

# An Analysis of Potential Demand for Workforce and Senior Housing in Ramsey, Minnesota

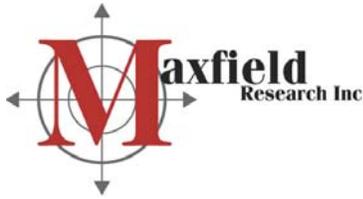
*Prepared for:*

**Anoka County HRA**  
Ramsey, Minnesota

April 2006



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April 20, 2006

Ms. Karen Skepper  
**Anoka County HRA**  
2100 3<sup>rd</sup> Avenue  
Anoka, MN 55303

Dear Ms. Skepper:

Attached is our report *An Analysis of Potential Demand for Workforce and Senior Housing in Ramsey, Minnesota*. The report assesses the potential demand for a variety of multifamily housing products in Ramsey, including independent senior housing and general-occupancy housing that would be affordable to lower- and moderate-income households (or “Workforce” households). General-occupancy housing needs examined include both for-sale and rental products. In addition to examining demographic growth trends and characteristics and current housing market conditions in Ramsey and the surrounding area, the report examined the potential of various sites in Ramsey to support recommended multifamily housing products.

Based on the level of demand for the various workforce and senior housing products, we recommend the City of Ramsey pursue the development of 125 to 140 market rate and 80 to 100 affordable general-occupancy rental units, a 45- to 55-unit senior condominium or cooperative, and a 50- to 55-unit affordable senior rental buildings. We also found strong demand for affordable for-sale units in Ramsey. However, we also found that the private market is building hundreds of townhomes priced under \$200,000 that are meeting the for-sale demand from workforce households. While we understand that many of the recommended market rate rental units will attract higher-income households, there are many workforce households who would not income-qualify for affordable housing.

We also find that Ramsey Town Center, which would offer shopping, employment, entertainment, and access to transit within walking distance is the most appropriate location for the recommended housing concepts. Housing here would have a competitive advantage over other communities in the surrounding area that are not located in such a unique mixed-use environment. Detailed findings on the recommended community concepts can be found in the *Conclusions and Recommendations* section of the report. We have enjoyed performing this study for you and are available if you need additional information.

Sincerely,

MAXFIELD RESEARCH INC.

A handwritten signature in black ink that reads 'Jay Thompson'.

Jay Thompson  
Vice President

A handwritten signature in black ink that reads 'Ryan Bergman'.

Ryan Bergman  
Research Analyst

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## **PURPOSE AND SCOPE OF STUDY**

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Maxfield Research Inc. was engaged by the Anoka County HRA to complete an assessment of the potential demand for workforce (households with lower- and moderate-incomes) and independent senior housing on several potential sites in Ramsey, Minnesota. Specifically, Maxfield Research Inc. examined current housing market conditions and calculated demand for workforce housing (both single-family and multifamily housing) and independent senior multifamily housing in Ramsey's draw area "Market Area." An analysis of growth trends and demographic characteristics of the Market Area population and household base was also completed and is used as a basis for the demand figures presented here.

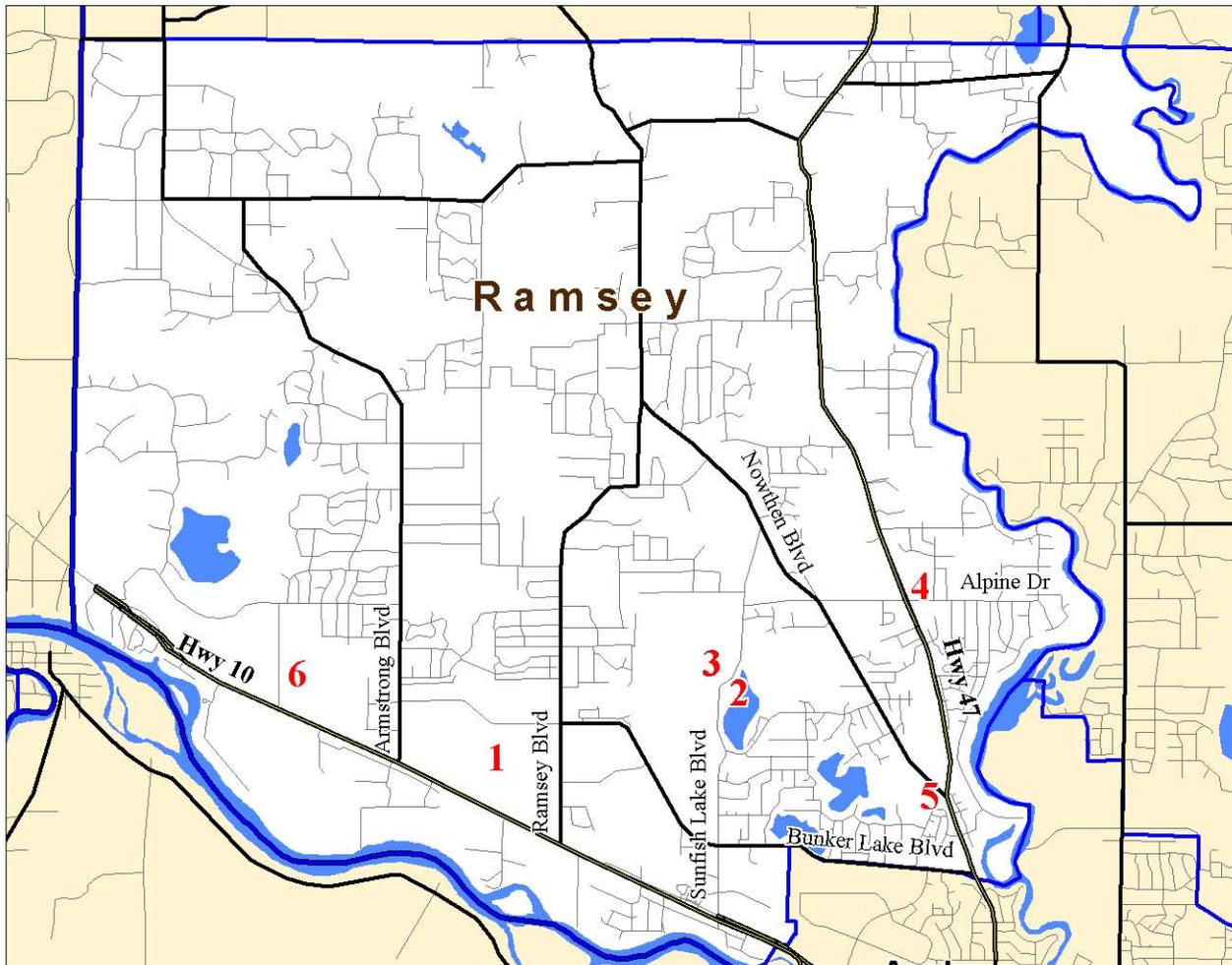
The report contains primary and secondary research. Primary research includes interviews with rental property managers/owners, local real estate sales agents and homebuilders, City staff, HRA staff, County staff and others involved with local and regional housing needs. All of the market data on existing/pending housing communities was collected by Maxfield Research Inc. and is accurate to the best of our knowledge. Secondary data, such as U.S. Census, is credited to the source, and is used as a basis for analysis.

This study begins by delineating the draw or "Market" area for housing in Ramsey and presents an overview of the demographic and economic characteristics of the area's population and household base. An analysis of multifamily housing market conditions follows. Finally, demand calculations and conclusions and recommendations are presented.

## **Potential Housing Site Locations**

There are relatively few sites available in Ramsey to accommodate affordable multifamily (rented or owned) or senior housing. In addition to Ramsey Town Center – a large mixed-use community – we identified five other sites that are zoned for multifamily and could potentially accommodate affordable multifamily and/or senior housing. In this section, we examine the appropriateness of these six sites for multifamily housing. The six sites are shown in the map below. Following the map are descriptions of the sites along with assessments of their multifamily housing potential.

### **Potential Multifamily Site Locations**



#### **Site #1**

Site #1 is Ramsey Town Center. Ramsey Town Center is a 320 acre mixed-use community currently under construction that will serve as Ramsey’s downtown. It is located on the north side of Highway 10, between Ramsey and Armstrong Boulevards. Eventually, it is planned to contain over 2,500 housing units, 700,000 square feet of retail, and 460,000 square feet of office,

## **SITE EVALUATION**

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medical, and civic uses. Construction began in 2005 on several for-sale townhome communities on the northern portion of the Town Center. Retail development, including a Coburn's grocery store began on the southwestern portion of the Town Center, and a charter school has been completed on the eastern portion.

A primary goal of Ramsey Town Center is to create a genuine downtown that will attract people of all ages to live, shop, work, and play and that will also promote Ramsey as a regional destination. Along with the various land uses, features incorporated into the Town Center are public gathering spaces, streets that connect the mixed-uses and are scaled to promote intimacy, and a multi-modal transit station. The multi-modal transit station would be incorporated into the core of the Town Center and would serve as a hub where local circular transit comes together with the proposed NorthStar Commuter Coach services – which is eventually planned to connect downtowns Minneapolis and St. Cloud.

Ramsey Town Center would be an excellent location for both affordable multifamily housing and independent senior housing. Residents of housing communities located in the Town Center would have easy access to goods and services as well as jobs located within the community. In addition, residents would have easy access to transit connecting them to jobs outside the area. This is important because after housing, transportation is one of the largest expenses for families. The need to own one or more cars, combined with housing costs, can place a heavy financial burden on many low and moderate income households. Thus, locations such as the Town Center that link housing to convenient access to transit, as well as to nearby retail and services, are highly appealing for affordable and senior housing.

Of the five potential sites in Ramsey, we believe that Ramsey Town Center is the most ideal location for affordable multifamily housing and senior housing. It provides the best access to goods, services, and transit and also is the most appropriate for high-density housing.

### **Sites #2 and #3**

Sites #2 and #3 are located across Sunfish Lake Boulevard from each other, about halfway between Alpine Drive to the north and Sunwood Drive to the south. Site #2 is about eight acres on the east side of Sunfish Lake Boulevard, with Sunfish Lake forming its eastern boundary. Site #3 is approximately 12 acres located on the west side of Sunfish Lake Boulevard, with a former land fill, which is now capped, forming its western boundary.

Both sites are zoned medium-density residential, but because Site #2 is in a shoreline district and Site #3 contains wetlands, the density potential of both sites is somewhat limited.

While the density may be limited, the topography of Sites #2 and #3 create a setting that would be attractive for housing. Site #2 slopes from Sunfish Lake Boulevard downward to Sunfish Lake, thus providing excellent views for units facing east. Site #3 has a picturesque setting created by its many hills and wetland areas.

Sites #2 and #3 are located about 1.5 miles north of Highway 10, and access and visibility are decent. The nearest shopping/services would be Ramsey Town Center and shopping centers lo-

## **SITE EVALUATION**

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cated at Bunker Lake Boulevard and Highway 47.

Overall, both Sites #2 and #3 are adequate for high-density housing. However, they are not as appropriate as Site #1 because of their greater distance to shopping/services and transit, plus the density is somewhat limited.

### **Site #4**

Site #4 is a roughly 40-acre parcel located on the northeast intersection of Highway 47 and Alpine Drive. It is vacant except for Ken's 4x4 Inc. on the northern portion. The site is zoned for medium-density housing on roughly 30-acres of the northern portion and retail for the roughly 10-acres on the southern portion along Alpine Drive. Single-family housing surrounds the site to the north and east, while a gas station and medical clinic are across Alpine Drive to the south and for-sale townhomes are located across Highway 47 to the west.

The nearest retail/shopping would be located at Highway 47 and Bunker Lake Boulevard. Three strip-centers (Ramsey Towne Square, River's Bend Plaza, and Rum River Crossings) and several other independent businesses are located near this intersection and would provide residents of housing on Site #4 with convenient access to shopping and services.

Overall, we find that Site #4 is highly suitable for both affordable multifamily housing and senior housing. Both housing products would have good access and visibility, would be compatible with the surrounding land uses, and would be a short distance to shopping and services in the community. After, Site #1 (Ramsey Town Center), we find that Site #4 holds the greatest potential to support affordable multifamily housing and/or senior housing.

### **Site #5**

Site #5 consists of three smaller lots that combine for about 5 acres on the west side of Nowthen Boulevard between Iodine Street and 146<sup>th</sup> Avenue. The site is surrounded by single-family homes to the north and west, Lord of Life Church to the east, and for-sale townhomes to the south. Access and visibility from Nowthen Boulevard would be excellent and the site is located about one-half mile to a concentration of retail and services at Highway 47 and Bunker Lake Boulevard.

The primary weakness of the Site is its narrowness and somewhat small size, which would limit any community on the site to under 50 units. While the site is otherwise appropriate for affordable multifamily and/or senior housing, we do not believe that it is as appealing as the Sites #1 through #4. A smaller townhome community may be a better fit for Site #5.

### **Site #6**

Site #6 would be a component of a larger community by Pulte Homes located along Highway 10 west of the Ramsey Town Center. The site is nearly 200 acres in size and is proposed to include 785 multifamily units. Currently, the community is in the final plat stage of development.

## **SITE EVALUATION**

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The Site is currently vacant, and is surrounded by Highway 10 to the south, single-family homes to the north, vacant land to the west (zoned PUD) and industrial area to the east. However, there are proposals to replace the industrial properties with big-box retail. Because of the large size of the Site, it is likely that a new affordable rental or senior community would be partially surrounded by other new housing within the community, as well as by at least one of the existing properties surrounding the site. The southern end of Site #6 would likely be the most appropriate location for a apartment-style rental or senior building, as it would enjoy the greatest access and visibility from Highway 10. This location would also be only about one-half mile from the retail component of Ramsey Town Center, and even closer to the proposed big-box retail proposed for the industrial area west of Armstrong Boulevard.

The potential weakness of Site #6 is could be the noise from train traffic along the tracks that parallel Highway 10. Other housing near the rail line has been successful, however, and with proper sound proofing, housing on this site should be successful as well. Overall, we find that Site #6 is well suited for multifamily housing and has the size to support a larger community.

### **Appropriateness of Sites for Multifamily Housing**

We find that Site #1 (Ramsey Town Center) is the best location for affordable multifamily housing (owned or rented) and senior housing. It has the best access and visibility, and would be within walking distance to shopping, jobs, entertainment, and transit. It also has capacity to accommodate large communities, and multifamily housing on this site would compliment the adjacent surrounding land uses that are planned. Overall, Site #1 would be well received by persons seeking multifamily housing products. Thus, we recommend that Site #1 be the focus of new affordable multifamily and senior housing communities.

Site #6 (north of Highway 10, about ½ mile west of Armstrong Boulevard) also has good access and visibility, capacity for larger communities, and is less than one-mile from the retail and services in the Ramsey Town Center. Site #6 should be strongly considered for future multifamily housing, as we find it to be the second best potential location within the City. It would not be as appealing to potential residents as multifamily housing in the Ramsey Town Center, however.

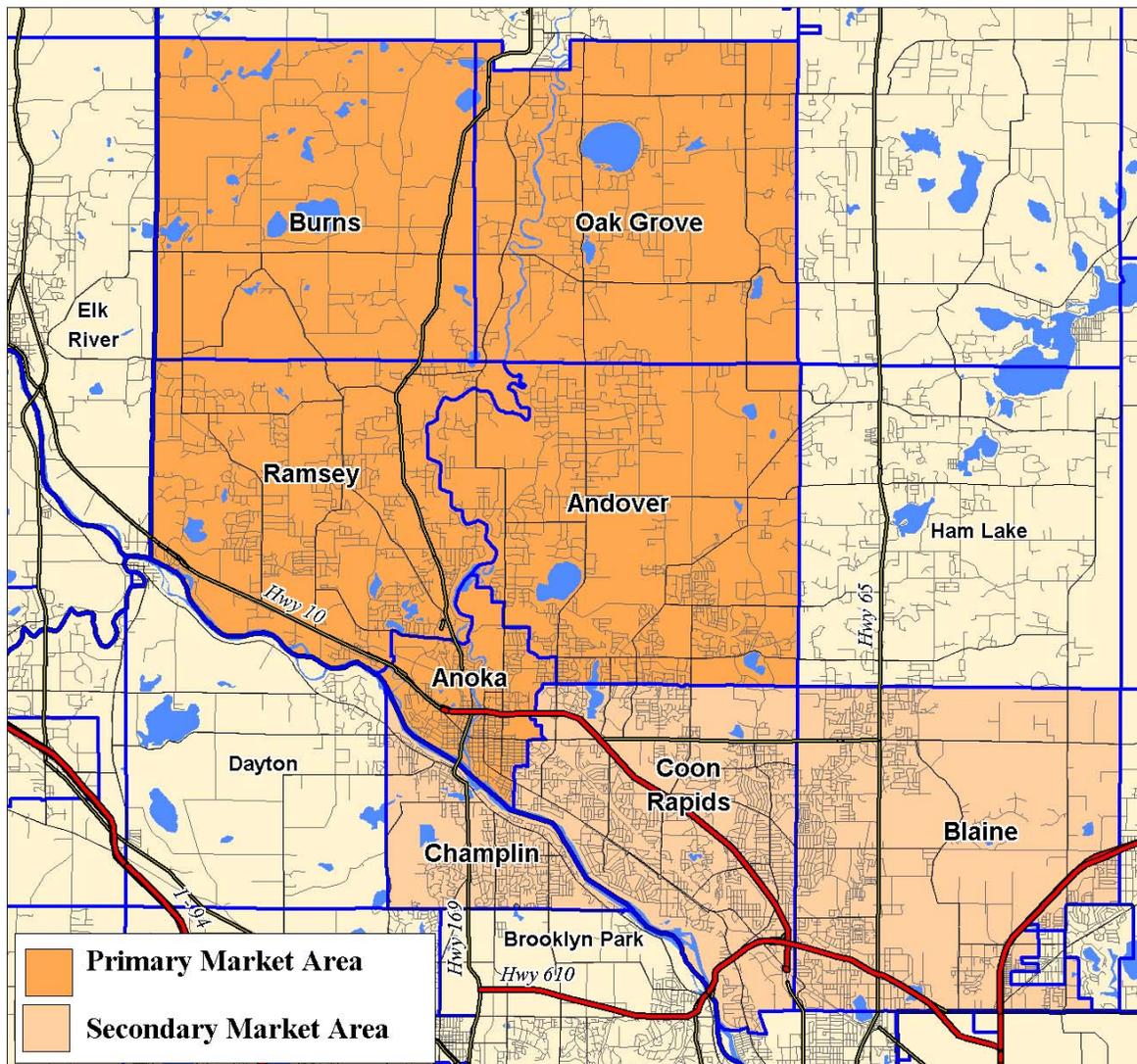
Site #4 (northeast corner of Highway 47 and Alpine Drive) also has capacity for larger communities, and should also be considered for future multifamily housing. Multifamily housing on this site would have good access and visibility and would be compatible with surrounding land uses. Multifamily housing on this site would not be as appealing to potential residents as multifamily housing in the Ramsey Town Center, however.

While Sites #2, #3, and #5 are appropriate for multifamily housing, we do not recommend pursuing the development of new affordable and senior communities on them in the short-term. These sites are not as appealing for affordable and senior multifamily housing as Sites #1 and #4. They should be preserved for multifamily communities in the long-term future, however, as there are very few potential multifamily sites in Ramsey.

