



Housing Market Analysis for Kandiyohi County, Minnesota

Prepared for:

**Kandiyohi County and City of Willmar Economic Development
Commission**

Prepared by:

Viewpoint Consulting Group, Inc.

Date:

January 13, 2023



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Aaron Backman
Executive Director
Kandiyohi County and City of Willmar Economic Development Commission
222 20th Street SE
Willmar, MN 56201

Subject: Housing Market Analysis for Kandiyohi County, Minnesota

Dear Mr. Backman:

Attached is the *Housing Market Analysis for Kandiyohi County, Minnesota* conducted by Viewpoint Consulting Group, Inc. The analysis projects housing demand through 2030 and gives recommendations on the amount and type of housing that could be built in each of the 12 communities within the county to satisfy demand over the next five years. Detailed information regarding recommended housing concepts can be found in the Demand Analysis and Conclusions section at the end of the report.

Thank you for selecting Viewpoint Consulting Group, Inc. to conduct this analysis of Kandiyohi County's housing needs. Please contact us if you have any questions or need additional information.

Sincerely,

Viewpoint Consulting Group, Inc.

A handwritten signature in blue ink, appearing to read "Jay Thompson", is written over a light blue horizontal line.

Jay Thompson
President

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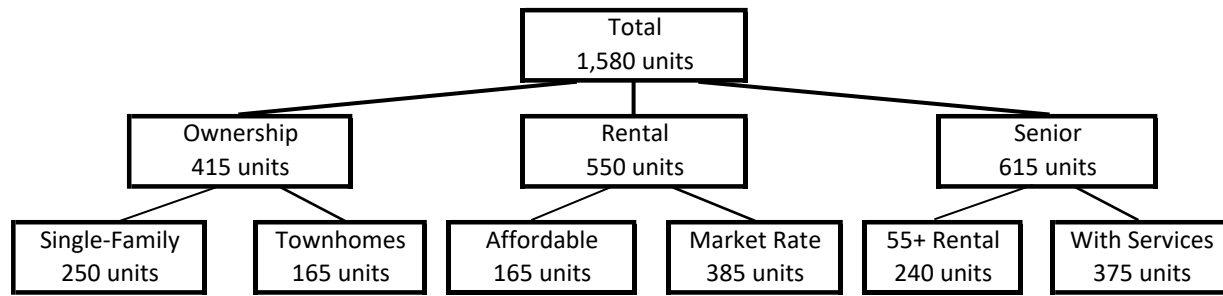
Key Findings

The Kandiyohi County and City of Willmar Economic Development Commission engaged Viewpoint Consulting Group, Inc. to conduct an analysis of housing needs for Kandiyohi County, including all 12 communities within the County. Calculations of housing demand from 2022 to 2030 are found in the *Demand Analysis and Conclusions* section of the report. Recommendations are also provided on the amount and types of housing that should be developed to accommodate the housing needs over the next five years. The following are key highlights from the housing needs analysis.

At 21,015 people (2020 census), Willmar is the largest community in Kandiyohi County. Key findings are presented for Willmar, then the remainder of the County, which includes 11 communities ranging in population from 43 (Regal) to 1,252 (New London).

Willmar

1. Willmar is a regional center with nearly 18,500 jobs as of 2019, of which about two-thirds commuted from residences outside the community. Overall, about 70% of the County's jobs are in Willmar.
2. Willmar experienced growth of 820 people during the 1990s, 1,259 people during the 2000s, and 1,405 people during the 2010s. Growth during the 2010s was despite the Great Recession and corresponding housing downturn that curtailed growth nationwide in the beginning of the decade. This decade (2020 to 2030) Willmar is projected to grow by 2,685 people. This growth projection partly stems from recent development trends and the potential for Willmar to draw some of the many people who commute to Willmar for work.
3. Willmar's population growth is projected among all major age groups this decade. The senior population is projected to grow more quickly as the baby boom generation ages. Projected growth of younger and middle-aged adults should lead to a corresponding growth of children. Growth of all age groups should create demand for a variety of housing types, including rentals, single-family homes, townhomes, and senior housing.
4. Sources of housing demand in Willmar include projected household growth, pent-up rental demand, capturing a portion of commuters to jobs in Willmar, and senior housing needs. All these sources combine for demand for 1,580 housing units in Willmar between 2022 and 2030. The mix is estimated at 415 ownership units, 550 rental units, and 615 senior units.

Willmar Housing Demand – 2022 to 2030

5. Housing types by number of units to meet projected demand in Willmar over the next five years (from 2023 to 2028) is shown below. The recommended housing units total about 965 units, for an average of 193 units annually. In comparison, 63 housing units were added annually in Willmar during the 2000s and 40 units annually during the 2010s. Recommendations for rental and senior housing over the next five years largely address pent-up demand created by limited development over the past two decades.

Housing Units Recommended in Willmar from 2023 to 2028 to Meet Demand

Owner-Occupied Housing		Rental Housing		Senior Housing	
Single-Family		Market Rate	380 - 400	Supportive Senior Housing	
Entry-Level	60 - 65	Affordable	45 - 55	Independent	90 - 100
Move-Up	50 - 55	Total	425 - 455	Assisted Living	45 - 55
Executive	35 - 40			Memory Care	30 - 40
Total	145 - 160			Market Rate 55+ Rental	80 - 100
Townhomes	90 - 110			Total	245 - 295

6. Willmar currently has about 70 available lots remaining in three subdivisions that could support single-family homes. It is recommended that new subdivisions come on-line within the next two years with at least 50 lots for single-family homes, with the potential for more lots to be added incrementally in future additions. The majority of lots should be priced to accommodate entry-level homes with base prices of about \$275,000 to \$325,000 and move-up homes with base prices of about \$325,000 to \$375,000.
7. While both the Trentwood Estates and Woodberry Additions allow townhomes, there are very few lots available to accommodate townhomes in Willmar, and no recent subdivisions exist that are designated solely for townhomes. New lots should be created to accommodate up to 50 townhomes by 2024. To capture most of the target market, it is recommended that lots be made available to accommodate one-level townhomes with attached two-car garages to appeal to the primary target market – empty nesters. Townhomes should be in the \$250,000 to \$300,000 price range.

8. New rental developments under construction or in the permit review process will meet the bulk of Willmar's market rate rental demand. These developments include Block 25 Lofts (58 units, under construction), Edgeview (144 units, under construction), The Preserve on 24th (108 units, including 36 units open and 72 units under construction), and Unique Opportunities – Lakeland Drive (72-unit first phase, under building permit review).
9. It is recommended that an affordable rental property with 45 to 55 units be added in Willmar from 2023 to 2028. Units should have three to five bedrooms to accommodate large families. These units would fill a void that is existing in Willmar's existing multifamily rental supply. Recommended rents should be affordable at 60% of AMI and also be under the Payment Standard for the Housing Choice Voucher program, are approximately \$1,025 for three-bedroom units, \$1,175 for four-bedroom units, and \$1,300 for five-bedroom units.
10. There is potential to accommodate a portion of Willmar's affordable rental demand in the various Suite Liv'n properties throughout Willmar. The Suite Liv'n properties have approximately 85 vacancies. Suite Liv'n is in jeopardy of not having their rental license renewed on several of their properties and it is recommended that efforts be made to bring Suite Liv'n properties up to code to provide quality affordable rental housing. Currently, the rent at most Suite Liv'n properties is \$750 for one-bedroom units, \$850 for two-bedroom units, and \$950 for three-bedroom units. These rents are considered affordable to households earning 50% of AMI for Kandiyohi County.
11. It is recommended that a market rate senior (55+) rental development be added in Willmar with 80 to 100 units within the next five years. This type of housing would meet the needs of younger, more active seniors who wish to downsize from their existing homes but do not need meals or personal care services found in a supportive services building. These units could be in a single, multistory building with 80 to 100 units. Additionally, some could be townhome-style units with attached garages that offer single-level living. Rents should begin at about \$1,200 for one-bedroom units and \$1,400 for two-bedroom units.
12. It is recommended a development(s) with 165 to 195 units of independent, assisted living, and memory care housing be added in Willmar within the next five years. These units would be the first substantial senior housing development in Willmar in almost 20 years. The recommended service-level mix should be about 90 to 100 independent units, 45 to 55 assisted living units, and 30 to 40 memory care assisted living units.

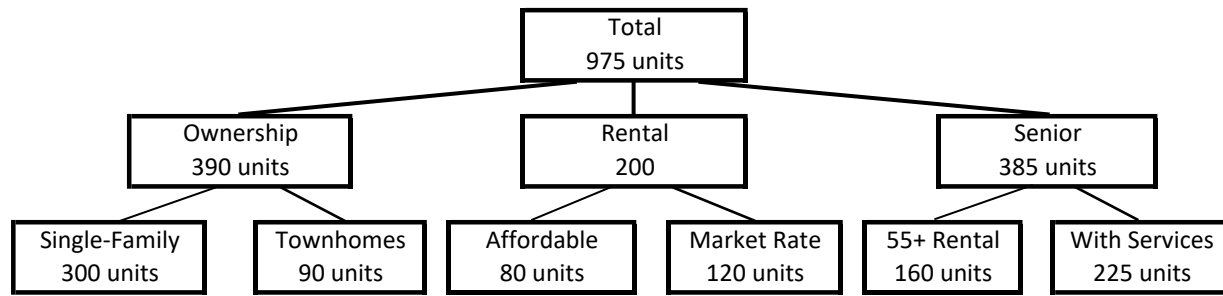
Remainder of Kandiyohi County

1. After Willmar, there are 11 other smaller communities in Kandiyohi County. They combined for a population of 6,366 in 2020, which was relatively unchanged from 2010. In addition, there were another 16,351 people living in the County in 2020, with a large share living in the northern part of the County on lake homes and other estates.

Kandiyohi County Population Change, 2010 to 2020

	2010	2020	Change
Willmar	19,610	21,015	1,405
New London	1,251	1,252	1
Atwater	1,133	1,124	-9
Spicer	1,167	1,112	-55
Raymond	764	782	18
Kandiyohi	491	569	78
Prinsburg	497	520	23
Pennock	508	479	-29
Lake Lillian	238	246	8
Blomkest	157	145	-12
Sunburg	100	94	-6
Regal	34	43	9
Rural	16,289	16,351	62
Total	42,239	43,732	1,493

2. Projections are that this decade (2020 to 2030), the population in the remainder of the County will decline slightly (-1.0%). Much of the projected population decline is attributed to a decline in the overall average household size (people per household) as the household base is projected to grow by 1.9% (+176 households). The growth projection partly stems from past development trends and there is potential to exceed it by adding to the County's housing stock to meet pent-up demand.
3. Like Willmar, the remainder of the County's population growth is projected among all major age groups this decade. The senior population is projected to grow more quickly as the baby boom generation ages. Projected growth of younger and middle-aged adults should lead to a corresponding growth of children. Growth of all age groups should create demand for a variety of housing types, including rentals, single-family homes, townhomes, and senior housing.
4. Sources of housing demand include projected household growth, pent-up rental demand, capturing a portion of commuters to jobs, and senior housing needs. All these sources combine for demand for 975 housing units in the Remainder of the County between 2022 and 2030. The mix is estimated at 385 ownership units, 200 rental units, and 390 senior units.

Remainder of Kandiyohi County Housing Demand – 2022 to 2030

5. Housing types by number of units to meet projected demand in the Remainder of the County over the next five years (from 2023 to 2028) is shown below. The recommended housing totals about 640 units, for an average of 130 units annually. In comparison, about 98 housing units were added annually in the Remainder of the County during the 2010s, even though the Census Bureau found growth that averaged 15 households annually. Recommendations for rental and senior housing over the next five years largely address pent-up demand created by limited development over the past few decades.

Housing Units Recommended in the Remainder of the County from 2023 to 2028

Owner-Occupied Housing	
Single-Family	
Entry-Level	40 - 50
Move-up/Executive	185 - 200
Total	225 - 250
Townhomes	
	45 - 50

Rental Housing	
Market Rate	100 - 110
Affordable	50 - 52
Total	150 - 162

Senior Housing	
Supportive Senior Housing	
Independent	50 - 60
Assisted Living	40 - 50
Memory Care	20 - 30
Market Rate 55+ Rental	70 - 80
Total	180 - 220

6. A summary of recommendations is shown on the following page. Demand in the Remainder of the County is not spread evenly between the communities. The greatest demand is in New London and Spicer, which are only about four miles apart and share the same school district. They are effectively the same housing market and combine for about 75% of the recommended housing units in the Remainder of the County over the next five years.
7. About 225 to 250 single-family homes should be built to meet demand over the next five years. Of this demand about 115 to 125 is projected in the rural parts of the County, particularly on lakes and in other large estates. This demand is largely for move-up or executive homes priced at over \$325,000. The remainder of demand for move-up/executive homes is largely in New London and Spicer. Demand for entry-level single-family homes (40 to 50 units) is largely in the remaining communities. Prices for these homes should generally begin at about \$250,000.

Summary of Housing Recommendations by Community over the Next Five Years

Atwater
<ul style="list-style-type: none"> A single-family/townhome subdivision with 15+ lots Single-level, market rate rental twinhome (2 to 4 units) A workforce rental housing building with 10 to 12 units
Blomkest
<ul style="list-style-type: none"> One to two single-family homes on in-fill lot
Kandiyohi
<ul style="list-style-type: none"> A single-family/townhome subdivision with 15+ lots Single-level, market rate rental twinhomes/townhomes (2 to 4 units) A workforce rental housing apartment with 8 to 10 units
Lake Lillian
<ul style="list-style-type: none"> One to two single-family homes on in-fill lot Single-level, market rate rental twinhomes/townhomes (2 to 4 units)
New London
<ul style="list-style-type: none"> A single-family/townhome subdivision(s) with 50+ lots Single-level, market rate rental twinhomes/townhomes (12 to 16 units) A workforce (market rate/affordable) apartment building(s) with 85+/- units* Supportive senior housing with 90+/- units of independent/assisted living/memory care housing*
Pennock
<ul style="list-style-type: none"> Single-level, market rate rental twinhome (4 to 6 units)
Prinsburg
<ul style="list-style-type: none"> A single-family/townhome subdivision(s) with 10+ lots Single-level, market rate rental twinhomes/townhomes (4 to 6 units)
Raymond
<ul style="list-style-type: none"> A single-family/townhome subdivision(s) with 10+ lots Single-level, market rate rental twinhomes/townhomes (4 to 6 units)
Regal
<ul style="list-style-type: none"> One to two single-family homes on in-fill lot
Spicer
<ul style="list-style-type: none"> A single-family/townhome subdivision(s) with 60+ lots Single-level, market rate rental twinhomes/townhomes (10 to 12 units) A workforce (market rate/affordable) apartment building(s) with 85+/- units* Supportive senior housing with 90+/- units of independent/assisted living/memory care housing*
Sunburg
<ul style="list-style-type: none"> One to two single-family homes on in-fill lot Single-level, market rate rental twinhomes/townhomes (2 units)
<p>* New London and Spicer share the same general market. It is not recommended that they each add 90+ units of supportive senior housing units, but instead developments in the two communities could combine for 90+/- units. Likewise, between the two, apartment buildings totaling 85+/- units could be built.</p>

8. An estimated 30% or more of the demand for owner-occupied homes in the 11 smaller communities in the County is projected to be for one-level townhomes. Forty to 50 single-level townhomes with attached two-car garages are recommended over the next five years. Townhomes should be priced starting at about \$225,000. New subdivisions should allow townhomes on at least a portion of the lots.
9. About 100 units of general-occupancy (open to all ages) rental housing developed in the Remainder of the County over the next five years should be market rate with no income restrictions but with rents affordable to households with incomes of 60% of AMI. – or workforce housing. Of the total, it is recommended that about 85 workforce units be added in either New London or Spicer. New London and Spicer could be regarded as the same market as they are four miles apart on Highway 23 and have a shared school district. Rents should be about \$825 for one-bedroom units, \$1,000 for two-bedroom units, and \$1,300 for three-bedroom units.
10. Outside New London and Spicer, it is recommended that duplex and/or four-plex rental buildings be added in Atwater, Kandiyohi, Lake Lillian, Pennock, Prinsburg, and Raymond. Atwater and Kandiyohi could potentially support more than one such building, and potentially a small workforce apartment building with up to 12 units. Units in duplex or four-plex buildings should be single-level units with attached garages and a mix of two- and three-bedrooms units. Rents should begin at about \$1,300 for two-bedroom units and \$1,500 for three-bedroom units. Being single-level units, they could accommodate a portion of the senior rental demand.
11. It is recommended a development(s) with about 90 units of independent, assisted living, and memory care housing be added in either New London or Spicer within the next five years. These units could include an addition to Bethesda North Pointe, which opened with 70 units in 2021. The recommended service-level mix to meet demand is about 50 to 60 independent units, 40 to 50 assisted living units, and 20 to 30 memory care assisted living units. Some of the market rate senior rental demand could be met by duplex or four-plex townhomes spread throughout the County. A larger complex of townhomes is recommended in New London and/or Spicer, with an expansion to Bethesda North Pointe being a logical location for this housing type.

Purpose and Scope of Study

Viewpoint Consulting Group, Inc. was engaged by the Kandiyohi County and City of Willmar Economic Development Commission to conduct an analysis of the housing needs in Kandiyohi County. The purpose of this analysis is to calculate the depth of unmet demand for various housing types in the county, including each of its 12 communities, through 2030. Based on the analysis, recommendations are provided on specific housing developments that could be developed in the next five years to meet the unmet need.

Scope of Services

The scope of this study includes the following:

1. Analysis of demographic trends and characteristics and economic conditions as they relate to the potential demand for additional housing in Kandiyohi County.
2. Analysis of current market conditions for rental housing, owner-occupied housing, and senior housing in Kandiyohi County.
3. Calculation of demand for rental, owner-occupied, and senior housing in Kandiyohi County through 2030.
4. Recommendations on appropriate housing types to develop within the next five years to satisfy unmet housing demand.

The data analyzed in this report includes both primary and secondary data. Primary data is data collected by Viewpoint Consulting Group, Inc. through interviews with property managers, Realtors, major employers, and staff with communities within the county. Secondary data is gathered from other sources and is accurate to the best of our knowledge. Secondary data utilized in this report is from the U.S. Census Bureau, Minnesota Department of Employment and Economic Development, Minnesota Demographic Center, Kandiyohi County Assessor, and ESRI (a national demographic firm).

Kandiyohi County Overview

Kandiyohi County is in west-central Minnesota, about 90 miles west of Minneapolis and 65 miles southwest of St. Cloud. It had a population of 43,732 in 2020. The county seat is Willmar, which at 21,015 people, is its largest community. There are 11 other communities in the County which range in size from 43 people (Regal) to 1,252 people (New London).

Cities in Kandiyohi County

Atwater	Prinsburg
Blomkest	Raymond
Kandiyohi	Regal
Lake Lillian	Spicer
New London	Sunburg
Pennock	Willmar

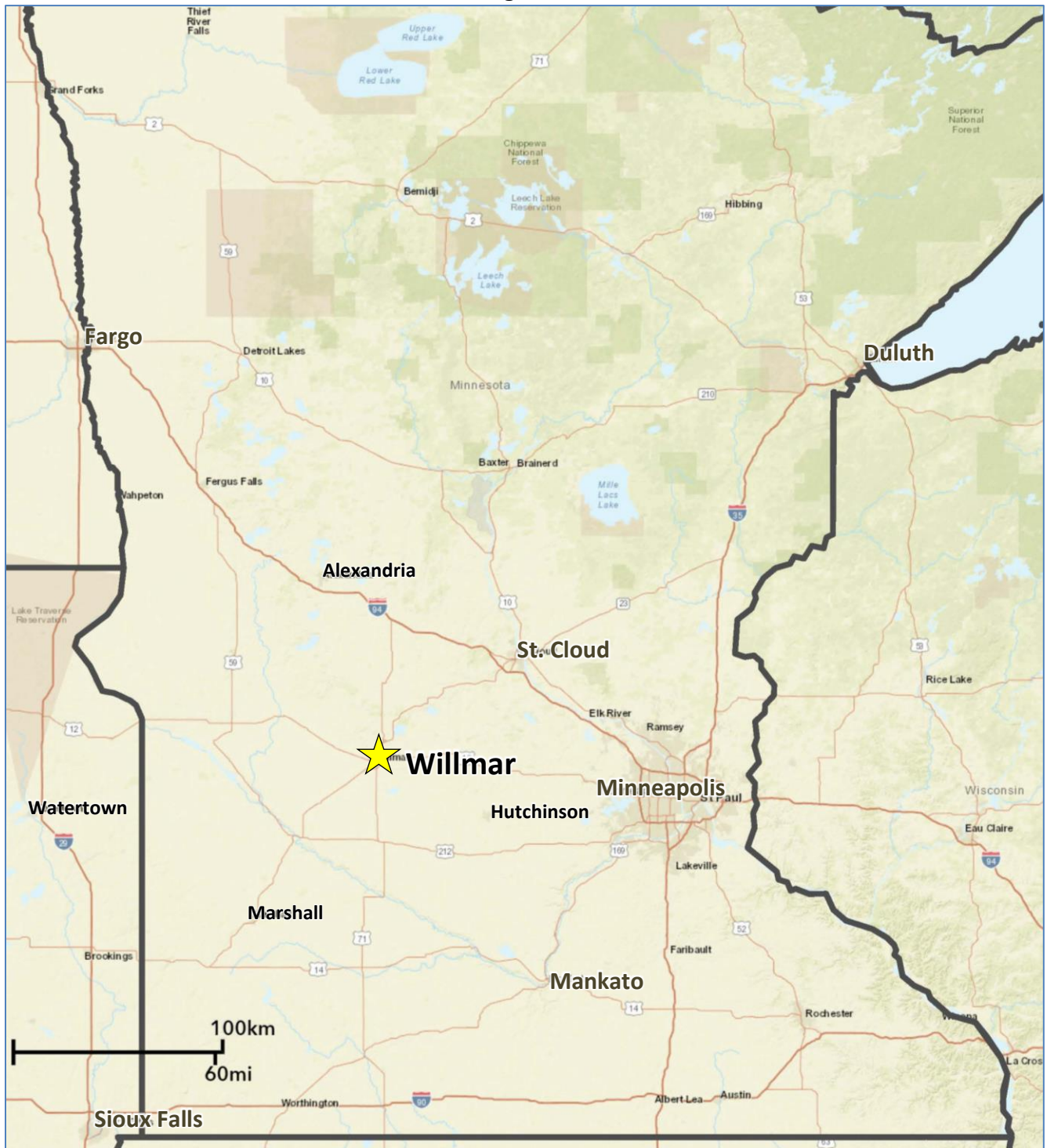
Willmar is centered within the County and is the economic center of a multi-county area. It has nearly 18,500 jobs, or about 70% of Kandiyohi County's total. About two thirds of the jobs in Willmar are filled by people commuting from homes elsewhere in the County and beyond. After Willmar, the greatest concentration of jobs are in New London and Spicer, each with over 800 jobs. In addition to its large job base, Willmar is a health care center (it is home to CentraCare Health - Rice Memorial Hospital) and has a large retail base (including Target, Walmart, Kohl's, Menards, and The Home Depot) that serves the County.

Willmar's diverse economy has helped it and the County to consistently grow. From 1980 to 2020, Willmar grew by 32.2% and the Remainder of the County grew by 8.9%.

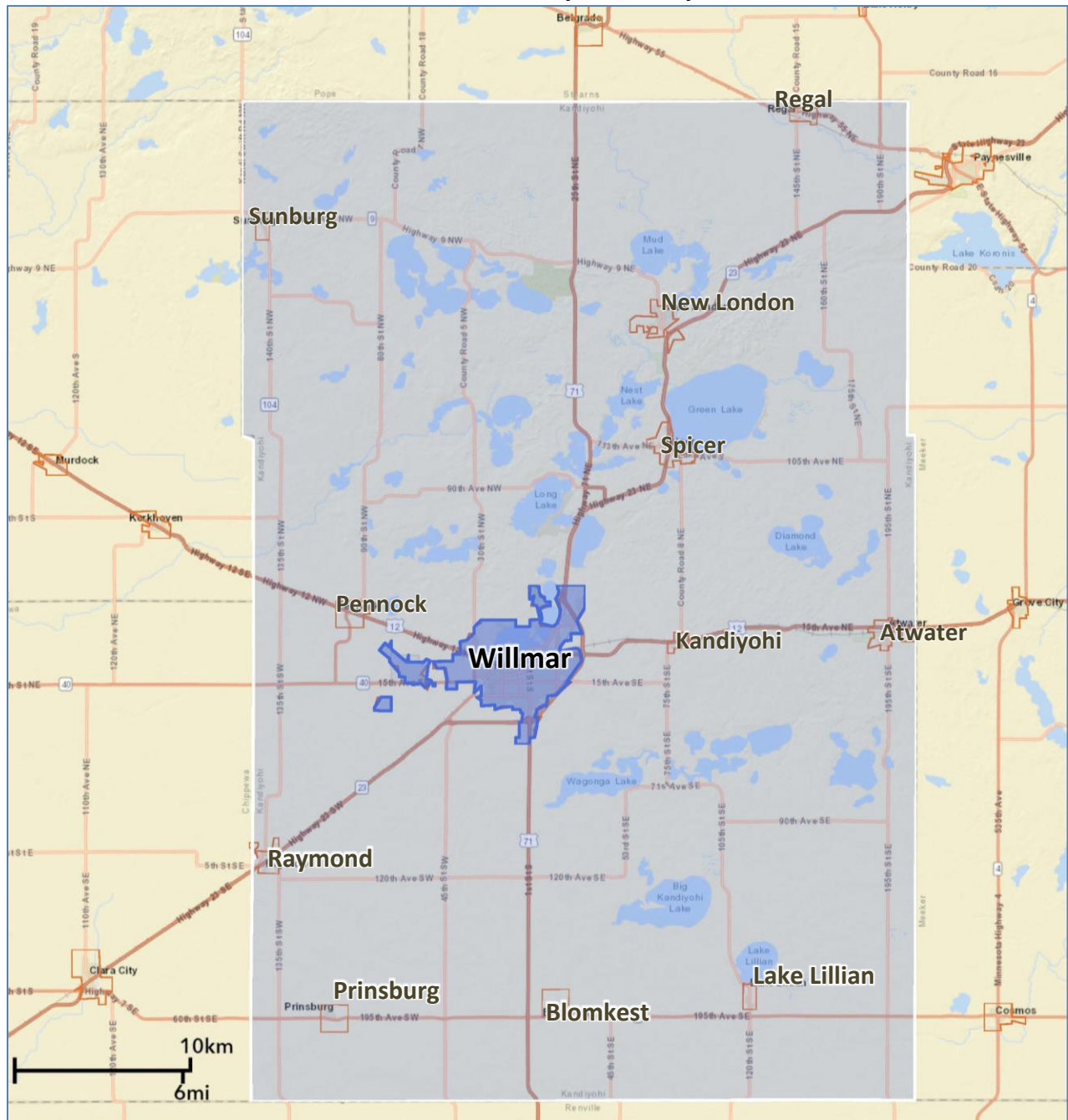
Kandiyohi County Population

	Kandiyohi County	Willmar	Remainder of County
1940	26,524	7,623	18,901
1950	28,644	9,410	19,234
1960	29,987	10,417	19,570
1970	30,548	12,869	17,679
1980	36,763	15,895	20,868
1990	38,761	17,531	21,230
2000	41,203	18,351	22,852
2010	42,239	19,610	22,629
2020	43,732	21,015	22,717

Willmar Regional Location



Willmar & Kandiyohi County



Demographic and Employment Analysis

This section of the report examines demographic and economic factors related to the current and future demand for housing in Kandiyohi County. Demographic factors examined include population and household growth trends, population age distribution, and households by income, tenure, and size. Economic factors include employment growth trends, jobs by industry types, and major employer interviews. A review of these characteristics provides insight into the demand for various types of housing in each of the communities.

Study Area Definition

Demographic data for Kandiyohi County is examined in this housing analysis. It is recognized that growth trends and characteristics of the county and each community within the county shed the greatest insight into future housing demand. However, for some types of housing, particularly senior housing, seniors currently living just beyond the county's border are also a potential market.

Demographic Highlights

The following are key demographic highlights as they pertain to the need for housing in Kandiyohi County. Demographic data was obtained from the U.S. Census Bureau, from both the decennial census and the American Community Survey. Population and household projections were made by Viewpoint Consulting Group, Inc. based on data provided by the Census Bureau, ESRI, and the Minnesota Demographic Center, along with local building trends and employment growth trends.

Population and Household Growth Trends

- Willmar's population grew by 7.2% during the 2010s, reaching 21,015 in 2020. The growth last decade exceeded growth the previous decade (2000 to 2010), when it grew by 6.9%.
- Willmar added 1,405 people during the 2010s, which was 94% of the County's total growth (+1,493). The previous decade, Willmar added 1,259 people while the rest of the County lost 223 people. Since the 1990s, Willmar has increased its share of the countywide population from 45.2% to 48.1% in 2020.
- Willmar's population in 2020 was nearly half the total population of Kandiyohi County. After Willmar, the greatest portion of the population lived in rural areas, which includes on the many lakes in the northern part of the County (37%). The eleven smaller communities combined to account for 15% of the County's population. The largest of these was New London (1,252 people) and the smallest was Regal (43 people).

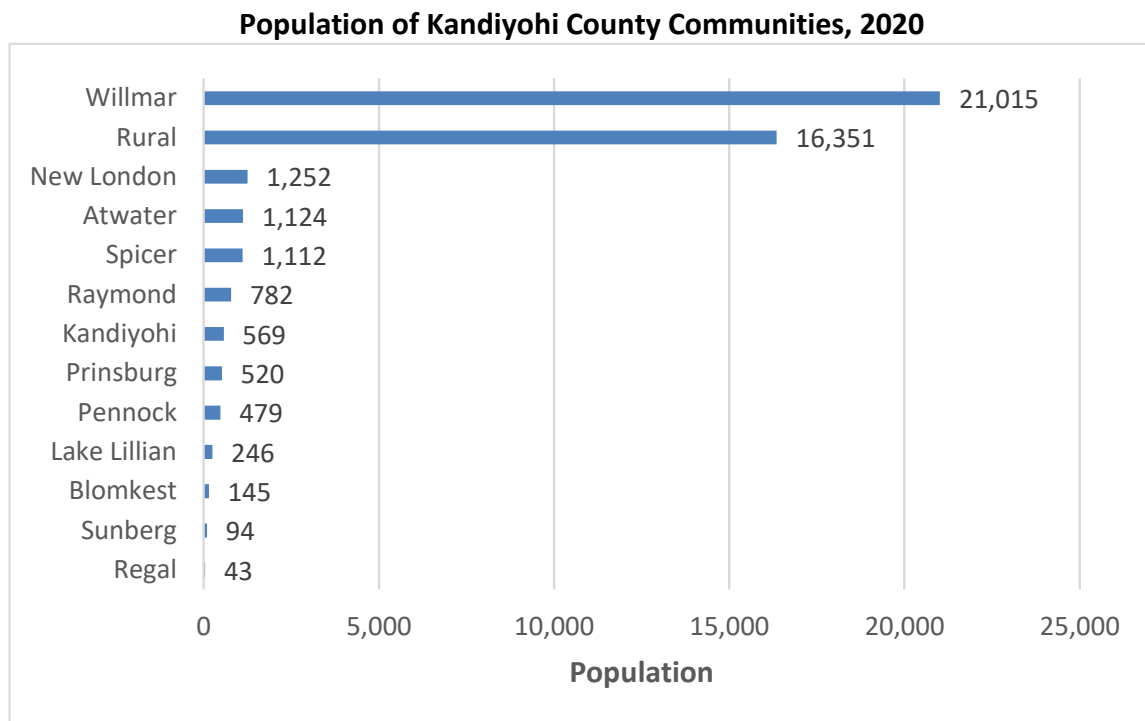


Table 1
Population and Household Growth Trends
Kandiyohi County
1990 to 2020

	Census				--- Change ---			
	1990	2000	2010	2020	2000 to 2010		2010 to 2020	
					No.	Pct.	No.	Pct.
POPULATION								
Willmar	17,531	18,351	19,610	21,015	1,259	6.9	1,405	7.2
Atwater	1,053	1,079	1,133	1,124	54	5.0	-9	-0.8
Blomkest	183	186	157	145	-29	-15.6	-12	-7.6
Kandiyohi	506	555	491	569	-64	-11.5	78	15.9
Lake Lillian	229	257	238	246	-19	-7.4	8	3.4
New London	971	1,066	1,251	1,252	185	17.4	1	0.1
Pennock	476	504	508	479	4	0.8	-29	-5.7
Prinsburg	502	458	497	520	39	8.5	23	4.6
Raymond	668	803	764	782	-39	-4.9	18	2.4
Regal	51	40	34	43	-6	-15.0	9	26.5
Spicer	1,020	1,126	1,167	1,112	41	3.6	-55	-4.7
Sunburg	117	110	100	94	-10	-9.1	-6	-6.0
Rem. of County	15,454	16,668	16,289	16,351	-379	-2.3	62	0.4
Total	38,761	41,203	42,239	43,732	1,036	2.5	1,493	3.5
Greater Minn.	2,086,378	2,277,417	2,454,358	2,543,390	176,941	7.8	89,032	3.6
Minnesota	4,375,099	4,919,479	5,303,925	5,706,494	384,446	7.8	402,569	7.6
HOUSEHOLDS								
Willmar	6,678	7,302	7,677	7,875	375	5.1	198	2.6
Atwater	415	461	468	459	7	1.5	-9	-1.9
Blomkest	63	66	68	70	2	3.0	2	2.9
Kandiyohi	191	215	202	226	-13	-6.0	24	11.9
Lake Lillian	103	124	121	112	-3	-2.4	-9	-7.4
New London	389	415	521	556	106	25.5	35	6.7
Pennock	162	166	174	170	8	4.8	-4	-2.3
Prinsburg	191	188	207	205	19	10.1	-2	-1.0
Raymond	264	310	307	311	-3	-1.0	4	1.3
Regal	21	19	19	20	0	0.0	1	5.3
Spicer	429	528	520	538	-8	-1.5	18	3.5
Sunburg	49	51	47	40	-4	-7.8	-7	-14.9
Rem. of County	5,343	6,091	6,401	6,497	310	5.1	96	1.5
Total	14,298	15,936	16,732	17,079	796	5.0	347	2.1
Greater Minn.	772,349	873,671	969,478	1,014,464	95,807	11.0	44,986	4.6
Minnesota	1,647,853	1,895,127	2,087,227	2,253,990	192,100	10.1	166,763	8.0
Sources: US Census, Viewpoint Consulting Group, Inc.								

Population and Household Growth Projections

- Both Willmar and Kandiyohi County are projected to experience population growth this decade (2020 to 2030). Additional housing in Willmar will be needed to accommodate future residents and to meet the growth projections. In 2030, Willmar is projected to have 23,700 people and 8,625 households.
- Willmar's 2030 household projection represents an increase of 750 from 2020. This equates to a 9.5% growth rate, or higher than Minnesota's projected growth rate (+6.5%). The household growth rate also greatly exceeds Willmar's growth rate last decade (+2.6%), when very few multifamily units were developed. In the first two years of this decade, nearly 600 multifamily units have already come on-line, are under construction, or have been approved.
- The projected growth of 750 households in Willmar this decade is greater than what was experienced during the 2000s (+375) and 2010s (+198). However, it is not completely unprecedented. During the 1990s, Willmar added 624 households (+9.3%).
- Household growth is a better indicator of overall housing demand since households, by definition, are occupied housing units. With growth of 750 households projected this decade, there would essentially need to be 750 new housing units added to accommodate this growth. Additional housing units will be needed to accommodate pent-up demand and replacement demand.

