



Comprehensive Housing Needs Analysis For the City of Cambridge, Minnesota

Prepared For:

City of Cambridge
Cambridge, Minnesota



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Research & Consulting

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June 26, 2024

Ms. Alex Smith, MPA
Deputy City Administrator
City of Cambridge
300 Third Ave NE
Cambridge, MN 55008

Dear Ms. Smith:

Attached is the *Comprehensive Housing Needs Analysis for Cambridge, Minnesota* conducted by Maxfield Research & Consulting, LLC. The housing analysis projects housing need through 2035 and provides recommendations on the amount and type of housing that could be built across Cambridge to satisfy demand from current and future residents over this decade. The study identifies a potential demand for over 1,700 new housing units through 2035. Driven by the growing Baby Boomer cohort, demand is strong for by age-restricted senior housing (849 units) whereas all-ages housing accounts for 52% of demand (919 units).

Overall, the housing market is very tight across Cambridge; in-part led by the pandemic-induced housing boom that further tightened the housing market over the past four years. Our inventory of rental properties (market rate and affordable/subsidized) found a combined vacancy rate of only 1.4% (1.8% market rate and 0.0% affordable/subsidized); indicating strong demand for new rental supply, but several new projects are under construction that should satisfy some of this demand. The senior housing market is bifurcated based on the product types. Active adult and independent living housing units have no vacancies, while assisted living and memory care have elevated vacancies and are still recovering from the pandemic's impact on the senior industry. Finally, the for-sale market has experienced record-low supply and strong appreciation over the past few years (+32% since 2020). The lot supply is tight and only able to meet short-term demand, as such new lots need to be platted in the near-term. Interest rates are impacting affordability and are holding the real estate in check as buyers are on the side-lines and sellers hold their record-low mortgage rates.

Detailed information regarding recommended housing concepts and the challenges associated with developing the needed housing can be found in the *Recommendations* and *Challenges and Opportunities* sections at the end of the report.

We enjoyed completing this study and are available if you have questions/need additional information.

Sincerely,

MAXFIELD RESEARCH & CONSULTING, LLC

Matt Mullins
Vice President
Attachment

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This section highlights the key findings from the Housing Demand Analysis completed for Cambridge. Calculations of projected housing demand are provided through 2035 and recommendations for housing products to meet demand over the short-term are found in the *Conclusions and Recommendations* section of the report.

Key Findings

1. Cambridge has experienced rapid population growth since the early 2000s; growing by 47% between 2000 and 2010 and 18.5% last decade. Projections for this decade show continued strong growth with a nearly 20% growth rate. However, given the higher-interest rate environment, new housing construction growth rates may slow temporarily as sellers do not want to give up their current interest rates and builders slow production with elevated financing costs. Once rates stabilize, growth is expected to accelerate.
2. The aging baby boomer generation (ages 60 to 78 in 2024) is impacting the composition of the Cambridge population. Younger seniors (ages 65 to 74) are projected to grow by 17% from 2024 to 2029, while the 75 and older age group is also projected to grow by 16%. This older population growth will result in demand for alternative housing products; both for-sale and rental housing types. At the same time, there is strong growth in the 45 to 54 age cohort (+15%), which are often seeking move-up for-sale housing stock.
3. Cambridge is a job importer as there is a positive inflow of about 1,392 workers. The labor force in Cambridge has remained relatively steady between 2012 and October 2023. In addition, the unemployment rate jumped to 6.8% in 2020 due to the COVID-19 pandemic and has recovered to 2.9% as of October 2023. The positive inflow of workers who commute to Cambridge provides an opportunity to draw new households into Cambridge through relocations.
4. The overall rental vacancy rate for the rental products surveyed in Cambridge was only 1.4%. Rental vacancy rates are well below market equilibrium (5% for market rate and 3% for subsidized/affordable) for market rate products at 1.6% and no vacant units as the surveyed affordable (shallow-subsidy) and subsidized products. Vacancy rates below equilibrium indicate pent-up demand for additional units at those income levels. At the same time, there are a number of new rental housing communities that are just opening or under construction at the time of this study (both in Cambridge and Isanti). The new supply will help absorb this pent-up demand but given the depth of new supply in the pipeline new market rate rental housing demand may be delayed as new deliveries are absorbed and the rental market is stabilized.

KEY FINDINGS

5. Rising mortgage rates and low supply impacted the Cambridge housing market coming out of the pandemic. Sales activity peaked in 2021 with over 400 transactions, before falling to only 180 sales in 2023. At the same time median sales prices have risen rapidly since the pandemic and have increased from \$228,000 on 2019 to \$330,000 in 2023, up 45%. Inventory has been tight in Cambridge since 2015 as there have been fewer options available for buyers for years. Over the past year, there have been very few homes for sale priced under \$300,000; impacting first time home buyers.
6. New single-family construction has been strong since 2017 and experienced a peak in 2021 during the pandemic. However, the increase in mortgage rates and higher housing costs has slowed for-sale new construction since 2022. Based on recent lot absorption, the current lot supply is only able to accommodate demand in the short-term. New platted lots are needed to accommodate longer-term demand.
7. There are 12 senior housing developments in Cambridge with 495 units. There were 63 vacancies identified among these properties for an overall vacancy rate of 12.7%. There were no vacancies in the following property types: market rate active adult ownership, market rate active adult rental, affordable active adult rental, and independent living. However, service-based senior housing is still recovering from the onsets of the pandemic is recording excessive vacancies in memory care and assisted living housing.
8. The demand for for-sale housing through 2035 was calculated for 657 units (447 single family units and 210 multifamily units). Thus, a need for additional buildable lots are needed for both single family and multifamily for-sale housing. There is also need for additional rental housing ; both market rate (128 units) and subsidized affordable units (96 units). There is less demand for shallow subsidy affordable units (38 units). As for senior housing there is demand across all product types with independent living units having the most demand (169 units) and assisted living units having the least demand (69 units).
9. In the near-term, still stubborn inflation and rising mortgage rates are projected to slow the for-sale market and could impact multifamily housing development with rising construction and financing costs. As a result, mobility rates could flatten in the short-term as households are on the side-lines impacted by affordability and supply constraints. This demand will revert once interest rates stabilize, and consumer confidence returns.

Purpose and Scope of Study

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

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

Demographic Analysis

- The City of Cambridge population grew by 18.5% from 2010 to 2020 while households grew by 21.3%. The population is expected to continue to increase in the City of Cambridge, growing 17.8% from 2020 to 2029 and 7.7% from 2029 to 2035. Households will continue to grow as well, from 2020 to 2029 households are forecast to increase nearly 21% and approximately 8% from 2029 to 2035.
- The largest gains in the City of Cambridge population are expected in the age cohort under 18 (+156 people), the cohort age 65 to 74 (+158 people) and the cohort age 45 to 54(+169 people) through 2029. Proportionally, the older age cohorts (65 and over) will grow the most, with each increasing by more than 16%
- The median income in the City of Cambridge was \$65,643 in 2024 with an expected 14% increase by 2029 to \$74,516. Median incomes were the highest, reaching \$95,362, in the 45 to 54 age cohort when households are in their peak earning years prior to retirement.
- Homeownership rates increased as income increased in the City of Cambridge, climbing from 41% of households with incomes under \$15,000 to 100% of households with incomes over \$150,000.
- The median net worth in the Market Area was \$211,543 in 2024, higher than the City Cambridge net worth of \$132,752. The increased net worth in the Market Area is due higher homeownership rates and larger acreages and farmsteads.
- In the City of Cambridge, the proportion of owner-occupied households was 68%, with homeownership rising as households age. The homeownership rate falls again for those households over age 65.

EXECUTIVE SUMMARY

- The largest household type in the City of Cambridge were single person households, representing nearly 36% of all households. More than the portion of single person households in the Market Area (24.5%) and the State of Minnesota (29.1%).
- Nearly 60% of renter households were single person households compared to only 25% of owner households. Owner households were most likely to be two-person households, representing 32% of owner households.
- In 2022, White Alone comprised the largest proportion of the population in the City of Cambridge (91.6%). After White Alone, respondents in the City of Cambridge were most likely to identify as Asian Alone (3.9%). Only 1% of respondents in the City of Cambridge identified as Hispanic, lower than the Remainder of the Market Area (3.2) and the State of Minnesota (5.7%).
- The majority of residents in the City of Cambridge (83.7%) did not move within the last year. Of the residents that moved approximately 8.7% moved from another Minnesota county and 6.4% moved within the County. Mobility was higher in the City of Cambridge compared to the Market Area and the State of Minnesota, where 87% of residents did not move in each area.

Employment Trends

- The Central Minnesota Planning Area, which includes 13 Minnesota Counties (Benton, Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne, Stearns and Wright Counties) experienced a 7.4% increase in employment from 2010 to 2020, despite employment falling -2% from 2015 to 2020.
- Employment is expected to grow by 5% from 2020 to 2030, buoyed by a 4% jump in employment from 2020 to 2022 during the recovery from the global pandemic.
- Total employment increased 6.5% from 2012 to 2022. During the same time, the unemployment rate fell from 7% to 3.4%.
- The largest employment sector in the City of Cambridge was the Education and Health Services industry (31.7%) with an average weekly wage of \$1,025 and the Trade, Transportation and Utilities industry (24%) with an average weekly wage of \$612 in the second quarter of 2023.
- The most common work destinations among Cambridge residents were Cambridge (23%), Minneapolis (6.7%) and Isanti (5.8%).
- The City of Cambridge can be considered an importer of workers, as the number of workers coming into the City (5,146) for employment was higher than the number of residents leaving the City for work (3,754). An additional 1,110 workers were interior workers, who both live and work in the City.

EXECUTIVE SUMMARY

- The Trade, Transportation and Utilities industry accounted for more than half (+508 employees) of the employment growth in the City of Cambridge from 2010 to 2022. In addition, the Construction industry more than doubled (+131%) during this time, adding 80 employees. At the same time, the largest employment industry in the City of Cambridge, Education and Health Services, has decreased its share of employment, dropping from 37% in 2005 to 31% in 2022.

Housing Characteristics

- According to the City, there were 1,419 units permitted in Cambridge from 2010 through mid-October 2023. Multi-family units made up 67.4% of units permitted during this time, totaling 957 units, and the majority of those multi-family units (794) were for apartments. The remaining 462 permits were for single family units.
- The majority of owner-occupied homes were single-family detached homes (80.5%) in Cambridge. Renter occupied homes in the City of Cambridge were split between single-family detached homes (23.5%) and within buildings with more than 50 units (23.5%).
- The majority of homes in the City of Cambridge (69%) held a mortgage.
- Owner-occupied homes in the City of Cambridge were most likely to be valued between \$150,000 and \$399,999, accounting for 49% of all homes in the City.
- Median contract rent in the City of Cambridge (\$976) was comparable to the median contract rent in the State of Minnesota (\$972).
- From 2010 to 2021, the proportion of owner-occupied homes rose in the City of Cambridge from 61% to 66% of homes while vacant properties declined from 8.4% of homes to 4.3%.

Rental Housing Market Analysis

- In total, Maxfield Research inventoried 1,483 general occupancy multifamily rental units in Cambridge across 32 multifamily developments.
- In February 2024, we identified and surveyed 27 general occupancy rental properties of 18 or more units (1,452 units). These properties included 1,083 market rate units with a 1.4% vacancy rate (20 vacant units), 174 affordable units with a 0.0% vacancy rate (no vacancies), and 195 subsidized units with a 0.0% vacancy rate (0 vacancies). Typically, a healthy rental market maintains a vacancy rate of roughly 5%, which promotes competitive rates, ensures adequate consumer choice, and allows for unit turnover. This low vacancy rate could indicate pent-up demand for additional rental housing.

Senior Housing Market Analysis

- In February 2024, we identified and surveyed 12 senior housing properties. Combined, these properties contain 341 units.
- The predominant senior housing product type in Cambridge is assisted living, which accounted for 34.6% of all senior housing.
- There were no vacancies in active adult ownership, active adult market rate, affordable active adult, subsidized active adult units or independent living units rate in the City of Cambridge. Memory care units (57.5%) and assisted living units (17.8%) each had high vacancies.

For-Sale Housing Market Analysis

- The Great Recession sent median resale prices falling in the Market Area beginning in 2006 through 2011. Median resale prices only reached pre-recession prices in 2017. Since 2017, resale prices have risen annually from \$192,000 to \$330,000 in 2023.
- On average, there are 248 resales in the City of Cambridge annually. Resales reached a yearly high of 405 in 2020, likely as the result of the pandemic generated mobility. By 2023, resales were below average at 179 as rising interest rates took effect.
- Nearly 80% of resales in 2023 were priced between \$200,000 and \$399,999.
- Active for-sale listings in January 2024 were all listed at more than \$200,000, with five listing exceeding \$500,000.
- Three-quarters of new construction closings in the City of Cambridge have been priced between \$300,000 and \$400,000, compared to only 12% in the Greater Metro Area and 44% in Isanti County.
- Metro Study identified eight single family subdivisions in the City of Cambridge with lots available. Three of the subdivisions were platted in the last year, while the other five were platted in the early 2000's. There were eight closings and 21 housing starts in these subdivisions.
- Per the City of Cambridge, there were 165 vacant lots in the fourth quarter of 2023.

Housing Affordability

- About 29% of owner households and 58% of renter householders are estimated to be paying more than 30% of their income for housing costs in the City of Cambridge. By comparison, 22% of owner households and 64% of renter households in the Market Area are cost burdened.

EXECUTIVE SUMMARY

- About 47% of the Cambridge Market Area households could afford to buy an entry-level home (\$275,000). Additionally, about 57% of existing owner households could afford to purchase a home of \$275,000.
- Over 80% of existing Market Area renter households can afford to rent a one-bedroom unit in Cambridge (approx. \$925/month). The percentage of renter income-qualified households decreases to roughly 68% that can afford an existing three-bedroom unit (approx. \$/month).

Housing Needs Analysis

- Based on our calculations, demand exists for the following general occupancy product types between 2024 and 2035 in the City of Cambridge:
 - Market rate rental 128 units
 - Affordable rental 38 units
 - Subsidized rental 6 units
 - For-sale single-family 447 units (After existing lots absorbed)
 - For-sale multifamily 210 units
- In addition, we find demand for most senior housing product types. By 2035, demand for senior housing is forecast for the following in the City of Cambridge:
 - Active adult ownership 115 units
 - Active adult market rate rental 139 units
 - Active adult affordable 163 units
 - Independent Living 161 units
 - Assisted living 69 units
 - Memory care 93 units

Recommendations and Conclusions

- Based on the finding of our analysis and demand calculations, the following chart provides a summary of the recommended development concepts by product type for the City of Cambridge through 2035. Detailed findings are described in the *Conclusions and Recommendations* section of the report.

EXECUTIVE SUMMARY

RECOMMENDED HOUSING DEVELOPMENT				
CITY OF CAMBRIDGE				
2024 to 2035				
		Purchase Price/ Monthly Rent Range ¹	No. of Units	Development Timing
Owner-Occupied Homes				
<i>Single Family</i>				
	Entry-level	<\$300,000	145 - 150	Ongoing
	Move-up	\$350,000 - \$475,000	240 - 250	Ongoing
	Executive	\$500,000+	90 - 100	Ongoing
	Total		475 - 500	
<i>Townhomes/Twinhomes/Detached Townhomes/Villas</i>				
	Entry-level	<\$225,000	90 - 100	Ongoing
	Move-up	\$250,000 - \$325,000	100 - 110	Ongoing
	Executive	\$350,000+	60 - 70	Ongoing
	Total		250 - 280	
Total Owner-Occupied			725 - 780	
General Occupancy Rental Housing				
<i>Market Rate Rental Housing</i>				
	Apartment-style (moderate)	\$850/1BR - \$1,300/3BR	50 - 60	2026+
	Apartment-style (move up)	\$975/Eff - \$1,500/3BR	40 - 50	2027+
	Townhomes (move up)	\$1,800/2BR - \$2,250/3BR	25 - 35	2026+
	Total		115 - 145	
<i>Affordable Rental Housing</i>				
	Apartment-style	Moderate Income ²	50 - 60	2024+
	Townhomes	Moderate Income ²	30 - 35	2024+
	Subsidized	30% of Income ³	30 - 40	2024+
	Total		110 - 135	
Total Renter-Occupied			225 - 280	
Senior Housing (i.e. Age Restricted)				
	Senior Cooperative(s)	\$75,000+	80 - 90	2024+
	Active Adult Market Rate Rental ⁴	\$1,300/1BR - \$1,700/2BR+Den	100 - 120	2025+
	Active Adult Affordable Rental ⁴	Moderate Income ³	130 - 140	2024+
	Independent Living/Congregate	\$1,900/1BR - \$2,900+/2BR	100 - 120	2025+
	Assisted Living	\$3,000/Eff - \$\$4,750/2BR	40 - 50	2028+
	Memory Care	\$4,000/EFF - \$6,000/2BR	50 - 60	2026+
	Total		500 - 580	
Total - All Units			1,450 - 1,640	
¹ Pricing in 2024 dollars. Pricing can be adjusted to account for inflation. ² Affordability subject to income guidelines per Minnesota Housing Finance Agency (MHFA). See Table HA-1 for Isanti County Income limits. ³ Subsidized housing will be difficult to develop financially. Hence, some demand moved from subsidized to affordable ⁴ Alternative development concept is to combine active adult affordable and market rate active adult into mixed-income senior communities.				
Source: Maxfield Research & Consulting, LLC.				

Purpose and Scope of Study

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

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

Methodology

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

- U.S. Census Bureau; American Community Survey
- Minnesota Department of Employment and Economic Development (DEED)
- United States Department of Housing and Urban Development (HUD)
- Environmental Systems Research Institute (ESRI)
- CoStar, Inc.
- Regional Multiple Listing Service of Minnesota (RMLS)
- Metrostudy
- The City of Cambridge
- Isanti County
- Longitudinal Employer-Household Dynamics (LEHD)
- Minnesota Geospatial Commons
- Minnesota Housing Finance Agency (MHFA)
- Dept. of Housing & Urban Development (HUD)
- Novogradac
- Private property owners/managers, realtors, brokers, developers, employers, etc.

Introduction

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

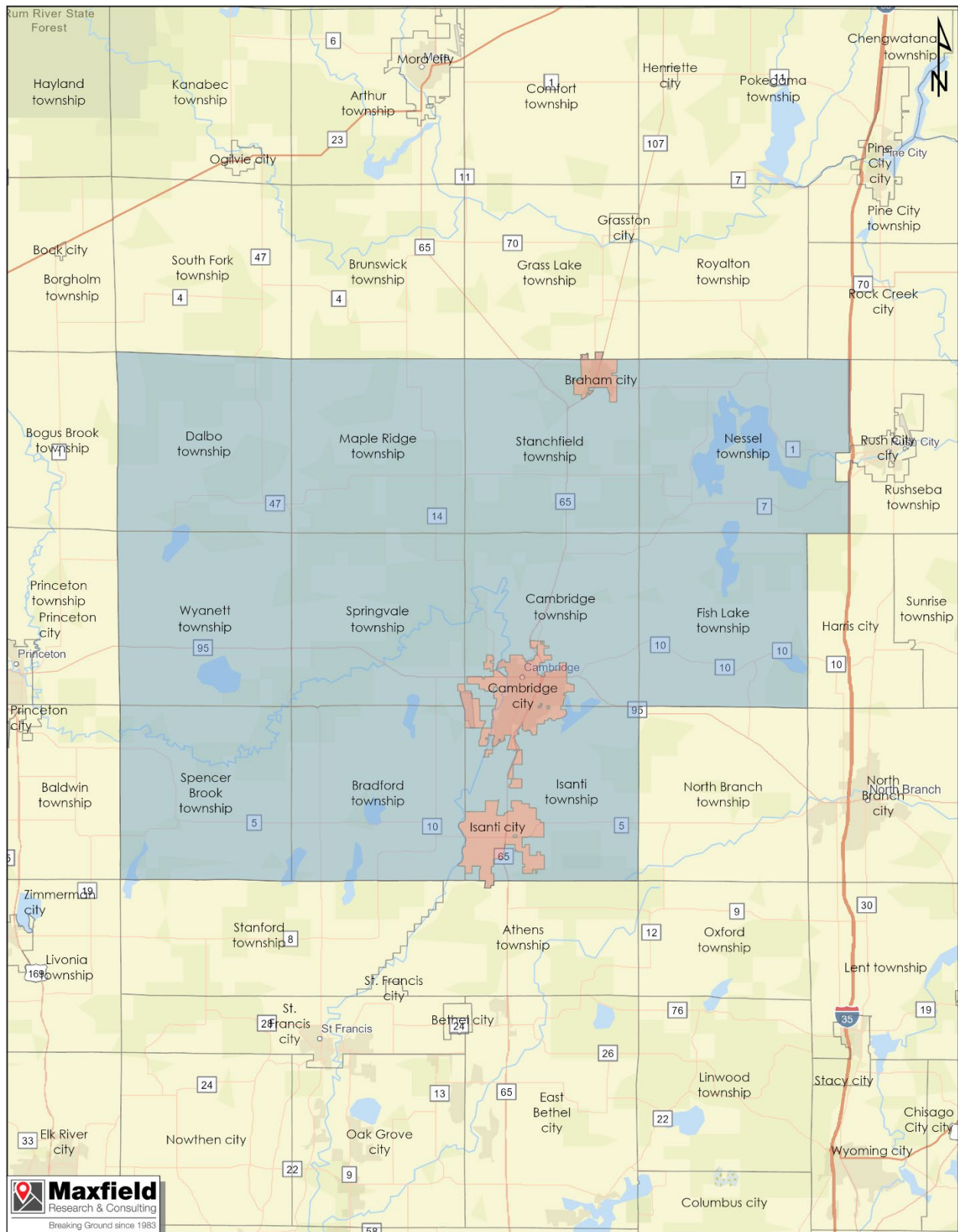
Market Area Definition

The primary draw area (Market Area) for housing in Cambridge was defined based on traffic patterns, community and school district boundaries, geographic and man-made barriers, and our general knowledge of the draw area. The Market Area includes the City of Cambridge, City of Isanti, and a portion of Braham (part). In addition, 11 townships in Isanti and Chisago Counties are also included in the Market Area.

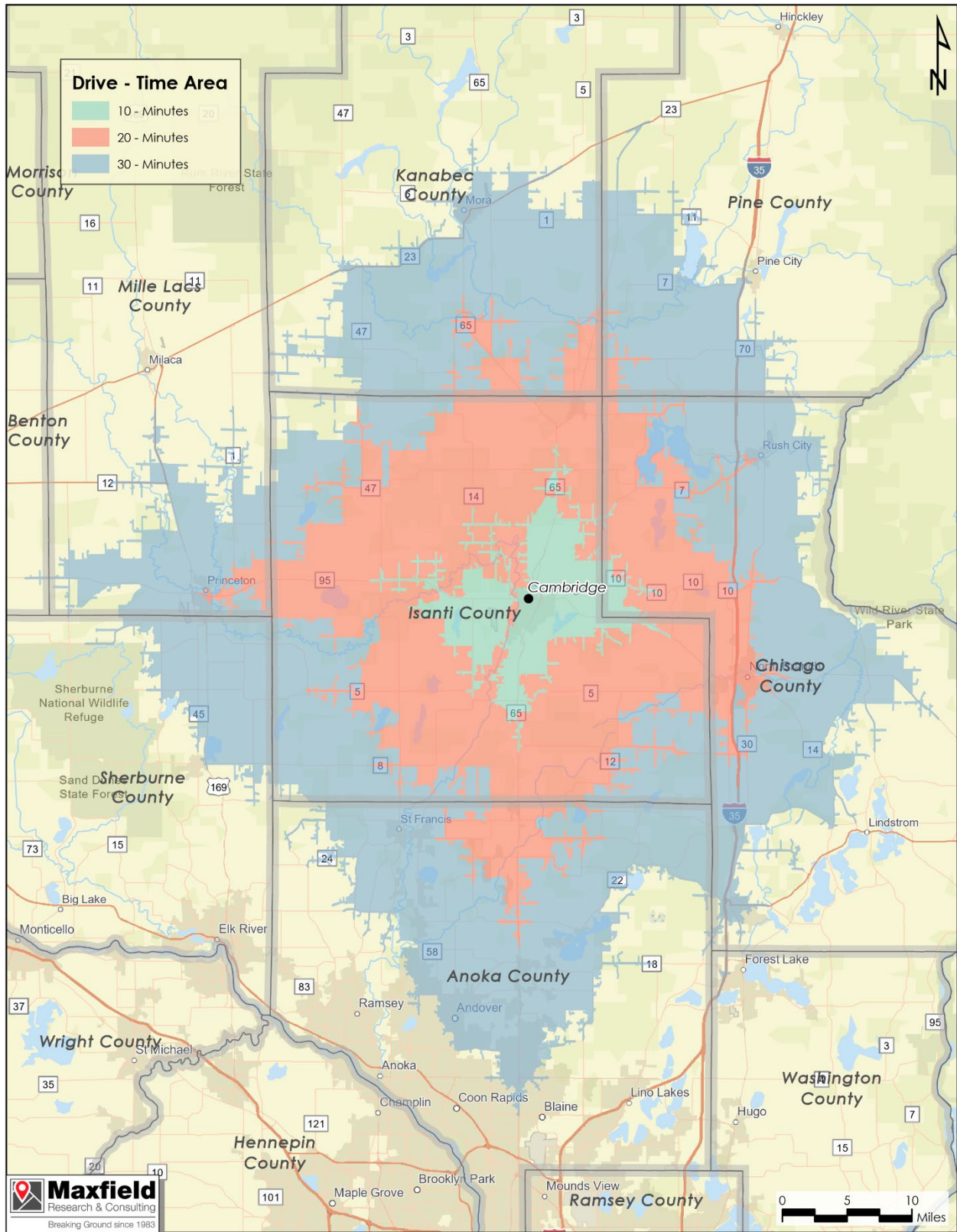
The City of Cambridge is expected to account for a majority of the total demand for housing in the Market Area, depending on the housing product. Additional demand will come from individuals moving from just outside the area, those who return from other locations (particularly young households returning after pursuing their degrees or elderly returning from retirement locations), and seniors who move to be near the adult children living in the Market Area. Demand generated from within and outside of the Market Area is considered in the demand calculations presented later in this analysis.

City of Cambridge - Primary Market Area (PMA) Definition			
Isanti County			
Dalbo Twp.	Maple Ridge Twp.	Stanchfield Twp.	City of Braham (Part)
Wyanett Twp.	Springvale Twp.	Cambridge Twp.	City of Cambridge
Spencer Brook Twp.	Bradford Twp.	City of Isanti	Isanti Twp.
Chisago County			
Fish Lake Twp.	Nessel Twp.		
Kanabec County			
City of Braham (Part)			
Source: Maxfield Research & Consulting, LLC			

Cambridge Market Area



Drive Times from Cambridge



Historic Population and Household Growth Trends

The figure below shows the historic population of City of Cambridge from the U.S. Census Bureau from 1900 to 2020.

- The population of the City of Cambridge has experience strong growth over the history of the City. In 1900, the population of the city was 737, by 2020, the population of City reached 9,611.
- On average, the City population has grown by 25% per decade, although significant variability does exist between individual decades. Growth was rather steady between 1900 and 1950, before spiking in the 1950s. However, from 1960 to 1970 the population stagnated, officially declining by -0.3%, but the population grew by 55% from 1980 to 1990.

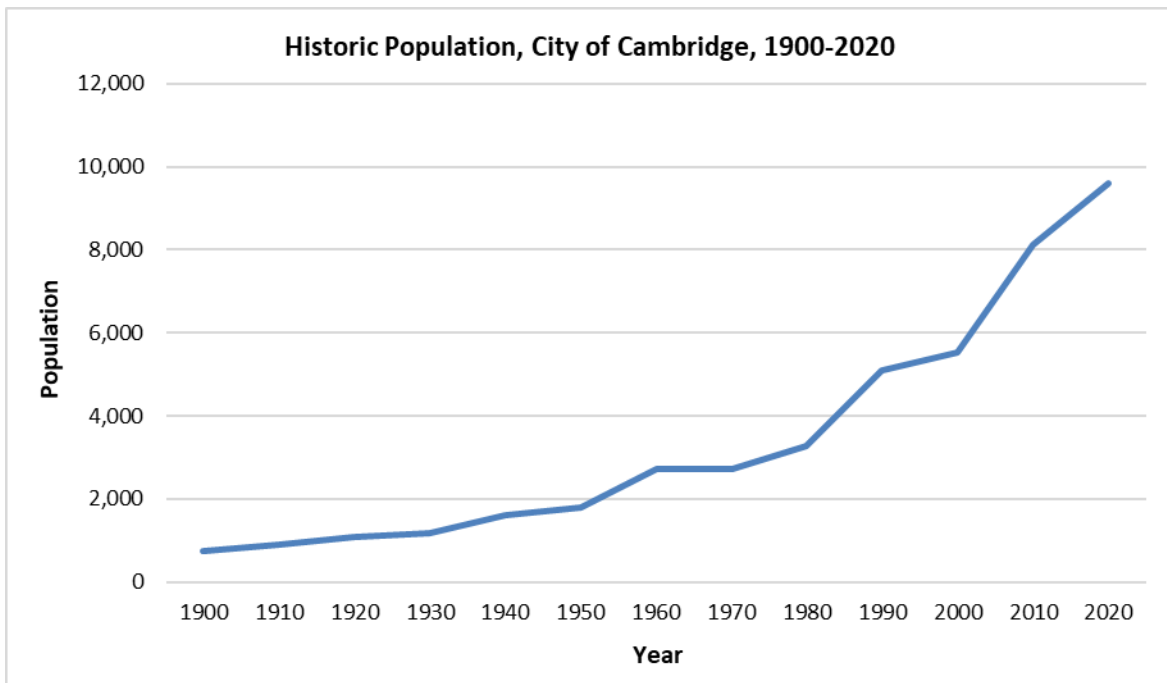


Table D-1 show historic population trends for the Market Area, Isanti County, and State of Minnesota from 2000 to 2020.

- The population of the Market Area grew by 24.1% from 2000 to 2010. Population growth in the PMA exceeded that of Isanti County (+20.9%) and the State of Minnesota (+7.8%).
- Population growth continued the following decade, growing by nearly 10% from 2010 to 2020. Population growth during this decade was closer, although still above, the growth in Isanti County (+8.8%) and the State of Minnesota (+7.6%).
- Cities within the PMA recorded the largest population gains in the PMA from 2000 to 2010. The City of Braham’s population grew by 40.5% and the City of Isanti more than doubled

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(+125.9%) its population during this time. In the City of Cambridge, the population grew by 46.9% (+2,591).

- Population growth in the Market Area cities continued from 2010 to 2020 for the City of Isanti (+29.6%) and the City of Cambridge (+18.5%). The City of Braham recorded a population loss of -1.3% (-24).

