc. Demand for this product has increased with the COVID-19 pandemic and desire for more space in a rental situation. This type of product allows the benefits of a single-family home without the upfront down payment needed to purchase in the for-sale market. Typically, these projects also offer common spaces such as club house, dog park, and are all maintenance-free. Given the larger unit size and detached product, rents are higher than a typical apartment community. Maxfield Research recommends base rents in the \$2,000 to \$2,600 rang.
- *Affordable and Subsidized Rental Housing*– Affordable and subsidized housing receives financial assistance (i.e. operating subsidies, tax credits, rent payments, etc.) from governmental agencies in order to make the rent affordable to low-to-moderate income households. Both products illustrated low vacancy rates and have pent-up demand. We find demand for over 2,000 affordable and subsidized units through 2030; however, because subsidized is nearly impossible to finance today the vast majority of demand will be for affordable housing projects. We recommend affordable products across all of the submarkets (minus the Rochester Fringe) of the seven submarkets that could be designed in either traditional apartment-style affordable housing, townhome-style affordable housing, or a small percentage of affordable units incorporated into a market rate building.

RECOMMENDATIONS AND CONCLUSIONS

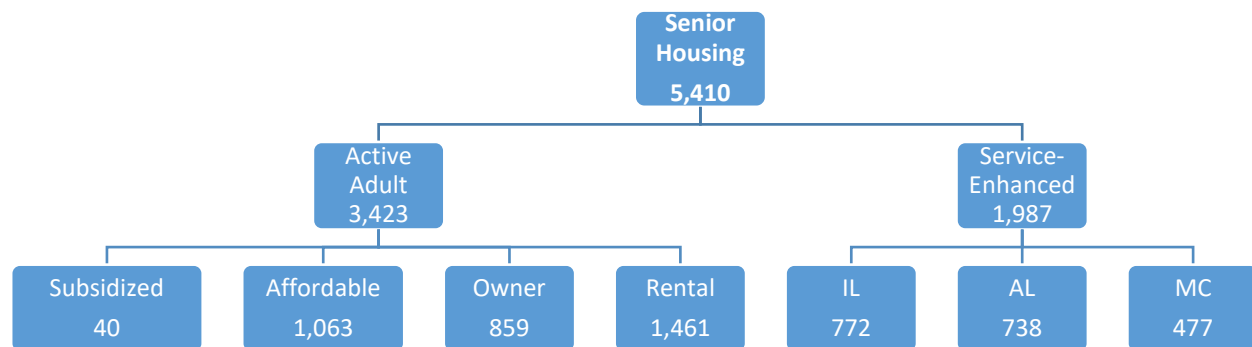
Finally, because of the number of NOAH units and most new affordable projects coming in at 60% AMI; we strongly recommend promoting housing products to the lower incomes between the 30% and 50% AMI income brackets.

Senior Housing

As illustrated in Table HD-9, demand exists for all service levels of senior housing in Olmsted County this decade. In fact, senior housing demand accounts for 29% of all housing units in the county through 2030, making up over 5,400 units. However, demand is highest in the short-term for more active adult and independent living products (both market rate and affordable). Demand is lower for assisted living and memory care due in-part to the existing senior developments that are serving these markets already.

Development of additional senior housing is recommended in order to provide housing opportunity to these aging residents in their stages of later life. The development of additional senior housing serves a two-fold purpose in meeting the housing needs in Olmsted County: older adult and senior residents are able to relocate to new age-restricted housing in Olmsted County, and existing homes and rental units that were occupied by seniors become available to other new households. Hence, development of additional senior housing does not mean the housing needs of younger households are neglected; it simply means that a greater percentage of housing need is satisfied by housing unit turnover. The types of housing products needed to accommodate the aging population base are discussed individually in the following section.

2030 Senior Demand



- **Active Adult Senior Cooperative** – At present there are four existing senior cooperatives in Olmsted County (all are located in the City of Rochester) that have a total of 276 units and a 1.1% vacancy factor. Maxfield Research projected demand for about 860 active adult ownership units through 2030. Although senior ownership demand is spread across all the submarkets, new for-sale senior developments could likely only be constructed in those submarkets with the highest demand as the project would attract residents from other neighboring communities. Maxfield Research recommends a cooperative development(s) with a mix of two- and three-bedroom units with share costs starting around \$150,000.

RECOMMENDATIONS AND CONCLUSIONS

The cooperative model, in particular, appeals to a larger base of potential residents in that it has characteristics of both rental and ownership housing. Cooperative developments allow prospective residents an ownership option and homestead tax benefits without a substantial upfront investment as would be true in a condominium development or life care option.

- Active Adult Rental – There is only one active adult age-restricted rental in the Olmsted County Market Area – a 12-unit project in Stewartville (Stewartville Garden Cottages). Because of the limited number of active adult product in Olmsted County and strong senior demographics, demand was calculated for over 1,450 active adult rentals in the Olmsted County Market Area through 2030. Demand was spread across most submarkets, but the Rochester Submarket shows the highest need with demand for over 1,100 units (78% of the total demand). Other submarkets that could support a new active adult rental include Bryon, East, North, and Stewartville.

Because active adult senior housing is not need-driven, the demand for this product type competes to some degree with general-occupancy rental housing projects. Maxfield Research finds many of the existing rental buildings have an older demographic that may be attracted to an age-restricted building if more product was available. Monthly rents should be similar to other newer, market rate general-occupancy apartment buildings.

- Affordable and Subsidized Rental – Olmsted County demand for affordable and subsidized senior housing is about 1,100 units through 2030; about 20% of all senior housing demand this decade. Affordable senior housing products can also be incorporated into a mixed income building which may increase the projects financial feasibility. Affordable senior housing will likely be a low-income tax credit project through the Minnesota Housing Finance Agency. Affordable housing demand is strongest in the Rochester and East submarkets. Financing subsidized senior housing is difficult as federal funds have been shrinking. Subsidized housing demand was lower due to the existing older stock of subsidized housing that attracts residents from beyond Olmsted County. Even though demand was low based on Olmsted County demographics; we find strong demand for the product as residents from outside the county would seek out this housing type. Therefore, a new subsidized development would likely rely on a number of funding sources; from low-income tax credits (LIHTC), tax-exempt bonds, Section 202 program, USDA 515 program, among others.
- Independent Living/Congregate – Demand was calculated for about 770 congregate units through 2030 in the Olmsted County Market Area. At present there are nearly 1,200 independent living units in the Market Area; but vacancy rates are a low 1.5% indicating pent-up demand for new independent living senior housing. About 87% of all unit demand is for the Rochester Submarket as most other communities have nominal demand. We recommend new congregate projects have a mix of one-bedroom, one-bedroom plus den, and two-bedroom units.

RECOMMENDATIONS AND CONCLUSIONS

In addition, meals and other support and personal care services will be available to congregate residents on a fee-for-service basis, such as laundry, housekeeping, etc. When their care needs increase, residents also have the option of receiving assisted living packages in their existing units.

Due to economies of scale needed for congregate housing, other service levels may have to be combined to the project to increase density to be financially feasible. Alternatively, the concept called “Catered Living” may be viable as it combines independent and assisted living residents and allows them to age in place in their unit versus moving to a separate assisted living facility. (See the following for definition of Catered Living).

- *Assisted Living and Memory Care Senior Housing* – Based on our analysis, we project demand for only 738 assisted living and 477 memory care units in the Olmsted County Market Area through 2030. There is a total of 13 existing assisted living projects with a total of 594 units and a total of ten memory care facilities with 354 existing memory care units in the Market Area. Equilibrium for assisted living and memory care is considered a 7% vacancy rate; at present the vacancy rate is 5.4% for assisted living and only 2.3% for memory care. Hence, despite COVID-19 the vacancy rates are below equilibrium.

If assisted living units were developed, we would recommend that this type of development include a mix of studio, and one-bedroom, and a few two-bedroom units with base monthly rents ranging from \$3,300 to \$4,500. Memory care units should be located in a secured, self-contained wing located on the first floor of a building and should feature its own dining and common area amenities including a secured outdoor patio and wandering area.

The base monthly fees should include all utilities (except telephone and basic cable/satellite television) and the following services:

- Three meals per day;
- Weekly housekeeping and linen service;
- Two loads of laundry per week;
- Weekly health and wellness clinics;
- Meal assistance;
- Regularly scheduled transportation;
- Professional activity programs and scheduled outings;
- Nursing care management;
- I’m OK program;
- 24-hour on site staffing;
- Personal alert pendant with emergency response; and
- Nurse visit every other month.

RECOMMENDATIONS AND CONCLUSIONS

Additional personal care packages should also be available for an extra monthly charge above the required base care package. A care needs assessment is recommended to be conducted to determine the appropriate level of services for prospective residents.

Given the service-intensive nature of memory care housing and staffing ratios, typically most memory care facilities are attached to either an assisted living development or are a component of a skilled nursing facility. Therefore, new memory care units would be best suited if they were attached to an assisted living complex as demand is not high enough for a stand-alone memory complex. Alternatively, memory care could also be associated with a skilled nursing facility; however, we stress the residential approach to memory care versus the institutional feel from a nursing home.

- Service-Enhanced Senior Housing or “Catered Living” –Due to economies of scale, it will be difficult to develop stand-alone facilities in the smaller Olmsted communities for service enhanced senior housing products that are financially feasible. Therefore, we recommend senior facilities that allow seniors to “age in place” and remain in the same facility in the stages of later life. Catered living is a “hybrid” senior housing concept where demand will come from independent seniors interested in congregate housing as well as seniors in need of a higher level of care (assisted living). In essence, catered living provides a permeable boundary between congregate and assisted living care. The units and spatial allocations are undistinguishable between the two senior housing products, but residents will be able to select an appropriate service level upon entry to the facility and subsequently increase service levels over time. Additionally, catered living not only appeals to single seniors but also to couples; each resident is able to select a service level appropriate for his or her level of need, while still continuing to reside together.

The catered living concept trend is a newer concept but tends to be developed in more rural communities that cannot support stand-alone facilities for each product type. Monthly rents should include a base rent and service package with additional services provided either a la carte or within care packages. Monthly rents should start at about \$1,600 for congregate care and \$2,900 for assisted living care.

Summary by Submarket

Although there is demand for a variety of housing product types in each of the submarkets, it will be difficult to develop certain housing products due to the density and economies of scale needed to be financially viable. Therefore, the lesser populated communities will experience additional challenges due to density requirements. In addition, there is likely to be cross-over demand and mobility between submarkets as new housing products are developed. Table CR-1 outlines the submarkets most likely to experience new housing based on housing demand and the number of units needed to be supportable.

