
DAKOTA COUNTY, MN

Housing Needs Assessment



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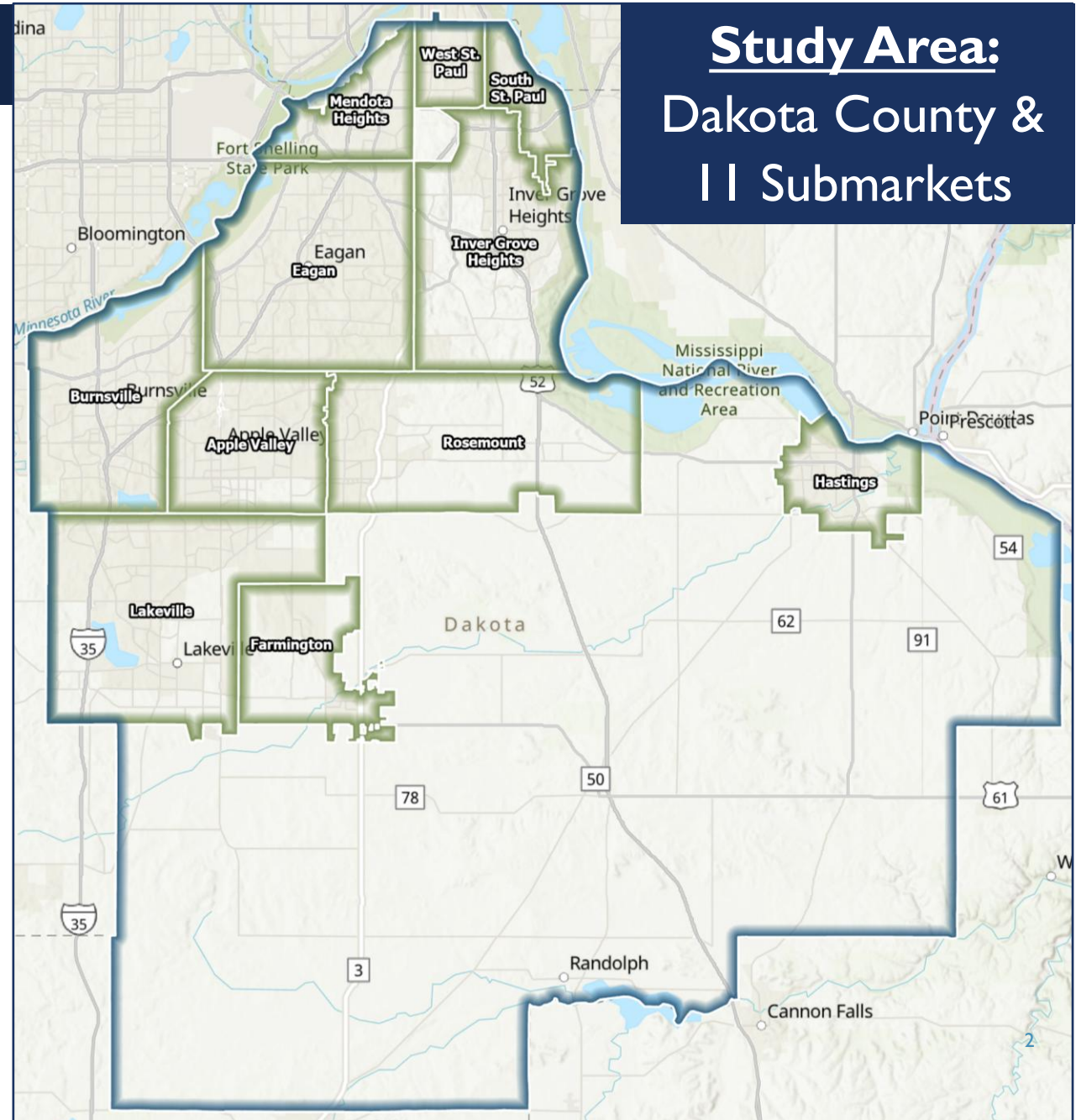
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Study Area & Scope of Work

Scope of Work

- Study of Dakota County & 11 Municipal Submarkets
- Demographic Characteristics and Trends
- Economic Conditions and Investments
- Existing Housing Stock (Rentals, Senior Care and For-Sale)
- Quantified Rental and For-Sale Housing Gaps by Various Levels of Affordability
- Recommended Housing Strategies

Study Area: Dakota County & 11 Submarkets

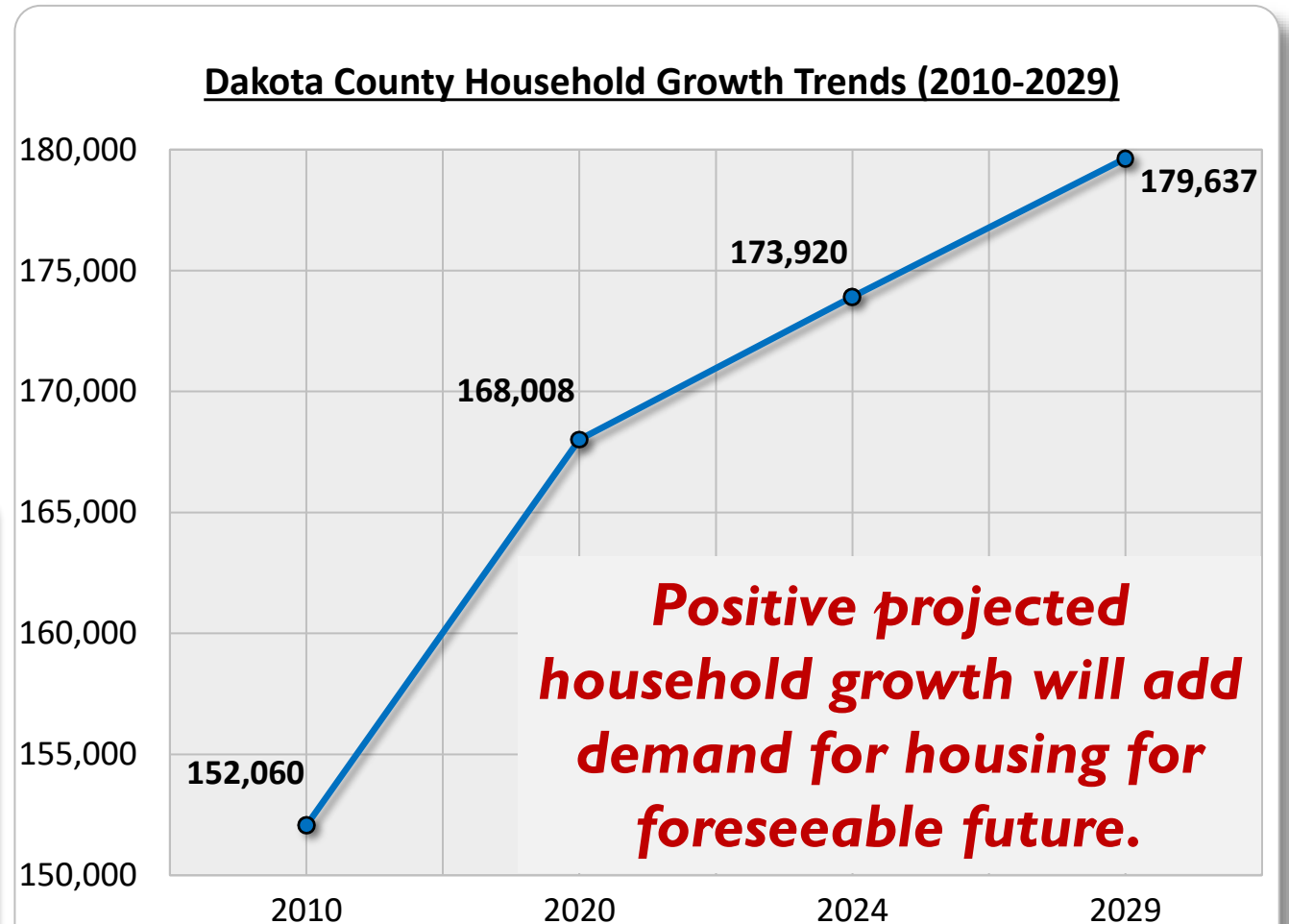
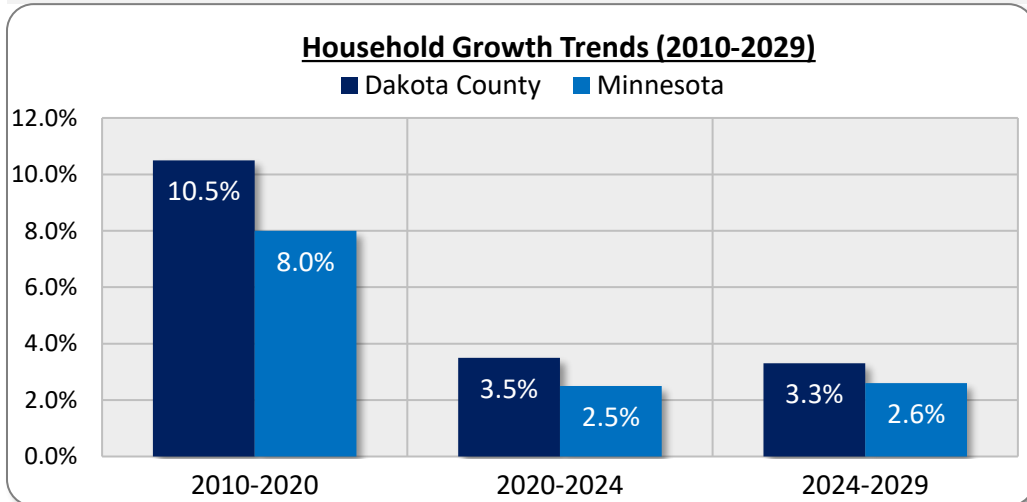


Demographics – Overall Household Growth Trends

Households within Dakota County have increased substantially since 2010, a trend which is projected to continue through 2029.

HIGHLIGHTS

- 2010 to 2020: Households increased by 15,948 (10.5%)
- 2020-2024: Households increased by 5,912 (3.5%)
- 2024-2029: Households will increase by 5,717 (3.3%)



Demographics – Households and Household Change

Virtually all municipalities are projected to have overall household growth through 2029, with the greatest growth in Rosemount, Lakeville, Farmington and Hastings.

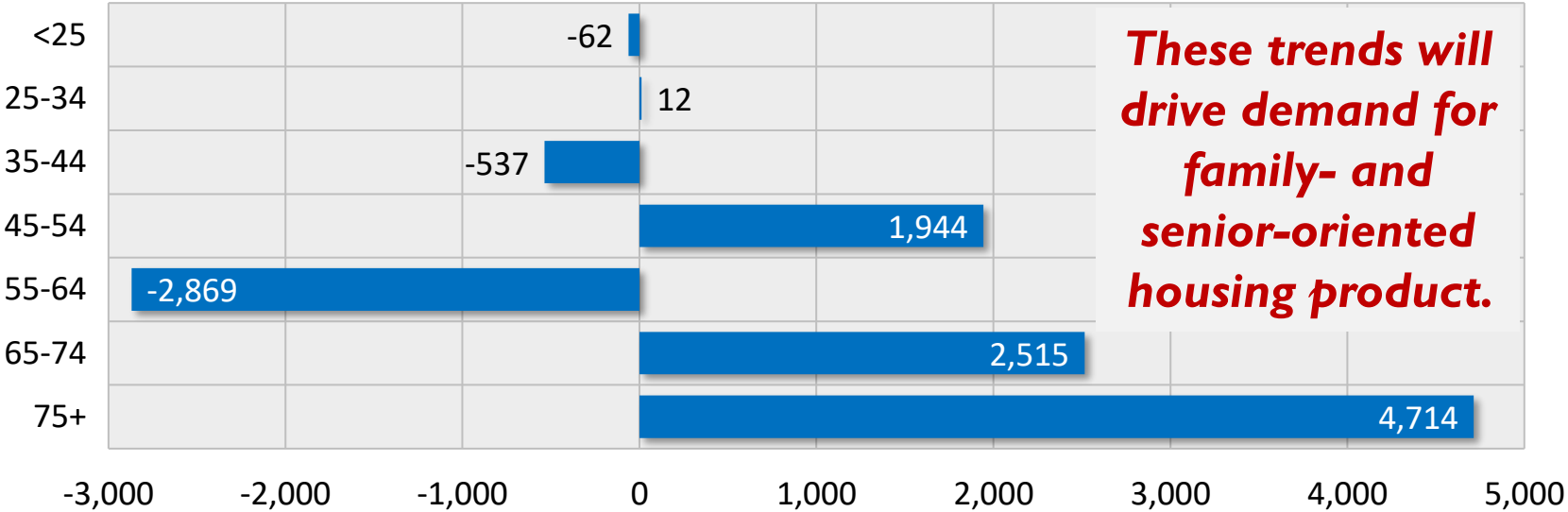
	Total Households				Household Change					
	2010	2020	2024	2029	2010-2020		2020-2024		2024-2029	
	Census	Census	Estimated	Projected	Number	Percent	Number	Percent	Number	Percent
Apple Valley	18,882	21,464	21,768	21,724	2,582	13.7%	304	1.4%	-44	-0.2%
Burnsville	24,283	25,483	25,994	26,120	1,200	4.9%	511	2.0%	126	0.5%
Eagan	25,232	27,606	28,098	28,343	2,374	9.4%	492	1.8%	245	0.9%
Farmington	7,109	7,906	8,125	8,512	797	11.2%	219	2.8%	387	4.8%
Hastings	8,813	9,128	9,259	9,591	315	3.6%	131	1.4%	332	3.6%
Inver Grove Heights	13,508	14,338	14,646	14,711	830	6.1%	308	2.1%	65	0.4%
Lakeville	18,687	23,265	25,885	28,441	4,578	24.5%	2,620	11.3%	2,556	9.9%
Mendota Heights	4,284	4,787	4,879	5,043	503	11.7%	92	1.9%	164	3.4%
Rosemount	7,580	8,931	9,848	11,278	1,351	17.8%	917	10.3%	1,430	14.5%
South St. Paul	8,172	8,432	8,371	8,639	260	3.2%	-61	-0.7%	268	3.2%
West St. Paul	8,529	8,996	9,444	9,666	467	5.5%	448	5.0%	222	2.4%
Dakota County	152,060	168,008	173,920	179,637	15,948	10.5%	5,912	3.5%	5,717	3.3%
Minnesota	2,087,227	2,253,990	2,309,848	2,370,399	166,763	8.0%	55,858	2.5%	60,551	2.6%