### Market Area Definition

Based on Ramsey’s location within Metro Area, commuter patterns, geographic and man made barriers, and our knowledge of the draw areas for housing, a “Market Area” that will account for the majority of demand for housing in Ramsey was created. The Market Area was divided into a Primary Market Area (PMA) and a Secondary Market Area (SMA). The PMA includes the communities of Ramsey, Anoka, Andover, Oak Grove, and Burns Township and will account for about 80% of the demand for independent senior housing. The SMA includes the communities of Coon Rapids, Champlin, and Blaine. These communities, when combined with the PMA, are expected to account for approximately 80% of the demand for workforce housing in Ramsey. A map of the Market Area (both PMA and SMA) is shown below.

### Ramsey Market Area

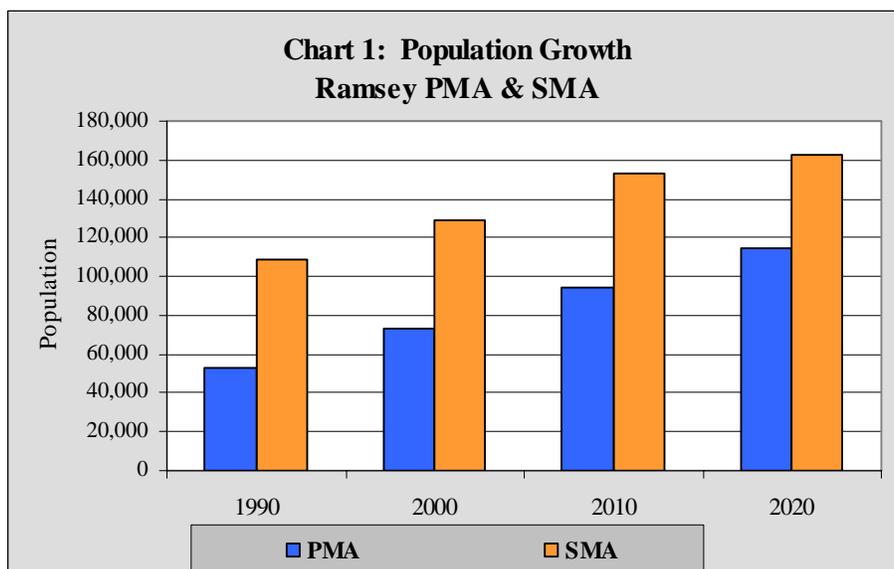


## **Population and Household Growth Trends and Projections**

Table 1 presents population and household growth trends for the PMA and the SMA from 1990 to 2020. The data from 1990 and 2000 is from the U.S. Census, while the 2010 and 2020 projections were determined by the Metropolitan Council.

Key findings of Table 1 are:

- During the 1990s the population in the Market Area increased by roughly 40,900 people (25%) to reach a total population of 202,376. During the next decade the Market Area is expected to reach 246,600, an increase of 44,200 people or 22%. The PMA is expected to see higher growth rates than the SMA, since it has a greater supply of land available for development.
- The number of households in the PMA grew by nearly 46% (7,800) during the 1990s and is projected to increase another 40% (9,800) between 2000 and 2010. Since households represent occupied housing units, this growth translates into roughly the need for over 9,800 housing units in the PMA this decade. Another 8,900 housing units would be needed in the SMA this decade to meet household projections.
- The total Market Area increased nearly 18,000 households (34%) during the 1990s and is projected to increase another 18,700 households (27%) between 2000 and 2010. The slower growth in the total Market Area indicates slow growth in the more mature SMA. The Market Area is, however, growing at a faster pace than both Anoka County and the Twin Cities Metro Area.
- Household growth in the Market Area is out pacing population growth. This indicates a continual decrease in household size, primarily the result of an aging population as well as younger couples having fewer children or no children at all.



## DEMOGRAPHIC ANALYSIS

**TABLE 1  
POPULATION AND HOUSEHOLD GROWTH TRENDS AND PROJECTIONS  
RAMSEY MARKET AREA  
1990 to 2020**

	Census		Projection		Change			
	1990	2000	2010	2020	1990 to 2000		2000 to 2010	
					No.	Pct.	No.	Pct.
<b>Population</b>								
Ramsey	12,408	18,510	30,000	43,000	6,102	49.2	11,490	62.1
Oak Grove	5,441	6,903	7,400	7,600	1,462	26.9	497	7.2
Anoka	17,192	18,076	19,000	19,800	884	5.1	924	5.1
Andover	15,216	26,588	33,000	39,000	11,372	74.7	6,412	24.1
Burns Township	2,401	3,557	4,480	4,990	1,156	48.1	923	25.9
PMA Total	52,658	73,634	93,880	114,390	20,976	39.8	20,246	27.5
Secondary Market Area	108,802	128,742	152,700	162,500	19,940	18.3	23,958	18.6
<b>Total</b>	<b>161,460</b>	<b>202,376</b>	<b>246,580</b>	<b>276,890</b>	<b>40,916</b>	<b>25.3</b>	<b>44,204</b>	<b>21.8</b>
<i>Anoka County</i>	<i>243,641</i>	<i>298,084</i>	<i>345,090</i>	<i>378,940</i>	<i>54,443</i>	<i>22.3</i>	<i>47,006</i>	<i>15.8</i>
<i>Twin Cities Metro Area</i>	<i>2,288,729</i>	<i>2,642,056</i>	<i>2,960,000</i>	<i>3,282,000</i>	<i>353,327</i>	<i>15.4</i>	<i>317,944</i>	<i>12.0</i>
<b>Households</b>								
Ramsey	3,620	5,906	10,300	15,500	2,286	63.1	4,394	74.4
Oak Grove	1,638	2,200	2,600	2,800	562	34.3	400	18.2
Anoka	6,394	7,262	7,900	8,500	868	13.6	638	8.8
Andover	4,430	8,107	12,100	14,600	3,677	83.0	3,993	49.3
Burns Township	754	1,123	1,530	1,820	369	48.9	407	36.2
PMA Total	16,836	24,598	34,430	43,220	7,762	46.1	9,832	40.0
Secondary Market Area	35,697	45,901	54,800	65,000	10,204	28.6	8,899	19.4
<b>Total</b>	<b>52,533</b>	<b>70,499</b>	<b>89,230</b>	<b>108,220</b>	<b>17,966</b>	<b>34.2</b>	<b>18,731</b>	<b>26.6</b>
<i>Anoka County</i>	<i>82,437</i>	<i>106,428</i>	<i>130,290</i>	<i>149,240</i>	<i>23,991</i>	<i>29.1</i>	<i>23,862</i>	<i>22.4</i>
<i>Twin Cities Metro Area</i>	<i>875,504</i>	<i>1,021,454</i>	<i>1,179,000</i>	<i>1,344,000</i>	<i>145,950</i>	<i>16.7</i>	<i>157,546</i>	<i>15.4</i>
Sources: Bureau of the Census; Metropolitan Council; Maxfield Research Inc.								

### Population Age Distribution Trends

Table 2 shows the age distribution of the Market Area population in 1990 and 2000, as well as projections for 2010. The 1990 and 2000 distributions are from the U.S. Census, while the projections are made by Maxfield Research Inc. based on data from the State Demographer and Claritas Inc, a national demographics firm.

The following are key trends about the age distribution of the Market Area's population:

- With the aging of the baby boom generation, the greatest growth in the PMA over this decade will be in the 45 to 64 age cohorts (53%), followed closely by older adults and the senior population (these older age cohorts make up 64% of the population growth in the PMA). This growth will continue to create demand for active adult and other senior housing products into the coming decades.

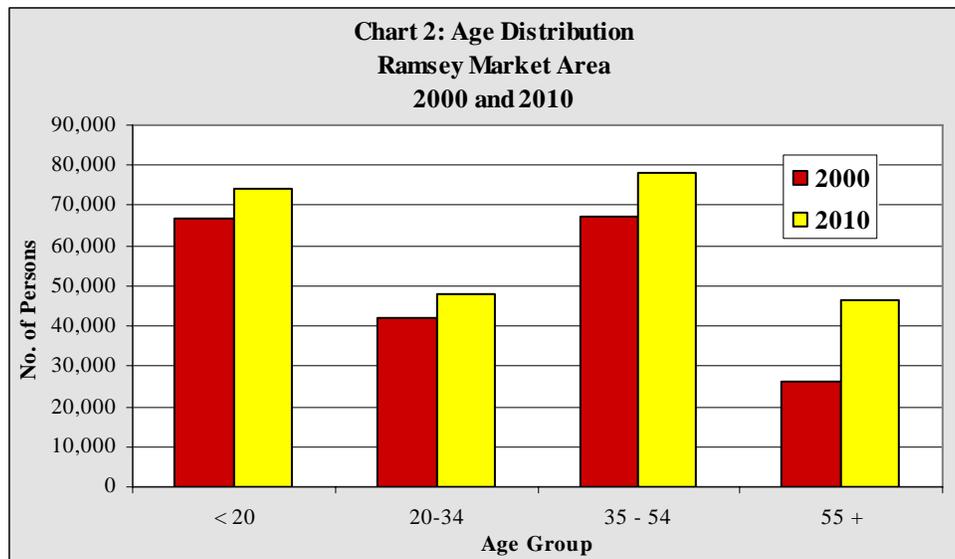
**DEMOGRAPHIC ANALYSIS**

<b>TABLE 2</b> <b>PROJECTED AGE DISTRIBUTION</b> <b>RAMSEY MARKET AREA</b> <b>1990 to 2010</b>							
Age	Census		Forecast 2010	Change			
	1990	2000		1990-2000		2000-2010	
				No.	Pct.	No.	Pct.
<i>Primary Market Area</i>							
Under 20	18,740	25,105	29,240	6,365	34.0	4,135	16.5
20 to 24	3,553	3,686	4,950	133	3.7	1,264	34.3
25 to 34	10,111	10,984	12,150	873	8.6	1,166	10.6
35 to 44	9,429	14,655	15,390	5,226	55.4	735	5.0
45 to 54	5,788	10,138	15,490	4,350	75.2	5,352	52.8
55 to 64	2,425	5,283	9,630	2,858	117.9	4,347	82.3
65 to 74	1,516	2,076	4,590	560	36.9	2,514	121.1
75 and over	1,096	1,707	2,440	611	55.7	733	42.9
<b>Total</b>	<b>52,658</b>	<b>73,634</b>	<b>93,880</b>	<b>20,976</b>	<b>39.8</b>	<b>20,246</b>	<b>27.5</b>
<i>Secondary Market Area</i>							
Under 20	38,343	41,679	44,880	3,336	8.7	3,201	7.7
20 to 24	7,279	7,536	9,150	257	3.5	1,614	21.4
25 to 34	24,178	19,796	21,560	-4,382	-18.1	1,764	8.9
35 to 44	18,583	24,894	23,120	6,311	34.0	-1,774	-7.1
45 to 54	10,649	17,510	24,130	6,861	64.4	6,620	37.8
55 to 64	5,658	9,630	16,420	3,972	70.2	6,790	70.5
65 to 74	2,687	4,988	8,540	2,301	85.6	3,552	71.2
75 and over	1,425	2,709	4,900	1,284	90.1	2,191	80.9
<b>Total</b>	<b>108,802</b>	<b>128,742</b>	<b>152,700</b>	<b>19,940</b>	<b>18.3</b>	<b>23,958</b>	<b>18.6</b>
<i>Market Area Total</i>							
Under 20	57,083	66,784	74,120	9,701	17.0	7,336	11.0
20 to 24	10,832	11,222	14,100	390	3.6	2,878	25.6
25 to 34	34,289	30,780	33,710	-3,509	-10.2	2,930	9.5
35 to 44	28,012	39,549	38,510	11,537	41.2	-1,039	-2.6
45 to 54	16,437	27,648	39,620	11,211	68.2	11,972	43.3
55 to 64	8,083	14,913	26,050	6,830	84.5	11,137	74.7
65 to 74	4,203	7,064	13,130	2,861	68.1	6,066	85.9
75 and over	2,521	4,416	7,340	1,895	75.2	2,924	66.2
<b>Total</b>	<b>161,460</b>	<b>202,376</b>	<b>246,580</b>	<b>40,916</b>	<b>25.3</b>	<b>44,204</b>	<b>21.8</b>
Sources: Bureau of the Census; Claritas, Inc. Maxfield Research Inc.							

- While the aging of the baby boom generation will result in strong growth of the senior population over the next few decades, an influx of younger and middle-aged individuals and families to the total Market Area will result in steady growth of the 25 to 54 population (from roughly 98,000 people in 2000 to 111,800 people in 2010 – or 14% growth). This steady growth will result in continued demand for single-family and multifamily homes.

## DEMOGRAPHIC ANALYSIS

- The 20-34 age group declined by over 3,000 people during the 1990s in the PMA and SMA combined. This decline was due to younger baby boomers being replaced by the baby bust generation. This decade, baby busters are being replaced by the echo boom, and thus the 20-34 age group is projected to grow by over 5,800 people in the PMA and SMA combined. Since these younger people are often single and in jobs with beginning wages, their growth should increase demand for affordable housing options.
- Though the senior population (65+) in Ramsey is small it continues to grow. In 1990, the senior population in Ramsey was 247 people (9.5% of the senior population in the PMA), in 2000 this age cohort grew to 512 (13.5%). Based on these figures the senior population of Ramsey is expected to grow to nearly 1,300 people making up roughly 18% of the senior population of the PMA.



### Household Income by Age of Householder

According to HUD guidelines, Maxfield Research Inc. has defined workforce households as households with 30% to 80% of median household income. This establishes an income range of \$16,170 for a single person household to \$61,600 for a family of four. Table 3 presents HUD's breakdown of median household income by percentage and the size of the household.

The estimated distribution of household incomes in the Market Area for 2005 and 2010 is shown in Table 4 and 5. The data was estimated by Maxfield Research and is based on income trends provided by Claritas Inc. 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. Maxfield Research Inc. uses a figure of 25% to 30% for

## DEMOGRAPHIC ANALYSIS

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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.

<b>Household Size</b>	<b>Percentage of Median Income</b>		
	<b>30%</b>	<b>50%</b>	<b>60%</b>
1	\$16,170	\$26,950	\$32,340
2	\$18,480	\$30,800	\$36,960
3	\$20,790	\$34,650	\$41,580
4	\$23,100	\$38,500	\$46,200
5	\$24,960	\$41,600	\$49,920
6	\$26,790	\$44,650	\$53,580
7	\$28,650	\$47,750	\$57,300
8	\$30,480	\$50,800	\$60,960

Source: Minnesota Housing Finance Agency

The following are key points from Table 4 and 5:

- The overall median household income in the Market Area is estimated at \$69,400 in 2005. This is higher than the Twin Cities Metro Area (7 county) median household income of \$62,500 (the median family income in the Twin Cities is \$77,000).
- Median incomes peak in the 45 to 54 age group at roughly \$81,300, as these householders are generally in their peak earning years. Seniors over age 75 had the lowest median income at roughly \$25,600. While their incomes are lower, most seniors also have fewer expenses and often own their home out-right.
- The youngest householders are strong candidates for affordable housing, since they tend to have lower incomes, less savings, and typically do not have equity in an existing home. In 2005, the median income of 15-24 year old households was \$47,000 in the PMA and SMA, combined.
- By 2010 the median household income is expected to rise to more than \$78,000 in the total Market Area. Incomes in the PMA are expected to rise at a greater rate than incomes in the SMA. Senior incomes are also expected to rise by a greater percentage than the other age cohorts in the Market Area.
- In 2005 there are estimated to be 23,800 households in the Market Area that qualify as work-force households and fit into the 15-64 age cohort. Based on a 13% increase in the median income we estimate that by 2010 this number will increase to 25,821 households.

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**TABLE 4  
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER  
RAMSEY HOUSING MARKET AREA  
2005**

Ramsey PMA	Total	Age of Householder						
		15-24	25-34	35-44	45-54	55-64	65-74	75+
Less than \$15,000	1,258	153	139	135	214	124	174	321
\$15,000 to \$24,999	1,563	103	238	178	241	158	279	364
\$25,000 to \$34,999	1,621	140	267	275	212	233	286	208
\$35,000 to \$49,999	3,100	182	509	770	525	449	444	221
\$50,000 to \$74,999	7,294	219	1,443	2,183	1,599	1,229	472	150
\$75,000 to \$99,999	6,287	92	1,277	2,005	1,785	867	192	69
\$100,000 or more	8,385	72	1,277	2,564	2,693	1,430	243	107
<b>Total</b>	<b>29,510</b>	<b>960</b>	<b>5,150</b>	<b>8,110</b>	<b>7,270</b>	<b>4,490</b>	<b>2,090</b>	<b>1,440</b>
Median Income	\$74,716	\$41,932	\$74,640	\$81,405	\$86,811	\$76,487	\$45,330	\$26,667
<b>Secondary Market Area</b>	<b>Total</b>	<b>15-24</b>	<b>25-34</b>	<b>35-44</b>	<b>45-54</b>	<b>55-64</b>	<b>65-74</b>	<b>75+</b>
Less than \$15,000	2,295	169	283	277	278	301	401	586
\$15,000 to \$24,999	2,795	182	385	308	317	411	598	595
\$25,000 to \$34,999	3,847	275	824	693	498	573	592	392
\$35,000 to \$49,999	7,450	476	1,625	1,572	1,435	1,051	855	438
\$50,000 to \$74,999	13,355	722	2,922	3,658	3,073	1,931	875	174
\$75,000 to \$99,999	9,944	267	2,093	3,036	2,604	1,460	406	78
\$100,000 or more	10,664	98	1,548	3,207	3,506	1,784	414	107
<b>Total</b>	<b>50,350</b>	<b>2,190</b>	<b>9,680</b>	<b>12,750</b>	<b>11,710</b>	<b>7,510</b>	<b>4,140</b>	<b>2,370</b>
Median Income	\$66,450	\$49,767	\$64,736	\$74,097	\$77,447	\$68,384	\$43,409	\$25,104
<b>Total Market Area</b>	<b>Total</b>	<b>15-24</b>	<b>25-34</b>	<b>35-44</b>	<b>45-54</b>	<b>55-64</b>	<b>65-74</b>	<b>75+</b>
Less than \$15,000	3,553	322	421	411	491	425	575	907
\$15,000 to \$24,999	4,359	286	624	486	559	569	877	959
\$25,000 to \$34,999	5,468	415	1,091	968	710	806	878	600
\$35,000 to \$49,999	10,551	658	2,134	2,342	1,960	1,500	1,299	658
\$50,000 to \$74,999	20,649	941	4,365	5,841	4,671	3,160	1,346	324
\$75,000 to \$99,999	16,231	358	3,370	5,041	4,389	2,327	598	148
\$100,000 or more	19,049	170	2,825	5,771	6,199	3,213	657	214
<b>Total</b>	<b>79,860</b>	<b>3,150</b>	<b>14,830</b>	<b>20,860</b>	<b>18,980</b>	<b>12,000</b>	<b>6,230</b>	<b>3,810</b>
Median Income	\$69,370	\$47,598	\$68,010	\$76,893	\$81,256	\$71,364	\$44,066	\$25,645
Sources: U.S. Census Bureau; Claritas; MetCouncil; Maxfield Research, Inc.								