RECOMMENDATIONS AND CONCLUSIONS

TABLE CR-1
HOUSING RECOMMENDATIONS BY SUBMARKET
2020 to 2030

Housing Type/Program	Purchase Price/ Monthly Rent Range ¹	Byron Sub.		EastSub.		North Sub.		Rochester Sub.		Rochester Fringe Sub.		Stewartville Sub.	
		'20-'25	'26-'30	'20-'25	'26-'30	'20-'25	'26-'30	'20-'25	'26-'30	'20-'25	'26-'30	'20-'25	'26-'30
For-Sale Housing (New Construction)													
Single-family - (New lots needed)		x	x		x		x	x	x		x	x	x
Single-family by Price													
Entry-Level	>\$250,000 (>\$300k)	x	x	x	x	x	x	x	x			x	x
Move-up	\$250k-\$350k (\$300k-\$500k)	x	x	x	x	x	x	x	x	x	x	x	x
Executive	\$350k+ (\$500k+)	x	x			x	x	x	x	x	x		
Twinhomes/Townhomes/Villas													
Entry-level	>\$200,000	x	x	x	x			x	x			x	x
Move-up	\$200,000+	x	x	x	x	x	x	x	x	x	x	x	x
General Occupancy Rental Housing													
Market Rate Moderate-Income ²	\$1,000/1BR - \$1,500/3BR	x	x	x	x	x	x	x	x			x	x
Market Rate Luxury ²	\$1,100/Eff-\$3,000/2BR + D							x	x				
Market Rate Townhomes ²	\$1,700/2BR - \$2,200/3BR	x	x	x	x	x	x	x	x			x	x
Market Rate Built for Renf (SF) ²	\$2,250/3BR-\$2,800/4BR							x	x				
Affordable/Subsidized	Per Income Guidelines	x	x	x	x		x	x	x			x	x
Senior Housing													
Market Rate													
Active Adult - For-Sale Coop	\$150,000+ (plus monthly fee)		x					x	x				
Active Adult - Rental	\$1,200 - \$1,700	x	x	x	x		x	x	x			x	x
Congregate/Independent	\$1,400 - \$2,700 (based on svcs.)							x	x				
Assisted Living	\$3,300/EFF - \$4,500/2BR						x					x	x
Memory Care	\$3,800 - \$5,000			x	x	x	x	x	x			x	x
<u>Alternative Concept:</u>													
Catered Living	\$1,600+		x				x						
Affordable Senior Housing													
Active Adult	Per Income Guidelines	x	x	x	x	x	x	x	x			x	x

Note: Although many of the smaller communities show housing demand for a variety of housing types; it will not be feasible due to the economies of scale needed. Therefore, recommendations are based on the need and density needed to be feasible. Higher quoted pricing is for the Rochester, Rochester Fringe, and Bryon Submarkets

¹ Blended average across Olmsted County. Pricing will vary from submarket to submarket across the county.

² Market rate multifamily housing could be developed in either apartment-style or townhome style design

Source: Maxfield Research & Consulting, LLC

RECOMMENDATIONS AND CONCLUSIONS

TABLE CR-2 DEMOGRAPHIC AND HOUSING CHARACTERISTICS SUMMARY OLMSTED COUNTY MARKTE AREA SUBMARKETS																
	Byron		East		North		Rochester		Rochester Fringe		Stewartville		Olmsted Couty		Olmsted County MA	
Demographics																
Population (2010 & 2025)	7,046	9,298	12,759	13,786	8,411	9,754	106,769	136,457	9,592	11,186	7,539	8,501	144,248	180,630	152,116	188,982
Pct. Population Under 18 (2020 & 2025)	24.8%	24.0%	25.6%	25.6%	23.3%	23.0%	24.4%	24.3%	22.0%	21.1%	24.5%	24.6%	24.2%	24.0%	24.3%	24.1%
Pct. Population 65+ (2020 & 2025)	13.2%	15.2%	16.4%	18.7%	17.5%	20.7%	15.9%	17.5%	17.1%	21.9%	15.8%	17.0%	15.6%	17.8%	15.7%	17.9%
Median Age (2020 & 2025)	38.3	38.3	38.7	39.4	42.0	42.7	37.3	37.8	45.5	46.1	37.1	37.5	38.0	38.6	38.0	38.6
Households (2010 & 2025)	2,629	3,588	4,861	5,375	3,209	3,770	43,025	54,093	3,512	4,236	2,940	3,459	57,080	71,217	60,176	74,521
Household Growth (2010 & 2025)	959		514		561		11,068		724		519		14,137		14,345	
Avg. HH Size (2010 & 2025)	2.68	2.59	2.62	2.56	2.62	2.59	2.48	2.52	2.73	2.64	2.56	2.46	2.53	2.54	2.53	2.54
Median Household Income (2020)	\$95,894		\$75,511		\$99,350		\$76,418		\$111,543		\$71,662		\$80,078		\$79,432	
Homeownership Rate (2018)	88.0%		79.6%		82.8%		68.5%		93.7%		80.2%		73.1%		73.1%	
Housing Characteristics																
Number of single-family units permitted (2010-2019)*	364		279		202		2,594		339		132		3,660		3,910	
Number of multifamily units permitted (2010-2019)*	109		6		41		5,274		0		8		5,397		5,438	
Median age of housing stock (2018)	1990		1978		1984		1984		1984		1983		1984		1984	
Housing stock built before 1950	315	10%	1,306	24%	682	19%	5,658	12%	289	8%	481	15%	7,896	12%	8,731	13%
Housing stock built between 1950 and 2000	1,699	56%	2,792	52%	1,870	53%	30,176	62%	2,853	75%	1,845	59%	39,507	62%	41,235	61%
Housing stock built after 2000	1,027	34%	1,235	23%	1,008	28%	12,814	26%	655	17%	825	26%	16,739	26%	17,564	26%
Employment																
Labor Force (2019)	n.a.		n.a.		n.a.		66,365		n.a.		n.a.		89,730		n.a.	
Employed (2019)	1,632		2,667		1,683		64,668		1,712		2,132		87,408		102,662	
Unemployment Rate (2019)	n.a.		n.a.		n.a.		2.6%		n.a.		n.a.		2.6%		n.a.	
Average Annual Wage (2019)	\$36,756		\$34,874		\$44,858		\$66,326		\$5,440		\$40,701		\$64,584		\$62,668	
For-Sale Housing																
Median resale price of existing SF homes (2019)^	\$272,000		\$237,634		\$282,000		\$254,900		n.a.		\$211,150		n.a.		\$254,605	
Median resale price of existing MF homes (2019)^	\$240,000		\$145,045		\$169,400		\$194,500		n.a.		\$210,000		n.a.		\$196,836	
Median list price of actively marketing SF homes (May 2020)^	\$489,400		\$324,950		\$393,556		\$377,450		n.a.		\$362,400		n.a.		\$379,900	
Median list price of actively marketing MF homes (May 2020)^	\$394,900		\$271,900		--		\$249,999		n.a.		\$267,500		n.a.		\$279,900	
Owner-occupied one-unit structures (2018)	2,295	89.4%	3,654	92.1%	2,535	91.4%	26,408	83.9%	3,186	91.5%	2,038	82.8%	38,011	85.5%	40,116	85.8%
Median home value of owner-occupied units (2018)	\$236,024		\$20,151		\$274,515		\$188,000		\$343,845		\$208,903		\$199,500		\$209,937	
General Occupancy Rental Housing																
Renter-occupied one-unit structures (2018)	176	50.4%	316	31.1%	228	39.6%	3,542	24.5%	143	61.4%	238	39.3%	4,478	27.4%	4,643	26.9%
Renter-occupied 10+ unit structures (2018)	59	16.9%	231	22.7%	130	22.6%	6,733	46.6%	22	9.4%	110	18.2%	6,974	42.7%	7,285	42.3%
Median contract rent for renter-occupied units (2018)	\$771		\$590		\$686		\$830		\$881		\$723		\$817		\$808	
Distribution of G.O. housing by type																
Affordable	48	/ 28%	24	/ 15%	24	/ 13%	1,669	/ 16%	0	/ 0%	0	/ 0%	1,717	/ 16%	1,765	/ 16%
Subsidized	0	/ 0%	65	/ 40%	56	/ 30%	598	/ 6%	0	/ 0%	55	/ 40%	665	/ 6%	774	/ 7%
Market Rate	121	/ 72%	75	/ 46%	104	/ 57%	8,160	/ 78%	0	/ 0%	84	/ 60%	8,365	/ 78%	8,544	/ 77%
Senior Housing																
Distribution of senior housing by type																
Affordable/Subsidized Active Adult	16	/ 24.2%	48	/ 36.9%	23	/ 0.0%	773	/ 28.7%	0	/ 0.0%	35	/ 14.0%	836	/ 27.3%	895	/ 28.1%
Market Rate Active Adult (Rental)	0	/ 0.0%	0	/ 0.0%	0	/ 0.0%	0	/ 0.0%	0	/ 0.0%	12	/ 4.8%	12	/ 0.4%	12	/ 0.4%
Market Rate Active Adult (Owner)	0	/ 0.0%	0	/ 0.0%	0	/ 0.0%	276	/ 10.2%	0	/ 0.0%	0	/ 0.0%	276	/ 9.0%	276	/ 8.7%
Independent Living	20	/ 30.3%	0	/ 0.0%	12	/ 0.0%	822	/ 30.5%	0	/ 0.0%	29	/ 11.6%	871	/ 28.4%	883	/ 27.7%
Assisted Living	16	/ 24.2%	76	/ 58.5%	12	/ 0.0%	490	/ 18.2%	0	/ 0.0%	174	/ 69.6%	714	/ 23.3%	768	/ 24.1%
Memory Care	14	/ 21.2%	6	/ 4.6%	0	/ 0.0%	334	/ 12.4%	0	/ 0.0%	0	/ 0.0%	354	/ 11.6%	354	/ 11.1%
* Permit data not complete for East and North submarkets.																
^ Home sale data for the Rochester Fringe submarket was included within the Rochester submarket due to constraints within the data available.																
Source: Maxfield Research & Consulting, LLC																

Challenges and Opportunities

The following were identified as the greatest challenges and opportunities for developing the recommended housing types.

- **Accessory Dwelling Units (“ADU”):** Accessory dwelling units (“ADUs”) go by several different names such as: In-law suites, garage apartments, backyard cottages, granny flats, guest houses, etc. An ADU is simply a small, stand-alone residential dwelling unit located on the same property as a detached single-family home. However, in some cases an ADU could include an addition on an existing home, apartment over a garage, or be locating within an attic or basement within the home. Legally, however, an ADU is still a part of the original parcels PID number and title is with the property owner. The most common reason for building an ADU is generating rental income for the homeowner or housing a family member (often for free).

Because of increased density on the property and smaller sized units, ADUs have the potential to increase housing affordability and create a wider range of housing options. Many communities that permit ADUs in their zoning code limit the number of accessory structures to just one; however, some cities have recently revised their zoning code to allow up to two accessory structures. Some communities monitor ADU construction by limiting new construction to only owner-occupied housing units (main structure is owned), minimum lot size, setbacks, and number of occupants or bedrooms in the accessory structure.

Maxfield Research recommends that local planning departments review their existing zoning code and if not already permitted, revise zoning codes to ensure ADUs can be a permitted use. We also anticipate the demand for ADUs will increase during the COVID-19 pandemic as homeowners seek to move family members together in a multi-generational environment. Also, some homeowners will design the ADU as a multifunctional space as a home office and living space.

- **Affordable Housing/Naturally Occurring Affordable Housing.** Tables HA-1 and HA-2 identified Olmsted County Area Median Incomes (“AMI”) and the fair market rents by bedroom type. Table R-5 summarized all market rate rental developments by AMI based on monthly rents and the unit size. Based on the inventory of market rate non-subsidized rentals in the county; nearly 70% of the market rate rental stock is affordable to households at 50% to 60% AMI. At the same time however, rents have been increasing faster than incomes and the affordability gap is slowly widening from year-to-year and the number of cost burdened households is increasing. Because NOAH housing provides the vast majority of affordable housing to renters; we recommend a proactive approach to maintaining affordability within the existing housing stock. Dollar for dollar, preservation of NOAH units yields a much higher number of affordable units vs. new construction under the LIHTC program.

