A Comprehensive Housing Needs Analysis for City of Mankato

(Draft Copy – For Discussion)

Prepared for:

City of Mankato
Mankato, MN

April 2025

Maxfield Research & Consulting
Breaking Ground since 1983

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April 14, 2025

Ms. Nancy Bokelman
Assistant Director of Housing and Economic Development
City of Mankato
10 Civic Center Plaza
Mankato, MN 56308

Dear Ms. Bokelman:

Attached is the Comprehensive Housing Needs Analysis for Mankato, Minnesota conducted by Maxfield Research & Consulting. The study projects housing demand from 2025 to 2035 and provides recommendations on the amount and type of housing that could be built in Mankato to satisfy demand from current and future residents over the next decade.

The study identifies a potential demand for approximately 6,515 new housing units in Mankato to 2035. This demand will be generated by new households and existing households based on changing demographic trends and housing preferences. Demand was divided between general-occupancy housing (70%) and age-restricted senior housing (30%). We find strong demand for general occupancy rental housing and active adult senior housing, a result of the growing senior population that will begin seeking maintenance-free housing.

New housing construction in Mankato has been very limited. The rental market is in need of new workforce, affordable and subsidized supply as the vacancy rate is very low (1.3%). There is exceptionally strong growth in the older and senior demographics, resulting in substantially high demand for maintenance-free living options, whether age-restricted or age-targeted. Detailed information regarding recommended housing concepts can be found in the Conclusions and Recommendations 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

Mary C Bujold
President

David Sajevic
Senior Associate

Attachment

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This section highlights the key findings from the Comprehensive Housing Needs Assessment completed for the City of Mankato. Calculations of projected housing demand are provided through 2035 and recommendations for housing products to meet demand are found in the Conclusions and Recommendations section of the report.

Key Findings

1. Although the population in Mankato increased by 13% last decade and is forecasted to grow by 8% this decade, the current “higher for longer” interest rate environment may cause new housing construction growth rates to slow temporarily as sellers do not want to give up their current interest rates and consumers and builders have slowed production due to elevated financing costs. Once mortgage rates stabilize, growth is expected to rebound.

2. Population growth in Mankato has been strong and new housing development has been well-received in the market. We anticipate that growth in Mankato could exceed our projected growth over the long-term depending on the ability to place a variety of new housing products into the market and provided employment remains strong.

3. Demographically, most of the growth in Mankato and the Market Area is within the older adult cohorts (led by Baby Boomers) and from older Millennials and Gen Xs in their 40s and early 50s. Many of these householders will desire alternative housing products that while offered in the market, a greater variety of housing options need to be available to satisfy a broader range of income and market segments.

4. Mankato is a major job importer as there is an inflow of about 21,442 workers. The positive inflow of workers who commute to Mankato provides an opportunity to draw new households into the community through relocations. Furthermore, these workers are seeking retail goods and services, health care, and other services as they commute into Mankato daily.

5. Mankato’s housing stock is dominated by the single-family home, although duplex and townhome products experienced a surge in development over the past ten years. The diversification of the housing stock has strengthened the Mankato housing market and has responded to households changing needs. In addition, new market rate rentals have been well-received in the community and have absorbed well. Additional workforce, and affordable for-sale and rental housing is needed to meet current demand.

Executive Summary

Purpose and Scope of Study

Maxfield Research and Consulting was engaged by the City of Mankato to prepare a Comprehensive Housing Needs Analysis for the community. The analysis provides recommendations on the amount and types of housing that may be developed to meet the needs of current and future households residing in the City.

The scope of this study includes an analysis of the demographic and economic characteristics of Mankato and the surrounding area, a review of the characteristics of the existing housing stock and market analyses covering the for-sale, rental and senior housing markets as well as an analysis of housing for households with special needs. An assessment of housing affordability is also provided.

Detailed housing demand calculations to 2035 and development concept recommendations are provided for the community. The study concludes with an evaluation of challenges and opportunities associated with housing development in Mankato.

<u>Methodology</u>

This report includes both primary and secondary research. Primary research includes personal interviews, data on existing rental properties and information on pending developments. Secondary research, which is credited to the source when used, is always used as a basis for analysis and is carefully considered along with other factors that may impact projections. Secondary data resources include:

- City of Mankato and Blue Earth County
- Bureau of Labor Statistics
- Minnesota State University
- ESRI Inc.
- Regional Economic Development Alliance
- United States Census Bureau Decennial Census, American Community Survey (ACS), and Local Employment Household Dynamics (LEHD)
- United States Department of Housing and Urban Development (HUD)
- Rural Development
- MN Housing
- Minnesota State Demographer
- Realtors Association of Southern Minnesota
- Minnesota Association of Realtors
- River Valleys Continuum of Care
- Wilder Research

Demographic Analysis

- Between 2010 and 2020, Mankato's population increased 13.2%, adding 5,179 people, while the household base expanded 18.3% (2,725 households). Growth is forecasted through 2030, as Mankato is projected to grow by 3,523 people (7.9%) and 3,767 households (21.4%).

- In Mankato and the PMA, the 75+ age group is projected to be the fastest growing between 2025 and 2030, increasing 20.5% (667 people) and 22.5% (1,776 people), respectively. The second fastest growing age cohort is the 45 to 54 group, growing 11.4% (430 people) and 11.2% (1,186 people).

- By 2030, the median household income is expected to increase 14.6% to $70,879 in Mankato. By comparison, the median household income in the PMA is projected to increase 11.7% to $85,906 between 2025 and 2030.

- In Mankato, 50.7% of all households owned in 2025, giving it a homeownership rate that is lower than the PMA (65.3%). In Mankato, significant renter household growth occurred in the 25 to 34, 35 to 44, 45 to 54 and 55 to 64 age groups.

- In Mankato, Living Alone is estimated to be the most common household type (29.7% of all households), followed by Other (Roommates) at 22.1%.

Housing Characteristics

- From 2010 through 2023, 4,436 new housing units were permitted in the City of Mankato, while another 259 units were permitted in 2024 (through November). From 2010 through 2019, 2,986 new housing units were permitted in Mankato, for an average of 299 new units per year. The pace of development activity increased from 2020 through 2024, averaging 342 units per year (1,709 total units) over the past five years.

- The 2000s and 2010s were the two most active decades in Mankato for housing unit production. An estimated 16.5% of Mankato's housing stock was built from 2000 to 2009 (3,482 units) and 14.4% of the housing units were constructed from 2010 to 2019 (3,037 units). Newer housing stock in Mankato reflects strong household growth and a significant period of housing development.

- An estimated 19.8% of the renter-occupied units in Mankato are 50 or more units compared to 6.1% in the Remainder of the PMA and 15.1% in the PMA. An estimated 19.6% of Mankato's renter-occupied housing units are in 20- to 49-unit structures and another 12.8% are in structures with between five and nine units.

Employment Trends

- The labor force in Mankato increased 14% (3,369) between 2010 and 2024 compared to a 19.5% increase in resident employment (4,391). Between 2010 and 2019, Mankato's labor force expanded at a rate of 1% per year before increasing 0.7% in 2020 and contracting -2.8% in 2021.

- Average weekly wages in Mankato ($1,101) are 5% higher than in the South Central Region ($1,047). Highest wages in Mankato are in the Natural Resources and Mining ($2,135), Manufacturing ($1,699) and Financial Services ($1,632) industry sectors.

- An estimated 21,442 workers commute into Mankato for employment daily (inflow), while 9,685 resident workers leave the community (outflow). An estimated 8,877 people both live and work in the City (interior flow).

- An estimated 63.5% of the workers in Mankato reside within ten miles of their place of employment while 9.1% travel from 10 to 24 miles. An estimated 6.6% of the workers commute from a distance of 25 to 50 miles and another 20.8% come from more than 50 miles away.

Rental Housing Analysis

- In total, Maxfield Research surveyed 37 general occupancy affordable or subsidized apartment facilities along with 81 market rate rental properties, totaling 8,335 units in the Primary Market Area. General occupancy multifamily inventory includes 1,580 affordable or subsidized units, 4,627 market rate general occupancy units and 2,128 student-oriented units.

- Vacancy rates were well-below equilibrium for general occupancy affordable (1.7%), general occupancy subsidized (0.1%), market rate general occupancy (2.6%), and student-oriented properties (0.7%).

Senior Housing Analysis

- Maxfield Research surveyed a total of 1,470 age-restricted units in the Primary Market Area. Of this total, 139 were active adult ownership, 359 were independent living, 684 were assisted living and 288 were memory care. At the time of the survey, we identified the following vacancy rates: 0% for market rate active adult, 0.5% for affordable and subsidized active adult, 2.4% for independent living, 6.1% for assisted living and 2.4% for memory care. Generally, healthy senior housing vacancy rates range from 5% to 7% depending on service level. These vacancy rates demonstrate a need for additional senior housing in Mankato for nearly all service segments.

For-Sale Housing Analysis

- In Blue Earth County, the median home sale price was $309,000. It has more than doubled since 2015, with an increase of 105%.

- From 2022 through 2024, there were 2,210 residential sales in Blue Earth County. In the County, 61% of all sales (1,346) were in Mankato and 39% (864 sales) were in the Remainder of the County.

- An estimated 80% of all home sales in Mankato since 2022 have been detached single-family units (1,074 closed sales) while 20% (272) were sales of "other housing" product types, including condominiums and townhomes.

- There were 55 homes listed for sale in Mankato, including 37 detached single-family homes and 18 owned multifamily (townhome/twin home) units. The median asking price for detached single-family homes is $444,589. The list price for other product types was $410,611.

Planned & Pending Housing Developments

- There are five general occupancy market rate projects either under construction or approved, which total 311 pending units. There are no general occupancy affordable, subsidized, or senior housing rental housing developments in the pipeline in the Primary Market Area.

Housing Affordability

- An estimated 22.1% of owner households (2,307 households) are estimated to be paying more than 30% of their income toward housing costs in Mankato, compared to 16% in the Remainder of the PMA and 18.3% in the PMA.

- An estimated 49% of all renter households (4,334) in Mankato pay more than 30% of their income toward housing, compared to 32.8% in the Remainder of the PMA and 43.3% in the PMA.

Housing Demand Analysis

- Based on our calculations, demand exists in the City of Mankato for the following general occupancy product types between 2025 and 2035:

  - Market Rate Rental 1,224 units
  - Affordable Rental 767 units
  - Subsidized Rental 391 units

- For-Sale Single-Family 1,014 units
- For-Sale Multifamily 1,185 units

- In addition, we find demand for multiple senior housing product types. By 2035, demand in the Market Area for senior housing is forecast for the following:

  - Active Adult (Ownership) 200 units
  - Active Adult (Market Rate Rental) 280 units
  - Active Adult Subsidized 458 units
  - Active Adult Affordable 506 units
  - Independent Living 265 units
  - Assisted Living 106 units
  - Memory Care 119 units

- We estimate that the City of Mankato could capture 35% of for-sale single-family demand, 50% of for-sale multifamily demand, 50% of rental demand, 50% of affordable and subsidized senior demand, 35% of active adult senior demand, and 40% of market rate rental, independent living, assisted living, and memory care demand. This equates to 2,199 for-sale units, 2,382 rental units, and 1,934 senior units.

Recommendations and Conclusions

- Based on the finding of our analysis and demand calculations, the following chart provides a summary of the recommended development concepts by product type for the City of Mankato between 2025 and 2030 (near-term demand). Detailed findings are described in the Conclusions and Recommendations section of the report.

RECOMMENDED HOUSING DEVELOPMENT (SHORT-TERM) CITY OF MANKATO 2025 TO 2030			
	Purchase Price/ Monthly Rent Range[1]	No. of Units	Development Timing
Owner-Occupied Housing (General-Occupancy)			
Single-Family[2]			
Entry-Level	<$325,000	200 - 250	2025+
Move-up	$350,000 - $500,000	280 - 300	2027+
Executive	$550,000+	50 - 100	2027+
Subtotal		**530 - 650**	
Townhomes/Detached Townhomes/Twin Homes/Condominiums[2]			
Entry-level	<$280,000	250 - 300	2025+
Move-up	$300,000 to $400,000	150 - 200	2025+
Executive	$450,000+	50 - 60	2025+
Subtotal		**450 - 560**	
Total Owner-Occupied		**980 - 1,210**	
General Occupancy Rental Housing			
Market Rate			
Rental Multifamily	$1,200/1BR - $1,800/3BR	300 - 350	2025+
Rental Townhomes	$1,500/2BR - $2,100/3BR	100 - 150	2025+
Subtotal		**400 - 500**	
Income Restricted			
Rental Multifamily	Income Guidelines[3]	120 - 180	2025+
Rental Townhomes	Income Guidelines[3]	50 - 100	2025+
Subtotal		**170 - 280**	
Total Renter-Occupied		**570 - 780**	
Senior Housing			
Market Rate			
Active Adult (Rental)	$1,200 - $1,500	80 - 100	2026+
Active Adult (For-Sale)[4]	$150,000+ (plus monthly fee)	50 - 55	2025+
Independent Living	$2,000 - $2,800	100 - 150	2025+
Assisted Living	$3,000 - $5,000	50 - 60	2027+
Memory Care	$4,000 - $6,000	50 - 60	2026+
Subtotal		**330 - 425**	
Income Restricted			
Affordable Active Adult	Income Guidelines[3]	100 - 125	2025+
Subtotal		**100 - 125**	
Total Senior		**430 - 550**	
Total - All Units		***1,250 - 1,615***	

[1] Pricing in 2025 dollars. Pricing can be adjusted to account for inflation.

[2] Much of the entry-level demand will be accommodated through the resale market.

[3] Affordability subject to income guidelines per HUD.

[4] A senior cooperative concept assumes costs are based on share cost =40% of its actual value.

Note - Recommended development does not coincide with total demand. Mankato may not be able to accommodate all recommended housing types based on a variety of factors (i.e. development constraints, land availability, etc.)

Source: Maxfield Research & Consulting

Demographic Analysis

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

Market Area Definition

Maxfield Research determined the draw area for housing in Mankato, Minnesota based on geographic and man-made barriers, commuting patterns, community orientation, places of employment, proximity to other communities, and our general knowledge of housing draw areas.

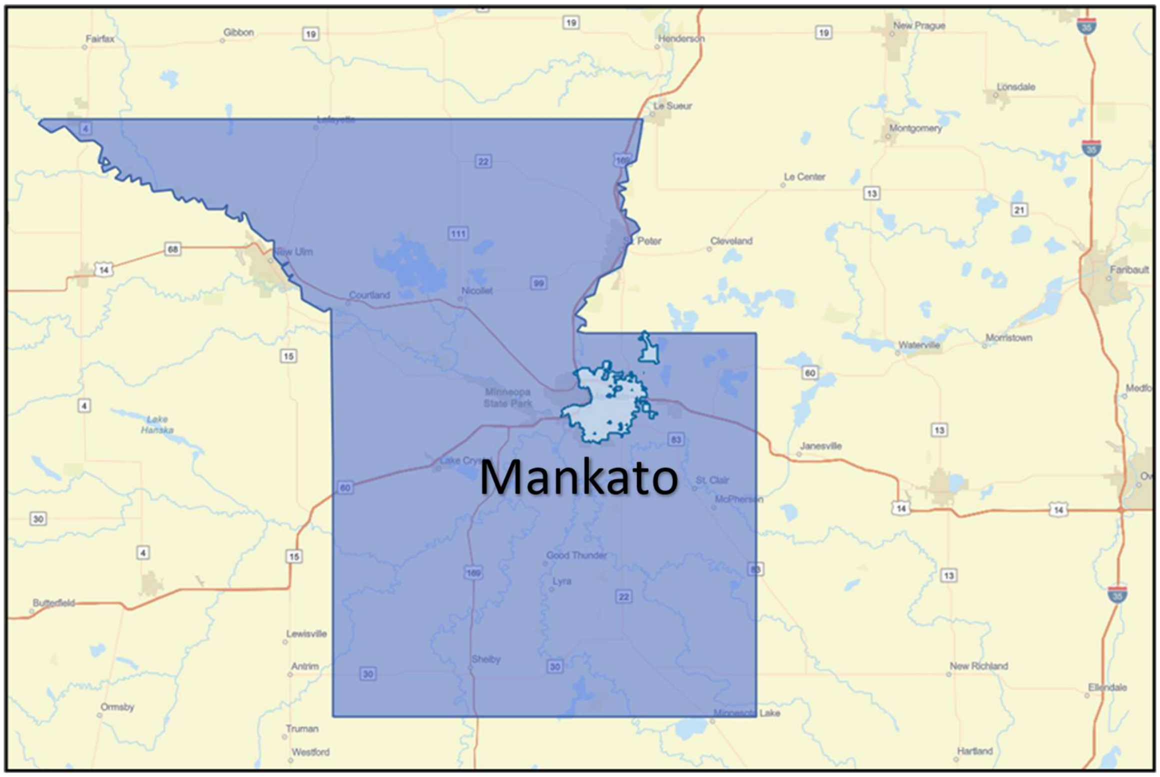
Based on these factors, we delineated a Primary Market Area (PMA) consisting of Blue Earth and Nicollet Counties in south central Minnesota. Major cities (more than 1,000 inhabitants) are listed below:

- Mankato
- North Mankato
- St. Peter
- Eagle Lake
- Lake Crystal
- Madison Lake
- Mapleton
- Nicollet

Housing demand in Mankato will be driven primarily by household growth and turnover of existing households in the PMA. A portion of the demand, however, will be generated from outside the area. We estimate that 75% of the demand for housing units in Mankato will be generated from the PMA, depending on product type. The remaining portion of demand (25%) will come from outside the defined PMA.

The following map illustrates the location of Mankato in the PMA.

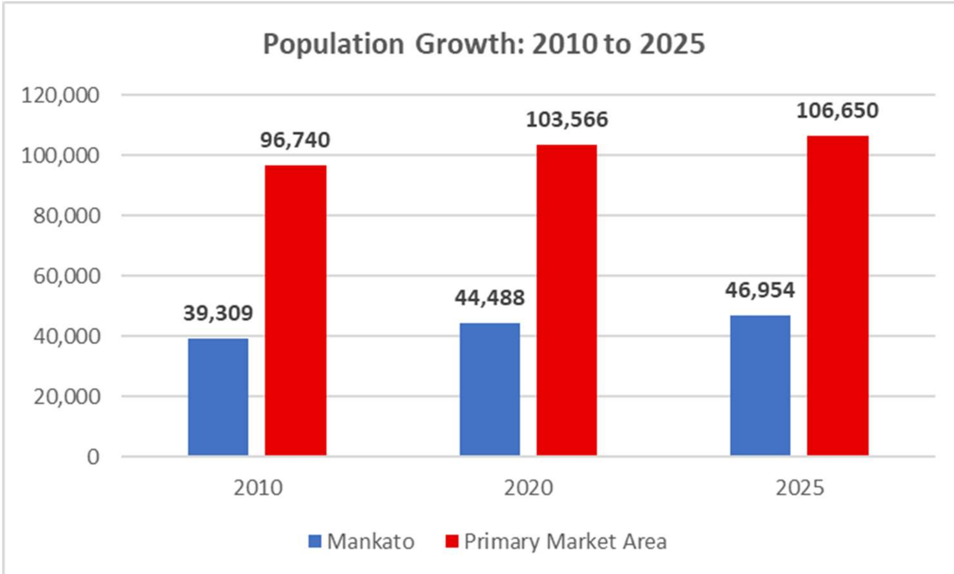
Primary Market Area



Historic Population and Household Trends

Table 1 on the following page presents population and household growth trends in the Market Area from 2010 to 2035. The 2010 and 2020 figures are from the U.S. Decennial Census. Estimates for 2025, 2030, and 2035 are based on population and household estimates provided by ESRI, Inc. and the Minnesota State Demographic Center along with our review of recent residential building permit trends.

- The following graph depicts population growth trends in Mankato from 2010 to 2025. As shown, Mankato has experienced steady population growth over the past 15 years, averaging 1.3% growth annually.


Population Growth: 2010 to 2025
120,000
100,000
80,000
60,000
40,000
20,000
0
39,309
96,740
44,488
103,566
46,954
106,650
2010
2020
2025
Mankato
Primary Market Area

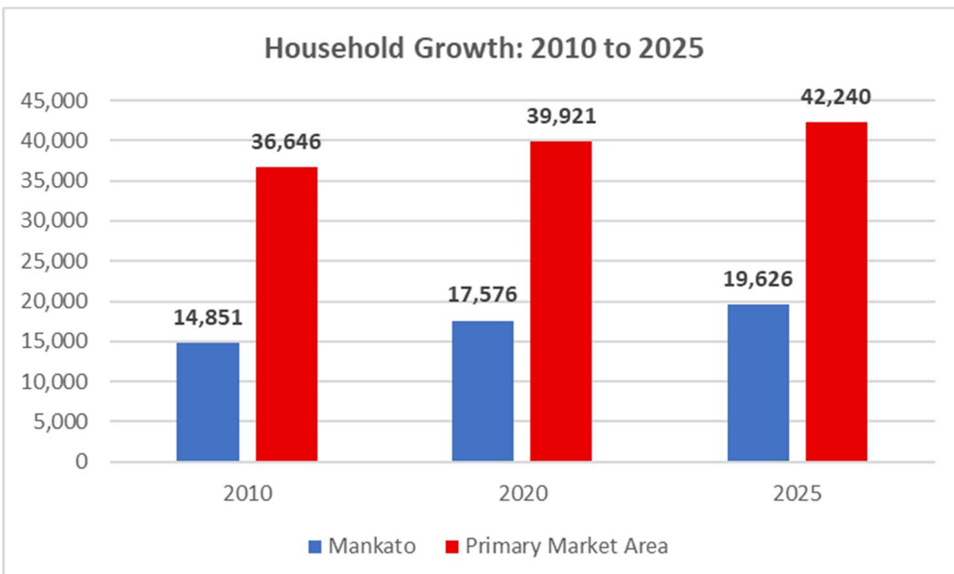

Household Growth: 2010 to 2025
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
14,851
36,646
17,576
39,921
19,626
42,240
2010
2020
2025
Mankato
Primary Market Area

TABLE 1

POPULATION GROWTH TRENDS AND PROJECTIONS
PRIMARY MARKET AREA
2010 - 2035

	Historic		Estimate	Forecast		Change					
			Estimate	Projection	Projection	2010 - 2020		2020 - 2030		2030 - 2035	
	2010	2020	2025	2030	2035	No.	Pct.	No.	Pct.	No.	Pct.
Population											
Mankato	**39,309**	**44,488**	**46,954**	**48,011**	**50,133**	**5,179**	**13.2%**	**3,523**	**7.9%**	**2,122**	**4.4%**
Remainder of MA	57,431	59,078	59,696	60,639	61,325	1,647	2.9%	1,561	2.6%	686	1.1%
Primary Market Area	96,740	103,566	106,650	108,650	111,458	6,826	7.1%	5,084	4.9%	2,808	2.6%
Households											
Mankato	**14,851**	**17,576**	**19,626**	**21,343**	**23,917**	**2,725**	**18.3%**	**3,767**	**21.4%**	**2,573**	**12.1%**
Remainder of MA	21,795	22,345	22,614	23,097	23,583	550	2.5%	752	3.4%	487	2.1%
Primary Market Area	36,646	39,921	42,240	44,440	47,500	3,275	8.9%	4,519	11.3%	3,060	6.9%
Persons Per Household											
Mankato	2.65	2.53	2.39	2.25	2.10						
Remainder of MA	2.64	2.64	2.64	2.63	2.60						
Primary Market Area	2.64	2.59	2.52	2.44	2.35						

Sources: Maxfield Research and Consulting; Esri; MN State Demographic Center

- As of the 2020 Census, Mankato contained 44,488 people and 17,576 households, while there were 59,078 people and 22,345 households in the Remainder of the PMA. Mankato accounted for 43% of the total population and 44% of total households, demonstrating Mankato's significance as a regional center.

- Between 2010 and 2020, Mankato's population increased 13.2%, adding 5,179 people, while the household base expanded 18.3% (2,725 households).

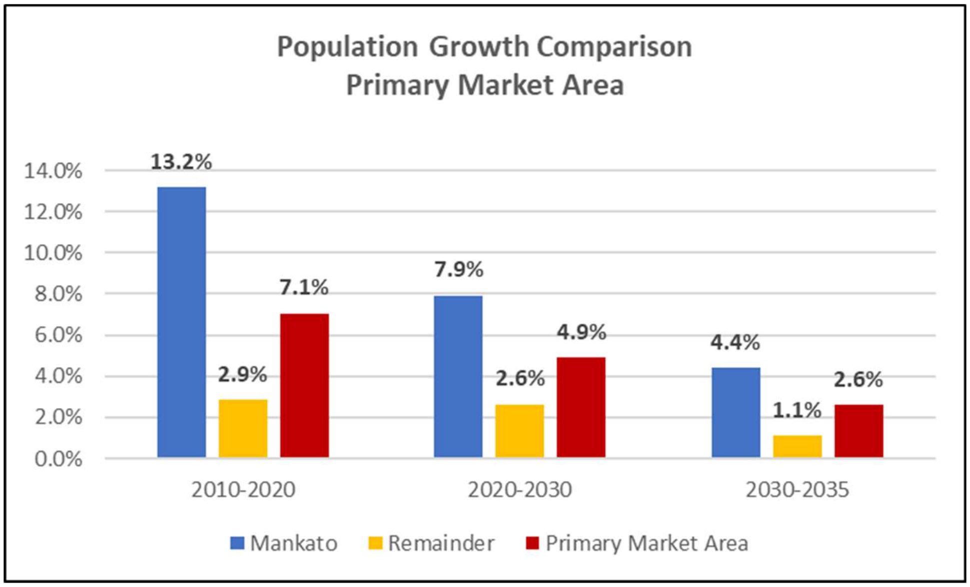
  - The population in the Remainder of the PMA expanded 2.9% (1,647 people) during the decade against a 2.5% increase in households (550 households).

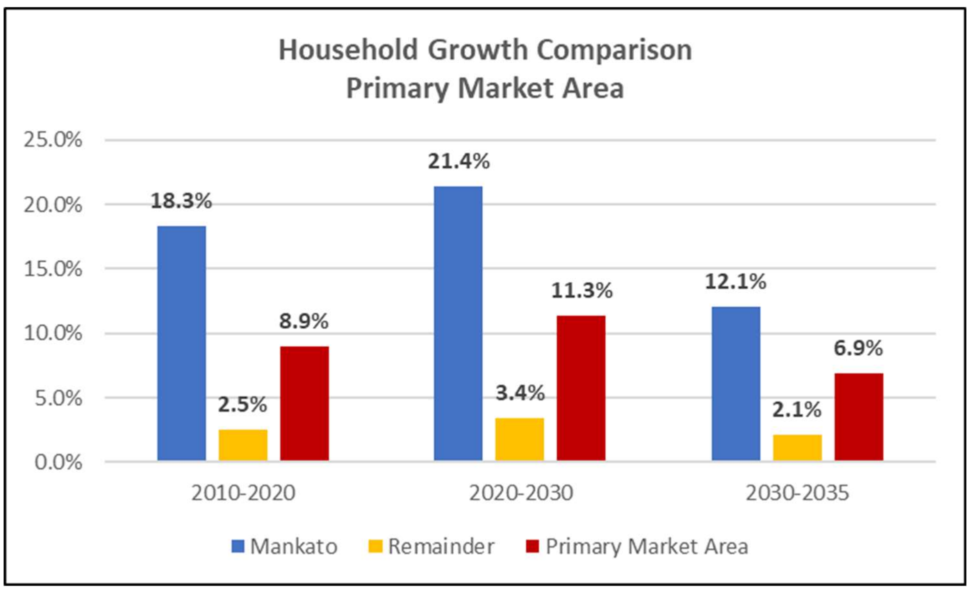
- We estimate that Mankato added 3,523 people (7.9% growth) and 3,767 households (21.4% growth) between 2020 and 2030, while the Remainder of the PMA gained 1,561 people (2.6%) against an increase of 752 households (3.4%).

- By comparison, the Primary Market Area experienced 7.1% population growth and 8.9% household growth from 2010 to 2020. Between 2020 and 2030, the PMA's population grew 4.9% while the household base increased 11.3%. Persons per household are projected to continue to decline due to higher population growth in comparison to household growth.

- Between 2030 and 2035, the PMA is projected to experience a 2.6% increase in population (2,808) against 6.9% household growth (3,060). Mankato is expected to add 2,122 people (4.4% growth) and 2,573 households (12.1% growth) between 2030 and 2035.

- The pace of growth in Mankato is projected to exceed the rate of growth in the Remainder of the PMA, which is expected to add a total of 686 people (1.1%) and 487 households (2.1%) between 2030 and 2035.





- Achieving the projected population and household growth in Mankato will be highly dependent on the availability of suitable housing options in the community catering to a variety of household types, age groups and income levels.

Household Size

Household size is calculated by dividing the population by the number of households. This data is useful in that it sheds insight into the unit type that may be most needed in the Mankato. Declining household sizes have been a trend across the nation and are a result of many factors, including: aging of the population, higher divorce rates, cohabitation, 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 2 summarizes household tenure by size of household in the Market Area during 2010 and 2025 from the U.S. Census and American Community Survey, with adjustments made by Maxfield Research to reflect 2025 household estimates.

- In 2010, the average renter household in Mankato had 2.20 people, while the average owner household had 2.47 people. By 2025, average household sizes increased to 2.24 for renter households but increased to 2.48 for owner households. The household sizes in Mankato are high due to the large number of college students and recent graduates in the city.

- In 2025, one- and two-person households are, by far, the most common household sizes in Mankato, representing 66% of all households (30% one-person and 36% two-person).

  - The proportion of one-person households in the PMA (28%) is slightly lower, while the proportion of two-person households in the PMA (38%) is higher than Mankato.

- Two-person households experienced the largest growth between 2010 and 2025 in Mankato, increasing by 1,986 households (39.1%), followed by one-person households (27% growth, 1,240 households).

TABLE 2

TENURE BY HOUSEHOLD SIZE
MARKET AREA
2010 & 2025

		City of Mankato				Remainder				Primary Market Area			
		2010		2025		2010		2025		2010		2025	
HH Size		No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
1-Person	Own	1,936	42.2	2,459	42.2	3,180	59.4	3,502	60.5	5,116	51.5	5,961	51.1
	Rent	2,651	57.8	3,253	55.8	2,172	40.6	2,290	39.5	4,823	48.5	5,543	47.5
	Total	**4,587**	**100**	**5,827**	**100**	**5,352**	**100**	**5,793**	**100**	**9,939**	**100**	**11,663**	**100**
2-Person	Own	3,073	60.5	4,217	59.7	6,771	83.9	7,429	84.1	9,844	74.9	11,646	73.3
	Rent	2,003	39.5	2,844	40.3	1,301	16.1	1,407	15.9	3,304	25.1	4,251	26.7
	Total	**5,076**	**100**	**7,062**	**100**	**8,072**	**100**	**8,836**	**100**	**13,148**	**100**	**15,898**	**100**
3-Person	Own	1,231	54.2	1,649	56.3	2,750	81.1	2,608	84.1	3,981	70.3	4,257	70.6
	Rent	1,040	45.8	1,282	43.7	641	18.9	492	15.9	1,681	29.7	1,774	29.4
	Total	**2,271**	**100**	**2,931**	**100**	**3,391**	**100**	**3,100**	**100**	**5,662**	**100**	**6,031**	**100**
4-Person	Own	1,033	57.8	1,381	56.0	2,597	86.3	2,652	90.0	3,630	75.7	4,034	74.5
	Rent	753	42.2	1,085	44.0	411	13.7	296	10.0	1,164	24.3	1,382	25.5
	Total	**1,786**	**100**	**2,467**	**100**	**3,008**	**100**	**2,948**	**100**	**4,794**	**100**	**5,415**	**100**
5-Person	Own	480	61.4	615	67.9	1,146	85.2	1,128	87.0	1,626	76.4	1,743	79.1
	Rent	302	38.6	291	32.1	199	14.8	169	13.0	501	23.6	460	20.9
	Total	**782**	**100**	**906**	**100**	**1,345**	**100**	**1,297**	**100**	**2,127**	**100**	**2,203**	**100**
6-Person	Own	138	65.7	245	61.5	351	82.4	403	85.0	489	76.9	648	74.3
	Rent	72	34.3	153	38.5	75	17.6	71	15.0	147	23.1	224	25.7
	Total	**210**	**100**	**398**	**100**	**426**	**100**	**474**	**100**	**636**	**100**	**872**	**100**
7+Person	Own	75	54	55	36	155	77.1	147	89.6	230	67.6	202	63.8
	Rent	64	46.0	97	64	46	22.9	17	10.4	110	32.4	115	36.2
	Total	**139**	**100**	**152**	**100**	**201**	**100**	**165**	**100**	**340**	**100**	**317**	**100**
TOTAL	Own	7,966	53.6	10,621	54.1	16,950	77.8	17,870	79.0	24,916	68.0	28,491	67.5
	Rent	6,885	46.4	9,006	45.9	4,845	22.2	4,743	21.0	11,730	32.0	13,749	32.5
	Total	**14,851**	**100**	**19,627**	**100**	**21,795**	**100**	**22,613**	**100**	**36,646**	**100**	**42,240**	**100**
Avg. HH Size	Own	2.47		2.48		2.61		2.57		2.57		2.53	
	Rent	2.20		2.24		1.65		1.93		2.16		2.13	

Sources: U.S. Census; 2018-2022 American Community Survey; Maxfield Research & Consulting

Population Age Distribution Trends

The age distribution of a community's population helps evaluate the type(s) of housing needed. For example, younger and older people are more attracted to higher-density housing located near services and entertainment while middle-aged people (particularly those with children) traditionally prefer lower-density single-family homes.

The table on the following page presents the age distribution of the Market Area population from 2010 to 2030. Information from 2010 and 2020 is sourced from the U.S. Decennial

Census. The 2025 estimates and projections for 2030 were provided by ESRI Inc., with adjustments made by Maxfield Research.

- In 2025, the largest cohorts by age in Mankato are 20 to 24 and 25 to 34, totaling an estimated 8,326 people (17.7% of the population) and 7,338 people (15.6%), respectively. Many of people in these age groups are Minnesota State University students or recent graduates.

- In Mankato, the age 35 to 44 age cohort is the third largest adult age group, totaling 5,199 (11.1%) in 2025.

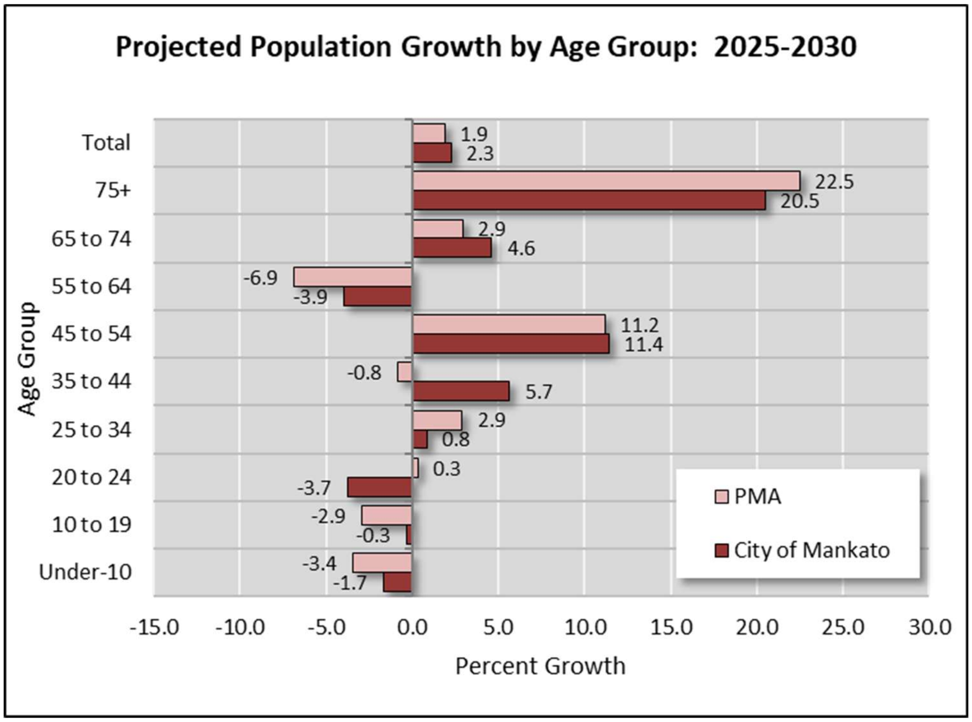


TABLE 3
POPULATION AGE DISTRIBUTION
PRIMARY MARKET AREA
2010 - 2030

	Census		Estimate	Projection	Change			
					2010-2025		2025-2030	
Age	2010	2020	2025	2030	No.	Pct.	No.	Pct.
City of Mankato								
Under-10	4,067	4,680	4,871	4,789	804	19.8	-83	-1.7
10 to 19	5,822	6,950	7,007	6,987	1,185	20.4	-21	-0.3
20 to 24	9,365	8,537	8,326	8,017	-1,039	-11.1	-310	-3.7
25 to 34	5,948	6,474	7,338	7,399	1,390	23.4	61	0.8
35 to 44	3,402	4,718	5,199	5,493	1,797	52.8	294	5.7
45 to 54	3,364	3,500	3,765	4,195	401	11.9	430	11.4
55 to 64	3,159	3,612	3,665	3,521	506	16.0	-144	-3.9
65 to 74	1,806	3,189	3,527	3,689	1,721	95.3	162	4.6
75+	2,376	2,828	3,255	3,922	879	37.0	667	20.5
Total	**39,309**	**44,488**	**46,954**	**48,011**	**7,645**	**19.4**	**1,057**	**2.3**
Remainder of Market Area								
Under-10	7,399	7,196	7,019	6,693	-380	-5.1	-327	-4.7
10 to 19	7,985	8,593	8,643	8,210	658	8.2	-433	-5.0
20 to 24	4,732	3,927	4,280	4,630	-452	-9.6	350	8.2
25 to 34	7,394	6,760	6,683	7,029	-711	-9.6	346	5.2
35 to 44	6,607	7,881	8,127	7,721	1,520	23.0	-406	-5.0
45 to 54	8,765	6,553	6,814	7,570	-1,951	-22.3	757	11.1
55 to 64	7,252	7,961	6,960	6,373	-292	-4.0	-587	-8.4
65 to 74	3,819	6,170	6,530	6,663	2,711	71.0	133	2.0
75+	3,478	4,037	4,640	5,749	1,162	33.4	1,109	23.9
Total	**57,431**	**59,078**	**59,696**	**60,639**	**2,265**	**3.9**	**943**	**1.6**
Primary Market Area								
Under-10	11,466	11,876	11,891	11,481	425	3.7	-409	-3.4
10 to 19	13,807	15,543	15,650	15,197	1,843	13.4	-453	-2.9
20 to 24	14,097	12,464	12,606	12,647	-1,491	-10.6	41	0.3
25 to 34	13,342	13,234	14,021	14,428	679	5.1	407	2.9
35 to 44	10,009	12,599	13,326	13,215	3,317	33.1	-112	-0.8
45 to 54	12,129	10,053	10,578	11,765	-1,551	-12.8	1,186	11.2
55 to 64	10,411	11,573	10,625	9,894	214	2.1	-731	-6.9
65 to 74	5,625	9,359	10,057	10,352	4,432	78.8	295	2.9
75+	5,854	6,865	7,895	9,671	2,041	34.9	1,776	22.5
Total	**96,740**	**103,566**	**106,650**	**108,650**	**9,910**	**10.2**	**2,000**	**1.9**

Sources: US Census; ESRI; Maxfield Research & Consulting

- In Mankato and the PMA, 75+ is projected to be the fastest growing age group between 2025 and 2030, increasing 20.5% (667 people) and 22.5% (1,776 people), respectively. The second fastest growing age cohort is the 45 to 54 group, growing 11.4% (430 people) and 11.2% (1,186 people).

- Aging of baby boomers led to a substantial increase in the age 65 to 74 cohort between 2010 and 2025, increasing 95.3% in Mankato and 78.8% in the PMA.
  - The 65 to 74 age group is projected to increase in Mankato (4.6%) and the PMA (2.9%) between 2025 and 2030.

- Typical housing products sought by households in various age groups include:
  - Rental housing targeting the young adult (20 to 24 and 25 to 34) age groups
  - Maintenance-free, single-level housing (ownership or rental) targeting the empty nester population (55 to 74 age group)
  - Entry-level ownership housing for first-time home buyers (age 25 to 34)
  - Move-up ownership housing for family households (age 35 to 54), and,
  - Age-restricted active adult or service-enhanced (i.e. assisted living) senior housing for people age 65 and older.

Household Income by Age of Householder

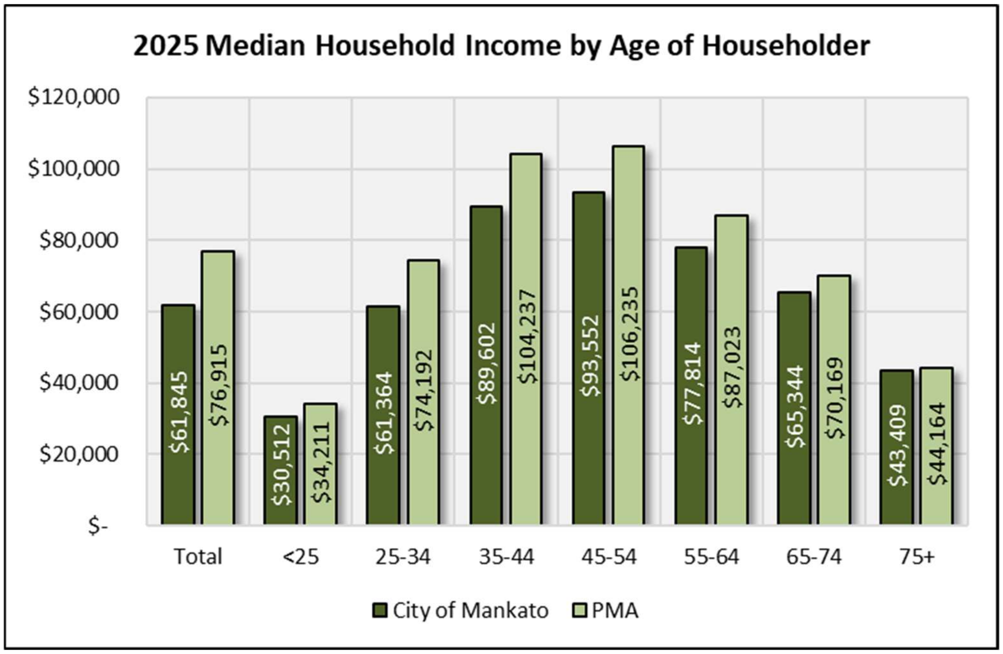
The estimated distribution of household incomes in the City of Mankato and PMA for 2025 and 2035 are shown in Tables 4 and 5. The data was estimated by Maxfield Research and Consulting based on income trends provided by ESRI. The data helps ascertain the demand for different housing products based on 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 the average income of $50,000 per year would be able to afford a monthly housing cost of about $1,250. Maxfield Research and Consulting uses 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 2025, Mankato's median household income was estimated at $61,845, 19% lower than the PMA ($76,915).

