



Comprehensive Housing Market Study  
for the City of White Bear Lake, Minnesota



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January 27, 2020

Ms. Tracy Shimek  
Housing and Economic Development Coordinator  
City of White Bear Lake  
4071 Highway 61  
White Bear Lake, MN 55110

Dear Ms. Shimek:

Attached is the *Comprehensive Housing Market Study for the City of White Bear Lake, Minnesota* conducted by Maxfield Research and Consulting, LLC. The study projects housing demand through 2030 and provides recommendations on the amount and type of housing that could be built in White Bear Lake to satisfy demand from current and future residents over the next decade.

The study identifies a potential demand for approximately 1,361 new general occupancy housing units through 2030 and 450 new senior housing units through 2024. Because the aging population in White Bear Lake about 25% of the total demand will be for age-restricted housing types. Strong demand exists for general-occupancy apartments with a need for over 700 units through 2030. Based on the survey of occupancies, White Bear Lake vacancies are below equilibrium, posting an overall vacancy rate of only 2.6% for general-occupancy housing and 3.3% for senior housing. Finally, for-sale housing demand over the next decade shows a need for over 650 housing units. Based on the current land availability, new single-family housing is mainly confined to infill, teardowns, or redevelopment areas.

Detailed information regarding recommended housing concepts can be found in the *Recommendations & Conclusions* section at the end of the report. If you have any questions or need additional information, please contact us. We have enjoyed conducting this study for you.

Sincerely,

**MAXFIELD RESEARCH AND CONSULTING, LLC**

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

Matt Mullins  
Vice President  
Attachment

A handwritten signature in black ink that reads "Max Perrault".

Max Perrault  
Associate

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### ***Purpose and Scope of Study***

Maxfield Research and Consulting LLC (i.e. “Maxfield Research”) was engaged by the City of White Bear Lake to conduct a *Comprehensive Housing Market Study* for the City of White Bear Lake. The Housing Market Study 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 White Bear Lake.

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

### ***Demographic Analysis***

- As of the 2010 Census, the City of White Bear Lake had 23,797 people and 9,945 households. The City of White Bear Lake is estimated to have grown by 1,753 people and 735 households between 2010 and 2019 and forecast to increase by another 950 people and 1,120 households between 2019 and 2030.
- From 2019 to 2024, the 65 to 74 and the 75+ age cohorts are projected to have the greatest numeric growth increasing by 438 and 333 people, respectively. The 55 to 64 age cohort is projected to decrease by 352 people while the 25 to 34 age cohort is projected to contract by 239 people.
- The City of White Bear Lake had an estimated median household income of \$72,811 in 2019. Non-senior household median incomes peak in the 35 to 44 age group at \$98,755. The median income for seniors age 65 to 74 is \$68,766 and for 75+ is \$40,036.
- Between 2000 and 2017, homeownership rates decreased from 75% to 69% in the City of White Bear Lake. The decline was a result of lender-mediated properties during the Great Recession and the rental housing market that is currently booming in White Bear Lake due to infill and redevelopment.
- Household types comprised of those Living Alone accounted for the highest household type percentage in 2017 at 32%. However, married without children is the second largest household type accounting for about 29% of households in White Bear Lake.

### *Housing Characteristics*

- Per the City of White Bear Lake there were approximately 454 units permitted from 2010 to June 2019. In 2008 (the peak of the recession), White Bear Lake observed the fewest building permits issued at 4, but has averaged building permits for 45 units per year since 2010.
- Nearly one-quarter of White Bear Lake's renter-occupied housing was constructed in the 1980s (24.2%), while 23% of White Bear Lake's owner-occupied housing stock was built in the 1960s.
- Approximately 66% of White Bear Lake homeowners have a mortgage compared to 67% of Ramsey County and 72% of the metro area in 2017. About 13% of homeowners with mortgages also have a second mortgage, home equity loan, or both.
- The median contract rent in White Bear Lake was \$949 in 2017. Based on a 30% allocation of income to housing, a household would need an income of about \$37,960 to afford the median contract rent in White Bear Lake.

### *Employment Analysis*

- White Bear Lake and Ramsey County had an unemployment rate of 2.8% and 2.7% respectively in 2018. By comparison, the State of Minnesota's unemployment rate was 2.9% in 2018 while the U.S.'s unemployment rate was 3.9%.
- According to Employer-Household Dynamics data from the U.S. Census Bureau there are roughly 12,393 workers in White Bear Lake in 2017, 12% live in White Bear Lake. Most other workers are commuting from St. Paul (8.9%), Hugo (5.1%), Maplewood and Minneapolis (3.4%). White Bear Lake is considered an exporter of workers, as 89% of the residents in White Bear Lake commute elsewhere for work.

### *Rental Housing Market Analysis*

- In total, Maxfield Research inventoried 1,925 general occupancy rental units in White Bear Lake spread across 24 multifamily developments. At the time of the survey, there were 51 vacant units resulting in an overall vacancy rate of 2.6%. 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.
- Monthly rents among market rate properties ranged from \$660 for a studio unit to \$3,600 for a two-bedroom unit. The average rent in White Bear Lake was \$1,203 while the average rent per square foot was \$1.31.
- Affordable/subsidized projects make-up 308 units and posted only three vacant units.

***Senior Housing Market Analysis***

- As of October 2019, Maxfield Research identified 14 senior housing developments in White Bear Lake. These properties contain a total of 975 units. There are 32 vacancies resulting in an overall vacancy rate of 3.3% for senior housing developments. Generally, healthy senior housing vacancy rates range from 5% to 7% depending on service level.

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

- The number of resales in White Bear Lake has averaged about 377 sales annually between 2000 and 2018. The fewest number of resales occurred just after the recession in 2010 with 229 resales; while 2018 established a new record high in recent years in White Bear Lake with 436 resales.
- Single-family housing stock has accounted for over 76% of the resale volume in White Bear Lake since 2000. Multifamily for-sale housing products are more affordable (median resale price: \$218,950 in 2018) and are priced about 15% lower than the single-family housing stock.
- The median list price in White Bear Lake was about \$254,500 for single-family homes and \$218,950 for multifamily homes; combined the median sales price across all housing types is about \$246,672.

***Housing Demand Analysis***

- Based on our calculations, demand exists in the City of White Bear Lake for the following general occupancy product types between 2019 and 2030:
  - Market Rate Rental 306 units
  - Affordable Rental 267 units
  - Subsidized Rental 133 units
  - For-Sale Single-family 491 units
  - For-Sale Multifamily 164 units
- In addition, we find demand for multiple senior housing product types. By 2024, demand in the White Bear Lake Market Area for senior housing is forecast for the following:
  - Active Adult Ownership 54 units
  - Active Adult Rental 129 units
  - Active Adult Affordable 91 units
  - Active Adult Subsidized 26 units
  - Independent Living 11 units
  - Assisted Living 100 units
  - Memory Care 39 units

### *Recommendations and Conclusions*

- Based on the finding of our analysis and demand calculations, the chart on the following page provides a summary of the recommended development concepts by product type for the City of White Bear Lake through 2030. Detailed findings are described in the *Recommendations* section of the report.

## EXECUTIVE SUMMARY

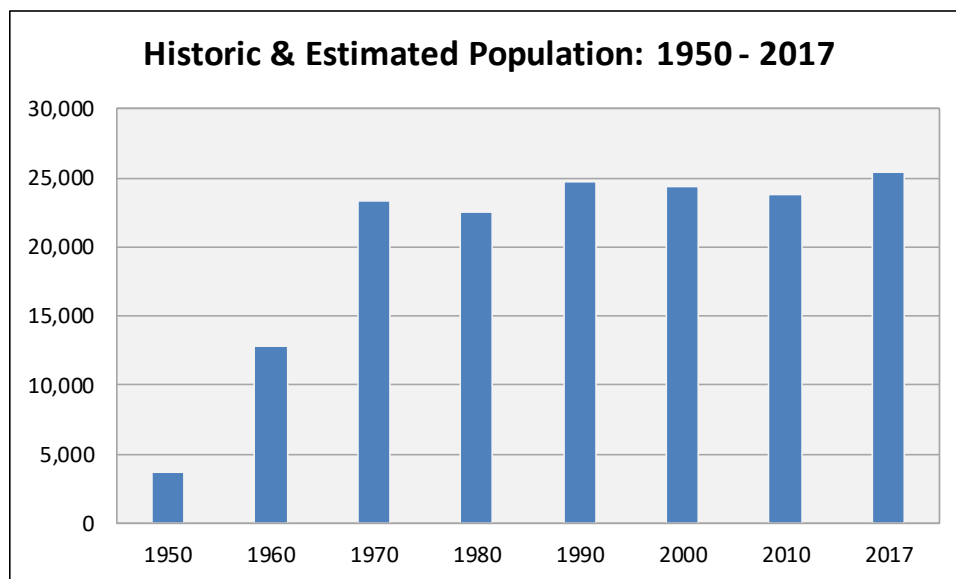
RECOMMENDED HOUSING DEVELOPMENT				
CITY OF WHITE BEAR LAKE				
2019 to 2030				
		Purchase Price/ Monthly Rent Range <sup>1</sup>	No. of Units	Development Timing
<b>Owner-Occupied Homes</b>				
<i>Single Family</i>				
	Entry-level	<\$300,000	20 - 25	Ongoing
	Move-up	\$300,000 - \$500,000	60 - 65	Ongoing
	Executive	\$600,000+	50 - 55	Ongoing
	<b>Total</b>		<b>130 - 145</b>	
<i>Townhomes/Twinhomes/Detached Townhomes<sup>2</sup></i>				
	Entry-level	<\$275,000	25 - 30	Ongoing
	Move-up	\$300,000 - \$400,000	30 - 35	Ongoing
	Executive	\$450,000+	20 - 25	Ongoing
	<b>Total</b>		<b>75 - 90</b>	
<i>Condominiums</i>				
	Entry-level	<\$250,000	30 - 35	2020+
	Move-up	\$300,000 to \$450,000	60 - 65	2020+
	Executive	\$500,000+	35 - 40	2020+
	<b>Total</b>		<b>125 - 140</b>	
<b>Total Owner-Occupied</b>			<b>330 - 375</b>	
<b>General Occupancy Rental Housing</b>				
<i>Market Rate Rental Housing</i>				
	Apartment-style (moderate)	\$900/EFF - \$1,800/2BR+D	150 - 175	2020+
	Apartment-style (luxury)	\$1,100/EFF - \$2,600/3BR	100 - 125	2020+
	Townhomes	\$1,700/2BR - \$2,000/3BR	50 - 60	2020+
	<b>Total</b>		<b>300 - 360</b>	
<i>Affordable Rental Housing</i>				
	Apartment-style	Moderate Income <sup>3</sup>	200 - 225	2021+
	Townhomes	Moderate Income <sup>3</sup>	50 - 60	2020+
	Subsidized	30% of Income <sup>3</sup>	100 - 120	2020+
	<b>Total</b>		<b>350 - 405</b>	
<b>Total Renter-Occupied</b>			<b>650 - 765</b>	
<b>Senior Housing (i.e. Age Restricted) - 2019 to 2024</b>				
	Senior Coop./Ownership Active Adult	\$150,000 - \$200,000+	40 - 50	2021+
	Active Adult Market Rate Rental <sup>4</sup>	\$1,300/1BR - \$2,500/2BR	100 - 120	2021+
	Active Adult Affordable Rental <sup>4</sup>	Moderate Income <sup>3</sup>	80 - 90	2020+
	Assisted Living	\$3,000/EFF - \$5,500/2BR	80 - 100	2024+
	Memory Care	\$4,000/EFF - \$6,000/1BR	30 - 40	2022+
	<b>Total</b>		<b>330 - 400</b>	
<b>Total - All Units</b>			<b>1,310 - 1,540</b>	
<sup>1</sup> Pricing in 2019 dollars. Pricing can be adjusted to account for inflation.				
<sup>2</sup> For-Sale Multifamily includes a variety of multifamily product types; including twinhomes, villas, detached townhomes, row homes, quads, etc.				
<sup>3</sup> Affordability subject to income guidelines per Minnesota Housing Finance Agency (MHFA). See Table HA-1 for Ramsey County Income limits.				
<sup>4</sup> Alternative development concept is to combine active adult affordable and market rate active adult into mixed-income senior community				
<b>Note - Recommended development does not coincide with total demand. White Bear Lake may not be able to accommodate all recommended housing types based on land availability, current policy/programs, and development constraints.</b>				
Source: Maxfield Research & Consulting, LLC				

## Introduction

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

## Population and Household Growth Trends and Projections

Table D-1 presents population and household growth trends and projections from 1990 to 2040. The 1990 to 2010 data is from the U.S. Census. Estimate and projection data is calculated from the Metropolitan Council; ESRI (a national demographics service provider); with adjustments calculated by Maxfield Research and Consulting LLC. The adjustments are intended to reflect growth that will likely be realized after considering the impact of the current housing market, employment, and review of building permit trends.



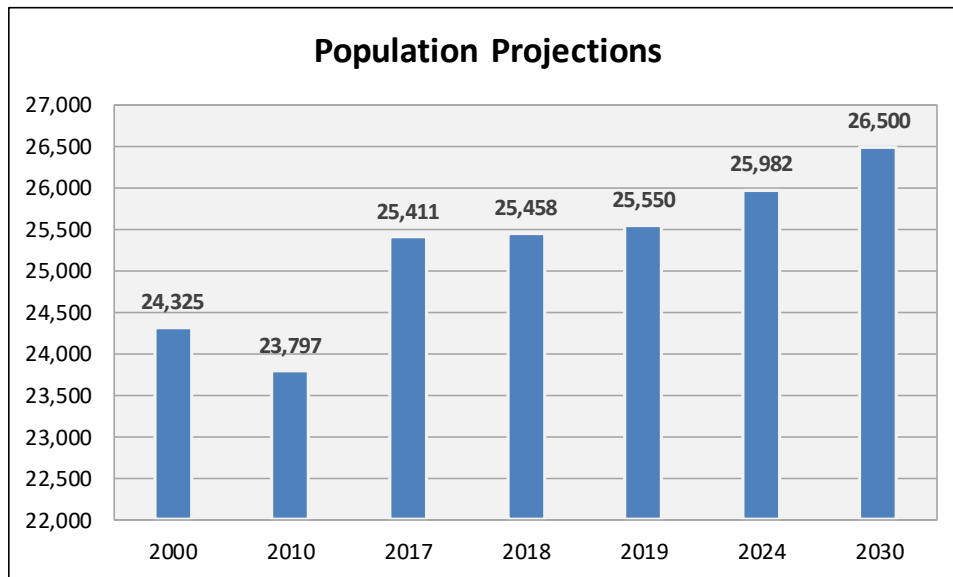
### Population

- The City of White Bear Lake’s population decreased by 528 people (2.2%) between 2000 and 2010. During this same period Ramsey County dropped by 0.5%, while the 7-County Metro Area grew by 7.9%.
- In 2010, The City of White Bear Lake included roughly 4.7% of the total population in Ramsey County, compared to 4.8% in 2000 and 5.1% in 1990.

## DEMOGRAPHIC ANALYSIS

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- Maxfield Research estimates that White Bear Lake will have increased in its population by 1,753 people (7.4%) between 2010 and 2019.
- We project that between 2019 and 2030, White Bear Lake will increase by approximately 950 people (3.7%). Growth will mainly be due to infill and redevelopment within White Bear Lake.



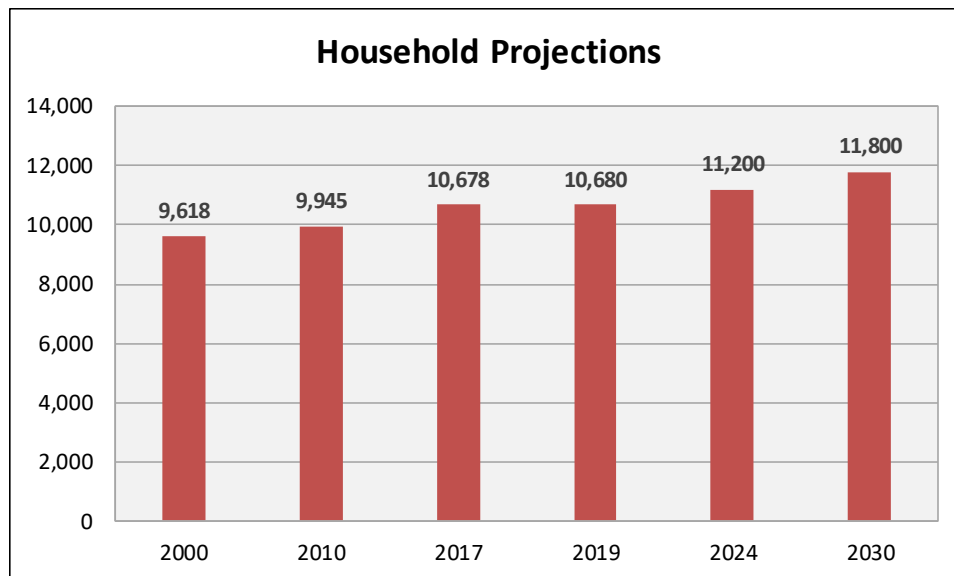
## DEMOGRAPHIC ANALYSIS

<b>TABLE D-1</b> <b>POPULATION AND HOUSEHOLD GROWTH TRENDS AND PROJECTIONS</b> <b>WHITE BEAR LAKE ANALYSIS AREA</b> <b>1990 to 2030</b>																
	U.S. Census						Change									
	1990		2000		2010		Estimate		Forecast		2000 to 2010		2010 to 2019		2019 to 2030	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
<b>POPULATION</b>																
City of White Bear Lake	24,704	24,325	23,797	25,550	25,982	26,500	-528	-2.2%	1,753	7.4%	950	3.7%				
Ramsey County	485,765	511,035	508,640	541,557	561,516	572,610	-2,395	-0.5%	32,917	6.5%	31,053	5.7%				
Seven-County Metro Area	2,288,729	2,642,056	2,849,567	3,127,164	3,290,156	3,459,000	207,511	7.9%	277,597	9.7%	331,836	10.6%				
<b>HOUSEHOLDS</b>																
City of White Bear Lake	9,070	9,618	9,945	10,680	11,200	11,800	327	3.4%	735	7.4%	1,120	10.5%				
Ramsey County	190,500	201,236	202,691	215,294	223,008	236,790	1,455	0.7%	12,603	6.2%	21,496	10.0%				
Seven-County Metro Area	1,032,431	1,021,454	1,117,749	1,234,977	1,296,885	1,402,000	96,295	9.4%	117,228	10.5%	167,023	13.5%				
Sources: U.S. Census Bureau; ESRI; Metropolitan Council; 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 come from changing demographics of the population base, which results in demand for different housing products.
- White Bear Lake gained 327 households during the 2000s (an increase of 3.4%), increasing its household base to 9,945 households as of 2010.
- Maxfield Research projects household growth in White Bear Lake to increase by 735 households (7.4%) between 2010 and 2019. Overall, we project White Bear Lake to grow to 11,800 households by 2030.



### Age Distribution Trends

Age distribution affects demand for different types of housing since needs and desires change at different stages of the life cycle. Table D-2 shows the distribution of persons within nine age cohorts for White Bear Lake, Ramsey County, and the Metro Area in 2000 and 2010 with estimates for 2019 and projections for 2024. The 2000 and 2010 age distributions are from the U.S. Census Bureau and the 2019 and 2024 figures are estimates based on ESRI data with adjustments made by Maxfield. The following are key points from the table.

- In White Bear Lake between 2000 and 2010, growth occurred in all age cohorts with the exception of those under the age of 20, decreasing by 15%, those between the ages of 35 to

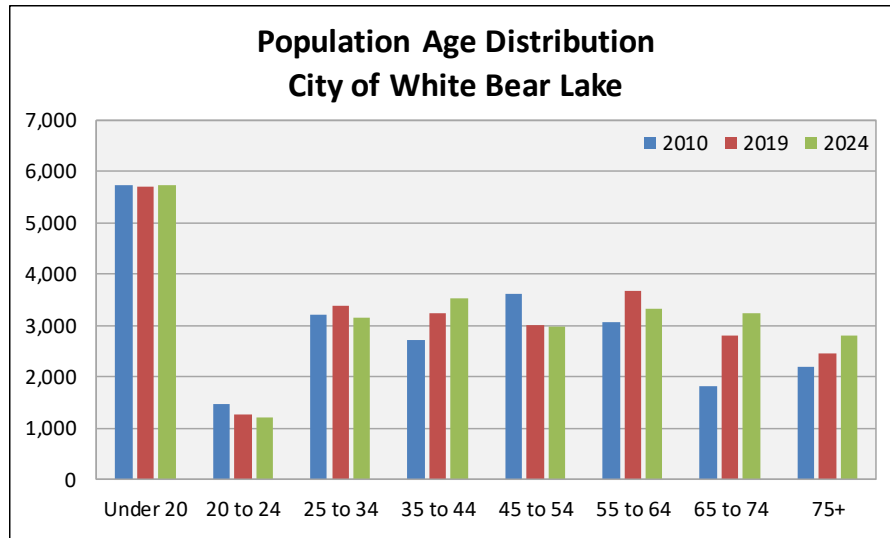
## DEMOGRAPHIC ANALYSIS

44, decreasing by 32%, and those 65 to 74, decreasing by 5%. The majority of the growth occurred in those between the ages of 55 to 64, increasing by 37%.

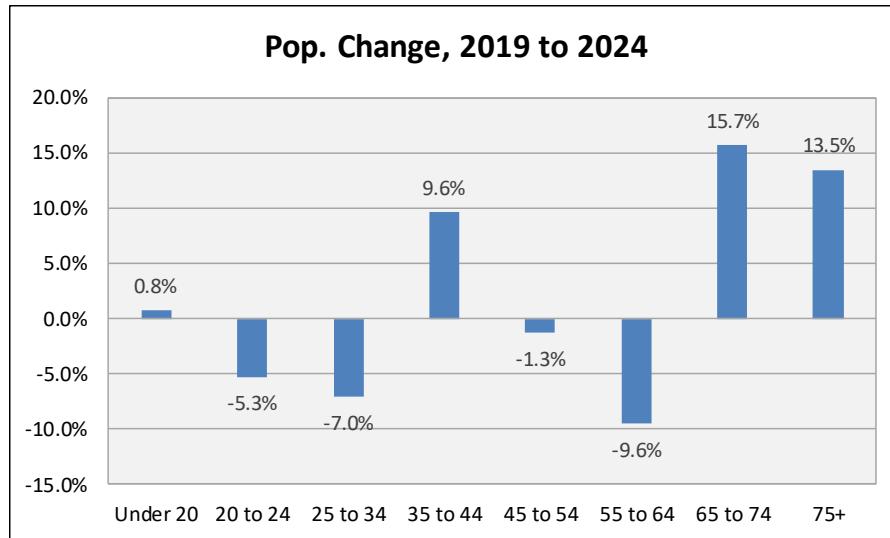
- The City of White Bear Lake's population of 20 to 34-year olds, which consists primarily of renters and first-time homebuyers, increased by 3.2% between 2000 and 2010. This age group is expected to decrease by 305 people (6.6%) between 2019 and 2024.

Age	Census		Estimate	Projection	Change			
	2000	2010	2019	2024	2000 - 2010		2019 - 2024	
	No.	No.	No.	No.	No.	Pct.	No.	Pct.
<b>City of White Bear Lake</b>								
Under-20	6,730	5,726	5,700	5,746	-1,004	-14.9	46	0.8
20 to 24	1,382	1,470	1,268	1,201	88	6.4	-67	-5.3
25 to 34	3,153	3,210	3,392	3,153	57	1.8	-239	-7.0
35 to 44	3,969	2,711	3,233	3,543	-1,258	-31.7	311	9.6
45 to 54	3,306	3,611	3,019	2,981	305	9.2	-38	-1.3
55 to 64	2,235	3,055	3,680	3,328	820	36.7	-352	-9.6
65 to 74	1,918	1,818	2,792	3,230	-100	-5.2	438	15.7
75+	1,632	2,196	2,466	2,799	564	34.5	333	13.5
<b>Total</b>	<b>24,325</b>	<b>23,797</b>	<b>25,550</b>	<b>25,982</b>	<b>-528</b>	<b>-2.2</b>	<b>432</b>	<b>1.7</b>
<b>Ramsey County</b>								
Under-20	147,393	135,728	134,871	138,372	-11,665	-7.9	3,501	2.6
20 to 24	41,289	44,194	41,384	41,234	2,905	7.0	-150	-0.4
25 to 34	76,638	77,119	85,043	84,656	481	0.6	-387	-0.5
35 to 44	80,271	60,933	67,489	74,825	-19,338	-24.1	7,336	10.9
45 to 54	67,314	70,570	61,182	60,673	3,256	4.8	-509	-0.8
55 to 64	38,628	58,915	67,851	63,907	20,287	52.5	-3,944	-5.8
65 to 74	28,726	30,351	48,281	55,434	1,625	5.7	7,153	14.8
75+	30,776	30,830	35,456	42,415	54	0.2	6,959	19.6
<b>Total</b>	<b>511,035</b>	<b>508,640</b>	<b>541,557</b>	<b>561,516</b>	<b>-2,395</b>	<b>-0.5</b>	<b>19,959</b>	<b>3.7</b>
<b>Twin Cities Metro Area</b>								
Under-20	768,028	774,287	796,703	818,922	6,259	0.8	22,219	2.8
20 to 24	173,732	190,135	208,579	204,600	16,403	9.4	-3,979	-1.9
25 to 34	411,155	420,311	449,960	469,342	9,156	2.2	19,382	4.3
35 to 44	469,324	391,324	416,157	457,195	-78,000	-16.6	41,038	9.9
45 to 54	363,592	440,753	411,655	397,774	77,161	21.2	-13,882	-3.4
55 to 64	200,980	326,007	408,224	408,242	125,027	62.2	17	0.0
65 to 74	130,615	163,425	260,814	317,762	32,810	25.1	56,948	21.8
75+	124,630	143,325	175,072	216,320	18,695	15.0	41,248	23.6
<b>Total</b>	<b>2,642,056</b>	<b>2,849,567</b>	<b>3,127,164</b>	<b>3,290,156</b>	<b>207,511</b>	<b>7.9</b>	<b>162,992</b>	<b>5.2</b>

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



- The senior age cohorts are projected to have the greatest percentage growth. The 65+ age cohort is forecast to increase by 15% (770 people) in White Bear Lake between 2019 and 2024. The growth in the senior age cohorts can be primarily attributed to the baby boom generation aging into their senior years. The 55 to 64 age cohort is the largest adult cohort in 2019, totaling 3,680 people.
- The 35 to 44 age group is projected to increase by 10%, or 311 people, between 2019 and 2024. Many in this age group will be considered move-up buyers, or one who is selling one house and purchasing another one, usually a larger and more expensive home. Usually the move is desired because of a lifestyle change, such as a new job or a growing family.
- The social changes that occurred with the aging of the baby boom generation, such as higher divorce rates, higher levels of education, and lower birth rates has led to a greater variety of lifestyles than existed in the past – not only among baby boomers, but also among their parents and children. The increased variety of lifestyles has also fueled demand for alternative housing products to single-family homes. Seniors, in particular, and middle-aged persons tend to do more traveling and participate in more activities than previous generations, and they increasingly prefer maintenance-free housing that enables them to spend more time on activities outside the home.



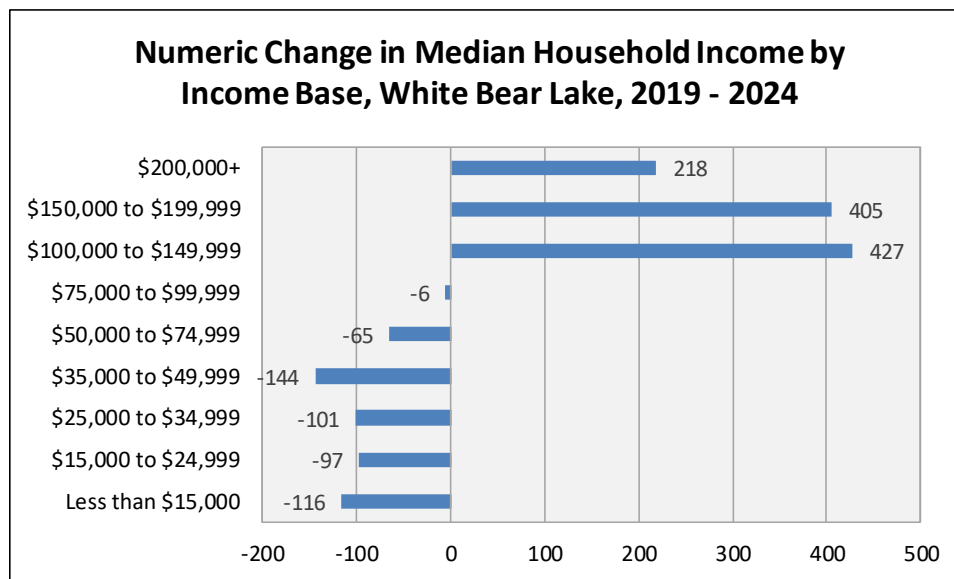
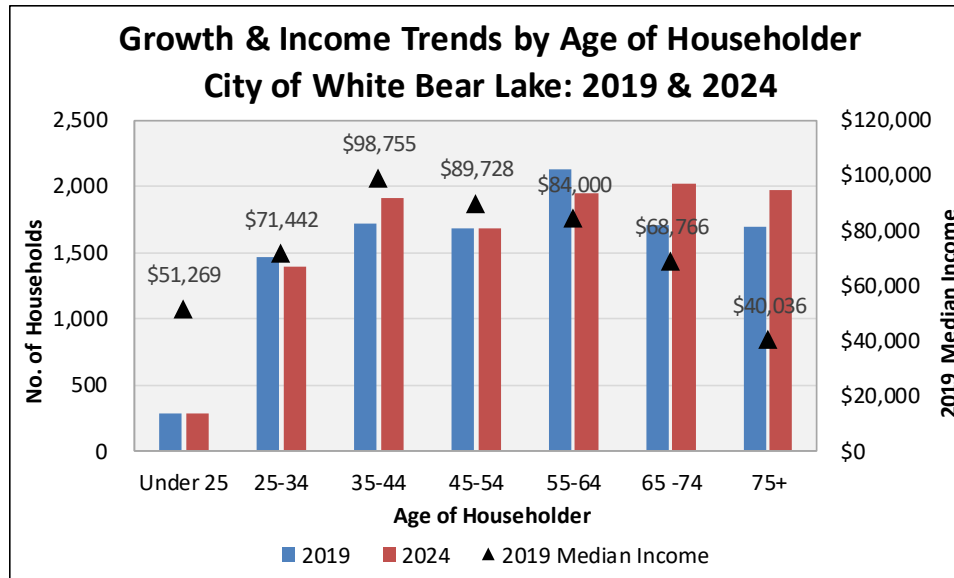
**Household Income by Age of Householder**

The estimated distribution of household incomes in White Bear Lake for 2019 and 2024 are shown in Table D-3. The data was estimated by Maxfield Research based on income trends provided by ESRI. The data helps ascertain the demand for different housing products based on the size of the market at specific cost levels.

The Department of Housing and Urban Development defines affordable housing costs as 30% of a household’s adjusted gross income. For example, a household in White Bear Lake with the median income of \$60,000 per year would be able to afford a monthly housing cost of about \$1,500. Maxfield Research uses a figure of 25% to 30% for younger households and 40% or more for seniors, since seniors generally have lower living expenses and can often sell their homes and use the proceeds toward rent payments.

A generally accepted standard for affordable owner-occupied housing is that a typical household can afford to pay 3.0 to 3.5 times their annual income on a single-family home. Thus, a \$60,000 income would translate to an affordable single-family home of \$180,000 to \$210,000. The higher end of this range assumes that the person has adequate funds for down payment and closing costs but does not include savings or equity in an existing home which would allow them to purchase a higher priced home.

- White Bear Lake has an estimated median household income of \$72,811 in 2019 and is expected to increase over the next five years to \$83,948 in 2024 (15.3%). This equates to an increase of 3.1% annually.



**Non-Senior Households**

- In 2019, 3.7% of non-senior (under age 65) households in White Bear Lake had incomes under \$15,000 (268 households). All of these households would be eligible for deep-subsidy rental housing. Another 3.5% of White Bear Lake’s non-senior households had incomes between \$15,000 and \$24,999 (254 households). Many of these households would qualify for deep-subsidy housing, but many could also afford shallow-subsidy or older market rate rentals. If housing costs absorb 30% of income, households with incomes of \$15,000 to \$24,999 could afford to pay \$375 to \$625 per month.

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- In most geographic areas, household median incomes peak in the 45 to 54 age group and that group is usually considered to be in their peak earning years, however in White Bear Lake incomes peak in the 35 to 44 age group. In 2019, the median household income in White Bear Lake was highest in the 35 to 44 age group at \$98,755. The 45 to 54 age group has a median income of \$89,728 in 2019. By 2024, the median income for the 35 to 44 and the 45 to 54 age groups are projected to increase to \$107,953 (9%) and \$105,053 (17%) respectively.
- The median estimated home value in White Bear Lake was roughly \$260,000 in September 2019. The income required to afford a home at this price would be about \$74,286 to \$86,667 based on the standard of 3.0 to 3.5 times the median income (and assuming these households do not have a high level of debt). About 44% of non-senior households in White Bear Lake have incomes of \$74,286 or more in 2019.

## DEMOGRAPHIC ANALYSIS

TABLE D-3 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER CITY OF WHITE BEAR LAKE 2019 and 2024								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65 -74	75+
<b>2019</b>								
Less than \$15,000	526	27	65	50	50	76	83	175
\$15,000 to \$24,999	580	29	64	39	45	77	92	234
\$25,000 to \$34,999	887	29	116	108	97	110	133	295
\$35,000 to \$49,999	1,336	57	210	152	145	170	217	386
\$50,000 to \$74,999	2,241	81	328	279	330	485	424	313
\$75,000 to \$99,999	1,565	26	204	253	290	392	306	93
\$100,000 to \$149,999	2,130	23	298	566	392	473	247	132
\$150,000 to \$199,999	802	8	106	142	193	207	112	35
\$200,000+	613	6	80	123	137	136	97	35
<b>Total</b>	<b>10,680</b>	<b>285</b>	<b>1,470</b>	<b>1,713</b>	<b>1,679</b>	<b>2,125</b>	<b>1,711</b>	<b>1,698</b>
<i>Median Income</i>	<i>\$72,811</i>	<i>\$51,269</i>	<i>\$71,442</i>	<i>\$98,755</i>	<i>\$89,728</i>	<i>\$84,000</i>	<i>\$68,766</i>	<i>\$40,036</i>
<b>2024</b>								
Less than \$15,000	410	21	40	40	36	41	67	166
\$15,000 to \$24,999	483	23	45	29	33	48	82	223
\$25,000 to \$34,999	785	25	85	90	67	77	127	315
\$35,000 to \$49,999	1,191	52	160	131	112	119	208	409
\$50,000 to \$74,999	2,176	86	290	267	281	396	471	384
\$75,000 to \$99,999	1,558	27	185	255	267	337	363	125
\$100,000 to \$149,999	2,557	28	336	690	438	497	354	213
\$150,000 to \$199,999	1,207	14	153	230	268	279	191	72
\$200,000+	832	10	96	177	175	158	152	62
<b>Total</b>	<b>11,200</b>	<b>287</b>	<b>1,391</b>	<b>1,910</b>	<b>1,678</b>	<b>1,952</b>	<b>2,015</b>	<b>1,968</b>
<i>Median Income</i>	<i>\$83,948</i>	<i>\$55,193</i>	<i>\$85,119</i>	<i>\$107,953</i>	<i>\$105,053</i>	<i>\$97,946</i>	<i>\$79,240</i>	<i>\$44,886</i>
<b>Change - 2019 to 2024</b>								
Less than \$15,000	-116	-6	-25	-10	-15	-35	-16	-9
\$15,000 to \$24,999	-97	-6	-19	-10	-13	-29	-11	-11
\$25,000 to \$34,999	-101	-4	-31	-18	-29	-33	-6	20
\$35,000 to \$49,999	-144	-4	-49	-21	-33	-51	-9	23
\$50,000 to \$74,999	-65	5	-37	-12	-49	-89	47	70
\$75,000 to \$99,999	-6	2	-20	2	-22	-56	57	31
\$100,000 to \$149,999	427	6	38	124	46	24	108	81
\$150,000 to \$199,999	405	5	47	88	75	72	79	37
\$200,000+	218	4	16	54	38	23	55	27
<b>Total</b>	<b>520</b>	<b>3</b>	<b>-80</b>	<b>197</b>	<b>-1</b>	<b>-173</b>	<b>304</b>	<b>270</b>
<i>Median Income</i>	<i>\$11,137</i>	<i>\$3,924</i>	<i>\$13,677</i>	<i>\$9,197</i>	<i>\$15,324</i>	<i>\$13,945</i>	<i>\$10,473</i>	<i>\$4,850</i>
Sources: ESRI; Maxfield Research & Consulting, LLC								

### Senior Households

- The oldest householders have lower incomes in 2019. In White Bear Lake, 5% of households ages 65 to 74 had incomes below \$15,000, compared to 10% of households ages 75 and

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over. Many of these low-income older senior households rely solely on social security benefits. Typically, younger seniors have higher incomes due to the fact they are still able to work or are married couples with two pensions or higher social security benefits. The 2019 median income for White Bear Lake householders decline significantly for those ages 65 to 74 and 75+ at \$68,766 and \$40,036, respectively.

- Generally, senior households with incomes greater than \$35,000 will be able to afford market rate senior housing in White Bear Lake. Based on a 40% allocation of income for housing, this translates to monthly rents of at least \$1,167. About 2,397 senior households in White Bear Lake (70% of senior households) have incomes above \$35,000 in 2019.
- The median income for seniors age 65+ in White Bear Lake is \$54,453 in 2019. It is projected to increase by \$7,809 (14%) to \$62,262 by 2024.

### Household Net Worth

Table D-4 shows household net worth in the White Bear Lake in 2019. Simply stated, net worth is the difference between assets and liabilities, or the total value of assets after the debt is subtracted. The data was compiled and estimated by ESRI based on the Survey of Consumer Finances and Federal Reserve Board data.

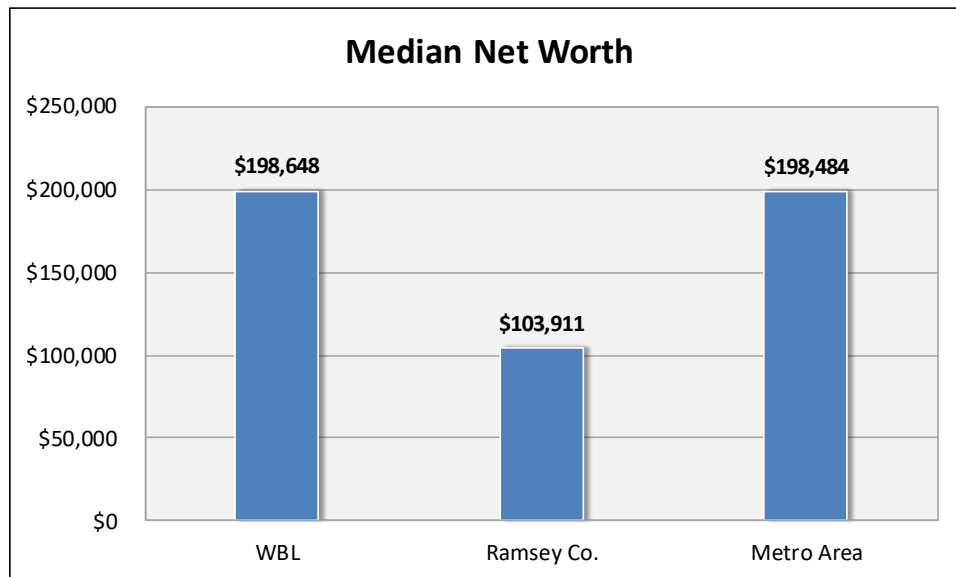
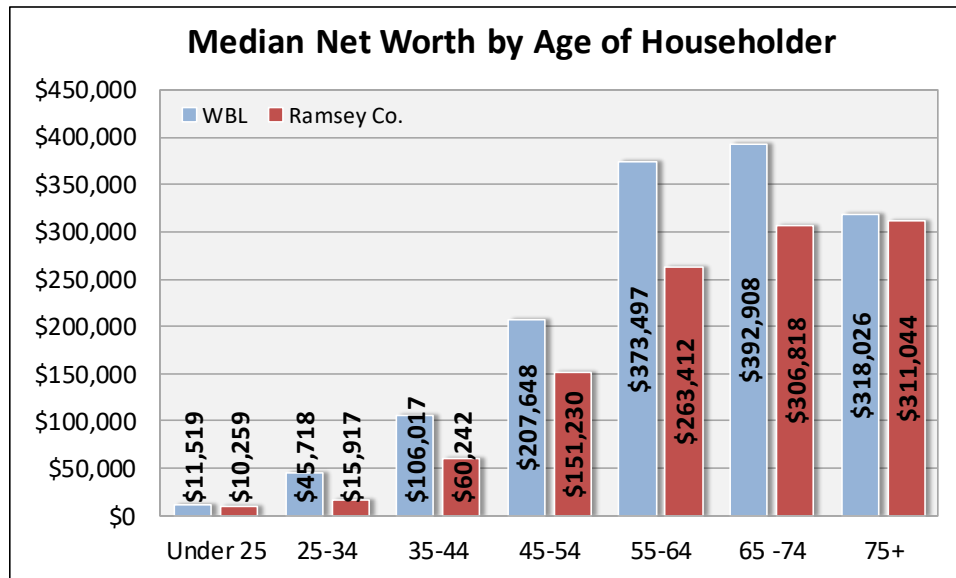
According to data released by the National Association of Realtors, the average American homeowner has a net worth about 31 to 46 times greater than that of a renter and that in 2016 the average American homeowner net worth is estimated at 44 times greater than that of a renter. The Federal Reserve survey is conducted every three years and this research was based on the 2016 Federal Reserve survey that showed the median net worth of a homeowner was \$231,400, whereas the median net worth of a renter was \$5,200.

- White Bear Lake has an estimated median net worth of \$198,648 in 2019. Median net worth is generally a more accurate depiction of wealth than the average figure. A few households with very large net worth can significantly skew the average.
- Similar to household income, net worth increases as households age and decreases after they pass their peak earning years and move into retirement. Median and average net worth usually peak in the 65 to 74 age cohort. The median net worth in the White Bear Lake for age cohorts 55+ was \$362,473 in 2019. Senior households usually have higher net worth due to their saving investments and other retirement funds.
- Households often delay purchasing homes and instead choose to rent until they acquire sufficient assets to cover the costs of a down payment and closing costs associated with home ownership. Lending has recently become slightly easier for obtaining mortgages making



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mortgages with little or no down payments easier to obtain in today's mortgage lending environment than it has been the past year.



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	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65 -74	75+
<b>City of White Bear Lake</b>								
Less than \$15,000	1,574	186	499	313	176	138	108	154
\$15,000 to \$34,999	636	40	173	150	108	57	51	58
\$35,000 to \$49,999	349	20	83	74	50	46	36	40
\$50,000 to \$99,999	1,208	25	290	293	174	126	113	188
\$100,000 to \$149,999	824	8	141	170	143	171	98	95
\$150,000 to \$249,999	1,289	6	130	240	279	257	219	157
\$250,000 or more	4,799	1	154	474	747	1,331	1,086	1,007
<b>Subtotal</b>	<b>10,680</b>	<b>286</b>	<b>1,470</b>	<b>1,714</b>	<b>1,677</b>	<b>2,125</b>	<b>1,711</b>	<b>1,698</b>
<i>Median Net Worth</i>	<i>\$198,648</i>	<i>\$11,519</i>	<i>\$45,718</i>	<i>\$106,017</i>	<i>\$207,648</i>	<i>\$373,497</i>	<i>\$392,908</i>	<i>\$318,026</i>
<i>Average Net Worth</i>	<i>\$848,987</i>	<i>\$31,545</i>	<i>\$119,924</i>	<i>\$305,245</i>	<i>\$793,208</i>	<i>\$1,370,520</i>	<i>\$1,323,829</i>	<i>\$1,090,603</i>
<b>Ramsey County</b>								
Less than \$15,000	2,883	382	973	559	350	311	179	129
\$15,000 to \$34,999	888	67	255	198	147	104	73	44
\$35,000 to \$49,999	407	17	100	93	67	66	41	23
\$50,000 to \$99,999	1,089	34	270	241	170	143	119	114
\$100,000 to \$149,999	719	11	130	145	118	147	95	74
\$150,000 to \$249,999	1,008	8	116	185	213	204	159	124
\$250,000 or more	3,685	4	143	397	648	1,020	814	659
<b>Subtotal</b>	<b>10,680</b>	<b>523</b>	<b>1,987</b>	<b>1,818</b>	<b>1,713</b>	<b>1,994</b>	<b>1,479</b>	<b>1,166</b>
<i>Median Net Worth</i>	<i>\$103,911</i>	<i>\$10,259</i>	<i>\$15,917</i>	<i>\$60,242</i>	<i>\$151,230</i>	<i>\$263,412</i>	<i>\$306,818</i>	<i>\$311,044</i>
<i>Average Net Worth</i>	<i>\$788,985</i>	<i>\$24,890</i>	<i>\$81,515</i>	<i>\$321,819</i>	<i>\$815,839</i>	<i>\$1,404,778</i>	<i>\$1,377,053</i>	<i>\$1,227,279</i>
<b>Twin Cities Metro Area</b>								
Less than \$15,000	231,478	32,531	76,602	44,048	28,368	24,538	14,604	10,786
\$15,000 to \$34,999	78,798	6,313	23,104	18,138	12,817	8,310	6,268	3,849
\$35,000 to \$49,999	39,110	2,146	10,202	9,434	6,231	5,730	3,406	1,960
\$50,000 to \$99,999	116,078	3,903	34,374	26,456	17,444	12,762	10,676	10,463
\$100,000 to \$149,999	82,661	1,443	19,401	18,529	13,030	14,162	9,108	6,988
\$150,000 to \$249,999	121,215	1,181	18,911	26,199	26,544	21,126	16,004	11,251
\$250,000 or more	565,636	785	27,334	83,953	120,024	152,996	105,960	74,583
<b>Total</b>	<b>1,234,977</b>	<b>48,302</b>	<b>209,928</b>	<b>226,758</b>	<b>224,458</b>	<b>239,624</b>	<b>166,027</b>	<b>119,880</b>
<i>Median Net Worth</i>	<i>\$198,484</i>	<i>\$11,136</i>	<i>\$41,882</i>	<i>\$139,122</i>	<i>\$285,221</i>	<i>\$499,916</i>	<i>\$463,350</i>	<i>\$389,113</i>
<i>Average Net Worth</i>	<i>\$1,076,191</i>	<i>\$33,913</i>	<i>\$124,797</i>	<i>\$517,054</i>	<i>\$1,241,095</i>	<i>\$1,935,063</i>	<i>\$1,643,227</i>	<i>\$1,408,972</i>

Sources: ESRI; Maxfield Research & Consulting, LLC

## Tenure by Household Income

Table D-5 shows household tenure by income for White Bear Lake in 2017. Data is an estimate from the American Community Survey. Household tenure information is important to assess the propensity for owner-occupied or renter-occupied housing options based on household affordability. As stated earlier, the Department of Housing and Urban Development determines affordable housing as not exceeding 30% of the household's income. The higher the income,

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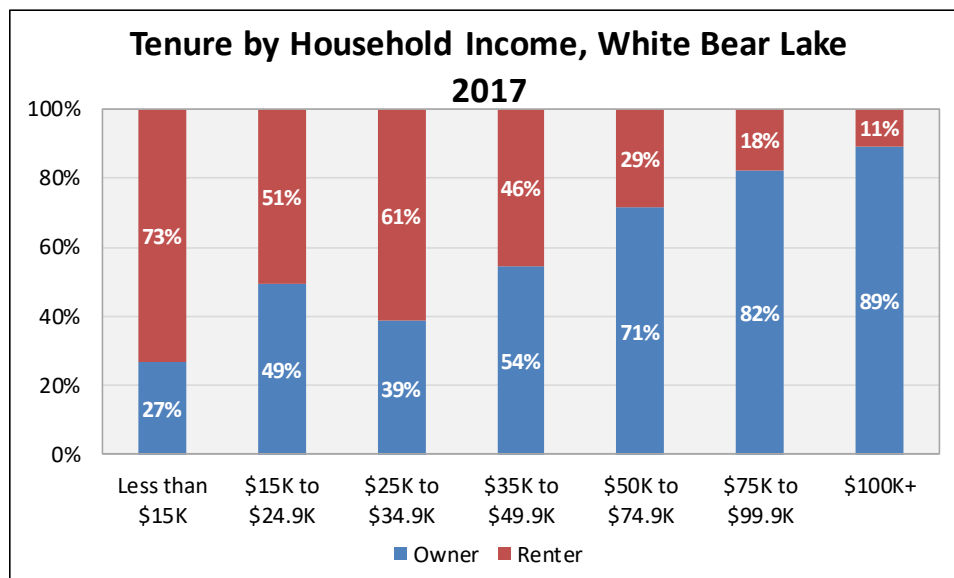
the lower percentage a household typically allocates to housing. Many lower income households, as well as many young and senior households spend more than 30% of their income, while middle-aged households in their prime earning years typically allocate 20% to 25% of their income.

