

Comprehensive Housing Needs Analysis for Chisago County, Minnesota

Prepared for:

Chisago County HRA-EDA
North Branch, MN

June 2018



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June 8, 2018

Ms. Nancy Hoffman
Executive Director
Chisago County HRA-EDA
38871 7th Avenue
PO Box 815
North Branch, MN 55056

Dear Ms. Hoffman:

Attached is the *Comprehensive Housing Needs Analysis for Chisago County, Minnesota* conducted by Maxfield Research and Consulting, LLC. The study projects housing demand from 2017 through 2030, and provides recommendations on the amount and type of housing that could be built in Chisago County to satisfy demand from current and future residents over the next decade. The study identifies a potential demand for about 4,760 new housing units through 2030. Population and household growth is projected to continue through 2030 and housing demand will be generated from an existing household base that will desire new types of housing due to aging, housing preference, and lack of specific inventory in the county.

Demand was divided between general-occupancy housing (76%) and age-restricted senior housing (24%). Our inventory of general-occupancy rental housing found a vacancy rate of just over 3%, which is below market equilibrium and shows need for additional rental housing. Based on the low inventory of vacant developed lots and the recent construction activity, additional lots are needed immediately. Detailed information regarding recommended housing concepts can be found in the *Recommendations and Conclusions* section at the end of the report.

We have enjoyed performing this study for you and are available should you have any questions or need additional information.

Sincerely,

MAXFIELD RESEARCH AND CONSULTING, LLC

Matt Mullins
Vice President
Attachment

Max Perrault
Research Associate

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Demographic Analysis

- The North Branch submarket has the highest population of the county and is forecast to remain so through 2030. The Chisago Lakes submarket is slightly behind the North Branch Submarket in population and household numbers. In 2010, the North Branch submarket accounted for about 36% of Chisago County's population. The Chisago Lakes submarket accounted for 27% population.
- All submarkets are experiencing increasing populations and are projected to have consistent growth through 2030. The North Branch submarket is projected to make the largest numeric growth in population, gaining 3,235 people between 2017 to 2030. The Wyoming submarket is forecast to make the largest proportional growth, increasing population by 27%.
- Chisago County is also gaining households and the projections show a slightly higher rate compared to population. The North Branch submarket is projected to make the largest numeric growth in households, gaining 1,269 households between 2017 to 2030. The Wyoming submarket is forecast to make the largest proportional growth, increasing households by 30%.
- With the exception of the 18 to 24 and 45 to 54 age cohorts, all age cohorts are projected to increase in population 2017 to 2030. A majority of the growth is projected to occur in the 65 to 74 and 75 to 84 age group. Most other age cohorts increasing in population, are expected to increase by 10% to 18%.
- The median income for Chisago County is projected to rise by 11% from \$70,373 to \$77,829 in 2022. Chisago Counties median income is slightly lower than the Twin Cities Metro Area's 2017 median income of \$72,186.
- The Wyoming submarket reported the highest median income in 2017, \$77,414. The Rush City submarket had the lowest median income in the county at \$58,254. All submarkets are projected to experience increases ranging from 6.3% in the Wyoming submarket to 19% in the Rush City submarket from 2017 to 2022.
- Nearly 85% of Chisago County households are owner households. The younger age groups have high rates of renters with 15 to 24 at 59%. Homeownership increases as households age with the highest homeowner rate occurring in the 55 to 64 age group (91% homeownership rate)
- Roughly 43% of renter households in Chisago County are one-person households, while owner households are most likely to be two-person households (39%).
- The majority of households (32%) in the county are married couples with children (age 18 and under). This is followed by married couples without children accounting for 28% and

individuals living alone accounting for 22% of the county households. Married couples without children experienced a decline in households from 2010 to 2015 (-6.2%) and married couples with children grew by 5.6%.

Housing Characteristics

- The number of building permits issued for new residential units in Chisago County has not fully recovered from the impact of the Great Recession. From 2000 to 2007, 3,094 new residential units were permitted in Chisago County, an average of 387 units per year. Then the years from 2008 to 2012 recorded only 239 permits for new residential units, an average of 48 units per year. Activity has increased in recent years, with an average of 178 permits per year between 2013 and October 2017.
- Of the residential units permitted in Chisago County, the North Branch submarket accounted for 46% of the permitted units from 2000 to October 2017. The North Branch submarket permitted about 2,008 residential units during this period.
- Chisago County's housing stock has a median year built of 1989 with the largest share of homes (25%) constructed in the 1990s. The next largest decade was the 1970s with 16% of the housing stock.
- Owner-occupied, single-family detached units account for the largest share of housing in Chisago County. Within the county, 85% of housing units are owner-occupied and 91% of owner-occupied units are single-family detached units. There is also a significant amount of single-family detached housing units that are renter occupied (33%).
- Nearly three-quarters of homes, 71%, in Chisago County carry a mortgage. Homes with a mortgage reported a higher median value, \$195,900, compared to homes without a mortgage, which had a median value of \$178,200. Median values in the county were significantly lower than when compared to the Twin Cities Metro Area, \$224,570 with a mortgage, \$209,350 without a mortgage.
- Chisago County residents were most likely to pay between \$500 and \$749 in monthly rent, with 30% of renter occupied units reporting rents in this range. The largest median contract rents were reported in the Wyoming submarket, \$834.

Employment Trends

- Between 2000 and 2017, Chisago County's unemployment rate reached a high of 9.9 in 2009, but has since declined to 4.1% by years end in 2017. The unemployment rate remains higher than the Twin Cities Metro Area (3.3%) and the State of Minnesota (3.6%).

EXECUTIVE SUMMARY

- Educational and Health Services is the largest employment sector in the county, accounting for 35% of employment in Q1 of 2017. Educational and Health Services had an average weekly wage of \$822 per week. The Trade, Transportation, and Utilities industry accounted for 15% of employment in the county but had much lower average weekly wages at \$616.
- Chisago County is a net exporter of workers, with 20,426 commuting out of the county compared to 6,775 workers coming in to the county. Just over 6,300 workers live and work in the county. Roughly 15% of workers leaving the county commute to Minneapolis and St. Paul proper.

Rental Housing Market Analysis

- In total, Maxfield Research surveyed 15 market rate general occupancy rental housing developments, with 8 units or more, for a total of 478 units, with a total vacancy rate of 3.2%. 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. Average monthly rent for a one-bedroom unit was \$711, \$803 for a two-bedroom, and \$1,040 for a three-bedroom. Overall, price per square foot was calculated at \$1.02 among surveyed developments in Chisago County.
- We identified 12 affordable/subsidized properties that made up 232 units. Low income Housing Tax Credit units accounted for roughly 60% of the units. Overall, the affordable/subsidized properties had a vacancy rate of 2.1%.

Senior Housing Market Analysis

- Maxfield Research surveyed 23 senior housing facilities located in Chisago County with a total of 829 units. Combined, the overall vacancy for market rate senior projects is 3.1%. Generally, healthy senior housing vacancy rates range from 5% to 7% depending on service level.
- The county has a large number of affordable units/subsidized senior rental developments. We identified 15 properties with a total of 420 units of which had a vacancy rate of 1.7%. Market equilibrium is typically at 3%.
- There are four properties that offers market rate active adult living in Chisago County. These developments totaled 82 units and had a vacancy rate of 2.4%. The market rate active adult properties tend to be newer as three of the four properties were built in the 2000s.
- There are four assisted living projects located in Chisago County for a total of 164 units. Four of the five submarkets have facilities that offer assisted living units, the only submarket

that does not have an assisted living facility is the Rush City submarket. The overall vacancy rate among assisted living units was 3.7%.

- There are three memory care facilities in Chisago County, each located in one of the three largest submarkets in the county, North Branch submarket, Chisago Lakes submarket, and the Wyoming submarket. Across the three memory care facilities there were 54 total units with a total vacancy rate of 9.3%.

Housing Affordability

- About 24% of owner households and 48% of renter households are estimated to be paying more than 30% of their income for housing costs in Chisago County. Compared to the Minnesota average, the percentage of cost burdened households is higher than the state average of 20.5% of owner households and 47.4% of renter households.
- The number of cost burdened households in Chisago County increases proportionally based on lower incomes. About 71% of renters with incomes below \$35,000 are cost burdened and 56% of owners with incomes below \$50,000 are cost burdened.

For-Sale Housing Market Analysis

- Chisago County home values were lowest in 2011 when the median value declined to \$136,000. However, home values have increased annually since 2011 and have since surpassed the previous peak in 2005. Resale values in 2017 were \$229,900; and increase of 3% from 2005's previous peak (\$225,250).
- Chisago County is dominated by the single-family home. Since 2005, about 93% of all re-sales have been single-family homes while for-sale multifamily homes (twin homes, town-homes, and condos) have accounted for only 7% of resales. Multifamily homes are generally more affordable as they have sales prices about 20% lower than single-family homes.
- Chisago County housing costs on a median PSF basis are about 12% less than the Twin Cities Metro Area average. Generally, the PSF cost for a home in the Metro area is about \$10 or more PSF than in Chisago County.
- About 16% of Chisago County's single-family homes for sale are priced less than \$200,000. About 36% of the active single-family inventory is priced between \$200,000 and \$300,000. About 20% of the active homes are priced above \$400,000.

Planned & Pending Housing Developments

- There are several housing developments either under construction or proposed in Chisago County at this time. These projects include one senior facility, three multifamily rental apartments, and four single-family/twinhome developments.

Housing Demand Analysis

- Based on our calculations, demand exists in Chisago County for the following general occupancy product types between 2017 and 2030:
 - Market rate rental 353 units
 - Affordable rental 175 units
 - Subsidized rental 159 units
 - For-sale single-family 2,283 units
 - For-sale multifamily 630 units
- In addition, we find demand for multiple senior housing product types. By 2030, demand in Chisago County for senior housing is forecast for the following:
 - Active adult ownership 151 units
 - Active adult market rate rental 229 units
 - Active adult affordable 280 units
 - Active adult subsidized 101 units
 - Congregate 189 units
 - Assisted Living 81 units
 - Memory Care 129 units

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

Purpose and Scope of Study

Maxfield Research and Consulting, LLC. was engaged by the Chisago County HRA-EDA to conduct a *Comprehensive Housing Needs Analysis* for Chisago County, Minnesota. The Housing Needs Analysis provides recommendations on the amount and types of housing that should be developed in order to meet the needs of current and future households who choose to reside in the County.

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

Methodology

During the course of the study a number of resources were utilized to obtain information in the analysis. The primary data and information sources include the following:

- U.S. Census Bureau; American Community Survey
- Metropolitan Council
- Minnesota Department of Employment and Economic Development (DEED)
- United States Department of Housing and Urban Development (HUD)
- ESRI
- Costar
- Regional Multiple Listing Service of Minnesota (MLS)
- Chisago County
- City staff from communities across Chisago County
- Longitudinal Employer-Household Dynamics (LEHD)
- Metrostudy
- Minnesota Geospatial Commons
- Minneapolis Area Association of Realtors
- 10k Research & Marketing
- Minnesota Housing Finance Agency (MHFA)
- Novogradac
- Phone calls to individual properties in the County
- Phone calls/interviews with Realtors, brokers, developers, property managers, employers, among others, etc.

Introduction

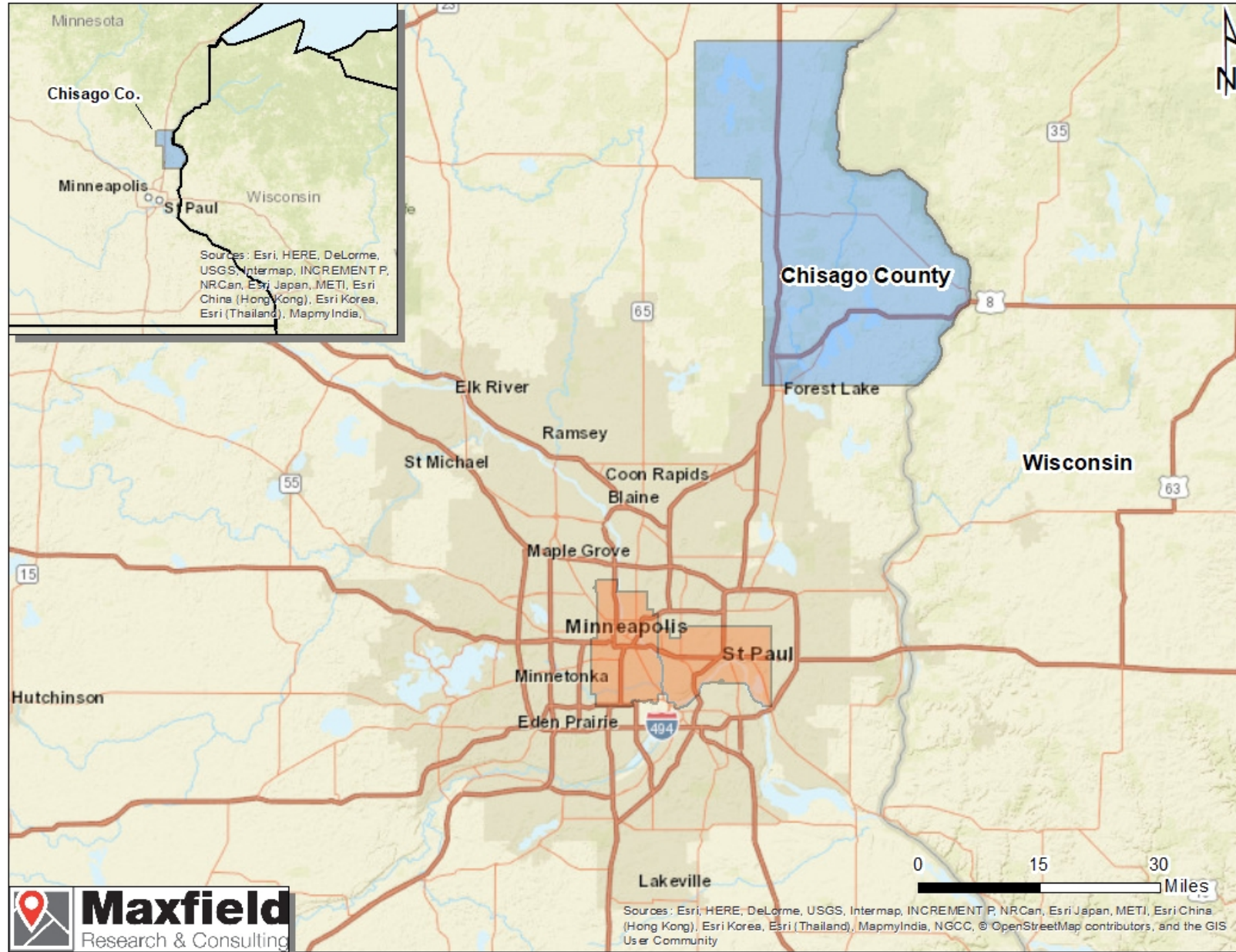
This section of the report examines factors related to the current and future demand for both owner and renter-occupied housing in Chisago County, Minnesota. It includes an analysis of population and household growth trends and projections, projected age distribution, household income, household types and household tenure. A review of these characteristics will provide insight into the demand for various types of housing in the County.

Chisago County Overview

Chisago County is located in east-central Minnesota and encompasses geographic area that is roughly 442 square miles. There are 10 cities and 9 townships within Chisago County. Center City is the County Seat while the most populous city is North Branch. Wyoming is the next largest city, followed by Chisago City and Lindstrom. Chisago County has three major transportation corridors running through the county; Interstate 35W (north to south), U.S. Highway 8 (east to west), and MN Hwy 95. Chisago County is surrounded by Pine County to the north, Washington County to the south, Isanti County & Anoka County to the west, and Wisconsin to the east separated by the St. Croix River. Chisago County lies just outside of the seven-county metro area, but within the larger Twin Cities 12-county metro area. Chisago County is located the following distances from other regional communities:

- St Paul: 25 miles
- Minneapolis: 30 miles
- Bloomington: 40 miles
- St Cloud: 58 miles
- Duluth: 99 Miles
- Rochester: 102 miles

DEMOGRAPHIC ANALYSIS



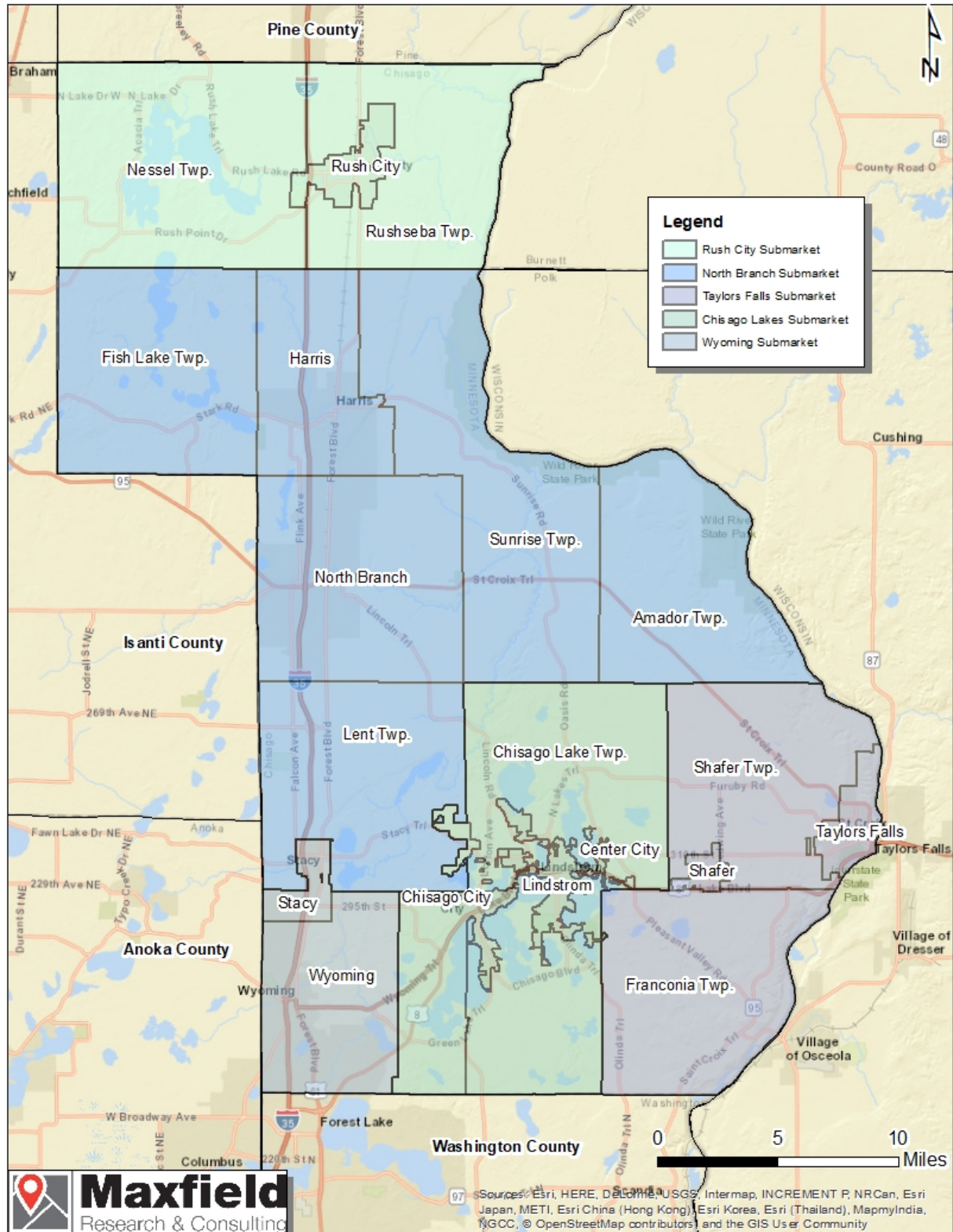
Chisago County Submarket Definitions

For purposes of the housing analysis, Chisago County was divided into five submarkets; Chisago Lakes, North Branch, Rush City, Taylors Falls, Wyoming. Subsequent data in the housing analysis is illustrated by submarket and county-wide.

Because this is a county-wide study housing demand will be some-what fluid between other Chisago County submarkets. In addition, the study is confined to the geographic areas of the county and does not necessarily address capture rates from outside the county lines. As such, demand could be higher for those submarkets located near the county-line that could capture demand from outside Chisago County and for the larger Chisago County cities that would have a larger trade area due to a variety of factors (i.e. shopping goods, medical, employment, recreation, transportation corridors, etc.).

Chisago County Market Areas		
Submarket	City	Township
Chisago Lakes	Chisago City Lindstrom Center City	Chisago Lakes Twp.
North Branch	North Branch Harris	Sunrise Twp. Lent Twp. Amador Twp. Fish Lake Twp.
Rush City	Rush City	Rushseba Twp. Nessel Twp.
Taylors Falls	Taylors Falls Shafer	Shafer Twp. Franconia Twp.
Wyoming	Wyoming Stacy	
Source: Maxfield Research & Consulting, LLC		

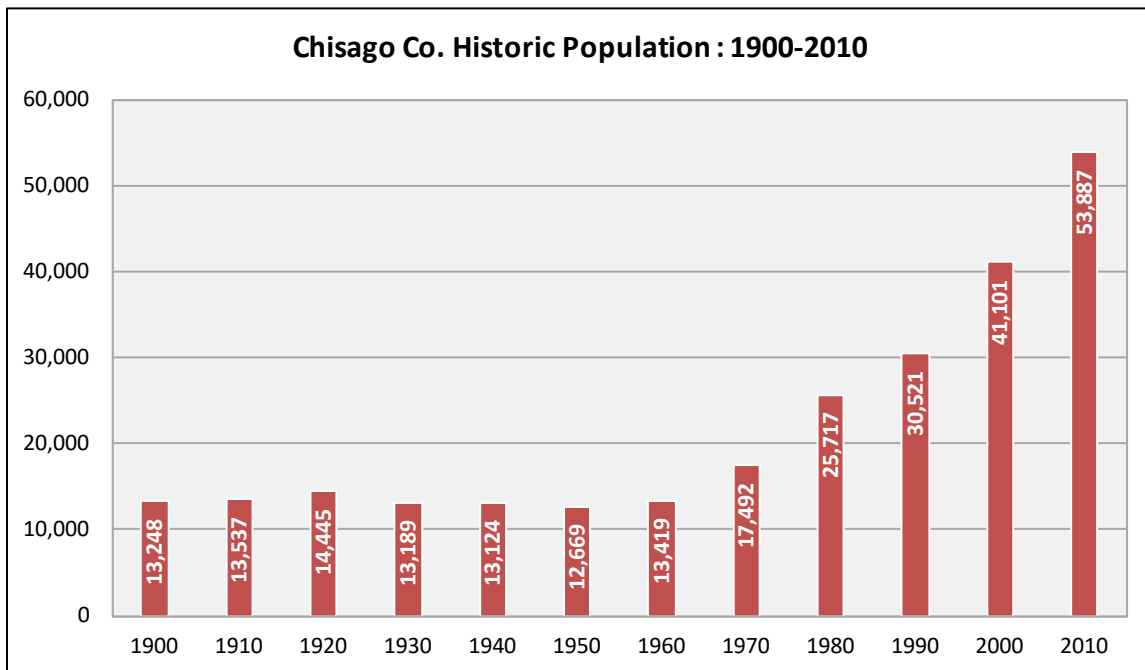
Chisago County Submarkets



Historic Population

The figure below shows historic Chisago County population sourced from the U.S. Census Bureau from 1900 to 2010.

- The population in Chisago County fluctuated minimally between 1900 to 1950, after which the population grew exponentially every decade since, with the greatest percentage growth between 1970 and 1980 (47%).
- The majority of growth occurred in the last two decades. Chisago County's population has more than doubled since 1980.

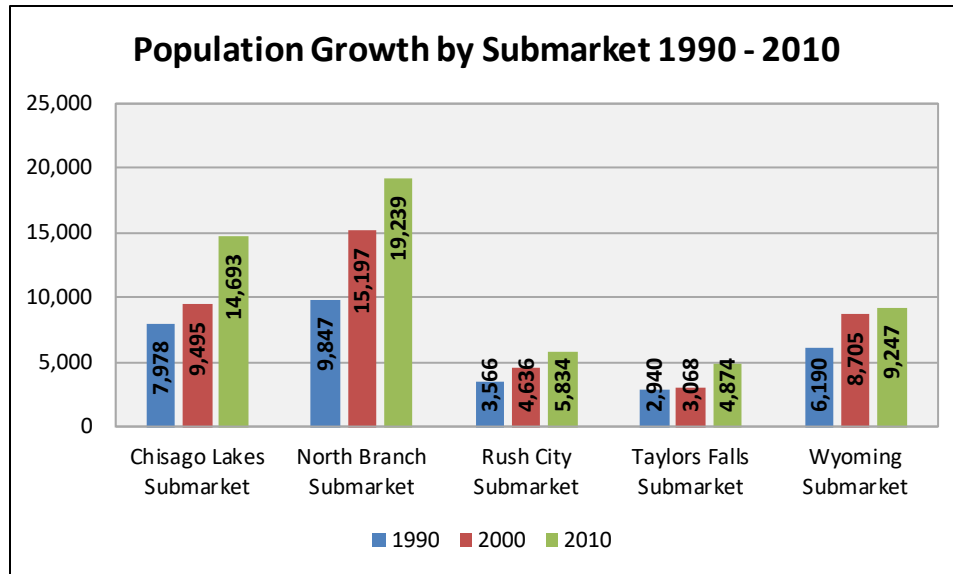


Population and Household Growth from 1990 to 2010

Tables D-1 and D-2 present the population and household growth of each submarket in Chisago County in 1990, 2000, and 2010. The data is from the U.S. Census.

Population

- From 1990 to 2010, the population of Chisago County grew by 23,366, roughly a 76% increase.
- From 1990 to 2000, the most significant change in population occurred in the North Branch submarket. This submarket grew by 54.3%, gaining 5,350 people.



- The North Branch submarket represents the largest population in Chisago County, accounting for 32% of the Chisago County population in 1990 and growing to 36% of the county population in 2010.
- The major population growth in the North Branch submarket was occurring within the City of North Branch as well as in Lent Township between 2000 and 2010. In the Chisago Lake submarket, the growth occurred mainly in Chisago City, Lindstrom, and Chisago Lake Township. Rush City experienced the greatest population growth in the Rush City Submarket, while the City of Shafer saw the most growth in the Taylors Falls submarket. Finally, in the Wyoming submarket, the City of Wyoming experienced the greatest population growth between 2000 and 2010, mainly due to the annexation of the Wyoming Township in 2008.

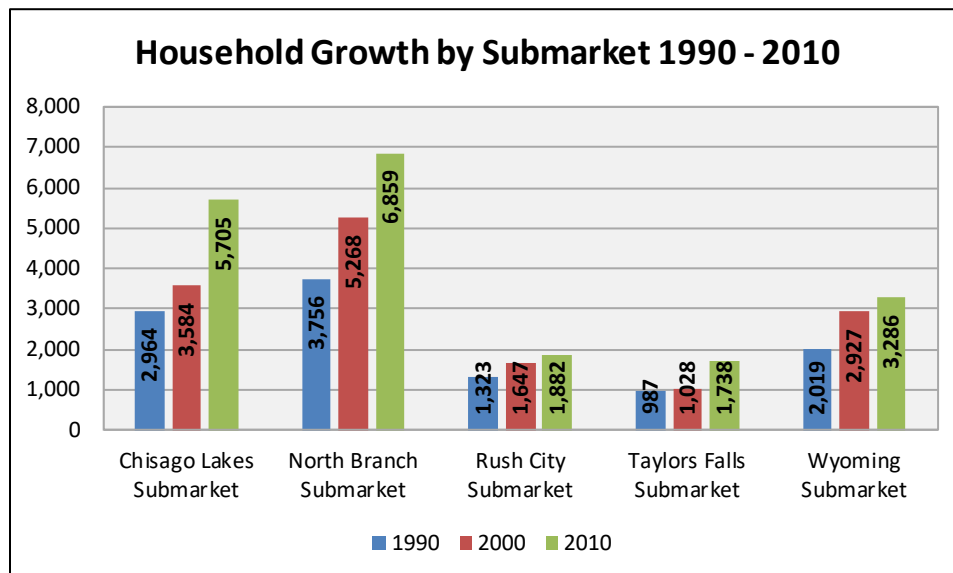
DEMOGRAPHIC ANALYSIS

TABLE D-1 HISTORIC POPULATION GROWTH TRENDS CHISAGO COUNTY 1990 - 2010								
	Historic Population				Change			
	Census			1990 - 2000		2000 - 2010		
	1990	2000	2010	No.	Pct.	No.	Pct.	
Chisago Lakes Submarket								
Cities								
Center City	451	582	628	131	29.0%	46	7.9%	
Chisago City	2,009	2,622	4,967	613	30.5%	2,345	89.4%	
Lindstrom	2,461	3,015	4,442	554	22.5%	1,427	47.3%	
Townships								
Chisago Lakes Township	3,057	3,276	4,656	219	7.2%	1,380	42.1%	
North Branch Submarket								
Cities								
Harris	843	1,121	1,132	278	33.0%	11	1.0%	
North Branch	4,267	8,023	10,125	3,756	88.0%	2,102	26.2%	
Townships								
Amador Township	632	744	885	112	17.7%	141	19.0%	
Fish Lake Township	1,183	1,723	2,012	540	45.6%	289	16.8%	
Lent Township	1,797	1,992	3,091	195	10.9%	1,099	55.2%	
Sunrise Township	1,125	1,594	1,994	469	41.7%	400	25.1%	
Rush City Submarket								
Cities								
Rush City	1,497	2,102	3,079	605	40.4%	977	46.5%	
Townships								
Nessel Township	1,354	1,765	1,951	411	30.4%	186	10.5%	
Rushseba Township	715	769	804	54	7.6%	35	4.6%	
Taylors Falls Submarket								
Cities								
Shafer	368	343	1,045	-25	-6.8%	702	204.7%	
Taylors Falls	694	951	976	257	37.0%	25	2.6%	
Townships								
Franconia Township	1,151	1,128	1,805	-23	-2.0%	677	60.0%	
Shafer Township	727	646	1,048	-81	-11.1%	402	62.2%	
Wyoming Submarket								
Cities								
Wyoming	2,142	3,048	7,791	906	42.3%	4,743	155.6%	
Stacy	1,081	1,278	1,456	197	18.2%	178	13.9%	
Townships								
*Wyoming Township	2,967	4,379	N/A	1,412	47.6%	N/A	N/A	
Chisago County	30,521	41,101	53,887	10,580	34.7%	12,786	23.7%	
Minnesota	4,375,099	4,919,479	5,303,925	544,380	12.4%	384,446	7.2%	
*Annexed in 2008 by the cities of Wyoming, Stacy, and Chisago City								
Sources: U.S. Census; State Data Center of Minnesota; Maxfield Research & Consulting LLC								

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 result from changing demographics of the population base, which results in demand for different housing products.

- The Wyoming submarket reported the largest proportional household change, gaining 45% of its households between 1990 and 2000. The North Branch submarket experienced the greatest increase in number of households, gaining 1,512 households in that time.
- Between 2000 and 2010, the Taylors Falls submarket saw a 69% increase in households and the Chisago Lakes submarket saw a 59% increase, the two highest among all submarkets in Chisago County. The Wyoming submarket experienced a 12% increase in households between 2000 and 2010, the lowest proportional increase among all submarkets.



- The North Branch submarket represents the largest share of households in Chisago County, accounting for 34% of the Chisago County's households in 1990 and growing to 35% of the county's households in 2010.

DEMOGRAPHIC ANALYSIS

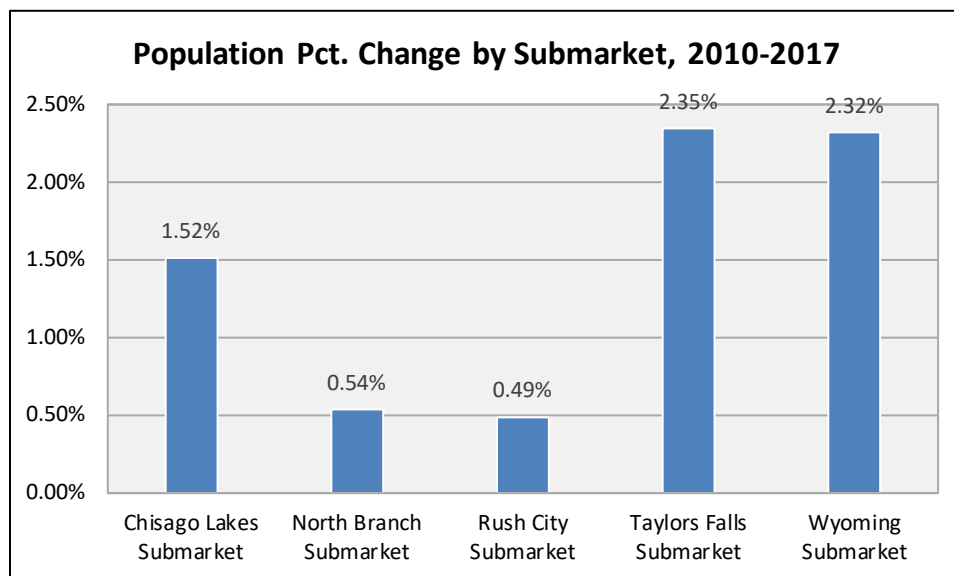
TABLE D-2 HISTORIC HOUSEHOLDS GROWTH TRENDS CHISAGO COUNTY 1990 - 2010							
	Historic Households			Change			
	Census			1990 - 2000		2000 - 2010	
	1990	2000	2010	No.	Pct.	No.	Pct.
Chisago Lakes Submarket							
Cities							
Center City	145	194	247	49	33.8%	53	27.3%
Chisago City	754	1,038	2,051	284	37.7%	1,013	97.6%
Lindstrom	1,009	1,225	1,774	216	21.4%	549	44.8%
Townships							
Chisago Lakes Township	1,056	1,127	1,633	71	6.7%	506	44.9%
North Branch Submarket							
Cities							
Harris	286	377	423	91	31.8%	46	12.2%
North Branch	1,949	2,815	3,604	866	44.4%	789	28.0%
Townships							
Amador Township	216	264	311	48	22.2%	47	17.8%
Fish Lake Township	408	617	755	209	51.2%	138	22.4%
Lent Township	540	657	1,071	117	21.7%	414	63.0%
Sunrise Township	357	538	695	181	50.7%	157	29.2%
Rush City Submarket							
Cities							
Rush City	578	705	844	127	22.0%	139	19.7%
Townships							
Nessel Township	505	668	736	163	32.3%	68	10.2%
Rushseba Township	240	274	302	34	14.2%	28	10.2%
Taylors Falls Submarket							
Cities							
Shafer	126	124	379	-2	-1.6%	255	205.6%
Taylors Falls	296	369	413	73	24.7%	44	11.9%
Townships							
Franconia Township	315	316	568	1	0.3%	252	79.7%
Shafer Township	250	219	378	-31	-12.4%	159	72.6%
Wyoming Submarket							
Cities							
Wyoming	709	1,023	2,738	314	44.3%	1,715	167.6%
Stacy	376	466	548	90	23.9%	82	17.6%
Townships							
*Wyoming Township	934	1,438	N/A	504	54.0%	N/A	N/A
Chisago County	11,049	14,454	19,470	3,405	30.8%	5,016	25.8%
Minnesota	1,848,445	1,895,127	2,087,227	46,682	2.5%	192,100	9.2%
*Annexed in 2008 by the cities of Wyoming, Stacy, and Chisago City							
Sources: U.S. Census; State Data Center of Minnesota; Maxfield Research & Consulting LLC							

Population and Household Estimates and Projections

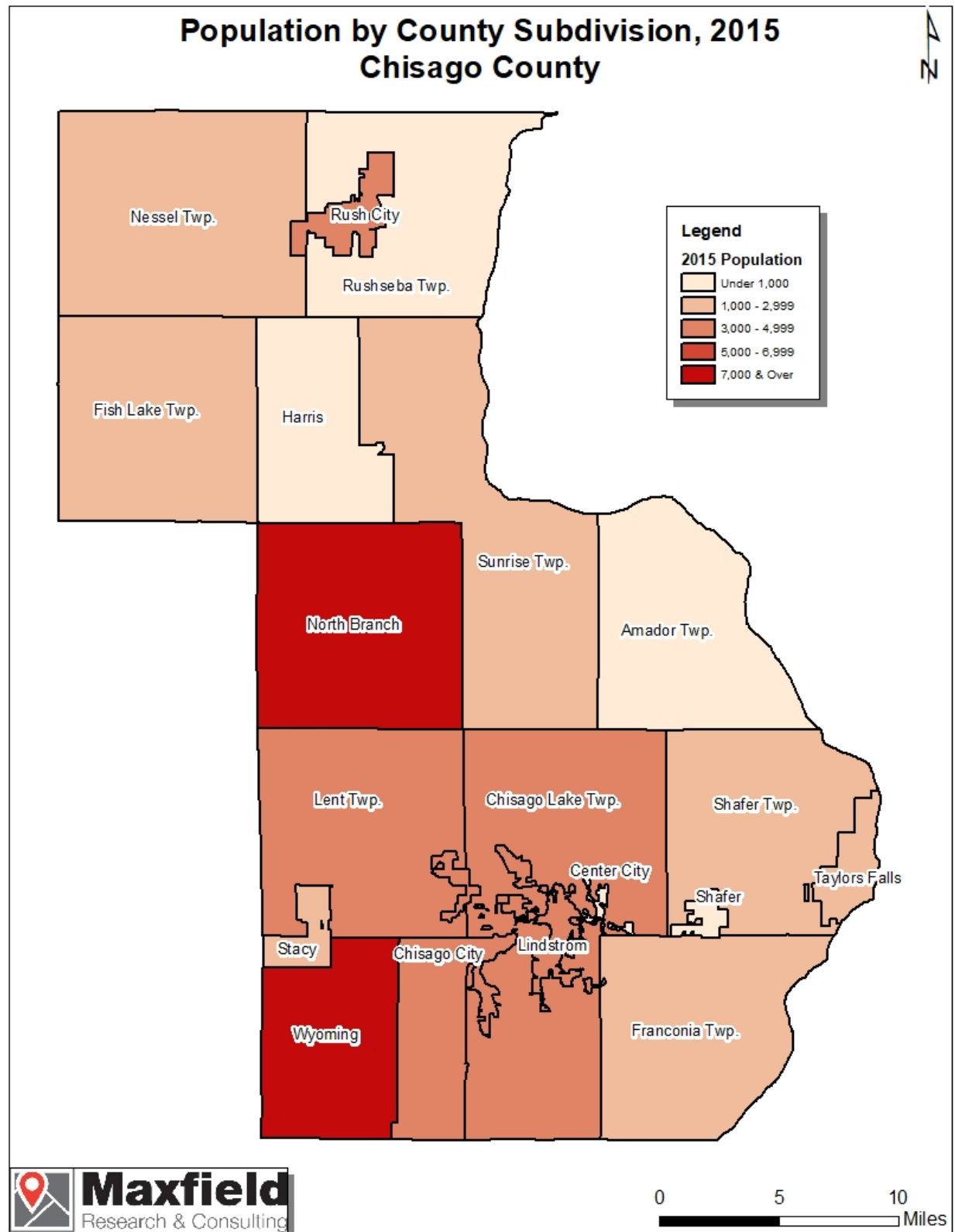
Table D-3 presents population and household growth trends and projections for Chisago County through 2030. Estimates and projections for 2017 through 2030 are based on information from ESRI (a national demographics service provider), and adjusted by Maxfield Research and Consulting, LLC based on local trends.

DEMOGRAPHIC ANALYSIS

- Chisago County is expected to experience a 12.6% increase in population between 2020 and 2030. The projected population increase will be slightly less than half the population increase experienced in the decade between 2000 and 2010 (31.1%).
- The Taylors Falls submarket reported the largest population increases between 2000 and 2010 (58.9%, respectively). However, between 1990 and 2000, the Taylors Falls submarket experienced the slowest population growth, increasing by only 4.4%, while Chisago County grew by 34.7%.
- Between 2010 and 2017, the largest proportional population growth is projected in the Wyoming submarket, where the population is projected to increase by 7.9% (727 people) while the largest numeric growth occurred in the North Branch submarket 920 people (4.8%)



- All county submarkets are projected to have an increase in number of households between 2010 and 2020. The Chisago Lakes submarket is projected to have the largest increase, gaining 625 households (+10.9%).
- Due to declining household size, household growth is projected to outpace population growth. A 14.1% (2,861) increase in households is forecast for Chisago County between 2020 to 2030.



DEMOGRAPHIC ANALYSIS

TABLE D-3
POPULATION AND HOUSEHOLD GROWTH TRENDS AND PROJECTIONS
CHISAGO COUNTY
1990 to 2030

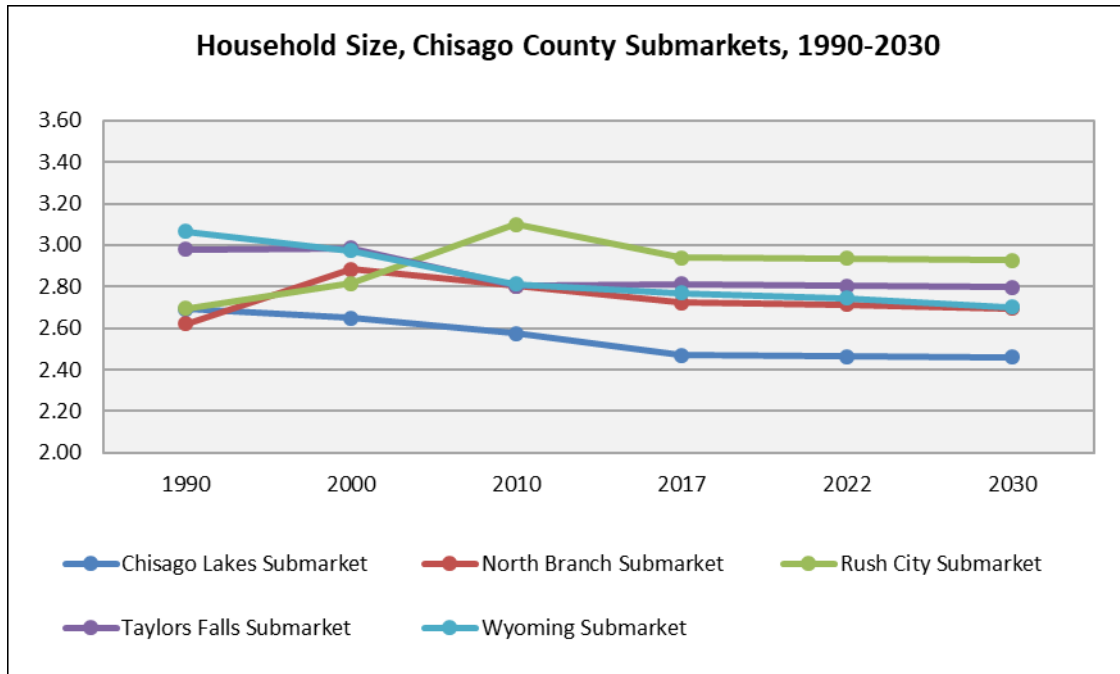
							Change					
	1990	U.S. Census 2000	2010	Estimate 2017	Forecast 2020	Forecast 2030	2000 to 2010		2010 to 2020		2020 to 2030	
							No.	Pct.	No.	Pct.	No.	Pct.
POPULATION												
Chisago Lakes Submarket	7,978	9,495	14,693	14,920	15,609	17,461	5,198	54.7	916	6.2	1,853	12.4
North Branch Submarket	9,847	15,197	19,239	19,344	20,159	22,579	4,042	26.6	920	4.8	2,420	12.5
Rush City Submarket	3,566	4,636	5,834	5,863	6,022	6,577	1,198	25.8	188	3.2	556	9.5
Taylors Falls Submarket	2,940	3,068	4,874	4,991	5,114	5,431	1,806	58.9	240	4.9	316	6.3
Wyoming Submarket	6,190	8,705	9,247	9,467	9,974	12,010	542	6.2	727	7.9	2,036	21.5
Chisago County	30,521	41,101	53,887	54,585	56,877	64,058	12,786	31.1	2,990	5.5	7,181	12.6
7-County Metro Area	2,288,729	2,642,056	2,849,567	2,979,370	3,160,000	3,284,427	207,511	7.9	310,433	10.9	124,427	4.2
<i>Minnesota</i>	4,375,099	4,919,479	5,303,925	5,604,047	5,687,161	5,974,304	384,446	7.8	383,236	7.2	287,143	5.1
HOUSEHOLDS												
Chisago Lakes Submarket	2,964	3,584	5,705	6,043	6,330	7,098	2,121	59.2	625	10.9	768	12.7
North Branch Submarket	3,756	5,268	6,859	7,104	7,419	8,373	1,591	30.2	560	8.2	954	13.4
Rush City Submarket	1,323	1,647	1,882	1,994	2,050	2,247	235	14.3	168	8.9	197	9.9
Taylors Falls Submarket	987	1,028	1,738	1,774	1,822	1,941	710	69.1	84	4.8	119	6.7
Wyoming Submarket	2,019	2,927	3,286	3,419	3,621	4,443	359	12.3	335	10.2	822	24.1
Chisago County	11,049	14,454	19,470	20,334	21,241	24,102	5,016	34.7	1,771	9.1	2,861	14.1
7-County Metro Area	1,032,431	1,021,454	1,117,749	1,214,931	1,264,000	1,378,470	96,295	9.4	146,251	13.1	114,470	9.4
<i>Minnesota</i>	1,848,445	1,895,127	2,085,917	2,197,860	2,246,594	2,562,091	190,790	10.1	160,677	7.7	315,497	14.4
PERSONS PER HOUSEHOLD												
Chisago Lakes Submarket	2.69	2.65	2.58	2.47	2.47	2.46	-0.07	-2.8	-0.11	-4.1	-0.01	-0.2
North Branch Submarket	2.62	2.88	2.80	2.72	2.72	2.70	-0.08	-2.8	-0.08	-2.9	-0.03	-1.0
Rush City Submarket	2.70	2.81	3.10	2.94	2.94	2.93	0.29	10.1	-0.16	-5.1	-0.01	-0.4
Taylors Falls Submarket	2.98	2.98	2.80	2.81	2.81	2.80	-0.18	-6.0	0.01	0.3	-0.02	-0.5
Wyoming Submarket	3.07	2.97	2.81	2.77	2.75	2.70	-0.16	-5.4	-0.05	-1.6	-0.07	-2.4
Chisago County	2.76	2.84	2.77	2.68	2.68	2.66	-0.08	-2.7	-0.38	-13.9	-0.03	-1.0
7-County Metro Area	2.22	2.59	2.55	2.45	2.50	2.38	-0.04	-1.4	-0.10	-3.8	-0.07	-2.8
<i>Minnesota</i>	2.37	2.60	2.54	2.55	2.53	2.33	-0.05	-2.0	0.01	0.3	-0.22	-8.5
Sources: U.S. Census Bureau; ESRI; State Demographic Center; Maxfield Research and Consulting LLC												

Household Size

Household size is calculated by dividing the number of persons in households by the number of households (or householders). Nationally, the average number of people per household has been declining for over a century; however, there have been sharp declines starting in the 1960s and 1970s. Persons per household in the U.S. were about 4.5 in 1916 and declined to 3.2 in the 1960s. Over the past 50 years, it dropped to 2.57 as of the 2000 Census. However, due to the economic recession this trend has been temporarily halted as renters and laid-off employees “doubled-up,” which increased the average U.S. household size to 2.59 as of the 2010 Census.

The declining household size has been caused by many factors, including: aging, higher divorce rates, cohabitation, smaller family sizes, demographic trends in marriage, etc. Most of these changes have resulted from shifts in societal values, the economy, and improvements in health care that have influenced how people organize their lives. Table D-3 highlights the declining household size in Chisago County and its submarkets.

- In 1990 household size in Chisago County ranged from 2.62 in the North Branch submarket to 3.07 in the Wyoming submarket. By the 2000 Census, household size had increased to a low of 2.65 in the Chisago Lakes submarket and highs of 2.98 in the Taylors Falls submarket.
- The Rush City submarket reported the largest household size in 2010, at 3.10 persons per household, compared to 2.77 in Chisago County.
- The trend toward smaller household size is expected to continue through 2030, although the decline will be a slower pace than recorded between 1990 and 2010. Household sizes are forecast to range from 2.46 in the Chisago Lakes submarket to 2.93 in the Rush City submarket in 2030.
- The overall Chisago County household size is projected to be 2.66 by 2030. Chisago County’s projected household size will be higher than that of the State of Minnesota (2.33) and the Twin Cities Metro Area (2.38) by 2030.



Age Distribution Trends

Table D-4 shows the distribution of persons within nine age cohorts for the five submarkets in Chisago County in 2000 and 2010 with estimates for 2017 and projections through 2030. The 2000 and 2010 age distribution is from the U.S. Census Bureau. Maxfield Research and Consulting, LLC derived the 2017 estimates, as well as, the 2022 & 2030 projections from ESRI with adjustments made to reflect local trends.

The key points from the table are found below.

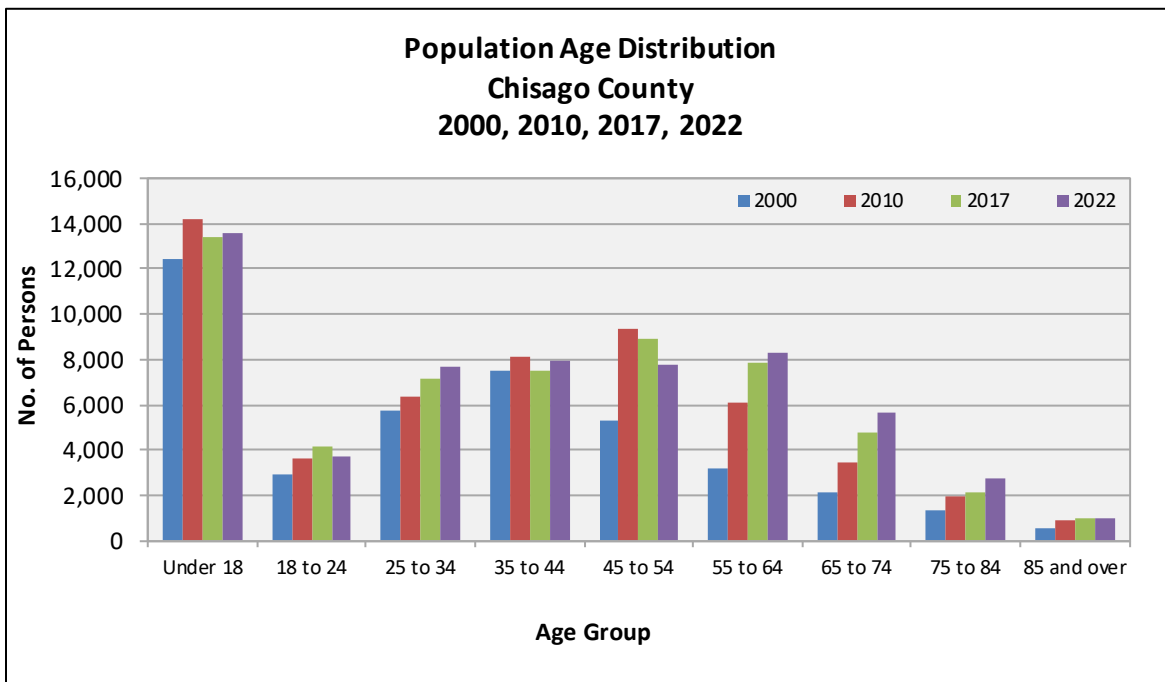
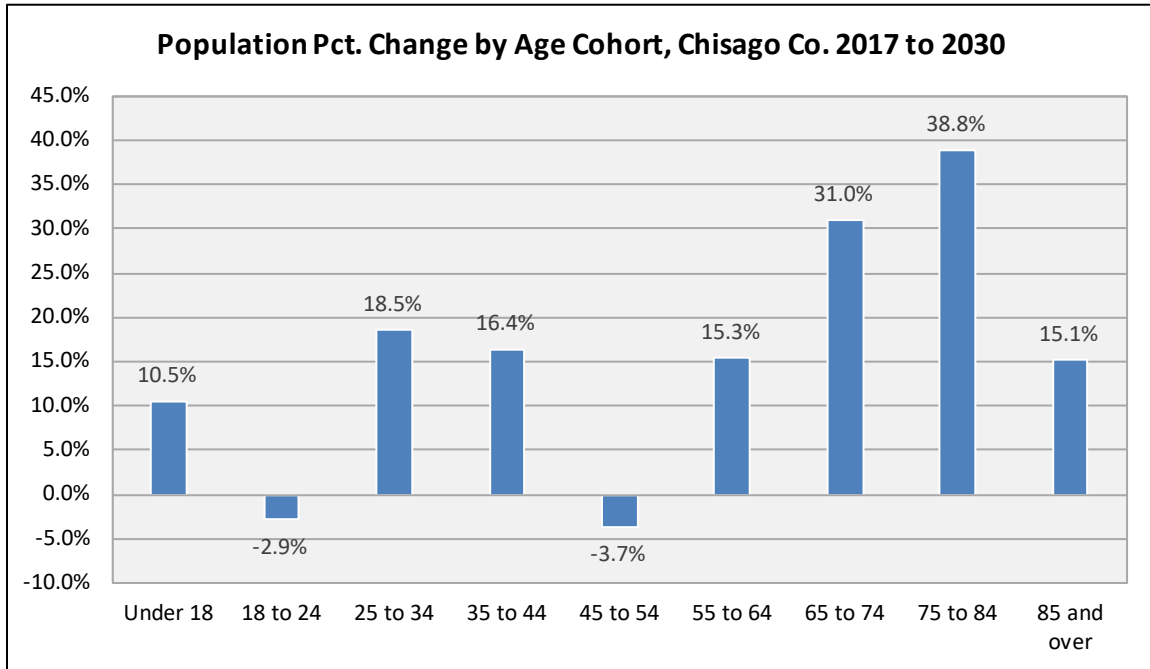
- In 2010, the largest adult age cohort in each of the submarkets was the 45 to 54 age cohort. By 2030, the 55 to 64 age cohort will be the largest adult age cohort in the Chisago lakes, Taylors Falls, and Wyoming submarkets, while the 25 to 34 age cohort will be the largest in the North Branch and Rush City submarkets.
- The largest proportional growth is expected to occur among the 75 to 84 age cohort in Chisago County, increasing by 38.8% between 2017 and 2030. The 75 to 84 age cohort is also forecast to have the largest proportional growth in each of the five submarkets as well, increasing by roughly 38% in the Chisago Lakes submarket, 40% in the North Branch submarket, 43% in the Rush City submarket, 54% in the Taylors Falls submarket, and 64% in the Wyoming submarket.

DEMOGRAPHIC ANALYSIS

TABLE D-4 POPULATION AGE DISTRIBUTION CHISAGO COUNTY 2000 to 2030									
Age	Census		Estimate	Projection	Projection	Change			
	2000	2010	2017	2022	2030	2000-2010		2017-2030	
	No.	No.	No.	No.	No.	No.	Pct.	No.	Pct.
CHISAGO LAKES SUBMARKET									
Under 18	2,578	3,698	3,354	3,606	3,918	1,120	43.4	564	16.8
18 to 24	636	847	948	865	940	211	33.2	-8	-0.9
25 to 34	1,131	1,429	1,602	1,757	1,909	298	26.3	307	19.2
35 to 44	1,606	2,051	1,840	2,106	2,288	445	27.7	448	24.4
45 to 54	1,268	2,479	2,258	2,132	2,317	1,211	95.5	59	2.6
55 to 64	857	1,860	2,208	2,319	2,521	1,003	117.0	312	14.1
65 to 74	635	1,186	1,478	1,801	1,957	551	86.8	479	32.4
75 to 84	525	725	786	998	1,085	200	38.1	298	37.9
85 and over	259	418	445	484	526	159	61.4	81	18.3
Subtotal	9,495	14,693	14,920	16,068	17,461	5,198	54.7	2,541	17.0
NORTH BRANCH SUBMARKET									
Under 18	4,804	5,367	4,797	4,983	5,434	563	11.7	637	13.3
18 to 24	1,100	1,288	1,510	1,407	1,535	188	17.1	25	1.7
25 to 34	2,332	2,265	2,488	2,976	3,246	-67	-2.9	758	30.5
35 to 44	2,794	3,115	2,578	2,778	3,030	321	11.5	453	17.6
45 to 54	1,866	3,296	3,107	2,774	3,026	1,430	76.6	-81	-2.6
55 to 64	1,115	1,996	2,540	2,903	3,167	881	79.0	627	24.7
65 to 74	675	1,115	1,443	1,795	1,958	440	65.2	515	35.7
75 to 84	401	564	634	813	887	163	40.6	253	40.0
85 and over	110	233	248	271	296	123	111.8	48	19.3
Subtotal	15,197	19,239	19,344	20,702	22,579	4,042	26.6	3,235	16.7
RUSH CITY SUBMARKET									
Under 18	1,213	1,219	1,122	1,164	1,250	6	0.5	128	11.4
18 to 24	361	520	503	481	516	159	44.0	14	2.7
25 to 34	631	909	910	913	979	278	44.1	69	7.6
35 to 44	801	871	841	865	929	70	8.7	88	10.5
45 to 54	590	951	871	839	901	361	61.2	30	3.4
55 to 64	414	653	758	811	871	239	57.7	112	14.8
65 to 74	332	405	536	646	694	73	22.0	157	29.3
75 to 84	204	233	233	311	333	29	14.2	100	42.8
85 and over	90	73	89	97	105	-17	-18.9	15	17.2
Subtotal	4,636	5,834	5,863	6,128	6,577	1,198	25.8	714	12.2
TAYLORS FALLS SUBMARKET									
Under 18	972	1,254	1,245	1,291	1,349	282	29.0	104	8.4
18 to 24	201	319	371	329	344	118	58.5	-27	-7.3
25 to 34	335	651	655	720	752	316	94.3	98	14.9
35 to 44	577	686	638	726	759	109	18.9	121	18.9
45 to 54	453	921	738	597	624	468	103.3	-114	-15.4
55 to 64	242	571	742	758	792	329	136.0	50	6.8
65 to 74	161	287	407	510	533	126	78.3	127	31.1
75 to 84	88	146	144	212	221	58	65.9	78	54.1
85 and over	39	40	53	54	56	1	2.6	4	6.7
Subtotal	3,068	4,874	4,991	5,197	5,431	1,806	58.9	440	8.8
WYOMING SUBMARKET									
Under 18	2,828	2,648	2,384	2,511	2,924	-180	-6.4	540	22.6
18 to 24	601	620	680	622	724	19	3.2	45	6.6
25 to 34	1,288	1,076	1,192	1,348	1,571	-212	-16.5	378	31.7
35 to 44	1,755	1,401	1,271	1,446	1,685	-354	-20.2	414	32.5
45 to 54	1,106	1,678	1,542	1,445	1,684	572	51.7	142	9.2
55 to 64	599	1,002	1,314	1,492	1,738	403	67.3	424	32.3
65 to 74	311	489	711	942	1,097	178	57.2	386	54.3
75 to 84	159	242	283	399	465	83	52.2	182	64.4
85 and over	58	91	90	105	122	33	56.9	32	35.4
Subtotal	8,705	9,247	9,467	10,311	12,010	542	6.2	2,543	26.9
CHISAGO COUNTY									
Under 18	12,395	14,185	12,901	13,549	14,860	1,790	14.4	1,959	15.2
18 to 24	2,899	3,594	4,009	3,697	4,055	695	24.0	46	1.2
25 to 34	5,717	6,330	6,846	7,709	8,455	613	10.7	1,609	23.5
35 to 44	7,533	8,124	7,166	7,921	8,688	591	7.8	1,522	21.2
45 to 54	5,283	9,325	8,516	7,790	8,543	4,042	76.5	27	0.3
55 to 64	3,227	6,082	7,562	8,285	9,087	2,855	88.5	1,525	20.2
65 to 74	2,114	3,482	4,578	5,698	6,249	1,368	64.7	1,671	36.5
75 to 84	1,377	1,910	2,080	2,743	3,009	533	38.7	929	44.6
85 and over	556	855	926	1,013	1,111	299	53.8	185	20.0
Total	41,101	53,887	54,585	58,406	64,058	12,786	31.1	9,473	17.4
Sources: U.S. Census Bureau; ESRI; Maxfield Research and Consulting LLC									

DEMOGRAPHIC ANALYSIS

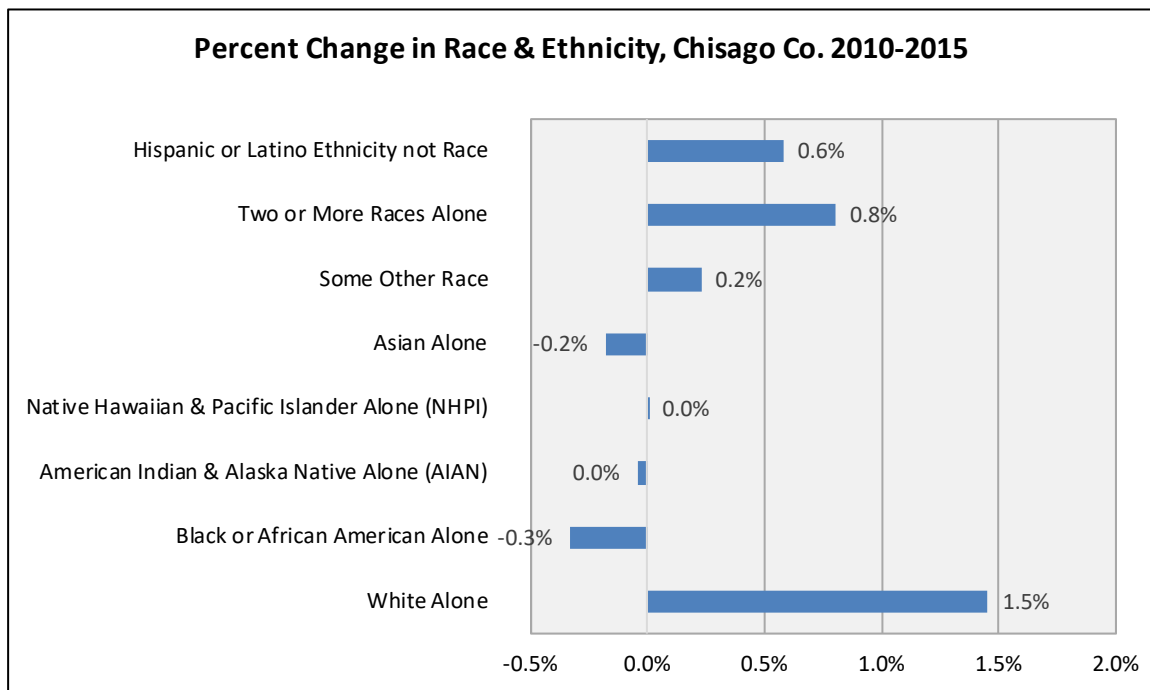
- In Chisago County, all age cohorts are expected to experience growth between 2017 to 2030, except in age cohorts 45 to 54 (-3.7%) and 18 to 24 (-2.9%).
- The population over 55 is expected grow in each submarket from 2017 to 2030. The increasing older adult population reflects larger state and national trends of an aging population, largely due to aging of the sizable baby boom generation.



Race of Population

The race of the population illustrates the diversity for each submarket in Chisago County. Data for 2010 and 2015 was obtained from the U.S. Census and is presented in Table D-5.

- The majority of Chisago County residents reported their race as “White Alone” in 2010 (94.0%) and 2015 (95.5%).
- From 2010 to 2015, the county has seen either an increase percentage or no measurable change for all races except Asian population (-0.2%) and Black or African American (-0.3%).



- Between 2010 and 2015 the Hispanic or Latino population increased in all submarkets, except in the Rush City submarket. In 2010, 1.7% of the county population reported their ethnicity as Hispanic or Latino. In 2015, the proportion of the population reporting their ethnicity as Hispanic or Latino increased by only 0.1% to account for 1.8% of the county’s population.

