State of Housing 2026

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MHP Areas of Focus

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Research | Policy | Community Development

Minnesota needs more housing, of every type, in every corner of the state.

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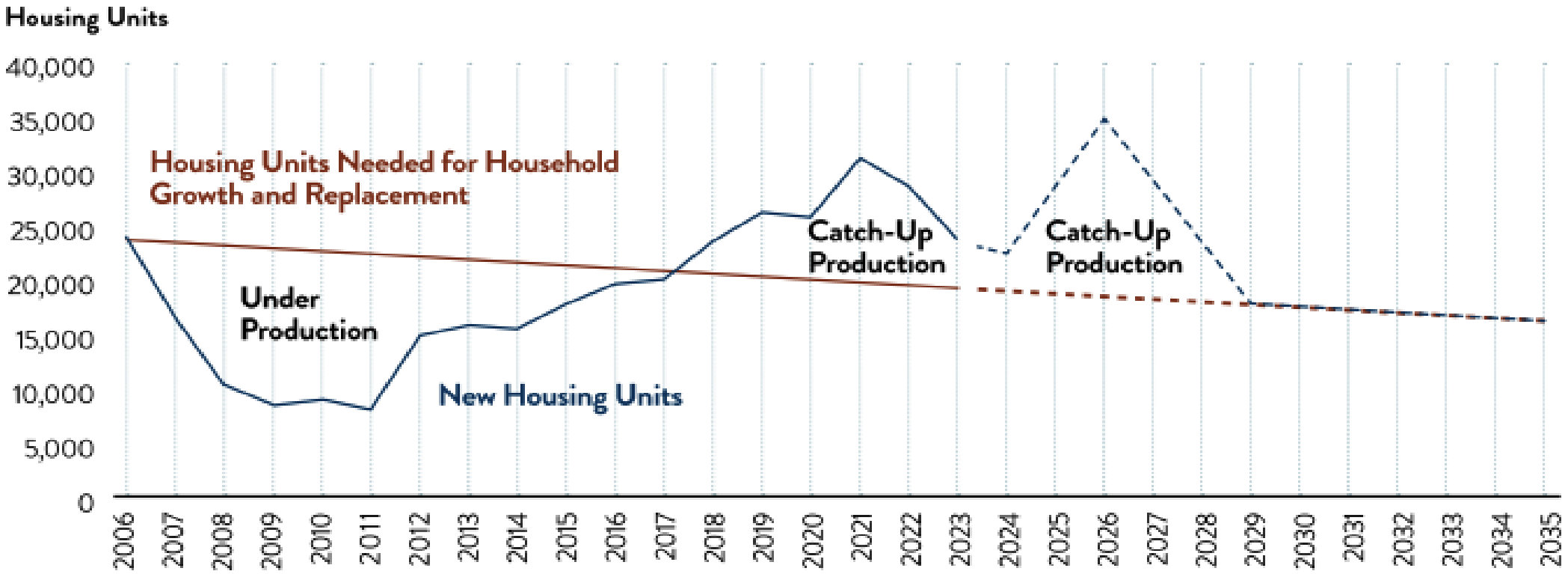
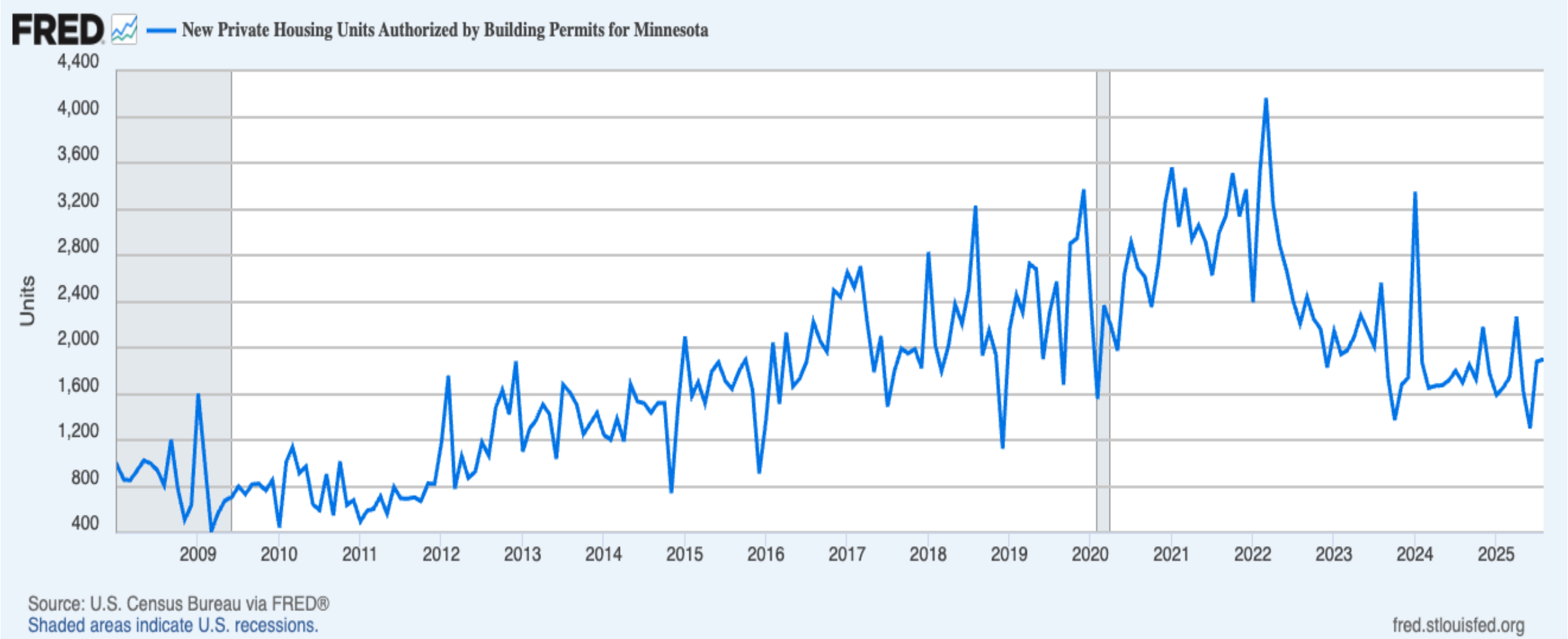
There Are Not Enough Homes

The State has Fallen Behind on Creating New Homes



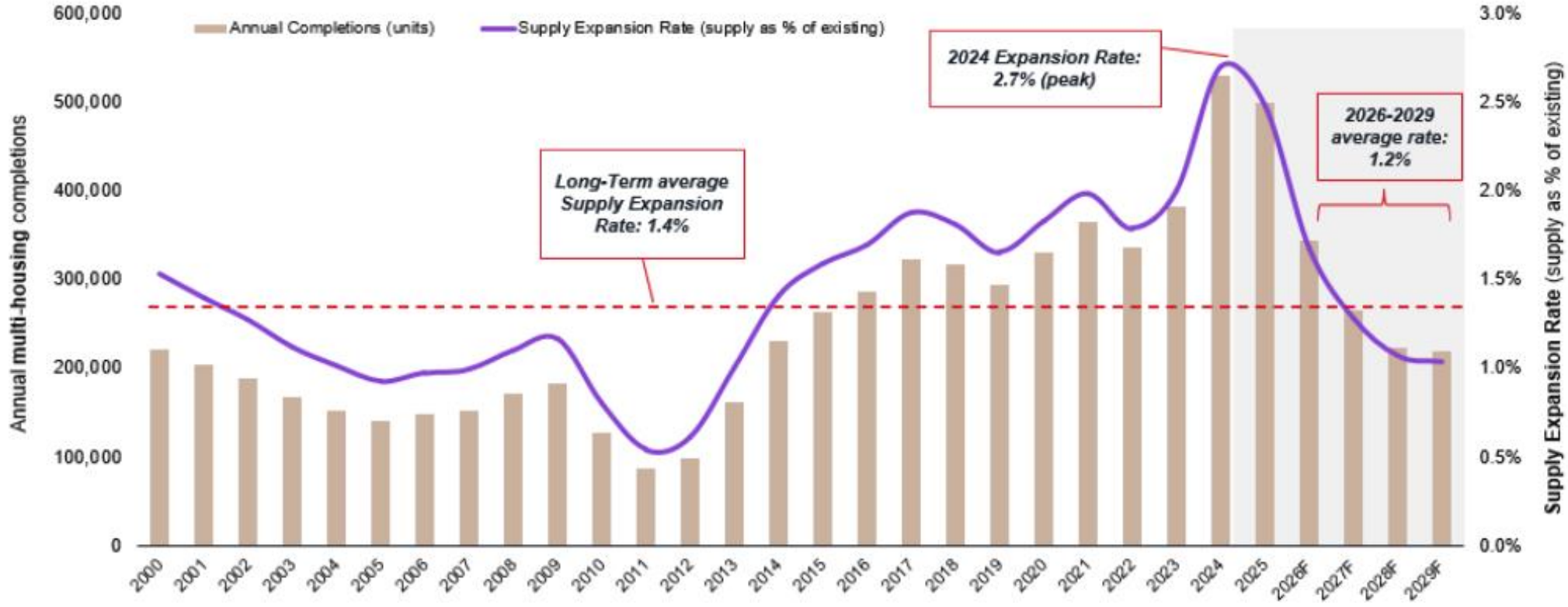
Source: Minnesota Housing modeling based on data from a wide range of sources, including the Minnesota Demographers Office, the U.S. Census Bureau's American Community Survey, Marquette Advisors, CoStar and HUD.

