

# Appendix 3

## Housing

### Comprehensive Housing Needs Analysis

173 pages

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



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March 6, 2017

Jason Zimmerman  
Planning Manager  
City of Golden Valley  
7800 Golden Valley Road  
Golden Valley, MN 55427

Dear Mr. Zimmerman:

Attached is the *Comprehensive Housing Needs Analysis for Golden Valley, Minnesota* conducted by Maxfield Research and Consulting, LLC. The study projects housing demand from 2016 through 2025, and provided 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 approximately 1,680 new housing units through 2025. Because the population is aging in Golden Valley about 44% of the total demand will be for age-restricted housing types. Due to the market rate rental housing boom in Golden Valley, the current pipeline should meet the future demand. However, demand exists for additional affordable rental housing. Due to lack of developable land, for-sale demand was strong for condominium product over the next decade. However, this demand may not materialize due to the current statutory requirements on condominium development. There continues to be strong demand for infill new single-family construction, however this will continue to be expensive due to redevelopment and high land costs in the community.

Based on our findings, we found demand for most housing products with strong demand for maintenance free for-sale general occupancy housing products. We recommend maintenance-free products such as townhomes/twinhomes/condominiums to fulfill this need for for-sale owner-occupied multifamily. At the same time demand exists for all senior housing products and service levels to meet the growing needs of an aging community. 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 "Mace Wescott".

Mace Wescott  
Associate

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### ***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 2010 Census, the City of Golden Valley had 20,950 people and 9,146 households. The City of Golden Valley is forecast to grow by 2,229 people and 1,205 households between 2010 and 2020 and by another 1,000 people and 552 households between 2020 and 2030. Growth projections are exceeding previously projections by the Metropolitan Council.
- From 2016 to 2021, growth is expected in all ages except 45 to 54 year olds. The 65 to 84 age cohorts are projected to have the greatest growth (percentage and numerically) increasing by 941 people (+53.8%) in Golden Valley between 2016 and 2021.
- The Golden Valley Market Area had an estimated median household income of \$86,028 in 2016. Non-senior household median incomes peak in the 45 to 54 age group at \$112,850. The median income for seniors age 65 to 74 is \$73,025 and for 75+ is \$45,790.
- Between 2000 and 2015, homeownership rates decreased from 80.7% to 76.9% in the City of Golden Valley. The decline was a result of lender-mediated properties during the Great Recession and the rental housing market that is currently booming in Golden Valley.
- Married without children households accounted for the highest household type percentage in 2015 at 32.9%. However, living alone is the second largest household type accounting for about 31% of households in Golden Valley.

### ***Employment Analysis***

- Golden Valley and Hennepin County had an unemployment rate of 3.3% in December 2016 which is slightly lower than the Metro Area average of 3.4% and less than the State of Minnesota (3.8%).
- Of the roughly 36,018 workers who work in Golden Valley, 2.5% live in Golden Valley. Most workers are commuting from Minneapolis (10.5%), Plymouth (5.5%) and Maple Grove (4.2%). 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***

- Per the City of Golden Valley Building Department there were 1,512 units permitted from 2000 to 2016. Beginning in 2006, building permits declined rapidly from 2007 to 2015; averaging between 55 to 105 units per year.
- Over one-half of Golden Valley's homes were constructed in the 1950s and 1960s (52%), while 13.8% of Golden Valley's housing stock was built since 2000.
- Approximately 68% of Golden Valley homeowners have a mortgage compared to 73% of Hennepin County and 73% of the metro area. About 17% 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 \$265,300 in 2015. Approximately 55% 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 \$1,036 per month in 2015. Based on a 30% allocation of income to housing, a household would need an income of about \$41,440 to afford the median contract rent in Golden Valley.

### ***Rental Housing Market Analysis***

- In total, Maxfield Research inventoried 1,451 general occupancy rental units in Golden Valley spread across 22 multifamily developments. At the time of the survey, there were 24 vacant units resulting in an overall vacancy rate of 2.0%. 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.
- Market rate projects make-up 1,276 units and a total of 24 unit vacancies were found, resulting in a market rate rental project vacancy rate of 2.3%.

## EXECUTIVE SUMMARY

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- Affordable/subsidized projects make-up 194 units and posted no vacant units.

### ***Senior Housing Market Analysis***

- There are five senior housing developments located in the Golden Valley with a total of 776 units. Not including facilities that are in their initial lease-up period, there were 32 vacancies identified within the housing developments posting an overall vacancy rate of 4.8%. Generally, healthy senior housing vacancy rates range from 5% to 7% depending on service level.

### ***For-Sale Housing Market Analysis***

- Golden Valley home values were lowest in 2011 when the median value declined to \$199,450. However, home values have increased annually since 2011 and have since surpassed the previous peak in 2007. Resale values in 2016 were \$290,650; and increase of nearly 10% from 2015 (\$264,950).
- The number of resales in Golden Valley has averaged about 320 sales annually between 2000 and 2016. The fewest number of resales occurred after the recession in 2010 with 194 resales; while 2016 established a new record high in Golden Valley with 455 resales.
- Compared to the Metro Area average and other neighboring communities, lender-mediated properties (i.e. short sales and foreclosures) in Golden Valley have been substantially lower. Lender-mediated properties accounted for nearly one-third of transactions between 2009 and 2012, however today only account for 5%.
- Single-family housing stock has accounted for over 80% of the resale volume in Golden Valley since 2000. Multifamily for-sale housing products are more affordable (priced from \$50,000 to \$150,000) and are priced about 40% lower than the single-family housing stock.
- On average, the price of an existing home in Golden Valley is about 40% less than the cost of new construction. Although the cost of an existing home is on-par with Hennepin County (\$138 PSF vs. 136 PSF); new construction costs in Golden Valley have recently escalated much higher than Hennepin County averages (\$223 PSF vs. \$176 PSF). Hennepin County new construction prices are also about 10% higher than the Metro Area average.
- 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 marketing at this time – Laurel Ponds – a 24-unit detached townhome project. New home prices are marketing from \$450,00 to \$650,00.

### ***Housing Demand Analysis***

- Based on our calculations, demand exists in the Golden Valley Market Area for the following general occupancy product types between 2016 and 2025:
  - Market rate rental                      0 units
  - Affordable rental                        99 units
  - Subsidized rental                        59 units
  - For-sale single-family                177 units
  - For-sale multifamily                    602 units
  
- In addition, we find very high demand for multiple senior housing product types. By 2025, demand in the Golden Valley Market Area for senior housing is forecast for the following:
  - Active adult ownership                80 units
  - Active adult rental                       140 units
  - Active adult affordable                122 units
  - Congregate                                151 units
  - Assisted Living                         106 units
  - Memory care                             146 units

### ***Recommendations and Conclusions***

- Based on the finding of our analysis and demand calculations, the following chart provides a summary of the recommended development concepts by product type for the City of Golden Valley through 2025. Detailed findings are described in the *Recommendations* section of the report.

## EXECUTIVE SUMMARY

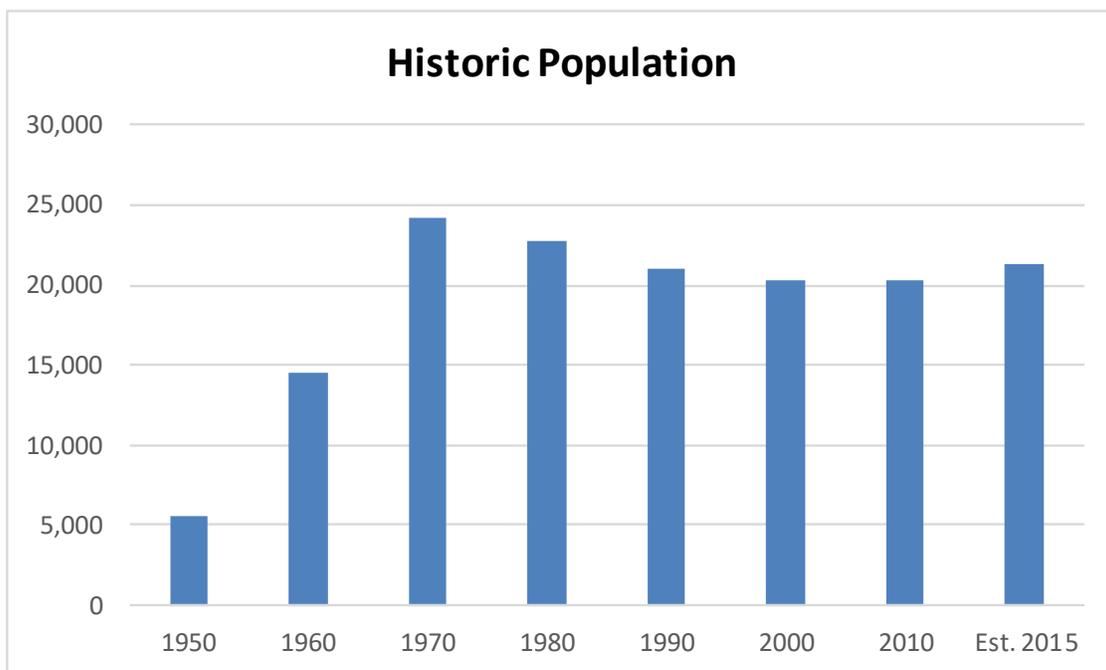
RECOMMENDED HOUSING DEVELOPMENT GOLDEN VALLEY 2017 to 2025				
		Purchase Price/ Monthly Rent Range <sup>1</sup>	No. of Units	Development Timing
<b>Owner-Occupied Homes</b>				
<i>Single Family</i> <sup>2</sup>				
	Move-up	\$400,000 - \$575,000	60 - 70	Ongoing
	Executive	\$600,000+	50 - 60	Ongoing
	<b>Total</b>		<b>110 - 130</b>	
<i>Townhomes/Twinhomes/Detached Townhomes</i> <sup>2</sup>				
	Entry-level	>\$250,000	40 - 50	2017+
	Move-up	\$275,000 - \$375,000	50 - 60	2017+
	Executive	\$400,000+	50 - 60	2017+
	<b>Total</b>		<b>100 - 120</b>	
<i>Condominiums</i>				
	Entry-level	<\$250,000	175 - 200	2018+
	Move-up	\$250,000 - \$350,000	200 - 225	2018+
	Executive	\$400,000+	150 - 175	2018+
	<b>Total</b>		<b>525 - 600</b>	
<b>Total Owner-Occupied</b>			<b>735 - 850</b>	
<b>General Occupancy Rental Housing</b>				
<i>Affordable Rental Housing</i>				
	Apartment-style	Moderate Income <sup>3</sup>	80 - 100	2017+
	Townhomes	Moderate Income <sup>3</sup>	20 - 30	2017+
	Subsidized	30% of Income <sup>4</sup>	50 - 60	2017+
	<b>Total</b>		<b>150 - 190</b>	
<b>Total Renter-Occupied</b>			<b>150 - 190</b>	
<b>Senior Housing (i.e. Age Restricted)</b>				
	Senior Cooperative	\$70,000+	70 - 80	2018+
	Active Adult Market Rate Rental <sup>5</sup>	\$1,200/1BR - \$1,450/2BR	80 - 100	2018+
	Active Adult Affordable Rental <sup>5</sup>	Moderate Income <sup>3</sup>	100 - 120	2017+
	Independent Living/Congregate	\$1,500/1BR - \$2,500/2BR	120 - 140	2018+
	Assisted Living	\$2,750/EFF - \$4,000/2BR	80 - 100	2019+
	Memory Care	\$4,000/EFF - \$5,000/2BR	100 - 120	2017+
	<b>Total</b>		<b>550 - 660</b>	
<b>Total - All Units</b>			<b>1,435 - 1,700</b>	
<sup>1</sup> Pricing in 2017 dollars. Pricing can be adjusted to account for inflation. <sup>2</sup> 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. <sup>3</sup> Affordability subject to income guidelines per Minnesota Housing Finance Agency (MHFA). See Table HA-1 for Hennepin County Income limits. <sup>4</sup> Subsidized housing will be difficult to develop financially <b>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.</b>				
Source: Maxfield Research & Consulting, LLC				

### 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 Golden Valley.

### Population and Household Growth Trends and Projections from 1990 to 2040

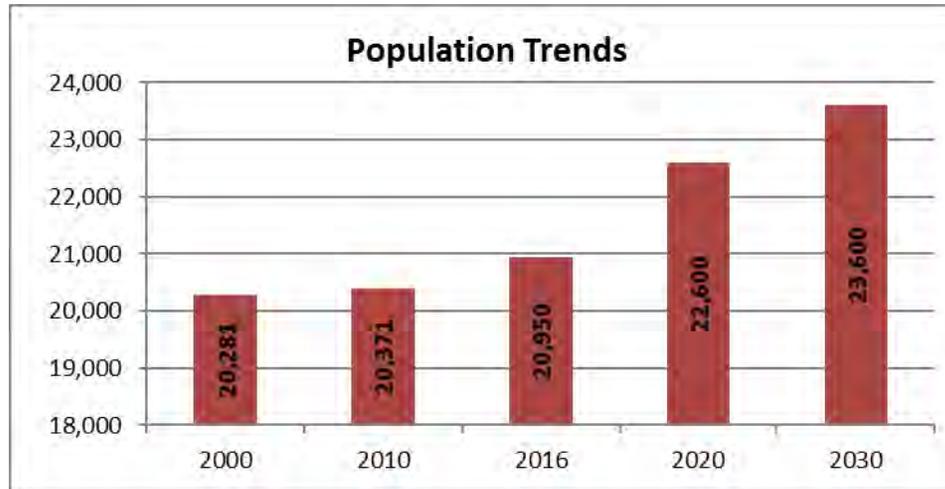
Table D-1 presents population and household growth trends and projections from 1990 to 2040. The 1990 to 2010 data is from the U.S. Census. Estimate and projection data is calculated from the Metropolitan Council; ESRI (a national demographics service provider); with adjustments calculated by Maxfield 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

- Golden Valley’s population grew by 90 people (+0.4%) between 2000 and 2010. During this same period Hennepin County grew by +3.2% and the 7-County Metro Area grew by 7.9%.
- In 2010, Golden Valley included roughly 1.8% of the total population in Hennepin County.

## DEMOGRAPHIC ANALYSIS



**TABLE D-1**  
**POPULATION AND HOUSEHOLD GROWTH TRENDS AND PROJECTIONS**  
**GOLDEN VALLEY ANALYSIS AREA**  
**1990 to 2040**

								Change					
	U.S. Census		Estimate	Forecast			2000 to 2010		2010 to 2020		2020 to 2030		
	1990	2000	2010	2016	2020	2030	2040	No.	Pct.	No.	Pct.	No.	Pct.
<b>POPULATION</b>													
<b>Golden Valley</b>	<b>20,971</b>	<b>20,281</b>	<b>20,371</b>	<b>20,950</b>	<b>22,600</b>	<b>23,600</b>	<b>23,900</b>	<b>90</b>	<b>0.4</b>	<b>2,229</b>	<b>10.9</b>	<b>1,000</b>	<b>4.4</b>
<i>Hennepin County</i>	<i>1,032,431</i>	<i>1,116,200</i>	<i>1,152,425</i>	<i>1,193,942</i>	<i>1,221,620</i>	<i>1,330,200</i>	<i>1,405,060</i>	<i>36,225</i>	<i>3.2</i>	<i>69,195</i>	<i>6.0</i>	<i>108,580</i>	<i>8.9</i>
<i>7-County Metro Area</i>	<i>2,288,729</i>	<i>2,642,056</i>	<i>2,849,567</i>	<i>2,960,827</i>	<i>3,035,000</i>	<i>3,284,427</i>	<i>3,652,060</i>	<i>207,511</i>	<i>7.9</i>	<i>185,433</i>	<i>6.5</i>	<i>249,427</i>	<i>8.2</i>
<b>HOUSEHOLDS</b>													
<b>Golden Valley</b>	<b>8,273</b>	<b>8,449</b>	<b>8,816</b>	<b>9,146</b>	<b>10,021</b>	<b>10,573</b>	<b>10,756</b>	<b>367</b>	<b>4.3</b>	<b>1,205</b>	<b>13.7</b>	<b>552</b>	<b>5.5</b>
<i>Hennepin County</i>	<i>419,060</i>	<i>456,129</i>	<i>475,913</i>	<i>506,865</i>	<i>527,500</i>	<i>565,680</i>	<i>600,040</i>	<i>19,784</i>	<i>4.3</i>	<i>89,767</i>	<i>18.9</i>	<i>38,180</i>	<i>7.2</i>
<i>7-County Metro Area</i>	<i>1,032,431</i>	<i>1,021,454</i>	<i>1,117,749</i>	<i>1,201,048</i>	<i>1,256,580</i>	<i>1,378,470</i>	<i>1,491,780</i>	<i>96,295</i>	<i>9.4</i>	<i>138,831</i>	<i>12.4</i>	<i>121,890</i>	<i>9.7</i>
<i>Note: Hennepin County and Metro Area totals sourced to Metropolitan Council (2020 to 2040). Assumes all pending Golden Valley projects move forward. Future growth assumes redevelopment sites increase density on site.</i>													
Sources: U.S. Census Bureau; ESRI; Metropolitan Council; Maxfield Research & Consulting, LLC													

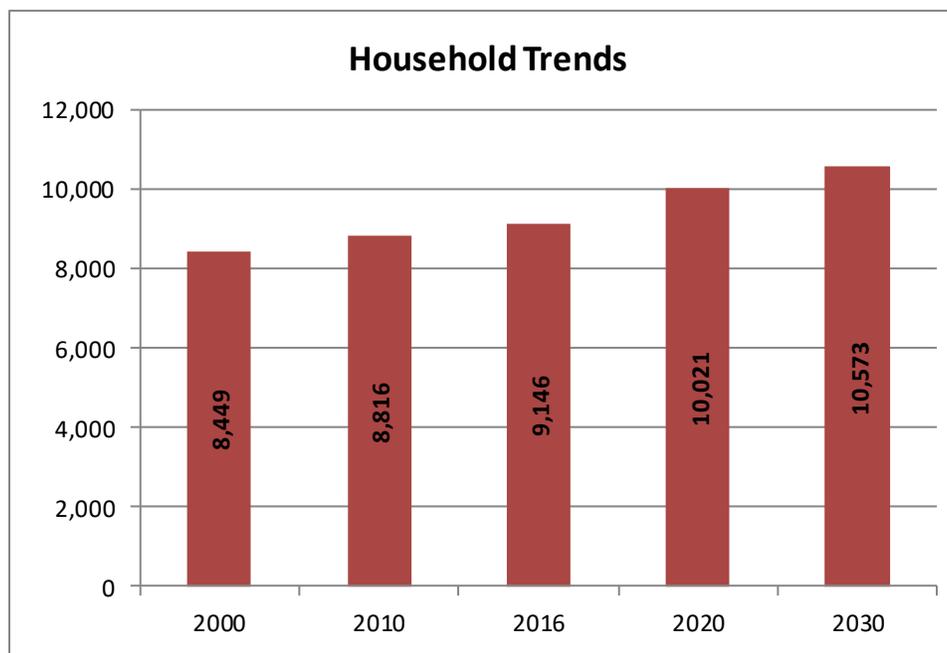
## DEMOGRAPHIC ANALYSIS

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- Maxfield Research projects that Golden Valley will have an increase in its population by 2,229 people (+10.9%) between 2010 and 2020. Multi-family general occupancy housing is driving density and increasing employment opportunities are also assisting in increasing Golden Valley's population growth.
- We project that between 2020 and 2030, Golden Valley will increase by approximately 1,000 people (+4.4%).

### **Households**

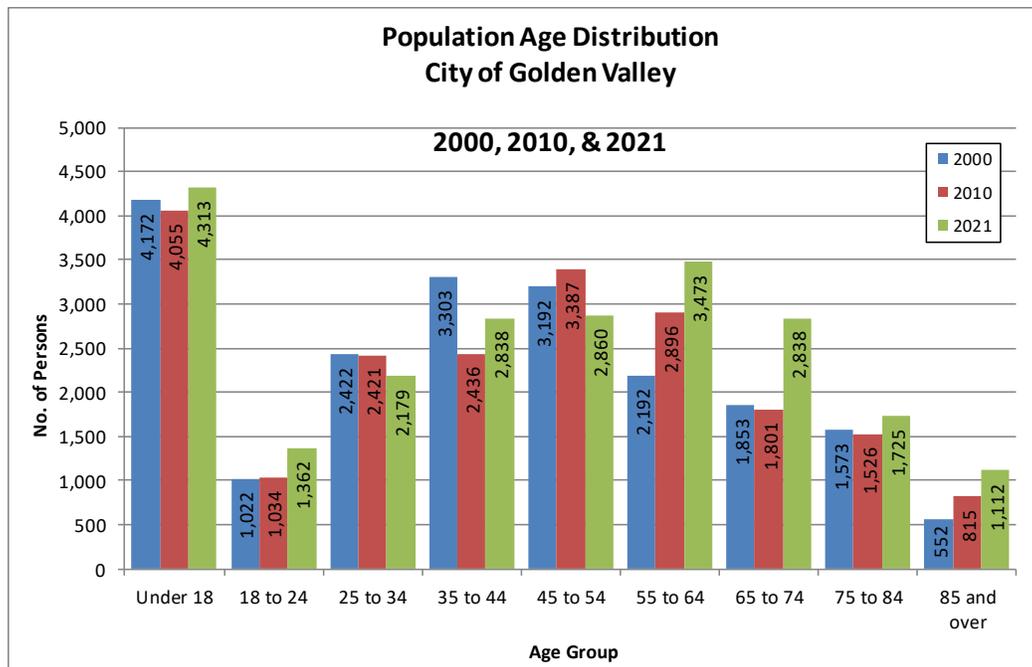
- Household growth trends are typically a more accurate indicator of housing needs than population growth since a household is, by definition, an occupied housing unit. However, additional demand can come from changing demographics of the population base, which results in demand for different housing products.
- Golden Valley gained 367 households during the 2000s (an increase of +4.3%), increasing its household base to 8,816 households as of 2010.
- Maxfield Research projects household growth in Golden Valley to increase by 1,205 households (+13.7%) between 2010 and 2020. Overall, we project Golden Valley to increase by 552 households (+5.5%) by 2030.



### 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 Metro Area in 2000 and 2010 with estimates for 2016 and projections for 2021. The 2000 and 2010 age distributions are from the U.S. Census Bureau and the 2016 and 2021 figures are estimates based on 2016 ESRI data. The following are key points from the table.

- In Golden Valley between 2000 and 2010, growth occurred in 18 to 24, 45 to 64, and 85 and over age cohorts. Much of the over age 18 growth occurred in ages 55 to 64. From 2016 to 2021, growth is expected in all ages except 45 to 54 year olds.
- The Golden Valley population of 18 to 34 year olds, which consists primarily of renters and first-time homebuyers, increased by (1.2%) between 2000 and 2010, but is expected to increase by 168 people (+9.6%) between 2016 and 2021.
- The 65 to 84 age cohorts are projected to have the greatest growth (percentage and numerically) increasing by 941 people (+53.8%) in Golden Valley between 2016 and 2021. The growth in this age cohort can be primarily attributed to the baby boom generation aging into their senior years.



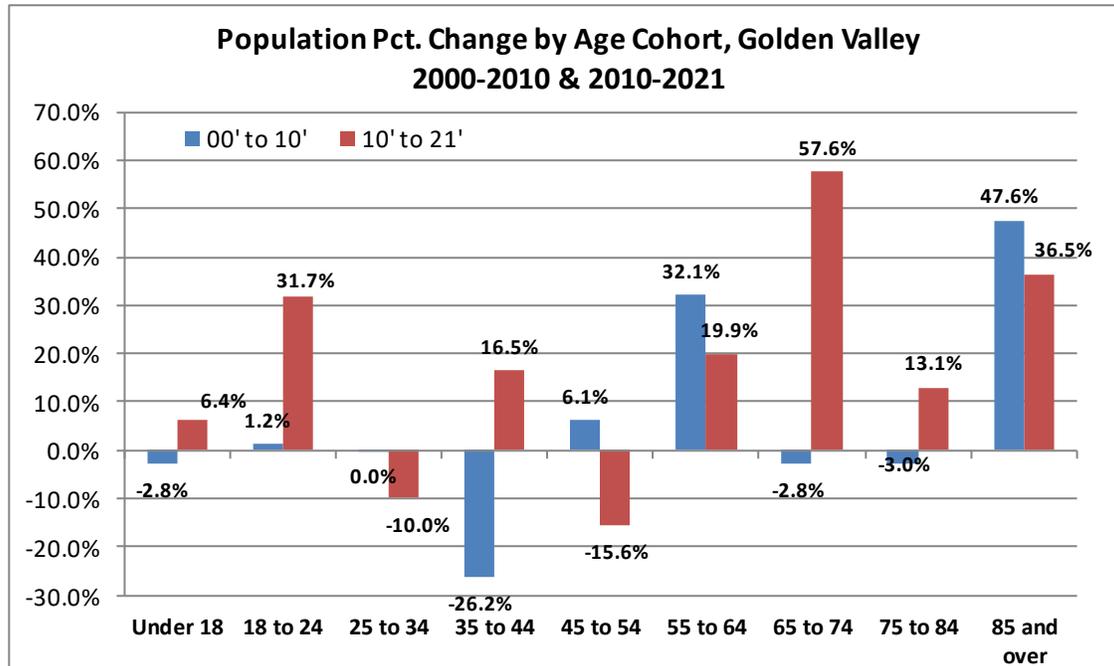
## DEMOGRAPHIC ANALYSIS

Age	Census		Estimate	Projection	Change			
	2000	2010	2016	2021	2000-2010		2016-2021	
	No.	No.	No.	No.	No.	Pct.	No.	Pct.
<b>Golden Valley</b>								
Under 18	4,172	4,055	4,064	4,313	-117	-2.8	249	6.1
18 to 24	1,022	1,034	1,278	1,362	12	1.2	84	6.6
25 to 34	2,422	2,421	2,095	2,179	-1	0.0	84	4.0
35 to 44	3,303	2,436	2,493	2,838	-867	-26.2	344	13.8
45 to 54	3,192	3,387	3,017	2,860	195	6.1	-157	-5.2
55 to 64	2,192	2,896	3,289	3,473	704	32.1	184	5.6
65 to 74	1,853	1,801	2,242	2,838	-52	-2.8	596	26.6
75 to 84	1,573	1,526	1,487	1,725	-47	-3.0	238	16.0
85 and over	552	815	1,006	1,112	263	47.6	107	10.6
<b>Total</b>	<b>20,281</b>	<b>20,371</b>	<b>20,950</b>	<b>22,700</b>	<b>90</b>	<b>0.4</b>	<b>1,750</b>	<b>8.4</b>
<b>Hennepin County</b>								
Under 18	267,502	261,345	261,473	261,285	-6,157	-2.3	-188	-0.1
18 to 24	108,767	113,551	120,588	119,550	4,784	4.4	-1,038	-0.9
25 to 34	183,860	187,523	183,867	187,337	3,663	2.0	3,470	1.9
35 to 44	191,872	154,304	156,406	167,617	-37,568	-19.6	11,211	7.2
45 to 54	156,068	171,130	158,794	149,130	15,062	9.7	-9,664	-6.1
55 to 64	85,773	133,758	151,631	154,060	47,985	55.9	2,429	1.6
65 to 74	59,737	66,516	90,740	113,388	6,779	11.3	22,648	25.0
75 to 84	44,942	42,476	45,370	54,229	-2,466	-5.5	8,859	19.5
85 and over	17,679	21,822	25,073	25,882	4,143	23.4	809	3.2
<b>Total</b>	<b>1,116,200</b>	<b>1,152,425</b>	<b>1,193,942</b>	<b>1,232,478</b>	<b>36,225</b>	<b>3.2</b>	<b>38,536</b>	<b>3.2</b>
<b>Metro Area</b>								
Under 18	697,534	700,960	692,834	697,667	3,426	0.5	4,833	0.7
18 to 24	244,226	263,462	278,318	269,275	19,236	7.9	-9,043	-3.2
25 to 34	411,155	420,311	426,359	437,572	9,156	2.2	11,213	2.6
35 to 44	469,324	391,324	390,829	422,272	-78,000	-16.6	31,443	8.0
45 to 54	363,592	440,753	411,555	379,433	77,161	21.2	-32,122	-7.8
55 to 64	200,980	326,007	378,986	391,673	125,027	62.2	12,687	3.3
65 to 74	130,615	163,425	225,023	278,455	32,810	25.1	53,432	23.7
75 to 84	90,292	97,442	106,590	128,518	7,150	7.9	21,928	20.6
85 and over	34,338	45,883	53,295	55,079	11,545	33.6	1,784	3.3
<b>Total</b>	<b>2,642,056</b>	<b>2,849,567</b>	<b>2,960,827</b>	<b>3,059,943</b>	<b>207,511</b>	<b>7.9</b>	<b>99,116</b>	<b>3.3</b>
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

## DEMOGRAPHIC ANALYSIS

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

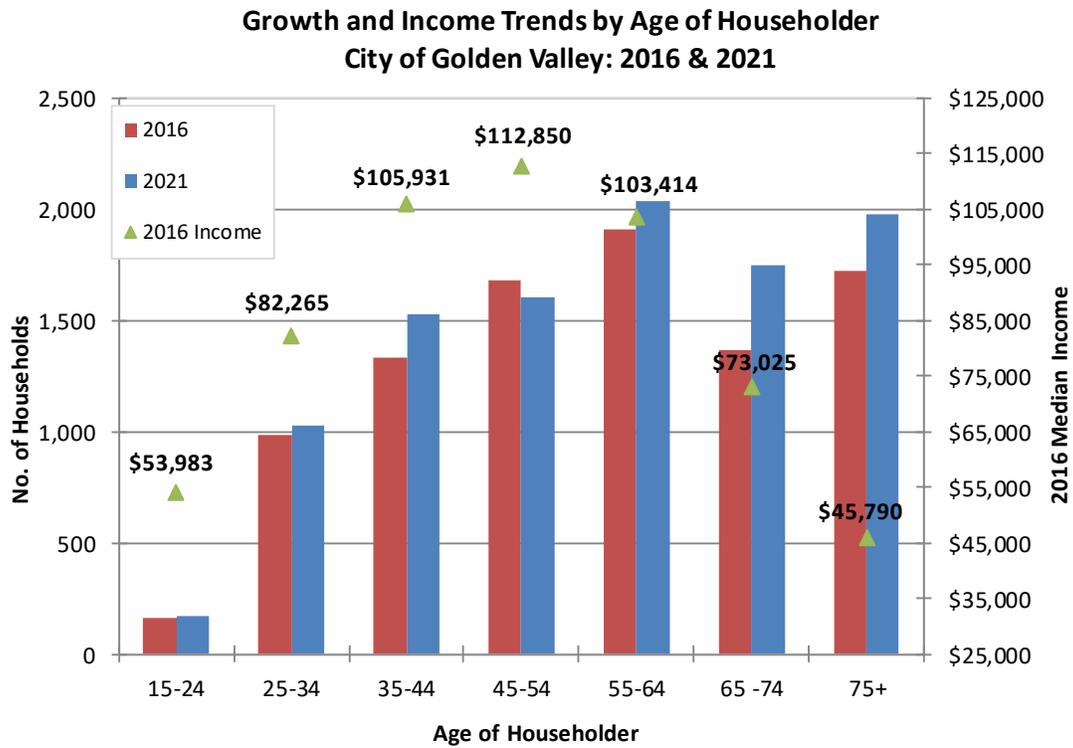
The estimated distribution of household incomes in Golden Valley for 2016 and 2021 are shown in Table D-3. The data was estimated by Maxfield Research based on income trends provided by ESRI. The data helps ascertain the demand for different housing products based on the size of the market at specific 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 \$86,028 per year would be able to afford a monthly housing cost of about \$2,151. Maxfield Research uses a figure of 25% to 30% for younger households and 40% or more for seniors, since seniors generally have lower living expenses and can often sell their homes and use the proceeds toward rent payments.

A generally accepted standard for affordable owner-occupied housing is that a typical household can afford to pay 3.0 to 3.5 times their annual income on a single-family home. Thus, a \$86,028 income would translate to an affordable single-family home of \$258,084 to \$301,098. 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.

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- Golden Valley has an estimated median household income of \$86,028 in 2016 and is expected to increase over the next five years to \$97,535 in 2021 (+13.4%).



## DEMOGRAPHIC ANALYSIS

TABLE D-3 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER CITY OF GOLDEN VALLEY (Number of Households) 2016 & 2021								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65-74	75+
<b>2016</b>								
Less than \$15,000	573	17	57	49	62	100	74	213
\$15,000 to \$24,999	479	16	39	40	40	57	97	189
\$25,000 to \$34,999	576	16	65	57	62	75	92	207
\$35,000 to \$49,999	993	23	121	110	107	142	173	319
\$50,000 to \$74,999	1,310	33	154	155	183	228	259	298
\$75,000 to \$99,999	1,256	17	152	192	227	304	193	171
\$100,000 to \$149,999	1,887	24	227	349	441	446	214	185
\$150,000 to \$199,999	1,013	8	103	198	265	250	116	73
\$200,000+	1,059	5	63	185	294	305	144	63
<b>Total</b>	<b>9,146</b>	<b>160</b>	<b>981</b>	<b>1,335</b>	<b>1,682</b>	<b>1,907</b>	<b>1,362</b>	<b>1,718</b>
<i>Median Income</i>	<i>\$86,028</i>	<i>\$53,983</i>	<i>\$82,265</i>	<i>\$105,931</i>	<i>\$112,850</i>	<i>\$103,414</i>	<i>\$73,025</i>	<i>\$45,790</i>
<b>2021</b>								
Less than \$15,000	637	19	62	58	55	92	103	249
\$15,000 to \$24,999	476	17	38	40	24	49	108	200
\$25,000 to \$34,999	521	13	52	50	44	63	97	201
\$35,000 to \$49,999	1,116	27	128	110	92	148	226	386
\$50,000 to \$74,999	982	27	107	118	106	159	226	241
\$75,000 to \$99,999	1,415	19	171	221	212	317	262	213
\$100,000 to \$149,999	2,287	29	259	431	453	522	320	274
\$150,000 to \$199,999	1,347	10	131	270	306	324	187	119
\$200,000+	1,295	5	75	232	311	358	219	94
<b>Total</b>	<b>10,075</b>	<b>166</b>	<b>1,024</b>	<b>1,530</b>	<b>1,601</b>	<b>2,032</b>	<b>1,747</b>	<b>1,975</b>
<i>Median Income</i>	<i>\$97,535</i>	<i>\$54,842</i>	<i>\$91,530</i>	<i>\$113,915</i>	<i>\$123,794</i>	<i>\$112,855</i>	<i>\$84,134</i>	<i>\$47,478</i>
<b>Change - 2016 to 2021</b>								
Less than \$15,000	64	2	5	8	-8	-8	28	36
\$15,000 to \$24,999	-3	1	-1	-1	-17	-8	11	11
\$25,000 to \$34,999	-56	-3	-13	-7	-19	-12	5	-6
\$35,000 to \$49,999	123	4	8	1	-15	6	53	67
\$50,000 to \$74,999	-328	-6	-47	-37	-77	-69	-34	-57
\$75,000 to \$99,999	160	2	19	29	-16	14	69	42
\$100,000 to \$149,999	399	5	31	82	12	75	105	89
\$150,000 to \$199,999	333	2	29	72	40	74	71	45
\$200,000+	236	0	11	47	17	53	75	31
<b>Total</b>	<b>929</b>	<b>6</b>	<b>43</b>	<b>195</b>	<b>-81</b>	<b>125</b>	<b>384</b>	<b>257</b>
<i>Median Income</i>	<i>\$11,507</i>	<i>\$859</i>	<i>\$9,265</i>	<i>\$7,984</i>	<i>\$10,944</i>	<i>\$9,441</i>	<i>\$11,109</i>	<i>\$1,688</i>

Sources: ESRI; Maxfield Research Inc.

### Non-Senior Households

- In 2016, 4.7% of non-senior (under age 65) households in Golden Valley had incomes under \$15,000 (286 households). All of these households would be eligible for deep-subsidy rental housing. Another 3.2% of Golden Valley's non-senior households had incomes between \$15,000 and \$25,000 (193 households). Many of these households would qualify for deep-subsidy housing, but many could also afford shallow-subsidy or older market rate rentals. If

## DEMOGRAPHIC ANALYSIS

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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 2016, the median household income in Golden Valley was highest in the 45 to 54 age group at \$112,850. The 35 to 44 age group has a median income of \$105,931 in 2016. By 2021, the median income for the 35 to 44 and the 45 to 54 age groups are projected to increase to \$123,794 (9.7%) and \$113,915 (7.5%) respectively. The 55 to 64 age group is projected to increase to \$112,855 (9.1%) by 2021.
- The median estimated home value in Golden Valley was roughly \$306,928 from January to November 2016. The income required to afford a home at this price would be about \$87,694 to \$102,309 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 59% of non-senior households in Golden Valley have incomes of \$87,694 or more in 2016.
- Incomes are expected to increase by 13.4% between 2016 and 2021 in Golden Valley. This equates to an increase of 2.7% annually.

### ***Senior Households***

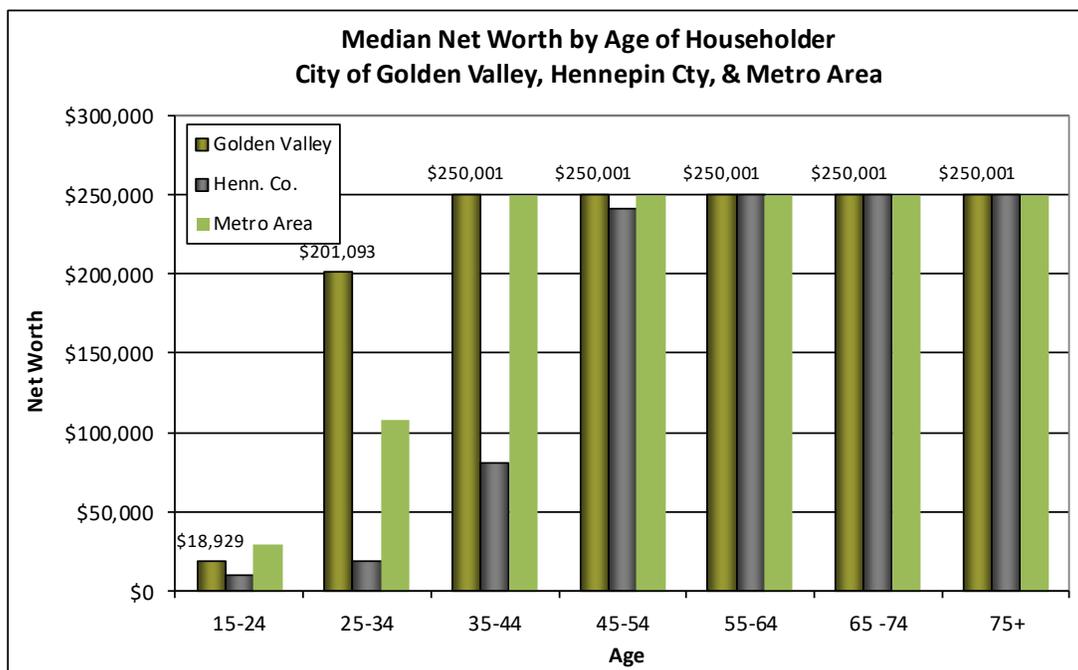
- The oldest householders have lower incomes in 2016. In Golden Valley, 5.4% of households ages 65 to 74 had incomes below \$15,000, compared to 12.4% of households ages 75 and over. Many of these low-income older senior households rely solely on social security benefits. Typically, younger seniors have 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 2016 median income for Golden Valley householders age 65 to 74 and 75+ are \$73,025 and \$45,790, respectively.
- Generally, senior households with incomes greater than \$25,000 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 \$833. About 2,507 senior households in Golden Valley (81% of senior households) have incomes above \$25,000 in 2016.
- The median income for seniors age 65+ in Golden Valley is \$59,408 in 2016. It is projected to increase by \$6,398 (10.8%) to \$65,806 by 2021.

## Net Worth

Table D-4 shows household net worth in the Golden Valley in 2016. 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 31 to 46 times greater than that of a renter and that in 2016 the average American homeowner net worth is estimated at 45 times greater than that of a renter. The Federal Reserve survey is conducted every three years and this research was based on the 2013 Federal Reserve survey that showed the average net worth of a homeowner was \$194,500, whereas the average net worth of a renter was \$5,400.

- Golden Valley had an average net worth of \$1,263,378 in 2016 and a median net worth of \$311,401. Median net worth is generally a more accurate depiction of wealth than the average figure. A few households with very large net worth can significantly skew the average.
- Similar to household income, net worth increases as households age and decreases after they pass their peak earning years and move into retirement. Median and average net worth usually peak in the 65 to 74 age cohort. The median net worth in the Golden Valley for age cohorts 35+ was \$250,001 in 2016. The average net worth of the 55 to 64 age cohort in the Golden Valley was \$1,734,907. Senior households usually have higher net worth due to their saving investments, and other retirement funds.



## DEMOGRAPHIC ANALYSIS

- 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. Lending has recently become slightly easier for obtaining mortgages making mortgages with little or no down payments easier to obtain in today's mortgage lending environment than it has been the past year.