Demographics – Household Heads by Age

Projected household growth is concentrated among households between the ages of 45 and 54 and those aged 65 and older. These trends mirror state trends and are similar to national trends.

	Household Heads by Age						
	<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
2020	4,008 (2.4%)	24,329 (14.5%)	32,636 (19.4%)	31,868 (19.0%)	34,887 (20.8%)	24,154 (14.4%)	16,126 (9.6%)
2024	4,134 (2.4%)	24,163 (13.9%)	35,309 (20.3%)	31,959 (18.4%)	32,568 (18.7%)	26,911 (15.5%)	18,853 (10.8%)
2029	4,072 (2.3%)	24,175 (13.5%)	34,772 (19.4%)	33,903 (18.9%)	29,699 (16.5%)	29,426 (16.4%)	23,567 (13.1%)
Change 2024-2029	-62 (-1.5%)	12 (0.0%)	-537 (-1.5%)	1,944 (6.1%)	-2,869 (-8.8%)	2,515 (9.3%)	4,714 (25.0%)

Dakota County Change in Household Heads by Age (2024-2029)



Demographics – Change in RENTER Households by Income

	Renter Households by Income							
	Less Than \$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000 & Higher
2020	4,871 (11.1%)	5,194 (11.9%)	4,584 (10.5%)	7,320 (16.7%)	9,061 (20.7%)	5,567 (12.7%)	4,783 (10.9%)	2,366 (5.4%)
2024	4,507 (9.6%)	4,507 (9.6%)	4,473 (9.5%)	6,280 (13.4%)	9,325 (19.8%)	6,938 (14.8%)	6,644 (14.1%)	4,347 (9.2%)
2029	4,391 (9.2%)	3,725 (7.8%)	3,979 (8.3%)	5,552 (11.6%)	8,995 (18.8%)	7,254 (15.2%)	7,708 (16.1%)	6,244 (13.0%)
Change 2024-2029	-116 (-2.6%)	-782 (-17.4%)	-494 (-11.0%)	-728 (-11.6%)	-330 (-3.5%)	316 (4.6%)	1,064 (16.0%)	1,897 (43.6%)

- In 2024, **42.1% of all renter households** within the PSA (Dakota County) **earn less than \$50,000 annually**. Few affordable options are available & long wait lists exist for the more **economically vulnerable households** in the market.
- Between 2024 and 2029, it is projected that **renter household growth** within Dakota County will be **confined to households earning \$75,000 or more**, with most of this growth projected to be among high-income renter households (\$150,000 and higher). This will drive **demand for higher-end product**.

Demographics – Change in OWNER Households by Income

	Owner Households by Income							
	Less Than \$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000 & Higher
2020	2,979 (2.4%)	3,733 (3.0%)	5,315 (4.3%)	9,789 (7.9%)	17,843 (14.4%)	18,372 (14.8%)	31,477 (25.3%)	34,755 (28.0%)
2024	2,788 (2.2%)	2,327 (1.8%)	4,141 (3.3%)	7,031 (5.5%)	14,860 (11.7%)	17,192 (13.5%)	29,745 (23.4%)	48,816 (38.5%)
2029	2,339 (1.8%)	1,628 (1.2%)	3,255 (2.5%)	5,536 (4.2%)	12,884 (9.8%)	16,202 (12.3%)	30,785 (23.4%)	59,160 (44.9%)
Change 2024-2029	-449 (-16.1%)	-699 (-30.0%)	-886 (-21.4%)	-1,495 (-21.3%)	-1,976 (-13.3%)	-990 (-5.8%)	1,040 (3.5%)	10,344 (21.2%)

- In 2024, **61.9% of all owner households** in Dakota County **earn \$100,000 or more annually**. Most new and available product is affordable to higher income households.
- **Only 12.8% of owner households** in the county **earn less than \$50,000**.
- Between 2024 and 2029, **owner household growth** in Dakota County is projected to be **predominantly concentrated among households earning \$150,000 or more**.

Wages and Housing Affordability for Top 35 Occupations by Share of Labor Force (Minneapolis-St. Paul-Bloomington, MN-WI Metropolitan Statistical Area)							
Occupation Sector, Title & Wages*				Housing Affordability**			
Sector Group (Code)	Occupation Title	Annual Wages		Max. Monthly Rent		Max. Purchase Price	
		Lower Quartile	Median	Lower Quartile	Median	Lower Quartile	Median
Sales and Related (41)	Retail Salespersons	\$30,700	\$35,130	\$768	\$878	\$102,333	\$117,100
	Cashiers	\$29,800	\$33,750	\$745	\$844	\$99,333	\$112,500
	Sales Representatives, Wholesale	\$59,820	\$77,710	\$1,496	\$1,943	\$199,400	\$259,033
	Sales Representatives, Services	\$51,500	\$72,430	\$1,288	\$1,811	\$171,667	\$241,433
Food Preparation/ Serving (35)	Fast Food/Counter Workers	\$28,770	\$30,900	\$719	\$773	\$95,900	\$103,000
	Waiters and Waitresses	\$23,400	\$24,210	\$585	\$605	\$78,000	\$80,700
	Cooks, Restaurant	\$35,840	\$38,380	\$896	\$960	\$119,467	\$127,933
	Food Preparation Workers	\$29,750	\$34,990	\$744	\$875	\$99,167	\$116,633
Office and Administrative Support (43)	Customer Service Representatives	\$39,300	\$47,790	\$983	\$1,195	\$131,000	\$159,300
	Office Clerks, General	\$39,170	\$47,210	\$979	\$1,180	\$130,567	\$157,367
	Secretaries/Admin Assistants	\$44,590	\$49,460	\$1,115	\$1,237	\$148,633	\$164,867
	Bookkeeping/Accounting Clerks	\$45,850	\$52,270	\$1,146	\$1,307	\$152,833	\$174,233
	First-Line Supervisors, Office	\$60,860	\$74,570	\$1,522	\$1,864	\$202,867	\$248,567
Production (51)	Misc. Assemblers/Fabricators	\$37,850	\$43,930	\$946	\$1,098	\$126,167	\$146,433
Transportation Material Moving (53)	Laborers/Freight/Material Movers	\$38,420	\$45,410	\$961	\$1,135	\$128,067	\$151,367
	Stockers and Order Fillers	\$34,810	\$37,940	\$870	\$949	\$116,033	\$126,467
	Heavy/Tractor-Trailer Drivers	\$51,800	\$61,060	\$1,295	\$1,527	\$172,667	\$203,533
Education, Training, and Library (25)	Teaching Assistants	\$36,560	\$40,180	\$914	\$1,005	\$121,867	\$133,933
	Elementary School Teachers	\$50,030	\$63,600	\$1,251	\$1,590	\$166,767	\$212,000

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2-Br. Fair Market Rent:
\$1,622

Median List Price:
\$395,000

Wages and Housing Affordability for Top 35 Occupations by Share of Labor Force (Minneapolis-St. Paul-Bloomington, MN-WI Metropolitan Statistical Area)

Occupation Sector, Title & Wages*				Housing Affordability**			
Sector Group (Code)	Occupation Title	Annual Wages		Max. Monthly Rent		Max. Purchase Price	
		Lower Quartile	Median	Lower Quartile	Median	Lower Quartile	Median
Healthcare (29, 31)	Home Health/Personal Care Aides	\$30,950	\$34,450	\$774	\$861	\$103,167	\$114,833
	Registered Nurses	\$83,710	\$100,800	\$2,093	\$2,520	\$279,033	\$336,000
	Nursing Assistants	\$40,080	\$44,560	\$1,002	\$1,114	\$133,600	\$148,533
Management and Business Operations (11, 13)	General/Operations Managers	\$66,990	\$102,460	\$1,675	\$2,562	\$223,300	\$341,533
	Accountants/Auditors	\$63,800	\$79,750	\$1,595	\$1,994	\$212,667	\$265,833
	Management Analysts	\$76,220	\$97,520	\$1,906	\$2,438	\$254,067	\$325,067
	Market Analysts/Specialists	\$61,890	\$81,490	\$1,547	\$2,037	\$206,300	\$271,633
	Financial Managers	\$124,370	\$161,380	\$3,109	\$4,035	\$414,567	\$537,933
	Project Management Specialists	\$77,120	\$98,990	\$1,928	\$2,475	\$257,067	\$329,967
	Business Operations Specialists	\$58,080	\$73,790	\$1,452	\$1,845	\$193,600	\$245,967
	Human Resources Specialists	\$60,720	\$77,580	\$1,518	\$1,940	\$202,400	\$258,600
Computers/ Engineering (15, 17)	Software Developers	\$99,220	\$127,720	\$2,481	\$3,193	\$330,733	\$425,733
	Industrial Engineers	\$81,410	\$100,700	\$2,035	\$2,518	\$271,367	\$335,667
Installation/ Repair (47, 49)	Maintenance and Repair Workers	\$46,120	\$56,210	\$1,153	\$1,405	\$153,733	\$187,367
	Construction Laborers	\$47,520	\$59,920	\$1,188	\$1,498	\$158,400	\$199,733
Bldg./Grounds (37)	Janitors and Cleaners	\$34,690	\$38,080	\$867	\$952	\$115,633	\$126,933

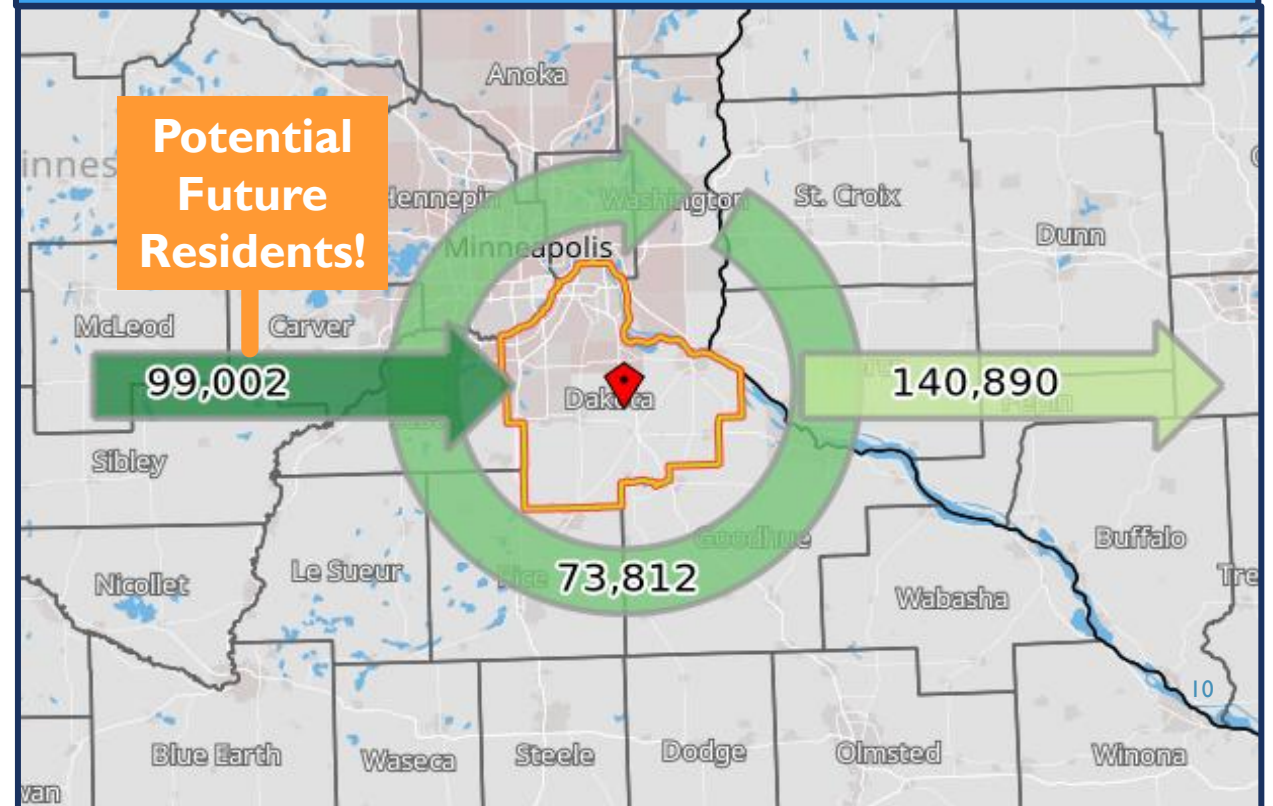
A large portion of the area's workforce does not have the income to reasonably afford to rent in the market, while few of these occupations offer wages to enable workers to afford to buy a home.