RECOMMENDATIONS AND CONCLUSIONS

- **Aging Baby Boomers.** The aging of the baby boom generation is increasing the need for maintenance-free housing in Olmsted County as housing preferences change as their life cycle evolves. As of 2020, the baby boom generation included about 36,300 persons accounting for 21% of the Olmsted County Market Area population. As of 2020, baby boomers are ages 56 to 74, and as they age over the next 10+ years, they will cause a significant increase in the empty-nester and young senior age groups. Today's boomers are healthier and savvier than previous generations and 65% of boomers plan to work past age 65. Boomers have accumulated substantial home equity and they have 70% of the disposable income in the U.S. and 71% of the net worth in the U.S.

Although many boomers will prefer to stay in their single-family homes, others will prefer to relocate to maintenance-free housing. Although maintenance-free housing products are likely to increase in popularity, the type of housing product selected may not be the traditional products of the past. Baby boomers residing outside the county are also open to relocating to Olmsted County for access to the Mayo Clinic and other health-care providers. As a result, this demographic could grow even higher than projected.

- **Builders.** The Olmsted County new construction market has historically been dominated by smaller, local builders and contractors vs. regional builders or production builders that are located in the Twin Cities Metro Area. Across the Metro Area, 58% of all new homes constructed in 2018 were by the top ten production builders. The following chart summarizes the differences between production, custom, and spec builders. Production builders have increased their market share since the Great Recession in the Twin Cities and across the country, in part because competitors defaulted on lots and homes and smaller builders have gone out of business, while production builders were able to acquire land holdings for a fraction of the original cost to develop. The production builders have also driven new home activity from the development side as land developers are unable to absorb lot development costs for open builder developments. Because Olmsted County lacks volume builders, housing development is unable to take advantage of larger economies of scale that can bring down the retail cost of the home.

According to interviewees, most of the local builders are very busy and many do not have capacity to take on more volume. Additional programs should be promoted to enhance the building trades industry.

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BUILDER TYPES & CHARACTERISTICS			
	Production Builder	Custom Builder	Spec Builder
Land	Typically built on land owned by the builder/developer. Most production builders develop all of the homes within the subdivisions they plat and develop.	Built on land purchased by the home buyer or builder. Most custom builders do not develop the land/lots.	Built on land purchased by the builder. Builder "speculates" they will build and sell a home prior to finding a buyer.
Home Plans	Stock floor plans; however buyers have home style and upgrade options that have been pre-selected by builder.	One-of-a-kind house. Site specific and customized for a specific client.	Home plan per builder. If home sells early during construction phase; buyers have some ability to customize the home.
Volume	Varies based on builder. There are national and regional production builders.	Typically less than 20 or 25 per year.	Varies.
Pricing	Generally build for a variety of price points from entry-level, move-up, and executive.	Tend to cater to move-up or executive-level buyers.	Varies. Most spec homes are entry-level or modest homes. However, spec homes can range across all price points.
Advantages	Lower costs per square foot, homes can be built quicker, fewer decisions for home owners.	Personal service, more creative control, customizable, more flexible, buyer may have more land options.	Lower cost floor plans provides economies of scale. Homes can also be completed relatively fast.
Disadvantages	Few modifications or change orders, fewer options, lot selection based on availability of builder.	Price per square foot is higher, more time to build, significantly more decision time needed from buyers.	Most of the decisions have already been made and buyer may have fewer options.

Source: Maxfield Research and Consulting, LLC

- COVID-19.** The current global COVID-19 pandemic is likely to have both direct and indirect effects on the housing industry. The senior housing industry has been directly impacted; although to a much lesser degree in Olmsted County compared to the rest of the country. Senior properties are seeing higher vacancy rates and many seniors are aging-in-place as long as possible to avoid senior living shared spaces. At the moment, rental and for sale housing is holding steady as construction is ongoing and many Realtors are conducting home visits virtually to ease fears of potential homebuyers. At the beginning of the pandemic there were permitting delays from public agencies; however, at this time most public agencies have adopted, and city council and planning commission meetings have gone virtual.

Economically, the unemployment rate in Olmsted County was 8.5% in June 2020. This is down from 9.8% in May 2020; but up considerably from 2.7% in March. The economy has improved after the stay at home mandate lifted and businesses have been able to reopen; however, there is a growing concern over the growing COVID-19 cases that could shut down the economy again. Should the unemployment rate rise again, this will undoubtedly affect the local rental and for-sale housing market.

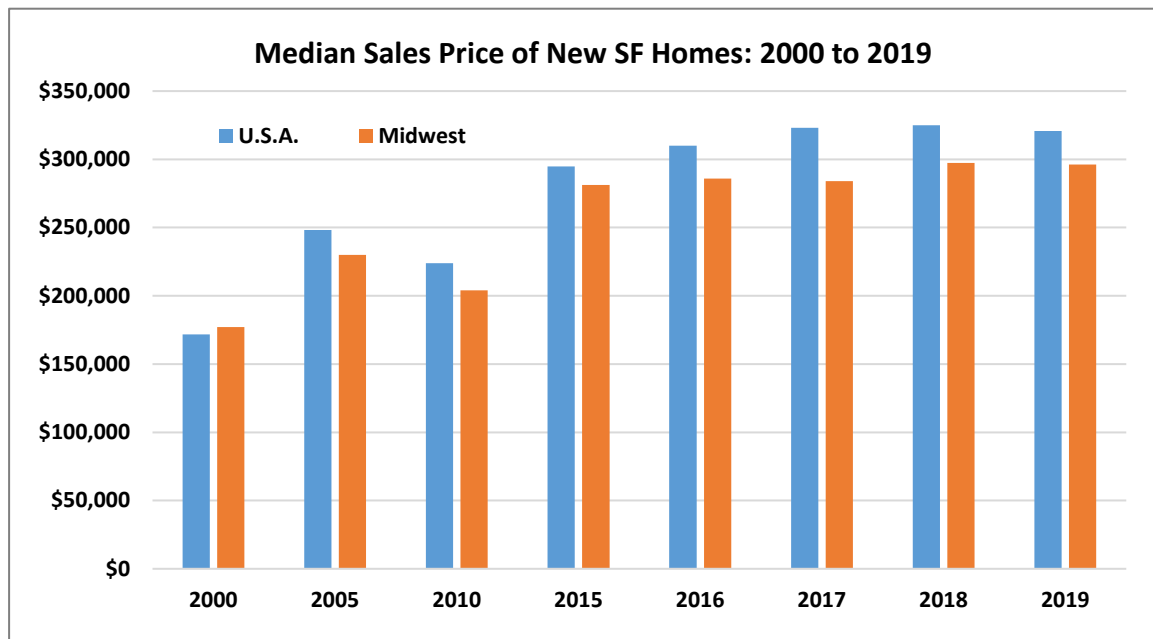
Despite the pandemic, the local real estate market has performed above expectations and strong demand remains for housing. Supply remains at an all-time low and there are more buyers than sellers. The pandemic has changed buyer preferences; both internally and externally. Buyers have a greater desire for outdoor features, green space, more square footage, flexible spaces for home offices, and healthy living conditions. Buyers are also trading location for more home by locating further from their place of employment. There is also a

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preference toward new construction and the new home market has been strong in 2020 and builders have not kept the pace with demand.

On the rental side, social distancing has had an impact on amenity-rich luxury apartments which tenants are unable to utilize during this time. As such, demand for smaller units has been affected if tenants are expected to remain in their unit and not utilize social spaces. With telecommuting being the norm tenants are seeking a separation of work and live spaces as well as access to balcony's and patios to provide fresh air and extra space. There has been strong demand for townhome-style rentals or a building that has been designed with a separate entrance to eliminate the possible of interacting with others and catching the virus. These trends and preferences will likely continue until either a vaccine or therapy is developed.

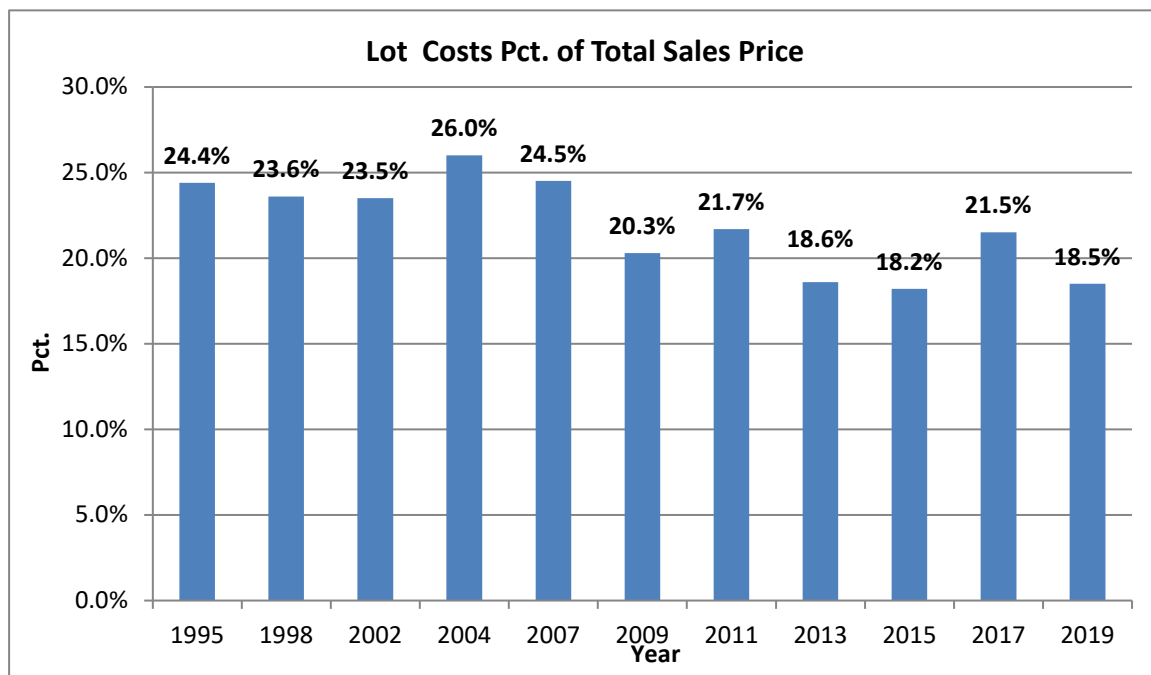
- **Construction & Development Costs.** The cost to build and develop new single-family housing has increased significantly over the past decade and since the Great Recession in all Markets, as seen in the chart below. New construction pricing peaked last decade between 2005 and 2007 before falling during the recession. Pricing in nearly every market across the United States decreased between 2008 and 2011 before starting to rebound in 2012 and beyond. However, since the Great Recession it has become increasingly difficult for builders to construct entry-level new homes due to a number of constraints – rising land costs, rising material and labor costs, lack of construction labor, and increasing regulation and entitlement fees. As a result, affordable new construction homes have become rare as builders are unable to pencil-out modestly priced new construction. Interviewees all mentioned new construction in Rochester is very difficult to achieve under \$300,000.



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- **Developers Lot Carrying Costs.** Land development and entitlement carries a large financial risk for builders and/or investors. Prior the Great Recession developing land was considered a profitable side of the housing business. However, over the past decade land development continues to be dominated by larger builders that can absorb the lot inventory more easily than smaller builders or land developers. Due to raw land costs, entitlements, and the cost to develop infrastructure, developers continue to be cautious given the lot price they could achieve. Prolonged carrying costs due to slow lot absorption are deterrents for builders and developers who must absorb project development costs until the lots are sold. The challenges of rising lot costs were reported in the Olmsted County area through interviews with developers and Realtors. The costs of land and infrastructure have risen significantly over the past decade, requiring considerable initial financial investment upfront.