	Historic Population			Change			
	Census			2000-2010		2010 - 2020	
	2000	2010	2020	No.	Pct.	No.	Pct.
Cities							
Cambridge	5,520	8,111	9,611	2,591	46.9%	1,500	18.5%
Braham	1,276	1,793	1,769	517	40.5%	-24	-1.3%
Isanti	2,324	5,251	6,804	2,927	125.9%	1,553	29.6%
Townships							
Bradford	3,472	3,380	3,427	-92	-2.6%	47	1.4%
Cambridge	2,413	2,379	2,495	-34	-1.4%	116	4.9%
Dalbo	634	743	781	109	17.2%	38	5.1%
Fish Lake	1,723	2,012	2,193	289	16.8%	181	9.0%
Isanti	2,364	2,313	2,262	-51	-2.2%	-51	-2.2%
Maple Ridge	737	761	715	24	3.3%	-46	-6.0%
Nessel	1,765	1,951	1,907	186	10.5%	-44	-2.3%
Spencer Brook	1,495	1,589	1,670	94	6.3%	81	5.1%
Springvale	1,384	1,447	1,560	63	4.6%	113	7.8%
Stanchfield	1,120	1,209	1,168	89	7.9%	-41	-3.4%
Wyannett	1,698	1,729	1,755	31	1.8%	26	1.5%
PMA	27,925	34,668	38,117	6,743	24.1%	3,449	9.9%
Isanti County	31,287	37,816	41,135	6,529	20.9%	3,319	8.8%
Minnesota	4,919,479	5,303,925	5,706,494	384,446	7.8%	402,569	7.6%

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

Table D-2 shows historic household trends for the Market Area, County and State of Minnesota from 2000 to 2020.

- Household growth typically outpaces population growth, which is evident in the household growth trends of the PMA since 2000. PMA households grew by 27.1% from 2000 to 2010 and 12.1% from 2010 to 2020, slightly above the population growth.
- From 2000 to 2010, 2,756 households were added to the Market Area, a 27.1% increase. Another 1,561 households were added to the Market Area from 2010 to 2020 (+12.1%).
- The City of Cambridge and the City of Braham experienced less household growth than population growth from 2000 to 2010. The City of Cambridge experienced household growth of 40.2% during this time, compared to 46.9% growth in population. Similarly, households grew by 38.6% in the City of Braham compared to 40.5% population growth.

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- Household growth began to outpace population growth in both cities from 2010 to 2020.

	Households			Change			
	Census			2000 - 2010		2010 - 2020	
	2000	2010	2020	No.	Pct.	No.	Pct.
Cities							
Cambridge	2,237	3,137	3,805	900	40.2%	668	21.3%
Braham	511	708	739	197	38.6%	31	4.4%
Isanti	816	1,871	2,458	1,055	129.3%	587	31.4%
Townships							
Bradford	1,163	1,217	1,288	54	4.6%	71	5.8%
Cambridge	833	860	923	27	3.2%	63	7.3%
Dalbo	235	274	285	39	16.6%	11	4.0%
Fish Lake	617	755	807	138	22.4%	52	6.9%
Isanti	775	841	834	66	8.5%	-7	-0.8%
Maple Ridge	279	297	300	18	6.5%	3	1.0%
Nessel	668	736	744	68	10.2%	8	1.1%
Spencer Brook	532	573	606	41	7.7%	33	5.8%
Springvale	475	547	571	72	15.2%	24	4.4%
Stanchfield	407	442	437	35	8.6%	-5	-1.1%
Wyanett	620	666	688	46	7.4%	22	3.3%
PMA	10,168	12,924	14,485	2,756	27.1%	1,561	12.1%
Isanti County	11,236	13,972	15,615	2,736	24.4%	1,643	11.8%
Minnesota	1,895,127	2,087,227	2,253,990	192,100	10.1%	166,763	8.0%

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

Population and Household Estimates and Projections

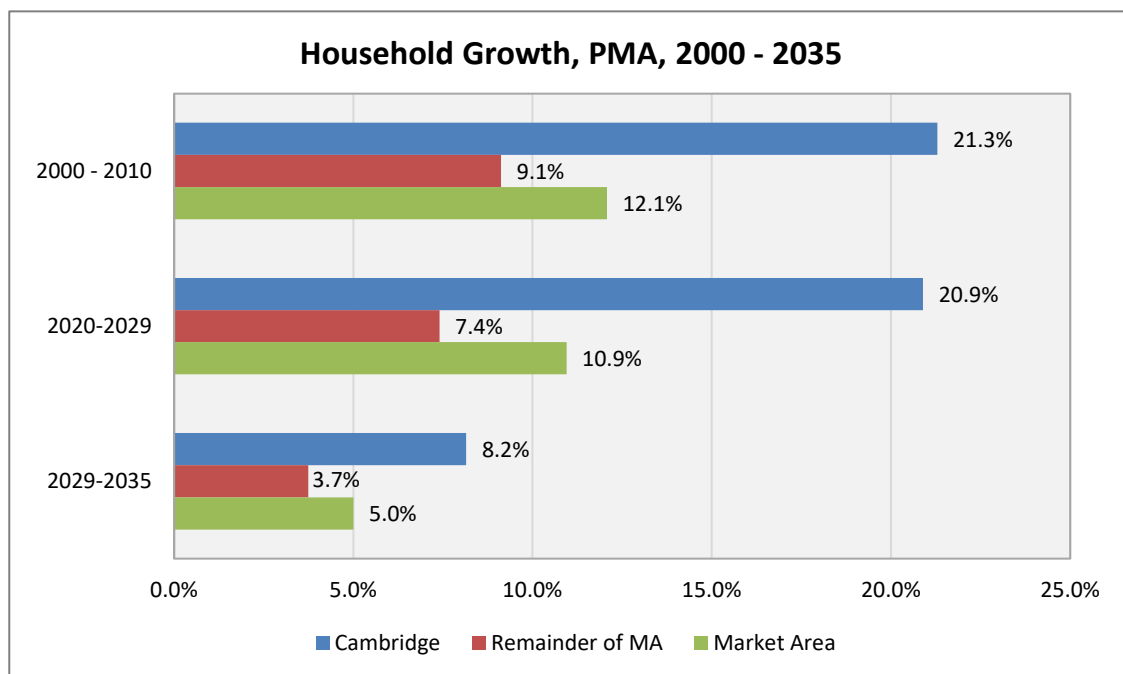
Table D-3 presents population and household growth estimates and projections for the Market Area through 2035. Estimates for 2023 and projections through 2035 are based on information from ESRI (a national demographics service provider) and the Minnesota State Demographic Center, with adjustments calculated by Maxfield Research and Consulting, LLC.

- Between 2010 and 2020, the population of the City of Cambridge grew by 1,500 people (+18.5%). During the same time, the population of the Remainder of the Market Area rose by 7.3% (1,949 people).
- Population growth is expected to continue to be strong in the City of Cambridge. From 2020 to 2029, the population is forecast to increase by another 17.8% (+1,714 people) in the City of Cambridge. Population growth is anticipated to moderate in the City of Cambridge from 2029 to 2035, increasing by 7.7% (+875 people).
- Household growth in the City of Cambridge is forecast to outpace the population growth through 2035. There were 668 households added to the City of Cambridge from 2010 to

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2020 (+21.3%). An additional 795 households (+20.9%) are expected from 2020 to 2029 and 375 additional households (+8.2%) are expected to be added to the City of Cambridge from 2029 to 2035.

- The Remainder of the Market Area is expected to experience population and household growth from 2020 to 2035, but at a lower proportion than in the City of Cambridge. From 2020 to 2029 the population in the Remainder of the Market Area is forecast to grow by 5.6% and 3.0% from 2029 to 2035.
- As in the City of Cambridge, household growth in the Remainder of the Market Area is projected to be higher than population growth, although below the growth of households in the City of Cambridge. Households in the Remainder of the Market Area are forecast to increase 7.4% from 2020 to 2029 and 3.7% from 2029 to 2035.



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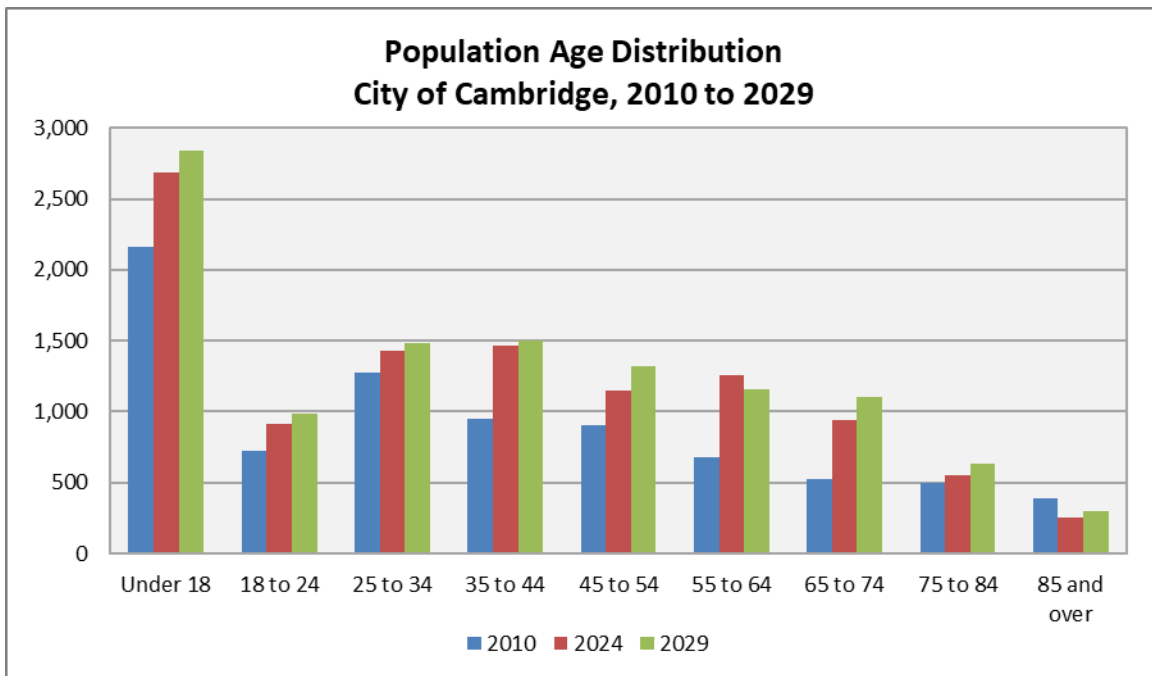
TABLE D-3 POPULATION & HOUSEHOLD GROWTH PROJECTIONS CAMBRIDGE MARKET AREA 2010-2035														
	U.S. Census			MN DEMO	Estimate	Projections			Change					
	2000	2010	2020			2022	2024	2029	2030	2035	2010 - 2020		2020-2029	
									No.	Pct.	No.	Pct.	No.	Pct.
Population														
Cambridge	5,520	8,111	9,611	10,541	10,650	11,325	11,500	12,200	1,500	18.5%	1,714	17.8%	875	7.7%
Remainder of Market Area	22,405	26,557	28,506	29,231	29,550	30,094	30,300	31,000	1,949	7.3%	1,588	5.6%	906	3.0%
Market Area Total	27,925	34,668	38,117	39,772	40,200	41,419	41,800	43,200	3,449	9.9%	3,302	8.7%	1,781	4.3%
<i>Isanti County</i>	31,287	37,816	41,135	42,807	43,000	44,290	44,700	45,209	3,319	8.8%	3,155	7.7%	919	2.1%
<i>Minnesota</i>	4,919,479	5,303,925	5,706,494	5,801,769	5,827,170	5,886,323	6,034,205	6,155,860	402,569	7.6%	179,829	3.2%	269,537	4.6%
Households														
Cambridge	2,237	3,137	3,805	4,180	4,300	4,600	4,675	4,975	668	21.3%	795	20.9%	375	8.2%
Remainder of Market Area	7,931	9,787	10,680	10,924	11,150	11,471	11,600	11,900	893	9.1%	791	7.4%	429	3.7%
Market Area Total	10,168	12,924	14,485	15,104	15,450	16,071	16,275	16,875	1,561	12.1%	1,586	10.9%	804	5.0%
<i>Isanti County</i>	11,236	13,972	15,615	16,251	16,350	16,920	17,100	17,300	1,643	11.8%	1,305	8.4%	380	2.2%
<i>Minnesota</i>	1,895,127	2,087,227	2,253,990	2,299,740	2,305,000	2,355,000	2,375,000	2,430,000	166,763	8.0%	101,010	4.5%	75,000	3.2%
Persons Per Household														
Cambridge	2.47	2.59	2.53	2.52	2.48	2.46	2.46	2.45						
Remainder of Market Area	2.82	2.71	2.67	2.68	2.65	2.62	2.61	2.61						
Market Area Total	2.75	2.68	2.63	2.63	2.60	2.58	2.57	2.56						
<i>Isanti County</i>	2.78	2.71	2.63	2.63	2.63	2.62	2.61	2.61						
<i>Minnesota</i>	2.60	2.54	2.53	2.52	2.53	2.50	2.54	2.53						

Sources: U.S. Census Bureau; MN State Demographic Center; ESRI; Maxfield Research & Consulting, LLC

Age Distribution Trends

The age distribution of a community’s population helps in assessing the type of housing needed. For example, younger and older people are more attracted to medium and higher-density housing located near services and entertainment while middle-aged people (particularly those with children) traditionally prefer lower-density single-family homes. Table D-4 presents the age distribution of Cambridge and the Market Area population from 2000 to 2029. Information from 2000, 2010 and 2020 is sourced from the U.S. Census. The 2024 estimates and projections for 2029 were provided by ESRI, with adjustments made by Maxfield Research.

- Between 2010 and 2020, the City of Cambridge experienced significant growth in the 55 to 64 age cohort (+308 people), the 65 to 74 age cohort (+305 people) and the 35 to 44 age cohort (+299 people).
- From 2020 to 2024, the 55 to 64 age cohort has continued to grow (+268 people). At the same time, younger age cohorts have experienced strong growth. The largest population increases occurred in the under 18 age cohort (+228 people) and the 18 to 24 age cohort (+225 people).



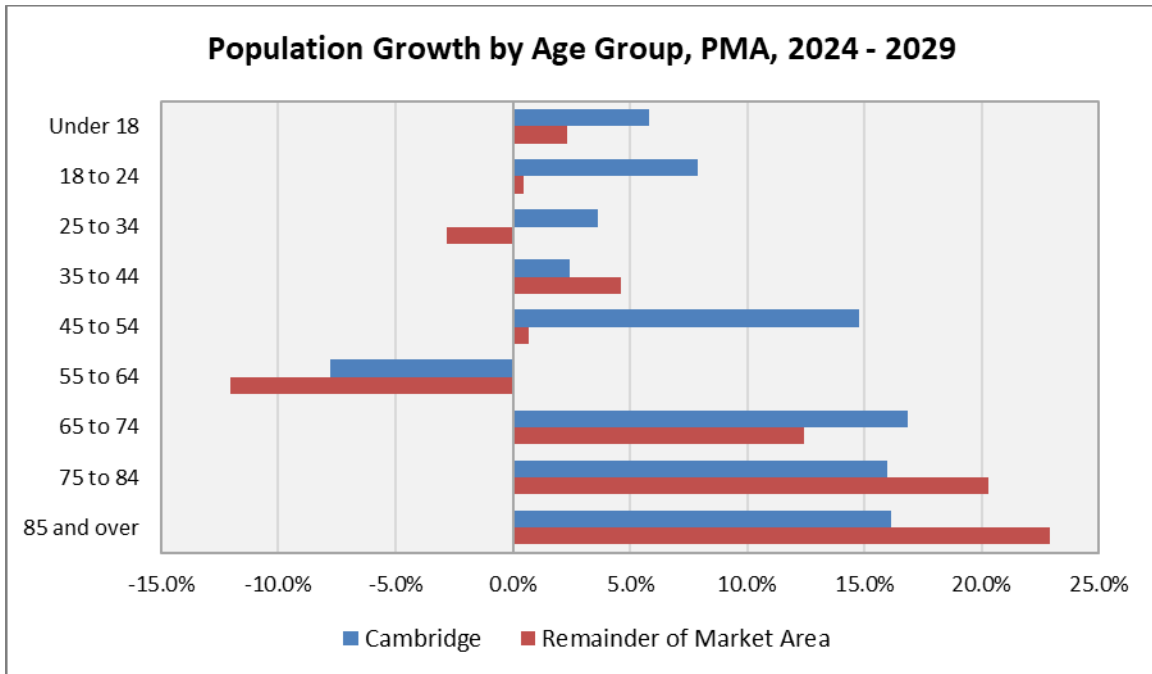
- The demographic growth in the coming five years suggests an expansion of family households as the largest population increases are expected in the under 18 age cohort (+156 people), those in the 45 to 54 age cohort (+169 people). The population age 65 to 75 is forecast to add 158 people as well.
- Although the under 18 and 35 to 44 age cohorts are also expected to increase in the Remainder of the Market Area, the population over age 65 will experience the largest growth

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in the next five years. The 65 to 74 age cohort will add 367 people and the 75 to 84 age cohort will add 293 people.

Age	Census			Estimate	Projection	Change					
	2000	2010	2020	2024	2029	2010-2020		2020-2024		2024-2029	
	No.	No.	No.	No.	No.	No.	Pct.	No.	Pct.	No.	Pct.
City of Cambridge											
Under 18	1,374	2,161	2,460	2,688	2,844	299	13.8	228	9.3	156	5.8
18 to 24	478	724	689	914	987	-35	-4.8	225	32.7	72	7.9
25 to 34	634	1,275	1,296	1,428	1,480	21	1.6	132	10.2	52	3.6
35 to 44	778	951	1,250	1,469	1,505	299	31.4	219	17.5	36	2.4
45 to 54	596	904	998	1,148	1,318	94	10.4	150	15.1	169	14.7
55 to 64	385	679	987	1,255	1,158	308	45.4	268	27.2	-98	-7.8
65 to 74	433	525	830	942	1,100	305	58.1	112	13.5	158	16.8
75 to 84	491	500	672	548	635	172	34.4	-124	-18.5	88	16.0
85 and over	351	392	429	257	299	37	9.4	-172	-40.0	42	16.1
Subtotal	5,520	8,111	9,611	10,650	11,325	1,500	18.5	1,039	10.8	675	6.3
Remainder of Market Area											
Under 18	6,588	6,874	6,790	7,010	7,174	-84	-1.2	220	3.2	163	2.3
18 to 24	1,613	2,018	1,975	2,122	2,131	-43	-2.1	147	7.4	10	0.5
25 to 34	2,798	3,313	3,509	3,604	3,501	196	5.9	95	2.7	-102	-2.8
35 to 44	4,210	3,647	3,618	4,229	4,423	-29	-0.8	611	16.9	194	4.6
45 to 54	3,066	4,595	3,697	3,642	3,667	-898	-19.5	-55	-1.5	25	0.7
55 to 64	2,068	3,105	4,445	4,136	3,638	1,340	43.2	-309	-6.9	-498	-12.0
65 to 74	1,240	1,939	2,804	2,961	3,328	865	44.6	157	5.6	367	12.4
75 to 84	651	851	1,344	1,443	1,736	493	57.9	99	7.4	293	20.3
85 and over	171	215	324	403	495	109	50.7	79	24.4	92	22.9
Subtotal	22,405	26,557	28,506	29,550	30,094	1,949	7.3	1,044	3.7	544	1.8
Market Area Total											
Under 18	7,962	9,035	9,250	9,698	10,017	215	2.4	448	4.8	320	3.3
18 to 24	2,091	2,742	2,664	3,036	3,118	-78	-2.8	372	14.0	82	2.7
25 to 34	3,432	4,588	4,805	5,032	4,981	217	4.7	227	4.7	-51	-1.0
35 to 44	4,988	4,598	4,868	5,699	5,928	270	5.9	831	17.1	230	4.0
45 to 54	3,662	5,499	4,695	4,790	4,984	-804	-14.6	95	2.0	194	4.1
55 to 64	2,453	3,784	5,432	5,392	4,796	1,648	43.6	-40	-0.7	-596	-11.1
65 to 74	1,673	2,464	3,634	3,903	4,428	1,170	47.5	269	7.4	526	13.5
75 to 84	1,142	1,351	2,016	1,991	2,371	665	49.2	-25	-1.2	380	19.1
85 and over	522	607	753	661	794	146	24.1	-92	-12.3	134	20.3
Total	27,925	34,668	38,117	40,200	41,419	3,449	9.9	2,083	5.5	1,219	3.0

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



Household Income by Age of Householder

The estimated distribution of household incomes in the Market Area for 2024 and 2029 are shown in Tables D-5 and D-6. The data was estimated by Maxfield Research and Consulting based on income trends provided by ESRI. The data helps ascertain the demand for different housing products based on the size of the market at specific cost levels.

The Department of Housing and Urban Development defines affordable housing costs as 30% of a household’s adjusted gross income. For example, a household with an income of \$50,000 per year would be able to afford a monthly housing cost of about \$1,250. Maxfield Research and Consulting uses a figure of 25% to 30% for younger households and 40% or more for seniors, since seniors generally have lower living expenses and can often sell their homes and use the proceeds toward rent payments.

A generally accepted standard for affordable owner-occupied housing is that a typical household can afford to pay 3.0 to 3.5 times their annual income on a single-family home. Thus, a \$50,000 income would translate to an affordable single-family home of \$150,000 to \$175,000. The higher end of this range assumes that the person has adequate funds for down payment and closing costs, but also does not include savings or equity in an existing home which would allow them to purchase a higher priced home.

- The City of Cambridge had an estimated median household income of \$65,643 in 2024. The median income in the Market Area was estimate at \$78,999 in 2024. The higher median income in the Remainder of the PMA is due to higher home ownership rates, farmsteads, etc.

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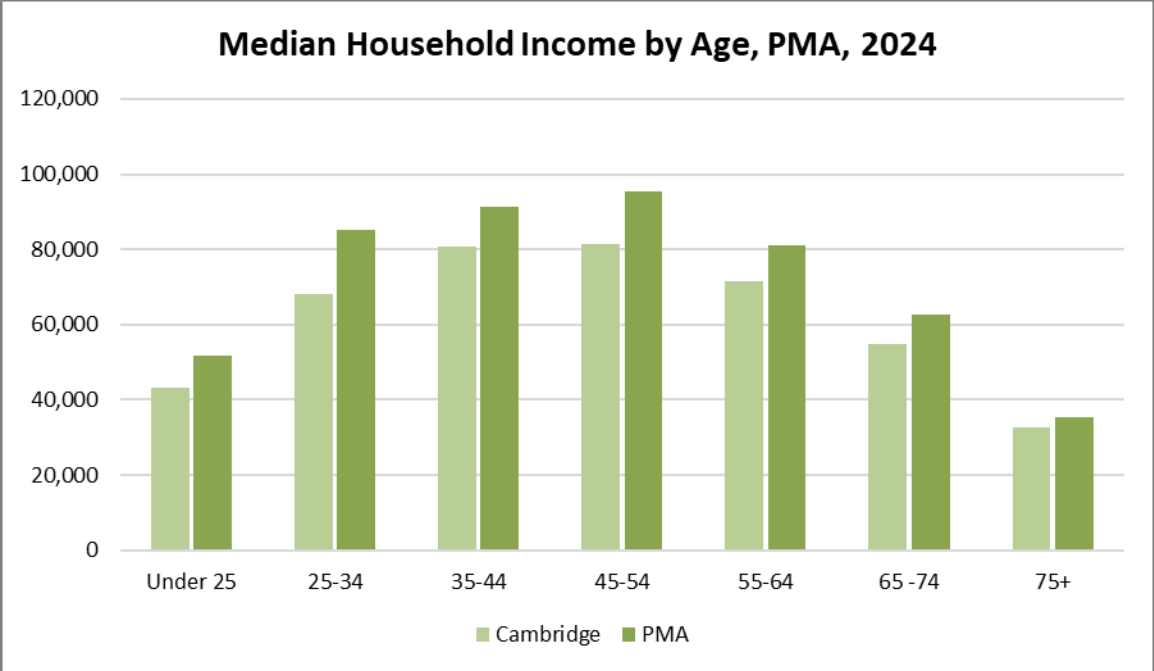
- The median income in the City of Cambridge is projected to increase nearly 14% by 2029 to \$74,516. Incomes are also expected to grow in the Market Area, rising to \$86,271 (+9.2%).

Non-Senior Households

- In 2024, only 5% of the non-senior (under age 65) households in the Cambridge Market Area had incomes under \$15,000 (582 households). All of these households would be eligible for subsidized rental housing. Another 3% of the Market Area's non-senior households had incomes between \$15,000 and \$25,000 (353 households). Many of these households would qualify for subsidized housing, but many could also afford "affordable" or older market rate rentals. If housing costs absorb 30% of income, households with incomes of \$15,000 to \$25,000 could afford to pay \$375 to \$625 per month. Average monthly rents for one-bedroom units in the Cambridge Market Area are about \$1,110 (shown in Table R-4 in the *Rental Housing Analysis* section).
- Median incomes for households in the Market Area peak at \$95,362 for the 45 to 54 age cohort in 2024. Households in this age group are in their peak earning years. By 2029, the median income for the 45 to 54 age group is projected to increase to \$101,752, a 6.7% increase.
- The median resale price of homes in the City of Cambridge was approximately \$306,900 in 2023 (Table FS-2). The income required to afford a home at this price would be about \$87,685 to \$102,300 based on the standard of 3.0 to 3.5 times the median income (and assuming these households do not have a high level of debt). In 2024, 39% (1,495 households) of the City of Cambridge's households under age 75 had incomes greater than \$87,686.

Senior Households

- The oldest householders are likely to have lower incomes. In 2024, 11% of households ages 65 to 74 and 18% of households ages 75 and over had incomes below \$15,000 in the Market Area. Many of these low-income older senior households rely solely on social security benefits. Typically, younger seniors have higher incomes due to the fact they are still able to work or are married couples with two pensions or higher social security benefits. The 2024 median income for Market Area householders aged 65 to 74 and 75+ are \$62,809, and \$35,423, respectively.
- Seniors who are able and willing to pay 80% or more of their income on assisted living housing would need an annual income of \$33,000 to afford monthly rents of \$2,200, which is the lowest monthly rent for a private assisted living room in the Market Area. There were an estimated 1,075 older senior (ages 75 and over) households (66%) with incomes greater than \$33,000 in 2024. Seniors aged 75 and over are the primary market for assisted living housing.



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TABLE D-5 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER CAMBRIDGE MARKET AREA 2024 and 2029								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65-74	75+
2024								
Less than \$15,000	1,127	53	92	103	118	216	255	291
\$15,000 to \$24,999	699	35	55	61	54	147	142	204
\$25,000 to \$34,999	1,004	34	112	98	98	166	187	309
\$35,000 to \$49,999	1,749	90	248	296	199	325	304	286
\$50,000 to \$74,999	2,611	90	369	540	417	542	477	176
\$75,000 to \$99,999	2,559	82	442	604	521	496	312	103
\$100,000 to \$149,999	3,253	46	506	825	735	680	358	103
\$150,000 to \$199,999	1,344	9	217	241	277	289	192	119
\$200,000+	1,104	4	146	307	247	228	131	41
Total	15,450	443	2,187	3,076	2,667	3,088	2,357	1,632
<i>Median Income</i>	<i>\$78,999</i>	<i>\$51,796</i>	<i>\$85,117</i>	<i>\$91,432</i>	<i>\$95,362</i>	<i>\$80,950</i>	<i>\$62,809</i>	<i>\$35,423</i>
2029								
Less than \$15,000	1,032	56	78	89	108	147	236	317
\$15,000 to \$24,999	525	28	41	42	40	84	115	174
\$25,000 to \$34,999	875	33	99	78	79	110	170	305
\$35,000 to \$49,999	1,597	92	220	253	187	245	287	313
\$50,000 to \$74,999	2,629	101	365	507	418	461	554	223
\$75,000 to \$99,999	2,614	90	438	612	521	446	362	145
\$100,000 to \$149,999	3,673	59	555	924	819	686	465	166
\$150,000 to \$199,999	1,787	13	250	323	339	347	293	221
\$200,000+	1,340	6	176	371	296	232	192	67
Total	16,071	480	2,222	3,201	2,807	2,757	2,674	1,930
<i>Median Income</i>	<i>\$86,271</i>	<i>\$55,361</i>	<i>\$90,720</i>	<i>\$100,554</i>	<i>\$101,752</i>	<i>\$92,109</i>	<i>\$73,382</i>	<i>\$41,829</i>
Change - 2023 to 2028								
Less than \$15,000	-96	3	-14	-14	-9	-69	-19	26
\$15,000 to \$24,999	-174	-7	-14	-19	-14	-63	-27	-31
\$25,000 to \$34,999	-129	-1	-13	-20	-19	-55	-17	-4
\$35,000 to \$49,999	-152	2	-29	-44	-13	-80	-17	27
\$50,000 to \$74,999	18	11	-4	-33	0	-81	77	47
\$75,000 to \$99,999	54	9	-4	8	-0	-50	51	41
\$100,000 to \$149,999	421	13	49	100	84	6	107	62
\$150,000 to \$199,999	442	4	33	82	62	58	101	102
\$200,000+	236	2	29	65	49	4	61	26
Total	621	37	35	125	140	-331	317	298
<i>Median Income</i>	<i>\$7,272</i>	<i>\$3,565</i>	<i>\$5,603</i>	<i>\$9,122</i>	<i>\$6,390</i>	<i>\$11,159</i>	<i>\$10,573</i>	<i>\$6,406</i>

Sources: ESRI; Maxfield Research & Consulting, LLC

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TABLE D-6 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER CITY OF CAMBRIDGE 2024 and 2029								
	Total	Age of Householder						75+
		Under 25	25-34	35-44	45-54	55-64	65-74	
2024								
Less than \$15,000	391	26	47	41	46	66	82	83
\$15,000 to \$24,999	233	10	24	22	18	45	43	71
\$25,000 to \$34,999	388	17	51	42	40	70	71	97
\$35,000 to \$49,999	668	50	113	129	84	112	94	86
\$50,000 to \$74,999	668	31	130	138	119	113	89	47
\$75,000 to \$99,999	762	26	138	185	157	143	91	22
\$100,000 to \$149,999	730	10	116	218	154	138	71	23
\$150,000 to \$199,999	280	2	37	45	60	55	52	29
\$200,000+	180	0	22	34	40	45	31	8
Total	4,300	171	678	855	719	788	624	466
<i>Median Income</i>	<i>\$65,643</i>	<i>\$43,345</i>	<i>\$68,251</i>	<i>\$80,642</i>	<i>\$81,337</i>	<i>\$71,349</i>	<i>\$54,655</i>	<i>\$32,506</i>
2029								
Less than \$15,000	369	26	41	33	42	49	84	95
\$15,000 to \$24,999	183	7	18	12	15	30	41	60
\$25,000 to \$34,999	364	16	48	36	38	47	74	105
\$35,000 to \$49,999	659	51	107	116	90	94	105	97
\$50,000 to \$74,999	735	41	149	141	139	113	100	53
\$75,000 to \$99,999	839	24	152	207	173	137	106	40
\$100,000 to \$149,999	842	15	130	242	189	148	88	31
\$150,000 to \$199,999	366	2	47	57	75	64	72	48
\$200,000+	244	0	29	51	55	52	44	13
Total	4,600	183	720	894	815	733	713	541
<i>Median Income</i>	<i>\$74,516</i>	<i>\$46,240</i>	<i>\$74,382</i>	<i>\$85,899</i>	<i>\$84,989</i>	<i>\$79,755</i>	<i>\$61,131</i>	<i>\$36,167</i>
Change - 2023 to 2028								
Less than \$15,000	-22	1	-7	-8	-5	-17	2	12
\$15,000 to \$24,999	-49	-3	-5	-9	-3	-16	-2	-11
\$25,000 to \$34,999	-24	-1	-3	-6	-2	-23	3	8
\$35,000 to \$49,999	-9	1	-6	-13	6	-18	11	11
\$50,000 to \$74,999	67	10	18	3	20	-0	10	6
\$75,000 to \$99,999	77	-1	14	22	16	-7	15	18
\$100,000 to \$149,999	112	6	14	24	34	10	17	8
\$150,000 to \$199,999	86	-0	10	12	15	9	21	19
\$200,000+	64	0	7	16	15	7	13	6
Total	300	12	43	39	96	-55	89	76
<i>Median Income</i>	<i>\$8,873</i>	<i>\$2,895</i>	<i>\$6,131</i>	<i>\$5,257</i>	<i>\$3,652</i>	<i>\$8,406</i>	<i>\$6,476</i>	<i>\$3,661</i>

Sources: ESRI; Maxfield Research & Consulting, LLC

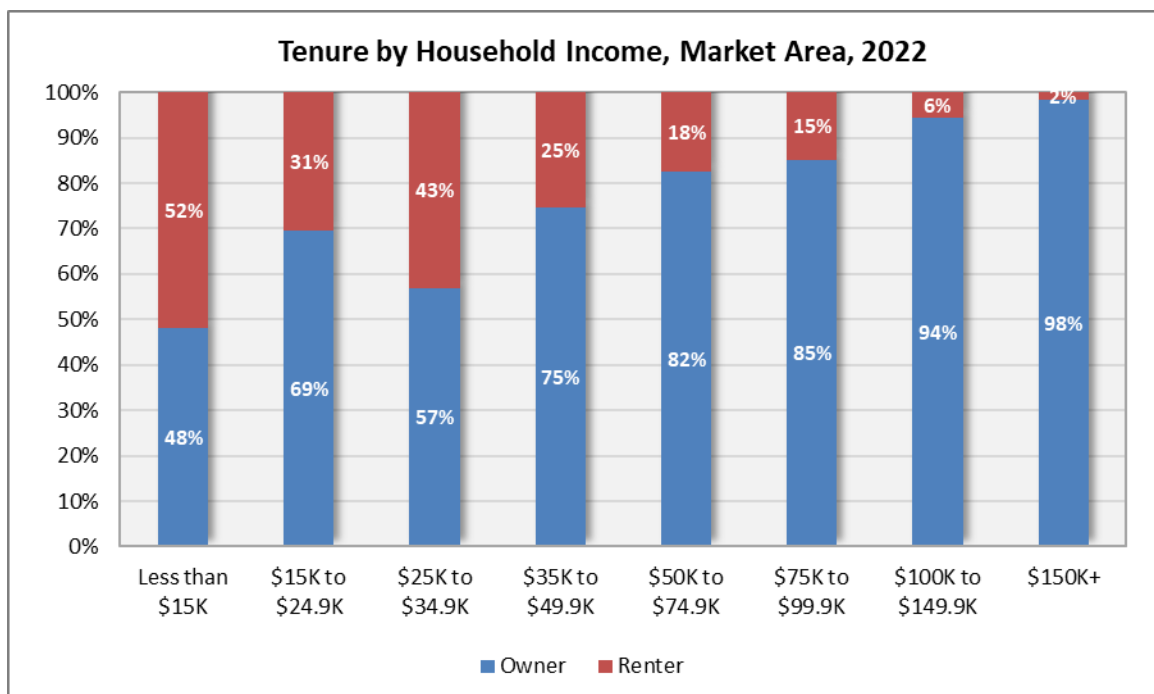
Tenure by Household Income

Table D-7 shows household tenure by income for the City of Cambridge, the Cambridge Market Area and Isanti County in 2022. Data is an estimate from the American Community Survey. Household tenure information is important to assess the propensity for owner-occupied or

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renter-occupied housing options based on household affordability. As stated earlier, the Department of Housing and Urban Development determines affordable housing as not exceeding 30% of the household's income. It is important to note that the higher the income, the lower percentage a household typically allocates to housing. Many lower income households, as well as many young and senior households; spend more than 30% of their income, while middle-aged households in their prime earning years typically allocate 20% to 25% of their income.