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**TABLE 5  
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER  
RAMSEY HOUSING MARKET AREA  
2010**

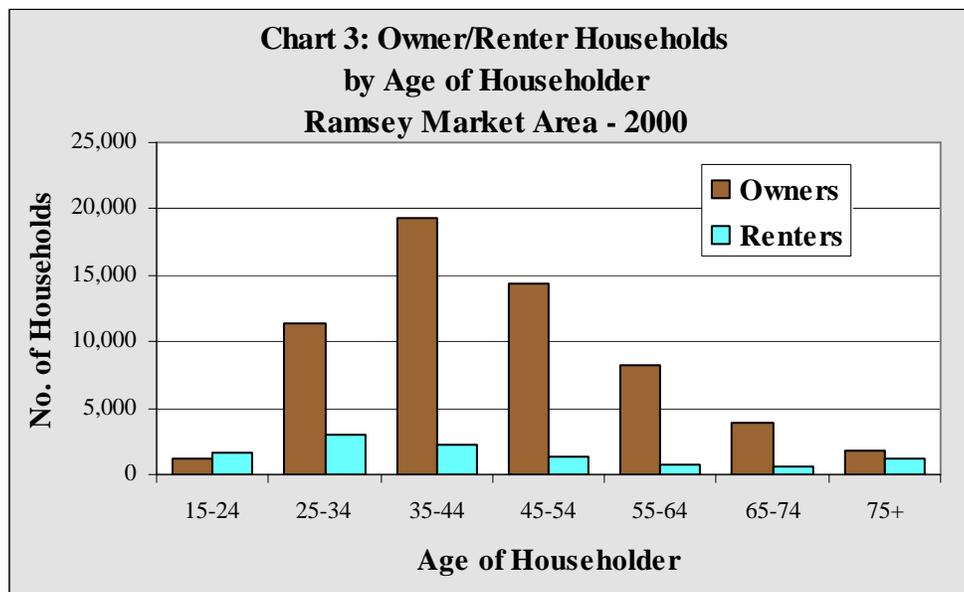
Ramsey PMA	Total	Age of Householder						
		15-24	25-34	35-44	45-54	55-64	65-74	75+
Less than \$15,000	1,215	149	125	133	211	134	166	296
\$15,000 to \$24,999	1,499	98	200	152	243	141	285	380
\$25,000 to \$34,999	1,491	129	198	216	214	177	287	268
\$35,000 to \$49,999	2,911	201	436	578	443	464	512	278
\$50,000 to \$74,999	7,025	215	1,218	1,730	1,480	1,398	756	229
\$75,000 to \$99,999	7,080	157	1,349	2,014	1,976	1,184	332	70
\$100,000 or more	13,209	141	1,904	3,638	4,394	2,381	552	200
<b>Total</b>	<b>34,430</b>	<b>1,090</b>	<b>5,430</b>	<b>8,460</b>	<b>8,960</b>	<b>5,880</b>	<b>2,890</b>	<b>1,720</b>
Median Income	\$85,855	\$47,566	\$84,961	\$92,644	\$98,910	\$88,198	\$56,438	\$31,861
<b>Secondary Market Area</b>	<b>Total</b>	<b>15-24</b>	<b>25-34</b>	<b>35-44</b>	<b>45-54</b>	<b>55-64</b>	<b>65-74</b>	<b>75+</b>
Less than \$15,000	2,131	162	232	195	268	299	403	571
\$15,000 to \$24,999	2,602	170	348	217	285	380	605	597
\$25,000 to \$34,999	3,375	187	553	446	401	569	679	541
\$35,000 to \$49,999	6,873	448	1,416	1,085	1,278	1,010	1,060	576
\$50,000 to \$74,999	13,079	768	2,782	2,843	3,030	2,210	1,074	373
\$75,000 to \$99,999	10,807	424	2,174	2,755	2,900	1,842	589	122
\$100,000 or more	15,932	261	2,425	4,199	5,169	2,970	699	209
<b>Total</b>	<b>54,800</b>	<b>2,420</b>	<b>9,930</b>	<b>11,740</b>	<b>13,330</b>	<b>9,280</b>	<b>5,110</b>	<b>2,990</b>
Median Income	\$73,736	\$57,902	\$71,710	\$84,839	\$87,102	\$77,337	\$47,271	\$31,037
<b>Total Market Area</b>	<b>Total</b>	<b>15-24</b>	<b>25-34</b>	<b>35-44</b>	<b>45-54</b>	<b>55-64</b>	<b>65-74</b>	<b>75+</b>
Less than \$15,000	3,345	311	357	328	478	434	569	867
\$15,000 to \$24,999	4,101	268	547	369	528	521	890	977
\$25,000 to \$34,999	4,866	316	751	662	615	746	967	809
\$35,000 to \$49,999	9,784	649	1,853	1,663	1,721	1,474	1,572	854
\$50,000 to \$74,999	20,105	983	4,000	4,573	4,510	3,608	1,830	602
\$75,000 to \$99,999	17,887	581	3,523	4,769	4,876	3,026	921	192
\$100,000 or more	29,141	402	4,329	7,837	9,563	5,351	1,251	409
<b>Total</b>	<b>89,230</b>	<b>3,510</b>	<b>15,360</b>	<b>20,200</b>	<b>22,290</b>	<b>15,160</b>	<b>8,000</b>	<b>4,710</b>
Median Income	\$78,373	\$55,348	\$76,215	\$88,134	\$91,887	\$81,586	\$50,025	\$31,310

Sources: U.S. Census Bureau; Claritas; MetCouncil; Maxfield Research, Inc.

### Homeownership Rate Trends

Table 6 shows the number of owner and renter households in the PMA and SMA from 1990 to 2000. These figures are from the Census Bureau. Key points derived from the table are:

- In 1990, 84% of all households in the Market Area owned their housing. By 2000, that percentage increased to 85%, as roughly 90% of the new households added during the 1990s were owners. Contributing to the increase in the homeownership rate during the 1990s were the aging of the baby boomers into peak homeownership years, increased development of single-family homes and for-sale townhomes in the Market Area, and low mortgage interest rates and easier financing qualifications that made homeownership more obtainable for younger households.
- In 2000, the homeownership rate peaked in the 55 to 64 age cohort (92%) and then declined gradually the older the household. While a similar proportion of householders age 75+ and 25 to 34 rented their housing in 2000, the number of young adult renters (2,931) outnumbered the older adult renters (1,141).
- Table 6 shows that younger people have much higher propensity to rent. As their population increases (as shown in Table 2), the number of young renters is projected to increase this decade as well. A portion of these young renters will need affordable housing, as they also have lower incomes.
- Despite having moderate incomes, most seniors often are not candidates for affordable rental housing since they are already homeowners (82% of 65-74 in PMA and 50% of 75+ seniors). Many of the 75+ senior renters are those in communities with services or in market rate buildings. A portion, however, do need assistance.



## DEMOGRAPHIC ANALYSIS

**TABLE 6  
TENURE BY AGE OF HOUSEHOLDER  
RAMSEY MARKET AREA  
1990 to 2000**

	Age of Householder															
	15-24		25-34		35-44		45-54		55-64		65-74		75+		Total	
	Own	Rent	Own	Rent	Own	Rent	Own	Rent	Own	Rent	Own	Rent	Own	Rent	Own	Rent
<b>2000</b>																
<b>Primary Market Area</b>	<b>287</b>	<b>544</b>	<b>3,983</b>	<b>881</b>	<b>7,010</b>	<b>754</b>	<b>5,113</b>	<b>469</b>	<b>2,853</b>	<b>255</b>	<b>1,046</b>	<b>235</b>	<b>571</b>	<b>597</b>	<b>20,863</b>	<b>3,735</b>
<i>Pct. Own</i>	34.5%		81.9%		90.3%		91.6%		91.8%		81.7%		48.9%		84.8%	
<b>Secondary Market Area</b>	<b>849</b>	<b>1,119</b>	<b>7,381</b>	<b>2,050</b>	<b>12,263</b>	<b>1,503</b>	<b>9,260</b>	<b>816</b>	<b>5,310</b>	<b>428</b>	<b>2,854</b>	<b>318</b>	<b>1,206</b>	<b>544</b>	<b>39,123</b>	<b>6,778</b>
<i>Pct. Own</i>	43.1%		78.3%		89.1%		91.9%		92.5%		90.0%		68.9%		85.2%	
<b>Market Area Total</b>	<b>1,136</b>	<b>1,663</b>	<b>11,364</b>	<b>2,931</b>	<b>19,273</b>	<b>2,257</b>	<b>14,373</b>	<b>1,285</b>	<b>8,163</b>	<b>683</b>	<b>3,900</b>	<b>553</b>	<b>1,777</b>	<b>1,141</b>	<b>59,986</b>	<b>10,513</b>
<i>Pct. Own</i>	40.6%		79.5%		89.5%		91.8%		92.3%		87.6%		60.9%		85.1%	
<b>1990</b>																
<b>Primary Market Area</b>	<b>245</b>	<b>566</b>	<b>3,481</b>	<b>1,156</b>	<b>4,437</b>	<b>540</b>	<b>3,058</b>	<b>253</b>	<b>1,277</b>	<b>169</b>	<b>721</b>	<b>235</b>	<b>373</b>	<b>325</b>	<b>13,592</b>	<b>3,244</b>
<i>Pct. Own</i>	30.2%		75.1%		89.2%		92.4%		88.3%		75.4%		53.4%		80.7%	
<b>Secondary Market Area</b>	<b>763</b>	<b>925</b>	<b>9,538</b>	<b>2,156</b>	<b>9,221</b>	<b>1,027</b>	<b>5,711</b>	<b>448</b>	<b>3,181</b>	<b>280</b>	<b>1,414</b>	<b>297</b>	<b>446</b>	<b>290</b>	<b>30,274</b>	<b>5,423</b>
<i>Pct. Own</i>	45.2%		81.6%		90.0%		92.7%		91.9%		82.6%		60.6%		84.8%	
<b>Market Area Total</b>	<b>1,008</b>	<b>1,491</b>	<b>13,019</b>	<b>3,312</b>	<b>13,658</b>	<b>1,567</b>	<b>8,769</b>	<b>701</b>	<b>4,458</b>	<b>449</b>	<b>2,135</b>	<b>532</b>	<b>819</b>	<b>615</b>	<b>43,866</b>	<b>8,667</b>
<i>Pct. Own</i>	40.3%		79.7%		89.7%		92.6%		90.8%		80.1%		57.1%		83.5%	
<b>Percentage Change 1990 to 2000</b>																
<b>Primary Market Area</b>	17%	-4%	14%	-24%	58%	40%	67%	85%	123%	51%	45%	0%	53%	84%	53%	15%
<b>Secondary Market Area</b>	11%	21%	-23%	-5%	33%	46%	62%	82%	67%	53%	102%	7%	170%	88%	29%	25%
<b>Market Area Total</b>	13%	12%	-13%	-12%	41%	44%	64%	83%	83%	52%	83%	4%	117%	86%	37%	21%

Sources: Bureau of the Census, Maxfield Research Inc.

### Household Type

Table 7 shows the changes in the types of households in the Market Area between 1990 and 2000. This data is important in that different household types tend to select different housing products. For example, married couple families with children are more likely to prefer single-family homes. Conversely, single households are more likely to select a multifamily product, either owned or rented. We discuss the changes in household types in the Market Area and the implications for the development of different housing products.

Key points from Table 7 are:

- During the 1990s, the Market Area saw an increase in the number of households that are married with children (1,473 households or 7%) and a greater increase in the number of households that are married without children (6,551 households or 50%). This is due to couples waiting longer to have children and baby boomers aging into their empty nester years. Married couples with children still represent the largest household type in the Market Area with 38% of all households, while married couples without children is the second largest household type representing 30% of households in the Market Area.
- In the PMA married couples with children increased by 2,029 households or 27%, while in the SMA, married couples with children actually decreased by 556 households or -4%. The primary reason for this is the SMA has an older population, and thus a much greater number of households becoming empty-nesters.
- The Market Area saw significant increases in other family households (a gain of 3,222 households or 50%) - which includes single-parents and unmarried couples with children. Roommate households also saw an increase in the Market Area during the 1990s, with an increase of 1,410 households (52%). This reflects a societal trend of unmarried couples living together. Many of these households are candidates for affordable rental housing, particularly single parents.
- People living alone saw the greatest rate of growth in the Market Area during the 1990s. The number of people living alone grew by 5,310 households (77%). This reflects the increased number of people choosing to remain single, some singles preferring not to have roommates, and an increase in the number of seniors. Because they rely on a single income, these households living alone are strong candidates for affordable rental housing.

**DEMOGRAPHIC ANALYSIS**

**TABLE 7  
HOUSEHOLD TYPE  
RAMSEY MARKET AREA  
1990 & 2000**

	<b>Total HH's</b>		<b>Family Households</b>						<b>Non-Family Households</b>			
			<b>Married w/ Child</b>		<b>Married w/o Child</b>		<b>Other *</b>		<b>Living Alone</b>		<b>Roommates**</b>	
	<b>1990</b>	<b>2000</b>	<b>1990</b>	<b>2000</b>	<b>1990</b>	<b>2000</b>	<b>1990</b>	<b>2000</b>	<b>1990</b>	<b>2000</b>	<b>1990</b>	<b>2000</b>
<b>Number of Households</b>												
Primary Market Area	16,836	24,598	7,410	9,439	4,500	7,395	1,832	2,696	2,346	3,843	748	1,225
Secondary Market Area	35,697	45,901	15,174	14,618	9,377	13,033	4,664	7,022	4,539	8,352	1,943	2,876
Market Area Total	52,533	70,499	22,584	24,057	13,877	20,428	6,496	9,718	6,885	12,195	2,691	4,101
<b>Percent of Total</b>												
Primary Market Area	100.0	100.0	44.0	38.4	26.7	30.1	10.9	11.0	13.9	15.6	4.4	5.0
Secondary Market Area	100.0	100.0	42.5	31.8	26.3	28.4	13.1	15.3	12.7	18.2	5.4	6.3
Market Area Total	100.0	100.0	43.0	34.1	26.4	29.0	12.4	13.8	13.1	17.3	5.1	5.8
<i>Minnesota</i>	<i>100.0</i>	<i>100.0</i>	<i>28.4</i>	<i>28.5</i>	<i>28.8</i>	<i>25.2</i>	<i>11.4</i>	<i>12.5</i>	<i>25.1</i>	<i>26.9</i>	<i>6.3</i>	<i>6.9</i>
<b>Change</b>												
	<b>No.</b>	<b>Pct.</b>	<b>No.</b>	<b>Pct.</b>	<b>No.</b>	<b>Pct.</b>	<b>No.</b>	<b>Pct.</b>	<b>No.</b>	<b>Pct.</b>	<b>No.</b>	<b>Pct.</b>
Primary Market Area	7,762	46.1%	2,029	27.4%	2,895	64.3%	864	47.2%	1,497	63.8%	477	63.8%
Secondary Market Area	10,204	28.6%	-556	-3.7%	3,656	39.0%	2,358	50.6%	3,813	84.0%	933	48.0%
Market Area Total	17,966	34.2%	1,473	6.5%	6,551	47.2%	3,222	49.6%	5,310	77.1%	1,410	52.4%
* Single-parents and unmarried couples with children												
** Includes unmarried couples without children												
Source: U.S. Census Bureau												

**Employment Growth Trends and Projections**

Table 8 presents employment growth trends for the Primary Market Area and the Secondary Market Area from 1990 to 2020. 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. The historical data and projections were determined by the Metropolitan Council.

Key findings from Table 8 are:

	Census		Projection		Change			
	1990	2000	2010	2020	1990 to 2000		2000 to 2010	
					No.	Pct.	No.	Pct.
Ramsey	1,941	3,587	6,700	9,100	1,646	84.8	3,113	86.8
Oak Grove	200	354	430	530	154	77.0	76	21.5
Anoka	11,755	13,250	14,400	15,200	1,495	12.7	1,150	8.7
Andover	1,200	3,062	4,200	4,800	1,862	155.2	1,138	37.2
Burns Township	259	294	350	400	35	13.5	56	19.0
<b>PMA Total</b>	<b>15,355</b>	<b>20,547</b>	<b>26,080</b>	<b>30,030</b>	<b>5,192</b>	<b>33.8</b>	<b>5,533</b>	<b>26.9</b>
Secondary Market Area	29,310	41,047	48,770	53,540	11,737	40.0	7,723	18.8
<b>Total</b>	<b>44,665</b>	<b>61,594</b>	<b>74,850</b>	<b>83,570</b>	<b>16,929</b>	<b>37.9</b>	<b>13,256</b>	<b>21.5</b>
<i>Anoka County</i>	<i>81,132</i>	<i>106,814</i>	<i>125,990</i>	<i>138,060</i>	<i>25,682</i>	<i>31.7</i>	<i>19,176</i>	<i>18.0</i>
<i>Twin Cities Metro Area</i>	<i>1,272,773</i>	<i>1,563,245</i>	<i>1,815,715</i>	<i>1,990,485</i>	<i>290,472</i>	<i>22.8</i>	<i>252,470</i>	<i>16.2</i>

Sources: Bureau of the Census; Metropolitan Council;  
Maxfield Research Inc.

- There was rapid employment growth in both the PMA and SMA during the 1990s. Nearly 5,200 employees were added to the PMA (34%) and over 11,700 employees added to the SMA (40%). By 2010 the PMA is expected to increase by another 5,500 employees (27%) and the SMA is expected to add roughly 7,700 employees (19%). Both the PMA and SMA out paced both Anoka County and the Twin Cities Metro Area in the 1990s and are expected to do the same between 2000 and 2010.
- Table 9 presents information from the Minnesota Department of Employment and Economic Development showing wages by occupation in the Twin Cites in the 4<sup>th</sup> quarter of 2004. Starting annual incomes (10<sup>th</sup> Percentile) by occupation are as follows: elementary, middle school, and secondary school teachers have a salary range of between \$28,500 to \$32,500 (between 37% and 42% of median household income). In the healthcare industry salaries have a much wider range, nursing aides and medical assistants earn \$21,000 while registered nurses earn \$46,700 per year. In other areas of the economy, construction workers earn \$28,000, auto mechanics earn close to \$22,000, police officers and sheriffs earn \$41,000, and

## DEMOGRAPHIC ANALYSIS

retail sales earn \$14,900 per year. Many in the retail sales and food and service industry are part-time employees or students.

- There are some households, couples and roommates, which have double incomes. Assuming that spouses or roommates have similar incomes most would not qualify for affordable housing.

