POPE COUNTY HOUSING STUDY

City of Glenwood

April 2018

An analysis of the overall housing needs
of cities in Pope County

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Project Overview

Community Partners Research, Inc., was hired by the Pope County Housing and Redevelopment Authority to complete a housing study for nine cities in the County. These individual, city-level studies were intended to Update a Countywide study that had been completed in 2007 by Community Partners Research.

This Update was completed between November 2017 and February 2018. Each city was examined individually, although to better understand the surrounding area, the County was divided into two larger market areas, based around the larger Cities of Glenwood and Starbuck, as will be explained further on the following page.

Primary data sources that were used in the following analysis included the U.S. Census Bureau, the Minnesota State Demographer's Office, Esri, Inc., and records maintained by the individual cities and Pope County.

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources. Both the U.S. Census Bureau and the Minnesota State Demographer's Office have released demographic estimates for the year 2016. However, these annual estimates are generally limited to basic counts, such as population and household levels.

For more detailed demographic variables, the Census Bureau's American Community Survey has been examined. However, because the American Survey is an estimate, based on sampling data, there is a margin of error that exists for each estimate. For very small jurisdictions, only a limited number of surveys are completed, and the reliability of the estimates can sometimes be questioned. The following tables incorporate the 2016 American Community Survey data, when it is viewed as reliable.

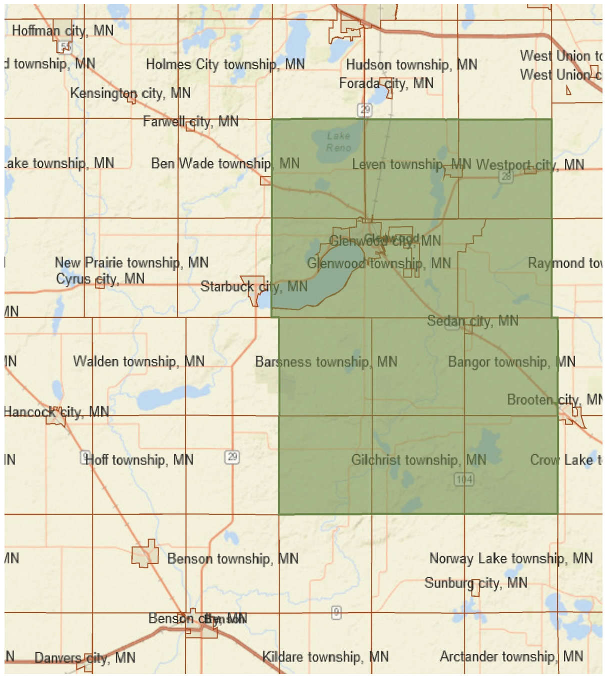
The frequency of American Community Survey estimates vary depending on the size of the jurisdiction. For the small cities in Pope County, the 2016 estimates were the most current at the time of this Study. They were derived from sampling that was done over a five-year period, between 2012 and 2016.

One final data source that is used is Esri, Inc., a private data reporting service. Esri estimates are available for 2017, with projections to 2022. For the larger cities of Glenwood and Starbuck, Esri's city-level estimates have been used. However, for the smaller cities, where the accuracy of Esri's data is more questionable, only the larger market area aggregation has been used.

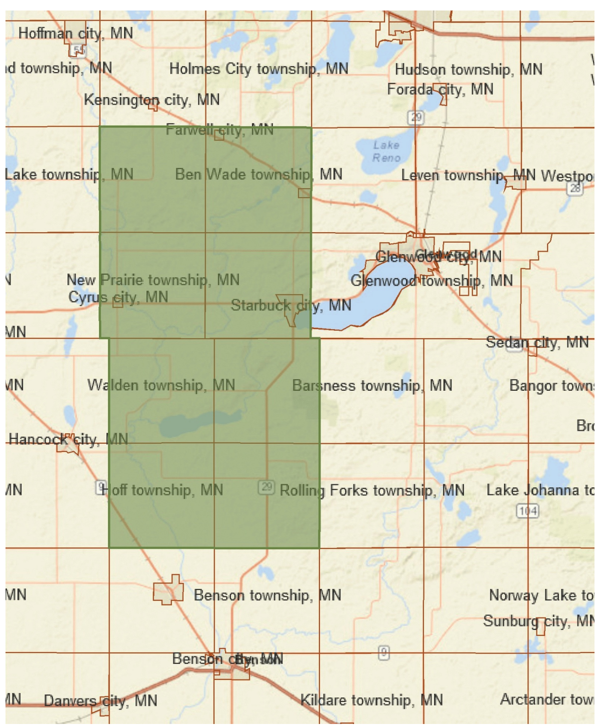
Market Area Definition

To help place each of the cities in a regional context, a larger market area designation has been assembled and analyzed. The Glenwood Market Area is a group of 17 County jurisdictions generally located in the eastern half of Pope County, including the Cities of Glenwood, Long Beach, Sedan, Villard and Westport, and the Townships of Bangor, Barsness, Chippewa Falls, Gilchrist, Glenwood, Grove Lake, Lake Johanna, Leven, Minnewaska, Reno, Rolling Forks and Westport.

Glenwood Market Area



Starbuck Market Area



Population Trends Analysis

The most recent official population estimates for Glenwood and Pope County are for 2016, and were prepared by the Minnesota State Demographer's Office. For population, additional estimates exist from the U.S. Census Bureau for 2016, and from Esri, Inc., for 2017. While the following table displays the 2016 estimate from the State Demographer, the other recent estimates are discussed in the text that follows.

Table 1 Population Trends - 1980 to 2016

	1980 Census	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2016 Estimate
Glenwood	2,523	2,573	2,594	0.8%	2,564	-1.2%	2,574
Market Area	7,332	6,970	7,320	5.0%	7,288	-0.4%	7,343
Pope Co.	11,657	10,745	11,236	4.6%	10,995	-2.1%	11,026

Source: U.S. Census Bureau; MN State Demographer

Glenwood has experienced some minor upward and downward movement in the number of City residents over the past several decades, but the overall long-term change has been very limited. The 2016 estimate from the Minnesota State Demographer's Office placed the City's population at 2,564 people, up by only 10 people from the 2010 Census count. However the 2016 estimate was only one person higher than the 1990 Census, and only 51 people above the 1980 Census count.

The Census Bureau also issues annual population estimates, effective for July 1, 2016. This estimate placed Glenwood's population at 2,562 people, almost identical to the State Demographer's estimate.

Esri has a slightly higher population estimate for the City, with 2,610 residents in 2017. When compared to the 2010 Census, this source shows the City adding 46 people so far this decade. Although the Esri estimate is higher than the other two sources, even Esri shows only limited recent growth for the City.

For the aggregated Glenwood Market Area, which includes 17 separate jurisdictions in the eastern half of Pope County, the State Demographer also shows limited population change after 2010. Overall, the 2016 estimate showed an increase of 55 residents for the entire area, or 45 people outside of the City of Glenwood.

The Census Bureau's 2016 estimate for the entire Market Area was once again very similar to the State Demographer's, with 7,337 residents for the aggregated area, up by 49 people from the 2010 Census.

The Esri report for the aggregated Market Area showed 7,577 people in 2017. This estimate is well above the other sources, although it is also one year forward from the estimates available from the Demographer or the Census Bureau. If accurate, the Esri Estimate shows the entire Market Area adding 289 people since 2010. Excluding the population growth attributable to Glenwood, the Esri estimate would also show the remainder of the Market Area adding 243 residents.

It is not known why Esri believes that more growth has been occurring outside the City of Glenwood, in the rural townships and small cities that form the Market Area. However, there is a large volume of seasonal/recreational use housing along Lake Minnewaska and elsewhere in the eastern portion of the County. Occupancy of this housing by year-round residents could be the reason that Esri believes a greater level of population growth has existed.

For all of Pope County, the State Demographer's 2016 estimate showed 11,026 people, up by 31 people from 2010. This estimate was very similar to the Census Bureau's which showed 11,049 in 2016.

Esri placed the countywide population at 11,453 people in 2017. Although the effective date is one year forward in the Esri estimate, this source has a much higher population level for the County, and reflects the growth they believe has occurred within the Glenwood Market Area.

Group Quarters

At the time of the 2010 Census, Glenwood had 100 residents in group quarters housing, primarily living in skilled nursing homes. The Demographer's 2016 estimate showed 80 group quarters residents. Although the Demographer's Office does not specify the type of group quarters housing, it would appear that the most recent estimate reflects the closing of the Good Samaritan home.

Race/Ethnicity

At the time of the 2010 Census more than 97% of Glenwood's residents identified themselves as White for race, and fewer than 2% of City residents were of Hispanic/Latino ethnicity. Due to the limited diversity, no further demographic details have been provided by race or ethnicity.

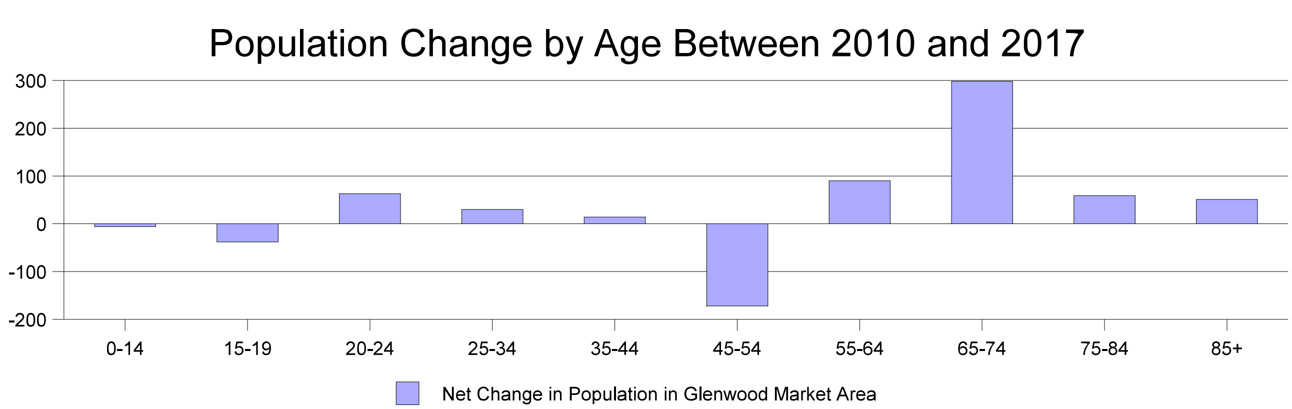
Population by Age Trends: 2010 to 2017

Esri's 2017 population estimate for the Glenwood Market Area includes the age distribution of the population. In the following table, Esri's age-based 2017 population estimates have been compared to the age distribution that existed at the time of the 2010 Census to examine changing patterns. It is important to note that Esri's total population estimate is higher than other available sources.

Table 2 Population by Age - 2010 to 2017

Age	Glenwood Market Area		
	2010	2017	Change
0-14	1,279	1,273	-6
15-19	414	376	-38
20-24	287	350	+63
25-34	760	790	+30
35-44	774	788	+14
45-54	1,115	943	-172
55-64	1,095	1,185	+90
65-74	769	967	+298
75-84	530	589	+59
85+	265	316	+51
Total	7,288	7,577	+389

Source: U.S. Census; Esri

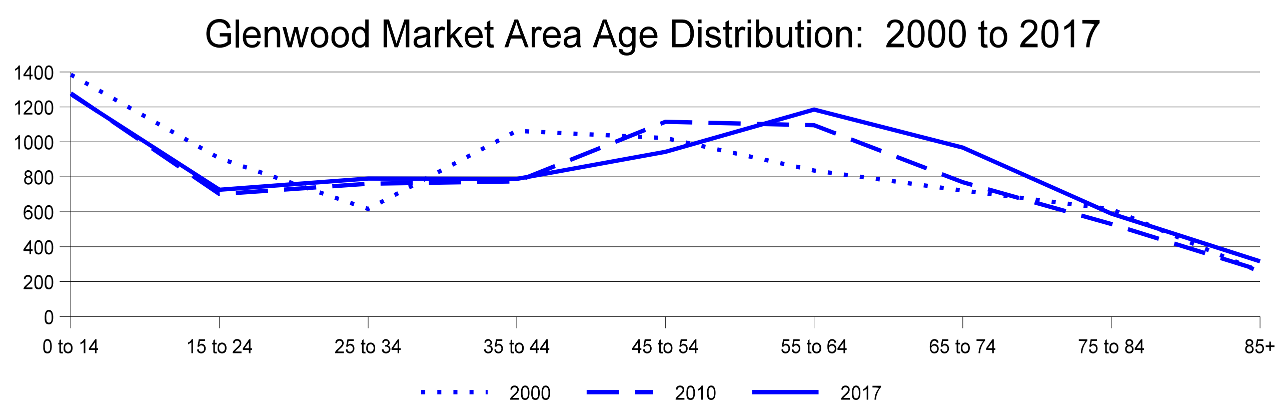


The age-based estimates from Esri track the age progression of the large baby boom generation, as the Glenwood Market Area jurisdictions have been adding people in the prime baby boomer age ranges between 55 and 74 years old. In 2017, nearly all of the baby boomers were within this 20-year age range.

At the same time, there has often been a decrease in most of the younger age groups, especially in the 45 to 55 year old range, as the baby boomer migration resulted in a numeric reduction within this trailing age cohort.

If grouped into larger aggregations, the Glenwood Market Area added 498 people age 55 or older, but lost 109 people age 54 or younger so far this decade.

The aging trends present in the Glenwood Market Area can be traced back to the year 2000 to see the continued "wave" advancement of the baby boom generation.



Household Trends Analysis

The Minnesota State Demographer's Office has also issued household estimates for 2016. The Demographer's estimates are presented in the following table, along with information from past decennial censuses. Esri estimates for 2017 have been examined in the text that follows the table. The Census Bureau does not provide annual household estimates.

Table 3 Household Trends - 1980 to 2016

	1980 Census	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2016 Estimate
Glenwood	1,033	1,093	1,131	3.5%	1,185	4.8%	1,214
Market Area	2,656	2,669	2,954	10.7%	3,158	6.9%	3,234
Pope Co.	4,241	4,135	4,513	9.1%	4,736	4.9%	4,818

Source: U.S. Census; MN State Demographer

When viewed over a longer time period, Glenwood has consistent growth in the number of permanent resident households. Comparing 1980 to 2016, the City has added 181 households over this 37-year time period, or an annual average of approximately five households per year. According to the State Demographer's most recent estimate this steady pace of growth has continued into the current decade as the City has averaged nearly five additional households annually between 2010 and 2016.

Esri has a slightly lower estimate for the City. Although the total number of households was estimated to be 1,213, nearly identical to the State Demographer, the Esri estimate was one year forward. If reduced to an annual average this would show growth of approximately four households per year so far this decade.

The State Demographer has also been tracking a continued household growth pattern for the entire Glenwood Market Area. If 2016 is compared back to 1980, the entire Market Area has added 578 households, or approximately 16 households in an average year. Between 2010 and 2016, the Demographer's estimate shows 76 total households added, or nearly 13 households per year.

Esri's Market Area estimate is one year more recent and shows a larger level of growth. According to this source, the aggregated area had 3,293 households in 2017, up by 135 households from the 2010 Census count. If accurate, the entire Market Area has been averaging 19 new households per year so far this decade, with 15 households per year in the combined Market Area jurisdictions outside of the City of Glenwood.