**TABLE D-5  
TENURE BY HOUSEHOLD INCOME  
WHITE BEAR LAKE MARKET AREA  
2017**

	City of White Bear Lake				Ramsey County				Twin Cities Metro Area			
	Owner		Renter		Owner		Renter		Owner		Renter	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Less than \$15,000	199	26.7	547	73.3	4365	20.1	17,346	79.9	25136	28.0	64,562	72.0
\$15,000 to \$24,999	313	49.4	321	50.6	6170	31.4	13,468	68.6	33111	39.3	51,234	60.7
\$25,000 to \$34,999	357	38.6	568	61.4	8,270	41.4	11,682	58.6	41,553	47.7	45,534	52.3
\$35,000 to \$49,999	837	54.5	699	45.5	12,629	47.9	13,716	52.1	72,284	55.3	58,395	44.7
\$50,000 to \$74,999	1,539	71.4	615	28.6	23,179	61.7	14,381	38.3	132,737	65.8	69,109	34.2
\$75,000 to \$99,999	1,207	82.4	257	17.6	18,895	72.4	7,220	27.6	122,383	76.3	37,967	23.7
\$100,000+	2,872	89.2	347	10.8	50,214	87.8	6,969	12.2	370,230	89.5	43,433	10.5
Total	7,324	68.6	3,354	31.4	123,722	59.3	84,782	40.7	797,434	68.3	370,234	31.7

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

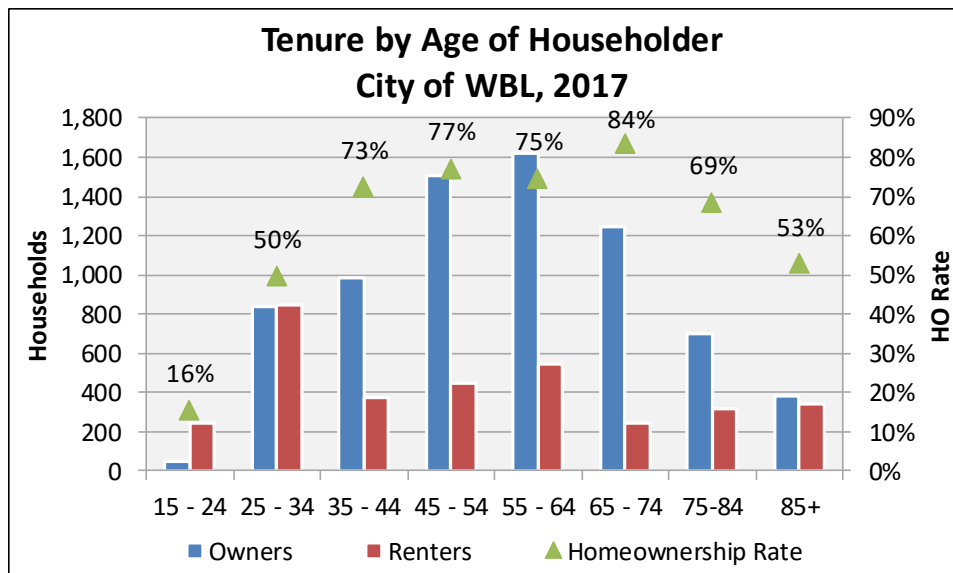
- Typically, as income increases, so does the rate of homeownership. This can be seen in White Bear Lake, where the homeownership rate increases from 27% of households with incomes below \$15,000 to 89% of households with incomes above \$100,000.
- A portion of renter households that are referred to as lifestyle renters, or those who are financially-able to own but choose to rent, have household incomes of \$50,000 or more (about 36% of the White Bear Lake’s renters in 2017). Households with incomes below \$15,000 are typically a market for deep subsidy rental housing (about 16% of the White Bear Lake’s renters in 2017).



### Tenure by Age of Householder

Table D-6 shows the number of owner and renter households in White Bear Lake by age group in 2000, 2010 and 2017. This data is useful in determining demand for certain types of housing since housing preferences change throughout an individual’s life cycle. The following are key findings from Table D-6.

- In 2000, 75% of all households in the White Bear Lake owned their housing. By 2010, that percentage declined to 70% and in 2017 it is estimated that 69% of all White Bear Lake households owned their housing.
- The housing market downturn contributed to the decrease in the homeownership rate during the late 2000s as it became more difficult for households to secure mortgage loans, households delayed purchasing homes due to the uncertainty of the housing market, and foreclosures forced households out of their homes. Currently it is estimated that there is a growing trend of lifestyle renters seeking rental properties in the White Bear Lake area and Metro Area as can be seen by the growing percentage of renters.



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TABLE D-6  
TENURE BY AGE OF HOUSEHOLDER  
WHITE BEAR LAKE MARKET AREA  
2000 - 2017

Age	City of White Bear Lake						Ramsey County						Twin Cities Metro Area						
	2000		2010		2017		2000		2010		2017		2000		2010		2017		
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	
15-24	Own	68	18.1	51	13.3	45	15.6	1,853	13.5	1,351	11.2	962	10.2	9,790	17.3	7,947	16.0	5,253	12.7
	Rent	307	81.9	333	86.7	243	84.4	11,919	86.5	10,752	88.8	8,499	89.8	46,699	82.7	41,789	84.0	36,143	87.3
	<b>Total</b>	<b>375</b>	<b>100.0</b>	<b>384</b>	<b>100.0</b>	<b>288</b>	<b>100.0</b>	<b>13,772</b>	<b>100.0</b>	<b>12,103</b>	<b>100.0</b>	<b>9,461</b>	<b>100.0</b>	<b>56,489</b>	<b>100.0</b>	<b>49,736</b>	<b>100.0</b>	<b>41,396</b>	<b>100.0</b>
25-34	Own	900	58.1	765	52.0	838	49.7	17,479	44.2	15,143	39.9	15,083	36.5	114,071	55.5	102,236	50.6	97,479	46.3
	Rent	650	41.9	705	48.0	847	50.3	22,040	55.8	22,798	60.1	26,209	63.5	91,342	44.5	99,716	49.4	113,257	53.7
	<b>Total</b>	<b>1,550</b>	<b>100.0</b>	<b>1,470</b>	<b>100.0</b>	<b>1,685</b>	<b>100.0</b>	<b>39,519</b>	<b>100.0</b>	<b>37,941</b>	<b>100.0</b>	<b>41,292</b>	<b>100.0</b>	<b>205,413</b>	<b>100.0</b>	<b>201,952</b>	<b>100.0</b>	<b>210,736</b>	<b>100.0</b>
35-44	Own	1,727	77.7	1,048	69.9	986	72.5	31,340	68.1	20,649	60.3	19,546	56.0	203,729	77.7	154,678	72.3	143,430	67.9
	Rent	496	22.3	452	30.1	374	27.5	14,704	31.9	13,611	39.7	15,333	44.0	58,438	22.3	59,303	27.7	67,787	32.1
	<b>Total</b>	<b>2,223</b>	<b>100.0</b>	<b>1,500</b>	<b>100.0</b>	<b>1,360</b>	<b>100.0</b>	<b>46,044</b>	<b>100.0</b>	<b>34,260</b>	<b>100.0</b>	<b>34,879</b>	<b>100.0</b>	<b>262,167</b>	<b>100.0</b>	<b>213,981</b>	<b>100.0</b>	<b>211,217</b>	<b>100.0</b>
45-54	Own	1,641	85.7	1,622	78.1	1,510	77.2	31,025	76.9	29,240	70.7	25,415	68.9	177,090	83.1	202,404	79.8	184,562	78.1
	Rent	274	14.3	456	21.9	445	22.8	9,312	23.1	12,147	29.3	11,451	31.1	36,077	16.9	51,379	20.2	51,723	21.9
	<b>Total</b>	<b>1,915</b>	<b>100.0</b>	<b>2,078</b>	<b>100.0</b>	<b>1,955</b>	<b>100.0</b>	<b>40,337</b>	<b>100.0</b>	<b>41,387</b>	<b>100.0</b>	<b>36,866</b>	<b>100.0</b>	<b>213,167</b>	<b>100.0</b>	<b>253,783</b>	<b>100.0</b>	<b>236,285</b>	<b>100.0</b>
55-64	Own	1,149	88.7	1,522	83.7	1,618	74.8	18,792	80.0	27,735	76.1	28,962	73.6	102,583	84.9	162,595	82.6	181,161	80.3
	Rent	147	11.3	297	16.3	545	25.2	4,684	20.0	8,689	23.9	10,384	26.4	18,205	15.1	34,355	17.4	44,543	19.7
	<b>Total</b>	<b>1,296</b>	<b>100.0</b>	<b>1,819</b>	<b>100.0</b>	<b>2,163</b>	<b>100.0</b>	<b>23,476</b>	<b>100.0</b>	<b>36,424</b>	<b>100.0</b>	<b>39,346</b>	<b>100.0</b>	<b>120,788</b>	<b>100.0</b>	<b>196,950</b>	<b>100.0</b>	<b>225,704</b>	<b>100.0</b>
65-74	Own	1,011	85.5	980	85.2	1,242	83.8	14,398	78.9	15,194	78.0	19,811	78.1	68,030	82.4	85,347	82.6	112,765	82.2
	Rent	172	14.5	170	14.8	240	16.2	3,851	21.1	4,291	22.0	5,566	21.9	14,491	17.6	17,998	17.4	24,391	17.8
	<b>Total</b>	<b>1,183</b>	<b>100.0</b>	<b>1,150</b>	<b>100.0</b>	<b>1,482</b>	<b>100.0</b>	<b>18,249</b>	<b>100.0</b>	<b>19,485</b>	<b>100.0</b>	<b>25,377</b>	<b>100.0</b>	<b>82,521</b>	<b>100.0</b>	<b>103,345</b>	<b>100.0</b>	<b>137,156</b>	<b>100.0</b>
75-84	Own	589	70.8	769	73.6	703	68.7	10,253	70.0	10,212	73.3	9,749	71.3	43,576	71.8	50,083	75.6	53,452	76.5
	Rent	243	29.2	276	26.4	320	31.3	4,388	30.0	3,725	26.7	3,932	28.7	17,109	28.2	16,185	24.4	16,405	23.5
	<b>Total</b>	<b>832</b>	<b>100.0</b>	<b>1,045</b>	<b>100.0</b>	<b>1,023</b>	<b>100.0</b>	<b>14,641</b>	<b>100.0</b>	<b>13,937</b>	<b>100.0</b>	<b>13,681</b>	<b>100.0</b>	<b>60,685</b>	<b>100.0</b>	<b>66,268</b>	<b>100.0</b>	<b>69,857</b>	<b>100.0</b>
85+	Own	92	37.7	215	43.1	382	52.9	2,578	49.6	3,924	54.9	4,194	55.2	10,097	49.9	17,185	54.2	19,332	54.7
	Rent	152	62.3	284	56.9	340	47.1	2,620	50.4	3,230	45.1	3,408	44.8	10,127	50.1	14,549	45.8	15,985	45.3
	<b>Total</b>	<b>244</b>	<b>100.0</b>	<b>499</b>	<b>100.0</b>	<b>722</b>	<b>100.0</b>	<b>5,198</b>	<b>100.0</b>	<b>7,154</b>	<b>100.0</b>	<b>7,602</b>	<b>100.0</b>	<b>20,224</b>	<b>100.0</b>	<b>31,734</b>	<b>100.0</b>	<b>35,317</b>	<b>100.0</b>
<b>TOTAL</b>	Own	7,177	74.6	6,972	70.1	7,324	68.6	127,718	63.5	123,448	60.9	123,722	59.3	728,966	71.4	782,475	70.0	797,434	68.3
	Rent	2,441	25.4	2,973	29.9	3,354	31.4	73,518	36.5	79,243	39.1	84,782	40.7	292,488	28.6	335,274	30.0	370,234	31.7
	<b>Total</b>	<b>9,618</b>	<b>100.0</b>	<b>9,945</b>	<b>100.0</b>	<b>10,678</b>	<b>100.0</b>	<b>201,236</b>	<b>100.0</b>	<b>202,691</b>	<b>100.0</b>	<b>208,504</b>	<b>100.0</b>	<b>1,021,454</b>	<b>100.0</b>	<b>1,117,749</b>	<b>100.0</b>	<b>1,167,668</b>	<b>100.0</b>

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

## DEMOGRAPHIC ANALYSIS

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- As households progress through their life cycle, housing needs change. The proportion of renter households decreases significantly as households' age out of their young-adult years. However, by the time households reach their senior years, rental housing often becomes a more viable option than homeownership, reducing the responsibility of maintenance and a financial commitment.
- In 2017, the ACS estimated that 84% of the White Bear Lake's households between the ages of 15 and 24 rented their housing, compared to 50% of households between the ages of 25 and 34. Householders between 35 and 74 were overwhelmingly homeowners, with no more than 27% of the householders in each 10-year age cohort renting their housing.
- The slightly higher homeownership rates in White Bear Lake (68.6%) compared to Ramsey County (59.3%), and the Metro Area (68.3%) reflects the suburban character of the City that was originally developed as a single-family housing community.

### Household Type

Table D-7 shows a breakdown of the type of households present in White Bear Lake in 2010 and 2017. The data is useful in assessing housing demand since the household composition often dictates the type of housing needed and preferred.

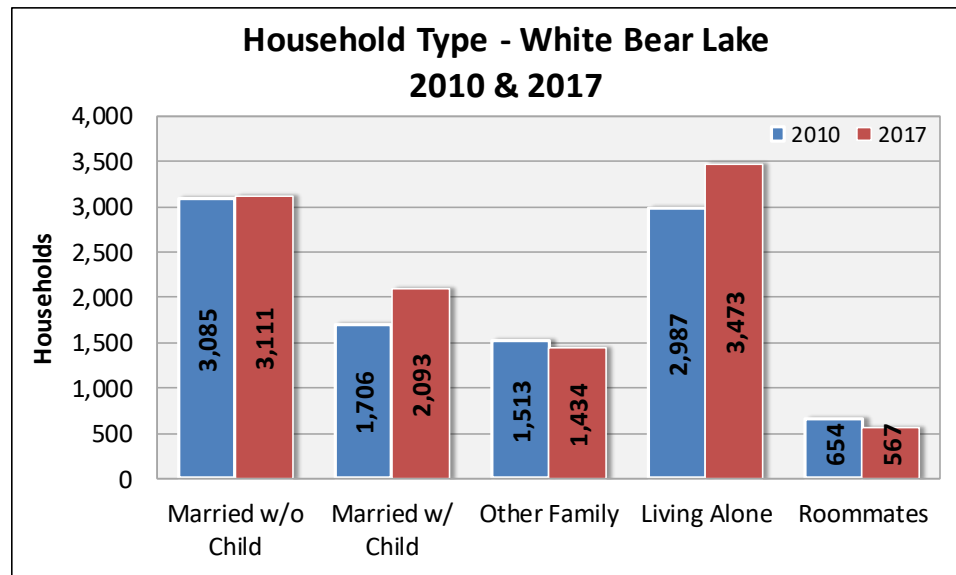
- Between 2010 and 2017, White Bear Lake experienced an increase in all household types besides Other Family households, which decreased by 5%, and Roommate households, which contracted by 13%. Married families with children grew the most, adding 387 households (22.7%).
- The differences between White Bear Lake compared to Ramsey County and the Twin Cities Metro Area reflect the demographic changes that were seen in Table D-2 Population Age Distribution. The aging of baby boomers is increasing the Married without child category and decreasing the Married with Child category. The Other category (Single-parent families, unmarried couples with children) is also increasing at a higher rate in White Bear Lake but is catching up to a similar distribution of Other households as compared to Ramsey County and the Twin Cities Metro Area. Roommates are accounting for smaller percentages in all areas which shows that economic conditions are changing in the area for households with more households seeking living alone options and more households are considered family households in White Bear Lake in 2017 than there was in 2010.

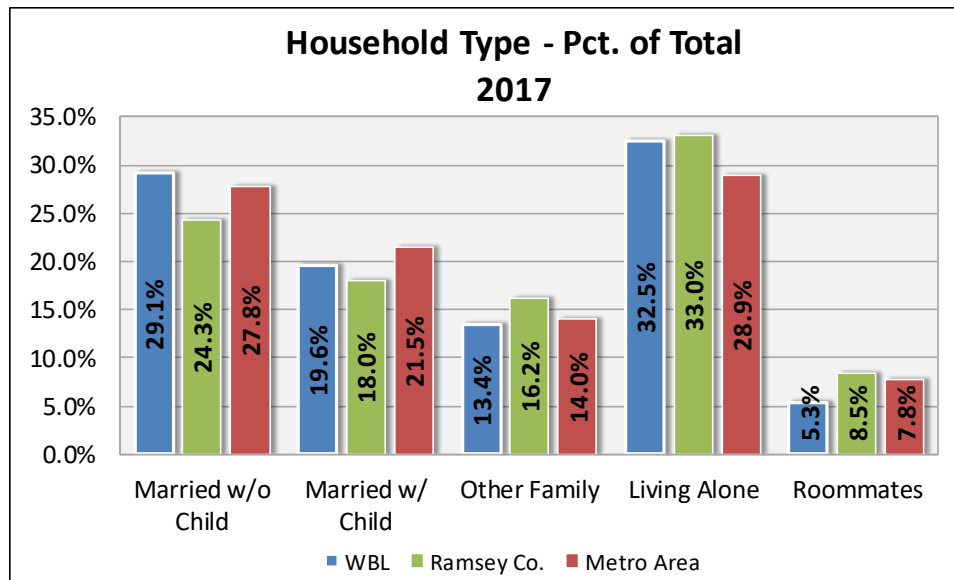
**DEMOGRAPHIC ANALYSIS**

**TABLE D-7  
HOUSEHOLD TYPE  
WHITE BEAR LAKE ANALYSIS AREA  
2010 & 2017**

Number of Households	Total HH's		Family Households						Non-Family Households			
	2010	2017	Married w/o Child		Married w/ Child		Other *		Living Alone		Roommates	
			2010	2017	2010	2017	2010	2017	2010	2017	2010	2017
<b>City of White Bear Lake</b>	9,945	10,678	3,085	3,111	1,706	2,093	1,513	1,434	2,987	3,473	654	567
<b>Ramsey County</b>	<b>202,691</b>	<b>208,504</b>	<b>48,816</b>	<b>50,666</b>	<b>34,574</b>	<b>37,621</b>	<b>34,409</b>	<b>33,755</b>	<b>67,181</b>	<b>68,820</b>	<b>17,711</b>	<b>17,642</b>
<b>Twin Cities Metro Area</b>	<b>1,117,749</b>	<b>1,167,668</b>	<b>298,723</b>	<b>325,097</b>	<b>244,687</b>	<b>250,771</b>	<b>164,086</b>	<b>163,625</b>	<b>319,030</b>	<b>337,191</b>	<b>91,223</b>	<b>90,984</b>
<b>Percent of Total</b>												
<b>City of White Bear Lake</b>	100%	100%	31.0%	29.1%	17.2%	19.6%	15.2%	13.4%	30.0%	32.5%	6.6%	5.3%
<b>Ramsey County</b>	100%	100%	24.1%	24.3%	17.1%	18.0%	17.0%	16.2%	33.1%	33.0%	8.7%	8.5%
<b>Twin Cities Metro Area</b>	100%	100%	26.7%	27.8%	21.9%	21.5%	14.7%	14.0%	28.5%	28.9%	8.2%	7.8%

\* Single-parent families, unmarried couples with children.  
Sources: U.S. Census Bureau; American Community Survey; Maxfield Research & Consulting, LLC





### Tenure by Household Size

Table D-8 shows the distribution of households by size and tenure in White Bear Lake in 2010 and 2017. This data is useful in that it sheds insight into the number of units by unit type that may be most needed in White Bear Lake.

- 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 2017, approximately 47% of the total renter-occupied households in White Bear Lake were one-person households, while 26% of owner-occupied households were one-person households.
- Approximately 79% of renter households in White Bear Lake in 2017 have either one or two people. The one-person households would primarily seek one-bedroom units and two-person households that are couples would primarily seek one-bedroom units. Two-person households that consist of a parent and child or roommate would primarily seek two-bedroom units. Larger households would seek units with multiple bedrooms.
- One-person households in White Bear Lake have the highest percentage of renters among all household types. Seven-person plus households have the lowest renter percentage among all household types.



# DEMOGRAPHIC ANALYSIS

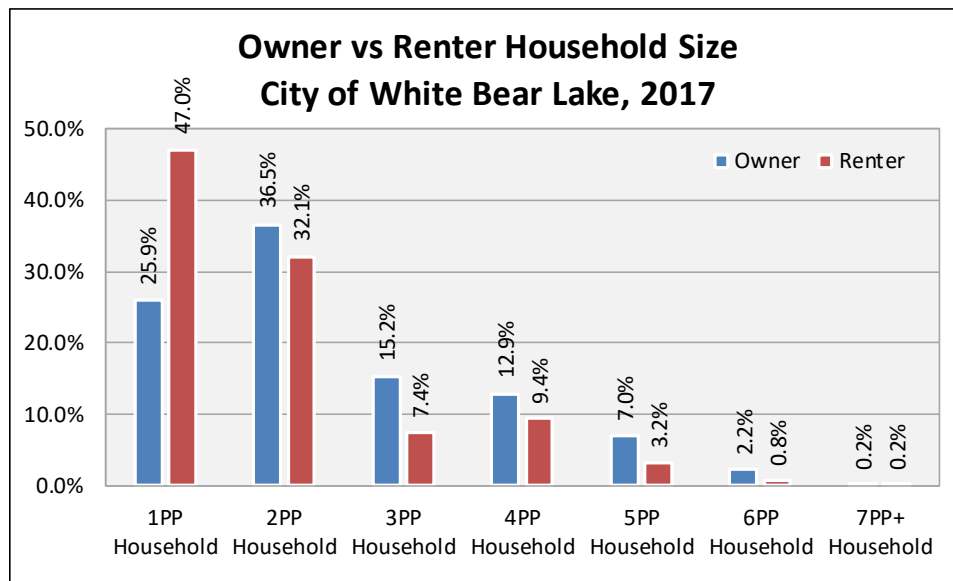
**TABLE D-8  
TENURE BY HOUSEHOLD SIZE  
WHITE BEAR LAKE ANALYSIS AREA  
2010 & 2017**

2017												
Age	City of White Bear Lake				Ramsey County				Metro Area			
	Owners	Pct.	Renters	Pct.	Owners	Pct.	Renters	Pct.	Owners	Pct.	Renters	Pct.
1PP Household	1,898	25.9%	1,575	47.0%	31,498	25.5%	37,322	44.0%	177,054	22.2%	160,137	43.3%
2PP Household	2,676	36.5%	1,075	32.1%	44,959	36.3%	21,864	25.8%	291,754	36.6%	100,880	27.2%
3PP Household	1,114	15.2%	248	7.4%	18,814	15.2%	9,950	11.7%	127,501	16.0%	45,676	12.3%
4PP Household	946	12.9%	316	9.4%	16,612	13.4%	7,471	8.8%	124,699	15.6%	33,149	9.0%
5PP Household	511	7.0%	108	3.2%	6,742	5.4%	4,047	4.8%	50,170	6.3%	16,781	4.5%
6PP Household	163	2.2%	26	0.8%	2,795	2.3%	2,218	2.6%	16,200	2.0%	7,810	2.1%
7PP+ Household	16	0.2%	6	0.2%	2,302	1.9%	1,910	2.3%	10,056	1.3%	5,801	1.6%
<b>Total</b>	<b>7,324</b>	<b>100.0%</b>	<b>3,354</b>	<b>100.0%</b>	<b>123,722</b>	<b>100.0%</b>	<b>84,782</b>	<b>100.0%</b>	<b>797,434</b>	<b>100.0%</b>	<b>370,234</b>	<b>100.0%</b>
<b>Average HH Size</b>	<b>2.52</b>		<b>1.98</b>		<b>2.62</b>		<b>2.34</b>		<b>2.68</b>		<b>2.27</b>	

2010												
Age	City of White Bear Lake				Ramsey County				Metro Area			
	Owners	Pct.	Renters	Pct.	Owners	Pct.	Renters	Pct.	Owners	Pct.	Renters	Pct.
1PP Household	1,644	23.6%	1,343	45.2%	31,469	25.5%	35,712	45.1%	171,241	21.9%	147,789	44.1%
2PP Household	2,698	38.7%	863	29.0%	45,050	36.5%	19,919	25.1%	280,552	35.9%	87,139	26.0%
3PP Household	1,115	16.0%	395	13.3%	18,926	15.3%	9,452	11.9%	128,197	16.4%	42,563	12.7%
4PP Household	939	13.5%	227	7.6%	15,903	12.9%	6,769	8.5%	123,219	15.7%	29,587	8.8%
5PP Household	382	5.5%	86	2.9%	6,678	5.4%	3,572	4.5%	50,854	6.5%	14,883	4.4%
6PP Household	121	1.7%	35	1.2%	2,754	2.2%	1,788	2.3%	16,887	2.2%	6,908	2.1%
7PP+ Household	73	1.0%	24	0.8%	2,668	2.2%	2,031	2.6%	11,525	1.5%	6,405	1.9%
<b>Total</b>	<b>6,972</b>	<b>100.0%</b>	<b>2,973</b>	<b>100.0%</b>	<b>123,448</b>	<b>100.0%</b>	<b>79,243</b>	<b>100.0%</b>	<b>782,475</b>	<b>100.0%</b>	<b>335,274</b>	<b>100.0%</b>
<b>Average HH Size</b>	<b>2.49</b>		<b>2.01</b>		<b>2.54</b>		<b>2.22</b>		<b>2.65</b>		<b>2.20</b>	

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

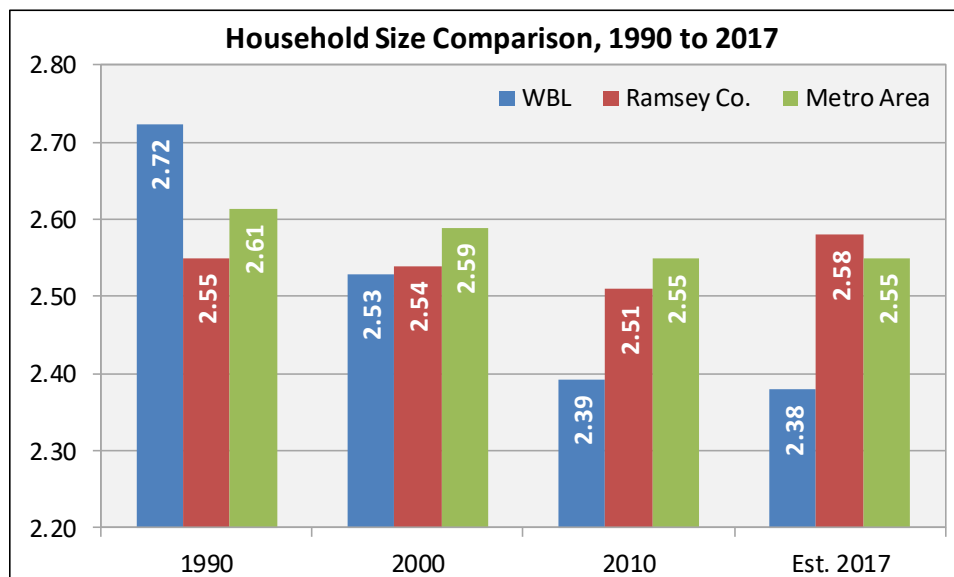


### *Persons Per Household*

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 of the population, 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.

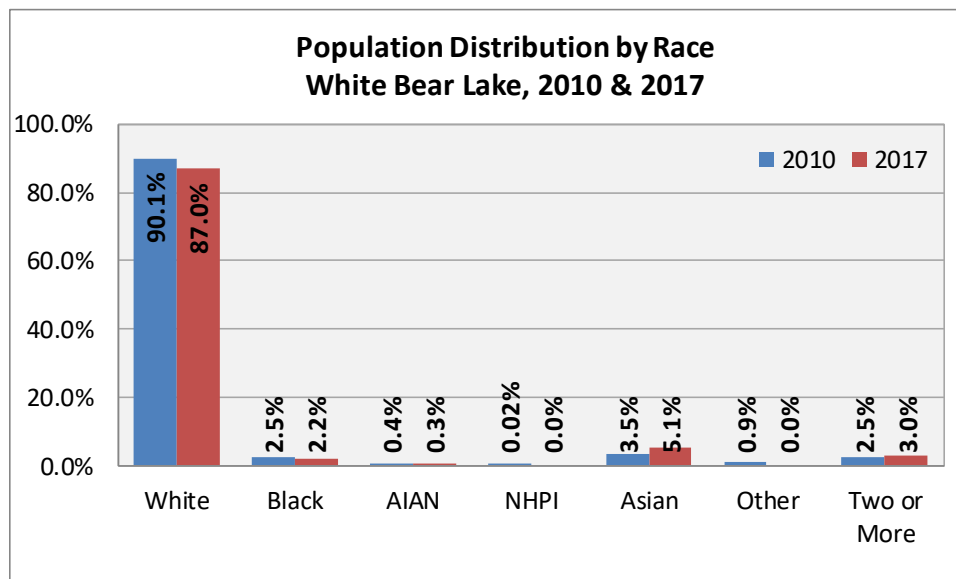
- In 1990, the average household size ranged between 2.72 (City of White Bear Lake) and 2.55 (Ramsey County). The average household size in the Twin Cities Metro Area was 2.61 in 1990.
- By 2017, it is estimated that the average household sizes range decreased to 2.38 in White Bear Lake while it increased in Ramsey County to 2.58. The average household size in the seven-county metro area is higher than that of the City of White Bear Lake at 2.55 persons per household.



### Diversity/Ethnicity

The population distribution by race, Table D-9 presents the diversity of the population in White Bear Lake and Ramsey County for 2010 and 2017. The data was obtained from the U.S. Census.

- In 2017, “White Alone” comprised the largest proportion of the population in White Bear Lake (87%), Ramsey County (63.1%), and the Metro Area (73.7%). The percentage has decreased since 2010 where “White Alone” was 90% in White Bear Lake, 70% in Ramsey County, and 79% in the Metro Area.
- U.S. Census respondents that list themselves ethnically as Hispanic or Latino, racially list themselves in various race categories. As of 2017, 2.5% of White Bear Lake’s population was Hispanic/Latino. The Hispanic/Latino population was 3.3% of White Bear Lake’s population in 2010.
- The race “Asian Alone” experienced the largest percentage growth between 2010 and 2017 in White Bear Lake, increasing by 55% from 842 to 1,303 people.



## DEMOGRAPHIC ANALYSIS

TABLE D-9  
POPULATION DISTRIBUTION BY RACE  
WHITE BEAR LAKE ANALYSIS AREA  
2010 and 2017

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 <sup>1</sup> <i>Ethnicity not Race</i>	
	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017
City of White Bear Lake	21,433	22,096	589	550	97	80	5	0	842	1,303	226	0	605	753	791	629
Ramsey County	356,547	339,170	56,170	60,445	4,043	2,699	247	136	59,301	75,177	14,776	922	17,556	19,396	36,483	39,948
<b>Metro Area</b>	<b>2,246,356</b>	<b>2,221,244</b>	<b>238,723</b>	<b>272,569</b>	<b>20,906</b>	<b>14,023</b>	<b>1,262</b>	<b>979</b>	<b>183,421</b>	<b>218,969</b>	<b>74,516</b>	<b>5,785</b>	<b>84,383</b>	<b>92,371</b>	<b>167,558</b>	<b>187,473</b>
<b>PERCENTAGE</b>																
City of White Bear Lake	90.1%	87.0%	2.5%	2.2%	0.4%	0.3%	0.02%	0.00%	3.5%	5.1%	0.9%	0.0%	2.5%	3.0%	3.3%	2.5%
Ramsey County	70.1%	63.1%	11.0%	11.2%	0.8%	0.5%	0.0%	0.0%	11.7%	14.0%	2.9%	0.2%	3.5%	3.6%	7.2%	7.4%
<b>Metro Area</b>	<b>78.8%</b>	<b>73.7%</b>	<b>8.4%</b>	<b>9.0%</b>	<b>0.7%</b>	<b>0.5%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>6.4%</b>	<b>7.3%</b>	<b>2.6%</b>	<b>0.2%</b>	<b>3.0%</b>	<b>3.1%</b>	<b>5.9%</b>	<b>6.2%</b>

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

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

## DEMOGRAPHIC ANALYSIS

### Mobility in the Past Year

Table D-10 shows the mobility patterns of White Bear Lake residents within a one-year time frame (2017 is the last year available).

- The majority of residents in White Bear Lake (86.2%) did not move within the last year.
- Of the remaining 13.8% of residents, approximately 5% moved from outside of Ramsey County but within Minnesota and 6% were intra-county moves (i.e. one location in Ramsey County to another Ramsey County location).
- A greater proportion of younger age cohorts (a large student population) tended to move compared to older age cohorts. Approximately 23% of those age 18 to 24 moved within the last year compared to 12% of those age 75+.

City or White Bear Lake	Not Moved		Moved								
	Same House		Within Same County		Different County Same State		Different State		Abroad		
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	
Age											
Under 18	4,378	85.9%	379	7.4%	277	5.4%	63	1.2%	0	0.0%	
18 to 24	1,164	73.9%	126	8.0%	246	15.6%	38	2.4%	1	0.1%	
25 to 34	3,067	77.1%	379	9.5%	308	7.7%	206	5.2%	19	0.5%	
35 to 44	2,321	87.5%	221	8.3%	100	3.8%	11	0.4%	0	0.0%	
45 to 54	3,020	90.8%	112	3.4%	140	4.2%	55	1.7%	0	0.0%	
55 to 64	3,483	93.4%	65	1.7%	155	4.2%	28	0.8%	0	0.0%	
65 to 74	2,192	89.4%	83	3.4%	111	4.5%	56	2.3%	9	0.4%	
75+	2,075	88.1%	192	8.1%	50	2.1%	39	1.7%	0	0.0%	
<b>Total</b>	<b>21,700</b>	<b>86.2%</b>	<b>1,557</b>	<b>6.2%</b>	<b>1,387</b>	<b>5.5%</b>	<b>496</b>	<b>2.0%</b>	<b>29</b>	<b>0.1%</b>	

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

### Demographic Comparison

Table D-11, on the following page, provides a demographic summary that compares the City of White Bear Lake to peer cities in the Metro Area. The peer cities identified throughout this report were based on regional location in the Twin Cities Metro Area (third-ring suburban communities), proximity to White Bear Lake, and comparable age of housing stock.

**DEMOGRAPHIC ANALYSIS**

**TABLE D-11  
DEMOGRAPHIC COMPARISON SUMMARY  
WHITE BEAR LAKE ANALYSIS AREA**

Demographic Summary	White Bear Lake		Anoka		Cottage Grove		Hastings		North St. Paul		Shoreview	
	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.
<b>Total Population and Households</b>												
Population (2017)	25,411		17,374		35,902		22,620		12,241		26,432	
Households (2017)	10,678		7,060		12,011		8,917		4,872		11,149	
<b>Age Distribution (2017)</b>												
Under 18	5,339	21.0%	3,788	21.8%	10,064	28.0%	4,888	21.6%	2,633	21.5%	5,507	20.8%
18 to 24	1,575	6.2%	1,375	7.9%	2,601	7.2%	2,060	9.1%	978	8.0%	1,413	5.3%
25 to 64	13,690	53.9%	9,177	52.8%	19,467	54.2%	12,122	53.6%	6,807	55.6%	14,835	56.1%
65+	4,807	18.9%	3,034	17.5%	3,770	10.5%	3,550	15.7%	1,823	14.9%	4,677	17.7%
Median Age	41.4		39.3		36.1		39.8		37.4		45.1	
<b>Household Income (2017)</b>												
Median Household Income	\$66,662		\$50,625		\$90,337		\$66,403		\$61,225		\$84,362	
<b>Median Income by Tenure (2017)</b>												
Owner	\$83,599		\$67,143		\$95,993		\$77,212		\$77,936		\$99,009	
Renter	\$38,832		\$35,123		\$40,965		\$39,567		\$27,500		\$52,110	
<b>Household Tenure (2017)</b>												
Owner	7,324	68.6%	3,566	50.5%	10,536	87.7%	6,417	72.0%	3,318	68.1%	9,106	81.7%
Renter	3,354	31.4%	3,494	49.5%	1,475	12.3%	2,500	28.0%	1,554	31.9%	2,043	18.3%
<b>Household Type (2017)</b>												
Married With Children	2,093	19.6%	925	13.1%	3,746	31.2%	1,682	18.9%	849	17.4%	2,397	21.5%
Married Without Children	3,111	29.1%	1,813	25.7%	4,117	34.3%	2,565	28.8%	1,340	27.5%	3,901	35.0%
Other	1,434	13.4%	1,396	19.8%	1,909	15.9%	1,432	16.1%	840	17.2%	1,108	9.9%
Living Alone	3,473	32.5%	2,470	35.0%	1,894	15.8%	2,636	29.6%	1,567	32.2%	3,216	28.8%
Roommates	567	5.3%	456	6.5%	345	2.9%	602	6.8%	276	5.7%	527	4.7%
<b>Average HH Size by Tenure (2017)</b>												
Owner	2.52		2.67		3.02		2.62		2.77		2.38	
Renter	1.98		2.01		2.73		2.04		1.91		2.20	

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

### Summary of Demographic Trends

The following points summarize key demographic trends that will impact demand for housing throughout White Bear Lake.

- The City of White Bear Lake experienced a population increase of an estimated 1,753 people (7.4%) and 735 households (7.4%) between 2010 and 2019.
- Between 2019 and 2030, White Bear Lake's population is expected to increase by 3.7% (950 people) while the number of households is expected to increase by 10.5% (1,120 households). The City of White Bear Lake can expect to see continued population growth as it is located near employment opportunities and urban services that would support residential development. More people will choose to locate near their place of work as increasing transportation costs increase the desirability of living close to employment.
- In the City of White Bear Lake, growth is projected to occur in all age cohorts except the 20 to 24-year olds (-5%), the 25 to 34-year olds (-7%), and the 55 to 64 age group (-10%) between 2019 and 2024. The greatest percentage growth is projected to occur among seniors 65 to 74 age group (15.7%).
- White Bear Lake has an estimated median household income of \$72,811 in 2019 and is projected to increase over the next five years to \$83,948. There are 268 non-senior households (3.7% of households with incomes less than \$15,000) eligible for deep-subsidy rental housing. Median incomes for households in White Bear Lake peak at \$98,755 for the 35 to 44 age group in 2019. Incomes are expected to increase by 15.3% (3.1% annually) between 2019 and 2024 in the White Bear Lake.
- White Bear Lake had an average net worth of \$848,987 in 2019 and a median net worth of \$198,648. 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.
- Typically, as income increases, so does the rate of homeownership. Homeownership in the White Bear Lake increases from 27% of households with incomes below \$15,000 to 89% of households with incomes above \$100,000.
- Between 2010 and 2017, White Bear Lake experienced an increase in all household types besides Other Family households, which decreased by 5%, and Roommate households, which contracted by 13%. Married families with children grew the most, adding 387 households (22.7%).
- An estimated 45% of renter households in White Bear Lake in 2017 were one person households.

## DEMOGRAPHIC ANALYSIS

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- In 2017, “White Alone” (87%) comprised the largest proportion of the population in White Bear Lake. The race “Asian Alone” experienced the largest percentage growth between 2010 and 2017 in White Bear Lake, increasing by 54.8% from 842 to 1,303 people.
- The majority of residents in White Bear Lake (86.2%) did not move within the last year. Of White Bear Lake residents that moved in the past year, approximately 5.5% moved outside of Ramsey County but within Minnesota and 6.2% were intra-county moves.



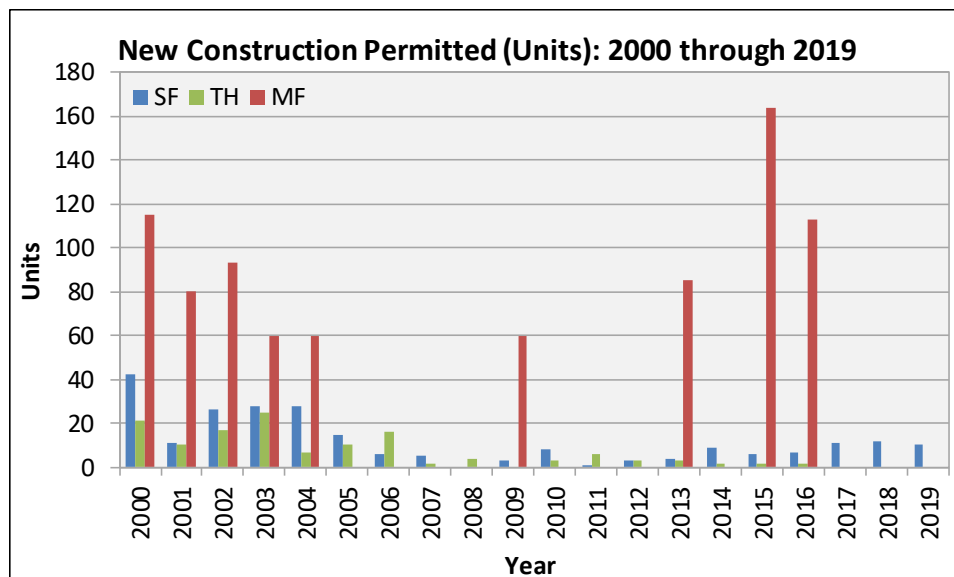
**Introduction**

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

**Residential Construction Trends 2000 to Present**

Maxfield Research obtained data from the City of White Bear Lake on the number of building permits issued for new housing units from 2000 through June 2019. Table HC-1 displays units permitted issued for different housing types as reported by the City of White Bear Lake. The following are key points about housing development since 2000.

- Per the City of White Bear Lake, there have been 1,198 permits issued between 2000 and June 2019. That equates to about 60 residential units permitted annually since 2000.
- The City of White Bear Lake experienced a spike in multifamily units permitted in 2015 and 2016 with the development of three senior housing projects, *The Waters Senior Living*, *Prelude Cottages of White Bear Lake*, and *White Bear Senior Heights*. The City of White Bear Lake has averaged about 47 multifamily units between 2000 to 2009 and has averaged roughly 36 units since 2010.
- Through June 2019, City of White Bear Lake has issued roughly 10 single-family (detached) permits, which is 3 single-family units above the average for the past 10 years.



## HOUSING CHARACTERISTICS

<b>HC-1</b> <b>RESIDENTIAL CONSTRUCTION BUILDING PERMITTED UNITS ISSUED</b> <b>CITY OF WHITE BEAR LAKE</b> <i>per City of White Bear Lake</i> <b>2000 to June 2019</b>				
Year	Units Permitted			Total Units
	Single-Family (Detached)	Townhomes (Single-Family Attached)	Multifamily*	
2000	42	21	115	178
2001	11	10	80	101
2002	26	17	93	136
2003	28	25	60	113
2004	28	7	60	95
2005	15	10	0	25
2006	6	16	0	22
2007	5	2	0	7
2008	0	4	0	4
2009	3	0	60	63
2010	8	3	0	11
2011	1	6	0	7
2012	3	3	0	6
2013	4	3	85	92
2014	9	2	0	11
2015	6	2	164	172
2016	7	2	113	122
2017	11	0	0	11
2018	12	0	0	12
2019	10	0	0	10
<b>Total</b>	<b>235</b>	<b>133</b>	<b>830</b>	<b>1,198</b>

Sources: City of White Bear Lake; Maxfield Research & Consulting, LLC

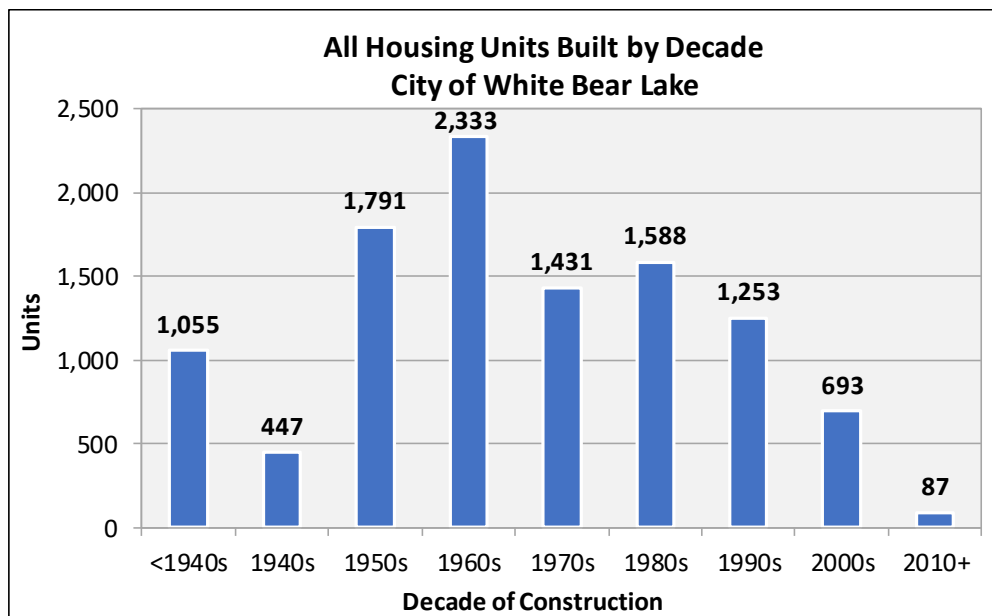
### American Community Survey

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 is ongoing and provides a more “up-to-date” portrait of demographic, economic, social, and household characteristics every year, not just every ten years. The most recent ACS highlights data collected between 2013 and 2017. Tables HC-2 to HC-8 show key data for White Bear Lake.

### **Age of Housing Stock**

The following graph shows the age distribution of the housing stock in 2017 based on data from the U.S. Census Bureau American Community Survey (5-Year). Table HC-2 includes the number of housing units built in White Bear Lake, prior to 1940 and during each decade since.

- As of 2017, the City of White Bear Lake was estimated to have 10,678 housing units, of which roughly 69% were owner-occupied and 31% were renter-occupied. In Ramsey County, approximately 41% were renter-occupied while in the Seven-County Metro Area 32% of the housing stock was renter-occupied.
- Homes in White Bear Lake are slightly newer than homes in Ramsey County. The median year built in White Bear Lake was 1969 compared to 1964 in Ramsey County. The greatest number of homes in White Bear Lake were constructed in the 1960's (roughly 22%). By comparison, the highest number of homes in Ramsey County were built prior to 1940 (26%).
- Compared to Ramsey County and the Metro Area, 7% of White Bear Lake's housing stock has been built since 2000 compared to 8% of Ramsey County, 16% of Metro Area.