Building Permits Trending Down: *Leading Indicator*



Apartment Supply Outlook Slowing Precipitously

Long-term U.S. apartment supply picture: new supply has peaked with expansion rate slowing precipitously in 2026



Source: JLL Research, RealPage

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MN Has Goals For More Housing....

State of Minnesota goal:

300,000 new homes by 2030

Met Council 7-county goal:

36,000 new homes by 2011-2020

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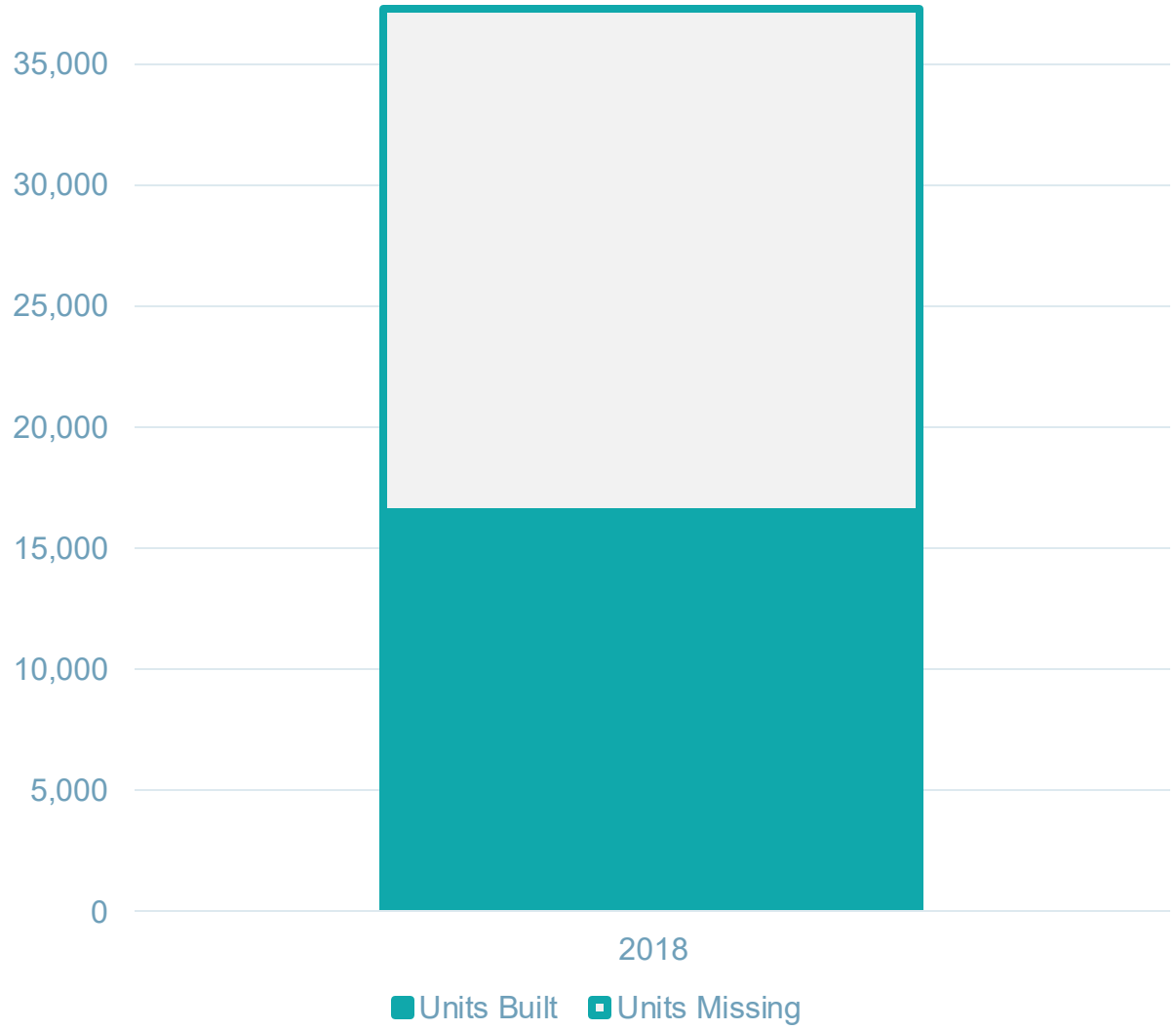
Minnesota Is NOT Meeting These Housing Goals...

In the past decade, the Met Council met only 44% of its affordable housing goal.

Goal of 36,000 units yet only 16,000 created =
20,000-unit shortfall

****In 2010-2020 period***



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We Need More Homes – *scarcity of supply reduces choice*

Especially for families with lower incomes

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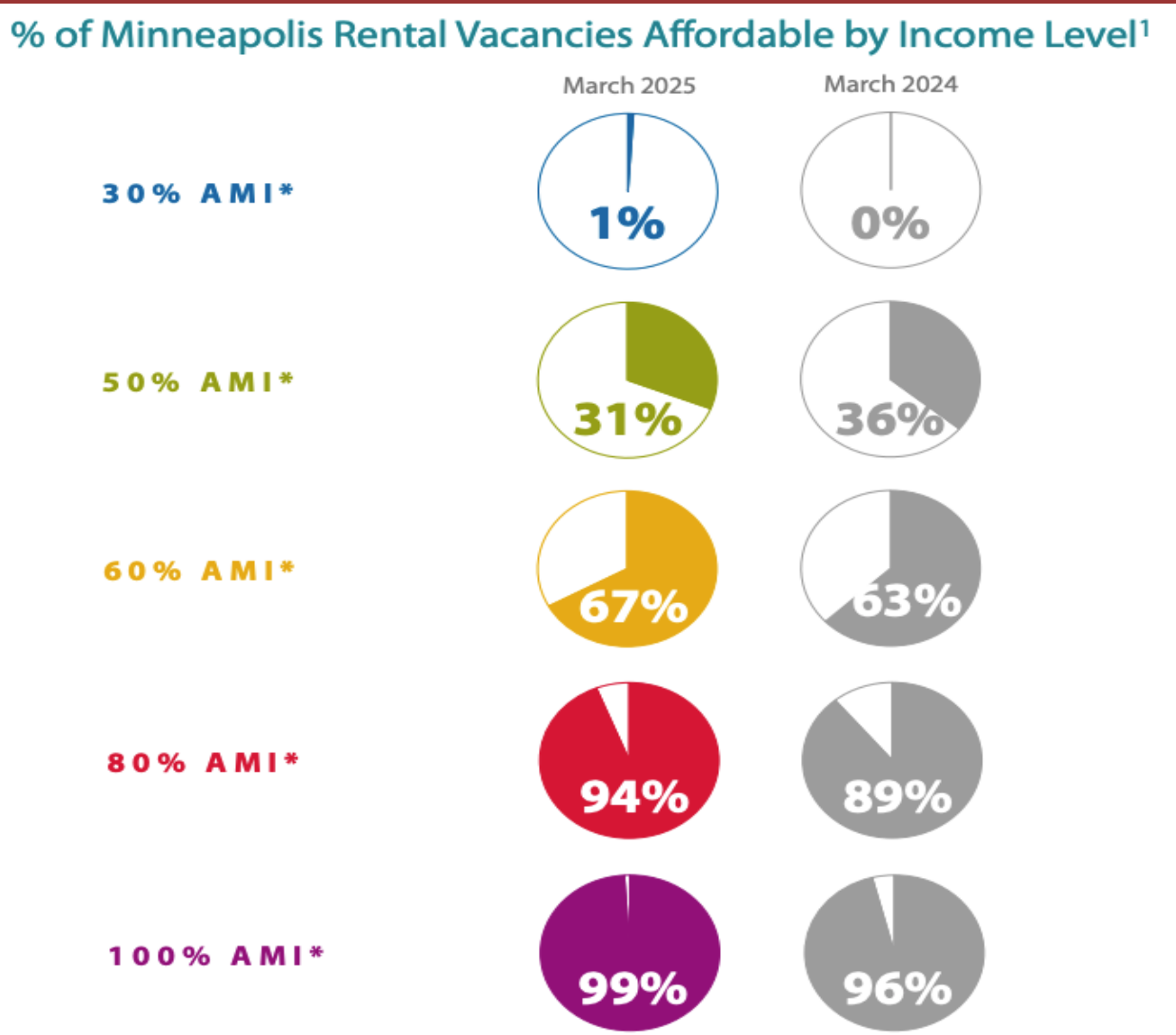
Source: Housing Link March 2025