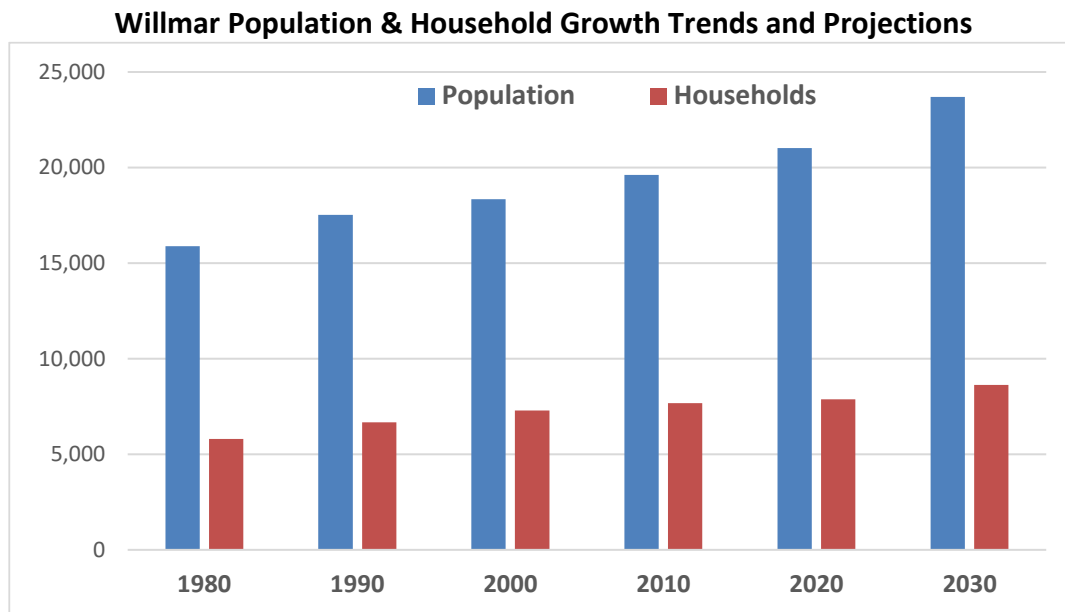


Table 2
Population and Household Growth Projections
Kandiyohi County
2010 to 2030

	-- Census --		Projection	--- Change ---			
	2010	2020		2010 to 2020		2020 to 2030	
			2030	No.	Pct.	No.	Pct.
POPULATION							
Willmar	19,610	21,015	23,700	1,405	7.2	2,685	12.8
Atwater	1,133	1,124	1,105	-9	-0.8	-19	-1.7
Blomkest	157	145	130	-12	-7.6	-15	-10.3
Kandiyohi	491	569	645	78	15.9	76	13.4
Lake Lillian	238	246	250	8	3.4	4	1.6
New London	1,251	1,252	1,450	1	0.1	198	15.8
Pennock	508	479	445	-29	-5.7	-34	-7.1
Prinsburg	497	520	540	23	4.6	20	3.8
Raymond	764	782	795	18	2.4	13	1.7
Regal	34	43	50	9	26.5	7	16.3
Spicer	1,167	1,112	1,045	-55	-4.7	-67	-6.0
Sunburg	100	94	85	-6	-6.0	-9	-9.6
Rem. of County	16,289	16,351	16,165	62	0.4	-186	-1.1
Kandiyohi County	42,239	43,732	46,405	1,493	3.5	2,673	6.1
<i>Greater Minn.</i>	2,454,358	2,543,390	2,608,000	89,032	3.6	64,610	2.6
<i>Minnesota</i>	5,303,925	5,706,494	6,050,000	402,569	7.6	343,506	6.0
HOUSEHOLDS							
Willmar	7,677	7,875	8,625	198	2.6	750	9.5
Atwater	468	459	455	-9	-1.9	-4	-0.9
Blomkest	68	70	70	2	2.9	0	0.0
Kandiyohi	202	226	255	24	11.9	29	12.8
Lake Lillian	121	112	105	-9	-7.4	-7	-6.3
New London	521	556	700	35	6.7	144	25.9
Pennock	174	170	165	-4	-2.3	-5	-2.9
Prinsburg	207	205	205	-2	-1.0	0	0.0
Raymond	307	311	315	4	1.3	4	1.3
Regal	19	20	20	1	5.3	0	0.0
Spicer	520	538	565	18	3.5	27	5.0
Sunburg	47	40	35	-7	-14.9	-5	-12.5
Rem. of County	6,401	6,497	6,590	96	1.5	93	1.4
Kandiyohi County	16,732	17,079	18,105	347	2.1	1,026	6.0
<i>Greater Minnesota</i>	969,478	1,014,464	1,045,000	44,986	4.6	30,536	3.0
<i>Minnesota</i>	2,087,227	2,253,990	2,400,000	166,763	8.0	146,010	6.5
Sources: US Census, MN Demographic Center, Viewpoint Consulting Group, Inc.							

Population Age Distribution

- The greatest growth rate in Kandiyohi County this decade (2020 to 2030) is projected among seniors. This is a nationwide trend as the first baby boomers began turning age 75 in 2021. Growth of this age group should lead to increased need for single-level townhomes and senior housing in Willmar and the remainder of the County.
- A decline of 55-to-64-year-olds is projected in the County this decade. Again, this is a nationwide trend as baby boomers (born between 1946 and 1964) will be aging out of the 55 to 64 age group.
- Children (under age 20) are projected to grow slightly over the next five years as age-25-to-54 persons also grows. The growth of children will stem from growth of families. People ages 20 to 54 are projected to grow by about 1,500 in the County this decade.
- Growth in the County of both younger persons and seniors should lead to a variety of housing types needed to accommodate growth of people in various life-cycle stages – including owned and rented housing and senior housing.
- Seniors ages 75 and over are the primary target market for senior housing. This age group numbered 3,470 in the County in 2010. It grew to 3,700 in 2020 (+7%). With the first baby boomers turning age 75 in 2021, the population is projected to grow at a much faster pace this decade. There are projected to be 5,195 age 75+ seniors in the County in 2030 (an increase of 40.4% from 2010).

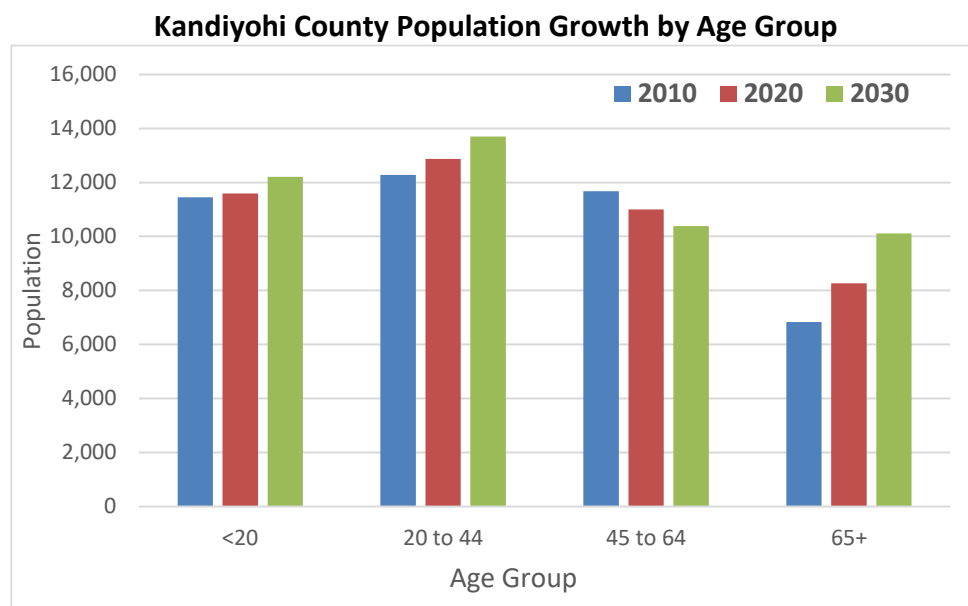


Table 3
Projected Population Growth by Age
Kandiyohi County
2000 to 2030

	2010	2020	2030	---- Change ----			
				2010 - 2020		2020 - 2030	
				No.	Pct.	No.	Pct.
Willmar							
<20	5,714	5,944	6,380	230	4.0%	436	7.3%
20-24	1,700	1,663	2,005	-37	-2.2%	342	20.6%
25-34	2,647	2,824	3,045	177	6.7%	221	7.8%
35-44	2,096	2,581	3,170	485	23.2%	589	22.8%
45-54	2,389	1,984	2,520	-405	-17.0%	536	27.0%
55-64	1,974	2,317	2,005	343	17.4%	-312	-13.5%
65-74	1,222	1,879	2,155	657	53.8%	276	14.7%
75 - 84	1,093	1,000	1,490	-93	-8.5%	490	48.9%
85+	775	821	930	46	6.0%	109	13.2%
Total	19,610	21,015	23,700	1,405	7.2%	2,685	12.8%
Remainder of County							
<20	5,741	5,645	5,825	-96	-1.7%	180	3.2%
20-24	1,029	1,063	1,190	34	3.3%	127	11.9%
25-34	2,263	2,471	2,185	208	9.2%	-286	-11.6%
35-44	2,547	2,272	2,105	-275	-10.8%	-167	-7.3%
45-54	3,859	2,830	2,925	-1,029	-26.7%	95	3.4%
55-64	3,448	3,872	2,935	424	12.3%	-937	-24.2%
65-74	2,140	2,686	2,765	546	25.5%	79	3.0%
75 - 84	1,154	1,409	2,245	255	22.1%	836	59.3%
85+	448	469	530	21	4.7%	61	13.0%
Total	22,629	22,717	22,705	88	0.4%	-12	-0.1%
Kandiyohi County							
<20	11,455	11,589	12,205	134	1.2%	616	5.3%
20-24	2,729	2,726	3,195	-3	-0.1%	469	17.2%
25-34	4,910	5,296	5,230	386	7.9%	-66	-1.2%
35-44	4,643	4,853	5,275	210	4.5%	422	8.7%
45-54	6,248	4,814	5,445	-1,434	-23.0%	631	13.1%
55-64	5,422	6,189	4,940	767	14.2%	-1,249	-20.2%
65-74	3,362	4,565	4,920	1,203	35.8%	355	7.8%
75 - 84	2,247	2,409	3,735	162	7.2%	1,326	55.0%
85+	1,223	1,290	1,460	67	5.5%	170	13.2%
Total	42,239	43,732	46,405	1,493	3.5%	2,673	6.1%
Sources: US Census; Minnesota Demographic Center; Viewpoint Consulting Group, Inc.							

- For each community in Kandiyohi County, Table 4 displays the percentage of the total population in 2020 within four primary age groups plus the median age of the population. The median age of the County's population in 2020 was 39 years. This was very similar to Minnesota's median age (38.8 years).
- The median age varies greatly between the smaller communities in the County, largely because their small population can allow the median to be skewed high or low by the age of just a few people. The lowest median age was in Atwater (30.9 years) while the highest was in Blomkest (54.1 years). Willmar's median age was 34.7 years.

Table 4
Median Age of Population
Kandiyohi County
2020

	2020 Population	---- Percent of Total Population ----				Median Age
		< 20	20 - 54	55-74	75+	
Willmar	21,015	28.6%	43.9%	20.3%	7.1%	34.7
Atwater	1,124	34.5%	41.6%	19.3%	4.6%	30.9
Blomkest	145	6.0%	47.7%	39.7%	6.5%	54.1
Kandiyohi	569	26.8%	39.7%	27.3%	6.2%	38.5
Lake Lillian	246	17.8%	40.7%	21.3%	20.2%	48.2
New London	1,252	26.6%	41.0%	17.2%	15.2%	36.4
Pennock	479	23.6%	61.6%	13.2%	1.7%	31.4
Prinsburg	520	27.1%	40.3%	12.8%	19.8%	32.5
Raymond	782	30.8%	40.6%	17.7%	10.9%	34.5
Regal	43	29.4%	37.3%	27.5%	5.9%	33.7
Spicer	1,112	20.0%	41.5%	27.8%	10.7%	47.1
Sunburg	94	13.6%	40.9%	25.8%	19.7%	53.5
Rem. of County	16,351	24.3%	35.4%	31.1%	9.2%	44.5
Kandiyohi County	43,732	26.5%	40.4%	24.6%	8.5%	39.0
<i>Greater Minnesota</i>	<i>2,543,390</i>	<i>25.5%</i>	<i>41.6%</i>	<i>25.1%</i>	<i>7.8%</i>	<i>40.1</i>
<i>Minnesota</i>	<i>5,706,494</i>	<i>25.5%</i>	<i>44.4%</i>	<i>23.4%</i>	<i>6.6%</i>	<i>38.8</i>

Sources: US Census, MN Demographic Center, Viewpoint Consulting Group, Inc.

Population by Race & Hispanic Origin

- Willmar has a diverse population. In 2020, 59% of the population was non-Hispanic white. Persons of Hispanic origin accounted for 24% of the population, Black or African Americans accounted for 12%, and both Asians and persons of two or more races accounted for 2%.
- Willmar became more diverse between 2010 and 2020. During the decade, the non-Hispanic white population declined by 1,823 people while the Black or African American population grew by 1,613. The result was that non-Hispanic whites declined from 72% to 59% of the total population while Black or African Americans increased from 5% to 12%. The second greatest growth was among persons of Hispanic origin (+892 people), followed by Asians (+392 people).

Population by Race & Hispanic Origin – Kandiyohi County

	Willmar		Rem. of County		Kandiyohi County	
	<u>2010</u>	<u>2020</u>	<u>2010</u>	<u>2020</u>	<u>2010</u>	<u>2020</u>
Not Hispanic	15,511	16,024	22,018	21,792	37,529	37,816
White	14,192	12,369	21,772	20,934	35,964	33,303
Black or African American	908	2,521	44	97	952	2,618
American Indian and Alaska Native	80	67	27	48	107	115
Asian	106	498	61	88	167	586
Native Hawaiian or Other Pacific Islander	14	31	2	6	16	37
Some Other Race	19	46	8	52	27	98
Two or More Races	192	492	104	567	296	1,059
				0		
Hispanic Origin	4,099	4,991	611	925	4,710	5,916
Total	19,610	21,015	22,629	22,717	42,239	43,732

- The Remainder of Kandiyohi County is not as diverse as Willmar. In 2020, 92% of its population was non-Hispanic whites. Persons of Hispanic origin accounted for 4% of the population in the Remainder of the County, while persons of two or more races accounted for 2%.
- While the Remainder of the County is predominantly non-Hispanic white, it is becoming more diverse. During the 2010s, the non-Hispanic white population declined by 838 people while all other races increased, albeit slightly. The result is that the non-Hispanic white population declined from 96% of the population in 2010 to 92% in 2020.

Households by Tenure

- ▶ The homeownership rate in Kandiyohi County was stable between 2010 and 2020, remaining at just over 73%. Overall, the County had 12,575 owner households in 2020 and 4,504 renter households.
- ▶ Rental housing is concentrated in Willmar. Of the 4,504 renters in the County in 2020, 3,226 were in Willmar, or 72% of the County's total rental households.
- ▶ While Willmar had a 59% homeownership rate in 2020, the remaining communities had homeownership rates between 63% (New London) and 86% (Regal). The rural portion of the County had a homeownership rate of about 92%.
- ▶ During the 20-year period from 2000 to 2020, Willmar gained 522 renter households and New London gained 104. Combined, the rest of the County saw a decline in renter households.
- ▶ During the 20-year period from 2000 to 2020, the County gained 523 owner-occupied households, of which 439 were in the rural portions of the County. While Willmar added 522 renter households, it added only 51 owner households. Among the smaller communities, New London and Spicer saw the most growth among owner-occupied households. Seven communities experienced a slight decline.

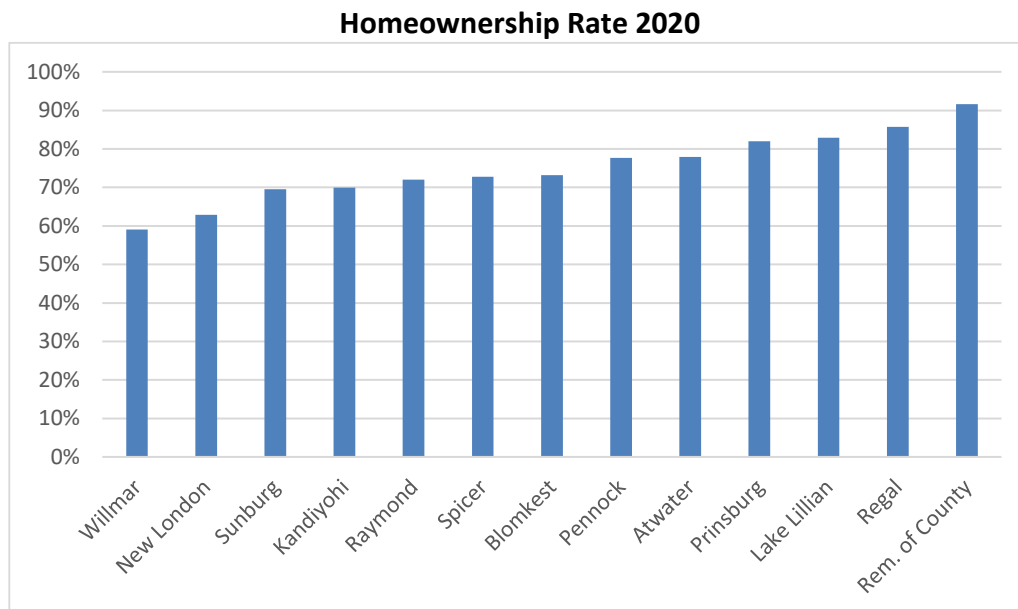
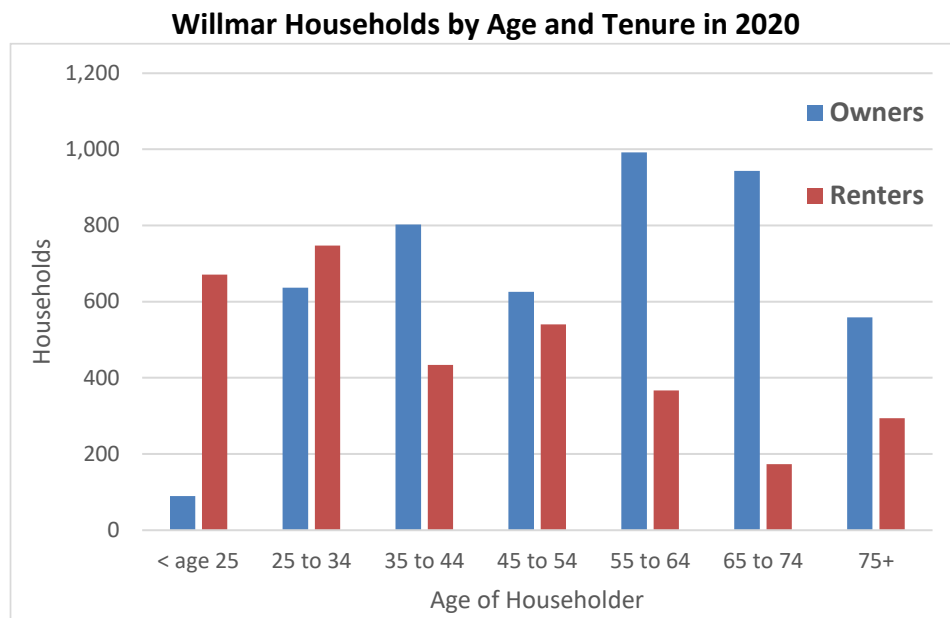


Table 5
Households by Tenure
Primary Market Area
2000, 2010, & 2020 Estimate

	----- Households by Tenure -----								
	2000			2010			2020		
	<u>Owners</u>	<u>Renters</u>	<u>Own Rate</u>	<u>Owners</u>	<u>Renters</u>	<u>Own Rate</u>	<u>Owners</u>	<u>Renters</u>	<u>Own Rate</u>
Willmar	4,598	2,704	63.0%	4,512	3,165	58.8%	4,649	3,226	59.0%
Atwater	362	99	78.5%	347	121	74.1%	358	101	77.9%
Blomkest	62	4	93.9%	65	3	95.6%	51	19	73.2%
Kandiyohi	148	67	68.8%	149	53	73.8%	158	68	69.9%
Lake Lillian	107	17	86.3%	98	23	81.0%	93	19	82.9%
New London	313	102	75.4%	361	160	69.3%	350	206	62.9%
Pennock	140	26	84.3%	138	36	79.3%	132	38	77.6%
Prinsburg	177	11	94.1%	187	20	90.3%	168	37	82.0%
Raymond	232	78	74.8%	231	76	75.2%	224	87	72.1%
Regal	16	3	84.2%	14	5	73.7%	17	3	85.7%
Spicer	340	188	64.4%	348	172	66.9%	392	146	72.8%
Sunburg	41	10	80.4%	37	10	78.7%	28	12	69.6%
Rem. of County	5,516	575	90.6%	5,785	616	90.4%	5,955	542	91.7%
Kandiyohi County	12,052	3,884	75.6%	12,272	4,460	73.3%	12,575	4,504	73.6%
Sources: US Census, MN Demographic Center, Viewpoint Consulting Group, Inc.									

Tenure by Age of Householder

- The youngest households have greatest propensity to rent. The data in Table 6 reveals that 88% of the households under age 25 in Willmar rented their housing in 2020. This decreased to 54% of 25-to-34-year-olds and 35% of 35-to-44-year-olds. The primary markets for rental housing are younger households and seniors who are no longer able or willing to maintain their single-family homes. Among households ages 75+, 64% rented their housing.
- Although the propensity for households under age 25 to rent their housing is higher, the 25 to 34 age group had more renters in Willmar in 2020 (671 renters under age 25 compared to 747 renters ages 25 to 34). Many of the renters in these younger age groups are students and people who choose to rent until they become established in their jobs and the community before making the long-term commitment of purchasing a home.



- ▶ Outside of Willmar, the propensity to own is much higher in all age groups. Even among households under age 25, 41% are homeowners, compared to just 12% among Willmar's under age 25 households. In each age group between 35 and 74, over 85% of the households are homeowners in the remainder of the County.
- ▶ Among households ages 75+ in the remainder of the County, 83% were homeowners in 2020. This compares to just 66% among Willmar's 75+ households. As seniors in the remainder of the County age and need or want alternatives to their single-family homes, many move to housing options in Willmar.

Remainder of Kandiyohi County Households by Age and Tenure in 2020

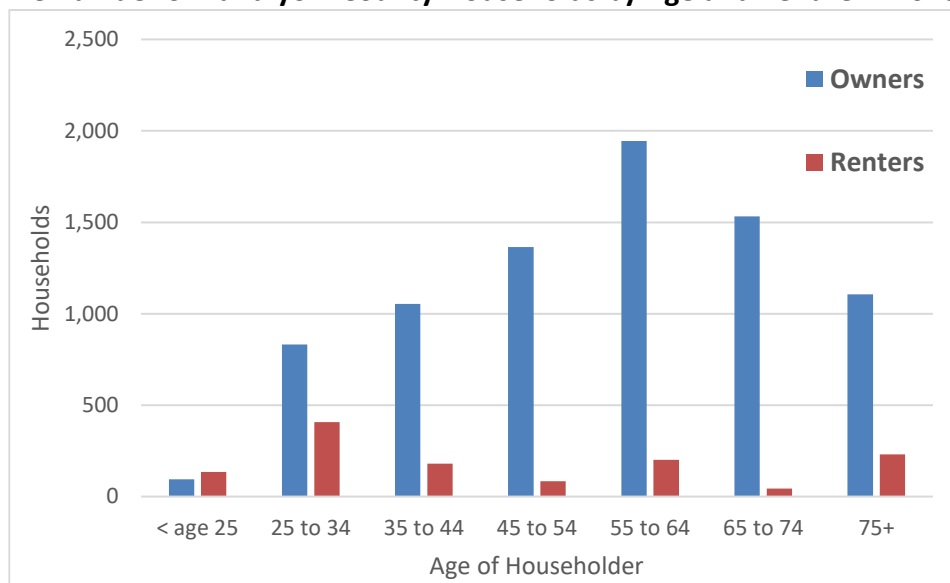


Table 6
Households by Age and Tenure
Primary Market Area
2000, 2010, & 2020 Estimate

	Willmar			Remainder of County			Kandiyohi County		
	2000	2010	2020*	2000	2010	2020*	2000	2010	2020*
Households	7,302	7,677	7,875	8,634	9,055	9,204	15,936	16,732	17,079
Owner Households	4,598	4,512	4,649	7,454	7,760	7,926	12,052	12,272	12,575
< age 25	132	88	90	151	114	94	283	202	184
25 to 34	630	611	636	830	749	831	1,460	1,360	1,468
35 to 44	995	708	803	1,729	1,110	1,053	2,724	1,818	1,856
45 to 54	954	931	626	1,765	1,876	1,365	2,719	2,807	1,991
55 to 64	607	849	992	1,233	1,804	1,944	1,840	2,653	2,936
65 to 74	614	571	944	952	1,181	1,532	1,566	1,752	2,475
75 to 84	529	511	429	634	691	817	1,163	1,202	1,246
85+	137	243	130	160	235	290	297	478	419
Renter Households	2,704	3,165	3,226	1,180	1,295	1,278	3,884	4,460	4,504
< age 25	684	735	671	170	173	135	854	908	806
25 to 34	603	667	747	279	294	407	882	961	1,154
35 to 44	405	463	434	236	202	179	641	665	613
45 to 54	282	417	540	124	213	83	406	630	623
55 to 64	158	300	367	81	127	201	239	427	568
65 to 74	157	162	173	91	87	44	248	249	217
75 to 84	227	190	66	138	101	93	365	291	159
85+	188	231	228	61	98	137	249	329	365
Homeownership Rate	63%	59%	59%	86%	86%	86%	76%	73%	74%
* Estimate based on data from the Census Bureau: American Community Survey.									
Sources: US Census; Viewpoint Consulting Group, Inc.									

Average Household Size

- Kandiyohi County had an average household size in 2020 of 2.48 people per household. Average household size is the number of persons living in households divided by the number of households (it excludes persons living in institutions, such as nursing homes, dormitories, group quarters, and prisons).
- As shown below, Willmar's average household size declined during the 1990s and 2000s, but then increased during the 2010s. This was a trend shared by Kandiyohi County and Minnesota.
- Willmar had a smaller average household size than Kandiyohi County from 1990 to 2010. However, Willmar's increase during the 2010s resulted in Willmar having a higher average household size than Kandiyohi County in 2020 for the first time.

Table 7
Average Household Size (People per Household)
Kandiyohi County
1990 to 2020

	1990	2000	2010	2020*
Willmar	2.48	2.44	2.43	2.49
Atwater	2.54	2.31	2.37	2.89
Blomkest	2.90	2.82	2.31	1.78
Kandiyohi	2.65	2.57	2.42	2.29
Lake Lillian	2.22	2.07	1.96	2.09
New London	2.50	2.13	2.28	2.35
Pennock	2.94	3.04	2.92	2.69
Prinsburg	2.63	2.44	2.40	2.47
Raymond	2.53	2.59	2.49	2.47
Regal	2.43	2.11	1.79	2.43
Spicer	2.38	2.13	2.20	2.29
Sunburg	2.39	2.16	2.13	1.43
Kandiyohi County	2.64	2.53	2.46	2.48
Minnesota	2.58	2.52	2.48	2.49
*2020 Figures are estimates from the Census Bureau's American Community Survey				
Sources: US Census; Viewpoint Consulting Group, Inc.				

Households by Tenure and Size

- Table 8 shows that in 2020, Willmar had an estimated 4,649 households that owned their housing and 3,226 households that rented their housing. Among the owner households, the majority had two people (44%). One-third of owner households had three or more people.
- Among renter households, 34%, or 1,105 of 3,226 renter households, had just one person. Thirty-five percent of renter households had three or more people. This is much higher than the remainder of the County (25%) and is likely the result of Willmar containing more rental units occupied by students and by families with children.
- Families with children typically prefer to own single-family homes. Hence, 70% of Willmar's households with four or more people lived in owned housing.
- A larger percentage of young single persons rent their housing before purchasing a home. In addition, many single seniors choose rental housing as they age and no longer desire the responsibilities of maintaining a single-family home. Hence, the greatest number of renters in Willmar are singles.
- Many of the smaller sized owner households are comprised of either empty-nesters or single seniors. If available, many of these seniors prefer single-level homes versus two-story homes.

Kandiyohi County Households by Size of Household in 2020

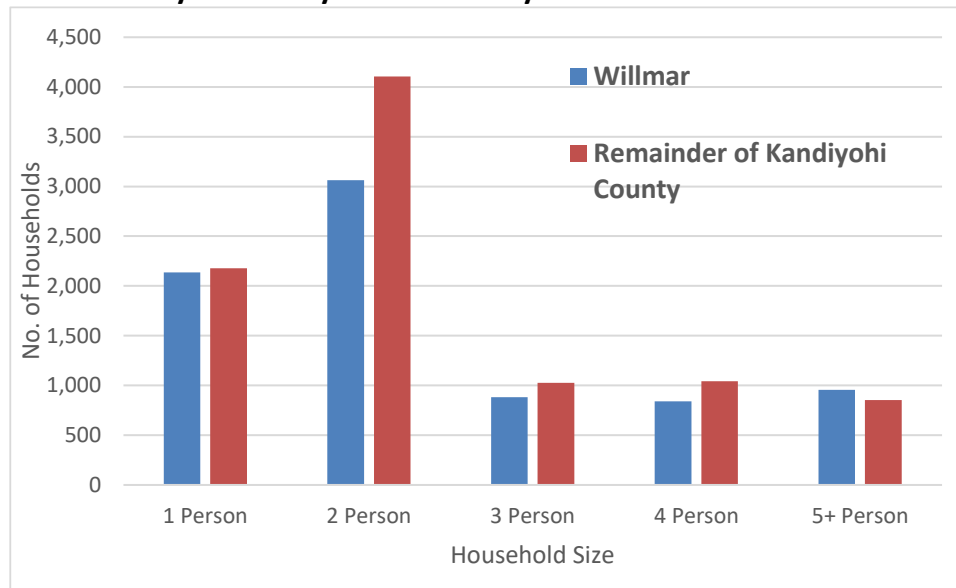


Table 8
Households by Size and Tenure
Kandiyohi County
2020

Household Size	Willmar	Remainder of County	Kandiyohi County
Owner Households			
1 Person	1,031	1,628	2,659
2 Person	2,058	3,717	5,774
3 Person	528	937	1,464
4 Person	359	964	1,324
5+ Person	673	714	1,387
Total	4,649	7,960	12,609
Renter Households			
1 Person	1,105	548	1,653
2 Person	1,005	387	1,392
3 Person	354	90	444
4 Person	480	80	559
5+ Person	282	139	422
Total	3,226	1,244	4,470
Total Households			
1 Person	2,136	2,176	4,312
2 Person	3,063	4,104	7,167
3 Person	882	1,026	1,908
4 Person	839	1,044	1,883
5+ Person	955	854	1,809
Total	7,875	9,204	17,079
Source: Census Bureau; Viewpoint Consulting Group, Inc.			

Household Income by Age of Householder

Income by age of householder data helps determine 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 for families as 30% of a household's adjusted gross income. Younger households with greater living expenses often need to allocate a smaller portion toward housing (25% to 30%), while seniors can often spend 40% or more on housing since they generally have lower living expenses.

- The estimated median household income in Kandiyohi County in 2022 was \$70,294. This is slightly lower than the estimated median household income in Greater Minnesota (\$72,205). While the countywide median was \$70,294, only two communities had a lower median – Willmar and Atwater. Willmar's median household income was estimated at \$56,948, or well below most other communities, and given its size, it pulled the countywide median lower than most other communities. Seven communities had median household incomes above \$77,000. The highest median household income was in the rural portion of the County, at \$83,409. As is shown in Table 9, the median income is largely influenced by the percentage of renters in a community, as renters generally have lower incomes.

Median Household Income in 2022

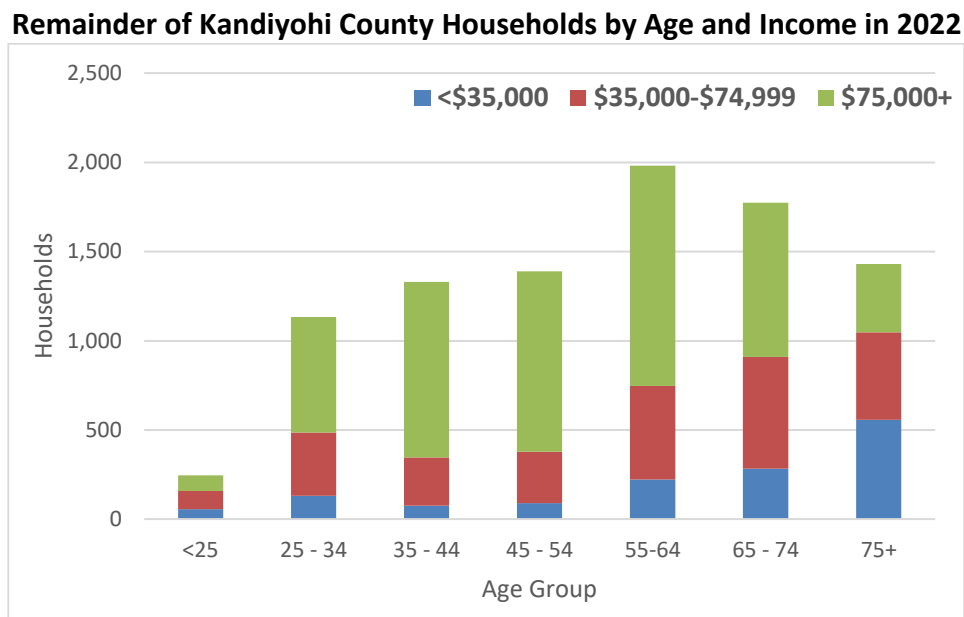
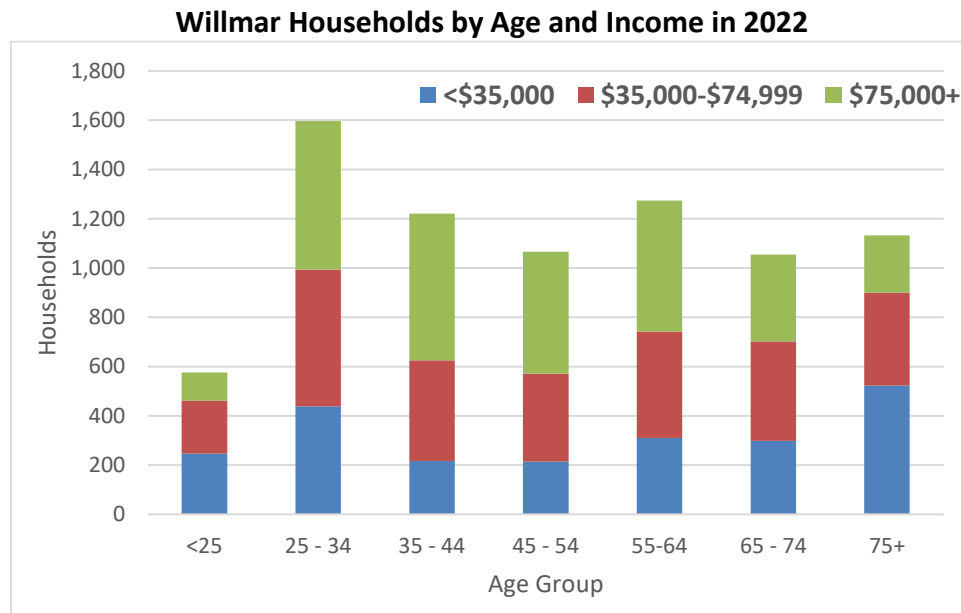
Willmar	\$56,958
Atwater	\$66,777
Kandiyohi County	\$70,294
Kandiyohi	\$70,613
Sunburg	\$70,690
Raymond	\$73,818
Prinsburg	\$77,016
New London	\$77,528
Blomkest	\$78,599
Lake Lillian	\$81,685
Pennock	\$82,055
Regal	\$82,453
Spicer	\$82,989
Rural	\$83,409

Source: ESRI

- Overall, Willmar's incomes indicate that a below average percentage of households would likely be able to afford market rate housing. However, newer market rate housing would likely draw in some higher-income households, thereby increasing Willmar's median income.
- Median incomes for households in Willmar peaked at just over \$73,000 in the 35 to 44 age group in 2022. Most households with incomes at or above this median could afford to

purchase a home valued at more than \$200,000. About 41% of all non-senior households (under age 65) in Willmar had incomes of \$75,000 or more.

- As of 2022, 22% of Willmar's non-senior households have incomes of \$100,000 or more. Depending on the amount of debt they have, size of their down payment, and interest rates, most of these higher-income households could afford homes priced at about \$300,000 or more.



- In 2022, only 25% of the non-senior households in Willmar had incomes under \$35,000 (1,428 households). Most of these households would likely be eligible for affordable rental housing (in 2022, Kandiyohi County's income limits for the Housing Tax Credit Program were \$35,160 for 1-person households and \$40,140 for 2-person households at 60% of Adjusted Gross Income, or "AMI"). Most households with incomes above \$35,000 could afford older market rate rental housing in Willmar or purchase some older homes. If housing costs absorb 30% of income, households with incomes of \$35,000 could afford \$875 per month in gross rent or mortgage payments.
- Income-limits for the Low Income Housing Tax Credit program (LIHTC) from the Minnesota Housing Finance Agency are shown below at 50%, 60% and 80% of AMI. To be considered affordable, Minnesota Housing Finance Agency limited gross rents for units affordable at 60% AMI to \$879 for studio units, \$941 for one-bedroom units, \$1,129 for two-bedroom units, and \$1,304 for three-bedroom units.

2022 Income Limits by Household Size for Kandiyohi County

	<u>1P</u>	<u>2P</u>	<u>3P</u>	<u>4P</u>	<u>5P</u>
50% AMI	\$29,300	\$33,450	\$37,650	\$41,800	\$45,150
60% AMI	\$35,160	\$40,140	\$45,180	\$50,160	\$54,180
80% AMI	\$46,880	\$53,520	\$60,240	\$66,880	\$72,240

Source: Minnesota Housing Finance Agency

2022 Maximum Gross Rents by Bedroom Size for Kandiyohi County

	<u>OBR</u>	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>	<u>4BR</u>
50% AMI	\$732	\$784	\$941	\$1,086	\$1,212
60% AMI	\$879	\$941	\$1,129	\$1,304	\$1,455
80% AMI	\$1,172	\$1,255	\$1,506	\$1,739	\$1,940

Source: Minnesota Housing Finance Agency

- Senior households with incomes greater than \$40,000 can generally afford new market-rate senior housing. Based on a 40% allocation of income for housing, this translates to gross rents of about \$1,300. In 2022, an estimated 1,200 senior (age 65+) households in Willmar had incomes above \$40,000, as did about 2,200 senior households in the remainder of the County. Some seniors residing in elsewhere in the County would consider new rental housing options in Willmar as their care needs increase.