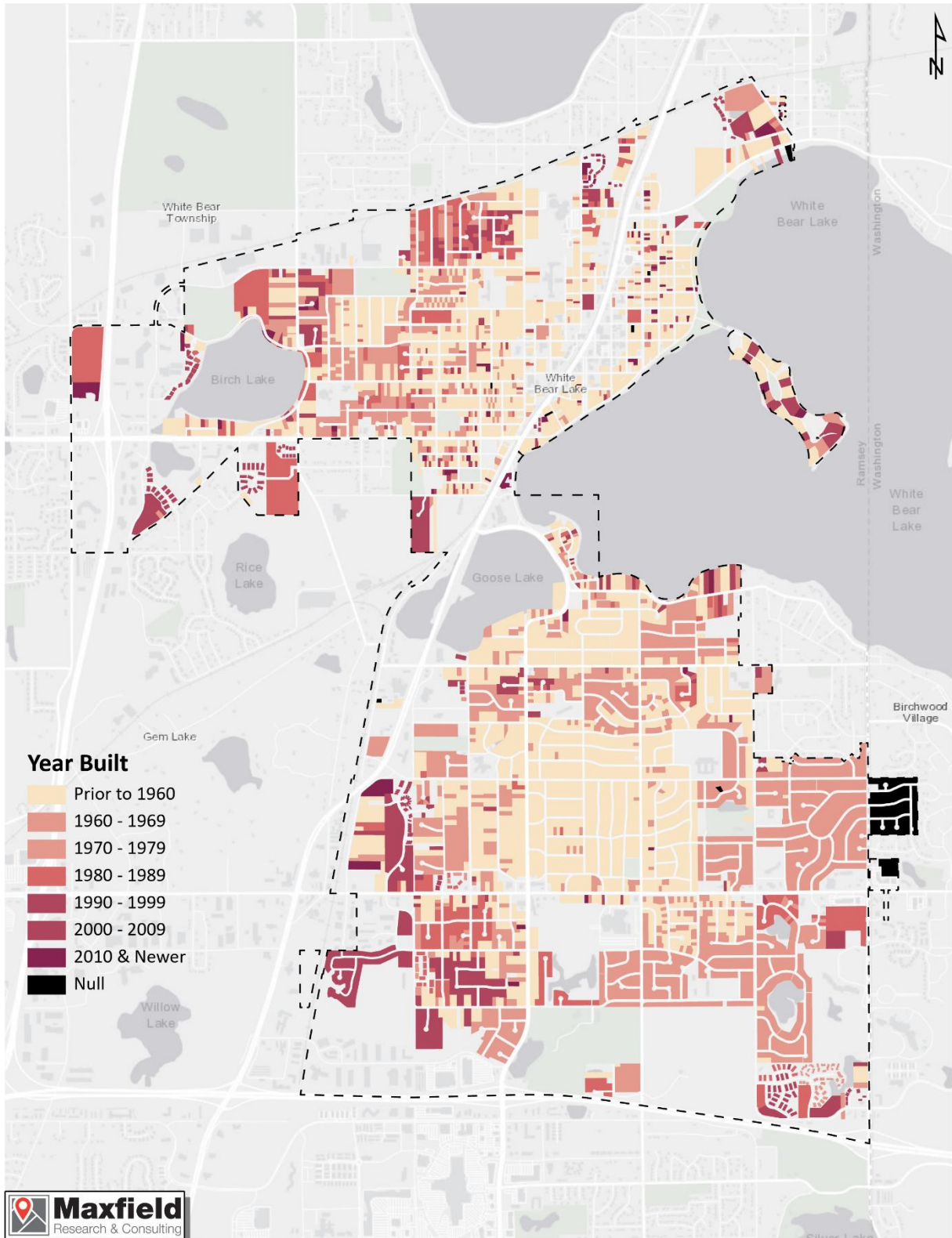
# HOUSING CHARACTERISTICS

TABLE HC-2  
AGE OF HOUSING STOCK  
WHITE BEAR LAKE ANALYSIS AREA  
2017

	Total Units	Med. Yr. Built	Year Unit Built																	
			<1940		1940s		1950s		1960s		1970s		1980s		1990s		2000s		2010 or later	
			No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
<b>City of White Bear Lake</b>																				
Owner-Occupied	7,324	1965	772	10.5	396	5.4	1,680	22.9	1,694	23.1	882	12.0	777	10.6	775	10.6	342	4.7	6	0.1
Renter-Occupied	3,354	1981	283	8.4	51	1.5	111	3.3	639	19.1	549	16.4	811	24.2	478	14.3	351	10.5	81	2.4
<b>Total</b>	<b>10,678</b>	<b>1969</b>	<b>1,055</b>	<b>9.9</b>	<b>447</b>	<b>4.2</b>	<b>1,791</b>	<b>16.8</b>	<b>2,333</b>	<b>21.8</b>	<b>1,431</b>	<b>13.4</b>	<b>1,588</b>	<b>14.9</b>	<b>1,253</b>	<b>11.7</b>	<b>693</b>	<b>6.5</b>	<b>87</b>	<b>0.8</b>
<b>Ramsey County</b>																				
Owner-Occupied	123,722	1959	34,624	28.0	8,257	6.7	21,563	17.4	12,311	10.0	14,536	11.7	15,132	12.2	8,823	7.1	7,456	6.0	1,020	0.8
Renter-Occupied	84,782	1970	19,069	22.5	3,415	4.0	8,091	9.5	11,952	14.1	15,652	18.5	11,048	13.0	6,473	7.6	6,492	7.7	2,590	3.1
<b>Total</b>	<b>208,504</b>	<b>1964</b>	<b>53,693</b>	<b>25.8</b>	<b>11,672</b>	<b>5.6</b>	<b>29,654</b>	<b>14.2</b>	<b>24,263</b>	<b>11.6</b>	<b>30,188</b>	<b>14.5</b>	<b>26,180</b>	<b>12.6</b>	<b>15,296</b>	<b>7.3</b>	<b>13,948</b>	<b>6.7</b>	<b>3,610</b>	<b>1.7</b>
<b>Seven-County Metro Area</b>																				
Owner-Occupied	797,434	1986	109,784	13.8	34,293	4.3	95,014	11.9	76,341	9.6	105,609	13.2	122,752	15.4	123,065	15.4	110,041	13.8	20,535	2.6
Renter-Occupied	370,234	1985	59,443	16.1	12,507	3.4	29,656	8.0	47,500	12.8	70,909	19.2	55,066	14.9	39,542	10.7	41,119	11.1	14,492	3.9
<b>Total</b>	<b>1,167,668</b>	<b>1986</b>	<b>169,227</b>	<b>14.5</b>	<b>46,800</b>	<b>4.0</b>	<b>124,670</b>	<b>10.7</b>	<b>123,841</b>	<b>10.6</b>	<b>176,518</b>	<b>15.1</b>	<b>177,818</b>	<b>15.2</b>	<b>162,607</b>	<b>13.9</b>	<b>151,160</b>	<b>12.9</b>	<b>35,027</b>	<b>3.0</b>

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

City of White Bear Lake Residential Parcels by Year Built



## HOUSING CHARACTERISTICS

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

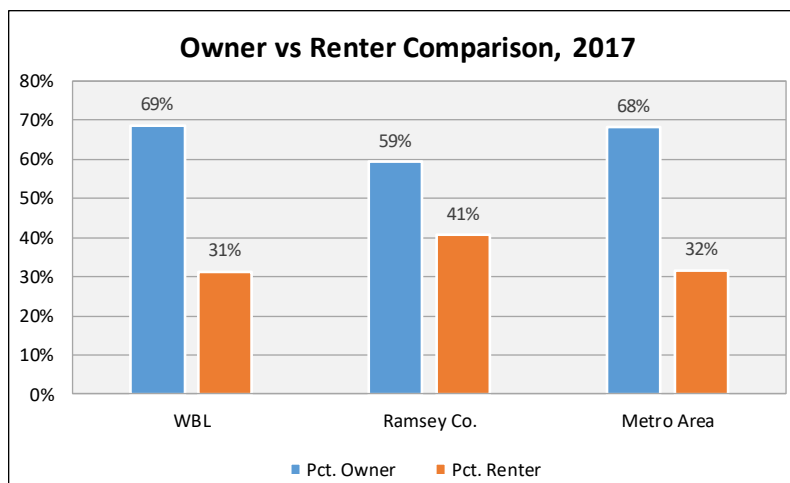
Table HC-3 shows the housing stock in the City of White Bear Lake by type of structure and tenure as of 2017.

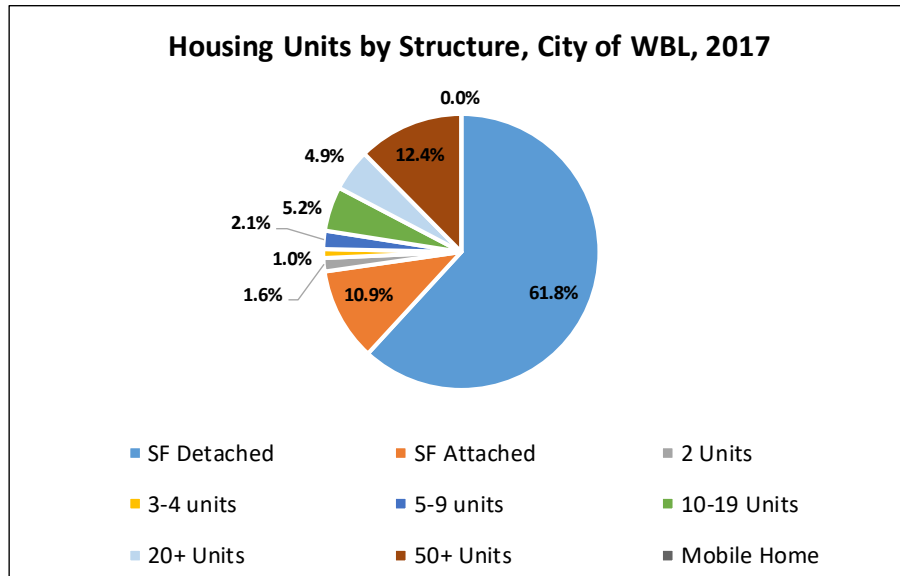
- The dominant housing type in White Bear Lake is the single-family detached home, representing an estimated 83.5% of all owner-occupied housing units and 14.5% of renter-occupied housing units as of 2017.

Units in Structure	City of White Bear Lake				Ramsey County				Seven-County Metro Area			
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.
1, detached	6,115	83.5%	486	14.5%	101,256	81.8%	11,293	13.3%	643,989	80.8%	50,760	14%
1, attached	950	13.0%	215	6.4%	10,580	8.6%	5,633	6.6%	92,624	11.6%	37,807	10%
2	57	0.8%	110	3.3%	1,823	1.5%	6,409	7.6%	7,044	0.9%	22,090	6%
3 to 4	28	0.4%	83	2.5%	806	0.7%	4,986	5.9%	5,391	0.7%	18,607	5%
5 to 9	32	0.4%	197	5.9%	1,178	1.0%	5,801	6.8%	5,781	0.7%	21,715	6%
10 to 19	17	0.2%	540	16.1%	468	0.4%	12,402	14.6%	3,387	0.4%	43,592	12%
20 to 49	49	0.7%	476	14.2%	1,676	1.4%	13,947	16.5%	8,215	1.0%	63,528	17%
50 or more	76	1.0%	1,247	37.2%	3,383	2.7%	24,074	28.4%	18,422	2.3%	110,102	30%
Mobile home	0	0.0%	0	0.0%	2,503	2.0%	227	0.3%	12,434	1.6%	1,919	1%
Boat, RV, van, etc.	0	0.0%	0	0.0%	49	0.0%	10	0.0%	147	0.0%	114	0%
<b>Total</b>	<b>7,324</b>	<b>100%</b>	<b>3,354</b>	<b>100%</b>	<b>123,722</b>	<b>100%</b>	<b>84,782</b>	<b>100%</b>	<b>797,434</b>	<b>100%</b>	<b>370,234</b>	<b>100%</b>

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

- About 37% of the renter-occupied housing units in White Bear Lake are within structures that have 50 or more units, while only 6.4% are single-family attached homes (townhomes).
- Most of the housing units with two or more units are renter-occupied.





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

Table HC-4 shows mortgage status and average values from the American Community Survey for 2017 (5-Year). Mortgage status provides information on the cost of homeownership when analyzed in conjunction with mortgage payment data. A mortgage refers to all forms of debt where the property is pledged as security for repayment of debt. A first mortgage has priority claim over any other mortgage or if it is the only mortgage. A second (and sometimes third) mortgage is called a “junior mortgage,” a home equity line of credit (HELOC) would also fall into this category. Finally, a housing unit without a mortgage is owned free and clear and is debt free.

- Approximately 66% of White Bear Lake homeowners have a mortgage. About 13% of homeowners with mortgages in White Bear Lake also have a second mortgage and/or home equity loan. These numbers are slightly lower compared to Ramsey County and the Metro Area where approximately 13% of homeowners in Ramsey County and 14% in the Metro Area have a second mortgage and/or home equity loan.
- The median value for homes with a mortgage for the City of White Bear Lake homeowners is approximately \$203,700, while the median value for homes without a mortgage are \$4,100 higher at \$207,800. Housing units with a mortgage are 4% lower than those in Ramsey County and 20% lower when compared to the Metro Area. Housing units without a mortgage are 4% higher than those in Ramsey County but 12% lower when compared to the Metro Area.

## HOUSING CHARACTERISTICS

TABLE HC-4 OWNER-OCCUPIED HOUSING UNITS BY MORTGAGE STATUS WHITE BEAR LAKE ANALYSIS AREA 2017						
Mortgage Status	City of WBL		Ramsey County		Metro Area	
	No.	Pct.	No.	Pct.	No.	Pct.
Housing units without a mortgage	2,456	33.5	40,151	32.5	220,774	27.7
Housing units with a mortgage/debt	4,868	66.5	83,571	67.5	576,660	72.3
<i>Second mortgage only</i>	218	3.0	4062	3.3	28655	3.6
<i>Home equity loan only</i>	688	9.4	11,695	9.5	83,238	10.4
<i>Both second mortgage and equity loan</i>	30	0.4	645	0.5	4077	0.5
<i>No second mortgage or equity loan</i>	3,932	53.7	67,169	54.3	460,690	57.8
<b>Total</b>	<b>7,324</b>	<b>100.0</b>	<b>123,722</b>	<b>100.0</b>	<b>797,434</b>	<b>100.0</b>
<b>Median Value by Mortgage Status</b>						
Housing units with a mortgage	\$203,700		\$212,000		\$249,300	
Housing units without a mortgage	\$207,800		\$200,200		\$234,900	
Sources: U.S. Census Bureau; American Community Survey; Maxfield Research & Consulting, LLC						

### Housing Units by Occupancy Status & 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. The Follow are key points from Table HC-5:

- The City of White Bear Lake had a larger portion (66%) of the City’s housing stock devoted to owner occupied units in 2017 than Ramsey County (56%) and the Metro Area (65%).
- Approximately 30% of housing units in the City of White Bear Lake were renter occupied in the 2017, compared to a higher percentage in Ramsey County (39%) but was on par with the Metro Area (30%).
- About 5.1% of White Bear Lake’s housing stock was vacant in 2010 and decreased to 3.6% in 2017. It is important to note, however, that the Census’s definition of vacant housing units includes: units that have been rented or sold, but not yet occupied, seasonal housing (vacation or second homes), housing for migrant workers, and even boarded-up housing. Thus, the U.S. Census vacancy figures are not always a true indicator of adequate housing available for new households wishing to move into the area.



<b>TABLE HC-5</b> <b>HOUSING UNITS BY OCCUPANCY STATUS &amp; TENURE</b> <b>WHITE BEAR LAKE ANALYSIS AREA</b> <b>2010 &amp; 2017</b>						
Occupancy	City of White Bear Lake		Ramsey County		Metro Area	
	No.	Pct.	No.	Pct.	No.	Pct.
<b>2010</b>						
Owner Occupied	6,972	66.5	123,448	56.8	782,475	65.9
Renter Occupied	2,973	28.4	79,243	36.5	335,274	28.2
Vacant	534	5.1	14,506	6.7	69,237	5.8
<b>Total</b>	<b>10,479</b>	<b>100.0</b>	<b>217,197</b>	<b>100.0</b>	<b>1,186,986</b>	<b>100.0</b>
<b>2017</b>						
Owner Occupied	7,324	66.1	123,722	56.5	797,434	65.3
Renter Occupied	3,354	30.3	84,782	38.7	370,234	30.3
Vacant	401	3.6	10,424	4.8	53,811	4.4
<b>Total</b>	<b>11,079</b>	<b>100.0</b>	<b>218,928</b>	<b>100.0</b>	<b>1,221,479</b>	<b>100.0</b>
Sources: U.S. Census Bureau; American Community Survey; Maxfield Research & Consulting, LLC						

### Renter-Occupied Units by Contract Rent

Table HC-6 presents information on the monthly housing costs for renters called contract rent (also known as asking rent). Contract rent is the monthly rent agreed to regardless of any utilities, furnishings, fees, or services that may be included.

- The median contract rent in White Bear Lake was \$949 and \$858 in Ramsey County. Based on a 30% allocation of income to housing, a household in White Bear Lake would need an income of about \$37,960 to afford an average monthly rent of \$949.
- Approximately 42% of White Bear Lake renters have monthly rents over \$1,000, 37% of renters paying between \$750 and \$999, 17% of renters pay less than \$749.
- Within Ramsey County, nearly a third of renters (32%) paid a contract rent at or above \$1,000, while only 8% of those renters paid a contract rent above \$1,500.

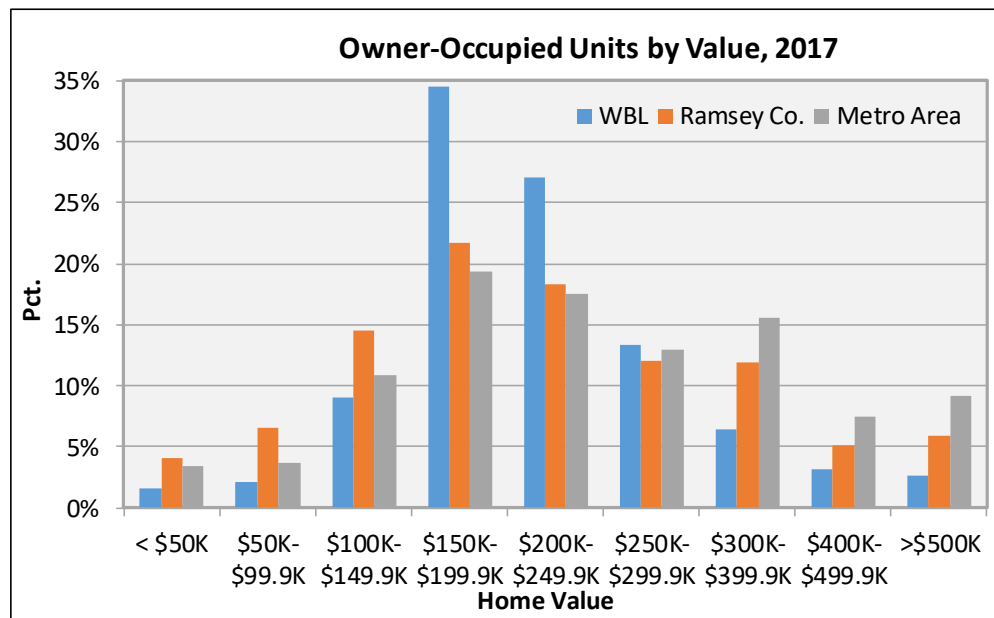
**HOUSING CHARACTERISTICS**

<b>TABLE HC-6</b> <b>RENTER-OCCUPIED UNITS BY CONTRACT RENT</b> <b>WHITE BEAR LAKE ANALYSIS AREA</b> <b>2017</b>						
Contract Rent	White Bear Lake		Ramsey County		Metro Area	
	No.	Pct.	No.	Pct.	Pct.	Pct.
No Cash Rent	117	3.5	1,931	2.3	9,259	2.5
Cash Rent	3,237	96.5	82,851	97.7	360,975	97.5
<i>\$0 to \$249</i>	131	3.9	5,463	6.4	18,400	5.0
<i>\$250-\$499</i>	124	3.7	5,706	6.7	21,394	5.8
<i>\$500-\$749</i>	321	9.6	17,116	20.2	59,170	16.0
<i>\$750-\$999</i>	1,255	37.4	27,814	32.8	108,492	29.3
<i>\$1,000-\$1,500</i>	1,067	31.8	20,321	24.0	110,709	29.9
<i>\$1,500+</i>	339	10.1	6,431	7.6	42,810	11.6
<b>Total</b>	<b>3,354</b>	<b>100.0</b>	<b>84,782</b>	<b>100.0</b>	<b>370,234</b>	<b>100.0</b>
Median Contract Rent	\$949		\$858		\$936	
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.

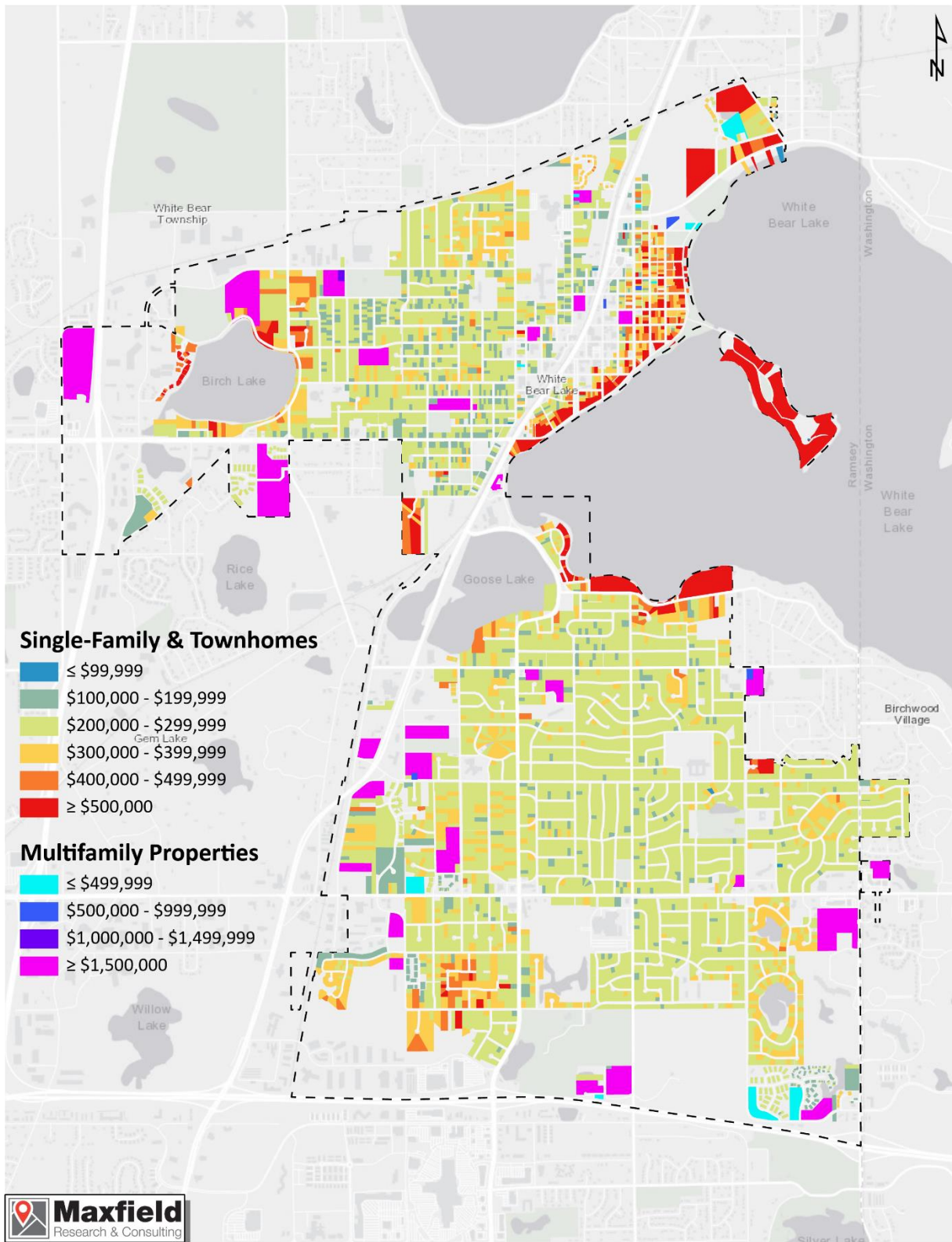
- The median home value in White Bear Lake (\$204,900) was 2% lower than the median home value in Ramsey County (\$208,700), a difference of \$3,800.
- Within White Bear Lake and Ramsey County, about 47% of homes were valued under \$200,000. The highest proportion of homes in White Bear Lake were valued in the \$150,000 to \$199,999 grouping, combining for 34.5% of all homes.
- In White Bear Lake, 53% of homes were valued above \$200,000. Due to the higher costs of new construction and infill, new homes would likely be priced at \$400,000 or higher.
- By comparison, the Twin Cities Metro Area has a median home value of \$238,097, compared to \$204,900 in White Bear Lake. About 37% of Metro Area homes have a home value of \$199,999 or less, and 63% are worth \$200,000 or more.



**HOUSING CHARACTERISTICS**

<b>TABLE HC-7</b> <b>OWNER-OCCUPIED UNITS BY VALUE</b> <b>WHITE BEAR LAKE ANALYSIS AREA</b> <b>2017</b>						
Home Value	White Bear Lake		Ramsey County		Metro Area	
	No.	Pct.	No.	Pct.	No.	Pct.
Less than \$50,000	121	1.7	5,003	4.0	26,872	3.4
\$50,000-\$99,999	158	2.2	8,053	6.5	29,651	3.7
\$100,000-\$149,999	658	9.0	18,053	14.6	86,295	10.8
\$150,000-\$199,999	2,530	34.5	26,809	21.7	154,290	19.3
\$200,000-\$249,999	1,982	27.1	22,592	18.3	139,928	17.5
\$250,000-\$299,999	978	13.4	14,933	12.1	103,565	13.0
\$300,000-\$399,999	468	6.4	14,707	11.9	124,136	15.6
\$400,000-\$499,999	231	3.2	6,292	5.1	59,197	7.4
Greater than \$500,000	198	2.7	7,280	5.9	73,500	9.2
<b>Total</b>	<b>7,324</b>	<b>100.0</b>	<b>123,722</b>	<b>100.0</b>	<b>797,434</b>	<b>100.0</b>
Median Home Value	\$204,900		\$208,700		\$238,097	
Sources: U.S. Census Bureau; American Community Survey; Maxfield Research & Consulting, LLC						

City of White Bear Lake Residential Parcels by Total Estimated Parcel Value



Housing Characteristics Comparison

Table HC-8 provides a comparison on various housing characteristics in White Bear Lake compared to peer cities in the Metro Area.

TABLE HC-8 HOUSING CHARACTERISTICS COMPARISON WHITE BEAR LAKE ANALYSIS AREA						
Housing Characteristics Summary	White Bear Lake	Anoka	Cottage Grove	Hastings	North St. Paul	Shoreview
Population (2017)	25,411	17,374	35,902	22,620	12,241	26,432
Households (2017)	10,678	7,060	12,011	8,917	4,872	11,149
Owner Units (2017)	7,324	3,566	10,536	6,417	3,318	9,106
Renter Units (2017)	3,354	3,494	1,475	2,500	1,554	2,043
<b>Median Year Built</b>						
Owner	1965	1969	1985	1985	1964	1981
Renter	1981	1975	1982	1979	1971	1978
<b>Median Contract Rent (2017)</b>	\$949	\$828	\$1,046	\$813	\$779	\$1,105
<b>Closed Sales (2018)</b>	444	252	673	415	183	428
<b>Median Resale Price (2018)</b>	\$244,900	\$230,000	\$262,500	\$225,000	\$222,450	\$264,900
<b>Mortgage Status - Housing Units with a Mortgage (2017)</b>	4,868	2,382	8,267	4,437	2,396	5,969
<b>Median Home Value (2017)</b>	\$204,900	\$175,200	\$224,300	\$192,500	\$183,300	\$248,600

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

**Introduction**

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

**Employment Growth and Projections**

Table E-1 shows projected employment growth in White Bear Lake, Ramsey County, and the Twin Cities Metro Area. Table E-1 shows employment growth trends and projections from 2000 to 2040 based on employment outlook projections by Metropolitan Council and the Minnesota Department of Employment and Economic Development.

	Employment						Change					
	Actual			Forecast			2000-2010		2010-2020		2020-2030	
	2000	2010	2018	2020	2030	2040	No.	Pct.	No.	Pct.	No.	Pct.
City of White Bear Lake	12,151	11,269	12,955	13,377	13,677	13,877	-882	-7.3%	2,108	18.7%	300	2.2%
Ramsey County	334,207	317,046	332,914	356,130	375,220	393,070	-17,161	-5.1%	39,084	12.3%	19,090	5.4%
Twin Cities Metro Area	1,607,916	1,544,613	1,737,584	1,828,000	1,910,000	2,039,000	-63,303	-3.9%	283,387	18.3%	82,000	4.5%
Note: Twin Cities Metro represents the Seven-County planning region												
Sources: Metropolitan Council; Maxfield Research & Consulting, LLC												

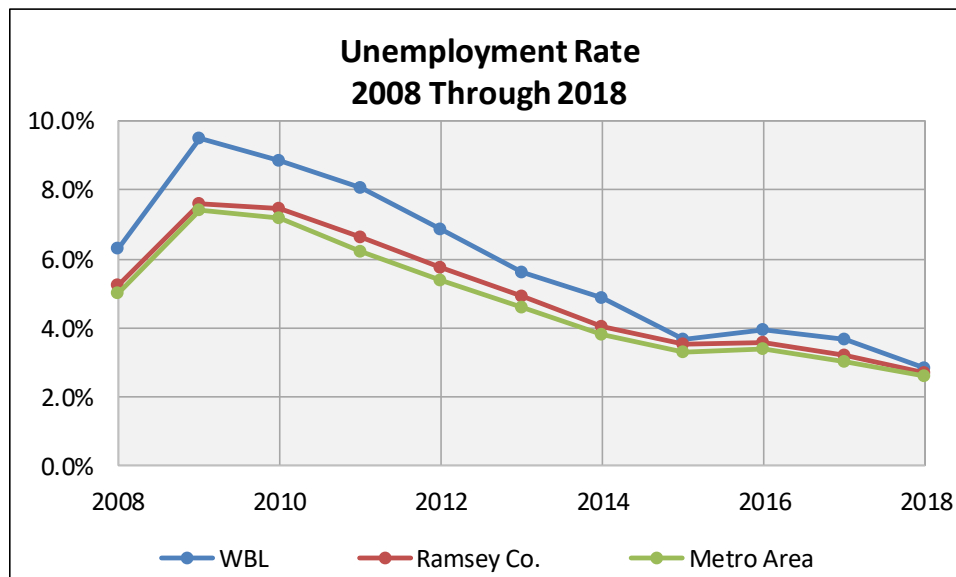
- There was an estimated 12,955 jobs in White Bear Lake in 2018, which was 3.9% of the Ramsey County total (332,914 jobs).
- The number of jobs in White Bear Lake is projected to grow by 2,108 jobs from 2010 through 2020 (18.7%). This projection is higher than what is expected for Ramsey County (12.3%) and the Twin Cities Metro Area (18.3%). Between 2010 and 2018 it is estimated that White Bear Lake added 1,686 jobs. Job creation in White Bear Lake continues to grow, making White Bear Lake more appealing for housing.
- White Bear Lake’s employment is anticipated to increase by 2.2% between 2020 and 2030, while Ramsey County’s employment is forecast to increase 5.4%. Growth in the Metro Area during this time period is forecast to be more modest (4.5%).

## **Resident Labor Force**

Recent employment growth trends are shown in Tables E-2, which presents resident employment data for the City of White Bear Lake from 2008 through 2018. These numbers were derived from the proportion of jobs in White Bear Lake as compared to Ramsey County, the State of Minnesota, and the United States. Resident employment data is calculated as an annual average and reveals the work force and number of employed persons living in the City. It is important to note that not all of these individuals necessarily work in the City or County. The following are key trends derived from the employment data:

### **Resident Employment**

- Resident employment (number of employed persons) in White Bear Lake increased by approximately 344 people between 2008 and 2018 (2.6%) and the unemployment rate decreased from 6.3% in 2008 to 2.8% in 2018. By comparison, Ramsey County's unemployment rate was at 2.7% and the State of Minnesota was at 2.9% as of 2018.
- White Bear Lake's unemployment rate has mirrored Ramsey County's unemployment rate and has remained slightly higher since 2008. The greatest yearly difference was 1.9% higher than Ramsey County in 2009.
- The unemployment rate in Ramsey County increased to a high of 7.6% (2009) which was the peak of the recession. However, as of year-end 2018, the unemployment rate has fallen to 2.7%, which is considered below equilibrium (5.0%).





<b>TABLE E-2 ANNUAL AVERAGE RESIDENT EMPLOYMENT CITY OF WHITE BEAR LAKE 2008 to 2018</b>				
<b>Year</b>	<b>Labor Force</b>	<b>Employed</b>	<b>Unemployed</b>	<b>Rate</b>
<b>City of White Bear Lake</b>				
2008	13,401	12,558	843	6.3%
2009	13,485	12,203	1,282	9.5%
2010	12,750	11,621	1,129	8.9%
2011	12,868	11,828	1,040	8.1%
2012	12,833	11,952	881	6.9%
2013	12,843	12,122	721	5.6%
2014	13,003	12,370	633	4.9%
2015	12,942	12,466	476	3.7%
2016	13,116	12,597	519	4.0%
2017	13,392	12,900	492	3.7%
2018	13,745	13,356	389	2.8%
<b>Change 2008-2018</b>				
<b>Number</b>	344	798	-454	--
<b>Percent</b>	2.6%	6.4%	-53.9%	--
<b>Ramsey County</b>				
2008	271,843	257,550	14,293	5.3%
2009	270,603	250,001	20,602	7.6%
2010	270,063	249,935	20,128	7.5%
2011	272,394	254,310	18,084	6.6%
2012	272,944	257,259	15,685	5.7%
2013	275,220	261,715	13,505	4.9%
2014	277,353	266,179	11,174	4.0%
2015	279,536	269,716	9,820	3.5%
2016	283,182	272,995	10,187	3.6%
2017	286,863	277,726	9,137	3.2%
2018	288,814	281,072	7,742	2.7%
<b>Minnesota</b>				
2008	2,925,088	2,766,342	158,746	5.4%
2015	2,997,748	2,887,132	110,616	3.7%
2016	3,033,406	2,916,353	117,053	3.9%
2017	3,057,014	2,952,960	104,054	3.4%
2018	3,070,223	2,980,884	89,339	2.9%
<b>U.S.</b>				
2008	154,286,666	145,362,500	8,924,166	9.6%
2015	157,129,916	148,833,416	8,296,500	5.3%
2016	159,187,166	151,435,833	7,751,333	4.9%
2017	160,319,750	153,337,416	6,982,334	4.4%
2018	162,075,000	155,761,000	6,314,000	3.9%
Note: Data not seasonally adjusted				
Sources: U.S. Dept. of Labor, MN Dept. of Employment & Economic Development (MN DEED), Maxfield Research & Consulting, LLC				

### *Covered Employment and Wages by Industry*

Table E-3 presents covered employment numbers as available for the City of White Bear Lake from 2008 through 2018. Covered employment data is calculated as an annual average and *reveals the number of jobs in the designated area*, which are covered by unemployment insurance. Many temporary workforce positions, agricultural, self-employed persons, and some other types of jobs are not covered by unemployment insurance and are not included in the table. Some agricultural businesses and employees are listed in Table E-3, but not all positions are included. The data in both tables is sourced from the Minnesota Department of Employment and Economic Development. The following are key trends derived from the employment data:

- Between 2000 and 2018, the number of jobs increased in White Bear Lake by 1,121, an 9.6% increase in the City. The Professional & Business Services sector gained the greatest number of jobs (369 jobs) between 2010 and 2018. The Information, Financial Services, Other Services, and Public Administration sectors all declined between 2015 to 2018.
- As of 2018, the Education & Health Services industry accounted for the largest share of employment in White Bear Lake, with 3,726 employees accounting for 29% of employment. Between 2015 and 2018, the Education & Health Services sector has grown by 104 employees, an increase of approximately 3%.
- The next two largest employment sectors were the Trade, Transportation and Utilities sector, which accounted for 18% of employment in 2018 and the Professional & Business Services sector, which accounted for 14% of employment.
- Between 2015 and 2018, the Professional & Business Services industry experienced the largest growth in the city, adding 369 employees, a 27% increase. The Information sector experienced the largest decline, decreasing by 31 jobs (44%).

## EMPLOYMENT TRENDS

City of White Bear Lake						Change						
Average Number of Employees						2015 - 2018		% of Total				
Industry	2000	2005	2010	2015	2018	No.	Pct.	2000	2005	2010	2015	2018
Natural Resources & Mining	--	--	--	--	--	--	--	--	--	--	--	--
Construction	--	--	--	--	441	--	--	--	--	--	--	3.4%
Manufacturing	1,131	1,055	1,074	964	1,130	166	17.2%	--	--	9.9%	8.5%	8.8%
Trade, Transportation & Utilities	2,725	2,673	2,234	2,178	2,356	178	8.2%	23.3%	23.0%	20.5%	19.2%	18.4%
Information	83	--	65	70	39	-31	-44.3%	0.7%	--	0.6%	0.6%	0.3%
Financial Services	655	695	573	735	719	-16	-2.2%	5.6%	6.0%	5.3%	6.5%	5.6%
Professional & Business Services	1,615	1,440	999	1,369	1,738	369	27.0%	13.8%	12.4%	9.2%	12.1%	13.6%
Education & Health Services	3,122	3,405	3,640	3,622	3,726	104	2.9%	26.7%	29.3%	33.5%	31.9%	29.1%
Leisure & Hospitality	1,547	1,405	1,256	1,387	1,641	254	18.3%	13.2%	12.1%	11.5%	12.2%	12.8%
Other Services	629	690	760	817	809	-8	-1.0%	5.4%	5.9%	7.0%	7.2%	6.3%
Public Administration	173	252	275	211	202	-9	-4.3%	1.5%	2.2%	2.5%	1.9%	1.6%
<b>Totals</b>	<b>11,680</b>	<b>11,615</b>	<b>10,876</b>	<b>11,353</b>	<b>12,801</b>	<b>1,448</b>	<b>12.8%</b>					

Twin Cities Metro Area						Change						
Average Number of Employees						2015 - 2018		% of Total				
Industry	2000	2005	2010	2015	2018	No.	Pct.	2000	2005	2010	2015	2018
Natural Resources & Mining	3,220	3,568	3,444	3,427	3,678	251	7.3%	0.2%	0.2%	0.2%	0.2%	0.2%
Construction	75,163	78,475	49,972	66,709	71,893	5,184	7.8%	5.1%	5.1%	3.3%	4.0%	4.1%
Manufacturing	217,161	186,238	156,570	168,480	171,259	2,779	1.6%	14.6%	12.0%	10.2%	10.1%	9.7%
Trade, Transportation & Utilities	341,177	327,767	294,894	313,380	324,537	11,157	3.6%	23.0%	21.2%	19.2%	18.7%	18.5%
Information	--	--	41,010	38,798	37,117	-1,681	-4.3%	--	--	2.7%	2.3%	2.1%
Financial Services	126,979	137,347	130,997	137,046	137,020	-26	0.0%	8.5%	8.9%	8.5%	8.2%	7.8%
Professional & Business Services	263,779	244,025	250,111	277,443	297,496	20,053	7.2%	17.8%	15.7%	16.3%	16.6%	16.9%
Education & Health Services	263,963	302,256	341,678	380,336	409,823	29,487	7.8%	17.8%	19.5%	22.2%	22.7%	23.3%
Leisure & Hospitality	138,716	150,712	148,531	164,825	176,108	11,283	6.8%	9.3%	9.7%	9.7%	9.8%	10.0%
Other Services	55,632	55,269	52,359	56,000	56,891	891	1.6%	3.7%	3.6%	3.4%	3.3%	3.2%
Public Administration	--	63,754	67,435	68,847	72,727	3,880	5.6%	--	4.1%	4.4%	4.1%	4.1%
<b>Totals</b>	<b>1,485,790</b>	<b>1,549,411</b>	<b>1,537,001</b>	<b>1,675,291</b>	<b>1,758,549</b>	<b>83,258</b>	<b>5.0%</b>					

Source: MN Dept. of Employment & Economic Development (MN DEED); Maxfield Research & Consulting, LLC

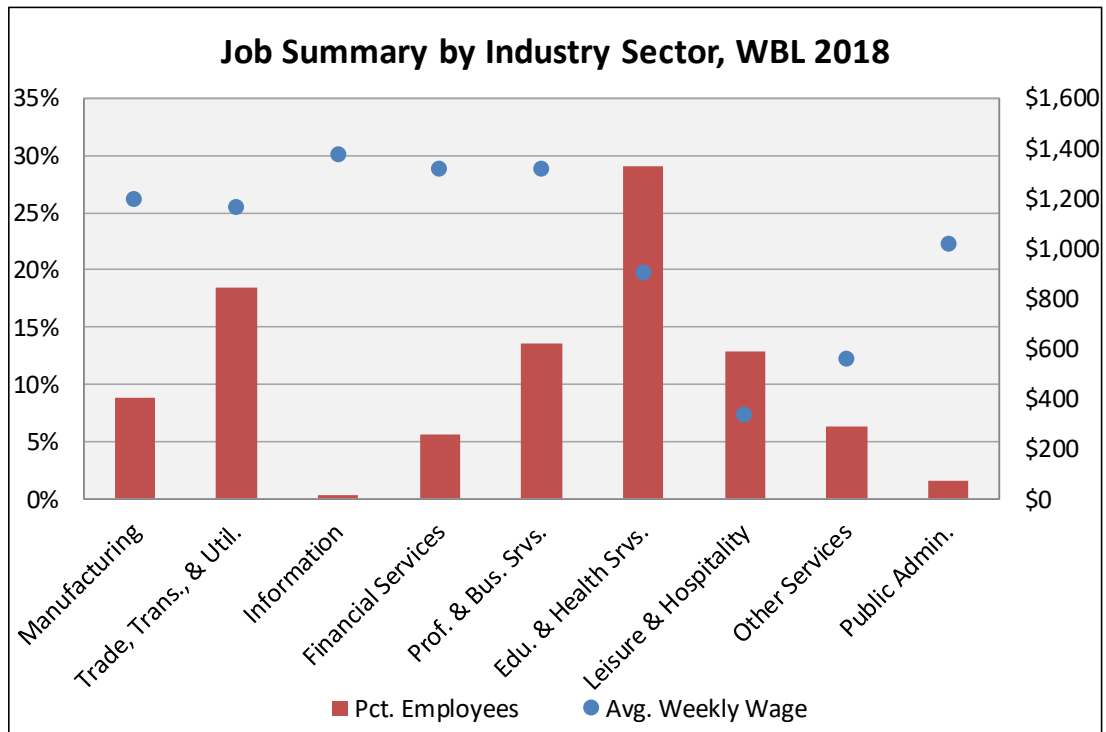
Table E-4 displays information on average weekly wages in White Bear Lake compared to the Twin Cities Metro Area. The Quarterly Census of Employment and Wages (QCEW) data is sourced from Minnesota Employment and Economic Development (MN DEED) for the annual average of 2015 through 2018, the most recent annual data available. All establishments covered under the Unemployment Insurance (UI) Program are required to report wage and employment statistics quarterly to MN DEED. Federal government establishments are also covered by the QCEW program.

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 MN DEED 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.

- The Information sector saw the largest growth increasing average weekly wages by \$539 (65%) between 2015 to 2018. The Trade, Transportation, and Utilities sector saw the second largest growth, increasing by \$229 (24%).

## EMPLOYMENT TRENDS

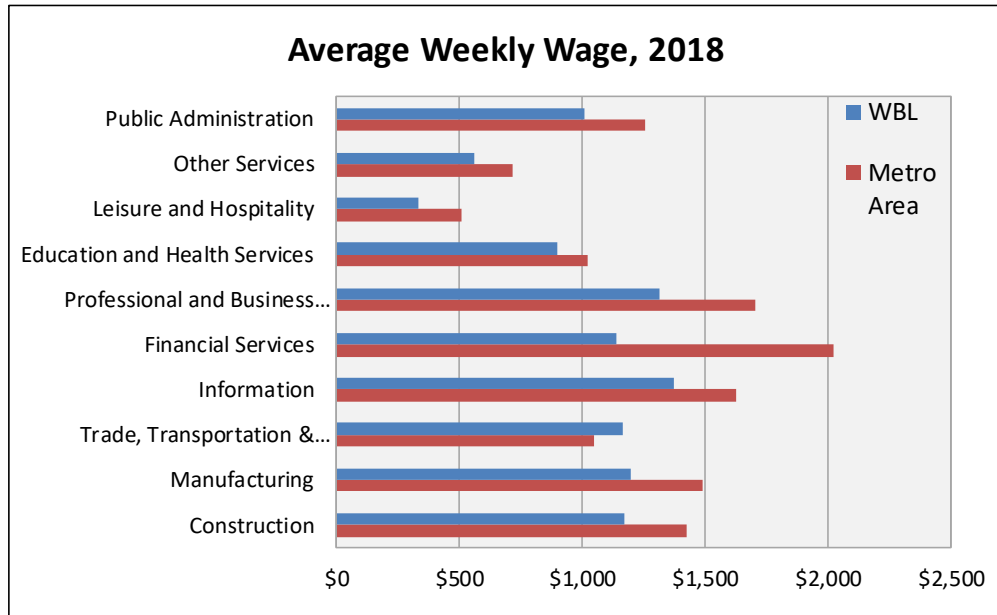
- Wages in White Bear Lake were lower in each industry category compared to the Twin Cities Metro Area with the exception of the Trade, Transportation, and Utilities sector which was \$117 higher in White Bear Lake.



**EMPLOYMENT TRENDS**

<b>TABLE E-4</b> <b>WAGES</b> <b>WHITE BEAR LAKE ANALYSIS AREA</b> <b>2015 - 2018</b> <b>North American Industrial Classification System (NAICS)</b>						
<b>City of White Bear Lake</b> <b>Average Weekly Wage</b>					<b>Change</b> <b>2015 - 2018</b>	
<u>Industry</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>No.</u>	<u>Pct.</u>
Natural Resources & Mining	--	--	--	--	--	--
Construction	--	\$1,090	\$1,132	\$1,173	--	--
Manufacturing	\$1,130	\$1,169	\$1,164	\$1,196	\$66	5.8%
Trade, Transportation & Utilities	\$935	\$983	\$1,029	\$1,164	\$229	24.5%
Information	\$832	\$817	\$1,281	\$1,371	\$539	64.8%
Financial Services	\$923	\$998	\$1,062	\$1,137	\$214	23.2%
Professional & Business Services	\$1,105	\$1,160	\$1,191	\$1,316	\$211	19.1%
Education & Health Services	\$814	\$843	\$862	\$898	\$84	10.3%
Leisure & Hospitality	\$304	\$331	\$333	\$332	\$28	9.2%
Other Services	\$477	\$487	\$529	\$558	\$81	17.0%
Public Administration	\$852	\$893	\$868	\$1,013	\$161	18.9%
<b>Totals</b>	<b>\$829</b>	<b>\$865</b>	<b>\$894</b>	<b>\$962</b>	<b>\$133</b>	<b>16.0%</b>
<b>Twin Cities Metro Area</b> <b>Average Weekly Wage</b>					<b>Change</b> <b>2015 - 2018</b>	
<u>Industry</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>No.</u>	<u>Pct.</u>
Natural Resources & Mining	\$870	\$908	\$899	\$907	\$37	4.3%
Construction	\$1,304	\$1,339	\$1,388	\$1,423	\$119	9.1%
Manufacturing	\$1,426	\$1,432	\$1,472	\$1,491	\$65	4.6%
Trade, Transportation & Utilities	\$984	\$988	\$1,025	\$1,047	\$63	6.4%
Information	\$1,507	\$1,494	\$1,551	\$1,625	\$118	7.8%
Financial Services	\$1,886	\$1,849	\$1,934	\$2,027	\$141	7.5%
Professional & Business Services	\$1,560	\$1,602	\$1,675	\$1,703	\$143	9.2%
Education & Health Services	\$959	\$977	\$989	\$1,025	\$66	6.9%
Leisure & Hospitality	\$449	\$464	\$482	\$509	\$60	13.4%
Other Services	\$660	\$668	\$710	\$718	\$58	8.8%
Public Administration	\$1,151	\$1,184	\$1,216	\$1,254	\$103	8.9%
<b>Totals</b>	<b>\$1,160</b>	<b>\$1,171</b>	<b>\$1,210</b>	<b>\$1,244</b>	<b>\$84</b>	<b>7.2%</b>

Source: MN Dept. of Employment & Economic Development (MN DEED), Maxfield Research & Consulting, LLC



**Business Summary**

Table E-5 displays business summary information by North American Industry Classification System (NAICS) codes in White Bear Lake. This data sourced from ESRI for 2019.

It should be noted that certain industries in Table E-5 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.

- As of 2018, there were over 980 businesses in the City of White Bear Lake.
- The Retail Trade sector has the highest proportion of establishments (14.3%) and the highest proportion of employees (12.9%) in White Bear Lake.
- The Professional, Scientific, & Tech Services sector accounts for nearly the same share of businesses and employees, accounting for 10.9% of businesses and 10.8% of employees.
- Behind the Retail Trade industry, the Health Care & Social Assistance sector ranks second largest industry type in White Bear Lake with 11.1% businesses and 11.8% employees.

<b>TABLE E-5 BUSINESS SUMMARY - BY NAICS CODE CITY OF WHITE BEAR LAKE 2019</b>		
<b>Business/Industry</b>	<b>Businesses Pct</b>	<b>Employees Pct</b>
<b>NAICS CODES</b>		
Agriculture & Mining	0.1%	0.0%
Mining	0.1%	0.0%
Utilities	0.0%	0.0%
Construction	5.8%	5.0%
Manufacturing	3.8%	6.5%
Wholesale Trade	1.9%	4.8%
Retail Trade	14.3%	12.9%
Transportation & Warehousing	0.5%	0.3%
Information	1.3%	1.2%
Finance & Insurance	6.7%	3.9%
Real Estate, Rental & Leasing	6.0%	2.9%
Professional, Scientific & Tech Services	10.9%	10.8%
Management of Companies & Enterprises	0.2%	0.1%
Admin& Support & Waste Management & Remediation Services	2.8%	3.3%
Educational Services	3.7%	11.1%
Health Care & Social Assistance	11.1%	11.8%
Arts, Entertainment & Recreation	3.1%	3.8%
Accommodation & Food Services	6.9%	10.3%
Other Services (except Public Administration)	13.3%	8.7%
Public Administration	1.4%	2.5%
Unclassified Establishments	6.0%	0.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
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 large proportion of households’ budgets. Table E-6 highlights the commuting patterns of workers in White Bear Lake in 2017 (the most recent data available), based on Employer-Household Dynamics data from the U.S. Census Bureau.

- As shown in Table E-6, 11.1% of White Bear Lake residents were employed in White Bear Lake. Most employees that live in White Bear Lake commuted to jobs in St. Paul (16.1%).
- Of the workers who are employed in White Bear Lake, 12.1% also live in White Bear Lake. The remaining workers are commuting from mostly St. Paul (8.9%), Hugo (5.1%), and Maplewood (3.4%).

**TABLE E-6  
COMMUTING PATTERNS  
CITY OF WHITE BEAR LAKE  
2017**

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>
White Bear Lake, MN	1,505	12.1%	St. Paul, MN	2,186	16.1%
St. Paul, MN	1,106	8.9%	Minneapolis, MN	1,580	11.6%
Hugo, MN	638	5.1%	White Bear Lake, MN	1,505	11.1%
Maplewood, MN	425	3.4%	Maplewood, MN	565	4.2%
Minneapolis, MN	418	3.4%	Roseville, MN	490	3.6%
Vadnais Heights, MN	344	2.8%	Vadnais Heights, MN	475	3.5%
Lino Lakes, MN	330	2.7%	Shoreview, MN	288	2.1%
Woodbury, MN	295	2.4%	Bloomington, MN	275	2.0%
Oakdale, MN	275	2.2%	Woodbury, MN	274	2.0%
Blaine, MN	274	2.2%	Oakdale, MN	273	2.0%
All Other Locations	6,783	54.7%	All Other Locations	5,686	41.8%
Total All Jobs	12,393		Total All Jobs	13,597	

Home Destination = Where workers live who are employed in White Bear Lake

Work Destination = Where workers are employed who live in White Bear Lake

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

**Inflow/Outflow**

Table E-7 provides a summary of the inflow and outflow of workers in the City of White Bear Lake. Outflow reflects the number of workers living in the City of White Bear Lake but employed outside of the city while inflow measures the number of workers that are employed in the City of White Bear Lake but live outside. Interior flow reflects the number of workers that both live and work in the City of White Bear Lake.