- As households age through the lifecycle, incomes tend to peak in their 40s to early 50s. As illustrated in the following chart, this trend is evident in the Market Area, as the 45 to 54 age group had the highest estimated incomes at $93,552 in Mankato and $106,235 in the PMA.



- By 2030, the median household income is expected to increase 14.6% to $70,879 in Mankato. By comparison, the median household income in the PMA is projected to increase 11.7% to $85,906 between 2025 and 2030.

- Household growth is projected to be strongest among households with incomes of $150,000 to $199,999, with increases of 37% (637 households) in Mankato and 63% in the PMA (1,400 households).

TABLE 4

HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
City of Mankato
2025 & 2030

		Age of Householder						
	Total	**<25**	**25-34**	**35-44**	**45-54**	**55-64**	**65 -74**	**75+**
2025								
Less than $15,000	3,080	1,004	523	303	235	319	306	390
$15,000 to $24,999	1,368	330	267	131	99	137	151	252
$25,000 to $34,999	2,023	562	469	215	129	180	209	259
$35,000 to $49,999	1,706	411	396	194	120	137	195	250
$50,000 to $74,999	3,170	494	727	437	333	374	407	397
$75,000 to $99,999	2,649	270	537	533	380	368	357	204
$100,000 to $149,999	2,978	180	640	700	562	392	331	173
$150,000 to $199,999	1,711	53	348	441	351	247	182	89
$200,000 or more	941	10	133	234	178	192	117	76
Total	**19,626**	**3,313**	**4,042**	**3,189**	**2,388**	**2,348**	**2,255**	**2,091**
Median Income	**$61,845**	**$30,512**	**$61,364**	**$89,602**	**$93,552**	**$77,814**	**$65,344**	**$43,409**
2030								
Less than $15,000	3,217	1,037	518	320	241	287	318	496
$15,000 to $24,999	1,203	282	232	113	89	108	135	244
$25,000 to $34,999	1,942	541	440	203	119	148	201	289
$35,000 to $49,999	1,614	383	375	177	111	116	172	280
$50,000 to $74,999	3,239	515	714	433	341	328	405	501
$75,000 to $99,999	2,933	295	587	585	431	362	393	280
$100,000 to $149,999	3,594	211	764	797	684	437	426	275
$150,000 to $199,999	2,348	65	474	592	489	313	255	161
$200,000 or more	1,253	10	172	295	234	246	162	135
Total	**21,343**	**3,340**	**4,276**	**3,517**	**2,739**	**2,345**	**2,466**	**2,659**
Median Income	**$70,879**	**$31,341**	**$69,861**	**$97,849**	**$103,645**	**$87,671**	**$76,605**	**$51,716**
Change 2025 - 2030								
Less than $15,000	137	32	-5	17	6	-31	12	106
$15,000 to $24,999	-166	-48	-35	-18	-10	-30	-17	-9
$25,000 to $34,999	-82	-20	-29	-12	-10	-32	-8	30
$35,000 to $49,999	-92	-28	-21	-17	-9	-22	-24	29
$50,000 to $74,999	69	21	-13	-4	8	-46	-2	103
$75,000 to $99,999	285	26	50	52	51	-7	36	76
$100,000 to $149,999	615	31	124	97	122	45	95	102
$150,000 to $199,999	637	13	126	150	137	66	73	71
$200,000 or more	312	0	39	61	55	54	45	59
Total	**1,717**	**26**	**235**	**328**	**351**	**-3**	**211**	**568**
Median Income	**$9,034**	**$828**	**$8,497**	**$8,247**	**$10,093**	**$9,857**	**$11,261**	**$8,307**

Sources: ESRI; US Census Bureau; Maxfield Research & Consulting

- The U.S. Department of Housing and Urban Development (HUD) defines affordable housing cost as at or less than 30% of a household's adjusted gross income. Generally, housing that is income-restricted to households earning at or below 80% of Area Median Income (AMI) is considered affordable.

- Based on the 2025 median household income in the PMA ($76,915), a household could afford an apartment unit renting for $1,923 per month.

TABLE 5

HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
Primary Market Area
2025 & 2030

		Age of Householder						
	Total	**<25**	**25-34**	**35-44**	**45-54**	**55-64**	**65 -74**	**75+**
2025								
Less than $15,000	4,560	1,085	707	436	367	591	597	776
$15,000 to $24,999	2,288	392	353	204	157	288	340	554
$25,000 to $34,999	3,510	632	687	353	240	383	497	717
$35,000 to $49,999	3,779	547	732	447	332	434	614	673
$50,000 to $74,999	6,857	638	1,183	981	826	1,033	1,222	974
$75,000 to $99,999	5,775	396	1,035	1,138	907	975	902	423
$100,000 to $149,999	8,314	290	1,408	2,041	1,732	1,379	1,048	416
$150,000 to $199,999	4,064	75	689	993	900	694	480	232
$200,000 or more	3,094	23	374	829	673	628	392	174
Total	**42,240**	**4,078**	**7,169**	**7,423**	**6,134**	**6,405**	**6,093**	**4,938**
Median Income	**$76,915**	**$34,211**	**$74,192**	**$104,237**	**$106,235**	**$87,023**	**$70,169**	**$44,164**
2030								
Less than $15,000	4,528	1,099	661	431	354	475	562	944
$15,000 to $24,999	1,910	328	296	157	132	194	270	534
$25,000 to $34,999	3,156	590	595	306	201	281	419	764
$35,000 to $49,999	3,364	488	647	368	282	317	503	758
$50,000 to $74,999	6,640	644	1,120	871	782	837	1,175	1,211
$75,000 to $99,999	6,007	430	1,049	1,133	967	890	956	581
$100,000 to $149,999	9,392	338	1,629	2,099	2,026	1,401	1,250	649
$150,000 to $199,999	5,463	101	939	1,216	1,246	859	682	420
$200,000 or more	3,981	24	512	924	904	753	544	318
Total	**44,440**	**4,043**	**7,450**	**7,505**	**6,893**	**6,009**	**6,361**	**6,180**
Median Income	**$85,906**	**$35,797**	**$84,650**	**$109,650**	**$114,682**	**$102,199**	**$81,817**	**$52,257**
Change 2025 - 2030								
Less than $15,000	-32	14	-46	-6	-13	-116	-35	169
$15,000 to $24,999	-378	-64	-57	-47	-25	-94	-71	-20
$25,000 to $34,999	-354	-42	-92	-47	-40	-102	-78	47
$35,000 to $49,999	-415	-59	-85	-79	-50	-117	-111	85
$50,000 to $74,999	-217	7	-63	-110	-44	-195	-48	237
$75,000 to $99,999	232	34	15	-5	60	-85	54	159
$100,000 to $149,999	1,078	49	221	58	293	21	202	234
$150,000 to $199,999	1,400	25	250	223	346	165	203	188
$200,000 or more	887	2	138	95	231	125	152	144
Total	**2,200**	**-35**	**281**	**82**	**759**	**-397**	**268**	**1,241**
Median Income	**$8,991**	**$1,586**	**$10,458**	**$5,413**	**$8,447**	**$15,176**	**$11,648**	**$8,093**

Sources: ESRI; US Census Bureau; Maxfield Research & Consulting

- The following figure illustrates affordable monthly rents by age group (based on 30% of median household income).

Rent Affordability by Age Group in PMA Based on Median Household Income		
Age Group	Household Income	Affordable Rent
Total	$76,915	$1,923
<25	$34,211	$855
25-34	$74,192	$1,855
35-44	$104,237	$2,606
45-54	$106,235	$2,656
55-64	$87,023	$2,176
65-74	$70,169	$1,754
75+	$44,164	$1,104

- As presented in the Rental Housing Market section of this study, the average monthly rent for market rate rental housing units in the PMA is $1,318. Based on this rent, a household would need to have an annual income of $52,720 or greater to not exceed 30% of its monthly income on rental housing costs.

  - In 2025, an estimated 27,356 households in the PMA (65% of the total) have incomes of at least $52,720.

  - Rental housing affordability varies by age group, but is higher than for-sale, ranging from a low of 33% of households under age 25 to a high of 81% of households age 45 to 54. An estimated 64% of households age 25 to 34 and 79% of households age 35 to 44 have household incomes of at least $52,720 and could afford the average monthly rent.

- As presented in the For-Sale Market section of this study, the 2024 median sale price for detached single-family homes in Mankato was $332,146. A household would need an estimated annual income of $106,859 to be income-qualified (based on 30% of income) for a single-family home purchased at the median price. This assumes a 30-year interest rate of 6.79%, a potential buyer makes a 10% down payment and has good credit.

  - An estimated 14,332 households in the PMA (34% of the total) have incomes of $106,859 or higher.

  - For-sale housing affordability in Mankato (based on the 2024 median sale price for detached single-family homes) ranges from 8% of households under age 25 to 50% of households ages 45 to 54. An estimated 48% of households age 35 to 44 and 39% of households age 55 to 64 have household incomes of $106,859 or greater.

- The data indicates that the existing market rate rental housing stock is relatively affordable proportionate to household incomes in the PMA, while for-sale housing in Mankato may be unattainable for at least 50% of PMA households.

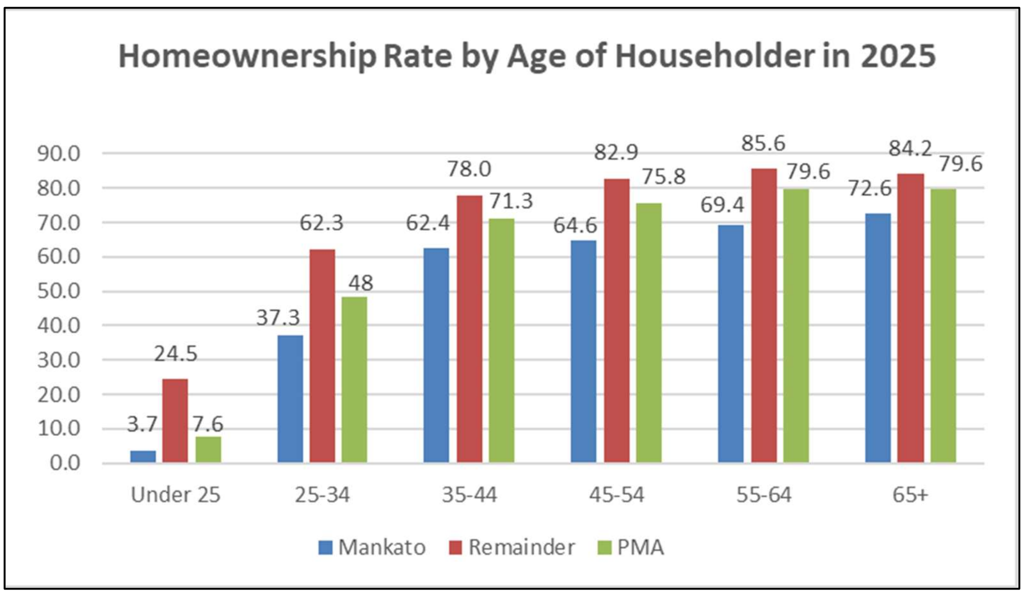
Tenure by Age of Householder

The table on the following page summarizes household tenure by age of householder for the Market Area in 2010 and 2025. Data for 2010 was obtained from the Decennial Census, while the 2025 information is based on the 2020 Census and adjusted by Maxfield Research to 2025 data. The table shows the number and percent of renter- and owner housing units in the Market Area. All data excludes unoccupied units and group quarters such as dormitories and nursing homes.

Household tenure information is important in understanding households' preferences to rent or own their housing. In addition to preferences, factors that contribute to these proportions include mortgage interest rates, household age, and lifestyle considerations, among others.

- In Mankato, 50.7% of all households owned in 2025, giving it a homeownership rate that is lower than the PMA (65.3%).

- In the prime ownership years (35 to 64), 65% of households in Mankato owned in 2025, compared to 75% in the PMA.



- Typically, the youngest and oldest households rent their housing in greater proportions than middle-age households. This pattern is apparent among younger households in the Market Area.

  - In Mankato, 78% of households under age 35 rent compared to 67% in the PMA.

TABLE 6

TENURE BY AGE OF HOUSEHOLDER
MARKET AREA
2010 & 2025

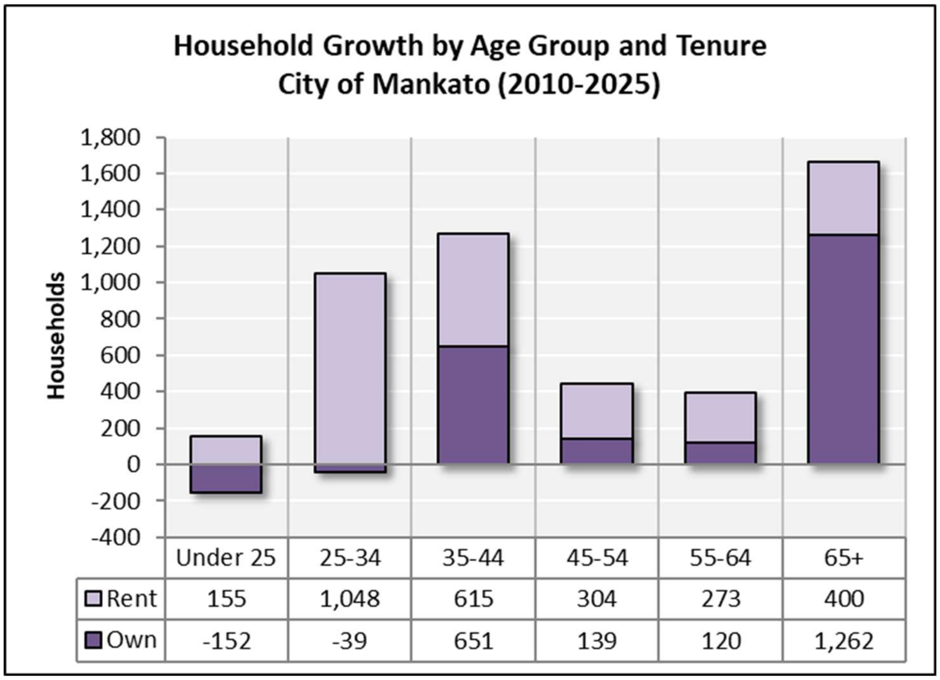
Age		City of Mankato				Remainder of Market Area				Primary Market Area			
		2010		2025		2010		2025		2010		2025	
		No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Under 25	Own	274	8.3	122	3.7	301	27.8	187	24.5	575	13.1	309	7.6
	Rent	3,036	91.7	3,191	96.3	783	72.2	578	75.5	3,819	86.9	3,769	92.4
	Total	**3,310**	**100.0**	**3,313**	**100.0**	**1,084**	**100.0**	**765**	**100.0**	**4,394**	**100.0**	**4,078**	**100.0**
25-34	Own	1,547	51.0	1,508	37.3	2,201	62.6	1,948	62.3	3,748	57.2	3,455	48.2
	Rent	1,486	49.0	2,534	62.7	1,314	37.4	1,179	37.7	2,800	42.8	3,714	51.8
	Total	**3,033**	**100.0**	**4,042**	**100.0**	**3,515**	**100.0**	**3,127**	**100.0**	**6,548**	**100.0**	**7,169**	**100.0**
35-44	Own	1,339	69.6	1,990	62.4	2,815	81.5	3,301	78.0	4,154	77.2	5,291	71.3
	Rent	584	30.4	1,199	37.6	641	18.5	933	22.0	1,225	22.8	2,132	28.7
	Total	**1,923**	**100.0**	**3,189**	**100.0**	**3,456**	**100.0**	**4,234**	**100.0**	**5,379**	**100.0**	**7,423**	**100.0**
45-54	Own	1,405	72.2	1,544	64.6	4,136	86.5	3,105	82.9	5,541	82.4	4,648	75.8
	Rent	540	27.8	844	35.4	647	13.5	641	17.1	1,187	17.6	1,486	24.2
	Total	**1,945**	**100.0**	**2,388**	**100.0**	**4,783**	**100.0**	**3,746**	**100.0**	**6,728**	**100.0**	**6,134**	**100.0**
55-64	Own	1,509	77.2	1,629	69.4	3,730	89.3	3,472	85.6	5,239	85.4	5,101	79.6
	Rent	446	22.8	719	30.6	449	10.7	585	14.4	895	14.6	1,304	20.4
	Total	**1,955**	**100.0**	**2,348**	**100.0**	**4,179**	**100.0**	**4,057**	**100.0**	**6,134**	**100.0**	**6,405**	**100.0**
65 +	Own	1,892	70.5	3,154	72.6	3,767	78.8	5,627	84.2	5,659	75.8	8,781	79.6
	Rent	793	29.5	1,193	27.4	1,011	21.2	1,057	15.8	1,804	24.2	2,250	20.4
	Total	**2,685**	**100.0**	**4,347**	**100.0**	**4,778**	**100.0**	**6,684**	**100.0**	**7,463**	**100.0**	**11,031**	**100.0**
TOTAL	Own	7,966	53.6	9,946	50.7	16,950	77.8	17,640	78.0	24,916	68.0	27,586	65.3
	Rent	6,885	46.4	9,681	49.3	4,845	22.2	4,973	22.0	11,730	32.0	14,654	34.7
	Total	**14,851**	**100.0**	**19,626**	**100.0**	**21,795**	**100.0**	**22,613**	**100.0**	**36,646**	**100.0**	**42,240**	**100.0**

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

- The total number of owner households residing in Mankato grew by an estimated 1,980 households between 2010 and 2025, a 24.9% increase, while the number of renter households expanded 40.6% (2,796 households).

- In Mankato, significant renter household growth occurred in the 25 to 34, 35 to 44, 45 to 54 and 55 to 64 age groups.

- Owner household growth occurred in all but the under 25 age cohort, with the largest owner household growth occurring among the 35 to 44 and 65 and older age groups between 2010 and 2025.



	Under 25	25-34	35-44	45-54	55-64	65+
Rent	155	1,048	615	304	273	400
Own	-152	-39	651	139	120	1,262

- The 35 to 44 age group added 651 owner households (48.6% growth) and 615 renter households (105.3%), while growth also occurred in the 45 to 54 age group with the addition of 139 owner households (9.9%) and 304 renter households (56.4%).

- The under 25 age group added 3 households, despite the addition of 155 renter households (5.1%), as the number of owner households decreased -55.5% (-152).

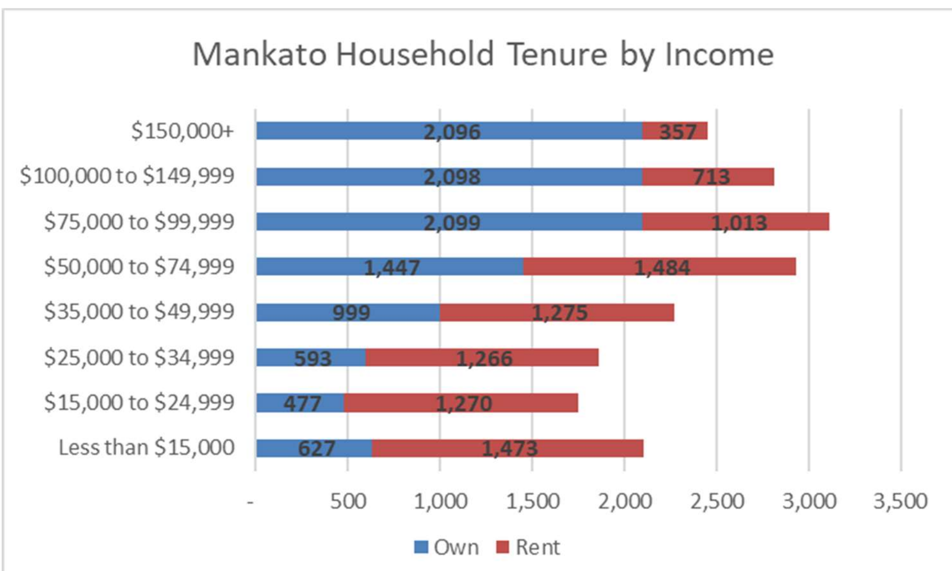
Tenure by Household Income

The following table shows estimated household tenure by income in the Market Area in 2025. 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.

- In Mankato, the homeownership rate increased from 29.8% of households with incomes below $15,000 to 74.6% of the households with incomes in the $100,000 to $149,999 range and 85.5% of households with incomes of $150,000 or higher.

  - In the PMA, 92.2% of households with incomes of $150,000 or higher are homeowners while 35.2% of households with incomes less than $15,000 own.

- Among renter households, the percentages decline from 70.2% of all households in Mankato with incomes below $15,000 rent to 14.5% of households with incomes of $150,000 or more.



- Among owner households in Mankato, an equal proportion had incomes of $75,000 to $99,999 and households with incomes in the $100,000 and $149,999 (20% of all owner households).

- In the PMA, 23.6% of all owner households had incomes in the $100,000 to $149,999 range, while 21.3% of the owner households had incomes of $150,000 or higher.

- The highest proportion of renter households in Mankato had incomes in the $50,000 to $74,999 range (16.8% of renter households) followed closely by households with incomes less than $15,000 (16.6%). In the PMA, the highest proportion of renter households in Mankato had incomes in the $50,000 to $74,999 and $35,000 to $49,999 ranges at 18.1% and 15.7%, respectively.

TABLE 7

TENURE BY HOUSEHOLD INCOME
MARKET AREA
2025

	City of Mankato		Remainder of MA		Primary Market Area	
	No.	Pct.	No.	Pct.	No.	Pct.
Owner Households						
Less than $15,000	638	29.8	515	45.2	1,153	35.2
$15,000 to $24,999	486	27.3	646	52.7	1,131	37.7
$25,000 to $34,999	604	31.9	924	64.7	1,528	46.0
$35,000 to $49,999	1,016	43.9	1,542	64.2	2,558	54.2
$50,000 to $74,999	1,473	49.4	2,856	74.5	4,329	63.5
$75,000 to $99,999	2,136	67.5	2,841	86.3	4,977	77.1
$100,000 to $149,999	2,135	74.6	4,599	88.6	6,734	83.6
$150,000+	2,134	85.5	3,948	96.3	6,082	92.2
Subtotal:	*10,621*	*54.1*	*17,870*	*79.0*	*28,491*	*67.5*
2025 Median HH Income	***$93,614***		***$103,096***		***$99,562***	
Renter Households						
Less than $15,000	1,499	70.2	626	54.8	2,125	64.8
$15,000 to $24,999	1,292	72.7	580	47.3	1,873	62.3
$25,000 to $34,999	1,288	68.1	505	35.3	1,793	54.0
$35,000 to $49,999	1,297	56.1	860	35.8	2,158	45.8
$50,000 to $74,999	1,510	50.6	977	25.5	2,487	36.5
$75,000 to $99,999	1,031	32.5	451	13.7	1,481	22.9
$100,000 to $149,999	725	25.4	592	11.4	1,317	16.4
$150,000+	363	14.5	153	3.7	516	7.8
Subtotal:	*9,006*	*45.9*	*4,743*	*21.0*	*13,749*	*32.5*
2025 Median HH Income	***$42,392***		***$49,392***		***$44,807***	
Total Households	**19,627**	**100**	**22,613**	**100**	**42,240**	**100**

Sources: 2018-2022 American Community Survey; Maxfield Research & Consulting

Household Type

The following table summarizes household type trends in Mankato and the PMA in 2010 and 2025. Data for 2010 is obtained from the Decennial Census, while the 2025 data is based on the 2018-2022 American Community Survey and adjusted by Maxfield Research to reflect 2025 household estimates. Shifting household types can stimulate demand for different types of housing products.

- Married couple households with children typically generate demand for single-family detached ownership housing.

- Married couples without children, which are generally younger couples that have not had children (and may not have children) and older couples with adult children that have moved out of the home, may prefer owned multifamily or rental multifamily for convenience reasons. However, there are empty-nesters and young seniors who still want to own and will buy single-level twin homes or detached villas.

- Other family households, defined as a male or female householder with no spouse present (typically single-parent households), often need affordable housing.

- Changes in non-family households (households living alone and households composed of unrelated roommates) often drive demand for rental housing.

- In Mankato, Living Alone is estimated to be the most common household type (29.7% of all households), followed by Other (Roommates) at 22.1%.

- Living Alone is also the most common household type in the PMA (27.6%), followed by Married couples without children (27.5%), likely signaling an aging household base.

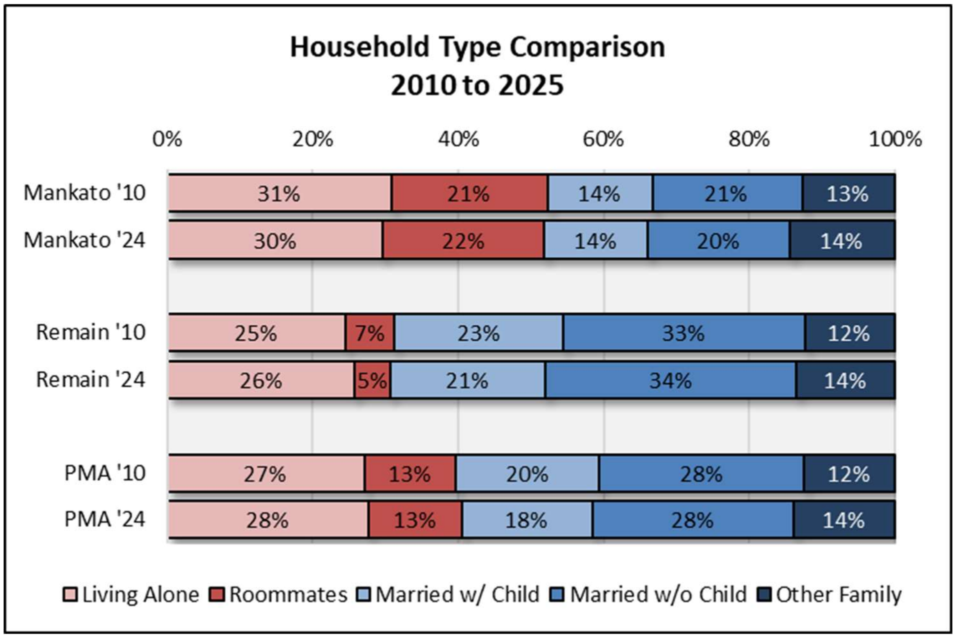


TABLE 8

HOUSEHOLD TYPE
MARKET AREA
2010 & 2025

	City of Mankato		Remainder of MA		Primary Market Area	
	2010	2025	2010	2025	2010	2025
Total Households	**14,851**	**19,626**	**21,795**	**22,614**	**36,646**	**42,240**
Non-Family Households	**7,758**	**10,158**	**6,798**	**6,930**	**14,556**	**17,088**
Living Alone	4,587	5,827	5,352	5,836	9,939	11,663
Other (Roommates)	3,171	4,331	1,446	1,094	4,617	5,425
Family Households	**7,093**	**9,468**	**14,997**	**15,684**	**22,090**	**25,152**
Married w/ Children	2,144	2,793	5,081	4,834	7,225	7,626
Married w/o Children	3,059	3,842	7,243	7,789	10,302	11,630
Other Family	1,890	2,834	2,673	3,062	4,563	5,895
Change (2010 - 2025)	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**
Total Households	**4,775**	**32.2%**	**819**	**3.8%**	**5,594**	**15.3%**
Non-Family Households	**2,400**	**30.9%**	**132**	**1.9%**	**2,532**	**17.4%**
Living Alone	1,240	27.0%	484	9.0%	1,724	17.3%
Other (Roommates)	1,160	36.6%	-352	-24.4%	808	17.5%
Family Households	**2,375**	**33.5%**	**687**	**4.6%**	**3,062**	**13.9%**
Married w/ Children	649	30.3%	-247	-4.9%	401	5.6%
Married w/o Children	783	25.6%	546	7.5%	1,328	12.9%
Other Family	944	49.9%	389	14.5%	1,332	29.2%

Sources: U.S. Census; 2018-2022 American Community Survey; Maxfield Research & Consulting

- In 2025, family households comprise an estimated 48.2% of all households in Mankato compared to 59.5% in the PMA.

- Family households experienced solid growth between 2010 and 2025 in Mankato, increasing by an estimated 2,375 households (33.5%). The number of family households expanded 13.9% in the PMA between 2010 and 2025.

  - Mankato experienced a 30% increase in the number of married couples with children after adding 649 households between 2010 and 2025, while the number of married couples without children grew 25.6% (783 households). Other family households expanded 49.9%, adding 944 households.

- Between 2010 and 2025, non-family households increased 30.9% (2,400 households) in Mankato, compared to a 17.4% increase in the PMA (2,532).

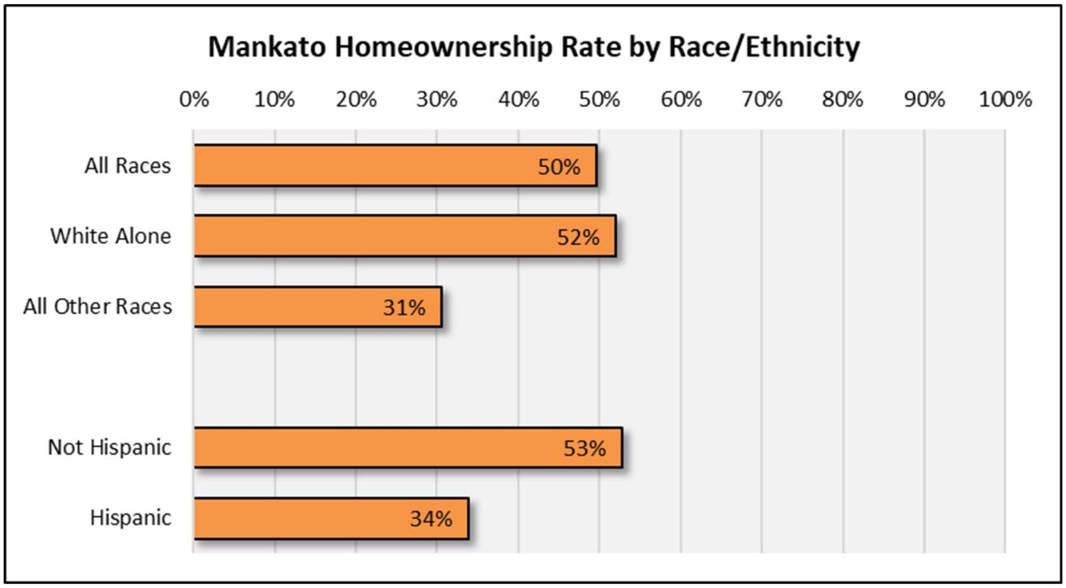
Race & Ethnicity

The table on the following page displays the breakdown of the Market Area population by race and ethnicity. This data is useful in that it illustrates shifts in the demographic characteristics of the Market Area population from 2010 to 2025. Data for 2010 is obtained from the Decennial Census, while the 2025 estimates are sourced from ESRI.

Federal standards mandate that race and ethnicity are separate and distinct identities and Census results are based on self-identification. A person may be categorized as one of two ethnic categories; “Hispanic or Latino” origin or “Not Hispanic or Latino.” Also, a person can self-identify as having one or more racial identity, including “White,” “Black or African American,” “American Indian or Alaska Native,” “Asian,” and “Native Hawaiian or Other Pacific Islander.” Respondents could also identify as being “Some Other Race.”

- In 2025, “White Alone” comprises the largest proportion of Mankato’s population, an estimated 78% compared to 83.9% in the PMA. People identifying as “Black Alone” was the second largest ethnic/racial group in Mankato (8.9% of the population) and the PMA (5.9%).

- Based on 2018-2022 American Community Survey estimates, 52% of White households in Mankato own their housing while the remaining 48% rent. The home ownership rate decreases to 31% among all other races in the City. An estimated 34% of Hispanic households own compared to 53% of non-Hispanic households in Mankato.



- All races experienced population growth between 2010 and 2025 in Mankato. The largest growth occurred among the Black Alone population, adding 2,616 people (167%), followed by people identifying as being Two or More Races (2,024 people, 251% growth).

- In the PMA, the Two or More Races population added 4,011 people between 2010 and 2025.

- The number of people self-identifying as being of Hispanic or Latino origin expanded in Mankato between 2010 and 2025, adding 1,749 people (152.8% growth), compared to 98.7% growth in the PMA (2,774).

TABLE 9
POPULATION DISTRIBUTION BY RACE & ETHNICITY
MARKET AREA
2010 - 2025

Race/Ethnicity	2010 No.	2010 Pct.	2025 No.	2025 Pct.	Change 2010-2025 No.	Change 2010-2025 Pct.
City of Mankato						
White Alone	35,380	90.0%	36,618	78.0%	1,238	3.5%
Black Alone	1,566	4.0%	4,182	8.9%	2,616	167.0%
American Indian Alone	131	0.3%	257	0.5%	126	96.5%
Asian Alone	1,096	2.8%	1,858	4.0%	762	69.6%
Pacific Islander Alone	16	0.0%	36	0.1%	20	126.8%
Some Other Race Alone	313	0.8%	1,172	2.5%	859	274.4%
Two or More Races	807	2.1%	2,831	6.0%	2,024	250.7%
Total	**39,309**	**100%**	**46,954**	**100%**	**7,645**	**19.4%**
Hispanic (ethnicity)	1,145	2.9%	2,894	6.2%	1,749	152.8%
Remainder of Market Area						
White Alone	54,686	95.2%	52,835	88.5%	-1,850	-3.4%
Black Alone	842	1.5%	2,134	3.6%	1,292	153.5%
American Indian Alone	146	0.3%	267	0.4%	121	83.0%
Asian Alone	584	1.0%	745	1.2%	160	27.4%
Pacific Islander Alone	7	0.0%	27	0.0%	20	269.9%
Some Other Race Alone	482	0.8%	1,017	1.7%	535	111.0%
Two or More Races	684	1.2%	2,671	4.5%	1,987	290.6%
Total	**57,431**	**100%**	**59,696**	**100%**	**2,265**	**3.9%**
Hispanic (ethnicity)	1,667	2.9%	2,692	4.5%	1,025	61.5%
Primary Market Area						
White Alone	90,066	93.1%	89,453	83.9%	-613	-0.7%
Black Alone	2,408	2.5%	6,317	5.9%	3,909	162.3%
American Indian Alone	277	0.3%	525	0.5%	248	89.4%
Asian Alone	1,680	1.7%	2,602	2.4%	922	54.9%
Pacific Islander Alone	23	0.0%	63	0.1%	40	171.9%
Some Other Race Alone	795	0.8%	2,189	2.1%	1,394	175.3%
Two or More Races	1,491	1.5%	5,502	5.2%	4,011	269.0%
Total	**96,740**	**100%**	**106,650**	**100%**	**9,910**	**10.2%**
Hispanic (ethnicity)	2,812	2.9%	5,586	5.2%	2,774	98.7%

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

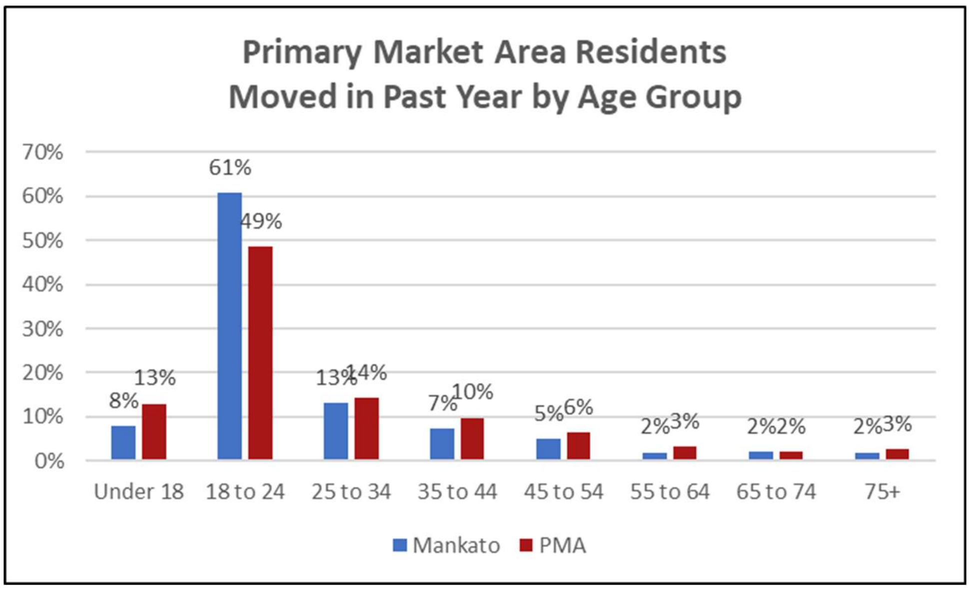
Population Mobility

The table on the following page summarizes mobility patterns of Market Area residents within a one-year timeframe. Data for 2025 is based on the 2018-2022 American Community Survey and adjusted by Maxfield Research to reflect current year population estimates. People move for various reasons, but housing is a primary motivator, followed by family-related reasons, and job-related reasons. Local moves are generally housing-related, while longer-distance moves are often job-related.

- Most residents in the Market Area did not change residences within a one-year time period of the ACS Survey, including 71.9% of residents in Mankato and 80.7% in the PMA.

- Among the 28.1% of residents that moved in Mankato, most moved from the same County in Minnesota (14.1% of all residents), while 9.9% moved from a different County and 2.8% relocated to Mankato from a different State. Another 1.3% moved to Mankato from abroad.

- The following graph illustrates the number of residents that moved to Mankato in the past year by age group compared to resident mobility by age group in the PMA.



- Renter households and younger households tend to be more highly mobile than owner households and older households. This trend is evident in the Market Area, as 61% of the residents that moved within the one-year period were age 18 to 24 in Mankato compared to 49% in the PMA. This is due to the younger college population in Mankato.

TABLE 10

RESIDENT MOBILITY IN PAST YEAR BY AGE GROUP MARKET AREA 2025										
			--------- Moved from ---------							
Age	Not Moved		Within Same County		Different Co., Same State		Different State		Abroad	
City of Mankato	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**
Under 18	6,334	13.5%	504	1.1%	269	0.6%	155	0.3%	109	0.2%
18 to 24	6,383	13.6%	4,004	8.5%	3,020	6.4%	620	1.3%	357	0.8%
25 to 34	5,260	11.2%	657	1.4%	748	1.6%	255	0.5%	54	0.1%
35 to 44	3,962	8.4%	719	1.5%	91	0.2%	163	0.3%	0	0.0%
45 to 54	2,873	6.1%	309	0.7%	260	0.6%	19	0.0%	63	0.1%
55 to 64	3,556	7.6%	108	0.2%	76	0.2%	44	0.1%	29	0.1%
65 to 74	2,827	6.0%	142	0.3%	85	0.2%	60	0.1%	0	0.0%
75+	2,586	5.5%	155	0.3%	90	0.2%	0	0.0%	8	0.0%
Total	**33,780**	**71.9%**	**6,598**	**14.1%**	**4,640**	**9.9%**	**1,316**	**2.8%**	**620**	**1.3%**
Remainder of MA	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**
Under 18	11,499	19.3%	904	1.5%	490	0.8%	239	0.4%	8	0.0%
18 to 24	4,016	6.7%	349	0.6%	1,364	2.3%	257	0.4%	32	0.1%
25 to 34	5,505	9.3%	452	0.8%	635	1.1%	119	0.2%	4	0.0%
35 to 44	7,044	11.8%	532	0.9%	440	0.7%	70	0.1%	2	0.0%
45 to 54	6,510	10.9%	312	0.5%	304	0.5%	46	0.1%	2	0.0%
55 to 64	7,570	12.7%	237	0.4%	170	0.3%	0	0.0%	21	0.0%
65 to 74	6,085	10.2%	77	0.1%	28	0.0%	15	0.0%	0	0.0%
75+	4,040	6.8%	236	0.4%	67	0.1%	17	0.0%	0	0.0%
Total	**52,269**	**87.8%**	**3,099**	**5.2%**	**3,497**	**5.9%**	**763**	**1.3%**	**68**	**0.1%**
PMA	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**
Under 18	17,834	16.7%	1,408	1.3%	759	0.7%	394	0.4%	117	0.1%
18 to 24	10,399	9.8%	4,353	4.1%	4,384	4.1%	877	0.8%	389	0.4%
25 to 34	10,765	10.1%	1,109	1.0%	1,383	1.3%	374	0.4%	57	0.1%
35 to 44	11,006	10.3%	1,251	1.2%	531	0.5%	233	0.2%	2	0.0%
45 to 54	9,383	8.8%	621	0.6%	564	0.5%	65	0.1%	65	0.1%
55 to 64	11,126	10.4%	345	0.3%	246	0.2%	44	0.0%	50	0.0%
65 to 74	8,912	8.4%	218	0.2%	113	0.1%	75	0.1%	0	0.0%
75+	6,625	6.2%	391	0.4%	157	0.1%	17	0.0%	7	0.0%
Total	**86,049**	**80.7%**	**9,697**	**9.1%**	**8,137**	**7.6%**	**2,079**	**1.9%**	**688**	**0.6%**
Sources: 2018-2022 American Community Survey; Maxfield Research & Consulting										

Housing Characteristics

This section of the report examines characteristics of the existing housing stock in Mankato and the surrounding area compared to the PMA. Housing demand is influenced, in large part, by factors related to the existing supply of housing in a market area such as the age and condition of the housing stock, as well as financial considerations (i.e. home values, rental rates). The following topics are covered in this analysis.

The U.S. Census Bureau Decennial Census and American Community Survey ("ACS") are the primary data resources for the Housing Characteristics section of this report. Maxfield Research and Consulting utilizes five-year data estimates which provide a larger sample size and has a longer period of data collection than the one-year data estimates. At the time this analysis was prepared, the 2018-2022 ACS was the most recent five-year data available.

Residential building permit data for Mankato was provided by the City of Mankato.

Housing unit is defined as a house, an apartment, a group of rooms, or a single room occupied or intended for occupancy as separate living quarters, while a household is an occupied housing unit. A householder refers to the person in whose name the housing unit is owned or rented.

Residential Building Permit Trends

The table on the following page displays the number of new housing units permitted for detached single-family, duplex and multifamily structures in Mankato over the past fourteen years (2010 through November 2024). Data was provided by the City of Mankato, which classifies structures with three or more single-family units and rentable units under multifamily.

- From 2010 through 2023, 4,436 new housing units were permitted in the City of Mankato, while another 259 units were permitted in 2024 (through November).

- An estimated 64% of all residential units permitted in Mankato since 2010 were multifamily units (3,005), while 18% were single-family units (838).

- From 2010 through 2019, 2,986 new housing units were permitted in Mankato, for an average of 299 new units per year. The pace of development activity increased from 2020 through 2024, averaging 342 units per year (1,709 total units) over the past five years.

