

Comprehensive Housing Needs Analysis for the City of Golden Valley, Minnesota



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Cherrie Shoquist
Housing and Economic Development Manager
City of Golden Valley
7800 Golden Valley Road
Golden Valley, MN 55427

Dear Ms. Shoquist:

Attached is the *Comprehensive Housing Needs Analysis for Golden Valley, Minnesota* conducted by Maxfield Research and Consulting, LLC. The study projects housing demand from 2023 through 2035 and provides recommendations on the amount and type of housing that could be built in Golden Valley to satisfy demand from current and future residents over the next decade. The study identifies a potential demand for over 2,600 new housing units through 2035 divided between general-occupancy housing (53%) and age-restricted senior housing (46%).

Overall, the housing market in Golden Valley has been strong during and through the COVID-19 pandemic for all housing sectors. Golden Valley continues to be a highly active new construction rental housing submarket in The Twin Cities and several more projects are under construction and approved. Despite new supply, the rental housing vacancy rate is 3.6% and below market equilibrium. Golden Valley has also been a high-demand for-sale market through the pandemic as buyers desired an inner-ring suburb location. Median sales prices are up nearly 20% from early 2020. However, the recent uptick of mortgage rates led by the Federal Reserve's fight on inflation has moderated appreciation and sales velocity is down. Most senior housing property occupancies have recovered from the pandemic while senior housing is poised for strong growth this decade due to the aging of the population.

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

If you have any questions or need additional information, please contact us. We have enjoyed conducting this study for you.

Sincerely,
MAXFIELD RESEARCH AND CONSULTING, LLC

A handwritten signature in black ink that reads "Matt Mullins".

Matt Mullins
Vice President
Attachment

A handwritten signature in black ink that reads "Brian M. Smith".

Brian Smith
Senior Associate

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KEY FINDINGS

This section highlights key findings from the Comprehensive Housing Needs Analysis completed for the City of Golden Valley. Calculations of projected housing demand are provided through 2035 for general occupancy rental and for-sale housing and through 2028 with age-restricted senior housing. In addition, recommendations for housing products to meet demand over the short-term are found in the *Conclusions and Recommendations* section of the report.

Key Findings

1. Despite the COVID-19 pandemic, the Golden Valley housing market and economy has fared better than expected and outperformed many Metro Area communities. In fact, Golden Valley continued to be a preferred location for new construction rental housing while home buyers flocked to Golden Valley during the pandemic. Home prices increased by 16% since early 2020 as younger home buyers sought out homeownership opportunities in a first-ring suburb. At the same time, the unemployment rate in Hennepin County has fallen back down to a new record low (2.5%) although the labor force has not fully recovered from its high in 2020.
2. Although Golden Valley is largely built-out, the City continued to experience population growth over the last two decades. Between 2000 and 2010 the city grew by 0.4% while between 2010 and 2020 the city grew by an even greater 10.7%. More recently, over the past three years, Golden Valley has estimated to have grown by 5.0% to 23,688 people by 2023. Growth of the city can largely be attributed to the multifamily housing boom that has occurred over the past decade. Continued growth in the City will be reliant on infill, redevelopment, and rather dense housing types.
3. Golden Valley's near-term growth is led by the Millennials and Baby Boomers and seniors. The aging of the population is led by projected growth in the 75 to 84 age cohort (27.5%) through 2028. This shift will result in demand for alternative housing products; both for-sale and rental housing types. At the same time, there is moderate growth projected in the Millennial generation (3.6%) that will be seeking first-time home ownership opportunities and quality rental housing.
4. Rental housing is the key driver to Golden Valley and its growth. Since 2010, Golden Valley has permitted over 1,475 multifamily units compared to only 161 single-family units. This is evidenced by the City growing from 22% of renters in 2010 to 27% of estimated renters 2023. Numerically, those 25 to 34 represent the largest number of estimated renters (668 people), or 24% of all renters.
5. Rental housing in the City is primarily comprised of market rate housing. In Maxfield's survey, market rate rental housing comprised nearly 92% of all units followed by income restricted subsidized housing, representing 5.3% of all units, and affordable housing units, representing 2.9% of all units. Combined, the overall vacancy rate is less than 4%

KEY FINDINGS

across all stabilized projects regardless of income. At the same time, only about 27% of the market rate rental stock is considered naturally occurring affordable housing affordable at 50% and 60% of AMI.

6. As detailed previously, Golden Valley's senior population is growing over the course of the decade. However, the senior housing market is still recovering from lost occupancies through the course of the pandemic. Golden Valley has added 88 independent living, 88 assisted living, and 16 memory care units since 2020. Although active adult product has virtually no vacancies, independent living, assisted living, and memory care all posted vacancy rates at or nearing stabilization. Maxfield Research projects another year plus to surpass stabilized occupancy after the pandemic. Therefore, demand will be strongest for active adult and independent seniors in the short-term while service-intensive demand will grow over the course of the decade.
7. The for-sale market homes prices have increased significantly since 2018 as the median sale price is up about 37% to an all-time high of over \$472,424 through year-end 2022. Golden Valley has been an exceptionally strong housing market as buyers flocked to the inner-ring suburban location as buyers desired yards and more elbowroom during the pandemic. However, price acceleration has leveled with the rapid uptick in mortgage rates over the past year that has resulted in few homes for sale and an affordability crunch on buyers. Home sales will remain depressed until buyer confidence returns with stabilized mortgage rates and consumer confidence related to the health of the economy.
8. The lack of available land, comprised with the high cost of redevelopment, make the construction of new for sale and rental housing a challenge especially in a high interest rate environment. This makes housing affordability a particular issue in the City as buyers are on the sidelines and renters are facing rent inflation due in-part to the high inflation conditions property owners are facing for labor, property taxes, insurance, utilities, etc. New construction is expected to be muted in the short-term as buyers put new home purchases on-hold while apartment developers are faced with increasing debt service and tighter underwriting policies. As such, new multifamily construction should slow in the short-term as buyers and developers wait out the market in anticipation for lower interest rates.

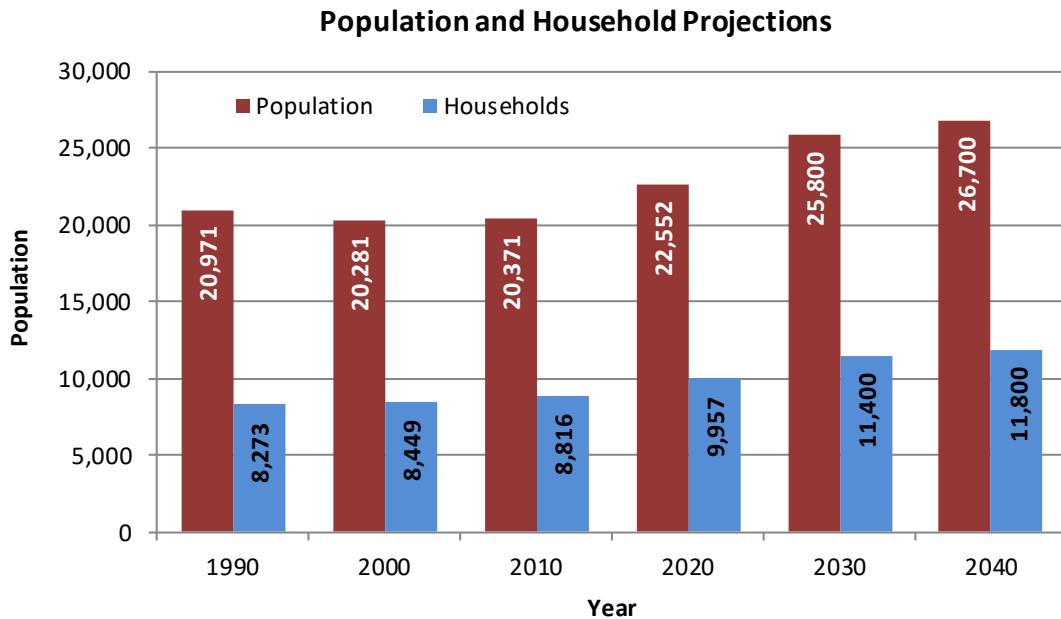
Purpose and Scope of Study

Maxfield Research and Consulting LLC (i.e. “Maxfield Research”) was engaged by the City of Golden Valley to conduct a *Comprehensive Housing Needs Analysis* for the City of Golden Valley. The Housing Market Study provides recommendations on the amount and types of housing that should be developed to meet the needs of current and future households who choose to reside in Golden Valley.

The scope of this study includes: an analysis of the demographic and economic characteristics of the City; a review of the characteristics of the existing housing stock, building permit trends, and residential land supply; an analysis of the market condition for a variety of rental and for-sale housing products; and an assessment of the need for housing by product type in the City. Recommendations on the number and types of housing products that should be considered in the City are also supplied.

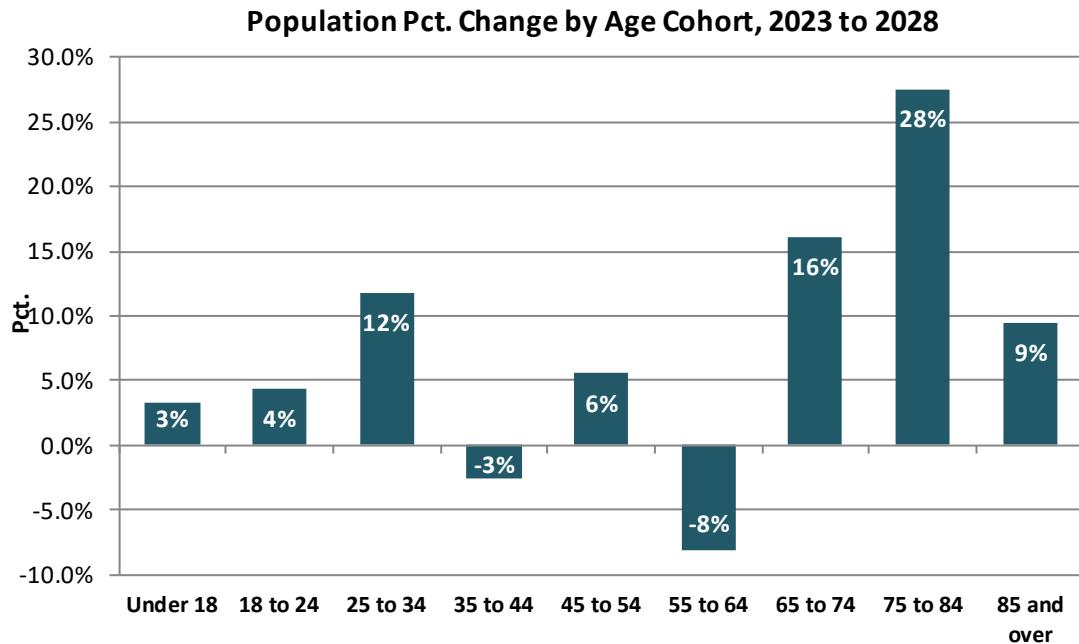
Demographic Analysis

- As of the 2020 Census, the City of Golden Valley had 22,552 people and 9,957 households. The City of Golden Valley grew by 2,181 people and 1,141 households between 2010 and 2020 and is forecast to grow by another 3,248 people and 1,443 households between 2020 and 2030. After reviewing the demographic data, the market conditions, current and future development within the city, we believe the growth projections by the Metropolitan Council are accurate for the City of Golden Valley.

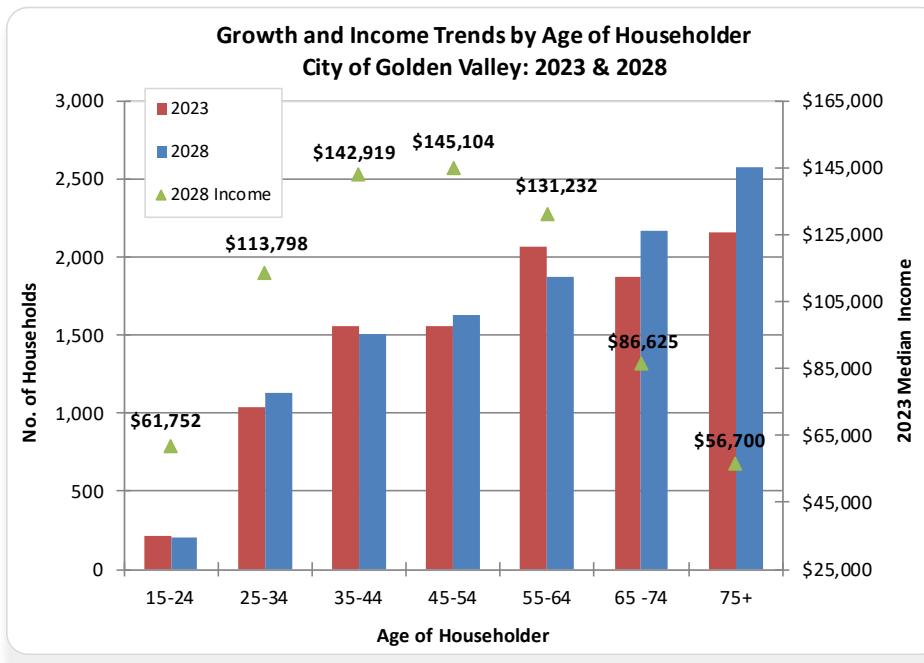


EXECUTIVE SUMMARY

- From 2023 to 2028, growth is expected in all ages except 35 to 44 and 55 to 64 year olds. The 65 to 84 age cohorts are projected to have the greatest growth (percentage and numerically) increasing by 1,057 people (21%) in Golden Valley between 2023 and 2028.



- The Golden Valley Market Area had an estimated median household income of \$109,122 in 2023. Incomes are projected to increase by 13% to \$122,927 in 2028.



EXECUTIVE SUMMARY

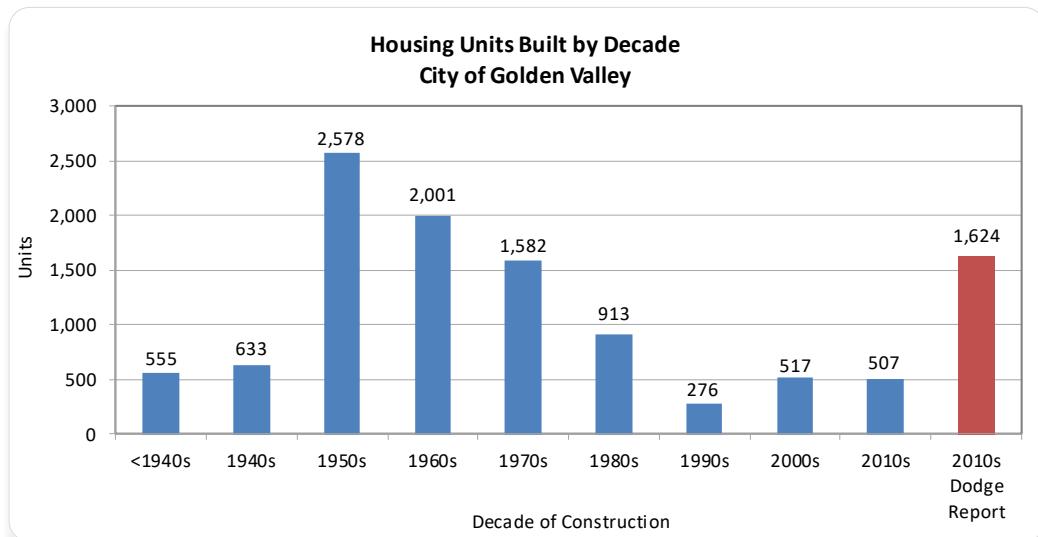
- Between 2010 and 2020, homeownership rates decreased from 81.5% to 77.8% in the City of Golden Valley. The homeownership rate is estimated to have declined again by 2023 to 73%. This is likely the result of Golden Valley being fully developed and the large boom in the rental housing market.
- Married without Children and Living Alone households accounted for the highest household type percentage in 2023 with both at 32%. Living Alone households is estimated to have experienced the largest growth at 25% from 2010 to 2023 followed by Married without Children at 20%. This is a result of the aging population of the City.

Employment Analysis

- Golden Valley lost nearly 4,450 jobs (13%) from 2010 to 2020. The majority of these jobs were lost during the Covid-19 pandemic that occurred in 2020. It is estimated that these jobs have remained lost through Q3 2022 as Golden Valley jobs numbered 28,478. Growth in employment is projected by 2030 with a gain of 2,155 jobs (8%).
- Of the roughly 34,270 workers who work in Golden Valley, 3.1% live in Golden Valley according to the 2019 US Census Bureau Local Employment Dynamics data. The majority of workers are commuting from Minneapolis (11%), Plymouth (5.5%) and St. Paul (4%). Golden Valley is considered a major importer of workers as over 97% of the employees working in Golden Valley are from other communities.

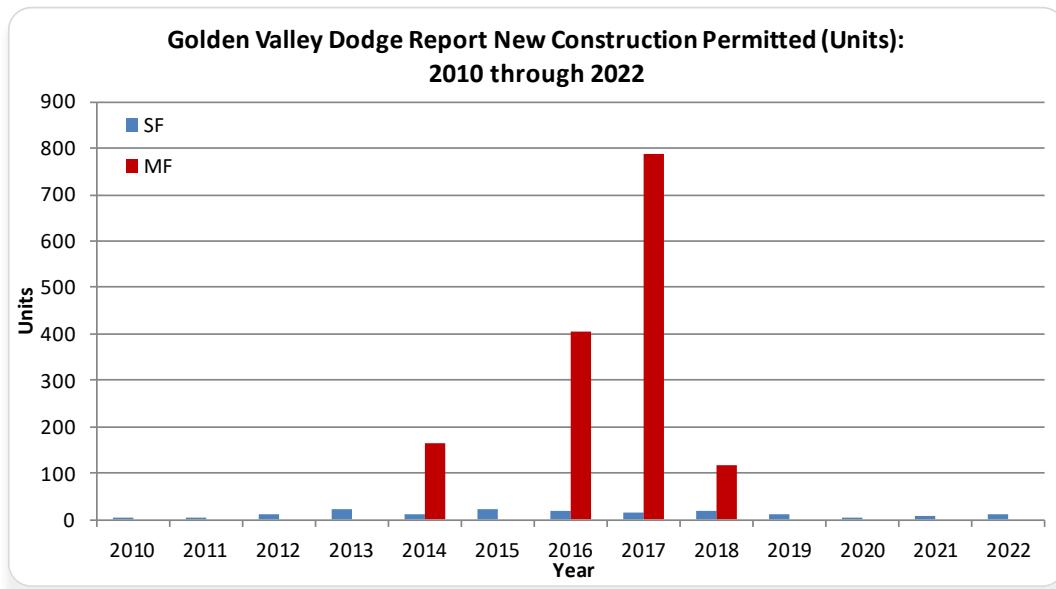
Housing Characteristics

- According to the estimates from the US Census ACS data, just under one-half of Golden Valley's homes were constructed in the 1950s and 1960s (48%). Homes built after 2000 accounted for 11% of Golden Valley's housing stock.



EXECUTIVE SUMMARY

- Based on the Golden Valley Dodge Report, Golden Valley has added 15% of the overall housing stock since 2010. The majority of this has been renter occupied units. There were 1,477 multifamily units added since 2010, this accounts for 41% of renter-occupied housing stock.
- Per the City of Golden Valley, there were 1,642 units permitted from 2010 to 2022. The City of Golden Valley 126 units per year over the period. Single family and townhome housing accounted for average of about 13 units per year and multifamily units 114 units per year.
- Beginning in 2014, permitted units rapidly increased due the number of approved multifamily developments. Between 2014 and 2018, the City of Golden Valley added all 1,477 multifamily units over the decade.



- Approximately 66% of Golden Valley homeowners have a mortgage compared to 71% of Hennepin County and the Metro Area. About 11.5% of homeowners with mortgages also have a second mortgage or home equity loan.
- The median owner-occupied home in the City of Golden Valley is \$329,300 in 2020. Approximately 76% of the owner-occupied housing stock in the City of Golden Valley was estimated to be valued at \$250,000 or greater.
- The median contract rent in Golden Valley was \$1,267 per month in 2020. Based on a 30% allocation of income to housing, a household would need an income of about \$50,680 to afford the median contract rent in Golden Valley.

EXECUTIVE SUMMARY

Housing Affordability

- In Golden Valley, about 49% of renter households and 19% of owner households are estimated to be paying more than 30% of their income for housing costs. The percentage of cost burdened renter households is higher than the Metro Area of 46% and owner households at 18%.
- The Metropolitan Council HRA administers over 7,060 housing choice vouchers in nearly 100 communities in the Metro Area. Golden Valley is home to less than 1% (47 vouchers) of the housing choice vouchers.
- An estimated 48% of existing renter households can afford to rent a one-bedroom unit in Golden Valley (\$1,275/month) and an estimated 37% that can afford an existing two-bedroom unit (\$1,670/month), and only 20% of renter households can afford existing three-bedroom units.
- Approximately 59% of all PMA households could afford to purchase an entry-level home in Golden Valley (\$300,000) and 40% of all households would income qualify for move-up buyers (\$450,000).

Rental Housing Market Analysis

- In total, Maxfield Research inventoried 1,951 general occupancy rental units in Golden Valley spread across 24 multifamily developments. At the time of the survey, there were 83 vacant units resulting in an overall vacancy rate of 3.9%. Typically, a healthy rental market maintains a vacancy rate of roughly 5%, which promotes competitive rates, ensures adequate consumer choice, and allows for unit turnover.
- The average market rate rent in Golden Valley has increased by 37% from 2016 to 2023, just over 4.6% growth per year.

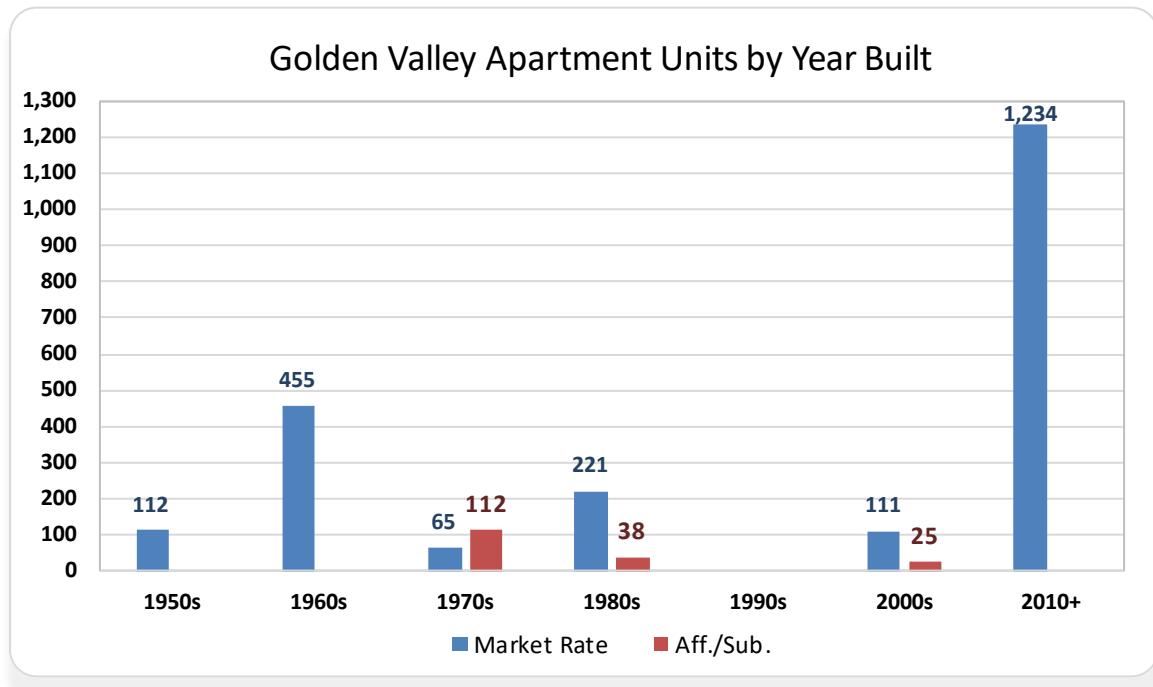
<u>Average Rent</u>	
2016	- \$1,293
2023	- \$1,771

- The average market rate rent per square foot for market rate rentals is \$1.91 with studio being the highest at \$2.53 and two-bedroom plus den units being the lowest at \$1.34 rent per square foot.

<u>Average Rent PSF</u>	
2016	- \$1.43
2023	- \$1.91

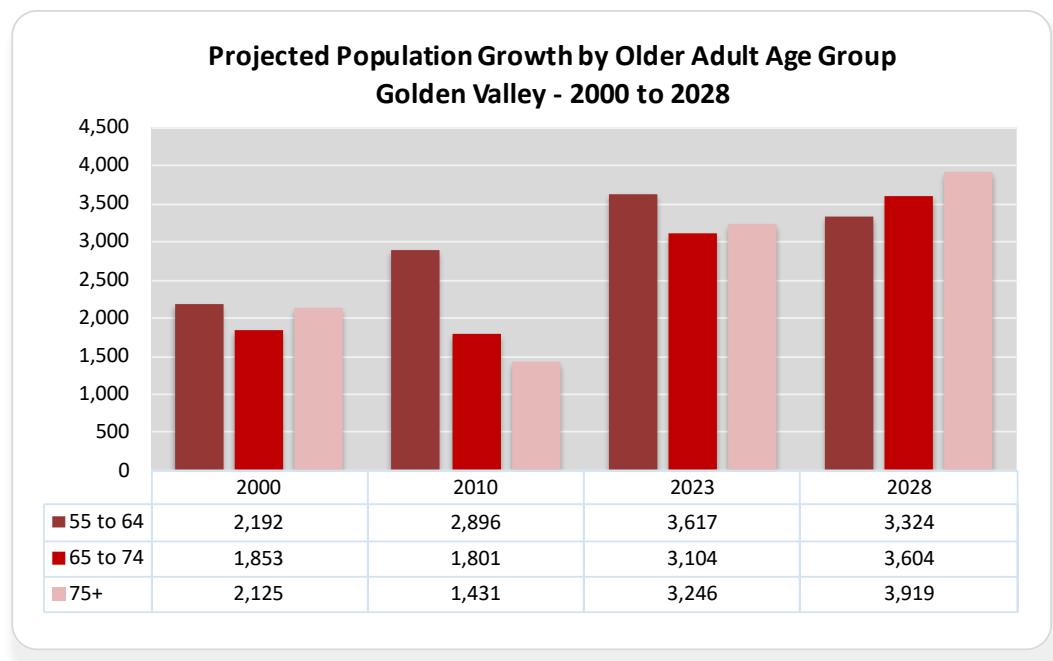
EXECUTIVE SUMMARY

- Market rate projects make-up 1,951 units and a total of 83 unit vacancies were found, resulting in a market rate rental project vacancy rate of 4.3%.
- Affordable/subsidized projects make-up 175 units and posted no vacant units.
- Golden Valley has added 1,234 new market rate apartment units since 2010. This equates to 56% of the market rate units and 52% of the overall units surveyed.



Senior Housing Market Analysis

- Senior housing is a concept that generally refers to the integrated delivery of housing and services to 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.
- The strongest growth is predicted to occur among older adults. Aging of baby boomers led to an increase of 1,303 people (72%) in the 65 to 74 population between 2010 and 2023 in Golden Valley. As this group ages, the 75 and older cohort is projected to grow by 27.5% (557 people) while the 65 to 74 age group will also grow by 16% (500 people).



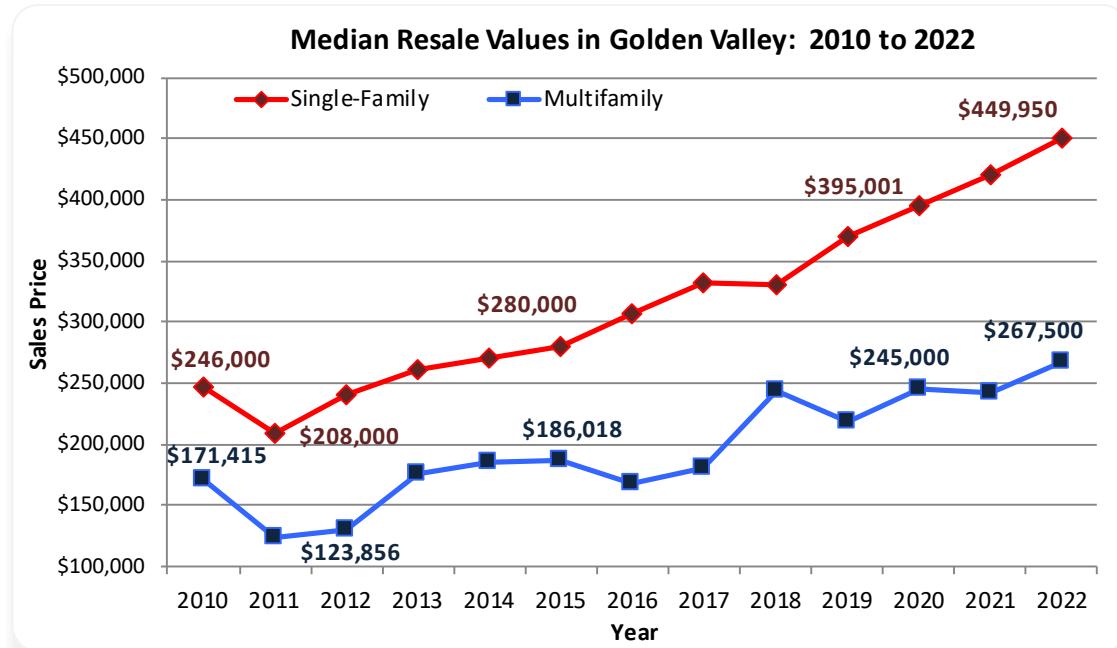
- Maxfield Research identified eight senior housing properties in Golden Valley with 983 units of which 70% of the units provide service-enhanced housing. These include 88 independent living units, 251 assisted living units and 98 memory care units. Active adult housing consists of 119 market rate units and 202 subsidized units. There is also one CCRC (Continuum of Care Retirement Community) property with 249 independent living units.
- At the time of the survey, there were 22 vacant service-enhanced units (5.0% vacancy rate), including two memory care vacancies (3.1% vacancy) and 16 assisted living vacancies (5.6%). Independent living units had five vacancies (5.7%). The market rate active adult units were 2.5% vacant (three vacancies), while the subsidized senior properties were fully occupied.
- A 93% occupancy rate is generally considered equilibrium in assisted living and memory care housing, while 95% occupancy considered equilibrium in independent living and active adult. As such, the current supply of service-enhanced units appear to be at equilibrium (potentially high from the pandemic), while the active adult units appear to be undersupplied.

For-Sale Housing Market Analysis

- Golden Valley has averaged 366 resales of for-sale housing annually since 2010. Transaction activity has increased since 2015 averaging 409 resales over that period. Lower activity occurred at the tail end of the recession in 2010 through 2012 with the average being 256 home resales per year. The lowest resale point over the period was in 2010 with 194 resales.

EXECUTIVE SUMMARY

- The median resale price of single-family homes in Golden Valley was 54% higher in 2022 (\$449,950) when compared to the lowest median value during the period in 2011 (\$208,000). Other than from 2017 to 2018, home sales have appreciated exponentially year over year by an average of 7% since 2011.



- The increasing appreciation of home prices is having a significant effect on many first-time homebuyers as home prices are increasing faster than wage growth and until recently, inflation.
- The resale prices in Golden Valley has shifted higher since 2015. The percentage shift over the period is shown below.

	<u>2015</u>	<u>2022</u>
\$100,000 to \$299,999	63%	12%
\$300,000 to \$449,999	22%	44%
\$450,000+	13%	42%

- Single-family housing stock has accounted for 82% of the resale volume in Golden Valley since 2010. Multifamily for-sale housing products are more affordable and the average median resale price from 2010 to 2022 are priced about 60% lower than the single-family housing stock.
- Inventory (i.e. homes for sale) has been low recently with only 31 homes listed in Golden Valley at a point in time on March 6th, 2023; resulting in a tight market of homes for sale for buyers. About one-third of the overall listings were priced over \$500,000 and more than half of the single-family listings.

EXECUTIVE SUMMARY

- Based on the median list price of a single family home at \$509,900 as of March 6th, 2023, the income required to afford a home at this price would be about \$145,685 to \$169,970 based on the standard of 3.0 to 3.5 times the median income (and assuming these households do not have a high level of debt).
- As a fully developed first-ring suburban community, there are few available lots for new for-sale construction in the City of Golden Valley. Only one new project is truly marketing at this time – *Greenway Villas* – a seven-unit detached villa project by Ron Clark Construction is marketing villas in the upper \$1 million.

Development Pipeline

- Discussion with the City of Golden Valley indicates that there are five developments planned, pending, or under construction.

General Occupancy

○ Sentinel	Proposed - 303 rental units (247 MR/ 46 Affordable)
○ 1113 Douglas Dr.	Approved - 207 market rate rental units
○ Xenia Apts.	UC - 354 market rate rental units
○ Greenway Villas	UC - 7 market rate for-sale units

Housing Needs Analysis Summary

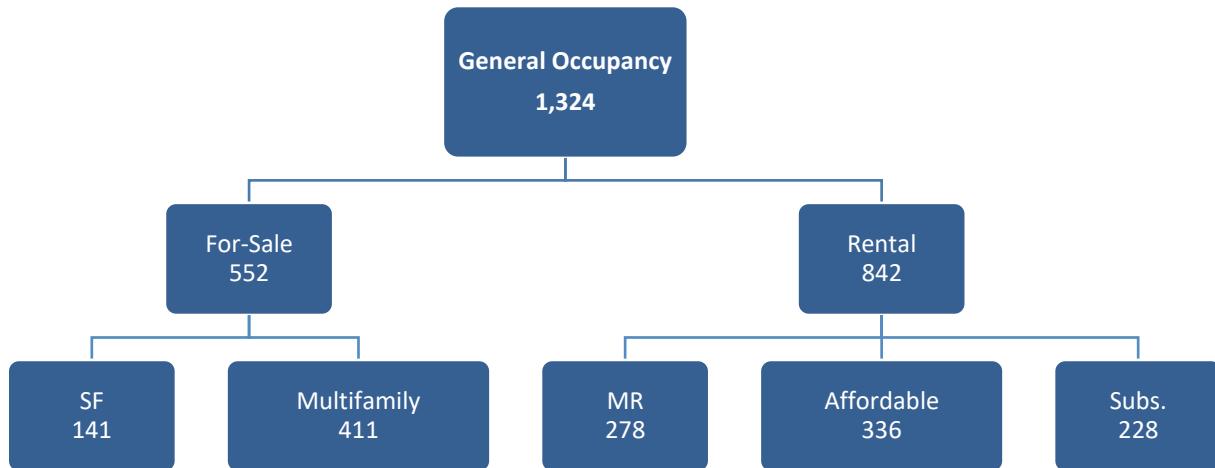
- Based on our calculations, demand exists in Golden Valley for the following general occupancy product types between 2023 and 2030:

○ Market rate rental	278 units
○ Affordable rental	336 units
○ Subsidized rental	228 units
○ For-sale single-family	141 units
○ For-sale multifamily	411 units
- In addition, we find demand for multiple senior housing product types. By 2028, demand in Golden Valley for senior housing is forecast for the following:

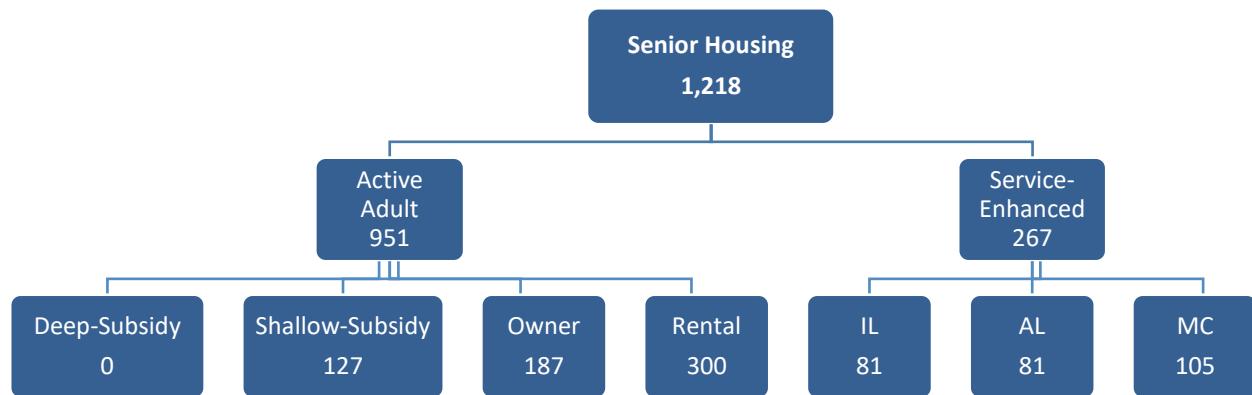
○ Active adult ownership	187 units
○ Active adult market rate rental	300 units
○ Active adult affordable	127 units
○ Active adult subsidized	0 units
○ Independent Living	81 units
○ Assisted Living	81 units
○ Memory Care	105 units

EXECUTIVE SUMMARY

Golden Valley Projected General Occupancy Demand, 2023 – 2035



Golden Valley Projected Senior Demand, 2023 – 2028



EXECUTIVE SUMMARY

RECOMMENDED HOUSING DEVELOPMENT Golden Valley 2023 to 2035						
	Purchase Price/ Monthly Rent Range ¹	No. of Units	Development Timing			
Owner-Occupied Homes						
<i>Single Family</i> ²						
Move-up	\$450,000 - \$699,999	40 - 50	Ongoing			
Executive	\$700,000+	60 - 70	Ongoing			
Total		100 - 120				
<i>Townhomes/Twinhomes/Villas</i> ²						
Attached Townhomes	\$400,000 - \$600,000	190 - 210	Ongoing			
Twinhomes / Detached Townhomes/Villas	\$600,000+	40 - 50	Ongoing			
Total		230 - 260				
<i>Condominiums</i>						
Entry-level	<\$350,000	30 - 35	2025+			
Move-up	\$350,000 - \$500,000	50 - 60	2025+			
Executive	\$500,000+	50 - 55	2025+			
Total		130 - 150				
Total Owner-Occupied				460 - 530		
General Occupancy Rental Housing						
<i>Market Rate Rental Housing</i>						
Apartment-style (moderate)	\$975/Eff - \$2,200/3BR	100 - 120	2026+			
Apartment-style (luxury)	\$1,100/Eff - \$3,200/3BR	100 - 120	2026+			
Rental Townhomes	\$2,000/2BR - \$3,000/3BR	50 - 60	2024+			
Total		250 - 300				
<i>Affordable Rental Housing</i>						
Apartment-style	Moderate Income ³	260 - 300	2024+			
Townhomes	Moderate Income ³	40 - 50	2024+			
Subsidized	30% of Income ⁴	100 - 150	2024+			
Total		400 - 500				
Total Renter-Occupied				650 - 800		
Senior Housing (i.e. Age Restricted) 2023 to 2028						
Active Adult Ownership / Co-op	\$200,000+	125 +	2024+			
Active Adult Market Rate Rental ⁵	\$1,800/1BR - \$2,500/2BR	150 - 180	2024+			
Active Adult Affordable Rental ⁵	Moderate Income ³	100 - 120	2024+			
Independent Living	\$2,400+ per month	60 - 80	2026+			
Assisted Living	\$3,000/EFF - \$5,000/2BR	60 - 80	2026+			
Memory Care	\$5,000/EFF - \$6,000/2BR	40 - 50	2026+			
Total		535 - 510				
Total - All Units				1,645 - 1,840		
¹ Pricing in 2023 dollars. Pricing can be adjusted to account for inflation.						
² Replacement need, infill, and redevelopment. Development of single-family homes and townhomes/twinhomes will hinge on land availability. Due to Golden Valley's location, there is pent-up demand that exceeds replacement need.						
³ Affordability subject to income guidelines per Minnesota Housing Finance Agency (MHFA). See Table HA-1 for Hennepin County Income limits.						
⁴ Subsidized housing will be difficult to develop financially						
⁵ Alternative development concept is to combine active adult affordable and market rate active adult into mixed-income senior community						
Note - Recommended development does not coincide with total demand. Golden Valley may not be able to accommodate all recommended housing types based on land availability and development constraints.						
Source: Maxfield Research and Consulting, LLC.						

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

Introduction

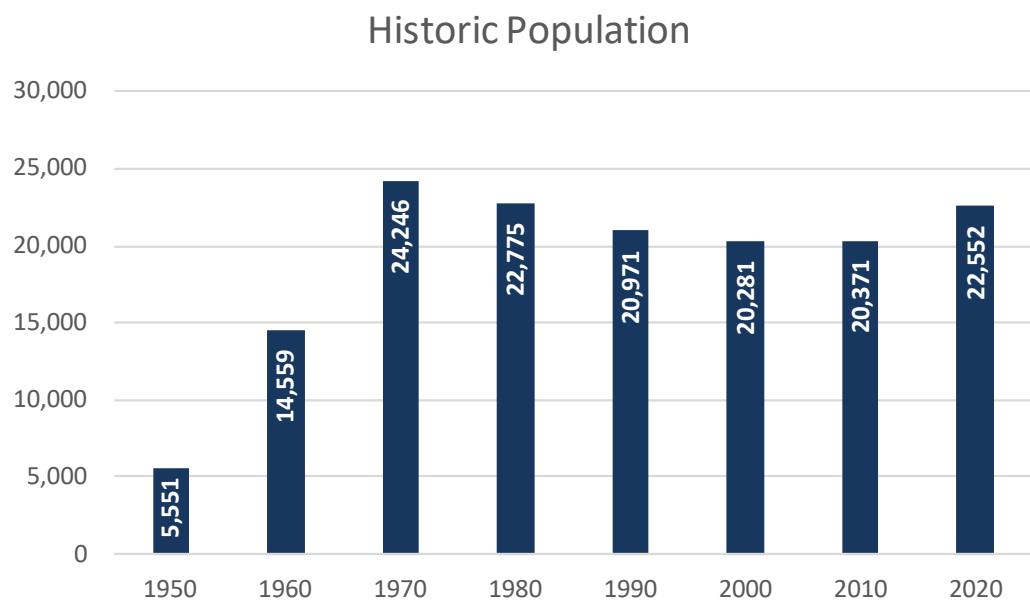
This section of the report examines factors related to the current and future demand for owner- and renter-occupied housing units in Golden Valley, Minnesota. It includes an analysis of population and household growth trends and projections, projected age distribution, household income, net worth, household types, household tenure, diversity, and mobility trends. A review of these characteristics provides insight into the demand for various types of housing in the Golden Valley.

Population and Household Growth Trends and Projections from 1990 to 2040

Table D-1 presents population and household growth trends and projections from 1990 to 2040. The 1990 to 2020 data is from the U.S. Census. Estimate and projection data is calculated from the Metropolitan Council; ESRI (a national demographics service provider); with adjustments calculated by Maxfield Research and Consulting LLC. The adjustments are intended to reflect growth that will likely be realized after considering the impact of the current housing market, employment, and review of building permit trends.

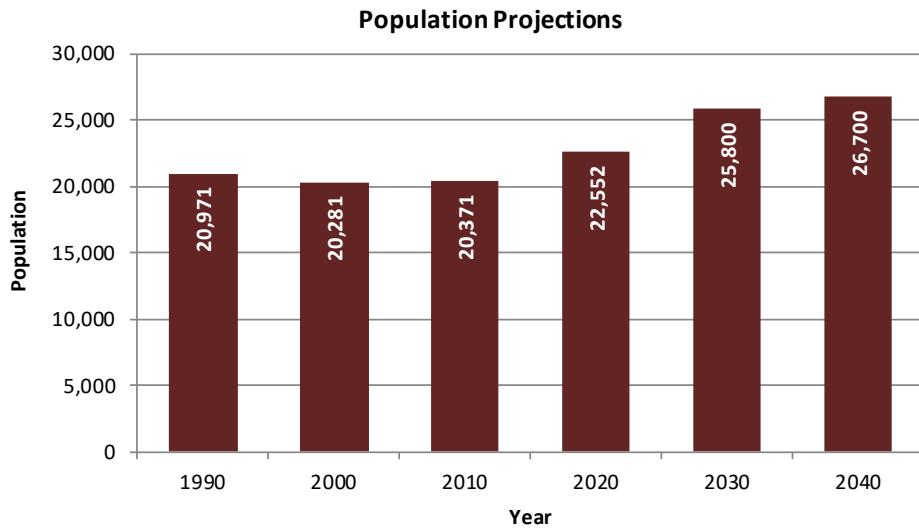
Population

- After increasing by only 90 people between 2000 to 2010, Golden Valley's population grew by 2,181 people (11%) between 2010 and 2020. During this same period Hennepin County and the 7-County Metro Area also grew by 11%. Most of this growth was driven via multi-family housing.



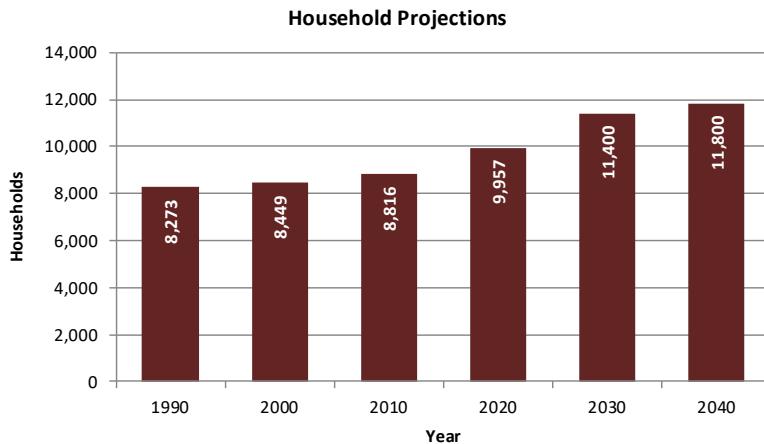
DEMOGRAPHIC ANALYSIS

- In 2020, Golden Valley included roughly 1.9% of the total population in Hennepin County.
- The Metropolitan Council projects that Golden Valley will have an increase in its population by 3,248 people (14%) between 2020 and 2030. Multi-family general occupancy housing is driving density and increasing employment opportunities are also assisting in increasing Golden Valley's population growth.



Households

- Household growth trends are typically a more accurate indicator of housing needs than population growth since a household is, by definition, an occupied housing unit. However, additional demand can come from changing demographics of the population base, which results in demand for different housing products.
- Golden Valley gained 1,141 households during the 2010s (an increase of 13%), increasing its household base to 9,957 households as of 2020. The Metropolitan Council projects household growth in Golden Valley to increase by 1,443 households (14.5%) between 2020 and 2030.



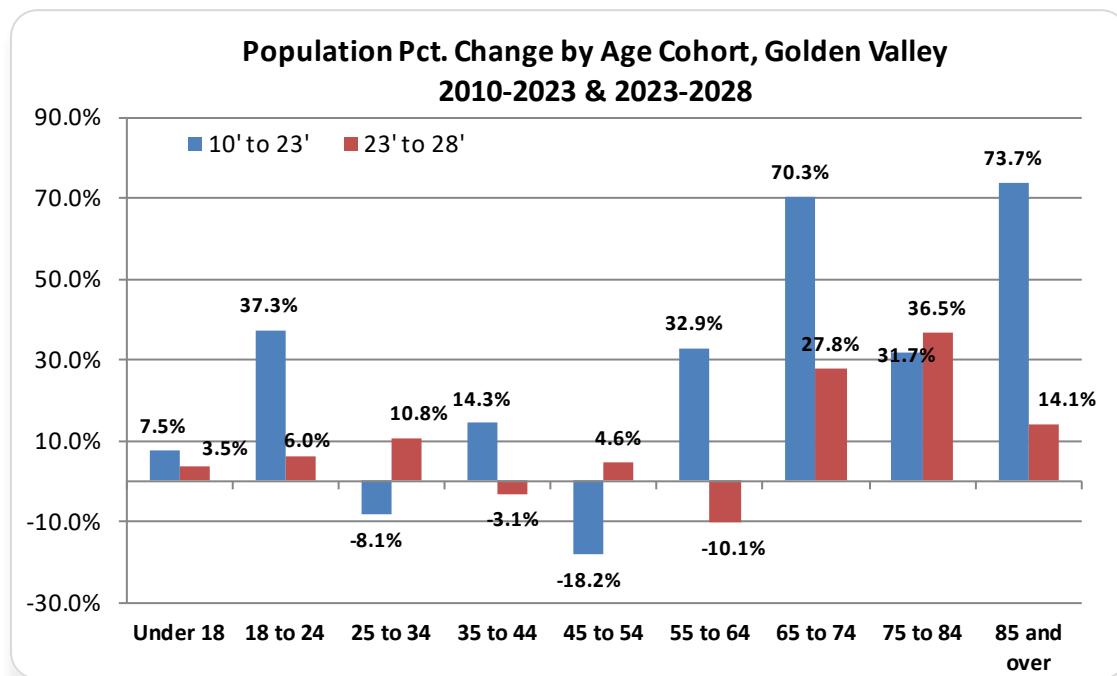
DEMOGRAPHIC ANALYSIS

TABLE D-1 POPULATION AND HOUSEHOLD GROWTH TRENDS AND PROJECTIONS GOLDEN VALLEY ANALYSIS AREA 1990 to 2040												
							Change					
	U.S. Census				Forecast		2000 to 2010		2010 to 2020		2020 to 2030	
	1990	2000	2010	2020	2030	2040	No.	Pct.	No.	Pct.	No.	Pct.
POPULATION												
Golden Valley	20,971	20,281	20,371	22,552	25,800	26,700	90	0.4	2,181	10.7	3,248	14.4
Hennepin County	1,032,431	1,116,200	1,152,425	1,281,565	1,376,120	1,463,410	36,225	3.2	129,140	11.2	94,555	7.4
7-County Metro Area	2,288,729	2,642,056	2,849,567	3,163,104	3,451,000	3,653,000	207,511	7.9	313,537	11.0	287,896	9.1
HOUSEHOLDS												
Golden Valley	8,273	8,449	8,816	9,957	11,400	11,800	367	4.3	1,141	12.9	1,443	14.5
Hennepin County	419,060	456,129	475,913	528,547	581,340	620,010	19,784	4.3	105,427	22.2	52,793	10.0
7-County Metro Area	1,032,431	1,021,454	1,117,749	1,239,526	1,351,000	1,447,000	96,295	9.4	121,777	10.9	111,474	9.0
<i>Note: 2030 and 2040 projections totals sourced to Metropolitan Council</i>												
Sources: U.S. Census Bureau; ESRI; Metropolitan Council; Maxfield Research & Consulting, LLC												

Age Distribution Trends

Age distribution affects demand for different types of housing since needs and desires change at different stages of the life cycle. Table D-2 shows the distribution of persons within nine age cohorts for Golden Valley, Hennepin County, and the Twin Cities Metro Area in 2000 and 2010 with estimates for 2023 and projections for 2028. The 2000 and 2010 age distributions are from the U.S. Census Bureau. 2020 age distributions are based on Census redistricting data totals but estimated by age group utilizing 2020 ACS data. The 2023 and 2028 figures are estimates based the Metropolitan Council projections and adjusted based on data from ESRI, a nationally recognized demographics firm. The following are key points from the table.

- In Golden Valley between 2010 and 2023, growth occurred in 18 to 24, 35 to 44, and 55 and over age cohorts. The majority of the over age 18 growth occurred in the older adult cohorts ages 55 and older. From 2023 to 2028, growth is expected in all ages except the 35 to 44 and 55 to 64 age groups.
- The Golden Valley population of 18 to 34 year olds, which consists primarily of renters and first-time homebuyers, increased by (5%) between 2010 and 2023 and is expected to increase by 322 people (9%) between 2023 and 2028.
- The 65 to 84 age cohorts are projected to have the greatest growth (percentage and numerically) increasing by 1,057 people (21%) in Golden Valley between 2023 and 2028. The growth in this age cohort can be primarily attributed to the baby boom generation aging into their senior years.

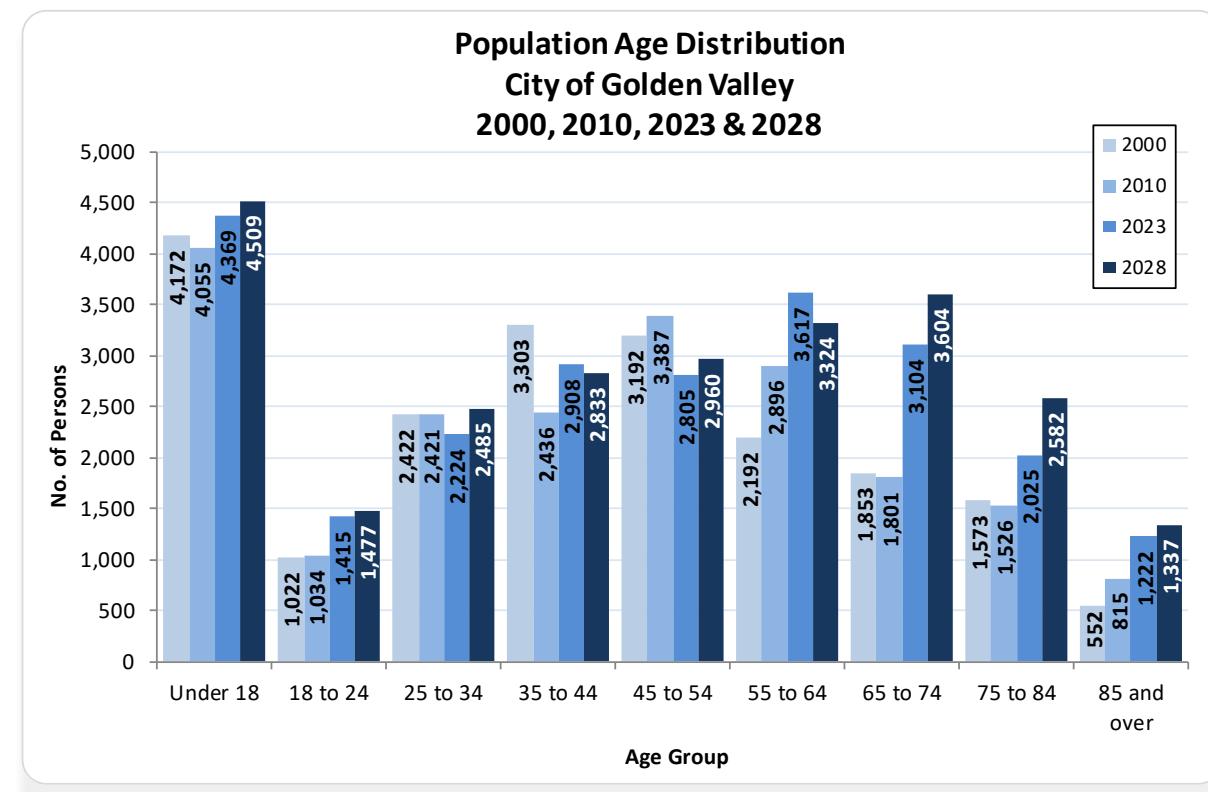


DEMOGRAPHIC ANALYSIS

TABLE D-2
POPULATION AGE DISTRIBUTION
GOLDEN VALLEY ANALYSIS AREA
2000 to 2028

Age	Census		Estimate		Projection		Change					
	2000		2010		2028		2000-2010		2010-2023		2023-2028	
	No.	No.	No.	No.	No.	No.	No.	Pct.	No.	Pct.	No.	Pct.
Golden Valley												
Under 18	4,172	4,055	4,369	4,509	-117	-2.8	314	7.7	140	3.2		
18 to 24	1,022	1,034	1,415	1,477	12	1.2	381	36.9	62	4.4		
25 to 34	2,422	2,421	2,224	2,485	-1	0.0	-197	-8.1	261	11.7		
35 to 44	3,303	2,436	2,908	2,833	-867	-26.2	472	19.4	-75	-2.6		
45 to 54	3,192	3,387	2,805	2,960	195	6.1	-582	-17.2	155	5.5		
55 to 64	2,192	2,896	3,617	3,324	704	32.1	721	24.9	-293	-8.1		
65 to 74	1,853	1,801	3,104	3,604	-52	-2.8	1,303	72.3	500	16.1		
75 to 84	1,573	1,526	2,025	2,582	-47	-3.0	499	32.7	557	27.5		
85 and over	552	815	1,222	1,337	263	47.6	407	49.9	115	9.4		
Total	20,281	20,371	23,688	25,110	90	0.4	3,317	16.3	1,422	6.0		
Hennepin County												
Under 18	267,502	261,345	272,277	273,340	-6,157	-2.3	10,932	4.0	1,063	0.4		
18 to 24	108,767	113,551	128,071	133,099	4,784	4.4	14,520	11.3	5,028	3.9		
25 to 34	183,860	187,523	193,714	197,002	3,663	2.0	6,191	3.2	3,288	1.7		
35 to 44	191,872	154,304	180,812	187,242	-37,568	-19.6	26,508	14.7	6,429	3.6		
45 to 54	156,068	171,130	154,652	159,212	15,062	9.7	-16,478	-10.7	4,559	2.9		
55 to 64	85,773	133,758	165,432	154,711	47,985	55.9	31,674	19.1	-10,721	-6.5		
65 to 74	59,737	66,516	123,502	139,287	6,779	11.3	56,986	46.1	15,784	12.8		
75 to 84	44,942	42,476	61,151	80,344	-2,466	-5.5	18,675	30.5	19,193	31.4		
85 and over	17,679	21,822	29,860	32,973	4,143	23.4	8,038	26.9	3,112	10.4		
Total	1,116,200	1,152,425	1,309,473	1,357,209	36,225	3.2	157,048	12.0	47,736	3.6		
Metro Area												
Under 18	697,534	700,960	725,737	740,241	3,426	0.5	14,505	2.0	14,505	2.0		
18 to 24	244,226	263,462	288,878	294,770	19,236	7.9	5,892	2.0	5,892	2.0		
25 to 34	411,155	420,311	463,364	472,101	9,156	2.2	8,737	1.9	8,737	1.9		
35 to 44	469,324	391,324	448,631	482,186	-78,000	-16.6	33,555	7.5	33,555	7.5		
45 to 54	363,592	440,753	396,483	403,050	77,161	21.2	6,566	1.7	6,566	1.7		
55 to 64	200,980	326,007	419,505	396,347	125,027	62.2	-23,158	-5.5	-23,158	-5.5		
65 to 74	130,615	163,425	301,106	345,022	32,810	25.1	43,916	14.6	43,916	14.6		
75 to 84	90,292	97,442	142,832	189,652	7,150	7.9	46,821	32.8	46,821	32.8		
85 and over	34,338	45,883	62,937	70,051	11,545	33.6	7,114	11.3	7,114	11.3		
Total	2,642,056	2,849,567	3,249,473	3,393,421	207,511	7.9	143,948	4.4	143,948	4.4		
Sources: U.S. Census Bureau; ESRI; Maxfield Research & Consulting, LLC												

- The social changes that occurred with the aging of the baby boom generation, such as higher divorce rates, higher levels of education, and lower birth rates has led to a greater variety of lifestyles than existed in the past – not only among baby boomers, but also among their parents and children. The increased variety of lifestyles has also fueled demand for alternative housing products to single-family homes. Seniors, in particular, and middle-aged persons tend to do more traveling and participate in more activities than previous generations, and they increasingly prefer maintenance-free housing that enables them to spend more time on activities outside the home.