As a result, the land development business is not a lucrative business for most real estate investors and future lot development may require a private-public partnership to bring down infrastructure costs; especially in the more rural communities in Olmsted County. The chart below shows the average lot cost across the country compared to the retail sales price of the home.



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- Housing Affordability for Residents compared to Workers.** Many residents in rural Olmsted County commute for higher paying jobs in Rochester. As a result, it may be more difficult to afford housing based on the average annual wages amongst jobs located in communities outside of Rochester. For example, the average yearly wage in the Byron Submarket is approximately \$35,937 compared to the average household income of nearly \$96,000. Household income includes dual-incomes; however, a single-income householder may have difficulty affording for-sale housing in Byron based on the average wage in the Byron Submarket.

**TABLE CR-3
HOUSEHOLD INCOME VS. AVERAGE WAGES
OLMSTED COUNTY MARKET AREA**

Submarket	Median HH Income (2020)	Avg. Yearly Wage (2019)
Byron	\$95,894	\$35,937
East	\$75,511	\$34,206
North	\$99,350	\$44,100
Rochester	\$76,418	\$54,819
Rochester Fringe	\$115,423	\$64,948
Stewartville	\$71,662	\$40,414
Olmsted Cty. MA	\$79,432	\$62,668

Source: Maxfield Research & Consulting, LLC

- Housing Costs Comparison to the Twin Cities Metro Area.** Historical housing costs in Rochester and Olmsted County have been lower than the Twin Cities; with strong household incomes and wages in the Rochester area, households have historically received more value for their housing dollars than the Twin Cities. However, over the past five years this gap has fallen as housing costs in Rochester have been climbing and are creeping closer to housing costs in the Twin Cities. The following bullet points outline some of the key factors driving appreciation and increased housings costs in the Rochester submarket.

DMC: The DMC initiative has driven investors into Rochester and has generated additional demand from out-of-state real estate investors; hence pushing up prices. Continued demand from institutional investors from coastal markets view Rochester and the Midwest as safe investments and insulated from the highs and lows of other 24-7 real estate markets that are more volatile. Hence these investors are willing to pay higher prices for stable assets with lower returns; however, these returns may be higher than higher cost and higher barrier to entry markets. In some cases, development has been premature of market demand based on DMC projected investment targets.

Land Costs: Land costs in Downtown Rochester are exceptionally high given the Mayo's real estate portfolio and other property owners who have long-term holds on their

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property as few properties have become available for redevelopment. Downtown Rochester's land costs rival Downtown Minneapolis and any future housing projects face major affordability challenges given the land acquisition costs for desirable sites

Supply Constraints: Supply constraints for new single-family housing have been low for over a decade. Prior to the last recession between 2000 and 2005, Rochester was producing an average of over 800 single-family and townhomes annually. However, after the Great Recession, production averaged over 340 units annually between 2006 and 2010 and has averaged 337 units annually between 2011 and 2019. Lower supply, labor constraints, land costs, and a movement away from entry-level homes (due to economies of scale) has resulted in lower home production. Due to the lower production levels, demand has remained very strong and appreciation continues above national inflation rates.

Lack of Production Builders: Single-family housing production in Rochester and Olmsted County has been primarily local based builders and general contractors. Historically, most submarkets were dominated by local, family-owned companies and that is still the case for most homes constructed in the Rochester area. However, builder consolidation and larger production builders have gained market share and provide operational efficiencies that have benefited the consumer by keeping construction costs and the retail sale price of the home lower. In the Twin Cities last year, about 52% of new homes are constructed by the ten largest builders and about 62% of all homes are completed by the top 25 builders (based on new construction closings). As a result, Twin Cities new construction home buyers are taking advantage of efficiencies and economies of scale. Locally, Bigelow Homes is the builder with the largest market share and closest to a production builder.

Apartment Property Taxes: The apartment boom over the past five years has been dominated by move-up new rental development that has a significantly higher market value than the older rental housing stock. However, because several newer apartments have been developed and later sold to a new investor, the price per unit has escalated and these properties are then assessed at higher values. Apartments across the entire spectrum (Class A, B, and C) have all experienced property tax increases and several projects have been assessed tax escalations into the double digits. Several apartment owners expressed their concern to Maxfield Research (including many NOAH property owners who are smaller rental owners) and are struggling with how they will address increased expenses especially during a softer market. Several apartment managers commented they will have to pass the increases along to the end consumer resulting in affordable housing challenges to those who are most price sensitive.

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Regulatory Fees: In general, the State of Minnesota has higher regulation and higher housing costs than other Midwest states. These fees are often higher because of the building and energy code in Minnesota results in costlier construction and city fees (SAC, WAC, park dedication, etc.) that add to the overall price of the house. The same house constructed in neighboring states such as Wisconsin or Iowa will be priced at least \$20,000 to \$25,000 less than a home in Southeastern Minnesota. In fact, Minnesota has one of the biggest price spreads between an existing home and a new construction home than anywhere in U.S. The National Association of Home Builders (“NABH”) estimates that 25% of the cost of a new home is the result of regulations and impact fees. Together with rising land, labor, and material costs the cost to construct an entry-level home (sub \$300,000) has become nearly impossible unless there is some form of subsidy or partnership to alleviate costs.

Building permit and other regulatory fees can vary widely across Minnesota communities. For example, permitting fees in some out-state Minnesota communities can be as low as \$5,000 for a new home; whereas other municipalities may charge \$20,000 to \$25,000. Several local builders commented on the new sanitary sewer cost structure in Rochester that will be passed to the developer who will in-turn pass the cost to consumer through a higher purchase price. Interviewed builders all commented that affordability is more difficult given the fee structure for new construction. Furthermore, builders have commented that Rochester’s SAC/WAC fees have historically been higher than surrounding Olmsted County communities.

Because of so many development costs challenges, builders will most likely continue to compress lot sizes and increase density to help off-set infrastructure and other cost pressures.

COVID-19 Impacts: The pandemic has impacted housing markets on a several fronts. Generally, there is a strong emphasis on the home and time at home. The lines have been blurred with homes becoming our place of work, school, leisure, and place of rest. As a result, there is a desire for more square footage, outdoor space, home improvements, etc. Because of remote working shifts, employees have the option to expand their geographic preference and there has been a push from more costly housing markets to more affordable housing markets further out from the core. These trends have contributed to a red-hot real estate market pushing housing costs even higher. Material costs have escalated, and prices are increasing due to supply chain constraints and distribution challenges; in particular for lumber, which has increased the price of a typical single family about \$16,000 just in lumber costs alone. Other materials in short supply include appliances, counter tops, cabinets, interior doors, hardware, etc. Although these costs should eventually contract back to pre-COVID pricing, we anticipate higher material costs in the short-term which will decrease affordability.

RECOMMENDATIONS AND CONCLUSIONS

- **Housing Programs.** There are a number of organizations that offer programs to promote and preserve the existing housing stock and offer programs to those in need in Olmsted County. Because there are so many organizations, we recommend establishing a “one-stop-shop” resource that could be created bringing together the public and private sectors to help navigate housing challenges while addressing common goals and housing issues that will enhance Olmsted County. The following section outlines some of the key programs and services that are promoted:

Hiawatha Homes Foundation, Inc. – Hiawatha Homes provides residential services for developmentally disabled individuals. Services include daily living skills, occupational therapy, physical therapy, speech/communication therapy, nursing advocacy and transportation. Housing is provided through single-family homes or group homes. <http://www.hiawatha-homes.org>.

Interfaith Hospitality of Greater Rochester is a network of volunteers who offer food and shelter to families who find themselves homeless. In the year 2019, *Interfaith Hospitality* served 34 families and 116 individuals in the shelter program, 26 families in the Aftercare & Stabilization Program, and 47 families in the Prevention & Rehousing Program. Raihn.org

The Minnesota Housing Finance Agency’s (MHFA) Rehabilitation Loan program assists low to moderate-income homeowners in financing home improvements that directly affect the safety, habitability, energy efficiency and accessibility of their homes. co.olmsted.mn.us/cs/ochra/rehad/pages/mhfarehad

Olmsted County Community Action Program (CAP) – The CAP provides services for low-income individuals and families. They provide emergency and longer-term assisted housing through resources from the Minnesota Department of Education and the MHFA. co.olmsted.mn.us

Olmsted County Housing and Redevelopment Authority (OCHRA) – The HRA assists qualified, low-income persons with rent payments, home purchases and home improvement loans. The mission of the HRA is to provide opportunities to obtain quality, affordable housing for Olmsted County residents. The HRA owns rental housing and administers the housing voucher program. In addition, a number of Rehab programs are administered through the HRA including the following:

- Rental Rehab Monitoring
- Shelter Care Plus
- Community Fix-Up Fund
- Fix-Up Fund
- MHFA Rehab Loans
- Rochester CDBG Rehab
- Rental Rehab Loans
- HOME Rental Rehab

<http://www.co.olmsted.mn.us/planning/ochra/Pages/default.aspx>

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Rochester Area Habitat for Humanity builds about three to four affordable homes annually. Since 1990, over 70 homes have been built or rehabilitated through Habitat in the Rochester Area. Families are required to provide up to 500 “sweat equity” hours for building their home and complete a series of classes. [Tworivershabitat.org](http://tworivershabitat.org)

Rochester Area Foundation (RAF) is a charitable-giving organization that works with donors to grow their invested funds while providing grants to community organizations. According to the most recent annual report, the *Rochester Area Foundation* has contributed to 609 affordable homes, 423 affordable rentals, and 12 multi-family developments. RAF has served over 1,000 families and has added nearly \$16.7 million dollars in loans for development of affordable housing. <http://www.rochesterarea.org>. The following text is a summary overview from the RAF:

The Mission of the Rochester Area Foundation is building and enhancing the quality of life in the greater Rochester area through philanthropic leadership and community partnerships. Thanks to our generous donors, Rochester Area Foundation has become one of the largest sources of philanthropic support in the Rochester area. Since 1944, thousands of generous donors have entrusted us with nearly \$43 million in charitable assets to invest wisely.

We help community members achieve maximum impact with their philanthropy.

Our donors rely on us for strategic advice and for administrative help with their grant-making. We share in-depth knowledge of community needs to help donors make informed giving decisions. We provide services to amplify the impact of charitable giving through professionally managed donor-advised funds and philanthropic expertise and create charitable legacies that last beyond our donors’ lifetimes through endowed funds and planned gifts.

We are a convener and catalyst for change.

We look boldly into the future to help our donors and partners understand challenges, and bring people together to create effective, collaborative solutions. We maximize impact by pooling financial and other support from many sources for the greatest benefit to Rochester area communities and organizations. In particular, we seek and support measurable impact with initiatives focused on affordable housing.

We believe strong nonprofits build strong communities.

By making grants, growing agency endowment funds, and providing education and training, we work to increase the capacity of nonprofits so they can better serve those in need.

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First Homes - First Homes was organized in 1999 to create permanent, quality, work-force housing throughout the greater Rochester area. Homeownership benefits families and communities. Stable, secure housing has positively impacted school performance, health, property maintenance and reduces crime rates. Between 1999 and today, generous businesses, governments, and individuals have contributed over \$20 million that attracted over \$100 million in private investment. This led to the creation of homes that over 1,800 families have had the opportunity to call their own through the availability of gap loan mortgage assistance and a Community Land Trust program. The program has grown over the last 20 years, and by 2021, there will be 223 units in seven counties as part of the CLT.

SE Minnesota Center for Independent Living (SEMCIL) – SEMCIL provides independent living services to persons with disabilities. Funding is provided by state and federal grants, United Way and Olmsted County Social Services. SEMCIL developed a housing directory that lists all complexes that have subsidized, income-based and fair market rental units. They assist individuals to locate and renovate appropriate housing options. <http://www.semcil.org>.