<b>TABLE 9</b> <b>WAGES BY SELECTED OCCUPATION</b> <b>SEVEN COUNTY METRO AREA</b> <b>2004 FOURTH QUARTER</b>						
Occupation	10 <sup>th</sup> Percentile		% of	Median		% of
	Hourly	Annual	Median Inc <sup>1</sup>	Hourly	Annual	Median Inc <sup>1</sup>
<b>Education</b>						
Kindergarten Teachers	\$15.70	\$32,656	42%	\$ 22.79	\$47,403	62%
Elementary Teachers	\$15.02	\$31,242	41%	\$ 22.32	\$46,426	60%
Middle School Teachers	\$13.70	\$28,496	37%	\$ 19.39	\$40,331	52%
Secondary Teachers	\$15.64	\$32,531	42%	\$ 22.61	\$47,029	61%
Postsecondary Teachers	\$15.61	\$32,469	42%	\$ 24.57	\$51,106	66%
<b>HealthCare</b>						
Healthcare Practitioners	\$ 7.25	\$15,080	20%	\$ 19.02	\$39,562	51%
Nursing Aides	\$10.17	\$21,154	27%	\$ 13.07	\$27,186	35%
Home Health Aides	\$ 9.24	\$19,219	25%	\$ 11.20	\$23,296	30%
Medical Assistants	\$10.19	\$21,195	28%	\$ 14.26	\$29,661	39%
Dental Assistants	\$15.16	\$31,533	41%	\$ 19.51	\$40,581	53%
Registered Nurses	\$22.47	\$46,738	61%	\$ 29.73	\$61,838	80%
<b>Construction, Manufacturing, &amp; Auto Repair</b>						
Construction Workers	\$13.54	\$28,163	37%	\$ 28.15	\$58,552	76%
Plumbers	\$18.14	\$37,731	49%	\$ 29.41	\$61,173	79%
Carpenters	\$13.14	\$27,331	35%	\$ 21.80	\$45,344	59%
Electricians	\$22.75	\$47,320	61%	\$ 31.60	\$65,728	85%
Assemblers	\$ 7.97	\$16,578	22%	\$ 12.12	\$25,210	33%
Auto Mechanics	\$10.54	\$21,923	28%	\$ 16.99	\$35,339	46%
<b>Police and Fire</b>						
Fire Fighters	\$ 6.22	\$12,938	17%	\$ 11.97	\$24,898	32%
Police & Sheriff	\$19.72	\$41,018	53%	\$ 25.53	\$53,102	69%
Emergency Dispatchers	\$15.30	\$31,824	41%	\$ 20.14	\$41,891	54%
<b>Retail and Food Service</b>						
Food Preparation <sup>2</sup>	\$ 5.95	\$12,376	16%	\$ 8.49	\$17,659	23%
Retail Sales	\$ 7.16	\$14,893	19%	\$ 9.69	\$20,155	26%
Servers <sup>2</sup>	\$ 5.65	\$11,752	15%	\$ 6.69	\$13,915	18%
<sup>1</sup> Household Median income of \$77,000 is usually a combination of two income earners						
<sup>2</sup> Only includes hourly pay, tips are not included in these wages						
Source: Department of Employment and Economic Development, Maxfield Research, Inc.						

## DEMOGRAPHIC ANALYSIS

- Based on the information that a household can afford a home 3.0 to 3.5 times its annual income we estimate that households that fall into the workforce population can afford a home ranging in price from \$150,000 to as high as \$215,000. Without dual incomes, the average young teacher could afford a home around as high as \$112,000, a registered nurse could afford a home priced around \$160,000, and a police officer or sheriff could afford a home valued at \$140,000. Most of the other professions could afford a home at \$100,000 or rent. Since there is little for-sale housing available for under \$150,000, most of these singles would need to rent their housing.
- Households who rent their home generally spend 30% of their annual income. Based on this, teachers in the area could afford to rent an apartment for \$800, registered nurses afford \$1,200, and a police officer could afford \$1,000. Most of the other professions could afford rents between \$500 and \$750.

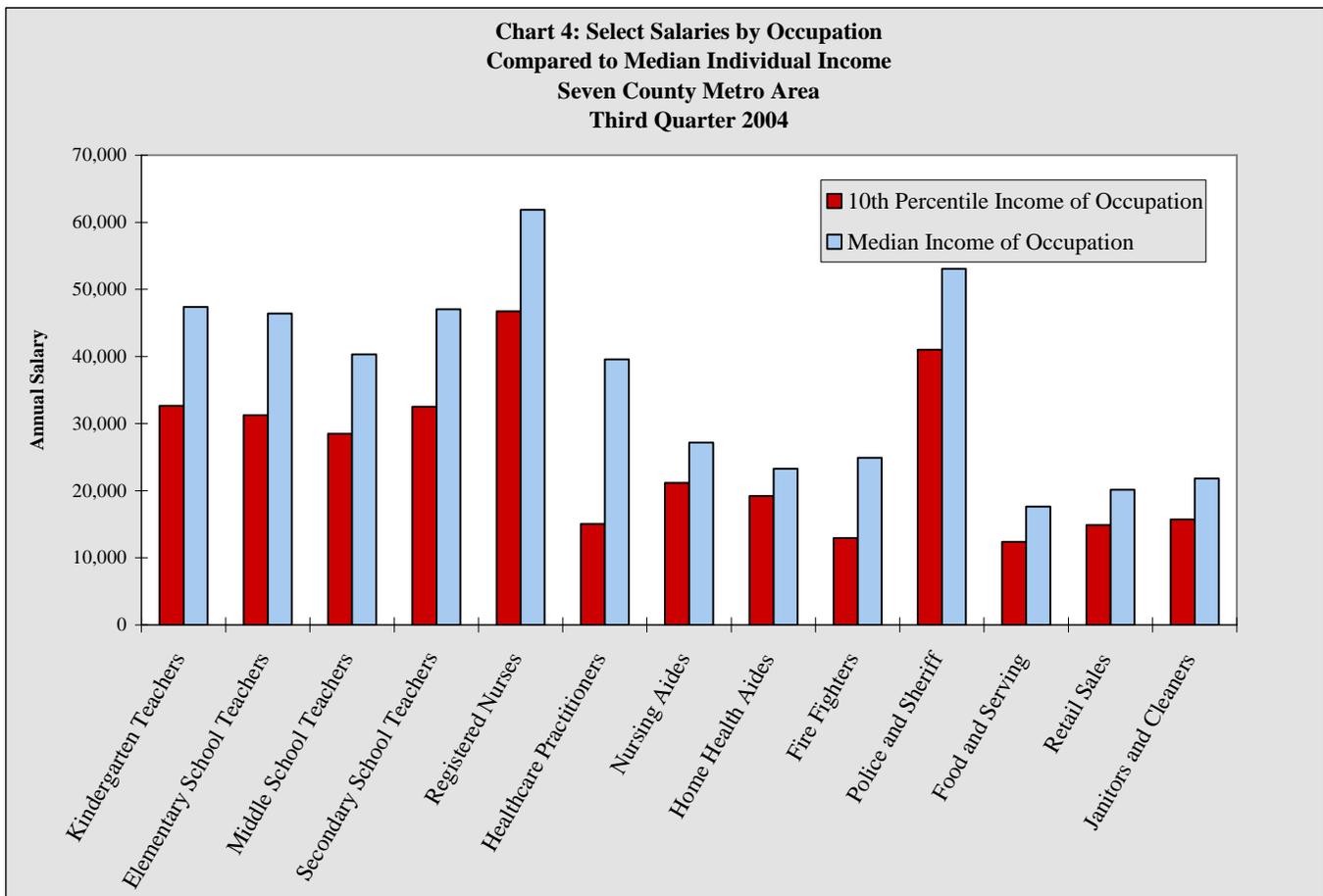


Table 10 presents covered employment in Anoka County in 2000 and 2004 (the most recent available data). Covered employment data is calculated as an annual average and *reveals the number of jobs in the County*, which are covered by unemployment insurance. Most farm jobs, self-employed people, and some other types of jobs are not covered by unemployment insurance

## DEMOGRAPHIC ANALYSIS

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and are not included in the table. The data comes from the Minnesota Department of Employment and Economic Development.

The following are key trends derived from the employment data:

- The table reveals that Anoka County experienced a net job increase from 2000 to 2004, adding a total of about 1,900 jobs, an increase of nearly 2%. All but two of the industries experienced an increase in employment. Whole Sale Trade, Construction, and Health Care experienced the greatest growth in employment, each adding roughly 1,000 jobs. The two sectors that experienced losses were Manufacturing (-3,340 jobs) and Government (-70 jobs).
- Manufacturing, FIRE (Finance, Insurance, and Real Estate), and Health Care experienced the greatest increases in average annual wages. FIRE wages increased by 32% (\$8,580) and Health Care saw an increase in average annual wages of 26.5% (\$8,216). Manufacturing experienced the greatest net increase in annual wages (\$9,932). Overall, the County average annual wages experienced an increase of nearly 20% (\$6,049) for the period.
- The job growth that was experienced in Anoka County from 2000 to 2004 was not consistent with employment in Minnesota as a whole. During this same period, the State had a net job loss of -31,676 jobs (-1.21%). At the same time, the State had an average annual wage increase of \$5,356 (15.1%). The strong job growth is one of the primary drivers behind the increasing demand for housing in the Market Area.

### Summary

According to projections, growth in the Market Area is expected to continue to out pace Anoka County and the Twin Cities Metro Area. Between 2000 and 2010 growth is, however, expected to slow, as the land supply for new housing diminishes in parts of the Market Area and as the population ages.

The PMA is expected to see greater growth compared to the SMA in both population and households, primarily due to its greater land supply. Job growth throughout the Market Area will be the primary driver of household growth in both the PMA and SMA, however. Many of the new hires to the area will have modest incomes and will need affordably priced housing.

Age distribution trends show the greatest growth over the next five years is expected to occur among households in the 55 to 74 age group. As these households become empty-nesters and/or retirees, a portion may decide to consider alternative housing, usually single-level townhomes where the resident can be free from exterior home maintenance and upkeep. Younger households (ages 20 to 34) are also projected to grow by nearly 6,000 people this decade, after a decline of over 3,000 people last decade. The resurgence of this younger population (due to the aging of echo boomers) will create increased demand for workforce housing products such as rental housing and affordably priced townhomes.

**DEMOGRAPHIC ANALYSIS**

**TABLE 10  
COVERED EMPLOYMENT BY INDUSTRY  
ANOKA COUNTY  
Annual Average 2000 & 2004**

	2000			2004			Change 2000-2004		
	Employment		Avg. Wage	Employment		Avg. Wage	Employment		Avg. Wage
Construction	8,564	7.9%	\$42,484	9,708	8.8%	\$47,424	1,144	13.4%	\$4,940
Manufacturing	26,260	24.1%	\$49,660	22,920	20.7%	\$59,592	-3,340	-12.7%	\$9,932
Wholesale Trade	4,134	3.8%	\$54,184	5,285	4.8%	\$57,096	1,151	27.8%	\$2,912
Retail Trade	14,811	13.6%	\$19,708	15,220	13.7%	\$23,036	409	2.8%	\$3,328
FIRE <sup>1</sup>	3,454	3.2%	\$26,728	4,106	3.7%	\$35,308	652	18.9%	\$8,580
Professional & Technical Services	2,647	2.4%	\$41,028	2,875	2.6%	\$48,100	228	8.6%	\$7,072
Health Care & Social Assistance	10,463	9.6%	\$30,992	11,450	10.3%	\$39,208	987	9.4%	\$8,216
Other	24,791	22.8%	\$17,886	25,524	23.0%	\$22,892	733	3.0%	\$5,006
Government	13,788	12.7%	\$34,650	13,718	12.4%	\$39,977	-70	-0.5%	\$5,327
<b>Total</b>	<b>108,912</b>	<b>100.0%</b>	<b>\$30,427</b>	<b>110,806</b>	<b>100.0%</b>	<b>\$36,476</b>	<b>1,894</b>	<b>1.7%</b>	<b>\$6,049</b>

<sup>1</sup>Finance, Insurance, and Real Estate

Sources: Dept. of Employment and Economic Development; Maxfield Research Inc.

### Introduction

This section of the report examines the for-sale housing market conditions in the Ramsey Market Area. Information analyzed in this section includes housing value trends for existing homes, existing homes currently listed for sale, and an inventory of the active subdivisions with homes affordable to moderate-income buyers.

### Housing Values

Tables 11 through 14 show single-family and multifamily home resales in the Ramsey Market Area between 2001 and 2005. The tables show the annual number of sales, median resale prices, average days on market, and the distribution of resales in five price ranges. The following are key points from Tables 11 through 14.

#### *Single-Family Homes Sales*

- The median resale price of single-family homes in 2005 (through December 14) was about \$240,000 in the PMA and \$228,000 in the SMA. The SMA has a lower median sale price largely because it has an older housing stock. Homes sold in 2005 had a median year built of 1990 in the PMA and 1984 in the SMA.
- Median home prices in the Market Area have appreciated by an average of 8.2% over the past four years. There was a slight slowdown in 2005, when homes appreciated by an average of 5.9%. This slowdown is consistent with Metro Area trends.
- Seniors seeking age-restricted housing will often use the proceeds of their home sales towards costs associated with those facilities. Since senior homeowners usually own their homes outright, they have access to a sizeable financial resource in the form of equity they can realize from the sale of their homes. A senior living in the PMA who owns their home outright and has a home valued at \$192,000 would likely be able to derive approximately \$178,500 after factoring in marketing/real estate commissions and moving costs (estimated at 7%). Should this equity be invested in an interest-bearing account with a 4% return, it would produce an income of \$7,100 annually (or \$600 per month).
- The median household income in the Market Area was \$62,800 in 2001 and the median single-family home price was \$169,500, or 2.7 times median income. By 2005, the median household income increased by 10.5% to \$69,400 while the median single-family home price increased by 37% to \$232,300, or 3.3 times median income. The fast rising home prices compared to overall rising incomes indicates that a decreasing percentage of families may be able to afford single-family homes in the Market Area over the coming years.

**FOR-SALE HOUSING MARKET CONDITIONS**

**TABLE 11  
SINGLE-FAMILY HOME RESALES  
RAMSEY MARKET AREA  
2001 to 2005\***

Year	PMA				SMA				TOTAL		
	No. Sold	Median Price	% Change	Days on Market	No. Sold	Median Price	% Change	Days on Market	No. Sold	Median Price	% Change
2001	1,046	\$175,950	-	28	1,468	\$164,900	-	22	2,514	\$169,498	-
2002	1,080	\$189,900	7.9%	31	1,593	\$179,900	9.1%	25	2,673	\$183,940	8.5%
2003	1,130	\$205,900	8.4%	32	1,779	\$194,900	8.3%	24	2,909	\$199,173	8.3%
2004	1,165	\$226,000	9.8%	34	1,763	\$215,000	10.3%	30	2,928	\$219,377	10.1%
2005	1,010	\$239,900	6.2%	45	1,593	\$227,500	5.8%	37	2,603	\$232,311	5.9%
<b>Total</b>	<b>5,431</b>				<b>8,196</b>				<b>13,627</b>		
	<b>Total % Change</b>	<b>36.3%</b>				<b>38.0%</b>				<b>37.1%</b>	
*Through December 14, 2005											
Sources: Northstar MLS, Maxfield Research Inc.											

**FOR-SALE HOUSING MARKET CONDITIONS**

**TABLE 12  
DISTRIBUTION OF SINGLE-FAMILY HOME SALES  
RAMSEY MARKET AREA  
2001 & 2005**

PMA				SMA				Total Market Area						
List Price	No. of Homes		% Change	List Price	No. of Homes		% Change	List Price	No. of Homes		% Change			
	2001	2005			2001	2005			2001	2005				
<\$100,000	-	5	0	-100%	<\$100,000	-	8	0	-100%	<\$100,000	-	13	0	-100%
\$100,000 - \$149,999	-	185	15	-92%	\$100,000 - \$149,999	-	390	13	-97%	\$100,000 - \$149,999	-	575	28	-95%
\$150,000 - \$199,999	-	550	148	-73%	\$150,000 - \$199,999	-	838	324	-61%	\$150,000 - \$199,999	-	1388	472	-66%
\$200,000 - \$299,999	-	256	614	140%	\$200,000 - \$299,999	-	197	1022	419%	\$200,000 - \$299,999	-	453	1636	261%
\$300,000 +	-	50	233	366%	\$300,000 +	-	35	234	569%	\$300,000 +	-	85	467	449%
Median List Price	=	\$175,950	\$239,900	36%	Median List Price	=	\$164,900	\$227,500	38%	Median List Price	=	\$169,498	\$232,311	37%
Average List Price	=	\$191,337	\$261,575	37%	Average List Price	=	\$173,667	\$245,217	41%	Average List Price	=	\$181,019	\$251,564	39%

Sources: Northstar MLS, Maxfield Research, Inc.

## **FOR-SALE HOUSING MARKET CONDITIONS**

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- In 2001 the Market Area had 1,976 homes for sale under \$200,000, by 2005 that number decreased to 500. The majority (63%) of the homes sold in the Market Area in 2005 were in the \$200,000 to \$300,000 price range. Table 12 indicates that much of the single-family housing stock in the Market Area is priced beyond the reach of most moderate income families (who can afford a maximum home price of about \$215,000).

### *Multifamily Home Sales*

- For-sale multifamily homes are a relatively new concept in the Market Area, as their development did not begin on a large scale until the later 1980s. As such, the average age of the multifamily units sold in 2005 was 1999 in the PMA and 1992 in the SMA.
- The median resale price of multifamily homes in 2005 (through December 14) was about \$189,000 in the PMA and \$172,000 in the SMA. As with single-family homes, the SMA has a lower median sale price largely because it has an older housing stock.
- Median home prices in the Market Area have appreciated by an average of 7.7% over the past four years, or slightly slower than the median value of single-family homes. The median resale price was \$129,200 in 2001 and \$173,400 in 2005 (through December 14).
- In 2001 the Market Area had 717 homes for sale under \$200,000, by 2005 that number decreased to only 668. The shift in home prices under \$200,000 for multifamily homes was not as dramatic as it was for single-family homes. The dramatic shift for multifamily homes occurred from those priced between \$100,000 and \$150,000 (609 sales in 2001 to 137 sales in 2005) to those between \$150,000 and \$200,000 (84 sales in 2001 to 531 sales in 2005).
- Comparing single-family resale trends with multifamily resale trends shows that for most moderate income households (incomes under about \$60,000), multifamily homes are increasingly becoming the most affordable housing ownership option. While about one-quarter of the existing single-family homes sold in the Market Area in 2005 were over \$210,000, or out of reach of most households with incomes below \$60,000, 87% of existing multifamily homes sold for under \$210,000. It should be noted, however, that many of the multifamily units only had two bedrooms and would not be suitable for families with two or more children.

**FOR-SALE HOUSING MARKET CONDITIONS**

**TABLE 13  
MULTIFAMILY HOME RESALES  
RAMSEY MARKET AREA  
2001 to 2005\***

Year	PMA				SMA				TOTAL		
	No. Sold	Median Price	% Change	Days on Market	No. Sold	Median Price	% Change	Days on Market	No. Sold	Median Price	% Change
2001	43	\$143,000	-	27	705	\$128,400	-	18	748	\$129,239	-
2002	55	\$142,000	-0.7%	20	698	\$141,000	9.8%	20	753	\$141,073	9.2%
2003	59	\$163,000	14.8%	26	823	\$153,400	8.8%	25	882	\$154,042	9.2%
2004	62	\$173,750	6.6%	39	776	\$163,500	6.6%	29	838	\$164,258	6.6%
2005	66	\$188,900	8.7%	55	713	\$172,000	5.2%	40	779	\$173,432	5.6%
<b>Total</b>	<b>285</b>				<b>3,715</b>				<b>4,000</b>		
	<b>Total % Change</b>	<b>32.1%</b>				<b>34.0%</b>				<b>34.2%</b>	
*Through December 14, 2005											
Sources: Northstar MLS, Maxfield Research Inc.											

**FOR-SALE HOUSING MARKET CONDITIONS**

**TABLE 14  
DISTRIBUTION OF MULTIFAMILY HOME SALES  
RAMSEY MARKET AREA  
2001 & 2005**

PMA				SMA				Total Market Area						
List Price	No. of Homes		% Change	List Price	No. of Homes		% Change	List Price	No. of Homes		% Change			
	2001	2005			2001	2005			2001	2005				
<\$100,000	-	0	0	<\$100,000	-	24	0	-100%	<\$100,000	-	24	0	-100%	
\$100,000 - \$149,999	-	31	4	-87%	\$100,000 - \$149,999	-	578	133	-77%	\$100,000 - \$149,999	-	609	137	-78%
\$150,000 - \$199,999	-	4	32	700%	\$150,000 - \$199,999	-	80	499	524%	\$150,000 - \$199,999	-	84	531	532%
\$200,000 - \$299,999	-	8	20	150%	\$200,000 - \$299,999	-	22	64	191%	\$200,000 - \$299,999	-	30	84	180%
\$300,000 +	-	0	10	-	\$300,000 +	-	1	17	1600%	\$300,000 +	-	1	27	2600%
Median List Price	=	\$143,000	\$188,900	32%	Median List Price	=	\$128,400	\$173,432	35%	Median List Price	=	\$129,239	\$173,432	34%
Average List Price	=	\$157,855	\$216,499	37%	Average List Price	=	\$132,529	\$177,482	34%	Average List Price	=	\$133,985	\$180,788	35%

Sources: Northstar MLS, Maxfield Research, Inc.