Household Income by Age of Householder

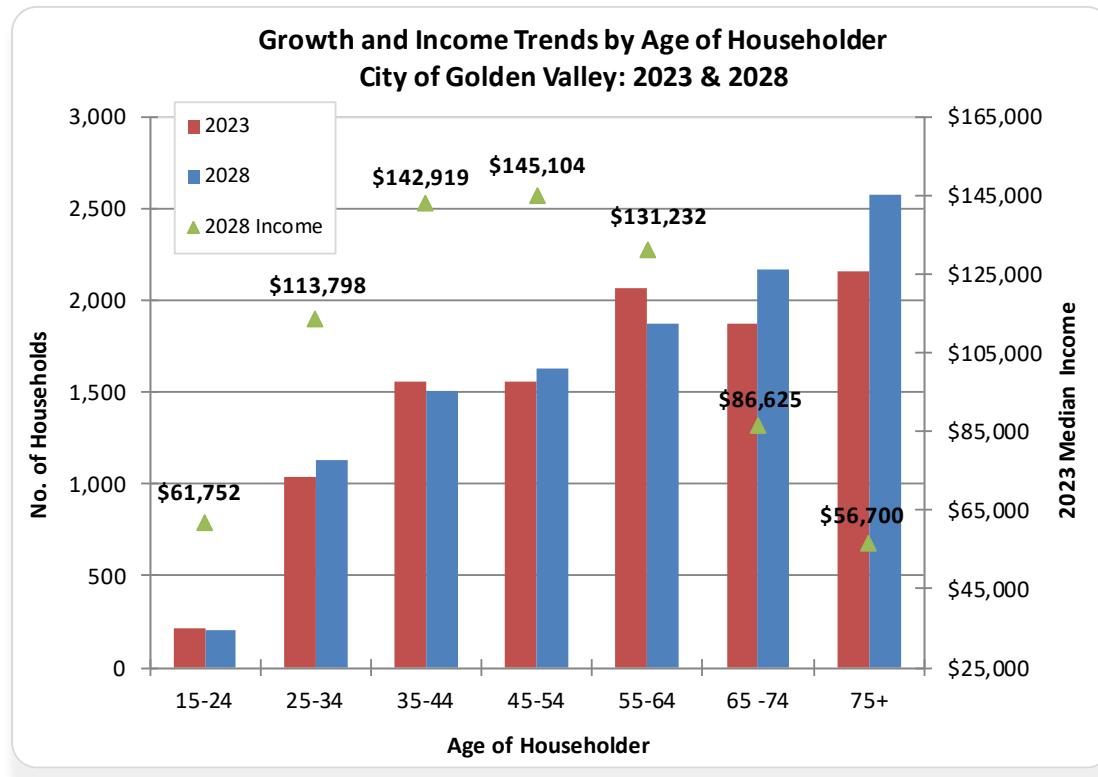
The estimated distribution of household incomes in Golden Valley for 2023 and 2028 are shown in Table D-3. The data was estimated by Maxfield Research based on income trends provided by ESRI. The data helps ascertain the demand for different housing products based on the size of the market at specific cost levels.

The Department of Housing and Urban Development defines affordable housing costs as 30% of a household's adjusted gross income. For example, a household in Golden Valley with the median income of \$109,122 per year would be able to afford a monthly housing cost of about \$2,728 (30% of AMI). Maxfield Research uses a figure of 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 \$109,122 income would translate to an affordable single-family home of \$327,366 to \$381,927. The higher end of this range assumes that the person has adequate funds for down payment and closing costs but does not include savings or equity in an existing home which would allow them to purchase a higher priced home.

DEMOGRAPHIC ANALYSIS

- Golden Valley has an estimated median household income of \$109,122 in 2023 and is expected to increase over the next five years to \$122,927 in 2028 (13%). Incomes are expected to increase by 13% between 2023 and 2028 in Golden Valley. This equates to an increase of 2.5% annually.



Non-Senior Households

- In 2023, 2% of non-senior (under age 65) households in Golden Valley had incomes under \$15,000 (233 households). All of these households would be eligible for deep-subsidy rental housing. Another 1% of Golden Valley's non-senior households had incomes between \$15,000 and \$25,000 (143 households). Many of these households would qualify for deep-subsidy housing, but many could also afford shallow-subsidy or older market rate rentals. If housing costs absorb 30% of income, households with incomes of \$15,000 to \$25,000 could afford to pay \$375 to \$625 per month.
- In most geographic areas, household median incomes peak in the 45 to 54 age group and that group is usually considered to be in their peak earning years. In 2023, the median household income in Golden Valley was highest in the 45 to 54 age group at \$145,104. The 35 to 44 age group has a median income of \$142,919 in 2023. By 2028, the median income for the 35 to 44 and the 45 to 54 age groups are projected to increase to \$157,118 (10%) and \$154,975 (7%) respectively. The 55 to 64 age group is projected to increase to \$150,986 (15%) by 2028.

DEMOGRAPHIC ANALYSIS

- The median estimated home value in Golden Valley was roughly \$425,000 in 2023. The income required to afford a home at this price would be about \$121,430 to \$141,665 based on the standard of 3.0 to 3.5 times the median income (and assuming these households do not have a high level of debt). About 57% of non-senior households in Golden Valley have incomes of \$121,430 or more in 2023.

TABLE D-3							
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER							
CITY OF GOLDEN VALLEY							
(Number of Households)							
2023 & 2028							
Age of Householder							
Total	Under 25	25-34	35-44	45-54	55-64	65-74	75+
2023							
Less than \$15,000	605	28	46	28	47	85	129
\$15,000 to \$24,999	480	13	31	21	25	53	92
\$25,000 to \$34,999	470	17	37	28	33	55	85
\$35,000 to \$49,999	647	28	63	51	45	74	118
\$50,000 to \$74,999	1,242	34	107	102	116	208	360
\$75,000 to \$99,999	1,264	35	145	186	154	247	283
\$100,000 to \$149,999	2,070	30	240	404	386	441	331
\$150,000 to \$199,999	1,563	16	184	263	286	342	213
\$200,000+	2,128	9	186	477	467	567	263
Total	10,470	211	1,039	1,559	1,559	2,071	1,874
<i>Median Income</i>	\$109,122	\$61,752	\$113,798	\$142,919	\$145,104	\$131,232	\$86,625
2028							
Less than \$15,000	395	17	23	15	26	36	79
\$15,000 to \$24,999	276	7	14	9	10	18	53
\$25,000 to \$34,999	282	11	21	14	20	24	52
\$35,000 to \$49,999	484	21	49	29	27	39	87
\$50,000 to \$74,999	1,342	36	113	85	107	171	399
\$75,000 to \$99,999	1,511	42	168	186	178	236	371
\$100,000 to \$149,999	2,248	38	272	361	402	404	422
\$150,000 to \$199,999	2,001	18	228	286	335	362	322
\$200,000+	2,553	13	241	523	528	587	379
Total	11,091	203	1,129	1,508	1,633	1,877	2,164
<i>Median Income</i>	\$122,927	\$79,519	\$127,339	\$157,118	\$154,975	\$150,986	\$103,235
Change - 2023 to 2028							
Less than \$15,000	-210	-11	-23	-13	-21	-49	-49
\$15,000 to \$24,999	-204	-7	-17	-12	-15	-34	-39
\$25,000 to \$34,999	-189	-6	-17	-14	-14	-31	-33
\$35,000 to \$49,999	-163	-7	-14	-22	-17	-35	-31
\$50,000 to \$74,999	100	2	6	-17	-10	-37	39
\$75,000 to \$99,999	247	7	23	0	25	-11	87
\$100,000 to \$149,999	177	8	32	-43	16	-37	91
\$150,000 to \$199,999	438	3	45	23	48	19	109
\$200,000+	425	4	56	45	61	20	117
Total	621	-7	91	-51	74	-194	290
<i>Median Income</i>	\$13,805	\$17,767	\$13,541	\$14,199	\$9,871	\$19,754	\$16,610

Sources: ESRI; Maxfield Research & Consulting, LLC

Senior Households

- The oldest householders have lower incomes in 2023. In Golden Valley, 7% of households ages 65 to 74 had incomes below \$15,000, compared to 11% of households ages 75 and over. Many of these low-income older senior households rely solely on social security benefits. Typically, younger seniors have higher incomes due to the fact they are still able to work or are married couples with two pensions or higher social security benefits. The 2023 median income for Golden Valley householders 65 to 74 years of age and 75 years of age or older are \$86,625 and \$56,700, respectively.
- Generally, senior households with incomes greater than \$35,000 will be able to afford market rate senior housing in Golden Valley. Based on a 40% allocation of income for housing, this translates to monthly rents of at least about \$1,170. About 3,025 senior households 65 and older in Golden Valley (75% of senior households) have incomes above \$35,000 in 2023.
- The median income for seniors age 65+ in Golden Valley is \$70,611 in 2023. It is projected to increase by \$21,437 (30%) to \$92,049 by 2028.

Net Worth

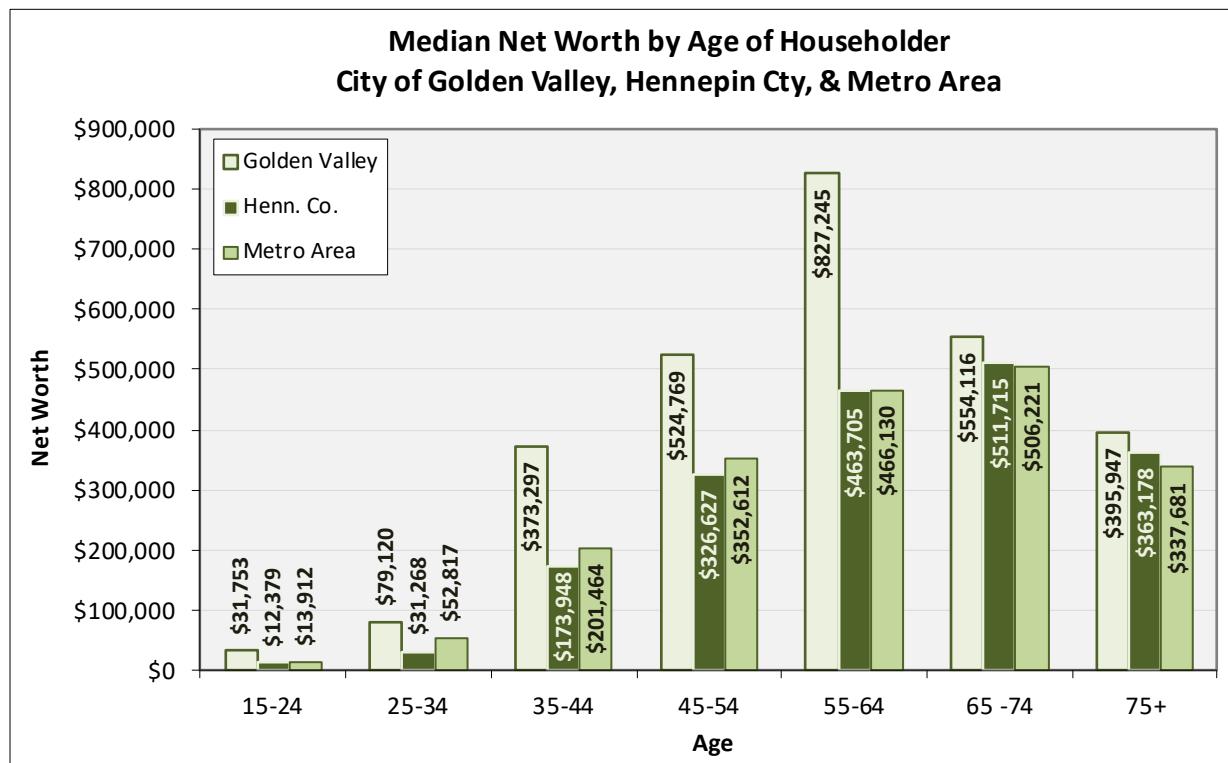
Table D-4 shows household net worth in the Golden Valley in 2023. Simply stated, net worth is the difference between assets and liabilities, or the total value of assets after the debt is subtracted. The data was compiled and estimated by ESRI based on the Survey of Consumer Finances and Federal Reserve Board data.

According to data released by the National Association of Realtors, the average American homeowner has a net worth about estimated at 40 times greater than that of a renter in 2023. The Federal Reserve survey is conducted every three years and this research was based on the 2019 Federal Reserve survey that showed the median net worth of a homeowner was \$255,000, whereas the average net worth of a renter was \$6,300.

- Golden Valley had an average net worth of \$2,121,976 in 2023 and a median net worth of \$410,419. Median net worth is generally a more accurate depiction of wealth than the average figure. A few households with large net worth can significantly skew the average.
- In comparison, Golden Valley's median net worth was roughly double that of Hennepin County's (\$204,345) and about 60% higher than the counties average net worth (\$1,336,214). Compared to the Twin Cities Metro Area, Golden Valley's median net worth was about 72% higher (\$239,052) and roughly 63% higher than the average net worth (\$1,304,543)

DEMOGRAPHIC ANALYSIS

- Median net worth rises with age, peaking between 55 and 74 when adults are in peak earning years. After age 75, median net worth begins to decline as more people leave the workforce and live on fixed incomes. Median and average net worth usually peak in the 65 to 74 age cohort. The median net worth in the Golden Valley actually peaks in the 55 to 64 age group at \$827,245 and the average net worth was \$3,299,297. Senior households usually have higher net worth due to their saving investments, and other retirement funds.
- Among younger age cohorts who are more likely to be renter households, median net worth was estimated at \$31,753 for households ages 15 to 24 and \$31,753 for households 25 to 34 in Golden Valley. In the middle age years, 35 to 44 and 45 to 54, the highest median net worth was reported in the PMA Remainder (\$224,515 and \$310,956 respectively). Of those 75+, the PMA Remainder (\$374,588) and the State of Minnesota reported the highest net worth (\$312,627).
- Households often delay purchasing homes and instead choose to rent until they acquire sufficient assets to cover the costs of a down payment and closing costs associated with home ownership. The recent increase in mortgage rates from 3% in early 2022 to over 6% in 2023 has left many would-be home buyers on the sidelines as they can no longer afford to purchase in this higher interest rate environment. As such, renter demand has increased in the short-term.



DEMOGRAPHIC ANALYSIS

TABLE D-4
NET WORTH BY AGE OF HOUSEHOLDER
GOLDEN VALLEY ANALYSIS AREA
2023

	Age of Householder							
	Total	15-24	25-34	35-44	45-54	55-64	65-74	75+
Golden Valley								
Less than \$15,000	1,257	73	269	136	110	169	257	243
\$15,000 to \$34,999	286	36	66	37	25	27	63	31
\$35,000 to \$49,999	140	7	39	20	10	20	24	20
\$50,000 to \$99,999	771	33	190	142	83	102	75	146
\$100,000 to \$149,999	597	21	89	91	106	99	64	127
\$150,000 to \$249,999	1,038	21	125	192	168	152	128	253
\$250,000 or more	6,381	20	260	940	1,056	1,504	1,263	1,338
Subtotal	10,470	211	1,039	1,559	1,559	2,071	1,874	2,158
Median Net Worth	\$410,419	\$31,753	\$79,120	\$373,297	\$524,769	\$827,245	\$554,116	\$395,947
Average Net Worth	\$2,121,976	\$103,539	\$223,351	\$1,490,637	\$2,403,544	\$3,299,297	\$2,544,262	\$1,988,759
Hennepin County								
Less than \$15,000	74,244	16,542	756	19,600	9,669	11,590	10,454	5,633
\$15,000 to \$34,999	18,672	4,363	184	6,366	2,513	2,081	2,440	725
\$35,000 to \$49,999	7,880	620	77	2,476	1,366	1,556	1,236	550
\$50,000 to \$99,999	36,436	2,945	275	10,983	7,309	6,933	3,455	4,537
\$100,000 to \$149,999	25,409	1,368	142	6,084	6,460	5,520	2,523	3,312
\$150,000 to \$249,999	46,349	910	168	13,464	10,114	8,729	5,277	7,686
\$250,000 or more	237,456	556	233	40,661	49,984	60,258	50,102	35,663
Subtotal	539,106	27,303	1,835	99,633	87,414	96,668	75,485	58,106
Median Net Worth	\$204,345	\$12,379	\$31,268	\$173,948	\$326,627	\$463,705	\$511,715	\$363,178
Average Net Worth	\$1,336,214	\$39,907	\$121,500	\$765,727	\$1,718,111	\$2,399,866	\$2,103,521	\$1,558,113
Metro Area								
Less than \$15,000	221,573	27,078	75,986	39,632	20,141	25,053	21,763	11,919
\$15,000 to \$34,999	57,441	8,146	18,189	13,410	5,463	4,802	5,782	1,649
\$35,000 to \$49,999	25,630	1,368	8,130	5,078	3,023	3,801	2,946	1,285
\$50,000 to \$99,999	118,051	6,667	34,018	24,899	16,255	16,748	8,446	11,018
\$100,000 to \$149,999	79,970	3,441	18,808	14,804	15,653	13,325	6,174	7,766
\$150,000 to \$249,999	139,364	2,249	23,381	33,685	26,712	22,748	12,857	17,732
\$250,000 or more	619,792	1,281	32,159	105,303	130,012	151,398	121,900	77,738
Total	1,261,821	50,229	210,670	236,813	217,259	237,875	179,868	129,107
Median Net Worth	\$239,052	\$13,912	\$52,817	\$201,464	\$352,612	\$466,130	\$506,221	\$337,681
Average Net Worth	\$1,304,543	\$49,332	\$142,094	\$847,459	\$1,672,594	\$2,218,455	\$1,906,275	\$1,386,599

Sources: ESRI; Maxfield Research & Consulting, LLC

Tenure by Household Income

Table D-5 shows estimated household tenure by income for Golden Valley in 2023. Data is estimated 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. 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.

TABLE D-5
TENURE BY HOUSEHOLD INCOME
GOLDEN VALLEY ANALYSIS AREA
2023

	Golden Valley				Hennepin County				Metro Area			
	Own		Rent		Own		Rent		Own		Rent	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Less than \$15,000	208	26.5	578	73.5	11,430	27.0	30,948	73.0	25,321	30.5	57,796	69.5
\$15,000 to \$24,999	267	44.6	332	55.4	11,109	33.8	21,761	66.2	28,584	39.2	44,408	60.8
\$25,000 to \$34,999	354	58.1	255	41.9	13,847	39.5	21,183	60.5	37,360	45.9	44,117	54.1
\$35,000 to \$49,999	537	65.9	278	34.1	25,182	46.1	29,389	53.9	68,313	52.5	61,919	47.5
\$50,000 to \$74,999	945	64.6	518	35.4	47,950	55.5	38,487	44.5	128,633	62.8	76,150	37.2
\$75,000 to \$99,999	763	71.6	303	28.4	44,904	65.8	23,375	34.2	124,949	72.7	46,864	27.3
\$100,000+	4,573	89.1	560	10.9	182,659	83.2	36,884	16.8	454,729	87.9	62,677	12.1
Total	7,646	73.0	2,824	27.0	337,079	62.5	202,027	37.5	867,890	68.8	393,931	31.2
Median HH Income	\$121,317		\$47,543		\$107,728		\$48,677		\$104,619		\$47,198	

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

- Typically, as income increases, so does the rate of homeownership. This can be seen in Golden Valley, where the homeownership rate increases from 26.5% of households with incomes below \$15,000 to 89% of households with incomes above \$100,000.
- A portion of renter households that are referred to as lifestyle renters, or those who are financially able to own but choose to rent, have household incomes of \$50,000 or more (about 49% of the Golden Valley's estimated renters in 2023). Households with incomes below \$15,000 are typically a market for deep subsidy rental housing (about 20% of the Golden Valley's estimated renters) while households between \$15,000 to \$35,000 are candidates for affordable housing (about 21% of the Golden Valley's estimated renters).

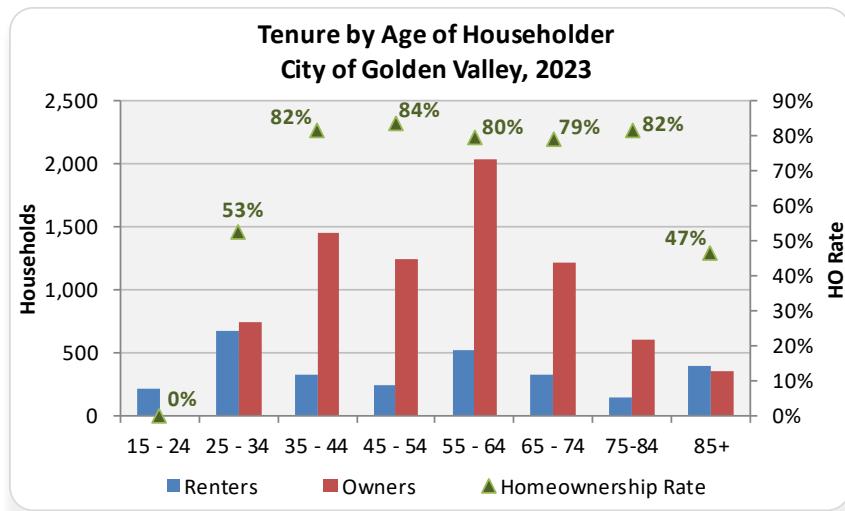
Tenure by Age of Householder

Table D-6 shows the number of owner and renter households in Golden Valley by age group in 2000, 2010 and 2023. Data for 2023 is estimated based on U.S. Census American Community Survey. This data is useful in determining demand for certain types of housing since housing preferences change throughout an individual's life cycle. The following are key findings from Table D-6.

- In 2000, 81% of all households in the Golden Valley owned their housing. By 2010, that percentage declined to 78% and in 2023 it is estimated that 73% of all Golden Valley households owned their housing. The City of Golden Valley added nearly --- units of rental housing during the last decade which accounts for the significant decline in the overall homeownership rate. Maxfield Research projects the home ownership will continue to decline with the influx of new rental housing in Golden Valley.

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- The housing market downturn during the great recession contributed to the decrease in the homeownership rate during the late 2000s as it became more difficult for households to secure mortgage loans, households delayed purchasing homes due to the uncertainty of the housing market, and foreclosures forced households out of their homes.
- Development of apartment units ramped up in Golden Valley and the Metro Area during 2010s further contributing to the declining home ownership rates as more rental units were added to the city compared to new ownership product.
- Due to these factors along with the recent competitive for-sale housing market that has maintained low inventory and experienced significant strong growth in home sale prices over the past five years, the trend of lifestyle renters seeking rental properties in the Golden Valley area and Metro Area can be seen by the growing percentage of renters; many of which are lifestyle renters with higher incomes.
- As households progress through their life cycle, housing needs change. The proportion of renter households decreases significantly as households' age out of their young-adult years. However, by the time households reach their senior years, rental housing often becomes a more viable option than homeownership, reducing the responsibility of maintenance and a financial commitment.
- In 2023, it is estimated that 100% of the Golden Valley's households between the ages of 15 and 24 rented their housing, compared to 47% of households between the ages of 25 and 34. Householders between 35 and 84 were overwhelmingly homeowners, with no more than 21% of the householders in each age cohort renting their housing.
- The higher homeownership rates in Golden Valley (73%) compared to Hennepin County (62.5%), and the Metro Area (69%) reflects the suburban character of the City and was originally developed as a single-family housing community.



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TABLE D-6
TENURE BY AGE OF HOUSEHOLDER
GOLDEN VALLEY ANALYSIS AREA
2000 - 2023*

Age	City of Golden Valley						Hennepin County						Metro Area						
	2000		2010		2023*		2000		2010		2023*		2000		2010		2023*		
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	
15-24	Own	41	23.3	37	24.7	0	0.0	3,380	11.8	2,790	10.9	1,903	8.7	9,790	17.3	7,947	16.0	6,444	15.0
	Rent	135	76.7	113	75.3	217	100.0	25,252	88.2	22,734	89.1	19,851	91.3	46,699	82.7	41,789	84.0	36,403	85.0
	Total	176	100.0	150	100.0	217	100.0	28,632	100.0	25,524	100.0	21,754	100.0	56,489	100.0	49,736	100.0	42,847	100.0
25-34	Own	744	66.1	720	64.2	742	52.6	44,563	46.9	39,850	42.3	42,246	38.4	114,071	55.5	102,236	50.6	102,247	45.9
	Rent	382	33.9	402	35.8	668	47.4	50,435	53.1	54,312	57.7	67,776	61.6	91,342	44.5	99,716	49.4	120,606	54.1
	Total	1,126	100.0	1,122	100.0	1,410	100.0	94,998	100.0	94,162	100.0	110,022	100.0	205,413	100.0	201,952	100.0	222,853	100.0
35-44	Own	1,470	84.9	1,022	79.5	1,452	81.7	79,041	72.5	57,684	66.6	63,220	64.0	203,729	77.7	154,678	72.3	162,476	69.9
	Rent	261	15.1	263	20.5	325	18.3	29,926	27.5	28,946	33.4	35,566	36.0	58,438	22.3	59,303	27.7	70,109	30.1
	Total	1,731	100.0	1,285	100.0	1,777	100.0	108,967	100.0	86,630	100.0	98,786	100.0	262,167	100.0	213,981	100.0	232,585	100.0
45-54	Own	1,562	88.4	1,594	84.9	1,244	83.8	74,037	79.7	75,651	75.4	66,879	73.4	177,090	83.1	202,404	79.8	180,182	78.1
	Rent	204	11.6	284	15.1	241	16.2	18,829	20.3	24,688	24.6	24,253	26.6	36,077	16.9	51,379	20.2	50,635	21.9
	Total	1,766	100.0	1,878	100.0	1,485	100.0	92,866	100.0	100,339	100.0	91,132	100.0	213,167	100.0	253,783	100.0	230,817	100.0
55-64	Own	1,104	89.3	1,464	87.7	2,038	79.7	42,671	81.9	65,466	79.5	75,724	76.2	102,583	84.9	162,595	82.6	197,818	80.3
	Rent	132	10.7	206	12.3	519	20.3	9,412	18.1	16,891	20.5	23,671	23.8	18,205	15.1	34,355	17.4	48,558	19.7
	Total	1,236	100.0	1,670	100.0	2,557	100.0	52,083	100.0	82,357	100.0	99,395	100.0	120,788	100.0	196,950	100.0	246,376	100.0
65-74	Own	964	85.4	896	82.0	1,215	79.0	30,672	81.2	34,028	80.0	53,662	78.9	68,030	82.4	85,347	82.6	136,383	82.4
	Rent	165	14.6	197	18.0	323	21.0	7,090	18.8	8,502	20.0	14,349	21.1	14,491	17.6	17,998	17.4	29,177	17.6
	Total	1,129	100.0	1,093	100.0	1,538	100.0	37,762	100.0	42,530	100.0	68,011	100.0	82,521	100.0	103,345	100.0	165,560	100.0
75-84	Own	809	81.6	761	73.4	608	81.9	22,083	72.8	21,975	75.6	23,597	72.9	43,576	71.8	50,083	75.6	60,976	75.8
	Rent	182	18.4	276	26.6	135	18.1	8,242	27.2	7,108	24.4	8,772	27.1	17,109	28.2	16,185	24.4	19,449	24.2
	Total	991	100.0	1,037	100.0	742	100.0	30,325	100.0	29,083	100.0	32,369	100.0	60,685	100.0	66,268	100.0	80,425	100.0
85+	Own	191	65.0	363	62.5	347	46.7	5,346	50.9	8,677	56.8	9,850	55.8	10,097	49.9	17,185	54.2	21,364	52.9
	Rent	103	35.0	218	37.5	396	53.3	5,150	49.1	6,611	43.2	7,787	44.2	10,127	50.1	14,549	45.8	18,994	47.1
	Total	294	100.0	581	100.0	743	100.0	10,496	100.0	15,288	100.0	17,637	100.0	20,224	100.0	31,734	100.0	40,358	100.0
TOTAL	Own	6,885	81.5	6,857	77.8	7,646	73.0	301,793	66.2	306,121	64.3	337,079	62.5	728,966	71.4	782,475	70.0	867,890	68.8
	Rent	1,564	18.5	1,959	22.2	2,824	27.0	154,336	33.8	169,792	35.7	202,027	37.5	292,488	28.6	335,274	30.0	393,931	31.2
	Total	8,449	100.0	8,816	100.0	10,470	100.0	456,129	100.0	475,913	100.0	539,106	100.0	1,021,454	100.0	1,117,749	100.0	1,261,821	100.0

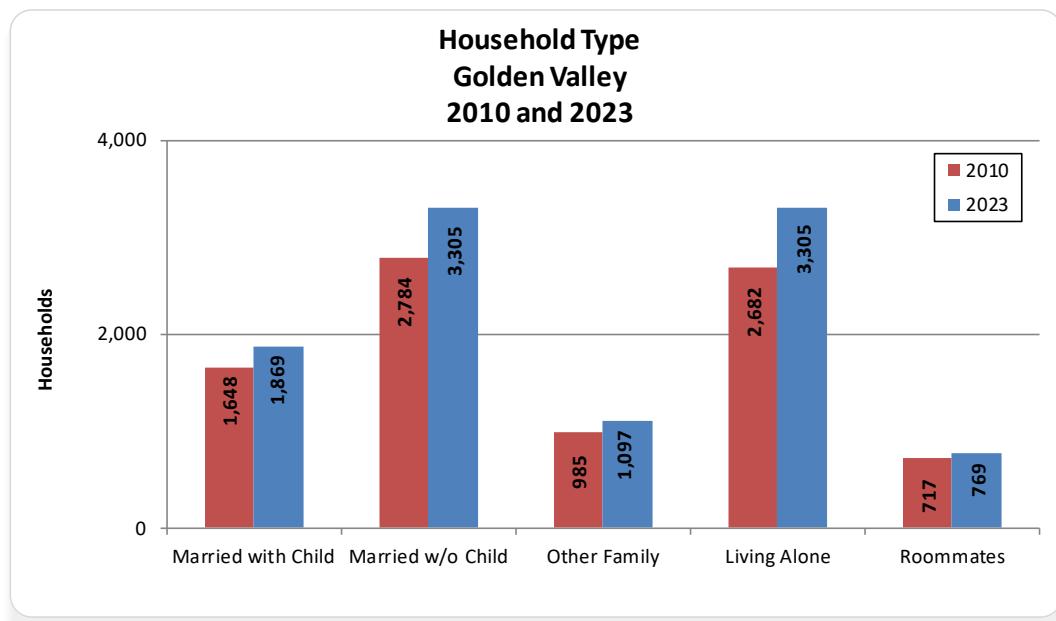
* 2023 figures are adjusted based on data estimated from the 2020 (5-year) American Community Survey

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

Household Type

Table D-7 shows a breakdown of the type of households present in the Golden Valley in 2010 and 2023. The data is useful in assessing housing demand since the household composition often dictates the type of housing needed and preferred.

- Between 2010 and 2023, all family and non-family households are estimated to have increased. Households living alone were estimated to experience the largest growth in Golden Valley growing by 23% (663 households) followed by households married without children (20%, 561 households). The increase in households living alone be attributed to baby boomers aging into empty nester years while households married without children is in part to couples waiting longer to have children.
- The differences between Golden Valley in comparison to Hennepin County and the Twin Cities Metro Area reflect the demographic changes that were seen in the Population Age Distribution Table D-2. The aging of baby boomers is substantially increasing households Living Alone in Golden Valley compared to the county and the Metro Area in addition to households Married without child as well. The Other category (Single-parent families, unmarried couples with children) is also increasing at a much higher rate in Golden Valley, but much lower a distribution as compared to Hennepin County and the Twin Cities Metro Area.
- Proportionately, the growth in households Living Alone and Married without children are increasing in Golden Valley while all other household categories are declining. Living Alone and Married without children are estimated to consist of roughly 64% of the households in Golden Valley both at 32% in 2023. Roommate households account for the lowest proportion of households at 7%.



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TABLE D-7 HOUSEHOLD TYPE GOLDEN VALLEY ANALYSIS AREA 2010 & 2023^												
Number of Households	Total HH's		Family Households				Non-Family Households				Living Alone	Roommates
	2010		2023		2010		2023		2010			
	8,816	10,470	2,784	3,345	1,648	1,891	985	1,110	2,682	3,345	717	779
Golden Valley	475,913	539,106	116,099	134,911	89,084	103,964	67,702	69,610	155,807	177,333	47,221	53,288
Twin Cities Metro Area	1,117,749	1,261,821	298,723	344,804	244,687	273,246	164,086	174,398	319,030	366,425	91,223	102,949
Percent of Total												
Golden Valley	100%	100%	31.6%	31.9%	18.7%	18.1%	11.2%	10.6%	30.4%	31.9%	8.1%	7.4%
Hennepin County Total	100%	100%	24.4%	25.0%	18.7%	19.3%	14.2%	12.9%	32.7%	32.9%	9.9%	9.9%
Twin Cities Metro Area Total	100%	100%	26.7%	27.3%	21.9%	21.7%	14.7%	13.8%	28.5%	29.0%	8.2%	8.2%

* Single-parent families, unmarried couples with children.

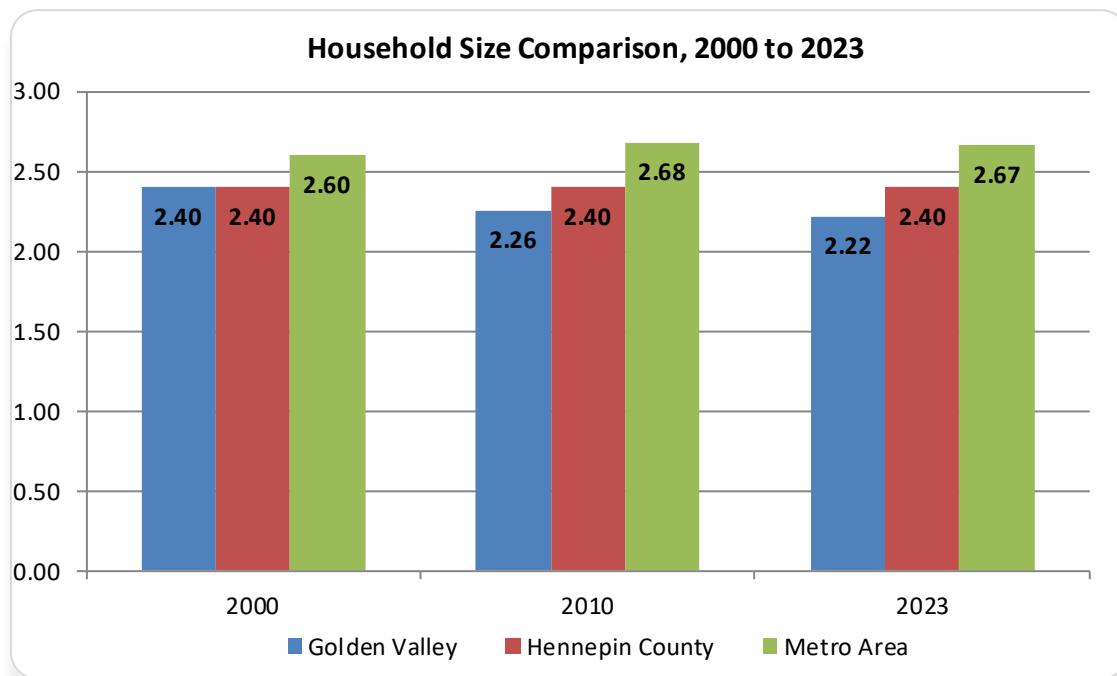
^ 2023 Data is estimated from the American Community Survey 2020 5-Year Estimates.

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

Tenure by Household Size

Table D-8 shows the distribution of households by size and tenure in the Golden Valley in 2023 and 2010. This data is useful in that it sheds insight into the number of units by unit type that may be most needed in Golden Valley.

- Household size for renters tends to be smaller than for owners. This trend is a result of the typical market segments for rental housing, including households that are younger and are less likely to be married with children as well as older adults and seniors who choose to downsize from their single-family homes. In 2023, approximately 56% of the total renter-occupied households in the Golden Valley were one-person households which is estimated to be a slight increase from 53% in 2010.
- Approximately 83% of renter households in Golden Valley in 2023 have either one or two people. The one-person households would primarily seek one-bedroom units and two-person households that are couples would primarily seek one-bedroom units. Two-person households that consist of a parent and child or roommate would primarily seek two-bedroom units. Larger households would seek units with multiple bedrooms.
- Because of its aging population and demographic shifts, Golden Valley has experienced a decline in household size. In 2000, the household size was 2.40 and is estimated to decline to 2.22 in 2023. Household size for owner households in Golden Valley is estimated at 2.39 in 2023 while renter households are much lower at 1.75 which are considerably lower than the county and the Metro Area in comparison.



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TABLE D-8
TENURE BY HOUSEHOLD SIZE
GOLDEN VALLEY ANALYSIS AREA
2010 & 2023

Age	2023											
	Golden Valley		Hennepin County		Metro Area							
Owners	Pct.	Renters	Pct.	Owners	Pct.	Renters	Pct.	Owners	Pct.	Renters	Pct.	
1PP Household	1,760	52.6	1,586	47.4	82,732	46.7	94,600	53.3	190,172	51.9	176,253	48.1
2PP Household	3,239	80.8	770	19.2	124,201	68.6	56,915	31.4	318,662	74.6	108,221	25.4
3PP Household	1,277	76.4	394	23.6	51,359	69.4	22,694	30.6	138,479	74.9	46,511	25.1
4PP Household	1,034	95.0	55	5.0	49,847	76.4	15,370	23.6	136,222	80.5	32,910	19.5
5PP Household	300	100.0	0	0.0	18,820	74.6	6,396	25.4	54,941	77.1	16,316	22.9
6PP Household	26	100.0	0	0.0	6,003	64.0	3,373	36.0	17,268	68.5	7,949	31.5
7PP+ Household	11	35.7	20	64.3	4,117	60.6	2,678	39.4	12,146	67.8	5,772	32.2
Total	7,646	73.0	2,824	27.0	337,079	62.5	202,027	37.5	867,890	68.8	393,931	31.2
Average HH Size	2.39		1.75		2.56		2.13		2.68		2.21	
2010												
Age	Golden Valley		Hennepin County		Metro Area							
Owners	Pct.	Renters	Pct.	Owners	Pct.	Renters	Pct.	Owners	Pct.	Renters	Pct.	
1PP Household	1,643	61.3	1,039	38.7	77,198	49.5	78,609	50.5	171,241	53.7	147,789	46.3
2PP Household	2,879	85.0	510	15.0	112,157	71.5	44,706	28.5	280,552	76.3	87,139	23.7
3PP Household	1,044	84.2	196	15.8	47,338	70.3	20,044	29.7	128,197	75.1	42,563	24.9
4PP Household	875	87.5	125	12.5	42,878	76.3	13,330	23.7	123,219	80.6	29,587	19.4
5PP Household	311	84.3	58	15.7	16,863	71.7	6,653	28.3	50,854	77.4	14,883	22.6
6PP Household	68	81.0	16	19.0	5,442	62.6	3,255	37.4	16,887	71.0	6,908	29.0
7PP+ Household	37	71.2	15	28.8	4,245	57.1	3,195	42.9	11,525	64.3	6,405	35.7
Total	6,857	77.8	1,959	22.2	306,121	64.3	169,792	35.7	782,475	70.0	335,274	30.0
Average HH Size	2.37		1.86		2.51		2.12		2.64		2.18	

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

Diversity

The population distribution by race, Table D-10, presents the diversity of the population in Golden Valley and Hennepin County for 2010 and 2023. The data for 2010 was obtained from the U.S. Census and 2023 was estimated with data from the American Community Survey.

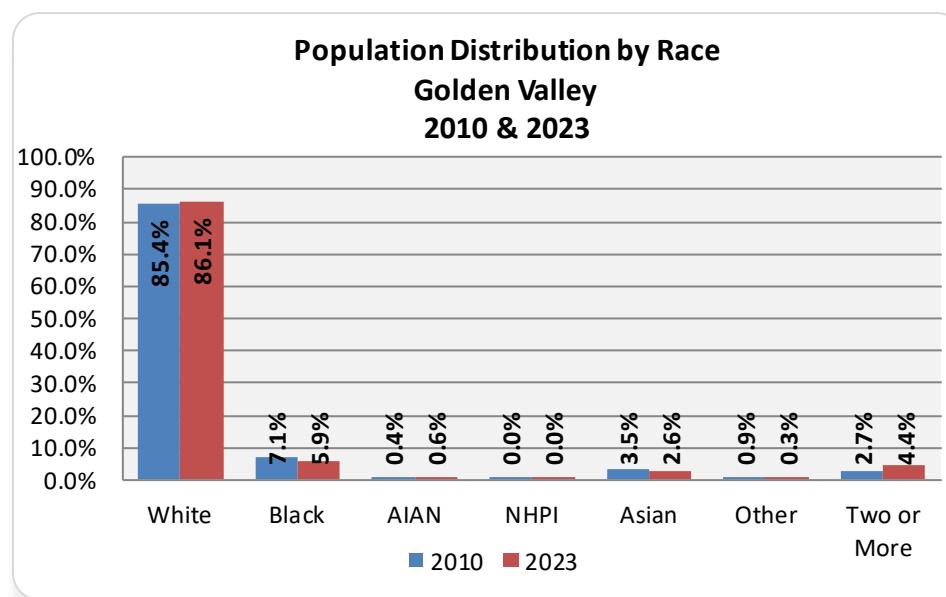
- In 2023, “White Alone” comprised the largest proportion of the population in Golden Valley (86%), Hennepin County (71%), and the Metro Area (75%). The percentage in Golden Valley is estimated to have increased since 2010 where “White Alone” was 85% while it has estimated to have decreased Hennepin County (74% in 2010) and in the Metro Area (75% in 2010).
- U.S. Census respondents that list themselves ethnically as Hispanic or Latino, racially list themselves in various race categories. As of 2022, 3% of Golden Valley’s population was Hispanic/Latino.
- Due to a change in race reporting for the 2020 Census and beyond, the Two or More Races category experienced the largest estimated growth between 2010 and 2022 in Golden Valley, increasing from 552 to 1,026 people (86%).

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TABLE D-9 POPULATION DISTRIBUTION BY RACE GOLDEN VALLEY ANALYSIS AREA 2010 and 2023																
NUMBER	White Alone		Black or African American Alone		American Indian and Alaska Native Alone (AIAN)		Native Hawaiian or Pacific Islander Alone (NHPI)		Asian Alone		Some Other Race		Two or More Races Alone		Hispanic or Latino ¹ Ethnicity not Race	
	2010	2023	2010	2023	2010	2023	2010	2023	2010	2023	2010	2023	2010	2023	2010	2023
Golden Valley	17,390	20,384	1,441	1,401	85	151	4	11	723	621	176	81	552	1,038	538	689
Hennepin County	856,834	918,307	136,262	171,382	7,252	9,041	506	415	71,905	93,773	38,878	44,763	37,449	62,795	77,676	90,355
Metro Area	2,246,356	2,405,272	238,723	313,476	20,219	18,293	1,262	1,076	183,421	246,514	74,516	86,528	84,383	149,523	167,558	208,081
PERCENTAGE																
Golden Valley	85.4%	86.1%	7.1%	5.9%	0.4%	0.6%	0.0%	0.0%	3.5%	2.6%	0.9%	0.3%	2.7%	4.4%	2.6%	2.9%
Hennepin County	74.4%	70.6%	11.8%	13.2%	0.6%	0.7%	0.0%	0.0%	6.2%	7.2%	3.4%	3.4%	3.2%	4.8%	6.7%	6.9%
Metro Area	78.8%	74.7%	8.4%	9.7%	0.7%	0.6%	0.0%	0.0%	6.4%	7.7%	2.6%	2.7%	3.0%	4.6%	5.9%	6.5%

¹ US Census respondents list themselves ethnically Hispanic or Latino and racially in one of the other listed categories.

Sources: U.S. Census Bureau ACS; Maxfield Research and Consulting LLC



Mobility in the Past Year

Table D-10 shows the mobility patterns of Golden Valley residents within a one-year time frame in 2020 based on data from the American Community Survey.

- The majority of residents in Golden Valley (86%) did not move within the last year.
- Of the remaining 14% of Golden Valley residents that had moved within the last year, approximately 11% moved from within Hennepin County (i.e. one location in Hennepin County to another Hennepin County location). while about 2% moved from outside of Hennepin County but within Minnesota.
- A greater proportion of younger age cohorts tended to move compared to older age cohorts. Approximately 6% of those age 24 to 35 moved within the last year compared to 1% of those age 65+.

TABLE D-10 MOBILITY ESTIMATE IN THE PAST YEAR BY AGE FOR CURRENT RESIDENCE GOLDEN VALLEY 2020										
Age	Not Moved		Moved							
	Same House		Within Same County		Different County Same State		Different State		Abroad	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Under 18	3,413	14.6%	351	1.5%	4	0.0%	41	0.2%	0	0.0%
18 to 24	773	3.3%	345	1.5%	16	0.1%	13	0.1%	28	0.1%
25 to 34	1,827	7.8%	941	4.0%	251	1.1%	107	0.5%	5	0.0%
35 to 44	2,894	12.4%	375	1.6%	44	0.2%	141	0.6%	0	0.0%
45 to 54	2,656	11.4%	101	0.4%	32	0.1%	0	0.0%	15	0.1%
55 to 64	3,650	15.6%	169	0.7%	0	0.0%	30	0.1%	0	0.0%
65 to 74	2,508	10.7%	64	0.3%	23	0.1%	0	0.0%	0	0.0%
75+	2,423	10.4%	150	0.6%	5	0.0%	8	0.0%	0	0.0%
Total	20,145	86.1%	2,495	10.7%	375	1.6%	341	1.5%	48	0.2%

Sources: 2016-2020 American Community Survey; Maxfield Research and Consulting LLC

Employment Trends

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

Employment Growth and Projections

Table E-1 shows projected employment growth in Golden Valley, Hennepin County, and the Twin Cities Metro Area. Table E-1 shows employment growth trends and projections from 2000 to 2040 based on the most recent Minnesota Department of Employment and Economic Development (DEED) and Metropolitan Council employment outlook projections.

TABLE E-1 EMPLOYMENT GROWTH TRENDS AND PROJECTIONS GOLDEN VALLEY ANALYSIS AREA 2000-2040													
	Employment						Change						
	Actual				Forecast		2000-2010		2010-2020		2020-2030		
	2000	2010	2020	2022*	2030	2040	No.	Pct.	No.	Pct.	No.	Pct.	
Golden Valley	30,073	33,194	28,845	28,478	31,000	33,000	3,121	10.4%	-4,349	-13.1%	2,155	7.6%	
Hennepin County	733,391	805,089	811,001	899,611	1,007,600	1,060,660	71,698	9.8%	5,912	0.7%	196,599	21.9%	
Twin Cities Metro Area	1,272,773	1,543,872	1,546,594	1,721,426	1,900,000	2,016,000	271,099	21.3%	2,722	0.2%	353,406	20.5%	

* 2022 Data is from MNDEED Quarterly Census of Employment and Wages through Q3
Note: Twin Cities Metro represents the 7-County planning region
Sources: MN Dept of Employment and Economic Development; Metropolitan Council; Maxfield Research & Consulting, LLC.

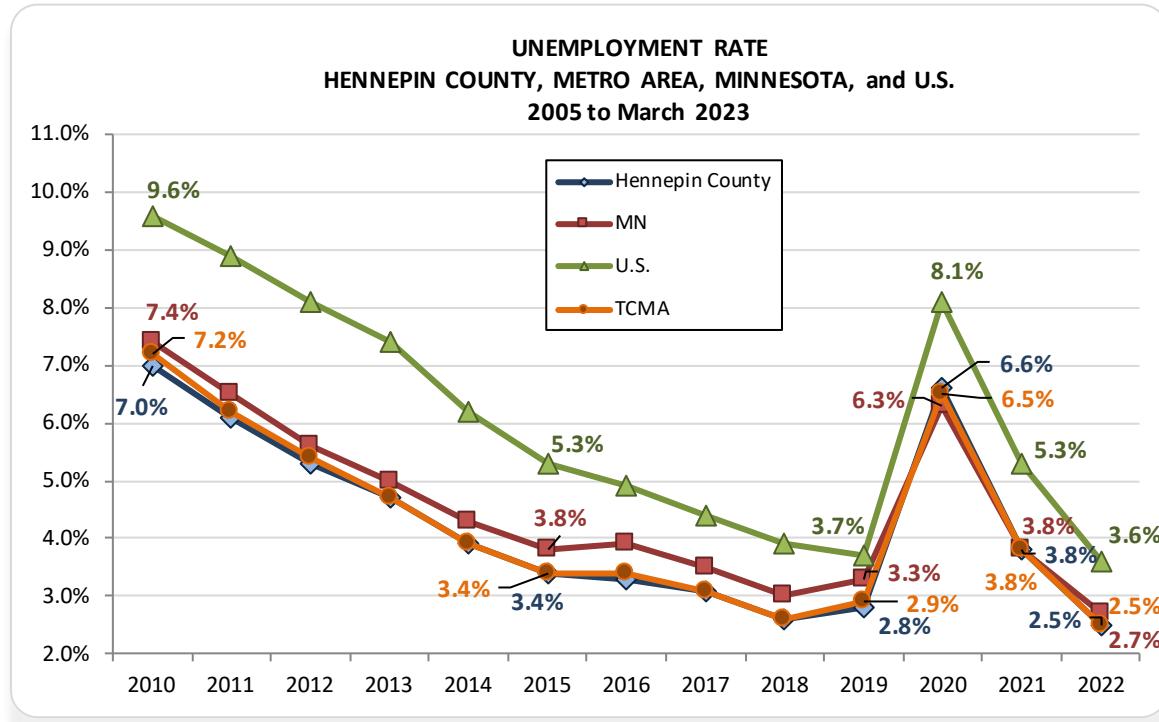
- There was an estimated total of 28,845 jobs in Golden Valley in 2020, which was 3.5% of the County total (811,001 jobs). Employment declined by nearly 4,350 (-13%) over the decade.
- The number of jobs in Golden Valley is projected to grow by 2,155 jobs from 2020 through 2030 (8%). This is a much lower projection than what is expected for Hennepin County (22%) and the Twin Cities Metro Area (20.5%).
- Golden Valley's employment is anticipated to increase by 6.5% between 2030 and 2040.

Resident Labor Force

Recent employment growth trends are shown in Table E-2 which presents resident employment data for Hennepin County and the Twin Cities Metro Area from 2000 through Q1 2023. Data for the City of Golden Valley is not available as per discussion with the Minnesota Department of Employment and Economic Development (DEED). Resident employment data is calculated as an annual average and reveals the work force and number of employed persons living in the geography. It is important to note that not all of these individuals necessarily work in the selected geography.

Resident Employment

- Resident employment (number of employed persons) in Hennepin County increased by 89,075 people between 2000 and 2019 (14%) and the unemployment rate increased from 7.0% (2010) to 2.8% in 2019.
- The chart below illustrates how unemployment in Hennepin County has mirrored national trends but has remained well below the national rate throughout much of the past decade. Hennepin County's unemployment rate has consistently tracked with unemployment trends in the Metro Area and the State.
- The unemployment rate in Hennepin County increased to 7.0% in 2010 Due to the Great Recession. Through the last decade the unemployment rate declined to 2.8% by 2019.



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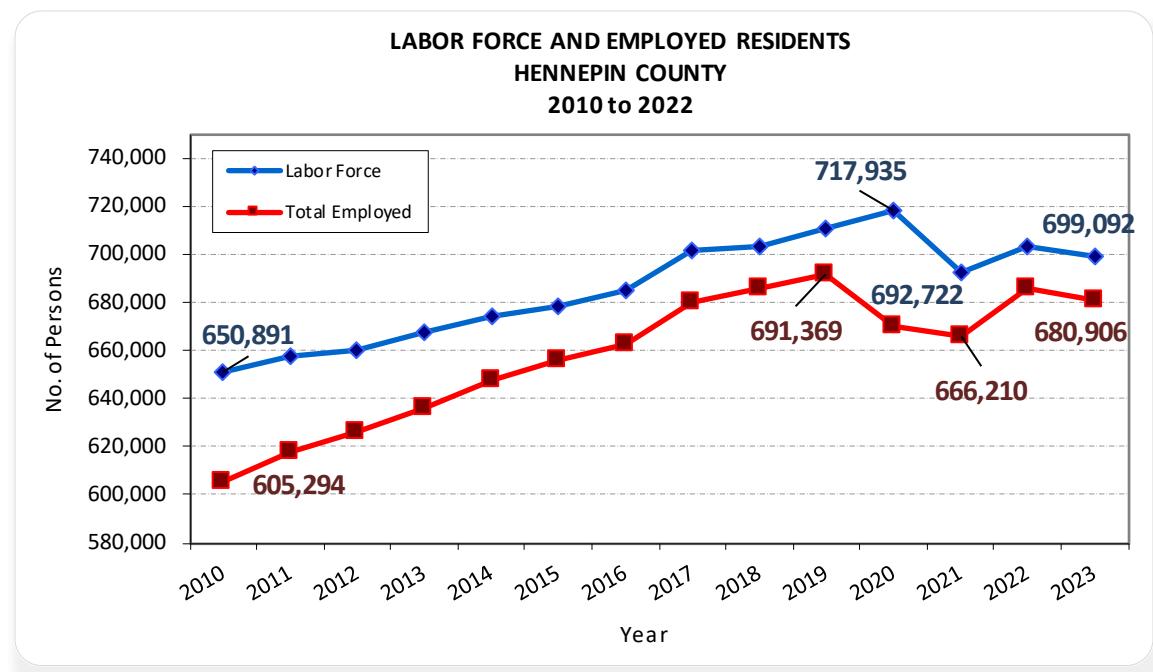
- The steep rise in Hennepin County's unemployment to 6.6% in 2020 was directly impacted by the COVID-19 pandemic. The unemployment rate fell back down to 3.5% in 2021 and has fallen further to the average of 2.5% in 2022.

TABLE E-2 RESIDENT EMPLOYMENT (ANNUAL AVERAGE) HENNEPIN COUNTY AND TWIN CITIES METRO AREA 2000 through 2023*						
Year	Total Labor Force	Total Employed	Total Unemployed	Unemployment Rate	MN Unemployment Rate	U.S. Unemployment Rate
HENNEPIN COUNTY						
2000	666,621	648,571	18,050	2.7%	3.2%	4.0%
2005	652,568	628,595	23,973	3.7%	4.1%	5.1%
2010	650,891	605,294	45,597	7.0%	7.4%	9.6%
2015	678,387	655,614	22,773	3.4%	3.8%	5.3%
2019	711,222	691,369	19,853	2.8%	3.3%	3.7%
2020	717,935	670,358	47,577	6.6%	6.3%	8.1%
2021	692,722	666,210	26,512	3.8%	3.8%	5.3%
2022	703,573	686,159	17,414	2.5%	2.7%	3.6%
2023*	699,092	680,906	18,186	2.6%	3.3%	3.8%
Change 2010-20	67,044	65,064	1,980	-0.4%	-1.1%	-1.5%
Change 2015-19	32,835	35,755	-2,920	-0.6%	-0.5%	-1.6%
Change 2019-20	6,713	-21,011	27,724	3.8%	3.0%	4.4%
Change 2020-22	-14,362	15,801	-30,163	-2.8%	-3.6%	-4.5%
TWIN CITIES METRO AREA						
2000	1,563,293	1,521,414	41,879	2.7%	3.2%	4.0%
2005	1,585,047	1,526,490	58,557	3.7%	4.1%	5.1%
2010	1,593,385	1,479,385	114,000	7.2%	7.4%	9.6%
2015	1,653,838	1,597,310	56,528	3.4%	3.8%	5.3%
2019	1,734,928	1,684,949	49,979	2.9%	3.3%	3.7%
2020	1,749,292	1,636,317	112,975	6.5%	6.3%	8.1%
2021	1,688,645	1,625,275	63,370	3.8%	3.8%	5.3%
2022	1,717,199	1,674,301	42,898	2.5%	2.7%	3.6%
2023*	1,708,978	1,662,078	46,900	2.7%	3.3%	3.8%
Change 2010-20	155,907	156,932	-1,025	-0.7%	-1.1%	-1.5%
Change 2015-19	81,090	87,639	-6,549	-0.5%	-0.5%	-1.6%
Change 2019-20	14,364	-48,632	62,996	3.6%	3.0%	4.4%
Change 2020-22	-32,093	37,984	-70,077	-2.9%	-3.6%	-4.5%

* Data in 2023 is the average through March (Q1).

Sources: MN Department of Employment and Economic Development (DEED); Maxfield Research & Consulting, LLC

- Resident employment in Hennepin County has increased since 2010 experiencing a gain of 65,064 employed persons (11%) over the decade and 516 employed persons (7%) through 2021. The COVID-19 pandemic has had an effect on employment in Hennepin County as the total employed persons fell by 25,159 people (-4%) from 2019 to 2021 while the labor force also lost 18,500 individuals (-3%).



Covered Employment by Industry

Table E-3 presents covered employment workforce numbers for the PMA from 2000 through 20Q3 2022. Covered employment data is calculated as an annual average and *reveals the number of jobs in the designated area*, which are covered by unemployment insurance. Many temporary workforce positions, agricultural, self-employed persons, and some other types of jobs are not covered by unemployment insurance and are not included in the table. The data in both tables is sourced from the Minnesota Department of Employment and Economic Development. The following are key trends derived from the employment data:

Covered Employment by Industry

- Between 2010 and 2020, the number of jobs decreased in Golden Valley by 3,675 an 11% decline in the City. The majority of the decline in employment was caused by the COVID-19 Pandemic which began in March 2020.
- During the last decade, most industries saw job losses during the pandemic with the Professional and Business Services losing the greatest number of jobs (-1,535 jobs, -21%) between 2000 and 2020. Manufacturing and Financial Services both declined by over 1,000 employees. Education and Health Services suffered the largest rate of decline at -36%, or over 710 employees.