- Typically, as income increases, so does the rate of homeownership. This can be seen in the Cambridge Market Area, where the lowest homeownership rate was 48% for households with incomes less than \$15,000. Among households with incomes over \$150,000, the homeownership rate was 98.1%.
- In 2022, the median income of owner-occupied homes was \$96,933 while the median incomes of renter occupied homes was \$45,604 in the Market Area.
- As in the Market Area, homeownership rates increased as income increased in the City of Cambridge, climbing from 41% of households with incomes under \$15,000 to 100% of households with incomes over \$150,000.
- A portion of renter households that are referred to as lifestyle renters, or those who are financially able to own but choose to rent, have household incomes above \$50,000. Lifestyle renters represent about 39% of the Cambridge Market Area's renters in 2022.
- Households with incomes below \$15,000 are typically a market for deep subsidy rental housing. Approximately 17% of the Cambridge Market Area's renters in 2022 fall in this income category.



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**TABLE D-7
TENURE BY HOUSEHOLD INCOME
CAMBRIDGE MARKET AREA
2022**

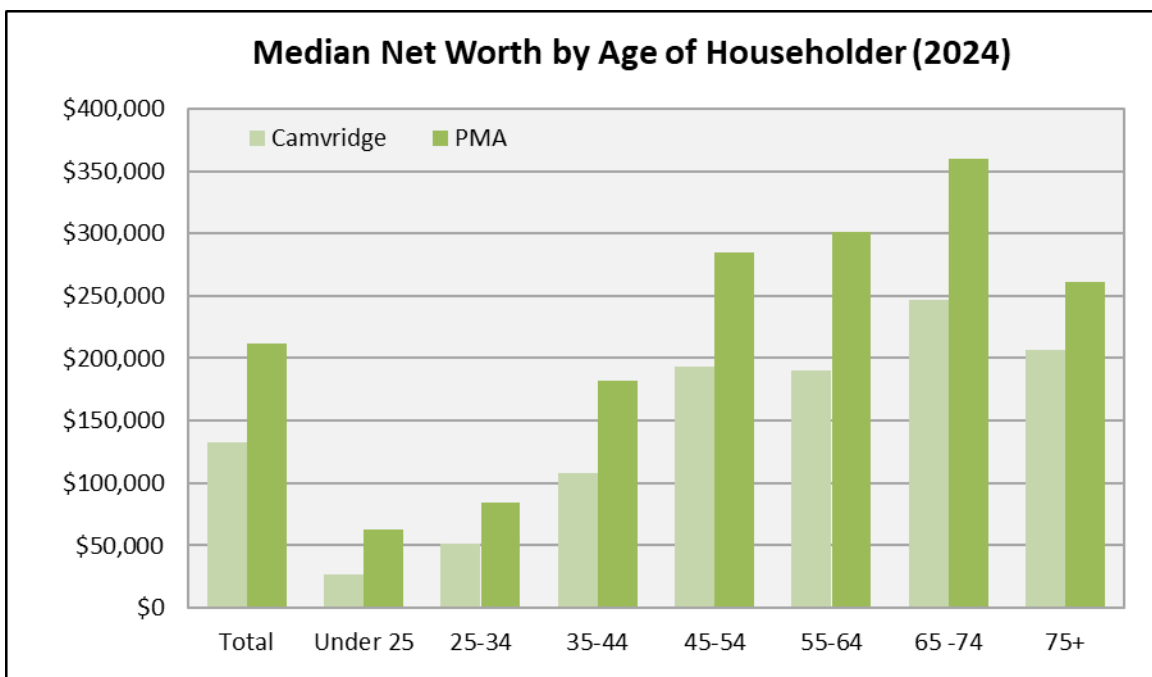
	City of Cambridge				Remainder of Market Area				Market Area				Isanti County			
	Owner		Renter		Owner		Renter		Owner		Renter		Owner		Renter	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Less than \$15,000	116	41.1	166	58.9	271	52.0	250	48.0	387	48.2	416	51.8	433	52.0	399	48.0
\$15,000 to \$24,999	189	57.1	142	42.9	337	79.1	89	20.9	526	69.5	231	30.5	600	72.2	231	27.8
\$25,000 to \$34,999	224	41.9	310	58.1	424	70.1	181	29.9	648	56.9	491	43.1	671	56.1	526	43.9
\$35,000 to \$49,999	288	54.6	239	45.4	778	86.4	122	13.6	1,066	74.7	361	25.3	1,242	78.2	346	21.8
\$50,000 to \$74,999	376	70.8	155	29.2	1,422	86.2	227	13.8	1,798	82.5	382	17.5	1,984	84.1	376	15.9
\$75,000 to \$99,999	504	70.9	207	29.1	1,506	91.4	142	8.6	2,010	85.2	349	14.8	2,193	86.3	349	13.7
\$100,000 to \$149,999	648	91.8	58	8.2	2,578	95.2	130	4.8	3,226	94.5	188	5.5	3,403	94.7	192	5.3
\$150,000+	406	100.0	0	0.0	1,880	98.1	36	1.9	2,286	98.4	36	1.6	2,558	97.4	69	2.6
Total	2,751	68.3	1,277	31.7	9,196	88.7	1,177	11.3	11,947	83.0	2,454	17.0	13,084	84.0	2,488	16.0
Median Household Income	\$82,909		\$35,743		\$96,933		\$45,604		\$93,704		\$40,071		\$93,460		\$37,887	

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

Net Worth

Table D-8 shows household net worth in the Cambridge Market Area in 2024. Simply stated, net worth is the difference between assets and liabilities, or the total value of assets after the debt is subtracted. The data was compiled and estimated by ESRI based on the Survey of Consumer Finances and Federal Reserve Board data.

- The Cambridge Market Area had an average net worth of \$842,786 in 2024 and a median net worth of \$211,543. Median net worth is generally a more accurate depiction of wealth than the average figure. A few households with large net worths can skew the average. Communities with high levels of farming equipment and land assets tend to also increase the average and median net worth in those areas.
- Similar to household income, net worth increases as households age and decreases after they pass their peak earning years and move into retirement. Median and average net worth usually peak in the 65 to 74 age cohort. Senior households usually have a higher net worth due to their 401k's and other retirement funds. In addition, senior households that continue to have higher average net worth could be an indication of farm equipment and land assets being retained. In the Cambridge Market Area, median net worth reaches a high of \$359,892 in the 65 to 74 age cohort.
- Net worth is higher in the rural areas of the Market Area than within city limits. This is due to higher homeownership rates (i.e., home equity) and larger acreages and farmsteads. While the median net worth of the Market Area peaks at nearly \$359,892 for the 65 to 74 age cohort, the median net worth of the City of Cambridge reaches its highest at \$246,519 among the 65 to 74 and over cohort.



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TABLE D-8 NET WORTH BY AGE OF HOUSEHOLDER CAMBRIDGE MARKET AREA 2024								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65-74	75+
City of Cambridge								
Less than \$15,000	889	61	259	183	81	116	131	57
\$15,000 to \$34,999	266	33	50	70	30	33	43	6
\$35,000 to \$49,999	126	12	26	25	14	24	16	10
\$50,000 to \$99,999	587	44	158	135	75	73	31	70
\$100,000 to \$149,999	392	16	88	71	81	80	27	29
\$150,000 to \$249,999	695	4	67	193	143	133	65	91
\$250,000 or more	1,344	0	30	178	294	329	310	203
Subtotal	4,300	171	678	855	719	788	624	466
<i>Median Net Worth</i>	<i>\$132,752</i>	<i>\$26,867</i>	<i>\$51,038</i>	<i>\$108,042</i>	<i>\$193,218</i>	<i>\$190,307</i>	<i>\$246,519</i>	<i>\$206,324</i>
<i>Average Net Worth</i>	<i>\$521,305</i>	<i>\$50,651</i>	<i>\$84,521</i>	<i>\$288,811</i>	<i>\$538,452</i>	<i>\$732,820</i>	<i>\$937,947</i>	<i>\$814,474</i>
Cambridge Market Area								
Less than \$15,000	2,112	106	503	396	197	342	391	176
\$15,000 to \$34,999	610	72	134	136	58	75	111	25
\$35,000 to \$49,999	331	21	82	57	27	64	57	22
\$50,000 to \$99,999	1,682	134	499	340	181	220	108	200
\$100,000 to \$149,999	1,243	65	331	268	219	203	72	85
\$150,000 to \$249,999	2,475	28	325	767	469	426	180	280
\$250,000 or more	6,997	16	314	1,112	1,516	1,757	1,437	844
Subtotal	15,450	443	2,187	3,076	2,667	3,088	2,357	1,632
<i>Median Net Worth</i>	<i>\$211,543</i>	<i>\$62,754</i>	<i>\$84,797</i>	<i>\$182,307</i>	<i>\$284,602</i>	<i>\$301,027</i>	<i>\$359,892</i>	<i>\$260,749</i>
<i>Average Net Worth</i>	<i>\$842,786</i>	<i>\$80,167</i>	<i>\$144,289</i>	<i>\$649,424</i>	<i>\$907,528</i>	<i>\$1,137,428</i>	<i>\$1,237,640</i>	<i>\$1,116,589</i>
Data Note: Net Worth is total household wealth minus debt, secured and unsecured. Net worth includes home equity, equity in pension plans, net equity in vehicles, IRAs and Keogh accounts, business equity, interest-earning assets and mutual fund shares, stocks, etc. Examples of secured debt include home mortgages and vehicle loans; examples of unsecured debt include credit card debt, certain bank loans, and other outstanding bills. Forecasts of net worth are based on the Survey of Consumer Finances, Federal Reserve Board. Detail may not sum to totals due to rounding.								
Sources: ESRI; Maxfield Research & Consulting, LLC								

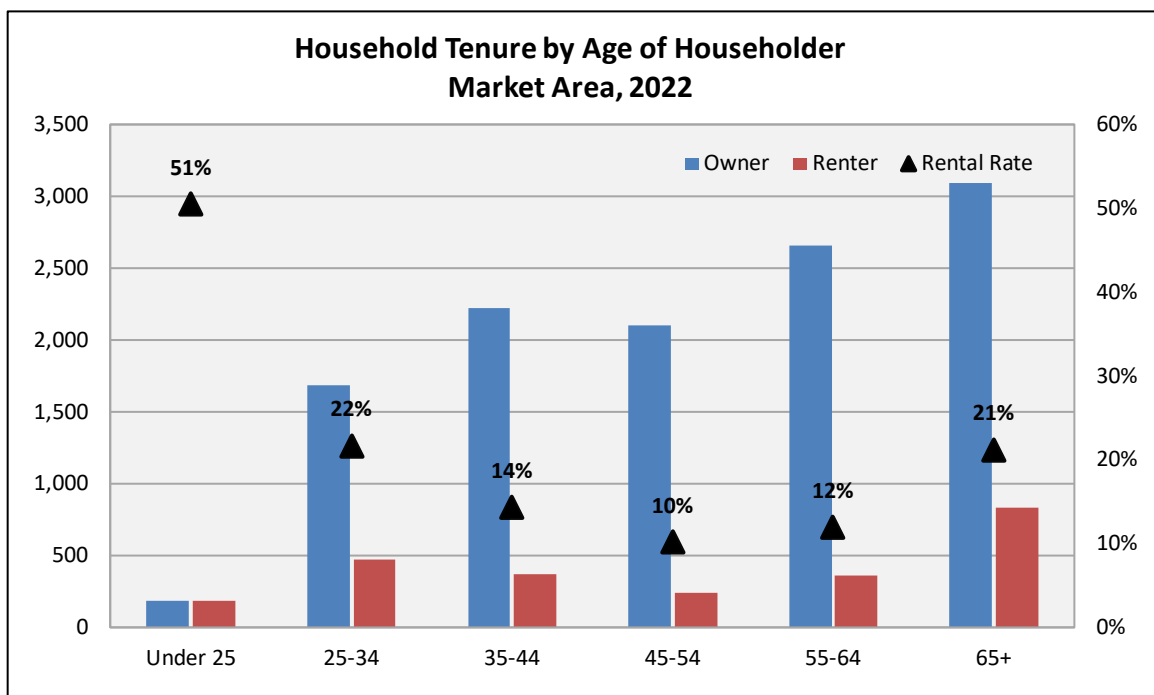
Tenure by Age of Householder

Table D-9 shows the number of owner and renter households in the City of Cambridge, the Market Area and Isanti County by age group in 2010 and 2022. This data is useful in determining demand for certain types of housing since housing preferences change throughout an individual's life cycle.

- In 2010, 82% of all households in the Market Area owned their housing. The proportion of owner-occupied housing the Market Area was stable through 2022 (83%).
- In the City of Cambridge, the proportion of owner-occupied households (68%) was less than in the Market Area in and the County (84%) in 2022. The City provides more rental stock compared to other areas in the Market, helping to elevate the proportion of renters within the City.

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- As households progress through their life cycle, housing needs change. The proportion of renter households decreases significantly as households age out of their young-adult years. However, by the time households reach their senior years, rental housing often becomes a more viable option than homeownership, reducing the responsibility of maintenance and a financial commitment.
- In 2022, 50.5% of the Market Area's households under the age of 25 rented their housing. Owner households reach their peak among the 45 to 54 age cohort, when 90% of all households were owner occupied.
- The rental rates increase slightly among the 55 to 64 age cohort and those over 65 years old.



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**TABLE D-9
TENURE BY AGE OF HOUSEHOLDER
CAMBRIDGE MARKET AREA
2010 & 2022**

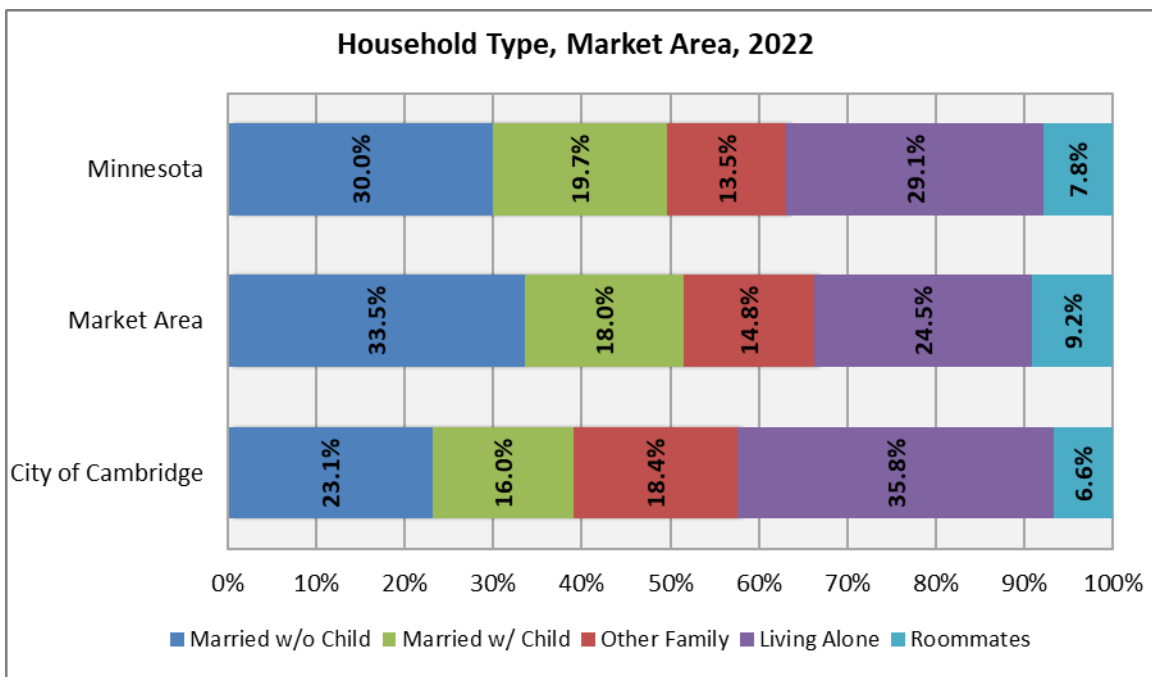
Age		City of Cambridge				Market Area				Isanti County			
		2010		2022		2010		2022		2010		2022	
		No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Under 25	Own	67	38.3	12	8.7	208	48.5	180	49.5	204	47.1	180	50.1
	Rent	108	61.7	126	91.3	221	51.5	184	50.5	229	52.9	179	49.9
	Total	175	100.0	138	100.0	429	100.0	364	100.0	433	100.0	359	100.0
25-34	Own	405	66.6	459	71.2	1,524	74.2	1,682	78.3	1,599	74.0	1,760	78.6
	Rent	203	33.4	186	28.8	530	25.8	467	21.7	561	26.0	480	21.4
	Total	608	100.0	645	100.0	2,054	100.0	2,149	100.0	2,160	100.0	2,240	100.0
35-44	Own	362	67.2	563	75.0	2,024	83.2	2,226	85.7	2,188	83.4	2,334	86.3
	Rent	177	32.8	188	25.0	410	16.8	371	14.3	436	16.6	372	13.7
	Total	539	100.0	751	100.0	2,434	100.0	2,597	100.0	2,624	100.0	2,706	100.0
45-54	Own	398	72.6	460	83.2	2,707	87.8	2,106	89.8	3,038	88.5	2,392	90.4
	Rent	150	27.4	93	16.8	377	12.2	239	10.2	393	11.5	253	9.6
	Total	548	100.0	553	100.0	3,084	100.0	2,345	100.0	3,431	100.0	2,645	100.0
55-64	Own	320	76.6	497	75.6	1,957	89.4	2,659	88.0	2,195	90.4	2,913	89.1
	Rent	98	23.4	160	24.4	231	10.6	361	12.0	234	9.6	358	10.9
	Total	418	100.0	657	100.0	2,188	100.0	3,020	100.0	2,429	100.0	3,271	100.0
65+	Own	542	63.8	760	59.2	2,198	80.4	3,094	78.8	2,355	81.3	3,505	80.6
	Rent	307	36.2	524	40.8	537	19.6	832	21.2	540	18.7	846	19.4
	Total	849	100.0	1,284	100.0	2,735	100.0	3,926	100.0	2,895	100.0	4,351	100.0
TOTAL	Own	2,094	66.8	2,751	68.3	10,618	82.2	11,947	83.0	11,579	82.9	13,084	84.0
	Rent	1,043	33.2	1,277	31.7	2,306	17.8	2,454	17.0	2,393	17.1	2,488	16.0
	Total	3,137	100.0	4,028	100.0	12,924	100.0	14,401	100.0	13,972	100.0	15,572	100.0

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

Household Type

Table D-10 shows a breakdown of the type of households present in the Market Area in 2010 and 2022. The data is useful in assessing housing demand since the household composition often dictates the type of housing needed and preferred.

- People living alone represent the largest share of households in the City of Cambridge (35.8%). Married couples without children represented the largest share of households in the Market Area (33.5%) and the State of Minnesota (30%).
- The proportion of households consisting of married couples without children was much lower in the City of Cambridge (23.1%) compared to the Market Area and the State of Minnesota.
- Married households with children fell from 20.7% of households to 16% of households between 2010 and 2022 in the City of Cambridge. During the same time, single person households rose from 31.6% to 35.8% in the City of Cambridge.



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TABLE D-10
HOUSEHOLD TYPE
CAMBRIDGE MARKET AREA
2010 & 2022

Number of Households	Total HH's		Family Households						Non-Family Households			
	2010	2022	Married w/o Child		Married w/ Child		Other *		Living Alone		Roommates	
			2010	2022	2010	2022	2010	2022	2010	2022	2010	2022
City of Cambridge	3,137	4,028	772	931	650	643	545	743	991	1,444	179	267
Remainder of Market Area	9,787	10,373	3,521	3,893	2,425	1,950	1,365	1,394	1,857	2,082	619	1,054
Cambridge Market Area	12,924	14,401	4,293	4,824	3,075	2,593	1,910	2,137	2,848	3,526	798	1,321
Isanti County	13,972	15,572	4,716	5,395	3,335	2,744	2,075	2,310	3,000	3,838	846	1,285
Percent of Total												
City of Cambridge	100%	100%	24.6%	23.1%	20.7%	16.0%	17.4%	18.4%	31.6%	35.8%	5.7%	6.6%
Remainder of Market Area	100%	100%	36.0%	37.5%	24.8%	18.8%	13.9%	13.4%	19.0%	20.1%	6.3%	10.2%
Cambridge Market Area	100%	100%	33.2%	33.5%	23.8%	18.0%	14.8%	14.8%	22.0%	24.5%	6.2%	9.2%
Isanti County	100%	100%	33.8%	34.6%	23.9%	17.6%	14.9%	14.8%	21.5%	24.6%	6.1%	8.3%
Minnesota	100%	100%	29.6%	30.0%	21.2%	19.7%	13.8%	13.5%	28.0%	29.1%	7.4%	7.8%

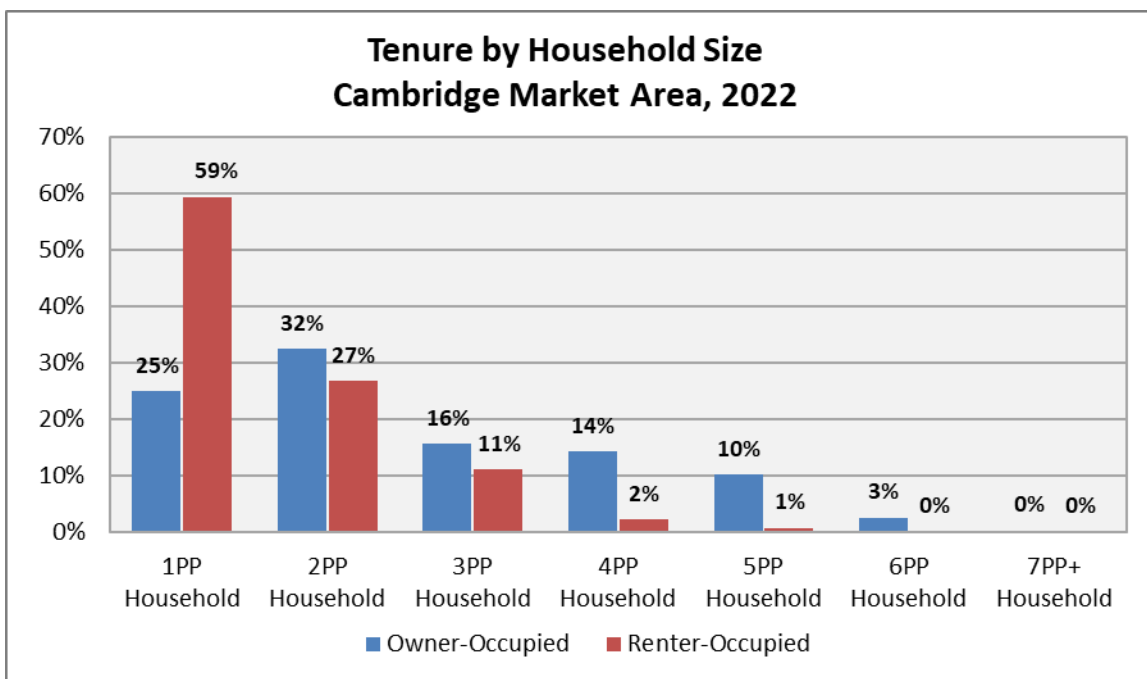
* Single-parent families, unmarried couples with children.

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

Tenure by Household Size

Table D-11 shows the distribution of households by size and tenure in the City of Cambridge and the Cambridge Area in 2010 and 2022. This data is useful in that it sheds insight into the number of units by unit type that may be most needed in the Market Area.

- Household size for renters tends to be smaller than for owners. This trend is a result of the typical market segments for rental housing, including households that are younger and are less likely to be married with children, as well as older adults and seniors who choose to downsize from their single-family homes. In 2022, approximately 60% of the renter-occupied households in the City of Cambridge were one-person households, while 25% of owner households were single person households.
- The largest proportion of owner households were two person households, representing 32% of owner households.
- Similar trends were observed in the Market Area, where one person households comprised the majority of renter households (53%) and two person households accounted for the majority of owner occupied households (40%) in 2022.



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**TABLE D-11
TENURE BY HOUSEHOLD SIZE
CAMBRIDGE MARKET AREA
2010 and 2022**

Size	CITY OF CAMBRIDGE							
	2010				2022			
	Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
1PP Household	505	24.1%	486	46.6%	686	24.9%	758	59.4%
2PP Household	706	33.7%	234	22.4%	891	32.4%	341	26.7%
3PP Household	338	16.1%	141	13.5%	427	15.5%	141	11.0%
4PP Household	293	14.0%	95	9.1%	393	14.3%	28	2.2%
5PP Household	159	7.6%	61	5.8%	278	10.1%	9	0.7%
6PP Household	65	3.1%	15	1.4%	69	2.5%	0	0.0%
7PP+ Household	28	1.3%	11	1.1%	7	0.3%	0	0.0%
Total	2,094	100.0%	1,043	100.0%	2,751	100.0%	1,277	100.0%

Size	MARKET AREA TOTAL							
	2010				2022			
	Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
1PP Household	1,943	18.3%	905	39.2%	2,225	18.6%	1,301	53.0%
2PP Household	4,032	38.0%	537	23.3%	4,763	39.9%	683	27.8%
3PP Household	1,759	16.6%	370	16.0%	1,887	15.8%	336	13.7%
4PP Household	1,633	15.4%	261	11.3%	1,569	13.1%	85	3.5%
5PP Household	803	7.6%	161	7.0%	918	7.7%	41	1.7%
6PP Household	297	2.8%	43	1.9%	427	3.6%	8	0.3%
7PP+ Household	151	1.4%	29	1.3%	158	1.3%	0	0.0%
Total	10,618	100.0%	2,306	100.0%	11,947	100.0%	2,454	100.0%

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

Diversity

The population distribution by race, Table D-12 presents the diversity of the population in the City of Cambridge, the Remainder of the Market Area, and the Market Area for 2010 and 2022. The data was obtained from the U.S. Census and American Community Survey.

- In 2022, White Alone comprised the largest proportion of the population in the City of Cambridge (91.6%) and the Remainder of the Market Area (94.8%). The percentage has decreased since 2010 where “White Alone” was 96% in the Market Area and 94.5% in the City of Cambridge.
- After White Alone, respondents in the City of Cambridge were most likely to select Asian Alone (3.9%).
- U.S. Census respondents are able list themselves ethnically as Hispanic or Latino, in addition to listing themselves racially. As of 2022, 1% of the City of Cambridge population was Hispanic/Latino compared to 3.2% in the Remainder of the Market Area and 5.7% in the State of Minnesota.