Table 9
Household Income by Age of Householder
City of Willmar
2022 and 2027

2022 Households by Age								
Income	Total	< 25	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 +
<\$15,000	724	112	155	75	83	106	85	107
\$15,000 to \$24,999	897	83	153	83	79	116	126	256
\$25,000 to \$34,999	630	52	131	59	53	88	88	160
\$35,000 to \$49,999	1,094	105	211	134	114	137	168	225
\$50,000 to \$74,999	1,652	109	344	274	242	295	235	152
\$75,000 to \$99,999	1,356	77	258	256	204	257	166	138
\$100,000 to \$149,999	1,054	35	255	228	177	178	120	60
\$150,000+	513	2	89	111	114	95	66	35
Total	7,920	576	1,596	1,221	1,067	1,273	1,054	1,133
Median HH Income	\$56,958	\$39,584	\$58,292	\$73,071	\$69,561	\$63,470	\$54,463	\$37,065
Greater MN Median	\$72,205	\$44,137	\$75,230	\$94,018	\$90,493	\$79,031	\$61,931	\$37,870
2027 Households by Age								
Income	Total	< 25	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 +
<\$15,000	659	119	128	82	73	80	79	98
\$15,000 to \$24,999	751	82	120	80	68	83	99	219
\$25,000 to \$34,999	761	79	142	90	63	91	105	191
\$35,000 to \$49,999	1,149	123	197	173	123	124	178	230
\$50,000 to \$74,999	1,431	103	274	267	204	226	216	141
\$75,000 to \$99,999	1,549	96	271	330	228	259	200	166
\$100,000 to \$149,999	1,433	59	304	360	242	211	173	83
\$150,000+	666	3	100	156	158	114	89	46
Total	8,400	664	1,536	1,538	1,160	1,189	1,139	1,174
Median HH Income	\$62,597	\$40,043	\$64,357	\$79,262	\$78,887	\$73,436	\$60,121	\$38,926
Greater MN Median	\$81,802	\$50,026	\$84,386	\$102,770	\$101,816	\$90,308	\$73,526	\$45,713
Change From 2022 - 2027								
Income	Total	< 25	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 +
<\$15,000	-65	6	-27	7	-10	-26	-6	-9
\$15,000 to \$24,999	-145	-1	-33	-3	-11	-33	-27	-37
\$25,000 to \$34,999	132	27	12	31	11	3	17	31
\$35,000 to \$49,999	55	18	-14	40	9	-12	10	5
\$50,000 to \$74,999	-221	-6	-70	-8	-38	-69	-19	-11
\$75,000 to \$99,999	193	19	13	74	24	2	34	28
\$100,000 to \$149,999	378	23	49	132	65	33	53	23
\$150,000+	153	1	11	44	43	19	23	11
Total	480	88	-60	317	93	-84	85	41

Sources: ESRI; Viewpoint Consulting Group, Inc.

Table 10
Household Income by Age of Householder
Kandiyohi County
2022 and 2027

2022 Households by Age								
Income	Total	< 25	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 +
<\$15,000	1,016	132	179	91	110	160	142	202
\$15,000 to \$24,999	1,338	97	192	102	106	181	214	446
\$25,000 to \$34,999	1,314	75	198	101	90	191	227	433
\$35,000 to \$49,999	1,957	151	330	203	184	267	356	466
\$50,000 to \$74,999	3,443	165	580	476	461	688	673	401
\$75,000 to \$99,999	3,164	125	495	575	521	692	483	272
\$100,000 to \$149,999	3,111	70	524	644	567	652	446	208
\$150,000+	1,861	8	232	360	417	421	287	136
Total	17,205	822	2,729	2,551	2,456	3,254	2,828	2,564
Median HH Income	\$70,294	\$44,551	\$68,352	\$85,897	\$86,104	\$78,628	\$65,276	\$40,168
Greater MN Median	\$72,205	\$44,137	\$75,230	\$94,018	\$90,493	\$79,031	\$61,931	\$37,870
2027 Households by Age								
Income	Total	< 25	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 +
<\$15,000	851	132	135	94	84	99	117	190
\$15,000 to \$24,999	1,045	90	136	84	81	110	161	383
\$25,000 to \$34,999	1,157	90	165	107	75	134	180	407
\$35,000 to \$49,999	1,790	154	267	219	163	195	318	473
\$50,000 to \$74,999	3,276	162	483	466	404	558	721	481
\$75,000 to \$99,999	3,440	150	476	658	532	643	592	390
\$100,000 to \$149,999	3,728	101	558	829	651	660	608	321
\$150,000+	2,443	11	257	481	549	484	429	232
Total	17,730	889	2,476	2,938	2,540	2,883	3,126	2,877
Median HH Income	\$78,844	\$47,346	\$76,984	\$92,212	\$95,673	\$86,158	\$77,002	\$49,374
Greater MN Median	\$81,802	\$50,026	\$84,386	\$102,770	\$101,816	\$90,308	\$73,526	\$45,713
Change From 2022 - 2027								
Income	Total	< 25	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 +
<\$15,000	-165	0	-44	3	-25	-61	-25	-12
\$15,000 to \$24,999	-293	-7	-56	-17	-25	-72	-53	-63
\$25,000 to \$34,999	-158	15	-33	6	-15	-58	-47	-26
\$35,000 to \$49,999	-167	3	-63	17	-21	-72	-38	7
\$50,000 to \$74,999	-168	-3	-96	-10	-57	-130	48	80
\$75,000 to \$99,999	277	25	-19	83	11	-49	109	118
\$100,000 to \$149,999	617	32	34	185	83	8	162	113
\$150,000+	582	2	26	121	132	63	142	96
Total	525	67	-253	387	84	-371	298	313

Sources: ESRI; Viewpoint Consulting Group, Inc.

Household Income by Tenure

- ▶ Data on household incomes by tenure for 2020 is obtained from the Census Bureau's American Community Survey. As is the case with most communities, the estimated percentage of renters steadily declines in Willmar from the lower to higher income groups. Conversely, the percentage of owners steadily increases from the lower to higher income groups. In 2020, 81% of households with incomes below \$15,000 in Willmar were renters, declining to 13% of households with incomes of \$100,000 to \$150,000.
- ▶ When applying the percentages in Table 11 to the 2022 households by income data, 82% of households with incomes of \$75,000 or more in Willmar are owners. Two-thirds of households with incomes between \$50,000 and \$74,999 are also homeowners. Most of the homeowners with incomes below \$25,000 are likely seniors whose homes are paid off and who's primary income is Social Security benefits.
- ▶ When applying the percentages in Table 11 to the 2022 households by income data, approximately 41% of the renters in Willmar could afford market rate rental housing (incomes of \$40,000 or above). Most households with incomes below \$40,000 would be income-qualified for affordable housing, but many could also afford rents at older market rate properties.

Table 11
Estimated Tenure by Household Income
Willmar and Kandiyohi County
2020

Income Range	Willmar		Kandiyohi County		Greater Minnesota
	Percent Owners	Percent Renters	Percent Owners	Percent Renters	Percent Renters
<\$15,000	18.9%	81.1%	32.4%	67.6%	58.4%
\$15,000 - \$24,999	40.4%	59.6%	50.3%	49.7%	46.8%
\$25,000 - \$34,999	50.2%	49.8%	62.4%	37.6%	38.8%
\$35,000 - \$49,999	54.0%	46.0%	66.5%	33.5%	31.0%
\$50,000 - \$74,999	66.5%	33.5%	78.7%	21.3%	21.7%
\$75,000 - \$99,999	75.2%	24.8%	84.4%	15.6%	13.0%
\$100,000 - \$149,999	86.6%	13.4%	92.4%	7.6%	7.9%
\$150,000+	91.0%	9.0%	96.5%	3.5%	4.6%
Median Household Income	\$73,498	\$30,275	\$77,417	\$32,617	
Sources: American Community Survey 2020; Viewpoint Consulting Group, Inc.					

- ▶ The charts below highlight that the propensity to own increases as household incomes increase. Among Willmar's households with incomes below \$50,000, 58% were renters and 42% were owners. Conversely, 76% of households with incomes greater than \$50,000 were owners and 24% were renters. In the Remainder of the County, 95% of households with incomes of \$50,000 or more were owners.
- ▶ Among households with incomes below \$50,000, even 75% in the Remainder of the County were homeowners.

Estimated Distribution of Willmar's Households by Income and Tenure in 2020



Estimated Distribution of the Remainder of the County's Households by Income and Tenure in 2020



Table 12
Households by Tenure and Income
Kandiyohi County

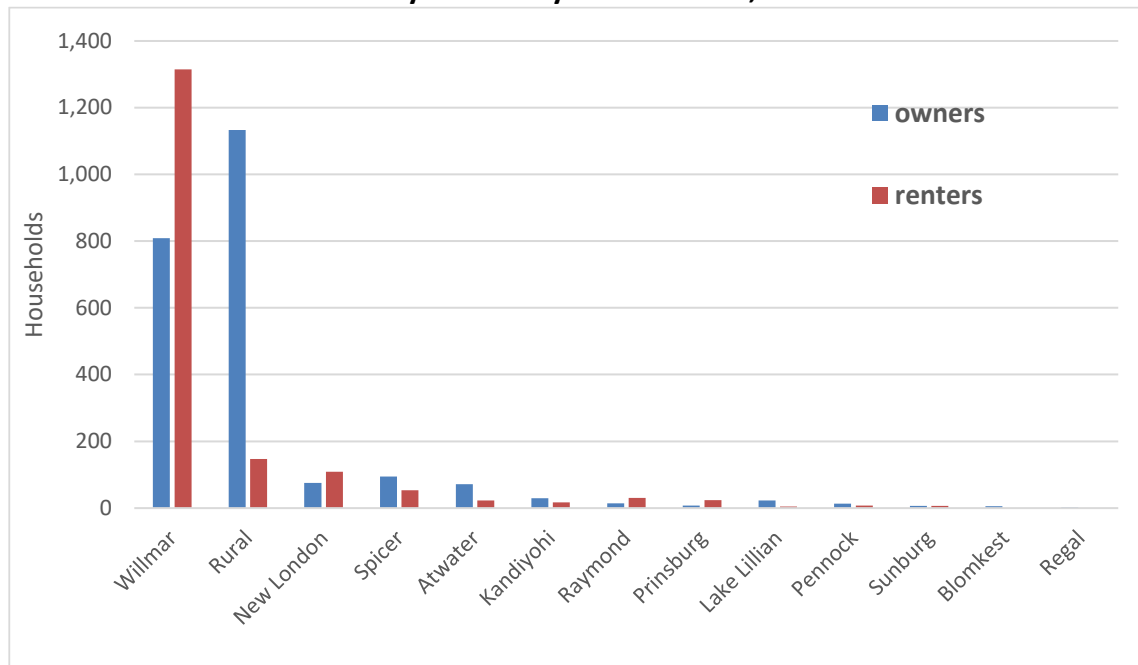
	----- Households by Tenure -----							
	Owners				Renters			
	<\$35K	\$35-\$75K	\$75K+	Med. Income	<\$35K	\$35-\$75K	\$75K+	Med. Income
Willmar	1,016	1,374	2,259	\$73,498	1,853	873	501	\$30,275
Atwater	97	98	164	\$62,917	33	65	4	\$39,583
Blomkest	8	31	13	\$51,771	4	1	14	n.a.
Kandiyohi	25	70	63	\$62,250	43	9	17	\$28,750
Lake Lillian	24	33	35	\$56,250	8	10	1	\$38,750
New London	69	126	155	\$71,875	117	71	18	\$26,731
Pennock	16	52	64	\$72,500	24	8	6	n.a.
Prinsburg	21	54	94	\$85,938	26	8	3	\$21,625
Raymond	33	76	116	\$75,875	41	36	10	\$4,014
Regal	1	7	10	\$91,250	0	3	0	n.a.
Spicer	89	60	242	\$99,643	78	58	10	\$29,167
Sunburg	10	12	6	\$46,250	9	3	0	\$11,786
Rem. of County	790	1,862	3,303	\$81,197	172	226	144	\$58,096
Kandiyohi County	2,197	3,854	6,524	\$77,417	2,408	1,369	727	\$32,617
Sources: US Census, ESRI, Viewpoint Consulting Group, Inc.								

Housing Cost Burden

The generally accepted definition of affordability is for a household to pay no more than 30% of its annual income on housing. Households who pay more than 30% for housing are considered cost burdened and may have difficulty affording other necessities such as food, clothing, transportation and medical care.

- ▶ Table 13 shows that as of 2020, there were an estimated 2,296 owner-occupied households and 1,837 renter-occupied households that were paying more than 30% of their annual income on housing, and therefore are considered cost burdened. Willmar accounted for 35% of the County's cost burdened homeowners and 73% of its cost burdened renter households.
- ▶ There are over 1,100 cost burdened homeowners in the rural portion of the County. Many of these cost burdened homeowners are likely retirees living on area lakes who have low incomes (often just Social Security, pensions, and other retirement funds), but who have sufficient savings that they can allocate toward their housing.

**Number of Cost Burdened Households by Tenure
Kandiyohi County Communities, 2020**



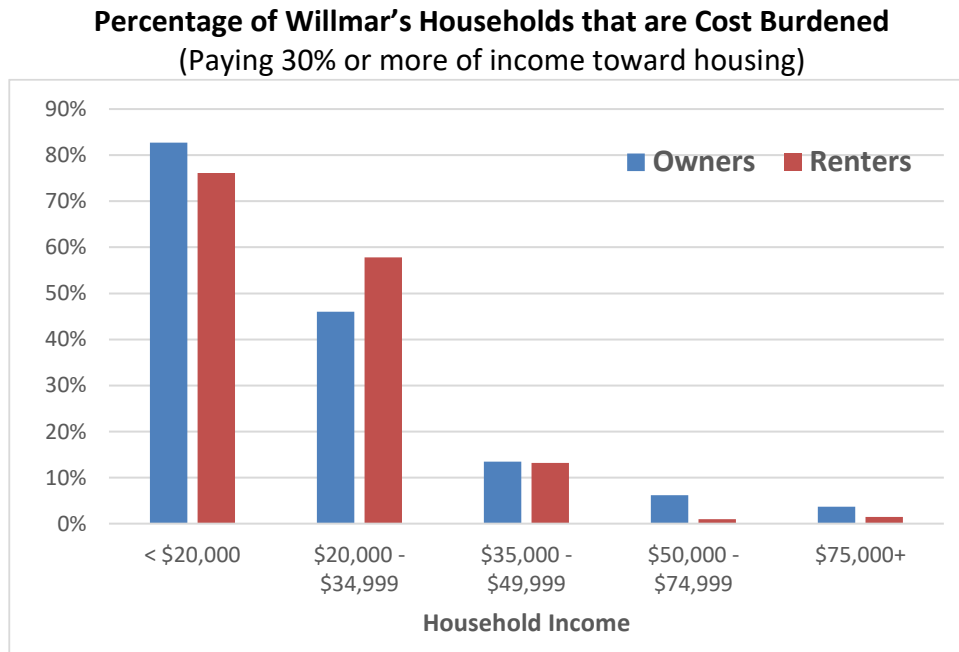
- ▶ Table 13 shows that as of 2020, an estimated 17% of owners and 42% of renters in Willmar were cost burdened. In the Remainder of the County, 19% of owners and 39% of renters were cost burdened. These rates are very similar to Greater Minnesota's housing cost burdened rates of 18% of owners and 41% of renters.

Table 13
Estimated Housing Costs as Percentage of Income by Tenure
City of Willmar and Kandiyohi County
2020

	Willmar		Rem. of County		Kandiyohi County	
	Owners	Renters	Owners	Renters	Owners	Renters
< \$20,000	376	1,114	459	302	834	1,416
<20%	6	33	29	8	35	41
20%-29%	59	233	33	30	91	262
30%+	311	848	397	265	708	1,113
\$20,000 - \$34,999	634	734	709	271	1,343	1,005
<20%	210	73	154	50	365	123
20%-29%	132	237	217	69	349	306
30%+	292	424	337	151	629	575
\$35,000 - \$49,999	519	452	830	271	1,349	722
<20%	352	85	429	97	781	182
20%-29%	97	307	187	112	285	418
30%+	70	60	213	62	284	122
\$50,000 - \$74,999	857	423	1,655	259	2,512	682
<20%	367	170	915	160	1,282	329
20%-29%	436	249	425	87	862	336
30%+	53	4	315	12	369	16
\$75,000+	2,263	503	4,274	175	6,537	679
<20%	2,044	473	3,438	167	5,482	640
20%-29%	135	22	612	6	747	29
30%+	84	7	223	2	307	10
Total	4,649	3,226	7,926	1,278	12,575	4,504
30%+	810	1,344	1,486	493	2,296	1,837

Sources: 2020 American Community Survey; Viewpoint Consulting Group, Inc.

- Lower-income households were the most likely to be cost burdened. In Willmar, eighty-three percent of owners and 76% of renters with incomes below \$20,000 were estimated to be cost burdened. Among Willmar's households with incomes above \$75,000, 3.7% of the owners and 1.5% of the renters were cost burdened.



- Like Willmar, lower-income households in the Remainder of the County were the most likely to be cost burdened. In the Remainder of the County, 87% of renters with incomes below \$20,000 were cost burdened. This percentage continually decreased in each income bracket to 5% among renters with incomes of \$75,000 or more. The percentage of households that were cost burdened in each income bracket in the Remainder of the County in 2020 was as follows:

<u>Household Income</u>	<u>Owner</u>	<u>Renter</u>
<\$20,000	87%	88%
\$20,000 to \$34,999	48%	56%
\$35,000 to \$49,999	26%	23%
\$50,000 to \$74,999	19%	5%
\$75,000+	5%	1%

Household Type

Table 14 shows the composition of Kandiyohi County's households by type of household in 2000, 2010, and 2020. The types of households in the table are categorized by those with children and those without children. Within each of these main categories are married households. For households without children, non-married households include those living alone and those not living alone. Those not living alone are generally cohabitating couples and roommates. Among Other Families, most are likely single parents.

- Countywide, 74% of the households in 2020 did not have children while 26% had children. This proportion was relatively similar between Willmar and the Remainder of the County, with Willmar having a slightly higher proportion of families with children.
- The biggest difference in the composition of households between Willmar and the Remainder of the County was among households without children. In the Remainder of the County, 59% of households without children were married couples. In Willmar, however, there were nearly an equal number of married couples without children as there were persons living alone. Additionally, Willmar had a much higher percentage of non-family households without children. Students at Ridgewater College likely comprise a significant portion of these households.
- In Willmar from 2010 to 2020, households with children remained about steady – at just shy of 2,200 households, while households without children increased by 3.6% (+200 households). The greatest numerical growth was among married households with no children (+268 households). Empty-nesters comprise the bulk of this category, which has grown as the youngest baby boomers (born in 1964) entered their mid-50s during the decade.
- The greatest percentage growth in Willmar last decade was among non-family households with two or more people. This group, which includes roommates, grew by 26.6%, or by 284 households. Despite its high growth rate, this group still accounts for only 17% of Willmar's total households.
- There were an estimated 2,214 married couples without children in Willmar in 2020, the greatest of any household type. They were followed closely by persons living alone (2,136 households), which generally consists of young singles and older seniors. This group, along with two or more persons without children have the highest propensity to rent their housing.

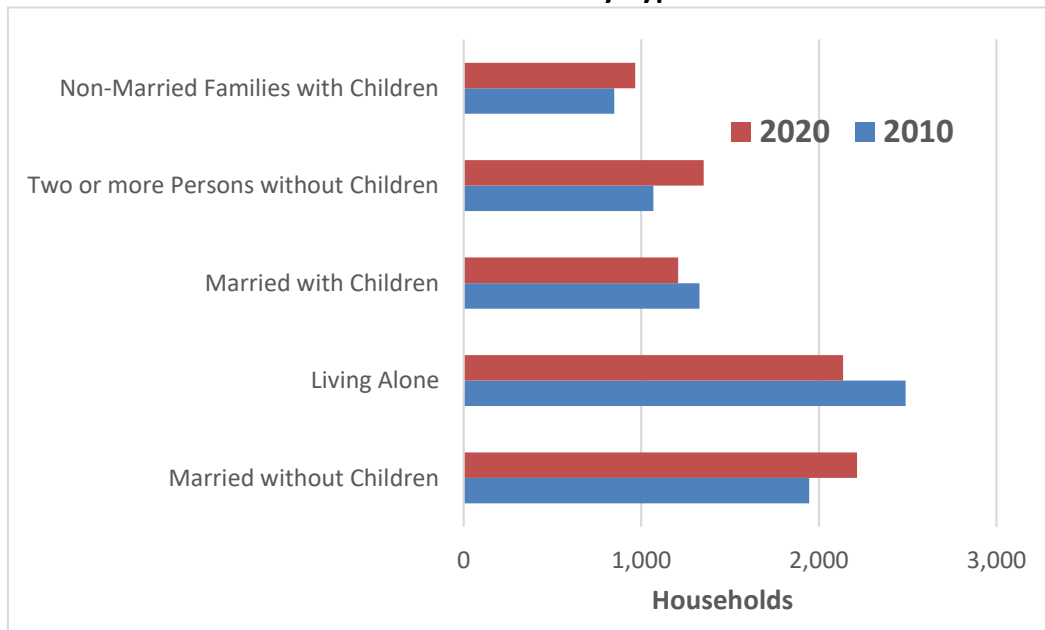
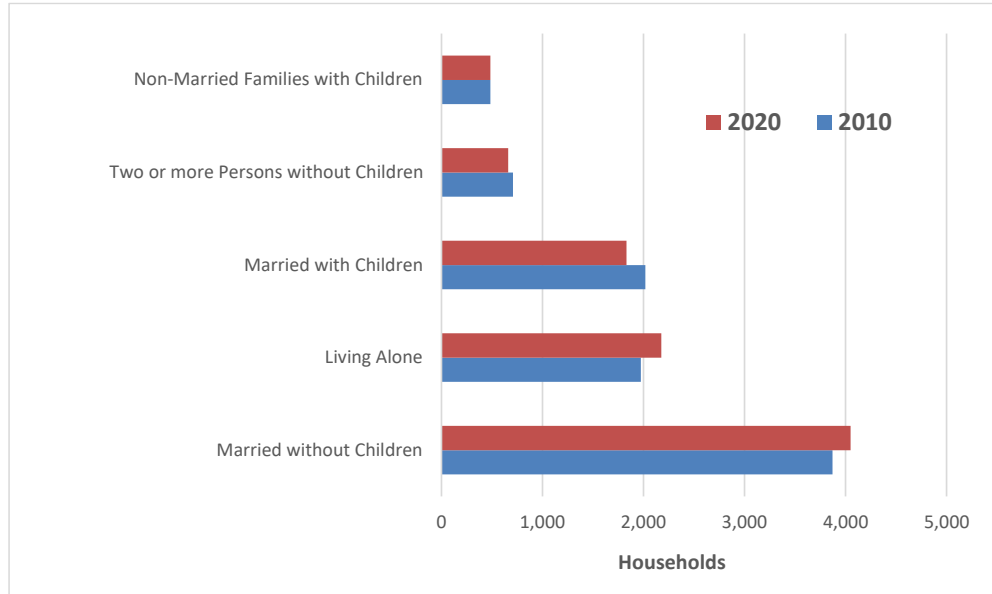
Willmar's Households by Type of Household**Remainder of Kandiyohi County's Households by Type of Household**

Table 14
Household Type
City of Willmar and Kandiyohi County
2000, 2010 & 2020 Estimate

	2000	2010	2020	-- Change, 2010-2020 --	
				No.	Pct.
Willmar					
<u>Households with Children</u>					
Married	1,579	1,328	1,208	-120	-9.0%
Other Family	706	848	966	118	13.9%
Subtotal	2,285	2,176	2,174	-2	-0.1%
<u>Households with no Children</u>					
Married	1,875	1,946	2,214	268	13.8%
Living Alone	2,276	2,488	2,136	-352	-14.1%
Two or More	866	1,067	1,351	284	26.6%
Subtotal	5,017	5,501	5,701	200	3.6%
Total	7,302	7,677	7,875	198	2.6%
Remainder of County					
<u>Households with Children</u>					
Married	2,502	2,019	1,832	-187	-9.3%
Other Family	488	485	484	-1	-0.2%
Subtotal	2,990	2,504	2,316	-188	-7.5%
<u>Households with no Children</u>					
Married	3,242	3,870	4,049	179	4.6%
Living Alone	1,822	1,973	2,176	203	10.3%
Two or More	580	708	663	-45	-6.4%
Subtotal	5,644	6,551	6,888	337	5.1%
Total	8,634	9,055	9,204	149	1.6%
Kandiyohi County					
<u>Households with Own Children</u>					
Married	4,081	3,347	3,040	-307	-9.2%
Other Family	1,194	1,333	1,450	117	8.8%
Subtotal	5,275	4,680	4,490	-190	-4.1%
<u>Households with no Own Children</u>					
Married	5,117	5,816	6,263	447	7.7%
Living Alone	4,098	4,461	4,312	-149	-3.3%
Two or More	1,446	1,775	2,014	239	13.4%
Subtotal	10,661	12,052	12,589	537	4.5%
Total	15,936	16,732	17,079	347	2.1%
Source: US Census Bureau - 2020 American Community Survey; Viewpoint Consulting Group, Inc.					

Employment Growth Trends

Employment growth is a predictor of housing demand since employment growth generally leads to household formation. If given a choice, many people prefer to live close to their place of employment. Rental housing demand has a particularly strong correlation with job growth since people recently hired and moving into a new community often choose to rent for a period of time before they invest in a home of their own.

Recent employment growth trends for Kandiyohi County are shown in Tables 15 and 16. Table 15 presents resident employment data in the county from 2010 through August 2022. Resident employment data is an annual average of the work force and number of employed people living in the County. Not all these employed people work in the County. Table 16 shows the number of jobs (“covered employment”) in Willmar and Kandiyohi County from 2010 to 1st Half 2022. Covered employment data is from the Quarterly Census of Employment and Wages (QCEW) data and includes all establishments covered under the Unemployment Insurance Program – hence covered employment. The employment data represents the number of covered workers who worked, or received pay, on the 12th of the month. Excluded are members of the armed forces, the self-employed, proprietors, domestic workers, unpaid family workers, and railroad workers covered by the railroad unemployment insurance system. Most farm jobs are not covered by unemployment insurance and are not included in the table. Table 14 shows covered employment trends and wages for the 1st Half of 2014, 2018, and 2022. The data in these tables is from the Minnesota Department of Employment and Economic Development. The following are key trends from the employment data.

Resident Employment

- The unemployment rate in Kandiyohi County decreased from a high of 6.0% in 2011 to 3.1% in 2018. The unemployment rate inched up to 3.7% in 2019, and because of the COVID-19 pandemic, it spiked at 6.8% in May 2020. By July 2022, it had dropped to 2.1%.
- While the unemployment dropped to 2.1% in 2022, total employed persons has not yet reached its pre-pandemic levels. As of July 2022, there were 21,972 employed persons, down from 23,661 in 2019.
- Over the past decade, the unemployment rate in Kandiyohi County has generally been below Minnesota’s and the nation’s unemployment rate. In 2021, the unemployment rate was 3.6%; or equal to Minnesota’s and below the nation’s (5.3%).
- With an unemployment rate of 2.1%, it is likely that growing businesses will need to draw employees from outside the area to fill new positions, or coax local residents back into the labor force. Bringing in workers from outside the area will lead to housing demand to accommodate the growing population. If the supply of housing in Willmar is not sufficient to

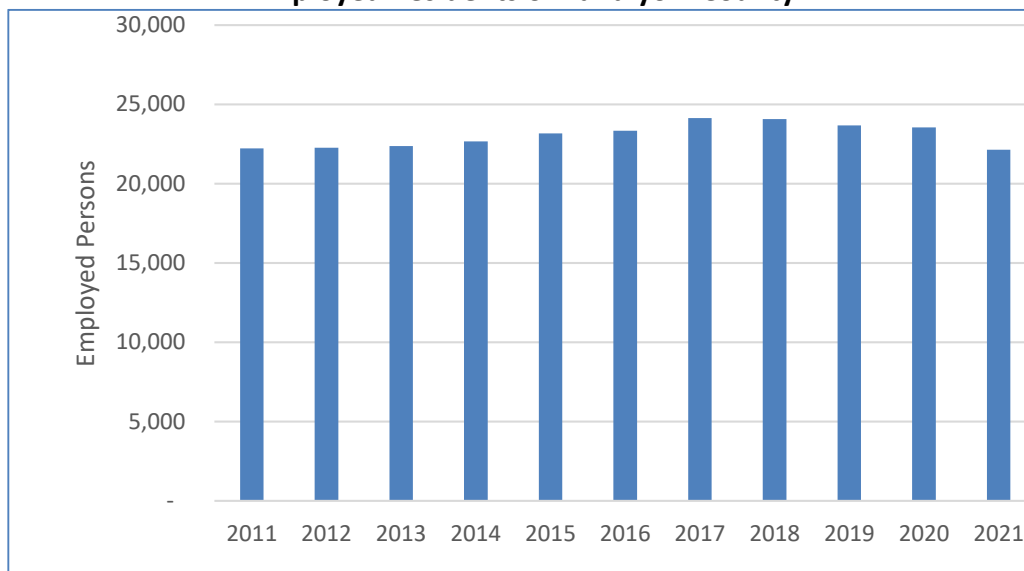
accommodate new employees to the community, some people will seek housing in nearby communities where housing is available.

Table 15
Resident Employment
Kandiyohi County
2011 to August 2022

	--- Kandiyohi County ---			MN	USA
	Labor Force	Employment	% Unemploy.		
2011	23,643	22,229	6.0%	6.5%	8.9%
2012	23,494	22,267	5.2%	5.6%	8.1%
2013	23,472	22,357	4.8%	4.9%	7.4%
2014	23,673	22,668	4.2%	4.2%	6.2%
2015	24,058	23,162	3.7%	3.7%	5.3%
2016	24,256	23,336	3.8%	4.0%	4.7%
2017	24,946	24,126	3.3%	3.6%	4.4%
2018	24,842	24,060	3.1%	2.9%	3.9%
2019	24,580	23,661	3.7%	3.3%	3.7%
2020	24,779	23,547	5.0%	6.2%	8.1%
2021	22,957	22,142	3.6%	3.6%	5.3%
April 2020	24,119	22,645	6.1%	8.9%	14.4%
May 2020	24,348	22,694	6.8%	10.9%	13.0%
July 2022	22,435	21,972	2.1%	2.1%	3.8%

Source: MN Dept. of Employment and Economic Development - Local Area Unemployment Statistics; Viewpoint Consulting Group, Inc.

Employed Residents of Kandiyohi County



Job Growth Trends

- Table 16 shows that Willmar had 15,758 jobs in 2021, down from 17,124 in 2019, before the COVID-19 pandemic began. While 2022 job figures are not yet available, it is likely that they have increased from 2021.
- Willmar accounts for 70% of Kandiyohi County's jobs, despite Willmar accounting for just 48% of the County's population. Willmar is the commercial center of Kandiyohi County and the broader region, and hence a major employment destination.

Table 16
Job Growth Trends
Willmar and Kandiyohi County
2010 to 2021

	Willmar	Remainder of Kandiyohi County	Kandiyohi County	Minnesota
2010	15,493	6,623	22,116	2,563,391
2011	15,548	6,876	22,424	2,603,526
2012	15,458	7,067	22,525	2,644,935
2013	15,552	6,961	22,513	2,692,170
2014	15,754	7,058	22,812	2,729,613
2015	15,896	7,071	22,967	2,774,450
2016	15,972	7,359	23,331	2,813,648
2017	17,109	7,219	24,328	2,853,895
2018	17,409	6,942	24,351	2,882,004
2019	17,124	6,935	24,059	2,901,365
2020	16,602	6,653	23,255	2,704,197
2021	15,758	6,753	22,511	2,759,918
Change, '11 - '21				
Number	210	-123	87	156,392
Percent	1.4%	-1.8%	0.4%	6.0%
Source: MN Dept. of Employment and Economic Development - Quarterly Census of Employment and Wages; Viewpoint Consulting Group, Inc.				

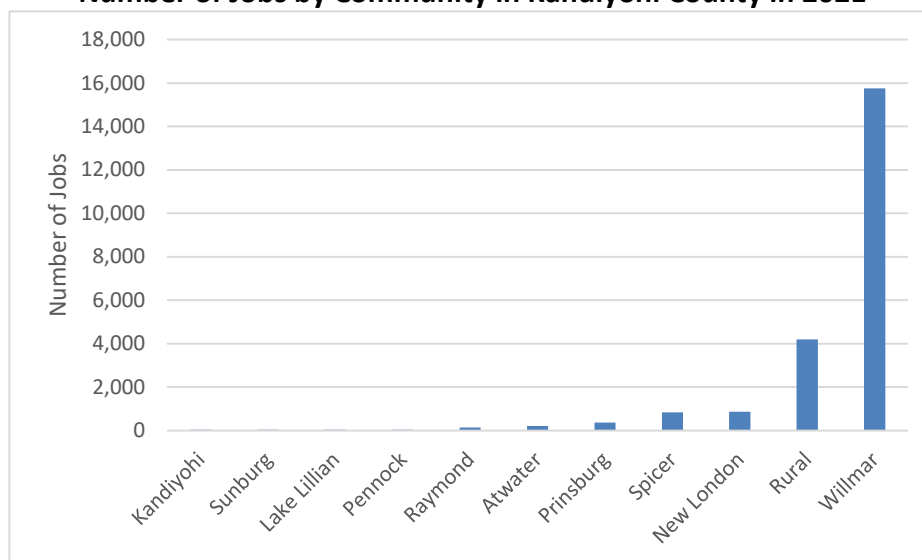
- Table 17 and the chart below highlight Willmar's presence as the commercial and employment center of the County. Aside from about 4,200 jobs in the rural portion of the County in 2021, no other community comes close to the level of jobs in Willmar. New London and Spicer each have over 800 jobs. After them, Prinsburg has the most jobs, at 361 in 2021.

Table 17
Employment Trends (Number of Jobs)
Kandiyohi County, 2010 to 2020

	2010	2019	2020	2021	Change, 2010-2021	
					No.	Pct.
Willmar	15,493	17,124	16,602	15,758	265	1.7%
Atwater	236	266	250	212	-24	-10.2%
Kandiyohi	57	72	63	34	-23	-40.4%
Lake Lillian	50	50	48	40	-10	-20.0%
New London	809	884	869	859	50	6.2%
Pennock	78	71	74	41	-37	-47.4%
Prinsburg	265	370	360	361	96	36.2%
Raymond	147	131	131	141	-6	-4.1%
Spicer	750	728	715	833	83	11.1%
Sunburg	28	36	35	39	11	39.3%
Rem. of County	4,203	4,327	4,108	4,193	-10	-0.2%
Kandiyohi County	22,116	24,059	23,255	22,511	395	1.8%

Source: MN Dept. of Employment and Economic Development - Quarterly Census of Employment and Wages;
Viewpoint Consulting Group, Inc.

Number of Jobs by Community in Kandiyohi County in 2021



Note: Includes only jobs covered by unemployment insurance.

Commuting Patterns

Not all residents of Willmar work in Willmar and vice versa – some workers in Willmar commute from elsewhere. Data on commuting trends as of 2019 is shown in Tables 18 and 19. The data (Local Employment Dynamics) is from Census Bureau’s Center for Economic Studies. The following are key highlights.

- ▶ Willmar is the primary job center in the County and a large number of people commute to Willmar for work. As of 2019, an estimated 12,694 people commuted to jobs in Willmar (inflow). These commuters filled 69% of Willmar’s total of 18,465 jobs (the other 5,771 jobs were filled by people who lived and worked in Willmar (interior flow).
- ▶ While 5,771 Willmar residents also worked in Willmar, another 4,926 Willmar residents commuted to jobs elsewhere (outflow). While this is a significant number of persons commuting to jobs elsewhere, Willmar is still a net importer of jobs (+7,768).
- ▶ Besides Willmar, the only other communities that were net importers of jobs were New London (+399 jobs) and Prinsburg (+356 jobs). In all other communities, more residents commuted to jobs elsewhere than people commuting to jobs into the community (net exporters of jobs).