DEMOGRAPHIC ANALYSIS

TABLE D-5
POPULATION DISTRIBUTION BY RACE
CHISAGO COUNTY
2010 and 2015

NUMBER	White Alone		Black or African American Alone		American Indian and Alaska Native Alone (AIAN)		Native Hawaiian and Pacific Islander Alone (NHPI)		Asian Alone		Some Other Race		Two or More Races Alone		Hispanic or Latino ¹ <i>Ethnicity not Race</i>	
	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015
Chisago Lakes Sub.	14,008	14,336	0	91	29	64	0	0	36	61	54	24	72	160	164	250
North Branch Sub.	18,293	18,423	51	122	23	34	3	0	232	148	26	107	240	321	373	355
Rush City Sub.	4,700	5,109	723	393	171	123	0	0	60	37	12	0	70	125	164	144
Taylors Falls Sub.	4,664	4,752	12	20	23	20	0	0	86	2	7	0	58	90	51	54
Wyoming Sub.	8,992	8,770	19	0	28	10	0	4	90	159	19	110	43	219	171	176
Chisago County	50,657	51,390	805	626	274	251	3	4	504	407	118	241	483	915	923	979
Twin Cities Metro Area	2,246,356	2,309,380	238,723	257,069	20,219	17,200	1,262	1,164	183,421	207,088	74,516	61,390	84,383	98,823	167,558	179,371
PERCENTAGE																
Chisago Lakes Sub.	95.3%	97.3%	0.0%	0.6%	0.2%	0.4%	0.0%	0.0%	0.2%	0.4%	0.4%	0.2%	0.5%	1.1%	1.1%	1.7%
North Branch Sub.	95.1%	96.2%	0.3%	0.6%	0.1%	0.2%	0.0%	0.0%	1.2%	0.8%	0.1%	0.6%	1.2%	1.7%	1.9%	1.9%
Rush City Sub.	80.6%	88.3%	12.4%	6.8%	2.9%	2.1%	0.0%	0.0%	1.0%	0.6%	0.2%	0.0%	1.2%	2.2%	2.8%	2.5%
Taylors Falls Sub.	95.7%	97.3%	0.2%	0.4%	0.5%	0.4%	0.0%	0.0%	1.8%	0.0%	0.1%	0.0%	1.2%	1.8%	1.0%	1.1%
Wyoming Sub.	97.2%	94.6%	0.2%	0.0%	0.3%	0.1%	0.0%	0.0%	1.0%	1.7%	0.2%	1.2%	0.5%	2.4%	1.8%	1.9%
Chisago County	94.0%	95.5%	1.5%	1.2%	0.5%	0.5%	0.0%	0.0%	0.9%	0.8%	0.2%	0.4%	0.9%	1.7%	1.7%	1.8%
Twin Cities Metro Area	78.8%	78.2%	8.4%	8.7%	0.7%	0.6%	0.0%	0.0%	6.4%	7.0%	2.6%	2.1%	3.0%	3.3%	5.9%	6.1%

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

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

Household Income by Age of Householder

The estimated distribution of household incomes in Chisago County and each submarket for 2017 and 2022 are shown in Tables D-6 through D-11. The data was estimated by Maxfield Research and Consulting, LLC 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 with an income of \$50,000 per year would be able to afford a monthly housing cost of about \$1,250. Maxfield Research and Consulting, LLC utilizes 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 \$50,000 income would translate to an affordable single-family home of \$150,000 to \$175,000. The higher end of this range assumes that the person has adequate funds for down payment and closing costs, but also does not include savings or equity in an existing home.

Table D-6 presents household income by the age of the householder in Chisago County for 2017 and 2022.

- In 2017, the median income for Chisago County was \$70,373 across all ages. The median income is forecast to rise by 10.6% to \$77,829 in 2022.
- The median income for Chisago County was slightly higher than the median income for Minnesota in 2017 where it was \$63,470. The trend will continue into 2022 where the median income for Minnesota will be slightly lower than Chisago County at \$77,829.
- The highest median income was recorded among those ages 45 to 54 at \$87,006 in 2017. In 2022, those age 45 to 54 are expected to remain the highest earners with a median income of \$98,905, a 13.7% increase.
- Between 2017 and 2022 the median income of householders age 45 to 54 is forecast to experience the greatest growth, increasing 13.7% from \$87,006 in 2017 to \$98,905 in 2022. The increase in income among this age group reflects the population growth of the older age cohort and the tendency for people to work until an older age.

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TABLE D-6 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER CHISAGO COUNTY (Number of Households) 2017 and 2022								
	Total	Age of Householder						
		Under 25	25-34	35-44	45-54	55-64	65 -74	75+
2017								
Less than \$15,000	1,054	22	75	85	106	248	229	288
\$15,000 to \$24,999	1,456	50	112	127	153	249	281	484
\$25,000 to \$34,999	1,606	50	186	194	202	300	275	399
\$35,000 to \$49,999	2,501	65	369	367	437	509	381	372
\$50,000 to \$74,999	4,103	100	753	725	839	863	557	266
\$75,000 to \$99,999	3,602	55	581	678	938	828	413	108
\$100,000 to \$149,999	3,966	40	492	918	1,098	915	412	90
\$150,000 to \$199,999	1,395	15	137	284	580	243	110	25
\$200,000+	652	1	57	171	184	130	95	14
Total	20,334	399	2,763	3,550	4,536	4,285	2,754	2,047
Median Income	\$70,373	\$51,883	\$69,591	\$83,180	\$87,006	\$73,918	\$57,170	\$30,446
2022								
Less than \$15,000	1,120	21	82	92	83	232	262	348
\$15,000 to \$24,999	1,476	46	107	113	108	226	305	570
\$25,000 to \$34,999	1,562	44	181	178	142	272	294	451
\$35,000 to \$49,999	2,417	61	363	329	333	473	415	442
\$50,000 to \$74,999	3,789	88	728	660	608	798	593	315
\$75,000 to \$99,999	3,694	58	635	691	786	871	510	144
\$100,000 to \$149,999	5,017	50	685	1,167	1,140	1,192	623	159
\$150,000 to \$199,999	1,892	21	212	407	661	358	185	48
\$200,000+	880	1	85	227	208	173	160	24
Total	21,846	390	3,078	3,864	4,069	4,597	3,347	2,501
Median Income	\$77,829	\$54,585	\$77,145	\$94,001	\$98,905	\$81,680	\$64,626	\$31,666
Change - 2017 to 2022								
Less than \$15,000	67	-1	7	6	-23	-15	33	60
\$15,000 to \$24,999	20	-4	-5	-15	-44	-23	24	86
\$25,000 to \$34,999	-43	-6	-4	-15	-60	-28	19	52
\$35,000 to \$49,999	-84	-4	-7	-38	-103	-36	33	70
\$50,000 to \$74,999	-314	-13	-24	-66	-231	-65	36	49
\$75,000 to \$99,999	92	3	54	13	-153	43	96	35
\$100,000 to \$149,999	1,051	10	193	249	42	277	211	69
\$150,000 to \$199,999	498	6	74	123	81	116	75	23
\$200,000+	227	0	28	57	25	43	65	10
Total	1,512	-10	316	314	-466	312	593	454
Median Income	\$7,456	\$2,702	\$7,554	\$10,821	\$11,899	\$7,762	\$7,456	\$1,220
Sources: ESRI; Maxfield Research and Consulting LLC								

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Table D-7 shows the median income for the Chisago Lakes submarket for 2017 and 2022.

- The 2017 median income for the Chisago Lakes submarket was \$73,538 for all age cohorts. The median income is expected to rise to \$81,712 in 2022, a 11.1% increase in median income.

TABLE D-7 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER CHISAGO LAKES SUBMARKET (Number of Households) 2017 and 2022								
	Total	Age of Householder						
		Under 25	25-34	35-44	45-54	55-64	65 -74	75+
2017								
Less than \$15,000	310	5	16	19	24	66	69	110
\$15,000 to \$24,999	463	7	25	31	41	64	91	204
\$25,000 to \$34,999	468	9	39	44	53	76	85	163
\$35,000 to \$49,999	650	11	75	78	105	122	109	149
\$50,000 to \$74,999	1,180	29	182	188	213	253	199	115
\$75,000 to \$99,999	988	16	140	169	229	239	140	55
\$100,000 to \$149,999	1,196	9	135	258	322	292	144	35
\$150,000 to \$199,999	529	8	49	102	205	96	53	16
\$200,000+	259	1	23	62	70	51	43	10
Total	6,043	96	684	953	1,262	1,259	932	857
Median Income	\$73,538	\$60,200	\$75,555	\$90,286	\$95,218	\$78,785	\$61,457	\$31,246
2022								
Less than \$15,000	321	4	19	18	17	58	77	129
\$15,000 to \$24,999	450	6	21	26	29	52	93	222
\$25,000 to \$34,999	447	8	39	40	35	64	83	180
\$35,000 to \$49,999	627	12	68	71	82	107	117	171
\$50,000 to \$74,999	1,078	26	165	174	156	217	207	133
\$75,000 to \$99,999	1,012	16	146	174	198	239	169	70
\$100,000 to \$149,999	1,521	10	180	337	346	366	215	67
\$150,000 to \$199,999	715	10	70	148	239	134	85	28
\$200,000+	349	1	35	85	78	67	67	17
Total	6,521	94	742	1,072	1,179	1,304	1,113	1,016
Median Income	\$81,712	\$63,176	\$83,151	\$102,829	\$106,745	\$89,195	\$71,603	\$33,386
Change - 2017 to 2022								
Less than \$15,000	11	-1	3	-1	-8	-8	8	18
\$15,000 to \$24,999	-14	-1	-4	-5	-11	-12	2	18
\$25,000 to \$34,999	-21	-1	0	-4	-18	-12	-3	17
\$35,000 to \$49,999	-22	0	-7	-7	-24	-15	8	22
\$50,000 to \$74,999	-102	-3	-17	-15	-57	-36	8	18
\$75,000 to \$99,999	24	-1	7	4	-31	0	30	15
\$100,000 to \$149,999	325	1	45	78	24	74	71	31
\$150,000 to \$199,999	186	2	21	46	35	38	32	12
\$200,000+	90	0	11	23	8	16	24	7
Total	478	-2	58	119	-82	45	181	159
Median Income	\$8,174	\$2,976	\$7,596	\$12,543	\$11,527	\$10,410	\$10,146	\$2,140
Sources: ESRI: Maxfield Research and Consulting LLC								

Sources: ESRI; Maxfield Research and Consulting LLC

- The highest income earners were those age 45 to 54 in 2017 (\$95,218) and 2022 (\$106,745). However, the 35 to 44 age cohort is project to experience the most amount of income growth between 2017 and 2022, increasing by 13.9%.

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Table D-8 displays the median income among age cohorts for the North Branch submarket.

TABLE D-8 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER NORTH BRANCH SUBMARKET (Number of Households) 2017 and 2022								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65-74	75+
2017								
Less than \$15,000	328	7	23	28	38	84	67	81
\$15,000 to \$24,999	468	21	39	45	54	89	84	136
\$25,000 to \$34,999	583	25	82	82	80	109	84	121
\$35,000 to \$49,999	928	29	151	148	165	190	126	118
\$50,000 to \$74,999	1,599	43	311	301	351	323	187	82
\$75,000 to \$99,999	1,313	20	222	260	375	282	125	28
\$100,000 to \$149,999	1,394	16	184	344	391	299	134	25
\$150,000 to \$199,999	350	2	40	71	159	53	24	1
\$200,000+	139	0	13	41	40	25	19	1
Total	7,104	163	1,066	1,321	1,654	1,455	851	594
<i>Median Income</i>	<i>\$67,477</i>	<i>\$49,643</i>	<i>\$66,758</i>	<i>\$78,997</i>	<i>\$82,111</i>	<i>\$67,875</i>	<i>\$56,263</i>	<i>\$30,713</i>
2022								
Less than \$15,000	357	7	26	34	36	82	75	98
\$15,000 to \$24,999	483	20	41	40	38	87	94	163
\$25,000 to \$34,999	582	23	86	79	57	109	93	134
\$35,000 to \$49,999	908	26	163	134	127	185	134	139
\$50,000 to \$74,999	1,503	37	321	275	256	319	199	96
\$75,000 to \$99,999	1,350	22	258	259	310	313	153	35
\$100,000 to \$149,999	1,766	19	276	426	400	404	199	41
\$150,000 to \$199,999	489	3	69	104	178	91	41	2
\$200,000+	192	0	21	55	48	33	34	2
Total	7,629	157	1,262	1,406	1,450	1,623	1,023	709
<i>Median Income</i>	<i>\$74,560</i>	<i>\$50,888</i>	<i>\$74,268</i>	<i>\$86,572</i>	<i>\$90,101</i>	<i>\$76,668</i>	<i>\$61,959</i>	<i>\$31,218</i>
Change - 2017 to 2022								
Less than \$15,000	29	0	3	6	-2	-2	7	17
\$15,000 to \$24,999	14	-1	2	-5	-16	-2	10	27
\$25,000 to \$34,999	-2	-2	4	-3	-23	0	9	13
\$35,000 to \$49,999	-20	-3	12	-14	-38	-5	8	20
\$50,000 to \$74,999	-96	-6	10	-26	-95	-4	12	13
\$75,000 to \$99,999	37	2	36	-1	-66	31	28	7
\$100,000 to \$149,999	371	3	92	82	9	105	65	16
\$150,000 to \$199,999	139	1	29	33	19	38	17	1
\$200,000+	53	0	8	14	8	8	15	1
Total	525	-6	196	84	-205	168	173	115
<i>Median Income</i>	<i>\$7,083</i>	<i>\$1,245</i>	<i>\$7,510</i>	<i>\$7,575</i>	<i>\$7,990</i>	<i>\$8,793</i>	<i>\$5,696</i>	<i>\$505</i>

Sources: ESRI; Maxfield Research and Consulting LLC

- In 2017, the median income of the North Branch submarket was \$67,477, rising to \$74,560 in 2022, an increase of 10.5%.
- The highest earners in the North Branch submarket were those age 45 to 54 in 2017 (\$82,111) and 2022 (\$90,101). The largest gain in median income was reported among those age 55 to 64. This age cohort is projected to experience an 13% increase in median income between 2017 and 2022.

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- The oldest age cohort in the North Branch submarket, those age 75 and over, is forecast to experience a small (1.6%) growth in median incomes from 2017 to 2022.

Table D-9 shows the median incomes for the Rush City submarket for 2017 and 2022.

TABLE D-9 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER RUSH CITY SUBMARKET (Number of Households) 2017 and 2022								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65-74	75+
2017								
Less than \$15,000	179	7	19	19	19	38	38	40
\$15,000 to \$24,999	190	10	18	20	22	31	28	62
\$25,000 to \$34,999	212	6	24	27	26	41	40	48
\$35,000 to \$49,999	288	10	42	42	55	58	48	32
\$50,000 to \$74,999	307	10	52	51	63	67	48	16
\$75,000 to \$99,999	306	7	44	59	78	70	42	5
\$100,000 to \$149,999	379	8	40	77	98	92	55	9
\$150,000 to \$199,999	87	0	11	15	35	14	7	3
\$200,000+	45	0	3	12	14	8	7	0
Total	1,994	60	253	322	409	420	314	217
<i>Median Income</i>	<i>\$58,254</i>	<i>\$42,721</i>	<i>\$59,249</i>	<i>\$75,932</i>	<i>\$80,144</i>	<i>\$63,408</i>	<i>\$50,921</i>	<i>\$25,863</i>
2022								
Less than \$15,000	180	6	17	19	14	34	42	49
\$15,000 to \$24,999	182	8	15	16	17	27	25	74
\$25,000 to \$34,999	195	5	21	22	19	35	39	54
\$35,000 to \$49,999	260	11	37	34	42	49	52	37
\$50,000 to \$74,999	267	8	43	40	47	59	47	21
\$75,000 to \$99,999	324	8	45	59	74	76	53	8
\$100,000 to \$149,999	504	11	53	97	115	128	84	17
\$150,000 to \$199,999	113	0	14	20	40	21	13	5
\$200,000+	61	0	4	16	19	11	12	0
Total	2,087	58	249	323	387	439	367	265
<i>Median Income</i>	<i>\$69,708</i>	<i>\$47,019</i>	<i>\$68,555</i>	<i>\$85,908</i>	<i>\$91,718</i>	<i>\$78,954</i>	<i>\$61,266</i>	<i>\$26,328</i>
Change - 2017 to 2022								
Less than \$15,000	1	-1	-2	0	-5	-4	4	8
\$15,000 to \$24,999	-7	-2	-3	-4	-5	-4	-3	12
\$25,000 to \$34,999	-17	-1	-3	-5	-7	-6	-1	5
\$35,000 to \$49,999	-27	0	-5	-9	-12	-9	3	5
\$50,000 to \$74,999	-40	-2	-8	-10	-15	-8	-1	5
\$75,000 to \$99,999	18	1	1	0	-5	6	10	3
\$100,000 to \$149,999	125	2	13	20	17	36	30	8
\$150,000 to \$199,999	26	0	2	5	5	7	5	2
\$200,000+	16	0	1	3	5	2	4	0
Total	93	-2	-4	1	-22	19	53	48
<i>Median Income</i>	<i>\$11,454</i>	<i>\$4,298</i>	<i>\$9,306</i>	<i>\$9,976</i>	<i>\$11,574</i>	<i>\$15,546</i>	<i>\$10,345</i>	<i>\$465</i>
Sources: ESRI; Maxfield Research and Consulting LLC								

- The median income in the Rush City submarket was \$58,254 in 2017, increasing to \$69,708 in 2022. The growth in median incomes between 2017 and 2022 reflects a 19.7% increase in incomes. This is the largest increase in median income among all submarkets.

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- The highest earners in the Rush City submarket (those ages 45 to 54) have a median income of \$63,408 in 2017 and \$78,954 in 2022.
- The 55 to 64 age cohort is expected to have the greatest gain in median income, increasing from \$63,408 in 2017 to \$78,954 in 2022, an increase of 24.5%.

Table D-10 shows the median income for the Taylors Falls submarket for 2017 and 2022.

- The 2017 median income for the Taylors Falls submarket was \$68,765 in 2017, rising to \$76,058 in 2022 an 10.6% increase in median income.
- The highest median income was reported among the 45 to 54 age cohort for 2017 (\$86,077) and 2022 (\$97,357).
- The greatest proportional increase in median incomes is projected to occur among those under 25, rising by 22.2% from \$47,600 to \$58,187. The 44 to 54 age groups incomes are expected to have the largest nominal increase, increasing by \$11,280 between 2017 and 2022.

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TABLE D-10 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER TAYLORS FALLS SUBMARKET (Number of Households) 2017 and 2022								
	Total	Age of Householder						
		Under 25	25-34	35-44	45-54	55-64	65 -74	75+
2017								
Less than \$15,000	109	3	10	10	11	28	30	18
\$15,000 to \$24,999	154	6	17	18	19	32	30	34
\$25,000 to \$34,999	123	4	16	17	16	26	20	25
\$35,000 to \$49,999	215	4	38	33	36	49	28	28
\$50,000 to \$74,999	354	7	78	66	70	82	38	13
\$75,000 to \$99,999	291	4	52	58	73	72	26	5
\$100,000 to \$149,999	352	4	46	81	92	94	32	4
\$150,000 to \$199,999	114	1	9	27	49	22	6	1
\$200,000+	61	0	9	14	15	14	9	1
Total	1,774	33	274	324	380	419	217	128
Median Income	\$68,765	\$47,600	\$65,688	\$81,141	\$86,077	\$71,852	\$50,663	\$29,099
2022								
Less than \$15,000	113	3	10	10	7	25	35	24
\$15,000 to \$24,999	154	6	16	16	13	28	33	43
\$25,000 to \$34,999	115	0	14	16	11	21	23	31
\$35,000 to \$49,999	206	4	35	32	26	45	30	35
\$50,000 to \$74,999	321	7	76	63	47	72	42	16
\$75,000 to \$99,999	285	4	56	62	56	71	32	6
\$100,000 to \$149,999	428	4	61	108	84	113	48	10
\$150,000 to \$199,999	152	4	17	39	49	31	12	1
\$200,000+	79	0	12	19	17	17	13	1
Total	1,854	32	295	364	309	421	266	166
Median Income	\$76,058	\$58,187	\$73,778	\$92,002	\$97,357	\$80,822	\$55,902	\$29,441
Change - 2017 to 2022								
Less than \$15,000	4	0	0	0	-4	-3	5	6
\$15,000 to \$24,999	-0	0	-1	-2	-6	-4	3	9
\$25,000 to \$34,999	-7	-4	-2	-1	-5	-5	3	6
\$35,000 to \$49,999	-9	0	-3	-1	-10	-5	2	7
\$50,000 to \$74,999	-33	0	-3	-4	-24	-11	4	3
\$75,000 to \$99,999	-6	0	3	3	-18	-2	6	1
\$100,000 to \$149,999	76	0	15	27	-8	19	16	6
\$150,000 to \$199,999	38	3	8	12	0	9	6	0
\$200,000+	17	0	3	5	2	3	4	0
Total	80	-1	21	40	-71	3	50	38
Median Income	\$7,293	\$10,587	\$8,090	\$10,861	\$11,280	\$8,970	\$5,239	\$342
Sources: ESRI; Maxfield Research and Consulting LLC								

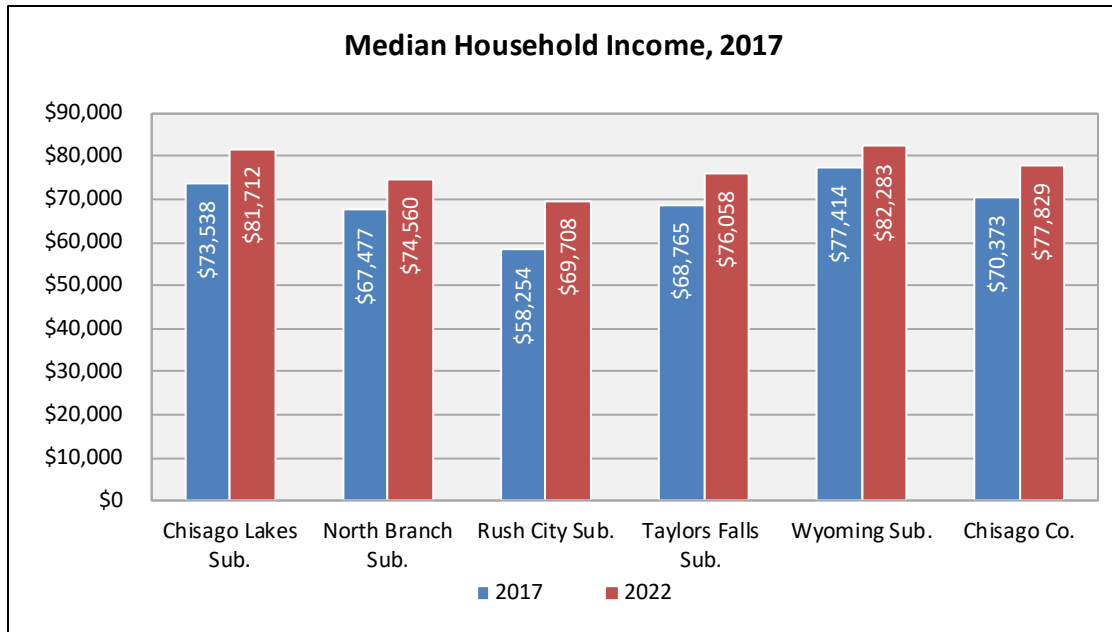
DEMOGRAPHIC ANALYSIS

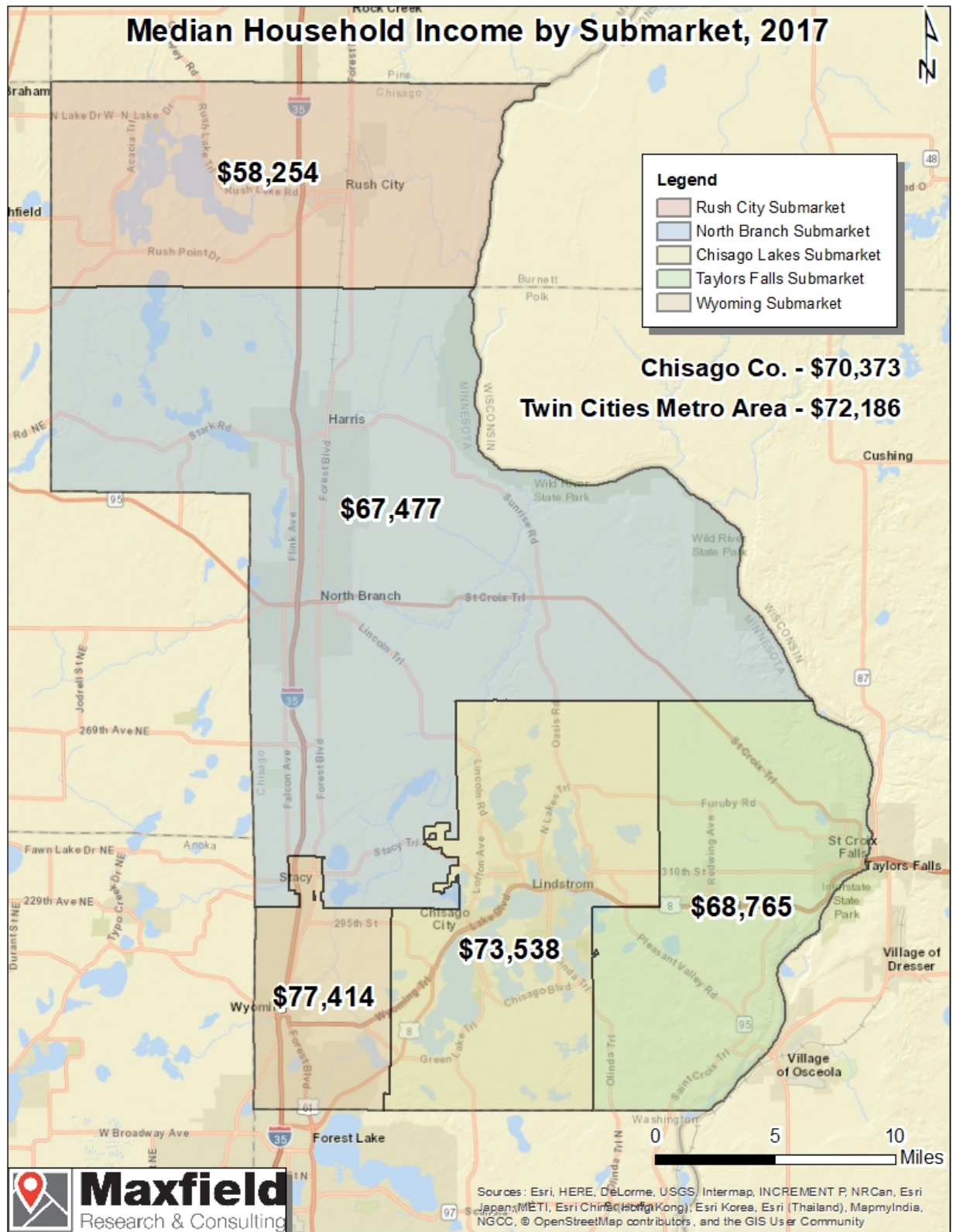
Table D-11 shows the median income for the Wyoming submarket for 2017 and 2022.

TABLE D-11 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER WYOMING SUBMARKET (Number of Households) 2017 and 2022								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65 -74	75+
2017								
Less than \$15,000	134	1	9	11	14	33	26	40
\$15,000 to \$24,999	188	5	15	17	19	33	49	51
\$25,000 to \$34,999	225	6	26	25	28	47	48	44
\$35,000 to \$49,999	414	9	63	64	74	89	69	47
\$50,000 to \$74,999	654	11	126	116	139	136	85	40
\$75,000 to \$99,999	700	9	120	131	180	162	80	17
\$100,000 to \$149,999	647	5	88	158	191	139	50	17
\$150,000 to \$199,999	311	3	27	69	132	56	20	5
\$200,000+	146	0	10	40	42	31	21	2
Total	3,419	48	485	630	819	727	447	262
<i>Median Income</i>	<i>\$77,414</i>	<i>\$55,730</i>	<i>\$75,451</i>	<i>\$88,586</i>	<i>\$92,074</i>	<i>\$77,692</i>	<i>\$57,112</i>	<i>\$33,820</i>
2022								
Less than \$15,000	150	1	11	11	11	33	32	50
\$15,000 to \$24,999	200	4	15	13	12	30	59	66
\$25,000 to \$34,999	226	5	24	23	21	44	56	54
\$35,000 to \$49,999	415	8	60	59	58	87	82	60
\$50,000 to \$74,999	621	10	122	107	103	131	99	50
\$75,000 to \$99,999	723	9	128	137	150	172	104	23
\$100,000 to \$149,999	802	6	116	198	197	180	77	27
\$150,000 to \$199,999	421	4	41	96	152	82	35	9
\$200,000+	196	0	13	53	48	45	33	4
Total	3,755	49	531	698	753	804	577	343
<i>Median Income</i>	<i>\$82,283</i>	<i>\$61,171</i>	<i>\$79,704</i>	<i>\$99,614</i>	<i>\$103,224</i>	<i>\$84,025</i>	<i>\$62,727</i>	<i>\$35,265</i>
Change - 2017 to 2022								
Less than \$15,000	16	0	3	1	-2	-0	6	10
\$15,000 to \$24,999	12	-1	-0	-3	-6	-3	10	15
\$25,000 to \$34,999	1	-1	-3	-3	-8	-3	8	10
\$35,000 to \$49,999	1	-1	-2	-4	-16	-2	13	13
\$50,000 to \$74,999	-33	-0	-4	-10	-36	-5	13	10
\$75,000 to \$99,999	23	1	7	6	-30	10	23	6
\$100,000 to \$149,999	155	1	28	41	6	41	27	10
\$150,000 to \$199,999	110	1	14	28	20	26	16	4
\$200,000+	50	0	4	13	6	13	13	2
Total	336	1	47	68	-66	77	129	81
<i>Median Income</i>	<i>\$4,869</i>	<i>\$5,441</i>	<i>\$4,253</i>	<i>\$11,028</i>	<i>\$11,150</i>	<i>\$6,333</i>	<i>\$5,615</i>	<i>\$1,445</i>

Sources: ESRI; Maxfield Research and Consulting LLC

- In 2017, the median income of the Wyoming submarket was \$77,414, rising to \$82,283 in 2022. The Wyoming submarket reported the highest median income among all submarkets in 2017 and 2022.

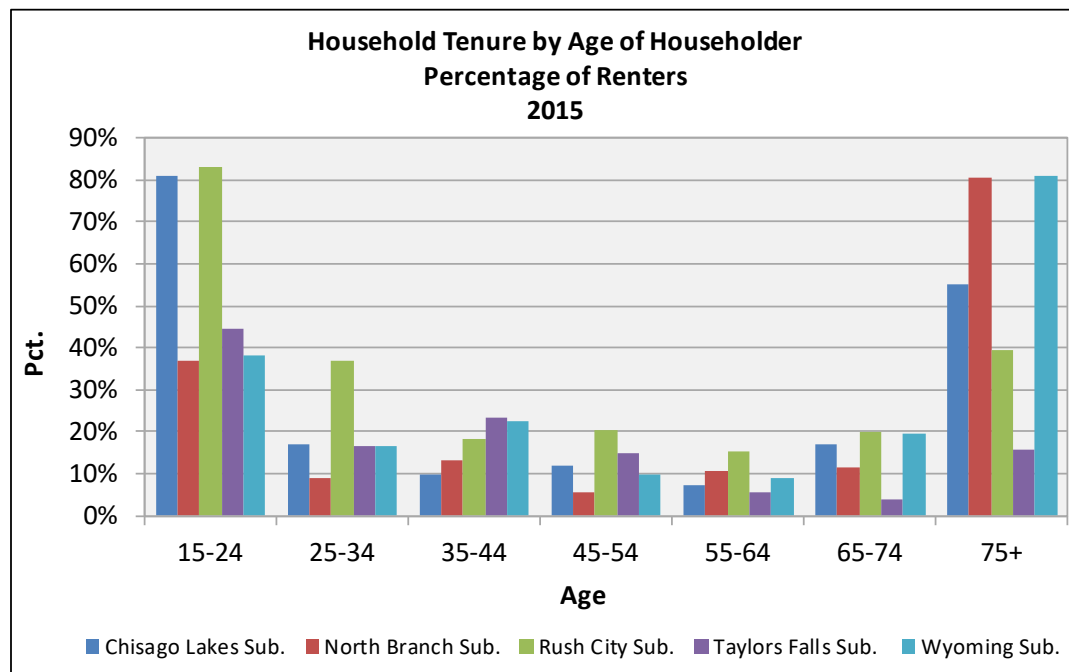


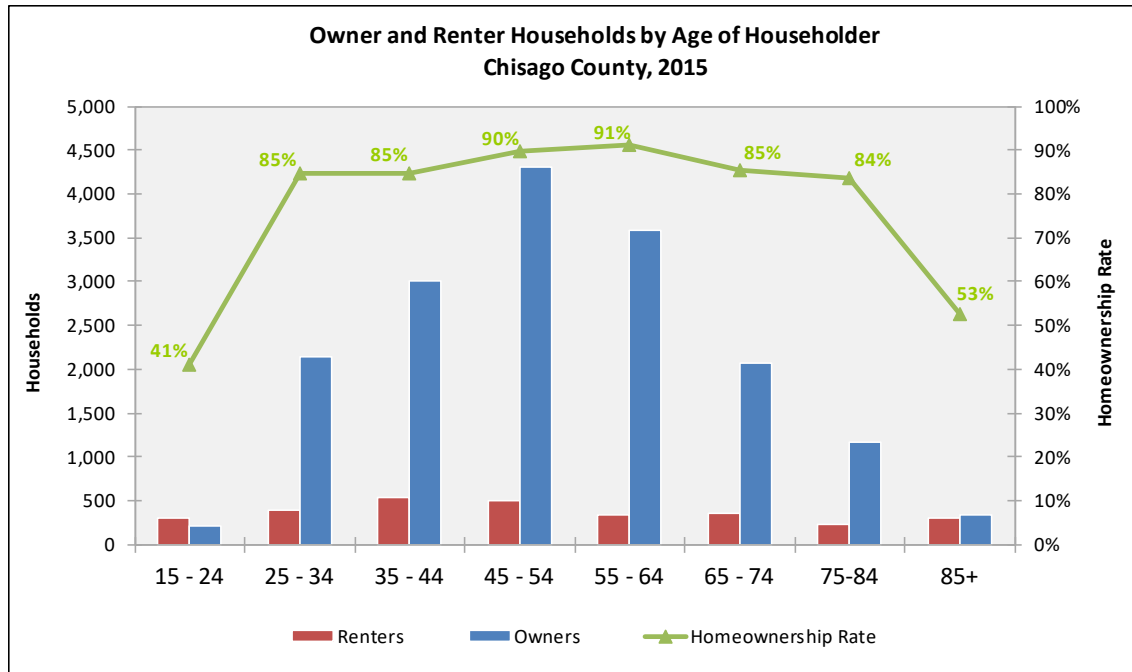


Tenure by Age of Householder

Table D-12 shows 2010 and 2015 tenure data for each of the submarkets in Chisago County by age cohort from the U.S. Census Bureau. This data is useful in determining demand for certain types of housing since housing preferences change throughout an individual's life cycle.

- In 2010, 85.4% of Chisago County households were owner households. This number decreased slightly in 2015 to 85.0%. The proportion of owner households in Chisago County exceed the state proportion, which was 74.2% in 2010.
- In 2015, the proportion of owner households peaked at different age cohorts across nearly all submarkets. The North Branch submarket peaks in the 45 to 54 age cohort, the Chisago Lakes and Wyoming submarkets peak in the 55 to 64 age cohort, the Taylors Falls submarket peaked in the 75 to 84 age cohort, and the Rush City submarket peaked in the 85+ age cohort.



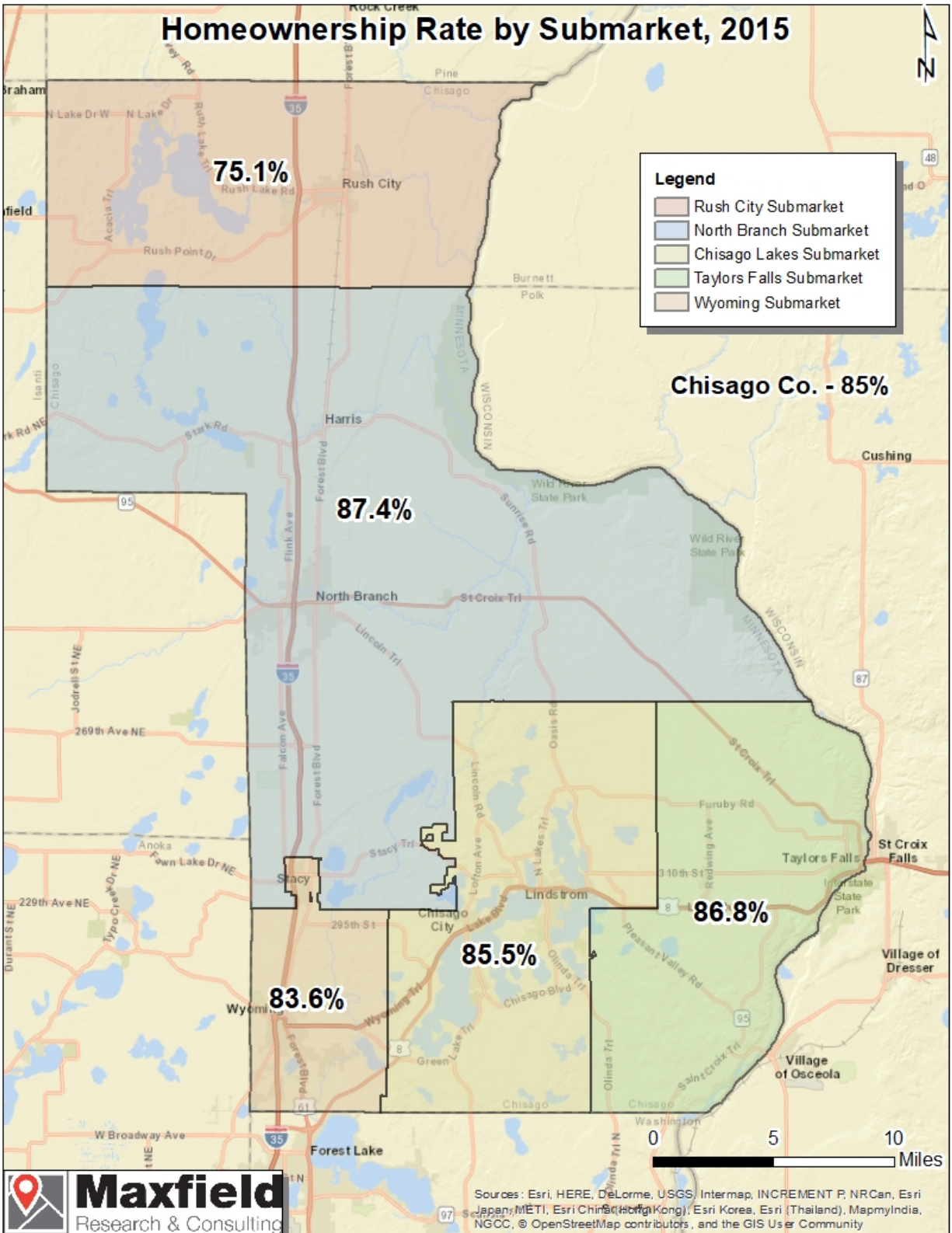


DEMOGRAPHIC ANALYSIS

TABLE D-12
TENURE BY AGE OF HOUSEHOLDER
CHISAGO COUNTY
2010 and 2015

Age		CHISAGO LAKES SUBMARKET				NORTH BRANCH SUBMARKET				RUSH CITY SUBMARKET				TAYLORS FALLS SUBMARKET				WYOMING SUBMARKET				CHISAGO COUNTY			
		2010		2015		2010		2015		2010		2015		2010		2015		2010		2015		2010		2015	
		No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
15-24	Own	32	33.7	27	19.1	101	63.1	141	62.9	21	32.3	19	16.8	17	58.6	10	55.6	33	56.9	21	61.8	204	50.1	218	41.1
	Rent	63	66.3	114	80.9	59	36.9	83	37.1	44	67.7	94	83.2	12	41.4	8	44.4	25	43.1	13	38.2	203	49.9	312	58.9
	Total	95	100.0	141	100.0	160	100.0	224	100.0	65	100.0	113	100.0	29	100.0	18	100.0	58	100.0	34	100.0	407	100.0	530	100.0
25-34	Own	469	76.0	433	82.8	785	80.9	902	91.1	165	66.8	136	63.3	225	80.6	255	83.3	364	80.2	409	83.3	2,008	78.2	2,135	84.6
	Rent	148	24.0	90	17.2	185	19.1	88	8.9	82	33.2	79	36.7	54	19.4	51	16.7	90	19.8	82	16.7	559	21.8	390	15.4
	Total	617	100.0	523	100.0	970	100.0	990	100.0	247	100.0	215	100.0	279	100.0	306	100.0	454	100.0	491	100.0	2,567	100.0	2,525	100.0
35-44	Own	903	85.3	904	90.1	1,455	90.4	1,157	86.6	265	79.8	225	81.8	294	87.5	226	76.6	641	90.0	496	77.5	3,558	87.9	3,008	84.8
	Rent	155	14.7	99	9.9	155	9.6	179	13.4	67	20.2	50	18.2	42	12.5	69	23.4	71	10.0	144	22.5	490	12.1	541	15.2
	Total	1,058	100.0	1,003	100.0	1,610	100.0	1,336	100.0	332	100.0	275	100.0	336	100.0	295	100.0	712	100.0	640	100.0	4,048	100.0	3,549	100.0
45-54	Own	1,222	89.1	1,089	88.0	1,636	92.4	1,645	94.2	386	86.4	369	79.5	444	92.7	390	85.2	867	93.4	821	90.2	4,555	91.2	4,314	89.6
	Rent	150	10.9	148	12.0	135	7.6	101	5.8	61	13.6	95	20.5	35	7.3	68	14.8	61	6.6	89	9.8	442	8.8	501	10.4
	Total	1,372	100.0	1,237	100.0	1,771	100.0	1,746	100.0	447	100.0	464	100.0	479	100.0	458	100.0	928	100.0	910	100.0	4,997	100.0	4,815	100.0
55-64	Own	955	90.4	1,168	92.9	1,083	93.9	1,156	89.2	313	86.9	305	84.5	296	91.1	317	94.3	515	91.0	633	93.6	3,162	91.4	3,579	91.2
	Rent	101	9.6	89	7.1	70	6.1	140	10.8	47	13.1	56	15.5	29	8.9	19	5.7	51	9.0	43	6.4	298	8.6	347	8.8
	Total	1,056	100.0	1,257	100.0	1,153	100.0	1,296	100.0	360	100.0	361	100.0	325	100.0	336	100.0	566	100.0	676	100.0	3,460	100.0	3,926	100.0
65-74	Own	648	88.5	700	83.1	585	88.9	732	88.4	201	86.6	218	80.1	147	90.7	207	96.3	254	79.4	206	80.5	1,835	87.2	2,063	85.5
	Rent	84	11.5	142	16.9	73	11.1	96	11.6	31	13.4	54	19.9	15	9.3	8	3.7	66	20.6	50	19.5	269	12.8	350	14.5
	Total	732	100.0	842	100.0	658	100.0	828	100.0	232	100.0	272	100.0	162	100.0	215	100.0	320	100.0	256	100.0	2,104	100.0	2,413	100.0
75-84	Own	379	76.3	544	92.8	292	75.3	262	76.2	124	79.0	131	74.4	88	90.7	79	97.5	109	63.4	149	72.7	992	75.7	1,165	83.7
	Rent	118	23.7	42	7.2	96	24.7	82	23.8	33	21.0	45	25.6	9	9.3	2	2.5	63	36.6	56	27.3	319	24.3	227	16.3
	Total	497	100.0	586	100.0	388	100.0	344	100.0	157	100.0	176	100.0	97	100.0	81	100.0	172	100.0	205	100.0	1,311	100.0	1,392	100.0
85+	Own	165	59.4	137	51.9	76	51.0	79	43.2	25	59.5	44	86.3	27	87.1	26	86.7	25	32.9	60	46.2	318	55.2	346	52.6
	Rent	113	40.6	127	48.1	73	49.0	104	56.8	17	40.5	7	13.7	4	12.9	4	13.3	51	67.1	70	53.8	258	44.8	312	47.4
	Total	278	100.0	264	100.0	149	100.0	183	100.0	42	100.0	51	100.0	31	100.0	30	100.0	76	100.0	130	100.0	576	100.0	658	100.0
TOTAL	Own	4,773	83.7	5,002	85.5	6,013	87.7	6,074	87.4	1,500	79.7	1,447	75.1	1,538	88.5	1,510	86.8	2,808	85.5	2,795	83.6	16,632	85.4	16,828	85.0
	Rent	932	16.3	851	14.5	846	12.3	873	12.6	382	20.3	480	24.9	200	11.5	229	13.2	478	14.5	547	16.4	2,838	14.6	2,980	15.0
	Total	5,705	100.0	5,853	100.0	6,859	100.0	6,947	100.0	1,882	100.0	1,927	100.0	1,738	100.0	1,739	100.0	3,286	100.0	3,342	100.0	19,470	100.0	19,808	100.0

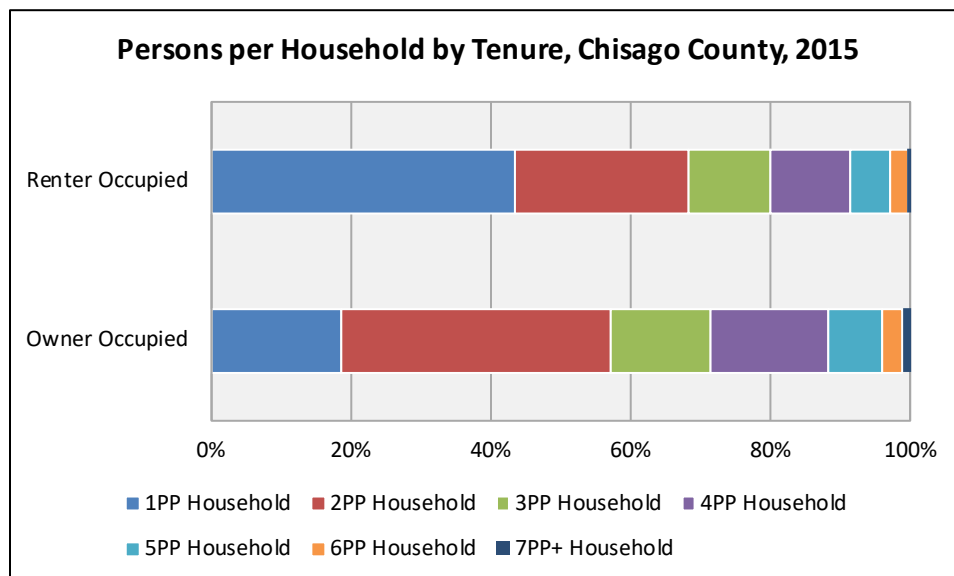
Sources: U.S. Census Bureau; Maxfield Research and Consulting LLC



Tenure by Household Size

Table D-13 shows the distribution of households by size and tenure in Chisago County in 2015. This data is useful in that it sheds insight into unit type that may be most needed in Chisago County.

- 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, 43% of renter households Chisago County were one-person households.
- Approximately 68% of renter households in Chisago County 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
- Owner households were most likely to contain two people in Chisago County, representing 39% of households.
- One-person households in Chisago County have the highest percentage of renters among all household types (43.3%). Seven-person plus households have the lowest renter percentage among all household types (0.4%).



DEMOGRAPHIC ANALYSIS

TABLE D-13
HOUSEHOLD SIZE BY TENURE
CHISAGO COUNTY
2015

Size	CHISAGO LAKES SUBMARKET				NORTH BRANCH SUBMARKET				RUSH CITY SUBMARKET			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
1PP Household	984	19.7%	384	45.1%	1,054	17.4%	415	47.5%	346	23.9%	210	43.8%
2PP Household	2,081	41.6%	352	41.4%	2,223	36.6%	198	22.7%	572	39.5%	80	16.7%
3PP Household	596	11.9%	67	7.9%	846	13.9%	68	7.8%	221	15.3%	74	15.4%
4PP Household	866	17.3%	29	3.4%	1,151	18.9%	92	10.5%	172	11.9%	64	13.3%
5PP Household	302	6.0%	19	2.2%	591	9.7%	41	4.7%	79	5.5%	43	9.0%
6PP Household	119	2.4%	0	0.0%	162	2.7%	59	6.8%	27	1.9%	6	1.3%
7PP+ Household	54	1.1%	0	0.0%	47	0.8%	0	0.0%	30	2.1%	3	0.6%
Total	5,002	100%	851	100%	6,074	100%	873	100%	1,447	100%	480	100%

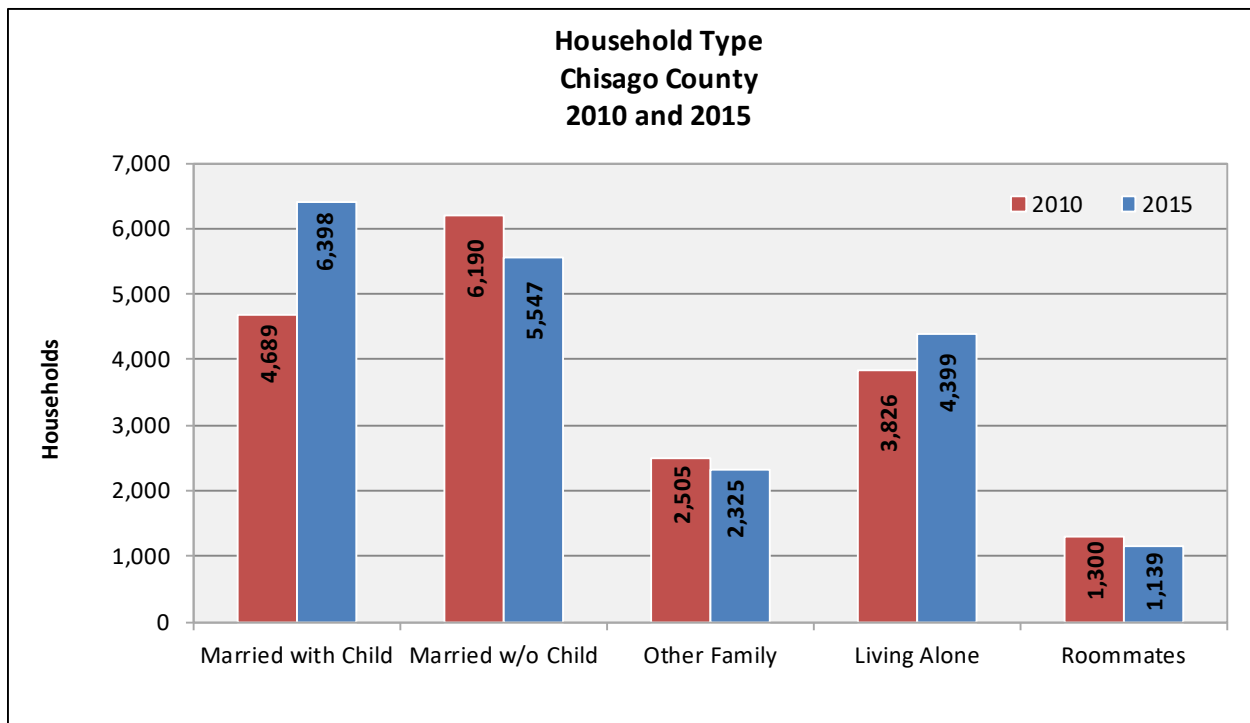
Size	TAYLORS FALLS SUBMARKET				WYOMING SUBMARKET				CHISAGO COUNTY			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
1PP Household	273	18.1%	72	31.4%	451	16.1%	210	38.4%	3,108	18.5%	1,291	43.3%
2PP Household	607	40.2%	61	26.6%	1,025	36.7%	52	9.5%	6,508	38.7%	743	24.9%
3PP Household	223	14.8%	34	14.8%	514	18.4%	102	18.6%	2,400	14.3%	345	11.6%
4PP Household	247	16.4%	39	17.0%	400	14.3%	115	21.0%	2,836	16.9%	339	11.4%
5PP Household	103	6.8%	13	5.7%	196	7.0%	55	10.1%	1,271	7.6%	171	5.7%
6PP Household	33	2.2%	0	0.0%	175	6.3%	13	2.4%	516	3.1%	78	2.6%
7PP+ Household	24	1.6%	10	4.4%	34	1.2%	0	0.0%	189	1.1%	13	0.4%
Total	1,510	100%	229	100%	2,795	100%	547	100%	16,828	100%	2,980	100%

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

Household Type

Table D-14 shows a breakdown of the type of households present in Chisago County 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. The following key points are summarized from Table D-14.

- Across all submarkets in the county, married couples with children represented the largest household type, except in the Chisago Lakes submarket where married couples without children represent the largest share. Married couples with children accounted for 25.3% of all households in the county in 2010 and increased to 32.3% in 2015. In contrast, the Twin Cities Metro Area is mainly comprised of non-family households with individuals living alone (28.8%), or family households who are married without children (27.5%) in 2015.
- Other family households decreased in four of the five submarkets between 2010 and 2015, declining by -7.2% overall in Chisago County. The only submarket that saw an increase in this household type was the Taylors Falls submarket.



DEMOGRAPHIC ANALYSIS

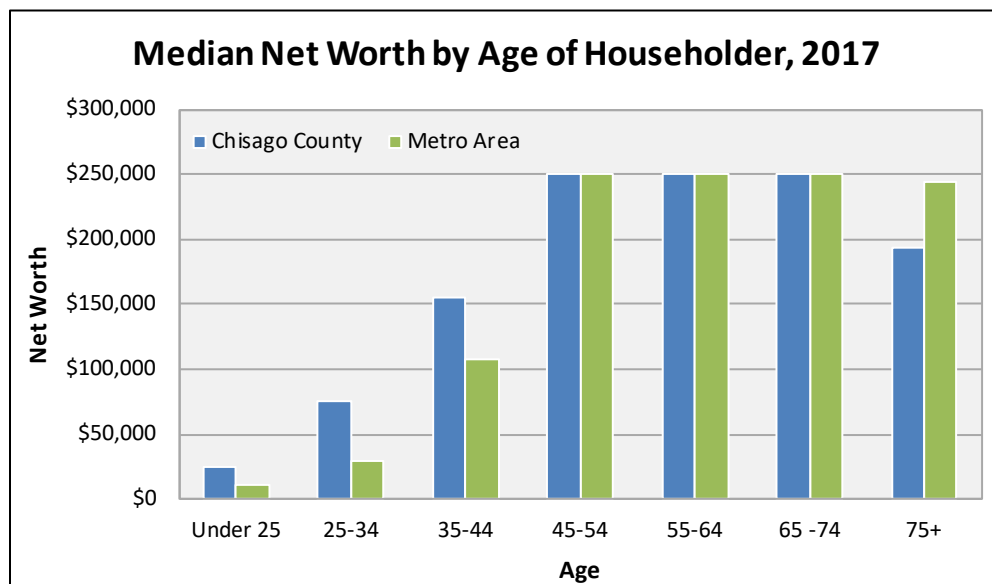
**TABLE D-14
HOUSEHOLD TYPE
CHISAGO COUNTY
2010 & 2015**

Number of Households	Select HH Count		Family Households						Non-Family Households			
			Married w/o Child		Married w/ Child		Other *		Living Alone		Roommates	
	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015
Chisago Lakes Sub.	5,831	5,853	2,034	1,944	1,397	1,589	660	632	1,497	1,368	243	320
North Branch Sub.	6,744	6,947	2,327	1,956	1,958	2,381	860	717	1,126	1,469	473	424
Rush City Sub.	1,684	1,927	649	459	402	535	287	259	251	556	95	118
Taylor's Falls Sub.	1,805	1,739	590	435	466	614	226	243	342	345	181	102
Wyoming Sub.	3,451	3,342	1,069	753	992	1,279	472	474	610	661	308	175
Chisago County	19,515	19,808	6,669	5,547	5,215	6,398	2,505	2,325	3,826	4,399	1,300	1,139
Twin Cities Metro Area	1,117,749	1,150,154	298,723	316,180	244,687	247,506	164,086	167,069	319,030	331,010	91,223	88,389
Percent of Total												
Chisago Lakes Sub.	100%	100%	34.9%	33.2%	24.0%	27.1%	11.3%	10.8%	25.7%	23.4%	4.2%	5.5%
North Branch Sub.	100%	100%	34.5%	28.2%	29.0%	34.3%	12.8%	10.3%	16.7%	21.1%	7.0%	6.1%
Rush City Sub.	100%	100%	38.5%	23.8%	23.9%	27.8%	17.0%	13.4%	14.9%	28.9%	5.6%	6.1%
Taylor's Falls Sub.	100%	100%	32.7%	25.0%	25.8%	35.3%	12.5%	14.0%	18.9%	19.8%	10.0%	5.9%
Wyoming Sub.	100%	100%	31.0%	22.5%	28.7%	38.3%	13.7%	14.2%	17.7%	19.8%	8.9%	5.2%
Chisago County Total	100%	100%	34.2%	28.0%	26.7%	32.3%	12.8%	11.7%	19.6%	22.2%	6.7%	5.8%
Twin Cities Metro Area Total	100%	100%	26.7%	27.5%	21.9%	21.5%	14.7%	14.5%	28.5%	28.8%	8.2%	7.7%
* Single-parent families, unmarried couples with children.												
Sources: U.S. Census Bureau; Maxfield Research & Consulting, LLC												

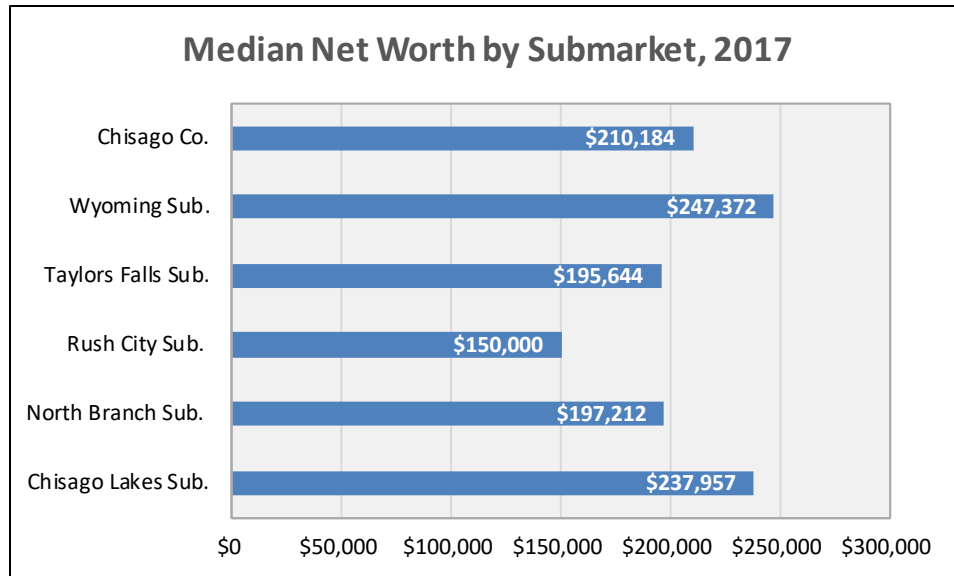
Net Worth

Table D-15 shows household net worth in Chisago County in 2017. 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 the Urban Institute Housing Finance Center, the average homeowner's net housing worth is \$150,506 compared to an average net worth of just over \$5,000 for renters reported by the 2013 Federal Reserve Survey of Consumer Finances.

- Chisago County reported an average net worth of \$738,277 and a median net worth of \$210,184. 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. Communities with high levels of farming equipment and land assets tend to also increase the average and median net worth in those areas.
- The highest median net worth was reported in the Chisago Lakes submarket, \$237,957, while the Rush City submarket reported the lowest median net worth, \$150,000. The highest average net worth was also in the Chisago Lakes submarket, with an average net worth of \$833,808.
- Median net worth rises with age, peaking between 45 and 74 when adults are in peak earning years. After age 75, median net worth begins to decline as more people leave the workforce and live on fixed incomes.



- The Wyoming submarket has the highest median net worth across all submarkets with a median net worth of \$247,372.



DEMOGRAPHIC ANALYSIS

TABLE D-15
NET WORTH BY AGE OF HOUSEHOLDER
CHISAGO COUNTY
2017

	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65 -74	75+
Chisago County								
Less than \$15,000	2,302	122	534	425	357	396	218	249
\$15,000 to \$34,999	968	114	282	183	137	115	45	91
\$35,000 to \$49,999	607	32	144	163	76	90	60	41
\$50,000 to \$99,999	2,372	86	647	547	362	273	202	255
\$100,000 to \$149,999	1,883	23	429	412	305	303	235	176
\$150,000 to \$249,999	2,944	18	370	635	635	572	322	391
\$250,000 or more	9,257	3	355	1,185	2,662	2,535	1,673	844
Subtotal	20,334	399	2,763	3,550	4,536	4,285	2,754	2,047
Median Net Worth	\$210,184	\$25,235	\$75,675	\$154,553	\$250,001	\$250,001	\$250,001	\$193,009
Average Net Worth	\$738,277	\$49,011	\$156,614	\$504,522	\$833,301	\$1,047,912	\$1,255,638	\$508,304
Twin Cities Metro Area								
Less than \$15,000	258,474	33,663	82,288	48,562	35,172	30,573	13,515	14,701
\$15,000 to \$34,999	73,876	6,326	24,863	16,292	10,749	8,282	3,000	4,364
\$35,000 to \$49,999	40,005	1,932	10,851	10,746	5,829	5,349	3,540	1,758
\$50,000 to \$99,999	114,601	2,829	27,811	29,767	19,004	14,762	10,392	10,036
\$100,000 to \$149,999	80,910	1,038	16,128	17,249	13,746	12,508	11,717	8,524
\$150,000 to \$249,999	124,765	1,269	18,267	25,466	24,231	23,335	15,213	16,984
\$250,000 or more	505,472	1,026	25,484	69,833	122,953	137,329	93,804	55,043
Total	1,198,103	48,083	205,692	217,915	231,684	232,138	151,181	111,410
Median Net Worth	\$168,704	\$10,713	\$29,794	\$108,223	\$250,001	\$250,001	\$250,001	\$244,387
Average Net Worth	\$773,328	\$37,913	\$138,556	\$577,985	\$872,106	\$1,209,626	\$1,376,580	\$711,663

Sources: ESRI; Maxfield Research & Consulting, LLC

Summary of Demographic Trends

The following points summarize key demographic trends that will impact demand for housing throughout Chisago County.

- Chisago County will experience a 5.5% increase in population between 2010 and 2020. The projected population growth between 2020 and 2030 is forecast to increase by 12.6%, more than doubling the growth projected between 2010 and 2020.
- Between 2020 and 2030, the largest population growth is projected in the Wyoming submarket, where the population is projected to increase by 21.5% (2,036 people).
- Household size is declining in all submarkets, resulting in slightly higher growth in households from 2020 to 2030 (14.1%) than population (12.6%) in Chisago County.
- In Chisago County, all age cohorts are expected to experience growth between 2017 to 2030, except in age cohorts 45 to 54 (-3.7%) and 18 to 24 (-2.9%).
- Chisago County will experience an increase in its older adult and senior population as 2030 approaches and the large baby boom generation ages.
- The median income for Chisago County is projected to rise by 10.6% from \$70,373 in 2017 to \$77,829 in 2022.
- Incomes among those age 65 to 74 are projected to experience the greatest increase, 20.2%, in Chisago County from 2017 to 2022.
- The Wyoming submarket reported the highest median in 2017, \$77,414, and 2022, \$82,283.
- Median income in the Rush City submarket is projected to experience the greatest percentage growth, increasing by 19.7%, between 2017 and 2022.
- 85% of Chisago County households are owner households. Further, the highest rates of ownership are among age cohort 55 to 64 (91.2%).
- About 43.3% of renter households in Chisago County are one-person households, while owner households are most likely to be two-person households (38.7%).
- The Wyoming submarket has the highest median net worth across all submarkets with a median net worth of \$247,372.

Introduction

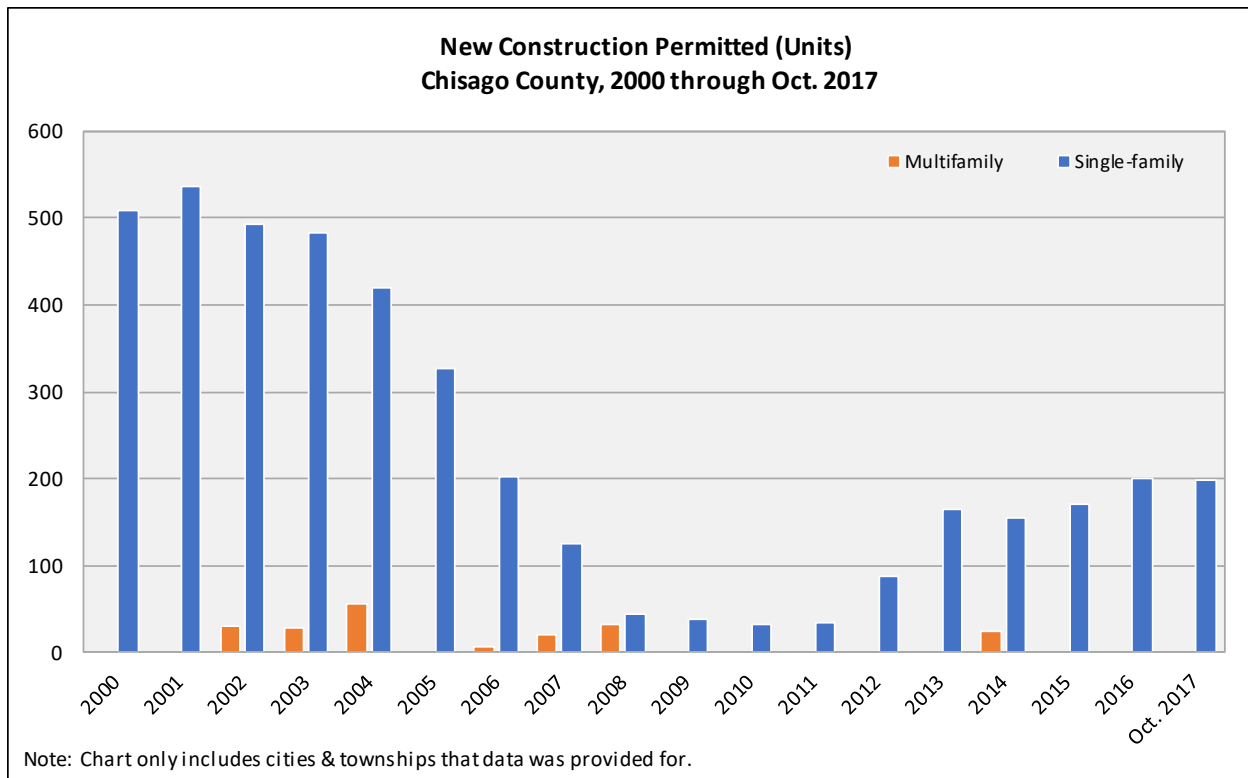
The variety and condition of the housing stock in a community provides the basis for an attractive living environment. Housing functions as a building block for neighborhoods and goods and services. We examined the housing market in each Chisago County submarket by reviewing data on the age of the existing housing supply; examining residential building trends since 2000; and reviewing housing data from the American Community Survey.