Potential Commuter Support

More than 99,000 **individuals** from surrounding areas **commute into Dakota County** daily for employment, accounting for **57.3% of the people employed in the county.**



The people that **commute daily into the county** for work represent a large base of **potential new residents/households for Dakota County.**



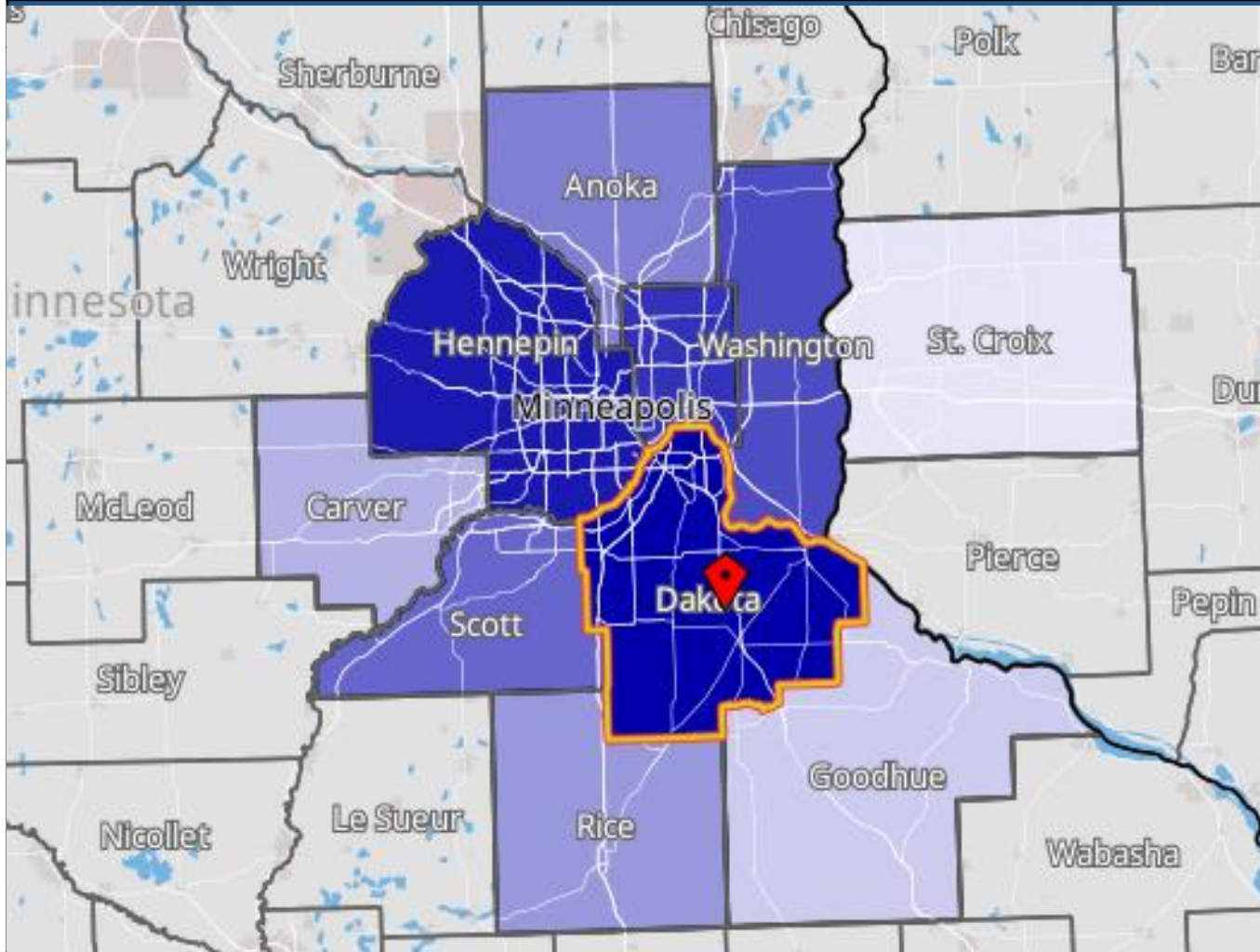
Commuter Inflow/Outflow Profile

- Over half (**54.1%**) of in-commuters are between **ages 30 & 54**.
- **More than 60.0%** of inflow workers **earn over \$40,000** annually.

Dakota County, MN: Commuting <i>Flow</i> Analysis by Earnings, Age and Industry Group						
Worker Characteristics	Resident Outflow		Workers Inflow		Resident Workers	
	Number	Share	Number	Share	Number	Share
Ages 29 or younger	29,407	20.9%	23,134	23.4%	17,786	24.1%
Ages 30 to 54	78,732	55.9%	53,594	54.1%	37,471	50.8%
Ages 55 or older	32,751	23.2%	22,274	22.5%	18,555	25.1%
<i>Earning <\$1,250 per month</i>	21,281	15.1%	16,549	16.7%	16,033	21.7%
<i>Earning \$1,251 to \$3,333</i>	25,910	18.4%	22,325	22.6%	18,246	24.7%
<i>Earning \$3,333+ per month</i>	93,699	66.5%	60,128	60.7%	39,533	53.6%
Total Worker Flow	140,890	100.0%	99,002	100.0%	73,812	100.0%

Commuter Inflow by Geography & Distance

Dakota County Workforce – Top 10 Counties of Residence & Commute Distance



County	Number	Share
Dakota County, MN	73,812	42.7%
Hennepin County, MN	25,629	14.8%
Ramsey County, MN	16,437	9.5%
Washington County, MN	11,750	6.8%
Scott County, MN	11,528	6.7%
Anoka County, MN	4,347	2.5%
Rice County, MN	4,181	2.4%
Carver County, MN	2,368	1.4%
Goodhue County, MN	2,344	1.4%
St. Croix County, WI	1,960	1.1%
All Other Locations	18,458	10.7%
Total	172,814	100.0%
Commute Distance		
Distance	Number	Share
Less than 10 miles	84,990	49.2%
10 to 24 miles	58,293	33.7%
25 to 50 miles	16,715	9.7%
Greater than 50 miles	12,816	7.4%
Total	172,814	100.0%

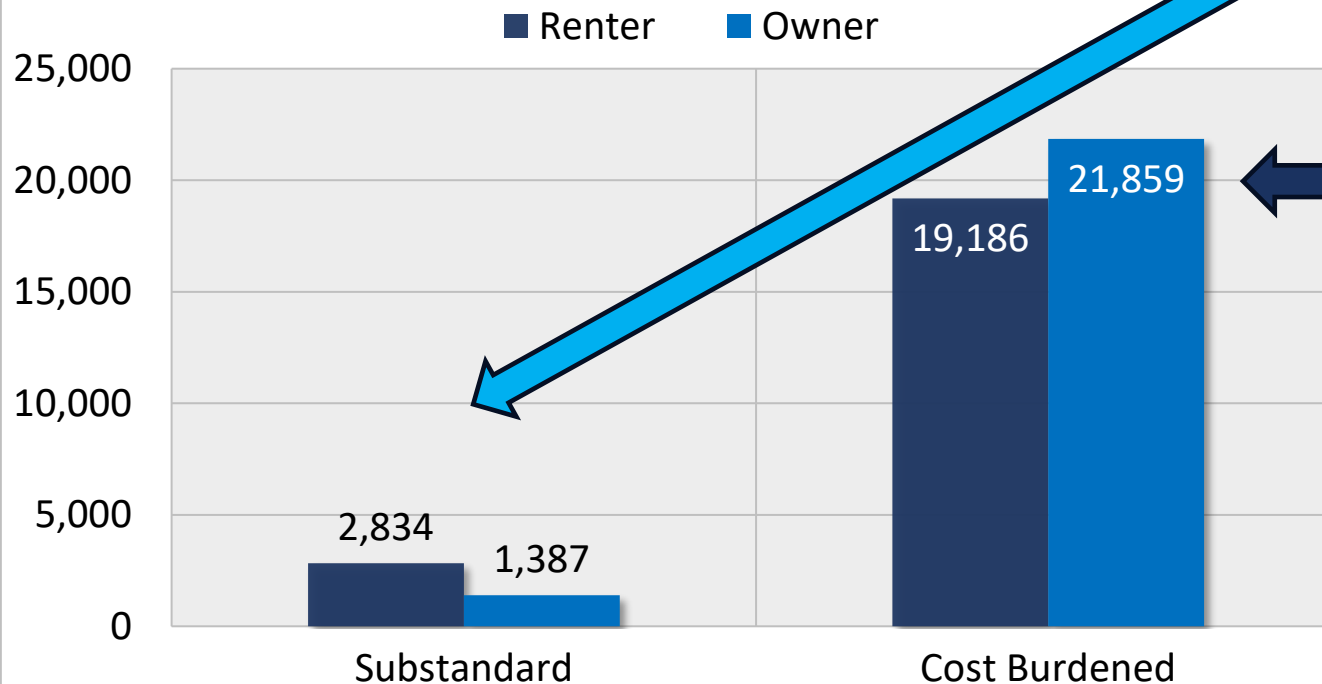
Substandard & Cost Burdened Households

Substandard = Housing that is Overcrowded or Lacks Complete Plumbing

Housing Cost Burdened = Paying Over 30% of Income Toward Housing

Severe Housing Cost Burdened = Paying Over 50% of Income Toward Housing

Dakota County Substandard & Cost Burdened Housing
Units by Tenure



Over 4,200 households live in substandard housing.

More than 41,000 Dakota County households are housing cost burdened.