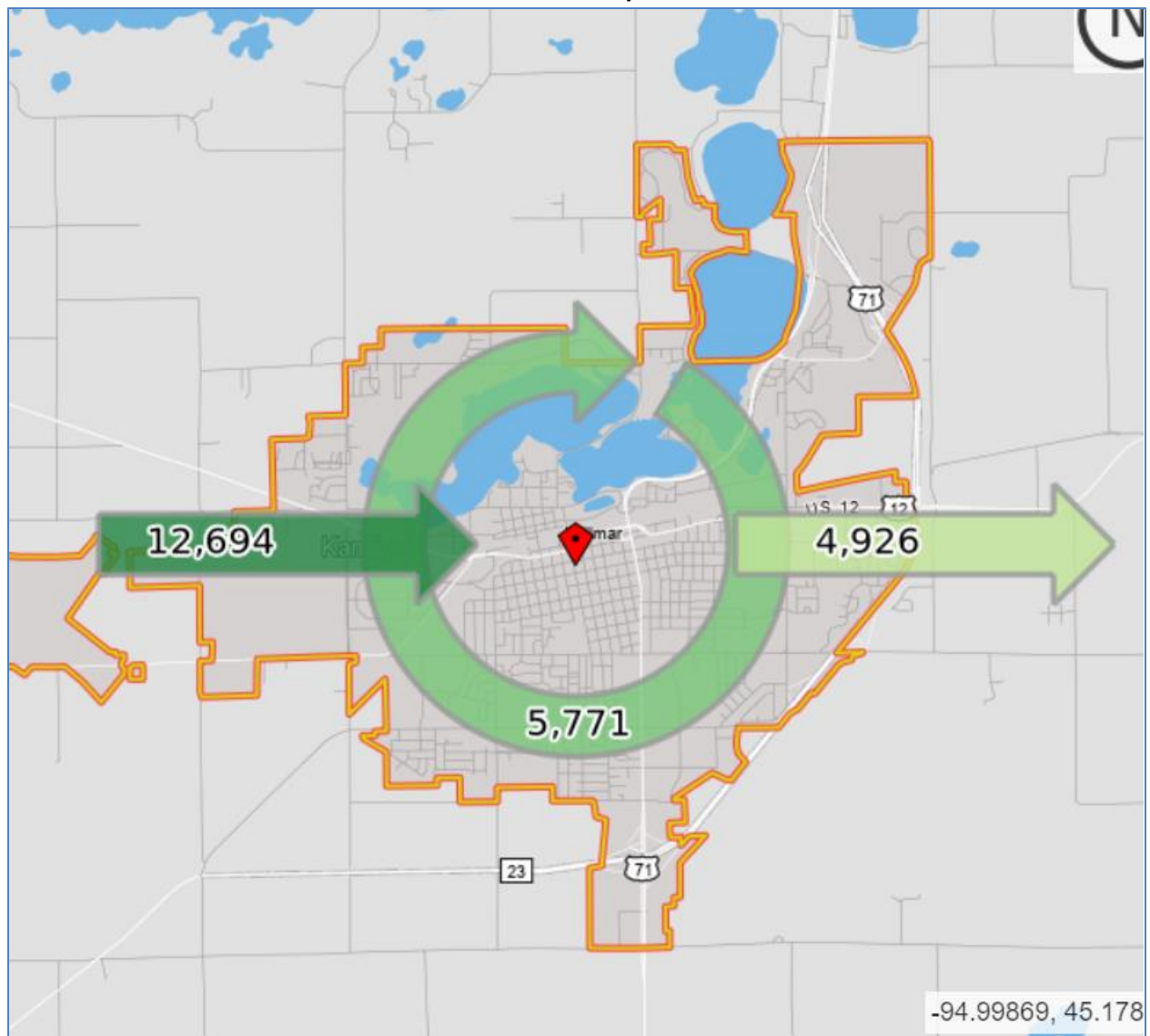
Table 18
Estimated Worker Commuting Patterns
Kandiyohi County
2019

	<u>Live & Work in Community</u>	<u>Inflow to Jobs</u>	<u>Total Jobs in Community</u>	<u>Outflow to Jobs</u>	<u>Workers Living in Community</u>	<u>Net Flow of Jobs</u>
Willmar	5,771	12,694	18,465	4,926	10,697	7,768
Atwater	21	237	258	544	565	-307
Kandiyohi	0	48	48	209	209	-161
Lake Lillian	4	50	54	126	130	-76
New London	89	917	1,006	518	607	399
Pennock	1	43	44	286	285	-241
Prinsburg	23	539	562	229	206	356
Raymond	17	148	165	401	384	-219
Spicer	35	519	554	638	603	-49
Sunburg	0	2	2	36	36	-34
Kandiyohi County	15,338	9,668	25,006	7,293	22,631	2,375
Note: Inflow = live outside of community, employed in community; Outflow = live in community, employed outside community.						
Source: MN Dept. of Employment and Economic Development - Quarterly Census of Employment and Wages; Viewpoint Consulting Group, Inc.						

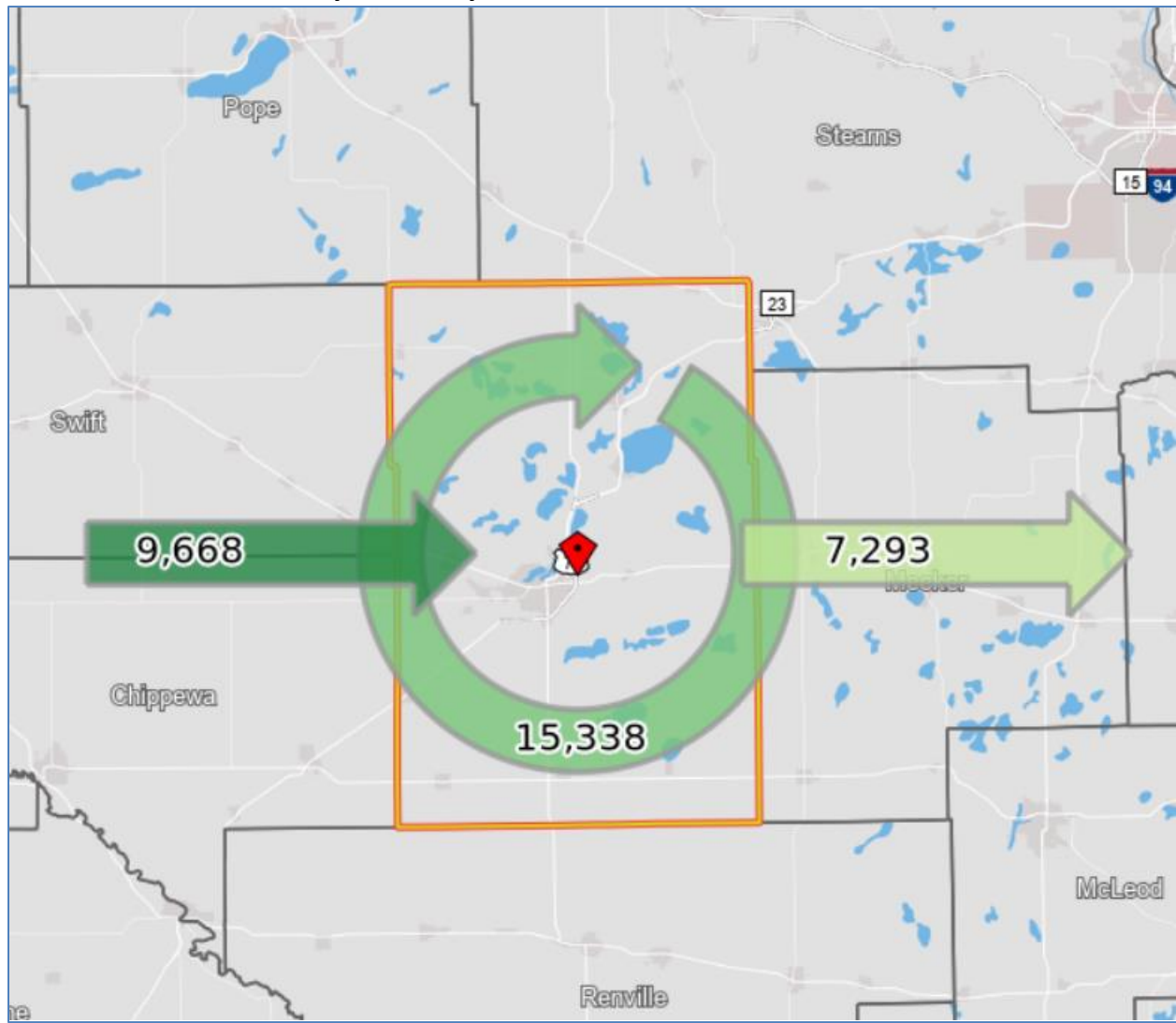
- ▶ Table 19 identifies the top communities in which Willmar residents are employed and communities in which Willmar workers reside. The greatest single source of employees is still the remainder of Kandiyohi County (4,913 residents of the remainder of Kandiyohi County commute to Willmar for work). This is followed by Meeker and Stearns Counties. Overall, 58% of people who worked in Willmar lived in Kandiyohi County.
- ▶ After people who live and work in Willmar, the remainder of Kandiyohi County is the primary work destination for Willmar residents (estimated at 18% of commuters in 2019). The next largest destination was Hennepin County (6.1%), followed by Stearns County (3.2%). Overall, 72% of Willmar residents work in Kandiyohi County.

Table 19
Estimated Worker Commuting Patterns
Willmar2019

Place of Employment	Place of Residence	--- Workers ---	
		Number	Pct.
Willmar	Willmar	5,771	31.3%
Willmar	Elsewhere in Kandiyohi County	4,913	26.6%
Willmar	Meeker County	743	4.0%
Willmar	Stearns County	588	3.2%
Willmar	Renville County	501	2.7%
Willmar	Chippewa County	497	2.7%
Willmar	Other	5,452	29.5%
Total		18,465	100.0%
Place of Employment	Place of Residence		
Willmar	Willmar	5,771	53.9%
Elsewhere in Kandiyohi County	Willmar	1,924	18.0%
Hennepin County	Willmar	655	6.1%
Stearns County	Willmar	347	3.2%
Ramsey County	Willmar	282	2.6%
Renville County	Willmar	145	1.4%
Other	Willmar	1,573	14.7%
Total		10,697	100.0%
Sources: US Census Bureau - Center for Economic Studies; Viewpoint Consulting Group, Inc.			

Willmar Workforce Inflow/Outflow in 2019

Source: US Census - OnTheMap

Kandiyohi County Workforce Inflow/Outflow in 2019

Source: US Census - OnTheMap

Major Employers

As shown in Table 19, Willmar has about 18,500 jobs, of which about 15,700 are covered by unemployment insurance (Table 16). Willmar is the economic center of Kandiyohi County, and it has a diverse employment base, with an estimated 725 “establishments,” or places of employment based on Quarterly Census of Employment and Wages data. This equates to an average of 22 employees per establishment. No one industry sector dominates Willmar’s employment base. Major employers include Jennie-O (Manufacturing), CentraCare (Health Care), Willmar Public Schools and Ridgewater College (Education). Representatives of larger employers shared their perceptions of housing demand and needs among employees currently living in the area and new employees moving to the community. The following points summarize key points from the interviews.

- Over the years, finding rental housing for new employees moving to Willmar has been challenging, but new apartments that have recently opened have alleviated this challenge. The new apartments are a welcome addition to Willmar’s housing supply.
- About 70% of new hires are people currently living in the local area. These hires often do not result in new people moving to Willmar seeking housing. The other 30% come from greater distances and need housing, typically rental housing.
- Since the COVID-19 pandemic, some office positions are filled by people who can work remotely. If these hires do not already live in Willmar, they often work from wherever they are currently living.
- An increasing proportion of plant workers who moved to Willmar years ago are becoming homeowners.
- Total employment of plant workers is down from previous years. Automation, which was needed because of a labor shortage, has partly contributed to the lower employment.

Housing Characteristics

The variety and condition of the housing stock in a community provides the basis for an attractive living environment. The housing stock in Kandiyohi County was examined by: 1) reviewing data on the age of the existing housing, 2) examining the housing stock by structure type; and 3) examining residential building trends since 2000. Data was obtained from the U.S. Census Bureau and the City of Willmar (building permits). The following are key findings about the existing housing stock.

Age of Housing Stock

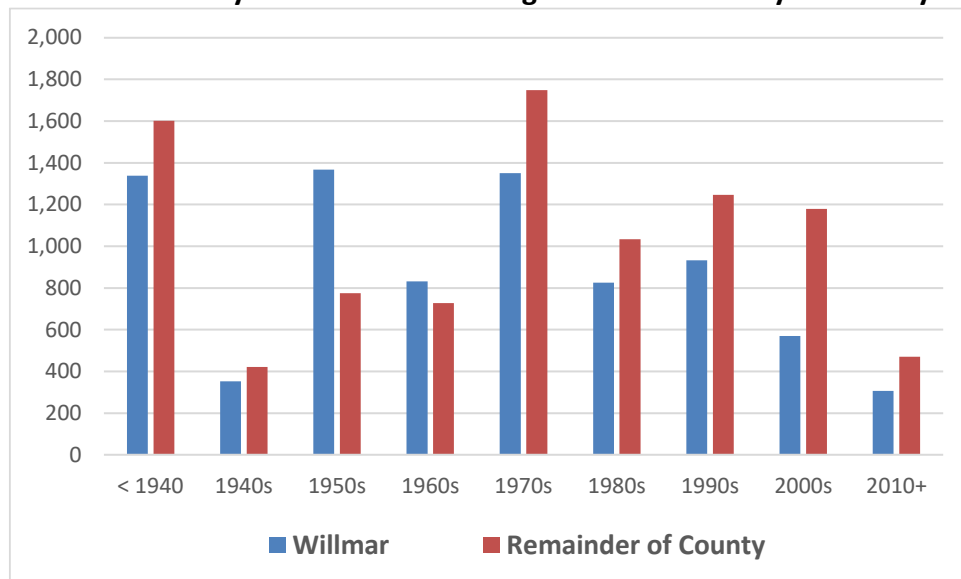
- A review of Kandiyohi County's housing stock from American Community Survey data shows that beginning with the 1940s, an average of 1,300 owner-occupied housing units were built during each decade and 470 rental units. The peak decade was the 1970s, when over 1,000 owner-occupied homes were built. Due largely to the downturn in the nationwide housing market which coincided with the Great Recession, the 2010s accounted for the fewest number of occupied housing units in both the County and Willmar since before the 1940s.
- The 1970s was the peak decade for rental housing construction. Over, 1,000 units built during the 1970s are occupied by renters in the County, including over 700 units in Willmar and over 300 in the remainder of the County.
- Homes built prior to 1950, which are now 70+ years old, are more likely to have a substantial need for rehabilitation and/or replacement due to physical or functional obsolescence. In Willmar, about 21% of the housing units were built before 1950. Similarly, in the remainder of the County, about 22% of the housing units were built before 1950.

Table 20
Estimated Occupied Housing Units by Age of Structure
Kandiyohi County
2020

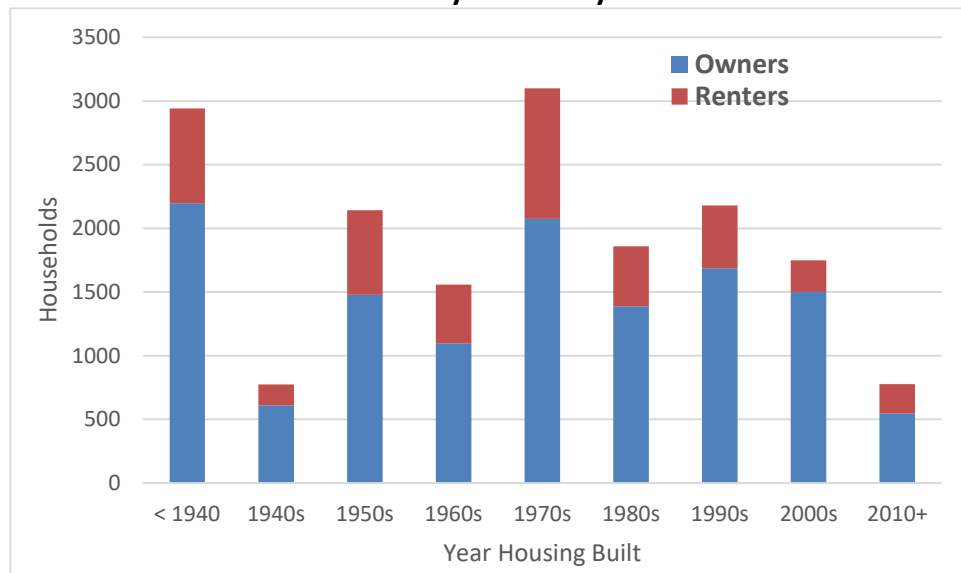
	Owner		Renter		Total	
	Units	Pct.	Units	Pct.	Units	Pct.
Willmar						
< 1940	836	18.0%	503	15.6%	1,339	17.0%
1940 - 1949	239	5.1%	114	3.5%	353	4.5%
1950 - 1959	851	18.3%	516	16.0%	1,367	17.4%
1960 - 1969	456	9.8%	376	11.7%	832	10.6%
1970 - 1979	629	13.5%	722	22.4%	1,351	17.2%
1980 - 1989	516	11.1%	309	9.6%	826	10.5%
1990 - 1999	583	12.5%	349	10.8%	932	11.8%
2000 - 2009	424	9.1%	145	4.5%	570	7.2%
2010+	115	2.5%	191	5.9%	306	3.9%
Total	4,649	100.0%	3,226	100.0%	7,875	100.0%
Remainder of Kandiyohi County						
< 1940	1360	29.3%	242	7.5%	1,602	20.3%
1940 - 1949	369	7.9%	53	1.6%	422	5.4%
1950 - 1959	628	13.5%	146	4.5%	774	9.8%
1960 - 1969	642	13.8%	85	2.6%	727	9.2%
1970 - 1979	1446	31.1%	303	9.4%	1,749	22.2%
1980 - 1989	872	18.8%	161	5.0%	1,034	13.1%
1990 - 1999	1102	23.7%	145	4.5%	1,247	15.8%
2000 - 2009	1077	23.2%	102	3.2%	1,178	15.0%
2010+	430	9.2%	41	1.3%	470	6.0%
Total	7,926	170.5%	1,278	39.6%	9,204	116.9%
Kandiyohi County						
< 1940	2196	17.5%	744	16.5%	2,941	17.2%
1940 - 1949	608	4.8%	166	3.7%	775	4.5%
1950 - 1959	1479	11.8%	663	14.7%	2,141	12.5%
1960 - 1969	1098	8.7%	462	10.2%	1,559	9.1%
1970 - 1979	2075	16.5%	1025	22.8%	3,100	18.2%
1980 - 1989	1389	11.0%	471	10.5%	1,859	10.9%
1990 - 1999	1685	13.4%	494	11.0%	2,179	12.8%
2000 - 2009	1501	11.9%	247	5.5%	1,748	10.2%
2010+	545	4.3%	232	5.1%	777	4.5%
Total	12,575	100.0%	4,504	100.0%	17,079	100.0%
Sources: US Census (2020 American Community Survey); Viewpoint Consulting Group, Inc.						

- Beginning with the 1940s, an average of 477 owner-occupied housing units were built during each decade in Willmar. The peak decade was the 1970s, when about 629 owner-occupied homes were built. More recently, 424 owner-occupied homes in Willmar were built during the 2000s and 115 since 2010. Largely because of the downturn in the nationwide housing market which coincided with the Great Recession, the 2010s accounted for the fewest number of occupied housing units in Willmar since before the 1940s.

Households by Decade their Housing was Built – Kandiyohi County



**Owner & Renter Households by Decade their Housing was Built
Kandiyohi County**



Residential Construction

- Table 21 shows that in the incorporated communities in Kandiyohi County, permits were issued for 873 housing units during the 2000s and 528 housing units during the 2010s. The drop during the 2010s was experienced in both Willmar and the smaller communities in the County. No community saw their permitted housing units increase between the 2000s and 2010s.
- In addition to permits in the communities, 447 permits were issued for single-family homes in the rural portion of the County during the 2010s. Information for the 2000s was not available. Many of the permits issued in the rural portion of the County are on lakes and other large estates and include seasonal homes in addition to permanent homes. Some also are for homes that replace older homes. Thus, permits in the rural portion of the County are not as closely tied to a growth in households as in the incorporated communities.
- Permits were issued for 630 new housing units in Willmar during the 2000s. Over three-quarters of the permitted housing units were single-family homes. Only 135 rental units were permitted during the 2000s, compared to 229 units during the 2010s and 385 units during the first two and a half years of the 2020s.

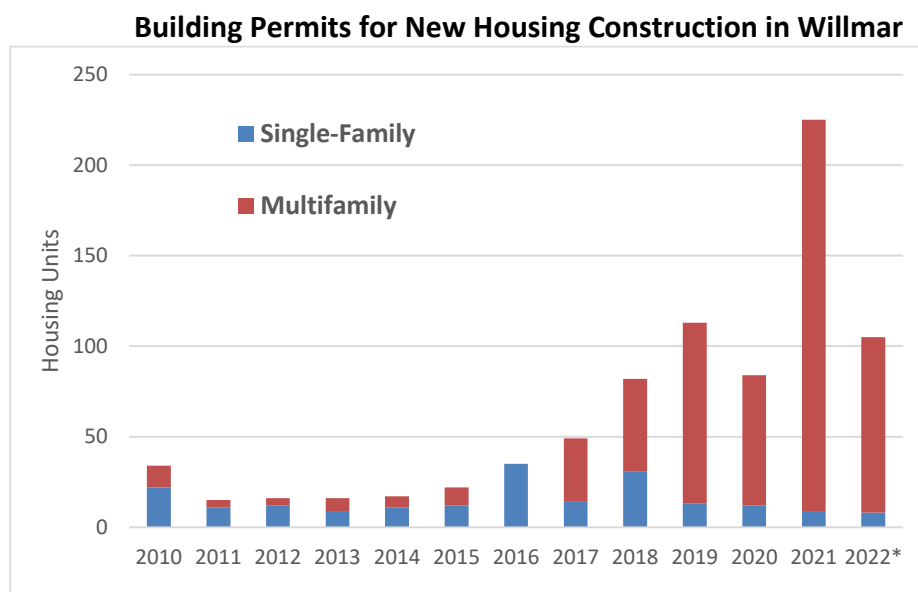
Table 21
Building Permit Trends
Kandiyohi County
2000 to August 2022

	2000s			2010s			2020-Aug. 2022		
	SF	MF	Total	SF	MF	Total	SF	MF	Total
Willmar	495	135	630	170	229	399	29	385	414
Atwater	23	4	27	2	4	6	0	0	0
Blomkest	2	0	2	1	0	1	0	0	0
Kandiyohi	8	12	20	0	0	0	3	0	3
Lake Lillian	1	0	1	0	0	0	0	0	0
New London	88	4	92	59	8	67	33	70	103
Pennock	15	0	15	5	0	5	5	0	5
Prinsburg	11	8	19	8	0	8	4	0	4
Raymond	12	0	12	7	0	7	9	2	11
Regal	3	0	3	0	0	0	0	0	0
Spicer	43	4	47	33	2	35	2	0	2
Sunburg	1	4	5	0	0	0	0	0	0
Total*	702	171	873	285	243	528	85	457	542

* Total excludes the rural portions of the County (during the 2010s, 447 permits were issued for single-family homes).

Sources: US Census, Viewpoint Consulting Group, Inc.

- During the 2000s and 2010s, the majority of permits for single-family homes were in Willmar, which accounted for 71% of the single-family homes during the 2000s and 60% during the 2010s. Since 2020, however, New London has been the leader in permits for single-family homes. Its 33 permits were greater than Willmar's 29 permits.
- Beginning in 2015, permits for single-family homes in Willmar increased, as an average of 23 were permitted annually from 2016 through 2019. Multifamily permits also increased in Willmar during the later-half of the 2010s and include the first 72-unit building at Edgeview (permitted in 2019), which will eventually have 288 units when construction is completed in 2023.
- Since 2020, permits for new single-family homes in Willmar have continued to remain below historic levels. Only nine permits were issued in 2021 and through August 2022, only eight permits were issued. At the current pace, fewer single-family homes will be built in Willmar than during the 2010s, which saw the fewest single-family homes built since before 1940.
- While the development of single-family homes remains low in Willmar. Multifamily permits have increased substantially. Permits have already been issued for 385 multifamily units since 2020 and another 216-unit rental complex was approved by the City in October 2022 (but permits have not yet been issued).
- The chart below highlights how the effects of the Great Recession on the housing market lasted into most of last decade. Only 77 permits were issued for new single-family homes in Willmar from 2010 through 2015, or an average of 13 per year. Multifamily permits were down as well, totaling just 43 units through 2016.



* Through August 2022

Table 22
Building Permit Trends
Willmar
2000 to August 2022

Year	---- Housing Units ----		Total
	Single-Family	Multifamily	
2000s	495	135	630
2010	22	12	34
2011	11	4	15
2012	12	4	16
2013	9	7	16
2014	11	6	17
2015	12	10	22
2016	35	0	35
2017	14	35	49
2018	31	51	82
2019	13	100	113
Total	170	229	399
2020	12	72	84
2021	9	216	225
2022*	8	97	105
Total	29	385	414
* Through August 2022			
Source: City of Willmar; Viewpoint Consulting Group, Inc.			

Housing Stock by Type of Housing

- The dominant housing type in Kandiyohi County is a single-family home with this type representing an estimated 80% of all housing units in 2020. Single-family homes and townhomes account for about 96% of owner-occupied housing units in Willmar and 35% of the rental units. In Willmar, which has a greater supply of multifamily housing, single-family homes accounted for about 95% of owner-occupied housing units and 26% of the rental units. Outside Willmar, single-family homes accounted for 57% of rental units.
- Of the 2,809 multifamily rental units in Kandiyohi County in 2020, 2,382 were in Willmar, representing 85% of the County's multifamily rental stock. After Willmar, the greatest supplies of multifamily rental units were in Spicer (122 units) and New London (110 units).

Table 23
Estimated Occupied Housing Units by Type of Structure
Kandiyohi County
2020

	----- Households by Housing Type and Tenure -----					
	Owned			Rented		
	Single-Family	Multi-Family	Mobile Home	Single-Family	Multi-Family	Mobile Home
Willmar	4,437	73	139	844	2,382	0
Atwater	347	0	11	42	59	0
Blomkest	46	0	6	19	0	0
Kandiyohi	158	0	0	10	58	0
Lake Lillian	86	0	7	9	10	0
New London	331	19	0	97	110	0
Pennock	132	0	0	14	17	7
Prinsburg	168	0	0	29	8	0
Raymond	224	0	0	41	38	8
Regal	17	0	0	3	0	0
Spicer	379	12	0	25	122	0
Sunburg	28	0	0	4	3	5
Rem. of County	5,689	33	233	434	4	104
Kandiyohi County	12,042	137	395	1,572	2,809	124

Sources: US Census, MN Demographic Center, Viewpoint Consulting Group, Inc.

- Mobile homes accounted for about 3% of the County's housing stock, with about three-quarters of the mobile homes being owned.

Owner-Occupied Housing Market Analysis

This section analyzes Kandiyohi County's owner-occupied housing market. Analyzed are single-family home resale trends, subdivisions being actively marketed, pending subdivisions, and interviews with local real estate professionals and others involved in the local housing market to solicit their impressions of existing market conditions and trends. The Kandiyohi County Assessor's Office provided the data on resale trends. The following are key findings regarding the for-sale housing market.

Home Resale Trends

- The median price of homes sold in 2022, through September, was \$180,000 in Willmar. This was up from \$160,000 in 2021 and from \$136,000 in 2018. Over the five-year period, the annual average increase in the median sale price was 7.4%. Countywide, the average annual increase in the median sale price was slightly higher – at 8.4%. Countywide, the median sale price was \$205,500 in 2022 (through September).
- During the four-year period from 2017 through 2021, the number of annual home sales in Willmar averaged 388, with 2021 having the most sales (433). Overall, just over 8% of Willmar's owner-occupied housing stock is sold each year.
- During the four-year period from 2017 through 2021, the number of annual home sales in the County averaged 814, with 2021 having the most sales (895). Overall, just over 6.5% of the County's owner-occupied housing stock is sold each year.
- In Willmar, the median sale price of homes on average was about \$11,000 less than the average sale price. Countywide, the difference between the two averaged about \$32,000 over the four-year period. Sales of very expensive lake homes skews the average higher in the rural part of the county more so than in Willmar.

Table 24
Resale Trends of Existing Single-Family Homes
Willmar
2018 through September 2022

Year	No. Sold	Avg Sales Price	Median Price	Change in Median
Willmar				
2018	387	\$149,957	\$136,000	--
2019	383	\$144,552	\$139,100	2.3%
2020	348	\$161,928	\$155,000	11.4%
2021	433	\$177,822	\$160,000	3.2%
2022*	267	\$190,486	\$180,000	12.5%
Kandiyohi County Total				
2018	801	\$180,742	\$149,900	--
2019	767	\$173,770	\$150,000	0.1%
2020	793	\$205,648	\$174,000	16.0%
2021	895	\$232,031	\$185,000	6.3%
2022*	528	\$234,883	\$205,500	11.1%
* Through September 2022				
Sources: Kandiyohi County Assessor; Viewpoint Consulting Group,				

- Table 25 shows the number of single-family homes sales by community from 2018 through September 2022. After Willmar, the greatest number of sales were in the rural parts of the County, which averaged about 250 sales annually. Among the smaller communities, New London and Spicer had the most sales, with annual averages of 39 and 34 sales, respectively.
- Table 26 shows the median sale price of single-family homes by community from 2018 through September 2022. By far the highest median sale price was in the rural part of the County. The 2022 median sale price (through September) was \$335,000 in the rural part of the County, or \$155,000 more than Willmar's median sale price. Spicer's median sale price was \$247,000, followed by New London, at \$225,100. The median sale price in all other smaller communities was below \$160,000. This highlights the strength of New London and Spicer's housing market in comparison to the other smaller communities in the county.

Table 25
Number of Single-Family Home Sales
Kandiyohi County
2018 through September 2022

	2018	2019	2020	2021	2022	Total Sales ('18 - '21)	
						Avg.	Pct.
Willmar	387	383	348	433	267	388	8.4%
Atwater	24	23	24	29	24	25	6.9%
Blomkest	5	4	5	4	2	5	7.3%
Kandiyohi	16	8	7	12	7	11	7.3%
Lake Lillian	4	8	6	9	7	7	6.3%
New London	41	36	39	38	21	39	12.3%
Pennock	11	4	7	7	6	7	5.2%
Prinsburg	16	14	17	22	8	17	9.7%
Raymond	12	17	17	17	13	16	6.8%
Regal	3	2	0	2	0	2	10.9%
Spicer	28	24	51	34	18	34	10.1%
Sunburg	3	1	4	2	2	3	6.1%
Rem. of County	251	230	256	273	141	253	4.6%
Kandiyohi County	801	767	793	895	528	814	6.8%

Sources: Kandiyohi County Assessor; Viewpoint Consulting Group, Inc.

Number of Home Sales by Community, 2018 to September 2022

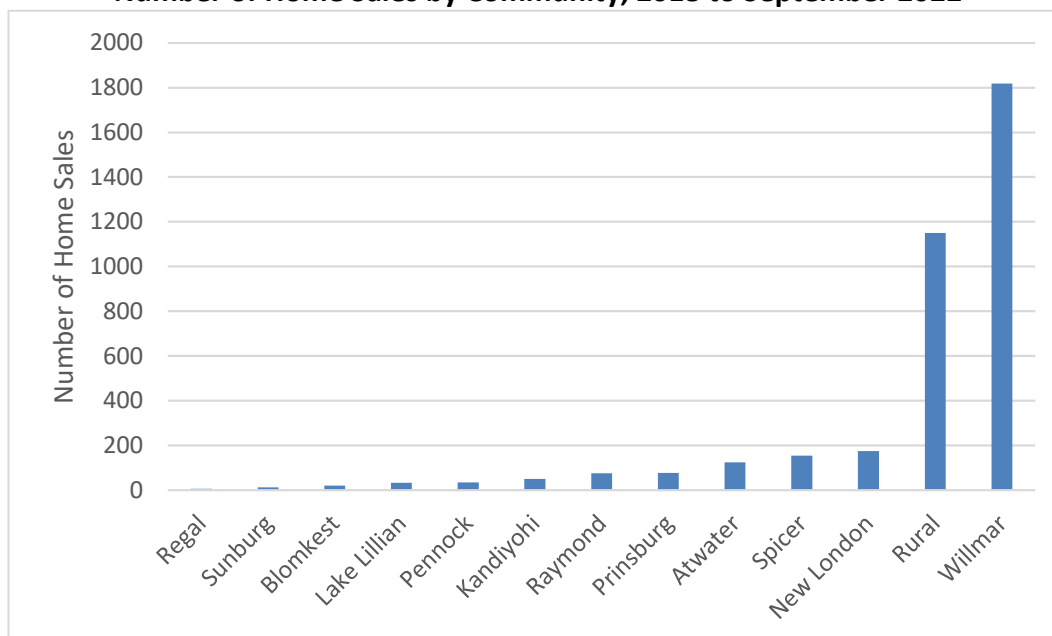


Table 26
Median Sale Price of Single-Family Home
Kandiyohi County, 2018 through September 2022

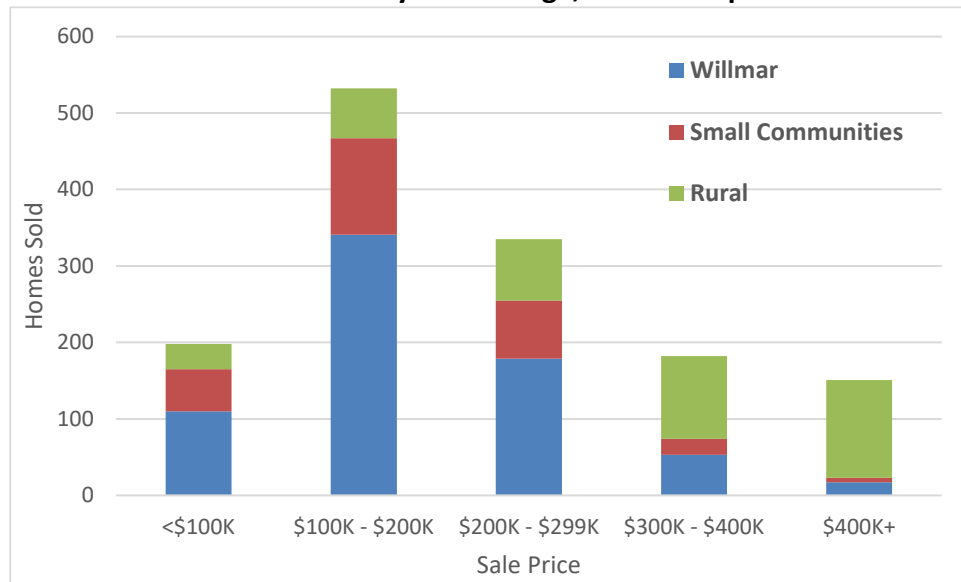
	2018	2019	2020	2021	2022	--- Change --- No.	Pct.
Willmar	\$136,000	\$139,100	\$155,000	\$160,000	\$180,000	\$44,000	32.4%
Atwater	\$116,500	\$97,510	\$106,500	\$126,500	\$143,750	\$27,250	23.4%
Blomkest	--	--	--	--	--	--	--
Kandiyohi	\$105,000	\$130,750	\$120,000	\$167,500	\$159,000	\$54,000	51.4%
Lake Lillian	\$58,000	\$71,600	\$102,000	\$77,000	\$150,000	\$92,000	158.6%
New London	\$149,000	\$150,950	\$158,000	\$199,000	\$225,100	\$76,100	51.1%
Pennock	\$93,000	\$85,500	\$127,500	\$185,000	\$74,625	-\$18,375	-19.8%
Prinsburg	\$113,000	\$112,500	\$147,500	\$133,750	\$121,500	\$8,500	7.5%
Raymond	\$120,500	\$69,900	\$129,000	\$150,000	\$160,000	\$39,500	32.8%
Regal	--	--	--	--	--	--	--
Spicer	\$168,450	\$154,750	\$214,700	\$235,000	\$247,000	\$78,550	46.6%
Sunburg	--	--	--	--	--	--	--
Rem. of County	\$252,000	\$223,650	\$272,500	\$315,000	\$335,000	\$83,000	32.9%
Kandiyohi County	\$149,900	\$150,000	\$174,000	\$185,000	\$205,500	\$55,600	37.1%

Sources: Kandiyohi County Assessor; Viewpoint Consulting Group, Inc.

- Table 27 shows that from 2018 through September 2022, the number of home sales in Willmar peaked in the \$100,000 to \$199,999 range. Except for 2022, over half the homes sold each year in Willmar were in this price range. In 2022, 42% of the homes sold in Willmar were in the \$100,000 to \$199,999 price range.
- Like Willmar, the number of home sales in the smaller communities from 2018 through September 2022 peaked in the \$100,000 to \$199,999 range. In 2022, 42% of the homes sold in the smaller communities were in the \$100,000 to \$199,999 price range.
- Data from Table 11 on Page 34 reveals that about 65% of Willmar's homeowners had incomes of less than \$83,600 (the median income for Kandiyohi County's households at Area Median Income) in 2022. Most of these homeowners would be seeking homes priced at about \$250,000 or less. This coincides closely with Willmar's home sales in 2022, when a similar percentage was sold under \$250,000.
- In the rural part of the County, homes sales were more evenly distributed among the various price ranges. The rural part of the County had a much higher median sale price (\$335,000) than either Willmar or the smaller communities in 2022.
- The number of homes sold in Willmar above \$200,000 has increased from 18% of all sales in 2019 to 42% of all sales in 2022. Likewise, the number of sales above \$200,000 increased from 16% of all sales in 2019 to 38% in 2022. In the rural part of the County, sale above \$2,000 accounted for a much greater portion of sales (83% in 2022).