DEMOGRAPHIC ANALYSIS

**TABLE D-12
POPULATION DISTRIBUTION BY RACE
CAMBRIDGE MARKET AREA
2010 and 2022**

NUMBER	White Alone		Black or African American Alone		American Indian or Alaska Native Alone (AIAN)		Native Hawaiian or Pacific Islander Alone (NHPI)		Asian Alone		Some Other Race		Two or More Races Alone		Hispanic or Latino ¹ <i>Ethnicity not Race</i>	
	2010	2022	2010	2022	2010	2022	2010	2022	2010	2022	2010	2022	2010	2022	2010	2022
City of Cambridge	7,667	8,908	81	169	40	84	2	0	113	382	37	0	171	183	140	94
Remainder of the MA	25,617	27,067	163	235	114	72	13	0	186	253	80	171	384	755	411	927
Cambridge Market Area	33,284	35,975	244	404	154	156	15	0	299	635	117	171	555	938	551	1,021
State of Minnesota	4,524,062	4,537,219	274,412	382,082	60,916	51,434	2,156	2,324	214,234	286,146	103,000	133,098	125,145	302,989	250,258	327,049
PERCENTAGE																
City of Cambridge	94.5%	91.6%	1.0%	1.7%	0.5%	0.9%	0.0%	0.0%	1.4%	3.9%	0.5%	0.0%	2.1%	1.9%	1.7%	1.0%
Remainder of the MA	96.5%	94.8%	0.6%	0.8%	0.4%	0.3%	0.0%	0.0%	0.7%	0.9%	0.3%	0.6%	1.4%	2.6%	1.5%	3.2%
Cambridge Market Area	96.0%	94.0%	0.7%	1.1%	0.4%	0.4%	0.0%	0.0%	0.9%	1.7%	0.3%	0.4%	1.6%	2.5%	1.6%	2.7%
State of Minnesota	85.3%	79.7%	5.2%	6.7%	1.1%	0.9%	0.0%	0.0%	4.0%	5.0%	1.9%	2.3%	2.4%	5.3%	4.7%	5.7%

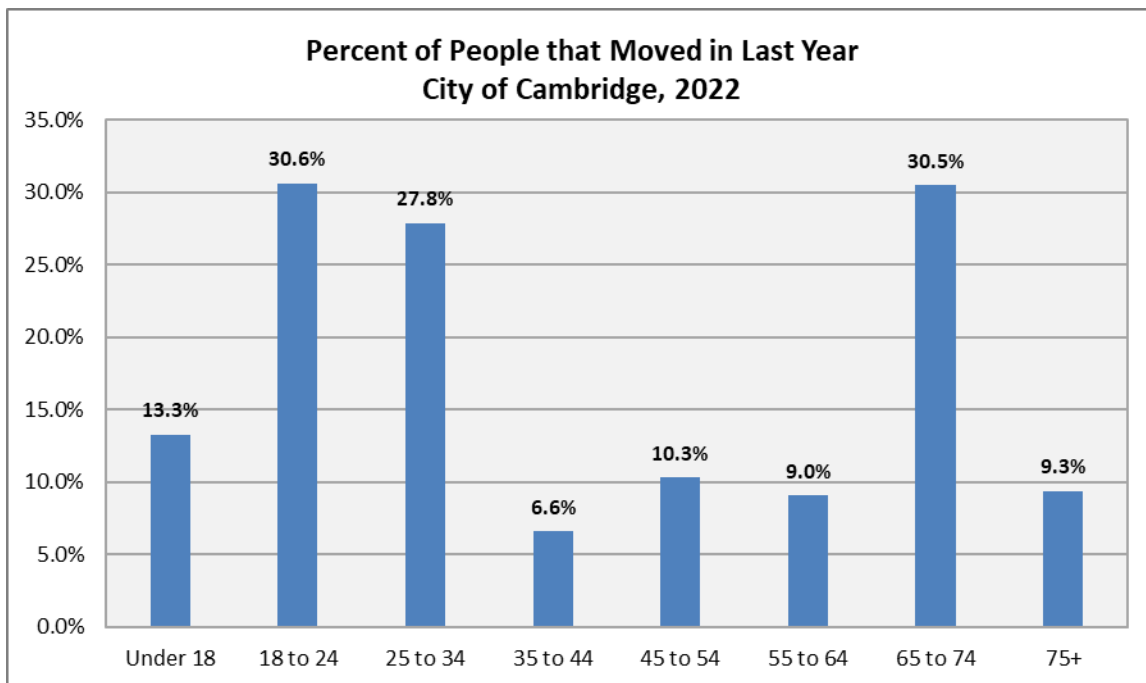
¹ US Census respondents list themselves ethnically Hispanic or Latino and racially in one of the other listed categories.

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

Mobility in the Past Year

Table D-13 shows mobility patterns of Market Area residents within a one-year timeframe. The data is sourced to the 2018-2022 American Community Survey, the most recent data available. People move for various reasons, but housing is the primary motivator, followed by family-related reasons, and job-related reasons. Local moves are generally housing-related, while longer-distance moves are typically job-related.

- The majority of residents in the City of Cambridge (83.7%) did not move within the last year.
- Of the remaining residents that moved within the last year, approximately 8.7% moved from another Minnesota county and 6.4% moved within the County.
- Mobility was slightly less in the Market Area, where 87.2% of residents did not move within the last year and the state of Minnesota where 87% did not move.
- The population between 18 and 24 and 65 to 74 had the greatest mobility at approximately 31% each. Mobility in the 18 to 24 age cohort likely reflects the transition into adulthood, which may include relocating for school, employment, or both. The increased mobility among 65- to 74-year-olds likely reflects the necessary or voluntary choice of retirees and seniors to move from their long time homes.



DEMOGRAPHIC ANALYSIS

**TABLE D-13
MOBILITY IN THE PAST YEAR BY AGE FOR CURRENT RESIDENCE
CAMBRIDGE MARKET AREA
2022**

	Not Moved		Moved								
	Same House		Within Same County		Different County Same State		Different State		Abroad		
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	
Cambridge											
Age											
Under 18	1,823	86.7%	102	4.9%	177	8.4%	0	0.0%	0	0.0%	
18 to 24	670	69.4%	148	15.3%	108	11.2%	39	4.0%	0	0.0%	
25 to 34	946	72.2%	123	9.4%	242	18.5%	0	0.0%	0	0.0%	
35 to 44	1,238	93.4%	53	4.0%	29	2.2%	5	0.4%	0	0.0%	
45 to 54	932	89.7%	46	4.4%	41	3.9%	8	0.8%	12	1.2%	
55 to 64	995	91.0%	34	3.1%	22	2.0%	43	3.9%	0	0.0%	
65 to 74	566	69.5%	25	3.1%	223	27.4%	0	0.0%	0	0.0%	
75+	943	90.7%	92	8.8%	5	0.5%	0	0.0%	0	0.0%	
Total	8,113	83.7%	623	6.4%	847	8.7%	95	1.0%	12	0.1%	
Market Area											
Age											
Under 18	7,528	87.6%	330	3.8%	718	8.4%	21	0.2%	0	0.0%	
18 to 24	2,093	74.3%	311	11.0%	287	10.2%	126	4.5%	0	0.0%	
25 to 34	4,054	80.7%	229	4.6%	611	12.2%	124	2.5%	3	0.1%	
35 to 44	4,476	91.1%	174	3.5%	213	4.3%	50	1.0%	0	0.0%	
45 to 54	4,090	87.7%	249	5.3%	286	6.1%	24	0.5%	12	0.3%	
55 to 64	5,215	92.6%	111	2.0%	246	4.4%	48	0.9%	11	0.2%	
65 to 74	3,185	87.8%	61	1.7%	319	8.8%	61	1.7%	0	0.0%	
75+	2,300	91.1%	97	3.8%	105	4.2%	18	0.7%	4	0.2%	
Total	32,941	87.2%	1,562	4.1%	2,785	7.4%	472	1.2%	30	0.1%	
Minnesota	4,894,002	86.9%	356,736	6.3%	253,524	4.5%	105,889	1.9%	21,239	0.4%	

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

Demographic Summary

- In the City of Cambridge, the population is expected to increase by 17.8% from 2020 to 2029 and 7.7% from 2029 to 2035. Households will continue to grow as well, from 2020 to 2029 households are forecast to increase nearly 21% and approximately 8% from 2029 to 2035.
- The largest gains in the City of Cambridge population are expected in the age cohort under 18 (+156 people), the cohort age 65 to 74 (+158 people) and the cohort age 45 to 54(+169 people) through 2029.
- The median income in the City of Cambridge was \$65,643 in 2024 with an expected 14% increase by 2029 to \$74,516.
- In 2022, the median income of owner-occupied homes was \$96,933 while the median incomes of renter occupied homes was \$45,604 in the Market Area. Homeownership rates increased as income increased in the City of Cambridge, climbing from 41% of households with incomes under \$15,000 to 100% of households with incomes over \$150,000.
- The median net worth in the Market Area was \$211,543 in 2024.
- In the City of Cambridge, the proportion of owner-occupied households was 68%, with homeownership rising as households age, before falling among households over age 65.
- The largest household type in the City of Cambridge were single person households, representing nearly 36% of all households.
- Nearly 60% of renter households were single person households compared to only 25% of owner households.
- In 2022, White Alone comprised the largest proportion of the population in the City of Cambridge (91.6%). After White Alone, respondents in the City of Cambridge were most likely to select Asian Alone (3.9%).
- The majority of residents in the City of Cambridge (83.7%) did not move within the last year. Of the residents that moved approximately 8.7% moved from another Minnesota county and 6.4% moved within the County.

Employment Trends

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

Employment Growth and Projections

Table E-1 shows projected employment growth in Central Minnesota. Table E-1 shows employment growth trends and projections from 2010 to 2030 based on the most recent Minnesota Department of Employment and Economic Development (DEED) Employment Outlook projections. The 2030 forecast is based on industry projections for the Central Minnesota Planning area. The Central Minnesota Planning area consists of 13 Minnesota Counties (Benton, Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne, Stearns and Wright Counties). Projections are unavailable at the municipal level.

- From 2010 to 2020, employment rose 7.4% in the Central Minnesota region. Employment grew in the region during the decade, despite falling by almost -2% between 2015 and 2020.
- However, between 2020 and 2022, employment grew by 4% in Central Minnesota. This is likely a reaction to the employment changes created by the global pandemic, which caused employment to drop rapidly in 2020. Since 2020, employment gains have been observed, as seen in the growth in employment in the Central region from 2020 to 2022.
- Long-term employment projections forecast 5% employment growth from 2020 to 2030. With the gains made in employment from 2020 to 2022, in addition to the expected long-term growth, employment in the Central region is forecast to reach 276,587 by 2030.

TABLE E-1 EMPLOYMENT PROJECTIONS CENTRAL MINNESOTA 2010-2030									
	Employment					Change			
	Actual		Estimated	Forecast	Forecast	2010 - 2020		2020 - 2030	
	2010	2015	2020	2030	2035	No.	Pct.	No.	Pct.
Central Minnesota	245,310	268,190	263,427	276,587	292,264	18,117	7.4%	13,160	5.0%

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

Resident Labor Force

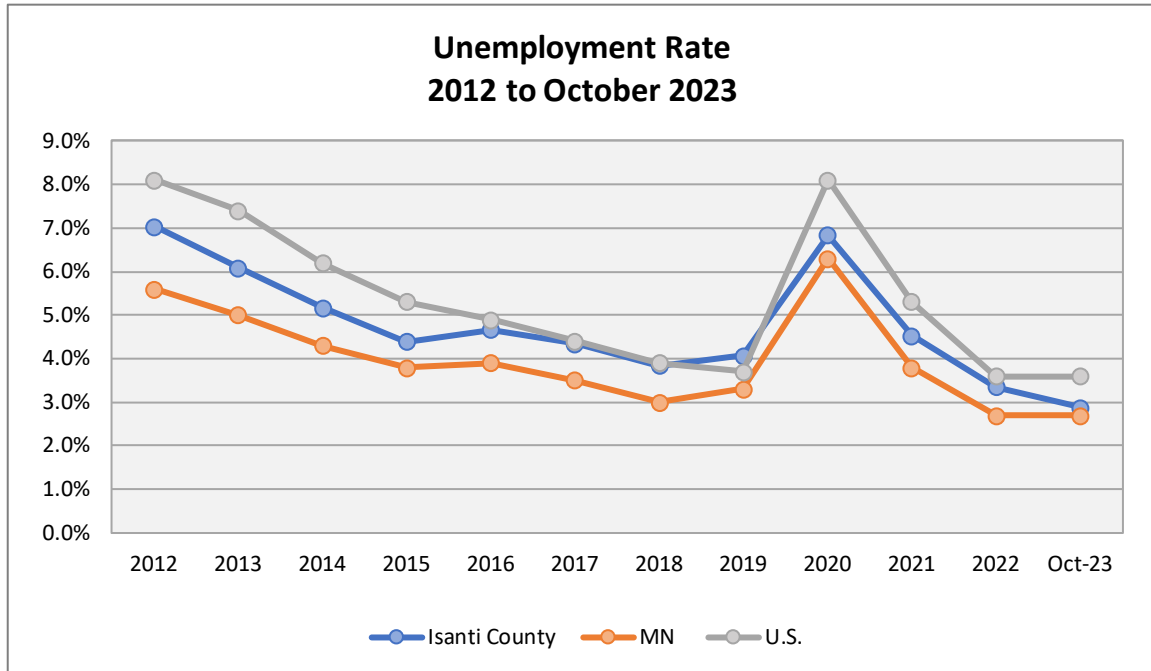
Table E-2 presents resident employment data for Isanti County from 2012 through October 2023, city level data was unavailable. *Resident employment* data is calculated as an annual average and reveals the work force and number of employed persons living in the area. It is important to note that not all of these individuals necessarily work in the area. The data is obtained from the Minnesota Department of Economic Development (MN DEED). Unemployment rate data is also provided for Minnesota, and the US.

- Total employment increased 6.5% in Isanti County from 2012 to 2022 (+1,333 people).
- In the last decade, the unemployment rate in Isanti County has fallen from 7% in 2012 to 3.4% in 2022.
- Employment has trended downward in the County since 2012. The downward trend of unemployment was briefly interrupted in 2020 when unemployment jumped to 6.8%, up from 4.1% the previous year. This jump is largely due to the COVID-19 pandemic. By 2021, unemployment had fallen again to 4.5% and continued to fall through October 2023.

Year	Total Labor Force	Total Employed	Total Unemployed	Unemployment Rate	Minnesota Unemployment Rate	U.S. Unemployment Rate
2012	20,376	18,942	1,434	7.0%	5.6%	8.1%
2013	20,226	18,994	1,232	6.1%	5.0%	7.4%
2014	20,287	19,238	1,049	5.2%	4.3%	6.2%
2015	20,248	19,358	890	4.4%	3.8%	5.3%
2016	20,661	19,697	964	4.7%	3.9%	4.9%
2017	21,097	20,179	918	4.4%	3.5%	4.4%
2018	21,231	20,417	814	3.8%	3.0%	3.9%
2019	21,688	20,807	881	4.1%	3.3%	3.7%
2020	22,056	20,548	1,508	6.8%	6.3%	8.1%
2021	21,337	20,372	965	4.5%	3.8%	5.3%
2022	21,709	20,980	729	3.4%	2.7%	3.6%
Oct-23	21,784	21,156	628	2.9%	2.7%	3.6%
Change 2012-'22	1,333	2,038	-705	-3.7%	-2.9%	-4.5%

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

- Unemployment has generally been declining since 2012 in Isanti County, but it has remained above the unemployment rate of the State of Minnesota. However, the unemployment gap between Isanti County and the State of Minnesota has been closing.



Covered Employment and Wages by Industry

Table E-3 displays information on the employment and wage conditions in the City of Cambridge compared to Isanti County. The Quarterly Census of Employment and Wages (QCEW) data is sourced from DEED and represents data for the second quarter of 2022 compared to the third quarter of 2023, the most recent data available.

All establishments covered under the Unemployment Insurance (UI) Program are required to report wage and employment statistics to DEED quarterly. Certain industries in the table may not display any information which means that there is either no reported economic activity for that industry or the data has been suppressed to protect the confidentiality of cooperating employers. This generally occurs when there are too few employers, or one employer comprises too much of the employment in that geography.

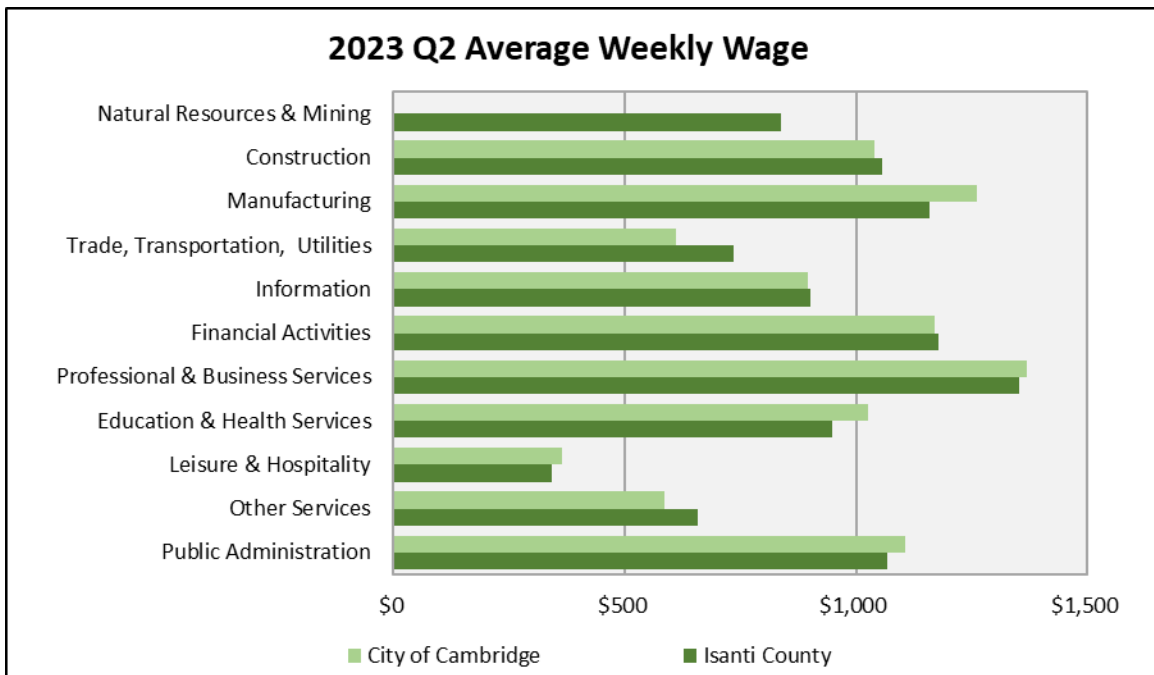
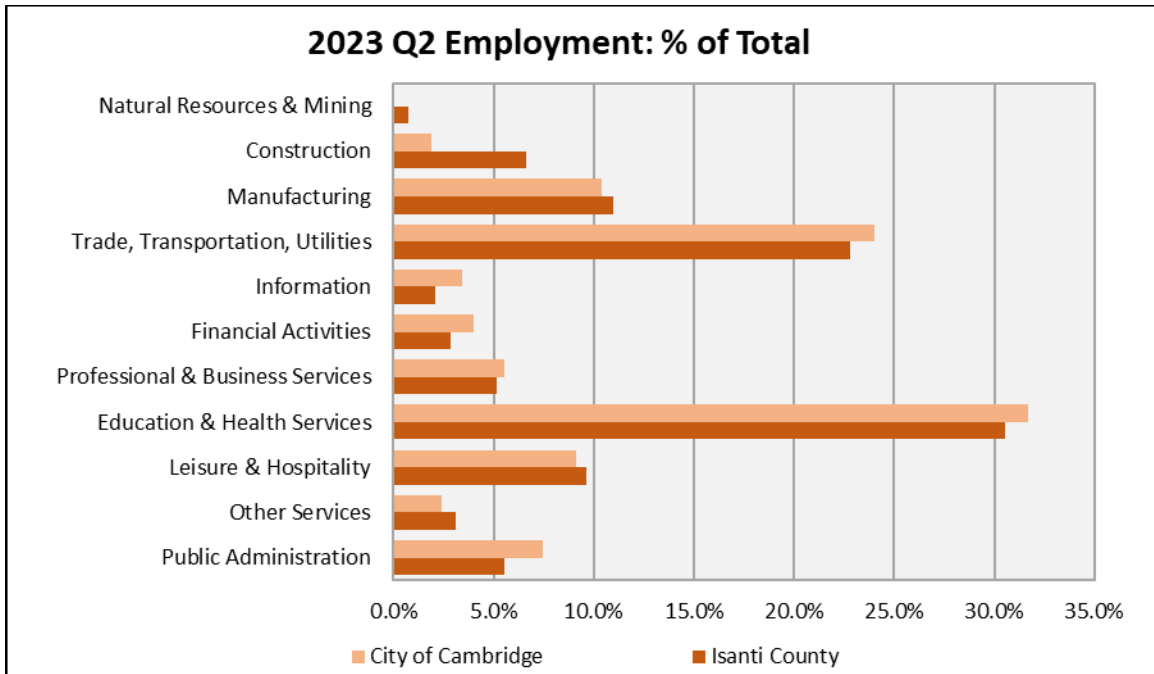
- The largest employment sector in the City of Cambridge was the Education and Health Services industry (31.7%), followed by the Trade, Transportation and Utilities industry (24%). These were also the largest employment sectors in Isanti County.
- Average weekly wages in the City of Cambridge were \$906 in the first quarter of 2023. Wages were similar in the County, which reported an average weekly wage of \$895.
- A household earning the average weekly wage in the City of Cambridge (\$895) would be able to afford rent or mortgage payments of an estimated \$1,178 per month to not exceed 30% of its monthly income on housing costs.

EMPLOYMENT TRENDS

- The Education and Health Services industry reported a weekly wage of \$1,025 in the second quarter of 2023. The Trade, Transportation and Utilities industry had an average weekly wage of \$612 during the same time.
- The highest paying industry in the City of Cambridge was the Professional and Business industry, with an average weekly wage of \$1,368 followed by Manufacturing at \$1,262. This industry (Professional and Business industry) represented 5% of employment in the City during the second quarter of 2023. Meanwhile, the lowest paying industry was the Leisure and Hospitality industry with an average weekly wage of \$366, representing nearly 10% of employment in the City of Cambridge.
- Wages and employment were generally stable between 2022 and 2023. The largest wage increases occurred in the Construction, Professional and Business and Other Services industries. At the same time, the Construction industry experienced the largest change in employment, decreasing by -11.7% during this time (but only -17 jobs).

Industry	2022 Q2			2023 Q2			Change 2022 - 2023			
	Establish-ments	Employ-ment	Weekly Wage	Establish-ments	Employ-ment	Weekly Wage	Employment #	Employment %	Wage #	Wage %
City of Cambridge										
Total, All Industries	309	6,603	\$899	310	6,704	\$906	101	1.5%	\$7	0.8%
Natural Resources & Mining	--	--	--	--	--	--	--	--	--	--
Construction	20	145	\$869	21	128	\$1,040	-17	-11.7%	\$171	19.7%
Manufacturing	18	667	\$1,274	18	697	\$1,262	30	4.5%	(\$12)	-0.9%
Trade, Transportation, & Utilities	70	1,615	\$617	71	1,609	\$612	-6	-0.4%	(\$5)	-0.8%
Information	8	237	830	8	230	896	-7	-3.0%	\$66	8.0%
Financial Activities	31	277	1,191	32	269	1,171	-8	-2.9%	(\$20)	-1.7%
Professional & Business Services	31	351	\$1,199	30	370	\$1,368	19	5.4%	\$169	14.1%
Education & Health Services	54	2,059	\$1,064	56	2,124	\$1,025	65	3.2%	(\$39)	-3.7%
Leisure & Hospitality	29	591	\$361	28	613	\$366	22	3.7%	\$5	1.4%
Other Services	33	169	\$487	31	160	\$585	-9	-5.3%	\$98	20.1%
Public Administration	15	490	\$1,084	15	500	\$1,106	10	2.0%	\$22	2.0%
Isanti County										
Total, All Industries	933	11,559	\$881	947	11,805	\$895	246	2.1%	\$14	1.6%
Natural Resources & Mining	9	94	\$726	9	86	\$838	-8	-8.5%	\$112	15.4%
Construction	177	803	\$1,019	175	779	\$1,057	-24	-3.0%	\$38	3.7%
Manufacturing	71	1,265	\$1,172	70	1,298	\$1,160	33	2.6%	(\$12)	-1.0%
Trade, Transportation, & Utilities	176	2,728	\$711	181	2,690	\$735	-38	-1.4%	\$24	3.4%
Information	14	257	\$845	15	245	\$903	-12	-4.7%	\$58	6.9%
Financial Activities	61	339	\$1,161	61	336	\$1,179	-3	-0.9%	\$18	1.6%
Professional & Business Services	93	568	\$1,162	92	606	\$1,352	38	6.7%	\$190	16.4%
Education & Health Services	130	3,460	\$983	139	3,606	\$949	146	4.2%	(\$34)	-3.5%
Leisure & Hospitality	71	1,048	\$337	72	1,134	\$343	86	8.2%	\$6	1.8%
Other Services	101	359	\$564	103	370	\$657	11	3.1%	\$93	16.5%
Public Administration	30	635	\$1,026	30	652	\$1,067	17	2.7%	\$41	4.0%

Sources: Minnesota Department of Employment and Economic Development (MN DEED); Maxfield Research & Consulting, LLC



Commuting Patterns

Proximity to employment is often a primary consideration when choosing where to live, since transportation costs often accounts for a large proportion of households’ budgets. Table E-4 highlights the commuting patterns of workers in the City of Cambridge and Table E-5 shows commuting patterns in the PMA in 2021 (the most recent data available), based on Employer-Household Dynamics data from the U.S. Census Bureau.

- As shown in Table E-4, the work destination for about 23% of workers who live in the City of Cambridge was within the City itself. Among workers employed in the City of Cambridge, nearly 18% also live in the City.
- Other common work destinations for workers living in the City of Cambridge were the cities of Minneapolis (6.7%), Isanti (3.3%) and Coon Rapids (3.1%).
- Among those workers employed in the City of Cambridge, common home destinations include the cities of Isanti (5.8%) and North Branch (3.0%).

TABLE E-4 COMMUTING PATTERNS CITY OF CAMBRIDGE 2021					
Home Destination			Work Destination		
Place of Residence	Count	Share	Place of Employment	Count	Share
Cambridge city, MN	1,110	17.7%	Cambridge city, MN	1,110	22.8%
Isanti city, MN	361	5.8%	Minneapolis city, MN	326	6.7%
North Branch city, MN	187	3.0%	Isanti city, MN	161	3.3%
Braham city, MN	117	1.9%	Coon Rapids city, MN	150	3.1%
East Bethel city, MN	86	1.4%	St. Paul city, MN	140	2.9%
Mora city, MN	78	1.2%	Blaine city, MN	111	2.3%
Blaine city, MN	75	1.2%	North Branch city, MN	102	2.1%
Princeton city, MN	60	1.0%	Fridley city, MN	95	2.0%
St. Francis city, MN	54	0.9%	Princeton city, MN	89	1.8%
St. Paul city, MN	54	0.9%	Plymouth city, MN	77	1.6%
All Other Locations	4,074	65.1%	All Other Locations	2,503	51.5%
Total All Jobs	6,256		Total All Jobs	4,864	
Home Destination = Where workers live who are employed in the City of Cambridge					
Work Destination = Where workers are employed who live in the City of Cambridge					
Sources: US Census Bureau On the Map; Maxfield Research and Consulting LLC					

- Commuting patterns in the PMA are similar to the City of Cambridge, as shown in Table E-5. The most common work destination for workers who live in the Market Area was the City of Cambridge (14.6%). Other common work destinations for workers living in the Market Area were the cities of Minneapolis (6.2%), Isanti (3.6%) and St. Paul (3.2%).

EMPLOYMENT TRENDS

- Among workers employed in the Market Area, the largest share (14.5%) lived in the City of Cambridge. Common home destinations for Market Area workers include the cities of Isanti (7.2%) and North Branch (2.6%).

TABLE E-5 COMMUTING PATTERNS PMA 2020					
Home Destination			Work Destination		
Place of Residence	Count	Share	Place of Employment	Count	Share
Cambridge city, MN	1,468	14.5%	Cambridge city, MN	2,834	14.6%
Isanti city, MN	731	7.2%	Minneapolis city, MN	1,209	6.2%
North Branch city, MN	260	2.6%	Isanti city, MN	707	3.6%
Braham city, MN	233	2.3%	St. Paul city, MN	614	3.2%
East Bethel city, MN	189	1.9%	Coon Rapids city, MN	574	3.0%
Mora city, MN	126	1.2%	Blaine city, MN	558	2.9%
St. Francis city, MN	124	1.2%	Anoka city, MN	447	2.3%
Blaine city, MN	123	1.2%	Princeton city, MN	428	2.2%
Andover city, MN	93	0.9%	Fridley city, MN	410	2.1%
Princeton city, MN	84	0.8%	North Branch city, MN	384	2.0%
All Other Locations	6,663	66.0%	All Other Locations	11,225	57.9%
Total All Jobs	10,094		Total All Jobs	19,390	
Home Destination = Where workers live who are employed in PMA					
Work Destination = Where workers are employed who live in PMA					
Sources: US Census Bureau On the Map; Maxfield Research and Consulting LLC					

Inflow/Outflow

Table E-6 provides a summary of the inflow and outflow of workers in the City of Cambridge. Outflow reflects the number of workers living in the City of Cambridge but employed outside of the city. Inflow measures the number of workers that are employed in the City of Cambridge but live outside the City. Interior flow reflects the number of workers that both live and work in the City of Cambridge.

- The City of Cambridge was an importer of workers. There were 3,754 workers commuting out of the City, while 5,146 workers were commuting into the City of Cambridge and there were 1,110 interior workers living and working in the City.
- The largest segment of workers in each category were those between the ages of 30 and 54. Outflow workers had the largest proportion of workers under the age of 29 (26.2%) and the inflow workers had the largest proportion of workers over the age of 55 (27.4%).

EMPLOYMENT TRENDS

- Outflow workers were the most likely to earn more than \$3,333 per month (54.4%) compared to 42% of interior workers.
- The All Other Services industry captured the most employment for all worker groups. Industries covered in the All Other Services category includes two-digits NAICS codes 51, 52, 53, 54, 55, 56, 61, 62, 71, 72, 81, 92. These sectors include, but are not limited to, Information, Finance, Insurance, Professional Services, Public Administration, Health Care, Social Assistance, Educational Services, Accommodation and Food Services.

	Outflow		Inflow		Interior Flow	
City Total	3,754	100.0%	5,146	100.0%	1,110	100.0%
<u>By Age</u>						
Workers Aged 29 or younger	982	26.2%	1,190	23.1%	274	24.7%
Workers Aged 30 to 54	2,062	54.9%	2,548	49.5%	585	52.7%
Workers Aged 55 or older	710	18.9%	1,408	27.4%	251	22.6%
<u>By Monthly Wage</u>						
Workers Earning \$1,250 per month or less	724	19.3%	1,131	22.0%	299	26.9%
Workers Earning \$1,251 to \$3,333 per month	988	26.3%	1,513	29.4%	345	31.1%
Workers Earning More than \$3,333 per month	2,042	54.4%	2,502	48.6%	466	42.0%
<u>By Industry</u>						
"Goods Producing"	923	24.6%	617	12.0%	130	11.7%
"Trade, Transportation, and Utilities"	730	19.4%	1,029	20.0%	185	16.7%
"All Other Services"	2,101	56.0%	3,500	68.0%	795	71.6%

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

Employment Inflow & Outflow, City of Cambridge

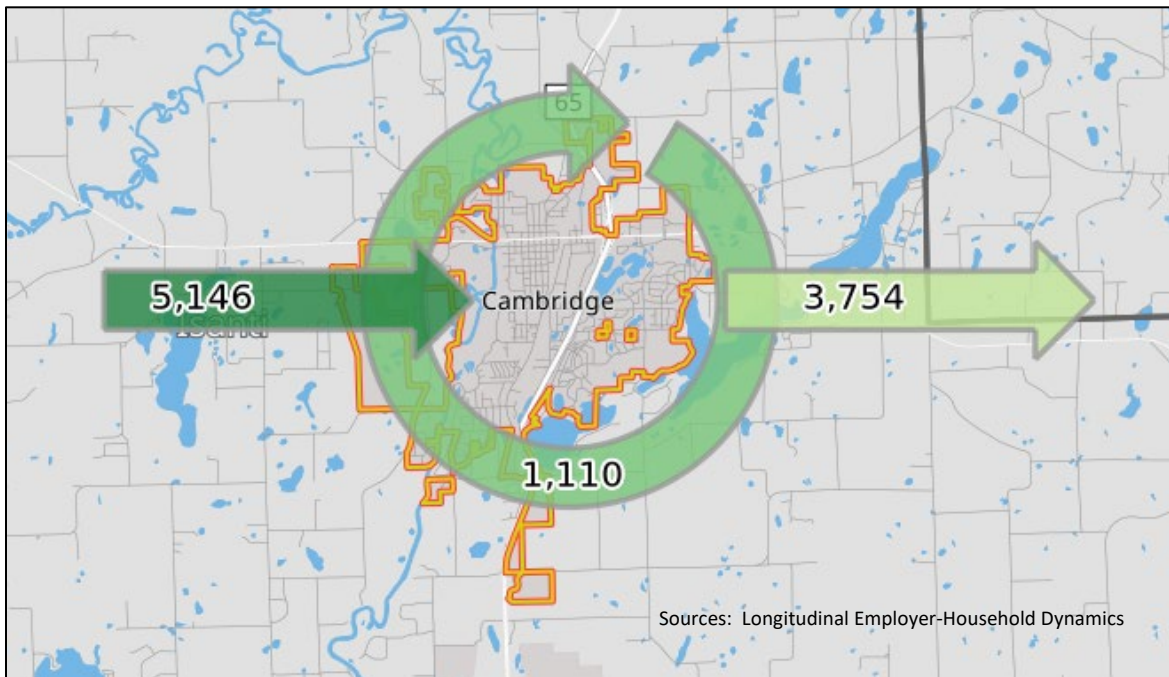


Table E-7 shows the inflow and outflow characteristics of the Primary Market Area.