- The City of White Bear Lake can be considered an exporter of workers, as the number of residents leaving the City (outflow) for employment was more than the number of residents coming into the City for work (inflow). Approximately 12,092 workers left the City of White

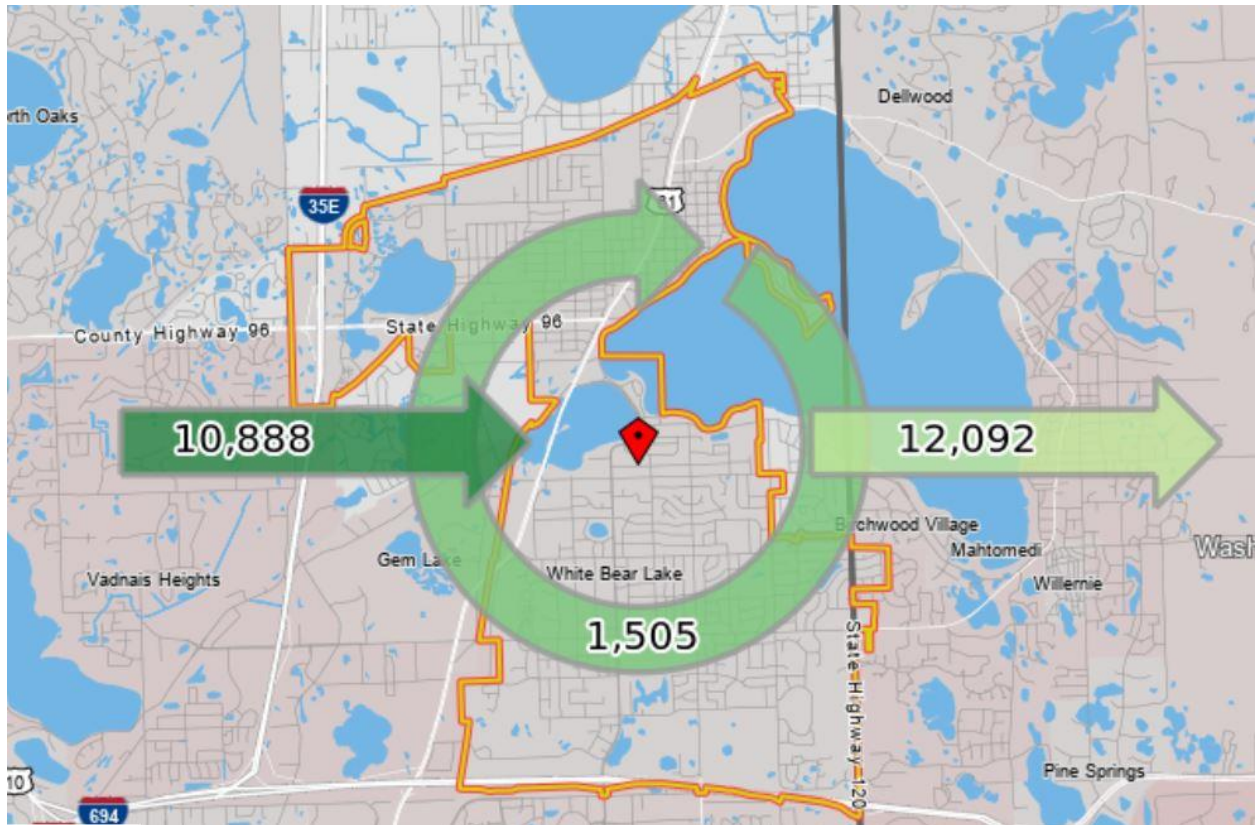


**EMPLOYMENT TRENDS**

Bear Lake for work while 10,888 workers came into the City, for a net difference of -1,204 workers.

<b>TABLE E-7</b> <b>COMMUTING INFLOW/OUTFLOW</b> <b>CITY OF WHITE BEAR LAKE</b> <b>2017</b>		
	<b>White Bear Lake</b>	
	<b>Num.</b>	<b>Pct.</b>
Employed in the Selection Area	12,393	100%
Employed in the Selection Area but Living Outside	10,888	87.9%
Employed and Living in the Selection Area	1,505	12.1%
Living in the Selection Area	13,597	100%
Living in the Selection Area but Employed Outside	12,092	88.9%
Living and Employed in the Selection Area	1,505	11.1%
<b>Commuting Distance - Work to Home</b>	<b>Num.</b>	<b>Pct.</b>
Less than 10 miles	6,756	54.5%
10 to 24 miles	4,004	32.3%
25 to 50 miles	925	7.5%
Greater than 50 miles	708	5.7%
<b>Commuting Distance - Home to Work</b>	<b>Num.</b>	<b>Pct.</b>
Less than 10 miles	6,747	49.6%
10 to 24 miles	5,901	43.4%
25 to 50 miles	397	2.9%
Greater than 50 miles	552	4.1%
Sources: Longitudinal Employer-Household Dynamics; Maxfield Research & Consulting LLC		

Commuting Inflow / Outflow



Sources: Longitudinal Employer-Household Dynamics

Major Employers

Table E-8 shows the major employers in White Bear Lake based on data provided by the City of White Bear Lake. Please note that the table is not a comprehensive list of all employers and presents a selected list of employers and their employees as identified by the City of White Bear Lake. The data is updated and collected by the city in fragmented time periods and is not an official survey. The following are key points from the major employers table.

- White Bear Lake Area Schools are the largest identified employers totaling approximately 1,586 employees.
- The list of major employers represents several industry sectors, but the highest concentrations of large employers are in the Education, Senior Housing/Healthcare & Government Services sectors.

## EMPLOYMENT TRENDS

**TABLE E-8  
MAJOR EMPLOYERS  
CITY OF WHITE BEAR LAKE  
2019**

Name	Industry	Approximate Employee Size
White Bear Lake Area Schools	Education	1,586
Century College	Education/Community College	700
Cerenity Senior Care	Senior Housing	380
Trane	Manufacturing (HVAC)	360
City of White Bear Lake	Government Services	219
Cummins	Auto Sales/Service	210
Life Time Fitness	Fitness/Health & Wellness	200
Sams Club	Warehouse Grocer	180
Taymark	Multi-Brand Direct Marketing Company	160
Saputo Dairy Foods	Dairy Products	155
International Paper	Corrugated Box Plant	122
Lunds & Byerlys	Grocer	95
Grandma's Bakery	Retail/Wholesale Bakery	80
The Waters	Senior Housing	71
White Bear Heights	Senior Housing	58

Source: City of White Bear Lake; Maxfield Research & Consulting, LLC

- The top four employers account for approximately 66% of the employee base out of the major employers in White Bear Lake and all have a minimum of 360 employees.

### Employment Comparison

Table E-9, on the following page, provides an employment summary that compares White Bear Lake to peer cities in the Metro Area.

- White Bear Lake's average weekly wage ranks 3<sup>rd</sup> among neighboring cities that were surveyed. Cities with higher average weekly wages include Anoka and Shoreview.
- The unemployment rate in White Bear Lake is consistent with neighboring cities in the Metro Area at 2.8%. The lowest recorded employment rate was in Shoreview at 2.3%.

**EMPLOYMENT TRENDS**

**TABLE E-9  
EMPLOYMENT COMPARISON SUMMARY  
WHITE BEAR LAKE ANALYSIS AREA**

Employment Summary	White Bear Lake		Anoka		Cottage Grove		Hastings		North St. Paul		Shoreview	
	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.	Num	Pct.
<b>Inflow/Outflow (2017)</b>												
Inflow	10,888		15,516		6,156		5,356		3,249		14,100	
Outflow	12,092		8,021		17,797		8,799		6,407		12,265	
Interior Flow	1,505		1,263		2,163		3,016		326		1,004	
<b>Employee Monthly Earnings - Inflow (2017)</b>												
\$1,250 or Less	2,773	25.5%	2,171	14.0%	1,297	21.1%	1,248	23.3%	899	27.7%	2,667	18.9%
\$1,251 to \$3,333	3,095	28.4%	2,974	19.2%	1,607	26.1%	1,477	27.6%	939	28.9%	3,537	25.1%
More Than \$3,333	5,020	46.1%	7,866	50.7%	3,252	52.8%	2,631	49.1%	1,411	43.4%	7,896	56.0%
<b>Employee Ages - Inflow (2017)</b>												
Age 29 or Younger	2,664	24.5%	2,354	15.2%	1,467	23.8%	1,220	22.8%	666	20.5%	3,313	23.5%
Age 30 to 54	5,613	51.6%	7,448	48.0%	3,400	55.2%	2,827	52.8%	1,677	51.6%	7,981	56.6%
Age 55 or Older	2,611	24.0%	3,209	20.7%	1,289	20.9%	1,309	24.4%	906	27.9%	2,806	19.9%
<b>Average Weekly Wage (2018)</b>												
Total, All Industries	\$962		\$1,031		\$883		\$838		\$848		\$1,285	
<b>Unemployment Rate (2018)</b>												
Total, All Industries	2.8%		2.8%		2.5%		2.5%		2.7%		2.3%	

Source: U.S. Census Bureau; MN DEED; Maxfield Research & Consulting, LLC

### Introduction

Maxfield Research and Consulting LLC identified and surveyed larger rental properties of 12 or more units in White Bear Lake. 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

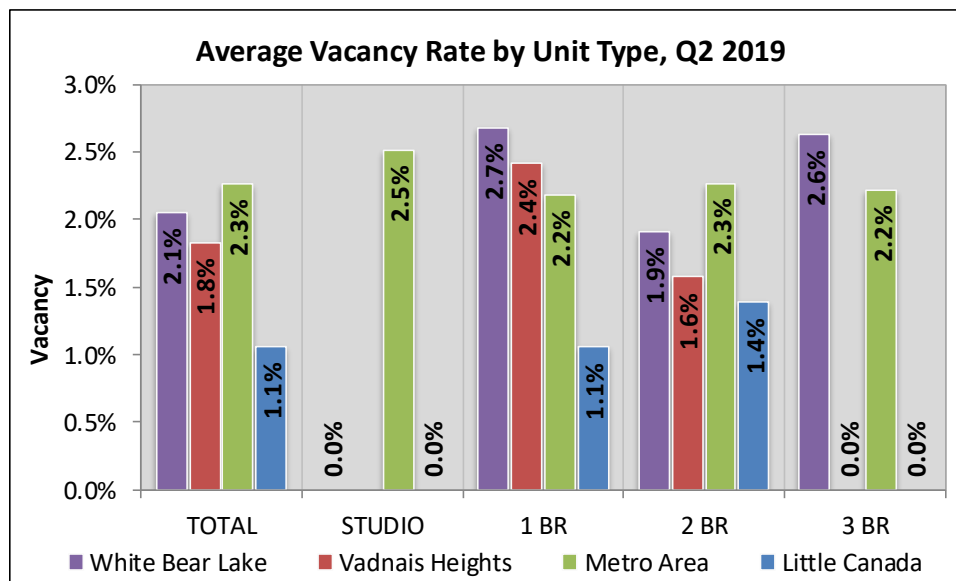
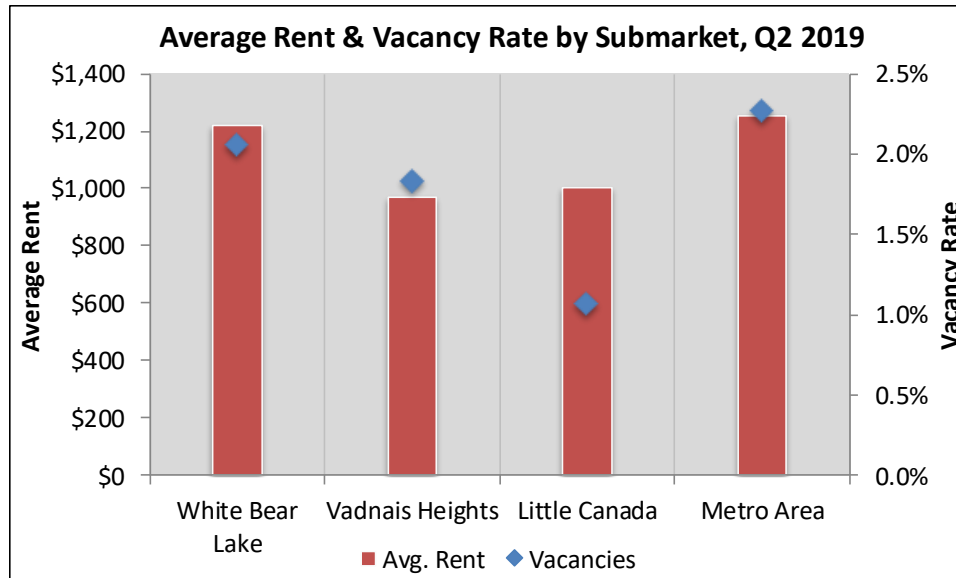
Table R-1 shows average monthly rents and vacancies by unit type in White Bear Lake, Vadnais Heights, Little Canada, and the Twin Cities Metro Area. This information is compiled quarterly by Marquette Advisors, Inc. and includes all rental properties sampled regardless of year built. The data in Table R-1 is shown for the Second Quarter (Q2) of 2018 and Q2 2019, the most recent data available. The following are key points from Table R-1:

#### ***Average Rents/Vacancies Trends***

- The equilibrium vacancy rate for rental housing is considered to be 5.0%. This allows for normal turnover and an adequate supply of alternatives for prospective renters. During the second quarter of 2019, the vacancy rate was 2.1% in White Bear Lake overall, with the highest vacancies in one-bedroom (2.7%) and two-bedroom (2.6%) units.
- Between the second quarter 2018 and 2019, the average rents in White Bear Lake increased 7% overall, with three-bedroom units increasing the most (12.8%) followed by studio units increasing 10.9%.
- Overall, rents in White Bear Lake were \$1,220 in the second quarter of 2019, which was a 7% increase from the second quarter of 2018. By comparison, rents in Vadnais Heights were \$970 and \$1,000 in Little Canada in the second quarter 2019.

**RENTAL MARKET ANALYSIS**

<b>TABLE R-1</b> <b>AVERAGE RENTS/VACANCIES TRENDS</b> <b>FIRST QUARTER 2019</b>								
		<b>Total</b>	<b>Studio</b>	<b>1 BR</b>	<b>1 BR + D</b>	<b>2 BR</b>	<b>2 BR + D</b>	<b>3 BR</b>
<b>White Bear Lake</b>								
<b>Q2/2019</b>	Units	<b>1,509</b>	10	336	18	1,098	9	38
	No. Vacant	<b>31</b>	0	9	0	21	0	1
	Avg. Rent	<b>\$1,220</b>	\$913	\$1,150	\$1,136	\$1,235	\$1,445	\$1,478
	Vacancy	<b>2.1%</b>	0.0%	2.7%	0.0%	1.9%	0.0%	2.6%
<b>Q2/2018</b>	Units	<b>1,509</b>	10	336	18	1,098	9	38
	No. Vacant	<b>36</b>	0	7	0	28	0	1
	Avg. Rent	<b>\$1,140</b>	\$823	\$1,057	\$1,080	\$1,161	\$1,445	\$1,310
	Vacancy	<b>2.4%</b>	0.0%	2.1%	0.0%	2.6%	0.0%	2.6%
<b>Vadnais Heights</b>								
<b>Q2/2019</b>	Units	<b>491</b>	--	207	--	254	--	30
	No. Vacant	<b>9</b>	--	5	--	4	--	0
	Avg. Rent	<b>\$970</b>	--	\$921	--	\$1,012	--	\$951
	Vacancy	<b>1.8%</b>	--	2.4%	--	1.6%	--	0.0%
<b>Q2/2018</b>	Units	<b>491</b>	--	207	--	254	--	30
	No. Vacant	<b>12</b>	--	7	--	5	--	0
	Avg. Rent	<b>\$900</b>	--	\$839	--	\$944	--	\$954
	Vacancy	<b>2.4%</b>	--	3.4%	--	2.0%	--	0.0%
<b>Little Canada</b>								
<b>Q2/2019</b>	Units	<b>1,225</b>	131	473	--	575	--	46
	No. Vacant	<b>13</b>	0	5	--	8	--	0
	Avg. Rent	<b>\$1,000</b>	\$715	\$917	--	\$1,097	--	\$1,455
	Vacancy	<b>1.1%</b>	0.0%	1.1%	--	1.4%	--	0.0%
<b>Q2/2018</b>	Units	<b>1,225</b>	131	473	--	575	--	46
	No. Vacant	<b>24</b>	1	13	--	10	--	0
	Avg. Rent	<b>\$961</b>	\$688	\$885	--	\$1,050	--	\$1,417
	Vacancy	<b>2.0%</b>	0.8%	2.7%	--	1.7%	--	0.0%
<b>Twin Cities Metro Area</b>								
<b>Q2/2019</b>	Units	<b>148,884</b>	10,530	65,297	3,589	59,467	2,217	7,431
	No. Vacant	<b>3,377</b>	265	1,428	70	1,350	87	165
	Avg. Rent	<b>\$1,254</b>	\$1,040	\$1,108	\$1,481	\$1,353	\$2,076	\$1,631
	Vacancy	<b>2.3%</b>	2.5%	2.2%	2.0%	2.3%	3.9%	2.2%
<b>Q2/2018</b>	Units	<b>141,518</b>	8,058	62,834	3,421	58,069	1,638	7,046
	No. Vacant	<b>3,090</b>	154	1,411	80	1,269	33	132
	Avg. Rent	<b>\$1,164</b>	\$945	\$1,028	\$1,412	\$1,248	\$2,009	\$1,519
	Vacancy	<b>2.2%</b>	1.9%	2.2%	2.3%	2.2%	2.0%	1.9%
Sources: CoStar Group, Inc.; Maxfield Research & Consulting, LLC								



### General-Occupancy Multifamily Rental Properties

Our research of White Bear Lake’s general occupancy rental market included a survey of 19 market rate and five subsidized/affordable apartment properties (12 units and larger) in October 2019. These properties represent a combined total of 1,925 units, including 1,545 market rate units and 380 subsidized or affordable units.

Although we were able to contact and obtain up-to-date information from most rental properties, some information was unable to be confirmed via phone and was obtained from third party sources.

Table R-2 summarizes information on market rate and affordable general occupancy projects in White Bear Lake. Table R-3 summarizes common area features and amenities while Table R-4 includes a breakdown of unit types and rents among all general-occupancy housing developments.

- *Century Commons*, located at 3515 Century Avenue, is student apartments that border Century College to the South. This dorm style property consists of a variety of three-bedroom, four-bedroom, and five-bedroom suites for a total of 39 suites (154 private bedrooms). Amenities/features include lounges with computers, printers and Wi-Fi, on-site common area laundry facilities, built-in desks, and furnished shared living space. These units are designated for those who qualify in student housing or are enrolled part/full-time in college.
- *East Metro Place* and *East Metro Place II* are two supportive housing communities for homeless families. Located at 3521 Century Avenue North, *East Metro Place*, provides 10 two-bedroom units and 10 three-bedroom units of transitional housing for families for up to two years. This property was built in 1993 and is a project-based Section 8 community where residents pay 30% of their income. *East Metro Place II*, located next to *East Metro Place*, consists of 14 units (six two-bedroom, six three-bedroom, and two four-bedroom units) of permanent supportive housing and also receive income-based rental assistance. Seven units at *East Metro Place II* are used for homeless families with disabilities and the remaining seven units are designated for families with histories of long-term homelessness.

### ***Subsidized/Affordable Rental Housing***

- There is one general occupancy subsidized property and four affordable properties in White Bear Lake with 380 total units. There were three vacant units as of October 2019.
- Typically, tax credit rental properties should be able to maintain vacancy rates of 3% or less in most housing markets. The lack of vacancies for tax credit housing units indicates a need for additional housing of this type.
- The newest affordable property, *Hoffman Place Apartments*, came online in 2010. The remaining properties were built in the late 1960s and early 1970s.

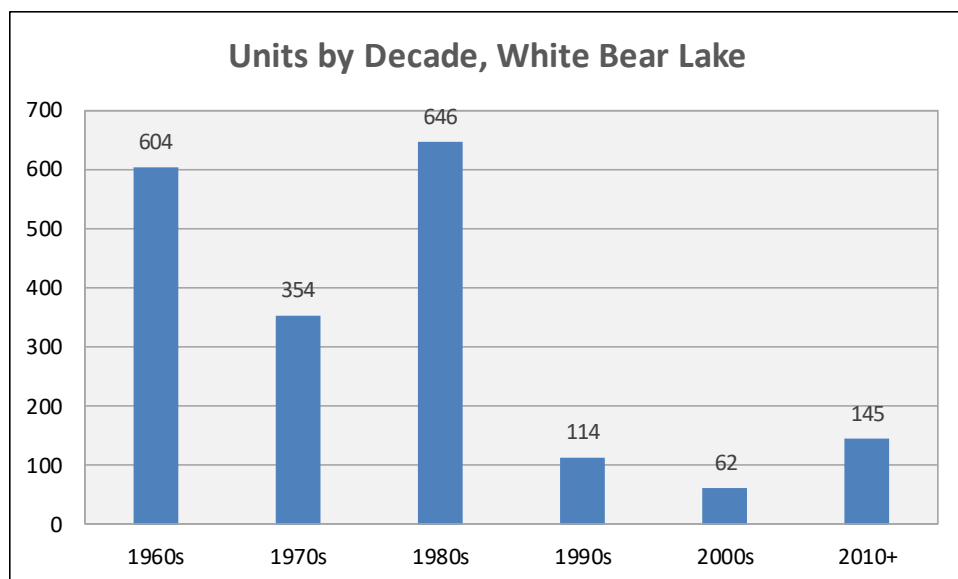
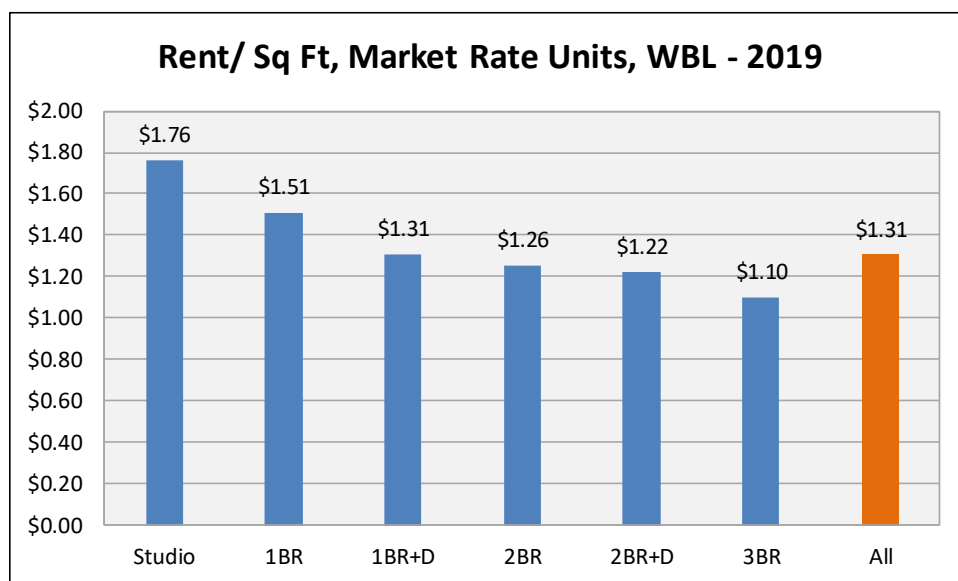
### ***Market Rate Rental Housing***

- At the time of our survey, 48 market rate units were vacant, resulting in an overall vacancy rate of 3.1% 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.



## RENTAL MARKET ANALYSIS

- The newest market rate general occupancy rental housing project in White Bear Lake is *Boatworks Commons*, which came online in 2015 and has a total of 85 units. Market rate rents average \$1,829 a month or approximately \$1.93 per square foot.
- Sizes for market rate units ranged from 494 square feet for a studio apartment to 1,297 square feet for a two-bedroom unit. The average size of all market rate apartments in White Bear Lake is 922 square feet.
- Average rent for a market rate studio was \$869 which equates to \$1.76 per square foot, while a three-bedroom unit rents on average for \$1,329 or \$1.10 per square foot.



## RENTAL MARKET ANALYSIS

TABLE R-2 GENERAL OCCUPANCY RENTAL DEVELOPMENTS CITY OF WHITE BEAR LAKE SEPTEMBER/OCTOBER 2019						
Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
<b>Subsidized/Affordable</b>						
<b>Hoffman Place Apts.</b> 3656 Hoffman Rd <i>White Bear Lake, MN</i>	2010	60 0 0.0%	6 - 1BR 39 - 2BR 15 - 3BR	892 - 892 1,062 - 1,291 1,372 - 1,417	\$881 - \$881 \$1,054 - \$1,054 \$1,213 - \$1,213	\$0.99 - \$0.99 \$0.82 - \$0.99 \$0.86 - \$0.88
<b>Manitou Ridge Apts.</b> 3149 McKnight Rd N <i>White Bear Lake, MN</i>	1972	118 2 1.7%	1 - Studio 30 - 1BR 87 - 2BR	500 - 500 630 - 630 870 - 870	\$625 - \$625 \$785 - \$785 \$915 - \$915	\$1.25 - \$1.25 \$1.25 - \$1.25 \$1.05 - \$1.05
<b>Pinehurst Apts.</b> 1805 Cedar Ave <i>White Bear Lake, MN</i>	1969	102 0 0.0%	30 - 1BR 72 - 2BR	495 - 630 635 - 695	\$849 - \$899 \$949 - \$999	\$1.43 - \$1.72 \$1.49 - \$1.57
<b>Manitou Apts.</b> 2207 6th St & 4850 Banning Ave <i>White Bear Lake, MN</i>	1967	16 0 0.0%	5 - 1BR 11 - 2BR	650 - 650 850 - 850	\$750 - \$750 \$875 - \$875	\$1.15 - \$1.15 \$1.03 - \$1.03
<b>Thomasville Apts.</b> 1720 4th St <i>White Bear Lake, MN</i>	1963	84 1 1.2%	42 - 1BR 42 - 2BR	750 - 750 850 - 850	\$999 - \$999 \$1,150 - \$1,150	\$1.33 - \$1.33 \$1.35 - \$1.35
<b>Subsidized/Affordable Total</b>		<b>380</b>	<b>3</b>	<b>0.8%</b>		
<b>Market Rate</b>						
<b>Boatworks Commons</b> 4495 Lake Ave S <i>White Bear Lake, MN</i>	2015	85 2 2.4%	61 - 1BR 24 - 2BR	578 - 888 1,037 - 1,934	\$1,200 - \$1,595 \$2,250 - \$3,600	\$1.80 - \$2.08 \$1.86 - \$2.17
<b>Lakewood Place Apts.</b> 3100 Glen Oaks Ave <i>White Bear Lake, MN</i>	2004	62 2 3.2%	20 - 1BR 12 - 1BR+D 18 - 2BR 9 - 2BR+D 3 - 3BR	687 - 741 959 - 1,011 1,109 - 1,231 1,295 - 1,298 1,473 - 1,473	\$1,080 - \$1,160 \$1,285 - \$1,285 \$1,355 - \$1,510 \$1,580 - \$1,585 \$1,695 - \$1,695	\$1.57 - \$1.57 \$1.27 - \$1.34 \$1.22 - \$1.23 \$1.22 - \$1.22 \$1.15 - \$1.15
<b>Birch Lake Townhomes</b> 4890 Birch Lake Cir <i>White Bear Lake, MN</i>	1990	114 2 1.8%	102 - 2BR 12 - 3BR	1,007 - 1,207 1,487 - 1,487	\$1,640 - \$1,719 \$2,010 - \$2,010	\$1.42 - \$1.63 \$1.35 - \$1.35
<b>Park Ave. Apts. &amp; Townhomes</b> 1480 Park St <i>White Bear Lake, MN</i>	1989	128 0 0.0%	25 - 1BR 91 - 2BR 12 - 3BR	752 - 768 1,024 - 1,095 1,472 - 1,472	\$850 - \$950 \$1,000 - \$1,050 \$1,350 - \$1,350	\$1.13 - \$1.24 \$0.96 - \$0.98 \$0.92 - \$0.92
<b>Majestic Pines</b> 1441 - 1501 Park St <i>White Bear Lake, MN</i>	1988	126 5 4.0%	2 - Studio 19 - 1BR 99 - 2BR 6 - 3BR	535 - 535 772 - 646 920 - 1,059 1,289 - 1,289	\$660 - \$660 \$760 - \$790 \$895 - \$985 \$1,175 - \$1,175	\$1.23 - \$1.23 \$0.98 - \$1.22 \$0.93 - \$0.97 \$0.91 - \$0.91
<b>White Bear Woods</b> 4776 Centerville Rd <i>White Bear Lake, MN</i>	1987	304 23 7.6%	4 - Studio 100 - 1BR 200 - 2BR	490 - 490 767 - 820 1,003 - 1,245	\$1,080 - \$1,080 \$1,180 - \$1,350 \$1,435 - \$1,684	\$2.20 - \$2.20 \$1.54 - \$1.65 \$1.43 - \$1.43
<b>Lakewood Hills Apts.</b> 3185 Karth Rd <i>White Bear Lake, MN</i>	1987	88 4 4.5%	26 - 1BR 2 - 1BR+D 60 - 2BR	690 - 790 960 - 960 1,010 - 1,080	\$1,120 - \$1,270 \$1,225 - \$1,330 \$1,035 - \$1,635	\$1.61 - \$1.62 \$1.28 - \$1.39 \$1.02 - \$1.51
-- Continued --						

## RENTAL MARKET ANALYSIS

TABLE R-2 Continued GENERAL OCCUPANCY RENTAL DEVELOPMENTS CITY OF WHITE BEAR LAKE SEPTEMBER/OCTOBER 2019						
Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent	Rent per Square Foot
<b>Market Rate</b>						
<b>9th Street Apts.</b> 1652 9th St <i>White Bear Lake, MN</i>	1979	12 0 0.0%	12 - 1BR	752 - 768	\$850 - \$950	\$1.13 - \$1.24
<b>Birch Park Apts.</b> 1850 & 1880 Birch St <i>White Bear Lake, MN</i>	1972	72 0 0.0%	1 - 1BR 70 - 2BR 1 - 3BR	750 - 750 832 - 955 1,000 - 1,000	\$950 - \$950 \$1,000 - \$1,200 \$1,270 - \$1,270	\$1.27 - \$1.27 \$1.20 - \$1.26 \$1.27 - \$1.27
<b>White Bear Royal</b> 3675 Highland Ave <i>White Bear Lake, MN</i>	1971	80 3 3.8%	34 - 1BR 46 - 2BR	800 - 800 940 - 1,000	\$870 - \$950 \$975 - \$1,150	\$1.09 - \$1.19 \$1.04 - \$1.15
<b>Pineview Apts.</b> 1620 - 1640 9th Street <i>White Bear Lake, MN</i>	1970	72 1 1.4%	7 - 1BR 59 - 2BR 6 - 3BR	680 - 680 800 - 800 920 - 920	\$801 - \$801 \$953 - \$953 \$1,064 - \$1,064	\$1.18 - \$1.18 \$1.19 - \$1.19 \$1.16 - \$1.16
<b>White Bear Manor</b> 1816 Birch St <i>White Bear Lake, MN</i>	1968	72 2 2.8%	2 - 1BR 70 - 2BR	800 - 800 910 - 950	\$950 - \$950 \$1,009 - \$1,189	\$1.19 - \$1.19 \$1.11 - \$1.25
<b>2520 County Rd F E Apts.</b> 2520 County Rd F E <i>White Bear Lake, MN</i>	1968	21 2 9.5%	7 - 1BR 9 - 2BR 5 - 3BR	649 - 715 920 - 923 1,100 - 1,100	\$940 - \$940 \$1,050 - \$1,050 \$1,170 - \$1,170	\$1.31 - \$1.45 \$1.14 - \$1.14 \$1.06 - \$1.06
<b>Bellaire Apts.</b> 4020, 4030, & 4040 Bellaire Ave <i>White Bear Lake, MN</i>	1966 - '68	51 1 2.0%	15 - 1BR 36 - 2BR	650 - 650 860 - 860	\$810 - \$860 \$920 - \$950	\$1.25 - \$1.32 \$1.07 - \$1.10
<b>County Rd F Apts.</b> 2024, 2048, & 2050 County Rd F <i>White Bear Lake, MN</i>	1965	26 0 0.0%	11 - 1BR 14 - 2BR 1 - 3BR	N/A - N/A N/A - N/A N/A - N/A	\$735 - \$785 \$800 - \$900 \$935 - \$1,000	N/A - N/A N/A - N/A N/A - N/A
<b>White Bear Terrace</b> 3900 - 3920 Hoffman Rd <i>White Bear Lake, MN</i>	1964	72 0 0.0%	72 - 2BR	947 - 960	\$1,050 - \$1,180	\$1.11 - \$1.23
<b>Mt. Vernon Apts.</b> 3725 - 3731 Highland Ave <i>White Bear Lake, MN</i>	1963	51 0 0.0%	4 - Studio 15 - 1BR 20 - 2BR 12 - 3BR	450 - 450 570 - 570 710 - 710 870 - 870	\$675 - \$675 \$755 - \$755 \$840 - \$840 \$925 - \$925	\$1.50 - \$1.50 \$1.32 - \$1.32 \$1.18 - \$1.18 \$1.06 - \$1.06
<b>Cherry Court</b> 2095 Dotte Drive <i>White Bear Lake, MN</i>	1963	66 1 1.5%	4 - Studio 32 - 1BR 30 - 2BR	520 - 520 650 - 650 875 - 990	\$940 - \$970 \$1,080 - \$1,080 \$1,270 - \$1,295	\$1.81 - \$1.87 \$1.66 - \$1.66 \$1.45 - \$1.45
<b>Linden Apts.</b> 3900 Linden St <i>White Bear Lake, MN</i>	1960	43 0 0.0%	43 - 1BR	535 - 535	\$825 - \$850	\$1.54 - \$1.59
<b>Market Rate Total</b>		<b>1,545</b>	<b>48</b>	<b>3.1%</b>		
<b>City of White Bear Lake Rental Housing Total</b>		<b>1,925</b>	<b>51</b>	<b>2.6%</b>		

Source: Maxfield Research & Consulting, LLC

RENTAL MARKET ANALYSIS

**TABLE R-3  
COMMON AREA FEATURES/AMENITIES  
SELECT GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY  
CITY OF WHITE BEAR LAKE  
SEPTEMBER/OCTOBER 2019**

Properties	In Unit/Common Area Amenities										Utilities and Parking						Notes/Additional
	Air Conditioning	Dishwasher	Patio/Balcony	Walk-in Closet	Laundry	Community Room	Fitness Center	Playground	Pool	Extra Storage Space	Heat/Gas	Electricity	Water/Sewer	Trash	Cable	Parking	
<b>Subsidized/Affordable</b>																	
Hoffman Place Apts.	W	Y	Y	S	I/U	Y	N	Y	N	Y	I			I		SP & UG	BBQ Grilling Area
Manitou Ridge Apts.	W	Y	N	N	C	N	N	N	N	N	I		I	I		SP	Picnic Area
Pinehurst Apts.	W	Y	Y	N	C	Y	N	Y	Y	Y	I		I	I		SP & CP	CP: \$50/month
Manitou Apts.	S/W	N	N	N	C	N	N	N	N	N	I		I	I		SP	N/A
Thomasville Apts.	W	S	N	N	C	Y	Y	N	N	Y	I			I		SP & CP	CP: \$50/month
<b>Market Rate Rental</b>																	
Boatworks Commons	CA	Y	S	Y	I/U	Y	Y	N	N	N						SP & UG	UG: \$25/month
Lakewood Place Apts.	CA	Y	Y	S	I/U	Y	Y	N	N	Y	I		I	I	I	SP & UG	Business Center
Birch Lake Townhomes	CA	Y	Y	Y	I/U	Y	N	Y	Y	N	I			I		SP & CP	Fireplace/BBQ Grilling Area
Park Ave. Apts. & TH	CA	N	Y	Y	C	Y	Y	Y	N	Y				I		SP/CP/UG	Garage: \$45-50/month

-- Continued --

RENTAL MARKET ANALYSIS

TABLE R-3 Continued  
 COMMON AREA FEATURES/AMENITIES  
 SELECT GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY  
 CITY OF WHITE BEAR LAKE  
 SEPTEMBER/OCTOBER 2019

Properties	In Unit/Common Area Amenities										Utilities and Parking						Notes/Additional
	Air Conditioning	Dishwasher	Patio/Balcony	Walk-in Closet	Laundry	Community Room	Fitness Center	Playground	Pool	Extra Storage Space	Heat/Gas	Electricity	Water/Sewer	Trash	Cable	Parking	
<b>Market Rate Rental</b>																	
Majestic Pines Apts.	CA	Y	N	S	C	Y	Y	Y	N	Y			I	I		SP & UG	Gazebo
White Bear Woods	W	Y	Y	N	C	Y	Y	Y	Y	Y	I					SP & UG	Tennis Court, Dog Park
Lakewood Hills Apts.	W	Y	Y	Y	C	Y	Y	N	N	Y	I		I			SP & UG	BBQ Grilling Area
9th Street Apts.	W	N	N	N	C	N	N	N	N	N	I		I	I		SP & CP	N/A
Birch Park Apts.	W	Y	S	Y	C	Y	N	Y	N	Y	I		I	I		SP & CP	Picnic Area
White Bear Royal	W	Y	Y	S	C	Y	Y	N	Y	Y	I		I	I		SP & CP	CP: \$35/month
Pineview Apts.	W	Y	Y	N	C	N	N	Y	N	Y	I		I	I		SP & CP	Pet Friendly
White Bear Manor	W	Y	Y	Y	C	N	N	N	N	Y	I		I	I		SP & CP	CP: \$50/month
2520 County Rd F E Apts.	W	S	Y	S	C	N	N	N	N	Y	I		I	I		SP & CP	No Pets
Bellaire Apts.	W	N	Y	N	C	N	N	N	N	Y	I		I	I		SP & CP	CP: \$40/month
County Rd F Apts.	W	S	N	N	C	N	N	N	N	Y	I		I	I		SP & CP	Picnic Area
White Bear Terrace	W	Y	Y	S	C	N	N	N	N	Y	I			I		SP & CP	CP: \$40/month
Mt. Vernon Apts.	W	N	N	S	C	Y	N	N	N	Y	I		I	I		SP & CP	BBQ Grilling Area
Cherry Court	W	Y	Y	S	C	Y	N	N	Y	Y	I		I	I		SP & CP	CP: \$55/month
Linden Apts.	W	Y	N	N	C	Y	N	N	N	Y	I		I	I		SP & CP	CP: \$50/month

Y=Available, N=Not Available; I=Included; CA=Central Air; W=Wall unit; S=Some units; CP=Covered Parking; UG=Underground; SP=Surface Parking; I/U=In-unit; C=Common

Note: Some properties were unable to verify amenities on the phone. Maxfield has updated any remaining information from third party sources.

Source: Maxfield Research & Consulting, LLC

<b>TABLE R-4</b> <b>SURVEYED UNIT TYPE SUMMARY</b> <b>SELECT GENERAL OCCUPANCY RENTAL DEVELOPMENT SURVEY</b> <b>CITY OF WHITE BEAR LAKE</b> <b>SEPTEMBER/OCTOBER 2019</b>					
Market Rate			Monthly Rents		
Unit Type	Total Units	% of Total	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
Studio	14	0.9%	\$660 - \$1,080	\$869	\$1.76
1BR	430	27.8%	\$735 - \$1,595	\$1,055	\$1.51
1BR/D	14	0.9%	\$1,225 - \$1,330	\$1,284	\$1.31
2BR	1,020	66.0%	\$800 - \$3,600	\$1,258	\$1.26
2BR/D	9	0.6%	\$1,580 - \$1,585	\$1,583	\$1.22
3BR	58	3.8%	\$925 - \$2,010	\$1,329	\$1.10
<b>Total:</b>	<b>1,545</b>	<b>100%</b>	<b>\$660 - \$3,600</b>	<b>\$1,203</b>	<b>\$1.31</b>

Affordable			Monthly Rents		
Unit Type	Total Units	% of Total	Range Low - High	Avg. Rent	Avg. Rent/ Sq. Ft.
Studio	1	0.3%	\$625 - \$625	\$625	\$1.25
1BR	113	29.7%	\$750 - \$999	\$892	\$1.33
2BR	251	66.1%	\$875 - \$1,150	\$991	\$1.16
3BR	15	3.9%	\$1,213 - \$1,213	\$1,213	\$0.87
<b>Total:</b>	<b>380</b>	<b>100%</b>	<b>\$625 - \$1,213</b>	<b>\$969</b>	<b>\$1.18</b>

Source: Maxfield Research & Consulting, LLC

**General Occupancy Multifamily Rental Housing Properties**



**Pinehurst Apts.**  
1805 Cedar Avenue



**Majestic Pines**  
1441 - 1501 Park Street



**Thomasville Apts.**  
1720 4th Street



**Pineview Apts.**  
1620 - 1640 9th Street

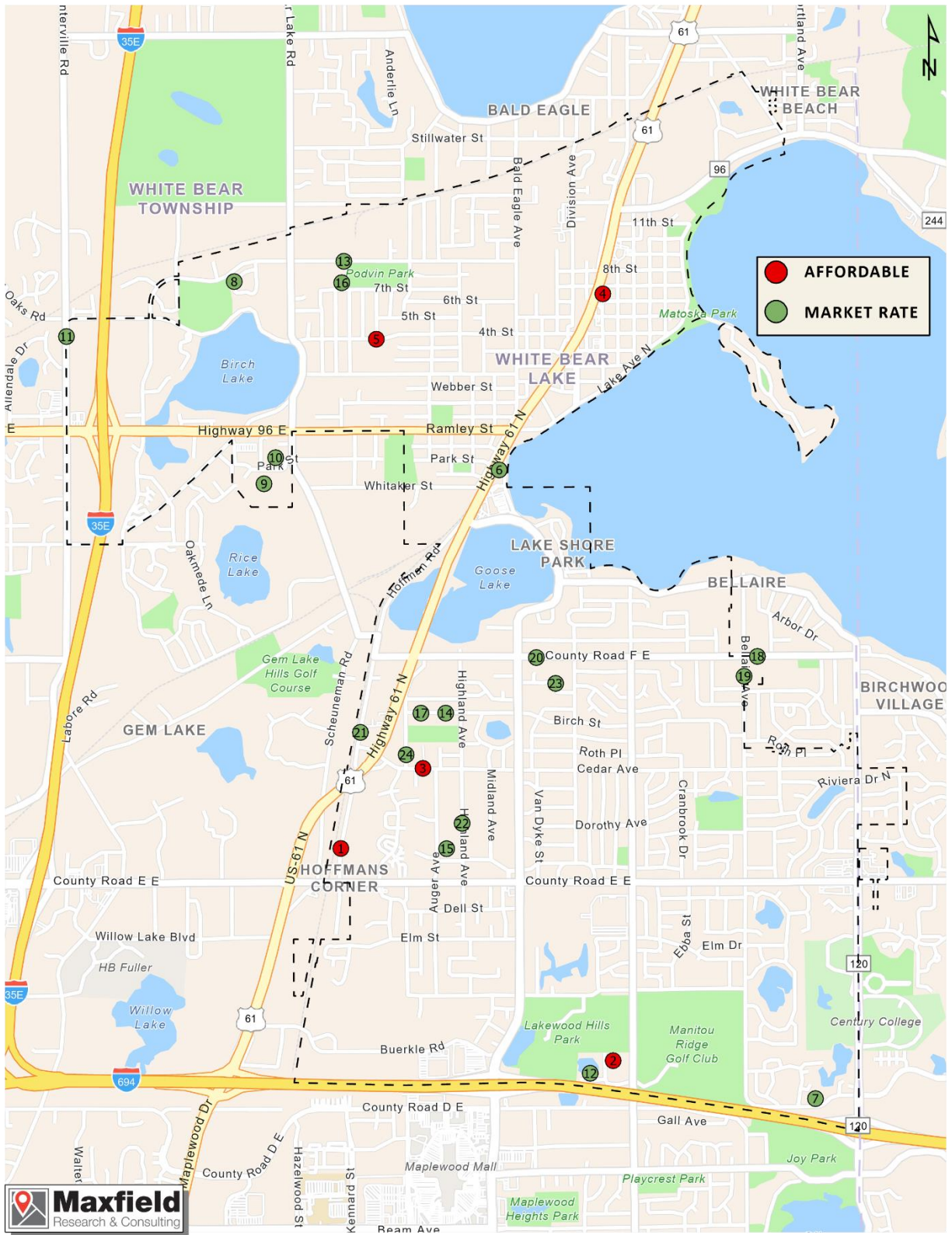


**Park Avenue Apts.**  
1480 Park Street



**Linden Apts.**  
3900 Linden Street

Map of General Occupancy Multifamily Rental Housing Properties



Map Key located on following page



<b>MAP KEY</b> <b>GENERAL OCCUPANCY RENTAL HOUSING DEVELOPMENTS</b> <b>CITY OF WHITE BEAR LAKE</b> <b>OCTOBER 2019</b>	
1	Hoffman Place Apts.
2	Manitou Ridge Apts.
3	Pinehurst Apts.
4	Manitou Apts.
5	Thomasville Apts.
6	Boatworks Commons
7	Lakewood Place Apts.
8	Birch Lake THs
9	Park Ave. Apts. & THs
10	Majestic Pines
11	White Bear Woods
12	Lakewood Hills Apts.
13	9th Street Apts.
14	Birch Park Apts.
15	White Bear Royal
16	Pineview Apts.
17	White Bear Manor
18	2520 County Rd F E Apts.
19	Bellaire Apts.
20	County Rd F Apts.
21	White Bear Terrace
22	Mt. Vernon Apts.
23	Cherry Court
24	Linden Apts.

Source: Maxfield Research & Consulting, LLC

**Licensed Rental Ordinance**

The City of White Bear Lake has an ordinance that requires the licensing of all rental properties in the community. The ordinance is designed to ensure all rental properties meet the City’s minimum housing standards. The rental ordinance requires that all landlords or owners register all rental housing units (from single-family homes to traditional multifamily apartment buildings) and apply for a rental dwelling license. A Relative Homestead Occupancy exemption may be applied for when a relative of a rental owner occupies his/her rental dwelling unit.

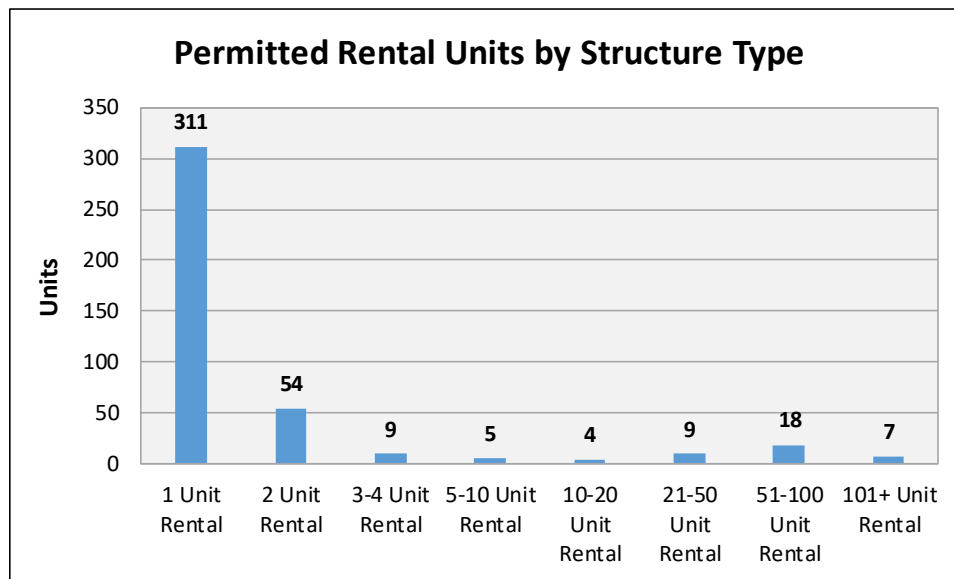
Initial rental licenses application include an inspection, and must be renewed every two years followed by an inspection at each renewal in order to ensure code requirements are met. Below includes the number of units inspected in each building based on the number of units in the building.

**FIGURE 1**  
**RENTAL LICENSE UNITS INSPECTED**

Building Unit Count	# of Units Inspected
3 - 5 units	All
6 - 30 units	5 Units or 25%, whichever is greater
31 - 60 units	25% of the units
61 or more units	15 units

Source: City of White Bear Lake, Maxfield Research & Consulting, LLC

The chart below shows the number of buildings with rental permits in White Bear Lake by the number of units per structure.



See the *Planned and Proposed Housing Developments* section for a summary of under construction and pending multifamily rental housing in the City of White Bear Lake.

