



**Maxfield**  
Research & Consulting

August 15, 2019

## MEMORANDUM

TO: Ms. Chloe McGuire Brigl  
City Planner  
**City of Ramsey**

FROM: Mr. Matt Mullins  
Mr. Max Perrault  
**Maxfield Research and Consulting, LLC**

RE: Summary of Findings from the City of Ramsey Comprehensive Housing Study

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### Introduction

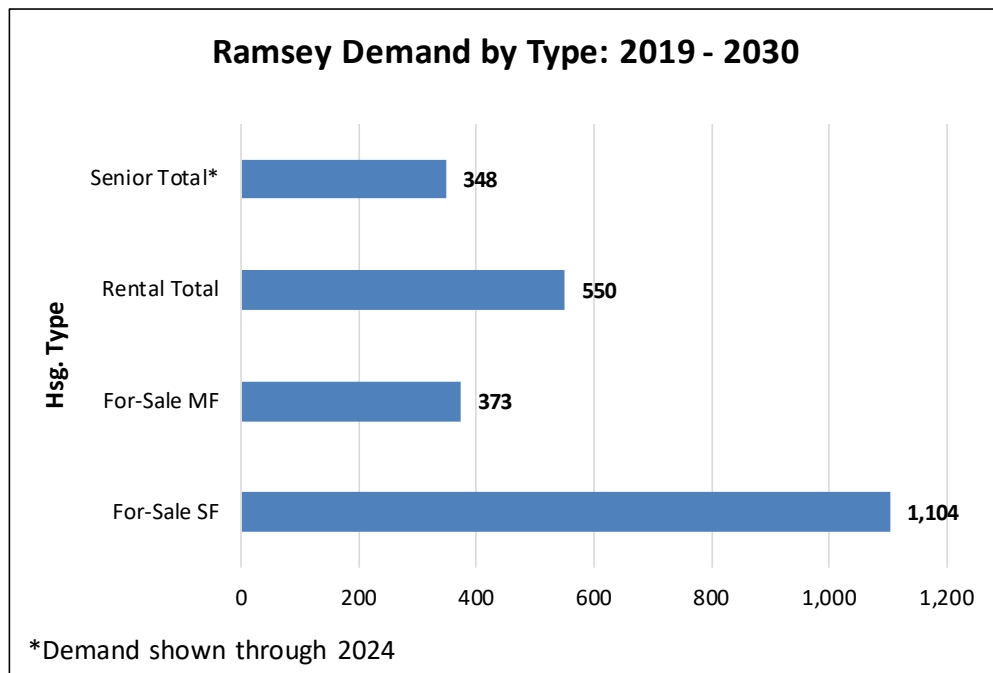
This memorandum provides a summary of findings from the City of Ramsey Comprehensive Housing Market Study completed by Maxfield Research and Consulting, LLC. The Housing Market Study provides recommendations on the amount and types of housing that should be developed in order to meet the needs of current and future households who choose to reside in Ramsey.

The housing needs market assessment lays out the demographic, economic, and housing market performance in Ramsey for expanding housing opportunities. The analysis is the first step in addressing local housing issues and is intended to lay the groundwork for establishing housing goals, priorities, and strategies for meeting the demand. Furthermore, the analysis will assist local builders/developers and financial institutions through streamlining their respective due diligence process. The following are key takeaways from the analysis:

1. Population and household growth have been strong this decade, but down compared to last decade (+28%). However, growth is projected to pick up next decade increasing by 23%. New growth will result from continued for-sale development and multifamily housing constructed in the neighborhoods within or adjacent to the COR. This area will be favored for higher density housing due to the proximity to transit, retail, services, and parks.
2. The largest adult age cohorts in Ramsey are those ages 45 to 54 years old (“Gen X”) and those 25 to 34 years old (“Millennials”). Both age cohorts account for nearly 15% of the population in 2019. Many of the Gen X generation are move-up homebuyers today; while the Millennial generation consists primarily of rents and first-time home buyers.
3. Baby boomers (born 1946 to 1964) and other older adults are aging and posting substantial growth over the next five years (+22% 65 to 74 years old and +70% 75+ year old’s). These cohorts also have high homeownership rates and will seek alternative maintenance-free housing products (both rental and for-sale).
4. Ramsey has larger household sizes compared to Anoka County and the Metro Area and is composed of a higher percentage of three- and four-person households (families with children). Nearly 40% of all households in the city are three- or four-person households, while just over a third are two-person households. Only 15% of Ramsey household are living along; compared to 29% in the Metro Area.
5. The City of Ramsey residents are relatively affluent compared to neighboring communities posting median household income of \$92,484 in 2019 (compared to \$79,980 in Anoka County). Non-senior households (Under 65) median incomes are \$106,309, while median income for seniors (65+) are \$76,448.
6. The median year built for a home in Ramsey is 1993 and over 50% of the housing stock was built in the past two decades. As such, Ramsey has a newer housing stock compared to most Twin Cities suburban communities. At the same time, about 23% of the housing stock in Ramsey was constructed in the 1970s, a portion of the housing stock in Ramsey may be in need of remodeling programs that reinvestment into the city’s owner and renter housing stock.
7. Since the recession, Ramsey has experienced significant new apartment development this decade. Over 515 units multifamily developments have been delivered since 2008, while nearly 500 additional units are in the planning phases. Most of this new construction has been developed in the COR.
8. Based on the rental rates among the rental housing stock inventoried in Ramsey, about 38% of the market rate rental units are considered affordable at 50% and 60% AMI. Although the majority of new rental housing in Ramsey is considered move-up or luxury rentals; 62% of all units in Ramsey are considered affordable at 80% AMI. Because the rental housing