Salvation Army – The Salvation Army provides rental assistance to prevent or end homelessness, emergency shelter vouchers and transitional housing programs. Rental assistance helps people with up to one month's rent if they are threatened with an eviction or are ending their homelessness. Emergency motel vouchers are used when there are no other housing options. <http://salvationarmynorth.org/community/rochester>

Women's Shelter – The Women's Shelter provides temporary shelter for women and children who are fleeing abuse. Residents may stay as long as necessary; however, most stay less than two weeks (excluding the transitional house). The women and children stay free of charge at the shelters and pay according to their income at the transitional house. <http://www.womens-shelter.org>.

Zumbro Valley Mental Health Center – Zumbro Valley provides many programs. They include Housing Options, Housing Options Subsidy Program, Transitional Housing Program and Northgate Community Housing. These programs offer housing or housing assistance to persons that are homeless or at risk of homelessness and are also seriously mentally ill, chronic substance abusers or HIV positive. Tenants typically pay 30% or 1/3 of their income towards rent. Zvhc.org

In addition, there are a variety of housing programs that can be administered to improve the housing stock. The following is a sampling of potential programs that could be explored.

- Architectural Design Services - The local government authority (City, HRA, etc.) partners with local architects to provide design consultation with homeowners. Homeowner pays a small fee for service, while the City absorbs the majority of the cost. No income restriction.

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- Construction Management Services – Assist homeowners regarding local building codes, reviewing contractor bids, etc. Typically provided as a service by the building department. This type of service could also be rolled into various remodeling related programs.
- Density Bonuses – Since the cost of land is a significant barrier to housing affordability, increasing densities can result in lower housing costs by reducing the land costs per unit. Municipalities can offer density bonuses as a way to encourage higher-density residential development while also promoting an affordable housing component.
- Fast Track Permitting – Program designed to reduce delays during the development process that ultimately add to the total costs of housing development. By expediting the permitting process costs can be reduced to developers while providing certainty into the development process. Typically, no-cost to the local government jurisdiction.
- Heritage Preservation – Encourage residents to preserve historic housing stock in neighborhoods with homes with character through restoring and preserving architectural and building characteristics. Typically funded with low interest rates on loans for preservation construction costs.
- Home Improvement Area (HIA) - HIAs allow a townhome or condo association low interest loans to finance improvements to common areas. Unit owners repay the loan through fees imposed on the property, usually through property taxes. Typically, a "last resort" financing tool when associations are unable to obtain traditional financing due to the loss of equity from the real estate market or deferred maintenance on older properties.
- Home-Building Trades Partnerships – Partnership between local Technical Colleges or High Schools that offer building trades programs. Affordability is gained through reduced labor costs provided by the school. New housing production serves as the “classroom” for future trades people to gain experience in the construction industry.
- Home Sale Point of Sale - City ordinance requiring an inspection prior to the sale or transfer of residential real estate. The inspection is intended to prevent adverse conditions and meet minimum building codes. Sellers are responsible for incurring any costs for the inspection. Depending on the community, evaluations are completed by city inspectors or 3rd party licensed inspectors.
- Housing Fair - Free seminars and advice for homeowners related to remodeling and home improvements. Most housing fairs offer educational seminars and "ask the expert" consulting services. Exhibitors include architects, landscapers, building contractors, home products, city inspectors, financial services, among others.
- Home Energy Loans – Offer low interest home energy loans to make energy improvements in their homes.
- H.O.M.E. Program – Persons 60 and over receive homemaker and maintenance services. Typical services include house cleaning, grocery shopping, yard work/lawn care, and other miscellaneous maintenance requests.
- Infill Lots – The City or HRA purchase blighted or substandard housing units from willing sellers. After the home has been removed, the vacant land is placed into the program for future housing redevelopment. Future purchasers can be builders or the future

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owner-occupant who has a contract with a builder. Typically, all construction must be completed within an allocated timeframe (one year in most cases).

- Inclusionary Housing – Inclusionary housing policies and programs rely on private sector housing developers to create affordable housing as they develop market rate projects. Inclusionary zoning encourages or mandates the inclusion of a set proportion of affordable housing units in each new market rate housing development above a certain size. These programs are popular approaches for local and state governments to encourage the development of affordable housing.
- Land Banking – Land Banking is a program of acquiring land with the purpose of developing at a later date. After a holding period, the land can be sold to a developer (often at a price lower than market) with the purpose of developing affordable housing.
- Land Trust - Utilizing a long-term 99-year ground lease, housing is affordable as the land is owned by a non-profit organization. Subject to income limits and targeted to workforce families with low-to-moderate incomes. If the family chooses to sell their home, the selling price is lower as land is excluded.
- Realtor Forum - Typically administered by City with partnership by local school board. Inform local Realtors about school district news, current development projects, and other marketing factors related to real estate in the community. In addition, Realtors usually receive CE credits.
- Remodeling Tours - City-driven home remodeling tour intended to promote the enhancement of the housing stock through home renovations/additions. Homeowners open their homes to the public to showcase home improvements.
- Rent to Own - Income-eligible families rent for a specified length of time with the end-goal of buying a home. The HRA saves a portion of the monthly rent that will be allocated for a down payment on a future house.
- Rental License – Licensing rental properties in the communities. Designed to ensure all rental properties meet local building and safety codes. Typically enforced by the fire marshal or building inspection department. Should require annual license renewal. Rochester is the only city in Olmsted County that requires a rental license; other communities should consider this program.
- Shallow Rent Subsidy: The HRA funds a shallow rent subsidy program to provide program participants living in market rate rentals a rent subsidy (typically about \$100 to \$300 per month).
- Tax Increment Financing (TIF): Program that offers communities a flexible financing tool to assist housing projects and related infrastructure. TIF enables communities to dedicate the incremental tax revenues from new housing development to help make the housing more affordable or pay for related costs.
- Transfer of Development Rights – Transfer of Development Rights (TDR) is a program that shifts the development potential of one site to another site or different location, even a different community. TDR programs allow landowners to sever development rights from properties in government-designated low-density areas and sell them to purchasers who want to increase the density of development in areas that local governments have selected as higher density areas.

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- **Infill Housing.** Infill refers to a parcel(s) of land which is surrounded by land that has already been developed. Infill development is new construction located on underutilized or vacant lots usually located in established neighborhoods of a community. Infill development can be challenging as enough parcels of land that are permissible land uses are typically required to be assembled to allow for a feasible building(s). In many circumstances the challenge is assembling all of the parcel owners to agree to sell and in a time frame that makes economic sense to the buyer.

Many communities have infill programs that are designed to enhance older neighborhoods or provide affordable homes for low- and moderate-income households. Infill programs are designed to facilitate the development of vacant lots in older neighborhoods that suit the character of the neighborhood. Some cities provide pre-approved floor plans that meet building criteria on smaller lots sizes. Other communities have infill programs that provide incentives to encourage developers to build affordable housing within targeted neighborhoods. Such incentives include free land for qualified builders/developers, deferred or waived impact fees, and funding assistance.

New construction in Rochester has historically moved outside the core central city to the fringe areas of the community with vacant land. However, there is strong demand for living in Downtown or in nearby neighborhoods. Many of these neighborhoods feature older homes that have a mix of ownership and rental households. Because of the strong demand to be located near the Downtown core and the lack of land, land costs are high which results in high redevelopment costs for infill housing near the core resulting in higher housing costs for the end consumer.

Therefore, a more cost-effective approach is to maintain existing assets and preserve and enhance the existing housing stock. Local governments should support and expand home-rehabilitation tools, resources, and programs to assist existing homeowners and property owners with needed improvements. Many of the homes located near the Downtown in neighborhoods such as Kutzky Park, Northrup, East Side Pioneers, etc. are still relatively affordable and can be purchased for under \$250,000.

- **Job Growth/Employment.** The Covid-19 pandemic has created a number of new challenges for businesses, workers, and government. The unemployment rate in Olmsted County for June 2020 was at 8.5% compared to 2.9% in June 2019. These unprecedented challenges are having economic ripple effects across the country as thousands of Americans have found themselves out of work with the potential for significant increases in unemployment. With the assumption the Covid-19 pandemic subsides, Olmsted County is expected to experience solid job growth between 2020 and 2030. The Southeast Minnesota planning region is projected to experience a 5% gain (12,721 jobs) during the decade. Significant job growth is expected between 2020 and 2030 (18%). Over 46,500 jobs are projected over the next two decades.

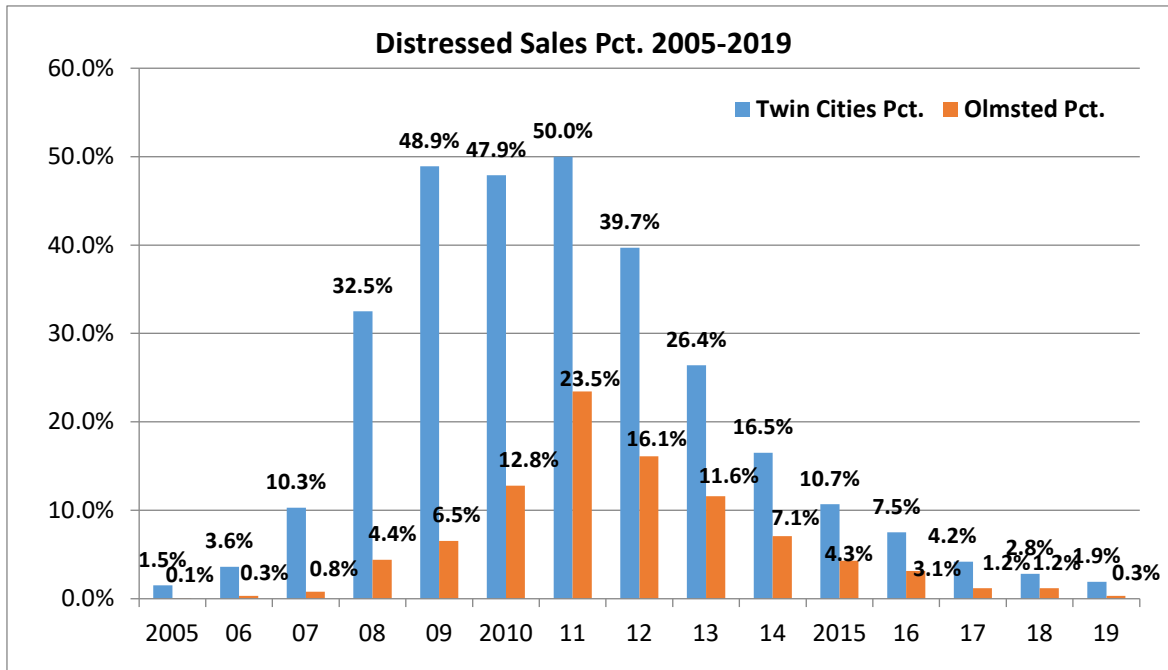
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Although a low unemployment rate is generally considered positive news, a very low unemployment rate can be challenging for employers looking to add additional staff. Wages in Olmsted County are about nearly the same as the Twin Cities Metro Area; hence the high percentage of Olmsted County residents that work inside the county. The addition of more jobs, specifically jobs with higher wages, will keep residents working in the county and attract more people to Olmsted County. The DMC is a major economic development initiative that will drive substantial new job growth for future generations. The target for the DMC is to grow the employment base by more than 30,000 jobs and bring tax revenue in excess of \$7 billion to the State over the next 35 years.