The Market Area jurisdictions have a large number of seasonal/recreational use housing units, and based on the Esri estimate, it is possible that over time, some of this housing has been occupied by permanent resident households.

For all of Pope County, the Demographer's 2016 estimate showed growth of 82 households since 2010. Countywide, there has generally been a long-term pattern of gradually adding households.

Esri's 2017 estimate for all of Pope County shows 4,949 total households, up by 213 households from 2010. Esri tends to have a much more optimistic assessment of recent growth patterns in Pope County, showing much higher population and household levels than the other available sources.

Average Household Size

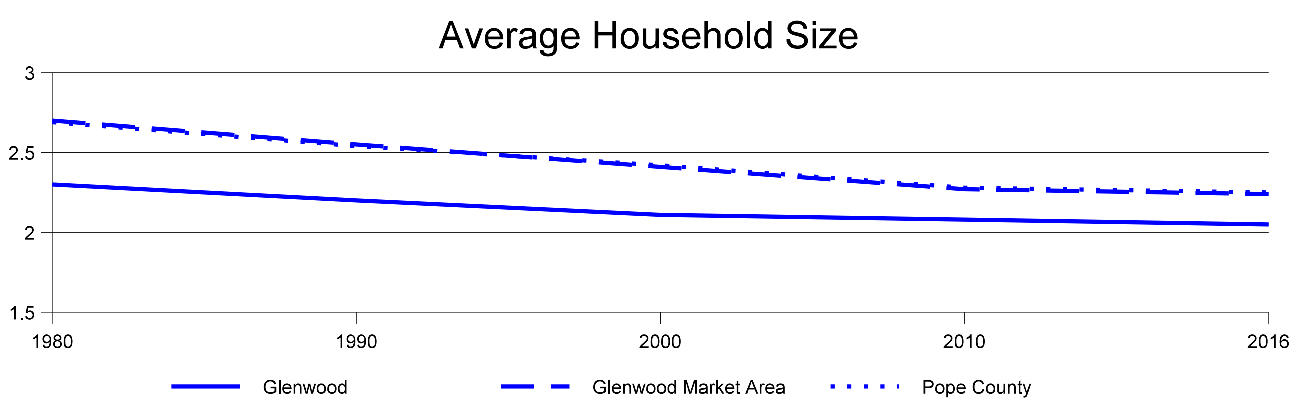
Average household size can be used to define the characteristics of residents over time. Typically, a larger average household size indicates more families with children, while a smaller average household size indicates an aging population, including more people living alone. The following table provides decennial Census information on average household size. The 2016 estimates from the State Demographer are also included.

Table 4 Average Number of Persons Per Household - 1980 to 2016					
	1980 Census	1990 Census	2000 Census	2010 Census	2016 Estimate
Glenwood	2.30	2.20	2.11	2.08	2.05
Market Area	2.70	2.55	2.41	2.27	2.24
Pope Co.	2.69	2.54	2.42	2.28	2.25

Source: U.S. Census; MN State Demographer

The average household size in Glenwood has become progressively smaller over time. In 1980, the average household size of 2.30 persons was already relatively small when compared to other jurisdictions in the County. However, by 2016, the City's average household size had decreased to only 2.05 persons. Only Farwell and Gilchrist Township had a smaller average household size in 2016.

There has been a steady decrease in the average household sizes in the Glenwood Market Area and in all of Pope County. However, the average household sizes for these larger areas are still well above the average for Glenwood.



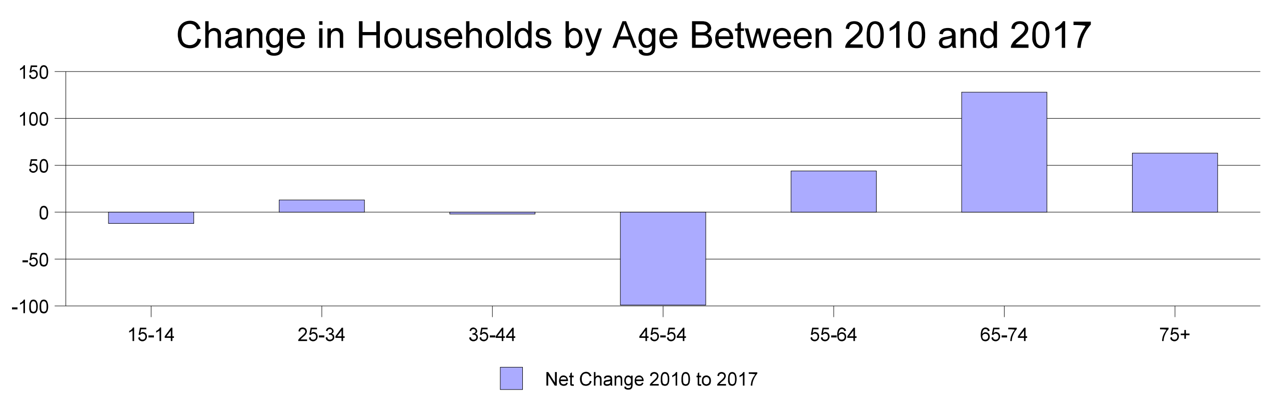
Household Age Trend Estimates

Esri has issued household estimates by age of the householder for 2017. The following table compares Glenwood Market Area households by age of householder in 2010 and 2017, to determine changes that have been occurring in recent years.

Table 5 Households by Age - 2010 to 2017

Age	Glenwood Market Area		
	2010	2017	Change
24 and younger	100	88	-12
25-34	370	383	+13
35-44	420	418	-2
45-54	620	521	-99
55-64	638	682	+44
65-74	464	592	+128
75 and older	546	609	+63
Total	3,158	3,293	+135

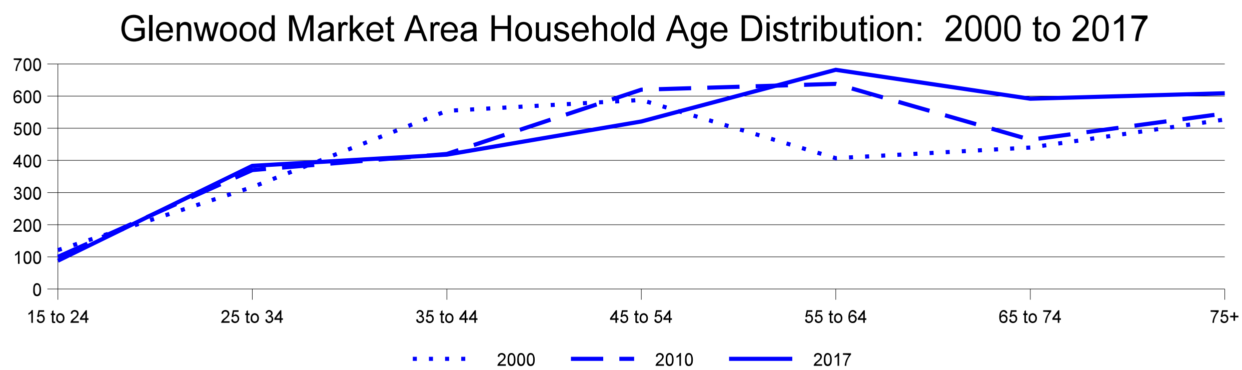
Source: U.S. Census; Esri



According to the estimates from Esri, the Glenwood Market Area has added 135 total households between 2010 and 2017. This level of household growth is greater than other sources, as the State Demographer's most recent estimate shows only 76 households added between 2010 and 2016.

The Esri estimates follow the same patterns as the population distribution presented earlier, as growth is especially strong in the prime baby boomer ages. Overall, there was an increase of 235 households with a head of household that was age 55 or older, but a reduction of 100 households with a head of household age 54 or younger.

The strongest numeric growth of any age cohort was among households in the 65 to 74 year old age range. The largest loss occurred among households age 45 to 54 years old, as the age cohort trailing behind the baby boom generation was not as large.



Age distribution patterns dating back to the year 2000 show the advancing "wave" created by the baby boom generation. One noticeable trend has been the growing number of households over time within the prime baby boomer age ranges, as the Market Area has attracted and retained these households.

Household Projections

The following table presents household projections from Esri. The Demographer has not issued household estimates at the city level, but it is possible to convert a previously issued population projection for Glenwood into households with some basic assumptions about group quarters residents and trends in average household size. The State Demographer's Office has issued household projections at the county level. However, these are no longer posted on the Demographer's website, and may have been withdrawn.

Table 6 Household Projections Through 2020/22

	Esri		State Demographer	
	2017 Estimate	2022 Projection	2016 Estimate	2020 Projection
Glenwood	1,213	1,249	1,214	1,224
Market Area	3,293	3,421	3,234	N/A
Pope Co.	4,949	5,145	4,818	4,851

Source: Esri; MN State Demographer; * extrapolated by Community Partners Research, Inc.

The household projection from Esri expects Glenwood to add 36 households over the next five years. Esri believes that only limited household growth has been occurring in Glenwood since 2010, and the projects a slightly greater rate of numeric growth going forward to the year 2022. If reduced to an annual average, the Esri forecast expects the City to add approximately 7 households in a typical year.

The extrapolated projection from the State Demographer data yields a more moderate household forecast for Glenwood, with the potential addition of only 10 households between 2016 and 2020, or an annual average of between 2 and 3 households per year. This modest growth expectation would be lower than the recent past, as the City has been averaging growth of approximately 5 households annually between 2010 and 2016 according to the Demographer's most recent estimate.

Esri does expect more substantial growth for the entire Glenwood Market Area, with a projected increase of 128 households in the combined jurisdictions between 2017 and 2022. More specifically, 36 of these households would be expected in Glenwood, and 92 households in the remaining jurisdictions. If this projected level of growth is actually achieved, a much greater level of growth would be needed within the smaller Market Area jurisdictions going forward.

The household projections issued by the State Demographer's Office for Pope County would expect the County to add approximately 33 households between 2016 and 2020, or an average of 8 to 9 households per year. Through the first six years of this decade, the County has added nearly 14 households per year according to the Demographer, so the 2020 projection could be viewed as conservative.

Esri does expect a greater level of growth Countywide, with the addition of 196 households between 2017 and 2022. On an annual average basis, this would be approximately 39 households per year. Esri estimates that Pope County added 213 households from 2010 to 2017, or approximately 30 households in an average year, so the numeric pace of growth is expected to increase somewhat over the next five years.

Esri's countywide projection is more heavily based on expected growth in the eastern half portion of the County, as defined by the Glenwood and Starbuck Market Area designations. The projected net growth of 196 households over the five-year period allocates 128 total households in the Glenwood Market Area and 68 total households in the Starbuck Market Area.

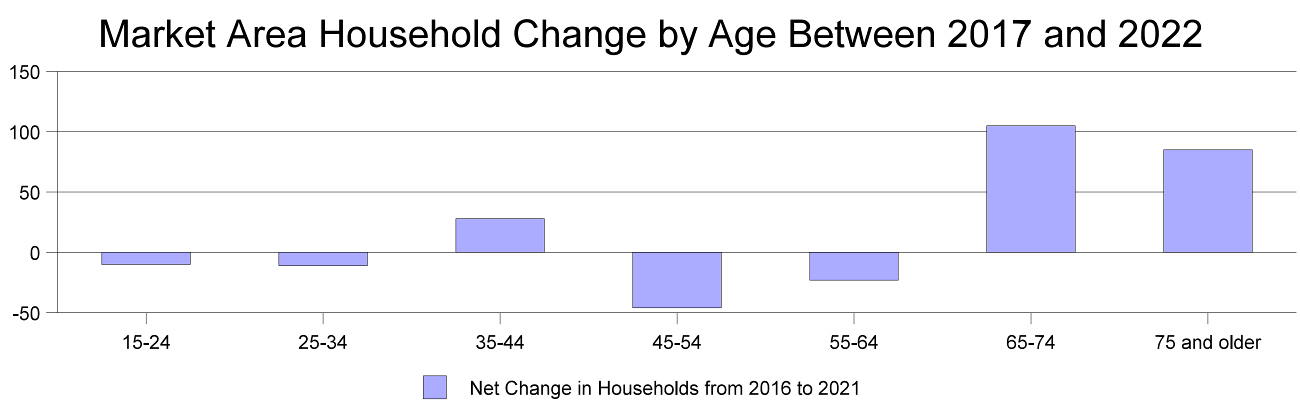
While Esri's countywide total for future households may prove to be overly optimistic, the distribution pattern would tend to be somewhat consistent with the recent past, as tracked by other data sources. Between 2010 and 2016, the Minnesota State Demographer's Office belies that the Glenwood Market Area has added 76 total households while the Starbuck Market Area has added only six total households. For Esri's projection to be accurate, both Market Areas would need to add substantially more households over the next five years but this would be especially true for the jurisdictions that form the western portion of the County.

Household by Age Projections: 2017 to 2022

Esri has generated age-based forecasts for households to the year 2022. These projections can be compared to the data contained in the 2017 Esri estimate to examine the anticipated change over the next few years. These age-based forecasts are presented for the entire Glenwood Market Area.

Table 7 Market Area Projected Households by Age - 2017 to 2022			
Age	2017 Estimate	2022 Projection	Numeric Change
15-24	88	78	-10
25-34	383	372	-11
35-44	418	446	+28
45-54	521	475	-46
55-64	682	659	-23
65-74	592	697	+105
75+	609	694	+85
Total	3,293	3,421	+128

Source: Esri; Community Partners Research, Inc.



According to Esri's projections, most of the change in households by age of householder will occur within three defined age groups. The largest net growth should occur among households age 65 to 74 years old, followed by growth from households age 75 and older. However, a large net reduction is expected among households age 45 to 54 years old, as the age group behind the baby boomers was not as large. Overall, the Market Area should have a decrease of approximately 62 households age 64 and younger, but an increase of 190 households age 65 and older.

2016 Income Data

Annual household income estimates are available through the Census Bureau's American Community Survey. The median income estimates are available at the City and County level, but not for the aggregated market areas. The most recent American Community Survey release is for 2016. This can be compared to the 2010 data to track changes over time.

Household income represents all independent households, including people living alone and unrelated individuals together in a housing unit. Families are two or more related individuals living in a household.

Table 8 Median Income - 2010 to 2016			
	2010 Median	2016 Median	% Change
Households			
Glenwood	$35,396	$48,325	36.5%
Pope County	$47,196	$55,180	16.9%
Minnesota	$57,243	$63,217	10.4%
Families			
Glenwood	$47,234	$68,125	44.2%
Pope County	$58,581	$69,410	18.5%
Minnesota	$71,307	$79,595	11.6%

Source: American Community Survey 5-year survey

According to the estimates for Glenwood contained in the American Community Survey, the median income levels in the community have grown significantly in recent years, with a rate of growth that has been well above the comparable County or statewide rates. When compared to 2010, the median household income in 2016 had increased by more than 36%, and the median family income had increased by more than 44%. However, the median income levels for households and families in Glenwood were still below the comparable Countywide levels in 2016.

Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Glenwood could afford approximately $1,210 per month for ownership or rental housing in 2016. A median income family could apply approximately $1,700 per month without experiencing a housing cost burden.

There was also growth in both the median household income and the median family income for all of Pope County. However, the median levels were still lower than the comparable statewide median levels.

The rate of change for median income levels over time also needs to be compared to inflation. According to the website www.calculator.net/inflation-calculator the inflation rate during this same time period was approximately 10.5%. Using this comparative measure, the rate of change for the median household and family income levels in Glenwood significantly exceeded the rate of inflation.

However, as will be detailed later in this section, renter households tend to be below the overall median, while owner households tend to be above the overall median level.