Severe Cost Burdened Households:
Renter - 8,940
Owner - 7,329

Substandard Housing by Submarket

	Housing Age and Conditions											
	Pre-1970 Product				Overcrowded				Incomplete Plumbing or Kitchen			
	Renter		Owner		Renter		Owner		Renter		Owner	
	#	%	#	%	#	%	#	%	#	%	#	%
Apple Valley	482	9.3%	2,064	12.8%	242	4.6%	247	1.5%	129	2.5%	58	0.4%
Burnsville	1,301	16.2%	3,965	22.9%	408	5.1%	259	1.5%	266	3.3%	9	0.1%
Eagan	568	6.9%	1,991	10.3%	493	6.0%	96	0.5%	22	0.3%	43	0.2%
Farmington	60	17.0%	122	2.4%	0	0.0%	73	1.5%	0	0.0%	0	0.0%
Hastings	515	24.4%	1,873	42.4%	64	3.0%	12	0.3%	79	3.7%	4	0.1%
Inver Grove Heights	433	11.1%	2,327	21.1%	196	5.0%	46	0.4%	0	0.0%	48	0.4%
Lakeville	340	11.1%	1,702	8.0%	212	6.9%	93	0.4%	203	6.6%	0	0.0%
Mendota Heights	69	6.3%	1,423	33.8%	0	0.0%	7	0.2%	2	0.2%	16	0.4%
Rosemount	108	8.8%	708	8.9%	106	8.6%	14	0.2%	36	2.9%	10	0.1%
South St. Paul	1,305	55.5%	4,497	76.6%	14	0.6%	77	1.3%	49	2.1%	38	0.6%
West St. Paul	1,478	41.2%	3,566	62.4%	117	3.3%	121	2.1%	164	4.6%	24	0.4%
Dakota County	7,139	17.5%	26,588	20.7%	1,859	4.6%	1,137	0.9%	975	2.4%	250	0.2%
Minnesota	244,615	35.9%	707,304	38.2%	32,202	4.7%	23,665	1.3%	15,646	2.3%	10,852	0.6%

Source: ACS 2018-2022; ESRI; Bowen National Research

Housing Cost Burdened Households by Submarket

	Household Income, Housing Costs and Affordability							
	2024 Households	Median Household Income	Median Home Value	Median Gross Rent	Share of Cost Burdened Households*		Share of Severe Cost Burdened Households**	
					Renter	Owner	Renter	Owner
Apple Valley	21,768	\$100,703	\$406,938	\$1,607	49.2%	17.2%	24.4%	5.7%
Burnsville	25,994	\$86,847	\$363,527	\$1,443	50.6%	20.7%	20.6%	8.0%
Eagan	28,098	\$104,731	\$433,589	\$1,490	41.7%	16.0%	18.1%	5.2%
Farmington	8,125	\$111,136	\$390,820	\$1,214	40.6%	16.0%	23.3%	4.2%
Hastings	9,259	\$88,159	\$349,101	\$1,146	42.0%	19.2%	21.0%	6.9%
Inver Grove Heights	14,646	\$97,846	\$402,929	\$1,324	47.5%	17.9%	20.8%	5.6%
Lakeville	25,885	\$127,558	\$467,695	\$1,623	48.2%	13.4%	31.0%	3.4%
Mendota Heights	4,879	\$128,891	\$564,867	\$1,268	41.8%	14.2%	21.4%	6.1%
Rosemount	9,848	\$128,537	\$432,979	\$1,521	38.3%	14.1%	15.4%	3.9%
South St. Paul	8,371	\$78,465	\$289,841	\$1,094	48.9%	18.6%	20.8%	5.4%
West St. Paul	9,444	\$68,406	\$337,491	\$1,204	56.4%	23.3%	28.8%	10.3%
Dakota County	173,920	\$102,310	\$413,686	\$1,410	47.0%	17.0%	21.9%	5.7%
Minnesota	2,309,848	\$86,801	\$360,089	\$1,178	44.0%	18.2%	21.4%	6.7%

Source: ACS 2018-2022; ESRI; Bowen National Research

*Paying more than 30% of income toward housing costs

**Paying more than 50% of income toward housing costs

Multifamily Rental Housing

- 229 multifamily projects were surveyed in the county, totaling 27,211 units
- The overall vacancy rate is 4.3% (95.7% occupied), with the majority of vacancies (90.4%) within the market-rate units
- Wait lists are maintained among all property types in the county, with the most extensive wait lists among Tax Credit and Subsidized properties



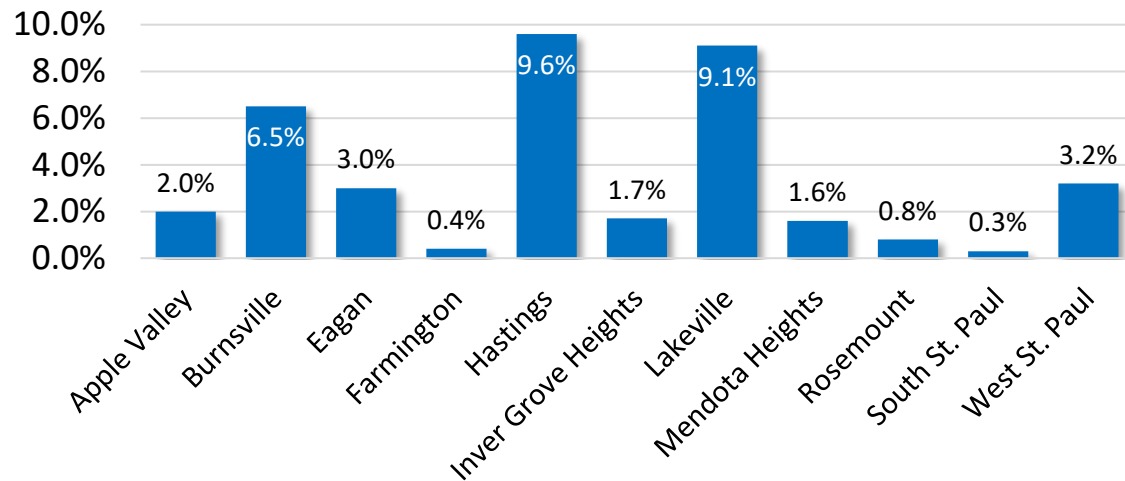
Surveyed Multifamily Rental Housing – Dakota County, MN				
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-Rate	139	21,662	1,050	95.2%
Market-Rate/Tax Credit	4	704	74	89.5%
Market-Rate/Government-Subsidized	1	172	4	97.7%
Tax Credit	65	3,625	33	99.1%
Tax Credit/Government-Subsidized	12	709	0	100.0%
Market-Rate/Tax Credit/Government-Subsidized	1	104	0	100.0%
Government-Subsidized	7	235	0	100.0%
Total	229	27,211	1,161	95.7%

The high occupancy rates and presence of wait lists across all project types are evidence of pent-up demand

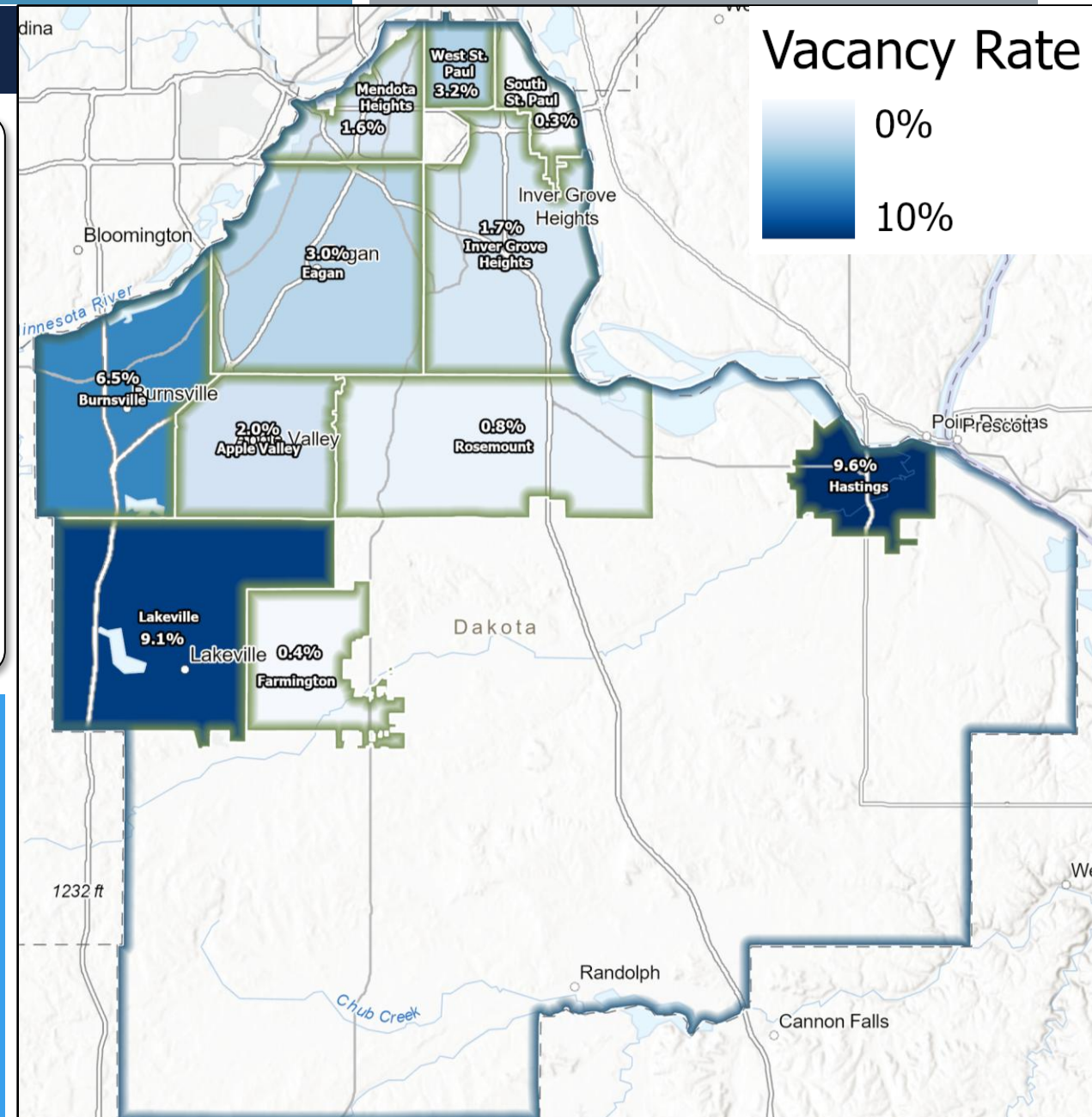
Typically, healthy, well-balanced markets have rental housing vacancy rates generally between 4% and 6%.

Multifamily Rental Vacancy Rates

Dakota County Multifamily Rental Vacancy Rate by Submarket



- Lowest vacancy rate: South St. Paul @ 0.3%
- Highest vacancy rate: Hastings @ 9.6% & Lakeville @ 9.1%
- Multiple newer market-rate properties in Hastings and Lakeville are still within their initial lease-up periods. The high vacancy rate in Burnsville is attributed to a recently built senior Tax Credit property within its initial lease-up period.



Multifamily Rentals by Submarket (Vacancies)

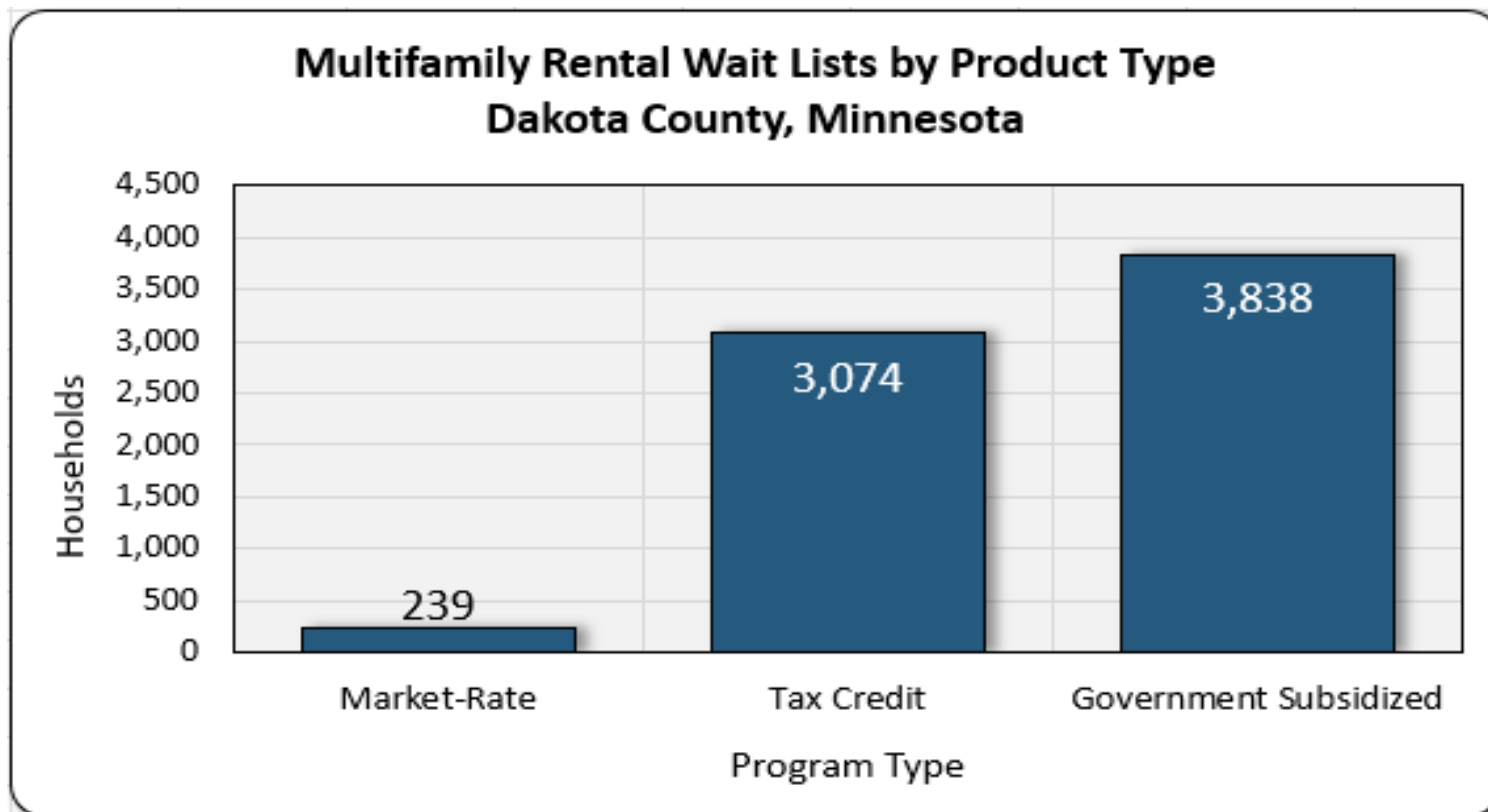
With **eight (8) of the 11 submarkets** reporting overall vacancy rates which are **lower than Dakota County's vacancy rate** of 4.3% and three submarkets reporting overall vacancy rates of less than 1.0%, the **lack of available multifamily rentals is a county-wide issue.**