Table 27
Home Resales by Price Range
Kandiyohi County
2018 to September 2022

Sale Price	2018	2019	2020	2021	2022
Willmar					
< \$100,000	93	103	76	68	42
\$100,000 - \$199,999	224	212	182	228	113
\$200,000 - \$299,999	53	55	70	95	84
\$300,000 - \$399,999	12	11	18	31	22
\$400,000 +	5	2	2	11	6
Total Sales	387	383	348	433	267
Percent over \$200K	18%	18%	26%	32%	42%
Median Year Built	1968	1962	1968	1959	1967
Median Sale Price	\$136,000	\$139,100	\$155,000	\$160,000	\$180,000
Small Communities					
< \$100,000	61	57	42	32	23
\$100,000 - \$199,999	74	61	88	82	44
\$200,000 - \$299,999	21	14	36	49	27
\$300,000 - \$399,999	4	4	5	10	11
\$400,000 +	3	5	6	3	3
Total Sales	163	141	177	176	108
Percent over \$200K	17%	16%	27%	35%	38%
Median Year Built	1974	1962	1972	1972	1975
Median Sale Price	\$118,000	\$125,000	\$149,900	\$162,400	\$175,800
Rural					
< \$100,000	34	27	20	21	12
\$100,000 - \$199,999	53	72	70	53	12
\$200,000 - \$299,999	70	68	55	48	32
\$300,000 - \$399,999	56	32	55	71	37
\$400,000 +	37	30	56	80	48
Total Sales	250	229	256	273	141
Percent over \$200K	65%	57%	65%	73%	83%
Median Year Built	1984	1980	1990	1987	1984
Median Sale Price	\$252,000	\$223,650	\$272,500	\$315,000	\$335,000
Sources: Kandiyohi County Assessor; Viewpoint Consulting Group, Inc.					

Number of Home Sales by Price Range, 2021 to September 2022

- Since 2020, there have been sales in Willmar of homes built in each decade since 1900. Typically, the average home resale price declines as the homes get older. This is highlighted in the chart above. The median sale price of homes built before 1900 was \$90,000 (see Table 28). Among homes built in 2010 or later, the median sale price was \$268,000.

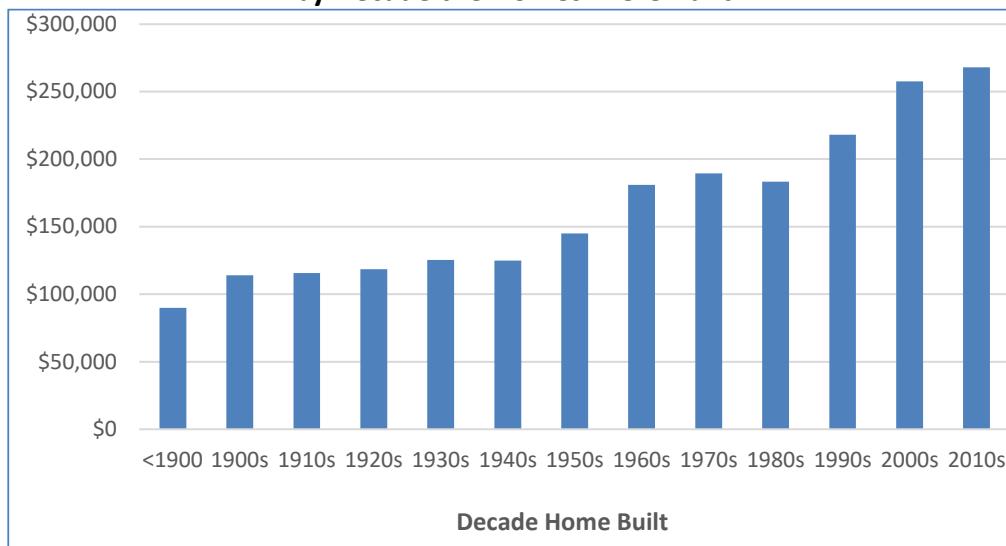
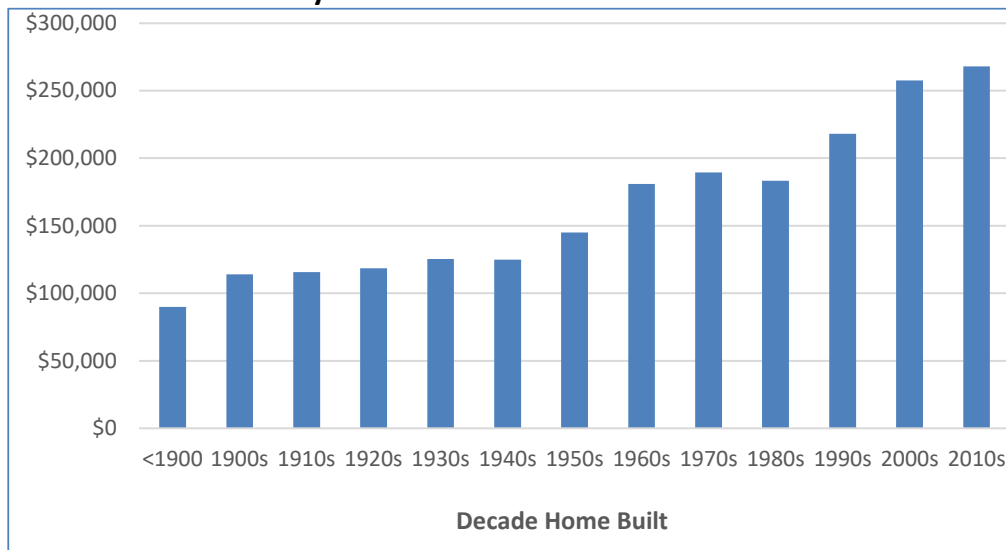
**Median Resale Price of Willmar Homes Sold from 2018 to 2022
by Decade the Homes Were Built**

Table 28
Home Resales by Year Homes Built (Home Sold Between 2020 and September 2022)
Kandiyohi County

Year Built	Willmar		Small Towns		Rural	
	No. of Sales	Median Sales Price	No. of Sales	Median Sales Price	No. of Sales	Median Sales Price
<1900	45	\$90,000	17	\$100,000	11	\$220,000
1900 - 1909	47	\$114,000	18	\$109,000	8	\$250,750
1910 - 1919	66	\$115,650	19	\$104,000	6	\$50,000
1920 - 1929	50	\$118,500	29	\$127,500	16	\$205,750
1930 - 1939	38	\$125,250	12	\$95,500	7	\$145,000
1940 - 1949	89	\$125,000	31	\$116,000	12	\$256,125
1950 - 1959	150	\$145,000	44	\$141,600	22	\$280,000
1960 - 1969	86	\$181,000	26	\$145,000	38	\$310,500
1970 - 1979	100	\$189,563	72	\$180,750	90	\$275,000
1980 - 1989	110	\$183,250	32	\$177,500	87	\$285,000
1990 - 1999	135	\$218,000	51	\$222,700	114	\$360,000
2000 - 2009	88	\$257,500	46	\$238,750	115	\$375,000
2010 +	38	\$268,000	29	\$240,000	44	\$392,503
Total	1,042	\$162,750	426	\$160,000	570	\$316,400
Built Before 1960						
Percent	46.5%		39.9%		14.4%	
Median	\$125,000		\$120,000		\$220,000	
Built 1960 to 1989						
Percent	28.4%		30.5%		37.7%	
Median	\$185,000		\$170,000		\$285,000	
Built 1990+						
Percent	25.0%		29.6%		47.9%	
Median	\$239,500		\$230,850		\$375,000	
Sources: Kandiyohi County Assessor; Viewpoint Consulting Group, Inc.						

- Like Willmar, both the smaller communities and rural Kandiyohi County have had sales of homes built in each decade since 1900. This charts below highlight how the median prices are fairly consistent among homes built before 1950. Beginning with homes built during the 1950s, the median sale price of homes begins to have greater increases the newer the home was built. For example, in the smaller communities, homes built in 2010 or later had a median sale price of \$240,000, compared to a median sale price of \$177,500 among homes built during the 1980s.

**Median Resale Price of Homes Sold in Smaller Communities from 2018 to 2022
by Decade the Homes Were Built**



**Median Resale Price of Rural Kandiyohi County Homes Sold from 2018 to 2022
by Decade the Homes Were Built**

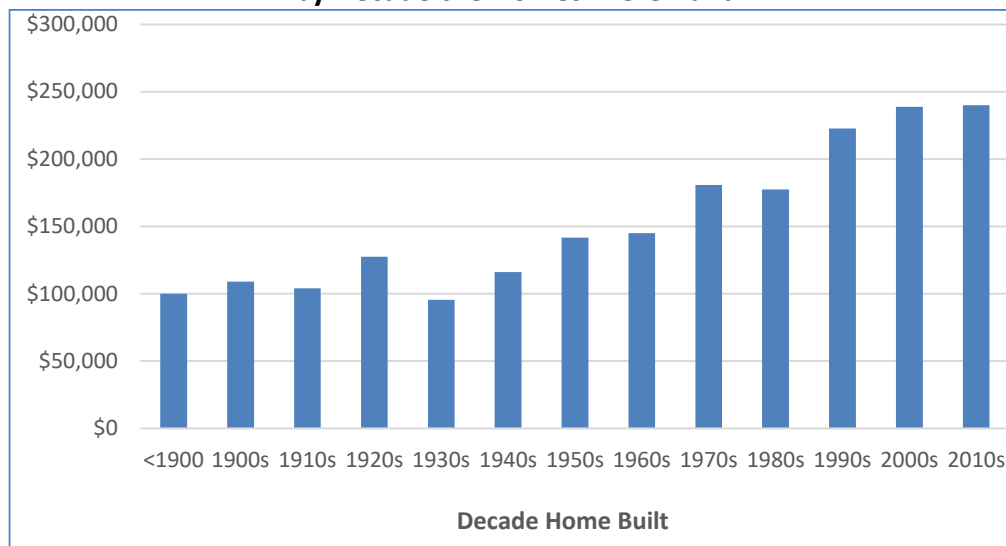


Table 29
Home Resales by Year Home Built (Home Sold Between 2020 and September 2022)
Kandiyohi County

	Built <1960		Built 1960 - 1989		Built 1990+		Total Sales	
	No.	Median	No.	Median	No.	Median	No.	Median
Willmar	485	\$125,000	296	\$185,000	261	\$239,500	1,042	\$162,750
Atwater	48	\$109,000	14	\$141,250	13	\$166,400	75	\$126,500
Blomkest	8	\$159,000	3	\$131,400	0	-	11	\$131,400
Kandiyohi	4	\$135,000	16	\$176,000	4	\$98,300	24	\$167,000
Lake Lillian	12	\$78,500	5	\$156,000	2	\$110,000	19	\$108,000
New London	31	\$158,000	12	\$170,500	45	\$237,000	88	\$210,000
Pennock	5	\$97,000	10	\$176,000	2	\$217,450	17	\$134,900
Prinsburg	23	\$122,500	16	\$162,000	7	\$75,000	46	\$139,000
Raymond	18	\$99,500	12	\$155,000	10	\$193,760	40	\$147,000
Regal	2	\$90,000	0	-	0	-	2	\$90,000
Spicer	13	\$170,000	41	\$202,000	42	\$255,000	96	\$229,750
Sunburg	6	\$101,000	1	\$52,250	1	\$80,000	8	\$81,500
Rem. of County	82	\$220,000	215	\$285,000	273	\$375,000	570	\$316,400
Kandiyohi County	737	\$129,250	641	\$198,400	660	\$279,450	2,038	\$185,000
Sources: Kandiyohi County Assessor; Viewpoint Consulting Group, Inc.								

Current Supply of Homes on the Market

- As of November 2022, there were 18 single-family homes actively listed for sale in Willmar. Table 30 shows that of the 18 homes listed for sale, 12 were priced above \$200,000, or two-thirds of the listings. The median list price was \$227,500, or well above the median sale price of homes sold during the year through September (\$180,000).
- There were more homes listed for sale in the rural parts of Kandiyohi County than in either Willmar or the other smaller communities. Many of the listings were lake homes in the northern part of the County, and included many homes listed for sale for over \$1.0 million. Thus, the median list price of homes in the rural part of the County (\$569,000) was much higher than the median list price in Willmar (\$227,500) or in the remaining smaller communities (\$292,500).

Table 30
Active Single-Family Home Listings
Kandiyohi County
November 2022

--- Number of Active Listings ---			
List Price	Willmar	Small Communities	Rural
< \$100,000	2	0	0
\$100,000 - \$199,999	4	2	0
\$200,000 - \$299,999	6	3	2
\$300,000 - \$399,999	5	1	5
\$400,000 +	1	4	16
Total	18	10	23
Average List Price	\$243,406	\$487,290	\$794,452
Median List Price	\$227,500	\$292,500	\$569,000
Median Year Built	1969	1949	1987
Median Sq. Ft.	1,976	2,724	2,377

Source: Realtor.Com; Viewpoint Consulting Group, Inc.

The County's housing market is very strong based on data from the West Central Association of Realtors. As of September 2022, Willmar had 256 new listings year-to-date, which led to a 1.2-month supply of homes. This is lower than the multicounty region, which had a 2.4-month supply, which is also very low. Overall, the average days on market for new listings in 2022 (through September) was 43 days, down from 93 days in 2019.

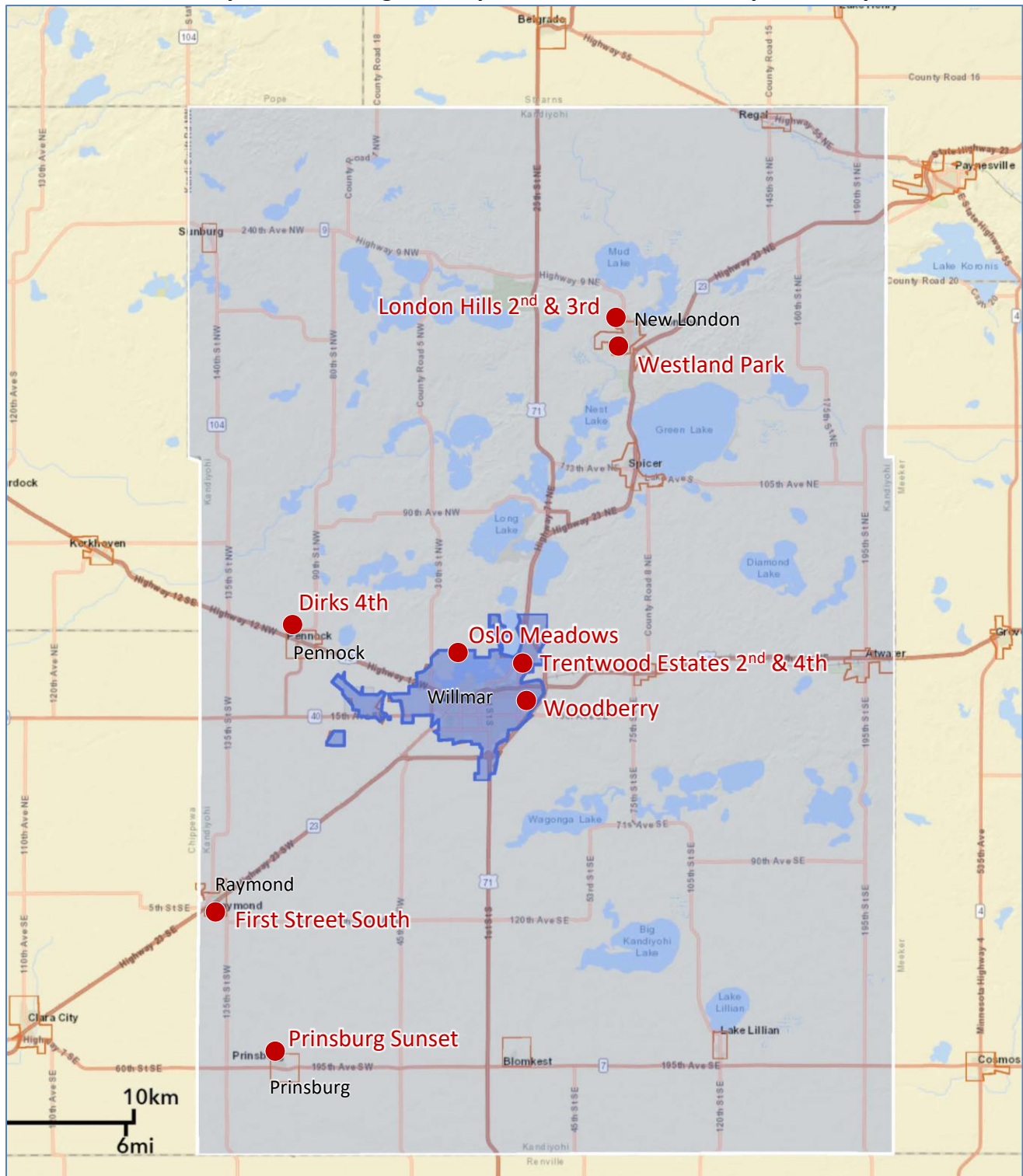
Active Subdivisions

The supply of lots in Willmar available for new housing construction is primarily contained in three subdivisions, which are displayed in Table 31 along with subdivisions in surrounding communities in Kandiyohi County. The following are summaries of these subdivisions.

- Trentwood Estates is a subdivision in northeastern Willmar, on Lakeland Drive Northeast. There are 26 lots remaining in the 2nd and 4th Additions. Combined, the two additions contain 51 lots which were first platted in 2006. This equates to 25 homes being completed, or an average of less than two homes per year. Homes in Trentwood Estates 2nd & 4th Additions have averaged about \$360,000. Lots are priced at about \$32,000.
- Woodberry Addition is located east of 25th Street Southeast and south of Highway 12. It was platted in 2014 with 65 lots and 23 lots remain. An average of over five homes have been built annually in Woodberry Addition (totaling 42 homes), making it the most active subdivision in Willmar. The average home price is about \$300,000. Lots are priced at just under \$35,000.
- Oslo Meadows is the newest subdivision in Willmar. The 46-lot subdivision was platted in 2017, north of 15th Avenue Northwest. Twenty-five homes have been completed, equating to an average of just under five homes per year. Twenty-one lots remain available. Homes in Oslo Meadows have averaged about \$250,000. Lots are priced at under \$8,000.
- Willmar has 70 available lots in the three subdivisions listed in Table 31, which accounts for most of its lots. Outside Willmar, there are another 73 lots available in five subdivisions in smaller surrounding communities. Of these communities, the greatest lot supply is in New London, which has two subdivisions totaling about 40 available lots. Lots in New London's two subdivisions are priced at about \$32,000 (Westland Park) and \$36,000 (London Hills).

Table 31
Actively Marketing Subdivisions
Kandiyohi County
November 2022

Subdivision	City	Year Platted	Total Lots	Avail. Lots	Avg. Lot Size (sf)	Typical Lot Price	Typical Home Price
Willmar							
Oslo Meadows	Willmar	2017	46	21	7,800	\$7,700	\$250,000
Woodberry Addition	Willmar	2014	65	23	13,068	\$35,000	\$300,000
Trentwood Estates 2nd & 4th	Willmar	2006	51	26	10,454	\$32,000	\$360,000
Total			162	70			
Remainder of County							
Dirks 4th Additon	Pennock	2012	28	21	14,800	\$5,000	\$190,000
First Street South Add.	Raymond	2011	23	8	15,200	\$12,500	\$210,000
Prinsburg Sunset Add.	Prinsburg	2013	15	4	0.5 Acres	\$20,000	\$340,000
Westland Park	New London	2015	99	19	13,068	\$32,000	\$300,000
London Hills 2nd & 3rd Add	New London	2018	27	21	17,424	\$36,000	\$365,000
Total			192	73			
Source: Viewpoint Consulting Group, Inc.							

Actively Marketed Single-Family Home Additions in Kandiyohi County

Typical Homes in Kandiyohi County's Active Housing Subdivisions



Oslo Meadows (Willmar)



Trentwood Estates (Willmar)



Woodberry (Willmar)



First South Street (Raymond)



Dirks 4th (Pennock)



Prinsburg Sunset (Prinsburg)

Typical Homes in Kandiyohi County's Active Housing Subdivisions



London Hills 2nd & 3rd (New London)



Westland Park (New London)

Pending Subdivisions

There are no new subdivision plats under city review in Willmar or any of the communities in the Remainder of the County. However, in Willmar there are discussions regarding a proposed “tiny house” development near Lakeland Drive Southeast, south of Willmar Avenue. As proposed, it would be 12 to 14 homes. If this development moves forward, it would meet some of the need of a segment of the ownership market. There is also a 179-acre parcel of land for sale on the north side of Foot Lake (Kallevig property). If sold to a developer, single-family homes and townhomes would likely constitute a large portion of the new land use.

Hidden Valley Estates is an approved plat by J & C Enterprises that has 40 single-family lots. It is accessed from 4th Avenue Northwest and from 33rd Street Northwest on west side of Willmar. However, Hidden Valley Estates was platted several years ago but does not yet have infrastructure. It is uncertain when, or if, infrastructure (water, sewer, and roads) will be added before Hidden Valley Estates can accommodate any homes.

Outside Willmar, there are discussions about platting land in southeastern Spicer on County Road 8 for housing. The land is city owned and totals over 50 acres. New housing discussed could potentially include a mix of single-family homes and townhomes.

Interview Summary

Real estate agents, developers, and builders familiar with Willmar's and the County's owner-occupied market were interviewed to solicit their impressions of the current for-sale housing market. The following are key points from those interviews.

- There is strong demand for homes in Willmar as well as in the smaller communities. Existing homes that come on the market are typically sold quickly.
- The number of homes built recently in Willmar is down. Affordability is the key issue as new homes simply cost more than what many potential buyers are willing or able to purchase.
- Material costs to construct homes have increased in recent years, and this has contributed to higher prices. Lot costs have also contributed to higher home prices. It has become very difficult to construct new homes for less than \$300,000. Another factor making homes less affordable to potential buyers is a recent rise in interest rates for home loans.
- The majority of people looking to purchase new construction homes in Willmar are empty-nesters and seniors. Typically, these buyers are seeking single-level homes. Families make up a portion of Willmar's buyers, but Willmar competes more with surrounding towns and the rural area, primarily New London, for these younger buyers.
- Many people seeking to building higher-end homes are choosing locations on lakes in Kandiyohi County. Thus, a significant portion of the homes being built in Willmar and the smaller communities are more entry-level.
- To boost home construction in Willmar, a greater number of lots need to be created than what currently exists. However, it has become very expensive to develop subdivisions and while Willmar has many homebuilders and contractors, it does not have many land developers willing to take on the risk of a new subdivision.
- In many of the smaller communities in Kandiyohi County, there simply are not any vacant lots in newer subdivisions for people to buy and build a new home.

Rental Housing Market Analysis

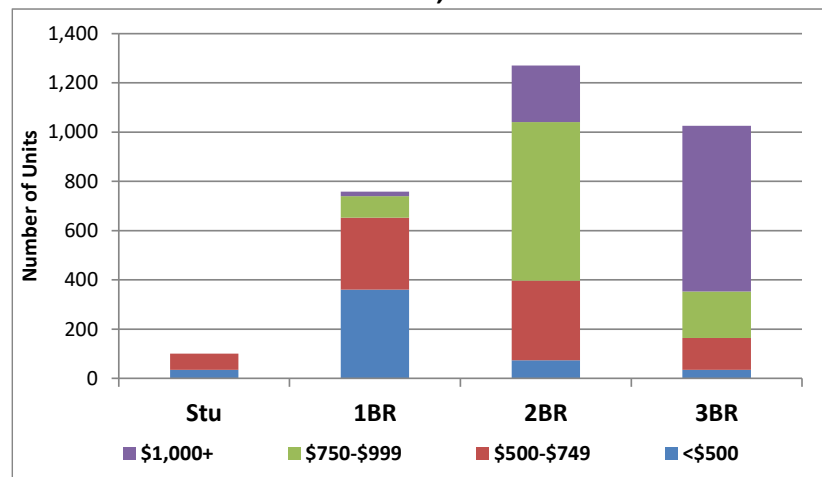
This section of the report analyzes the rental housing market in Kandiyohi County. The analysis includes a survey of rental properties and interviews with real estate agents, rental housing managers, property owners, and others familiar with Kandiyohi County's rental housing stock. Properties are categorized in this section as rental (general occupancy) or senior (age-restricted).

Overall Rental Housing Supply

Table 32 on the following page shows the estimated number of rental units in Willmar and the Remainder of Kandiyohi County in 2020 by number of bedrooms and gross rent. The rental units include those in all housing types – from mobile homes to single-family homes and apartment buildings. The data is from the Census Bureau's American Community Survey. The American Community Survey is conducted annually by the Census Bureau. The following are key points from Table 32.

- ▶ There were an estimated 1,271 occupied rental units with two bedrooms in Willmar in 2020, which accounts for the greatest proportion of Willmar's rental housing supply (39%). Units with three or more bedrooms accounted for about 32% of the community's rental stock and units with one bedroom accounted for about 24%. A large portion of the units with three or more bedrooms are likely in single-family homes versus multifamily buildings.
- ▶ The apartment properties in Willmar contain a relatively small number of three-bedroom units. The three-bedroom units in Table 24 (1,000+ units) are primarily found in single-family homes and townhomes that are converted to rentals.

**Estimated Number of Units by Unit Type and Gross Monthly Rent*
Willmar, 2020**



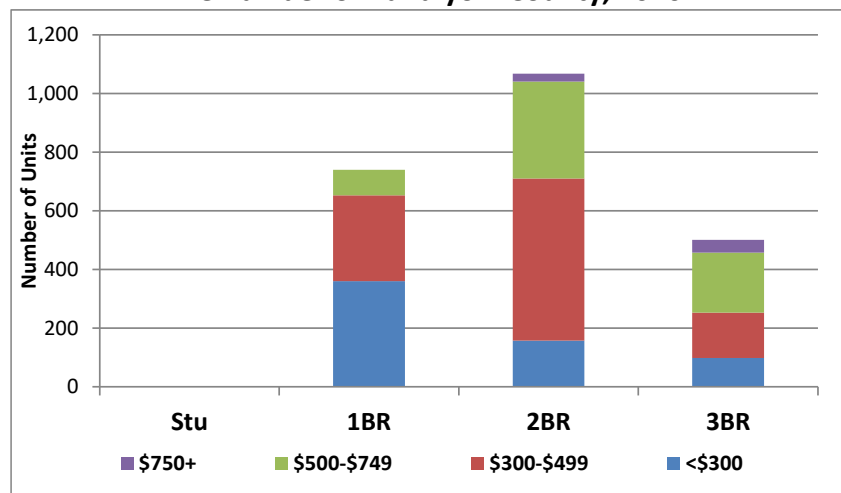
*Gross rent includes the cost of all utilities, whether they are paid by the landlord or tenant.

Table 32
Estimated Gross Rent by Bedrooms in Unit
Willmar & Remainder of Kandiyohi County
2020

	Willmar		Remainder of County	
	<u>Number</u>	<u>% of Total</u>	<u>Number</u>	<u>% of Total</u>
Studio	100	3.1%	13	1.0%
1 bedroom				
Less than \$300	106	3.3%	14	1.1%
\$300 to \$499	255	7.9%	28	2.2%
\$500 to \$749	293	9.1%	99	7.7%
\$750 to \$999	87	2.7%	18	1.4%
\$1,000 to \$1,499	19	0.6%	5	0.4%
\$1,500 or more	0	0.0%	7	0.6%
Subtotal	759	23.5%	172	13.5%
2 bedrooms				
Less than \$300	18	0.6%	1	0.1%
\$300 to \$499	56	1.7%	15	1.1%
\$500 to \$749	323	10.0%	58	4.6%
\$750 to \$999	644	20.0%	677	53.0%
\$1,000 to \$1,499	203	6.3%	10	0.8%
\$1,500 or more	27	0.8%	5	0.4%
Subtotal	1,271	39.4%	767	60.0%
3 or more bedrooms				
Less than \$300	0	0.0%	0	0.0%
\$300 to \$499	36	1.1%	0	0.0%
\$500 to \$749	129	4.0%	12	1.0%
\$750 to \$999	189	5.9%	85	6.6%
\$1,000 to \$1,499	620	19.2%	100	7.9%
\$1,500 or more	53	1.7%	24	1.9%
Subtotal	1,026	31.8%	222	17.4%
No cash rent	70	2.2%	105	8.2%
Total	3,226	100.0%	1,278	100.0%
Sources: 2020 American Community Survey; Viewpoint Consulting Group, Inc.				

- ▶ Table 32 shows that the greatest portion of one-bedroom units in Willmar have gross rents (rent plus utilities) of \$500 to \$749. Most one-bedroom units with rents below \$500 are likely subsidized or affordable units.
- ▶ The greatest portion of two-bedroom units in Willmar have rents between \$750 and \$999. Many of the units with rents below \$750 are likely subsidized or affordable. Only a small portion of two-bedroom units have rents of \$1,500 or more.
- ▶ Among the three-bedroom units in Willmar, just over half have gross rents of more than \$1,000. Most with units below \$1,000 are likely affordable or subsidized.
- ▶ There were an estimated 767 occupied rental units with two bedrooms in the Remainder of the County in 2020, which accounts for its greatest proportion the rental housing supply (60%). Units with three or more bedrooms accounted for about 17% of the rental stock and units with one bedroom accounted for about 14%. A large portion of the units with three or more bedrooms are likely in single-family homes versus multifamily buildings.
- ▶ Table 32 shows that the greatest portion of one-bedroom units in the Remainder of the County have gross rents (rent plus utilities) of \$500 to \$749. Like Willmar, many one-bedroom units with rents below \$500 are likely subsidized or affordable units.
- ▶ By far the greatest portion of two-bedroom units in the Remainder of the County have rents between \$750 and \$999. Many of the units with rents below \$750 are likely subsidized or affordable, as most market rate units have rents above \$750.
- ▶ Among the three-bedroom units in Remainder of the County, just over half have gross rents of more than \$1,000.

**Estimated Number of Units by Unit Type and Gross Monthly Rent*
Remainder of Kandiyohi County, 2020**



Willmar Rental Housing Inventory

As shown in the demographic and housing stock overview sections, there were an estimated 3,226 renter households in Willmar as of 2020. Roughly one-quarter of the renters lived in rented single-family homes. Larger rental properties were surveyed as part of this analysis, and in total they contained 2,387 units, or three-quarters of Willmar's rental housing supply. Information on the surveyed general-occupancy rental properties is summarized in Table 33. Supportive senior housing is discussed in the next section of this report. The following types of properties were inventoried:

<u>Property Type</u>	<u>Total Units</u>
Market Rate	1,537
Subsidized/Affordable	824
Market Rate Senior with Services	242

The following are key highlights about Willmar's rental housing supply.

Market Rate, General-Occupancy Rental Summary

- Twenty market rate general-occupancy rental properties totaling 1,414 units were surveyed. Along with three age-restricted (55+) properties totaling another 123 units. The total of 1,414 general-occupancy units includes 273 units that are currently under construction and scheduled to open in 2023.
- Eight of the properties, totaling 524 units, were Suite Liv'n properties. This equates to about 45% of the market rate, general-occupancy supply surveyed that is currently open for occupancy. The Suite Liv'n supply consists largely of 1970s properties that were purchased during the past several years. Among them were Evergreen Ridge, Fairview, Lakeland Estates, Meadowbrook, Rothenburg, and Willow Run.
- Overall, 88 vacant units were identified among the general-occupancy properties surveyed. However, all but two were in the Suite Liv'n properties. While the Suite Liv'n properties are at a combined 16.4% vacancy rate, the other general-occupancy properties (totaling 593 units that are open) are at a combined 0.3% vacancy rate.
- Suite Liv'n is working with the City of Willmar regarding the condition of the units in their properties. Approximately 20% of their units are in jeopardy of not passing inspections for the renewal of their rental license based on their condition. Additionally, The Minnesota Attorney General's Office is investigating Suite Liv'n regarding habitability violations and business dealings. The condition of Suite Liv'n properties has contributed to their high vacancy rate, and in turn has contributed to the very low vacancy rate in other properties as tenants seek more suitable housing.

- Three new properties have opened or are under construction since 2020: Edgeview, The Preserve on 24th, and Block 25 Lofts. When finished, all three combined will have 453 units. The first of these three to open was Edgeview. When finished in 2023, it will consist of 288 units in four buildings. The first 72-unit building opened in 2020 and the second building opened in 2021. Both were fully leased upon opening. The third and fourth buildings are under construction and are scheduled to open in January and June 2023. Edgeview's rents are \$1,095 to \$1,195 for one-bedroom units, \$1,295 to \$1,450 for two-bedroom units, and \$1,595 for three-bedroom units.
- The Preserve on 24th will consist of three 36-unit buildings, totaling 108 units. The first building opened in November 2022 and was fully leased upon opening. Its rents are \$895 to \$945 for one-bedroom units and \$1,095 to \$1,145 for two-bedroom units.
- Block 25 Lofts is under construction in downtown Willmar and is scheduled to open in 2023. It is a 58-unit building that will have rents of \$910 to \$940 for one-bedroom units and \$1,100 to \$1,250 for two-bedroom units.
- Among the three newest market rate properties in Willmar, the average rent was \$995 for one-bedroom units and \$1,220 for two-bedroom units. The only three-bedroom units are at Edgeview, which rent for \$1,595.
- Fourteen of the market rate properties are 1970s or older properties and they combine for 631 of the 877 general-occupancy units surveyed (or 72%). These properties have rents that are more modest than the properties built since 2020. Among the 14 older properties, the average rent was \$685 for one-bedroom units, \$785 for two-bedroom units, and \$930 for three-bedroom units. The vast majority of units in these buildings have just one or two bedrooms. Just 43, or about 7%, had three bedrooms.
- Cambridge Estates I through IV plus Emerald Pond have the same owner and combine for 175 units. The units are in mostly one-story duplex through four-plex buildings with attached garages. The first units were built from the 1980s through the 2010s. Most two-bedroom units have rents that begin at about \$1,200. Three-bedroom townhome units begin at about \$1,395 and three-bedroom single-family homes begin at \$1,800.
- The unit mix at the apartment properties surveyed was 4% studio, 26% one-bedroom units, 62% two-bedroom units, and 8% three-bedroom units. There were no four-bedroom units.

Market Rate, Senior (55+) Rental Summary

- There are three market rate apartment properties that are age-restricted (55+) but do not offer personal care services or meals, but instead cater to independent seniors. The three properties contain 123 units, of which three were vacant, for a vacancy rate of 2.4%. According to managers, these vacancies are due to normal turnover and will be filled soon through waiting lists of potential residents.
- The newest market rate senior property is Sterling Manor. It was built in 2003 and has rents of \$799 to \$878 for one-bedroom units and \$964 to \$1,041 for two-bedroom units. Garages are an additional \$55 per month. The other two market rate senior properties were built in 1975 (Nyberg Apartments) and 1980 (Westview Village).

Affordable General-Occupancy Rental Summary

- Six properties affordable through the Low Income Housing Tax Credit program (LIHTC) are in Willmar with a combined 267 units. To be eligible, LIHTC properties must have 20% or more of the units occupied by individuals or families whose income is 50% or less than the area median gross income and the unit is rent restricted. Alternatively, 40% percent or more of the units in the project must be occupied by individuals or families whose income is 60% or less than the area median gross income. The 2022 income limit at 60% of area median income for Kandiyohi County is \$35,160 for one-person households to \$54,180 for five-person households. The maximum gross rent for units restricted at 60% of area median income is \$941 for one-bedroom units, \$1,229 for two-bedroom units, and \$1,304 for three-bedroom units.
- Among the six properties affordable LIHTC properties in Willmar, four vacancies were identified, for an overall vacancy rate of 1.5%. This is well below the standard 5% vacancy rate considered for a healthy rental market and indicates a need for additional units. The vacancies that exist are normally due to normal turnover and are leased as soon as the units are prepared for the next tenant.
- The newest affordable rental property in Willmar is 15th Street Flats. It is a 47-unit property that opened in 2019. Units are affordable at 30% to 60% AMI, with 10 units also being restricted to persons with disabilities or experiencing long-term homelessness. 15th Street Flats is fully occupied with the exception of two supportive units reserved for long-term homelessness. Generally, there are fewer applicants for supportive units versus general-occupancy units.
- Westwinds Townhomes is an affordable property that opened in 2010 with 28 units. The other four affordable properties in Willmar were all built during the 1990s. They are generally always fully occupied.

- Among the affordable rental properties, the average rent was \$790 for two-bedroom units and \$990 for three-bedroom units. These rents are well below the maximum gross rents allowable in Kandiyohi County for units restricted at 60% AMI of \$1,129 for two-bedroom units and \$1,304 for three-bedroom units. These rents are similar to rents at older (mostly 1970s) market rate properties in Willmar and much lower than rents at the three market rate properties that have opened since 2020.
- The unit mix at the affordable properties was 41% one-bedroom units, 40% two-bedroom units, and 19% three-bedroom units. There were three four-bedroom units.