TABLE 11

RESIDENTIAL BUILDING PERMIT TRENDS
CITY OF MANKATO
2000 - 2024*

	City of Mankato					
	SFD	**Duplex**	**TH**	**MF**	**Demolitions Total**	**Building Permits Total**
2010	74	22	8	17	2	119
2011	70	18	13	60	7	154
2012	53	18	32	290	10	383
2013	95	6	49	88	9	229
2014	49	2	25	283	9	350
2015	55	4	131	366	6	550
2016	80	12	28	131	17	234
2017	66	18	92	281	16	441
2018	88	16	54	233	20	371
2019	47	30	19	70	11	155
2020	40	44	61	174	19	300
2021	58	34	118	168	14	364
2022	34	50	12	262	26	332
2023	19	34	35	370	4	454
2024	10	44	4	212	11	259
Total	**838**	**352**	**681**	**3,005**	**181**	**4,695**

*Through November 2024
Note: SFD = Single- Family Detached, TH = Townhome, MF = Multifamily

Sources: City of Mankato; Maxfield Research & Consulting

Age of Housing Stock

Information in the table on the following page is sourced from the 2018-2022 American Community Survey (ACS) with adjustments made by Maxfield Research to reflect 2025 estimates. The table includes the number of housing units built prior to 1940 and during each subsequent decade in Mankato and the Remainder of the PMA compared to the PMA. The Census Bureau began collecting year-built data in 1940.

- As depicted in the following chart, an estimated 17.1% of the housing units in Mankato (3,613 units) were built prior to 1940. By comparison, 20.2% of all housing units in the Remainder of the PMA and 18.7% of all housing units in the PMA were built prior to 1940.
    - While many homes built before 1940 may be in good condition, housing units this age are at risk of becoming substandard or functionally obsolete, and maintenance costs are generally higher than newer housing units.

- The 2000s and 2010s were the two most active decades in Mankato for housing unit production. An estimated 16.5% of Mankato's housing stock was built from 2000 to 2009 (3,482 units) and 14.4% of the housing units were constructed from 2010 to 2019 (3,037 units). Newer housing stock in Mankato reflects strong household growth and a significant period of housing development.

- The 2000s and 1970s were the most active decades in the Remainder of the PMA (15% and 14.3% of all units, respectively) and PMA (15.7% and 12% of all units, respectively).

- Aside from the 2010s and 2000s, the most active decades in Mankato were the 1990s (10.7% of the units), the 1960s (10.2% of the units), and the 1970s (9.4%).

TABLE 12

HOUSING UNITS BY YEAR STRUCTURE BUILT
MARKET AREA
2025

	City of Mankato		*Remainder of PMA*		PMA	
	No.	Pct.	*No.*	*Pct.*	No.	Pct.
Total	**21,128**	**100%**	***23,964***	***100%***	**45,092**	**100%**
2020 or later	274	1.3%	*73*	*0.3%*	347	0.8%
2010 to 2019	3,037	14.4%	*1,687*	*7.0%*	4,724	10.5%
2000 to 2009	3,482	16.5%	*3,589*	*15.0%*	7,071	15.7%
1990 to 1999	2,264	10.7%	*2,772*	*11.6%*	5,036	11.2%
1980 to 1989	1,788	8.5%	*2,599*	*10.8%*	4,387	9.7%
1970 to 1979	1,976	9.4%	*3,423*	*14.3%*	5,399	12.0%
1960 to 1969	2,165	10.2%	*1,916*	*8.0%*	4,081	9.1%
1950 to 1959	1,453	6.9%	*2,088*	*8.7%*	3,540	7.9%
1940 to 1949	1,076	5.1%	*977*	*4.1%*	2,053	4.6%
1939 or earlier	3,613	17.1%	*4,840*	*20.2%*	8,454	18.7%

Sources: US Census; American Community Survey; Maxfield Research & Consulting

Housing Stock by Structure Type and Tenure

Information presented in the following table summarizes the type of structure for occupied housing units by tenure (i.e. owned and rented) in Mankato compared to the Remainder of the PMA and the PMA. Data is sourced from the 2018-2022 ACS, adjusted by Maxfield Research to 2025.

TABLE 13

HOUSING UNIT STRUCTURE TYPE BY TENURE
MARKET AREA
2025

	City of Mankato		*Rem. of PMA*		PMA	
	No.	Pct.	*No.*	*Pct.*	No.	Pct.
Occupied Housing Units	**19,627**	**100%**	***22,613***	***100%***	**42,240**	**100%**
Owner-Occupied	**10,621**	**54.1%**	***17,870***	***79.0%***	**28,491**	**67.5%**
1-unit, detached	8,554	43.6%	*16,174*	*71.5%*	24,729	58.5%
1-unit, attached	982	5.0%	*590*	*2.6%*	1,573	3.7%
2 units	80	0.4%	*86*	*0.4%*	166	0.4%
3 or 4 units	17	0.1%	*105*	*0.5%*	122	0.3%
5 to 9 units	1	0.0%	*39*	*0.2%*	40	0.1%
10 to 19 units	43	0.2%	*0*	*0.0%*	43	0.1%
20 to 49 units	0	0.0%	*10*	*0.0%*	10	0.0%
50 or more units	108	0.6%	*0*	*0.0%*	108	0.3%
Mobile home	835	4.3%	*808*	*3.6%*	1,643	3.9%
Boat, RV, van, etc.	0	0.0%	*57*	*0.3%*	57	0.1%
Renter-Occupied	**9,006**	**45.9%**	***4,743***	***21.0%***	**13,749**	**32.5%**
1-unit, detached	932	4.7%	*1,251*	*5.5%*	2,183	5.2%
1-unit, attached	792	4.0%	*460*	*2.0%*	1,253	3.0%
2 units	604	3.1%	*324*	*1.4%*	927	2.2%
3 or 4 units	968	4.9%	*446*	*2.0%*	1,414	3.3%
5 to 9 units	1,150	5.9%	*558*	*2.5%*	1,708	4.0%
10 to 19 units	925	4.7%	*587*	*2.6%*	1,512	3.6%
20 to 49 units	1,769	9.0%	*713*	*3.2%*	2,482	5.9%
50 or more units	1,784	9.1%	*290*	*1.3%*	2,074	4.9%
Mobile home	82	0.4%	*115*	*0.5%*	197	0.5%
Boat, RV, van, etc.	0	0.0%	*0*	*0.0%*	0	0.0%

Sources: US Census; American Community Survey; Maxfield Research & Consulting

- An estimated 19.8% of the renter-occupied units in Mankato are 50 or more units compared to 6.1% in the Remainder of the PMA and 15.1% in the PMA. An estimated 19.6% of Mankato's renter-occupied housing units are in 20- to 49-unit structures and another 12.8% are in structures with between five and nine units.
- Of the owner-occupied housing units in Mankato, 80.5% are single-unit, detached structures, lower than 90.5% in the Remainder of the PMA and 86.8% in the PMA. Another 9.2% of the owner-occupied units in Mankato are in attached single-unit structures compared to 3.3% in the Remainder of the PMA and 5.5% in the PMA.

Owner-Occupied Housing Units by Value

The following table presents data on owner-occupied home values summarized in ranges and median value for Mankato and the Remainder of the PMA compared to the PMA. The information is sourced from the 2018-2022 American Community Survey, with the number of housing units adjusted by Maxfield Research to reflect 2025 estimates.

Home value reflects the owner's estimate of how much the property (house and lot or condominium unit) would sell for if it were for sale.

- The estimated median value of owner-occupied housing units in Mankato ($240,924 during the 2018-2022 ACS period) is lower than the estimated value of $246,778 in the Remainder of the PMA and $244,596 in the PMA.

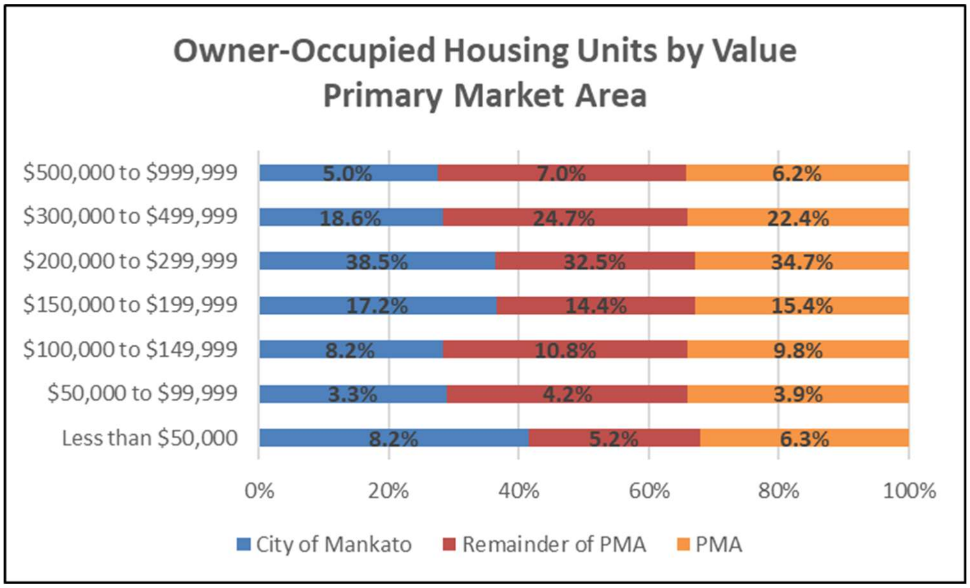
TABLE 14
OWNER-OCCUPIED HOUSING UNITS BY VALUE
MARKET AREA
2025

	City of Mankato		*Remainder of PMA*		PMA	
	No.	Pct.	*No.*	*Pct.*	No.	Pct.
Total:	**10,621**	**100%**	***17,870***	***100%***	**28,491**	**100%**
Median Home Value	**$240,924**		***$246,778***		**$244,596**	
Less than $50,000	871	8.2%	*936*	*5.2%*	1,807	6.3%
$50,000 to $99,999	352	3.3%	*756*	*4.2%*	1,108	3.9%
$100,000 to $149,999	871	8.2%	*1,932*	*10.8%*	2,803	9.8%
$150,000 to $199,999	1,828	17.2%	*2,566*	*14.4%*	4,394	15.4%
$200,000 to $299,999	4,085	38.5%	*5,806*	*32.5%*	9,891	34.7%
$300,000 to $499,999	1,974	18.6%	*4,420*	*24.7%*	6,394	22.4%
$500,000 to $999,999	533	5.0%	*1,244*	*7.0%*	1,777	6.2%
$1,000,000 or more	106	1.0%	*210*	*1.2%*	316	1.1%

Sources: US Census; American Community Survey; Maxfield Research & Consulting

- The largest proportion of owner-occupied housing units in Mankato is estimated to be valued in the $200,000 to $299,999 range, at 38.5% of all owner-occupied units in the City, followed by units valued in the $300,000 to $499,999 (18.6%) and $150,000 to $199,999 (17.2%) ranges.

- In the Remainder of the PMA, the largest proportion of owner-occupied housing units is estimated to be valued in the $200,000 to $299,999 range at 32.5% of all owner-occupied units. Homes valued in the $200,000 to $299,999 range comprise the largest portion of owner-occupied units (34.7%) in the PMA.



- An estimated 5% of all owner-occupied units in Mankato are valued at $500,000 or higher, lower than 7% in the Remainder of the PMA and 6.2% in the PMA.

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 Estimates and Projections

The table on the following page shows employment growth trends and projections from 2010 to 2035 based on the most recent information available from the Minnesota Department of Employment and Economic Development (MN DEED). Data from 2010, 2019, 2020 and 2023 represents the annual average employment for that year. Projections for 2035 are based on 2022-2035 industry projections for Southwest Minnesota, the most recent forecast available from MN DEED.

Employment data is sourced from the Quarterly Census of Employment and Wages (QCEW). All establishments covered under the Unemployment Insurance Program are required to report wage and employment statistics quarterly. Federal government establishments are also covered by the QCEW program. Workers and jobs excluded from these statistics include the self-employed, family farm workers, and those who work only on a commission basis. Data may be suppressed to protect the confidentiality of cooperating employers when there are too few businesses or one establishment comprises too much of the employment in that geography.

- As of 2023, there were 32,677 jobs in Mankato, representing an estimated 20.1% of all jobs in the Southwest Minnesota Region.

- Data from the Quarterly Census of Employment and Wages indicates that employment in Mankato expanded 6.3% (1,926 jobs) from 2010 through 2023, while employment in the Southwest Minnesota Region increased 1.2%.

  - Mankato gained 2,571 jobs (8.4%) from 2010 through 2019, while Southwest Minnesota employment expanded 3.3% during that period.

  - Due, in part, to the COVID-19 pandemic and subsequent recession, employment in Mankato employment declined by -2,683 jobs (-8.1%) from 2019 through 2020, while Southwest Minnesota employment contracted -5.3%.

- Employment is recovering, as the number of jobs in Mankato increased 6.7%, adding 2,038 jobs between 2020 and 2023. By comparison, the number of jobs increased 3.5% in Southwest Minnesota.

- Continued job growth is anticipated between 2023 and 2035, Southwest Minnesota is projected to expand to 178,841 jobs by 2035, a 3.4% increase from 2023 with the addition of 5,906 jobs.

- Employment in Mankato is projected to expand to 36,065 jobs by 2035, a 10.4% increase from 2023 with the addition of 3,388 jobs. New housing will be needed to support the projected job growth in the area.

TABLE 15

EMPLOYMENT GROWTH TRENDS AND PROJECTIONS
PRIMARY MARKET AREA
2010 to 2035

Annual Employment	City of Mankato		Southwest Minnesota*	
2010	30,751		171,042	
2019	33,322		176,604	
2020	30,639		167,187	
2023	32,677		173,015	
2035 Forecast	**36,065**		**178,921**	
Change	**No.**	**Pct.**	**No.**	**Pct.**
2010 - 2019	2,571	8.4%	5,562	3.3%
2019 - 2020	-2,683	-8.1%	-9,417	-5.3%
2020 - 2023	2,038	6.7%	5,828	3.5%
2023 - 2035	**3,388**	**10.4%**	**5,906**	**3.4%**

*Includes the following counties: Big Stone County, Blue Earth County, Brown County, Chippewa County, Cottonwood County, Faribault County, Jackson County, Lac qui Parle County, Le Sueur County, Lincoln County, Lyon County, Martin County, Murray County, Nicollet County, Nobles County, Pipestone County, Redwood County, Rock County, Sibley County, Swift County, Waseca County, Watonwan County, and Yellow Medicine.

Sources: MN DEED; Maxfield Research & Consulting

Resident Labor Force

The following table presents information on the resident labor force and resident employment in the City of Mankato compared to Blue Earth County and the Economic Development Region 9: South Central. The data is sourced from the Minnesota Department of Employment and Economic Development (MN DEED). Resident employment data reveals the workforce and number of employed people living in the area, although not all these individuals necessarily work in the area.

TABLE 16

LABOR FORCE AND RESIDENT EMPLOYMENT TRENDS
PRIMARY MARKET AREA
2010 - 2024*

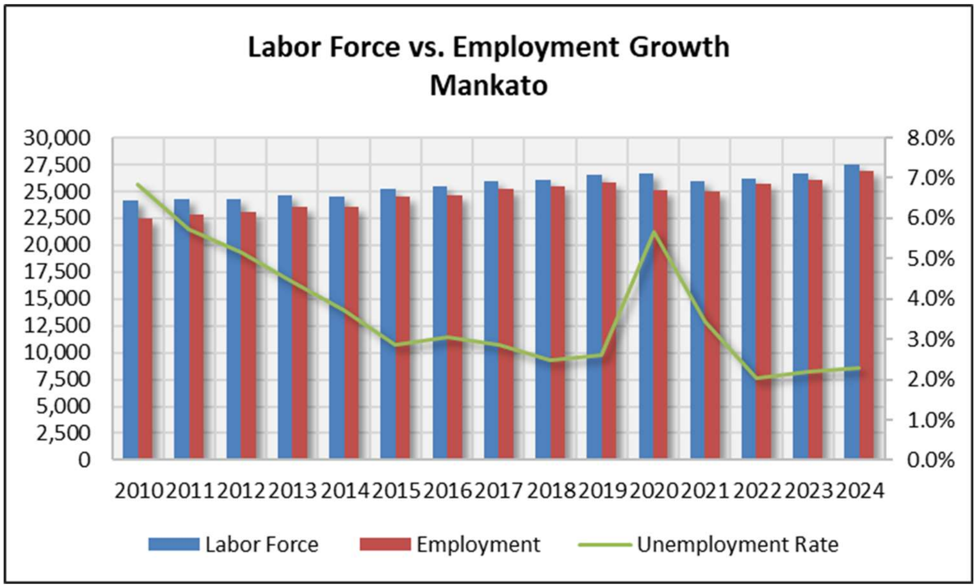
	Mankato			Mankato MSA			EDR 9- South Central		
Year	Labor Force	Employed Residents	UE Rate	Labor Force	Employed Residents	UE Rate	Labor Force	Employed Residents	UE Rate
2024	27,498	26,868	2.3%	63,923	62,496	2.2%	135,522	131,877	2.7%
2023	26,644	26,058	2.2%	61,926	60,519	2.3%	132,262	128,525	2.8%
2022	26,230	25,693	2.0%	60,922	59,663	2.1%	130,517	127,216	2.5%
2021	25,942	25,052	3.4%	60,156	58,221	3.2%	129,711	125,097	3.6%
2020	26,677	25,163	5.7%	61,756	58,513	5.3%	133,719	126,258	5.6%
2019	26,501	25,808	2.6%	61,898	60,211	2.7%	134,089	129,496	3.4%
2018	26,086	25,442	2.5%	61,155	59,637	2.5%	133,050	128,880	3.1%
2017	25,971	25,224	2.9%	60,914	59,200	2.8%	133,239	128,609	3.5%
2016	25,427	24,650	3.1%	59,937	58,092	3.1%	132,293	127,239	3.8%
2015	25,186	24,462	2.9%	59,815	58,078	2.9%	132,615	127,655	3.7%
2014	24,499	23,587	3.7%	58,427	56,448	3.4%	129,971	124,402	4.3%
2013	24,613	23,522	4.4%	58,387	56,009	4.1%	130,744	124,325	4.9%
2012	24,297	23,041	5.2%	58,119	55,359	4.7%	132,071	124,927	5.4%
2011	24,274	22,884	5.7%	58,379	55,272	5.3%	133,619	125,466	6.1%
2010	24,129	22,477	6.8%	57,896	54,261	6.3%	133,444	123,993	7.1%

*Through November 2024

Sources: Minnesota DEED; Maxfield Research & Consulting

- The labor force in Mankato increased 14% (3,369) between 2010 and 2024 compared to a 19.5% increase in resident employment (4,391). Between 2010 and 2019, Mankato's labor force expanded at a rate of 1% per year before increasing 0.7% in 2020 and contracting -2.8% in 2021.

- Mankato's labor force increased 1.1% in 2022 against a 2.6% increase in resident employment.



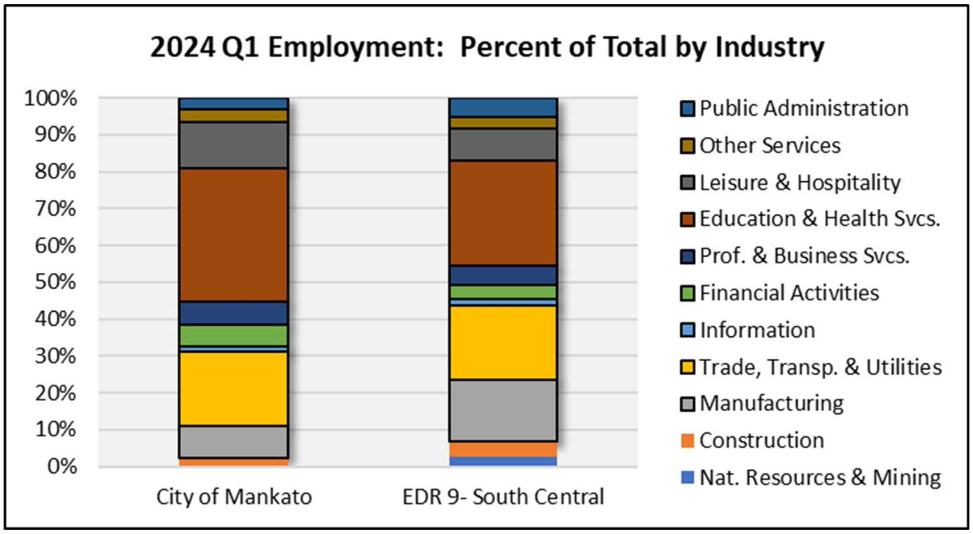
- Increased hiring drove the unemployment rate down from 2010 through 2019 as resident employment growth outpaced labor force growth. Resident employment declined sharply during 2020 due to the COVID-19 pandemic and subsequent economic recession. Since 2020, unemployment rates have declined significantly as more people have returned to the workplace.

Industry Employment Trends and Wages by Industry

The tables on the following pages display information on the employment and wage situation in Mankato compared to Economic Development Region 9- South Central. The Quarterly Census of Employment and Wages (QCEW) data is sourced from MN DEED and represents first quarter data for 2024 compared to the first quarters of 2023 and 2022.

All establishments covered under the Unemployment Insurance (UI) Program are required to report wage and employment statistics quarterly. Certain industries in the table may not display any information which means that there is either no reported economic activity for that industry or the data has been suppressed to protect the confidentiality of cooperating employers. This generally occurs when there are too few employers, or one employer comprises too much of the employment, in that geography.

- In 2024, Education and Health Services is the largest employment sector in Mankato with 12,017 jobs (36.3% of total employment), followed by Trade, Transportation, & Utilities with 6,705 jobs (20.2%).



- Education and Health Services is the largest employment sector in the Economic Development Region 9- South Central (28.4% of total jobs).

- In Mankato, total employment increased by 2.6%, gaining 830 jobs, between the first quarters of 2023 and 2024, with the largest increases occurring in the Education and Health Services (674 jobs, 5.9%) and Trade, Transportation, and Utilities (152 jobs, 2.3%) sectors.

- Economic Development Region 9- South Central experienced a 0.6% increase in jobs during the period, with largest job gain occurring in the Education and Health Services industry, adding 1,337 jobs (4.9% growth).

TABLE 17

INDUSTRY EMPLOYMENT TRENDS
PRIMARY MARKET AREA
2022 - 2024 Q1

				Change			
				2022-2023		2023-2024	
Industry	2022 Q1	2023 Q1	2024 Q1	No.	Pct.	No.	Pct.
City of Mankato							
Total, All Industries	**31,322**	**32,310**	**33,140**	**988**	**3.2%**	**830**	**2.6%**
Natural Resources & Mining	12	8	34	NA	--	NA	--
Construction	816	819	734	NA	--	NA	--
Manufacturing	2,864	2,845	2,870	-19	-0.7%	25	0.9%
Trade, Transportation & Utilities	6,604	6,553	6,705	-51	-0.8%	152	2.3%
Information	463	458	458	-5	-1.1%	0	0.0%
Financial Activities	1,823	1,888	1,938	65	3.6%	50	2.6%
Prof. & Business Svcs.	1,960	2,191	2,061	231	11.8%	-130	-5.9%
Education & Health Svcs.	10,940	11,343	12,017	403	3.7%	674	5.9%
Leisure & Hospitality	3,776	3,949	4,090	173	4.6%	141	3.6%
Other Services	1,212	1,262	1,217	50	4.1%	-45	-3.6%
Public Administration	849	991	1,014	142	16.7%	23	2.3%
EDR 9- South Central							
Total, All Industries	**99,326**	**101,271**	**101,883**	**1,945**	**2.0%**	**612**	**0.6%**
Natural Resources & Mining	2,811	2,770	2,835	-41	-1.5%	65	2.3%
Construction	4,006	4,065	4,239	59	1.5%	174	4.3%
Manufacturing	17,598	17,592	17,000	-6	0.0%	-592	-3.4%
Trade, Transportation & Utilities	20,241	20,406	20,529	165	0.8%	123	0.6%
Information	1,503	1,530	1,516	27	1.8%	-14	-0.9%
Financial Activities	3,991	4,073	4,092	82	2.1%	19	0.5%
Prof. & Business Svcs.	5,294	5,728	5,273	434	8.2%	-455	-7.9%
Education & Health Svcs.	26,900	27,559	28,896	659	2.4%	1,337	4.9%
Leisure & Hospitality	8,650	8,944	9,186	294	3.4%	242	2.7%
Other Services	3,081	3,197	3,120	116	3.8%	-77	-2.4%
Public Administration	5,248	5,403	5,191	155	3.0%	-212	-3.9%

Sources: MN DEED; Maxfield Research & Consulting

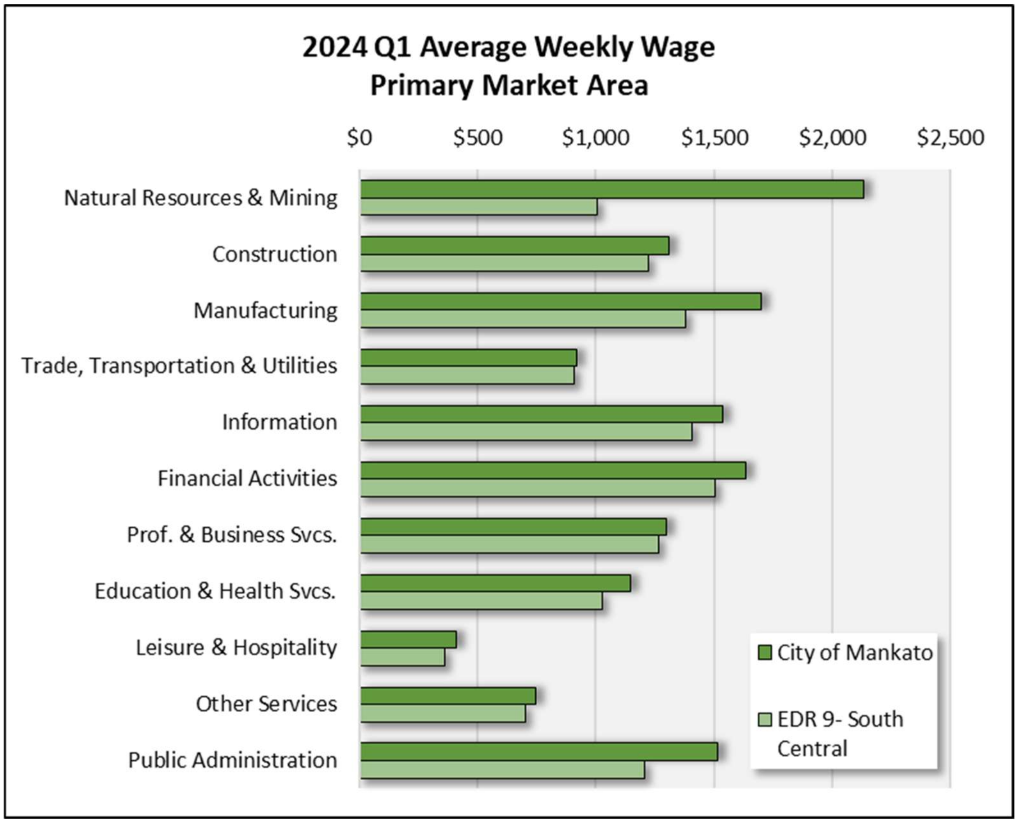
TABLE 18

AVERAGE WEEKLY WAGES
PRIMARY MARKET AREA
2022 - 2024 Q1

Industry	2022 Q1	2023 Q1	2024 Q1	Change 2022-2023 No.	Change 2022-2023 Pct.	Change 2023-2024 No.	Change 2023-2024 Pct.
City of Mankato							
Total, All Industries	**$1,021**	**$1,063**	**$1,101**	**$42**	**4.1%**	**$38**	**3.6%**
Natural Resources & Mining	$351	$454	$2,135	NA	--	NA	--
Construction	$1,057	$1,174	$1,310	NA	--	NA	--
Manufacturing	$1,758	$1,587	$1,699	-$171	-9.7%	$112	7.1%
Trade, Transportation & Utilities	$847	$920	$920	$73	8.6%	$0	0.0%
Information	$1,225	$1,406	$1,537	$181	14.8%	$131	9.3%
Financial Activities	$1,500	$1,554	$1,632	$54	3.6%	$78	5.0%
Prof. & Business Svcs.	$1,169	$1,237	$1,297	$68	5.8%	$60	4.9%
Education & Health Svcs.	$1,068	$1,126	$1,144	$58	5.4%	$18	1.6%
Leisure & Hospitality	$348	$385	$412	$37	10.6%	$27	7.0%
Other Services	$649	$681	$746	$32	4.9%	$65	9.5%
Public Administration	$1,299	$1,402	$1,516	$103	7.9%	$114	8.1%
EDR 9- South Central							
Total, All Industries	**$953**	**$1,012**	**$1,047**	**$59**	**6.2%**	**$35**	**3.5%**
Natural Resources & Mining	$872	$967	$1,007	95	10.9%	40	4.1%
Construction	$1,034	$1,146	$1,222	112	10.8%	76	6.6%
Manufacturing	$1,242	$1,299	$1,382	$57	4.6%	$83	6.4%
Trade, Transportation & Utilities	$821	$908	$907	$87	10.6%	-$1	-0.1%
Information	$1,230	$1,346	$1,405	$116	9.4%	$59	4.4%
Financial Activities	$1,374	$1,428	$1,507	$54	3.9%	$79	5.5%
Prof. & Business Svcs.	$1,146	$1,241	$1,267	$95	8.3%	$26	2.1%
Education & Health Svcs.	$965	$995	$1,030	$30	3.1%	$35	3.5%
Leisure & Hospitality	$309	$344	$363	$35	11.3%	$19	5.5%
Other Services	$634	$655	$705	$21	3.3%	$50	7.6%
Public Administration	$1,059	$1,153	$1,208	$94	8.9%	$55	4.8%

Sources: MN DEED; Maxfield Research & Consulting

- Average weekly wages in Mankato ($1,101) are 5% higher than in the South Central Region ($1,047).
- Highest wages in Mankato are in the Natural Resources and Mining ($2,135), Manufacturing ($1,699) and Financial Services ($1,632) industry sectors.



- A household earning the average weekly wage in Mankato ($1,101) would be able to afford an apartment unit renting for $1,431 per month to not exceed 30% of its monthly income on housing costs, notably higher than the average market rent for studio and one-bedroom units in the competitive set of market rate rental properties in the PMA ($886 and $1,109). We note however, that the newest market rate properties have rents much higher.

- Assuming that a potential home buyer has good credit and makes a 10% down payment, a household would need an estimated annual income of $99,000 to be able to afford a single-family home sold at the 2024 median sale price of $332,146 in Mankato. The average weekly wage in Mankato equates to an annual income of $57,252.

- This data indicates that rental housing in Mankato is relatively affordable proportionate to wages. However, much of the for-sale housing would not be affordable for many workers, although a household with two workers earning the average weekly wage would have a combined annual income of $111,067, high enough to afford the median sale price for detached single-family homes.

Commuting Patterns

Proximity to employment is often a primary consideration when choosing where to live, particularly for younger and lower income households since transportation costs often account for a greater proportion of their budgets. For this analysis, we reviewed commuting pattern data for the City of Mankato from the U.S. Census Bureau Local Employment Dynamics data for 2022, the most recent data available.

The following table provides a summary of the inflow and outflow characteristics of the workers in Mankato. Outflow reflects the number of workers living in the area but employed outside the City, while inflow measures the number of workers that are employed in the City but live outside the area. Interior flow reflects the number of workers that live and work in Mankato.

TABLE 19

COMMUTING INFLOW/OUTFLOW CHARACTERISTICS
MANKATO
2022

	Outflow		Inflow		Interior Flow	
City Total	**9,685**	**100.0%**	**21,442**	**100.0%**	**8,877**	**100.0%**
By Age						
Workers Age 29 or younger	3,073	31.7%	6,925	32.3%	3,102	34.9%
Workers Age 30 to 54	4,693	48.5%	9,966	46.5%	4,061	45.7%
Workers Age 55 or older	1,919	19.8%	4,551	21.2%	1,714	19.3%
By Monthly Wage						
Workers Earning $1,250 per month or less	2,117	21.9%	5,402	25.2%	2,349	26.5%
Workers Earning $1,251 to $3,333 per month	2,379	24.6%	5,337	24.9%	2,523	28.4%
Workers Earning More than $3,333 per month	5,189	53.6%	10,703	49.9%	4,005	45.1%
By Industry						
Workers in the "Goods Producing" Industry Class	2,516	26.0%	3,187	14.9%	1,237	13.9%
Workers in the "Trade, Transportation, and Utilities" Industry Class	1,982	20.5%	4,379	20.4%	1,612	18.2%
Workers in the "All Other Services" Industry Class	5,187	53.6%	13,876	64.7%	6,028	67.9%

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

- Approximately 21,442 workers commute into Mankato for employment daily (inflow), while 9,685 resident workers leave the community (outflow). An estimated 8,877 people both live and work in the City (interior flow).

- The highest proportion of workers coming into the area are aged 30 to 54 and earn more than $3,333 per month ($40,000 per year). The “All Other Services” industries bring in most of the employees (64.7%).

- With 21,442 workers commuting into Mankato for employment daily, many coming from over 50 miles, there appears to be an opportunity to provide housing options for a portion of these workers.

- While data does not yet fully reflect impacts on commuting patterns post-pandemic, we anticipate that with potential shifts in work locations long-term for some worker segments (i.e. increased telecommuting), more people are likely to remain within the City boundaries.

Table 20 highlights the commuting patterns, including distance and destination, of workers with primary jobs in Mankato based on Local Employment Household Dynamics (LEHD) data for 2022. Home Destination summarizes where workers live who are employed in the City, while Work Destination represents where workers are employed who live in Mankato.

- An estimated 52% of the workers employed in Mankato reside outside the City, while 48% (8,877) reside in the City. The largest proportion of workers commuting into Mankato come from North Mankato (10%), St. Peter (4.5%), St. Paul (1.9%), and Rochester (1.9%).

- An estimated 63.5% of the workers in Mankato reside within ten miles of their place of employment while 9.1% travel from 10 to 24 miles. An estimated 6.6% of the workers commute from a distance of 25 to 50 miles and another 20.8% come from more than 50 miles away.

TABLE 20

COMMUTING PATTERNS
MANKATO
2022

Home Destination			Work Destination		
Place of Residence	**Count**	**Share**	**Place of Employment**	**Count**	**Share**
Mankato city, MN	8,877	47.8%	Mankato city, MN	8,877	29.3%
North Mankato city, MN	1,858	10.0%	North Mankato city, MN	2,959	9.8%
St. Peter city, MN	831	4.5%	St. Peter city, MN	859	2.8%
St. Paul city, MN	358	1.9%	Eagle Lake city, MN	701	2.3%
Rochester city, MN	352	1.9%	Minneapolis city, MN	389	1.3%
Minneapolis city, MN	327	1.8%	Lake Crystal city, MN	374	1.2%
New Ulm city, MN	191	1.0%	Janesville city, MN	296	1.0%
Owatonna city, MN	160	0.9%	Waseca city, MN	280	0.9%
Bloomington city, MN	150	0.8%	Mapleton city, MN	260	0.9%
Waseca city, MN	149	0.8%	Madison Lake city, MN	245	0.8%
All Other Locations	5,309	28.6%	All Other Locations	15,079	49.7%
Distance Travelled			Distance Travelled		
Total Primary Jobs	18,562	100.0%	Total Primary Jobs	30,319	100.0%
Less than 10 miles	11,783	63.5%	Less than 10 miles	15,174	50.0%
10 to 24 miles	1,682	9.1%	10 to 24 miles	4,667	15.4%
25 to 50 miles	1,234	6.6%	25 to 50 miles	3,106	10.2%
Greater than 50 miles	3,863	20.8%	Greater than 50 miles	7,372	24.3%

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

Sources: U.S. Census Bureau Local Employment Dynamics, Maxfield Research & Consulting, LLC

- An estimated 71% of the workers living in Mankato commute outside of the City, most notably to North Mankato (9.8%), St. Peter (2.8%), and Eagle Lake (2.3%). An estimated 50% of workers in Mankato travel less than ten miles for their jobs, while 15.4% have a commute distance from 10 to 24 miles. Another 10.2% commute between 25 and 50 miles while 24.3% commute more than 50 miles for employment.

Major Employers

The following list provides a summary of the major employers in the Primary Market Area. Data is provided by the City of Mankato and Regional Economic Development Alliance.

- Mayo Clinic Health System, Minnesota State University, and Mankato Area Schools are the three largest employers in Mankato, totaling an estimated 4,621 jobs.

- Based on the industry sector composition of these employers in the community, it appears that Mankato's economy is fairly diverse as six different industry sectors are represented by the ten largest employers in the community.

- Combined, these ten major employers employ an estimated 7,773 workers, representing an estimated 23.5% of all jobs in Mankato based on first quarter 2024 QCEW data.

- Taylor Corporation is the largest employer in North Mankato with a total of 2,539 jobs. St. Peter Regional Treatment Center, Gustavus Adolphus College, Nicollet County and Creation Technologies are the four largest employers in St. Peter, totaling 2,632 jobs.

- In total, 61% of the major employer jobs are in Mankato, while 20% are in St. Peter and 19% in North Mankato.

TABLE 21

MAJOR EMPLOYERS
PRIMARY MARKET AREA
December 2024

Name	City	Industry/Product/Service	Employee Size
City of Mankato			
Mayo Clinic Health System	Mankato	Medical/Hospital Services	1,871
Minnesota State University	Mankato	Education	1,600
Mankato Area Public Schools	Mankato	Education	1,150
Mankato Clinic	Mankato	Medical/Hospital Services	751
Walmart Distribution Center	Mankato	Distribution	545
Blue Earth County	Mankato	Government	475
Nidec Kato Engineering	Mankato	Engineering	434
Johnson Outdoors	Mankato	Distribution	360
E.I. Microcircuits	Mankato	Technology	300
City of Mankato	Mankato	Government	287
Cambria	Mankato	Distribution	252
Total			**8,025**
City of North Mankato			
Taylor Corporation	Mankato	Communications	2,539
Total			**2,539**
City of St. Peter			
St. Peter Regional Treatment Center	St. Peter	Medical/Hospital Services	1,500
Gustavus Adolphus College	St. Peter	Education	580
Nicollet County	St. Peter	Government	277
Creation Technologies	St. Peter	Technology	275
Total			**2,632**
Total			**13,196**

Source: City of Mankato; Regional Economic Development Alliance; Maxfield Research and Consulting

Major Employers Survey

Maxfield Research surveyed a small sample of larger employers in Mankato in March 2025. Employers were asked their opinion about issues related to housing in the area. Community economic development information provides useful job growth data and assists in identifying housing demand in an area. The following summarizes key points derived from the surveys.

- There is a significant need for affordable/subsidized general occupancy housing in Mankato. Affordable/subsidized general occupancy housing vacancy rates are much lower than equilibrium (7%). Affordable general occupancy vacancy rates averaged 1.7% and subsidized general occupancy vacancy rates averaged 0.4%. The Blue Earth County EDA has an extensive wait list as well.

- Market rate general occupancy projects are strong with a variety of options for potential renters. Some employers feel the new market rate general occupancy products are too expensive for renters. In addition, there is a healthy amount of student-oriented developments in the area.

- Affordable senior housing products are needed in the area. A lot of older populations are still living in their homes and unable to transition to independent living, assisted living, or memory care.

- Several employers emphasized the lack of affordable for-sale product (single-family detached homes, townhomes, twin homes, etc.). Many renters are struggling with transitioning to homeownership due to high for-sale prices.

- Major employers are expected to add jobs in the future, which will increase demand for all housing types. Minnesota State University, Mayo Clinic Health System, and Walmart are expected to expand in the future.

Rental Housing Analysis

Maxfield Research analyzed the general occupancy (i.e. not age restricted) rental housing market in Mankato and the surrounding area by collecting data on key rental housing industry metrics such as vacancy rates and monthly rents. Much of the data was collected in February and March 2025.

Maxfield Research and Consulting identified and surveyed general occupancy rental properties in Mankato, most of which include buildings of 20 units or larger. Rental housing is typically categorized into one of three sectors:

- Market rate properties (those without income restrictions)
- Affordable properties (those with income restrictions and rents affordable to households with incomes at 80% of Area Median Income or lower), and
- Subsidized properties (restricted to households with incomes at 50% of Area Median Income or lower).

Secondary data resources utilized for this section of the analysis include online apartment listing resources, such as property websites.

General Occupancy Multifamily Rental Housing Properties

Maxfield Research and Consulting compiled detailed information for a select group of general occupancy multifamily rental housing properties with 20 or more units in the Primary Market Area. This information is categorized into two groups, market rate housing (properties that do not have any income restrictions) and affordable or subsidized properties which are restricted to residents with incomes at, or below, certain limits depending on funding source. Due to the large number of college students in the area, student-oriented properties are also detailed in this report. The rents shown represent quoted rents and have not been adjusted to reflect the inclusion or exclusion of utilities. The tables on the following pages summarize information on these projects.

Data was collected through a telephone and email survey of managers and owners for each property from January through March 2025. Some information was sourced from online resources, such as property websites.

- We surveyed 37 general occupancy affordable or subsidized apartment facilities along with 81 market rate rental properties, totaling 8,335 units in the Primary Market Area.

- General occupancy multifamily inventory includes 1,580 affordable or subsidized units, 4,627 market rate general occupancy units and 2,128 student-oriented units.

Affordable/Subsidized Property Summary

The table below presents a summary of the surveyed affordable and subsidized properties in the Primary Market Area, including unit mix, unit sizes and base market rent information. The inventory includes United States Department of Agriculture (USDA) Rural Development and Low Income Housing Tax Credit (LIHTC) properties. Properties financed through the USDA Rural Development program target "very low" (50% AMI), "low" (80% AMI), and "moderate-income" (more than 80% AMI) households. Tenants in Rural Development housing pay basic rent or 30% of their adjusted income, whichever is greater, while residents in LIHTC properties pay basic monthly rents.

- We surveyed 24 affordable and 13 subsidized general occupancy apartment properties in the Primary Market Area. There are 1,030 affordable general occupancy units and 550 subsidized general occupancy units in the PMA.

- At the time of the survey, there were 18 vacant affordable general occupancy units, representing a 1.7% vacancy rate, well-below equilibrium (5.0% vacancy). For subsidized general occupancy units, there were four vacancies, representing a 0.1% vacancy rate, well below the market equilibrium rate of 2.0%.

TABLE 22

UNIT TYPE SUMMARY
AFFORDABLE GENERAL OCCUPANCY PROPERTIES
March 2025

Unit Type	Total Units	% of Total	Avg. Size	Avg. Rent	Avg. Rent/ Sq. Ft.
1BR	212	21%	668	$838	$1.26
2BR	557	54%	933	$994	$1.07
3BR	183	18%	1,170	$1,189	$1.02
2BR TH	17	2%	1,069	$1,256	$1.17
3BR TH	61	6%	1,770	$1,484	$0.84
Total:	**1,030**	**100%**	**975**	**$1,032**	**$1.06**

Source: Maxfield Research & Consulting

- Among these affordable properties, 21% of the units have one bedroom, 54% have two bedrooms, 18% have three bedrooms units, 2% are two-bedroom townhome units and 6% are three-bedroom townhome units.