	Projects Surveyed	Total Units	Vacant Units	Overall Vacancy Rate	Vacancy Rate by Type		
					Market- Rate	Tax Credit	Gov't Subsidized
Apple Valley	27	3,217	64	2.0%	2.2%	1.3%	0.0%
Burnsville	43	6,681	432	6.5%	6.2%	15.8%	0.0%
Eagan	42	6,326	191	3.0%	3.4%	0.0%	0.0%
Farmington	7	285	1	0.4%	2.8%	0.0%	0.0%
Hastings	17	1,269	122	9.6%	14.0%	0.7%	0.0%
Inver Grove Heights	16	1,994	33	1.7%	2.1%	0.0%	0.0%
Lakeville	22	2,309	209	9.1%	11.6%	0.0%	0.0%
Mendota Heights	9	832	13	1.6%	1.9%	0.0%	0.0%
Rosemount	12	906	7	0.8%	1.1%	0.0%	0.0%
South St. Paul	10	675	2	0.3%	0.4%	0.0%	0.0%
West St. Paul	24	2,717	87	3.2%	3.2%	3.7%	0.0%
Dakota County	229	27,211	1,161	4.3%	4.8%	2.3%	0.0%

**Vacancy Rates
Below 1.0% are
shown in red.**

Multifamily Rentals (Wait Lists)

Wait lists exist for at least some type of multifamily rentals in **each of the 11 submarkets**, evidence of the **pent-up demand** for such rentals **across the county**. Overall, the county has at least **7,151 households on wait lists** for multifamily rentals, with the **greatest pent-up demand** for the **more affordable rental alternatives (Tax Credit and Government Subsidized)**. The **Dakota County CDA** maintains additional wait lists of **4,245 households** for family housing and **1,032 senior households**.



The **large number of households on wait lists** for multifamily rentals is clear evidence that this **rental supply is not meeting the needs of the market, particularly the needs of lower income households.**

Multifamily Rentals-Market-Rate Median Rents

	Median Market-Rate Rents by Bedroom/Bathroom Type			
	One-Br/ 1.0-Ba	Two-Br/ 1.0-Ba	Two-Br/ 2.0-Ba	Three-Br/ 2.0-Ba
Apple Valley	\$1,361	\$1,550	\$1,785	\$2,019
Burnsville	\$1,307	\$1,585	\$1,786	\$1,950
Eagan	\$1,470	\$1,565	\$1,690	\$2,177
Farmington	\$1,150	\$1,250	-	-
Hastings	\$974	\$1,275	\$1,650	\$2,235
Inver Grove Heights	\$1,300	\$1,500	\$1,799	\$1,735
Lakeville	\$1,520	\$1,895	\$1,880	\$2,271
Mendota Heights	\$1,695	\$2,280	\$2,350	\$5,625
Rosemount	\$1,448	\$1,650	\$1,908	\$2,245
South St. Paul	\$1,099	\$2,020	\$1,520	\$1,699
West St. Paul	\$1,250	\$1,495	\$1,595	\$2,330
Dakota County (Ranges)	\$1,385 (\$974-\$1,695)	\$1,585 (\$1,250-\$2,280)	\$1,785 (\$1,520-\$2,350)	\$2,177 (\$1,699-\$5,625)

Overall median rents for the market-rate units in the PSA (Dakota County) range from \$1,385 (one-bedroom/one-bathroom unit) to \$2,177 (three-bedroom/ two-bathroom unit).

Multifamily Rentals-Tax Credit Median Rents

	Median Tax Credit (Non-Subsidized) Rents by Bedroom/Bathroom Type			
	One-Br/ 1.0-Ba	Two-Br/ 1.0-Ba	Two-Br/ 2.0-Ba	Three-Br/ 2.0-Ba
Apple Valley	\$858	\$920	\$1,596	\$1,815
Burnsville	\$903	\$1,143	\$1,555	\$1,500
Eagan	\$765	\$920	\$1,578	\$1,820
Farmington	\$765	\$937	-	-
Hastings	\$504	\$920	\$1,472	-
Inver Grove Heights	\$504	\$746	\$1,565	\$1,540
Lakeville	\$765	\$937	\$1,341	\$1,545
Mendota Heights	\$504	\$746	-	-
Rosemount	\$765	\$920	\$1,336	\$1,545
South St. Paul	\$504	\$746	-	-
West St. Paul	\$879	\$746	\$1,523	\$1,689
Dakota County (Ranges)	\$765 (\$504-\$903)	\$920 (\$746-\$1,143)	\$1,555 (\$1,336-\$1,596)	\$1,604 (\$1,500-\$1,820)

Median rents for the Tax Credit units in the overall county range from \$765 for a one-bedroom/one-bathroom unit to \$1,604 for a three-bedroom/two-bathroom unit.

Housing Supply – Non-Conventional Rentals

Non-Conventional Rentals Consist of Single-Family Homes, Duplexes, Mobile Homes, Etc., and
Comprise a Notable Portion of the Local Housing Market

Bowen National Research identified 83 non-conventional rentals that were listed as available for rent in the county.

Available Non-Conventional Rental Units				
Bedroom	Vacant Units	Rent Range	Median Rent	Median Rent Per Square Foot
One-Bedroom	2	\$1,050 - \$1,300	\$1,175	\$1.60
Two-Bedroom	18	\$910 - \$2,585	\$1,750	\$1.39
Three-Bedroom	44	\$1,825 - \$3,750	\$2,500	\$1.40
Four-Bedroom	19	\$2,000 - \$3,945	\$2,600	\$1.25
Total	83			

There are **14,142 non-conventional rentals** in Dakota County, representing **34.7% of all rentals**.

Based on the 83 identified vacant non-conventional rentals, Dakota County has an overall **vacancy rate of 0.6%** (well below the optimal range of 4% to 6%).

The median rent by bedroom type is generally \$1,750+. It is **unlikely that most lower income households** would be able to afford the typical non-conventional rental in the area.

Housing Supply – Non-Conventional Rentals by Submarket

Limited Availability and High Rents Exist Among Non-Conventional Rentals In All Submarkets

Vacancy rates are **1.5% or lower** in **all submarkets**, with the **majority** of submarkets **operating at or below 0.5%**.

Most submarkets have **base rents of \$1,595 or higher**, posing a challenge for many county households to be able to afford a non-conventional rental.

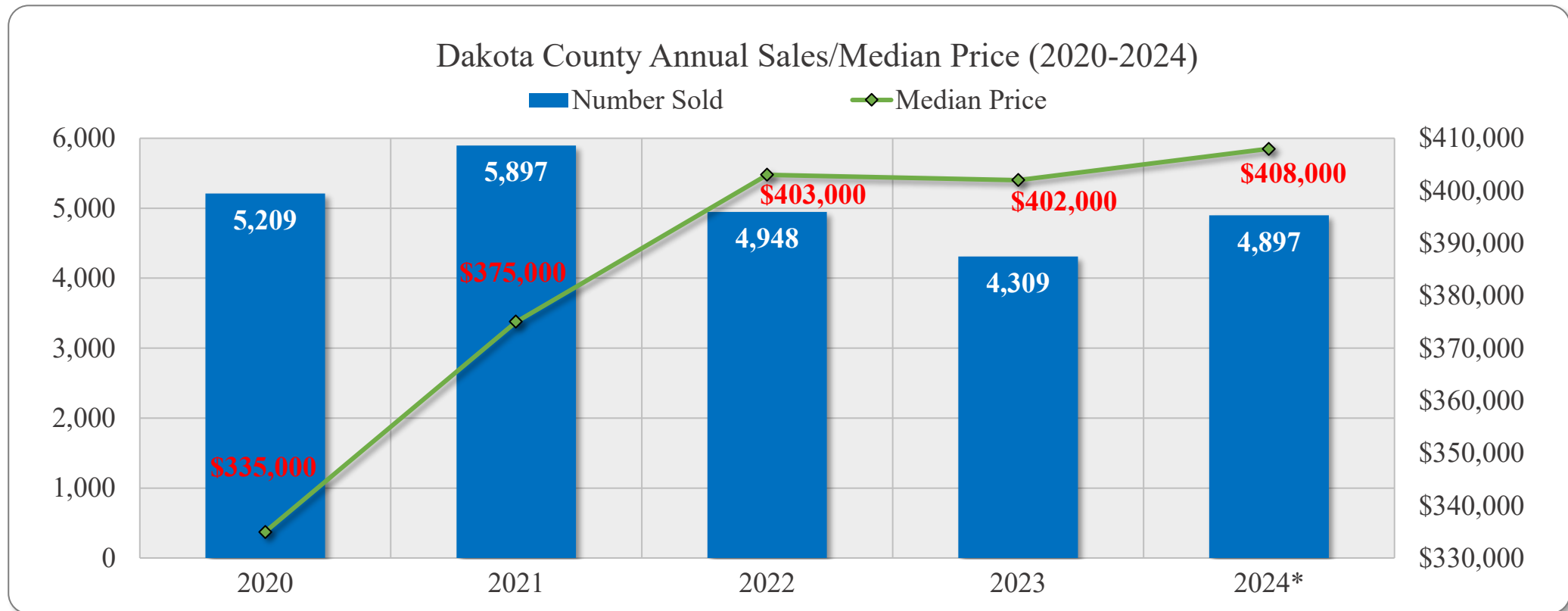
Available Surveyed Non-Conventional Rental Supply (August & September 2024)				
Area	Vacant Units	Total Units	Vacancy Rate	Collected Rent Range
Apple Valley	10	2,148	0.5%	\$1,490 - \$2,815
Burnsville	3	1,881	0.2%	\$1,595 - \$3,000
Eagan	12	2,288	0.5%	\$1,595 - \$3,750
Farmington	11	920	1.2%	\$1,050 - \$3,240
Hastings	4	908	0.4%	\$910 - \$2,950
Inver Grove Heights	6	1,240	0.5%	\$2,149 - \$3,695
Lakeville	16	1,633	1.0%	\$1,900 - \$3,400
Mendota Heights	2	333	0.6%	\$2,375 - \$3,945
Rosemount	7	649	1.1%	\$1,900 - \$3,800
South St. Paul	3	1,210	0.2%	\$1,895 - \$2,600
West St. Paul	7	481	1.5%	\$1,300 - \$2,700
Balance of County	2	451	0.4%	\$2,250 - \$3,600
Dakota County	83	14,142	0.6%	\$910 - \$3,945

Source: Zillow, Rent.com, Homes.com

Home Sales (2020 to 2024)

Over 23,000 homes sold in Dakota County between 2020 and 2024 (July 31st)