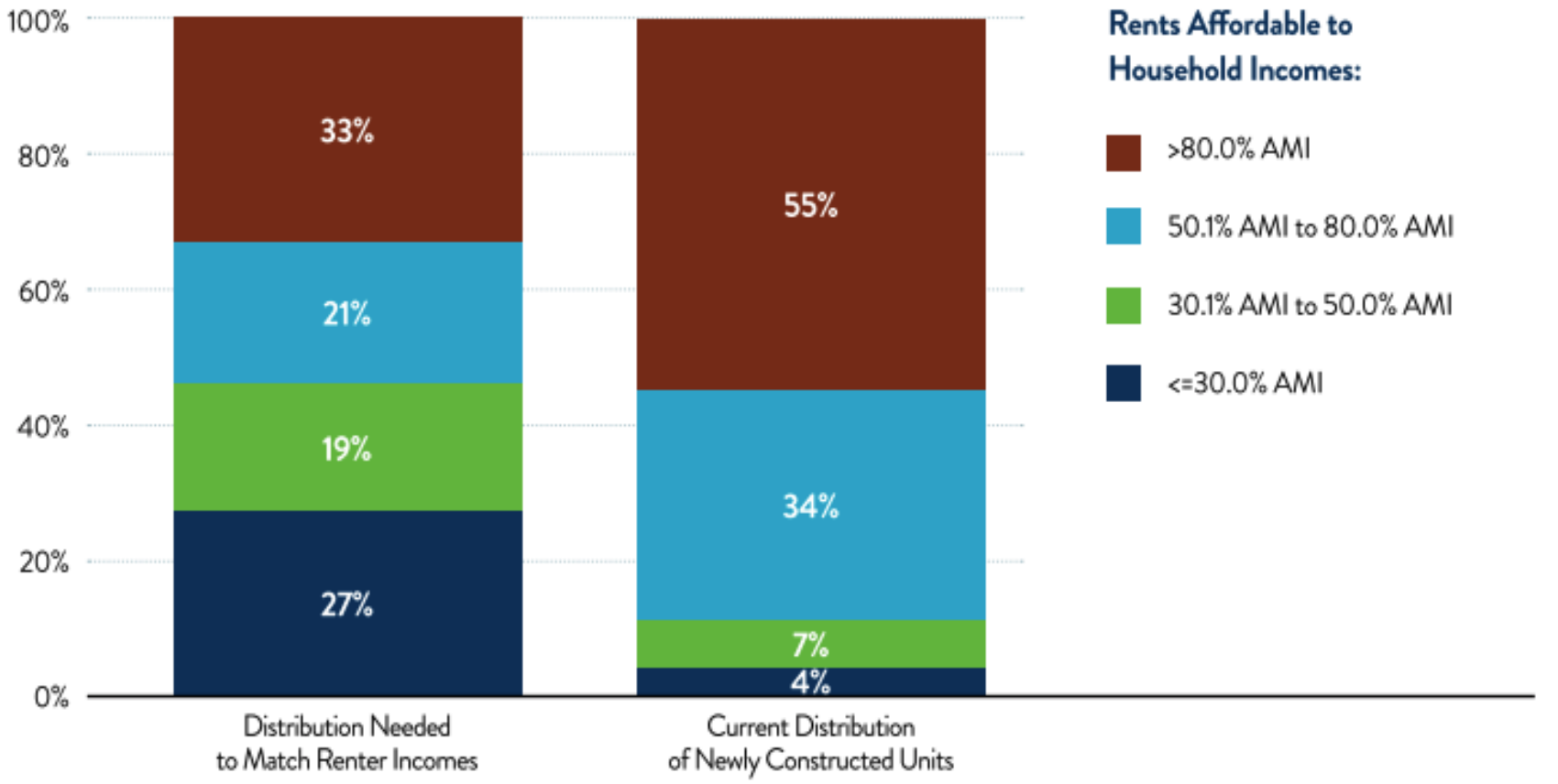


Home Production Mismatch in Minnesota

There is a severe mismatch between market supply and market demand.

Production of new units is skewed toward higher incomes.

Source: MN Housing 2025



Source: Minnesota Housing analysis based on data from the Met. Council (2022–2023 construction) and of HUD's 2017-2021 CHAS (Comprehensive Housing Affordability Strategy) data.

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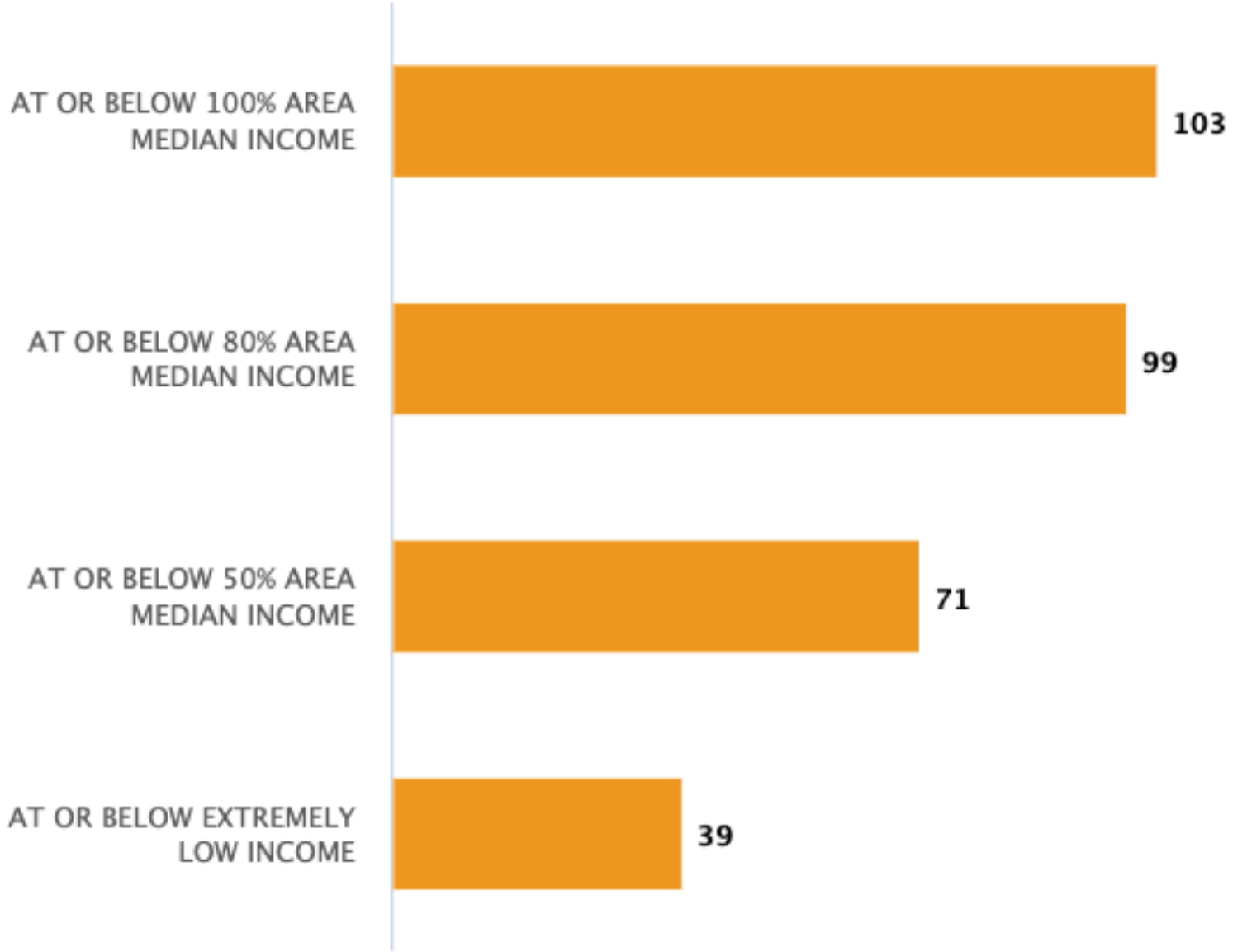
Affordable & Available Homes Per 100 Renter Households