Income Distribution by Housing Tenure

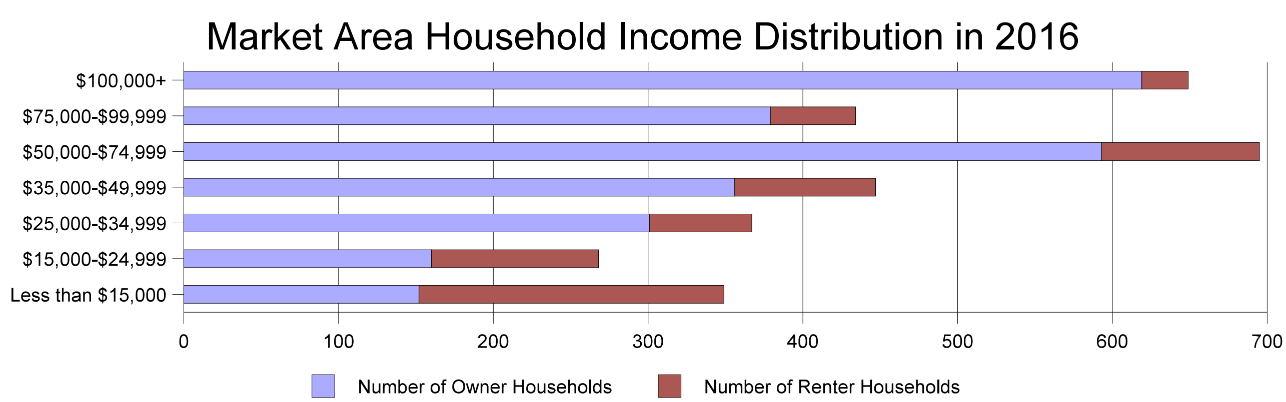
The American Community Survey provided an income estimate by owner and renter status. The following table examines income distribution within the entire Glenwood Market Area.

The American Community Survey appears to have slightly underestimated the total number of households in the Market Area, when compared to other data sources, however this difference was small. While recognized as a conservative estimate for total households, the American Community Survey still represents the best available data on income distributions by housing tenure.

Table 9 Glenwood Market Area Household Income by Tenure - 2016

Household Income	Number of Owner Households	Number of Renter Households	Total Households
$0 - $14,999	152	197	349
$15,000 - $19,999	79	53	132
$20,000 - $24,999	81	55	136
$25,000 - $34,999	301	66	367
$35,000 - $49,999	356	91	447
$50,000 - $74,999	593	102	695
$75,000 - $99,999	379	55	434
$100,000+	619	30	649
Total	2,560	649	3,209

Source: American Community Survey 5-year estimates



Household income and housing tenure are often linked for most households. More than 57% of all renter households had an annual income below $35,000 in 2016. At 30% of income, these households would have $875, or less, that could be applied to monthly housing costs.

Although no median income estimate exists for the aggregated jurisdictions that form the Market Area, an estimate can be extrapolated from the distribution data. For all renter households an approximate median income was $28,030 in 2016. If 30% of income is applied to housing, a renter at the median income level could afford approximately $700 per month.

Conversely, most owner households had a substantially higher income level. More than 62% of owner households had an annual income of $50,000 or more in 2016. The extrapolated median household income for owners was $63,110. If 30% of income is applied to housing, a home owner at the median income level could afford approximately $1,575 per month.

2016 Estimated Income and Housing Costs - Renters

The American Community Survey also collected information on housing costs. The following table provides data on the number of renter households that are paying different percentages of their gross household income for housing in the Glenwood Market Area.

Table 10 Gross Rent as a Percentage of Income - 2016

Percent of Income for Housing	Renter Households Age 64 and under	Renter Households Age 65+	All Renter Households
Less than 20%	127	65	192
20% to 29.9%	75	31	106
30% to 34.9%	56	12	68
35% or more	105	60	165
Not Computed	85	33	118
Total	448	201	649

Source: American Community Survey

Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a "rent burden". When more than 35% is required, this can be considered a "severe rent burden".

According to the American Community Survey, nearly 36% of all renters in the Glenwood Market Area were paying 30% or more of their income for rent. Most of these households were actually paying 35% or more of their income for housing, based on the available estimates.

The rental cost burden statistics showed all age groups were impacted. In numeric terms, most of the cost-burdened households were age 64 or younger. However, a number of senior citizen renter households were also applying 30% or more of their income to housing costs.

Although a housing cost burden could be caused by either high housing costs or low household income, it was primarily due to low income levels for renters. Nearly all of the renter households with a housing cost burden had an annual household income below $35,000. To avoid a cost burden, these households would have needed a unit with a gross monthly rent of $875 or less.

2016 Estimated Income and Housing Costs - Owners

The American Community Survey also provided housing cost estimates for owner-occupants. The following table provides estimates of the number of households in the Glenwood Market Area that are paying different percentages of their gross household income for housing costs.

Table 11 Ownership Costs as a Percentage of Income - Market Area		
Percentage of Household Income for Housing Costs	Number of Owner Households 2016	Percent of All Owner Households 2016
0% to 19.9%	1,428	55.8%
20% to 29.9%	550	21.5%
30% to 34.9%	179	7.0%
35% or more	387	15.1%
Not Computed	16	0.6%
Total	2,560	100%

Source: American Community Survey

Most owner-occupants, which would include both households with or without a mortgage, reported paying less than 30% of their income for housing. However, approximately 22% of all home owners reported that they paid 30% or more of their income for housing, with most of these applying more than 35% of income for housing costs.

As would be expected, the large majority of cost-burden home owners had a mortgage on their home. However, more than 22% of owners reported a cost burden had no mortgage. In these cases, it was generally a low annual income that had caused the cost burden, such as a retiree that lived on a fixed income.

Housing Tenure

The 2010 Census provided the last reliable look at housing tenure patterns. The following table examines the number and percentage of owner and renter households.

Table 12 Household Tenure - 2010				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Glenwood	732	61.8%	453	38.2%
Market Area	2,513	79.6%	645	20.4%
Pope County	3,778	79.8%	958	20.2%
State	-	73.0%	-	27.0%

Source: U.S. Census

According to the 2010 Census, the ownership rate in Glenwood was 61.8%, well below the Statewide rate of 73%. However, for the entire Market Area, the ownership rate was much higher, at nearly 80%. Most of the County's rental housing options are located in the Glenwood Market Area, which includes the jurisdictions in the eastern portion of Pope County, with more than 47% of all renter households in 2010 living within the City of Glenwood.

Although no reliable information exists for the occupancy tenure distribution in the City in 2018, it is probable that the rental tenure rate has increased slightly since that time. Overall, there have been more rental units constructed in the City that houses intended for owner-occupants. As a result, by the end of 2018, it is probable that the City will have added approximately 60 renter households and 10 owner households so far this decade, and the rental tenure rate may move above 40% by the end of this year.

Any other changes in the occupancy tenure of the City's housing stock would be due to vacancies or tenure movement caused by conversions, if owner-occupied housing switched to rental use or vice versa.

Housing Units and Occupancy Status in 2010

The 2010 Census contained information on the housing units that existed in Glenwood. The following table presents this information, including the types of vacant units that were present.

Table 13 Occupancy Status of Housing Units - 2010						
	Occupied Units		Vacant Units			
	Owner	Renter	Rental	For Sale	Seasonal Use	Other Vacant
Glenwood	732	453	40	44	46	24
Market Area	2,513	645	77	103	1,183	75
Pope Co.	3,778	958	107	137	1,313	142

Source: U.S. Census

At the time of the 2010 Census, Glenwood did have some unoccupied housing. Overall, the Census counted 40 rental housing units that were unoccupied, and 44 units intended for owner-occupancy. There were 46 housing units in Glenwood intended for seasonal/recreational use.

The Census had also recorded 24 units of "other vacant" housing in the City. There was no further explanation provided, but it is very possible that these units were not available for of suitable for occupancy, so their designation as owner, rental or seasonal housing could not be determined.

There was a significant inventory of seasonal/recreational use housing units elsewhere in the Market Area. According to the 2010 Census, there were nearly 1,200 seasonal/recreational properties in the eastern portion of the County, defined in this Update as the Glenwood Market Area.

The availability of some vacant housing, or units that have been seasonal/recreation use only, does allow for household growth if later occupied by permanent residents. However, tracking any unit conversion between the decennial censuses is very difficult.

As stated early, Esri believes that more household growth has been occurring within the Market Area than other sources have been tracking. The number of vacant units present in 2010, especially seasonal/recreational use housing, would make the Esri estimate feasible, if this housing has since been occupied by permanent resident households.

Building Permit Activity

Some ongoing housing unit construction activity has been occurring in Glenwood in recent years. Much of this has been in the form of multi-unit projects. The following table displays information on the year the building permit was issued, but in some cases, construction may not have been completed until the following year.

Table 14 Glenwood Housing Construction Activity: 2010 to 2017

Year	Single Family	Multifamily Rental	Total Units
2017	0	32	32
2016	3	30	33
2015	1	0	1
2014	2	23	25
2013	2	0	2
2012	2	0	2
2011	0	0	0
2010	0	0	0
Total 2010-2017	10	85	95

Source: City of Glenwood

Single Family Construction

Since 2010, only 10 single family houses have been permitted in Glenwood. In 2017, no single family homes were built. At least one of the houses permitted in 2015 was a speculative home constructed by the local Glenwood Development Foundation. This group of local people interested in promoting and advancing the community had acquired the vacant lot inventory in the Scenic View Subdivision with the intent of generating additional new home construction in the City. This home is still available for sale.

Multifamily Construction

Most of the new unit creation in Glenwood over the past 10 years has been in multifamily projects, primarily providing rental options.

In 2017, a permit was issued for the 32-unit Forest Ridge Apartments. This project received assistance through a special State program aimed at creating more affordable work force housing. Other types of assistance were provided locally, including a land cost write-down to help generate a lower rent structure. This project will open for occupancy in 2018.

In 2015, Ridgewood Villa, a specialized senior housing provider, constructed 30 new units at their existing Glacial Ridge campus location. Existing units were also renovated at the time. The actual net gain in available housing through this project was 29 units. Ridgewood Villa is physically attached to the hospital, and these are designed for seniors needing some level of care along with their housing.

In 2014, a 23-unit permit was issued to The Pearl, a condominium project located adjacent to Lake Minnewaska. Based on second-hand reports, these units have been slow to sell. In 2018 there are eight units available on the ground level of this project that are being offered as luxury rental housing.

Prior to 2010, there were 16 town house-style rental units that were permitted in 2009, as the second phase of the Glenwood Townhomes project. These are market rate rental units, offering amenities of single family living, including an attached garage. The timing of these units is not known, and it is possible that some were complete and available for occupancy at the time that the 2010 Census was conducted in April or my of that year. Units that were still under construction may not have been counted as even vacant housing by Census takers.

Median Year of Construction

The 2016 American Community Survey included an estimate of the median year of construction for housing. In Glenwood, the median year for owner-occupancy units was 1955. The median year of construction for rental housing was 1971.

The age of the owner-occupancy housing stock in Glenwood is older than the Countywide average. For all housing in Pope County, the estimated median year of construction was 1969 for owner-occupancy units. The rental stock in Glenwood matched the median year of construction for rental units Countywide at 1971.

Residential Lots

According to City officials, there are some residential subdivisions with an improved lot inventory.

Scenic View - There are four vacant lots remaining in this subdivision, plus one speculative construction home that is currently for sale. In the recent past, the Glenwood Development Foundation acquired the five remaining lots from the original developer. The spec home that was then constructed has been for sale for approximately nine months, with an asking price of $279,000. Due to restrictive covenants, the construction of lower-priced homes is not allowed. With its goal to build entry-level houses, the GDF may elect to sell the remaining lots to a for-profit developer, with an expected asking price of $35,000 or less, with all assessments paid.

Mt. Lookout Heights - This subdivision was originally created in the early 2000s and three spec homes were built. Due to limited sales and the housing market retreat of the late 2000s, the lots and spec homes eventually reverted to bank ownership. Two of the spec homes have since been sold, but one is bank-owned and used as a rental option. There are also approximately 20 vacant lots remaining. Prices vary depending on lot quality and views, but are generally within a range between $40,000 and $71,000, with all special assessments paid.

City Lots (Central Square) - There may be four or five lots that are City-owned near the Central Square area of the City. A past attempt had been made by the Glenwood Development Foundation to acquire these lots for affordable new home construction, but a successful sale was not negotiated with the City. Although these lots are not actively listed for sale, they could be available for new home construction.

Glenwood Village-owned lots - The Glenwood Village Care Center owns three vacant lots in the northeast portion of the City. These lots are not contiguous to the existing senior campus. They are available for sale at $20,000 per lot. However, they are not served by municipal sewer and water, and the cost of extending infrastructure to the area is viewed as a barrier to future use.

In addition to these identified subdivisions, there are some scattered infill lots that exist within the community.

Home Sales

The Pope County Assessor's Office maintains annual residential sales records. For the following analysis, sales were reviewed for each calendar year, dating back to the year 2012.

For each year, only "qualified" sales were included. Qualified sales are considered to be "arms length" transactions, and exclude certain sales such as sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. The Pope County Assessor's Office makes the determination of qualified sales for their annual sales ratio study.

In some defined 12-month periods, the number of good sales that occur with the City may be limited, and may not be a good indicator of the typical home value. However, the annual sample does provide insight into units that become available for purchase.

The County's qualified sales data primarily look at existing homes. The information maintained by the Assessor is based on the comparison of taxable valuation to actual sales price. Since newly constructed houses do not generally have a prior value, they are not typically included in the sales sample.

The sales records reviewed were for improved residential parcels with less than four units. While it is possible that some structures had more than one living unit, such as a duplex, it is assumed that the large majority of the sales are single family houses.

The sales sample that was obtained contained 12 months of activity for the calendar years from 2012 through 2016, but 2017 transactions only represent sales through the end of September. It is therefore possible that the median may differ when the final three months of activity is recorded.

Table 15 Values of Recent Residential Sales in Glenwood				
Year	Number of Sales	Median Price	Highest Price	Lowest Price
2017**	29	$134,500	$218,000	$24,700
2016	33	$130,000	$486,000	$20,000
2015	32	$117,500*	$231,000	$42,250
2014	34	$94,669*	$217,500	$45,500
2013	30	$108,727*	$350,000	$52,000
2012	7	$112,817	$255,000	$50,500

Source: Pope County Assessor; Community Partners Research, Inc.
*Medians were calculated from the two closest sales
**2017 is partial-year

Since the number of annual home sales can be relatively small in some years, such as 2012, the median price may not be an accurate reflection of overall values. However, when viewed over a longer period, certain trends emerge.

Excluding 2012 when only seven good sales were recorded, the annual median has ranged from a low of $94,669 in 2014, to a high of $134,500 in 2017 (partial year).

Based on this information, it would appear that there is some upward price pressure on existing home values, as 2017 and 2016 reflect the highest median sale prices of the years reviewed.

The table above also provided information on the highest annual sale prices. In each of the years reviewed, at least one house has sold for more than $217,000. In some years, sales above $300,000 have been recorded. Although details were not included in the County records that were obtained, it is possible that some of the higher valued sales represent lake shore properties.

In each of the years reviewed, at least one house was sold for less than $55,000.

An alternate home value estimate is available from the 2016 American Community Survey. This source places the midpoint owner-occupied house value at $123,400, slightly lower than the median sale price that year of $130,000.