Subsidized General-Occupancy Rental Summary

- Willmar contains nine general-occupancy subsidized properties in which low-income residents pay 30% of their adjusted gross income (AGI) for rent. Seven of the subsidized properties are Rural Development (USDA) properties and two are public housing. The nine properties combine for 438 units. Two vacancies were identified, for a vacancy rate of 0.5%.
- Dana Heights consists of 48 apartment and townhome units that opened in 1992. It is the newest subsidized property in Willmar. Most properties were built during the 1980s.
- The largest subsidized properties are Lakeview Apartments (127 units) and Cardinal Manor (131 units). Lakeview Apartments is an eight-story, public housing building by the HRA that opened in 1971. It was constructed as a senior subsidized building and thus consists entirely of one-bedroom units except for one two-bedroom unit. The resident mix now includes a diverse mix of younger residents to senior citizens. Cardinal Manor opened in 1980 and 1982 and consists of four buildings. Rental Assistance is available in 108 of its 131 units allowing residents to pay 30% of their AGI for rent. Other residents pay between \$653 and \$658 for one-bedroom units and \$698 and \$708 for two-bedroom units.

Subsidized Senior Rental Summary

- Willmar contains four senior subsidized properties in which low-income residents pay 30% of their adjusted gross income (AGI) for rent. Two of the subsidized properties are HUD properties (Section 8 and Section 202) and two are Rural Development (USDA) properties. The four properties combine for 143 units. No vacancies were identified.
- The two Rural Development properties (Lake Place I and Lake Place II) opened in the mid-1980s. The newest property – Centennial Square – opened in 1997. It is a 40-unit building on the Bethesda Sunrise Village campus. The campus also contains skilled nursing care and market rate independent and assisted living housing.

Table 33
Selected Willmar Rental Housing Properties
November 2022

Property Name	Year Built	Number of Units	Vacant Units	Monthly Rents	Comments
Market Rate					
Block 25 Lofts 401 24th	Spring 2023	6 - Stu	n.a.	\$830	Building features a sky lounge, fitness center, pet park, and secured, underground heated parking with EV charging stations. A waiting list of prospective residents is being compiled.
		37 - 1BR		\$910 - \$940	
		3 - 1BR+D		\$985	
		12 - 2BR		\$1,100 - \$1,250	
		58			
The Preserve on 24th 401 24th	Fall 2022	3 - Stu	0	\$795	Three 3-story buildings. First 36-unit building opened in Nov. 2022. Other buildings will open in Spring 2023 (72 additional units). Amenities include clubhouse and swimming pool, laundry facilities, business center, fitness center, and playground. Rent includes heat & trash. Garage = \$60/mo.
		36 - 1BR		\$895 - \$945	
		69 - 2BR		\$1,095 - \$1,145	
		108			
Edgeview (formerly Unique Opportunities) 1001 & 1021 30th St NW	2020- 2023	102 - 1BR	0	\$1,095 - \$1,195	Two buildings with 144 units that opened in 2020 and 2021. Two additional buildings (144 units) will open in January and June 2023 (for a total of 288 units). Edgeview features underground parking, community room and fitness room. Rent includes heat, water/sewer, & trash. UG parking = \$75/mo.
		138 - 2BR		\$1,295 - \$1,450	
		48 - 3BR		\$1,595	
		288			
Cambridge Estates IV 23rd St. SE	2014+	28 - 3BR	0	\$1,395 - \$1,450	12 townhomes units and 16 patio homes. Rent includes heat, water/sewer, & trash. Attached garages included.
Cambridge Estates III 23rd St. SE	2010/11	20 - 2BR	0	\$1,235+	Five four-plex buildings. Rent includes heat, water/sewer, & trash. Attached garages included.

Table 33
Selected Willmar Rental Housing Properties
November 2022

Property Name	Year Built	Number of Units	Vacant Units	Monthly Rents	Comments
Market Rate (Continued)					
Cambridge Estates II 23rd St. SE	2000s	20 - 2BR	0	\$1,120+	Eight duplex and triplex buildings. Rent includes heat, water/sewer, & trash. Attached garages included.
Cambridge Estates I 23rd St. SE	1980	52 - 2BR	0	\$965+	13 4-plex buildings. Rent includes heat, water/sewer, & trash. Attached garages included.
Emerald Pond Emerald Trail SE	2008+	24 - 2BR 31 - 3BR 55	0	\$1,235+ \$1,800+	Mix of duplex and single-family homes. Rent includes heat, water/sewer, & trash. Attached garages included.
Sterling Court 505 28th Ave. SW	2001	16 - 2BR 8 - 3BR 24	1	\$875 \$972 - \$1,024	Two-story building. Rent includes heat, water/sewer, and trash. Garages = \$55/mo. Property maintains a waiting list.
Amberwood 1501 8th St. SW	1970s	12 - 2BR	0	\$710	Rent includes heat, water/sewer, and trash. Garage = \$40/mo.
Heidelberg Apts 1600 SW 5th St.	1970s	2 - 1BR 22 - 2BR 24	0	\$650 \$710	Rent includes heat, water/sewer, & trash. Garage = \$40/mo..
Jayne Manor 1512 7th	n.a.	8 - 1BR 8 - 2BR 16	0	\$570 \$680	Rent includes heat, water/sewer, & trash. Garage = \$40/mo.
Juni Apts 1116 2nd St SE	1972	8 - 1BR 10 - 2BR 18	0	\$650 \$750	3-story building. Rent includes heat, water/sewer, & trash. Surface parking.

Table 33
Selected Willmar Rental Housing Properties
November 2022

Property Name	Year Built	Number of Units	Vacant Units	Monthly Rents	Comments
Market Rate (Continued)					
Suite Liv'n 619 Hwy 71 NE	2016	47 - Stu	14	\$600 - \$750	Rent includes heat, water/sewer, & trash.
Suite Liv'n 325 Lakeland Dr SE	1980	2 - 1BR 46 - 2BR <hr/> 48	5	\$750 \$850	Rent includes heat, water/sewer, & trash. Garage = \$50/mo.
Suite Liv'n 1501 Becker Ave SE	1970s	32 - 1BR 47 - 2BR 1 - 3BR <hr/> 80	18	\$750 \$850 \$950	Rent includes heat, water/sewer, & trash. Garage = \$50/mo.
Suite Liv'n 1337 24th St. NW	1970s	1 - 1BR 36 - 2BR <hr/> 37	9	\$750 \$850	Rent includes heat, water/sewer, & trash. Garage = \$50/mo.
Suite Liv'n 400 15th Ave. SW 1401 5th St. SW	1974	60 - 1BR 72 - 2BR 30 - 3BR <hr/> 162	16	\$750 \$850 \$950	Rent includes heat, water/sewer, & trash. Garage = \$50/mo.
Suite Liv'n 1510 5th St SW 505 15th Ave SW	1970s	4 - 1BR 38 - 2BR <hr/> 42	8	\$750 \$850	Three-story. Rent includes heat, water/sewer, & trash. Garage = \$50/mo.
Suite Liv'n 1201 24th St NW	1965	72 - 2BR	17	\$850	Rent includes heat, water/sewer, & trash. Garage = \$50/mo.

Table 33
Selected Willmar Rental Housing Properties
November 2022

Property Name	Year Built	Number of Units	Vacant Units	Monthly Rents	Comments
Market Rate (Continued)					
Suite Liv'n 304 10th St.	2018	36 - n.a.	0	n.a.	Rent includes heat, water/sewer, & trash. Garage = \$50/mo.
Foot Lake Estates 400 & 410 30th St. NW	1977	12 - 1BR 36 - 2BR <u>48</u>	1	\$690 \$750 - \$795	Two 3-story apartment buildings. Rent includes water/sewer & trash. Garage = \$35/mo.
Oak Wood Manor 1124 2nd St. SE	1970s	6 - 1BR 12 - 2BR <u>18</u>	0	n.a.	Three-story. Rent includes heat, water/sewer, & trash. Garage stalls are included.
Sather Apts 1100 2nd St. SE	1970s	8 - 1BR 24 - 2BR <u>32</u>	0	n.a.	Four 8-plex buildings. Rent includes heat, water/sewer, & trash.
Scandia Woods 404 16th Ave SW	1970s	10 - 1BR 24 - 2BR 12 - 3BR <u>46</u>	0	\$580 - \$610 \$730 - \$795 \$845 - \$930	Two 3-story buildings. Rent includes heat, water/sewer, & trash. Garages = \$50/mo. Higher rent is for south building, which was renovated after a fire.

Table 33
Selected Willmar Rental Housing Properties
November 2022

Property Name	Year Built	Number of Units	Vacant Units	Monthly Rents	Comments
Market Rate (Continued)					
Town Oaks 1609 5th St. SW	1970s	2 - 1BR	0	\$620	Rent includes heat, water/sewer, & trash. Garage = \$35/mo.
		22 - 2BR		\$700	
		24			
Market Rate Senior Rental					
Nyberg Apts 1601 SW 5th St	1975	2 - 1BR	0	n.a.	3-story building without an elevator. Rent includes heat, water/sewer, and trash. Garage = \$40/mo..
		22 - 2BR		\$710	
		24			
Westview Village 1425 19th Ave SW	1980	37 - 1BR	2	\$832	Rent includes heat, water/sewer, & trash. Garage = \$55/mo.
		22 - 2BR		\$967	
		59			
Sterling Manor 501 28th Ave. SW	2003	2 - Stu	1	\$645	3-story building with elevator and attached garages. Rent includes water/sewer & trash. Garages = \$55/mo.
		10 - 1BR		\$799- \$878	
		28 - 2BR		\$964 - \$1,041	
		40			
Source: Viewpoint Consulting Group, Inc.					

Table 33
Selected Willmar Rental Housing Properties
November 2022

Property Name	Year Built	Number of Units	Vacant Units	Monthly Rents	Comments
Affordable (LIHTC)					
15th Street Flats	2019	8 - 1BR	2	\$613	LIHTC (30% & 60% AMI). 10 units are restricted to persons with disabilities or homeless households.
		22 - 2BR		\$395 - \$806	
		17 - 3BR		\$455 - \$922	
		<u>47</u>			
Somerset Apts 1401 19th Ave SE	1992	2 - 1BR	0	\$813	LIHTC. Two 3-story buildings. Units affordable at 60% AMI. Rent includes heat.
		34 - 2BR		\$852	
		12 - 3BR		\$1,146	
		<u>48</u>			
Somerset by the Lake 420 30th St. NW	1993	4 - 1BR	1	\$813	LIHTC. Two 3-story buildings. Units affordable at 60% AMI. Rent includes heat.
		4 - 1BR+D		\$813	
		26 - 2BR		\$852	
		14 - 3BR		\$1,146	
		<u>48</u>			
Somerset Ridge 511 Lakeland Dr SE	1995	2 - 1BR	1	\$813	LIHTC. Two 3-story buildings. Affordable at 60% AMI. Rent includes heat.
		34 - 2BR		\$852	
		12 - 3BR		\$1,146	
		<u>48</u>			
Valleyside Townhomes 3149 7th Ave NW	1998	24 - 2BR	0	\$721	LIHTC. Two-story townhomes with attached garages. Rent includes water/sewer & trash.
		24 - 3BR		\$836	
		<u>48</u>			
Westwinds Townhomes 1701 SW 22nd Ave	2010	14 - 2BR	0	\$651	LIHTC. Income-restricted at 60% AMI. Rent includes water/sewer & trash.
		14 - 3BR		\$741	
		<u>28</u>			

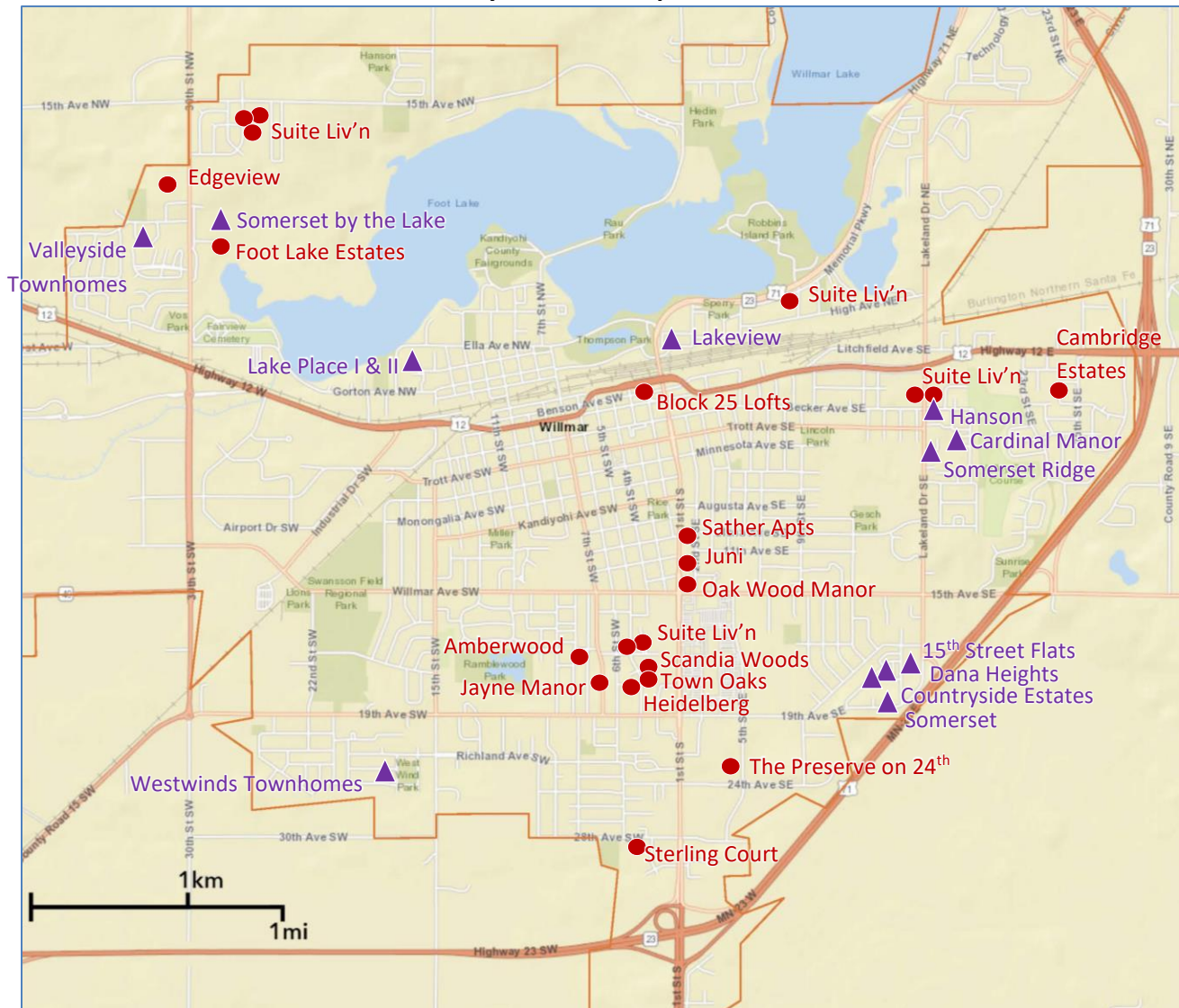
Table 33
Selected Willmar Rental Housing Properties
November 2022

Property Name	Year Built	Number of Units	Vacant Units	Monthly Rents	Comments
<i>Subsidized Rental</i>					
Lake Place I 1440 Lake Ave.	1986	8 - 1BR 4 - 2BR <u>12</u>	0	\$460-\$535 \$500-565 (30% of AGI)	Rural Development. One of two 12-unit buildings. Rental assistance is available in 8 units.
Lake Place II 1421 Lake Ave.	1987	8 - 1BR 4 - 2BR <u>12</u>	0	\$460-\$535 \$500-565 (30% of AGI)	Rural Development. One of two 12-unit buildings. Rental assistance is available in 7 units.
Cardinal Manor 407 Lakeland Dr. SE	1980/ 1982	101 - 1BR 30 - 2BR <u>131</u>	0	\$653 - \$658 \$698 - \$708 (30% AGI)	Rural Development, affordable rents but no income restrictions. Four 2-story buildings. Rental Assistance is available for 103 units allowing residents to pay 30% of AGI
Countryside Estates 1226 & 1300 Dana Dr. SE	1980s	8 - 1BR 16 - 2BR <u>24</u>	0	\$520 - \$545 \$545 - \$570	Rural Development. Two 2-story buildings. Rental Assistance is available for 15 units allowing residents to pay 30% of AGI for rent.
Dana Heights Townhomes 1500 SE 15th St.	1992	24 - 3BR	0	30% of AGI	Rural Development & HRA. Income-restricted at 60% AMI.
Dana Heights Apts. 1500 SE 15th St.	1992	4 - 1BR 20 - 2BR <u>24</u>	1	30% of AGI	Rural Development & HRA. Income-restricted at 60% AMI.
Hanson Apts 401 Lakeland Dr. SE	1978	4 - 1BR 52 - 2BR <u>56</u>	0	\$532-\$575 \$707-\$761 (30% AGI)	Rural Development. Four 2-story buildings. Rental Assistance is available for 42 units allowing residents to pay 30% of AGI for rent.

Table 33
Selected Willmar Rental Housing Properties
November 2022

Property Name	Year Built	Number of Units	Vacant Units	Monthly Rents	Comments
<i>Subsidized Rental (Continued)</i>					
Lakeview Apts.	1971	126 - 1BR 1 - 2BR <u>127</u>	1	30% of AGI	HRA, public housing building. Income-restricted at 80% AMI.
Welshire Townhomes	n.a.	13 - 2BR 12 - 3BR 3 - 4BR <u>28</u>	0	30% of AGI	HRA, public housing. Income-restricted at 50% AMI.
<i>Subsidized Senior Rental</i>					
Centennial Square 1109 9th St. SE	1997	39 - 1BR 1 - 2BR <u>40</u>	0	30% of AGI	HUD Section 202. On Bethesda Sunrise Village campus which also contains skilled nursing care and independent and assisted living housing.
Highland Apartments 115 Becker Ave SE	1979	78 - 1BR 1 - 2BR <u>79</u>	0	30% of AGI	HRA; Section 8 housing. Elderly or Disabled.
Lake Place I 1421 Lake Ave.	1986	9 - 1BR 3 - 2BR <u>12</u>	0	\$460-\$535 \$500-\$565 (30% of AGI)	Rural Development. One of two 12-unit buildings. Rental assistance is available in 7 units.
Lake Place II 1441 Lake Ave.	1987	9 - 1BR 3 - 2BR <u>12</u>	0	\$460-\$535 \$500-\$565 (30% of AGI)	Rural Development. One of two 12-unit buildings. Rental assistance is available in 7 units.
Source: Viewpoint Consulting Group, Inc.					

Surveyed Willmar Apartments



● Market Rate

▲ Affordable/Subsidized

Selected Willmar Market Rate Rental Properties



Cambridge Estates



Edgeview



Foot Lake Estates



Heidelberg



Oakwood Manor



The Preserve on 24th

Selected Willmar Market Rate Rental Properties



Sather



Scandia Woods



Suite Liv'n (1510 5th St. SW)



Suite Liv'n (1401 5th St. SW)



Suite Liv'n (1501 Becker Ave SE)



Suite Liv'n (325 Lakeland Dr. SE)

Selected Willmar Market Rate Rental Properties



Suite Liv'n (304 10th St. NE)



Suite Liv'n (1201 24th St. NW)



Suite Liv'n (15th Ave. NW)



Suite Liv'n (1337 24th St. NW)

Selected Willmar Affordable/Subsidized Rental Properties



15th Street Flats



Cardinal Manor



Countryside Estates



Dana Heights



Hanson



Lakeview

Selected Willmar Affordable/Subsidized Rental Properties



Somerset



Somerset by the Lake



Somerset Ridge



Valleyside Townhomes

Remainder of Kandiyohi County Rental Housing Inventory

As shown in the demographic and housing stock overview sections, there were an estimated 1,278 renter households in the Remainder of Kandiyohi County as of 2020. Roughly 57% the renters lived in rented single-family homes. Larger rental properties were surveyed as part of this analysis, and in total they contained 483 units, or about 92% of the Remainder of the County's multifamily rental housing supply. Information on the surveyed general-occupancy rental properties is summarized in Table 34. Supportive senior housing properties are discussed in the next section. The following types of properties were inventoried:

<u>Property Type</u>	<u>Total Units</u>
Market Rate	239
Subsidized/Affordable	104
Market Rate Senior with Services	140

The following are key highlights about the Remainder of the County's rental housing supply.

Market Rate, General-Occupancy Rental Summary

- Eighteen market rate general-occupancy rental properties in five communities in the Remainder of Kandiyohi County, totaling 239 units, were surveyed. Most of the surveyed properties were built in the 1980s or earlier and are smaller in size. Excluding two Suite Liv'n properties in New London and Spicer, the average size of the properties surveyed was nine units.
- The two Suite Liv'n properties in New London and Spicer consist of former Rural Development (affordable) properties built during the 1980s. The New London property consists of two buildings totaling 32 units, of which 10 units were vacant. The Spicer property consists of three buildings totaling 59 units, of which 15 units were vacant. In total, the 25 vacancies at both Suite Liv'n properties account for all but two vacancies identified in the remainder of the County.
- Including the two Suite Liv'n properties, the Remainder of the County had a vacancy rate among market rate properties of 11.3%. Excluding the Suite Liv'n properties, the vacancy rate was 1.4%, which is well below the industry standard 5% which allows for consumer choice and turnover. The low vacancy rate indicates demand for additional rental housing in the Remainder of the County.
- The rent at the two Suite Liv'n properties was \$750 for one-bedroom units and \$850 for two-bedroom units. These rents are among the highest in the Remainder of the County. Among the other properties in which rents were obtained, the averages were \$580 for one-bedroom units, \$800 for two-bedroom units, and \$950 for three-bedroom units. Managers of some properties in the smaller communities declined to provide rent information.

- The newest development in the Remainder of the County is a townhome development in New London, on Oak Street. It consists of eight units in two duplex units and a four-plex, with units being two- and three-bedroom units with two-car attached garages. Rents are modest – at \$1,000 for two-bedroom units and \$1,100 for three-bedroom units. Most tenants are elderly and there is a 50-name waiting list.
- The surveyed properties were in Atwater, Kandiyohi, New London, Pennock, Raymond, and Spicer. The other communities – Blomkest, Lake Lillian, Prinsburg, and Sunburg have limited supplies of multifamily rental housing. With 81 units, Spicer had the greatest number of surveyed multifamily units. Of its 81 units, 59 were at one property (Suite Liv'n) which used to be three separate properties (Green Lake Living Center, Spicer Living Center, and Hillcrest). Kandiyohi had 56 units surveyed in four properties and New London had 44 units surveyed in three properties. Suite Liv'n accounted for 32 of its units.
- Three properties in Atwater were surveyed with 28 units. No vacancies were identified, and it was reported that openings are generally leased up quickly. Managers declined to disclose rents. Of Kandiyohi's 56 units (in four properties), only one unit was identified as vacant.
- Among the market rate supply are Kandiyohi County HRA duplex properties in Kandiyohi, New London, Pennock, and Raymond. All are single-level two-bedroom units with attached garages and a rent of \$750. All the units are occupied.

Subsidized General-Occupancy Rental Summary

- Subsidized rental properties in the Remainder of the County are shown in Table 35. There are six such properties, four that are general-occupancy (open to all ages) and two that are elderly. The general-occupancy properties are affordable through Rural Development (USDA) and are in Lake Lillian, Pennock, and Spicer. They combine for 56 units. Rents are based on income except that they have a minimum rent, that ranges from \$575 to \$675 for one-bedroom units. The exception is that Rental Assistance is available in 45 of the 56 units allowing very low-income residents to pay 30% of their AGI for rent, even if it is below the minimum. In addition, most residents without Rental Assistance receive Housing Choice Vouchers so that they too pay less than the minimum.
- Five vacancies were identified in the general-occupancy subsidized properties, for a vacancy rate of 8.9%.

Table 34
Selected Market Rate Rental Housing Properties
November 2022

Property Name	Year Built	Number of Units	Vacant Units	Monthly Rents	Comments
Atwater					
403 Dakota Ave W	1970s	2 - 1BR 6 - 2BR <u>8</u>	0	n.a.	Former Rural Development. Manager did not disclose rents.
413 N 3rd St.	1970s	1 - 1BR 7 - 2BR <u>8</u>	0	n.a.	Former Rural Development. Manager did not disclose rents.
401 Dakota Ave W	1983	10 - 1BR 2 - 2BR <u>12</u>	0	n.a.	Former Rural Development. Manager did not disclose rents.
Kandiyohi					
509 & 533 McDermott	n.a.	2 - 1BR 14 - 2BR <u>16</u>	1	\$575 \$625	Former Rural Development. Tenant pays heat & electric.
Kandiyohi County HRA Townhomes	n.a.	8 - 2BR	0	\$750	Kandiyohi County HRA. Tenant pays all utilities.
Kandi West 140 S 8th St.	1983	12 - 1BR 4 - 2BR <u>16</u>	0	\$585 \$650	Former Rural Development. Tenant pays heat & electric.
325 & 341 N 7th St.	1970s	2 - 1BR 14 - 2BR <u>16</u>	0	n.a.	Former Rural Development. Tenant pays electric.

Table 34
Selected Market Rate Rental Housing Properties
November 2022

Property Name	Year Built	Number of Units	Vacant Units	Monthly Rents	Comments
New London					
201 Oak Street South Townhomes	2021	4 - 2BR	0	\$1,000	Two duplexes and one four-plex. Single-level with attached 2-car garages. Rent includes water/sewer, lawn care, and snow removal.
		4 - 3BR		\$1,100	
		8			
Kandiyohi County HRA Townhomes	2001	4 - 2BR	0	\$750	Kandiyohi County HRA. Tenant pays all utilities.
Suite Liv'n 305 Redwood St SW	1980s	20 - 1BR	10	\$750	Former Rural Development (Two 2-story buildings). Rent includes heat, water/sewer, & trash.
		12 - 2BR		\$850	
		32			
Ash Street Heights 21 Ash St NE	1970	3 - 1BR	0	n.a.	Tenant pays heat & electric.
		5 - 2BR			
		8			
Pennock					
Kandiyohi County HRA Townhomes	n.a.	4 - 2BR	0	\$750	Kandiyohi County HRA. Tenant pays all utilities.

Table 34
Selected Market Rate Rental Housing Properties
November 2022

Property Name	Year Built	Number of Units	Vacant Units	Monthly Rents	Comments
Raymond					
Kandiyohi County HRA Townhomes	n.a.	8 - 2BR	0	\$750	Kandiyohi County HRA. Tenant pays all utilities.
4th Ave S Duplex	2021	2 - 2BR	0	\$1,300	Attached garages. Tenant pays all utilities.
Beasley Rentals 307 Cofield St.	1975	1 - 1BR 7 - 2BR <u>8</u>	0	n.a.	Former Rural Development. Tenant pays heat & electric.
Spicer					
Suite Liv'n 251 & 257 Hillcrest Ave	1980s	40 - 1BR 19 - 2BR <u>59</u>	15	\$750 \$850	Former Rural Development (Green Lake Living Center & Spicer Living Center) plus former Hillcrest. Rent includes heat, water/sewer, & trash.
102 & 114 Lake Ave	n.a.	2 - 1BR 14 - 2BR <u>16</u>	0	n.a. \$850	Two 8-plex buildings.
Spicer Townhomes 5th Ave.	n.a.	6 - 3BR	1	\$950	Two one-level 3-plex buildings. Tenant pays all utilities
Source: Viewpoint Consulting Group, Inc.					

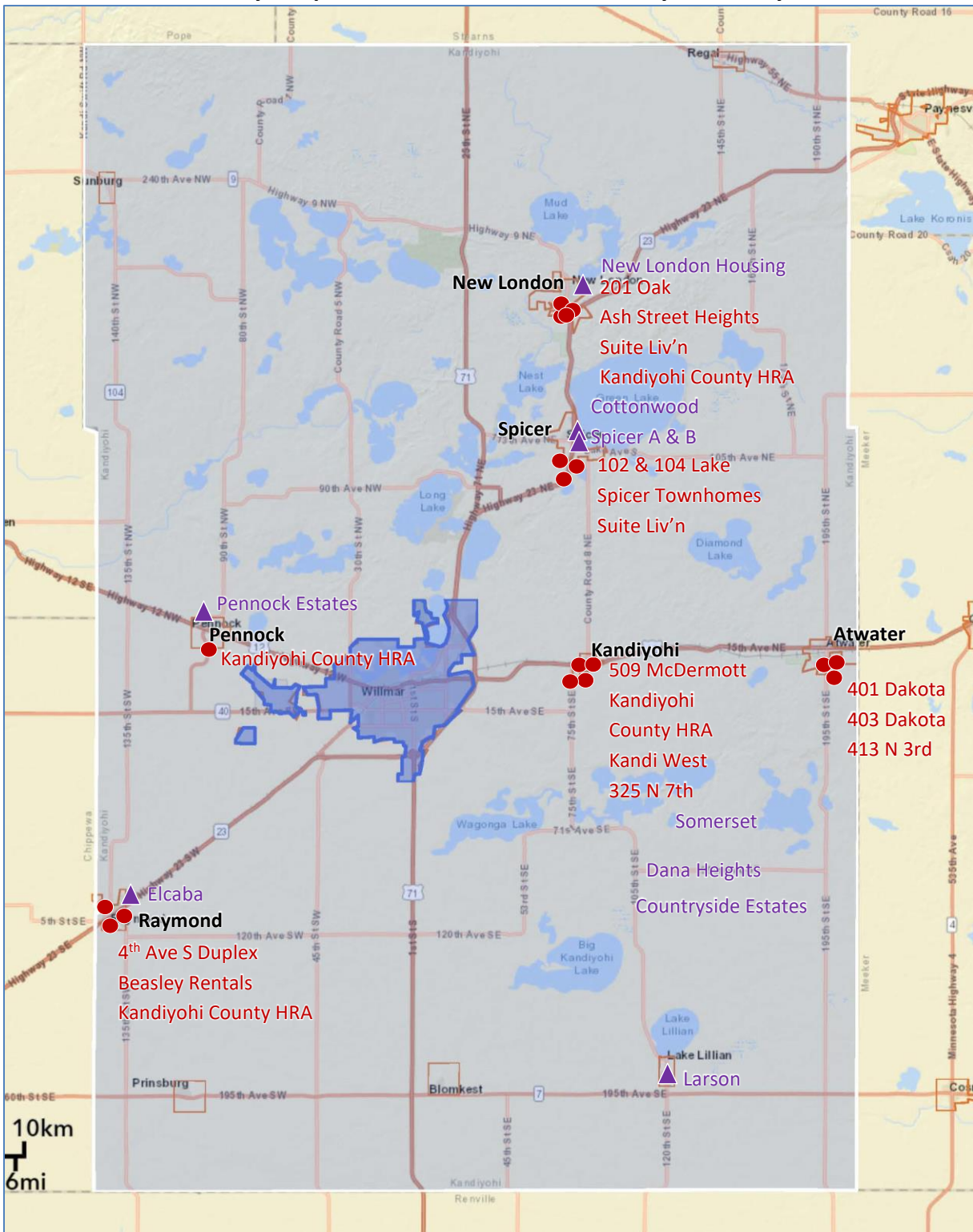
Subsidized Senior Rental Summary

- There are two subsidized senior rental properties in the Remainder of the County – New London Housing and Elcaba Apartments in Raymond. New London Housing contains 24 units, which have one current opening but are usually always full. New London Housing is a Rural Development property with Rental Assistance available in 17 of its 24 units allowing residents to pay 30% of their AGI for rent.
- Elcaba is a 24-unit Section 8 affordable property with 24 units. Income-qualified residents pay 30% of their adjusted gross income (AGI) for rent. Elcaba is fully occupied and has generally maintained full occupancy for many years.

Table 35
Affordable/Subsidized Rental Housing Properties
November 2022

Property Name	Year Built	Number of Units	Vacant Units	Rent	Comments
Lake Lillian					
Larson Apts 911 Lakeview Ave SW	1970s	1 - 1BR 7 - 2BR 8	2	\$575-\$640 \$590-\$655	Rural Development. Rental Assistance is available in 6 units (rent = 30% AGI).
New London					
New London Housing	1972/'76	12 - 1BR 12 - 2BR 24	1	\$465-\$530 \$485-\$565	Rural Development elderly apartments. 17 units have rental assistance (rent = 30% AGI).
Pennock					
Pennock Estates 204 NW 3rd St	1970/'74	8 - 2BR	0	\$624-\$660	Rural Development. 7 units have rental assistance (rent = 30% AGI).
Raymond					
Elcaba Apts 105 SW 4th St	n.a.	24 - 1BR	0	\$30% of AGI	Section 8 Elderly apartments.
Spicer					
Cottonwood Apts 154 4th Ave.	n.a.	24 - 1BR	1	\$675 - \$825	Rural Development. Rental Assistance is available in 21 units (rent = 30% AGI). Formerly elderly, now open to all ages.
Spicer A & B Apts 188 & 196 Lakeview Dr.	1970s	2 - 1BR 14 - 2BR 16	2	\$590-\$645 \$610-\$665	Rural Development. Rental Assistance is available in 11 units (rent = 30% AGI).
Source: Viewpoint Consulting Group, Inc.					

Surveyed Apartments – Remainder of Kandiyohi County



● Market Rate

▲ Affordable/Subsidized

Selected Market Rate Rental Properties



401 Dakota (Atwater)



403 Dakota (Atwater)



509 & 433 McDermott (Kandiyohi)



HRA Townhomes (Kandiyohi)



Kandi West (Kandiyohi)



325 & 341 N 7th Street (Kandiyohi)

Selected Market Rate Rental Properties



Suite Liv'n (New London)



HRA Townhomes (Pennock)



Townhomes (Raymond)



HRA Townhomes (Raymond)



Suite Liv'n (Spicer)



102 & 114 Lake (Spicer)

Selected Affordable/Subsidized Rental Properties



Cottonwood



Elcaba



Larson



New London Housing



Pennock Estates

Housing Choice Vouchers

In addition to subsidized apartments, there is a “tenant-based” subsidy called Housing Choice Vouchers available to help lower income households find affordable housing. The tenant based subsidy is funded by the Department of Housing and Urban Development (HUD). Kandiyohi County’s program is managed by the Kandiyohi County HRA, which manages the program for Kandiyohi and McLeod Counties.

Under the Housing Choice Voucher program, qualified households are issued a voucher that the household can take to an apartment that has rent levels allowable under HUD guidelines. The household then pays 30% of their adjusted gross income for rent and utilities, and the Federal government pays the remainder of the rent to the landlord. Applicants in Willmar may be eligible for the program if their income is below the 50% of area median income – which in 2022 ranges from \$29,300 for one-person households to \$48,500 for six-person households.

To be eligible for the Housing Voucher program, rental units must have rent levels allowable under HUD guidelines – or below the “Payment Standard.” In Kandiyohi County, the Payment Standard is \$846 for one-bedroom units, \$1,017 for two-bedroom units, \$1,446 for three-bedroom units, \$1,717 for four-bedroom units, \$1,984 for five-bedroom units. Most residents pay much less in rent than the payment standard. Again, the Federal government pays the remainder of the market rent to the landlord.

Currently, there are funds available for the use of over 350 vouchers in Kandiyohi County. However, there are only 268 vouchers issued. The primary reason that not all Voucher funds are being used is the lack of housing units that can accommodate large families. Some of the families seeking vouchers have seven or eight people and require four or more bedrooms. There are few homes of this size available for rent in Willmar or elsewhere in Kandiyohi County.

Kandiyohi County Supportive Senior Housing

Senior housing encompasses a wide variety of product types. The least service-intensive properties are **adult** properties, which offer virtually no support services or health care, but restrict tenancy to those ages 55 and over. Adult properties can be rental or owner-occupied (attached or detached townhomes, condominiums, and cooperatives). Congregate independent or **independent** properties, offer support services such as meals and housekeeping, sometimes included in rent and sometimes a-la-carte. Independent projects attract an older and frailer senior population than adult projects (generally seniors age 75 and over).

The most service-intensive housing types, **assisted living** and **memory care**, offer the highest level of services short of a nursing home. Typical services provided are meals, housekeeping, linen changes, personal laundry, 24-hour emergency response, and a wide range of personal-care and therapeutic services. The meals and services are either built into the monthly fee, charged through a tiered service package, or charged a-la-carte.

As shown in Table 36, there are 11 market rate senior properties in Willmar totaling 365 housing units plus 324 skilled nursing beds. There are another five properties in the remainder of Kandiyohi County totaling 140 housing units plus 52 skilled nursing beds. The following are key highlights from the senior housing supply.