- **Lifestyle Renters.** Historically, householders rented because they couldn't afford to buy or didn't have the credit to qualify for a mortgage. Today that is no longer the case and many householders are renting by choice. High-income renters represent the fastest growing market segment of the rental market today; having grown 48% over the past decade. Demand is being driven by the Millennials, would-be buyers on the side-line, and empty nesters. As a result, rental housing is one of the preferred real estate asset classes today across country. Downtown Rochester will continue to be an attractive location for high-end rental multifamily housing that will be attractive to a variety of household types that will desire to rent while enjoying downtown amenities. Lifestyle renters are attracted to developments offering excellent finishing quality, extensive common area facilities, and typically focus on an environment providing a more social experience.
- **Lender-mediated Properties.** As illustrated in the *For-Sale* section, lender-mediated properties have declined substantially since the housing downturn and Great Recession of last decade. Lender mediated properties (i.e. foreclosures and short sales) in Olmsted County peaked at about 24% of all transaction in 2011 and has been declining annually. As of 2019, less than 1% of all transactions were lender-mediated compared to 2% in the Twin Cities. As illustrated in the chart below, Olmsted County has experienced much lower rates of foreclosures than the Metro Area. The continued decline in lender-mediated properties will enhance the overall real estate market and pricing will continue to gain from all the losses of last decade.

Due to COVID-19 pandemic and the downturn in the economy, there is a strong probability lender-mediated property could increase should the economy suffer from a second wave of infections and lockdowns. As of July 2020, mortgage forbearance equaled about 7.8% nationwide and foreclosures have not increased as of yet. About one-half of all mortgages in forbearance have renegotiated with their lender on an extension of the mortgage term. This pace of forbearance remains exceptionally low compared to the Great Recession last decade. However, the full effect of the pandemic is still not known, and it may be 1-2 years before mortgages coming out of forbearance agreements need assistance. We recommend counseling services for Olmsted County homeowners that can help navigate mortgage assistance plans on behalf of homeowners.

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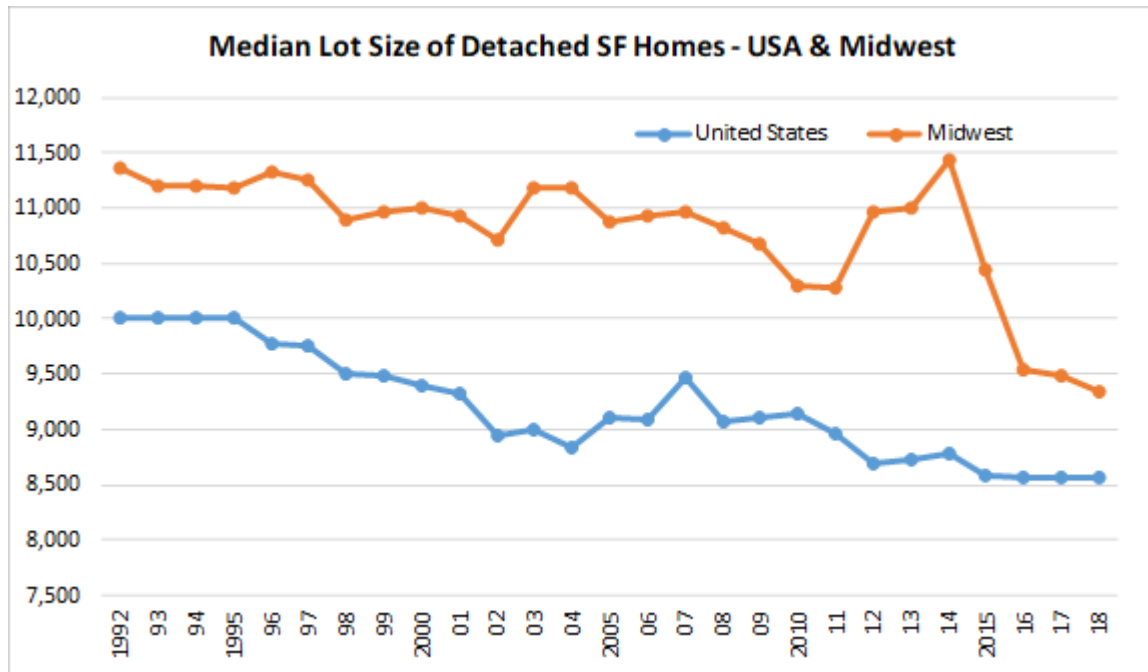


- **Lot Size:** Across Olmsted County, Twin Cities, Midwest, and the U.S. there has been a growing trend of lot size compression for decades and especially since the Great Recession of last decade. As illustrated in the chart below, the median lot size of a new single-family detached home in the United States sold in 2019 (most recent statistics) dropped to its smallest size since the Census Bureau has been tracking lot sizes. Nationwide median lot sizes have dropped below 8,200 square feet (0.19 acres), down about 9% since 2010. Historically lot sizes in the Midwest have been about 17% larger than nationwide trends, however, Midwest lot sizes are also down about 10% since 2010.

Lot sizes have decreased in part due to increasing raw land, lot prices, and rising regulatory and infrastructure costs (i.e. curb and gutter, streets, etc.). As a result, builders and developers have reduced lot sizes in an effort to increase density and absorb higher land development costs across more units. Some newer single-family subdivisions in Rochester have lot widths of about 65 to 75 feet, down from the standard width of 80 to 90 feet prior to the Great Recession. Because many local governments have large minimum lot size requirements, the cost of housing continues to rise as developers and buyers may be required to purchase a lot this is larger than they prefer.

Although there has been lot size compression in Rochester in some neighbors, Realtors mentioned there is also a desire for larger lot sizes and many buyers move to the surrounding townships or smaller Olmsted County communities for Olmsted County for more “elbow room” than Rochester.

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- **Lot Supply.** Maxfield Research and Consulting recommends a three- to five-year supply of lots is an appropriate balance between providing adequate consumer choice and minimizing developers' carrying costs. With an annual average absorption of about 435 single-family lots (based on the average annual number of building permits between 2011 and 2019), Olmsted County would need a supply of at least 1,300 platted lots to maintain a three-year lot supply. Maxfield Research estimates there are approximately 1,500 vacant developed lots as of the 2nd Quarter 2020. Therefore, the lot supply is only able to meet 3 years based on historic absorption. However, new lots will need to be platted immediately in order to meet future growing demand this decade. New lot supply is a high priority to ensure adequate choice and availability to accommodate household growth.
- **Modular Housing.** Modular housing, often referred to as prefab housing, is the construction of housing units in a controlled factory-like setting or on a manufacturer's site or lumber yard. Modular housing is gaining steam from developers and investors to combat high construction costs, labor shortages, and speed-up the construction timeline. The biggest advantage modular housing provides is time and shaving months of holding costs off the consumers' bottom line. Originally modular housing was mostly single-family oriented; however, developers are now constructing entire apartment buildings, hotels, senior living, man camps, and college dorms. Historically the biggest challenge of modular housing is transportation and shipping costs.

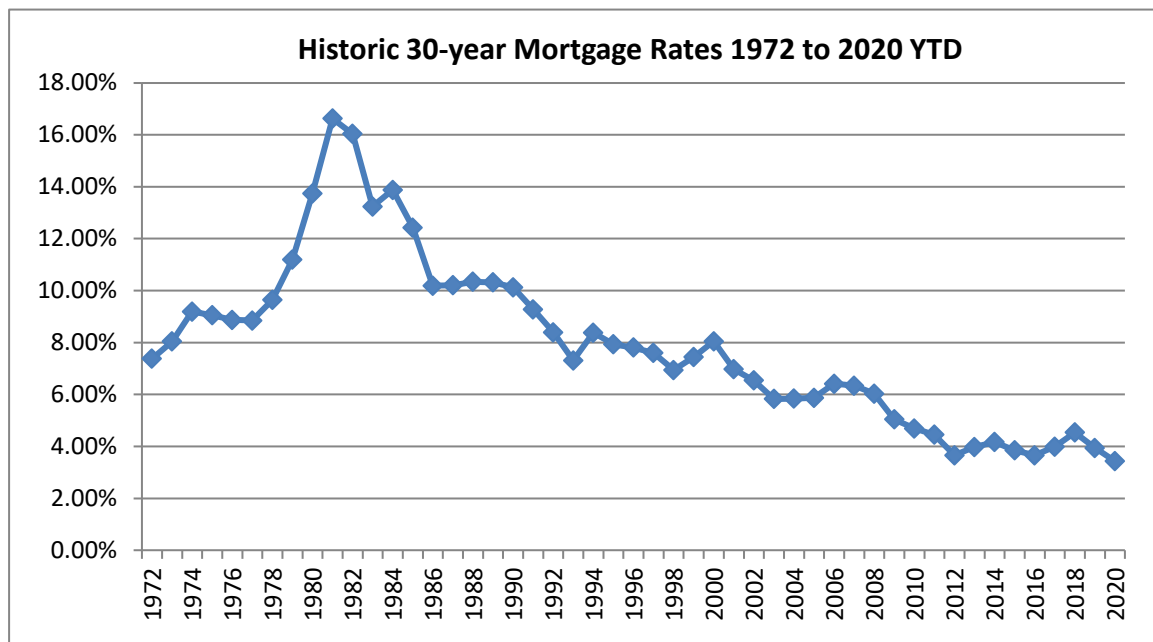
However, recently a new modular plant start-up has recently opened in Owatonna within an existing 150,000 square foot industrial space. Maxfield Research believes there is great opportunity in the modular construction sector that can be utilized in Olmsted County and

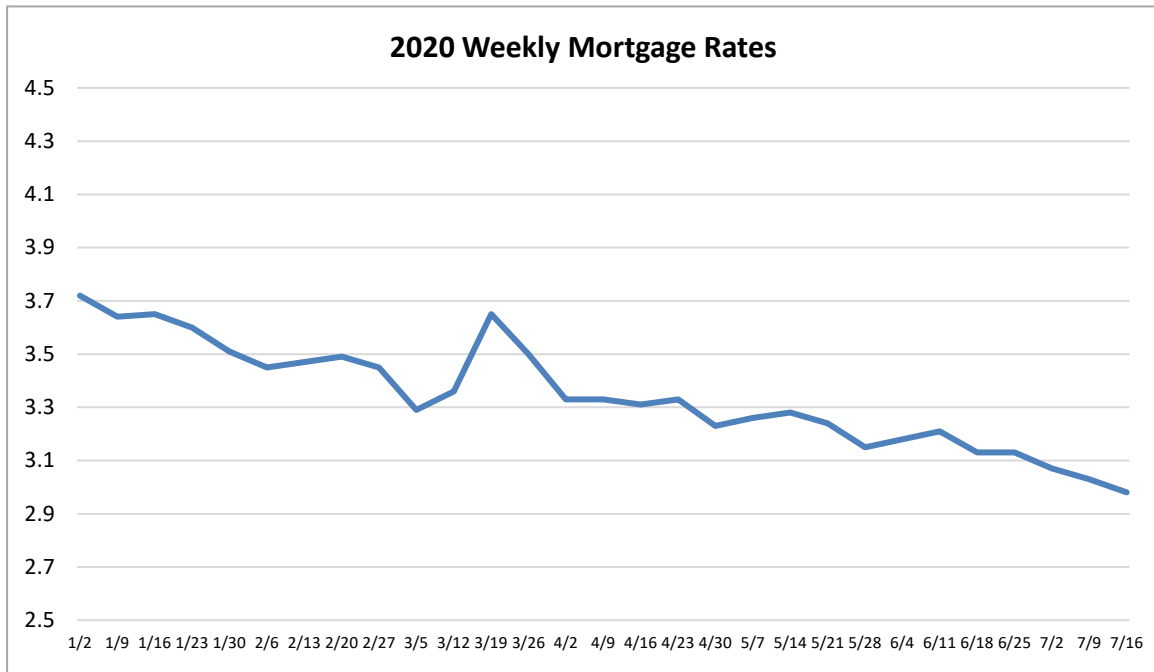
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southeastern Minnesota; providing a win-win scenario to the local modular builders and consumers through cost savings.