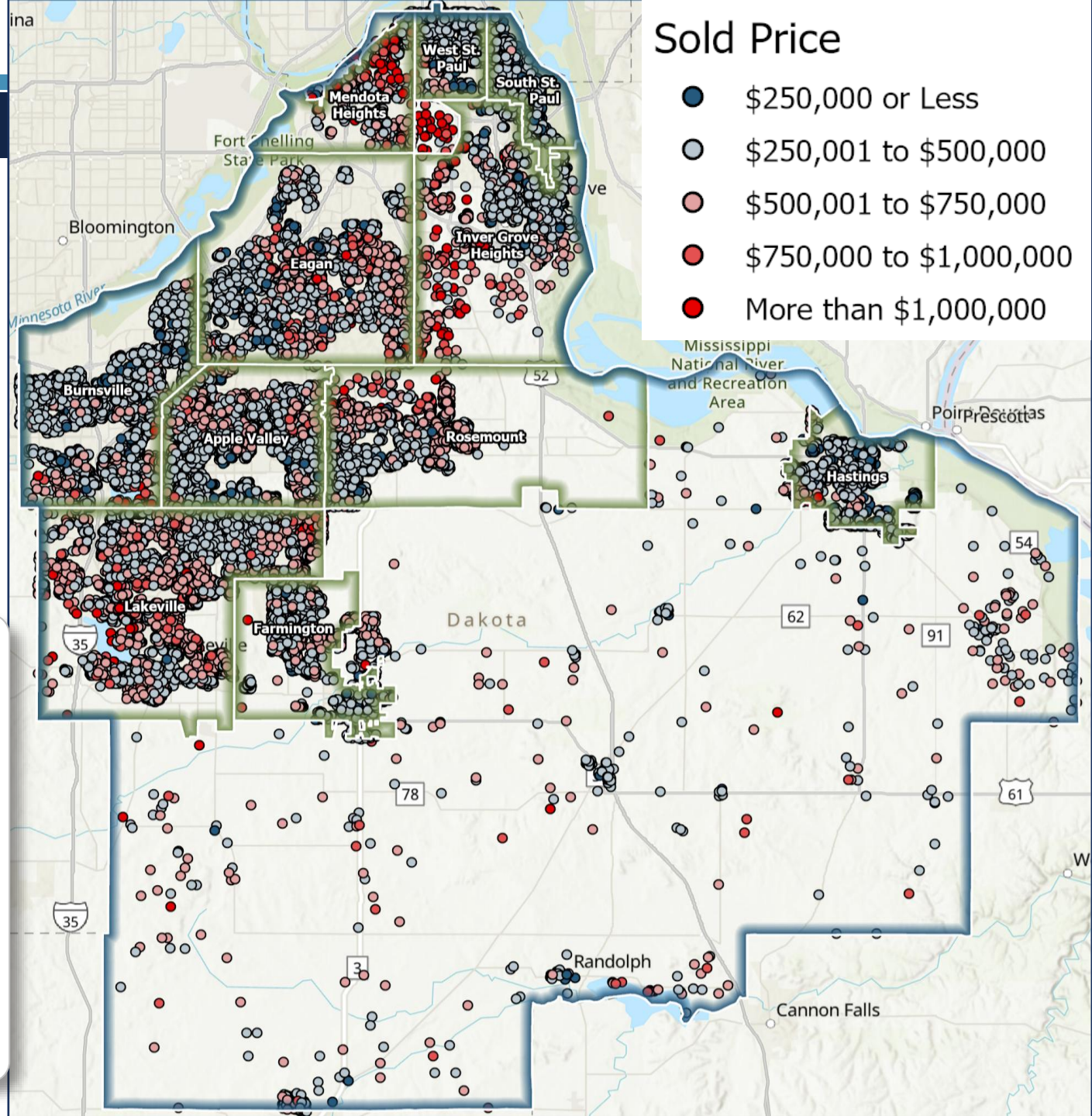
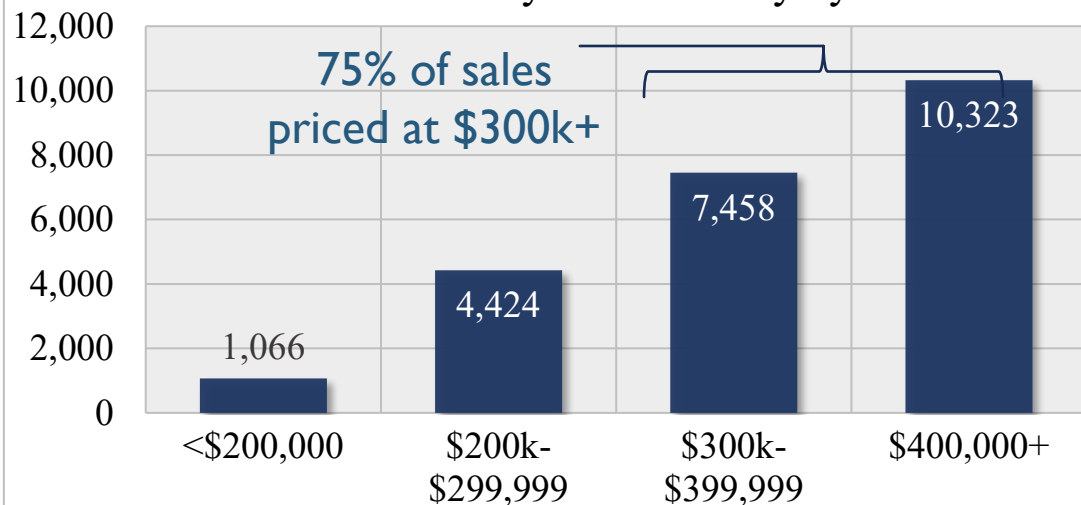
The volume of homes sold and median sales price in the county were generally stable in 2022 and 2023, before experiencing increases in 2024.



Home Sales (2020-2024)

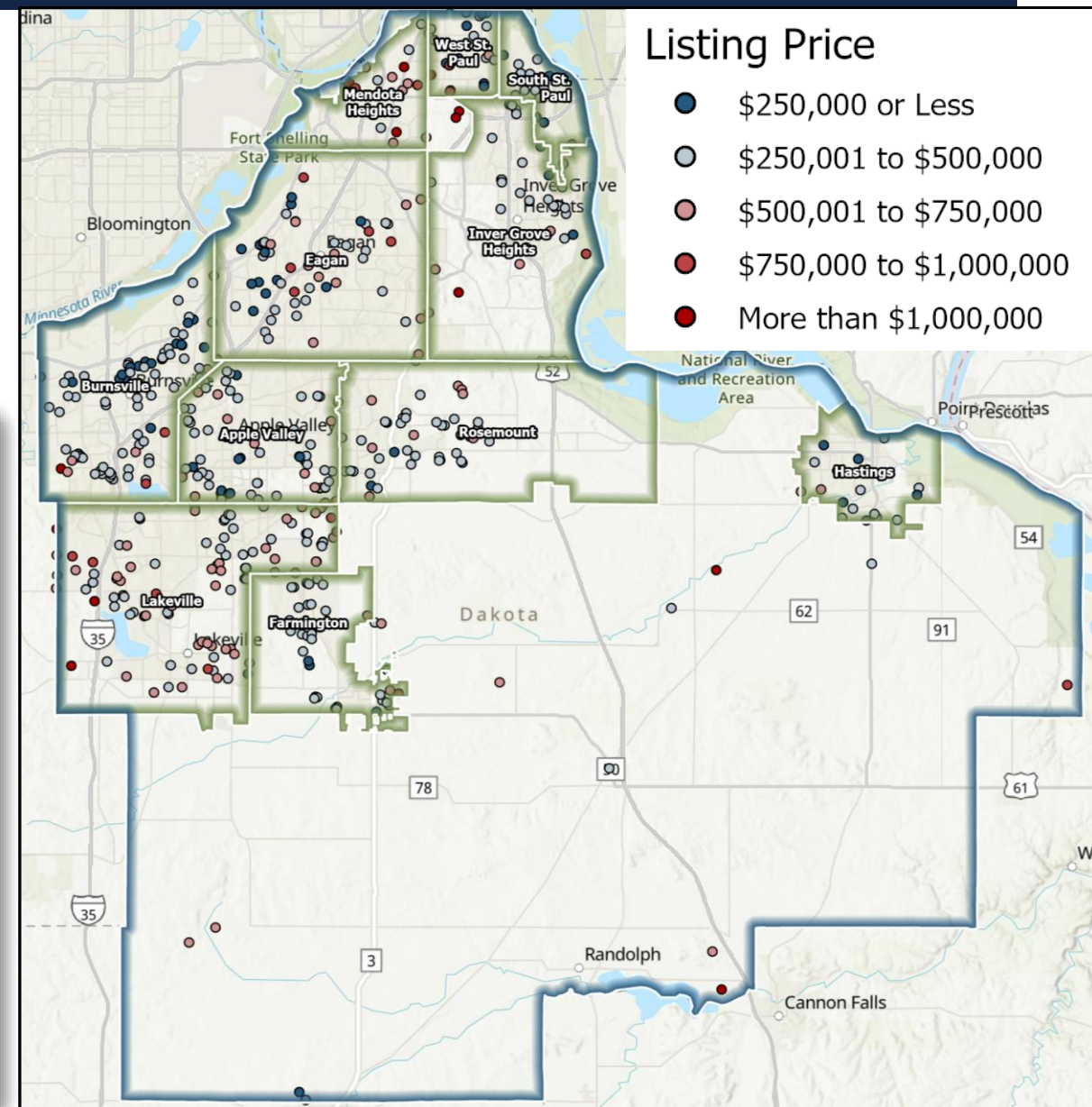
The majority of recent (2020 to 2024) home sales were priced at **\$300,000 or higher** within the county, while **less than 5%** of the homes sold were priced below **\$200,000**.

Dakota County Sales History by Price



Available Home Listings by Price

The **579** available homes represent an **availability rate of 0.5%**, which is **below the typical healthy range of 2% to 3%**, with **nearly three-quarters of the available product priced over \$300,000.**



Available Home Listings by Submarket & List Price

Nearly one-half (48.0%) of the available supply in Dakota County is priced \$400,000 or more. This pricing segment also represents the **largest share of available homes by price point within eight of the 11 submarkets**, as well as among homes outside of the submarkets in the balance of Dakota County. This is reflective of **housing affordability issues across the county.**

	Available For-Sale Housing Units by List Price – Dakota County, MN (As of July 31, 2024)							
	<\$200,000		\$200,000 - \$299,999		\$300,000 - \$399,999		\$400,000+	
	Number	Share	Number	Share	Number	Share	Number	Share
Apple Valley	12	15.0%	14	17.5%	22	27.5%	32	40.0%
Burnsville	16	16.5%	25	25.8%	24	24.7%	32	33.0%
Eagan	11	17.7%	16	25.8%	6	9.7%	29	46.8%
Farmington	1	2.8%	4	11.1%	16	44.4%	15	41.7%
Hastings	1	5.9%	5	29.4%	4	23.5%	7	41.2%
Inver Grove Heights	1	2.7%	12	32.4%	13	35.1%	11	29.7%
Lakeville	1	0.8%	10	8.3%	21	17.4%	89	73.6%
Mendota Heights	0	0.0%	0	0.0%	1	5.9%	16	94.1%
Rosemount	1	2.0%	7	14.0%	21	42.0%	21	42.0%
South St. Paul	1	7.1%	8	57.1%	4	28.6%	1	7.1%
West St. Paul	6	23.1%	8	30.8%	3	11.5%	9	34.6%
Balance of County	0	0.0%	1	4.6%	5	22.7%	16	72.7%
Dakota County	51	8.8%	110	19.0%	140	24.2%	278	48.0%

Available Home Listings by Submarket

Each submarket reports availability rates below 1.0% (healthy is between 2%-3%) and **Months Supply of Inventory (MSI)** levels of **less than 2.0 months** (healthy is 4 to 6 months), demonstrating **limited availability among for-sale product** within each of the submarkets.

	Available For-Sale Housing – Dakota County, MN (As of July 31, 2024)						
	Total Units	% Share of County	Availability Rate / MSI	Average List Price	Median List Price	Average Days on Market	Average Year Built
Apple Valley	80	13.8%	0.5% / 1.7	\$372,169	\$367,500	42	1991
Burnsville	97	16.8%	0.6% / 1.8	\$344,839	\$340,000	34	1983
Eagan	62	10.7%	0.3% / 1.3	\$402,942	\$339,839	34	1988
Farmington	36	6.2%	0.5% / 1.2	\$397,881	\$378,530	63	2005
Hastings	17	2.9%	0.3% / 0.9	\$383,594	\$345,000	29	1976
Inver Grove Heights	37	6.4%	0.3% / 1.4	\$434,633	\$340,000	31	1994
Lakeville	121	20.9%	0.6% / 1.3	\$533,830	\$494,797	47	2006
Mendota Heights	17	2.9%	0.5% / 1.7	\$978,459	\$615,000	91	1985
Rosemount	50	8.6%	0.6% / 1.4	\$414,086	\$382,450	44	2009
South St. Paul	14	2.4%	0.2% / 0.7	\$268,964	\$277,450	69	1941
West St. Paul	26	4.5%	0.5% / 1.4	\$400,487	\$284,900	27	1970
Balance of County	22	3.8%	-	\$805,064	\$579,450	48	1984
Dakota County	579	100.0%	0.5% / 1.4	\$447,241	\$395,000	43	1992

Senior Care Housing

60 senior care facilities, containing a total of 3,946 marketed beds/units, were surveyed within Dakota County.