There are only 39 rental homes affordable and available for every 100 extremely low-income Minnesotan households

Source: NLIHC Gap Report 2024



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Rental Assistance Can Bridge the Gap Between What Housing Costs and What Families Can Afford

101,000

Minnesota households—home to

178,000

people—use rental assistance.[1]

Recipients include:[3]

55%
families with children

28%
households with a person with a disability

19%
seniors

"*Rental Assistance Works for Minnesota*", July 2025 MHP/NAHRO report

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There Is a Rental Assistance Shortage

3 out of 4 households that are eligible for rental assistance DON'T receive it

With government programs critically underfunded, there isn't enough assistance to meet the need of Minnesotans.

Meanwhile ALL eligible homeowners receive a subsidy through the mortgage interest deduction

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Housing Costs Are Rising Faster Than Income

2026 STATE HOUSING PROFILE

Minnesota

2,363,442 Households

HOMEOWNER HOUSEHOLDS
1,692,435 | 72% of households

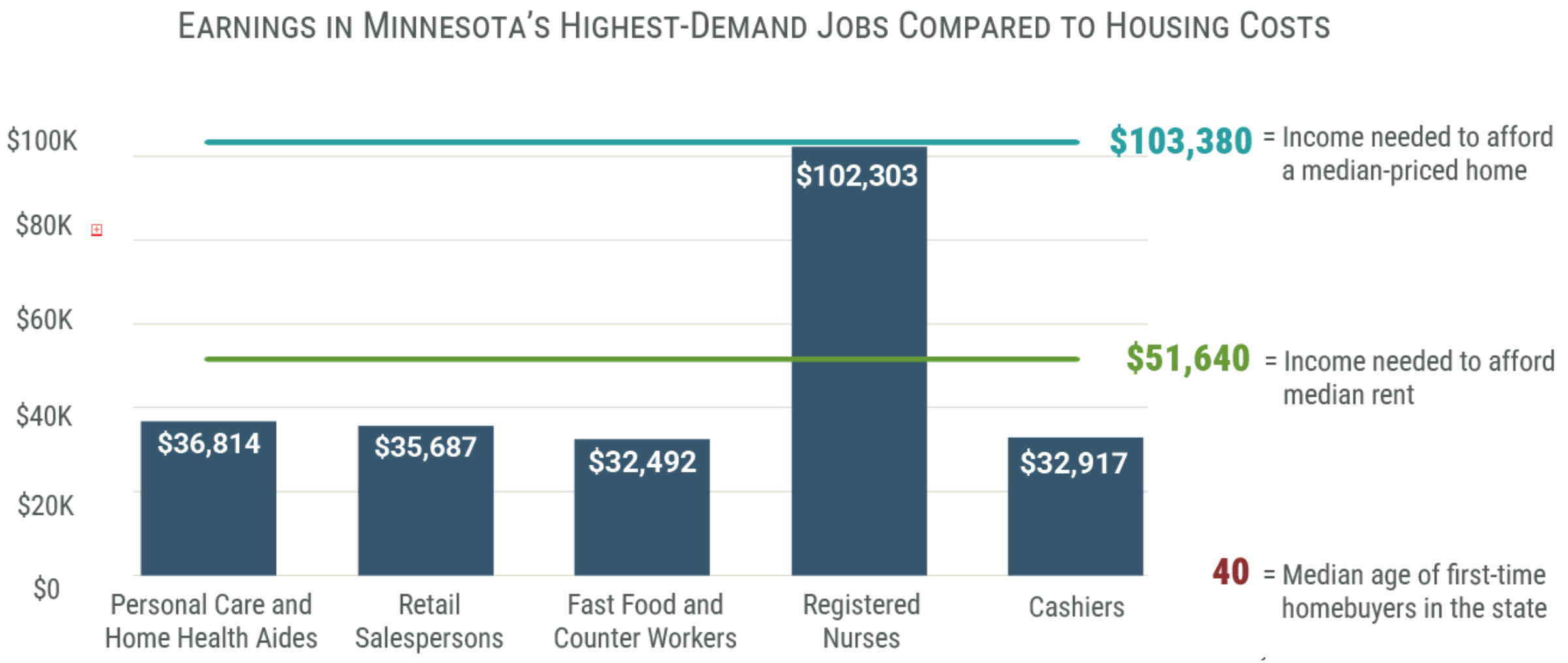
RENTER HOUSEHOLDS
671,007 | 28% of households

INCOME AND HOUSING COSTS: RECENT AND LONGER-TERM CHANGE

1-Year: 2023-'24	5-Year: 2019-'24	1-Year	5-Year
Owner income: **+4%** to $106,299	Owner income: **-4%**	Renter income: **+3%** to $51,712	Income: **0%**/stayed constant
Home values: **+5%** to $344,600	Home values: **+14%**	Rent: **+2%** to $1,291	Rent: **+3%**

2024 Data
Figures denote the median. Rent and home value increases are adjusted for inflation.

The Cost of Home Is Out of Reach For Hard-Working Minnesotans



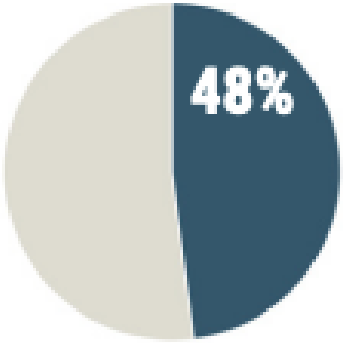
Source: MHP, 2026 State Housing Profile. 2024 Data

Rent Burden in Minnesota

Cost-burden Rates by Household Types

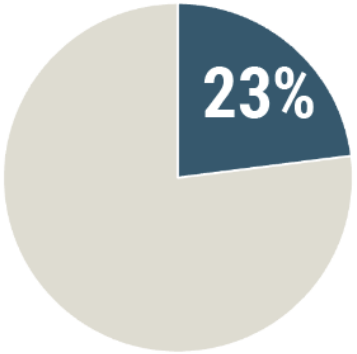
There are **643,332** cost-burdened Minnesotans (27% of all residents).