### Senior Housing Defined

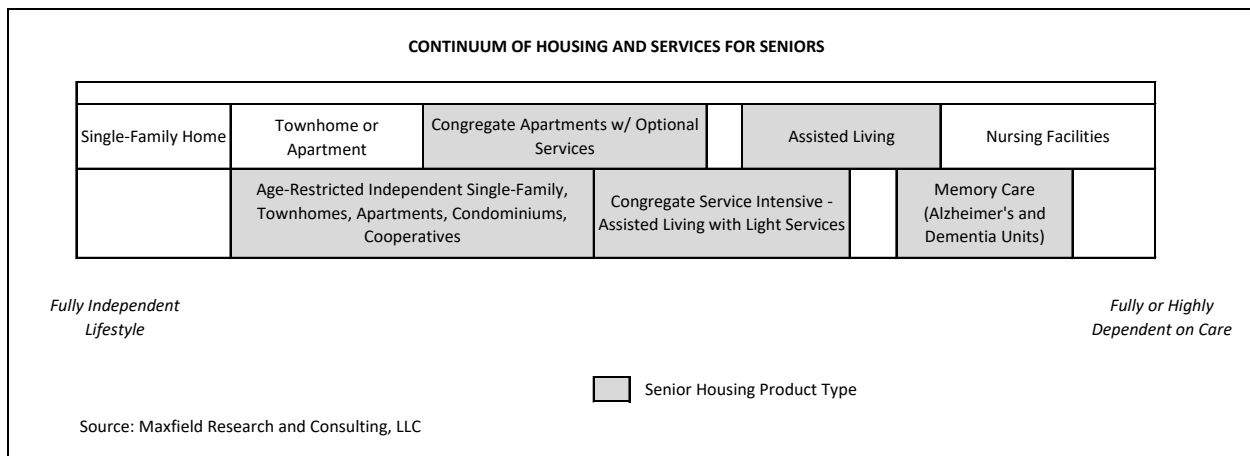
The term “senior housing” refers to any housing development that is restricted to people age 55 or older. Today, senior housing includes an entire spectrum of housing alternatives, which occasionally overlap, thus making the differences somewhat ambiguous. However, the level of support services offered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

- ▶ **Active Adult** properties (or independent living without services available) are similar to a general-occupancy building, in that they offer virtually no services but have age-restrictions (typically 55 or 62 or older). 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. Active adult properties can have a rental or owner-occupied (condominium or cooperative) format.
- ▶ **Congregate** properties (or independent living with services available) offer support services such as meals and/or housekeeping, either on an optional basis or a limited amount included in the rents. These properties 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. Sponsorship by a nursing home, hospital or other health care organization is common.
- ▶ **Assisted Living** properties come in a variety of forms, but the target market for most is generally the same: very frail seniors, typically age 80 or older (but can be much younger, depending on their particular health situation), who are in need of extensive support services and personal care assistance. Absent an assisted living option, these seniors would otherwise need to move to a nursing facility. At a minimum, assisted living properties include two meals per day and weekly housekeeping in the monthly fee, with the availability of a third meal and personal care (either included in the monthly fee or for an additional cost). Assisted living properties also have either staff on duty 24 hours per day or at least 24-hour emergency response.
- ▶ **Memory Care** properties, designed specifically for persons suffering from Alzheimer’s disease or other dementias, is one of the newest trends in senior housing. Properties consist mostly of suite-style or studio units or occasionally one-bedroom apartment-style units, and large amounts of communal areas for activities and programming. In addition, staff typically undergoes specialized training in the care of this population. Because of the greater amount of individualized personal care required by residents, staffing ratios are much higher than traditional assisted living and thus, the costs of care are also higher. Unlike conventional assisted living, however, which deals almost exclusively with widows or widowers, a higher proportion of persons afflicted with Alzheimer’s disease are in two-

## SENIOR HOUSING MARKET ANALYSIS

person households. That means the decision to move a spouse into a memory care facility involves the caregiver’s concern of incurring the costs of health care at a special facility while continuing to maintain their home.

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



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

### Senior Housing in White Bear Lake

As of October 2019, Maxfield Research identified 14 senior housing developments in White Bear Lake. These properties contain a total of 975 units. There are 32 vacancies resulting in an overall vacancy rate of 3.3% 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 housing properties and includes information on 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.

### ***Active Adult (Rental)***

- *Willow Woods Apartments* is the only subsidized active adult rental project in White Bear Lake, while *Pioneer Manor* and *Washington Square Apartments* are affordable communities. As of October 2019, there were only three vacancies at *Washington Square Apartments*, while the other two properties had a waitlist of up to three years.
- There are three market rate active adult facilities in White Bear Lake. As of October 2019, there was only one identified vacancy across 259 total units, for a vacancy rate of 0.4%. Rents range from \$1,035 for a one-bedroom unit up to \$1,900 for a two-bedroom unit. These communities offer no services but can include features or amenities geared towards seniors, such as planned activities or an on-site beauty salon/barber shop.

### ***Active Adult (Owner)***

- *Hidden Pathways* is the only active adult ownership project in White Bear Lake and includes a 50-unit condo building and 25 townhomes. As of October 2019, there were no active listings. Both developments are 55+ communities and offer two- and three-bedroom units.
- Based on original sales prices or the most recent resale prices, condo units at *Hidden Pathways* have values that range from \$187,000 for a two-bedroom unit up to \$357,000 for a three-bedroom unit. Townhomes range from \$205,000 for a two-bedroom townhome to \$370,000 for a three-bedroom townhome.

### ***Independent Living***

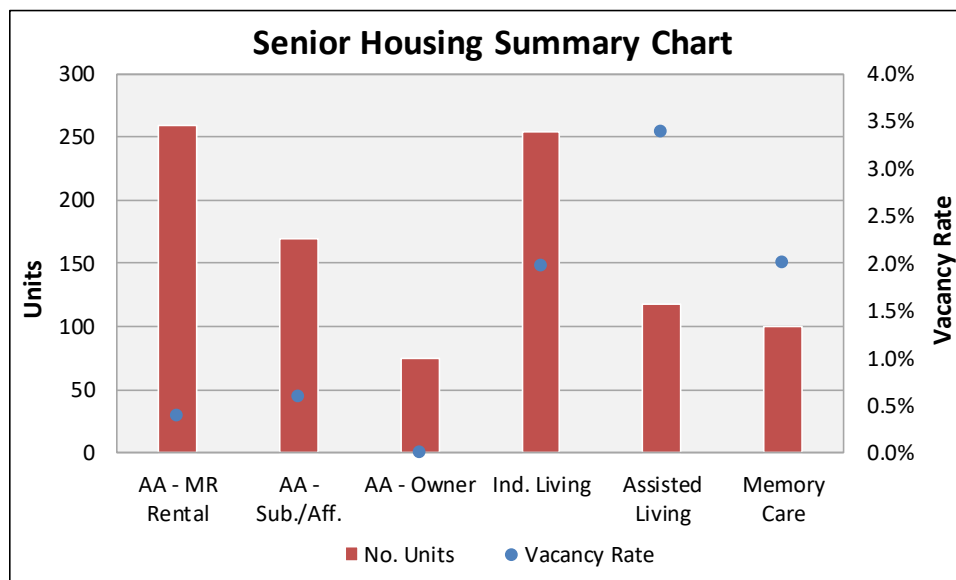
- There are three facilities offering independent living services in White Bear Lake. As of October 2019, there were 14 vacancies across 254 total independent living units, for a vacancy rate of 5.5%.
- Market rate rents range from \$1,750 for a studio apartment to \$3,700 for a two-bedroom unit. Additional fees may apply based on services needed.

### ***Assisted Living***

- There are three facilities offering assisted living services in White Bear Lake. As of October 2019, there were six vacancies across 118 total assisted living units, for a vacancy rate of 5.1%.
- Market rate basic service rents range from \$2,405 for a one-bedroom unit to \$6,250 for a one-bedroom unit. Additional fees may apply based on services needed.

**Memory Care**

- There are four identified facilities in White Bear Lake that offer memory care services. Three of which are separate wings attached to existing senior housing facilities, while *Prelude Memory Care Cottages* is a standalone memory care project. As of October 2019, there were eight vacant units across 100 total memory care units, for a vacancy rate of 8.0%.
- Basic market rate rents for memory care range from \$2,500 for a private suite to \$6,900. There is additional cost based on service level needed, which can be up to \$4,500 per month. Some project’s features include daily exercise and programs, dining, and common areas for recreation.



**SENIOR HOUSING MARKET ANALYSIS**

<b>TABLE S-1 SENIOR HOUSING DEVELOPMENTS CITY OF WHITE BEAR LAKE SEPTEMBER/OCTOBER 2019</b>							
Project Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent/ Sale Price	Price Per Sq. Ft. (PSF) Min - Max	Notes/Comments
<b>Subsidized/Affordable Active Adult</b>							
<b>Willow Wood Apts.</b> 3441 Willow Ave <i>White Bear Lake, MN</i>	1997	46 0 0.0%	46 - 1BR	540 - 540	30% AGI - 30% AGI	N/A - N/A	62+ Community. Subsidized community. Currently have a 49 person waiting list (estimated at 3years).
<b>Pioneer Manor Apts.</b> 2225 6th St <i>White Bear Lake, MN</i>	1993	42 0 0.0%	23 - 1BR 3 - 1BR+D 16 - 2BR	666 - 666 750 - 750 920 - 940	\$705 - \$705 \$755 - \$755 \$825 - \$875	\$1.06 - \$1.06 \$1.01 - \$1.01 \$0.90 - \$0.93	62+ Community. Rent includes: heat, AC, water, sewer, and trash services. Underground parking \$57/month. 43 on waitlist, appr. 3 to 5 year wait
<b>Washington Square Apts.</b> 2060 5th St <i>White Bear Lake, MN</i>	1979	81 3 3.7%	76 - 1BR 5 - 2BR	661 - 661 930 - 930	\$871 - \$871 \$988 - \$988	\$1.32 - \$1.32 \$1.06 - \$1.06	Balcony/patio, wall AC units, surface parking, courtyard, billiards, library, community room.
<b>Market Rate Active Adult</b>							
<b>The Boulders</b> 3533 Willow Ave <i>White Bear Lake, MN</i>	2003	93 1 1.1%	58 - 1BR 35 - 2BR	700 - 900 1,000 - 1,273	\$1,035 - \$1,235 \$1,325 - \$1,750	\$1.37 - \$1.48 \$1.33 - \$1.37	Surface & UG parking, library, fitness room, salon/barber shop, 24-hour em. response sys., all utl. included in rent.
<b>The Arbors of White Bear Lake</b> 4800 Division St <i>White Bear Lake, MN</i>	2002	80 0 0.0%	42 - 1BR 38 - 2BR	786 - 786 1,150 - 1,150	\$1,335 - \$1,600 \$1,700 - \$1,900	\$1.70 - \$2.04 \$1.48 - \$1.65	Active wait list. Computer room, billiard room, library, events, UG parking, dishwasher, in-unit washer & dryer.
<b>Lake Square Apts.</b> 2250 6th St <i>White Bear Lake, MN</i>	1987	86 0 0.0%	48 - 1BR 38 - 2BR	620 - 836 869 - 1,053	\$1,120 - \$1,390 \$1,470 - \$1,575	\$1.66 - \$1.81 \$1.50 - \$1.69	Surface and UG parking, dishwasher, on-site beauty salon, fitness room, woodshop, library, on-site laundry facilities (free). Rent incl: heat, water, trash, basic cable. 6 month
<b>Ownership Active Adult</b>							
<b>Hidden Pathways Condos</b> 5200 Pathways Ave <i>White Bear Lake, MN</i>	2005	50 0 0.0%	40 - 2BR 10 - 3BR	1,213 - 1,574 1,495 - 1,501	\$187,000 - \$295,000 \$250,000 - \$357,000	\$154 - \$187 \$167 - \$238	55+ Comm., Pricing represents original sale or most recent resale pricing. Surface & UG parking, in-unit washer & dryer.
<b>Hidden Pathways Townhomes</b> 5201 - 5267 Pathways Ave <i>White Bear Lake, MN</i>	2005	25 0 0.0%	11 - 2BR 14 - 3BR	1,370 - 1,655 1,629 - 2,972	\$205,000 - \$285,500 \$291,656 - \$370,000	\$150 - \$173 \$124 - \$179	55+ Community. The pricing shown represents original sale or most recent resale pricing. Attached garage.
-- Continued --							

# SENIOR HOUSING MARKET ANALYSIS

TABLE S-1 Continued SENIOR HOUSING DEVELOPMENTS CITY OF WHITE BEAR LAKE SEPTEMBER/OCTOBER 2019							
Project Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent/ Sale Price	Price Per Sq. Ft. (PSF) Min - Max	Notes/Comments
<b>Independent Living</b>							
<b>The Pillars of White Bear Lake</b> 4650 Centerville Rd <i>White Bear Lake, MN</i>	2017	42 2 4.8%	2 - Studio 26 - 1BR 7 - 1BR+D 7 - 2BR	546 - 981 954 - 1,223 954 - 1,223 954 - 1,223	\$1,800 - \$2,175 \$2,050 - \$2,800 \$2,845 - \$2,990 \$3,120 - \$3,390	\$2.22 - \$3.30 \$2.15 - \$2.29 \$2.44 - \$2.98 \$2.77 - \$3.27	Previously White Bear Heights. 55+ Community, in-unit washer and dryer, walk-in closets, underground parking - \$70/month, club lounge.
<b>The Waters of White Bear Lake</b> 3840 Hoffman Rd <i>White Bear Lake, MN</i>	2016	106 7 6.6%	2 - Studio 66 - 1BR 38 - 2BR	525 - 525 546 - 981 954 - 1,223	\$2,060 - \$2,060 \$3,060 - \$3,060 \$3,700 - \$3,700	\$3.92 - \$3.92 \$3.12 - \$5.60 \$3.03 - \$3.88	Community includes a restaurant, pub, hydrotherapy whirlpool tub, and basic cable & Wi-Fi.
<b>The Lodge of White Bear Lake</b> 3666 E County Line N <i>White Bear Lake, MN</i>	2002	106 5 4.7%	32 - Studio 61 - 1BR 13 - 2BR	335 - 542 542 - 894 877 - 1,056	\$1,750 - \$1,800 \$2,300 - \$2,300 \$3,049 - \$3,049	\$3.32 - \$5.22 \$2.57 - \$4.24 \$2.89 - \$3.48	Rent is all-inclusive, lounge, chapel, computer room, fitness center, barber/beauty salon, on-site laundry facilities.
<b>Assisted Living</b>							
<b>The Pillars of White Bear Lake</b> 4650 Centerville Rd <i>White Bear Lake, MN</i>	2017	40 2 5.0%	2 - Studio 26 - 1BR 6 - 1BR+D 6 - 2BR	525 - 525 546 - 981 954 - 1,223 954 - 1,223	\$3,605 - \$4,125 \$3,855 - \$4,550 \$4,500 - \$4,795 \$4,750 - \$4,950	\$6.87 - \$7.86 \$4.64 - \$7.06 \$3.92 - \$4.72 \$4.05 - \$4.98	Previously <i>White Bear Heights</i> . 55+ Community, in-unit washer and dryer, walk-in closets, underground parking - \$70/month, club lounge.
<b>White Pine</b> 1235 Gun Club Rd <i>White Bear Lake, MN</i>	2007	34 2 5.9%	23 - Private St. 5 - Shared St. 6 - 1BR	225 - 356 306 - 306 470 - 470	\$4,100 - \$5,925 \$3,250 - \$4,825 \$4,550 - \$6,250	\$16.64 - \$18.22 \$10.62 - \$15.77 \$9.68 - \$13.30	62+ Community. Prices include three care packages and vary in service provided.
<b>Cerenity Residence of White Bear Lake</b> 4615 2nd Ave <i>White Bear Lake, MN</i>	1988	44 2 4.5%	37 - 1BR 7 - 2BR	539 - 636 895 - 915	\$2,405 - \$2,750 \$3,045 - \$3,045	\$4.32 - \$4.46 \$3.33 - \$3.40	55+ Community. Community room, fitness room, rent all inclusive, emergency response sys. available.
<b>Memory Care</b>							
<b>The Pillars of White Bear Lake</b> 4650 Centerville Rd <i>White Bear Lake, MN</i>	2017	30 1 3.3%	30 - Studio	546 - 546	\$3,600 - \$3,950	\$6.59 - \$7.23	Previously <i>White Bear Heights</i> . Care package at additional cost. 55+ Community.
<b>Prelude Memory Care Cottages</b> 4650 White Bear Pkwy <i>White Bear Lake, MN</i>	2016	30 1 3.3%	28 - Studio 2 - Shared St.	237 - 251 N/A - N/A	\$6,260 - \$6,900 \$6,050 - \$6,050	\$26.41 - \$27.49 N/A - N/A	Entrance fee: \$2,700. All-male cottage available. Community room with kitchen, on-site chapel, daily planned activities.
<b>The Waters of White Bear Lake</b> 3840 Hoffman Rd <i>White Bear Lake, MN</i>	2016	30 4 13.3%	24 - Studio 6 - 1BR	397 - 467 680 - 688	\$2,500 - \$2,500 \$3,700 - \$3,700	\$5.35 - \$6.30 \$5.38 - \$5.44	\$4,500 Care package. Comm. includes a restaurant, pub, hydrotherapy whirlpool tub, and basic cable & Wi-Fi.
<b>White Pine</b> 1235 Gun Club Rd <i>White Bear Lake, MN</i>	2007	10 2 20.0%	10 - Studio	225 - 306	\$4,925 - \$6,375	\$20.83 - \$21.89	62+ Community. Care packages at additional cost.
Source: Maxfield Research & Consulting, LLC							



**SENIOR HOUSING MARKET ANALYSIS**

**TABLE S-2  
AMENITY COMPARISON  
SERVICE-ENHANCED SENIOR HOUSING PROJECTS  
SEPTEMBER/OCTOBER 2019**

	Amenities/Features													Parking	Other	
	Emer. Call	Air Conditioner	Dishwasher	Kitchen Sink	Balc./Patio/Deck	Walk-in Closet	In Unit Laundry	Storage	Community Room	Fitness/Wellness Rm	Activity/Game Rm	Salon				
<b><i>Independent Living</i></b>																
The Pillars of White Bear Lake	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Surface/Underground	Library, Sunroom
The Water of White Bear Lake	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Surface/Underground	Creative arts studio
The Lodge of White Bear Lake	Y	Y	N	Y	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Surface/Detached Garage	Chapel
<b><i>Assisted Living</i></b>																
The Pillars of White Bear Lake	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Surface/Underground	Library, Sunroom
White Pine	Y	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Surface	Library
Cerenity Residence of White Bear Lake	Y	Y	N	Y	N	S	N	Y	Y	N	Y	Y	Y	Y	Surface	Chapel
<b><i>Memory Care</i></b>																
The Pillars of White Bear Lake	Y	Y	Y	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Surface/Underground	Library, Sunroom
Prelude Memory Care Cottages	Y	Y	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Surface	Fenced courtyard
The Water of White Bear Lake	Y	Y	N	Y	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Surface/Underground	Creative arts studio
White Pine	Y	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Surface	Library
Note: Y = Available, N = Not Available, S = Some																
Source: Maxfield Research & Consulting, LLC																

**SENIOR HOUSING MARKET ANALYSIS**

**TABLE S-3  
SERVICES COMPARISON  
SERVICE-ENHANCED SENIOR HOUSING PROJECTS  
SEPTEMBER/OCTOBER 2019**

	<b>Utilities</b>	<b>Meal Program</b>	<b>Housekeeping/Linen Svcs.</b>	<b>Health/Misc.</b>
<b>Independent Living</b>				
<b>The Pillars of White Bear Lake</b>	All utilities included	Continental Breakfast, additional meals optional	Weekly, available	24-hour on-site staff; Wellness Program Scheduled Transportation
<b>The Water of White Bear Lake</b>	All utilities included	Monthly food & bev. allowance	Bi-weekly Light	24-hour staffing, Scheduled activities and transportation opportunities
<b>The Lodge of White Bear Lake</b>	All utilities included except phone	Included plus snacks	Weekly	Scheduled activities & transportation transportation
<b>Assisted Living</b>				
<b>The Pillars of White Bear Lake</b>	All utilities included	Continental Breakfast, additional meals optional	Weekly, available	24-hour on-site staff; Wellness Program Scheduled Transportation
<b>White Pine</b>	All utilities included except phone	3 meals daily plus snacks	Weekly	24-hour on-site staff, Scheduled transportation, planned activities
<b>Cerensity Residence of White Bear Lake</b>	All utilities included except phone & cable	3 meals daily plus snacks	Weekly	24-hour on-site staff, Rehabilitation Services
<b>Memory Care</b>				
<b>The Pillars of White Bear Lake</b>	All utilities included	Continental Breakfast, additional meals optional	Weekly	24-hour on-site staff; Wellness Program Visits by geriatric physicians and nurse
<b>Prelude Memory Care Cottages</b>	All utilities included	3 meals daily	Weekly Laundry 3 times per week	24-hour staffing, Portable x-ray Hospice services
<b>The Water of White Bear Lake</b>	All utilities included	3 meals daily	Weekly	Bathing/dressing/grooming assistance, 24-hour staffing, med. mgmt.
<b>White Pine</b>	All utilities included except phone	3 meals daily plus snacks	Weekly	24-hour on-site staff, Scheduled transportation, planned activities
Source: Maxfield Research & Consulting, LLC				

Senior Housing Properties



The Pillars of White Bear Lake  
4650 Centerville Road



The Arbors of White Bear Lake  
4800 Division Street



Pioneer Manor Apts.  
2225 6th Street



Lake Square Apts.  
2250 6th Street

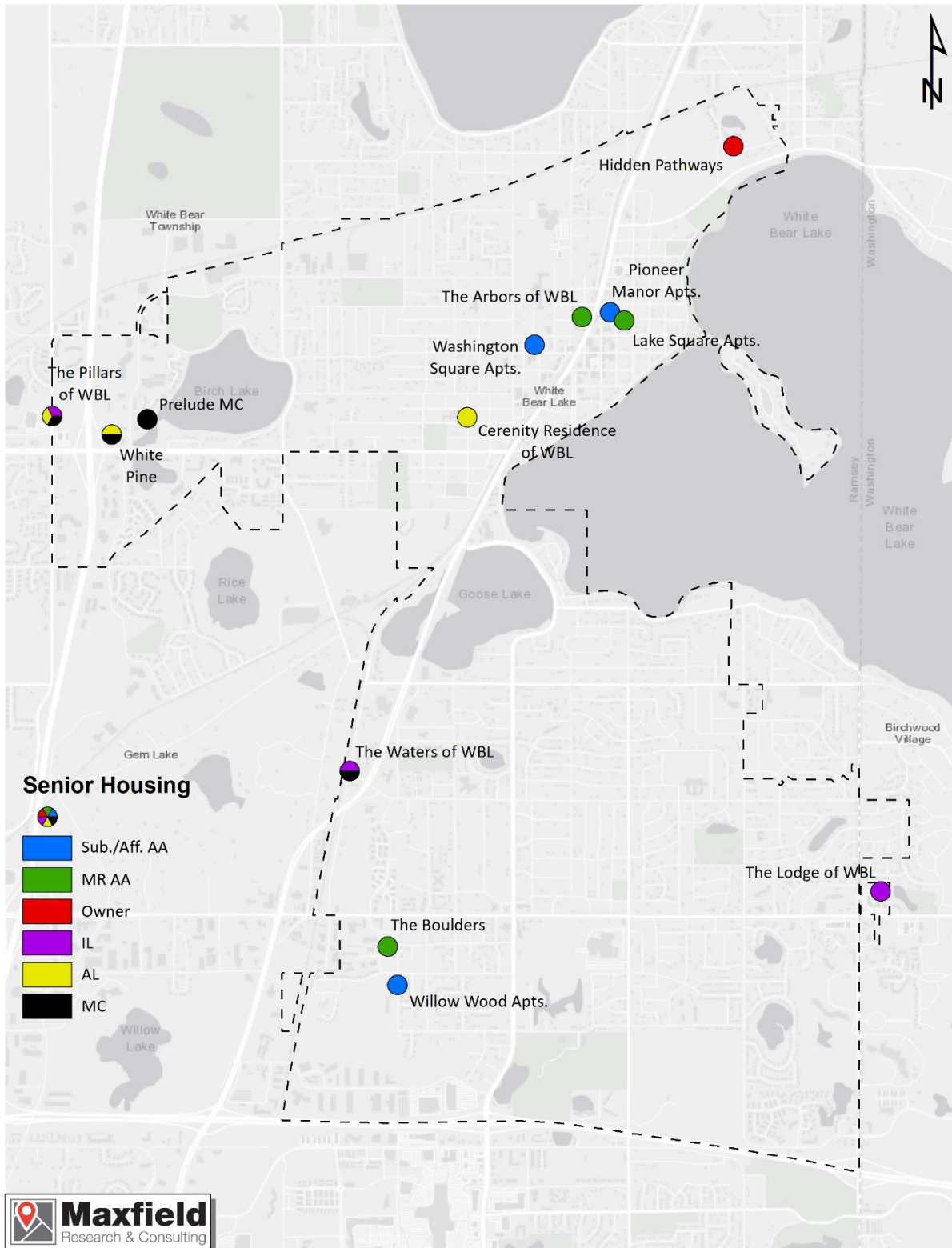


The Waters of White Bear Lake  
3840 Hoffman Road



Washington Square Apts.  
2060 5th Street

Senior Housing Properties



See the *Planned and Proposed Housing Developments* section for a summary of recently completed and pending senior housing in the City of White Bear Lake.

### Senior Housing Comparison

Table S-4 provide a comparison on senior housing and demographics in White Bear Lake compared to peer cities in the Metro Area.

- Compared to other surveyed peer cities, the City of White Bear Lake has the highest percentage of people 65 years or older, which account for 19% of the total population in White Bear Lake. The City of Shoreview ranked second, with 17.7% of the population 65+.
- In addition, the City of White Bear Lake has one of the highest shares of householder ages 65 years or older, accounting for 30.2% of the total households. The City of Cottage Grove ranked the lowest (17.8%).

**SENIOR HOUSING MARKET ANALYSIS**

**TABLE S-4  
SENIOR HOUSING & DEMOGRAPHIC COMPARISON  
WHITE BEAR LAKE ANALYSIS AREA**

<b>Senior Housing Summary</b>	<b>White Bear Lake</b>	<b>Anoka</b>	<b>Cottage Grove</b>	<b>Hastings</b>	<b>North St. Paul</b>	<b>Shoreview</b>
<b>Total Population (2017)</b>	25,411	17,374	35,902	22,620	12,241	26,432
<b>Total Households (2017)</b>	10,678	7,060	12,011	8,917	4,872	11,149
<b>65+ Population (2017)</b>	4,807	3,034	3,770	3,550	1,823	4,677
<b>65+ Pop. Percent of Total</b>	18.9%	17.5%	10.5%	15.7%	14.9%	17.7%
<b>65+ Households (2017)</b>	3,227	1,912	2,133	2,332	1,153	3,173
<b>65+ HHs Percent of Total</b>	30.2%	27.1%	17.8%	26.2%	23.7%	28.5%
<b>Median Household Income (2017)</b>						
65 years and older	\$48,254	\$37,208	\$46,934	\$48,570	\$54,891	\$48,455
<b>Homeownership Rate (2017)</b>						
65 years and older	72%	60%	91%	72%	80%	85%

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

### Introduction

Maxfield Research & Consulting, LLC analyzed the for-sale housing market in White Bear Lake by analyzing data on single-family and multifamily home sales, active listings, and lender-mediated sales.

### Overview of For-Sale Housing Market Conditions

Table FS-1 presents home resale data on single-family and multifamily housing in White Bear Lake from 2000 through September 2019. The data was obtained from the Regional Multiple Listing Services of Minnesota and shows annual number of sales, median and average pricing, average days on market, cumulative days on market, and percentage of sales that are lender-mediated (i.e. short-sale or foreclosure). It should be noted that lender-mediated sales were not categorized until July 2008 and the cumulative days on market were not calculated until 2006.

Table FS-1 breaks down resale activity from Table FS-2 into single-family and multifamily resales. The following are key points observed from our analysis of this data.

- Like across the Twin Cities Metro Area and the nation, pricing in White Bear Lake reached a high point between 2004 and 2007 at the height of the real estate boom. The median sales price reached a high of \$217,575 in 2007 before significantly falling to \$147,912 in 2011. Since 2012, pricing has been steadily recovering and the median sales price in White Bear Lake reached a new peak of \$254,566 through September 2019.
- Between 2000 and 2007, the median sales price increased annually from \$149,359 to \$217,575 a gain of 46%. From 2008 to 2015 the median sales price increased slightly from \$197,380 to \$197,733 (0.2%). However, from 2016 through September 2019, the median sales recovered and increased annually to \$254,566 (18%).
- Sales prices increased the most between 2002 and 2003, with the median sales price rising by 13.5%. While not with the same magnitude, sales prices continued to increase from 2012 to 2018 and are expected to do so in the future.
- The percentage of lender-mediated properties (short sales and foreclosures) increased annually in 2008 (23.8%), 2011 (40.8%), and 2015 (10.1%). However, lender-mediated transactions have been declining since 2011 and accounted for only 2.5% of all resales in 2018. Many communities on the fringe of the Metro Area have at times averaged 50% lender-mediated sales between 2009 and 2011.

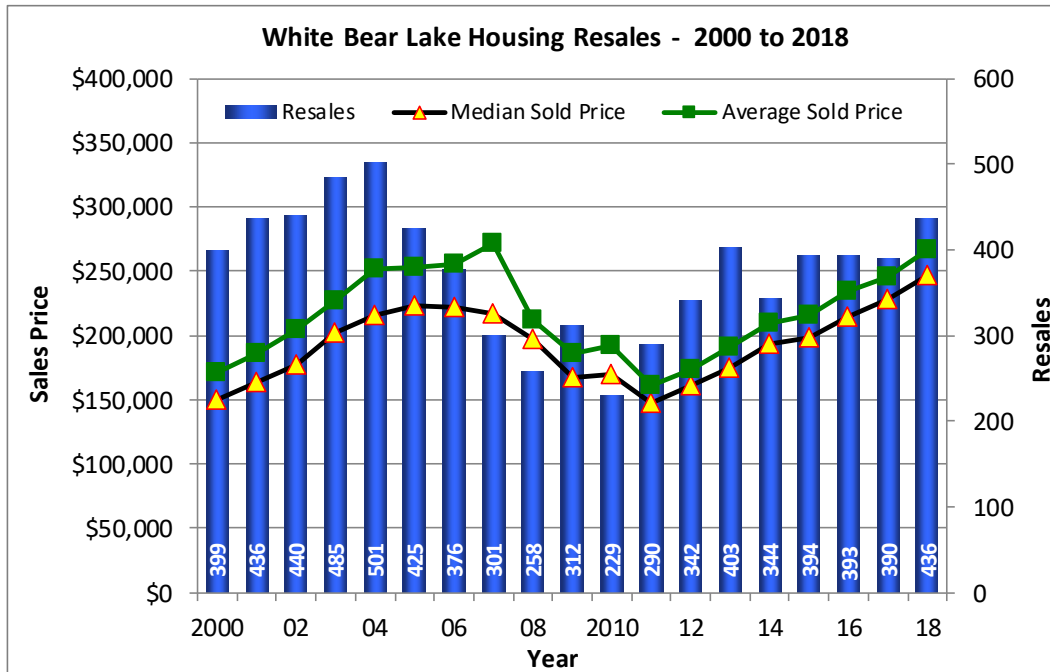
**FOR-SALE HOUSING ANALYSIS**

<b>TABLE FS-1 HOME RESALES WHITE BEAR LAKE 2000 to September 2019</b>								
<b>Year</b>	<b>No. Sold</b>	<b>Avg. Sales Price</b>	<b>Avg. % Change</b>	<b>Med. Sales Price</b>	<b>Median % Change</b>	<b>Days on Market</b>		<b>% Lender Mediated<sup>2</sup></b>
						<b>Avg.</b>	<b>Median</b>	
2000	399	\$170,693	-	\$149,359	-			-
2001	436	\$186,298	9.1%	\$163,968	9.8%			-
2002	440	\$204,248	9.6%	\$177,628	8.3%			-
2003	485	\$227,365	11.3%	\$201,691	13.5%			-
2004	501	\$251,461	10.6%	\$215,550	6.9%			-
2005	425	\$253,097	0.7%	\$223,650	3.8%			1.2%
2006	376	\$255,058	0.8%	\$221,717	-0.9%			3.1%
2007	301	\$271,406	6.4%	\$217,575	-1.9%	166	103	9.9%
2008	258	\$212,367	-21.8%	\$197,380	-9.3%	154	115	23.8%
2009	312	\$186,387	-12.2%	\$167,484	-15.1%	139	109	44.8%
2010	229	\$192,290	3.2%	\$169,498	1.2%	134	86	42.9%
2011	290	\$161,164	-16.2%	\$147,912	-12.7%	183	134	40.8%
2012	342	\$173,467	7.6%	\$161,192	9.0%	133	81	34.0%
2013	403	\$190,628	9.9%	\$175,072	8.6%	128	80	26.4%
2014	344	\$209,339	9.8%	\$192,846	10.2%	95	55	17.3%
2015	394	\$216,213	3.3%	\$197,733	2.5%	144	79	10.1%
2016	393	\$234,416	8.4%	\$214,842	8.7%	119	74	5.5%
2017	390	\$245,585	4.8%	\$227,800	6.0%	75	53	6.6%
2018	436	\$266,693	8.6%	\$246,672	8.3%	66	43	2.5%
2019*	272	\$272,288	2.1%	\$254,566	3.2%	82	26	0.0%
<b>Total 00'-18'</b>	<b>7,154</b>							
<b>Summary 00' to 18'</b>								
		<b>Change</b>	<b>56.2%</b>	<b>65.2%</b>				
	<b>Average</b>	<b>377</b>	<b>\$216,220</b>	<b>\$193,135</b>		<b>128</b>	<b>80</b>	
* January to Sept. 2019								
<sup>2</sup> Lender Mediated Properties include foreclosures and short sales. MLS data for this property type began in July 2008.								
Sources: RMLS, Maxfield Research & Consulting, LLC								



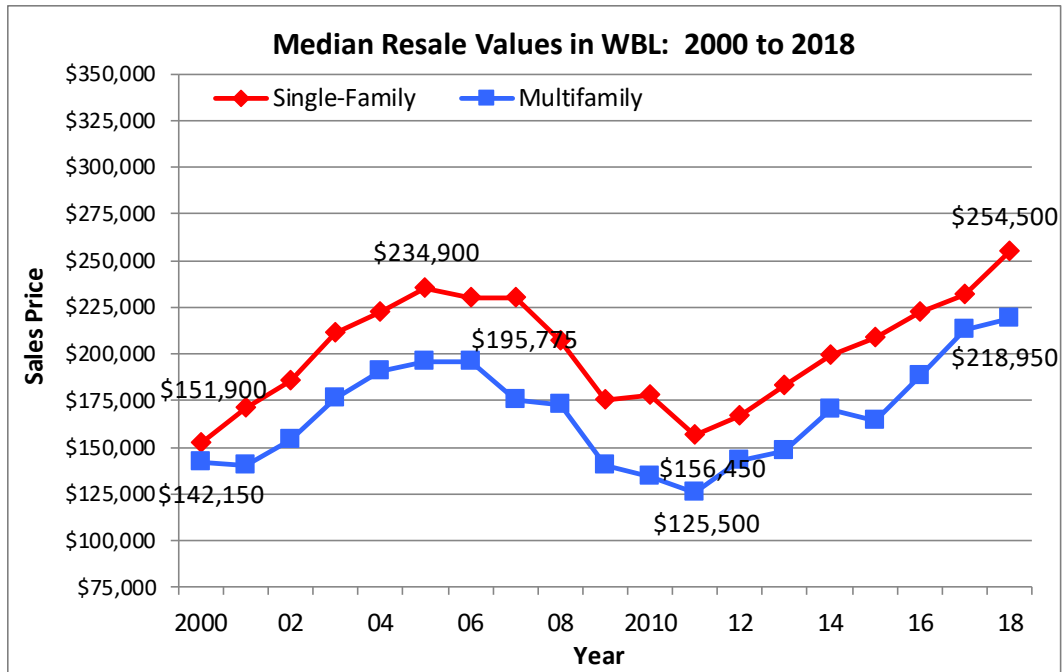
## FOR-SALE HOUSING ANALYSIS

- The days on market also decreased from 2007 to 2018 indicating continued improvement in the White Bear Lake real estate market. The median days on market in 2018 was only 43 days, indicating a sellers' market.
- The number of resales was highest in 2004 (501 resales), and averaged 377 resales annually between 2000 and 2018.



- Single-family housing types accounted for about 76% of all resales since 2000. Multifamily resales have been strong the last few years, averaging about 91 resales annually since 2015.
- Multifamily for-sale housing is usually priced lower than single-family housing (an average of about 15% less in 2018).
- The median resale value for single-family homes has rebounded to over \$254,000. In 2018, the multifamily home value increased to \$218,950, the highest the values have been since the previous peak level in 2006.

<b>TABLE FS-2</b> <b>SINGLE-FAMILY AND MULTIFAMILY RESIDENTIAL REALES</b> <b>WHITE BEAR LAKE MN</b> <b>2000 through September 2019</b>					
<b>Year</b>	<b>Number of Sales</b>	<b>Median Sales Price</b>	<b>% Chg.</b>	<b>Average Sales Price</b>	<b>% Chg.</b>
<b>Single-Family</b>					
2000	295	\$151,900	--	\$173,315	--
2001	340	\$170,750	12.4%	\$194,550	12.3%
2002	329	\$185,600	8.7%	\$213,452	9.7%
2003	356	\$211,000	13.7%	\$237,782	11.4%
2004	388	\$222,700	5.5%	\$260,411	9.5%
2005	303	\$234,900	5.5%	\$267,949	2.9%
2006	285	\$230,000	-2.1%	\$261,040	-2.6%
2007	233	\$230,000	0.0%	\$291,589	11.7%
2008	185	\$207,000	-10.0%	\$219,234	-24.8%
2009	245	\$175,000	-15.5%	\$191,950	-12.4%
2010	185	\$178,000	1.7%	\$201,920	5.2%
2011	210	\$156,450	-12.1%	\$162,943	-19.3%
2012	262	\$166,900	6.7%	\$181,458	11.4%
2013	313	\$183,000	9.6%	\$196,815	8.5%
2014	271	\$199,000	8.7%	\$214,731	9.1%
2015	297	\$208,750	4.9%	\$227,061	5.7%
2016	308	\$222,250	6.5%	\$240,619	6.0%
2017	306	\$232,000	4.4%	\$249,466	3.7%
2018	340	\$254,500	9.7%	\$277,971	11.4%
2019*	209	\$268,000	5.3%	\$285,491	2.7%
<b>Pct. Change</b>					
00' - 18'	15.3%	0.67544437		0.60384848	
<b>Multifamily**</b>					
2000	104	\$142,150	--	\$163,256	--
2001	96	\$139,950	-1.5%	\$157,073	-3.8%
2002	111	\$154,000	10.0%	\$176,966	12.7%
2003	129	\$176,000	14.3%	\$198,618	12.2%
2004	113	\$191,000	8.5%	\$220,732	11.1%
2005	122	\$195,708	2.5%	\$216,211	-2.0%
2006	91	\$195,775	0.0%	\$236,322	9.3%
2007	68	\$175,000	-10.6%	\$202,251	-14.4%
2008	73	\$173,000	-1.1%	\$194,964	-3.6%
2009	67	\$140,000	-19.1%	\$166,046	-14.8%
2010	44	\$133,750	-4.5%	\$151,799	-8.6%
2011	80	\$125,500	-6.2%	\$156,494	3.1%
2012	80	\$142,500	13.5%	\$147,296	-5.9%
2013	90	\$147,500	3.5%	\$169,110	14.8%
2014	73	\$170,000	15.3%	\$189,323	12.0%
2015	97	\$164,000	-3.5%	\$183,000	-3.3%
2016	85	\$188,000	14.6%	\$211,939	15.8%
2017	84	\$212,500	13.0%	\$231,448	9.2%
2018	96	\$218,950	3.0%	\$226,752	-2.0%
2019*	63	\$210,000	-4.1%	\$228,487	0.8%
<b>Pct. Change</b>					
00' - 18'	-7.7%	0.54027436		0.38893517	
** Multifamily includes twinhomes, townhomes, condominiums, and cooperatives					
Source: RMLS; Maxfield Research & Consulting, LLC					



**Home Resales by Price Point**

Table FS-3 shows the distribution of sales within nine price ranges from resales in 2018. The graph on the following page visually displays the sales data.

- Approximately 66.5% of the single-family homes sold in 2018 were priced between \$200,000 and \$300,000; of which 38% were priced from \$200,000 to \$249,999. However, homes priced from \$300,000 to \$400,000 made-up 18% of all single-family sales in 2018.
- About 36.5% of the multifamily product sold last year was priced from \$150,000 to \$200,000. Another 25% was priced from \$200,000 to \$250,000; hence over 60% of the multifamily housing sold was between \$150,000 and \$250,000.
- About 40% of all real estate transactions in White Bear Lake close in the summer months (June, July, and August). June is the most active month for real estate closings, making-up about 14% of all sales for the year.

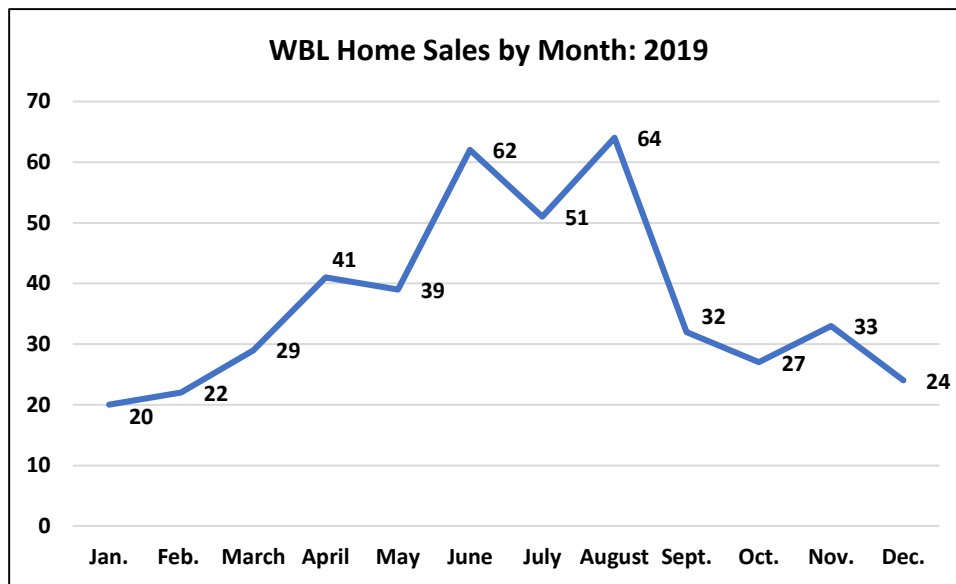
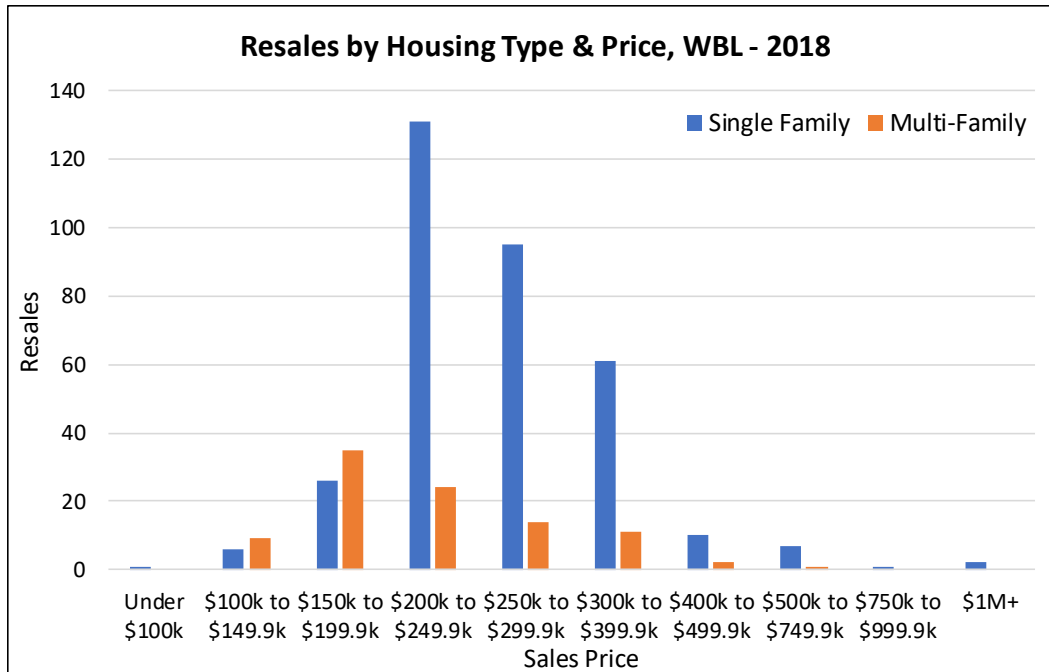
**TABLE FS-3  
RESALES BY PRICE POINT  
WHITE BEAR LAKE  
2018**

Price Range	White Bear Lake					
	Single-Family		Multifamily <sup>1</sup>		Total	
	No.	Pct.	No.	Pct.	No.	Pct.
< \$99,999	1	0.3%	0	0.0%	1	0.2%
\$100,000 to \$149,999	6	1.8%	9	9.4%	15	3.4%
\$150,000 to \$199,999	26	7.6%	35	36.5%	61	14.0%
\$200,000 to \$249,999	131	38.5%	24	25.0%	155	35.6%
\$250,000 to \$299,999	95	27.9%	14	14.6%	109	25.0%
\$300,000 to \$349,999	40	11.8%	6	6.3%	46	10.6%
\$350,000 to \$399,999	21	6.2%	5	5.2%	26	6.0%
\$400,000 to \$449,999	5	1.5%	1	1.0%	6	1.4%
\$450,000 to \$499,999	5	1.5%	1	1.0%	6	1.4%
\$500,000 to \$749,999	7	2.1%	1	1.0%	8	1.8%
\$750,000 to \$999,999	1	0.3%	0	0.0%	1	0.2%
\$1,000,000 and Over	2	0.6%	0	0.0%	2	0.5%
	<b>340</b>	<b>100%</b>	<b>96</b>	<b>100%</b>	<b>436</b>	<b>100%</b>
Minimum	\$80,000		\$119,000		\$119,000	
Maximum	\$1,950,000		\$560,050		\$1,950,000	
Median	\$254,500		\$218,950		\$246,672	
Average	\$277,971		\$226,752		\$266,693	

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

Sources: Regional Multiple Listing Service of Minnesota (RMLS)

Maxfield Research & Consulting, LLC



## Home Resales per Square Foot (“PSF”)

Table FS-4 shows the distribution of sales by sales price per square foot (“PSF”) from 2005 to September 2019. 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 White Bear Lake, Ramsey 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 2005 and 2011. White Bear Lake’s median price per square foot was \$140 in 2006 before declining to its lowest point in 2012 at \$94 per square foot (33%). Since 2011 the price per square foot has steadily increase to \$145 per square foot (54%) as of 2018.
- White Bear Lake housings costs on a median PSF basis are about 2% higher than the Twin Cities Metro Area average. However, White Bear Lake is closer to Ramsey County as housing costs are about 0.7% lower than the median PSF cost in Ramsey County.
- On average, the price of an existing home in White Bear Lake is about 8.6% less than the cost of new construction. During the recession the gap between existing construction and new construction was as high as 71% in 2012. However, since 2014 the gap has shrunk and new construction carries a 20% premium today.
- New construction in White Bear Lake has historically been lower than the Metro Area. In 2018, new construction in White Bear Lake is priced about 8.5% lower. In 2018, the median PSF cost for a new home in White Bear Lake was \$158 vs. \$172 in the Metro Area.