	Age of Householder							
	Total	15-24	25-34	35-44	45-54	55-64	65-74	
<b>Golden Valley</b>								
Less than \$15,000	1,179	70	255	184	173	181	108	208
\$15,000 to \$34,999	347	30	90	65	61	36	18	45
\$35,000 to \$49,999	217	11	52	51	26	36	22	18
\$50,000 to \$99,999	745	20	143	173	97	89	71	152
\$100,000 to \$149,999	561	10	84	102	92	81	82	110
\$150,000 to \$249,999	958	11	123	154	158	192	107	214
\$250,000 or more	5,138	7	233	606	1,076	1,291	953	971
<b>Subtotal</b>	<b>9,146</b>	<b>160</b>	<b>981</b>	<b>1,335</b>	<b>1,682</b>	<b>1,907</b>	<b>1,361</b>	<b>1,718</b>
<i>Median Net Worth</i>	<i>\$311,401</i>	<i>\$18,929</i>	<i>\$201,093</i>	<i>\$250,001</i>	<i>\$250,001</i>	<i>\$250,001</i>	<i>\$250,001</i>	<i>\$250,001</i>
<i>Average Net Worth</i>	<i>\$1,263,378</i>	<i>\$61,048</i>	<i>\$258,405</i>	<i>\$1,071,139</i>	<i>\$1,307,393</i>	<i>\$1,734,907</i>	<i>\$1,941,909</i>	<i>\$991,132</i>
<b>Hennepin County</b>								
Less than \$15,000	90,455	18,685	787	24,584	17,532	15,386	6,342	7,140
\$15,000 to \$34,999	22,697	3,464	212	7,249	4,886	3,641	1,414	1,830
\$35,000 to \$49,999	12,612	707	91	4,540	2,711	2,351	1,514	697
\$50,000 to \$99,999	36,510	1,192	202	12,256	8,276	6,168	4,151	4,265
\$100,000 to \$149,999	25,342	462	105	6,577	5,343	5,191	4,152	3,512
\$150,000 to \$249,999	39,861	558	116	8,905	9,082	8,782	5,670	6,749
\$250,000 or more	187,130	482	182	26,092	46,679	53,209	35,912	24,574
<b>Subtotal</b>	<b>506,865</b>	<b>25,549</b>	<b>1,695</b>	<b>90,202</b>	<b>94,509</b>	<b>94,729</b>	<b>59,156</b>	<b>48,768</b>
<i>Median Net Worth</i>	<i>\$130,507</i>	<i>\$10,255</i>	<i>\$18,666</i>	<i>\$80,372</i>	<i>\$241,358</i>	<i>\$250,001</i>	<i>\$250,001</i>	<i>\$250,001</i>
<i>Average Net Worth</i>	<i>\$734,628</i>	<i>\$34,120</i>	<i>\$121,847</i>	<i>\$568,580</i>	<i>\$834,331</i>	<i>\$1,155,936</i>	<i>\$1,400,976</i>	<i>\$769,425</i>
<b>Metro Area</b>								
Less than \$15,000	265,122	32,891	83,103	49,579	36,752	32,802	14,010	15,985
\$15,000 to \$34,999	74,371	7,528	24,740	15,928	10,837	8,187	2,963	4,187
\$35,000 to \$49,999	39,624	1,879	10,760	10,407	6,092	5,394	3,441	1,651
\$50,000 to \$99,999	116,479	3,145	28,693	30,229	19,977	14,572	9,920	9,943
\$100,000 to \$149,999	80,152	1,273	16,555	17,461	13,624	12,672	10,571	7,997
\$150,000 to \$249,999	121,966	1,364	17,739	25,568	25,176	21,965	14,362	15,791
\$250,000 or more	503,334	1,041	25,710	70,332	128,026	135,920	88,779	53,526
<b>Total</b>	<b>1,201,048</b>	<b>49,121</b>	<b>207,301</b>	<b>219,503</b>	<b>240,485</b>	<b>231,512</b>	<b>144,046</b>	<b>109,080</b>
<i>Median Net Worth</i>	<i>\$164,978</i>	<i>\$29,899</i>	<i>\$108,160</i>	<i>\$250,001</i>	<i>\$250,001</i>	<i>\$250,001</i>	<i>\$250,001</i>	<i>\$250,001</i>
<i>Average Net Worth</i>	<i>\$743,598</i>	<i>\$38,576</i>	<i>\$138,252</i>	<i>\$5,741,234</i>	<i>\$838,068</i>	<i>\$1,143,875</i>	<i>\$1,350,779</i>	<i>\$698,719</i>

Sources: ESRI; Maxfield Research & Consulting, LLC

Tenure by Household Income

Table D-5 shows household tenure by income for Golden Valley in 2015. Data is an estimate from the American Community Survey. Household tenure information is important to assess the propensity for owner-occupied or renter-occupied housing options based on household affordability. As stated earlier, the Department of Housing and Urban Development determines affordable housing as not exceeding 30% of the household’s income. 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  
2015**

	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	152	27.8	394	72.2	11,286	23.0	37,812	77.0	26,809	41.5	37,812	58.5
\$15,000 to \$24,999	391	56.1	306	43.9	14,948	36.4	26,089	63.6	35,265	57.5	26,089	42.5
\$25,000 to \$34,999	333	56.9	252	43.1	17,827	44.0	22,701	56.0	44,018	66.0	22,701	34.0
\$35,000 to \$49,999	503	70.2	214	29.8	30,782	52.4	27,952	47.6	78,573	73.8	27,952	26.2
\$50,000 to \$74,999	1,182	72.5	449	27.5	51,925	62.3	31,379	37.7	139,502	81.6	31,379	18.4
\$75,000 to \$99,999	915	88.7	116	11.3	46,933	73.6	16,859	26.4	128,280	88.4	16,859	11.6
\$100,000+	3,375	91.3	323	8.7	133,694	87.0	20,009	13.0	332,965	94.3	20,009	5.7
Total	6,851	76.9	2,054	23.1	307,395	62.7	182,801	37.3	785,412	81.1	182,801	18.9

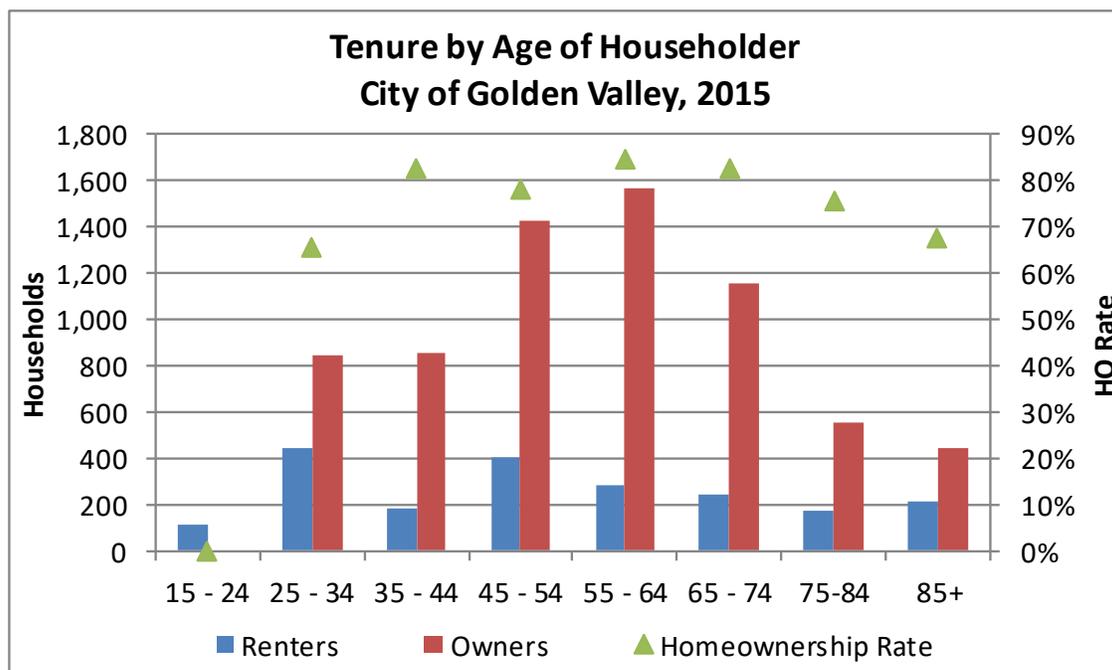
Source: U.S. Census Bureau; American Community Survey; Maxfield Research & Copnsulting, LLC

- Typically, as income increases, so does the rate of homeownership. This can be seen in Golden Valley, where the homeownership rate increases from 27.8% of households with incomes below \$15,000 to 91.3% 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 80% of the Golden Valley’s renters in 2015). Households with incomes below \$15,000 are typically a market for deep subsidy rental housing (about 2% of the Golden Valley’s renters in 2015).

### 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 2015. 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, 80.7% of all households in the Golden Valley owned their housing. By 2010, that percentage declined to 77.8% and in 2015 it is estimated that 76.9% of all Golden Valley households owned their housing.
- The housing market downturn 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. Currently it is estimated that there is a growing trend of lifestyle renters seeking rental properties in the Golden Valley area and Metro Area as can be seen by the growing percentage of renters.
- 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.



# DEMOGRAPHIC ANALYSIS

TABLE D-6  
TENURE BY AGE OF HOUSEHOLDER  
GOLDEN VALLEY ANALYSIS AREA  
2000 - 2015

Age		City of Golden Valley						Hennepin County						Metro Area					
		2000		2010		2015*		2000		2010		2015*		2000		2010		2015*	
		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	1,458	6.8	9,790	17.3	7,947	16.0	4,963	11.6
	Rent	135	76.7	113	75.3	112	100.0	25,252	88.2	22,734	89.1	19,949	93.2	46,699	82.7	41,789	84.0	37,764	88.4
	<b>Total</b>	<b>176</b>	<b>100.0</b>	<b>150</b>	<b>100.0</b>	<b>112</b>	<b>100.0</b>	<b>28,632</b>	<b>100.0</b>	<b>25,524</b>	<b>100.0</b>	<b>21,407</b>	<b>100.0</b>	<b>56,489</b>	<b>100.0</b>	<b>49,736</b>	<b>100.0</b>	<b>42,727</b>	<b>100.0</b>
25-34	Own	744	66.1	720	64.2	846	65.4	44,563	46.9	39,850	42.3	38,814	39.0	114,071	55.5	102,236	50.6	98,991	46.7
	Rent	382	33.9	402	35.8	447	34.6	50,435	53.1	54,312	57.7	60,755	61.0	91,342	44.5	99,716	49.4	112,759	53.3
	<b>Total</b>	<b>1,126</b>	<b>100.0</b>	<b>1,122</b>	<b>100.0</b>	<b>1,293</b>	<b>100.0</b>	<b>94,998</b>	<b>100.0</b>	<b>94,162</b>	<b>100.0</b>	<b>99,569</b>	<b>100.0</b>	<b>205,413</b>	<b>100.0</b>	<b>201,952</b>	<b>100.0</b>	<b>211,750</b>	<b>100.0</b>
35-44	Own	1,470	84.9	1,022	79.5	856	82.5	79,041	72.5	57,684	66.6	54,874	62.6	203,729	77.7	154,678	72.3	143,886	68.1
	Rent	261	15.1	263	20.5	182	17.5	29,926	27.5	28,946	33.4	32,721	37.4	58,438	22.3	59,303	27.7	67,401	31.9
	<b>Total</b>	<b>1,731</b>	<b>100.0</b>	<b>1,285</b>	<b>100.0</b>	<b>1,038</b>	<b>100.0</b>	<b>108,967</b>	<b>100.0</b>	<b>86,630</b>	<b>100.0</b>	<b>87,595</b>	<b>100.0</b>	<b>262,167</b>	<b>100.0</b>	<b>213,981</b>	<b>100.0</b>	<b>211,287</b>	<b>100.0</b>
45-54	Own	1,562	88.4	1,594	84.9	1,427	78.2	74,037	79.7	75,651	75.4	70,987	73.9	177,090	83.1	202,404	79.8	192,198	78.4
	Rent	204	11.6	284	15.1	398	21.8	18,829	20.3	24,688	24.6	25,107	26.1	36,077	16.9	51,379	20.2	52,855	21.6
	<b>Total</b>	<b>1,766</b>	<b>100.0</b>	<b>1,878</b>	<b>100.0</b>	<b>1,825</b>	<b>100.0</b>	<b>92,866</b>	<b>100.0</b>	<b>100,339</b>	<b>100.0</b>	<b>96,094</b>	<b>100.0</b>	<b>213,167</b>	<b>100.0</b>	<b>253,783</b>	<b>100.0</b>	<b>245,053</b>	<b>100.0</b>
55-64	Own	1,104	89.3	1,467	87.7	1,569	84.8	42,671	81.9	65,466	79.5	69,927	77.6	102,583	84.9	162,595	82.6	174,794	80.9
	Rent	132	10.7	206	12.3	282	15.2	9,412	18.1	16,891	20.5	20,226	22.4	18,205	15.1	34,355	17.4	41,383	19.1
	<b>Total</b>	<b>1,236</b>	<b>100.0</b>	<b>1,673</b>	<b>100.0</b>	<b>1,851</b>	<b>100.0</b>	<b>52,083</b>	<b>100.0</b>	<b>82,357</b>	<b>100.0</b>	<b>90,153</b>	<b>100.0</b>	<b>120,788</b>	<b>100.0</b>	<b>196,950</b>	<b>100.0</b>	<b>216,177</b>	<b>100.0</b>
65-74	Own	964	85.4	896	82.0	1,157	82.5	30,672	81.2	34,028	80.0	40,246	79.5	68,030	82.4	85,347	82.6	100,740	82.5
	Rent	165	14.6	197	18.0	246	17.5	7,090	18.8	8,502	20.0	10,382	20.5	14,491	17.6	17,998	17.4	21,409	17.5
	<b>Total</b>	<b>1,129</b>	<b>100.0</b>	<b>1,093</b>	<b>100.0</b>	<b>1,403</b>	<b>100.0</b>	<b>37,762</b>	<b>100.0</b>	<b>42,530</b>	<b>100.0</b>	<b>50,628</b>	<b>100.0</b>	<b>82,521</b>	<b>100.0</b>	<b>103,345</b>	<b>100.0</b>	<b>122,149</b>	<b>100.0</b>
75-84	Own	809	81.6	761	73.4	550	75.9	22,083	72.8	21,975	75.6	21,813	75.2	43,576	71.8	50,083	75.6	50,917	75.7
	Rent	182	18.4	276	26.6	175	24.1	8,242	27.2	7,108	24.4	7,209	24.8	17,109	28.2	16,185	24.4	16,330	24.3
	<b>Total</b>	<b>991</b>	<b>100.0</b>	<b>1,037</b>	<b>100.0</b>	<b>725</b>	<b>100.0</b>	<b>30,325</b>	<b>100.0</b>	<b>29,083</b>	<b>100.0</b>	<b>29,022</b>	<b>100.0</b>	<b>60,685</b>	<b>100.0</b>	<b>66,268</b>	<b>100.0</b>	<b>67,247</b>	<b>100.0</b>
85+	Own	191	51.2	363	62.5	446	67.8	5,346	50.9	8,677	56.8	9,276	59.0	10,097	49.9	17,185	54.2	18,923	56.0
	Rent	182	48.8	218	37.5	212	32.2	5,150	49.1	6,611	43.2	6,452	41.0	10,127	50.1	14,549	45.8	14,841	44.0
	<b>Total</b>	<b>373</b>	<b>100.0</b>	<b>581</b>	<b>100.0</b>	<b>658</b>	<b>100.0</b>	<b>10,496</b>	<b>100.0</b>	<b>15,288</b>	<b>100.0</b>	<b>15,728</b>	<b>100.0</b>	<b>20,224</b>	<b>100.0</b>	<b>31,734</b>	<b>100.0</b>	<b>33,764</b>	<b>100.0</b>
<b>TOTAL</b>	Own	6,885	80.7	6,860	77.8	6,851	76.9	301,793	66.2	306,121	64.3	307,395	62.7	728,966	71.4	782,475	70.0	785,412	68.3
	Rent	1,643	19.3	1,959	22.2	2,054	23.1	154,336	33.8	169,792	35.7	182,801	37.3	292,488	28.6	335,274	30.0	364,742	31.7
	<b>Total</b>	<b>8,528</b>	<b>100.0</b>	<b>8,819</b>	<b>100.0</b>	<b>8,905</b>	<b>100.0</b>	<b>456,129</b>	<b>100.0</b>	<b>475,913</b>	<b>100.0</b>	<b>490,196</b>	<b>100.0</b>	<b>1,021,454</b>	<b>100.0</b>	<b>1,117,749</b>	<b>100.0</b>	<b>1,150,154</b>	<b>100.0</b>

\* 2015 data is from the American Community Survey

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

## DEMOGRAPHIC ANALYSIS

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- In 2015, ACS estimated that 100% of the Golden Valley's households between the ages of 15 and 24 rented their housing, compared to 34.6% of households between the ages of 25 and 34. Householders between 35 and 84 were overwhelmingly homeowners, with no more than 24.1% of the householders in each 10-year age cohort renting their housing.
- The higher homeownership rates in Golden Valley (76.9%) compared to Hennepin County (62.7%), and the Metro Area (68.3%) reflects the suburban character of the City and was originally developed as a single-family housing community.

### Household Type

Table D-7 shows a breakdown of the type of households present in the Golden Valley in 2010 and 2015. The data is useful in assessing housing demand since the household composition often dictates the type of housing needed and preferred.

- Between 2010 and 2015, Golden Valley experienced an increase in married without children and other family households, and Living Alone stayed approximately the same. Married families without children grew the most numerically, adding +142 households (+1.3%). The increase in households married without children can be attributed to couples waiting longer to have children, and the baby boomers aging into empty nester years.
- The differences between Golden Valley compared to Hennepin County and the Twin Cities Metro Area reflect the demographic changes that were seen in Table D-2 Population Age Distribution. The aging of baby boomers is increasing the Married without child category and decreasing the Married with Child category. The Other category (Single-parent families, unmarried couples with children) is also increasing at a higher rate in Golden Valley, but is catching up to a similar distribution of Other households as compared to Hennepin County and the Twin Cities Metro Area. Roommates are seeing a decline in all areas which shows that economic conditions are changing in the area for households with more households seeking Living Along options and more households are considered Family Households in Golden Valley in 2015 than there was in 2010

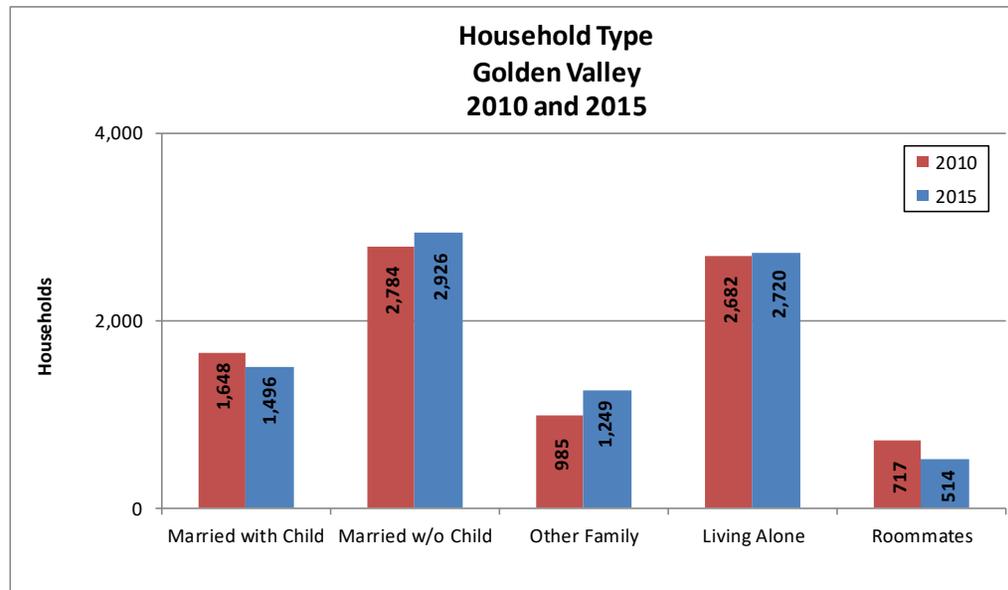
**DEMOGRAPHIC ANALYSIS**

**TABLE D-7  
HOUSEHOLD TYPE  
GOLDEN VALLEY ANALYSIS AREA  
2010 & 2015**

Number of Households	Total HH's		Family Households						Non-Family Households			
	2010	2015	Married w/o Child		Married w/ Child		Other *		Living Alone		Roommates	
			2010	2015	2010	2015	2010	2015	2010	2015	2010	2015
Golden Valley	8,816	8,905	2,784	2,926	1,648	1,496	985	1,249	2,682	2,720	717	514
<b>Hennepin County</b>	<b>475,913</b>	<b>490,196</b>	<b>116,099</b>	<b>123,135</b>	<b>89,084</b>	<b>92,038</b>	<b>67,702</b>	<b>68,773</b>	<b>155,807</b>	<b>160,687</b>	<b>47,221</b>	<b>45,563</b>
<b>Twin Cities Metro Area</b>	<b>1,117,749</b>	<b>1,150,154</b>	<b>298,723</b>	<b>316,180</b>	<b>244,687</b>	<b>247,506</b>	<b>164,086</b>	<b>167,069</b>	<b>319,030</b>	<b>331,010</b>	<b>91,223</b>	<b>88,389</b>
<b>Percent of Total</b>												
Golden Valley	100%	100%	31.6%	32.9%	18.7%	16.8%	11.2%	14.0%	30.4%	30.5%	8.1%	5.8%
<b>Hennepin County Total</b>	<b>100%</b>	<b>100%</b>	<b>24.4%</b>	<b>25.1%</b>	<b>18.7%</b>	<b>18.8%</b>	<b>14.2%</b>	<b>14.0%</b>	<b>32.7%</b>	<b>32.8%</b>	<b>9.9%</b>	<b>9.3%</b>
<b>Twin Cities Metro Area Total</b>	<b>100%</b>	<b>100%</b>	<b>26.7%</b>	<b>27.5%</b>	<b>21.9%</b>	<b>21.5%</b>	<b>14.7%</b>	<b>14.5%</b>	<b>28.5%</b>	<b>28.8%</b>	<b>8.2%</b>	<b>7.7%</b>

\* Single-parent families, unmarried couples with children.

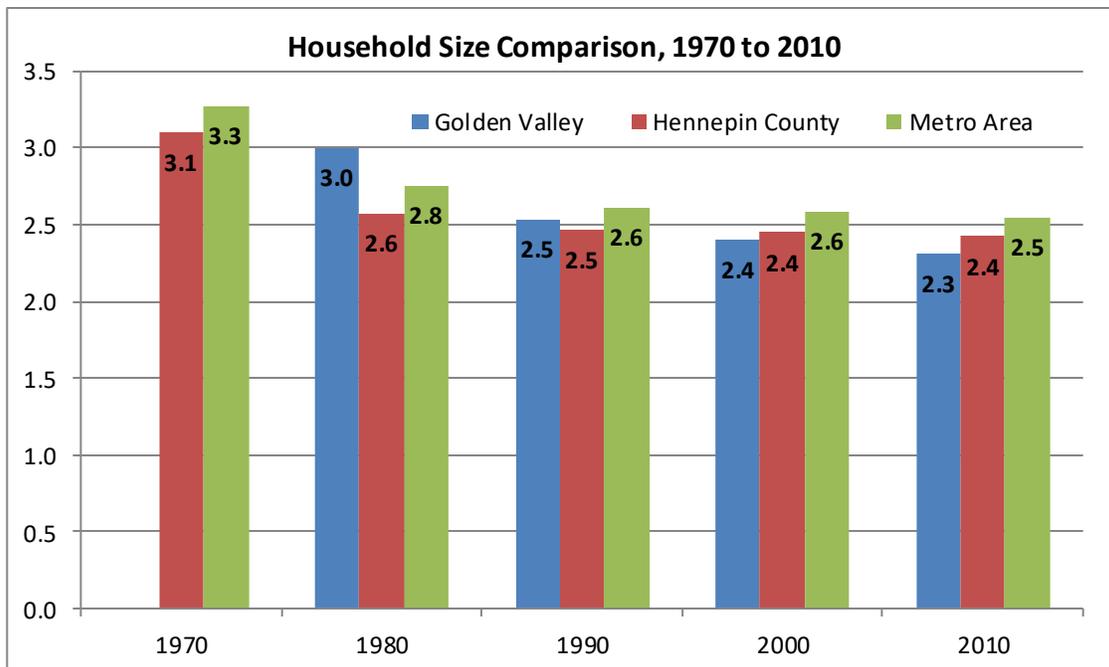
Sources: U.S. Census Bureau; Maxfield Research & Consulting, LLC



### Tenure by Household Size

Table D-8 shows the distribution of households by size and tenure in the Golden Valley in 2015 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 2015, approximately 39% of the total renter-occupied households in the Golden Valley were one-person households.
- Approximately 78% of renter households in Golden Valley in 2015 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.
- One-person households in Golden Valley have the highest percentage of renters among all household types. Five-person plus households have the lowest renter percentage among all household types (5.3%).



## DEMOGRAPHIC ANALYSIS

TABLE D-8  
TENURE BY HOUSEHOLD SIZE  
GOLDEN VALLEY ANALYSIS AREA  
2010 & 2015

2015												
Age	Golden Valley				Hennepin County				Metro Area			
	Owners	Pct.	Renters	Pct.	Owners	Pct.	Renters	Pct.	Owners	Pct.	Renters	Pct.
1PP Household	1,665	61.2	1,055	38.8	78,491	48.8	82,196	51.2	175,681	53.1	155,329	46.9
2PP Household	2,944	84.3	550	15.7	114,302	69.7	49,741	30.3	287,943	74.5	98,732	25.5
3PP Household	898	82.3	193	17.7	46,133	67.5	22,257	32.5	124,856	72.6	47,146	27.4
4PP Household	1,067	87.9	147	12.1	42,974	73.8	15,250	26.2	122,186	78.7	33,141	21.3
5PP Household	216	85.4	37	14.6	16,681	70.4	7,022	29.6	49,255	74.3	17,005	25.7
6PP Household	61	100.0	0	0.0	5,398	60.7	3,495	39.3	15,930	68.3	7,398	31.7
7PP+ Household	0	0.0	72	100.0	3,416	54.6	2,840	45.4	9,561	61.5	5,991	38.5
<b>Total</b>	<b>6,851</b>	<b>76.9</b>	<b>2,054</b>	<b>23.1</b>	<b>307,395</b>	<b>62.7</b>	<b>182,801</b>	<b>37.3</b>	<b>785,412</b>	<b>68.3</b>	<b>364,742</b>	<b>31.7</b>
<b>Average HH Size</b>	<b>2.37</b>		<b>2.02</b>		<b>2.52</b>		<b>2.18</b>		<b>2.63</b>		<b>2.19</b>	
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
<b>Total</b>	<b>6,857</b>	<b>77.8</b>	<b>1,959</b>	<b>22.2</b>	<b>306,121</b>	<b>64.3</b>	<b>169,792</b>	<b>35.7</b>	<b>782,475</b>	<b>70.0</b>	<b>335,274</b>	<b>30.0</b>
<b>Average HH Size</b>	<b>2.37</b>		<b>1.86</b>		<b>2.51</b>		<b>2.12</b>		<b>2.64</b>		<b>2.18</b>	

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 2015. The data was obtained from the U.S. Census.

- In 2015, “White Alone” comprised the largest proportion of the population in Golden Valley (83.2%), Hennepin County (74.3%), and the Metro Area (78.2%). The percentage has decreased since 2010 where “White Alone” was 85.4% in Golden Valley and 74.4% in Hennepin County.
- U.S. Census respondents that list themselves ethnically as Hispanic or Latino, racially list themselves in various race categories. As of 2015, 2.5% of Golden Valley’s population was Hispanic/Latino. The Hispanic/Latino population was 2.6% of Golden Valley’s population in 2010.
- The race “Black or African American Alone” experienced the largest percentage growth between 2010 and 2015 in Golden Valley, increasing from 1,441 to 1,787 people.

## DEMOGRAPHIC ANALYSIS

TABLE D-9  
POPULATION DISTRIBUTION BY RACE  
GOLDEN VALLEY ANALYSIS AREA  
2010 and 2015

NUMBER	White Alone		Black or African American Alone		American Indian or Alaska Native Alone (AIAN)		Native Hawaiian or Pacific Islander Alone (NHPI)		Asian Alone		Some Other Race		Two or More Races Alone		Hispanic or Latino <sup>1</sup> <i>Ethnicity not Race</i>	
	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015
Golden Valley	17,390	17,352	1,441	1,787	85	132	4	0	723	860	176	126	552	609	538	529
Hennepin County	856,834	889,634	136,262	145,718	7,252	8,273	506	475	71,905	81,406	38,878	30,305	37,449	41,965	77,676	81,719
<b>Metro Area</b>	<b>2,246,356</b>	<b>2,309,380</b>	<b>238,723</b>	<b>257,069</b>	<b>20,219</b>	<b>17,200</b>	<b>1,262</b>	<b>1,164</b>	<b>183,421</b>	<b>207,088</b>	<b>74,516</b>	<b>61,390</b>	<b>84,383</b>	<b>98,823</b>	<b>167,558</b>	<b>179,371</b>
<b>PERCENTAGE</b>																
Golden Valley	85.4%	83.2%	7.1%	8.6%	0.4%	0.6%	0.0%	0.0%	3.5%	4.1%	0.9%	0.6%	2.7%	2.9%	2.6%	2.5%
Hennepin County	74.4%	74.3%	11.8%	12.2%	0.6%	0.7%	0.0%	0.0%	6.2%	6.8%	3.4%	2.5%	3.2%	3.5%	6.7%	6.8%
<b>Metro Area</b>	<b>78.8%</b>	<b>78.2%</b>	<b>8.4%</b>	<b>8.7%</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>6.4%</b>	<b>7.0%</b>	<b>2.6%</b>	<b>2.1%</b>	<b>3.0%</b>	<b>3.3%</b>	<b>5.9%</b>	<b>6.1%</b>

<sup>1</sup> 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 (2015 is the last year available).

- The majority of residents in Golden Valley (86.8%) did not move within the last year.
- Of the remaining 13.2% of residents that moved within the last year, approximately 3.5% moved from outside of Hennepin County but within Minnesota and 8.2% were intra-county moves (i.e. one location in Hennepin County to another Hennepin County location).
- A greater proportion of younger age cohorts (a large student population) tended to move compared to older age cohorts. Approximately 20.7% of those age 18 to 24 moved within the last year compared to 7.8% of those age 75+.

Winona 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	3,162	84.7%	350	1.7%	321	1.6%	12	0.1%	22	0.1%
18 to 24	817	96.0%	161	0.8%	27	0.1%	25	0.1%	0	0.0%
25 to 34	1,915	90.7%	467	2.3%	150	0.7%	126	0.6%	24	0.1%
35 to 44	1,853	91.0%	255	1.2%	39	0.2%	0	0.0%	13	0.1%
45 to 54	2,856	86.2%	226	1.1%	35	0.2%	22	0.1%	0	0.0%
55 to 64	3,313	84.0%	63	0.3%	67	0.3%	39	0.2%	32	0.2%
65 to 74	2,158	89.5%	63	0.3%	27	0.1%	16	0.1%	0	0.0%
75+	1,833	91.1%	99	0.5%	56	0.3%	0	0.0%	0	0.0%
<b>Total</b>	<b>17,906</b>	<b>86.8%</b>	<b>1,684</b>	<b>8.2%</b>	<b>721</b>	<b>3.5%</b>	<b>239</b>	<b>1.2%</b>	<b>91</b>	<b>0.4%</b>

Sources: 2010-2015 American Community Survey; Maxfield Research and Consulting LLC

**Summary of Demographic Trends**

The following points summarize key demographic trends that will impact demand for housing throughout Golden Valley.

- Golden Valley experienced a population increase during the past decade, gaining 90 people (+0.4%), and 367 households (+4.3%).
- Between 2010 and 2030, Golden Valley’s population is expected to increase by +4.4% (+1,000 people) while the number of households is expected to increase by +5.5% (+552 households). The City of Golden Valley can expect to see continued population growth since it is located near employment opportunities and urban services that would support residential development. More people will choose to locate near their place of work as increasing transportation costs increase the desirability of living close to employment. Due to

## DEMOGRAPHIC ANALYSIS

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the scarcity of buildable land within Golden Valley, the City will need to consider options to support housing growth such as changes to building or zoning restrictions.

- In Golden Valley, growth is projected to occur in all ages except the 45 to 54 year olds. The greatest growth is projected to occur among adults 65 to 84 year olds. Aging of baby boomers led to an increase of 704 people (+32.1%) in the Golden Valley's age 55 to 64 population between 2000 and 2010. All cohorts age 55 or greater are expected to see increases over the next 5 years.
- Golden Valley has an estimated median household income of \$86,028 in 2016 and is projected to increase over the next five years to \$97,535. There are 186 non-senior households (32.5% of households with incomes less than \$15,000) eligible for deep-subsidy rental housing. Median incomes for households in Golden Valley peak at \$112,850 for the 45 to 54 age group in 2016. Incomes are expected to increase by 13.4% (2.7% annually) between 2016 and 2021 in the Golden Valley.
- In Golden Valley, 5.4% of households ages 65 to 74 and 12.4% of households ages 75 and over had incomes below \$15,000. The median income for seniors age 65 to 74 and 75+ in Golden Valley is \$73,025 and \$45,790 respectively in 2016 and is projected to increase to \$84,134 (15.2%) and \$47,478 (3.7%) respectively by 2021.
- Typically, as income increases, so does the rate of homeownership. Homeownership in Golden Valley increases from 27.8% of households with incomes below \$15,000 to 91.3% of households with incomes above \$100,000.
- The number of owner households in the Golden Valley decreased by -0.9% between 2010 and 2015.
- Between 2010 and 2015, Golden Valley experienced an increase in all household types except married with children households declining by -9.2% and roommates declining by -28.3. Married families without children grew the most numerically, adding +142 households (+1.3%).
- An estimated 78% of renter households in Golden Valley in 2015 had either one or two people.
- In 2015, "White Alone" (93.2%) comprised the largest proportion of the population in Golden Valley. "White Alone" includes Hispanic and Latino population and as of 2015, 2.6% of Golden Valley's population was Hispanic/Latino ethnicity.
- Of the residents that moved in the past year, approximately 3.5% moved from outside of Hennepin County but within Minnesota and 8.2% were intra-county moves.

**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.

	Employment						Change					
	Actual			Forecast			2000-2010		2010-2020		2020-2030	
	2000	2010	2015*	2020	2030	2040	No.	Pct.	No.	Pct.	No.	Pct.
Golden Valley	30,073	33,194	33,665	36,000	37,500	38,900	3,121	10.4%	2,806	8.5%	1,500	4.2%
Hennepin County	733,391	805,089	883,294	919,900	976,520	1,038,140	71,698	9.8%	114,811	14.3%	56,620	6.2%
Twin Cities Metro Area	1,272,773	1,543,872	1,675,052	1,791,080	1,913,050	2,032,660	271,099	21.3%	247,208	16.0%	121,970	6.8%
* 2015 Data is from MNDEED Quarterly Census of Employment and Wages												
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 33,194 jobs in Golden Valley in 2010, which was 4.1% of the County total (805,089 jobs).
- The number of jobs in Golden Valley is projected to grow by 2,806 jobs from 2010 through 2020 (8.5%). This is a lower projection than what is expected for Hennepin County (14.3%) and the Twin Cities Metro Area (16.0%). Between 2010 and 2015 it is estimated that Golden Valley added 471 jobs. Job creation in Golden Valley continues to grow, making Golden Valley more appealing for housing.
- Golden Valley’s employment is anticipated to increase by 4.2% between 2020 and 2030 and through to increase by 8.1% between 2020 and 2040.

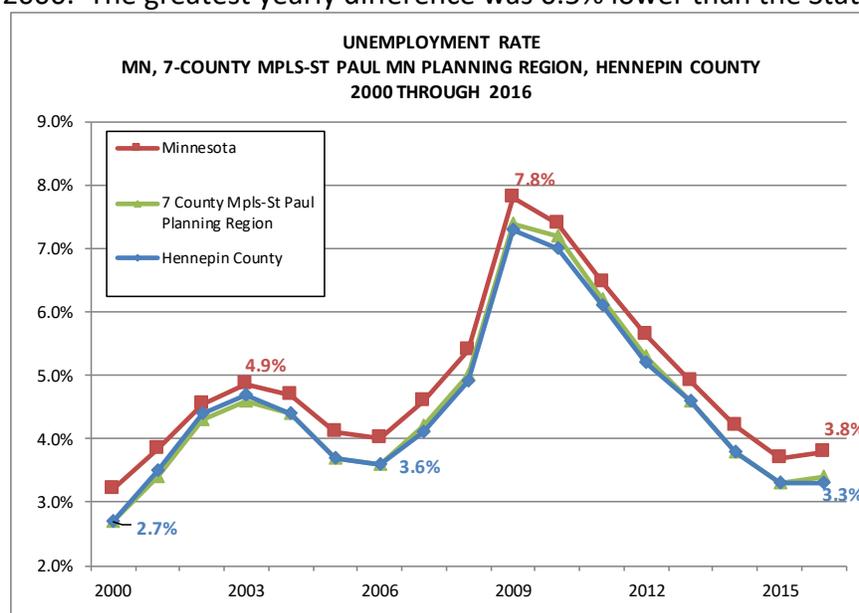
**Resident Labor Force**

Recent employment growth trends are shown in Tables E-2 and E-3. Table E-2 presents resident employment data for Golden Valley from 2000 through 2016. These numbers were derived from the proportion of jobs in Golden Valley as compared to Hennepin County. Resident employment data is calculated as an annual average *and reveals the work force and number of employed persons living in the City*. It is important to note that not all of these individuals necessarily work in the City or County.

Table E-3 presents covered employment numbers as available for Golden Valley from 2000 through the second quarter 2016. 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. Some agricultural businesses and employees are listed in Table E-3, but not all positions are included. 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:

**Resident Employment**

- Resident employment (number of employed persons) in Golden Valley increased by approximately 510 people between 2000 and 2016 (+1.9%) and the unemployment rate increased from 2.7% (2000) to 3.3% in 2016. By comparison, Minnesota’s unemployment rate was at 3.8% and the U.S. was at 4.9% as of December 2016.
- Hennepin County’s unemployment rate has stayed lower than Minnesota’s unemployment rate since 2000. The greatest yearly difference was 0.5% lower than the State in 2016.



## EMPLOYMENT

- The unemployment rate in Hennepin County increased to a high of 7.3% (2009) which was the peak of the recession. However, as of December 2016, the unemployment rate has fallen to 3.3%, which is considered to be below equilibrium (5.0%).

TABLE E-2 ANNUAL AVERAGE RESIDENT EMPLOYMENT GOLDEN VALLEY MN 2000 to 2016 <sup>1</sup>				
<u>Year</u>	<u>Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Rate</u>
<b>GOLDEN VALLEY MN <sup>2</sup></b>				
2000	27,331	26,591	740	2.7%
2005	26,755	25,772	983	3.7%
2010	26,687	24,817	1,869	7.0%
2015	27,862	26,946	915	3.3%
2016 <sup>1</sup>	28,029	27,101	927	3.3%
<b>Change 2000-2016 <sup>1</sup></b>				
<b>Number</b>	697	510	187	--
<b>Percent</b>	2.6%	1.9%	25.3%	--
<b>HENNEPIN COUNTY</b>				
2000	666,621	648,571	18,050	2.7%
2005	652,568	628,595	23,973	3.7%
2010	650,891	605,294	45,597	7.0%
2015	679,549	657,229	22,320	3.3%
2016 <sup>1</sup>	683,629	661,008	22,621	3.3%
<b>MINNESOTA</b>				
2010	2,938,795	2,721,194	217,601	7.4%
2015	3,010,366	2,898,863	111,503	3.7%
2016 <sup>1</sup>	3,019,622	2,903,555	116,067	3.8%
<b>U.S. <sup>3</sup></b>				
2010	153,889	139,878	14,011	9.6%
2015	157,130	148,833	8,297	5.3%
2016 <sup>1</sup>	159,186	151,436	7,750	4.9%
<sup>1</sup> Through December 2016				
<sup>2</sup> Estimated from percentage in Hennepin County				
<sup>3</sup> In Thousands not seasonally adjusted				
Sources: U.S. Department of Labor, MN Workforce Center, Maxfield Research and Consulting LLC				

## EMPLOYMENT

### Covered Employment by Industry

- Between 2000 and second quarter 2016, the number of jobs increased in Golden Valley by - 677, a 2.3% increase in the City. Professional and Business Services gained the greatest number of jobs (+3,674, jobs) between 2000 and Q2 2016. Manufacturing declined the most number of jobs (-1,877 jobs) between 2000 and Q2 2016.

Industry	Average Number of Employees					Change 2000 - 2016*		% of Total					
	2000	2005	2010	2015	2016*	No.	Pct.	2000	2005	2010	2015	2016*	
Natural Resources & Mining	--	--	--	--	--	--	--	--	--	--	--	--	--
Construction	2,850	--	--	--	--	--	--	--	--	--	--	--	--
Manufacturing	6,064	5,221	4,182	4,221	4,187	-1,877	-31.0%	20.2%	16.7%	13.2%	13.5%	13.6%	
Trade, Transportation, and Utilities	4,416	5,822	4,385	5,143	5,213	797	18.0%	14.7%	18.6%	13.8%	16.5%	17.0%	
Information	810	710	688	681	533	-277	-34.2%	2.7%	2.3%	2.2%	2.2%	1.7%	
Financial Services	2,920	5,941	5,229	3,707	3,764	844	28.9%	9.7%	19.0%	16.4%	11.9%	12.2%	
Professional and Business Services	6,479	6,257	9,264	10,559	10,153	3,674	56.7%	21.5%	20.0%	29.1%	33.9%	33.0%	
Education and Health Services	4,039	4,316	5,069	4,411	4,550	511	12.7%	13.4%	13.8%	15.9%	14.2%	14.8%	
Leisure and Hospitality	1,430	2,067	2,005	1,431	1,330	-100	-7.0%	4.8%	6.6%	6.3%	4.6%	4.3%	
Other Services	766	697	675	717	729	-37	-4.8%	2.5%	2.2%	2.1%	2.3%	2.4%	
Public Administration	297	293	300	292	289	-8	-2.7%	1.0%	0.9%	0.9%	0.9%	0.9%	
<b>Totals</b>	<b>30,071</b>	<b>31,324</b>	<b>31,797</b>	<b>31,162</b>	<b>30,748</b>	<b>677</b>	<b>225.1%</b>						

\* through 2nd Quarter 2016

Source: Minnesota Workforce Center; Maxfield Research & Consulting, LLC

### 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 2014 while the business summary for Golden Valley is sourced from Minnesota DEED for 2015, 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 there are too few employers or one employer comprises too much of the employment in that geography.

## EMPLOYMENT

- As of 2014, approximately 5,921 (61.2%) employees make more than \$3,333 per month in Golden Valley. This is higher than Hennepin County (54.1%) and the Metro Area (53.6%) make more than \$3,333 per month.
- As of 2014, approximately 3,009 (31.1%) employees have a bachelor's degree or advanced degree. This is higher than Hennepin County and the Metro Area where 28.2% and 27.7% respectively have a bachelor's or advanced degree.

Type	Golden valey		Hennepin County		Metro Area	
	No.	Pct.	No.	Pct.	No.	Pct.
\$1,250/month or less	1,583	16.3%	97,533	17.6%	252,659	18.1%
\$1,251 to \$3,333/month	2,178	22.5%	156,600	28.3%	395,241	28.3%
More than \$3,333/month	5,921	61.2%	299,283	54.1%	748,867	53.6%
<b>Total</b>	<b>9,682</b>	<b>100%</b>	<b>553,416</b>	<b>100%</b>	<b>1,396,767</b>	<b>100%</b>

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

Type	Golden Valley		Hennepin County		Metro Area	
	No.	Pct.	No.	Pct.	No.	Pct.
Less Than High School	493	5.1%	31,699	5.7%	77,957	5.6%
High School or Equivalent, No College	1,786	18.4%	99,447	18.0%	257,494	18.4%
Some College or Associate Degree	2,481	25.6%	136,078	24.6%	351,188	25.1%
Bachelor's Degree or Advanced Degree	3,009	31.1%	155,809	28.2%	386,854	27.7%
Educational Attainment Not Available	1,913	19.8%	130,383	23.6%	323,274	23.1%
<b>Total</b>	<b>9,682</b>	<b>100%</b>	<b>553,416</b>	<b>100%</b>	<b>1,396,767</b>	<b>100%</b>

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

## EMPLOYMENT

**TABLE E-7  
BUSINESS SUMMARY - BY NAICS CODE  
GOLDEN VALLEY MN  
2015**

Business/Industry	Businesses		Employees	
	Number	Pct	Number	Pct
<b>NAICS CODES</b>				
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	0	0.0%	0	0.0%
Manufacturing	57	5.7%	4,221	14.1%
Wholesale Trade	96	9.6%	2,154	7.2%
Retail Trade	73	7.3%	1,721	5.8%
Transportation & Warehousing	0	0.0%	0	0.0%
Information	31	3.1%	681	2.3%
Finance & Insurance	88	8.8%	3,130	10.5%
Real Estate, Rental & Leasing	52	5.2%	577	1.9%
Professional, Scientific & Tech Services	196	19.5%	4,472	15.0%
Management of Companies & Enterprises	24	2.4%	3,405	11.4%
Admin& Support & Waste Management & Remediation Services	53	5.3%	2,682	9.0%
Educational Services	21	2.1%	606	2.0%
Health Care & Social Assistance	128	12.7%	3,805	12.7%
Arts, Entertainment & Recreation	16	1.6%	262	0.9%
Accommodation & Food Services	66	6.6%	1,169	3.9%
Other Services (except Public Administration)	100	10.0%	717	2.4%
Public Administration	3	0.3%	292	1.0%
Unclassified Establishments	0	0.0%	0	0.0%
<b>Total</b>	<b>1,004</b>	<b>100.0%</b>	<b>29,894</b>	<b>100.0%</b>

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

- As of 2015, there were approximately 1,004 businesses with 29,894 employees in the City of Golden Valley.
- Professional, Scientific and Technical Services have the highest number of establishments (196 businesses) and the largest number of employees (4,472 employees) in Golden Valley.
- Health Care and Social Assistance has the second largest industry type (128 businesses), and has 3,805 employees.
- Professional, Scientific and Technical Services accounts for 15.0% of the total employees in Golden Valley while Manufacturing accounts for 14.1%, the highest number of employees employed in business/industry sectors in Golden Valley.

### 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 2014 (the most recent data available), based on Employer-Household Dynamics data from the U.S. Census Bureau.

- As shown in Table E-7, 9.4% of Golden Valley residents commuted to jobs in Golden Valley. Most employees that live in Golden Valley commuted to jobs in Minneapolis (28.1%).
- Of the workers who work in Golden Valley, 2.5% also live in Golden Valley. The remaining workers are commuting from mostly Minneapolis (10.5%), Plymouth (5.5%), and Maple Grove (4.2%).