Renters with Cost Burden



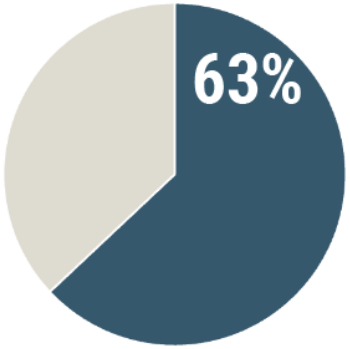
301,298
renters are cost-burdened
(48% of all renters)

Renters with Severe Cost Burden



144,965
are cost burdened
– 23% of all renters with severe cost burden

Senior Renters



77,313
are cost burdened
– 63% of all senior renters

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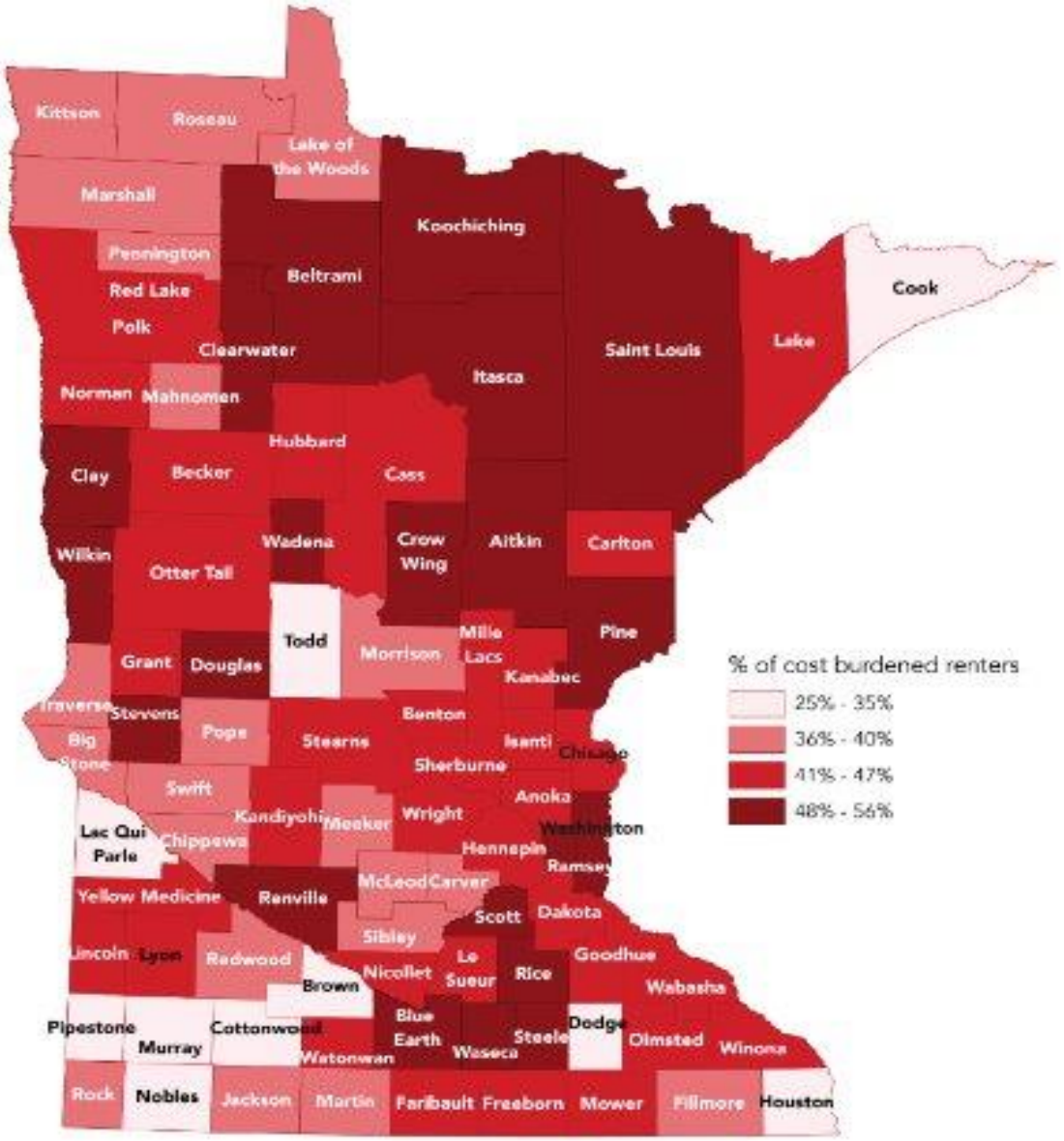
Source: MHP, 2026 State Housing Profile. 2024 Data

Housing Cost Burden In Every Corner of MN

Impacts of the lack of supply of housing, together with wages not keeping up:

People pay more than they can afford to maintain their housing.



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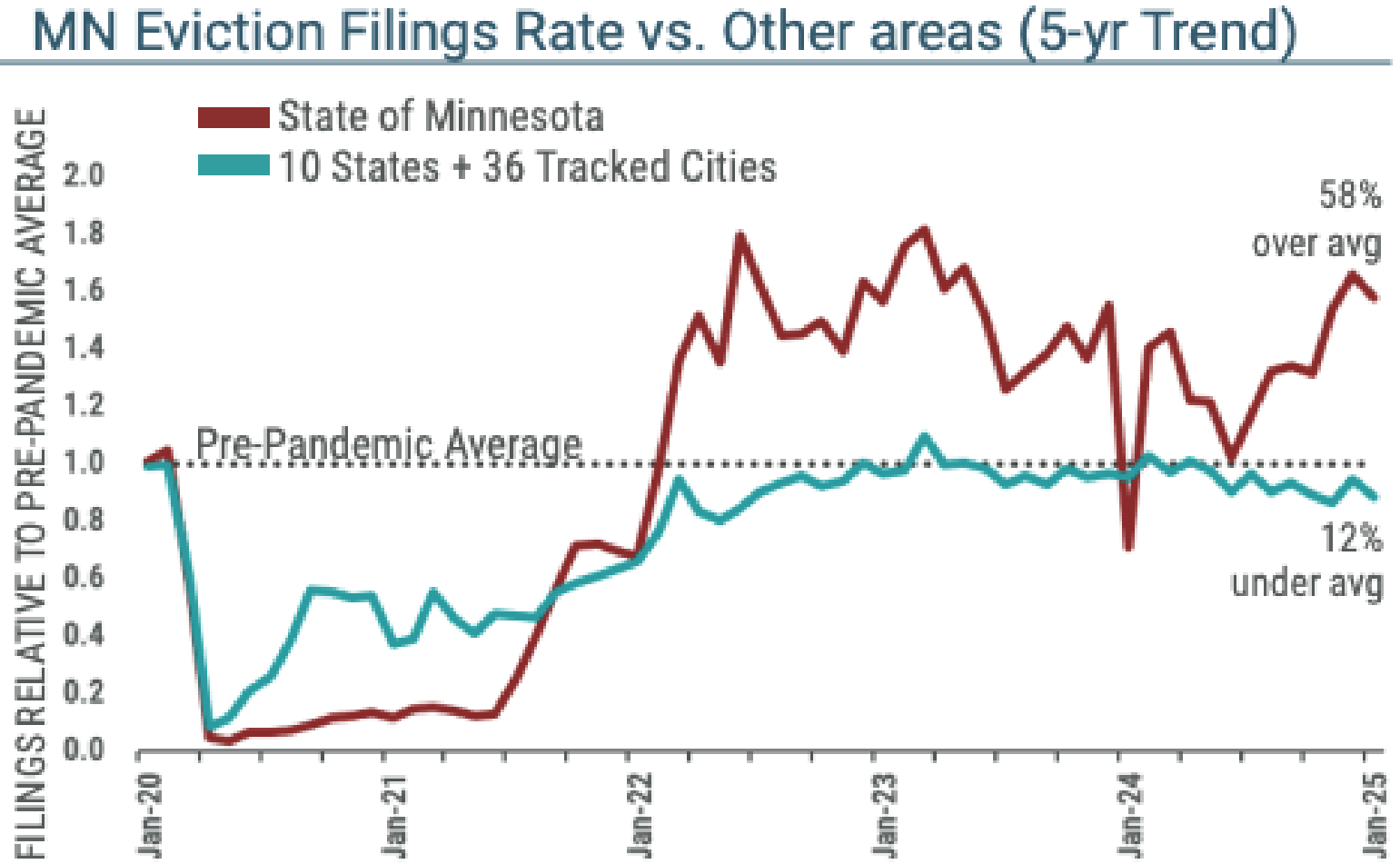
Evictions Continue to Rise and Uproot Families

Eviction filings have surged 50% to 25,252 from the pre-Covid average of 16,835.



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The-pre-pandemic average (2012-2019) as compared to the most recent year of available data (September 2023-August 2024).