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TABLE E-3 COVERED EMPLOYMENT TRENDS GOLDEN VALLEY MN 2000, 2005, 2010, 2015, 2020 2021, and 2022* North American Industrial Classification System (NAICS)														
Average Number of Employees	Change													
	2010 - 2020		2020-2022*		% of Total									
	<u>2010</u>	<u>2015</u>	<u>2020</u>	<u>2021</u>	<u>2022*</u>	<u>No.</u>	<u>Pct.</u>	<u>No.</u>	<u>Pct.</u>	<u>2010</u>	<u>2015</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Industry	<u>2010</u>	<u>2015</u>	<u>2020</u>	<u>2021</u>	<u>2022*</u>	<u>No.</u>	<u>Pct.</u>	<u>No.</u>	<u>Pct.</u>	<u>2010</u>	<u>2015</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Natural Resources & Mining	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Construction	--	--	--	2,521	2,717	--	--	--	--	--	--	--	8.7%	9.5%
Manufacturing	4,182	4,226	2,981	2,870	2,932	-1,201	-28.7%	-49	-1.7%	12.4%	12.6%	9.9%	9.9%	10.3%
Trade, Transportation, and Utilities	4,385	5,142	5,001	5,036	5,064	616	14.0%	63	1.3%	13.0%	15.3%	14.9%	15.0%	15.0%
Information	688	681	531	480	436	-157	-22.8%	-95	-17.8%	2.0%	2.0%	1.6%	1.4%	1.3%
Financial Services	5,229	3,708	4,088	4,098	3,787	-1,141	-21.8%	-301	-7.4%	15.5%	11.0%	12.1%	12.2%	11.3%
Professional and Business Services	9,264	10,559	7,729	7,659	7,151	-1,535	-16.6%	-578	-7.5%	27.5%	31.4%	23.0%	22.8%	21.2%
Education and Health Services	5,069	4,411	4,651	3,805	3,694	-418	-8.2%	-957	-20.6%	15.1%	13.1%	13.8%	11.3%	11.0%
Leisure and Hospitality	2,005	1,249	1,291	1,410	1,652	-714	-35.6%	361	27.9%	6.0%	3.7%	3.8%	4.2%	4.9%
Other Services	675	717	716	763	674	41	6.1%	-42	-5.9%	2.0%	2.1%	2.1%	2.3%	2.0%
Public Administration	300	292	308	338	366	8	2.7%	58	18.9%	0.9%	0.9%	0.9%	1.0%	1.1%
Totals	33,650	33,656	29,975	28,981	28,478	-4,669	-13.9%	-1,497	-5.0%					

* Data is through 3rd Quarter 2022

Source: Minnesota Department of Employment and Economic Development (MN DEED); Maxfield Research & Consulting, LLC

- Since 2022, Golden Valley has continued to decline in covered employment even after other communities stabilized or recovered jobs after the pandemic subsided. Golden Valley lost nearly 1,500 jobs (-5%) from 2000 to 2022 with the Education and Health Services sector losing 21% (957 jobs) and the Professional and Business Services losing about 580 jobs (-7.5%). Financial Services also continued its decline losing over 300 jobs (7%).
- The Leisure and Hospitality sector which was one of the hardest hit sectors all over the country recovered strong over the past few years growing 28% (361 jobs). In addition to the Leisure and Hospitality sector, the Trade, Transportation, and Utilities along with Public Administration also made minimal gains in employments but not nearly enough to offset the losses in the other sectors.

Employment, Earnings, and Employment by Educational Attainment

Table E-4 displays information on the employment by earnings, Table E-5 identifies employment by educational attainment, and Table E-6 is the business summary. The employment by earnings and the employment by educational attainment are both sourced by the US Census for 2019 while the business summary for Golden Valley is sourced from Minnesota DEED for Q3 2022, the most recent annual data available. Minnesota DEED obtains its business data under the Unemployment Insurance (UI) Program which requires all establishments to report wage and employment statistics quarterly to DEED. Federal government establishments are also covered by this program.

It should be noted that certain industries in Table E-6 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

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there are too few employers, or one employer comprises too much of the employment in that geography.

- The majority of jobs within Golden Valley are relatively high paying positions with approximately 22,290 (65%) employees make more than \$3,333 per month as of 2019. The ratio is much higher when compared to Hennepin County (58%) and the Metro Area (56%).

TABLE E-4							
EMPLOYMENT BY EARNINGS							
GOLDEN VALLEY ANALYSIS AREA							
2019							
Type	Golden Valley		Hennepin County		Metro Area		
	No.	Pct.	No.	Pct.	No.	Pct.	
\$1,250/month or less	5,570	16.3%	187,698	19.2%	370,588	20.4%	
\$1,251 to \$3,333/month	6,410	18.7%	220,463	22.6%	426,272	23.5%	
More than \$3,333/month	22,291	65.0%	567,585	58.2%	1,016,814	56.1%	
Total	34,271	100%	975,746	100%	1,813,674	100%	

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

- Golden Valley has 10,155 employees (30%) with a bachelor's degree or advanced degree compared to 28.5% in Hennepin County and 27% in the Metro Area.

TABLE E-5							
EMPLOYMENT BY EDUCATIONAL ATTAINMENT							
GOLDEN VALLEY ANALYSIS AREA							
2019							
Type	Golden Valley		Hennepin County		Metro Area		
	No.	Pct.	No.	Pct.	No.	Pct.	
Less Than High School	2,037	5.9%	63,963	6.6%	119,627	6.6%	
High School or Equivalent, No College	6,285	18.3%	168,693	17.3%	326,540	18.0%	
Some College or Associate Degree	8,826	25.8%	239,351	24.5%	452,867	25.0%	
Bachelor's Degree or Advanced Degree	10,155	29.6%	278,072	28.5%	489,856	27.0%	
Educational Attainment Not Available	6,968	20.3%	225,667	23.1%	424,784	23.4%	
Total	34,271	100%	975,746	100%	1,813,674	100%	

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

- As of Q3 of 2022, there were approximately 1,177 businesses with 27,848 employees in the City of Golden Valley.
- The highest number of employees employed in business/industry sectors in Golden Valley are as follows:

	<u>Employees</u>	<u>Establishments</u>
Finance & Insurance	3,341 (12.0%)	86 (7.3%)

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Health Care & Social Services	3,198 (11.5%)	175 (14.9%)
Mgmt.. of Comp. & Enterprises (11.1%)	3,102 (11.1%)	30 (2.5%)
Manufacturing	2,944 (10.6%)	52 (4.4%)
Construction	2,910 (10.4%)	80 (6.8%)

TABLE E-6
BUSINESS SUMMARY - BY NAICS CODE
GOLDEN VALLEY MN
Q3 2022

Business/Industry	Businesses		Employees	
	Number	Pct	Number	Pct
NAICS CODES				
Agriculture, Forestry, Fishing and Hunting	0	0.0%	0	0.0%
Mining	0	0.0%	0	0.0%
Utilities	0	0.0%	0	0.0%
Construction	80	6.8%	2,910	10.4%
Manufacturing	52	4.4%	2,944	10.6%
Wholesale Trade	93	7.9%	2,429	8.7%
Retail Trade	58	4.9%	1,639	5.9%
Transportation & Warehousing	0	0.0%	0	0.0%
Information	38	3.2%	441	1.6%
Finance & Insurance	86	7.3%	3,341	12.0%
Real Estate, Rental & Leasing	52	4.4%	331	1.2%
Professional, Scientific & Tech Services	198	16.8%	2,488	8.9%
Management of Companies & Enterprises	30	2.5%	3,102	11.1%
Admin& Support & Waste Management & Remediation Services	60	5.1%	1,730	6.2%
Educational Services	23	2.0%	416	1.5%
Health Care & Social Assistance	175	14.9%	3,198	11.5%
Arts, Entertainment & Recreation	27	2.3%	693	2.5%
Accommodation & Food Services	68	5.8%	1,100	4.0%
Other Services (except Public Administration)	133	11.3%	682	2.4%
Public Administration	4	0.3%	404	1.5%
Unclassified Establishments	0	0.0%	0	0.0%
Total	1,177	100.0%	27,848	100.0%

Sources: Minnesota Department of Employment and Economic Development, Maxfield Research & Consulting, LLC

Commuting Patterns

Proximity to employment is often a primary consideration when choosing where to live, since transportation costs often account for a large proportion of households' budgets. Table E-7 highlights the commuting patterns of workers in Golden Valley in 2019 (the most recent data available), based on Employer-Household Dynamics data from the U.S. Census Bureau.

TABLE E-7 COMMUTING PATTERNS CITY OF GOLDEN VALLEY 2019					
Home Destination			Work Destination		
Place of Residence	Count	Share	Place of Employment	Count	Share
Minneapolis city, MN	3,831	11.2%	Minneapolis city, MN	3,345	27.3%
Plymouth city, MN	1,871	5.5%	Golden Valley city, MN	1,048	8.6%
St. Paul city, MN	1,452	4.2%	Plymouth city, MN	664	5.4%
Maple Grove city, MN	1,323	3.9%	St. Louis Park city, MN	651	5.3%
Brooklyn Park city, MN	1,247	3.6%	Bloomington city, MN	574	4.7%
St. Louis Park city, MN	1,093	3.2%	St. Paul city, MN	554	4.5%
Golden Valley city, MN	1,048	3.1%	Minnetonka city, MN	540	4.4%
Minnetonka city, MN	898	2.6%	Eden Prairie city, MN	529	4.3%
Bloomington city, MN	723	2.1%	Edina city, MN	332	2.7%
Coon Rapids city, MN	684	2.0%	Maple Grove city, MN	304	2.5%
All Other Locations	20,101	58.7%	All Other Locations	3,692	30.2%
<u>Distance Traveled</u>			<u>Distance Traveled</u>		
Total All Jobs	34,271	100.0%	Total All Jobs	12,233	100.0%
Less than 10 miles	15,571	45.4%	Less than 10 miles	8,906	72.8%
10 to 24 miles	13,630	39.8%	10 to 24 miles	2,698	22.1%
25 to 50 miles	3,013	8.8%	25 to 50 miles	152	1.2%
Greater than 50 miles	2,057	6.0%	Greater than 50 miles	477	3.9%

Home Destination = Where workers live who are employed in the selection area
Work Destination = Where workers are employed who live in the selection area
Sources: US Census Bureau Local Employment Dynamics; Maxfield Research & Consulting, LLC

- As shown in Table E-7, 9% of Golden Valley residents commuted to jobs in Golden Valley. Most employees that live in Golden Valley commuted to jobs in Minneapolis (27%).
- Of the workers employed in Golden Valley, 3% also live in Golden Valley. The remaining workers are commuting from mostly Minneapolis (11%), Plymouth (5.5%), St. Paul (4%), Maple Grove (4%), and Brooklyn Park (4%).
- The majority of workers commuting to Golden Valley for employment travel less than 45% and another 40% travel between 10 to 24 miles. Overall 85% of Golden Valley employees commute within 24 miles.

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- Nearly 73% of Golden Valley residents commute less than 10 miles for employment and 22% travel 10 to 24 miles. Thus, 95% of Golden Valley residents commute within 24 miles for employment.

Inflow/Outflow

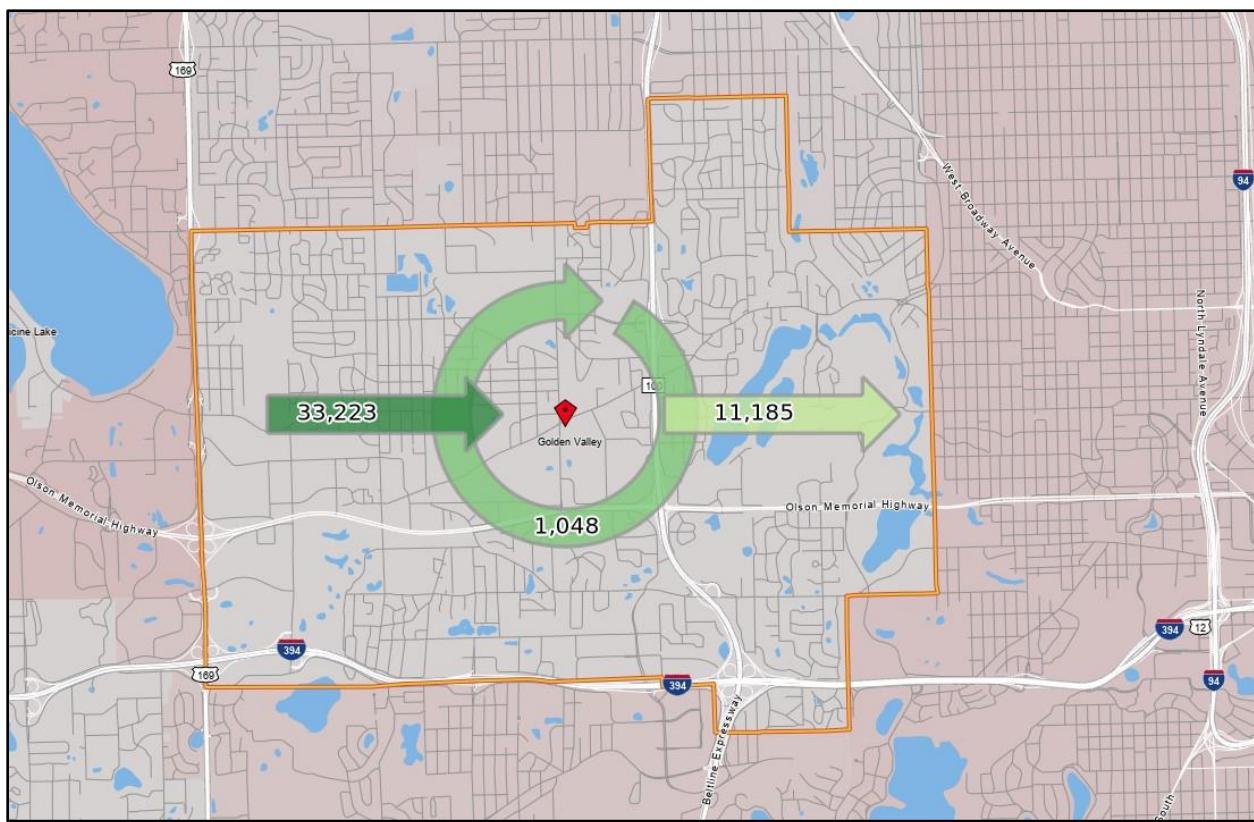
Table E-8 provides a summary of the inflow and outflow of workers in Golden Valley. Outflow reflects the number of workers living in Golden Valley but employed outside of Golden Valley while inflow measures the number of workers that are employed in Golden Valley but live outside. Interior flow reflects the number of workers that both live and work in Golden Valley.

TABLE E-8		
COMMUTING INFLOW/OUTFLOW		
GOLDEN VALLEY MN		
2019		
	Golden Valley	
	Num.	Pct.
Employed in the Selection Area	34,271	100%
Employed in the Selection Area but Living Outside	33,223	96.9%
Employed and Living in the Selection Area	1,048	3.1%
Living in the Selection Area	12,233	100%
Living in the Selection Area but Employed Outside	11,185	91.4%
Living and Employed in the Selection Area	1,048	8.6%
Commuting Distance	Num.	Pct.
Less than 10 miles	10,151	51.9%
10 to 24 miles	3,994	20.4%
25 to 50 miles	1,746	8.9%
Greater than 50 miles	3,676	18.8%

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

- Golden Valley can be considered a major importer of workers, as the number of residents coming into Golden Valley (inflow) for employment was more than the number of residents leaving Golden Valley for work (outflow). Approximately 33,225 workers came into Golden Valley for work while 11,185 workers left, for a net difference of 22,038.

Map 1: Golden Valley 2019 Employment Inflow/Outflow



Introduction

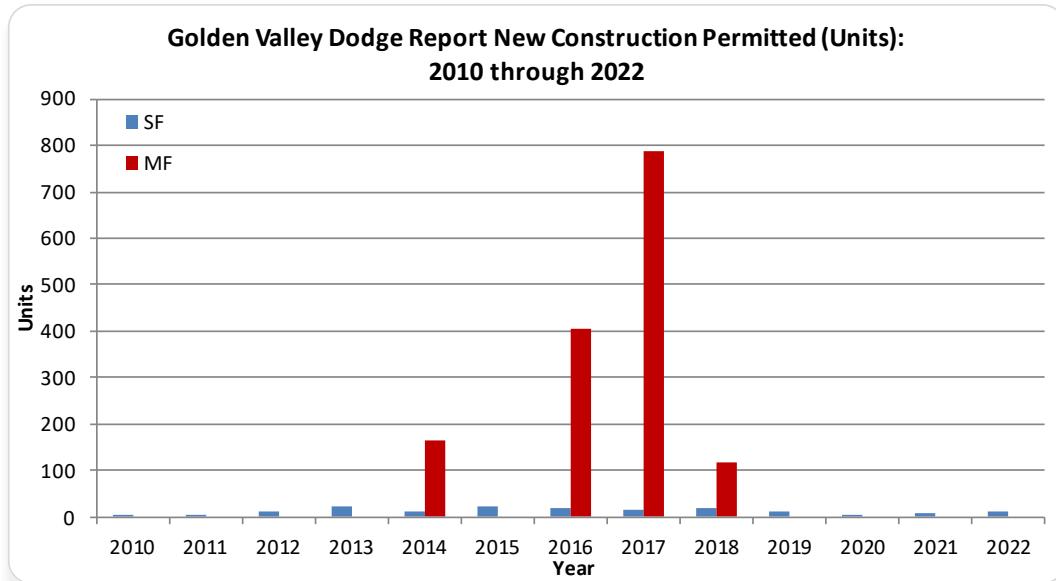
The variety and condition of the housing stock in a community provides the basis for an attractive living environment. Housing functions as a building block for neighborhoods and goods and services. We initially examined the characteristics of the housing supply in Golden Valley by reviewing data on the age of the existing housing stock; examining residential building trends since 2000; and reviewing housing data from the American Community Survey that relates to the Market Area.

Residential Construction Trends 2000 to Present

Maxfield Research obtained data from the Metropolitan Council on the number of building permits issued for new housing units in Golden Valley from 2010 through 2022 and compared this with the number of units permitted as identified by HUD State of the Cities (SOCDS) and the City of Golden Valley Dodge Report provided by the City of Golden Valley Building Department.

Table HC-1 displays units permitted for single-family and multifamily dwellings as reported by Metropolitan Council, while Table HC-2 displays units permitted for single-family and multifamily dwellings as reported by the City of Golden Valley Building Department Dodge Report. The following are key points about housing development since 2000.

- Per the Metropolitan Council, the City of Golden Valley issued 1,723 permits between 2010 and 2022. That equates to about 133 residential building permits annually since 2010. About 87% of these units were permitted in multifamily developments with five or more units.



HOUSING CHARACTERISTICS

- The City of Golden Valley Building Department Dodge Report reported that there were 1,642 new residential units permitted from 2010 through 2022. This equates to about 125 total units permitted annually since 2010. About 90% of the units permitted within multi-family developments with five or more units.
- In comparison, Metropolitan Council permitted units skew slightly higher with the discrepancy occurring in 2015 year where the Met Council has 102 units, and the Golden Valley Dodge Report has only 22 (a difference of 80 units)
- Between 2010 and 2015, per the Dodge Report, the City of Golden Valley issued permits for 241 units which equates to about 40 units annually. There were 165 multifamily units permitted during this period compared to 76 single-family units permitted between 2010 and 2015.
- Since 2015, the City of Golden Valley issued permits for 1,401 units, equating to 200 units annually from 2016 to 2022. There were 165 multifamily units permitted during this period compared to 76 single-family units permitted between 2010 and 2015.
- During the years of 2014 through 2018, the City of Golden Valley issued permits for all 1,477 multifamily units from 2010 to 2022. Due to Golden Valley being a fully developed community, future develop will continue to be multifamily product with single family occurring due to tear-downs.

HC-1 RESIDENTIAL CONSTRUCTION BUILDING PERMITTED UNITS ISSUED CITY OF GOLDEN VALLEY <i>per Metropolitan Council</i> 2010 to 2022							
Year	Units Permitted						HUD SOCDS Total New Residential Permitted Units ²
	Single-Family ¹	Townhomes	Duplex, Triplex, and Quad	3+ Units Multifamily	Multifamily	Accessory Dweling Units	
2010	5	0	0	0	0	0	5
2011	3	0	0	0	0	0	3
2012	11	0	0	0	0	0	11
2013	23	0	0	0	0	0	23
2014	13	0	0	0	165	0	178
2015	22	0	0	0	80	0	102
2016	13	4	0	0	404	0	421
2017	17	33	0	0	759	0	809
2018	18	20	0	0	98	0	136
2019	13	0	0	0	0	0	13
2020	4	0	0	0	0	0	4
2021	8	0	0	0	0	0	8
2022	10	0	0	0	0	0	10
Total	150	57	0	0	1,506	0	1,723
							990

¹ Includes Townhomes (single-family detached)
² HUD State of the Cities Data Systems (SOCDS). Permitted units issued regardless of building size.

Sources: Metropolitan Council; US Census; Maxfield Research and Consulting LLC

HOUSING CHARACTERISTICS

HC-2 RESIDENTIAL CONSTRUCTION BUILDING PERMITS ISSUED CITY OF GOLDEN VALLEY <i>per City of Golden Valley Building Dept. Dodge Report</i> 2000 to 2022				
Year	Units Permitted ¹			MET Council Total New Residential Permitted Units ²
	Single-Family & Townhomes	Multifamily	Total Units	
2010	4	0	4	5
2011	3	0	3	3
2012	11	0	11	11
2013	23	0	23	23
2014	13	165	178	178
2015	22	0	22	102
2016	18	405	423	421
2017	17	789	806	809
2018	19	118	137	136
2019	13	0	13	13
2020	4	0	4	4
2021	8	0	8	8
2022	10	0	10	10
Total	165	1,477	1,642	1,723

¹ Dodge Report
² HUD State of the Cities Data Systems (SOCDS). Permitted units issued regardless of building size.
Sources: City of Golden Valley; US Census; Maxfield Research and Consulting LLC

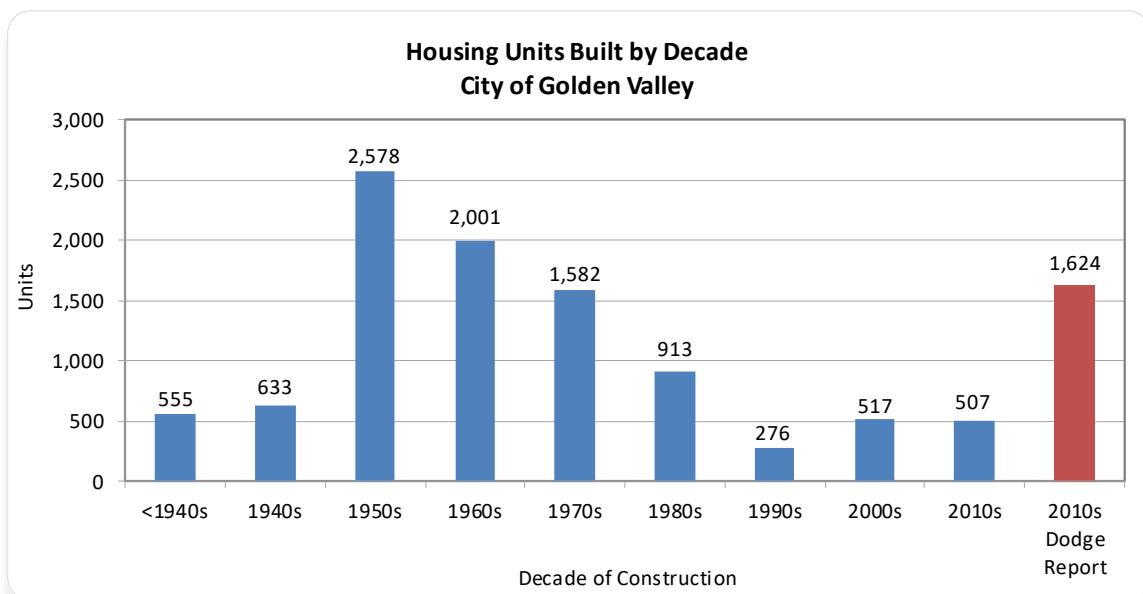
American Community Survey

The American Community Survey (“ACS”) is an ongoing statistical survey administered by the U.S. Census Bureau that is sent to approximately 3 million addresses annually. The survey gathers data previously contained only in the long form of the Decennial Census. As a result, the survey is ongoing and provides a more “up-to-date” portrait of demographic, economic, social, and household characteristics every year, not just every ten years. For this report we utilize 2020 ACS highlights with data collected between 2016 and 2020. Tables HC-3 to HC-7 show key data for Golden Valley.

Age of Housing Stock

The following graph shows the age distribution of the housing stock in 2020 based on data from the U.S. Census Bureau American Community Survey (5-Year). Table HC-3 includes the number of housing units built in Golden Valley, prior to 1940 and during each decade since.

- As of 2020, Golden Valley was estimated to have 9,562 housing units, of which roughly 73% were owner-occupied and 27% were renter-occupied. In Hennepin County, approximately 63% were owner-occupied while in Minnesota 72% of the housing stock was owner-occupied.
- Homes in Golden Valley are older than homes in Hennepin County. The majority of Golden Valley housing (48%) was built in the 1950's and 1960's with the largest proportion of homes in Golden Valley were constructed in the 1950's (roughly 27%). By comparison, the highest number of homes in Hennepin County were built prior to 1940 (18%).



HOUSING CHARACTERISTICS

TABLE HC-3 AGE OF HOUSING STOCK GOLDEN VALLEY MN 2020 American Community Survey																						
	Total Units	Med. Yr. Built	Year Unit Built																			
			<1940		1940s		1950s		1960s		1970s		1980s		1990s		2000s		2010 - 2013		2014 or later	
GOLDEN VALLEY MN																						
Owner-Occupied	6,983	1960	520	7.4	585	8.4	2,346	33.6	1,690	24.2	997	14.3	326	4.7	75	1.1	368	5.3	20	0.3	56	0.8
Renter-Occupied	2,579	1981	35	1.4	48	1.9	232	9.0	311	12.1	585	22.7	587	22.8	201	7.8	149	5.8	9	0.3	422	16.4
Total	9,562	1965	555	5.8	633	6.6	2,578	27.0	2,001	20.9	1,582	16.5	913	9.5	276	2.9	517	5.4	29	0.3	478	5.0
Hennepin County																						
Owner-Occupied	321,314	1968	61,673	19.2	21,490	6.7	51,672	16.1	30,802	9.6	39,858	12.4	43,158	13.4	31,202	9.7	28,282	8.8	4,950	1.5	8,227	2.6
Renter-Occupied	192,578	1974	32,348	16.8	6,894	3.6	15,366	8.0	26,831	13.9	35,004	18.2	26,727	13.9	16,841	8.7	14,744	7.7	7,279	3.8	10,544	5.5
Total	513,892	1971	94,021	18.3	28,384	5.5	67,038	13.0	57,633	11.2	74,862	14.6	69,885	13.6	48,043	9.3	43,026	8.4	12,229	2.4	18,771	3.7
Twin Cities Metro Area																						
Owner-Occupied	825,889	1976	114,512	13.9	36,198	4.4	96,513	11.7	76,271	9.2	105,684	12.8	122,817	14.9	125,963	15.3	107,479	13.0	17,105	2.1	23,347	2.8
Renter-Occupied	374,867	1976	54,103	14.4	12,101	3.2	28,147	7.5	47,609	12.7	69,220	18.5	55,121	14.7	41,174	11.0	36,182	9.7	12,274	3.3	18,936	5.1
Total	1,200,756	1977	168,615	14.0	48,299	4.0	124,660	10.4	123,880	10.3	174,904	14.6	177,938	14.8	167,137	13.9	143,661	12.0	29,379	2.4	42,283	3.5
Minnesota																						
Owner-Occupied	1,588,611	1978	254,475	16.0	73,488	4.6	168,807	10.6	137,179	8.6	212,983	13.4	194,829	12.3	229,444	14.4	241,667	15.2	33,441	2.1	42,298	2.7
Renter-Occupied	619,377	1976	94,903	15.3	22,936	3.7	47,386	7.7	71,033	11.5	113,535	18.3	85,911	13.9	72,405	11.7	62,023	10.0	20,197	3.3	29,048	4.7
Total	2,207,988	1977	349,378	15.8	96,424	4.4	216,193	9.8	208,212	9.4	326,518	14.8	280,740	12.7	301,849	13.7	303,690	13.8	53,638	2.4	71,346	3.2

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

- An estimated 11% of Golden Valley's housing stock has been built since 2000 compared to 14% of Hennepin County, 14% of Twin Cities Metro Area, and 18% in Minnesota.
- Per the City of Golden Valley Dodge Report, 165 single-family and townhome units have been permitted since 2010.

HOUSING CHARACTERISTICS

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

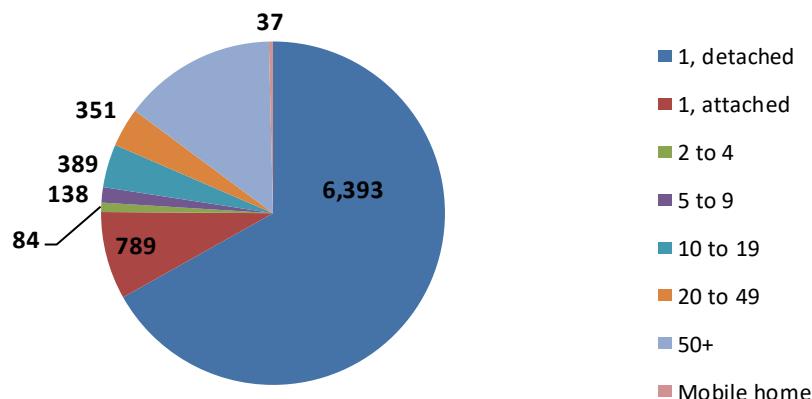
Table HC-4 shows the housing stock in the City of Golden Valley by type of structure and tenure as of 2020.

- The dominant housing type in the Market Area is the single-family detached home, representing an estimated 87% of all owner-occupied housing units and 12% of renter-occupied housing units as of 2020.
- An estimated 47% of the renter-occupied housing units are within structures that have 50 or more units in Golden Valley. The majority of housing with three or more units are renter-occupied (84%).

TABLE HC-4 HOUSING UNITS BY STRUCTURE & TENURE GOLDEN VALLEY MN 2020												
Units in Structure	CITY OF GOLDEN VALLEY				HENNEPIN COUNTY				METRO AREA			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
1, detached	6,093		300		256,853		20,721		669,402		47,938	
1, attached	462		327		32,007		13,412		98,763		37,281	
2	34		33		4,917		12,409		7,744		20,679	
3 to 4	17		0		2,683		8,765		5,829		17,832	
5 to 9	11		127		2,937		10,257		6,419		21,368	
10 to 19	96		293		2,654		23,444		3,724		43,607	
20 to 49	73		278		5,182		33,979		8,384		64,502	
50 or more	160		1,221		12,884		68,997		20,001		120,298	
Mobile home	37		0		1,143		485		13,388		2,382	
Boat, RV, van, etc.	0		0		54		109		135		233	
Total	6,983		100%		321,314		100%		833,789		100%	

Sources: U.S. Census Bureau - ACS; Maxfield Research and Consulting LLC

Housing Units by Structure and Tenure Golden Valley - 2020



Owner-Occupied Housing Units by Mortgage Status

Table HC-4 shows mortgage status and average values from the American Community Survey for 2020 (5-Year). Mortgage status provides information on the cost of homeownership when analyzed in conjunction with mortgage payment data. A mortgage refers to all forms of debt where the property is pledged as security for repayment of debt. A first mortgage has priority claim over any other mortgage or if it is the only mortgage. A second (and sometimes third) mortgage is called a “junior mortgage,” a home equity line of credit (HELOC) would also fall into this category. Finally, a housing unit without a mortgage is owned free and clear and is debt free.

- An estimated 66% of Golden Valley homeowners have a mortgage with about 11% of homeowners with mortgages in Golden Valley also having a second mortgage and/or home equity loan. These numbers are slightly lower compared to Hennepin County and the Twin Cities Metro Area where both approximately 71% of homeowners have a mortgage.
- The median value for homes with a mortgage for the Golden Valley homeowners is approximately \$342,600 which is higher than that of both Hennepin County (\$296,900) and the Metro Area (\$285,429).
- Homes without a mortgage in Golden Valley have median value of an estimated \$305,800. This figure is higher than that of both Hennepin County (\$279,800) and the Twin Cities Metro Area (\$266,070).

TABLE HC-5
OWNER-OCCUPIED HOUSING UNITS BY MORTGAGE STATUS
GOLDEN VALLEY MN
2020

Mortgage Status	GOLDEN VALLEY		HENNEPIN COUNTY		METRO AREA	
	No.	Pct.	No.	Pct.	Pct.	Pct.
Housing units without a mortgage	2,393	34.3	93,661	29.1	241,486	29.2
Housing units with a mortgage/debt	4,590	65.7	227,653	70.9	584,403	70.8
<i>Second mortgage only</i>	131	1.9	8,591	2.7	22,719	2.8
<i>Home equity loan only</i>	608	8.7	28,302	8.8	71,303	8.6
<i>Both second mortgage and equity loan</i>	48	0.7	979	0.3	2,527	0.3
<i>No second mortgage or equity loan</i>	3,791	54.3	188,447	58.6	484,665	58.7
Total	6,983	100.0	321,314	100.0	825,889	100.0
Median Value by Mortgage Status						
Housing units with a mortgage		\$342,600		\$296,900		\$285,429
Housing units without a mortgage		\$305,800		\$279,800		\$266,070

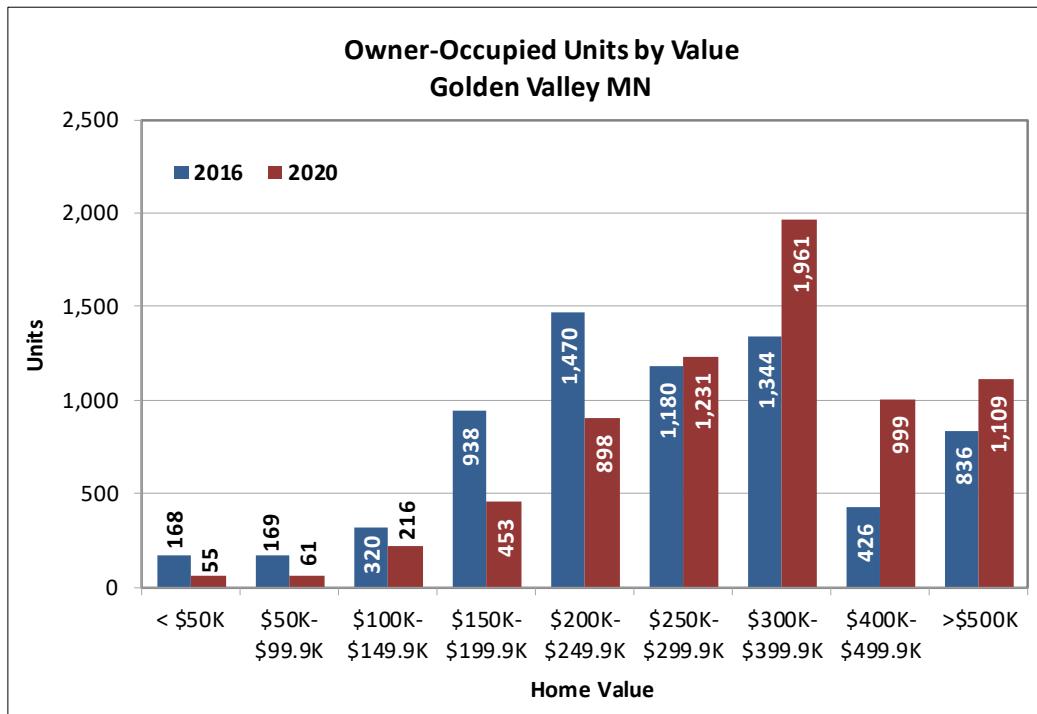
Sources: U.S. Census Bureau - ACS; Maxfield Research and Consulting LLC

Owner-Occupied Housing Units by Value

Table HC-6 presents data on housing values summarized in nine value ranges. Housing value refers to the estimated price point the property would sell at if it were for-sale. For single-family and townhome properties, value includes both the land and the structure. For condominium units, value refers to only the unit.

- The majority of the owner-occupied housing stock in Golden Valley is estimated to be valued between \$300,000 and \$399,999 (28%). This is followed by an estimated 18% valued between \$250,000 and \$299,999 and \$500,000+ estimated at 16%.
- As the chart below shows, owner-occupied value has estimated to have shifted to higher values from 2016 to 2020.

	<u>2016</u>	<u>2020</u>
\$200K-\$249K	21.5%	13%
\$250K-\$299K	17%	18%
\$300K-\$399K	20%	28%



- The median owner-occupied home value in Golden Valley is estimated at \$329,400 which is much higher than compared to Hennepin County at an estimated \$292,100 and the Twin Cities Metro Area at an estimated at \$279,881.

2016 - \$265,3500

2020 - \$329,400

HOUSING CHARACTERISTICS

TABLE HC-6						
OWNER-OCCUPIED UNITS BY VALUE						
GOLDEN VALLEY MN						
2020						
Home Value		GOLDEN VALLEY	HENNEPIN COUNTY	TCMA		
No.	Pct.	No.	Pct.	No.	Pct.	
Less than \$50,000	55	0.8	4,789	1.5	20,110	2.4
\$50,000-\$99,999	61	0.9	6,812	2.1	16,556	2.0
\$100,000-\$149,999	216	3.1	17,907	5.6	46,729	5.7
\$150,000-\$199,999	453	6.5	39,155	12.2	114,398	13.9
\$200,000-\$249,999	898	12.9	53,224	16.6	144,451	17.5
\$250,000-\$299,999	1,231	17.6	46,022	14.3	127,593	15.4
\$300,000-\$399,999	1,961	28.1	64,048	19.9	168,199	20.4
\$400,000-\$499,999	999	14.3	35,356	11.0	85,767	10.4
Greater than \$500,000	1,109	15.9	54,001	16.8	102,086	12.4
Total	6,983	100.0	321,314	100.0	825,889	100.0
Median Home Value		\$329,400		\$292,100		\$279,881

Sources: U.S. Census Bureau - ACS (2016-2020); Maxfield Research and Consulting LLC

- According to the Hennepin County GIS database for Golden Valley, there are 6,790 parcels coded with a single-family or two-family residential classification and 6,306 parcels are homesteaded. The Hennepin County GIS records identify that the residential parcels have a median estimated market value (EMV) of \$355,000 with a minimum market value of \$67,000 and the maximum of \$2,320,000. Additionally, 1,148 parcels are classed as multi-family properties.
- The following maps identify Golden Valley residential parcels by their EMV, year of residential structure built on the parcels, and homesteaded residential parcels.

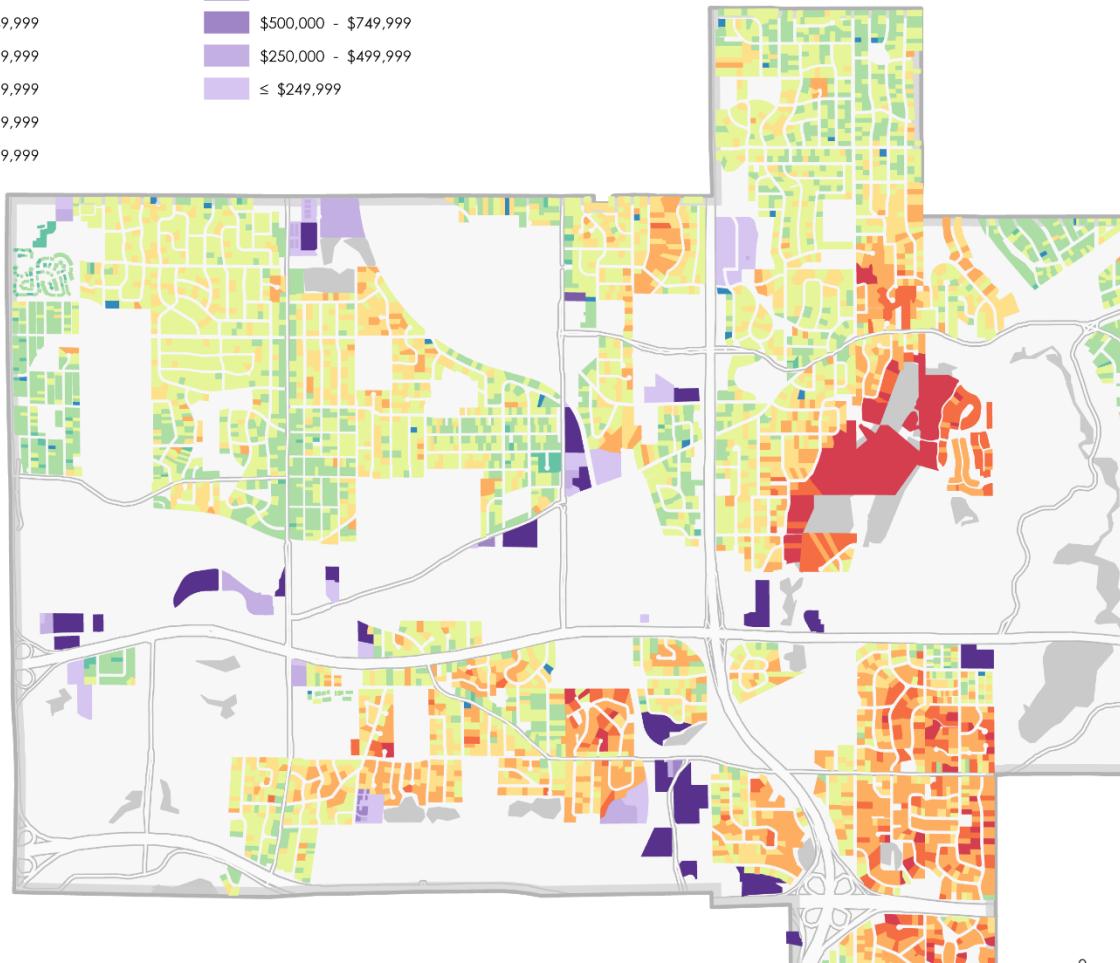
Map 2: Golden Valley Residential Parcels by Total Estimated Market Value – 2022

Single- & Two-Family Properties

Est. Market Value (US Dollars)
≥ \$1,000,000
\$750,000 - \$999,999
\$500,000 - \$749,999
\$400,000 - \$499,999
\$300,000 - \$399,999
\$200,000 - \$299,999
\$100,000 - \$199,999
≤ \$99,999

Multi-Family Properties

Est. Market Value (US Dollars)
≥ \$1,000,000
\$750,000 - \$999,999
\$500,000 - \$749,999
\$250,000 - \$499,999
≤ \$249,999



0 0.5 1 Miles
Data Source: City of Golden Valley

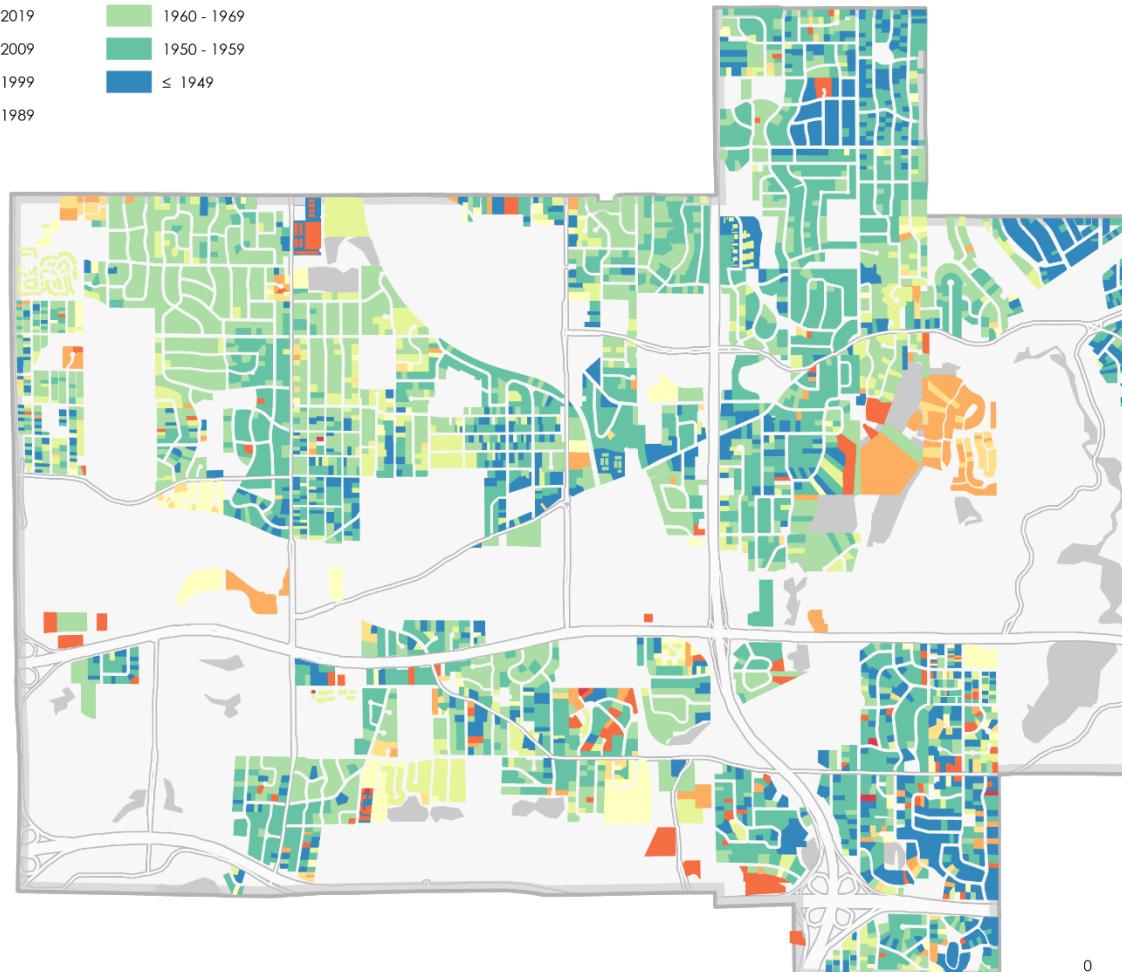


Map 3: Golden Valley Residential Parcels by Year Built – 2022

Residential Properties

Year Built

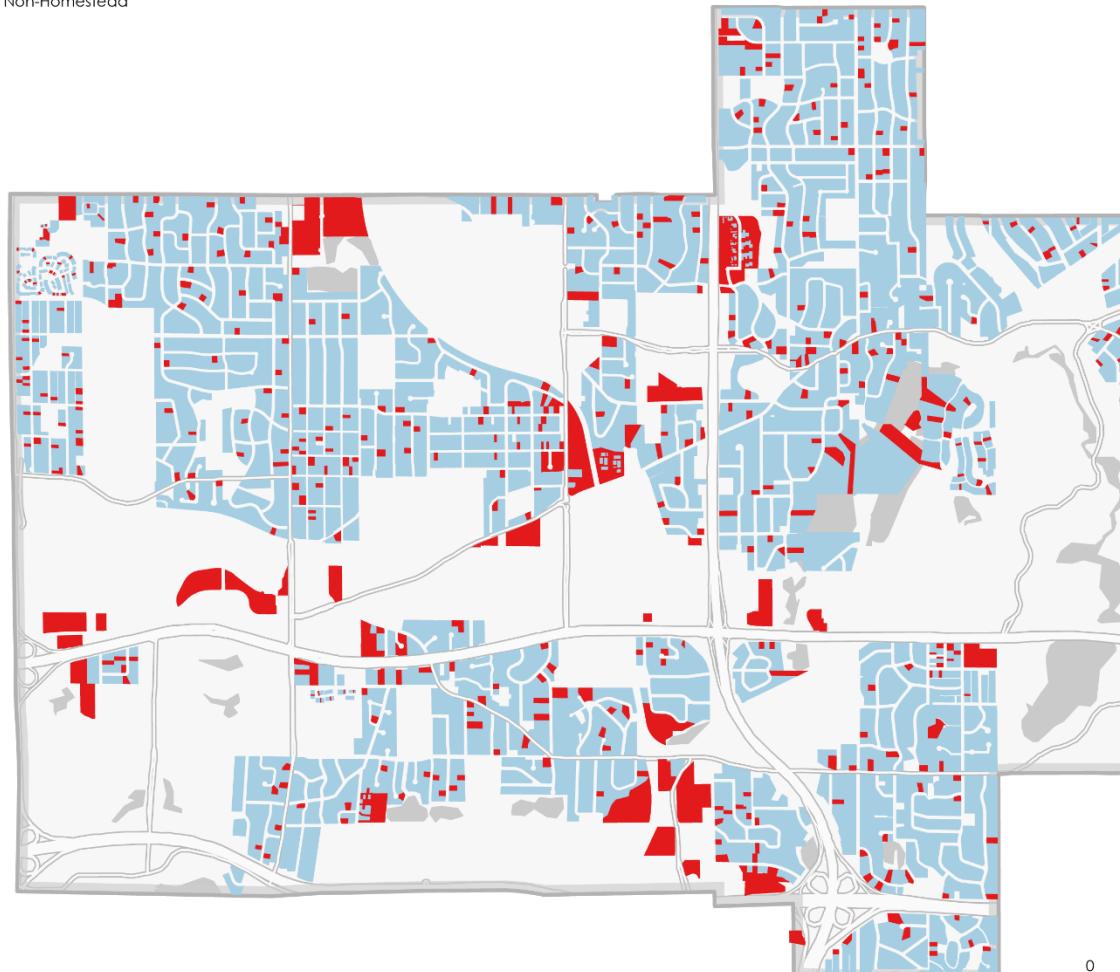
≥ 2020	1970 - 1979
2010 - 2019	1960 - 1969
2000 - 2009	1950 - 1959
1990 - 1999	≤ 1949
1980 - 1989	



Map 4: Golden Valley Residential Parcels by Homestead Status – 2022

Residential Parcel Status

- Homestead (Light Blue)
- Non-Homestead (Red)



0 0.5 1 Miles
Data Source: City of Golden Valley

Renter-Occupied Units by Contract Rent

Table HC-7 presents information on the monthly housing costs for renters called contract rent (also known as asking rent). Contract rent is the monthly rent agreed to regardless of any utilities, furnishings, fees, or services that may be included.

- The median contract rent in Golden Valley was estimated at \$1,071. Based on a 30% allocation of income to housing, a household in Golden Valley would need an income of about \$42,840 to afford an average monthly rent of \$1,071.
- An estimated 69% of Golden Valley renters paying cash have monthly rents over \$1,000 with 20% of renters paying between \$500 and \$999, 11% of renters pay less than \$500.
- Within Hennepin County (24%) and the Twin Cities Metro Area (25%), most renters paid a contract rent between \$750 and \$999. Golden Valley in comparison had the highest estimated contact rents between \$1,500 and \$1,999 (22%).

	<u>2016</u>	<u>2020</u>
Less than \$500	21%	11%
\$500 to \$999	27%	20%
\$1,000 to \$1,499	30%	39%
\$1,500 to \$1,999	12%	22%
\$2,000+	10%	7.5%

TABLE HC-7
RENTER-OCCUPIED UNITS BY CONTRACT RENT
GOLDEN VALLEY, MN
2020

Contract Rent	GOLDEN VALLEY		HENNEPIN COUNTY		TCMA	
	No.	Pct.	No.	Pct.	No.	Pct.
No Cash Rent	60	2.3	3,681	1.9	8,730	2.3
Cash Rent	2,519	97.7	188,897	98.1	366,137	97.7
\$0 to \$249	205	7.9	8,513	4.4	14,957	4.0
\$250-\$499	67	2.6	11,122	5.8	20,996	5.6
\$500-\$749	102	4.0	14,580	7.6	31,831	8.5
\$750-\$999	404	15.7	46,641	24.2	94,171	25.1
\$1,000-\$1,249	444	17.2	38,389	19.9	78,038	20.8
\$1,250-\$1,499	545	21.1	28,963	15.0	57,372	15.3
\$1,500-\$1,999	561	21.8	27,781	14.4	48,445	12.9
\$2,000+	191	7.4	12,908	6.7	20,327	5.4
Total	2,579	100.0	192,578	100.0	374,867	100.0
Median Contract Rent	\$1,267		\$1,089		\$1,071	

Sources: U.S. Census Bureau - ACS (2016-2020); Maxfield Research and Consulting LLC

Introduction

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

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

FIGURE 1 AREA MEDIAN INCOME (AMI) DEFINITIONS	
Definition	AMI Range
Extremely Low Income	0% - 30%
Very Low Income	31% - 50%
Low Income	51% - 80%
Moderate Income Workforce Housing	80% - 120%

Note: Hennepin County 4-person AMI = \$118,200 (2022)
Hennepin County 4-person AMI = \$85,800 (2016)

HOUSING AFFORDABILITY

Rent and Income Limits

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

TABLE HA-1 MHFA/HUD INCOME AND RENT LIMITS HENNEPIN COUNTY- 2022								
	Income Limits by Household Size							
	1 pph	2 pph	3 pph	4 pph	5 pph	6 pph	7 pph	8 pph
30% of median	\$24,660	\$28,170	\$31,680	\$35,190	\$38,010	\$40,830	\$43,650	\$46,470
50% of median	\$41,100	\$46,950	\$52,800	\$58,650	\$63,350	\$68,050	\$72,750	\$77,450
60% of median	\$49,320	\$56,340	\$63,360	\$70,380	\$76,020	\$81,660	\$87,300	\$92,940
80% of median	\$65,760	\$75,120	\$84,480	\$93,840	\$101,360	\$108,880	\$116,400	\$123,920
100% of median	\$82,200	\$93,900	\$105,600	\$117,300	\$126,700	\$136,100	\$145,500	\$154,900
120% of median	\$98,640	\$112,680	\$126,720	\$140,760	\$152,040	\$163,320	\$174,600	\$185,880
Maximum Gross Rent								
	EFF	1BR	2BR	3BR	4BR			
30% of median	\$616	\$704	\$792	\$879	\$950			
50% of median	\$1,027	\$1,173	\$1,320	\$1,466	\$1,583			
60% of median	\$1,233	\$1,408	\$1,584	\$1,759	\$1,900			
80% of median	\$1,644	\$1,878	\$2,112	\$2,346	\$2,534			
100% of median	\$2,055	\$2,347	\$2,640	\$2,932	\$3,167			
120% of median	\$2,466	\$2,817	\$3,168	\$3,519	\$3,801			
Fair Market Rent								
	EFF	1BR	2BR	3BR	4BR			
Fair Market Rent	\$932	\$1,078	\$1,329	\$1,841	\$2,145			

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

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

HOUSING AFFORDABILITY

TABLE HA-2
MAXIMUM RENT BASED ON HOUSEHOLD SIZE AND AREA MEDIAN INCOME
HENNEPIN COUNTY - 2022

Unit Type ¹	HHD Size		Maximum Rent Based on Household Size (@30% of Income)											
			30%		50%		60%		80%		100%		120%	
	Min	Max	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Studio	1	1	\$617	-\$617	\$1,028	-\$1,028	\$1,233	-\$1,233	\$1,644	-\$1,644	\$2,055	-\$2,055	\$2,466	-\$2,466
1BR	1	2	\$617	-\$704	\$1,028	-\$1,174	\$1,233	-\$1,409	\$1,644	-\$1,878	\$2,055	-\$2,348	\$2,466	-\$2,817
2BR	2	4	\$704	-\$880	\$1,174	-\$1,466	\$1,409	-\$1,760	\$1,878	-\$2,346	\$2,348	-\$2,933	\$2,817	-\$3,519
3BR	3	6	\$792	-\$1,021	\$1,320	-\$1,701	\$1,584	-\$2,042	\$2,112	-\$2,722	\$2,640	-\$3,403	\$3,168	-\$4,083
4BR	4	8	\$880	-\$1,162	\$1,466	-\$1,936	\$1,760	-\$2,324	\$2,346	-\$3,098	\$2,933	-\$3,873	\$3,519	-\$4,647

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

Note: 4-person Hennepin County AMI is \$118,200 (2022)

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

Housing Cost Burden

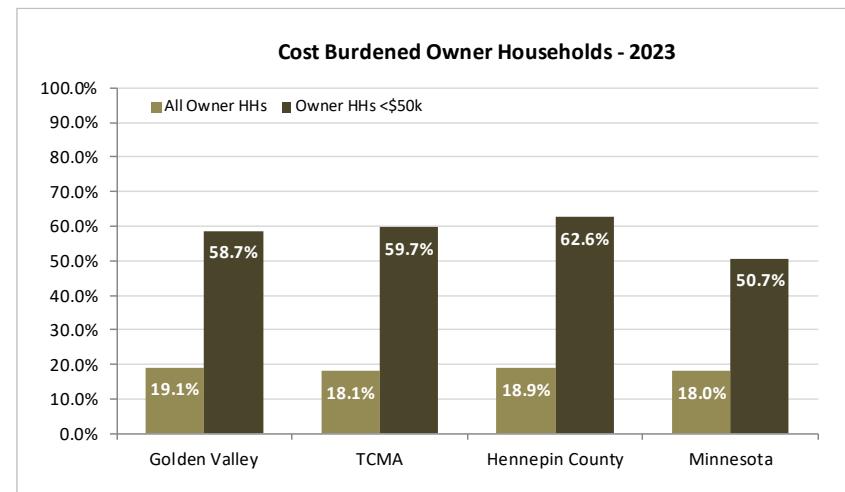
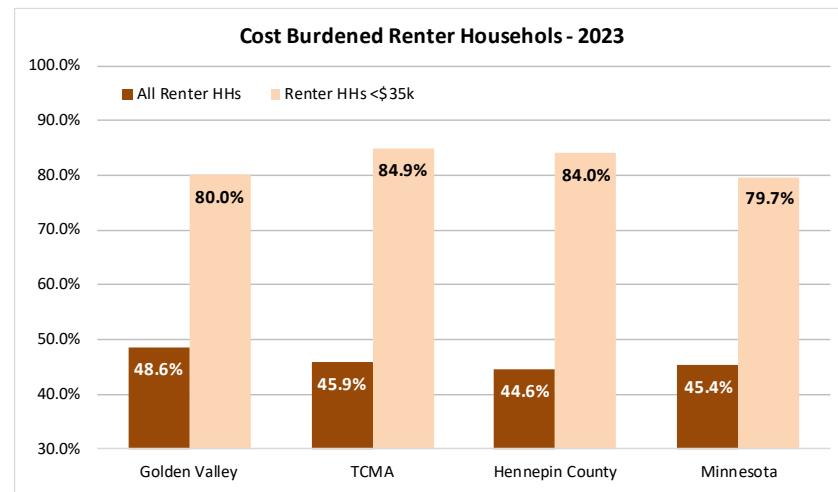
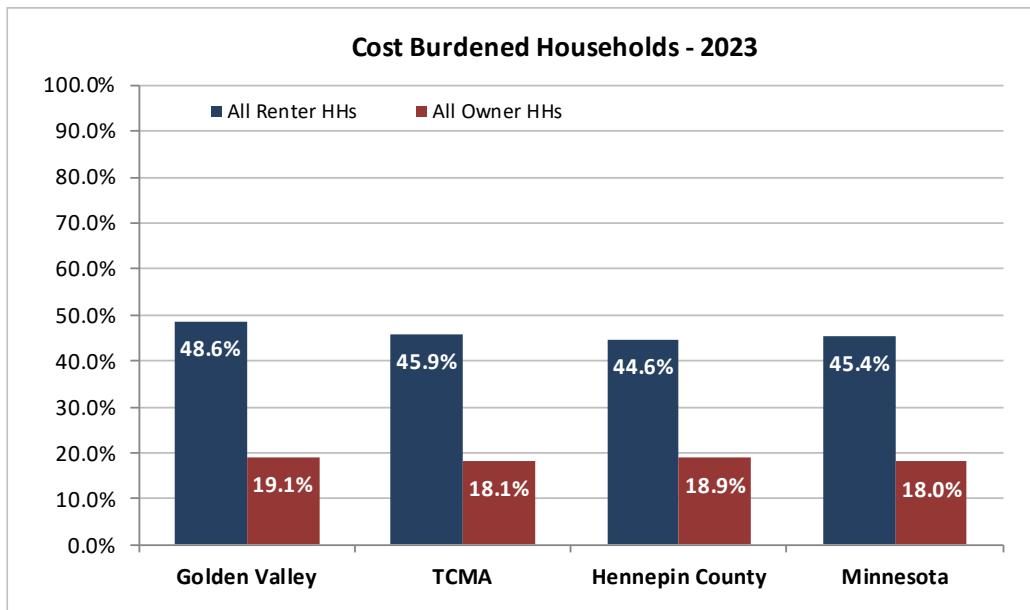
Table HA-3 shows the number and percentage of owner and renter households in Minnesota, Hennepin County, the Twin City MSA, and Golden Valley that pay 30% or more of their gross income for housing. This information was compiled from the American Community Survey 2020 estimates and adjusted to 2023 figures. This information is different than the 2010 Census which separated households that paid 35% or more in housing costs. As such, the information presented in the tables may be overstated in terms of households that may be “cost burdened.” The Federal standard for affordability is 30% of income for housing costs. Without a separate break out for households that pay 35% or more, there are likely a number of households that elect to pay slightly more than 30% of their gross income to select the housing that they choose. Moderately cost-burdened is defined as households paying between 30% and 50% of their income to housing; while severely cost-burdened is defined as households paying more than 50% of their income for housing.