TABLE E-7 GOLDEN VALLEY COMMUTING PATTERNS 2014			
Place of Residence	Place of Employment	Count	Percent
<b>Place of Residence for Workers Commuting to Golden Valley</b>			
Minneapolis	Golden Valley	3,773	10.5%
Plymouth	Golden Valley	1,998	5.5%
Maple Grove	Golden Valley	1,509	4.2%
St. Paul	Golden Valley	1,388	3.9%
Brooklyn Park	Golden Valley	1,334	3.7%
Minnetonka	Golden Valley	1,042	2.9%
St. Louis Park	Golden Valley	1,040	2.9%
Golden Valley	Golden Valley	909	2.5%
Eden Prairie	Golden Valley	731	2.0%
Bloomington	Golden Valley	727	2.0%
All Other Locations	Golden Valley	21,567	59.9%
Metro Area	Golden Valley	30,380	84.3%
Outstate MN	Golden Valley	4,797	13.3%
Other State	Golden Valley	841	2.3%
		<u>36,018</u>	<u>100.0%</u>
<b>Place of Employment for Golden Valley Residents</b>			
Golden Valley	Minneapolis	2,725	28.1%
Golden Valley	Golden Valley	909	9.4%
Golden Valley	St. Paul	524	5.4%
Golden Valley	Plymouth	503	5.2%
Golden Valley	St. Louis Park	464	4.8%
Golden Valley	Minnetonka	461	4.8%
Golden Valley	Bloomington	448	4.6%
Golden Valley	Edina	313	3.2%
Golden Valley	Eden Prairie	282	2.9%
Golden Valley	Maple Grove	210	2.2%
Golden Valley	All Other Locations	2,843	29.4%
Golden Valley	Metro Area	9,165	94.7%
Golden Valley	Outstate MN	378	3.9%
Golden Valley	Other State	139	1.4%
		<u>9,682</u>	<u>100.0%</u>
Sources: US Census Bureau; Maxfield Research & Consulting, LLC			

### Inflow/Outflow

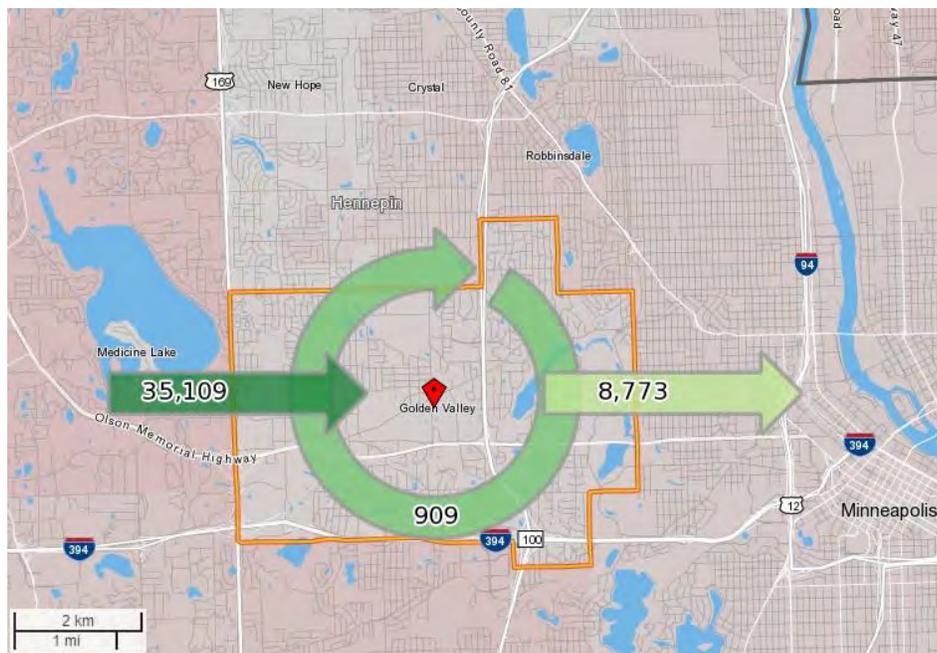
Table E-8 provides a summary of the inflow and outflow of workers in Golden Valley. Outflow reflects the number of workers living in Golden Valley but employed outside of Golden Valley while inflow measures the number of workers that are employed in Golden Valley but live outside. Interior flow reflects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

## EMPLOYMENT

- 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 35,109 workers came into Golden Valley for work while 8,773 workers left, for a net difference of 26,336.

TABLE E-8 COMMUTING INFLOW/OUTFLOW GOLDEN VALLEY MN 2014		
	<b>Golden Valley</b>	
	<b>Num.</b>	<b>Pct.</b>
Employed in the Selection Area	36,018	100%
Employed in the Selection Area but Living Outside	35,109	97.5%
Employed and Living in the Selection Area	909	2.5%
Living in the Selection Area	9,682	100%
Living in the Selection Area but Employed Outside	8,773	90.6%
Living and Employed in the Selection Area	909	9.4%
<b>Commuting Distance</b>	<b>Num.</b>	<b>Pct.</b>
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



Sources: Longitudinal Employer-Household Dynamics

**Major Employers**

Table E-7 shows the major employers in Golden Valley based on data provided by the City of Golden Valley. Please note that the table is not a comprehensive list of all employers and presents a selected list of employers and their employees as identified by the City of Golden Valley. The following are key points from the major employers table.

- General Mills, Inc., is the largest identified employer with approximately 5,500 employees. Allianz Life Insurance Company employs over 2,000 employees. Another major employer in Golden Valley is Honeywell with approximately 1,732 employees.

<b>Name</b>	<b>Approximate Employee Size</b>
General Mills, Inc.	5,500
Allianz Life Insurance Company	2,096
Honeywell Incorporated	1,732
G.H. Tennant Company	813
Courage Center	600
M.A. Mortenson	600
Breck School	420
Preferred One	360
Lubrication Technologies	350

Source: City of Golden Valley; Maxfield Research and Consulting LLC

- The list of major employers represents several industry sectors, but the highest concentrations of large employers are in the Manufacturing, Insurance, and Management of Companies and Enterprises.
- The top four employers account for approximately 36% of the employment in the City of Golden Valley.
- In 2015, the average weekly wage in Golden Valley was \$1,728 of all industries and Professional and Business Services had the highest weekly wage at \$2,285.

### Employment Interview

Maxfield Research and Consulting LLC interviewed economic development specialists, and local officials regarding major employment changes and other issues that may impact long-term employment projections in Golden Valley. Community economic development information provides useful job growth data and assists in identifying housing demand in an area. The following summarizes key points derived from the information provided.

- The City of Golden Valley is not expecting any major employment changes to impact long-term employment projections for the City.
- There is activity in the Golden Valley market area with occasional layoffs, but mostly companies within Golden Valley are growing and experiencing fast turnover within company vacancies.
- Economic Development specialists have identified that major employers are adding new positions locally and relate that the local Golden Valley economy is diverse.
- The City of Golden Valley officials noted that the large employers within the City adds strength to its employment base and increases the per capita employment within the City, making it the highest per capita employment in the area.
- As of 2016, Optum Health left its Golden Valley space. Other notable employers not listed within Table E-7 within the City are: Liberty Carton, KARE, Bluestone Garden, Room & Board, UnitedHealth Group (Optum), and Pentair.

### 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 U.S. Census Bureau on the number of building permits issued for new housing units in Golden Valley from 2000 through 2016 and compared this with the number of units permitted as identified by the City of Golden Valley Dodge Report provided by the City of Golden Valley Building Department compared to the Metropolitan Council. 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 U.S. Census, the City of Golden Valley issued 371 permits between 2000 and October 2016. That equates to about 22 residential building permits annually since 2000.
- The City of Golden Valley Building Department Dodge Report reported that there were 1,512 new residential units permitted from 2000 through 2016, while Metropolitan Council reported that there were 1,114 units permitted from 2000 through 2015. This equates to about 70 to 89 total units permitted annually since 2000.
- Between 2000 and 2006, the City of Golden Valley issued approximately 258 residential permits for approximately 458 to 619 units. That equates to roughly 37 permits and between 65 and 88 units annually between 2000 and 2006. There were approximately between 332 and 447 multifamily units, and between 280 and 332 single-family units permitted between 2000 and 2006.
- In 2007, most U.S. communities' housing permits declined and recessionary effects on Golden Valley's building permit activity and buyers can be identified in 2006 and 2007. Beginning in 2006, building permits declined and from 2007 through 2015 the City has averaged only 11 residential building permits per year with an average of between 55 and 105 units per year.

## HOUSING CHARACTERISTICS

- Since 2007, single-family units permitted have averaged around 12 units permitted per year. Multifamily units permitted did not see any activity between 2005 and 2012 according to the Dodge Report, but since 2013 multifamily units have averaged 234 units permitted per year.
- Multifamily permits are driven by need for market rate rental properties in Golden Valley.
- Of early 2000's multifamily permitted housing was for for-sale product. In the past few years multifamily permitted housing has been for market rate rental housing.

<b>HC-1</b> <b>RESIDENTIAL CONSTRUCTION BUILDING PERMITTED UNITS ISSUED</b> <b>CITY OF GOLDEN VALLEY</b> <i>per Metropolitan Council</i> <b>2000 to 2015</b>				
Year	Units Permitted			U.S. Census Total New Residential Building Permits <sup>2</sup>
	Single-Family	Multifamily	Total Units	
2000	56	88	144	59
2001	28	135	163	107
2002	14	25	39	14
2003	22	0	22	21
2004	15	199	214	21
2005	33	0	33	32
2006	4	0	4	4
2007	9	0	9	9
2008	15	0	15	10
2009	7	0	7	7
2010	5	0	5	5
2011	3	0	3	3
2012	11	0	11	11
2013	23	0	23	22
2014	13	165	178	14
2015	22	222	244	22
2016	na	na	na	10
<b>Total</b>	<b>280</b>	<b>834</b>	<b>1,114</b>	<b>371</b>

<sup>1</sup> Through October 2016

<sup>2</sup> US Census. Permits issued regardless of building size

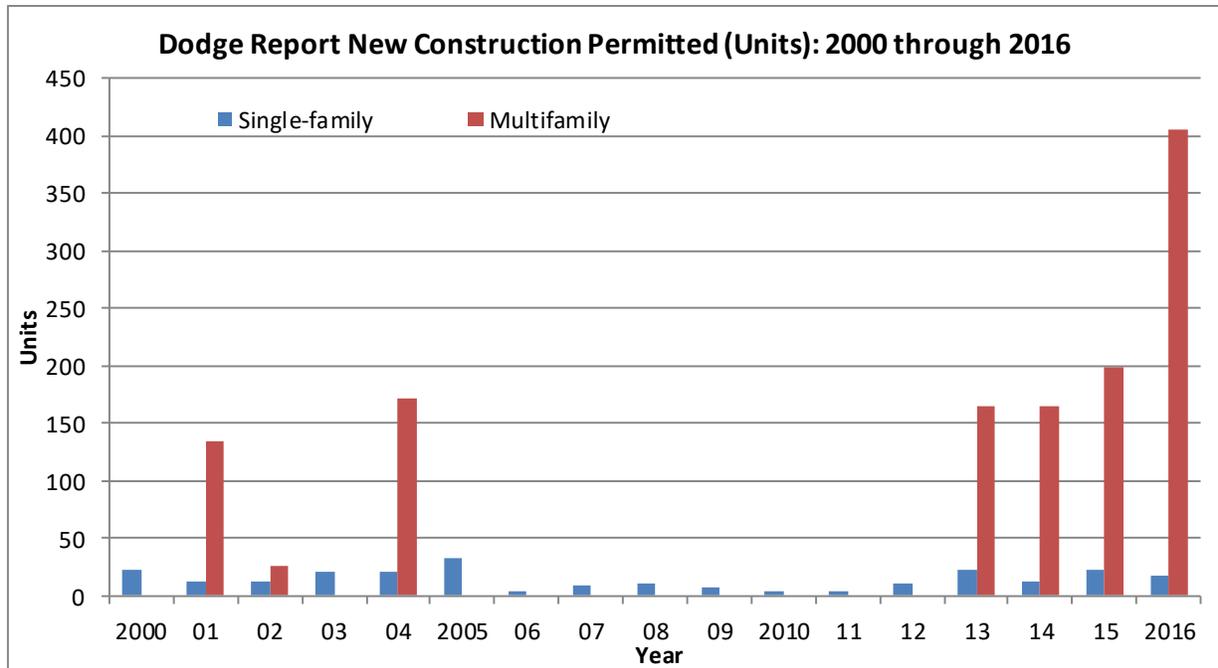
Sources: Metropolitan Council; US Census; Maxfield Research and Consulting LLC

**HOUSING CHARACTERISTICS**

<b>HC-2</b> <b>RESIDENTIAL CONSTRUCTION BUILDING PERMITS ISSUED</b> <b>CITY OF GOLDEN VALLEY</b> <i>per City of Golden Valley Building Dept. Dodge Report</i> <b>2000 to 2016</b>				
Year	Units Permitted <sup>1</sup>			U.S. Census Total New Residential Building Permits <sup>2</sup>
	Single-Family & Townhomes	Multifamily	Total Units	
2000	23	0	23	59
2001	13	135	148	107
2002	13	25	38	14
2003	20	0	20	21
2004	21	172	193	21
2005	32	0	32	32
2006	4	0	4	4
2007	9	0	9	9
2008	10	0	10	10
2009	7	0	7	7
2010	4	0	4	5
2011	3	0	3	3
2012	11	0	11	11
2013	23	165	188	22
2014	13	165	178	14
2015	22	199	221	22
2016	18	405	423	10
<b>Total</b>	<b>246</b>	<b>1,266</b>	<b>1,512</b>	<b>371</b>

<sup>1</sup> Dodge Report  
<sup>2</sup> US Census. Permits issued regardless of building size

Sources: Metropolitan Council; 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. The most recent ACS highlights data collected between 2011 and 2015. 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 2015 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 2015, Golden Valley was estimated to have 8,898 housing units, of which roughly 77% were owner-occupied and 23% were renter-occupied. In Hennepin County, approximately 63% were owner-occupied while in Minnesota 72% of the housing stock was owner-occupied.

## HOUSING CHARACTERISTICS

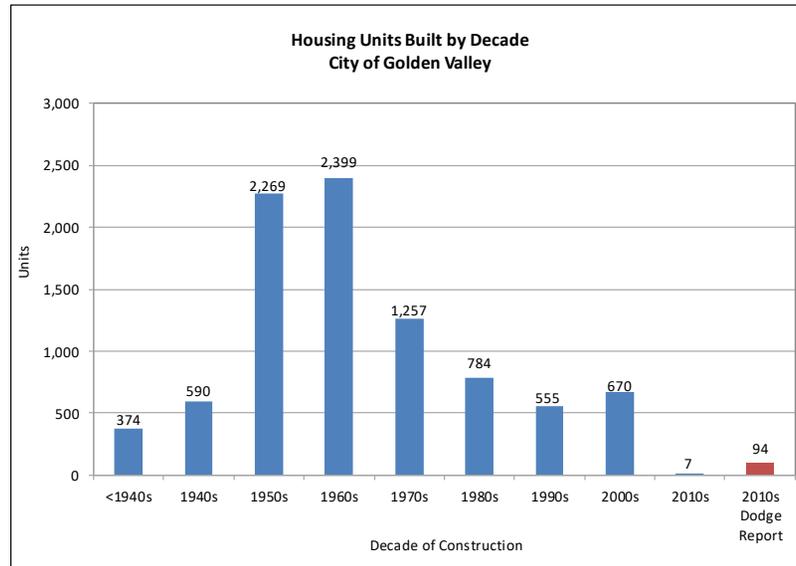
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- Homes in Golden Valley are older than homes in Hennepin County. Most housing (52.5%) was built in the 1950's and 1960's. The greatest number of homes in Golden Valley were constructed in the 1960's (roughly 27%). By comparison, the highest number of homes in Hennepin County were built prior to 1940 (19.2%).
- 13.8% of Golden Valley's housing stock has been built since 2000 compared to 10.5% of Hennepin County, 16.5% of Minneapolis – St. Paul MN-WI Metro Area, and 15.9% in Minnesota.
- Per the City of Golden Valley Dodge Report, 94 single-family and townhome units have been permitted since 2010.

# HOUSING CHARACTERISTICS

TABLE HC-3 AGE OF HOUSING STOCK GOLDEN VALLEY MN Through 2016																						
Total Units	Med. Yr. Built	Year Unit Built																				
		<1940		1940s		1950s		1960s		1970s		1980s		1990s		2000s		2010 - 2013		2014 - 2016		
		No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	
<b>GOLDEN VALLEY MN</b>																						
Owner-Occupied	6,851	1963	311	4.5	547	8.0	1,959	28.6	2,087	30.5	835	12.2	380	5.5	279	4.1	453	6.6	0	0.0	0	0.0
Renter-Occupied	2,047	1977	63	3.1	43	2.1	310	15.1	312	15.2	422	20.6	404	19.7	276	13.5	217	10.6	0	0.0	7	0.3
<b>Total</b>	<b>8,898</b>	<b>1965</b>	<b>374</b>	<b>4.2</b>	<b>590</b>	<b>6.6</b>	<b>2,269</b>	<b>25.5</b>	<b>2,399</b>	<b>27.0</b>	<b>1,257</b>	<b>14.1</b>	<b>784</b>	<b>8.8</b>	<b>555</b>	<b>6.2</b>	<b>670</b>	<b>7.5</b>	<b>0</b>	<b>0.0</b>	<b>7</b>	<b>0.1</b>
<b>Hennepin County</b>																						
Owner-Occupied	306,970	1967	59,724	19.5	20,362	6.6	51,676	16.8	31,070	10.1	38,821	12.6	43,979	14.3	30,348	9.9	28,552	9.3	2,438	0.8	425	0.1
Renter-Occupied	182,595	1972	34,320	18.8	8,125	4.4	15,373	8.4	25,179	13.8	37,714	20.7	26,723	14.6	15,328	8.4	17,116	9.4	2,717	1.5	206	0.1
<b>Total</b>	<b>489,565</b>	<b>1970</b>	<b>94,044</b>	<b>19.2</b>	<b>28,487</b>	<b>5.8</b>	<b>67,049</b>	<b>13.7</b>	<b>56,249</b>	<b>11.5</b>	<b>76,535</b>	<b>15.6</b>	<b>70,702</b>	<b>14.4</b>	<b>45,676</b>	<b>9.3</b>	<b>45,668</b>	<b>9.3</b>	<b>5,155</b>	<b>1.1</b>	<b>631</b>	<b>0.1</b>
<b>Minneapolis - St. Paul MN-WI Metro Area</b>																						
Owner-Occupied	931,782	1979	127,630	13.7	38,407	4.1	102,986	11.1	84,271	9.0	126,177	13.5	137,145	14.7	153,123	16.4	151,656	16.3	10,387	1.1	987	0.1
Renter-Occupied	401,260	1975	64,113	16.0	14,347	3.6	30,799	7.7	49,130	12.2	79,097	19.7	61,859	15.4	45,229	11.3	50,270	12.5	6,416	1.6	366	0.1
<b>Total</b>	<b>1,333,042</b>	<b>1978</b>	<b>191,743</b>	<b>14.4</b>	<b>52,754</b>	<b>4.0</b>	<b>133,785</b>	<b>10.0</b>	<b>133,401</b>	<b>10.0</b>	<b>205,274</b>	<b>15.4</b>	<b>199,004</b>	<b>14.9</b>	<b>198,352</b>	<b>14.9</b>	<b>201,926</b>	<b>15.1</b>	<b>16,803</b>	<b>1.3</b>	<b>1,353</b>	<b>0.1</b>
<b>Minnesota</b>																						
Owner-Occupied	1,520,969	1976	254,452	16.7	73,489	4.8	170,695	11.2	136,864	9.0	213,775	14.1	192,489	12.7	226,058	14.9	235,463	15.5	17,684	1.2	1,649	0.1
Renter-Occupied	601,677	1975	101,252	16.8	25,293	4.2	48,448	8.1	70,067	11.6	116,201	19.3	87,962	14.6	69,529	11.6	73,691	12.2	9,234	1.5	450	0.1
<b>Total</b>	<b>2,122,646</b>	<b>1976</b>	<b>355,704</b>	<b>16.8</b>	<b>98,782</b>	<b>4.7</b>	<b>219,143</b>	<b>10.3</b>	<b>206,931</b>	<b>9.7</b>	<b>329,976</b>	<b>15.5</b>	<b>280,451</b>	<b>13.2</b>	<b>295,587</b>	<b>13.9</b>	<b>309,154</b>	<b>14.6</b>	<b>26,918</b>	<b>1.3</b>	<b>2,099</b>	<b>0.1</b>

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



**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 2015.

- The dominant housing type in the Market Area is the single-family detached home, representing an estimated 86% of all owner-occupied housing units and 18% of renter-occupied housing units as of 2015.

Units in Structure	CITY OF GOLDEN VALLEY				HENNEPIN COUNTY				METRO AREA			
	Owner-Occupied		Renter-Occupied		Owner-Occupied		Renter-Occupied		Owner-Occupied		Renter-Occupied	
	Units	Pct.	Units	Pct.	Units	Pct.	Units	Pct.	Units	Pct.	Units	Pct.
1, detached	5,920	86.4%	369	18.0%	247,800	80.6%	23,400	13%	632,367	80.5%	50,228	13.8%
1, attached	440	6.4%	203	9.9%	30,109	9.8%	12,592	7%	93,048	11.8%	37,318	10.2%
2	8	0.1%	67	3.3%	4,012	1.3%	12,829	7%	6,727	0.9%	23,053	6.3%
3 to 4	24	0.4%	24	1.2%	2,669	0.9%	8,885	5%	5,410	0.7%	18,481	5.1%
5 to 9	15	0.2%	224	10.9%	2,588	0.8%	10,911	6%	5,610	0.7%	22,420	6.1%
10 to 19	176	2.6%	262	12.8%	2,076	0.7%	22,573	12%	3,355	0.4%	43,460	11.9%
20 to 49	48	0.7%	243	11.8%	4,620	1.5%	32,276	18%	7,767	1.0%	63,623	17.4%
50 or more	192	2.8%	662	32.2%	12,573	4.1%	58,794	32%	18,628	2.4%	104,067	28.5%
Mobile home	28	0.4%	0	0.0%	910	0.3%	446	0%	12,395	1.6%	1,844	0.5%
Boat, RV, van, etc.	0	0.0%	0	0.0%	38	0.0%	95	0%	105	0.0%	248	0.1%
<b>Total</b>	<b>6,851</b>	<b>100%</b>	<b>2,054</b>	<b>100%</b>	<b>307,395</b>	<b>100%</b>	<b>182,801</b>	<b>100%</b>	<b>785,412</b>	<b>100%</b>	<b>364,742</b>	<b>100%</b>

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

- Over 32% of the renter-occupied housing units are within structures that have 50 or more units in Golden Valley.
- Most housing with three or more units are renter-occupied.

**Owner-Occupied Housing Units by Mortgage Status**

Table HC-4 shows mortgage status and average values from the American Community Survey for 2015 (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.

## HOUSING CHARACTERISTICS

- Approximately 68% of Golden Valley homeowners have a mortgage. About 16% of homeowners with mortgages in Golden Valley also have a second mortgage and/or home equity loan. These numbers are slightly lower compared to Minnesota where approximately 70% of homeowners have a mortgage. The median value for homes with a mortgage for the Golden Valley homeowners is approximately \$274,700.

Mortgage Status	GOLDEN VALLEY		HENNEPIN COUNTY		METRO AREA	
	No.	Pct.	No.	Pct.	Pct.	Pct.
Housing units without a mortgage	2,224	32.5	83,550	27.2	182,334	26.6
Housing units with a mortgage/debt	4,627	67.5	223,845	72.8	503,556	73.4
<i>Second mortgage only</i>	312	4.6	12,747	4.1	30,582	4.5
<i>Home equity loan only</i>	864	12.6	38,113	12.4	85,592	12.5
<i>Both second mortgage and equity loan</i>	7	0.1	1,731	0.6	4,192	0.6
<i>No second mortgage or equity loan</i>	3,444	50.3	171,254	55.7	383,190	55.9
<b>Total</b>	<b>6,851</b>	<b>100.0</b>	<b>307,395</b>	<b>100.0</b>	<b>685,890</b>	<b>100.0</b>
<b>Median Value by Mortgage Status</b>						
Housing units with a mortgage	\$274,700		\$232,200		\$224,570	
Housing units without a mortgage	\$243,200		\$220,400		\$209,350	
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.

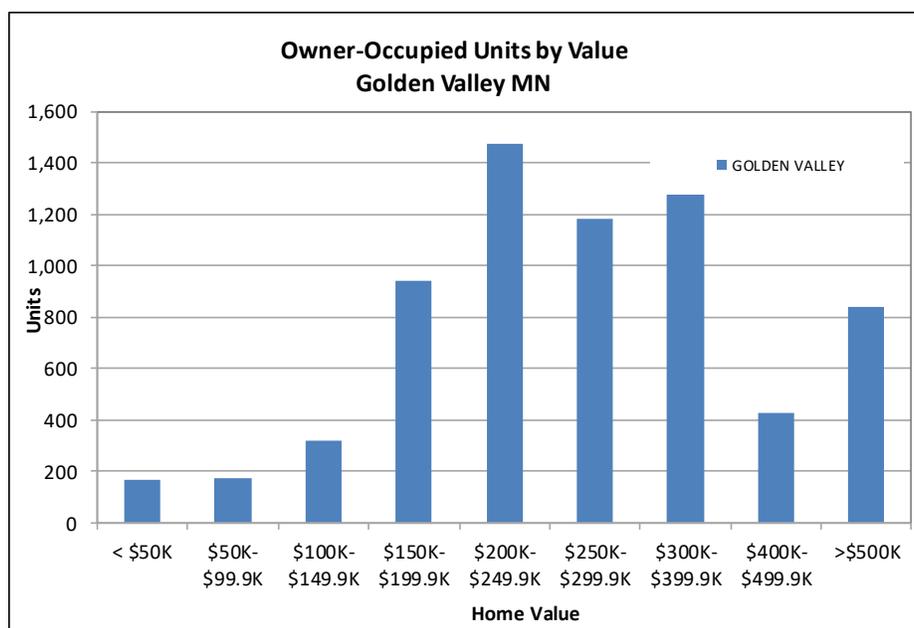
- The majority of the owner-occupied housing stock in Golden Valley is estimated to be valued between \$200,000 and \$249,999 (21.5%). Approximately 20% is valued between \$300,000 and \$399,999.
- The median owner-occupied home value in Golden Valley is \$265,300. Approximately 55% of homes in Golden Valley are valued at \$250,000 or greater.
- According to the Hennepin County GIS database for Golden Valley, there are 8,079 parcels coded with a residential Tax Class (apartments, condominium, cooperative housing, low income rental, nursing home, residential, residential-two unit, residential-zero lot line, residential lake shore, residential miscellaneous, seasonal-residential, townhouse, triplex, vacant land-apartment, vacant land-residential) parcels. There are 7,823 residential parcels

## HOUSING CHARACTERISTICS

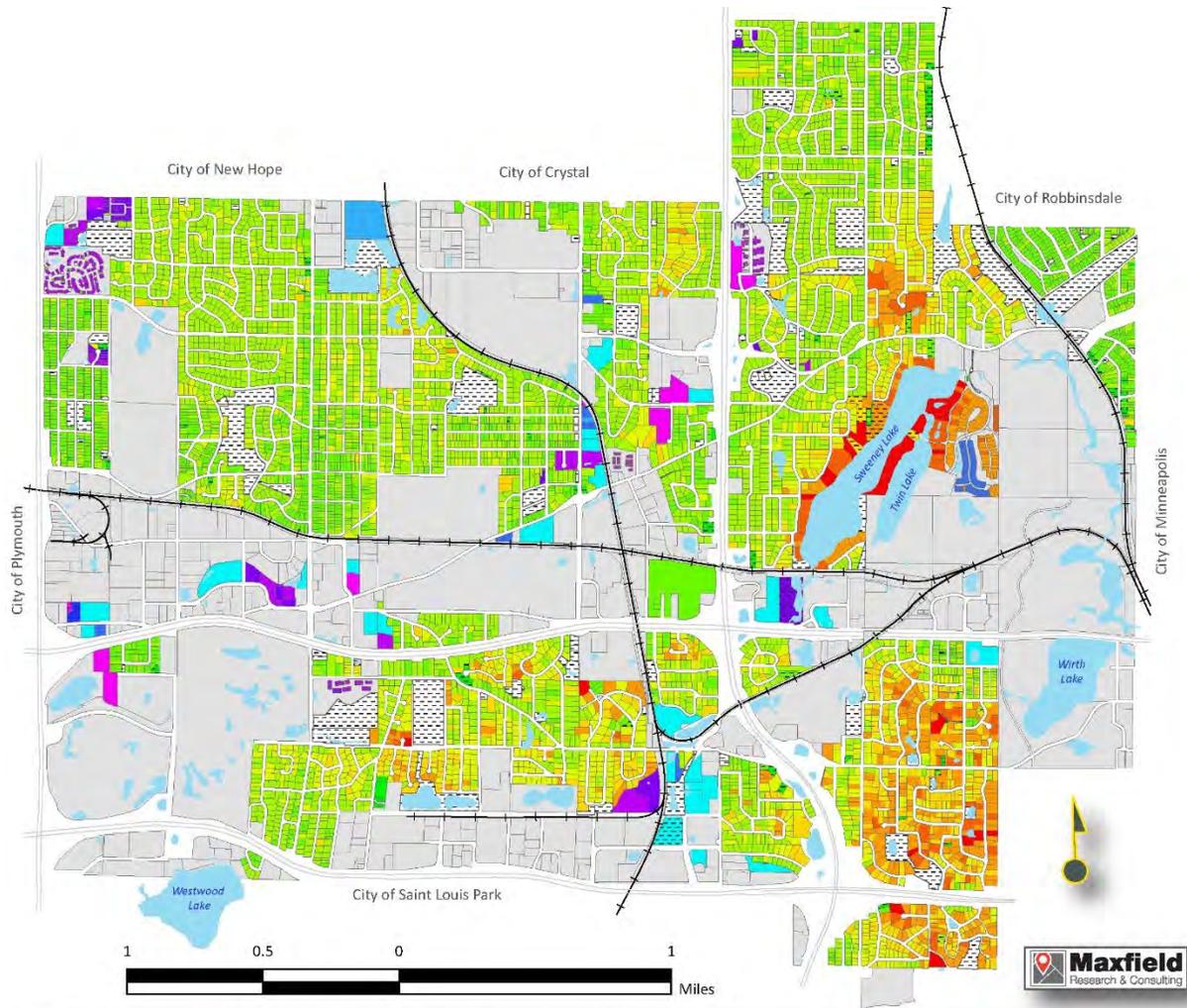
with a taxable structure on the property and 7,147 of those are fully homesteaded. The Hennepin County GIS records identify that the residential parcels with a taxable structure have an average market value of \$289,267 with a minimum market value of \$2,000 and the maximum of \$24,151,000.

- The following maps identify Golden Valley residential parcels by their assessed parcel value, year of residential structure built on the parcels, and homesteaded residential parcels.

TABLE HC-6 OWNER-OCCUPIED UNITS BY VALUE GOLDEN VALLEY MN 2015		
	<b>GOLDEN VALLEY</b>	
<b>Home Value</b>	<b>No.</b>	<b>Pct.</b>
Less than \$50,000	168	2.5
\$50,000-\$99,999	169	2.5
\$100,000-\$149,999	320	4.7
\$150,000-\$199,999	938	13.7
\$200,000-\$249,999	1,470	21.5
\$250,000-\$299,999	1,180	17.2
\$300,000-\$399,999	1,344	19.6
\$400,000-\$499,999	426	6.2
Greater than \$500,000	836	12.2
<b>Total</b>	<b>6,851</b>	<b>100.0</b>
Median Home Value	\$265,300	
Sources: U.S. Census Bureau - ACS; Maxfield Research and Consulting LLC		



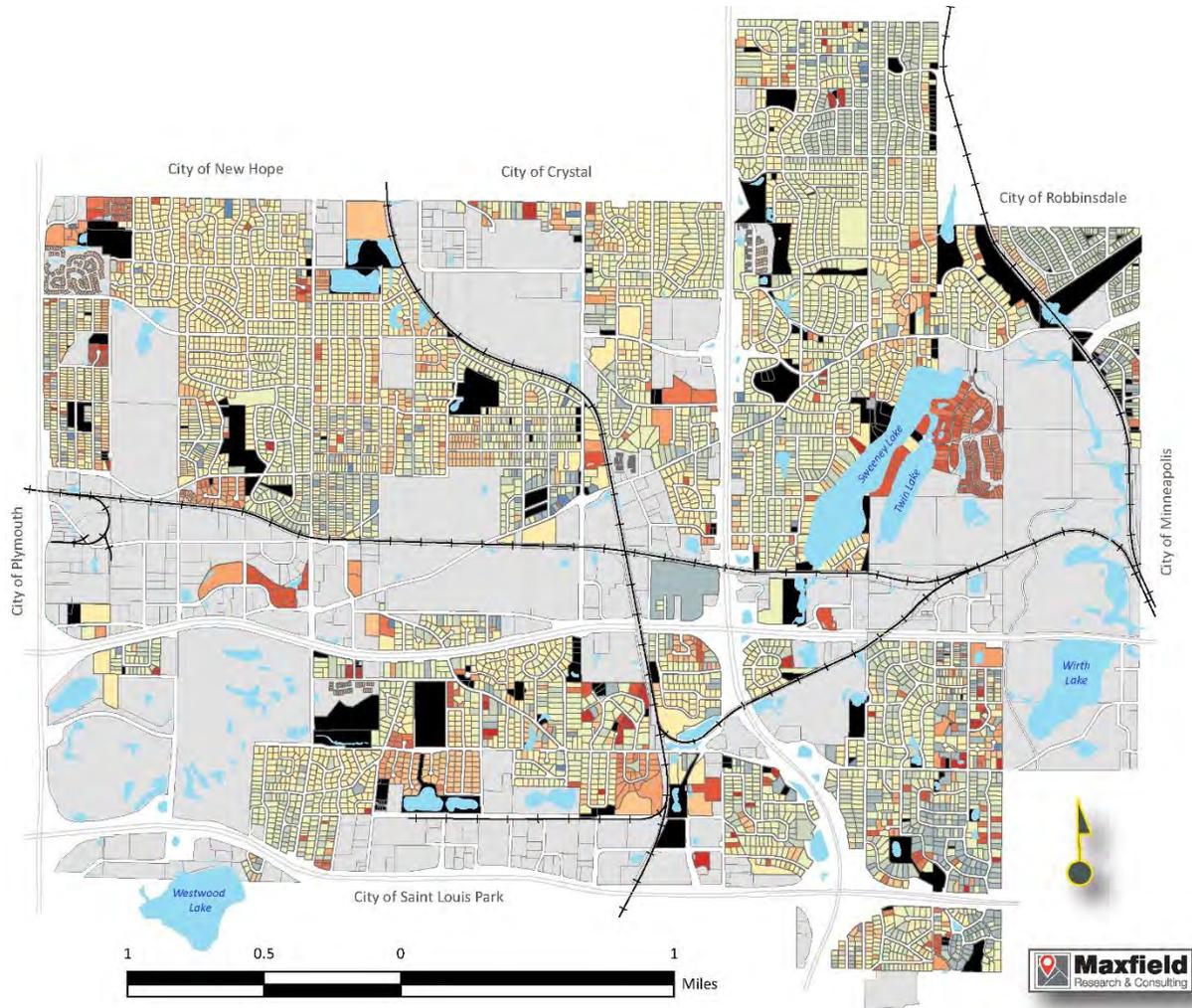
**Golden Valley MN Residential Parcels by Assessed Parcel Value, 2016**  
**Map Figure 1**



Single and Two-family Properties		Multi-family Properties			
	\$1,000,000 or more		\$1,000,000 or more		Residential parcels with Building Value \$0 or unknown
	\$750,000 - \$999,999		\$750,000 - \$999,999		Vacant residential & park parcels
	\$500,000 - \$749,999		\$500,000 - \$749,999		Non-residential parcels
	\$400,000 - \$499,999		\$400,000 - \$499,999		Water
	\$300,000 - \$399,999		\$300,000 - \$399,999		Railroad
	\$200,000 - \$299,999		\$200,000 - \$299,999		Highways
	\$100,000 - \$199,999		\$100,000 - \$199,999		
	Under \$99,999		Under \$99,999		

*Hennepin County Parcels 10/10/2016*

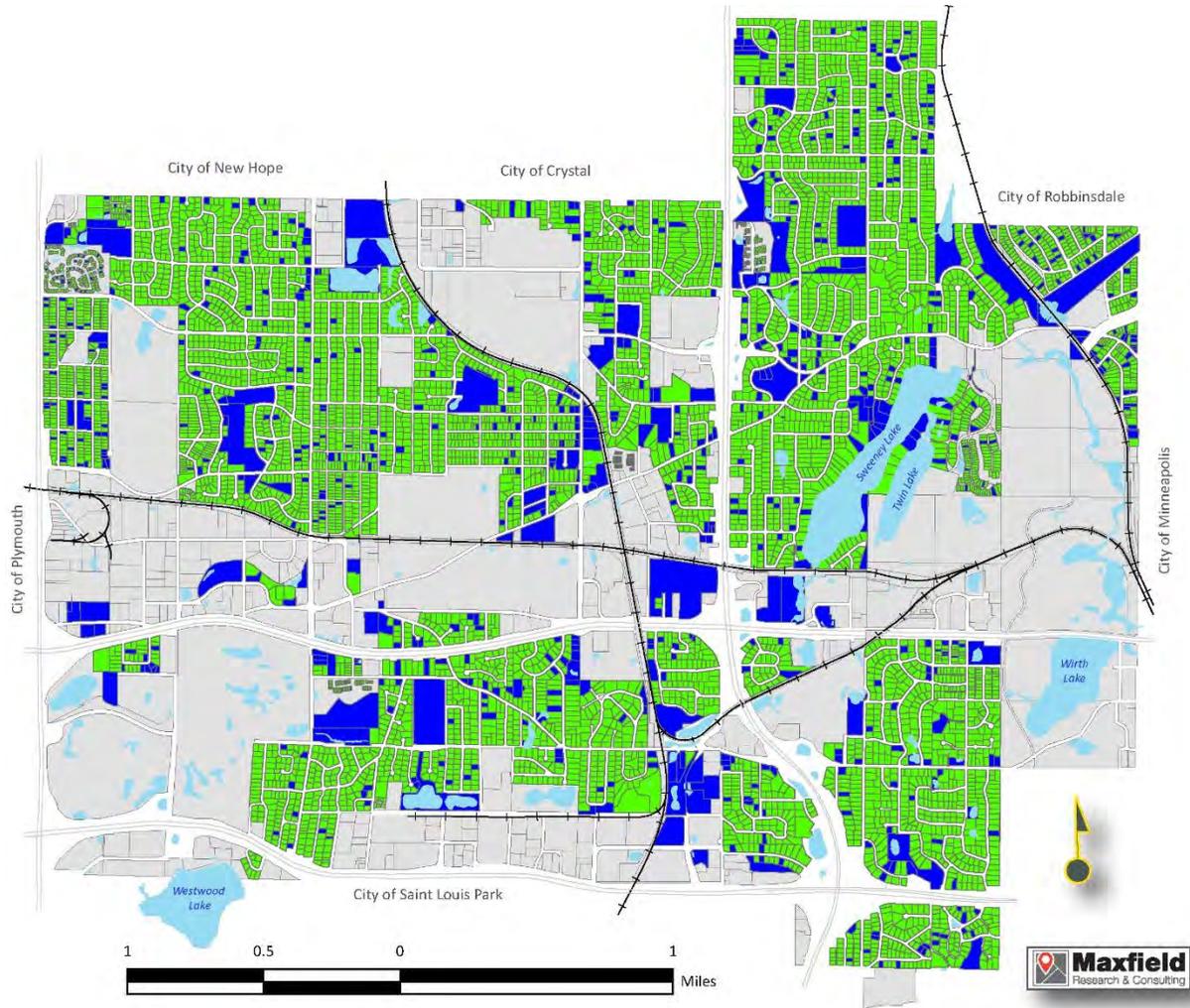
Golden Valley Residential Parcels by Year Structure Built  
Map Figure 2



Residential Parcels Year Built		
	Prior to 1900	Residential parcels and Parks with no year built / Vacant
	1901 - 1920	Non-residential parcels
	1921 - 1940	Water
	1941 - 1950	Railroad
	1951 - 1960	Highways
	1961 - 1970	
	1971 - 1980	
	1981 - 1990	
	1991 - 2000	
	2001 - 2010	
	2011 - 2016	

*Hennepin County Parcels 10/10/2016*

Golden Valley Residential Parcels Homesteaded, 2016  
Map Figure 3



**Status of Residential Parcels Homestead vs. Non-Homestead**

Homestead	Non-Homestead
Non-residential parcels	Water
Highways	Railroad

Hennepin County Parcels 10/10/2016

**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 and Hennepin County was \$1,036 and \$874, respectively. Based on a 30% allocation of income to housing, a household in Golden Valley would need an income of about \$41,440 to afford an average monthly rent of \$1,036.
- Approximately 49% of Golden Valley renters paying cash have monthly rents over \$1,000 with 25.4% of renters paying between \$500 and \$999, 19.7% of renters pay less than \$500.
- Within Minnesota, most renters (12.3%) paid a contract rent between \$1,000 and \$1,249 and in the Minneapolis-St. Paul MN-WI Metro Area most renters (16.2%) also paid contract rent between \$1,000 and \$1,249.

TABLE HC-7 RENTER-OCCUPIED UNITS BY CONTRACT RENT GOLDEN VALLEY, MN 2015				
Contract Rent	GOLDEN VALLEY		HENNEPIN COUNTY	
	No.	Pct.	No.	Pct.
No Cash Rent	123	6.0	3,979	2.2
Cash Rent	1,931	94.0	178,822	97.8
\$0 to \$249	240	11.7	11,121	6.1
\$250-\$499	164	8.0	11,119	6.1
\$500-\$749	106	5.2	38,975	21.3
\$750-\$999	414	20.2	51,905	28.4
\$1,000-\$1,249	290	14.1	30,818	16.9
\$1,250-\$1,499	288	14.0	17,165	9.4
\$1,500-\$1,999	229	11.1	11,910	6.5
\$2,000+	200	9.7	5,809	3.2
<b>Total</b>	<b>2,054</b>	<b>100.0</b>	<b>182,801</b>	<b>100.0</b>
Median Contract Rent	\$1,036		\$874	
Sources: U.S. Census Bureau - ACS; Maxfield Research and Consulting LLC				

### Planned and Proposed Housing Projects

Maxfield Research interviewed planning staff members in Golden Valley in order to identify housing developments under construction, planned, or pending. Table HC-8 inventories and summarizes the number of multifamily housing units by product type that are either recently completed over the past few years, under construction, or are planned to move forward.

- Like other inner-ring suburban communities such as St. Louis Park and Edina, Golden Valley is currently experiencing a rental housing building boom as general-occupancy rental housing has been one of the preferred real estate product types.
- There are over 1,600 housing units either recently completed, under construction, or planned in Golden Valley. About 80% of the units have been for general-occupancy rental housing. Excluding Cornerstone Creek, all the rental projects have been market rate projects targeting the “move-up or luxury” renter.
- Senior housing projects are accounting for just over 300 units or 18.5% of the new housing stock. Meadow Ridge Senior Living opened in late 2015 while two other projects are still in the planning phases (Schuett Company’s Wendy’s site and future senior by Global One Commercial).
- As previously stated in the For-Sale section of the report, there is only one new subdivision moving forward at this time. Laurel Ponds is a detached townhome subdivision with 24 lots under construction and actively marketing.
- Presently, there are about 830 housing units under construction in Golden Valley. New units will start to come on-line in 2017 with the Hello Apartments followed by “the Liberty” in summer 2017.
- The Schuett Companies plans to break-ground on a 96-unit senior project in the summer of 2017. However, the Xenia project seems to be on-hold after grading the site. It is unknown at this time whether the developer still intends to move forward with apartments on the site.
- Central Park West is a market rate rental development under construction near the West End that straddles the borders of St. Louis Park and Golden Valley. The 199-unit project has 80 units located in Golden Valley and 119 in St. Louis Park.

# HOUSING CHARACTERISTICS

TABLE HC-8  
HOUSING DEVELOPMENT PIPELINE  
CITY OF GOLDEN VALLEY  
February 2017

Municipality/ Project Name/Address	Developer	Status	Projected Occupancy	Total Units	Project Type	Affordability	Comments
<b>Recently Completed</b>							
<b>Arcata</b> 5500 Wayzata Blvd.	Trammel Crow/IRET	Occupied	Opened Dec. 2014	165	General-Occupancy Rental	Market Rate	Park Place/Xenia & 1-394 location. Two-acre site adjacent to Golden Hills Office bldg.
<b>Meadow Ridge Senior</b> 7475 Country Club Drive	Golden Valley Rehab and Care Center	Occupied	Opened 2015	108	Senior Housing	Market Rate	Assisted Living and Memory Care, currently in initial lease-up period
<b>Cornerstone Creek</b> 9300 Golden Valley Road	Jewish Housing & Programming (J-HAP)	Under Construction	December 2016	45	Developmentally Disabled	Affordable	Supportive housing project will feature outdoor courtyard and sustainable building features to reduce operating costs
<b>Under Construction</b>							
<b>Hello Apartments</b> 9220 Olson Memorial Highway	Golden Villas LLC/ Continental Property Group	Under Construction	Spring 2017	172	General-Occupancy Rental	Market Rate	Construction delays to to lumber replacement. Originally scheduled for 2016 occupancy
<b>The Liberty</b> Winneka Ave. & Medicine Lake Road	Intuitive Investments	Under Construction	August 2017 (first phase)	247	General-Occupancy Rental	Market Rate	Multiple buildings to be constructed on site. Project will have 184 apartment style units and 63 townhome style units
<b>Laurel Ponds</b> 305 & 345 Pennsylvania Ave. S.	Lakewest Development	Under Construction	Some units complete	24	For-Sale Detached Townhomes	Market Rate	3.3-acre redevelopment site was rezoned to a PUD. Density reduced from 30 to 27 units
<b>3.9.4 Apartments (Talo)</b> Turners Crossroads	Global One Commerical	Estimated to begin construction in 2017	TBD	308 (G0) 100 (senior)	General-Occupancy Rental & Senior Living	Market Rate	Site was tied-up in MnDOT litigation and delayed. Grading has begun. Senior on hold
<b>Planned/Pending</b>							
<b>Former Wendy's Site</b> 9000 Golden Valley Road	Schuett Companies	Project approvals	Summer 2018	96	Senior Housing	Market Rate	Est. start of construction is summer 2017. Planned for independent senior living options
<b>Concept w/Approvals</b>							
<b>The Xenia</b> 700 & 800 Xenia Ave	Slosburg Co.	Planning for 3+ years Estimated to begin construction in 2017	TBD	372	General-Occupancy Rental	Market Rate	Originally an office site. Grading has begun but project seems to be on- hold
<b>Shared Project with the City of St. Louis Park</b>							
<b>Central Park West</b> 1511 Utica	DLC Residential, LLC	Under Construction	Sept. 2017	80 (GV portion)	General-Occupancy Rental	Market Rate	Shared project between St. Louis Park and Golden Valley. 119 units in St. Louis Park & 80 units in Golden Valley.