stock in Ramsey is newer, market rate rents are higher than other Anoka County communities. The new rental housing development in the COR has targeted “lifestyle renters” or those with higher incomes who have enough money to buy a house but choose to rent for the convenience and lifestyle. Many of these renters may be cost burdened, but they choose so for the location, amenities, and proximity to transit.

9. Housing prices in Ramsey are at the peak; posting a median resale value of \$259,594. The median sales price has increased 33% since 2008 and the median days on market is at all-time low, down from 139 days in 2008 to 21 days in 2018. The percentage of lender-mediated properties peaked in 2011 (39%) but is about 3% today. Even with the peak housing values, housing costs are relatively affordable compared to last decade given the continued low mortgage interest environment.
10. Strong housing demand is projected through 2030. Over this time, demand (after subtracting projects in the planning phases) is projected for roughly 550 general-occupancy units and 348 senior housing units. Finally, for-sale housing demand over the next decade shows a need for nearly 1,500 housing units. Based on the current vacant lot supply and lot absorption, newly platted lots will be needed soon to meet the growing demand for new construction.



RECOMMENDED HOUSING DEVELOPMENT				
CITY OF RAMSEY				
2019 to 2030				
		Purchase Price/ Monthly Rent Range <sup>1</sup>	No. of Units	Development Timing
<b>Owner-Occupied Homes</b>				
<i>Single Family</i>				
	Entry-level	<\$300,000	350 - 400	Ongoing
	Move-up	\$300,000 - \$500,000	550 - 600	Ongoing
	Executive	\$500,000+	350 - 400	Ongoing
	<b>Total</b>		<b>1,250 - 1,400</b>	
<i>Townhomes/Twinhomes/Detached Townhomes<sup>4</sup></i>				
	Entry-level	<\$250,000	225 - 250	Ongoing
	Move-up	\$250,000 - \$400,000	200 - 225	Ongoing
	Executive	\$400,000+	150 - 175	Ongoing
	<b>Total</b>		<b>575 - 650</b>	
<b>Total Owner-Occupied</b>			<b>1,825 - 2,050</b>	
<b>General Occupancy Rental Housing</b>				
<i>Market Rate Rental Housing</i>				
	Apartment-style (moderate)	\$900/EFF - \$1,800/2BR+D	175 - 200	2021+
	Apartment-style (luxury)	\$1,100/EFF - \$2,600/3BR	100 - 120	2023+
	Townhomes	\$1,600/2BR - \$1,900/3BR	120 - 140	2020+
	<b>Total</b>		<b>395 - 460</b>	
<i>Affordable Rental Housing</i>				
	Apartment-style	Moderate Income <sup>3</sup>	70 - 80	2022+
	Townhomes	Moderate Income <sup>3</sup>	40 - 50	2020+
	<b>Total</b>		<b>110 - 130</b>	
<b>Total Renter-Occupied</b>			<b>505 - 590</b>	
<b>Senior Housing (i.e. Age Restricted) - 2019 to 2024</b>				
	Senior Coop./Ownership Active Adult	\$150,000 - \$200,000+	60 - 70	2020+
	Active Adult Affordable Rental <sup>5</sup>	Moderate Income <sup>3</sup>	70 - 80	2020+
	Independent living/Congregate	\$1,800/1BR-\$2,500/2BR	80 - 100	2020+
	Assisted Living	\$3,000/EFF - \$5,500/2BR	20 - 24	2024+
	Memory Care	\$4,000/EFF - \$6,000/2BR	40 - 50	2020+
	<b>Total</b>		<b>270 - 324</b>	
<b>Total - All Units</b>			<b>2,600 - 2,964</b>	
<sup>1</sup> Pricing in 2019 dollars. Pricing can be adjusted to account for inflation.				
<sup>2</sup> For-Sale Multifamily includes a variety of multifamily product types; including twinhomes, villas, detached townhomes, row homes, quads, etc.				
<sup>3</sup> Affordability subject to income guidelines per Minnesota Housing Finance Agency (MHFA). See Table HA-1 for Anoka County Income limits.				
<sup>4</sup> Alternative development concept is to combine active adult affordable and market rate active adult into mixed-income senior community				
<b>Note - Recommended development does not coincide with total demand. Ramsey may not be able to accommodate all recommended housing types based on land availability and development constraints.</b>				
Source: Maxfield Research & Consulting, LLC				