Residential Construction Trends

Maxfield Research obtained data on the number of new construction housing units from 2000 through October 2017 from Chisago County and the State of the Cities Data Systems (SOCDS). Table HC-1 displays the number of building permits issued for new construction of residential units in Chisago County while Table HC-2 displays building permits broken down by submarket. It should be noted that not all cities and townships participated in providing building permit data.

- Between 2000 and October 2017 there were 4,421 new residential units permitted in Chisago County, 95% of those permits were issued for single-family units.
- The effects of the Great Recession are illustrated in the decline in units permitted after 2007. From 2000 to 2007, 3,236 new residential units were permitted in Chisago County, an average of 405 units per year. Then between the years of 2008 to 2012 recorded only 271 permits for new residential units, an average of 54 units per year. Activity has increased since the recession, with an average of 183 permits per year between 2013 and October 2017.
- Multifamily developments are rare in Chisago County, with only 198 units total being built between 2000 and October 2017.

HOUSING CHARACTERISTICS



- Of the residential units permitted in Chisago County, the North Branch submarket accounted for 45% of the permitted units from 2000 to October 2017, including all of the multifamily units permitted. The North Branch submarket permitted about 2,008 residential units during this period.
- Chisago County experienced the most units permitted in 2001. Between all five submarkets, 537 units were permitted in Chisago County.

HC-1 RESIDENTIAL CONSTRUCTION BUILDING PERMITTED UNITS ISSUED CHISAGO COUNTY <i>per Chisago County</i> 2000 to Oct. 2017			
Year	Chisago County		Total
	Single-Family	Multifamily	
2000	508	0	508
2001	537	0	537
2002	493	31	524
2003	482	29	511
2004	419	56	475
2005	327	0	327
2006	203	6	209
2007	125	20	145
2008	45	32	77
2009	38	0	38
2010	33	0	33
2011	35	0	35
2012	88	0	88
2013	164	0	164
2014	155	24	179
2015	171	0	171
2016	201	0	201
Oct. 2017	199	0	199
Total	4,223	198	4,421
Sources: Chisago County; Maxfield Research & Consulting LLC			

HOUSING CHARACTERISTICS

HC-2 RESIDENTIAL CONSTRUCTION BUILDING PERMITTED UNITS ISSUED CHISAGO COUNTY <i>per Chisago County & State of the Cities Data Systems (SOCDS)</i> 2000 to Oct. 2017										
Year	Chisago Lakes Submarket		North Branch Submarket		Rush City Submarket		Taylors Falls Submrket		Wyoming Submarket	
	Single-Family	Multifamily	Single-Family	Multifamily	Single-Family	Multifamily	Single-Family	Multifamily	Single-Family	Multifamily
2000	96	0	291	0	39	0	43	0	39	0
2001	125	0	282	0	53	0	49	0	28	0
2002	120	7	247	24	57	0	56	0	13	0
2003	138	29	253	0	44	0	33	0	14	0
2004	126	0	187	56	61	0	34	0	11	0
2005	74	0	164	0	44	0	31	0	14	0
2006	64	6	74	0	31	0	18	0	16	0
2007	25	0	48	0	26	20	11	0	15	0
2008	14	0	16	0	9	0	2	0	4	32
2009	13	0	9	0	6	0	8	0	2	0
2010	12	0	13	0	3	0	5	0	0	0
2011	14	0	11	0	5	0	2	0	3	0
2012	37	0	37	0	2	0	4	0	8	0
2013	77	0	51	0	9	0	4	0	23	0
2014	73	0	51	0	3	0	5	24	23	0
2015	83	0	58	0	10	0	10	0	10	0
2016	87	0	72	0	15	0	12	0	15	0
Oct. 2017	67	0	64	0	24	0	20	0	24	0
Total	1,245	42	1,928	80	441	20	347	24	262	32
Sources: Chisago County; SOCDS; Maxfield Research & 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 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 2010 and 2015. It should be noted that all ACS surveys are subject to sampling error and uncertainty. The ACS reports margins of errors (MOEs) with estimates for most standard census geographies. The MOE is shown by reliability from low, medium to high. Due to the MOE, 2015 ACS data may have inconsistencies with previous 2010 Census data.

Tables HC-3 through HC-9 show key data from the American Community Survey for Chisago County. For a comparison, information for Chisago County is broken down by submarket.

Occupied Housing Units by Tenure

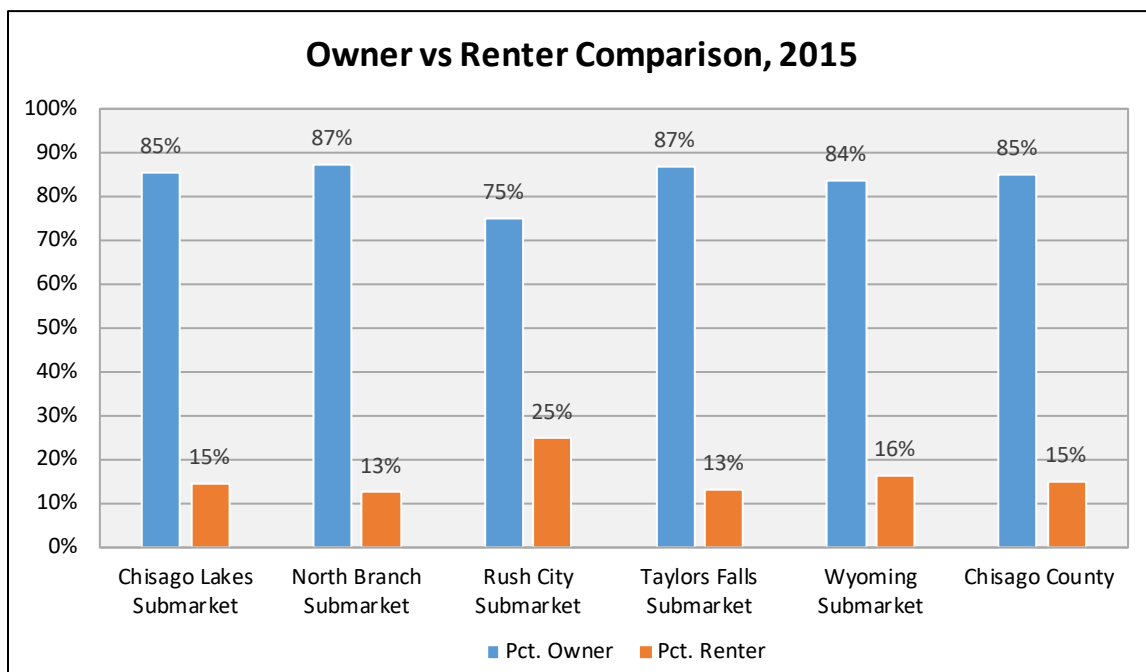
Tenure is a key variable that analyzes the propensity for householders to rent or own their housing unit. Tenure is an integral statistic used by numerous governmental agencies and private sector industries to assess neighborhood stability. Table HC-3 shows the tenure by occupied housing units in 2010 & 2015.

- In the North Branch submarket, nearly 84.1% of the occupied housing units are owner-occupied, the highest among all submarkets in 2015.
- The Rush City submarket reported nearly 64% of occupied housing units as owner-occupied. This was the lowest proportion of owner-occupied units across all submarkets as areas with greater amounts of rural area tend to have more owner-occupied housing and fewer renters.
- Between 2010 and 2015, the Rush City submarket experienced the greatest increase in proportion of renter-occupied units increasing from 12.7% to 21.2%, a gain of about 8.5%.

HOUSING CHARACTERISTICS

TABLE HC-3 HOUSING UNITS BY OCCUPANCY STATUS & TENURE CHISAGO COUNTY 2010 & 2015												
Year/Occupancy	CHISAGO LAKES SUB.		NORTH BRANCH SUB.		RUSH CITY SUB.		TAYLORS FALLS SUB.		WYOMING SUB.		CHISAGO COUNTY	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
2010												
Owner Occupied	4,834	76.9	6,126	85.5	1,228	65.7	1,580	83.8	2,965	84.8	16,733	80.8
Renter Occupied	986	15.7	773	10.8	237	12.7	221	11.7	378	10.8	2,595	12.5
Vacant	464	7.4	269	3.8	403	21.6	84	4.5	152	4.3	1,372	6.6
Total	6,284	100.0	7,168	100.0	1,868	100.0	1,885	100.0	3,495	100.0	20,700	100.0
2015												
Owner Occupied	5,002	76.5	6,074	84.1	1,447	63.8	1,510	81.3	2,795	82.2	16,828	79.0
Renter Occupied	851	13.0	873	12.1	480	21.2	229	12.3	547	16.1	2,980	14.0
Vacant	687	10.5	279	3.9	342	15.1	118	6.4	59	1.7	1,485	7.0
Total	6,540	100.0	7,226	100.0	2,269	100.0	1,857	100.0	3,401	100.0	21,293	100.0
Sources: U.S. Census Bureau; Maxfield Research & Consulting, LLC												

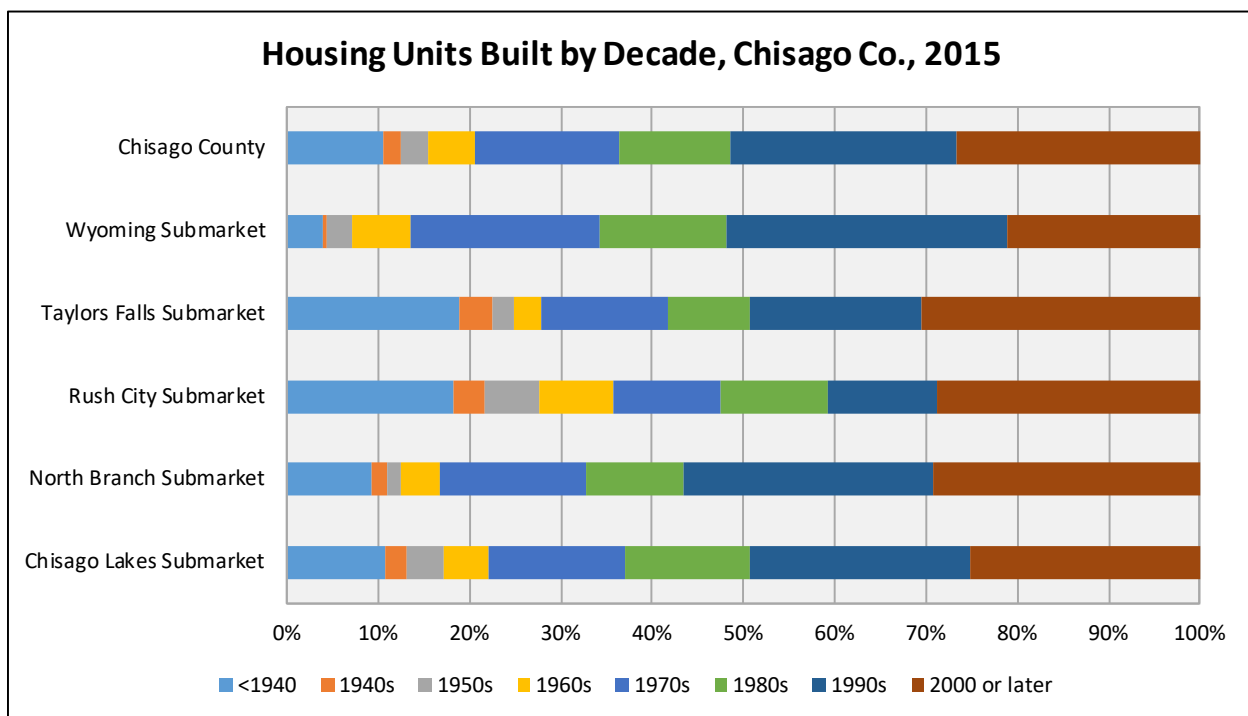
Sources: U.S. Census Bureau; Maxfield Research & Consulting, LLC



Age of Housing Stock

The following graph shows the age distribution of the housing stock based on data from the U.S. Census Bureau and the American Community Survey (5-Year estimates). Table HC-4 includes the number of housing units built in Chisago County, prior to 1940 and during each decade since.

- In Chisago County, the largest proportion of the housing stock was built in the 1990s (24.7%), followed by the 1970s (15.9%) and the 1980s (12.1%).
- Within the North Branch, Rush City, and Taylors Falls submarket the largest share of housing was built in the 2000s, while in the Chisago Lakes and Wyoming submarket the 1990s represented the largest share of housing built.
- The Taylors Falls submarket has some of the newest housing stock with roughly 30% of its housing stock being built in the 2000s or later, compared to 5% in Chisago County.



HOUSING CHARACTERISTICS

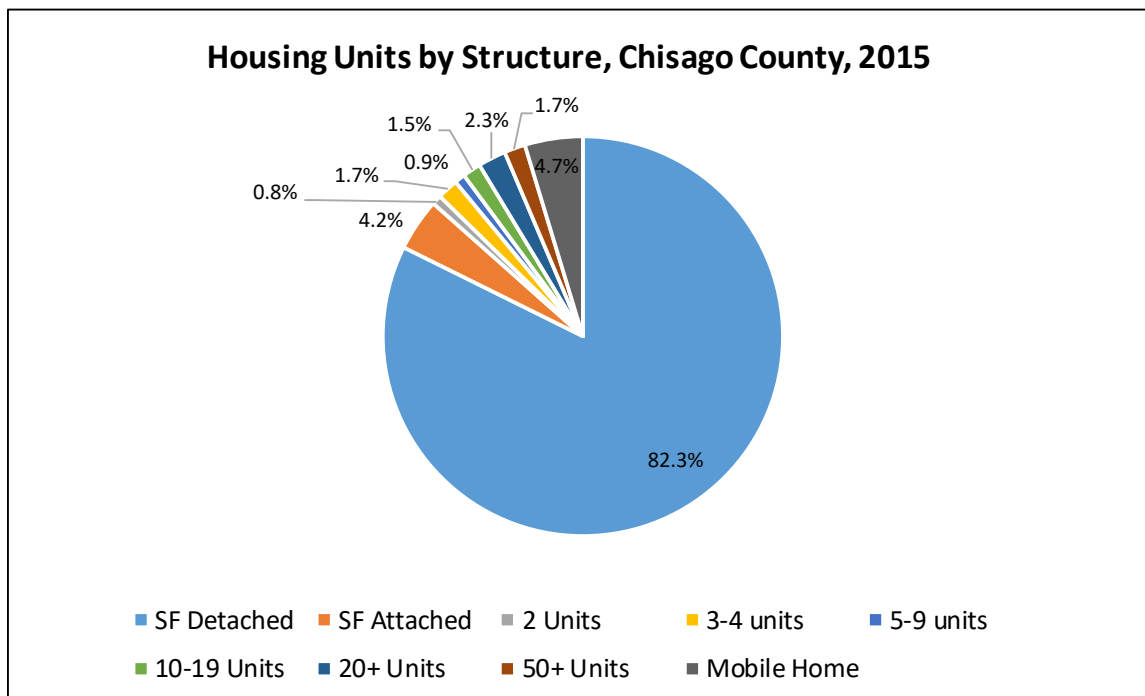
TABLE HC-4
AGE OF HOUSING STOCK
CHISAGO COUNTY
2015

		Year Unit Built																			
		Total Units		Med. Yr. Built		<1940		1940s		1950s		1960s		1970s		1980s		1990s		2000s	
						No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
CHISAGO LAKES SUBMARKET																					
Total	5,853	1989	636	10.9	133	2.3	232	4.0	293	5.0	872	14.9	807	13.8	1,407	24.0	1,384	23.6			
NORTH BRANCH SUBMARKET																					
Total	6,947	1989	651	9.4	113	1.6	95	1.4	303	4.4	1,115	16.1	747	10.8	1,891	27.2	1,965	28.3			
RUSH CITY SUBMARKET																					
Total	1,927	1982	352	18.3	66	3.4	116	6.0	155	8.0	225	11.7	226	11.7	233	12.1	500	25.9			
TAYLORS FALLS SUBMARKET																					
Total	1,739	1985	329	18.9	61	3.5	42	2.4	54	3.1	239	13.7	156	9.0	329	18.9	502	28.9			
WYOMING SUBMARKET																					
Total	3,342	1989	133	4.0	15	0.4	89	2.7	215	6.4	691	20.7	466	13.9	1,027	30.7	697	20.9			
CHISAGO COUNTY																					
Owner-Occupied	16,828	1991	1,751	10.4	348	2.1	460	2.7	877	5.2	2,619	15.6	1,870	11.1	4,476	26.6	4,240	25.2			
Renter-Occupied	2,980	1986	350	11.7	40	1.3	114	3.8	143	4.8	523	17.6	532	17.9	411	13.8	808	27.1			
Total	19,808	1989	2,101	10.6	388	2.0	574	2.9	1,020	5.1	3,142	15.9	2,402	12.1	4,887	24.7	5,048	25.5			
Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC																					

Housing Units by Structure and Tenure

Table HC-5 shows the housing stock in Chisago County by type of structure and tenure based on the 2015 ACS estimates.

- Single-family detached units are the dominate housing type for owner-occupied units in Chisago County, representing 91% of all owner-occupied units.
- Single-family detached units also make up a large share of the renter-occupied units across the county, particularly in the Taylors Falls submarket. Single-family detached homes accounted for between 26% to 51% of rental housing units across the five Chisago County submarkets.
- Within the Chisago Lakes and North Branch submarkets, rental units are more diverse compared to the three other submarkets. Single-family detached units still represent the largest rental category, however structures with 20 to 49 units make up roughly 23% of the rental units in the North Branch submarket, while structures with 50+ units make up 22% of the rental units in the Chisago Lakes submarket.
- Chisago County has combined 928 mobile homes between owner- and renter-occupied housing units, making up 5% of Chisago County housing units in 2015. The submarket that represented the largest share of mobile homes in Chisago County was the Wyoming submarket (36%).



HOUSING CHARACTERISTICS

**TABLE HC-5
HOUSING UNITS BY STRUCTURE & TENURE
CHISAGO COUNTY
2015**

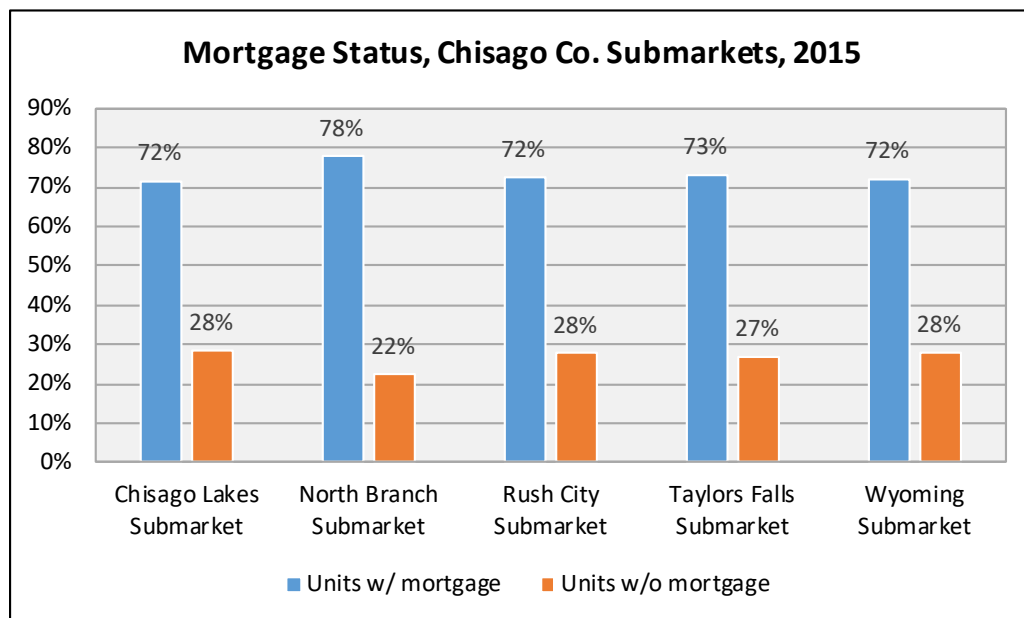
Units in Structure	CHISAGO LAKES SUBMARKET				NORTH BRANCH SUBMARKET				RUSH CITY SUBMARKET			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
1, detached	4,364	87.2%	221	26.0%	5,793	95.4%	239	27.4%	1,316	90.9%	195	41%
1, attached	315	6.3%	80	9.4%	82	1.4%	98	11.2%	53	3.7%	66	14%
2	0	0.0%	29	3.4%	5	0.1%	30	3.4%	17	1.2%	36	8%
3 to 4	20	0.4%	99	11.6%	16	0.3%	150	17.2%	0	0.0%	19	4%
5 to 9	0	0.0%	0	0.0%	3	0.0%	49	5.6%	5	0.3%	40	8%
10 to 19	9	0.2%	155	18.2%	0	0.0%	42	4.8%	0	0.0%	37	8%
20 to 49	40	0.8%	76	8.9%	0	0.0%	197	22.6%	0	0.0%	87	18%
50 or more	0	0.0%	191	22.4%	0	0.0%	43	4.9%	0	0.0%	0	0%
Mobile home	254	5.1%	0	0.0%	175	2.9%	25	2.9%	56	3.9%	0	0%
Boat, RV, van, etc.	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0%
Total	5,002	100%	851	100%	6,074	100%	873	100%	1,447	100%	480	100%
Units in Structure	TAYLORS FALLS SUBMARKET				WYOMING SUBMARKET				CHISAGO COUNTY			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
1, detached	1,397	92.5%	117	51.1%	2,440	87.3%	226	41.3%	15,310	91.0%	998	33%
1, attached	30	2.0%	17	7.4%	58	2.1%	39	7.1%	538	3.2%	300	10%
2	0	0.0%	2	0.9%	14	0.5%	20	3.7%	36	0.2%	117	4%
3 to 4	0	0.0%	25	10.9%	0	0.0%	6	1.1%	36	0.2%	299	10%
5 to 9	1	0.1%	53	23.1%	0	0.0%	18	3.3%	9	0.1%	160	5%
10 to 19	0	0.0%	0	0.0%	0	0.0%	50	9.1%	9	0.1%	284	10%
20 to 49	0	0.0%	11	4.8%	13	0.5%	22	4.0%	53	0.3%	393	13%
50 or more	0	0.0%	0	0.0%	0	0.0%	104	19.0%	0	0.0%	338	11%
Mobile home	82	5.4%	4	1.7%	270	9.7%	62	11.3%	837	5.0%	91	3%
Boat, RV, van, etc.	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0%
Total	1,510	100%	229	100%	2,795	100%	547	100%	16,828	100%	2,980	100%

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

Owner-Occupied Housing Units by Mortgage Status

Table HC-6 shows mortgage status from the American Community Survey for 2015 (5-Year estimates). 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.

- Within Chisago County, 74.1% of homes have a mortgage, which is nearly on par with the Twin Cities Metro Area where 73.4% of homes have a mortgage.
- Chisago Lakes submarket had the highest proportion of homes without a mortgage at 28.5%.
- Most homes did not carry a second mortgage or home equity loan. Of the homes in Chisago County with a mortgage, 78% did not have a second mortgage or home equity loan.
- Where debt other than a mortgage was reported, it was most likely to be a home equity loan only, with 11.4% of homes with a mortgage in Chisago County carrying a home equity loan.
- Housing units with a mortgage reported a higher median value than those without a mortgage in four of the five submarkets. In the Wyoming submarket, homes with a mortgage had a median value of \$173,600, compared to \$193,100 for homes without a mortgage.



HOUSING CHARACTERISTICS

TABLE HC-6
OWNER-OCCUPIED HOUSING UNITS BY MORTGAGE STATUS
CHISAGO COUNTY ANALYSIS AREA
2015

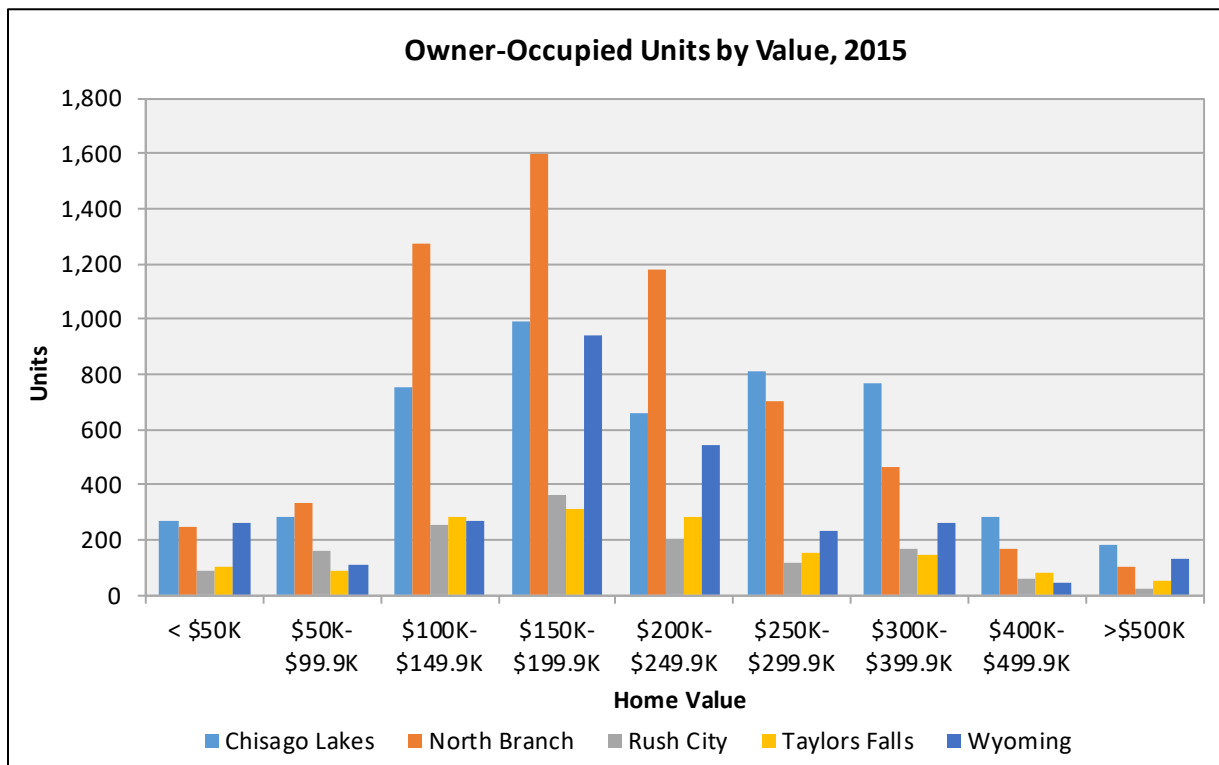
Mortgage Status	CHISAGO LAKES SUB.		NORTH BRANCH SUB.		RUSH CITY SUB.		TAYLORS FALLS SUB.		WYOMING SUB.		CHISAGO CO.	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Housing units without a mortgage	1,424	28.5	1,350	22.2	401	27.7	407	27.0	779	27.9	4,361	25.9
Housing units with a mortgage/debt	3,578	71.5	4,724	77.8	1,046	72.3	1,103	73.0	2,016	72.1	12,467	74.1
<i>Second mortgage only</i>	131	2.6	331	5.4	68	4.7	66	4.4	183	6.5	779	4.6
<i>Home equity loan only</i>	676	13.5	590	9.7	149	10.3	148	9.8	355	12.7	1,918	11.4
<i>Both second mortgage and equity loan</i>	0	0.0	25	0.4	5	0.3	8	0.5	0	0.0	38	0.2
<i>No second mortgage or equity loan</i>	2,771	55.4	3,778	62.2	824	56.9	881	58.3	1,478	52.9	9,732	57.8
Total	5,002	100.0	6,074	100.0	1,447	100.0	1,510	100.0	2,795	100.0	16,828	100.0
Median Value by Mortgage Status												
Housing units with a mortgage	\$243,950		\$208,200		\$206,500		\$193,000		\$173,600		\$195,900	
Housing units without a mortgage	\$187,050		\$207,450		\$187,500		\$183,100		\$193,100		\$178,200	

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

Owner-Occupied Housing Units by Value

Table HC-7 presents data on housing values summarized by nine price ranges. Housing value refers to the estimated price point the property would sell if the property 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 highest median home value was reported in the Chisago Lakes submarket, \$235,350, while the lowest was reported in the Wyoming submarket at \$160,150 in 2015.
- Within Chisago County, about 12% of homes were valued under \$100,000. The highest proportion of homes valued under \$100,000 is in the Rush City submarket (17.5%), while the smallest share is within the North Branch submarket (9.7%).
- Rush City submarket reported 11% of homes valued between \$50,000 and \$99,999, the highest proportion in this bracket among all submarkets and higher than the Chisago County proportion of 5.8%.
- In Chisago County, 47% of homes were valued above \$200,000. Due to the higher costs of new construction, most new homes would likely be priced at \$200,000 or higher.
- By comparison, the Twin Cities Metro Area has a median home value of \$229,535, compared to \$192,300 for Chisago County. About 22% of Metro Area homes have a home value of \$100,000 or less, and 57% are worth \$200,000 or more.



**TABLE HC-7
OWNER-OCCUPIED UNITS BY VALUE
CHISAGO COUNTY
2015**

	CHISAGO LAKES SUB.		NORTH BRANCH SUB.		RUSH CITY SUB.	
Home Value	No.	Pct.	No.	Pct.	No.	Pct.
Less than \$50,000	267	5.3	249	4.1	92	6.4
\$50,000-\$99,999	281	5.6	338	5.6	161	11.1
\$100,000-\$149,999	755	15.1	1,270	20.9	258	17.8
\$150,000-\$199,999	992	19.8	1,595	26.3	362	25.0
\$200,000-\$249,999	657	13.1	1,177	19.4	208	14.4
\$250,000-\$299,999	813	16.3	704	11.6	119	8.2
\$300,000-\$399,999	771	15.4	466	7.7	168	11.6
\$400,000-\$499,999	283	5.7	168	2.8	58	4.0
Greater than \$500,000	183	3.7	107	1.8	21	1.5
Total	5,002	100.0	6,074	100.0	1,447	100.0
Median Home Value	\$217,793		\$186,836		\$187,132	

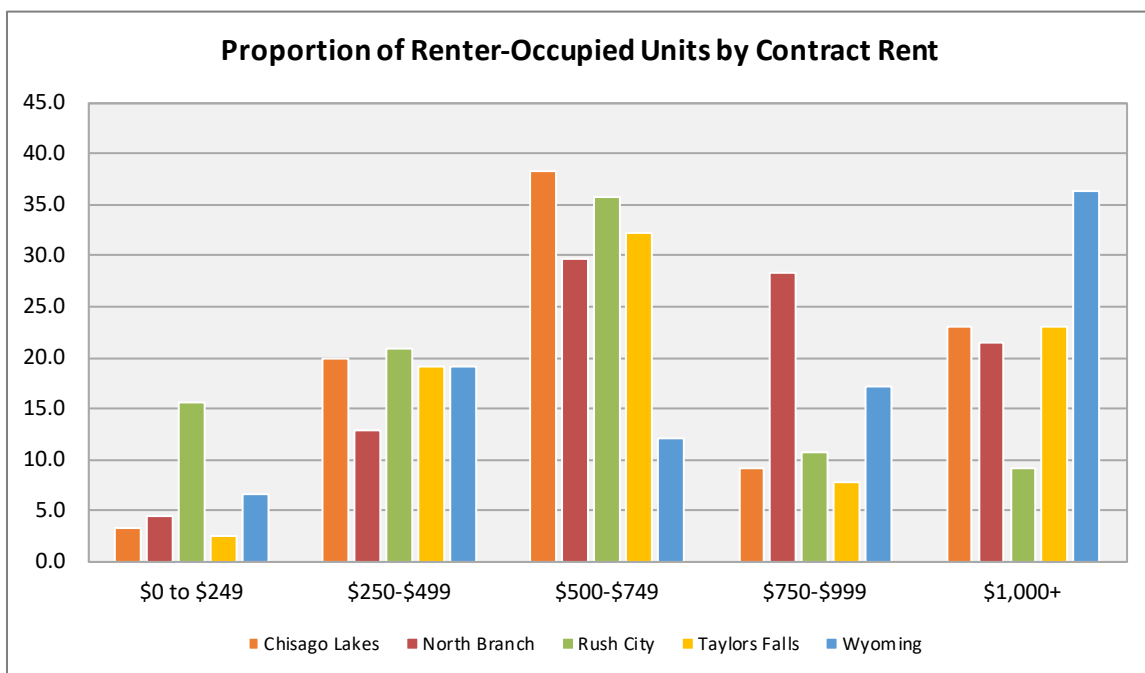
	TAYLORS FALLS SUB.		WYOMING SUB.		CHISAGO CO.	
Home Value	No.	Pct.	No.	Pct.	No.	Pct.
Less than \$50,000	102	6.8	262	9.4	972	5.8
\$50,000-\$99,999	88	5.8	108	3.9	976	5.8
\$100,000-\$149,999	283	18.7	270	9.7	2,836	16.9
\$150,000-\$199,999	315	20.9	939	33.6	4,203	25.0
\$200,000-\$249,999	284	18.8	546	19.5	2,872	17.1
\$250,000-\$299,999	153	10.1	237	8.5	2,026	12.0
\$300,000-\$399,999	150	9.9	260	9.3	1,815	10.8
\$400,000-\$499,999	81	5.4	43	1.5	633	3.8
Greater than \$500,000	54	3.6	130	4.7	495	2.9
Total	1,510	100.0	2,795	100.0	16,828	100.0
Median Home Value	\$200,204		\$185,990		\$192,300	

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

Renter-Occupied Units by Contract Rent

Table HC-8 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.

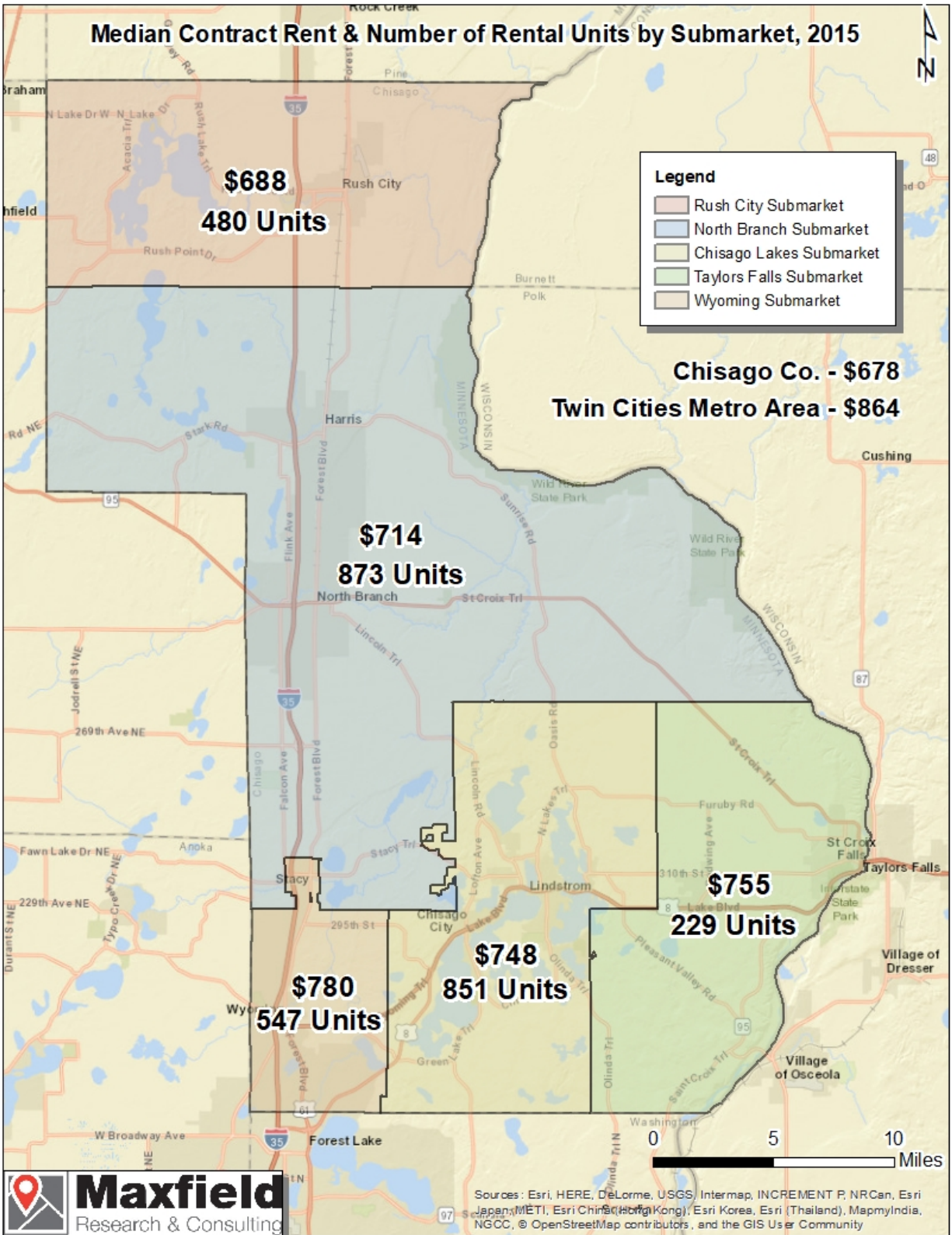
- Chisago County residents were most likely to pay between \$500 and \$749 in monthly rent, with 30.1% of renter occupied units reporting rents in this range.
- Only 9.2% of renter occupied units in the Rush City submarket charged over \$1,000 in rent. Every remaining submarket, had at least 21.5% of its rental units charging \$1,000 plus in rent.



- The most prevalent rent range in all submarkets was between \$500 and \$749, except for in the Wyoming submarket where rental units charging \$1,000 or more was the largest share accounting for 36.4% of all rental units with a cash rent.
- Housing units without payment of rent (“no cash rent”) make up 6.6% of Chisago County renters. The proportion was significantly higher in Taylors Falls submarket (14.8%). Typically, units may be owned by a relative or friend who lives elsewhere and will allow occupancy without charge. Other sources may include caretakers or ministers who may occupy a residence without charge.
- The median contract rent in Chisago County is \$678 a month. The highest median contract rents were in submarkets located in the southern part of Chisago County. Wyoming submarket had the highest median contract rent at \$780.

TABLE HC-8
RENTER-OCCUPIED UNITS BY CONTRACT RENT
CHISAGO COUNTY
2015

	Chisago Lakes Sub.		North Branch Sub.		Rush City Sub.	
Contract Rent	No.	Pct.	No.	Pct.	No.	Pct.
No Cash Rent	53	6.2	25	2.9	37	7.7
Cash Rent	798	93.8	848	97.1	443	92.3
\$0 to \$249	28	3.3	40	4.6	75	15.6
\$250-\$499	169	19.9	113	12.9	100	20.8
\$500-\$749	326	38.3	259	29.7	172	35.8
\$750-\$999	78	9.2	248	28.4	52	10.8
\$1,000+	197	23.1	188	21.5	44	9.2
Total	851	100.0	873	100.0	480	100.0
Median Contract Rent	\$678		\$770		\$590	
	Taylors Falls Sub.		Wyoming Sub.		Chisago County	
Contract Rent	No.	Pct.	No.	Pct.	No.	Pct.
No Cash Rent	34	14.8	47	8.6	196	6.6
Cash Rent	195	85.2	500	91.4	2,784	93.4
\$0 to \$249	6	2.6	36	6.6	185	6.2
\$250-\$499	44	19.2	105	19.2	531	17.8
\$500-\$749	74	32.3	66	12.1	897	30.1
\$750-\$999	18	7.9	94	17.2	490	16.4
\$1,000+	53	23.1	199	36.4	681	22.9
Total	229	100.0	547	100.0	2980	100.0
Median Contract Rent	\$712		\$834		\$678	
Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC						



Tenure by Household Income

Table HC-9 presents information on tenure by household incomes in Chisago County. Data was obtained through the American Community Survey for years 2011-2015.

- Households in Chisago County earning less than \$15,000 annually are likely to be renters, with 50% of Chisago County households with incomes below \$15,000 are renter-occupied.
- Generally, lower-income households are more likely to rent, and as incomes rise, the proportion of ownership households rises. After those under \$15,000, there are no income brackets where renting is more common than owning.
- A portion of renter households are referred to as lifestyle renters, those who are financially able to own a home but choose to rent. Lifestyle renters typically have household incomes above \$50,000. Within Chisago County nearly 30% of renters have incomes of \$50,000 or greater.
- The highest median income reported was among owner-occupied households of the North Branch submarket (\$75,740), while the lowest median income for renter-occupied households was in the Chisago Lakes submarket (\$25,035).

HOUSING CHARACTERISTICS

**TABLE HC-9
TENURE BY HOUSEHOLD INCOME
CHISAGO COUNTY ANALYSIS AREA
2015**

Income	CHISAGO LAKES SUBMARKET				NORTH BRANCH SUBMARKET				RUSH CITY SUBMARKET			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
Less than \$15,000	231	47.0%	261	53.0%	232	51.2%	221	48.8%	76	41.3%	108	58.7%
\$15,000 to \$24,999	346	75.2%	114	24.8%	170	50.3%	168	49.7%	97	48.5%	103	51.5%
\$25,000 to \$34,999	278	70.4%	117	29.6%	345	75.3%	113	24.7%	151	65.4%	80	34.6%
\$35,000 to \$49,999	504	80.1%	125	19.9%	604	78.6%	164	21.4%	202	75.7%	65	24.3%
\$50,000 to \$74,999	914	89.8%	104	10.2%	1,644	93.2%	120	6.8%	273	90.7%	28	9.3%
\$75,000 to \$99,999	929	92.4%	76	7.6%	1,310	97.1%	39	2.9%	274	80.1%	68	19.9%
\$100,000 to \$149,999	1,184	96%	44	3.6%	1,235	97.3%	34	2.7%	266	90.5%	28	9.5%
\$150,000+	616	98.4%	10	1.6%	534	97.4%	14	2.6%	108	100.0%	0	0.0%
Total	5,002	85.5%	851	14.5%	6,074	87.4%	873	12.6%	1,447	75.1%	480	24.9%
Median Household Income	\$73,915		\$25,035		\$75,740		\$35,667		\$65,638		\$29,302	
Income	TAYLORS FALLS SUBMARKET				WYOMING SUBMARKET				CHISAGO COUNTY			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
Less than \$15,000	55	52.9%	49	47.1%	99	62.7%	59	37.3%	693	49.8%	698	50.2%
\$15,000 to \$24,999	83	66.9%	41	33.1%	77	32.2%	162	67.8%	773	56.8%	588	43.2%
\$25,000 to \$34,999	103	85.8%	17	14.2%	137	83.0%	28	17.0%	1,014	74.1%	355	25.9%
\$35,000 to \$49,999	219	82.3%	47	17.7%	319	90.1%	35	9.9%	1,848	80.9%	436	19.1%
\$50,000 to \$74,999	334	89.5%	39	10.5%	660	88.2%	88	11.8%	3,825	91.0%	379	9.0%
\$75,000 to \$99,999	294	94.2%	18	5.8%	603	90.3%	65	9.7%	3,410	92.8%	266	7.2%
\$100,000 to \$149,999	278	95%	15	5.1%	593	86.1%	96	13.9%	3,556	94.2%	217	5.8%
\$150,000+	144	98.0%	3	2.0%	307	95.6%	14	4.4%	1,709	97.7%	41	2.3%
Total	1,510	86.8%	229	13.2%	2,795	83.6%	547	16.4%	16,828	85.0%	2,980	15.0%
Median Household Income	\$62,500		\$35,096		\$71,192		\$41,531		\$76,217		\$29,836	
Sources: U.S. Census Bureau - American Community Survey; Maxfield Research and Consulting LLC												

Employment Trends

Employment characteristics are an important component in assessing housing needs in any given market area. These trends are important to consider since job growth can generally fuel household and population growth as people generally desire to live near where they work. Long commute times have encouraged households to move closer to major employment centers.

Employment Growth and Projections

Table E-1 shows projected employment growth for the Central Planning Region and the Seven County Twin Cities Planning Region. The Central Planning Region encompasses Benton, Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne, Stearns, and Wright County. Table E-1 shows employment growth trends and projections for 2014 to 2024 based on the most recent Minnesota Department of Employment and Economic Development (DEED) employment outlook projections.

- There was an estimated total of 302,055 jobs in the Central Planning Region in 2014, which was 10.1% of the State of Minnesota total (3,007,000 jobs).
- The Central Planning Region's employment is anticipated to grow by 7.7% between 2014 and 2024, an increase of 23,338 jobs.

TABLE E-1 EMPLOYMENT GROWTH TRENDS AND PROJECTIONS CHISAGO COUNTY 2014 - 2024				
	Employment		Change	
	Estimate	Forecast	2014 - 2024	
	2014	2024	No.	Pct.
Central Planning Region	302,055	325,393	23,338	7.7%
Twin Cities Metro Area	1,809,309	1,889,240	79,931	4.4%
Note: Twin Cities Metro represents the 7-County planning region				
Sources: MN DEED; Maxfield Research & Consulting, LLC.				

Resident Labor Force

Table E-2 presents resident employment data for Chisago County from 2000 through Sept. 2017. Resident employment data is calculated as an annual average *and reveals the work force and number of employed persons living in the County*. It is important to note that not all of these individuals necessarily work in Chisago County. The data is obtained from the Bureau of Labor Statistics.

- Between 2000 and September 2017 the labor force in Chisago County experienced an overall increase of 27%.
- The number of employed persons in Chisago County has also grown from 22,394 in 2000 to 28,634 in September 2017, an increase of about 28%.
- The effects of the national economic recession are also reflected in the unemployment rate for Chisago County. The unemployment rate climbs from 5.8% in 2007 and remained above 5.5% until 2014 when unemployment rates dropped to 4.7%.
- Since 2009 high of 9.9% the unemployment rate has fallen and was reported at 3.0% for Chisago County in September 2017.

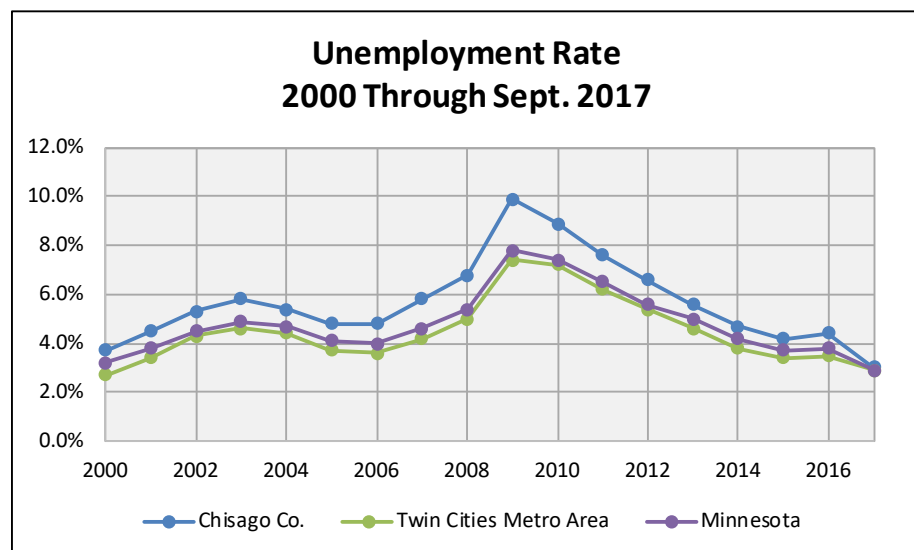


TABLE E-2 ANNUAL AVERAGE RESIDENT EMPLOYMENT CHISAGO COUNTY 2000 to 2017 ¹				
Year	Labor Force	Employed	Unemployed	Rate
CHISAGO COUNTY				
2000	23,250	22,394	856	3.7%
2005	27,047	25,756	1,291	4.8%
2010	29,314	26,707	2,607	8.9%
2015	28,517	27,320	1,197	4.2%
2016	28,858	27,599	1,259	4.4%
2017 ¹	29,516	28,634	882	3.0%
Change 2000-2017 ¹				
Number	6,266	6,240	26	--
Percent	27.0%	27.9%	3.0%	--
MINNESOTA				
2010	2,938,795	2,721,194	217,601	7.4%
2015	2,975,533	2,864,583	110,950	3.7%
2016	3,006,324	2,888,922	117,402	3.9%
2017 ¹	3,071,661	2,982,294	89,367	2.9%
U.S. ²				
2010	153,889	139,878	14,011	9.6%
2015	157,130	148,833	8,297	5.3%
2016	159,396	151,769	7,627	4.8%
2017 ¹	160,863	154,494	6,369	4.0%
¹ Through Sept. 2017				
² Estimated in Thousands				
Note: Data not seasonally adjusted				
Sources: U.S. Department of Labor, MN Workforce Center, Maxfield Research and Consulting LLC				

Covered Employment by Industry

Table E-3 presents covered employment workforce numbers for Chisago County from 2000 through the 1st Quarter 2017. Covered employment data is calculated as an annual average and *reveals the number of jobs in the designated area*, which are covered by unemployment insurance. Many temporary workforce positions, agricultural, self-employed persons, and some other types of jobs are not covered by unemployment insurance and are not included in the table. The following are key trends derived from the employment data:

- As of the 1st Quarter 2017, the Education and Health Services sector accounted for the largest share of employment in Chisago County, with 5,260 employees accounting for 35% of employment. Between 2000 and the 1st Quarter 2017, the Education and Health Services sector has grown by 1,471 employees, approximately 39%.
- The next two largest employment sectors were the Trade, Transportation and Utilities sector, which accounted for 15.3% of employment in the 1st Quarter of 2017 and the Manufacturing sector, which accounted for 15.2% of employment. Between 2000 and the 1st Quarter 2017, the Trade, Transportation and Utilities sector decreased by -1.8% (-41 jobs), while the Manufacturing sector increased by 6.3% (135 jobs).
- Between 2000 and the 1st Quarter 2017, the Professional and Business Services industry experienced the largest proportional growth in the county, adding 586 employees, a 108.7% increase. The Natural Resources and Mining experienced the largest proportional decline in the county, decreasing by -49.2% (-32 jobs).

TABLE E-3 COVERED EMPLOYMENT TRENDS CHISAGO COUNTY 2000, 2005, 2010, 2015, 2017 Q1 North American Industrial Classification System (NAICS)												
Average Number of Employees						Change		% of Total				
						2000 - 2017 Q1						
Industry	2000	2005	2010	2015	2017 Q1	No.	Pct.	2000	2005	2010	2015	2017 Q1
Natural Resources & Mining	65	47	32	36	33	-32	-49.2%	0.5%	0.3%	0.2%	0.2%	0.2%
Construction	810	1,175	684	853	640	-170	-21.0%	6.4%	8.5%	5.1%	5.7%	4.3%
Manufacturing	2,144	2,065	1,815	2,777	2,279	135	6.3%	16.9%	14.9%	13.6%	18.7%	15.2%
Trade, Transportation and Utilities	2,335	2,401	2,024	2,264	2,294	-41	-1.8%	18.4%	17.3%	15.1%	15.2%	15.3%
Information	50	--	60	37	47	-3	-6.0%	0.4%	--	0.4%	0.2%	0.3%
Financial Services	435	529	389	312	285	-150	-34.5%	3.4%	3.8%	2.9%	2.1%	1.9%
Professional and Business Services	539	693	702	673	1,125	586	108.7%	4.3%	5.0%	5.2%	4.5%	7.5%
Education and Health Services	3,789	4,293	4,868	4,978	5,260	1,471	38.8%	29.9%	30.9%	36.4%	33.5%	35.0%
Leisure and Hospitality	1,397	1,396	1,451	1,478	1,649	252	18.0%	11.0%	10.1%	10.8%	10.0%	11.0%
Other Services	331	310	353	389	397	66	19.9%	2.6%	2.2%	2.6%	2.6%	2.6%
Public Administration	770	979	997	1,049	1,009	239	31.0%	6.1%	7.0%	7.5%	7.1%	6.7%
Totals	12,665	13,888	13,375	14,846	15,018	2,353	18.6%					
Source: Minnesota Workforce Center; Maxfield Research & Consulting, LLC												

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

Employment and Wages

Table E-4 displays information on average weekly wages in the Chisago County compared to the Twin Cities Metro Area. The Quarterly Census of Employment and Wages (QCEW) data is sourced from Minnesota Employment and Economic Development for the annual average of 2014 through the 1st Quarter 2017, the most recent annual data available. All establishments covered under the Unemployment Insurance (UI) Program are required to report wage and employment statistics quarterly to Minnesota Employment and Economic Development. Federal government establishments are also covered by the QCEW program. Table E-5 displays the total share each industry represents in Chisago County by businesses and employee count.

It should be noted that certain industries in the table 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. Additionally, the Minnesota Employment and Economic Development combines any government workers into the Public Administration sector, rather than the descriptive sector. For instance, a county hospital worker is categorized under Public Administration rather than Educational and Health Services.

- Declining average weekly wages between the 1st Quarter 2017 and 2014 occurred in only three sectors: Construction, Information, and Other Services sectors. The Construction sector decreased by -\$54 a week, the Information sector decreased by -\$49 a week, and Other Services decreased by -\$7 a week.
- The Natural Resources and Mining sector experienced the largest proportional growth increasing average weekly wages by 250% (\$979). The Professional and Business Services experienced the second largest growth proportionally, increasing by 159% (\$1,033).
- Wages in the Chisago County were lower in each industry category compared to the Twin Cities Metro Area with the exception of the Natural Resources and Mining sector which was \$373 higher in Chisago County.
- Average weekly wages were higher in most industries in Economic Development Region 7E (EDR 7E: Chisago, Isanti, Kanabec, Mille Lacs, & Pine Counties) than in Chisago County with the exception of Professional & Business Services (+27%), Education & Health Services (+5%), Other Services (+9%), and Public Administration (+10%).

EMPLOYMENT TRENDS

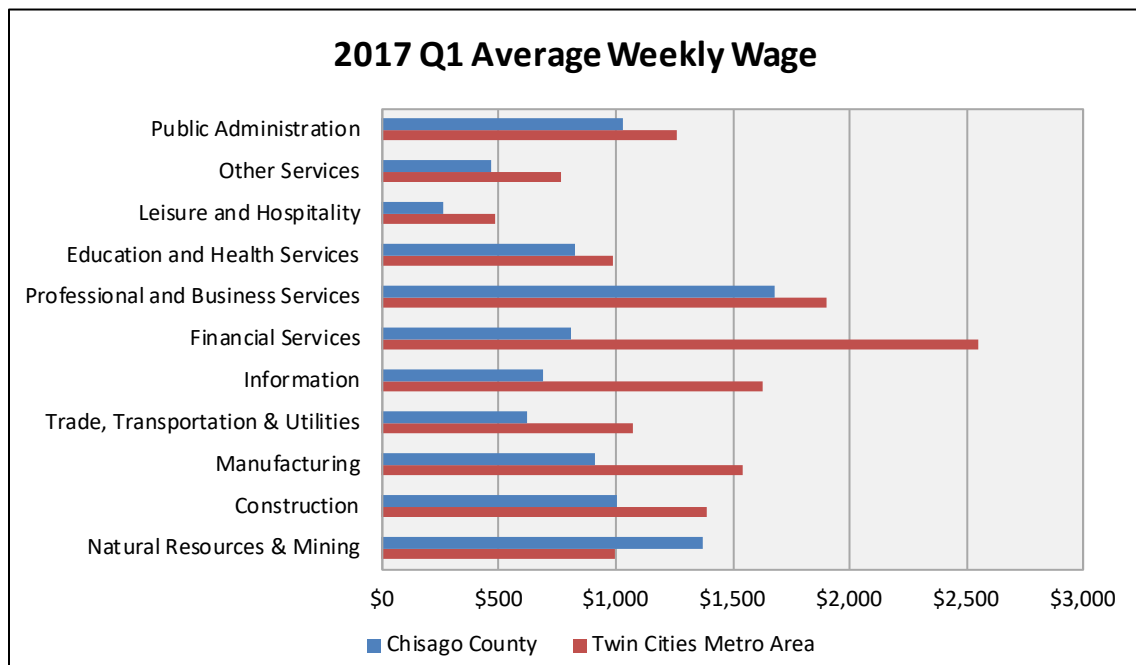
TABLE E-4 WAGES CHISAGO COUNTY 2014 - 2017 (Q1) North American Industrial Classification System (NAICS)						
Chisago County					Change	
Average Weekly Wage					2014 - 2017 Q1	
<u>Industry</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017 Q1</u>	<u>No.</u>	<u>Pct.</u>
Natural Resources & Mining	\$392	\$578	\$620	\$1,371	\$979	249.7
Construction	\$1,061	\$1,133	\$1,264	\$1,007	-\$54	-5.1
Manufacturing	\$803	\$1,104	\$924	\$911	\$108	13.4
Trade, Transportation & Utilities	\$567	\$596	\$620	\$616	\$49	8.6
Information	\$740	\$940	\$978	\$691	-\$49	-6.6
Financial Services	\$675	\$739	\$738	\$808	\$133	19.7
Professional and Business Services	\$648	\$740	\$1,308	\$1,681	\$1,033	159.4
Education and Health Services	\$768	\$806	\$818	\$822	\$54	7.0
Leisure and Hospitality	\$239	\$258	\$268	\$261	\$22	9.2
Other Services	\$477	\$491	\$476	\$470	-\$7	-1.5
Public Administration	\$854	\$865	\$939	\$1,027	\$173	20.3
Totals	\$693	\$787	\$806	\$819	\$126	18.2
Twin Cities Metro Area					Change	
Average Weekly Wage					2014 - 2017 Q1	
<u>Industry</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017 Q1</u>	<u>No.</u>	<u>Pct.</u>
Natural Resources & Mining	\$830	\$870	\$908	\$998	\$168	20.2
Construction	\$1,259	\$1,304	\$1,339	\$1,386	\$127	10.1
Manufacturing	\$1,377	\$1,426	\$1,432	\$1,540	\$163	11.8
Trade, Transportation & Utilities	\$961	\$984	\$986	\$1,070	\$109	11.3
Information	\$1,445	\$1,507	\$1,494	\$1,632	\$187	12.9
Financial Services	\$1,804	\$1,886	\$1,849	\$2,552	\$748	41.5
Professional and Business Services	\$1,500	\$1,560	\$1,603	\$1,902	\$402	26.8
Education and Health Services	\$930	\$959	\$977	\$988	\$58	6.2
Leisure and Hospitality	\$423	\$449	\$465	\$479	\$56	13.2
Other Services	\$636	\$660	\$669	\$769	\$133	20.9
Public Administration	\$1,103	\$1,151	\$1,189	\$1,257	\$154	14.0
Totals	\$1,119	\$1,160	\$1,170	\$1,315	\$196	17.5
Source: MN Employment & Economic Development, Maxfield Research and Consulting LLC						

EMPLOYMENT TRENDS

**TABLE E-5
BUSINESS SUMMARY - BY NAICS CODE
CHISAGO COUNTY
2017 Q1**

Business/Industry	Businesses		Employees	
	Number	Pct	Number	Pct
NAICS CODES				
Natural Resources & Mining	12	1.1%	33	0.2%
Construction	184	17.0%	640	4.3%
Manufacturing	91	8.4%	2,279	15.2%
Trade, Transportation and Utilities	220	20.3%	2,294	15.3%
Information	10	0.9%	47	0.3%
Finance & Insurance	65	6.0%	285	1.9%
Professional and Business Services	126	11.6%	1,125	7.5%
Educational and Health Services	111	10.3%	5,260	35.0%
Leisure and Hospitality	108	10.0%	1,649	11.0%
Other Services	115	10.6%	397	2.6%
Public Administration	40	3.7%	1,009	6.7%
Total	1,082	100.0%	15,018	100.0%

Sources: ESRI, Maxfield Research & Consulting, LLC



Commuting Patterns

Proximity to employment is often a primary consideration when choosing where to live, since transportation costs often account for a considerable proportion of households' budgets. Tables E-6 highlights the commuting patterns of workers in Chisago County in 2015 (the most recent data available), based on Employer-Household Dynamics data from the U.S. Census Bureau. Home destination is defined as where workers live who are employed in the selection area. Work destination is defined as where workers are employed who live in the selection area.

- As Table E-6 illustrates, 10.9% of workers who are employed in Chisago County live in the City of North Branch, and 4.6% live in the City of Wyoming. North Branch and Wyoming are also the two largest work destinations located within Chisago County. North Branch being the work destination for 6.3% of workers who have jobs in Chisago County, while Wyoming accounts for 4.1% of workers in Chisago County.
- The two largest work destinations are located outside Chisago County. Approximately 15.2% of Chisago County residents commute to either Minneapolis (7.6%) or St. Paul (7.6%) for work. Minneapolis and St. Paul account for 4,045 employees who live in Chisago County.
- The Cities of Forest Lake, Blaine, and Cambridge all combine to account for approximately 7% of workers employed in Chisago County.

**TABLE E-6
COMMUTING PATTERNS
CHISAGO COUNTY
2015**

Home Destination			Work Destination		
<u>Place of Residence</u>	<u>Count</u>	<u>Share</u>	<u>Place of Employment</u>	<u>Count</u>	<u>Share</u>
North Branch, MN	1,426	10.9%	St. Paul, MN	2,024	7.6%
Wyoming, MN	600	4.6%	Minneapolis, MN	2,021	7.6%
Lindstrom, MN	543	4.1%	North Branch, MN	1,698	6.3%
Forest Lake, MN	509	3.9%	Forest Lake, MN	1,530	5.7%
Chisago City, MN	493	3.8%	Wyoming, MN	1,100	4.1%
Rush City, MN	328	2.5%	Chisago City, MN	836	3.1%
Blaine, MN	200	1.5%	Cambridge, MN	710	2.7%
Cambridge, MN	197	1.5%	Rush City, MN	680	2.5%
Shafer, MN	180	1.4%	Lindstrom, MN	627	2.3%
Harris, MN	159	1.2%	Blaine, MN	610	2.3%
All Other Locations	8,457	64.6%	All Other Locations	14,907	55.7%
Total All Jobs	13,092		Total All Jobs	26,743	

Home Destination = Where workers live who are employed in Chisago Co.

Work Destination = Where workers are employed who live in Chisago Co.

Sources: US Census Bureau Local Employment Dynamics; Maxfield Research and Consulting LLC

Inflow/Outflow

Table E-7 provides a summary of the inflow and outflow of workers of Chisago County. Outflow reflects the number of workers living in the County but employed outside of the County while inflow measures the number of workers that are employed in the County but live outside.

- Chisago County is a net exporter of workers, with 6,775 commuting into the county compared to 20,426 workers leaving the county. In addition, 6,317 workers live and work in the county.
- Roughly 52% of workers in Chisago County live outside of the County and commute in, while 48% live within Chisago County.

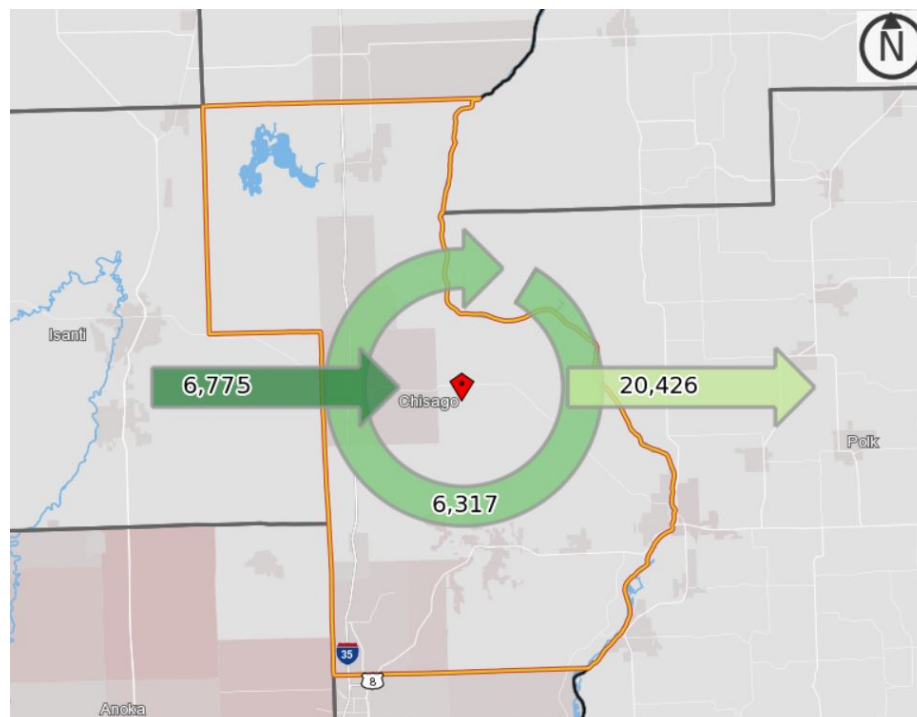
EMPLOYMENT TRENDS

- Approximately 42% Chisago County workers travel between 25 to 50 miles. About 24% travel between 10 and 24 miles to their job, while 22% travel less than 10 miles. Nearly 10% of workers travel over 50 miles to their job.

TABLE E-7 COMMUTING INFLOW/OUTFLOW CHISAGO COUNTY 2015		
	Chisago County	
	Num.	Pct.
Employed in the Selection Area	13,092	100%
Employed in the Selection Area but Living Outside	6,775	51.7%
Employed and Living in the Selection Area	6,317	48.3%
Living in the Selection Area	26,743	100%
Living in the Selection Area but Employed Outside	20,426	76.4%
Living and Employed in the Selection Area	6,317	23.6%
Commuting Distance	Chisago County	
	Num.	Pct.
Less than 10 miles	6,030	22.5%
10 to 24 miles	6,504	24.3%
25 to 50 miles	11,600	42.4%
Greater than 50 miles	2,609	9.8%

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

Inflow/Interior Flow/Outflow



Major Employers

A portion of the employment growth in Chisago County will be generated by the largest employers in the County. Table E-8 lists some of the top employers in Chisago County along with a description of their primary industry and the approximate number of employees based on data provided by the Chisago County HRA-EDA.