- On average, units have 975 square feet, ranging from an average size of 668 square feet for one-bedroom units to 1,770 square feet for three-bedroom townhome units.

- The average basic monthly rental rate across these properties is $1,032, ranging from an average of $838 for one-bedroom units to an average of $1,484 for three-bedroom townhome units.

- On a per square-foot basis (psf), the affordable general occupancy properties have an average rent of $1.06 psf, including $1.26 psf for one-bedroom units, $1.07 psf for two-bedroom units and $1.02 psf for three-bedroom units.

- One-bedroom units target one- to two-person households, while two-bedroom units target two- to four-person households and three-bedroom units have a six-person maximum household size.

TABLE 23

UNIT TYPE SUMMARY
SUBSIDIZED GENERAL OCCUPANCY PROPERTIES
March 2025

Unit Type	Total Units	% of Total	Avg. Size	Avg. Rent	Avg. Rent/ Sq. Ft.
1BR	296	54%	533	$608	$1.14
2BR	178	32%	1,022	$667	$0.65
3BR	76	14%	NA	NA	NA
Total:	**550**	**100%**	**662**	**$647**	**$0.98**

Note: 3BR unit rents were not provided by property mgmt.

Source: Maxfield Research & Consulting

- Among these subsidized properties, 54% of the units have one bedroom, 32% are two-bedroom units and 14% are three-bedroom units.

- On average, units have 533 square feet, ranging from an average size of 533 square feet for one-bedroom units to 1,022 square feet for two-bedroom units.

- The average basic monthly rental rate across these properties is $647, ranging from an average of $608 for one-bedroom units to an average of $667 for two-bedroom units.

- On a per square-foot basis (psf), the subsidized general occupancy properties have an average rent of $0.98 psf, including $1.14 psf for one-bedroom units and $0.65 psf for two-bedroom units.

Market Rate Summary

The table on the following page summarizes the unit mix, average unit sizes and average rental rate ranges among the surveyed market rate rental properties in the Primary Market Area. Rental rates represent a weighted average based on the number of units at each property, so buildings with a larger number of units of any one type contribute more toward the average than those with fewer units.

- We surveyed 58 existing general occupancy market rate apartment properties in the Primary Market Area, totaling 4,627 units.

- As noted previously, the equilibrium vacancy rate for market rate rental housing is considered to be 5.0%, which allows for normal turnover and an adequate supply of alternatives for prospective renters.

  - At the time of the survey, there were 117 units vacant, resulting in a 2.6% vacancy rate among these general occupancy market rate rental properties, which is lower than equilibrium. Two projects, which are in initial lease-up, have been excluded from the vacancy calculation.

TABLE 24

UNIT TYPE SUMMARY
SELECT MARKET RATE GENERAL OCCUPANCY RENTAL PROPERTIES
March 2025

Unit Type	Total Units	% of Total	Avg. Size	Avg. Rent	Avg. Rent/ Sq. Ft.
Studio	196	4%	423	$886	$2.10
1BR	1,107	25%	677	$1,109	$1.64
1BR+D	25	1%	864	$1,457	$1.69
2BR	1,944	43%	955	$1,296	$1.36
3BR	625	14%	1,115	$1,508	$1.35
4BR	209	5%	1,177	$1,812	$1.54
5BR	32	1%	1,359	$1,663	$1.22
1BR TH	5	0%	770	$1,169	$1.52
2BR TH	160	4%	1,127	$1,509	$1.34
3BR TH	150	3%	1,552	$1,747	$1.13
4BR TH	47	1%	1,648	$1,830	$1.11
5 BR TH	3	0%	1,950	$2,300	$1.18
Total:	**4,503**	**100%**	**932**	**$1,318**	**$1.41**

*Note: Excludes one property (124 units) as property mgmt were unable to confirm unit mix.

Source: Maxfield Research & Consulting

- On average, units have 932 square feet, ranging from an average size of 423 square feet for studio units to 1,950 square feet for five-bedroom townhome units.

- The average monthly rental rate across all market rate general occupancy properties is $1,318, ranging from an average of $886 for studio units to an average of $2,300 for five-bedroom townhome units. On a per square-foot basis (psf), these market rate rental properties have an average rent of $1.41 psf.

- Newer luxury market rate general occupancy properties (opened in past nine years) have an average monthly rent of $1,546. Newer product is averaging 924 square feet, ranging from 526 square feet for studio units to 1,229 square feet for three-bedroom units. On a per square-foot basis (psf), these newer luxury properties have an average rent of $1.67 psf.

Student-Oriented Properties

The table on the following page summarizes the unit mix, average unit sizes, and average rental rate ranges among the surveyed student-oriented rental properties in the Primary Market Area. Rental rates represent a weighted average based on the number of units at each property, so buildings with a larger number of units of any one type contribute more toward the average than those with fewer units.

- We surveyed 23 student-oriented rental properties in the Primary Market Area, totaling 2,128 units.

- At the time of the survey, there were 14 units vacant, resulting in an 0.7% vacancy rate among these general occupancy market rate rental properties, which is well below than equilibrium.

- On average, units have 901 square feet, ranging from an average size of 617 square feet for one-bedroom units to 2,000 square feet for four-bedroom townhome units.

- The average monthly rental rate across all student-oriented properties is $1,148, ranging from an average of $862 for studio units to an average of $2,399 for four-bedroom townhome units. On a per square-foot basis (psf), these student-oriented rental properties have an average rent of $1.27 psf.

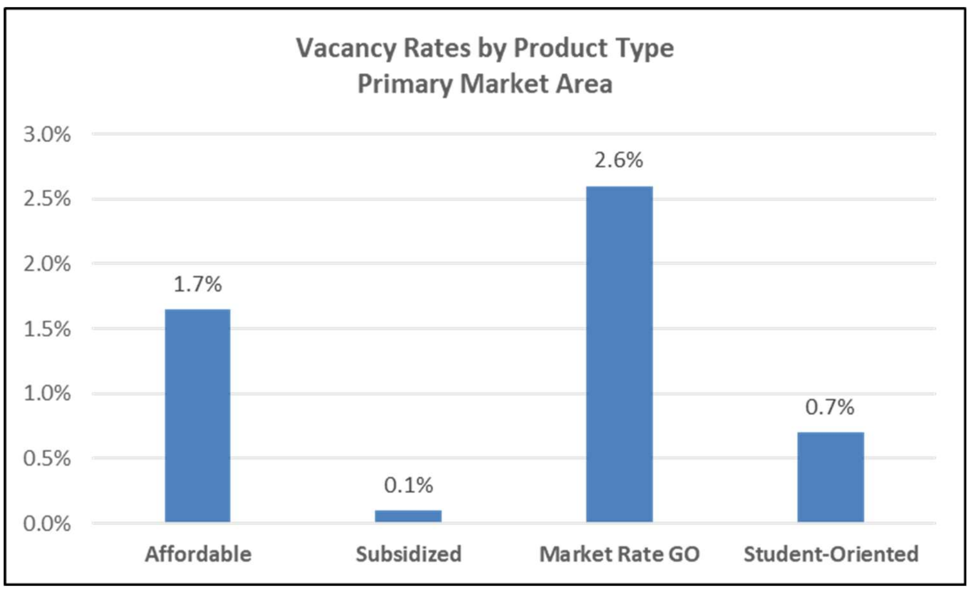
- Some of the student-oriented properties charge per occupant versus per bedroom. Per occupant price ranges from $600-$750 depending on the property.

TABLE 25

UNIT TYPE SUMMARY STUDENT-ORIENTED PROPERTIES March 2025					
Unit Type	Total Units	% of Total	Avg. Size	Avg. Rent	Avg. Rent/ Sq. Ft.
1BR	230	11%	617	$862	$1.40
2BR	1,067	50%	880	$1,076	$1.22
3BR	363	17%	1,014	$1,431	$1.41
4BR	356	17%	1,127	$1,443	$1.28
5BR	33	2%	1,350	$1,990	$1.47
2BR TH	35	2%	1,146	$1,570	$1.37
4BR TH	35	2%	2,000	$2,399	$1.20
5BR TH	9	0%	NA	NA	NA
Total:	**2,128**	**100%**	**901**	**$1,148**	**$1.27**

*Note: Excludes 5BR TH units at one property in the PMA.

Source: Maxfield Research & Consulting



Senior Housing Analysis

This section provides an assessment of the market support for senior housing, including a review of demographic and economic characteristics of the senior population along with information on senior housing facilities in Mankato. The senior housing inventory includes affordable and market rate active adult properties, as well as service-enhanced facilities that provide independent living, assisted living, and/or memory care services. Data on the senior housing facilities was collected in March 2025. Topics covered in this section of the analysis include.

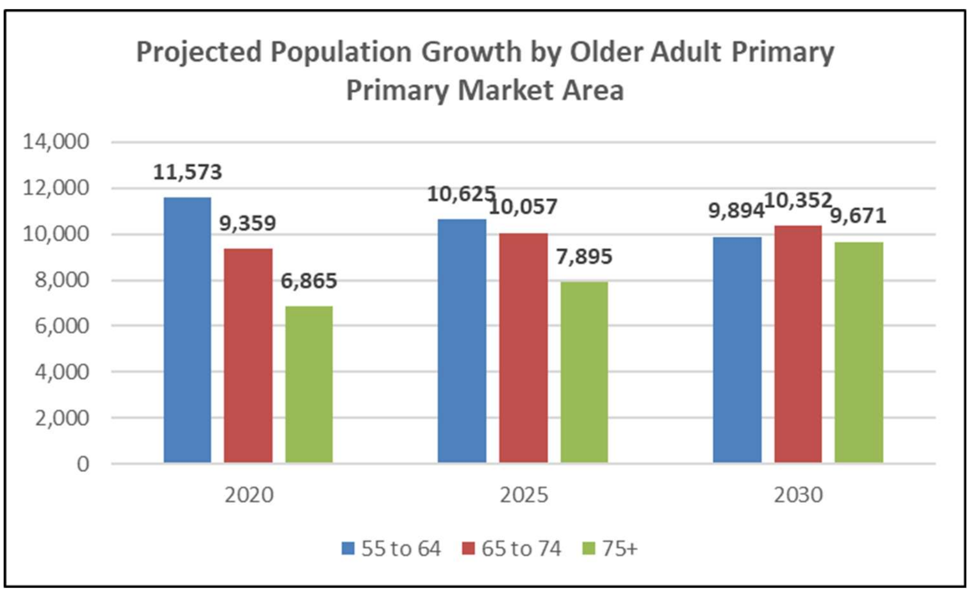
- An overview of older adult and senior demographic characteristics in the Market Area
- A definition of senior housing product types
- Detailed information on senior housing facilities in the Market Area

Secondary data resources utilized for this analysis include the U.S Census Bureau Decennial Census and American Community Survey ("ACS"), along with ESRI and the Minnesota State Demographic Center. Information from the Health Care Provider Directory from the Minnesota Department of Health was also referenced.

Older Adult and Senior Demographic Trends

- Strong growth is occurring among seniors in the PMA. Aging of baby boomers led to a 56% increase in the 65+ population between 2010 and 2025.

- The 65 to 74 age group accounted for most of the growth, increasing by 4,432 people during the period, an increase of 78.8%.



- Between 2025 and 2030, all older adult age cohorts are projected to increase, except for the 55 to 64 age group, which will decline (-6.9%). This is a result of a demographic shift in this age cohort due to the Baby Bust generation (born between 1965 and 1974, a period of lower births.

TABLE 26

OLDER ADULT (55+) POPULATION & HOUSEHOLD AGE DISTRIBUTION
PRIMARY MARKET AREA
2010 to 2035

	Census	Estimate	Projection		Change			
POPULATION								
Age	**2020**	**2025**	**2030**	**2035**	**2020 - 2025**		**2025 - 2030**	
55 to 64	11,573	10,625	9,894	10,721	-948	-8.2%	-731	-6.9%
65 to 69	5,318	5,505	5,361	4,844	187	3.5%	-144	-2.6%
70 to 74	4,041	4,552	4,991	4,841	511	12.7%	439	9.6%
75 to 79	2,685	3,287	3,973	4,179	602	22.4%	685	20.8%
80 to 84	1,930	2,173	2,884	3,426	243	12.6%	711	32.7%
85 +	2,250	2,435	2,814	3,440	185	8.2%	379	15.6%
Total 55+	27,797	28,577	29,917	31,451	780	2.8%	1,340	4.7%
Total 65+	16,224	17,952	20,023	20,730	1,728	10.7%	2,071	11.5%
Total 75+	6,865	7,895	9,671	11,045	1,030	15.0%	1,776	22.5%
Tot. Pop.	103,566	106,650	108,650	111,458	3,084	3.0%	2,000	1.9%
HOUSEHOLDS								
Age	**2020**	**2025**	**2030**	**2035**	**2020 - 2025**		**2025 - 2030**	
55 to 64	6,892	6,405	6,009	6,511	-487	-7.1%	-397	-6.2%
65 to 74	5,583	6,093	6,361	5,951	510	9.1%	268	4.4%
75+	4,204	4,938	6,180	7,058	734	17.5%	1,241	25.1%
Total 55+	16,679	17,437	18,550	19,520	758	4.5%	1,113	6.4%
Total 65+	9,787	11,031	12,541	13,009	1,244	12.7%	1,510	13.7%
Total 75+	4,204	4,938	6,180	7,058	734	17.5%	1,241	25.1%
Tot. HH	39,921	42,240	44,440	47,500	2,319	5.8%	2,200	5.2%

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

Older Adult Household Incomes

Table 27 on the next page shows the income distribution for older adults (55+) in the Primary Market Area.

TABLE 27

OLDER ADULT (55+) INCOME DISTRIBUTION PRIMARY MARKET AREA 2025 & 2030								
2025								
	55-64		**65-74**		**75+**		**Total 65+**	
	No.	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	
Under $15,000	591	9.2	597	9.8	776	15.7	1,373	12.4
$15,000-$24,999	288	4.5	340	5.6	554	11.2	894	8.1
$25,000-$34,999	383	6.0	497	8.2	717	14.5	1,214	11.0
$35,000-$49,999	434	6.8	614	10.1	673	13.6	1,286	11.7
$50,000-$74,999	1,033	16.1	1,222	20.1	974	19.7	2,196	19.9
$75,000-$99,999	975	15.2	902	14.8	423	8.6	1,325	12.0
$100,000-$149,999	1,379	21.5	1,048	17.2	416	8.4	1,464	13.3
$150,000-$199,999	694	10.8	480	7.9	232	4.7	712	6.5
$200,000 or more	628	9.8	392	6.4	174	3.5	566	5.1
Total	**6,405**	**100.0**	**6,093**	**100.0**	**4,938**	**100.0**	**11,031**	**100.0**
Median Income	**$88,293**		**$71,077**		**$44,885**		**$59,985**	
2030								
	55-64		**65-74**		**75+**		**Total 65+**	
	No.	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**
Under $15,000	475	7.9	562	8.8	944	15.3	1,507	12.0
$15,000-$24,999	194	3.2	270	4.2	534	8.6	803	6.4
$25,000-$34,999	281	4.7	419	6.6	764	12.4	1,183	9.4
$35,000-$49,999	317	5.3	503	7.9	758	12.3	1,261	10.1
$50,000-$74,999	837	13.9	1,175	18.5	1,211	19.6	2,385	19.0
$75,000-$99,999	890	14.8	956	15.0	581	9.4	1,537	12.3
$100,000-$149,999	1,401	23.3	1,250	19.6	649	10.5	1,899	15.1
$150,000-$199,999	859	14.3	682	10.7	420	6.8	1,102	8.8
$200,000 or more	753	12.5	544	8.6	318	5.2	863	6.9
Total	**6,009**	**100.0**	**6,361**	**100.0**	**6,180**	**100.0**	**12,541**	**100.0**
Median Income	**$103,689**		**$82,876**		**$53,110**		**$67,561**	
Change 2025 to 2030								
	55-64		**65-74**		**75+**		**Total 65+**	
	No.	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**	**No.**	**Pct.**
Under $15,000	-116	-19.6	-35	-5.8	169	21.7	134	9.7
$15,000-$24,999	-94	-32.5	-71	-20.8	-20	-3.7	-91	-10.2
$25,000-$34,999	-102	-26.5	-78	-15.7	47	6.6	-31	-2.6
$35,000+	-86	-2.2	452	11.9	1,046	42.1	1,498	23.9
Total	**-397**	**-6.2**	**268**	**4.4**	**1,241**	**25.1**	**1,510**	**13.7**
Sources: U.S. Census Bureau; ESRI; Maxfield Research & Consulting								

- The primary market for service-enhanced housing (i.e. housing with services) is senior households age 75 and older. The key market for active adult housing is comprised of senior households age 65 and older. While active adult properties are restricted to residents age 55 years or older, these properties usually have an average resident age of 70 years or older.

- Individuals in their 50s and 60s do not typically comprise the primary market base for service-enhanced senior housing, but they often have elderly parents to whom they provide support when those parents decide to relocate to senior housing. Elderly parents often prefer to be near their adult caregivers, so growth among the older adult age cohort (age 55 to 64) also generates some additional demand for service-enhanced senior housing products as they seek housing for their parents.

- The frailer the senior, the greater the proportion of their income they will typically spend on housing and services. Studies have shown that seniors are willing to pay increasing proportions of their incomes on housing with services, with income allocations as follows: 40% to 50% for market rate active adult housing, 65% for independent living and 80% to 90% or more for assisted living housing.

- The target market for affordable and subsidized active adult housing is households age 65 and older with incomes at or below 60% Area Median Income (AMI), although some affordable properties may be restricted to households at 80% AMI or lower. At 60% AMI, household income limits are $48,300 for a two-person household in the Primary Market Area.

  - Using an estimated income limit of $48,300 for affordable housing, there are an estimated 6,270 income-qualified households age 55 and older in the PMA (36% of all age 55 and older households). The number of age-, and income-qualified households in the PMA at 60% AMI is projected to increase 2.8% by 2030 (+180 households).

- The target for market rate active adult housing is comprised of senior households (age 55 and older) with incomes of $40,000 or more.

  - In 2025, we estimate there are 12,125 age- (55 and older) and income-qualified households in the PMA that comprise the key market for active adult housing. The number of age- and income-qualified households is expected to grow 7.7% to 13,054 (increase of 929) households by 2030, after accounting for inflation.

- Independent living housing demand is driven by senior households age 75 and older with incomes of $40,000 or more.

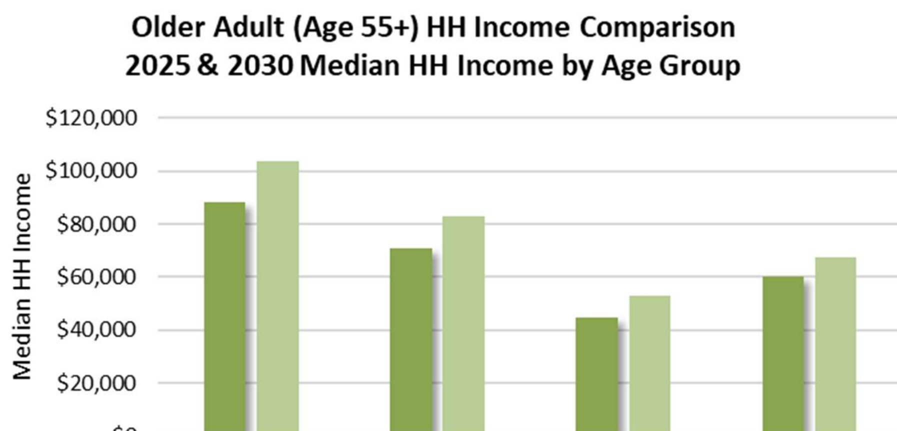
  - For independent living, we estimate the number of age- and income-qualified households in the PMA to be 7,124 in 2025, increasing 15.2% to 8,207 by 2030.

- Assisted living housing demand is driven by senior households age 75 and older with incomes of $40,000 or more, plus a portion of senior households with incomes below this level who will spend down assets for their housing and care.

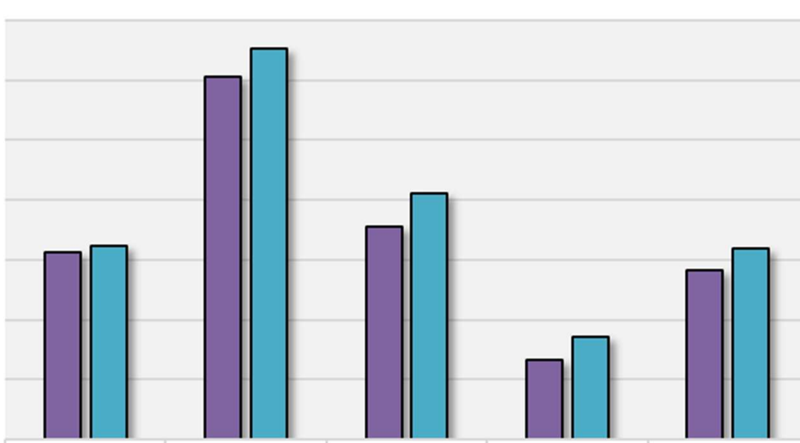
    - For assisted living, we estimate the number of age- and income-qualified households in the PMA to be 2,670 in 2025, increasing 28.6% to 3,433 by 2030.

- Memory care housing has a target market of senior households age 65 and older with a memory impairment and incomes of at least $60,000. In 2025, we estimate that there are 5,647 age 65 and older households in the PMA that are income-qualified, accounting for 51% of all senior households.

    - By 2030, we expect the number of income-qualified 65 and older households in the PMA to increase to 6,356, an increase of 18%.



	Age 55-64	Age 65-74	Age 75+	Total Age 65+
2025	$88,293	$71,077	$44,885	$59,985
2030	$103,689	$82,876	$53,110	$67,561



	Affordable Active Adult	Market Rate Active Adult	Independent Living	Assisted Living	Memory Care
2025	6,270	12,125	7,124	2,670	5,647
2030	6,450	13,054	8,207	3,433	6,356

Older Adult Homeownership Rates

- The estimated homeownership rate is 80% for age 55 to 64 households in the PMA, somewhat lower than the 83% in Southeast and South Central Minnesota. The PMA's homeownership rate increases for the age 65 to 74 group (due to Baby Boomer aging) compared to 85% in the Region.

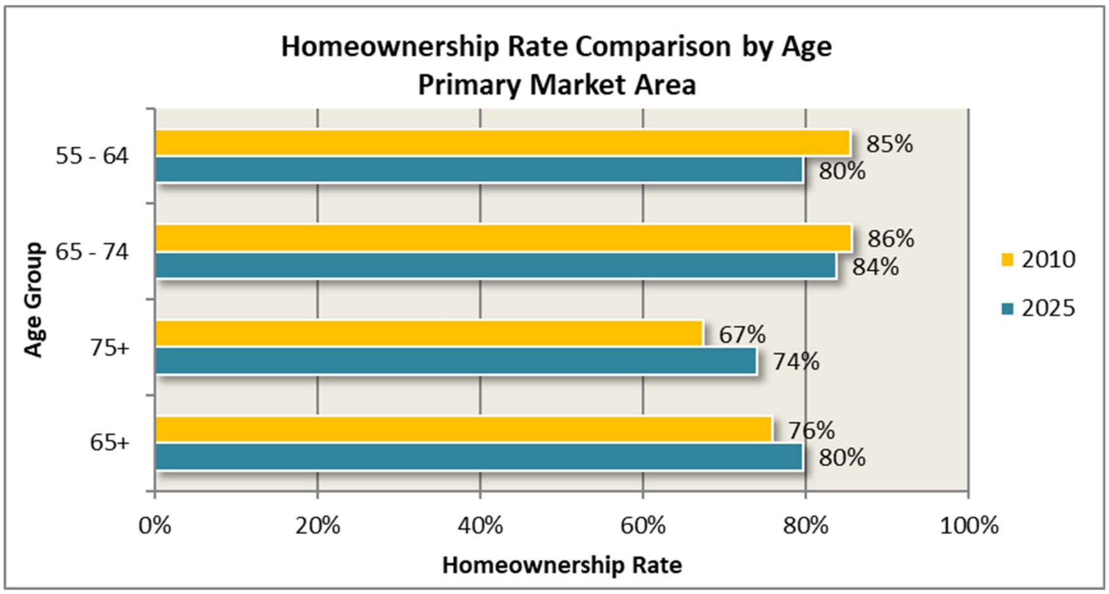
TABLE 28

OLDER ADULT (55+) HOUSEHOLD TENURE
PRIMARY MARKET AREA
2010 & 2025

	------- Age of Householder --------							
	55-64		65-74		75+		Total 65+	
	Own	Rent	Own	Rent	Own	Rent	Own	Rent
2010								
No. of Households	5,239	895	2,966	498	2,693	1,306	5,659	1,804
Homeownership Rate	85%		86%		67%		76%	
2025								
No. of Households	5,101	1,304	5,106	987	3,654	1,284	8,781	2,250
Homeownership Rate	80%		84%		74%		80%	

Sources: U.S. Census Bureau, ESRI, Maxfield Research and Consulting

- Seniors typically begin to consider moving into senior housing alternatives in their early to mid-70s. This movement pattern is demonstrated in the PMA as the homeownership rate declines from 84% (age 65 to 74) to 74% for age 75 and older households.
  - By comparison, the homeownership rate in Southeast and South Central Minnesota drops from 85% (age 65 to 74) to 77% (age 75 and older).
- With a homeownership rate of 80% for all households age 65 and older in the PMA, many residents would be able to use proceeds from the sales of their homes toward senior housing alternatives.



Home sale data is useful in that it represents the amount of equity seniors may be able to derive from the sales of their homes that could be used to cover the cost of senior housing alternatives. The following information summarizes resale data for homes sold in Mankato from 2022 through 2024.

- Median resale values of single-family homes in Mankato increase by 5.4% between 2022 and 2023. There was a slight price decrease of 1.5% between 2023 and 2024 due to a slowdown in the Market. Nevertheless, the median price of a single-family home remains high at $332,146. While seniors often have older homes and may realize somewhat lower pricing, most should be able to obtain significant equity from the sales of their homes to support residing in senior housing.
- Marketing times for single-family homes increased modestly during the period from 65 days in 2022 to 77 days in 2024.

- Resale activity slowed, as the number of closed transactions dropped from 403 in 2022 to 320 in 2024 for single-family homes and from 100 owned multifamily homes in 2022 to 75 in 2024.

  - The increase in marketing times and the decline in sales volume are due, in part, to increased mortgage rates which reduced the affordability of homes, causing many potential buyers to defer a decision to purchase until rates decline.

TABLE 29

RESIDENTIAL RESALES
MANKATO & BLUE EARTH COUNTY
2022 - 2024

	Detached Single-family					Multifamily				
	Median Price	Pct. Change	Closed Sales	Pct. Change	Avg. DOM^	Median Price	Pct. Change	Closed Sales	Pct. Change	Avg. DOM^
Mankato										
2024	$332,146	-1.5%	320	-8.8%	77	$343,814	1.0%	75	-22.7%	116
2023	$337,335	5.4%	351	-12.9%	67	$340,514	12.6%	97	-3.0%	107
2022	$320,015	--	403	--	65	$302,286	--	100	--	84
Blue Earth County										
2024	$302,026	2.6%	571	-4.2%	85	$323,310	1.4%	89	-17.6%	135
2023	$294,275	6.7%	596	-18.8%	78	$318,817	10.2%	108	-3.6%	115
2022	$275,721	--	734	--	70	$289,193	--	112	--	83

Multifamily includes attached single-family (townhomes, twin homes) and condominiums
^DOM = Days on Market

Sources: Realtor Association of Southern Minnesota; Maxfield Research & Consulting

- Based on the 2024 median resale price of $332,146 and discounted by 15% to account for the generally older ages of seniors' homes, $265,717, a senior household could generate an estimated $9,990 of additional income annually ($832 per month) if they invested in an income-producing account (4.0% interest rate) after accounting for marketing costs and/or real estate commissions (6.0% of home sale price).

- Due to generally rising home resale prices, many older adults and seniors – particularly those in the market for independent housing products – may be inclined to sell their home and consider housing alternatives.

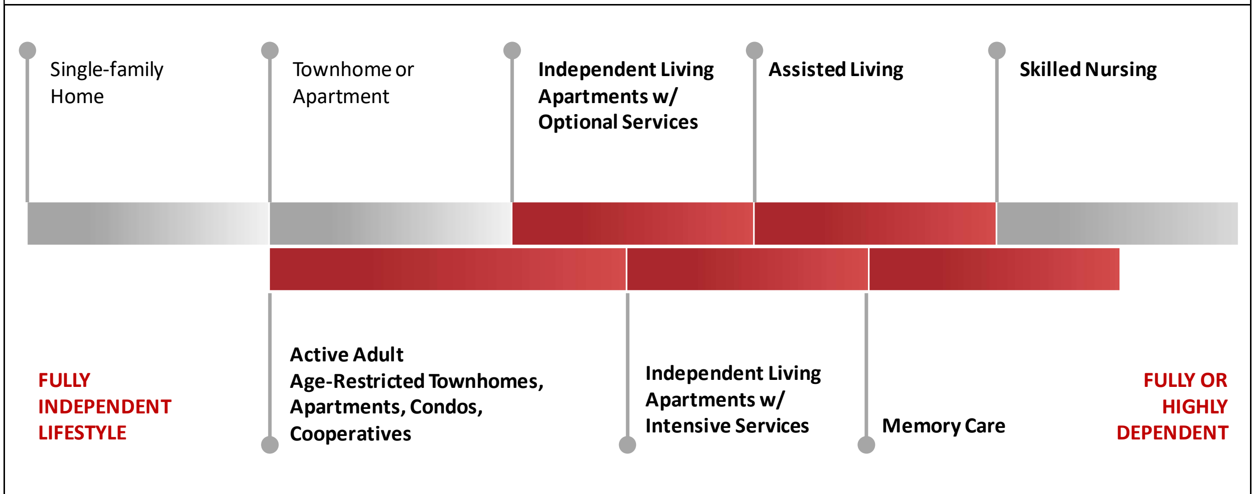
- Should a senior utilize the home sale proceeds dollar for dollar to support living in senior housing with services, the proceeds would last nearly nine years in independent living housing (monthly rent approximated at $2,500), five years in assisted living (monthly rent approximated at $4,000), or four years in memory care housing (monthly rent approximated at $5,500).

- Seniors in service-intensive housing typically have lengths of stays between two and three years indicating that a large portion of seniors in the PMA will be financially prepared to privately pay for their housing and services.

Senior Housing Defined

Senior housing is a concept that generally refers to the integrated delivery of housing and services to seniors. As Figure 1 illustrates however, senior housing embodies a wide variety of product types across the service-delivery spectrum.

FIGURE 1
CONTINUUM OF HOUSING AND SERVICES FOR SENIORS



Products range from independent apartments and/or townhomes with virtually no services on one end, to highly specialized, service-intensive assisted living units or housing geared for people with dementia-related illnesses (termed "memory care") on the other end of the spectrum.

In general, independent senior housing attracts people ages 65 and over while assisted living typically attracts people ages 80 and older who need assistance with activities of daily living (ADLs).

For analytical purposes, Maxfield Research and Consulting classifies senior housing into five primary categories based on the level and type of services offered as described in the figure on the following page.

Facilities referred to as “catered living” offer a flexible living arrangement where residents can live independently and purchase assisted living services as needed without relocating to a unit specifically designated for independent living or assisted living.

Active Adult
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). Residents are generally age 70 or older if in an apartment-style building. Organized entertainment, activities and occasionally a transportation program represent the extent of services typically available at these properties. Because of the lack of services, active adult properties generally 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.
Independent Living
Independent Living 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 often dedicate a larger share of the building to common areas, because units are smaller than in active adult housing and to encourage socialization. Independent living properties attract a slightly older target market than adult housing (i.e. seniors ages 75 or older). Rents are also above those of active adult buildings. Sponsorship by a nursing home, hospital or health care organization is common.
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 health situation), who need 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 staff on duty 24 hours per day or at least 24-hour emergency response.
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 addresses housing needs almost exclusively for 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.
Skilled Nursing Care

Skilled Nursing Care, or long-term care, 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.

Senior Housing Inventory

As of January/February 2025, Maxfield Research identified 33 age-restricted senior properties in the PMA, including Mankato, North Mankato, St. Peter, Lake Crystal, Mapleton and Nicollet. Combined, these projects contain a total of 1,859 units. These properties include 389 deep-subsidy units, 139 units of for-sale age-restricted housing (cooperative living) and 1,331 service-enhanced units. Table 30 provides an inventory of the properties in the PMA with city, year built and service level. Table 31 provides additional information on unit types, unit sizes, rent levels and vacancies by service level.

Affordable/Subsidized Senior Housing Properties

- 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% 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.

- There are 389 age- and income-restricted units across six properties targeted to older adults and seniors, three in Mankato, two in St. Peter and one in Nicollet. These communities offer common area laundry facilities, community rooms and full kitchens in each apartment. Incomes are restricted to 50% or less of Area Median Income (AMI) with residents paying 30% of their Adjusted Gross Income for rent. Zins Elderly Apartments was developed under the Rural Development 515 loan program and has nine units that receive rental assistance (30% of AGI) with three units as affordable. Estates Apartments is no longer under an income-restricted program but still offers its tenants affordable rents.

- Though senior subsidized/affordable properties do not offer services like daily meals and housekeeping, services can be contracted through separate agencies like Elder-bridge Aging Agency and Blue Earth County Public Health and Homemakers.

Active Adult

There are three market rate active adult properties in the Primary Market Area, all of which are cooperatives with a total of 139 units. Senior housing cooperatives are a unique form of ownership where residents purchase shares in a corporation that owns the building and land. This means they own a share of the community, not the property itself. Cooperatives often limit membership to those 55+ or 62+ and offer a blend of independence and community living with shared ownership and control.

There are no market rate active adult properties that are rental in the PMA. None of the age-restricted cooperatives have available units and all have waiting lists. Share prices range from $25,940 to $50,737 for one-bedroom units and from $36,053 to $85,456 for two-bedroom units. Additional unit types such as one-bedroom plus den and two-bedroom plus den units are also available.

TABLE 30

AGE-RESTRICTED SENIOR HOUSING INVENTORY IN THE PMA
February 2025

			Year		Active Adult			Service Enriched		
Name of Property	**City**	**Year Built**	**Renov.**	**No of Units**	**Market**	**Affordable**	**Subsidized**	**Ind. Lvg**	**Asstd Lvg**	**Memory Care**
Gus Johnson Plaza	Mankato	1981		108			108			
Orness Plaza	Mankato	1971		101			101			
The Alma (Walnut Towers)	Mankato	1978	2024	86			86			
Parkview Manor	St. Peter	1970		62			62			
Estate Apartments	St. Peter	1967		20		20				
Zins Elderly Apts	Nicollet	1984		12		3	9			
Realife Coop of Mankato	Mankato	1989		57	57					
Realife Coop of St. Peter	St. Peter	1990		30	30					
Willowbrook Cooperative	Mankato	2006		52	52					
Benedictine Sr. Living	St. Peter	2011		95				29	46	20
Ecumen-Pathstone	Mankato	2021		141				56	61	24
Ecumen-Prairie Hill	St. Peter	2011		61				18	23	20
Ecumen - Sand Prairie	St. Peter	1999		43					43	
Crystal Seasons	Lake Crystal	2008		41				20	21	
Heritage Place	Mapleton	2012		44				24	20	
New Perspective	Mankato	2008		116				38	53	25
Old Main Village	Mankato	1988		72				36	36	
Oak Terrace	North Mankato	2005		134				44	53	37
Mankato Lodge	Mankato	1999		75				20	55	
The Pillars of Mankato	Mankato	2019		118				50	48	20
Vista Prairie at Northpointe	North Mankato	2000		98				24	74	
Birchwood Cottages	North Mankato	2017		24						24
Bridgewater of Mankato	Mankato	1988		23					23	
Brookdale of Mankato	Mankato	1996		19					19	
Generations	Mankato	2021		20						20
Laurel's Edge	Mankato	1998		49					33	16
Pheasant's Ridge	St. Peter	2009		24					16	8
Beacon at Lake Crystal	Lake Crystal	2015		21					21	
Beacon at Mapleton	Mapleton	2024		17					9	8
Water's Edge at Willowbrook	Mankato	2014		36					18	18
Autumn Grace	Mankato	2003		36						36
Cottagewood	Mankato	1995		24					12	12
Total				**1,859**	**139**	**23**	**366**	**359**	**684**	**288**

Source: Maxfield Research and Consulting

Independent Living

There are 11 properties that provide housing with light services (independent living) with a total of 366 units. All of these properties also have other service levels in the property. Some also offer assisted living and some offer all three levels of care, independent living, assisted living and memory care.

Pricing for independent living at PMA facilities starts at $1,800 and ranges up to $4,755. Average square fee for independent living is 809 and the average price per square foot is $3.46. Vacancies in independent living are low, with only eight units vacant, an overall rate of 2.4%, below the market equilibrium rate of 5%, indicating additional demand for independent living units in the market.

Assisted Living

- The PMA has 20 properties that offer assisted living with a total of 684 units. Four properties have only assisted living and five properties offer assisted living and memory care. Most assisted living facilities offer three meals daily, weekly housekeeping, linens, transportation, scheduled activities and personal care. Personal care services usually based on an assessment of need prior to admittance to the facility.

- An estimated 23% of units at assisted living facilities are studios and 61% are one-bedroom units. The average square footage is 559 square feet and the average monthly rent excluding additional personal care services is $3,361 for an overall rent per square foot of $6.01.

- Vacancies for assisted living in the PMA are below the 7% market equilibrium rate, but at 6.1%, vacancies in assisted living remain the highest among all of the service levels.

Memory Care

- The PMA has 14 properties that provide memory care with a total of 288 units. Among these properties, three properties are exclusively memory care (80 units). Memory care facilities typically have a secure area and an outdoor secure area for residents to be able to spend time outside. Specialized activities and memory programming are also a part of the living experience.

- The overall vacancy rate for memory care in the PMA is 2.4%, as memory care demand has increased more rapidly post-pandemic. Post-pandemic, the need for memory care recovered more rapidly than for assisted living as those needing memory care may have more intensive health care needs that are challenging for a single caregiver to provide.

The current vacancy rate indicates a need for additional memory care units in the Primary Market Area and in Mankato.

- The average monthly rate for memory care in the PMA is $4,366, excluding the cost of personal care unless the facility offers pricing that is all-inclusive. Memory care monthly pricing can range as high as $10,000 per month, depending on the level of personal care required by the resident. Most units are private rooms with a private bathroom or studio units. A few properties also offer companion units. The average unit size is 363 square feet with an average price per square foot of $12.03.

TABLE 31

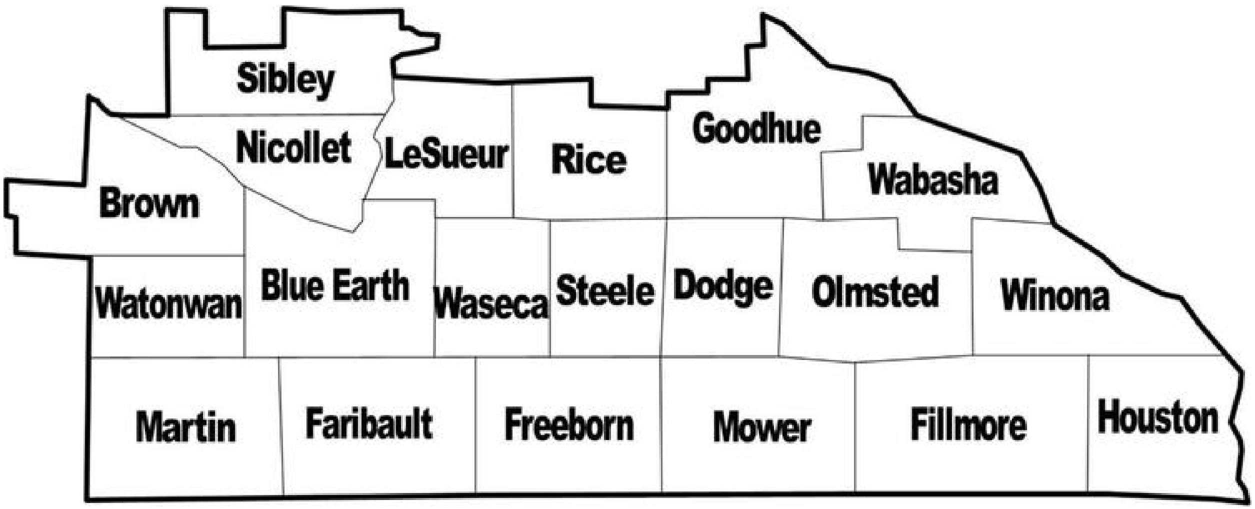
SENIOR HOUSING SUMMARY
UNIT TYPE SUMMARY
MANKATO PRIMARY MARKET AREA
April 2025

Unit Type	Total Units	% of Total	Vacant Units	% Vacant	Avg. Size	Basic/Market Monthly Rents: Range Low - High	Avg. Rent/Fees	Avg. Rent/ Sq. Ft.
Active Adult Ownership								
1BR	37	27%	0	0.0%	687	$520 - $1,083	$783	$1.14
1BR+Den	12	9%	0	0.0%	1,106	$1,424 - $1,424	$1,424	$1.29
2BR	82	59%	0	0.0%	1,132	$845 - $1,677	$1,295	$1.14
2BR+Den	8	6%	0	0.0%	1,415	$1,804 - $1,819	$1,811	$1.28
Total:	**139**	**100%**	**0**	**0.0%**	**1,028**	**$520 - $1,819**	**$1,200**	**$128.00**
Active Adult Rental								
2BR	**3**	**100%**	**0**	**0.0%**	**800**	**$890 - $890**	**$890**	**$2.23**
Independent Living								
Studio	29	8%	0	0.0%	471	$1,750 - $3,115	$2,234	$4.74
1BR	157	44%	5	3.2%	761	$1,800 - $4,755	$2,655	$3.49
1BR+Den	47	13%	0	0.0%	971	$2,455 - $4,755	$3,298	$3.40
2BR	126	35%	3	2.4%	1,035	$2,125 - $4,465	$3,006	$2.90
Total:	**359**	**100%**	**8**	**2.4%**	**809**	**$1,750 - $4,755**	**$2,798**	**$3.46**
Assisted Living								
Studio	158	23%	9	5.7%	280	$2,335 - $4,847	$2,536	$9.06
1BR	418	61%	22	5.3%	577	$2,373 - $4,974	$3,415	$5.92
1BR+Den	23	3%	1	4.3%	724	$3,115 - $5,305	$3,830	$5.29
2BR	85	12%	10	11.8%	941	$3,105 - $5,585	$4,504	$4.79
Total:	**684**	**100%**	**42**	**6.1%**	**559**	**$2,335 - $5,585**	**$3,361**	**$6.01**
Memory Care								
Studio	260	38%	7	2.7%	385	$1,232 - $6,370	$4,792	$12.45
1BR	28	4%	0	0.0%	417	$2,236 - $5,945	$3,527	$8.46
Total:	**288**	**42%**	**7**	**2.4%**	**363**	**$1,232 - $6,370**	**$4,366**	**$12.03**

Source: Maxfield Research & Consulting

Special Needs Housing and Homeless Populations

This section presents findings from 2023 Community Needs Survey Report compiled by the River Valleys Continuum of Care (CoC) organization in Southeast/South Central Minnesota. River Valleys CoC coordinates housing surveys and compiles data on households experiencing housing instability and homelessness in an area that includes 21 counties. The geography covered by the River Valleys CoC is show below.