- **Mortgage Rates.** Mortgage rates play a crucial part in housing affordability. Lower mortgage rates result in a lower monthly mortgage payment and buyers receiving more home for their dollar. Rising interest rates often require homebuyers to raise their down payment in order to maintain the same housing costs. Mortgage rates have remained at historic lows over the past decade coming out of the Great Recession. Although rates ticked-up in 2018 and early 2019, concerns about global growth pushed long-term interest rates. Due to the COVID-19 pandemic, rates plummeted and are at a new all-time low at the time low under 3% (30-year fixed). Most economists believe rates will remain low through 2020 as the Federal Reserve will keep benchmark rates low to help stimulate the economy. Because rates are at all-time lows; rates are likely to remain consistent as there is little movement to go from here.

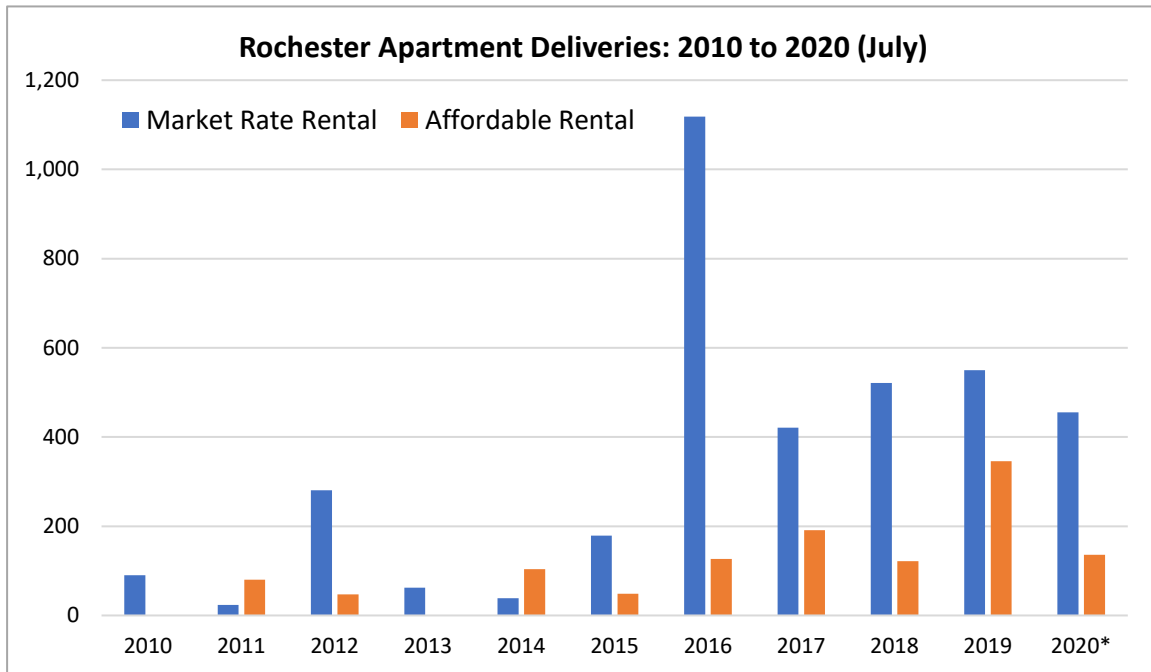
The following charts illustrates historical mortgage rate averages as compiled by Freddie Mac. The Freddie Mac Market Survey (PMMS) has been tracking mortgage rates since 1972 and is the most relied upon benchmark for evaluating mortgage interest market conditions. The Freddie Mac survey is based on 30-year mortgages with a loan-to-value of 80%.





- Rochester Rental Housing Apartment Boom.** The City of Rochester has experienced an apartment boom over the last five years. Over the course of the last decade and into early 2020; nearly 5,000 new apartments have been completed in Rochester. Furthermore, 81% of all new apartments were completed within the last five years as few apartments were completed between 2010 and 2015. In 2016 alone, over 1,200 units were completed across a dozen new projects. Approximately 3/4s of all new units constructed since 2010 were market rate (3,740 units) while affordable projects added about 1,200 units. In addition, Maxfield Research is tracking over 1,300 rental units either under construction (247 units) or planned/proposed (1,070 units) that may move forward.

Given the current vacancy rates, development pipeline, and current COVID-19 pandemic situation, the rental market rate rental market is expected to be soft in the short-term. Over 500 new construction units still need to be absorbed to reach equilibrium (5%). Most property managers were offering some concessions to help keep occupancies high and turnover down. The long-term apartment outlook is bright; however, in the short-term during the pandemic and uncertainty in the economy the apartment sector will be softer than accustomed to in the Rochester market.



- Single-Family Rental Housing Demand.** Table HC-6 showed that 27% of the rental housing inventory in the Olmsted County Market Area is within single-unit housing structures. That same table indicated that this percentage increases to 39% of the units in Rochester. According to the City of Rochester, about 22% of licensed rentals in Rochester are either a single-family, townhome, or condominium rental unit. Nationwide, it is estimate that 25 of the 43 million rental households in the United States (58%) reside in either single-family rentals, townhomes, duplexes, triplexes and quads. Single-family units, townhomes, and condos make-up about 34% of all rental units in the country.

A recent study by Freddie Mac identified the market share of single-family rentals (“SFR”) by ownership type across the country. The study found that 88% of SFR are owned by investors with between 1 and 10 homes. Institutional investors make-up only 1% of the market share today; even though they are they have the financial backing and are able to acquire larger portfolios. Our interviews with property managers in Rochester indicate the vast majority of SFR are owned by smaller “mom and pop” property owners. Although some property managers indicated they managed several properties for own owner or investor, the majority of owners have only one property for lease.

Demand is strong for SFR by providing renter lifestyle choice and the ability to reside in a detached unit without having to obtain the funds for a down payment on a mortgage. Many SF renters may consider purchasing; however, the rising costs of real estate and the down payment requirements hinder some renters from making the leap to home ownership. The COVID-19 pandemic has increased demand for SFR as renters desire more square

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footage, green space, separate entrances, and fewer touchpoints and common corridors like those found in traditional multifamily structures.

Historically demand has been strong for SFR, however demand has been softer over the past year as increased competition from new multifamily renters has increased the supply and competition. Several property managers commented that SFR rentals have been more difficult to lease as they compete with new rental construction offering rent concessions. Because home values are at all-time highs, some rental stock may move back to the for-sale sector as some owners will seek to capitalize on the hot housing market. Given the increasing costs to purchase a single-family rental unit; fewer acquisitions or new SFR are expected given the competitive for-sale market.

- **Short-Term Housing/Extended Stay.** Because of Rochester's draw as a medical destination, there are a number of temporary and short-term stay housing accommodations in Rochester. The target market for these stays has been Mayo patients and families of those patients, however other target markets include UMR students, Mayo faculty/staff, corporate relocations, etc. Establishments range from hotels, suites, apartments, townhomes or single-family homes, etc. Many of these furnished units offer weekly and monthly rates that have flexible rental agreements. Organizations such as the Rochester Visitor Housing Association specialize in short-term visitor housing for Mayo clinic patients and guests.

There has been a growing preference for non-traditional lodging choices as companies such as VRBO, Airbnb, Stay Alfred, Sonder and others make a splash into the rental and hospitality sector. Many apartment owners are entertaining relationships with short-term stay companies as an avenue to lock-up long-term leases with a short-term operator. However, single-family properties and townhomes still make-up the majority of property types utilizing short-term rentals in Rochester.

Demand and bookings for short-term rentals was hit hard by the COVID-19 pandemic; especially when elective surgeries and patient volume at the Mayo was down significantly last spring into summer. However, long-term this business model will continue to evolve and gain market share as guests desire "experiences" and enjoy the comfort of home-like amenities especially those seeking long-term medical care from the Mayo.

Maxfield Research & Consulting has found that short-term rentals have not had much, of any, impact on the local rental housing market supply in Rochester. Short-term rentals to date have not reduced the supply of rental housing from rental landlords converting from the rental stock to short-term rentals. At this time; many short-term rentals have been from smaller, "mom and pop" real estate owners that have opted to rent out their home or rooms within their home. Nonetheless, there is pressure from the new luxury apartment buildings to convert a portion of the units to the short-term rental inventory with today's higher vacancy rates. However, demand remains low at this time given the pandemic and economic recovery.

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Short-term rentals have faced backlash from the hospitality industry due to increased competition and the lack of a hospitality tax passed to the consumer. At the same time, major hotel chains such as Marriott are also entering into the short-term stay market as they seek to diversify their portfolios and take advantage of the home sharing industry. Recently, the City of Rochester has discussed the possibility of regulating short-term rental properties. However, at this time the City Council has not move forward with any changes and has left the short-term market unregulated for the time being. Once the economy has improved and the pandemic is history; demand for short-term says will bounce back strong.

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Definitions

Absorption Period – The period of time necessary for newly constructed or renovated properties to achieve the stabilized level of occupancy. The absorption period begins when the first certificate of occupancy is issued and ends when the last unit to reach the stabilized level of occupancy has signed a lease.

Absorption Rate – The average number of units rented each month during the absorption period.

Active Adult (or independent living without services available) – Active Adult properties are similar to a general-occupancy apartment building, in that they offer virtually no services but have age-restrictions (typically 55 or 62 or older). Organized activities and occasionally a transportation program are usually all that are available at these properties. Because of the lack of services, active adult properties typically do not command the rent premiums of more service-enriched senior housing.

Adjusted Gross Income “AGI” – Income from taxable sources (including wages, interest, capital gains, income from retirement accounts, etc.) adjusted to account for specific deductions (i.e. contributions to retirement accounts, unreimbursed business and medical expenses, alimony, etc.).

Affordable Housing – The general definition of affordability is for a household to pay no more than 30% of their income for housing. For purposes of this study we define affordable housing that is income-restricted to households earning at or below 80% AMI, though individual properties can have income-restrictions set at 40%, 50%, 60% or 80% AMI. Rent is not based on income but instead is a contract amount that is affordable to households within the specific income restriction segment. It is essentially housing affordable to low or very low-income tenants.

Amenity – Tangible or intangible benefits offered to a tenant in the form of common area amenities or in-unit amenities. Typical in-unit amenities include dishwashers, washer/dryers, walk-in showers and closets and upgraded kitchen finishes. Typical common area amenities include detached or attached garage parking, community room, fitness center and an outdoor patio or grill/picnic area.

Area Median Income “AMI” – AMI is the midpoint in the income distribution within a specific geographic area. By definition, 50% of households earn less than the median income and 50% earn more. The U.S. Department of Housing and Urban Development (HUD) calculates AMI annually and adjustments are made for family size.

Assisted Living – Assisted Living properties come in a variety of forms, but the target market for most is generally the same: very frail seniors, typically age 80 or older (but can be much younger, depending on their particular health situation), who are in need of extensive support

services and personal care assistance. Absent an assisted living option, these seniors would otherwise need to move to a nursing facility. At a minimum, assisted living properties include two meals per day and weekly housekeeping in the monthly fee, with the availability of a third meal and personal care (either included in the monthly fee or for an additional cost). Assisted living properties also have either staff on duty 24 hours per day or at least 24-hour emergency response.