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

TABLE HA-3
HOUSING COST BURDEN
GOLDEN VALLEY STUDY AREA
2023

Community	Golden Valley		Hennepin County		TCMA											
	No.	Pct.	No.	Pct.	No.	Pct.										
Owner Households																
All Owner Households	7,646		337,079		867,890											
Cost Burden 30% or greater	1,444	19.1%	63,414	18.9%	156,368	18.1%										
<i>Cost burden 2016 Study</i>		23.2%		22.7%		23.5%										
Owner Households w/ incomes <\$50,000	1,365		61,566		61,566											
Cost Burden 30% or greater	738	58.7%	37,266	62.6%	37,266	59.7%										
<i>Cost burden 2016 Study</i>		63.1%		57.7%		60.4%										
Renter Households																
All Renter Households	2,824		202,027		393,931											
Cost Burden 30% or greater	1,323	48.6%	87,138	44.6%	92,889	45.9%										
<i>Cost burden 2016 Study</i>		48.1%		48.5%		47.9%										
Renter Households w/ incomes <\$35,000	1,165		73,892		73,892											
Cost Burden 30% or greater	902	80.0%	58,194	84.0%	58,194	84.9%										
<i>Cost burden 2016 Study</i>		75.0%		82.3%		82.3%										
Median Contract Rent ¹	\$1,267		\$1,089		\$1,071											
<i>Median Contract Rent 2016 Study</i> ²	\$1,036		\$855		\$874											
¹ Estimated Median Contract Rent 2020																
² Estimated Median Contract Rent 2015																
Note: Calculations exclude households not computed.																
Sources: American Community Survey 2020 estimates; Maxfield Research and Consulting LLC																

HOUSING AFFORDABILITY



HOUSING AFFORDABILITY

- In Golden Valley, 19% of all owner households and 49% of all renter households are estimated to be considered cost burdened.
- Overall, cost burdened owner and renter households in Golden Valley are estimated to be somewhat higher than those in Hennepin County and the Twin City Metro Area and the State of Minnesota.
- Among owner households earning less than \$50,000, an estimated 58% were cost burdened in Golden Valley. This is slightly lower than Hennepin County and the Metro Area at 58%.
- Approximately 80% of Golden Valley renter households earning less than \$35,000 were estimated to be cost burdened which is significantly less than both the Hennepin County (84%) and the Metro Area (85%)
- The median contract rent is estimated to be significantly higher in Golden Valley at \$1,267, which is roughly 16% to 18% higher than Hennepin County and the Metro Area.
- The proportion of cost burdened households in Golden Valley was less than the proportions in Hennepin County and the Metro Area.

Housing Vouchers

In addition to subsidized apartments, “tenant-based” subsidies like *Housing Choice Vouchers*, can help lower income households afford market-rate rental housing. The tenant-based subsidy is funded by the Department of Housing and Urban Development (HUD) and is managed by Metropolitan Council HRA program.

Under the Housing Choice Voucher program (also referred to as Section 8) qualified households are issued a voucher that the household can take to an apartment that has rent levels with Payment Standards. The household then pays approximately 30% to 40% of their adjusted gross income for rent and utilities, and the Federal government pays the remainder of the rent to the landlord. The maximum income limit to be eligible for a Housing Choice Voucher is 50% AMI based on household size, as shown in Table HA-1. The following are key points about the Housing Choice Voucher Program in Golden Valley and the Twin Cities Metro Area.

- Metropolitan Council manages over 7,000 Housing Choice vouchers for nearly 100 communities. Anyone with a housing choice voucher can choose to live in any of the communities that Metropolitan Council manages.
- There are 47 Housing Choice Vouchers currently in use within Golden Valley. Metropolitan Council maintains a waiting list for the use of vouchers and applicants may wait two to three years for a voucher to be available to them.

HOUSING AFFORDABILITY

- In the previous study, Golden Valley had a total of 43 housing voucher in 2016 compared to a total 47 in 2023. The Metro HRA has a total of 6,905 vouchers in 2016 compared to 7,063 in 2023.

TABLE HA-4 HOUSING VOUCHERS GOLDEN VALLEY - 2023					
Market	Total	Apartment	Single Family Detached	Duplex/Townhouse	Mobile Home
All Programs					
Golden Valley	47	19	14	14	0
Metro HRA Program	7,063	4,878	827	1,349	9
Section 8 HCV Program Only					
Golden Valley	41	19	8	14	0
Metro HRA Program	6,090	4,193	730	1,158	9

Source: Metropolitan Council Metro HRA program; Maxfield Research & Consulting, LLC

Housing Costs as Percentage of Household Income

Housing costs are generally considered affordable at 30% of a households' adjusted gross income. Table HA-5 illustrates key housing metrics based on housing costs and household incomes in Golden Valley. The table estimates the percentage of Golden Valley householders that can afford rental and for-sale housing based on a 30% allocation of income to housing. Housing costs are based on the Golden Valley average. The housing affordability calculations assume the following:

For-Sale Housing

- 10% down payment with good credit score
- Closing costs rolled into mortgage
- 30-year mortgage at 6.9% interest rate
- Private mortgage insurance (equity of less than 20%)
- Homeowners insurance for single-family homes and association dues for townhomes
- Owner household income estimated for 2023 based on 2020 ACS

Rental Housing

- Background check on tenant to ensure credit history
- 30% allocation of income
- Renter household income estimated for 2023 based on 2020 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.

HOUSING AFFORDABILITY

TABLE HA-5
GOLDEN VALLEY HOUSING AFFORDABILITY - BASED ON HOUSEHOLD INCOME

For-Sale (Assumes 10% down payment and good credit)						
	Single-Family			Townhome/Twinhome/Condo		
	Entry-Level	Move-Up	Executive	Entry-Level	Move-Up	Executive
Price of House	\$300,000	\$450,000	\$650,000	\$250,000	\$375,000	\$500,000
Pct. Down Payment	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Total Down Payment Amt.	\$30,000	\$45,000	\$65,000	\$25,000	\$37,500	\$50,000
Estimated Closing Costs (rolled into mortgage)	\$9,000	\$13,500	\$19,500	\$7,500	\$11,250	\$15,000
Cost of Loan	\$279,000	\$418,500	\$604,500	\$232,500	\$348,750	\$465,000
Interest Rate	6.900%	6.900%	6.900%	6.900%	6.900%	6.900%
Number of Pmts.	360	360	360	360	360	360
Monthly Payment (P & I)	-\$1,837	-\$2,756	-\$3,981	-\$1,531	-\$2,297	-\$3,062
(plus) Prop. Tax	-\$250	-\$375	-\$542	-\$208	-\$313	-\$417
(plus) HO Insurance/Assoc. Fee for TH	-\$100	-\$150	-\$217	-\$100	-\$100	-\$100
(plus) PMI/MIP (less than 20%)	-\$121	-\$181	-\$262	-\$101	-\$151	-\$202
Subtotal monthly costs	-\$2,308	-\$3,463	-\$5,002	-\$1,940	-\$2,860	-\$3,781
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$92,336	\$138,504	\$200,061	\$77,613	\$114,420	\$151,226
Pct. of ALL Golden Valley HHDS who can afford¹	58.7%	39.8%	20.3%	65.8%	49.3%	34.9%
No. of Golden Valley HHDS who can afford¹	6,150	4,168	2,129	6,894	5,165	3,653
Pct. of Golden Valley owner HHDs who can afford²	62.9%	43.1%	22.0%	68.7%	53.6%	37.2%
No. of Golden Valley owner HHDs who can afford²	4,807	3,298	1,683	5,256	4,095	2,845
No. of Golden Valley owner HHDs who cannot afford²	2,840	4,349	5,963	2,390	3,551	4,801
Rental (Market Rate)						
	Existing Rental			New Rental		
	1BR	2BR	3BR	1BR	2BR	3BR
Monthly Rent	\$1,275	\$1,670	\$2,500	\$1,850	\$2,600	\$3,000
Annual Rent	\$15,300	\$20,040	\$30,000	\$22,200	\$31,200	\$36,000
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$51,000	\$66,800	\$100,000	\$74,000	\$104,000	\$120,000
Pct. of ALL Golden Valley HHDS who can afford¹	78.5%	71.0%	55.0%	52.1%	53.4%	47.1%
No. of Golden Valley HHDS who can afford¹	8,219	7,434	5,762	5,453	5,597	4,934
Pct. of Golden Valley renter HHDs who can afford²	48.2%	36.6%	19.8%	37.9%	18.9%	14.9%
No. of Golden Valley renter HHDs who can afford²	1,361	1,033	560	1,070	532	422
No. of Golden Valley renter HHDs who cannot afford²	1,464	1,791	2,264	1,754	2,292	2,402

¹ Based on 2023 household income for ALL households (\$109,122)

² Based on 2020 ACS household income by tenure (i.e. owner and renter incomes. Owner incomes = \$121,317 vs. renter incomes = \$47,543)

Source: Maxfield Research & Consulting, LLC

HOUSING AFFORDABILITY

- The median income of all Golden Valley households in 2020 was estimated to have grown by about 12% from the previous study in 2016. Median income varies by tenure and is significantly higher for owner households compared to renter households. Growth of owner household median income was estimated at 23% and 13% for renter households since 2016.

	<u>2016 Study</u>	<u>2023 Study</u>	<u>Change</u>
All Households	\$97,535	\$109,122	12%
Owner Households	\$98,642	\$121,317	23%
Renter Households	\$42,027	\$47,543	13%

- With the significantly rising home prices since the COVID-19 pandemic and recent uptick in mortgage rates, the percentage of households in Golden Valley that can afford to purchase homes at different price points is estimated to have declined substantially. The figures below shows the proportion of households that could afford to purchase housing at entry-level and move-up price points.

Entry Level	<u>2016 Study</u>	<u>2023 Study</u>
All Households	69%	59%
Owner Households	77%	63%
Move-Up	<u>2016 Study</u>	<u>2023 Study</u>
All Households	59%	40%
Owner Households	65%	43%

- Over the past decade, development of new rental housing units has occurred at a substantial rate. According to Marquette Advisors, nearly 55,000 new apartment units have been added to the Twin Cities Metro Area since 2010. Golden Valley has added 1,218 new general occupancy rental housing units during this period. The figures below, show the percentage of renter income-qualified households that can afford current rates at existing properties and new developments compared to the 2016 study.

<u>Existing 1BR</u>	<u>\$800</u>	<u>\$1,250</u>	<u>New 1BR</u>	<u>\$1,400</u>	<u>\$1,850</u>
	<u>2016 Study</u>	<u>2023 Study</u>		<u>2016 Study</u>	<u>2023 Study</u>
All Households	84%	78.5%		68%	52%
Renter Households	57%	48%		38%	38%
<u>Existing 2BR</u>	<u>\$950</u>	<u>\$1,670</u>	<u>New 2BR</u>	<u>\$2,000</u>	<u>\$2,600</u>
	<u>2016 Study</u>	<u>2023 Study</u>		<u>2016 Study</u>	<u>2023 Study</u>
All Households	80%	71%		54%	53%
Renter Households	52%	37%		20%	19%
<u>Existing 3BR</u>	<u>\$1,150</u>	<u>\$2,500</u>	<u>New 3BR</u>	<u>\$2,800</u>	<u>\$3,000</u>
	<u>2016 Study</u>	<u>2023 Study</u>		<u>2016 Study</u>	<u>2023 Study</u>
All Households	74%	55%		38%	47%
Renter Households	46%	20%		13%	15%

Introduction

Maxfield Research and Consulting LLC identified and surveyed larger rental properties of eight or more units in Golden Valley. In addition, interviews were conducted with rental housing management firms, and others in the community familiar with Golden Valley's rental housing stock.

For purposes of our analysis, rental properties are classified into two groups, general occupancy and senior (age-restricted). All senior properties are included in the *Senior Housing Market Analysis* section of this report. The general occupancy rental properties are divided into three groups: market rate (those without income restrictions); affordable or shallow-subsidy housing (those receiving tax credits or another type of shallow-subsidy and where there is a quoted rent for the unit and a maximum income that cannot be exceeded by the tenant); and subsidized or deep-subsidy properties (those with income restrictions at 30% or less of AMI where rental rates are based on 30% of their gross adjusted income).

Rental Market Overview

Table R-1 shows average monthly rents and vacancy from 4th Quarter 2015 through 4th Quarter 2022 by unit type in Golden Valley. Table R-2 compares Golden Valley and its neighboring communities for 4th Quarter 2021 and 4th Quarter 2022. Data is from Marquette Advisors, Inc., which compiles apartment trends quarterly, with 4th Quarter 2022 being the most recent information available. While Golden Valley has its own employment base that drives some of the housing demand, much of its housing growth is tied to the health of the Twin Cities Metro Area as a whole. Table R-2 provides average monthly rents and vacancy rates in the Twin Cities Metro Area as a comparison.

- The equilibrium vacancy rate for rental housing is considered to be 5.0%. This allows for normal turnover and an adequate supply of alternatives for prospective renters. During the 4th Quarter of 2022, the vacancy rate was 3.8% in Golden Valley in comparison to 3.8% in the Twin Cities Metro Area.
- The 4th Quarter 2022 vacancy rates in Golden Valley by bedroom type are as follows:

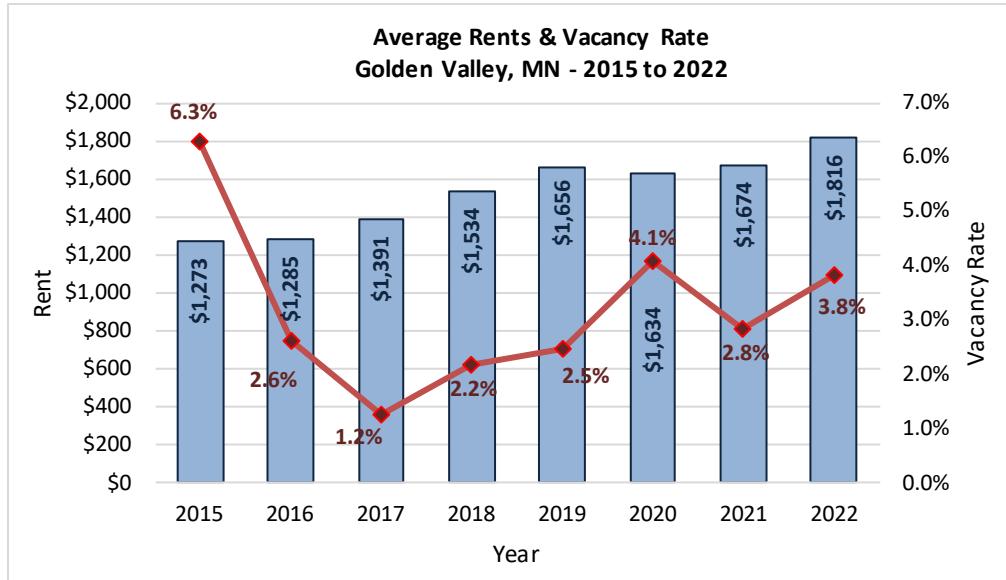
<u>Unit Type</u>	<u>Vacancy Rate</u>	
	<u>2015</u>	<u>2022</u>
Studio Units	NA	1.4%
One-Bedroom Units	4.3%	3.8%
One-Bedroom plus Den Units	NA	9.5%
Two-Bedroom Units	9.3%	4.8%
Two-Bedroom plus Den Units	NA	6.3%
Three-Bedroom Units	0.0%	0.0%

RENTAL MARKET ANALYSIS

TABLE R-1 AVERAGE RENTS/VACANCIES TRENDS GOLDEN VALLEY 4th Quarters 2015-2022									
		Total	Studio	1 BR		2 BR		3 BR	
				w/ Den	2 BR	w/ Den	3 BR	3 BR/D or 4BR	
2022	Units	2,137	141	1,120	21	736	16	103	--
	No. Vacant	82	2	42	2	35	1	0	--
	Avg. Rent	\$1,816	\$1,453	\$1,595	\$1,876	\$2,098	\$2,349	\$2,699	--
	Vacancy	3.8%	1.4%	3.8%	9.5%	4.8%	6.3%	0.0%	--
2021	Units	1,759	141	828	21	650	16	103	--
	No. Vacant	50	2	28	2	17	0	1	--
	Avg. Rent	\$1,674	\$1,425	\$1,398	\$1,876	\$1,891	\$2,349	\$2,719	--
	Vacancy	2.8%	1.4%	3.4%	9.5%	2.6%	0.0%	1.0%	--
2020	Units	1,743	141	828	21	634	16	103	--
	No. Vacant	71	5	37	2	26	0	1	--
	Avg. Rent	\$1,634	\$1,435	\$1,382	\$1,876	\$1,870	\$2,349	\$2,403	--
	Vacancy	4.1%	3.5%	4.5%	9.5%	4.1%	0.0%	1.0%	--
2019	Units	1,743	141	828	21	634	16	103	--
	No. Vacant	43	2	16	2	23	0	0	--
	Avg. Rent	\$1,656	\$1,436	\$1,340	\$1,876	\$1,939	\$2,349	\$2,603	--
	Vacancy	2.5%	1.4%	1.9%	9.5%	3.6%	0.0%	0.0%	--
2018	Units	1,419	81	728	--	534	16	60	--
	No. Vacant	31	1	12	--	14	0	4	--
	Avg. Rent	\$1,534	\$1,323	\$1,292	--	\$1,783	\$2,349	\$2,207	--
	Vacancy	2.2%	1.2%	1.6%	--	2.6%	0.0%	6.7%	--
2017	Units	1,203	51	647	--	459	16	30	--
	No. Vacant	15	0	8	--	7	0	0	--
	Avg. Rent	\$1,391	\$1,318	\$1,163	--	\$1,657	\$2,349	\$1,861	--
	Vacancy	1.2%	0.0%	1.2%	--	1.5%	0.0%	0.0%	--
2016	Units	999	--	572	--	397	--	30	--
	No. Vacant	26	--	17	--	9	--	0	--
	Avg. Rent	\$1,285	--	\$10,668	--	\$1,532	--	\$1,636	--
	Vacancy	2.6%	--	3.0%	--	2.3%	--	0.0%	--
2015	Units	1,129	--	603	--	482	--	44	--
	No. Vacant	71	--	26	--	45	--	0	--
	Avg. Rent	\$1,273	--	\$996	--	\$1,515	--	\$1,783	--
	Vacancy	6.3%	--	4.3%	--	9.3%	--	0.0%	--
Change	Units	1,008	141	517	21	254	16	59	--
	No. Vacant	11	2	16	2	-10	1	0	--
	Avg. Rent	\$543	\$1,453	\$599	\$1,876	\$583	\$2,349	\$916	--
	Vacancy	-2.5%	1.4%	-0.6%	9.5%	-4.6%	6.3%	0.0%	--

Sources: Marquette Advisors; Maxfield Research & Consulting, LLC

- The overall vacancy rate in Golden Valley has declined from a high of 6.3% in 2015 to 3.8% to 2022. Over the period, vacancy rate were lowest in 2017 at 1.2% but has increased steadily through 2022 due to the large number of new units (1,129 units) added in the city.



- Average monthly rents increased 5.3% over the year to \$1,816 in Golden Valley with an overall growth of 43% from Q4 2015 to Q4 2022. Across the Metro Area, monthly rents experienced an overall growth of 34.5% over the period with a year over year 4.3% average growth in average monthly rents to \$1,416 in Q4 2022.
- In Golden Valley, average monthly rental rates range from \$1,453 for studio units to 2,699 for three-bedroom units. Average rents for one bedrooms increased 14% and two-bedroom units rose 11% over the year while three-bedroom units suffered the only decrease at -1%. During this same period, average rents for one- and two-bedroom den apartments stayed the same.
- The overall vacancy rate in Golden Valley was 3.8%. Vacancy rates below 5% indicate that pent-up demand exists for additional rental units in the market. The overall Metro Area vacancy rate throughout the Metro Area was similar to Golden Valley at 4.2%. The following vacancy rates for Golden Valley and nearby communities are as follows:

<u>Vacancy Rate</u>	
Twin Cities Metro Area	4.2%
Golden Valley	3.8%
Hopkins	2.4%
New Hope	2.8%
Plymouth	3.4%
Golden Valley	4.1%
Robbinsdale	5.8%

- Golden Valley's 2022 Q4 overall rent was 28% (\$400) higher than the overall Metro Area (\$1,416). Compared to neighboring communities, Golden Valley average rents were considerably higher ranging between 20% (Golden Valley - \$297) to 76% (New Hope - \$785).

RENTAL MARKET ANALYSIS

TABLE R-2 AVERAGE RENTS/VACANCIES TRENDS COMPARISON GOLDEN VALLEY AND NEARBY COMMUNITIES 4th Quarters 2021 & 2022									
		Total	Studio	1 BR	1 BR w/ Den	2 BR	2 BR w/ Den	3 BR	3 BR/D or 4BR
GOLDEN VALLEY									
4th Q 2022	Units	2,137	141	1,120	21	736	16	103	--
	No. Vacant	82	2	42	2	35	1	0	--
	Avg. Rent	\$1,816	\$1,453	\$1,595	1876	\$2,098	\$2,349	\$2,699	--
	Vacancy	3.8%	1.4%	3.8%	9.5%	4.8%	6.3%	0.0%	--
4th Q 2021	Units	1,759	141	828	21	650	16	103	--
	No. Vacant	50	2	28	2	17	0	1	--
	Avg. Rent	\$1,674	\$1,425	\$1,398	1876	\$1,891	\$2,349	\$2,719	--
	Vacancy	2.8%	1.4%	3.4%	9.5%	2.6%	0.0%	1.0%	--
ST. LOUIS PARK									
4th Q 2022	Units	6,755	342	2,982	281	2,893	57	200	--
	No. Vacant	204	7	97	3	89	4	4	--
	Avg. Rent	\$1,519	\$1,386	\$1,370	\$1,585	\$1,606	\$1,942	\$2,488	--
	Vacancy	3.0%	2.0%	3.3%	1.1%	3.1%	7.0%	2.0%	--
4th Q 2021	Units	6,480	342	2,911	281	2,689	57	200	--
	No. Vacant	263	9	109	10	122	6	7	--
	Avg. Rent	\$1,440	\$1,375	\$1,267	\$1,545	\$1,536	\$1,955	\$2,481	--
	Vacancy	4.1%	2.6%	3.7%	3.6%	4.5%	10.5%	3.5%	--
HOPKINS									
4th Q 2022	Units	3,332	212	1,541	13	1,333	11	222	--
	No. Vacant	80	17	34	0	25	0	4	--
	Avg. Rent	\$1,342	\$1,066	\$1,152	1415	\$1,498	\$1,632	\$1,974	--
	Vacancy	2.4%	8.0%	2.2%	0.0%	1.9%	0.0%	1.8%	--
4th Q 2021	Units	3,332	212	1,541	13	1,333	11	222	--
	No. Vacant	61	10	27	0	22	0	2	--
	Avg. Rent	\$1,300	\$1,006	\$1,135	\$1,389	\$1,438	\$1,601	\$1,881	--
	Vacancy	1.8%	4.7%	1.8%	0.0%	1.7%	0.0%	0.9%	--
ROBBINSDALE									
4th Q 2022	Units	606	107	176	7	289	22	5	--
	No. Vacant	35	4	5	0	26	0	0	--
	Avg. Rent	\$1,331	\$1,286	\$1,283	\$1,562	\$1,362	\$1,311	\$1,961	--
	Vacancy	5.8%	3.7%	2.8%	0.0%	9.0%	0.0%	0.0%	--
4th Q 2021	Units	2,679	--	124	--	259	22	2	--
	No. Vacant	53	--	4	--	14	0	0	--
	Avg. Rent	\$1,178	--	\$1,179	--	\$1,190	\$1,022	\$1,325	--
	Vacancy	2.0%	--	3.2%	--	5.4%	0.0%	0.0%	--
CONTINUED									

RENTAL MARKET ANALYSIS

TABLE R-2 (continued) AVERAGE RENTS/VACANCIES TRENDS GOLDEN VALLEY 4th Quarter 2021 & 2022									
		Total	Studio	1 BR	1 BR w/ Den	2 BR	2 BR w/ Den	3 BR	3 BR/D or 4BR
NEW HOPE									
4th Q 2022	Units	2,085	30	1,022	--	941	18	74	--
	No. Vacant	58	1	37	--	2	17	1	--
	Avg. Rent	\$1,031	\$1,071	\$922	--	\$1,112	\$1,056	\$1,488	--
	Vacancy	2.8%	3.3%	3.6%	--	0.2%	94.4%	1.4%	--
4th Q 2021	Units	2,841	30	1,022	--	941	18	74	--
	No. Vacant	102	1	21	--	1	11	1	--
	Avg. Rent	\$1,033	\$1,060	\$954	--	\$1,088	\$1,015	\$1,418	--
	Vacancy	3.6%	3.3%	2.1%	--	0.1%	61.1%	1.4%	--
PLYMOUTH									
4th Q 2022	Units	6,335	128	2,150	218	3,267	127	445	--
	No. Vacant	213	2	77	6	112	5	11	--
	Avg. Rent	\$1,378	\$965	\$1,173	\$1,229	\$1,470	\$1,578	\$1,833	--
	Vacancy	3.4%	1.6%	3.6%	2.8%	3.4%	3.9%	2.5%	--
4th Q 2021	Units	6,197	128	2,150	218	3,267	127	445	--
	No. Vacant	111	3	75	5	111	5	14	--
	Avg. Rent	\$1,354	\$956	\$1,157	\$1,216	\$1,444	\$1,568	\$1,771	--
	Vacancy	1.8%	2.3%	3.5%	2.3%	3.4%	3.9%	3.1%	--
TWIN CITIES METRO AREA									
4th Q 2022	Units	173,629	13,044	77,439	3,728	68,387	1,807	8,838	386
	No. Vacant	7,282	891	3,290	85	2,638	91	266	21
	Avg. Rent	\$1,416	\$1,184	\$1,264	\$1,598	\$1,544	\$2,121	\$1,894	\$3,003
	Vacancy	4.2%	6.8%	4.2%	2.3%	3.9%	5.0%	3.0%	5.4%
4th Q 2021	Units	165,534	11,596	73,144	3,643	66,143	2,331	8,295	382
	No. Vacant	5,901	649	2,616	97	2,172	134	220	13
	Avg. Rent	\$1,354	\$1,132	\$1,189	\$1,540	\$1,468	\$2,246	\$1,816	\$2,935
	Vacancy	3.6%	5.6%	3.6%	2.7%	3.3%	5.7%	2.7%	3.4%

Sources: Marquette Advisors; Maxfield Research & Consulting, LLC

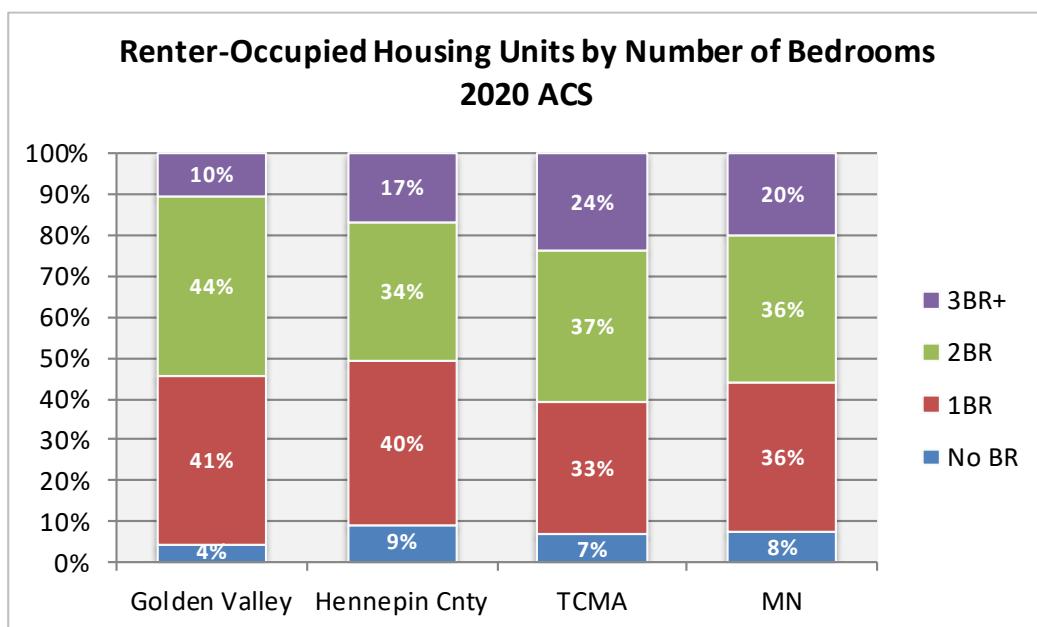
- Five newer market rate products were built since 2010 and thus has contributed to rising rents in Golden Valley. Older rental products do not offer the same level of amenities as newer rental housing stock, and often do not command higher rents. Slightly increasing vacancy rates over the past year reflects that there is more availability of rental product in the Golden Valley rental market.
- The properties included in the survey are both newer and older. Since the Apartment Trend Report does not segment newer properties in each submarket, average rents shown in Table R-1 and R-2 are less than what is currently being achieved by the newest properties that have come on-line.

Overview of Rental Market Conditions

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

Table R-3 on the following page presents a breakdown of median gross rent and monthly gross rent ranges by number of bedrooms in renter-occupied housing units from the 2016-2020 ACS in Golden Valley, in comparison to Hennepin County, the Twin Cities Metro Area, and Minnesota. Gross rent is defined as the amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, wood, etc.) if these are paid by the renter.

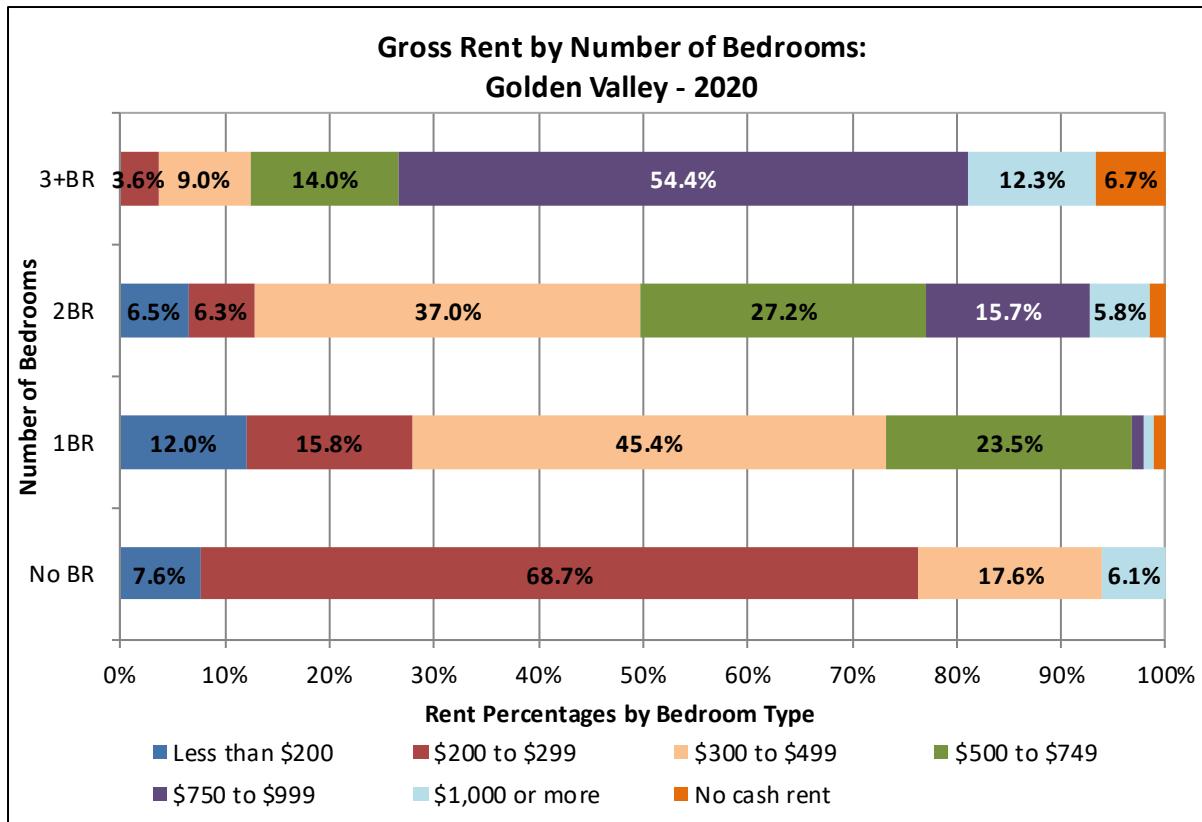
- A median gross rent of \$1,362 was estimated in Golden Valley, \$186 more than the median gross rent estimated in Hennepin County (\$1,176), \$199 more than the Twin Cities Metro Area (\$1,163), and \$352 more than the State of Minnesota (\$1,010).



- Two-bedroom units were the most common unit type in Golden Valley (44%) followed closely by one-bedroom units (41%). Golden Valley's proportion is much higher for two-bedroom units compared to the county, the Metro Area, and the state.
- Three-bedroom units make up 10% of Golden Valley's total units and its units with no bedrooms made up only 4% of total units. In comparison, Hennepin County, the Metro Area, and Minnesota have much higher percentage of these types of units.

R-3 BEDROOMS BY GROSS RENT, RENTER-OCCUPIED HOUSING UNITS GOLDEN VALLEY STUDY AREA 2020						
	Golden Valley		Hennepin Co.		TCMA	MN
	#	% of Total	#	% of Total	% of Total	% of Total
Total:	2,579	100%	192,578	100%		#DIV/0!
Median Gross Rent	\$1,362		\$1,176		\$1,163	\$1,010
No Bedroom	115	4%	17,508	9%	7%	8%
Less than \$300	17	1%	1,967	1%	1%	1%
\$300 to \$499	0	0%	855	0%	1%	0%
\$500 to \$749	0	0%	2,561	1%	1%	1%
\$750 to \$999	36	1%	5,743	3%	2%	2%
\$1,000 to \$1,499	28	1%	4,301	2%	1%	2%
\$1,500 or more	34		1,895	1%	1%	1%
No cash rent	0	0%	186	0%	0%	0%
1 Bedroom	1,060	41%	77,454	40%	33%	36%
Less than \$300	156	6%	5,641	3%	3%	3%
\$300 to \$499	67	3%	4,388	2%	3%	2%
\$500 to \$749	59	2%	4,282	2%	5%	3%
\$750 to \$999	157	6%	22,915	12%	9%	12%
\$1,000 to \$1,499	346	13%	26,453	14%	8%	12%
\$1,500 or more	275	11%	13,111	7%	4%	5%
No cash rent	0	0%	664	0%	0%	0%
2 Bedrooms	1,139	44%	65,623	34%	37%	36%
Less than \$300	0	0%	1,503	1%	1%	1%
\$300 to \$499	0	0%	1,890	1%	1%	1%
\$500 to \$749	25	1%	2,541	1%	5%	1%
\$750 to \$999	78	3%	7,474	4%	8%	5%
\$1,000 to \$1,499	483	19%	30,764	16%	14%	18%
\$1,500 or more	553	21%	20,390	11%	6%	9%
No cash rent	0	0%	1,061	1%	1%	1%
3 or More Bedrooms	265	10%	31,993	17%	24%	20%
Less than \$300	32	1%	442	0%	0%	0%
\$300 to \$499	0	0%	787	0%	1%	0%
\$500 to \$749	0	0%	1,413	1%	2%	1%
\$750 to \$999	18	1%	2,578	1%	3%	2%
\$1,000 to \$1,499	36	1%	7,237	4%	7%	5%
\$1,500 or more	119	5%	17,766	9%	8%	10%
No cash rent	60	2%	1,770	1%	2%	1%

Sources: 2016-2020 American Community Survey;
 Maxfield Research and Consulting, LLC



General-Occupancy Rental Properties

Our research of Golden Valley's general occupancy rental market included a survey of 24 market rate, affordable, and subsidized apartment properties (eight units and larger) in the first quarter 2023. These properties represent a combined total of 2,111 units, including 2,157 market rate units, 93 affordable units, and 82 subsidized units.

Although we were able to contact and obtain up-to-date information on the majority of rental properties, there are properties in Golden Valley that have fewer than 8 units. These properties are excluded in the average rent and vacancy rate calculations. Many of these properties are single-family rental homes or smaller multi-family properties.

- At the time of our survey, 86 market rate units out of the 2,157 units were vacant, resulting in a vacancy rate of 4.4%. The vacancy rate is just below the industry standard of 5% vacancy for a stabilized rental market rate which promotes competitive rates, ensures adequate choice, and allows for sufficient unit turnover. Thus, the current Golden Valley market rate housing stock is at equilibrium.

RENTAL MARKET ANALYSIS

- Within the four affordable/subsidized properties, all 175 units were occupied. This equates to a vacancy rate of 0%, well below the industry standard of 3% for stabilized affordable/subsidized rental market.
- There has been four properties that have opened since 2017. Combined, the developments total 1,053 units. The Arcata also opened in 2013 with 165 units. In total, 1,218 market rate apartment units (52% of Golden Valley market rate units) have been built since 2013.

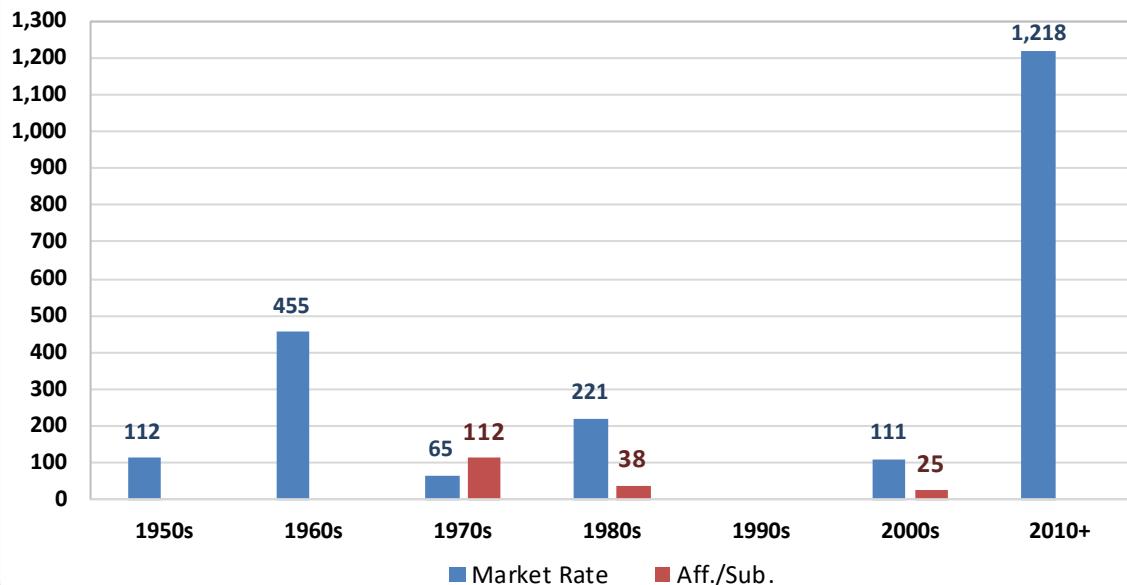
Table R-4 summarizes year built of Golden Valley general occupancy projects. Tables R-5/A- summarizes unit types and rents among market rate, affordable, and subsidized general occupancy projects. Table R-6 provides detailed project information including property address, year built, total units, vacancies, unit mix, unit sizes, monthly rent, and price per square foot.

TABLE R-4
GENERAL OCCUPANCY RENTAL DEVELOPMENT YEAR BUILT
GOLDEN VALLEY
March 2023

Property Name/Location	Built	Units
Xenia Apartments	2017/Ongoing	354
Talo Apartments	2018	303
The Liberty	2017	242
Hello Apartments	2017	170
Arcata Apartments	2013	165
The Laurel Apartments	2004	86
Valley Square Commons	2002	25
Mallard Creek	1987	124
Southwirth Apartments	1986	60
Valley Creek West	1985	37
Medley Park Townhomes	1982	30
Golden Valley Townhomes	1981	8
Laurel @ West End	1979	65
Dover Hills	1975	74
Dover Hills	1975	38
Duluth Street Flats	1966	51
The Cabana Apartments	1965	49
West End Apartments	1964	79
Valley View	1964	72
Trentwood Apartments	1964	54
Crosswoods Apartments	1964	35
Golden Valley Road Apartments	1964	21
Colonial Terrace Apartments	1963	36
West End Trails	1962	58
Valley Village	1952	112

Source: City of Golden Valley; CoStar; Maxfield Research & Consulting, LLC

Golden Valley Apartment Units by Year Built



Market Rate Apartments

- Most of Golden Valley's larger market rate general occupancy rental housing units have been built post-2013 (52%). Another 567 units (24%) were built prior to 1970.
- The following market rate general occupancy rental housing projects in Golden Valley are the newest developments:

Xenia Apartments (2015)	- 354 units
Talo Apartments (2018)	- 303 units
The Liberty (2017)	- 242 units
Hello Apartments (2017)	- 170 units

Xenia has been under construction since about 2015 and is ongoing. The city has given certificate of occupancy for only 134 units. The remaining 220 units are still unfinished and will not receive certificate of occupancy until all units are completed.

- A total of 83 vacancies were found in market rate rental projects, resulting in a vacancy rate of 4.3% as of March 2023. A stabilized equilibrium for market rate rental vacancy is considered to be 5% that allows for unit turnover and property choice for renters. At the time of this survey, the Golden Valley market rate rental market of properties eight units and larger can be considered slightly below equilibrium.

RENTAL MARKET ANALYSIS

- Sizes for market rate units ranged from 450 square feet for a studio apartment at Colonial Terrace Apartments to 2,237 square feet for a two-bedroom with den apartment at Southwirth Apartments. The average size of all market rate apartments in Golden Valley is 926 square feet.
- Of the surveyed properties, rents range from \$1,029 for a studio apartment at Colonial Terrace Apartments to \$3,749 for a two-bedroom apartment at the Talo Apartments. The average monthly rent of market rate apartments in Golden Valley is \$1,771. The Average rent in Golden Valley has increased by 37% from 2016 to 2023, just over 5% growth per year.

Average Rent		
2016	-	\$1,293
2023	-	\$1,771

- Average rent per square foot for market rate rentals is \$1.91 with studio being the highest at \$2.53 and two-bedroom plus den units being the lowest at \$1.34 rent per square foot.

Average Rent PSF	
2016	- \$1.43
2023	- \$1.91

R-5/A SURVEYED UNIT TYPE SUMMARY GENERAL OCCUPANCY MARKET RATE RENTAL DEVELOPMENTS GOLDEN VALLEY MN March 2023					
Market Rate		Monthly Rents			
Unit Type	Total Units*	% of Total	Range Low - High	Avg. Rent	Avg. Rent/Sq. Ft.
Studio	130	7%	\$1,029 - \$1,821	\$1,450	\$2.53
1BR	919	49%	\$950 - \$2,306	\$1,553	\$2.06
1BR+D	21	1%	\$1,852 - \$2,272	\$2,062	\$2.05
1BR TH	5	0%	\$1,974 - \$1,974	\$1,974	\$2.33
2BR	692	37%	\$1,195 - \$3,467	\$2,061	\$1.73
2BR+D	23	1%	\$2,999 - \$2,999	\$2,086	\$1.34
2BR TH	35	2%	\$1,350 - \$1,350	\$2,392	\$1.82
3BR	35	2%	\$2,137 - \$3,749	\$2,936	\$1.81
3BR TH	20	1%	\$2,971 - \$2,971	\$2,971	\$1.93
Total:	1,880	100%	\$950 - \$3,467	\$1,771	\$1.91
Vacant:	83	4.4%			

* Units of properties that lack data are not included. Vacant units are calculated only from properties where information was provided by property management. Overall monthly rents are a weighted average.

Source: Maxfield Research and Consulting, LLC

RENTAL MARKET ANALYSIS

Affordable

- There are two general occupancy affordable properties in Golden Valley with 63 total units. There were no vacant units as of March 2023.
- Typically, tax credit rental properties should be able to maintain vacancy rates of 3% or less in most housing markets. The lack of vacancies for tax credit housing units indicates a need for additional housing of this type.

R-5/B SURVEYED UNIT TYPE SUMMARY GENERAL OCCUPANCY AFFORDABLE RENTAL DEVELOPMENTS GOLDEN VALLEY MN March 2023					
Affordable		Monthly Rents			
Unit Type	Total Units	% of Total	Range Low - High	Avg. Rent	Avg. Rent/Sq. Ft.
2BR	55	87%	\$919 - \$919	\$919	\$1.12
3BR	8	13%	n.a. - n.a.	n.a.	n.a.
Total:	63	100%	\$919 - \$919		
Vacant:	0	0%			

Source: Maxfield Research and Consulting, LLC

Subsidized

- There are three income-restricted properties in Golden Valley with 112 total units. There were no vacant units as of March 2023. All subsidized units are currently occupied. The vacancy rate of 0% for these units indicates a need for more subsidized housing.

R-5/C SURVEYED UNIT TYPE SUMMARY GENERAL OCCUPANCY MARKET RATE RENTAL DEVELOPMENTS GOLDEN VALLEY MN March 2023					
Subsidized		Monthly Rents			
Unit Type	Total Units	% of Total	Range Low - High	Avg. Rent	Avg. Rent/Sq. Ft.
1BR	48	43%	30% Monthly Income		
2BR	32	29%			
3BR	31	28%			
4BR	1	1%			
Total:	112	100%			
Vacant:	0	0%			

Source: Maxfield Research and Consulting, LLC

RENTAL MARKET ANALYSIS

TABLE R-6
MARKET-RATE GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY RESPONSES
GOLDEN VALLEY
Q1 2023

Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
Affordable Tax-Credit (Section 42)						
Dover Hill	1975	38	38 - 2BR	1,170 - 1,292	\$919	\$0.71 - \$0.79
2400 Rhode Island Avenue		0				
Section 236/LIHTC Rehab		0.00%				
Valley Square Commons	2002	25	17 - 2BR 8 - 3BR	1,114 1,263	n.a. n.a.	n.a. n.a.
749 Winnetka Avenue North		0				
Section 42/Section 8		0.00%			Multiple calls and messages were not returned	
Affordable Total		63	0	0.0%		
Subsidized						
Dover Hill	1975	74	48 - 1BR 10 - 2BR 16 - 3BR	750 1,170 - 1,292 1,252 - 1,294	\$916 \$1,169 \$1,501	\$1.22 \$0.90 - \$1.00 \$1.16 - \$1.20
2400 Rhode Island Avenue North		0				
Section 8/LIHTC Rehab		0.0%				
Medley Park Townhomes	1982	30	22 - 2BR 7 - 3BR 1 - 4BR	979 - 1,008 1,080 1,201	\$1,484 - \$1,511 \$1,779 \$2,052	\$1.47 - \$1.52 \$1.65 \$1.71
2345 Mendelsohn Lane N		0				
Section 42/Section 8		0.0%			Contract Rents	
All residents are currently on Section and pay rent at 30% of AGI.						
Golden Valley Townhomes	1981	8	8 - 3BR	1,088	\$1,501	\$1.38
2120 Dougas Drive		0				
Section 8		0.0%			30% of AGI	
Subsidized Total		112	0	0.0%		
Market Rate						
Xenia Apartments	Start/2017	134	6 - Studio	534	\$1,620	\$3.03
770 Xenia Avenue S	Still UC	29	88 - 1BR	646 - 950	\$1,700 - \$2,306	\$2.63 - \$3.57
		21.6%	40 - 2BR	1,140 - 1,368	\$2,765 - \$3,215	\$2.43 - \$2.82
Would not participate. Data from Xenia website and CoStar. 220 units yet to receive certificate of occupancy.						
Talo Apartments	2018	303	41 - Studio 161 - 1BR 90 - 2BR 11 - 3BR	536 - 641 570 - 831 816 - 1,251 1,381 - 1,401	\$1,438 - \$1,821 \$1,580 - \$2,107 \$2,057 - \$3,467 \$3,515 - \$3,749	\$2.68 - \$2.84 \$2.54 - \$2.77 \$2.52 - \$2.77 \$2.55 - \$2.68
5100 Wayzata Boulevard		5				
		1.7%				
The Liberty	2017	242	30 - Studio 102 - 1BR 46 - 2BR 10 - 3BR 5 - 1BR TH 29 - 2BR TH 20 - 3BR TH	568 663 - 1,031 1,014 - 1,139 1,323 - 1,421 848 1,214 - 1,547 1,536	\$1,332 - \$1,332 \$1,503 - \$2,009 \$1,840 - \$2,049 \$2,137 - \$2,247 \$1,974 \$2,496 - \$2,718 \$2,971	\$2.35 - \$2.35 \$2.27 - \$3.03 \$1.81 - \$2.02 \$1.62 - \$1.70 \$2.33 \$2.06 \$1.93
2448 Winnetka Avenue N		2				
		0.8%				
Hello Apartments	2017	170	34 - Alcove	538 - 624	\$1,335 - \$1,405	\$2.48 - \$2.61
9130 Olson Memorial Highway		5				
		2.9%				
Arcata Apartments	2013	165	15 - Studio	526 - 606	\$1,390 - \$1,467	\$2.42 - \$2.64
901 Xenia Avenue South		9				
		5.5%				
The Laurel	2004	86	29 - 1BR	1,078	\$2,037	\$1.89
250 Turners Crossroad South		3				
		3.5%				
Mallard Creek	1987	122	39 - 1BR	860	\$1,510 - \$1,530	\$1.76 - \$1.78
8300/8400 Golden Valley Road		3				
		2.5%				

Continued

RENTAL MARKET ANALYSIS

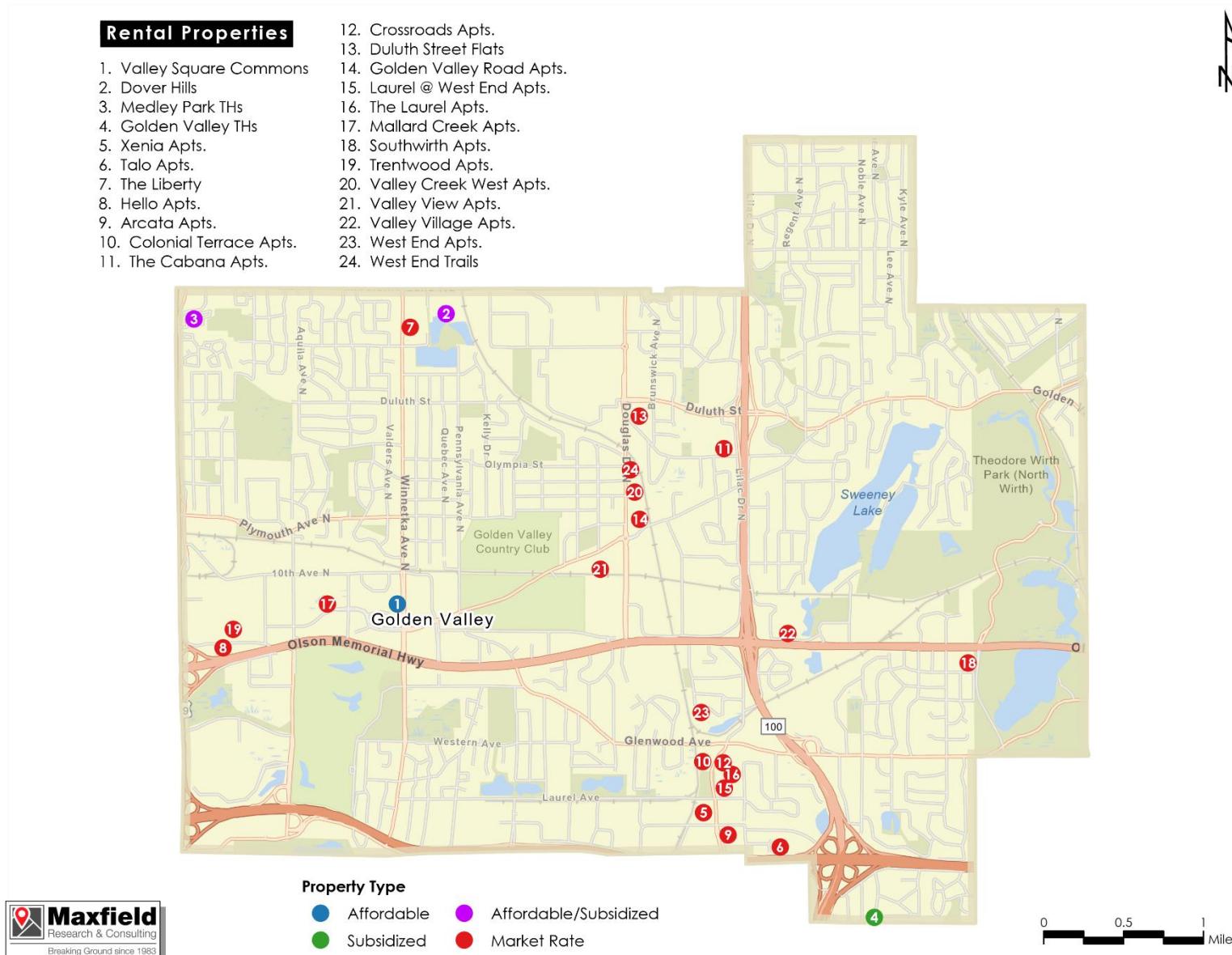
TABLE R-6 (Cont.)
 MARKET-RATE GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY RESPONSES
GOLDEN VALLEY
Q1 2023

Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
Southwirth Apartments 501 Theoddore Wirth Parkway	1986	60 3 5.0%	12 - 1BR 32 - 2BR 16 - 2BR/D	1,008 1,397 - 1,879 2,237	\$1,449 - \$1,499 \$1,899 - \$2,499 \$2,999	\$1.44 - \$1.49 \$1.33 - \$1.36 \$1.34
Valley Creek West 1370 Douglas Drive North	1985	37 1 2.7%	7 - 1BR 30 - 2BR	761 995 - 1,145	\$1,200 - \$1,250 \$1,425 - \$1,575	\$1.58 - \$1.64 \$1.38 - \$1.43
Laurel @ West End 5610 Laurel Avenue	1979	65 12 18.46%	23 - 1BR 37 - 2BR 5 - 3BR	982 - 1,020 1,070 - 1,328 1,383	\$1,523 - \$1,523 \$1,856 - \$2,106 \$2,400 - \$2,500	\$1.49 - \$1.55 \$1.59 - \$1.73 \$1.74 - \$1.81
					Some units have been Renovated	
Duluth Street Flats 6150 St. Croix Avenue North	1966	51 1 2.0%	19 - 1BR 31 - 2BR 1 - 3BR	660 980 1,100	\$975 - \$1,095 \$1,195 - \$1,375 Not For Rent	\$1.48 - \$1.66 \$1.22 - \$1.40
					Some units have been Renovated	
The Cabana Apartments 1725 Lilac Drive	1965	49 0 0.0%	2 - 1BR 40 - 2BR 7 - 3BR	700 850 1,000	n.a. n.a. n.a.	n.a. n.a. n.a.
Crosswoods Apartments 5601 Glenwood Avenue	1964	35 1 2.9%	35 - 1BR	600 - 800	\$950 - \$1,185	\$1.58 - \$1.98
Trentwood Apartments 9140-9240 Golden Valley Road	1964	54 2 3.7%	24 - 1BR 24 - 2BR 6 - 2BR TH	737 967 1,000	\$1,075 \$1,250 \$1,350	\$0.69 \$0.77 \$0.74
Valley View 6533-6543 Golden Valley Road	1964	72 0 0.0%	36 - 1BR 36 - 2BR	800 - 820 1,100 - 1,120	\$1,250 - \$1,350 \$1,500 - \$1,785	\$1.56 - \$1.65 \$1.36 - \$1.59
West End Apartments 241-271 Yosemite Circle	1964	79 1 1.3%	35 - 1BR 44 - 2BR	850 950 - 1,050	\$1,239 - \$1,269 \$1,429 - \$1,579	\$1.46 - \$1.49 \$1.50 - \$1.50
					Units have been Renovated	
Golden Valley Road Apartments 6200 Golden Valley Road	1964	21 n.a. n.a.	n.a.	n.a.	n.a.	n.a.
					Could not find any contact information	
Colonial Terrace Apartments 5743 & 5747 Glenwood Ave	1963	36 3 3.00%	4 - Studio 18 - 1BR 14 - 2BR	450 725 850 - 900	\$1,029 \$1,149 - \$1,209 \$1,419 - \$1,459	\$2.29 \$1.58 \$1.62 - \$1.67
West End Trails 1400-1600 Douglas Drive	1962	58 0 0.0%	30 - 1BR 28 - 2BR	580 - 650 930 - 1,000	\$999 - \$1,071 \$1,249 - \$1,250	\$1.65 - \$1.72 \$1.25 - \$1.34
Valley Village 600 Lilac Drive North	1952	112 3 2.7%	106 - 1BR 6 - 2BR	600 780	\$1,215 - \$1,350 \$1,655	\$2.03 - \$2.25 \$2.12 - \$0.00
Total of All Market Rate GO*	1,951	83	4.3%			
Golden Valley Totals*	2,126	83	3.9%			

*Vacancy Rate excludes properties that did not participate in rental survey.