The following are key points from the major employers table.

- The largest employer in the county was Fairview Lakes Medical Center with 1,250 employees, offering a wide range of medical profession jobs. The Hazelden/Betty Ford Foundation is the second largest employer, with roughly 800 employees.
- Four of the 19 largest employers in Chisago County were located in North Branch.
- Many of Chisago Counties largest employers are in the manufacturing industry. Other large employers are school districts, and health care or Elderly Care Facilities.
- The top five major employers account for approximately 52% (3,546 jobs) of major employment in Chisago County.

TABLE E-8 MAJOR EMPLOYERS CHISAGO COUNTY 2017			
Name	Community	Industry	Approximate Employee Size
Fairview Lakes Medical Center/Clinics	Wyoming/ North Branch/ Rush City/ Chisago City	Health Care	1,250
Hazelden/Betty Ford Foundation	Center City	Rehab/CD Treatment	800
Polaris Industries	Wyoming	R&D Facility	550
Chisago Lakes School District	Lindstrom	School	521
Rosenbauer Minnesota	Wyoming	Fire Truck Manufacturing	425
North Branch School District	North Branch	School	388
Chisago Co. Government Center	Center City	Government	375
Rush City Correctional Facility	Rush City	Prison	350
Plastech Research, Inc.	Rush City	Manufacturing	310
Andersen Windows	North Branch	Manufacturing	300
Shafer Contracting Co	Shafer	Road Construction	257
Parmly Residence	Chisago City	Elder Care	239
Plastic Products, Inc./SMP	Lindstrom	Manufacturing	210
Villages of North Branch	North Branch	Elder Care	185
Dennis Kirk, Inc.	Rush City	Catalog Sales	140
Wild Mountain	Taylor's Falls	Recreation	150
Peterson Companies	Chisago City/Wyoming	Excavation/Landscape	140
Rush City School District	Rush City	School	140
Foretta Pip & Precast	Stacy	Concrete Product Mfg.	110

Source: Chisago County; Maxfield Research and Consulting LLC

Employer Survey

Maxfield Research surveyed a small sample size of representatives from the largest employers in Chisago County during the fourth quarter 2017 and the first quarter 2018. Employers were asked their opinion about issues related to housing in the area. Specifically, they were asked whether the current supply of housing in the area matches the needs of their workforce. Community economic development information provides useful job growth data and assists in identifying housing demand in an area. Though our sample size was small, we encourage diving deeper into interviewing local employers. The following points summarize the findings of this survey process.

- Employers felt that the availability of adequate housing that met the standards of employees impacted where their existing employees resided or their ability to hire new employees.
- Employers had mixed feelings on how much impact the housing market had on employee recruiting and retention. Employees earning less were more likely to have a harder time finding housing in Chisago County.
- Rental housing is often desired among newer and younger employees. Other employees would prefer to rent before they establish their roots in the community and purchase a home.
- Most employees tend to be renters initially, and then start looking for a home to buy. Employees with more tenure are more likely to be owners.
- Employers said that their workforces commute from all over, including Forest Lake, Cambridge, Andover, and Stillwater. One of the biggest barriers to moving to Chisago County was that they didn't want to deal with the hassle of finding new housing that was as nice as their current living situation.
- New hires have commented on the lack housing, some potential candidates investigate the housing market prior to accepting a position, and this hinders recruitment and retention according to some employers.

Introduction

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

For purposes of our analysis, rental properties are classified rental projects 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

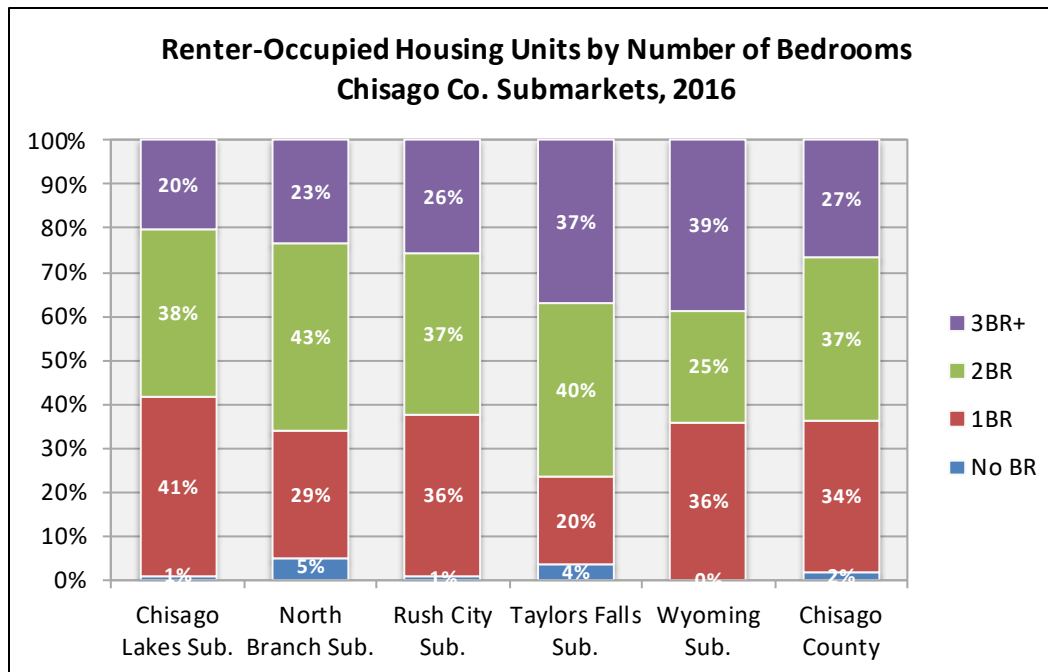
Maxfield Research utilized data from the American Community Survey (ACS) to summarize rental market conditions in Chisago County and the five submarkets. The ACS is an ongoing survey conducted by the United States Census Bureau that provides data every year rather than every ten years as presented by the Decennial Census. ACS includes all rental units, regardless of structure size.

The following are key points concerning Chisago County's rental conditions.

- Monthly gross rents in Chisago County ranged from less than \$300 to \$1,500 or more with approximately 9% renting for \$1,500 or more per month. Over 20% had gross monthly rents between \$1,000 and \$1,499, 23% had rents between \$750 and \$999, 24% had rents between \$500 and \$749, and 16% of renters had rents of less than \$500.
- The Wyoming submarket has the highest percent of units with monthly gross rents above \$1,000 with roughly 35% of units costing \$1,000+. In comparison, the Rush City submarket has only 15% of units costing \$1,000+, the least among all five submarkets.
- Though data was not available for Franconia Township, the Taylors Falls submarket yielded the highest median gross rent at \$1,005. The median gross rent throughout Chisago County was \$796 while for the State of Minnesota it was \$873 in 2016.

RENTAL MARKET ANALYSIS

R-1 BEDROOMS BY GROSS RENT, RENTER-OCCUPIED HOUSING UNITS CHISAGO COUNTY 2016												
	Chisago Lakes Sub.		North Branch Sub.		Rush City Sub.		Taylors Falls Sub.		Wyoming Sub.		Chisago County	
	#	% of Total	#	% of Total	#	% of Total	#	% of Total	#	% of Total	#	% of Total
Total:	951	100%	740	100%	488	100%	257	100%	522	100%	2,958	100%
Median Gross Rent*	\$857		\$922		\$896		\$1,005		\$952		\$796	
No Bedroom	7	1%	36	5%	5	1%	9	4%	0	0%	57	2%
Less than \$300	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
\$300 to \$499	0	0%	8	1%	0	0%	0	0%	0	0%	8	0%
\$500 to \$749	7	1%	28	4%	0	0%	9	4%	0	0%	44	1%
\$750 to \$999	0	0%	0	0%	5	1%	0	0%	0	0%	5	0%
\$1,000 to \$1,499	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
\$1,500 or more	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
No cash rent	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
1 Bedroom	388	41%	215	29%	178	36%	51	20%	187	36%	1,019	34%
Less than \$300	25	3%	23	3%	39	8%	0	0%	59	11%	146	5%
\$300 to \$499	105	11%	47	6%	47	10%	3	1%	64	12%	266	9%
\$500 to \$749	109	11%	47	6%	57	12%	44	17%	20	4%	277	9%
\$750 to \$999	61	6%	95	13%	30	6%	4	2%	0	0%	190	6%
\$1,000 to \$1,499	88	9%	0	0%	5	1%	0	0%	0	0%	93	3%
\$1,500 or more	0	0%	0	0%	0	0%	0	0%	44	8%	44	1%
No cash rent	0	0%	3	0%	0	0%	0	0%	0	0%	3	0%
2 Bedrooms	363	38%	316	43%	180	37%	102	40%	133	25%	1,094	37%
Less than \$300	0	0%	0	0%	24	5%	0	0%	0	0%	24	1%
\$300 to \$499	17	2%	5	1%	5	1%	4	2%	3	1%	34	1%
\$500 to \$749	209	22%	54	7%	61	13%	26	10%	23	4%	373	13%
\$750 to \$999	64	7%	114	15%	48	10%	52	20%	78	15%	356	12%
\$1,000 to \$1,499	41	4%	114	15%	28	6%	9	4%	11	2%	203	7%
\$1,500 or more	21	2%	13	2%	3	1%	0	0%	3	1%	40	1%
No cash rent	11	1%	16	2%	11	2%	11	4%	15	3%	64	2%
3 or More Bedrooms	193	20%	173	23%	125	26%	95	37%	202	39%	788	27%
Less than \$300	0	0%	4	1%	0	0%	0	0%	0	0%	4	0%
\$300 to \$499	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
\$500 to \$749	10	1%	0	0%	0	0%	0	0%	0	0%	10	0%
\$750 to \$999	12	1%	32	4%	61	13%	9	4%	17	3%	131	4%
\$1,000 to \$1,499	80	8%	77	10%	33	7%	35	14%	68	13%	293	10%
\$1,500 or more	68	7%	42	6%	4	1%	24	9%	56	11%	194	7%
No cash rent	23	2%	18	2%	27	6%	27	11%	61	12%	156	5%
*Data not available for Franconia Township												
Sources: 2012-2016 American Community Survey; Maxfield Research and Consulting, LLC												



General-Occupancy Rental Properties

Our research of Chisago County's general occupancy rental market included a survey of 25 market rate, affordable, and subsidized apartment properties (buildings w/ 8 units or more) in December 2017 & January 2018. These properties represent a combined total of 712 units, including 478 market rate units, 140 affordable units, and 92 subsidized units.

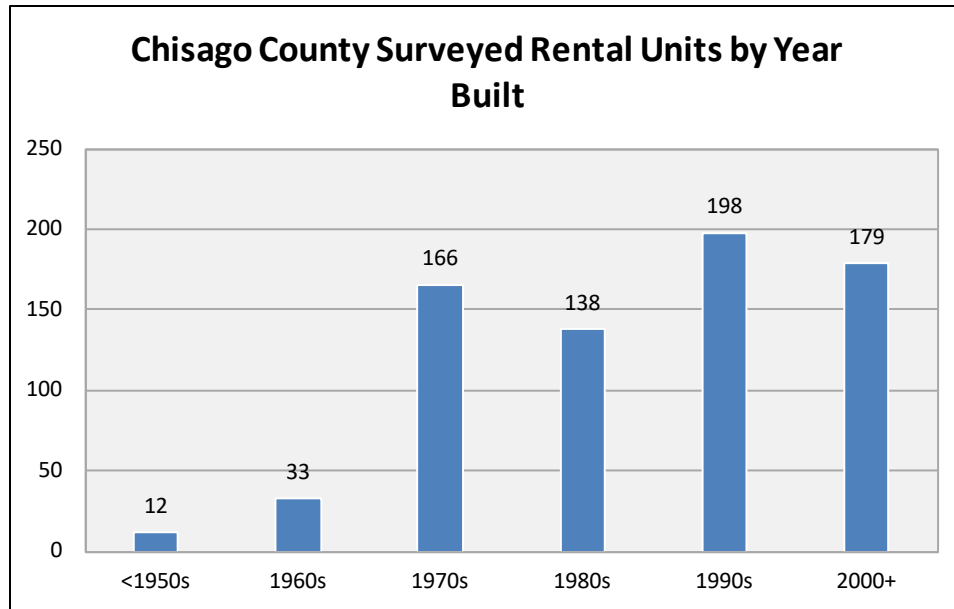
Although we were able to contact and obtain up-to-date information on the majority of rental properties, there were a few projects that chose not to participate in this survey or were unable to reach and had to rely on information from third party sources.

At the time of our survey, 21 general occupancy units were vacant, resulting in an overall vacancy rate of 3.0% for all units. The combined overall vacancy rate is well 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-2 summarizes year built of Chisago County general occupancy projects. Table R-3 summarizes available unit types and rents among all general-occupancy housing developments. A unit summary is broken down in Table R-4. Table R-5 summarizes information on market rate, affordable, and subsidized general occupancy projects including typical amenities offered or available.

TABLE R-2 GENERAL OCCUPANCY RENTAL DEVELOPMENT YEAR BUILT CHISAGO COUNTY January 2018			
Property Name/Location	Built	Type	Units
Ashwood & Birchwood Apt	2004	MR	125
Oakview Terrace Townhomes	2003	AFF	24
Kestrel Meadows Townhomes	2003	AFF	30
Taylors Falls Townhomes I & II	1998	AFF	20
Wyoming Oakwood Townhomes	1997	AFF	48
Southfield Estates	1997	MR	24
Rush City Country Apt	1995	MR	70
The Woods Apt	1990	SUB	36
Bungalows of Chisago	1988	MR	64
Bridgeford Apt	1987	SUB	18
Parkview Apt	1985	SUB	20
Oakhurst Apt	1985	SUB	12
Rush River Apt	1983	SUB	24
Angel Hill Apt	1979	MR	8
Oakridge Apt	1979	MR	32
Oak Manor	1979	MR	12
Elmwood Terrace Apt	1978	MR	14
Riverfront Apt	1975	MR	32
8-Plex	1976	MR	16
Lake Town Apt	1975	MR	14
Northgate Apt	1972	MR	22
Dahl Place Apt	1965	MR	22
On the Lake	1965	MR	11
Shafer Apt	1921	MR	12
Source: Chisago County; Maxfield Research & Consulting, LLC			

- Many of Chisago County's larger general occupancy rental housing were built post 1980. Approximately 71% of all multifamily rental developments were built in 1980 or after.
- Chisago County has added roughly 160 general occupancy rental units per decade since the 1970s.



Market Rate

- The newest market rate general occupancy rental housing project in Chisago County is the Ashwood & Birchwood Apartments, which was built in 2004 and has a total of 125 units. Rents average \$756 a month or approximately \$0.86 per square foot.
- A total of 16 vacancies were found in market rate rental projects, resulting in a vacancy rate of 3.3% as of January 2018. Market rate rental vacancy stabilized equilibrium is considered to be 5% to allow for unit turnover and property choice for renters.
- Sizes for market rate units ranged from 312 square feet for a studio apartment at Rush City Country Apartments to 1,260 square feet for a three-bedroom apartment at Southfield Estates. The average size of all market rate apartments in Chisago County is 737 square feet.
- Rents range from \$575 for a studio apartment at Rush City Country Apartments to \$1,115 for a three-bedroom apartment at Oakridge Apartments. The average monthly rent of market rate apartments in Chisago County is \$728.
- Average rent per square foot for market rate rentals is \$1.02 with studios being the highest at \$1.84 and three-bedroom units being the lowest at \$0.91 rent per square foot.

Affordable

- There are five general occupancy affordable properties in Chisago County with 140 total units. There were four vacant units as of January 2018 for an overall vacancy rate of 2.9%.
- Typically, tax credit rental properties should be able to maintain vacancy rates of 3% or less in most housing markets. Numerous properties had no vacant units indicating a need for additional housing of this type.
- In 2003, two tax credit rental properties have come online, totaling 54 units. These two properties are both located in North Branch and offer two- & three-bedroom townhomes.

Subsidized

- There are four subsidized properties in Chisago County with 92 total units. There was only one vacant unit as of January 2018.
- Typically, deep-subsidy rental properties should be able to maintain vacancy rates of 3% or less in most housing markets. The vacancy rate of 1.1%, with only one unit vacant, for these units indicates a need for more of this housing.

RENTAL MARKET ANALYSIS

TABLE R-3 SELECT GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY CHISAGO COUNTY January 2018						
Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
Subsidized						
The Woods Apt	1990	36	6 - 1BR	593	\$545 - \$560	\$0.92 - \$0.94
10760 & 10780 North Ave		1	22 - 2BR	768	\$580 - \$597	\$0.76 - \$0.78
Chisago City, MN		2.8%	8 - 3BR	922	\$615 - \$634	\$0.67 - \$0.69
Parkview Apt	1985	20	8 - 1BR	594	\$485 - \$675	\$0.82 - \$1.14
13230-13250 Newlander Ave		0	10 - 2BR	748	\$515 - \$705	\$0.69 - \$0.94
Lindstrom, MN		0.0%	2 - 3BR	900	\$535 - \$725	\$0.59 - \$0.81
Oakhurst Apt	1985	12	4 - 1BR	594	\$550 - \$580	\$0.93 - \$0.98
5845 Oak St		0	6 - 2BR	747	\$580 - \$610	\$0.78 - \$0.82
North Branch, MN		0.0%	2 - 3BR	1,050	\$610 - \$645	\$0.58 - \$0.61
Rush Riverview Apt	1983	24	16 - 2BR	993	30% AGI	N/A
450 Fairfield Ave S/450 S Co Rd. 54		0	8 - 3BR	1,100	30% AGI	N/A
Rush City, MN		0.0%				
Subsidized Total		92				
		1				
		1.1%				
Affordable						
Oakview Terrace Townhomes	2003	24	18 - 2BR	1,134	\$770 - \$855	\$0.68 - \$0.75
38593 Oakview Ave		0	6 - 3BR	1,358	\$860 - \$945	\$0.63 - \$0.70
North Branch, MN		0.0%				
Kestrel Meadows Townhomes	2003	30	30 - 3BR	1,240 - 1,260	\$963	\$0.76 - \$0.78
38516 Oakview Cir		1				
North Branch, MN		3.3%				
Taylors Falls Townhomes I & II	1998	20	6 - 1BR	712	\$500	\$0.70
641 Linden Ct		0	10 - 2BR	1,039 - 1,191	\$675 - \$755	\$0.63 - \$0.65
Taylors Falls, MN		0%	4 - 3BR	1,270 - 1,320	\$825 - \$900	\$0.65 - \$0.68
Wyoming Oakwood Townhomes	1997	48	24 - 2BR	1,041 - 1,254	\$885 - \$955	\$0.76 - \$0.85
26890 Goldman Blvd		3	24 - 3BR	1,294 - 1,484	\$1,005 - \$1,040	\$0.70 - \$0.78
Wyoming, MN		6.3%				
Bridgeford Apt	1987	18	6 - 1BR	769	\$660 - \$830	\$0.86 - \$1.08
735 W 10th St		0	12 - 2BR	949	\$700 - \$870	\$0.74 - \$0.92
Rush City, MN		0.0%				
Affordable Total		140				
		4				
		2.9%				

RENTAL MARKET ANALYSIS

<p style="text-align: center;"><i>Continued</i> TABLE R-3 SELECT GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY CHISAGO COUNTY January 2018</p>						
Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
Market Rate						
Ashwood & Birchwood Apt	2004	125	21 - 1BR	500 - 700	\$675 - \$695	\$0.99 - \$1.35
6495 Ash St		3	100 - 2BR	834 - 1,031	\$725 - \$795	\$0.77 - \$0.87
North Branch, MN		2.4%	4 - 3BR	998	\$1,025	\$1.03
Southfield Estates	1997	24	8 - 1BR	790	\$665	\$0.84
501 Estate Dr		0	12 - 2BR	940	\$770	\$0.82
Rush City, MN		0%	4 - 3BR	1,260	\$830	\$0.66
Rush City Country Apt	1995	70	38 - Studio	312 - 340	\$575 - \$625	\$1.84 - \$1.84
145 Eliot Ave N		2	32 - 1BR	535 - 550	\$775 - \$825	\$1.45 - \$1.50
Rush City, MN		2.9%				
Bungalows of Chisago	1988	64	32 - 1BR	648	\$775	\$1.20
29805 Sportsman Dr		3	32 - 2BR	812 - 850	\$900 - \$955	\$1.11 - \$1.12
Chisago City, MN		4.7%				
Oakridge Apt	1979	32	20 - 2BR	805 - 815	\$900 - \$930	\$1.12 - \$1.16
6023 E Viking Blvd		1	12 - 3BR	990	\$1,115	\$1.13
Wyoming, MN		3.1%				
Oak Manor Apt	1979	12	12 - 2BR	850	\$825	\$0.97
5353 270th St		0				
Wyoming, MN		0.0%				
Angel Hill Apt	1979	8	8 - 2BR	760 - 800	\$825	\$1.03 - \$1.09
242 Basil St		1				
Taylors Falls, MN		12.5%				
Elmwood Terrace Apt	1978	14	12 - 1BR	725 - 800	\$735 - \$745	\$0.92 - \$1.01
5892 Elm St		1	2 - 2BR	850	\$845	\$0.99
North Branch, MN		7.1%				
8-Plex	1976	16	16 - 1BR	630	\$725	\$1.15
5901 Maple St		0				
North Branch, MN		0.0%				
Source: Maxfield Research & Consulting, LLC						

RENTAL MARKET ANALYSIS

Continued TABLE R-3 SELECT GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY CHISAGO COUNTY January 2018						
Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
Market Rate						
Riverfront Apt	1975	32	27 - 1BR	585	\$515	\$0.88
521 River St		0	5 - 2BR	726	\$570	\$0.79
Taylors Falls, MN		0.0%				
Lake Town Apt	1975	14	1 - 1BR	650	\$625	\$0.96
29555 Lofton Ave		1	13 - 2BR	750	\$795 - \$900	\$1.06 - \$1.20
Chisago City, MN		7.1%				
Northgate Apt	1972	22	6 - 1BR	650	\$625	\$0.96
13060-13080 3rd Ave N		2	16 - 2BR	690	\$735	\$1.07
Lindstrom, MN		9.1%				
Dahl Place Apt	1965	22	20 - 1BR	622	\$750 - \$815	\$1.21 - \$1.31
29105 Dahl Pl		0	2 - 2BR	815	\$900	\$1.10
Chisago City, MN		0.0%				
On the Lake	1965	11	10 - 1BR	622 - 650	\$765 - \$795	\$1.23 - \$1.28
12601 1st Ave N		0	1 - 2BR	815	\$875	\$1.07
Lindstrom, MN		0.0%				
Shafer Apt	1921	12	9 - 1BR	750	\$750	\$1.00
30660 Redwing Ave		2	3 - 2BR	850	\$850	\$1.00
Shafer, MN		16.7%				
Market Rate Total		478				
		16				
		3.3%				
Chisago County Totals*		710				
		21				
		3.0%				
Source: Maxfield Research & Consulting, LLC						

R-4 SURVEYED UNIT TYPE SUMMARY SELECT GENERAL OCCUPANCY RENTAL DEVELOPMENTS CHISAGO COUNTY January 2018					
Market Rate			Monthly Rents		
Unit Type	Total Units	% of Total	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
Studio	38	8%	\$575 - \$625	\$600	\$1.84
1BR	178	39%	\$515 - \$825	\$712	\$1.06
2BR	221	48%	\$725 - \$900	\$803	\$1.01
3BR	20	4%	\$830 - \$1,115	\$1,040	\$0.91
Total:	457	100%	\$515 - \$1,115	\$761	\$1.03
Affordable			Monthly Rents		
Unit Type	Total Units	% of Total	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
1BR	12	9%	\$500 - \$830	\$623	\$0.84
2BR	64	46%	\$675 - \$955	\$832	\$0.74
3BR	64	46%	\$825 - \$1,040	\$973	\$0.71
Total:	140	100%	\$500 - \$1,040	\$879	\$0.75
Subsidized			Monthly Rents		
Unit Type	Total Units	% of Total	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
1BR	18	26%	\$485 - \$675	\$568	\$0.95
2BR	38	56%	\$515 - \$705	\$595	\$0.79
3BR	12	18%	\$535 - \$725	\$626	\$0.66
Total:	68	100%	\$485 - \$725	\$593	\$0.79
* This table includes data from rental developments that provided complete survey information					
Source: Maxfield Research and Consulting, LLC					

- The majority of the properties surveyed have an air conditioner, refrigerator, stove, and common area laundry. In-unit washer and dryers has become the norm in new apartment developments constructed today.
- A large number of properties have included either a detached or attached garage in their total rent per month. Although, utility packages differ from property to property, it was common for tenants to pay electricity, internet and cable. In most cases, heat/gas, water, sewer, and trash were included in the monthly rent.
- A breakdown of general occupancy rental projects amenities and features can be found on Table R-4 on the following page.

RENTAL MARKET ANALYSIS

TABLE R-5
COMMON AREA FEATURES/AMENITIES
EXISTING RENTAL DEVELOPMENT SURVEY RESPONSES
CHISAGO COUNTY
January 2018

Projects	In Unit/Common Area Amenities											Utilities and Parking						
	Air Conditioning	Dishwasher	Patio/Balcony	Walk-in Closet	Laundry	Elevator	Community Room	Fitness Center	playground	Pool	Extra Storage Space	Heat/Gas	Electricity	Water/Sewer	Trash	Cable	Parking	Additional Parking Fee (per month)
Subsidized/Affordable Rentals																		
The Woods Apt	W				C				X			X		X			SU	Included
Parkview Apt	W			X	C									X			SU/DG	\$50
Oakhurts Apt	W				C				X		X	X		X			SU	Included
Rush Riverview Apt	W				C				X		X	X		X			SU/DG	\$45
Oakview Terrace Townhomes	W	X			I/U				X		X	X		X			SU/AG	Included
Kestrel Meadows Townhomes	CA	X	X		I/U				X					X	X		SU/AG	Included
Taylors Falls Townhomes I & II	CA		X		I/U									X	X		SU/DG	Included
Wyoming Oakwood Townhomes	W	X	X	X	I/U				X					X	X		SU/AG	Included
Bridgeford Apt	W				C				X			X		X			SU	Included
Market Rate Rental																		
Ashwood & Birchwood Apt	W	X	X		C		X		X			X		X			SU/DG	\$40
Rush City Country Apt	W	X	X		C							X	X	X			SU	Included
Bungalows of Chisago	W				I/U									X	X		SU/DG	\$55
Oakridge Apt	W				C				X		X	X		X			SU/DG	\$50
Oak Manor Apt	W				C							X		X	X		SU/DG	\$45
Elmwood Terrace Apt	W				C							X		X	X		SU/DG	\$75
Riverfront Apt	W				C							X		X	X		SU	Included
Lake Town Apt	W				C									X			SU	Included
Northgate Apt	W				C							X		X	X		SU/DG	\$50
Dahl Place Apt	W				C							X		X	X		SU/DG	\$65
Angel Hill Apt	W				C									X	X		SU	Included
On the Lake	W		X														SU	Included
Shafer Apt	W				C							X		X	X		SU/DG	Included
Southfield Estates	CA		X		I/U						X			X			SU/AG	Included
Note: X=Included/Available CA=Central Air; W=Wall unit air; DG=Detached Garage; UG=Underground; AG=Attached Garage; SU=Surface; I/U=In-unit; C=Common																		
Source: Maxfield Research Inc.																		

Select general occupancy rental projects – Chisago County



Rush City Country Apartments
Rush City



Oakview Terrace Townhomes
North Branch



Ashwood & Birchwood Apartments
North Branch



The Woods Apartments
Chisago City



Lake Town Apartments
Chisago City



Oakridge Apartments
Wyoming



Riverfront Apartments
Taylors Falls



Parkview Apartments
Lindstrom



Rush Riverview Apartments
Rush City



Oak Manor
Wyoming



Northgate Apartments
Lindstrom



Elmwood Terrace Apartments
North Branch

Surveyed GO Rental Housing - Chisago County



MAP KEY GENERAL OCCUPANCY RENTAL HOUSING DEVELOPMENTS CHISAGO COUNTY January 2018	
1	Ashwood & Birchwood Apt
2	Rush City Country Apt
3	Bungalows of Chisago
4	Oakridge Apt
5	Oak Manor Apt
6	Angel Hill Apt
7	Elmwood Terrace Apt
8	Riverfront Apt
9	Lake Town Apt
10	8-Plex
11	Northgate Apt
12	Dahl Place Apt
13	On the Lake
14	Southfield Estates
15	The Woods Apt
16	Parkview Apt
17	Oakhurst Apt
18	Rush Riverview Apt
19	Oakview Terrace Townhomes
20	Kestrel Meadows Townhomes
21	Taylors Falls Townhomes I & II
22	Wyoming Oakwood Townhomes
23	Bridgeford Apt
24	Shafer Apt
Source: Maxfield Research & Consulting, LLC	

Single-Family Home Rentals

- Single-family home rentals are a popular rental option in Chisago County. Table HC-4 in the Housing Characteristics section shows housing units by structure in 2015. The table shows approximately 43% of all renter-occupied housing units in Chisago County are single-family detached/attached homes.
- As of December 2016, there are approximately 2,958 rental units in Chisago County. These units range from single-family structures to multifamily structures of up to 50 units. Within the Chisago County there are approximately 1,054 single-family detached homes.
- A sample of single-family rentals in Chisago County were surveyed and on average a standard two-bedroom home rents for \$1,040 while a three-bedroom home rents for \$1,375 a month. Four-bedroom homes rent for \$1,450+.

Property Manager/Property Owner Interviews

Maxfield Research and Consulting LLC spoke with property managers to obtain information on local rental availability, price and characteristics. In addition, some property managers provided their perspective on the local rental market.

- Turnover at many apartments is primarily driven by residents purchasing homes or leaving the area for employment opportunities. Many tenants will stay in a unit for longer lease terms.
- The tenant profile spans all walks of life, with renters being young people, families, and the elderly.
- Many property managers mentioned that they do not have difficulty filling vacant units and said that they never have vacant units sitting for long periods of time.

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;

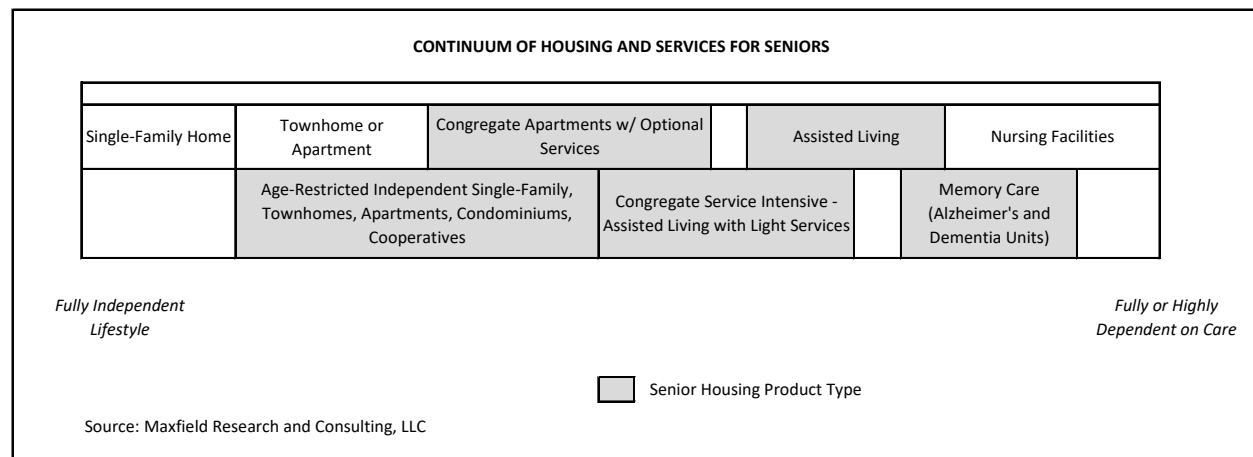
Congregate/Service-Intensive; where support services such as meals and light housekeeping are included in the monthly rents;

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 and higher rental fees.

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 security. 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.



Senior Housing in Chisago County

In December 2017 & January 2018, Maxfield Research identified 23 senior housing developments in Chisago County. These properties contain a total of 829 units. There are 26 vacancies resulting in an overall vacancy rate of 3.1% for senior housing developments. The equilibrium vacancy rate for senior housing is considered to be between 5% and 7%.

Table S-1 provides information on the senior market rate 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.

Market Rate Active Adult (Rental)

- Four market rate active adult properties were identified in Chisago County. These properties offered one- or two-bedroom units and averaged \$703 for a one-bedroom and \$938 for a two-bedroom. The combined vacancy rate across these properties was 2.4%.
- The market rate properties tend to be newer as three of the four properties were built in the 2000s. The oldest market rate active adult property is Shogren Apartments in Lindstrom built in 1975.

Subsidized/Affordable Active Adult (Rental)

- 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 Chisago County's area median income.

- There are 15 subsidized/affordable active adult developments in Chisago County. As of January 2018, there were 7 vacancies, for an overall vacancy rate of 1.7%. 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.

Congregate

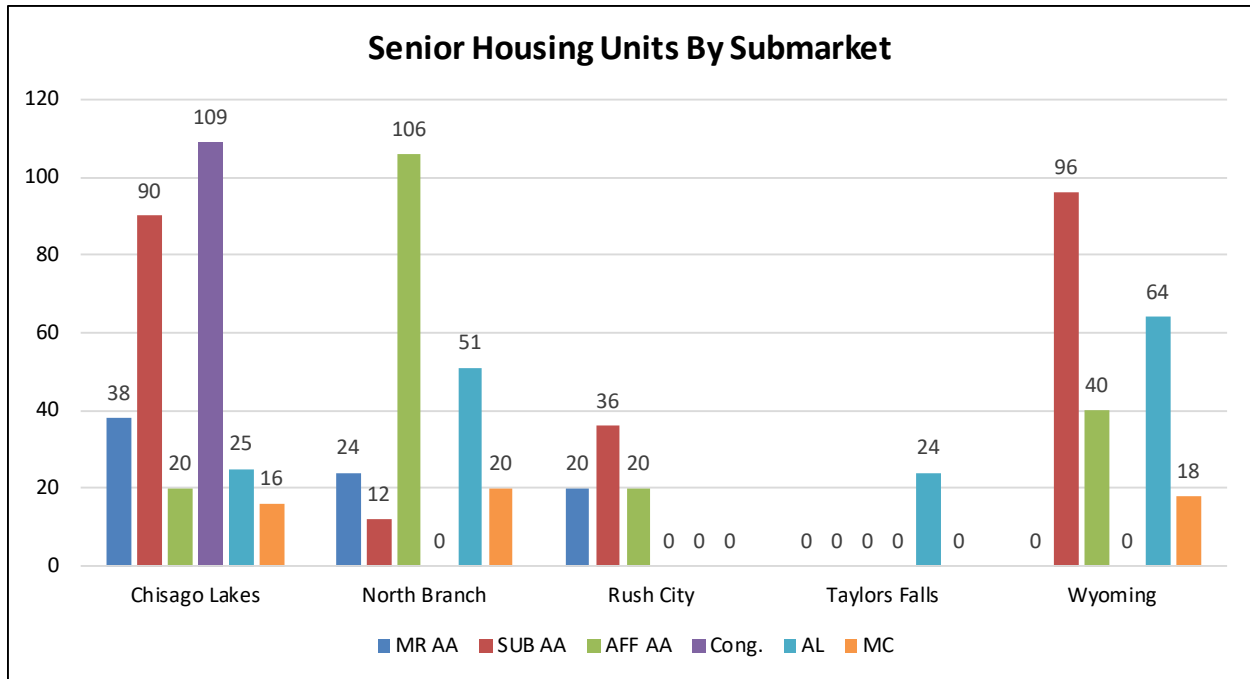
- There is one congregate facility in Chisago County. As of January 2018, there were 6 vacancies across 109 total congregate units for a vacancy rate of 5.5%.
- Unit types offered are one-bedroom, one-bedroom plus den, two-bedroom, one-bedroom townhome, and two-bedroom townhome units. Monthly base rents range from \$1,280 for a one-bedroom to \$1,770 for a two-bedroom unit.

Assisted Living

- There are four facilities offering assisted living services in Chisago County. As of January 2018, there were six vacancies across 164 total assisted living units, for a vacancy rate of 3.7%.
- Market rate basic service rents range from \$3,010 for a studio apartment at Vindauga View to \$4,290 for a two-bedroom apartment at Meadows of Fairview. Additional cost is based on service level needed. Some common features include kitchenettes, private bathrooms, meals, laundry, and light housekeeping.

Memory Care

- There are three facilities offering memory care services in Chisago County. As of January 2018, there were five vacant units across 54 total memory care units, for a vacancy rate of 9.3%.
- Basic market rate rents for memory care range from \$2,235 for a studio at Meadows on Fairview to \$4,855 for a studio at Ecumen North Branch. 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 CHISAGO COUNTY January 2018							
Project Name/City	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent/ Sale Price	Rent/Sales price/PSF Min - Max	Services/Amenities/Comments
Market Rate Active Adult							
Bayview Apt 320 Center Ave Center City, MN	2005	24 0 0.0%	7 - 1BR 17 - 2BR	700 815	\$730 \$830	\$1.04 \$1.02	55+, Garage: \$20/month, Cable: \$32/month, Utilities included: heat, water, sewer, & garage, community room, exercise room, elevator, laundry facility, patio/picnic area
Countryside Senior Apt 740 W 14th St Rush City, MN	2005	20 1 5.0%	10 - 1BR 10 - 2BR	700 815	\$725 \$882	\$1.04 \$1.08	62+, utilities included: gas, water, garbage, and sewer, on-site caretaker, common area laundry facilities on each floor, attached garage, dining hall, wall AC unit, cable TV cost an additional \$32/mo
Splitstoser Apt 6382 Birch St North Branch, MN	2000	24 0 0.0%	12 - 1BR 12 - 2BR	800 950	\$816 \$1,136	\$1.02 \$1.20	55+, dishwasher, patio, private entry, wall AC unit, in-unit laundry, surface parking
Shogren Apt 12625 Bronson Ave Lindstrom, MN	1975	14 1 7.1%	6 - 1BR 8 - 2BR	600 700	\$589 - \$659 \$739 - \$759	\$0.98 - \$1.10 \$1.06 - \$1.08	55+, surface parking, utilities included: heat water, sewer, & grabage, on-site laundry, additional storage available, wall AC unit
Sub/Aff Active Adult							
Meadows on Fairview 25565 Fairview Ave Wyoming, MN	2003	32 1 3.1%	32 - 1BR	605	30% AGI	N/A	62+, Income Restricted, surface parking, large community room, porch, fireside lounge, library & computer room, on-site laundry on every floor, optional personal emergency response system
Uptown Maple Commons 38799 7th Ave North Branch, MN	2001	40 0 0.0%	36 - 1BR 4 - 2BR	569 - 729 850	\$464 - \$854 \$975	\$0.82 - \$1.17 \$1.15	62+, on-site laundry, wall AC unit, surface parking, walk-in closets, picnic area, dishwasher, internet available, planned activities, dining area, income limit levels: less than \$18,990, \$37,980, \$37,980
Rush Estates 2 100 N Elliot Ave Rush City, MN	1994	10 0 0.0%	5 - 1BR 5 - 2BR	500 550	\$640 - \$810 \$665 - \$835	\$1.28 - \$1.62 \$1.21 - \$1.52	62+, utilities included: heat, water, sewer, & garbage, community room, on-site laundry, all units on ground level and handicap accessible, patio
Haven Estates I & II 30926-30930 Finch Ave Stacy, MN	1986	20 0 0.0%	12 - 1BR 8 - 2BR	630 800	30% AGI 30% AGI	N/A N/A	62+, surface parking, wall AC units, handicap accessible, heat, water, trash included
Ecumen Lakeview Apt 10600 282nd St Chisago City, MN	1986	60 0 0.0%	57 - 1BR 3 - 2BR	572 748	30% AGI 30% AGI	N/A N/A	62+, surface parking, Income restricted, wall AC unit, community room, on-site laundry facilities
Haven Estates (Middle Haven, Estates I & II) 5613, 5635, 5695 E Viking Blvd Wyoming, MN	1984	44 0 0.0%	24 - 1BR 20 - 2BR	612 802	30% AGI 30% AGI	N/A N/A	62+, surface parking & detached garages, wall AC units, handicap accessible, heat, water, trash included
Northern Oaks Apt 6188 Pecan St North Branch, MN	1983	12 0 0.0%	12 - 1BR	685	30% of AGI	N/A	62+, wall AC unit, surface parking, heat included
Pinewood Apt 6717 Old Sawmill Rd Harris, MN	1981	17 1 5.9%	16 - 1BR 1 - 2BR	600 800	\$549 - \$598 \$626 - \$670	\$0.92 - \$1.00 \$0.78 - \$0.84	55+, Community room, on-site laundry facilities, surface parking
Valkommen Apt 12940 1st Ave N Lindstrom, MN	1980	30 0 0%	30 - 1BR	600	30% AGI	N/A	Community room, laundry on-site, wall AC, surface parking
Rush Oaks 20 N Eliot Ave Rush City, MN	1980	36 0 0.0%	32 - 1BR 4 - 2BR	500 550	30% AGI 30% AGI	N/A N/A	62+, on-site laundry, wall AC unit, surface parking

SENIOR HOUSING ANALYSIS

Continued TABLE S-1 SENIOR HOUSING PROJECTS CHISAGO COUNTY January 2018							
Project Name/City	Year Built	No. of Units	Unit Mix	Sizes	Monthly Rent/ Sale Price	Rent fee/PSF Min - Max	Services/Amenities/Comments
Sub/Aff Active Adult - Continued							
Heather Creek Apt 29545 East St Chisago City, MN	1978	20	19 - 1BR	650	\$582	\$0.90	Utilities included: water, sewer, trash, community room, accessible units, extra storage, on-site laundry, surface parking
		2	1 - 2BR	750	\$666	\$0.89	
		10.0%					
Sunrise River Apt 5350 270th St Wyoming, MN	1978	16	8 - 1BR	544	\$495	\$0.91	55+, wall AC unit, surface & detached garage parking, on-site laundry
		0	8 - 2BR	753	\$555	\$0.74	
		0.0%					
Shield's Plaza Apt 6100 Cedar St North Branch, MN	1978	49	47 - 1BR	618	\$688	\$1.11	55+, surface parking, wall AC unit, utilities included: heat, trash, water, & sewer, patio, elevator, laundry facility
		3	2 - 2BR	794	\$821	\$1.03	
		6.1%					
Rush Estates 1 220 W Division St Rush City, MN	1975	10	5 - 1BR	600	\$565 - \$635	\$0.94 - \$1.06	62+, utilities include: water and sewer, wall AC unit, washer/dryer hookups, private entry, surface parking
		0	5 - 2BR	720	\$585 - \$655	\$0.81 - \$0.91	
		0.0%					
Heights Court 26897, 26911, 26927, 26945 Fenwick Ave N Wyoming, MN	1966	24	6 - Studio	450	\$500	\$1.11	55+, surface parking, wall AC unit, utilities included: heat, trash, water, & sewer, laundry facility
		0	12 - 1BR	533	\$589	\$1.11	
		0.0%	6 - 2BR	712	\$679	\$0.95	
Congregate							
Parmly LifePointes - Point Pleasant Heights 28600 Fairway Ln Chisago City, MN	1998	109	32 - 1BR	588 - 684	\$1,280 - \$1,430	\$2.09 - \$2.18	62+, utilities included: cable, water, & trash, community room, exercise programs, beauty salon/barbershop, surface parking & garages available, community laundry & in-unit laundry for particular units, 24 hour emergency call
		6	17 - 1BR/D	828	\$1,600	\$1.93	
		5.5%	30 - 1BR TH	986	\$1,350	\$1.37	
			16 - 2BR	896	\$1,770	\$1.98	
			14 - 2BR TH	1,170	\$1,595 - \$1,645	\$1.36 - \$1.41	
Assisted Living							
The Lodge of Taylors Falls 1051 Mulberry St Taylors Falls, MN	2014	24	24 - 1BR	440 - 470	\$2,363	\$5.03 - \$5.37	Required Home Care Services: \$950/mo, 24 hour care, water, sewer, gas, electric, trash, cable, wireless internet included, weekly showering, weekly linens & laundry, optional services extra
		3					
		12.5%					
Ecumen North Branch 5379 383rd St North Branch, MN	2005	51	21 - 1BR	569 - 635	\$3,295 - \$3,415	\$5.38 - \$5.79	Three meals per day w/ one snack, weekly housekeeping, weekly linens and laundry, daily programs, scheduled transportation, 24 hour care, heat, electric, water, trash, internet, cable included, optional services extra
		1	8 - 1BR+D	729	\$3,710	\$5.09	
		2.0%	22 - 2BR	776 - 886	\$3,745 - \$3,960	\$4.47 - \$4.83	
Meadows on Fairview 25565 Fairview Ave Wyoming, MN	2003	64	10 - Studio	355	\$3,215 - \$3,265	\$9.06 - \$9.20	62+, three meals per day, all utilities included except telephone, television & wireless internet included, scheduled activities and transportation available, personal call pendant, weekly housekeeping/linen changes, weekly laundry, 24 staff on-site
		2	28 - 1BR	529 - 614	\$3,470 - \$3,515	\$5.72 - \$6.56	
		3.1%	12 - 1BR + D	802 - 924	\$3,530 - \$3,590	\$3.89 - \$4.40	
			14 - 2BR	802 - 1,103	\$3,990 - \$4,290	\$3.89 - \$4.98	
Vindauga View 28210 Old Towne Rd Chisago City, MN	1998	25	5 - Studio	362	\$3,010	\$8.31	62+, three daily meals, weekly housekeeping/laundry services, beauty/barbershop, daily activities planned, scheduled transportation, on-site registered nurses
		0	14 - 1BR	566	\$3,275	\$5.79	
		0.0%	6 - 2BR	823	\$3,850	\$4.68	
Memory Care							
Parmly On The Lake 28210 Old Towne Rd Chisago City, MN	2007	16	16 - Studio	330	\$4,080	\$12.36	62+, three daily meals, weekly housekeeping/laundry services, beauty/barbershop, daily activities planned, scheduled transportation, on-site registered nurses
		0					
		0.0%					
Ecumen North Branch 5379 383rd St North Branch, MN	2005	20	20 - Studio	292	\$4,855	\$16.63	24 hour caregivers, three meals daily, two fireplace lounges, garden room, planned activities, emergency response, all utilities included except telephone which is an additional fee, beauty salon/barbershop
		2					
		10.0%					
Meadows on Fairview 25565 Fairview Ave Wyoming, MN	2003	18	18 - Studio	355	\$2,235 - \$3,535	\$6.30 - \$9.96	62+, Care Level 1: \$2360 per month, Care Level 2: \$3075 per month, Care Level 3: \$3790 per month, Care Level 4: \$ 4500 per month
		3					
		16.7%					
Source: Maxfield Research and Consulting, LLC							

S-2 AVAILABLE SURVEYED UNIT TYPE SUMMARY SENIOR HOUSING DEVELOPMENTS January 2018						
Active Adult MR Rental				Purchase Price Range		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
1BR	35	43%	700	\$589 - \$816	\$703	\$1.00
2BR	47	57%	820	\$739 - \$1,136	\$938	\$1.14
Total:	82	100%	760	\$589 - \$1,136	\$820	\$1.07
Vacancy Rate: 2.4%						
Active Adult Aff. Rental				Monthly Rents		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
Studio	6	1%	450	\$500	\$500	\$1.11
1BR	347	83%	618	\$464 - \$854	\$659	\$1.07
2BR	67	16%	736	\$555 - \$975	\$765	\$1.04
Total:	420	100%	601	\$464 - \$975	\$641	\$1.07
Vacancy Rate: 1.7%						
Congregate				Base Monthly Rents		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
1BR	32	29%	636	\$1,280 - \$1,430	\$1,355	\$2.13
1BR/D	17	16%	828	\$1,600	\$1,600	\$1.93
1BR TH	30	28%	986	\$1,350	\$1,350	\$1.37
2BR	16	15%	896	\$1,770	\$1,770	\$1.98
2BR TH	14	13%	1,170	\$1,595 - \$1,645	\$1,620	\$1.38
Total:	109	100%	903	\$1,280 - \$1,645	\$1,539	\$1.76
Vacancy Rate: 5.5%						
Assisted Living				Base Monthly Rents		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
Studio	15	9%	359	\$3,010 - \$3,265	\$3,163	\$8.82
1BR	87	53%	546	\$2,363 - \$3,515	\$2,939	\$5.38
1BR/D	20	12%	729	\$3,530 - \$3,710	\$3,620	\$4.97
2BR	20	12%	878	\$3,745 - \$4,290	\$4,018	\$4.58
Total:	164	87%	628	\$2,363 - \$4,290	\$3,435	\$5.94
Vacancy Rate: 3.7%						
Memory Care				Base Monthly Rents		
Unit Type	Total Units	% of Total	Avg. Size	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
Studio	54	100%	326	\$2,235 - \$4,855	\$3,545	\$10.89
Total:	54	100%	326	\$2,235 - \$4,855	\$3,545	\$10.89
Vacancy Rate: 3.7%						
Source: Maxfield Research and Consulting, LLC						

Select Senior Housing Projects – Chisago County



Meadows on Fairview
Wyoming



Ecumen Uptown Maple Commons
North Branch



Haven Estates
Stacy



Bayview Senior Apartments
Center City



Ecumen North Branch
North Branch



Parmly LifePointe
Chisago City



The Lodge of Taylors Falls
Taylors Falls



Shogren Apartments
Lindstrom



Pinewood Apartments
Harris



Sunrise River Apartments
Wyoming

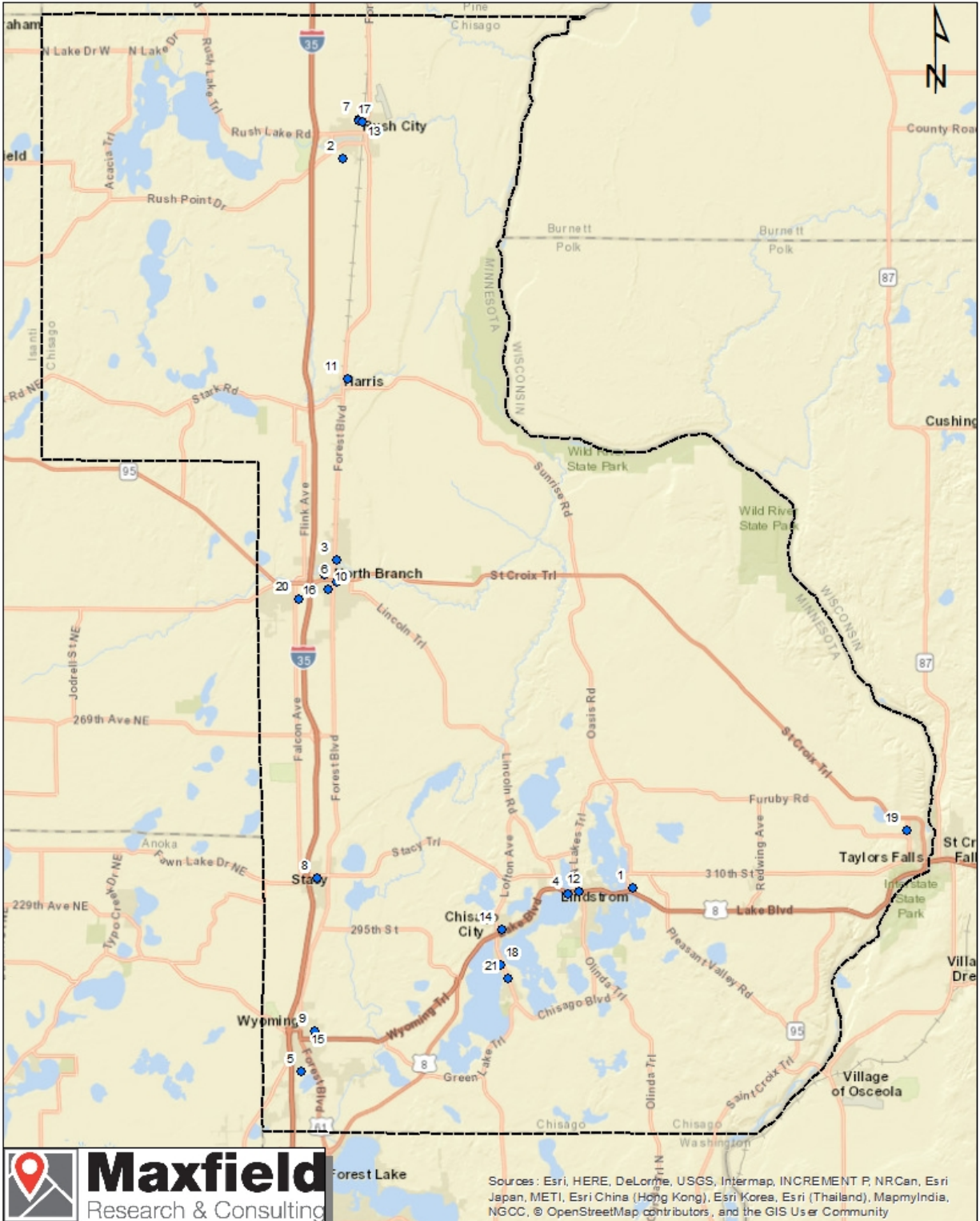


Countryside Senior Apartments
Rush City



Splittstoser Apartments
North Branch

Surveyed Senior Housing - Chisago County



MAP KEY GENERAL OCCUPANCY RENTAL HOUSING DEVELOPMENTS CHISAGO COUNTY January 2018	
1	Bayview Apt
2	Countryside Senior Apt
3	Splittstoser Apt
4	Shogren Apt
5	Meadows on Fairview
6	Uptown Maple Commons
7	Rush Estates 2
8	Haven Estates (Stacy)
9	Haven Estates (Wyoming)
10	Northern Oaks Apt
11	Pinewood Apt
12	Valkommen Apt
13	Rush Oaks
14	Heather Creek Apt
15	Sunrise River Apt
16	Shield's Plaza Apt
17	Rush Estates 1
18	Parmly LifePointes - Point Pleasant Heights
19	The Lodge of Taylors Falls
20	Ecumen North Branch
21	Vindauga View
Source: Maxfield Research & Consulting, LLC	

Introduction

Maxfield Research and Consulting LLC analyzed the for-sale housing market in Chisago County by analyzing data on single-family and multifamily home sales and active listings; inventorying the new construction vacant lot supply; identifying pending for-sale developments; and conducting interviews with local real estate professionals, developers and builders.

Home Pricing Comparison in the Greater Metro Area

Table FS-1 presents summary data for resales among all single-family and multifamily housing units for Chisago County, the seven-county Metro Area, and other collar counties in the Twin Cities Metro Area. The table shows the median sales price from 2005 to 2017 according to the Regional Multiple Listing Service of Minnesota (RMLS). The following are key points from Table FS-1.

- Between 2000 and 2005 to 2007, cities and counties throughout the Greater Metro Area experienced rapid home sale appreciation during the real estate boom. However, after the housing market plateaued in late 2005 through early 2007, Chisago County and all the Twin Cities area started to experience sliding housing values as the housing market bubble burst and the economy entered a recession.
- Chisago County home value declines between 2007 and 2011 have been slightly higher than the Twin Cities Metro Area (-39.6% compared to -34.2%). Overall, the central cities and inner-ring suburban areas did not experience the deterioration of sale values compared to the ex-urban and 3rd/4th ring suburban communities. Counties such as Isanti, Sherburne, and Chisago were hit the hardest by the recession.
- Chisago County home values were lowest in 2011 when the median value declined to \$136,000. However, home values have increased annually since 2011 and have since surpassed the previous peak in 2005. Resale values in 2017 were \$229,900; and increase of 3% from 2005's previous peak (\$225,250).
- Historically, Chisago County home values have been about -12% lower than the 7-county Metro Area and about -10% than the Twin Cities Region.
- Since the bottom of the market in 2011, Chisago resale values are up nearly 70%. In the Twin Cities Metro Area home values are up 64% since 2011; however, there were significantly more lender-mediated properties in Chisago County compared to the Twin Cities Metro Area hence the higher percent change in Chisago County.

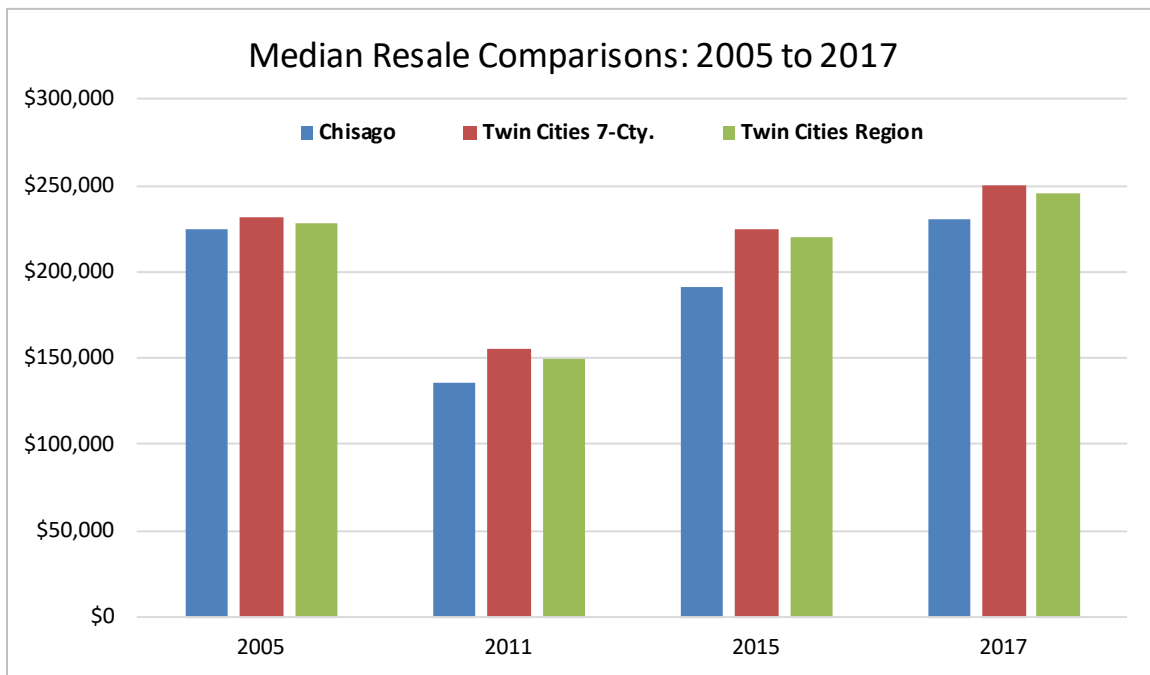
FOR-SALE MARKET ANALYSIS

TABLE FS-1
MEDIAN RESALE COMPARISON BY METRO AREA COUNTY
2005 to 2017

County	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Twin Cities 7-County Metro Area													
Anoka	\$224,900	\$224,500	\$212,110	\$180,000	\$155,000	\$155,000	\$136,900	\$152,000	\$174,900	\$187,825	\$200,000	\$219,900	\$232,000
Carver	\$256,726	\$263,000	\$267,000	\$248,500	\$218,000	\$230,000	\$215,799	\$230,150	\$252,000	\$258,050	\$273,490	\$279,900	\$312,250
Dakota	\$233,000	\$234,000	\$229,788	\$205,000	\$174,250	\$175,000	\$156,000	\$170,500	\$200,000	\$215,000	\$226,900	\$240,000	\$252,350
Hennepin	\$233,855	\$238,000	\$235,210	\$205,000	\$174,025	\$184,000	\$162,500	\$182,500	\$209,900	\$221,000	\$235,000	\$246,500	\$263,850
Ramsey	\$213,000	\$216,566	\$209,000	\$174,900	\$144,000	\$145,000	\$125,500	\$142,000	\$163,000	\$176,500	\$187,810	\$200,000	\$216,500
Scott	\$250,000	\$245,000	\$242,453	\$224,700	\$200,000	\$190,000	\$180,000	\$197,000	\$226,500	\$239,900	\$245,000	\$257,000	\$267,000
Washington	\$251,700	\$255,000	\$249,900	\$226,000	\$189,000	\$195,000	\$179,000	\$200,000	\$220,000	\$236,000	\$242,300	\$260,000	\$278,900
Twin Cities 7-Cty.	\$231,400	\$234,900	\$229,900	\$200,000	\$169,900	\$175,000	\$155,000	\$172,000	\$199,000	\$212,000	\$224,900	\$236,900	\$250,000
Collar Counties													
Chisago	\$225,250	\$217,000	\$212,950	\$175,000	\$155,000	\$145,250	\$136,000	\$139,000	\$165,000	\$183,000	\$191,450	\$209,950	\$229,900
Goodhue	\$170,000	\$174,450	\$165,000	\$152,500	\$144,950	\$134,500	\$130,000	\$134,450	\$145,000	\$153,500	\$165,000	\$169,900	\$189,900
Isanti	\$186,958	\$187,000	\$169,900	\$140,000	\$119,000	\$109,900	\$94,950	\$117,900	\$128,050	\$149,900	\$161,533	\$177,000	\$195,350
Rice	\$209,900	\$200,000	\$189,900	\$155,250	\$145,000	\$140,000	\$128,000	\$135,000	\$158,000	\$167,500	\$172,000	\$193,000	\$216,600
Sherburne	\$216,915	\$216,000	\$200,765	\$163,500	\$144,000	\$149,900	\$129,900	\$143,500	\$162,500	\$175,000	\$189,900	\$209,650	\$223,950
St. Croix County	\$199,907	\$202,995	\$195,000	\$175,000	\$161,450	\$160,000	\$144,650	\$149,000	\$177,500	\$186,000	\$208,000	\$219,900	\$239,023
Wright	\$216,510	\$220,000	\$210,000	\$179,900	\$153,450	\$152,390	\$139,000	\$151,900	\$176,250	\$185,000	\$205,000	\$219,000	\$236,247
Twin Cities Region	\$227,900	\$230,000	\$225,000	\$195,000	\$165,000	\$169,900	\$150,000	\$167,900	\$192,000	\$205,600	\$220,000	\$232,000	\$246,000

Source: Minneapolis Area Association of Realtors, Maxfield Research & Consulting, LLC

- Chisago home values are higher than the neighboring Isanti County. Over the past decade housing values in Chisago have been about 20% higher than Isanti County.



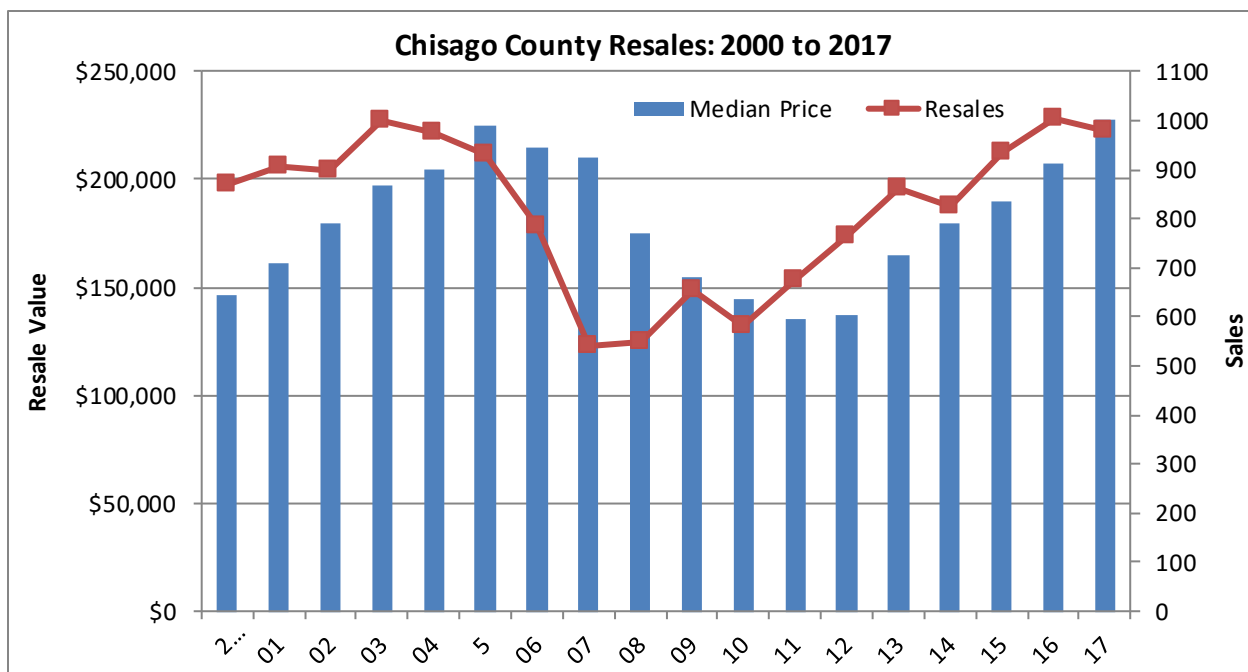
Overview of For-Sale Housing Market Conditions

Table FS-2 presents home resale data for Chisago County submarkets for the years 2000, 2005, and 2010 to 2017. The data was obtained from the Regional Multiple Listing Services of Minnesota and shows annual number of sales, median and average pricing, average square footage of homes sold, and average sales price per square foot ("PSF"). The following are key points observed from our analysis of this data.