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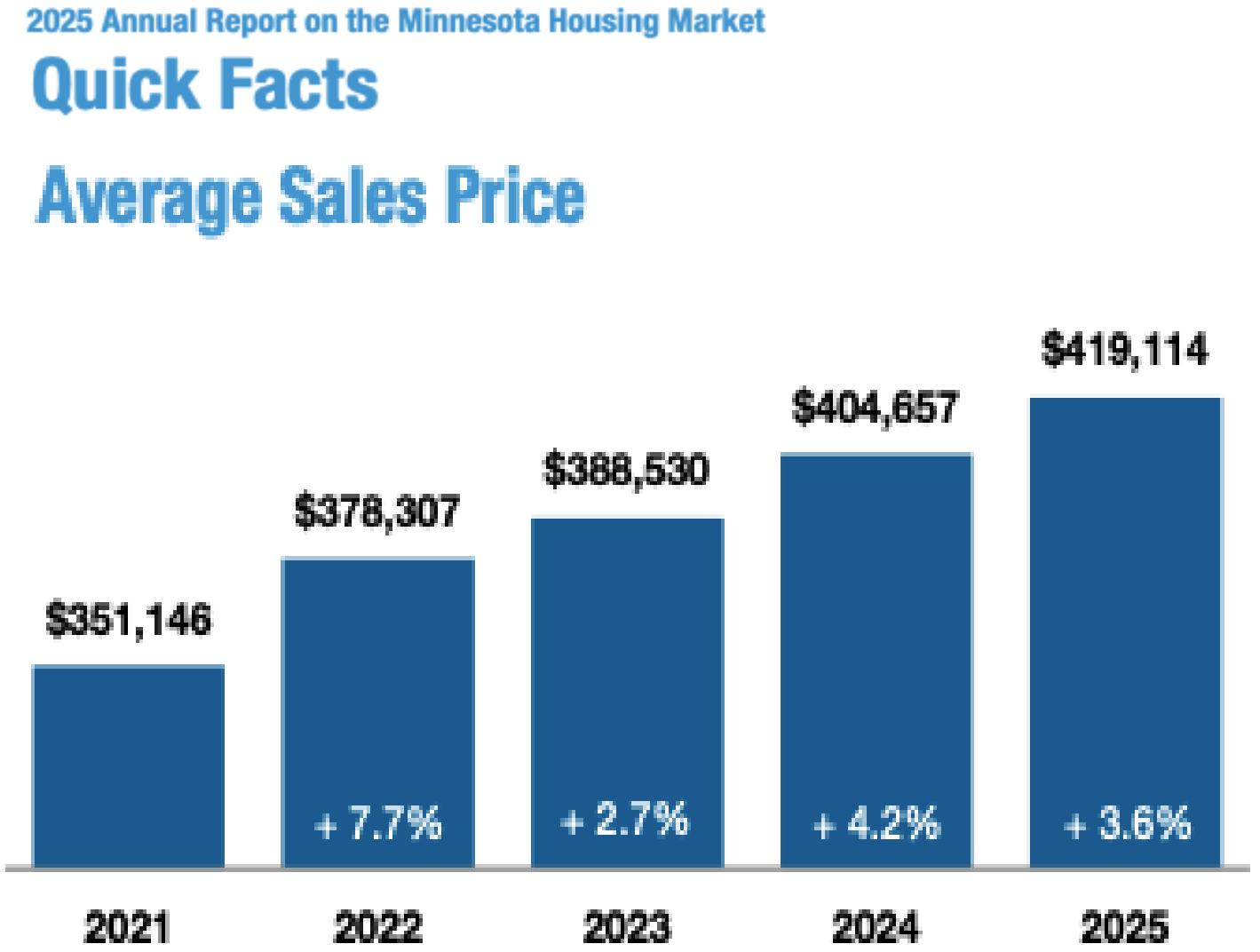
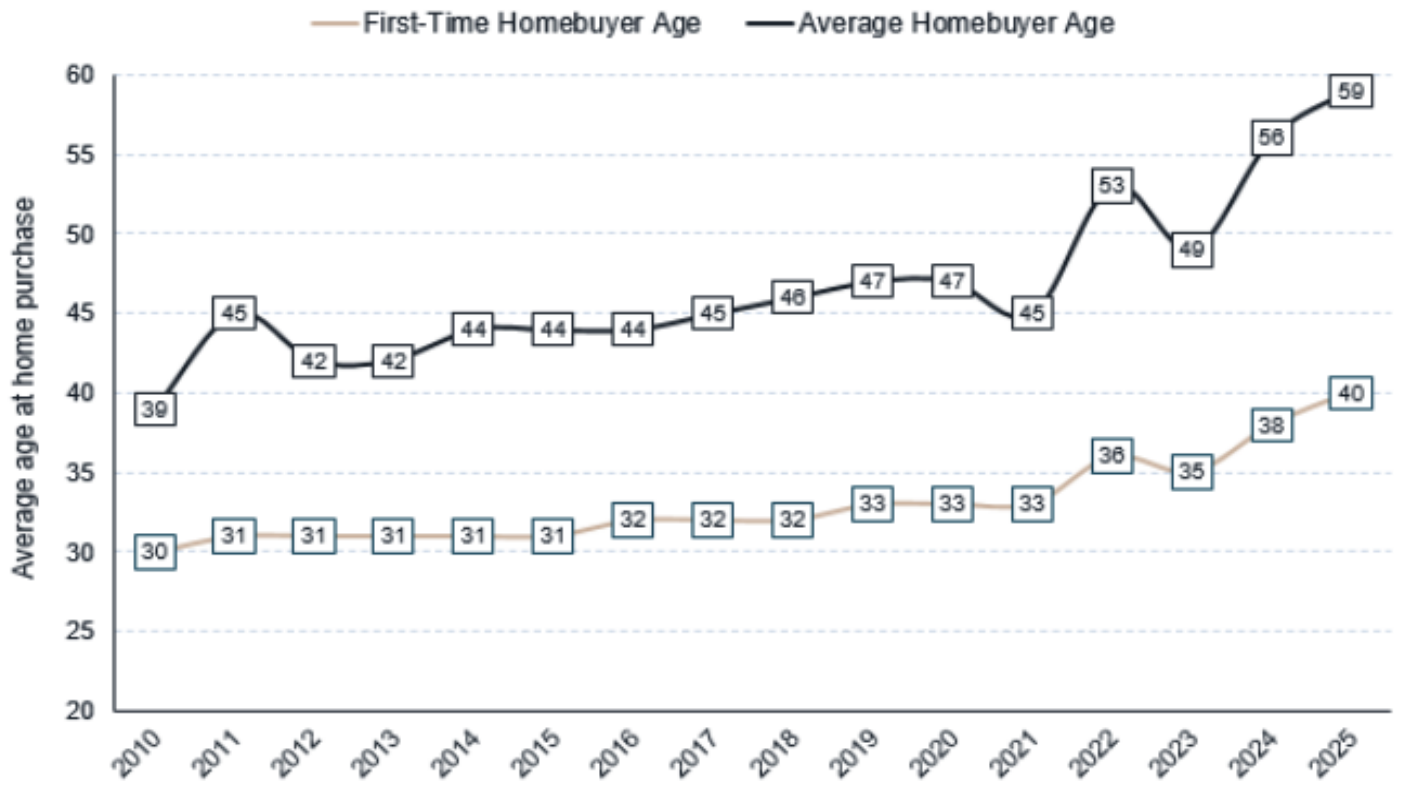
Homeownership Increasingly Out of Reach: Average Sales Price now $419,114



Source:
Minnesota Realtors®

Homeownership Increasingly Out of Reach: 1st time buyers average age now 40 years old

The average age of the first-time homebuyer in the United States has increased dramatically in the past decade



The average age of the first-time U.S. homebuyer **has increased from 33 in 2020 to 40 today**, significantly boosting rental market absorption

The share of renters **expecting to rent for 5+ years has doubled** in the past 14 years – to 30% of renters today