Glenwood Home Sales by Price Range

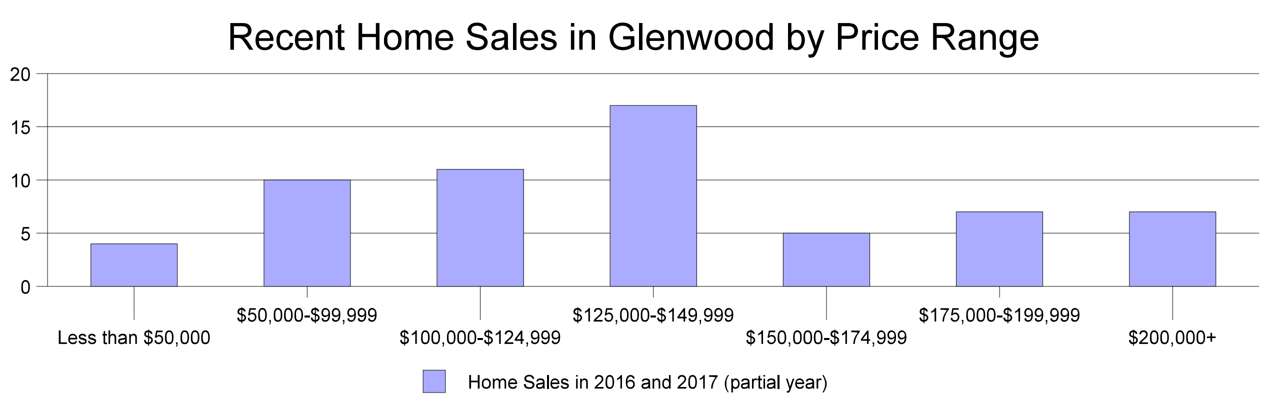
The following table looks at single family houses that sold within defined price ranges over a 21-month period from January 1, 2016 through September 30, 2017.

Table 16 Glenwood Recent Home Sales by Price Range		
Sale Price	Number of Sales	Percent of Sales
Less than $50,000	4	6.6%
$50,000 - $99,999	10	16.4%
$100,000 - $124,999	11	18.0%
$125,000 - $149,999	17	27.9%
$150,000 - $174,999	5	8.2%
$175,000 - $199,999	7	11.5%
$200,000+	7	11.5%
Total	61	100%

Source: Pope County; Community Partners Research, Inc.

Recent home sales in Glenwood have been distributed in a wide range of prices, but more than half of all sales were between $100,000 and $174,999.

Approximately 23% of the sales over the past two years were priced below $100,000, and less than 12% were sold for $200,000 or more.



Rental Housing Data

According to the 2010 Census, the City of Glenwood had 453 occupied rental housing units, and at least 40 unoccupied rental units, for a total estimated rental inventory of 493 units. The City's rental tenure rate was 38.2% in 2010, well above the Statewide rental rate of 27%.

The rental households living in Glenwood at the time of the 2010 Census represented approximately 70% of all renters living in the larger Glenwood Market Area, and more than 47% of all occupied rental units Countywide. The rental tenure rate for the entire Market Area was only 20.4%, and for all of Pope County the rental rate was 20.2%.

Obtaining reliable housing tenure information in the years between the decennial census can be difficult. According to the 2016 American Community Survey, there were 439 occupied rental units in Glenwood, and approximately 62 unoccupied rental units. This would yield a total rental inventory of 501 units, up slightly from the 2010 Census count. This may reflect a fairly accurate inventory for all rental housing in the City, although the estimate of unoccupied units appears to be overly high.

The City of Glenwood does not have a rental housing registration program that allows for the tracking of the annual inventory of rental units in the City. Using building permits, it is possible to track new rental housing construction. In 2016, 30 apartment-style senior units were constructed in the most recent phase of the Ridgewood Villa project. However, these were not occupied until later in the year, and would not have been included in the 2016 American Community Survey estimate, which was effective for July 2016.

There will be some additional rental units added to the local inventory in 2018. This includes the 32-unit Forest Ridge Apartments, which will open for occupancy in 2018. There have also been eight condominium units in The Pearl that will be offered for renter-occupancy in 2018.

Rental Housing Survey

In January and February 2018, a telephone survey was conducted of multifamily rental projects in cities in Pope County, including Glenwood. The survey focused on rental properties with four or more units. Multiple attempts were made to successfully contact each of the identified multifamily properties.

The table that follows presents information for market rate, income-restricted/subsidized, and senior housing with services developments separately.

Surveyed unit totals included:

- 107 market rate (an additional 40 units were just becoming available)
- 78 senior/disabled occupancy subsidized units
- 52 general occupancy subsidized units
- 142 units in specialized senior housing projects

A skilled nursing home with 64 beds was also contacted although these represent group quarters housing.

Market Rate Summary

Six market rate multifamily projects were successfully contacted, with a combined 107 rental units.

Information was also collected from the new Forest Ridge Apartments, which will open for occupancy in April 2018, and from The Pearl, which will make eight condominium units available for rent in 2018. The units in these two projects have been excluded from the vacancy calculation, but the proposed rent levels have been included in the unit mix and rental rate summaries.

Unit Mix

The bedroom mix of the contacted units is as follows.

Efficiency - 15 unit
1 bedroom - 12 units
2 bedroom - 93 units
2 bedroom+den - 5 units
3 bedroom - 22 units

Occupancy/Vacancy

There were 107 units used for the vacancy calculation. Four vacant units were reported, for an overall vacancy rate of 3.7%.

However, three of the four vacant units were in efficiency units. No vacancies were reported in one bedroom or three bedroom units. The vacancy rate for two-bedrooms was only 1.1%.

There were eight units in The Pearl that were being offered for rent, and none of these were leased. However, these units had originally been offered for sale as condominiums, and the length of time that they were offered for rent is not known. The rental rates in The Pearl were substantially higher than other independent living apartment options in Glenwood, although the project amenities are also different from other multifamily housing.

Rent Structure

The rent structure in Glenwood varies widely, reflecting the diversity in the age and condition of the market rate housing stock. Many of the market rate options in Glenwood are in town house-style units, with amenities of single family living, such as an attached garage and private entry.

The units in The Pearl include features offered to condominium buyers, including an indoor swimming pool, a fitness center, and heated parking facility.

Rental units may include the primary utility payments within the rent, or the tenant may be required to pay some utilities separately, in addition to the contract rent. In the following summary, Community Partners Research has attempted to estimate the gross rents being charged, inclusive of the tenant-paid utilities.

In the first column, the lowest and highest gross rents have been identified, as reported in the telephone survey. Since the highest and lowest ends of the rent range may not be representative of most units, a second column has also been listed. The Prevailing Rents attempts to define the gross rents being charged by a majority of the units surveyed.

Unit Type	Lowest/Highest Gross Rents	Prevailing Rents Majority of Units
Efficiency	$460-$490	$460-$490
1-bedroom	$580-$855	$580-$800
2-bedroom	$665-$1450	$665-$950
2-bedroom+den	$750-$920	$750-$920
3-bedroom	$1050-$1150	$1050-$1150

Tax Credit Summary

Since the late 1980s, the primary federal incentive program for the production of affordable rental housing has been low income housing tax credits, also referred to as Section 42 housing. In Minnesota, tax credits are awarded annually on a competitive basis. Since the tax credit program was initiated, no rental projects in Pope County have received a tax credit award.

In 2017, an award was made through the State's Workforce Housing Development Program. However, while designed to provide more affordable rental options, this funding source does not trigger tenant income or unit rent limits that are as restrictive as the tax credit program, which is designed to serve households below 60% of the area's median income level.

Subsidized Summary

Glenwood has five different projects that provide subsidized rental housing. These projects are subsidized through either the U.S. Department of Housing and Urban Development (HUD), or USDA Rural Development.

Two of the projects, Glen Haven Manor and Glenview Apartments, are oriented to providing housing for senior and/or disabled tenant occupancy. Combined, they have 78 apartment units.

Three projects are designated as general occupancy housing, although this may include some senior and/or disabled tenants. The general occupancy projects, Callaghan Court, Glenwood Manor and Park Crest Place, have a combined 52 subsidized units. Although Park Crest Place is now designated as general occupancy housing, it was originally developed for senior/disabled tenants, and primary offers one-bedroom options.

Unit Mix - Senior/Disabled

The bedroom mix breakdown for projects oriented to senior/disabled occupancy is as follows:

- 72 one-bedroom (92.3%)
- 6 two-bedroom (7.7%)

Unit Mix - General Occupancy

The bedroom mix breakdown for projects oriented to general occupancy is as follows:

- 15 one-bedroom (28.8%)
- 23 two-bedroom (44.2%)
- 14 three-bedroom (26.9%)

Occupancy / Vacancy - Senior/Disabled

There were five vacant subsidized units in the projects oriented to senior/disabled tenant occupancy. Most of the open units were attributed to recent turnover, and the difficultly of attracting new applicants during the winter months. The estimated vacancy rate was 6.4%.

Both Glen Haven Manor and Glenview did report the existence of a waiting list, although both were described as "short". Glen Haven Manor offers an occupancy preference for senior, disabled or near-senior applicants, but can accept younger non-disabled tenants that are income-eligible. At the time of the survey, all tenants met one of the occupancy preferences.

Occupancy / Vacancy - General Occupancy

There were four vacant subsidized units in the projects designated for general occupancy. The estimated vacancy rate was 7.7%.

It should be noted that three of the four vacancies were in units that did not have access to project-based rent assistance. For these units, a minimum rent level applied, even if it exceeded 30% of the household income. While rental rates are moderate, they are more difficult to keep filled than units that can offer rent assistance.

There were both one-bedroom and three-bedroom units that were unoccupied. No two-bedroom units were reported as vacant. Some of the managers talked about a higher rate of turnover that occurs in general occupancy housing, which can result in vacant units while a new applicant is being processed.

Rental Rates

Most of the subsidized units in Glenwood have access to project-based rent subsidy contracts, allowing tenants to pay rent based on 30% of income. However, four of the 16 units in Park Crest Place cannot offer rent assistance, and a basic minium rent applies regardless of the tenant's income level. Three of these four units were vacant at the time of the survey, even though the basic rent was only at $421 for a one-bedroom apartment.

Tenant-Based Rent Assistance Vouchers

In addition to the subsidized projects with project-based rent subsidies, Glenwood also has 11 households being assisted with HUD Housing Choice Vouchers. Voucher assistance is issued to income-eligible households for use in suitable, private market rental housing units. With the assistance, a household pays approximately 30% of their income for their rent, with the program subsidy paying any additional rent amounts. The rent assistance is administered by the Douglas County HRA, and the two-county program serves residents of both Pope and Douglas Counties.

Since this rent assistance is tenant-based, and moves with the household, the actual number of participating households within the City can vary from month to month. It is possible that some of the households may be using their rent assistance in one of the subsidized or tax credit projects, if that property does not have rent assistance available for all tenants.

In addition to Housing Choice Vouchers, the Douglas County HRA also administers some rent assistance programs for special need's populations, including homeless individuals and households, people with persistent mental illness issues, homeless veterans and other targeted groups.

When tenant-based rent assistance Vouchers are combined with the units in the subsidized projects, there are potentially 141 households with access to some form of subsidized housing. This represents approximately 29% of all renter households in the City.

In January 2018, the Voucher program had a waiting list with 81 households that were currently living in either Pope or Douglas County. However, this waiting list does not indicate the total extent of the unmet demand for subsidized housing. Due to its length and the low rate of turnover, no new households had been added to the waiting list since 2016.

Senior Housing with Services Summary

Unit Inventory

Glenwood has a variety of specialized senior housing options in three different residential facilities. The following summary attempts to define the options by the type of care provided.

Skilled Nursing Home

The City has a skilled nursing home, Glenwood Village Care Center, which is licensed for 64 residents in 2018. The facility has gradually de-licensed beds over time. In 2007, there were 75 licensed beds, based on the rental survey completed at that time. The de-licensing has allowed for more private occupancy rooms.

Glenwood Village can serve various care needs, including shorter-term transitional care stays, but no specific set-aside exists for the use of beds. There had once been a specialized wing for people with memory loss issues, but in 2018 there is no longer a secured wing in the facility. People with memory loss issues can be housed in traditional beds, as technology is used to prevent wandering.

There had once been another skilled nursing home, Lakeview Good Samaritan Center, but this facility was closed in 2014 and the building has since been demolished. Lakeview had 35 licensed beds in 2007.

Memory Care

There were no specific providers of memory care housing identified in Glenwood, other than the Glenwood Village Care Center. It is probable that people with early stages of memory loss are being housed in other forms of senior housing, including assisted living.

Assisted Living

Parkview Court is part of the Glenwood Village senior campus and has 32 units offering assisted living.

There are two additional projects, Glenwood Estates with 21 units, and Ridgewood Villa with 59 units, that can both provide flexible levels of care. A resident may initially live largely independently, with only a few light services, but over time can add levels of care as needed.

Housing with Light Services

As stated above, there are two projects, Glenwood Estates and Ridgewood Villa that can both provide flexible levels of care. A resident may initially live largely independently, with only a few light services, but over time can add levels of care as needed. Combined, these projects have 80 apartment-style units available for seniors.

Independent Senior Housing

There are some rental projects in Glenwood that are oriented to senior occupancy but provide for independent living. Two of the subsidized projects, Glen Haven Manor and Glenview Apartments, are oriented to providing housing for senior and/or disabled tenant occupancy. Combined, they have 78 apartment units.

As part of the Glenwood Village Care Center campus there are 30 town house-style rental units known as Glenwood Plaza. While providing housing for fully independent residents, the location on the Care Center campus allows for a transition into other housing options providing care services as needed.

Occupancy/Vacancy

Occupancy patterns in specialized senior housing can change rapidly, as the population being served can be frail and this can result in periods of high unit turnover. In general, there was unused capacity in most of the specialized senior housing.

The skilled nursing home, which can also serve people with memory loss, had an annual occupancy rate reported at 92% to 94%. The closure of the Good Samaritan facility in 2014 had reduced the skilled nursing home bed supply. Ongoing de-licensing at Glenwood Village has also decreased the number of beds over time.

All three of the projects oriented toward assisted living had some unused capacity at the time of the survey. Parkview Court, which is an assisted living provider, reported annual occupancy at approximately 90%. Ridgewood Villa does not offer 24-staffing, but is attached to the Glacial Ridge Hospital and can offer higher levels of care had 10 vacant apartments, and has not achieved full occupancy since expanding in 2016.

The vacant units in Ridgewood Villa can also be occupied by people needing only light services. Glenwood Estates, which can also offer lighter services housing options, had only one vacant unit and does maintain a waiting list for occupancy.

The highest occupancy rate exists in independent senior housing. Glenwood Plaza, which offers independent town house living on the Glenwood Village campus, reported full occupancy and a waiting list.

Rental Rates

Rental rates for specialized senior housing are dependent on the level of care being received by the resident. The lowest entry point for a light services unit in starts at approximately $1,400 per month in Ridgewood Villa and includes breakfast, a noon meal and all utilities. The lowest entry point for assisted living in Parkview Court is $1,836 plus services.

Most of the specialized care projects offering assisted living will accept County assistance programs, such as Elderly Waiver. County programs help pay for the cost of care services for lower income people.