Source: City of Golden Valley; Maxfield Research & Consulting, LLC

Map 5: General-Occupancy Multifamily Rental Properties – Golden Valley



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

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

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

Because many of these projects have affordable rents, project-based and private housing markets cannot be easily separated. Some household's income-qualify for both market rate and project-based affordable housing. Therefore, it is important to recognize the naturally-occurring affordable housing stock to quantify the proportion of renters that might be eligible for housing assistance based on income. Table R-6 summarizes project data from Table R-7 based on unit type and affordability. Table R-7 illustrates monthly rents by unit type and household size as they relate to affordability. Table R-8 presents a breakdown of all market rate general-occupancy rental projects by household size and area median income (AMI).

- Among the over 2,000 market rate units that were inventoried by unit mix and monthly rents, only 12% of the units are affordable to householders at 50% AMI. Together with 15% of the units affordable at 60% AMI, just under 30% of the market rate rental housing inventory is affordable at 50% to 60% AMI.
- Nearly 30% of market rate one-bedroom units are affordable at 60% AMI or below. Comparatively, two-bedroom units and three-bedroom units were 32% and 14%, respectively.
- About 73% of the inventoried market rate units have monthly rents that would be affordable to householders earning 80% to 120% of AMI. These households would qualify for “workforce” housing.

RENTAL MARKET ANALYSIS

- The number of naturally occurring affordable housing at 60% or units has declined from 55% to 27% since the previously completed study in 2016.

	50%	60%	80%	100%	120%
2016	26.4% (224)	28.8% (245)	12.4% (105)	19.1% (162)	13.4% (114)
2023	11.9% (249)	15.4% (322)	43.4% (906)	24.0% (501)	5.3% (111)

TABLE R-7						
MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS						
NATURAL OCCURRING SUMMARY						
GOLDEN VALLEY						
MARCH 2023						
Market Rate Affordability by AMI						
Unit Type	30%	50%	60%	80%	100%	120%
STUDIO	--	4	--	114	20	--
1 BR	--	121	189	503	240	--
1 BR + DEN	--	--	--	--	21	--
1BR TH	--	--	--	--	5	--
2 BR	--	118	128	276	155	82
2 BR + DEN	--	--	--	--	5	18
2BR TH	--	6	--	--	29	--
3 BR	--	--	5	13	6	11
3BR TH	--	--	--	--	20	--
Subtotal	--	249	322	906	501	111
Pct. Of Total	0.0%	11.9%	15.4%	43.4%	24.0%	5.3%

Source: Maxfield Research & Consulting, LLC

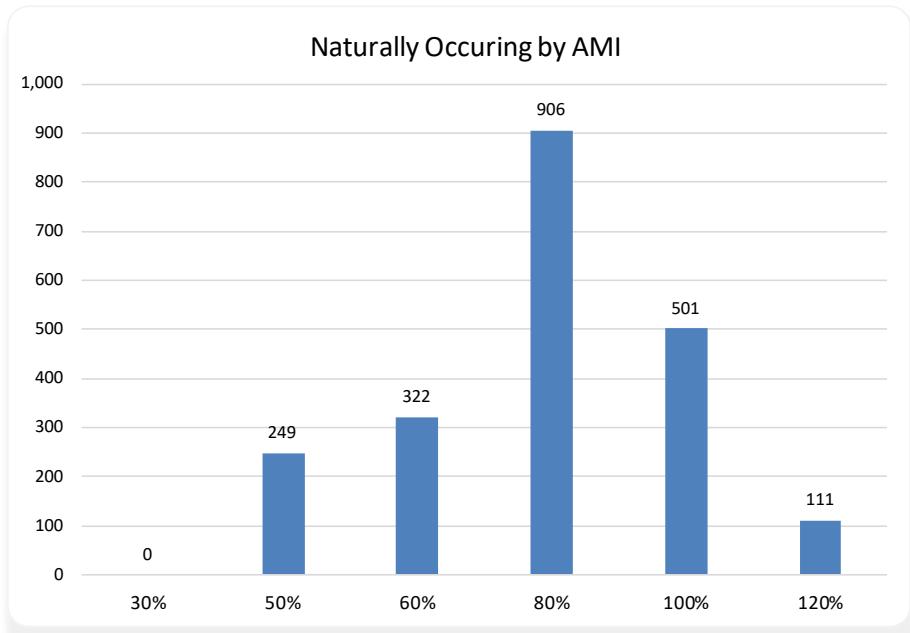


TABLE R-8
MONTHLY RENTS BASED ON INCOME LIMITS, HOUSEHOLD SIZE, & AMI
HENNEPIN COUNTY - 2022

Unit Type ¹	HHD Size		Max. Rent Based on Household Size (@30% of Income)											
			30%		50%		60%		80%		100%		120%	
	Min	Max	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Studio	1	1	\$617	-\$617	\$1,028	-\$1,028	\$1,233	-\$1,233	\$1,644	-\$1,644	\$2,055	-\$2,055	\$2,466	-\$2,466
1BR	1	2	\$617	-\$704	\$1,028	-\$1,174	\$1,233	-\$1,409	\$1,644	-\$1,878	\$2,055	-\$2,348	\$2,466	-\$2,817
2BR	2	4	\$704	-\$880	\$1,174	-\$1,466	\$1,409	-\$1,760	\$1,878	-\$2,346	\$2,348	-\$2,933	\$2,817	-\$3,519
3BR	3	6	\$792	-\$1,021	\$1,320	-\$1,701	\$1,584	-\$2,042	\$2,112	-\$2,722	\$2,640	-\$3,403	\$3,168	-\$4,083
4BR	4	8	\$880	-\$1,162	\$1,466	-\$1,936	\$1,760	-\$2,324	\$2,346	-\$3,098	\$2,933	-\$3,873	\$3,519	-\$4,647

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

Note: 4-person Hennepin County AMI is \$118,200 (2022)

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

RENTAL MARKET ANALYSIS

TABLE R-9
MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS
NATURALLY OCCURRING AFFORDABLE RENTAL HOUSING
CITY OF GOLDEN VALLEY
MARCH 2023

Unit Type/Project Name	# of Units	Rent Range		Min. Income Needed to Afford ¹	Units that are Market Rate Affordability by AMI ²					
		Min	Max		30%	50%	60%	80%	100%	120%
Studio										
Xenia Apartments	14	\$1,620	\$1,620	\$64,800 - \$64,800	--	--	--	14	--	--
Talo Apartments	41	\$1,438	\$1,821	\$57,520 - \$72,840	--	--	--	21	20	--
The Liberty	30	\$1,332	\$1,332	\$53,280 - \$53,280	--	--	--	30	--	--
Hello Apartments	34	\$1,335	\$1,405	\$53,400 - \$56,200	--	--	--	34	--	--
Arcata Apartments	15	\$1,390	\$1,467	\$55,600 - \$58,680	--	--	--	15	--	--
Colonial Terrace Apartments	4	\$1,029	\$1,029	\$41,160 - \$41,160	--	4	--	--	--	--
Total/ Average	138				--	4	--	114	20	--
One-Bedroom										
Xenia Apartments	222	\$1,700	\$2,306	\$68,000 - \$92,240	--	--	--	72	150	--
Talo Apartments	161	\$1,580	\$2,107	\$63,200 - \$84,280	--	--	--	100	61	--
The Liberty	102	\$1,503	\$2,009	\$60,120 - \$80,360	--	--	--	102	--	--
Hello Apartments	76	\$1,524	\$1,568	\$60,960 - \$62,720	--	--	--	76	--	--
Arcata Apartments	79	\$1,555	\$1,767	\$62,200 - \$70,680	--	--	--	79	--	--
The Laurel Apartments	29	\$2,037	\$2,037	\$81,480 - \$81,480	--	--	--	--	29	--
Mallard Creek	39	\$1,510	\$1,530	\$60,400 - \$61,200	--	--	--	39	--	--
Southwirth Apartments	12	\$1,449	\$1,499	\$57,960 - \$59,960	--	--	--	12	--	--
Valley Creek West	7	\$1,200	\$1,250	\$48,000 - \$50,000	--	--	--	7	--	--
Laurel @ West End	23	\$1,523	\$1,523	\$60,920 - \$60,920	--	--	--	23	--	--
Duluth Street Flats	19	\$975	\$1,095	\$39,000 - \$43,800	--	19	--	--	--	--
The Cabana Apartments	2	n.a. - n.a.	n.a. - n.a.	--	--	--	--	--	--	--
Crosswods Apartments	35	\$950	\$1,185	\$38,000 - \$47,400	--	30	5	--	--	--
Trentwood Apartments	24	\$1,075	\$1,075	\$43,000 - \$43,000	--	24	--	--	--	--
Valley View	36	\$1,250	\$1,350	\$50,000 - \$54,000	--	--	--	36	--	--
West End Apartments	35	\$1,239	\$1,269	\$49,560 - \$50,760	--	--	--	35	--	--
Golden Valley Road Apartments	n.a.	n.a. - n.a.	n.a. - n.a.	--	--	--	--	--	--	--
Colonial Terrace Apartments	18	\$1,029	\$1,029	\$41,160 - \$41,160	--	18	--	--	--	--
West End Trails	30	\$999	\$1,071	\$39,960 - \$42,840	--	30	--	--	--	--
Valley Village	106	\$1,215	\$1,350	\$48,600 - \$54,000	--	--	106	--	--	--
Total/Average	1,055				--	121	189	503	240	--
One-Bedroom plus Den										
Arcata Apartments	21	\$1,852	\$2,272	\$74,080 - \$90,880	--	--	--	--	21	--
Total/Average	21				--	--	--	--	21	--
One-Bedroom Townhome										
The Liberty	5	\$1,974	\$1,974	\$78,960 - \$78,960	--	--	--	--	5	--
Total/Average	5				--	--	--	--	5	--
Two-Bedroom										
Xenia Apartments	102	\$2,765	\$3,215	\$110,600 - \$128,600	--	--	--	--	51	51
Talo Apartments	90	\$2,057	\$3,467	\$82,280 - \$138,680	--	--	--	30	30	30
The Liberty	46	\$1,840	\$2,049	\$73,600 - \$81,960	--	--	--	46	--	--
Hello Apartments	53	\$2,138	\$2,533	\$85,520 - \$101,320	--	--	--	25	28	--
Arcata Apartments	50	\$1,930	\$2,575	\$77,200 - \$103,000	--	--	--	25	25	--
The Laurel Apartments	48	\$1,856	\$2,106	\$74,240 - \$84,240	--	--	--	48	--	--
Mallard Creek	83	\$1,710	\$1,860	\$68,400 - \$74,400	--	--	35	48	--	--
Southwirth Apartments	32	\$1,899	\$2,499	\$75,960 - \$99,960	--	--	--	12	20	--
Valley Creek West	30	\$1,425	\$1,575	\$57,000 - \$63,000	--	5	25	--	--	--
Laurel @ West End	37	\$1,856	\$2,106	\$74,240 - \$84,240	--	--	--	37	--	--
Duluth Street Flats	31	\$950	\$950	\$38,000 - \$38,000	--	31	--	--	--	--
The Cabana Apartments	40	n.a. - n.a.	n.a. - n.a.	--	--	--	--	--	--	--
Trentwood Apartments	24	\$1,250	\$1,250	\$50,000 - \$50,000	--	24	--	--	--	--
Valley View	36	\$1,500	\$1,785	\$60,000 - \$71,400	--	--	32	4	--	--
West End Apartments	44	\$1,429	\$1,579	\$57,160 - \$63,160	--	15	29	--	--	--
Golden Valley Road Apartments	n.a.	n.a. - n.a.	n.a. - n.a.	--	--	--	--	--	--	--

Continued

RENTAL MARKET ANALYSIS

TABLE R-7 *Continued*
MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS
NATURALLY OCCURRING AFFORDABLE RENTAL HOUSING
CITY OF GOLDEN VALLEY
MARCH 2023

Unit Type/Project Name	Aff Units	Rent Range		Min. Income Needed to Afford ¹	Units that are Market Rate Affordability by AMI ²					
		Min	Max		30%	50%	60%	80%	100%	120%
Two-Bedroom (Cont.)										
Colonial Terrace Apartments	14	\$1,419	-\$1,459	\$56,760 - \$58,360	--	14	--	--	--	--
West End Trails	28	\$1,249	-\$1,250	\$49,960 - \$50,000	--	28	--	--	--	--
Valley Village	6	\$1,655	-\$1,655	\$66,200 - \$66,200	--	--	6	--	--	--
Total/ Average	794				--	118	128	276	155	82
Two-Bedroom + Den										
Hello Apartments	7	\$2,423	-\$2,939	\$96,920 - \$117,560	--	--	--	--	5	2
Southwirth Apartments	16	\$2,999	-\$2,999	\$119,960 - \$119,960	--	--	--	--	--	16
Total/ Average	23				--	--	--	--	5	18
Two-Bedroom Townhomes										
The Liberty	29	\$2,496	-\$2,718	\$99,840 - \$108,720	--	--	--	--	29	--
Trentwood Apartments	6	\$1,350	-\$1,350	\$54,000 - \$54,000	--	6	--	--	--	--
Total/ Average	35				--	6	--	--	29	--
Three Bedroom										
Talo Apartments	11	\$3,515	-\$3,749	\$140,600 - \$149,960	--	--	--	--	--	11
The Liberty	10	\$2,137	-\$2,247	\$85,480 - \$89,880	--	--	--	--	10	--
The Laurel Apartments	9	\$2,705	-\$2,820	\$108,200 - \$112,800	--	--	--	3	6	--
Laurel @ West End	5	\$1,900	-\$1,900	\$76,000 - \$76,000	--	--	5	--	--	--
Duluth Street Flats	1	n.a. - n.a.		n.a. - n.a.	--	--	--	--	--	--
The Cabana Apartments	7	n.a. - n.a.		n.a. - n.a.	--	--	--	--	--	--
Total/ Average	43				--	--	5	13	6	11
Three-Bedroom Townhomes										
The Liberty	20	\$2,971	-\$2,971	\$118,840 - \$118,840	--	--	--	--	20	--
Total/ Average	20				--	--	--	--	20	--

¹ Based on a 30% allocation of income to housing for general-occupancy. Senior housing projects were excluded from the calculation.

² Market rate housing that has rents that could be classified as "unsubsidized affordable" units based on the monthly rents and adjusted for household size.

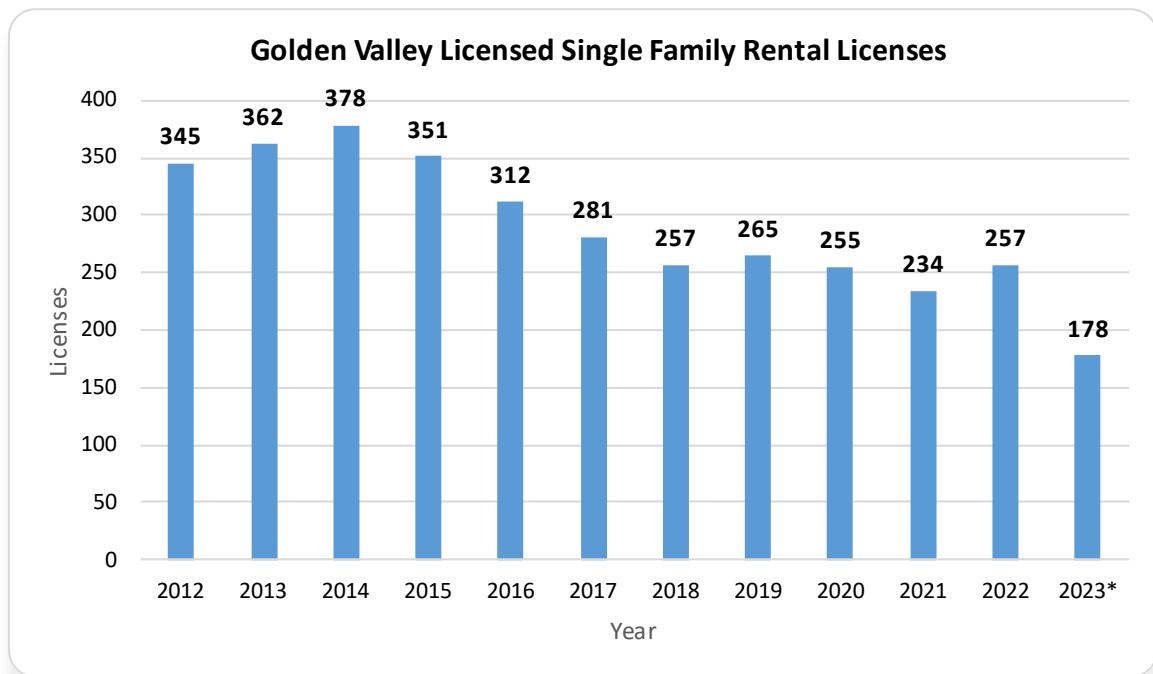
Source: Maxfield Research & Consulting, LLC

Licensed Rental Ordinance

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

The following information provided by the City of Golden Valley identifies that there were 195 active single family rental licenses in July 2023. Of these active rental licenses, 178 were issued in 2023 through June. The chart below shows the numbers of permits issued during each year from 2012 to YTD 2023. During this period, issued rental licenses peaked in 2014 at 378 licenses and have been declining annually to a low of 234 issued licenses in 2021. Rental licenses increased in 2022 with 257 licenses being issued.

The City of Golden Valley also issues dwelling licenses for multi-unit developments per unit and group homes including homes with services. Maxfield Research calculated 2,467 active licensed rental units in these multifamily developments in 2023.



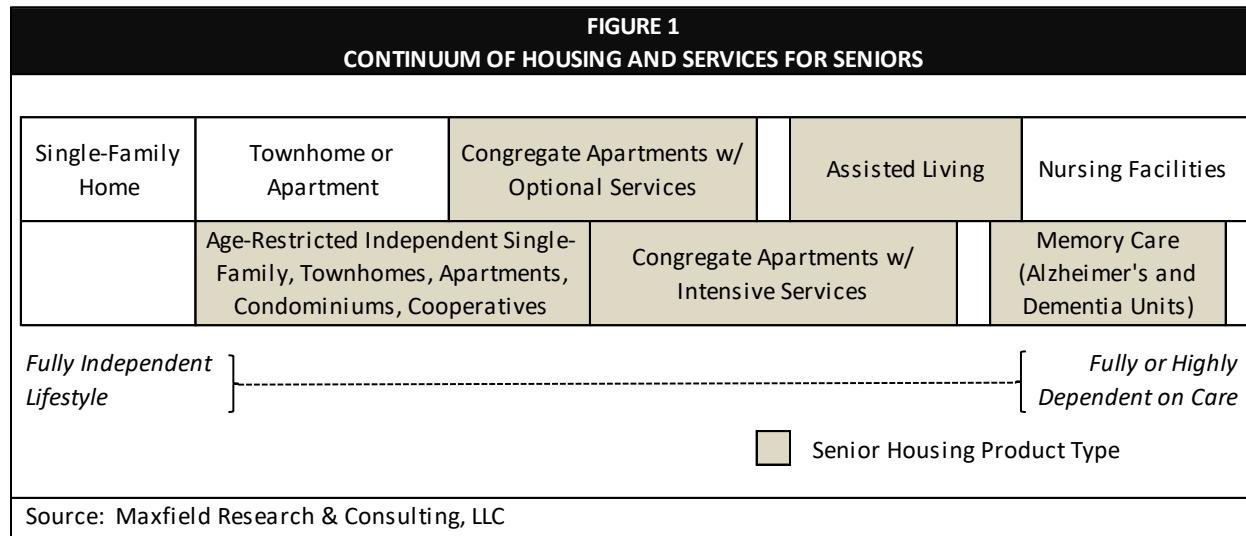
Introduction

This section provides an assessment of the market support for senior housing (active adult, congregate, assisted living, and memory care) in Golden Valley. An overview of the demographic and economic characteristics of the senior population in Golden Valley is presented along with an inventory of existing senior housing developments in the city. Demand for senior housing is calculated based on demographic, economic and competitive factors that would impact demand for additional senior housing units in the city. Our assessment concludes with an estimation of the proportion of city demand that could be captured by senior housing communities located in Golden Valley.

Additionally, any planned or pending senior housing developments are identified that may compete with the subject development and would satisfy some potential demand for age-restricted housing products in Golden Valley.

Senior Housing Defined

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



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 65 years of age and older while assisted living typically attracts people 80 years of age and older who need assistance with activities of

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

- **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 (Congregate)** properties (or independent living with services available) offer support services such as meals and/or housekeeping, either on an optional basis or a limited amount included in the rents. These properties often 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 75 years of age or older. Rents are also above those of the active adult buildings. Sponsorship by a nursing home, hospital or other health care organization is common.
- **Assisted Living** properties come in a variety of forms, but the target market for most is generally the same: very frail seniors, typically age 80 or older (but can be much younger, depending on their particular health situation), who are in need of extensive support services and personal care assistance. Absent an assisted living option, these seniors would otherwise need to move to a nursing facility. At a minimum, assisted living properties include two meals per day and weekly housekeeping in the monthly fee, with the availability of a third meal and personal care (either included in the monthly fee or for an additional cost). Assisted living properties also have either staff on duty 24 hours per day or at least 24-hour emergency response.
- **Memory Care** properties, designed specifically for persons suffering from Alzheimer's disease or other dementias, is one of the newest trends in senior housing. Properties consist mostly of suite-style or studio units or occasionally one-bedroom apartment-style units, and large amounts of communal areas for activities and programming. In addition, staff typically undergoes specialized training in the care of this population. Because of the greater amount of individualized personal care required by residents, staffing ratios are much higher than traditional assisted living and thus, the costs of care are also higher. Unlike conventional assisted living, however, which 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.

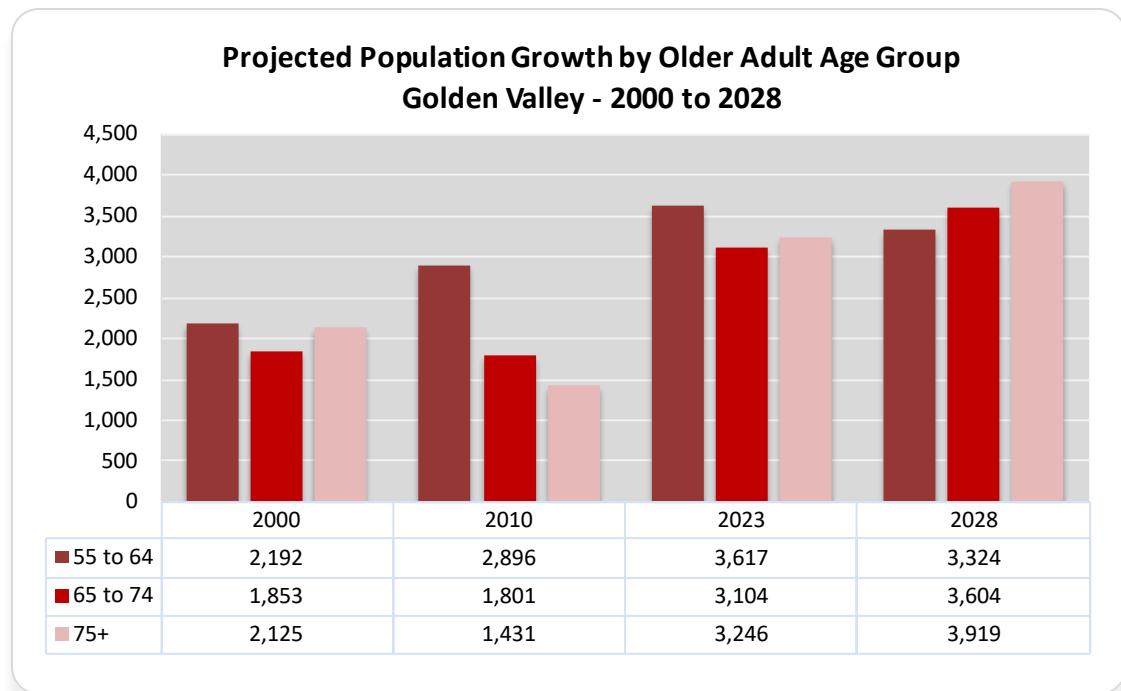
- **Skilled Nursing Care**, or long-term care facilities, provides a living arrangement that integrates shelter and food with medical, nursing, psychosocial and rehabilitation services for persons who require 24-hour nursing supervision. Residents in skilled nursing homes can be funded under Medicare,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

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

Older Adult (Age 55+) Population and Household Trends

The *Demographic Analysis* section of this study presented general demographic characteristics of Golden Valley's population. The following points summarize key findings from that section as they pertain to the older adult population in Golden Valley.

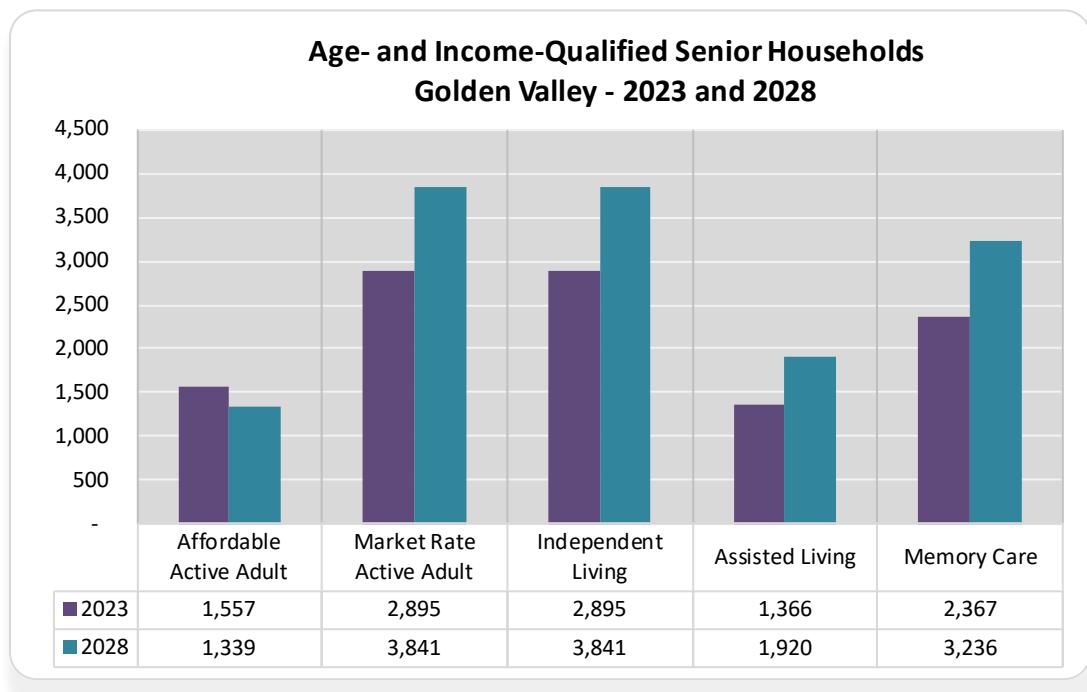
- The strongest growth is expected to occur among older adults in Golden Valley. Aging of baby boomers led to an increase of 1,303 people (72%) in the 65 to 74 population in the City between 2010 and 2023. As this group ages, the 65 and older age cohorts are expected to experience continue growth in the next several years.
 - The 75 and older age group is projected to grow 21%, adding 673 people by 2028.
 - The 65 to 74 age group is projected to expand 16% (500 people).
 - The 55 to 64 age group is expected to contract 8%, decreasing by 293 people.
- The key market for active adult housing is generally comprised of senior households age 65 and older, although many active adult developments are restricted to residents 55 years of age and older.
- The primary market for service-enhanced housing is senior households age 75 and older. While individuals in their 50s and 60s typically do not comprise the market base for service-enhanced senior housing, they often have elderly parents to whom they provide support when they decide to relocate to senior housing. Elderly parents often prefer to be near their adult caregivers, so the older adult age cohort (age 55 to 64) also generates some additional demand for service-enhanced senior housing products.



- 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 described below:
 - 40% to 50% for market rate active adult senior housing with little or no services;
 - 65% for independent living housing with services available; and,
 - 80% to 90% or more for assisted living housing.
- The proceeds from the sales of their homes, as well as financial assistance from their adult children, are often used as supplemental income to afford senior housing alternatives.
- The target market for affordable active adult senior housing is households age 65 and older with incomes at or below 60% Area Median Income (AMI). At 60% AMI, household income limits are \$49,320 for a one-person household and \$56,340 for a two-person household.
 - As of 2023, there are an estimated 1,557 households age 65 and older in Golden Valley with incomes at or below \$56,340 (39% of all age 65 and older households in the City).
 - The number of 65 and older households projected to income-qualify for affordable active adult housing at 60% AMI in the City is projected to decline 218 households in 2028 (-14% decline).
- The key market for market rate active adult housing is comprised of senior households (age 65 and older) with incomes of \$35,000 or more. The age threshold increases to 70 and older if in an apartment-style building.

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- In 2023, we estimate there are 1,415 age- and income-qualified 65 and older households in Golden Valley that comprise the key market for active adult housing.
- Including all households with incomes of \$40,000 and over (adjusted for inflation), the number of age 65 and older households projected to income-qualify for market rate active adult housing is expected to increase by 148 households in 2028 (9.5%).



- Independent living with services available housing demand is driven by senior households (age 75 and older) with incomes of \$40,000 or more. We estimate the number of age- and income-qualified households in Golden Valley to be 1,301 householders in 2022, increasing by 336 householders (20.5%) in 2027.
- The target market for assisted living housing is senior households age 75 and older with incomes of at least \$40,000 (plus senior homeowners with lower incomes).
 - As of 2023, there are an estimated 1,366 older senior households (age 75 and older) in Golden Valley with incomes of at least \$40,000, accounting for 63% of all older senior households.
 - Including all households with incomes of \$45,000 and over (adjusted for inflation), the number of older senior households projected to income-qualify for senior housing with services is expected to grow by 41% to 554 households in 2028.
- 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. We estimate that roughly 15% of the senior population has a memory impairment.

- In 2023, we estimate that there are 2,367 age 65 and older households in Golden Valley with incomes of at least \$60,000, accounting for 59% of all senior households. Based on the estimated 15% incidence rate of Alzheimer's/dementia, approximately 355 households 65 and over in the City are candidates for memory care housing in 2023.
- The number of income-qualified (\$65,000 adjusted for inflation) households is projected to increase 37% to 869 by 2028 (485 households eligible for memory care housing based on the 15% incidence rate).

Homeownership information lends insight into the number of households that may still have homes to sell and could potentially supplement their incomes from the sales of their homes to support monthly fees for alternative housing.

- Golden Valley maintains homeownership rates in the older adult age cohorts that are similar to that when compared to Hennepin County and the Twin Cities Metro Area.
- Seniors typically begin to consider moving into senior housing alternatives in their early to mid-70s. This movement pattern is demonstrated by the decline in homeownership between the 65 to 74 age cohort (79%) and the 75 and older age cohort (64%) in Golden Valley.
- With a homeownership rate of 72% for all households age 65 and older, the majority residents would be able to use proceeds from the sales of their homes toward senior housing alternatives. The resale of single-family homes would allow additional senior households to qualify for market rate housing products, since equity from the home sale could be used as supplemental income for alternative housing.
- 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.
- Based on the 2022 median sale price for homes in Golden Valley (\$425,000), a senior household could generate approximately \$7,990 of additional income annually (about \$666 per month) if they invested in an income-producing account (2.0% interest rate) after accounting for marketing costs and/or real estate commissions (6.0% of home sale price).
- Should a senior utilize the home proceeds dollar for dollar to support living in service-enhanced senior housing, the proceeds of the home sale would last several years, as outlined below:
 - Over 13 years in independent living housing (monthly rent approximated at \$2,500);
 - About eight years in assisted living (monthly rent approximated at \$4,000); or,
 - Roughly 5.5 years in memory care housing (monthly rent approximated at \$6,000).

SENIOR HOUSING ANALYSIS

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

Senior Housing in Golden Valley

As of Q1 2023, Maxfield Research identified eight senior housing developments in Golden Valley. These properties contain a total of 983 units with 44 vacancies resulting in an overall vacancy rate of 4.5% for senior housing developments.

Table S-1 provides information on the senior market rate properties and properties with public assistance. Information in the table includes year built, number of units, unit mix, number of vacant units, rents, and general comments about each project. The following are key points from our survey of the senior housing supply.

For-Sale Active Adult

- Cavalry Cooperative of Golden Valley is the only active adult ownership project in Golden Valley. As of March 2023, there were no vacant units but three were listed for sale. Cavalry Cooperative is a 119 units in this 55+ cooperative community. Tenants purchase their own unit and the current owners set the sales price. The current listing price ranges from \$65,000 for a one-bedroom unit to \$97,000 for a two-bedroom unit.

S-1/A SURVEYED UNIT TYPE SUMMARY FOR-SALE SENIOR HOUSING PROPERTIES MARCH 2023				
Active Adult Cooperative			Purchase Price Range	
Unit Type	Total Units	% of Total	Avg. Size	
1BR	59	50%	657	Purchase Price range \$65,000 to \$97,000
2BR	55	46%	901	Monthly association dues range \$617 to \$1,887
3BR	5	4%	1,110	
Total:	119	100%	977	
Vacancy Rate:	2.5%			

Source: Maxfield Research and Consulting, LLC

Subsidized Active Adult

- Subsidized active adult senior housing offers affordable rents to qualified low income seniors and handicapped/disabled persons. Typically, incomes are restricted to 30% of the area

SENIOR HOUSING ANALYSIS

median income adjusted for household size. For those households meeting the age and income qualifications, subsidized senior housing is usually the most affordable rental option available. Affordable projects are typically tax-credit projects that are limited to households earning less than 60% of Hennepin County's area median income.

S-1/B						
SURVEYED UNIT TYPE SUMMARY						
AFFORDABLE/SUBSIDIZED SENIOR HOUSING PROPERTIES						
MARCH 2023						
Subsidized				Monthly Rents		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/Sq. Ft.
1BR	202	100%	687	30% of AGI		
Total:	202	100%	687			
Vacancy Rate:	0.0%					

Source: Maxfield Research and Consulting, LLC

- There are two subsidized active adult developments (Cavalry Center and Dover Hills) in Golden Valley with no vacancies as of March 2023. Equilibrium for senior subsidized housing projects is usually around 3%, allowing for optimal housing availability for potential residents.

Independent Living

- There are two facilities offering independent living housing with optional services in Golden Valley. As of March 2023 there were five vacancies, for a vacancy rate of 5.3%. Market equilibrium for independent living housing is generally considered 5.0%.

S-1/C						
SURVEYED UNIT TYPE SUMMARY						
INDEPENDENT LIVING SENIOR HOUSING PROPERTIES						
MARCH 2023						
Independent Living				Monthly Rents		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/Sq. Ft.
Studio	5	7%	490	\$1,490 - \$2,490	\$1,859	\$3.80
1BR	17	23%	771	\$2,034 - \$3,495	\$2,266	\$2.94
1BR+D	30	41%	887	\$2,301 - \$3,765	\$2,801	\$3.16
2BR	20	27%	1,132	\$3,196 - \$4,765	\$3,670	\$3.24
2BR+D	1	1%	1,299	\$4,950 - \$4,950	\$4,950	\$3.81
Total:	73	100%	905	\$1,490 - \$4,950	\$2,879	\$3.18
Vacancy Rate:	6.8%					

Source: Maxfield Research and Consulting, LLC

SENIOR HOUSING ANALYSIS

- Personal assisted care is optional incurring additional cost and based on nursing assessment. Both of the facilities offer catered living, meaning units can be occupied by highly independent seniors or those seniors needing full assisted living services.

Assisted Living

- There are six facilities offering assisted living services in Golden Valley with a total of 317 units. As of March 2023 there were 14 vacancies, for a vacancy rate of 5.6%. Market equilibrium for senior housing with services is considered from 5% to 7%.
- Additional cost is based on personal care service level needed after nursing assessment. Some common features include kitchenettes, private bathrooms, meals, laundry, and light housekeeping.

S-1/D SURVEYED UNIT TYPE SUMMARY ASSISTED LIVING LIVING SENIOR HOUSING PROPERTIES MARCH 2023						
Assisted Living				Base Monthly Rents		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/Sq. Ft.
Companinon	2	1%	458	\$2,940 - \$2,940	\$2,940	\$2,940
Private	13	4%	532	\$4,380 - \$4,380	\$4,380	\$4,380
Studio	87	27%	469	\$2,780 - \$8,076	\$4,681	\$4,681
1BR	122	38%	688	\$4,050 - \$8,717	\$4,861	\$4,861
1BR+D	50	16%	884	\$4,701 - \$9,797	\$5,562	\$5,562
2BR	43	14%	935	\$4,680 - \$6,415	\$5,367	\$5,367
Total:	317	95%	557	\$2,780 - \$9,797	\$4,231	\$4,231
Vacancy Rate: 5.6%						

Source: Maxfield Research and Consulting, LLC

Continuing Care Retirement Community (CCRC)

- Covenant Village is a Continuing Care Retirement Community (CCRC) and offers independent living, assisted living, and memory care units. CCRC commonly have a buy in to the facility or prepay for units and offer services with monthly fees.

Memory Care

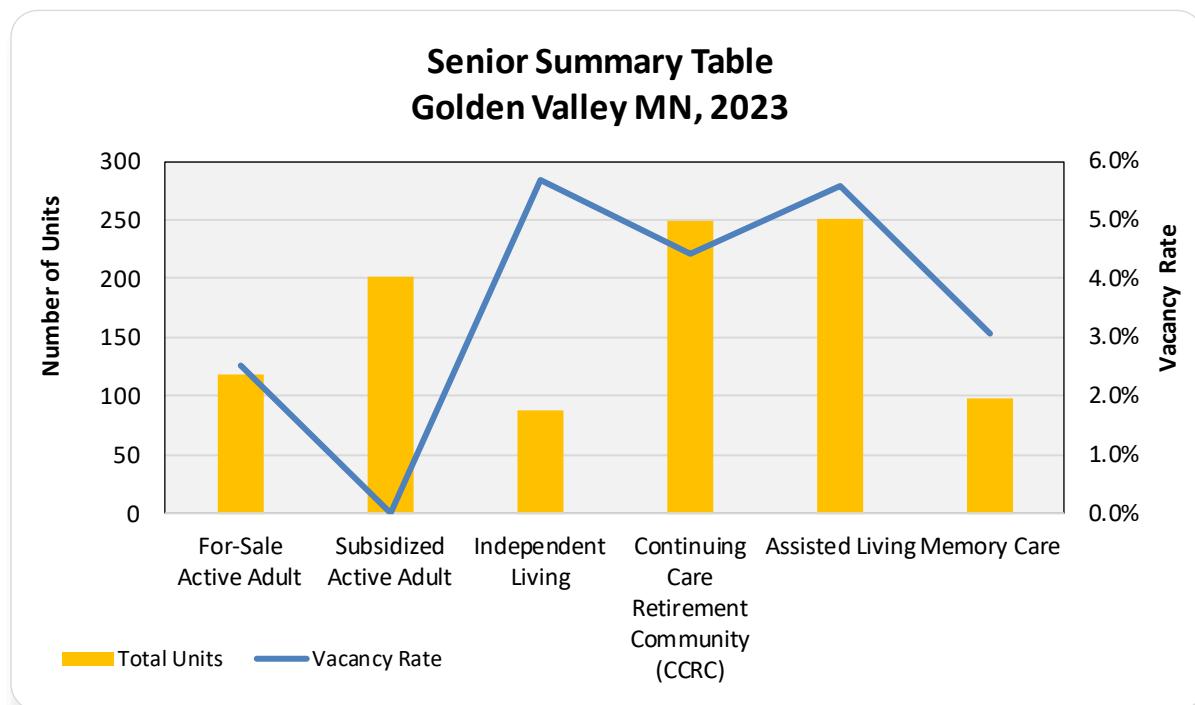
- There are four facilities offering memory care services in Golden Valley with three vacant memory care unit at the time of this survey, for a vacancy rate of 3.1%. Typically, market equilibrium for senior housing with heavy services is 7.0%. Only four units would need to become vacant to reach stabilized occupancy.

SENIOR HOUSING ANALYSIS

- Basic market rate rents for memory care are the same as basic assisted living rooms in Golden Valley and range from a basic rent of \$2,275 at Covenant Village to \$5,500 at Global Pointe Senior living. There is additional cost based on service level needed. Some features include daily exercise and programs, dining, and common areas for recreation.

S-1/E SURVEYED UNIT TYPE SUMMARY MEMORY CARE LIVING SENIOR HOUSING PROPERTIES MARCH 2023						
Memory Care			Base Monthly Rents			
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/Sq. Ft.
Companion	2	2%	458	\$2,940 - \$2,940	\$1,470	\$3.21
Private	2	2%	532	\$4,380 - \$4,380	\$2,190	\$4.12
Studio	47	48%	407	\$2,650 - \$4,950	\$3,694	\$9.09
1BR	30	31%	618	\$4,590 - \$8,568	\$5,141	\$8.32
1BR+D	2	2%	869	\$8,421 - \$9,320	\$8,871	\$10.21
2BR	15	15%	550	\$4,680 - \$4,680	\$2,340	\$4.25
Total:	98	100%	404	\$2,650 - \$9,320	\$3,420	\$8.46
Vacancy Rate:	3.1%					

Source: Maxfield Research and Consulting, LLC



SENIOR HOUSING ANALYSIS

TABLE S-2
SENIOR HOUSING PROPERTIES
GOLDEN VALLEY
March 2023

Project Name/City	Year Built	No. of Units	No. Vacant	No. Type	Sizes	Monthly Rent/ Sale Price	Rent fee/PSF Min - Max	Comments
For-Sale Active Adult								
Calvary Cooperative 7650 Golden Valley Road <i>Golden Valley</i> Owned Housing	1983	119	3 2.5%	59 - 1BR 55 - 2BR 5 - 3BR	609 - 699 866 - 936 1,110	\$65,000-\$69,000* \$97,000* none listed	\$738 - \$746 \$986	Owner decides on sales price, units are sold based on market pricing. Fees are based on unit square footage and range from \$617 to \$1,887. Daily on-site staff, social and recreation programs, daily restaurant-style meals, library, craft room, workshop, scheduled transportation, in-unit housekeeping options, beauty salon and barbershop, heated underground parking and car wash, overnight guest rooms. UG-\$50/mo.-Wait list. \$68/mo for Internet and Cable TV.
Subsidized Active Adult								
Calvary Center Apartments 7650 Golden Valley Road <i>Golden Valley</i> LIHTC rehab	1983	80	0 0.0%	80 - 1BR	590	30% of AGI	n.m.	Currently maintaining a wait list with a one to two year wait. Head of household 62 years of age or older, income based rent, water-sewer-heat-trash included, on-site laundry, controlled entry, community room, exercise and tub rooms, on-site staff, patio and garden area, newsletter, grocery program, resident council, van service, activities.
Dover Hills 2400 Rhode Island Avenue <i>Golden Valley</i> LIHTC Rehab	1975	122	0 0.0%	122 - 1BR	750	30% of AGI	n.m.	Development has additional 74 general occupancy subsidized rental units and 38 Tax-Credit rental units (Total 234 units). All are filled with waiting list. Paid heat and water, private patio or balcony, full kitchen with dishwasher, free garage parking, large closets, on-site laundry.
Continuing Care Retirement Community (CCRC)								
Covenant Village 5800 St Croix Ave N <i>Golden Valley</i> Life Care - Entry Fee	1980/ 1987/ 2001	249	11 4.4%	18 - Studio 92 - 1BR 35 - 1BR+D 86 - 2BR 18 - 2BR+D	490 - 490 706 - 716 869 - 892 820 - 1,400 1,268 - 1,690	\$2,361 - \$2,361 \$2,789 - \$3,134 \$3,134 - \$3,443 \$3,369 - \$4,985 \$4,338 - \$5,942	\$4.82 - \$4.82 \$3.95 - \$4.38 \$3.61 - \$3.86 \$3.56 - \$4.11 \$3.42 - \$3.52	Independent living has a \$51,000 starting entrance fee for 1BRs. Also offer a monthly rental only plan, excl meal credits, healthcare priority days and benevolence fund. Mo. rental range from \$2,418-\$7,189. Must enter as IL. All utilities incl except phone; pendant call; fitness ctr; indoor pool; scheduled transp; storage lkrs; guest suites; outdoor terrace; workworking shop; lounges; library; hair salon; computer ctr; main dining rm and bistro; Now offering a monthly rental w/no entry fee. UG - \$82-\$106. Quarterly incentives offered on available units. Entry Fee - \$51,000 - \$569,961.
Independent Living								
Global Pointe Senior Living 5200 Wayzata Boulevard <i>Golden Valley</i>	2020	22	0 0.0%	2 - Studio 2 - 1BR 9 - 1BR+D 8 - 2BR 1 - 2BR+D	453 - 531 624 - 872 797 - 966 908 - 1,202 1,299	\$2,335 - \$2,490 \$2,995 - \$3,495 \$3,510 - \$3,765 \$3,995 - \$4,765 \$4,950 - \$4,950	\$5.15 - \$4.69 \$4.80 - \$4.01 \$4.40 - \$3.90 \$4.40 - \$3.96 \$3.81	Units feature full kitchen appliance pkg; SS appliances; granite ctrs; tile/carpet; high ceilings; in-unit w/dryer; walk-in closets; over-sized windows; window blinds; amenities include 5th fl. Sky bar; art studio, billiards, Cafe Bistro, sun porch (Bahamas Rm), movie theater, rooftop veranda, enrichment rm, transportation, salon/spa, pvt dining, UG Parking-\$70/mo.
Flourish Senior Living 9000 Golden Valley Road <i>Golden Valley</i>	2020	66	5 7.6%	10 - Studio 44 - 1BR 29 - 1BR+D 19 - 2BR	488 - 488 731 - 818 841 - 937 1,163 - 1,202	\$1,490 - \$1,490 \$2,034 - \$2,237 \$2,301 - \$2,583 \$3,196 - \$3,196	\$3.05 - \$3.05 \$2.78 - \$2.73 \$2.74 - \$2.76 \$2.75 - \$2.66	Pricing includes Flourish Lifestyle plan required \$350/mo for first resident and \$216/mo for each additional resident. 2BR pricing assumes two people/unit. Age 62+; Catered Living; Units feature full kitchen appliance pkg; SS appliances; luxury countertops/flooring; high ceilings; walk-in closets; amenities include pub rm; pvt dining; fitness ctr; storage lockers (\$40/mo); community laundry; Caribou coffee bar; fireplace lounge; UG Pkg (\$75/mo); hair salon/spa tub. All utilities included including Cable TV and internet.

CONTINUED

SENIOR HOUSING ANALYSIS

TABLE S-2 (Con't)
 SENIOR HOUSING PROPERTIES
 GOLDEN VALLEY
 March 2023

Project Name/City	Year Built	No. of Units	No. Vacant	No. Type	Sizes	Monthly Rent/ Sale Price	Rent fee/PSF Min - Max	Comments
Assisted Living								
Flourish Senior Living 9000 Golden Valley Road <i>Golden Valley</i>	2020	36	2 5.6%	10 - Studio 44 - 1BR 29 - 1BR+D 19 - 2BR	488 - 488 731 - 818 841 - 937 1,163 - 1,202	\$3,890 - \$3,890 \$4,434 - \$4,637 \$4,701 - \$4,983 \$5,596 - \$5,596	\$7.97 - \$7.97 \$6.07 - \$5.67 \$5.59 - \$5.32 \$4.81 - \$4.66	Note: AL Pricing includes Level 1 care at \$2,400/mo; Level 2 - \$3,500/mo; Level 3 - \$4,600/mo; Level 4 - \$5,750/mo. Age 62+; Catered Living; Units feature full kitchen appliance pkg; SS appliances; luxury countertops/flooring; high ceilings; walk-in closets; amenities include pub rm; pvt dining; fitness ctr; storage lockers (\$40/mo); community laundry; Caribou coffee bar; fireplace lounge; UG Pkg (\$75/mo); hair salon/spa tub. All utilities included and Cable TV and Internet.
Global Pointe Senior Living 5200 Wayzata Boulevard <i>Golden Valley</i>	2020	38	3 7.9%	3 - Studio 13 - 1BR 13 - 1BR+D 9 - 2BR	453 - 531 624 - 872 797 - 966 908 - 1,202	\$3,985 - \$4,140 \$4,645 - \$5,145 \$5,160 - \$5,415 \$5,645 - \$6,415	\$8.80 - \$7.80 \$7.44 - \$5.90 \$6.47 - \$5.61 \$6.22 - \$5.34	Offer up to 8 care levels for assisted living based on personal nursing assessment (\$1,100-\$7,050); Base AL pkg is \$1,650/mo addition to IL base cost. AL pkg incorporated into mo rent; three meals/day; weekly hskpg; all utilities; pendant call; wellness checks; transportation; daily programming
Global Pointe Senior Living (Enh. AL) 5200 Wayzata Boulevard <i>Golden Valley</i>	2020	14	0 0.0%	12 - Studio 2 - 1BR	453 - 531 624 - 872	\$6,785 - \$6,940 \$7,445 - \$7,945	\$14.98 - \$13.07 \$11.93 - \$9.11	Offer up to 5 care levels for Enh AL based on personal nursing assessment (\$2,080-\$7,050); Base AL pkg is \$1,650/mo in addition to IL base cost. AL pkg incorporated into mo rent; three meals/day; weekly hskpg; all utilities; pendant call; wellness checks; transportation; daily programming
Meadow Ridge 7475 Country Club Drive <i>Golden Valley</i>	2015	75	4 5.3%	44 - Studio 31 - 1BR	342 - 555 528 - 694	\$2,780 - \$4,025 \$4,050 - \$4,100	\$7.25 - \$8.13 \$7.67 - \$7.67	Service levels based on best fit and personal needs. Continental Bkfst included; lunch/dinner daily; weekly hskpg/linen change; transportation; free laundry each floor; daily safety checks; health/wellness clinic. Addtl cost for guest meals; hair salon; pendant call; bathing assistance; guest suite; home health aid pkgs based on nursing assessment. Accepts EW with no initial private pay. Re-opening 18 AL units on April 1st.
Covenant Village 5800 St Croix Ave N <i>Golden Valley</i> Life Care	1984	40	2 5.0%	18 - Studio 14 - 1BR 8 - 1BR+D	490 - 490 706 - 716 869 - 869	\$5,715 - \$8,076 \$6,355 - \$8,717 \$7,436 - \$9,797	\$11.66 - \$16.48 \$9.00 - \$12.17 \$8.56 - \$11.27	40 AL Units. Monthly fees start at \$2,165 per couple and increase per service level needed. Assistance with dressing and grooming, Bathing assistance, Three chef-prepared meals a day with table service.
Sunrise of Golden Valley 4950 Olson Memorial Hwy <i>Golden Valley</i>	2005	48	3 6.3%	2 - Companion 13 - Private 18 - 1BR 15 - 2BR	436 - 479 342 - 722 538 500 - 600	\$2,940 \$4,380 \$4,590 \$4,680	\$6.14 - \$6.74 \$6.07 - \$12.81 \$8.53 \$7.80 - \$9.36	Basic level charges per day, \$98 for Companion and \$146 per day for Private. Weekly housekeeping and daily trash removal, Weekly personal laundry, Daily physical fitness, 3 meals daily.

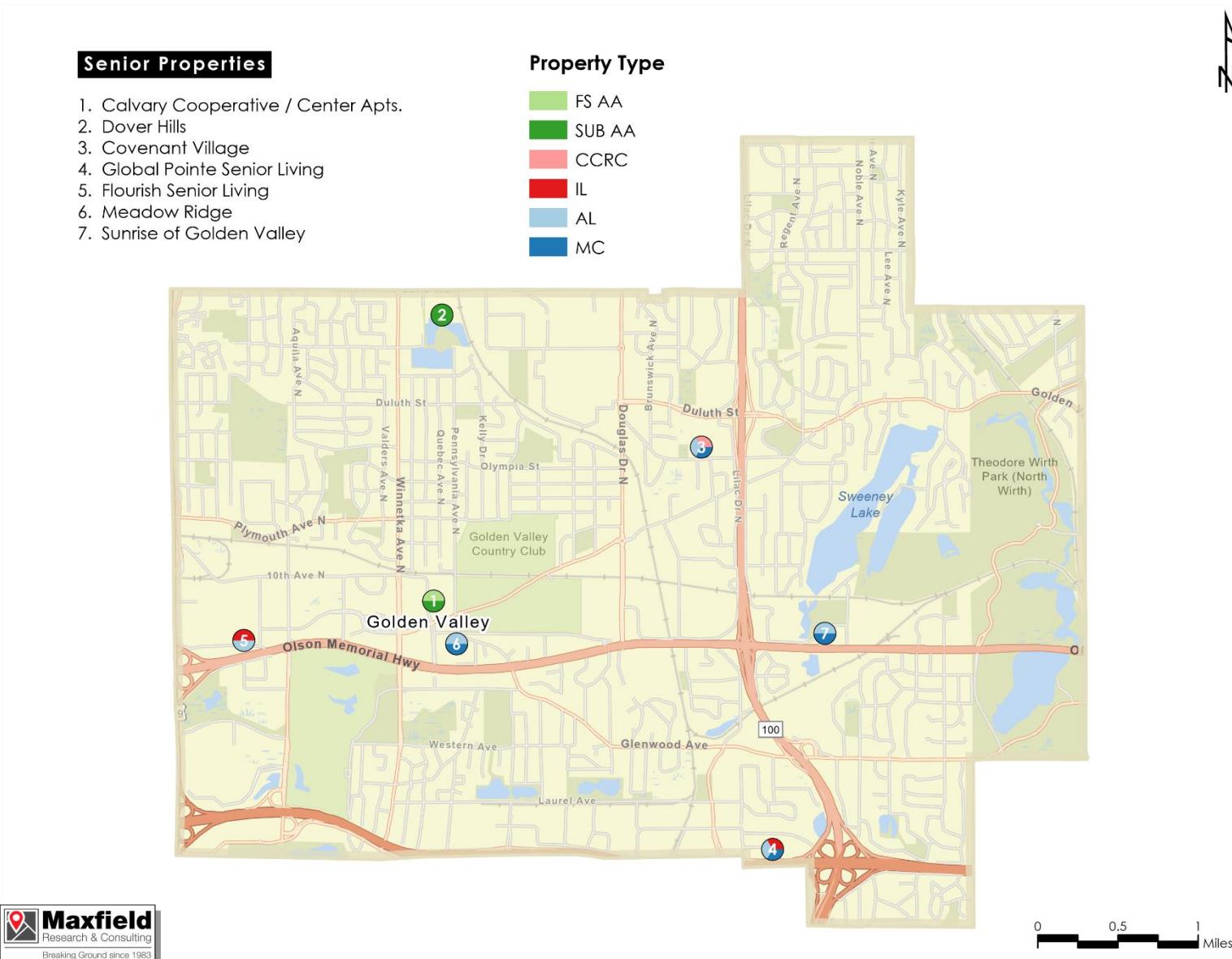
CONTINUED

SENIOR HOUSING ANALYSIS

TABLE S-2 (Con't) SENIOR HOUSING PROPERTIES GOLDEN VALLEY March 2023										
Project Name/City	Year Built	No. of Units	No. Vacant	No. Type	Sizes	Monthly Rent/ Sale Price	Rent fee/PSF Min - Max	Comments		
Memory Care										
Global Pointe Senior Living 7475 Country Club Drive Golden Valley	2020	16	0	15 - Studio 0.0% 1 - 1BR	352 - 445 472 - 534	\$4,950 - \$4,950 \$5,500 \$5,500	\$11.12 - \$14.06 \$10.30 - \$11.65	Six additional care levels from \$2,800-\$7,050 based on personal nursing assessment. Additional care levels not incorporated in base pricing; three meals/day; specialized MC programming; transportation; all utilities; phone, Wifi and Cable included; weekly hksp; wellness center; salon/spa; MC dining rm; activities rm; outdoor secure walking garden.		
Meadow Ridge (Golden Valley Senior Living) 7475 Country Club Drive Golden Valley	2015	32	0	28 - Studio 0.0% 4 - Studio Dlx	336 - 456 503 - 519	\$2,650 - \$3,400 \$3,600 \$3,735	\$7.46 - \$7.89 \$7.16 - \$7.20	Service levels based on best fit and personal needs. Guest meals, Meal delivery, Laundry Services, Beauty and Barber services, fitness room, all utilities except phone; currently offering 1st and 3rd mos rent free. Home health aide packages and medication packages are available. Accepts EW with no private pay period first. Wait list.		
Sunrise of Golden Valley 4950 Olson Memorial Hwy Golden Valley	2005	34	2	2 - Companion 5.9% 2 - Private	436 - 479 342 - 722	\$2,940 \$4,380	\$6.14 - \$6.74 \$6.07 - \$12.81	Offer 34 Assisted Living and Memory Care apartments and services, Basic level charges per day, \$98 for Companion and \$146 per day for Private. Weekly housekeeping and daily trash removal, Weekly personal laundry, Daily physical fitness, 3 meals daily.		
Covenant Village 5800 St Croix Ave N Golden Valley Life Care	1984	16	1	14 - 1BR 6.3% 2 - 1BR+D	706 - 716 869 - 869	\$7,762 - \$8,568 \$8,421 - \$9,320	\$10.99 - \$11.97 \$9.69 - \$10.72	Monthly fees cost around \$2,275 per couple and increase per service level needed. Assistance with dressing and grooming, bathing assistance, three chef-prepared meals a day with table service.		