**Current Supply of Homes on the Market**

Tables 15 and 16 show the number of single-family and multifamily homes currently listed for-sale in the Ramsey Market Area. The home sale listings are distributed into five price ranges. The data was provided by the Regional Multiple Listing Service. Key findings from our assessment of the actively listed homes are shown below.

**Single-Family Homes Listed For-Sale**

- The median list price was about \$250,000 for homes in the Market Area and the average list price was \$308,461. The median sale price is a better indicator of where most homes are priced than sale prices because some of the upper-end, more expensive homes skew the average list price up.

<b>TABLE 15</b> <b>SINGLE-FAMILY HOMES LISTED FOR-SALE</b> <b>RAMSEY MARKET AREA</b> <b>December 2005</b>						
PMA		SMA		Total Market Area		
List Price	No. of Homes	List Price	No. of Homes	List Price	No. of Homes	
< \$150,000	- 1	< \$150,000	- 0	< \$150,000	-	1
\$150,000 - \$199,999	- 34	\$150,000 - \$199,999	- 54	\$150,000 - \$199,999	-	88
\$200,000 - \$224,999	- 28	\$200,000 - \$224,999	- 69	\$200,000 - \$224,999	-	97
\$225,000 - \$299,999	- 112	\$225,000 - \$299,999	- 147	\$225,000 - \$299,999	-	259
\$300,000 +	- 110	\$300,000 +	- 104	\$300,000 +	-	214
Median List Price	= \$274,900	Median List Price	= \$244,900	Median List Price	=	\$250,000
Average List Price	= \$334,978	Average List Price	= \$288,254	Average List Price	=	\$308,461

Sources: Northstar MLS, Maxfield Research, Inc.

- Based on the Anoka County median household income of \$77,000, we estimate that qualified workforce households will have incomes of \$43,100 or less for singles through \$61,600 or less for a family of four. We assuming that most of these workforce households could afford homes ranging from between \$150,000 up to \$215,000 depending on the size of the household. Based on data in Tables 15 and 16, 28% of the single-family homes listed for sale (184 homes) and 84% of the multifamily homes (162 homes) would be affordable to these workforce households.
- There are a greater percentage of single-family homes in the SMA that fall under the workforce housing income qualifier (33%) then in the PMA (22%). This is not surprising since the SMA has an older housing supply than the PMA. The median year built in the SMA was 1985 versus 1989 in the PMA.

## FOR-SALE HOUSING MARKET CONDITIONS

### *Multifamily Homes Listed For-Sale*

- The median list price was about \$177,900 for multifamily homes in the Market Area and the average list price was \$188,100. The difference between the median and average is less than for single-family homes, indicating that there are fewer very high-end multifamily units skewing the average upward.
- Based on the same income qualifier as for single-family homes, workforce households could afford to buy 84% of the homes currently listed for-sale in the Market Area.
- The median year built of multifamily homes currently listed for sale in the SMA is 1991 versus 2002 in the PMA.

PMA		SMA		Total Market Area	
List Price	No. of Homes	List Price	No. of Homes	List Price	No. of Homes
< \$150,000	- 3	< \$150,000	- 36	< \$150,000	- 39
\$150,000 - \$199,999	- 21	\$150,000 - \$199,999	- 91	\$150,000 - \$199,999	- 112
\$200,000 - \$224,999	- 0	\$200,000 - \$224,999	- 12	\$200,000 - \$224,999	- 12
\$225,000 - \$299,999	- 6	\$225,000 - \$299,999	- 16	\$225,000 - \$299,999	- 22
\$300,000 +	- 1	\$300,000 +	- 7	\$300,000 +	- 8
Median List Price	= \$179,900	Median List Price	= \$175,900	Median List Price	= \$177,900
Average List Price	= \$195,751	Average List Price	= \$186,611	Average List Price	= \$188,079

Sources: Northstar MLS, Maxfield Research, Inc.

### **Actively Marketing Affordable For-Sale Communities**

Maxfield Research Inc. interviewed city officials, real estate agents, and developers/builders of owner-occupied residential communities currently being marketed in the Market Area as well as those proposed (pending). Table 17 illustrates selected active housing communities that would be affordable to a workforce population in the Market Area. It is important to note that Table 17 does not include pending communities that have not begun marketing. The pending communities are discussed in the following section of this report.

The following are key points from Table 17:

- All of the housing communities offering homes priced under \$215,000 - which we consider affordable - are multifamily units (townhomes, condos). We did not identify any single-family actively marketing subdivisions with homes affordable to moderate income households.

## **FOR-SALE HOUSING MARKET CONDITIONS**

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- We have identified nine larger townhome communities marketing in Ramsey that provide the majority of new for-sale housing units to the workforce population. These nine communities have a total of about 1,100 units, the majority of which are priced between \$150,000 and \$215,000. According to sales staff, these communities are largely marketing to the young first-time home buyers. Since 2003, these communities have combined for an average of about 20 to 25 units sold per month.
- Several of these communities are located on the site of the Ramsey Town Center: The Gables at Town Center, Symphony at Town Center, Town Center Garden and Town Gardens. Combined these communities will provide nearly 550 homes priced between \$150,000 and \$215,000. When complete, Ramsey Town Center has potential for more than double this many units.
- Development in the Market Area has been steadily increasing in recent years as the Metro Area expands outward. With available land supply closest to the core of the Metro Area dwindling, and as land prices increase, communities in the Market Area have become more of a destination for people seeking newer affordable homes - such as those listed in Table 17.
- Within the Market Area, Ramsey is poised to capture a significant portion of the affordable townhome demand, as cities such as Coon Rapids, Anoka, and Champlin are becoming nearly fully developed. New housing in Blaine is becoming higher priced, and Andover's inventory of new townhome communities is decreasing. Ramsey has one of the greatest supply of available land, which is also less costly than in other communities closer to the core of the Metro Area.
- For purposes of the Livable Communities programs, the Metropolitan Council defines affordable ownership housing as housing that is affordable to buyers earning 80% of the area median income, or a home priced at \$193,700 in 2005. Table 17 reveals that only about 45% of the units in the selected communities would be classified as affordable by Metropolitan Council. Based on this information, as well as overall housing construction data, we also estimate that about 15% of the roughly 2,000 owner occupied homes built annually in the Market Area are affordable.

## FOR-SALE HOUSING MARKET CONDITIONS

**TABLE 17**  
**SELECT FOR-SALE HOUSING COMMUNITIES**  
**UNIT MIX AND SIZES AND RECENT PRICING**  
**RAMSEY MARKET AREA**  
**January 2006**

Community Name Location/Builder	Year Open	Total Units	No. Sold	Units <\$215	Original Unit Mix	Base Sales Price Range*	Unit Size (Sq. Ft.)	Comments
<b>Town home Projects</b>								
<b>Alpine Acres</b> Ramsey Oak Creek Builders	2003	204	136	204	2-3 BR	\$172,900 - \$183,900	1,390 - 1,530	Four- six- and eight-unit townhome buildings, two-story units, 1.5 baths in all units, gas fireplaces, 2-car garages
<b>Alpine Meadows</b> Ramsey Shadetree Construction	2003	42	36	42	42 - 2 BR	\$170,000 - \$202,000	--	First time home buyers.
<b>Rivenwick 4th Add.</b> Ramsey Ryland Homes	2004	140	120	91	2-3 BR	\$184,900 - \$250,000	1,200 - 2,247	Mix of first time home buyers, seniors, and families.
<b>Evergreen Point</b> Ramsey	2003	110	109	100	--	Below \$220,000	--	Most units are priced below \$220,000, young professionals, first time home buyers, and seniors.
<b>Birch Hill Lodges</b> Ramsey Orrin Thompson	2002	84	84	84	2 BR 3 BR	\$154,990 - \$178,990 \$163,990 - \$171,990	1,351 - 1,565 1,537 - 1,552	Two- and- three story townshomes, 2 car garages, 1.5 to 2.5 baths, laundry on main floor, patio, lofted.
<b>The Gables at Town Center</b> Ramsey D.R. Horton	2005	180	0	180	2 BR 3 BR	\$186,900 \$208,900 - \$209,900	1,434 1,607 - 1,614	Oversized 2-stall garage, media room, whirlpool tub in owners suite, upper-level laundry, 3 bath in all units, wood deck.
<b>Symphony at Town Center</b> Ramsey Town & Garden Homes	2005	190	0	178	2-3 BR	\$182,900 - \$215,900	1,233 - 1,643	Two story townhomes, 2 car garages, 1.5 to 2.5 baths, laundry, patio.
<b>Town Center Gardens</b> Ramsey Pulte Homes	2004	152	152	152	2 BR	\$149,900 - \$160,000	981 - 1,030	Two-story townhomes, one-car attached garage, laundry on 2nd floor, Most units have 1 bath while end units have 1.5 bath, storage area in garage.
<b>Town Gardens</b> Ramsey Bright Keys	2005	24	0	24	2 BR	\$179,900 - \$185,900	1,444	One and two-story townhomes, 2 car garage, breakfast bar, main-floor laundry. One-level for seniors (50%), two-level for first time home buyers (50%).

## FOR-SALE HOUSING MARKET CONDITIONS

**TABLE 17**  
**SELECT FOR-SALE HOUSING COMMUNITIES**  
**UNIT MIX AND SIZES AND RECENT PRICING**  
**RAMSEY MARKET AREA**  
**January 2006**  
**(Continued)**

Community Name Location/Builder	Year Open	Total Units	No. Sold	Units <\$215	Original Unit Mix	Base Sales Price Range*	Unit Size (Sq. Ft.)	Comments
<b>Town home Projects</b>								
<b>11th Avenue Townhomes</b> Anoka GM Homes	2005	28	13	28	28 - 3 BR+	\$189,800 - \$212,300	1,387 - 1,432	Located off of 11th Ave. near Hwy. 10 intersection, Loft style units, full basements with optional bedroom, main level laundry, 2-stall garages.
<b>Cottages on Main</b> Anoka	2005	19	17	19	19 - 2 BR	\$189,900 - \$199,900	1,168 - 1,377	Detached townhomes, cottage style, attached 2-car garage, front-porch, kitchen center-island, laundry on 2nd level adjacent to
<b>Rivers Edge</b> Anoka GM Homes	2004	32	14	25	32 - 3 BR+	\$189,800 - \$222,975	1,387 - 1,556	Located on Cutters Grove Road Ave. and adjacent to Mississippi River, loft-style units, full basements with optional bedroom, main-level laundry.
<b>Village at Andover Station</b> Andover Pulte Homes	2004	75	40	75	2 BR+	\$184,900 - \$212,980	1,573	Slab on grade, loft space can be converted into 3rd bedroom, 2 car garage, upper-level laundry room, 1.5 bath.
<b>The Lakes</b> Blaine Rottlund Homes	2005	392	136	310	2 BR	\$190,000 - \$230,000	1,570 - 1,664	One and two story townhomes, 2 car garages, 1.5 to 2.5 baths, laundry, patio.
<b>Club West</b> Blaine Rottlund Homes/Centex	2005	406	363	351	2 BR 3 BR	\$180,000 - \$198,900 \$225,000 - \$250,000	1,570 - 1,664 1,996 - 1,996	Two and three story townhomes, 2 car garages, 1.5 to 2.5 baths, laundry, patio.
Source: Maxfield Research Inc.								

### Planned and Proposed Housing Communities

Maxfield Research interviewed planning staff at each of the communities within the Market Area regarding planned or proposed for-sale multifamily residential communities. Table 18 illustrates the pending and proposed communities identified within each city. The following summarizes planned multifamily communities.

#### Ramsey

The City of Ramsey has approximately 40 residential communities marketing or under construction at this time; these include both single-family as well as multifamily residential communities. In total, there are about 1,200 planned townhomes in the community. The most prominent of these planned communities is *Ramsey Town Center*, located at the corner of Highway 10 and Armstrong Boulevard. Phase One of Ramsey Town Center is under construction at this time with a number of different townhome and single-family builders. Based on our research, the majority of units being built in Ramsey are priced under or near \$200,000. Since these units are affordable to many workforce households, we find that existing and planned communities are satisfying much of the need for for-sale workforce housing.

#### Anoka

There are two large-scale redevelopments in the planning phase in Anoka; the North Central Business District (“NCBD”) and the Heart of Anoka.

The NCBD comprises about 50 acres of land, bordered with the Rum River on the west, Highway 10 on the north, 4<sup>th</sup> Avenue to the east, and Main Street to the south. Currently the redevelopment area includes the following amenities: the Anoka Public Safety Center, City Hall, Anoka County Government Center, retail and commercial businesses along Main Street, and the Rum River and the Rum River Trail. The City has selected David Bernard Builders, a division of Rottlund Homes, as the developer of the community. At this time, construction would likely ensue on portions of the redevelopment in summer 2006. It is estimated approximately 200- to 300 housing units would be developed. City officials estimate a mix of housing types, including for-sale general occupancy, senior ownership, and rental housing. Most of these units are likely to be priced out of reach of moderate income households.

The *Heart of Anoka* is a planned community that would coincide with the planned Northstar Corridor commuter line between Downtown Minneapolis and St. Cloud. Anoka’s *Commuter Rail Transit Village* would be planned for medium- and high-density residential, as well as incorporating office, commercial, and light industrial. According to the City of Anoka, the long-term goal is to develop between 800 and 1,200 housing units. At this time the community is still in the planning phases and it is unknown when the community would proceed.

## **FOR-SALE HOUSING MARKET CONDITIONS**

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### Andover

There is only one planned community, *Parkside at Andover Station*, which contains multifamily housing. Parkside at Andover Station will be incorporated into the Andover Station North community across Bunker Lake Boulevard. The Andover Economic Development Authority selected Bruggeman Homes to develop the residential component of the Andover Station North (Parkside at Andover Station). Bruggeman Homes then sold the Parkside portion of the community to Pulte Homes. At this time, 110 townhomes have been proposed in this community. They are expected to be priced between \$190,000 and \$200,000.

### Champlin

According to the City of Champlin, there are five planned residential communities at this time. Three of the five planned communities are single-family subdivision, combining for a total of 41 lots. The other two communities, Gateway Area and Emery Village, are large mixed-use communities.

The *Gateway Area* is a planned \$45 million urban village comprised of housing units, commercial space, and a public park along the Mississippi River. The development requires extensive acquisition and demolition of existing structures and it is unknown when this development will proceed.

Centex Homes, along with Chesapeake Partners, have begun development on a 46-acre mixed-use community to be named *Emery Village*. The plans call for 202 townhouse units, a 52-unit senior cooperative, and a mix of retail and office buildings. The residential component will be named *Mississippi Crossings*. The majority of the townhomes will be in the mid\$200's, above what would be affordable to a family with moderate income.

### Coon Rapids

Since Coon Rapids is almost completely developed, the majority of new residential construction has resulted from smaller infill sites being developed by local builders. Most new construction of late has been detached townhomes and small single-family communities. The *Port Riverwalk* redevelopment will contain over 300 new residential units. Preliminary plans call for 186 townhomes, 60 villas, and a 60-unit senior condominium building. The Port Riverwalk is the first component of the Coon Rapids Boulevard Framework Plan and is anticipated to start construction in spring 2006. A large percentage of the townhomes that are planned in the Port Riverwalk community will be affordable to families with moderate incomes. Townhome prices are estimated to range from \$170,000 to as high as \$250,000.

**FOR-SALE HOUSING MARKET CONDITIONS**

**TABLE 18  
PENDING/PROPOSED COMMUNITIES  
RAMSEY MARKET AREA  
January 2006**

<b>Development</b>	<b>Developer</b>	<b>City</b>	<b>Development Type</b>	<b>Units</b>
Pulte Homes	Pulte Homes	Ramsey	Townhomes	454
Ramsey Town Center 6th -9th & 12th Add.	Ramsey Town Center LLC	Ramsey	Townhomes	414
Rum River Estates	National Growth LLC	Ramsey	Detached Townhomes	20
Shadetree Cottages	Shadetree Communities	Ramsey	Detached Townhomes	32
Town Gardens 3rd Addition	Bright Keys	Ramsey	Townhomes	108
Shorewalk	John Feges	Ramsey	Townhomes, Single-Family	296
Heart of Anoka	Undetermined	Anoka	Mixed-use	800-1,200
North Central Business District	David Bernard Builders	Anoka	Mixed-use	200-300
Parkside at Andover Station	Brueggeman Homes	Andover	Townhomes	110
Emery Village	Centex Homes/Chesapeake Partners	Champlin	Townhomes	202
Port River Walk	Shamrock Development/Rottlund Homes	Coon Rapids	Townhomes	246
Various Developments	Various Developers	Blaine	Single-Family/Townhome	3,025

Source: Maxfield Research

## **FOR-SALE HOUSING MARKET CONDITIONS**

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### Blaine

There are roughly 3,000 homes that are in the planning stages of development in Blaine. The exact number of single-family homes versus multifamily homes are not known, but based on recent building trends we project that roughly 25% of the homes that are planned will be for-sale multifamily homes or roughly 700. Also, based on recent trends, we project that roughly 49% of the multifamily will be affordable - or have prices in 2005 dollars of \$200,000 or less. This equates to about 350 total affordable multifamily units planned in Blaine.

### Summary

We find several pending communities that will bring somewhere between 4,700 and 5,200 units on-line over the next several years. Most of these communities will be competitive with a community in Ramsey as potential buyers are likely to cross shop communities seeking the unit that most satisfies their wants in terms of location, price, and unit type/design. So far, demand has exceeded development, as existing communities have been absorbing adequately overall. Based on our projected growth in the Market Area compared to these planned/pending communities we project most of these new communities to perform adequately as well.

### Introduction

The demographic analysis examined factors relating to the demand for various housing types in the Ramsey Market Area. This section reviews the current supply and market conditions for competitive rental housing in the defined Market Area.

### Competitive Subsidized Rental Communities

Maxfield Research surveyed a sampling of subsidized rental communities (seven) in the Market Area. Information on the location, number of units, vacancies, units mix and sizes, monthly rents (when available), and income restrictions are displayed in Table 19.

The following are key points from Table 19:

- There are a total of 345 units that were sampled with only four vacancies providing a vacancy rate of about 1%. In addition, each community has a waiting list of people ready to move into the vacant units. In most cases, it is at least a one-year wait for a unit to become available.
- The majority of the subsidized rental communities are Section 8 Project Based where residents pay 30% of their adjusted gross income for rent. Only two of the communities were a tax-credit community where income-qualified residents pay a base rent. One of these tax-credit communities – Villas by Caroline – is an accessible building catering to people with disabilities.
- There was one community that was not included in the table. Six Acres is a 14 unit town-home community located in Coon Rapids that will no longer continue to be a Section 8 Project Based facility, but will become a market rate rental property. This property, however, will continue to provide rents that are affordable to moderate-income workforce households.
- Five of the subsidized communities are located in Coon Rapids, one is in Blaine and one is in Anoka. All of the Section 8 buildings were built between 1972 and 1981 – hence they are in the older portions of the Market Area. There are no subsidized rental buildings in Ramsey.
- Overall, we find that there are very few apartment buildings that are income-restricted to households with low- to moderate-incomes. Apartments restricted to very low- and low-income households are more plentiful, despite the fact that demand greatly exceed the current supply. Based on the current occupancy levels, there is unmet demand for units restricted to both very low and low to moderate income households.