- There are three senior rental properties in Willmar (also shown in Table 33) that combine for 123 units. Among properties that offer health care services, there is only one that provides congregate independent living – Sunrise Village. Sunrise Village is the largest campus in Willmar and contains 55 independent units, 37 assisted living units, 246 skilled nursing beds, and a subsidized senior rental building (Centennial Square with 40 units).
- Among Willmar’s seven properties that provide senior housing with services, five are stand-alone assisted living or memory care properties that average 15 units. The only two properties with multiple service levels are Sunrise Village and Vista Prairie at Copperleaf. Vista Prairie at Copperleaf opened in 2008 and is Willmar’s newest senior housing property. It contains 55 assisted living units and 20 memory care units. Vista Prairie at Copperleaf can also accommodate some independent residents who would not require assisted living care packages.
- Vista Prairie at Copperleaf and Prairie Senior Cottages are the only two properties in Willmar with memory care units in a housing setting. Memory care at both properties are fully occupied. Sunrise Village also has secured memory care beds in their skilled nursing facility.

Table 36
Market Rate Senior Housing Properties in Kandiyohi County
December 2022

Property Name	City	Year Built	-- Number of Units/Beds --				
			55+ Rental	Independ-ent	Assisted Living	Memory Care	Skilled Care
Brookdale	Willmar	1997	-	-	19	-	-
CentraCare	Willmar	n.a.	-	-	-	-	78
Central MN Senior Care	Willmar	n.a.	-	-	8	-	-
Central MN Senior Care	Willmar	n.a.	-	-	11	-	-
Compassionate Cottage I & II	Willmar	2007	-	-	21	-	-
Nyberg	Willmar	n.a.	24	-	-	-	-
Prairie Senior Cottages	Willmar	1998	-	-	-	16	-
Sterling Manor	Willmar	2003	40	-	-	-	-
Sunrise Village	Willmar	1992	-	55	37	-	246
Vista Prairie at Copperleaf	Willmar	2008	-	-	55	20	-
Westview Village	Willmar	1980	59	-	-	-	-
Subtotal			123	55	151	36	324
Bethesda North Pointe	New London	2021	-	34	18	18	-
Central MN Senior Care	Prinsburg	n.a.	-	-	5	-	-
Central MN Senior Care	Atwater	1998	-	-	11	-	-
Central MN Senior Care	Sunburg	2004	-	-	7	-	-
Glen Oaks / Village Apts.	New London	1970s	-	35	12	-	52
Subtotal			-	69	53	18	52
Kandiyohi County Total			123	124	204	54	376
Sources: Viewpoint Consulting Group, Inc.							

- In the Remainder of Kandiyohi County, four communities contain supportive senior housing – Atwater, New London, Prinsburg, and Sunburg. The properties in Atwater, Prinsburg, and Sunburg are all small, assisted living properties (average of eight units in size) by Central MN Senior Care. New London contains two campuses – Glen Oaks and Bethesda North Pointe, which combine for a total of 117 units.
- Glen Oaks in New London was built in the 1970s and includes a 52-bed skilled nursing facility attached to housing that includes 35 independent apartments and 12 assisted living apartments.
- The newest senior housing property in the County is Bethesda North Pointe in New London. It opened in fall 2021 with 70 units. The service-level mix is 34 independent units, 18 assisted living units, and 18 memory care units.

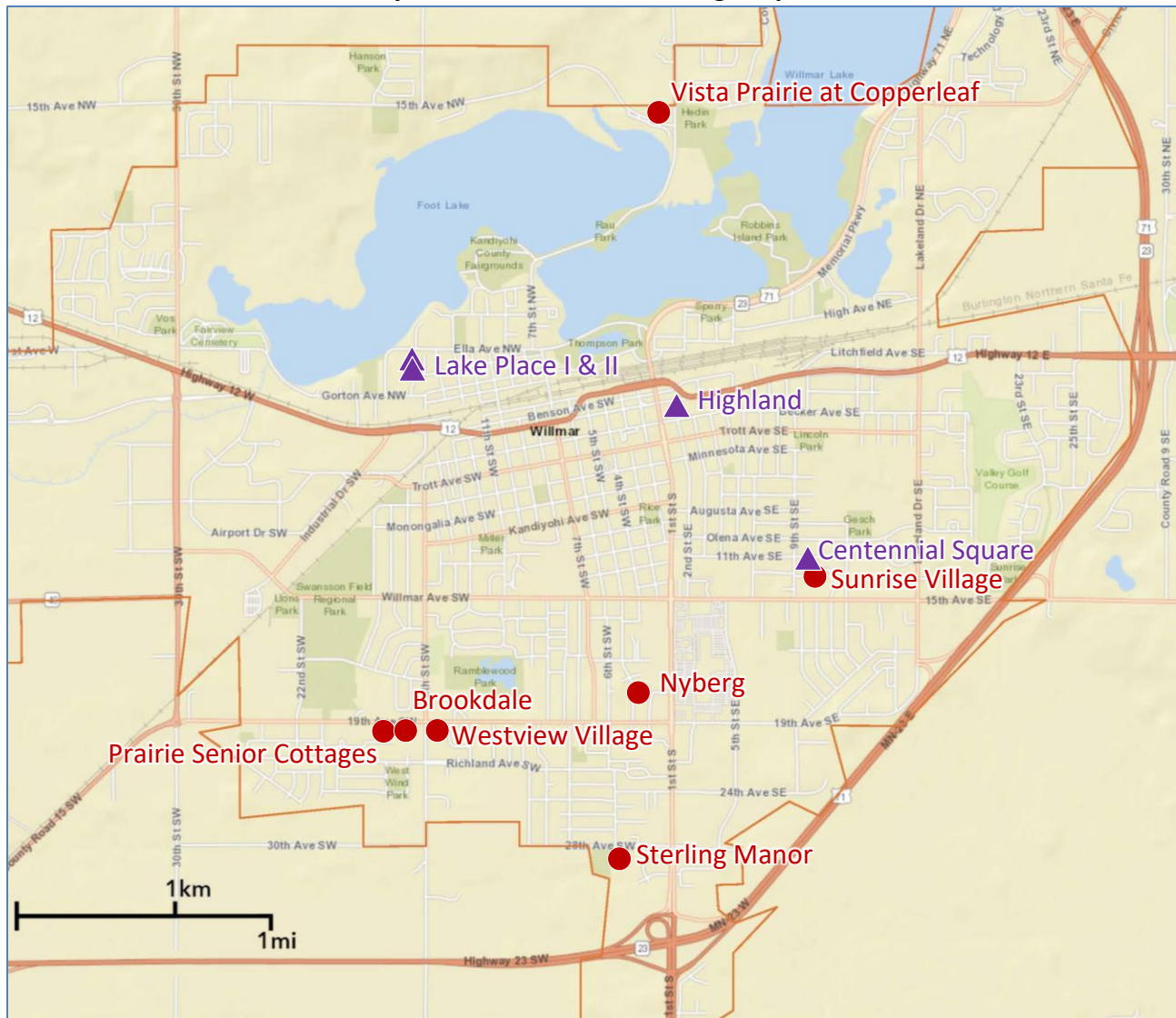
- Glen Oaks and Bethesda North Pointe contain the Remainder of Kandiyohi County's only independent and memory care units, as the other three properties are stand-alone assisted living properties. There are no market rate senior rental properties in the Remainder of the County.
- There were three vacancies among the senior rental properties in Willmar, which managers attribute to normal turnover. The only other vacancies were all at one assisted living property, which had eight vacancies. Overall, the senior housing supply had a vacancy rate of 3.0%. Excluding the one property with all the assisted living vacancies, the overall vacancy rate declined to 0.9%. This low vacancy rate indicates a need for additional senior housing in Willmar.
- In the Remainder of the County, Central MN Senior Care had five vacancies in one of their properties and four vacancies in another, accounting for half the vacancies. The other nine vacancies were at Bethesda North Pointe in New London, which opened in 2021 and is in its initial lease-up period. The independent units at Bethesda North Pointe were fully occupied. The assisted living had five open units waiting to be filled while the memory care had four open units.

Vacancy Rate of Kandiyohi County Market Rate Senior Properties

	Total Units	Vacant Units	Vacancy Rate*
Willmar			
Senior (55+) Rental	123	3	2.4%
Congregate Independent	55	0	0.0%
Assisted Living	151	8	5.3%
Memory Care	36	0	0.0%
Subtotal	365	11	3.0%
Remainder of Kandiyohi County			
Senior (55+) Rental	-	-	-
Congregate Independent	69	0	0.0%
Assisted Living	53	14	26.4%
Memory Care	18	4	22.2%
Subtotal	140	18	12.9%
Total	505	29	5.7%

* In Willmar, all eight assisted living vacancies were at one property. Excluding it, the communitywide vacancy rate was 0.9%. In the remainder of the County, nine vacancies were at Bethesda North Pointe, which opened in 2021 and was in its initial lease-up period.

Surveyed Willmar Senior Housing Properties



● Market Rate

▲ Affordable

Selected Senior Housing Properties



Brookdale



Prairie Senior Cottages



Sterling Manor



Sunrise Village



Vista Prairie at Copperleaf



Westview Village

Selected Senior Housing Properties



Bethesda North Pointe (New London)



Glen Oaks (New London)

Planned and Proposed Rental Developments

There are four new rental housing properties in the development pipeline in Willmar, and one senior development in the remainder of the County. Two pending properties in Willmar already have some units open for occupancy and are listed in Table 33 (Edgeview and The Preserve on 24th). Block 25 Lofts is under construction and its rents are also shown in Table 33). The fourth property in the development pipeline is on the east side of Lakeland Drive Northeast, between Civic Center Drive and Upper Trentwood Circle. This development, by Unique Opportunities, the same developer as Edgeview, is approved for 216 units.

Between Edgeview and The Preserve on 24th, 180 market rate units have opened in Willmar from 2020 to 2022. The third and fourth buildings at Edgeview are under construction and will add 144 units when they open in January and June 2023. The third and fourth buildings at The Preserve on 24th will add 72 when they open in 2023. Block 25 Lofts is under construction and will add 58 units when it opens in 2023. A building permit has been submitted for review for the first 72-unit building at the Lakeland Drive development by Unique Opportunities. It will likely open in 2024. Combined, these properties will add another 345 units in addition to the 180 units that opened from 2020 to 2022. Another 144 units are approved at the Lakeland Drive development and could come on-line in the next few years. Combined, these four properties total 669 units.

Rental Properties Under Construction in Willmar



Block 25 Lofts



Edgeview Apartments



The Preserve on 24th

In the Remainder of the County, a senior housing development is proposed in New London. It would be an addition to Bethesda North Pointe. The existing building has 70 units of independent, assisted living, and memory care housing that opened in 2021. The housing type and service-level mix of the potential addition is undecided, but would likely consist of independent housing. If it proceeds, it would meet a need in the New London area as the independent housing at Bethesda North Pointe leased quickly and is fully occupied.

Interview Summary

Interviews with area rental property managers, real estate agents, private owners, and other persons familiar with the rental market in Willmar and the smaller communities were conducted to solicit their impressions of the rental housing market. The following are some key points from these interviews:

- Demand is strong for rental housing in Willmar. Most properties are fully occupied and units that become available are typically leased quickly.
- Market rate apartments that opened the past couple years in Willmar have all been fully leased upon opening. They have drawn a diverse resident base, including younger and older residents, students, workers, and people moving from locations outside Willmar.
- Rental properties that are well maintained in Willmar receive many calls from persons seeking to move from properties that are less well maintained. There is a strong demand for quality apartments in Willmar.
- Inquiries for rental housing remains high in Willmar, but many of the inquiries are from people who are not qualified candidates. Poor credit and rental history, including the condition in which they left their previous apartment unit, are primary reasons that contribute to some people having difficulty obtaining housing. These issues were worsened during the COVID-19 pandemic.
- City staff at some of the smaller communities receive calls from prospective renters seeking housing in the community. Unfortunately, there are very few vacant units available for these prospective renters.
- Demand for senior housing in Kandiyohi County is greatest in Willmar, which has many more services to offer seniors. Senior housing properties in the smallest of the county's communities are typically the hardest to keep fully occupied. Some seniors in these smaller communities move to housing in Willmar as they age and require more care.

Demand Analysis and Conclusions

This section of the report utilizes data collected in the previous sections to calculate demand for owned and rented housing in Kandiyohi County through 2030. Recommendations on appropriate housing types to satisfy unmet demand over the next five years are also provided.

Kandiyohi County Housing Demand Analysis

Table 37 outlines calculations for owner and renter housing in Kandiyohi County from 2022 to 2030. Demand for additional housing primarily comes from projected household growth. Pent-up rental demand can also be a source of housing demand, as can replacement need. Kandiyohi County, and Willmar in particular, is also a job importer and given a choice, people generally prefer to live near their place of employment. Thus, Table 37 also takes into account that Willmar can exceed its growth projections by capturing a portion of the people who currently commute into the community for employment.

The following paragraphs summarize the demand methodology in Table 37.

Kandiyohi County is projected to add 851 households between 2022 and 2030, including 575 in Willmar and 276 in the remainder of the County. This correlates to the need for 851 housing units to accommodate the projected household growth. As of 2022, an estimated 12,600 people lived outside Willmar and commuted into the community for employment. Most of these people will continue to live in their current home and commute to Willmar for various reasons. However, some of these people would likely move to Willmar if appropriate housing was available. We conservatively estimate that Willmar housing could capture approximately 1% of the current commuters, increasing housing demand in Willmar by 126 households. Likewise, the remainder of Kandiyohi County could exceed its growth projections by capturing 1% of the workers that commute to jobs from outside the County.

Replacement need is generated from the loss of housing or the need to replace housing units that are physically or functionally obsolete (i.e., they no longer meet the needs of the current housing market). A review of the age of housing stock from the U.S. Census revealed that there are about 1,700 housing units in Willmar and about 2,000 homes in the remainder of the County built prior to 1950. While most of these homes are in good condition, it is estimated that about one percent per year should be removed annually from the housing supply because of obsolescence, which equates to 135 units during the remainder of this decade in Willmar and 160 homes in the remainder of the County.

Overall, **there is projected demand for housing to accommodate 836 additional households in Willmar and 533 in the remainder of the County from 2022 to 2030.** This demand is from household growth, capturing some commuters, and replacement of obsolete housing.

Table 37
Kandiyohi County Rental and Owned Housing Demand
2022 to 2030

	Willmar	Remainder of County	Kandiyohi County
A Household growth	575	276	851
B Demand from outside Willmar*	126	97	223
C Replacement need	135	160	295
D Total housing demand (A + B + C)	836	533	1,369
E Percent rental demand	45% - 55%	25% - 30%	37% - 45%
F Rental housing demand (D x E)	376 - 460	133 - 160	509 - 620
G Pent-up rental demand	110 - 110	50 - 50	160 - 160
H Total rental housing demand (F + G)	486 - 570	183 - 210	669 - 780
I Percent owner demand	45% - 55%	70% - 75%	55% - 63%
J Total owner housing demand (D x I)	376 - 460	373 - 400	749 - 860
* Kandiyohi County has the potential to exceed its growth projections by capturing a conservative 1% of the employees who commute into the County, but currently live elsewhere.			
Source: Viewpoint Consulting Group, Inc.			

Willmar Housing Demand

Based on demographic and market trends, it is estimated that about half of the housing demand in Willmar from projected household growth, demand from outside the community, and replacement need between 2022 and 2030 will be for rental housing and just under half for ownership housing. Additionally, there is pent-up demand for rental housing. A healthy rental market is expected to have a vacancy rate of about 5% to allow for sufficient consumer choice and unit turnover. With pent-up demand (a shortage of units), persons who would normally form their own rental households instead room with other persons in a housing unit, live with their parents, or live in housing outside of the area and commute to jobs. In Willmar, the overall vacancy rate is very low among most properties, indicating pent-up demand. There are an estimated 3,226 rental units in Willmar. Excluding Suite Liv'n properties, **the current vacancy rate in Willmar is estimated at about half of one percent (0.5%), which results in not many choices for potential new renters.** To reach a 5% vacancy rate, the industry standard for a healthy rental market, 110 units would need to be available immediately. Thus, pent-up demand is calculated for 110 additional rental units in Willmar.

Combined with pent-up demand, there is total demand for approximately 485 to 570 rental units in Willmar from 2022 to 2030. This demand is for all rental housing from subsidized to market rate. Demand for senior housing is calculated separately.

An estimated 45% to 55% of housing demand in Willmar between 2022 and 2030 is projected to be for owner-occupied housing. This equates to demand for about 375 to 460 homes from 2022 to 2030 (about 45 to 55 homes annually). This demand is for single-family homes and townhomes/twinhomes.

Willmar Owner-Occupied Housing Demand

Based on demographic growth trends, building trends and interviews, an estimated 60% of the demand for owned units in Willmar is for single-family homes. This includes demand for move-up homes and entry-level homes marketed to first-time homebuyers and moderate-income households. The remainder of demand is for townhomes and patio homes targeted to empty-nesters and seniors seeking an alternative to their single-family homes, as well as some younger households.

Sixty percent of the owner-occupied demand equates to a need for about 225 to 275 new single-family homes in Willmar between 2022 and 2030, or about 30 homes annually on average.

The townhome demand is primarily generated from empty nesters. **Forty percent of the owner-occupied demand equates to a need for approximately 150 to 185 townhomes and patio homes in Willmar between 2022 and 2030.** The demand for townhomes equates to about 20 new units annually.

Willmar Rental Housing Demand

There is demand for 485 to 570 additional rental units in Willmar between 2022 and 2030.

The three primary target markets in Willmar are wage earners seeking rental housing with rents that are modest, professionals and higher-income families moving to Willmar, and empty-nesters downsizing from their single-family homes. Some wage earners will eventually seek owned housing, but many will also be long-term renters. The professionals and higher-income families moving to Willmar will most often seek owned housing, but they will rent until they are settled in their new employment position.

Based on household income trends, it is projected that 30% of the rental demand in Willmar is from wage-earners seeking rental housing with modest rents, or rents affordable to households with incomes of 60% or less of Area Median Income (about 160 to 170 units). The remainder of demand would come from households earning greater than 60% of Area Median Income (\$35,160/1-person to \$50,160/4-person) and who could afford housing with higher-end rents in Willmar. Market rate demand is projected at 370 to 400 units.

Much of the demand for affordable rental housing is for units with three to five bedrooms to accommodate large families. These larger units are limited, as only 12% of the units in Willmar's multifamily properties had three-bedrooms, and there were only a few four-bedroom units.

Willmar Senior Housing Demand

Demand was calculated for the number of additional senior housing units needed in Willmar through the end of the decade. The calculations were made for the various market rate senior housing product types, including affordable and market rate senior rental, congregate independent, assisted living, and memory care.

The calculations of unmet demand for senior housing are based on multiplying the age/income-qualified base by appropriate capture rates for each product type and then subtracting the existing supply. Generally, the age/income-qualified base for market rate senior housing is seniors age 75+ with incomes of \$40,000+, although lower income homeowners also income-qualify by allocating their home equity toward the cost of senior housing. For assisted living and memory care housing calculations, demand from low-income seniors who qualify for the Medicaid Waiver program are included.

As of 2022, Willmar contains has a supply of 123 affordable and market rate senior rental units and 242 supportive housing units (congregate independent, assisted living, and memory care housing). These units serve a target market population totaling about 1,800 age 75+ seniors in Willmar, plus seniors living elsewhere in the County and beyond who would move to Willmar to be near health care and supportive services. **By 2030, Willmar's age 75+ population is projected to increase by about one-third, creating demand for additional senior housing units in the community.**

For senior rental housing that does not provide meals or personal care services (or "adult/few-services" housing), demand is calculated for a total of 209 affordable units in Willmar and 154 market rate units by 2030. Currently, there are three properties serving this market. While all three are market rate (Nyberg, Westview Village, and Sterling Manor), they were built between 1975 and 2003 and have rents are largely affordable to seniors who would income-qualify for affordable rental housing. Thus, they are classified as affordable and after being subtracted from total demand, **unmet demand remains for 86 additional affordable senior rental units in Willmar by the end of the decade.** Along with affordable senior rental demand, **there is demand for another 154 units from seniors who could afford newer, market rate units.** These seniors generally have incomes of about \$50,000 or more and could afford rents of about \$1,500 by allocating over 35% of their gross income for rent.

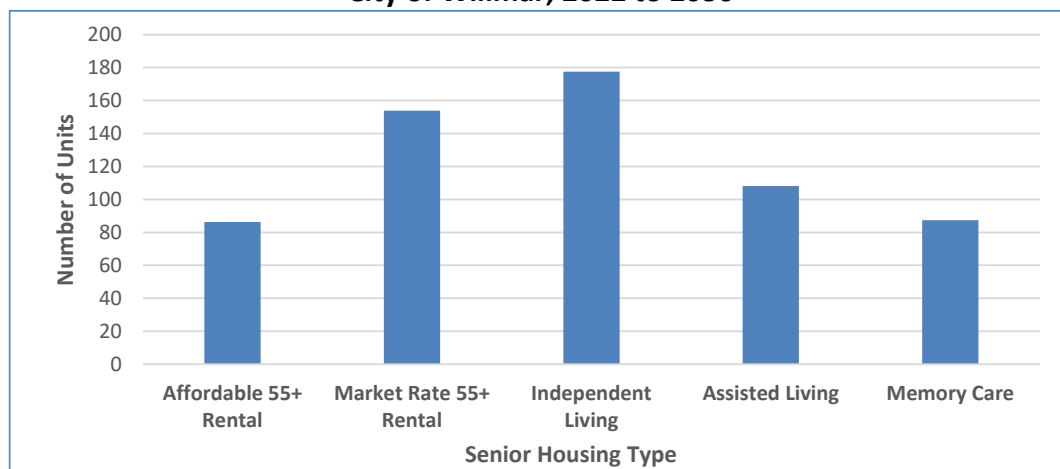
The three levels of supportive senior housing are independent, assisted living, and memory care housing. This market is currently being served by several properties that total 242 units in Willmar. Utilizing capture rates commonly achieved in similar sized markets across Minnesota and the Upper Midwest, Willmar could support about 550 units, or more than double what currently exists in the community. With growth of the senior population, about 615 total units could be supported by 2030. Subtracting the existing supply, **unmet demand for supportive senior housing is calculated for 373 additional units in Willmar by 2030. This includes 178 independent units, 108 assisted living units, and 87 memory care units.** Assisted living and

memory care includes demand for both private pay units and units for lower-income seniors who would utilize the Medicaid Wavier program to pay for personal care services.

Table 38
Summary of Senior Housing Demand
City of Willmar
2022 to 2030

	Total Demand in Willmar by 2030	Existing Supply	Unmet Willmar Demand
<u>Adult/Few-Services</u>			
Affordable 55+ Rental	209	123	86
Market Rate 55+ Rental*	154	0	154
Subtotal	363	123	240
<u>Supportive Housing</u>			
Independent Living	233	55	178
Assisted Living**	259	151	108
Memory Care**	123	36	87
Subtotal	615	242	373
Total	978	365	613
<p>* Because of their age, the three market rate 55+ rental properties in Willmar are classified as affordable since their rents are affordable to moderate-income seniors.</p> <p>** Assisted living and memory care demand includes demand for units from both private pay and Medicaid Waiver residents.</p>			
Source: Viewpoint Consulting Group, Inc.			

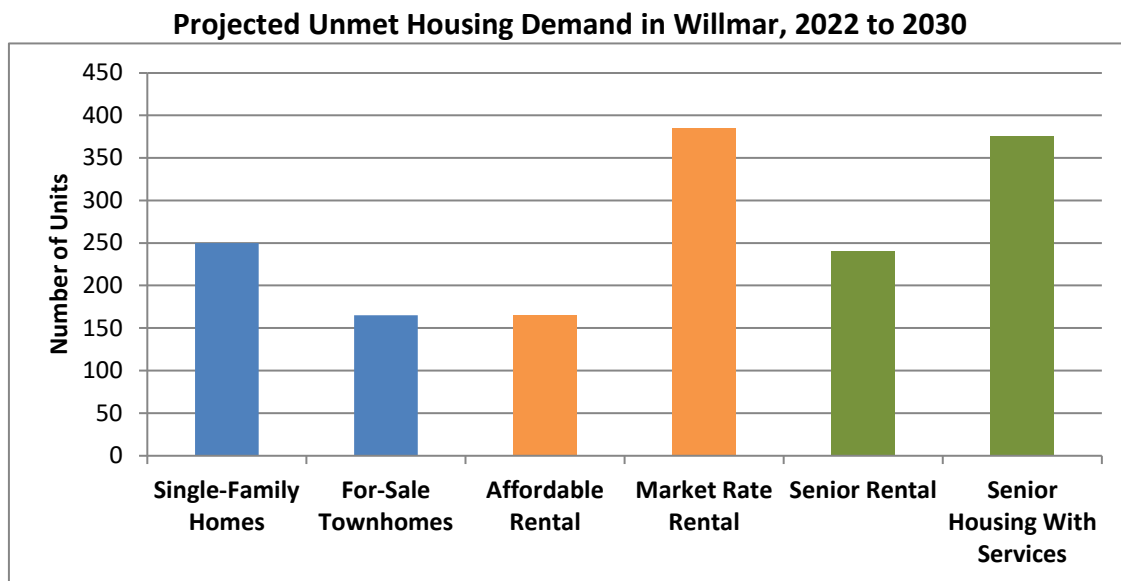
Projected Unmet Senior Housing Demand
City of Willmar, 2022 to 2030



Willmar Demand Summary

The chart below highlights overall housing demand in Willmar from 2022 to 2030. All housing types combined equal demand for 1,580 units. The greatest share is for senior housing. The senior population is beginning to grow more rapidly this decade as the first baby boomers enter their late-70s. Demand was calculated for 615 units (39% of total demand) of the various types of senior housing, from age-restricted apartments with no meals or services to assisted living and memory care housing. Senior housing demand was followed by rental housing (550 units, or 36%), which includes affordable and market rate units. Single-family homes and townhomes/twinhomes combine for total demand of 415 ownership units, or about 25% of the total housing demand.

The demand for rental housing and single-family homes is driven largely by people employed locally but currently living elsewhere due to a lack of appropriate housing options in Willmar. Some demand for these two housing types will also come from Willmar residents who will move from their current housing situation into newly built housing that accommodates their needs/wants. A portion of the for-sale townhome demand and senior housing demand is from seniors living elsewhere but drawn to Willmar to be near health care and services.



Remainder of Kandiyohi County Housing Demand

Based on demographic and market trends, it is estimated that just over one quarter (25% to 30%) of the housing demand in the remainder of the County from projected household growth, demand from outside the community, and replacement need between 2022 and 2030 will be for rental housing and just under three-quarters for ownership housing. Additionally, there is pent-up demand for rental housing. A healthy rental market is expected to have a vacancy rate of about 5% to allow for sufficient consumer choice and unit turnover. With pent-up demand (a shortage of units), persons who would normally form their own rental households instead room with other persons in a housing unit, live with their parents, or live in housing outside of the area and commute to jobs. In the remainder of the County, the overall vacancy rate is very low among most properties, indicating pent-up demand. There are an estimated 1,278 rental units in the remainder of the County. **With the current vacancy rate estimated at about one half of one percent, there are not many choices for potential new renters.** To reach a 5% vacancy rate, the industry standard for a healthy rental market, 50 units would need to be available immediately. Thus, pent-up demand is calculated for 50 additional rental units in the remainder of the County.

With pent-up demand, there is total demand for approximately 180 to 210 rental units in the remainder of the County from 2022 to 2030. This demand is from subsidized to market rate housing. Demand for senior housing is calculated separately.

An estimated 70% to 75% of housing demand in the remainder of the County between 2022 and 2030 is projected to be for owner-occupied housing. This equates to demand for about 375 to 400 homes from 2022 to 2030 (about 45 to 50 homes annually). This demand is for single-family homes and townhomes/twinhomes.

Demand for owned and rented housing by community is shown in Table 39. About half the demand for owned housing in the remainder of the County is projected in the 11 smaller communities, while the other half is projected in rural areas. The rural areas include lake lots, estates, farmsteads, and large-lot subdivisions – particularly in the northern part of the County (from Willmar to New London). Of the demand for 180 to 210 rental units outside of Willmar, all is projected in the communities versus rural area. This is largely because most communities have the infrastructure to support multifamily housing, whereas rural areas generally do not. In addition, the communities generally have better highway access and proximity to services and jobs.

As Table 39 shows, after Willmar, the greatest housing demand is in New London, followed by Spicer. New London has projected demand for 178 to 190 total units and Spicer 98 to 104 total units. Together, they account for 70% to 75% of the housing demand in the 11 communities outside of Willmar. In comparison, during the 2010s, these two communities accounted for 80% of the housing units built among the 11 smaller communities.

Table 39
Kandiyohi County Demand by Community
2022 to 2030

	--- Housing Type ---		Total
	Owned	Rented	
Willmar	376 - 460	486 - 570	862 - 1,030
<u>Smaller Communities</u>			
Atwater	8 - 10	14 - 18	22 - 28
Blomkest	0 - 2	0 - 0	0 - 2
Kandiyohi	8 - 10	14 - 18	22 - 28
Lake Lillian	0 - 2	4 - 6	4 - 8
New London	94 - 98	84 - 92	178 - 190
Pennock	8 - 10	6 - 8	14 - 18
Prinsburg	8 - 10	6 - 8	14 - 18
Raymond	8 - 10	6 - 8	14 - 18
Regal	0 - 2	0 - 0	0 - 2
Spicer	52 - 54	46 - 50	98 - 104
Sunburg	0 - 2	0 - 2	0 - 4
Subtotal	186 - 210	180 - 210	366 - 420
Rural	186 - 190	0 - 0	186 - 190
Kandiyohi County Total	748 - 860	666 - 780	1,414 - 1,640
Sources: Viewpoint Consulting Group, Inc.			

Remainder of the County Owner-Occupied Housing Demand

Based on demographic growth trends, building trends and interviews, an estimated 80% of the demand for owned units in the remainder of the County is for single-family homes versus townhomes. This includes entry-level homes marketed to first-time homebuyers to move-up homes. The remainder of demand is for townhomes and patio homes targeted to empty-nesters and seniors seeking an alternative to their single-family homes, as well as some younger households.

Eighty percent of the owner-occupied demand equates to a need for about 300 to 315 new single-family homes, or about 35 to 40 homes annually on average between 2022 and 2030. All the demand in the rural areas of the County is projected to be for single-family homes. In the communities, about two-thirds of the demand is projected for single-family homes.

The townhome demand is primarily generated from seniors and empty-nesters. **Twenty percent of the total owner-occupied demand equates to a need for approximately 75 to 85 townhomes and patio homes between 2022 and 2030**, all in the 11 smaller communities. The demand for townhomes equates to about 10 new units annually.

Remainder of the County Rental Housing Demand

There is demand for 180 to 210 additional rental units in the remainder of the County between 2022 and 2030. The three primary target markets are wage earners seeking rental housing with rents that are modest, professionals and higher-income families moving to the County, and empty-nesters downsizing from their single-family homes. Some wage earners will eventually seek owned housing, but many will also be long-term renters. The professionals and higher-income families moving to the County will most often seek owned housing, but they will rent until they are settled in their new employment position.

Based on household income trends, it is projected that 40% of the rental demand in the remainder of the County is from wage-earners seeking rental housing with modest rents, or rents affordable to households with incomes of 60% or less of Area Median Income (about 80 units). The remainder of demand would come from households earning greater than 60% of Area Median Income (\$35,160/1-person to \$50,160/4-person) and who could afford housing with higher-end rents. Market rate demand is projected at 115 to 120 units.

Remainder of the County Senior Housing Demand

Demand was calculated for the number of additional senior housing units needed in the remainder of the County through the end of the decade. The calculations were made for the various market rate senior housing product types, including affordable and market rate senior rental, congregate independent, assisted living, and memory care.

The calculations of unmet demand for senior housing are based on multiplying the age/income-qualified base by appropriate capture rates for each product type and then subtracting the existing supply. Generally, the age/income-qualified base for market rate senior housing is seniors age 75+ with incomes of \$40,000+, although lower income homeowners also income-qualify by allocating their home equity toward the cost of senior housing. For assisted living and memory care housing calculations, demand from low-income seniors who qualify for the Medicaid Waiver program are included.

As of 2022, the County contains has a supply of 123 affordable and market rate senior rental units and 382 supportive housing units (congregate independent, assisted living, and memory care housing). Over three-quarters of these units are in Willmar. The remainder of the County contains five properties totaling 140 supportive units, and two affordable senior rental properties totaling 48 units. The units in the remainder of the County serve a population of about 1,900 age 75+ seniors, plus seniors living just outside the County who would move to be near health care and supportive services. **By 2030, the remainder of the County's age 75+**

population is projected to increase by close to 50%, creating demand for additional senior housing units.

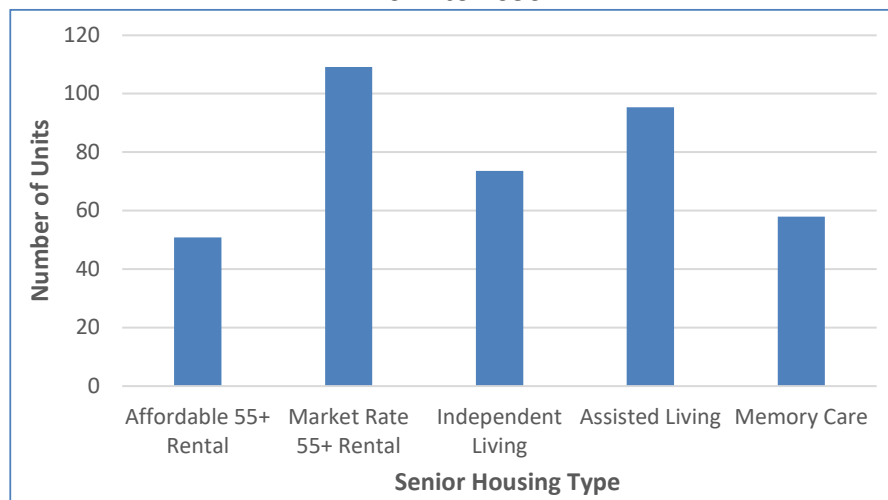
For senior rental housing that does not provide meals or personal care services (or “adult/few-services” housing), **demand is calculated for a total of 51 additional affordable units in the remainder of the County and 109 market rate units by 2030.** Market rate units generally serve seniors with incomes of about \$50,000 or more who could afford rents beginning at about \$1,300. Currently, there are no age-restricted properties serving these markets.

The three levels of supportive senior housing are independent, assisted living, and memory care housing. This market is currently being served by properties in Atwater, Prinsburg, Sunburg, and New London that total 140 units. Utilizing capture rates commonly achieved in similar sized markets across Minnesota and the Upper Midwest, the remainder of the County could support about 320 units, or over two times what currently exists. With growth of the senior population, about 365 total units could be supported by 2030. Subtracting the existing supply, **unmet demand is calculated for 227 additional units by 2030. This includes 74 independent units, 95 assisted living units, and 58 memory care units.** Assisted living and memory care includes demand for both private pay units and units for lower-income seniors who would utilize the Medicaid Wavier program to pay for personal care services.

Table 40
Summary of Senior Housing Demand
Remainder of Kandiyohi County
2022 to 2030

	Total Demand in Rem. of Kandiyohi County by 2030	Existing Supply	Unmet Demand in Rem. Of County
<u>Adult/Few-Services</u>			
Affordable 55+ Rental	99	48	51
Market Rate 55+ Rental	109	0	109
Subtotal	208	48	160
<u>Supportive Housing</u>			
Independent Living	143	69	74
Assisted Living*	148	53	95
Memory Care*	76	18	58
Subtotal	367	140	227
Total	575	188	387
* Assisted living and memory care demand includes demand for units from both private pay and Medicaid Waiver residents.			
Source: Viewpoint Consulting Group, Inc.			

Projected Unmet Senior Housing Demand
Remainder of Kandiyohi County
2022 to 2030

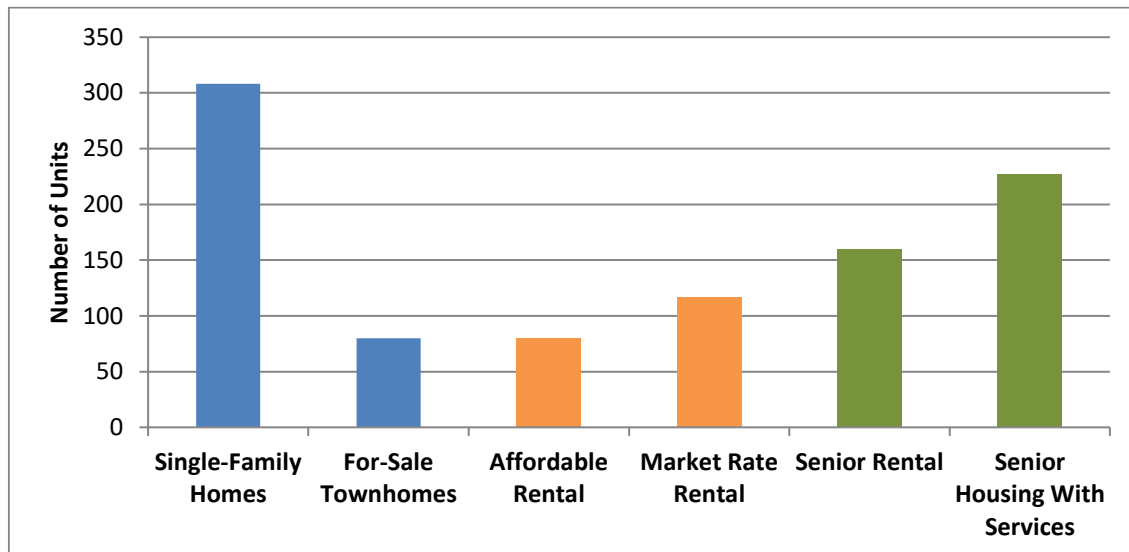


Remainder of the County Demand Summary

The chart below highlights overall housing demand in the remainder of the County from 2022 to 2030. All housing types combined equal demand for 975 units. About an equal share of demand is for single-family homes (about 390 units, or 40%) and senior housing. The senior population is beginning to grow more rapidly this decade as the first baby boomers enter their late-70s. Demand was calculated for 385 units (40% of total demand) of the various types of senior housing, from age-restricted apartments with no meals or services to assisted living and memory care housing. Demand for rental housing, which includes affordable and market rate units, totals about 195 units, or 20% of the total housing demand.