Sources: Interviews with City of Golden Valley staff, Maxfield Research & 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 = \$85,800 (2016)	

**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.

## HOUSING AFFORDABILITY

TABLE HA-1 MHFA/HUD INCOME AND RENT LIMITS HENNEPIN COUNTY- 2016								
	Income Limits by Household Size							
	1 pph	2 pph	3 pph	4 pph	5 pph	6 pph	7 pph	8 pph
30% of median	\$18,030	\$20,580	\$23,160	\$25,740	\$27,810	\$29,850	\$31,920	\$33,990
50% of median	\$30,050	\$34,300	\$38,600	\$42,900	\$46,350	\$49,750	\$53,200	\$56,650
60% of median	\$36,060	\$41,160	\$46,320	\$51,480	\$55,620	\$59,700	\$63,840	\$67,980
80% of median	\$48,080	\$54,880	\$61,760	\$68,640	\$74,160	\$79,600	\$85,120	\$90,640
100% of median	\$60,100	\$68,600	\$77,200	\$85,800	\$92,700	\$99,500	\$106,400	\$113,300
120% of median	\$72,120	\$82,320	\$92,640	\$102,960	\$111,240	\$119,400	\$127,680	\$135,960
	Maximum Gross Rent							
	EFF	1BR	2BR	3BR	4BR			
30% of median	\$450	\$514	\$579	\$643	\$695			
50% of median	\$751	\$857	\$965	\$1,072	\$1,158			
60% of median	\$901	\$1,029	\$1,158	\$1,287	\$1,390			
80% of median	\$1,202	\$1,372	\$1,544	\$1,716	\$1,854			
100% of median	\$1,502	\$1,715	\$1,930	\$2,145	\$2,317			
120% of median	\$1,803	\$2,058	\$2,316	\$2,574	\$2,781			
	Fair Market Rent							
	EFF	1BR	2BR	3BR	4BR			
Fair Market Rent	\$656	\$813	\$1,027	\$1,444	\$1,693			

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 - 2016**

Unit Type <sup>1</sup>	HHD Size		Maximum Rent Based on Household Size (@30% of Income)											
	Min	Max	30%		50%		60%		80%		100%		120%	
			Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Studio	1	1	\$451	-\$451	\$751	-\$751	\$902	-\$902	\$1,202	-\$1,202	\$1,503	-\$1,503	\$1,803	-\$1,803
1BR	1	2	\$451	-\$515	\$751	-\$858	\$902	-\$1,029	\$1,202	-\$1,372	\$1,503	-\$1,715	\$1,803	-\$2,058
2BR	2	4	\$515	-\$644	\$858	-\$1,073	\$1,029	-\$1,287	\$1,372	-\$1,716	\$1,715	-\$2,145	\$2,058	-\$2,574
3BR	3	6	\$579	-\$746	\$965	-\$1,244	\$1,158	-\$1,493	\$1,544	-\$1,990	\$1,930	-\$2,488	\$2,316	-\$2,985
4BR	4	8	\$644	-\$850	\$1,073	-\$1,416	\$1,287	-\$1,700	\$1,716	-\$2,266	\$2,145	-\$2,833	\$2,574	-\$3,399

<sup>1</sup> 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 \$85,800 (2016)

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 2015 estimates. This information is different than the 2000 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.

Key findings from Table HA-3 follow.

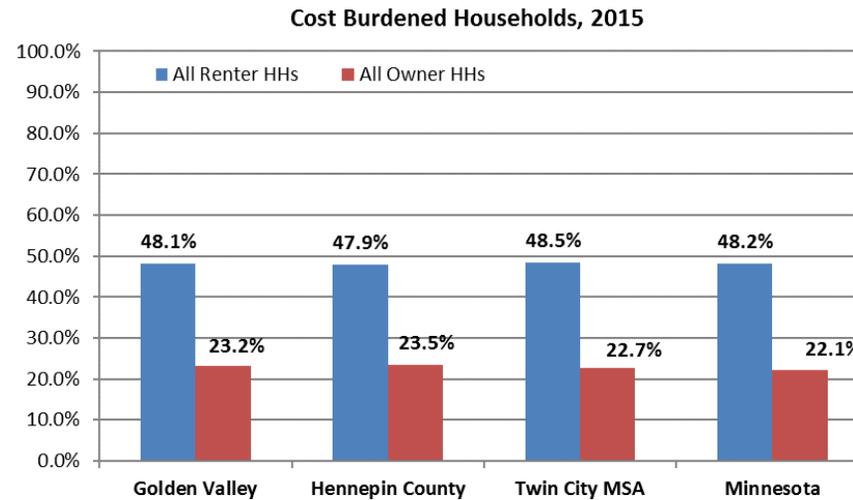
- In Golden Valley, 23.2% of owner households and 48.1% of renter households are considered cost burdened. Golden Valley is slightly higher cost burdened for owner households than the Twin City MSA (22.7%) and slightly lower than Hennepin County (23.5%). Golden Valley is slightly lower cost burdened for renter households than the Twin City MSA (48.5%) and slightly higher than Hennepin County (47.9%).
- Among owner households earning less than \$50,000, 63.1% were cost burdened in Golden Valley. This is higher than both the Twin City MSA (57.7%) and Hennepin County (60.4%).
- Approximately 75% of Golden Valley renter households earning less than \$35,000 were cost burdened which is less than both the Twin City MSA and Hennepin County at 82.3%.
- The proportion of cost burdened households in Golden Valley was less than the proportion in the State of Minnesota for renter households, but higher for owner households for tenure and income.

# HOUSING AFFORDABILITY

**TABLE HA-3  
HOUSING COST BURDEN  
GOLDEN VALLEY, TWIN CITY MSA, HENNEPIN COUNTY, MINNESOTA  
2015**

Community	Golden Valley		Twin City MSA		Hennepin County		Minnesota	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
<b>Owner Households</b>								
All Owner Households	6,851		896,777		307,395		1,522,618	
Cost Burden 30% or greater	1,584	23.2%	202,714	22.7%	71,961	23.5%	334,738	22.1%
Owner Households w/ incomes <\$50,000	1,379		214,911		74,843		450,483	
Cost Burden 30% or greater	862	63.1%	121,783	57.7%	44,329	60.4%	223,625	50.4%
<b>Renter Households</b>								
All Renter Households	2,054		389,982		182,801		602,127	
Cost Burden 30% or greater	924	48.1%	181,389	48.5%	84,579	47.9%	272,894	48.2%
Renter Households w/ incomes <\$35,000	952		186,890		86,602		316,969	
Cost Burden 30% or greater	664	75.0%	145,084	82.3%	67,661	82.3%	228,441	77.7%
Median Contract Rent <sup>1</sup>	\$1,036		\$855		\$874		\$759	

<sup>1</sup>Median Contract Rent 2015  
Note: Calculations exclude households not computed.  
Sources: American Community Survey 2015 estimates; Maxfield Research and Consulting LLC



**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% 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 6,607 Housing Choice vouchers for 100 cities. Anyone with a housing choice voucher can choose to live in any of the cities that Metropolitan Council manages.
- There are 43 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. There are currently nine active households on the waitlist for a Housing Choice Voucher in Golden Valley and there are 1,500 total on the overall waitlist.

**TABLE HA-4  
HOUSING VOUCHERS  
GOLDEN VALLEY**

Market	Apartment	Single Family Detached	Townhouse	Mobile Home	Duplex	Semi Detached
Golden Valley	21	14	6	0	2	0
Metro HRA Program	4590	747	597	10	641	320

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

- Housing Choice Vouchers can be used for several types of residences to include apartment rentals, single family housing rentals, duplexes, townhouses, and homeownership.

**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.

## HOUSING AFFORDABILITY

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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 4.25% interest rate
- Private mortgage insurance (equity of less than 20%)
- Homeowners insurance for single-family homes and association dues for townhomes
- Owner household income per 2015 ACS

### Rental Housing

- Background check on tenant to ensure credit history
- 30% allocation of income
- Renter household income per 2015 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.

- The median income of all Golden Valley households in 2016 was about \$97,535. However, the median income varies by tenure. According to the 2015 American Community Survey, the median income of a homeowner is \$98,642 compared to \$42,027 for renters.
- Approximately 72% of all households and 80% of owner households could afford to purchase an entry-level home in Golden Valley (\$200,000). When adjusting for move-up buyers (\$300,000) about 58% of all households and 64% of owner households would income qualify.
- About 57% of existing renter households can afford to rent a one-bedroom unit in Golden Valley (\$800/month). The percentage of renter income-qualified households decreases to 46% that can afford an existing three-bedroom unit (\$1,150/month). After adjusting for new construction rental housing, the percentage of renters that are income-qualified decreases. About 38% of renters can afford a new market rate one-bedroom unit while 13% can afford a new three-bedroom unit.

# HOUSING AFFORDABILITY

TABLE HA-5 GOLDEN VALLEY HOUSING AFFORDABILITY - BASED ON HOUSEHOLD INCOME						
<b>For-Sale (Assumes 10% down payment and good credit)</b>						
	Single-Family			Townhome/Twinhome/Condo		
	Entry-Level	Move-Up	Executive	Entry-Level	Move-Up	Executive
Price of House	\$200,000	\$300,000	\$500,000	\$150,000	\$250,000	\$400,000
Pct. Down Payment	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Total Down Payment Amt.	\$20,000	\$30,000	\$50,000	\$15,000	\$25,000	\$40,000
Estimated Closing Costs (rolled into mortgage)	\$6,000	\$9,000	\$15,000	\$4,500	\$7,500	\$12,000
Cost of Loan	\$186,000	\$279,000	\$465,000	\$139,500	\$232,500	\$372,000
Interest Rate	4.250%	4.250%	4.250%	4.250%	4.250%	4.250%
Number of Pmts.	360	360	360	360	360	360
Monthly Payment (P & I)	-\$915	-\$1,373	-\$2,288	-\$686	-\$1,144	-\$1,830
(plus) Prop. Tax	-\$167	-\$250	-\$417	-\$125	-\$208	-\$333
(plus) HO Insurance/Assoc. Fee for TH	-\$67	-\$100	-\$167	-\$100	-\$100	-\$100
(plus) PMI/MIP (less than 20%)	-\$81	-\$121	-\$202	-\$60	-\$101	-\$161
Subtotal monthly costs	-\$1,229	-\$1,843	-\$3,072	-\$972	-\$1,553	-\$2,425
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$49,158	\$73,736	\$122,894	\$38,868	\$62,114	\$96,982
<b>Pct. of ALL Golden Valley HHDS who can afford<sup>1</sup></b>	<b>72.0%</b>	<b>57.7%</b>	<b>33.8%</b>	<b>79.4%</b>	<b>64.4%</b>	<b>45.0%</b>
<b>No. of Golden Valley HHDS who can afford<sup>1</sup></b>	<b>6,408</b>	<b>5,142</b>	<b>3,014</b>	<b>7,071</b>	<b>5,735</b>	<b>4,003</b>
<b>Pct. of Golden Valley owner HHDS who can afford<sup>2</sup></b>	<b>80.3%</b>	<b>63.5%</b>	<b>38.8%</b>	<b>85.3%</b>	<b>71.5%</b>	<b>50.9%</b>
<b>No. of Golden Valley owner HHDS who can afford<sup>2</sup></b>	<b>5,500</b>	<b>4,350</b>	<b>2,655</b>	<b>5,845</b>	<b>4,899</b>	<b>3,486</b>
<b>No. of Golden Valley owner HHDS who cannot afford<sup>2</sup></b>	<b>1,351</b>	<b>2,501</b>	<b>4,196</b>	<b>1,006</b>	<b>1,952</b>	<b>3,365</b>
<b>Rental (Market Rate)</b>						
	Existing Rental			New Rental		
	1BR	2BR	3BR	1BR	2BR	3BR
Monthly Rent	\$800	\$950	\$1,150	\$1,400	\$2,000	\$2,800
Annual Rent	\$9,600	\$11,400	\$13,800	\$16,800	\$24,000	\$33,600
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$32,000	\$38,000	\$46,000	\$56,000	\$80,000	\$112,000
<b>Pct. of ALL Golden Valley HHDS who can afford<sup>1</sup></b>	<b>84.1%</b>	<b>80.0%</b>	<b>74.2%</b>	<b>67.9%</b>	<b>54.3%</b>	<b>38.3%</b>
<b>No. of Golden Valley HHDS who can afford<sup>1</sup></b>	<b>7,489</b>	<b>7,127</b>	<b>6,612</b>	<b>6,047</b>	<b>4,833</b>	<b>3,414</b>
<b>Pct. of Golden Valley renter HHDS who can afford<sup>2</sup></b>	<b>57.3%</b>	<b>51.6%</b>	<b>46.0%</b>	<b>38.0%</b>	<b>20.2%</b>	<b>12.9%</b>
<b>No. of Golden Valley renter HHDS who can afford<sup>2</sup></b>	<b>1,178</b>	<b>1,059</b>	<b>945</b>	<b>780</b>	<b>416</b>	<b>265</b>
<b>No. of Golden Valley renter HHDS who cannot afford<sup>2</sup></b>	<b>876</b>	<b>995</b>	<b>1,109</b>	<b>1,274</b>	<b>1,638</b>	<b>1,789</b>

<sup>1</sup> Based on 2016 household income for ALL households

<sup>2</sup> Based on 2015 ACS household income by tenure (i.e. owner and renter incomes. Owner incomes = \$98,642 vs. renter incomes = \$42,027)

Source: Maxfield Research & Consulting, LLC

### Introduction

Maxfield Research and Consulting LLC identified and surveyed larger rental properties of 8 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).

### Overview of Rental Market Conditions

Maxfield Research utilized data from the American Community Survey (ACS) and Marquette Advisors *Apartment Trends* report for Minnesota, the Twin Cities Metro Area, Hennepin County and Golden Valley to summarize rental market conditions in Golden Valley. The data from Marquette Advisors is shown for the 3<sup>rd</sup> Quarter of 2007 through 3<sup>rd</sup> Quarter of 2016, while the ACS data is 2011 – 2015. 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. ACS includes all rental units, regardless of structure size.

The following are key points concerning Golden Valley's rental conditions.

- 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 third quarter of 2016, the vacancy rate was 2.5% in the Twin Cities Metro Area and 6.5% in Golden Valley.
- Vacancy rates were higher for one and two-bedroom units and all other unit types did not have any vacancies identified.
- Within Golden Valley, one-bedroom units had the highest vacancy rate at 7.8% and two-bedroom units were at 6.5%. Total vacancy in Golden Valley decreased -2.9% over the past year, from 8.5% in the third quarter of 2015 to 6.5% in 2016.
- Average monthly rents increased 3.6% over the year to \$1,091 across the Metro Area, and Golden Valley experienced a -0.4% decline in average monthly rents to \$1,318.

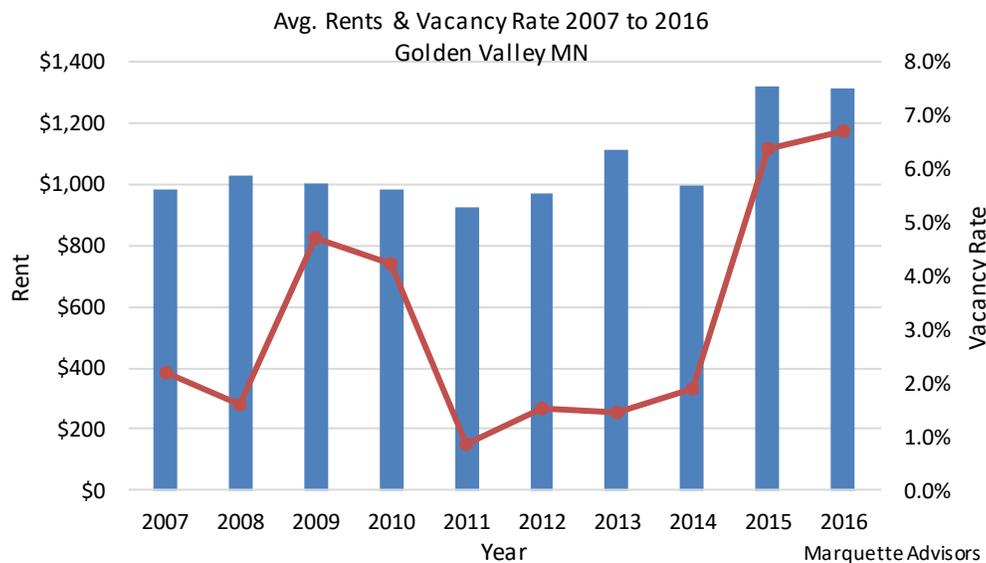
## RENTAL MARKET ANALYSIS

TABLE R-1 AVERAGE RENTS/VACANCIES TRENDS GOLDEN VALLEY 3rd Quarter 2007-2016									
	Total	Studio	1 BR	1 BR w/ Den	2 BR	2 BR w/ Den	3 BR	3 BR/D or 4BR	
2016	Units	909	16	450	--	397	16	30	-
	No. Vacant	61	0	35	--	26	0	0	-
	Avg. Rent	\$1,318	\$1,211	\$1,123	--	\$1,488	\$2,299	\$1,550	-
	Vacancy	6.7%	0.0%	7.8%	--	6.5%	0.0%	0.0%	-
2015	Units	971	16	429	--	482	--	44	-
	No. Vacant	62	0	21	--	41	--	0	-
	Avg. Rent	\$1,324	\$1,211	\$1,092	--	\$1,577	--	\$1,331	-
	Vacancy	6.4%	0.0%	4.9%	--	8.5%	--	0.0%	-
2014	Units	849	--	471	--	348	--	30	-
	No. Vacant	16	--	9	--	7	--	0	-
	Avg. Rent	\$995	--	\$778	--	\$1,247	--	\$1,496	-
	Vacancy	1.9%	--	1.9%	--	2.0%	--	0.0%	-
2013	Units	615	--	301	--	300	--	14	-
	No. Vacant	9	--	1	--	8	--	0	-
	Avg. Rent	\$1,117	--	\$913	--	\$1,336	--	\$2,085	-
	Vacancy	1.5%	--	0.3%	--	2.7%	--	0.0%	-
2012	Units	795	--	447	--	318	--	30	-
	No. Vacant	12	--	8	--	4	--	0	-
	Avg. Rent	\$968	--	\$757	--	\$1,266	--	\$1,464	-
	Vacancy	1.5%	--	1.8%	--	1.3%	--	0.0%	-
2011	Units	805	--	458	--	317	--	30	-
	No. Vacant	7	--	3	--	4	--	0	-
	Avg. Rent	\$923	--	\$720	--	\$1,170	--	\$1,404	-
	Vacancy	0.9%	--	0.7%	--	1.3%	--	0.0%	-
2010	Units	805	--	458	--	317	--	30	-
	No. Vacant	34	--	15	--	19	--	0	-
	Avg. Rent	\$981	--	\$800	--	\$1,190	--	\$1,544	-
	Vacancy	4.2%	--	3.3%	--	6.0%	--	0.0%	-
2009	Units	849	--	470	--	349	--	30	-
	No. Vacant	40	--	13	--	26	--	1	-
	Avg. Rent	\$1,005	--	\$797	--	\$1,197	--	\$1,446	-
	Vacancy	4.7%	--	2.8%	--	7.4%	--	3.3%	-
2008	Units	629	--	312	--	287	--	30	-
	No. Vacant	10	--	8	--	2	--	0	-
	Avg. Rent	\$1,032	--	\$837	--	\$1,207	--	\$1,398	-
	Vacancy	1.6%	--	2.6%	--	0.7%	--	0.0%	-
2007	Units	684	1	336	--	317	--	30	-
	No. Vacant	15	0	8	--	5	--	2	-
	Avg. Rent	\$981	\$650	\$817	--	\$1,113	--	\$1,437	-
	Vacancy	2.2%	0.0%	2.4%	--	1.6%	--	6.7%	-
Change	Units	225	15	114	--	80	--	0	-
	No. Vacant	46	0	27	--	21	--	-2	-
	Avg. Rent	\$337	\$561	\$306	--	\$375	--	\$113	-
	Vacancy	4.5%	0.0%	5.4%	--	5.0%	--	-6.7%	-

Sources: Marquette Advisors; Maxfield Research & Consulting, LLC

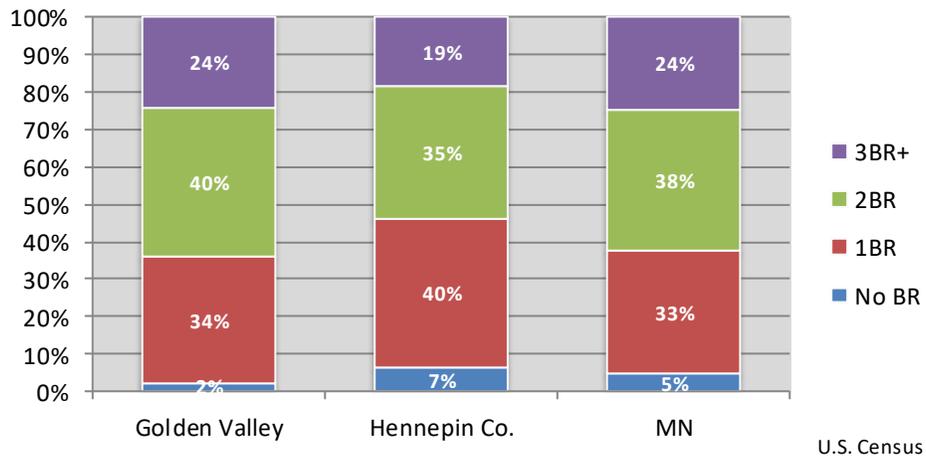
## RENTAL MARKET ANALYSIS

- In Golden Valley, average monthly rental rates range from \$1,123 for one-bedrooms to \$2,299 for two-bedrooms with den. Average rents increased for one bedrooms while decreasing for two and three bedrooms between third quarter 2015 and 2016. During this same period, average rents for studio and two-bedroom with den apartments stayed the same.
- The above average higher than equilibrium monthly rent in Golden Valley reflects that there is availability of rental product in the Golden Valley rental market. Five newer market rate products were surveyed in Golden Valley that were built since 2000. Older rental products do not offer the same level of amenities as newer rental housing stock, and often do not command higher rents.
- The following chart illustrates how the Golden Valley general occupancy apartment market recovered rapidly after struggling with low vacancy rates between third quarter of 2011 and 2014.



- The average rent in December 2016 was \$1,285 in Golden Valley while it was \$1,226 in St. Louis Park. The vacancy rate was also similar in that it was 2.5% in Golden Valley and 2.4% in St. Louis Park in December 2016.

Renter-Occupied Housing Units by Number of Bedrooms  
Golden Valley MN



**RENTAL MARKET ANALYSIS**

R-2 BEDROOMS BY GROSS RENT, RENTER-OCCUPIED HOUSING UNITS Hennepin County and Minnesota 2015					
	Golden Valley		Hennepin Co.		MN
	#	% of Total	#	% of Total	% of Total
<b>Total:</b>	<b>2,054</b>	<b>100%</b>	<b>182,801</b>	<b>100%</b>	<b>100%</b>
<b>Median Gross Rent</b>	<b>\$1,123</b>		<b>\$951</b>		<b>\$848</b>
<b>No Bedroom</b>	<b>42</b>	<b>2%</b>	<b>12,192</b>	<b>7%</b>	<b>5%</b>
Less than \$300		0%	1,393	1%	1%
\$300 to \$499		0%	1,342	1%	1%
\$500 to \$749		0%	5,517	3%	2%
\$750 to \$999		0%	2,377	1%	1%
\$1,000 to \$1,499		0%	1,066	1%	0%
\$1,500 or more			342	0%	0%
No cash rent		0%	155	0%	0%
<b>1 Bedroom</b>	<b>698</b>	<b>34%</b>	<b>72,588</b>	<b>40%</b>	<b>33%</b>
Less than \$300		0%	7,162	4%	4%
\$300 to \$499		0%	3,623	2%	4%
\$500 to \$749		0%	18,031	10%	10%
\$750 to \$999		0%	26,223	14%	9%
\$1,000 to \$1,499		0%	13,251	7%	4%
\$1,500 or more		0%	3,758	2%	1%
No cash rent		0%	540	0%	0%
<b>2 Bedrooms</b>	<b>821</b>	<b>40%</b>	<b>64,026</b>	<b>35%</b>	<b>38%</b>
Less than \$300		0%	2,173	1%	1%
\$300 to \$499		0%	1,655	1%	2%
\$500 to \$749		0%	3,691	2%	7%
\$750 to \$999		0%	18,235	10%	12%
\$1,000 to \$1,499		0%	28,507	16%	11%
\$1,500 or more		0%	8,430	5%	3%
No cash rent		0%	1,335	1%	1%
<b>3 or More Bedrooms</b>	<b>493</b>	<b>24%</b>	<b>33,995</b>	<b>19%</b>	<b>24%</b>
Less than \$300		0%	752	0%	1%
\$300 to \$499		0%	1,099	1%	1%
\$500 to \$749		0%	2,297	1%	3%
\$750 to \$999		0%	2,725	1%	4%
\$1,000 to \$1,499		0%	11,771	6%	8%
\$1,500 or more		0%	13,402	7%	6%
No cash rent		0%	1,949	1%	3%

Sources: 2011-2015 American Community Survey;  
Maxfield Research and Consulting, LLC

**General-Occupancy Rental Properties**

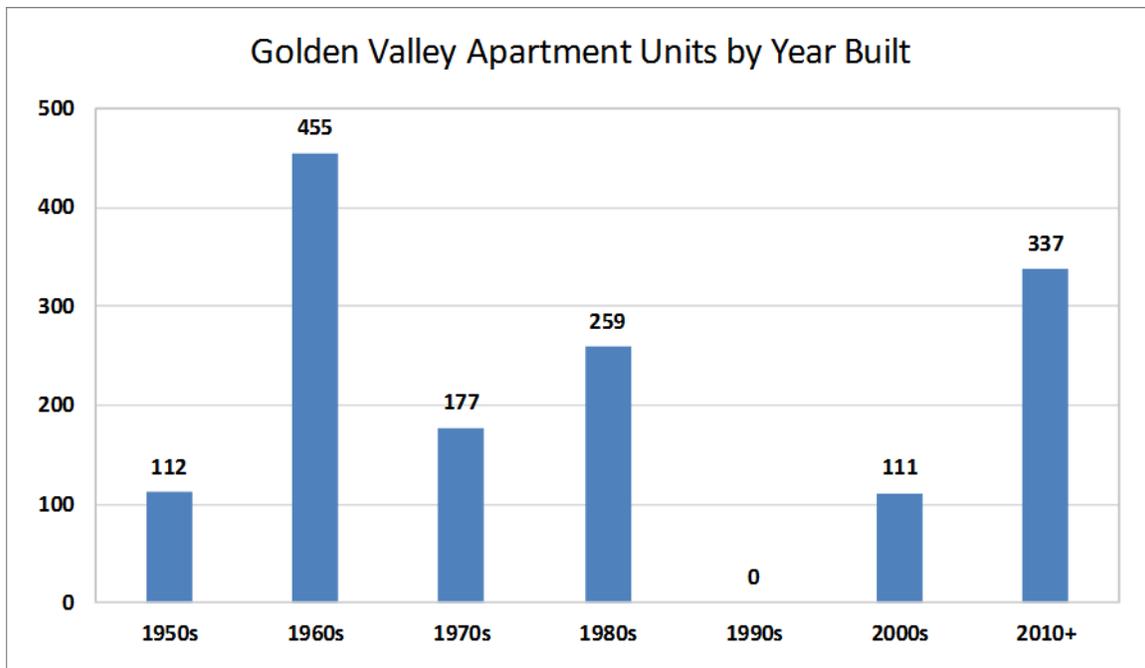
Our research of Golden Valley’s general occupancy rental market included a survey of 22 market rate, affordable, and subsidized apartment properties (8 units and larger) in December 2016. These properties represent a combined total of 1,451 units, including 1,276 market rate units, and 175 affordable and 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, 24 market rate units were vacant, resulting in an overall vacancy rate of 2.3% for all units. The combined overall vacancy rate is 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.

Table R-3 summarizes year built of Golden Valley general occupancy projects. Table R-4 summarizes available unit types and rents among all general-occupancy housing developments. Table R-5 summarizes information on market rate, affordable, and subsidized general occupancy projects.

<b>TABLE R-3                      GENERAL OCCUPANCY RENTAL DEVELOPMENT YEAR BUILT                      GOLDEN VALLEY                      Decemeber 2016</b>		
<b>Property Name/Location</b>	<b>Built</b>	<b>Units</b>
Valley Village	1952	112
West End Trails	1962	58
Colonial Apartments	1963	36
Crosswoods Apartments	1964	35
Golden Valley Road Apartments	1964	21
Trentwood Apartments	1964	54
Valley View	1964	72
West End Apartments	1964	79
Copacabana Apartments	1965	49
Duluth Street Flats	1966	51
Dover Hills	1975	38
Dover Hills	1975	74
Laurel @ West End	1979	65
Golden Valley Townhomes	1981	8
Medley Park Townhomes	1982	30
Valley Creek West	1985	37
Southwirth Apartments	1986	60
Mallard Creek	1987	124
Valley Square Commons	2002	25
The Laurel Apartments	2004	86
Arcata Apartments	2013	165
Hello Apartments	2017	172
Source: City of Golden Valley; Maxfield Research & Consulting, LLC		



### ***Market Rate***

- Most of Golden Valley's larger market rate general occupancy rental housing was built prior to 1980.
- The newest market rate general occupancy rental housing project in Golden Valley is the Hello Apartments, which will come online in spring 2017. It was identified that there may be delays opening this project on time due to construction defects.
- A total of 36 vacancies were found in market rate rental projects, resulting in a vacancy rate of 2.3% as of December 2016. A stabilized equilibrium for market rate rental vacancy is considered to be 5% that allows for unit turnover and property choice for renters.
- Sizes for market rate units ranged from 536 square feet for a studio apartment at the Arcata 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 991 square feet.
- Of the surveyed properties, rents range from \$795 for a studio apartment at the Trentwood Apartments to \$3,025 for a two-bedroom apartment at the Laurel Apartments. The average monthly rent of market rate apartments in Golden Valley is \$1,293.
- Average rent per square foot for market rate rentals is \$1.43 with studio being the highest at \$2.18 and two-bedroom units being the lowest at \$1.42 rent per square foot.

### *Affordable*

- There are three general occupancy affordable properties in Golden Valley with 93 total units. There were no vacant units as of December 2016.
- 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.
- The newest tax credit affordable property is the Valley Square commons, which was built in 2002. This property has controlled access entry, on-site laundry and is near playgrounds and parks.

### *Subsidized*

- There are two income-restricted properties in Golden Valley with 82 total units. There were no vacant units as of December 2016.
- Typically, deep-subsidy rental properties should be able to maintain vacancy rates of 3% or less in most housing markets. The vacancy rate of 0% for these units indicates a need for more of this housing.

R-4 SURVEYED UNIT TYPE SUMMARY GENERAL OCCUPANCY RENTAL DEVELOPMENTS GOLDEN VALLEY MN December 2016					
Market Rate			Monthly Rents		
Unit Type	Total Units	% of Total	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
Studio	15	1%	\$1,140 - \$1,355	\$1,248	\$2.18
1BR	465	44%	\$795 - \$2,135	\$1,463	\$1.69
2BR	560	53%	\$875 - \$3,025	\$1,367	\$1.42
3BR	22	2%	\$1,050 - \$2,820	\$2,454	\$1.47
<b>Total:</b>	<b>1,062</b>	<b>100%</b>	<b>\$795 - \$3,025</b>	<b>\$1,246</b>	<b>\$1.43</b>
<b>Vacant:</b>	<b>24</b>	<b>2.3%</b>			
Affordable			Monthly Rents		
Unit Type	Total Units	% of Total	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
2BR	93	83%	\$792 - \$1,170	\$981	\$0.85
3BR	18	16%	\$900 - \$1,351	\$1,126	\$0.92
4BR	1	1%	na		
<b>Total:</b>	<b>112</b>	<b>100%</b>	<b>\$792 - \$1,351</b>		
<b>Vacant:</b>	<b>0</b>	<b>0%</b>			
Subsidized			Monthly Rents		
Unit Type	Total Units	% of Total	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
1BR	48	59%	30% Monthly Income		
2BR	10	12%			
3BR	24	29%			
<b>Total:</b>	<b>82</b>	<b>100%</b>			
<b>Vacant:</b>	<b>0</b>	<b>0%</b>			
<sup>1</sup> Vacant units are calculated only from properties where information was provided by property management. It does not include new or conversion product. Overall monthly rents are a weighted average.					
Source: Maxfield Research and Consulting, LLC					

## RENTAL MARKET ANALYSIS

TABLE R-5 MARKET-RATE GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY RESPONSES GOLDEN VALLEY Decemeber 2016					
Property Name/Location	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
<b>Affordable Tax-Credit (Section 42)</b>					
<b>Dover Hills</b> 2400 Rhode Island Avenue Section 236	38 0 0.00%	38 - 2BR	1,231	\$919	\$0.75
<b>Valley Square Commons</b> 749 Winnetka Avenue North Section 42	25 0 0.00%	17 - 2BR 8 - 3BR	1,114 1,263	\$792 - \$1,170 \$1,070 - \$1,351	\$0.71 - \$1.05 \$0.85 - \$1.07
<b>Medley Park Townhomes</b> 2345 Mendelssohn Lane N Section 42 Tax-Credit	30 0 0.0%	19 - 2BR 10 - 3BR 1 4BR	979 - 1,008 1,080 1,201	\$855 \$900	\$0.85 - \$0.87 \$0.83
<b>Affordable Total</b>	<b>93</b>	<b>0</b>	<b>0.0%</b>		
<b>Subsidized</b>					
<b>Dover Hills</b> 2400 Rhode Island Avenue North Subsidized	74 0 0.0%	48 - 1BR 10 - 2BR 16 - 3BR	696 1,231 1,294	30% of AGI	n.m.
<b>Golden Valley Townhomes</b> 2100 Douglas Drive	8 0 0.0%	8 - 3BR	n.a.	30% of AGI	n.m.
<b>Subsidized Total</b>	<b>82</b>	<b>0</b>	<b>0.0%</b>		
<b>Market Rate</b>					
<b>Hello Apartments</b> 9130 Olsen Memorial Highway	172	Studio 1BR 2BR 2BR/D	588 - 699 699 - 747 1,056 - 1,144 1,264 - 1,362	Under Construction	
<b>Arcata Apartments</b> 901 Xenia Avenue South	165 12 7.3%	15 - Studio 79 - 1BR 21 - 1BR/D 50 - 2BR	536 - 606 606 - 802 895 - 1,117 1,049 - 1,216	\$1,140 - \$1,355 \$1,445 - \$1,560 \$1,525 - \$2,135 \$1,930 - \$2,575	\$2.13 - \$2.24 \$1.95 - \$2.38 \$1.70 - \$1.91 \$1.84 - \$2.12
<b>Colonial Apartments</b> 5743 & 5747 Glenwood Ave	36 2 3.00%	18 - 1BR 18 - 2BR	725 875	\$829 \$899	\$1.14 \$1.03
<b>Copacabana Apartments</b> 1725 Lilac Drive	49 2 4.1%	2 - 1BR 40 - 2BR 7 - 3BR	700 850 1,000	\$800 \$875 - \$900 \$1,050 - \$1,100	\$1.14 \$1.03 - \$1.06 \$1.05 - \$1.10
<b>Crosswoods Apartments</b> 5601 Glenwood Avenue	35 2 5.7%	35 - 1BR	600	\$805 - \$820	\$1.34 - \$1.37
<b>Duluth Street Flats</b> 6150 St. Croix Avneue North *Conversion - high vacancy rate	51 12 23.53%	19 - 1BR 31 - 2BR 1 - 3BR	600 700 900	\$825 \$950 Not For Rent	\$1.38 \$1.36
<b>Golden Valley Road Apartments</b> 6200 Golden Valley Road	21 0 0.0%	n/a	n/a	n/a	n/a

Continued

## RENTAL MARKET ANALYSIS

<b>TABLE R-5 Continued</b>					
<b>MARKET-RATE GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY RESPONSES</b>					
<b>GOLDEN VALLEY</b>					
<b>Decemeber 2016</b>					
<b>Property Name/Location</b>	<b>Units/ Vacant</b>	<b>Unit Mix</b>	<b>Unit Size</b>	<b>Monthly Rent</b>	<b>Rent per Square Foot</b>
<b>Laurel @ West End</b>	65	23 - 1BR	982 - 1,020	\$1,360	\$1.33 - \$1.38
5610 Laurel Avenue	0	37 - 2BR	1,070 - 1,328	\$1,550 - \$1,735	\$1.31 - \$1.45
	0.00%	5 - 3BR	1,383	\$1,900	\$1.37
<b>The Laurel Apartments</b>	86	29 - 1BR	1,078	\$1,620 - \$1,695	\$1.50 - \$1.57
250 Turners Crossroad South	0	48 - 2BR	1,411 - 1,487	\$2,175 - \$3,025	\$1.54 - \$2.03
	0.0%	9 - 3BR	1,741 - 1,907	\$2,705 - \$2,820	\$1.48 - \$1.55
<b>Mallard Creek</b>	124	40 - 1BR	860 - 865	\$1,240 - \$1,290	\$1.44 - \$1.49
8300/8400 Golden Valley Road	3	64 - 2BR	1,020 - 1,130	\$1,378 - \$1,503	\$1.33 - \$1.35
	2.4%				
<b>Southwirth Apartments</b>	60	12 - 1BR	1,008	\$1,399	\$1.39
501 Theoddore Wirth Parkway	0	32 - 2BR	1,397 - 1,879	\$1,699 \$2,299	\$1.22 - \$1.22
	0.0%	16 - 2BR/D	2,237	\$2,599 \$2,649	\$1.16 - \$1.18
<b>Trentwood Apartments</b>	54	24 - 1BR	737	\$795	\$0.93
9110-9240 Golden Valley Road	2	24 - 2BR	967	\$895	\$1.08
	3.7%	6 - 2BR TH	n.a.	\$1,050	n.a.
<b>Valley Creek West</b>	37	6 - 1BR	761	\$1,020 - \$1,040	\$1.34 - \$1.37
1370 Douglas Drive North	0	30 - 2BR	995 - 1,043	\$1,200 - \$1,325	\$1.21 - \$1.27
	0.0%				
<b>Valley View</b>	72	36 - 1BR	800 820	\$970 - \$1,075	\$1.21 - \$1.31
6533-6543 Golden Valley Raod	0	36 - 2BR	1,100 1,120	\$1,165 - \$1,350	\$1.06 - \$1.21
	0.0%				
<b>Valley Village</b>	112	56 - 1BR	600	\$890 - \$980	\$1.48 - \$1.63
600 Lilac Drive North	0	56 - 2BR	780	\$1,305 - \$1,325	\$1.67 - \$1.70
	0.0%				
<b>West End Apartments</b>	79	35 - 1BR	850	\$989	\$1.16
241-271 Yosemite Circle	0	44 - 2BR	950 - 1,050	\$1,109 - \$1,209	\$1.15 - \$1.17
	0.0%				
<b>West End Trails</b>	58	30 - 1BR	580 - 650	\$909 - \$969	\$1.49 - \$1.57
1400-1600 Douglas Drive	1	28 - 2BR	930 - 1,000	\$1,189 - \$1,289	\$1.28 - \$1.29
	1.7%				
<b>Total of All Market Rate GO*</b>	<b>1,276</b>	<b>24</b>	<b>2.3%</b>		
<b>Golden Valley Totals*</b>	<b>1,451</b>	<b>24</b>	<b>2.0%</b>		
<b>*Vacancy Rate excludes properties that did participate in rental survey, new product, and conversion</b>					
Source: City of Golden Valley; Maxfield Research & Consulting, LLC					

**RENTAL MARKET ANALYSIS**

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Select General Occupancy Rental Photos



Arcata



Colonial Apartments



Cornerstone Creek



Crosswoods



Valley View Apartments



Hello Apartments - Under Construction

Select General Occupancy Rental Photos



Mallard Creek

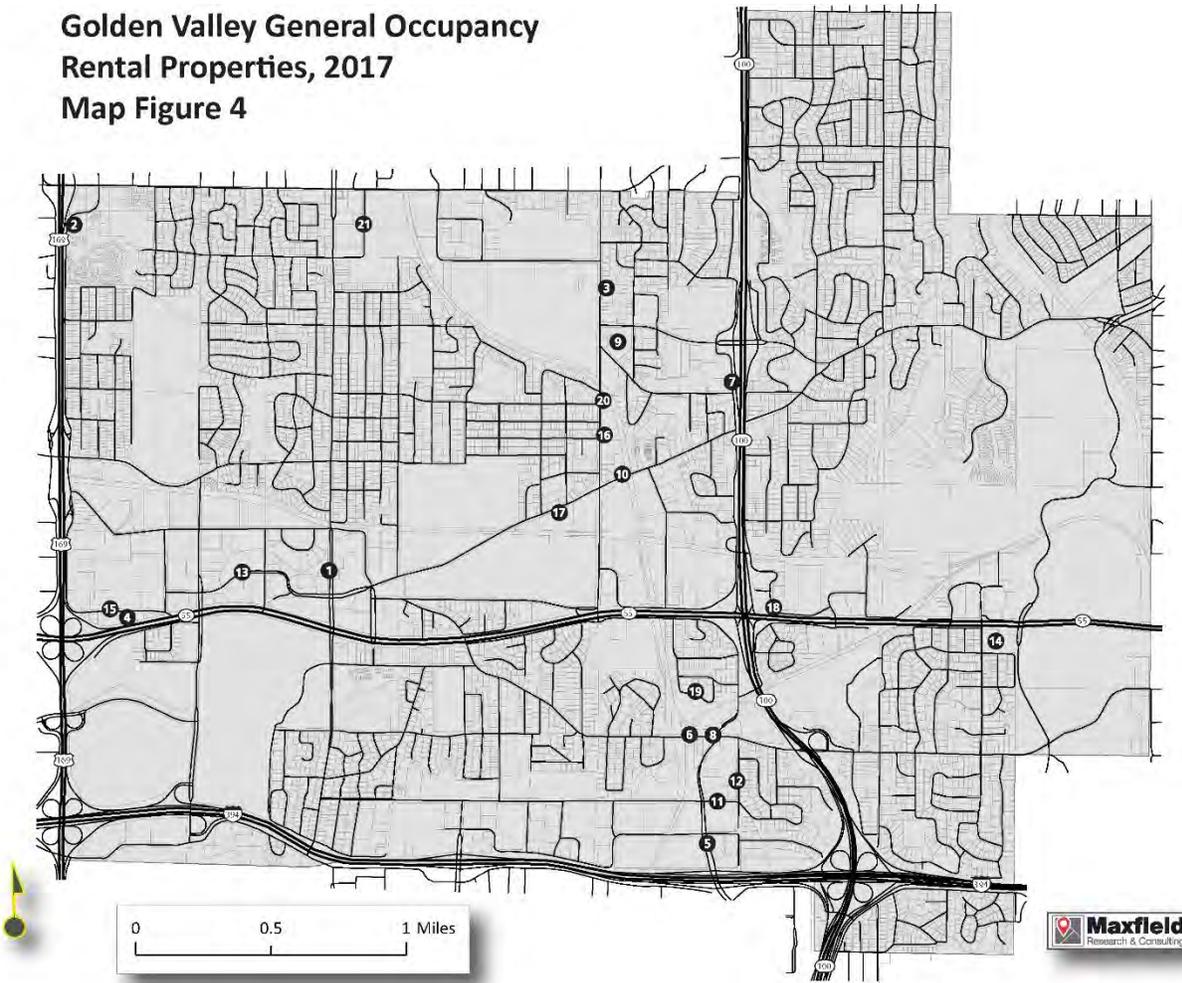


Trentwood Apartments



Village Square Commons

Golden Valley General Occupancy  
Rental Properties, 2017  
Map Figure 4



- |    |                               |    |                       |
|----|-------------------------------|----|-----------------------|
| 1  | Valley Square Commons         | 12 | The Laurel Apartments |
| 2  | Medley Park Townhomes         | 13 | Mallard Creek         |
| 3  | Golden Valley Townhomes       | 14 | Southwirth Apartments |
| 4  | Hello Apartments              | 15 | Trentwood Apartments  |
| 5  | Arcata Apartments             | 16 | Valley Creek West     |
| 6  | Colonial Apartments           | 17 | Valley View           |
| 7  | Copacabana Apartments         | 18 | Valley Village        |
| 8  | Crosswoods Apartments         | 19 | West End Apartments   |
| 9  | Duluth Street Flats           | 20 | West End Trails       |
| 10 | Golden Valley Road Apartments | 21 | Dover Hills           |
| 11 | Laurel @ West End             |    |                       |

### **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 illustrates monthly rents by unit type and household size as they relate to affordability. Table R-7 presents a breakdown of all market rate general-occupancy rental projects by household size and area median income (AMI). Table R-8 summarizes project data from Table R-7 based on unit type and affordability.