## RENTAL HOUSING MARKET CONDITIONS

<b>TABLE 19</b> <b>SUBSIDIZED RENTAL COMMUNITIES</b> <b>RAMSEY MARKET AREA</b> <b>January 2006</b>							
<b>Community/Location</b>	<b>Date Opened</b>	<b>No. of Units</b>	<b>Vacant</b>	<b>Unit Mix</b>	<b>Unit Size</b>	<b>Monthly Rent/Fees</b>	<b>Comments</b>
<b>Northgate Woods</b> 1530 123rd Ln. N.E. Blaine	1981	43	0	26 - 2BR -TH 13 - 3BR-TH 4 - 4BR-TH	n/a	30% of AGI	Sec. 8 Project-Based. Many single moms, Waiting list of 30 people.
<b>Sunny Acres</b> 2701 11th Ave. N. Anoka	1979	52	1	6 - 1BR 22 - 2BR 24 3BR-TH	700 900 - 1,000 1,350	30% of AGI	Sec. 8 Project-Based. Res. mix - families, seniors, singles. Waiting list of 70 people.
<b>Drake Apartments</b> 10011-10015 Egret Blvd Coon Rapids	n/a	48	1	29 - 2BR 19 - 3BR	n/a	30% of AGI	Sec. 8 Project-Based. Res. mix = half family/half single. Waiting list of 10 people.
<b>Galway Place</b> 11240 Osage St. N.W. Coon Rapids	1981	36	0	28 - 2BR 7 - 3BR 1 - 4BR	669 - 704 735 809	30% of AGI	Sec. 8 Project-Based. Res. mix is mostly families. Waiting list of 200-300 people.
<b>Sunwood Townhomes</b> 5350-5444 Sunwood Dr Ramsey	2002	28	2	13 - 2BR 13 - 3BR 2 - 5BR	1,500 1,660 3,000	30% of AGI	Sec. 8 and Sec. 42. Res. Mix is mostly families.
<b>Mississippi View</b> 11020 Mississippi Blvd Coon Rapids	1972	96	0	15 - 1BR 59 - 2BR 22 - 3BR	702 950 1,100	30% of AGI	Sec 8. Projcet-Based. Res. mix = mostly families & single moms. Waiting list of 200-300 people.
<b>Thousand Oaks Townhome</b> 123rd Ln. Coon Rapids	1998	12	n/a	12 - 3BR	n/a	\$729	Tax-Credit. Res. mix is all families.
<b>Villas by Caroline</b> 1450-1589 118th Ln. N.W. Coon Rapids	1996	30	0	8 - 1BR-TH 10 - 2BR-TH 12 - 3BR-TH	728 907 1,213	n/a	Tax-Credit. Mix of families, seniors, special needs, and singles. TH are single level. Waiting list of 40 people.
<b>Totals</b>		<b>345</b>	<b>4</b>				
Source: Maxfield Research Inc.							

### Competitive Market Area Rental Communities

To gauge how market rate communities may be meeting the needs of moderate-income households, Maxfield Research surveyed a sampling of the market rate communities (eight newer communities and eight older communities) in the Market Area. Information on location, number of units, vacancies, unit mix and sizes, and monthly rents are displayed in Table 20 and 21. A comparison of amenities and services is presented in Table 22.

The following are key points from Table 20 and 21:

- There are 1,255 units in the surveyed newer facilities in Table 20. Of these, 45 were found vacant. This translates to an overall vacancy rate of 3.86%, which is below the 5.0% level considered to be market equilibrium. Market equilibrium is considered by the industry to reflect sufficient consumer choice and adequate turnover. An overall vacancy rate of 3.86% generally indicates that current demand exceeds current supply, although this number only represents newer rental facilities and not the market as a whole.
- Monthly rents among the newer surveyed units averaged \$725 for one-bedroom units (\$0.97/sq. ft.), \$865 for two-bedroom units (\$0.86/sq. ft.), and \$1,110 for three-bedroom units (\$0.90/sq. ft.). It should be noted that all of the communities but three charged an additional fee for enclosed parking (Cutters Grove, Dellwood Estates, and Champlin Drive include enclosed parking in the monthly rent). Extra fees for parking ranged from \$40 to \$65 per month.
- The surveyed older rental facilities consist of 1,096 units. There were 60 vacant units found in these facilities. This translates to a vacancy rate of 5.5%, which is just slightly above the 5.0% level considered to be market equilibrium. This vacancy rate indicates that current supply may be meeting current demand; however, desirability of the units could also be a factor in the higher vacancy rate.
- Monthly rents among the older surveyed units averaged \$670 for one-bedroom units (\$0.86/sq. ft.), \$776 for two-bedroom units (\$0.78/sq. ft.), and \$913 for three-bedroom units (\$0.71/sq. ft.). All of the communities except for Woodland North charged an additional fee for enclosed parking. Extra fees for parking ranged from \$40 to \$50 per month.
- Using the industry standard that households can afford a housing cost of 30% of their income, a single earning approximately \$30,000 could afford the average one-bedroom rent in the newer apartments. Singles earning approximately \$28,000 could afford one-bedroom units at older apartments. Two-person households would need incomes of approximately \$36,000 and \$32,000 to afford units at the newer and older communities, respectively. Overall, our analysis of the market rate communities finds that these units, despite being market rate, provide housing to workforce households.

## RENTAL HOUSING MARKET CONDITIONS

**TABLE 20**  
**SELECTED NEWER RENTAL COMMUNITIES**  
**RAMSEY MARKET AREA**  
**January 2006**

Community/Location	Date Opened	No. of Units	Vacant	Unit Mix	Unit Size	Monthly Rent/Fees	Rent/Fees per Sq. Ft.
<b>Cutters Grove</b> 2901 Cutters Grove Dr. Anoka	1988	238	12	4 - Studio 99 - 1BR 129 - 2BR 6 - 3BR	675 810 - 945 1,050 - 1,225 1,260	\$695 \$740 - \$885 \$855 - \$1,045 \$1,280 - \$1,380	\$1.03 \$0.91 - \$0.94 \$0.81 - \$0.85 \$1.02 - \$1.10
<b>Dellwood Estates II</b> 749 E. River Rd. Anoka	1993	90	n/a	45 - 1BR 45 - 2BR	940 1,100	\$699 - \$729 \$799 - \$889	\$0.74 - \$0.78 \$0.73 - \$0.81
<b>Northpointe</b> 3845 119th Ave. Coon Rapids	1989	161	9	42 - 1BR 113 - 2BR 6 - 3BR	776 1,026 - 1,030 1,210 - 1,226	\$750 - \$780 \$825 - \$975 \$1,195	\$0.97 - \$1.01 \$0.80 - \$0.95 \$0.99 - \$0.97
<b>Summit Oaks</b> 11750 Tulip Coon Rapids	1988	110	0	53 - 1BR 57 - 2BR	885 - 1,110 1,094 - 1,232	\$780 \$1,000 - \$1,150	\$0.88 - \$0.70 \$0.91 - \$0.93
<b>Wedgewood Park</b> 3393 Northdale Coon Rapids	1992	104	1	1 - Studio 34 - 1BR 43 - 2BR 8 - 3BR	600 774 932 - 980 1,155	\$670 \$810 - \$830 \$900 - \$975 \$1,175 - \$1,275	\$1.12 \$1.05 - \$1.07 \$0.97 - \$0.99 \$1.02 - \$1.10
<b>Carriage Oaks</b> 12373 Oak Park Blaine	1990	336	3	105 - 1BR 160 - 2BR 32 - 3BR	717 964 - 1,008 1,330	\$649 - \$734 \$789 - \$938 \$1,024 - \$1,083	\$0.91 - \$1.02 \$0.82 - \$0.93 \$0.77 - \$0.81
<b>Westminster Apts.</b> 12851 Central Ave. Blaine	1992	72	4	3 - 1BR 51 - 2BR 18 - 3BR	810 935 - 1,200 1,300	\$629 - \$700 \$659 - \$850 \$899 - \$1,030	\$0.78 - \$0.86 \$0.70 - \$0.71 \$0.69 - \$0.79
<b>Champlin Drive</b> 11817 Champlin Dr. Champlin	1992	72	11	12 - 1BR 42 - 2BR 18 - 3BR	550 950 1,150	\$599 - \$630 \$650 - \$750 \$875 - \$925	\$1.09 - \$1.15 \$0.68 - \$0.79 \$0.76 - \$0.80
<b>Elm Creek</b> 11715 Champlin Dr. Champlin	1990	72	5	14 - 1BR 48 - 2BR 10 - 3BR	720 920 1,200	\$665 - \$685 \$795 - \$825 \$995 - \$1,025	\$0.92 - \$0.95 \$0.86 - \$0.90 \$0.83 - \$0.85
<b>Totals</b>		<b>1,255</b>	<b>45</b>	<b>3.86%</b>			

Source: Maxfield Research Inc.

## RENTAL HOUSING MARKET CONDITIONS

**TABLE 21**  
**SELECTED OLDER RENTAL COMMUNITIES**  
**RAMSEY MARKET AREA**  
**January 2006**

Community/Location	Date Opened	No. of Units	Vacant	Unit Mix	Unit Size	Monthly Rent/Fees	Rent/Fees per Sq. Ft.
<b>Lincoln Estates</b> 2620 9th Lane Anoka	1972	209	11	4 - Studio 97 - 1BR 100 - 2BR 8 - 3BR	700 900 1,100 1,200	\$495 - \$550 \$590 - \$665 \$720 - \$745 \$845 - \$870	\$0.71 - \$0.79 \$0.66 - \$0.74 \$0.65 - \$0.68 \$0.70 - \$0.73
<b>Parkview Estates</b> 1430-100th NW Coon Rapids	1975	144	1	72 - 1BR 72 - 2BR	883 972 - 980	\$650 - \$679 \$750 - \$779	\$0.74 - \$0.77 \$0.77 - \$0.79
<b>Meadowview Apts.</b> 650 E. Garfield Anoka	1975	60	0	22 - 1BR 37 - 2BR 1 - 3BR	900 1,100 1,300	\$609 \$704 \$834	\$0.68 \$0.64 \$0.64
<b>Garden Oaks</b> 9975 Butternut Coon Rapids	1974	82	1	58 - 1BR 24 - 2BR	720 980	\$675 - \$695 \$775 - \$795	\$0.94 - \$0.97 \$0.79 - \$0.81
<b>Oak Grove Apts.</b> 11087 Robinson Coon Rapids	1974	80	0	20 - 1BR 60 - 2BR	702 950 - 1,020	\$685 \$785 - \$845	\$0.98 \$0.83 - \$0.83
<b>Robinwood Apts.</b> 3133 109th Coon Rapids	1970	120	18	9 - Studio 63 - 1BR 48 - 2BR	504 693 881 - 990	\$615 - \$620 \$685 - \$690 \$790 - \$810	\$1.22 - \$1.23 \$0.99 - \$1.00 \$0.90 - \$0.82
<b>Woodland North</b> 9240 University Coon Rapids	1980	198	24	38 - 1BR 101 - 2BR 10 - 2BR/Den 49 - 3BR	833 - 910 1,041 - 1,111 1,200 1,338 - 1,409	\$750 \$799 - \$800 \$960 \$1,025 - \$1,070	\$0.90 - \$0.82 \$0.77 - \$0.72 \$0.80 \$0.77 - \$0.76
<b>Stonegate</b> 10760 6th NE Blaine	1970	140	2	92 - 1BR 48 - 2BR	615 825	\$680 \$780	\$1.11 \$0.95
<b>Royal Oaks Apts.</b> 245 99th Ave. Blaine	1968	63	3	27 - 1BR 36 - 2BR	750 1,000	\$620 - \$660 \$720 - \$760	\$0.83 - \$0.88 \$0.72 - \$0.76
<b>Totals</b>		<b>1,096</b>	<b>60</b>				

Source: Maxfield Research Inc.

# RENTAL HOUSING MARKET CONDITIONS

**TABLE 22  
UNIT FEATURES/BUILDING AMENITIES  
RENTAL COMMUNITIES  
RAMSEY MARKET AREA  
January 2006**

	Unit Features							Building Amenities						
	A/C	Dishwasher	Microwave Oven	W/D	Disposal	Balcony/Patio	Walk-in Closet	Private Entry	Community Rm.	Laundry Rm.	Swimming Pool	Exercise Rm.	Security Entrance	Garage Parking
<b>Newer Market Rate Apartment Communities</b>														
<b>Cutters Grove</b> Anoka, MN	Y	Y	n/a	N	Y	Y	Y	N	Y	Y	Y	Y	Y	UG Inc
<b>Dellwood Estates II</b> Anoka, MN	Y	Y	Y	N	N	N	N	N	Y	Y	Y	Y	Y	UG Inc
<b>Northpointe</b> Coon Rapids, MN	Y	Y	N	N	N	Y	Y	N	Y	Y	Y	Y	Y	G \$50/mo
<b>Summit Oaks</b> Coon Rapids, MN	Y	Y	N	N	Y	N	Y	N	Y	Y	Y	Y	Y	UG \$40/mo
<b>Wedgewood Park</b> Coon Rapids, MN	Y	Y	N	Y	Y	Y	N	N	Y	Y	Y	Y	Y	G \$65/mo
<b>Carriage Oaks</b> Blaine, MN	Y	Y	n/a	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	G \$65/mo
<b>Westminster Apts.</b> Blaine, MN	Y	Y	N	N	N	N	N	N	N	Y	N	N	Y	G \$50/mo
<b>Champlin Drive</b> Champlin, MN	Y	Y	n/a	N	Y	Y	N	N	Y	Y	N	N	Y	G Inc
<b>Elm Creek</b> Champlin, MN	Y	Y	n/a	N	Y	N	N	N	N	Y	N	N	Y	G \$45/mo
<b>Older Market Rate Apartment Communities</b>														
<b>Lincoln Estates</b> Anoka, MN	Y	Y	n/a	N	Y	N	N	Y	N	Y	N	N	N	G \$50/mo
<b>Parkview Estates</b> Coon Rapids, MN	Y	Y	n/a	N	Y	N	N	N	N	Y	N	N	Y	G \$45/mo
<b>Meadowview Apts.</b> Anoka, MN	Y	Y	n/a	N	Y	N	N	N	N	Y	N	N	Y	G \$45/mo
<b>Garden Oaks</b> Coon Rapids, MN	Y	Y	n/a	N	Y	Y	N	N	N	Y	Y	N	Y	G \$45/mo
<b>Oak Grove Apts.</b> Coon Rapids, MN	Y	Y	n/a	N	Y	N	N	N	N	Y	Y	N	N	G \$45/mo
<b>Robinwood Apts.</b> Coon Rapids, MN	Y	Y	n/a	N	Y	Y	N	N	N	Y	Y	N	Y	G \$40/mo
<b>Woodland North</b> Coon Rapids, MN	Y	Y	N	N	Y	Y	N	N	Y	Y	Y	Y	Y	UG Inc
<b>Stonegate</b> Blaine, MN	Y	N	N	N	N	N	N	N	N	Y	Y	N	Y	G \$45/mo
<b>Royal Oaks Apts.</b> Blaine, MN	Y	Y	N	Y	Y	Y	N	N	N	Y	Y	N	Y	G \$40/mo

Y=Included, N=Not Included, O=Optional, S=Some, HU=Hook-Ups, C=Common/Shared, UG=Underground Parking, G=Garage

Source: Maxfield Research Inc.

## **RENTAL HOUSING MARKET CONDITIONS**

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- In general, the newer rental facilities all have comparable amenities. The most notable differences between some are found in the building features. Most of the facilities offer community and recreational space. The three that stand out are Westminster Apartments, Champlin Drive, and Elm Creek. Only one of these three facilities has a community room and none of them have either a pool or an exercise room.
- Similar to the newer facilities, the older rental facilities offer comparable amenities to each other. There are three that stand out (Lincoln Estates, Parkview Estates, and Meadowview Apartments) and that is only due to lack of a pool.
- As far as unit features are concerned, there are very few differences between the older and newer facilities. The most noticeable differences are seen in the presence of washer/dryer availability and walk-in closets found in some of the newer facilities.
- Consistently, the presence of community and recreational rooms are what separates the newer facilities from the older facilities. Community rooms and exercise rooms are found more prominently in the newer facilities.
- In addition to rental communities, there are some for-sale townhome communities in the Market Area with units that are rented. We identified one such community in Ramsey – Evergreen Pointe, owned by First Select Equities. Of the 110 total townhomes, 79 are rented. Rents range from \$1,100 to \$1,300 for a two-bedroom to \$1,300 to \$1,500 for a three-bedroom. Currently, there is only one vacancy, although there were more vacancies over the Winter months. The demand shown for the units at Evergreen Pointe indicates that a rental apartment could be successful in Ramsey as well.

### **Summary – Rental Housing Market Analysis**

The review of the competitive rental market condition revealed the following characteristics having the most direct impact on the potential for new workforce rental housing in Ramsey:

- The extremely low vacancy rate of subsidized/affordable units in the Market Area indicates a strong need for rental housing for very low-income households. Supply has not kept up with demand, as there has been very little development of income-restricted rental housing in the Market Area (most communities were built before 1981).
- The vacancy rate is also low for market rate units, indicating the need for rental housing for moderate-income households. The rents at most existing market rate communities in the Market Area are affordable to workforce households. As the younger population in the Market Area grows this decade, fueled by employment growth and the aging of the echo boomers, there will be increased demand for rental units to satisfy the housing needs of new entry-level workers who are not yet in a position to purchase housing.

### **Introduction**

This section of the report examines the current supply and market condition of independent senior housing in the Primary Market Area. Current market rate for-sale and rental independent senior housing facilities as well as affordable and subsidized independent senior housing facilities are presented in this section.

### **Competitive Market Area Senior Housing Communities**

Maxfield Research identified nine existing senior communities (five market rate rental communities, one for-sale, two affordable, and three subsidized communities) in the Market Area. Information on the location, number of units, vacancies, unit mix and sizes, and monthly rents are displayed in Table 23. A comparison of amenities and services is presented in Table 24.

The following are key points from Table 23 and 24:

- There are two market rate independent senior facilities (one rental community and one for-sale) in the market area. In the rental property – Farmstead Cottages – has only six town-home units and rents range from roughly \$1,750 to \$1,800 for a two bedroom unit with 1,520 square feet. In the for-sale facility (Grey Oaks), unit prices range from as low as \$130,000 to as high as \$250,000 for units with 875 to 2,400 square feet.
- There are nine vacancies in all of the rental facilities combined giving a vacancy rate of roughly 3.1% (with only one vacancy in the affordable properties and none in the subsidized properties). Several of these vacancies are expected to be filled in a relatively short period of time. There are more available units in the for-sale community (25 units) because it is a much newer facility and there are still units being constructed. A vacancy rate of 5.0% is considered to be market equilibrium. With a vacancy rate of 3.1% there is considerable room for growth in the market rate rental senior housing market.
- There are three congregate facilities with rents slightly higher than those seen in the adult/few services facilities. This is due to the slightly higher level of service and options available to its residents. Market rate studio units are priced between \$600 and \$880 with 400 to 500 square feet, one bedroom units run between \$870 and \$1,325 with between 550 to 950 square feet and two bedroom units run between \$1,100 and \$1,700 with between 800 and 1,300 square feet.
- The subsidized facilities serve seniors in the community with very low incomes. They are generally fully occupied and managers in these facilities have expressed a need for more units.