Data presented includes information from the Minnesota Housing Management Information System (HMIS), Coordinated Entry System (CES) and data from the River Valleys CoC Point-in-Time counts and its 2023 Community Needs Survey Report, conducted every two years. The Community Needs Survey Report provides a summary of responses to two surveys: 1) Individual and Family Survey for people who experienced housing instability or homelessness in the last two years and 2) a Community Partner Survey for people who serve or otherwise engage with people experiencing homelessness or housing instability. Each section of the Community Needs Survey Report includes demographics of respondents, summary of trends seen or experienced, an assessment of perceived barriers and helpful resources, and recommendations for housing related investments.

Also included are figures from the Wilder Homeless Study, most recently conducted again in 2023 after a modest hiatus due to the Pandemic. The Wilder Homeless Study includes figures for the 11 CoCs in Minnesota. Southeast MN, which include Mankato and Blue Earth County are included and data is compared to the overall for Minnesota.

This section also includes data on exits of individuals from the Coordinated Entry System and their transition to other facilities or to being homeless and an inventory of units/beds for various types of facilities including emergency shelters, transitional housing, rapid re-housing, permanent supportive housing and other permanent housing.

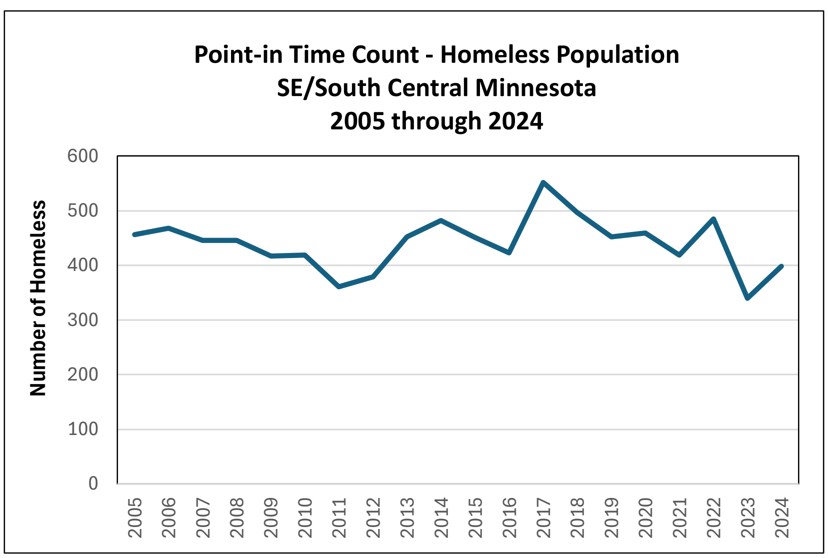
Each year in January, communities in Minnesota and across the Nation conduct a Point-in-Time count. Point-in-Time counts identify people that are considered homeless and are either sheltered or unsheltered. The sheltered count for those experiencing homelessness includes those in Emergency Shelters, Transitional Housing, or Safe Haven programs on the night of the PIT. The sheltered count includes data from agencies that participate in the HMIS (Homeless Management Information System), such as domestic violence projects. The unsheltered count represents those that are unsheltered on the street or doubled up or in a place not fit for human habitation or temporarily staying with friends or family. The unsheltered and doubled-up counts are collected by street outreach teams, volunteer surveyors, school liaisons and other community partners using a face-to-face survey.

Homeless Data

<u>Point-in-Time Counts</u>

Data on Table 32 shows the Point-in-Time Counts for counties included in the River Valleys CoC. The data shows homeless counts (total and unsheltered) from 2005 through 2024. The PIT count should be considered a minimum count, since some people outside the shelter system may not be found on the night of the study, especially people in rural areas and youth. Other data is available to understand counts throughout the year.

The data shows that the PIT count in Southeast and South Central Minnesota spiked in 2017 then decreased during the pandemic, spiked again in 2022, dropped in 2023 and then increased again in 2024.



Despite shifts in total counts over the past several years, the past three years' counts have shown higher numbers of those unsheltered, those that were identified as living in places not designed for or unfit for human habitation. This suggests a need for additional facilities (emergency and permanent) to house the homeless.

TABLE 32

POINT-IN-TIME COUNTS
HOMELESS POPULATIONS
ROCHESTER/SOUTHEAST MINNESOTA CoC
2005 THROUGH 2024

	Homeless Persons	Unsheltered
2005	456	36
2006	468	48
2007	446	33
2008	446	33
2009	417	4
2010	419	13
2011	361	5
2012	379	20
2013	452	27
2014	482	26
2015	451	22
2016	423	14
2017	552	57
2018	497	66
2019	452	58
2020	459	66
2021	419	0
2022	485	88
2023	340	76
2024	398	90

Note: Unsheltered counts included in Homeless Persons total
2008 counts are a duplicate of the 2007 report
Unsheltered count for 2021 was not recorded.

Sources: River Valleys Continnum of Care: Point-in-Time Counts
Maxfield Research and Consulting

River Valleys CoC – 2023 Data Reports

Summary of People Seeking Housing

Table 33 shows the number of people seeking housing in 2023 as compared to an annual average of previous years. Data is compiled throughout the year from various facilities and other local sources and better reflects the number of people and households that are experiencing housing instability.

The table shows a total of 367 people and 203 households seeking housing in Blue Earth County in 2023. This is an increase over the average of previous years when 204 people and 119 households sought housing. The significant increase is likely a result of several factors, which include but are not limited to a lack of affordable housing, significant increases in rents in the local housing market, rising for-sale home prices, overall inflation, etc.

TABLE 33

SUMMARY OF PEOPLE SEEKING HOUSING
BLUE EARTH COUNTY
2023

Housing Situation	Households	People
2023	203	367
Before 2023	119	204
Totals	**322**	**571**

Sources: River Valley CoC - Blue Earth County Needs; Maxfield Research and Consulting

Age Distribution

Table 34 below shows the age distribution (households and people) of those seeking housing in Blue Earth County in 2023 and prior to 2023. The table shows that 61.3% of all households seeking housing in Blue Earth County were between the ages of 25 and 44. Households age 55 years or older accounted for 13.7% and youth 18 to 24 accounted for 19.3% of households.

TABLE 34
AGE DISTRIBUTION
BLUE EARTH COUNTY
2023

	Households		People	
Age	**Number**	**Pct.**	**Number**	**Pct.**
Under 18	3	0.9%	4	0.7%
18 to 24	62	19.3%	91	16.2%
25 to 34	82	25.5%	174	31.0%
35 to 44	88	27.3%	170	30.3%
45 to 54	43	13.4%	60	10.7%
55 to 64	35	10.9%	53	9.4%
65 to 74	8	2.5%	8	1.4%
75+	1	0.3%	1	0.2%
Totals	**322**	**100.0%**	**561**	**100.0%**

Sources: River Valley Coc 2023 Housing Needs
Maxfield Research & Consulting

Race

Table 35 below shows the race and ethnicity of those seeking housing in Blue Earth County in 2023 and prior to 2023. As shown, the two largest racial groups experiencing housing instability and seeking housing were households who self-identified as "White" (54.3%) and those who self-identified as "Black or African American" (30.7%). Comparatively, these categories accounted for 53.3% and 31.6% of people. The third highest category was Multiple Races (also identifying as Hispanic/Latino(a)(e), who accounted for 5.9% of households and 4.6% of people.

More households and people in all areas of the state are self-identifying as more than one race or multiple races. The majority of these individuals are considered as people of color. In Blue Earth County, the proportion of the total population self-identifying as Black or African American was 5.7% in 2020 and those self-identifying as Multiple Races was 5.1% in 2020. This demonstrates that these racial groups are potentially experiencing a disproportionately higher housing instability than the portion of the overall population they represent.

TABLE 35

RACE AND ETHNIC BACKGROUND OF THOSE SEEKING HOUSING
BLUE EARTH COUNTY
2023

	Households		People	
Racial/Ethnic Background	**Number**	**Pct.**	**Number**	**Pct.**
American Indian or Native American	11	3.4%	22	3.9%
Asian	2	0.6%	4	0.7%
Black or African American	99	30.7%	177	31.6%
Native Hawaiian or Pacific Islander	1	0.3%	1	0.2%
White	175	54.3%	299	53.3%
Multiple Races (non H/L)	11	3.4%	25	4.5%
Multiple Races (H/L)	19	5.9%	26	4.6%
Hispanic Latina/o/e	2	0.6%	**5**	0.9%
Missing	1	0.3%	1	0.2%
Don't Know/Refused	1	0.3%	1	0.2%
TOTAL	**322**	**100.0%**	**561**	**100.0%**

Note: Hispanic/Latino may also be of two or more races.

Sources: River Valley CoC: Blue Earth County Needs
Maxfield Research & Consulting

Household Type

Table 36 shows the number of households and people seeking housing in Blue Earth County in 2023 and prior to 2023 by household type. As shown, the highest proportion of households were Adults 25+ without children (57.1%), although the largest number of people, 247, were Adults 25+ with children, 45.8% of all people.

TABLE 36
HOUSEHOLD TYPE
BLUE EARTH COUNTY
2023

	Households		People	
Household Type	**Number**	**Pct.**	**Number**	**Pct.**
Adult (25+) without children	184	57.1%	209	37.3%
Adult (25+) with children	73	22.7%	257	45.8%
Youth (18-24) without children	48	14.9%	56	10.0%
Youth (18-24) with children	14	4.3%	35	6.2%
Unaccompanied Youth Under 18	3	0.9%	4	0.7%
TOTAL	**322**	**100.0%**	**561**	**100.0%**

Sources: River Valley CoC: Blue Earth County Needs
Maxfield Research & Consulting

Household Size

Single people represented the largest number of households and people seeking housing in Blue Earth County in 2023. As shown, 64% of households were one-person households and 206 individuals (36.7% of all people) sought housing. The second largest group was two-person households with 15.5% of all households and 17.8% of the population. Three-, four- and five-person households accounted for 9.6%, 6.5% and 2.8% of the housing-seeking population indicating there are some larger households, most likely families, that are experiencing housing instability and in need of permanent shelter. The numbers however are much smaller than for one- and two-person households.

TABLE 37
HOUSEHOLD SIZE
BLUE EARTH COUNTY
2023

	Households		People	
Number of People per Household	Number	Pct.	Number	Pct.
1	206	64.0%	206	36.7%
2	50	15.5%	100	17.8%
3	31	9.6%	93	16.6%
4	21	6.5%	84	15.0%
5	9	2.8%	45	8.0%
6	3	0.9%	18	3.2%
7	1	0.3%	7	1.2%
8	1	0.3%	8	1.4%
TOTAL	**322**	**100.0%**	**561**	**100.0%**

Sources: River Valley CoC: Blue Earth County Needs
Maxfield Research & Consulting

Eligibility for Coordinated Entry

The Continuum of Care (CoC) Program interim rule under the HEARTH Act requires all CoC's to establish and implement a Coordinated Entry System (CES) and to do so in collaboration with their local ESGs. Coordinated Entry is defined to mean a centralized or coordinated process designed to coordinate program participant intake, assessment and provision for referrals for various housing opportunities and support programs.

As shown on Table 38, 19.7% of those who were unsheltered and seeking housing were eligible for entry into CE. Another 14.6% of those eligible were fleeing domestic violence and 18.5% meet the definition of HUD as homeless and with a disability but did not meet the definition of being chronically homeless. Another 16.2% met HUD's definition of homeless, but were without a qualified disability.

TABLE 38

ESTIMATED ELIGIBILITY FOR COORDINATED ENTRY (CE)
BLUE EARTH COUNTY
2023

	People	
Category	**Number**	**Pct.**
HUD Chronic (CH)	31	7.3%
HUD Unsheltered	84	19.7%
HUD Homeless + Disability (Non CH)	79	18.5%
HUD Homeless (no disability, non CH)	69	16.2%
HUD Category 4 (fleeing DV)	62	14.6%
HUD Homeless + MN LTH	48	11.3%
MN LTH Disability (Not HUD Homeless)	29	6.8%
MN LTH no Disability (Not HUD Homeless)	24	5.6%
TOTAL	**426**	**100.0%**

Sources: River Valley CoC; Blue Earth County Housing Needs
Maxfield Research & Consulting

People Exiting Coordinated Entry

Table 39 below shows the number of people that exited the coordinated entry program and to what type of facility they were transferred. As shown and excluding those whose exit transfers were unknown, the largest number of people that exited the CES in 2023 transferred to permanent housing, 95 people of 174 (55%), where exits were known.

Of the total 174 people that exited the coordinated entry program, 42 people exited the system but it is unknown if they were able to secure housing. Smaller numbers exited to temporary housing, an institution or back out on the street (homeless).

TABLE 39

EXITS FROM COORDINATED ENTRY BY DEMOGRAPHICS AND HOUSING TYPE BLUE EARTH COUNTY 2023							
Age Distribution	**Permanent**	**Temporary**	**Institution**	**Homeless**	**Other**	**Unknown**	**Total**
Under 18	1	0	0	0	0	0	1
18 to 24	15	5	2	1	1	11	35
25 to 34	29	3	4	0	0	11	47
35 to 44	30	3	4	0	0	10	47
45 to 54	12	5	2	0	3	2	24
55 to 64	5	1	2	0	1	5	14
65 to 74	3	0	0	0	0	2	5
75+	0	0	0	0	0	1	1
TOTAL	**95**	**17**	**14**	**1**	**5**	**42**	**174**

Sources: River Valley CoC; Demographic and Housing Needs
Maxfield Research & Consulting

Adults with children were most likely to exit to permanent housing. Adults without children were most likely to have their place of exit to unknown, although 47 were placed into permanent housing in 2023, five into temporary housing and 12 went to an institution. Most of those that exited the Coordinated Entry System were singles and exited to permanent housing. The 2nd and 3rd largest groups, although much smaller were two- and three-person households.

TABLE 40

EXITS FROM COORDINATED ENTRY BY DEMOGRAPHICS AND HOUSING TYPE BLUE EARTH COUNTY 2023							
Household Type	**Permanent**	**Temporary**	**Institution**	**Homeless**	**Other**	**Unknown**	**Total**
Adult (25+) without children	47	5	12	0	4	26	94
Adult (25+) with children	32	7	0	0	0	5	44
Youth (18-24) without children	12	3	1	1	1	8	26
Youth (18-24) with children	3	2	1	0	0	2	8
Unaccompanied Youth Under 18	1	0	0	0	0	1	2
TOTAL	**95**	**17**	**14**	**1**	**5**	**42**	**174**

Sources: River Valley CoC; Demographic and Housing Needs
Maxfield Research & Consulting

TABLE 41

EXITS FROM COORDINATED ENTRY BY DEMOGRAPHICS AND HOUSING TYPE
BLUE EARTH COUNTY
2023

Number of People per Household	Permanent	Temporary	Institution	Homeless	Other	Unknown	Total
1	54	5	13	0	5	30	107
2	15	5	1	0	0	6	27
3	15	4	0	1	0	2	22
4	6	1	0	0	0	4	11
5	2	2	0	0	0	0	4
6	2	0	0	0	0	0	2
7	1	0	0	0	0	0	1
TOTAL	**95**	**17**	**14**	**1**	**5**	**42**	**174**

Sources: River Valley CoC; Demographic and Housing Needs
Maxfield Research & Consulting

Homeless Populations – Data from the 2023 Wilder Homeless Study

Homeless Counts

Table 42 below shows the total number of people identified as homeless (sheltered and unsheltered) from the 2023 Wilder Homeless Study conducted in October 2023. The data tables in this section have totals different than those shown previously from the River Valleys CoC. Data from the Wilder study includes all of Southeast Minnesota and offers compatible comparisons between SE Minnesota and Minnesota overall. The Wilder study data also incorporates some information not found in the River Valleys CoC data reports. The River Valleys CoC data includes a larger number of people for whom housing instability was identified and therefore, counts of persons seeking housing are higher than for the Wilder study, further documenting need. *Please note that River Valleys CoC data and data collected for the Wilder Homeless study should not be compared directly.*

TABLE 42

NUMBER OF HOMELESS PEOPLE
SOUTHEAST/SOUTH CENTRAL MINNESOTA/MINNESOTA
2023

	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	
Housing Situation	**SE/South Central MN**	**Minnesota**	**SE/South Central MN**	**Minnesota**
Emergency/Domestic Violence Shelters	252	3,332	186	3,284
Transitional housing	153	1,279	76	1,245
Unsheltered	197	2,840	174	2,837
TOTAL	**602**	**7,451**	**436**	**7,366**

Most Rapid Re-Housing (RRH) programs in MN were not included in the 2018 MN Homeless Study.
Some programs were included that had maintained the same model of services and supports. These figures are included in transitional housing.
*Homeless people age 18 and older, excluding children with parents and unaccompanied youth

Sources: Wilder Research, "2023 Minnesota Homeless Study"; Maxfield Research & Consulting

Age Distribution

Table 43 shows the age distribution of the homeless population in SE/South Central Minnesota in 2023. A total of 403 people were identified. The median age of those in SE Minnesota was higher than for Minnesota at 42 years of age versus 38 years old for Minnesota. This suggests there may be a need for additional housing to serve older vulnerable adults in SE Minnesota. As shown on the table, 27% of those identified as homeless in SE Minnesota were age 55 years or older compared with 17% in Minnesota. Long wait lists at many low-income and affordable properties and older households that no longer have their own home and may have other mental health or other disabilities and need housing.

TABLE 43
AGE DISTRIBUTION
HOMELESS PEOPLE IN SE/SOUTH CENTRAL MN AND MINNESOTA*
2023

	SE/South Central MN		Minnesota	
Age	**Number**	**Pct.**	**Number**	**Pct.**
18 to 21	16	4.0%	534	9.0%
22 to 24	20	5.0%	415	7.0%
25 to 29	44	11.0%	653	11.0%
30 to 39	93	23.0%	1,531	25.8%
40 to 49	69	17.0%	1,175	19.8%
50 to 54	44	11.0%	475	8.0%
55 to 59	48	12.0%	415	7.0%
60 to 69	60	15.0%	594	10.0%
70 to 79	8	2.0%	119	2.0%
80+	0	0.0%	24	0.4%
	403	**100.0%**	**5,935**	**100.0%**
Median Age	**42**		**38**	

* 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, October 2023. "2023 Minnesota Homeless Study"
Maxfield Research & Consulting

Race and Ethnic Background

Table 44 compares the race and ethnicity of homeless in SE/South Central Minnesota to Minnesota overall.

The highest number of homeless in SE Minnesota self-identified as Black or African American (20%), Asian or Pacific Islander (12%) and Native American or American Indian (12%). These proportions are lower than those Statewide for each of these categories.

The racial/ethnic groups that were reported as having the highest incidents of homelessness are overrepresented in this group as compared to their proportions of the total population. In the River Valleys CoC geographic area, Black or African Americans account for 3.6% of the population, Asian or Pacific Islander account for 0.3% of the population and Native American or American Indian account for 0.5% of the population.

We note that people self-identifying as being of Some Other Race or More than One Race or of Latino or Hispanic Origin (may be of any race) are increasing in proportions of the population, which makes identifying BIPOC impacts more challenging.

TABLE 44

ETHNIC BACKGROUND OF HOMELESS PEOPLE SURVEYED
SOUTHEAST/SOUTH CENTRAL MINNESOTA AND MINNESOTA
2023

	SE/South Central MN		Minnesota	
Racial/Ethnic background	**Number**	**Pct.**	**Number**	**Pct.**
Black or African American	81	20.0%	2,077	35.0%
African born	4	1.0%	178	3.0%
Asian or Pacific Islander	12	3.0%	178	3.0%
American Indian or Native American	48	12.0%	1,187	20.0%
Middle Eastern or North African	1	0.2%	6	0.1%
Hispanic or Latino/a/x	48	12.0%	1,068	18.0%
Other (unspecified)	0	0.0%	0	0.0%
Native American or Person of Color	**197**	**49.0%**	**4,036**	**68.0%**
White	282	70.0%	2,611	44.0%
Multiple racial or ethnic identities	60	15.0%	1,128	19.0%
TOTAL	**403**	---	**5,935**	---

Note: Percentages do not total to 100%; Hispanic/Latino may also be of two or more races.

Sources: Wilder Research, October 2023. "2023 Minnesota Homeless Study"
Maxfield Research & Consulting

Income

Table 45 shows the incomes of the homeless surveyed in 2023 in SE Minnesota. A relatively high proportion, compared to the State, have monthly income of Over $1,000. Incomes just over $1,000 per month certainly qualifies the person as eligible for subsidized housing, but as stated previously, wait lists are lengthy at most low-income properties and those that are affordable at 50% to 60% of AMI, would require an income higher than between $25,000 and $30,000 annually.

Also, some households with monthly incomes at higher levels may have other challenges which create barriers to securing suitable housing.

TABLE 45
MONTHLY INCOME OF HOMELESS PEOPLE SURVEYED
SE/SOUTH CENTRAL MINNESOTA AND MINNESOTA
2023

	SE/South Central MN		Minnesota	
Monthly Income	**Number**	**Pct.**	**Number**	**Pct.**
$200 or less	137	35.5%	2,374	40.0%
$201 to $400	36	9.3%	772	13.0%
$401 to $600	33	8.5%	297	5.0%
$601 to $800	4	1.0%	356	6.0%
$801 to $1,000	72	18.7%	712	12.0%
Over $1,000	121	31.3%	1,424	24.0%
TOTAL	**386**	**104.4%**	**5,935**	**100.0%**
Mean Income	**$757**		**$702**	
Median Income	**$481**		**$400**	

Sources: Wilder Research, October 2023. "2023 Minnesota Homeless Study"
Maxfield Research & Consulting

Employment

Table 46 shows that only 22% of those identified as homeless were employed. This compares to 23% statewide, not a significant difference. For those that are employed, 49% work part-time and 51% work full-time. Also, 38% work between 35 and 40 hours per week. At this level, wages are most likely insufficient to support a stable housing situation for the individual. Given the rising costs for rental and for-sale housing, working a part-time or full-time job does not support being able to afford housing, especially in today's market.

The vast majority of homeless (78%) are unemployed and may not be able to work either a full-time or part-time job.

TABLE 46
EMPLOYMENT
SOUTHEAST AND SOUTH CENTRAL MINNESOTA AND MINNESOTA
2023

	SE/South Central MN		Minnesota	
Currently Employed	**Number**	**Pct.**	**Number**	**Pct.**
Yes	88	22.0%	1,340	23.0%
No	312	78.0%	4,484	77.0%
TOTAL	**400**	**100.0%**	**5,824**	**100.0%**
If Employed, how many hours, on average, do you work?				
1-15 Hours	10	11.0%	195	15.0%
16-24 Hours	20	23.0%	259	20.0%
25-34 Hours	13	15.0%	285	22.0%
35-40 Hours	34	38.0%	467	36.0%
41 or More Hours	12	13.0%	91	7.0%
# of Respondents (Weighted)	**89**	**100.0%**	**1,297**	**100.0%**
Part-Time (1-34 Hours/Wk)	44	49.0%	739	57.0%
Full-Time (35+ Hours/Wk)	45	51.0%	558	43.0%
# of Respondents (Weighted)	**89**	**100.0%**	**1,297**	**100.0%**

Sources: Wilder Research, October 2023. "2023 Minnesota Homeless Study"
Maxfield Research and Consulting

Hourly Wage Rates

An estimated 63% of those responding to the survey in October 2023 identified they earn $15.00 or more per hour. It is unclear at this time how much more respondents earn if they selected the $15.00 or more category as their response. At a rate of $15.00 per hour, individuals earning that amount would earn $31,200 annually and theoretically be able to afford a monthly housing cost of $780 per month. Many rental units in the larger cities rent for more than this amount.

TABLE 47
HOURLY WAGE RATE
SOUTHEAST / SOUTH CENTRAL MINNESOTA AND MINNESOTA
2023

	SE/South Central MN		Minnesota	
Hourly Wage Rate at Primary Job	**Number**	**Pct.**	**Number**	**Pct.**
Less than $8.63/Hr.	0	0.0%	25	2.0%
$8.63 to $10.69	3	3.0%	25	2.0%
$10.60 to $11.99	1	1.0%	51	4.0%
$12.00 to $14.99	20	23.0%	203	16.0%
$15.00 or more	56	63.0%	899	71.0%
Paid by the job/commission	9	10.0%	63	5.0%
# of Respondents (Weighted)	**89**	**100.0%**	**1,266**	**100.0%**

Sources: Wilder Research, October 2023. "2023 Minnesota Homeless Study"
Maxfield Research and Consulting

Length of Time Homeless

As shown on the table below, the highest proportions of homeless surveyed in SE and South Central Minnesota have self-identified as not having a regular or permanent residence for between 30 days and 12 months and up to five years. A total of 77% of homeless persons in SE Minnesota and 75% of those Statewide indicated this length of time. The two periods of time 1) between one month up to 12 months and from 1 year up to five years were nearly equal with 38% to 39% of respondents in SE / South Central Minnesota and 37% to 38% in Minnesota falling into these two categories.

According to the survey, 51% of respondents in SE /South Central Minnesota are on a wait list for public housing, Section 8 housing some other type of rental assistance, which could include a Rural Development property (USDA).

TABLE 48

LENGTH OF TIME WITHOUT A REGULAR OR PERMANENT PLACE TO LIVE
SOUTHEAST/SOUTH CENTRAL MINNESOTA AND MINNESOTA
2023

	SE/South Central MN		Minnesota	
Time Without Permanent Residence	**No.**	**Pct.**	**No.**	**Pct.**
One Week or Less	16	4.0%	118	2.0%
More than 1 week but less than 1 month	16	4.0%	235	4.0%
1 month but less than 12 months	153	38.0%	2,176	37.0%
1 year but less than 5 years	157	39.0%	2,234	38.0%
5 years or longer	64	16.0%	1,058	18.0%
TOTAL	**403**	**---**	**5,880**	**---**

Sources: Wilder Research, October 2023. "2023 Minnesota Homeless Study"
Maxfield Research & Consulting

Barriers to Securing Permanent Housing

Table 49 lists a number of challenges/barriers in the efforts of the homeless to secure housing. The top challenge listed is that there was no housing that the individual or family could afford. Given current market conditions and the significant escalation in housing costs, singles and families with low incomes who are already in precarious housing situations can easily find themselves homeless. Other challenges also speak to affordability and potential financial situations of the individual and family including credit problems, eviction actions and no transportation. Households struggling to make ends meet and for whom, a modest or significant life challenge could displace them from their current housing and create additional barriers to securing a new housing situation.

TABLE 49

BARRIERS TO OBTAINING HOUSING
SOUTHEAST AND SOUTH CENTRAL MINNESOTA AND MINNESOTA
2023

	Southwest MN		Minnesota	
Barrier to Finding Hsg	**Number**	**Pct.**	**Number**	**Pct.**
Your Race/Race of Family Member	24	6.0%	475	8.0%
Physical Disability	20	5.0%	356	6.0%
Mental Health Issue	53	13.0%	594	10.0%
Alcohol or Substance Abuse	65	16.0%	712	12.0%
Criminal Background	133	33.0%	1,484	25.0%
Credit Problems	182	45.0%	2,018	34.0%
No local rental history or references	125	31.0%	1,484	25.0%
Eviction Action, Bad Rental History	113	28.0%	1,306	22.0%
No Transportation	109	27.0%	1,246	21.0%
No Housing Could Afford	226	56.0%	2,908	49.0%
TOTAL Number in Survey	**404**	**---**	**5,935**	**---**

Note: Respondents were able to select multiple barriers.

Sources: Wilder Research, October 2023. "2023 Minnesota Homeless Study"
Maxfield Research & Consulting

Housing Situation in the Last 30 Days

The table below shows that 70% of homeless respondents spent more than half of the nights in a month in shelter or housing, followed by 44% who spent all 30 nights in a shelter or housing. An estimated 30% of respondents spent at least half of their nights unsheltered.

TABLE 50
HOUSING SITUATION LAST 30 DAYS
SOUTHEAST/SOUTH CENTRAL MINNESOTA AND MINNESOTA
2023

	SE/South Central MN		Minnesota	
Type of Shelter	**No.**	**Pct.**	**No.**	**Pct.**
Spent all 30 nights in shelter or housing	157	44.0%	3,620	61.0%
Spent more than half of nights in shelter or housing	183	70.0%	4,570	77.0%
Spent at least half of nights unsheltered	129	30.0%	1,365	23.0%
Spent all 30 nights in unsheltered	32	12.0%	712	12.0%
Respondents did not know where last 30 nights were spent	21	1.0%	178	3.0%
TOTAL	**409**	**---**	**5,935**	**---**

*In shelter or housing includes: regular housing, transitional housing/shelter, doubled up, and any other locations meant for habitation
**Unsheltered includes: outside, in a vehicle or vacant building, or any other place not meant for habitation

Sources: Wilder Research, October 2023. "2023 Minnesota Homeless Study"
Maxfield Research & Consulting

Turned Away from Shelter

For respondents who indicated they had been turned away from shelter, they identified where they were housed.

An estimated 46% who had been turned away from shelter ended up outdoors or in an encampment (essentially unsheltered). Another 31% were housed in a car, bus, train or other enclosed place, but not what would be defined as “housing” and again considered as unsheltered.

This documents that the homeless many of the homeless turned away from emergency shelter often end up on the street and in places that are not considered as “housing.” As mentioned earlier, the figures for those documented as “unsheltered” on any given night have been rising over the past two years.

TABLE 51

TURNED AWAY FROM SHELTER
SOUTHEAST/SOUTH CENTRAL MINNESOTA AND MINNESOTA
2023

	SE/South Central MN		Minnesota	
Turned away from shelter - where housed?	**No.**	**Pct.**	**No.**	**Pct.**
Outdoors or encampment	59	46.0%	2,374	40.0%
Car, vacant building, bus, train or other enclosed place	40	31.0%	1,306	22.0%
Friend or family member's home	19	15.0%	890	15.0%
Another shelter	0	0.0%	712	12.0%
Motel or other place you had a voucher for	3	2.0%	356	6.0%
Motel or hotel - no voucher	3	2.0%	59	1.0%
Some other kind of place (not specified)	3	2.0%	59	1.0%
Church, synagogue, mosque or other religious building	3	2.0%	59	1.0%
Hospital	0	0.0%	59	1.0%
Went home/stayed at home w/abusive household member	0	0.0%	59	1.0%
Public establishment open 24 hrs/day (e.g. bus terminal)	0	0.0%	30	0.5%
Transitional Housing	0	0.0%	6	0.1%
Detox	0	0.0%	6	0.1%
Treatment Center	0	0.0%	6	0.1%
Halfway House	0	0.0%	6	0.1%
Drug House	0	0.0%	6	0.1%
TOTAL	**128**	**---**	**5,935**	**---**

*In shelter or housing includes: regular housing, transitional housing/shelter, doubled up, and any other locations meant for habitation
**Unsheltered includes: outside, in a vehicle or vacant building, or any other place not meant for habitation

Sources: Wilder Research, October 2023. "2023 Minnesota Homeless Study"
Maxfield Research & Consulting

Community Needs Survey Report (2023) – River Valleys CoC

The River Valleys CoC completed a Community Needs Survey in 2023 for its geographic jurisdiction by having organizations and agencies that serve special populations conduct surveys with their clients.

Individual Responses

Following identifies key findings of the survey from individual respondents and challenges within the housing market to finding and securing safe and affordable housing.

Key Findings

Household/Personal Barriers

Households identified poor credit history/no credit (35%) and low income or low wage jobs (27%) as their top personal or household barriers to finding or keeping their housing. These barriers were followed by bad rental history/issues with landlord (23%, one-time financial problems (23% and criminal record (21%). In previous surveys, more than two-thirds of respondents named low wages of household income as a primary personal barrier.

System Barriers

Respondents overwhelmingly identified high rents are the primary system barrier to finding or keeping housing for many in their communities. Limited vacancies and difficult screening processes with property managers were the next most frequently selected system barriers. These barriers were consistent regardless of BIPOC status, age, or familial status of respondent. Respondents who identified as BIPOC however, were more likely than their white counterparts to cite barriers in the rental application and review process related to discrimination and denials based on past criminal records.

Help Sought to Resolve Housing Issues

Nearly four out of five respondents sought help (78%) during the housing instability or homeless episodes they had experienced in the past two years with the most seeking help at a county services office or nonprofit.

Respondents' choice to seek help varied by BIPOC status, age of households and presence of children in the home. Higher percentages of households with children, who identified as BIPOC and who were middled aged sought help compared to their counterparts. Overall, 60% of those that received help were able to access or maintain housing with the help they received. Households who were age 45 to 54 or white were more likely than their counterparts to report successfully accessing or maintaining housing with assistance. Households without children were slightly more likely to report success.

Assistance Received to Resolve Housing Crisis

The types of services judged to be most helpful and effective by respondents were back rent, first month's rent and deposit assistance. Housing assessment and application assistance was the next most cited as helpful, followed by mental health services and help with utilities. In the past, direct financial assistance was deemed most helpful in resolving housing instability, but for this most recent survey, housing assessment and application assistance was a new addition to the top five and a strong second behind direct assistance.

Comments from respondents regarding the assistance they received included:

- Not enough affordable options available and rent is very high;
- Appropriately sized units for the household remain in short supply and rent is high for larger size units;
- Responsiveness and support from people who assisted was appreciated;

- Need for more and better communication from assistance providers regarding assistance given and any changes in criteria.

Recommendations on Types of Housing Assistance to Prioritize for Investment

All respondents listed the following three investments in order of priority:

1) Rental subsidies without services were the first priority
2) New affordable rental housing
3) Homeless prevention services

BIPOC respondents listed the following three investments in order of priority:

1) Homeless prevention services
2) New affordable rental housing
3) Eviction prevention
4) Long-term rentals with services (supportive housing)

Items 3 and 4 were two types of assistance disproportionately reported as received by white households.

Comments on the Experience of Homelessness

Respondents expressed significant frustrations with a lack of options available such as low or no cost loans, options for those with past history of credit problems or bankruptcy, bias against being homeless, the high cost of rent and just not being able to make it with housing costs and other daily necessities.

Community Partner Survey

Respondents were asked to provide basic information about their geographic location, agency/affiliation, role in their agency, subpopulation knowledge/experience, involvement in a local homeless response team, basic demographics and lived experienced of homelessness or housing instability.

A total of 157 responses were received, 32 from Blue Earth County and 31 from Nicollet County. Of the respondents, an estimated 67% were direct service providers, 27% were program managers and directors and 6% had other roles.

Perception of Trends and Overall Needs for Homeless Response Services

Respondents were asked to identify trends over the past year affecting people experiencing or at-risk of experiencing homelessness. Respondents were able to select:

- Greatly Improved

- Slightly Improved
- No Change
- Slightly Worsened
- Greatly Worsened
- Don't Know (Excluded from the analysis)

Housing Trends
Most respondents agreed that housing trends are worsening, with more than 50% of respondents indicating negative trends in all housing categories. Over 90% described housing affordability as slightly or greatly worsened in the past year. Some respondents also reported improved access to emergency housing, utility assistance and long-term rental subsidies in some areas.

Employment and Related Services
Overall, respondents identified that job opportunities and wages had improved and there were some advancements in education and job training. Transportation, childcare and most supportive services (including SNAP) had become less accessible.

Comments on Trends
- Housing costs and bills are rising but incomes are not commensurate with housing price increases.
- Criminal history backgrounds still a significant barrier for low-income households who are denied subsidized housing.
- New apartments are built but are no affordable to low-income households.
- Employment opportunities have increased as well as options for a two-year college without a high school diploma.
- Transportation in rural areas remains a significant challenge and a barrier for many low-income households.

Perceptions of Barriers Experienced by Clients
1) Availability of affordable housing
2) Employment/Living Wage Jobs
3) Limited/No other (non-employment) income
4) Mental health issues
5) Life skills/financial management

Homeless Health Challenges and Health Gaps

The Minnesota Homeless Mortality Report (2017-2021) summarizes data from the first ever systemic analysis of mortality among people experiencing homelessness who die in Minnesota. The Health, Homeless and Criminal Justice lab at HHRI merged with the Minnesota Homeless Management Information System (HMIS) providing data on people that used homeless services from 2017 through 2021 with Minnesota state death data and Minnesota population data from the US Census from 2017 to 2020 to compare sociodemographic differences and causes of death. The report was funded by a grant from the Centers for Disease Control Foundation Grant to the Minnesota Department of Health.

Health officials have long observed that Minnesotans experiencing homelessness had higher rates of poor health outcomes. Minnesota Commissioner of Health, Dr. Brooke Cunningham stated that the new report's analysis puts the problem and the need for solutions in sharp focus.

Researchers looked at data from 93,923 people experiencing homelessness who accessed shelters and transitional housing. Key findings included:

- The rate of death was three times higher for those experiencing homelessness than the general population;
- Twenty-year olds experiencing homelessness had the same death rate as 50-year olds in the general population;
- Mortality across each racial and ethnic group was higher for those experiencing homelessness than in the general Minnesota population and
- American Indian people experiencing homelessness had rates of death one- and a half times higher than others experiencing homelessness and five times higher than the general population.

The MN State Legislature approved one billion dollars in FY2024 for various targeted housing programs including:

An allocation of $46 million for a rental assistance program targeted to help people that federal Section 8 vouchers miss. The program could help up to 5,000 families a year.

Spending of $200 million for a new housing infrastructure program.

A total of $150 million was designated to help first-generation homebuyers. Under the provision, the funds could provide up to 10 percent of a home's purchase price (with a cap of $32,000) to new homebuyers.

A total of $30 million was earmarked for workforce housing developments in Greater Minnesota. Unfortunately, this was insufficient to assist the number of developments that were waiting for funding.

More than $65 million to be spent on homelessness prevention efforts and a total of $90 million would be directed to community stabilization.

The plan increased the sales tax in the Twin Cities Metro Area by a quarter percent to fund affordable housing in the region moving forward.

Although these funds will help various key segments of homeless populations and those at-risk of becoming homeless, more funding and additional actions are needed to build housing that is affordable, both in the Twin Cities Metro Area and in greater Minnesota.

For FY2025, the Minnesota Senate Housing and Homelessness Prevention Committee has held over three new bills to support additional funding for housing support targeted to communities in Greater Minnesota. Three of the bills target funding for infrastructure needs and workforce housing development.

The first bill authorizes $5 Million in general funds resources to the existing Greater Minnesota Housing Infrastructure Grant Program.

The second bill authorizes $20 Million in general obligation bond proceeds to boost funding for the Greater Minnesota Housing Infrastructure Grant Program.

The third bill creates a new Greater Minnesota Senior Housing Infrastructure Program to support infrastructure needed for new senior housing development. It is targeted to focus specifically on the development of housing make available for seniors.

In addition to the infrastructure bills, an additional $20 Million would be made available over the next biennium to support the Workforce Housing Development Program, which funds market rate workforce housing development in Greater Minnesota.
The Legislature is focusing on additional funding for Greater Minnesota as cities in outstate have more barriers to housing development and unique development situations, which require additional support to increase economic development.

Special Purpose Housing Units

Homeless counts are inherently conservative and because of the challenges of identifying homeless that are unsheltered, the homeless are undercounted. Although the tight housing market along with the economic recession contributed to the destabilization of the housing market and individuals who may have been at one time able to maintain a permanent living situation, the rapid economic recovery, considerable shortage of affordable housing and continued tight housing market has increased the difficulties and barriers faced by many of those that were at risk in their housing situations. Most recently, there has been a surge in rental housing development focusing on providing smaller apartment types. **For low- and moderate-income housing, we frequently see that larger unit types, always in short supply, have few to no vacancies and usually long waiting lists.**

Our survey identified 42 properties/agencies/organizations, that provide a total of 917 beds that provide housing for singles, families, and homeless youth, those experiencing substance abuse or chronic illness. In addition, properties were identified that provide housing targeted to Veterans, those with mobility challenges, developmental challenges and other specialized needs segments of the population. Despite barriers to traditional housing, many adults with various disabilities can live independently with some ongoing support.

Adults that are considered long-term homeless or who have experienced homelessness and may have other chronic health issues or are in recovery. The properties identified primarily serve single adults. Among the properties listed, most units at the developments are available to extremely low (30% or less of AMI) and very low-income households, those with incomes at 50% or less of the Area Median Family Income and/or long-term homeless. Some of the facilities in the table were developed prior to the State defining the term "long-term homeless."

The developments identified serve at-risk individuals and provide access to services to stabilize living situations for residents but may not provide housing units that contribute toward the State's designation of housing units for "long-term homeless." Nearly all the facilities provide efficiency or single-room occupancy units to the target market and households will be provided with supportive living services as needed. Providing larger size units will assist larger families, both high-priority homeless and persons with disabilities.

All the facilities provide some type of assistance to residents either through on-site service delivery or on-site assistance to connect to needed services should they require them. Support services may be provided through other social service agencies or through Blue Earth County or Nicollet County or through other agencies and non-profits in Blue Earth County or the State with allocations of housing supports in the Region. Services may include assistance with employment, education, mental health, life skills, health care, emotional issues, chemical dependency or other situations that have impaired their ability to sustain a permanent independent living situation.

Properties primarily offer studio or one-bedroom units although properties that serve families have larger size units (two-and three-bedroom). At the time of the survey, all units were occupied and most properties have wait lists. Buildings that are primarily targeted to singles typically have a limited number of unit types, usually efficiencies and one-bedroom units. Properties targeted to families usually have higher proportions of larger size units, two-bedroom units and larger, up to four-bedroom units.

Rent varies substantially among the properties. Some of the facilities only require the resident to pay based on their income level. Some have a fixed rent that is based on an income qualification by the resident. Some have a fixed rent with the resident paying 30% of their income for rent and the remaining rent gap is provided through other funding sources including CADI, Project-based Vouchers, etc. Depending on the funding program established for the development, some may charge a base rent or a market rent with an allowance for lower amounts to be paid if 30% of the individual's income is less than the base rent or market rent for the unit.