Source: Maxfield Research and Consulting, LLC

Map 6: Senior Housing Properties – Golden Valley



Introduction

Maxfield Research and Consulting LLC analyzed the for-sale housing market in Golden Valley by analyzing data on single-family and multifamily home sales and active listings; identifying new construction and pending for-sale developments and inventorying the existing for-sale housing stock.

Home Resales in the Surrounding Area

Table FS-1 presents summary data for resales among all single-family and multifamily housing units for Golden Valley and the surrounding communities. The table shows the median sales price and number of resales from 2010 to 2022 according to the Regional Multiple Listing Service of Minnesota (RMLS). Resale values are the prices that homes were sold at. The following are key points from Tables FS-1.

- In the previous decade, Golden Valley, and the surrounding communities experienced rapid home sale price appreciation during the real estate boom from 2000 through about 2007. Home sale growth ranged from 38% (Plymouth) to 65% (Hopkins). However, after the housing market plateaued in 2007, Golden Valley and area communities experienced a significant decline in home prices as the housing market bubble burst and the economy entered a recession.
- Golden Valley home market price declines between 2007 and 2011 were slightly lower to that of the Twin Cities Metro Area (-27% compared to -33%). Overall, the central cities and inner-ring suburban areas did not experience the deterioration of market price compared to the ex-urban and 3rd/4th ring suburban communities. In the comparison cities, Crystal and New Hope experienced much larger declines of 46% and 43%, respectively while Edina had the lowest decline of only 10%.
- Since 2010, Golden Valley home values were lowest in 2011 when the median value declined to \$199,450 due to the Great Recession. Home values however have increased annually since 2011 and have since surpassed the previous peak in 2007. Median resale values in 2022 was \$425,000 which has more than doubled with an increase of over 103% from 2011 (\$199,450).
- Home price growth has really accelerated since 2015 in Golden Valley and throughout the Twin Cities Metro Area. Over the period, the resale price in Golden Valley has grown by 60% which is slightly lower than the Metro Area at 65.5%. Crystal has experienced the largest growth (77%) in comparison cities and Edina, and Plymouth the lowest (47%).
- Historically, Golden Valley home market price sales has averaged about 25% higher than the Twin Cities Metro Area average since 2010.

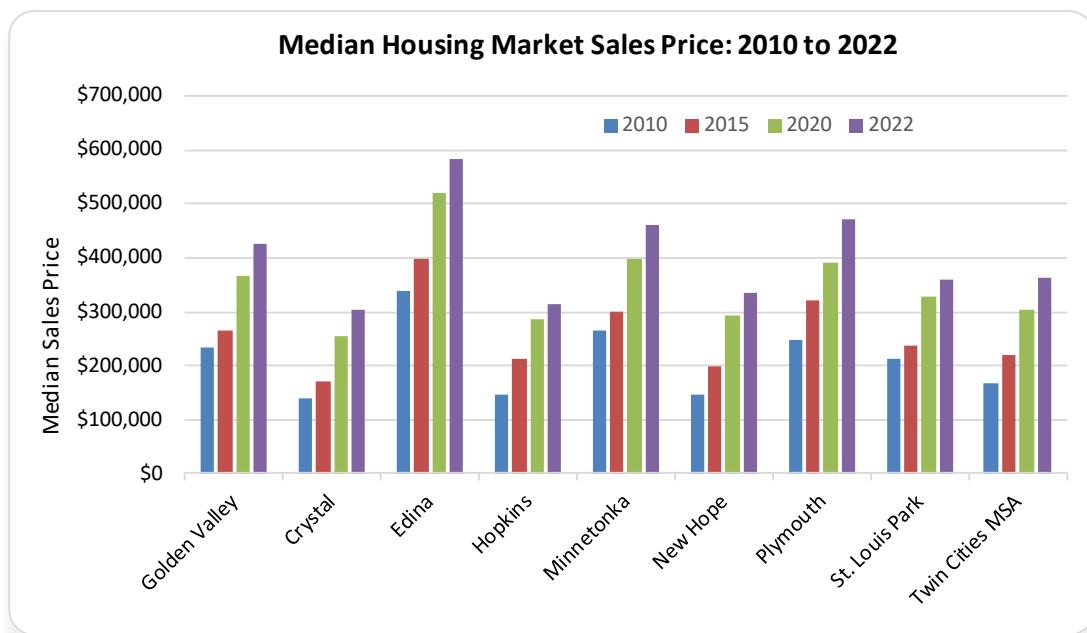
FOR-SALE MARKET ANALYSIS

TABLE FS-1
MEDIAN SALES PRICE BY COMMUNITY
GOLDEN VALLEY MN & NEARBY COMMUNITIES
2000 to 2022

	YEAR											PCT. CHANGE		
	2000	2005	2010	2015	2016	2017	2018	2019	2020	2021	2022	00'-10'	10-15'	15'-22'
Median Sales Price														
Golden Valley	\$169,450	\$263,000	\$235,500	\$264,950	\$289,900	\$312,750	\$309,900	\$342,750	\$365,000	\$390,000	\$425,000	39.0%	12.5%	24.0%
Crystal	\$131,000	\$198,000	\$139,900	\$172,000	\$185,450	\$200,000	\$220,000	\$233,500	\$255,000	\$281,000	\$305,000	6.8%	22.9%	57.0%
Edina	\$245,950	\$358,000	\$339,000	\$397,000	\$435,005	\$460,000	\$450,000	\$472,900	\$520,000	\$577,000	\$585,000	37.8%	17.1%	39.8%
Hopkins	\$115,000	\$189,950	\$148,000	\$213,500	\$215,000	\$218,650	\$250,000	\$259,950	\$288,000	\$294,900	\$315,000	28.7%	44.3%	39.0%
Minnetonka	\$204,900	\$294,500	\$265,713	\$300,000	\$307,350	\$335,000	\$347,500	\$358,250	\$399,000	\$430,000	\$462,000	29.7%	12.9%	45.2%
New Hope	\$150,000	\$225,000	\$148,000	\$199,000	\$220,000	\$225,000	\$244,000	\$259,900	\$292,250	\$320,000	\$335,000	-1.3%	34.5%	52.3%
Plymouth	\$210,000	\$289,950	\$249,000	\$320,000	\$325,000	\$340,500	\$369,050	\$380,000	\$391,000	\$440,000	\$469,900	18.6%	28.5%	39.4%
St. Louis Park	\$145,000	\$230,000	\$213,250	\$239,000	\$245,000	\$264,663	\$287,000	\$305,000	\$329,900	\$340,000	\$359,950	47.1%	12.1%	39.7%
Twin Cities MSA	\$141,475	\$227,900	\$168,000	\$219,000	\$230,000	\$246,000	\$265,000	\$280,000	\$305,000	\$339,900	\$362,500	18.7%	30.4%	51.3%
# of Resales														
Golden Valley	335	404	194	414	455	418	396	402	421	417	346	-42.1%	107.2%	-13.9%
Crystal	370	425	270	462	496	502	435	423	437	505	402	-27.0%	56.7%	-5.0%
Edina	739	829	664	1,004	1,005	1,035	946	992	1,014	1,136	921	-10.1%	49.4%	-7.2%
Hopkins	211	264	186	236	272	275	240	249	212	241	209	-11.8%	33.9%	-16.1%
Minnetonka	802	851	581	888	1,018	961	893	1,000	1,001	1,057	818	-27.6%	72.1%	-18.2%
New Hope	208	337	181	295	317	329	309	293	322	371	274	-13.0%	61.9%	-6.5%
Plymouth	1,218	1,291	790	1,404	1,514	1,469	1,501	1,533	1,595	1,531	1,210	-35.1%	94.1%	-21.1%
St. Louis Park	683	958	519	966	1,011	960	947	870	1,016	1,094	829	-24.0%	67.6%	-4.7%
Twin Cities MSA	48,208	61,027	38,975	57,420	61,081	61,306	59,296	59,864	64,582	66,406	53,769	-19.2%	53.6%	-10.2%

Sources: RMLS, Maxfield Research & Consulting, LLC

- Transaction volume peaked in 2016 as 455 homes were sold; surpassing the previous high of 414 resales in 2015. Resale volumes have more than doubled since 2010 when only 195 homes sold in Golden Valley.
- Since 2010, Golden Valley transactions have averaged 380 homes annually (2011-2022). This average is a doubling (96%) of the total sales in 2010 (194 resales) during the downturn after the Great Recession. This is much higher than all of the comparison cities which ranged from 22% in Hopkins to 75% in Plymouth. Golden Valley transaction volume increased by 50% more than the Metro Area since 2010.
- Overall, Golden Valley home sales are higher than neighboring communities Hopkins, New Hope, and Crystal; but lower than other nearby communities Plymouth, Golden Valley, and Minnetonka.
- Due to the significant inflationary growth throughout the United States in 2022, mortgage rates ballooned to over 7% during the year and are currently 6.5% (May 2023) for a traditional 30-year fixed rate mortgage as if the release of this report. The result has been a strong decline in activity in Golden Valley (-16%) and throughout the Metro Area (-6%) from 2021 to 2022.
- During the Great Recession, there were significantly more lender-mediated properties in the Twin Cities Metro Area including Golden Valley hence the reason home values were significantly lower during that time period. The peak of lender-mediated sales occurred in 2011 with 39% of Golden Valley and 50% of the Twin Cities Metro Area. However after 2011, lender-mediated properties have decreased exponentially and by 2022 represent 0% in Golden Valley and only 1% in the Metro Area.

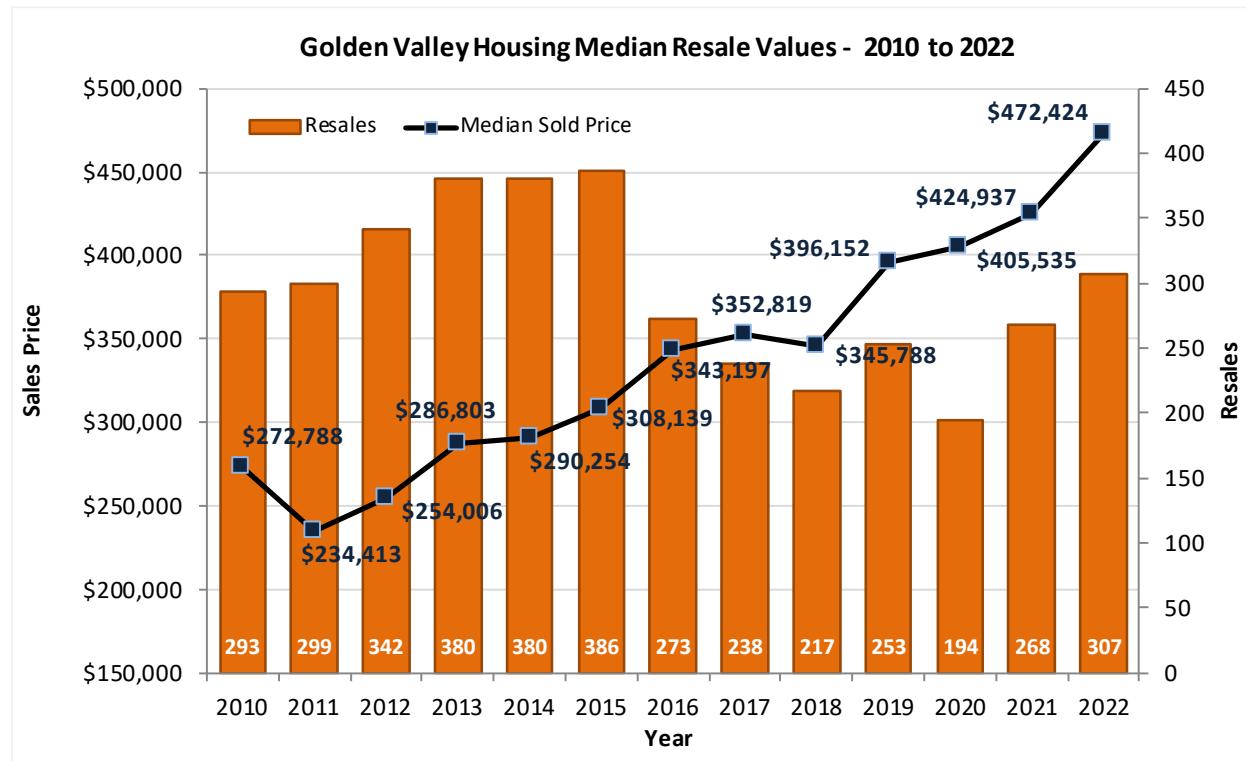


Overview of For-Sale Housing Market Conditions

Table FS-2 through FS-4 presents home resale data on single-family and multifamily housing in Golden Valley from 2010 through 2022. The data was obtained from the Regional Multiple Listing Services of Minnesota and shows annual number of sales, median and average pricing, average days of market, cumulative days on market, and percentage of sales that are lender-mediated (i.e. short-sale or foreclosure).

Table FS-3 breaks down resale activity from Table FS-2 by price point while table FS-4 breaks down resales into single-family and multifamily resales. The following are key points observed from our analysis of this data.

- The average and median home sale prices have been rising relatively steadily since 2011 in Golden Valley. The median home price has increased from \$199,450 (\$234,413 average) in 2011 to \$425,000 (\$472,424 average) in 2022 which is growth of 113% (102% average price growth) over the period.
- Sales prices increased between 2009 and 2010, mostly a result of the first-time homebuyer tax credit that was available in the second half of 2009 through September 2010. However, the sales price fell and was at its lowest in 2011 through 2022.



FOR-SALE MARKET ANALYSIS

- The number of resales has averaged about 366 sales annually between 2010 and 2022. The fewest number of resales occurred during 2010 with 194 resales; while 2016 established a new record high in Golden Valley with 455 resales. Home resales has average about 410 sales since 2015.
- Both single family and multifamily homes have both increased in sale price significantly over the decade from 2011 through 2022 at the same rate (54%). Single-family housing has sold for about 54% to 74% more than a multifamily homes.

TABLE FS-2 HOME RESALES GOLDEN VALLEY MN 2010 to 2022							
Year	No. Sold	Avg. Sales Price	Avg. % Change	Med. Sales Price	Median % Change	CDOM ¹	
						Avg.	Median
2010	194	\$272,788	9.0%	\$235,500	7.0%	73	48
2011	268	\$234,413	-14.1%	\$199,450	-15.3%	91	63
2012	307	\$254,006	8.4%	\$218,500	9.6%	70	41
2013	378	\$286,803	12.9%	\$246,000	12.6%	52	31
2014	337	\$290,254	1.2%	\$247,500	0.6%	50	30
2015	414	\$308,139	6.2%	\$264,950	7.1%	56	34
2016	455	\$343,197	11.4%	\$289,900	9.4%	43	26
2017	418	\$352,819	2.8%	\$312,750	7.9%	44	22
2018	396	\$345,788	-2.0%	\$309,900	-0.9%	31	20
2019	402	\$396,152	14.6%	\$342,750	10.6%	33	20
2020	421	\$405,535	2.4%	\$365,000	6.5%	28	14
2021	417	\$424,937	4.8%	\$390,000	6.8%	18	10
2022	346	\$472,424	11.2%	\$425,000	9.0%	19	9
Total 10'-22'	4,753						
Summary 10' to 22'							
<i>Change</i>		73.2%		80.5%			
<i>Average</i>	366	\$344,777		\$304,000		44	23

¹ Cumulative days equals the number of days on market over the course of the past year (i.e. covers number of days if the property was relisted)

Sources: RMLS, Maxfield Research & Consulting, LLC

- Single-family housing types accounted for roughly 82% of all sales since 2010. Multifamily resales were highest in 2020 (87 resales) when they accounted for 21% of total sales. About 17% of resales in 2022 were for multifamily products. Single family home resales were highest in 2016 with 378.
- The median sale price in Golden Valley was nearly \$450,000 for single-family homes and \$267,500 for multifamily homes in 2022. Single family housing in Golden Valley on average is priced about 62% higher than multifamily homes.

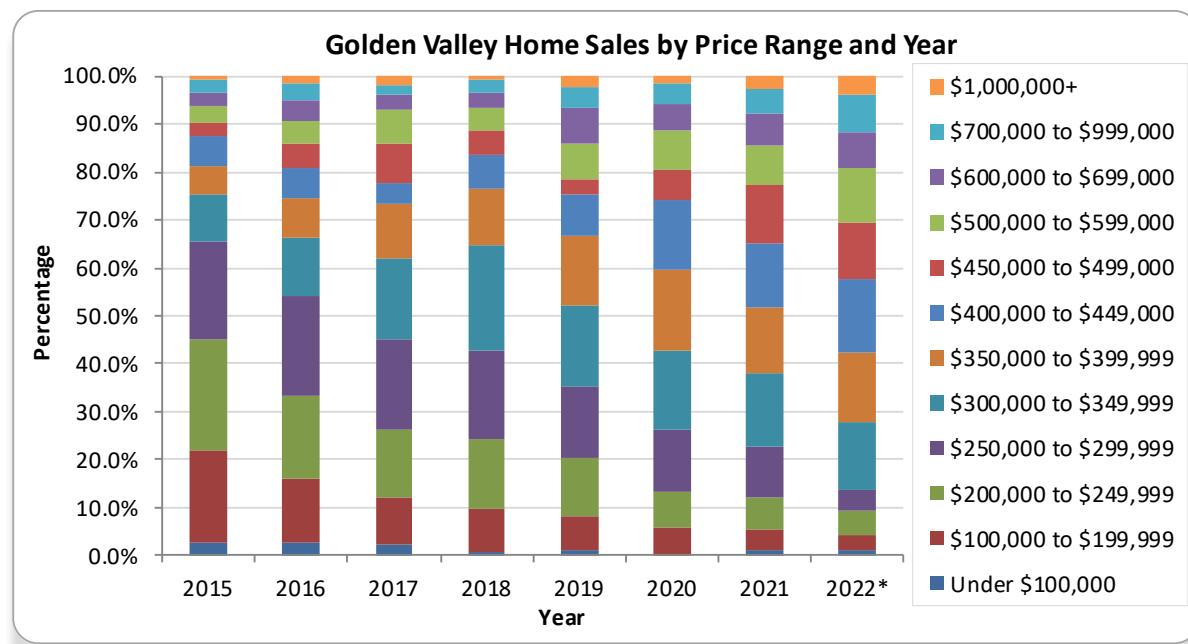
FOR-SALE MARKET ANALYSIS

- Single family home prices have experienced relatively steady growth since 2011. Since 2010, median single family home prices in Golden Valley have risen 98% from the lowest resale price over the period of \$208,000 in 2011 to \$449,950 (2022) and 83% from 2010.
- While the multifamily median resale price has grown 56% from 2010, growth has fluctuated over the period. Since the lowest resales price over the period in 2011, multifamily homes have increased in value by 78% from \$123,856 to \$267,500.

TABLE FS-3
HOME SALES BY PRICE POINT
GOLDEN VALLEY MN
2015 to 2022*

Price Range	2015 No.	2016 No.	2017 No.	2018 No.	2019 No.	2020 No.	2021 No.	2022 No.
Under \$100,000	10	11	9	2	4	0	4	4
\$100,000 to \$199,999	81	61	42	36	29	24	19	10
\$200,000 to \$249,999	95	80	59	58	48	32	28	18
\$250,000 to \$299,999	85	94	79	72	61	54	43	15
\$300,000 to \$349,999	41	56	70	88	68	70	65	49
\$350,000 to \$399,999	24	37	47	47	58	71	57	51
\$400,000 to \$449,000	26	29	19	27	35	62	56	53
\$450,000 to \$499,000	11	23	34	21	13	25	50	40
\$500,000 to \$599,000	15	22	30	18	30	36	34	40
\$600,000 to \$699,000	12	19	13	12	29	22	28	26
\$700,000 to \$999,000	11	17	9	12	18	19	22	27
\$1,000,000+	3	6	7	2	9	6	11	13
Total	414	455	418	395	402	421	417	346
Average Sales Price	\$240,760	\$272,562	\$293,434	\$289,560	\$396,152	\$405,535	\$424,937	\$472,424
Median Sales Price	\$239,950	\$270,555	\$294,000	\$296,550	\$342,750	\$365,000	\$390,000	\$425,000
Price Range	2016 Pct.	2016 Pct.	2017 Pct.	2018 Pct.	2019 Pct.	2020 Pct.	2021 Pct.	2022* Pct.
Under \$100,000	2.4%	2.4%	2.2%	0.5%	1.0%	0.0%	1.0%	1.2%
\$100,000 to \$199,999	19.6%	13.4%	10.0%	9.1%	7.2%	5.7%	4.6%	2.9%
\$200,000 to \$249,999	22.9%	17.6%	14.1%	14.7%	11.9%	7.6%	6.7%	5.2%
\$250,000 to \$299,999	20.5%	20.7%	18.9%	18.2%	15.2%	12.8%	10.3%	4.3%
\$300,000 to \$349,999	9.9%	12.3%	16.7%	22.3%	16.9%	16.6%	15.6%	14.2%
\$350,000 to \$399,999	5.8%	8.1%	11.2%	11.9%	14.4%	16.9%	13.7%	14.7%
\$400,000 to \$449,000	6.3%	6.4%	4.5%	6.8%	8.7%	14.7%	13.4%	15.3%
\$450,000 to \$499,000	2.7%	5.1%	8.1%	5.3%	3.2%	5.9%	12.0%	11.6%
\$500,000 to \$599,000	3.6%	4.8%	7.2%	4.6%	7.5%	8.6%	8.2%	11.6%
\$600,000 to \$699,000	2.9%	4.2%	3.1%	3.0%	7.2%	5.2%	6.7%	7.5%
\$700,000 to \$999,000	2.7%	3.7%	2.2%	3.0%	4.5%	4.5%	5.3%	7.8%
\$1,000,000+	0.7%	1.3%	1.7%	0.5%	2.2%	1.4%	2.6%	3.8%
Total	100.0%							

Sources: RMLS; Maxfield Research & Consulting, LLC



- The median sale price is generally a more accurate indicator of housing values in a community than the average sale price. Average sale prices can be easily skewed by a few very high-priced or low-priced home sales in any given year, whereas the median sale price better represents the pricing of a majority of homes in a given market.

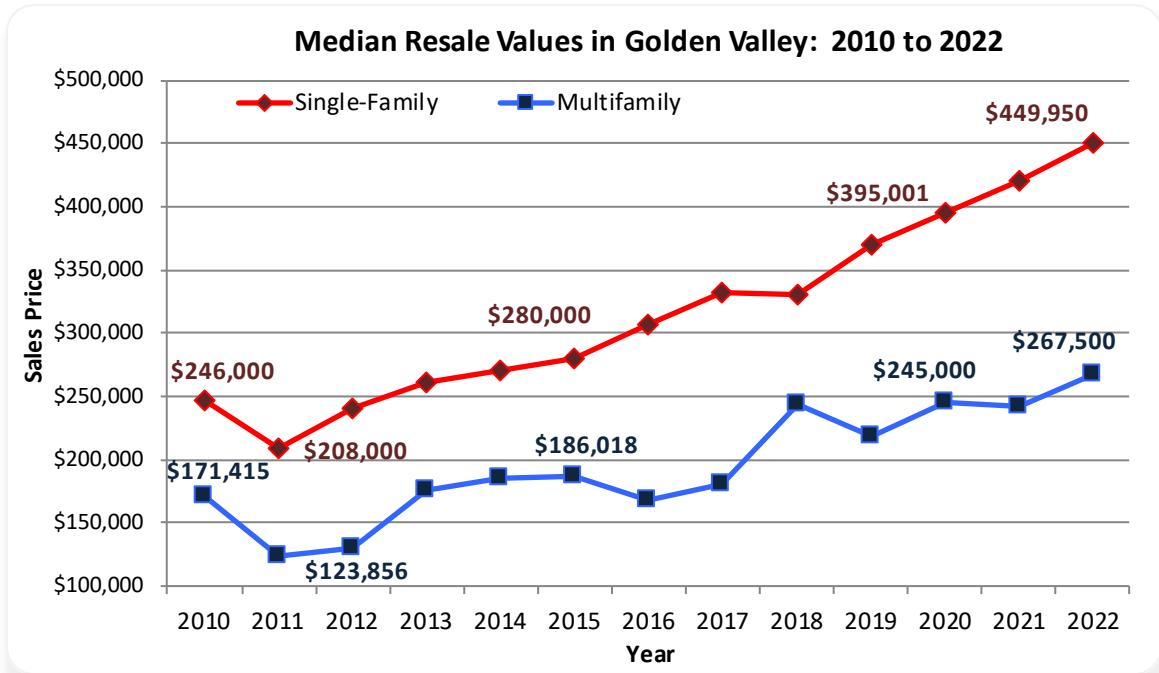


TABLE FS-4 SINGLE-FAMILY AND MULTIFAMILY RESIDENTIAL RESALES GOLDEN VALLEY MN 2010 through 2022						
Year	Number of Sales	Median	Average			%
		Sales Price	% Chg.	Sales Price	% Chg.	
Single-Family						
2010	168	\$246,000	6.5%	\$284,454	7.0%	
2011	224	\$208,000	-15.4%	\$245,509	-13.7%	
2012	256	\$239,750	15.3%	\$273,912	11.6%	
2013	314	\$260,750	8.8%	\$303,316	10.7%	
2014	274	\$270,875	3.9%	\$309,414	2.0%	
2015	336	\$280,000	3.4%	\$329,857	6.6%	
2016	378	\$306,500	9.5%	\$371,587	12.7%	
2017	351	\$331,500	8.2%	\$378,415	1.8%	
2018	322	\$329,950	-0.5%	\$372,374	-1.6%	
2019	326	\$370,000	12.1%	\$427,845	14.9%	
2020	334	\$395,001	6.8%	\$438,028	2.4%	
2021	334	\$420,500	6.5%	\$465,628	6.3%	
2022	288	\$449,950	7.0%	\$514,825	10.6%	
Pct. Change 10' - 22'						
Multifamily**						
2010	26	\$171,415	2.5%	\$197,402	17.3%	
2011	44	\$123,856	-27.7%	\$177,925	-9.9%	
2012	51	\$129,900	4.9%	\$154,082	-13.4%	
2013	64	\$174,950	34.7%	\$205,784	33.6%	
2014	63	\$184,800	5.6%	\$206,923	0.6%	
2015	78	\$186,018	0.7%	\$214,586	3.7%	
2016	77	\$167,500	-10.0%	\$203,828	-5.0%	
2017	67	\$180,000	7.5%	\$218,724	7.3%	
2018	74	\$242,950	35.0%	\$263,086	20.3%	
2019	76	\$218,750	-10.0%	\$260,205	-1.1%	
2020	87	\$245,000	12.0%	\$280,795	7.9%	
2021	83	\$242,500	-1.0%	\$261,192	-7.0%	
2022	58	\$267,500	10.3%	\$261,881	0.3%	
Pct. Change 10' - 22'						
** Multifamily includes twinhomes, townhomes, condominiums, and cooperatives						
Source: RMLS; Maxfield Research & Consulting, LLC						

Home Resales by School District & Price Point

Table FS-5 presents the previous resale data in Golden Valley sorted by school district. Key metrics include resales, sales prices, price per square foot, and a comparison of property taxes. Table FS-6 shows the resales in 2022 by type of housing unit and price distribution among nine ranges. Golden Valley is divided into two school districts that geographically showcases home prices by location in the City. The Hopkins School District (ISD #270) is generally south of Highway 55 and the Robbinsdale School District (ISD #281) is generally north of Highway 55.

- Historically, about two-thirds of all Golden Valley resale transactions have been located in ISD #281 (Robbinsdale School District) and one-third ISD #270 (Hopkins School District). Below is the on average sales by decade for each school district in Golden Valley.

	<u>Hopkins ISD #270</u>	<u>Robbinsdale ISD #281</u>
2000 to 2009	95	210
2010 to 2019	127	230
2020 to 2022	126	269

- Although there are fewer resales in the Hopkins area of Golden Valley, median home sale prices since 2010 are about 12% higher (18% higher from 2001 to 2010) than the Robbinsdale area of Golden Valley. Similarly, on a price per square foot basis (PSF) home values are 12% higher (only 5% from 2020 to 2022) in the Hopkins area.
- Property taxes in the Hopkins School District average about \$660 higher since 2010 (\$875 higher from 2020 to 2022), however this is mainly due to higher median home values. However, property taxes as a percentage of home value are slightly higher in the Robbinsdale area of Golden Valley.

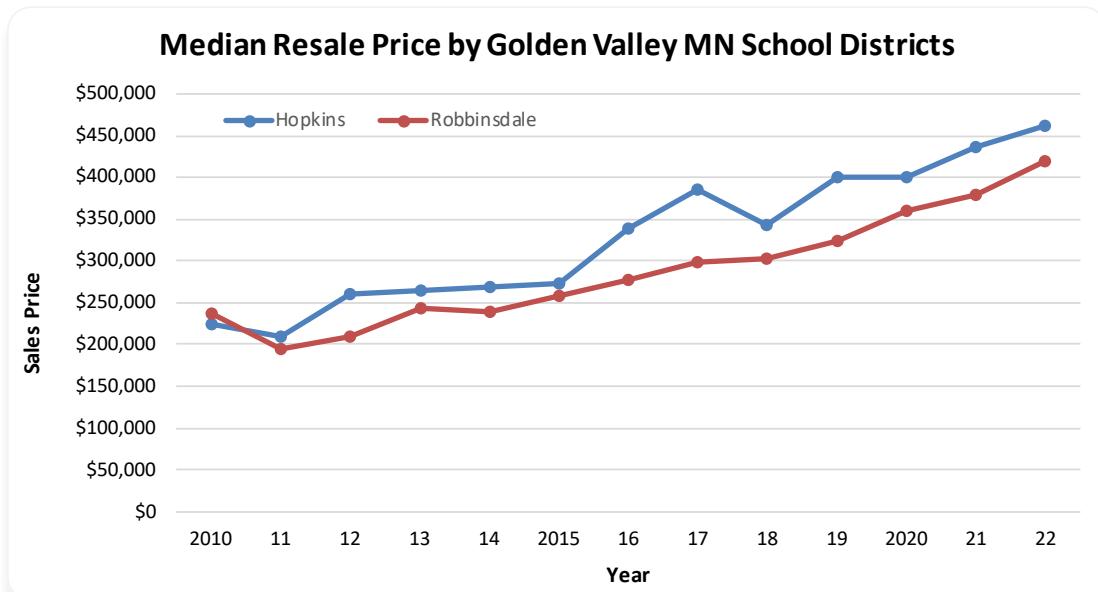
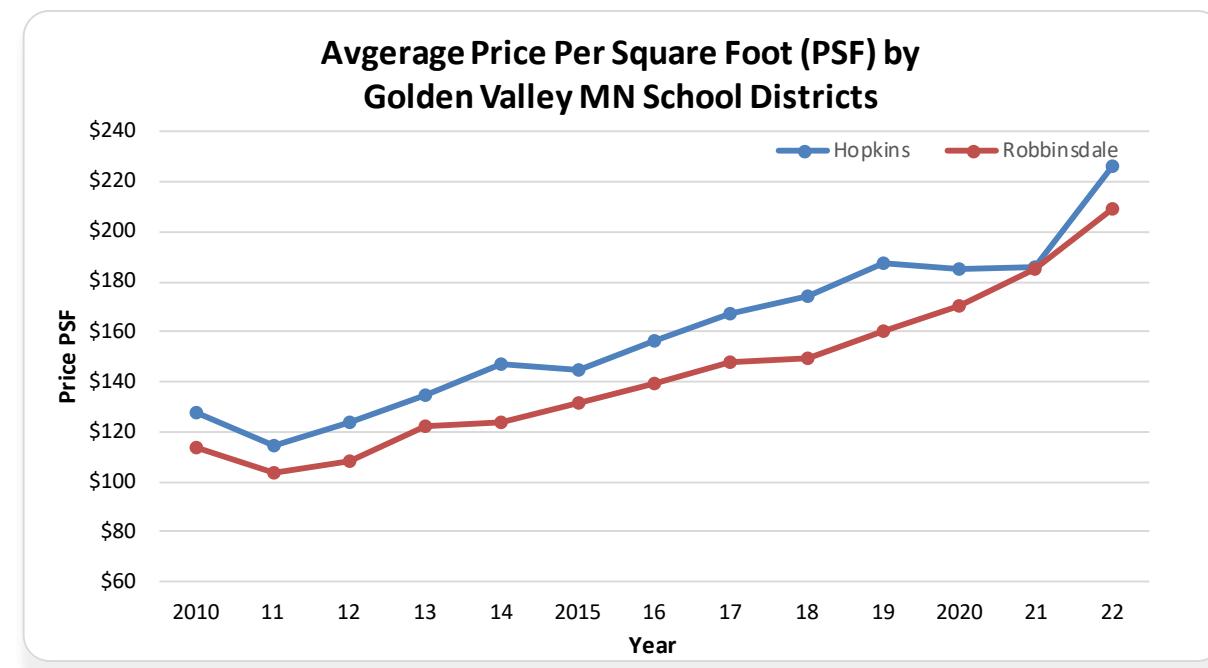


TABLE FS-5
GOLDEN VALLEY RESALES BY SCHOOL DISTRICT BOUNDARY
2000 to 2022

		ISD # 270 (Hopkins)							ISD # 281 (Robbinsdale)						
Year	Resales	Median Sold Price	Average Sold Price	Avg. Sq. Ft.	Avg. PSF	Avg. Taxes	Avg. Tax Ratio	Resales	Median Sold Price	Average Sold Price	Avg. Sq. Ft.	Avg. PSF	Avg. Taxes	Avg. Tax Ratio	
2000	88	\$210,000	\$241,877	2,153	\$112	\$2,921	1.21%	203	\$162,000	\$182,151	1,799	\$101	\$1,761	0.97%	
2001	82	\$210,950	\$239,126	2,038	\$117	\$2,447	1.02%	216	\$189,900	\$210,298	1,888	\$111	\$1,939	0.92%	
2002	121	\$246,440	\$288,432	2,101	\$137	\$2,327	0.81%	221	\$199,000	\$222,025	1,935	\$115	\$2,036	0.92%	
2003	108	\$281,200	\$333,313	2,306	\$145	\$2,733	0.82%	271	\$217,900	\$249,035	1,926	\$129	\$2,155	0.87%	
2004	110	\$287,450	\$332,053	2,172	\$153	\$2,898	0.87%	270	\$239,900	\$272,195	2,005	\$136	\$2,478	0.91%	
2005	116	\$299,950	\$360,531	2,291	\$157	\$3,276	0.91%	269	\$252,000	\$291,554	2,095	\$139	\$3,004	1.03%	
2006	89	\$302,500	\$393,151	2,265	\$174	\$3,736	0.95%	184	\$265,000	\$306,578	2,118	\$145	\$3,174	1.04%	
2007	84	\$348,250	\$424,674	2,441	\$174	\$4,153	0.98%	153	\$249,000	\$276,420	1,999	\$138	\$3,099	1.12%	
2008	73	\$316,000	\$362,673	2,271	\$160	\$3,999	1.10%	143	\$240,000	\$288,955	2,187	\$132	\$3,741	1.29%	
2009	82	\$218,000	\$265,601	2,108	\$126	\$3,870	1.46%	170	\$220,000	\$243,146	2,089	\$116	\$3,691	1.52%	
2010	71	\$225,000	\$302,322	2,368	\$128	\$4,652	1.54%	122	\$236,000	\$255,163	2,240	\$114	\$4,148	1.63%	
2011	93	\$210,000	\$265,400	2,324	\$114	\$4,325	1.63%	175	\$194,000	\$217,946	2,111	\$103	\$4,014	1.84%	
2012	115	\$260,000	\$289,304	2,332	\$124	\$3,996	1.38%	191	\$210,000	\$233,499	2,165	\$108	\$4,100	1.76%	
2013	135	\$264,000	\$322,028	2,391	\$135	\$4,393	1.36%	243	\$243,500	\$267,233	2,181	\$123	\$4,219	1.58%	
2014	122	\$268,750	\$344,111	2,339	\$147	\$4,531	1.32%	215	\$240,000	\$259,693	2,093	\$124	\$3,724	1.43%	
2015	147	\$272,500	\$342,637	2,362	\$145	\$5,095	1.49%	267	\$259,000	\$289,146	2,195	\$132	\$4,222	1.46%	
2016	164	\$338,000	\$403,032	2,573	\$157	\$4,720	1.17%	291	\$278,000	\$309,476	2,225	\$139	\$4,237	1.37%	
2017	150	\$385,500	\$426,855	2,554	\$167	\$4,431	1.04%	268	\$297,750	\$311,381	2,102	\$148	\$3,941	1.27%	
2018	131	\$342,500	\$399,543	2,291	\$174	\$5,215	1.31%	265	\$303,000	\$319,215	2,137	\$149	\$3,985	1.25%	
2019	142	\$400,000	\$481,930	2,569	\$188	\$5,620	1.17%	260	\$324,750	\$349,304	2,183	\$160	\$4,597	1.32%	
2020	126	\$401,000	\$464,806	2,515	\$185	\$5,043	1.08%	295	\$359,900	\$380,220	2,228	\$171	\$4,825	1.27%	
2021	142	\$435,600	\$496,201	2,666	\$186	\$6,003	1.21%	275	\$380,000	\$388,139	2,100	\$185	\$4,353	1.12%	
2022	109	\$460,000	\$524,655	2,322	\$226	\$5,709	1.09%	237	\$420,000	\$448,401	2,143	\$209	\$4,954	1.10%	

Source: RMLS, Maxfield Research & Consulting, LLC



- Overall, about 58% of home sales in Golden Valley in 2022 were priced between \$300,000 and \$500,000 and 30% priced over \$500,000. Only 12% of resales were priced under \$300,000 and 82% of those resales were multifamily homes.
- Among the twelve price ranges outlined in Table FS-6, the price range category with the most resales was between \$500,000 and \$749,999; accounting for 26% of all resales in Golden Valley.
- About 57.5% of resales in Golden Valley were priced over \$400,000. By school district, 72% of resales in the Hopkins School District are priced above \$400,000 compared to 66% in the Robbinsdale School District.
- Approximately 71% of for-sale multifamily resales in Golden Valley were priced between \$200,000 and \$400,000 while 22% were sold at \$200,000 and under.
- Based on the median price of \$425,000 in Golden Valley as of 2022, a household's monthly payment (assuming 10% down and principal/interest, insurance, taxes, PMI, and 6.5% mortgage interest rate) would be about \$3,165. The income required to afford a home at this price would be about \$126,600 based on purchasing a home utilizing 30% of their adjusted gross income (and assuming they do not have a high level of debt or existing equity). In 2022, 54% (3,458 households) of Golden Valley's non-senior households had incomes greater than \$126,600, meaning that about 15% fewer non-senior households in the Golden Valley can afford a median-priced home in the city since the previous study in 2016.

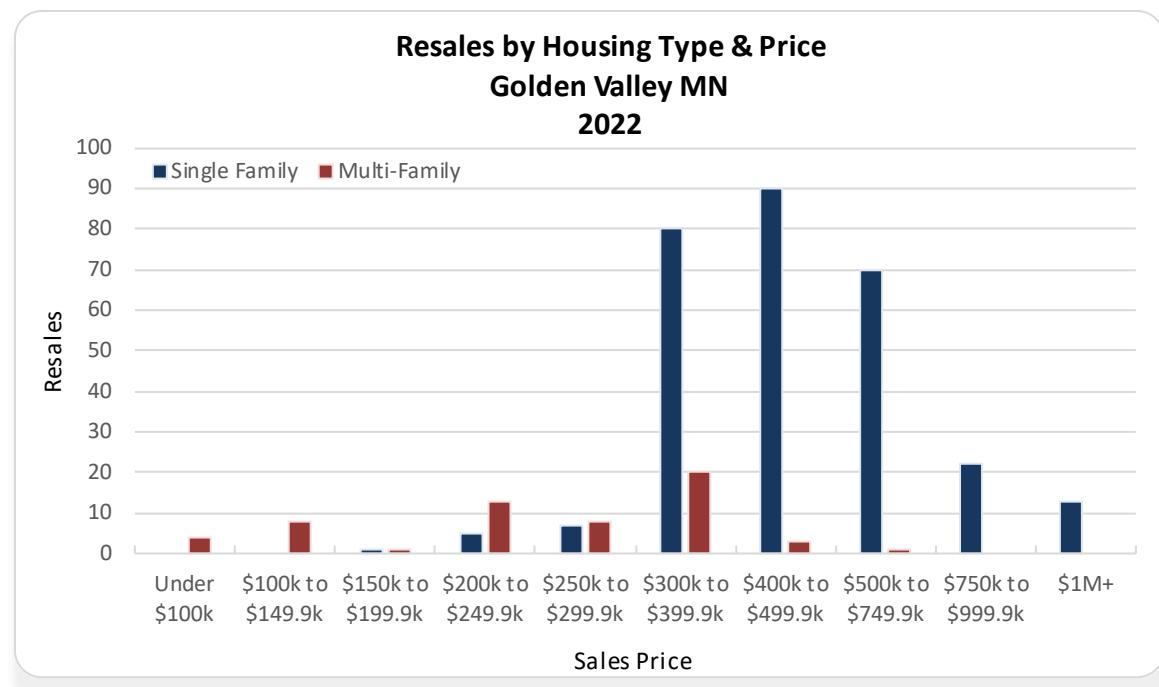
TABLE FS-6
RESALES BY PRICE POINT
GOLDEN VALLEY MN
2022

Price Range	ISD 270 (Hopkins)				ISD 281 (Robbinsdale)				Golden Valley Total			
	Single-Family		Multifamily ¹		Single-Family		Multifamily ¹		Single-Family		Multifamily ¹	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
< \$99,999	0	0.0%	0	0.0%	0	0.0%	4	11.4%	0	0.0%	4	6.9%
\$100,000 to \$149,999	0	0.0%	5	21.7%	0	0.0%	3	8.6%	0	0.0%	8	13.8%
\$150,000 to \$199,999	1	1.2%	0	0.0%	0	0.0%	1	2.9%	1	0.3%	1	1.7%
\$200,000 to \$249,999	2	2.3%	0	0.0%	3	1.5%	13	37.1%	5	1.7%	13	22.4%
\$250,000 to \$299,999	0	0.0%	1	4.3%	7	3.5%	7	20.0%	7	2.4%	8	13.8%
\$300,000 to \$349,999	5	5.8%	13	56.5%	27	13.4%	4	11.4%	32	11.1%	17	29.3%
\$350,000 to \$399,999	16	18.6%	2	8.7%	32	15.8%	1	2.9%	48	16.7%	3	5.2%
\$400,000 to \$449,999	7	8.1%	1	4.3%	44	21.8%	1	2.9%	51	17.7%	2	3.4%
\$450,000 to \$499,999	8	9.3%	1	4.3%	31	15.3%	0	0.0%	39	13.5%	1	1.7%
\$500,000 to \$749,999	27	31.4%	0	0.0%	43	21.3%	1	2.9%	70	24.3%	1	1.7%
\$750,000 to \$999,999	14	16.3%	0	0.0%	8	4.0%	0	0.0%	22	7.6%	0	0.0%
\$1,000,000 and Over	6	7.0%	0	0.0%	7	3.5%	0	0.0%	13	4.5%	0	0.0%
	86	100%	23	100%	202	100%	35	100%	288	100%	58	100%
Minimum	\$180,000		\$115,000		\$206,500		\$49,000		\$180,000		\$49,000	
Maximum	\$1,500,000		\$467,450		\$2,195,000		\$705,000		\$2,195,000		\$705,000	
Median	\$532,000		\$317,000		\$430,500		\$240,000		\$450,000		\$267,500	
Average	\$586,989		\$291,580		\$484,101		\$242,364		\$512,322		\$261,881	

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

Sources: Regional Multiple Listing Service of Minnesota (RMLS)

Maxfield Research & Consulting, LLC



Home Resales per Square Foot (“PSF”)

Table FS-7 shows the distribution of sales by sales price per square foot (“PSF”) from 2010 to 2022. The sales price per square foot metric is simply the sales price of the home divided by the finished square footage. Table FS-8 illustrates PSF pricing between existing homes and new construction in Golden Valley, Hennepin County, and the Twin Cities Metro Area. The graphs on the following page visually display the sales data.

- The median and average price per square foot declined significantly during the Great Recession to its lowest point in 2011. In 2011, the median per square foot price was \$100. Since 2011 the median price per square foot has steadily increased to \$207 per square foot (107%) as of 2022.
- Golden Valley housing costs on a median PSF basis are about 12% more than the Twin Cities Metro Area average. However, Golden Valley and Hennepin County housing cost nearly mirror one another every year over the period .
- On average, the price of an existing home in Golden Valley is about 32% less than the cost of new construction. Although the cost of an existing home is on-par with Hennepin County (\$207 PSF vs. 202 PSF); new construction costs in Golden Valley have recently escalated much higher than Hennepin County averages (\$229 PSF vs. \$188 PSF) since 2016. Hennepin County new construction prices are also about 10% higher than the Metro Area average.

TABLE FS-7
AVERAGE & MEDIAN SALES PRICE PER SQUARE FOOT (PSF)
GOLDEN VALLEY, HENNEPIN COUNTY, AND TWIN CITIES METRO AREA
2010 to 2022

Year	Golden Valley		Hennepin County		Twin Cities Metro Area	
	Avg.	Median	Avg.	Median	Avg.	Median
2010	\$116	\$115	\$117	\$109	\$103	\$96
2011	\$103	\$100	\$106	\$97	\$93	\$86
2012	\$110	\$108	\$115	\$106	\$100	\$93
2013	\$124	\$120	\$129	\$119	\$113	\$105
2014	\$132	\$125	\$140	\$126	\$121	\$112
2015	\$133	\$128	\$144	\$131	\$126	\$117
2016	\$142	\$138	\$151	\$137	\$134	\$124
2017	\$155	\$148	\$162	\$147	\$143	\$132
2018	\$158	\$155	\$174	\$157	\$153	\$141
2019	\$169	\$165	\$182	\$164	\$160	\$148
2020	\$175	\$171	\$190	\$173	\$169	\$157
2021	\$195	\$190	\$208	\$192	\$189	\$178
2022	\$203	\$207	\$219	\$203	\$203	\$191

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

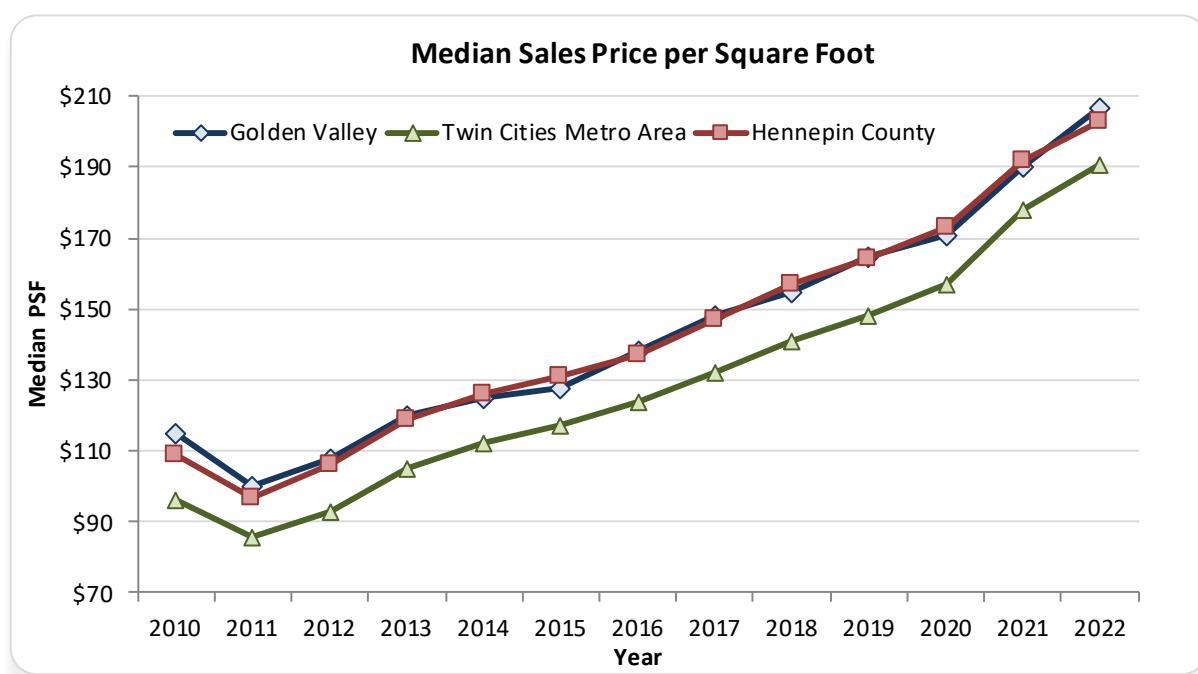
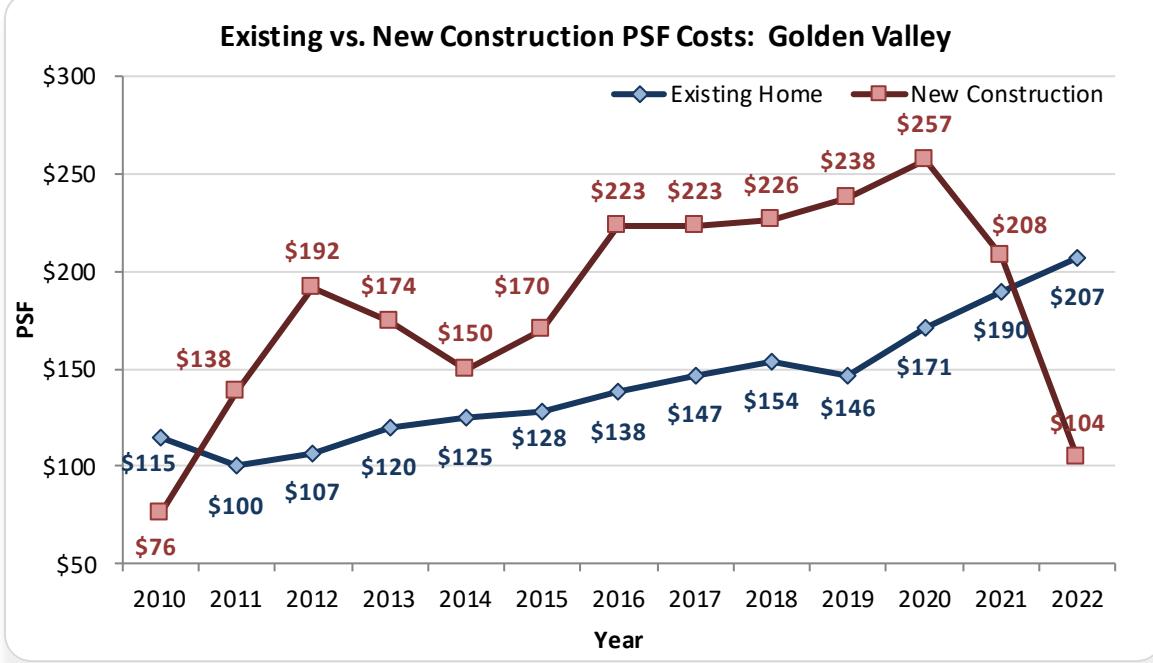


TABLE FS-8
MEDIAN SALES PRICE PER SQUARE FOOT (PSF) COMPARISON
EXISTING HOME VS. NEW CONSTRUCTION
GOLDEN VALLEY, HENNEPIN COUNTY, & TWIN CITIES METRO AREA
2010 to 2022

Year	Golden Valley		Hennepin County		Twin Cities Metro Area	
	Existing Home	New Const.	Existing Home	New Const.	Existing Home	New Const.
2010	\$115	\$76	\$107	\$149	\$94	\$128
2011	\$100	\$138	\$94	\$144	\$84	\$125
2012	\$107	\$192	\$103	\$150	\$91	\$131
2013	\$120	\$174	\$117	\$156	\$103	\$140
2014	\$125	\$150	\$124	\$176	\$109	\$151
2015	\$128	\$170	\$128	\$169	\$115	\$154
2016	\$138	\$223	\$136	\$173	\$121	\$157
2017	\$147	\$223	\$145	\$179	\$130	\$163
2018	\$154	\$226	\$155	\$184	\$139	\$172
2019	\$146	\$238	\$162	\$194	\$163	\$175
2020	\$171	\$257	\$172	\$192	\$154	\$180
2021	\$190	\$208	\$192	\$205	\$176	\$198
2022	\$207	\$104	\$202	\$222	\$188	\$218

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



Current Supply of Homes on the Market

To examine the current market more closely for available owner-occupied housing in Golden Valley, we reviewed the current supply of homes on the market (listed for sale). Tables FS-9 through FS-11 shows homes currently listed for sale in Golden Valley. The data was provided by the Regional Multiple Listing Services of Minnesota and is based on active listings in March 2023. MLS listings generally account for the vast majority of all residential sale listings in a given area.

Table FS-9 shows the number of listings by property type (i.e. single-family, town-home/twinhome, or condominium) while Table FS-10 and FS-11 shows listings by home style. The following points are key findings from our assessment of the active single-family and multi-family homes listed in Golden Valley.

- Only 26 homes were listed for sale in Golden Valley as of March 2023. Single-family homes accounted for 54% of all active listings. The majority of the multifamily for-sale product was condominiums as only one townhome was actively marketing.
- The median list price for single-family homes varied by location in Golden Valley. Single-family homes marketing in the Hopkins School District had a median list price of \$509,900, compared to \$439,000 in the Robbinsdale School District. Similar to resale trends, the majority of homes for sale (19) are located in the Robbinsdale School District. Although, it is important to note that five of the multifamily homes for sale are in the to-be-developed Artessa Senior Cooperative currently marketing.

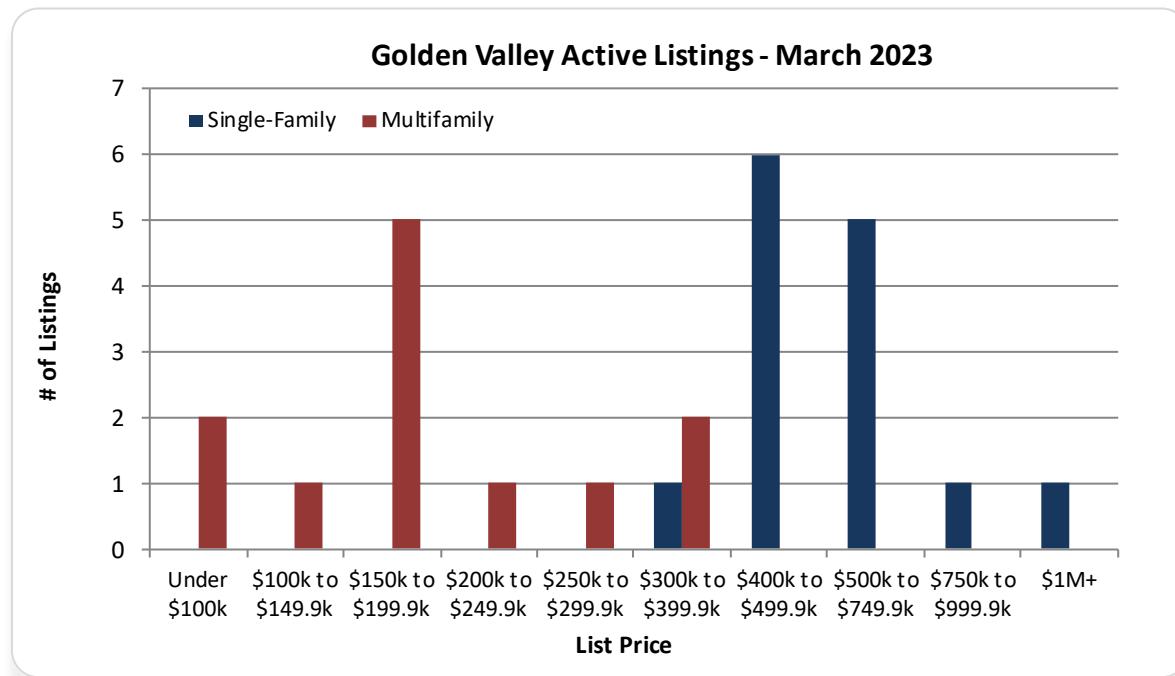


TABLE FS-9
HOMES CURRENTLY LISTED FOR-SALE
GOLDEN VALLEY MN
March 6th 2023

Price Range	ISD 270 (Hopkins)^				ISD 281 (Robbinsdale)^				Golden Valley Total			
	Single-Family		Multifamily ¹		Single-Family		Multifamily ¹		Single-Family		Multifamily ¹	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
< \$99,999	0	0.0%	0	0.0%	0	0.0%	2	22.2%	0	0.0%	2	16.7%
\$100,000 to \$149,999	0	0.0%	1	33.3%	0	0.0%	0	0.0%	0	0.0%	1	8.3%
\$150,000 to \$199,999	0	0.0%	0	0.0%	0	0.0%	5	55.6%	0	0.0%	5	41.7%
\$200,000 to \$249,999	0	0.0%	0	0.0%	0	0.0%	1	11.1%	0	0.0%	1	8.3%
\$250,000 to \$299,999	0	0.0%	0	0.0%	1	10.0%	1	11.1%	1	5.3%	1	8.3%
\$300,000 to \$349,999	0	0.0%	1	33.3%	0	0.0%	0	0.0%	0	0.0%	1	8.3%
\$350,000 to \$399,999	0	0.0%	1	33.3%	3	30.0%	0	0.0%	3	15.8%	1	8.3%
\$400,000 to \$449,999	1	11.1%	0	0.0%	2	20.0%	0	0.0%	3	15.8%	0	0.0%
\$450,000 to \$499,999	2	22.2%	0	0.0%	0	0.0%	0	0.0%	2	10.5%	0	0.0%
\$500,000 to \$749,999	4	44.4%	0	0.0%	3	30.0%	0	0.0%	7	36.8%	0	0.0%
\$750,000 to \$999,999	2	22.2%	0	0.0%	0	0.0%	0	0.0%	2	10.5%	0	0.0%
\$1,000,000 and Over	0	0.0%	0	0.0%	1	10.0%	0	0.0%	1	5.3%	0	0.0%
	9	100%	3	100%	10	100%	9	100%	19	100%	12	100%
Minimum	\$444,444		\$125,000		\$259,900		\$97,000		\$259,900		\$97,000	
Maximum	\$985,000		\$360,000		\$855,000		\$275,000		\$855,000		\$275,000	
Median	\$509,900		\$300,000		\$480,000		\$181,830		\$509,900		\$187,164	
Average	\$593,943		\$261,667		\$488,938		\$179,197		\$564,665		\$199,815	

¹ Includes townhomes, detached townhomes, twinhomes, and condominiums

[^] There are five condominium homes and one single family home listed that are marketing and not yet built in the ISD 281 (Robbinsdale school district).