The demand for rental housing and single-family homes is driven largely by people employed locally or in Willmar. Some demand for these two housing types will also come from local residents who will move from their current housing situation into newly built housing that accommodates their needs/wants. A portion of the for-sale townhome demand and senior housing demand is from seniors living outside the County, but moving to be near family and/or health care and services in Willmar.

**Projected Unmet Housing Demand in Remainder of Kandiyohi County
2022 to 2030**



Willmar Housing Recommendations

The following are recommended housing development concepts for Willmar over the next five years, based on the demand analysis and interviews with persons knowledgeable about the Willmar housing market. Table 41 shows a summary of these development concepts. Detailed recommendations for each housing type are also included.

Table 41
Recommended Housing Developments over the Next Five Years (2023 to 2028)
City of Willmar

	<u>No. of Units</u>	<u>Price/Rent Range</u>
Owner-Occupied Housing		
Single-Family		
Entry-Level	60 - 65	\$275,000 - \$325,000
Move-Up	50 - 55	\$325,000 - \$375,000
Executive	35 - 40	\$375,000+
<u>Total</u>	<u>145 - 160</u>	
Townhomes / Twinhomes	90 - 110	\$250,000 - \$300,000
Rental Housing		
Market Rate Apartments	380 - 400	\$900+/1BR, \$1,100+/2BR
<u>Affordable Apartments</u>	<u>45 - 55</u>	<u>\$725+/1BR - \$875+/2BR</u>
<u>Total</u>	<u>425 - 455</u>	
Senior Housing		
Supportive Senior Housing		
Independent	90 - 100	
Assisted Living	45 - 55	\$2,000+, plus personal care services
Memory Care	30 - 40	
<u>Market Rate 55+ Rental</u>	<u>80 - 100</u>	<u>\$1,200+/1BR - \$1,400+/2BR</u>
<u>Total</u>	<u>245 - 295</u>	
Source: Viewpoint Consulting Group, Inc.		

Single-Family Homes

It is recommended that a three-to-five-year lot supply be maintained in Willmar, which ensures adequate consumer choice without excessively prolonging developer carrying costs. Willmar currently has about 70 available lots remaining in three subdivisions (Oslo Meadows, Woodberry, and Trentwood Estates). While technically this may be sufficient to accommodate the demand for new single-family homes over the next couple years, the Trentwood Estates subdivisions have been platted for close to 20 years. We recommend a new subdivision(s) come on-line within the next two years with at least 50 lots, with the potential for more lots to be added incrementally in future additions. The lots should be priced to accommodate entry level homes with base prices of about \$275,000 to \$325,000 (less than \$30,000) and move-up homes with base prices of about \$325,000 to \$375,000 (about \$30,000 to \$40,000). A small number of lots in a new subdivision with premium locations should be priced to accommodate executive homes, or those priced at over \$375,000.

Beyond the recommended new subdivision, remaining lots in the existing subdivisions should accommodate a portion of the remaining single-family demand, particularly for entry-level homes. In addition, if senior housing is developed in Willmar, existing homes should become available for families as seniors make the transition from single-family homes to senior housing.

While there are many potential locations for a new single-family housing subdivision, one particular parcel listed for sale is within Willmar's city limits. This is the Kallevig property, which is 179 acres on the north side of Foot Lake, east of County Road 5. Given its picturesque setting adjacent to the lake, this parcel could be particularly appealing to potential home buyers and could accommodate a large share of Willmar's demand for single-family lot and townhomes, among other land uses. The attractiveness of the lots/subdivisions could be key in Willmar meeting housing potential as the pace of sales would likely be higher than at a subdivision with a less desirable location.

For-Sale Townhomes / Twinhomes

There is projected demand for 90 to 110 townhomes from 2023 through 2028 in Willmar. While both the Trentwood Estates and Woodberry Additions allow townhomes, there are very few lots available to accommodate townhomes in the community, and no recent subdivisions exist that are designated solely for townhomes. To meet with demand, new lots should be created to accommodate up to 50 townhomes by 2024, with additional lots created in following years. To capture most of the target market, it is recommended that lots be made available to accommodate one-level townhomes with attached two-car garages to appeal to the primary target market – empty nesters. Townhomes should have two or three bedrooms and be in the \$250,000 to \$300,000 price range. As with single-family homes, an appealing location for new townhomes in Willmar would be the north side of Foot Lake. Lots closer to the heart of Willmar and near retail along 1st Street South would also be appealing.

Rental Housing

The analysis found demand for about 425 to 455 units of additional general-occupancy rental housing (open to all ages) in Willmar over the next five years. This includes 380 to 400 units of market rate housing. New developments already under construction and in the permit review process will meet the bulk of this demand. These developments include Block 25 Lofts (58 units, under construction), Edgeview (144 units, under construction), The Preserve on 24th (108 units, including 36 units open and 72 units under construction), and Herzog – Lakeland Drive (72 unit first phase, under building permit review). They are profiled in Table 33. Combined, they total 382 units.

Demand is calculated for approximately 165 affordable rental housing units in Willmar over the remainder of the decade. There is potential to accommodate a portion of this demand in the various Suite Liv'n properties throughout Willmar. While there are virtually no vacancies in other affordable rental properties and older market rate properties with modest rents in Willmar, the Suite Liv'n properties have approximately 85 vacancies. These vacancies are largely due to the condition of the units, and Suite Liv'n is in jeopardy of not having their rental license renewed on several of their properties. It is recommended that efforts be made to bring Suite Liv'n properties up to code to provide quality affordable rental housing. Currently, the rent at most Suite Liv'n properties is \$750 for one-bedroom units, \$850 for two-bedroom units, and \$950 for three-bedroom units. These rents are considered affordable to households earning 50% of AMI for Kandiyohi County based on Minnesota Housing Finance Agencies guidelines. Rehabbing these units to make them more appealing/habitable would likely be more cost effective than adding these units in a new construction building.

An affordable rental property with 45 to 55 units is recommended in Willmar from 2023 to 2028. These units would supplement rehabbed units at Suite Liv'n to meet Willmar's affordable rental housing needs. A new affordable rental property should be income-restricted at 60% AMI and include units with three to five bedrooms to accommodate large families. These units would fill a void that is existing in Willmar's existing multifamily rental supply. Currently, there are Housing Choice Vouchers going unused in the County because larger families are unable to find units with enough bedrooms to meet their needs. Recommended rents, which would be affordable at 60% of AMI and would also be under the Payment Standard for the Housing Choice Voucher program, are approximately \$1,025 for three-bedroom units, \$1,175 for four-bedroom units, and \$1,300 for five-bedroom units. Given that the recommended affordable housing would primarily serve families with children, a townhome property with open space is recommended. At least 75% of the units should have four or five bedrooms, since these are the units most lacking in Willmar.

The development of market rate apartments in Willmar will also indirectly meet affordable rental housing demand, as some higher-income renters at existing properties with modest rents would likely "step-up" into newer, luxury apartments. Their departure will create vacancies that will then be available to lower- and moderate-income renters. Based on leasing activity at the newer apartments in Willmar, it is estimated that the new apartments could indirectly meet

upwards of 100 units of affordable rental demand by drawing higher-income renters out of existing moderate-rent units.

Senior Housing

A need for about 615 senior housing units was identified in Willmar over the remainder of the decade. Much of the demand will be realized later in the decade as the senior population begins to grow more rapidly. To meet current unmet demand, it is recommended that a market rate 55+ rental development be added with 80 to 100 units within the next five years. This type of housing would meet the needs of younger, more active seniors who wish to downsize from their existing homes but do not need meals or personal care services found in a supportive services building. These units could be in a single, multistory building with 80 to 100 units. Additionally, some could be townhome-style units with attached garages that offer single-level living. Rents should begin at about \$1,200 for one-bedroom units and \$1,400 for two-bedroom units.

The last senior housing with supportive services added in Willmar was Vista Prairie at Copperleaf, in 2008. Currently, there are very few vacancies among senior housing properties in Willmar and with the senior population poised for growth, we recommend a development(s) with 165 to 195 units of independent, assisted living, and memory care housing sometime within the next five years (2023 to 2028). These units would be the first substantial development in Willmar in almost 20 years. We recommend a service-level mix of 90 to 100 independent units, 45 to 55 assisted living units, and 30 to 40 memory care assisted living units.

Remainder of Kandiyohi County Housing Recommendations

The following are recommended housing development concepts for the remainder of Kandiyohi County over the next five years, based on the demand analysis and interviews with persons knowledgeable about the housing market. Table 42 shows a summary of these development concepts. Detailed recommendations for each housing type are also included.

Table 42
Recommended Housing Developments over the Next Five Years (2023 to 2028)
Remainder of Kandiyohi County

	<u>No. of Units</u>	<u>Price/Rent Range</u>
Owner-Occupied Housing		
Single-Family		
Entry-Level	40 - 50	\$250,000 - \$325,000
Move-up/Executive	185 - 200	\$325,000+
Total	225 - 250	
 Townhomes / Twinhomes	 45 - 50	 \$225,000 - \$325,000
Rental Housing		
Workforce Apartments*	100 - 110	\$825+/1BR, \$1,000+/2BR, \$1,300+/3BR
Market Rate Townhomes**	50 - 52	\$1,300+/2BR, \$1,500/3BR
Total	150 - 162	
Senior Housing		
Supportive Senior Housing		
Independent	50 - 60	
Assisted Living	40 - 50	\$2,000+, plus personal care services
Memory Care	20 - 30	
55+ Rental (market rate)	70 - 80	\$1,100+/1BR - \$1,300+/2BR
Total	180 - 220	
* Workforce housing is market rate (no income restrictions) yet with rents that are affordable to households at 60% AMI and that also are under the Housing Choice Voucher Payment Standard.		
** Single-level townhomes open to all ages could accommodate some of the senior rental demand. There likely is not enough senior rental demand to support an age-restricted apartment building in most communities.		
Source: Viewpoint Consulting Group, Inc.		

Single-Family Homes

To keep pace with demand and satisfy housing needs of current and future residents, it is recommended that 225 to 250 single-family homes be added in the remainder of Kandiyohi County over the next five years (2023 to 2028). Based on past trends, about half of these homes will be constructed in rural parts of the County, particularly on lakes in the northern part of the County and on estate lots and in large-lot subdivisions. Most homes constructed on the County's lakes serve the move-up / executive home market. It is projected that about the remaining half of demand (about 115 to 125 homes) would be met within the 11 smaller communities in the County. Demand among these communities is greatest in New London and Spicer, and they alone could accommodate about three-quarters of the identified demand in the smaller communities. Like the rural areas, much of the demand in New London and Spicer is for move-up / executive homes. Between them, it is recommended that sufficient lots be platted to support about 70 move-up / executive homes (\$325,000+) over the next five years, or about 14 homes annually. These lots should be priced at about \$30,000 to \$40,000.

About 40 to 50 entry-level homes, or those priced at about \$250,000 to \$325,000, should be built to keep pace with demand in the remainder of the County. The communities with the greatest potential to support these homes are Atwater, Kandiyohi, Pennock, Prinsburg, and Raymond. With adequate and/or appealing lots, each of these communities could average about two new homes per year, or 10 homes over the next five years. If adequate/appealing in-fill lots are available, Blomkest, Lake Lillian, Regal, and Sunburg could each support a couple homes over the next five years. Lots for entry-level single-family homes should be priced at less than \$15,000.

For-Sale Townhomes / Twinhomes

There is projected demand for 45 to 50 townhomes from 2023 through 2028 in the remainder of the County. The primary target market is seniors and empty nesters downsizing from larger single-family homes. To capture most of the target market, it is recommended that lots be made available to accommodate one-level townhomes with attached two-car garages. Most townhomes should be in the \$225,000 to \$275,000 price range, with some upper-end units priced up to \$325,000. As with single-family homes, New London and Spicer will likely capture much of the demand as they have greatest growth projections. However, Atwater, Kandiyohi, Pennock, Prinsburg, and Raymond all have potential to support a couple new homes over the next five years.

Rental Housing

The analysis found demand for about 120 to 135 units of additional general-occupancy rental housing (open to all ages) in the remainder of the County over the next five years. Just over half would be for market rate housing with no income restrictions, although it is recommended that rents for many of the market rate units be affordable for households earning 60% of AMI (maximum of \$941 for one-bedroom units and \$1,129 for two-bedroom units \$1,304 for three-bedroom units in 2022). These market rate with affordable rents are considered workforce housing.

The greatest overall growth in the remainder of the County is projected in New London and Spicer, and the demand for rental housing is projected to be greatest in both these communities as well. This is partly driven by their job bases, as both have over 800 jobs, or more than double other smaller communities in the remainder of the County. It is recommended that about 110 units of market rate rental housing in a multifamily building(s) be added between them. New London and Spicer could be regarded as the same market as they are four miles apart on Highway 23 and have a shared school district.

Two product types are recommended in New London and Spicer – workforce apartments and single-level townhomes/twinhomes. The workforce apartments should not have income limits but have rents of about \$825 for one-bedroom units, \$1,000 for two-bedroom units, and \$1,300 for three-bedroom units. At these rents, the units would be affordable to households earning 60% of AMI and they would also be eligible for the Housing Choice Voucher program by having rents under the Payment Standard. It is recommended that rents begin at about \$825 for one-bedroom units and \$1,100 for two-bedroom units. The unit mix should be about 20% to 25% one-bedroom units, 60% to 65% two-bedroom units, and 10% to 20% three-bedroom units.

The second recommended product type in New London and Spicer are townhomes (duplex and/or four-plex units). The units should be single-level units with attached garages. Rents should begin at about \$1,300 for two-bedroom units and \$1,500 for three-bedroom units. Three-quarters of the units should have two-bedroom units. Two-bedroom units would appeal to some singles, small families, and couples (including empty-nesters/retirees). Three-bedroom units would appeal to small families and some couples. Twenty to 26 units are recommended between the two communities.

Outside New London and Spicer, it is recommended that duplex and/or four-plex rental buildings, similar to those in New London and Spicer, be added in Atwater, Kandiyohi, Lake Lillian, Pennock, Prinsburg, and Raymond. The units should be single-level units with attached garages. Rents should begin at about \$1,300 for two-bedroom units and \$1,500 for three-bedroom units. Three-quarters of the units should have two-bedroom units. Based on growth projections, both Atwater and Kandiyohi could support a workforce rental apartment with up to 12 units. The workforce apartments should not have income limits but have rents of about \$825 for one-bedroom units, \$1,000 for two-bedroom units, and \$1,300 for three-bedroom

units. Again, at these rents, the units would be affordable to households earning 60% of AMI and they would also be eligible for the Housing Choice Voucher program by having rents under the Payment Standard.

Senior Housing

A need for about 385 senior housing units was identified in Table 40 in the remainder of the County through 2030. Much of the demand will be realized later in the decade as the senior population begins to grow more rapidly. To meet unmet demand over the next five years, it is recommended that 70 to 80 units of housing geared to younger, more active seniors who wish to downsize for their existing homes but do not need meals or personal care services found in a supportive services building. Because the demand is spread among 11 communities, each could support just a few duplex units or one or two four-plex buildings. These units should be single-level townhomes with two bedrooms and attached garages. Rents should begin at about \$1,300 for two-bedroom units. Additionally, these townhomes do not necessarily need to be age restricted. Even if they are open to all ages, they would still be appealing to seniors and would likely become primarily occupied by seniors. New London and Spicer could support more units than the other smaller communities in the County. They could support multiple duplex or fourplex buildings added over several years or a small multi-story apartment building. Closer to the end of the decade, as the senior population increases, a building with up to 50 units could be supported.

The last senior housing with supportive services added in the remainder of the County was Bethesda North Point in New London in 2021. It is a 70-unit campus containing independent living, assisted living, and memory care housing. Overall, Bethesda North Point has leased up well, particularly the independent living. As we understand, there is land available for a phase two building on the campus and we recommend upwards of 50 additional independent units be added within the next couple years. These independent units would be in a multi-story apartment building and have meals and housekeeping available to residents. They would cater to older seniors with some frailty. Future phases could also include more assisted living and memory care housing. If land allows, 55+ rental townhomes for more active seniors should be added on the Bethesda North Point campus to meet demand in the northern part of the County.

Depending on the size of future Bethesda North Point phases, there could potentially be demand for another small campus in Spicer with independent, assisted living, and memory care housing that would serve the local area. Beyond New London and Spicer, other communities are generally too small to support a stand-alone assisted living and memory care building that would have enough units to cover the costs of commons spaces that would be attractive to residents and their families. Much of the demand for supportive senior housing in smaller communities will be met by properties in Willmar and other larger communities in the County.

Housing Recommendations by Community

Demand in the Remainder of the County is not spread evenly between the communities. The greatest demand is in New London and Spicer, which are only about four miles apart and share the same school district. They are effectively the same housing market and combine for about 75% of the recommended housing units in the Remainder of the County over the next five years.

Recommendations for housing developments in each community over the next five years is summarized in Table 43. Following the table are summaries for each of the communities.

Table 43
Recommended Housing Developments over the Next Five Years (2023 to 2028)
Remainder of Kandiyohi County

Atwater
A single-family/townhome subdivision with 15+ lots Single-level, market rate rental twinhome (2 to 4 units) A workforce rental housing building with 10 to 12 units
Blomkest
One to two single-family homes on in-fill lot
Kandiyohi
A single-family/townhome subdivision with 15+ lots Single-level, market rate rental twinhomes/townhomes (2 to 4 units) A workforce rental housing apartment with 8 to 10 units
Lake Lillian
One to two single-family homes on in-fill lot Single-level, market rate rental twinhomes/townhomes (2 to 4 units)
New London
A single-family/townhome subdivision(s) with 50+ lots Single-level, market rate rental twinhomes/townhomes (12 to 16 units) A workforce (market rate/affordable) apartment building(s) with 85+/- units* Supportive senior housing with 90+/- units of independent/assisted living/memory care housing*
Pennock
Single-level, market rate rental twinhome (4 to 6 units)
Prinsburg
A single-family/townhome subdivision(s) with 10+ lots Single-level, market rate rental twinhomes/townhomes (4 to 6 units)
Raymond
A single-family/townhome subdivision(s) with 10+ lots Single-level, market rate rental twinhomes/townhomes (4 to 6 units)
Regal
One to two single-family homes on in-fill lot
Spicer
A single-family/townhome subdivision(s) with 60+ lots Single-level, market rate rental twinhomes/townhomes (10 to 12 units) A workforce (market rate/affordable) apartment building(s) with 85+/- units* Supportive senior housing with 90+/- units of independent/assisted living/memory care housing*
Sunburg
One to two single-family homes on in-fill lot Single-level, market rate rental twinhomes/townhomes (2 units)
* New London and Spicer share the same general market. It is not recommended that they each add 90+ units of supportive senior housing units, but instead developents in the two communities could combine for 90+/- units. Likewise, between the two, apartment buildings totaling 85+/- units could be built.

Atwater

Demographic Summary

Atwater is a community of 1,124 people (2020 Census) on Highway 12, about 11 miles east of Willmar. Atwater consists mostly of single-family homes, and thus has a high homeownership rate (78%).

Housing development has been limited in Atwater, as six homes were built last decade (2010 to 2020). With the limited housing construction, the Census Bureau showed that the number of households in Atwater declined by nine, to 459 in 2020. While projections are that Atwater will continue to decline, demand has been shown for housing in Atwater and it can exceed its projections by adding to its housing stock.

Population & Household Growth Trends

	2000	2010	2020	Projected 2030	Change, 2020 to 2030
Population	1,079	1,133	1,124	1,105	-19
Households	461	468	459	455	-4

Households by Tenure and Housing Type in 2020

	Owner	Renter
Single-Family	347	42
Multifamily	0	59
Mobile Home	11	0
Total	358	101

Housing Demand and Recommendations

Through 2030, demand is calculated for eight to 12 additional owned homes and 14 to 18 rental units. The owned homes consist of both single-family homes and twinhomes.

Atwater does not have a newer, active subdivision with lots available to accommodate new homes. It is recommended that a new subdivision be platted with 15 more lots to accommodate single-family homes and twinhomes. Lots should be priced to allow for homes with prices of about \$250,000 to \$325,000.

Two types of rental housing should be developed to meet the needs of seniors and families (single-level townhomes/twinhomes) and an apartment complex with 10 to 12 units. The townhomes should be single-level units with attached garages, consisting mostly of two-bedroom units. The apartments should be workforce (market rate but with rents affordable to households with incomes at 60% of AMI).

Blomkest

Demographic Summary

Blomkest is a community of 145 people (2020 Census) near the intersection on Highways 7 and 71, about 10 miles south of Willmar. Blomkest consists almost entirely of single-family homes, although some are being rented. Blomkest has a high homeownership rate of 73%, which is about average with the County.

There has been very little new housing construction in Blomkest in decades and thus, the household base has remained steady. Growth projections are that Blomkest will continue to stay at its current level through 2030 – or 70 households. With a projected slight decline in the average household size, the population is projected to decrease to 130 in 2030.

Population & Household Growth Trends

	2000	2010	2020	Projected 2030	Change, 2020 to 2030
Population	186	157	145	130	-15
Households	66	68	70	70	0

Households by Tenure and Housing Type in 2020

	Owner	Renter
Single-Family	46	19
Multifamily	0	0
Mobile Home	6	0
Total	52	19

Housing Demand and Recommendations

Demand for additional owner- and renter-occupied housing in Blomkest is limited. Thus, it is not recommended that a new single-family subdivision or apartment be developed in Blomkest. Instead, a goal should be to maintain the quality of the existing housing stock and develop one or two single-family homes on in-fill lots within the community.

Kandiyohi

Demographic Summary

Kandiyohi is a community of 569 people (2020 Census) on Highway 12, about four miles east of Willmar. It is within the Willmar School District. Kandiyohi consists mostly of single-family homes with a few small apartment buildings. It has a high homeownership rate of 70%.

The Census Bureau showed growth in Kandiyohi this past decade despite no new housing being added. Projections are that Kandiyohi will continue to grow, although growth will require additional housing be added since Kandiyohi has a low rental vacancy rate and single-family homes are occupied as well.

Population & Household Growth Trends

	2000	2010	2020	Projected 2030	Change, 2020 to 2030
Population	555	491	569	645	76
Households	215	202	226	255	29

Households by Tenure and Housing Type in 2020

	Owner	Renter
Single-Family	158	10
Multifamily	0	58
Mobile Home	0	0
Total	158	68

Housing Demand and Recommendations

Through 2030, demand is calculated for eight to 12 additional owned homes and 14 to 18 rental units. The owned homes consist of both single-family homes and twinhomes.

Kandiyohi's subdivisions are nearly built out so adding new single-family homes and townhomes/twinhomes will require that a subdivision be platted. It is recommended that a new subdivision be platted with 15 more lots. Lots should be priced to allow for homes with prices of about \$250,000 to \$325,000.

Two types of rental housing should be developed to meet the needs of seniors and families (single-level townhomes/twinhomes) and an apartment complex with eight to 10 units. The townhomes should be single-level units with attached garages, consisting mostly of two-bedroom units. The apartments should be workforce (market rate but with rents affordable to households with incomes at 60% of AMI).

Lake Lillian

Demographic Summary

Lake Lillian is a community of 246 people (2020 Census) in the southeastern corner of Kandiyohi County, on Highway 7. Lake Lillian consists mostly of single-family homes, and thus has a high homeownership rate (83%).

The household base in Lake Lillian has declined over the past few years as there has been very little new housing construction in decades. Because of a slight increase in its average household size, Lake Lillian was able to grow its population during the 2010s. Growth projections are that Lake Lillian will grow its population again this decade, despite another drop in its household base.

Population & Household Growth Trends

	2000	2010	2020	Projected 2030	Change, 2020 to 2030
Population	257	238	246	250	4
Households	124	121	112	105	-7

Households by Tenure and Housing Type in 2020

	Owner	Renter
Single-Family	86	9
Multifamily	0	10
Mobile Home	7	0
Total	93	19

Housing Demand and Recommendations

Demand for additional owner- and renter-occupied housing in Lake Lillian is limited. Thus, it is not recommended that a new single-family subdivision or larger apartment be developed in Lake Lillian. Instead, a goal should be to maintain the quality of the existing housing stock and develop one or two single-family homes on in-fill lots within the community. To meet the rental needs, a market rate twinhome should be built (two units). The twinhomes should be single-level units with two-bedrooms and attached garages.

New London

Demographic Summary

With 1,252 persons (2020 Census), New London is Kandiyohi County's second largest community. New London also has 1,000 jobs, the second most within the County. There are many housing developments just beyond New London's city limits and including home on area lakes, New London's zip code (56273) has about 5,200 people.

Although it is not reflected in the Census Bureau's decennial population and household counts, housing development has been robust in New London in comparison to other Kandiyohi County communities. Building permits were issued for 92 housing units in New London during the 2000s, 67 units during the 2010s, and for 103 units during the first two and a half years of this decade. This decade's permits include 70 units for Bethesda North Pointe, a supportive senior living development.

Population & Household Growth Trends

	2000	2010	2020	Projected 2030	Change, 2020 to 2030
Population	1,066	1,251	1,252	1,450	198
Households	415	521	556	700	144

Households by Tenure and Housing Type in 2020

	Owner	Renter
Single-Family	331	97
Multifamily	19	110
Mobile Home	0	0
Total	350	207

Housing Demand and Recommendations

Through 2030, demand is calculated for 90 to 96 additional owned homes over the remainder of the decade. There are still about 40 available lots in New London's subdivisions but to keep pace with demand, new subdivisions are recommended with more than 50 lots within the next five years to accommodate homes generally priced over \$300,000.

There is demand for about 84 to 92 rental units in New London over the remainder of the decade. To meet rental demand over the next five years, workforce apartment(s) with up to 85 units combined with Spicer is recommended. Also recommended are 12 to 16 single-level townhome/twinhomes that would be appealing to some singles, couples, and seniors.

Upwards of 90 supportive senior housing units are recommended in New London or Spicer to meet the housing needs of seniors in the northern part of Kandiyohi County. This should include a mix of independent, assisted living, and memory care units. Senior 55+ rental housing for more active seniors could also be developed in New London along with the supportive housing.

Pennock

Demographic Summary

Pennock is a community of 479 people (2020 Census) on Highway 12, about five miles west of Willmar. Pennock consists mostly of single-family homes, and thus has a high homeownership rate (78%).

After adding about 15 single-family homes during the 2000s, only five single-family homes were added in Pennock last decade. Despite the new homes, Pennock still lost four households during the 2010s, according to the Census Bureau. Projections are that Pennock will continue to lose population (-34) and households (-5) through 2030.

Population & Household Growth Trends

	2000	2010	2020	Projected 2030	Change, 2020 to 2030
Population	504	508	479	445	-34
Households	166	174	170	165	-5

Households by Tenure and Housing Type in 2020

	Owner	Renter
Single-Family	132	14
Multifamily	0	17
Mobile Home	0	7
Total	132	38

Housing Demand and Recommendations

With its close proximity to Willmar, Pennock can exceed its growth projections. Through 2030, demand is calculated for eight to 12 additional owned homes and six to eight rental units. The owned homes consist of both single-family homes and twinhomes.

Over 20 lots remain in the Dirks 4th Addition. Thus, it should meet the need for owned homes over the next five years. Additional lots are not recommended.

To meet rental housing demand, four to six single-level townhomes/twinhomes with a mix of two and three bedrooms are recommended. These units would appeal to both empty-nesters and retirees as well as some younger working households.

Prinsburg

Demographic Summary

Prinsburg is a community of 520 people (2020 Census) on Highway 7, about 14 miles southwest of Willmar. Prinsburg consists mostly of single-family homes, with only a few rental units, most of which are also single-family homes. Thus, Prinsburg has a high homeownership rate (82%).

Eight single-family homes were built last decade in Prinsburg and so far this decade, four homes have been built. Despite this, the Census Bureau found that the number of households in Prinsburg was mostly unchanged last decade and projections are that there will be little change this decade. Prinsburg can exceed its growth projections by adding to its housing stock.

Population & Household Growth Trends

	2000	2010	2020	Projected 2030	Change, 2020 to 2030
Population	458	497	520	540	20
Households	188	207	205	205	0

Households by Tenure and Housing Type in 2020

	Owner	Renter
Single-Family	168	29
Multifamily	0	8
Mobile Home	0	0
Total	168	37

Housing Demand and Recommendations

Through 2030, demand is calculated for eight to 12 additional owned homes and six to eight rental units. The owned homes consist of both single-family homes and townhomes.

There are only four remaining lots in the Prinsburg Sunset subdivision. To meet demand, an additional subdivision with 10 or more lots is recommended in Prinsburg. Lots should be priced to allow for homes with prices of \$300,000 or more.

In addition to single-family homes, it is recommended that four to six market rate rental townhomes/townhomes be added in Prinsburg. These townhomes should be single-level with attached garages and have a mix of two and three bedrooms. They would appeal to empty-nesters and retirees as well as some working households.

Raymond

Demographic Summary

Raymond is a community of 782 people (2020 Census) on Highway 23, about nine miles southwest of Willmar. Single-family homes are the predominant housing type in Raymond, with most being owned but a significant portion being rented. Overall, Raymond has a homeownership rate of 72%.

Seven homes were built in Raymond last decade and this led to slight growth of households (+4). During the first two and a half years of this decade, permits have been issued for 11 housing units. Projections are that Raymond will continue its modest growth, although it can exceed its projections by adding to its housing stock.

Population & Household Growth Trends

	2000	2010	2020	Projected 2030	Change, 2020 to 2030
Population	803	764	782	795	13
Households	310	307	311	315	4

Households by Tenure and Housing Type in 2020

	Owner	Renter
Single-Family	224	41
Multifamily	0	38
Mobile Home	0	8
Total	224	87

Housing Demand and Recommendations

Through 2030, demand is calculated for eight to 12 additional owned homes and six to eight rental units. The owned homes consist of both single-family homes and twinhomes.

There are still eight lots remaining in the First Street South subdivision. However, to meet demand, an additional subdivision with 10 or more lots is recommended over the next five years. Lots should be priced to allow for single-family homes and townhomes/twinhomes with prices of \$225,000 or more.

In addition to single-family homes, it is recommended that four to six market rate rental townhomes/twinhomes be added in Raymond. These townhomes should be single level with attached garages and have a mix of two and three bedrooms. They would appeal to empty-nesters and retirees as well as some working households.

Regal

Demographic Summary

Regal is a community of 43 people (2020 Census) on Highway 55 in the far northeastern part of the County, about 22 miles from Willmar. Regal consists entirely of single-family homes and has a high homeownership rate of 85%.

There has very little new housing construction in Regal in decades and thus, the household base has remained steady. Growth projections are that Regal will continue to stay at its current level through 2030 – or 20 households. With a projected slight increase in the average household size, the population is projected to increase to 50 in 2030.

Population & Household Growth Trends

	2000	2010	2020	Projected 2030	Change, 2020 to 2030
Population	40	34	43	50	7
Households	19	19	20	20	0

Households by Tenure and Housing Type in 2020

	Owner	Renter
Single-Family	17	3
Multifamily	0	0
Mobile Home	0	0
Total	17	3

Housing Demand and Recommendations

Demand for additional owner- and renter-occupied housing in Regal is limited. Thus, it is not recommended that a new single-family subdivision or apartment be developed in Regal. Instead, a goal should be to maintain the quality of the existing housing stock and develop one or two single-family homes on in-fill lots within the community.

Spicer

Demographic Summary

With 1,112 persons (2020 Census), Spicer is Kandiyohi County's fourth largest community. However, Spicer is on the southwestern shore of Green Lake, which is lined with homes that are mostly outside Spicer's city limits. Including these homes and many others just beyond its city limits, Spicer's zip code (56288) has about 4,400 people.

Although it is not reflected in the Census Bureau's decennial population and household counts, housing development has been strong in Spicer in comparison to other Kandiyohi County communities. Building permits were issued for 47 housing units in Spicer during the 2000s, and 35 units during the 2010s. Based on its location on Green Lake and close proximity to Willmar, Spicer has the potential to exceed its growth projection of 27 households this decade.

Population & Household Growth Trends

	2000	2010	2020	Projected 2030	Change, 2020 to 2030
Population	1,126	1,167	1,112	1,045	-67
Households	528	520	538	565	27

Households by Tenure and Housing Type in 2020

	Owner	Renter
Single-Family	379	25
Multifamily	12	122
Mobile Home	0	0
Total	391	147

Housing Demand and Recommendations

Through 2030, demand is calculated for 50 to 54 additional owned homes over the remainder of the decade. There are very few available lots in Spicer to meet this demand. Thus, a new subdivision(s) is recommended with more than 60 lots within the next five years to accommodate homes generally priced over \$300,000.

To meet rental demand over the next five years, workforce apartment(s) with up to 85 units combined with New London are recommended. Also recommended are 10 to 12 single-level townhomes/twinhomes that would be appealing to some singles, couples, and seniors.

Upwards of 90 supportive senior housing units are recommended in New London or Spicer to meet the housing needs of seniors in the northern part of Kandiyohi County. This should include a mix of independent, assisted living, and memory care units.

Sunburg

Demographic Summary

Sunburg is a community of 94 people (2020 Census) on Highway 9 in the northwestern part of the County, about 23 miles from Willmar. Sunburg consists mostly of single-family homes but has a homeownership rate of 70%, or slightly below the countywide rate.

With no new homes constructed in Sunburg last decade, the household base declined to 40 in 2020. Growth projections are that Sunburg will continue to see a decline through 2030, although Sunburg can exceed its projections by adding to its housing stock.

Population & Household Growth Trends

	2000	2010	2020	Projected 2030	Change, 2020 to 2030
Population	110	100	94	85	-9
Households	51	47	40	35	-5

Households by Tenure and Housing Type in 2020

	Owner	Renter
Single-Family	28	4
Multifamily	0	3
Mobile Home	0	5
Total	28	12

Housing Demand and Recommendations

Demand for additional owner- and renter-occupied housing in Sunburg is limited. Thus, it is not recommended that a new single-family subdivision or apartment be developed in Sunburg. Instead, a goal should be to maintain the quality of the existing housing stock and develop one or two single-family homes on in-fill lots within the community. To meet the rental needs, a market rate twinhome should be built (two units). The twinhomes should be single-level units with two-bedrooms and attached garages.

Other Housing Recommendations

The preceding pages outlined new housing products that should be built in Kandiyohi County over the next five years to satisfy housing demand from current and future residents. In addition, there are other programs that can be implemented to assist in meeting local housing needs and improving the quality of the existing housing stock. Key programs/initiatives that should be pursued or continue to promote are outlined below.

1. Housing Rehabilitation

Maintaining the quality of the existing housing stock is vital to any community. In 2018 Willmar received a Small Cities Development Program (SCDP) grant for the purpose of rehabilitation of residential properties in Willmar. Currently, Atwater is the only community with an active rehabilitation program. The funds must benefit low- and moderate-income persons (maximum of 80% of Area Median Income).

We recommend that the Willmar and the smaller communities explore the potential to apply for additional rehab funds from SCDP in the future as they assist in the preservation of housing stock affordable to low- and moderate-income households.

2. Housing Choice Vouchers

Housing Choice Vouchers (Section 8), funded by HUD, are a tenant-based rent subsidy utilized by lower income households in market rate housing developments. Voucher recipients pay 30% of their adjusted gross income for rent and the subsidy payment makes up the difference to the landlord. With limited funds available to construct new subsidized housing buildings, Housing Choice Vouchers are a great way to meet the housing needs of low-income households without having to construct new buildings. The vouchers also increase the pool of potential renters for local market rate properties. Currently, the Payment Standard for Vouchers is \$846 for one-bedroom units to \$1,984 for five-bedroom units, which is higher than the rent at many of the existing properties in the County. The bigger challenge is finding rental units with enough bedrooms to accommodate families with seven or more children.

3. First-Time Homebuyer Assistance

Each year, the Kandiyohi County and City of Willmar HRA submits an application to Minnesota Housing to participate in a program to create mortgage loan funds that are accessed by local bankers participating in Minnesota Housing First-Time Homebuyer programs. Through the programs, assistance was provided to 21 first-time buyers in 2020, 19 in 2021, and seven so far in 2022. The HRA should continue to participate in this program to assist persons who otherwise would not be able to purchase their first home.