Building Permit – Building permits track housing starts, and the number of housing units authorized to be built by the local governing authority. Most jurisdictions require building permits for new construction, major renovations, as well as other building improvements. Building permits ensure that all the work meets applicable building and safety rules and is typically required to be completed by a licensed professional. Once the building is complete and meets the inspector’s satisfaction, the jurisdiction will issue a “CO” or “Certificate of Occupancy.” Building permits are a key barometer for the health of the housing market and are often a leading indicator in the rest of the economy as it has a major impact on consumer spending.

Capture Rate – The percentage of age, size, and income-qualified renter households in a given area or “Market Area” that the property must capture to fill the units. The capture rate is calculated by dividing the total number of units at the property by the total number of age, size and income-qualified renter households in the designated area.

Comparable Property – A property that is representative of the rental housing choices of the designated area or “Market Area” that is similar in construction, size, amenities, location and/or age.

Concession – Discount or incentives given to a prospective tenant to induce signature of a lease. Concessions typically are in the form of reduced rent or free rent for a specific lease term, or free amenities, which are normally charged separately, such as parking.

Congregate (or independent living with services available) – Congregate properties offer support services such as meals and/or housekeeping, either on an optional basis or a limited amount included in the rents. These properties typically dedicate a larger share of the overall building area to common areas, in part, because the units are smaller than in adult housing and in part to encourage socialization among residents. Congregate properties attract a slightly older target market than adult housing, typically seniors age 75 or older. Rents are also above those of the active adult buildings, even excluding the services.

Contract Rent – The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease.

Demand – The total number of households that would potentially move into a proposed new or renovated housing project. These households must be of appropriate age, income, tenure and

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size for a specific proposed development. Components vary and can include, but are not limited to turnover, people living in substandard conditions, rent over-burdened households, income-qualified households and age of householder. Demand is project specific.

Density – Number of units in a given area. Density is typically measured in dwelling units (DU) per acre – the larger the number of units permitted per acre the higher the density; the fewer units permitted results in lower density. Density is often presented in a gross and net format:

Gross Density – The number of dwelling units per acre based on the gross site acreage.

Gross Density = Total residential units/total development area

Net Density - The number of dwelling units per acre located on the site, but excludes public right-of-ways (ROW) such as streets, alleys, easements, open spaces, etc.

Net Density = Total residential units/total residential land area (excluding ROWs)

Detached Housing – a freestanding dwelling unit, most often single-family homes, situated on its own lot.

Effective Rents – Contract rent less applicable concessions.

Elderly or Senior Housing – Housing where all the units in the property are restricted for occupancy by persons age 62 years or better, or at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or better and the housing is designed with amenities, facilities and services to meet the needs of senior citizens.

Extremely Low-Income – Person or household with incomes below 30% of Area Median Income, adjusted for respective household size.

Fair Market Rent – Estimates established by HUD of the Gross Rents needed to obtain modest rental units in acceptable conditions in a specific geographic area. The amount of rental income a given property would command if it were open for leasing at any given moment and/or the amount derived based on market conditions that is needed to pay gross monthly rent at modest rental housing in a given area. This figure is used as a basis for determining the payment standard amount used to calculate the maximum monthly subsidy for families on at financially assisted housing.

Fair Market Rent Olmsted County - 2020

Fair Market Rent					
	EFF	1BR	2BR	3BR	4BR
Fair Market Rent	\$667	\$777	\$1,016	\$1,416	\$1,748

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Floor Area Ratio (FAR) Ratio of the floor area of a building to area of the lot on which the building is located.

Foreclosure – A legal process in which a lender or financial institute attempts to recover the balance of a loan from a borrower who has stopped making payments to the lender by using the sale of the house as collateral for the loan.

Gross Rent – The monthly housing cost to a tenant which equals the Contract Rent provided for in the lease, plus the estimated cost of all utilities paid by tenants. Maximum Gross Rents for Olmsted County are shown in the figure below.

**Gross Rent
Olmsted County – 2020**

	Maximum Gross Rent				
	EFF	1BR	2BR	3BR	4BR
30% of median	\$531	\$569	\$683	\$789	\$880
50% of median	\$886	\$949	\$1,138	\$1,315	\$1,467
60% of median	\$1,063	\$1,139	\$1,366	\$1,578	\$1,761
80% of median	\$1,418	\$1,519	\$1,822	\$2,105	\$2,348
100% of median	\$1,772	\$2,025	\$2,277	\$2,530	\$2,732
120% of median	\$2,127	\$2,430	\$2,733	\$3,036	\$3,279

Household – All persons who occupy a housing unit, including occupants of a single-family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Household Trends – Changes in the number of households for any particular areas over a measurable period of time, which is a function of new household formations, changes in average household size, and net migration.

Housing Choice Voucher Program – The federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. Housing choice vouchers are administered locally by public housing agencies. They receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program. A housing subsidy is paid to the landlord directly by the public housing agency on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

Housing Unit – House, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

HUD Project-Based Section 8 – A federal government program that provides rental housing for very low-income families, the elderly, and the disabled in privately owned and managed rental units. The owner reserves some or all of the units in a building in return for a Federal government guarantee to make up the difference between the tenant's contribution and the rent. A tenant who leaves a subsidized project will lose access to the project-based subsidy.

HUD Section 202 Program – Federal program that provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy by elder household who have incomes not exceeding 50% of Area Median Income.

HUD Section 811 Program – Federal program that provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy of persons with disabilities who have incomes not exceeding 50% Area Median Income.

HUD Section 236 Program – Federal program that provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% Area Median Income who pay rent equal to the greater or market rate or 30% of their adjusted income.

Income Limits – Maximum household income by a designed geographic area, adjusted for household size and expressed as a percentage of the Area Median Income, for the purpose of establishing an upper limit for eligibility for a specific housing program. See income-qualifications.

Inflow/Outflow – The Inflow/Outflow Analysis generates results showing the count and characteristics of worker flows in to, out of, and within the defined geographic area.

Low-Income – Person or household with gross household incomes below 80% of Area Median Income, adjusted for household size.

Low-Income Housing Tax Credit – A program aimed to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income, and rents on these units be restricted accordingly.

Market Analysis – The study of real estate market conditions for a specific type of property, geographic area or proposed (re)development.

Market Rent – The rent that an apartment, without rent or income restrictions or rent subsidies, would command in a given area or “Market Area” considering its location, features and amenities.

Market Study – A comprehensive study of a specific proposal including a review of the housing market in a defined market or geography. Project specific market studies are often used by developers, property managers or government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what housing needs, if any, existing within a specific geography.

Market Rate Rental Housing – Housing that does not have any income-restrictions. Some properties will have income guidelines, which are minimum annual incomes required in order to reside at the property.

Memory Care – Memory Care properties, designed specifically for persons suffering from Alzheimer’s disease or other dementias, is one of the newest trends in senior housing. Properties consist mostly of suite-style or studio units or occasionally one-bedroom apartment-style units, and large amounts of communal areas for activities and programming. In addition, staff typically undergoes specialized training in the care of this population. Because of the greater amount of individualized personal care required by residents, staffing ratios are much higher than traditional assisted living and thus, the costs of care are also higher. Unlike conventional assisted living, however, which deals almost exclusively with widows or widowers, a higher proportion of persons afflicted with Alzheimer’s disease are in two-person households. That means the decision to move a spouse into a memory care facility involves the caregiver’s concern of incurring the costs of health care at a special facility while continuing to maintain their home.

Migration – The movement of households and/or people into or out of an area.

Mixed-Income Property – An apartment property contained either both income-restricted and unrestricted units or units restricted at two or more income limits.

Mobility – The ease at which people move from one location to another. Mobility rate is often illustrated over a one-year time frame.

Moderate Income – Person or household with gross household income between 80% and 120% of the Area Median Income, adjusted for household size.

Multifamily – Properties and structures that contain more than two housing units.

Naturally Occurring Affordable Housing – Although affordable housing is typically associated with an income-restricted property, there are other housing units in communities that indirectly provide affordable housing. Housing units that were not developed or designated with income guidelines (i.e. assisted) yet are more affordable than other units in a community are considered “naturally-occurring” or “unsubsidized affordable” units. This rental supply is available through the private market, versus assisted housing programs through various governmental agencies. Property values on these units are lower based on a combination of factors, such

as: age of structure/housing stock, location, condition, size, functionally obsolete, school district, etc.

Net Income – Income earned after payroll withholdings such as state and federal income taxes, social security, as well as retirement savings and health insurance.

Net Worth – The difference between assets and liabilities, or the total value of assets after the debt is subtracted.

Pent-Up Demand – A market in which there is a scarcity of supply and as such, vacancy rates are very low or non-existent.

Population – All people living in a geographic area.

Population Density – The population of an area divided by the number of square miles of land area.

Population Trends – Changes in population levels for a particular geographic area over a specific period of time – a function of the level of births, deaths, and in/out migration.

Project-Based Rent Assistance – Rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

Redevelopment – The redesign, rehabilitation or expansion of existing properties.

Rent Burden – Gross rent divided by adjusted monthly household income.

Restricted Rent – The rent charged under the restriction of a specific housing program or subsidy.

Saturation – The point at which there is no longer demand to support additional market rate, affordable/subsidized, rental, for-sale, or senior housing units. Saturation usually refers to a particular segment of a specific market.

Senior Housing – The term “senior housing” refers to any housing development that is restricted to people age 55 or older. Today, senior housing includes an entire spectrum of housing alternatives. Maxfield Research Consulting, LLC. classifies senior housing into four categories based on the level of support services. The four categories are: Active Adult, Congregate, Assisted Living and Memory Care.

Short Sale – A sale of real estate in which the net proceeds from selling the property do not cover the sellers’ mortgage obligations. The difference is forgiven by the lender, or other arrangements are made with the lender to settle the remainder of the debt.

Single-Family Home – A dwelling unit, either attached or detached, designed for use by one household and with direct street access. It does not share heating facilities or other essential electrical, mechanical or building facilities with another dwelling.

Stabilized Level of Occupancy – The underwritten or actual number of occupied units that a property is expected to maintain after the initial lease-up period.

Subsidized Housing – Housing that is income-restricted to households earning at or below 30% AMI. Rent is generally based on income, with the household contributing 30% of their adjusted gross income toward rent. Also referred to as extremely low-income housing.

Subsidy – Monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's contract/market rate rent and the amount paid by the tenant toward rent.

Substandard Conditions – Housing conditions that are conventionally considered unacceptable and can be defined in terms of lacking plumbing facilities, one or more major mechanical or electrical system malfunctions, or overcrowded conditions.

Target Population – The market segment or segments of the given population a development would appeal or cater to.

Tenant – One who rents real property from another individual or rental company.

Tenant-Paid Utilities – The cost of utilities, excluding cable, telephone, or internet necessary for the habitation of a dwelling unit, which are paid by said tenant.

Tenure – The distinction between owner-occupied and renter-occupied housing units.

Turnover – A measure of movement of residents into and out of a geographic location.

Turnover Period – An estimate of the number of housing units in a geographic location as a percentage of the total house units that will likely change occupants in any one year.

Unrestricted Units – Units that are not subject to any income or rent restrictions.

Vacancy Period – The amount of time an apartment remains vacant and is available on the market for rent.

Workforce Housing – Housing that is income-restricted to households earning between 80% and 120% AMI; however, some government agencies define workforce housing from 50% to 120% AMI. Also referred to as moderate-income housing.

Zoning – Classification and regulation of land use by local governments according to use categories (zones); often also includes density designations and limitations.