**INDEPENDENT SENIOR HOUSING MARKET CONDITIONS**

**TABLE 23  
COMPETITIVE SENIOR HOUSING COMMUNITIES  
RAMSEY MARKET AREA  
January 2006**

<b>Community/Location</b>	<b>Date Opened</b>	<b>No. of Units</b>	<b>Vacant/ Avail.</b>	<b>Unit Mix</b>	<b>Unit Size</b>	<b>Monthly Rents/ Unit Price</b>	<b>Comments</b>
<b>Existing Independent Communities</b>							
<b>Farmstead Cottages</b> 13742 Marigold Street Andover, MN	1998	6	0	1 - 2BR/1BA 5 - 2BR/2BA	1,520 1,520	\$1,743 \$1,789	Res. Pays elect., phone and cable
<b>Grey Oaks Community</b> 15550 Linnet Street NW Andover, MN	2003	60	25	5 - 1BR Bldg 1 20 - 2BR Bldg 2 5 - 1BR 20 - 2BR 10 - 2BR TH	875 - 875 1,050 - 1,450 875 - 875 1,050 - 1,450 1,272 - 2,441	\$128,900 - \$133,900 \$145,900 - \$195,900 \$130,900 - \$136,900 \$148,900 - \$198,900 \$218,900 - \$255,900	
<b>Sub Total</b>		<b>66</b>	<b>25</b>	<b>37.9%</b>	<b>1,520</b>	<b>\$1,766</b>	
<b>Existing Congregate Communities</b>							
<b>Park Terrace Residence</b> 910 Western Street Anoka, MN 55303	1988	80	5	4 - Studio 60 - 1BR 16 - 2BR	418 550 - 616 814 - 924	\$613 \$869 - \$952 \$1,114 - \$1,185	Waiting list with six names for 2BR, 10 evening meals required
<b>Farmstead Terrace</b> 13742 Marigold Street Andover, MN	1998	39	0	23 - 1BR 16 - 2BR	736 - 948 1,072 - 1,280	\$927 - \$1,324 \$1,499 - \$1,710	Res. Pays elect., phone and cable
<b>Walker Plaza</b> 131 Monroe Street Anoka, MN 55303	1990	88	3	6 - Studio 64 - 1BR 18 - 2BR	462 - 486 542 - 750 847 - 1,219	\$882 \$1,066 - \$1,316 \$1,480 - \$1,544	Waiting list with five names for 2BR, 10 evening meals required
<b>Sub Total</b>		<b>207</b>	<b>8</b>	<b>3.9%</b>	<b>778</b>	<b>\$1,177</b>	

**INDEPENDENT SENIOR HOUSING MARKET CONDITIONS**

**TABLE 23  
COMPETITIVE SENIOR HOUSING COMMUNITIES  
RAMSEY MARKET AREA  
January 2006  
(Continued)**

<b>Communities/Location</b>	<b>Date Opened</b>	<b>No. of Units</b>	<b>Vacant/ Avail.</b>	<b>Unit Mix</b>	<b>Unit Size</b>	<b>Monthly Rents/ Unit Price</b>	<b>Comments</b>
<b>Affordable Communities</b>							
<b>Savannah Oaks of Ramsey</b> 14351 Dysprosium Street Ramsey, MN	1999	50	1	18 - 1BR 20 - 1BR+D 12 - 2BR	705 908 - 956 1,020	\$692 \$790 - \$827 \$999	Waiting list with 70 names. Res. Pays elect., phone and cable
<b>Farmstead Terrace</b> 13742 Marigold Street Andover, MN	1998	27	0	27 - 1BR (Aff)	670 - 726	\$720	Res. Pays elect., phone and cable
<b>Sub Total</b>		<b>77</b>	<b>1</b>	<b>1.3%</b>	<b>831</b>	<b>\$806</b>	
<b>Subsidized Communities</b>							
<b>Bridge Square</b> 2 Bridge Square Anoka, MN 55303	n/a	101	0	101 - 1BR	n/a	\$690	30% income, 70-90 yrs old, Waiting list with 30-40 names, 90% senior, 50% need home healthcare
<b>Franklin Lane</b> 1827 S. Ferry Street Anoka, MN 55303	n/a	66	0	56 - 1BR 10 - 2BR	n/a n/a	n/a n/a	30% income, 90% Seniors, Waiting list with six names.
<b>Walker on the River</b> 1906 S. Ferry Street Anoka, MN 55303	n/a	45	0	45 - 1BR	n/a	\$743	30% income, 90% - <\$16,150, Waiting list with eight names
<b>Sub Total</b>		<b>212</b>	<b>0</b>	<b>0.0%</b>	<b>n/a</b>	<b>\$717</b>	
Source: Maxfield Research Inc.							

**INDEPENDENT SENIOR HOUSING MARKET CONDITIONS**

**TABLE 24  
UNIT FEATURES/BUILDING AMENITIES/SERVICES  
COMPETITIVE SENIOR HOUSING COMMUNITIES  
RAMSEY MARKET AREA  
January 2006**

	Unit Features							Building Amenities							Services				Other Features		
	A/C	Dishwasher	Microwave Oven	W/D	Walk-in Closet	Balcony/Patio	Emergency Call	Community Rm.	Dining Rm.	Craft/Hobby Rm.	Library	Solarium	Storage Lockers	Exercise Rm.	Garage Parking	Guest Suite	Transportation	Activities		Housekeeping	Meals
<b>Independent Ownership</b>																					
Grey Oaks Community Andover, MN	Y	Y	Y	Y	Y	Y	N	Y	N	Y	N	N	Y	N	UG Inc	N	N	N	N	N	
<b>Independent Rental</b>																					
Savannah Oaks of Ramsey Ramsey, MN	Y	Y	Y	Y	S	Y	N	Y	N	N	N	N	Y	N	UG \$35/mo	Y \$35/nt	N	S	N	N	Manager has some limited activities
Farmstead Cottages Andover, MN	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	n/a	Y	G Inc	Y \$45/nt	S	S	O	O	Cottage are locatted on the same site as the congregate, assisted living, and memory care facilities. Building amenities are located in the more service intensive facilities.
<b>Congregate Rental</b>																					
Park Terrace Residence Anoka, MN	Y	N	N	N	O	O	Y	Y	Y	Y	N	N	Y	Y	UG \$40/mo	N	Y	Y	N	S	Full time activities director, 10 evening meals required
Farmstead Terrace Andover, MN	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	n/a	Y	G Inc	Y \$45/nt	S	S	O	O	Full time & part time activities director
Walker Plaza Anoka, MN	Y	O	n/a	N	Y	N	Y	Y	Y	Y	Y	Y	Y	n/a	UG \$45/mo	Y \$35/nt	Y	Y	O	O	Full time & part time activities director, Housekeeping & Laundry - \$21/hr

Y=Included, N=Not Included, O=Optional, S=Some, HU=Hook-Ups, C=Common/Shared, UG=Underground Parking, G=Garage

Source: Maxfield Research Inc.

## **INDEPENDENT SENIOR HOUSING MARKET CONDITIONS**

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- Market rate units are a relatively new phenomenon. Most of the market rate facilities have been built within the past ten years. The subsidized facilities were generally older and had less features and amenities.
- The market rate facilities have comparable unit features and building amenities. The Farmstead community, along with the other congregate facilities, offer more in the way of community rooms and service options, however, this is a result of the higher service level they offer and in some cases a shared location with an assisted living facility.
- All of the communities except for Grey Oaks offer some level of activities for their residents. This ranges from a manager arranging resident get-togethers to having a full time activities director on staff.

### **Planned and Proposed Senior Housing Communities**

Through interviews with city planners, realtors, and developers Maxfield Research has identified two planned senior housing communities in the PMA that may, in the future, compete for a portion of the demand.

- Grey Oaks senior condominiums, in Andover, have begun construction of a third building adding an additional 30 units to their facility. This will be the third of eight planned condominiums that will, when complete, total 350 senior condominium units. There is currently no time line for the additional five buildings.
- Lake George Senior Apartments in Oak Grove is under construction and should be open for occupancy in mid-June to early-July. The Lake George community is a 52-unit independent senior community affordable at 80% of AMI. The building will consist of 14 one-bedroom units, 15 one-bedroom plus den units, 16 two-bedroom units, and 6 two bedroom plus den units. One-bedroom units will range in size from 750 to 800 square feet and have monthly rents of \$600 to \$850, one-bedroom plus den units will be 946 square feet and rent for \$950, two-bedroom units will range in size from 1,002 to 1,328 and rent from \$990 to \$1,220, and the two-bedroom plus den units will be 1,355 square feet and rent for \$1,250. Underground garage stalls will be available for \$30 per month.
- Crest View Senior Communities is developing a continuum of care campus for seniors that includes 103 entry fee rental apartments, 30 assisted living units and 18 memory care assisted living units. The campus would be located in the Ramsey Town Center.

### **Summary – Competitive Senior Housing Communities**

The preceding review of the competitive market for senior housing in the Ramsey Market Area revealed the following market characteristics having the most direct impact on the potential for the subject site:

## INDEPENDENT SENIOR HOUSING MARKET CONDITIONS

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- We identified nine competitive senior housing communities in the PMA (five market rate rental communities, one for-sale, and three subsidized communities). We found very few vacancies in the rental facilities (only 8 out of 502 units) and the newly constructed for-sale building (Grey Oaks) continues to absorb units. The performance of these existing communities indicates potential for additional senior housing communities to meet the growing seniors base as identified in the *Demographic Analysis* section.
- There are currently no vacancies in the subsidized communities and they all have waiting lists. Managers of these facilities expressed a need for more affordable senior housing in the area. While two of the three subsidized communities have seen a reduction in the size of their waiting list over the past several years, our research indicates continued strong demand for units affordable to lower- and moderate-income seniors.

### Introduction

Earlier sections of this report assessed the market potential for workforce and senior housing in Ramsey by examining the appropriateness of various sites for multifamily housing, growth trends and demographic characteristics of the Market Area population, and current market conditions for senior and general-occupancy multifamily housing. This section of the report forecasts demand for multifamily housing communities in Ramsey, including senior housing offering few services and for-sale and rental housing affordable to people with low- and moderate-incomes.

### Workforce Housing Demand Analysis

Table 25 presents our housing demand calculations for general-occupancy multifamily housing (both for-sale and rental) in the Ramsey Market Area between 2005 and 2010 and the estimated number of units supportable in Ramsey during this period. The following points summarize our demand calculations.

- The Market Area (PMA and SMA combined) is expected to grow by 9,675 households between 2005 and 2010. Based on homeownership trends, we estimate that 85% of the new households will seek for-sale housing, resulting in demand for over 8,220 for-sale units and about 1,450 rental units. Based on demographic growth trends, current market conditions, and recent home construction trends, we estimate that 45% of for-sale demand will be for multifamily units – resulting in overall demand for 3,700 for-sale multifamily units. All of the demand for rental units would be in multifamily products.
- We estimate that 90% to 95% of the for-sale multifamily demand will be for townhomes (about 3,300 to 3,500 units between 2005 and 2010). The remaining demand will be for between 185 and 370 condominium units.
- The demand figures in Table 25 are for the entire Market Area. Any one location, including Ramsey, can only capture a portion of the demand. Based on Ramsey's location within the Market Area, transportation patterns, land availability, and growth trends, we project that Ramsey could capture 25% of the Market Area's for-sale townhome demand and 15% of its condominium demand, and 20% of its rental demand. This equates to demand from the Market Area for 830 to 880 for-sale townhomes, 30 to 60 condominium units, and 290 rental units in Ramsey between 2005 and 2010.
- There is a portion of the demand that will come from outside the Market Area. We estimate this to be about 15%. Including this demand from outside the Market Area, **total demand in Ramsey is calculated for 980 to 1,030 for-sale townhome units, 35 to 65 condominium units, and about 340 rental units between 2005 and 2010.**

## HOUSING DEMAND ANALYSIS

**TABLE 25**  
**PROJECTED DEMAND FOR MULTIFAMILY HOUSING**  
**RAMSEY MARKET AREA<sup>1</sup>**  
**2005 & 2010**

	<u>Total</u>	<u>For-Sale</u>		<u>Rental</u>
Projected new housing unit demand from household growth, 2005 to 2010	9,675			
(times) Estimated ownership demand	x <u>85%</u>			
(equals) Projected Market Area demand for new for-sale housing units	=	8,224		
(equals) Projected Market Area demand for new rental units	=			1,451
(times) Estimated percent of units that will be for multifamily	x <u>45%</u>			100%
(equals) Projected Market Area demand for new multifamily housing units	=	3,701	<b>Townhome</b>	1,451
			<b>Condo</b>	
(times) Estimated percent of for-sale demand for townhome / condominium units	x	<u>90% - 95%</u>	<u>5% - 10%</u>	
(equals) Projected Market Area demand for townhome / condominium units	=	3,331 - 3,516	185 - 370	
(times) Estimated percent of demand capturable in Ramsey	x	25%	15%	20%
(equals) Estimated demand in Ramsey from Market Area, 2005 to 2010	=	833 - 879	28 - 56	290
(plus) Demand from outside the Market Area (15%)	+	147 - 155	5 - 10	51
<b>(equals) Total demand for multifamily housing in Ramsey</b>	<b>=</b>	<b>980 - 1,034</b>	<b>33 - 65</b>	<b>341</b>

<sup>1</sup> The Market Area is the PMA and the SMA combined.

Source: Maxfield Research Inc.

## HOUSING DEMAND ANALYSIS

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- Based on household income trends, recent building trends, and current market conditions, we find that the majority of the for-sale multifamily demand in the Market Area is for units priced below \$200,000 - or units affordable to moderate income households (to households with incomes of under about \$55,000 – or about 80% of the Metro’s Median Family Income for a family of three). In Ramsey, we calculate that 70% to 75% of the for-sale multifamily demand is for units priced below \$200,000. This is higher than other Market Area communities, such as Blaine and Coon Rapids, which are closer to the core of the Twin Cities and where land prices are higher. Overall, we calculate **demand in Ramsey between 2005 and 2010 for about 690 to 775 townhome units priced below \$200,000 (“affordable”)**. We also calculate that **nearly all of the condominium demand will be for units priced below \$200,000, or about 30 to 60 units**.
- The demand for rental housing is from households of varying incomes. Based on our demographic analysis and current market conditions, we project that 50% to 55% of the rental demand in Ramsey between 2005 and 2010 will be for market rate units. Another 20% to 25% of demand will be for units affordable to households with incomes between 50% and 60% of median income (“affordable units”), and 25% to 30% of demand will be for units affordable to households with incomes below 50% of median income (“subsidized units”). This equates to **demand in Ramsey between 2005 and 2010 for 170 to 190 market rate units, 65 to 85 affordable units, and 85 to 100 subsidized units**. It should be noted that overall demand for affordable and subsidized units is greater than 150 to 185 units, however existing older market rate communities in the Market Area with moderate rents will satisfy much of this demand.

### Adult Few Services Senior Housing Demand Analysis

Tables 26 through 28 present demand estimates for market rate, affordable, and subsidized adult/few-service senior housing in the PMA (Ramsey, Anoka, Andover, Oak Grove, and Burns Township). The following points outline the calculations/assumptions for each demand table. It should be noted that there is some market overlap between the three housing products, as many seniors would income-qualify for at least two of the three housing products. We account for this market overlap in our recommendations in the following section.

#### *Market Rate*

- Demand for owned and rented market rate senior housing in Ramsey is calculated in Table 26. The table calculates demand based on senior households with incomes above \$25,000 in 2005 and \$29,500 in 2010, including those households whose incomes would rise to this level based on proceeds gained from the sale of their single-family homes. An income of \$25,000 and an allocation of 40% of that income on housing translates to an affordable monthly cost of about \$830.
- Seniors who own their homes also have an untapped source of equity that can be used to purchase a senior housing unit or to allocate toward a rental unit. For example, if a senior in the Market Area sold his/her home for \$203,400 (90% of the average sale price in 2004), the pro-

## HOUSING DEMAND ANALYSIS

ceeds from the sale of the home could produce an extra \$630 per month that could be used almost dollar for dollar for alternative housing. (This figure is calculated by subtracting marketing costs, estimated at 7%, from the proceeds from the sale of the home and using the interest income, estimated at 4%, toward monthly rent).

- Including households who would income-qualify with the proceeds from a home sale (those households with incomes of between \$15,000 and \$25,000), we estimate the number of age/income-qualified senior households in the PMA in 2005 at about 7,150, increasing to about 9,4109 in 2010.

TABLE 26 MARKET RATE "ADULT"/FEW-SERVICES SENIOR HOUSING DEMAND RAMSEY PMA 2005 & 2010						
	2005			2010		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households in PMA w/ Incomes of \$15,000 to \$25,000 <sup>1</sup>	158	279	364	186	343	406
(times) Homeownership Rate	x 92%	82%	49%	x 92%	82%	49%
(equals) Potential Market	= 145	229	178	= 171	281	199
(plus) # of Households w/ Incomes of \$25,000+ <sup>1</sup>	+ 4,208	1,637	755	+ 5,524	2,310	924
(equals) Total Potential Market Base	= 4,353	1,866	933	= 5,695	2,591	1,123
(times) Short-Term Capture Rate	x 0.5%	8.0%	12.0%	x 0.5%	8.0%	12.0%
<b>(equals) Short-Term Demand Potential</b>	<b>= 22</b>	<b>149</b>	<b>112</b>	<b>= 28</b>	<b>207</b>	<b>135</b>
Total Market Rate Demand Potential	= 283 ↗			= 371 ↗		
(times) % for housing w/services & w/o services	x <u>60%</u>	x <u>40%</u>		x <u>60%</u>	x <u>40%</u>	
(equals) Demand potential	= 170	= 113		= 222	= 148	
(plus) Demand from Outside PMA (20%)	+ 42	+ 28		+ 56	+ 37	
(equals) Total Demand Potential	= 212	= 142		= 278	= 185	
(minus) Existing/Pending Competitive Units <sup>2</sup>	- 76	55		- 76	- 55	
<b>(equals) Excess Demand in PMA</b>	<b>= 136</b>	<b>= 87</b>		<b>= 202</b>	<b>= 130</b>	
(times) % of Demand Capturable by Ramsey	- 30%	30%		- 30%	- 30%	
<b>(equals) Excess Demand in Ramsey</b>	<b>= 41</b>	<b>= 26</b>		<b>= 61</b>	<b>= 39</b>	
<sup>1</sup> 2010 income-qualified figures adjusted for inflation (\$29,500 or more + homeowners w/ inc. of \$23,500 - \$29,500) <sup>2</sup> Rental units account for a 5% vacancy factor and include one-quarter of the congregate/optional-service units to account for market overlap.						
Source: Maxfield Research Inc.						

- Adjusting to include appropriate capture rates (ranging in 2005 from 0.5% of households age 55 to 64 to 12.0% of households age 75 and older) for each age cohort, results in local de-

## HOUSING DEMAND ANALYSIS

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mand potential for all types of independent senior housing of about 280 units in 2005 and about 370 units in 2010.