The age of the properties is mixed ranging from very old to new. Older properties have been renovated to more contemporary standards. New facilities offer private baths and somewhat larger size units which is more appealing in today's market. Residents prefer a higher level of privacy and feel more as though it is their own home if bathroom and kitchen facilities are private rather than shared.

There has been a trend toward scattered site and mixed income situations for providing long-term homeless units. Although this type of environment may work well for households that only require a stable living situation, many homeless households are experiencing other life challenges. Homeless households may have been isolated for some time. Providing on-going daily points of contact, even if informal, can assist with stabilization and can offer social support to those who are working to move forward in their lives.

Cluster housing or developments that focus on providing 24-hour desk oversight, on-site support services and other types of specialized living environments (sober residences) can sometimes better enable residents to increase their independence by offering them a living environment that fosters more community and social interaction with people that are experiencing the same challenges. On-site support and 24-hour desk oversight can assist the resident in having a regular touch point for special situations that may arise.

Some populations show greater improvement in cluster housing while others fare better in mixed income housing. A number of these households also face other challenges including chemical dependency, mental illness, depression, physical disabilities, and other situations that make it very difficult for them to maintain permanent housing. A portion of the residents at these facilities have experienced homelessness.

Some of the properties listed also serve populations that have specific needs, including homeless families only, single-mothers, households with mental health challenges and households with families only.

Facilities, Organizations and Properties Serving the Homeless

The table on the following pages identify emergency shelter, transitional housing, rapid-rehousing, permanent supportive housing and affordable rental properties that have designated units for long-term homeless. Facilities in Blue Earth and Nicollet Counties are shown separately from the total number of beds in the River Valleys CoC jurisdictions.

In SE Minnesota, there are 4,612 beds. In Blue Earth and Nicollet Counties, there are 917 beds, an estimated 20% of the total in SE Minnesota. Blue Earth County has the second highest homeless population in the River Valleys CoC, surpassed only by Olmsted County.

Permanent Supportive Housing facilities in Mankato and Blue Earth County include:

Cherry Ridge (12 units) – Integrated Supportive Housing for the chronic homeless.

Mankato EDA-VASH Vouchers (12 units) – Vouchers to support housing for low-income Veterans.

Radichel Veteran Townhomes (10 units) – Permanent Supportive Housing for Veterans with disabilities.

Maxfield Place (10 units) – Permanent Supportive Housing for single adults who can live independently.

Other Permanent Supportive Housing

Maxfield Research identified supportive housing assistance in other properties in Blue Earth and Nicollet Counties including a total of 555 beds, most of which are in Mankato. These properties include housing vouchers to reduce homelessness and provide housing supports for households that may be at-risk of homelessness or have qualified as long-term homeless (LTH).

HOUSING INVENTORY COUNTS
SE/SOUTH CENTRAL MINNESOTA AND BLUE EARTH/NICOLLET COUNTIES
2024

	Family Units	Family Beds	Adult-Only Beds	Child-Only Beds	Total Year Round Beds	Seasonal	Overflow/ Voucher	Total	Subset of Bed Inventory: Chronic Beds	Veteran Beds	Youth Beds
Emergency, Safe Haven, Transitional Housing	**99**	**293**	**223**	**17**	**533**	**77**	**15**	**1,257**	**n/a**	**5**	**55**
Emergency Shelter	61	167	157	17	341	77	15	**835**	n/a	5	37
Transitional Housing	38	126	66	0	192	n/a	n/a	**422**	n/a	0	18
Permanent Housing	**287**	**827**	**697**	**10**	**1,534**	**n/a**	**n/a**	**3,355**	**224**	**68**	**37**
Permanent Supportive Housing	37	113	141	0	254	n/a	n/a	**545**	224	30	0
Rapid Re-Housing	36	116	36	0	152	n/a	n/a	**340**	n/a	38	1
Other Permanent Housing	214	598	520	10	1,128	n/a	n/a	**2,470**	n/a	0	36
Grand Total - SE/South Central MN	**386**	**1,120**	**920**	**27**	**2,067**	**77**	**15**	**4,612**	**224**	**73**	**92**
Blue Earth and Nicollet Counties											
Emergency Shelter											
CADA Shelter	8	14	8	0	0	0	0	22	0	0	6
Communidades Latinas Unidas en Servicio (CLUES)	3	9	3	0	0	0	0	12	0	0	6
Connections Ministry	0	0	0	0	0	40	0	40	0	0	0
LSS Mankato ES Vouchers	1	2	1	0	0	0	0	3	0	0	0
LSS Mankato - Emergency Shelter	0	0	0	8	0	0	0	8	0	0	0
MACV - Hotel Vouchers	0	0	5	0	0	0	0	5	0	0	0
Nicollet County - PSOP Vouchers	0	0	0	0	0	0	3	3	0	0	8
Theresa House/Welcome Inn	11	31	3	0	0	0	0	34	0	0	4
Union Street Place Shelter	2	7	3	0	0	0	0	10	0	0	0
TSA Twin Cities Social Services - Emerg. Vouchers	0	0	0	0	0	0	10	10	0	0	0
Total	**25**	**63**	**23**	**8**	**0**	**40**	**13**	**147**	**0**	**0**	**24**
Transitional Housing											
LSS Mankato	1	2	16	0	0	0	0	18	0	0	18
Partners for Affordable Housing (Union St Place)	3	6	4	0	0	0	0	10	0	0	0
Partners for Affordable Housing	7	26	9	0	0	0	0	35	0	0	0
Total	**11**	**34**	**29**	**0**	**0**	**0**	**0**	**63**	**0**	**0**	**18**

(continued)

HOUSING INVENTORY COUNTS
SE/SOUTH CENTRAL MINNESOTA AND BLUE EARTH/NICOLLET COUNTIES
2024

	Family Units	Family Beds	Adult-Only Beds	Child-Only Beds	Total Year Round Beds	Seasonal	Overflow/ Voucher	Total	Subset of Bed Inventory: Chronic Beds	Veteran Beds	Youth Beds
Permanent Supportive Housing											
Blue Earth County Human Services	4	8	4	0	0	0	0	12	12	0	0
CoC PSH Vouchers	8	23	5	0	0	0	0	28	28	0	0
Mankato EDA - VASH Vouchers	2	4	8	0	0	0	0	12	0	12	0
Radichel Townhomes (Veterans)	0	0	10	0	0	0	0	10	0	10	0
Maxfield Place	0	0	10	0	0	0	0	10	10	0	0
Total	**14**	**35**	**37**	**0**	**0**	**0**	**0**	**72**	**50**	**22**	**0**
Rapid Re-Housing											
Minnesota Assistance Council for Veterans	8	26	12	0	0	0	0	38	0	38	0
Minnesota Valley Action Council	4	11	0	0	0	0	0	11	0	0	0
Minnesota Valley Action Council	1	4	0	0	0	0	0	4	0	0	0
Partners for Affordable Housing	5	21	5	0	0	0	0	26	0	0	0
Partners for Affordable Housing	0	0	1	0	0	0	0	1	0	0	0
Total	**18**	**62**	**18**	**0**	**0**	**0**	**0**	**80**	**0**	**38**	**0**
Other Permanent Housing											
Blue Earth County Human Services (DHS Hsg Supports)	0	0	15	0	0	0	0	15	0	0	0
Breckenridge Townhomes	4	8	0	0	0	0	0	8	0	0	0
Dublin Crossing	4	12	3	0	0	0	0	15	0	0	0
Dublin Heights Housing Supports	0	0	6	0	0	0	0	6	0	0	0
Dublin Heights LTH	7	21	6	0	0	0	0	27	0	0	0
Hearth Connection - Blue Earth County	9	23	13	0	0	0	0	36	0	0	0
Mankato EDA (Stability Vouchers)	1	4	4	0	0	0	0	8	0	0	0
Mankato EDA (Emerg. Hsg Vouchers)	7	19	19	0	0	0	0	38	0	0	0
Mankato EDA (Stability Vouchers)	5	14	1	0	0	0	0	15	0	0	0
Mankato EDA (Mainstream Vouchers)	66	197	81	0	0	0	0	278	0	0	0
Minnesota Care Counseling Services Inc. (LTH Hsg Support)	0	0	4	0	0	0	0	4	0	0	0
Eastport Apartments	3	9	1	0	0	0	0	10	0	0	0
Skyline Incc. LLC	6	20	30	0	0	0	0	50	0	0	0
Skyline Incc. LLC - Sinclair Flats	2	4	4	0	0	0	0	8	0	0	0
Park Row Crossing - St. Peter	0	0	4	0	0	0	0	4	0	0	0
Rosa Place	1	2	4	0	0	0	0	6	0	0	0
Rosa Place II	1	3	3	0	0	0	0	6	0	0	0
Sibley Park Apts	1	3	4	0	0	0	0	7	0	0	0
Solace Apts - St. Peter	5	12	2	0	0	0	0	14	0	0	0
Total	**122**	**351**	**204**	**0**	**0**	**0**	**0**	**555**	**0**	**0**	**0**
Total - Blue Earth/Nicollet Counties	**190**	**545**	**311**	**8**	**0**	**40**	**13**	**917**	**50**	**60**	**42**

Source: HUD 2024 CoC Homeless Assistance Programs; Housing Inventory Counts; Maxfield Research and Consulting

Accessible Housing

Blue Earth County has three rental properties that provide accessible and affordable rental housing. These properties are:

The Durham, 41 units of fully accessible rental housing with one- and two-bedroom units.

Orness Plaza, 101 units, 7-story high-rise, 98, one-bedroom and three, two-bedroom units. The building is general occupancy, but preference is given to older adults (62+) and those under 62 who have a qualified disability.

Additional units in Blue Earth County that are handicap accessible include:

Highland Apartments - Mapleton (16 units) – 4 units accessible (walk-in bathtub)

Sibley Park Apartments – Mankato (60 units) – 5 units accessible (handicap floor plan)

Interviews identify that housing that is "accessible" is limited and often traditional properties, whether affordable or market rate only provide limited accessibility in the form of an accessible entry and elevator. Rooms may be identified as wheelchair accessible, but many units have doorways that make it very difficult for someone using a wheelchair to be able to enter and exit in a safe manner. Also, many bathrooms do not provide roll-in showers or appropriate heights for cabinets and countertops, creating additional challenges. A portion of adults with mobility challenges may require affordable or subsidized housing, but others may not and even market rate housing often lacks the appropriate features to accommodate those in wheelchairs.

Other properties in Blue Earth County identify that they have units with rooms that are wheelchair accessible, but many of these units do not offer features such as lower light switches, lowered toilet seats, accessible kitchen sinks, and other features that are needed for households who have significant mobility challenges and/or utilize a wheelchair or other assistance device.

Summary of Findings

While homelessness has fluctuated over the past seven years, the number of unsheltered people continues to remain high and has increased.

Rising home prices and rising rents, increasing at rates well above inflation, has created increasing housing instability for low- and moderate-income households whose incomes are not keeping pace. Households are increasingly challenged to maintain safe and secure housing.

Although more affordable housing has been developed in Blue Earth and Nicollet Counties, most of which is in Mankato, many households with incomes less than 50% of AMI cannot afford these properties. Rent levels for tax credit properties are benchmarked against the private market and therefore, while affordable, are still out of reach for low-income households. Affordable housing that allows residents to pay a percentage of their income toward housing (30%) are full with extensive wait lists.

The largest segments of the market with housing instability are single adults, many of which have mental health or medical health challenges and older adult singles (55+). Many of these people have experienced homeless episodes ranging from one to 12 months and from one to five years.

Several permanent supportive housing facilities have been developed in Mankato during the 2010s targeting different segments of the market that need housing in addition to temporary or ongoing support services. These units have been well-received in the market but more is needed.

Many newer tax credit properties in Mankato and Blue Earth County have a portion of their units dedicated to long-term homeless. We identified 555 units targeted to long-term homeless in Blue Earth County in other permanent housing. Another 72 units are in Permanent Supportive Housing.

In previous surveys, direct housing assistance was identified as being most important. In the most recent survey in 2023, respondents identified that what is needed most is housing assessment and assistance with applications.

Housing units sized appropriately for the household size continue to be an ongoing need. There is insufficient supply of affordable housing to meet the needs of low- and moderate-income larger size households.

For-Sale Housing Analysis

Maxfield Research analyzed the for-sale housing market in Mankato and the surrounding area by collecting data on home sales, home listings and the supply of residential lots in the area. This section of the report reviews recent home sale trends against the supply of available for-sale housing, including detached single-family and other for-sale housing product. For the purposes of this analysis, housing sales data for properties classified as condominiums or attached single-family units (i.e. townhomes, twin homes, duplexes) are combined under the "other" product type description. This section evaluates for-sale housing market conditions in Mankato by examining the following data.

- Home sale trends
- The supply of homes currently listed as available for sale
- A review and analysis of the residential lot supply in Mankato
- Information on new construction sales activity

Data was collected in February and March 2025. Information on home sale trends in Mankato was obtained from the Realtor Association of Southern Minnesota (RASM). Private sales (not sold on the MLS by a Realtor) are not included. Nearly all home sales (95% or greater) are sold through the MLS system.

Residential lot supply data was provided by the City of Mankato, while information on actively-marketing residential lots in the City was sourced through the MLS and through Realtor.com.

Overview of For-Sale Housing Market Conditions

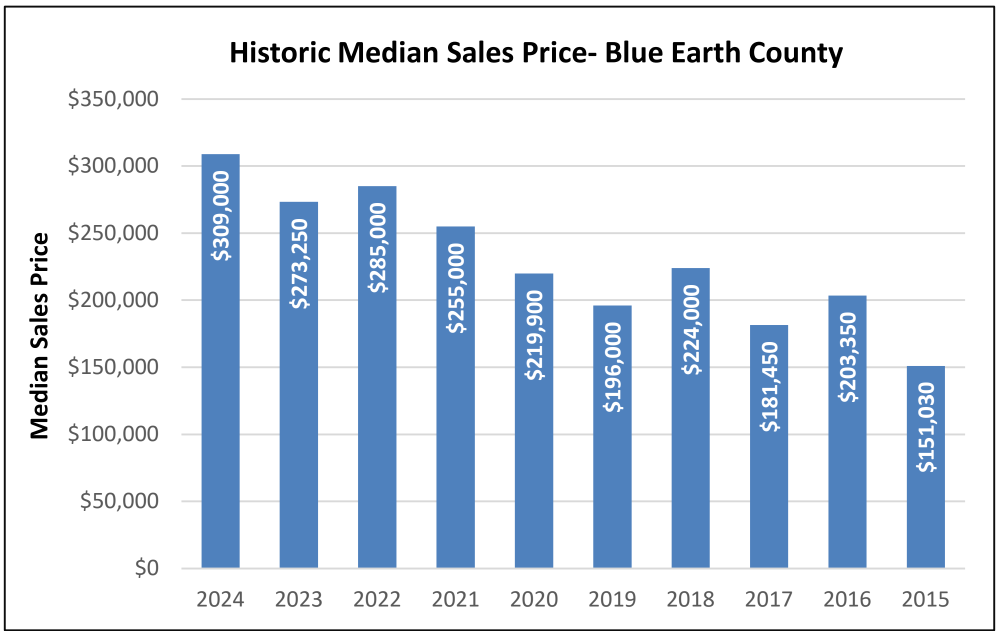
The following table and graph summarize median home sale price trends from 2015 through 2024 for Blue Earth County. There is also more detailed information for the City of Mankato and Blue Earth County from 2022 to 2024. Data represents pricing for all housing product types such as detached single-family, townhomes, condominiums, etc.

<u>Historical Residential Resale Data- Blue Earth County</u>

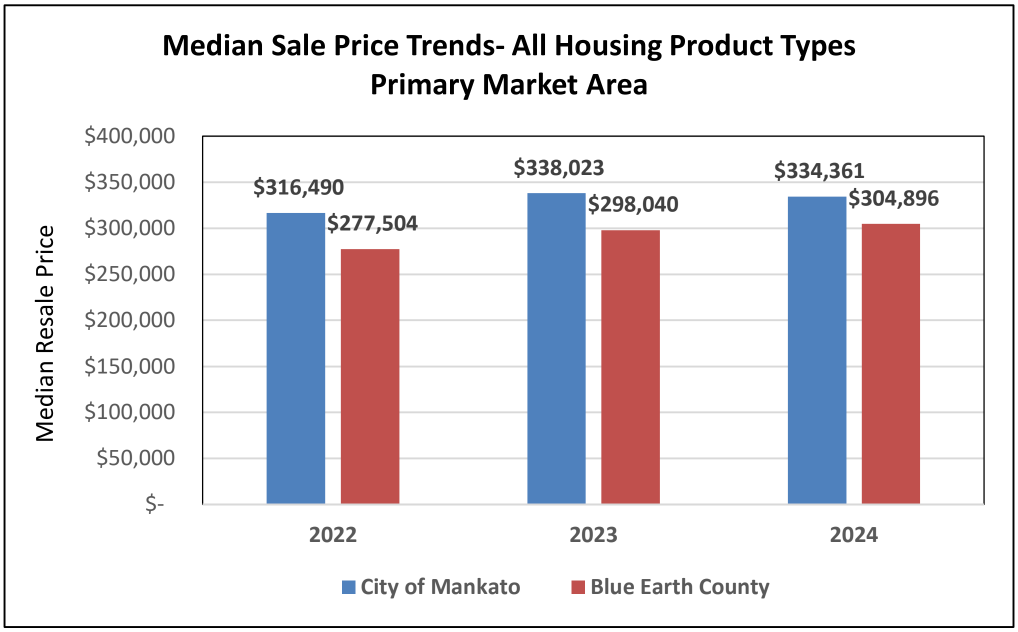
- In Blue Earth County, the median home sale price was $309,000. It has more than doubled since 2015, with an increase of 105%.

TABLE 52

HISTORICAL RESIDENTIAL RESALES BLUE EARTH COUNTY 2015 Through 2024	
	Single Family/Multifamily Combined
	Median Sales Price
Blue Earth County	
2024	$309,000
2023	$273,250
2022	$285,000
2021	$255,000
2020	$219,900
2019	$196,000
2018	$224,000
2017	$181,450
2016	$203,350
2015	$151,030
Sources: Realtor Association of Southern Minnesota; Maxfield Research and Consulting	



- In Mankato, the median sale price across all housing types increased 5.7% between 2022 and 2024, rising from $316,490 in 2022 to $334,361 in 2024, an annual average increase of 1.9% over the period.



- From 2022 through 2024, there were 2,210 residential sales in Blue Earth County. In the County, 61% of all sales (1,346) were in Mankato and 39% (864 sales) were in the Remainder of the County.
  - There were 1,074 detached single-family home sales in Mankato, accounting for 56% of all detached single-family sales in Blue Earth County.
  - In total, there were 309 multifamily residential sales in Blue Earth County (88% of which were in Mankato).

The following table presents home sale data from 2022 through 2024 for the City of Mankato and Blue Earth County. The table displays the median sale price, number of closed transactions and marketing times (average days on market) for detached single-family sales compared to sales of other (i.e. condominiums, townhomes, etc.) product types. Note that data is based on the location of the sale as entered by a Realtor into the MLS. Therefore, it is possible that some sales listed for Mankato may actually be for homes situated in a nearby township.

TABLE 53
RESIDENTIAL RESALES
MANKATO & BLUE EARTH COUNTY
2022 - 2024

	Detached Single-family					Multifamily				
	Median Price	Pct. Change	Closed Sales	Pct. Change	Avg. DOM^	Median Price	Pct. Change	Closed Sales	Pct. Change	Avg. DOM^
Mankato										
2024	$332,146	-1.5%	320	-8.8%	77	$343,814	1.0%	75	-22.7%	116
2023	$337,335	5.4%	351	-12.9%	67	$340,514	12.6%	97	-3.0%	107
2022	$320,015	--	403	--	65	$302,286	--	100	--	84
Blue Earth County										
2024	$302,026	2.6%	571	-4.2%	85	$323,310	1.4%	89	-17.6%	135
2023	$294,275	6.7%	596	-18.8%	78	$318,817	10.2%	108	-3.6%	115
2022	$275,721	--	734	--	70	$289,193	--	112	--	83

Multifamily includes attached single-family (townhomes, twin homes) and condominiums
^DOM = Days on Market

Sources: Realtor Association of Southern Minnesota; Maxfield Research & Consulting

- Home sales volume in Mankato decreased from 41.9 sales per month in 2022 to 37.3 sales per month in 2023 and 32.9 sales per month in 2024.

  - Detached single-family transaction volume in Mankato decreased from 33.6 sales per month in 2022 to 29.3 sales per month in 2023 to 26.7 sales per month in 2024. The decrease in sales activity is due, primarily to low inventory and an increase mortgage interest rates.

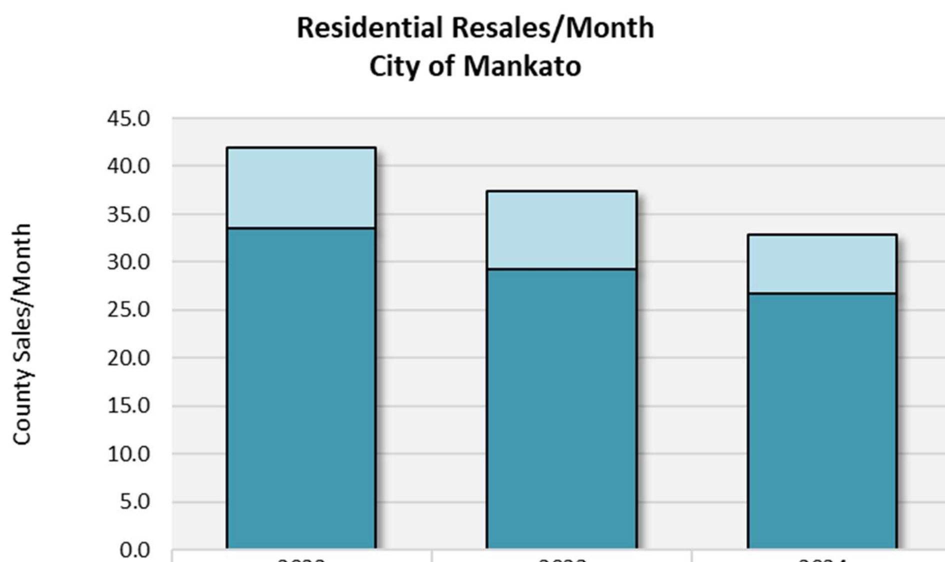
  - Sales activity among other housing product types has been fairly modest, ranging from lows of 8.3 sales per month in 2022 to 8.1 sales per month in 2023 to 6.3 sales per month in 2024. Some of the slowness in sales activity for these products is due to a lack of supply.

- Comparatively, home sale volume in Blue Earth County decreased from 70.5 sales per month in 2022 to 58.7 sales per month in 2023 and 55 sales per month in 2024.

  - Detached single-family transaction volume in Blue Earth County decreased from 61.2 sales per month in 2022 to 49.7 sales per month in 2023 to 47.6 sales per month in 2024.

  - Sales activity among “other housing” product types has been fairly modest, ranging from 9.3 sales per month in 2022 to 9 sales per month in 2023 and then down to 7.4 sales per month in 2024.

- Sales volume decelerated due, in large part, to elevated mortgage rates, which caused sales activity to slow across much of Minnesota and the Midwest.



	2022	2023	2024
Multifamily	8.3	8.1	6.3
Detached SF	33.6	29.3	26.7

- An estimated 80% of all home sales in Mankato since 2022 have been detached single-family units (1,074 closed sales) while 20% (272) were sales of “other housing” product types, including condominiums and townhomes.

- Marketing times for homes in Mankato increased from 69 days in 2022 and 76 days in 2023 to 84 days on market in 2024.

  - Marketing times for detached single-family homes increased from 65 days in 2022 and 67 days in 2023 to 77 days on market in 2024.

  - Average marketing times for “other housing” product types increased from 84 days in 2022 and 107 days in 2023 to 116 days on market in 2024.

- In Mankato, the median price for detached single-family homes increased 3.7% between 2022 and 2024, climbing from $320,015 in 2022 to $332,146 in 2024, an average annual increase of 1.2% annually. Between 2023 and 2024, the median price for detached single-family homes sales contracted -8.8%.

- In Mankato, the median sale price for “other housing” product types increased by 12.1%, from $302,286 in 2022 to $343,814 in 2024, an annual average of 4%. The median price however, for “other housing” product types rose 1% between 2023 and 2024.

Home Resales by Price Point

The data summarizes residential sales in Mankato from 2022 through 2024 year-end by price range, including the price distribution for detached single-family sales and sales of "other housing" product types.

- Detached single-family homes priced between $200,000 and $299,999 have had the most sales in Mankato since 2022, representing 27.4% of all sales (34.4% of detached single-family sales), followed by detached single-family homes priced in the $300,000 to $399,999 range (22% of all sales, 27.6% of detached single-family sales).

- Among sales of " housing product" types in Mankato, 31.3% were priced in the $300,000 to $399,999 range (6.3% of all sales) and another 28.3% were priced between $200,000 and $299,999 (5.7% of all sales) since 2022.

- The following chart illustrates sale activity in Mankato by price point. Based on the 1,346 sales from 2022 through 2024, Mankato had an average of 37.4 residential sales per month, including 29.8 detached single-family sales per month and 7.6 sales per month of other product types.

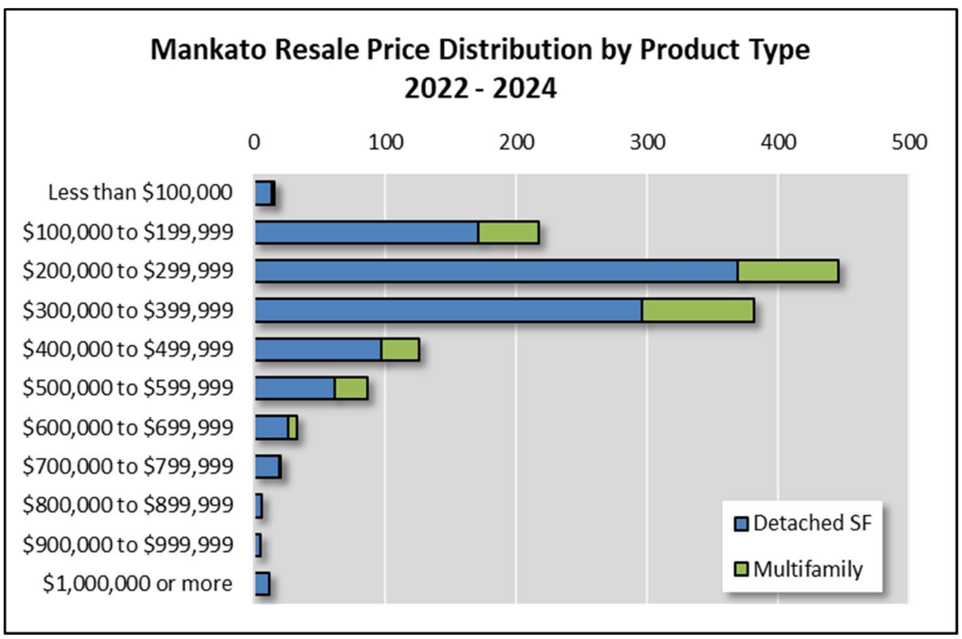
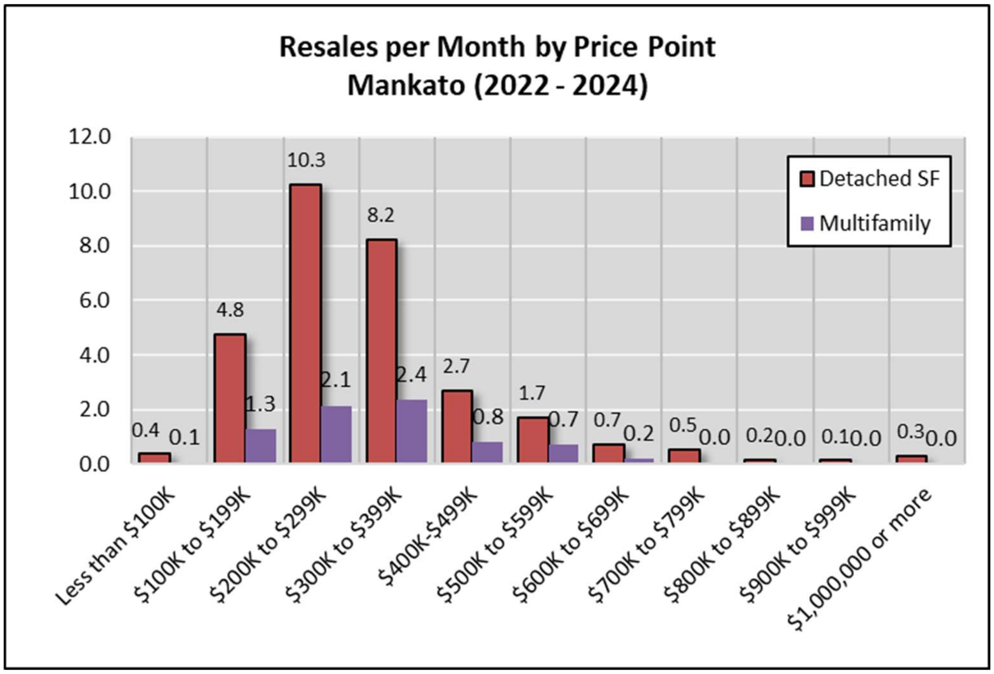


TABLE 54

RESIDENTAL RESALE PRICE DISTRIBUTION
MANKATO
2022 - 2024

	2022		2023		2024		Total	
	Closed Sales	% of Total	Closed Sales	% of Total	Closed Sales	% of Total	Closed Sales	% of Total
Detached Single-family								
Less than $100,000	3	0.7%	9	2.6%	1	0.3%	13	1.2%
$100,000 to $199,999	79	19.6%	52	14.8%	40	12.5%	171	15.9%
$200,000 to $299,999	148	36.7%	112	31.9%	109	34.1%	369	34.4%
$300,000 to $399,999	101	25.1%	102	29.1%	93	29.1%	296	27.6%
$400,000 to $499,999	25	6.2%	30	8.5%	42	13.1%	97	9.0%
$500,000 to $599,999	22	5.5%	19	5.4%	20	6.3%	61	5.7%
$600,000 to $699,999	7	1.7%	11	3.1%	8	2.5%	26	2.4%
$700,000 to $799,999	7	1.7%	8	2.3%	4	1.3%	19	1.8%
$800,000 to $899,999	4	1.0%	1	0.3%	1	0.3%	6	0.6%
$900,000 to $999,999	1	0.2%	3	0.9%	1	0.3%	5	0.5%
$1,000,000 or more	6	1.5%	4	1.1%	1	0.3%	11	1.0%
Total	**403**	**100%**	**351**	**100%**	**320**	**100%**	**1,074**	**100%**
Multifamily								
Less than $100,000	2	2.0%	0	0.0%	0	0.0%	2	0.7%
$100,000 to $199,999	23	23.0%	10	0.0%	13	0.0%	46	16.9%
$200,000 to $299,999	26	26.0%	30	0.0%	21	0.0%	77	28.3%
$300,000 to $399,999	34	34.0%	32	0.0%	19	0.0%	85	31.3%
$400,000 to $499,999	6	6.0%	13	0.0%	10	0.0%	29	10.7%
$500,000 to $599,999	7	7.0%	9	0.0%	9	0.0%	25	9.2%
$600,000 to $699,999	2	2.0%	3	0.0%	2	0.0%	7	2.6%
$700,000 to $799,999	0	0.0%	0	0.0%	1	0.0%	1	0.4%
$800,000 to $899,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%
$900,000 to $999,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%
$1,000,000 or more	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**100**	**100%**	**97**	**0%**	**75**	**0%**	**272**	**100%**

Sources: Realtor Association of Southern Minnesota; Maxfield Research & Consulting



Active Listings by Price Point

The following table presents a summary of housing units listed for sale in Mankato through RASM as of March 2025. Data includes information on the number of active listings by price range, median size (based on total finished square feet), median price and median price per square foot.

- There were 55 homes listed for sale in Mankato, including 37 detached single-family homes and 18 owned multifamily (townhome/twinhome) units.
- The median asking price for detached single-family homes is $444,589. The list price for other product types was $410,611.
- The median size of detached single-family homes listed for sale was 2,833 square feet which equates to a median price per square foot (psf) of $157 based on the median list price of $444,589.
- Detached single-family homes priced in the $200,000 to $299,999 range are the most common listings in Mankato, with 11 homes listed for sale (20% of all listings).
- The median size of multifamily units listed for sale was 1,837 square feet which equates to a median price per square foot (psf) of $224 based on a median list price of $410,611.

TABLE 55
ACTIVE LISTINGS
MANKATO
March 2025

	Listings	% of Total	Median Size	Median Price	Price per Sq. Ft.
Detached Single-family					
Less than $100,000	0	0.0%	--	--	--
$100,000 to $199,999	5	9.1%	1,737	$190,900	$110
$200,000 to $299,999	11	20.0%	2,369	$244,682	$103
$300,000 to $399,999	5	9.1%	2,229	$343,620	$154
$400,000 to $499,999	4	7.3%	2,971	$447,200	$151
$500,000 to $599,999	2	3.6%	3,781	$579,900	$153
$600,000 to $699,999	3	5.5%	2,609	$652,833	$250
$700,000 to $799,999	3	5.5%	4,322	$769,900	$178
$800,000 to $899,999	1	1.8%	5,409	$849,000	$157
$900,000 to $999,999	2	3.6%	3,875	$959,950	$248
$1,000,000 or more	1	1.8%	5,518	$1,100,000	$199
Total:	**37**	**67%**	**2,833**	**$444,589**	**$157**
Multifamily (Townhome, Twin Home, Condo, etc.)					
Less than $100,000	0	0.0%	--	--	--
$100,000 to $199,999	0	0.0%	--	--	--
$200,000 to $299,999	5	27.8%	1,547	$293,900	$190
$300,000 to $399,999	2	11.1%	1,913	$363,700	$190
$400,000 to $499,999	8	44.4%	1,664	$435,663	$262
$500,000 to $599,999	3	16.7%	2,729	$569,600	$209
$600,000 to $699,999	0	0.0%	--	--	--
$700,000 to $799,999	0	0.0%	--	--	--
$800,000 to $899,999	0	0.0%	--	--	--
$900,000 to $999,999	0	0.0%	--	--	--
$1,000,000 or more	0	0.0%	--	--	--
Total:	**18**	**33%**	**1,837**	**$410,611**	**$224**

Sources: Realtor Association of Southern Minnesota; Maxfield Research & Consulting

- Based on the supply of available for-sale housing in the City as of March 2025, there is a 1.5-month supply of homes available for sale on the market, which has been and continues to be extremely low. A balanced home sale market in equilibrium should have between five and six months of supply on the market at any given time. The extremely low months of supply has persisted over the past five to seven years as construction has not kept pace with demand. There is a 1.2-month supply of detached single-family homes and a 2.4-month supply of other product types available for sale. Again, this level of supply is also extremely low indicating a shortage of homes on the market and pent-up demand for ownership housing in Mankato.

Vacant Residential Lot Supply

The following table summarizes the supply of vacant residential parcels in Mankato by subdivision. Data was sourced from the City of Mankato. Information in the table includes subdivision name, total number of lots, number of lots developed, and vacant lots.

- Among the 48 different subdivisions listed in Mankato, 255 of the vacant lots are detached single-family, representing 66% of the lot supply. Another 29% of the vacant lots are multifamily. An estimated 5% of the vacant lots are undetermined.

- Groh Farm Subdivision and Groh Farm Subdivision No. 2 account for over 30% of the total lot supply in Mankato.

TABLE 56

RESIDENTIAL LOT SUPPLY BY SUBDIVISION
CITY OF MANKATO
November 2024

		Vac. Lots by Product Type		
Subdivision Name	**Vacant Lots**	**Detached Single-Fam.**	**Multifamily**	**Undetermined**
Augusta Meadows	1	1		
Campus Cottages No. 2	1			1
Campus Townhomes	5	5		
CIC 24 Townhomes Pohl Creek 4th Sup	2		2	
CIC 88 Two Rivers Townhomes	6		6	
CIC 92 Tranquility Townhomes	8		8	
CIC 103 Fontaine Twin Villas	22		22	
CIC 106 Tranquility Crossing	15		15	
CIC 114 Siesta Hills	22	11	11	
CIC 114 Siesta Hills 1st Amend	3	3		
CIC 121 Echo Pines Townhomes	26		26	
Copperfield	6	6		
Copperfield No. 2	1	1		
Country Club Estates No. 20	7	7		
Country Club Estates No. 21	29	29		
Country Woods Estates Phase 2	2	2		
Dancing Waters	6	6		
Deer Run Estates	1			1
Elizabeth Gardens Subdivision	0			
Ezra Estates	1	1		
Groh Farm Subdivision	45	23	22	
Groh Farm Subdivision No. 2	73	73		
Hoffman Road Addition	1	1		
Ironwood Estates	1	1		

Continued

RESIDENTIAL LOT SUPPLY BY SUBDIVISION CITY OF MANKATO November 2024				
		Vac. Lots by Product Type		
Subdivision Name	Vacant Lots	Detached Single-Fam.	Multifamily	Undetermined
Jacob Estates Phase II	1	1		
Jakobe Subdivision	3	3		
Miller Creek	17	17		
Miller Creek 1st Addition	26	26		
Miller Creek 2nd Addition	2	2		
Noah Estates No. 2	1	1		
Oak Marsh	2	2		
Paddington Parkway	2	2		
Parkside Addition	1	1		
Parkside Addition No. 2	0			
Peltola Subdivision	2	2		
Prairie Winds Estates West	14	14		
Prairies Edge	7			7
Rolling Acres No. 2	1	1		
Rosewood Phase 1	2	2		
Rosewood Phase 2	4	4		
Rosewood Phase 3	4	4		
Sibley Parkway Townhomes	1		1	
South Brook Addition Phase 4	1	1		
Tanager Meadows No. 2	1	1		
Willow Brook Subdivision No. 2	5			5
Wings Over White Oak Fourth Addition	4			4
Woodhill Subdivision No. 3	1			1
Woodhill Subdivision No. 4	1	1		
Total Lot Supply in Mankato:	**387**	**255**	**113**	**19**

Note: CIC 114 Siesta Hills & Groh Farm Subdivision are a mix of Single Family and Multifamily.

Sources: City of Mankato; Maxfield Research & Consulting

Actively Marketing Residential Lots

The table on the following page summarizes platted residential lots in the City of Mankato as of March 2025. Data is sourced from the City of Mankato, Realtor.com and Blue Earth County Beacon database.

- There are 11 actively-marketing subdivisions in Mankato. The median size of lots currently available for sale in Mankato is 16,400 square feet (0.38-acre), ranging from 6,098 square feet (0.14-acre) for lots in Prairie Winds to 0.92 acres for a lot in Rosewood Phase 3 subdivision.

- Lot prices vary depending on location and features, ranging from $50,000 in the Rosewood Phase 1 to $189,000 in the Siesta Hills 1st Amend subdivision in Mankato.

- Price per square foot for actively marketed residential lots in Mankato range from as low as $3.90 in the Rosewood Phase 2 subdivision to a high of $13.90 in the Siesta Hills subdivision.

- Actively-marketing lots in Mankato have a median list price of $6.56 per square foot (psf) based on the median list price of $107,527 and a median lot size of 16,400 square feet.

TABLE 57

ACTIVELY-MARKETING RESIDENTIAL LOT SUPPLY
City of Mankato
March 2025

	---------- Lots Listed For Sale ----------				
	Lot Size Range		Lot Price Range		
Subdivision	Min SF	Max SF	Min Price	Max Price	PSF
CIC 114 Siesta Hills	8,799	11,326	$130,000	$150,000	$13.9
CIC 114 Siesta Hills 1st Amend	12,545	15,777	$179,000	$189,000	$13.0
Groh Farm Subdivision	9,240	11,160	$84,900	$84,900	$8.3
Miller Creek	13,068	27,394	$68,000	$131,000	$4.9
Miller Creek 1st Addition	8,276	25,700	$58,000	$173,000	$6.8
Prairie's Edge	8,712	24,829	$80,000	$164,000	$7.3
Prairie Winds Estates West	6,098	10,454	$60,000	$65,000	$7.6
Rosewood Phase 1	10,457	26,979	$50,000	$100,000	$4.0
Rosewood Phase 2	11,982	38,576	$99,000	$100,000	$3.9
Rosewood Phase 3	14,150	40,197	$109,900	$109,900	$4.0
Willowbrook Subdivision No.2	12,545	12,545	$90,000	$90,000	$7.2
Total/Average	**16,400**		**$107,527**		**$6.56**

Sources: City of Mankato; Blue Earth County Beacon Database; Realtor.com; Maxfield Research & Consulting

New Construction Home Pricing

The following table and related points summarize new construction home sales in Mankato. Data represents closed new construction sales in 2023 through March 2025 along with new construction homes listed on the MLS in March 2025 (actively marketing and pending sales).

New construction home sale data was obtained via the Northstar MLS and Realtor.com. Data is presented by subdivision and includes property type, home sizes (total finished square feet), price, and the price per square foot. Due to the limited data on Northstar MLS and Realtor.com, we excluded manufactured homes from the multifamily price per square foot averages.

- Information is provided on 14 new construction homes sales and active listings across 8 different subdivisions.

  - Among the new construction sales and active listings, 43% are detached single-family homes (6) and 57% are other housing product types (eight).

- New construction detached single-family homes have a median size of 1,962 square feet, ranging from 1,396 square feet two-bedroom home in Copperfield to 2,184 square feet for a four-bedroom house in Country Club Estates.

- Pricing for new construction detached single-family homes ranges from a low of $319,900 for a 2,184 square-foot home in Country Club Estates to $835,000 for a 1,615 square-foot home in Centennial Oaks.

  - The median new construction detached single-family price is $532,450 ($271 psf) which is 60% higher than the 2024 median sale price ($332,146) in Mankato.

- New construction homes of "other housing" types (twinhomes, townhomes) have a median size of 1,675 square feet, ranging from 872 square feet for a two-bedroom unit in Mankato Hilltop to 2,937 square feet for a three-bedroom unit in Mankato Hilltop.

- Pricing for other types of new construction units ranges from a low of $269,900 for a two-bedroom unit to $574,900 for the three-bedroom unit.

  - The median new construction price for other housing product types is $299,900 ($179 psf), 13% lower than the 2024 median sale price of $343,814.

- The median price for all new construction housing units in Mankato is $392,500, which equates to $226 psf based on the median size of 1,738 square feet.