- Like across the Twin Cities Metro Area, Minnesota, and the nation, pricing last decade in Chisago County peaked in 2005 at the height of the real estate boom. The average and median sales price plateaued at roughly \$245,000 and \$222,500 respectively. For comparison, the Twin Cities Metro Area median sales price peaked at \$230,000 in 2006.
- Between 2000 and 2005, the Chisago County median sales price increased annually from \$146,850 to \$224,900, a gain of 53%. However, between 2007 and 2011 the median sales price declined to \$135,000 (-40%). Since 2011, home resale prices have increased annually to \$226,500 in 2017 (+69%).

FOR-SALE MARKET ANALYSIS

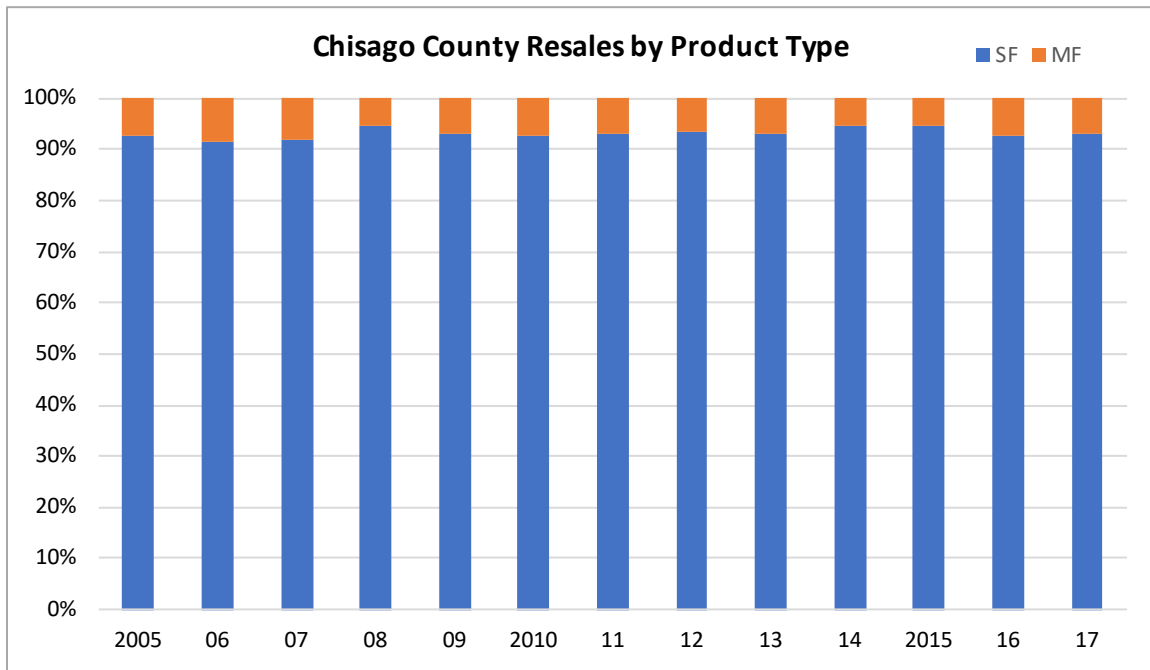
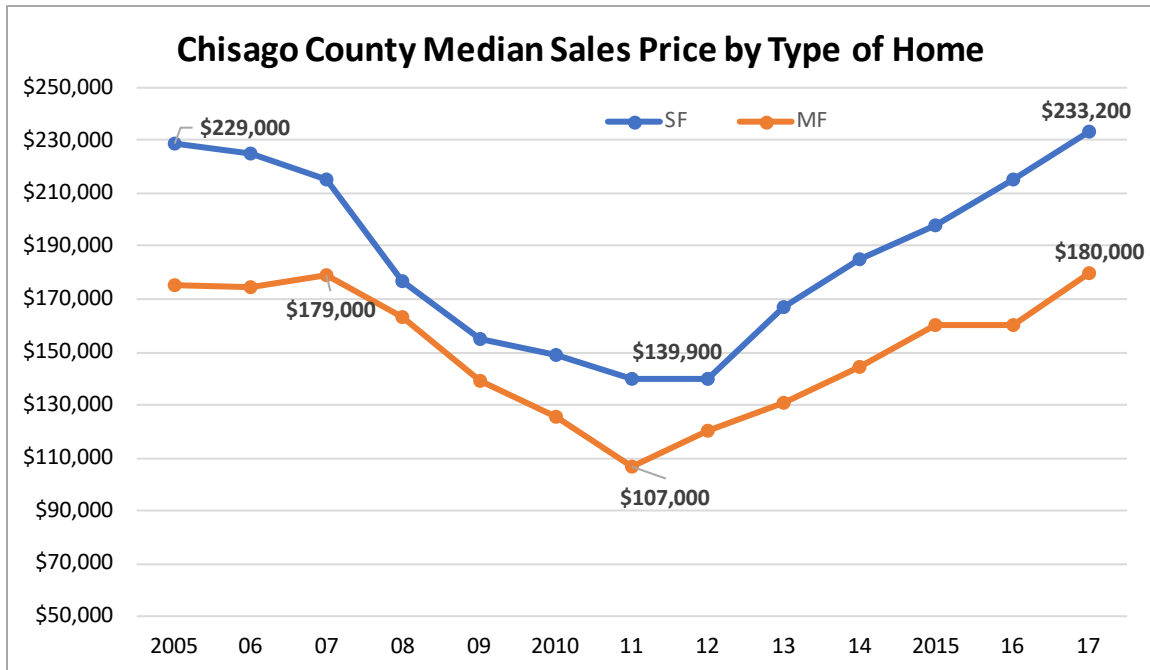
- Since 2000, the number of resales in Chisago County has averaged about 800 transactions annually. Prior to the recession, Chisago County averaged over 900 units annually. Between 2006 and 2011 the number of resales dropped to an average annual of 630. However, since 2012 nearly 900 homes annually have closed in Chisago County.
- Resale volume peaked in 2016 when just over 1,000 resales occurred. The county low was in 2007 when 540 resales transpired.
- Chisago County is dominated by the single-family home. Since 2005, about 93% of all resales have been single-family homes while for-sale multifamily homes (twin homes, townhomes, and condos) have accounted for only 7% of resales. Multifamily homes are generally more affordable as they have sales prices about 20% lower than single-family homes.
- Chisago County is also known for lakeshore property and riverfront along the St. Croix River. As such, waterfront homes have represented about 18% of all transactions since 2005. Like the overall market, water front properties took a dive during the recession but have increased annually since 2011. On average, waterfront properties have commanded a price premium of about 35% over a non-waterfront property in Chisago County.

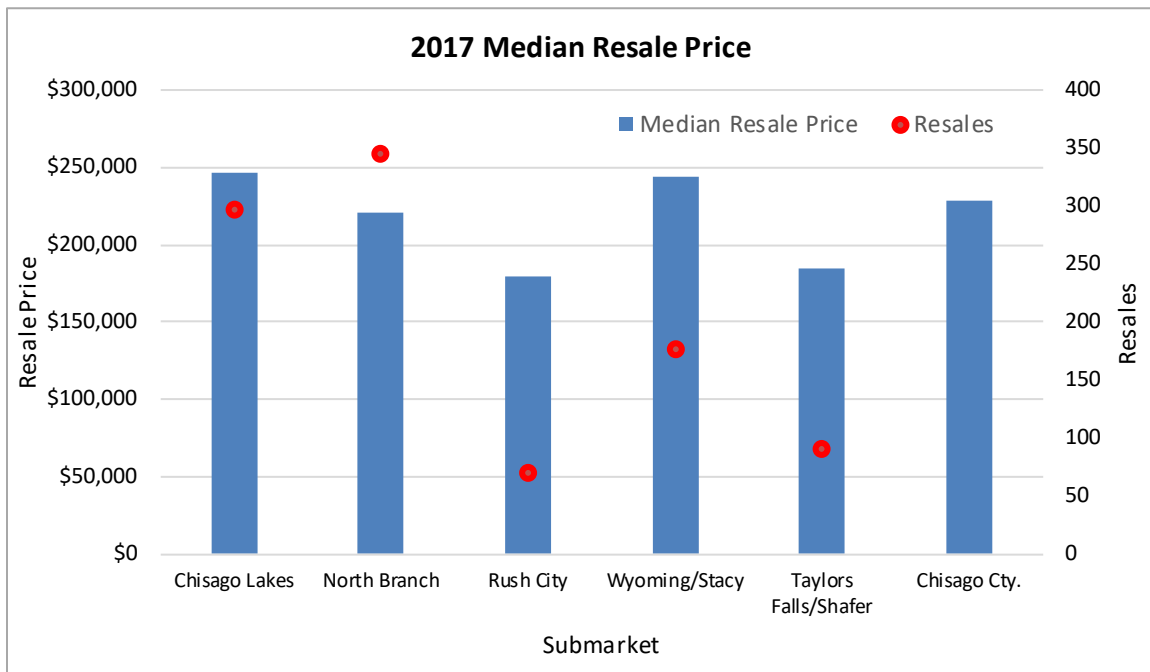
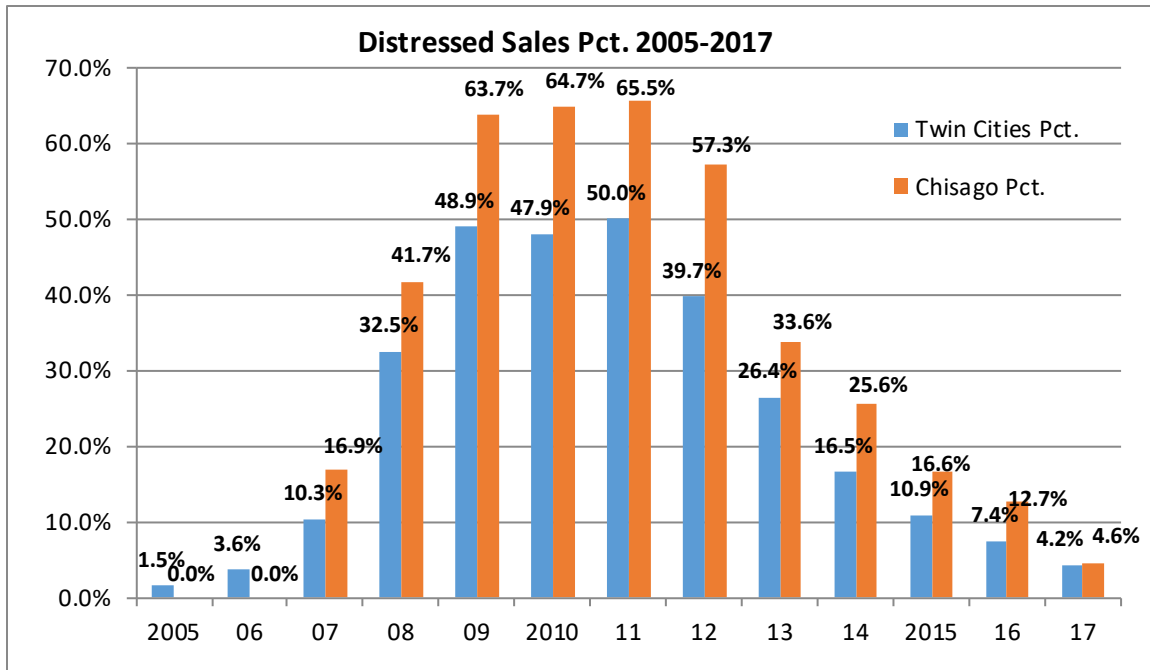


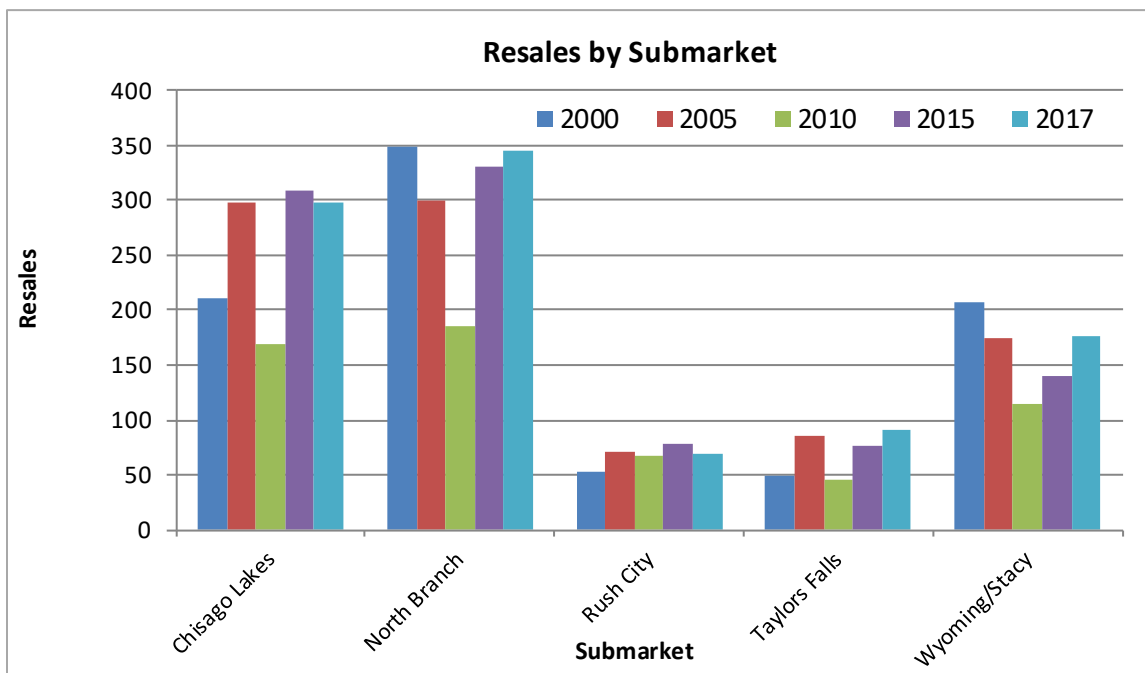
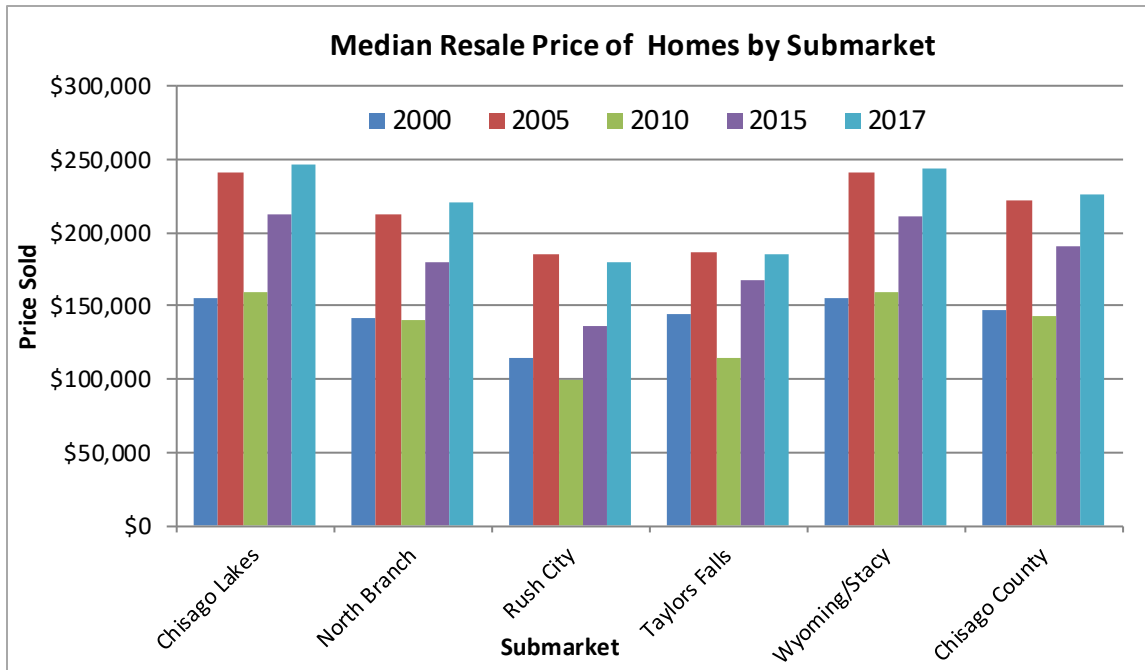
- The number of lender-mediated properties in Chisago County has been higher than the Twin Cities Metro Area in every year over the past decade. Between 2009 and 2011, over 64% of all resales in Chisago County were distressed sales. However, since peaking at 65% in 2011 the number of lender-mediated properties has come down annually. As of 2017, only 4.6% were lender-mediated sales compared to 4.2% in the Metro Area.

FOR-SALE MARKET ANALYSIS

TABLE FS-2 HOME RESALES CHISAGO COUNTY 2000, 2005, 2010 to 2017											
Year	No. Sold	Avg. Sold Price	Median Sold Price	Avg. Sq. Ft.	Avg. PSF	Year	No. Sold	Avg. Sold Price	Median Sold Price	Avg. Sq. Ft.	Avg. PSF
Chisago Lakes Submarket						North Branch Submarket					
2000	210	\$166,800	\$155,521	1,586	\$115	2000	349	\$150,422	\$141,975	1,361	\$112
2005	297	\$262,623	\$241,500	1,824	\$148	2005	300	\$234,033	\$212,072	1,735	\$142
2010	169	\$176,126	\$160,000	1,963	\$92	2010	185	\$151,615	\$139,900	1,778	\$88
2011	239	\$163,248	\$152,000	1,936	\$87	2011	215	\$125,874	\$120,000	1,796	\$73
2012	243	\$179,018	\$167,000	1,999	\$90	2012	270	\$133,595	\$129,900	1,803	\$76
2013	273	\$197,024	\$188,311	1,949	\$104	2013	308	\$163,957	\$155,000	1,876	\$92
2014	266	\$212,635	\$196,175	1,995	\$110	2014	308	\$175,009	\$165,389	1,857	\$99
2015	308	\$231,507	\$213,150	1,960	\$122	2015	331	\$204,687	\$179,900	2,006	\$108
2016	333	\$246,583	\$235,000	1,899	\$139	2016	345	\$208,865	\$193,000	1,843	\$117
2017	297	\$267,257	\$246,080	1,967	\$145	2017	345	\$226,232	\$221,000	1,947	\$121
Pct. Change						Pct. Change					
00 to 05	41%	57%	55%			00 to 05	-14%	56%	49%		
05 to 10	-43%	-33%	-34%			05 to 10	-38%	-35%	-34%		
10 to 17	76%	52%	54%			10 to 17	86%	49%	58%		
00 to 17	41%	60%	58%			00 to 17	-1%	50%	56%		
Rush City Submarket						Taylors Falls Submarket					
2000	53	\$123,231	\$114,900	1,427	\$85	2000	50	\$166,762	\$144,550	1,668	\$103
2005	71	\$204,816	\$185,000	1,542	\$140	2005	86	\$206,782	\$187,323	1,456	\$149
2010	67	\$111,014	\$100,000	1,576	\$77	2010	46	\$139,889	\$115,000	1,666	\$86
2011	56	\$110,779	\$111,500	1,419	\$85	2011	50	\$139,475	\$118,500	1,816	\$78
2012	58	\$115,500	\$98,500	1,610	\$76	2012	74	\$123,765	\$113,929	1,715	\$73
2013	64	\$139,199	\$127,000	1,624	\$90	2013	57	\$159,412	\$138,000	1,965	\$83
2014	68	\$171,705	\$149,000	1,852	\$94	2014	52	\$170,831	\$158,250	2,042	\$89
2015	78	\$141,957	\$136,500	1,662	\$91	2015	77	\$190,873	\$167,500	1,909	\$104
2016	83	\$175,433	\$165,000	1,796	\$104	2016	77	\$204,195	\$179,900	1,912	\$112
2017	70	\$213,529	\$180,000	1,736	\$131	2017	91	\$220,441	\$185,000	1,973	\$117
Pct. Change						Pct. Change					
00 to 05	34%	66%	61%			00 to 05	72%	24%	30%		
05 to 10	-6%	-46%	-46%			05 to 10	-47%	-32%	-39%		
10 to 17	4%	92%	80%			10 to 17	98%	58%	61%		
00 to 17	32%	73%	57%			00 to 17	82%	32%	28%		
Wyoming/Stacy Submarket						Chisago County					
2000	207	\$173,748	\$155,000	1,518	\$115	2000	869	\$159,218	\$146,848	1,474	\$108
2005	175	\$268,791	\$240,500	1,843	\$158	2005	929	\$244,965	\$222,475	1,743	\$141
2010	114	\$167,105	\$159,900	1,952	\$88	2010	581	\$156,174	\$143,098	1,834	\$85
2011	113	\$153,409	\$150,000	1,923	\$82	2011	673	\$143,524	\$135,582	1,837	\$78
2012	119	\$161,999	\$157,000	1,982	\$83	2012	764	\$150,141	\$141,991	1,870	\$80
2013	160	\$192,611	\$190,000	1,976	\$101	2013	862	\$177,609	\$168,843	1,905	\$93
2014	129	\$205,644	\$204,900	2,019	\$104	2014	823	\$191,435	\$179,727	1,938	\$99
2015	140	\$222,235	\$210,750	2,000	\$114	2015	934	\$209,784	\$190,842	1,953	\$107
2016	167	\$237,248	\$230,000	2,099	\$117	2016	1,005	\$222,960	\$209,749	1,905	\$117
2017	176	\$259,617	\$244,450	2,109	\$127	2017	979	\$243,233	\$226,546	1,970	\$123
Pct. Change						Pct. Change					
00 to 05	-15%	55%	55%			00 to 05	7%	54%	52%		
05 to 10	-35%	-38%	-34%			05 to 10	-37%	-36%	-36%		
10 to 17	54%	55%	53%			10 to 17	69%	56%	58%		
00 to 17	-15%	49%	58%			00 to 17	13%	53%	54%		
Sources: Reginal Multiple Listing Service of MN; Maxfield Research & Consulting LC											







- The North Branch and Chisago Lakes submarkets have had the most resales and together account for two-thirds of all transactions in the county. The North Branch submarket has averaged about 290 resales annually while the Chisago Lakes has averaged nearly 250 resales annually.

- Many of the submarkets posted record resale volumes over the past two years. Chisago Lakes, North Branch, and the Taylors Falls submarkets all posted peak transaction volumes in 2016 and 2017. The Rush City and Wyoming submarkets had the highest resale volume between 2000 and 2002.
- The Taylors Falls and Rush City submarkets have the lowest resale volumes in the county. Taylors Falls has averaged about 60 resales annually while Rush City has averaged nearly 70 resales annually.
- Based on the median price of \$226,500 in Chisago County as of 2017, a household's monthly payment (assuming 10% down and principal/interest, insurance, taxes, PMI, and 4.00% mortgage interest rate) would be about \$1,500. The income required to afford a home at this price would be \$60,000 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 2017, 68% (7,680 households) of Chisago County's non-senior households had incomes greater than \$60,000 and could afford a median-priced home in the county.

Home Resales per Square Foot ("PSF")

Table FS-3 shows the distribution of sales by sales price per square foot ("PSF") from 2007 to 2017. The sales per square foot metric is simply the sales price of the home divided by the finished square footage. Table FS-5 illustrates PSF pricing between existing homes and new construction in Chisago County and the Twin Cities Metro Area. The graphs on the following page visually displays the sales data.

- The median and average price per square foot declined significantly between 2006 and 2011/2012. Chisago County's median price per square foot was \$121 in 2006 before declining to its lowest point in 2011 and 2012 at \$77 per square foot (-36%). Since 2012 the price per square foot has steadily increase to \$117 per square foot (+54%) as of 2017.
- Chisago County housings costs on a median PSF basis are about 12% less than the Twin Cities Metro Area average. Generally, the PSF cost for a home in the Metro area is about \$10 or more PSF than in Chisago County.
- On average, the price of an existing home in Chisago County is about 35% less than the cost of new construction (\$116 PSF vs. \$175 PSF). An existing home in Chisago County is priced about 11% less than the Metro Area average. However, new construction in Chisago County has surpassed the Twin Cities Metro Area average. In 2017, a new construction home in Chisago County averaged \$175 PSF compared to \$163 in the Greater Twin Cities Metro Area.

TABLE FS-3
AVERAGE & MEDIAN SALES PRICE PER SQUARE FOOT (PSF)
CHISAGO COUNTY AND TWIN CITIES METRO AREA
2005 to 2017

Year	Chisago County		Twin Cities Metro Area	
	Avg.	Median	Avg.	Median
2007	\$131	\$121	\$143	\$132
2008	\$109	\$103	\$120	\$113
2009	\$91	\$86	\$104	\$98
2010	\$88	\$82	\$104	\$97
2011	\$81	\$77	\$93	\$86
2012	\$82	\$77	\$101	\$93
2013	\$97	\$90	\$113	\$106
2014	\$103	\$98	\$122	\$112
2015	\$113	\$104	\$127	\$117
2016	\$123	\$115	\$134	\$124
2017	\$130	\$119	\$143	\$132

Note: Twin Cities Metro Area = Twin Cities MSA

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

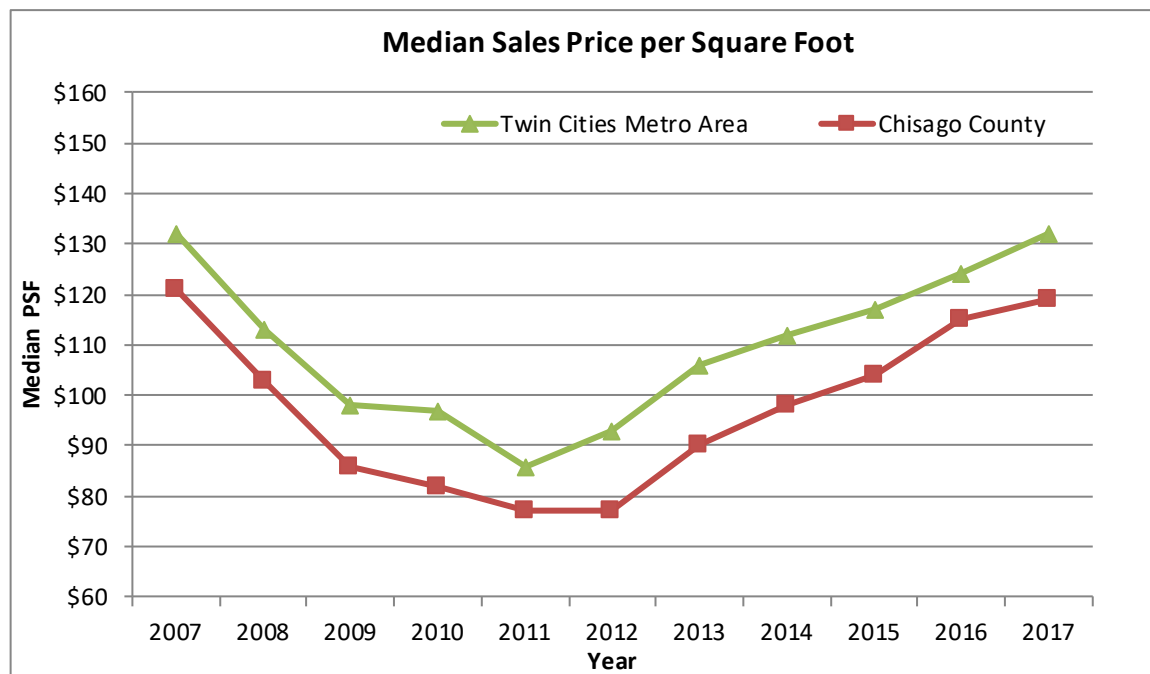
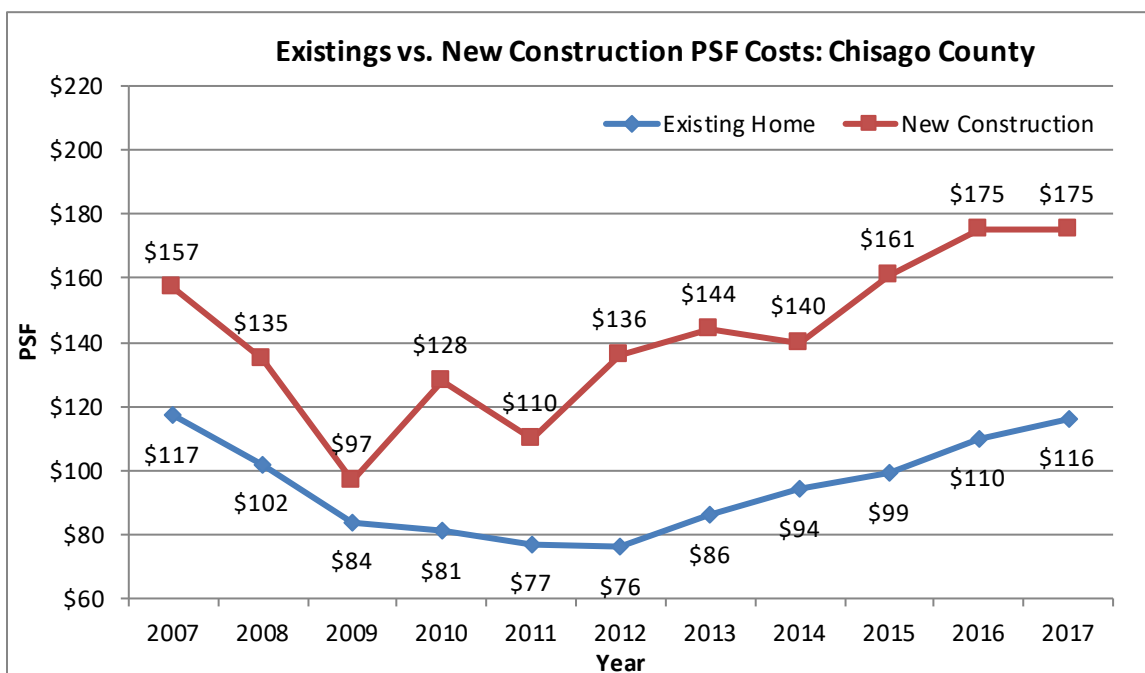


TABLE FS-4
MEDIAN SALES PRICE PER SQUARE FOOT (PSF) COMPARISON
EXISTING HOME VS. NEW CONSTRUCTION
CHISAGO COUNTY AND TWIN CITIES METRO AREA
2005 to 2017

Year	Chisago County		Twin Cities Metro Area	
	Existing Home	New Const.	Existing Home	New Const.
2007	\$117	\$157	\$130	\$161
2008	\$102	\$135	\$111	\$146
2009	\$84	\$97	\$96	\$128
2010	\$81	\$128	\$95	\$129
2011	\$77	\$110	\$84	\$125
2012	\$76	\$136	\$91	\$131
2013	\$86	\$144	\$103	\$140
2014	\$94	\$140	\$110	\$151
2015	\$99	\$161	\$115	\$154
2016	\$110	\$175	\$122	\$157
2017	\$116	\$175	\$130	\$163

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 Chisago County, we reviewed the current supply of homes on the market (listed for sale). Tables FS-5 and FS-6 shows homes currently listed for sale in Chisago County. Table FS-7 shows historical supply of homes for sale in Chisago County. The data was provided by the Regional Multiple Listing Services of Minnesota and is based on active listings in December 2017. MLS listings generally account for the vast majority of all residential sale listings in a given area.

Table FS-5 shows the number of listings by property type (i.e. single-family, town-home/twinhome, or condominium) while Table FS-6 and FS-7 shows listings by home style. The following points are key findings from our assessment of the active single-family and multifamily homes listed in Chisago County.

- About 180 homes were listed for sale in Chisago County as of December 2017. Single-family homes accounted for 92% of all active listings. The majority of the multifamily for-sale product was townhomes as only one condominium was actively marketing.
- The median list price in Chisago County was nearly \$300,00 for single-family homes and \$245,000 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.
- The median list price for single-family homes varied by submarket in Chisago County. Single-family homes marketing in the Rush City submarket had a median list price of \$229,900, compared to \$355,000 in the Wyoming Submarket.
- Based on a median list price of \$295,000 for both single-family and multifamily listings, a household would need an income of about \$78,000 in order to afford to make monthly housing payments of about \$1,950 (assuming a 10% down payment, 4.00% 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 53% of Chisago County's non-senior households have annual incomes at or above \$78,000.
- Nearly one-half of the homes listed for-sale in Chisago County are located in the Chisago Lakes submarket. The North Branch submarket has the second highest number of listings making up 20% of the inventory in the county.

FOR-SALE MARKET ANALYSIS

TABLE FS-5
HOMES CURRENTLY LISTED FOR-SALE/PENDING HOMES
CHISAGO COUNTY
December 2017

Price Range	Chisago Lakes Submarket				North Branch Submarket				Rush City Submarket				Taylors Falls Submarket			
	Single-Family		Multifamily ¹		Single-Family		Multifamily ¹		Single-Family		Multifamily ¹		Single-Family		Multifamily ¹	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
< \$49,999	0	0.0%	0	0.0%	0	0.0%	--	--	0	--	0	0.0%	0	0.0%	0	--
\$50,000 to \$99,999	0	0.0%	1	20.0%	1	2.9%	--	--	0	0.0%	0	0.0%	0	0.0%	0	--
\$100,000 to \$149,999	2	2.5%	0	0.0%	4	11.4%	--	--	1	7.1%	0	0.0%	1	9.1%	0	--
\$150,000 to \$199,999	3	3.8%	0	0.0%	4	11.4%	--	--	4	28.6%	2	66.7%	2	18.2%	0	--
\$200,000 to \$249,999	11	13.8%	2	40.0%	6	17.1%	--	--	5	35.7%	1	33.3%	0	0.0%	1	100.0%
\$250,000 to \$299,999	23	28.8%	1	20.0%	6	17.1%	--	--	0	0.0%	0	0.0%	3	27.3%	0	--
\$300,000 to \$399,999	26	32.5%	1	20.0%	10	28.6%	--	--	3	21.4%	0	0.0%	1	9.1%	0	--
\$400,000 to \$499,999	12	15.0%	0	0.0%	1	2.9%	--	--	1	7.1%	0	0.0%	3	27.3%	0	--
\$500,000 and Over	3	3.8%	0	0.0%	3	8.6%	--	--	0	0.0%	0	0.0%	1	9.1%	0	--
	80	100%	5	100%	35	100%	0	--	14	100%	3	100%	11	100.0%	1	100%
Minimum	\$100,000		\$75,000		\$79,900		--		\$119,900		\$175,000		\$124,800		\$222,900	
Maximum	\$1,600,000		\$349,900		\$750,000		--		\$499,900		\$245,000		\$594,722		\$222,900	
Median	\$312,400		\$226,960		\$275,000		--		\$229,900		\$175,000		\$278,500		\$222,900	
Average	\$339,852		\$225,000		\$296,837		--		\$249,029		\$198,333		\$327,347		\$222,900	

Price Range	Wyoming/Stacy Submarket				Chisago County Total			
	Single-Family		Multifamily ¹		Single-Family		Multifamily ¹	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
< \$49,999	0	--	0	--	0	0.0%	0	0.0%
\$50,000 to \$99,999	0	0.0%	0	--	1	0.6%	1	6.7%
\$100,000 to \$149,999	2	8.7%	0	--	10	6.1%	0	0.0%
\$150,000 to \$199,999	2	8.7%	1	--	15	9.2%	3	20.0%
\$200,000 to \$249,999	1	4.3%	0	--	23	14.1%	4	26.7%
\$250,000 to \$299,999	4	17.4%	0	--	36	22.1%	1	6.7%
\$300,000 to \$399,999	6	26.1%	3	--	46	28.2%	4	26.7%
\$400,000 to \$499,999	5	21.7%	2	--	22	13.5%	2	13.3%
\$500,000 to \$749,999	3	13.0%	0	--	10	6.1%	0	--
	23	100%	6	100%	163	100.0%	15	100.0%
Minimum	\$109,900		\$169,900		\$79,900		\$75,000	
Maximum	\$790,000		\$459,900		\$1,600,000		\$459,900	
Median	\$355,000		\$360,900		\$299,900		\$245,000	
Average	\$373,596		\$350,233		\$326,732		\$270,273	

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

FOR-SALE MARKET ANALYSIS

- About 16% of Chisago County's single-family homes for sale are priced less than \$200,000. About 36% of the active single-family inventory is priced between \$200,000 and \$300,000. About 20% of the active homes are priced above \$400,000.
- One-story homes make-up 41% of the homes for sale in Chisago County; the largest percentage by home style. Two story homes represent 21% of the active inventory, while split levels make-up 19%.

TABLE FS-6 ACTIVE LISTINGS BY HOUSING TYPE CHISAGO COUNTY December 2017								
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
CHISAGO COUNTY								
Single-Family								
One story	67	41.1%	\$319,912	1,785	\$192	2.82	2.13	2002
1.5-story	11	6.7%	\$302,009	1,972	\$169	3.40	1.80	1924
2-story	34	20.9%	\$404,134	2,661	\$156	3.80	3.00	1984
Modified 2-story	6	3.7%	\$439,933	3,178	\$142	4.00	3.20	2002
Split entry/Bi-level	31	19.0%	\$253,377	1,553	\$173	3.10	1.90	2008
3-level split	7	4.3%	\$343,243	2,300	\$159	3.30	2.10	1994
4 or more split-level	7	4.3%	\$266,229	2,521	\$115	3.60	2.30	1998
Total/Avg.	163	100.0%	\$326,732	2,041	\$160	3.21	2.29	1994
Townhomes/Condos								
Condo	1	6.7%	\$75,000	701	\$107	1.0	1.0	1976
Detached Townhome	7	46.7%	\$350,186	\$2,028	\$178	2.70	2.30	2015
Side-by-Side	7	46.7%	\$218,257	1,883	\$128	2.60	2.70	2009
Total/Avg.	15	100.0%	\$270,273	1,872	\$150	2.54	2.40	2010
Chisago County	178		\$321,974	2,027	\$159	3.16	2.30	1995
Sources: Regional Multiple Listing Service of Minnesota, Maxfield Research & Consulting LLC								

- Modified two-story homes have the highest average price at about \$440,000. However, these homes account for only 4% of the total inventory and they are the largest homes averaging over 3,100 square feet.
- Split-levels (i.e. bi-level) homes have the lowest average list price among single-family homes at about \$253,400. Typically these homes are the smallest (1,553 square feet); but because of economies of scale they have higher prices per square foot as many of these homes are newer construction.
- One-story homes (also called ranch or ramblers) have the highest prices per square foot in the Chisago County at \$192 PSF. The average single-family PSF cost in the county is \$160.
- New detached townhome have brought up the average list price in the townhome category as the average list price among all townhomes is just over \$270,000. Collectively, townhomes have a lower PSF cost compared to single-family homes (\$150 PSF vs. \$160 PSF).

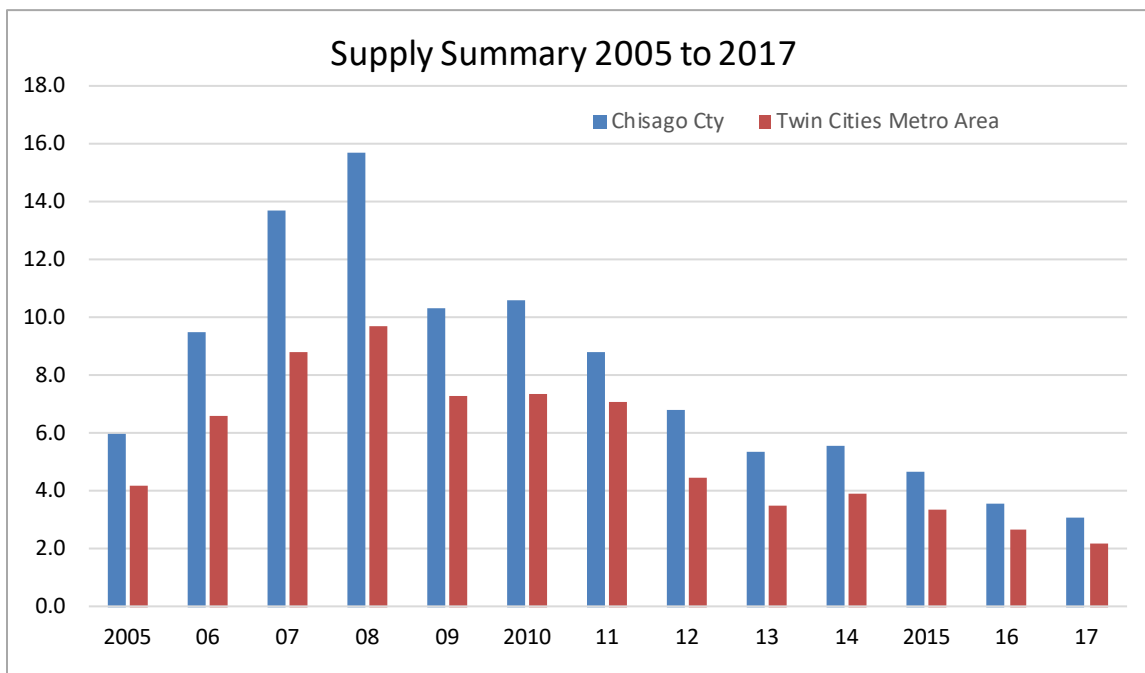
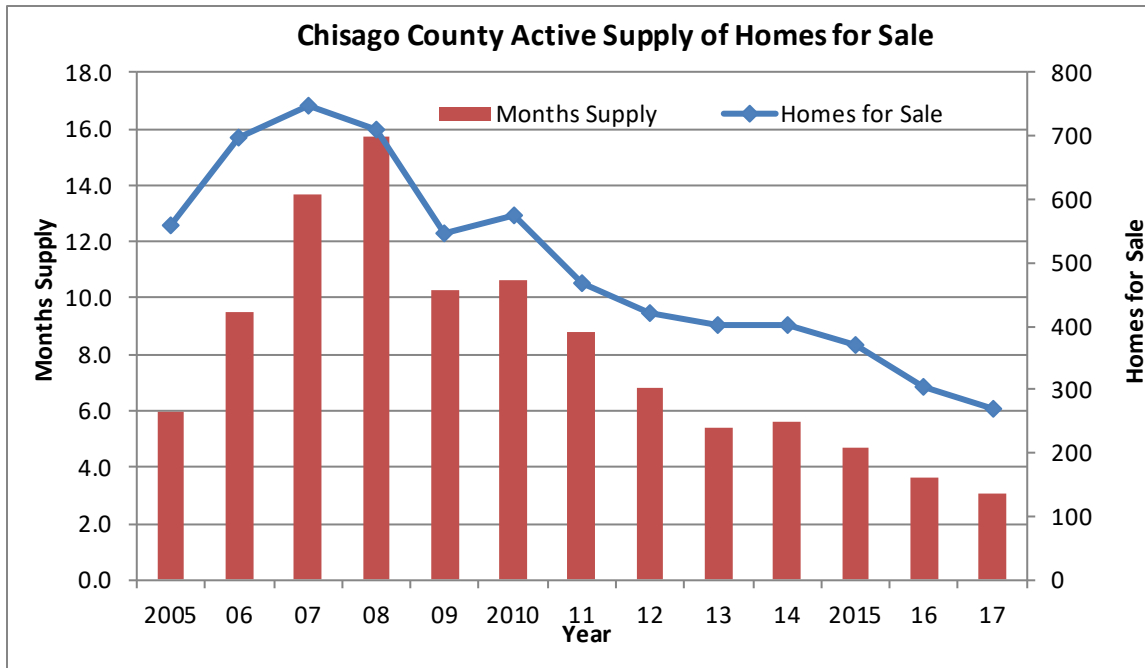
Tables FS-7 illustrates the historic supply of actively marketing properties in the Twin Cities Metro Area and Chisago County from 2005 to 2017. The table depicts the number of months supply by housing product type. The months of supply metric calculates the number of months it would take for all the current homes for sale to sell given the monthly sales absorption. Generally, a balanced supply is considered four to six months. The higher the months of supply indicates there are more sellers than buyers; and the lower the months of supply indicates there are more buyers than sellers.

TABLE FS-7 ACTIVE SUPPLY OF HOMES FOR SALE CHISAGO COUNTY & METRO AREA 2005 to 2017				
Year	Months Supply		Homes for Sale	
	Chisago County	Twin Cities Region	Chisago County	Twin Cities Region
2005	6.0	4.2	558	22,706
2006	9.5	6.6	696	29,366
2007	13.7	8.8	749	32,373
2008	15.7	9.7	709	31,557
2009	10.3	7.3	548	26,156
2010	10.6	7.4	576	26,498
2011	8.8	7.1	467	22,712
2012	6.8	4.5	420	17,217
2013	5.4	3.5	401	15,029
2014	5.6	3.9	403	16,178
2015	4.7	3.4	370	15,037
2016	3.6	2.7	304	13,484
2017	3.1	2.2	269	11,342

Note: Homes for sale based on rolling 12-month data at end of year

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

- The supply of homes in Chisago County mirrors the Twin Cities; however at higher percentages for each year. However, the gap between the Twin Cities and Chisago County has narrowed over the past few years and is nearly identical.
- After the housing downturn, the supply of homes in Chisago County skyrocketed in 2008 when there were nearly 16 months of inventory. Since 2010 the inventory of supply has dwindled annually as lender-mediated properties were absorbed. At the end of 2017, there was only a 3.2 months supply of homes for sale in Chisago County.



New Construction Housing Activity

Maxfield Research & Consulting, LLC obtained lot inventory and subdivision data from Metro Study, a homebuilding consulting company that maintains a database of all subdivision activity in the greater Metro Area. Tables FS-8 to FS-13 provide a variety of information on the new construction market in Chisago County and various comparisons to the greater Twin Cities Metro Area.

The following terms are used in the lot inventory tables:

- ▶ Annual Starts and Closings: The sum of activity for the most recent four quarters.
- ▶ Closing: Defined as when a “move in” has occurred and the home is occupied.
- ▶ Future Lots Inventory: Future lots are recorded after a preliminary plat or site plan has been submitted for consideration by the city.
- ▶ Lot Front: Range of all lot sizes within the subdivision; based on the lot front foot width
- ▶ Occupied: A buyer has taken possession of the home that was previously under construction or a model home.
- ▶ Price: Range of all base home price offered within the subdivision
- ▶ Starts: The housing slab or foundation has been poured.
- ▶ Total Lots: A summation of all lots platted in a subdivision, including those closed, under construction, and vacant.
- ▶ Vacant Developed Lot (VDL): The subdivision is considered developed after subdivision streets are paved and vehicles can physically drive in front of the lot.

Lot Supply by Lot Size

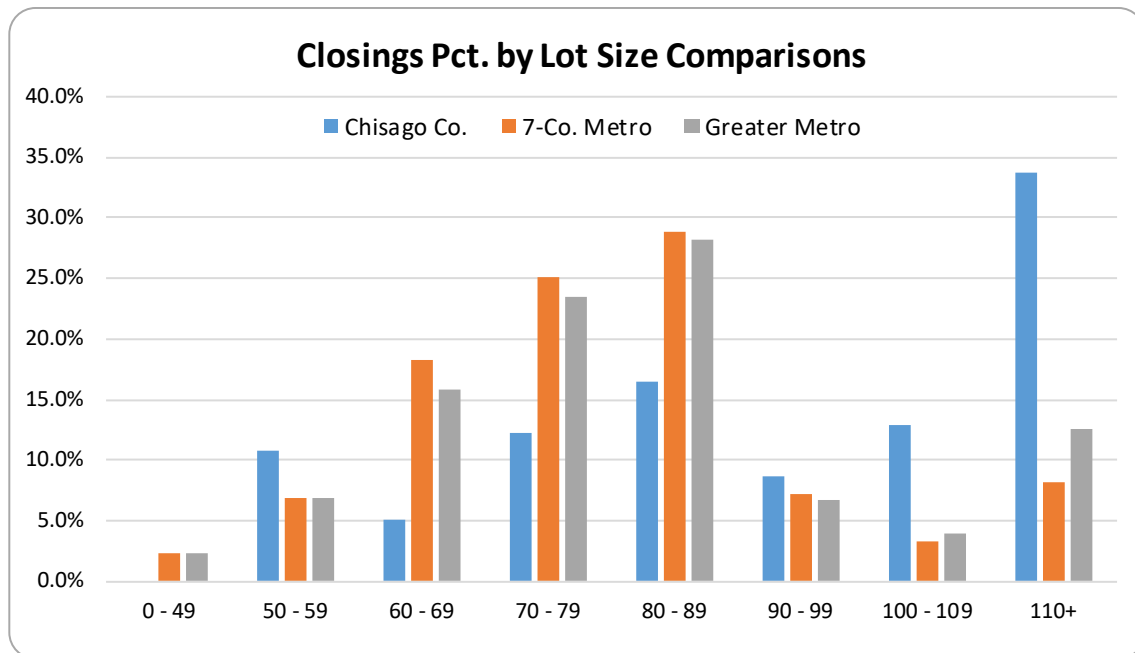
FS-8 depicts trends in new single-family home construction based on lot size (i.e. front footage). The data is current as of fourth quarter 2017 for the Metro Area and for third quarter 2017 in Chisago County and is broken down by eight different lot size categories.

- Within the 7-County Metro Area, the vast majority of lot closings have been with lots sized between 70 and 79 feet and 80 and 89 feet. Approximately 50% of all lot closings over the past year have fallen into these two categories.

TABLE FS-8 LOT SIZE ANALYSIS CHISAGO COUNTY & METRO AREA 4THQ 2017 (Metro Area) & 3rdQ 2017 (Chisago County)									
Lot Size (Width)	Quarterly Starts Closings		Annual Starts Closings		Fn. Vac. (FV)	Under Const. (UC)	Hsg. Invent.	Vac. Dev. Lots (VDL)	Future Lots (Fut)
Chisago County (3rdQ 2017)									
0 - 49	0	0	0	0	0	0	0	0	0
50 - 59	11	5	27	15	3	12	16	77	0
60 - 69	3	0	6	7	0	4	4	3	5
70 - 79	5	4	19	17	0	4	5	113	271
80 - 89	2	5	22	23	3	5	8	103	122
90 - 99	5	2	12	12	0	6	6	41	0
100 - 109	4	6	20	18	2	9	11	53	223
110 And Over	36	29	63	47	1	25	26	263	89
Summary	66	51	169	139	9	65	76	653	710
7-County Metro Area (4thQ 2016)									
0 - 49	45	34	119	86	19	52	85	394	762
50 - 59	80	78	328	259	23	113	154	611	1,360
60 - 69	181	225	759	687	82	204	340	1,381	4,046
70 - 79	251	308	1,053	941	115	294	477	1,842	6,503
80 - 89	293	311	1,244	1,082	132	401	625	2,142	5,279
90 - 99	58	75	259	268	27	78	126	750	480
100 - 109	20	30	98	125	8	33	49	337	593
110 And Over	66	81	321	308	36	123	172	1,237	970
Summary	994	1,142	4,181	3,756	442	1,298	2,028	8,694	19,993
Greater Metro Area (4thQ 2016)									
0 - 49	57	39	159	113	26	72	112	605	1,150
50 - 59	103	109	434	338	41	140	202	1,012	1,463
60 - 69	204	248	860	784	102	231	393	1,820	4,535
70 - 79	311	360	1,295	1,160	139	365	579	2,730	7,994
80 - 89	333	383	1,566	1,398	165	467	731	3,737	6,332
90 - 99	70	94	329	332	40	95	157	1,184	801
100 - 109	29	51	171	198	21	52	81	888	1,436
110 And Over	174	183	675	624	69	263	349	3,923	1,628
Summary	1,281	1,467	5,489	4,947	603	1,685	2,604	15,899	25,339
Source: Metrostudv. Maxfield Research & Consulting. LLC									

Source: Metrostudy, Maxfield Research & Consulting, LLC

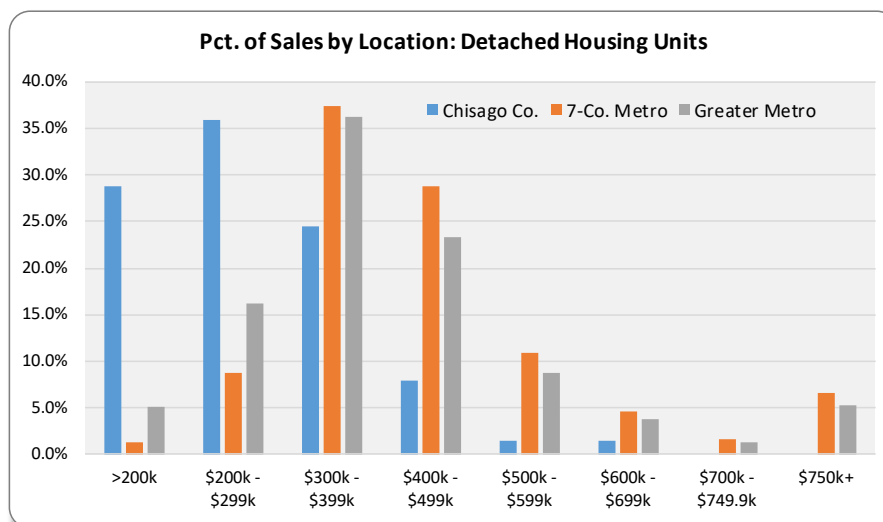
- Generally, lot sizes have decreased since the recession as developers have sought to maximize density. Nearly 40% of lot closings in the Metro Area in the past year have been on lots between 60 feet and 79 feet. About 14% of lots have widths larger than 110 feet; these would generally be considered executive lots.
- Single-family homes in Chisago County tend to have larger lot sizes than other Metro Area counties. About 34% of lot closings for executive-lots (110'+) compared to 8% in the core Metro Area. Nearly 30% of lot closings in Chisago County are for lots between 70 and 89 feet wide.



New Construction Pricing

Table FS-10 depicts new construction inventory county-level trends for detached housing units in Chisago County and the Greater Twin Cities Metro Area. The table depicts quarterly and annual starts, finished vacant lots, number of homes under construction and homes previously built, and the number of vacant lots. All of these attributes are provided based on the estimated sales price of the home. Key findings follow.

- In Chisago County, there have been about 130 closings and 169 housing starts over the past year. About 29% of the housing starts are estimated to be for homes priced under \$200,000 and 65% of new homes are priced under \$300,000.



FOR-SALE MARKET ANALYSIS

- Nearly 90% of closings in Chisago County have been priced under \$400,000. In the 7-county core, about 47% of new homes are built for under \$400,000.

TABLE FS-9 DETACHED NEW CONSTRUCTION ACTIVITY BY PRICE POINT CHISAGO COUNTY & METRO AREA 4THQ 2017 (Metro Area) & 3RDQ 2017 (Chisago County)								
Price Point (Base Pricing)	Quarterly		Annual		Fn. Vac. (FV)	Under Const. (UC)	Hsg. Invent.	Vac. Dev. Lots (VDL)
	Starts	Closings	Starts	Closings				
Chisago County (3rdQ 2017)								
\$0 - \$199,000	17	12	48	40	2	15	17	154
\$200,000 - \$299,000	22	22	56	50	1	22	23	217
\$300,000 - \$399,000	19	12	44	34	3	17	21	168
\$400,000 - \$499,000	7	4	17	11	2	8	11	77
\$500,000 - \$599,000	1	1	2	2	0	1	2	31
\$600,000 - \$699,000	0	1	2	2	0	1	1	5
\$700,000 - \$749,000	0	0	0	0	0	0	0	1
\$750,000 - And Over	0	0	0	0	0	0	0	1
Summary	66	52	169	139	8	64	75	654
7-County Metro Total (4thQ 2016)								
\$0 - \$199,000	15	16	49	47	0	16	16	112
\$200,000 - \$299,000	81	101	347	329	28	113	155	1,075
\$300,000 - \$399,000	369	435	1,585	1,404	124	456	665	2,587
\$400,000 - \$499,000	299	330	1,208	1,083	136	369	599	2,240
\$500,000 - \$599,000	103	116	445	411	53	135	228	945
\$600,000 - \$699,000	48	51	192	174	30	69	121	611
\$700,000 - \$749,000	15	17	66	61	10	23	39	190
\$750,000 - And Over	67	74	291	247	59	117	201	934
Summary	997	1,140	4,183	3,756	440	1,298	2,024	8,694
Greater Metro Area Total (4thQ 2016)								
\$0 - \$199,000	51	60	284	251	29	72	102	1,737
\$200,000 - \$299,000	177	239	846	802	100	246	367	3,864
\$300,000 - \$399,000	481	543	2,011	1,794	169	592	860	4,391
\$400,000 - \$499,000	324	351	1,296	1,155	143	408	648	2,860
\$500,000 - \$599,000	109	122	470	433	55	144	241	1,128
\$600,000 - \$699,000	52	54	206	187	31	75	128	687
\$700,000 - \$749,000	17	18	71	64	10	25	41	218
\$750,000 - And Over	72	78	307	261	62	123	210	1,017
Summary	1,283	1,465	5,491	4,947	599	1,685	2,597	15,902
Sources: Metrostudy, Maxfield Research & Consulting, LLC								

Actively Marketing Subdivisions

Tables FS-10 and FS-11 show an inventory of detached and attached lots within platted subdivisions in Chisago County. The tables provide information on the initial date the subdivision became active, product type, lot sizes, typical pricing, starts and closings, and the lot inventory. Please note; not all of the subdivisions may be actively marketing but may simply have available lots for future development. Tables FS-12 and FS-13 summarize data from the aforementioned tables. Key findings follow.

- Table FS-10 identifies 60 single-family subdivisions with available lots in Chisago County. Collectively, there are only 65 vacant developed lots in the county. However, there are over 500 future lots in the existing subdivisions that could be finished lots.
- The vast majority of single-family subdivisions were platted last decade prior to the housing downturn. Only five subdivisions have been platted since 2010.
- There are 32 future subdivisions in Chisago County boasting about 1,600 lots. Nearly all of the future lots are located in the Chisago Lakes (32%), North Branch (41%), or Wyoming submarkets (25%).
- The Chisago Lakes submarket has the most active subdivisions (21); however most the subdivisions are nearly built-out as few finished lots are available. This is a similar case for all the other submarkets as few vacant lots are available across the county.
- Pricing for new single-family detached housing varies within each submarket and across the county. Generally, the average price for new housing by submarket is:
 - Chisago Lakes: \$333,000
 - North Branch: \$224,000
 - Rush City: \$195,000
 - Taylors Falls: \$325,000
 - Wyoming: \$317,000
- Because Chisago County has historically been a single-family dominant market, there are substantially fewer identified attached housing units than detached housing units. A total of 13 attached subdivisions were identified that could accommodate up to 230 new for-sale multifamily units. Nearly one-half of the vacant attached lots are located in the Rush City submarket.
- Excluding Kennedy Estates in Wyoming, all other attached subdivisions were originally platted last decade prior to the recession.