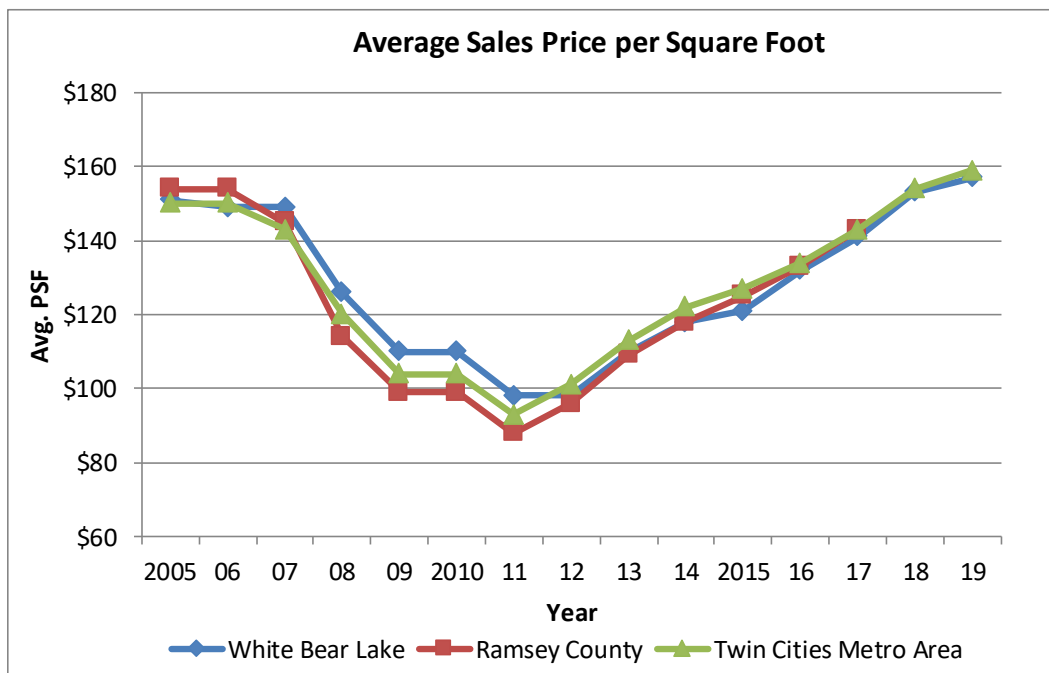
**TABLE FS-4**  
**AVERAGE & MEDIAN SALES PRICE PER SQUARE FOOT (PSF)**  
**WHITE BEAR LAKE, RAMSEY COUNTY, AND TWIN CITIES METRO AREA**  
**2005 to 2019 (September)**

Year	White Bear Lake		Ramsey County		Twin Cities Metro Area	
	Avg.	Median	Avg.	Median	Avg.	Median
2005	\$151	\$140	\$154	\$144	\$150	\$138
2006	\$149	\$140	\$154	\$144	\$150	\$138
2007	\$149	\$137	\$145	\$136	\$143	\$132
2008	\$126	\$122	\$114	\$113	\$120	\$113
2009	\$110	\$108	\$99	\$96	\$104	\$98
2010	\$110	\$104	\$99	\$95	\$104	\$97
2011	\$98	\$94	\$88	\$82	\$93	\$86
2012	\$98	\$95	\$96	\$91	\$101	\$93
2013	\$110	\$106	\$109	\$103	\$113	\$106
2014	\$118	\$111	\$118	\$111	\$122	\$112
2015	\$121	\$117	\$125	\$118	\$127	\$117
2016	\$132	\$126	\$133	\$125	\$134	\$124
2017	\$141	\$137	\$143	\$135	\$143	\$132
2018	\$153	\$145	\$155	\$146	\$154	\$142
2019*	\$157	\$152	\$160	\$151	\$159	\$147

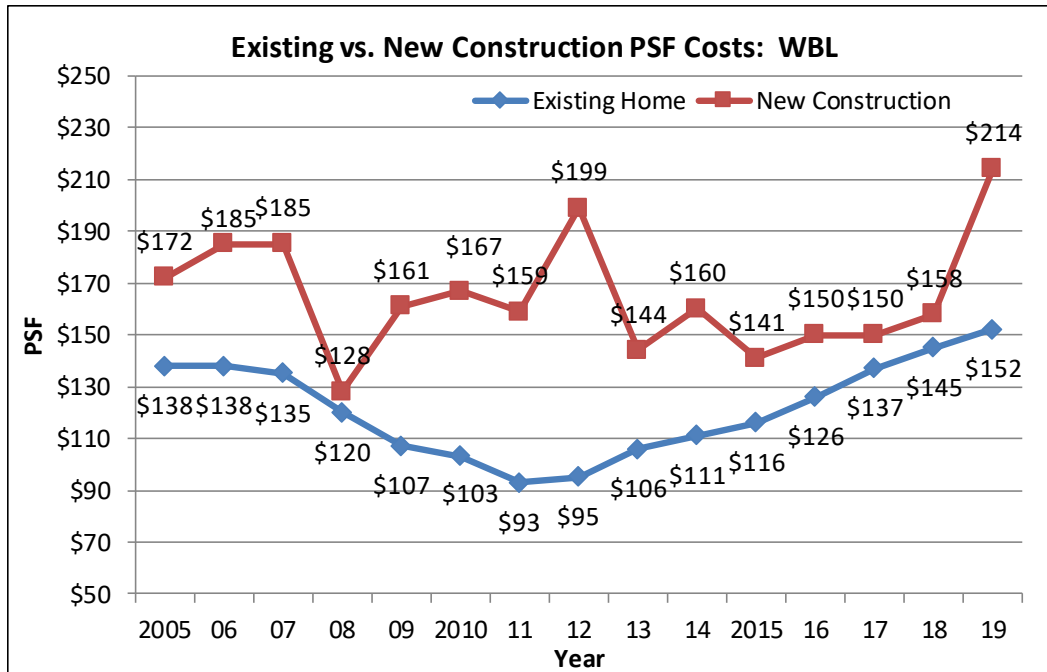
\* Through Sept. 2019

Note: Twin Cities Metro Area = Twin Cities MSA

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



**FOR-SALE MARKET ANALYSIS**



**TABLE FS-5  
MEDIAN SALES PRICE PER SQUARE FOOT (PSF) COMPARISON  
EXISTING HOME VS. NEW CONSTRUCTION  
WHITE BEAR LAKE, RAMSEY COUNTY, AND TWIN CITIES METRO AREA  
2005 to 2019 (September)**

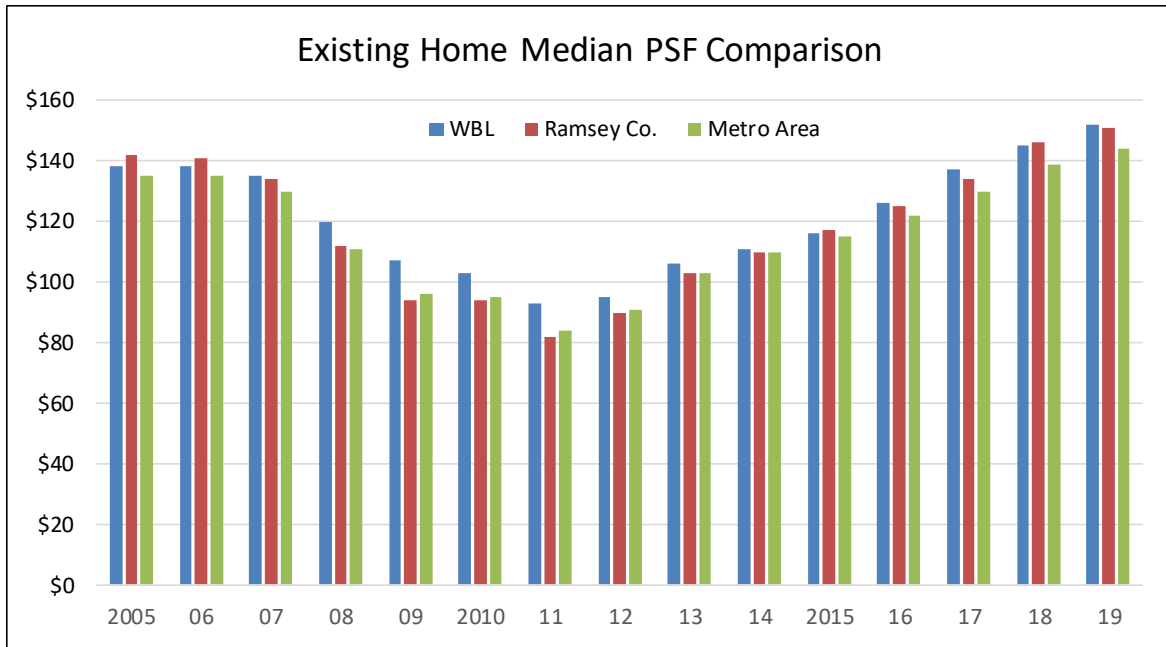
Year	White Bear Lake		Ramsey County		Twin Cities Metro Area	
	Existing Home	New Const.	Existing Home	New Const.	Existing Home	New Const.
2005	\$138	\$172	\$142	\$190	\$135	\$168
2006	\$138	\$185	\$141	\$201	\$135	\$169
2007	\$135	\$185	\$134	\$195	\$130	\$161
2008	\$120	\$128	\$112	\$177	\$111	\$146
2009	\$107	\$161	\$94	\$166	\$96	\$128
2010	\$103	\$167	\$94	\$171	\$95	\$129
2011	\$93	\$159	\$82	\$138	\$84	\$125
2012	\$95	\$199	\$90	\$146	\$91	\$131
2013	\$106	\$144	\$103	\$146	\$103	\$140
2014	\$111	\$160	\$110	\$166	\$110	\$151
2015	\$116	\$141	\$117	\$176	\$115	\$154
2016	\$126	\$150	\$125	\$174	\$122	\$157
2017	\$137	\$150	\$134	\$178	\$130	\$163
2018	\$145	\$158	\$146	\$184	\$139	\$172
2019*	\$152	\$214	\$151	\$204	\$144	\$175

\* Through May 2019

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 White Bear Lake, we reviewed the current supply of homes on the market (listed for sale). Tables FS-6 through FS-9 homes shows currently listed for sale in the White Bear Lake. The data was provided by the Regional Multiple Listing Services of Minnesota and is based on active listings in October 2019. MLS listings generally account for the vast majority of all residential sale listings in a given area.

Table FS-6 shows the number of listings by price point, while Table FS-7 and FS-8 shows listings by home style. Table FS-9 shows the historic supply of actively marketing properties. The following points are key findings from our assessment of the active single-family and multifamily homes listed in the White Bear Lake.

- Nearly 50 homes were listed for sale in White Bear Lake as of October 2019. Single-family homes accounted for 71% of all active listings. The majority of the multifamily for-sale product was townhomes and detached townhomes; there was only one actively marketed condominium.
- The median list price in White Bear Lake was about \$295,000 for single-family homes and \$266,400 for multifamily homes; combined the median sales price across all housing types is about \$286,829. 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.

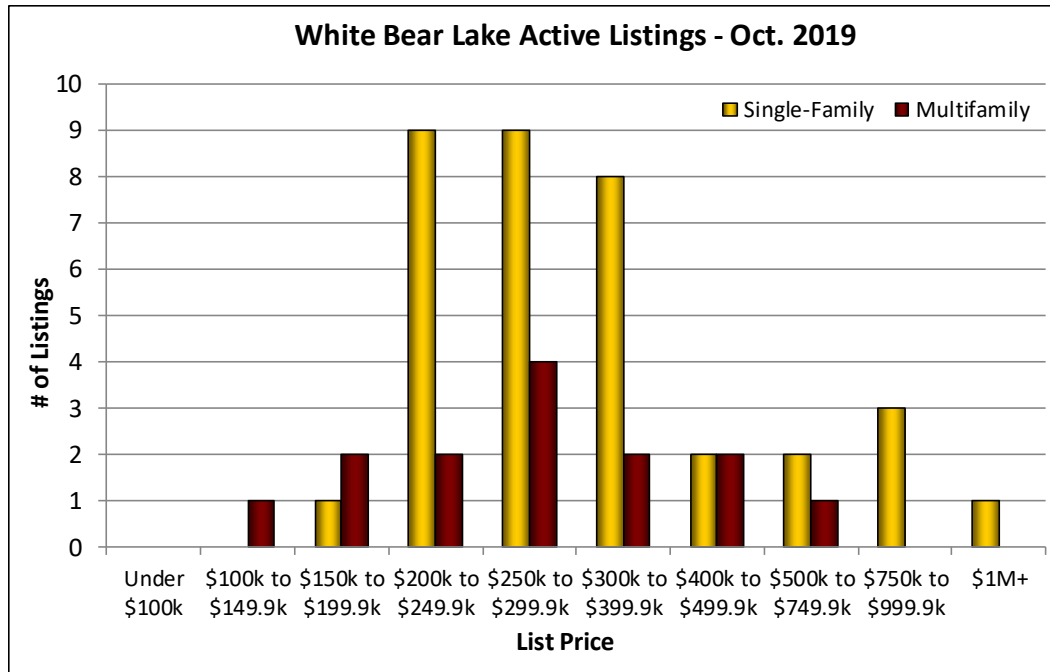
**FOR-SALE MARKET ANALYSIS**

- Based on a median list price of \$286,829 for both single-family and multifamily listings, a household would need an income of about \$68,200 in order to afford to make monthly housing payments of about \$1,705 (assuming a 10% down payment, 3.875% 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. In addition, low mortgage rates are a heavy dictator on the income needed to purchase a home. About 39% of White Bear Lake’s non-senior households have annual incomes at or above \$68,200.

<b>TABLE FS-6</b> <b>HOMES CURRENTLY LISTED FOR-SALE</b> <b>WHITE BEAR LAKE</b> <b>October 2019</b>						
Price Range	City of White Bear Lake					
	Single-Family		Multifamily <sup>1</sup>		Total	
	No.	Pct.	No.	Pct.	No.	Pct.
< \$99,999	0	0.0%	0	0.0%	0	0.0%
\$100,000 to \$149,999	0	0.0%	1	7.1%	1	2.0%
\$150,000 to \$199,999	1	2.9%	2	14.3%	3	6.1%
\$200,000 to \$249,999	9	25.7%	2	14.3%	11	22.4%
\$250,000 to \$299,999	9	25.7%	4	28.6%	13	26.5%
\$300,000 to \$349,999	4	11.4%	0	0.0%	4	8.2%
\$350,000 to \$399,999	4	11.4%	2	14.3%	6	12.2%
\$400,000 to \$449,999	1	2.9%	2	14.3%	3	6.1%
\$450,000 to \$499,999	1	2.9%	0	0.0%	1	2.0%
\$500,000 to \$749,999	2	5.7%	1	7.1%	3	6.1%
\$750,000 to \$999,999	3	8.6%	0	0.0%	3	6.1%
\$1,000,000 and Over	1	2.9%	0	0.0%	1	2.0%
	<b>35</b>	<b>100%</b>	<b>14</b>	<b>100%</b>	<b>49</b>	<b>100%</b>
Minimum	\$199,900		\$142,900		\$142,900	
Maximum	\$1,300,000		\$512,000		\$1,300,000	
Median	\$295,000		\$266,400		\$286,829	
Average	\$379,843		\$292,250		\$354,816	

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

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



- About 29% of White Bear Lake’s single-family homes for sale are priced less than \$250,000. However, 26% of the active inventory is priced between \$250,000 and \$300,000. About 22% of the active homes are priced above \$400,000.
- One and two-story home styles comprise nearly 60% of the active single-family listings in White Bear Lake. One-story homes make-up 37% of the homes for sale in White Bear Lake; the largest percentage in the single-family property types. Two-story homes tend to be new construction and have higher housing costs; averaging about \$453,713.

Property Type	Listings	Pct.
Single-family	35	71.4%
Detached Townhome/Townhome/Twinhome	13	26.5%
Condominium/Cooperatives	1	2.0%
<b>Total</b>	<b>49</b>	<b>100.0%</b>

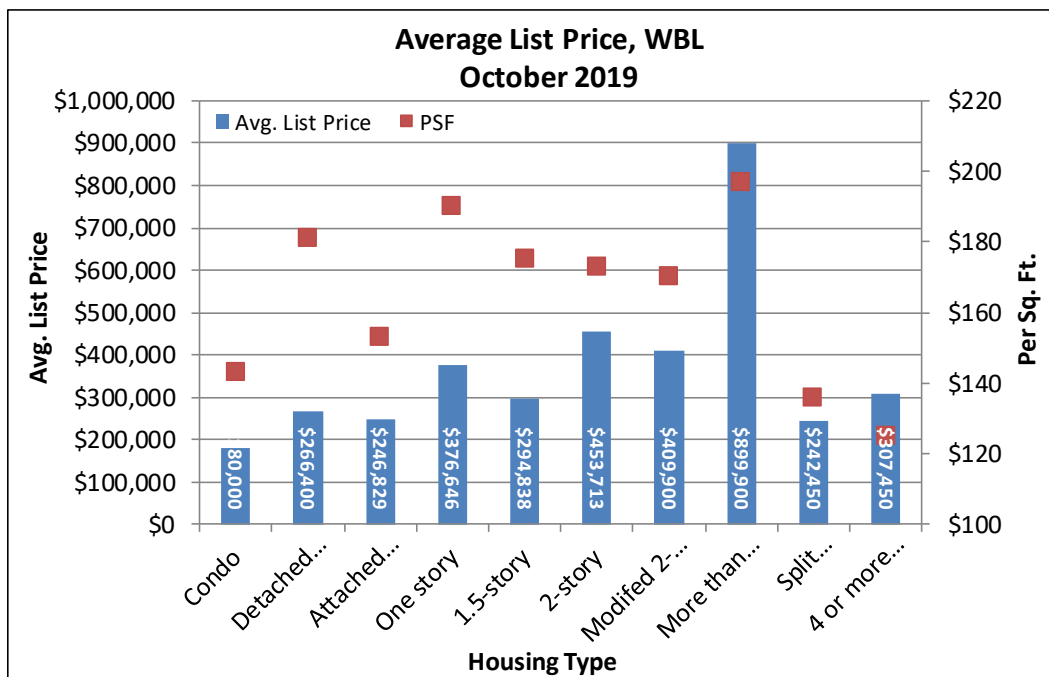
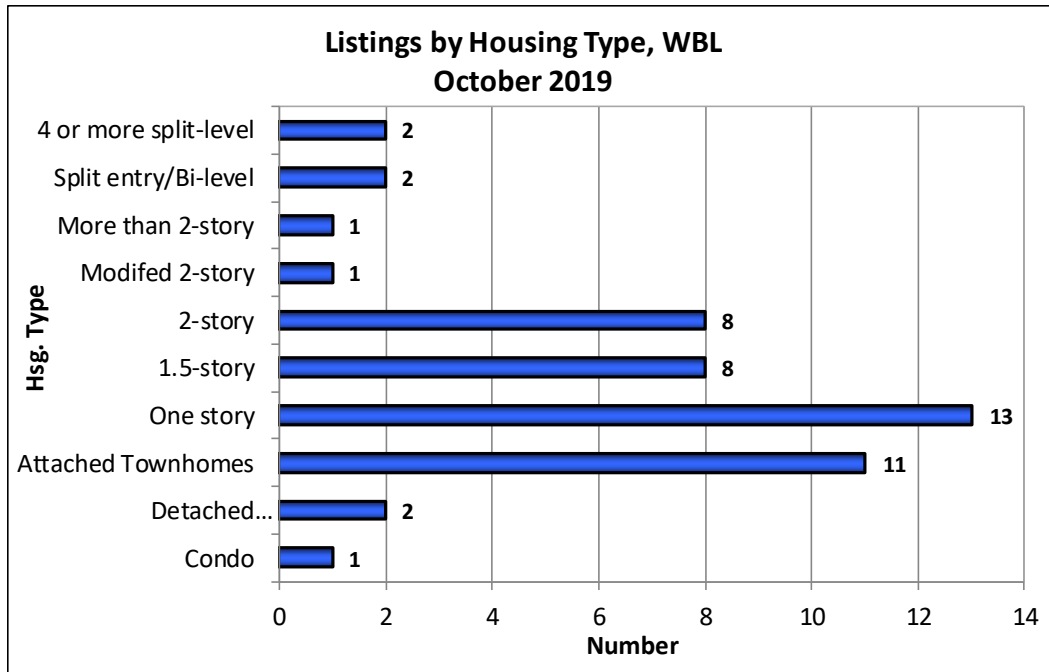
Sources: Regional Multiple Listing Service of MN; Maxfield Research & Consulting, LLC.

## FOR-SALE MARKET ANALYSIS

- Two-level splits account for only 6% of single-family listings but are the most “affordable” with an average list price of \$242,450; significantly lower than most single-family product types. This is a result of a smaller foundation size and fewer finished square feet than all other single-family types.
- New side-by-side townhomes (\$328,200+) account for the majority of multifamily for-sale listings and have the lowest PSF costs among all housing units for sale (\$142 PSF).

Property Type	Listings	Pct.	Avg. List Price	Avg. Size (Sq. Ft.)	Avg. List Price Per Sq. Ft.	Avg. Bedrooms	Avg. Bathrooms	Avg. Age of Home
<b>Single-Family</b>								
One story	13	37.1%	\$376,646	2,029	\$190	3.4	2.1	1957
1.5-story	8	22.9%	\$294,838	1,804	\$175	3.8	1.9	1921
2-story	8	22.9%	\$453,713	2,694	\$173	3.9	3.5	1991
Modified 2-story	1	2.9%	\$409,900	2,414	\$170	4.0	3.0	1992
More than 2-story	1	2.9%	\$899,900	4,575	\$197	5.0	3.0	1889
Split entry/Bi-level	2	5.7%	\$242,450	1,788	\$136	3.0	2.0	1980
4 or more split-level	2	5.7%	\$307,450	2,529	\$125	4.5	2.5	1974
<b>Total</b>	<b>35</b>	<b>100.0%</b>	<b>\$379,840</b>	<b>2,228</b>	<b>\$176</b>	<b>3.7</b>	<b>2.4</b>	<b>1958</b>
<b>Townhomes/Twinhomes</b>								
Condo	1	7.1%	\$180,000	1,256	\$143	2.0	2.0	1982
Side-by-Side	8	57.1%	\$328,213	2,293	\$142	2.8	2.5	1999
Detached Townhomes	2	14.3%	\$266,400	1,504	\$181	2.0	2.0	1997
Quad Townhome	3	21.4%	\$251,000	1,365	\$184	2.0	2.0	1994
<b>Total</b>	<b>14</b>	<b>100.0%</b>	<b>\$292,250</b>	<b>1,907</b>	<b>\$157</b>	<b>2.5</b>	<b>2.3</b>	<b>1996</b>

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



## FOR-SALE MARKET ANALYSIS

Tables FS-9 illustrates the historic supply of actively marketed properties in the Twin Cities Metro Area, Ramsey County, and White Bear Lake from 2005 to September 2019. 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-9  
ACTIVE SUPPLY OF HOMES FOR SALE  
WHITE BEAR LAKE , RAMSEY COUNTY, & METRO AREA  
2005 to 2019**

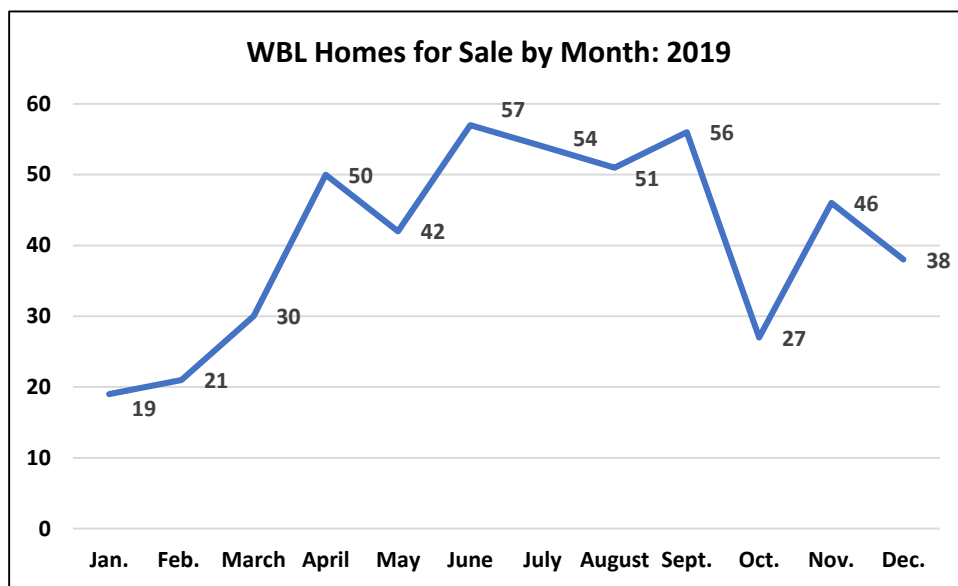
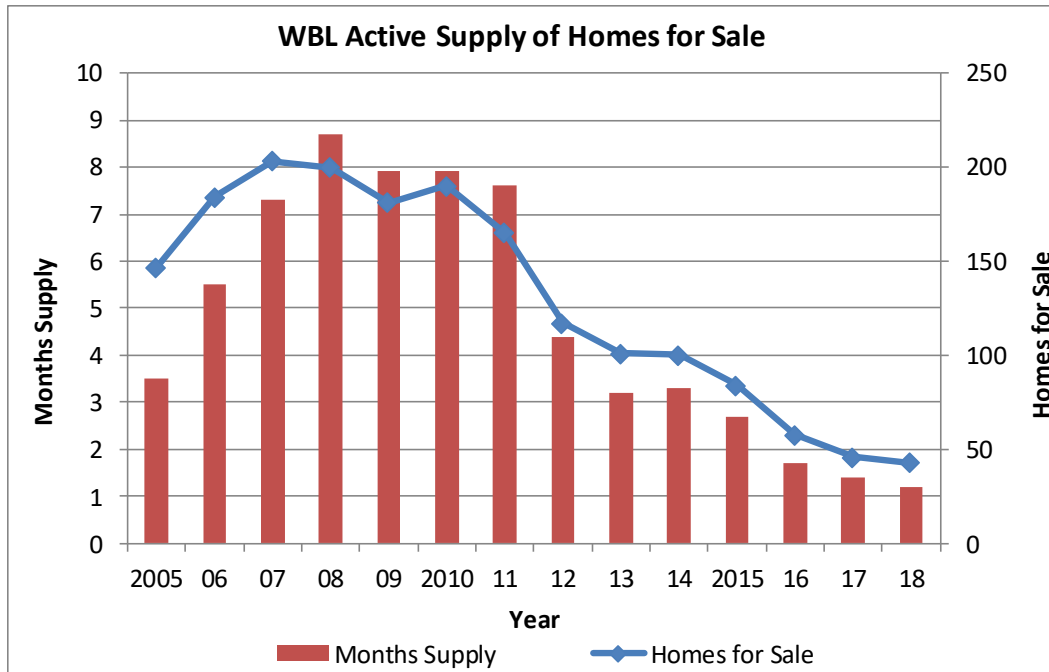
Year	Months Supply			Homes for Sale		
	City of WBL	Ramsey County	Twin Cities Metro	City of WBL	Ramsey County	Twin Cities Metro
2005	3.5	3.7	4.2	147	2,501	22,706
2006	5.5	5.8	6.6	184	3,246	29,366
2007	7.3	8.1	8.8	203	3,737	32,373
2008	8.7	9.0	9.7	200	3,702	31,557
2009	7.9	6.4	7.3	181	3,094	26,156
2010	7.9	6.7	7.4	190	3,209	26,498
2011	7.6	7.1	7.1	165	2,898	22,712
2012	4.4	4.4	4.5	117	2,185	17,217
2013	3.2	3.3	3.5	101	1,810	15,029
2014	3.3	3.6	3.9	100	1,899	16,178
2015	2.7	3.1	3.4	84	1,756	15,037
2016	1.7	2.4	2.6	58	1,462	12,985
2017	1.4	1.8	2.3	46	1,123	11,457
2018	1.2	1.7	2.2	43	991	10,774
2019*	1.2	1.8	2.2	39	1,017	10,975

\*2019 - January to September

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 White Bear Lake mirrors the Twin Cities; however historically the supply in White Bear Lake is slightly lower than the Twin Cities average.
- After the housing downturn, the supply of homes in White Bear Lake skyrocketed in 2008 when there were nearly nine months of inventory. Since 2008 the inventory of supply has dwindled annually as lender-mediated properties were absorbed. At the end of 2018, there was only a 1.2 months' supply of homes for sale in White Bear Lake.



### 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-10 to FS-11 provide a variety of information on the new construction market in White Bear Lake 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-10 depicts trends in new single-family home construction based on lot size (i.e. front footage). The data is current as of first quarter 2019 for Ramsey County and Washington County and is broken down by eight different lot size categories.

- Within Ramsey County, the vast majority of lot closings have been with lots sized between 80 and 89 feet. Approximately 60% of all lot closings over the past year have fallen into that category. In Washington County, only 16% of the closed lots have fallen between 70 and 89 lot widths, while 31% of lot closings have been with lot sized between 60 and 69 feet.

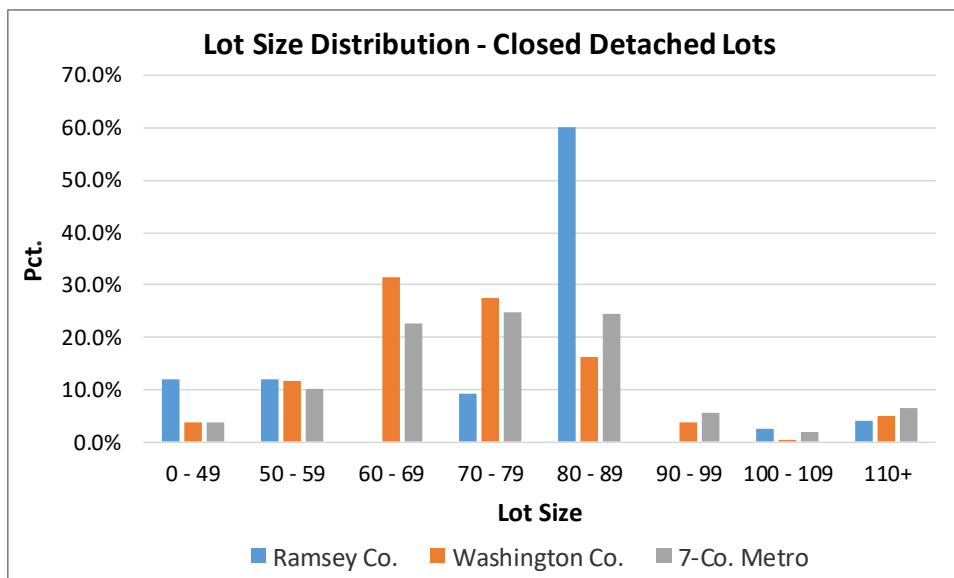
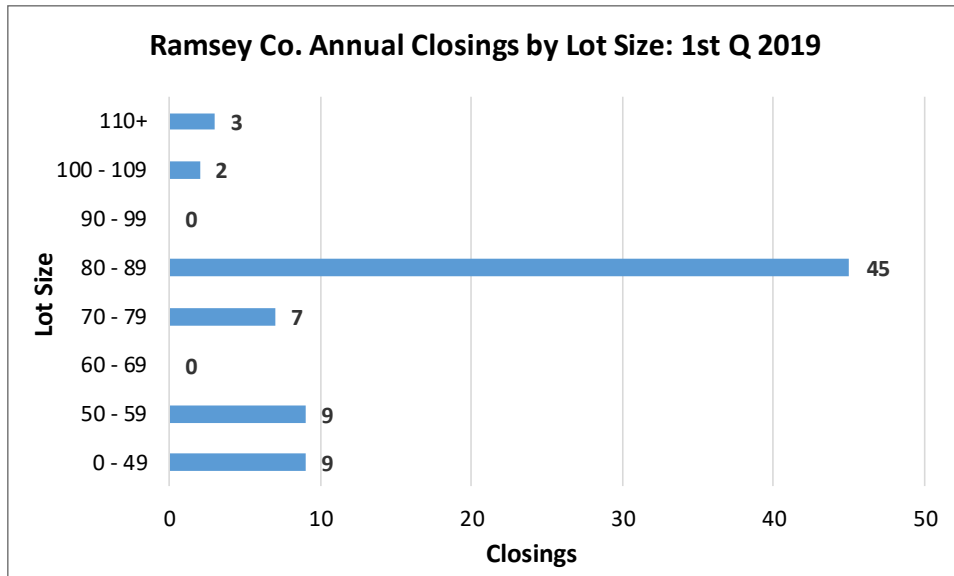


## FOR-SALE MARKET ANALYSIS

Lot Size (Width)	Quarterly		Annual		Finished Vacant (FV)	Under Const. (UC)	Housing Inventory	Vac. Dev. Lots (VDL)	Future Lots (Fut)
	Starts	Closings	Starts	Closings					
<b>Ramsey County</b>									
0 - 49	0	0	0	9	0	0	0	0	23
50 - 59	1	0	5	9	0	4	4	4	0
60 - 69	0	0	0	0	0	0	0	0	7
70 - 79	5	5	16	7	2	6	10	54	8
80 - 89	3	5	32	45	5	7	14	47	17
90 - 99	0	0	0	0	0	0	0	2	11
100 - 109	2	0	3	2	0	3	3	12	5
110 And Over	0	1	3	3	2	2	4	24	10
<b>Summary</b>	<b>11</b>	<b>11</b>	<b>59</b>	<b>75</b>	<b>9</b>	<b>22</b>	<b>35</b>	<b>143</b>	<b>81</b>
<b>Washington County</b>									
0 - 49	5	5	50	35	3	22	26	85	76
50 - 59	10	15	96	105	11	27	45	180	217
60 - 69	56	56	323	282	37	98	162	631	1,269
70 - 79	43	44	231	247	30	61	113	361	910
80 - 89	15	31	128	147	9	35	58	216	124
90 - 99	0	7	17	34	0	5	9	32	49
100 - 109	0	1	5	3	1	2	4	57	176
110 And Over	4	11	40	44	0	10	13	203	144
<b>Summary</b>	<b>133</b>	<b>170</b>	<b>890</b>	<b>897</b>	<b>91</b>	<b>260</b>	<b>430</b>	<b>1,765</b>	<b>2,965</b>
<b>Twin Cities Metro Area (7-County)</b>									
0 - 49	46	42	196	164	15	73	101	386	1,402
50 - 59	87	91	463	449	51	169	255	692	3,094
60 - 69	201	169	1,087	1,009	111	367	556	2,206	5,307
70 - 79	209	183	1,028	1,104	108	316	512	1,699	6,538
80 - 89	158	171	995	1,088	112	283	473	1,594	4,516
90 - 99	48	60	256	253	31	95	140	626	612
100 - 109	16	10	81	84	13	30	51	303	600
110 And Over	37	54	300	284	31	130	181	1,068	993
<b>Summary</b>	<b>802</b>	<b>780</b>	<b>4,406</b>	<b>4,435</b>	<b>472</b>	<b>1,463</b>	<b>2,269</b>	<b>8,574</b>	<b>23,062</b>

Source: Metrostudy, Maxfield Research & Consulting, LLC

- Lot sizes have decreased since the recession as developers have sought to maximize density. Nearly 48% of lot closings in the Metro Area in the past year have been on lots between 60 feet and 79 feet. Another 24% of lot closings in the Metro Area have been from 80 to 89 feet. About 6% of lots have widths larger than 110 feet; these would generally be considered executive lots.
- About 4% of lots in Ramsey County are executive lots; those over 110 feet.

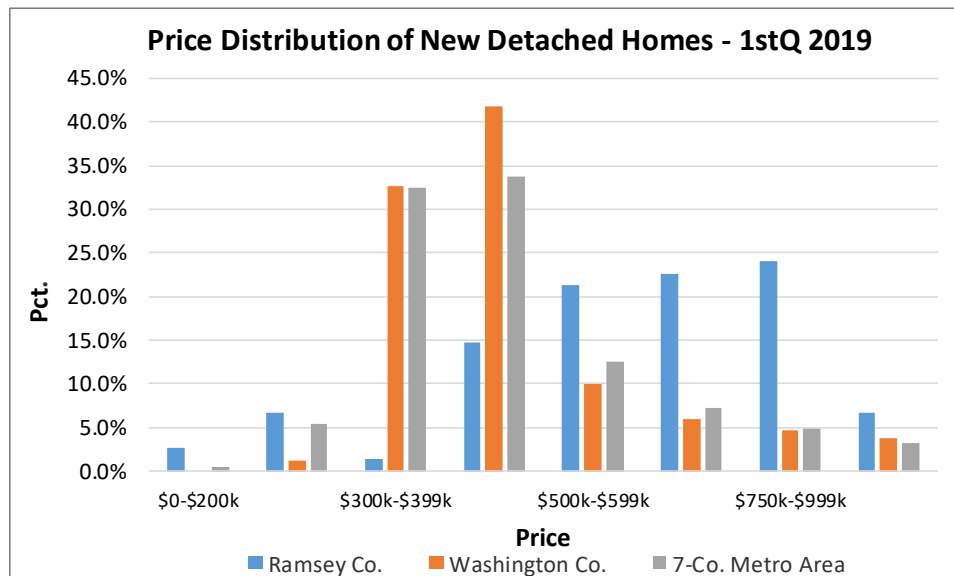


**New Construction Pricing**

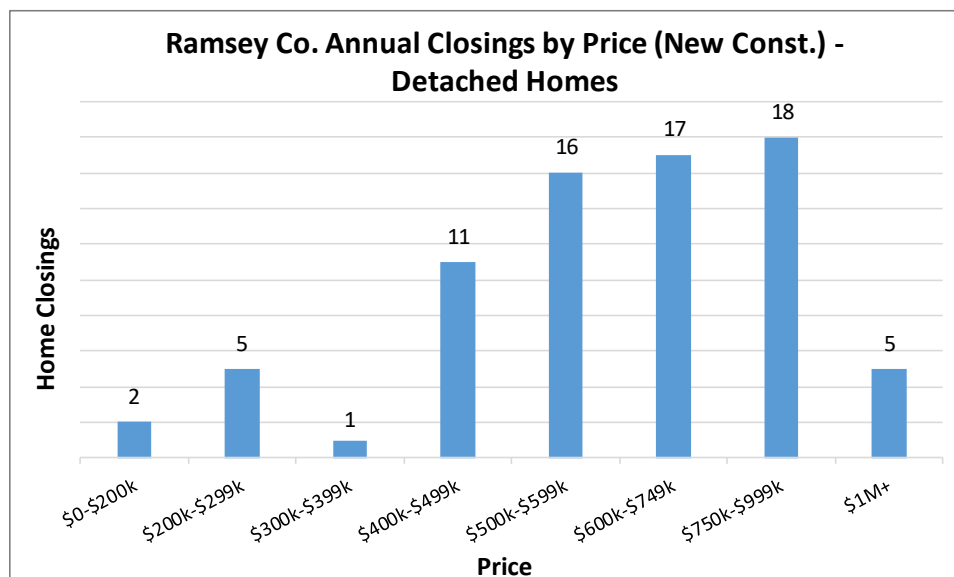
Table FS-11 depicts new construction inventory for detached housing units in Ramsey County and Washington County. The table depicts quarterly and annual starts, finished vacant lots, number of homes under construction and homes previously built, and the number of vacant lots. All of these attributes are provided based on the estimated sales price of the home. Key findings follow.

## FOR-SALE MARKET ANALYSIS

- In Ramsey County, there have been about 60 closings and 75 housing starts over the past year. Nearly 25% of the closings have been on homes priced between \$750,000 and \$999,999. Another 23% of closings are priced between \$600,000 and \$749,999.



- About 75% of Ramsey County homes are priced above \$500,000; compared to 24% in Washington County and 28% in the Twin Cities Metro Area.



**FOR-SALE MARKET ANALYSIS**

**TABLE FS-11  
DETACHED HOUSING BY PRICE (NEW CONSTRUCTION)  
RAMSEY & WASHINGTON COUNTY  
1ST QUARTER 2019**

Price Point (Base Pricing)	Quarterly		Annual		Finished Vacant (FV)	Under Const. (UC)	Housing Inventory	Vac. Dev. Lots (VDL)
	Starts	Closings	Starts	Closings				
<b>Ramsey County</b>								
\$0 - \$199,000	0	0	0	2	0	0	0	0
\$200,000 - \$299,000	2	0	2	5	0	2	2	13
\$300,000 - \$399,000	0	0	0	1	0	0	0	5
\$400,000 - \$499,000	3	2	7	11	0	3	4	26
\$500,000 - \$599,000	3	6	11	16	2	4	7	33
\$600,000 - \$749,000	1	2	18	17	2	5	7	15
\$750,000 - \$999,000	1	0	15	18	2	6	9	14
\$1,000,000 & Over	0	1	6	5	2	3	6	37
<b>Summary</b>	<b>10</b>	<b>11</b>	<b>59</b>	<b>75</b>	<b>8</b>	<b>23</b>	<b>35</b>	<b>143</b>
<b>Washington County</b>								
\$0 - \$199,000	0	0	0	0	0	0	0	0
\$200,000 - \$299,000	0	1	6	11	1	1	1	8
\$300,000 - \$399,000	39	49	321	293	32	102	151	477
\$400,000 - \$499,000	64	65	370	375	40	97	171	597
\$500,000 - \$599,000	15	26	74	90	12	25	47	294
\$600,000 - \$749,000	7	13	47	53	4	12	23	179
\$750,000 - \$999,000	7	8	43	42	2	14	23	131
\$1,000,000 & Over	2	9	30	33	0	9	13	78
<b>Summary</b>	<b>134</b>	<b>171</b>	<b>891</b>	<b>897</b>	<b>91</b>	<b>260</b>	<b>429</b>	<b>1,764</b>
<b>Twin Cities Metro Area (7-County)</b>								
\$0 - \$199,000	1	0	9	19	1	1	2	12
\$200,000 - \$299,000	31	40	203	239	24	46	73	440
\$300,000 - \$399,000	268	258	1,513	1,443	153	490	735	2,870
\$400,000 - \$499,000	283	251	1,472	1,495	138	463	712	2,588
\$500,000 - \$599,000	100	114	541	560	65	193	312	1,190
\$600,000 - \$749,000	55	52	304	320	53	114	197	583
\$750,000 - \$999,000	42	39	220	217	25	99	146	499
\$1,000,000 & Over	23	25	142	146	14	57	90	391
<b>Summary</b>	<b>803</b>	<b>779</b>	<b>4,404</b>	<b>4,439</b>	<b>473</b>	<b>1,463</b>	<b>2,267</b>	<b>8,573</b>

Source: Metrostudy, Maxfield Research & Consulting, LLC

Select Single-Family Properties



Single-Family



Single-Family



Single-Family



Under Construction Single-Family



For-Sale Single-Family



Single-Family

### Planned and Proposed Housing Developments

Maxfield Research obtained data from the City of White Bear Lake 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.

- Currently, there are is only one multifamily apartment project under construction at this time. Schafer Richardson is developing a 192-unit market rate multifamily rental development located near the intersection of County Road E and Linden Avenue. This project is estimated to take 17 to 18 months to finish and is expected to be completed by spring 2021.

**PLANNED & PENDING HOUSING DEVELOPMENTS**

TABLE P-1  
 HOUSING DEVELOPMENT PIPELINE  
 CITY OF WHITE BEAR LAKE  
 3rd Quarter 2019

Project Name/Address	Developer/Applicant	Address/Area	Status	Product Type	Total Units/Lots	Affordability
<b>Multi-Family Apartments</b>						
Schafer Richardson County Rd E & Linden Ave	Schafer Richardson	County Rd E & Linden Ave	Under Construction Expected Spring 2021	Multifamily	192	Market Rate

Sources: City of White Bear Lake, 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**

<b>Definition</b>	<b>AMI Range</b>
Extremely Low Income	0% - 30%
Very Low Income	31% - 50%
Low Income	51% - 80%
Moderate Income	80% - 120%

Note: Ramsey County 4-person AMI = \$100,000 (2019)

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



**HOUSING AFFORDABILITY**

<b>TABLE HA-1</b> <b>MHFA/HUD INCOME AND RENT LIMITS</b> <b>RAMSEY COUNTY- 2019</b>								
<b>Income Limits by Household Size</b>								
	1 pph	2 pph	3 pph	4 pph	5 pph	6 pph	7 pph	8 pph
30% of median	\$21,000	\$24,000	\$27,000	\$30,000	\$32,400	\$34,800	\$37,200	\$39,600
50% of median	\$35,000	\$40,000	\$45,000	\$50,000	\$54,000	\$58,000	\$62,000	\$66,000
60% of median	\$42,000	\$48,000	\$54,000	\$60,000	\$64,800	\$69,600	\$74,400	\$79,200
80% of median	\$56,000	\$64,000	\$72,000	\$80,000	\$86,400	\$92,800	\$99,200	\$105,600
100% of median	\$70,000	\$80,000	\$90,000	\$100,000	\$108,000	\$116,000	\$124,000	\$132,000
120% of median	\$84,000	\$96,000	\$108,000	\$120,000	\$129,600	\$139,200	\$148,800	\$158,400
<b>Maximum Gross Rent</b>								
	EFF	1BR	2BR	3BR	4BR			
30% of median	\$525	\$562	\$675	\$780	\$870			
50% of median	\$875	\$937	\$1,125	\$1,300	\$1,450			
60% of median	\$1,050	\$1,125	\$1,350	\$1,560	\$1,740			
80% of median	\$1,400	\$1,500	\$1,800	\$2,080	\$2,320			
100% of median	\$1,750	\$1,875	\$2,250	\$2,600	\$2,900			
120% of median	\$2,100	\$2,250	\$2,700	\$3,120	\$3,480			
<b>Fair Market Rent</b>								
	EFF	1BR	2BR	3BR	4BR			
Fair Market Rent	\$763	\$915	\$1,151	\$1,636	\$1,923			

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

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

**HOUSING AFFORDABILITY**

**TABLE HA-2  
MAXIMUM RENT BASED ON HOUSEHOLD SIZE AND AREA MEDIAN INCOME  
RAMSEY COUNTY - 2019**

Unit Type <sup>1</sup>	HHD Size		Maximum Rent Based on Household Size (@30% of Income)											
	Min	Max	30%		50%		60%		80%		100%		120%	
			Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Studio	1	1	\$525	-\$525	\$875	-\$875	\$1,050	-\$1,050	\$1,400	-\$1,400	\$1,750	-\$1,750	\$2,100	-\$2,100
1BR	1	2	\$525	-\$600	\$875	-\$1,000	\$1,050	-\$1,200	\$1,400	-\$1,600	\$1,750	-\$2,000	\$2,100	-\$2,400
2BR	2	4	\$600	-\$750	\$1,000	-\$1,250	\$1,200	-\$1,500	\$1,600	-\$2,000	\$2,000	-\$2,500	\$2,400	-\$3,000
3BR	3	6	\$675	-\$870	\$1,125	-\$1,450	\$1,350	-\$1,740	\$1,800	-\$2,320	\$2,250	-\$2,900	\$2,700	-\$3,480
4BR	4	8	\$750	-\$990	\$1,250	-\$1,650	\$1,500	-\$1,980	\$2,000	-\$2,640	\$2,500	-\$3,300	\$3,000	-\$3,960

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

Note: 4-person Ramsey County AMI is \$100,000 (2019)

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 the City of White Bear Lake, Ramsey County, and the Twin Cities Metro Area that pay 30% or more of their gross income for housing. This information was compiled from the American Community Survey 2017 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 White Bear Lake, 19% of owner households and 53% of renter households are considered cost burdened. White Bear Lake is slightly less cost burdened for owner households than Ramsey County (20.6%) and the Metro Area (19.8%). However, White Bear Lake is slightly more cost burdened for renter households than Ramsey County (49.9%) and the Metro Area (47.5%).
- Among owner households earning less than \$50,000, 54% were cost burdened in White Bear Lake. This is lower than both Ramsey County (55.4%) and the Metro Area (57.4%).
- Approximately 84% of White Bear Lake renter households earning less than \$35,000 were cost burdened which is slightly higher than Ramsey County (82.1%) and the Metro Area (83.9%).
- The median contract rent in White Bear Lake was \$949 in 2017 and was higher than Ramsey County (\$858) and the Metro Area (\$936). White Bear Lake’s median contract rent was roughly 11% higher than that of Ramsey County.

## HOUSING AFFORDABILITY

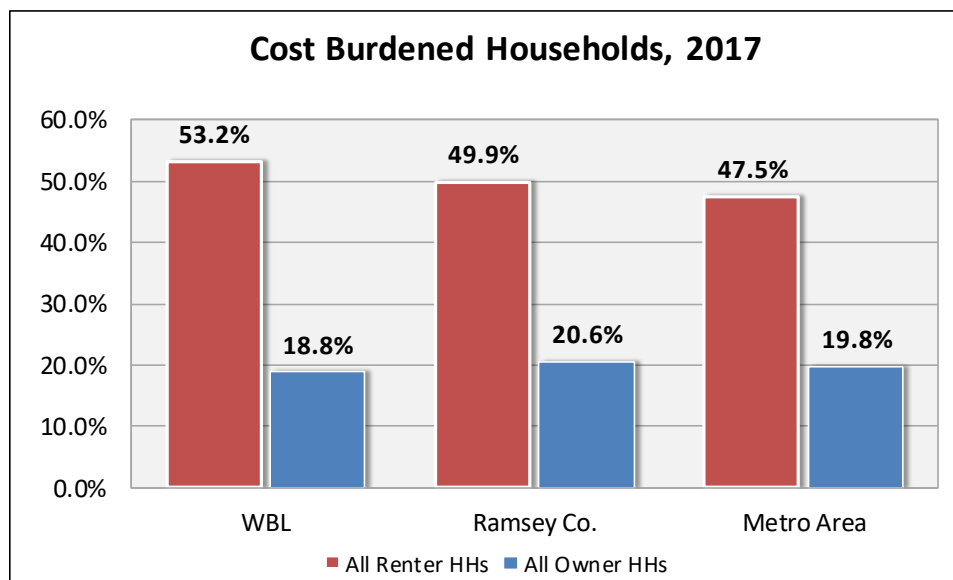
**TABLE HA-3  
HOUSING COST BURDEN  
WHITE BEAR LAKE ANALYSIS AREA  
2017**

Community	City of WBL		Ramsey County		Metro Area	
	No.	Pct.	No.	Pct.	No.	Pct.
<b>Owner Households</b>						
All Owner Households	7,324		123,722		797,434	
Cost Burden 30% or greater	1,375	18.8%	25,394	20.6%	157,516	19.8%
Owner Households w/ incomes <\$50,000	1,706		31,434		172,084	
Cost Burden 30% or greater	901	53.6%	17,215	55.4%	96,961	57.4%
<b>Renter Households</b>						
All Renter Households	3,354		84,782		370,234	
Cost Burden 30% or greater	1,712	53.2%	40,825	49.9%	169,445	47.5%
Renter Households w/ incomes <\$35,000	1,436		42,496		161,330	
Cost Burden 30% or greater	1,123	84.2%	33,160	82.1%	128,158	83.9%
Median Contract Rent <sup>1</sup>	\$949		\$858		\$936	

<sup>1</sup>Median Contract Rent 2017

Note: Calculations exclude households not computed.

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



### Housing Costs as Percentage of Household Income

Housing costs are generally considered affordable at 30% of a household adjusted gross income. Table HA-4 on the following page illustrates key housing metrics based on housing costs and household incomes in White Bear Lake. The table estimates the percentage of White Bear Lake householders that can afford rental and for-sale housing based on a 30% allocation of income to housing. Housing costs are based on the White Bear Lake 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 3.875% 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 2017 ACS

#### Rental Housing

- Background check on tenant to ensure credit history
  - 30% allocation of income
  - Renter household income per 2017 ACS
- 
- The median income of all White Bear Lake households in 2019 was about \$72,811. However, the median income varies by tenure. According to the 2017 American Community Survey, the median income of a homeowner is \$83,599 compared to \$38,832 for renters.
  - Approximately 48% of all households and 76% of owner households could afford to purchase an entry-level home in White Bear Lake (\$215,000). When adjusting for move-up buyers (\$400,000) about 36% of all households and 42% of owner households would income qualify.
  - Roughly 70% of all households and 78% of owner households could afford to purchase an entry-level townhome/condo in White Bear Lake (\$200,000). When adjusting for move-up buyers (\$300,000) about 51% of all households and 59% of owner households would income qualify.
  - About 47% of existing renter households can afford to rent a one-bedroom unit in White Bear Lake (\$1,055/month). The percentage of renter income-qualified households decreases to 34% that can afford an existing three-bedroom unit (\$1,330/month). After adjusting for new construction rental housing, the percentage of renters that are income-qualified decreases slightly. About 35% of renters can afford a new market rate one-bedroom unit while 16.5% can afford a new three-bedroom unit.