TABLE 58

NEW CONSTRUCTION HOME PRICING SUMMARY
City of Mankato
March 2025

Subdivision/Community	Type	Finished Sq. Ft	Median Price	Price/SF
City of Mankato				
Country Club Estates 7	Single Family	2,184	$319,900	$146
Copperfield	Single-Family	1,396	$360,000	$258
Prairies Edge	Single-Family	2,113	$529,900	$251
Prairies Edge	Single-Family	2,134	$535,000	$251
Mankato Hilltop	Single-Family	1,810	$695,000	$384
Miller Creek	Single-Family	1,615	$835,000	$517
Total New Construction- Single Family units:		**1,962**	**$532,450**	**$271**
Multifamily				
Laurinda Trail	Manufactured Home	720	$92,900	$129
Bardin Drive*	Manufactured Home	720	$114,900	$160
Terri Lane	Manufactured Home	720	$118,900	$165
Mankato Hilltop	Townhome	872	$269,900	$310
Mankato Hilltop	Townhome	1,464	$299,000	$204
Groh Farm	Twinhome	1,800	$299,900	$167
Echo Pines	Townhome	1,675	$425,000	$254
Mankato Hilltop	Twinhome	2,937	$574,900	$196
Total New Construction- Multifamily Units:		**1,675**	**$299,900**	**$179**

*****Bardin Lane- Manufactured Home sq. ft was estimated based on surrounding home sizes

*Multifamily Price/SF average excludes manufactured homes

Sources: Northstar MLS; Realtor.com; Maxfield Research & Consulting

Planned and Proposed Housing Projects

Maxfield Research complied data from the Primary Market Area in order to identify housing developments under construction, planned, or pending. The following table inventories and summarizes the number of housing units by product type that are either construction or are planned to move forward.

- There are five general occupancy market rate projects either under construction or approved, which total 311 pending units.
- There are no general occupancy affordable, subsidized, or senior housing rental housing developments in the pipeline in the Primary Market Area.

TABLE 59

PENDING GENERAL OCCUPANCY RENTAL DEVELOPMENTS
PRIMARY MARKET AREA
MARCH 2025

Project Name & Location	City	Units	Type	Status/Notes
Projects Under Construction				
Augusta Park Estates 1690 Premier Drive	Mankato	152	Market Rate	Buildings D & E under construction.
Sibley Parkway Crossing- Ph 2 335 Trestle Trail	Mankato	17	Market Rate	Under Construction.
Theuninck Apartments Rolling Green Trail	North Mankato	12	Market Rate	Under Construction.
Huiras Apartments 2085 Carlson Drive	North Mankato	50	Market Rate	Under Construction.
Approved Projects				
Prairie Winds Apartments Hoffman Road	Mankato	80	Market Rate	Approved. Completion date- 2026.
Proposed Projects				
Prairie Winds Apts Ph 2 Hoffman Road	Mankato	80	Market Rate	Proposed. Completion date- 2027.
Prairie Winds Apts Ph 3 Hoffman Road	Mankato	66	Market Rate	Proposed. Completion date- 2029.
Jackson Street/Park Apts 6613-6625 Portland Ave S	Mankato	44	Market Rate	Proposed. Unknown timeline
Capital Lofts- Phase 2 960 North Third Street	St. Peter	25	Market Rate	Proposed. Unknown timeline
The Library 107 West Nassau Street	St. Peter	22	Market Rate	Proposed. Unknown timeline
TBD- Unknown	St. Peter	50	Market Rate	Proposed. Unknown timeline
Under Construction Market Rate Units:		**231**		
Approved Market Rate Units:		**80**		
Planned/Proposed Market Rate Units:		**287**		
Total Pending Units:		**598**		

Sources: PMA Cities; Local News Sources & Developer Sites; Maxfield Research & Consulting.

Housing Affordability

Affordable housing is a term that has various definitions according to different people and is often a product of supply and demand. According to the United States 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 following topics are covered in this analysis.

- Household income and rent limits for affordable housing
- Cost burdened households
- Housing Choice Voucher program, and
- Housing costs in Mankato in relation to household income

Blue Earth County EDA, Mankato EDA, HUD and the United States Census Bureau American Community Survey (ACS) are the primary data resources for the Housing Affordability section of this report. Additionally, Maxfield Research and Consulting utilizes findings from the For-Sale Market and Rental Housing Market sections of this study to evaluate housing cost affordability in the community.

Generally, housing that is income-restricted to households earning at or below 80% of Area Median Income (AMI) is considered affordable. However, individual properties may have income restrictions set anywhere from 30% to 80% of AMI. Rent may be based on income (adjusted gross) or may instead be based on a contract rent amount that is affordable to households within the specific income restriction segment. Moderate-income housing, often referred to as “workforce housing,” can refer to rental and ownership housing. The definition is broadly defined as housing that targets households earning between 50% and 120% AMI. The following figure summarizes generally recognized AMI Definitions:

AREA MEDIAN INCOME (AMI) DEFINITIONS

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

Rent and Income Limits

The following table displays the maximum allowable incomes by household size to qualify for affordable housing and maximum gross rents that can be charged by bedroom size in the Mankato MSA. These incomes are published and revised annually by HUD. Fair Market Rent reflects the amount needed to pay gross monthly rent at modest rental housing in a given area.

TABLE 60

2024 INCOME/RENT LIMITS
MANKATO MSA (EFFECTIVE 4/01/2024)

	Income Limits by Household Size							
	1 pph	2 pph	3 pph	4 pph	5 pph	6 pph	7 pph	8 pph
30% of median	$21,150	$24,150	$27,180	$30,180	$32,610	$35,010	$37,440	$39,840
50% of median	$35,250	$40,250	$45,300	$50,300	$54,350	$58,350	$62,400	$66,400
60% of median	$42,300	$48,300	$54,360	$60,360	$65,220	$70,020	$74,880	$79,680
80% of median	$56,400	$64,400	$72,480	$80,480	$86,960	$93,360	$99,840	$106,240
100% of median	$70,400	$80,500	$90,500	$100,600	$108,600	$116,700	$124,700	$132,800
120% of median	$84,480	$96,600	$108,600	$120,720	$130,320	$140,040	$149,640	$159,360

	Maximum Gross Rent				
	EFF	1BR	2BR	3BR	4BR
30% of median	$528	$566	$679	$784	$875
50% of median	$881	$943	$1,132	$1,308	$1,458
60% of median	$1,057	$1,132	$1,359	$1,569	$1,750
80% of median	$1,410	$1,510	$1,812	$2,093	$2,334
100% of median	$1,762	$2,012	$2,265	$2,515	$2,717
120% of median	$2,115	$2,415	$2,718	$3,018	$3,261

	Fair Market Rent				
	EFF	1BR	2BR	3BR	4BR
Fair Market Rent	$897	$903	$1,101	$1,552	$1,868

Sources: HUD; Novogradic; Maxfield Research and Consulting

The following table summarizes maximum rents by household size and AMI based on income limits illustrated in the preceding table. The rents in the following table 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 people.

Housing Cost Burden

The following table summarizes the number and percentage of owner and renter households in Mankato, Remainder of the PMA and the PMA that pay 30% or more of their gross income for housing. This information was compiled from the American Community Survey 2022 five-year estimates and adjusted by Maxfield Research to reflect 2024 household estimates.

The Federal standard for affordability is 30% of income for housing costs. 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.

TABLE 61

HOUSING COST BURDEN
MARKET AREA

	City of Mankato		Remainder PMA		Primary Market Area	
	No.	Pct.	No.	Pct.	No.	Pct.
Owner Households						
All Owner HHs	**10,435**		**17,760**		**28,195**	
Cost Burden 30.0% or greater	**2,307**	**22.1%**	**2,843**	**16.0%**	**5,150**	**18.3%**
Cost Burden 30.0% to 34.9%	633	6.1%	623	3.5%	1,256	4.5%
Cost Burden 35.0% to 49.9%	747	7.2%	1,153	6.5%	1,900	6.7%
Cost Burden 50.0% or more	927	8.9%	1,067	6.0%	1,994	7.1%
Owner HHs w/ incomes <$50,000	**2,648**		**3,532**		**6,180**	
Cost Burden 30.0% or greater	1,686	63.7%	1,820	51.5%	3,507	56.7%
Renter Households						
All Renter HHs	**8,849**		**4,756**		**13,605**	
Cost Burden 30.0% or greater	**4,334**	**49.0%**	**1,560**	**32.8%**	**5,894**	**43.3%**
Cost Burden 30.0% to 34.9%	821	9.3%	283	5.9%	1,104	8.1%
Cost Burden 35.0% to 49.9%	1,266	14.3%	485	10.2%	1,751	12.9%
Cost Burden 50.0% or more	2,247	25.4%	792	16.7%	3,040	22.3%
Renter HHs w/ incomes <$35,000	**3,816**		**1,608**		**5,424**	
Cost Burden 30.0% or greater	3,350	87.8%	1,292	80.3%	4,641	85.6%

Sources: American Community Survey, 2018-2022 estimates; Maxfield Research & Consulting

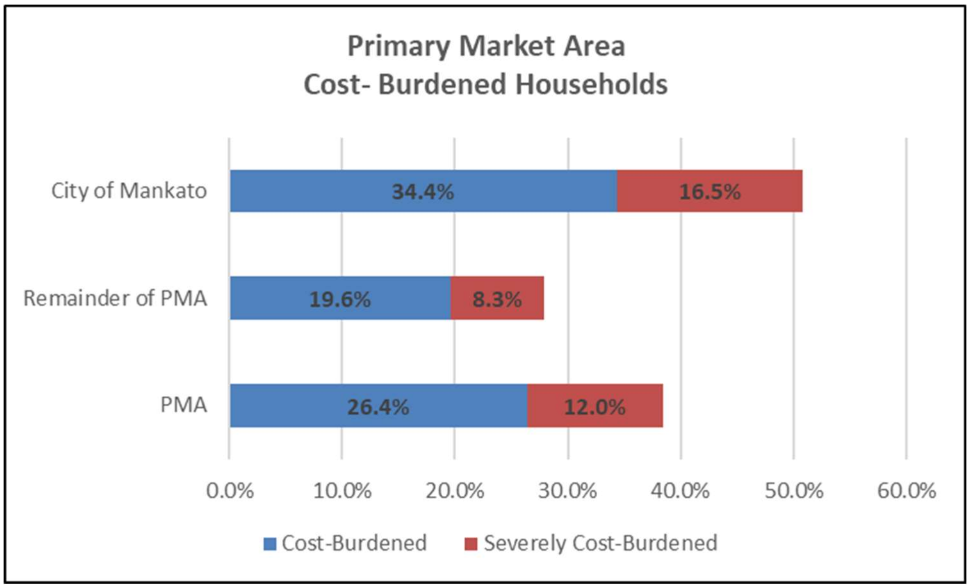
- In total, an estimated 2,307 owner households and 4,334 renter households in Mankato are considered cost-burdened.

- An estimated 22.1% of owner households (2,307 households) are estimated to be paying more than 30% of their income toward housing costs in Mankato, compared to 16% in the Remainder of the PMA and 18.3% in the PMA.

- An estimated 49% of all renter households (4,334) in Mankato pay more than 30% of their income toward housing, compared to 32.8% in the Remainder of the PMA and 43.3% in the PMA.

  - The number of cost burdened households increases proportionally based on lower incomes. In Mankato, an estimated 88% of renters with incomes below $35,000 are cost burdened and 64% of owners with incomes below $50,000 are cost burdened.

- An estimated 16.5% of all households in Mankato (3,174 households) are severely cost-burdened (paying 50% or more of their income toward housing costs), compared to the Remainder of the PMA (8.3%) and PMA (12%).



- An estimated 8.9% of owner households in Mankato are severely cost-burdened, compared to 6% in the Remainder of the PMA and 7.1% in the PMA.

- In Mankato, 25.4% of renter households are estimated to be severely cost-burdened, higher than 16.7% in the Remainder of the PMA and 22.3% in the PMA.

Housing Choice Vouchers

In addition to subsidized apartments, "tenant-based" subsidies such as *Housing Choice Vouchers,* assist low income households secure housing through the private market. The tenant-based subsidy is funded by HUD. Under the Housing Choice Voucher program, also referred to as Section 8, qualified households are issued a voucher that can be taken to an apartment that has rent levels at or less than the payment standards by bedroom type for their area. 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% of AMI based on household size.

- In Mankato, application for Housing Choice Vouchers is made through the Blue Earth County Economic Development Authority (EDA), which has 575 program participants residing in the City of Mankato. The Blue Earth County EDA also handles an additional 82 vouchers outside the City for a total of 657 vouchers. There are another 1,014 applicants on the wait list for Vouchers. Out of the 1,014 applicants, 675 are from the City of Mankato. The estimated wait time is 2.5-3 years.

- The Housing Choice Voucher program uses a payment standard which matches the cost of housing and utilities. Households may use the Voucher for units with rent that is either below or above the payment standard.

Monthly Payment Standards (Effective 4-1-2024)

	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Mankato MSA	$566	$679	$784	$875

- Nationally, the Housing Choice Voucher program is facing several challenges, notably low vacancy rates and increasing rents. Increased rents reduce the overall budget allocation for vouchers, meaning that fewer households can be served at the same allocation level. HUD is not increasing allocation levels to account for changing market conditions. Low vacancy rates limit the number units available and reduce incentives for landlords to accept Vouchers.

Housing Costs as Percentage of Household Income

Housing costs are generally considered affordable at 30% of a households adjusted gross income. The table on the following page illustrates key housing metrics based on housing costs and household incomes in the PMA. The table estimates the percentage of householders that can afford rental and for-sale housing based on a 30% allocation of income to housing.

The housing affordability calculations assume the following:

<u>For-Sale Housing</u>
- 10% down payment with good credit score
- Closing costs rolled into mortgage
- 30-year mortgage at 6.79% interest rate (rate as of April 1, 2025)
- Private mortgage insurance (equity of less than 20%)
- Homeowners insurance for single-family homes and association dues for townhomes
- Owner household income estimates per 2022 ACS

Rental Housing
- Background check on tenant to ensure credit history
- 30% allocation of income
- Renter household income estimates per 2022 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.

- An estimated 59% of existing owner households in the PMA could afford to buy an entry-level detached single-family home priced at $250,000 in the PMA.

- The proportion of income-qualified households declines as the sale price increases, and roughly 31% of existing owner households could afford to purchase a move-up detached single-family home priced at $400,000.

- Roughly 62% of owner households could afford an entry-level townhome, twin home, or condominium unit priced at $225,000, while 38% could afford a move-up unit priced at $350,000.

- An estimated 48% of renter households in the PMA can afford to rent an existing one-bedroom market rate unit (average rent of $1,109 per month), while 40% can afford a two-bedroom unit ($1,296 per month).

- New construction market rate rents will be higher than existing product. The estimated new construction rents shown in the table are based on our knowledge of rental rates at recently built market rate apartments properties in nearby communities.

- An estimated 38% of existing renters in the PMA could afford to rent a one-bedroom apartment within a new development renting for $1,407 per month, while 30% could afford a new two-bedroom unit priced at $1,671.

TABLE 62

HOUSING AFFORDABILITY BASED ON HOUSEHOLD INCOME
PRIMARY MARKET AREA
March 2025

For-Sale (Assumes 10% down payment and good credit)	Detached Single-Family		Townhome/Twinhome	
	Entry-Level	Move-Up	Entry-Level	Move-Up
Price of House	$250,000	$400,000	$225,000	$350,000
Pct. Down Payment	10.0%	10.0%	10.0%	10.0%
Total Down Payment Amt.	$25,000	$40,000	$22,500	$35,000
Estimated Closing Costs*	$7,500	$12,000	$6,750	$10,500
Cost of Loan	$232,500	$372,000	$209,250	$325,500
Interest Rate	6.79%	6.79%	6.79%	6.79%
Number of Pmts.	360	360	360	360
Housing Costs as % of Income	30%	30%	30%	30%
Minimum Income Required	$80,430	$128,689	$75,387	$113,936
Pct. of Owner HHs - PMA	**58.7%**	**31.4%**	**62.2%**	**38.4%**

Rental (Market Rate)	Existing Rental		New Construction Rental	
	1BR	2BR	1BR	2BR
Monthly Rent	$1,109	$1,296	$1,407	$1,671
Annual Rent	$13,308	$15,552	$16,884	$20,052
Housing Costs as % of Income	30%	30%	30%	30%
Minimum Income Required	$44,360	$51,840	$56,280	$66,840
Pct. of Renter HHs - PMA	**48.1%**	**40.9%**	**37.6%**	**30.0%**

*Estimated closing costs rolled into mortgage

Source: Maxfield Research & Consulting

Housing Demand Analysis

Previous sections of this study analyzed the existing housing supply and the growth and demographic characteristics of the population and household base in the PMA. This section of the report presents our estimates of housing demand in the PMA from 2025 through 2035.

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. 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 re-placement 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 PMA. In this section, we utilize findings from the economic and demographic analysis to calculate demand for new general occupancy housing units in Mankato.

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 & HOUSING DEMAND

Age Cohort	Student Housing	Rental Housing	1st-time Home Buyer	Move-up Home Buyer	2nd Home Buyer	Empty Nester/ Downsizer	Senior Housing
18-24	18 - 24	18-34					
25-29			25-39				
30-34				30-49			
35-39							
40-44					40-64		
45-49							
50-54							
55-59						55-74	55+ & 65+
60-64							
65-69		65-79					
70-74							
75-79							
80-84							
85+							

Source: Maxfield Research & Consulting

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
	Condominums	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

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.

Economy and 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.

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.

Recent mortgage interest rate hikes from the Federal Reserve have resulted in tighter underwriting and leaving many buyers on the sidelines.

Mobility

It is important to note that demand is somewhat fluid between Mankato and the surrounding area will be impacted by development activity in nearby areas, including other communities outside of the Market Area. Much of the housing demand in a community is generated by the turnover of existing households. Satisfying future demand will be highly dependent on the availability of suitable housing options in the community.

For-Sale Housing Demand Analysis

The table on the next page presents our demand calculations for general occupancy for-sale housing in the PMA between 2025 and 2035.

The 75 and older cohort is typically not a target market for new general occupancy for-sale housing, therefore, we limit demand from household growth to only those households under the age of 75. According to our projections, the PMA is expected to increase by 1,787 households that are under the age of 75 between 2025 and 2035.

Demand is also forecast to emerge from existing Mankato householders through turnover. An estimated 22,893 owner-occupied households under age 75 are in the PMA in 2025. Based on mobility data from the Census Bureau, an estimated 38% of owner households will turnover in a 10-year period. Finally, we estimate 25% of the existing owner households will seek new for-sale housing, resulting in demand for 2,163 for-sale units through 2035.

Next, we estimate that 25% of the total demand for new for-sale units in the PMA will come from people currently living outside of the PMA. A portion of this market will be former residents of the area, such as “snow-birds” heading south for the winters. Adding demand from outside the PMA to the existing demand potential results in a total estimated demand for 5,267 for-sale housing units by 2035.

Based on land available, building trends, and demographic shifts (increasing older adult population), we project 55% of the for-sale owners will prefer traditional single-family product types while the remaining 45% will prefer a maintenance-free multi-family product (i.e. twin homes, townhomes, detached townhomes, condominiums, etc.), which results in 2,897 single-family units and 2,370 multi-family units in Mankato. Mankato will capture 35% of the PMA’s demand for single-family product and 50% of the PMA’s demand for multifamily product, resulting in 1,014 single-family units and 1,185 multifamily units.

TABLE 63

GENERAL OCCUPANCY FOR-SALE HOUSING DEMAND CITY OF MANKATO 2025 to 2035			
Demand from Projected Household Growth in PMA			
Household growth, 2025-2035		5,260	
(times) Pct. for general occupancy housing[1]	x	53%	
(times) Propensity to own[2]	x	64%	
(equals) Demand from household growth	=	**1,787**	
Demand from Existing Owner Households in PMA			
Existing owner households under age 75, 2025	=	22,893	
(times) Est. % household turnover, 2025-2035[3]	x	38%	
(times) Est. % desiring new housing[4]	x	25%	
(equals) Demand from existing households	=	**2,163**	
Total demand from household growth+turnover	**=**	**3,950**	
(plus) Ownership demand from outside PMA	+	25%	
(equals) Demand potential for ownership housing in PMA	**=**	**5,267**	
		Detached Single-family	**Other***
(times) Pct. of demand for detached single-family vs. other*	x	55%	45%
(equals) Total Demand Potential in Mankato	**=**	**2,897**	**2,370**
(times) Percent of PMA demand capturable in Mankato	x	35%	50%
(equals) Demand potential for new ownership housing in Mankato	**=**	**1,014**	**1,185**

[1] Pct. HH growth from "Population and Household Growth Trends and Projections" under age 75

[2] Pct. of HHs under age 75 that own

[3] Based on owner household turnover and mobility data (American Community Survey)

[4] Based on new construction sales data, construction trends, and growth projections by age group

*Other includes attached single-family (i.e. townhomes, twinhomes) and condominium units.

Note: Some totals may not add due to rounding

Source: Maxfield Research & Consulting

Rental Housing Demand Analysis

The following table presents our calculation of general-occupancy rental housing demand in the PMA. This analysis identifies potential demand for rental housing that is generated from both new households and turnover households. A portion of the demand will be drawn from existing households in the PMA that want to upgrade their housing situations.

The 75 and older cohort is typically not a target market for new general occupancy rental housing, therefore, we limit demand from household growth to only those households under the age of 75. According to our projections, the PMA is expected to increase by 1,888 households that are under the age of 75 between 2025 and 2035.

Demand is also forecast to emerge from existing PMA householders through turnover. An estimated 12,824 renter households under age 75 are in the PMA in 2025. Based on mobility data from the Census Bureau, an estimated 84% of renter households will turnover in a 10-year period. Finally, we estimate 20% of the existing renter households will seek new rental housing, resulting in demand for 2,162 rental units through 2035.

Next, we estimate that 25% of the total demand for new rental units in the PMA will come from people currently living outside of the PMA. Adding demand from outside the PMA to the existing demand potential, results in a total estimated demand for 5,401 rental housing units by 2035.

Based on a review of rental household incomes and sizes and monthly rents at existing projects, we estimate that approximately 15% of the total demand will be for subsidized housing (30% AMI), 30% will be for affordable housing (40% to 60% AMI), and 55% will be for market rate housing (non-income restricted).

There are only 289 pending units to subtract from the market rate demand and no pending units to subtract from affordable or subsidized demand. Our calculations result in demand for 391 subsidized units, 767 affordable units, and 1,224 market rate units between 2025 and 2035.

TABLE 64

GENERAL OCCUPANCY RENTAL HOUSING DEMAND PRIMARY MARKET AREA 2025 to 2035		
Demand from Projected Household Growth in PMA		
Household growth, 2025-2035[1]		5,260
(times) Propensity to rent[2]	x	36%
(equals) Demand from household growth	=	**1,888**
Demand from Existing Renter Households in PMA		
Existing renter households, 2025	=	12,824
(times) Est. % household turnover, 2025-2035[3]	x	84%
(times) Est. % desiring new housing[4]	x	20%
(equals) Demand from existing households	=	**2,162**
Total demand from household growth+turnover		**4,050**
(plus) Rental demand from outside PMA	+	25%
(equals) Demand potential for rental housing in PMA	**=**	**5,401**
(times) Percent of PMA demand capturable in Mankato	x	50%
(equals) Demand potential for new rental housing in Mankato	**=**	**2,700**
(times) % for Market Rate units[5]	x	55%
(minus) Pending Market Rate units[6]	-	289
(equals) Excess Market Rate Demand	**=**	**1,224**
(times) % for Affordable units[5]	x	30%
(minus) Pending Affordable units[6]	-	0
(equals) Excess Affordable Demand	**=**	**767**
(times) % for Subsidized units[5]	x	15%
(minus) Pending Subsidized units[6]	-	0
(equals) Excess Subsidized Demand	**=**	**391**

[1] Projection from "Population and Household Growth Trends and Projections" table
[2] Pct. renter households from U.S. Census
[3] Based on renter household turnover and mobility data (American Community Survey)
[4] Based on leasing trends and occupancy rates among existing product
[5] Based on income limits and renter household incomes
[6] Units under construction/renovation or approved at equilibrium (93% occupancy)
Note: Some totals may not add due to rounding

Source: Maxfield Research & Consulting

Senior Housing Demand Analysis

The following tables show demand calculations for senior housing in the PMA from 2025 to 2035. Demand methodology employed by Maxfield Research utilizes capture and penetration rates that blend national senior housing trends with local market characteristics, preferences, and patterns. Our demand calculations consider the following target market segments for each product types:

Affordable/Subsidized Active Adult Housing: Target market based includes age 55+ older adult and senior households with incomes of $48,300 or less.

Market Rate Active Adult Rental and Ownership Housing: Target market based includes age 55+ older adult and senior households with incomes of $40,000 or more and senior homeowners with incomes between $30,000 and $39,999.

Independent Living Housing: Target market base includes age 65+ seniors who would be financially able to pay for housing and service costs associated with independent living housing. Income-ranges considered capable of paying for independent living housing are senior households with incomes of $40,000 or more and senior homeowners with incomes between $30,000 and $39,999.

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 $40,000 or more and a portion of homeowners with incomes below $40,000).

Memory Care Housing: Target market base includes age 65+ seniors 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 senior housing units are subtracted from overall demand for each product type.

TABLE 65

AFFORDABLE/SUBSIDIZED SENIOR RENTAL HOUSING DEMAND
PRIMARY MARKET AREA
2025, 2030, 2035

		2025			2030			2035		
Age of Householder		**55-64**	**65-74**	**75+**	**55-64**	**65-74**	**75+**	**55-64**	**65-74**	**75+**
# of HHs w/ Incomes of <$48,300[1]		1,647	1,979	2,643	1,379	1,910	3,161	1,494	1,787	3,610
Total Potential Market Base			6,269			6,450			6,891	
(times) Ptc. for affordable hsg	x		25%			25%			25%	
(equals) Demand Potential	=		**1,567**			**1,613**			**1,723**	
(plus) Demand from Outside PMA[2]	+		25%			25%			25%	
(equals) Total Demand Potential	=		**2,090**			**2,150**			**2,297**	
Product Type (Subsidized or Affordable)		**Sub.**		**Aff.**	**Sub.**		**Aff.**	**Sub.**		**Aff.**
(times) % Subsidized or Affordable	x	55%		45%	55%		45%	55%		45%
(equals) Demand Potential	=	**1149**		**940**	**1183**		**968**	**1263**		**1,034**
(minus) Existing & Pending Units[3]	-	348		22	348		22	348		22
(equals) Excess Demand for Units	=	**801**		**918**	**835**		**946**	**915**		**1,012**
(times) Pct capturable in Mankato	x		50%			50%			50%	
(equals) Units supportable in Mankato	=	**401**		**459**	**417**		**473**	**458**		**506**

[1] Based on 2-person HH at 60% AMI; 2030 calculations adjusted for inflation (2.0% annually).
[2] Estimated portion of demand from outside PMA
[3] Existing and pending units are deducted at market equilibrium (95% occupancy).
Source: Maxfield Research & Consulting

TABLE 66

MARKET RATE ACTIVE ADULT HOUSING DEMAND
PRIMARY MARKET AREA
2025, 2030, 2035

		2025			2030			2035		
Age of Householder		**55-64**	**65-74**	**75+**	**55-64**	**65-74**	**75+**	**55-64**	**65-74**	**75+**
HHs w/ Incomes of >$40,000		5,000	4,455	2,670	4,847	4,775	3,433	5,252	4,467	3,921
HHs w/ Incomes of $30,000-$39,999	+	335	451	580	213	337	508	231	315	580
(times) Homeownership Rate	x	80%	84%	74%	80%	84%	74%	80%	84%	74%
(equals) Total Potential Market Base	=	**5,267**	**4,833**	**3,099**	**5,017**	**5,057**	**3,809**	**5,436**	**4,731**	**4,350**
(times) Potential Capture Rate	x	1.0%	5.5%	17.0%	1.0%	5.5%	17.0%	1.0%	5.5%	17.0%
(equals) Demand Potential	=	**53**	**266**	**527**	**50**	**278**	**648**	**54**	**260**	**740**
Potential Demand from PMA	=		**845**			**976**			**1,054**	
(plus) Demand from outside PMA[1]	+		25%			25%			25%	
(equals) Total Demand Potential	=		**1,127**			**1,301**			**1,405**	
Product Type		**% Own**		**% Rent**	**% Own**		**% Rent**	**% Own**		**% Rent**
(times) % for Owner/Rental	x	50%		50%	50%		50%	50%		50%
(equals) Demand Potential	=	**564**		**564**	**651**		**651**	**703**		**703**
(minus) Existing & Pending Units[2]	-	132		3	132		3	132		3
(equals) Excess Demand	=	**432**		**561**	**519**		**648**	**571**		**700**
(times) Pct. capturable in Mankato	x	35%		40%	35%		40%	35%		40%
(equals) Units supportable in Mankato	=	**151**		**224**	**181**		**259**	**200**		**280**

[1] Estimated portion of demand that will come from outside PMA
[2] Existing and pending units are deducted at market equilibrium (95% occupancy).
Source: Maxfield Research & Consulting

TABLE 67

INDEPENDENT LIVING DEMAND PRIMARY MARKET AREA 2025, 2030, 2035		2025		2030		2035	
Age of Householder		**65-74**	**75+**	**65-74**	**75+**	**65-74**	**75+**
HHs w/ Incomes of >$40,000		4,455	2,670	4,773	3,430	4,465	3,917
(plus) HHs w/ Incomes of $30,000 to $39,999	+	451	580	337	508	315	580
(times) Homeownership Rate	x	84%	74%	84%	74%	84%	74%
(equals) Total Potential Market Base	=	4,834	3,099	5,056	3,806	4,730	4,346
(times) Potential Capture Rate	x	1.5%	15.5%	1.5%	15.5%	1.5%	15.5%
(equals) Demand Potential	=	73	480	76	590	71	674
Potential Demand from PMA Residents	=	**553**		**666**		**745**	
(plus) Demand from outside PMA[1]	+	25%		25%		25%	
(equals) Total Demand Potential	=	**737**		**888**		**993**	
(minus) Existing and Pending Units[3]	-	330		330		330	
(equals) Excess Demand for IL Units in PMA	=	**407**		**558**		**663**	
(times) Percent capturable in Mankato	x	40%		40%		40%	
(equals) IL Demand Capturable in Mankato	=	**163**		**223**		**265**	

[1] Estimated portion of demand will come from outside PMA

[2] Existing and pending units are deducted at market equilibrium (95% occupancy).

IL = Independent Living

Source: Maxfield Research & Consulting

TABLE 68

MARKET RATE ASSISTED LIVING DEMAND
PRIMARY MARKET AREA
2025, 2030, 2035

		2025			2030			2035		
Age Group		**75-79**	**80-84**	**85+**	**75-79**	**80-84**	**85+**	**75-79**	**80-84**	**85+**
People		3,287	2,173	2,435	3,973	2,884	2,814	4,179	3,426	3,440
(times) Percent Needing Assistance[1]	x	25.5%	33.6%	51.6%	25.5%	33.6%	51.6%	25.5%	33.6%	51.6%
Number Needing Assitance	=	838	731	1,256	1,013	970	1,452	1,066	1,153	1,775
Total People Needing Assistance			**2,826**			**3,435**			**3,993**	
(times) Percent Income-Qualified[2]			63%			65%			65%	
Total potential market	=		**1,789**			**2,233**			**2,596**	
(times) Percent living alone	x		54%			54%			54%	
Age/income-qualified singles	=		**966**			**1,206**			**1,402**	
(plus) Demand from couples (12%)[3]	+		132			164			191	
Age/income-qualified market	=		**1,098**			**1,370**			**1,593**	
(times) Potential penetration rate[4]	x		35%			35%			35%	
Potential demand	=		**384**			**480**			**557**	
(plus) Proportion from outside PMA	+		25%			25%			25%	
Total potential AL demand	=		**512**			**639**			**743**	
(minus) Existing & pending AL units[5]	-		478			478			478	
Excess market rate AL demand	=		**34**			**161**			**265**	
(times) Percent capturable in Mankato	x		40%			40%			40%	
(equals) Units Supportable in Mankato	=		**14**			**65**			**106**	

Notes:

[1] The percentage of seniors unable to perform or having difficulting with ADLs, based on the publication Health, United States, 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 $40,000 or more plus 40% of the estimated owner households with incomes below $40,000 (who will spend down assets, including home-equity, in order to live in assisted living housing).

[3] The 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 65% 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, minus units estimated to be occupied by Elderly Waiver residents.

Source: Maxfield Research & Consulting

TABLE 69
MEMORY CARE DEMAND
PRIMARY MARKET AREA
2025, 2030, 2035

		2025	2030	2035
65 to 74 Population		10,057	10,352	9,685
(times) Dementia Incidence Rate[1]	x	5%	5%	5%
(equals) Est. Senior Pop. with Dementia	=	**503**	**518**	**484**
75 to 84 Population		5,460	6,857	7,605
(times) Dementia Incidence Rate[1]	x	14%	14%	14%
(equals) Est. Senior Pop. with Dementia	=	**764**	**960**	**1,065**
85+ Population		2,435	2,814	3,440
(times) Dementia Incidence Rate[1]	x	35%	35%	35%
(equals) Est. Senior Pop. with Dementia	=	**852**	**985**	**1,204**
(equals) Total Population with Dementia		**2,120**	**2,462**	**2,753**
(times) Pct. Needing Memory Care Assistance	x	25%	25%	25%
(equals) Total Need for Dementia Care	=	530	616	688
(times) Percent Income/Asset-Qualified[2]	x	56%	59%	59%
(equals) Total Income-Qualified Market Base	=	297	363	406
(plus) Demand from Outside PMA[3]	+	25%	25%	25%
(equals) Total Demand for Memory Care Units	=	**396**	**484**	**541**
(minus) Existing and Pending Units[4]	-	243	243	243
(equals) Excess Memory Care Demand Potential	=	**153**	**241**	**298**
(times) Percent capturable in Mankato	x	40%	40%	40%
(equals) MC Units Supportable in Mankato	=	**61**	**97**	**119**

[1] Alzheimer's Association: Alzheimer's Disease Facts & Figures
[2] Income greater than $60,000 in 2025 and $65,000 in 2030, plus some lower-income homeowners.
[3] Estimated portion of demand that will come from outside PMA
[4] Existing and pending units at 93% occupancy, minus estimated units occupied by EW residents.

Source: Maxfield Research & Consulting

TABLE 70

EXCESS SENIOR HOUSING DEMAND BY SERVICE LEVEL
CITY OF MANKATO
2025, 2030, 2035

	2025	2030	2035
Market Rate Active Adult Units	**375**	**440**	**480**
Owner	151	181	200
Renter	224	259	280
Affordable/Subsidized Units	**860**	**890**	**964**
Subsidized	401	417	458
Affordable	459	473	506
Service-Enhanced Units	**238**	**385**	**490**
Independent Living	163	223	265
Assisted Living	14	65	106
Memory Care	61	97	119

Source: Maxfield Research & Consulting

Recommendations and Conclusions

This section summarizes demand calculated for specific housing products in Mankato and recommends development concepts to meet the housing needs forecast for the City. All recommendations are based on findings of the Comprehensive Housing Needs Assessment. The following table and charts illustrate calculated demand by product type. It is important to recognize that housing demand is highly contingent on projected household growth; household growth could be higher should increased job growth ensue and the overall economy continues to improve.

TABLE 71

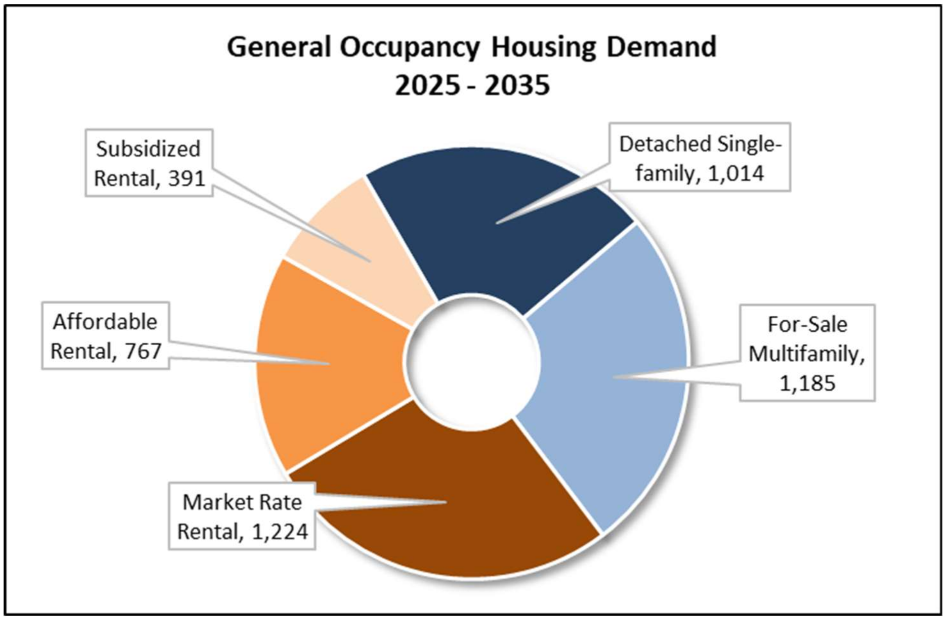
HOUSING DEMAND SUMMARY
CITY OF MANKATO
April 2025

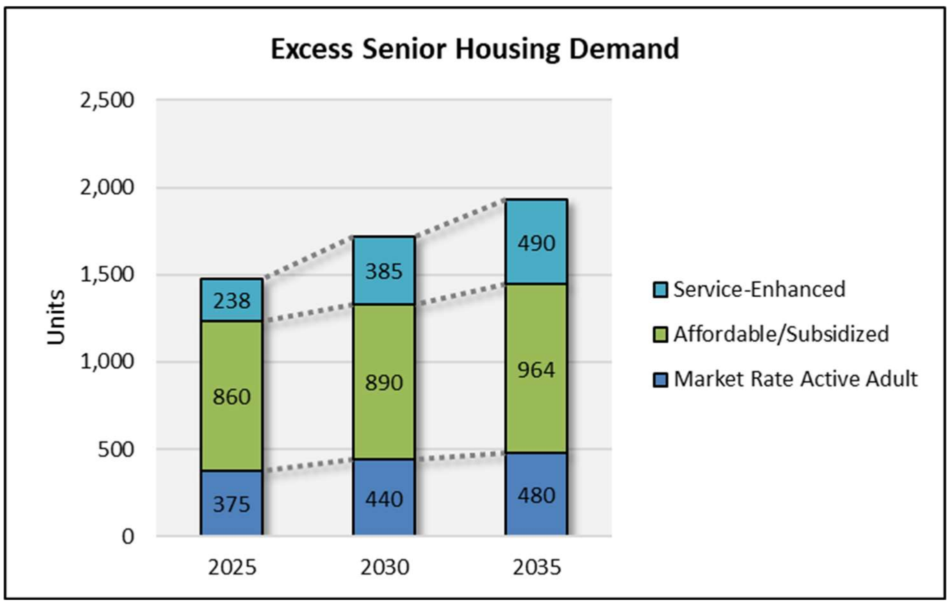
General Occupancy Housing Demand 2025 to 2035	
For-Sale Units	**2,199**
Detached Single-Family Units	1,014
Multifamily Units*	1,185
General Occupancy Rental Units	**2,382**
Market Rate	1,224
Affordable^	767
Subsidized^	391
Total General Occupancy Housing Units	**4,581**

Senior Housing Demand	2025	2030	2035
Market Rate Active Adult	**375**	**440**	**480**
Owner-Occupied	151	181	200
Renter-Occupied	224	259	280
Affordable & Subsidized Senior Housing^	**860**	**890**	**964**
Subsidized	401	417	458
Affordable	459	473	506
Service-Enhanced Senior Housing	**238**	**385**	**490**
Independent Living (IL)	163	223	265
Assisted Living (AL)	14	65	106
Memory Care (MC)	61	97	119
Total Senior Housing Units	**1,473**	**1,715**	**1,934**

*Includes twin homes, townhomes, condominiums
^Subsidized = affordable to households at 50% AMI or less
^Affordable = affordable to households at 80% AMI or less

Source: Maxfield Research & Consulting





Based on the finding of our analysis and demand calculations, Table 72 provides a summary of the recommended development concepts by product type for the City of Mankato. These proposed concepts are intended to act as a development guide to most effectively meet the housing needs of existing and future households in Mankato. The recommended development types do not directly coincide with total demand as illustrated in Table 71.

TABLE 72

RECOMMENDED HOUSING DEVELOPMENT (SHORT-TERM)
CITY OF MANKATO
2025 TO 2030

		Purchase Price/ Monthly Rent Range[1]	No. of Units	Development Timing
Owner-Occupied Housing (General-Occupancy)				
Single-Family[2]				
	Entry-Level	<$325,000	200 - 250	2025+
	Move-up	$350,000 - $500,000	280 - 300	2027+
	Executive	$550,000+	50 - 100	2027+
	Subtotal		**530 - 650**	
Townhomes/Detached Townhomes/Twin Homes/Condominiums[2]				
	Entry-level	<$280,000	250 - 300	2025+
	Move-up	$300,000 to $400,000	150 - 200	2025+
	Executive	$450,000+	50 - 60	2025+
	Subtotal		**450 - 560**	
	Total Owner-Occupied		**980 - 1,210**	
General Occupancy Rental Housing				
Market Rate				
	Rental Multifamily	$1,200/1BR - $1,800/3BR	300 - 350	2025+
	Rental Townhomes	$1,500/2BR - $2,100/3BR	100 - 150	2025+
	Subtotal		**400 - 500**	
Income Restricted				
	Rental Multifamily	Income Guidelines[3]	120 - 180	2025+
	Rental Townhomes	Income Guidelines[3]	50 - 100	2025+
	Subtotal		**170 - 280**	
	Total Renter-Occupied		**570 - 780**	
Senior Housing				
Market Rate				
	Active Adult (Rental)	$1,200 - $1,500	80 - 100	2026+
	Active Adult (For-Sale)[4]	$150,000+ (plus monthly fee)	50 - 55	2025+
	Independent Living	$2,000 - $2,800	100 - 150	2025+
	Assisted Living	$3,000 - $5,000	50 - 60	2027+
	Memory Care	$4,000 - $6,000	50 - 60	2026+
	Subtotal		**330 - 425**	
Income Restricted				
	Affordable Active Adult	Income Guidelines[3]	100 - 125	2025+
	Subtotal		**100 - 125**	
	Total Senior		**430 - 550**	
	Total - All Units		***1,250 - 1,615***	

[1] Pricing in 2025 dollars. Pricing can be adjusted to account for inflation.
[2] Much of the entry-level demand will be accommodated through the resale market.
[3] Affordability subject to income guidelines per HUD.
[4] A senior cooperative concept assumes costs are based on share cost =40% of its actual value.
Note - Recommended development does not coincide with total demand. Mankato may not be able to accommodate all recommended housing types based on a variety of factors (i.e. development constraints, land availability, etc.)

Source: Maxfield Research & Consulting

Recommended Housing Product Types

For-Sale Housing

Single-Family Housing

Table 63 identified demand for 2,897 single-family housing units in the Market Area to 2035. However, after accounting for a capture rate of 35% in Mankato, demand is found for 1,014 single-family homes in Mankato to 2035.