- The Market Area is a net exporter of workers. There are approximately 10,000 inflow and interior flow workers, but nearly 15,000 outflow workers.
- Approximately half of workers in each category were between the age of 30 and 54.
- Similar to the City of Cambridge, outflow workers were the most likely to earn more than \$3,333 per month (60.7%) compared to 40.1% of interior workers. Interior workers had the highest proportion of workers earning under \$3,333 among the three commuter categories.
- The All Other Services industry was again the largest employment category in the Market Area.

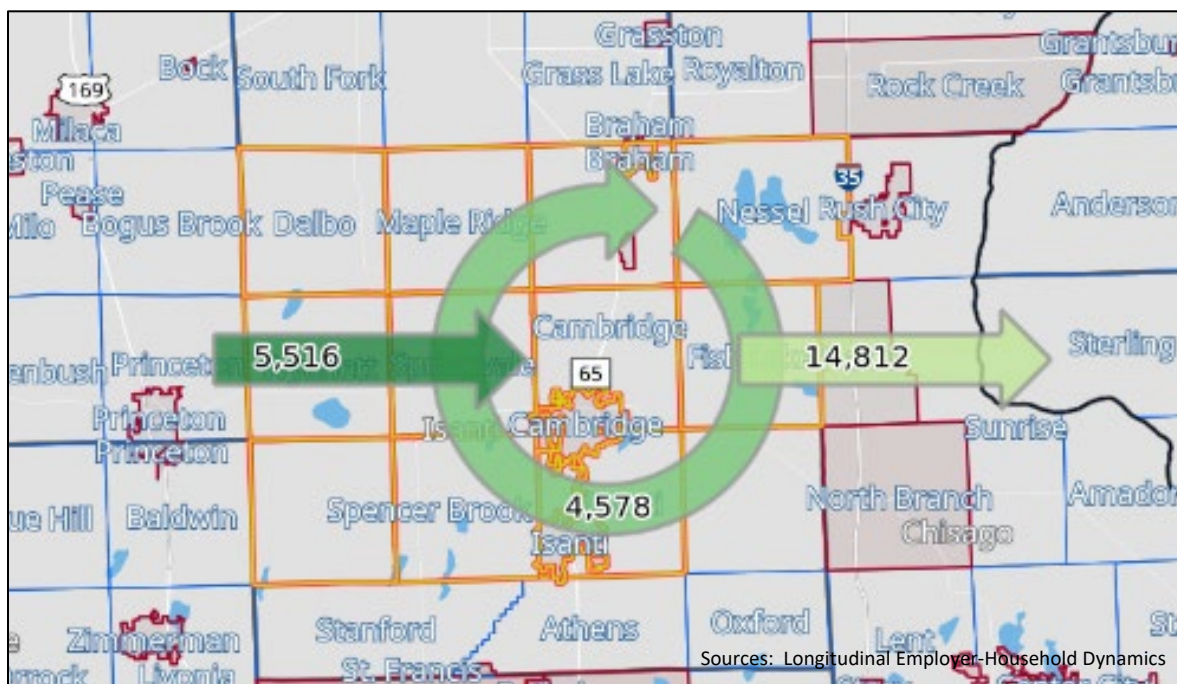
EMPLOYMENT TRENDS

**TABLE E-7
COMMUTING INFLOW/OUTFLOW CHARACTERISTICS
PRIMARY MARKET AREA
2021**

	Outflow		Inflow		Interior Flow	
City Total	14,812	100.0%	5,516	100.0%	4,578	100.0%
By Age						
Workers Aged 29 or younger	3,320	22.4%	1,347	24.4%	1,197	26.1%
Workers Aged 30 to 54	8,150	55.0%	2,764	50.1%	2,247	49.1%
Workers Aged 55 or older	3,342	22.6%	1,405	25.5%	1,134	24.8%
By Monthly Wage						
Workers Earning \$1,250 per month or less	2,497	16.9%	1,249	22.6%	1,221	26.7%
Workers Earning \$1,251 to \$3,333 per month	3,317	22.4%	1,595	28.9%	1,523	33.3%
Workers Earning More than \$3,333 per month	8,998	60.7%	2,672	48.4%	1,834	40.1%
By Industry						
"Goods Producing"	4,226	28.5%	1,101	20.0%	820	17.9%
"Trade, Transportation, and Utilities"	2,739	18.5%	1,172	21.2%	876	19.1%
"All Other Services"	7,847	53.0%	3,243	58.8%	2,882	63.0%

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

Employment Inflow & Outflow, Primary Market Area



Covered Employment by Industry

Table E-8 presents covered employment workforce numbers for the City of Cambridge and Isanti County from 2005 through 2022. Covered employment data is calculated as an annual average and *reveals the number of jobs in the designated area*, which are covered by unemployment insurance. Many temporary workforce positions, agricultural, self-employed persons, and some other types of jobs are not covered by unemployment insurance and are not included in the table. Some agricultural businesses and employees are listed in Table E-8, but not all positions are included. The data is sourced from the Minnesota Department of Employment and Economic Development. The following are key trends from the covered employment data:

- Employment in the City of Cambridge rose by 16% (+913 employees) from 2010 to 2022. The Trade, Transportation and Utilities industry accounted for more than half (+508 employees) of the employment growth in the City during this time. In addition, the Construction industry more than doubled (+131%) during this time, adding 80 employees. The Leisure and Hospitality industry added 92 employees (+18%) from 2010 to 2022.
- The Education and Health Services industry is the largest employment industry in the City of Cambridge, although it has been decreasing since 2005. In 2005, the Education and Health Services representative 37% of employment compared to 30.9% in 2022.
- Market Area employment grew by 4.8% from 2005 to 2022. The Construction industry added 506 employees (+178.2%) and the Trade, Transportation and Utilities industry added 563 employees (+26.2%). At the same time, the Education and Health Services industry shrank by -10.2% (-384 employees).

EMPLOYMENT TRENDS

TABLE E-8 COVERED EMPLOYMENT TRENDS CITY OF CAMBRIDGE AND ISANTI COUNTY 2005, 2010, 2015, 2022 North American Industrial Classification System (NAICS)										
City of Cambridge					Change					
Average Number of Employees					2010 - 2022					
Industry	2005	2010	2015	2022	No.	Pct.	2005	2010	2015	2022
Natural Resources & Mining	-	-	-	-	-	-	-	-	-	-
Construction	101	61	70	141	80	131	1.4%	1.1%	1.0%	2.2%
Manufacturing	761	705	1,088	666	-39	-6	10.7%	12.5%	15.6%	10.2%
Trade, Transportation, and Utilities	1,610	1,101	1,653	1,609	508	46	22.7%	19.6%	23.7%	24.6%
Information	207	-	193	238	-	-	2.9%	-	2.8%	3.6%
Financial Activities	292	304	262	263	-41	-13	4.1%	5.4%	3.8%	4.0%
Professional and Business Services	281	286	367	360	74	26	4.0%	5.1%	5.3%	5.5%
Education and Health Services	2,622	2,043	2,212	2,018	-25	-1	37.0%	36.3%	31.7%	30.9%
Leisure and Hospitality	584	500	547	592	92	18	8.2%	8.9%	7.8%	9.1%
Other Services	220	186	140	162	-24	-13	3.1%	3.3%	2.0%	2.5%
Public Administration	411	435	452	485	50	11	5.8%	7.7%	6.5%	7.4%
Totals	7,089	5,621	6,984	6,534	913	16.2				
Isanti County					Change					
Average Number of Employees					2010 - 2022					
Industry	2005	2010	2015	2022	No.	Pct.	2005	2010	2015	2022
Natural Resources & Mining	99	114	102	86	-28	-24.6	0.9%	1.1%	0.9%	0.8%
Construction	593	284	376	790	506	178.2	5.7%	2.8%	3.4%	7.3%
Manufacturing	1,334	1,124	1,521	1,269	145	12.9	12.7%	11.1%	13.9%	11.8%
Trade, Transportation, and Utilities	2,204	2,146	2,360	2,709	563	26.2	21.0%	21.2%	21.5%	25.1%
Information	-	243	226	255	12	4.9	-	2.4%	2.1%	2.4%
Financial Services	405	367	317	327	-40	-10.9	3.9%	3.6%	2.9%	3.0%
Professional and Business Services	414	439	529	580	141	32.1	4.0%	4.3%	4.8%	5.4%
Education and Health Services	3,581	3,762	3,746	3,378	-384	-10.2	34.2%	37.1%	34.1%	31.3%
Leisure and Hospitality	967	808	899	1,054	246	30.4	9.2%	8.0%	8.2%	9.8%
Other Services	366	321	347	346	25	7.8	3.5%	3.2%	3.2%	3.2%
Public Administration	511	537	556	633	96	17.9	4.9%	5.3%	4.9%	5.1%
Totals	10,474	10,145	10,979	10,794	505	4.8				

Source: MN DEED; Maxfield Research and Consulting LLC

Employer Survey

Maxfield Research and Consulting, LLC surveyed a sample of employer representatives from the City of Cambridge regarding recent trends in job growth, employee turnover, and projected job growth. In addition, representatives were asked about the impact of housing on their current and potential employees.

- Employers reported a variety of needs in staffing. Some employers that struggled with recruiting and retaining employees since the 2020 pandemic have experienced hiring easing and staffing levels being met.

EMPLOYMENT TRENDS

- Other employers are experiencing higher turnover due to retirements and more employee mobility with an increase in job openings. This is leading to more difficulty recruiting and retain workers for some employers than prior to 2020. Additionally, employers relying on younger employees are also finding it difficult to staff all their positions.
- Employees at the city’s largest employers were commuting from many areas. Outside of the City of Cambridge, employees were generally commuting from within 30 miles of Cambridge, including from Isanti, Princeton, North Branch, Harris, Stanchfield, Braham, Zimmerman, Mora, Bethel/East Bethel, Ogilvie, Pine City and Dalbo. Employees coming into Cambridge from the north may commute even further than 30 minutes, such as commuters from Hinckley.
- Some employers focus more recruiting efforts on areas north of Cambridge, moving away from the metro where wage expectations are higher.
- Employee feedback on housing included comments on rent and taxes being high. On the for-sale side there is a lack of affordable single-family housing and houses are under contract very quickly.

Major Employers

Table E-8 shows major employers in the City of Cambridge. It should be noted that this is not a comprehensive list of all employers in the city. The information on largest employers was gathered from the City of Cambridge, the East Central Development Partnership and Reference Solutions.

- School District #911 was the largest employer, with 992 employees. The Anoka Ramsey County Community College also employed an estimated 200 people in the education field.
- Six of the major employers were with 100 or more employees were retailers or restaurants, including Walmart, Fleet Farm, Menards, Target, Perkins and Cub Foods.
- Cambridge Medical Center employed 268 people in the health care field. Another 366 workers were employed at GracePointe Crossing, a senior housing facility that also offers services to its residents.

TABLE E-8 MAJOR EMPLOYERS CITY OF CAMBRIDGE 2024		
Name	Industry/Product/Service	Approximate Employee Size
School District #911	Schools	992
GracePointe Crossing	Senior Housing	366
Walmart	Department Stores	335
Cambridge Medical Center	Hospitals	268
Isanti County	Government Offices	250
Fleet Farm	Farm Supply (Whls)	200
Menards	Home Centers	200
Anoka Ramsey Community College	Junior Colleges	200
TEAM Industries	Machine Shops (Manufacturers)	150
Target	Department Stores	150
Park Manufacturing	Wire Harness-Electrical (Whls)	135
Arrow Tank & Engineering Co	Tanks-Metal (Whls)	120
Perkins	Restaurants	120
Cub Foods	Grocers	100
Major Employers Total		3,586

Source: Maxfield Research, City of Cambridge, MN

Introduction

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

Residential Building Permit Trends

Maxfield Research obtained data from the US Department of Housing and Urban Development on the number of building permits issued for new housing units in the City of Cambridge and Isanti County from 2000 to 2022. Tables HC-1 and HC-2 displays permits issued for single-family homes, duplexes, and multifamily dwellings for the City of Cambridge and Isanti County, respectively. Multifamily units include both for-sale (condominium, twinhomes, and townhomes) and rental projects. The following are key points about housing development since 2000.

- The City of Cambridge issued 2,155 permits from 2000 to 2022, averaging 94 permits per year. During this time, single family permits accounted for 74.7% permits.
- Of the 545 multifamily permits issued during the period from 2000 to 2022, 92.2% were for multifamily developments with five or more units.
- The impact of the Great Recession is clear in the permit data from the City of Cambridge. Permits dropped drastically from 2008 through 2011, before starting to edge up in the following years.
- Similarly, the City of Cambridge experienced rapid growth during the pandemic as 2021 was a record year for new construction. The work from home movement and desire more space and affordable housing drove building activity.
- Although single family permits have grown in the years since 2011, permits per year are not as high as in the early 2000 years.

TABLE HC-1 RESIDENTIAL BUILDING PERMIT TRENDS CITY OF CAMBRIDGE 2000-2022					
Year	City of Cambridge				
	Single-family	----- Multifamily -----			Total Units
		MF Total	DTQ	MF5	
2000	81	0	0	0	81
2001	100	0	0	0	100
2002	213	0	0	0	213
2003	167	0	0	0	167
2004	225	0	0	0	225
2005	125	0	0	0	125
2006	62	95	0	95	157
2007	51	8	8	0	59
2008	1	0	0	0	1
2009	3	30	0	30	33
2010	5	0	0	0	5
2011	3	12	0	12	15
2012	15	0	0	0	15
2013	20	24	24	0	44
2014	39	55	0	55	94
2015	34	48	0	48	82
2016	47	2	2	0	49
2017	75	0	0	0	75
2018	54	78	0	78	132
2019	70	0	0	0	70
2020	83	36	0	36	119
2021	124	157	8	149	281
2022	13	0	0	0	13

SF = Single-family; DTQ = Duplex, Triplex, or Fourplex; MF5 = Multifamily with 5+ units

Sources: US Dept. of HUD; US Census Bureau; Maxfield Research and Consulting, LLC

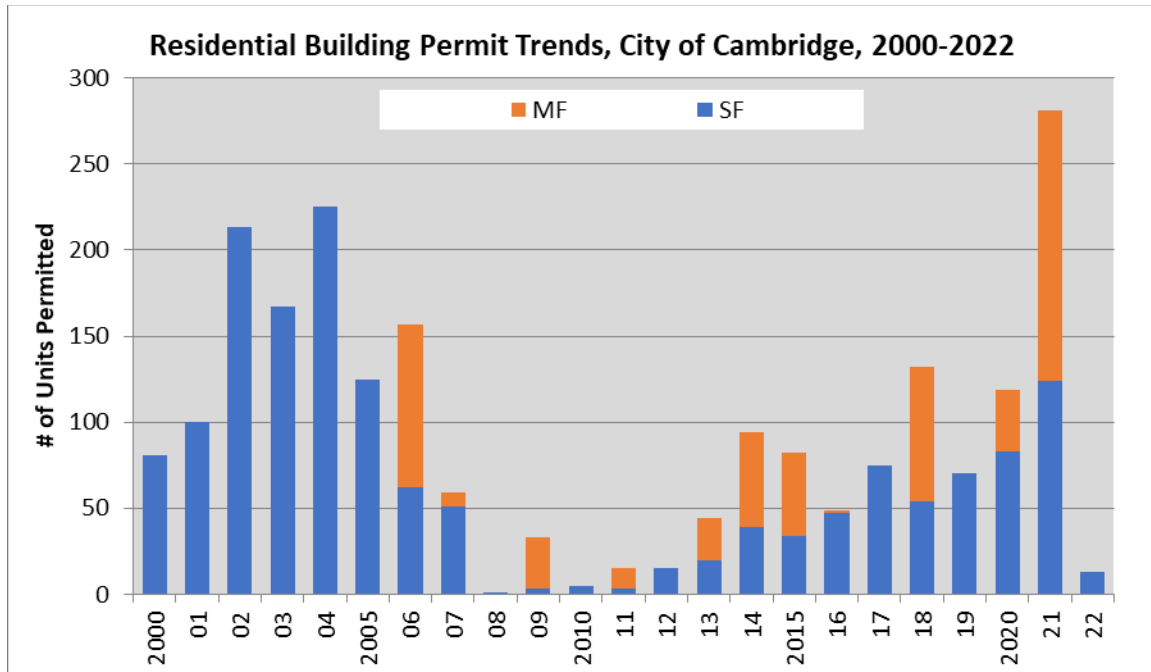


Table HC-2 shows the number of permits issued from 2000 to 2022 in Isanti County.

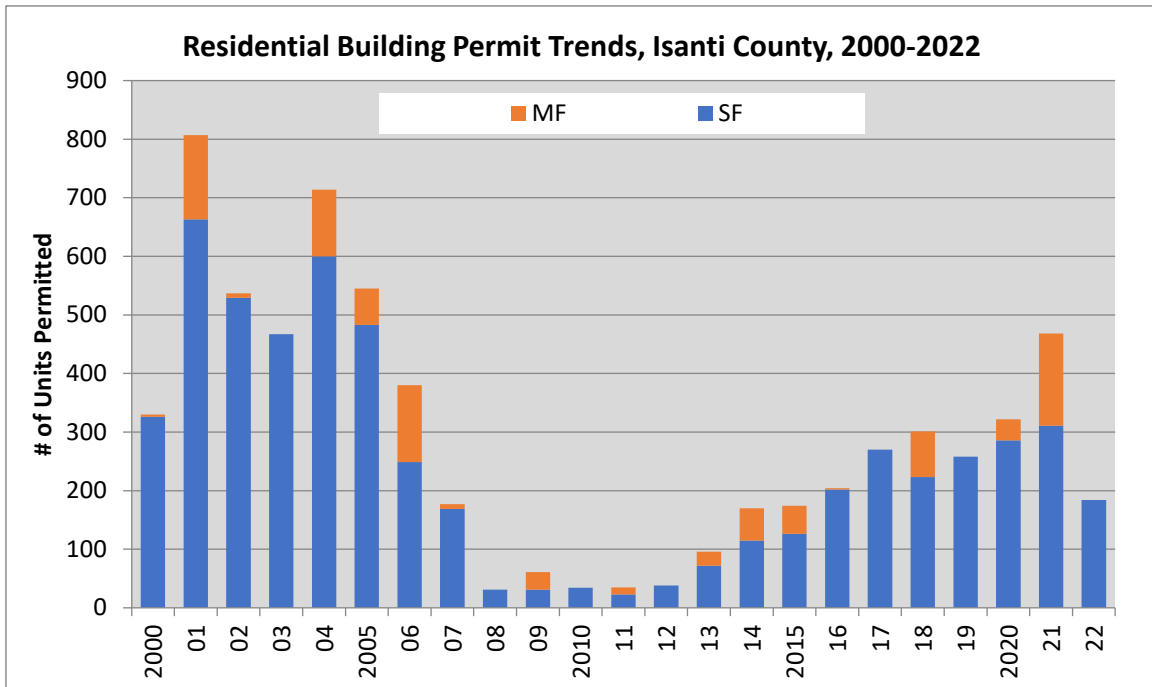
- Isanti County issued 6,603 permits from 2000 to 2022, averaging 287 permits per year. Single family permits accounted for 86% of permits in Isanti County during this time.
- Similar to Cambridge, the majority of multifamily permits (90.3%) were issued for units within buildings of five or more units.
- Trends from the Great Recession in Isanti County are similar to the City of Cambridge. Permit activity fell sharply from 2007 (169 permits) to 2008 (31 permits). Permits began to increase again in 2012 and even more so from 2012 to 2013.
- Permits have generally risen since 2012, with the County reporting 468 permits in 2021. However, the number of permits fell in 2022 to only 184, with no multifamily permits recorded.

TABLE HC-2 RESIDENTIAL BUILDING PERMIT TRENDS ISANTI COUNTY 2000-2022					
Year	Isanti County				Total Units
	Single-family	---- Multifamily ----			
		MF Total	DTQ	MF5	
2000	326	4	4	0	330
2001	663	144	0	144	807
2002	529	8	0	8	537
2003	467	0	0	0	467
2004	600	114	16	98	714
2005	483	62	26	36	545
2006	249	131	0	131	380
2007	169	8	8	0	177
2008	31	0	0	0	31
2009	31	30	0	30	61
2010	34	0	0	0	34
2011	23	12	0	12	35
2012	38	0	0	0	38
2013	72	24	24	0	96
2014	115	55	0	55	170
2015	126	48	0	48	174
2016	202	2	2	0	204
2017	270	0	0	0	270
2018	223	78	0	78	301
2019	258	0	0	0	258
2020	286	36	0	36	322
2021	311	157	8	149	468
2022	184	0	0	0	184

SF = Single-family; DTQ = Duplex, Triplex, or Fourplex; MF5 = Multifamily with 5+ units

Sources: US Dept. of HUD; US Census Bureau; City of Watertown; Maxfield Research and Consulting, LLC

HOUSING CHARACTERISTICS



- On average, the City of Cambridge has produced 34% of the residential permits in Isanti County. Although the proportion has ranged from 3% in 2008 to 60% in 2021.

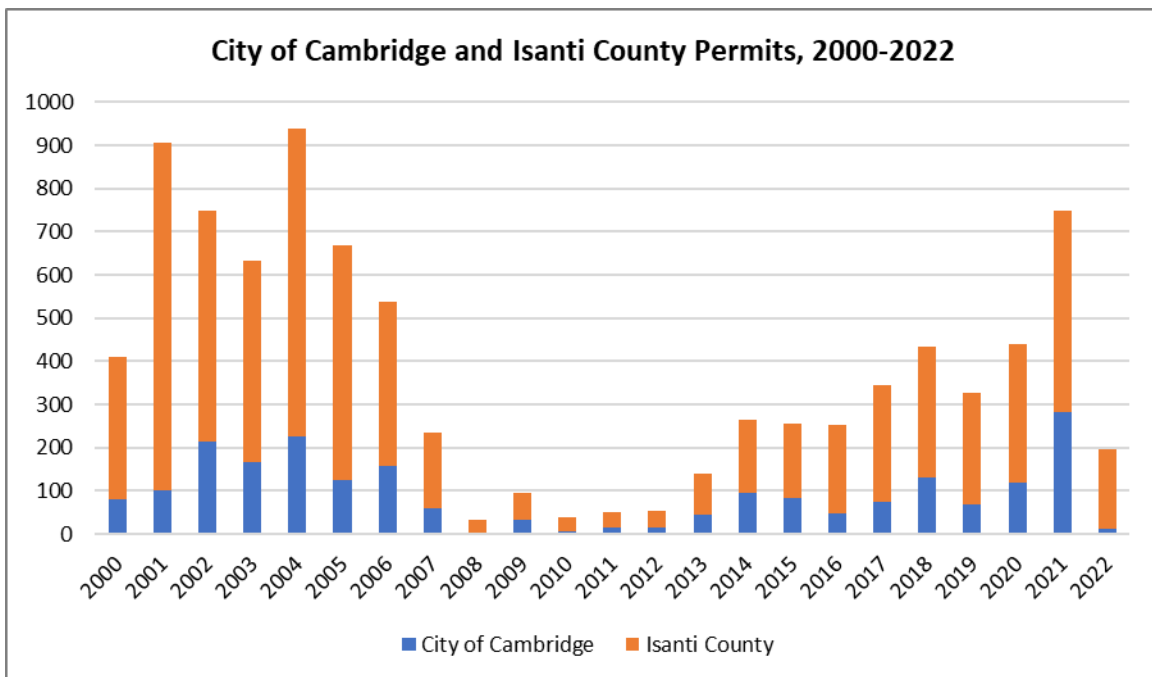


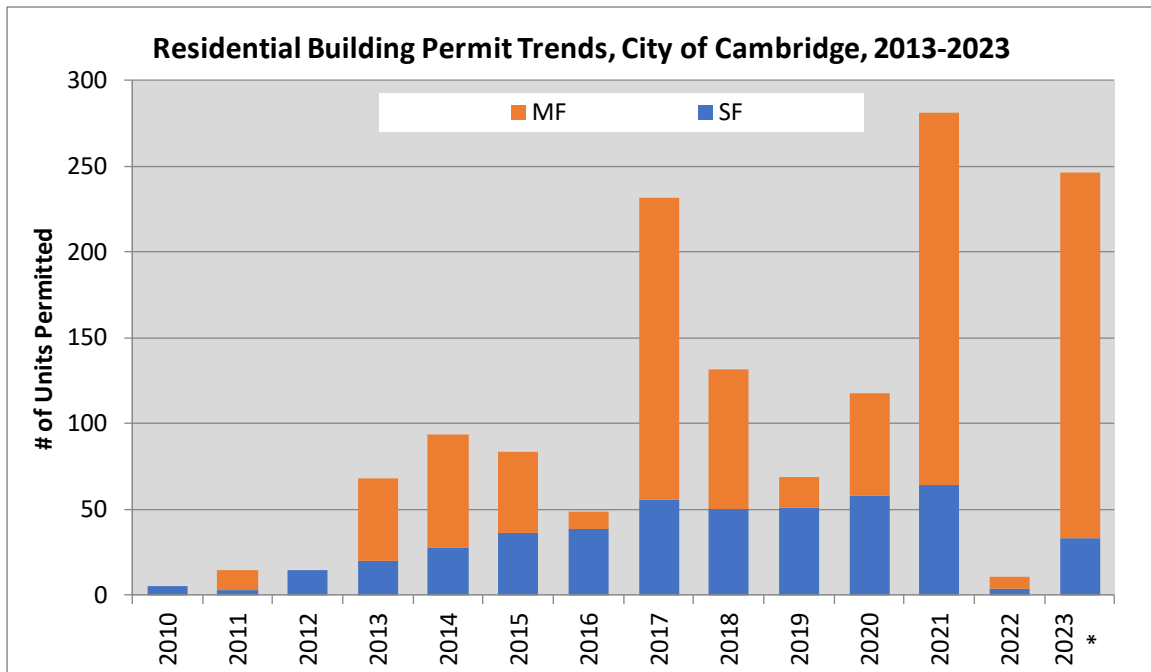
Table HC-3 shows the number of permits issued from 2013 to October 2023 in Cambridge per the City of Cambridge building department.

HOUSING CHARACTERISTICS

- There were 1,419 units permitted in the City of Cambridge from 2010 through mid-October 2023. Multi-family units made up 67.4% of units permitted during this time, totaling 957 units.
- Among the multi-family units permitted during this time, the majority were for apartment units. Apartment units accounted for 83% (794) of units permitted. The remaining 163 permits were issued for townhome or duplex units.
- Another 462 single family units have been permitted in the City of Cambridge since 2013.

TABLE HC-3 RESIDENTIAL UNITS PERMITTED CITY OF CAMBRIDGE 2010-2022				
Year	City of Cambridge			Total Units
	Single-family	Townhome & Duplex	Multi-family	
2010	5	0	0	5
2011	3	0	12	15
2012	15	0	0	15
2013	20	24	24	68
2014	28	11	55	94
2015	36	0	48	84
2016	39	10	0	49
2017	56	17	159	232
2018	50	4	78	132
2019	51	18	0	69
2020	58	24	36	118
2021	64	48	169	281
2022	4	7	0	11
2023*	33	0	213	246

* Through 10/11/23
Sources: City of Cambridge



American Community Survey

The American Community Survey (“ACS”) is an ongoing statistical survey administered by the U.S. Census Bureau that is sent to approximately 3 million addresses annually. The survey gathers data previously contained only in the long form of the decennial census. As a result, the survey is ongoing and provides a more “up-to-date” portrait of demographic, economic, social, and household characteristics every year, not just every ten years. The most recent ACS highlights data collected between 2017 and 2021. Tables HC-4 to HC-9 show key data for the City of Cambridge, the Market Area and Secondary Market Area.

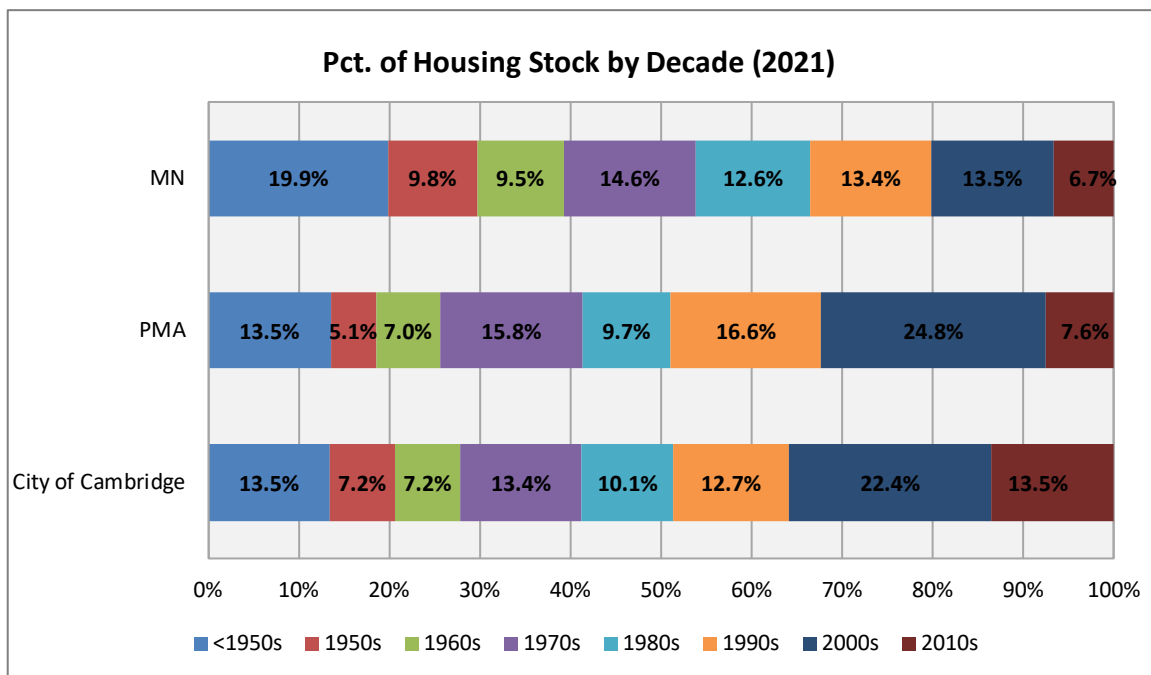
Age of Housing Stock

The following graph shows the age distribution of the housing stock in 2021 based on data from the U.S. Census Bureau and 2021 from the American Community Survey (5-Year). Table HC-4 includes the number of housing units built in the Market Area, prior to 1950 and during each decade since.