# HOUSING AFFORDABILITY

TABLE HA-4 HOUSING AFFORDABILITY - BASED ON HOUSEHOLD INCOME CITY OF WHITE BEAR LAKE						
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	\$215,000	\$400,000	\$600,000	\$200,000	\$300,000	\$450,000
Pct. Down Payment	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Total Down Payment Amt.	\$21,500	\$40,000	\$60,000	\$20,000	\$30,000	\$45,000
Estimated Closing Costs (rolled into mortgage)	\$6,450	\$12,000	\$18,000	\$6,000	\$9,000	\$13,500
Cost of Loan	\$199,950	\$372,000	\$558,000	\$186,000	\$279,000	\$418,500
Interest Rate	3.875%	3.875%	3.875%	3.875%	3.875%	3.875%
Number of Pmts.	360	360	360	360	360	360
Monthly Payment (P & I)	-\$940	-\$1,749	-\$2,624	-\$875	-\$1,312	-\$1,968
(plus) Prop. Tax	-\$179	-\$333	-\$500	-\$167	-\$250	-\$375
(plus) HO Insurance/Assoc. Fee for TH	-\$72	-\$133	-\$200	-\$100	-\$100	-\$100
(plus) PMI/MIP (less than 20%)	-\$87	-\$161	-\$242	-\$81	-\$121	-\$181
Subtotal monthly costs	-\$1,278	-\$2,377	-\$3,566	-\$1,222	-\$1,783	-\$2,624
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$51,109	\$95,086	\$142,629	\$48,876	\$71,314	\$104,972
Pct. of ALL White Bear Lake HHDS who can afford <sup>1</sup>	48.1%	36.1%	16.2%	69.8%	50.9%	31.2%
No. of White Bear Lake HHDS who can afford <sup>1</sup>	5,132	3,853	1,730	7,451	5,441	3,334
Pct. of White Bear Lake owner HHDS who can afford <sup>2</sup>	75.8%	42.5%	17.0%	77.6%	58.8%	36.6%
No. of White Bear Lake owner HHDS who can afford <sup>2</sup>	5,550	3,109	1,244	5,681	4,306	2,682
No. of White Bear Lake owner HHDS who cannot afford <sup>2</sup>	1,774	4,215	6,080	1,643	3,018	4,642
Rental (Market Rate)						
	Existing Rental			New Rental		
	1BR	2BR	3BR	1BR	2BR	3BR
Monthly Rent	\$1,055	\$1,250	\$1,330	\$1,300	\$1,850	\$2,000
Annual Rent	\$12,660	\$15,000	\$15,960	\$15,600	\$22,200	\$24,000
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$42,200	\$50,000	\$53,200	\$52,000	\$74,000	\$80,000
Pct. of ALL White Bear Lake HHDS who can afford <sup>1</sup>	75.3%	68.8%	66.1%	67.2%	48.7%	44.9%
No. of White Bear Lake HHDS who can afford <sup>1</sup>	8,046	7,351	7,064	7,172	5,200	4,797
Pct. of White Bear Lake renter HHDS who can afford <sup>2</sup>	47.2%	36.3%	34.0%	34.9%	18.7%	16.5%
No. of White Bear Lake renter HHDS who can afford <sup>2</sup>	1,582	1,219	1,140	1,170	629	553
No. of White Bear Lake renter HHDS who cannot afford <sup>2</sup>	1,772	2,135	2,214	2,184	2,725	2,801

<sup>1</sup> Based on 2019 household income for ALL households  
<sup>2</sup> Based on 2017 ACS household income by tenure (i.e. owner and renter incomes. Owner incomes = \$83,599 vs. renter incomes = \$38,832)  
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 White Bear Lake. This section of the report presents our estimates of housing demand in White Bear Lake from 2019 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.

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

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

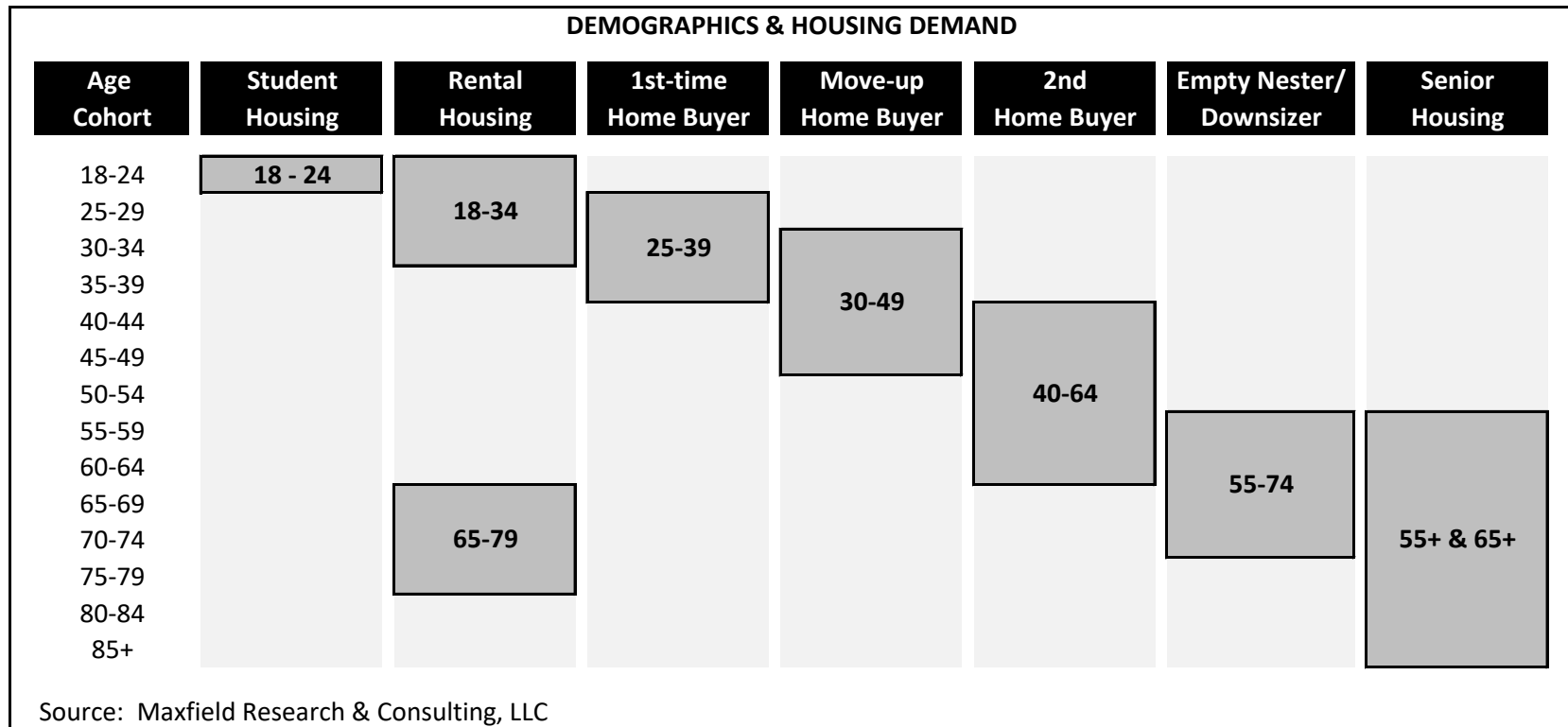
## **Housing Demand Overview**

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

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



**HOUSING DEMAND ANALYSIS**



## HOUSING DEMAND ANALYSIS

TYPICAL HOUSING TYPE CHARACTERISTICS				
	Housing Types	Target Market/ Demographic	Unit/Home Characteristics	Lot Sizes/ Units Per Acre <sup>1</sup>
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

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

Source: Maxfield Research & Consulting, LLC

### Demographics

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

### Economy & Job Growth

The economy and housing market are intertwined; the health of the housing market affects the broader economy and vice versa. Housing market growth depends on job growth (or the prospect of); jobs generate income growth which results in the formation of more households and can stimulate household turnover. Historically low unemployment rates have driven both existing home purchases and new-home purchases. Lack of job growth leads to slow or diminishing

household growth, which in-turn relates to reduced housing demand. Additionally, low income growth results in fewer move-up buyers which results in diminished housing turnover across all income brackets.

### ***Consumer Choice/Preferences***

A variety of factors contribute to consumer choice and preferences. Many times a change in family status is the primary factor for a change in housing type (i.e. growing families, empty-nest families, etc.). However, housing demand is also generated from the turnover of existing households who decide to move for a range of reasons. Some households may want to move-up, downsize, change their tenure status (i.e. owner to renter or vice versa), or simply move to a new location.

### ***Supply (Existing Housing Stock)***

The stock of existing housing plays a crucial component in the demand for new housing. There are a variety of unique household types and styles, not all of which are desirable to today's consumers. The age of the housing stock is an important component for housing demand, as communities with aging housing stocks have higher demand for remodeling services, replacement new construction, or new home construction as the current inventory does not provide the supply that consumers seek. White Bear Lake and suburbs like it have an older housing that results in higher demand for remodeling services and infill redevelopment.

Pent-up demand may also exist if supply is unavailable as householders postpone a move until new housing product becomes available.

### ***Housing Finance***

Household income is the fundamental measure that dictates what a householder can afford to pay for housing costs. According to the U.S. Department of Housing and Urban Development (HUD), the definition of affordability is for a household to pay no more than 30% of its annual income on housing (including utilities). Families who pay more than 30% of their income for housing (either rent or mortgage) are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.

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

### ***Mobility***

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

### **Estimated Demand for For-Sale Housing**

Table HD-1 presents our demand calculations for general occupancy for-sale housing in White Bear Lake between 2019 and 2030.

The 65 and older cohort is typically not a target market for new general occupancy for-sale housing, therefore, we limit demand from household growth to only those households under the age of 65. According to our projections, the City of White Bear Lake is expected to add 1,120 new households; of which 333 households will be under the age of 65. We estimate that 67% have the propensity to own, which produces demand for 225 new general occupancy for-sale housing units between 2019 and 2030.

Demand is also forecast to emerge from existing White Bear Lake householders through turnover. An estimated 4,877 owner-occupied households under age 65 are in the White Bear Lake in 2019. Based on mobility data from the Census Bureau, an estimated 55% of owner households will turnover in a thirteen-year period, resulting in over 2,659 existing households projected to turnover. Finally, we estimate 10% of the existing owner households will seek new for-sale housing, resulting in demand for 266 for-sale units through 2030.

Next, we estimate that 25% of the total demand for new for-sale units in the White Bear Lake will come from people currently living outside of the City. A portion of this market will be former residents of the area, such as “snow-birds” heading south for the winters. Adding demand from outside the White Bear Lake to the existing demand potential, results in a total estimated demand for 655 for-sale housing units by 2030.

Based on land available, building trends, and demographic shifts (increasing older adult population), we project 60% of the for-sale owners will prefer traditional single-family product types while the remaining 40% will prefer a maintenance-free multi-family product (i.e. twin homes, townhomes, condominiums, detached townhomes, etc.).

Subtracting any vacant platted lots in subdivisions and planned for-sale single-family and multi-family projects, demand exists for 393 single-family homes and 262 for-sale multifamily units through 2030.

# HOUSING DEMAND ANALYSIS

TABLE HD-1 FOR-SALE HOUSING DEMAND CITY OF WHITE BEAR LAKE 2019 to 2030																	
<b>Demand from Projected Household Growth</b>																	
Projected household growth in White Bear Lake 2019 to 2030 <sup>1</sup>			1,120														
(times) Pct. of total HH growth for ownership housing (ages under 65) <sup>2</sup>	x	30%															
(equals) Projected demand for ownership housing	=		336														
(times) Propensity to Own <sup>3</sup>	x	67%															
<b>(equals) Total demand potential for ownership housing (2019 to 2030)</b>	<b>=</b>		<b>225</b>														
<b>Demand from Existing Owner Households</b>																	
Number of owner households (age 64 and younger) in White Bear Lake, 2019			4,872														
(times) Estimated percent of owner turnover <sup>4</sup>	x	55%															
(equals) Total existing households projected to turnover	=		2,659														
(times) Estimated percent desiring new housing	x	10.0%															
(equals) Demand from existing households			266														
<b>(equals) Total demand from household growth and existing households, 2019 to 2030</b>	<b>=</b>		<b>491</b>														
(times) Demand from outside White Bear Lake			25%														
<b>(equals) Total demand potential for ownership housing, 2019-2030</b>			<b>655</b>														
		<table border="1"> <thead> <tr> <th></th> <th style="text-align: center;">Single Family</th> <th style="text-align: center;">Multi-family*</th> </tr> </thead> <tbody> <tr> <td>(times) Percent desiring for-sale single-family vs. multifamily<sup>5</sup></td> <td style="text-align: center;">x 60%</td> <td style="text-align: center;">40%</td> </tr> <tr> <td>(equals) Total demand potential for new single-family &amp; multifamily for-sale housing</td> <td style="text-align: center;">= 393</td> <td style="text-align: center;">262</td> </tr> <tr> <td>(minus) Units under construction or approved platted lots (undeveloped and developed lots)<sup>6</sup></td> <td style="text-align: center;">- 0</td> <td style="text-align: center;">0</td> </tr> <tr> <td><b>(equals) Excess demand for new general occupancy for-sale housing</b></td> <td style="text-align: center;"><b>= 393</b></td> <td style="text-align: center;"><b>262</b></td> </tr> </tbody> </table>		Single Family	Multi-family*	(times) Percent desiring for-sale single-family vs. multifamily <sup>5</sup>	x 60%	40%	(equals) Total demand potential for new single-family & multifamily for-sale housing	= 393	262	(minus) Units under construction or approved platted lots (undeveloped and developed lots) <sup>6</sup>	- 0	0	<b>(equals) Excess demand for new general occupancy for-sale housing</b>	<b>= 393</b>	<b>262</b>
	Single Family	Multi-family*															
(times) Percent desiring for-sale single-family vs. multifamily <sup>5</sup>	x 60%	40%															
(equals) Total demand potential for new single-family & multifamily for-sale housing	= 393	262															
(minus) Units under construction or approved platted lots (undeveloped and developed lots) <sup>6</sup>	- 0	0															
<b>(equals) Excess demand for new general occupancy for-sale housing</b>	<b>= 393</b>	<b>262</b>															
<sup>1</sup> Estimated household growth based on data from ESRI, Metropolitan Council, White Bear Lake Building Permits, & Maxfield Research & Consulting, LLC <sup>2</sup> Pct. of household growth age 65 and younger (U.S. Census, ESRI, Maxfield Research). <sup>3</sup> Pct. Owner households age 65 and younger in White Bear Lake (2017 ACS) <sup>4</sup> Based on on turnover from 2017 American Community Survey <sup>5</sup> Based on preference for housing type and land availability <sup>6</sup> Approved platted lot data does not account for the scattered lot supply which includes individual lots and lots in older non-marketing subdivisions. * Multi-family demand includes demand for townhomes, twinhomes, and condominium units.																	
Source: Maxfield Research & Consulting, LLC																	

## Estimated Demand for General-Occupancy Rental Housing

Table HD-2 presents our calculation of general-occupancy rental housing demand in White Bear Lake. This analysis identifies potential demand for rental housing that is generated from both new households and turnover households. A portion of the demand will be drawn from existing households in White Bear Lake that want to upgrade their housing situations.

The 65 and older cohort is typically not a target market for new general occupancy rental housing, therefore, we limit demand from senior household growth to only 20% and include all households under the age of 65. According to our projections, White Bear Lake is expected to add 332 new households under 65 and 787 over 65 between 2019 and 2030. We estimate that 33% of those under 65 will be renting their housing, while only 28% of senior households are renters. This produces demand for 330 new general occupancy rental housing units between 2019 and 2030.

## HOUSING DEMAND ANALYSIS

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Demand is also forecast to emerge from existing Market Area householders through turnover. An estimated 2,395 renter-occupied households under the age of 65 plus 951 senior renters are located in White Bear Lake in 2019. Based on mobility data from the Census Bureau, an estimated 91% of under 65 renter households and 81% of over 65 renter households will turnover in a 13-year period, resulting in 2,961 existing households projected to turnover. Finally, we estimate 20% of the existing renter households will seek new rental housing, resulting in demand for 468 rental units through 2030.

Next, we estimate that 30% of the total demand for new rental units in White Bear Lake will come from people currently living outside of the City of White Bear Lake. Adding demand from outside White Bear Lake to the existing demand potential, results in a total estimated demand for 889 rental housing units by 2030.

Based on a review of rental household incomes and sizes and monthly rents at existing projects, we estimate that approximately 15% of the total demand will be for subsidized housing (30% AMI), 30% will be for affordable housing (40% to 60% AMI), and 55% will be for market rate housing (non-income restricted).

As of the 3<sup>rd</sup> Quarter 2019, there is one general occupancy market rate rental housing project under construction that is expected to be complete by Spring 2021 (Location – County Road E & Linden Avenue). This equates to 133 subsidized units, 267 affordable units, and 306 market rate units.

## HOUSING DEMAND ANALYSIS

TABLE HD-2 RENTAL HOUSING DEMAND CITY OF WHITE BEAR LAKE 2019 to 2030			
		--- Number of Households ---	
		Under 65	Over 65
<b>Demand from Projected Household Growth</b>			
Projected HH growth in White Bear Lake 2019 to 2030 <sup>1</sup>		332	787
(times) Estimated % to be renting their housing <sup>2</sup>	x	33%	28%
(equals) Projected demand from new HH growth	=	<b>110</b>	<b>220</b>
<b>Demand from Existing Renter Households</b>			
Number of renter HHs in White Bear Lake (2019) <sup>3</sup>		2,395	951
(times) Estimated percent of renter turnover <sup>4</sup>	x	91%	81%
(equals) Total existing households projected to turnover	=	2,187	774
(times) Estimated percent desiring new rental housing	x	20%	
(equals) Demand from existing households <sup>5</sup>		<b>468</b>	
<b>(equals) Total demand from HH growth and existing HHs 2019 to 2030<sup>6</sup></b>	<b>=</b>	<b>622</b>	
(times) Demand from outside White Bear Lake		30%	
<b>(equals) Total demand potential for rental housing, 2019 to 2030</b>		<b>889</b>	
		<b>Deep Subsidy</b>	<b>Shallow Subsidy</b>
(times) Percent of rental demand by product type <sup>7</sup>	x	15%	30%
(equals) Total demand potential for general-occupancy rental housing units	=	133	267
(minus) Units under construction or pending <sup>8</sup>	-	0	182
<b>(equals) Excess demand for new general occupancy rental housing</b>	<b>=</b>	<b>133</b>	<b>267</b>
<sup>1</sup> Estimated household growth based on projections as adjusted by Maxfield Research & Consulting, LLC <sup>2</sup> Pct. of renter households under the age of 65 (ACS - 2017, ESRI, Maxfield Research and Consulting LLC). <sup>3</sup> Estimate based on 2017 ACS renter households and new renter household growth 2010 to 2017 (under age 65) <sup>4</sup> Based on on turnover from 2017 American Community Survey for households moving over 13-year period. <sup>5 &amp; 6</sup> Calculations include on 20% of Senior Households (65+) <sup>7</sup> Based on the combination of current rental product and household incomes of area renters (non-senior households) <sup>8</sup> Pending/proposed/under construction at 95% occupancy.			
Source: Maxfield Research & Consulting, LLC			

## Estimated Demand for Market Rate Active Adult Senior Housing

Table HD-3 presents our demand calculations for market rate active adult senior housing in White Bear Lake in 2019 and 2024.

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

We calculate that the minimum income needed to afford monthly rents is \$35,000 or more plus homeowner households with incomes between \$25,000 and \$34,999 who would be able to supplement their incomes with the proceeds from a home sale. We estimate the number of age/income-qualified senior households in the White Bear Lake in 2019 to be 4,259 households.

## HOUSING DEMAND ANALYSIS

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Adjusting to include appropriate long-term capture rates for each age cohort (1.5% of households age 55 to 64, about 8.5% of households age 65 to 74, and 15% of households age 75 and over) results in a market rate demand potential for 538 active adult senior rental units in 2019.

Some additional demand will come from outside White Bear Lake. We estimate that 25% of the long-term demand for active adult senior housing will be generated by seniors currently residing outside the White Bear Lake. This demand will consist primarily of parents of adult children living in the White Bear Lake area, individuals who live just outside of White Bear Lake and have an orientation to the area, as well as former residents who desire to return. Together, the demand from White Bear Lake seniors and demand from seniors who would relocate to White Bear Lake results in a demand for 446 market rate active adult units in 2019.

Active adult demand in White Bear Lake is apportioned between ownership and rental housing. Based on the age distribution, homeownership rates and current product available in White Bear Lake, we project that 25% of White Bear Lake's demand will be for adult ownership housing (112 units) and 75% will be for rental housing (335 units).

Next, we subtract existing competitive market rate units (minus a vacancy factor of 5% to allow for sufficient consumer choice and turnover) from the owner and rental demand. Subtracting the existing competitive market rate units results in total demand potential for 40 adult owner-occupied units and 88 active adult rental units.

Adjusting for inflation, we have estimated that households with incomes of \$40,000 or more and homeowners with incomes of \$30,000 to \$34,999 would income qualify for market rate independent senior housing in 2024. Considering the growth in the older adult base and the income distribution of the older adult population in 2024, the methodology projected that demand will be 54 adult owner-occupied units and 129 adult rental units in the City of White Bear Lake.



## HOUSING DEMAND ANALYSIS

TABLE HD-3 MARKET RATE ACTIVE ADULT HOUSING DEMAND CITY OF WHITE BEAR LAKE 2019 and 2024						
	2019			2024		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households w/ Incomes of >\$35,000 <sup>1</sup>	1,862	1,402	995	1,746	1,670	1,128
# of Households w/ Incomes of \$25,000 to \$34,999 <sup>1</sup>	+ 110	133	295	+ 78	133	293
(times) Homeownership Rate	x 75%	84%	62%	x 75%	84%	62%
(equals) Total Potential Market Base	= 1,945	1,514	1,178	= 1,805	1,782	1,310
(times) Potential Capture Rate	x 1.5%	8.5%	15.0%	x 1.5%	8.5%	15.0%
(equals) Demand Potential	= 29	129	177	= 27	151	196
<b>Potential Demand from Residents</b>	= 335			= 375		
(plus) Demand from Outside White Bear Lake (25%)	+ 112			+ 125		
<b>(equals) Total Demand Potential</b>	= 446			= 500		
	<b>Owner-Occupied</b>		<b>Renter-Occupied</b>	<b>Owner-Occupied</b>		<b>Renter-Occupied</b>
(times) % by Product Type	x 25%		x 75%	x 25%		x 75%
(equals) Demand Potential by Product Type	= 112		= 335	= 125		= 375
(minus) Existing and Pending MR Active Adult Units <sup>2</sup>	- 71		- 246	- 71		- 246
<b>(equals) Excess Demand for MR Active Adult Units</b>	= 40		= 88	= 54		= 129

<sup>1</sup> 2024 calculations define income-qualified households as all households with incomes greater than \$40,000 and homeowner households with incomes between \$30,000 and \$39,999.  
<sup>2</sup> Existing and pending are deducted at market equilibrium (95% occupancy).

Source: Maxfield Research & Consulting, LLC

### Estimated Demand for Subsidized/Affordable Active Adult Senior Housing

Table HD-4 presents our demand calculations for subsidized/affordable independent senior housing in the City of White Bear Lake in 2019 and 2024.

In order to arrive at the potential age and income qualified base for low income and affordable housing, we exclude all senior (65+) households with incomes more than \$35,000. We exclude homeowner households with incomes between \$30,000 and \$34,999, as these households would have additional equity that could be converted to monthly income following the sales of their single-family homes.

Households in a need-based situation (either requiring services or financial assistance) more readily move to housing alternatives than those in non-need-based situations. Hence, the capture rate among each age group is higher than for market rate housing. Capture rates are employed at 1.5% for households age 55 to 64, 10.0% for households age 65 to 74 and 20.0% for households age 75 and older.

Seniors in need-based situations are less selective when securing housing than those in non-need-based situations. We estimate that a high-quality site would capture a greater proportion of total demand for financially-assisted housing than for market rate housing.

## HOUSING DEMAND ANALYSIS

Using the methodology described above results in a demand potential for 233 total subsidized or affordable senior units. However, after being adjusted for household incomes demand results for 14 subsidized units and 55 affordable units.

Adjusting for inflation, we estimate that households with incomes up to \$40,000 would be candidates for financially-assisted independent housing in 2024. We reduce the potential market by homeowner households earning between \$35,000 and \$39,999 that would exceed income-restrictions once equity from their home sales is converted to monthly income.

Following the same methodology, we project demand in White Bear Lake for 26 subsidized units and 91 affordable units in 2024.

TABLE HD-4 DEEP-SUBSIDY/SHALLOW SUBSIDY ACTIVE ADULT HOUSING DEMAND CITY OF WHITE BEAR LAKE 2019 and 2024						
	2019			2024		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households w/ Incomes of <\$35,000 <sup>1</sup>	263	308	704	205	345	840
Less Households w/ Incomes of \$30,000 to \$34,999 <sup>1</sup>	- 55	- 66	- 147	- 39	- 69	- 136
(times ) Homeownership Rate	x 75%	x 84%	x 62%	x 75%	x 84%	x 62%
(equals) Total Potential Market Base	= 222	= 253	= 613	= 176	= 287	= 756
(times) Potential Capture Rate	x 1.5%	x 10.0%	x 20.0%	x 1.5%	x 10.0%	x 20.0%
(equals) Demand Potential	= 3	= 25	= 123	= 3	= 29	= 151
<b>(equals) Potential Demand from Residents</b>		= 151			= 182	
(plus) Demand from outside White Bear Lake (35%)		+ 81			+ 98	
<b>(equals) Total Demand Potential</b>		= 233			= 281	
(times) % by Product Type	x <u>25%</u>	x <u>75%</u>		x <u>25%</u>	x <u>75%</u>	
(equals) Demand Potential by Product Type	= 58	= 174		= 70	= 211	
(minus) Existing and Pending Sub./Aff. Active Adult Units <sup>2</sup>	- 45	- 119		- 45	- 119	
<b>(equals) Excess Demand for Sub./Aff. Units</b>	= 14	= 55		= 26	= 91	

<sup>1</sup> 2024 calculations define income-qualified households as all households with incomes less than \$40,000. Homeowner households with incomes between \$35,000 and \$39,999 are excluded from the market potential for financially-assisted housing.

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

Source: Maxfield Research & Consulting, LLC

## Estimated Demand for Independent Living (Congregate) Senior Housing

Table HD-5 presents our demand calculations for congregate housing in White Bear Lake in 2019 and 2024.

The potential age- and income-qualified base for independent living senior housing includes all senior (65+) households with incomes of \$35,000 as well as homeowner households with incomes between \$30,000 and \$34,999 who would qualify with the proceeds from the sales of their homes. The proportion of eligible homeowners is based on the 2017 ACS homeownership rates of the White Bear Lake seniors. The number of age, income, and asset-qualified households in White Bear Lake is estimated to be 2,397 households in 2019.

## HOUSING DEMAND ANALYSIS

Demand for independent living is need-drive, which reduces the qualified market to only the portion of seniors who need some assistance. Adjusting to include appropriate capture rates for each age cohort (1.5% of households age 65 to 74 and 13.5% of households age 75 and older) results in a local demand potential for 168 congregate units in 2019.

We estimate that seniors currently residing outside of the White Bear Lake will generate 25% of the demand for congregate senior housing. Together, the demand from White Bear Lake seniors and demand from seniors who are willing to locate to the White Bear Lake totals 225 congregate units in 2019.

As of the 3<sup>rd</sup> Quarter 2019, there are no under construction or approved senior housing projects with independent living units, however there are currently 241 independent living units at 95% occupancy rate, which reduces the overall demand for 0 independent living units in 2019.

Adjusting for inflation, we estimate that households with incomes of \$40,000 or more and senior homeowners with incomes between \$35,000 and \$39,999 would qualify for independent living housing in 2024. Following the same methodology, demand is calculated to increase to 11 units through 2024.

<b>TABLE HD-5</b>				
<b>MARKET RATE INDEPENDENT LIVING RENTAL HOUSING DEMAND</b>				
<b>CITY OF WHITE BEAR LAKE</b>				
<b>2019 and 2024</b>				
	<b>2019</b>		<b>2024</b>	
	Age of Householder		Age of Householder	
	65-74	75+	65-74	75+
# of Households w/ Incomes of >\$35,000 <sup>1</sup>	1,402	995	1,670	1,128
# of Households w/ Incomes of \$30,000 to \$34,999 <sup>1</sup>	+	66	+	69
(times) Homeownership Rate	x	84%	x	84%
(equals) Total Potential Market Base	=	1,457	=	1,728
(times) Potential Capture Rate <sup>2</sup>	x	1.5%	x	1.5%
(equals) Potential Demand	=	22	+	147
<b>Potential Demand from White Bear Lake Residents</b>	=	<b>168</b>	=	<b>190</b>
(plus) Demand from Outside White Bear Lake (25%)	+	56	+	63
<b>(equals) Total Demand Potential</b>	=	<b>225</b>	=	<b>253</b>
(minus) Existing and Pending Independent Living Units <sup>3</sup>	-	241	-	241
<b>(equals) Total Independent Living Demand Potential</b>	=	<b>0</b>	=	<b>11</b>

<sup>1</sup> 2024 calculations define income-qualified households as all households with incomes greater than \$40,000 and homeowner households with incomes between \$35,000 and \$39,999.

<sup>2</sup> The potential capture rate is derived from data from the Summary Health Statistics for the U.S. Population: National Health Interview Survey, 2008 by the U.S. Department of Health and Human Services. The capture rate used is the percentage of seniors needing assistance with IADLs, but not ADLs (seniors needing assistance with ADLs typically need assistance with multiple IADLs and are primary candidates for service-intensive assisted living).

<sup>3</sup> Competitive units include Independent Living units at 95% occupancy (market equilibrium).

Source: Maxfield Research and Consulting LLC

### Estimated Demand for Assisted Living Housing

Table HD-6 presents our demand calculations for assisted living senior housing in White Bear Lake in 2019 and 2024. This analysis focuses on the potential *private pay/market rate* demand for assisted living units.

The availability of more intensive support services such as meals, housekeeping and personal care at assisted living facilities usually attracts older, frailer seniors. According to the 2009 Overview of Assisted Living (which is a collaborative research project by the American Association of Homes and Services for the Aging, the American Seniors Housing Association, National Center for Assisted Living, and National Investment Center for the Seniors Housing and Care Industry), the average age of residents in freestanding assisted living facilities was 87 years in 2008. Hence, the age-qualified market for assisted living is defined as seniors ages 75 and over, as we estimate that of the half of demand from seniors under age 87, almost all would be from seniors over age 75. In 2019, there are a projected 2,466 seniors age 75 and older in White Bear Lake.

Demand for assisted living housing is need-driven, which reduces the qualified market to only the portion of seniors who need assistance. According to a study completed by the U.S. Census Bureau (1999 panels of the Survey of Income and Program Participation (SIPP) files), 30% of seniors needed assistance with everyday activities (from 25.5% of 75-to-79-year-olds, to 33.6% of 80-to-84-year-olds and 51.6% of 85+ year olds). Applying these percentages to the senior population yields a potential assisted living market of 905 seniors in White Bear Lake.

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

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

For each age group in Table HD-5, we estimate the income-qualified percentage to be all seniors in households with incomes above \$40,000 (who could afford monthly rents of \$3,000+ per month) plus 40% of the estimated seniors in homeowner households with incomes below

\$40,000 (who will spend down assets, including home-equity, in order to live in assisted living housing). This results in a total potential market of 572 units in 2019.

Because the vast majority of assisted living residents are single (88% according to the 2009 Overview of Assisted Living), our demand methodology multiplies the total potential market by the percentage of seniors age 75+ in White Bear Lake living alone. Based on 2017 ACS data, only 55% of age 75+ households in White Bear Lake lived alone. Applying this percentage results in a total base of 317 age/income-qualified singles. The 2009 Overview of Assisted Living found that 12% of residents in assisted living were couples. There is a total of 360 age/income-qualified seniors needing assistance in White Bear Lake including both couples and singles.

We estimate that roughly 60% of the qualified market needing significant assistance with Activities of Daily Living (“ADLs”) would either remain in their homes or less service-intensive senior housing with the assistance of a family member or home health care, or would need greater care provided in a skilled care facility. The remaining 40% could be served by assisted living housing. Applying this potential market penetration rate of 40% results in demand for 144 assisted living units in 2019.

We estimate that a portion of demand for assisted living units (25%) will come from outside of the White Bear Lake. Applying this figure results in total potential demand for 192 market rate assisted living units in White Bear Lake.

There is a total of 118 assisted living units in White Bear Lake. After deducting these competitive units (minus a 93% occupancy rate) from the total demand potential, we calculate that there is current demand for 82 assisted living units in the White Bear Lake in 2019. After applying the aforementioned calculations to the age/income-qualified base in 2024, resulting in demand for 100 units.

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

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

**HOUSING DEMAND ANALYSIS**

<b>TABLE HD-6                      MARKET RATE ASSISTED LIVING DEMAND                      CITY OF WHITE BEAR LAKE                      2019 and 2024</b>						
	2019			2024		
	People	Percent Needing Assistance <sup>1</sup>	Number Needing Assistance <sup>1</sup>	People	Percent Needing Assistance <sup>1</sup>	Number Needing Assistance <sup>1</sup>
Age group						
75 - 79	942	25.5%	<b>240</b>	1,177	25.5%	<b>300</b>
80 - 84	676	33.6%	<b>227</b>	775	33.6%	<b>260</b>
85+	848	51.6%	<b>438</b>	847	51.6%	<b>437</b>
Total	2,466		<b>905</b>	2,799		<b>998</b>
<b>Percent Income-Qualified<sup>2</sup></b>			<b>63%</b>			<b>63%</b>
Total potential market			572			626
(times) Percent living alone			x 55%			55%
(equals) Age/income-qualified singles needing assistance			= 317			346
(plus) Proportion of demand from couples (12%) <sup>3</sup>			+ 43			47
(equals) Total age/income-qualified market needing assistance			= 360			394
(times) Potential penetration rate <sup>4</sup>			x 40%			40%
(equals) Potential demand from White Bear Lake residents			= 144			157
(plus) Proportion from outside White Bear Lake (25%)			+ 48			52
(equals) Total potential assisted living demand			= 192			210
(minus) Existing market rate assisted living units <sup>5</sup>			- 110			110
<b>(equals) Total excess market rate assisted living demand</b>			<b>= 82</b>			<b>100</b>
<sup>1</sup> The percentage of seniors unable to perform or having difficulty with ADLs, based on the publication Health, United States, 1999 Health and Aging Chartbook, conducted by the Centers for Disease Control and Prevention and the National Center for Health Statistics.						
<sup>2</sup> Includes households with incomes of \$40,000 or more (who could afford monthly rents of \$3,000+ per month) plus 40% of estimated owner households with incomes below \$40,000 (who will spend down assets, including home-equity, in order to live in assisted living housing).						
<sup>3</sup> The 2009 Overview of Assisted Living (a collaborative project of AAHSA, ASHA, ALFA, NCAL & NIC) found that 12% of assisted living residents are couples.						
<sup>4</sup> We estimate that 60% of the qualified market needing assistance with ADLs could either remain in their homes or reside at less advanced senior housing with the assistance of a family member or home health care, or would need greater care provided in a skilled care facility.						
<sup>5</sup> Existing and pending units at 93% occupancy.						
Source: Maxfield Research & Consulting, LLC						

### Estimated Demand for Memory Care Housing

Table HD-7 presents our demand calculations for market rate memory care senior housing in White Bear Lake in 2019 and 2024.

Demand is calculated by starting with the estimated White Bear Lake senior (age 65+) population in 2019 and multiplying by the incidence rate of Alzheimer's/dementia among this population's age cohorts. According to the Alzheimer's Association (Alzheimer's Disease Facts and Figures, 2007), 3% of seniors ages 65 to 74, 17% of seniors ages 75 to 84, and 32% of seniors ages 85+ are inflicted with Alzheimer's Disease. This yields a potential market of 630 seniors in White Bear Lake in 2019.

Because of the staff-intensive nature of dementia care, typical monthly fees for this type of housing are at least \$4,000 and range upwards of \$5,000 to \$6,000 when including service packages. Based on our review of senior household incomes in White Bear Lake, homeownership rates and home sale data, we estimate that 54% of seniors in White Bear Lake would have incomes and/or assets to sufficiently cover the costs of memory care housing. This figure takes into account married couple households where one spouse may have memory care needs and allows for a sufficient income for the other spouse to live independently. Multiplying the number of seniors with Alzheimer's/dementia (630 seniors) by the income-qualified percentage results in a total of 341 age/income-qualified seniors in the White Bear Lake in 2019.

According to data from the National Institute of Aging, about 25% of all individuals with memory care impairments comprise the market for memory care housing units. This figure considers that seniors in the early stages of dementia will be able to live independently with the care of a spouse or other family member, while those in the later stages of dementia will require intensive medical care that would only be available in skilled care facilities. Applying this figure to the estimated population with memory impairments yields a potential market of about 85 seniors in the White Bear Lake.

We estimate that 25% of the overall demand for memory care housing would come from outside of White Bear Lake. Together, demand totals 114 memory care units in 2019.

## HOUSING DEMAND ANALYSIS

TABLE HD-7 MARKET RATE MEMORY CARE DEMAND CITY OF WHITE BEAR LAKE 2019 and 2024		
	2019	2024
65 to 74 Population	2,792	3,230
(times) Dementia Incidence Rate <sup>1</sup>	x <u>3%</u>	x <u>3%</u>
(equals) Estimated Age 65 to 74 Pop. with Dementia	= 84	= 97
75 to 84 Population	1,618	1,952
(times) Dementia Incidence Rate <sup>1</sup>	x <u>17%</u>	x <u>17%</u>
(equals) Estimated Age 75 to 84 Pop. with Dementia	= 275	= 332
85+ Population	848	847
(times) Dementia Incidence Rate <sup>1</sup>	x <u>32%</u>	x <u>32%</u>
(equals) Estimated Age 85+ Pop. with Dementia	= 271	= 271
<b>(equals) Total Senior Population with Dementia</b>	<b>= 630</b>	<b>= 700</b>
(times) Percent Income/Asset-Qualified <sup>2</sup>	x <u>54%</u>	x <u>57%</u>
(equals) Total Income-Qualified Market Base	= 341	= 396
(times) Percent Needing Specialized Memory Care Assistance	x <u>25%</u>	x <u>25%</u>
(equals) Total Need for Dementia Care	= 85	= 99
(plus) Demand from Outside the City of White Bear Lake (25%)	+ <u>28</u>	+ <u>33</u>
Total Demand for Memory Care Units	= 114	132
(minus) Existing and Pending Memory Care Units <sup>3</sup>	- 93	- 93
<b>(equals) Excess Demand Potential</b>	<b>= 21</b>	<b>= 39</b>
<sup>1</sup> Alzheimer's Association: Alzheimer's Disease Facts & Figures (2007)		
<sup>2</sup> Includes seniors with income at \$60,000 or above (\$65,000 in 2024) plus 40% of homeowners with incomes below this threshold (who will spend down assets, including home-equity), in order to live in memory care housing.		
<sup>3</sup> Existing memory care units at 7% vacancy rate.		
Source: Maxfield Research & Consulting, LLC		

We reduce the demand potential by accounting for the existing memory care product in White Bear Lake. There is a total of 100 units; however, we reduce the competitive units to include memory care units at a 7% vacancy rate. Subtracting these competitive units results in a demand for 21 units.

The same calculations are applied to the age/income-qualified base in 2024. Following the same methodology, potential demand for market rate memory care units is expected to increase to 39 units in White Bear Lake through 2024.

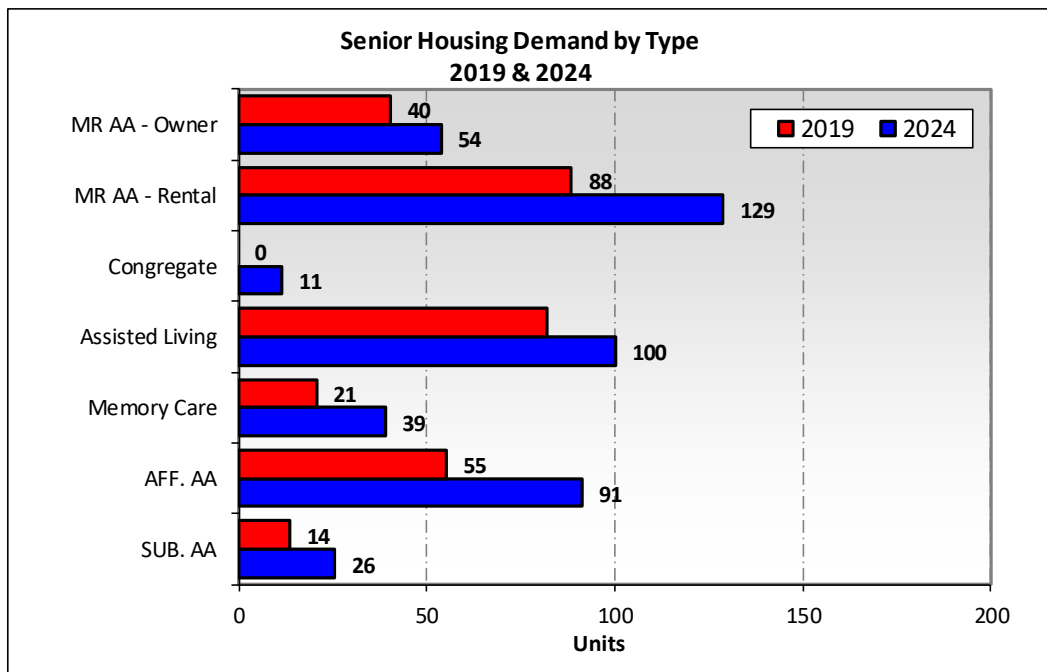
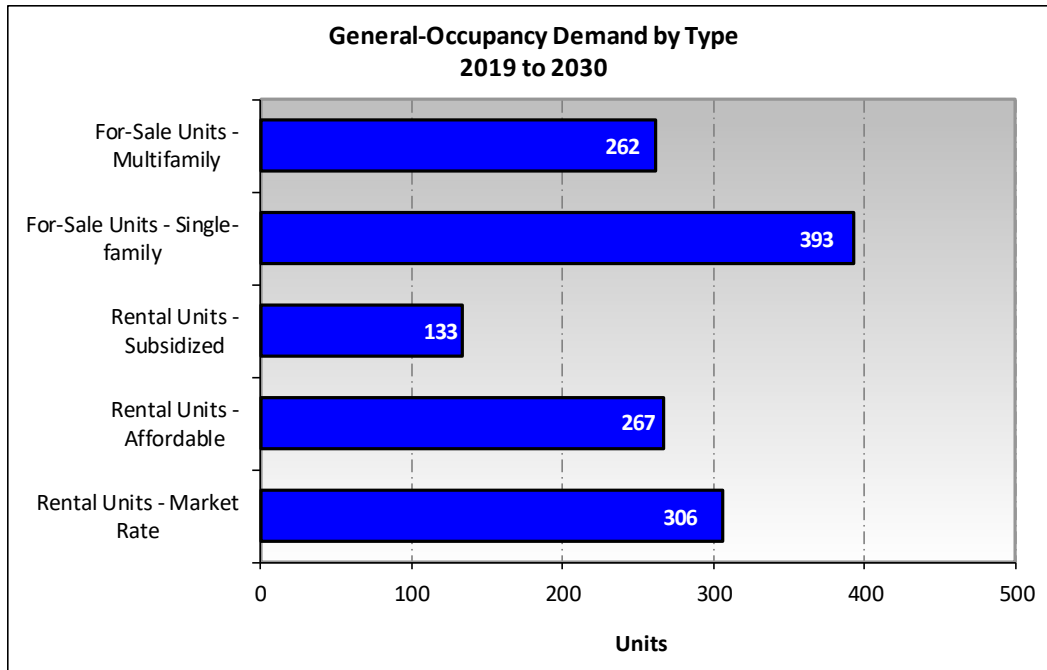


**Introduction/Overall Housing Recommendations**

This section summarizes demand calculated for specific housing products in White Bear Lake and recommends development concepts to meet the housing needs forecast for the City. All recommendations are based on findings of the *Comprehensive Housing Market Study*. The following table and charts illustrate calculated demand by product type. It is important to recognize that housing demand is highly contingent on projected household growth and land availability; household growth could be higher if additional acreage was available for housing development/redevelopment.

<b>TABLE CR-1 SUMMARY OF HOUSING DEMAND CITY OF WHITE BEAR LAKE 2019 to 2030</b>		
<b>Type of Use</b>	<b>2019 - 2030</b>	
<b><i>General-Occupancy</i></b>		
Rental Units - Market Rate	306	
Rental Units - Affordable	267	
Rental Units - Subsidized	133	
For-Sale Units - Single-family	393	
For-Sale Units - Multifamily	262	
<b><i>Total General Occupancy Supportable</i></b>	<b>1,361</b>	
	<b>2019</b>	<b>2024</b>
<b><i>Age-Restricted (Senior)</i></b>		
<b><i>Market Rate</i></b>		
Active Adult	129	183
<i>Ownership</i>	40	54
<i>Rental</i>	88	129
Independent Living	0	11
Assisted Living	82	100
Memory Care	21	39
<b><i>Total Market Rate Senior Supportable</i></b>	<b>231</b>	<b>333</b>
<b><i>Affordable/Subsidized</i></b>		
Active Adult - Subsidized	14	26
Active Adult - Affordable	55	91
<b><i>Total Affordable Senior Supportable</i></b>	<b>69</b>	<b>117</b>
<b>Note: Demand subtracts projects under construction or planned</b>		
Source: Maxfield Research & Consulting, LLC		

## RECOMMENDATIONS AND CONCLUSIONS



Based on the findings of our analysis and demand calculations, Table CR-2 provides a summary of the recommended development concepts by product type for the City of White Bear Lake. 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 White Bear Lake. The recommended development types do not directly coincide with total demand as illustrated in Table CR-1.

## RECOMMENDATIONS AND CONCLUSIONS

<b>TABLE CR-2</b> <b>RECOMMENDED HOUSING DEVELOPMENT</b> <b>CITY OF WHITE BEAR LAKE</b> <b>2019 to 2030</b>				
		<b>Purchase Price/ Monthly Rent Range<sup>1</sup></b>	<b>No. of Units</b>	<b>Development Timing</b>
<b>Owner-Occupied Homes</b>				
<b>Single Family</b>				
	Entry-level	<\$300,000	20 - 25	Ongoing
	Move-up	\$300,000 - \$500,000	60 - 65	Ongoing
	Executive	\$600,000+	50 - 55	Ongoing
	<b>Total</b>		<b>130 - 145</b>	
<b>Townhomes/Twinhomes/Detached Townhomes<sup>2</sup></b>				
	Entry-level	<\$275,000	25 - 30	Ongoing
	Move-up	\$300,000 - \$400,000	30 - 35	Ongoing
	Executive	\$450,000+	20 - 25	Ongoing
	<b>Total</b>		<b>75 - 90</b>	
<b>Condominiums</b>				
	Entry-level	<\$250,000	30 - 35	2020+
	Move-up	\$300,000 to \$450,000	60 - 65	2020+
	Executive	\$500,000+	35 - 40	2020+
	<b>Total</b>		<b>125 - 140</b>	
<b>Total Owner-Occupied</b>			<b>330 - 375</b>	
<b>General Occupancy Rental Housing</b>				
<b>Market Rate Rental Housing</b>				
	Apartment-style (moderate)	\$900/EFF - \$1,800/2BR+D	150 - 175	2020+
	Apartment-style (luxury)	\$1,100/EFF - \$2,600/3BR	100 - 125	2020+
	Townhomes	\$1,700/2BR - \$2,000/3BR	50 - 60	2020+
	<b>Total</b>		<b>300 - 360</b>	
<b>Affordable Rental Housing</b>				
	Apartment-style	Moderate Income <sup>3</sup>	200 - 225	2021+
	Townhomes	Moderate Income <sup>3</sup>	50 - 60	2020+
	Subsidized	30% of Income <sup>3</sup>	100 - 120	2020+
	<b>Total</b>		<b>350 - 405</b>	
<b>Total Renter-Occupied</b>			<b>650 - 765</b>	
<b>Senior Housing (i.e. Age Restricted) - 2019 to 2024</b>				
	Senior Coop./Ownership Active Adult	\$150,000 - \$200,000+	40 - 50	2021+
	Active Adult Market Rate Rental <sup>4</sup>	\$1,300/1BR - \$2,500/2BR	100 - 120	2021+
	Active Adult Affordable Rental <sup>4</sup>	Moderate Income <sup>3</sup>	80 - 90	2020+
	Assisted Living	\$3,000/EFF - \$5,500/2BR	80 - 100	2024+
	Memory Care	\$4,000/EFF - \$6,000/1BR	30 - 40	2022+
	<b>Total</b>		<b>330 - 400</b>	
<b>Total - All Units</b>			<b>1,310 - 1,540</b>	
<sup>1</sup> Pricing in 2019 dollars. Pricing can be adjusted to account for inflation. <sup>2</sup> For-Sale Multifamily includes a variety of multifamily product types; including twinhomes, villas, detached townhomes, row homes, quads, etc. <sup>3</sup> Affordability subject to income guidelines per Minnesota Housing Finance Agency (MHFA). See Table HA-1 for Ramsey County Income limits. <sup>4</sup> Alternative development concept is to combine active adult affordable and market rate active adult into mixed-income senior community <b>Note - Recommended development does not coincide with total demand. White Bear Lake may not be able to accommodate all recommended housing types based on land availability, current policy/programs, and development constraints.</b>				
Source: Maxfield Research & Consulting, LLC				

### Recommended Housing Product Types

#### *For-Sale Housing*

##### *Single-Family Housing*

Table HD-1 identified demand for about 393 single-family housing units in White Bear Lake through 2030. Because of White Bear Lake's location within the Twin Cities Metro Area, the City has a very limited supply of vacant land available for future housing development. Should the land supply be greater in White Bear Lake, we acknowledge that single-family housing demand would be extremely strong for new detached housing subdivisions. However, due to land constraints, new single-family housing is mainly confined to infill, underutilized, teardowns, or re-development areas.