Project Type	Projects	Marketed Beds/Units	Vacant	Occupancy Rate	National Median Occupancy Rate*	Base Monthly Rates
Dakota County (PSA)						
Independent Living	21	1,355	56	95.9%	86.8%	\$775-\$4,742
Assisted Living	32	1,975	115	94.2%	85.4%	\$1,506-\$12,100
Nursing Homes	7	616	113	81.7%	82.0%	\$6,894-\$21,292
Total	60	3,946	284	92.8%	-	\$775-\$21,292

*Source: 2023 State of Seniors Housing

- There are 284 vacant units/beds, resulting in a high 92.8% occupancy rate.
- The county's occupancy levels for **independent** and **assisted living** are **above the national median occupancy rates**, while nursing homes are nearly identical to the national rate.

Senior households, age 65 and older, are expected to increase by 7,229 households (15.8% increase) over the next five years in Dakota County. These demographic projections suggest that demand for senior-oriented housing alternatives should increase in the coming years.

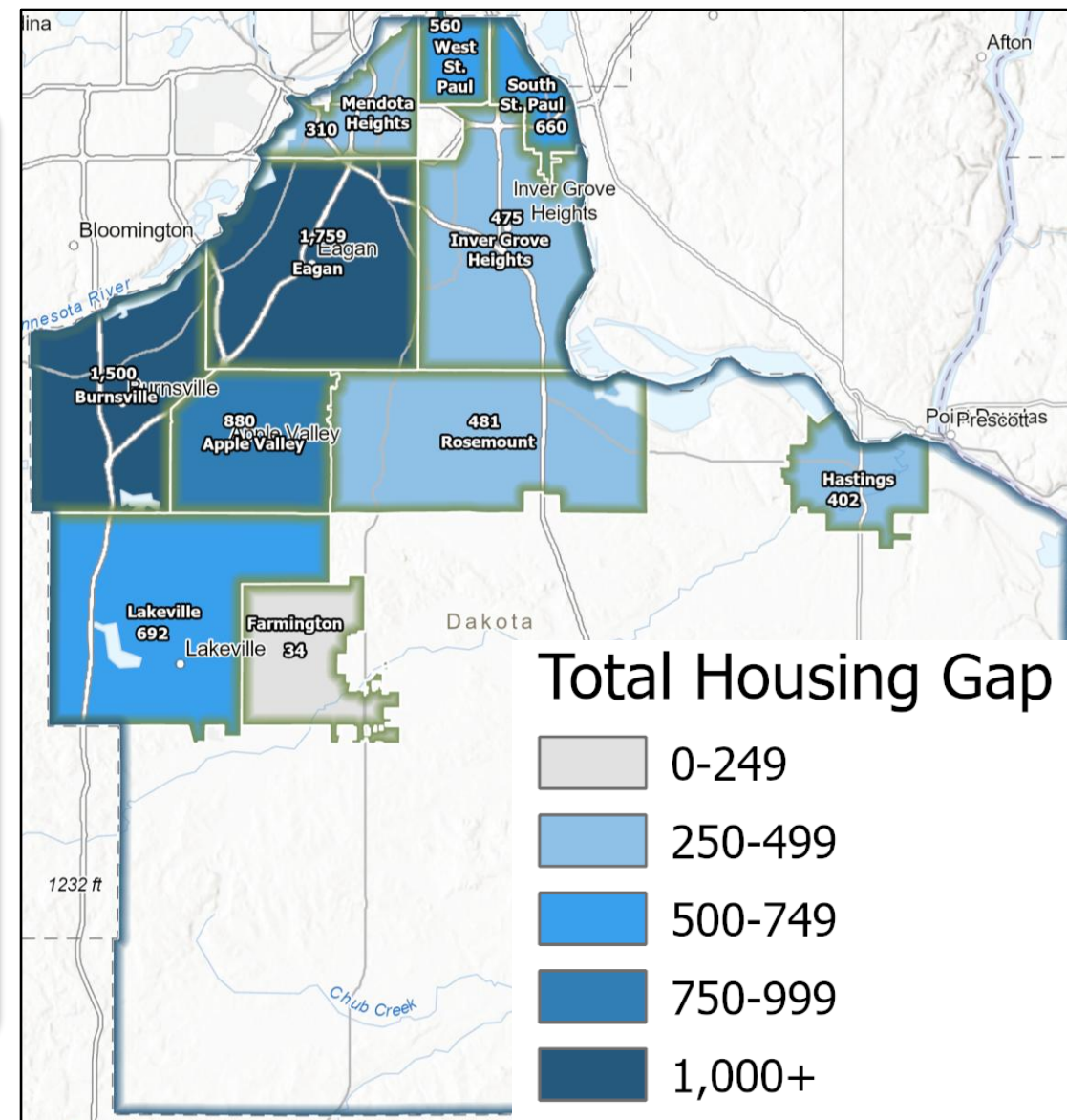
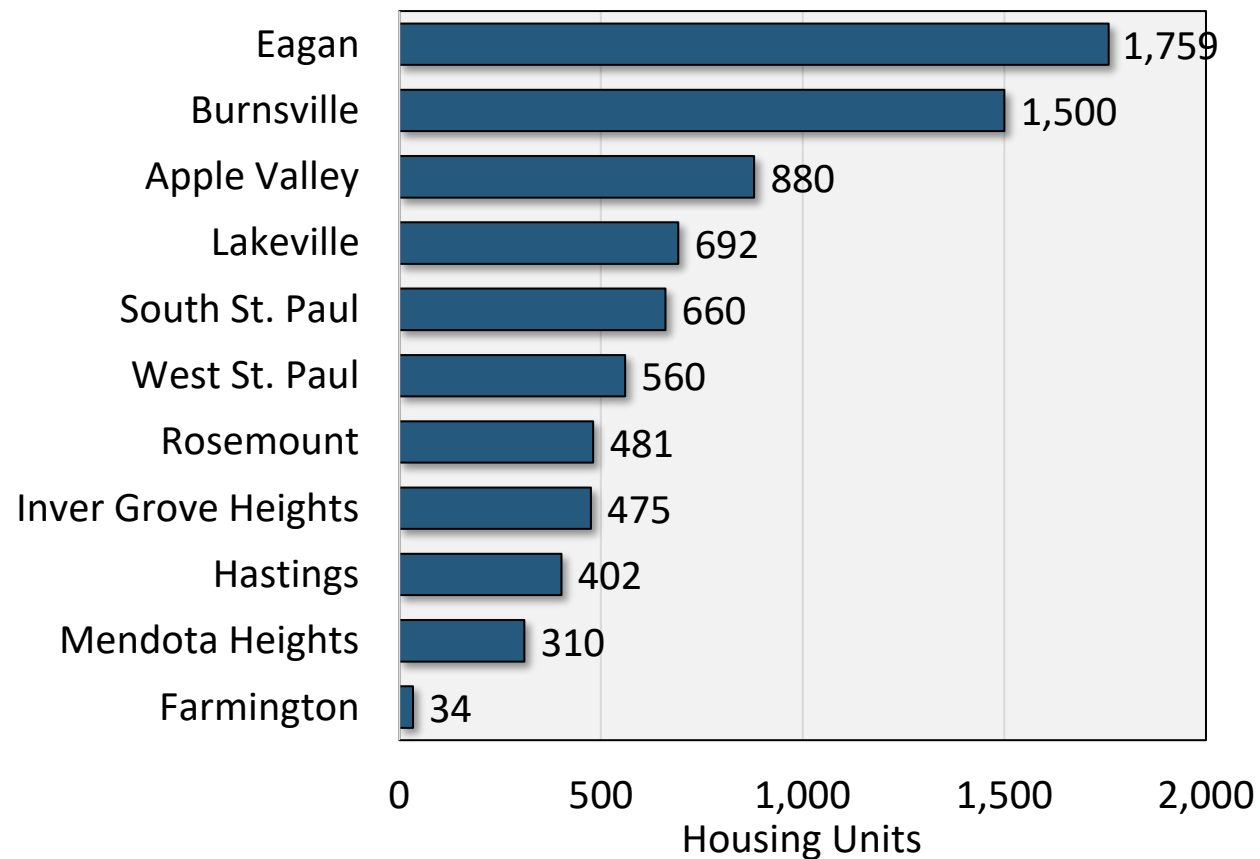
Housing Gap Estimates 2024-2029 (Rental Housing)

Between 2024 and 2029, Dakota County has an overall housing gap of 8,339 rental units. While there is a notable gap among each affordability level, the greatest gap is for the most affordable product. The gaps will more than double by 2034.

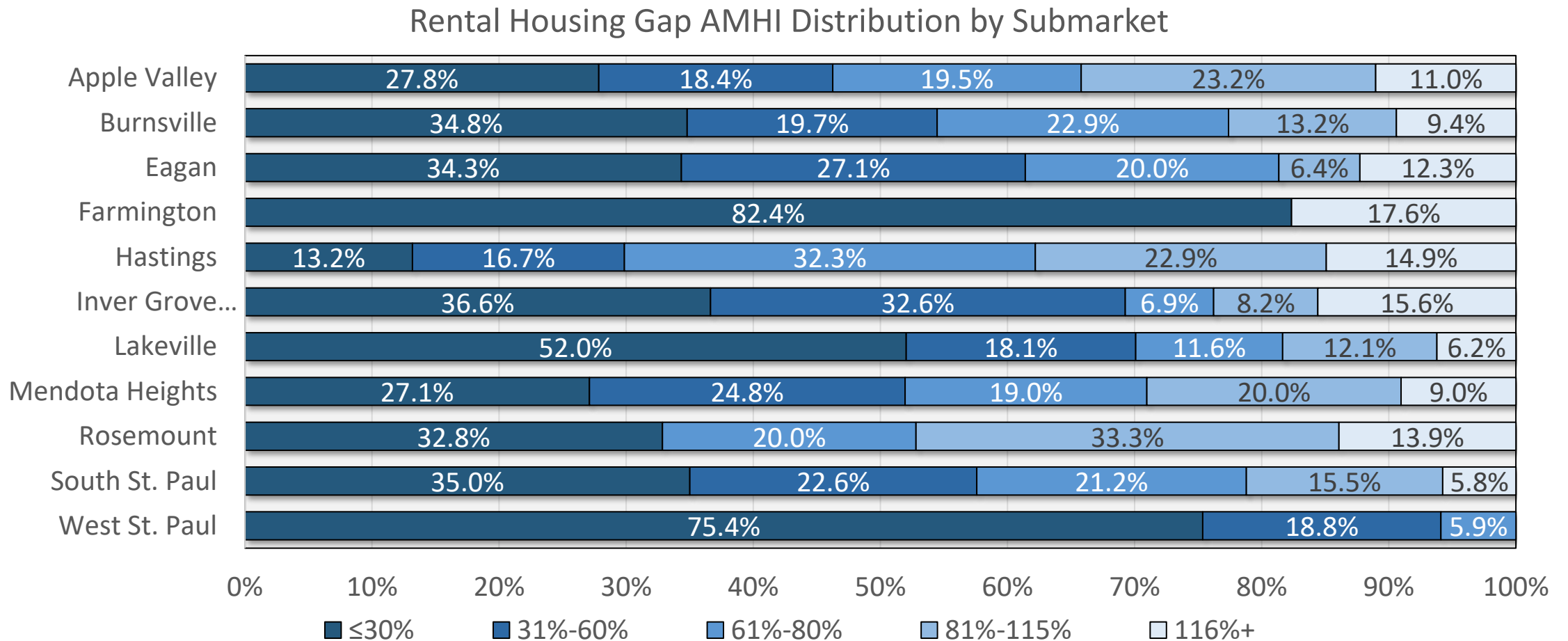
Percent of Median Income	≤ 30%	31%-60%	61%-80%	81%-115%	116%+
Household Income Range	≤ \$37,260	\$37,261-\$74,520	\$74,521-\$99,360	\$99,361-\$142,830	\$142,831+
Monthly Rent Range	≤ \$931	\$932-\$1,863	\$1,864-\$2,484	\$2,485-\$3,570	\$3,571+
Overall Rental Units Needed (2024-2029)	3,276	1,625	1,557	1,085	796
<i>Five-Year (2024-2029) Projection Total</i>					8,339
Overall Rental Units Needed (2024-2034)	6,560	3,929	3,713	3,362	1,779
<i>10-Year (2024-2034) Projection Total</i>					19,343

Housing Gap Estimates by Submarket 2024-2029 (Rental)