- In total, the Market Area is estimated to have 14,145 housing units, of which approximately 83.3% are owner-occupied and 16.7% renter-occupied.
- The median year housing was built in the PMA was 1988, with owner occupied homes (1988) and renter-occupied homes (1986) reported a similar median year built.

HOUSING CHARACTERISTICS

- In the City of Cambridge, the median year built was 1989, indicating a rather newer housing stock. There was a greater difference in the median year built in the owner-occupied homes (1992) and renter-occupied (1984) homes of the City of Cambridge compared to the PMA.
- There is a greater portion of renter-occupied housing in the City Cambridge (30.6%) compared to the PMA.
- The largest portion of housing was built between 2000 and 2010 in the PMA (24.8%) and the City of Cambridge (22.4%). In the State of Minnesota, 13.5% of housing was built from 2000 to 2010.
- Another 13.5% of housing in Cambridge was built after 2010, about twice the proportion of housing built in the State of Minnesota (6.7%) during the same period.

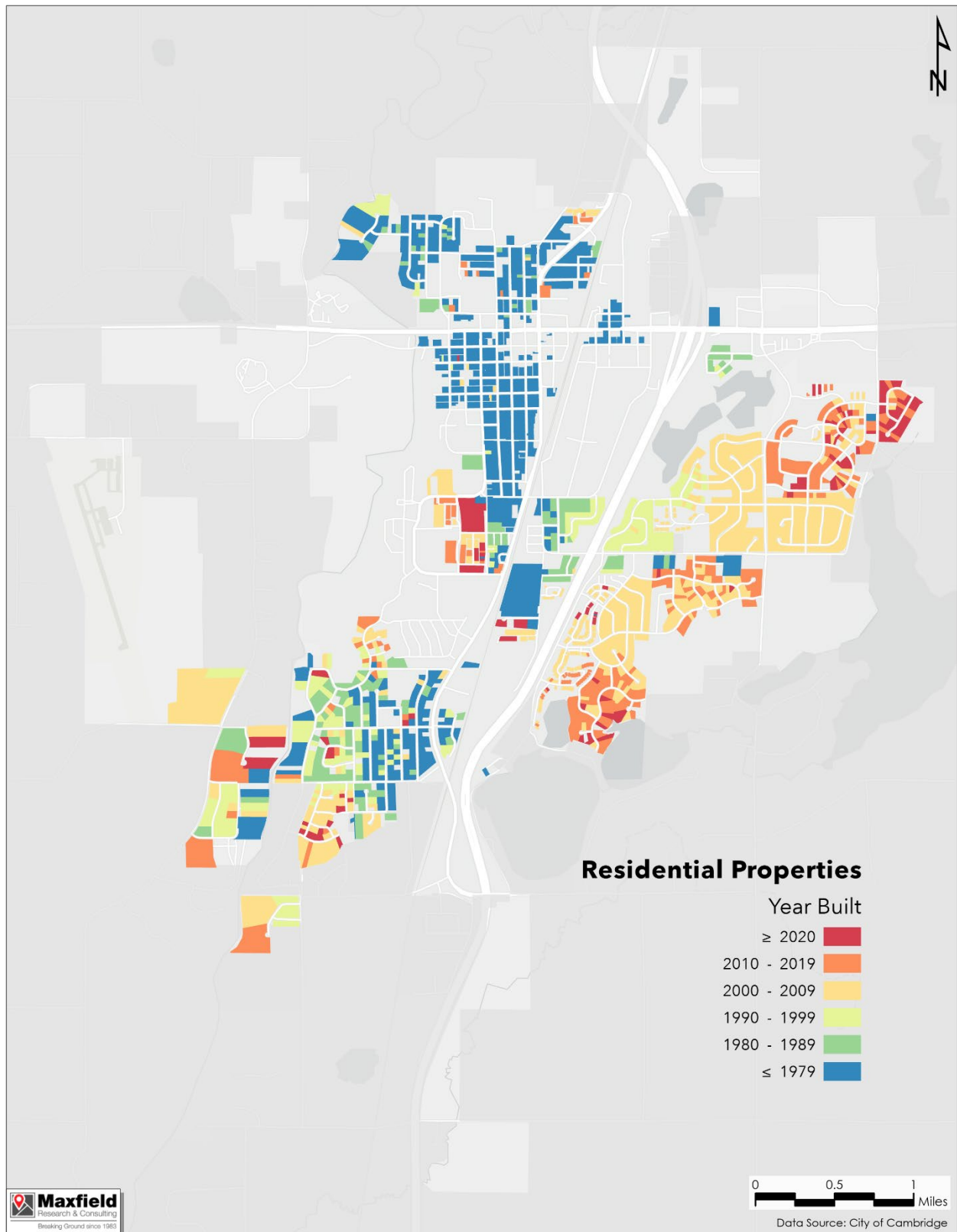


HOUSING CHARACTERISTICS

**TABLE HC-4
AGE OF HOUSING STOCK
CAMBRIDGE MARKET AREA
2021**

	Total Units	Med. Yr. Built	Year Unit Built															
			<1950		1950s		1960s		1970s		1980s		1990s		2000s		2010 and later	
			No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
CITY OF CAMBRIDGE																		
Owner-Occupied	2,662	1992	400	15.0	201	7.6	147	5.5	307	11.5	219	8.2	320	12.0	809	30.4	259	9.7
Renter-Occupied	1,174	1984	116	9.9	76	6.5	128	10.9	207	17.6	170	14.5	166	14.1	52	4.4	259	22.1
Total	3,836	1989	516	13.5	277	7.2	275	7.2	514	13.4	389	10.1	486	12.7	861	22.4	518	13.5
REMAINDER OF MARKET AREA																		
Owner-Occupied	9,117	1987	1,217	13.3	420	4.6	630	6.9	1,530	16.8	879	9.6	1,679	18.4	2,236	24.5	526	5.8
Renter-Occupied	1,192	1989	177	14.8	24	2.0	81	6.8	191	16.0	108	9.1	176	14.8	407	34.1	28	2.3
Total	10,309	1987	1,394	13.5	444	4.3	711	6.9	1,721	16.7	987	9.6	1,855	18.0	2,643	25.6	554	5.4
MARKET AREA TOTAL																		
Owner-Occupied	11,779	1988	1,617	13.7	621	5.3	777	6.6	1,837	15.6	1,098	9.3	1,999	17.0	3,045	25.9	785	6.7
Renter-Occupied	2,366	1986	293	12.4	100	4.2	209	8.8	398	16.8	278	11.7	342	14.5	459	19.4	287	12.1
Total	14,145	1988	1,910	13.5	721	5.1	986	7.0	2,235	15.8	1,376	9.7	2,341	16.6	3,504	24.8	1,072	7.6
Note: Total units not equal to total households because data based on sample instead of 100% count.																		
Sources: U.S. Census Bureau - American Community Survey; Maxfield Research & Consulting, LLC																		

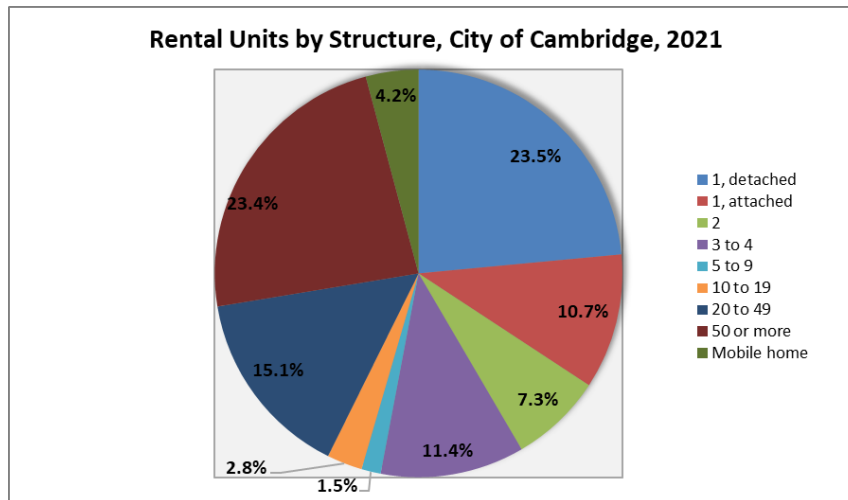
City of Cambridge Year Built of Residential Properties



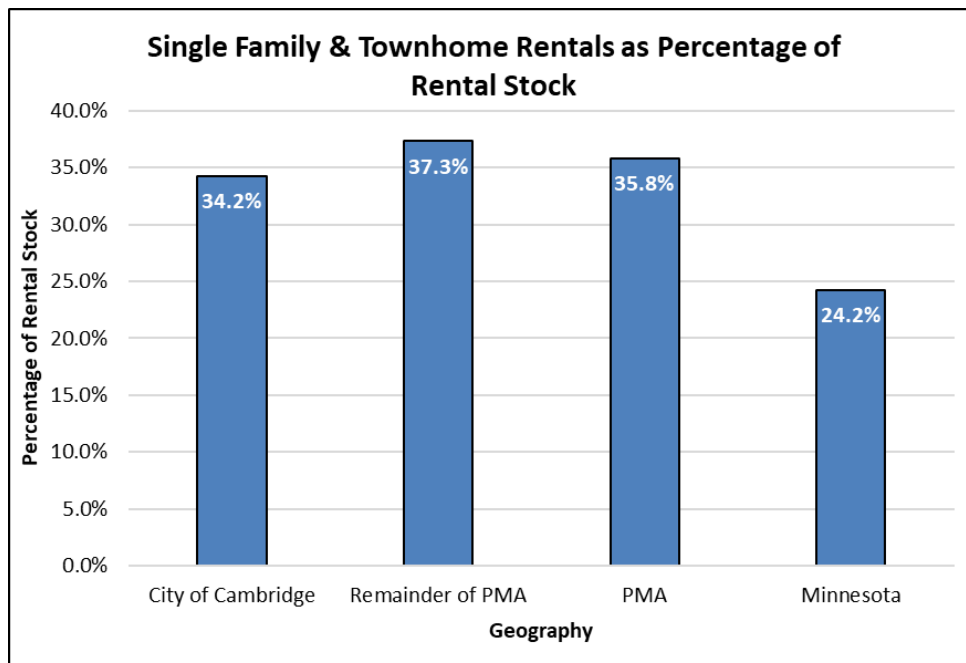
Housing Units by Structure and Occupancy or (Housing Stock by Structure Type)

Table HC-5 shows the Market Area’s housing stock by type of structure and tenure as of 2021

- The dominant housing type in Cambridge among owner-occupied homes is the single-family detached home, representing an estimated 80.5% of all owner-occupied housing units.
- In the City of Cambridge, the largest proportion of renter-occupied housing was in single family detached homes (23.5%) and buildings with 50 or more units (23.4%).



- Owner-occupied housing in the Market Area Remainder is concentrated within single-family detached homes (96.5%). In the Market Area Remainder 40.1% of renter occupied housing was in buildings with 20 to 49 units and 36.1% was within detached single family homes.



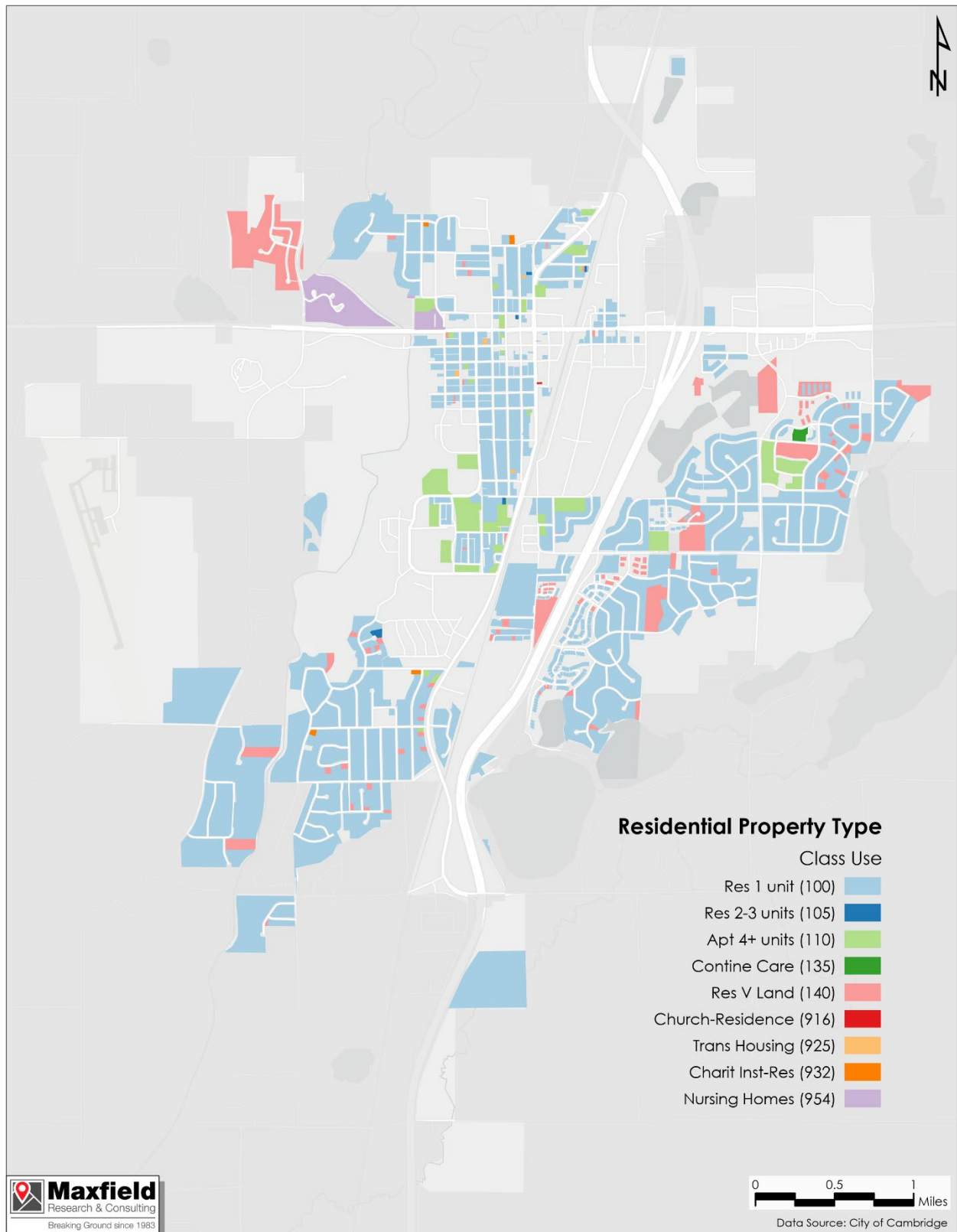
HOUSING CHARACTERISTICS

**TABLE HC-5
HOUSING UNITS BY STRUCTURE & TENURE
CAMBRIDGE MARKET AREA
2021**

Units in Structure	CITY OF CAMBRIDGE				REMAINDER OF MARKET AREA				MARKET AREA TOTAL				MINNESOTA	
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Pct.	Pct.
1, detached	2,142	80.5%	276	23.5%	8,799	96.5%	430	36.1%	10,941	92.9%	706	29.8%	85.1%	18.6%
1, attached	292	11.0%	126	10.7%	157	1.7%	15	1.3%	449	3.8%	141	6.0%	7.9%	8.1%
2	0	0.0%	86	7.3%	0	0.0%	44	3.7%	0	0.0%	130	5.5%	0.7%	5.7%
3 to 4	0	0.0%	134	11.4%	7	0.1%	39	3.3%	7	0.1%	173	7.3%	0.5%	6.1%
5 to 9	0	0.0%	18	1.5%	0	0.0%	17	1.4%	0	0.0%	35	1.5%	0.5%	6.7%
10 to 19	0	0.0%	33	2.8%	0	0.0%	68	5.7%	0	0.0%	101	4.3%	0.3%	11.6%
20 to 49	48	1.8%	177	15.1%	0	0.0%	478	40.1%	48	0.4%	655	27.7%	0.7%	16.8%
50 or more	0	0.0%	275	23.4%	18	0.2%	89	7.5%	18	0.2%	364	15.4%	1.4%	24.9%
Mobile home	180	6.8%	49	4.2%	123	1.3%	12	1.0%	303	2.6%	61	2.6%	2.9%	1.4%
Boat, RV, van, etc.	0	0.0%	0	0.0%	13	0.1%	0	0.0%	13	0.1%	0	0.0%	0.0%	0.1%
Total	2,662	100%	1,174	100%	9,117	100%	1,192	100%	11,779	100%	2,366	100%	100%	100%

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

City of Cambridge Property Classification of Residential Properties



Owner-Occupied Housing Units by Mortgage Status

Table HC-6 shows mortgage status and average values from the American Community Survey for 2021 (5-Year). Mortgage status provides information on the cost of homeownership when analyzed in conjunction with mortgage payment data. A mortgage refers to all forms of debt where the property is pledged as security for repayment of debt. A first mortgage has priority claim over any other mortgage or if it's the only mortgage. A second (and sometimes third) mortgage is called a "junior mortgage," a home equity line of credit (HELOC) would also fall into this category. Finally, a housing unit without a mortgage is owned free and clear and is debt free.

- Approximately 69% of Cambridge homeowners have a mortgage. Comparatively, 70.6% of homeowners in the Market Area and 65.6% of homeowners in the State of Minnesota have a mortgage.
- The median value for homes with a mortgage for City of Cambridge homeowners is approximately \$199,300, compared to \$237,795 in the Market Area and \$260,500 in the State of Minnesota
- Homes without a mortgage had a lower median value (\$160,000) compared to those with a mortgage in the City of Cambridge.

TABLE HC-6 OWNER-OCCUPIED HOUSING UNITS BY MORTGAGE STATUS CAMBRIDGE MARKET AREA 2021							
Mortgage Status	CAMBRIDGE		REMAINDER OF MA		MARKET AREA		MN
	No.	Pct.	No.	Pct.	No.	Pct.	Pct.
Housing units without a mortgage	822	30.9%	2,637	28.9%	3,459	29.4%	34.4%
Housing units with a mortgage/debt	1,840	69.1%	6,480	71.1%	8,320	70.6%	65.6%
<i>Second mortgage only</i>	42	1.6%	233	2.6%	275	2.3%	2.1%
<i>Home equity loan only</i>	219	8.2%	542	5.9%	761	6.5%	6.7%
<i>Both second mortgage and equity loan</i>	10	0.4%	17	0.2%	27	0.2%	0.3%
<i>No second mortgage or equity loan</i>	1,524	57.3%	5,669	62.2%	7,193	61.1%	55.9%
Total	2,662	100.0%	9,117	100.0%	11,779	100.0%	100.0%
Median Value by Mortgage Status							
Housing units with a mortgage	\$199,300		\$248,726		\$237,795		\$260,500
Housing units without a mortgage	\$160,000		\$240,248		\$221,178		\$230,400

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

Owner-Occupied Housing Units by Value

Table HC-7 presents data on housing values summarized by nine price ranges. Housing value refers to the estimated price point the property would sell if the property were for sale. For single-family and townhome properties, value includes both the land and the structure. For condominium units, value refers to only the unit.

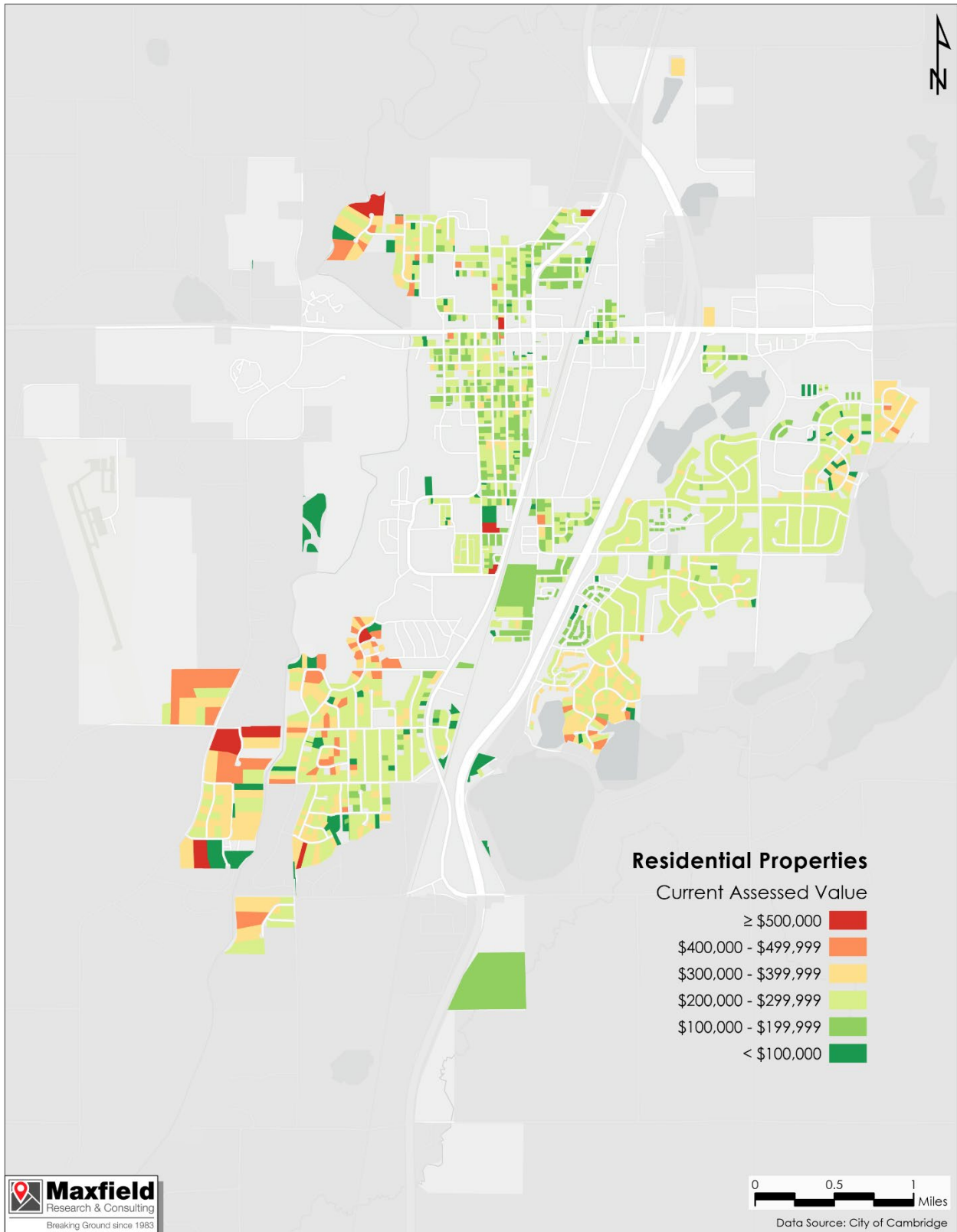
- The largest proportion of the owner-occupied housing stock in the City of Cambridge is estimated to be valued between \$150,000 and \$199,999 (25.7%) and \$200,000 to \$249,999 (23%).
- Housing values were more concentrated in the City of Cambridge compared to the State of Minnesota, where the four largest cohorts (\$150,000 to \$399,999) were separated by only 4.2%.

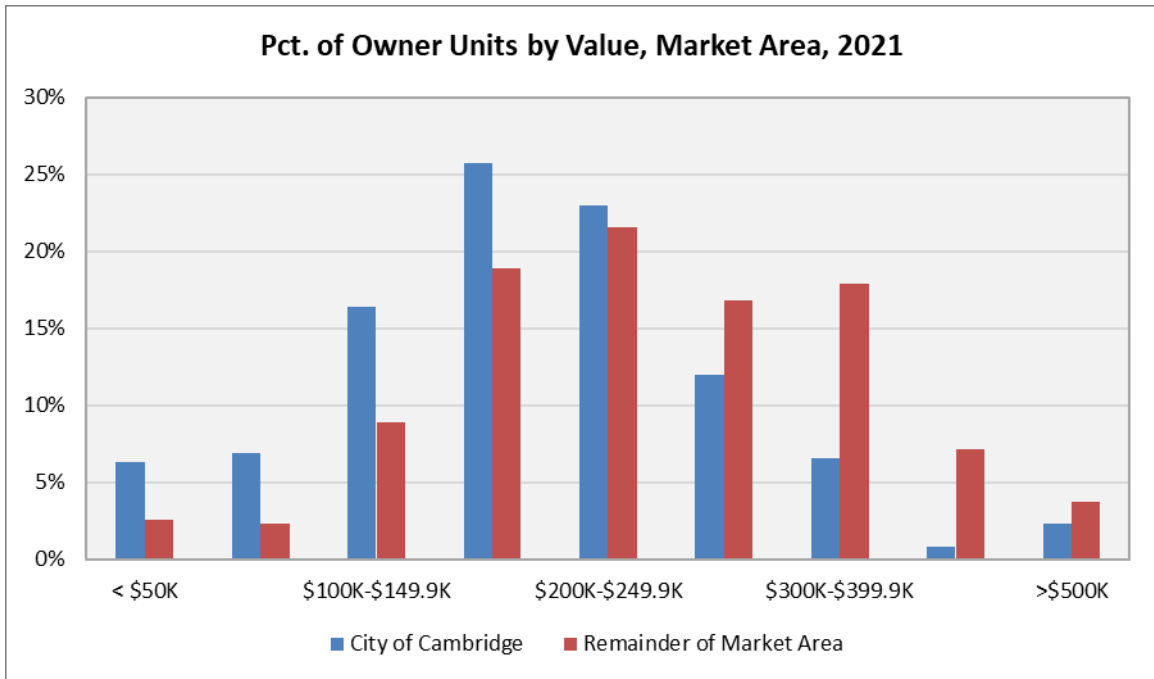
TABLE HC-7 OWNER-OCCUPIED UNITS BY VALUE CAMBRIDGE MARKET AREA 2021							
Home Value	CAMBRIDGE		REMAINDER OF MA		MARKET AREA		MN
	No.	Pct.	No.	Pct.	No.	Pct.	Pct.
Less than \$50,000	169	6.3%	238	2.6%	407	3.5%	4.3%
\$50,000-\$99,999	184	6.9%	211	2.3%	395	3.4%	6.1%
\$100,000-\$149,999	436	16.4%	815	8.9%	1,251	10.6%	9.5%
\$150,000-\$199,999	685	25.7%	1,724	18.9%	2,409	20.5%	14.8%
\$200,000-\$249,999	612	23.0%	1,966	21.6%	2,578	21.9%	15.2%
\$250,000-\$299,999	319	12.0%	1,537	16.9%	1,856	15.8%	13.5%
\$300,000-\$399,999	174	6.5%	1,635	17.9%	1,809	15.4%	17.6%
\$400,000-\$499,999	21	0.8%	650	7.1%	671	5.7%	8.7%
Greater than \$500,000	62	2.3%	341	3.7%	403	3.4%	10.2%
Total	2,662	100.0%	9,117	100.0%	11,779	100.0%	100.0%
Median Home Value	\$187,500		\$246,334		\$233,038		\$250,200

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

- The median value of owner-occupied homes in the City of Cambridge was \$187,500 compared to \$233,038 in the Market Area and \$250,200 in Minnesota.
- Homes in the Remainder of the Market Area were more likely to be valued over \$250,000 than homes in the City. In the City of Cambridge, 22% of owner-occupied homes were valued over \$250,000 compared to 46% of homes in the Remainder of the Market Area.

City of Cambridge Assessed Value of Residential Properties





Renter-Occupied Units by Contract Rent

Table HC-8 presents information on the monthly housing costs for renters called contract rent (also known as asking rent). Contract rent is the monthly rent agreed to regardless of any utilities, furnishings, fees, or services that may be included.

- The median contract rent in the City of Cambridge was \$976 on par with the median contract rent in the State of Minnesota, \$972. Based on a 30% allocation of income to housing, a household in Cambridge would need an income of about \$39,400 to afford the median monthly rent.
- The median rent for the Market Area was \$1,039, higher than both the City of Cambridge and the State of Minnesota.
- City of Cambridge renters paying cash rents were most likely to have monthly rents over \$1,000 per month (47.3%).
- Housing units without payment of rent (“no cash rent”) accounted for 10% of rentals in the Remainder of the Market Area, while no such rentals were recorded in the City of Cambridge. Typically units may be owned by a relative or friend who lives elsewhere whom allow occupancy without charge. Other sources may include caretakers or ministers who may occupy a residence without charge.

HOUSING CHARACTERISTICS

TABLE HC-8 RENTER-OCCUPIED UNITS BY CONTRACT RENT CAMBRIDGE MARKET AREA 2021							
Contract Rent	CAMBRIDGE		REMAINDER OF MA		MARKET AREA		MN
	No.	Pct.	No.	Pct.	No.	Pct.	Pct.
No Cash Rent	0	0.0	122	10.2	122	5.2	4.1
Cash Rent	1174	100.0	1070	89.8	2,244	94.8	95.9
\$0 to \$249	40	3.4	32	2.7	72	3.0	4.4
\$250-\$499	137	11.7	61	5.1	198	8.4	9.7
\$500-\$749	222	18.9	178	14.9	400	16.9	14.7
\$750-\$999	220	18.7	238	20.0	458	19.4	21.8
\$1,000+	555	47.3	561	47.1	1,116	47.2	45.4
Total	1,174	100.0	1192	100.0	2,366	100.0	100.0
Median Contract Rent	\$976		\$1,114		\$1,039		\$972

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

Housing Units by Occupancy Status & Tenure

Tenure is a key variable that analyzes the propensity for householders to rent or own their housing unit. Tenure is an integral statistic used by numerous governmental agencies and private sector industries to assess neighborhood stability. Table HC-9 shows historic trends in 2010 and 2021.

- In 2021, 75.8% of homes in the Market Area were owner-occupied, a slight increase from 2010 when 73.1% of homes were owner-occupied. The proportion of renter households has remained nearly unchanged from 2010 to 2021, while the proportion of vacant homes has dropped from 11.0% in 2010 to 9.0% in 2021.
- The proportion of owner-occupied homes was lower in the City of Cambridge was 66.4% of households in 2021, an increase from 2010 when the proportion was 61.1%.
- Renter-occupied households fell slightly from 30.4% in 2010 to 29.3% in 2021 within the City of Cambridge. Meanwhile, vacant households in the City of Cambridge have fallen by more than half from 8.4% in 2010 to 4.3% in 2021.