FOR-SALE MARKET ANALYSIS

TABLE FS-10
SUBDIVISION & LOT INVENTORY - DETACHED HOUSING UNITS
CHISAGO COUNTY
3RD QUARTER 2017

Submarket	City/ Township	Subdivision Name	Initial Active Qtr.	Status	Product Type	Lot Range (Ft.)	Pricing (\$1,000)		Annual Starts	Annual Closings	Currently Occupied	Vacant Developed Lot Inventory (VDL)	Future Units (Fut)	Total Units (Tot)
Detached Housing Subdivisions														
Chisago Lakes Submarket														
Chisago Lakes	Chisago City	Hidden Forest in Chisago City	1Q06	Active 1Q06	Single Family	65'	\$225	\$350	6	7	36	4	0	43
Chisago Lakes	Chisago City	Pride of Olde Towne	1Q06	Active 1Q06	Single Family	90'	\$250	\$350	3	3	12	0	0	13
Chisago Lakes	Chisago City	Wilderness Ridge	1Q06	Active 1Q06	Single Family	90'	\$225	\$370	7	6	56	4	0	90
Chisago Lakes	Chisago City	Woodridge Preserve	1Q06	Active 1Q06	Single Family	90'	\$180	\$300	0	3	42	0	0	48
Chisago Lakes	Chisago City	School Lake Shores	2Q02	Active 2Q02	Single Family	125'	\$200	\$250	1	1	22	0	0	25
Chisago Lakes	Chisago City	Hidden Forest in Chisago City/(DTH)	3Q06	Active 3Q06	Single Family	55'	\$170	\$265	6	5	14	1	0	34
Chisago Lakes	Chisago City	Sunset View in Chisago City	4Q08	Active 4Q08	Single Family	100'	\$300	\$400	1	0	5	1	0	6
Chisago Lakes	Chisago Lake	Pioneer Estates	1Q06	Active 1Q06	Single Family	75'	\$300	\$400	0	0	3	0	0	6
Chisago Lakes	Chisago Lake	Raspberry Hill	1Q06	Active 1Q06	Single Family	85'	\$210	\$490	2	4	45	1	0	78
Chisago Lakes	Chisago Lake	Vibo Shores	1Q06	Active 1Q06	Single Family	215'	\$230	\$400	1	1	2	0	0	11
Chisago Lakes	Chisago Lake	Sunrise Trails	2Q01	Active 2Q01	Single Family	170'	\$275	\$800	3	1	19	3	0	32
Chisago Lakes	Chisago Lake	Trophy Lake Estates	2Q01	Active 2Q01	Single Family	300'	\$325	\$560	2	1	44	1	22	97
Chisago Lakes	Chisago Lake	Oasis Estates	2Q02	Active 2Q02	Single Family	370'	\$252	\$290	0	0	16	0	0	21
Chisago Lakes	Chisago Lake	Carrolle Lake Estate	2Q03	Active 2Q03	Single Family	150'	\$300	\$450	0	0	19	0	0	23
Chisago Lakes	Chisago Lake	Vibo Lake Meadows	2Q06	Active 2Q06	Single Family	245'	\$200	\$400	4	4	8	0	0	17
Chisago Lakes	Chisago Lake	Sunrise at School Lake	3Q06	Active 3Q06	Single Family	240'	\$380	\$500	3	3	4	0	0	5
Chisago Lakes	Chisago Lake	Spider Lake, Saddle Shores	4Q04	Active 4Q04	Single Family	115'	\$290	\$410	3	2	25	1	0	48
Chisago Lakes	Lindstrom	McCormick Place	1Q06	Active 1Q06	Single Family	120'	\$205	\$335	1	3	12	0	0	17
Chisago Lakes	Lindstrom	Morning Sun	1Q06	Active 1Q06	Single Family	70'	\$195	\$400	13	12	49	2	271	340
Chisago Lakes	Lindstrom	Shores of Forest Ridge	3Q06	Active 3Q06	Single Family	100'	\$275	\$675	5	7	33	1	0	46
Chisago Lakes	Lindstrom	Ridges, The in Lindstrom (DTH)	4Q05	Active 4Q05	Single Family	50'	\$240	\$350	2	4	13	0	0	26
Subtotals									63	67	479	19	293	1026
North Branch Submarket														
North Branch	Fish Lake Twp.	Prairie Fields	4Q04	Active 4Q04	Single Family	330'	\$180	\$250	0	0	12	0	0	14
North Branch	Harris	Goose Lake Meadows	3Q07	Active 3Q07	Single Family	325'	\$154	\$170	0	0	8	0	0	9
North Branch	Harris	Deerwood Estates	3Q10	Active 3Q10	Single Family	300'	\$190	\$210	0	0	1	0	0	5
North Branch	North Branch	G&K	1Q05	Active 1Q05	Single Family	95'	\$155	\$180	2	0	27	2	0	33
North Branch	North Branch	Prairie View in North Branch	1Q06	Active 1Q06	Single Family	200'	\$180	\$225	0	0	7	0	0	8
North Branch	North Branch	Golden Pines Estates	1Q07	Active 1Q07	Single Family	85'	\$160	\$190	9	6	31	3	0	40
North Branch	North Branch	Sunrise Bluffs	1Q15	Active 1Q15	Single Family	110'	\$240	\$300	7	6	14	2	0	42
North Branch	North Branch	Wildridge/Single Family	2Q01	Active 2Q01	Single Family	100'	\$180	\$270	14	11	120	7	92	250
North Branch	North Branch	Wood Duck Ponds of North Branch	2Q02	Active 2Q02	Single Family	80'	\$160	\$200	4	8	107	0	15	124
North Branch	North Branch	Valez Acres	2Q07	Active 2Q07	Single Family	215'	\$205	\$365	3	3	19	0	0	20
North Branch	North Branch	Happy Acres	2Q17	Active 2Q17	Single Family	150'	\$210	\$230	1	1	1	0	22	25
North Branch	North Branch	Oak Park Villas	3Q08	Active 3Q08	Single Family	120'	\$200	\$250	3	0	0	3	0	3
North Branch	Sunrise Twp.	Hidden Haven North	2Q10	Active 2Q10	Single Family	600'	\$185	\$230	2	1	3	1	0	8
North Branch	Sunrise Twp.	Whispering Ridge in Sunrise	3Q17	Active 3Q17	Single Family	300'	\$200	\$600	0	0	0	0	0	5
Subtotals									45	36	350	18	129	586
Rush City Submarket														
Rush City	Nessel Twp.	Arbor Hills	1Q06	Active 1Q06	Single Family	600'	\$211	\$287	2	1	8	1	0	10
Rush City	Nessel Twp.	Conrad Estates	1Q09	Active 1Q09	Single Family	140'	\$217	\$320	2	1	2	1	0	8
Rush City	Nessel Twp.	Goose Lake Hills	4Q08	Active 4Q08	Single Family	200'	\$180	\$200	3	2	7	1	0	12
Rush City	Rush City	Brookside	2Q02	Active 2Q02	Single Family	100'	\$170	\$290	0	0	3	0	0	15
Rush City	Rush City	Rush Creek Bluff	2Q03	Active 2Q03	Single Family	80'	\$130	\$157	2	1	13	1	0	35
Rush City	Rush City	Iron Horse Acres	4Q06	Active 4Q06	Single Family	400'	\$133	\$150	2	1	4	1	0	6
Rush City	Rush City	Rush Creek Estates	4Q06	Active 4Q06	Single Family	75'	\$130	\$155	3	5	20	0	0	76
Subtotals									14	11	57	5	0	162
CONTINUED														

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FOR-SALE MARKET ANALYSIS

TABLE FS-10 (Con't)
SUBDIVISION & LOT INVENTORY - DETACHED HOUSING UNITS
CHISAGO COUNTY
3RD QUARTER 2017

Submarket	City/ Township	Subdivision Name	Initial Active Qtr.	Status	Product Type	Lot Range (Ft.)	Pricing (\$1,000)		Annual Starts	Annual Closings	Currently Occupied	Vacant Developed Lot Inventory (VDL)	Future Units (Fut)	Total Units (Tot)
Taylors Falls Submarket														
Taylors Falls	Franconia Twp.	Blooms Lake Estates	1Q06	Active 1Q06	Single Family	340'	\$277	\$500	5	3	12	2	0	15
Taylors Falls	Franconia Twp.	St. Croix River Bluffs	1Q06	Active 1Q06	Single Family	200'	\$425	\$625	0	0	7	0	0	24
Taylors Falls	Franconia Twp.	Dayspring Hills	3Q05	Active 3Q05	Single Family	220'	\$255	\$290	0	0	3	0	0	22
Taylors Falls	Franconia Twp.	Falcon Ridge	3Q05	Active 3Q05	Single Family	220'	\$500	\$552	0	0	2	0	0	9
Taylors Falls	Franconia Twp.	Franconia Meadows	3Q05	Active 3Q05	Single Family	195'	\$234	\$295	2	1	2	2	0	13
Taylors Falls	Franconia Twp.	Lindblad Estates	3Q17	Active 3Q17	Single Family	330'	\$200	\$600	0	0	0	0	0	6
Taylors Falls	Shafer	Shafer Meadows	1Q06	Active 1Q06	Single Family	80'	\$149	\$200	5	4	18	0	92	119
Taylors Falls	Shafer	Wild River Estates	2Q03	Active 2Q03	Single Family	300'	\$165	\$200	3	3	17	0	0	24
Taylors Falls	Shafer	Shafer Oaks	2Q07	Active 2Q07	Single Family	80'	\$250	\$350	0	0	0	0	0	36
Taylors Falls	Shafer	Dry Creek Gulch	3Q07	Active 3Q07	Single Family	270'	\$200	\$400	0	0	2	0	0	14
Taylors Falls	Taylors Falls	Granite Ledge	4Q06	Active 4Q06	Single Family	50'	\$155	\$318	3	1	1	2	0	29
Subtotals									18	12	64	6	92	311
Wyoming/Stacy Submarket														
Wyoming/Stacy	Stacy	Foxtail Woods	2Q05	Active 2Q05	Single Family	125'	\$160	\$300	0	0	73	0	0	76
Wyoming/Stacy	Stacy	Foxtail Woods/(DTH)	4Q05	Active 4Q05	Single Family	50'	\$130	\$170	4	1	10	3	0	13
Wyoming/Stacy	Wyoming	Heims Lake Villas (DTH)	1Q17	Active 1Q17	Single Family	50'	\$300	\$500	12	4	4	6	0	33
Wyoming/Stacy	Wyoming	Liberty Ponds	2Q07	Active 2Q07	Single Family	150'	\$270	\$500	8	4	43	5	0	72
Wyoming/Stacy	Wyoming	Preserve at Birch Lake	3Q06	Active 3Q06	Single Family	130'	\$250	\$450	2	4	49	1	0	53
Wyoming/Stacy	Wyoming	Kennedy Estates/SF	3Q17	Active 3Q17	Single Family	75'	\$340	\$470	3	0	0	2	0	39
Wyoming/Stacy	Wyoming	Sunrise Meadows West	4Q05	Active 4Q05	Single Family	150'	\$200	\$400	0	0	29	0	0	30
Subtotals									29	13	208	17	0	316
Chisago County Subtotal									169	139	1,158	65	514	2,401

CONTINUED

FOR-SALE MARKET ANALYSIS

TABLE FS-10 (Con't)
SUBDIVISION & LOT INVENTORY - DETACHED HOUSING UNITS
CHISAGO COUNTY
3RD QUARTER 2017

Submarket	City/ Township	Subdivision Name	Initial Active Qtr.	Status	Product Type	Lot Range (Ft.)	Pricing (\$1,000)		Annual Starts	Annual Closings	Currently Occupied	Vacant Developed Lot Inventory (VDL)	Future Units (Fut)	Total Units (Tot)
Chisago Lakes Submarket - Future Lots														
Chisago Lakes	Chisago City	Golden Willow Farms	0	Future	Single Family	0	\$0	\$0	0	0	0	0	99	99
Chisago Lakes	Chisago City	Golden Willow Farms/Small Lot	0	Future	Single Family	0	\$0	\$0	0	0	0	0	75	75
Chisago Lakes	Chisago City	Natures Preserve	0	Future	Single Family	0	\$300	\$400	0	0	0	0	170	170
Chisago Lakes	Chisago City	Oaks at Sanctuaries Edge	0	Future	Single Family	0	\$0	\$0	0	0	0	0	91	91
Chisago Lakes	Chisago City	Oaks at Sanctuaries Edge/(DTH)	0	Future	Single Family	0	\$0	\$0	0	0	0	0	20	20
Chisago Lakes	Chisago City	Stacy Trail - Mattson Lane	0	Future	Single Family	0	\$0	\$0	0	0	0	0	19	19
Chisago Lakes	Chisago Lake	Nicolette Ridge Estates	0	Future	Single Family	0	\$290	\$450	0	0	0	0	6	6
Chisago Lakes	Lindstrom	Concept - Overgaard	0	Future	Single Family	0	\$0	\$0	0	0	0	0	8	8
Chisago Lakes	Lindstrom	Oaks of Lindstrom	0	Future	Single Family	0	\$0	\$0	0	0	0	0	41	41
Subtotals									0	0	0	0	529	529
North Branch Submarket - Future Lots														
North Branch	Fish Lake Twp.	Cedarcrest Estate	0	Future	Single Family	0	\$0	\$0	0	0	0	0	6	6
North Branch	Fish Lake Twp.	Pheasant Crest	0	Future	Single Family	350'	\$0	\$0	0	0	0	0	30	30
North Branch	Harris	Concept - Pierce	0	Future	Single Family	0	\$0	\$0	0	0	0	0	16	16
North Branch	North Branch	Schoolside Village	0	Future	Single Family	0	\$0	\$0	0	0	0	0	58	58
North Branch	North Branch	Cherokee Place	0	Future	Single Family	100'	\$0	\$0	0	0	0	0	48	48
North Branch	Sunrise Twp.	Sunrise Hills	0	Future	Single Family	0	\$0	\$0	0	0	0	0	5	5
Subtotals									0	0	0	0	163	163
Rush City Submarket - Future Lots														
Rush City	Nessel Twp.	Autumn Woods Estates	0	Future	Single Family	0	\$0	\$0	0	0	0	0	6	6
Rush City	Nessel Twp.	Rush Lake Estates	0	Future	Single Family	0	\$0	\$0	0	0	0	0	8	8
Rush City	Rushseba Twp.	Cedar Grove Farms	0	Future	Single Family	330'	\$0	\$0	0	0	0	0	6	6
Subtotals									0	0	0	0	20	20
Taylors Falls Submarket - Future Lots														
Taylors Falls	Shafer	Shafer Ponds (DTH)	0	Future	Single Family	0	\$0	\$0	0	0	0	0	9	9
Wyoming/Stacy Submarket - Future Lots														
Wyoming/Stacy	Stacy	Townsedge	0	Future	Single Family	0	\$0	\$0	0	0	0	0	29	29
Wyoming/Stacy	Stacy	Townsedge/DTH	0	Future	Single Family	0	\$0	\$0	0	0	0	0	26	26
Wyoming/Stacy	Wyoming	Delmonico Park	0	Future	Single Family	0	\$0	\$0	0	0	0	0	22	22
Wyoming/Stacy	Wyoming	Diamond Ridge	0	Future	Single Family	100'	\$0	\$0	0	0	0	0	6	6
Wyoming/Stacy	Wyoming	Greenwood at Carlos Avery	0	Future	Single Family	0	\$0	\$0	0	0	0	0	274	274
Wyoming/Stacy	Wyoming	Katie's Glen	0	Future	Single Family	0	\$400	\$500	0	0	0	0	31	31
Wyoming/Stacy	Wyoming	Skylar Meadows	0	Future	Single Family	0	\$0	\$0	0	0	0	0	18	18
Wyoming/Stacy	Wyoming	Woods on Comfort Lake	0	Future	Single Family	120'	\$0	\$0	0	0	0	0	9	9
Subtotals									0	0	0	0	415	415
Chisago County Subtotal									0	0	0	0	1,136	1,136

Source: Metrostudy, Maxfield Research & Consulting, LLC

FOR-SALE MARKET ANALYSIS

TABLE FS-11
SUBDIVISION & LOT INVENTORY - ATTACHED HOUSING UNITS
CHISAGO COUNTY
3RD QUARTER 2017

Submarket	City/ Township	Subdivision Name	Initial Active Qtr.	Status	Product Type	Lot Range (Ft.)	Pricing (\$1,000)		Annual Starts	Annual Closings	Currently Occupied	Vacant Developed Lot Inventory (VDL)	Future Units (Fut)	Total Units (Tot)
Attached Housing Subdivisions														
Chisago Lakes Submarket														
Chisago Lakes	Lindstrom	Sunset Meadows (TH)	1Q06	Active 1Q06	Townhouse	30'	\$140	\$190	0	0	7	17	0	24
Chisago Lakes	Lindstrom	Twin Oak Estates (TW)	2Q03	Active 2Q03	Duplex	47'	\$180	\$210	0	0	8	12	0	20
Chisago Lakes	Lindstrom	Morning Sun (TW)	3Q06	Active 3Q06	Duplex	50'	\$140	\$165	2	2	4	12	14	32
Submarket									2	2	19	41	14	76
North Branch Submarket														
North Branch	North Branch	Wildridge Place (TH)	1Q06	Active 1Q06	Townhouse	34'	\$165	\$209	0	3	22	8	0	30
North Branch	North Branch	Oak Park Villas (TW)	1Q07	Active 1Q07	Duplex	31'	\$150	\$190	0	0	2	12	0	14
North Branch	North Branch	Wildridge Place (TW)	3Q07	Active 3Q07	Duplex	36'	\$120	\$160	2	2	22	6	0	28
North Branch	North Branch	Schoolside Villages (TH)	N/A	N/A	Townhouse	N/A	N/A	N/A	N/A	N/A	46	0	0	46
Submarket									2	5	92	26	0	118
Rush City Submarket														
Rush City	Rush City	Brookside (TH)	3Q04	Active 3Q04	Townhouse	33'	\$280	\$300	0	0	8	48	0	56
Rush City	Rush City	Brookside (TW)	3Q04	Active 3Q04	Duplex	50'	\$200	\$275	0	0	4	18	0	22
Rush City	Rush City	Brookside Quad (TH)	3Q04	Active 3Q04	Townhouse	42'	\$191	\$210	0	0	4	20	0	24
Rush City	Rush City	Rush Creek Bluff (TH)	3Q05	Active 3Q05	Townhouse	38'	\$100	\$130	0	0	4	10	0	14
Rush City	Rush City	Irving (TW)	3Q07	Active 3Q07	Duplex	45'	\$140	\$160	0	0	8	8	0	16
Submarket									0	0	28	104	0	132
Taylors Falls Submarket														
Taylors Falls	Shafer	Tatanka Run (TH)	3Q06	Active 3Q06	Townhouse	28'	\$170	\$224	0	0	3	39	0	42
Wyoming/Stacy Submarket														
Wyoming/Stacy	Stacy	Sunrise Prairie (TH)	4Q04	Active 4Q04	Townhouse	29'	\$100	\$130	0	0	22	18	0	40
Wyoming/Stacy	Wyoming	Kennedy Estates (TW)	3Q17	Active 3Q17	Duplex	0	\$280	\$350	0	0	0	2	0	2
Submarket									0	0	22	20	0	42
Chisago County Subtotal									4	7	164	230	14	410
Chisago Lakes Submarket - Future														
Chisago Lakes	Chisago City	Golden Willow Farms (TH)	0	Future	Townhouse	0	\$0	\$0	0	0	0	0	261	261
Chisago Lakes	Chisago City	Koons Lake Pointe (TW)	0	Future	Duplex	42'	\$0	\$0	0	0	0	0	18	18
									0	0	0	0	279	279
Wyoming/Stacy Submarket - Future														
Wyoming/Stacy	Wyoming	Gables on the Sunrise River (TW)	0	Future	Duplex	0	\$0	\$0	0	0	0	0	6	6
Source: Metrostudy, Maxfield Research & Consulting, LLC														

Source: Metrostudy, Maxfield Research & Consulting, LLC

TABLE FS-12
DETACHED HOUSING VACANT LAND
CHISAGO COUNTY
3RD QUARTER 2017

Submarket	Annual Starts	Annual Closings	Currently Occupied	Vacant Developed Lot Inventory (VDL)	Future Units (Fut)	Total Units (Tot)
Detached Housing Units - Existing Subdivisions						
Chisago Lakes	63	67	479	19	293	1,026
North Branch	45	36	350	18	129	586
Rush City	14	11	57	5	0	162
Taylors Falls	18	12	64	6	92	311
Wyoming/Stacy	29	13	208	17	0	316
Subtotal	169	139	1,158	65	514	2,401
Detached Housing Units - Future Subdivisions						
Chisago Lakes	0	0	0	0	529	529
North Branch	0	0	0	0	163	163
Rush City	0	0	0	0	20	20
Taylors Falls	0	0	0	0	9	9
Wyoming/Stacy	0	0	0	0	415	415
Subtotal	0	0	0	0	1,136	1,136

Source: Metrostudy, Maxfield Research & Consulting, LLC

- There are no national builders located in any Chisago County submarket. Builders in Chisago County are locally or regionally based. The most active builders in the county are Elevate Builders, Sherco Construction, Graphic Homes, Guidance Homes, Capstone Homes, and Larry Beach Construction.
- The “sweet spot” for new home construction in Chisago County has generally been in the \$250,000 to \$300,000 price point. Based on an average sized home of over 1,500 square feet (finished) results in a price per square foot around \$190.

TABLE FS-13
ATTACHED HOUSING VACANT LAND
CHISAGO COUNTY
3RD QUARTER 2017

Submarket	Annual Starts	Annual Closings	Currently Occupied	Vacant Developed Lot Inventory (VDL)	Future Units (Fut)	Total Units (Tot)
Attached Housing Units - Existing Subdivisions						
Chisago Lakes	2	2	19	41	14	76
North Branch	2	5	92	26	0	118
Rush City	0	0	28	104	0	132
Taylors Falls	0	0	3	39	0	42
Wyoming/Stacy	0	0	22	20	0	42
Subtotal	4	7	164	230	14	410
Attached Housing Units - Future Subdivisions						
Chisago Lakes	0	0	0	0	261	261
North Branch	0	0	0	0	0	0
Rush City	0	0	0	0	0	0
Taylors Falls	0	0	0	0	0	0
Wyoming/Stacy	0	0	0	0	6	6
Subtotal	0	0	0	0	267	267

Source: Metrostudy, Maxfield Research & Consulting, LLC

Realtor/Builder Interviews

Maxfield Research and Consulting interviewed real estate agents, home builders, and other professionals familiar with Chisago County's owner-occupied market to solicit their impressions of the for-sale housing market throughout the county. Key points are summarized by topic as follows.

Market Overview

- The Chisago County real estate market has been very strong over the past few years. Sales volumes are strong, pricing has been rising, and days on market continues to fall.
- Realtors all commented on the lack of inventory across all price points. However, inventory is the lowest for properties under \$200,000. There are few homes for sale targeting entry-level buyers as they are sold immediately.
- Home values and pricing in Chisago County is driven by proximity to employment centers (i.e. Metro Area) and drive times. As a result, home prices tend to be higher near Interstate 35 and in southern Chisago County. Longer commute times usually results in lower price points.

FOR-SALE MARKET ANALYSIS

- The Chisago County real estate market performance is tied in part to gasoline prices. Higher gas prices deter buyers from the longer commute times from jobs in the Twin Cities core to Chisago County and have a negative effect on the real estate market.
- Buyers are attracted to Chisago County for the lower home prices compared to the Metro Area. Many buyers find they receive more house for the dollar and good schools by relocating to Chisago County.
- Many buyers are attracted to Chisago County for the larger lots and acreages that are not available in the core of the Twin Cities. At the same time, Chisago County offers numerous lake front properties that also attracts buyers from Twin Cities desiring lake shore in close proximity to employment centers.
- Home prices in Chisago County are generally defined as follows:
 - Entry-level: less than \$225,000
 - Move-up: \$250,000 to \$350,000
 - Executive: \$350,000 or more
- Lake-property homes command a premium and are in short-supply. There are fewer seasonal properties as older, smaller cabins have been converted to year-round residences. Most year-round lake properties sell for \$350,000 or more. A similar non-lake home will sell for \$100,000 less than a lake-front home.
- Several interviewees mentioned outdated zoning codes across the county that favor low-density development. Many zoning ordinances have minimum lot sizes or square footages that do not allow flexibility thereby increase housing costs.
- In addition to the for-sale market; most Realtors mentioned the lack of rental housing options regardless of rental affordability. Most rental units or single-family rentals rent immediately and there are very few vacancies.

New Construction

- Builders and buyers have benefited from depressed lot costs due to the excess supply of lots developed last decade. Many of these lots were bank-owned while builders and home buyers were able to purchase significantly discounted lots. Builders were able to pass these costs savings along to the buyers. However, today the supply of distressed lots has mostly been absorbed hence rising land costs will ensue.

- Because the vacant lot supply of previously foreclosed lots has been mostly absorbed; builders and buyers will have to pay more for newly platted lots. Many foreclosed lots were acquired for a fraction of the cost to develop a new lot. New lots will likely need to be priced at or above \$60,000/lot to cover the cost to develop new single-family lots.
- Many subdivisions are “closed builder” subdivisions; or limited to one or two builders. Prior to the recession there were more “open builder” subdivisions where any builder could construct a home on a lot in the subdivision.
- New construction in Chisago County is built by mostly locally or regionally based builders. There are no national builders in Chisago County. Many builders who were active last decade prior to the recession are no longer in business today.
- Similar to the resale market, the new construction market benefits from buyers who are priced out of the Metro Area and are seeking more affordability in Chisago County. Builders commented that housing in Chisago County is usually more affordable than nearby Forest Lake.
- Builders commented on the difficulties in building affordable, new entry-level housing. Between rising labor and material costs, lot costs, building codes, and other regulation they are finding it increasingly difficult to deliver new housing product less than \$300,000.

Planned and Proposed Housing Projects

Maxfield Research interviewed planning staff members in Chisago County in order to identify housing developments under construction, planned, or pending. Table P-1 inventory and summarize the number of housing units by product type that are either recently completed, under construction, or are planned to move forward.

- There are several housing developments either under construction or proposed in Chisago County at this time. However, it is unknown if all of the projects on Table P-1 will move forward.
- Currently, there are three multifamily projects, all in the proposal phase. Northland Real Estate Group is proposing a 100-unit multifamily rental development in Lindstrom at the site of the former Meredee's Bistro. This project is listed as a general occupancy market rate project but could potentially be converted to an age restricted 55+ property.
- North Branch has two affordable housing projects proposed. The City of North Branch has teamed up with Central MN Housing Partnership to develop Willow Grove, a 20 unit apartment development, and Commonwealth Management Corp to develop Cherokee Place, 48 units of rental townhomes. Willow Grove will be geared to serving people living with mental illness and Cherokee Place will address the lack of available affordable/workforce housing in North Branch.
- Nottingham Construction has proposed an 87 unit senior housing facility in Lindstrom at the site of the former Rose Hill Resort. This facility plans to include independent living, assisted living, and memory care units. At this time preliminary numbers were not available on how many units will be devoted to each service level so these units were not included in the demand calculations for senior housing.
- Within the City of North Branch, there are three for-sale developments that are scheduled to start construction in 2018 and one development that is currently in the proposal phase. Lucht's Crossing 2nd includes 18 single family homes, Wildridge 6th including 16 single family homes, and Schoolside Village which will be a combination of 14 single family homes and 22 townhomes, all starting construction in 2018. Proposed, is Wood Duck Ponds 4th which plans to include 20 single family homes.
- Though there are no rumored developments in Harris or Taylors Falls, the cities have not confirmed any planned, pending projects at this time.

PLANNED & PENDING HOUSING DEVELOPMENTS

TABLE P-1
HOUSING DEVELOPMENT PIPELINE
CHISAGO COUNTY
4th Quarter 2017

Municipality/ Project Name/Address	Developer	City/Submarket	Status	Product Type	Total Units/Lots	Affordability
Senior Housing						
Rosehill Resort	Nottingham Construction	Lindstrom	Proposed	IL, AL, MC	87	Market Rate
Multi-Family Apartments						
Meredees/DinnerBell Apartments	Northland Real Estate Group	Lindstrom	Proposed	Multifamily	100	Market Rate
Cherokee Place	Commonwealth Co.	North Branch	Proposed	Rental Townhomes	48	Affordable Tax Credit
Willow Grove	Central MN Housing Partership	North Branch	Proposed	Multifamily Mental-health focus	20	Affordable
For-Sale Market						
Lucht's Crossing 2nd	Graphic Homes Inc.	North Branch	Construction Starting 2018	SF Lots	18	Market Rate
WildRidge 6th	VanMore Companies	North Branch	Construction Starting 2018	SF Lots	16	Market Rate
Schoolside Village	Casselberry LLC	North Branch	Construction Starting 2018	SF/Twinhomes	36	Market Rate
Wood Duck Ponds 4th PUD	Paxmar	North Branch	Proposed	SF Lots	20	Market Rate
No Formal Plans						
City of Rush City City of Shafer City of Wyoming City of Chisago City City of Stacy City of Center City City of Harris* City of Taylors Falls*						
* City has not verified planned/pending projects						
Sources: Chisago County, 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: Chisago County 4-person AMI = \$90,400 (2017)	

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 Chisago County. These incomes are published and revised annually by the Department of Housing and Urban Development (HUD) and also published separately by the Minnesota Housing Finance Agency based on the date the project was placed into service. Fair market rent is the amount needed to pay gross monthly rent at modest rental housing in a given area. This table is used as a basis for determining the payment standard amount used to calculate the maximum monthly subsidy for families at financially assisted housing.

Table HA-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

HOUSING AFFORDABILITY

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.

TABLE HA-1 MHFA/HUD INCOME AND RENT LIMITS CHISAGO COUNTY- 2017								
	Income Limits by Household Size							
	1 pph	2 pph	3 pph	4 pph	5 pph	6 pph	7 pph	8 pph
30% of median	\$18,990	\$21,720	\$24,420	\$27,120	\$29,310	\$31,470	\$33,630	\$35,820
50% of median	\$31,650	\$36,200	\$40,700	\$45,200	\$48,850	\$52,450	\$56,050	\$59,700
60% of median	\$37,980	\$43,440	\$48,840	\$54,240	\$58,620	\$62,940	\$67,260	\$71,640
80% of median	\$50,640	\$57,920	\$65,120	\$72,320	\$78,160	\$83,920	\$89,680	\$95,520
100% of median	\$63,300	\$72,400	\$81,400	\$90,400	\$97,700	\$104,900	\$112,100	\$119,400
120% of median	\$75,960	\$86,880	\$97,680	\$108,480	\$117,240	\$125,880	\$134,520	\$143,280
	Maximum Gross Rent							
	EFF	1BR	2BR	3BR	4BR			
30% of median	\$474	\$543	\$610	\$678	\$732			
50% of median	\$791	\$905	\$1,017	\$1,130	\$1,221			
60% of median	\$949	\$1,086	\$1,221	\$1,356	\$1,465			
80% of median	\$1,266	\$1,448	\$1,628	\$1,808	\$1,954			
100% of median	\$1,582	\$1,810	\$2,035	\$2,260	\$2,442			
120% of median	\$1,899	\$2,172	\$2,442	\$2,712	\$2,931			
	Fair Market Rent							
	EFF	1BR	2BR	3BR	4BR			
Fair Market Rent	\$699	\$862	\$1,086	\$1,538	\$1,799			
Sources: MHFA, HUD, Novogradac, Maxfield Research and Consulting LLC								

HOUSING AFFORDABILITY

TABLE HA-2
MAXIMUM RENT BASED ON HOUSEHOLD SIZE AND AREA MEDIAN INCOME
CHISAGO COUNTY - 2017

Unit Type ¹	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	\$475	- \$475	\$791	- \$791	\$950	- \$950	\$1,266	- \$1,266	\$1,583	- \$1,583	\$1,899	- \$1,899
1BR	1	2	\$475	- \$543	\$791	- \$905	\$950	- \$1,086	\$1,266	- \$1,448	\$1,583	- \$1,810	\$1,899	- \$2,172
2BR	2	4	\$543	- \$678	\$905	- \$1,130	\$1,086	- \$1,356	\$1,448	- \$1,808	\$1,810	- \$2,260	\$2,172	- \$2,712
3BR	3	6	\$611	- \$787	\$1,018	- \$1,311	\$1,221	- \$1,574	\$1,628	- \$2,098	\$2,035	- \$2,623	\$2,442	- \$3,147
4BR	4	8	\$678	- \$896	\$1,130	- \$1,493	\$1,356	- \$1,791	\$1,808	- \$2,388	\$2,260	- \$2,985	\$2,712	- \$3,582
¹ One-bedroom plus den and two-bedroom plus den units are classified as 1BR and 2BR units, respectively. To be classified as a bedroom, a den must have a window and closet.														
Note: 4-person Chisago County AMI is \$90,400 (2017)														
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 Chisago County, and the five submarkets that pay 30% or more of their gross income for housing. This information was compiled from the American Community Survey 2016 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.

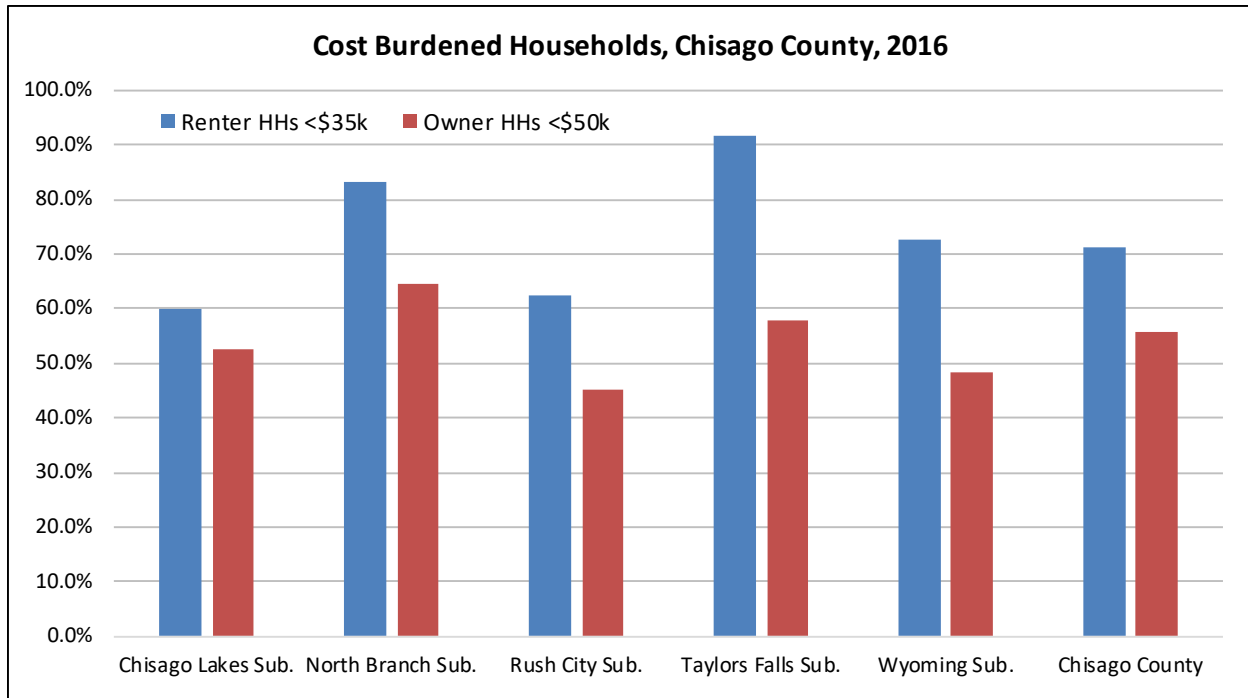
Key findings from Table HA-3 follow.

- In Chisago County, 24% of owner households and 47.8% of renter households are considered cost burdened. The Taylors Falls submarket recorded the highest proportion of cost burdened owner households, 26.7%, and the highest proportion of cost burdened renter households, 66.7%.
- Among owner households earning less than \$50,000, 55.7% were cost burdened in Chisago County. The North Branch submarket reported the highest proportion of cost burdened owner households earning less than \$50,000, 64.6%.
- Approximately 71% of Chisago County renter households earning less than \$35,000 were cost burdened. The proportion in the Taylors Falls submarket was significantly higher than the County at 91.7%.

HOUSING AFFORDABILITY

TABLE HA-3
HOUSING COST BURDEN
CHISAGO COUNTY
2016

	Chisago Lakes Sub.		North Branch Sub.		Rush City Sub.		Taylors Falls Sub.		Wyoming Sub.		Chisago County	
Community	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Owner Households												
All Owner Households	4,922		6,186		1,432		1,462		2,830		16,832	
Cost Burden 30% or greater	1,115	22.7%	1,537	25.0%	358	25.1%	389	26.7%	621	22.0%	4,020	24.0%
Owner Households w/ incomes <\$50,000	1,253		1,448		479		402		619		4,201	
Cost Burden 30% or greater	659	52.6%	908	64.6%	214	45.2%	231	57.9%	293	48.3%	2,305	55.7%
Renter Households												
All Renter Households	951		740		488		257		522		2,958	
Cost Burden 30% or greater	306	33.4%	453	64.4%	196	45.3%	146	66.7%	198	44.7%	1,299	47.8%
Renter Households w/ incomes <\$35,000	475		426		333		131		232		1,597	
Cost Burden 30% or greater	279	60.1%	338	83.3%	184	62.4%	110	91.7%	164	72.6%	1,075	71.1%
Median Contract Rent ¹	\$799		\$868		\$612		\$690		\$848		\$696	
¹ Median Contract Rent 2016												
Note: Calculations exclude households not computed.												
Sources: American Community Survey 2016 estimates; Maxfield Research and Consulting LLC												



Housing Costs as Percentage of Household Income

Housing costs are generally considered affordable at 30% of a households' adjusted gross income. Table HA-4 on the following page illustrates key housing metrics based on housing costs and household incomes in Chisago County. The table estimates the percentage of Chisago County householders that can afford rental and for-sale housing based on a 30% allocation of income to housing. Housing costs are based on the Chisago County average.

The housing affordability calculations assume the following:

For-Sale Housing

- 10% down payment with good credit score
- Closing costs rolled into mortgage
- 30-year mortgage at 4.375% 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 Chisago County households in 2015 was about \$71,001. However, the median income varies by tenure. According to the 2015 American Community Survey, the median income of a homeowner is \$76,217 compared to \$29,836 for renters.
- Approximately 86% of all households and 90% of owner households could afford to purchase an entry-level home in Chisago County (\$175,000). When adjusting for move-up buyers (\$250,000) about 76% of all households and 82% of owner households would income qualify.
- About 75% of existing renter households can afford to rent a one-bedroom unit in Chisago County (\$720/month). The percentage of renter income-qualified households decreases to 53% that can afford an existing three-bedroom unit (\$1,040/month). After adjusting for new construction rental housing, the percentage of renters that are income-qualified decreases significantly. About 56% of renters can afford a new market rate one-bedroom unit while 42% can afford a new three-bedroom unit.

HOUSING AFFORDABILITY

TABLE HA-4						
CHISAGO COUNTY HOUSING AFFORDABILITY - BASED ON HOUSEHOLD INCOME						
For-Sale (Assumes 10% down payment and good credit)						
	Single-Family			Townhome/Twinhome/Condo		
	Entry-Level	Move-Up	Executive	Entry-Level	Move-Up	Executive
Price of House	\$175,000	\$250,000	\$350,000	\$150,000	\$200,000	\$250,000
Pct. Down Payment	10.0%	10.0%	20.0%	10.0%	10.0%	10.0%
Total Down Payment Amt.	\$17,500	\$25,000	\$70,000	\$15,000	\$20,000	\$25,000
Estimated Closing Costs (rolled into mortgage)	\$5,250	\$7,500	\$10,500	\$4,500	\$6,000	\$7,500
Cost of Loan	\$162,750	\$232,500	\$290,500	\$139,500	\$186,000	\$232,500
Interest Rate	4.375%	4.375%	4.375%	4.375%	4.375%	4.375%
Number of Pmts.	360	360	360	360	360	360
Monthly Payment (P & I)	-\$813	-\$1,161	-\$1,450	-\$697	-\$929	-\$1,161
(plus) Prop. Tax	-\$175	-\$250	-\$350	-\$150	-\$200	-\$250
(plus) HO Insurance/Assoc. Fee for TH	-\$58	-\$83	-\$117	-\$100	-\$100	-\$100
(plus) PMI/MIP (less than 20%)	-\$71	-\$101	-\$126	-\$60	-\$81	-\$101
Subtotal monthly costs	-\$1,116	-\$1,595	-\$2,043	-\$1,007	-\$1,309	-\$1,612
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$44,658	\$63,797	\$81,719	\$40,278	\$52,371	\$64,464
Pct. of ALL Chisago County HHDS who can afford ¹	71.9%	56.4%	42.5%	93.7%	79.4%	64.0%
No. of Chisago County HHDS who can afford ¹	14,240	11,165	8,419	18,569	15,726	12,684
Pct. of Chisago County owner HHDS who can afford ²	78.2%	61.8%	46.1%	95.2%	84.9%	70.4%
No. of Chisago County owner HHDS who can afford ²	13,165	10,396	7,754	16,019	14,293	11,850
No. of Chisago County owner HHDS who cannot afford ²	3,663	6,432	9,074	809	2,535	4,978
Rental (Market Rate)						
	Existing Rental			New Rental		
	1BR	2BR	3BR	1BR	2BR	3BR
Monthly Rent	\$720	\$805	\$1,040	\$800	\$1,000	\$1,200
Annual Rent	\$8,640	\$9,660	\$12,480	\$9,600	\$12,000	\$14,400
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$28,800	\$32,200	\$41,600	\$32,000	\$40,000	\$48,000
Pct. of ALL Chisago County HHDS who can afford ¹	84.7%	82.0%	74.4%	82.1%	75.6%	69.1%
No. of Chisago County HHDS who can afford ¹	16,769	16,237	14,727	16,268	14,971	13,680
Pct. of Chisago County renter HHDS who can afford ²	52.3%	48.3%	38.5%	48.5%	40.0%	32.2%
No. of Chisago County renter HHDS who can afford ²	1,559	1,438	1,147	1,446	1,191	960
No. of Chisago County renter HHDS who cannot afford ²	1,421	1,542	1,833	1,535	1,789	2,020
¹ Based on 2017 household income for ALL households						
² Based on 2015 ACS household income by tenure (i.e. owner and renter incomes. Owner incomes = \$76,217 vs. renter incomes = \$29,836)						
Source: Maxfield Research & Consulting, LLC						

Introduction

Previous sections of this study analyzed the existing housing supply and the growth and demographic characteristics of the population and household base in Chisago County. This section of the report presents our estimates of housing demand in the County from 2017 through 2030.

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.

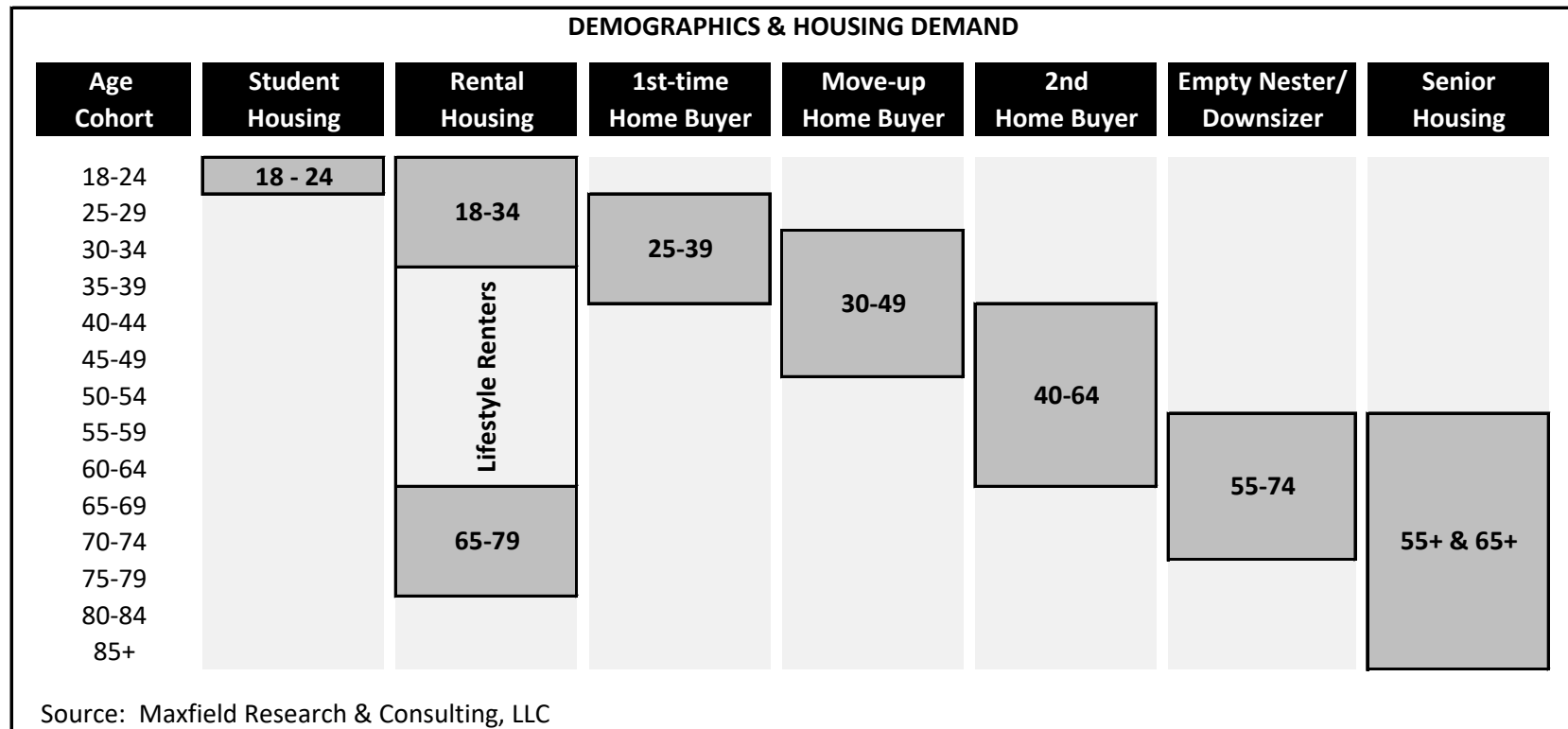
The following graphic provides greater detail of various housing types supported within each housing life cycle. Information on square footage, average bedrooms/bathrooms, and lot size is provided on the subsequent graphic.

Housing Demand Overview

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

Housing markets are driven by a range of supply and demand factors that vary by location and submarket. The following bullet 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 ¹
For-Sale Housing	Entry-level single-family	First-time buyers: Families, couples w/no children, some singles	1,200 to 2,200 sq. ft. 2-4 BR 2 BA	80'+ wide lot 2.5-3.0 DU/Acre
	Move-up single-family	Step-up buyers: Families, couples w/no children	2,000 sq. ft.+ 3-4 BR 2-3 BA	80'+ wide lot 2.5-3.0 DU/Acre
	Executive single-family	Step-up buyers: Families, couples w/no children	2,500 sq. ft.+ 3-4 BR 2-3 BA	100'+ wide lot 1.5-2.0 DU/Acre
	Small-lot single-family	First-time & move-down buyers: Families, couples w/no children, empty nesters, retirees	1,700 to 2,500 sq. ft. 3-4 BR 2-3 BA	40' to 60' wide lot 5.0-8.0 DU/Acre
	Entry-level townhomes	First-time buyers: Singles, couples w/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
Rental Housing	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
Both	Senior housing	Retirees, Seniors	550 to 1,500 sq. ft. Suites - 2BR 1-2 BA	Varies considerably based on senior product type

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

Source: Maxfield Research & Consulting, LLC

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. 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, replacement new construction, or new home construction as the current inventory does not provide the supply that consumers seek.

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.

Mobility

It is important to note that demand is somewhat fluid between submarkets and will be impacted by development activity in nearby areas, including other communities outside Chisago County. Demand given for each submarket may be lower or higher if proposed and/or planned developments move forward.

For-Sale Housing Market Demand Analysis

Table HD-1 presents our demand calculations for general occupancy for-sale housing in Chisago County between 2017 and 2030. This analysis identifies potential demand for general occupancy for-sale housing that is generated from both new households and turnover households. The following points summarize our findings.

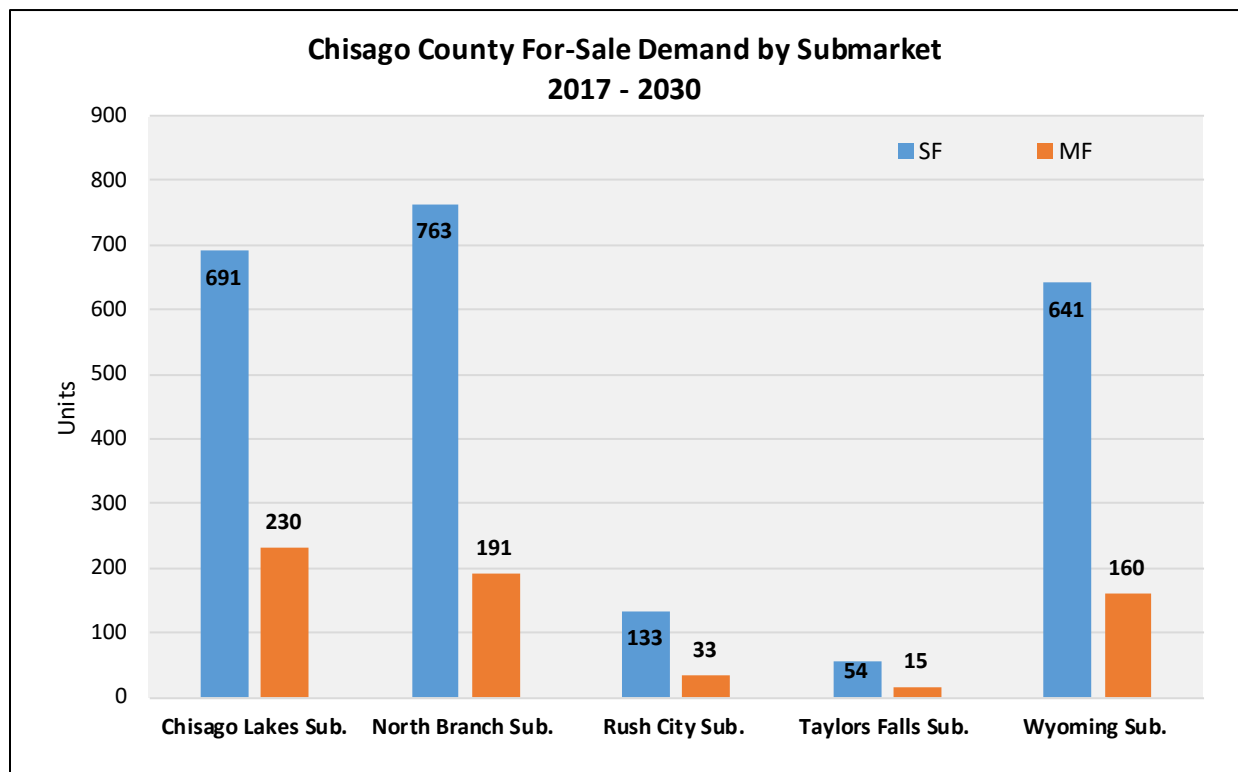
- Because the 65 and older cohort is typically not a target market for new general occupancy for-sale housing, we limit demand from household growth to only those households under the age of 65. According to our projections, Chisago County is expected to increase by 2,050 households under age 65 between 2017 and 2030.
- Based on household tenure data from the US Census, we expect that between 83% of the demand (Rush City Submarket) to 85% of the demand (North Branch, Taylors Falls, & Wyoming Submarkets) will be for owner-occupied housing units. Household growth is expected in all submarkets, except the Taylors Falls submarket, with a total excess demand for 1,733 new household growth from households under the age of 65 in Chisago County.
- As of 2017, there are approximately 13,399 owner households under the age of 65 in the County. Based on household turnover data from the 2016 American Community Survey, we estimate that between 49.4% and 55.8% of these under-65 owner households will experience turnover between 2017 and 2030 (turnover rate varies by submarket).
- Considering the age of the County's housing stock, we estimate that 10% of the households turning over will desire new housing. This estimate results in demand from existing households for 715 new residential units in the County between 2017 and 2030.

HOUSING DEMAND ANALYSIS

TABLE HD-1 DEMAND FOR ADDITIONAL FOR-SALE HOUSING CHISAGO COUNTY 2017 to 2030												
	Chisago Lakes Submarket		North Branch Submarket		Rush City Submarket		Taylors Falls Submarket		Wyoming Submarket		Chisago County	
DEMAND FROM NEW HOUSEHOLD GROWTH												
Household growth under age 65, 2017 to 2030	715		621		113		0		601		2,050	
(times) % propensity to own¹	84.0%		85.0%		83.0%		85.0%		85.0%			
(Equals) Demand from new household growth	601		528		94		0		511		1,733	
DEMAND FROM EXISTING HOUSEHOLDS												
Total owner households under age 65, 2017	3,702		5,061		1,081		1,212		2,344		13,399	
(times) % of owner turnover 2017-2030²	49.4%		55.8%		51.9%		51.5%		55.6%			
(times) % desiring new owner housing	10%		10%		10%		10%		10%			
(Equals) Demand from existing households	183		283		56		62		130		715	
TOTAL MARKET DEMAND												
Total demand from new HH growth and turnover	784		810		150		62		641		2,448	
(Plus) Demand from outside Submarket	15.0%		15.0%		10.0%		10.0%		20.0%			
(Equals) Total demand potential for ownership housing	922		954		167		69		801		2,913	
Proportion Single-family vs. Multifamily	75%	25%	80%	20%	80%	20%	78%	22%	80%	20%	78%	22%
No. of Single-family vs. Multifamily Units	691	230	763	191	133	33	54	15	641	160	2,283	630
¹ Based on percent owner households under age 65 in 2010												
² Based on household turnover and mobility data (2016 American Community Survey, Five Year Estimates)												
³ Includes twinhomes, townhomes, detached townhomes, condos, etc.												
Note: Demand given for each submarket may be lower or higher in any proposed/planned developments move forward.												
Source: Maxfield Research & Consulting LLC												

HOUSING DEMAND ANALYSIS

- Total demand from household growth and existing household turnover between 2017 and 2030 equates to 2,448 new for-sale housing units.
- Next, we estimate that a portion of the total demand for new for-sale units in Chisago County will come from people currently living outside of the five submarkets. Adding demand from outside Chisago County to the existing demand potential, results in a total estimated demand for 2,913 for-sale housing units by 2030.
- Based on land available, building trends, the existing housing stock, and demographic shifts (increasing older adult population), we project 78% of the for-sale owners in Chisago County will prefer traditional single-family product types while the remaining 22% will prefer a maintenance-free multi-family product (i.e. twin homes, townhomes, or condominiums). This results in demand for 2,283 single-family units and 630 multifamily units in Chisago County through 2030.



Rental Housing Demand Analysis

Table HD-2 presents our calculation of market rate general-occupancy rental housing demand for Chisago County. This analysis identifies potential demand for rental housing that is generated from both new households and turnover households.

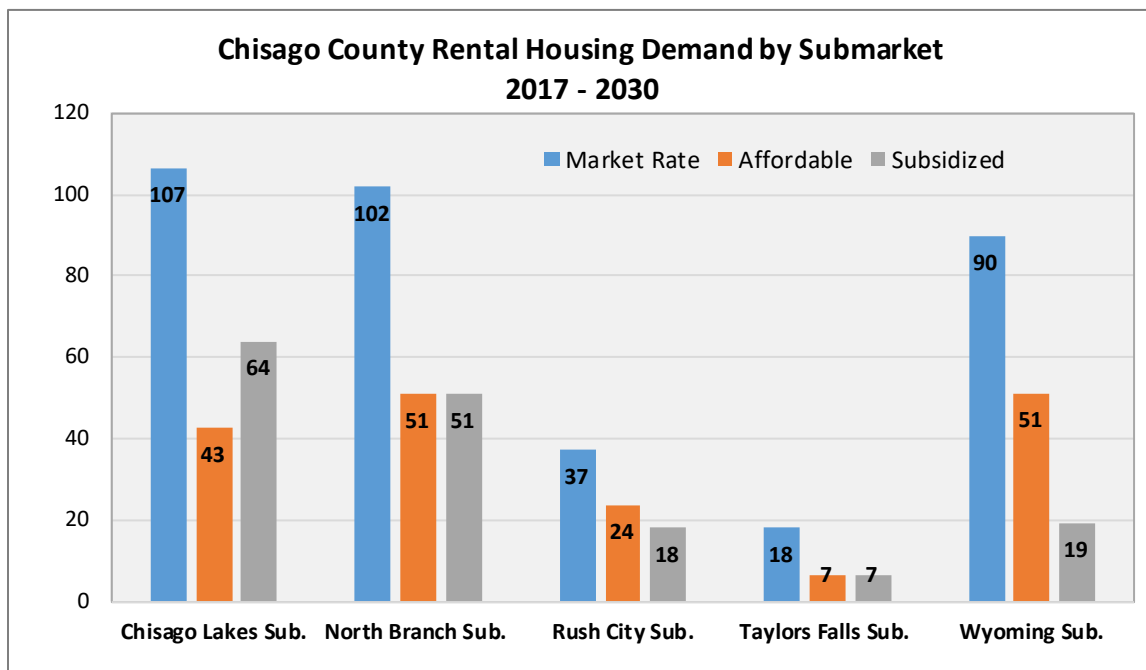
- According to our projections, Chisago County is expected to increase by 2,050 non-senior households between 2017 and 2030. Because the 65 and older cohort is typically not a target market for new general-occupancy market rate rental housing, we limit demand from household growth to only those households under the age of 65.
- We identify the percentage of households that are likely to rent their housing based on 2010 tenure data. The propensity to rent ranges from 15% to 17% based on the submarket. After adjusting household growth by renters, there is growth of 317 renters through 2030 for renter households in Chisago County.
- Secondly, we calculate demand from existing households under the age of 65 in Chisago County that could be expected to turnover between 2017 and 2030. As of 2017, there are 2,117 renter households under the age of 65 in the County. Based on household turnover data from the 2016 American Community Survey, we estimate that between 85.7% (Chisago Lakes Submarket) and 93.7% (North Branch Submarket) of these under-65 owner households will experience turnover between 2017 and 2030 (turnover rate varies by submarket).
- We then estimate the percent of existing renter households turning over that would prefer to rent in a new rental development. Considering the age of the County's housing stock, we estimate that 15% of the households turning over in Chisago County will desire new rental housing. This estimate results in demand from existing households for 279 new residential rental units between 2017 and 2030.
- Combining demand from household growth plus turnover results in total demand in the County for 596 rental units between 2017 and 2030.

HOUSING DEMAND ANALYSIS

TABLE HD-2 DEMAND FOR ADDITIONAL RENTAL HOUSING CHISAGO COUNTY 2017 to 2030						
	Chisago Lakes Submarket	North Branch Submarket	Rush City Submarket	Taylors Falls Submarket	Wyoming Submarket	Chisago County
DEMAND FROM NEW HOUSEHOLD GROWTH						
Household growth under age 65, 2017 to 2030	715	621	113	0	601	2,050
(times) % propensity to rent ¹	16.0%	15.0%	17.0%	15.0%	15.0%	
(Equals) Number of pentential renter hhds from new HH growth	114	93	19	0	90	317
DEMAND FROM EXISTING HOUSEHOLDS						
Total renter households under age 65, 2017	552	598	383	218	365	2,117
(times) % of renter turnover 2017-2030 ²	85.7%	93.7%	91.4%	86.4%	79.2%	
(times) % desiring new rental housing	15.0%	15.0%	15.0%	15.0%	15.0%	
(Equals) Demand from existing households	71	84	53	28	43	279
TOTAL MARKET DEMAND						
Total demand from new HH growth and turnover	185	177	72	28	134	596
(Plus) Demand from outside Submarket	15.0%	15.0%	10.0%	10.0%	20.0%	
(Equals) Total demand potential for rental housing	213	204	79	31	160	687
Percent Market Rate ³	50%	50%	47%	58%	56%	
Number	107	102	37	18	90	353
Percent Affordable ³	20%	25%	30%	21%	32%	
Number	43	51	24	7	51	175
Percent Subsidized ³	30%	25%	23%	21%	12%	
Number	64	51	18	7	19	159
¹ Based on percent renter households under age 65 in 2010						
² Based on household turnover and mobility data (2016 American Community Survey, Five Year Estimates)						
³ Based on the pricing of current rental product and household incomes of area renters (i.e. exludes owner incomes)						
Source: Maxfield Research and Consulting LLC						

HOUSING DEMAND ANALYSIS

- Like for-sale housing, we estimate that 10% to 20% of the total demand for new rental housing units in Chisago County will come from people currently living outside of one of the five submarkets.
- Based on a review of renter household incomes and sizes and monthly rents at existing properties, we estimate that 47% to 58% of the total demand will be for market rate housing. Through 2030, demand exists for 353 market rate rental units in Chisago County.
- We estimate that 20% to 32% of the total demand in Chisago County will be for affordable housing and 12% to 30% will be for subsidized housing. The percentage breakdown varies by submarket. Through 2030, demand exists for 175 affordable rental units and subsidized rental units in Chisago County.



Senior Housing Demand Analysis

Tables HD-3 through HD-7 shows demand calculations for senior housing in Chisago County by submarket from 2017 to 2030. Demand methodology employed by Maxfield Research utilizes capture and penetration rates that blend national senior housing trends with local market characteristics, preferences and patterns. Our demand calculations consider the following target market segments for each product types:

Market Rate Active Adult Rental and Ownership Housing: Target market based includes age 55+ older adult and senior households with incomes of \$35,000 or more and senior homeowners with incomes between \$25,000 and \$34,999.

Affordable/Subsidized Independent Housing: Target market based includes age 55+ older adult and senior households with incomes of \$35,000 or less.

Congregate Housing: Target market base includes age 65+ seniors who would be financially able to pay for housing and service costs associated with congregate housing. Income-ranges considered capable of paying for congregate housing are the same as for active adult housing.

Assisted Living Housing: Target market base includes older seniors (age 75+) who would be financially able to pay for private pay assisted living housing (incomes of \$40,000 or more and some homeowners with incomes below \$40,000).

Memory Care Housing: Target market base includes age 65+ seniors who would be financially able to pay for housing and service costs associated with memory care housing. Income ranges considered capable of paying for memory care housing (\$60,000 or more) are higher than other service levels due to the increased cost of care.

Existing senior housing units are subtracted from overall demand for each product type.

HOUSING DEMAND ANALYSIS

TABLE HD-3 DEMAND FOR MARKET RATE ACTIVE ADULT HOUSING CHISAGO COUNTY 2017 to 2030						
	Chisago Lakes Sub.	North Branch Sub.	Rush City Sub.	Taylors Falls Sub.	Wyoming Sub.	Chisago County
2017						
Households age 55-64	1,259	1,455	420	419	727	4,280
(times) % income qualified ¹	84%	81%	74%	80%	84%	
(times) HO factor \$25k-\$35k	5.2%	6.0%	7.0%	5.5%	5.7%	
(plus) Homeowners w/incomes \$25k-35k ²	65	87	29	23	41	247
(times) potential capture rate	0.5%	0.5%	0.5%	0.5%	0.5%	
(equals) demand potential	6	6	2	2	3	19
Households age 65-74	932	851	314	217	447	2,754
(times) % income qualified ¹	74%	72%	66%	63%	72%	
(times) HO factor \$25k-\$35k	6.3%	7.7%	8.2%	8.5%	6.9%	
(plus) Homeowners w/incomes \$25k-35k ²	59	66	26	18	31	199
(times) potential capture rate	5.5%	5.5%	5.5%	5.5%	5.5%	
(equals) demand potential	41	37	13	9	19	119
Households age 75+	857	594	217	128	262	2,058
(times) % income qualified ¹	44%	43%	30%	40%	49%	
(times) HO factor \$25k-\$35k	12.3%	8.5%	13.3%	17.3%	6.5%	
(plus) Homeowners w/incomes \$25k-35k ²	105	50	29	22	17	224
(times) potential capture rate	16.5%	16.5%	16.5%	16.5%	16.5%	
(equals) demand potential	80	50	16	12	24	182
(Equals) Demand potential from Chisago Co.	126	94	30	22	47	320
(plus) Demand from Outside Chisago Co./Submarket	15%	15%	10%	10%	20%	
(Equals) total Demand Potential	149	111	33	25	58	376
Percent Owner-Occupied	40%	30%	25%	25%	30%	
Number	59	33	8	6	17	125
(minus) Existing and Pending Units ³	0	0	0	0	0	0
(equals) Total Owner-Occupied Demand	59	33	8	6	17	125
Percent Renter-Occupied	60%	70%	75%	75%	70%	
Number	89	78	25	19	41	251
(minus) Existing and Pending Units ³	36	23	19	0	0	78
(equals) Total Renter-Occupied Demand	53	55	6	19	41	173
CONTINUED						

HOUSING DEMAND ANALYSIS

TABLE HD-3 CONT. DEMAND FOR MARKET RATE ACTIVE ADULT HOUSING CHISAGO COUNTY 2017 to 2030						
	Chisago Lakes Sub.	North Branch Sub.	Rush City Sub.	Taylors Falls Sub.	Wyoming Sub.	Chisago County
2030						
Households age 55-64	1,420	1,591	438	369	844	4,662
(times) % income qualified ¹	80%	76%	69%	76%	80%	
(times) HO factor \$25k-\$35k	4.6%	6.1%	5.9%	5.5%	5.8%	
(plus) Homeowners w/incomes \$25k-35k ²	65	97	26	20	49	257
(times) potential capture rate	0.5%	0.5%	0.5%	0.5%	0.5%	
(equals) demand potential	6	7	2	2	4	19
Households age 65-74	1,136	1,130	366	291	644	3,567
(times) % income qualified ¹	70%	67%	61%	59%	67%	
(times) HO factor \$25k-\$35k	5.5%	7.4%	7.2%	7.6%	7.0%	
(plus) Homeowners w/incomes \$25k-35k ²	62	84	26	22	45	240
(times) potential capture rate	5.5%	5.5%	5.5%	5.5%	5.5%	
(equals) demand potential	47	46	14	11	26	144
Households age 75+	994	963	303	233	489	2,982
(times) % income qualified ¹	39%	36%	26%	33%	43%	
(times) HO factor \$25k-\$35k	14.7%	12.4%	13.2%	21.5%	10.3%	
(plus) Homeowners w/incomes \$25k-35k ²	146	12	40	12	50	261
(times) potential capture rate	16.5%	16.5%	16.5%	16.5%	16.5%	
(equals) demand potential	88	59	20	15	43	225
(Equals) Demand potential from Chisago Co.	141	112	35	27	73	388
(plus) Demand from Outside Chisago Co./Submarket)	15%	15%	10%	10%	20%	
(Equals) total Demand Potential	166	132	39	30	91	458
Percent Owner-Occupied	40%	30%	25%	25%	30%	
Number	66	40	10	7	27	151
(minus) Existing and Pending Units ³	0	0	0	0	0	0
(equals) Total Owner-Occupied Demand	66	40	10	7	27	151
Percent Renter-Occupied	60%	70%	75%	75%	70%	
Number	100	92	29	22	64	307
(minus) Existing and Pending Units ³	36	23	19	0	0	78
(equals) Total Renter-Occupied Demand	64	69	10	22	64	229
¹ Based on households earning \$35,000+ in 2017. 2030 calculations are based on households earning \$40,000+ due to inflation.						
² Estimated homeowners with incomes between \$25,000 and \$34,999 in 2017. Incomes between \$30,000 and \$39,999 in 2030.						
³ Existing and pending units are deducted at market equilibrium (95% occupancy).						
Source: Maxfield Research & Consulting LLC						

HOUSING DEMAND ANALYSIS

**TABLE HD-4
DEMAND FOR SUBSIDIZED/AFFORDABLE SENIOR HOUSING
CHISAGO COUNTY
2017 to 2030**

	Chisago Lakes Sub.	North Branch Sub.	Rush City Sub.	Taylors Falls Sub.	Wyoming Sub.	Chisago County
2017						
Households age 55-64	1,259	1,455	420	419	727	4,280
(times) % income qualified ¹	16.3%	19.4%	26.3%	20.3%	15.6%	
(times) potential capture rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Households age 65-74	932	851	314	217	447	2,761
(times) % income qualified ¹	26.3%	27.6%	33.8%	36.5%	27.6%	
(times) potential capture rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Households age 75+	857	594	217	128	262	2,058
(times) % income qualified ¹	55.7%	57.0%	69.5%	59.7%	51.5%	
(times) potential capture rate	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
(Equals) Demand potential from Chisago Co. Residents	124	97	43	25	42	330
(plus) Demand from Outside Chisago Co./Submarket)	25%	25%	15%	15%	30%	
(Equals) total Demand Potential	165	129	51	29	59	434
Percent Subsidized	60%	10%	0%	0%	43%	28%
Number	99	13	0	0	26	138
(minus) Existing and Pending Units ²	29	11	34	0	91	165
(equals) Total Subsidized Demand	71	2	0	0	0	72
Percent Affordable ²	40%	90%	100%	100%	57%	72%
Number	66	116	51	29	34	296
(minus) Existing and Pending Units ²	19	101	19	0	38	177
(equals) Total Affordable Demand	47	16	32	29	0	124
CONTINUED						

HOUSING DEMAND ANALYSIS

TABLE HD-4 CONT.
DEMAND FOR SUBSIDIZED/AFFORDABLE SENIOR HOUSING
CHISAGO COUNTY
2017 to 2030

	Chisago Lakes Sub.	North Branch Sub.	Rush City Sub.	Taylor's Falls Sub.	Wyoming Sub.	Chisago County
2030						
Households age 55-64	1,420	1,591	438	369	844	4,662
(times) % income qualified ¹	16.0%	20.9%	25.6%	21.0%	19.7%	
(times) potential capture rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Households age 65-74	1,136	1,130	366	291	644	3,567
(times) % income qualified ¹	26.2%	30.0%	33.7%	37.7%	32.7%	
(times) potential capture rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Households age 75+	994	963	303	233	489	2,982
(times) % income qualified ¹	57.8%	62.2%	71.2%	65.7%	57.5%	
(times) potential capture rate	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
(Equals) Demand potential from Chisago Co. Residents	149	160	58	43	81	491
(plus) Demand from Outside Chisago Co./Submarket)	25%	25%	15%	15%	30%	
(Equals) total Demand Potential	199	214	68	51	115	647
Percent Subsidized	60%	10%	0%	0%	43%	28%
Number	119	21	0	0	50	190
(minus) Existing and Pending Units ²	29	11	34	0	91	165
(equals) Total Subsidized Demand	91	10	0	0	0	101
Percent Affordable ²	40%	90%	100%	100%	57%	72%
Number	80	192	68	51	66	456
(minus) Existing and Pending Units ²	19	101	19	0	38	177
(equals) Total Affordable Demand	61	92	49	51	28	280
¹ Based on households earning \$35,000 and under in 2017. Households earning \$40,000 and under in 2030.						
² Based on household turnover and mobility data (2015 American Community Survey, Five Year Estimates)						
³ Existing and pending units are deducted at market equilibrium (95% occupancy).						
Source: Maxfield Research & Consulting LLC						

HOUSING DEMAND ANALYSIS

TABLE HD-5 DEMAND FOR CONGREGATE RENTAL HOUSING CHISAGO COUNTY 2017 to 2030						
	Chisago Lakes Sub.	North Branch Sub.	Rush City Sub.	Taylor's Falls Sub.	Wyoming Sub.	Chisago County
2017						
Households age 65-74	932	851	314	217	447	2,761
(times) % income qualified ¹	74%	72%	66%	63%	72%	
(times) HO factor \$30k-\$35k	1.9%	2.2%	2.8%	2.1%	2.5%	
(plus) Homeowners w/incomes \$30k-35k ²	18	19	9	5	11	61
(times) potential capture rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
(equals) demand potential	11	9	3	2	5	1
Households age 75+	857	594	217	128	262	2,058
(times) % income qualified ¹	44%	43%	30%	40%	49%	
(times) HO factor \$30k-\$35k	3.2%	3.6%	4.8%	4.6%	3.0%	
(plus) Homeowners w/incomes \$30k-35k ²	27	21	10	6	8	73
(times) potential capture rate	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
(equals) demand potential	53	36	10	7	18	9
(Equals) Demand potential	63	45	13	10	23	10
(plus) Demand from Outside Chisago Co./Submarket)	15%	15%	10%	10%	20%	15%
(Equals) total Demand Potential	74	53	15	11	28	181
(minus) Existing and Pending Units ³	44	0	0	0	0	44
(Equals) Total Congregate Demand	31	53	15	11	28	138
2030						
Households age 65-74	1,136	1,130	366	291	644	3,567
(times) % income qualified ¹	70%	67%	61%	59%	67%	
(times) HO factor \$35k-\$40k	2.9%	3.8%	4.2%	3.5%	4.4%	
(plus) Homeowners w/incomes \$35k-40k ²	33	43	15	10	28	130
(times) potential capture rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
(equals) demand potential	12	12	4	3	7	38
Households age 75+	994	963	303	233	489	2,982
(times) % income qualified ¹	39%	36%	26%	33%	43%	
(times) HO factor \$35k-\$40k	3.8%	4.6%	4.0%	6.6%	4.2%	
(plus) Homeowners w/incomes \$35k-40k ²	38	44	12	15	21	130
(times) potential capture rate	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
(equals) demand potential	55	51	12	12	30	160
(Equals) Demand potential	68	63	15	15	37	198
(plus) Demand from Outside Chisago Co./Submarket)	15%	15%	10%	10%	20%	15%
(Equals) total Demand Potential	80	74	17	16	46	233
(minus) Existing and Pending Units ³	44	0	0	0	0	44
(Equals) Total Congregate Demand	36	74	17	16	46	189
¹ Based on households earning \$35,000+ in 2017. 2030 calculations are based on households earning \$40,000+ due to inflation.						
² Estimated homeowners with incomes between \$30,000 and \$34,999 in 2017. Incomes between \$35,000 and \$39,999 in 2030.						
³ Existing and pending units are deducted at market equilibrium (95% occupancy).						
Source: Maxfield Research & Consulting LLC						

HOUSING DEMAND ANALYSIS

TABLE HD-6 DEMAND FOR ASSISTED LIVING RENTAL HOUSING CHISAGO COUNTY 2017 to 2030						
	Chisago Lakes Sub.	North Branch Sub.	Rush City Sub.	Taylor's Falls Sub.	Wyoming Sub.	Chisago County
2017						
People age 75-79	450	388	144	92	178	1,252
(times) % needing assistance ¹	25.5%	25.5%	25.5%	25.5%	25.5%	
People age 80-84	337	246	89	52	105	829
(times) % needing assistance ¹	33.6%	33.6%	33.6%	33.6%	33.6%	
People age 85+	445	248	89	53	90	925
(times) % needing assistance ¹	51.6%	51.6%	51.6%	51.6%	51.6%	
(Equals) Number needing assistance	458	310	113	68	127	1,075
(times) Percent Income-Qualified ²	58.3%	52.8%	48.5%	58.4%	56.9%	
(times) Percent Living Alone	56.4%	49.4%	46.3%	34.3%	56.0%	
(plus) Proportion of demand from couples (12%) ³	21	11	3	2	6	42
(equals) Total Age-Income Qualified market needing assistance	171	92	29	16	46	353
(times) Potential penetration rate ⁴	40%	40%	40%	40%	40%	
(Equals) Demand potential from Chisago Co. Residents	68	37	11	6	18	141
(plus) Demand from Outside Chisago Co./Submarket)	15%	15%	10%	10%	20%	
(Equals) total Demand Potential	80	43	13	7	23	166
(minus) Existing and Pending Units ⁵	82	47	0	22	60	211
(Equals) Total Assisted Living Demand	0	0	13	0	0	13
2030						
People age 75-79	650	563	212	148	296	1,869
(times) % needing assistance ¹	25.5%	25.5%	25.5%	25.5%	25.5%	
People age 80-84	435	325	1,222	73	170	2,225
(times) % needing assistance ¹	33.6%	33.6%	33.6%	33.6%	33.6%	
People age 85+	526	296	105	56	122	1,105
(times) % needing assistance ¹	51.6%	51.6%	51.6%	51.6%	51.6%	
(Equals) Number needing assistance	583	406	519	91	196	1,794
(times) Percent Income-Qualified ²	57.0%	49.0%	47.6%	54.8%	54.1%	
(times) Percent Living Alone	56.4%	49.4%	46.3%	34.3%	56.0%	
(plus) Proportion of demand from couples (12%) ³	26	13	16	2	8	65
(equals) Total Age-Income Qualified market needing assistance	213	112	130	19	67	541
(times) Potential penetration rate ⁴	40%	40%	40%	40%	40%	
(Equals) Demand potential from Chisago Co. Residents	85	45	52	8	27	217
(plus) Demand from Outside Chisago Co./Submarket)	15%	15%	10%	10%	20%	
(Equals) total Demand Potential	100	52	58	9	34	253
(minus) Existing and Pending Units ⁵	82	47	0	22	60	211
(Equals) Total Assisted Living Demand	18	5	58	0	0	81
¹ The percentage of seniors unable to perform or having difficulty with ADLs, based on the publication Health, United States, 1999 Health and Aging Chartbook, conducted by the Centers for Disease Control and Prevention and the National Center for Health Statistics. ² Includes households with incomes of \$40,000 or more (who could afford monthly rents of \$3,000+ per month) plus 40% of the estimated owner households with incomes below \$40,000 (who will spend down assets, including home-equity, in order to live in assisted living housing). ³ The 2009 Overview of Assisted Living (a collaborative project of AAHSA, ASHA, ALFA, NCAL & NIC) found that 12% of assisted living residents are couples. ⁴ We estimate that 60% of the qualified market needing assistance with ADLs could either remain in their homes or reside at less advanced senior housing with the assistance of a family member or home health care, or would need greater care provided in a skilled care facility. ⁵ Existing and pending units at 93% occupancy.						
Source: Maxfield Research & Consulting LLC						

HOUSING DEMAND ANALYSIS

TABLE HD-7 DEMAND FOR MEMORY CARE RENTAL HOUSING CHISAGO COUNTY 2017 to 2030						
	Chisago Lakes Sub.	North Branch Sub.	Rush City Sub.	Taylors Falls Sub.	Wyoming Sub.	Chisago County
2017						
People age 65-74	1,478	1,443	536	407	711	4,575
(times) Dementia incident rate ¹	2.0%	2.0%	2.0%	2.0%	2.0%	
People age 75-84	786	634	233	144	283	2,080
(times) Dementia incident rate ¹	19.0%	19.0%	19.0%	19.0%	19.0%	
People age 85+	445	248	89	53	90	925
(times) Dementia incident rate ¹	42.0%	42.0%	42.0%	42.0%	42.0%	
(Equals) Total senior population with dementia	366	253	92	58	106	875
(times) Percent Income-Qualified ²	49.9%	56.2%	55.7%	58.1%	59.6%	
(times) Potential penetration rate	25.0%	25.0%	25.0%	25.0%	25.0%	
(Equals) Demand Potential from Chisago Co.	46	36	13	8	16	118
(plus) Demand from Outside Chisago Co./Submarket)	15%	15%	10%	10%	20%	
(Equals) total Demand Potential	54	42	14	9	20	139
(minus) Existing and Pending Units ³	23	19	0	0	17	59
(Equals) Total Memory Care Demand	30	23	14	9	3	80
2030						
People age 65-74	1,957	1,958	694	533	1,097	6,239
(times) Dementia incident rate ¹	2.0%	2.0%	2.0%	2.0%	2.0%	
People age 75-84	1,085	887	333	221	465	2,991
(times) Dementia incident rate ¹	19.0%	19.0%	19.0%	19.0%	19.0%	
People age 85+	526	296	105	56	122	1,105
(times) Dementia incident rate ¹	42.0%	42.0%	42.0%	42.0%	42.0%	
(Equals) Total senior population with dementia	466	332	121	76	162	1,157
(times) Percent Income-Qualified ²	51.4%	56.3%	57.7%	58.5%	59.7%	
(times) Potential penetration rate	25.0%	25.0%	25.0%	25.0%	25.0%	
(Equals) Demand Potential from Chisago Co.	60	47	17	11	24	159
(plus) Demand from Outside Chisago Co./Submarket)	15%	15%	10%	10%	20%	
(Equals) total Demand Potential	70	55	19	12	30	187
(minus) Existing and Pending Units ³	23	19	0	0	17	59
(Equals) Total Memory Care Demand	47	36	19	12	13	129
¹ Alzheimer's Association: Alzheimer's Disease Facts & Figures (2007) ² Includes seniors with income at \$60,000 or above 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. Households with incomes at \$65,000+ for 2030 calculations due to inflation. ³ Existing and pending units at 93% occupancy.						
Source: Maxfield Research & Consulting LLC						

Chisago County Demand Summary

The housing demand calculations in Tables HD-1 through HD-7 indicate that between 2017 and 2030, 2,913 for-sale housing units, 687 rental units, and 160 senior units will be needed in Chisago County to satisfy the housing demand for current and future residents. Summary demand tables for general occupancy and senior housing are broken down by submarket in Tables HD-8 and HD-9.