Total Rental Housing Gaps by Submarket



2024-2029 Rental Housing Gap Estimates By Submarket & Income Level



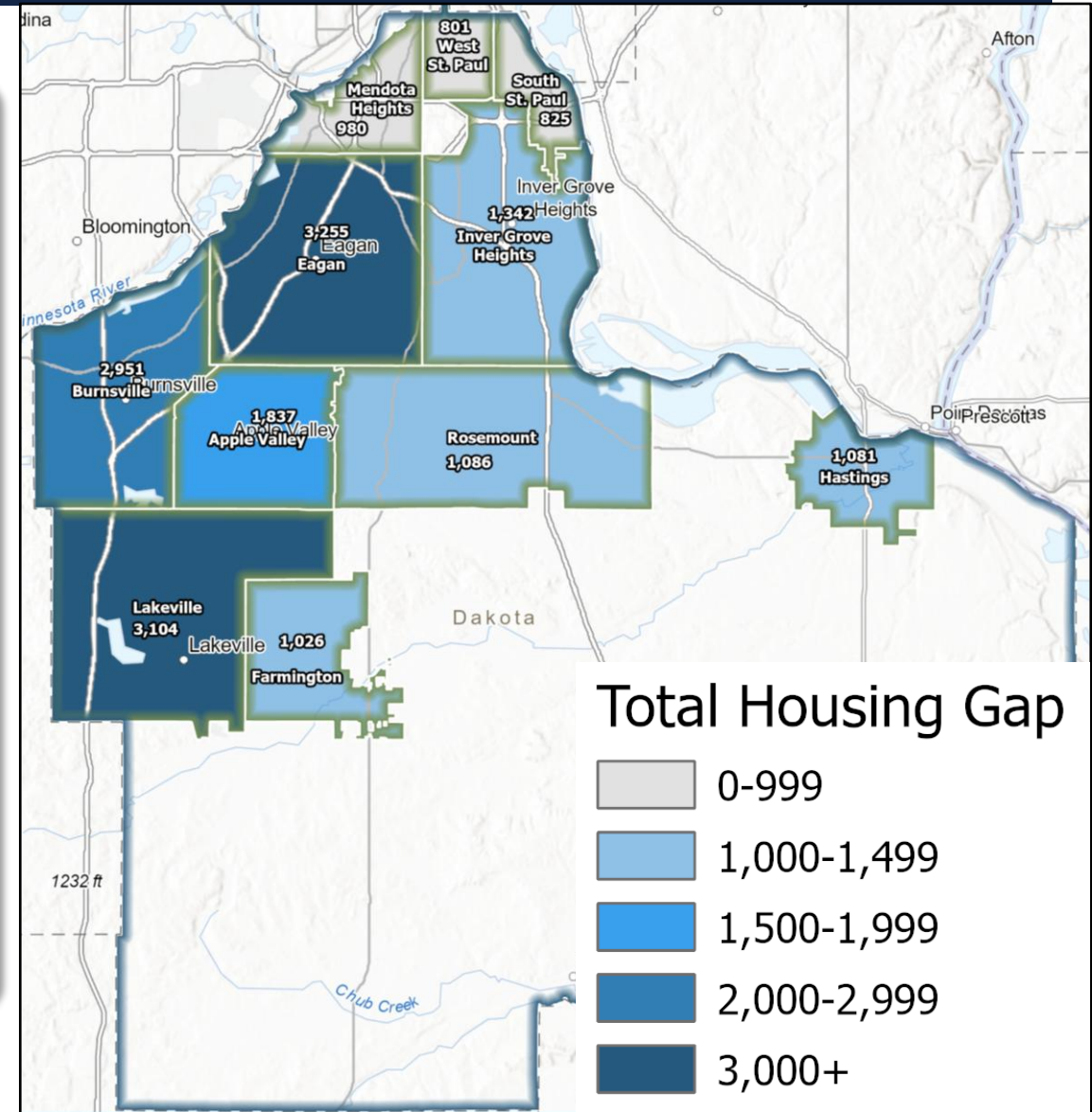
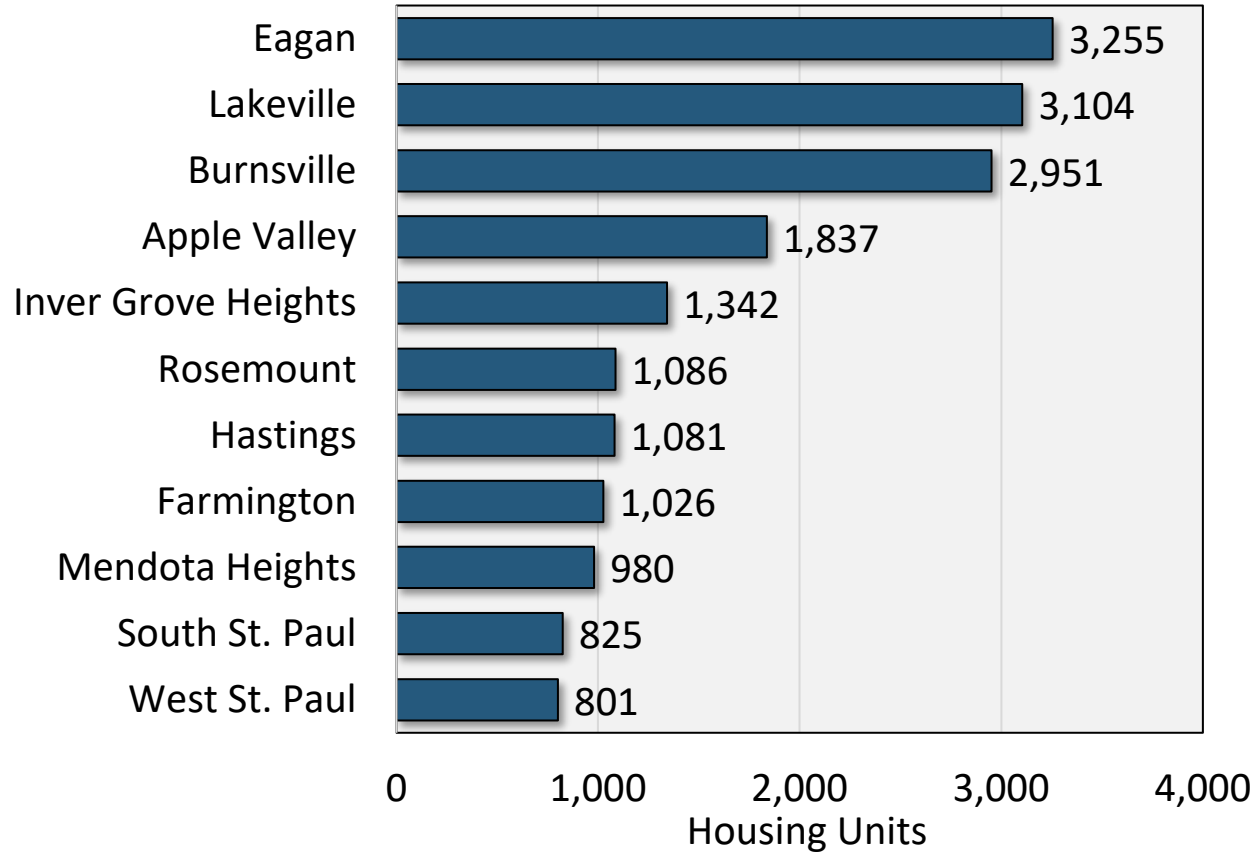
Housing Gap Estimates 2024-2029 (For-Sale Housing)

Between 2024 and 2029, Dakota County has an overall housing gap of 20,113 for-sale units, which will double by 2034. While gaps exist among all affordability levels of households above 30% of AMI, the greatest gap is for housing affordable to households earning between 81% and 115% of AMI that can afford housing priced between \$331k & \$476k.

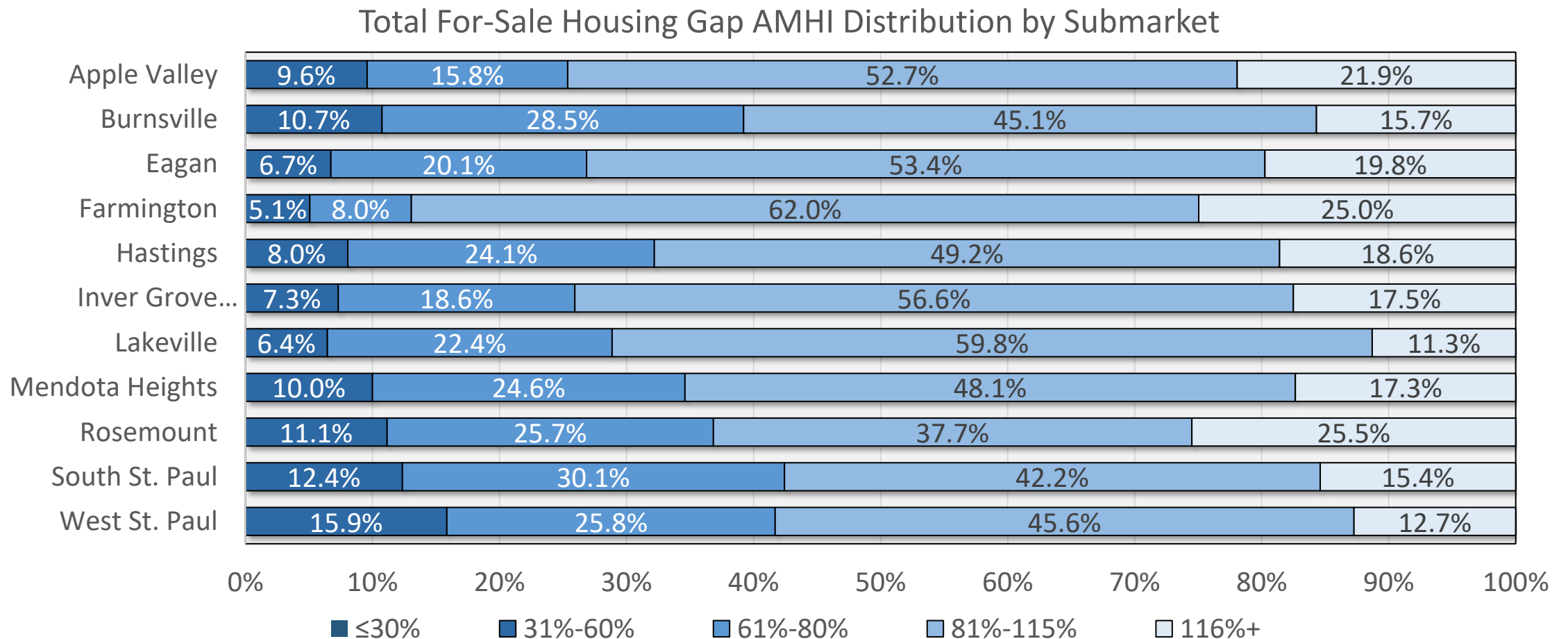
Percent of Median Income	≤ 30%	31%-60%	61%-80%	81%-115%	116%+
Household Income Range	≤ \$37,260	\$37,261-\$74,520	\$74,521-\$99,360	\$99,361-\$142,830	\$142,831+
Price Point	≤ \$124,200	\$124,201-\$248,400	\$248,401-\$331,200	\$331,201-\$476,100	\$476,101+
Overall For-Sale Units Needed (2024-2029)	0	1,730	4,305	10,253	3,825
Five-Year (2024-2029) Projection Total					20,113
Overall For-Sale Units Needed (2024-2034)	0	3,460	8,695	21,881	8,305
10-Year (2024-2034) Projection Total					42,341

Housing Gap Estimates by Submarket 2024-2029 (For-Sale)

Total For-Sale Housing Gaps by Submarket



2024-2029 For-Sale Housing Gap Estimates By Submarket & Income Level



Recommended Housing Strategies



WHAT'S
NEXT?

- **CAPACITY BUILDING** - Consider Capacity Building that will Expand the Base of Participants and Resources that can be Utilized to Address Housing Issues and Consider Identifying a “Housing Champion”
- **GOAL SETTING** - Set Realistic and Attainable Short-Term Housing Goals, Outline Long-Term Objectives, and Monitor Progress
- **ENCOURAGE COLLABORATION** - The Dakota County Community Development Agency (CDA) and Individual Communities Should Continue to Work Collaboratively to Address Housing Issues
- **REGULATORY CONSIDERATIONS** - Consider Implementing or Modifying Policies to Encourage and Support the Development of New Housing and the Preservation of Existing Housing

Recommended Housing Strategies

- **SUPPORT SENIOR HOUSING** - Explore Efforts to Encourage the Development of Senior-Oriented Housing to Enable Seniors to Transition into More Maintenance-Free Housing
- **SUPPORT WORKFORCE HOUSING** - Support Efforts to Encourage the Development and Preservation of Workforce Housing
- **EDUCATION & OUTREACH** - Support and Expand Education and Outreach Campaign to Help Support Housing Initiatives
- **DEVELOPMENT PARTNERSHIPS** - Explore and Encourage Development Partnerships Between Various Public & Private Sector Groups, Including Employers
- **MARKETING** - Market Dakota County's Housing Needs and Opportunities to Potential Residential Development Partners and Promote Existing Housing Resource Center

Questions?

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