Due to the age, price, and square footages of the existing single-family homes in White Bear Lake, a large portion of the housing stock will continue to appeal to first-time and move-up household types. Because 62% of the owner-occupied housing stock was constructed prior to 1970, remodeling services and replacement need will continue to grow; even more so today given the low supply of homes on the market in White Bear Lake. The type of homes that would be replaced would likely be functionally obsolescent or simply have extensive deferred maintenance in which remodeling alone is no longer justified. As such, some existing homeowners or others seeking to live in White Bear Lake may consider replacing existing housing stock with new single-family housing. Demand for new single-family will be strong across most neighborhoods.

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

Because of the high land acquisition costs in White Bear Lake and today's construction costs, it will be very difficult to build new entry-level single-family homes; hence the target market will be move-up and executive buyers. The majority of new construction single-family demand will be from move-up buyers, or those seeking homes generally priced from \$300,000 to \$500,000. A move-up buyer is typically one who is selling one house and purchasing another one, usually a larger and more expensive home. Usually the move is desired because of a lifestyle change,

## RECOMMENDATIONS AND CONCLUSIONS

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such as a new job or a growing family. However, even at these price points infill and tear downs can be difficult to achieve.

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

There are few new construction single-family homes in White Bear Lake being marketed. The median price per square ("PSF") for new construction in White Bear Lake is \$214 compared to \$152 PSF for existing homes PSF as of September 2019. This is higher than the Metro Area and Ramsey County. Because of smaller lot sizes the median foundation size is about 1,170 square feet which is significantly lower than most new construction across the Metro Area. The high cost in White Bear Lake is driven by lack of land supply and the site acquisition costs.

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

A growing number of households desire alternative housing types such as townhouses, detached townhomes, and twinhomes. Typically, the target market for for-sale multifamily housing is empty-nesters and retirees seeking to downsize from their single-family homes. In addition, professionals, particularly singles and couples without children, also will seek townhomes if they prefer not to have the maintenance responsibilities of a single-family home. In many housing markets, younger households also find purchasing multifamily units to be generally more affordable than purchasing new single-family homes. This is particularly true in White Bear Lake where many townhomes have been developed last decade that cater to first-time home buyers.

As Table FS-2 showed, multifamily resales make-up about 24% of the for-sale housing market in White Bear Lake since 2000. However, the median resales price has been around 20% lower than single-family housing. The median sales price has increased significantly since 2011 when townhome foreclosures dominated the market.

Based on the changing demographics and the need for alternative housing types, demand was calculated for 262 new multifamily for-sale units in White Bear Lake through 2030. Given the aging of the population, desire for association-maintained housing, and affordability; White Bear Lake is expected to see an increase of attached housing product type. Neighborhoods near Downtown White Bear Lake will be in high demand as buyers seek proximity to retail, parks, walking paths, and transit. These attached units could be developed as twin homes, detached townhomes or villas, townhomes/row homes, or any combination. We recommend offering both one-level and two-story townhome units; however two-story units should have the option for a master suite on the main level.

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

- *Twinhomes*– By definition, a twin home is basically two units with a shared wall with each owner owning half of the lot the home is on (also referred to as a duplex). Some one-level living units are designed in three-, four-, or even six-unit buildings in a variety of configurations. The swell of support for twinhome and one-level living units is generated by the aging baby boomer generation, which is increasing the numbers of older adults and seniors who desire low-maintenance housing alternatives to their single-family homes but are not ready to move to service-enhanced rental housing (i.e. downsizing or right sizing).

Traditionally most twin home developments have been designed with the garage being the prominent feature of the home; however, today's newer twin homes have much more architectural detail. Many higher-end twinhome developments feature designs where one garage faces the street and the other to the side yard. This design helps reduce the prominence of the garage domination with two separate entrances. Housing products designed to meet the needs of these aging White Bear Lake residents, many of whom desire to stay in their current community if housing is available to meet their needs, will be needed into the foreseeable future.

Twinhomes are also a preferred for-sale product by builders in today's market as units can be developed as demand warrants. Because twinhomes bring higher density and economies of scale to the construction process, the price point can be lower than stand-alone single-family housing with similar finishing's and square footage. Move-up twinhomes have especially been popular in the Twin Cities Metro Area over the past five years and have commanded price premiums. Most new twinhomes in the Twin Cities have catered to the move-up or "right-sized" buyers that have commanded prices from \$350,000 to \$550,000 on average. Most of these homes feature a main-level floor plan averaging 1,500 square feet plus lower levels, resulting in an average total finished square footage of about 2,350 square feet. Lot sizes typically average about 40' wide and range from 36' wide to 50' wide.

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

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

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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.

Current detached townhomes marketing in White Bear Lake are among the lowest priced in the entire Metro Area at around \$290,000 with about 1,500 square feet (\$190 PSF). 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 \$300,000 (slab-on-grade) and will fluctuate based on custom finishes, upgrades, etc. However, similar to twin homes this style of home has lower densities and will be difficult to construct in White Bear Lake due to land availability.

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

Side-by-side townhomes were overbuilt across the Metro Area last decade and suffered during the recession from foreclosures and short sales. Many of these properties were attractive to investors who purchased the homes and converted to townhome rentals. New construction townhomes have begun to bounce back in the Metro Area as there is a shortage of affordably priced new construction. Prior to the recession new construction townhomes were typically priced around \$200,000; however today entry-level townhomes in the Metro Area have pushed closer to \$275,000.

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

Side-by-side townhomes base pricing should start from \$275,000 and would be attractive to a variety of first-time and move-up buyers. Because of the growth in the older population, two-story units should be designed with the option of a master suite on the main level. Side-by-side townhomes command the highest density among the various townhome products and would be the recommended concept for White Bear Lake.

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- *Condominiums* – Given White Bear Lake’s convenient location to the Twin Cities; White Bear Lake is well-positioned to attract future condominium development. Condominium development across the Metro Area has been slow since the Great Recession. At first the condominium slowdown was a result of overbuilding and subprime lending leading up to the housing crash and ensuing recession. However, demand has returned while development has waned in part due to statutory laws. Due to the statutory home warranty changes initiated in 2010; builders and developers focused on less adverse real estate types due to regulatory effects. In addition to pre-sale requirements and owner-occupied minimums by lenders, condominium developers and contractors faced a wave of litigation over the past decade related to condo projects that were built prior to the recession, which deterred building.

However, in 2017 the State Legislature revised the state law and requires homeowner’s association to implement a preventative maintenance plan, go through mediation, and have the majority of the home owner’s association members to vote on whether they will proceed with a construction defect lawsuit. As a result of the new modifications to the law, new condominium and townhome developments are more likely to move forward.

New condominium projects in White Bear Lake would appeal to a wide range of buyers, including entry-level, move-up, and executive buyers, as well as independent seniors. These prospective buyers would be attracted to condominium housing near Downtown White Bear Lake due to the proximity to retail and services, other major roadways and transit, and employment in White Bear Lake and Downtown St. Paul.

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

Our competitive inventory identified that the vacancy rates for all types of general occupancy rental product is below market equilibrium (2.6% vacancy rate) indicating pent-up demand for rental housing. Vacancy rates are low for both affordable rental housing (0.8%) and market rate housing (3.1%). The rental housing stock in White Bear Lake (Med. Year Built: 1981) is newer compared to the median year built in Ramsey County (Med. Year Built: 1970), however only three identified general occupancy rental developments have been built since 2000 (*Boatworks Commons, Hoffman Place Apts., and Lakewood Place Apts.*). As Table P-1 illustrated, there is one project under construction, located at the intersection of County Road East and Linden Avenue, that will bring another 192 market rate units. Similar across the Metro Area, market rate rental housing is the real estate product type experiencing the strongest demand and lenders favor this product type given the historic performance. However, the Metro Area is peaking and the overall market is expected to experience increased vacancies as over 8,000 units were completed 2019 and another 11,000 are expected for 2020.



## RECOMMENDATIONS AND CONCLUSIONS

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- Market Rate Rental – Demand for market rate housing was found for almost 490 units through 2030. However, the one project under construction will include a total of 192 units that would accommodate some of the recommended rental housing demand over the next decade so demand is reduced to 306 units through 2030. Currently, vacancies rates are below equilibrium suggesting the market has pent-up demand for new rental product.

We recommend new market rate housing targeting both middle-market and upper-bracket renters. In addition, we recommend a townhome style product that would have separate entrances; a product type that is popular among a wide-range of target demographics (i.e. families, couples, single parents, etc.)

- Affordable/Subsidized General Occupancy Multifamily Housing – There is one newer affordable rental housing project in White Bear Lake constructed in 2010; this development has no vacant units as of September 2019. The existing products target households between 50% and 60% of area median income. However, new affordable projects would have income-restrictions established by HUD and could target households with incomes between 50% to 80% of area median income; however, some could be workforce units with affordability up to 120% AMI.

Because of the stronger household incomes in White Bear Lake and modest market rate naturally occurring affordable rentals, affordable housing demand is lower than market rate housing. Together with subsidized housing, we find demand for about 400 income-restricted units in White Bear Lake. However, since affordable housing developments are in high demand the need is higher as a new project would be attractive to households living outside of White Bear Lake.

Affordable housing attracts households that cannot afford market rate housing units but do not income-qualify for deep subsidy housing. One-bedroom units target singles and couples, whereas two and three-bedroom units target families. Some retired seniors would also be attracted to an affordable concept. We recommend affordable concepts that would target residents at 50% to 60% AMI; but could also target the workforce population with higher AMI guidelines.

Demand is strong for both stand-alone tax credit projects and for mixed-income market rate developments that have a small proportion of units at 50% to 60% AMI. Similar to market rate general-occupancy rental housing, new affordable development will likely occur in multifamily development with higher densities. There is also very strong demand for rental townhomes; especially for families with children.

### ***Senior Housing***

As illustrated in Table CR-1, demand exists for most types of senior housing product types in White Bear Lake. Over the course of the next five years, there is demand for roughly 450 new senior units through 2024. The unmet 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 White Bear Lake: older adult and senior residents are able to relocate to new age-restricted housing in White Bear Lake, and existing homes and rental units that were occupied by seniors become available to other new households. Hence, development of additional senior housing does not mean the housing needs of younger households are neglected; it simply means that a greater percentage of housing need is satisfied by housing unit turnover. The types of housing products needed to accommodate the aging population base are discussed individually in the following section.

- *Active Adult Senior Cooperative/Owner* – There are two age-restricted senior housing ownership projects (*Hidden Pathways: Condos & Townhomes*) in White Bear Lake, totaling 75 units. Maxfield Research and Consulting, LLC projected demand for 54 ownership units over the next five years. The cooperative model, in particular, appeals to a larger base of potential residents in that it has characteristics of both rental and ownership housing. Cooperative developments allow prospective residents an ownership option and homestead tax benefits without a substantial upfront investment as would be true in a condominium development or life care option. Maxfield Research & Consulting, LLC has found the cooperative model to be very well-accepted in suburban communities in the Twin Cities Metro Area and across the Midwest. As such, we recommend a 40 to 50-unit senior cooperative later this decade with sliding scale share costs starting at about \$150,000.
- *Active Adult Rental (Market Rate)* – Demand was projected for about 130 market rate active adult rental units in White Bear Lake through 2024; the second highest among senior housing categories. Currently, there are three existing market rate active adult facilities in White Bear Lake totaling 259 units.

Development of this product could be in a separate stand-alone facility or in a mixed-income project. A mixed-income building could include a portion of units that would be affordable to seniors with incomes established the Minnesota Housing Finance Agency. We recommend multiple projects and or concepts to meet the growing active adult demand. The project should have modest rents with base monthly rents starting at \$1,300 per month for one-bedroom units and from \$2,500 or more for two-bedroom units. The project should offer transportation, activities, and optional services for housekeeping, etc.

- *Affordable/Subsidized Active Adult Rental* – White Bear Lake’s demand for affordable and subsidized senior housing is approximately 90 affordable units and 25 subsidized units through 2024. Although this product would be well received by seniors in and near the

## RECOMMENDATIONS AND CONCLUSIONS

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White Bear Lake area; it can be difficult to develop given financing challenges and development costs. Affordable senior housing will likely be a low-income tax credit project through the Minnesota Housing Finance Agency (MHFA). MHFA recently started to consider affordable senior housing projects under the tax credit program and is slowly starting to expand financing for this product type. Affordable/subsidized senior housing products can also be incorporated into a mixed-income building which may increase the projects financial feasibility. We recommend a 90 to 90-units affordable building that could be a stand-alone concept or incorporated into a mixed-income building.

- *Assisted Living and Memory Care Senior Housing* – We project current demand for about 100 total units in 2019. Demand for service-based housing will continue to escalate after 2024 as the baby boomers start to desire services as the decade progresses. Demand was projected for about 100 units of assisted living and 39 units of memory care over the next five years.

We recommend assisted living units include a mix of studio, and one-bedroom, and a few two-bedroom units with base monthly rents ranging from \$3,000 to \$5,500. Memory care unit mix should be mostly studios and one-bedroom units with base monthly rents ranging from \$4,000 to \$6,000. Memory care units should be located in a secured, self-contained wing located on the first floor of a building and should feature its own dining and common area amenities including a secured outdoor patio and wandering area.

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

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

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

### Challenges and Opportunities

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

- **Age of Housing Stock.** As illustrated in *the Housing Characteristics* Section of the report (Table HC-3, the median year built for a home in White Bear Lake is 1969 and only 18% of the housing stock was built in the past two decades. As such, White Bear Lake’s housing stock is on the older side compared to many Twin Cities suburban communities. In addition, about 22% of the housing stock in White Bear Lake was constructed in the 1960s, a portion of the housing stock in White Bear Lake may be in need of remodeling programs that reinvest into the city’s owner and renter housing stock.
- **Affordability.** As illustrated in Table HA-4, most householders (75%) can afford the average market rate rent for a one-bedroom at an existing rental project (\$1,055) in White Bear Lake. However, when adjusted for rental household incomes the affordability decreases as 47% of renters could afford a one-bedroom rent. At the same time, household incomes for White Bear Lake householders are comparable to neighboring communities, with a median income of \$72,811. Newer rental housing developments located near Downtown White Bear Lake and transit corridors attract “lifestyle renters” or those with higher incomes who have enough money to purchase a home but choose to rent for the convenience and lifestyle. Many of these renters may be cost burdened, but they choose so for the location, amenities, and proximity to transit and other amenities.
- **Housing Resources & Programs.** Many communities and local Housing and Redevelopment Authorities (HRAs) 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. The City of White Bear Lake does not have any specific city sponsored financial assistance housing programs that are found in other suburban communities that have a local HRA. However, many of these cities have funding mechanisms and other levies to assist with the cost of offering these programs. The following is a sampling of potential programs that could be explored to aid and improve White Bear Lake’s housing stock.
  - 4d Affordable Housing Tax Incentive - Offers rental property owners a 40% tax rate reduction and limited grant assistance for units that remain affordable for ten years. Property owners can invest the savings into updating and maintaining their naturally occurring affordable housing units.

## CHALLENGES AND OPPORTUNITIES

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- Construction Management Services – Assist homeowners regarding local building codes, reviewing contractor bids, etc. Typically provided as a service by the building department. This type of service could also be rolled into various remodeling related programs.
- Corridor Housing Program - Program where city provides a funding source to acquire sites for multifamily housing development on or near community, commercial, or transit corridors. Funds can also be utilized to assemble larger redevelopment sites for new mixed-income and ownership multifamily housing. At least 20% of the units need to be affordable. Typically located near a TOD or BRTOD location.
- Density Bonuses – Since the cost of land is a significant barrier to housing affordability, increasing densities can result in lower housing costs by reducing the land costs per unit. The City of White Bear Lake can offer density bonuses as a way to encourage higher-density residential development while also promoting an affordable or mixed-income 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.
- First-Time Home Buyers - Below market-rate mortgage loans for first-time homebuyers, or those who have not owned a home in the past three years. Financial assistance may also be available for down payment, closing costs, and principle reduction. Usually subject to income guidelines, purchase price limits, and eligible property. Some cities partner with a 3rd party.
- Home Improvement Area (HIA) - HIAs allow a townhome or condo association low interest loans to finance improvements to common areas. Unit owners repay the loan through fees imposed on the property, usually through property taxes. Typically, a "last resort" financing tool when associations are unable to obtain traditional financing due to the loss of equity from the real estate market or deferred maintenance on older properties.
- Housing Trust Fund – provides gap financing for affordable and mixed-income rental housing, housing production and preservation projects. The purpose of this program is to finance the production and preservation/stabilization of affordable and mixed-income rental housing projects.
- Inclusionary Housing – Inclusionary housing policies and programs rely on private sector housing developers to create affordable housing as they develop market rate projects. Inclusionary zoning encourages or mandates the inclusion of a set proportion of affordable housing units in each new market rate housing development above a certain size. These programs are popular in very urban locations including inner-ring suburbs, where the cost of land prohibits affordable housing production.
- Infill Lots – The City or HRA purchase blighted or substandard housing units from willing sellers. After the home has been removed, the vacant land is placed into the program for future housing redevelopment. Future purchasers can be builders or the future owner-occupant who has a contract with a builder. Typically, all construction must be completed within an allocated time-frame (one year in most cases).

## CHALLENGES AND OPPORTUNITIES

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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.
- Land Trust - Utilizing a long-term 99-year ground lease, housing is affordable as the land is owned by a non-profit organization. Subject to income limits and targeted to work-force families with low-to-moderate incomes. If the family chooses to sell their home, the selling price is lower as land is excluded.
- 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.).
- NOAH Preservation Fund - assists qualified buyers to acquire and preserve Naturally Occurring Affordable Housing (NOAH) rental property that are at risk of increased rents in order to protect low-income tenants occupying such housing that are at risk of involuntary displacement.
- 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 Rehab Fund – assists owners of eligible rental properties with costs related to maintenance, energy efficiency improvements, and code violation improvements. Some cities forgive the loan after a specified period of time, others require repayment at time the property is sold or in 30 years.
- Rent to Own - Income-eligible families rent for a specified length of time with the end-goal of buying a home. The HRA saves a portion of the monthly rent that will be allocated for a down payment on a future house.
- Shallow Rent Subsidy: The HRA funds a shallow rent subsidy program to provide program participants living in market rate rentals a rent subsidy (typically about \$100 to \$300 per month).
- Tax Increment Financing (TIF): Program that offers communities a flexible financing tool to assist housing projects and related infrastructure. TIF enables communities to dedicate the incremental tax revenues from new housing development to help make the housing more affordable or pay for related costs. TIF funds can be used to provide a direct subsidy to a particular housing project or they can also be used to promote affordable housing by setting aside a portion of TIF proceeds into a dedicated fund from other developments receiving TIF.
- Transfer of Development Rights – Transfer of Development Rights (TDR) is a program that shifts the development potential of one site to another site or different location,

## CHALLENGES AND OPPORTUNITIES

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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.
- **Hugo.** Due to the limited supply of vacant land suitable for low density residential housing in White Bear Lake, many people may consider neighboring communities, such as Hugo. New single-family construction activity is significantly more active in Hugo and much of the city is located within the White Bear Lake School District No. 624, which would accommodate those seeking new single-family housing but want to stay in the same school district. In November 2019, voters approved a \$326 million bond to fund construction projects across the district as it expects an increase of 2,000 students over the next 10 years. In addition, Downtown Hugo is located just five miles north of White Bear Lake on U.S. Highway 61, it could attract many White Bear Lake households seeking newer single-family housing.

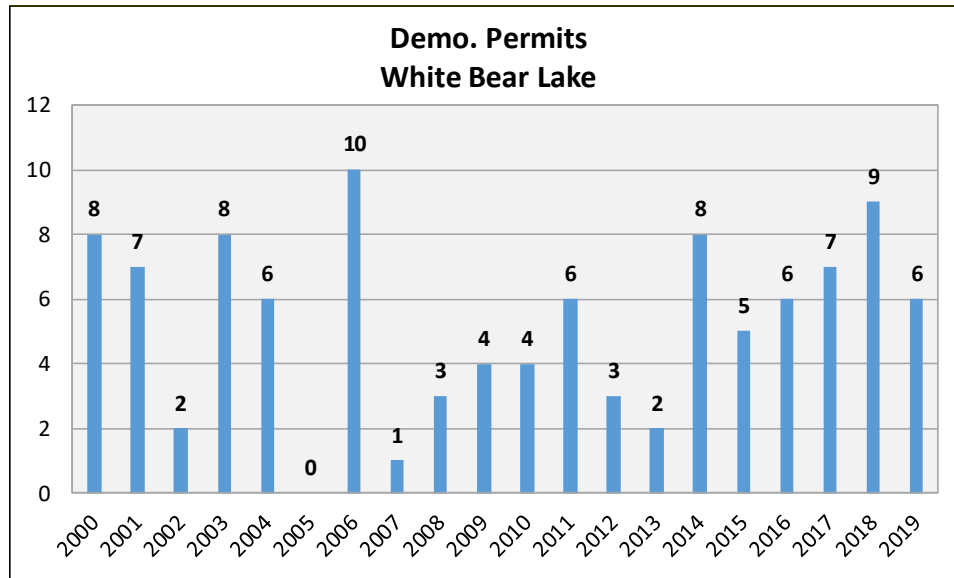
New construction in Hugo generally starts around \$350,000, with the bulk of homes in the \$400s. Executive, custom homes new construction range from \$600,000 to \$750,000.

- **Job Growth/Employment/Outflow.** Historically, low unemployment rates have driven both existing home purchases and new-home purchases. Lack of job growth leads to slow or diminishing household growth, which in-turn relates to reduced housing demand. Like most areas across the Twin Cities and Minnesota, the unemployment rate in White Bear Lake peaked in 2009 during the Great Recession at 9.5%. However, over the past nine years the unemployment rate has decreased annually and is presently at only 2.8% in White Bear Lake through 2018. Although the low unemployment rate is positive, if the unemployment rate continues to decline it could be difficult for White Bear Lake businesses to find enough labor to fill job openings.

Like many suburban communities in the Metro Area, White Bear Lake householders are commuting outside the city for employment. Only 11% of White Bear Lake's householders are also working in White Bear Lake; meaning almost 90% of White Bear Lake householders commute for employment outside of White Bear Lake. Additional job creation in White Bear Lake will result in household growth that could exceed projections and accelerate housing demand.

- **Land Constraints/Infill/Teardowns.** As previously stated, White Bear Lake has few existing areas within the community that can accommodate single-family residential development; let alone townhomes or twinhomes. White Bear Lake has a very limited supply of residential lots suitable for single- or two-family housing developments; as such future development will likely occur on infill or redevelopment sites throughout the City. Because of the

low lot supply, the city may not achieve the housing demand outlined in Table CR-1 unless infill or teardowns prevail. Finally, the lack of supply drives up the cost of land which places upward pressure on the retail housing price.



Because of White Bear Lake’s location and unique neighborhoods near the lake and downtown, teardowns should continue to be in strong demand in the foreseeable future. As outlined over the past twenty years, White Bear Lake has averaged about five demolition permits annually that have been mostly teardowns through July 2019. A teardown is defined as a “one-to-one” replacement of an existing housing unit that is replaced with new construction. Teardowns will continue to be popular providing it makes economic sense, where the value of land meets or exceeds the value of the both the lot and house that is currently occupied.

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

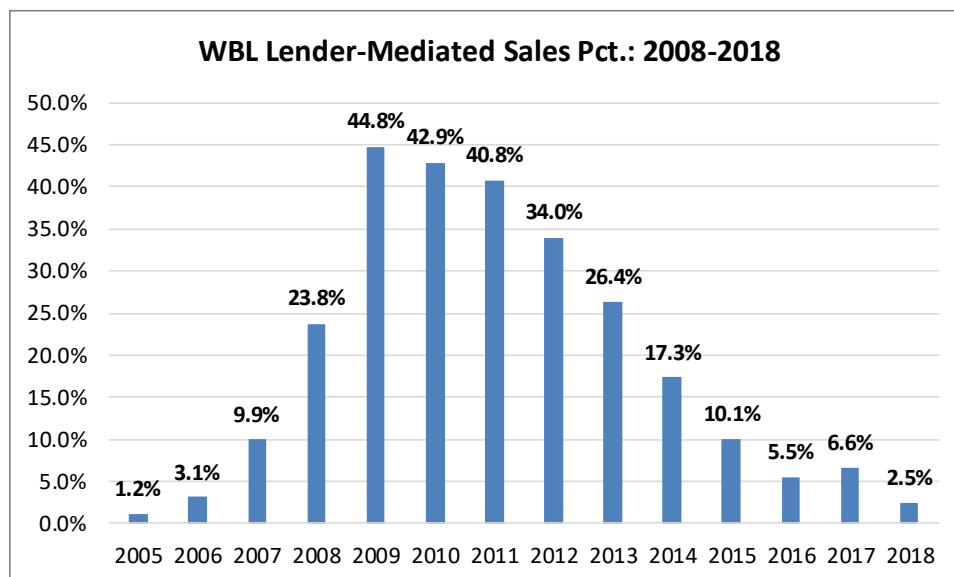
- **Land Supply (Lack of).** As a third-ring suburban community, White Bear Lake lacks developable land to accommodate all the demand and recommended concepts in Table CR-2. Development will be primarily via redevelopment or any infill sites. Due to White Bear Lake’s convenient location, housing demand could be significantly higher should White Bear Lake have the available land to accommodate future growth.

At the time of this study, there were very few marketing single-family residential lots in White Bear Lake. As a result, any new single-family housing production would mainly be confined to infill, teardowns, or redevelopment areas. The lack of land supply in White Bear Lake drives up the cost of land acquisition which in turn is eventually passed along to the consumer.



## CHALLENGES AND OPPORTUNITIES

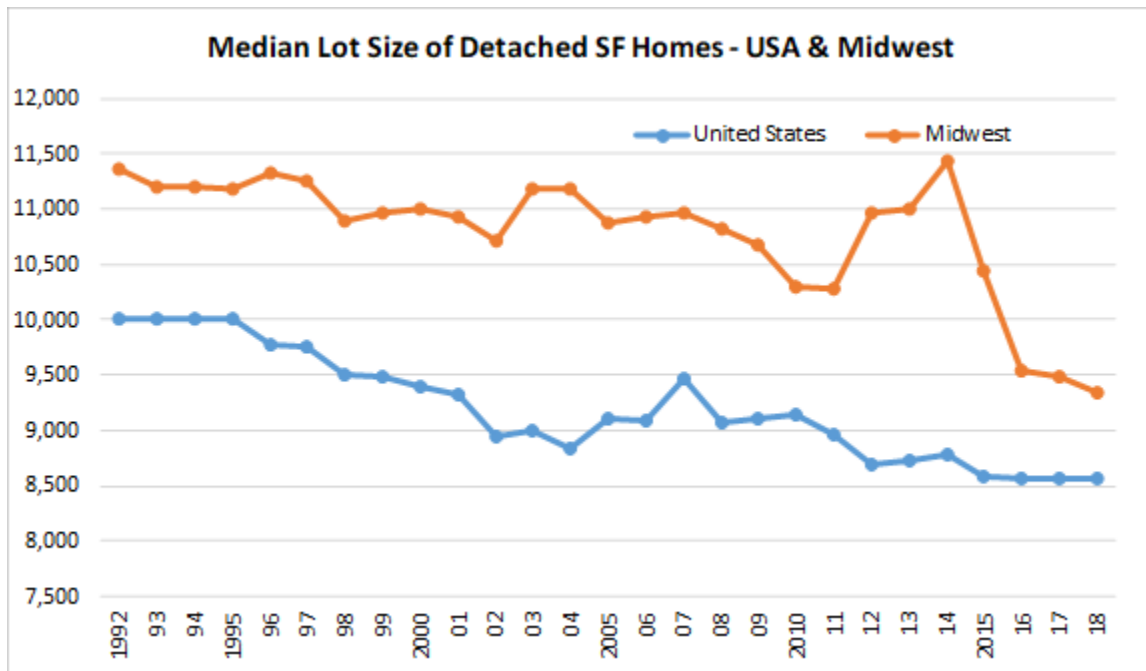
- **Lake Property/Old White Bear Lake.** The City of White Bear Lake has a variety of festivals and recreational uses centered around White Bear Lake throughout all seasons. Because of the City's location on the lake, the City is a popular destination for home buyers who desire lake frontage or lake access. The neighborhood between White Bear Lake and east of Highway 61 (Old White Bear Lake) is high demand and home prices are among the highest in the community. In addition to being adjacent to Downtown White Bear Lake and near the recreational amenities of White Bear Lake; this neighborhood boasts historic architecture with strong curb appeal. Original cabins or cottages constructed last century can be purchased in the \$200,000 range; however most up-to-date homes within a few blocks of the lake fetch home prices of \$500,000 or more. Given the unique characteristic of this neighborhood, demand will be strong for real estate in this neighborhood.
- **Lender-mediated Properties.** Lender-mediated properties in White Bear Lake 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 transactions between 2009 and 2012 declining annually since and comprising about 2.5% of transactions in 2018. White Bear Lake, like other suburban communities, experienced foreclosure rates similar to other 3<sup>rd</sup>-tier communities in the Metro Area. 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 White Bear Lake 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:** Across the Twin Cities and the U.S. there has been a growing trend of lot size compression for decades and especially since the Great Recession of last decade. As illustrated in the chart below, the median lot size of a new single-family detached home in the United

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States sold in 2018 (most recent statistics) dropped to its smallest size since the Census Bureau has been tracking lot sizes. Nationwide median lot sizes have dropped below 8,600 square feet (0.20 acres), down about 8% since 2010. Historically lot sizes in the Midwest have been about 15% larger than nationwide trends, however, Midwest lot sizes are also down about 10% since 2010.



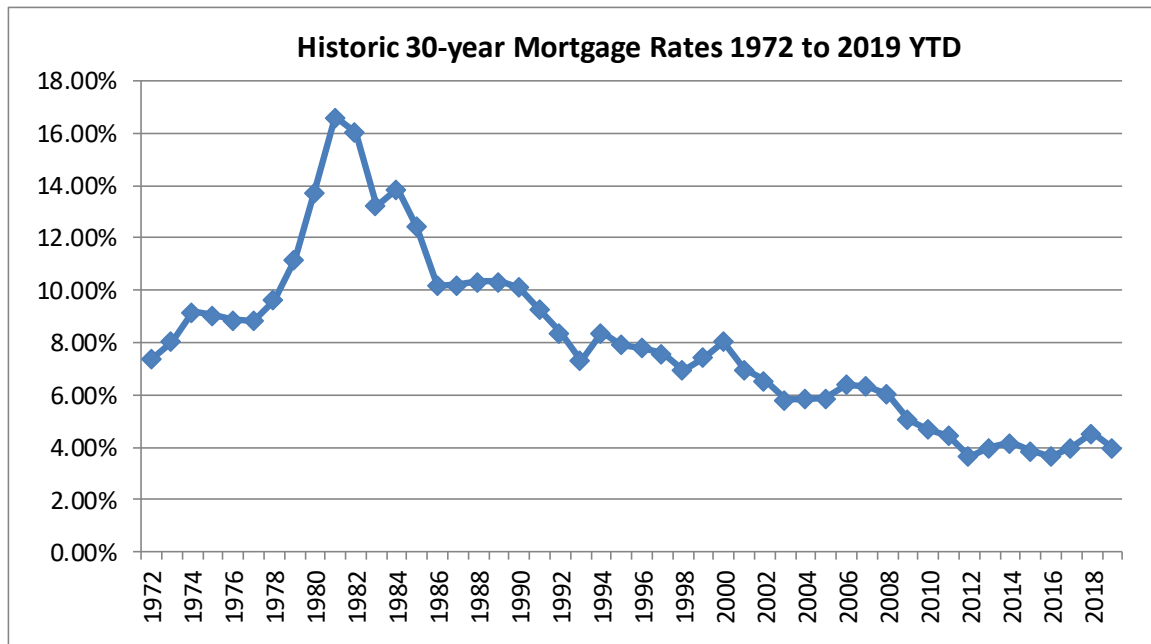
Lot sizes have decreased in part due to increasing raw land, lot prices, and rising regulatory and infrastructure costs (i.e. curb and gutter, streets, etc.). As a result, builders and developers have reduced lot sizes in an effort to increase density and absorb higher land development costs across more units. Many new single-family subdivisions have lot widths of about 65 to 75 feet, down from the standard width of 80 to 90 feet prior to the Great Recession. Because many local governments have large minimum lot size requirements, the cost of housing continues to rise as developers and buyers may be required to purchase a lot this is larger than they prefer. Infill new construction in White Bear Lake will most likely occur on lots with widths around 50-feet at the front setback.

- **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. Although rates ticked-up in 2018 and early 2019, concerns about global growth have pushed long-term interest rates lower as mortgage rates have fallen to their lowest levels since 2017. The Federal Reserve has cut rates three times and has hinted it will continue to cut rates should economic head-

## CHALLENGES AND OPPORTUNITIES

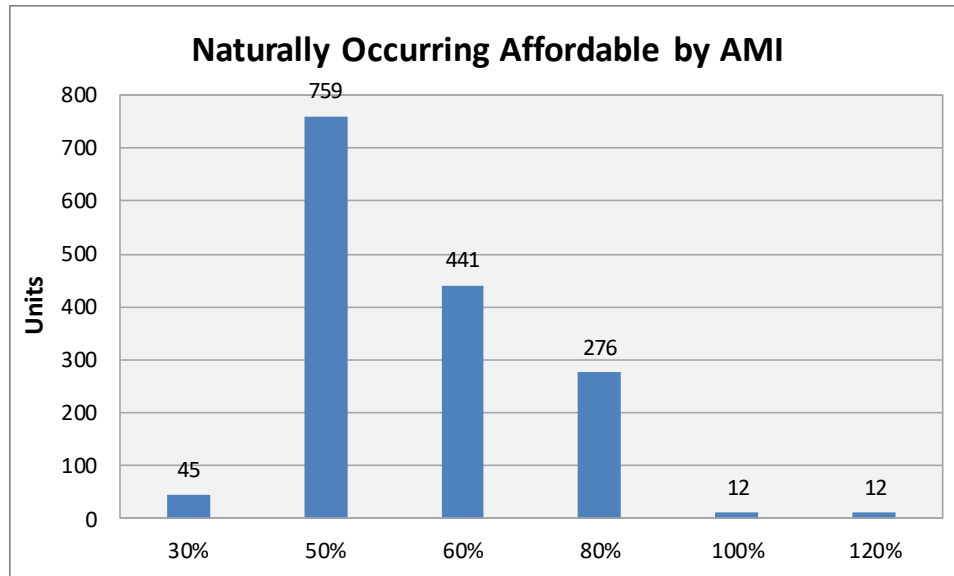
winds arise. A rate cut would further reduce lending costs and increase affordability. A significant increase in rates (+1% or more; over 5% in the short term – although unlikely in next year) would greatly affect the housing market and would slow projected for-sale housing demand.

The following chart illustrates historical mortgage rate averages as compiled by Freddie Mac. The Freddie Mac Market Survey (PMMS) has been tracking mortgage rates since 1971 and is the most relied upon benchmark for evaluating mortgage interest market conditions. The Freddie Mac survey is based on 30-year mortgages with a loan-to-value of 80%.



- **Naturally Occurring Affordable Housing/Preservation.** Based on the rental rates among the rental housing stock inventoried in White Bear Lake, about 78% of the market rate rental units are considered affordable at 50% and 60% AMI. Although the majority of new rental housing in White Bear Lake is considered move-up or luxury rentals; 18% of all units in White Bear Lake are considered affordable at 80% AMI.

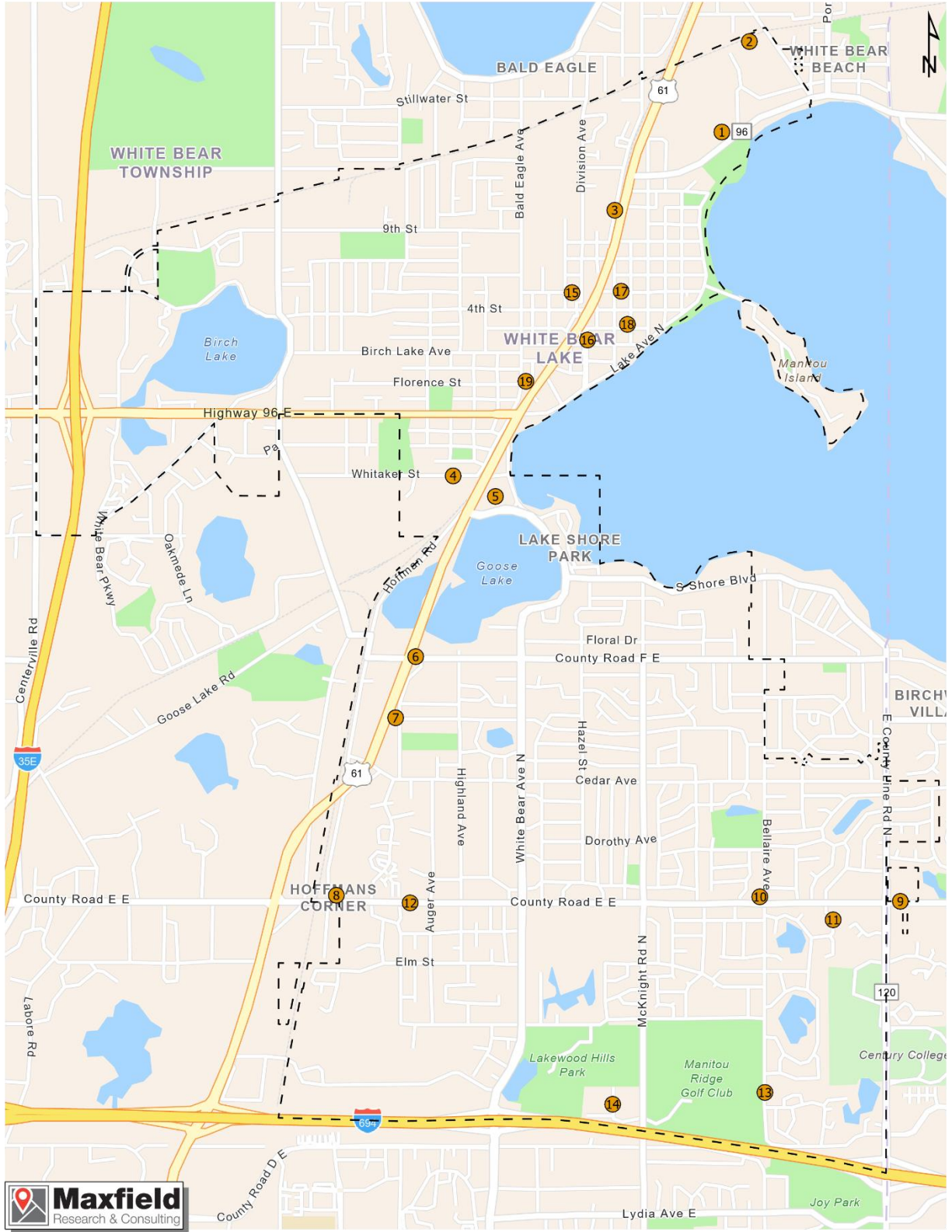
According to the Harvard's Joint Center for Housing Studies (JCHS) unsubsidized rentals account for more than 75% of the affordable housing stock in the United States. It is estimated that over one-third of the naturally occurring affordable housing stock is composed of smaller multifamily buildings from 5 to 49 units. Within the Twin Cities Metro Area, it is estimated that about 60% of the rental stock is unsubsidized rentals affordable to households at or below 50% AMI.



Because the unsubsidized housing market is unregulated and is fluid, there is the chance some affordable market rate units could be lost. New construction costs for apartments in White Bear Lake will likely exceed \$180,000 per unit; whereas an older Class B or Class C rental building may be acquired for under \$100,000 per unit. Therefore, it is typically more economical to rehabilitate an existing property than build a new one. Because of the high cost of new construction, we recommend the City monitor and maintain the unsubsidized rental market as an effort to maintain the affordable housing product type.

- **Opportunity Sites.** The City of White Bear Lake has identified 20 opportunity sites for redevelopment totaling over 100 acres. Some sites have several parcels clustered that, combined could be considered as one site. The opportunity sites are classified for a variety of residential and commercial uses, including Low – High Density Residential, Mixed Use, and Transit Oriented Development. The City should continue to evaluate each of these locations to consider how redevelopment can fully benefit the adjacent neighborhood and satisfy various housing needs in the community. A map with the location of the opportunity sites can be found on the following page.

City of White Bear Lake Identified Opportunity Sites



Map Key located on following page

<b>MAP KEY</b> <b>OPPORTUNITY SITES</b> <b>CITY OF WHITE BEAR LAKE</b>	
1	Kyle Property
2	Book Parcel
3	Long Avenue
4	Former Public Works Site
5	Marina Triangle Phase II
6	Auto Dealers
7	Auto Dealers II
8	County Road E East & Linden Avenue
9	Wildwood Mall
10	County Road E & Bellaire Avenue
11	Rolling View Drive
12	Rooney's Farm
13	Former Bellaire Clinic
14	Karth Road Properties
15	Downtown Site 1: 4th & Bloom
16	Downtown Site 2: US Bank Site
17	Downtown Site 3: Post Office Site
18	Downtown Site 4: 3rd & Cook
19	Downtown Site 5: Lowell Triangle
Source: Maxfield Research & Consulting, LLC	

- White Bear Lake Downtown.** The 81+-acre Downtown is centered around Highway 61 and is the epicenter of activity in the City of White Bear Lake. Several general occupancy rental and senior housing projects are located in Downtown White Bear Lake or in neighborhoods adjacent Downtown. The opportunity sites in or near Downtown will be favored from multi-family housing developers due to the proximity to transit, retail, services, and parks. However, as vacant parcels are absorbed it will be imperative for the City of maintain other higher-density guided land to accommodate future multifamily housing products. Property in the downtown core is very attractive for higher-density housing in a mixed-use format.

**APPENDIX**

## Definitions

**Absorption Period** – The period of time necessary for newly constructed or renovated properties to achieve the stabilized level of occupancy. The absorption period begins when the first certificate of occupancy is issued and ends when the last unit to reach the stabilized level of occupancy has signed a lease.

**Absorption Rate** – The average number of units rented each month during the absorption period.

**Active adult (or independent living without services available)** – Active Adult properties are similar to a general-occupancy apartment building, in that they offer virtually no services but have age-restrictions (typically 55 or 62 or older). Organized activities and occasionally a transportation program are usually all that are available at these properties. Because of the lack of services, active adult properties typically do not command the rent premiums of more service-enriched senior housing.

**Adjusted Gross Income “AGI”** – Income from taxable sources (including wages, interest, capital gains, income from retirement accounts, etc.) adjusted to account for specific deductions (i.e. contributions to retirement accounts, unreimbursed business and medical expenses, alimony, etc.).

**Affordable housing** – Housing that is income-restricted to households earning at or below 80% AMI, though individual properties can have income-restrictions set at 40%, 50%, 60% or 80% AMI. Rent is not based on income but instead is a contract amount that is affordable to households within the specific income restriction segment. It is essentially housing affordable to low or very low-income tenants.

**Amenity** – Tangible or intangible benefits offered to a tenant in the form of common area amenities or in-unit amenities. Typical in-unit amenities include dishwashers, washer/dryers, walk-in showers and closets and upgraded kitchen finishes. Typical common area amenities include detached or attached garage parking, community room, fitness center and an outdoor patio or grill/picnic area.

**Area Median Income “AMI”** – AMI is the midpoint in the income distribution within a specific geographic area. By definition, 50% of households earn less than the median income and 50% earn more. The U.S. Department of Housing and Urban Development (HUD) calculates AMI annually and adjustments are made for family size.

**Assisted Living** – Assisted Living properties come in a variety of forms, but the target market for most is generally the same: very frail seniors, typically age 80 or older (but can be much younger, depending on their particular health situation), who are in need of extensive support services and personal care assistance. Absent an assisted living option, these seniors would otherwise need to move to a nursing facility. At a minimum, assisted living properties include



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

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

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

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

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

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

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

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

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

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

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

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

**Elderly or Senior Housing** – Housing where all the units in the property are restricted for occupancy by persons 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 – Ramsey County 2019

	Fair Market Rent				
	EFF	1BR	2BR	3BR	4BR
Fair Market Rent	\$763	\$915	\$1,151	\$1,636	\$1,923

**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 Ramsey County in 2019 are as follows:

**Gross Rent  
Ramsey County – 2019**

	Maximum Gross Rent				
	EFF	1BR	2BR	3BR	4BR
30% of median	\$525	\$562	\$675	\$780	\$870
50% of median	\$875	\$937	\$1,125	\$1,300	\$1,450
60% of median	\$1,050	\$1,125	\$1,350	\$1,560	\$1,740
80% of median	\$1,400	\$1,500	\$1,800	\$2,080	\$2,320
100% of median	\$1,750	\$1,875	\$2,250	\$2,600	\$2,900
120% of median	\$2,100	\$2,250	\$2,700	\$3,120	\$3,480

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

**Household Trends** – Changes in the number of households for any particular areas over a measurable period of time, which is a function of new household’s formations, changes in average household size, and 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

## APPENDIX

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units. The owner reserves some or all of the units in a building in return for a Federal government guarantee to make up the difference between the tenant's contribution and the rent. A tenant who leaves a subsidized project will lose access to the project-based subsidy.

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

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

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

**Income limits** – Maximum household's income by a designed geographic area, adjusted for household size and expressed as a percentage of the Area Median Income, for the purpose of establishing an upper limit for eligibility for a specific housing program.

	Income Limits by Household Size							
	1 pph	2 pph	3 pph	4 pph	5 pph	6 pph	7 pph	8 pph
30% of median	\$21,000	\$24,000	\$27,000	\$30,000	\$32,400	\$34,800	\$37,200	\$39,600
50% of median	\$35,000	\$40,000	\$45,000	\$50,000	\$54,000	\$58,000	\$62,000	\$66,000
60% of median	\$42,000	\$48,000	\$54,000	\$60,000	\$64,800	\$69,600	\$74,400	\$79,200
80% of median	\$56,000	\$64,000	\$72,000	\$80,000	\$86,400	\$92,800	\$99,200	\$105,600
100% of median	\$70,000	\$80,000	\$90,000	\$100,000	\$108,000	\$116,000	\$124,000	\$132,000
120% of median	\$84,000	\$96,000	\$108,000	\$120,000	\$129,600	\$139,200	\$148,800	\$158,400

**Inflow/Outflow** – The Inflow/Outflow Analysis generates results showing the count and characteristics of worker flows in to, out of, and within the defined geographic area.

**Low-Income** – Person or household with gross household incomes below 80% of Area Median Income, adjusted for household size.

**Low-Income Housing Tax Credit** – A program aimed to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income, and rents on these units be restricted accordingly.

**Market analysis** – The study of real estate market conditions for a specific type of property, geographic area or proposed (re)development.

**Market rent** – The rent that an apartment, without rent or income restrictions or rent subsidies, would command in a given area or “Market Area” considering its location, features and amenities.

**Market study** – A comprehensive study of a specific proposal including a review of the housing market in a defined market or geography. Project specific market studies are often used by developers, property managers or government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what house needs, if any, existing within a specific geography.

**Market rate rental housing** – Housing that does not have any income-restrictions. Some properties will have income guidelines, which are minimum annual incomes required in order to reside at the property.

**Memory Care** – Memory Care properties, designed specifically for persons suffering from Alzheimer’s disease or other dementias, is one of the newest trends in senior housing. Properties consist mostly of suite-style or studio units or occasionally one-bedroom apartment-style units, and large amounts of communal areas for activities and programming. In addition, staff typically undergoes specialized training in the care of this population. Because of the greater amount of individualized personal care required by residents, staffing ratios are much higher than traditional assisted living and thus, the costs of care are also higher. Unlike conventional assisted living, however, which deals almost exclusively with widows or widowers, a higher proportion of persons afflicted with Alzheimer’s disease are in two-person households. That means the decision to move a spouse into a memory care facility involves the caregiver’s concern of incurring the costs of health care at a special facility while continuing to maintain their home.

**Migration** – The movement of households and/or people into or out of an area.

**Mixed-income property** – An apartment property contained either both income-restricted and unrestricted units or units restricted at two or more income limits.

**Mobility** – The ease at which people move from one location to another.

**Moderate Income** – Person or household with gross household income between 80% and 120% of the Area Median Income, adjusted for household size.

**Multifamily** – Properties and structures that contain more than two housing units.

**Naturally Occurring Affordable Housing** – Although affordable housing is typically associated with an income-restricted property, there are other housing units in communities that indirectly provide affordable housing. Housing units that were not developed or designated with income guidelines (i.e. assisted) yet are more affordable than other units in a community are

considered “naturally-occurring” or “unsubsidized affordable” units. This rental supply is available through the private market, versus assisted housing programs through various governmental agencies. Property values on these units are lower based on a combination of factors, such as: age of structure/housing stock, location, condition, size, functionally obsolete, school district, etc.

**Net Income** – Income earned after payroll withholdings such as state and federal income taxes, social security, as well as retirement savings and health insurance.

**Net Worth** – The difference between assets and liabilities, or the total value of assets after the debt is subtracted.

**Pent-up demand** – A market in which there is a scarcity of supply and as such, vacancy rates are very low or non-existent.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Zoning** – Classification and regulation of land use by local governments according to use categories (zones); often also includes density designations and limitations.