

Maxfield Housing Needs Analysis for 2020-2030 (Ownership Focus)

The Full Report is linked [here](#).

Projected Demand for 18,144 Olmsted County Housing Units 2020 – 2030

- 5,410 Senior Total
- 5,035 General Occupancy Rental
- 2,071 For-Sale Multi-Family
- 5,628 For-Sale Single Family
- Includes demand for 3,150 Affordable Rental Units with 2,340 in Rochester

Rental & Ownership Housing Production Update (4 years of production: 2020-2023)

- Average of 1,000 units/year produced = 55% of the Maxfield recommended 1,800 units
- Approximately 55% of units produced have been multi-family units
- 2024-2030 Housing Needed = 2,400 units/year to meet the 18,000 demand

Other Housing Insights

- An Olmsted County family of 4 making 100% AMI (\$117,200 = updated for year 2024) with a low level of debt can theoretically afford a home of \$351,600 to \$410,200. This uses the standard of 3.0 to 3.5 times 100% AMI.
- 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 (p 247).
- 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 (p 247).
- 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 through- out 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 (p 248).

Tingerthal Group’s 2023 Rochester Area Housing Financial & Policy Tool Forecasting Analysis

There are an estimated 2,080 units needed per year to achieve the anticipated demand by 2030, for a total of 16,600 units. The most significant demand is for single family and multifamily ownership opportunities, including for-sale units focused on the “active adult” senior market. An estimated 960 additional homes for sale in the market each year are needed to achieve the projected demand. These homes are expected to include a mix of affordability levels and configurations (p. 9)