Table 17 Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Tenant Mix**	**Comments**
Market Rate					
Forest Ridge Apartments	9 - 1 bedroom 17 - 2 bedroom 6 - 3 bedroom 32 total units	\$775-\$825 \$900-\$975 \$1100 +electric	Opening in 2018	N/A Some units may have income restrictions	Three-level apartment building with elevator that will open for occupancy in April 2018. Assisted thru State affordable work force housing program. Rent includes heat, water, sewer and garbage, with tenant paying electric. Unit amenities include stove, refrigerator, dishwasher, wall AC and in-unit laundry. Project amenities include community room with kitchen, picnic area and playground. Attached heated garages available for additional \$60/month. One-bedrooms have 741-836 sq ft and 1 bathroom, 2-bedrooms have 943-1098 sq ft and 1 or 2 bathrooms, and 3-bedrooms have 1432 sq ft and 2 bathrooms.
Glen Terrace Townhomes (formerly The Gables) 301 Glen Terrace Dr	25 - 2 bedroom 25 total units	\$750-\$800 +electric	No vacant units, waiting list	Mix of tenants and ages	Twin home-style units constructed in 1997. Rent includes heat, water, sewer and garbage, with tenant paying electric. Units include an attached garage - higher rent is 2-car and lower rent is 1-car. Amenities include stove, refrigerator, dishwasher, AC, in-unit laundry hookup and club house with kitchen. Units have 966 sq ft and 1 bathroom. Units are always fully occupied and there is a waiting list. General occupancy housing with a mix of ages including seniors.
Glenwood Apartments 16 Minnesota Ave	15 - efficiency 15 total units	\$435-\$465 +electric	3 vacant units	Mostly younger tenants	Rental units in a converted old opera house located in the downtown area. Apartments are on upper floors with stairways. Rent includes heat, water, sewer and garbage, with tenant paying electric. Amenities include stove, refrigerator, community laundry facility and off-street parking. Units are relatively large and more similar to 1-bedrooms, but with partial wall. All units have 1 bathroom. Manager reported 3 vacant units - partly due to winter turnover but also limited demand in Glenwood. Most tenants are younger singles or couples, including people that work in the downtown area.

Table 17 Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Tenant Mix**	**Comments**
Market Rate					
Glenwood Development Corp. Rental Units	3 - 2 bdrm+den 2 - 2 bdrm+den 5 total units	\$615 \$765 +utilities	No vacant units	Mix of tenants	Town house-style one-level units developed in 2003 and owned by the Glenwood Development Corporation. Grant assistance was used and 3 units have income and rent restrictions and 2 are market rate. Tenants pay all utilities in addition to rent. Amenities include stove, refrigerator, dishwasher, AC, in-unit laundry and 1-car attached garage. Units are fully occupied with limited turnover. Mix of tenants reported including seniors and working age.
Grandview Apartments 604 2nd St SE	2 - 1 bedroom 10 - 2 bedroom 12 total units	\$575 \$625-\$675 +electric	1 vacant unit 1 - 2 Bdrm	Mix of tenants	Two-story apartment building constructed in the early 1970s. Rent includes heat, water, sewer and garbage with tenant paying electric. Units are basic with stove, refrigerator and 1 bathroom - 2-bedrooms have approx. 650 to 750 sq ft. Higher rent units have lake views. Manager reported 1 vacant unit due to recent turnover but annual occupancy rate is high. Mix of tenants reported.
Highland Townhomes 1400 Second St SE	16 - 2 bedroom 16 - 3 bedroom 32 total units	\$900 \$1000 +electric	No vacant units, waiting list	Mix of tenants and ages	Twin home-style units constructed in 2009. Rent includes heat, water, sewer and garbage, with tenant paying electric. Rent includes an attached 2-car garage. Amenities include stove, refrigerator, dishwasher, microwave, disposal, AC and in-unit laundry hookup. Project includes a community room with kitchen. Two-bedrooms have 997 sq ft and 1 bathroom, and 3-bedrooms have 1292 sq ft and 1.5 bathrooms. Units are always fully occupied and there is a waiting list. General occupancy housing with all ages including seniors and families with children.

Table 17 Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Tenant Mix**	**Comments**
Market Rate					
Lakeview Apartments 704 2nd St	1 - 1 bedroom 17 - 2 bedroom 18 total units	$550 $635 +electric	No vacant units	Mostly working-age tenants	Three-level walkup apartment building constructed in 1976. Rent includes heat, sewer, water, garbage and satellite TV, with tenant paying electric. Amenities include stove, refrigerator, dishwasher, wall AC and decks for upper units. Nine detached garages available for extra fee. Two-bedrooms have 850-900 sq ft with 1 bathroom. Fully occupied at time of survey with good demand. Most tenants are working-age and employed locally.
The Pearl	8 - 2 bedroom 8 total units	$1300 +utilities	All units vacant	N/A	Multi-level condominium project that started construction in 2015 - due to limited sales the first floor units are being offered as luxury rental housing. Located across from the Lake, project has heated covered parking with 1 car per unit, an indoor pool, fitness center and community spaces. Rental units have 950 sq ft and 2 bathrooms. Tenants pay all utilities in addition to rent but not association management fees. Units have been offered as rentals since Nov. but no units currently leased.

Table 17 Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Tenant Mix**	**Comments**
Subsidized - General Occupancy					
Callaghan Court 602 6th Ave SE	10 - 2 bedroom 6 - 3 bedroom 16 total units	\$752-\$773 \$866 30% of income	No vacant units, waiting list	General occupancy	MHFA/Section 8 project constructed in 1978. Units are town house-style with most having 2 levels, accessible units are 1-level and at higher rent listed. Amenities include stove, refrigerator, wall AC and walk-out patio for some units. Two-bedrooms have 1 bathroom and 3-bedrooms have 1.5 bathrooms. Manager reported 1 vacant unit at time of survey, but short waiting list exists. Turnover can be high in general occupancy units. Manager believes that many tenants work in Alexandria.
Glenwood Manor Townhomes 780 2nd Ave NE	12 - 2 bedroom 8 - 3 bedroom 20 total units	\$752-\$773 \$866 30% of income	1 vacant unit 1 - 3 bdrm waiting list	General occupancy	MHFA/Section 8 Project constructed in 1978. Units are town house-style with most having 2 levels, accessible units are 1-level and at higher rent listed. Amenities include stove, refrigerator, wall AC and walk-out patio for some units. Two-bedrooms have 1 bathroom but 3-bedrooms have 1.5 bathrooms. Manager reported 1 vacant unit at time of survey, but short waiting list exists. Turnover can be high in general occupancy housing. Manager believes that many tenants work in Alexandria.
Park Crest Place Apartments 515 6th Ave SE	15 - 1 bedroom 1 - 2 bedroom 16 total units	\$400-\$421 \$430-\$451 30% of income	3 vacant units	General occupancy	Rural Development one-level apartment building constructed in 1981. Project had originally been designated for senior/disabled occupancy but changed to general occupancy in the past few years. Twelve tenants have access to rent assistance allowing rent based on 30% of income; remaining tenants pay 30% of income but not less than basic or more than market rents listed. Two units are fully accessible. Amenities include stove, refrigerator and AC. One-bedrooms have 700 sq ft and 2-bedroom has 900 sq ft; all units have 1 bathroom. Manager reported 3 vacant units - units without rent assistance are difficult to keep full. Many of the tenants are disabled.

Table 17 Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Tenant Mix**	**Comments**
Subsidized - Senior/Disabled Occupancy					
Glen Haven Manor 507 5th St SE	30 - 1 bedroom 30 total units	$506 30% of income	2 vacant units, short waiting list	Senior/ disabled occupancy preference	HUD Public Housing rental project constructed in 1971. Units are in several one-story buildings. Occupancy preferences given to senior, disabled, near-senior and veterans - all current tenants meet preference. All tenants pay rent based on 30% of income up to maximum rent listed. Units are small with 400 to 450 sq ft and 1 bathroom. Two units vacant at time of survey due to turnover, but annual occupancy rate is high and a short waiting list generally exists. Some residents contract for home health care services available from various providers.
Glenview Apartments 501 5th St SE	42 - 1 bedroom 6 - 2 bedroom 48 total units	$687 $850 30% of income	3 vacant units 2 - 1 Bdrm 1 - 2 Bdrm waiting list	Senior/ disabled occupancy	MHFA/HUD-subsidized three-level apartment building with elevator constructed in the 1970s. Designated for senior/disabled tenant occupancy. Rent assistance available for all tenants allowing rent based on 30% of income, but not less than $25 or more than market rents listed. Amenities include community rooms and some detached garages available for $30/month. Central Minnesota Senior Care has office in building that is staffed 8 hours/day and many tenants acquire some services. Meals-on-wheels also delivered to site. Manager reported 3 vacant units due to recent turnover and timing during winter months, but a short waiting list exists and 1-bedrooms tend to lease quickly, while 2-bedrooms can be slower to fill.

Table 17 Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Tenant Mix**	**Comments**
Subsidized - Rent Assistance					
Section 8 Housing Choice Vouchers	11 households in Glenwood	30% of income	N/A	N/A	HUD Housing Choice Vouchers provide tenant-based rent assistance that can be used in any suitable rental unit. Tenant rent contribution is based on 30% of income, with the assistance program paying additional subsidy. In Jan. 2018, there were 11 households in Glenwood participating in the Douglas/Pope County program, with 18 households countywide. The waiting list had 81 local households waiting for assistance, but the waiting list had been closed since 2016.

Table 17 Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Tenant Mix**	**Comments**
Senior Housing with Services					
Glenwood Estates 500 Franklin St N	5 - 1 bedroom 16 - 2 bedroom 21 total units	Dependent on care needs and unit size	1 vacant unit, waiting list	Senior housing with services	Apartment-style project constructed in 2002 and offering a range of care from mor independent living to assisted living - but most tenants acquire services. Project expanded at some point and went from 16 to 21 units. One unit vacant at time of survey due to turnover, but waiting list exists. Project will accept Elderly Waiver and many residents receive County assistance.
Glenwood Plaza 719 2^{nd} St SE	30 - 2 bedroom 30 total units	$1150 +gas, electric	No vacant units, waiting list	Senior-designated age 55+	Independent senior housing (age 55+) in duplex and triplex configurations constructed in phases starting in the 1980s. Part of Glenwood Village Care Center campus that includes skilled nursing home and assisted living options. Rent includes water, sewer, garbage and grounds maintenance, with tenant paying gas and electric. Units have stove, refrigerator, in-unit laundry, AC, 1-car attached garage, and most units have dishwasher. Administrator reported full occupancy and a waiting list. Average age of residents is 80 years old.
Glenwood Village Care Center	Licensed for 64 beds	N/A	92%-94% annual occupancy rate	Skilled nursing home	Skilled nursing home that is part of a senior campus that also includes assisted living and independent living options. Skilled nursing beds have de-licensed over time, with 75 beds in 2007 - this has allowed more single occupancy rooms. No specific set-asides for beds, and typically 90% or more are available to long-term residents. Administrator report 92% to 94% annual occupancy rate. A special Rainbow Center for memory care had once existed but in 2017 was discontinued as a special secure wing - wander-guard technology allows for people with memory loss to be housed in any neighborhood in the facility.

Table 17 Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Tenant Mix**	**Comments**
Senior Housing with Services					
Parkview Court 300 8th Ave SE	14 - studio 16 - 1 bedroom 2 - 2 bedroom 32 total units	\$1836 \$2315 N/A +services	1 to 3 vacant units typical due to turnover	Assisted living	Assisted living in apartment-style units constructed in 1993. Part of Glenwood Village Care Center campus that includes skilled nursing home and independent living options. Facility is attached to nursing home. Units have kitchenettes, but monthly rent includes meal plan - services are then purchased as needed. Average annual occupancy rate of 90% with no waiting list. County assistance is accepted with approx. 12 tenants receiving EW/CADI - use is not capped.
Ridgewood Villa Senior Living 7 4th Ave SE	29 - 1 bedroom 30 - 2 bedroom 59 total units	Starting at approx. \$1400 including breakfast, noon meal and utilities +services as needed	10 vacant units	Senior housing with services	Senior housing with services facility that was originally constructed in 1988 with a 30-unit expansion in 2016. Flexible levels of care can be offered from largely independent living to higher services housing. Facility does not have 24-hour staffing and assisted living license, but is physically attached to Glacial Ridge Hospital and emergency response comes from hospital. Rent includes breakfast, noon meal and all utilities - lowest entry point is approx. \$1400 - different sizes and styles of units exist. Project typically has approx. 10 vacancies and has never achieved full occupancy since expanding. Some residents receive County assistance to acquire home health care services. Campus also includes new Wellness Center which is physically attached.

Source: Community Partners Research, Inc.

Employment and Local Economy

While many factors influence the need for housing, employment opportunities represent a predominant demand-generator. Without jobs and corresponding wages, the means to afford housing is severely limited. Employment opportunities are provided by a broad range of private and public business sectors. Jobs are available in manufacturing, commercial services, agriculture, and other industries. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

Labor Force, Work Force and Unemployment

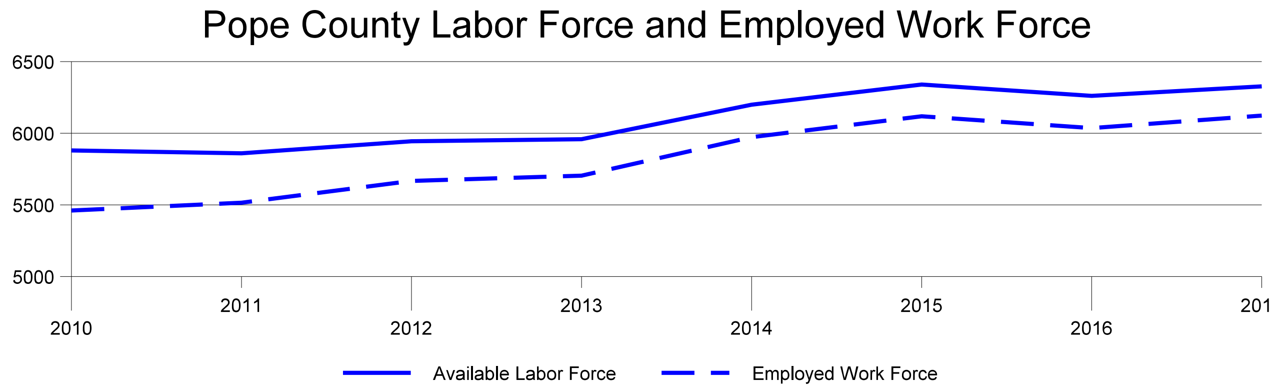
The Minnesota Department of Employment and Economic Development provides labor force and employment information at the County level. The following table looks at information for Pope County since 2010.