Sources: Regional Multiple Listing Service of Minnesota

Maxfield Research & Consulting, LLC

- Based on a median list price of \$407,350 for the combined single-family and multifamily listings, a household would need an income of about \$127,700 in order to afford to make monthly housing payments of about \$3,192 (assuming a 10% down payment, 7.125% 30-year fixed mortgage, property taxes, insurance, and PMI). A household with significantly more equity (in an existing home and/or savings) could put more than 10% down and afford a higher priced home. About 54% of Golden Valley's non-senior households have annual incomes at or above \$127,700.
- At the time data collection at the beginning of March 2023, there were no single family homes listed for sale priced below \$350,000. The majority (43%, six homes) of Golden Valley's single-family homes listed for sale at the time were priced between \$400,000 and \$499,999. Another 36% (five homes) were listed from \$500,000 to \$749,999 and 14% (two homes) listed over \$750,000. Only one single family homes was listed from \$350,000 to \$399,999.
- One and two-story home styles comprise 84% of the active single-family listings in Golden Valley. One-story homes make-up 58% of the homes listed for sale in Golden Valley.

TABLE FS-10 ACTIVE LISTINGS BY HOUSING TYPE GOLDEN VALLEY MN March 6th 2023		
Property Type	Listings	Pct.
Single-family	19	61.3%
Detached Townhome/Townhome/Twinhome	1	3.2%
Condominium/Cooperatives	11	35.5%
Total	31	100.0%

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

- Two-story homes have the highest average price at about \$621,000 (\$189 PSF). Many of these homes are located in highly desirable neighborhoods along with the effect of the limited supply when the data was pulled and the inflated pricing that has occurred over the past few years. One-story homes have average list prices just below two-story homes at nearly \$592,000 (\$158 PSF).
- There was only one townhome listed in Golden Valley at the time priced at \$230,000. Typically, townhomes have a lower PSF cost compared to single-family homes. The listed townhome has a \$131 PSF compared to the average \$167 PSF for single family homes. Newly developed townhomes can have significantly higher price per square foot as seen at new Laurel Ponds developed which were built with PSF from \$200 and higher.

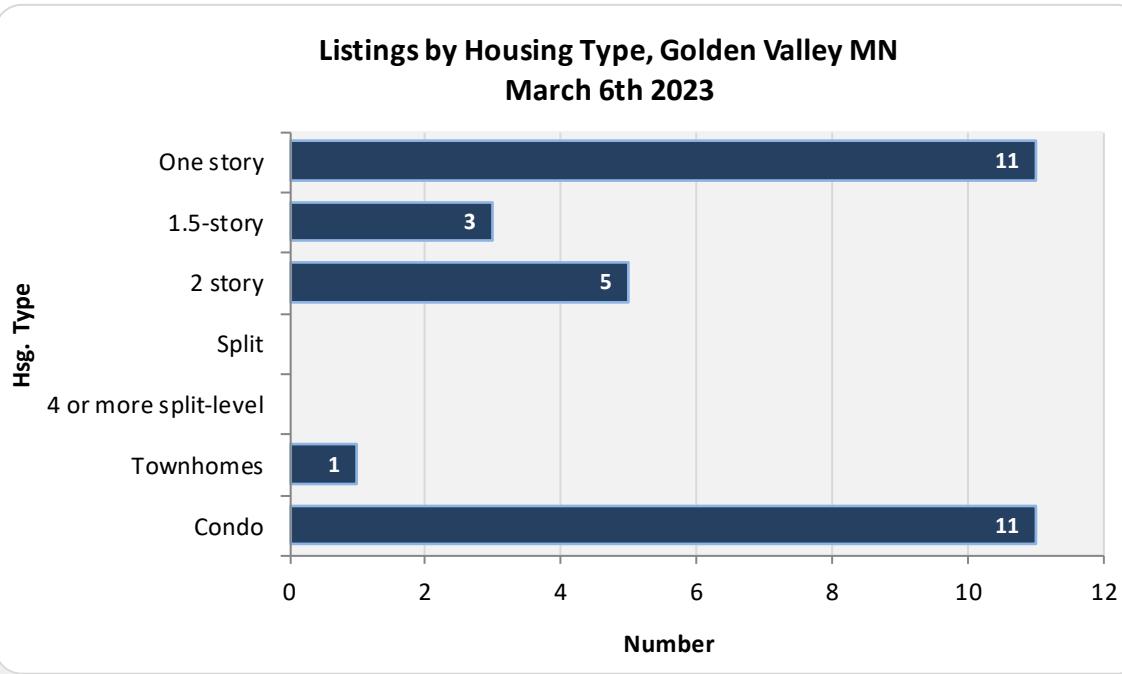
FOR-SALE MARKET ANALYSIS

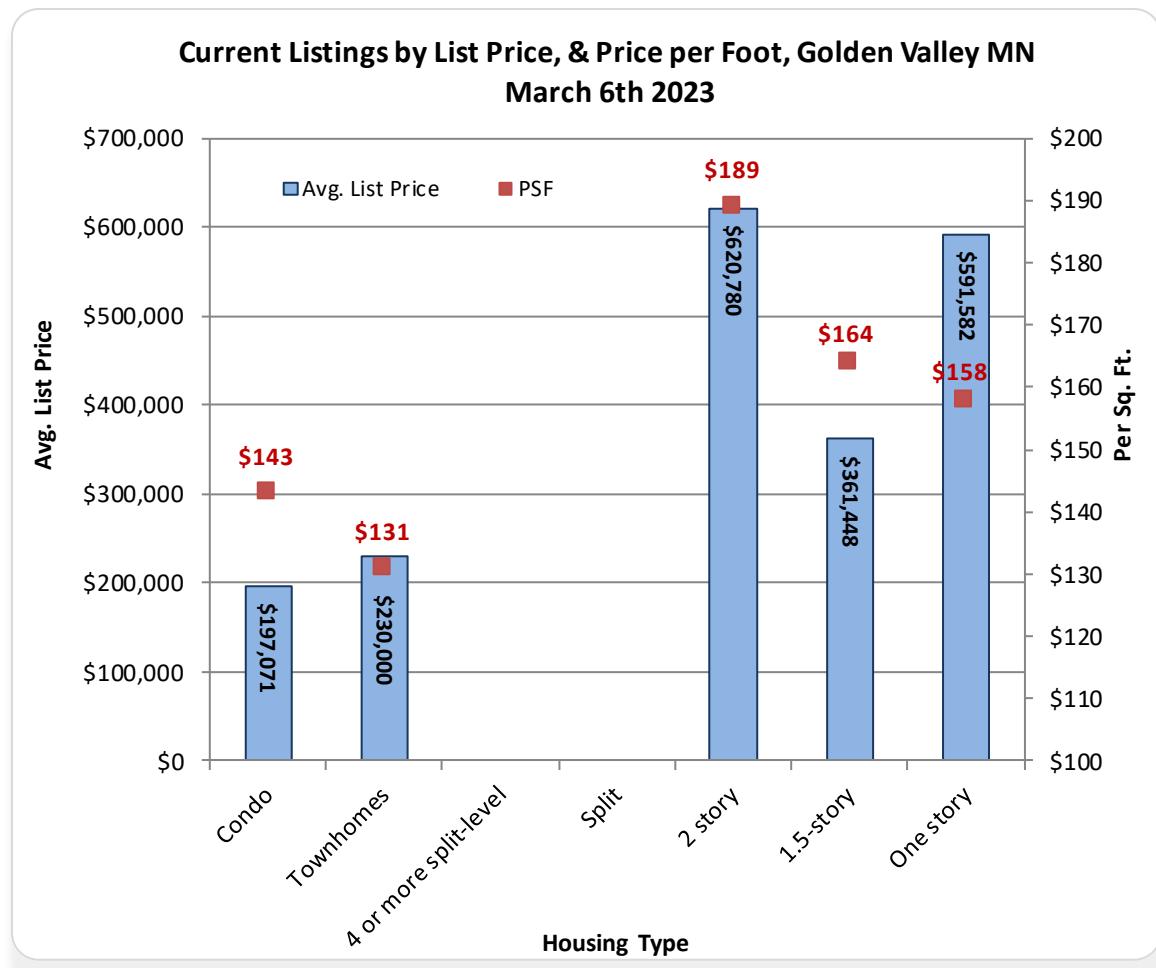
- Condominiums account for the majority of the inventory of homes for sale in Golden Valley. Two of the 11 currently marketing condominiums are newer (i.e. built in 2011) along with five units from the planned Artessa Golden Valley senior cooperative. These units have an average list price of about \$158,254 (\$181,830 median price). Among all the homes for sale, hi-rise condominiums have the lowest PSF costs (\$115).

TABLE FS-11 ACTIVE LISTINGS BY HOUSING TYPE GOLDEN VALLEY MN March 6th 2023								
Property Type	Listings	Pct.	Avg. List Price	Avg. Size (Sq. Ft.)	Avg. List Price Per Sq. Ft.	Avg. Bedrooms	Avg. Bathrooms	Avg. Age of Home
Single-Family								
One story	11	57.9%	\$591,582	2,354	\$158	4.3	2.6	1965
1.5-story	3	15.8%	\$361,448	2,671	\$164	3.7	2.3	1951
2-story*	5	26.3%	\$620,780	3,611	\$189	3.8	3.0	1977
Split entry/Bi-level	0	0.0%	--	--	--	--	--	--
4 or more split-level	0	0.0%	--	--	--	--	--	--
Total	19	100.0%	\$564,665	2,573	\$167	4.1	2.7	1965
Townhomes/Twinhomes								
Side-by-Side	1	100.0%	\$230,000	1,380	\$131	2.0	2.0	1974
Total	1	100.0%	\$230,000	1,380	\$131	2.0	2.0	1974
Condominiums/Cooperatives								
Low-rise (less than 3 stories)	4	36.4%	\$265,000	1,363	\$194	2.0	1.8	1982
Hi-rise (4 or more stories)**	7	63.6%	\$158,254	1,381	\$115	1.9	2.0	2011
Total	11	100.0%	\$197,071	1,375	\$143	1.9	1.9	2001

* One listing is for to be constructed home in Laurel Ponds subdivision.
** Five listings are for the marketing Artessa Golden Valley senior cooperative planned for open in 2024.

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





For-Sale Multifamily Developments

Table FS-12 identifies existing and new for-sale multifamily housing developments in the City of Golden Valley. The table presents data on project name and address, number of units, type of housing, year built or converted, and recent 2022 to February 2023 resale pricing. The table excludes smaller multifamily developments with fewer than six units. Key findings from the tables follow.

- There are 19 for-sale multifamily projects with a total of 1,150 units in Golden Valley. Based on the 2020 ACS Census data, about 6,983 owner-occupied units in Golden Valley; these properties account for 16.5% of the total owner-occupied housing stock in the community.
- About 40% of the for-sale multifamily housing stock was constructed in the 1950s, 1960s, and 1970s. Sixty percent of the multifamily housing for-sale stock was constructed prior to the 1990s.

FOR-SALE MARKET ANALYSIS

TABLE FS-12
FOR-SALE MULTIFAMILY HOUSING INVENTORY
GOLDEN VALLEY MN
March 2023

Project Name	General Address	Product Type	Year Built	Total Units	Bldg. Design	Year Sold*	Recent Resale Pricing* Low - High	Notes
Laurel Ponds	7465 Laurel Point	Detached Townhomes	2016/2017	24	2-story	2022/23 2016	No resales or builds \$450,000 - \$650,000	Lots available
Golden Ridge Townhomes	1725 Gettysburg Court	Townhomes	2004/2005	14	2-story Twinhomes	2022/23 2016	No resales No resales	
Villas on Bassett Creek	1350 Douglas Drive N.	Condominiums	2002	48	3-story	2022/23 2016	\$195,000 - \$300,000 \$135,000	(8) Resales over current period
Wesley Comons	7930 Golden Valley Road	Condominiums	2001/2002	127	2-story Rowhomes	2022/23 2016	\$300,000 - \$474,900 \$228,000 - \$245,000	(11) Resales over current period
Hidden Lakes	Waterford Drive	Detached Townhomes/ Twinhomes	1999/2002	155	1 & 2 story	2022/23 2016	\$705,000 \$550,000 - \$890,000	PUD assoc. maintained community
Medley Hill Condominiums	9201/9225 Medicine Lake Road	Condominiums	1999-2001	54	3-story	2022/23 2016	\$219,900 - \$289,900 \$130,680 - \$232,000	(4) Resales over current period
Medley Hills Townhomes	9100 Medley Road	Townhomes	1998/1999	32	2-story Twin homes	2022/23 2016	\$345,000 - \$439,900 \$280,000 - \$305,000	(2) Resales over current period Main-level master BR
Pheasant Glen	2418 Mendelsohn Lane	Townhomes	1985 to 1987	23	2-story	2022/23 2016	\$300,000 - \$303,000 \$159,000 - \$168,800	(2) Resales over current period
Calvary Center Cooperative	7600 Golden Valley Road	Cooperative	1983	115	10	2022/23 2016	\$49,000 - \$105,500 \$20,000 - \$85,000	(6) Resales over current period 55+ Senior Cooperative
Laurel Hill (East & West)	5901 Laurel Ave.	Condominiums	1980/1981	102	3-story	2022/23 2016	\$290,000 - \$350,000 \$188,500	(6) Resales over current period

Continued

FOR-SALE MARKET ANALYSIS

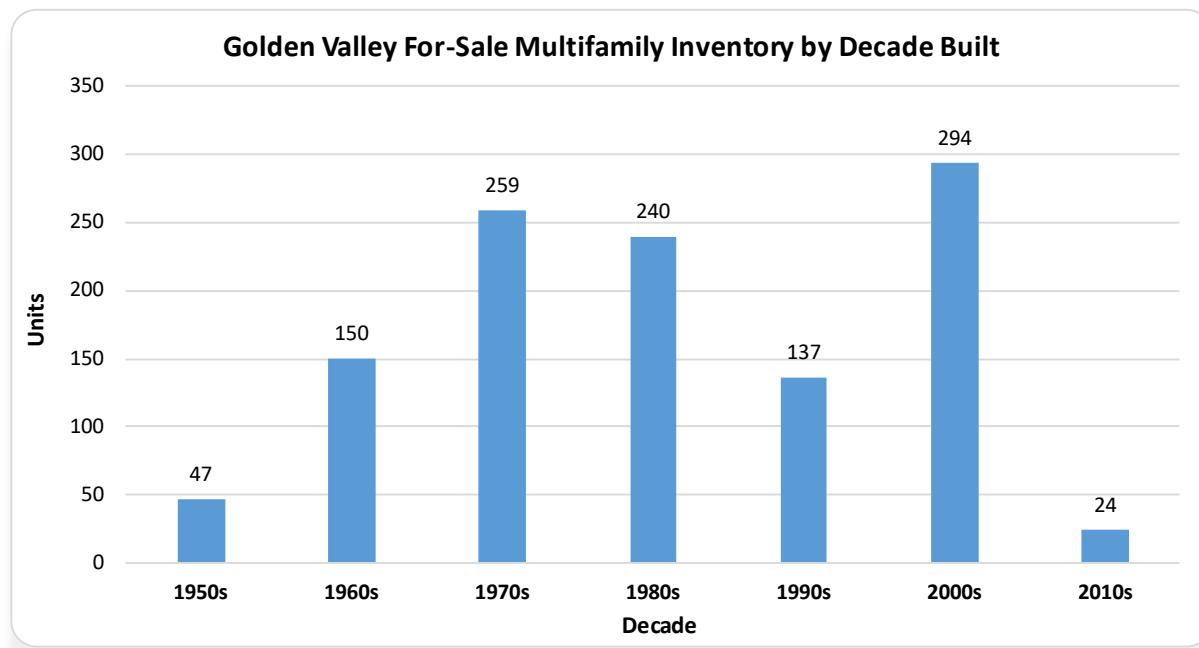
TABLE FS-12 (Cont.)
 FOR-SALE MULTIFAMILY HOUSING INVENTORY
 GOLDEN VALLEY MN
 March 2023

Project Name	General Address	Product Type	Year Built	Total Units	Bldg. Design	Year Sold*	Recent Resale Pricing* Low - High	Notes
Galant Patio Homes	2408 Hillsboro Ave. N.	Townhomes	1976	6	2-story	2022/23 2016	No resales No resales	
Kings Valley	English Circle	Townhomes	1974/1975	138	2-story	2022/23 2016	\$225,000 - \$270,000 \$113,850 - \$169,900	(6) Resales over current period
Vallee D'Or	7505 Harold Ave.	Townhomes	1973	44	2-story	2022/23 2016	\$279,900 \$206,000 - \$270,000	
Briarwood Townhomes	2500 Unity Ave. N.	Townhomes	1973	71	2-story	2022/23 2016	\$125,900 - \$229,900 \$140,000 - \$152,000	(7) Resales over current period
Hidden Village	Golden Valley Road	Townhomes	1968	59	2-story	2022/23 2016	\$248,900 - \$264,900 \$140,000 - \$168,000	(4) Resales over current period
Skyline Plaza Townhomes	7458 Highway 55	Townhomes	1967	13	2-story	2022/23 2016	No resales \$165,000	
Basset Creek Townhouses	Edgwood	Townhomes	1965/1966	12		2022/23 2016	No resales \$101,000 - \$162,697	
Brookview Condominiums	9147 Highway 55	Condominiums	1963	66	Garden	2022/23 2016	\$119,000 - \$134,900 \$77,000 - \$110,000	(5) Resales over current period
Briarwood Condos	2300 Unity Ave. N.	Condominiums	1959	47	Garden	2022/23 2016	\$125,900 - \$229,900 \$50,000 - \$69,900	(7) Resales over current period

* Resales in 2022 through February 2023

Source: RMLS, Golden Valley Property Tax Database, Maxfield Research & Consulting, LLC

- Many of the older general occupancy condominiums and townhomes have affordable prices (based on current market conditions) and have resold at prices from \$119,000 to \$270,000. Many of these homes target first-time home buyers. The age-restricted units at the Calvary Senior Cooperative are the lowest recent resale prices at \$49,000 to \$105,000.
- Since the previously completed report in 2017, resales of multifamily developments has increased significantly. While not a 1-to-1 property comparison, resales have increase since the previous report by a range of 23% to as high as 229%
- The vast majority of the townhome stock is two-story townhomes vs. one-story main level living spaces.
- Excluding the Calvary Senior Cooperative, all of the for-sale product type is generally low- to mid-rise construction as there are no general-occupancy hi-rise developments in Golden Valley.



Marketing Subdivisions

As a fully-developed, inner-ring suburban community Golden Valley has few new construction opportunities as new construction is typically a redevelopment project or infill. Only one project is truly actively marketing at this time –Greenway Villas.

Greenway Villas has been approved for development at the Southeast corner of Plymouth and Pennsylvania Avenues. *Ron Clark Construction* (<https://ronclark.com/greenway-villas/>) is currently developing seven association maintained detached townhomes on the northwest corner of the land acquired from the Golden Valley Country Club. Three of these townhomes are under construction and will be completed in 2023. There are four floor plans offered with two at 3,546 square feet and two at 3,607 square feet. The detached townhomes are marketing at a price in the upper \$1 millions.

Another development that is no longer actively marketing, Laurel Ponds, has four lots remaining in the 24-unit detached townhome subdivision. Laurel Ponds is located along Laurel Avenue and Pennsylvania Avenue South. The 3.3-acre site was repositioned into a row-home concept. The majority of the lots are 50-feet wide as the property was rezoned into a Planned Unit Development (PUD). New home prices are that were built ranged from \$450,000 to \$650,000.

Planned and Pending Developments

Maxfield Research contacted the City of Golden Valley to identify any planned or pending housing developments in the planning process at this time. Table P-1 on the following page lists the current projects that the City of Golden Valley identified in the pipeline as of May 2023.

General Occupancy Rental

Sentinel Management Company has proposed a 302-unit general occupancy apartment building at 8200 Golden Valley Road. Absorbing two parcels which are currently occupied by an existing Wells Fargo Bank branch office and a vacant Park Nicollet clinic. The redevelopment of the parcels will include a five- to six-story apartment building with a five story parking ramp along with a smaller standalone Wells Fargo Bank branch. The apartment development will be mostly market rate with at 46 of the units (15%) affordable at 60% of AMI for 20 years. The project has been recommended for approval by the planning commission and is awaiting final approval from the city council.

The Simmons Group has been approved to develop the former Tennent office building at 1113 Douglas Drive at the corner of Douglas Drive and Golden Valley Road. The development will include two, four-story buildings containing 103 and 102 market rate rental units, respectively. A portion of the units will have collapsible offices marketed towards remote workers. The units will also be larger than comparable products in the Twin Cities with a range of types from studios to two-bedrooms.

The Xenia Apartments (*Slosburg Company*) is currently under construction and will have 372 total market rate units and an adjacent connected parking ramp when complete. The development, located at Xenia Avenue and Golden Hills Drive was approved by the city in 2013. Construction began in 2014 and has continued through completion of this current 2023 study. The city granted The Xenia a rental license in June of 2022 to run through February 2023 at which time it was extended. At this time, The Xenia Apartments has – units remaining for occupancy. Also at the time of this study, many of the common building amenities and main entrance remain incomplete. The developer had stated that a goal was set for completion of the project in 2022. This goal was not met, and it is unclear on when the project will be fully complete.

The City of Bloomington ran into similar issues with the Slosburg Company during the development of The Luxemburg Apartments (282 units) at 5100 W 82nd Street which approved the project in 2008. That project took about six year before occupancy was granted in 2016 and buildings amenities were not completed for many years after.

PLANNED AND PENDING DEVELOPMENTS

TABLE P-1 PLANNED/PENDING RESIDENTIAL PROJECTS CITY OF GOLDEN VALLEY SPRING 2023							
Project Name/Location	Developer/Applicant	Project Type	Units/Lots			Status/ Timing	Comments
			MR	Aff	Total		
Sentinel 8200 and 8240 Golden Valley Road	Sentinel Management Company	Mixed-Income Apartments	257	46	303	Proposed ETA start: Q1 2024	Existing Wells Fargo site and vacant Park Nicollet clinic. Proposed structures of 5 to 6 stories.
1113 Douglas Drive 1113 Douglas Drive	Simmons Group	Market Rate Apartments	207	207		Approved in 2021 On-hold?	Old Tenant office building. 2 buildings (103 units and 104 units). No activity since approval. Demolition permit is ready but yet to be issued.
2425 Douglas Drive 2425 Douglas Drive		Senior housing: assisted living	22	22		Stalled/Dead	Construction stalled and partially completed building has been demolished. Land likely positioned for rowhome style townhomes
Greenway Villas Plymouth and Pennsylvania	Charles Cudd	Detached Villa Lots	7	7		Approved First 3 homes under construction	7 villa lots located on the northwest corner of the GV Country Club parcel. Priced in the upper \$1 million.
Xenia Apartments Xenia Avenue	SFI LTD from Slosburg Co.	Market Rate Apartments	354	354		First phases completed/ Phase II Under Construction	Initial construction began in 2015. Large apartment building with attached above ground enclosed parking garage. Occupancy will be in two phases with Phase I = 134 units and Phase II = 220 units.

Source: City of Golden Valley; Maxfield Research & Consulting

PLANNED AND PENDING DEVELOPMENTS

General Occupancy For-Sale

Greenway Villas has been approved for development at the Southeast corner of Plymouth and Pennsylvania Avenues. *Ron Clark Construction* (<https://ronclark.com/greenway-villas/>) is currently developing seven association maintained detached townhomes on the northwest corner of the land acquired from the Golden Valley Country Club. Three of these townhomes are under construction and will be completed in 2023. There are four floor plans offered with two at 3,546 square feet and two at 3,607 square feet. The detached townhomes are marketing at a price in the upper \$1 millions.

Introduction

Previous sections of this study analyzed the existing housing supply and the growth and demographic characteristics of the population and household base in Golden Valley. This section of the report presents our estimates of housing demand in Golden Valley from 2023 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. *Entry-level householders*
 - Often prefer to rent basic, inexpensive apartments
 - Usually singles or couples in their early 20's without children
 - Will often "double-up" with roommates in apartment setting
2. *First-time homebuyers and move-up renters*
 - Often prefer to purchase modestly-priced single-family homes or rent more upscale apartments
 - Usually married or cohabiting couples, in their mid-20's or 30's, some with children, but most are without children
3. *Move-up homebuyers*
 - Typically prefer to purchase newer, larger, and therefore more expensive single-family homes
 - Typically, families with children where householders are in their late 30's to 40's
4. *Empty-nesters (persons whose children have grown and left home) and never-nesters (persons who never have children)*
 - Prefer owning but will consider renting their housing
 - Some will move to alternative lower-maintenance housing products
 - Generally, couples in their 50's or 60's
5. *Younger independent seniors*
 - Prefer owning but will consider renting their housing
 - Will often move (at least part of the year) to retirement havens in the Sunbelt and desire to reduce their responsibilities for upkeep and maintenance
 - Generally, in their late 60's or 70's

6. *Older seniors*

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

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

Rural areas tend to have higher proportions of younger households that own their housing than in the larger growth centers or metropolitan areas such as the Twin Cities Metro Area. In addition, senior households tend to move to alternative housing at an older age. These conditions are a result of housing market dynamics, which typically provide more affordable single-family housing for young households and a scarcity of senior housing alternatives for older households.

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

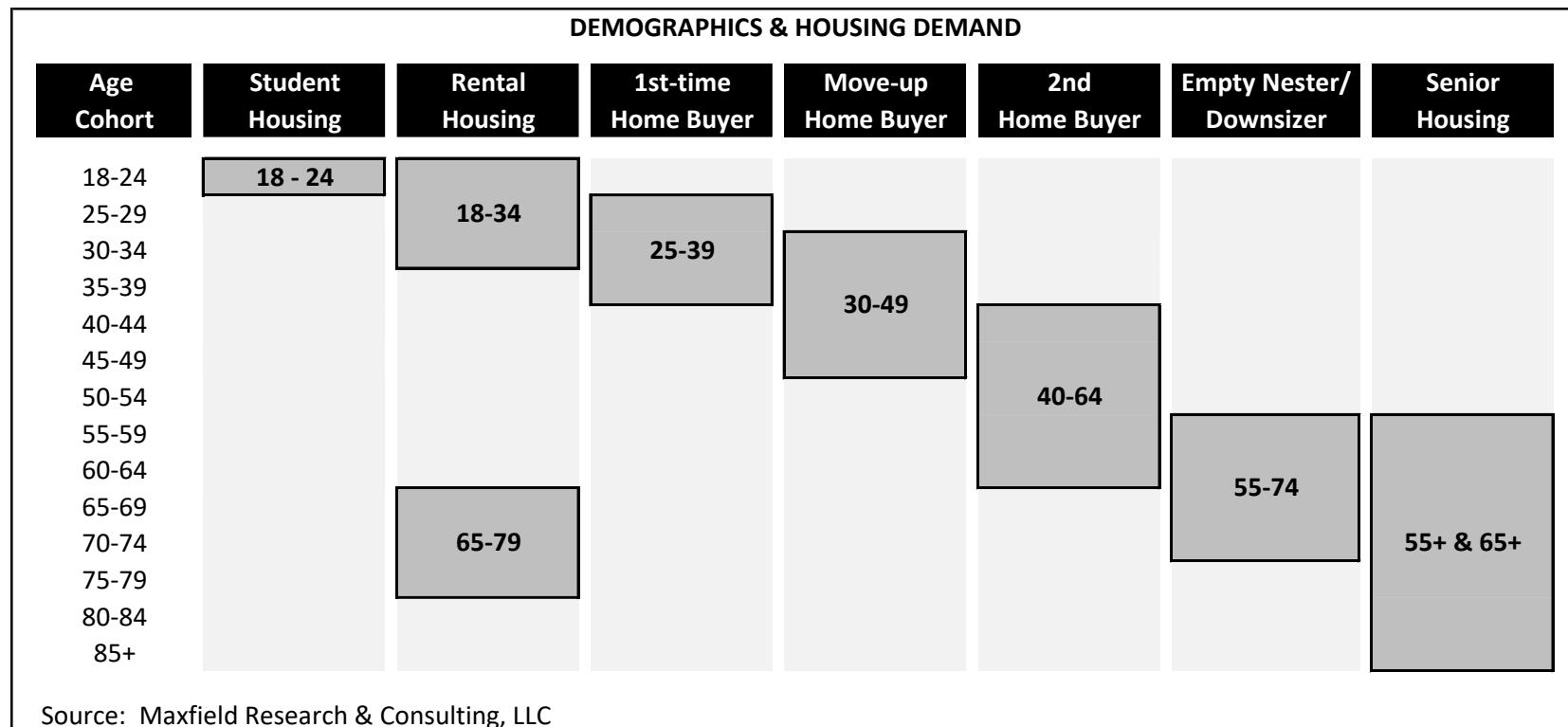
The previous sections of this assessment focused on demographic and economic factors driving demand for housing in Golden Valley. In this section, we utilize findings from the economic and demographic analysis to calculate demand for new general occupancy housing units in Golden Valley.

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

Demographics

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

HOUSING DEMAND ANALYSIS



HOUSING DEMAND ANALYSIS

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

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

Source: Maxfield Research & Consulting, LLC

Economy & Job Growth

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

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, housing demolition and new construction, or infill/subdivision new home construction as the current inventory does not provide the supply that consumers seek. Inner-ring suburbs such as Golden Valley have an older housing stock that results in higher demand for remodeling services and infill redevelopment.

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.

After the Great Recession lenders "tightened the belts" on mortgage lending and it was difficult for many buyers to obtain financing. The ability of buyers to obtain mortgage financing has recently lightened as lenders have eased restrictions that had been in place since the recession. However, lenders are still requiring substantially higher credit scores and equity than last decade.

Mobility

It is important to note that demand is somewhat fluid between other west/northwest Twin Cities Metro Area communities and will be impacted by development activity in nearby areas.

Estimated Demand for For-Sale Housing

Table HD-1 presents our demand calculations for general occupancy for-sale housing in Golden Valley between 2023 and 2035.

The 65 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 65. According to our projections, Golden Valley is expected to add 830 new households under age 65. Based on the availability of land for development, development trends, permitted units over the past decade, and consumer preference we estimate that 22% households from new household growth will have a propensity to own, which produces demand for 183 new general occupancy for-sale housing units between 2023 and 2035.

TABLE HD-1 FOR-SALE HOUSING DEMAND GOLDEN VALLEY 2023 to 2035		
Demand from Projected Household Growth		
Projected HH growth under age 65 in Golden Valley 2023 to 2035 ¹		830
(times) Estimated % propensity to own ²	x	22%
(equals) Projected demand from new HH growth	=	183
Demand from Existing Owner Households		
Number of owner households (age 64 and younger) in Golden Valley (2023) ³		5,000
(times) Estimated percent of owner turnover ⁴	x	48%
(equals) Total existing households projected to turnover	=	2,395
(times) Estimated percent desiring new housing	x	10%
(equals) Demand from existing households	=	240
(equals) Total demand from HH growth and existing HHs 2023 to 2035	=	422
(times) Demand from outside Golden Valley		25%
(equals) Total demand potential for ownership housing, 2023 to 2035	=	563
(times) Percent desiring for-sale single-family vs. multifamily ⁵	x	25%
(equals) Total demand potential for new single-family & multifamily for-sale housing	=	141
(minus) Units under construction or approved platted lots (undeveloped and developed lots) ⁶	-	0
(equals) Excess demand for new general occupancy for-sale housing	=	141
		411
¹ Estimated household growth based on projections as adjusted by Maxfield Research and Consulting LLC		
² Pct. of owner households under the age of 65 adjusted by Maxfield Research based on land availability, development trends, building permits, and consumer preferences.		
³ Estimate based on 2020 ACS owner households and new owner household growth 2016 to 2020 (under age 65)		
⁴ Based on turnover from 2020 American Community Survey for households moving over a 10-year period.		
⁵ Based on preference for housing type and land availability		
⁶ Approved platted lot data does not account for the scattered lot supply which includes individual lots and lots in older non-marketing subdivisions.		
* Multi-family demand includes demand for townhomes, twinhomes, detached townhomes, and condominium units.		
Source: Maxfield Research and Consulting LLC		

Demand is also forecast to emerge from existing Golden Valley householders through turnover. An estimated 5,000 owner-occupied households under age 65 are located in the Golden Valley in 2023. Based on mobility data from the Census Bureau, an estimated 48% of owner households will turnover during the 2023 to 2035 period, resulting in 2,395 existing households projected to turnover. Finally, we estimate 10% of the existing owner households will seek new for-sale housing, resulting in demand for 240 for-sale units through 2035.

Next, we estimate that 25% of the total demand for new for-sale units in Golden Valley will come from people currently living outside of the city. 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 Golden Valley to the existing demand potential, results in a total estimated demand for 563 for-sale housing units by 2035.

Based on land availability, building and consumer trends, and demographic shifts (increasing older adult population), we project 25% of the for-sale owners will prefer traditional single-family product types while the remaining 75% will prefer a maintenance-free multi-family product (i.e. twin homes, townhomes, or condominiums).

We then subtract the current identified platted lots that are under construction or approved which include the lots (4) remaining at Laurel Ponds and the new villas (7) being developed at Greenway Villas. After subtracting the current lot supply in subdivisions (11) we find total demand through 2035 resulting in 141 single-family lots and 411 multifamily lots/units.

Estimated Demand for General-Occupancy Rental Housing

Table HD-2 presents our calculation of general-occupancy rental housing demand in Golden Valley. 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 Golden Valley that want to upgrade their housing situations.

The 65 and older cohort is typically not a target market for new general occupancy rental housing, therefore, we limit demand from household growth to those households under the age of 65. There is a portion of seniors that will consider general occupancy rental housing as age-restricted options for active adult can be limited. Thus we include 20% of those households over the age 65 as well. According to our projections, Golden Valley is expected to add 890 new households between 2023 and 2035 (531 households non-senior households). Based on the availability of land for development, development trends, permitted units over the past decade, and consumer preference we estimate that 78% will be renting their housing, which produces demand for 694 new general occupancy rental housing units between 2023 and 2035.

Demand is also forecast to emerge from existing Market Area householders through turnover. An estimated 2,141 renter-occupied households under age 65 are located in Golden Valley in 2023. Based on mobility data from the Census Bureau, an estimated 87% of renter households

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will turnover over the 2023 to 2035 period, resulting in 1,858 existing households projected to turnover. Finally, we estimate 20% of the existing renter households will seek new rental housing, resulting in demand for 372 rental units through 2035.

Adding demand from outside Golden Valley to the existing demand potential, results in a total estimated demand for nearly 1,066 rental housing units by 2035. Next, we estimate that 30% of the total demand for new rental units in Golden Valley will come from people currently living outside of the Market Area increasing the total rental demand potential in Golden Valley to 1,523 housing units.

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 (25% AMI), 25% will be for affordable housing (40% to 60% AMI), and 60% will be for market rate housing (non-income restricted).

Next we subtract housing projects that are under construction or pending, since these projects will satisfy some of the calculated demand for general occupancy rental housing. There are no subsidized housing projects in the development pipeline; however, there are two market rate rental developments that were subtracted from the market rate rental demand calculation. In addition, one of the market rate development will include a portion of units that will be designated affordable that we subtract from demand.

These projects include:

- Sentinel Apartments (Proposed):
 - 257 market rate units
 - 46 affordable units
- 1113 Douglas Drive (Approved): 207 market rate units
- The Xenia (Phase II Under Construction): 220 market rate units

After subtracting out units under construction or pending at 95% occupancy results in demand for 228 subsidized units, 336 affordable units, and 276 market rate units through 2035.

Estimated Demand for Independent Adult/Few Service Senior Housing

Table HD-3 presents our demand calculations for market rate independent senior housing in Golden Valley in 2023 and 2028.

In order to determine demand for independent senior housing, the potential market is reduced to those households that are both age and income qualified. The age-qualified market is defined as seniors 55 years of age and older, although independent living projects will primarily attract seniors 65 years of age and older.

We calculate that the minimum income needed to afford monthly rents is \$40,000 or more plus homeowner households with incomes between \$30,000 and \$39,999 who would be able to supplement their incomes with the proceeds from a home sale. We estimate the number of age/income-qualified senior households in Golden Valley in 2023 to be 4,981 households.

Adjusting to include appropriate long-term capture rates for each age cohort (0.5% of households age 55 to 64, about 5.5% of households age 65 to 74, and 16.5% of households age 75 and over) results in a market rate demand potential for 343 independent senior rental units in 2023.

Some additional demand will come from outside Golden Valley. We estimate that 25% of the long-term demand for independent senior housing will be generated by seniors currently residing outside Golden Valley. This demand will consist primarily of parents of adult children living in the Golden Valley area, individuals who live just outside of Golden Valley and have an orientation to the area, as well as former residents who desire to return. Together, the demand

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from Golden Valley seniors and demand from seniors who would relocate to Golden Valley results in a demand for 458 market rate active adult units in 2023.

Independent demand in Golden Valley is apportioned between ownership and rental housing. Based on the age distribution, homeownership rates and current product available in Golden Valley, we project that 50% of Golden Valley's demand will be for adult ownership housing (229 units) and 50% will be for rental housing (229 units).

Next, we subtract existing competitive market rate units (minus a vacancy factor of 5% to allow for sufficient consumer choice and turnover) from the owner and rental demand. Subtracting the existing competitive market rate units results in total demand potential for 116 adult owner-occupied units and 229 active adult rental units.

Adjusting for inflation, we have estimated that households with incomes of \$45,000 or more and homeowners with incomes of \$35,000 to \$44,999 would income qualify for market rate independent senior housing in 2028. Considering the growth in the older adult base and the income distribution of the older adult population in 2028 the methodology projected that demand will be 187 adult owner-occupied units and 300 adult rental units in Golden Valley.

TABLE HD-3
MARKET RATE ACTIVE ADULT HOUSING DEMAND
GOLDEN VALLEY
2023 and 2028

	2023			2028		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households w/ Incomes of >\$40,000 ¹	1,854	1,529	1,366	1,773	1,921	1,920
# of Households w/ Incomes of \$30,000 to \$39,999 ¹	+ 52	82	197	+ 26	58	154
(times) Homeownership Rate	x 80%	79%	64%	x 80%	79%	64%
(equals) Total Potential Market Base	= 1,896	1,594	1,492	= 1,794	1,967	2,019
(times) Potential Capture Rate	x 0.5%	5.5%	16.5%	x 0.5%	5.5%	16.5%
(equals) Demand Potential	= 9	88	246	= 9	108	333
Potential Demand from Residents			= 343			= 450
(plus) Demand from Outside Golden Valley (25%)		+ 114			+ 150	
(equals) Total Demand Potential		= 458			= 600	
(times) % by Product Type	x 50%		x 50%	x 50%		x 50%
(equals) Demand Potential by Product Type	= 229		= 229	= 300		= 300
(minus) Existing and Pending MR Active Adult Units ²	- 113		- 0	- 113		- 0
(equals) Excess Demand for MR Active Adult Units	= 116		= 229	= 187		= 300

¹ 2028 calculations define income-qualified households as all households with incomes greater than \$45,000 and homeowner households with incomes between \$35,000 and \$49,999.

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

Source: Maxfield Research and Consulting LLC

Estimated Demand for Subsidized/ Affordable Independent Senior Housing

Table HD-4 presents our demand calculations for subsidized/affordable independent senior housing in Golden Valley in 2023 and 2028.

In order to arrive at the potential age and income qualified base for low income and affordable housing, we include all senior (65+) households with incomes of less than \$56,340 which is the income qualification at 60% of AMI. We exclude homeowner households with incomes between \$40,000 and \$56,340, as these households would have additional equity that could be converted to monthly income following the sales of their single-family homes which may likely cause them to exceed income-restrictions due to the equity gained.

Households in a need-based situation (either requiring services or financial assistance) more readily move to housing alternatives than those in non-need based situations. Hence, the capture rate among each age group is higher than for market rate housing. Capture rates are employed at 2.0% for households age 55 to 64, 10.0% for households age 65 to 74 and 20.0% for households age 75 and older. Using the methodology described above results in a demand potential for 220 total subsidized or affordable senior units.

Seniors in need-based situations are less selective when securing housing than those in non-need based situations. We estimate that a high-quality site would capture a greater proportion of total demand for financially-assisted housing than for market rate housing. We estimate that 35% of the long-term demand for independent senior housing will be generated by seniors currently residing outside Golden Valley due the overall lack of subsidized and affordable housing options through the Metro Area. Together, the demand from Golden Valley seniors and demand from seniors who would relocate to Golden Valley results in a demand for 458 market rate active adult units in 2023. Adding households from outside of the City of Golden Valley results in a total demand potential for 338 subsidized and affordable units.

Next we subtract existing competitive units from the overall demand. There are 202 existing subsidized independent units in the Market Area (Calvary Center Apartments and Dover Hills - minus a vacancy factor of 3% to allow for sufficient consumer choice and turnover). There are no existing affordable independent units in the City of Golden Valley, however. Due to the amount of subsidized senior housing units in Golden Valley, after we subtract the existing units, we find that there is zero demand for subsidized units. With the lack of affordable independent housing units, we find demand for 169 independent units in 2023.

Adjusting for inflation, we estimate that households with incomes up to \$60,000 would be candidates for financially-assisted independent housing by 2028. We reduce the potential market potential by homeowner households earning between \$45,000 and \$59,999 that would exceed income-restrictions once equity from their home sales is converted to monthly income.

Following the same methodology, we project demand in Golden Valley for 147 affordable units and a continued excess supply of subsidized units in 2028.

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TABLE HD-4 DEEP-SUBSIDY/SHALLOW SUBSIDY INDEPENDENT HOUSING DEMAND GOLDEN VALLEY 2023 and 2028						
	2023			2028		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households w/ Incomes of <\$56,340 ¹	319	516	1,050	309	468	927
Less Households w/ Incomes of \$40,000 to \$56,340 ¹	- 102	170	258	- 100	153	263
(times) Homeownership Rate	x 80%	79%	64%	x 80%	79%	64%
(equals) Total Potential Market Base	= 237	382	885	= 229	347	759
(times) Potential Capture Rate	x 2.0%	10.0%	20.0%	x 2.0%	10.0%	20.0%
(equals) Demand Potential	= 5	38	177	= 5	35	152
(equals) Potential Demand from Residents	= 220					191
(plus) Demand from outside Golden Valley (25%)	+ 73			+ 64		
(equals) Total Demand Potential	= 293			= 255		
(times) % by Product Type	x 50%		x 50%	x 50%		x 50%
(equals) Demand Potential by Product Type	= 147		= 147	= 127		= 127
(minus) Existing and Pending Independent Units ²	- 196	- 0		- 196	- 0	
(equals) Excess Demand for Aff/Sub Units	= 0	= 147		= 0	= 127	

¹ 2028 calculations define income-qualified households as all households with incomes less than \$60,000. Homeowner households with incomes between \$45,000 and \$59,999 are excluded from the market potential for financially-assisted housing.
² Existing units are deducted at market equilibrium, or 97% occupancy.

Source: Maxfield Research and Consulting LLC

Estimated Demand for Independent Living Senior Housing

Table HD-5 presents our demand calculations for independent living housing in Golden Valley in 2023 and 2028.

The potential age- and income-qualified base for congregate senior housing includes all senior (65+) households with incomes of \$40,000 as well as homeowner households with incomes between \$35,000 and \$49,999 who would qualify with the proceeds from the sales of their homes. The proportion of eligible homeowners is based on the 2021 Census American Community Survey homeownership rates of Golden Valley seniors. The number of age, income, and asset-qualified households in Golden Valley is estimated to be 2,371 households in 2023.

Demand for independent living housing is need-drive, which reduces the qualified market to only the portion of seniors who need some assistance. Adjusting to include appropriate capture rates for each age cohort (1.5% of households age 65 to 74 and 13.0% of households age 75 and older) results in a local demand potential for 173 congregate units in 2023.

We estimate that seniors currently residing outside of Golden Valley will generate 25% of the demand for congregate senior housing. Together, the demand from Golden Valley seniors and demand from seniors who are willing to locate to Golden Valley totals 231 independent living units in 2023.

Next, we subtract existing independent living units in Golden Valley at a 95% occupancy rate. Although Covenant Village is a lifecare facility, we subtract a 25% of their independent living

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units (53 units at equilibrium). All residents of Covenant Village are subject to an entrance fee and must be admitted as independent seniors and thus is not fully competitive with non-lifecare independent living facilities. Therefore, demand is reduced to 54 units in 2023.

Adjusting for inflation, we estimate that households with incomes of \$45,000 or more and senior homeowners with incomes between \$40,000 and \$44,999 would qualify for independent living housing in 2023. Following the same methodology, demand is calculated to increase to 81 independent living units through 2028.

TABLE HD-5					
MARKET RATE INDEPENDENT LIVING RENTAL HOUSING DEMAND					
GOLDEN VALLEY					
2023 and 2028					
		2023	2028		
		Age of Householder	Age of Householder		
		65-74	75+		
# of Households w/ Incomes of >\$40,000 ¹		1,099	1,109		
# of Households w/ Incomes of \$35,000 to \$39,999 ¹		+ 91	122		
(times) Homeownership Rate		x 83%	72%		
(equals) Total Potential Market Base		= 1,174	1,197		
(times) Potential Capture Rate ²		x 1.5%	13.0%		
(equals) Potential Demand		= 18	+ 156		
Potential Demand from Golden Valley Residents		= 173			
(plus) Demand from Outside Golden Valley (25%)		+ 58			
(equals) Total Demand Potential		= 231			
(minus) Existing and Pending Independent Living Units ³		- 177			
(equals) Total Independent Living Demand Potential		= 54			
		= 81			
¹ 2025 calculations define income-qualified households as all households with incomes greater than \$45,000 and homeowner households with incomes between \$40,000 and \$44,999.					
² The potential capture rate is derived from data from the Summary Health Statistics for the U.S. Population: National Health Interview Survey, 2008 by the U.S. Department of Health and Human Services. The capture rate used is the percentage of seniors needing assistance with IADLs, but not ADLs (seniors needing assistance with ADLs typically need assistance with multiple IADLs and are primary candidates for service-intensive assisted living).					
³ Competitive units include independent living units at 95% occupancy (market equilibrium). Also includes only 25% of units at Covenant Village due it being a CCRC with an entrance fee buy in.					
Source: Maxfield Research and Consulting LLC					

Estimated Demand for Assisted Living Housing

Table HD-6 presents our demand calculations for assisted living senior housing in Golden Valley in 2023 and 2028. This analysis focuses on the potential *private pay/market rate* demand for assisted living units.

The availability of more intensive support services such as meals, housekeeping and personal care at assisted living facilities usually attracts older, frailest seniors. According to the 2009 Overview of Assisted Living (which is a collaborative research project by the American Association of Homes and Services for the Aging, the American Seniors Housing Association, National Center for Assisted Living, and National Investment Center for the Seniors Housing and Care Industry), the average age of residents in freestanding assisted living facilities was 87 years in 2008. Hence, the age-qualified market for assisted living is defined as seniors ages 75 and over, as we estimate that of the half of demand from seniors under age 87, almost all would be from seniors over age 75. In 2023, there were 3,247 seniors 75 years of age and older in Golden Valley.

Demand for assisted living housing is need-driven, which reduces the qualified market to only the portion of seniors who need assistance. According to a study completed by the U.S. Census Bureau (1999 panels of the Survey of Income and Program Participation (SIPP) files), 30% of seniors needed assistance with everyday activities (from 25.5% of 75-to-79-year-olds, to 33.6% of 80-to-84-year-olds and 51.6% of 85+ year olds). Applying these percentages to the senior population yields a potential assisted living market of 1,215 seniors in Golden Valley.

Due to the supportive nature of assisted living housing, most daily essentials are included in monthly rental fees, which allow seniors to spend a higher proportion of their incomes on housing with basic services. Therefore, the second step in determining the potential demand for assisted living housing in Golden Valley is to identify the income-qualified market based on a senior's ability to pay the monthly rent. We consider seniors in households with incomes of \$40,000 or greater to be income-qualified for assisted living senior housing in Golden Valley. Households with incomes of \$40,000 could afford monthly assisted living fees of \$3,000 by allocating 90% of their income toward the fees.

According to the 2009 Overview of Assisted Living, the average arrival income of assisted living residents in 2008 was \$27,260, while the average annual assisted living fee was \$37,281 (\$3,107/month). This data highlights that seniors are spending down assets to live in assisted living and avoid institutional care. Thus, in addition to households with incomes of \$40,000 or greater, there is a substantial base of senior households with lower incomes who income-qualify based on assets – their homes, in particular.

Sixty-four percent of the age 75+ households in Golden Valley are homeowners, and the median resale price of homes in 2022 in Golden Valley was \$425,000. Seniors selling their homes for the median resale price would generate about \$399,500 in proceeds after selling costs.

With an average monthly fee of \$4,000, these proceeds would last about 100 months in an assisted living facility, which is higher than the average length of stay in assisted living (27 months according to the 2009 Overview of Assisted Living).

For each age group in Table HD-6, we estimate the income-qualified percentage to be all seniors in households with incomes above \$40,000 (who could afford monthly rents of \$3,000+ per month) plus 40% of the estimated seniors in homeowner households with incomes below \$40,000 (who will spend down assets, including home-equity, in order to live in assisted living housing). This results in a total potential market of 774 units in 2023.

Because the vast majority of assisted living residents are single (88% according to the 2009 Overview of Assisted Living), our demand methodology multiplies the total potential market by the percentage of seniors age 75+ in Golden Valley living alone. Based on 2020 American Community Survey Census data, 51% of age 75+ households in Golden Valley lived alone. Applying this percentage results in a total base of 396 age/income-qualified singles. The 2009 Overview of Assisted Living found that 12% of residents in assisted living were couples. There are a total of 450 age/income-qualified seniors needing assistance in Golden Valley including both couples and singles.

We estimate that roughly 60% of the qualified market needing significant assistance with Activities of Daily Living ("ADLs") would either remain in their homes or less service-intensive senior housing with the assistance of a family member or home health care or would need greater care provided in a skilled care facility. The remaining 40% could be served by assisted living housing. Applying this potential market penetration rate of 40% results in demand for 180 assisted living units in 2023.

We estimate that a portion of demand for assisted living units (25%) will come from outside of the Golden Valley. Applying this figure results in total potential demand for 240 market rate assisted living units in Golden Valley.

There are a total of 317 assisted living units spread across six projects in Golden Valley. After deducting these competitive units (minus a 93% occupancy rate) from the total demand potential, we calculate that there is a demand for seven assisted living units in Golden Valley in 2023.

The same methodology is applied to the age/income-qualified base in 2028. Due to Golden Valley's aging population along with the increasing income-qualified household base, demand increases to 81 assisted living units by 2028.

TABLE HD-6 MARKET RATE ASSISTED LIVING DEMAND GOLDEN VALLEY 2023 and 2028						
Age group	2023			2028		
	People	Percent Needing Assistance ¹	Number Needing Assistance ¹	People	Percent Needing Assistance ¹	Number Needing Assistance ¹
75 - 79	1,189	25.5%	303	1,485	25.5%	379
80 - 84	836	33.6%	281	1,097	33.6%	369
85+	1,222	51.6%	631	1,337	51.6%	690
Total	3,247		1,215	3,919		1,437
Percent Income-Qualified²			64%			70%
Total potential market			774			1,012
(times) Percent living alone		x 51%				51%
(equals) Age/income-qualified singles needing assistance		= 396				518
(plus) Proportion of demand from couples (12%) ³		+ 54				71
(equals) Total age/income-qualified market needing assistance		= 450				589
(times) Potential penetration rate ⁴		x 40%				40%
(equals) Potential demand from Golden Valley residents		= 180				235
(plus) Proportion from outside Golden Valley (25%)		+ 60				78
(equals) Total potential assisted living demand		= 240				314
(minus) Existing market rate assisted living units ⁵		- 233				23
(equals) Total excess market rate assisted living demand		= 7				81

¹ The percentage of seniors unable to perform or having difficulty with ADLs, based on the publication Health, United States, 1999 Health and Aging Chartbook, conducted by the Centers for Disease Control and Prevention and the National Center for Health Statistics.

² Includes households with incomes of \$40,000 or more (who could afford monthly rents of \$3,000+ per month) plus 40% of 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 2009 Overview of Assisted Living (a collaborative project of AAHSA, ASHA, ALFA, NCAL & NIC) found that 12% of assisted living residents are couples.

⁴ We estimate that 60% 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.

Source: Maxfield Research and Consulting LLC

Additional demand could come from seniors that will need to receive supplemental income in order to afford assisted living or memory care housing. While some of these seniors will receive income from the sales of their homes, others will need to rely on other sources of public aid. The Elderly Waiver program has provided public funding for seniors who wish to receive “alternative” care that allows them to stay in the community as opposed to receiving similar care at a nursing home.

Most assisted living developments require residents to have lived in their facility for a certain amount of time before they can use a waiver, and many try to limit the number of waivers accepted within the community to around roughly 10% to 20%. Some facilities accept higher amounts of residents on waivers and many newer facilities do not accept any waivers.

Estimated Demand for Memory Care Housing

Table HD-7 presents our demand calculations for market rate memory care senior housing in Golden Valley in 2023 and 2028.

Demand is calculated by starting with the estimated Golden Valley senior (age 65+) population in 2023 and multiplying by the incidence rate of Alzheimer’s/dementia among this population’s age cohorts. According to the Alzheimer’s Association (Alzheimer’s Disease Facts and Figures, 2007), 2% of seniors ages 65 to 74, 19% of seniors ages 75 to 84, and 42% of seniors ages 85+ are inflicted with Alzheimer’s Disease. This yields a potential market of 960 seniors in Golden Valley in 2023.

Because of the staff-intensive nature of dementia care, typical monthly fees for this type of housing are at least \$4,000 and range upwards of \$5,000 to \$6,000 when including service packages. Based on our review of senior household incomes in Golden Valley, homeownership rates and home sale data, we estimate that 46% of seniors in Golden Valley would have incomes and/or assets to sufficiently cover the costs of memory care housing. This figure takes into account married couple households where one spouse may have memory care needs and allows for a sufficient income for the other spouse to live independently. Multiplying the number of seniors with Alzheimer’s/dementia (960 seniors) by the income-qualified percentage results in a total of 442 age/income-qualified seniors in the Golden Valley in 2023.

According to data from the National Institute of Aging, about 25% of all individuals with memory care impairments comprise the market for memory care housing units. This figure considers that seniors in the early stages of dementia will be able to live independently with the care of a spouse or other family member, while those in the later stages of dementia will require intensive medical care that would only be available in skilled care facilities. Applying this figure to the estimated population with memory impairments yields a potential market of 110 seniors in Golden Valley.

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We estimate that 25% of the overall demand for memory care housing would come from outside of Golden Valley. Together, demand totals 147 memory care units in 2023.

We reduce the demand potential by accounting for the existing memory care product in Golden Valley. There are a total of 98 units; however, we reduce the competitive units to include memory care units at a 7% vacancy rate. Subtracting these competitive units results in a demand for 56 units.

The same calculations are applied to the age/income-qualified base in 2028. Following the same methodology, potential demand for market rate memory care units is expected to increase to 105 units in Golden Valley through 2028.

TABLE HD-7 MARKET RATE MEMORY CARE DEMAND GOLDEN VALLEY 2023 and 2028		
	2023	2028
65 to 74 Population (times) Dementia Incidence Rate ¹ (equals) Estimated Age 65 to 74 Pop. with Dementia	3,107 x <u>2%</u> = 62	3,604 x <u>2%</u> = 72
75 to 84 Population (times) Dementia Incidence Rate ¹ (equals) Estimated Age 75 to 84 Pop. with Dementia	2,025 x <u>19%</u> = 385	2,582 x <u>19%</u> = 491
85+ Population (times) Dementia Incidence Rate ¹ (equals) Estimated Age 85+ Pop. with Dementia	1,222 x <u>42%</u> = 513	1,337 x <u>42%</u> = 562
(equals) Total Senior Population with Dementia	= 960	= 1,124
(times) Percent Income/Asset-Qualified ² (equals) Total Income-Qualified Market Base	x <u>46%</u> = 442	x <u>52%</u> = 587
(times) Percent Needing Specialized Memory Care Assistance (equals) Total Need for Dementia Care	x <u>25%</u> = 110	x <u>25%</u> = 147
(plus) Demand from Outside the Golden Valley (25%) Total Demand for Memory Care Units	+ <u>37</u> = 147	+ <u>49</u> = 196
(minus) Existing and Pending Memory Care Units ³	- 91	- 91
(equals) Excess Demand Potential	= 56	= 105

¹ Alzheimer's Association: Alzheimer's Disease Facts & Figures (2007)

² Includes seniors with income at \$60,000 or above (\$65,000 in 2028) plus 40% of homeowners with incomes below this threshold (who will spend down assets, including home-equity, in order to live in memory care housing).

³ Existing memory care units at 7% vacancy rate.