Source: JLL Research, National Association of Realtors, ResiClub, SatisFacts

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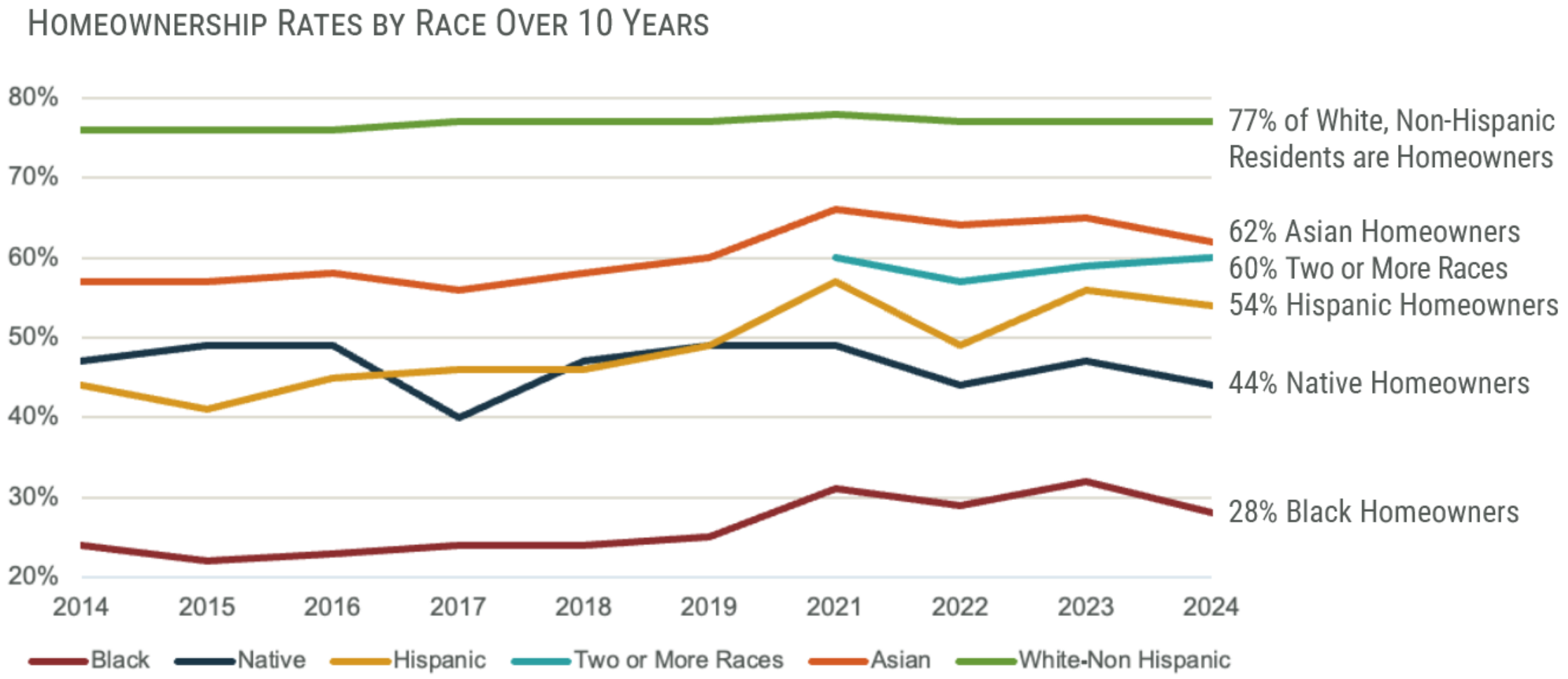
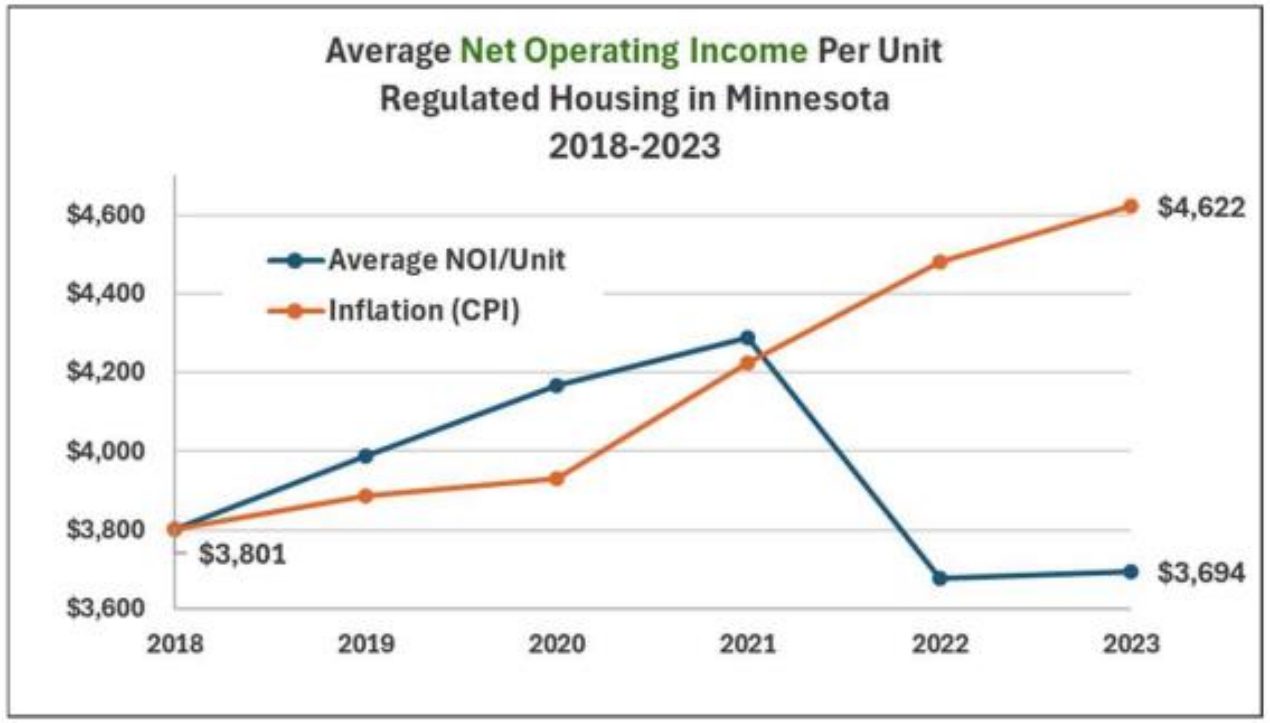
Racial Disparities in Homeownership



2020 is not included because of known data quality issues with the 2020 Census.

*(non-Hispanic white)

Costs to Sustain and Operate Housing Are Increasing



For the two years of negative NOI in 2022 and 2023 of nearly $1,000/unit/year, applied to only the 26,000 units analyzed in this report, **the loss totals roughly $52,000,000** in resources to these properties and provider organizations.

Source: Distressed Property Data Project, Housing Stability Coalition 2025

Minnesota Homeowners Insurance Costs, 2017–2023

+39%
Increase since 2017

+15%
Rise in 2023 alone

12th
in the U.S. in premium cost

Source: Federal Reserve Bank of Minneapolis, minneapolisfed.org/article/2024/homeowners-insurance-costs-are-growing-fast-but-coverage-is-shrinking. https://www.startribune.com/minnesota-disaster-natural-la-wildfire-cost-insurance/601213718.