- Among the over 1,200 market rate units that were inventoried by unit mix and monthly rents, over 26% of the units are affordable to householders at 50% AMI. Together with 28.8% of the units affordable at 60% AMI, over 55% of the market rate rental housing inventory is affordable at 50% to 60% AMI.
- Over 43% of market rate one-bedroom units are affordable at 50% AMI. Comparatively, two-bedroom units and three-bedroom units were 53% and 3%, respectively.
- About 45% 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**

**TABLE R-6  
MAXIMUM RENT BASED ON HOUSEHOLD SIZE AND AREA MEDIAN INCOME  
HENNEPIN COUNTY - 2016**

Unit Type <sup>1</sup>	HHD Size		Maximum Rent Based on Household Size (@30% of Income)											
	Min	Max	30%		50%		60%		80%		100%		120%	
			Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Studio	1	1	\$451 - \$451	\$751 - \$751	\$902 - \$902	\$1,202 - \$1,202	\$1,503 - \$1,503	\$1,803 - \$1,803						
1BR	1	2	\$451 - \$515	\$751 - \$858	\$902 - \$1,029	\$1,202 - \$1,372	\$1,503 - \$1,715	\$1,803 - \$2,058						
2BR	2	4	\$515 - \$644	\$858 - \$1,073	\$1,029 - \$1,287	\$1,372 - \$1,716	\$1,715 - \$2,145	\$2,058 - \$2,574						
3BR	3	6	\$579 - \$746	\$965 - \$1,244	\$1,158 - \$1,493	\$1,544 - \$1,990	\$1,930 - \$2,488	\$2,316 - \$2,985						
4BR	4	8	\$644 - \$850	\$1,073 - \$1,416	\$1,287 - \$1,700	\$1,716 - \$2,266	\$2,145 - \$2,833	\$2,574 - \$3,399						

<sup>1</sup> 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 \$85,800 (2016)

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

# RENTAL MARKET ANALYSIS

**TABLE R-7  
MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS  
NATURALLY OCCURRING AFFORDABLE RENTAL HOUSING  
CITY OF GOLDEN VALLEY  
JANUARY 2017**

Unit Type/Project Name	Aff Units	Rent Range		Min. Income Needed to Afford <sup>1</sup>	Units that are Market Rate Affordability by AMI <sup>2</sup>					
		Min	Max		30%	50%	60%	80%	100%	120%
<b>Studio</b>										
Hello Apartments				n/a - n/a	--	--	--	--	--	--
Arcata Apartments	15	\$1,140 - \$1,355		\$45,600 - \$54,200	--	--	--	15	--	--
<b>Total/ Average</b>	<b>15</b>				--	--	--	<b>15</b>	--	--
<b>One-Bedroom</b>										
Hello Apartments		-		\$0 - \$0	--	--	--	--	--	--
Arcata Apartments	79	\$1,445 - \$1,560		\$57,800 - \$62,400	--	--	--	--	79	--
Colonial Apartments	18	\$829 - \$829		\$33,160 - \$33,160	--	18	--	--	--	--
Copacabana Apartments	2	\$800 - \$800		\$32,000 - \$32,000	--	2	--	--	--	--
Crosswods Apartments	35	\$805 - \$820		\$32,200 - \$32,800	--	35	--	--	--	--
Duluth Street Flats	19	\$825 - \$825		\$33,000 - \$33,000	--	19	--	--	--	--
Golden Valley Road Apartments	21	n/a - n/a		n/a - n/a	--	--	--	--	--	--
Laurel @ West End	23	\$1,360 - \$1,360		\$54,400 - \$54,400	--	--	--	23	--	--
The Laurel Apartments	29	\$1,620 - \$1,695		\$64,800 - \$67,800	--	--	--	--	29	--
Mallard Creek		\$1,240 - \$1,290		\$49,600 - \$51,600	--	--	--	--	--	--
Southwirth Apartments	12	\$1,399 - \$1,399		\$55,960 - \$55,960	--	--	--	12	--	--
Trentwood Apartments	24	\$795 - \$795		\$31,800 - \$31,800	--	24	--	--	--	--
Valley Creek West	6	\$1,020 - \$1,040		\$40,800 - \$41,600	--	--	6	--	--	--
Valley View	36	\$970 - \$1,075		\$38,800 - \$43,000	--	--	36	--	--	--
Valley Village		\$890 - \$980		\$35,600 - \$39,200	--	--	--	--	--	--
West End Apartments	35	\$989 - \$989		\$39,560 - \$39,560	--	--	35	--	--	--
West End Trails	30	\$909 - \$969		\$36,360 - \$38,760	--	--	30	--	--	--
<b>Total/Average</b>	<b>369</b>				--	<b>98</b>	<b>36</b>	<b>50</b>	<b>108</b>	<b>0</b>
<b>One-Bedroom plus Den</b>										
Arcata Apartments	21	\$1,525 - \$2,135		\$61,000 - \$85,400	--	--	--	--	11	10
<b>Total/Average</b>	<b>21</b>	<b>\$1,001</b>			--	--	--	--	<b>11</b>	<b>10</b>
<b>Two-Bedroom</b>										
Hello Apartments		-		\$0 - \$0	--	--	--	--	--	--
Arcata Apartments	50	\$1,930 - \$2,575		\$77,200 - \$103,000	--	--	--	--	25	25
Colonial Apartments	18	\$899 - \$899		\$35,960 - \$35,960	--	18	--	--	--	--
Copacabana Apartments	40	\$875 - \$900		\$35,000 - \$36,000	--	40	--	--	--	--
Duluth Street Flats	31	\$950 - \$950		\$38,000 - \$38,000	--	31	--	--	--	--
Golden Valley Road Apartments		n/a - n/a		n/a - n/a	--	--	--	--	--	--
Laurel @ West End	37	\$1,550 - \$1,735		\$62,000 - \$69,400	--	--	--	37	--	--
The Laurel Apartments	48	\$2,175 - \$3,025		\$87,000 - \$121,000	--	--	--	--	--	48
Mallard Creek		\$1,378 - \$1,503		\$55,120 - \$60,120	--	--	--	--	--	--
Southwirth Apartments	32	\$1,699 - \$2,299		\$67,960 - \$91,960	--	--	--	8	18	6
Trentwood Apartments	30	\$895 - \$1,050		\$35,800 - \$42,000	--	30	--	--	--	--
Valley Creek West	30	\$1,200 - \$1,325		\$48,000 - \$53,000	--	--	30	--	--	--
Valley View	36	\$1,165 - \$1,350		\$46,600 - \$54,000	--	--	36	--	--	--
Valley Village		\$1,305 - \$1,325		\$52,200 - \$53,000	--	--	--	--	--	--
West End Apartments	44	\$1,109 - \$1,209		\$44,360 - \$48,360	--	--	44	--	--	--
West End Trails	28	\$1,189 - \$1,289		\$47,560 - \$51,560	--	--	28	--	--	--
<b>Total/ Average</b>	<b>424</b>				--	<b>119</b>	<b>138</b>	<b>45</b>	<b>43</b>	<b>79</b>

Continued

## RENTAL MARKET ANALYSIS

**TABLE R-7 Continued**  
**MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS**  
**NATURALLY OCCURRING RENTAL HOUSING**  
**CITY OF GOLDEN VALLEY**  
**JANUARY 2017**

Unit Type/Project Name	Aff Units	Rent Range		Min. Income Needed to Afford <sup>1</sup>	Units that are Market Rate Affordability by AMI <sup>2</sup>					
		Min	Max		30%	50%	60%	80%	100%	120%
<b>Two-Bedroom + Den</b>										
Hello Apartments	5	\$1,500 - \$1,500		\$60,000 - \$60,000	--	--	--	5	--	--
Southwirth Apartments	16	\$1,501 - \$1,501		\$60,040 - \$60,040	--	--	--	--	--	16
<b>Total/ Average</b>	<b>21</b>	<b>\$1,500</b>			--	--	--	<b>5</b>	--	<b>16</b>
<b>Three Bedroom</b>										
Copacabana Apartments	7	\$1,050 - \$1,100		\$42,000 - \$44,000	--	7	--	--	--	--
Laurel @ West End	5	\$1,900 - \$1,900		\$76,000 - \$76,000	--	--	--	5	--	--
The Laurel Apartments	9	\$2,705 - \$2,820		\$108,200 - \$112,800	--	--	--	--	--	9
<b>Total/ Average</b>	<b>21</b>	<b>\$1,523</b>			--	<b>7</b>	--	<b>5</b>	--	<b>9</b>

<sup>1</sup> Based on a 30% allocation of income to housing for general-occupancy. Senior housing projects were excluded from the calculation.  
<sup>2</sup> 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

**TABLE R-8**  
**MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS**  
**NATURAL OCCURRING SUMMARY**  
**GOLDEN VALLEY**  
**January 2017**

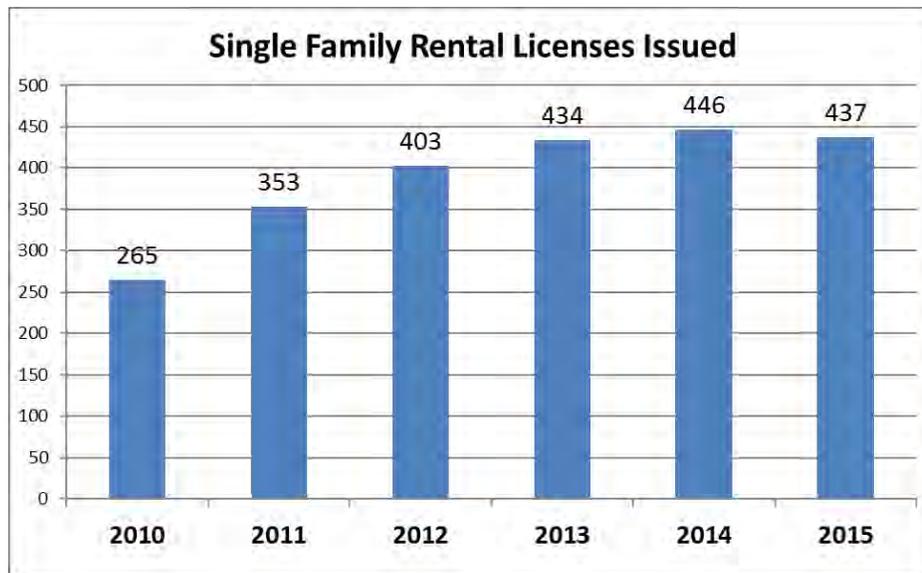
Unit Type	Market Rate Affordability by AMI					
	30%	50%	60%	80%	100%	120%
STUDIO	--	--	--	15	--	--
1 BR	--	98	107	35	108	--
1 BR + DEN	--	--	--	--	11	10
2 BR	--	119	138	45	43	79
2 BR + DEN	--	--	--	5	--	16
3 BR	--	7	--	5	--	9
<b>Subtotal</b>	<b>--</b>	<b>224</b>	<b>245</b>	<b>105</b>	<b>162</b>	<b>114</b>
<b>Pct. Of Total</b>	<b>0.0%</b>	<b>26.4%</b>	<b>28.8%</b>	<b>12.4%</b>	<b>19.1%</b>	<b>13.4%</b>
<b>Pct. Of Affordability Category</b>						
STUDIO	--	--	--	14.3%	--	--
1 BR	--	43.8%	43.7%	33.3%	66.7%	--
1 BR + DEN	--	--	--	--	6.8%	8.8%
2 BR	--	53.1%	56.3%	42.9%	26.5%	69.3%
2 BR + DEN	--	--	--	4.8%	--	14.0%
3 BR	--	3.1%	--	4.8%	--	7.9%

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 437 active single family rental licenses as of 2015. This is down from 446 single family rental licenses in 2014. The City of Golden Valley also identifies the dwelling licenses per unit and group homes including homes with services.



Single Family Dwellings			
	<b>One Unit Dwelling License</b>	Expires July 1	125.00
	<b>Twin Homes &amp; Duplexes License per Dwelling Unit</b>	Expires May 1	125.00
	<b>Condominiums &amp; Townhomes License Per Dwelling Unit</b>	Expires Sept 1	125.00
	<b>Group Homes / homes with services</b>	Expires Nov 1	125.00

### Senior Housing Defined

The term “senior housing” refers to any housing development that is restricted to people age 55 or older. Today, senior housing includes an entire spectrum of housing alternatives, which occasionally overlap, thus making the differences somewhat ambiguous. However, the level of support services offered best distinguishes them. Maxfield Research and Consulting LLC classifies senior housing projects into five categories based on the level of support services offered:

Adult/Few Services; where few, if any, support services are provided, and rents tend to be modest;

Congregate/Optional-Services; where support services such as meals and light housekeeping are available for an additional fee;

Congregate/Service-Intensive; where support services such as meals and light housekeeping are included in the monthly rents;

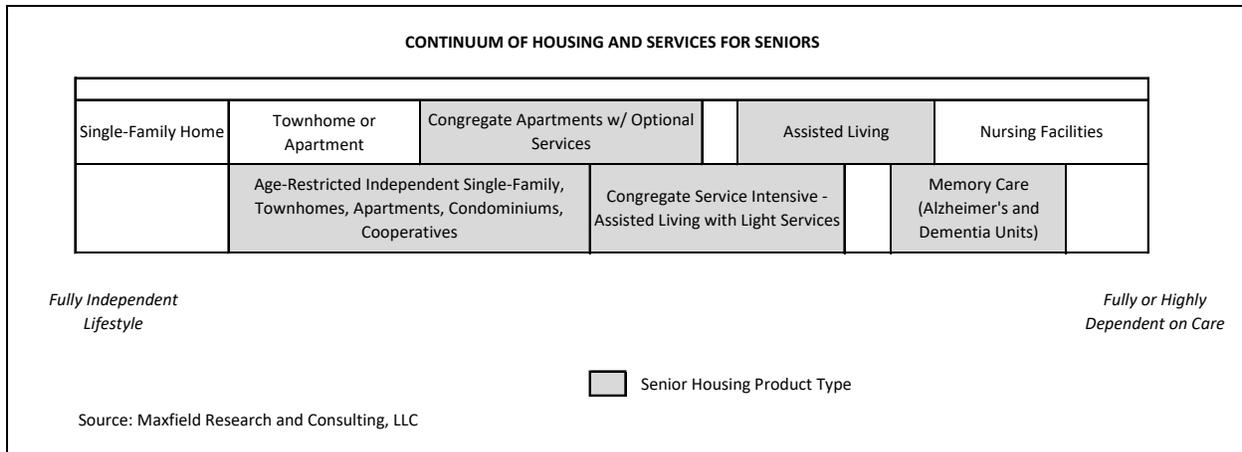
Assisted Living; where two or three daily meals as well as basic support services such as transportation, housekeeping and/or linen changes are included in the fees. Personal care services such as assistance with bathing, grooming and dressing is included in the fees or is available either for an additional fee.

Memory Care; where more rigorous and service-intensive personal care is required for people with dementia and Alzheimer’s disease. Typically, support services and meal plans are similar to those found at assisted living facilities, but the heightened levels of personalized care demand more staffing, higher rental fees, and additional security measures.

These five senior housing products tend to share several characteristics. First, they usually offer individual living apartments with living areas, bathrooms, and kitchens or kitchenettes. Second, they generally have an emergency response system with pull-cords or pendants to promote safety. Third, they often have a community room and other common space to encourage socialization. Finally, they are age-restricted and offer conveniences desired by seniors, although assisted living projects sometimes serve non-elderly people with special health considerations.

The five senior housing products offered today form a continuum of care (see the graphic on the following page), from a low level to a fairly intensive one; often the service offerings at one type overlap with those at another. In general, however, adult/few services projects tend to attract younger, more independent seniors, while assisted living and memory care projects tend to attract older, frailer seniors.

Nursing homes are considered institutional facilities and are not analyzed in this study. Group homes that are small residential facilities are not analyzed in this study.



### Senior Housing in Golden Valley

As of December 2016, Maxfield Research identified six senior housing developments in Golden Valley. These properties contain a total of 776 units. Of the facilities that are not in their initial lease-up period, there are 32 vacancies resulting in an overall vacancy rate of 4.8% 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 December 2016, there was one vacancy. There are 119 units in this 55+ cooperative community. Tenants purchase their own one-bedroom, two-bedroom, or three-bedroom unit. The current listing price for a one-bedroom unit is \$39,900.

#### ***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 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.

## SENIOR HOUSING ANALYSIS

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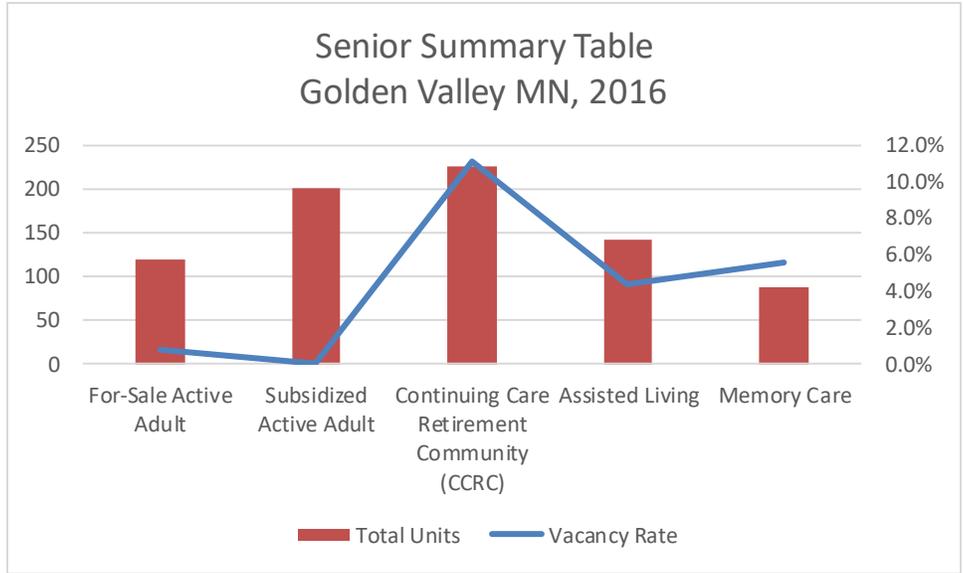
- There are two subsidized active adult developments (Cavalry Center and Dover Hills) in Golden Valley. As of December 2016, there were no vacancies which indicates there is demand for subsidized senior rental units. Equilibrium for senior subsidized housing projects is usually around 3%, allowing for optimal housing availability for potential residents. Unit sizes at these senior properties are often smaller than many of the market rate senior rental projects. Some of these senior apartments also maintain waiting lists for units.

### ***Assisted Living***

- There are three facilities offering assisted living services in Golden Valley. As of December 2016, there were three vacancies, for a vacancy rate of 4.4%. We do not include Meadow Ridge in factoring in vacancy rate due to the site currently in its initial lease-up period.
- Market rate basic service rents range from \$2,000 for a one-bedroom apartment at Covenant Village to \$4,380 for a two-bedroom apartment at Sunrise of Golden Valley. Additional cost is based on service level needed. Some common features include kitchenettes, private bathrooms, meals, laundry, and light housekeeping.
- 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 three facilities offering memory care services in Golden Valley. As of December 2016, there were three vacant memory care units, for a vacancy rate of 5.6%. We do not include Meadow Ridge in factoring in vacancy rate due to the site currently being in its initial lease-up period.
- 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 \$2,000 at Covenant Village to \$4,380 at Sunrise of Golden Valley. There is additional cost based on service level needed. Some features include daily exercise and programs, dining, and common areas for recreation.



# SENIOR HOUSING ANALYSIS

TABLE S-1 SENIOR HOUSING PROJECTS GOLDEN VALLEY December 2016									
Project Name/City	Year Built	No. of Units	No. Vacant	No. No.	Type	Sizes	Monthly Rent/ Sale Price	Rent fee/PSF Min - Max	Comments
<b>For-Sale Active Adult</b>									
Calvary Cooperative 7650 Golden Valley Road Golden Valley Owner-Occuied	1983	119	1	59 - 1BR		609 - 699	\$39,900*		Owner decides on sales price, units are sold based on market pricing. Fees are based on sqft, and are between \$600 and \$1,400. 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.
				For-Sale		54 - 2BR	none listed		
						5 - 3BR	none listed		
							Current Listing Price*		
<b>Subsidized Active Adult</b>									
Calvary Center Apartments 7650 Golden Valley Road Golden Valley	1983	80	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 Golden Valley	1975	122	0	122 - 1BR		1,231	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.
<b>Continuing Care Retirement Community (CCRC)</b>									
Covenant Village 5800 St Croix Ave N Golden Valley	1980/ 1987/ 2001	225	25	101 - 1BR 124 - 2BR		706 - 869 1,029 - 1,690	\$1,624 \$2,000	\$1.87 - \$2.30 \$1.18 - \$1.94	Maintain a 90% occupancy rate for all service levels. Independent living has a \$50,000 entrance fee. Must be admitted as Independent Living. Assistance with dressing and grooming, Bathing assistance, Three chef-prepared meals a day with table service
<b>Assisted Living</b>									
Meadow Ridge (Golden Valley Senior Living) 7475 Country Club Drive Golden Valley	2015	75	10	34 - Studio 20 - 1BR		342 - 555 528	\$2,600 - \$3,650 \$3,395	\$6.58 - \$7.60 \$6.43	Still in lease up period, 80% Occupied. Base Cost is \$2,600 for Studio and \$3,395 for bedroom. Severic levels based on best fit and personal needs. Guest meals, Meal delivery, Laundry Services, Beauty and Barber services, fitness room, all utilities except phone
Covenant Village 5800 St Croix Ave N Golden Valley	1984	20	2	20 - 1BR		490 - 820	\$2,000 - \$8,025	\$4.08 - \$9.79	40 Assisted Living / Memory Care Units. Monthly fees cost around \$2,000 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 Golden Valley	2005	48	1	2 - Companion 2 - Private 15 - 1BR 15 - 2BR		436 - 479 342 - 722 538 500 - 600	\$2,700 \$4,200 \$4,290 \$4,380	\$5.64 - \$6.19 \$5.82 - \$12.28 \$7.97 \$7.30 - \$8.76	Offer 34 Assisted Living and Memory Care apartments and services, Basic level charges per day, \$90 for Companion and \$140 per day for Private. Weekly housekeeping and daily trash removal, Weekly personal laundry, Daily physical fitness, 3 meals daily
<b>Memory Care</b>									
Meadow Ridge (Golden Valley Senior Living) 7475 Country Club Drive Golden Valley	2015	33	11	33 - Studio		342 - 555	\$2,600 - \$3,650	\$6.58 - \$7.60	Still in lease up period, 80% Occupied. Base Cost is \$2,600 for Studio and \$3,395 for bedroom. Severic levels based on best fit and personal needs. Guest meals, Meal delivery, Laundry Services, Beauty and Barber services, fitness room, all utilities except phone
Sunrise of Golden Valley 4950 Olson Memorial Hwy Golden Valley	2005	34	1	2 - Companion 2 - Private 15 - 1BR 15 - 2BR		436 - 479 342 - 722 538 500 - 600	\$2,700 \$4,200 \$4,290 \$4,380	\$5.64 - \$6.19 \$5.82 - \$12.28 \$7.97 \$7.30 - \$8.76	Offer 34 Assisted Living and Memory Care apartments and services, Basic level charges per day, \$90 for Companion and \$140 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	1984	20	2	20 - 1BR		490 - 820	\$2,000 - \$8,025	\$4.08 - \$9.79	40 Assisted Living / Memory Care Units. Monthly fees cost around \$2,000 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

S-2 SURVEYED UNIT TYPE SUMMARY SENIOR HOUSING DEVELOPMENTS GOLDEN VALLEY MN December 2016						
<b>For-Sale Active Adult</b>				<b>Monthly Rents</b>		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
1BR	119	67%	654	\$39,900 list price		
2BR	54	30%	901	na		
3BR	5	3%	1,110	na		
<b>Total:</b>	<b>178</b>	<b>100%</b>	<b>1,092</b>			
<b>Vacancy Rate: 0.8%</b>						
<b>Subsidized Active Adult</b>				<b>Monthly Rents</b>		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
1BR	202	100%	911	30% of AGI		
<b>Total:</b>	<b>202</b>	<b>100%</b>	<b>911</b>	30% of AGI		
<b>Vacancy Rate: 0.0%</b>						
<b>Congregate</b>				<b>Base Monthly Rents</b>		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
1BR	101	45%	788	\$1,624	\$1,624	\$2.06
2BR	124	55%	1,360	\$2,000	\$2,000	\$1.47
<b>Total:</b>	<b>225</b>	<b>100%</b>	<b>1,191</b>	<b>\$1,624 - \$2,000</b>	<b>\$1,812</b>	<b>\$1.77</b>
<b>Vacancy Rate: 11.1%</b>						
<b>Assisted Living</b>				<b>Base Monthly Rents</b>		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
Studio	36	33%	413	\$2,600 - \$3,650	\$3,125	\$6.30
1BR	57	53%	549	\$2,000 - \$4,290	\$3,145	\$3.65
2BR	15	14%	550	\$4,380 - \$4,380	\$4,380	\$7.96
<b>Total:</b>	<b>108</b>	<b>100%</b>	<b>529</b>	<b>\$2,000 - \$4,380</b>	<b>\$3,550</b>	<b>\$5.80</b>
<b>Vacancy Rate: 4.4%</b>						
<b>Memory Care</b>				<b>Base Monthly Rents</b>		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
Studio	35	41%	453	\$2,600 - \$3,650	\$3,125	\$5.74
1BR	35	41%	582	\$2,000 - \$4,290	\$3,145	\$3.43
2BR	15	18%	550	\$4,380 - \$4,380	\$4,380	\$7.96
<b>Total:</b>	<b>85</b>	<b>100%</b>	<b>529</b>	<b>\$2,000 - \$4,380</b>	<b>\$3,550</b>	<b>\$5.70</b>
<b>Vacancy Rate: 5.6%</b>						
<sup>1</sup> Vacant units are calculated only from properties that are not in lease-up.						
Source: Maxfield Research and Consulting, LLC						

Select Senior Housing Photos



Calvary Cooperative



Covenant Village

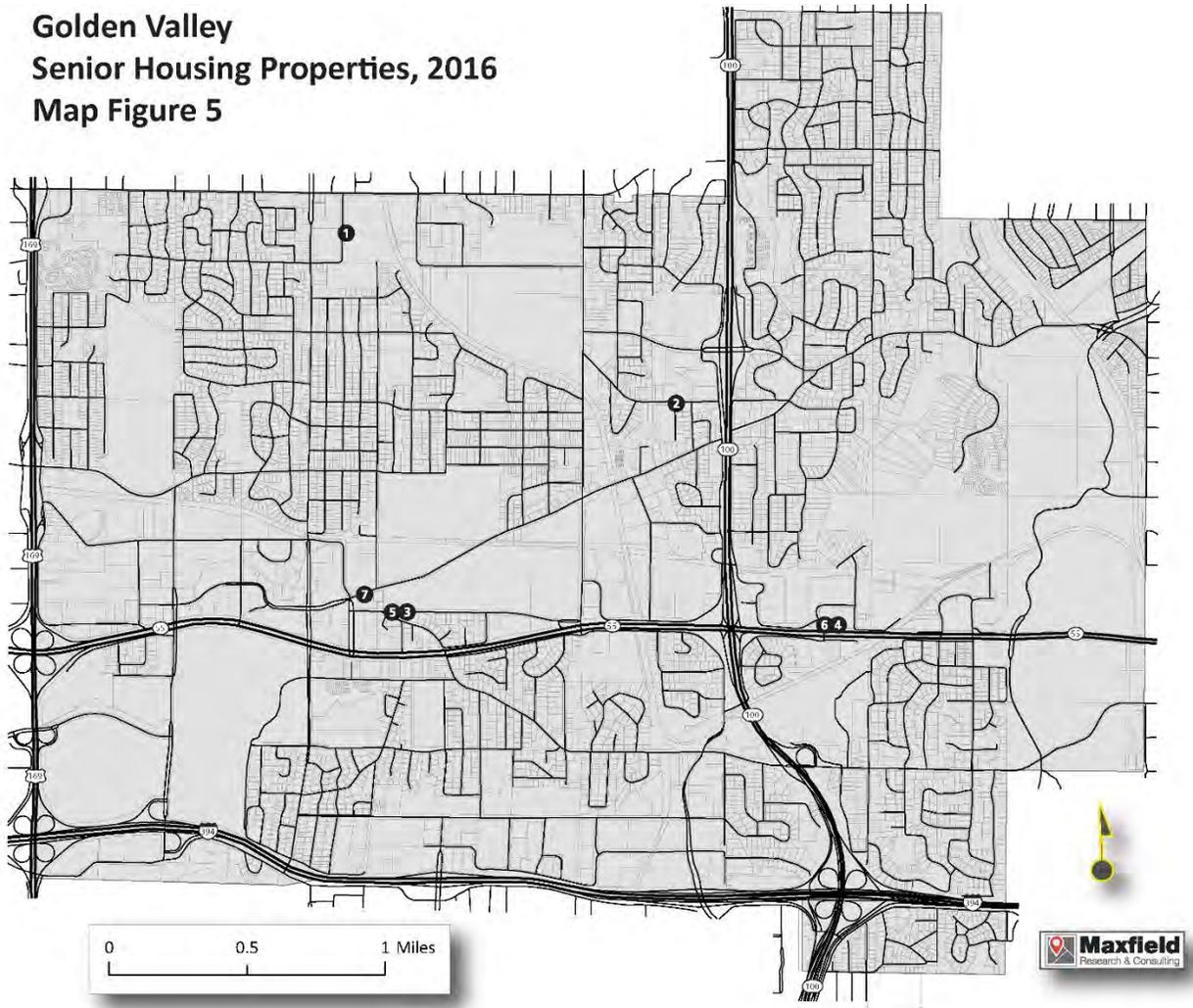


Meadow Ridge



Sunrise of Golden Valley

Golden Valley  
Senior Housing Properties, 2016  
Map Figure 5



- 1 Dover Hills
- 2 Covenant Village
- 3 Meadow Ridge (Golden Valley Senior Living)
- 4 Sunrise of Golden Valley
- 5 Meadow Ridge (Golden Valley Senior Living)
- 6 Sunrise of Golden Valley
- 7 Calvary

### 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 Golden Valley 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 2000 to 2016 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.

- The median list price in Golden Valley was nearly \$385,000 for single-family homes and \$280,000 for multifamily homes). 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.
- Between 2000 and 2006/2007, Golden Valley and the surrounding communities experienced rapid home sale price appreciation during the real estate boom. However, after the housing market plateaued in late 2005 through early 2007, Golden Valley and area communities started to experience sliding housing market price as the housing market bubble burst and the economy entered a recession.
- Golden Valley home market price declines between 2007 and 2011 have been much lower than the Twin Cities Metro Area (-25.6% compared to -34.8%). Overall, the central cities and inner-ring suburban areas did not experience the deterioration of market price compared to the ex-urban and 3<sup>rd</sup>/4<sup>th</sup> ring suburban communities.
- Golden Valley home values were lowest in 2011 when the median value declined to \$199,450. However, home values have increased annually since 2011 and have since surpassed the previous peak in 2007. Median resale values in 2016 were \$290,650; and increase of nearly 10% from 2015 (\$264,950).
- Historically, Golden Valley home market price sales have been about 25% higher than the Twin Cities Metro Area average since 2000.

## FOR-SALE MARKET ANALYSIS

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- Transaction volume also peaked in 2016 as over 450 homes sold; surpassing the previous high of 417 resales in 2015. Resale volumes have more than doubled since 2010 when only 195 homes sold in Golden Valley.
- Since 2000, Golden Valley transactions have averaged 316 homes annually. This is similar to nearby Crystal; but significantly lower than other larger communities near Golden Valley (Minnetonka 767, Plymouth 1,100, and St. Louis Park 790).

## FOR-SALE MARKET ANALYSIS

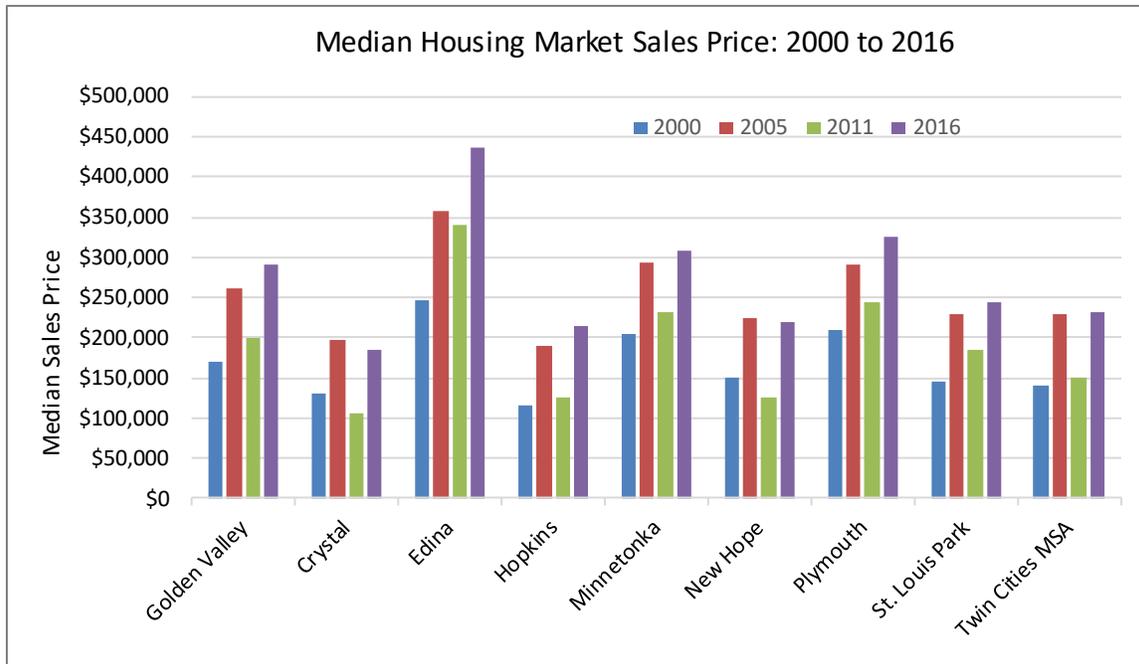
**TABLE FS-1  
MEDIAN SALES PRICE BY COMMUNITY  
GOLDEN VALLEY MN & NEARBY COMMUNITIES  
2005 to 2016**

	YEAR													PCT. CHANGE		
	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	00'-06'	06-11'	11'-16'
<b>Median Sales Price</b>																
<b>Golden Valley</b>	\$169,450	\$262,000	\$268,000	\$272,450	\$267,500	\$220,000	\$235,500	\$199,450	\$218,500	\$246,000	\$247,500	\$264,950	\$290,650	58.2%	-25.6%	45.7%
Crystal	\$131,000	\$198,000	\$199,000	\$194,700	\$160,750	\$140,000	\$139,900	\$105,000	\$127,550	\$149,250	\$157,500	\$172,000	\$185,450	51.9%	-47.2%	76.6%
Edina	\$245,950	\$357,000	\$391,000	\$376,500	\$389,450	\$324,950	\$339,000	\$339,000	\$344,000	\$350,000	\$380,000	\$397,000	\$436,430	59.0%	-13.3%	28.7%
Hopkins	\$115,000	\$189,950	\$205,450	\$205,150	\$169,000	\$160,000	\$148,000	\$125,000	\$159,950	\$180,500	\$182,000	\$213,500	\$215,000	78.7%	-39.2%	72.0%
Minnetonka	\$204,900	\$294,000	\$270,000	\$287,000	\$265,900	\$245,000	\$265,713	\$232,500	\$255,000	\$279,000	\$270,000	\$300,000	\$307,500	31.8%	-13.9%	32.3%
New Hope	\$150,000	\$225,000	\$228,500	\$221,700	\$186,000	\$158,250	\$148,000	\$126,125	\$155,000	\$173,000	\$185,000	\$199,000	\$220,000	52.3%	-44.8%	74.4%
Plymouth	\$210,000	\$289,950	\$292,650	\$293,500	\$275,000	\$253,500	\$249,000	\$245,000	\$275,000	\$304,450	\$305,000	\$320,000	\$325,000	39.4%	-16.3%	32.7%
St. Louis Park	\$145,000	\$230,000	\$234,500	\$234,000	\$227,000	\$212,500	\$213,250	\$185,000	\$198,450	\$218,900	\$229,950	\$239,000	\$245,000	61.7%	-21.1%	32.4%
Twin Cities MSA	\$141,475	\$228,900	\$230,000	\$225,000	\$195,000	\$165,000	\$169,900	\$150,000	\$167,900	\$192,000	\$205,700	\$220,000	\$232,000	62.6%	-34.8%	54.7%
<b>Resales</b>																
<b>Golden Valley</b>	335	404	278	240	218	260	195	269	309	380	345	417	456	-17.0%	-3.2%	69.5%
Crystal	370	425	311	264	305	388	270	331	366	425	383	462	496	-15.9%	6.4%	49.8%
Edina	739	825	788	756	674	656	664	699	953	993	949	1,004	1,004	6.6%	-11.3%	43.6%
Hopkins	211	264	228	223	151	197	186	168	209	215	192	236	271	8.1%	-26.3%	61.3%
Minnetonka	802	852	814	702	543	639	581	650	809	838	832	888	1,017	1.5%	-20.1%	56.5%
New Hope	208	337	236	207	185	233	181	205	227	258	235	295	317	13.5%	-13.1%	54.6%
Plymouth	1,218	1,291	1,048	915	811	853	788	936	1,110	1,351	1,197	1,402	1,509	-14.0%	-10.7%	61.2%
St. Louis Park	683	955	833	786	611	686	518	691	806	908	837	964	1,007	22.0%	-17.0%	45.7%
Twin Cities MSA	48,208	60,065	47,906	41,027	39,598	45,877	38,288	41,606	48,812	53,087	49,592	56,450	59,988	-0.6%	-13.2%	44.2%

Sources: RMLS, Maxfield Research & Consulting, LLC

## FOR-SALE MARKET ANALYSIS

- Since the bottom of the market in 2011, Golden Valley resale market prices are up nearly 46%. In the Twin Cities Metro Area market prices are up 55% since 2011; however, there were significantly more lender-mediated properties in the Twin Cities Metro Area than in Golden Valley hence the home values were lower during the recession.
- Golden Valley home sales are higher than neighboring communities New Hope, Crystal, and St. Louis Park; but lower than other nearby communities Plymouth and Minnetonka.



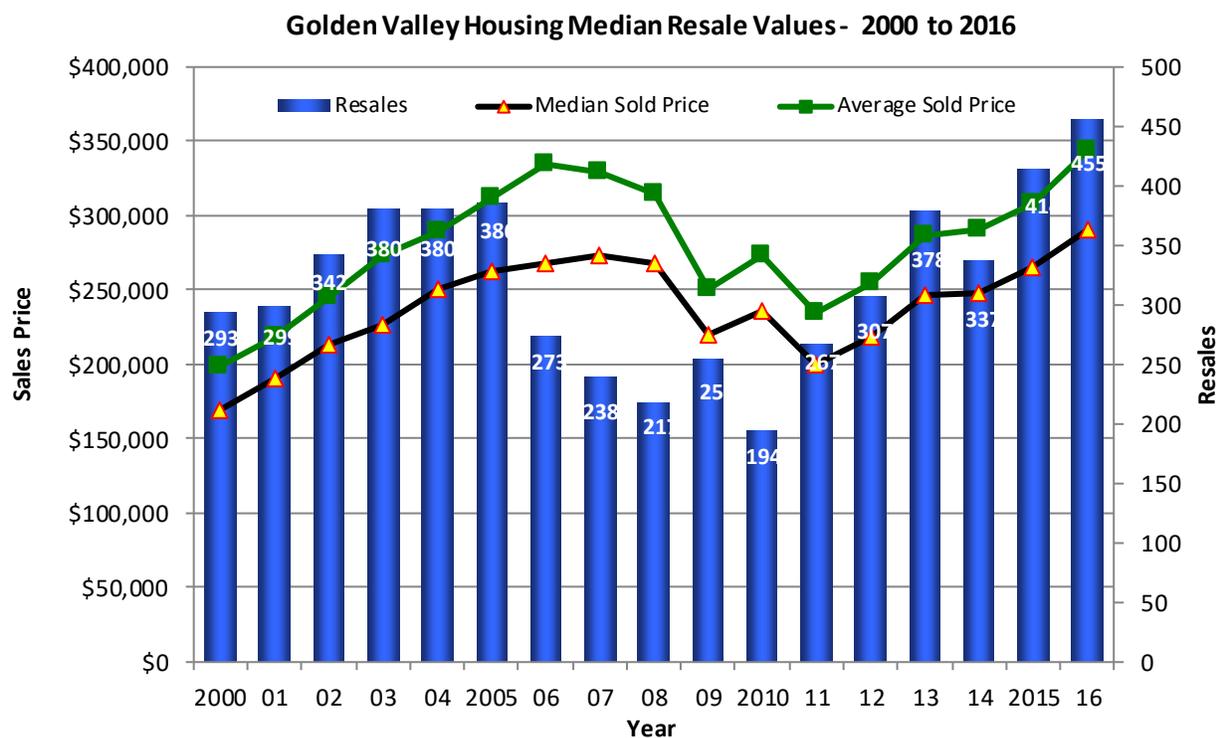
### Overview of For-Sale Housing Market Conditions

Table FS-2 presents home resale data on single-family and multifamily housing in Golden Valley from 2000 through 2016. 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). It should be noted that lender-mediated sales were not categorized until July 2008 and the cumulative days on market were not calculated until 2006.

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

## FOR-SALE MARKET ANALYSIS

- Like across the Twin Cities Metro Area, Minnesota, and the nation, pricing last decade peaked between 2005 & 2007 at the height of the real estate boom. The average and median sales price plateaued at roughly \$272,000 and \$334,700 respectively. For comparison, the Twin Cities Metro Area median sales price peaked at \$230,000 in 2006.
- Between 2000 and 2007, the Golden Valley median sales price increased annually from \$169,450 to \$272,500, a gain of 61%. However, between 2007 and 2011 the median sales price declined to \$199,450 (-27%). Since 2011, home resale prices have increased significantly rising to \$289,900 (45%).
- 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 was at its lowest in 2011 which is generally considered to be the trough in the Twin Cities Metro Area real estate market between 2002 and 2016.
- The number of resales has averaged about 320 sales annually between 2000 and 2016. The fewest number of resales occurred after the peak in 2010 with 194 resales; while 2016 established a new record high in Golden Valley with 455 resales.
- The number of lender-mediated properties accounted for about 32% of all home transactions between 2009 and 2012; peaking in 2011 at 39%. Since 2012, the number has come down substantially and was at 5% in 2016.