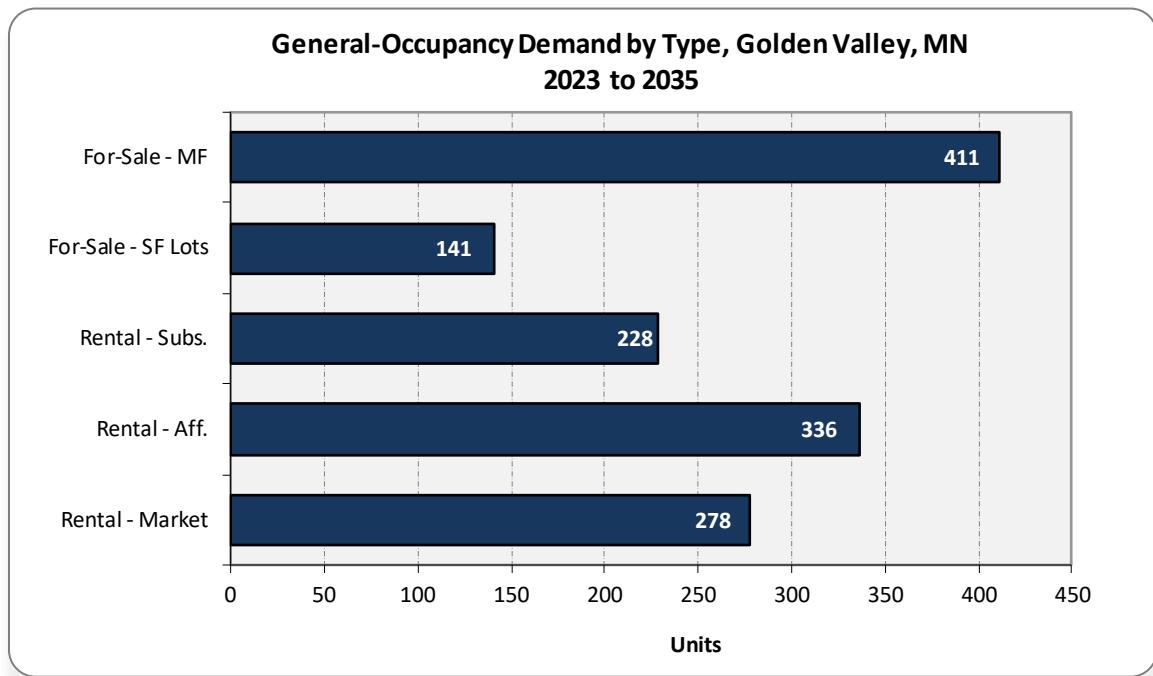
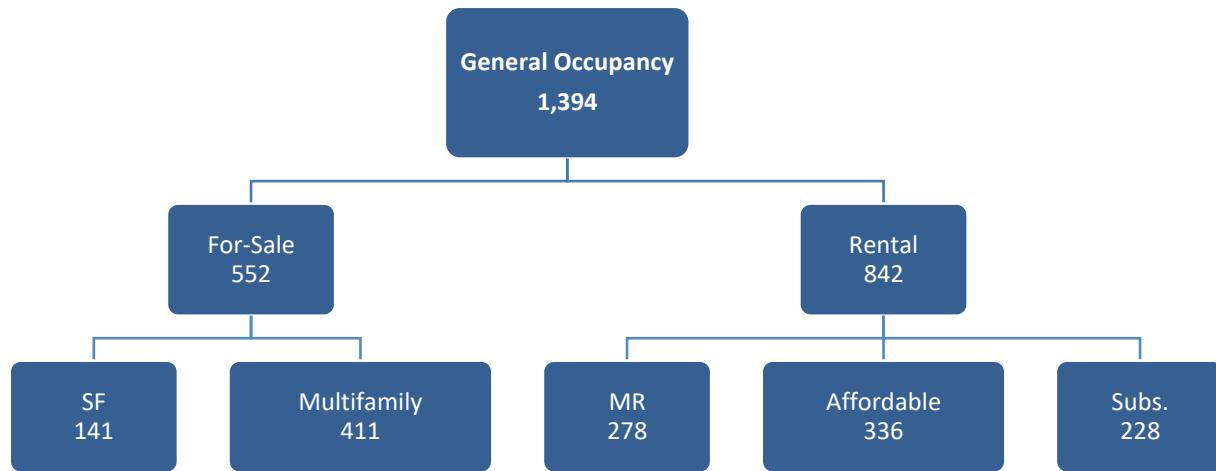
Source: Maxfield Research and Consulting LLC

Introduction/Overall Housing Recommendations

This section summarizes demand calculated for specific housing products in Golden Valley 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 and land availability; household growth could be higher if additional acreage were available for housing development/redevelopment. The following table and charts illustrate calculated demand by product type.

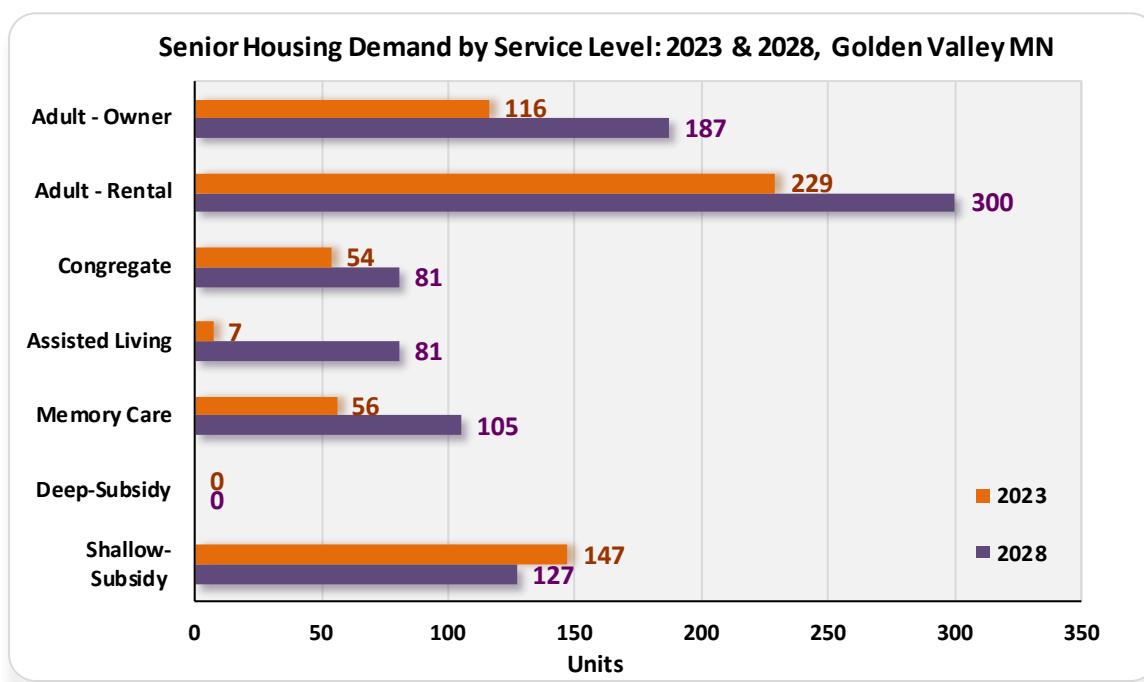
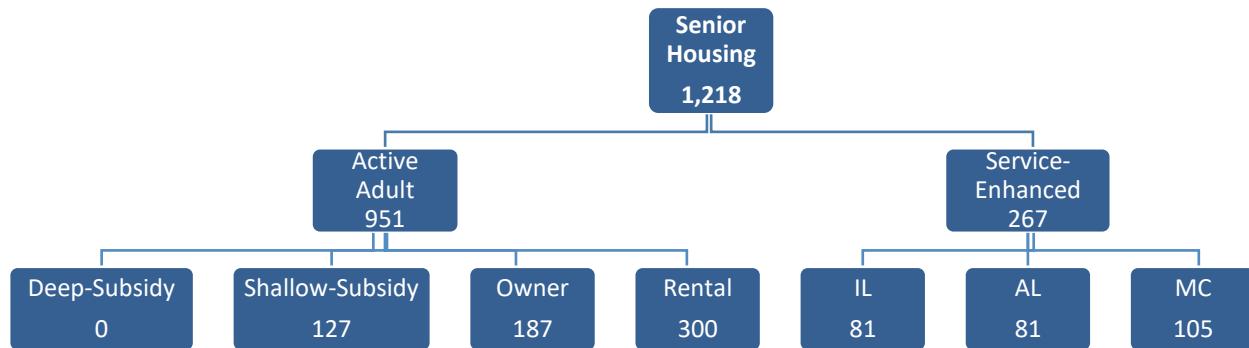
TABLE CR-1 SUMMARY OF HOUSING DEMAND GOLDEN VALLEY MN May 2023		
Type of Use	2023-2035	
General-Occupancy		
General Occupancy Rental	842	
Market Rate	278	
Shallow-Subsidy*	336	
Deep-Subsidy**	228	
General Occupancy For-Sale	552	
Detached Single-family	141	
Multifamily (i.e. twonhomes, twin homes, condominiums , etc.)	411	
Total General Occupancy Units Supportable	1,394	
	2023	2028
Age-Restricted (Senior)		
Market Rate Active Adult	690	900
Adult Few Services (Active Adult)	345	413
Ownership	116	187
Rental	229	300
Affordable Active Adult	147	127
Shallow-Subsidy*	147	127
Deep-Subsidy**	0	0
Service Based	117	267
Independent Living	54	81
Assisted Living	7	81
Memory Care	56	105
Total Senior Housing Units Supportable	954	1,294
* Shallow-subsidy = Affordable to households at 30% to 80%		
** Deep-subsidy = Affordable to households at 50% or less paying 30% of AGI.		
Source: Maxfield Research & Consulting, LLC		

Golden Valley Projected General Occupancy Demand, 2023 – 2035



CHALLENGES AND OPPORTUNITIES

Golden Valley Projected Senior Demand, 2023 – 2028



Based on the finding of our analysis and demand calculations, Table CR-2 on the following page provides a summary of the recommended development concepts by product type for the City of Golden Valley. It is important to note that these proposed concepts are intended to function as a development guide to meet the housing needs of existing and future households most effectively in Golden Valley. The recommended development types do not directly coincide with total demand as illustrated in Table CR-1, mainly due to the lack of developable land in Golden Valley.

CHALLENGES AND OPPORTUNITIES

TABLE CR-2 RECOMMENDED HOUSING DEVELOPMENT Golden Valley 2023 to 2035						
	Purchase Price/ Monthly Rent Range¹	No. of Units	Development Timing			
Owner-Occupied Homes						
<i>Single Family²</i>						
Move-up	\$450,000 - \$699,999	40 - 50	Ongoing			
Executive	\$700,000+	60 - 70	Ongoing			
Total		100 - 120				
<i>Townhomes/Twinhomes/Villas²</i>						
Attached Townhomes	\$400,000 - \$600,000	190 - 210	Ongoing			
Twinhomes / Detached Townhomes/Villas	\$600,000+	40 - 50	Ongoing			
Total		230 - 260				
<i>Condominiums</i>						
Entry-level	<\$350,000	30 - 35	2025+			
Move-up	\$350,000 - \$500,000	50 - 60	2025+			
Executive	\$500,000+	50 - 55	2025+			
Total		130 - 150				
Total Owner-Occupied						
460 - 530						
General Occupancy Rental Housing						
<i>Market Rate Rental Housing</i>						
Apartment-style (moderate)	\$975/Eff - \$2,200/3BR	100 - 120	2026+			
Apartment-style (luxury)	\$1,100/Eff - \$3,200/3BR	100 - 120	2026+			
Rental Townhomes	\$2,000/2BR - \$3,000/3BR	50 - 60	2024+			
Total		250 - 300				
<i>Affordable Rental Housing</i>						
Apartment-style	Moderate Income ³	260 - 300	2024+			
Townhomes	Moderate Income ³	40 - 50	2024+			
Subsidized	30% of Income ⁴	100 - 150	2024+			
Total		400 - 500				
Total Renter-Occupied						
650 - 800						
Senior Housing (i.e. Age Restricted) 2023 to 2028						
Active Adult Ownership / Co-op	\$200,000+	125 +	2024+			
Active Adult Market Rate Rental ⁵	\$1,800/1BR - \$2,500/2BR	150 - 180	2024+			
Active Adult Affordable Rental ⁵	Moderate Income ³	100 - 120	2024+			
Independent Living	\$2,400+ per month	60 - 80	2026+			
Assisted Living	\$3,000/EFF - \$5,000/2BR	60 - 80	2026+			
Memory Care	\$5,000/EFF - \$6,000/2BR	40 - 50	2026+			
Total		535 - 510				
Total - All Units						
1,645 - 1,840						
¹ Pricing in 2023 dollars. Pricing can be adjusted to account for inflation.						
² Replacement need, infill, and redevelopment. Development of single-family homes and townhomes/twinhomes will hinge on land availability. Due to Golden Valley's location, there is pent-up demand that exceeds replacement need.						
³ Affordability subject to income guidelines per Minnesota Housing Finance Agency (MHFA). See Table HA-1 for Hennepin County Income limits.						
⁴ Subsidized housing will be difficult to develop financially						
⁵ Alternative development concept is to combine active adult affordable and market rate active adult into mixed-income senior community						
Note - Recommended development does not coincide with total demand. Golden Valley may not be able to accommodate all recommended housing types based on land availability and development constraints.						
Source: Maxfield Research and Consulting, LLC.						

Recommended Housing Product Types

For-Sale Housing

Single-Family Housing

Table HD-1 identified demand for about 140 single-family units in the Golden Valley through 2035. However, given the lack of vacant land all single-family housing will be through teardowns, lot splits, or other repurposing of land uses to accommodate new construction. Because of the lack of land, most new for-sale housing has been reallocated to multifamily concepts that have a greater propensity to develop.

Due to the age and price of the existing housing stock in Golden Valley, most of the existing older housing stock appeals to entry-level buyers. Entry-level homes, which we generally classify as homes priced under \$350,000 will be mainly satisfied by existing single-family homes as residents of existing homes move into newer housing products built in the Golden Valley, such as move-up single-family 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. Usually the move is desired because of a lifestyle change, such as a new job or a growing family. Based on our interviews with real estate professionals, move-up homes are generally priced from \$450,000 to \$650,000; however it will be difficult to construct new homes for much less than \$500,000 given today's development costs. Executive-level homes are loosely defined as those homes priced above \$700,000. Most of these homes would be teardowns with most of these homes exceeding \$1M today.

The new construction market has been rather quiet in Golden Valley over the past few years as about seven to seven homes have been constructed annually. During the middle and late last decade some years hit around 20 new homes per year. Since 2010, 14 homes annually have been constructed in Golden Valley. Demand in Table HD-1 is slightly lower than historical construction trends, therefore construction is generally estimated at around 12 new homes per year.

Much of the new single-family construction in Golden Valley and the surrounding townships has targeted move-up and executive buyers (pricing \$800,000+); in part because of the high land acquisition costs (i.e. tear downs) and increasing construction, material, and labor costs. However, through our research and interviews we find demand for a variety of price points of new single-family homes.

Although there would be substantial demand for a new single-family housing product priced under \$400,000, financially it will be extremely difficult to develop even with public assistance due to acquisitions costs, infrastructure costs, and rising labor and material costs.

In the short-term, new construction could be on curtailed given the ever increasing pricing of construction since the pandemic and todays rising mortgage interest rates. Therefore, new construction could be constrained in until pricing levels out and inflation is under control.

For-Sale Multifamily Housing

A growing number of households desire alternative housing types such as townhouses, twinhomes, detached villas, and condominiums. Typically, the target market for for-sale multi-family 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 condominiums and townhomes if they prefer not to have the maintenance responsibilities of a single-family home. In some housing markets, younger households also find purchasing multifamily units to be generally more affordable than purchasing new single-family homes.

Our analysis of the Golden Valley for-sale housing stock found 20 condominium developments in Golden Valley boasting nearly 1,160 units. The majority of these units are older and target first-time home buyers. At the same time, demand is strong for all maintenance-free products such as twin homes, townhomes, villas, etc. Given the aging of the population and the growth rate in the 65+ population, Golden Valley would benefit from a more diversified housing stock. Based on the changing demographics and the need for alternative housing types, demand was calculated for 411 new multifamily for-sale units in Golden Valley through 2035. Like single-family, it will be difficult to achieve this level of development given land acquisition costs and the lack of new condominium construction in the marketplace.

These attached units could be developed as twinhomes, detached townhomes or villas, cottages, townhomes/row homes, condominiums, or any combination. Because the main target market for many maintenance-free products is empty-nesters and young seniors, the majority of townhomes should be one-level, or at least have a master suite on the main level if a unit is two-stories. The following provides greater detail into several for-sale concepts.

- ***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).

Traditionally most twinhome developments have been designed with the garage being the prominent feature of the home; however, today's newer twinhomes have much more architectural detail. Many higher end twin home developments feature designs where one garage faces the street and the other to the side yard. This design helps reduce the prominence of the garage domination with two separate entrances. Housing products designed to meet the needs of these aging Golden Valley residents, many of whom desire to stay in

their current community if housing is available to meet their needs, will be needed into the near future.

Twinhomes are also a preferred for-sale product by 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 stand-alone single-family housing. We recommend a broad range of pricing for twinhomes; however pricing should start at around \$600,000.

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. Given lot acreage needed, this product will be challenging to develop in Golden Valley.

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

Pricing for a detached townhome/villa will vary based on a slab-on-grade home versus a home with a basement. Base pricing should start at \$550,000 and will fluctuate based on custom finishes, upgrades, etc.

- *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.

New attached housing products have taken off since the pandemic as builders try to alleviate high prices through increased density. Side-by-side concepts targeting entry-level buyers should have base prices around \$375,000 and range to about \$600,000.

- *Condominiums* – Condominium development remains slow across the Metro Area since the housing downturn coming out of the Great Recession. Most new condominium development today is high-end luxury product in select submarkets: Wayzata, North Oaks, Edina, Minnetonka, Downtown Minneapolis, etc. The most recent project in Golden Valley was the *Wooddale Flats* project on Wooddale Avenue completed roughly seven years ago. The lack of new condominium development is due to a variety of factors: overbuilding in the mid-2000s, strict state statutes on condominium construction and warranty laws, and strong rental housing demand and easier financing for apartments than condominiums. Together with lender pre-sale requirements, regulations, developers are mainly focusing on boutique projects and stricter construction methods to avoid Minnesota State Statute laws. As a result, construction costs are extremely high, and the retail price of the condominium then is priced at the top of the market. Although the State of Minnesota revised some of the state laws, Minnesota still has some of the strictest condominium regulations in the country.

However, similar to all the new apartment construction in Golden Valley, condominium buyers would find Golden Valley an excellent location for new condo construction targeting a wide range of buyers; including first-time home buyers, move-up, executive, and downsizing seniors.

Demand is strong for multifamily for-sale in Golden Valley as nearly 1,000 units exists through 2035. However although demand is strong it will be challenging to build this level of new construction given land challenges and preference for developers to pursue rental housing options. We recommend roughly 35 entry-level condominiums (sub \$350,000), about 60 move-up units (\$350,000 to \$500,000), and about 55 executive condominiums (\$500,000 or more). Condominium development could be spread across a variety of building types; from low-rise to high-rise construction. However, in order to achieve upward to 150 new units over the next decade, construction would have to be in mid-rise to hi-rise style structures.

General Occupancy Multifamily Rental Housing

Table R-2 identified an overall vacancy rate of only 2.7% among all stabilized rental units. This vacancy rate is up slightly but still below market equilibrium for rental housing (5% vacancy) indicating continued pent-up demand for rental housing. Maxfield Research found demand for nearly 850 units of rental housing through 2035 (278 market rate, 336 affordable, and 228 subsidized units).

- **Market Rate Rental** – Golden Valley continues to be one of the hottest new construction markets for new rental housing over the past decade. Despite all the new supply being delivered, vacancy rates at stabilized properties surveyed was 3.0% and remain below stabilization. However, due to the new supply vacancy rates have been slowly trending upward over the past few years, yet still low by historical standards. At the time of this study, there was one project (Xenia Apartments – 220 units) still under construction and numerous projects in the development pipeline and another 510 have been approved. This equates to over 700 units that may deliver in the next few years.

Given the elevated construction in the short-term, vacancy rates are expected to increase as new supply is delivered. Many projects may need to offer concessions to new tenants to accelerate the initial lease-up period as these projects are finished. At the same time high construction costs and high financing costs are putting projects on-hold as many projects do not pencil today as interest rates have doubled this past year. The slowdown of new projects being permitted will help keep the market at equilibrium versus flooding the market with newer product simultaneously. High mortgage rates are also benefiting the rental industry as would-be home buyers are on the sidelines as they wait for interest rate drops and more housing supply.

Demand remains strong throughout the decade, but a small pause is welcome news so new product can adequately absorb. Therefore, we recommend new market rate product hold in the near-term and deliver new units after 2026. Golden Valley will continue to be a sought after submarket for rental housing due to its location within the Metro Area and its amenities. Although Golden Valley would have demand for a variety of rental product types, because of land constraints development will target mid-rise and high-rise development styles with densities over 50 units per acre.

- **Market Rate General Occupancy Rental Townhomes** – In addition to the traditional multifamily structures, we find that demand exists for larger townhome units for families – including those who are new to Golden Valley and want to rent until they find a home for purchase. A portion of the overall market rate demand could be a townhome style development versus traditional multifamily design. We recommend a project with rents of approximately \$2,000 for two-bedroom units to \$3,000 for three-bedroom units. Units should feature contemporary amenities (i.e. in-unit washer/dryer, high ceilings, etc.) and an attached

two car garage. Because of high land acquisition costs, these would likely be denser rowhome style apartments and more vertically integrated.

- Affordable and Subsidized Rental Housing— Subsidized housing receives financial assistance (i.e. operating subsidies, tax credits, rent payments, etc.) from governmental agencies in order to make the rent affordable to low-to-moderate income households. Although we find demand for about 230 subsidized units over this decade, this product is difficult to pencil out given the lack of funding available. As such, all of the income-restricted housing will fall under the “affordable” product through the tax credit program or via incentives provided by the city to keep rents lower than market rate. We found strong demand for affordable rental housing (336 units); hence development could result from an apartment-style building and/or townhome style affordable units.

Senior Housing

As illustrated in Table CR-1, demand exists for all types of senior housing product types in Golden Valley through 2028. Over the course of the next five years, there is demand for roughly 1,220 new senior units through 2028. The unmet of additional senior housing is recommended to provide housing opportunity to these aging residents in their stages of later life. The development of additional senior housing serves a two-fold purpose in meeting the housing needs in Golden Valley: older adult and senior residents can relocate to new age-restricted housing in Golden Valley, and existing homes and rental units that were occupied by seniors become available to other new households. Hence, development of additional senior housing does not mean the housing needs of younger households are neglected; it simply means that a greater percentage of housing need is satisfied by housing unit turnover. The types of housing products needed to accommodate the aging population base are discussed individually in the following section.

- Active Adult Senior Cooperative – There is one senior age-restricted for-sale development in Golden Valley at this time – *Calvary Cooperative* has 119 units. Maxfield Research and Consulting, LLC projected potential demand for another 187 active adult ownership units through 2030.

Maxfield Research & Consulting, LLC recommends 125 or more for-sale/ cooperative age-restricted units in multiple developments. Development should focus on a mix of two- and three-bedroom units with for-sale/share costs starting around \$200,000 (**unit value started at about \$225,000**). The cooperative model, in particular, appeals to a larger base of potential residents in that it has characteristics of both rental and ownership housing. Cooperative developments allow prospective residents an ownership option and homestead tax benefits without a substantial upfront investment as would be true in a condominium development or life care option. Maxfield Research & Consulting, LLC has found the cooperative model to be very well-accepted in rural communities across the Midwest.

CHALLENGES AND OPPORTUNITIES

- Active Adult Rental – There are no active adult market rate rental communities in Golden Valley. We have projected demand for 300 market rate active adult rental units in Golden Valley by 2028. Many of the seniors who would consider an active adult product are presently residing in their existing single-family home or general-occupancy rental housing. Development of this product could be in separate stand-alone facilities or in a mixed-income project. A mixed-income building could include a portion of units that would be affordable to seniors with incomes established by the Minnesota Housing Finance Agency.

Although we find strong demand for this product type; since this product is not need-driven and development costs are expected to be high in the short-term; this product may be best if developed after inflationary pressures subsidize and financing costs are lower. We recommend a product with base rents from \$1,800 to \$2,500.

Because of the hot real estate market since the pandemic, seniors who decide to sell their home today will receive top dollar and can capitalize on the strong housing market and reallocate funds to maintenance-free housing products.

- Affordable and Subsidized Rental – Golden Valley demand for affordable senior housing is about 170 units through 2028; while there is no demand for subsidized housing units. Affordable senior housing products can also be incorporated into a mixed income building which may increase the projects financial feasibility. Affordable senior housing will likely be a low-income tax credit project through the Minnesota Housing Finance Agency or through the City's inclusionary zoning ordinance. Financing subsidized senior housing is difficult as federal funds have been shrinking. A new subsidized development would likely rely on a number of funding sources; from low-income tax credits (LIHTC), tax-exempt bonds, Section 202 program, USDA 515 program, among others to get financed today.
- Independent Living – There are two existing independent living projects in Golden Valley containing nearly 90 units. Both of these projects were built in 2020. In addition, there is also one CCRC (Continuum of Care Retirement Community) with 249 independent living units. Maxfield Research found demand for 81 units through this decade, however demand is strongest near the latter half of the decade as the senior population in Golden Valley age and may need more services. In the short-term the vacancy rate is 5.7% for this product and appears to be at a stabilized number. As such, we recommend holding on independent living until the existing stock no longer is adequate as seniors age into the decade.
- Assisted Living and Memory Care Senior Housing – Based on our analysis, we project demand to support an additional 81 assisted living units and 105 memory care units in Golden Valley through 2028. There are five assisted living facilities with 251 units, 88 units were added in 2020 within two developments. Similar to independent living, although there is strong demand through 2028, with the recent addition of assisted living units, demand will be stronger later in the decade as the population ages. The COVID pandemic severely impacted service-based senior housing and occupancies are still recovering from the downturn from 2020. This is evident as vacancies were identified at all properties in Golden Valley

CHALLENGES AND OPPORTUNITIES

and an overall vacancy rate of 5.6%. As such, we recommend holding on new assisted living serviced-based senior housing for a few more years until occupancies reach pre-pandemic numbers and the aging population creates additional need. Senior housing occupancies across the Twin Cities are still elevated and likely need at least another one to-two years to reach stabilization.

We recommend assisted living units include a mix of studio, and one-bedroom, and a few two-bedroom units with base monthly rents ranging from \$3,000 to \$5,000. Memory care unit mix should be studios, one-bedroom units, and small two-bedroom units with base monthly rents ranging from \$5,000 to \$6,000. Memory care units should be located in a secured, self-contained wing located on the first floor of a building and should feature its own dining and common area amenities including a secured outdoor patio and wandering area.

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

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

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

Given the service-intensive nature of memory care housing and staffing ratios, typically most memory care facilities are attached to either an assisted living development or are a component of a skilled nursing facility. However, stand-alone memory care facilities are gaining marketing traction and could be considered later this decade.

Challenges and Opportunities

The following were identified as the greatest challenges and opportunities for developing the recommended housing types (in no particular order – sorted alphabetically).

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

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

Demand for ADUs has increased since the COVID-19 pandemic as homeowners sought to move family members together in a multi-generational environment. Also, many homeowners will design the ADU as a multifunctional space as a home office and living space away from the main home. Finally, ADUs offer another solution for meeting rental housing demand and/or short-term housing needs.

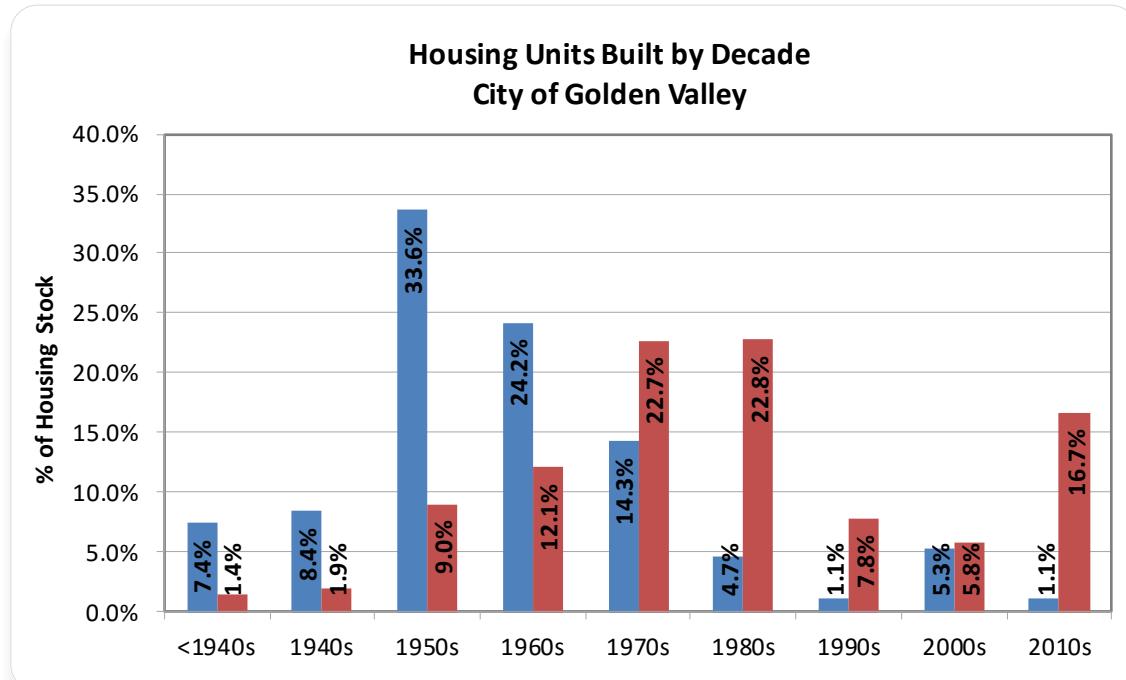
It is our understanding that the City of Golden Valley has recently approved new code zoning code to allow ADUs can be a permitted use and built within the city.

- **Affordable Housing/Naturally Occurring Affordable Housing.** Table HA-1 identified Hennepin County/Twin Cities Median Incomes (“AMI”) and the fair market rents by bedroom type (i.e. \$1,078/one-bedroom unit). The average market rate rent averages for one-bedroom units is about \$1,550/month and the overall average rent per square foot is around \$2.06. The influx of new market rate rentals has driven up the average cost of a one-bedroom unit in Golden Valley that is higher than fair market rents. At 60% AMI the maximum gross rent for a one-bedroom is \$1,408. According to our inventory the number of the market rate rental stock, approximately 29% of the rental units in Golden Valley are affordable at 50% or 60% of AMI. Another 48% of the market rate rental stock is affordable at 80% AMI, or workforce housing. However, these numbers have shifted since the 2016 housing study where a higher percentage of units were affordable at 50% and they have now shifted to

affordable at 60% AMI. Similarly, the number of units affordable at 50/60% AMI has declined significantly and has shifted to 80% AMI. Rent inflation from the after effects of the pandemic and rising operational expenses from 40-year high inflation has driven up rents faster than inflation in the past few years.

Because of the higher proportion of new rental product and higher rent structures at the new market rental buildings in Golden Valley, the minimum incomes needed to afford a luxury rental are significantly higher than older existing rentals in Golden Valley. New rental housing development targets “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 or amenities and the option to live adjacent to transit and lose car ownership expenses.

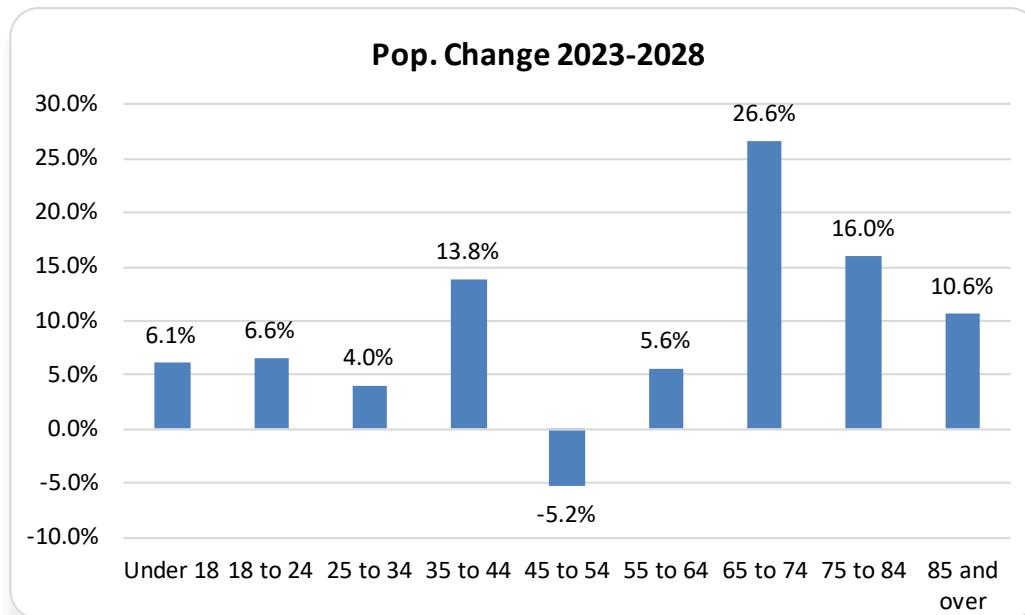
- **Age of Existing Housing Stock.** As illustrated in the *Housing Characteristics* Section of the report (Table HC-3), the median year built for a home in Golden Valley is 1965 and about 60% of the total housing stock was built prior to 1970 while 74% of the single-family housing stock was constructed prior to 1970. Although the rental housing stock has shifted in age with the rental housing boom that has added 1,477 units built during the 2010s, the majority of rental housing stock is over 40 years old and lacks contemporary amenities today’s renters seek. Because of the older housing stock, we recommend continued promotion of remodeling and move-up housing programs that encourage reinvestment into the city’s owner and renter housing stock.



CHALLENGES AND OPPORTUNITIES

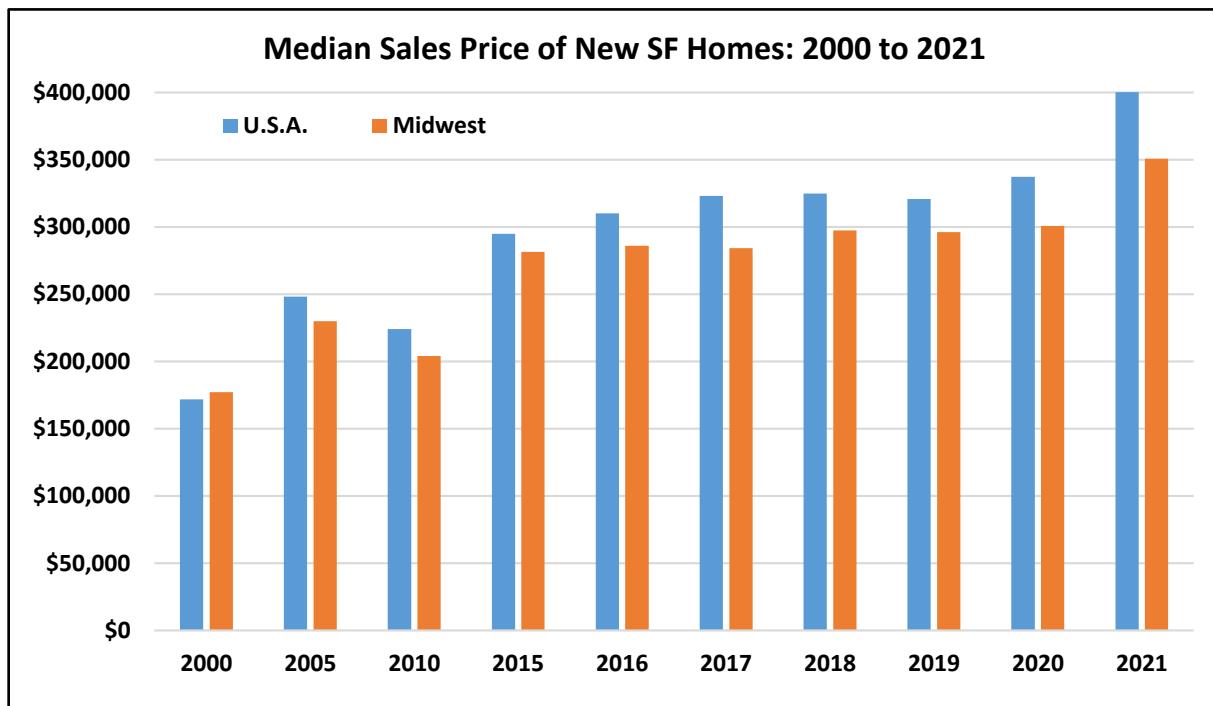
Given Golden Valley's location and age of housing stock, demand for larger single-family homes via teardowns or additions will continue to grow. Today's home buyers, especially those buyers with children, are demanding larger home sizes and modern amenities that are not offered withing some the city's older housing stock. Teardowns are driven by a desire to live in a well-established neighborhood near other more valuable homes. Teardown buyers are purchasing "buildable lots" when the value of the lot is equal to or higher than the value of the home. As a result, the cost for a teardown is substantial as high land acquisition costs drive up the overall retail purchase price of the home.

- **Aging Population.** As illustrated in Table D-2, there is growth in the City of Golden Valley senior population, especially among ages 75 to 84 (28% growth through 2028). In addition, Table D-7 shows the City of Golden Valley homeownership rates among seniors 65+ is approximately 75% and 70% for homeowners over age 75. Golden Valley ownership rates are higher than both Hennepin County and the Twin Cities Metro Area. High homeownership rates among seniors indicate there could be lack of senior housing options, or simply that many seniors prefer to live in their home and age in place. Because of the rising population of older adults, demand for alternative maintenance-free housing products should be rising. In addition, demand for home health care services and home remodeling programs to assist seniors with retrofitting their existing homes should also increase.



- **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 last decade between 2005 and 2007 before falling during the recession. Pricing in nearly every market across the United States decreased between 2008 and 2011 before starting to rebound in 2012 and beyond. However, since the Great Recession it has become increasingly

difficult for builders to construct entry-level new homes due to a number of constraints – rising land costs, rising material and labor costs, lack of construction labor, and increasing regulation and entitlement fees. As a result, affordable new construction homes have become rare as builders are unable to pencil-out modestly priced new construction. New construction in Golden Valley is difficult to achieve under \$500,000 and most new infill product is even surpassing \$1 million. At the same time, new construction pricing is at an all-time high coming out of the pandemic due to strong demand and supply and labor constraints for builders that are driving up housing costs. However, with continued interest rate hikes from the Federal Reserve in 2022, construction costs are slowly starting to normalize as labor is loosening. Given the complexities of new construction in a built-out community like Golden Valley; new construction will cater to the move-up and executive buyer.



- **COVID-19 Impacts.** The COVID-19 pandemic has had both direct and indirect effects on the housing industry. The senior housing industry was directly impacted as the virus affected older adults at a much higher rate. Senior properties hit record high vacancy rates and many seniors continue to age in place as long as possible as they have avoided living in a shared space. This is evident in Golden Valley where elevated vacancies persist for service-based senior housing.

Economically, the unemployment rate in Hennepin County (Golden Valley data is not available) was considerably low compared to the rest of the country during the pandemic. In early 2020, the unemployment rates were under 3% before peaking at 12.2% during the year. Average unemployment quickly decreased from 6.6% in 2020 to 3.8% in 2021 and is at a low of 2.5% at the end of 2022.

Despite the pandemic over the past three years, the local real estate market has performed above expectations and strong demand remains for housing. Golden Valley was a major destination for relocating households from the central cities/neighborhoods in the Twin Cities. Supply remains at an all-time low, however that is slowly leveling-out now with elevated mortgage rates. The pandemic has changed buyer preferences; both internally and externally. Buyers have a greater desire for outdoor features, green space, more square footage, flexible spaces for home offices, and healthy living conditions. Buyers are also trading location for more home by locating further from their place of employment.

On the rental side, social distancing initially had an impact on common corridor apartment buildings as all communal areas were shut down and tenants could not utilize amenities. Since the pandemic, the demand for smaller unit sizes has waned as renters desire larger spaces as they work from home, utilize for fitness, etc. With telecommuting and work from home being the norm tenants are seeking a separation of work and live spaces as well as access to balconies and patios to provide fresh air and extra space. There has been strong demand for townhome-style rentals or a building that has been designed with a separate entrance to eliminate the possible of interacting with others and catching the virus. These trends and preferences will likely continue as the pandemic has waned.

- **Housing Programs.** Compared to other municipalities in the Twin Cities Metro Area, the City of Golden Valley has few housing programs that promote or preserve the existing housing stock in the community. Many communities offer a toolkit of options that provide a vehicle to promote lifecycle housing programs. However, many of these tool kits are financially supported through an HRA levy that collects funds based on the market values of property in the community. Money generated from the HRA levy can be allocated to a number of housing issues as long as they fall within the boundaries established by state law. Typically levy funds are used to supplement existing housing programs, establish new programs/projects, or allocated to administrative needs. Other communities fund housing programs through CDBG funds, the general fund, or through department budgets (i.e. community development, economic development, etc.)

The City of Golden Valley has few housing programs and resources; the annual *West Metro Home Remodeling Fair* is the most promoted program the City offers. We recommend expanding the tool box and considering other programs that will aid and improve the housing stock. The following is a sampling of potential programs that could be explored that are offered by other Twin Cities communities.

- Architectural Design Services - The local government authority (City, HRA, etc.) partners with local architects to provide design consultation with homeowners. Homeowner pays a small fee for service, while the City absorbs the majority of the cost. No income restriction. Popular concept in communities with an older housing stock

- 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.
- Corridor Housing Program - Program where city provides a funding source to acquire sites for multifamily housing development on or near community, commercial, or transit corridors. Funds can also be utilized to assemble larger redevelopment sites for new mixed-income and ownership multifamily housing. At least 20% of the units need to be affordable.
- 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. The City of Golden Valley 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.
- Home Energy Loans – Offer low interest home energy loans to make energy improvements in their homes.
- Home Improvement Area (HIA) - HIAs allow a townhome or condo association low interest loans to finance improvements to common areas. Unit owners repay the loan through fees imposed on the property, usually through property taxes. Typically, a "last resort" financing tool when associations are unable to obtain traditional financing due to the loss of equity from the real estate market or deferred maintenance on older properties.
- Household and Outside Maintenance for the Elderly (H.O.M.E.) Program – Persons 60 and over receive homemaker and maintenance services. Typical services include house cleaning, grocery shopping, yard work/lawn care, and other miscellaneous maintenance requests. This program is currently administered by Senior Community Services in Minnetonka.
- Inclusionary Housing – Inclusionary housing policies and programs rely on private sector housing developers to create affordable housing as they develop market rate projects. Inclusionary zoning encourages or mandates the inclusion of a set proportion of affordable housing units in each new market rate housing development above a certain size. These programs are popular in very urban locations including inner-ring suburbs, where the cost of land prohibits affordable housing production.
- 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 time-frame (one year in most cases).
- Live Where You Work - Program designed to promote homeownership in the same community where employees work. City provides a grant to eligible employees to purchase a home near their workplace. Employers can also contribute or match the city's

contribution. Participants must obtain a first mortgage through participating lenders. The grant can be allocated towards down payment assistance, closing costs, and gap financing. Some restrictions apply (i.e. length of employment, income, home buyer education, etc.)

- Realtor Forum - Typically administered by City with partnership by local school board. Inform local Realtors about school district news, current development projects, and other marketing factors related to real estate in the community. In addition, Realtors usually receive CE credits.
- Remodeling Tours - City-driven home remodeling tour intended to promote the enhancement of the housing stock through home renovations/additions. Homeowners open their homes to the public to showcase home improvements.
- Rent to Own - Income-eligible families rent for a specified length of time with the end-goal of buying a home. The HRA saves a portion of the monthly rent that will be allocated for a down payment on a future house.
- Rental 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.
- Shallow Rent Subsidy: The HRA funds a shallow rent subsidy program to provide program participants living in market rate rentals a rent subsidy (typically about \$100 to \$300 per month).
- Tax Increment Financing (TIF): Program that offers communities a flexible financing tool to assist housing projects and related infrastructure. TIF enables communities to dedicate the incremental tax revenues from new housing development to help make the housing more affordable or pay for related costs. TIF funds can be used to provide a direct subsidy to a particular housing project, or they can also be used to promote affordable housing by setting aside a portion of TIF proceeds into a dedicated fund from other developments receiving TIF.
- 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 8.6% in 2022, the biggest yearly increase since December 1981. Rampant price increased for nearly every good and service and specifically energy and food costs are having an impact on American consumers and will

eventually affect housing affordability. As a result, the Federal Reserve is implementing interest rate hikes and increasing borrowing costs to hopefully 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 both 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 Golden Valley residents. This could hinder housing production in the near term as new construction will be difficult to pencil.

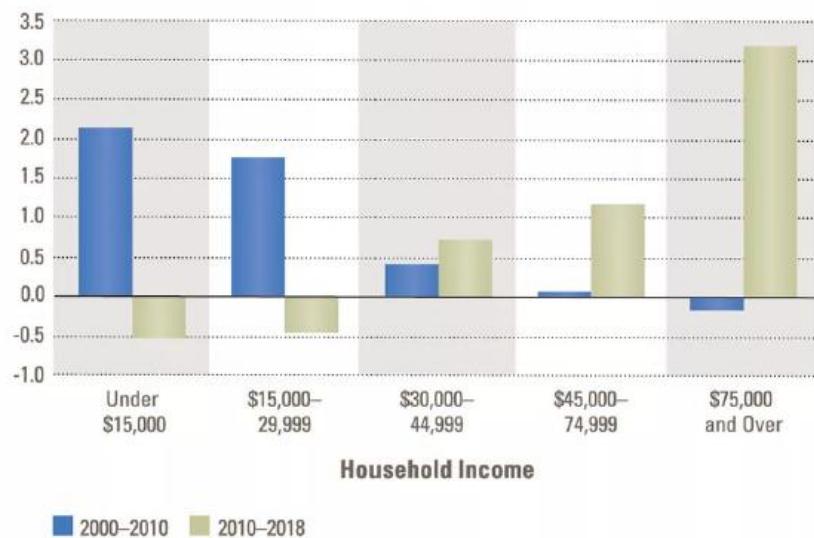
- **Job Growth/Employment.** The Covid-19 pandemic created a number of new challenges for businesses, workers, and government. As depicted earlier, the unemployment rate in Golden Valley has historically been under 4.0% before shortly rising to 5.7% during the peak shutdowns in spring 2020. These unprecedented challenges had an economic ripple effect across the country as thousands of Americans found themselves out of work with increases in unemployment. However, Golden Valley employers weathered the pandemic much better than most of the country as the unemployment rate has stayed low and the area brought back lost jobs from the initial shutdowns earlier in 2020.

The Hennepin County unemployment rate has declined to a low of 2.5% and the labor force has improved annually since 2020, but the labor force has not met pre-pandemic numbers as of yet. Although a low unemployment rate is generally considered positive news, an extremely low unemployment rate can be challenging for employers looking to add additional staff. Although additional job creation supports the need for housing, a lack of housing, and especially, affordable housing, can place pressure on attracting workers and new jobs.

- **Land Supply (Lack of).** As a first-ring suburban community, Golden Valley lacks developable land to accommodate all the demand and recommended concepts in Table CR-2. Development will be primarily via redevelopment or via infill sites. Due to Golden Valley's excellent location, housing demand could be significantly higher should Golden Valley have the available land to accommodate future growth. The vast majority of residential land transactions are for multifamily development targeting the rental sector.
- **Lifestyle Renters.** Historically, householders rented because they couldn't afford to buy or didn't have the credit to qualify for a mortgage. Today that is no longer the case, and many householders are renting by choice. High-income renters represent the fastest growing market segment of the rental market today; having grown 48% over the past decade. Demand is being driven by the Millennials, would-be buyers on the side-line, and empty nesters. As a result, rental housing is one of the preferred real estate asset classes today across country. Lifestyle renters are attracted to developments offering excellent finishing quality, extensive common area facilities, and typically focus on an environment providing a more social experience. Most of the new market rate rental construction in Golden Valley targets the lifestyle renter.

High-Income Households Have Driven Most of the Growth in Renters Since 2010

Net Change in Renter Households (Millions)



Note: Incomes are adjusted for inflation using the CPI-U for All Items.

Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

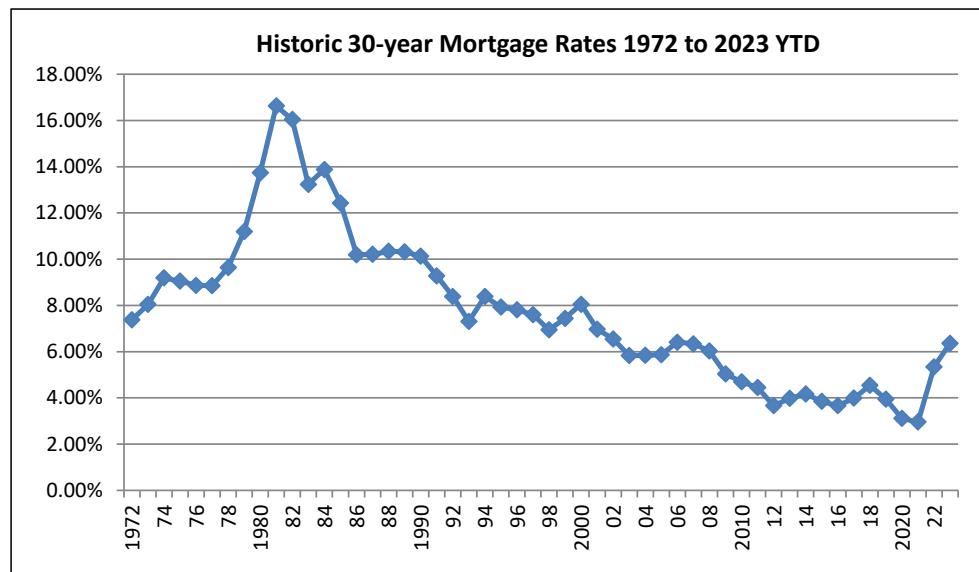
- **Modular Housing.** Modular housing, often referred to as prefab housing, is the construction of housing units in a controlled factory-like setting or on a manufacturers site or lumber yard. Modular housing is gaining steam from developers and investors to combat high construction costs, labor shortages, and speed-up the construction timeline. The biggest advantage 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; however, developers are now constructing entire apartment buildings, hotels, senior living, man camps, and college dorms. Historically the biggest challenge of modular housing is transportation, 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. Locally, there is a new manufacturer in Owatonna and future modular plants are in the works along the Interstate 94 corridor and potentially in North Minneapolis. Maxfield Research believes there is opportunity in the modular construction sector that can be utilized in Golden Valley, providing a win-win scenario by providing housing production and passing cost savings along to consumers.

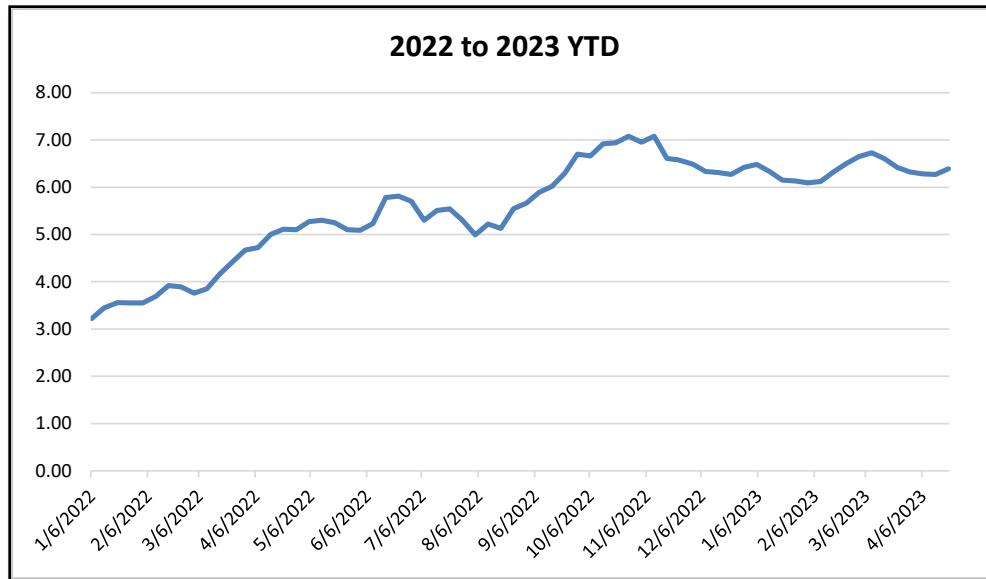
If not already, we recommend the City of Golden Valley revise zoning codes to allow for this type of housing if it is not permitted. However, design standards should be enforced in order to ensure incompatible housing does not deter neighborhoods.

CHALLENGES AND OPPORTUNITIES

- **Mortgage Rates.** Mortgage rates play a crucial part in housing affordability. Lower mortgage rates result in a lower monthly mortgage payment and buyers receiving more home for their dollar. Rising interest rates often require homebuyers to raise their down payment in order to maintain the same housing costs. Mortgage rates have 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 at or near 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 five rate hikes to date in 2022 and is expected to be aggressive throughout the end of year into 2023. As a result, the cost of for-sale housing has increased significantly this year and many would-be-buyers are on the sidelines and have been priced out of the market. Compared to early 2022, mortgage payments in the Fall of 2022 are on average about 60% higher than the beginning of 2022 (3.25% vs. 6.75%). As a result, affordability has been crushed and a housing market reset is in play.

The following charts illustrates historical mortgage rate averages as compiled by Freddie Mac. The Freddie Mac Market Survey (PMMS) has been tracking mortgage rates since 1972 and is the most relied upon benchmark for evaluating mortgage interest market conditions. The Freddie Mac survey is based on 30-year mortgages with a loan-to-value of 80%.





- **Short-Term Stay Housing.** The short-term stay housing market continues to gain ground; in-part from pandemic and from households desiring temporary housing accommodations. Establishments range from hotels, suites, apartments, townhomes, or single-family homes, etc. Many of these furnished units offer weekly and monthly rates that have flexible rental agreements. There has been a growing preference for non-traditional lodging choices as companies such as VRBO, Airbnb, Stay Alfred, Sonder, and others make a splash into the rental and hospitality sector. Many apartment owners are entertaining relationships with short-term stay companies as an avenue to lock-up long-term leases with a short-term operator. Maxfield Research recommends addressing local zoning codes to monitor future multifamily concepts that may include short-term and long-term stay leases.
- **Single-Family Rental Housing Demand.** Table HC-4 showed that about 12% of the rental housing inventory in Golden Valley in 2020 is within single-unit housing structures. Another 13% of units were located within an attached structure such a townhome or condo. Nationwide, it is estimate that 25 of the 43 million rental households in the United States (58%) reside in either single-family rentals, townhomes, duplexes, triplexes, and quads. Single-family units, townhomes, and condos make-up about 34% of all rental units in the country, 27% in Minnesota, and about 23% in the Twin Cities Metro Area. Compared to the Twin Cities and Minnesota averages, Golden Valley has significantly fewer single-family rentals.

A recent study by Freddie Mac identified the market share of single-family rentals (“SFR”) by ownership type across the country. The study found that 88% of SFR are owned by investors with between 1 and 10 homes. Institutional investors make-up only 1% of the market share today; even though they are they have the financial backing and are able to acquire larger portfolios.

CHALLENGES AND OPPORTUNITIES

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. Especially today with mortgage rates that have doubled in the past year there is even stronger demand for single-family rentals. Many SF renters may consider purchasing; however, the rising costs of real estate and the down payment requirements hinder some renters from making the leap to home ownership. The COVID-19 pandemic increased demand for SFR as renters desire more square footage, green space/yards, separate entrances, and more privacy than traditional multifamily structures.

Single-family rental communities have been one of the hottest real estate products to come out of the pandemic over the past few years. Although the Twin Cities is behind the rest of the country, there are several developments in the pipeline or that have recently been completed in the Twin Cities. Nearly all of these developments are located in suburban tertiary markets with available land, however in other markets in the U.S. these communities are developed in core cities and inner-ring suburbs. We recommend exploring purpose-built single-family rental communities in the City of Golden Valley and zoning codes that permit the project concept.

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 – 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 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 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.

Independent living with services available – 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 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. Independent living properties attract a slightly older target market than adult housing, typically seniors 75 and 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-way (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 62 years or older, 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.

Minneapolis-St Paul-Bloomington, MN-WI HUD FMR Area – 2022

Fair Market Rent				
EFF	1BR	2BR	3BR	4BR
Fair Market Rent	\$932	\$1,078	\$1,329	\$1,841
				\$2,145

Floor Area Ratio (FAR) Ratio of the floor area of a building to area of the lot on which the building is located.

Foreclosure – A legal process in which a lender or financial institute attempts to recover the balance of a loan from a borrower who has stopped making payments to the lender by using the sale of the house as collateral for the loan.

Gross Rent – The monthly housing cost to a tenant which equals the Contract Rent provided for in the lease, plus the estimated cost of all utilities paid by tenants. Maximum Gross Rents for Hennepin County in 2022 are as follows:

Gross Rent
Minneapolis-St Paul-Bloomington, MN-WI HUD FMR Area – 2022

	Maximum Gross Rent				
	EFF	1BR	2BR	3BR	4BR
30% of median	\$616	\$704	\$792	\$879	\$950
50% of median	\$1,027	\$1,173	\$1,320	\$1,466	\$1,583
60% of median	\$1,233	\$1,408	\$1,584	\$1,759	\$1,900
80% of median	\$1,644	\$1,878	\$2,112	\$2,346	\$2,534
100% of median	\$2,055	\$2,347	\$2,640	\$2,932	\$3,167
120% of median	\$2,466	\$2,817	\$3,168	\$3,519	\$3,801

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's formations, changes in average household size, and met 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's 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.

Income Limits
Minneapolis-St Paul-Bloomington, MN-WI HUD FMR Area – 2022

	Income Limits by Household Size							
	1 phh	2 phh	3 phh	4 phh	5 phh	6 phh	7 phh	8 phh
30% of median	\$24,660	\$28,170	\$31,680	\$35,190	\$38,010	\$40,830	\$43,650	\$46,470
50% of median	\$41,100	\$46,950	\$52,800	\$58,650	\$63,350	\$68,050	\$72,750	\$77,450
60% of median	\$49,320	\$56,340	\$63,360	\$70,380	\$76,020	\$81,660	\$87,300	\$92,940
80% of median	\$65,760	\$75,120	\$84,480	\$93,840	\$101,360	\$108,880	\$116,400	\$123,920
100% of median	\$82,200	\$93,900	\$105,600	\$117,300	\$126,700	\$136,100	\$145,500	\$154,900
120% of median	\$98,640	\$112,680	\$126,720	\$140,760	\$152,040	\$163,320	\$174,600	\$185,880

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 house 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.

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 extremely 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 55 and older. Today, senior housing includes an entire spectrum of housing alternatives. Maxfield Research Inc. classifies senior housing into four categories based on the level of support services. The four categories are: Active Adult, Independent Living, 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.

APPENDIX

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. 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.