HOUSING CHARACTERISTICS

TABLE HC-9 HOUSING UNITS BY OCCUPANCY STATUS & TENURE CAMBRIDGE MARKET AREA 2010 TO 2021						
Year/Occupancy	CAMBRIDGE		REMAINDER OF MA		MARKET AREA	
	No.	Pct.	No.	Pct.	Pct.	Pct.
2010						
Owner Occupied	2,094	61.1	8,524	76.8	10,618	73.1
Renter Occupied	1,043	30.4	1,263	11.4	2,306	15.9
Vacant	289	8.4	1,310	11.8	1,599	11.0
Total	3,426	100.0	11,097	100.0	14,523	100.0
2021						
Owner Occupied	2,662	66.4	9,117	79.0	11,779	75.8
Renter Occupied	1,174	29.3	1,192	10.3	2,366	15.2
Vacant	171	4.3	1,225	10.6	1,396	9.0
Total	4,007	100.0	11,534	100.0	15,541	100.0
Sources: U.S. Census Bureau; Maxfield Research & Consulting, LLC						

Housing Characteristics Summary

- According to the City, there were 1,419 units permitted in Cambridge from 2010 through mid-October 2023. Multi-family units made up 67.4% of units permitted during this time, totaling 957 units. The remaining 462 permits were for single family units.
- Among the multi-family units, 83% (794) of units permitted were for apartments. The remaining 163 permits were issued for townhome or duplex units.
- Owner-occupied homes were newer in the City of Cambridge. Owner-occupied homes reported a median year built of 1992, compared to 1988 in the Market Area. Further, 35.9% of homes were built since 2000 compared to 20.2% of homes in the State of Minnesota.
- The majority of owner-occupied homes were within single-family detached homes (80.5%) in Cambridge. Meanwhile, renter occupied homes in the City of Cambridge were split between single-family detached homes (23.5%) and within buildings with more than 50 units (23.5%).
- Approximately 69% of homes in the City of Cambridge held a mortgage. These homes had a median value of \$199,300.
- Nearly half of all owner-occupied homes in the City of Cambridge were valued between \$150,000 and \$399,999.

HOUSING CHARACTERISTICS

- Median contract rent in the City of Cambridge was \$976, comparable to the median contract rent in the State of Minnesota (\$972).
- From 2010 to 2021, the proportion of owner-occupied homes rose in the City of Cambridge while vacant properties declined.

Introduction

For purposes of our analysis, rental properties are classified into two groups, general occupancy (all ages) and senior (age-restricted). All senior properties are included in the *Senior Housing Analysis* section of this report. The general occupancy rental properties are divided into three groups: market rate (those without income restrictions); affordable or shallow-subsidy housing (those receiving tax credits or another type of shallow-subsidy and where there is a quoted rent for the unit and a maximum income that cannot be exceeded by the tenant); and subsidized or deep-subsidy properties (those with income restrictions at 30% or less of AMI where rental rates are based on 30% of their gross adjusted income).

Overview of Rental Market Conditions

Maxfield Research utilized data from the American Community Survey (ACS) to summarize rental market conditions in Cambridge, Isanti County, the PMA, and Minnesota. The ACS is an ongoing survey conducted by the United States Census Bureau that provides data every year rather than every ten years as presented by the decennial census. We use this data because these figures are not available from the decennial census.

Table R-1, on the following page, presents a breakdown of median gross rent and monthly gross rent ranges by number of bedrooms in renter-occupied housing units from the 2018-2023 ACS in Cambridge, in comparison to Isanti County, the PMA, and Minnesota. Gross rent is defined as the amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, wood, etc.) if these are paid by the renter.

- A median gross rent of \$1,207 was reported in Cambridge. Isanti County had a median gross rent of \$1,161, which is less than Minnesota's overall median gross rent of \$1,178. The median gross rent for the PMA was \$1,193. However, the PMA's weighted median gross rent was calculated only with county subdivisions with available data (The majority of county subdivisions were missing data).
- Two-bedroom units were the most common unit type in Cambridge (63.7%), Isanti County (53.3%), and the PMA (55.4%), which are much higher than the State's proportion of two-bedroom units (37.1%).
- Cambridge's one-bedroom units made up 21.9% of its total units, its three or more-bedroom units made up 13.2% of its total units, and its units with no bedrooms (i.e., often studios) made up 1.2% of total units. In Minnesota, by contrast, one-bedroom units made up 32.8% of its total units, its three or more-bedroom units made up 22.9% of its total units, and its units with no bedrooms made up 7.2% of total units.

RENTAL MARKET ANALYSIS

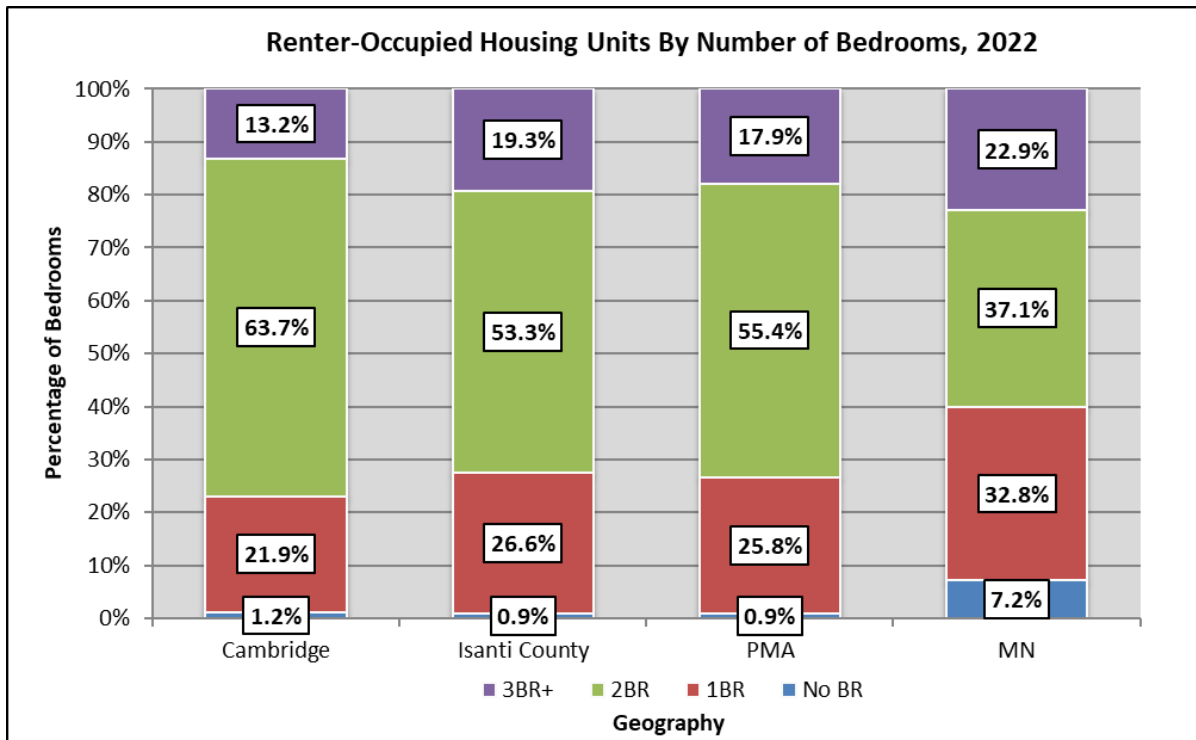
**TABLE R-1
BEDROOMS BY GROSS RENT, RENTER-OCCUPIED HOUSING UNITS
PRIMARY MARKET AREA
2022**

	Cambridge		Isanti County		PMA		MN
	#	% of Total	#	% of Total	#	% of Total	% of Total
Total:	1,277	100.0%	2,488	100.0%	2,454	100.0%	100.0%
Median Gross Rent	\$1,207		\$1,161		\$1,193		\$1,178
No Bedroom	15	1.2%	22	0.9%	22	0.9%	7.2%
Less than \$300	0	0.0%	0	0.0%	0	0.0%	0.4%
\$300 to \$499	0	0.0%	5	0.2%	5	0.2%	0.6%
\$500 to \$749	5	0.4%	7	0.3%	7	0.3%	1.1%
\$750 to \$999	0	0.0%	0	0.0%	0	0.0%	1.9%
\$1,000 to \$1,499	10	0.8%	10	0.4%	10	0.4%	2.0%
\$1,500 or more	0	0.0%	0	0.0%	0	0.0%	1.1%
No cash rent	0	0.0%	0	0.0%	0	0.0%	0.2%
1 Bedroom	280	21.9%	662	26.6%	633	25.8%	32.8%
Less than \$300	0	0.0%	608	24.4%	28	1.1%	2.3%
\$300 to \$499	61	4.8%	28	1.1%	73	3.0%	3.1%
\$500 to \$749	46	3.6%	73	2.9%	155	6.3%	3.9%
\$750 to \$999	25	2.0%	155	6.2%	75	3.1%	5.8%
\$1,000 to \$1,499	91	7.1%	75	3.0%	177	7.2%	11.5%
\$1,500 or more	57	4.5%	175	7.0%	102	4.2%	5.9%
No cash rent	0	0.0%	102	4.1%	23	0.9%	0.4%
2 Bedrooms	814	63.7%	1,325	53.3%	1,360	55.4%	37.1%
Less than \$300	0	0.0%	0	0.0%	0	0.0%	0.7%
\$300 to \$499	0	0.0%	38	1.5%	38	1.5%	1.0%
\$500 to \$749	14	1.1%	63	2.5%	61	2.5%	3.1%
\$750 to \$999	148	11.6%	194	7.8%	194	7.9%	5.9%
\$1,000 to \$1,499	505	39.5%	826	33.2%	847	34.5%	13.8%
\$1,500 or more	137	10.7%	166	6.7%	177	7.2%	11.3%
No cash rent	10	0.8%	38	1.5%	43	1.8%	1.2%
3 or More Bedrooms	168	13.2%	479	19.3%	439	17.9%	22.9%
Less than \$300	0	0.0%	0	0.0%	0	0.0%	0.3%
\$300 to \$499	20	1.6%	20	0.8%	20	0.8%	0.6%
\$500 to \$749	17	1.3%	57	2.3%	24	1.0%	1.3%
\$750 to \$999	54	4.2%	89	3.6%	82	3.3%	2.4%
\$1,000 to \$1,499	25	2.0%	106	4.3%	97	4.0%	5.5%
\$1,500 or more	52	4.1%	148	5.9%	151	6.2%	10.4%
No cash rent	0	0.0%	59	2.4%	65	2.6%	2.3%

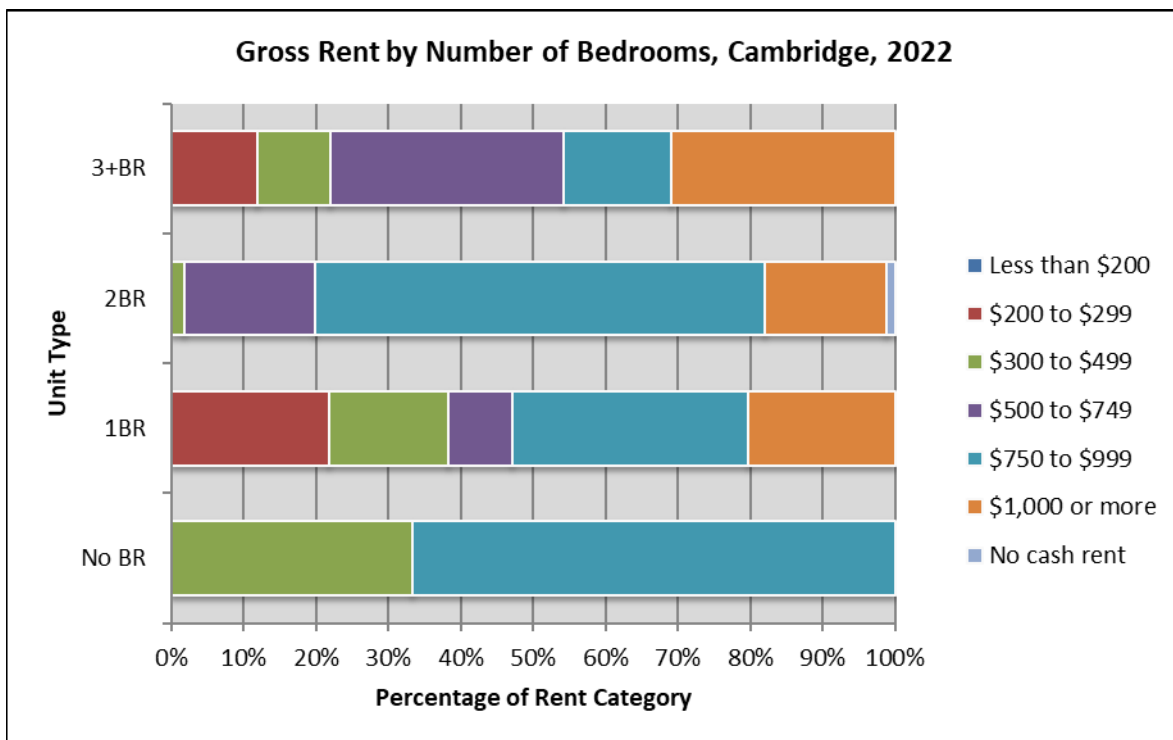
NA: Not Assessed.

Note: The PMA's median household income is weighted and only includes county subdivisions with available data.

Sources: American Community Survey; Maxfield Research and Consulting LLC.



- Over two-thirds (68.7%) of units in Cambridge reported a gross rent of \$750 or more. In addition, 52.9% of one-bedroom units, 78.9% of two-bedroom units, and 45.8% of three-bedroom or more units reported rents of \$750 or more. Of units with no bedroom, 66.7% reported rents of \$750 to \$999 while 33.3% reported rents of \$300 to \$499.



Rental Licensing Program

The City of Cambridge adopted a rental registration program in 2017 to protect the public health, safety and welfare of the Cambridge community at large and specifically residents of rental properties. The Rental Registration program is meant to ensure that rental housing is decent, safe and sanitary. Along with being operated and maintained to prevent the development of nuisance, blight, deterioration, or disincentive to reinvest in the community.

To achieve this, the Rental Registration program requires owners register the property and identify a rental manager that the city may contact. The Rental Registration information must be posted in each rental unit. The City may inspect the property at the request of the tenant, owner, or neighborhood association to ensure compliance with the building code, fire code and the city's ordinance.

The Rental Registration program requires a registration fee of \$25 per unit, which expires on December 31 of all odd-numbered years. Some properties are exempt from the registration requirement. Properties where the owner is related to the tenant, the property owner occupied the property with two or fewer tenants and if the property is State registered or licensed facility or Public Housing Agency.

General-Occupancy Rental Projects

In February 2024, Maxfield Research and Consulting, LLC identified and surveyed rental properties in the PMA. Table R-2 summarizes general occupancy rental properties in the Market Area by address, city, year built, type of unit, and number of units. In addition, Table R-3 is a more detailed analysis of larger rental properties with 11 or more units while Table R-4 is a summary of Table R-3.

There are currently 32 general occupancy rental properties in the PMA. Of those 32 properties, 19 are market rate properties comprising 1,127 units, six properties with 174 units are affordable, and seven properties with 182 units are subsidized. In total, the properties represent a combined total of 1,483 units.

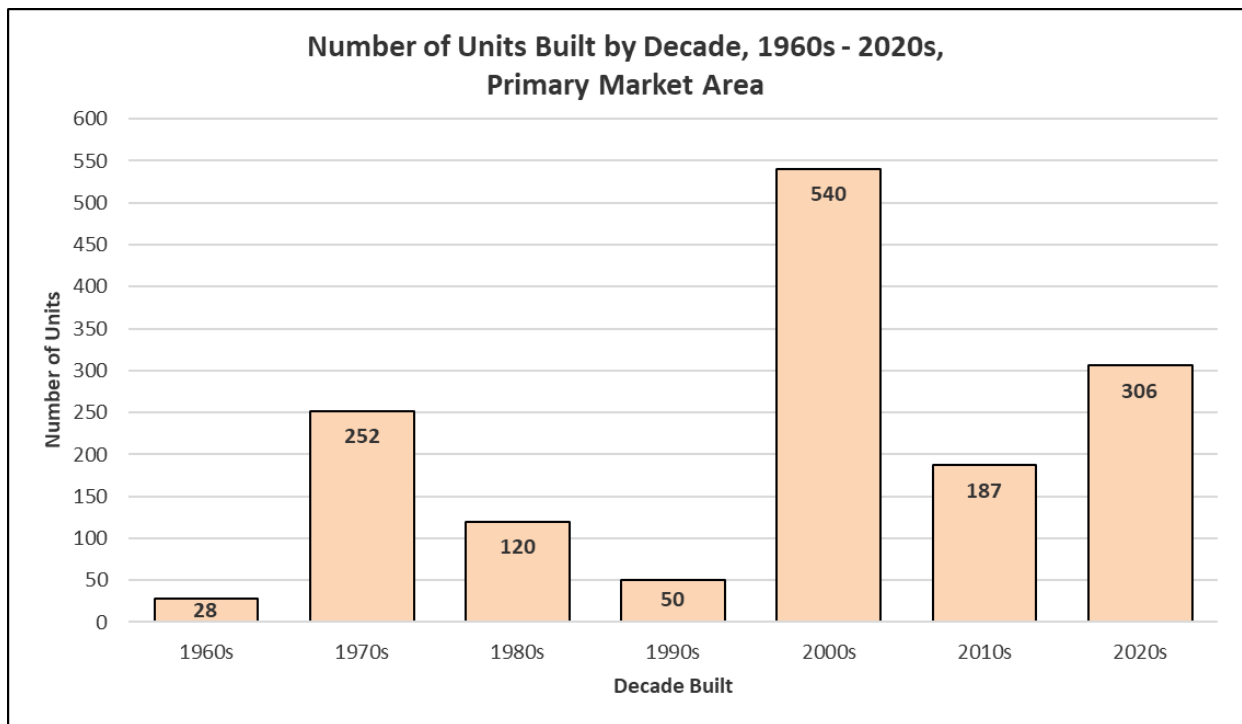
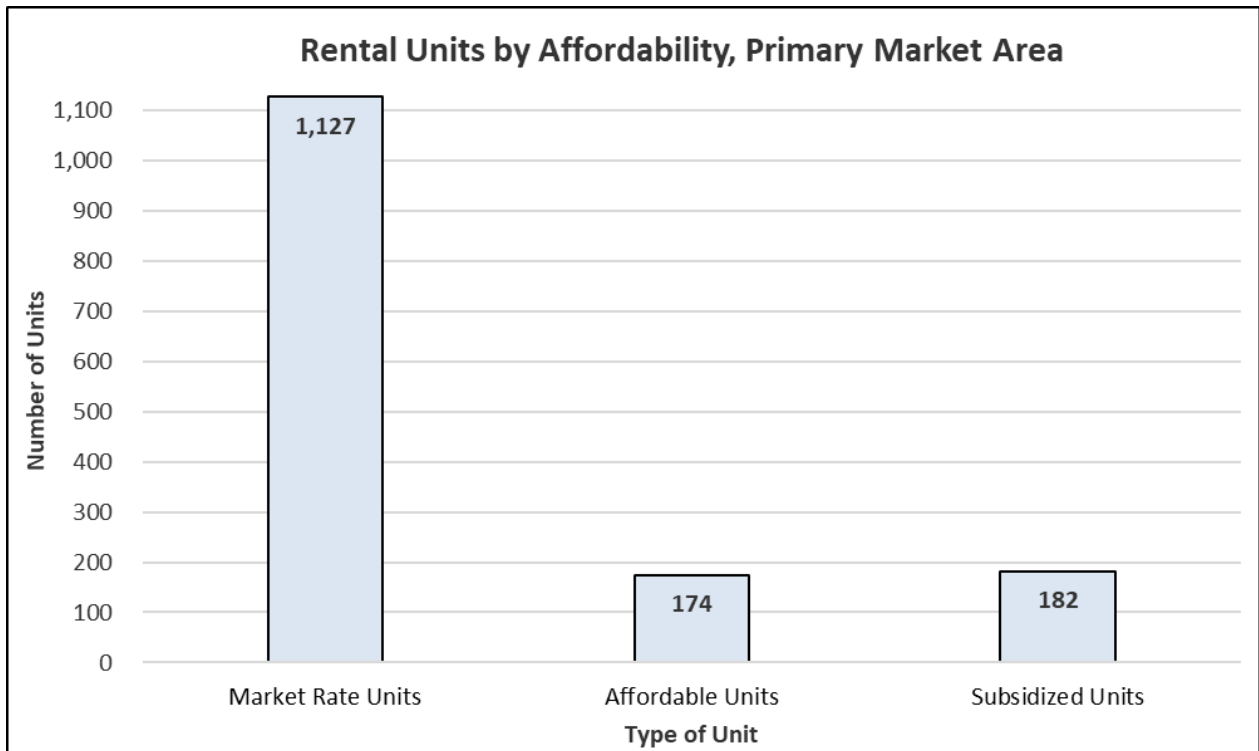
Of the 1,483 total rental units, over 36% (36.4%) of units were built in the 2000s, followed by the 2020s at 20.6%. In addition, the 2010s accounted for 12.6% of all built units in the PMA. The next highest decade for the number of units built was the 1970, with 17.0% of all units. Other decades, represented the following percentages: the 1980s, 8.1% of all built units; the 1990s, 3.4% of all built units; and the 1960s, 1.9% of all built units.

Table R-3 provides a more detailed look at rental properties and only includes developments with 11 or more units. At the time of our survey, there were 14 market rate properties in the Market Area (1,083 units), six affordable properties (174 units), and seven subsidized properties (195 properties). Vacancy rates were as follows: market rate units, 1.8% (20 vacant units); affordable units, 0% (no vacancies); and subsidized units, 0% (no vacancies).

RENTAL MARKET ANALYSIS

TABLE R-2 GENERAL OCCUPANCY RENTAL DEVELOPMENTS BY YEAR BUILT PRIMARY MARKET AREA FEBRUARY 2024						
Property Name	Address	City	Built	Type	Units	
17th Avenue Project	601 17th Ave SW	Cambridge	2023	MR	48	
Parkwood on the Lakes Townhomes	2130 4th Ln SE	Cambridge	2022	MR	50	
The Emerald	1155 Dellwood S St	Cambridge	2022	MR	150	
The Emerald Townhomes	600 13th Ave SW	Cambridge	2022	MR	30	
Main Street Flats	312 Main St N	Cambridge	2020	Aff	28	
Normandy Townhomes	800 11th Ave SW	Cambridge	2018	Aff	30	
Legacy Townhomes	1227 Garland St	Cambridge	2018	Aff	30	
The Preserve Apartments	1000 Opportunity Blvd S	Cambridge	2015	MR	103	
Heritage Townhomes	1624 Garland St	Cambridge	2013	Sub	24	
Evergreen Apartments	401 18th Ave NE	Cambridge	2006	MR	72	
Rum River Apartments	603 3rd Ave NE	Isanti	2005	MR	72	
Whispering Pines Apartments of Cambridge	355 Horeshoe Dr	Cambridge	2002	MR	132	
Isanti Villa	102 Dahlin Ave SE	Isanti	2002	MR	132	
Isanti Village Apartments	200 Heritage	Isanti	2002	MR	132	
Braham Square Townhomes	507 3rd St SW	Braham	1999	Aff	18	
Tower Terrace Townhomes	1000 Tower Cir	Cambridge	1995	Aff	32	
1380 Old Main St. S	1380 Old Main St S	Cambridge	1989	MR	8	
Elmhurst Apartments	825 Oakwood St	Isanti	1987	Sub	20	
Dellwood South Townhomes	1205-1280 Dellwood	Cambridge	1987	Sub	20	
Town Square Apartments	355 11th Ave SE	Cambridge	1985	Aff	36	
Inn Towne Court Apartments	141 Birch St N	Cambridge	1983	MR	36	
Oakwood Estates Apartments	831 Oakwood St	Isanti	1979	Sub	24	
Northern Oaks Apartments	1250 Main St	Cambridge	1979	MR	24	
Sunrise Court Apartments	1185 S Main St	Cambridge	1979	MR	54	
Braham Meadows Apartments	106-108 5th St NW	Braham	1978	Sub	30	
Calhoun Apartments	414 Calhoun Pl & 515 Calhoun Ter	Cambridge	1978	MR	48	
629 1st Ave W	629 1st Ave W	Cambridge	1970	MR	8	
Park Manor	409 Central Dr W	Braham	1970	Sub	32	
Bridge Park Apartments	121 Fern St S	Cambridge	1970	Sub	32	
1400 Old Main St S	1400 Old Main St S	Cambridge	1968	MR	8	
Del Rose	116 Birch St S	Cambridge	1960	MR	12	
The Jefferson	215 Birch St S	Cambridge	1960	MR	8	
					Market Rate Units:	1,127
					Affordable Units:	174
					Subsidized Units:	182
					Unit Totals:	1,483

Sources: Costar, Isanti County; and Maxfield Research & Consulting, LLC.



RENTAL MARKET ANALYSIS

TABLE R-3 GENERAL OCCUPANCY RENTAL PROPERTIES PRIMARY MARKET AREA FEBRUARY 2024							
Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent	Avg Rent	Rent Per Sq Ft.
SUBSIDIZED							
Heritage Townhomes 1624 Garland St S <i>Cambridge</i>	2013	24 0 0.0%	4 - 1BR 11 - 2BR 9 - 3BR	941 1,114 1,458	30% AGI 30% AGI 30% AGI	--	-- --
Amenities / Notes: Central air, dishwasher, garage (included), in-unit washer/dryer. Water, sewer, and garbage are included.							
Elmhurst Apartments 825 Oakwood St NW <i>Isanti</i>	1987	20 0 0.0%	12 - 2BR 8 - 3BR	624 700	30% AGI 30% AGI	--	-- --
Amenities / Notes: On-site laundry, playground, controlled entry, indoor mailboxes.							
Dellwood South Townhomes 1205-1280 Dellwood <i>Cambridge</i>	1987	20 0 0.0%	12 - 2BR 16 - 3BR	893 1,076	30% AGI 30% AGI	--	-- --
Amenities / Notes: On-site laundry, playground, private individual entries, outdoor playground, garages available for rent.							
Oakwood Estates Apartments 831 Oakwood St <i>Isanti</i>	1979	24 0 0.0%	3 - 1BR 21 - 2BR	750 1,000	30% AGI 30% AGI	--	-- --
Amenities / Notes: Remodeled kitchens, dishwashers, playground, picnic area, courtyard, assigned parking, and grills. Water and garbage are included.							
Braham Meadows Apartments 106-108 5th St NW <i>Braham</i>	1978	30 0 0.0%	25 - 2BR 5 - 3BR	860 1,083	30% AGI 30% AGI	--	-- --
Amenities / Notes: Laundry facilities, playground, picnic area, and storage.							
Park Manor 409 Central Dr W <i>Braham</i>	1970	32 0 0.0%	32 - 1BR	N/A	30% AGI	--	-- --
Amenities / Notes: Elevator, air conditioning, controlled entry, laundry room, and off street parking.							
Bridge Park Apartments 121 Fern St S <i>Cambridge</i>	1970	45 0 0.0%	45 - 1BR	380 - 451	30% AGI	--	-- --
Amenities / Notes: Community room with kitchen, on-site laundry, controlled access, elevators, and off street parking.							
Subsidized Total Units / Vacant:		195 0 0.0%					
-- Table Continued --							

RENTAL MARKET ANALYSIS

TABLE R-3 (CONTINUED) GENERAL OCCUPANCY RENTAL PROPERTIES PRIMARY MARKET AREA FEBRUARY 2024							
Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent	Avg Rent	Rent Per Sq Ft.
AFFORDABLE							
Main Street Flats 312 Main St N Cambridge	2020	28 0 0.0%	12 - 1BR 16 - 2BR	786 905 - 949	\$1,250 \$1,450	\$1,250 \$1,450	\$1.59 - \$1.59 \$1.60 - \$1.60
Amenities / Notes: Section 42 tax credit. In unit washer/dryer, patio/balcony, central air, playground, community room. Tenant pays gas and electric while landlord pays garbage, water, and sewer.							
Normandy Townhomes 800 11th Ave SW Cambridge	2018	30 0 0.0%	15 - 2BR 15 - 3BR	1,508 1,791	\$1,295 \$1,488	\$1,295 \$1,488	\$0.86 - \$0.86 \$0.83 - \$0.83
Amenities / Notes: Section 42 Tax Credit. Dishwasher, garages, playground, private porch, washer and dryer. Water, sewer, and trash are included while tenant pays gas/electric.							
Legacy Townhomes 1227 Garland St Cambridge	2018	30 0 0.0%	15 - 2BR 15 - 3BR	1,465 1,620	\$1,525 \$1,725	\$1,525 \$1,725	\$1.04 - \$1.04 \$1.06 - \$1.06
Amenities / Notes: Section 42 Tax Credit. Picnic area, playground, private entrances and patios, washer/dryer, and air conditioning. Garbage, water, and sewer are included.							
Braham Square Townhomes 507 3rd St SW Braham	1999	18 0 0.0%	12 - 2BR 6 - 3BR	994 1,156	\$655 - \$730 \$755 - \$830	\$693 \$793	\$0.66 - \$0.73 \$0.65 - \$0.72
Amenities / Notes: Playground, water, sewer, trash.							
Cambridge Town Square 355 11th Ave SE Cambridge	1985	36 0 0.0%	6 - 1BR 30 - 2BR	588 768	\$718 \$785	\$718 \$785	\$1.22 - \$1.22 \$1.02 - \$1.02
Amenities / Notes: BBQs, coin-operated laundry (in unit washer/dryer in townhomes), picnic area, playground area, air conditioning. Water, sewer, and trash are included.							
Tower Terrace Townhomes 1000 Tower Cir Cambridge	1995	32 0 0.0%	16 - 2BR 16 - 3BR	930 1,195	\$875 \$975	\$875 \$975	\$0.94 - \$0.94 \$0.82 - \$0.82
Amenities / Notes: Dishwasher, garages, playground, private porch, washer and dryer.							
Affordable Total Units / Vacant:		174 0 0.0%					
-- Table Continued --							

RENTAL MARKET ANALYSIS

TABLE R-3 (CONTINUED)								
GENERAL OCCUPANCY RENTAL PROPERTIES								
PRIMARY MARKET AREA								
FEBRUARY 2024								
Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent	Avg Rent	Rent Per Sq Ft.	
MARKET RATE								
601 17th Ave Cambridge	2023	48	15 - Studio	425	\$995	\$995	\$2.34	\$2.34
		1	25 - 1BR	700	\$1,250	\$1,250	\$1.79	\$1.79
		2.1%	8 - 2BR	950	\$1,395	\$1,395	\$1.47	\$1.47
Amenities / Notes: Fitness center, media room, multi-use room, elevator, and underground garage \$100/month. Water and trash/sewer are included. Heat and any cable are the responsibility of tenant. An additional two one bedroom units will be available in April.								
The Emerald Townhomes 600 13th Ave SW Cambridge	2022	30	30 - 3BR	1,583 - 1,725	\$2,095 - \$2,395	\$2,245	\$1.32 - \$1.39	
		1						
		3.3%						
Amenities / Notes: Opened July 1, 2022. In-unit washer/dryer, patio/deck, pet park, pet wash, stainless steel appliances.								
The Emerald 1155 Dellwood S St Cambridge	2022	150	68 - Studio	570	\$1,055 - \$1,085	\$1,070	\$1.85 - \$1.90	
		0	52 - 1BR	622 - 831	\$1,065 - \$1,265	\$1,165	\$1.52 - \$1.71	
		0.0%	30 - 2BR	885 - 1,150	\$1,340 - \$1,595	\$1,468	\$1.39 - \$1.51	
Amenities / Notes: Community room, fitness center, dog park, pet spa, business center, grills, fire pit, tot lot, underground heated parking \$85/month. Utilities are based off square footage and number of unit occupants - tenants pay 80% and landlord pays 20%. A one bedroom unit will be available in March and an additional one bedroom unit will be available in April.								
Parkwood on the Lakes Townhomes 2130 4th Ln SE Cambridge	2022	50	30 - 2BR	1,695	\$1,895	\$1,895	\$1.12	\$1.12
		4	20 - 3BR	1,778 - 2,185	\$2,195 - \$2,395	\$2,295	\$1.23 - \$1.35	
		8.0%						
Amenities / Notes: In unit washer and dryer, air conditioning, dishwasher, elevator, playground, fitness center, detached and attached garages, community room with outdoor patio. No association fee. Tenants pay gas, electric, water, and trash/sewer.								
The Preserve of Cambridge 1000 Opportunity Blvd S Cambridge	2015	103	35 - 1BR	776 - 784	\$1,180 - \$1,270	\$1,225	\$1.52 - \$1.62	
		0	62 - 2BR	780 - 981	\$1,345 - \$1,400	\$1,373	\$1.43 - \$1.72	
		0.0%	6 - 3BR	1,242	\$1,670	\$1,670	\$1.34 - \$1.34	
Amenities / Notes: In unit washer and dryer, air conditioning, dishwasher, elevator, playground, fitness center, detached and attached garages, community room with outdoor patio.								
Evergreen Apartments 401 8th Ave NE Isanti	2006	72	12 - 1BR	700 - 826	\$1,260 - \$1,338	\$1,299	\$1.80 - \$1.91	
		1	42 - 2BR	850 - 1,018	\$1,370 - \$1,449	\$1,410	\$1.42 - \$1.61	
		1.4%	18 - 3BR	1,200 - 1,283	\$1,700 - \$2,120	\$1,910	\$1.33 - \$1.65	
Amenities / Notes: Laundry facility, detached garages, dishwasher, wall ac unit, garden plots, smart home technology, patio/balcony, wall ac unit, and USB outlets.								
Rum River Apartments 603 3rd Ave NW Isanti	2005	72	12 - 1BR	700	\$1,200	\$1,200	\$1.71 - \$1.71	
		4	43 - 2BR	850 - 1,018	\$1,410 - \$1,515	\$1,463	\$1.49 - \$1.66	
		5.6%	17 - 3BR	1,200 - 1,283	\$1,601 - \$1,695	\$1,648	\$1.25 - \$1.33	
Amenities / Notes: Laundry facilities, detached garages, dishwasher, patio/balcony, wall ac unit, vinyl flooring, and USB outlets.								