**FOR-SALE MARKET ANALYSIS**

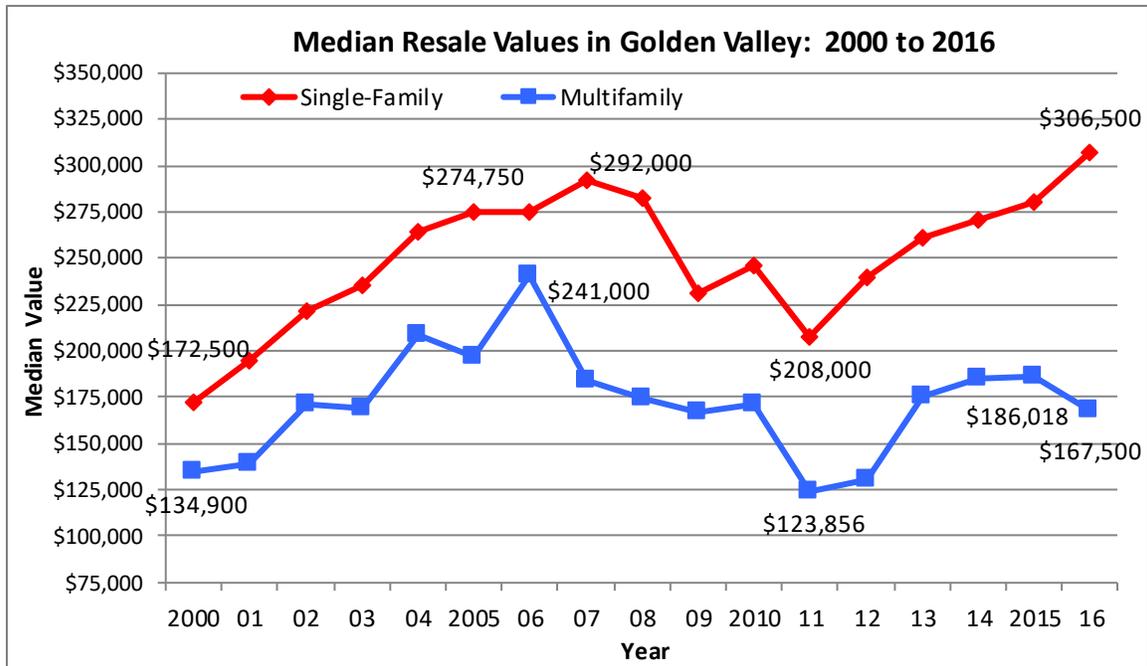
**TABLE FS-2  
HOME RESALES  
GOLDEN VALLEY MN  
2000 to 2016**

Year	No. Sold	Avg. Sales Price	Avg. % Change	Med. Sales Price	Median % Change	Days on Market		Cumul. DOM <sup>1</sup>		% Lender Mediated <sup>2</sup>
						Avg.	Median	Avg.	Median	
2000	293	\$198,660	-	\$169,450	-	25	14	-	-	-
2001	299	\$218,136	9.8%	\$190,600	12.5%	29	15	-	-	-
2002	342	\$245,520	12.6%	\$212,650	11.6%	35	23	-	-	-
2003	380	\$272,803	11.1%	\$226,450	6.5%	51	24	-	-	-
2004	380	\$289,030	5.9%	\$249,900	10.4%	45	30	-	-	-
2005	386	\$312,068	8.0%	\$262,000	4.8%	71	47	-	-	-
2006	273	\$334,701	7.3%	\$268,000	2.3%	62	47	117	90	-
2007	238	\$329,264	-1.6%	\$272,450	1.7%	70	58	122	90	-
2008	217	\$314,141	-4.6%	\$267,500	-1.8%	76	57	133	103	13.4%
2009	253	\$250,368	-20.3%	\$220,000	-17.8%	73	50	148	109	34.0%
2010	194	\$272,788	9.0%	\$235,500	7.0%	73	48	146	89	30.4%
2011	267	\$234,413	-14.1%	\$199,450	-15.3%	91	63	169	123	39.3%
2012	307	\$254,006	8.4%	\$218,500	9.6%	70	41	122	71	24.1%
2013	378	\$286,803	12.9%	\$246,000	12.6%	52	31	79	40	12.7%
2014	337	\$290,254	1.2%	\$247,500	0.6%	50	30	69	41	9.5%
2015	414	\$308,139	6.2%	\$264,950	7.1%	56	34	85	48	8.2%
2016	455	\$343,197	11.4%	\$289,900	9.4%	43	26	71	36	5.5%
<b>Total 00'-16'</b>	<b>5,413</b>									
<b>Summary 00' to 16'</b>										
			<b>72.8%</b>		<b>71.1%</b>					
	<b>Average</b>	<b>318</b>		<b>\$279,664</b>		<b>\$237,694</b>	<b>57</b>	<b>38</b>	<b>115</b>	<b>76</b>
<sup>1</sup> Cumulative Days on Market initiated in 2006. 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)										
<sup>2</sup> Lender Mediated Properties include foreclosures and short sales. MLS data for this property type began in July 2008.										
Sources: RMLS, Maxfield Research & Consulting, LLC										

<b>TABLE FS-3</b> <b>SINGLE-FAMILY AND MULTIFAMILY RESIDENTIAL RESALES</b> <b>GOLDEN VALLEY MN</b> <b>2000 through 2016</b>					
<b>Year</b>	<b>Number of Sales</b>	<b>Median Sales Price</b>	<b>% Chg.</b>	<b>Average Sales Price</b>	<b>% Chg.</b>
<b>Single-Family</b>					
2000	260	\$172,500	--	\$202,758	--
2001	264	\$194,950	13.0%	\$224,451	10.7%
2002	258	\$221,750	13.7%	\$259,610	15.7%
2003	292	\$235,000	6.0%	\$287,734	10.8%
2004	294	\$264,500	12.6%	\$309,923	7.7%
2005	313	\$274,750	3.9%	\$329,224	6.2%
2006	219	\$274,950	0.1%	\$348,077	5.7%
2007	193	\$292,000	6.2%	\$249,615	-28.3%
2008	175	\$282,000	-3.4%	\$336,172	34.7%
2009	213	\$231,000	-18.1%	\$265,770	-20.9%
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%
Pct. Change					
00' - 16'	45.4%	77.7%		83.3%	
<b>Multifamily**</b>					
2000	33	\$134,900	--	\$166,249	--
2001	35	\$139,000	3.0%	\$170,501	2.6%
2002	84	\$170,950	23.0%	\$202,242	18.6%
2003	88	\$168,900	-1.2%	\$223,260	10.4%
2004	86	\$208,950	23.7%	\$217,606	-2.5%
2005	73	\$196,860	-5.8%	\$238,271	9.5%
2006	53	\$241,000	22.4%	\$278,693	17.0%
2007	45	\$183,900	-23.7%	\$241,984	-13.2%
2008	42	\$173,825	-5.5%	\$222,345	-8.1%
2009	40	\$167,250	-3.8%	\$168,350	-24.3%
2010	26	\$171,415	2.5%	\$197,402	17.3%
2011	43	\$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%
Pct. Change					
00' - 16'	133.3%	24.2%		22.6%	
** Multifamily includes twinhomes, townhomes, condominiums, and cooperatives					
Source: RMLS; Maxfield Research & Consulting, LLC					

## FOR-SALE MARKET ANALYSIS

- Single-family housing types accounted for about 82% of all sales since 2000. Multifamily resales were highest in 2003 (88 resales) when they accounted for 23% of total sales. About 17% of resales in 2016 were for multifamily products.
- During the peak of the real estate boom, multifamily housing priced closely to single-family housing and sold for about 12% less than a single-family home. However, during the later-half of the last decade and thus far this decade multifamily pricing decreased and was priced about 40% to 45% lower in than single-family homes over the past two years.



### Home Resales by School District & Price Point

Table FS-4 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-5 shows the resales in 2016 (January to November) 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.

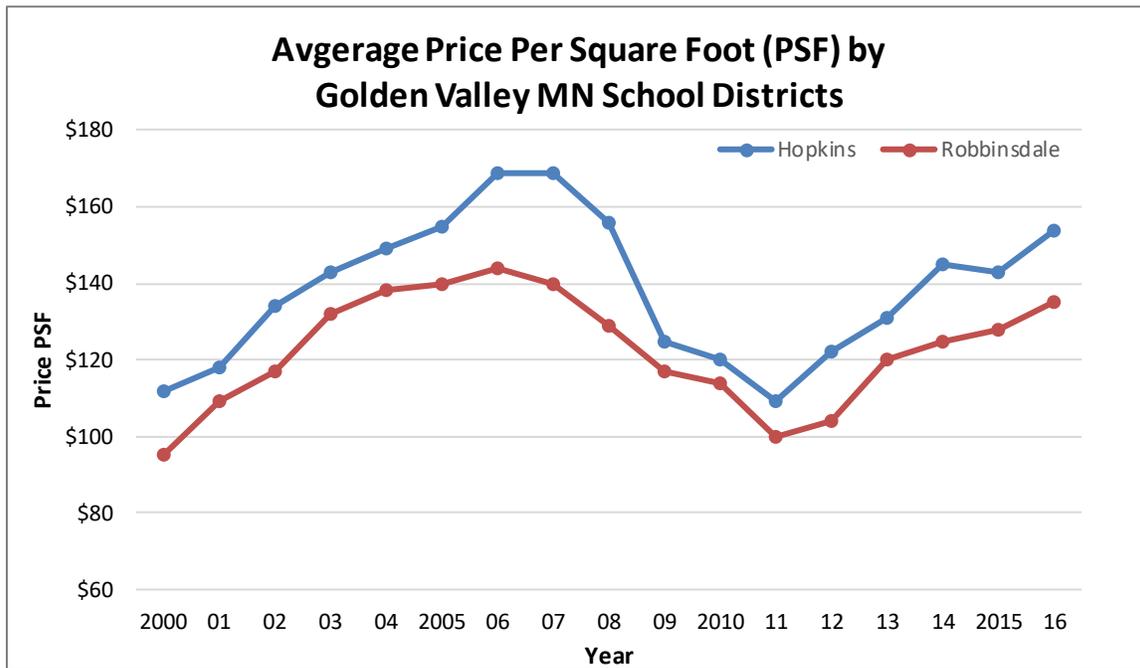
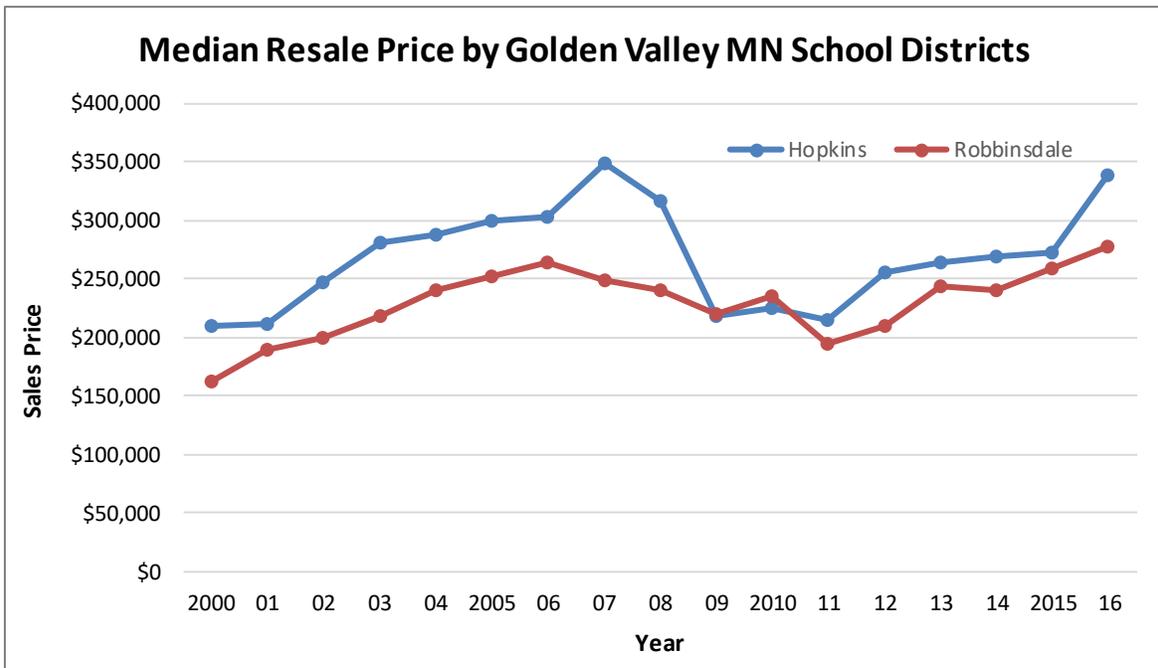
- Historically, about two-thirds of all Golden Valley resales have been located in ISD #281 (Robbinsdale School District) while ISD #270 (Hopkins School District) has averaged one-third of transactions. On average, about 105 homes sell annually in the Hopkins School District compared to 210 in the Robbinsdale School District.

**FOR-SALE MARKET ANALYSIS**

**TABLE FS-4  
GOLDEN VALLEY REALES BY SCHOOL DISTRICT BOUNDARY  
2000 to 2016**

Year	ISD # 270 (Hopkins)							ISD # 281 (Robbinsdale)						
	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	1.16%	203	\$162,000	\$182,151	1,799	\$95	\$1,761	1.01%
2001	82	\$210,950	\$239,126	2,038	\$118	\$2,447	0.98%	216	\$189,900	\$210,298	1,888	\$109	\$1,939	0.93%
2002	121	\$246,440	\$288,432	2,101	\$134	\$2,327	0.78%	221	\$199,000	\$222,025	1,935	\$117	\$2,036	0.92%
2003	108	\$281,200	\$333,313	2,306	\$143	\$2,733	0.83%	271	\$217,900	\$249,035	1,926	\$132	\$2,155	0.87%
2004	110	\$287,450	\$332,053	2,172	\$149	\$2,898	0.87%	270	\$239,900	\$272,195	2,005	\$138	\$2,478	0.93%
2005	116	\$299,950	\$360,531	2,291	\$155	\$3,276	0.90%	269	\$252,000	\$291,554	2,095	\$140	\$3,004	1.02%
2006	89	\$302,500	\$393,151	2,265	\$169	\$3,736	0.99%	184	\$265,000	\$306,578	2,118	\$144	\$3,174	1.09%
2007	84	\$348,250	\$424,674	2,441	\$169	\$4,153	1.05%	153	\$249,000	\$276,420	1,999	\$140	\$3,099	1.15%
2008	73	\$316,000	\$362,673	2,271	\$156	\$3,999	1.22%	143	\$240,000	\$288,955	2,187	\$129	\$3,741	1.35%
2009	82	\$218,000	\$265,601	2,108	\$125	\$3,870	1.50%	170	\$220,000	\$243,146	2,089	\$117	\$3,691	1.61%
2010	71	\$225,000	\$302,322	2,368	\$120	\$4,551	1.67%	122	\$236,000	\$255,163	2,240	\$114	\$4,150	1.70%
2011	93	\$215,000	\$282,602	2,324	\$109	\$4,334	1.78%	174	\$194,000	\$217,946	2,111	\$100	\$3,993	2.00%
2012	116	\$256,500	\$287,771	2,334	\$122	\$4,401	1.68%	191	\$210,000	\$233,499	2,165	\$104	\$4,161	1.92%
2013	135	\$264,000	\$322,028	2,391	\$131	\$4,577	1.43%	243	\$243,500	\$267,233	2,181	\$120	\$4,189	1.61%
2014	122	\$268,750	\$353,469	2,339	\$145	\$4,523	1.31%	215	\$240,000	\$259,693	2,093	\$125	\$3,717	1.46%
2015	147	\$272,500	\$342,637	2,362	\$143	\$4,369	1.33%	267	\$259,000	\$289,146	2,195	\$128	\$4,224	1.48%
2016	164	\$338,000	\$403,032	2,573	\$154	\$5,115	1.28%	291	\$278,500	\$309,476	2,226	\$135	\$4,215	1.38%

Source: RMLS, Maxfield Research & Consulting, LLC



- Although there are fewer resales in the Hopkins area of Golden Valley, median home sale prices are about +15% higher than the Robbinsdale area of Golden Valley. Similarly, on a price per square foot basis (PSF) home values are +12% in the Hopkins area.

## FOR-SALE MARKET ANALYSIS

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- Property taxes in the Hopkins School District average about \$500 higher, however this is mainly due to higher median home values. However, property taxes as a percentage of home value are higher in the Robbinsdale area of Golden Valley are higher; likely a result of school referendums.
- Overall, about 38% of home sales in Golden Valley in 2016 were priced between \$200,000 and \$299,999. About 16% of resales were priced under \$200,000.
- Among the twelve price ranges outlined in Table FS-5, the price range category with the most resales was between \$250,000 and \$299,999; accounting for 21% of all resales in Golden Valley.
- About 25% of resales in Golden Valley were priced over \$400,000. However, 45% of resales in the Hopkins School District are priced above \$400,000 compared to 15% in the Robbinsdale School District.
- Approximately 60% of for-sale multifamily resales in Golden Valley were priced under \$200,000.
- Based on the median price of \$289,900 in Golden Valley as of 2016, a household's monthly payment (assuming 10% down and principal/interest, insurance, taxes, PMI, and 4.25% mortgage interest rate) would be about \$1,780. The income required to afford a home at this price would be about \$71,200 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 2016, 69% (4,169 households) of Golden Valley's non-senior households had incomes greater than \$71,200, meaning that about 70% of non-senior households in the Golden Valley can afford a median-priced home in the city.

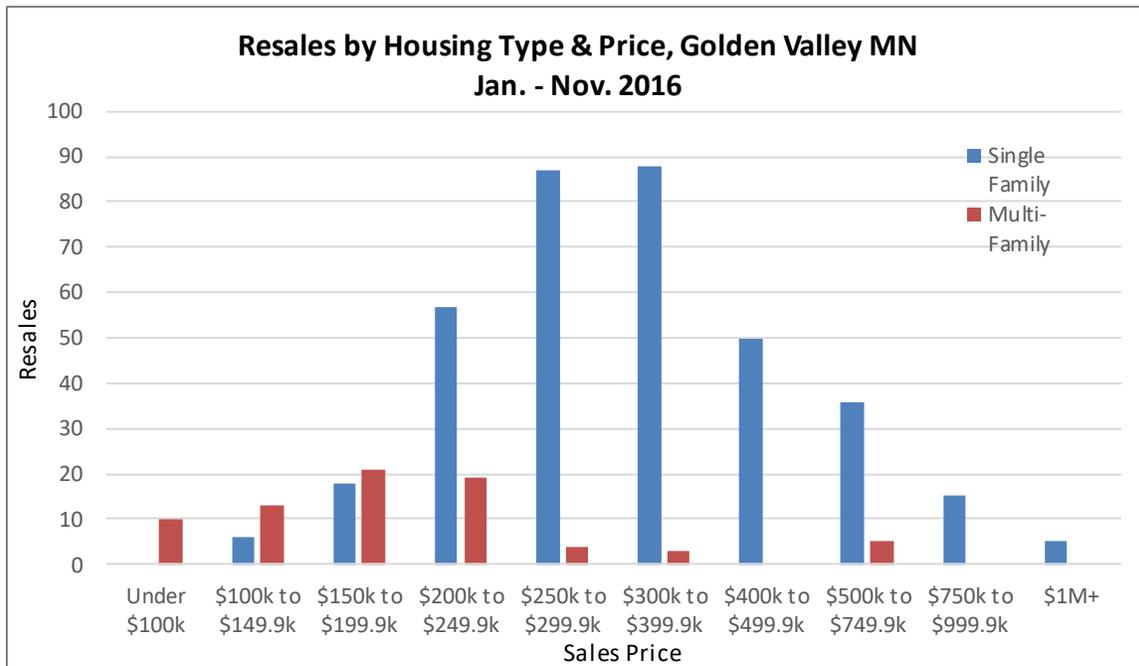
**FOR-SALE MARKET ANALYSIS**

**TABLE FS-5  
RESALES BY PRICE POINT  
GOLDEN VALLEY MN  
January to November 2016**

Price Range	ISD 270 (Hopkins)				ISD 281 (Robbinsdale)				Golden Valley Total			
	Single-Family		Multifamily <sup>1</sup>		Single-Family		Multifamily <sup>1</sup>		Single-Family		Multifamily <sup>1</sup>	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
< \$99,999	0	0.0%	5	19.2%	0	0.0%	5	10.2%	0	0.0%	10	13.3%
\$100,000 to \$149,999	2	1.6%	1	3.8%	4	1.7%	12	24.5%	6	1.7%	13	17.3%
\$150,000 to \$199,999	5	3.9%	1	3.8%	13	5.6%	20	40.8%	18	5.0%	21	28.0%
\$200,000 to \$249,999	13	10.1%	18	69.2%	44	18.9%	1	2.0%	57	15.7%	19	25.3%
\$250,000 to \$299,999	20	15.5%	1	3.8%	67	28.8%	3	6.1%	87	24.0%	4	5.3%
\$300,000 to \$349,999	16	12.4%	0	0.0%	36	15.5%	3	6.1%	52	14.4%	3	4.0%
\$350,000 to \$399,999	4	3.1%	0	0.0%	32	13.7%	0	0.0%	36	9.9%	0	0.0%
\$400,000 to \$449,999	16	12.4%	0	0.0%	13	5.6%	0	0.0%	29	8.0%	0	0.0%
\$450,000 to \$499,999	12	9.3%	0	0.0%	9	3.9%	0	0.0%	21	5.8%	0	0.0%
\$500,000 to \$749,999	28	21.7%	0	0.0%	8	3.4%	5	10.2%	36	9.9%	5	6.7%
\$750,000 to \$999,999	10	7.8%	0	0.0%	5	2.1%	0	0.0%	15	4.1%	0	0.0%
\$1,000,000 and Over	3	2.3%	0	0.0%	2	0.9%	0	0.0%	5	1.4%	0	0.0%
	129	100%	26	100%	233	100%	49	100%	362	100%	75	100%
Minimum	\$132,000		\$63,723		\$112,000		\$20,000		\$112,000		\$20,000	
Maximum	\$1,150,000		\$270,000		\$2,250,000		\$679,900		\$2,250,000		\$679,900	
Median	\$410,000		\$229,900		\$285,000		\$159,500		\$306,928		\$167,500	
Average	\$445,054		\$195,628		\$331,938		\$240,452		\$372,247		\$205,313	

<sup>1</sup> 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-6 shows the distribution of sales by sales price per square foot (“PSF”) from 2005 to 2016. The sales price per square foot metric is simply the sales price of the home divided by the finished square footage. Table FS-7 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.

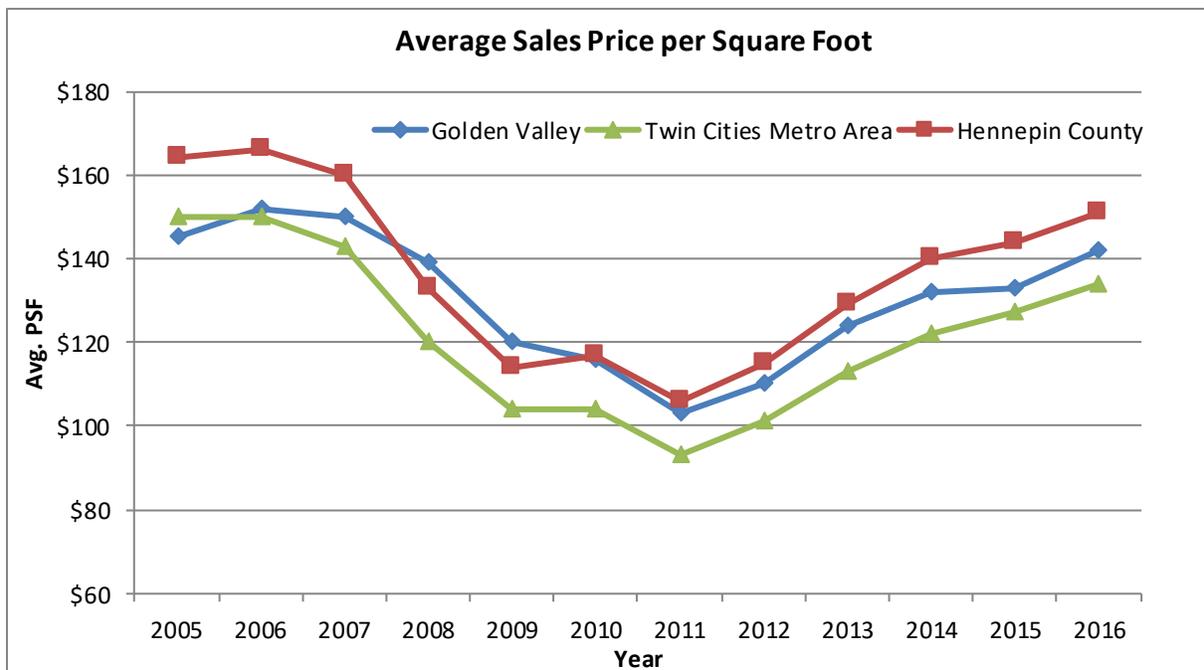
- The median and average price per square foot declined significantly between 2006 and 2011. Golden Valley’s median price per square foot was \$152 in 2006 before declining to its lowest point in 2011 at \$103 per square foot (-32%). Since 2011 the price per square foot has steadily increase to \$138 per square foot (+38%) as of 2016.
- Golden Valley housings costs on a median PSF basis are about 11% more than the Twin Cities Metro Area average. However, Golden Valley and Hennepin County housing cost mirror one another nearly every year since 2007.
- On average, the price of an existing home in Golden Valley is about 40% less than the cost of new construction. Although the cost of an existing home is on-par with Hennepin County (\$138 PSF vs. 136 PSF); new construction costs in Golden Valley have recently escalated much higher than Hennepin County averages (\$223 PSF vs. \$176 PSF). Hennepin County new construction prices are also about 10% higher than the Metro Area average.

**TABLE FS-6**  
**AVERAGE & MEDIAN SALES PRICE PER SQUARE FOOT (PSF)**  
**GOLDEN VALLEY, HENNEPIN COUNTY, AND TWIN CITIES METRO AREA**  
**2005 to 2016**

Year	Golden Valley		Hennepin County		Twin Cities Metro Area	
	Avg.	Median	Avg.	Median	Avg.	Median
2005	\$145	\$138	\$164	\$149	\$150	\$138
2006	\$152	\$145	\$166	\$150	\$150	\$138
2007	\$150	\$142	\$160	\$146	\$143	\$132
2008	\$139	\$128	\$133	\$125	\$120	\$113
2009	\$120	\$116	\$114	\$109	\$104	\$98
2010	\$116	\$115	\$117	\$109	\$104	\$97
2011	\$103	\$100	\$106	\$97	\$93	\$86
2012	\$110	\$108	\$115	\$106	\$101	\$93
2013	\$124	\$120	\$129	\$119	\$113	\$106
2014	\$132	\$125	\$140	\$126	\$122	\$112
2015	\$133	\$128	\$144	\$131	\$127	\$117
2016	\$142	\$138	\$151	\$137	\$134	\$124

Note: Twin Cities Metro Area = Twin Cities MSA

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

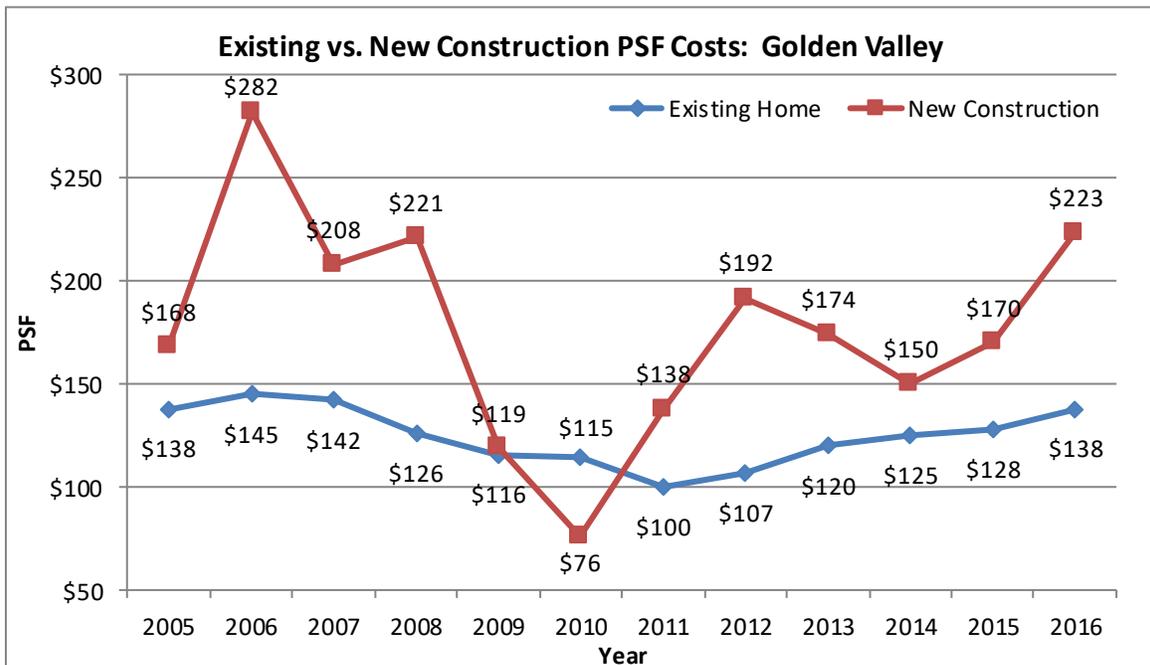


**TABLE FS-7  
MEDIAN SALES PRICE PER SQUARE FOOT (PSF) COMPARISON  
EXISTING HOME VS. NEW CONSTRUCTION  
GOLDEN VALLEY, HENNEPIN COUNTY, & TWIN CITIES METRO AREA  
2005 to 2016**

Year	Golden Valley		Hennepin County		Twin Cities Metro Area	
	Existing Home	New Const.	Existing Home	New Const.	Existing Home	New Const.
2005	\$138	\$168	\$145	\$212	\$135	\$168
2006	\$145	\$282	\$146	\$230	\$135	\$169
2007	\$142	\$208	\$142	\$212	\$130	\$161
2008	\$126	\$221	\$121	\$191	\$111	\$146
2009	\$116	\$119	\$106	\$156	\$96	\$128
2010	\$115	\$76	\$107	\$149	\$95	\$129
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	\$110	\$151
2015	\$128	\$170	\$129	\$169	\$115	\$154
2016	\$138	\$223	\$136	\$173	\$122	\$157

Note: Twin Cities Metro Area = Twin Cities MSA

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



## **Current Supply of Homes on the Market**

To more closely examine the current market for available owner-occupied housing in Golden Valley, we reviewed the current supply of homes on the market (listed for sale). Tables FS-8 through FS-10 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 November 2016. MLS listings generally account for the vast majority of all residential sale listings in a given area.

Table FS-8 shows the number of listings by property type (i.e. single-family, town-home/twinhome, or condominium) while Table FS-7 and FS-8 shows listings by home style. The following points are key findings from our assessment of the active single-family and multifamily homes listed in Golden Valley.

- About 70 homes were listed for sale in Golden Valley as of November 2016. Single-family homes accounted for 68% of all active listings. The majority of the multifamily for-sale product was townhomes as only four condominiums were 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 \$599,000, compared to \$309,900 in the Robbinsdale School District. Similar to resale trends, the majority of homes for sale are located in the Robbinsdale School District.
- Based on a median list price of \$351,500 for both single-family and multifamily listings, a household would need an income of about \$86,000 in order to afford to make monthly housing payments of about \$2,160 (assuming a 10% down payment, 4.25% 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 60% of Golden Valley's non-senior households have annual incomes at or above \$86,000.

**FOR-SALE MARKET ANALYSIS**

**TABLE FS-8  
HOMES CURRENTLY LISTED FOR-SALE  
GOLDEN VALLEY MN  
November 2016**

Price Range	ISD 270 (Hopkins)				ISD 281 (Robbinsdale)				Golden Valley Total			
	Single-Family		Multifamily <sup>1</sup>		Single-Family		Multifamily <sup>1</sup>		Single-Family		Multifamily <sup>1</sup>	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
< \$99,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$100,000 to \$149,999	0	0.0%	0	0.0%	0	0.0%	2	28.6%	0	0.0%	2	8.7%
\$150,000 to \$199,999	0	0.0%	1	6.3%	2	6.5%	2	28.6%	2	4.0%	3	13.0%
\$200,000 to \$249,999	0	0.0%	4	25.0%	2	6.5%	1	14.3%	2	4.0%	5	21.7%
\$250,000 to \$299,999	1	5.3%	2	12.5%	9	29.0%	0	0.0%	10	20.0%	2	8.7%
\$300,000 to \$349,999	0	0.0%	0	0.0%	10	32.3%	0	0.0%	10	20.0%	0	0.0%
\$350,000 to \$399,999	2	10.5%	0	0.0%	2	6.5%	0	0.0%	4	8.0%	0	0.0%
\$400,000 to \$449,999	1	5.3%	0	0.0%	2	6.5%	0	0.0%	3	6.0%	0	0.0%
\$450,000 to \$499,999	1	5.3%	7	43.8%	1	3.2%	0	0.0%	2	4.0%	7	30.4%
\$500,000 to \$749,999	10	52.6%	2	12.5%	1	3.2%	2	28.6%	11	22.0%	4	17.4%
\$750,000 to \$999,999	1	5.3%	0	0.0%	0	0.0%	0	0.0%	1	2.0%	0	0.0%
\$1,000,000 and Over	3	15.8%	0	0.0%	2	6.5%	0	0.0%	5	10.0%	0	0.0%
	19	100%	16	100%	31	100%	7	100%	50	100%	23	100%
Minimum	\$259,000		\$194,900		\$190,000		\$124,900		\$190,000		\$124,900	
Maximum	\$1,359,000		\$650,000		\$1,595,000		\$699,900		\$1,595,000		\$699,900	
Median	\$599,000		\$450,000		\$309,900		\$159,000		\$384,450		\$279,900	
Average	\$684,647		\$390,906		\$388,964		\$314,886		\$501,323		\$367,770	

<sup>1</sup> Includes townhomes, detached townhomes, twinhomes, and condominiums

Sources: Regional Multiple Listing Service of Minnesota  
Maxfield Research & Consulting, LLC

## FOR-SALE MARKET ANALYSIS

- About 10% of Golden Valley's single-family homes for sale are priced less than \$200,000. However, 25% of the active inventory is priced between \$200,000 and \$300,000. About 45% of the active homes are priced above \$400,000.
- One and two-story home styles comprise 78% of the active single-family listings in Golden Valley. One-story homes make-up 44% of the homes for sale in Golden Valley.

<b>Property Type</b>	<b>Listings</b>	<b>Pct.</b>
Single-family	50	68.5%
Detached Townhome/Townhome/Twinhome	19	26.0%
Condominium/Cooperatives	4	5.5%
<b>Total</b>	<b>73</b>	<b>100.0%</b>
Sources: Regional Multiple Listing Service of MN; Maxfield Research & Consulting, LLC.		

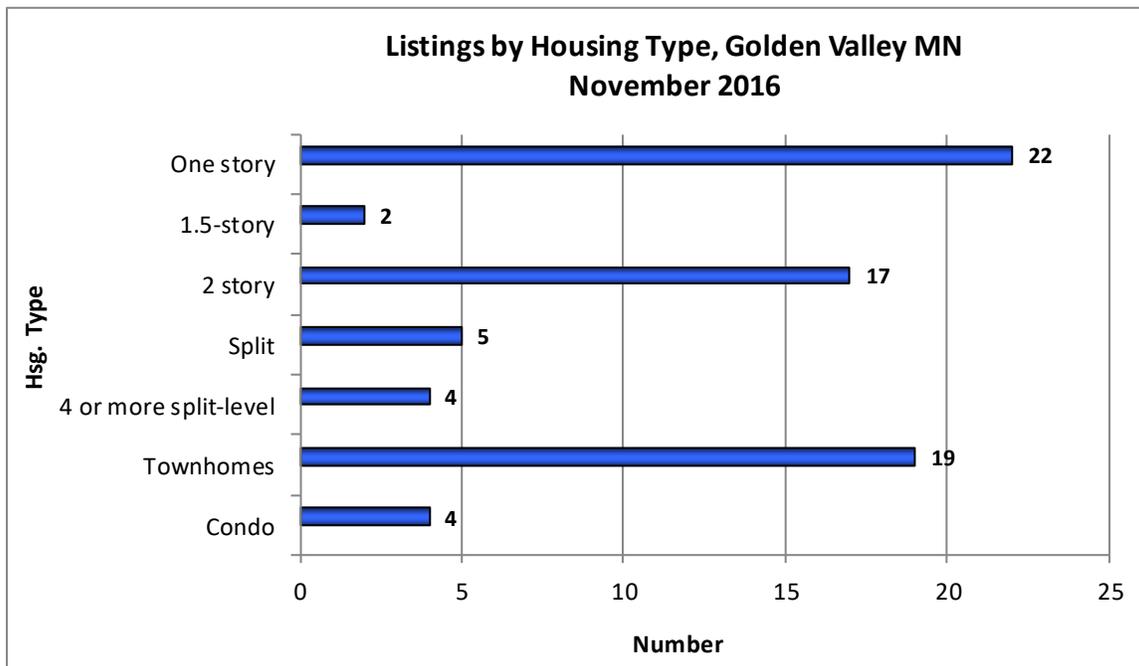
- Two-story homes have the highest average price at over \$700,000. Many of these homes are new construction homes or are located in highly desirable neighborhoods.
- Split-levels (i.e. bi-level) homes have the lowest average list price among single-family homes at about \$312,000. Typically these homes are smaller and as a result also have a lower PSF at \$148.
- New detached townhomes (\$500,000+) have brought up the average list price in the townhome category as the average list price among all townhomes is nearly \$400,000. Collectively, townhomes have a lower PSF cost compared to single-family homes (\$154 PSF vs. \$168 PSF).
- Condominiums account for a very small fraction of the inventory of homes for sale in Golden Valley. The currently marketing condominiums are newer (i.e. built in last 20 years) and have an average list price of about \$227,500. Among all the homes for sale, condominiums have the lowest PSF costs (\$152).

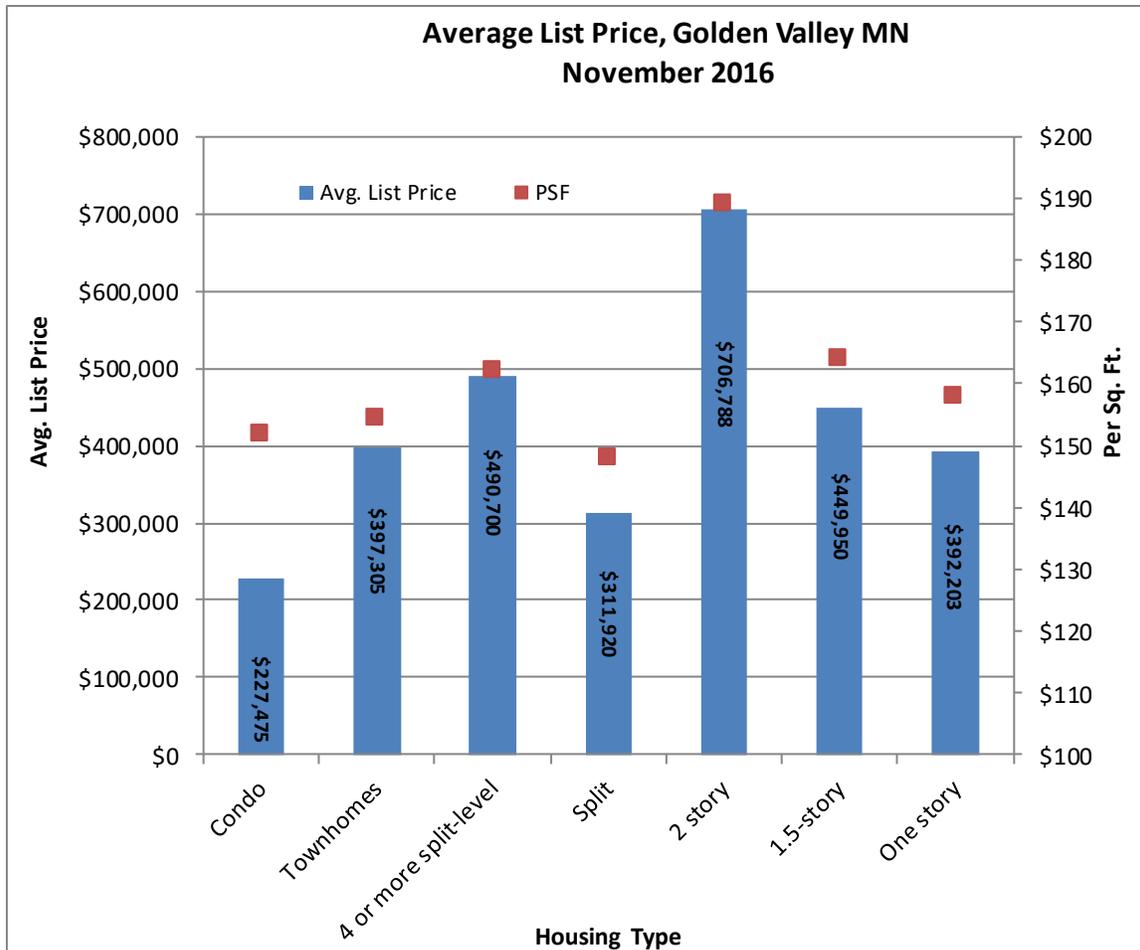
# FOR-SALE MARKET ANALYSIS

**TABLE FS-10**  
**ACTIVE LISTINGS BY HOUSING TYPE**  
**GOLDEN VALLEY MN**  
**November 2016**

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
<b>Single-Family</b>								
One story	22	44.0%	\$392,203	2,354	\$158	3.5	2.4	1959
1.5-story	2	4.0%	\$449,950	2,671	\$164	4.0	2.5	1948
2-story	17	34.0%	\$706,788	3,611	\$189	4.0	4.0	1977
Split entry/Bi-level	5	10.0%	\$311,920	2,108	\$148	3.8	2.6	1976
4 or more split-level	4	8.0%	\$490,700	2,975	\$162	4.0	3.3	1956
<b>Total</b>	<b>50</b>	<b>100.0%</b>	<b>\$501,323</b>	<b>2,819</b>	<b>\$168</b>	<b>3.8</b>	<b>3.0</b>	<b>1966</b>
<b>Townhomes/Twinhomes</b>								
Side-by-Side	9	47.4%	\$312,100	2,232	\$131	2.9	3.1	1983
Detached Townhomes	9	47.4%	\$509,433	2,835	\$182	4.7	3.9	2016
Quad Townhome	1	5.3%	\$155,000	1,350	\$115	3.0	2.0	1973
<b>Total</b>	<b>19</b>	<b>100.0%</b>	<b>\$397,305</b>	<b>2,471</b>	<b>\$154</b>	<b>3.8</b>	<b>3.4</b>	<b>1998</b>
<b>Condominiums/Cooperatives</b>								
Low-rise (less than 3 stories)	4	100.0%	\$227,475	1,498	\$152	2.0	2.0	1994
<b>Total</b>	<b>4</b>	<b>1</b>	<b>\$227,475</b>	<b>1,498</b>	<b>\$152</b>	<b>2.0</b>	<b>2.0</b>	<b>1,994</b>

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





### For-Sale Multifamily Developments

Table FS-11 identifies all 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 2016 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 about 6,850 owner-occupied units in Golden Valley; these properties account for 17% 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.
- Many of the older condominiums and townhomes have affordable prices and are priced from \$50,000 to \$150,000. Many of these homes target first-time home buyers.

## FOR-SALE MARKET ANALYSIS

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- 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.