- Based on recent trends in preference, we project that 60% of this demand is for ownership products and 40% will be for renter products, or 170 and about 115 units, respectively, in 2005. By 2010, we project the same percentage of demand, resulting in demand for 220 ownership units and 150 renter units.
- Additional demand will come from outside the PMA. We estimate this to represent 20% of the total demand generated by PMA seniors. Together, the demand from Market Area seniors and demand from seniors who would relocate to the Market Area totals 210 ownership units and 140 rental units 2005.
- From this total, the existing and pending market rate rental units in the PMA are subtracted (minus a 5% vacancy rate for rental communities). Subtracting existing competitive units results in excess local demand for 136 ownership units and 87 renter units in 2005. Using the same methodology, and accounting for pending senior communities (there were none identified), demand is projected to increase to about 200 ownership units and 120 renter units.
- No one community or location would be able to capture all of the projected demand. We estimate that a community in Ramsey could capture 30% of the owner demand and 30% of the renter demand, or **41 ownership units and 24 renter units in 2005**. We estimate that by 2010, the City of Ramsey could capture the same percentage of the local demand for both ownership and rental senior housing, or **60 ownership units and 35 renter units**.

### *Affordable Senior Housing*

Table 27 on the following page presents our demand calculations for affordable, independent senior housing.

In order to arrive at the potential age-income qualified base for affordable independent senior housing, we have included all older adult and senior households who rent with incomes of \$25,000 to \$30,000. Then, we add households with incomes of between \$15,000 and \$25,000, plus the households with incomes below \$15,000 that own their own homes. This gives us an estimated 1,020 age/income-qualified older adult and senior households in the PMA in 2005.

Adjusting to include appropriate capture rates for each age cohort (12.0 percent of households 65 to 74, and 18.0 percent of households age 75 and older) results in a local demand potential for approximately 160 affordable independent senior units.

We estimate that 25% of the demand for affordable independent senior housing in Ramsey will be generated by seniors currently residing outside the PMA. This demand will consist primarily of parents of adult children living in the Market Area, individuals who live just outside the Market Area and have an orientation to the area, as well as former residents who desire to return. Together, when the demand from area seniors is added to the demand from seniors who would

## HOUSING DEMAND ANALYSIS

relocate to the Market Area results in a total unmet demand for 210 affordable independent senior units as of 2005.

We then subtract the existing competitive units (minus a 5% vacancy rate); this produces a total demand for the Ramsey Market Area of 150 affordable senior units for 2005. Applying the same demand methodology to the 2010 older adult and senior household base projections, and accounting for the pending Lake George senior housing, shows that the net demand for affordable adult housing will remain the same at 150 units in 2010.

We project the amount of demand capturable by a community in Ramsey to be 45% of the excess senior rental demand, resulting in **affordable senior rental demand of 67 units in 2005 and remaining steady through 2010.**

**TABLE 27**  
**AFFORDABLE INDEPENDENT SENIOR RENTAL HOUSING DEMAND**  
**RAMSEY PMA**  
**2005 & 2010**

	2005		2010	
	65-74	75+	65-74	75+
Number of <u>Renters</u> w/ Incomes of \$25-30K	26	53	34	89
(plus) Number of <u>Households</u> w/ Incomes of \$15-25K <sup>1</sup>	279	364	314	379
(plus) Number of <u>Owners</u> w/ Incomes of < \$15,000 <sup>1</sup>	143	157	194	192
(equals) Total Potential Market Base	= 448	574	= 542	660
(times) Potential Capture Rate	= 12.0%	18.0%	x 12.0%	18.0%
<b>(equals) Potential Demand</b>	<b>54</b>	<b>+ 103</b>	<b>= 65</b>	<b>+ 119</b>
<b>Total Local Demand Potential</b>	<b>157</b>		<b>184</b>	
(plus) Demand from Outside PMA (25%)	52		61	
(equals) Total Demand Potential	209		245	
(minus) Existing/Pending Competitive Units <sup>2</sup>	61		96	
<b>(equals) Total Affordable Senior Housing Demand</b>	<b>148</b>		<b>149</b>	
(times) Percent of Demand Capturable in Ramsey	45%		45%	
<b>(equals) Total Demand Capturable in Ramsey</b>	<b>67</b>		<b>67</b>	
<sup>1</sup> Income-qualified base was adjusted to account for inflation. 2010 figures account for renter households with incomes of \$29.5-\$35K, plus all household with incomes of \$17,500 to \$29,500 plus all households with incomes less than \$17,500 who own their homes.				
<sup>2</sup> Competitive unit counts reflect a 5% vacancy rate, and include two-thirds of Savannah Oaks and Lake George, since these two communities have higher income limits than our demand calculation income-qualified range.				
Source: Maxfield Research Inc.				

## HOUSING DEMAND ANALYSIS

### *Subsidized Senior Housing*

In general, most senior households with incomes in excess of \$25,000, and senior homeowners with incomes of \$15,000 or more can afford market rate senior housing without financial assistance and do not need subsidized housing. Subsequently, seniors with incomes less than \$15,000 and seniors with incomes between \$15,000 and \$25,000 who currently rent their housing are candidates for subsidized housing. Based on these factors, we estimate demand for subsidized senior housing in Ramsey as shown in Table 28.

- The table shows a total potential market base for subsidized senior housing of 500 households in the Ramsey PMA in 2005. Not all of the age/income-qualified senior households will need or want subsidized housing, however. We estimate that 50% of the market base will need or want subsidized senior housing, while the remainder may seek an affordable product, or remain in their single-family home or rent a general-occupancy apartment. Using this capture rate, demand exists for 250 subsidized senior housing units in the PMA.
- Subtracting the 200 existing units results in excess demand for 50 units in the PMA. We project that a subsidized community in Ramsey would capture 45% of the remaining demand, for a **total demand of 20 units of subsidized senior housing in the City of Ramsey in 2005.**
- Adjusting for inflation, we have estimated that households with incomes of \$17,500 or less and homeowners with incomes of \$17,500 to \$29,500 would qualify for subsidized/affordable independent senior housing in 2010. Considering the growth in the older adult base, and applying our 45% capture rate for a community in Ramsey, our methodology projected that **there will be an excess demand for 50 subsidized rental units by 2010.**

<b>TABLE 28</b>		
<b>SUBSIDIZED SENIOR HOUSING DEMAND</b>		
<b>RAMSEY PMA</b>		
<b>January 2006</b>		
<b>Age/Income-Qualified Market:</b>	<b>2005</b>	<b>2010</b>
Senior Households (65+) in the PMA w/incomes below \$15,000	495	628
(times) % of market base needing/wanting low-income housing	x 50%	50%
(equals) Subsidized/affordable senior housing demand	= 248	314
(minus) Existing occupied subsidized units	- 201	201
(equals) Excess long-term demand	= 47	113
(times) % which a rental community in Ramsey can capture	x 45%	45%
<b>Total Demand in the City of Ramsey</b>	<b>= 21</b>	<b>51</b>
<sup>1</sup> 2010 income-qualified figures adjusted for inflation (\$20K or less + homeowners w/ inc. of \$17.5 - 29.5K)		
Source: Maxfield Research Inc.		

## CONCLUSIONS AND RECOMMENDATIONS

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### Introduction

This section recommends workforce and senior housing community concepts for Ramsey over the short-term, based on the market findings and demand analysis. A summary of these community concepts is shown below, followed by detailed recommendations for each housing type. If all of the recommended workforce and senior housing units shown below were built, a total of 300 to 350 units would be added to Ramsey. It should be noted that while we recommend market rate apartments, only a portion of the units would be occupied by households with moderate-incomes – or workforce households. However, we find that market rate apartments would serve some new employees to the area who are not in a position to purchase housing immediately, but may have incomes too high to income-qualify for subsidized/affordable rental housing (including some people hired as teachers, healthcare workers, and police officers, among others).

#### Summary of Recommended Workforce & Senior Housing Communities City of Ramsey - 2005 to 2010

	<u>No. of Units</u>
Market Rate General-Occupancy Rental	125 - 140
Affordable/Subsidized General-Occupancy Rental	80 - 100
Senior Condominium/Cooperative	45 - 55
Affordable Senior Rental	50 - 55

### Recommended Product Types

#### *For-Sale Affordable Multifamily*

Demand was calculated for approximately 700 to 775 townhome units affordable to moderate-income households in Ramsey over the next five years. Our analysis also revealed that over 1,000 townhome units are planned in Ramsey; the majority of which we project will be priced under or near \$200,000 (in 2005 dollars). These planned units are affordable to moderate-income households. About 400 planned townhome units are located in the Ramsey Town Center, with several hundred more planned in close proximity. Overall, we find that the private market is meeting the Market Area's demand for for-sale affordable multifamily housing.

While affordable multifamily housing is appropriate for Ramsey Town Center (and we encourage their development), we do not believe that the City of Ramsey needs to form a public/private partnership to ensure their development.

While there are several hundred for-sale townhomes under construction or planned in Ramsey, there are no planned condominiums. We would not recommend affordable general-occupancy condominiums, as we found demand for only 35 to 60 units over the next five years. Townhomes are very competitive with condominiums for younger households – one of the primary target markets for condominiums. The other primary target market – active seniors – would be

## CONCLUSIONS AND RECOMMENDATIONS

more drawn to an age-restricted building, which is among the products recommended in this report.

### *General Occupancy Rental*

There is an identified need for more market rate and affordable general occupancy rental units in Ramsey to serve workforce households. Our recommended rental concept is shown in Table 29, including unit mix, sizes and rents.

The affordable units in Table 29 (restricted to households earning 50% to 60% of median income – or about \$31,000 to \$37,000 for two-person households) would satisfy need from many younger households in entry-level jobs in Ramsey and the surrounding area. Market rate units would also satisfy a portion of the demand from workforce households with incomes slightly too high to qualify for subsidized/affordable units. It should also be noted, however, that because of high land, material, and labor costs, the rents for a market rate building to be financially feasible may be too high for the community to even draw much of its target market – moderate- to average-income younger households. Thus, to reduce development costs for the market rate units, we recommend a mixed-income rental building that includes both affordable and market rate units.

<b>TABLE 29</b>				
<b>RECOMMENDED RENTAL HOUSING COMMUNITY</b>				
<b>CITY OF RAMSEY</b>				
<b>January 2006</b>				
<b>AFFORDABLE UNITS (AT 50% TO 60% OF MEDIAN INCOME)</b>				
<b>Unit Type</b>	<b>Pct. of Units</b>	<b>Square Feet</b>	<b>Affordable Rate</b>	<b>Rent/ Sq. Ft.</b>
1BR	30% - 35%	775 - 800	\$675 - \$700	\$0.87 - \$0.88
2BR	50% - 60%	1,025 - 1,075	\$825 - \$925	\$0.80 - \$0.86
3BR	10% - 15%	1,250 - 1,325	\$1,000 - \$1,050	\$0.80 - \$0.79
Total	80 - 100			
<b>MARKET RATE UNITS</b>				
1BR	35% - 40%	800 - 825	\$875 - \$950	\$1.09 - \$1.15
2BR	45% - 55%	1,075 - 1,175	\$1,150 - \$1,300	\$1.07 - \$1.11
3BR	10% - 15%	1,300 - 1,400	\$1,400 - \$1,500	\$1.08 - \$1.07
Total	125 - 140			
Note: recommended rents are in 2006 dollars and can be trended upward by 2.5% annually until opening.				
Source: Maxfield Research, Inc.				

As shown in Table 29, we recommend a mixed-income apartment building with 205 to 240 units. Sixty percent of the units (125 to 140 units) should be market rate, totaling 125 to 140 units. The remaining 40% of units should be affordable to households at a mix of those at 50% and 60% of

## CONCLUSIONS AND RECOMMENDATIONS

median income – or 80 to 100 units. The recommended building should include underground parking available for an additional fee, and the following common area amenities: community/party room, media room, exercise room, management office, and individual storage lockers. Also, this community could be built as one larger building, or as two or three smaller buildings. While we recommend a mixed-income building, in the event that the market rate demand is satisfied by a new community developed elsewhere by a private developer, we recommend continuing with a strictly affordable community. This community should have a similar number of units and concept to that as shown in Table 29.

### *Market Rate Senior Housing*

We recommend the development of an independent senior condominium or cooperative facility to satisfy the demand for market rate independent senior housing. We find that the majority of younger, active seniors are preferring homeownership over rental. Thus, we would not recommend an age-restricted market rate senior rental building. Our recommended concept for a senior condominium or cooperative is shown in Table 30, along with the unit mix, sizes and base pricing. It should be noted that for a cooperative unit, buyers would pay a share cost equal to a portion of the base price (most likely one-third) versus the full base price.

Based on demand levels, we recommend a senior condominium or cooperative with 45 to 55 units in Ramsey. We recommend that the majority of units be one-bedroom plus den or larger, as most seniors will be downsizing from a single-family home and prefer larger units for their possessions, as well as an extra bedroom. Based on the performance of other communities throughout the Metro Area, we recommend base pricing from about \$145,000 to \$160,000 for one-bedroom units, to \$180,000 to \$225,000 for two-bedroom units. We do not recommend pricing much higher than this level, as most seniors will be using the equity from the sale of an existing single-family home and will not want to take on a mortgage to finance the new condominium/cooperative.

<b>TABLE 30 SENIOR COOPERATIVE/CONDOMINIUM CITY OF RAMSEY January 2006</b>				
<b>Unit Type</b>	<b>No. of Units</b>	<b>Square Feet</b>	<b>Recommended Base Pricing*</b>	<b>Base Price/Sq. Ft.</b>
1BR	5% - 5%	825 - 900	\$145,000 - \$160,000	\$176 - \$178
1BR+Den	10% - 15%	950 - 1,025	\$160,000 - \$180,000	\$168 - \$176
2BR	80% - 85%	1,075 - 1,275	\$180,000 - \$225,000	\$167 - \$176
Total	45 - 55			
* For a cooperative, residents would pay a share cost that would be portion of this market value - most likely 33%.				
Note: recommended pricing is in 2006 dollars, and can be trended upward by 3.5% annually until opening.				
Source: Maxfield Research, Inc.				

## CONCLUSIONS AND RECOMMENDATIONS

For a senior condominium or cooperative building, unit pricing should include an underground parking stall in the price. Additionally, the building should feature at least the following common areas: a lobby area, resident mail boxes, a community room, fitness/wellness room, and a library.

### *Affordable Senior Housing*

For more moderate-income seniors who cannot afford to purchase market rate senior housing, we recommend a 50 to 55 unit affordable senior rental building in Ramsey. Our recommended concept is shown in Table 31, along with recommended unit mix, sizes, and rents.

The recommended affordable senior rental community should be at 80% of median income. The unit mix should contain a higher proportion of one-bedroom units than the market rate condominium/cooperative, as the community will be marketed to more moderate-income seniors, many of whom are singles. The recommended unit mix, sizes, and monthly rents in Table 31 are similar to Savannah Oaks of Ramsey, which has been successful and currently has a waiting list with 70 people.

<b>TABLE 31</b> <b>AFFORDABLE INDEPENDENT SENIOR RECOMMENDATIONS</b> <b>CITY OF RAMSEY</b> <b>January 2006</b>				
<b>Unit Type</b>	<b>No. of Units</b>	<b>Square Feet</b>	<b>Market Rate</b>	<b>Rent/ Sq. Ft.</b>
1BR	35% - 40%	700 - 725	\$700 - \$725	\$1.00 - \$1.00
1BR+Den	40% - 45%	875 - 925	\$825 - \$850	\$0.94 - \$0.92
2BR	15% - 25%	1,025 - 1,100	\$1,000 - \$1,100	\$0.98 - \$1.00
Total	50 - 55			
Note: recommended rents are quoted in 2006 dollars.				
Source: Maxfield Research, Inc.				

For an affordable senior rental building, unit pricing should include underground parking for an additional fee, plus the following common area amenities: a lobby area, resident mail boxes, a community room, storage lockers, and a library/lounge.

### **Potential Locations**

We find that a site within Ramsey Town Center is the best location for rented housing and senior housing. It has the best access and visibility, and would be within walking distance to shopping, jobs, entertainment, and transit. If built here, the recommended communities would have a competitive advantage over other multifamily communities in the surrounding area, as potential residents would be attracted to the unique environment and amenities offered by Ramsey Town Cen-

## CONCLUSIONS AND RECOMMENDATIONS

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ter. We also find that Ramsey Town Center has the capacity to accommodate large communities, and multifamily housing on this site would compliment the adjacent surrounding land uses that are planned. Thus, **we recommend that Ramsey Town Center be the focus of new multifamily and senior housing community.**

The northeast corner of Highway 47 and Alpine Drive also has capacity to support some of the recommended housing communities, and should also be considered for future multifamily housing. However, this site would not be as appealing to potential residents as multifamily housing in the Ramsey Town Center. Thus, communities built on this site may need to contain fewer units than recommended in Tables 29 through 31, as communities on the site would likely attract fewer potential residents as the Ramsey Town Center site.

While other sites in the community are appropriate for multifamily housing, we do not recommend pursuing the development of new affordable and senior communities on them in the short-term. These sites are not as appealing for affordable and senior multifamily housing as Ramsey Town Center or the northeast corner of Highway 47 and Alpine Drive. They should be preserved for multifamily communities in the long-term future, however, as there are very few potential multifamily sites in Ramsey.

## Projected Absorption

### *Mixed-Income Rental Housing*

Based on our research findings, we project that for a rental building with 80 to 100 affordable units and 125 to 140 market rate units located in the Ramsey Town Center, approximately 50% of the affordable units will be preleased prior to occupancy, as would approximately 20% of the market rate units. The remaining affordable units would lease at a rate of about eight to ten units per month, and the remaining market units at about six to eight units per month. While there is strong need for market rate units, absorption is generally slower for market rate units, since higher income renters have greater options and will spend more time choosing their housing.

With these rates of absorption, the affordable component should reach stabilized occupancy (95%) in four to five months for an 80-unit community and five to six months for a 100 unit community. A 125-unit market rate should reach stabilized occupancy in 12 to 15 months, while a 140-unit community should reach stabilized occupancy in 13 to 18 months.

This absorption period and projected absorption rate assumes that other competitive product is marketing simultaneously with the subject property and that the community would open for occupancy during the peak leasing season beginning in mid to late Spring to allow for the maximum exposure to prospective renters and that an effective marketing campaign will be undertaken to generate awareness of the community. If the community comes on-line during the late fall or winter months, absorption will be extended by an estimated two to three months beyond our initial projection.

## **CONCLUSIONS AND RECOMMENDATIONS**

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### ***Senior Condominium/Cooperative***

Based on the depth of demand in the Ramsey PMA, the quality of a location in Ramsey Town Center, and our recommended community concept, we project a 45- to 55-unit community would achieve a total absorption period from initial marketing to sell-out in 23 to 27 months. We project that proposed community should be able to achieve presales of 50% over an 8 to 11 month period (an average of 2.5 to 3.0 units per month). We project another 25% of units will be sold during the construction phase – estimated at 12 months (1.25 units per month). We note this should cover the winter months during which time, sales will slow. The remaining 8 to 13 units are projected to sell at a rate of 3.0 to 3.5 units per month, or over the next three to four months from occupancy.

### ***Senior Affordable Rental***

Based on current market conditions, including the long waiting list at Savannah Oaks, and with a site within the Ramsey Town Center, we project that the recommended concept, with 50 to 55 units, would reach stabilized occupancy (95%) within three to five months of initial occupancy. We project that 50% of the affordable units will be preleased, and the remaining 20 to 25 units would be leased at an average rate of five to seven units per month.

These absorption rates assume that no other competitive product is marketing simultaneously with the subject property and that the building opens in spring or early summer. Additional competition and/or a winter opening could extend the absorption period somewhat.