We recommend maintaining a single-family lot supply of at least three to five years to provide adequate consumer choice but not prolonged developer carrying costs. With an average of 237 new housing units built annually between 2000 and 2016 in Chisago County (see *Table HC-1*), this equates to a lot supply of about 3,000 lots needed through 2030 based on historical trends. Most residential building construction occurred last decade between 2000 and 2006 when the county averaged over 400 new single-family housing units annually. Since 2007 the county has been averaging just over 100 new single-family units annually. However, with the growth in the Twin Cities moving out Chisago County will once again be poised to capture future housing growth as householders seek more affordable housing stock

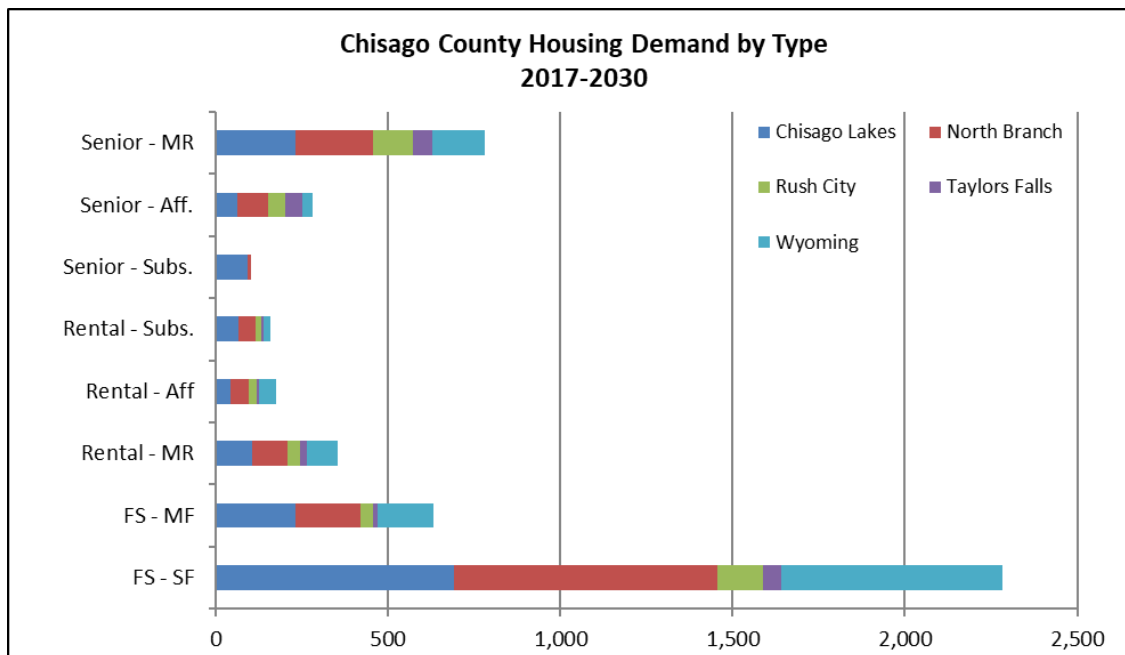


Table R-4 showed that there is a 2.9% vacancy rate in the general-occupancy rental market. There are few newer apartment products in Chisago County and the existing rental stock is older and lacks features and amenities today's renters seek. With a strong rental market, we find that new rental units should be added in the short-term to satisfy potential household growth and accommodate employees working at local businesses. We found demand for 687 general-occupancy rental units in Chisago County through 2030, most of which are market rate units.

Chisago County 2017 - 2030 Demand Summary by Submarket

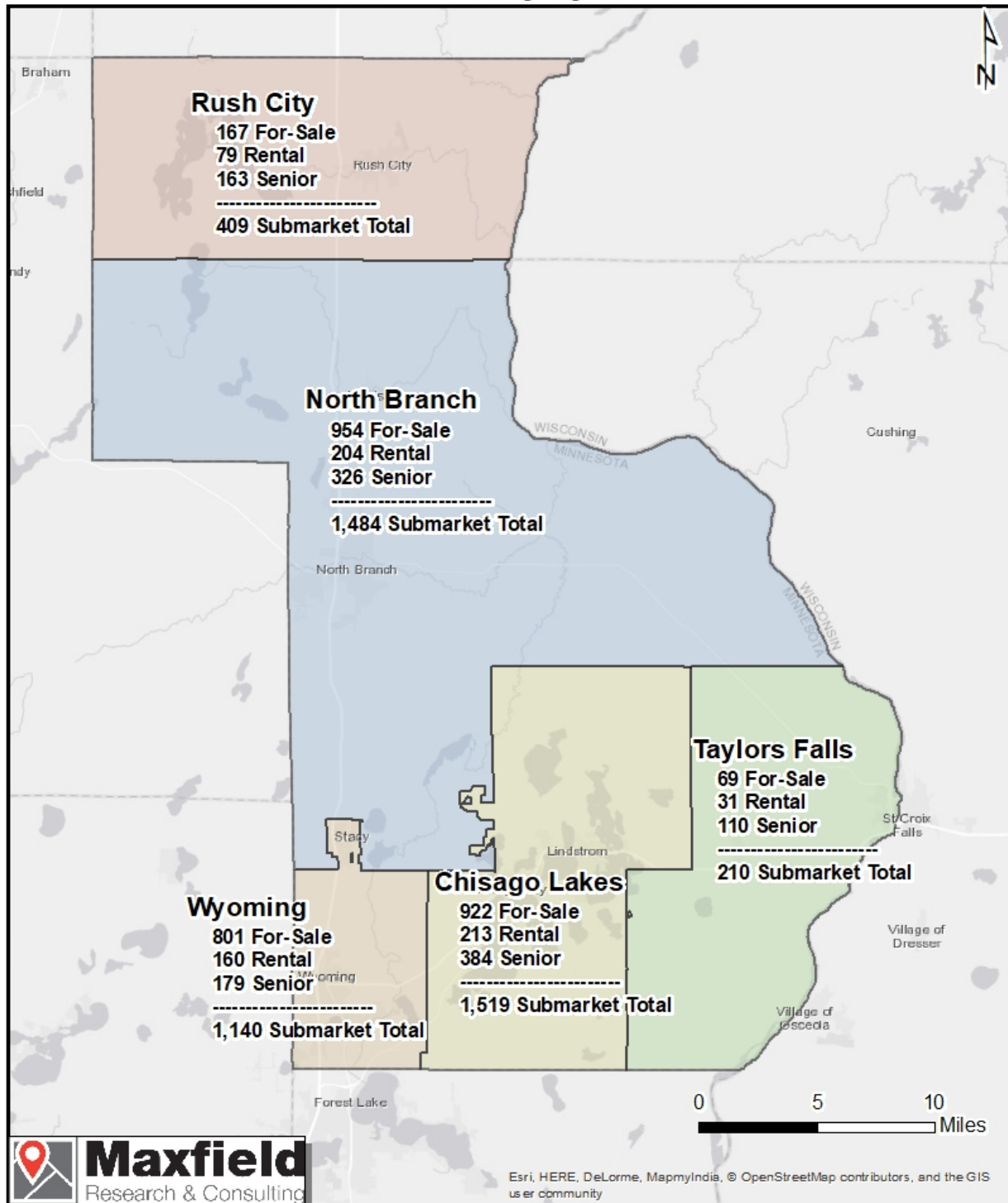


TABLE HD-8
GENERAL OCCUPANCY EXCESS DEMAND SUMMARY
CHISAGO COUNTY
2017 to 2030

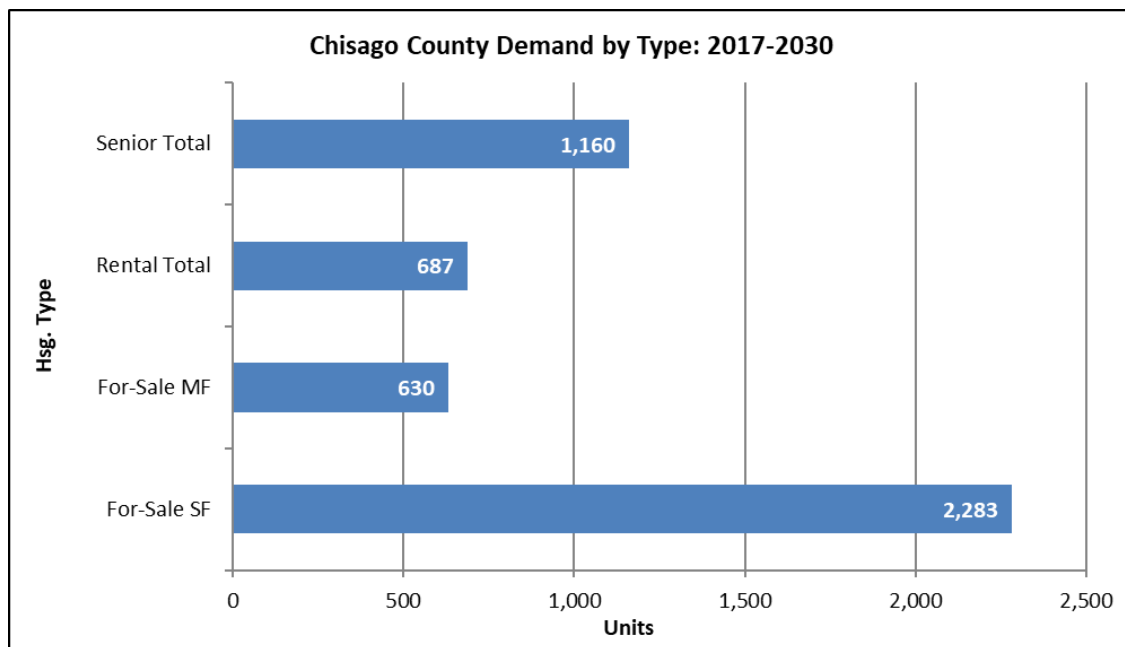
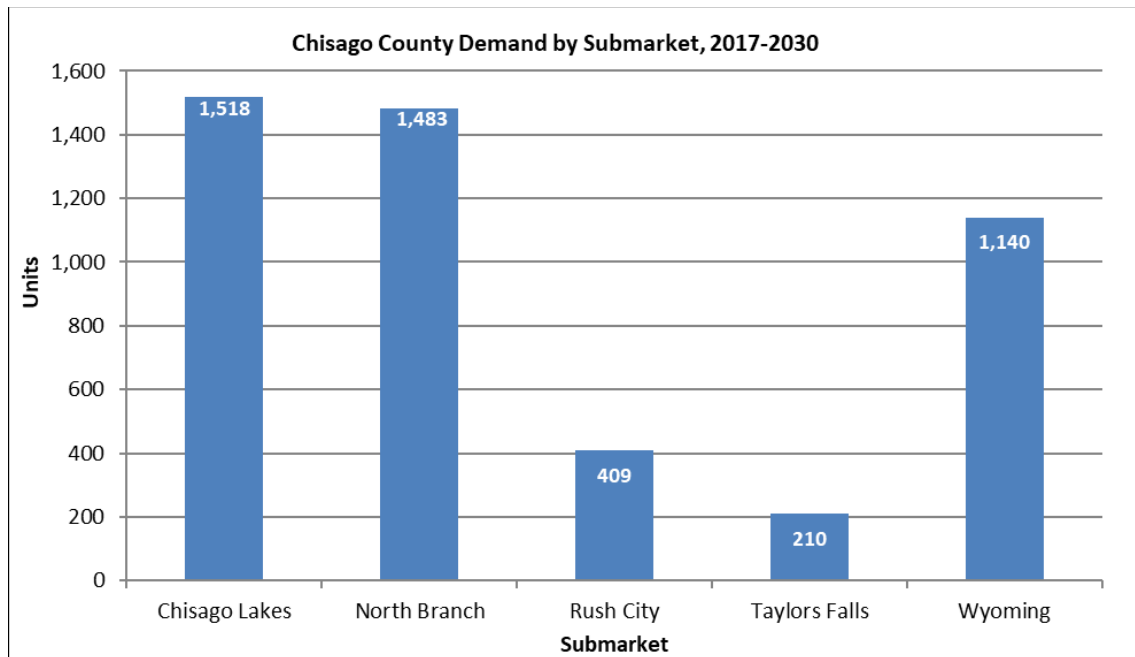
Submarket	2017 to 2030						
	FOR-SALE			RENTAL			
	Single-family	Multifamily	Total	Market Rate	Affordable	Subsidized	Total
Chisago Lakes	691	230	922	107	43	64	213
North Branch	763	191	954	102	51	51	204
Rush City	133	33	167	37	24	18	79
Taylors Falls	54	15	69	18	7	7	31
Wyoming	641	160	801	90	51	19	160
CHISAGO COUNTY	2,283	630	2,913	353	175	159	687

Sources: Maxfield Research & Consulting, LLC

HOUSING DEMAND ANALYSIS

**TABLE HD-9
SENIOR HOUSING EXCESS DEMAND SUMMARY
CHISAGO COUNTY
2017 to 2030**

2017								
Submarket	ACTIVE ADULT					SERVICE-ENHANCED**		
	Subsidized Rental	Affordable Rental	MR Owner	MR Rental	Total	Congregate	Assisted Living	Memory Care
Chisago Lakes	71	47	59	53	231	31	0	30
North Branch	2	16	33	55	105	53	0	23
Rush City	0	32	8	6	46	15	13	14
Taylors Falls	0	29	6	19	54	11	0	9
Wyoming	0	0	17	41	58	28	0	3
CHISAGO COUNTY	72	124	125	173	494	138	13	80
2030								
Submarket	ACTIVE ADULT					SERVICE-ENHANCED**		
	Subsidized Rental	Affordable Rental	MR Owner	MR Rental	Total	Congregate	Assisted Living	Memory Care
Chisago Lakes	91	61	66	64	282	36	18	47
North Branch	10	92	40	69	211	74	5	36
Rush City	0	49	10	10	69	17	58	19
Taylors Falls	0	51	7	22	81	16	0	12
Wyoming	0	28	27	64	119	46	0	13
CHISAGO COUNTY	101	280	151	229	760	189	81	129
** Service-enhanced demand is calculated for private pay seniors only; additional demand could be captured if Elderly Waiver and other sources of non-private payment sources are permitted.								
Sources: Maxfield Research & Consulting, LLC								

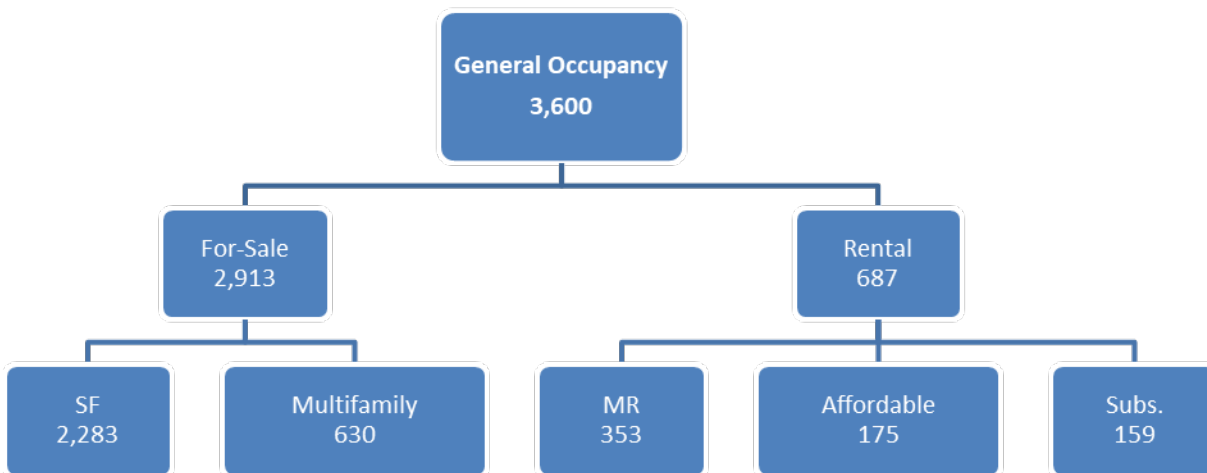


Introduction

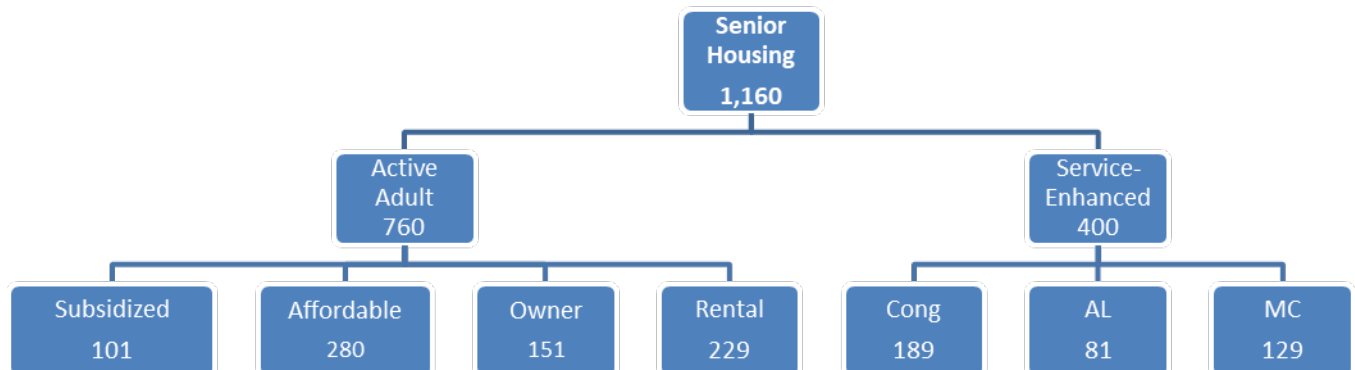
Based on the finding of our analysis and demand calculations, Tables HD-8 and HD-9 provides a summary of housing demand county and submarket through 2030. Demand exists in Chisago County for a variety of product types. The following section summarizes housing concepts and housing types that will be demanded from various target markets. It is important to note that not all housing types will be supportable in all communities and that the demand illustrated in Tables HD-8 and HD-9 may not directly coincide with housing development due to a variety of factors (i.e. economies of scale, infrastructure capacity, land availability, etc.).

Based on the findings of our analysis and demand calculations, Table CR-1 provides a summary of the recommended development concepts by product type for Chisago County. 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 Chisago County. The recommended development types do not directly coincide with total demand as illustrated in Tables HD-8 and HD-9.

Chisago County Projected General Occupancy Demand, 2017 – 2030



Chisago County Projected Senior Demand, 2017 – 2030



Chisago Lakes Submarket– Summary of Demographic and Housing Condition Findings

Key demographic and housing market findings for the Chisago Lakes submarket from the housing study are highlighted below. For a comparison, figures for Chisago County are shown as well.

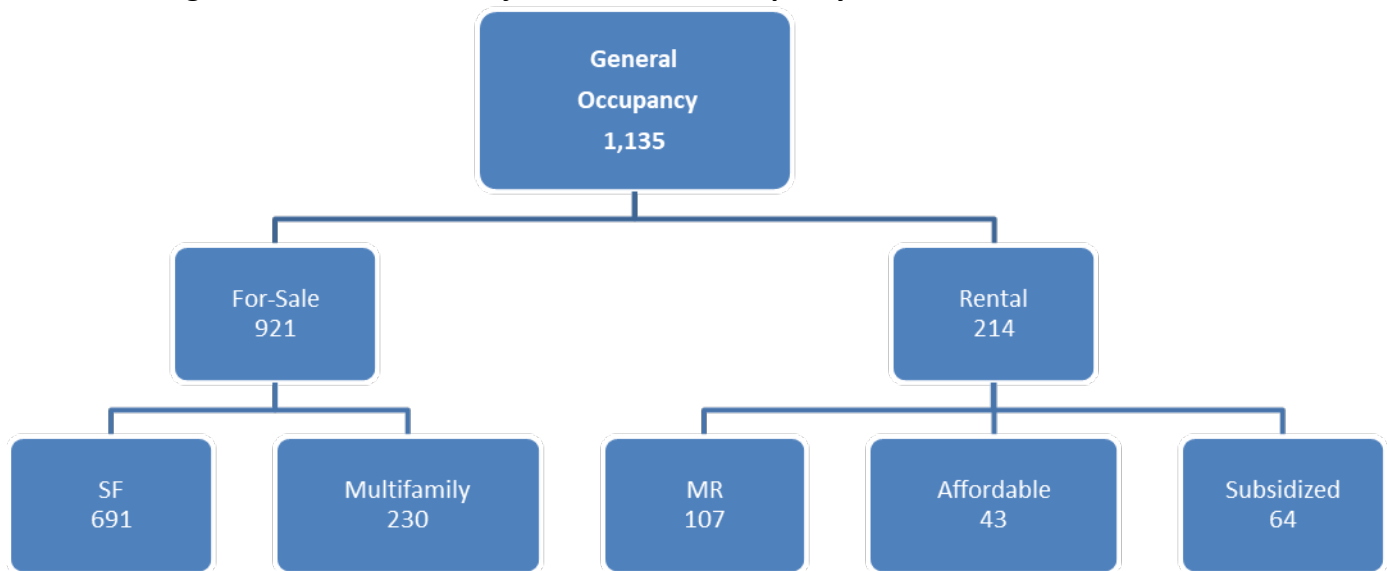
Demographic and Housing Characteristics Summary		
	Chisago Lakes Sub.	Chisago County
Demographics		
Population (2010 & 2020)	14,693 15,609	53,887 56,877
Pct. Population Under 18 (2017 & 2022)	22.5% 22.4%	23.6% 23.2%
Pct. Population 65+ (2017 & 2022)	18.2% 20.4%	13.9% 16.2%
Median Age (2017 & 2022)	43.5 43.6	40.0 40.3
Households (2010 & 2020)	5,705 6,330	19,470 21,241
Household Growth (2010 & 2020)	625	1,771
Avg. HH Size (2010 & 2020)	2.58 2.47	2.77 2.68
Median Household Income (2017)	\$73,538	\$70,373
Homeownership Rate (2015)	85%	85%
Housing Characteristics		
Number of single-family units permitted (2000-2016)	1,178	4,024
Number of multifamily units permitted (2000-2016)	18	154
Median age of housing stock (2015)	1989	1991
Housing stock built before 1950	769 13%	2,489 13%
Housing stock built between 1950 and 1990	2,204 38%	7,138 36%
Housing stock built after 1990	2,880 49%	10,181 51%
Employment		
Total Employees (2017)	N/A	819
Average Annual Wage (2017)	N/A	\$42,588
For-Sale Housing		
Median resale price of existing homes (2017)	\$246,080	\$226,546
Median list price of actively marketing SF homes (Dec. 2017)	\$312,400	\$299,900
Owner-occupied one-unit structures (2015)	4,679 93.5%	15,848 94.2%
Median home value of owner-occupied units (2015)	\$217,793	\$192,300
General Occupancy Rental Housing		
Renter-occupied one-unit structures (2015)	301 35.4%	1,298 43.6%
Renter-occupied 10+ unit structures (2015)	422 49.6%	1,015 34.1%
Median contract rent for renter-occupied units (2015)	\$678	\$678
Senior Housing		
Distribution of senior housing by type		
Affordable/Subsidized Active Adult	110 / 36.9%	420 / 50.7%
Market Rate Active Adult	38 / 12.8%	82 / 9.9%
Congregate	109 / 36.6%	109 / 13.1%
Assisted Living	25 / 8.4%	164 / 19.8%
Memory Care	16 / 5.4%	54 / 6.5%

Chisago Lakes Submarket Recommendations

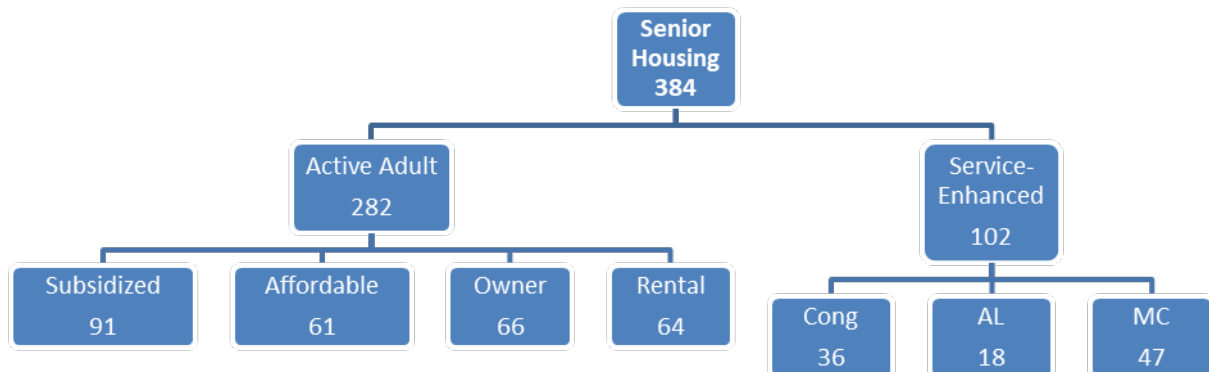
The Chisago Lakes submarket is the second largest submarket and makes up over a quarter of the county population in 2017 (14,920). The Chisago Lakes submarket experienced population growth of almost 55% between 2000 and 2010 and is projected to increase by 6.2% between 2010 and 2020. Household growth in the Chisago Lakes submarket is expected to experience marginal growth by 2020, 10.9%.

The Chisago Lakes submarket accounts for about 32% of all housing demand in Chisago County, or roughly 1,500 total units. Like other submarkets in Chisago County, the Chisago Lakes submarket is also aging and accounts for a third of the senior housing demand in Chisago County. The demand for general occupancy housing also accounts for roughly a third of the general occupancy demand throughout the county.

Chisago Lakes Submarket Projected General Occupancy Demand, 2017 – 2030



Chisago Lakes Submarket Projected Senior Demand, 2030



Note: Because households are mobile and are willing to seek out various housing products in adjacent communities, these demand figures may experience fluctuations

RECOMMENDATIONS AND CONCLUSIONS

For-Sale Housing: The Chisago Lakes submarket housing market peaked in 2017 establishing a new peak for median housing values at \$246,080. The previous peak was in 2005 at \$241,500. Nearly 300 homes sold in the Chisago Lakes submarket in 2017, however 2016 was the peak year for resales when over 330 sales occurred. For-sale housing demand through 2030 is very strong with the need for about 700 single-family homes and 230 for-sale multifamily homes.

The current lot supply in the Chisago Lakes submarket is low and new lots need to be platted immediately to meet the growing demand. Because of the lakes and the location in Chisago County, housing values for new construction are expected to be at the higher end of new construction pricing in the county.

Rental Housing: Demand was estimated for over 200 new rental units across all affordability levels through 2030. The Chisago Lakes submarket has demand for about 107 market rate units and 107 affordable/subsidized units over the next 12 years. We recommend both traditional market rate rental housing units and townhome rentals that offer larger units targeted to families. Due to the low vacancy rates across all rental units, new rental housing is needed immediately to meet the demand for rental housing households.

Senior Housing: The Chisago Lakes submarket contains 298 existing senior housing units, or 36% of the senior housing inventory in Chisago County. Due to the aging of the population, demand was found for nearly 384 senior housing units through 2030. Excluding assisted living housing, demand was found for all senior housing product types and incomes. Demand was strongest for subsidized active adult housing with 91 units, followed by owner active adult housing with 66 units. New senior housing products could be developed as stand-alone facilities or as part of a campus setting that will allow seniors to age in place. As one of the larger submarkets in Chisago County and a destination for many retirees, the Chisago Lakes submarket will likely be a sought-after site location for future senior housing development.

North Branch Submarket – Summary of Demographic and Housing Condition Findings

Key demographic and housing market findings for the North Branch submarket from the housing study are highlighted below. For a comparison, figures for Chisago County are shown as well.

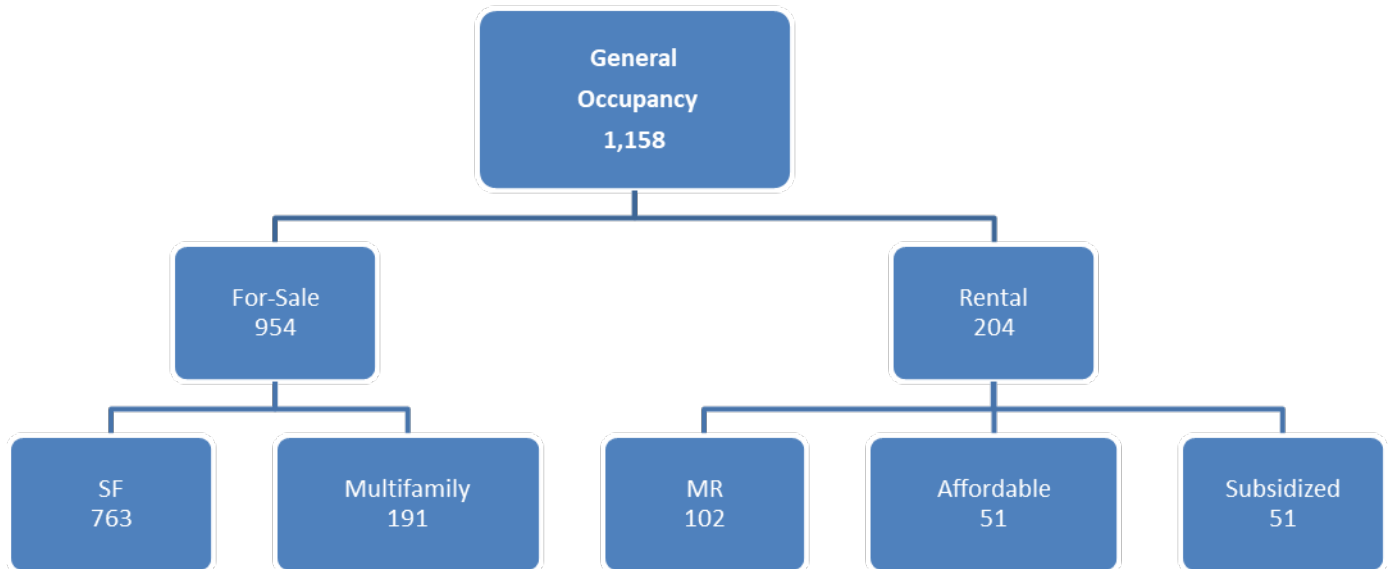
Demographic and Housing Characteristics Summary			
	North Branch Sub.		Chisago County
Demographics			
Population (2010 & 2020)	19,239 20,159		53,887 56,877
Pct. Population Under 18 (2017 & 2022)	24.8% 24.1%		23.6% 23.2%
Pct. Population 65+ (2017 & 2022)	12.0% 13.9%		13.9% 16.2%
Median Age (2017 & 2022)	38.5 38.4		40.0 40.3
Households (2010 & 2020)	6,859 7,419		19,470 21,241
Household Growth (2010 & 2020)	560		1,771
Avg. HH Size (2010 & 2020)	2.80 2.72		2.77 2.68
Median Household Income (2017)	\$67,477		\$70,373
Homeownership Rate (2015)	87%		85%
Housing Characteristics			
Number of single-family units permitted (2000-2016)	1,864		4,024
Number of multifamily units permitted (2000-2016)	80		154
Median age of housing stock (2015)	1989		1991
Housing stock built before 1950	764 11%		2,489 13%
Housing stock built between 1950 and 1990	2,260 33%		7,138 36%
Housing stock built after 1990	3,923 56%		10,181 51%
Employment			
Total Employees (2017)	N/A		819
Average Annual Wage (2017)	N/A		\$42,588
For-Sale Housing			
Median resale price of existing homes (2017)	\$221,000		\$226,546
Median list price of actively marketing SF homes (Dec. 2017)	\$275,000		\$299,900
Owner-occupied one-unit structures (2015)	5,875 96.7%		15,848 94.2%
Median home value of owner-occupied units (2015)	\$186,836		\$192,300
General Occupancy Rental Housing			
Renter-occupied one-unit structures (2015)	337 38.6%		1,298 43.6%
Renter-occupied 10+ unit structures (2015)	282 32.3%		1,015 34.1%
Median contract rent for renter-occupied units (2015)	\$770		\$678
Senior Housing			
Distribution of senior housing by type			
Affordable/Subsidized Active Adult	118 / 55.4%		420 / 50.7%
Market Rate Active Adult	24 / 11.3%		82 / 9.9%
Congregate	0 / 0.0%		109 / 13.1%
Assisted Living	51 / 23.9%		164 / 19.8%
Memory Care	20 / 9.4%		54 / 6.5%

North Branch Submarket Recommendations

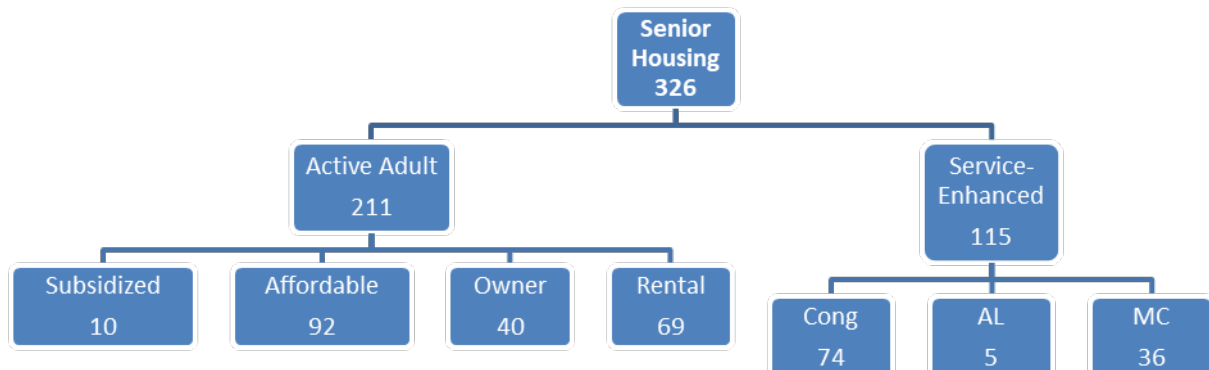
The North Branch submarket is the largest submarket in Chisago County with a population of about 19,344 persons as of 2017 (35% of Chisago County). The North Branch submarket population increased by 54% during the 1990s and grew by 26.6% during the 2000s. However, the population growth is projected to grow marginal between 2010 to 2020 (+4.8%) due the slow-down in the economy and housing market earlier this decade.

Nearly 1,484 housing units are projected in the North Branch submarket through 2030. Demand was calculated for about 1,158 general-occupancy units and 326 senior housing units. Within the North Branch submarket, general occupancy housing makes up nearly 78% of all housing demand.

North Branch Submarket Projected General Occupancy Demand, 2017 – 2030



North Branch Submarket Projected Senior Demand, 2030



Note: Because households are mobile and are willing to seek out various housing products in adjacent communities, these demand figures may experience fluctuations.

RECOMMENDATIONS AND CONCLUSIONS

For-Sale Housing: The North Branch submarket has the most transaction volume of the five Chisago Submarkets and accounts for about 35% of resales in the entire county. Like other submarkets in Chisago County, the median resale price peaked in 2017 at \$221,000; about the same as the county median of \$226,500. At the same, the submarket is one of the more affordable for-sale markets in the county as the average sales price per square foot is \$121 PSF.

Demand was calculated for about 950 new for-sale units through 2030; the highest for-sale demand in the county. However, the existing lot supply is low and will not meet the projected demand for new housing units. Therefore, new lots will need to be platted soon to meet the growing demand for new construction over the next decade.

Rental Housing: Demand was calculated for just over 200 rental housing units by 2030: 102 market rate units and 102 affordable/subsidized units. With a vacancy rate of only 2.3% across market rate and affordable/subsidized units; there is pent-up demand for new rental housing immediately. New rental housing could be designed in either traditional apartment-style developments or via townhome-style construction.

Senior Housing: The North Branch submarket is aging and has strong demand for senior housing based on demographics and future service needs. Through 2030 a total of 326 senior units were found to be in demand, representing 28% of the senior demand in Chisago County. The majority of the demand was in active adult product (i.e. no services – 211 units); hence this product would compete with other types of housing (i.e. rental apartments, existing single-family home, etc.). Demand was found for 115 service-based units through 2030. Over the course of the next decade, we recommend several new senior housing concepts including a senior cooperative, active adult rental, affordable rental, independent living, and memory care units.

Rush City Submarket – Summary of Demographic and Housing Condition Findings

Key demographic and housing market findings for the Rush City submarket from the housing study are highlighted below. For a comparison, figures for Chisago County are shown as well.

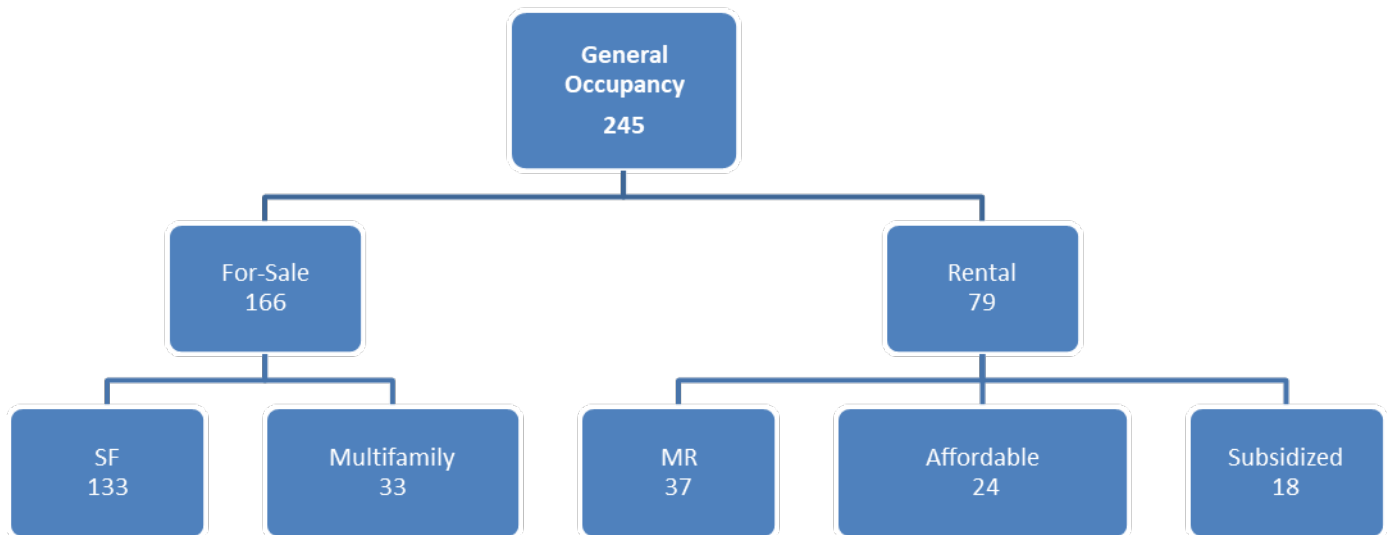
Demographic and Housing Characteristics Summary		
	Rush City Sub.	Chisago County
Demographics		
Population (2010 & 2020)	5,834 6,022	53,887 56,877
Pct. Population Under 18 (2017 & 2022)	19.1% 19.0%	23.6% 23.2%
Pct. Population 65+ (2017 & 2022)	14.7% 17.2%	13.9% 16.2%
Median Age (2017 & 2022)	39.7 40.9	40.0 40.3
Households (2010 & 2020)	1,882 2,050	19,470 21,241
Household Growth (2010 & 2020)	168	1,771
Avg. HH Size (2010 & 2020)	3.10 2.94	2.77 2.68
Median Household Income (2017)	\$58,254	\$70,373
Homeownership Rate (2015)	75%	85%
Housing Characteristics		
Number of single-family units permitted (2000-2016)	417	4,024
Number of multifamily units permitted (2000-2016)	0	154
Median age of housing stock (2015)	1982	1991
Housing stock built before 1950	418 22%	2,489 13%
Housing stock built between 1950 and 1990	722 37%	7,138 36%
Housing stock built after 1990	787 41%	10,181 51%
Employment		
Total Employees (2017)	N/A	819
Average Annual Wage (2017)	N/A	\$42,588
For-Sale Housing		
Median resale price of existing homes (2017)	\$180,000	\$226,546
Median list price of actively marketing SF homes (Dec. 2017)	\$229,900	\$299,900
Owner-occupied one-unit structures (2015)	1,369 94.6%	15,848 94.2%
Median home value of owner-occupied units (2015)	\$187,132	\$192,300
General Occupancy Rental Housing		
Renter-occupied one-unit structures (2015)	261 54.4%	1,298 43.6%
Renter-occupied 10+ unit structures (2015)	124 25.8%	1,015 34.1%
Median contract rent for renter-occupied units (2015)	\$590	\$678
Senior Housing		
Distribution of senior housing by type		
Affordable/Subsidized Active Adult	56 / 73.7%	420 / 50.7%
Market Rate Active Adult	20 / 26.3%	82 / 9.9%
Congregate	0 / 0.0%	109 / 13.1%
Assisted Living	0 / 0.0%	164 / 19.8%
Memory Care	0 / 0.0%	54 / 6.5%

Rush City Submarket Recommendations

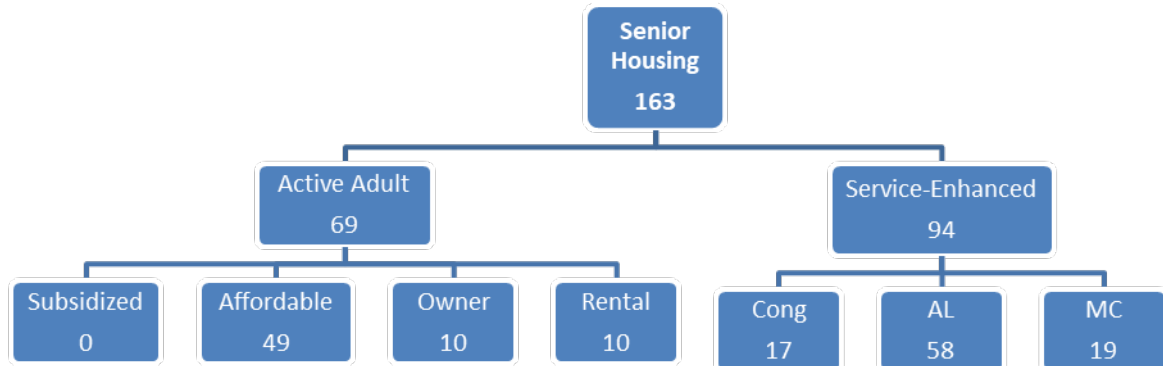
The Rush City submarket is the fourth largest submarket in Chisago County as it accounted for about 11% of the county population. The Rush City submarket's population is projected to increase by 12% between 2017 and 2030. Households in the Rush City submarket are forecast to grow by 253 households between 2017 to 2030, an increase of 13%.

Being one of the smaller submarkets, the Rush City submarket accounts for only 9% of the demand in Chisago County. While 60% of the demand in the Rush City submarket resides in general occupancy housing, the submarket does have demand for various housing types.

Rush City Submarket Projected General Occupancy Demand, 2017 – 2030



Rush City Submarket Projected Senior Demand, 2030



Note: Because households are mobile and are willing to seek out various housing products in adjacent communities, these demand figures may experience fluctuations.

RECOMMENDATIONS AND CONCLUSIONS

For-Sale Housing: The Rush City submarket has the most affordable housing costs in Chisago County with a median sales price of \$180,000 as of 2017. The median sales price peaked at \$185,000 in 2005 and is approaching the previous high of last decade. Demand was found for about 130 single-family housing units and 33 for-sale multifamily units.

The Rush City submarket has the highest number of vacant developments lots among all submarkets in Chisago County. Therefore, the existing lot supply should meet the short-term demand for new construction as the number of vacant lots should meet most demand over the next five years.

Rental Housing: Demand was estimated for about 80 new rental units across all affordability levels through 2030. The Rush City submarket has demand for 37 market rate units and 42 affordable/subsidized units over the next 13 years. Similar to other Chisago County submarkets, the Rush City submarket has low vacancy rates posting a vacancy rate of only 1.5%. As such, new rental housing can be developed now.

Senior Housing: Due to the aging of the population, demand was found for 163 senior housing units through 2030. Demand was strongest for assisted living housing with 58 units, followed by affordable active rental housing with 49 units. Maxfield Research recommend the following product types: assisted living, affordable senior rentals, and memory care units.

Taylors Falls Submarket – Summary of Demographic and Housing Condition Findings

Key demographic and housing market findings for the Taylors Falls submarket from the housing study are highlighted below. For a comparison, figures for Chisago County are shown as well.

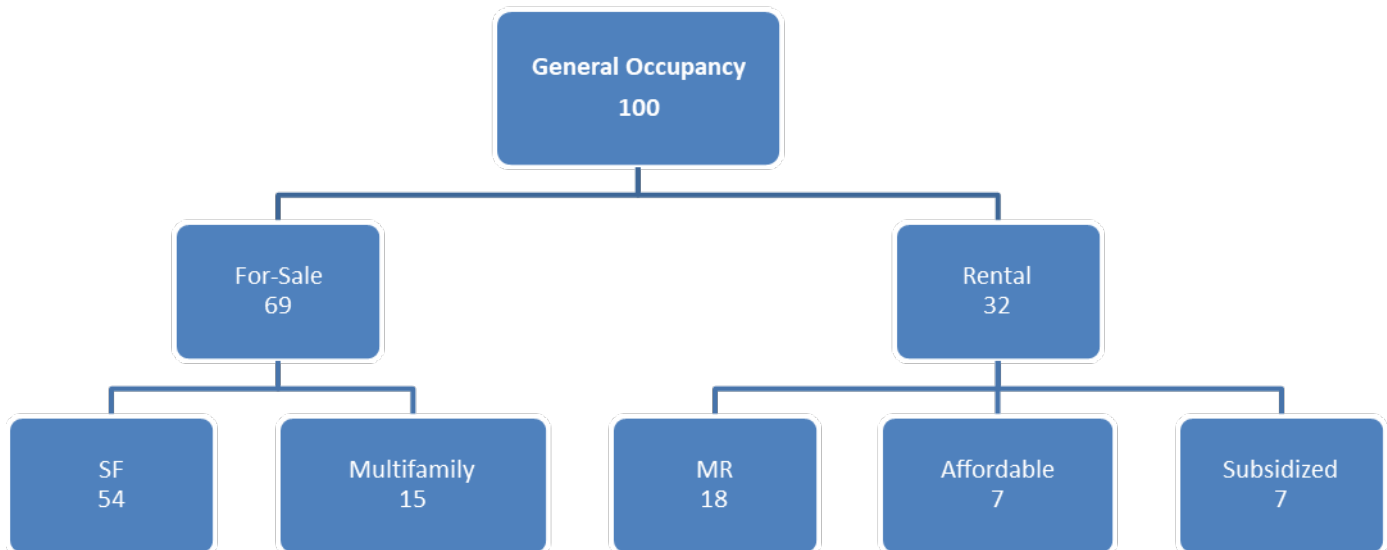
Demographic and Housing Characteristics Summary		
	Taylors Falls Sub.	Chisago County
Demographics		
Population (2010 & 2020)	4,874 5,114	53,887 56,877
Pct. Population Under 18 (2017 & 2022)	24.9% 24.8%	23.6% 23.2%
Pct. Population 65+ (2017 & 2022)	12.1% 14.9%	13.9% 16.2%
Median Age (2017 & 2022)	38.3 38.5	40.0 40.3
Households (2010 & 2020)	1,738 1,822	19,470 21,241
Household Growth (2010 & 2020)	84	1,771
Avg. HH Size (2010 & 2020)	2.80 2.81	2.77 2.68
Median Household Income (2017)	\$68,765	\$70,373
Homeownership Rate (2015)	87%	85%
Housing Characteristics		
Number of single-family units permitted (2000-2016)	327	4,024
Number of multifamily units permitted (2000-2016)	24	154
Median age of housing stock (2015)	1985	1991
Housing stock built before 1950	390 22%	2,489 13%
Housing stock built between 1950 and 1990	491 28%	7,138 36%
Housing stock built after 1990	858 49%	10,181 51%
Employment		
Total Employees (2017)	N/A	819
Average Annual Wage (2017)	N/A	\$42,588
For-Sale Housing		
Median resale price of existing homes (2017)	\$185,000	\$226,546
Median list price of actively marketing SF homes (Dec. 2017)	\$278,500	\$299,900
Owner-occupied one-unit structures (2015)	1,427 94.5%	15,848 94.2%
Median home value of owner-occupied units (2015)	\$200,204	\$192,300
General Occupancy Rental Housing		
Renter-occupied one-unit structures (2015)	134 58.5%	1,298 43.6%
Renter-occupied 10+ unit structures (2015)	11 4.8%	1,015 34.1%
Median contract rent for renter-occupied units (2015)	\$712	\$678
Senior Housing		
Distribution of senior housing by type		
Affordable/Subsidized Active Adult	0 / 0.0%	420 / 50.7%
Market Rate Active Adult	0 / 0.0%	82 / 9.9%
Congregate	0 / 0.0%	109 / 13.1%
Assisted Living	24 / 100.0%	164 / 19.8%
Memory Care	0 / 0.0%	54 / 6.5%

Taylors Falls Submarket Recommendations

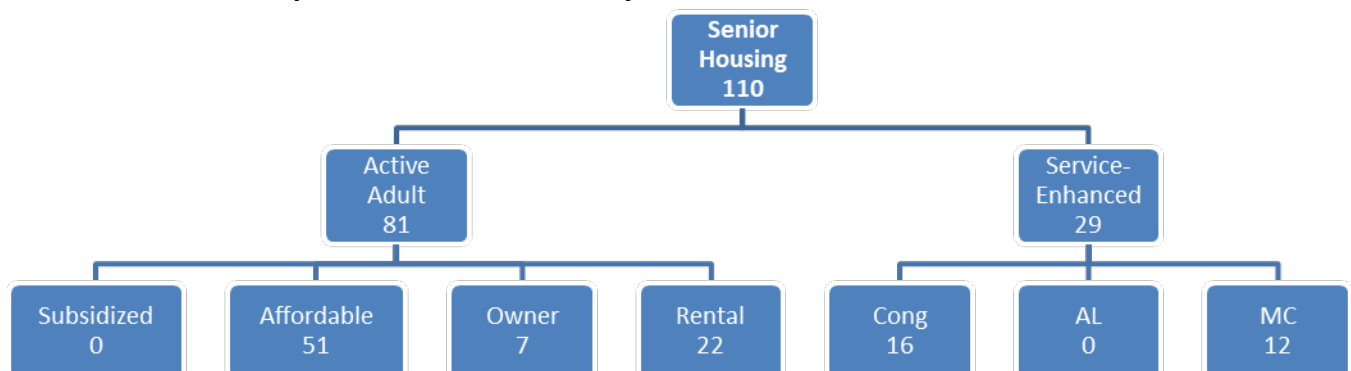
The Taylors Falls submarket is the smallest submarket in Chisago County as it accounted for only 9.1% of the county population. The Taylors Falls submarket has experienced substantial population growth between 2000 to 2010, growing by 58.9%. Through 2030 population is projected to continue to grow; albeit at a much slower rate (+6.3% from 2020-2030). The Taylors Falls submarket had the largest proportional household growth (+69%) between 2000 to 2010 throughout all submarkets.

Because the Taylors Falls submarket is the smallest submarket in the county, demand is lowest in the county. The Taylors Falls submarket accounts for only 4% of all housing demand in the county; which is evenly split with demand for 100 general occupancy units and 110 senior housing units.

Taylors Falls Submarket Projected General Occupancy Demand, 2017 – 2030



Taylors Falls Submarket Projected Senior Demand, 2030



Note: Because households are mobile and are willing to seek out various housing products in adjacent communities, these demand figures may experience fluctuations.

RECOMMENDATIONS AND CONCLUSIONS

For-Sale Housing: The Taylors Falls submarket posted its highest number of resales in 2017 (91 resales). The average sales price peaked in 2017 at \$220,441; however, the median sales price is just below the previous high of \$187,323 back in 2005. Demand for for-sale housing was the lowest of all the submarkets at about 70 new housing units through 2030.

There are very few actively marketing lots in the Taylors Falls submarket; hence new lots should be platted in the short-term to meet future demand.

Rental Housing: There are few rental housing options in the Taylors Falls submarket as over 58% of rental housing in the submarket is in single-family homes versus traditional multifamily style structures. The non-single-family rental units mainly consisted of smaller multifamily rental buildings with three to nine units. Demand was found for 32 rental units; favoring market rate units over affordable/subsidized rental housing. Because of the lower demand, we recommend townhome style rental housing formats that can be developed in stages as demand warrants.

Senior Housing: As previously stated, the demand in the Taylors Falls submarket is split evenly between general occupancy and senior products. The majority of the senior demand is within active-adult senior products that does not require a senior to move as health care services are not yet needed. Therefore, it is likely most of the seniors may age in place in their existing homes and bring in home health care services if they need services. Demand is not strong enough to sustain new stand-alone senior housing development; however, there may be the potential for smaller catered-living senior products that allow seniors to age in place and purchase services based on changing needs.

Wyoming Submarket – Summary of Demographic and Housing Condition Findings

Key demographic and housing market findings for the Wyoming submarket from the housing study are highlighted below. For a comparison, figures for Chisago County are shown as well.

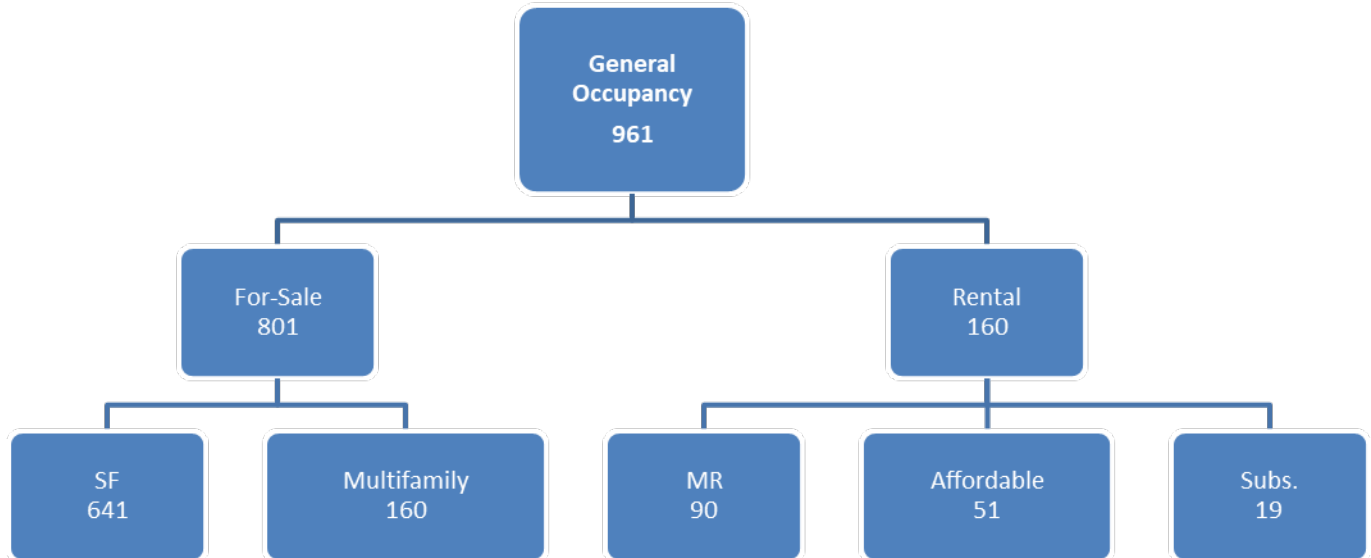
Demographic and Housing Characteristics Summary		
	Wyoming Sub.	Chisago County
Demographics		
Population (2010 & 2020)	9,247 9,974	53,887 56,877
Pct. Population Under 18 (2017 & 2022)	25.2% 24.3%	23.6% 23.2%
Pct. Population 65+ (2017 & 2022)	11.5% 14.0%	13.9% 16.2%
Median Age (2017 & 2022)	38.9 39.6	40.0 40.3
Households (2010 & 2020)	3,286 3,621	19,470 21,241
Household Growth (2010 & 2020)	335	1,771
Avg. HH Size (2010 & 2020)	2.81 2.75	2.77 2.68
Median Household Income (2017)	\$77,414	\$70,373
Homeownership Rate (2015)	84%	85%
Housing Characteristics		
Number of single-family units permitted (2000-2016)	238	4,024
Number of multifamily units permitted (2000-2016)	32	154
Median age of housing stock (2015)	1989	1991
Housing stock built before 1950	148 4%	2,489 13%
Housing stock built between 1950 and 1990	1,461 44%	7,138 36%
Housing stock built after 1990	1,733 52%	10,181 51%
Employment		
Total Employees (2017)	N/A	819
Average Annual Wage (2017)	N/A	\$42,588
For-Sale Housing		
Median resale price of existing homes (2017)	\$244,450	\$226,546
Median list price of actively marketing SF homes (Dec. 2017)	\$355,000	\$299,900
Owner-occupied one-unit structures (2015)	2,498 89.4%	15,848 94.2%
Median home value of owner-occupied units (2015)	\$185,990	\$192,300
General Occupancy Rental Housing		
Renter-occupied one-unit structures (2015)	265 48.4%	1,298 43.6%
Renter-occupied 10+ unit structures (2015)	176 32.2%	1,015 34.1%
Median contract rent for renter-occupied units (2015)	\$834	\$678
Senior Housing		
Distribution of senior housing by type		
Affordable/Subsidized Active Adult	136 / 62.4%	420 / 50.7%
Market Rate Active Adult	0 / 0.0%	82 / 9.9%
Congregate	0 / 0.0%	109 / 13.1%
Assisted Living	64 / 29.4%	164 / 19.8%
Memory Care	18 / 8.3%	54 / 6.5%

Wyoming Submarket Recommendations

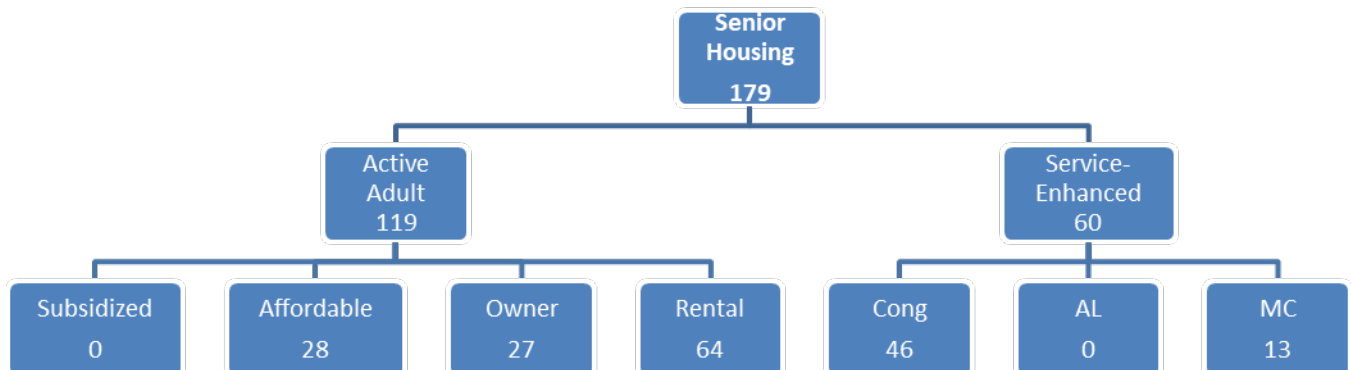
The Wyoming submarket is the third largest submarket in Chisago County as it accounted for about 17% of the county population in 2010. The Wyoming submarket has experienced the smallest amount of population growth between 2000 to 2010, increasing by only 6% after a significant growth rate of 40.5% during the 1990s. Through 2030 population is projected to continue to grow (27% from 2017-2030). Over 38% of households in the Wyoming submarket are married couples with children while nearly 23% are married couples with no children. Hence the Wyoming submarket has larger household sizes at 2.81 persons per household in 2010.