# FOR-SALE MARKET ANALYSIS

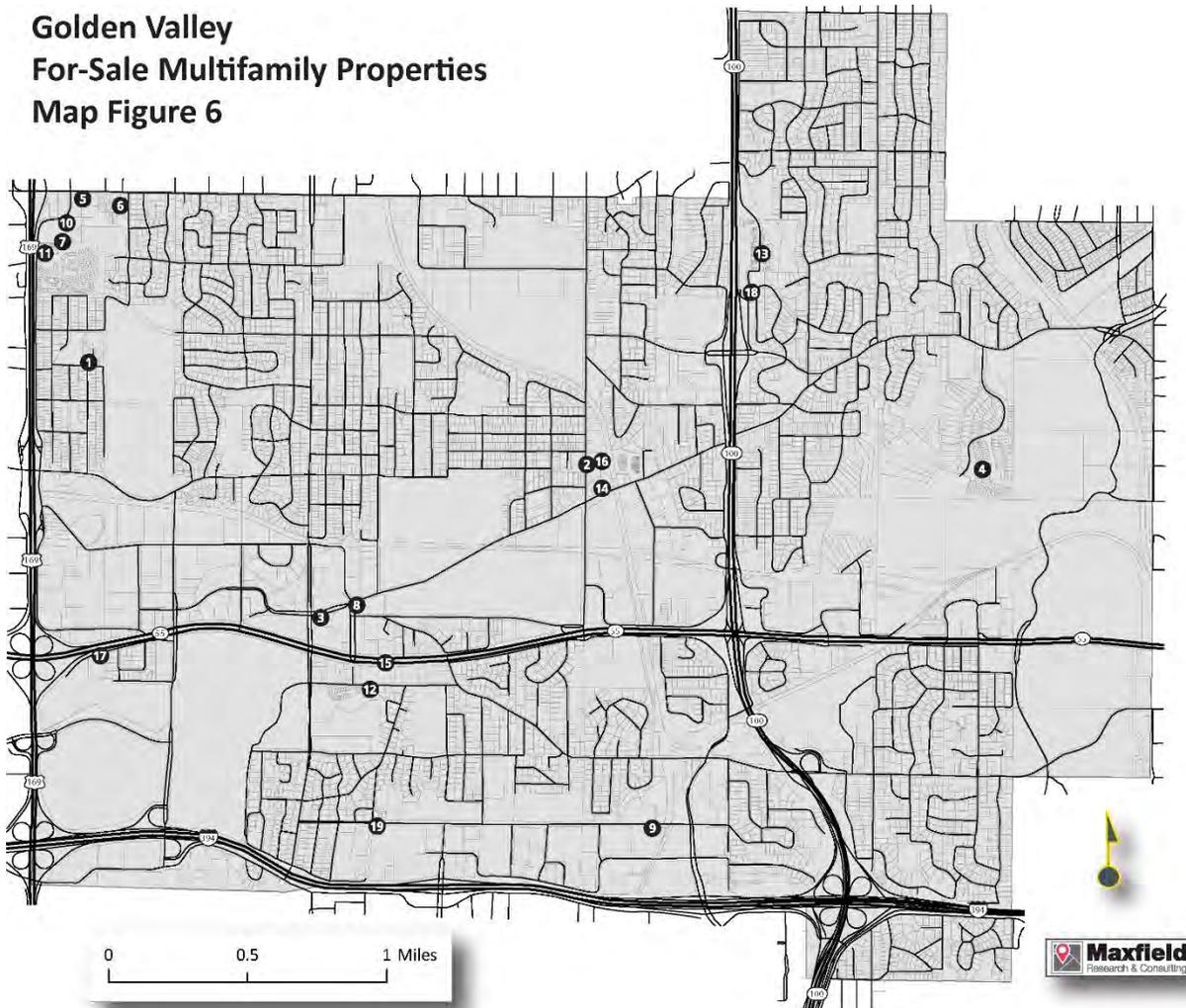
**TABLE FS-11  
FOR-SALE MULTIFAMILY HOUSING INVENTORY  
GOLDEN VALLEY MN  
January 2017**

Project Name	General Address	Product Type	Year Built	Total Units	Bldg. Design	Recent Resale Pricing*		Notes
						Low	High	
Laurel Ponds	7465 Laurel Point	Detached Townhomes	2016/2017	24	2-story	\$450,000 - \$650,000		New Subdivision
Golden Ridge Townhomes	1725 Gettysburg Court	Townhomes	2004/2005	14	2-story Twinhomes	No resales		
Villas on Bassett Creek	1350 Douglas Drive N.	Condominiums	2002	48	3-story	\$135,000		
Wesley Comons	7930 Golden Valley Road	Condominiums	2001/2002	127	2-story Rowhomes	\$228,000 - \$245,000		
Hidden Lakes	Waterford Drive	Detached Townhomes Twinhomes	1999/2002	155	1 & 2 story	\$550,000 - \$890,000		PUD assoc. maintained community
Medley Hill Condominiums	9201/9225 Medicine Lake Road	Condominiums	1999-2001	54	3-story	\$130,680 - \$232,000		
Medley Hills Townhomes	9100 Medley Road	Townhomes	1998/1999	32	2-story Twin homes	\$280,000 - \$305,000		Main-level master BR
Pheasant Glen	2418 Mendelssohn Lane	Townhomes	1985 to 1987	23	2-story	\$159,000 - \$168,800		
Calvary Center Cooperative	7600 Golden Valley Road	Cooperative	1983	115	10	\$20,000 - \$85,000		55+ Senior Cooperative
Laurel Hill (East & West)	5901 Laurel Ave.	Condominiums	1980/1981	102	3-story	\$188,500		
Galant Patio Homes	2408 Hillsboro Ave. N.	Townhomes	1976	6	2-story	No resales		
Kings Valley	English Circle	Townhomes	1974/1975	138	2-story	\$113,850 - \$169,900		
Vallee D'Or	7505 Harold Ave.	Townhomes	1973	44	2-story	\$206,000 - \$270,000		
Briarwood Townhomes	2500 Unity Ave. N.	Townhomes	1973	71	2-story	\$140,000 - \$152,000		
Hidden Village	Golden Valley Road	Townhomes	1968	59	2-story	\$140,000 - \$168,000		
Skyline Plaza Townhomes	7458 Highway 55	Townhomes	1967	13	2-story	\$165,000		
Basset Creek Townhouses	Edgwood	Townhomes	1965/1966	12		\$101,000 - \$162,697		
Brookview Condominiums	9147 Highway 55	Condominiums	1963	66	Garden	\$77,000 - \$110,000		
Briarwood Condos	2300 Unity Ave. N.	Condominiums	1959	47	Garden	\$50,000 - \$69,900		

\* Resales in 2016

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

**Golden Valley  
For-Sale Multifamily Properties  
Map Figure 6**



**For-Sale Multifamily Key**

- |    |                            |    |                         |
|----|----------------------------|----|-------------------------|
| 1  | Golden Ridge Townhomes     | 11 | Kings Valley            |
| 2  | Villas on Bassett Creek    | 12 | Vallee D'Or             |
| 3  | Wesley Comons              | 13 | Briarwood Townhomes     |
| 4  | Hidden Lakes               | 14 | Hidden Village          |
| 5  | Medley Hill Condominiums   | 15 | Skyline Plaza Townhomes |
| 6  | Medley Hills Townhomes     | 16 | Basset Creek Townhouses |
| 7  | Pheasant Glen              | 17 | Brookview Condominiums  |
| 8  | Calvary Center Cooperative | 18 | Briarwood Condos        |
| 9  | Laurel Hill (East & West)  | 19 | Laurel Ponds            |
| 10 | Galant Patio Homes         |    |                         |

*Select Photos – For-Sale Multifamily*



*Wesley Commons*



*Villas at Basset Creek Condominiums*



*Medley Hills Condominiums*



*Medley Hill Twinhomes*



*Brookview Condominiums*



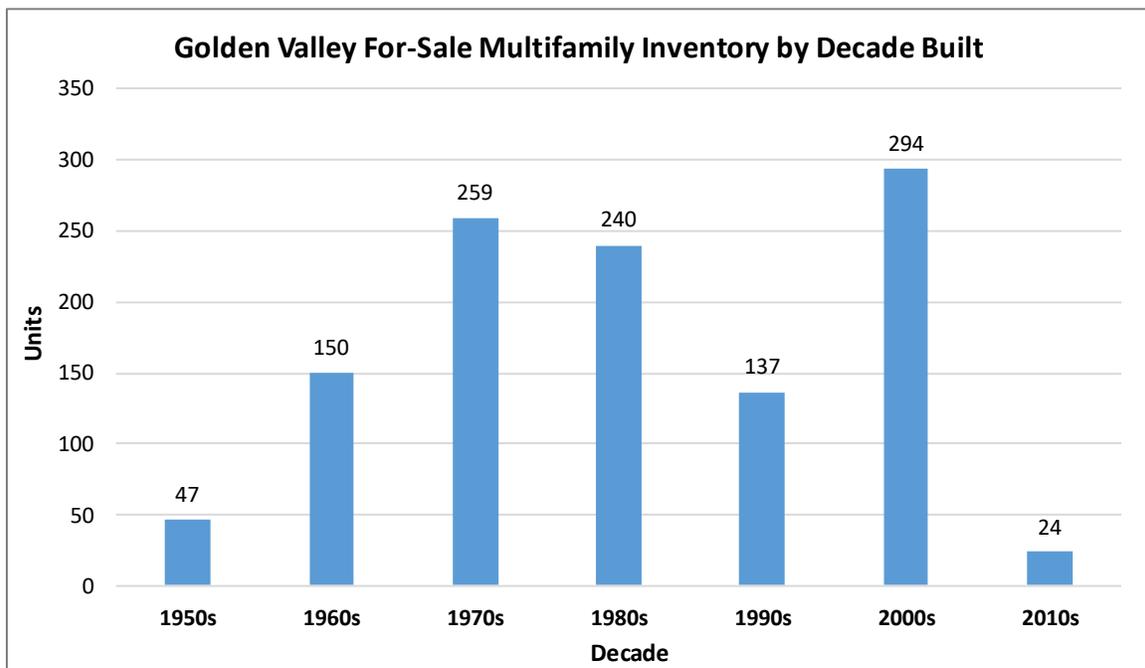
*Hidden Village*



*Kings Valley Townhomes*



*Hidden Lakes – Detached Townhomes*



### **New Subdivisions Marketing**

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 actively marketing at this time – Laurel Ponds. Laurel Ponds is a 24-unit detached townhome subdivision 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-foot wide as the property was rezoned into a Planned Unit Development (PUD). New home prices are marketing from \$450,000 to \$650,000. As of January 2017, there were two spec homes completed and two more homes under construction.



*Laurel Ponds - New Spec Home*



*Laurel Ponds*

### **Pending For-Sale Developments**

According to the City of Golden Valley, there are no pending for-sale housing developments in the planning process at this time.

### 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 2016 through 2025.

### 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.

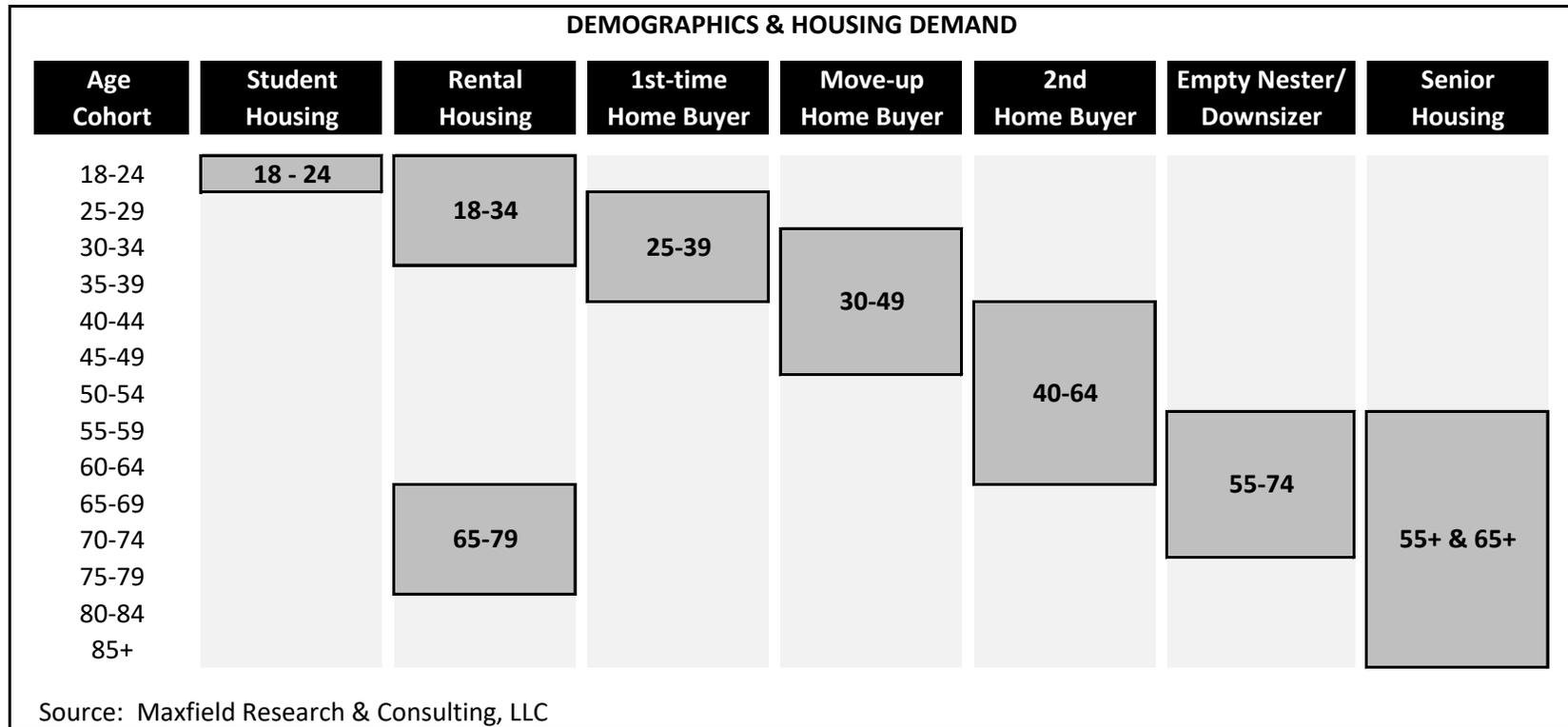
The graphic on the following page provides greater detail of various housing types supported within each housing life cycle. Information on square footage, average bedrooms/bathrooms, and lot size is provided on the subsequent graphic.

## **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.

**HOUSING DEMAND ANALYSIS**



## HOUSING DEMAND ANALYSIS

TYPICAL HOUSING TYPE CHARACTERISTICS				
	Housing Types	Target Market/ Demographic	Unit/Home Characteristics	Lot Sizes/ Units Per Acre <sup>1</sup>
<b>For-Sale Housing</b>	Entry-level single-family	First-time buyers: Families, couples w/no children, some singles	1,200 to 2,200 sq. ft. 2-4 BR   2 BA	80'+ wide lot 2.5-3.0 DU/Acre
	Move-up single-family	Step-up buyers: Families, couples w/no children	2,000 sq. ft.+ 3-4 BR   2-3 BA	80'+ wide lot 2.5-3.0 DU/Acre
	Executive single-family	Step-up buyers: Families, couples w/no children	2,500 sq. ft.+ 3-4 BR   2-3 BA	100'+ wide lot 1.5-2.0 DU/Acre
	Small-lot single-family	First-time & move-down buyers: Families, couples w/no children, empty nesters, retirees	1,700 to 2,500 sq. ft. 3-4 BR   2-3 BA	40' to 60' wide lot 5.0-8.0 DU/Acre
	Entry-level townhomes	First-time buyers: Singles, couples w/no children	1,200 to 1,600 sq. ft. 2-3 BR   1.5BA+	6.0-12.0 DU/Acre
	Move-up townhomes	First-time & step-up buyers: Singles, couples, some families, empty-nesters	1,400 to 2,000 sq. ft. 2-3 BR   2BA+	6.0-8.0 DU/Acre
	Executive townhomes/twinhomes	Step-up buyers: Empty-nesters, retirees	2,000+ sq. ft. 3 BR+   2BA+	4.0-6.0 DU/Acre
	Detached Townhome	Step-up buyers: Empty-nesters, retirees, some families	2,000+ sq. ft. 3 BR+   2BA+	4.0-6.0 DU/Acre
	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
<b>Rental Housing</b>	Apartment-style rental housing	Singles, couples, single-parents, some families, seniors	675 to 1,250 sq. ft. 1-3 BR   1-2 BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 75.0+ DU/Acre
	Townhome-style rental housing	Single-parents, families w/children, empty nesters	900 to 1,700 sq. ft. 2-4 BR   2BA	8.0-12.0 DU/Acre
	Student rental housing	College students, mostly undergraduates	550 to 1,400 sq. ft. 1-4BR   1-2 BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 50.0+ DU/Acre
<b>Both</b>	Senior housing	Retirees, Seniors	550 to 1,500 sq. ft. Suites - 2BR   1-2 BA	Varies considerably based on senior product type

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

Source: Maxfield Research & Consulting, LLC

### Demographics

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

### Economy & 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 2016 and 2025.

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 734 new households. We estimate that 75% have the propensity to own, which produces demand for 551 new general occupancy for-sale housing units between 2016 and 2025.

Demand is also forecast to emerge from existing Golden Valley householders through turnover. An estimated 4,657 owner-occupied households under age 65 are located in the Golden Valley in 2016. Based on mobility data from the Census Bureau, an estimated 11% of owner households will turnover in a ten-year period, resulting in 512 existing households projected to turnover. Finally, we estimate 10% of the existing owner households will seek new for-sale housing, resulting in demand for 51 for-sale units through 2025.

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 802 for-sale housing units by 2025.

Based on land available, building trends, and demographic shifts (increasing older adult population), we project 22% of the for-sale owners will prefer traditional single-family product types while the remaining 78% 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. After subtracting the current lot supply in subdivisions (24 lots in Laurel Pond) we find total demand through 2025 resulting in 177 single-family lots and 602 multifamily lots/units.

# HOUSING DEMAND ANALYSIS

TABLE HD-1 FOR-SALE HOUSING DEMAND GOLDEN VALLEY 2016 to 2025													
<b>Demand from Projected Household Growth</b>													
Projected HH growth under age 65 in Golden Valley 2016 to 2025 <sup>1</sup>			734										
(times) % propensity to own <sup>2</sup>	x	75%											
(equals) Projected demand from new HH growth	=		551										
<b>Demand from Existing Owner Households</b>													
Number of owner households (age 64 and younger) in Golden Valley (2016) <sup>3</sup>			4,657										
(times) Estimated percent of owner turnover <sup>4</sup>	x	11%											
(equals) Total existing households projected to turnover	=		512										
(times) Estimated percent desiring new housing	x	10%											
(equals) Demand from existing households	=		51										
<b>(equals) Total demand from HH growth and existing HHs 2016 to 2025</b>	<b>=</b>		<b>602</b>										
(times) Demand from outside Golden Valley			25%										
<b>(equals) Total demand potential for ownership housing, 2016 to 2025</b>			<b>802</b>										
		<table border="1"> <thead> <tr> <th>Single Family</th> <th>Multi-Family*</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">22%</td> <td style="text-align: center;">78%</td> </tr> <tr> <td style="text-align: center;">177</td> <td style="text-align: center;">626</td> </tr> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">24</td> </tr> <tr> <td style="text-align: center;">177</td> <td style="text-align: center;">602</td> </tr> </tbody> </table>	Single Family	Multi-Family*	22%	78%	177	626	0	24	177	602	
Single Family	Multi-Family*												
22%	78%												
177	626												
0	24												
177	602												
(times) Percent desiring for-sale single-family vs. multifamily <sup>5</sup>	x												
(equals) Total demand potential for new single-family & multifamily for-sale housing	=												
(minus) Units under construction or approved platted lots (undeveloped and developed lots) <sup>6</sup>	-												
(equals) Excess demand for new general occupancy for-sale housing	=												
<sup>1</sup> Estimated household growth based on projections as adjusted by Maxfield Research and Consulting LLC <sup>2</sup> Pct. of owner households under the age of 65 (2015 ACS, ESRI, Maxfield Research and Consulting LLC) & adjusted by Maxfield Research <sup>3</sup> Estimate based on 2015 ACS owner households and new owner household growth 2011 to 2015 (under age 65) <sup>4</sup> Based on on turnover from 2015 American Community Survey for households moving over a 10-year period. <sup>5</sup> Based on preference for housing type and land availability <sup>6</sup> 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													

### 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 only those households under the age of 65. According to our projections, Golden Valley is expected to add 1,152 new households between 2016 and 2025 (734 households non-senior households). We estimate that 25% will be renting their housing, which produces demand for 184 new general occupancy rental housing units between 2016 and 2025.

Demand is also forecast to emerge from existing Market Area householders through turnover. An estimated 1,408 renter-occupied households under age 65 are located in Golden Valley in 2016. Based on mobility data from the Census Bureau, an estimated 40% of renter households will turnover in a ten-year period, resulting in 561 existing households projected to turnover. Finally, we estimate 20% of the existing renter households will seek new rental housing, resulting in demand for 296 rental units through 2025.

Next, we estimate that 25% of the total demand for new rental units in Golden Valley will come from people currently living outside of the Market Area. Adding demand from outside Golden Valley to the existing demand potential, results in a total estimated demand for nearly 400 rental housing units by 2025.

Based on a review of rental household incomes and sizes and monthly rents at existing projects, we estimate that approximately 15% of the total demand will be for subsidized housing (30% AMI), 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 or affordable rental housing projects in the development pipeline; however, there

## HOUSING DEMAND ANALYSIS

are a number of market rate rentals that were subtracted from the market rate rental demand calculation. These projects include:

- Hello Apartments: 172 units
- The Liberty: 247
- 3.9.4 Apartments (Talo): 308
- Central Park West: 80 units (Golden Valley portion only)

**After subtracting out units under construction or pending at 95% occupancy results in demand for 59 subsidized units, 99 affordable units, and no market rate units as the existing projects under construction will satisfy this demand.**

TABLE HD-2 RENTAL HOUSING DEMAND GOLDEN VALLEY 2016 to 2025																		
<b>Demand from Projected Household Growth</b>																		
Projected HH growth under age 65 in Golden Valley 2016 to 2025 <sup>1</sup>			734															
(times) Estimated % to be renting their housing <sup>2</sup>	x		25%															
(equals) Projected demand from new HH growth	=		<b>184</b>															
<b>Demand from Existing Renter Households</b>																		
Number of renter HHs (age 64 and younger) in Golden Valley (2016) <sup>3</sup>			1,408															
(times) Estimated percent of renter turnover <sup>4</sup>	x		40%															
(equals) Total existing households projected to turnover	=		561															
(times) Estimated percent desiring new rental housing	x		20%															
(equals) Demand from existing households			112															
<b>(equals) Total demand from HH growth and existing HHs 2016 to 2025</b>	<b>=</b>		<b>296</b>															
(times) Demand from outside Golden Valley			25%															
<b>(equals) Total demand potential for rental housing, 2016 to 2025</b>			<b>394</b>															
		<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="padding: 2px;">Deep Subsidy</th> <th style="padding: 2px;">Shallow Subsidy</th> <th style="padding: 2px;">Market Rate</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; padding: 2px;">15%</td> <td style="text-align: center; padding: 2px;">25%</td> <td style="text-align: center; padding: 2px;">60%</td> </tr> <tr> <td style="text-align: center; padding: 2px;">59</td> <td style="text-align: center; padding: 2px;">99</td> <td style="text-align: center; padding: 2px;">237</td> </tr> <tr> <td style="text-align: center; padding: 2px;">0</td> <td style="text-align: center; padding: 2px;">0</td> <td style="text-align: center; padding: 2px;">767</td> </tr> <tr> <td style="text-align: center; padding: 2px;"><b>59</b></td> <td style="text-align: center; padding: 2px;"><b>99</b></td> <td style="text-align: center; padding: 2px;"><b>0</b></td> </tr> </tbody> </table>	Deep Subsidy	Shallow Subsidy	Market Rate	15%	25%	60%	59	99	237	0	0	767	<b>59</b>	<b>99</b>	<b>0</b>	
Deep Subsidy	Shallow Subsidy	Market Rate																
15%	25%	60%																
59	99	237																
0	0	767																
<b>59</b>	<b>99</b>	<b>0</b>																
(times) Percent of rental demand by product type <sup>5</sup>	x																	
(equals) Total demand potential for general-occupancy rental housing units	=																	
(minus) Units under construction or pending <sup>6</sup>	-																	
(equals) Excess demand for new general occupancy rental housing	=																	
<sup>1</sup> Estimated household growth based on projections as adjusted by Maxfield Research and Consulting LLC <sup>2</sup> Pct. of renter households under the age of 65 (U.S. Census - 2010, ESRI, Maxfield Research and Consulting LLC). <sup>3</sup> Estimate based on 2015 ACS renter households and new renter household growth 2010 to 2016 (under age 65) <sup>4</sup> Based on on turnover from 2010 American Community Survey for households moving over 10-year period. <sup>5</sup> Based on the combination of current rental product and household incomes of area renters (non-senior households) <sup>6</sup> Pending/proposed/under construction at 95% occupancy.																		
Source: Maxfield Research and Consulting LLC																		

### **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 2016 and 2025.

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 age 55 and older, although independent living projects will primarily attract seniors age 65 and older.

We calculate that the minimum income needed to afford monthly rents is \$35,000 or more plus homeowner households with incomes between \$25,000 and \$34,999 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 2016 to be 4,172 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 281 independent senior rental units in 2016.

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 from Golden Valley seniors and demand from seniors who would relocate to Golden Valley results in a demand for 375 market rate active adult units in 2016.

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 45% of Golden Valley's demand will be for adult ownership housing (169 units) and 55% will be for rental housing (206 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 56 adult owner-occupied units and 115 active adult rental units.

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TABLE HD-3 MARKET RATE ACTIVE ADULT HOUSING DEMAND GOLDEN VALLEY 2016 and 2025						
	2016			2025		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households w/ Incomes of >\$35,000 <sup>1</sup>	1,675	1,099	1,109	1,818	1,393	1,223
# of Households w/ Incomes of \$25,000 to \$34,999 <sup>1</sup>	+ 75	92	207	+ 83	127	234
(times) Homeownership Rate	x 85%	83%	72%	x 85%	83%	72%
(equals) Total Potential Market Base	= 1,739	1,175	1,258	= 1,888	1,498	1,392
(times) Potential Capture Rate	x 0.5%	5.5%	16.5%	x 0.5%	5.5%	16.5%
(equals) Demand Potential	= 9	65	208	= 9	82	230
<b>Potential Demand from Residents</b>	= <b>281</b>			= <b>321</b>		
(plus) Demand from Outside Golden Valley (25%)	+ 94			+ 107		
<b>(equals) Total Demand Potential</b>	= <b>375</b>			= <b>429</b>		
	<b>Owner-Occupied</b>	<b>Renter-Occupied</b>		<b>Owner-Occupied</b>	<b>Renter-Occupied</b>	
(times) % by Product Type	x 45%	x 55%		x 45%	x 55%	
(equals) Demand Potential by Product Type	= 169	= 206		= 193	= 236	
(minus) Existing and Pending MR Active Adult Units <sup>2</sup>	- 113	- 91		- 113	- 96	
<b>(equals) Excess Demand for MR Active Adult Units</b>	= <b>56</b>	= <b>115</b>		= <b>80</b>	= <b>140</b>	

<sup>1</sup> 2025 calculations define income-qualified households as all households with incomes greater than \$40,000 and homeowner households with incomes between \$30,000 and \$39,999.  
<sup>2</sup> Existing and pending are deducted at market equilibrium (95% occupancy).

Source: Maxfield Research and Consulting LLC

Adjusting for inflation, we have estimated that households with incomes of \$40,000 or more and homeowners with incomes of \$30,000 to \$39,999 would income qualify for market rate independent senior housing in 2025. Considering the growth in the older adult base and the income distribution of the older adult population in 2025 the methodology projected that demand will be 80 adult owner-occupied units and 140 adult rental units in Golden Valley.

### **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 2016 and 2025.

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 more than \$40,000. We exclude homeowner households with incomes between \$35,000 and \$39,999, as these households would have additional equity that could be converted to monthly income following the sales of their single-family homes.

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.

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.

Using the methodology described above results in a demand potential for 213 total subsidized or affordable senior units. However, after adjusted for household incomes demand results for 109 subsidized units and 104 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). However, there are no existing affordable independent units in the Market Area. After we subtract the existing units, there is demand no demand for subsidized units but demand for 101 independent units in 2016.

Adjusting for inflation, we estimate that households with incomes up to \$45,000 would be candidates for financially-assisted independent housing in 2025. We reduce the potential market by homeowner households earning between \$40,000 and \$44,999 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 122 affordable units and an excess supply of subsidized units in 2025.

## HOUSING DEMAND ANALYSIS

TABLE HD-4 DEEP-SUBSIDY/SHALLOW SUBSIDY INDEPENDENT HOUSING DEMAND GOLDEN VALLEY 2016 and 2025						
	2016			2025		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households w/ Incomes of <\$40,000 <sup>1</sup>	279	321	715	309	468	927
Less Households w/ Incomes of \$35,000 to \$39,999 <sup>1</sup> (times ) Homeownership Rate	- 47 x 85%	- 58 x 83%	- 106 x 72%	- 100 x 85%	- 153 x 83%	- 263 x 72%
(equals) Total Potential Market Base	= 239	= 273	= 639	= 224	= 342	= 738
(times) Potential Capture Rate	x 2.0%	x 10.0%	x 20.0%	x 2.0%	x 10.0%	x 20.0%
(equals) Demand Potential	= 5	= 27	= 128	= 4	= 34	= 148
<b>(equals) Potential Demand from Residents</b>		= 160			= 186	
(plus) Demand from outside Golden Valley (25%)		+ 53			+ 62	
<b>(equals) Total Demand Potential</b>		= 213			= 248	
	<u>Deep-Subsidy</u>		<u>Shallow-Subsidy</u>			
(times) % by Product Type	x 51%		x 49%	x 51%	x 49%	
(equals) Demand Potential by Product Type	= 109		= 104	= 127	= 122	
(minus) Existing and Pending Independent Units <sup>2</sup>	- 196	-	- 0	- 196	-	- 0
<b>(equals) Excess Demand for Aff/Sub Units</b>	= 0	= 104		= 0	= 122	

<sup>1</sup> 2025 calculations define income-qualified households as all households with incomes less than \$45,000. Homeowner households with incomes between \$40,000 and \$44,999 are excluded from the market potential for financially-assisted housing.

<sup>2</sup> Existing units are deducted at market equilibrium, or 97% occupancy.

Source: Maxfield Research and Consulting LLC

## Estimated Demand for Congregate Senior Housing

Table HD-5 presents our demand calculations for congregate housing in Golden Valley in 2016 and 2025.

The potential age- and income-qualified base for congregate senior housing includes all senior (65+) households with incomes of \$35,000 as well as homeowner households with incomes between \$30,000 and \$34,999 who would qualify with the proceeds from the sales of their homes. The proportion of eligible homeowners is based on the 2010 Census 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 2016.

Demand for congregate 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 2016.

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 congregate units in 2016.

## HOUSING DEMAND ANALYSIS

Next, we subtract existing congregate units in Golden Valley. Although Covenant Village is a lifecare facility, we subtract a one-half of the units (107 units at equilibrium) as independent living unit with services. All residents of Covenant Village are subject to an entrance fee and must be admitted as independent seniors. Therefore, demand is reduced to 124 units in 2016.

Adjusting for inflation, we estimate that households with incomes of \$40,000 or more and senior homeowners with incomes between \$35,000 and \$39,999 would qualify for congregate housing in 2021. Following the same methodology, demand is calculated to increase to 151 units through 2025.

<b>TABLE HD-5 MARKET RATE CONGREGATE RENTAL HOUSING DEMAND GOLDEN VALLEY 2016 and 2025</b>				
	<b>2016</b>		<b>2025</b>	
	Age of Householder		Age of Householder	
	65-74	75+	65-74	75+
# of Households w/ Incomes of >\$35,000 <sup>1</sup>	1,099	1,109	1,393	1,223
# of Households w/ Incomes of \$30,000 to \$34,999 <sup>1</sup>	+ 91	122	+ 77	132
(times) Homeownership Rate	x 83%	72%	x 83%	72%
(equals) Total Potential Market Base	= 1,174	1,197	= 1,456	1,318
(times) Potential Capture Rate <sup>2</sup>	x 1.5%	13.0%	x 1.5%	13.0%
(equals) Potential Demand	= 18	+ 156	= 22	+ 171
<b>Potential Demand from Golden Valley Residents</b>	=	<b>173</b>	=	<b>193</b>
(plus) Demand from Outside Golden Valley (25%)	+ 58		+ 64	
<b>(equals) Total Demand Potential</b>	=	<b>231</b>	=	<b>258</b>
(minus) Existing and Pending Congregate Units <sup>3</sup>	- 107		- 107	
<b>(equals) Total Congregate Demand Potential</b>	=	<b>124</b>	=	<b>151</b>
<p><sup>1</sup> 2025 calculations define income-qualified households as all households with incomes greater than \$40,000 and homeowner households with incomes between \$35,000 and \$39,999.</p> <p><sup>2</sup> 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).</p> <p><sup>3</sup> Competitive units include congregate units at 95% occupancy (market equilibrium).</p>				
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 2016 and 2025. 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, frailer 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 2016, there were 2,493 seniors age 75 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 954 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.

Seventy-two percent of the age 75+ households in Golden Valley are homeowners, and the median resale price of homes through 2016 in Golden Valley was \$289,900. Seniors selling their homes for the median resale price would generate about \$269,600 in proceeds after selling costs. With an average monthly fee of \$3,000, these proceeds would last about 90 months in an assisted living facility, which is higher than the average length of stay in assisted living (27

## HOUSING DEMAND ANALYSIS

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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 671 units in 2016.

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 2010 Census data, 51% of age 75+ households in Golden Valley lived alone. Applying this percentage results in a total base of 343 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 390 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 156 assisted living units in 2016.

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 203 market rate assisted living units in Golden Valley.

There are a total of 143 assisted living units spread across three 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 75 assisted living units in Golden Valley in 2016.

The same calculations are applied to the age/income-qualified base in 2025 and demand increased to 106 units.

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<b>TABLE HD-6                      MARKET RATE ASSISTED LIVING DEMAND                      GOLDEN VALLEY                      2016 and 2025</b>						
Age group	2016			2025		
	People	Percent Needing Assistance <sup>1</sup>	Number Needing Assistance <sup>1</sup>	People	Percent Needing Assistance <sup>1</sup>	Number Needing Assistance <sup>1</sup>
75 - 79	796	25.5%	<b>203</b>	993	25.5%	<b>253</b>
80 - 84	691	33.6%	<b>232</b>	762	33.6%	<b>256</b>
85+	1,006	51.6%	<b>519</b>	1,132	51.6%	<b>584</b>
<b>Total</b>	<b>2,493</b>		<b>954</b>	<b>2,887</b>		<b>1,093</b>
<b>Percent Income-Qualified<sup>2</sup></b>			<b>70%</b>			<b>70%</b>
Total potential market			671			770
(times) Percent living alone			x 51%			51%
(equals) Age/income-qualified singles needing assistance			= 343			394
(plus) Proportion of demand from couples (12%) <sup>3</sup>			+ 47			54
(equals) Total age/income-qualified market needing assistance			= 390			448
(times) Potential penetration rate <sup>4</sup>			x 40%			40%
(equals) Potential demand from Golden Valley residents			= 156			179
(plus) Proportion from outside Golden Valley (25%)			+ 52			60
(equals) Total potential assisted living demand			= 208			239
(minus) Existing market rate assisted living units <sup>5</sup>			- 133			133
<b>(equals) Total excess market rate assisted living demand</b>			<b>= 75</b>			<b>106</b>
<sup>1</sup> 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.						
<sup>2</sup> 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).						
<sup>3</sup> The 2009 Overview of Assisted Living (a collaborative project of AAHSA, ASHA, ALFA, NCAL & NIC) found that 12% of assisted living residents are couples.						
<sup>4</sup> 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.						
<sup>5</sup> 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 amount 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 2016 and 2025.

Demand is calculated by starting with the estimated Golden Valley senior (age 65+) population in 2016 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 afflicted with Alzheimer’s Disease. This yields a potential market of 750 seniors in Golden Valley in 2016.

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 73% 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 (750 seniors) by the income-qualified percentage results in a total of 548 age/income-qualified seniors in the Golden Valley in 2016.

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 about 137 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 183 memory care units in 2016.

<b>TABLE HD-7 MARKET RATE MEMORY CARE DEMAND GOLDEN VALLEY 2016 and 2025</b>		
	<b>2016</b>	<b>2025</b>
65 to 74 Population	2,242	2,888
(times) Dementia Incidence Rate <sup>1</sup>	x <u>2%</u>	x <u>2%</u>
(equals) Estimated Age 65 to 74 Pop. with Dementia	= 45	= 58
75 to 84 Population	1,487	1,755
(times) Dementia Incidence Rate <sup>1</sup>	x <u>19%</u>	x <u>19%</u>
(equals) Estimated Age 75 to 84 Pop. with Dementia	= 283	= 333
85+ Population	1,006	1,132
(times) Dementia Incidence Rate <sup>1</sup>	x <u>42%</u>	x <u>42%</u>
(equals) Estimated Age 85+ Pop. with Dementia	= 423	= 475
<b>(equals) Total Senior Population with Dementia</b>	<b>= 750</b>	<b>= 867</b>
(times) Percent Income/Asset-Qualified <sup>2</sup>	x <u>73%</u>	x <u>80%</u>
(equals) Total Income-Qualified Market Base	= 548	= 691
(times) Percent Needing Specialized Memory Care Assistance	x <u>25%</u>	x <u>25%</u>
(equals) Total Need for Dementia Care	= 137	= 173
(plus) Demand from Outside the Golden Valley (25%)	+ <u>46</u>	+ <u>58</u>
Total Demand for Memory Care Units	= 183	230
(minus) Existing and Pending Memory Care Units <sup>3</sup>	- 84	- 84
<b>(equals) Excess Demand Potential</b>	<b>= 99</b>	<b>= 146</b>
<sup>1</sup> Alzheimer's Association: Alzheimer's Disease Facts & Figures (2007)		
<sup>2</sup> Includes seniors with income at \$60,000 or above (\$65,000 in 2025) 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).		
<sup>3</sup> Existing memory care units at 7% vacancy rate.		
Source: Maxfield Research and Consulting LLC		

We reduce the demand potential by accounting for the existing memory care product in Golden Valley. There are a total of 87 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 99 units.

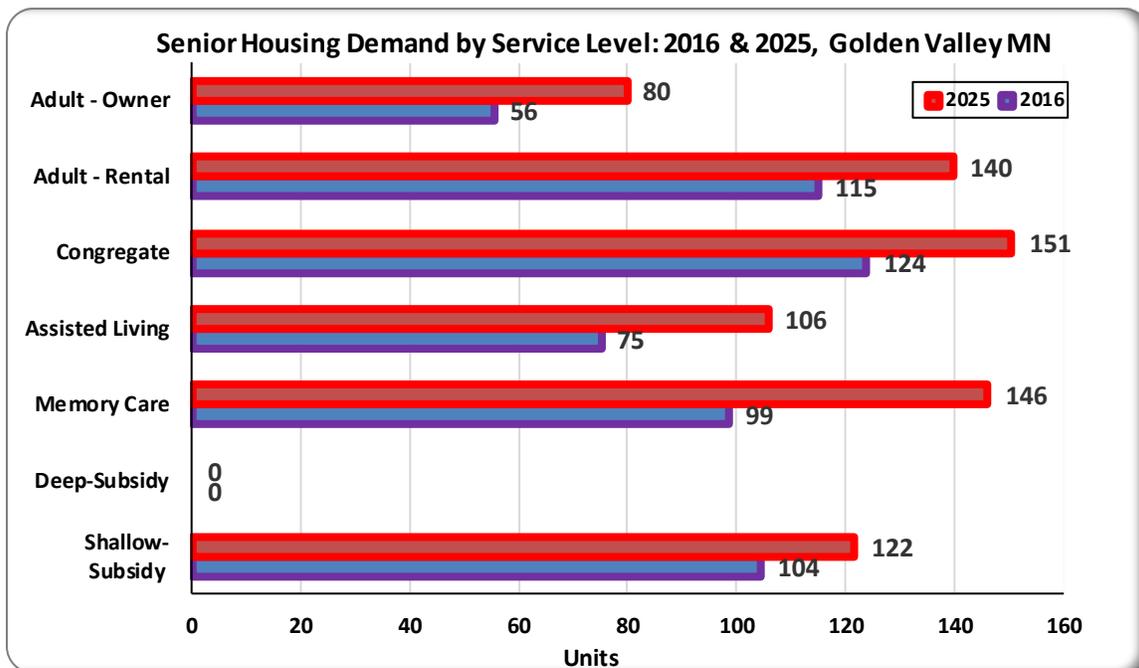
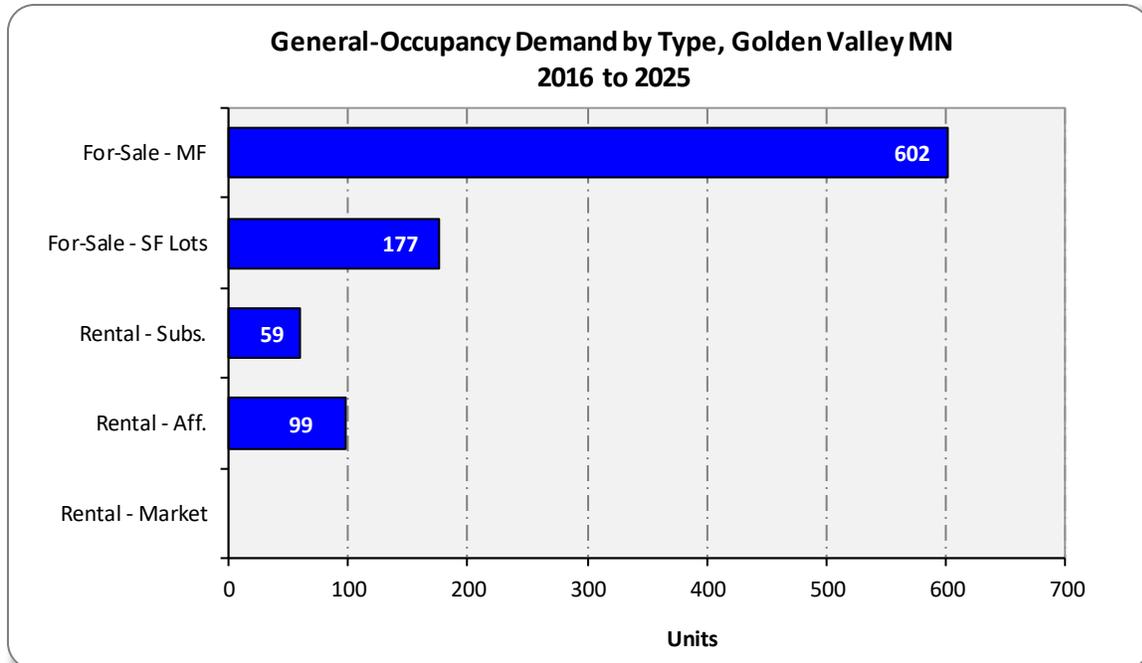
The same calculations are applied to the age/income-qualified base in 2025. Following the same methodology, potential demand for market rate memory care units is expected to increase to 146 units in Golden Valley through 2025.

**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 was available for housing development/redevelopment.

<b>TABLE CR-1 SUMMARY OF HOUSING DEMAND GOLDEN VALLEY MN January 2017</b>		
<b>Type of Use</b>	<b>2016-2025</b>	
<b>General-Occupancy</b>		
Rental Units - Market Rate	0	
Rental Units - Shallow-Subsidy	99	
Rental Units - Deep-Subsidy	59	
For-Sale Units - Single-family	177	
For-Sale Units - Multifamily	602	
<b>Total General Occupancy Supportable</b>	<b>936</b>	
	<b>2016</b>	<b>2025</b>
<b>Age-Restricted (Senior)</b>		
<b>Market Rate</b>		
Adult Few Services (Active Adult)	171	220
<i>Ownership</i>	56	80
<i>Rental</i>	115	140
Congregate	124	151
Assisted Living	75	106
Memory Care	99	146
<b>Total Market Rate Senior Supportable</b>	<b>468</b>	<b>622</b>
<b>Shallow-Subsidy/Deep-Subsidy</b>		
Active Adult - Shallow-Subsidy	104	122
Active Adult - Deep-Subsidy	0	0
<b>Total Shallow/Deep-Subsidy Senior Supportable</b>	<b>104</b>	<b>122</b>
Source: Maxfield Research & Consulting, LLC		

## RECOMMENDATIONS AND CONCLUSIONS



Based on the finding of our analysis and demand calculations, Table CR-2 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 act as a development guide to most effectively meet the housing needs of existing and future households in Golden Valley. The recommended development types do not directly coincide with total demand as illustrated in Table CR-1.

## RECOMMENDATIONS AND CONCLUSIONS

<b>TABLE CR-2 RECOMMENDED HOUSING DEVELOPMENT GOLDEN VALLEY 2017 to 2025</b>				
	<b>Purchase Price/ Monthly Rent Range<sup>1</sup></b>	<b>No. of Units</b>	<b>Development Timing</b>	
<b>Owner-Occupied Homes</b>				
<b>Single Family<sup>2</sup></b>				
	Move-up	\$400,000 - \$575,000	60 - 70	Ongoing
	Executive	\$600,000+	50 - 60	Ongoing
	<b>Total</b>		<b>110 - 130</b>	
<b>Townhomes/Twinhomes/Detached Townhomes<sup>2</sup></b>				
	Entry-level	>\$250,000	40 - 50	2017+
	Move-up	\$275,000 - \$375,000	50 - 60	2017+
	Executive	\$400,000+	50 - 60	2017+
	<b>Total</b>		<b>100 - 120</b>	
<b>Condominiums</b>				
	Entry-level	<\$250,000	175 - 200	2018+
	Move-up	\$250,000 - \$350,000	200 - 225	2018+
	Executive	\$400,000+	150 - 175	2018+
	<b>Total</b>		<b>525 - 600</b>	
<b>Total Owner-Occupied</b>			<b>735 - 850</b>	
<b>General Occupancy Rental Housing</b>				
<b>Affordable Rental Housing</b>				
	Apartment-style	Moderate Income <sup>3</sup>	80 - 100	2017+
	Townhomes	Moderate Income <sup>3</sup>	20 - 30	2017+
	Subsidized	30% of Income <sup>4</sup>	50 - 60	2017+
	<b>Total</b>		<b>150 - 190</b>	
<b>Total Renter-Occupied</b>			<b>150 - 190</b>	
<b>Senior Housing (i.e. Age Restricted)</b>				
	Senior Cooperative	\$70,000+	70 - 80	2018+
	Active Adult Market Rate Rental <sup>5</sup>	\$1,200/1BR - \$1,450/2BR	80 - 100	2018+
	Active Adult Affordable Rental <sup>5</sup>	Moderate Income <sup>3</sup>	100 - 120	2017+
	Independent Living/Congregate	\$1,500/1BR - \$2,500/2BR	120 - 140	2018+
	Assisted Living	\$2,750/EFF - \$4,000/2BR	80 - 100	2019+
	Memory Care	\$4,000/EFF - \$5,000/2BR	100 - 120	2017+
	<b>Total</b>		<b>550 - 660</b>	
<b>Total - All Units</b>			<b>1,435 - 1,700</b>	
<p><sup>1</sup> Pricing in 2017 dollars. Pricing can be adjusted to account for inflation.</p> <p><sup>2</sup> 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.</p> <p><sup>3</sup> Affordability subject to income guidelines per Minnesota Housing Finance Agency (MHFA). See Table HA-1 for Hennepin County Income limits.</p> <p><sup>4</sup> Subsidized housing will be difficult to develop financially</p> <p><b>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.</b></p>				
Source: Maxfield Research & Consulting, LLC				

### Recommended Housing Product Types

#### *For-Sale Housing*

##### *Single-Family Housing*

Table HD-1 identified demand for about 175 single-family housing units in Golden Valley through 2025. As a first-tier suburb, Golden Valley is fully developed and has a very limited supply of vacant land available for future housing development. Should the land supply be greater in Golden Valley, we acknowledge that single-family housing demand would be very strong for new detached housing subdivisions. However, due to land constraints, new single-family housing is mainly confined to infill, underutilized, teardowns, or redevelopment areas.

