

Maxfield Housing Needs Analysis for 2020-2030 (Rental 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
 - 3,000 Market Rate units will be needed (90% of these in the Rochester submarket)
 - 2,035 Affordable or Subsidized (1,273 Affordable @ 50-80% AMI; 763 Subsidized @ 30% AMI)
- 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

Single-Family Home Rentals

As of 2018, there are approximately 17,236 rental units in the Olmsted County Market Area. 27% of all renter-occupied housing units are single-family detached/attached homes (3,169 detached and 1,474 attached) (p. 163). In Rochester specifically, there are 3,351 single family rental units.

Senior Housing Rental

- Olmsted County has 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.
- 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 (Key Findings, p. 1)
- Over 1,300 new units produced from 2010-2020, with only 55 units affordable below 60% AMI.
- 2013 *Active Adult* (ages 65-74) Demand = 1919 units; Units delivered by 2020 = 40
- 2013 *Service-Based* Demand = 1059 units; Units delivered by 2020 = 415

Other Housing Insights

- 100% AMI for an Olmsted County family of 4 is \$117,200 in 2024 (per HUD link [here](#))
- 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.
- 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 (p 287).
- 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 (Exec Sum, p. 8).