Table 18 Pope County Labor Statistics: 2010 to 2017

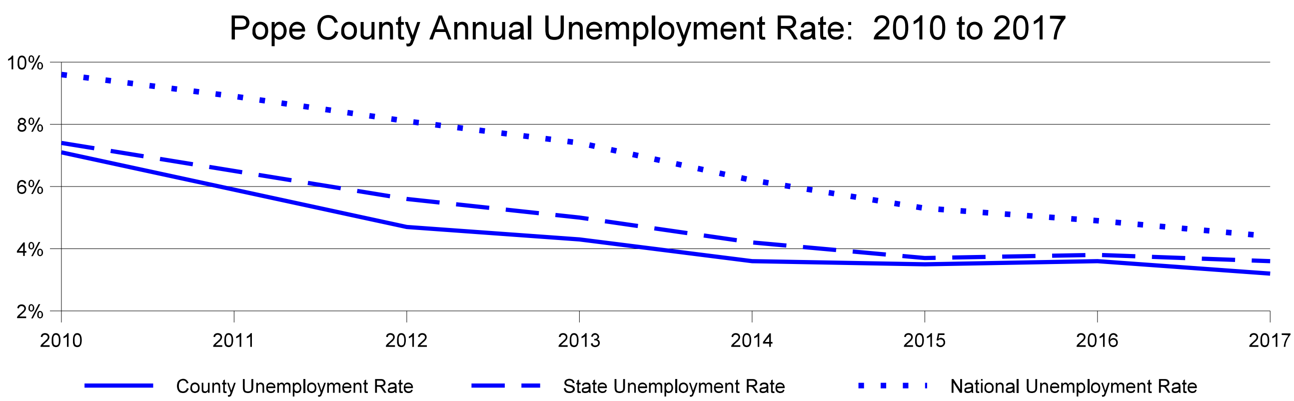
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - MN	Unemployment Rate - US
2010	5,880	5,461	419	7.1%	7.4%	9.6%
2011	5,860	5,515	345	5.9%	6.5%	8.9%
2012	5,944	5,667	277	4.7%	5.6%	8.1%
2013	5,958	5,704	254	4.3%	5.0%	7.4%
2014	6,199	5,973	226	3.6%	4.2%	6.2%
2015	6,340	6,118	222	3.5%	3.7%	5.3%
2016	6,261	6,036	225	3.6%	3.8%	4.9%
2017	6,327	6,123	205	3.2%	3.6%	4.4%

Source: MN Department of Employment and Economic Development

There has been growth in the size of the County's available labor force in recent years. When comparing 2016 to 2010, the available resident labor force increased by nearly 450 people, or 7.6%. However, while the resident labor force has grown during the current decade, there has been little change over the past three years. In 2015 there were 6,340 County residents in the labor force, compared to 6,327 in 2017.



The County's employed work force has also grown in size and the unemployment rate has decreased, from 7.1% in 2010 to 3.2% for 2017.



Since 2010, the County's unemployment rate has remained below the Statewide rate, and well below the national unemployment rate.

Employment and Wages by Industry

The following table shows the annual employment and average annual wages by major employment sector for 2016, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment in the City. Some groups, including self-employment, are not listed.

The table only provides information for the City of Glenwood. The previous table, which provided information on the County's labor force, represents the location of the worker by their home residence. The following table, represents the location of the job.

Table 19 Glenwood Average Annual Wages by Industry - 2016

Industry	Employment	Average Annual Wage
Total All Industry	1,977	$45,500
Trade, Transportation, Utilities	759	$55,068
Financial Activities	90	$63,856
Professional and Business Services	38	$33,228
Education and Health Services	532	$43,472
Leisure and Hospitality	175	$13,416
Other Services	41	$18,720
Public Administration	155	$48,516

Source: MN Department of Employment and Economic Development

The average annual wage in Glenwood for all industry sectors in 2016 was $45,500. The highest paying wage sectors were Financial Activities and Trade, Transportation and Utilities, with an average annual wage above $55,000 for full-time employment. Trade, Transportation and Utilities was also the largest employment sector in the City. The lowest paying wage sectors were Leisure and Hospitality and Other Services, both with an average annual wage below $19,000.

Annual Covered Employment

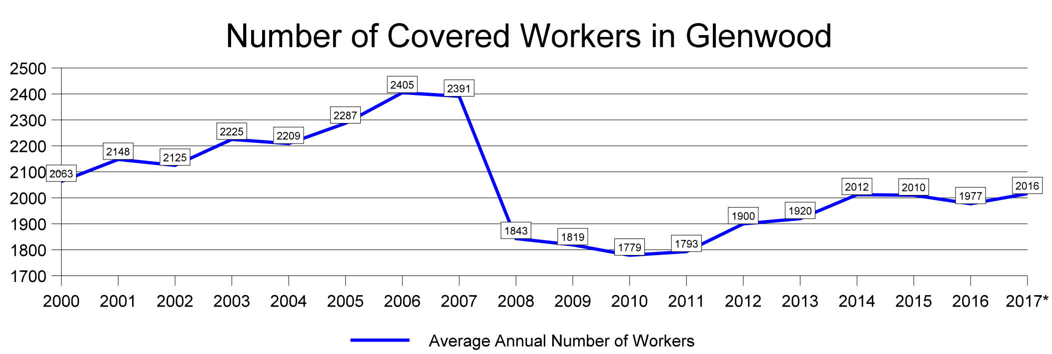
Since the Quarterly Census of Covered Workers (QCEW) tracks employees covered by unemployment insurance by location, it is possible to examine longer-term patterns in the employment level. The following table displays the total number of workers reported in Glenwood back to the year 2000. Information for 2017 reflects the first three quarters of the year.

Table 20 Glenwood Average Annual Employment

Year	Total Covered Employment	Year	Total Covered Employment
2000	2,063	2009	1,819
2001	2,148	2010	1,779
2002	2,125	2011	1,793
2003	2,225	2012	1,900
2004	2,209	2013	1,920
2005	2,287	2014	2,012
2006	2,405	2015	2,010
2007	2,391	2016	1,977
2008	1,843	2017*	2,016

Source: QCEW - MN Dept. of Employment and Economic Development * Partial year

When viewed over a longer-term there has been some upward and downward movement in the number of jobs in Glenwood, as tracked by reporting for unemployment compensation. Between 2007 and 2008, there was a large reduction in employment as the national economy moved into a recession. If total employment in 2016 (the last full year of data) is compared to the year 2000, there had been a decrease of 86 jobs, or -4.2% over this longer period. However, after reaching a recent low point in 2010, nearly 200 jobs have been added in Glenwood.



Commuting Patterns of Area Workers

Information is available on area workers that commute for employment through the 2016 American Community Survey. The first table examines the travel time to work for Glenwood residents, while the second table examines the travel time for people that are employed within the City.

Table 21 Commuting Times for Glenwood Residents - 2016		
Travel Time	Number	Percent
Less than 10 minutes	622	55.4%
10 to 19 minutes	207	18.4%
20 to 29 minutes	133	11.9%
30 minutes +	160	14.3%
Total	1,122	100%

Source: American Community Survey

A majority of Glenwood residents were commuting 9 minutes or less to work in 2016 and presumably were working in the City or just outside the City limits. Only 26% of residents were traveling 20 minutes or more for employment.

For people working in Glenwood, the following travel times were identified.

Table 22 Commuting Times for Glenwood Employees - 2016		
Travel Time	Number	Percent
Less than 10 minutes	756	32.0%
10 to 19 minutes	702	29.7%
20 to 29 minutes	411	17.4%
30 minutes +	491	20.8%
Total	2,360	100%

Source: American Community Survey

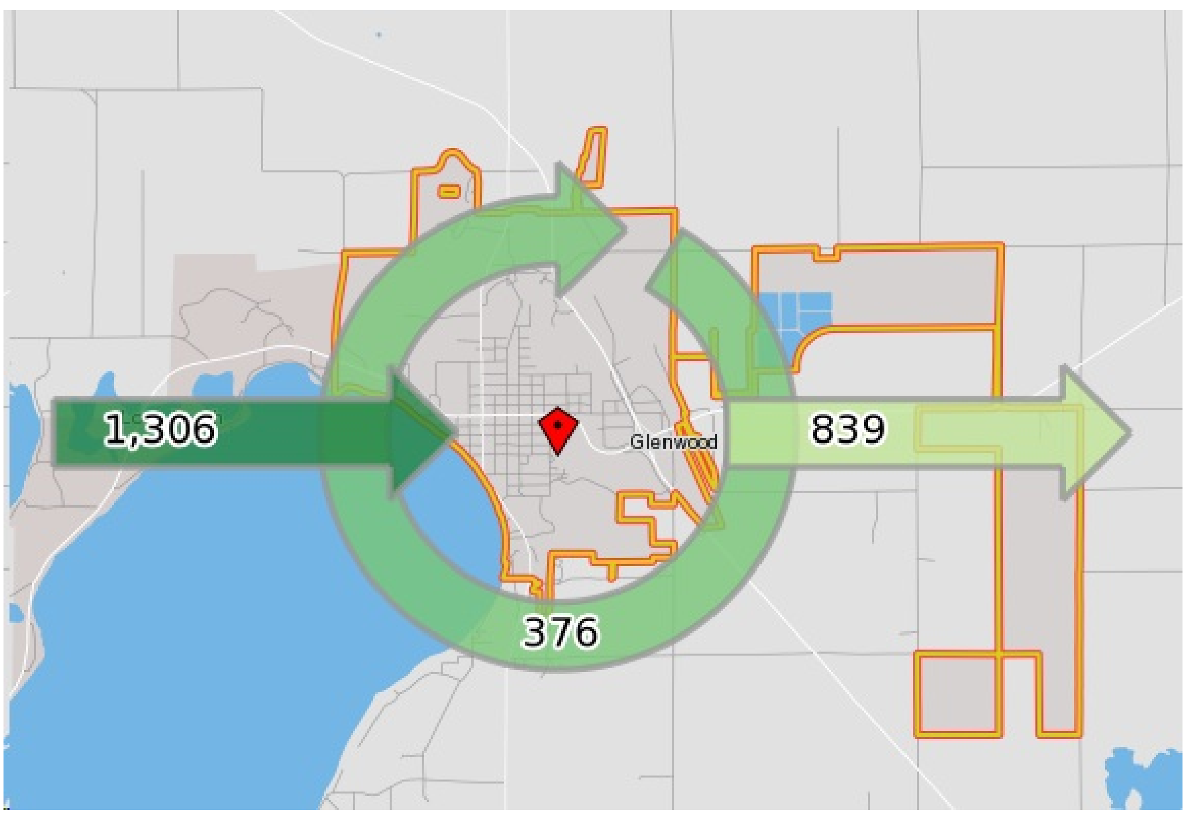
A majority of the people working in Glenwood lived either within the City or within the surrounding area, as nearly 62% had a travel time of less than 20 minutes. However, nearly 21% of the people working in Glenwood were traveling 30 minutes or more.

Census On the Map

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2015, and provides a further breakdown of worker movement patterns.

According to the report for Glenwood, there were 1,682 people that were employed within the city limits in 2015. More than 22% of these Glenwood-based employees also lived within the City, but approximately 1,300 employees lived outside the City limits and commuted in daily. Starbuck, Alexandria, Glenwood Township, Minnewaska Township, Long Beach and Leven Township were among the primary locations that were supplying workers to Glenwood.

According to this data source, most Glenwood residents work outside of the City, as approximately 840 residents were commuters and left Glenwood for their primary job. Among the primary destinations for outbound commuting residents were Alexandria, Glenwood Township, Minnewaska Township and Starbuck.



Findings and Recommendations: Glenwood

Overview

Employment and Commuting

As the largest City in Pope County, Glenwood serves as the primary employment and service center for County residents. A significant number of job opportunities exist within the community, and Glenwood residents also have a reasonable commuting distance to other area employment centers. As a result, approximately 74% of the City's residents travel less than 20 minutes to work.

Although a large number of jobs exist in the City, there has been some decrease in employment options over time. This primarily occurred between 2007 and 2008, when the national economy moved into a period of recession. The Quarterly Census of Employment and Wages (QCEW) tracks workers that are reported for unemployment insurance. After reaching a recent employment low point in 2010, the City had recovered approximately 200 of the jobs by the end of 2016.

While most Glenwood residents are employed within the City or the immediately surrounding area, many of the employment opportunities based in Glenwood are filled by non-residents. However, these inbound employees also tend to be local, as most people working in the City travel less than 20 minutes to work.

Past Growth

Over the past few decades, the City has experienced consistent but moderate household growth patterns. If recent estimates for the City are compared to the past, the City has been averaging growth of approximately five households per year, whether viewed over shorter or longer time periods. However, while the City has consistently added households, this has not resulted in any real population growth as the number of people living in Glenwood in 2016 was nearly identical to the 1990 Census count. Over time, a gradual decrease in the average number of people per household has continued to occur in Glenwood.

Projected Growth

Projections for smaller communities are often based on past patterns, which are then trended forward. For Glenwood, the relatively consistent pace of past growth in recent decades yields an expectation of moderate growth over the next five years. The projection obtained from Esri expects the City to add approximately seven households in an average year over the next five years.

Based on the planned expansion of the City's housing stock, it is likely that the Esri forecast will be exceeded. A more realistic expectation is that Glenwood has the potential to add between 60 and 75 households over the five-year period, or an average of between 12 and 15 households annually.

While Esri has a limited growth projection for Glenwood, a greater addition of households is expected in the other jurisdictions that form the Glenwood Market Area. Overall, Esri expects the entire aggregated area, including the City of Glenwood, to add approximately 128 households over a five-year period, or nearly 26 households in an average year.

In the opinion of Community Partners Research, Esri has placed too much of the future growth outside of Glenwood. As the largest jurisdiction and the strongest housing market in the Market Area, it is probable that most of the growth will be located within the City limits. Some of the smaller jurisdictions can also be expected to add some households through the year 2022. This would include the addition of permanent resident households that occupy some of the seasonal/recreational housing that exists in the east portion of Pope County.

The aging patterns of the existing residents should result in a growing number of senior-headed households, age 65 and older. While growth is possible in some of the specific younger age ranges, overall there is a projected reduction in the number of households age 54 and younger in the Glenwood Market Area.

Housing Construction/Availability

There is some possibility for Glenwood to add households without new housing construction activity, but in general, the City will need to add units to add residents. There is some supply of seasonal/recreational housing in the City, but this is likely to remain as seasonal property.

There may also be some vacant housing, but this is probably vacant for a reason, such as age or deteriorated condition. Much of the City's housing stock is older, and unoccupied units may not be attractive for potential households.

Housing Tenure Patterns

Glenwood has historically had a relatively high percentage of renter-occupancy housing. Most of the recent and proposed construction has been in the form of multifamily rental units. Excluding a luxury condominium project that may be oriented to seasonal occupants, the City has issued building permits for more than 60 rental units but only 10 single family houses since 2010.

The trend toward more rental households was also evident in the prior decade. Between the 2000 Census and the 2010 Census Glenwood added 54 renter-occupancy households but did not add any home owners. In 2000, the City's home ownership rate was 64.7%. By 2010, it was 61.8%. By the end of 2018, it will probably be less than 60%. The aging patterns outlined above should continue to see a preference shift from owner to renter housing for some area households over the next five years.

Household Income and Housing Costs

According to the 2016 American Community Survey, the median household income in Glenwood was $48,325. While lower than the estimated median income countywide, the City's household income level had been growing since 2010 and was increasing at a greater rate than the level of inflation.

Like all communities in the County, there was a significant difference between the income levels for owner households and renter households. For the City of Glenwood, the median renter household income estimate was only $21,179 in 2016. If 30% of income is applied to housing, a renter at the median income level could afford approximately $530 per month.

The median household income for Glenwood home owners was $57,656. If 30% of income is applied to housing, a home owner at the median income level could afford approximately $1,440 per month.

These monthly amounts for housing were generally well matched to costs for existing options in the City. The estimated median value for an existing single house is probably between $123,000 and $135,000. According to the American Community Survey, the estimated median gross rent was $589 per month in 2016.

Due to relatively low housing costs in Glenwood, most households have been able to acquire housing that is viewed as affordable. For renter households, the median percentage of income required for gross rent was 28.8%. For home owners, the median percentage of income required was only 16.7%. Since a general threshold for affordable housing is less than 30% of household income, most owners in Glenwood were well below this level. Although the median for renters was approaching 30% of income, rental housing was still viewed as affordable by this standard in 2016.