Due to the age and price of the existing single-family homes in Golden Valley, a large portion of the housing stock will continue to appeal to first-time and move-up household types. Because about 72% of the owner-occupied housing stock was constructed prior to 1970, remodeling services and replacement need will continue to grow. The type of homes that would be replaced would likely be functionally obsolescent or simply have extensive deferred maintenance in which remodeling alone is no longer justified. As such, some existing homeowners or others seeking to live in a Golden Valley may consider replacing existing housing stock with new single-family housing. Replacement need will also be highly driven by location, in particular in the neighborhoods south of Highway 55.

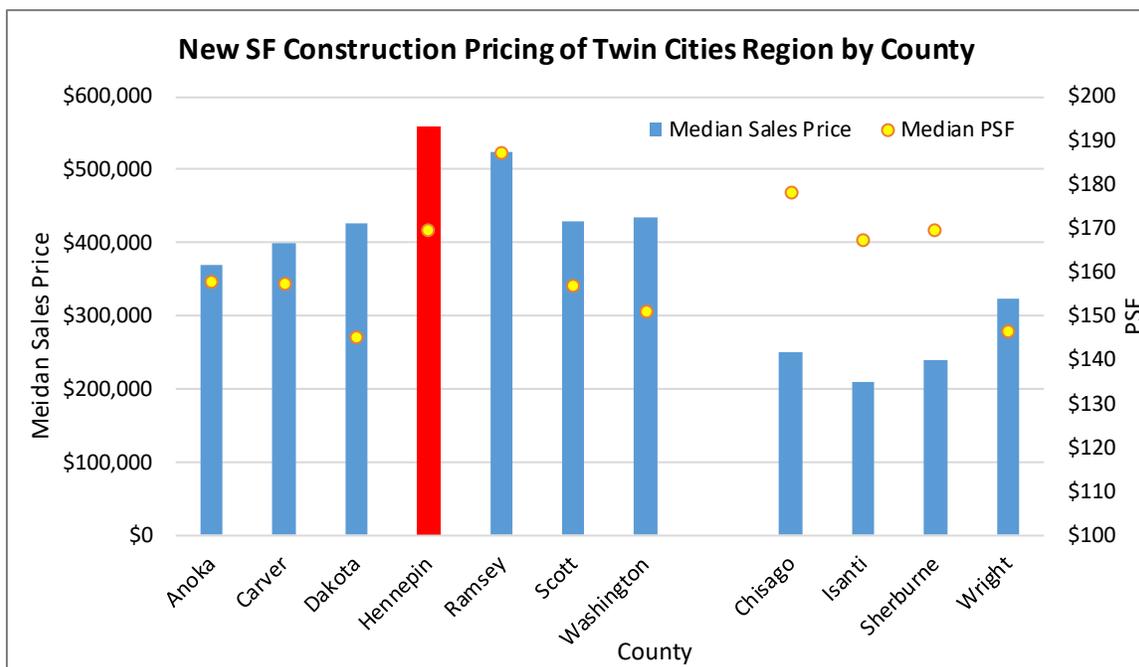
Some existing Golden Valley homeowners who desire move-up and executive housing, may be unable to find housing in Golden Valley that meets their needs; resulting in a relocation to another city. This is usually a result of higher housing costs for move-up product in Golden Valley compared to other communities west or northwest of Golden Valley. Maxfield Research recommends that the City of Golden Valley continue to promote remodeling activities and new infill single-family housing development. There continues to be demand for larger, well-located, higher-amenity homes that would be attractive to both the existing household base and those who desire to relocate to Golden Valley. The addition of larger single-family homes will be especially attractive to families who desire to stay in Golden Valley but have outgrown their current home. Many families desire a minimum of three to four bedrooms, two baths, two-car garages and at least 2,500 square feet.

Because of the high land acquisition costs in Golden Valley and today's construction costs, it will be financially difficult to build new entry-level single-family homes; hence the target market will be move-up and executive buyers. The majority of single-family demand will be from move-up buyers, or those seeking homes generally priced from \$400,000 to \$575,000. A move-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.

## RECOMMENDATIONS AND CONCLUSIONS

Executive-level homes are loosely defined as those homes priced above \$600,000. Currently, most of the homes replacing the teardowns would fall into this classification. Similar to move-up buyers, executive buyers may have outgrown their current home and are moving for a lifestyle reason. Many of these buyers have significant equity in their current home and seek a new home they can customize. Due to Golden Valley's excellent location as a first-ring suburban community, continued growth in the tear down market is expected.

There are few new construction single-family homes in Golden Valley being marketed. The homes that are marketing are infill, built-to-suit or spec homes by builders than range anywhere from \$379,000 to over \$1 million dollars. The median price per square ("PSF") for new construction in Golden Valley over the past few years has been about \$200 PSF. This is higher than the Metro Area averages and Hennepin County averages. The chart below shows the median sales price and PSF for new single family housing across the Metro Area; as depicted in the chart Hennepin County has the highest new construction costs in the Metro Area at about \$560,000 (170 PSF). The high cost in Golden Valley is driven by lack of land supply and the site acquisition costs



### ***For-Sale Multifamily Housing***

A growing number of households desire alternative housing types such as townhouses, detached townhomes, and twinhomes. Typically, the target market for for-sale multifamily housing is empty-nesters and retirees seeking to downsize from their single-family homes. In addition, professionals, particularly singles and couples without children, also will seek townhomes if they prefer not to have the maintenance responsibilities of a single-family home. In many housing markets, younger households also find purchasing multifamily units to be generally more affordable than purchasing new single-family homes. This is particularly true in Golden Valley where many of the older townhome and condominium developments offer more affordably priced homes.

As Table FS-3 showed, multifamily resales make-up about 20% of the for-sale housing market in Golden Valley. Table FS-11 summarized the supply of the for-sale multifamily housing stock in Golden Valley. The existing for-sale multifamily housing stock is older and generally is affordable to first-time buyers. The newest project in Golden Valley, Laurel Ponds, is a detached townhome project that is targeting move-up and executive buyers.

Based on the changing demographics and the need for alternative housing types, demand was calculated for over 600 new multifamily for-sale units in Golden Valley through 2025. Because of the modest supply, aging demographics, and desire for association-maintained housing from other age cohorts, Golden Valley would benefit from the development of more alternative housing product types.

Similar to single-family housing, for-sale multifamily development will be contingent on land availability and demand could be higher if land was more readily available. Although we found demand for about 600 for-sale multifamily units through 2025, not all the demand may be realized as redevelopment would be needed to capture this demand. These attached units could be developed as twin homes, detached townhomes or villas, townhomes/row homes, condominiums or any combination. Because the main target market is usually 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. Finally, there is strong demand for condominiums; however the market for new construction has been soft due to statutory requirements for construction defect.

The following provides greater detail into several for-sale multifamily housing products.

- *Twinhomes*— By definition, a twin home is basically two units with a shared wall with each owner owning half of the lot the home is on (also referred to as a duplex). 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).

## RECOMMENDATIONS AND CONCLUSIONS

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Traditionally most twin home developments have been designed with the garage being the prominent feature of the home; however, today's newer twin homes have much more architectural detail. Many higher-end twinhome 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 foreseeable future.

Twinhomes are also a preferred for-sale product by builders in today's market 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 with similar finishings and square footage. Move-up twinhomes have especially been popular in the Twin Cities Metro Area over the past few years and have commanded price premiums. Most new twinhomes in the Twin Cities have catered to the move-up or "right-sized" buyers that have commanded prices from \$350,000 to \$550,000 on average. Most of these homes feature a main-level floor plan averaging 1,500 square feet plus lower levels, resulting in an average total finished square footage of about 2,350 square feet. Lot sizes typically average about 40' wide and range from 36' wide to 50' wide.

Because twinhomes have the lowest densities among multifamily housing types, this product could be the most difficult multifamily housing type to develop due to land requirements.

- *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 look-out 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 \$275,000 (slab-on-grade) and will fluctuate based on custom finishes, upgrades, etc.

## RECOMMENDATIONS AND CONCLUSIONS

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- *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.

Side-by-side townhomes were overbuilt across the Metro Area last decade and suffered during the recession from foreclosures and short sales. Many of these properties were attractive to investors who purchased the homes and converted to townhome rentals. New construction townhomes have begun to bounce back in the Metro Area as there is a shortage of affordably priced new construction.

We recommend side-by-side units, which tend to appeal to a slightly broader market, including older adults and retirees as well as younger families with children. Side-by-side units (or rowhomes) have increased density and could provide higher returns on investment to builders/developers that would spread out the costs of infrastructure. Association-maintained townhomes and/or rowhomes can have lot widths ranging from 22' to 35'.

Side-by-side townhomes base pricing should be from \$250,000 to \$350,000 and would be attractive to a variety of first-time and move-up buyers. Because of the growth in the older population, two-story units should be designed with the option of a master suite on the main level.

- *Condominiums* – Given Golden Valley's excellent location as a first-ring suburban community, the city will be well-positioned to attract future condominium development. However, although demand is strong for new condominium product in Golden Valley, builders and developers have focused on less adverse real estate types due to regulatory effects. In addition to pre-sale requirements and owner-occupied minimums by lenders, condominium developers and contractors have faced a wave of litigation over the past decade related to condo projects that were built prior to the recession, which has deterred building. As a result, most condo developers and lenders today are not willing to take on the risk of developing new construction condos. However, there is a movement to rework the current statutory state law that would provide new opportunities for this condominium construction. Should new legislation come forth, the possibility for new condominium development in Golden Valley could increase exponentially.

A condominium project would appeal to a wide range of buyers, including entry-level, move-up, and executive buyers, as well as independent seniors. These prospective buyers would be attracted to condominium housing near employment in Golden Valley and Downtown Minneapolis, retail and services, and other major roadways and transit.

## RECOMMENDATIONS AND CONCLUSIONS

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Through 2025, we recommend development of 175 to 200 entry-level condominiums (less than \$250,000), 200 to 225 move-up units (\$250,000 to \$350,000), and 150 to 175 upper-end condominiums (\$400,000+). 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 600 new units over the next decade the majority of construction would have to be located in mid-rise to hi-rise style structures.

### ***General Occupancy Rental Housing***

Our competitive inventory identified that the vacancy rates for all types of general occupancy rental product is below market equilibrium (2.5% vacancy rate) indicating pent-up demand for rental housing.

Due to the age and positioning of the existing rental supply (pre-1990 construction), a significant portion of units are priced at or below guidelines for affordable housing, which indirectly satisfies demand from some households that income-qualify for financially assisted housing. However, the growing renter base is seeking newer rental properties with additional and updated amenities that are not offered in older developments. As a result, there are numerous new market rate apartments buildings either under construction or planned that will satisfy this demand. Because of the number of market rate projects in the development pipeline, the current supply should meet demand over the next ten years. However, demand still exists for affordable and subsidized rental projects.

- ***Market Rate Rental*** – Because nearly 1,400 general-occupancy units either recently completed or projected to be delivered in the short-term; all of the existing demand should meet the projected need over the next decade. Additional demand could result should all the new product absorb and the projects experience strong occupancies. In the short-term however demand should be soft for market rate rental until all these new units have been completed and fully absorbed.
- ***Affordable General Occupancy Multifamily Housing***– There are three affordable rental projects in Golden Valley; these developments have been very successful and are all 100% occupied. The existing products target households between 50% and 60% of area median income. However, new affordable projects would have income-restrictions established by HUD and could target households with incomes between 50% to 80% of area median income; however, some could be workforce units with affordability up to 120% AMI.

We find that demand exists for about 100 affordable units through 2025. Affordable housing attracts households that cannot afford market rate housing units but do not income-qualify for deep subsidy housing. Affordable projects attract a broad group of people based of tenants based on the unit type. One-bedroom units target singles and couples, whereas two and three-bedroom units target families. Some retired seniors would also be

## RECOMMENDATIONS AND CONCLUSIONS

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attracted to an affordable concept. We recommend an affordable concept that would target residents at 50% to 60% AMI. A workforce housing project targeting households from 80% to 120% AMI could also be pursued in Golden Valley

- *Affordable General Occupancy Rental Townhomes*– Rental townhomes affordable to moderate-income households would also be in high demand throughout Golden Valley. Affordable rental townhomes have been found to be very popular throughout many communities. These projects would have income-restrictions established by HUD and would likely target households with incomes between 50% to 80% of area median income; however, some could be workforce units with affordability up to 120% AMI. We recommend a project with two- and three-bedroom units and a project of 20 to 30 units; however additional units could be constructed should sufficient land area result. Units should feature central air conditioning, full appliance package, in-unit washer/dryer, an attached one/two car garage. Such developments are popular with families that cannot afford housing options in the for-sale market or market rate rentals. Because of the lower density of affordable rental townhomes, this housing type could be more difficult to develop due to economies of scale needed to support the project.

### ***Senior Housing***

As illustrated in Table CR-1, demand exists for all types of senior housing product types in Golden Valley. Over the course of the next decade, there is demand for over 740 new senior units through 2025. Additional senior housing is recommended in order 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 are able to 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 Rental* – Demand was projected for about 140 market rate active adult rental units in Golden Valley through 2025. Currently, there are no market rate rental active adult products in Golden Valley; the entire existing active adult product is income-restricted or in the form a senior cooperative. It is very likely there are seniors who currently reside in general-occupancy housing that would consider a newer active adult rental product.

Development of this product could be in a separate stand-alone facility or in a mixed-income project. A mixed-income building could include a portion of units that would be affordable to seniors with incomes established the Minnesota Housing Finance Agency.

## RECOMMENDATIONS AND CONCLUSIONS

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We recommend a new project of about 80 to 100 units later this decade. The project should offer modest rents with base monthly rents starting at \$1,200 per month for one-bedroom units and from \$1,450 or more for two-bedroom units. The project should offer transportation, activities, and optional services for housekeeping, etc.

- Active Adult Senior Cooperative – There is one senior age-restricted for-sale development in Golden Valley at this time – *Calvary Cooperative* which has 119 units and was constructed in 1983. Maxfield Research and Consulting, LLC projected demand for 80 active adult ownership units through 2025. 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 suburban communities in the Twin Cities Metro Area. across the Midwest. As such, we recommend a 70 to 80-unit senior cooperative with sliding scale share costs starting at about \$70,000.
- Affordable Few Services Rental – Golden Valley demand for affordable senior rental housing with few services, is approximately 120 units through 2025. Although this product would be well received by seniors in and near the Golden Valley area; it can be difficult to develop given financing challenges and development costs. Affordable senior housing will likely be a low-income tax credit project through the Minnesota Housing Finance Agency (MHFA). MHFA recently started to consider affordable senior housing projects under the tax credit program and is slowly starting to expand financing for this product type. Affordable senior housing products can also be incorporated into a mixed-income building which may increase the projects financial feasibility.
- Independent Living/Congregate – There are no designated congregate units (meals and limited support service) in Golden Valley that do not have an entrance fee (Covenant Village offers congregate care but has a \$50,000 entrance fee). Demand was calculated for upwards of 150 congregate units through 2025. Based on this demand, multiple projects could be supported in the community to meet this forthcoming demand. The proposed senior project by Schuett Companies would meet a portion of this demand if the project moved forward. We recommend a mix of one-bedroom, one-bedroom plus den, and two-bedroom units. Base monthly rents should range from \$1,750 for one-bedroom units to \$1,950 for two-bedroom units. The monthly fees should include all utilities (except telephone and basic cable/satellite television) and the following services:
  - I'm OK program;
  - Daily noon meal;
  - Regularly scheduled van transportation;
  - Social, health, wellness and educational programs;
  - 24-hour emergency call system; and

## RECOMMENDATIONS AND CONCLUSIONS

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- Complimentary use of laundry facilities.

In addition, meals and other support and personal care services will be available to congregate residents on a fee-for-service basis, such as laundry, housekeeping, etc. When their care needs increase, residents also have the option of receiving assisted living packages in their existing units.

New independent housing could be developed adjacent to an existing senior project or in a stand-alone development.

- *Assisted Living and Memory Care Senior Housing* – Based on our analysis, there is substantial demand for assisted living and memory care in Golden Valley through 2025. We project demand to support an additional 106 assisted living units and 146 memory care units over the next decade. Although we find strong demand today, the demand will grow with each subsequent year as the baby boomers start to desire services next decade. Demand will be strongest after 2020.

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 \$2,750 to \$4,000. Memory care unit mix should be mostly studios and one-bedroom units with a few two-bedroom units for couples with base monthly rents ranging from \$4,000 to \$5,000. 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.

## **RECOMMENDATIONS AND CONCLUSIONS**

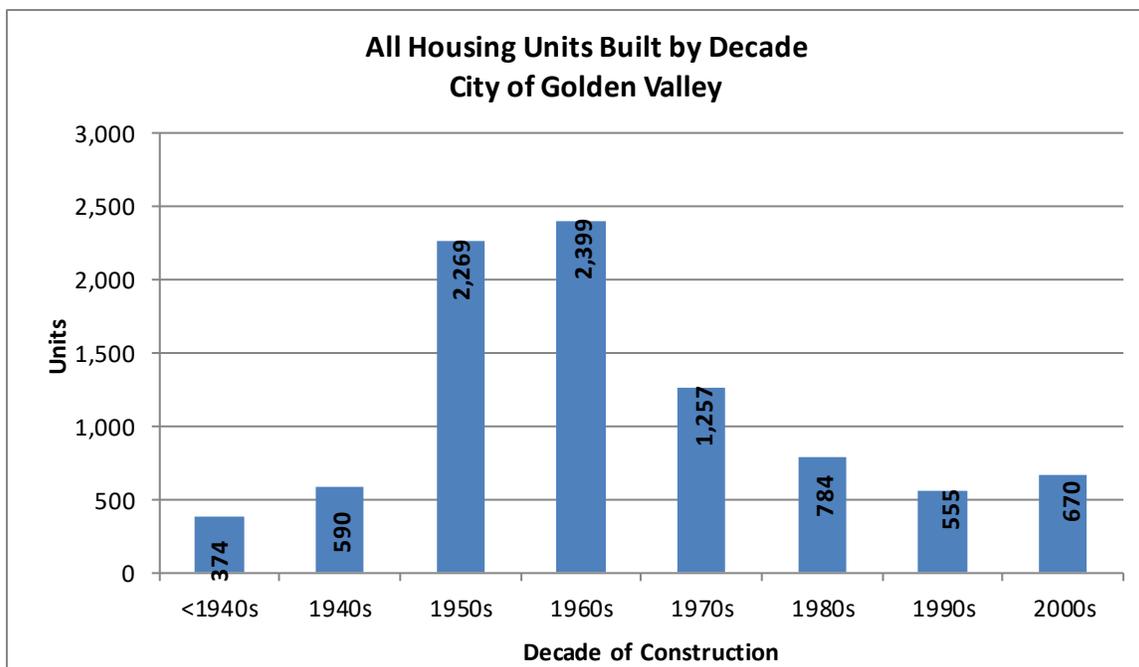
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Additional personal care packages should also be available for an extra monthly charge above the required base care package. A care needs assessment is recommended to be conducted to determine the appropriate level of services for prospective residents.

## Challenges and Opportunities

Table CR-2 identified and recommended housing types that would satisfy the housing needs in Golden Valley over the next ten years. The following were identified as the greatest challenges and opportunities for developing the recommended housing types (in no particular order - alphabetically).

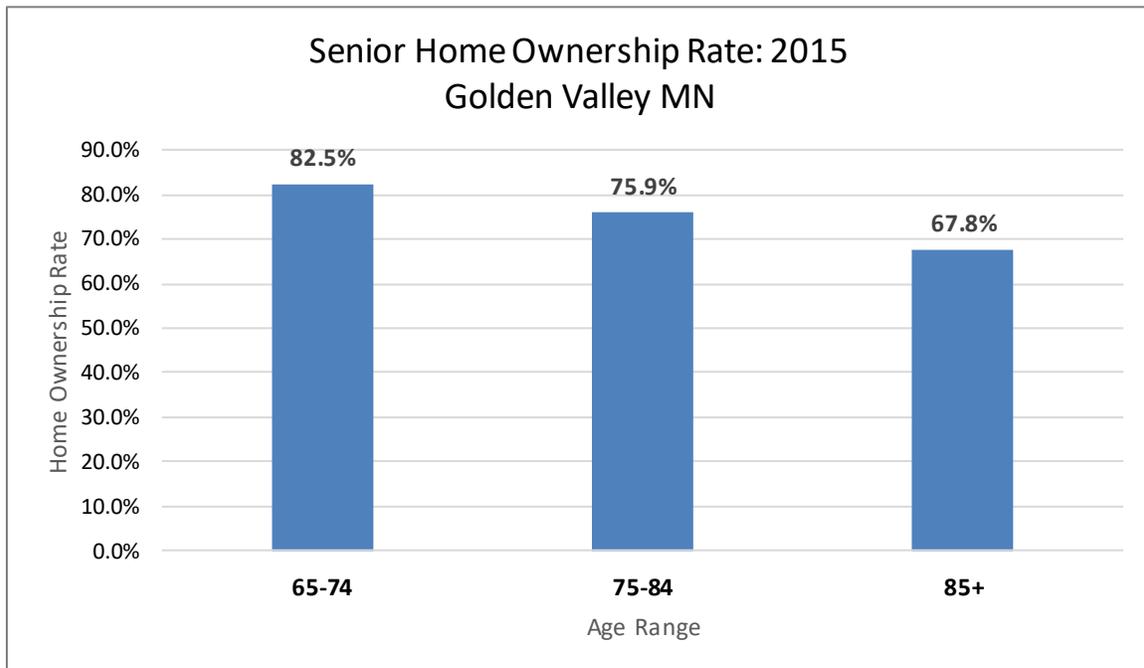
- Age of Housing Stock.** As illustrated in *the Housing Characteristics* Section of the report (Table HC-3, the median year built for a home in Golden Valley is 1963 and about 72% of the for sale housing stock was built prior to 1970. Because of the older housing stock as a first-ring suburban community, we recommend promotion of remodeling and move-up housing programs that encourage reinvestment into the city’s owner and renter housing stock.



- Affordability.** As illustrated in Table HA-4, based on current home prices about 72% of Golden Valley owner householders could afford to purchase an entry-level home (\$200,000) given today’s pricing. Likewise, most householders (84%) can also afford the average market rate rent at a one-bedroom rental project in Golden Valley. However, when adjusted for rental household incomes the affordability decreases as 57% of renters could afford a one-bedroom rent of \$800. Because of the higher rent structures at the new market rental buildings being constructed in Golden Valley, the minimum incomes needed to afford a luxury rental are about double of the existing rental housing stock in Golden Valley. The new rental housing development target “lifestyle renters” or those with higher incomes who have enough money to buy a house but choose to rent for the convenience and lifestyle. Many of these renters may be cost burdened, but they choose so for the location, amenities, and proximity to transit.

## CHALLENGES AND OPPORTUNITIES

- **Aging Population.** As illustrated in Table D-2, there is significant growth in the Golden Valley senior population, especially among ages 65 to 74 (+27% growth through 2021). In addition, Table D-6 shows the Golden Valley homeownership rates among seniors 65+ is approximately 77%. 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.



- **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

## CHALLENGES AND OPPORTUNITIES

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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.

## CHALLENGES AND OPPORTUNITIES

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- 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.

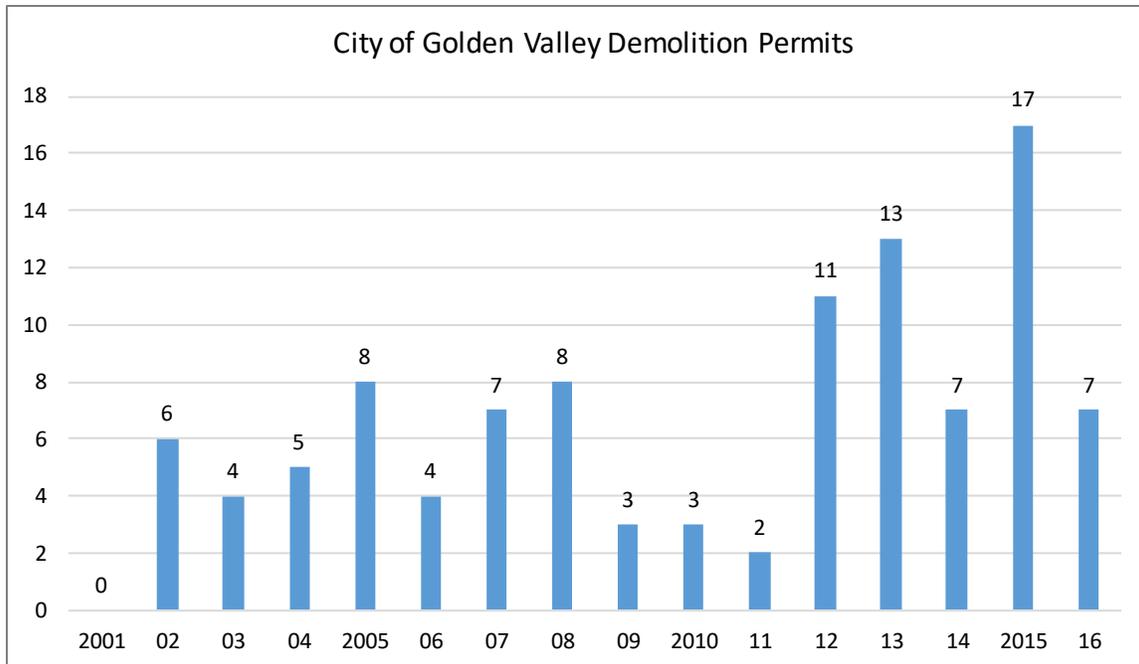
## CHALLENGES AND OPPORTUNITIES

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- **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.
- **Job Growth/Employment/Inflow.** 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. Like most areas across the Twin Cities and Minnesota, the unemployment rate peaked in 2009 during the Great Recession at 7.3%. However, since 2009 the unemployment rate has decreased annually and is presently at only 3.4% through 2016. Although the low unemployment rate is positive, if the unemployment rate continues to decline it could be difficult for Golden Valley businesses to find enough labor to fill job openings.

In addition, Golden Valley is home to many large companies that are job generators in the Twin Cities. Nearly 98% of the jobs in Golden Valley are filled by non-residents of the community. As a result, there is a tremendous opportunity to capture these workers as residents and employees in Golden Valley.

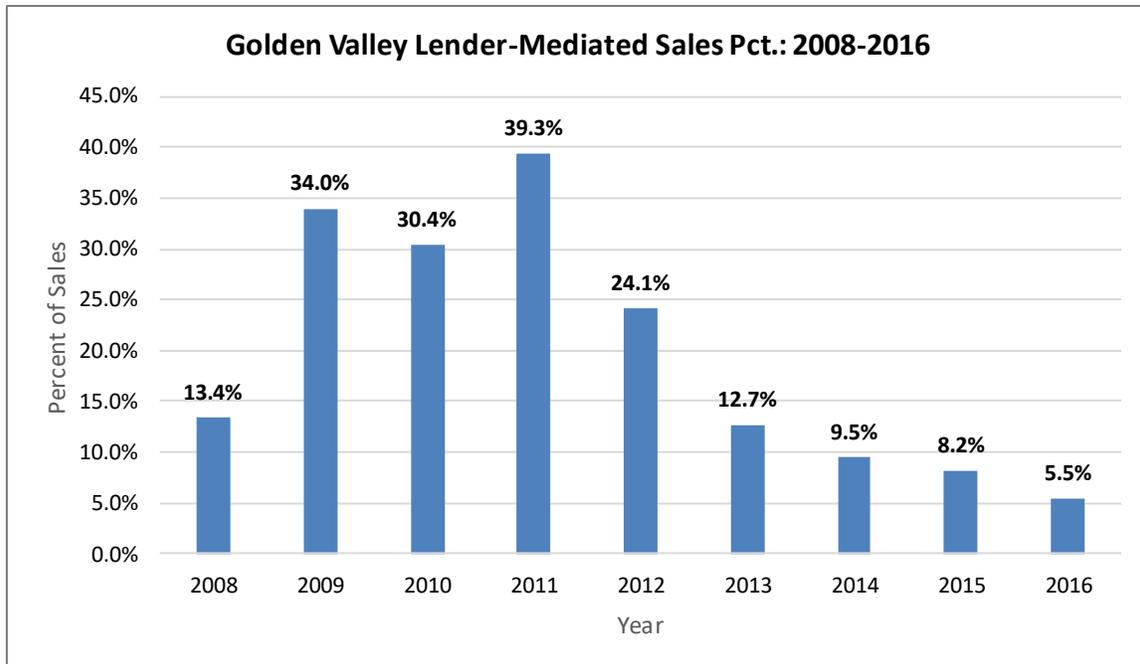
- **Land Assembly/Land Bank.** Land costs and land assembly are some of the most challenging components for new housing development in the Golden Valley. Land Banking is a program of acquiring land with the purpose of developing at a later date. After a holding period, the land can be sold to a developer (often at a price lower than market) with the purpose of developing affordable housing or other housing product types. We recommend the City consider acquisition if the right opportunity presents itself.
- **Land Constraints/Infill/Teardowns.** As previously stated, the Golden Valley has few existing areas within the community that can accommodate single-family residential development. Golden Valley has a very limited supply of residential lots suitable for single- or two-family housing developments; as such future development will likely occur on infill or redevelopment sites throughout the City. According to the Regional Multiple Listing Service of Minnesota, there are only a handful of marketing lots in Golden Valley with prices ranging anywhere from \$150,000 to \$719,000. Because of the low lot supply, the city may not achieve the housing demand outlined in Table CR-1 unless infill or teardowns prevail. Finally, the lack of supply drives up the cost of land which places upward pressure on the retail housing price.



Because of Golden Valley’s location and rather large lot sizes, teardowns should continue to be in strong demand in the foreseeable future. As outlined over the past fifteen years, Golden Valley has averaged about 6 to 7 demolition permits annually that have been mostly teardowns. A teardown is defined as a “one-to-one” replacement of an existing housing unit that is replaced with new construction. Teardowns will continue to be popular in the south and eastern portion of Golden Valley, but may also be economical wherever the value of land meets or exceeds the value of the both the lot and house that is currently occupied.

We recommend the city continue to encourage single-family residential development in a balanced approach that will allow new construction while maintaining neighborhood characteristics.

- **Lender-mediated Properties.** As illustrated in Table FS-2, lender-mediated properties have declined substantially since the housing downturn and Great Recession of last decade. Lender mediated properties (i.e. foreclosures and short sales) accounted for 30% to 40% of transactions in between 2009 and 2011 before declining annually since and comprising about 5.5% of transactions in 2015. Golden Valley experienced far fewer foreclosures than many communities across the Metro Area that experienced much higher rates of short sales and foreclosures. The continued decline in lender-mediated properties will enhance the overall real estate market and pricing will continue to gain from all the losses of last decade. As most homeowners have regained lost equity, the Golden Valley housing market should continue to experience stronger velocity as existing homeowners who were unable to move now may have the equity to pursue a trade-up home.



- **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 remained at historic lows over the past several years coming out of the Great Recession. The Federal Reserve has raised the short-term interest rate only twice since the recession; however, they have hinted at rates increasing in 2017. However, at this time it is unknown if the central bank will raise rates to head off inflation. A significant increase in rates (+1% or more; over 5% in the short term) would greatly affect the housing market and would slow projected housing demand.

The following chart illustrates historical mortgage rate averages as compiled by Freddie Mac. The Freddie Mac Market Survey (PMMS) has been tracking mortgage rates since 1971 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%.



- Millennials.** The Millennials (generally defined as persons born between 1982 and 2004) are now bigger than the Baby Boom generation and have begun impacting real estate development. The 80 million Millennials have begun to influence real estate as they formed new households. However, many Millennials are delaying home ownership due to high student loan debt and social changes (i.e. delayed marriage, delayed childbearing, delayed careers, etc.). The median first-time home buyer is now age 32 (an older Millennial) which is up from age 30 about a decade ago. Increasing monthly rents for rental housing in the Twin Cities has also affected the ability of Millennials to save for a down payment and qualify for a mortgage.

Although Millennials have favored more urban locations and are typically renters today, surveys show they are not that different in their preferences from other generations. Many millennials have indicated they still desire to live in the suburbs, however they desire communities with amenities such as parks, walking trails, shopping, proximity to jobs, and entertainment. Once Millennials start having kids, many Millennial households will shift from renters to buyers.

Because Golden Valley has relatively affordable older housing stock and is a first ring suburb with strong jobs and proximity to Downtown Minneapolis, we believe there is an opportunity to capture the Millennials in Golden Valley from households currently residing in Minneapolis seeking more housing value for their dollar.

## CHALLENGES AND OPPORTUNITIES

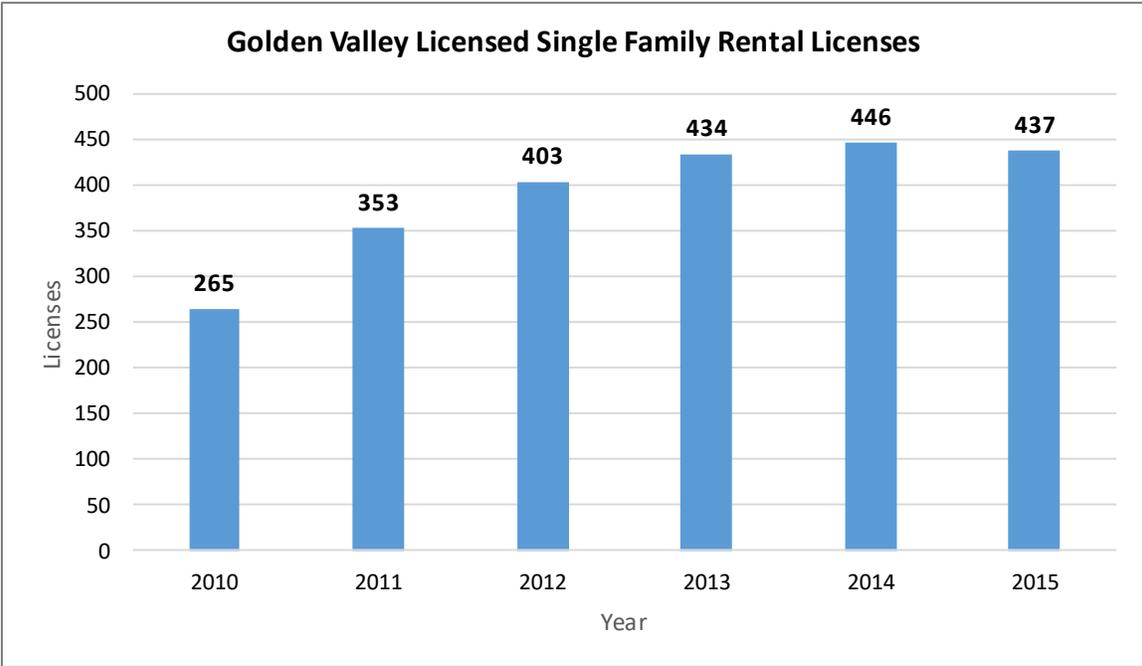
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- **Naturally Occurring Affordable Housing/Preservation.** As illustrated in Tables R-5 and R-1 in the *Rental Market Analysis* section, about 55% of the market rate rental housing stock in Golden Valley is affordable at 50% to 60% of area median incomes. According to the Harvard's Joint Center for Housing Studies (JCHS) unsubsidized rentals account for more than 75% of the affordable housing stock in the United States. It is estimated that over one-third of the naturally occurring affordable housing stock is composed of smaller multifamily buildings from 5 to 49 units. Within the Twin Cities Metro Area, it is estimated that about 60% of the rental stock is unsubsidized rentals affordable to households at or below 50% AMI.

Because the unsubsidized housing market is unregulated and is fluid, there is the chance some affordable market rate units could be lost. New construction costs for apartments in Golden Valley will likely exceed \$200,000 per unit; whereas an older Class B or Class C rental building may be acquired for under \$100,000 per unit. Therefore, it is typically more economical to rehabilitate an existing property than build a new one. Because of the high cost of new construction, we recommend the City monitor and maintain the unsubsidized rental market as an effort to maintain the affordable housing product type.

- **Shadow Rental Inventory.** Shadow rentals are generally considered nontraditional rentals that were previously owner-occupied single-family homes, townhomes, or condominiums. The shadow market has originally particularly fueled by homeowners who lost their home to foreclosure after the recession who opt to not rent in a traditional rental complex. Typically, short sales and foreclosures between 2009 and 2012 resulted in substantial price reductions which allowed buyers or investors to charge rents below market while still maintaining a profit. Although the shadow market rentals tend to be more affordable, renters run the risk of evictions if the owner does not pay the mortgage.

Because the City of Golden Valley enforces rental licenses, the City has been able to monitor the number of non-traditional rental units in the community. According to Table HC-5, there are about 640 one- and two-unit homes in Golden Valley serving as rental properties (31% of rental housing stock). As the housing market continues to rebound, many of these properties will likely transition back to the for-sale market. Golden Valley should continue to monitor the shadow rental market to mitigate any problem properties and improve the overall rental housing stock.



**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 are in need of extensive support services and personal care assistance. Absent an assisted living option, these seniors would otherwise need to move to a nursing facility. At a minimum, assisted living properties include

two meals per day and weekly housekeeping in the monthly fee, with the availability of a third meal and personal care (either included in the monthly fee or for an additional cost). Assisted living properties also have either staff on duty 24 hours per day or at least 24-hour emergency response.

**Building Permit** – Building permits track housing starts and the number of housing units authorized to be built by the local governing authority. Most jurisdictions require building permits for new construction, major renovations, as well as other building improvements. Building permits ensure that all the work meets applicable building and safety rules and is typically required to be completed by a licensed professional. Once the building is complete and meets the inspector’s satisfaction, the jurisdiction will issue a “CO” or “Certificate of Occupancy.” Building permits are a key barometer for the health of the housing market and are often a leading indicator in the rest of the economy as it has a major impact on consumer spending.

**Capture Rate** – The percentage of age, size, and income-qualified renter households in a given area or “Market Area” that the property must capture to fill the units. The capture rate is calculated by dividing the total number of units at the property by the total number of age, size and income-qualified renter households in the designated area.

**Comparable Property** – A property that is representative of the rental housing choices of the designated area or “Market Area” that is similar in construction, size, amenities, location and/or age.

**Concession** – Discount or incentives given to a prospective tenant to induce signature of a lease. Concessions typically are in the form of reduced rent or free rent for a specific lease term, or free amenities, which are normally charged separately, such as parking.

**Congregate (or independent living with services available)** – Congregate properties offer support services such as meals and/or housekeeping, either on an optional basis or a limited amount included in the rents. These properties typically dedicate a larger share of the overall building area to common areas, in part, because the units are smaller than in adult housing and in part to encourage socialization among residents. Congregate properties attract a slightly older target market than adult housing, typically seniors age 75 or older. Rents are also above those of the active adult buildings, even excluding the services.

**Contract Rent** – The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease.

**Demand** – The total number of households that would potentially move into a proposed new or renovated housing project. These households must be of appropriate age, income, tenure and size for a specific proposed development. Components vary and can include, but are not limited to: turnover, people living in substandard conditions, rent over-burdened households, income-qualified households and age of householder. Demand is project specific.

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**Density** – Number of units in a given area. Density is typically measured in dwelling units (DU) per acre – the larger the number of units permitted per acre the higher the density; the fewer units permitted results in lower density. Density is often presented in a gross and net format:

- **Gross Density** – The number of dwelling units per acre based on the gross site acreage.  
*Gross Density = Total residential units/total development area*
- **Net Density** - The number of dwelling units per acre located on the site, but excludes public right-of-ways (ROW) such as streets, alleys, easements, open spaces, etc.  
*Net Density = Total residential units/total residential land area (excluding ROWs)*

**Detached housing** – a freestanding dwelling unit, most often single-family homes, situated on its own lot.

**Effective Rents** – Contract rent less applicable concessions.

**Elderly or Senior Housing** – Housing where all the units in the property are restricted for occupancy by persons age 62 years or better, or at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or better and the housing is designed with amenities, facilities and services to meet the needs of senior citizens.

**Extremely low-income** – person or household with incomes below 30% of Area Median Income, adjusted for respective household size.

**Fair Market Rent** – Estimates established by HUD of the Gross Rents needed to obtain modest rental units in acceptable conditions in a specific geographic area. The amount of rental income a given property would command if it were open for leasing at any given moment and/or the amount derived based on market conditions that is needed to pay gross monthly rent at modest rental housing in a given area. This figure is used as a basis for determining the payment standard amount used to calculate the maximum monthly subsidy for families on at financially assisted housing.

### Fair Market Rent – Hennepin County 2016

	Fair Market Rent				
	EFF	1BR	2BR	3BR	4BR
Fair Market Rent	\$656	\$813	\$1,027	\$1,444	\$1,693

**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 2016 are as follows:

**Gross Rent  
Hennepin County – 2016**

	Maximum Gross Rent				
	EFF	1BR	2BR	3BR	4BR
30% of median	\$450	\$514	\$579	\$643	\$695
50% of median	\$751	\$857	\$965	\$1,072	\$1,158
60% of median	\$901	\$1,029	\$1,158	\$1,287	\$1,390
80% of median	\$1,202	\$1,372	\$1,544	\$1,716	\$1,854
100% of median	\$1,502	\$1,715	\$1,930	\$2,145	\$2,317
120% of median	\$1,803	\$2,058	\$2,316	\$2,574	\$2,781

**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 households formations, changes in average household size, and net migration.

**Housing Choice Voucher Program** – The federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. Housing choice vouchers are administered locally by public housing agencies. They receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program. A housing subsidy is paid to the landlord directly by the public housing agency on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

**Housing unit** – House, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

**HUD Project-Based Section 8** – A federal government program that provides rental housing for very low-income families, the elderly, and the disabled in privately owned and managed rental

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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 households 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 by Household Size							
	1 pph	2 pph	3 pph	4 pph	5 pph	6 pph	7 pph	8 pph
30% of median	\$18,030	\$20,580	\$23,160	\$25,740	\$27,810	\$29,850	\$31,920	\$33,990
50% of median	\$30,050	\$34,300	\$38,600	\$42,900	\$46,350	\$49,750	\$53,200	\$56,650
60% of median	\$36,060	\$41,160	\$46,320	\$51,480	\$55,620	\$59,700	\$63,840	\$67,980
80% of median	\$48,080	\$54,880	\$61,760	\$68,640	\$74,160	\$79,600	\$85,120	\$90,640
100% of median	\$60,100	\$68,600	\$77,200	\$85,800	\$92,700	\$99,500	\$106,400	\$113,300
120% of median	\$72,120	\$82,320	\$92,640	\$102,960	\$111,240	\$119,400	\$127,680	\$135,960

**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 very low or non-existent.

**Population** – All people living in a geographic area.

**Population Density** – The population of an area divided by the number of square miles of land area.

**Population Trends** – Changes in population levels for a particular geographic area over a specific period of time – a function of the level of births, deaths, and in/out migration.

**Project-Based rent assistance** – Rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

**Redevelopment** – The redesign, rehabilitation or expansion of existing properties.

**Rent burden** – gross rent divided by adjusted monthly household income.

**Restricted rent** – The rent charged under the restriction of a specific housing program or subsidy.

**Saturation** – The point at which there is no longer demand to support additional market rate, affordable/subsidized, rental, for-sale, or senior housing units. Saturation usually refers to a particular segment of a specific market.

**Senior Housing** – The term “senior housing” refers to any housing development that is restricted to people age 55 or older. Today, senior housing includes an entire spectrum of housing alternatives. Maxfield Research Inc. classifies senior housing into four categories based on the level of support services. The four categories are: Active Adult, Congregate, Assisted Living and Memory Care.

**Short Sale** – A sale of real estate in which the net proceeds from selling the property do not cover the sellers' mortgage obligations. The difference is forgiven by the lender, or other arrangements are made with the lender to settle the remainder of the debt.

**Single-family home** – A dwelling unit, either attached or detached, designed for use by one household and with direct street access. It does not share heating facilities or other essential electrical, mechanical or building facilities with another dwelling.

**Stabilized level of occupancy** – The underwritten or actual number of occupied units that a property is expected to maintain after the initial lease-up period.

**Subsidized housing** – Housing that is income-restricted to households earning at or below 30% AMI. Rent is generally based on income, with the household contributing 30% of their adjusted gross income toward rent. Also referred to as extremely low income housing.

**Subsidy** – Monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's contract/market rate rent and the amount paid by the tenant toward rent.

**Substandard conditions** – Housing conditions that are conventionally considered unacceptable and can be defined in terms of lacking plumbing facilities, one or more major mechanical or electrical system malfunctions, or overcrowded conditions.

**Target population** – The market segment or segments of the given population a development would appeal or cater to.

**Tenant** – One who rents real property from another individual or rental company.

**Tenant-paid utilities** – The cost of utilities, excluding cable, telephone, or internet necessary for the habitation of a dwelling unit, which are paid by said tenant.

**Tenure** – The distinction between owner-occupied and renter-occupied housing units.

**Turnover** – A measure of movement of residents into and out of a geographic location.

**Turnover period** – An estimate of the number of housing units in a geographic location as a percentage of the total house units that will likely change occupants in any one year.

**Unrestricted units** – Units that are not subject to any income or rent restrictions.

**Vacancy period** – The amount of time an apartment remains vacant and is available on the market for rent.

**Workforce housing** – Housing that is income-restricted to households earning between 80% and 120% AMI. 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