A portion of the demand from first-time homebuyers in Mankato, which home price is generally classified as homes at $250,000 can be satisfied through existing single-family homes as residents of existing homes move into newer housing products built in the Mankato area, such as move-up single-family homes, twin homes, rental housing and senior housing. A move-up buyer or step-up buyer is typically one who is selling one house and purchasing another one, usually a larger and more expensive home. Often the move is desired because of a lifestyle change, such as a new job or a growing family. Although there is demand for new single-family homes priced under $250,000, developers cannot afford to develop entry-level homes due to land costs, rising labor and material costs and high mortgage interest rates. We find demand for new single-family homes however, at a variety of price points in Mankato. Developing homes at price points below the new construction market will likely require some type of additional financial assistance, pricing concessions or new housing product models to bring this product to the market.

The new construction market has been slow in Mankato over the past several years as the City has permitted an average of 45 single-family homes annually, since 2017. Over the next decade, Maxfield Research is estimating demand for 114 new single-family homes annually, higher than what has recently been constructed.

We recommend a distribution of entry-level, move-up and executive level homes with weighting skewed more to entry-level and move-up homes. While demand is highest for entry-level, as mentioned above, producing this product would require a public-private partnership and/or financial assistance to develop. Accordingly, most unassisted new construction will be targeted to the move-up market. At present, there are some new subdivisions in Mankato but vacant lot supply will be insufficient to meet the long-term demand for new for-sale housing in the City.

Through discussions with Realtors, there are an increasing number of homes priced at the higher levels and less housing available at the mid-price or lower levels. Much of this is due to high development costs increasing the price of new homes. In order to accommodate a variety of single-family types and price points, we recommend a balance of standard and premium lots in new subdivisions. Lots that have the necessary slope for a garden level or walkout basement will be lots with premiums. Premiums may also result from other lot types, such as: sites backing up to open space, look-out views, cul-de-sac lots, and oversized lots. We recommend walk-out basements in units wherever topography allows. Typically, a walkout requires a six- to eight-foot drop from the front of the home to its rear.

In addition, the standard lot size in Mankato has been larger as buyers have sought out lots with acreages of 0.31 or more and lot frontage of 85 to 100 feet wide. Because of the larger lot frontages and sizes, the final lot costs are higher due to lower-density which drives up the retail price of the home. If entry-level new construction homes are pursued, lot widths will need to be reduced to increase densities to reduce the lot costs to buyers. Lot sizes of less than 0.25 units per acre (such as 60- to 65-wide lot) would help to bring down lot development costs. In many real estate markets across the Midwest, lot sizes are trending downward to minimize lot development and infrastructure costs.

Multifamily Housing

A growing number of households desire alternative housing types such as townhouses, twinhomes 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.

Historically, buyers in Mankato have preferred the single-family house which has accounted for most housing sales in the City. Development of new association-maintained units increased over the past ten years, with development of 352 duplex and 681 townhome units from 2010 through 2024. Based on the changing demographics, demand was calculated for 1,185 new multifamily for-sale units in Mankato to 2035.

These attached units could be developed as twinhomes, detached townhomes or villas, cottages, townhomes/row homes, or any combination. Multi-story townhomes and row homes could be targeted to young to mid-age buyers provided the price points remain at or below $300,000. Units targeted to older adults and young seniors should be one-level, or at least have a primary suite on the main level if a unit is two-stories. The following provides greater detail into townhome and twinhome style housing.

- *Twinhomes*– By definition, a twinhome 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 twinhome 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).

  Housing products designed to meet the needs of these aging Mankato 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. Twinhomes are also a preferred for-sale product by many builders as units can be developed as demand warrants. Because twinhomes bring higher density and economies of scale to the construction process, the price point can be lower than a stand-alone single-family home, although twinhome pricing has escalated substantially in the past several years due to increased land and infrastructure costs. Nearly all new construction twinhomes are priced above $350,000.

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 twinhomes should be association-maintained with 40'- to 50'-wide lots on average. With the escalating pricing of new construction homes, many seniors are having to either take out a mortgage to move into a new home even with the increase in resale prices on existing homes.

- *Detached Townhomes/Villas* – An alternative and more expensive product to the twinhome is the one-level villa product and/or rambler. This product appeals mainly to baby boomers and empty nesters seeking a product similar to a single-family home on a smaller scale while receiving the benefits of maintenance-free living. Many of these units are designed with a walk-out or lookout lower level if the topography warrants. Lot widths usually range from 40 feet to 55 feet with main-level living areas between 1,600 and 1,800 square feet in most cases, while more affordably priced villas have between 1,400 and 1,500 square feet on the main level. The main level living area usually features a master bedroom, great room, dining room, kitchen, and laundry room while offering a "flex room" that could be another bedroom, office, media room, or exercise room. Offering the option to purchase the home with an unfinished lower level, which may then be finished by the owner before or after purchase (i.e. additional bedrooms, game room, storage, den/study, etc.) creates more flexibility. Some owners may prefer a slab on grade product for affordability reasons.

  Pricing for a detached townhome/villa will vary based on a slab-on-grade home versus a home with a basement. Base pricing for these units would likely start at $450,000 or above and would be positioned in the executive market segment.

- *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. We recommend a four-plex concept that could be back-to-back with main-level primary bedrooms that would cater to empty-nesters. If the product is successful, future phases could include row homes that would increase density and cater to a broader market. Units should have base prices starting at $280,000 to $300,000 and will fluctuate based on unit finishes, interior vs. exterior units, etc.

General-Occupancy Rental Housing

Maxfield Research calculated demand for 5,400 general-occupancy rental units in the PMA to 2035, with 2,382 units (1,224 market rate, 767 affordable and 391 subsidized units) capturable in Mankato. Recommended rent ranges for new construction market rate rental units are based on our knowledge of rental rates at recently built market rate properties in the Region.

- *Market Rate Multifamily Rental* – Mankato has 13 new luxury market rate rental properties that were built in the last decade. Additionally, our inventory of the general-occupancy rental market found below market equilibrium vacancy rates for surveyed rental properties.

  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. To appeal to a wide target market, we suggest a market rate apartment project(s) with a unit mix consisting of studio, one-bedroom, one-bedroom plus den or two-bedroom units. Three-bedroom units are attractive to households with children but are often difficult to rent in an elevator apartment building. We would recommend three-bedroom units in a townhome-style, which could be designed with a separate private entry and combined with other unit types.

  Monthly rents (in 2025 dollars) should range from $1,100 for a studio unit to $1,800 for a three-bedroom unit. Average rents in Mankato are average around $1.41 per square foot and new construction will be near $1.65+ per square foot to be financially feasible. Monthly rents can be trended up by 2.5% annually prior to occupancy to account for inflation depending on overall market conditions.

  New market rate rental units should be designed with contemporary amenities that include open floor plans, higher ceilings, in-unit washer and dryer, full appliance package, central air-conditioning, and garage parking.

- *Market Rate Townhome Rental* – In addition to traditional apartment buildings, we find that demand exists for some townhome units for families – including those who are new to the community and want to rent until they find a home to buy. A portion of the overall market rate demand could be a townhome style development versus traditional multifamily design. We recommend a project that would incorporate a variety of unit types from one-bedroom through three-bedroom units. Two-bedroom unit rents would range from $1,500 up to $2,100 for three-bedroom units. Units should feature contemporary amenities (i.e. in-unit washer/dryer, high ceilings, etc.) and an attached single-car or two-car garage or separate detached garage.

- *Affordable Rental Housing*– Affordable rental housing is targeted to households with incomes between 50% and 80% of AMI and usually receives financial assistance to reduce rents to an affordable level. Financial assistance may include operating subsidies, tax credits, land write-downs, or other concessions) from governmental agencies to make the rent affordable to low-to-moderate income households. Demand is identified for 767 rental units targeted to moderate income households. A portion of this demand will be for two- to three-bedroom units targeted to families. Pricing for these units is identified in the development summary table.

- Demand is identified for 391 units of subsidized housing over the decade. Although this product is difficult to develop, these units can be mixed with affordable and market rate product in a mixed-income development. Depending on the target segments for these units, project-based vouchers may be allocated to these units to keep them affordable for specific segments of the market. As such, all the income-restricted housing will fall under the "affordable" product through the tax credit program. Demand for workforce and affordable rental units may be developed in an apartment-style building and/or townhome-style units.

Senior Housing

As illustrated in Table 70, demand exists for various types of senior housing in Mankato to 2035. Due to the aging of Mankato's population, senior housing demonstrates moderate to strong demand among all product types in the short-term. Collectively, there is demand for 970 market rate units across all service levels in addition to 964 active adult affordable and subsidized units.

Development of additional senior housing is recommended to provide housing opportunities to 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 Mankato: older adult and senior residents can relocate to new age-restricted housing in Mankato and existing homes and rental units that were occupied by seniors become available to other households. Therefore, 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 paragraphs.

- *Active Adult (Ownership)* – Maxfield Research and Consulting projects demand for 126 active adult ownership units to 2035, with Mankato able to support 200 units. There are three existing age-restricted for-sale developments in Mankato, all of which are full with waiting lists.

  Maxfield Research recommends adding another cooperative development with a higher proportion of two- and two-bedroom plus den units and a market value share cost beginning at $150,000. The cooperative model, in particular, appeals to a larger base of potential residents in that it has characteristics of 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. Maxfield Research has found the cooperative model to be very well-accepted in rural communities across the Midwest.

Active Adult Market Rate For-Sale Cottage-Style Units – This product could appeal to households that prefer a lower density development. Cottage-style units could be developed in buildings of four-units each with attached garages. Units share at least one wall. The challenge here is offering buyers an outdoor space (patio area) that will be of sufficient size to appeal to this group. Pricing would likely begin at $250,000 or greater and would be restricted to households age 55 years or older, rather than 62 years or older for a cooperative development. We recommend a development of between 80 and 100 units with sales prices at the upper mid-level market.

- *Active Adult Market Rate Rental* – Demand was projected for 280 units in Mankato to 2035. Currently, there are no market rate rental active adult products in Mankato.

  Development of this product could be in a separate stand-alone facility or in a mixed-income project. A mixed-income building could include a portion of units that would be affordable to seniors with lower incomes as established by MN Housing. We recommend between 80 to 100 units be built this decade. Monthly rents should start at $1,000 per month for one-bedroom units and from $1,300 or more for two-bedroom units. The project should offer transportation, activities and optional services for housekeeping, etc.

- *Active Adult Affordable and Subsidized Rental* – Demand in Mankato was calculated for 458 subsidized units and 506 affordable senior units to 2035. Although this product would be well received by seniors in and near the Mankato area, it can be difficult to develop given financing challenges and development costs. Affordable senior housing will likely be a low-income tax credit project through MN Housing or through a private developer that can provide its own tax credit network. Affordable/subsidized senior housing products can also be incorporated into a mixed-income building which may increase the project's financial feasibility. Regional and local non-profit organizations may partner with private developers to provide assistance for these units.

- *Independent Living* – Demand was calculated for 265 independent living units in Mankato to 2035. Based on demand, three to four properties potentially with multiple service levels could be supported in the community to meet this demand. We recommend a mix of one-bedroom, one-bedroom plus den, two-bedroom and two-bedroom plus den units. Base monthly rents should start at $1,800 for a one-bedroom unit. The monthly fees should include all utilities (except telephone and basic cable/satellite television) and the following services:
    - I'm OK program;
    - Daily noon meal;

- Regularly scheduled van transportation;
- Social, health, wellness and educational programs;
- 24-hour emergency call system; and
- In-unit laundry and full kitchens.

In addition, meals and other support and personal care services would be available to independent living residents on a fee-for-service basis, such as laundry, housekeeping, etc. New independent housing could be developed adjacent to an existing senior project or in a stand-alone development.

- *Assisted Living Service Level* – The fees should include the base monthly rent, utilities and personal care services, weekly housekeeping, linen service, professional activity programs, scheduled outings, nursing care management and 24-hour on site staffing. Meal programs may be offered separately. Additional services should also be available either in service packages or a la carte for an extra monthly charge. The unit mix for assisted living units usually includes should be studios, one-bedroom and two-bedroom units, although catered living facilities may have other unit types. Base monthly fees usually begin at $3,200 or slightly higher.

Catered Living Concept

Due to economies of scale, it can be difficult to develop stand-alone facilities for service enhanced senior housing products that are financially feasible. A number of existing facilities in Mankato allow seniors to "age in place" and remain in their individual apartments as they need and add services. Catered living is a "hybrid" senior housing concept where demand is generated from seniors residing in independent living housing as well as seniors that need a higher level of care (assisted living). In essence, catered living provides a flexible living arrangement between independent living and assisted living. Residents are able to select an appropriate service level upon entry to the facility and subsequently increase service levels over time. The ability to customize care provides for increased accommodation of couples, along with individuals.

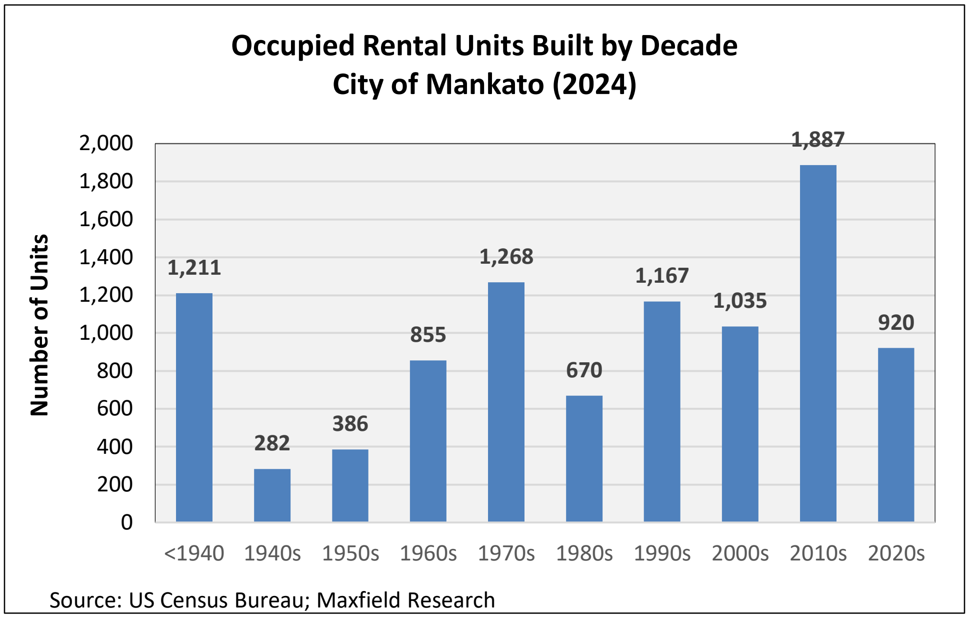
- *Memory Care Component* – Memory care units may be developed in a separate, secured, self-contained wing located on the first floor of a building with its own dining and common area amenities including a secure outdoor patio and wandering area. Some smaller memory care properties mix low acuity memory care residents with assisted living residents if that can be managed effectively. Smaller freestanding memory care facilities and/or those combined with assisted living units should provide the same services as assisted living but should also provide specialized programming targeted to meet the needs of those that have been diagnosed with Alzheimer's or dementia. Memory care is often developed in 12-to-16-unit wings and unit types of studios and one-bedrooms. Monthly rents should start at $3,500 depending on services included and the structure of personal care packages.

Challenges and Opportunities

The following are identified as the current opportunities for development of the recommended housing types and some challenges that are associated with various types of development that where costs and price points and products may be outside of current general market parameters.

- **Affordable Housing/Naturally Occurring Affordable Housing (NOAH)**. Based on the monthly rates of market rate rental properties in Mankato, we estimate that most of the existing older market rate rental stock is affordable to households at or below 60% AMI. Because NOAH housing provides most of the affordable housing to renters, we recommend a proactive approach to maintaining affordability in 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. This should not however, supplant development of new market rate rental housing as new construction units have absorbed well in the market and have generated a move-up rental market, freeing some lower cost units to be occupied by moderate income households.

- **Age of Rental Housing Stock.** An estimated 49% of Mankato's household rent and since 2020, 920 units of new rental housing has been added to Mankato. Most of this housing has absorbed rapidly in the market and there is interest among other developers to bring more market rate rental housing to the City. New rental housing provides contemporary amenities many of today's renters seek, especially among building/community amenities. Many renters today seek the following unit amenities: in-unit laundry, covered parking, walk-in closets, balconies/patios, oversized windows and individually controlled heating and air-conditioning. Community amenities tenants desire today include: community rooms with kitchens and big screen TV's, fitness centers, Wi-Fi, extra storage, outdoor community spaces such as patios with grills, lawns and/or pools, along with a pet-friendly policy and outdoor pet spaces. Additional workforce rental and affordable rentals at price points between 50% and 80% of AMI should be a target to expand the rental stock to reach more moderate income households.



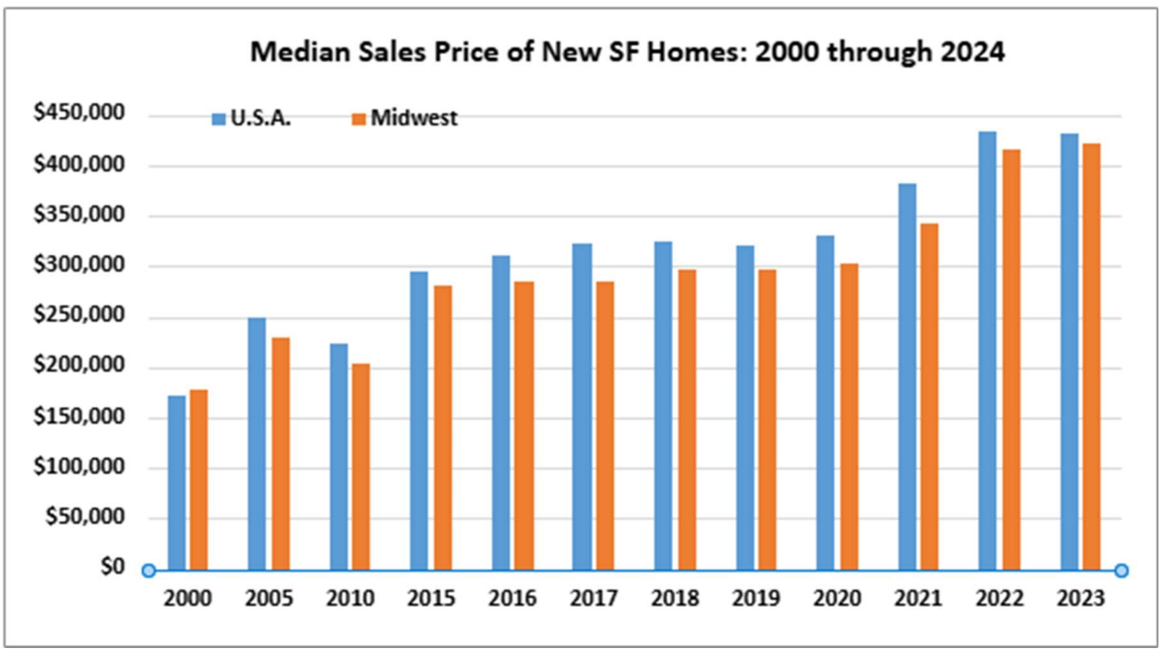
- **Aging Population/Aging Boomers**. As illustrated in Table 3, there was strong growth between 2010 and 2025 in the younger senior population in Mankato, increase of 95.3%. Over the next ten years, growth in the older adult and senior population, primarily among people age 75 years or older will continue and the 65+ population is forecast to account for nearly 25% of the population in 2035. Table 7 shows homeownership rates among older adults and seniors are high, 80% for seniors 55 to 64 and 65 to 74. High homeownership rates among seniors suggest a potential lack of age-restricted housing options or that many seniors prefer to remain in their homes and age in place. Aging in place tends to be higher in rural vs. urban settings as many rural seniors do not view senior housing as an alternative retirement destination but a supportive living option only when they can no longer live independently. Rural areas also tend to have healthier seniors and are also more resistant to change. While this may be true in the smaller cities where it is more difficult to develop age-restricted housing, ownership or rental, in Mankato, we believe that offering age-restricted owned housing options and potentially an affordable senior rental property (moderate income) would expand opportunities for seniors to relocate to more convenience housing options.

- **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 across the U.S.A., as seen in the chart below. New construction pricing peaked in the 2000s 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. Since the Great Recession, it has become increasingly difficult for to construct new entry-level 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.

- Some options that have worked in communities in southern Minnesota include modular construction of single-family homes with assembly at the Site, smaller lot sizes, smaller side yard and rear yard set backs, increased lot coverage ratios and other regulations.

  New construction in Mankato is difficult to achieve under $350,000. At the same time, new construction pricing remains very high coming primarily due to supply and labor constraints for builders, driving up housing costs. Although demand is strong, demand at higher price points is not as strong as demand at entry-level and move-up segments. New construction in the Mankato area commands price points of over $350,000 targeting move-up buyers.

  New construction will be at a premium in Mankato and new construction pricing could be more affordable in Mankato with a public-private partnership or if other incentives are provided to bring down the cost to home buyers.



- **Economies of Scale**. Economies of scale refer to the increase in efficiency of production as the number of goods being produced is increased. Typically, companies or organizations achieving economies of scale lower the average cost per unit through increased production since fixed costs are shared over an increased number of goods. In the housing development industry, generally the more units constructed, the greater the efficiency. For example, larger homebuilders negotiate volume discounts in materials and subcontractors, are more efficient in the land entitlement process, leverage the power of technology and have greater access to and lower costs of capital. In multifamily housing, typically the higher the number of units equates to lower per unit costs. Because of this, construction costs in larger communities may be lower than found in many smaller communities. While infrastructure and construction costs are likely similar from area to area there may be some economies of scale in land costs in Mankato versus the Twin Cities Metro Area.

Table CR-1 showcases our suggested demand for many housing products in Mankato to 2035, many of the products will require some density for the project to be financially feasible. Because demand may not be high enough to support various stand-alone housing concepts new development may require private/public partnerships or the combination of multiple product types to ensure the project can be developed.

- **Housing Programs**. Many communities and local Housing and Redevelopment Authorities (HRAs) offer programs to promote and preserve the existing housing stock. In addition, there are various regional and state organizations that assist local communities in enhancing their housing stocks. We recommend implementing some additional housing programs to assist new development or to maintain and preserve the existing affordable housing stock. The following is a sampling of potential programs that could be explored.

  - 4d Affordable Housing Tax Incentive - Offers rental property owners a 40% tax rate reduction and limited grant assistance for units that remain affordable for ten years. Property owners can invest the savings into updating and maintaining their naturally occurring affordable housing units.

  - 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/public entity absorbs most of the cost. No income restriction.

  - 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/Historic 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 communal 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 either city inspectors or third-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.

- Household and Outside Maintenance for the Elderly (H.O.M.E.) – 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 owner-occupant who has a contract with a builder. Typically, all construction must be completed within an allocated period (one year in most cases).

- 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 highlight home improvements.

- Rental Collaboration - City organizes regular meetings with owners, property managers, and other stakeholders operating in the rental housing industry. Collaborative, informational meetings that includes city staff, updates on economic development and real estate development, and updates from the local police, fire department, and building inspection departments.

- 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.

- 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 Abatement: A temporary reduction in property taxes over a specific time period on new construction homes or home remodeling projects. Encourages new construction or rehabilitation through property tax incentives.

- 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.

- Waiver or Reduction of Development Fees – There are several fees' developers must pay including impact fees, utility and connection fees, park land dedication fees, etc. To help facilitate affordable housing, some fees could be waived or reduced to pass the cost savings onto the housing consumer.

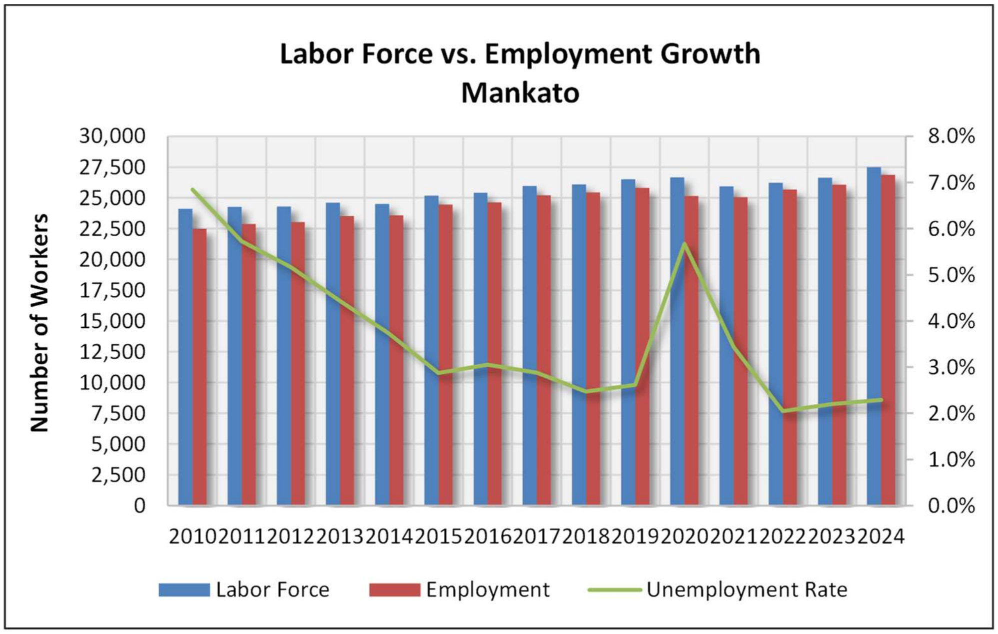
- **Inflation**. U.S. inflation rates hit a new 40-year high of nearly 9% in 2022, the biggest yearly increase since December 1981. Rampant price increases for nearly every good and service and specifically energy and food costs had an impact on American consumers and has affected housing affordability. As a result, the Federal Reserve had been implementing interest rate hikes and increasing borrowing costs to offset a recession. As interest rates have increased for-sale housing demand has slowed and demand for rental housing has increased. This has resulted in higher housing costs for buyers and renters. Housing assets are in higher demand during inflationary times as real estate values tend to hedge inflation and investors seek out rental housing assets as equity continues to grow. In the short-term, household balance sheets will continue to be stretched as rising costs affect households across Minnesota including Mankato. This has hindered housing production in the near term as new construction has become out of reach for a number of prospective segments. Finally, the rising cost of homeowners insurance is also impacting housing affordability as many homeowners are facing premium increases of 20% or more in the past year. Insurance coverages are impacting housing affordability on the buy side as well as existing homeowners that need to cut expenses in other areas to alleviate upward pressure on insurance costs.

- **Job Growth/Employment.** The Covid-19 pandemic created several new challenges for businesses, workers, and government. These unprecedented challenges had an economic ripple effect across the country as thousands of Americans found themselves out of work with increases in unemployment. As depicted earlier, the unemployment rate in Mankato has historically been lower than Blue Earth County and Minnesota. Unemployment peaked at 5.7% in 2020 during the pandemic shutdowns, but fell quickly and has remained below 3% since 2021.

  Employers noted the changes to the job market ushered in by the pandemic. The movement of households to smaller communities and the sudden popularity of remote work. The rise of hybrid, or full time remote, work means that employees can opt to live further away from their workplace as commuting becomes less of a factor.

  Finding permanent employees and those employees being able to find affordable housing is a challenge as employers expand their workforces. Additional rental units, for permanent and short-term housing, will ease some of the burden on employers and attract more prospective employees to the City.

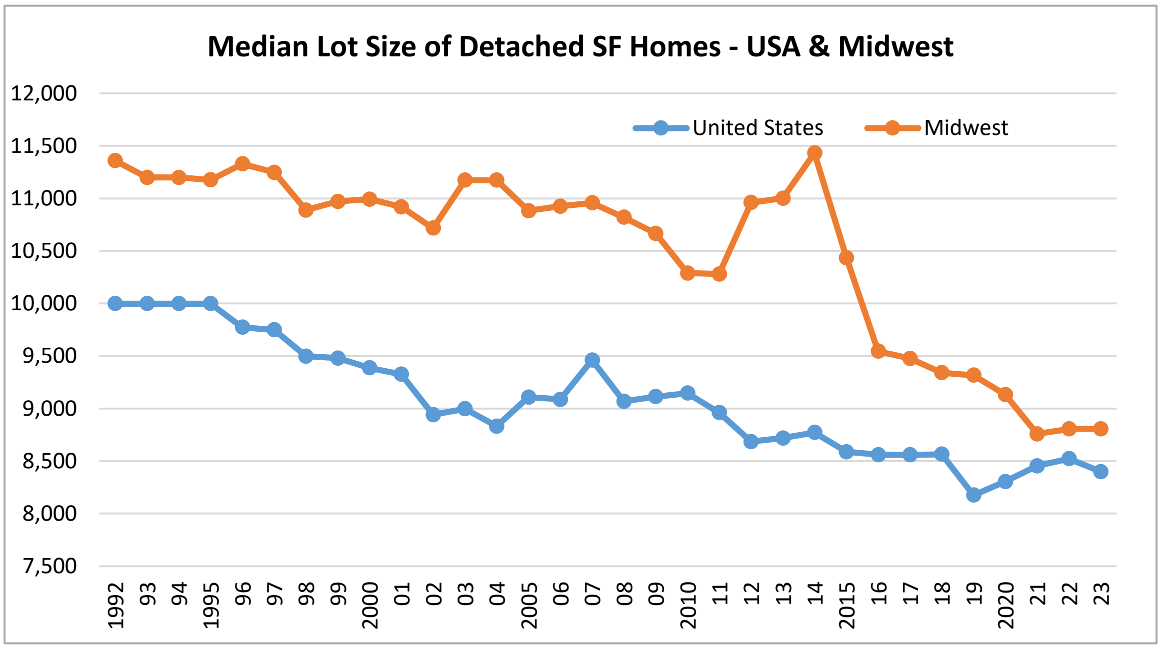
  Mankato is a significant importer of workers as an estimated 21,442 workers commute into the City. Some commuters may be persuaded to move into the City to reduce commute times given the type of housings they desire is available. At the same time, the rise in remote work triggered by the pandemic has persisted, with more employees working remote or hybrid schedules. This presents an opportunity for additional household mobility as the necessity to live near work. Although this may lead to fewer workers who are commuting into Mankato to relocate there, it provides the opportunity to recruit workers and their families from further away.



- **Land Availability/Supply.** Maxfield Research obtained vacant lot supply in Mankato. Based on our research, there are a total of 387 vacant developed lots at the time of this report (excluding scattered or infill-lots). Historically, Mankato has been averaging about 45 new single-family homes per year since 2017. Therefore, the current lot supply is unable to support long-term demand. Furthermore, not all the existing vacant lots may be attractive to home buyers that are seeking specific land for future building such as a lot with topography, walk-outs, look-outs, water frontage, etc. Therefore, new lot subdivisions should be a priority to meet projected demand given the time to bring new lots to the market.

- **Lot Size**: Across Minnesota, the Midwest, and the U.S., there has been a growing trend of lot size compression for decades and especially since the Great Recession. As illustrated in the chart below, the median lot size of a new single-family detached homes in the United States sold in 2019 dropped to its smallest size since the Census Bureau has been tracking lot sizes. Nationwide median lot sizes had dropped below 8,200 square feet (0.19 acres) before increasing after from the pandemic but decreasing in 2023 to combat higher costs. At the same time, lot sizes decreased in the Midwest to its lowest levels recorded in 2021, down about 15% from 2010. Since 2021, lot sizes have been up slightly in the Midwest, contrary to declining sizes in the U.S.

Lot sizes have decreased in part due to increasing raw land prices, 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. Many newer single-family subdivisions across the Midwest now offer 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 larger 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. In an effort to curb rising costs, we recommend allowing compressed lot sizes for new construction to help alleviate costs and maintain affordability.



- **Lender Underwriting/Financing:** Due to inflation, the Federal Reserve has raised interest rates 11x to attempt to keep inflation in-check. The increased borrowing costs has not only impacted mortgages, lines of credit, credit cards, etc. but also the ability to finance new housing construction. Whether it would be new infrastructure for a new housing subdivision or a new multifamily building, the cost of money has ballooned and developers and investors are either putting projects on the shelf or waiting out the market for lower rates.

  Commercial real estate loan volume has dropped sharply as borrowing costs and tighter underwriting have resulted in projects no longer penciling. Most commercial real estate loans are tied to the 10-year Treasury, LIBOR, or SOFR (Secured Overnight Financing Rate). The chart on the following page shows SOFR rates were 0% between 2020 until early 2022; today they are at 4.6% (down from about 5.3% before the three rate cuts from the federal reserve). Lenders often quote the SOFR rate + approximately 200 to 250 basis points, resulting in an interest rate today of about 6.6% to 7.1% for many borrowers. Lenders also require more equity (often upwards of 40%) or deposits in the bank, thus only well-positioned investors and developers are able to move forward today.

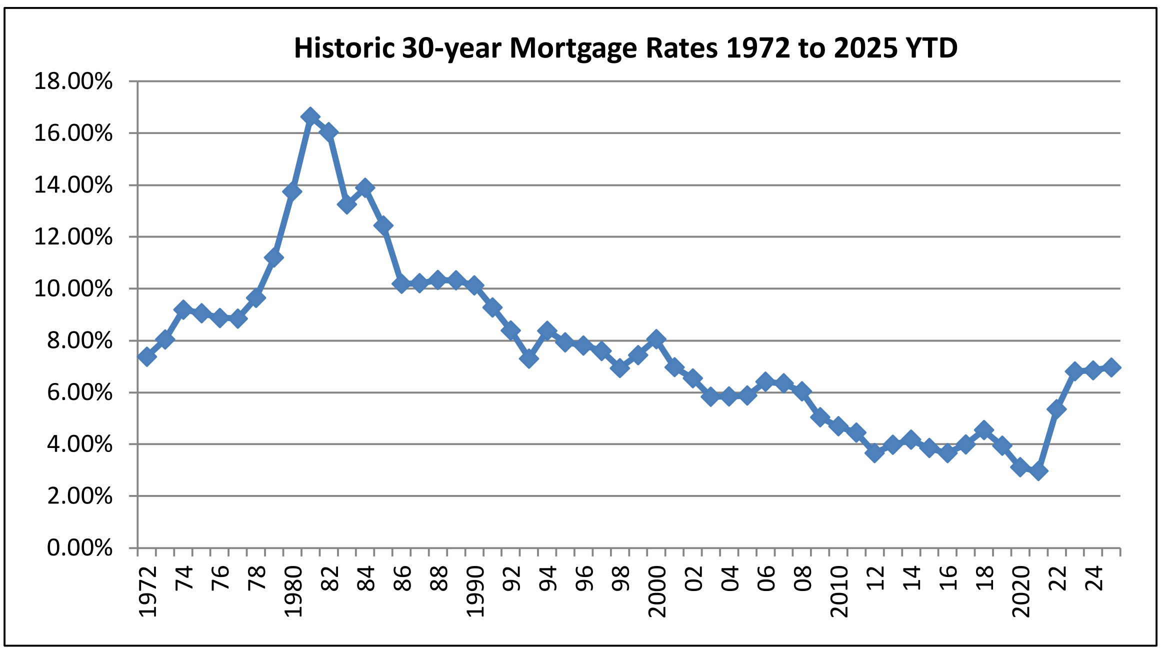
Although we find housing demand for all housing types in Mankato many projects are likely to be “on-hold” until the financing market loosens up in late 2025 and beyond. At the time of this study, the federal reserve is hinting at maybe one or two rate cuts, down from the four to five original rate cuts. This may keep new construction on-hold until more favorable conditions result into 2026.

- **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 manufacturers 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 ad-vantage modular housing provides is time and shaving months of holding costs off the consumer’s bottom line. Originally modular housing was mostly single-family oriented; how-ever, developers are now constructing entire apartment buildings, hotels, senior living, man camps, and college dorms. Historically the biggest challenge of modular housing is transportation, shipping costs, and perception. Modular housing has made huge strides over the decades and are now built on concrete foundations or include basements. The industry continues to battle the stigma of the older mobile homes as the appraisal community continually mis-appraises modular homes due to biases or lack of education on the product. Maxfield Research believes there is opportunity in the modular construction sector that can be utilized in Mankato, providing a win-win scenario by providing housing production and passing cost savings along to consumers.

  If not already so, we recommend revising zoning codes to allow for this type of housing if it is not permitted. However, design standards should be enforced in order to ensure incompatible housing does not deter neighborhoods.

- **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 to maintain the same housing costs. Mortgage rates have stayed at historic lows for most of the past decade trending under 4.5% (30-year fixed) since around 2010. At the on-set of the COVID-19 pandemic, rates plummeted to an all-time low, under 3% for part of 2020 and most of 2021. However, due to a 40-year high inflation the Federal Reserve began hiking rates in 2022 to slow the economy and curtail inflation. The Federal Reserve has implemented 11 rate hikes over the past two years, before cutting rates later in 2024. As a result, the cost of for-sale housing has increased significantly, and many would-be-buyers are on the sidelines and have been priced out of the market. Compared to early in 2022, mortgage payments in early 2024 were on average about 65% higher than the beginning of 2022 (3.25% vs. near 7%). Maxfield Research is projecting some relief in 2025 but with the current economic and political environments, rates are likely to continue to hover at around 6.5% through 2025.

  The following charts illustrate 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%.



- **Multifamily Development Costs.** It will be challenging to construct new market rate multifamily product given achievable rents and development costs. According to a proforma developed by Maxfield Research based on the *2024 National Building Cost Manual*, construction hard costs in Mankato (utilizing construction averages in the Fort Dodge area) will likely average about $120 per square foot (gross). After accounting for land costs and soft costs and today's high financing costs, the total unit cost would result in total development costs of upwards to $150,000 per unit to develop based on a 24-unit multifamily concept. Based on an average unit size of 875 square feet, the average rent to break-even would be approximately $1,500 per month or about $1.71 PSF. These rents are nearly double of the existing rental stock in Mankato that averages $1.02 PSF ($760/month). Based on these costs, it will be difficult to develop stand-alone multifamily housing structures by the private sector based on achievable rents. As a result, a private-public partnership or other financing programs will likely be required to spur development.

- **Private/Public Partnerships ("PPP").** Private/public partnerships are a creative alliance formed to achieve a mutual purpose and goal. Partnerships between local jurisdictions, the private sector, and nonprofit groups can help communities develop housing products through collaboration that otherwise may not materialize. Private sector developers can benefit through greater access to sites, financial support, and relaxed regulatory processes. Public sectors have increased control over the development process, maximize public benefits, and can benefit from an increased tax base.

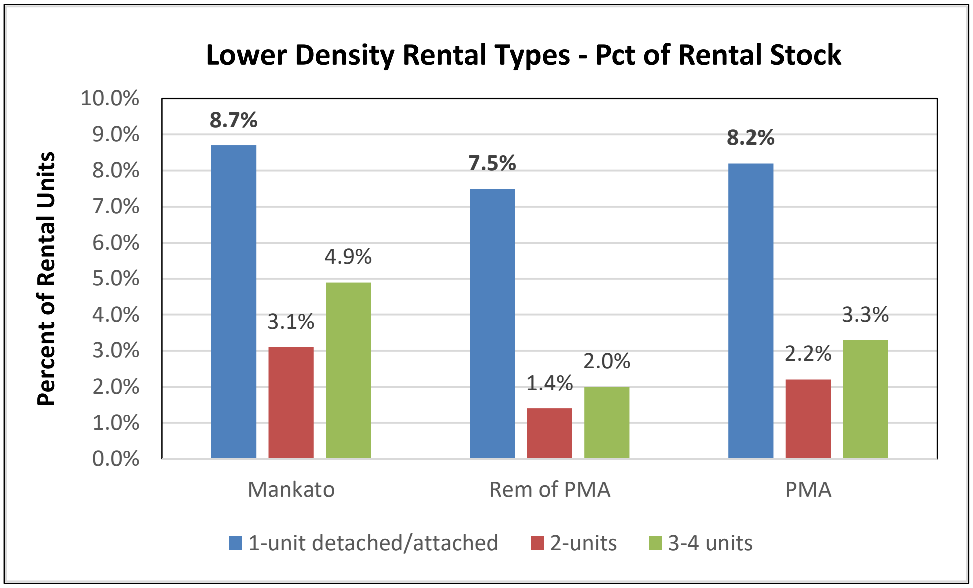
  A number of communities have solved housing challenges through creative partnerships in a variety of formats. Many of these partnerships involve numerous funding sources and stakeholders. Because of the difficulty financing infrastructure and development costs, it will likely require innovative partnerships to stimulate housing development.

- **Rental Housing Options:** Mankato and North Mankato have recently provided most of the new multifamily housing over the past three years with more than 900 new rental units coming on-line in Mankato beginning in 2020. Vacancies at affordable rentals are low as are vacancies at market rate rentals. Mankato has been promoting new rental development and we encourage additional affordable and workforce rental housing to meet the needs in the community.

- **Single-Family Rental Housing Demand.** Table 13 showed that 10% of the rental housing inventory in Mankato in 2025 is within single-unit housing structures. Another 9% of units were located within an attached structure such a townhome or twin home while another 17% are located in duplexes, triplexes, or quads. Nationwide, it is estimated that 25 of the 43 million rental households in the United States (58%) reside in both single-family rentals, townhomes, duplexes, triplexes, and quads.

  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 have the financial backing and are able to acquire larger portfolios.

  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 single-family 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 increased demand for SFR as renters desire more square footage, green space/yards, separate entrances, and more privacy than traditional multifamily structures.



- **Workforce Housing Assistance.** The State of Minnesota had set aside funds for the development of workforce rental housing and there is legislation pending to expand that program with a target for more dollars for communities in greater Minnesota, those which often have fewer resources for the development of this type of housing. The Minnesota Workforce Development Program (WHDP) provides funding for these projects.

Purpose:
To address the lack of housing for workers and their families in areas experiencing job growth.

Location:
Primarily focuses on small to medium-sized cities and communities in Greater Minnesota to provide rental housing where there is proven job growth and demand for workforce rentals.

Funding:
The WHDP, a competitive funding program, provides grants or deferred loans for building new or renovating existing rental units.

Market-rate:
While not subsidized, the housing is designed to be affordable for those earning middle-class incomes in the local area.

Examples:

Projects include new apartment buildings, conversion of non-residential properties, and rehabilitation of existing housing.

APPENDIX

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 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
Blue Earth County – 2024

	Fair Market Rent				
	EFF	1BR	2BR	3BR	4BR
Fair Market Rent	$897	$903	$1,101	$1,552	$1,868

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 are shown in the figure below.

Gross Rent
Blue Earth County – 2024

	Maximum Gross Rent				
	EFF	1BR	2BR	3BR	4BR
30% of median	$528	$566	$679	$784	$875
50% of median	$881	$943	$1,132	$1,308	$1,458
60% of median	$1,057	$1,132	$1,359	$1,569	$1,750
80% of median	$1,410	$1,510	$1,812	$2,093	$2,334
100% of median	$1,762	$2,012	$2,265	$2,515	$2,717
120% of median	$2,115	$2,415	$2,718	$3,018	$3,261

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. 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.