However, while costs for existing housing are relatively low in Glenwood, the costs associated with new construction are substantially higher, making new housing development difficult in the City. For example, the newest rental units under construction in the City will have an estimated gross monthly rent of more than $900 for a two-bedroom unit. A speculative construction home that was listed for sale in 2018 was priced above $270,000.

Based on the research completed for this Study, the following findings and recommendations have been made.

Rental Housing Recommendations

Overview: Glenwood serves as the largest rental center in Pope County. At the time of the 2010 Census, Glenwood's rental tenure rate was above 38%. More than 47% of all renter-occupancy households in Pope County were living in Glenwood at the time of the last Census.

The City's rental tenure rate has been increasing over time. There has been some ongoing construction of renter-occupancy housing over the past two decades. However, some of the growth in renter-occupancy was probably achieved through tenure conversion, as single family houses switched from owner to renter occupancy. Since 2010, multifamily rental housing construction in Glenwood has significantly exceeded single family housing starts, indicating that the rate of renter-occupancy will continue to increase.

The most recent rental project will open in 2018 and will add 32 work force rental units in the Forest Ridge project. In 2016 there were 30 units added through an expansion of Ridgewood Villa, which provides senior housing with services. Some potential luxury rental units have also been added in The Pearl, a condominium project that is offering some unsold units as rental housing.

A specific section of this document has presented an analysis of projected future demand for rental housing in the Glenwood Market Area. Although these calculations are based on a larger geographic area, the City of Glenwood represents the best location for most of the new rental housing creation in the western portions of Pope County.

The calculations indicate potential demand for approximately 155 to 160 rental units over the next five years. This calculation examines all income ranges. For rents typically associated with non-subsidized new construction projects, approximately half of this total, or 80 units, would be indicated. The remaining production would be oriented to low and moderate income households needing a below-market rent option.

It is important to note that part of this projected demand will be met by 32 apartment units that are currently under construction in the new Forest Ridge project. Although these are referred to as work force housing, they have a rent structure that is similar to other market rate housing. With these units entering the market in 2018, the estimated unmet demand would be for 48 additional market rate units during the projection period.

The following findings and recommendations are made concerning specific rental housing issues in Glenwood.

1. Promote the development of two market rate rental development phases over the 5-year period with 20 to 24 units per phase

Findings: The Glenwood Market Area, like most non-metro areas of Minnesota, is seeing an increase in its older adult population. Much of this is attributed to the movement of the large baby boom generation through the aging cycle.

At the time of the 2010 Census, households in the age groups 55 and older represented 52.2% of all Glenwood Market Area households. By 2017, these older adult age groups represented 57.2% of all households. Trend-based projections to the year 2022 point to nearly 60% of all households in these older adult age ranges. By 2022, most of these households will be within the 20-year age group between 65 and 84 years old. Increasingly, these mature households will look for age-appropriate housing options.

Town house or cottage-style rental units have proven to be successful in Glenwood. Between 1997 and 2009 there were three separate town house-style rental projects constructed, oriented to independent living. Another town house-style rental project that is oriented to seniors and part of the Glenwood Village Care Center complex also exists, dating to the 1980s.

In the 2018 rental survey, all of these town house-style projects reported full occupancy, and waiting lists typically exist. This style of housing is typically barrier-free, with one level living, an attached garage, and offering features that are offered in single family houses, including in-unit laundry facilities.

In some case the projects are senior-designated for households age 55 and older. In other cases they are available for general occupancy, but often find that a large percentage of tenants are seniors and near-seniors who are looking for a life-cycle housing option that is a transition from an owner-occupancy single family house. But this type of rental unit can also appeal to working-age residents.

Excluding Glenwood Plaza, which is part of the senior housing campus, the highest rents being achieved in the town house-style projects is in Highland Townhomes, with two-bedroom gross rents of approximately $950, and three-bedroom gross rets at approximately $1,050 per month.

The proposed rent structure in the new Forest Ridge Apartments project will actually be equal to or greater than the rents being achieved in Highland Townhomes. Some of the two-bedrooms will exceed $1,000 per month and three-bedrooms will approach $1,150.

A higher rent structure is also being achieved in the Bay Meadows project in Starbuck. For town house-style units, this project represents the upper end of the rental price range for this type of housing in Pope County. With the inclusion of tenant-paid utilities, the two-bedroom gross rents approach $1,300 per month. Despite this rent structure, the project has successfully filled, although a waiver was needed for the senior occupancy designation.

It should be noted, however, that another rental project that has pushed the upper end of the rent range, The Pearl, has not been as successful in attracting tenants. Condominiums in this project that have been slow to sell are now being offered as luxury rentals. When contacted by the rental survey, none of the eight available two-bedrooms had been leased. The estimated gross rents for these units would be above $1,400, although the condominium project does include amenities, such as an indoor swimming pool, that are not available in any other rental property in Glenwood.

Recommendation: The Forest Ridge Apartments project is scheduled to open in 2018 and will address some of the near-term need for market rate rental housing in Glenwood. However, based on the potential demand, between 40 and 48 additional market rate units would be recommended within the City of Glenwood over the next five years, assuming that a competitive rent structure can be achieved. To reduce the impact of the introduction of a large number of new units at one time, we would recommend that future units be developed in two smaller phases, of 20 to 24 units each. After the first phase has established stable occupancy, the second phase could be advanced later in the five-year projection period.

It is important to note that much of the anticipated demand for this type of housing would come from both future household growth and from area seniors that currently own their home. As a result, demand should gradually build over time as more people elect to move from home ownership into age-appropriate rental housing. A town house-style rental project can help former home owners transition into rental housing.

The demand calculations presented earlier were based on an assumption that market rate renter households would need an annual income of at least $30,000. Depending on the rent structure for the proposed housing, an even higher income level may be needed. Most of the renter households currently living in Glenwood are in the lower income ranges, and could not afford market rate rents for newly built housing without experiencing a rent burden.

While empty-nesters and seniors would form a primary target market, a town house rental unit could also appeal to younger households, including families with children. In a community as small as Glenwood, it would be appropriate to make the project general occupancy, to expand the potential demand. The most comparable existing projects in Glenwood, Highland Townhomes and Glen Terrace Townhomes, are offered as general occupancy housing.

2. Preserve the existing inventory of subsidized rental housing

Findings: The term subsidized housing, as used in this Study, refers to rental units that have been constructed to serve low and moderate income people. In nearly all cases, subsidized housing has utilized federal resources that provide a "deep subsidy", allowing very low income people access to the housing at an affordable price. There is often project-based rent assistance, or a similar subsidy, that allows tenants to pay rent based on 30% of the household's monthly income.

In 2018, there are five federally subsidized rental projects in Glenwood. Two of these, with 78 combined units, are oriented to senior/disable tenant occupancy. The other three projects, with a combined 52 units offer general occupancy housing. In addition to the subsidized properties with project-based rent assistance, Glenwood also had 11 tenant-based rent assistance Vouchers in use in 2018.

The rental survey found vacancies in both the senior/disabled and general occupancy subsidized segments. However, some of the open units were attributed to recent turnover and the processing time required to certify new tenants. Most of the general occupancy vacancies were in units that could not offer project-based rent assistance, and a minimum rent structure was in place which could exceed 30% of household income.

When project-based and tenant-based assistance programs are combined, there are potentially 135 renter households with access to some form of very affordable deep subsidy housing. This probably represents 27% to 29% of all renter households living in the City.

Despite a relatively large supply of subsidized housing options that exist in Glenwood, the American Community Survey reported that nearly 36% of all renters in the Glenwood Market Area were paying 30% or more of their income for rent. Most of these households were actually paying 35% or more of their income for housing, based on the available estimates.

The rental cost statistics showed all age groups were impacted. In numeric terms, most of the cost-burdened households were age 64 or younger.

While a housing cost burden could be caused by either high housing costs or low household income, in the Glenwood Market Area it was primarily due to lower income levels for renters, as nearly all of the renter households with a housing cost burden had an annual household income below $35,000 in 2016.

Recommendation: In 2018, Glenwood has a relatively large distribution of very affordable subsidized housing. There is no evidence that the supply of units has changed in recent years.

Some unmet demand exists for very affordable/subsidized housing opportunities in the Market Area, based on cost-burden statistics. Most of the households paying more than 30% of income for rental housing are age 64 or younger.

It would be appropriate to look for opportunities to expand the supply of income-based housing. However, resources for subsidized rental construction have not existed in many years. A more realistic option would be to look to increase the use of the tenant-based rent assistance program. With a Voucher, a lower-income household can rent any suitable private unit in the community that meets the program standards.

Another community strategy concerning income-based housing is to prevent the future loss of any units, through contract termination or opt-out. In 2018, none of the subsidized projects in Glenwood were viewed as being “at risk” of leaving their subsidy program. However, subsidized projects in other Pope County cities have terminated the contracts and then converted to market rate housing.

3. Monitor options for moderate rent income-restricted housing development

Findings: As outlined above, there are five income-restricted housing projects that exist in Glenwood, which can serve very low income people. The City does not have any income-restricted moderate rent housing, typically created through the low income housing tax credit program. Since the tax credit program was created in the late 1980s, no awards have been made in Pope County.

Tax credits alone do not produce "deep subsidy" rental units that can serve very low income people, but tax credits do provide a "shallow subsidy" that allows for the construction of housing that can serve households at or below 60% of the median income level established for the County. When other resources are combined with tax credits, even lower income households may be served.

In 2017, a special work force housing program award was made in the City of Glenwood, and the Forest Ridge Apartment project is currently under construction. However, the rents that will be charged in this project will be very similar to those typically found in conventional market rate housing. Despite the emphasis on work force housing, Forest Ridge will not have any significant income or rent limits imposed.

Recommendation: In the opinion of the analysts, Glenwood would benefit from the construction of moderate rent tax credit units. Approximately 50% of the projected demand potential for future rental housing in the Market Area would be needed for low and moderate income households. The high quality of the housing created through the tax credit program, along with the below-market rent structure, would prove to be successful in the local market.

However, securing tax credit resources can be very difficult, given the strong competition that exists statewide. Since Glenwood was recently awarded State work force housing resources, it is likely that no additional assistance will be awarded until that project establishes a stable occupancy pattern.

There are self-scoring factors that can be examined to help determine the potential for a successful application. Based on a preliminary review by Community Partners Research, Glenwood would not receive points as a job growth community, a long-commute city, an Economic Integration Zone, or as a HUD Qualified Census Tract in 2018. Some Greater Minnesota communities would qualify for additional points under one or more of these ratings, and would therefore have a competitive advantage in securing a tax credit award.

We would encourage the City to monitor options and resources for moderate rent income-restricted housing development. At this time, it is unlikely that the City could compete, but this could change in the future.

4. Monitor the supply of specialized senior housing and promote the development of memory care options

Findings: Glenwood has multiple providers of housing that can offer different levels of care for seniors as they move through the aging cycle. However, many of the choices are affiliated with the Glenwood Village Care Center senior complex.

In 2016, Ridgewood Villa doubled in size, and now has 59 apartment-style units offering housing with services. This project has never achieved full occupancy since expanding, and had 10 open units at the time of the rental survey. Although Ridgewood Villa does not provide 24-hour staffing, it is physically attached to the hospital and the response to an emergency call system comes from the hospital. As a result, it does serve a range of seniors, from largely independent households to those needing higher levels of care.

Glenwood also has a second housing with services provider, Glenwood Estates, with 21 units. Between Ridgewood Villa and Glenwood Estates, there are 80 apartment-style units in the City that can address lighter services or assisted living needs. When compared to the number of older senior-headed households in the Glenwood Market, a capture rate of more than 13% would be required to fill all of these housing with services units. At the time of the rental survey, a capture rate of approximately 11% was being achieved.

There are no specific providers of memory care housing in Glenwood, although the ed nursing home does have residents with memory loss issues. The only dedicated memory care housing identified in the County is in Starbuck, where a wing of the nursing home was converted into a specialized care facility. There are 16 beds in Glacial Trails Memory Care. In 2018, remodeling is underway and six of the 16 beds in Starbuck were being held intentionally vacant.

Recommendation: Glenwood, along with Starbuck, serves as an important center for residents of Pope County needing specialized senior housing. These are the only two cities countywide that can offer housing for seniors needing some level of care.

The primary provider in Glenwood, the Glenwood Village Care Center, can offer a range of care, from completely independent senior housing to a skilled nursing facility. In 2016, this provider added 30 housing with service apartments in the Ridgewood Villa expansion. The noticeable gap in the range of care offerings is a specialized facility for memory care. The Care Center can integrate some memory care residents in their traditional nursing home neighborhoods.

The projections being used for this Study do anticipate some near-term growth in the target population of older senior citizens within the Glenwood Market Area. Over the next five years the area population of seniors age 75 and older is expected to increase by approximately 13% to 15%. This will continue to create some additional demand for specialized senior housing. There is currently available capacity in most of the specialized segments. The creation of 16 to 20 beds of memory care housing in Glenwood would compliment the other senior options.

Many new facilities in other communities are private-pay, and do not accept public programs. However, in Glenwood, Elderly Waiver and CADI assistance are accepted and the number of recipients is not capped, allowing lower income seniors access to housing with services. Willingness to accept this County assistance should help to maintain a high rate of occupancy.

5. Promote rental housing rehabilitation

Findings: Glenwood serves as the County's largest rental center. At the time of the 2010 Census, more than 47% of all renter households Countywide were living in Glenwood. Recent demand for rental housing has exceeded demand for home ownership in the community.

The rental survey completed for this Study identified a mix of multifamily rental options in the City. Some of the apartment buildings are relatively new, while others are more than 30 years old. Another portion of the rental stock exists in single family houses or other small structures with fewer than four units. Many of these appear to be older housing.

According to the American Community Survey, the median year of construction for all rental units in the City was 1971. Nearly 40% of all rental units were constructed before 1960.

The American Community Survey also shows that rental rates in the City are generally in a moderate range, with most units having a gross rent below $600 in 2016, including tenant-paid utilities. This moderate rent structure would indicate that property owners have limited resources available to make major property improvements.

Recommendation: With a large number of older rental units, ongoing attention to rental rehabilitation will be needed. As part of the City's open Small Cities Development Program (SCDP) funds, some targeted rental rehabilitation will be completed. Two specific multifamily structures would be targeted, with a combined 48 units.

When possible, "spot" rehabilitation should be encouraged to maintain the condition and quality of rental houses, helping to assure that renter households have access to decent, safe and sanitary housing. If left to deteriorate, older housing may eventually be removed from Glenwood, resulting in a possible loss of households and population.

Ownership Housing Recommendations

Overview: At the time of the 2010 Census, nearly 62% of the households in Glenwood owned their housing unit. The rate of home ownership has continued to drop in recent decades, and fewer than 60% of the City's households probably own their unit in 2018.

One of the reasons the home ownership rate has dropped is the fact that rental construction has exceeded single family construction. Since 2010, only 10 single family houses have been permitted in the City. Although more houses were constructed between 2000 and 2009, the City actually had no increase in th number of home owners during that decade, presumably due to tenure conversion, as even more single family houses changed from owner-occupancy to rental use.

Home values in the City are generally moderate, with most existing single family houses probably having a value below $135,000. The moderate values are partly a reflection of age. According to the American Community Survey, the median year of construction for single family houses is 1955. It is probable that over time some of the older, lower-valued homes have been acquired by investors and converted to rental use.