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Housing Infrastructure Bonds: Targets lowest income households

- Permanent supportive housing for individuals and families experiencing homelessness
- Affordable housing for seniors 55 and older
- Preservation of federally-assisted rental housing
- Foreclosed properties to be used for affordable rental housing
- Rent restricted properties with units affordable to households at 50% of the area median income

Since 2012, with more than $800 million in authorized funding, HIBs have been used to build or preserve more than 7,000 homes across Minnesota

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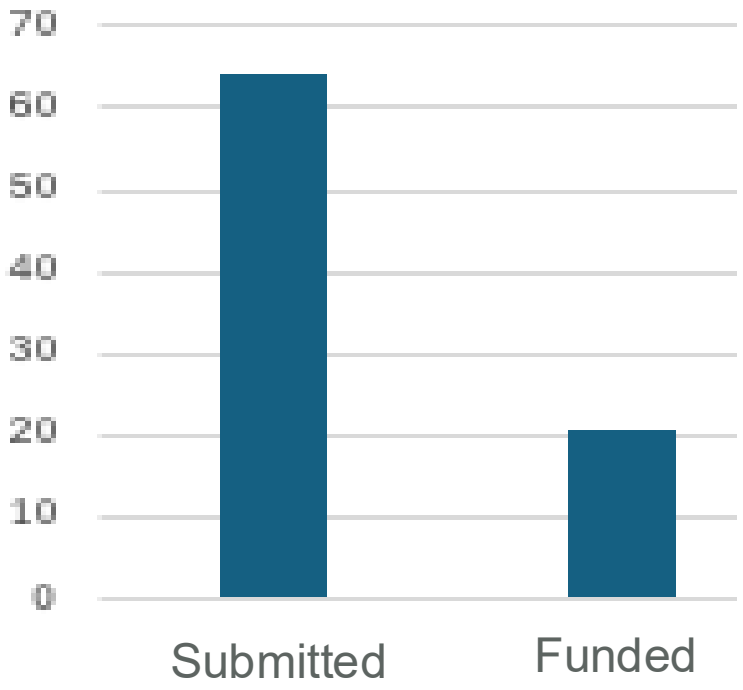
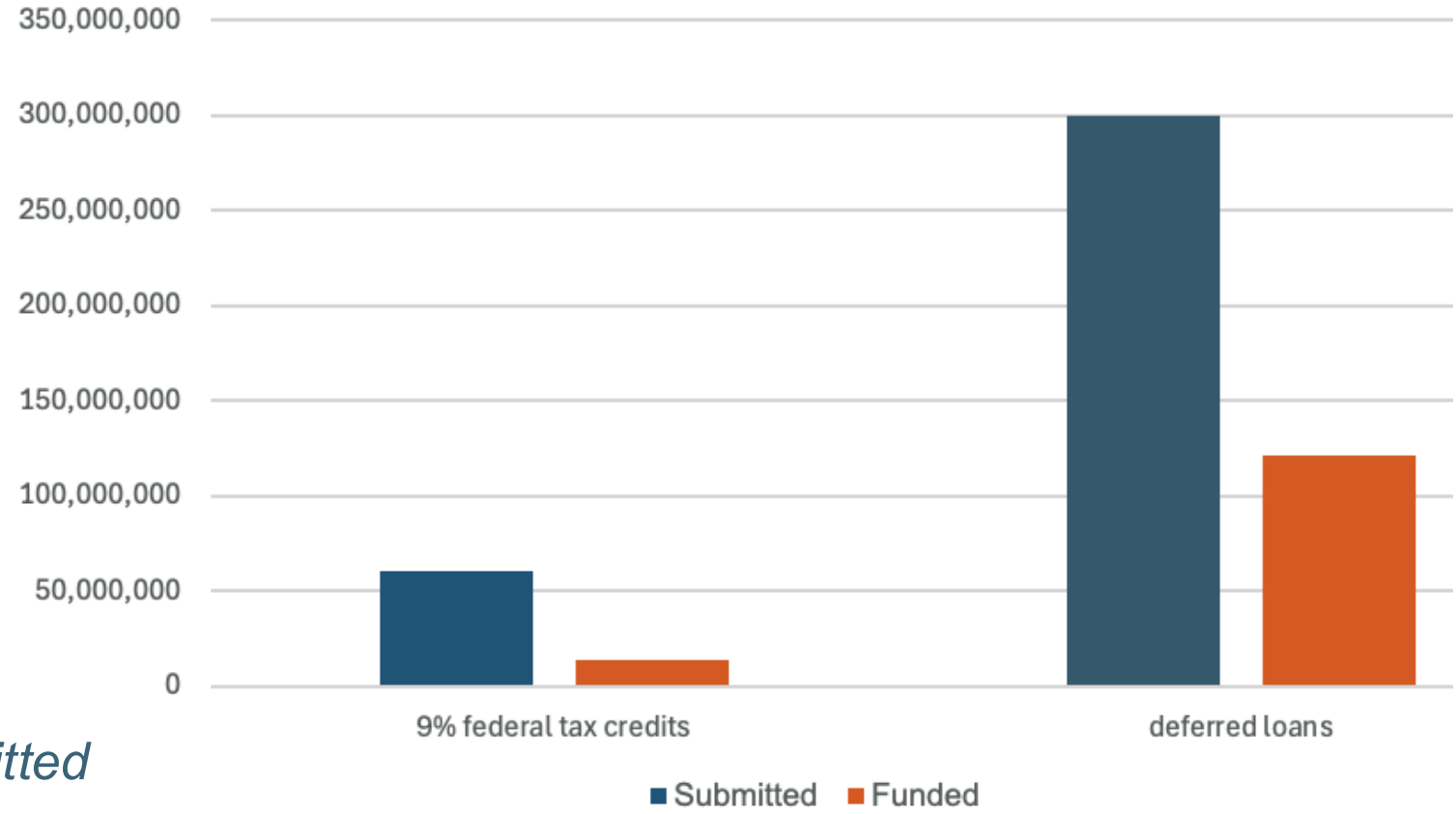
Capacity to Produce Homes Exceeds State Resources: Minnesota Housing Consolidated RFP 2024 Data

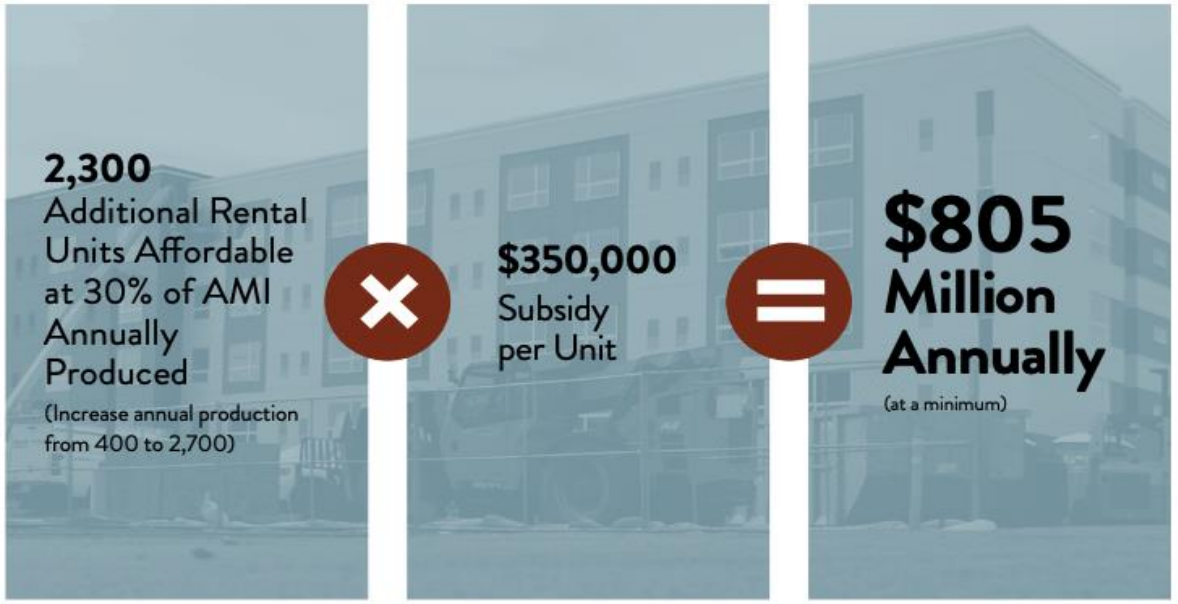
Multifamily Funding Applications 2024 Super RFP





**104 letters of intent to apply submitted*
v. 64 full applications submitted

Housing investments not matching need



Predictable, dedicated housing funding needed

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Dedicated, Predicatable Funding for Housing Needed

State Housing Tax Credit Contribution Fund

- $9.9M available per year for six years
- Wildly popular – more demand than credits
- But... sunsets in 2028 if not extended by legislature

2026 SHTC applications opened on 2/17/26 and closed within hours due to more demand than available credits.

Our Future Starts at Home:

- Dedicated, predictable funding for housing
- Constitutional Amendment
- House File 3279
- Senate File 2621

OUR FUTURE STARTS AT HOMI

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https://mhponline.org/2024-legislative-district-profiles/

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