The Wyoming submarket accounts for roughly 24% of all housing demand in the county; most of which is for general occupancy for-sale housing, which accounts for 70% of the total demand in the Wyoming submarket.

Wyoming Submarket Projected General Occupancy Demand, 2017 – 2030



Wyoming Submarket Projected Senior Demand, 2030



Note: Because households are mobile and are willing to seek out various housing products in adjacent communities, these demand figures may experience fluctuations.

RECOMMENDATIONS AND CONCLUSIONS

For-Sale Housing: Housing values in the Wyoming submarket peaked in 2017 at \$244,450 surpassing the previous high of \$240,500 back in 2005. The Wyoming submarket has the second highest housing costs just below the Chisago Lakes submarket. Resale volumes continue to increase since the recession but have not yet surpassed the previous high of about 200 transactions in the year 2000.

Demand was calculated for 800 units through 2030 – including 641 single-family homes and 160 for-sale multifamily homes. Although Wyoming has a vacant lot supply and new lots coming on-line, new lots will need to be platted soon to capitalize on the estimated demand.

Rental Housing: There are few rental housing options in the Wyoming submarket as nearly 50% of rental housing in the submarket is located in single-family homes versus traditional multifamily style structures. Demand was found for 160 rental units; including 90 market rate units and 70 affordable/subsidized units. The Wyoming submarket has a low 2.3% vacancy for market rate rental housing and new units could be developed now to meet the rental housing need.

Senior Housing: The majority of demand in the Wyoming submarket resides in general occupancy product (given the younger demographic) as only 16% of demand for the Wyoming submarket is for senior housing. There are four existing projects in the submarket that contains 198 units and posted a vacancy rate of only 3.1%. However, the majority of demand is for active adult product. Over the course of the next decade, we recommend the following senior products: senior cooperative, adult rental, affordable rental, independent living, and a memory care wing.

Recommended Housing Product Types

Owner Occupied

Single-Family Housing

Table HD-1 identified demand for just over 2,900 single-family housing units in Chisago County through 2030. Table FS-11 indicated there are very few vacant developed single-family lots shovel ready for new home construction.

The lot supply benchmark for growing communities is a three- to five-year lot supply, which ensures adequate consumer choice without excessively prolonging developer-carrying costs. Given the number of existing platted lots in Chisago County and the number of homes constructed annually, the current lot supply will not meet the expected demand over the next decade; let alone in the short-term. New platted lots will be needed immediately to accommodate product type preference. Although there are some scattered, infill lots in all of the Chisago County Submarkets, many of these lots are undesirable to today's buyers (i.e. larger lot sizes, etc.)

Excluding the Rush City submarket that has adequate lots now; all of the submarkets do not have enough platted lots to keep up with future demand. Therefore, newly platted lots are needed immediately in the Chisago Lakes, North Branch, Taylors Falls, and Wyoming submarkets. Interviewees also stressed the need for a wide-variety of lot sizes in the county and many buyers are attracted to Chisago County for the larger-sized lots and acreages.

New single-family home construction has largely catered to buyers that receive more home for their dollar than in the Twin Cities Metro Area. As a result, new home prices in Chisago County on average range from \$175,000 to \$350,000. The homes target all buyers; from entry-level, move-up, to executive buyers. However, there is strong demand for entry-level buyers who seek affordability that cannot be found in the Twin Cities.

Much of the existing housing stock will appeal to entry-level or first time home buyers. Entry-level homes, which we generally classify as homes priced under \$175,000 will be mainly satisfied by existing single-family homes as residents of existing homes move into newer housing products built in Chisago County communities, such as move-up single-family homes, twinhomes, rental housing and senior housing. However, many of the new housing subdivisions are offering new home construction under \$200,000 which also appeals to first-time home buyers.

Because nearly all of the distressed lots have been absorbed since last decade; new lots need to be platted but lot costs are expected to increase due to the lack of supply and the infrastructure costs that come with the development costs from raw land to finished lots. Because the land

costs are expected to rise, the overall price of the home will likely increase to compensate for higher land expenses.

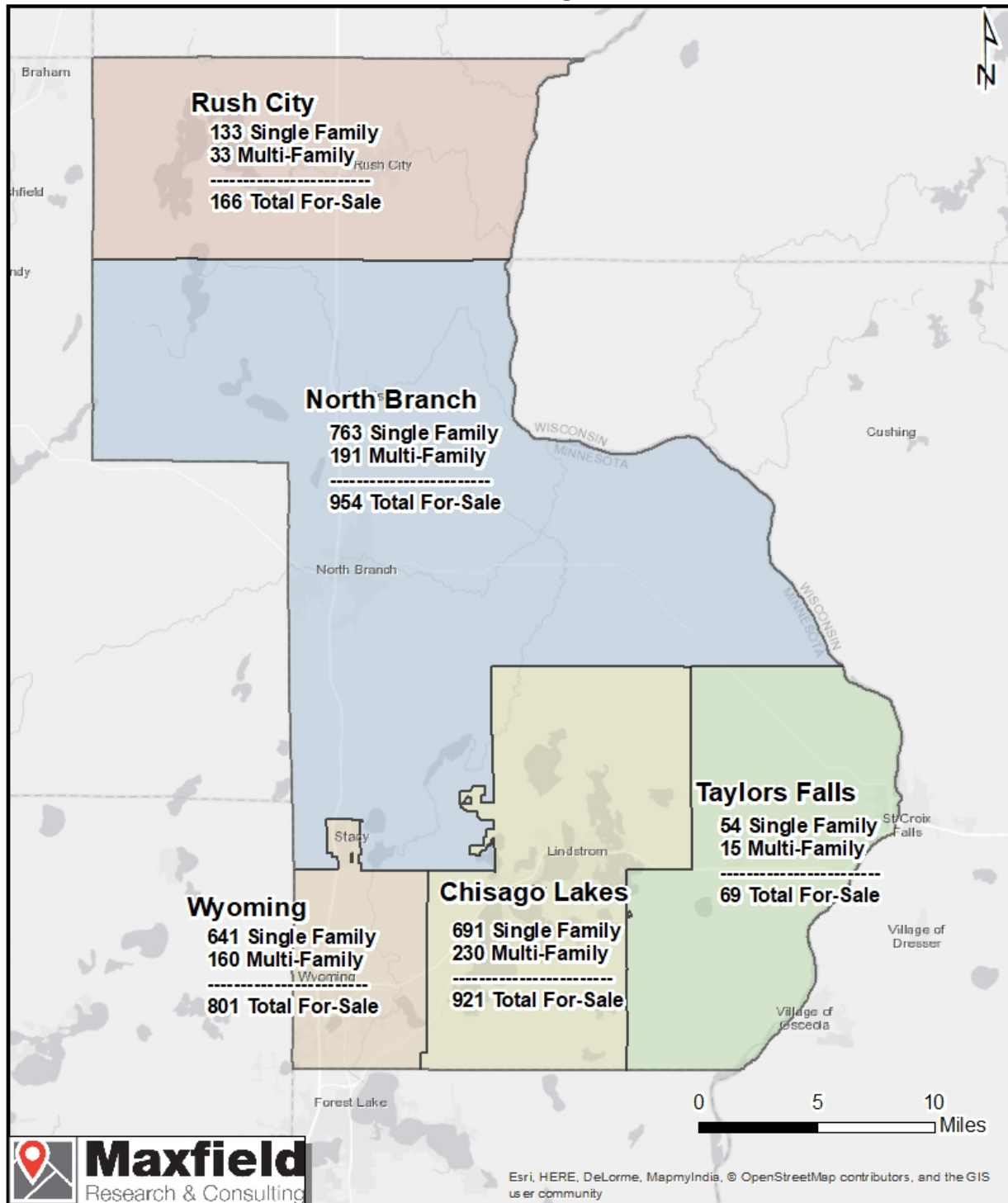
For-Sale Multifamily Housing

A growing number of households desire alternative housing types such as townhouses, twinhomes and condominiums. 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 some housing markets, younger households also find purchasing multifamily units to be generally more affordable than purchasing new single-family homes.

Our review of the Chisago County for-sale housing stock found very few maintenance-free products as historically buyers have preferred the single-family house. However, given the aging of the population and the high growth rate in the 55+ population, Chisago County would benefit from a more diversified housing stock. Based on the changing demographics, demand was calculated for 630 new multifamily for-sale units in Chisago County through 2030. These attached units could be developed as twin homes, detached townhomes, cottages, villas, townhomes/row homes, or any combination. Because the main target market is empty-nesters and young seniors, the majority of townhomes should be one-level, or at least have a master suite on the main level if a unit is two-stories. The following provides greater detail into townhome and twinhome style housing.

- *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. 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).

Chisago County 2017 - 2030 For-Sale Demand by Submarket



RECOMMENDATIONS AND CONCLUSIONS

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 twin home developments feature designs where one garage faces the street and the other to the side yard. This design helps reduce the prominence of the garage domination with two separate entrances. Housing products designed to meet the needs of these aging Chisago County 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.

Because the demand for 630 units is spread across Chisago County, twinhomes will be the preferred multifamily product type as units can be constructed as demand warrants. Because twinhomes bring higher density and economies of scale to the construction process, the price point can be lower than stand-alone single-family housing. We recommend a broad range of pricing for twinhomes; however, pricing should start at around \$200,000. Many older adults and seniors will move to this housing product with substantial equity in their existing single-family home and will be willing to purchase a maintenance-free home that is priced similar to their existing single-family home. The twinhomes should be association-maintained with 40'- to 50'-wide lots on average.

- *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 \$185,000 and will fluctuate based on custom finishes, upgrades, etc.

- *Side-by-Side and Back-to-Back Townhomes* – This housing product is designed with three or four or more separate living units in one building and can be built in a variety of configurations. With the relative affordability of these units and multi-level living, side-by-side and back-to-back townhomes have the greatest appeal among entry-level households without children, young families and singles and/or roommates across the age span. However, two-story townhomes would also be attractive to middle-market, move-up, and empty-nester buyers. Many of these buyers want to downsize from a single-family home into

RECOMMENDATIONS AND CONCLUSIONS

maintenance-free housing, many of which will have equity from the sale of their single-family home.

Because multifamily for-sale housing row home concept is largely untested in Chisago County, we recommend four-plexes that could be back-to-back with main-level master bedrooms that would cater to empty-nesters. Unit base pricing should start at \$150,000.

General Occupancy Rental Housing

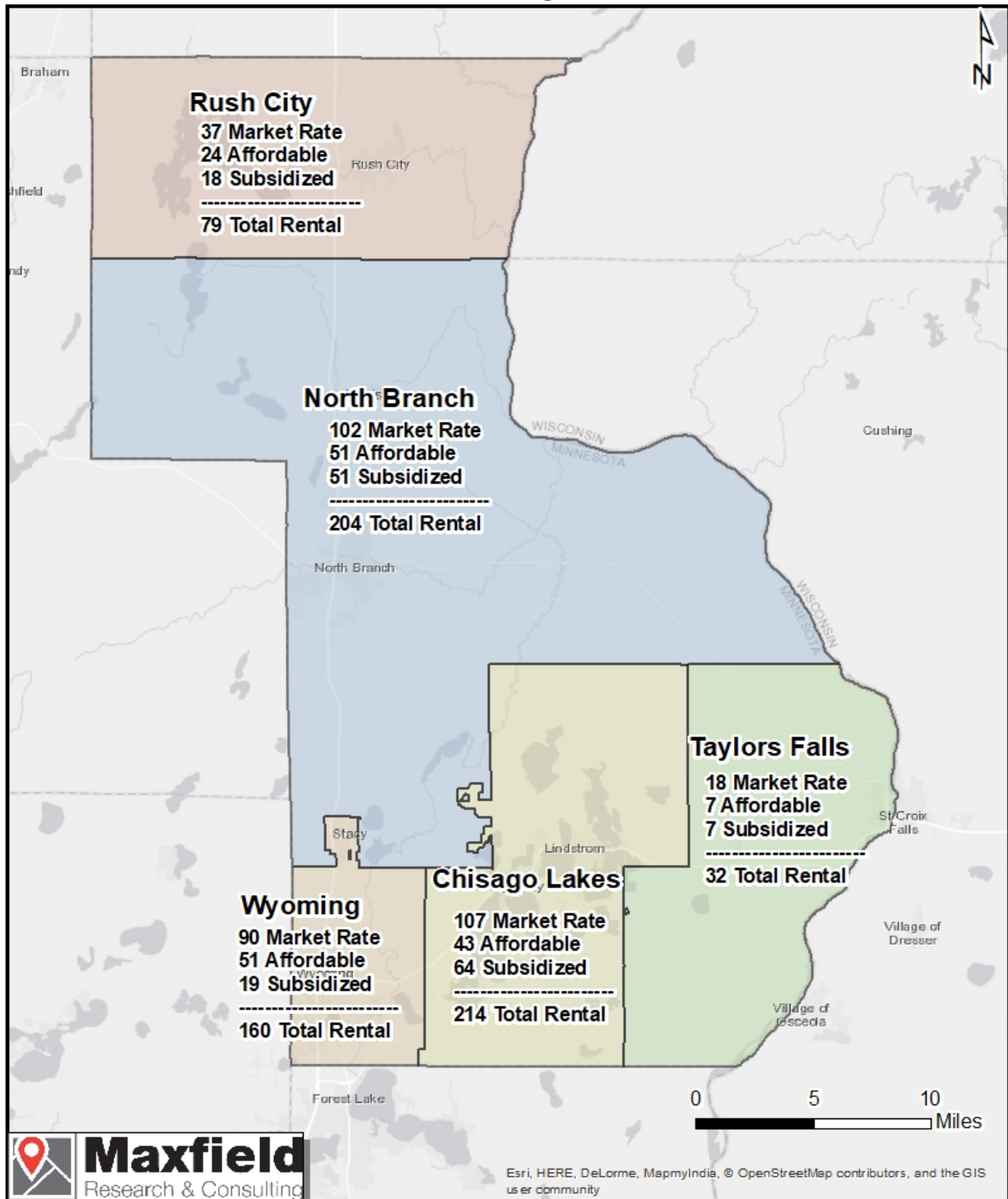
Maxfield Research and Consulting calculated demand for nearly 700 general-occupancy rental units in Chisago County through 2030 (353 market rate, 175 affordable, and 159 subsidized units). However, about 84% of the demand for rental housing was in three submarkets: Chisago Lakes (213 units), North Branch (204 units), and Wyoming (160 units).

Our competitive inventory identified 2.9% vacancy rate among the general occupancy rental product as of 4th Quarter 2017 and 1st Quarter 2018. Due to the age and positioning of most of the existing rental supply, a portion of units are priced at or below guidelines for affordable housing, which indirectly satisfies demand from households that income-qualify for financially assisted housing. However, the renter base is seeking newer rental properties with additional and updated amenities that are not offered in older developments.

Because of the economies of scale when constructing multifamily rental housing, new construction requires density that will be difficult to achieve in the smaller Chisago County communities. New rental housing can be developed immediately and will continue to be in demand through this decade especially if new job growth is attracted to Chisago County. The following rental product types are recommended through 2030:

- ***Market Rate Rental*** - As illustrated in Table R-3, the majority of rental buildings in the county are smaller as the average building size is about 30 units across all the inventoried multifamily buildings in the county. There are also very few townhome style multifamily rental projects in Chisago County. In addition, the single-family housing stock also plays a significant role in the overall rental housing market sector representing over one-third of all rental units in the county. Due to the lack of rental supply throughout the County, we recommend new market rate rental products in all submarkets. We recommend new market rental project(s) that will attract a diverse resident profile; including young to mid-age professionals as well as singles and couples across all ages. To appeal to a wide target market, we suggest a market rate apartment project(s) with a unit mix consisting of one-bedroom units, one-bedroom plus den units or two-bedroom units, and two-bedroom plus den or three-bedroom units. Larger three-bedroom units would be attractive to households with children.

Chisago County 2017 - 2030 Rental Demand by Submarket



RECOMMENDATIONS AND CONCLUSIONS

Monthly rents (in 2018 dollars) should range from \$750 for a one-bedroom unit to \$1,000 for a three-bedroom unit. Average rents in Chisago County are approximately \$1.00 per square foot, however monthly rents should range from about \$1.10+ per square foot to be financially feasible. Monthly rents can be trended up by 2.0% annually prior to occupancy to account for inflation depending on overall market conditions. Because of construction and development costs, it may be difficult for a market rate apartment to be financially feasible with rents lower than the suggested per square foot price. Thus, for this type of project to become a reality, there may need to be a public – private partnership to reduce development costs and bring down the rents or the developer will need to provide smaller unit sizes.

New market rate rental units should be designed with contemporary amenities that include open floor plans, higher ceilings, in-unit washer and dryer, full appliance package, central air-conditioning, and garage parking.

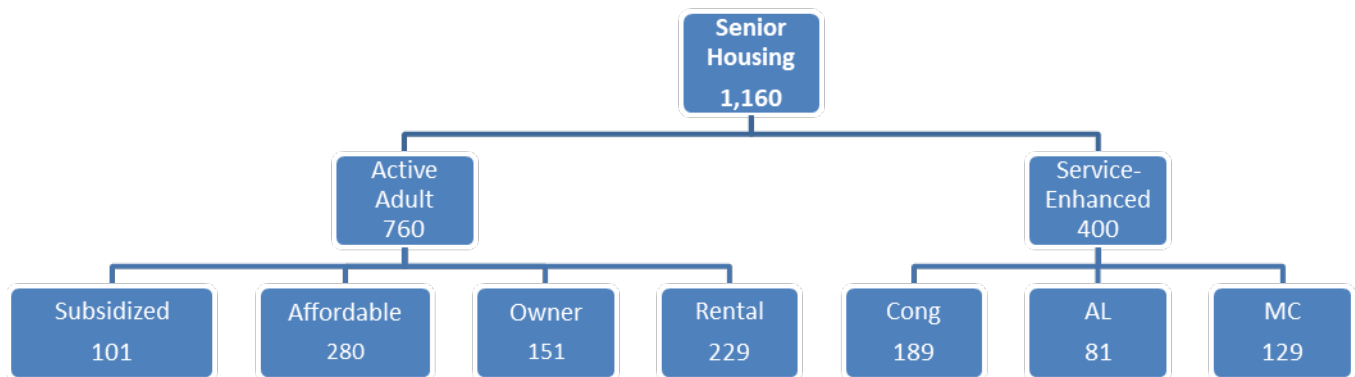
- *Market Rate General Occupancy Rental Townhomes*– In addition to the traditional multi-family structures, we find that demand exists for some larger townhome units for families – including those who are new to the community and want to rent until they find a home for purchase. A portion of the overall market rate demand could be a townhome style development versus traditional multifamily design. We recommend a project with rents of approximately \$900 for two-bedroom units to \$1,250 for three-bedroom units. Units should feature contemporary amenities (i.e. in-unit washer/dryer, high ceilings, etc.) and an attached two car garage. Again, like traditional multifamily development, these rents are significantly higher than the existing rental product and a public-private partnership may be needed to bring down development and monthly rental costs.
- *Affordable and Subsidized Rental Housing*– Affordable and subsidized housing receives financial assistance (i.e. operating subsidies, tax credits, rent payments, etc.) from governmental agencies in order to make the rent affordable to low-to-moderate income households. We find demand for over 330 affordable and subsidized units through 2030; however because subsidized is nearly impossible to finance today the vast majority of demand will be for affordable housing projects. We recommend affordable products across all the submarkets that could be designed in either traditional apartment-style affordable housing or townhome-style affordable housing.

Senior Housing

As illustrated in Table HD-9, demand exists for active adult, congregate, and memory care senior housing product types in Chisago County through 2030. Due to the aging of the County's population, senior housing product types show high demand among all product types in the short-term. In fact, senior housing demand accounts for 25% of all housing units in the county through 2030, making up 1,160 units.

Development of 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 Chisago County: older adult and senior residents are able to relocate to new age-restricted housing in Chisago County, 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.

2030 Senior Demand



- **Active Adult Senior Cooperative** – There are no for-sale senior housing properties existing in Chisago County. Maxfield Research projected demand for 151 active adult ownership units through 2030. Because demand is spread across all five submarkets, a new for-sale development could likely only be constructed in only a few of the submarkets and would attract residents from other neighboring communities. Maxfield Research recommends a cooperative development with a mix of two- and three-bedroom units with share costs starting around \$75,000. The cooperative model, in particular, appeals to a larger base of potential residents in that it has characteristics of both rental and ownership housing. Cooperative developments allow prospective residents an ownership option and homestead tax benefits without a substantial upfront investment as would be true in a condominium development or life care option.

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- Active Adult Rental – There are a total of four market rate active adult projects in Chisago County with a total of 82 units and a vacancy rate of only 2.4%. Because of the limited number of active adult product in Chisago County, demand was calculated for 229 active adult rentals in Chisago County through 2030. New active adult product shows the highest need in the Chisago Lakes, North Branch, and Wyoming submarkets.

Because active adult senior housing is not need-driven, the demand for this product type competes to some degree with general-occupancy rental housing projects. Maxfield Research finds many of the rental buildings have an older demographic that may be attracted to an age-restricted building if more product was available. Monthly rents should be similar to other newer, market rate general-occupancy apartment buildings.

- Affordable and Subsidized Rental – Chisago County demand for affordable senior housing is 280 units through 2030, while subsidized senior housing is about 100 units. Affordable senior housing products can also be incorporated into a mixed-income building which may increase the projects financial feasibility. Affordable senior housing will likely be a low-income tax credit project through the Minnesota Housing Finance Agency. Affordable housing demand is strong across each county submarket and new product would be well-received across Chisago County. Financing subsidized senior housing is difficult as federal funds have been shrinking. Therefore, a new subsidized development would likely rely on a number of funding sources; from low-income tax credits (LIHTC), tax-exempt bonds, Section 202 program, USDA 515 program, among others.
- Independent Living/Congregate – Demand was calculated for about 190 congregate units through 2030 in Chisago County. There is only one congregate project in Chisago County – Point Pleasant Heights located in Chisago City. Demand is across all submarkets; however, the Chisago Lakes, North Branch, and Wyoming Submarkets have the highest demand for independent senior housing. We recommend new congregate projects have a mix of one-bedroom, one-bedroom plus den, and two-bedroom units.

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.

Due to economies of scale needed for congregate housing, other service levels may have to be combined to the project to increase density to be financial feasible. Alternatively, the concept called “Catered Living” may be viable as it combines independent and assisted living residents and allows them to age in place in their unit versus moving to a separate assisted living facility. (See the following for definition of Catered Living).

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- *Assisted Living and Memory Care Senior Housing* – Based on our analysis, we project demand for 81 assisted living and 129 memory care units in Chisago County through 2030. There are a total of four existing assisted living projects with a total of 164 units and a total of 54 existing memory care units in the county. Because there is an ample supply of assisted living in the county, most submarkets have enough supply to meet the growing demand. However, the Rush City submarket shows the highest demand for assisted living housing with a need for over 50 units by 2030.

If assisted living units were developed, we would recommend that this type of development include a mix of studio, and one-bedroom, and a few two-bedroom units with base monthly rents ranging from \$3,500 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.

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

Given the service-intensive nature of memory care housing and staffing ratios, typically most memory care facilities are attached to either an assisted living development or are a component of a skilled nursing facility. As a result, it will be very difficult to build a stand-alone memory care facility that can be financially feasible on its own. Therefore, new memory care units would be best suited if they were attached to an assisted living complex. Alternatively, memory care could also be associated with a skilled nursing facility; however, we stress the residential approach to memory care versus the institutional feel from a nursing home.

- Service-Enhanced Senior Housing or “Catered Living” –Due to economies of scale, it will be difficult to develop stand-alone facilities in the smaller communities for service enhanced senior housing products that are financially feasible. Therefore, we recommend senior facilities that allow seniors to “age in place” and remain in the same facility in the stages of later life. Catered living is a “hybrid” senior housing concept where demand will come from independent seniors interested in congregate housing as well as seniors in need of a higher level of care (assisted living). In essence, catered living provides a permeable boundary between congregate and assisted living care. The units and spatial allocations are undistinguishable between the two senior housing products, but residents will be able to select an appropriate service level upon entry to the facility and subsequently increase service levels over time. Additionally, catered living not only appeals to single seniors but also to couples; each resident is able to select a service level appropriate for his or her level of need, while still continuing to reside together. In addition, memory care can be incorporated into the facility in a separate secured wing.

The catered living concept trend is a newer concept but tends to be developed in more rural communities that cannot support stand-alone facilities for each product type. Monthly rents should include a base rent and service package with additional services provided either a la carte or within care packages. Monthly rents should start at about \$1,500 for congregate care and \$2,800 for assisted living care.

Summary by Submarket

Although there is demand for a variety of housing product types in each of the submarkets, it will be difficult to develop certain housing products due to the density and economies of scale needed to be financially viable. Therefore, the lesser populated communities will experience additional challenges due to density requirements. In addition, there is likely to be cross-over demand and mobility between submarkets as new housing products are developed. Table CR-1 outlines the submarkets most likely to experience new housing based on housing demand and the number of units needed to be supportable.

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TABLE CR-1
HOUSING RECOMMENDATIONS BY SUBMARKET
2018 to 2030

Housing Type/Program	Purchase Price/ Monthly Rent Range	Chisago Lakes Sub. 18-'23 24-'30		North Branch Sub. 18-'23 24-'30		Rush City Sub. 18-'23 24-'30		Taylors Falls Sub. 18-'23 24-'30		Wyoming Sub. 18-'23 24-'30	
For-Sale Housing											
Single-family - (New lots needed)		x	x	x	x		x	x	x	x	x
Single-family by Price											
Entry-Level	>\$200,000			x	x	x	x	x		x	x
Move-up	\$225,000 - \$350,000	x	x	x	x		x	x	x	x	x
Executive	\$350,000+	x	x	x	x			x	x	x	x
Twinhomes/Townhomes/Condos											
Entry-level	>\$175,000			x	x	x				x	x
Move-up	\$200,000+	x	x	x	x	x	x	x	x	x	x
General Occupancy Rental Housing											
Market Rate Traditional	\$750/1BR - \$1,000/3BR	x	x	x	x	x	x	x		x	x
Market Rate Townhomes	\$900/2BR - \$1,250/3BR	x	x	x	x	x	x	x	x	x	x
Affordable/Subsidized	Per Income Guidelines	x	x	x	x		x			x	x
Senior Housing											
Market Rate											
Active Adult - For-Sale Coop	\$75,000+ (plus monthly fee)	x	x	x	x						x
Active Adult - Rental	\$750 - \$1,100	x	x	x	x				x	x	x
Congregate/Independent	\$1,300 - \$2,000		x	x	x						x
Assisted Living	\$2,800/EFF - \$4,000/2BR		x			x	x				
Memory Care	\$3,500 - \$5,000	x	x	x	x		x		x		x
Alternative Concept:											
Catered Living	\$1,500+						x		x		
Affordable Senior Housing											
Active Adult	Per Income Guidelines	x	x	x	x	x	x	x	x		x

Note: Although many of the smaller communities show housing demand for a variety of housing types; it will not be feasible due to the economies of scale needed. Therefore, recommendations are based on the need and density needed to be feasible.

Source: Maxfield Research & Consulting, LLC

Challenges and Opportunities

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

- **Affordable Housing/Naturally Occurring Affordable Housing.** Tables HA-1 and HA-2 identified Chisago County Area Median Incomes (“AMI”) and the fair market rents by bedroom type. The average market rate rent average in Chisago County is \$728/month and the established rents for affordable housing are higher than most market rate rental developments in Chisago County. For example, at a 60% AMI the maximum gross rent for a one-bedroom unit is \$1,086 while a two-bedroom maximum rent is \$1,221 per month. As a result, many of the existing rental properties in the county are considered “naturally occurring affordable” and are mostly fulfilled by existing, older rental product in the marketplace. Furthermore, first-time homebuyers with good credit and a down payment can purchase an entry-level single-family home that would have housing costs on-par with two- or three-bedroom rental housing unit. About 86% of existing Chisago County householders could afford a \$175,000 home assuming they have good credit and 10% down payment.
- **Aging Population.** As illustrated in Table D-4, there is significant growth in the Chisago County senior population, especially among seniors ages 75 to 84 (+44.6% growth through 2030). In addition, Table D-12 shows market area homeownership rates among seniors 65+ is approximately 79%. 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.
- **Builders.** The Chisago County new construction market is dominated by smaller, local builders vs. production builders in the Metro Area. Across the Metro Area, 53% of all new homes constructed in 2016 were by ten production builders. The following chart summarizes the differences between production, custom, and spec builders. Production builders have increased their market share since the Great Recession in the Twin Cities and across the country, in part because competitors defaulted on lots and homes and have gone out of business, while production builders were able to acquire land holdings for a fraction of the original cost to develop. The production builders have also driven new home activity from the development side as land developers are unable to absorb lot development costs for open builder developments.

Prior to the recession land was considered a commodity; however today many land developers are still cautious about developing and holding lots. Due to raw land costs, entitlements, the cost to develop infrastructure, strict underwriting standards, etc. most land de-

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velopers will be cautious given the lot price they can achieve and the carrying costs. Because Chisago County lacks production builders; housing costs will be slightly higher as the smaller builders cannot deliver the same economies of scale the larger builders offer.

BUILDER TYPES & CHARACTERISTICS			
	Production Builder	Custom Builder	Spec Builder
Land	Typically built on land owned by the builder/developer. Most production builders develop all of the homes within the subdivisions they plat and develop.	Built on land purchased by the home buyer or builder. Most custom builders do not develop the land/lots.	Built on land purchased by the builder. Builder "speculates" they will build and sell a home prior to finding a buyer.
Home Plans	Stock floor plans; however buyers have home style and upgrade options that have been pre-selected by builder.	One-of-a-kind house. Site specific and customized for a specific client.	Home plan per builder. If home sells early during construction phase; buyers have some ability to customize the home.
Volume	Varies based on builder. There are national and regional production builders.	Typically less than 20 or 25 per year.	Varies.
Pricing	Generally build for a variety of price points from entry-level, move-up, and executive.	Tend to cater to move-up or executive-level buyers.	Varies. Most spec homes are entry-level or modest homes. However, spec homes can range across all price points.
Advantages	Lower costs per square foot, homes can be built quicker, fewer decisions for home owners.	Personal service, more creative control, customizable, more flexible, buyer may have more land options.	Lower cost floor plans provides economies of scale. Homes can also be completed relatively fast.
Disadvantages	Few modifications or change orders, fewer options, lot selection based on availability of builder.	Price per square foot is higher, more time to build, significantly more decision time needed from buyers.	Most of the decisions have already been made and buyer may have fewer options.

Source: Maxfield Research and Consulting, LLC

- Gas Prices.** Because many residents of Chisago County commute outside of the county to the Twin Cities for employment, gas prices play a part in housing demand. Lower gas prices boost the housing market in suburban and exurban locations as households seek out communities with more affordable housing stock. Rising gas prices affect consumer confidence and impact housing markets; especially at the lower end where transportation costs make up a higher percentage of household spending. Several interviewees stressed the impact of higher gas prices on the Chisago County housing market last decade that resulted in lower demand for housing. Should gas prices rise above the \$4/gallon price point again most interviewees stated the for-sale housing market would suffer as householders seek shorter commute times in locations closer to their employer.

- **Housing Resources & Programs.** Many communities and local Housing and Redevelopment Authorities (HRA's) offer programs to promote and preserve the existing housing stock. In addition, there are various regional and state organizations that assist local communities enhance their housing stock. There are few cities that offer any housing programs across the county. We recommend expanding the tool box and considering other programs that will aid and improve the housing stock. The following is a sampling of potential programs that could be explored.
 - 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.
 - 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 local government 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 Fair – Provide residents with information and resources to promote improvements to the housing stock. Typically offered on a weekend in early spring where homeowners can meet and ask questions to architects, landscapers, building contractors, lenders, building inspectors, Realtors, etc.
 - Home Improvement Area (HIA) – HIA's 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.
 - 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 approaches for local and state governments, in high cost urban areas to encourage the development of affordable housing.
 - 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).

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- Land Banking – 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.
- 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.
- Rental Collaboration – Local government 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.
- Rental License – Licensing rental properties in the communities. Designed to ensure all rental properties meet local building and safety codes. Typically enforced by the fire marshal or building inspection department. Should require annual license renewal. (See below in *Rental Housing*).
- Rent to Own - Income-eligible families rent for a specified length of time with the end-goal of buying a home. The public agency saves a portion of the monthly rent that will be allocated for a down payment on a future house.
- Shallow Rent Subsidy: The public agency 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 Abatement: A temporary reduction in property taxes over a specific time period on new construction homes or home remodeling projects. Encourages new construction or rehabilitation through property tax incentives.
- 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.

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- **Transfer of Development Rights** – Transfer of Development Rights (TDR) is a program that shifts the development potential of one site to another site or different location, even a different community. TDR programs allow landowners to sever development rights from properties in government-designated low-density areas, and sell them to purchasers who want to increase the density of development in areas that local governments have selected as higher density areas.
- **Waiver or Reduction of Development Fees** – There are several fees developers must pay including impact fees, utility and connection fees, park land dedication fees, etc. To help facilitate affordable housing, some fees could be waived or reduced to pass the cost savings onto the housing consumer.
- **Internet Access.** Several interviewees mentioned the lack of broadband Internet and slow Internet speeds across parts of Chisago County. The lack of Internet connections could hinder housing development in the county as Internet access is critical for many households in today's digital age. Many interviewees mentioned the desire to have a home based business or to be able to telecommute in Chisago County. Without high-speed reliable Internet, many will not consider moving to the county. Studies suggest high speed Internet connection to a home boost property values. We understand Chisago County recently received grant funds to analyze technology trends and to address the issue. Two townships in Chisago County have partnered with CenturyLink and MN Dept. of Employment and Economic Development Broadband Office to bring fiber to the home.
- **Job Growth/Employment.** 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 Minnesota, the Midwest, and U.S., the Chisago County unemployment rate peaked in 2009 during the Great Recession at 9.9%. This high unemployment rate was similar to what most cities and counties in other collar counties experienced during the recession. The unemployment rate has decreased annually between 2009 and 2015, before a slight uptick in 2016. However, the unemployment rate dipped to 4.1% in 2017 which was the lowest rate since the year 2000. Although the low unemployment rate is generally considered positive news, a very low unemployment rate can be challenging for employers looking to add additional staff. Wages in Chisago County are about 38% lower than the Twin Cities Metro Area; hence the high percentage of Chisago County residents that commute to jobs outside the county. The addition of more jobs, specifically jobs with higher wages, will keep residents working in the county and attract more people to Chisago County. Strong job creation in Chisago County will result in household growth rates that could exceed projections outlined in Table D-3. Figures 1 and 2, on the following pages, breakdown the affordability of market rate rental housing, affordable rental housing at 60% AMI, and single-family homes by industry type and by select occupations. For many residents working in the county on one income, many households can be cost burdened based on the lower wages.

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FIGURE 1
HOUSING AFFORDABILITY BASED ON INDUSTRY WAGES
CHISAGO COUNTY
QUARTER 1 2017

Average Number of Employees			Avg. Annual Wage	Max. Monthly Housing Cost @ 30% Income	Avg. Aff. Home Price		Can Aff. Rental Hsg. 60% AMI MR		Can Aff. Med. Price Home
Industry	Q1 2017	Pct.	Q1 2017	Q1 2017	Range				
Natural Resources & Mining	33	0.2%	\$71,292	\$1,782	\$213,876	\$249,522	X	X	X
Construction	640	4.3%	\$52,364	\$1,309	\$157,092	\$183,274	X	X	
Manufacturing	2,279	15.2%	\$47,372	\$1,184	\$142,116	\$165,802	X	X	
Trade, Transportation and Utilities	2,294	15.3%	\$32,032	\$801	\$96,096	\$112,112		X	
Information	47	0.3%	\$35,932	\$898	\$107,796	\$125,762		X	
Financial Services	285	1.9%	\$42,016	\$1,050	\$126,048	\$147,056		X	
Professional and Business Services	1,125	7.5%	\$87,412	\$2,185	\$262,236	\$305,942	X	X	X
Education and Health Services	5,260	35.0%	\$42,744	\$1,069	\$128,232	\$149,604		X	
Leisure and Hospitality	1,649	11.0%	\$13,572	\$339	\$40,716	\$47,502			
Other Services	397	2.6%	\$24,440	\$611	\$73,320	\$85,540			
Public Administration	1,009	6.7%	\$53,404	\$1,335	\$160,212	\$186,914	X	X	
Totals	15,018								
Note: Data based off of one wage earner Avg Rent: Market Rate Rent \$761 Max. Gross Rent @ 60% AMI for a 2 pph \$1,086 Med. Hsg. Price: \$226,546 Source: MN DEED; Maxfield Research & Consulting, LLC									

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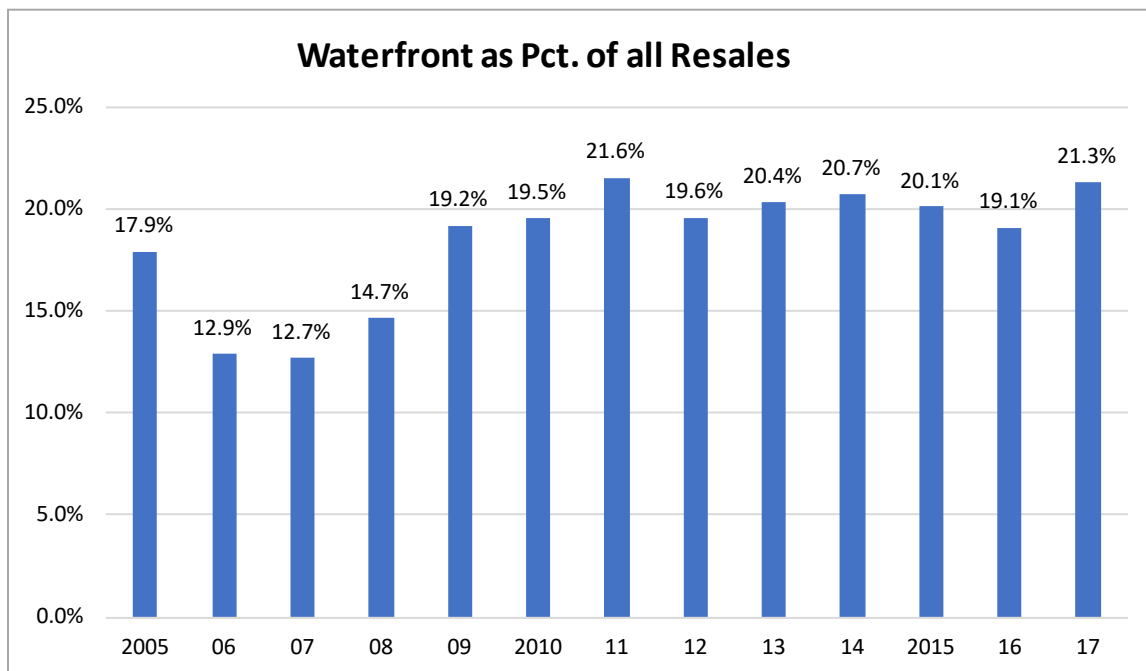
FIGURE 2
HOUSING AFFORDABILITY BASED ON OCCUPATION WAGES
ECONOMIC DEVELOPMENT REGION 7E
QUARTER 1 2018

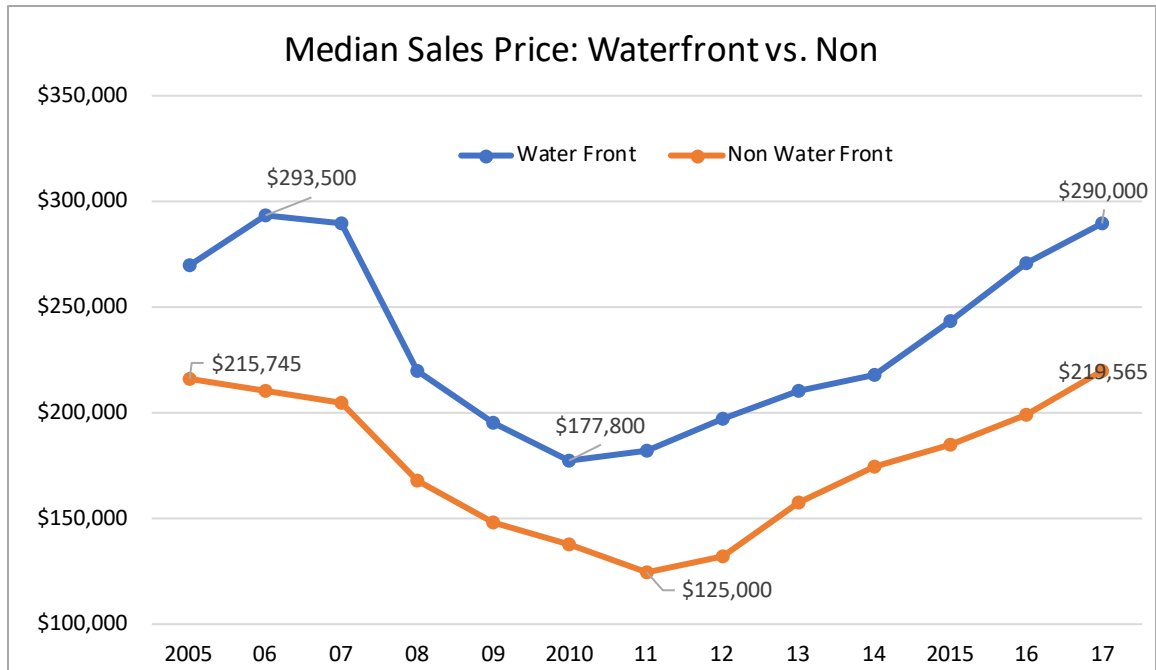
	Employee Count		Median Hourly Wage	Median Annual Income	Max. Monthly Housing Cost @ 30%	Avg. Aff. Home Price		Can Aff. Rental Hsg. 60% AMI MR		Can Aff. Med. Price Home
<u>Occupation</u>	<u>Q1 2018</u>	<u>Pct.</u>	<u>Q1 2018</u>	<u>Q1 2018</u>	<u>Q1 2018</u>	<u>Range</u>				
Social & Human Service Worker	550	3.9%	\$14.41	\$29,973	\$749	\$89,918	\$104,905			
Registered Nurse	1,330	9.4%	\$40.04	\$83,283	\$2,082	\$249,850	\$291,491	X	X	X
Nursing Assistant	1,230	8.7%	\$15.62	\$32,490	\$812	\$97,469	\$113,714		X	
Police & Sheriff Patrol Officer	340	2.4%	\$29.31	\$60,965	\$1,524	\$182,894	\$213,377	X	X	
Fast Food Worker	790	5.6%	\$10.15	\$21,112	\$528	\$63,336	\$73,892			
Personal & Home Care Aid	1,750	12.3%	\$12.69	\$26,395	\$660	\$79,186	\$92,383			
Cashier	1,620	11.4%	\$9.90	\$20,592	\$515	\$61,776	\$72,072			
Retail Salesperson	1,570	11.1%	\$11.68	\$24,294	\$607	\$72,883	\$85,030			
Office Clerk	1,020	7.2%	\$16.05	\$33,384	\$835	\$100,152	\$116,844		X	
Carpenter	370	2.6%	\$23.40	\$48,672	\$1,217	\$146,016	\$170,352	X	X	
Operating Engr./ Cons. Eqpt. Operators	310	2.2%	\$28.48	\$59,238	\$1,481	\$177,715	\$207,334	X	X	
Plumbers, Pipefitters, & Steamfitters	200	1.4%	\$40.50	\$84,240	\$2,106	\$252,720	\$294,840	X	X	X
Auto Service Tech. & Mechanics	370	2.6%	\$18.62	\$38,730	\$968	\$116,189	\$135,554		X	
Maint. & Repair Worker	510	3.6%	\$18.70	\$38,896	\$972	\$116,688	\$136,136		X	
Manufacturing Assembler	1,030	7.3%	\$15.04	\$31,283	\$782	\$93,850	\$109,491		X	
Bus Driver	630	4.4%	\$17.95	\$37,336	\$933	\$112,008	\$130,676		X	
Truck Drivers (Heavy & Tractor-Trailer)	580	4.1%	\$23.48	\$48,838	\$1,221	\$146,515	\$170,934	X	X	
Totals	14,200									
Note: Data based off of one wage earner Avg Rent: Market Rate Rent \$761 Max. Gross Rent @ 60% AMI for a 2 pph \$1,086 Med. Hsg. Price: \$226,546 Source: MN DEED; Maxfield Research & Consulting, LLC										

RECOMMENDATIONS AND CONCLUSIONS

- **Lake Property/Destination.** Chisago County is well-known for the number of lakes and recreational uses throughout all seasons. Because of the vast number of lakes, the county is a popular destination for home buyers who desire lake frontage or lake access. Over the past decade, about 20% of all real estate transactions sold on the MLS have been located on lake frontage. However, water front properties have commanded a premium and have sold on-average for 25% more than non-waterfront real estate. According to many Realtors, the sky is the limit on pricing real estate for those lake frontage properties that are located on desirable lakes. The proximity to the Metro Area also is significant as buyers can enjoy water front access while still taking advantage of shorter commute times to the Metro Area.

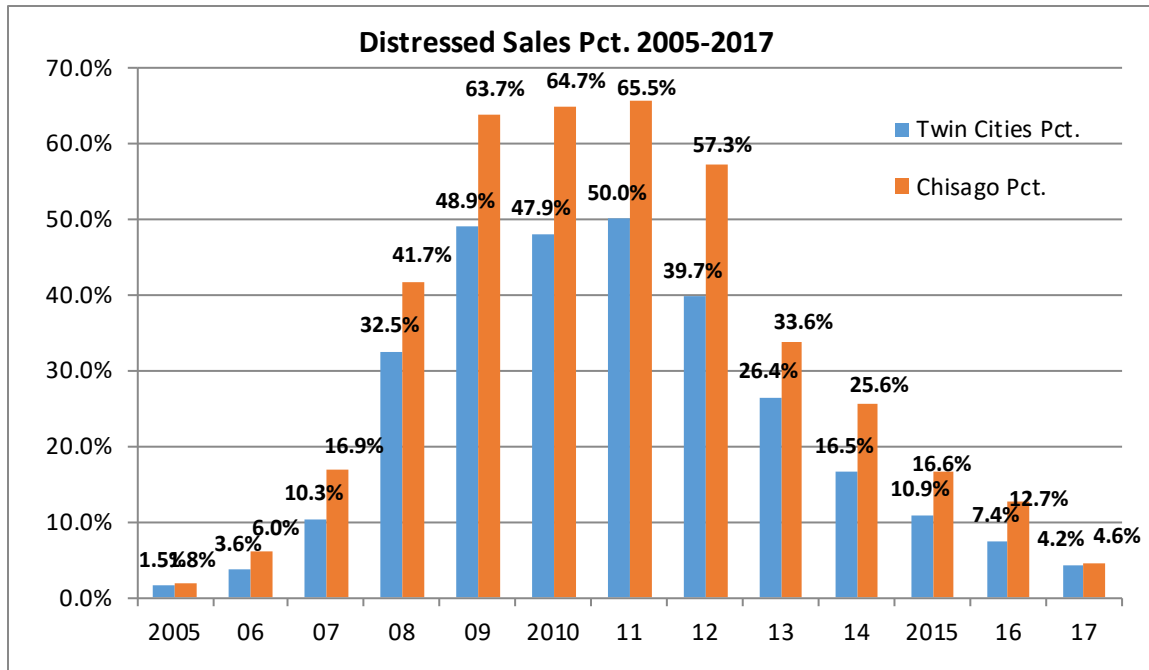
Many buyers have also sought out Chisago County for the natural environment in the townships that offers acreage and views that cannot be found in the Metro Area. Several interviews commented that because of technology and the ability to work remotely Chisago County has been able to attract home buyers seeking a more rural lifestyle. The arts were also mentioned as an amenity that attracts households to Chisago County.





- Lender-mediated Properties.** As illustrated in the *For-Sale* section, 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 about two-thirds of real estate transactions between 2009 and 2011 before declining annually since and comprising about 4.5% of transactions in 2017. Chisago County experienced much higher rates of foreclosures compared to the Metro Area and more urban communities. This was the same in other collar-counties and exurban locations that experienced much higher defaults. 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.

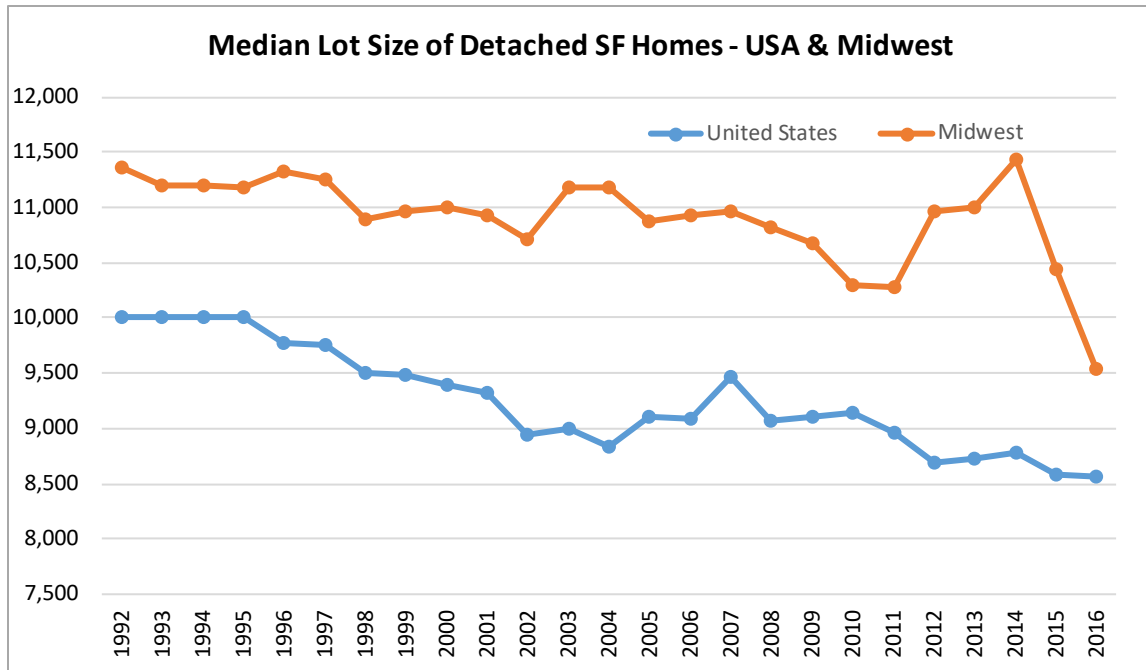
As most homeowners have regained lost equity, the Chisago County housing market should continue to experience stronger velocity as existing homeowners who were unable to move now may have the equity to pursue a trade-up home.



- Lot Size.** As illustrated in the chart below, the median lot size of a new single-family detached home in the United States sold in 2016 (most recent statistics) dropped to its smallest size since the Census Bureau has been tracking lot sizes. Median lot sizes have dropped below 8,600 square feet (0.20 acres), down about 10% since 2010. Lot sizes have decreased in part due to increasing lot prices and rising regulatory and infrastructure costs (i.e. curb and gutter, streets, etc.). As a result, builders and developers have reduced lot sizes in an effort to increase density and absorb higher land development costs across more units.

However, throughout Chisago County lot sizes are substantially larger compared to the Metro Area. Over one-third of lots sold in subdivisions this past year had front lot widths of at least 110 feet or more, compared to 8% in the 7-county Metro Area. Several real estate professionals stressed the desire for larger lots and acreage in Chisago County. Many buyers have sought out Chisago County for larger lots and ability to have space and live in a more rural area with nature.

At the same time, larger lot sizes located within municipal boundaries cost more to develop given the increased infrastructure costs and regulatory process. Thus, “affordable” new single-family housing in Chisago County will be increasingly difficult to build unless lot sizes can be diminished and densities can be increased to reduce lot costs. Maxfield Research finds the cost to develop a single-family lot in outstate Minnesota to surpass \$40,000/lot not including the raw land costs. Because most of the foreclosed lots have been purchased, lot costs are expected to rise in Chisago County thereby decreasing affordability.



- Lot Supply.** Table FS-13 showed a very low inventory of vacant developed lots in newer subdivisions throughout Chisago County. Based on this lot supply and the recent construction activity over the past few years, the current finished lot inventory is not adequate and additional lots are needed immediately. Maxfield Research recommends a lot supply of at least three to five years to meet demand. In addition, there should be a wide variety of lots available, including: walk-outs, look-outs, flat lots, mature lots, etc. that will appeal to a variety of buyers and price points.
- Manufactured/Mobile Home Parks.** Mobile homes “manufactured homes” are considered the largest segment of non-subsidized affordable housing in the U.S.; making up over 8.5 million housing units and 6% of the nation’s housing stock. It is estimated over 20 million Americans’ reside in either single- or double-sided manufactured units.

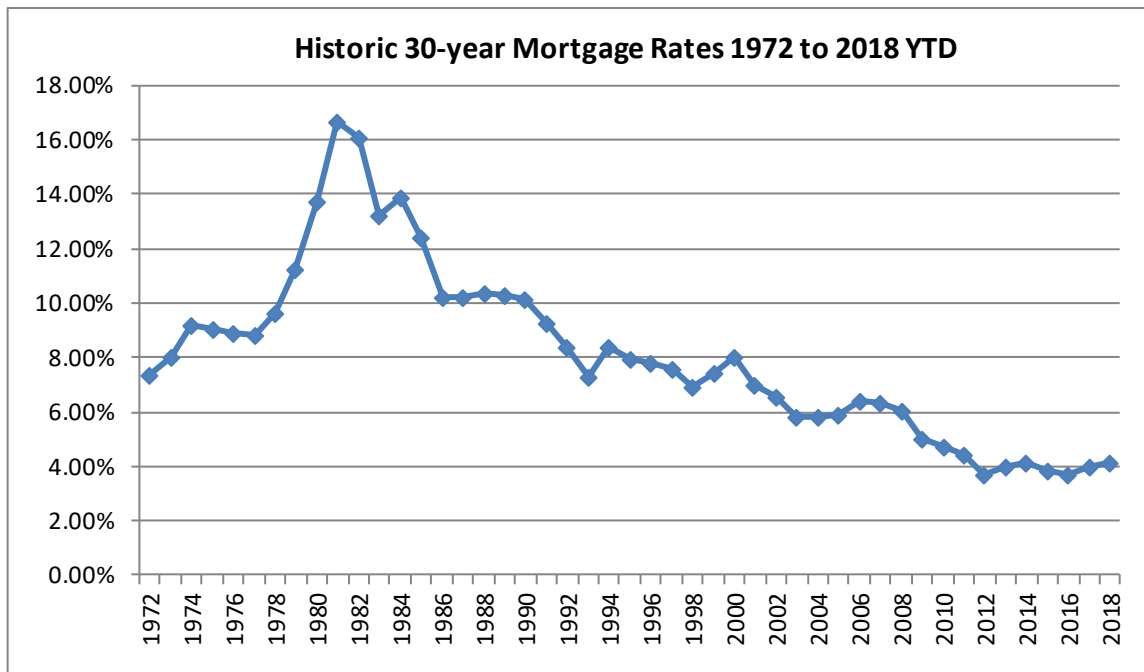
New manufactured homes are factory-built, installed on-site, and can be purchased new for as little as \$45,000. As a result, manufactured housing has offered an affordable path to homeownership compared to lesser-denser housing types such as the single-family home. Manufactured homes can be classified as real estate or person property; however, the majority of manufactured homes are financed as personal property vs. a traditional mortgage. Although these loans are easier to obtain due to the smaller investment, they come with higher interest rates and shorter terms. Unlike site-built housing that tends to appreciate, manufactured homes usually depreciate hence there are fewer loan options. However, mobile homes are also popular rental housing options with modest rents.

Increasingly, the land value for mobile home parks is high as developers continue to purchase mobile home parks and convert to alternative housing concepts or other land uses. As real estate and land values increase, the demand for redevelopment increases as the land value of a mobile home park is often higher than the investment return the mobile park owner is capturing. As a result, many manufactured home parks are at risk for redevelopment and the loss of affordable units in communities.

We have identified several manufactured home parks across Chisago County. Although these communities may have their own unique challenges; we recommend working with the owners to improve or relocate the tenants in the case the private mobile home park owner decides to sell the property. Some communities have relocation assistance for existing tenants and preservation tools to maintain affordable units in the community.

- **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. Mortgage rates remained low for much of 2017; however due to job gains, rising wages, and the sale of bonds - mortgage rates have increased. As of February 2018, rates are the highest since 2014 and are expected to rise throughout 2018. According to most industry experts; rates may creep up to 4.5% by the end of 2018. 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 chart on the following page 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%.

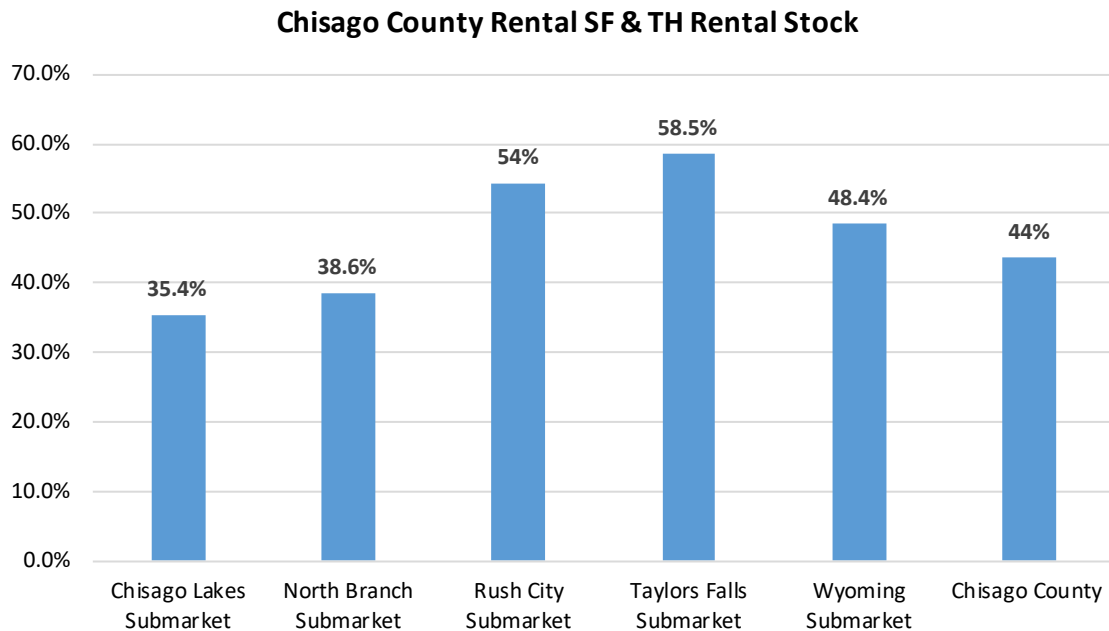


- Point of Contact/Housing Resources/One Stop Shop.** Several interviews stressed that housing options for rental housing are exceptionally low in Chisago County. Finding a rental housing unit can be difficult as there are few options to begin with and many buildings have high occupancy rates and are not necessarily marketing. Many of the rental properties throughout the county are smaller and are locally owned and managed and they are not actively marketing on the Internet or social media which is difficult for non-residents to find housing availability. Furthermore, many landlords mentioned there is not a lot of turnover as many tenants stay in the lease for years.

Maxfield Research recommends establishing a housing resource center that offers a streamlined, one-stop approach for housing referrals for tenants, land owners, and home buyers. The center can partner with various organizations and businesses across Chisago County or organizations (i.e. local cities, chamber of commerce, Realtors Associations, etc.). Maxfield Research recommends a one-stop rental resource guide (i.e. “newcomers resource guide”) that will provide detailed information regarding rental properties in Chisago County and can be based on the findings from this housing study. The rental resource guide should contain a list of apartments and offer key information on what services and amenities are available to householders seeking a rental property in Chisago County that meets their needs. The resource guide can be administered from a variety of organizations such as city or county staff, visitor’s center, chamber of commerce, or other economic development related organizations.

RECOMMENDATIONS AND CONCLUSIONS

- **Rental Housing Stock.** Table R-3 found a vacancy rate of only 2.9% for market rate, affordable, and subsidized rental housing buildings, indicating pent-up demand for rental housing. Only 15% of the housing stock in Chisago County is for rental housing. However, about 44% of the rental housing stock in Chisago County is located within single-family homes or townhomes. Together with duplexes nearly 50% of the rental stock is in single-family or duplex structure types. Maxfield Research recommends soliciting apartment developers as there is a need for quality rentals throughout Chisago County.



- **Zoning Codes.** Several interviews suggested there are limited zoning designations and properties in the county that support mid- to higher-density housing developments (either for-sale housing or rental housing). Because local zoning codes have historically favored single-family housing developments, some interviewees felt the zoning code could deter developers from building in the county. Other interviewees suggest developing multifamily in Chisago County has been challenging given the proximity to lakeshore and shore land ordinance jurisdictions by other governing authorities. As a result, we recommend local jurisdictions take a proactive and flexible approach that will permit other housing types on properties near commercial corridors, employment, or site's that transition between different land uses.

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 – The general definition of affordability is for a household to pay no more than 30% of their income for housing. For purposes of this study we define affordable 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.

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
Chisago County - 2017**

	Fair Market Rent				
	EFF	1BR	2BR	3BR	4BR
Fair Market Rent	\$699	\$862	\$1,086	\$1,538	\$1,799

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 Chisago County are shown in the figure below.

	Gross Rent Chisago County – 2017				
	Maximum Gross Rent				
	EFF	1BR	2BR	3BR	4BR
30% of median	\$474	\$543	\$610	\$678	\$732
50% of median	\$791	\$905	\$1,017	\$1,130	\$1,221
60% of median	\$949	\$1,086	\$1,221	\$1,356	\$1,465
80% of median	\$1,266	\$1,448	\$1,628	\$1,808	\$1,954
100% of median	\$1,582	\$1,810	\$2,035	\$2,260	\$2,442
120% of median	\$1,899	\$2,172	\$2,442	\$2,712	\$2,931

Household – All persons who occupy a housing unit, including occupants of a single-family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Household Trends – Changes in the number of households for any particular areas over a measurable period of time, which is a function of new household 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 units. The owner reserves some or all of the units in a building in return for a Federal government guarantee to make up the difference between the tenant's contribution and the rent. A tenant who leaves a subsidized project will lose access to the project-based subsidy.

HUD Section 202 Program – Federal program that provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy by elder household who have incomes not exceeding 50% of Area Median Income.

HUD Section 811 Program – Federal program that provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy of persons with disabilities who have incomes not exceeding 50% Area Median Income.

HUD Section 236 Program – Federal program that provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% Area Median Income who pay rent equal to the greater or market rate or 30% of their adjusted income.

Income Limits – Maximum household 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. See income-qualifications.

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 housing 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. Mobility rate is often illustrated over a one-year time frame.

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 Consulting, LLC. 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.