The growth projections being used for this Study have assumed that most of the future housing unit creation will be in rental projects. However, some demand should also exist for new owner-occupancy construction. Over the next five years, potential demand should exist for an average of approximately two to three houses per year, or 10 to 15 units over a five-year period. While this is only a modest projection, it is a much higher level of production than has been achieved over the past eight years, when the City averaged less than two new houses per year.

The following findings and recommendations are made concerning specific ownership housing issues in Glenwood.

6. Consider the creation of home ownership incentives to help generate new construction

Findings: During the housing boom years of the early 2000s, new home construction resulted in the creation of residential subdivisions. After the drop in new home construction that occurred Statewide later in that decade, many communities were left with large inventories of unsold lots. In Glenwood, at least two residential subdivisions dating to that time have vacant lots remaining.

Since 2010, only ten single family houses have been permitted and a relatively large supply of lots remains available, when compared to the annual absorption patterns. In an effort to spur a higher level of new home construction, it has become more common to see special municipal incentives being offered, to utilize the lot inventory and to create new house options.

In the Scenic View Subdivision, there were five lots that were acquired by the Glenwood Development Foundation, an area nonprofit. The Foundation had intended to use these lots for more affordable home construction, and one speculative house was built but remains unsold. Due to restrictive covenants in the subdivision, the Foundation has determined that it cannot create affordable houses and the intent is now to sell the remaining four lots for moderate to higher-priced home construction.

The other larger lot supply exists in Mt. Lookout Heights. Due to slow sales, this development area reverted back to bank ownership. Approximately 20 vacant lots remain, and one speculative home that has never been sold is being used as a rental. Some of the lots are higher priced and oriented to homes with lake views.

One potential site may exist for affordable home construction. There are five City-owned lots in a developed area of the community. Different uses have been considered for this parcel, and as a result it has not been used for housing, but could be made available in the future.

The website Realtor.com did not appear to list many of the vacant lots for sale in the City, but a number of rural parcels were listed. Competition exists with larger residential sites that can be purchase in the adjoining townships.

Recommendation: While most of the new housing construction will be in rental units, some single family construction will also occur in Glenwood. The growth expectations for the City of Glenwood should yield the potential for approximately two to three owner-occupancy housing units per year through new construction.

Community Partners Research uses a standard that a 2 ½ year supply of lots represents an adequate inventory, based on annual construction usage. The projection that up to two to three single family houses per year can be constructed yields a need for at least eight better quality lots. In 2018, at least 24 good quality lots are available for sale.

Although we believe that up to three new houses per year is a realistic expectation for the future, this level of construction has not been achieved in the recent past. As a result, the existing lot inventory should be adequate for at least the next five or more years.

There are fewer options available for affordable new construction. However, with the exception of the City-owned lots, any other possible locations would generally require a significant investment in infrastructure.

In some communities with a relatively large supply of unused lots, direct public involvement has been needed to help generate new housing construction. For example, some cities have been willing to offer incentives such as property tax abatement for the home buyer, or a waiver of City fees and charges, such as building permit or water/sewer connection.

One consideration that may impact the discussion of construction incentives is based on the legal power to waive fees. As part of the research on this issue, the League of Minnesota Cities was consulted concerning other examples of municipal efforts. Staff cautioned that the City Attorney may need to be consulted before any incentives are offered to be sure that they meet a "public purpose" test.

7. Promote affordable home ownership options as houses become available

Findings: The existing single family houses in the City are generally in a moderate price range. The best available information points to a median existing home value below $135,000.

Although home values in Glenwood are higher than in other cities in Pope County, most of the existing home sales would be viewed as relatively affordable, especially when compared to comparable new construction. However, the age of the single family stock contributes to the affordable prices for most homes, as the median year of construction is estimated to be 1955 for owner-occupied units.

Recommendation: Glenwood represents an attractive location for potential home buyers. Although the home ownership rate has dropped in recent years, nearly 60% of all households still own their housing unit. Glenwood has employment opportunities within the community, but residents also leave the City and commute to other area employment centers for their primary job. Affordable home ownership options have probably made the community a desirable location for people that are willing to commute to Alexandria and other communities in the region.

Most existing homes will sell at a much lower price than comparable new construction alternatives. According to the American Community Survey, the median percentage of income that was needed for home ownership in Glenwood was only 16.7% of income.

The American Community Survey can be used to compare estimated home values between Glenwood and some of the larger communities in the region. In 2016, the median value in Glenwood was estimated at $123,400 according to the American Community Survey. This was well below the median values in Alexandria at $160,500, Morris at $151,300, or Sauk Centre at $138,100. With higher home prices in these larger nearby communities, some households have been electing to live in Glenwood and drive each day for employment.

The community should promote the attractive existing housing options and access any resources that exist to assist with home ownership, including down payment and/or first-time home buyer programs. Some communities in the larger area, such as Rothsay in Otter Tail County, have offered home ownership incentives, such as free water and sewer for one year. The City could examine the potential for financial incentives to promote home ownership.

8. Maintain and preserve the existing single family housing stock

Findings: Most of the housing options in Glenwood exist in single family homes. The City also has some attached single family units in twin homes and town houses, but most one-unit structures are traditional detached single family houses intended for owner-occupancy.

Although the City had a net decrease of home owners between the 2000 Census and the 2010 Census, the home ownership tenure rate was still nearly 62% in 2010, although it has probably moved below 60% by 2018.

Home values in the City are generally moderate. The best available information would indicate that the typical existing single family house would have a value below $135,000. The City has had some high-valued home sales in recent years, but these may be lake shore properties, as off-lake houses will generally have more modest values.

Part of the reason for the modest home values is the estimated age of the single family stock in Glenwood. According to the American Community Survey, the median year of construction for owner-occupied houses in the City is 1955. While older houses may often be well maintained, age is often an indicator of maintenance and repair needs.

Recommendation: Based on occupancy tenure estimates, the City has continued to lose home owners while gaining renters. This may be due in part to tenure conversion, as older, lower-valued houses are acquired by investors and then offered as rental housing. It is also possible that some houses could be lost to disrepair over time. If the supply of good quality units decreases in the future, it is probable that the City will lose households and population.

Maintenance and repair of the City's older housing will continue to be an important strategy to maintain community stability. Glenwood has an open Small Cities Development Program (SCDP) grant which includes owner-occupied housing rehabilitation. Periodic applications to this funding source would be encouraged to maintain the quality of the City's older single family housing stock.

There are other programs that offer assistance for "spot" rehab activity as well, but the SCDP program is the best available resource for neighborhood or citywide impact.

9. Demolish and clear substandard structures

Findings: This Housing Study did not include a visual housing condition survey. However, secondary evidence would indicate that some substandard housing exists in Glenwood. There have probably been some substandard houses that have been removed from the community over time, although demolition records were not obtained.

Recommendation: Ongoing efforts to clear severely substandard structures are encouraged. This will help to enhance the appearance and appeal of the community as a residential location.

Demand Calculations for Market Rate Rental Housing

Overview

The following calculations are based on information for the Glenwood Market Area, which includes 16 cities and townships in the eastern half of Pope County. The City of Glenwood is the largest single jurisdiction within this aggregated area. These calculations examine the demand potential, adjusted by number of households that would be income-qualified to live in a unit at prevailing market rate rents.

For the purposes of this Study, an income-qualified household has an estimated annual income of $30,000 or more. If 30% of household income is applied to monthly housing costs, then these households can afford a gross rent of $750 or more. For new market rate housing, it is assumed that gross rental rates will generally need to be above this level, even for a one-bedroom apartment unit. For households at or near the $30,000 threshold, it is probable that more than 30% of income would be needed to afford a newly constructed market rate rental unit.

Based on the location within commuting distance of some larger cities, such as Alexandria, it can be argued that cities in Glenwood Market Area have the potential to attract renter households from an even larger geographical area. However, the analysts have proceeded under the assumption that these larger communities will also be developing new rental housing in the future, and that part of the larger area's demand will be addressed elsewhere.

While the City may have the potential to attract home owners that are willing to commute out for employment, there is less evidence that renter households are willing to travel longer distances, unless there is a significant cost savings, which typically cannot be achieved in new construction projects. As a result, most rental demand will be more locally-oriented.

Demand from Household Growth

The demographic projections provided earlier in this study have been based on the Glenwood Market Area adding approximately 25 to 26 households per year, with 125 to 130 households added over a five-year period.

For projected tenure, we have used a percentage of 35% for renter-occupancy. This rental tenure rate is substantially higher than the level reported in the Market Area in the 2010 Census, but is actually lower than the estimated rental tenure rate in Glenwood, which may exceed 40% in 2018. The higher potential renter rate is in recognition of the changing tenure patterns that have been present in recent decades, as fewer people are buying their housing, with many choosing to remain in the rental market.

Income-Qualified Demand from New Household Growth Calculation

Projected household growth 2017-2022	128
Percentage of renter-occupied households	35%
Projected rental household growth	45
Percentage of renter households in target income range	48%
Demand from income-qualified renter households	22

Utilizing the best available information on growth patterns, income levels and tenure rates, future household growth using normal assumptions is projected to add demand for approximately 22 additional market rate units by the year 2022 to serve the targeted income range.

It is important to note that additional demand will be present from even lower income groups that would benefit from lower rent or subsidized housing. If the same calculations are applied to all income ranges, the estimated demand from growth would increase to 45 rental units over the five-year period, but nearly half of these would need to be in an affordable price range.

The growth-generated demand would be shared between the various cities in the Market Area, although Glenwood would be the preferred location for most of this new construction.

Pent-Up Demand from Existing Households and Movership

Demand for rental housing in Glenwood has been growing over time. The City has added more rental units than owner-occupancy units so far this decade, and in the prior decade growth of renter-occupancy households exceeded growth from owner-occupants.

The survey of existing multifamily rental properties in Glenwood found very few market rate rental vacancies, especially in one and two-bedroom units. Some of the projects that are newer with a higher level of unit amenities, such as Highland Townhomes and Glen Terrace Townhomes, reported full occupancy with waiting lists.

Future demand for rental housing would be generated in part from existing renters that would elect to move into a better quality unit. For this calculation, existing renter households in the entire Market Area have been examined.

To determine the number of potential renter households that would be expected to move on an annual basis if good quality units were vacant and available in the area, we have performed the following calculation using an annual turnover rate of only 10%, or less than 1% per month.

Income-Qualified Movership/Competitive Advantage	
Total renter households in the Market Area	650
Percentage in income-qualified range	48%
Total income-qualified households	312
Annual turnover @ 10%	31

The pent-up demand calculation indicates that up to 31 rental households could be a potential market for higher quality rental housing. Once again, this potential demand is even larger if all income ranges are examined, as more than half of all current renter households could not afford the rent typically associated with a new rental unit.

Once again this movership demand would be shared between the cities of in the Market Area, but Glenwood would be the preferred location for higher-rent new construction.

Potential Demand from Senior Households

Part of the reason that demand for rental units has been increasing in Glenwood in recent decades is the growing number of older adult households. While home ownership rates are typically high for younger seniors, more households tend to move into rental options as they age. The overall home ownership rate for senior-headed households in 2010 was approximately 78% in the Market Area, with only 22% of seniors renting their housing.

The Market Area's rental tenure rate for seniors was low despite the fact that nearly 44% of the senior-headed households in Glenwood were renters. With a diverse set of rental options that appeal to seniors, Glenwood has a much higher rental rate than the remained of the Market Area. If new senior-friendly housing options are created, a Market Area rental rate of 26% or more should be achievable among senior-headed households.

In the opinion of the analysts, the growing number of senior and near-senior households living in the Glenwood Market Area should generate additional demand for market for rental housing that is age-appropriate, as these households transition from home ownership to fully independent rental housing.

A 26% rental rate has been used in the following calculation, which examines anticipated growth from this target market segment.

Income-Qualified Senior Household Growth Demand Calculation

Estimated number of households age 65 and older in 2017	1,201
Projected number of households age 65 and older in 2022	1,391
Net growth in households	190
Potential rental tenure @ 26% rate	49
Percentage in income-qualified range @56%	27

Since many of the households age 65 and older living within the Glenwood Market Area are home owners, there is a fairly high percentage with an annual income of $30,000 or more. As a result, up to 56% of the senior-headed households would be income-qualified for market rate rental housing.

In addition to the overall growth in households within all age ranges, as calculated earlier, the growing number of households within the senior age groups will create additional needs for age-appropriate rental housing options for moderate and higher income senior households. Using Esri's age-based projections to the year 2022, it is reasonable to expect as 27 additional households to potentially enter the rental market, and look for a higher quality rental unit for independent living.

Demand from Unit Replacement/Obsolescence

Demand created by unit replacement and obsolescence may also occur. This would be in addition to normal tenant movership that occurs when people voluntarily move to a better or more suitable unit. Displacement caused by unit obsolescence and demolition is not voluntary.

Research completed for this Study could not document any significant rental unit losses in Glenwood or the other Market Area cities, although some unit loss is likely. However, this has probably offset by unit conversion, as housing formerly used for owner-occupancy changed to rental use. Going forward, as the home ownership market stabilizes, the rate of conversion should slow or even reverse, as people look for affordable home ownership options. But with no evidence of a net loss of rental housing, no allowance has been made for demand created by unit replacement.

Total Demand and Market Share

The combination of demand generators identified above results in market potential from approximately 80 households that are income-qualified for the gross rental rates typically required by market rate housing. Some of this demand is growth-generated and will continue to increase over the projection period, and some of the calculated demand exists from currently under-served market segments, such as seniors that have continued to own their housing since there are no suitable rental choices in the local market.

It is important to note that part of this projected demand will be met by 32 apartment units that are currently under construction in Glenwood in the new Forest Ridge project. With these units entering the market in 2018, the estimated unmet demand would be for 48 additional units during the projection period.

Since some of the calculated demand will materialize later in the 5-year projection period, a possible development model would be to introduce two phases of development, with approximately 10 to 28 units per phase. Since this unit recommendation is based on the entire Market Area, it is also possible that a portion of the units could be developed in the smaller cities, although most of the recommended production should occur in Glenwood.

Additional Considerations

There are some additional factors that should also be considered by a potential developer of rental housing that could impact future development.

- The recommendations made in this Study are based on calculations of household growth, pent-up demand, under-served market segments and similar demand-generators, but do not include competitive positioning of a specific project. No specific sites or design ideas have been considered by the analysts. It is probable that newly constructed units would have certain competitive advantages over other rental projects in the immediate area, but this is not assured until a development concept is identified.

- The research completed for this Study did not identify any pending projects that would directly compete for a share of the market, other than the construction underway at Holly Ridge Manor. But there is no guarantee that other projects will not advance in other communities in or near the Market Area that could compete for tenants.

- Any new rental project should attempt to serve a broad segment of the potential market. Projections point to a growing demographic segment of older adults, age 65 and above, as the baby boomers move through the aging cycle. Any new housing should be designed to appeal to older adult renters, with age-appropriate features and amenities. However, if units are age-restricted, then a portion of the calculated demand cannot be served, and the potential for market success is reduced.

The opinion of Community Partners Research has been formed with information on general market conditions in Glenwood and the Market Area. The analysts have assumed that high quality construction and materials will be used, and that the property will be professionally managed. Community Partners Research has not reviewed construction plans or architectural drawings. We have not reviewed any project pro forma information, or cash flow scenarios based on proposed rents compared to total development costs.