-- Table Continued --

RENTAL MARKET ANALYSIS

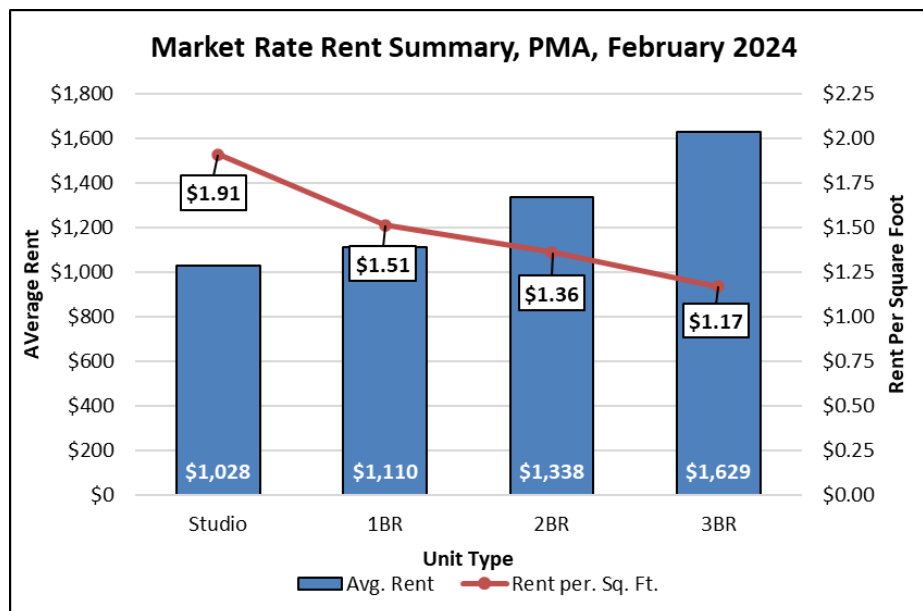
TABLE R-3 (CONTINUED) GENERAL OCCUPANCY RENTAL PROPERTIES PRIMARY MARKET AREA FEBRUARY 2024							
Property Name/Location	Year Built	Units/ Vacant	Unit Mix	Unit Size	Monthly Rent	Avg Rent	Rent Per Sq Ft.
MARKET RATE (CONTINUED)							
Isanti Village Apartments 200 Heritage Blvd <i>Isanti</i>	2002	132 0 0.0%	18 - 1BR 57 - 2BR 57 - 3BR	700 - 715 936 1,239	\$1,100 \$1,100 - \$1,164 \$1,300 - \$1,400	\$1,100 \$1,132 \$1,400	\$1.54 - \$1.57 \$1.18 - \$1.24 \$1.05 - \$1.13
Amenities / Notes: Controlled entry, walk out patio or balcony, and extra storage. Heat, water, and refuse/sewer are included in rent.							
Isanti Villa 102 Dahlin Ave SE <i>Isanti</i>	2002	132 0 0.0%	18 - 1BR 57 - 2BR 57 - 3BR	700 1,008 1,316	\$1,050 \$1,200 \$1,200	\$1,050 \$1,200 \$1,200	\$0.00 - \$1.50 \$0.00 - \$1.19 \$0.00 - \$0.91
Amenities / Notes: Controlled entry, walk out patio or balcony, extra storage.							
Whispering Pines Apartments of Cambridge 355 Horseshoe Dr <i>Cambridge</i>	2002	132 1 0.8%	18 - 1BR 57 - 2BR 57 - 3BR	N/A 950 N/A	N/A \$1,350 N/A	-- \$1,350 --	-- -- \$1.42 - \$1.42 -- --
Amenities / Notes: Controlled entry, walk out patio or balcony, laundry facility, wall ac unit, extra storage. Heat and electricity are the responsibility of tenant.							
Inn Towne Court Apartments 141 Birch St N <i>Cambridge</i>	1983	36 1 2.8%	22 - 1BR 14 - 2BR	750 850	\$807 \$916	\$807 \$916	\$1.08 \$1.08 \$1.08 \$1.08
Amenities / Notes: Dishwasher and balcony/patio. Gas, water, and trash/sewer is included.							
Northern Oaks Apartments 1250 Main St <i>Cambridge</i>	1979	24 3 12.5%	1 - 1BR 23 - 2BR	550 750	\$948 \$1,050 - \$1,491	\$948 \$1,271	\$1.72 - \$1.72 \$1.40 - \$1.99
Amenities / Notes: Picnic area, laundry facilities, bike racks, patio/balcony, large closets, ceiling fan, garage, controlled access.							
Sunrise Court Apartments 1185 S Main St <i>Cambridge</i>	1979	54 4 7.4%	16 - Studio 15 - 1BR 23 - 2BR	475 - 540 740 935 - 1,044	\$730 - \$1,026 \$911 - \$1,295 N/A - N/A	\$878 \$1,103 --	\$1.54 - \$1.90 \$1.23 - \$1.75 -- --
Amenities / Notes: Package service, laundry facilities, picnic area, patio/balcony, large closets, ceiling fan, bike racks, courtyard, and dishwasher.							
Calhoun Apartments 414 Calhoun Pl & Calhoun Pl <i>Cambridge</i>	1978	48 0 0.0%	26 - 1BR 22 - 2BR	750 925	\$895 \$1,100	\$895 \$1,100	\$1.19 - \$1.19 \$1.19 - \$1.19
Amenities / Notes: Could not contact property. Patio/balcony, picnic area, and surface and detached garage parking. Water/trash/sewer included in rent.							
Market Rate Total Units / Vacant		1,083 20 1.8%					
Note: Properties with 10 units or less are excluded from R-2							
Sources: Costar; Apartment listing and property management sites, Isanti County; HousingLink; and Maxfield Research & Consulting, LLC.							

Market Rate

- A total of twenty vacant units were found in market rate rental projects, resulting in a vacancy rate of 1.8% as of February 2024. Turnover at many apartments is primarily driven by residents purchasing homes or leaving the area for employment opportunities. Many tenants will stay in a unit for longer lease terms; especially older adults/seniors.
- Over 45% (45.2%) of the market rate rental projects surveyed are two-bedroom units. The breakout by unit type is summarized on the following page.

RENTAL MARKET ANALYSIS

- Studio units: 10.1%
 - One-bedroom units: 24.0%
 - Two-bedroom units: 45.2%
 - Three-bedroom units: 20.8%
- The majority of surveyed properties have a common laundry room with coin-operated washers and dryers. However, newer properties offer in-unit washer and dryers. In-unit washer and dryers have become the standard in new apartment developments.
 - The newest general-occupancy market rate rental property is 601 17th Ave, which was completed in 2023 and includes 48 units. There is currently one vacancy for a vacancy rate of 2.1%. The square footages by unit type are as follows: studio units, 425 square feet; one-bedroom units, 700 square feet; and two-bedroom units, 950 square feet. Average rents by unit type are as follows: studio units, \$995 per month; one-bedroom units, \$1,250 per month; and two-bedroom units, \$1,395 per month. Water and trash are included in rent while the tenant is responsible for heat and any cable.

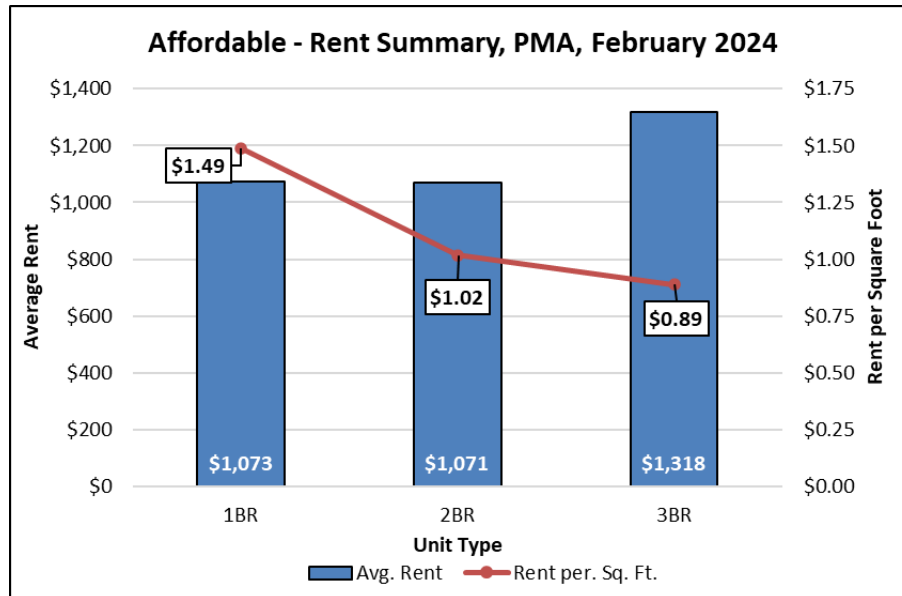


Affordable/Subsidized

- There are a total of six properties that have income-restricted units in the Cambridge PMA. These properties total 369 income restricted units, including 174 affordable units and 195 subsidized units. At the time of our survey, no units were vacant, resulting in a vacancy rate of 0.0%. Typically, subsidized and affordable rental properties should be able to maintain vacancy rates of 3% or less in most housing markets.

RENTAL MARKET ANALYSIS

- *Main Street Flats* (built in 2020), a Section 42 tax credit project, is the newest affordable housing development in Cambridge. Project amenities include a patio/balcony, central air, community room, playground, and in unit washer/dryer. Tenants at the property are responsible for gas and electric while the landlord pays garbage, water, and sewer.



- Information on the maximum allowable incomes by household size to qualify for affordable housing and maximum gross rents that can be charged by bedroom size in Isanti County can be found in the *Housing Affordability* section, found later in this report.

TABLE R-4 RENT SUMMARY PRIMARY MARKET AREA FEBRUARY 2024							
Unit Type	Unit Mix		Rent Avg.	Rent Range		Avg. Size	Avg. Rent/Sq. Ft.
	No.	Pct.		Low	High		
AFFORDABLE							
1BR	18	10.3%	\$1,073	\$718 - \$1,250	720	\$1.49	
2BR	104	59.8%	\$1,071	\$655 - \$1,525	1,051	\$1.02	
3BR	52	29.9%	\$1,318	\$755 - \$1,725	1,485	\$0.89	
Total	174	100.0%	\$1,145	\$655 - \$1,725	1,146	\$1.00	
MARKET RATE*							
Studio	99	10.1%	\$1,028	\$730 - \$1,085	538	\$1.91	
1BR	236	24.0%	\$1,110	\$807 - \$1,338	734	\$1.51	
2BR	445	45.2%	\$1,338	\$916 - \$1,595	983	\$1.36	
3BR	205	20.8%	\$1,629	\$1,200 - \$2,395	1,394	\$1.17	
Total	985	100.0%	\$1,313	\$730 - \$2,395	964	\$1.36	
*Only units included are those with full information.							
Source: Maxfield Research and Consulting, LLC							

Natural Occurring Affordable Housing (e.g., Unsubsidized Affordable)

Although affordable housing is typically associated with an income-restricted property, there are other housing units in communities that indirectly provide affordable housing. Some housing units that were not developed or designated with income guidelines (e.g., assisted) yet are more affordable or as equally affordable than those with income restricted units in a community are considered “naturally-occurring” or “unsubsidized affordable” units. This rental supply is available through the private market, versus assisted housing programs through various government agencies. Property values on these units tend to be lower based on a combination of factors, such as: age of structure, location, condition, size, functional obsolescence, etc.

According to the *Joint Center for Housing Studies of Harvard University*, the privately unsubsidized housing stock supplies three times as many low-cost affordable units than assisted projects nationwide. Unlike assisted rental developments, most unsubsidized affordable units are scattered across small properties (one-to-four-unit structures) or in older multifamily structures. Many of these older developments are vulnerable to redevelopment due to their age, modest rents, and deferred maintenance.

Because many of these properties have affordable rents, project-based and private housing markets cannot be easily separated. Some households income-qualify for both market rate and project-based affordable housing. Therefore, it is important to identify the naturally-occurring affordable housing stock to quantify the proportion of renters that might be eligible for housing assistance based on income. Table R-5 illustrates maximum rent limits based on household size and area median income while table R-6 depicts maximum income limits based on household size and area median monthly income. Table R-7 estimates the number of affordable units needed by area median income (AMI). The section concludes with a summary table (R-8).

- Among the 1,109 market rate units inventoried by unit mix and monthly rents, 82.5% of the units are affordable to households at 50% AMI. Together with 11.4% of the units affordable at 60% AMI, nearly 94% (93.9%) of the market rate rental housing inventory is affordable to households with incomes between 50% and 60% AMI (See Table R-8).
- An estimated 32.3% of market rate one-bedroom units are affordable at 50% of AMI, 42.9% are affordable at 60% AMI, and 6.7% are affordable at 30% AMI (See Table R-8).
- Of two-bedroom units, 93.3% are affordable at 30% AMI, 42.2% are affordable at 50% AMI, 11.1% are affordable at 60% AMI, and 56.6% are affordable at 80% AMI. (See Table R-8).
- An estimated 4.8% of the inventoried market rate units have monthly rents that would be affordable to households earning 80% of AMI. These households would qualify for “work-force” housing. Note that no inventoried market rate units have monthly rents affordable to households earning 100% or 120% of AMI.

RENTAL MARKET ANALYSIS

TABLE R-5
MONTHLY RENTS BASED ON INCOME LIMITS, HOUSEHOLD SIZE, & AMI
MINNEAPOLIS-ST PAUL-BLOOMINGTON, MN-WI HUD METRO FMR AREA* - 2023

Unit Type ¹	HHD Size		Max. Rent Based on Household Size (@30% of Income)											
	Min	Max	30%		50%		60%		80%		100%		120%	
			Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Studio	1	1	\$653	-\$653	\$1,088	-\$1,088	\$1,305	-\$1,305	\$1,740	-\$1,740	\$2,175	-\$2,175	\$2,610	-\$2,610
1BR	1	2	\$653	-\$746	\$1,088	-\$1,243	\$1,305	-\$1,491	\$1,740	-\$1,988	\$2,175	-\$2,485	\$2,610	-\$2,982
2BR	2	4	\$746	-\$932	\$1,243	-\$1,553	\$1,491	-\$1,863	\$1,988	-\$2,484	\$2,485	-\$3,105	\$2,982	-\$3,726
3BR	3	6	\$839	-\$1,081	\$1,398	-\$1,801	\$1,677	-\$2,162	\$2,236	-\$2,882	\$2,795	-\$3,603	\$3,354	-\$4,323
4BR	4	8	\$932	-\$1,230	\$1,553	-\$2,050	\$1,863	-\$2,460	\$2,484	-\$3,280	\$3,105	-\$4,100	\$3,726	-\$4,920

Note: 4-person Minneapolis-St Paul-Bloomington, MN-WI HUD Metro FMR Area AMI is \$124,900 (2023)
 *Isanti County is included in the area.

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

TABLE R-6
MONTHLY INCOME BASED ON HOUSEHOLD SIZE AND AREA MEDIAN INCOME
MINNEAPOLIS-ST PAUL-BLOOMINGTON, MN-WI HUD METRO FMR AREA* - 2023

Unit Type ¹	HHD Size		Max. Rent Based on Household Size (@30% of Income)											
	Min	Max	30%		50%		60%		80%		100%		120%	
			Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Studio	1	1	\$26,100	-\$26,100	\$43,500	-\$43,500	\$52,200	-\$52,200	\$69,600	-\$69,600	\$87,000	-\$87,000	\$104,400	-\$104,400
1BR	1	2	\$26,100	-\$29,820	\$43,500	-\$49,700	\$52,200	-\$59,640	\$69,600	-\$79,520	\$87,000	-\$99,400	\$104,400	-\$119,280
2BR	2	4	\$29,820	-\$37,260	\$49,700	-\$62,100	\$59,640	-\$74,520	\$79,520	-\$99,360	\$99,400	-\$124,200	\$119,280	-\$149,040
3BR	3	6	\$33,540	-\$43,230	\$55,900	-\$72,050	\$67,080	-\$86,460	\$89,440	-\$115,280	\$111,800	-\$144,100	\$134,160	-\$172,920
4BR	4	8	\$37,260	-\$49,200	\$62,100	-\$82,000	\$74,520	-\$98,400	\$99,360	-\$131,200	\$124,200	-\$164,000	\$149,040	-\$196,800

Note: 4-person Minneapolis-St Paul-Bloomington, MN-WI HUD Metro FMR Area AMI is \$124,900 (2023)
 *Isanti County is included in the area.

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

RENTAL MARKET ANALYSIS

**TABLE R-7
MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS
ASSESSMENT OF MARKET RATE RENTAL HOUSING BY AFFORDABILITY CALCULATION
PRIMARY MARKET AREA
WINTER 2024**

Unit Type/Project Name	Total Units	Rent Range		Min. Income Needed to Afford ¹	Units that are Market Rate Affordability by AMI ²					
		Min	Max		30%	50%	60%	80%	100%	120%
Studio										
601 17th Ave	15	\$995 - \$995		\$39,800 - \$39,800	--	15	--	--	--	--
The Emerald	68	\$1,055 - \$1,085		\$42,200 - \$43,400	--	68	--	--	--	--
Sunrise Court Apartments	16	\$730 - \$1,026		\$29,200 - \$41,040	--	16	--	--	--	--
Total/ Average	99				0	99	0	0	0	0
One-Bedroom										
601 17th Ave	25	\$1,250 - \$1,250		\$50,000 - \$50,000	--	--	25	--	--	--
The Emerald	52	\$1,065 - \$1,265		\$42,600 - \$50,600	--	46	6	--	--	--
The Preserve of Cambridge	35	\$1,180 - \$1,270		\$47,200 - \$50,800	--	24	11	--	--	--
Evergreen Apartments	12	\$1,260 - \$1,338		\$50,400 - \$53,520	--	--	12	--	--	--
Rum River Apartments	12	\$1,200 - \$1,200		\$48,000 - \$48,000	--	12	--	--	--	--
Isanti Village Apartments	132	\$1,100 - \$1,100		\$44,000 - \$44,000	--	132	--	--	--	--
Isanti Villa	18	\$1,050 - \$1,050		\$42,000 - \$42,000	--	18	--	--	--	--
Inn Towne Court Apartments	22	\$807 - \$807		\$32,280 - \$32,280	--	22	--	--	--	--
Northern Oaks Apartments	1	\$948 - \$948		\$37,920 - \$37,920	--	1	--	--	--	--
Sunrise Court Apartments	15	\$730 - \$1,026		\$29,200 - \$41,040	1	14	--	--	--	--
Calhoun Apartments	26	\$895 - \$895		\$35,800 - \$35,800	--	26	--	--	--	--
Total/ Average	350				1	295	54	0	0	0
Two-Bedroom										
601 17th Ave	8	\$1,395 - \$1,395		\$55,800 - \$55,800	--	8	--	--	--	--
The Emerald	30	\$1,340 - \$1,595		\$53,600 - \$63,800	--	20	10	--	--	--
Parkwood on the Lakes Townhomes	30	\$1,895 - \$1,895		\$75,800 - \$75,800	--	--	--	30	--	--
The Preserve of Cambridge	62	\$1,345 - \$1,400		\$53,800 - \$56,000	--	62	--	--	--	--
Evergreen Apartments	42	\$1,370 - \$1,449		\$54,800 - \$57,960	--	42	--	--	--	--
Rum River Apartments	43	\$1,410 - \$1,515		\$56,400 - \$60,600	--	39	3	--	--	--
Isanti Village Apartments	57	\$1,100 - \$1,164		\$44,000 - \$46,560	--	57	--	--	--	--
Isanti Villa	57	\$1,200 - \$1,200		\$48,000 - \$48,000	--	57	--	--	--	--
Whispering Pines Apartments of Cambridge	57	\$1,350 - \$1,350		\$54,000 - \$54,000	--	57	--	--	--	--
Inn Towne Court Apartments	14	\$916 - \$916		\$36,640 - \$36,640	14	--	--	--	--	--
Northern Oaks Apartments	23	\$1,050 - \$1,491		\$42,000 - \$59,640	--	22	1	--	--	--
Calhoun Apartments	22	\$1,100 - \$1,100		\$44,000 - \$44,000	--	22	--	--	--	--
Total/ Average	445				14	386	14	30	0	0
Three Bedroom										
The Emerald Townhomes	30	\$2,095 - \$2,395		\$83,800 - \$95,800	--	--	7	23	--	--
Parkwood on the Lakes Townhomes	30	\$1,895 - \$1,895		\$75,800 - \$75,800	--	--	30	--	--	--
The Preserve of Cambridge	6	\$1,670 - \$1,670		\$66,800 - \$66,800	--	6	--	--	--	--
Evergreen Apartments	18	\$1,700 - \$2,120		\$68,000 - \$84,800	--	--	18	--	--	--
Rum River Apartments	17	\$1,601 - \$1,695		\$64,040 - \$67,800	--	14	3	--	--	--
Isanti Village Apartments	57	\$1,300 - \$1,400		\$52,000 - \$56,000	--	57	--	--	--	--
Isanti Villa	57	\$1,200 - \$1,200		\$48,000 - \$48,000	--	57	--	--	--	--
Total/ Average	215				0	134	58	23	0	0

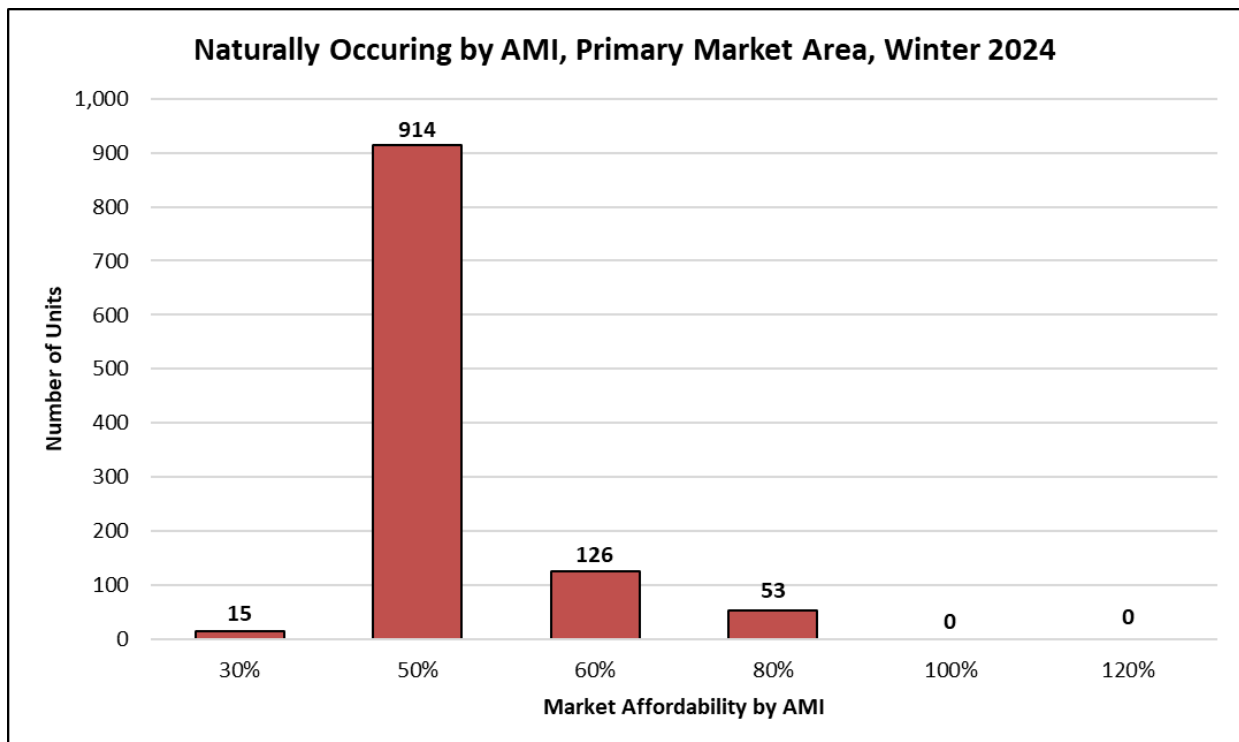
¹ Based on a 30% allocation of income to housing for general-occupancy. Senior housing is excluded from the calculation.
² Market rate housing that has rents that could be classified as "unsubsidized affordable" units based on the monthly rents and adjusted for household size.

Source: Maxfield Research & Consulting, LLC.

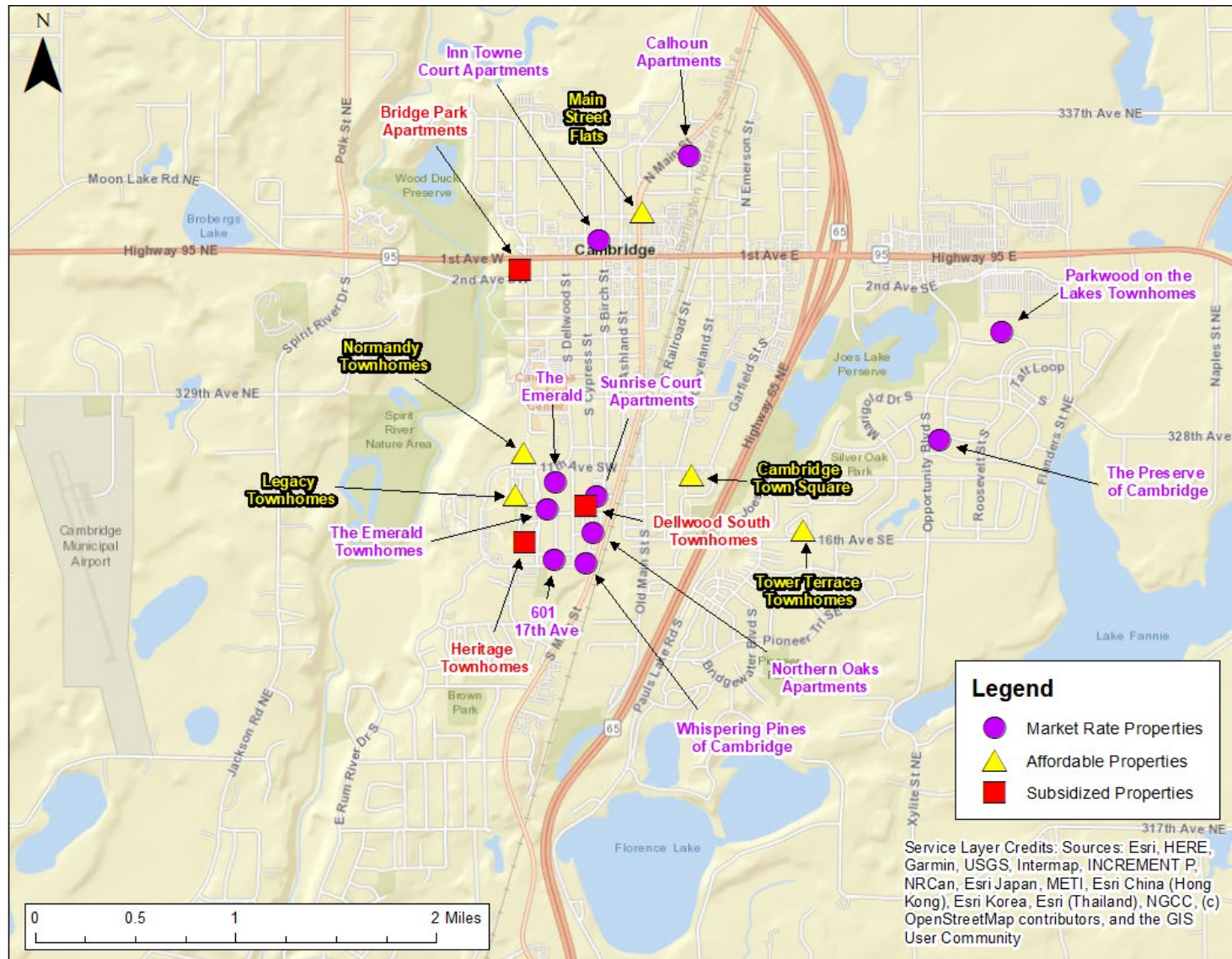
RENTAL MARKET ANALYSIS

TABLE R-8 MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS NATURAL OCCURRING SUMMARY PRIMARY MARKET AREA WINTER 2024						
Unit Type	Market Rate Affordability by AMI					
	30%	50%	60%	80%	100%	120%
Studio	0	99	0	0	0	0
1 BR	1	295	54	0	0	0
2 BR	14	386	14	30	0	0
3 BR	0	134	58	23	0	0
Subtotal	15	914	126	53	0	0
Pct. Of Total	1.4%	82.5%	11.4%	4.8%	0.0%	0.0%
Pct. Of Affordability Category						
Studio	0.0%	10.8%	0.0%	0.0%	-	-
1 BR	6.7%	32.3%	42.9%	0.0%	-	-
2 BR	93.3%	42.2%	11.1%	56.6%	-	-
3 BR	0.0%	14.7%	46.0%	43.4%	-	-

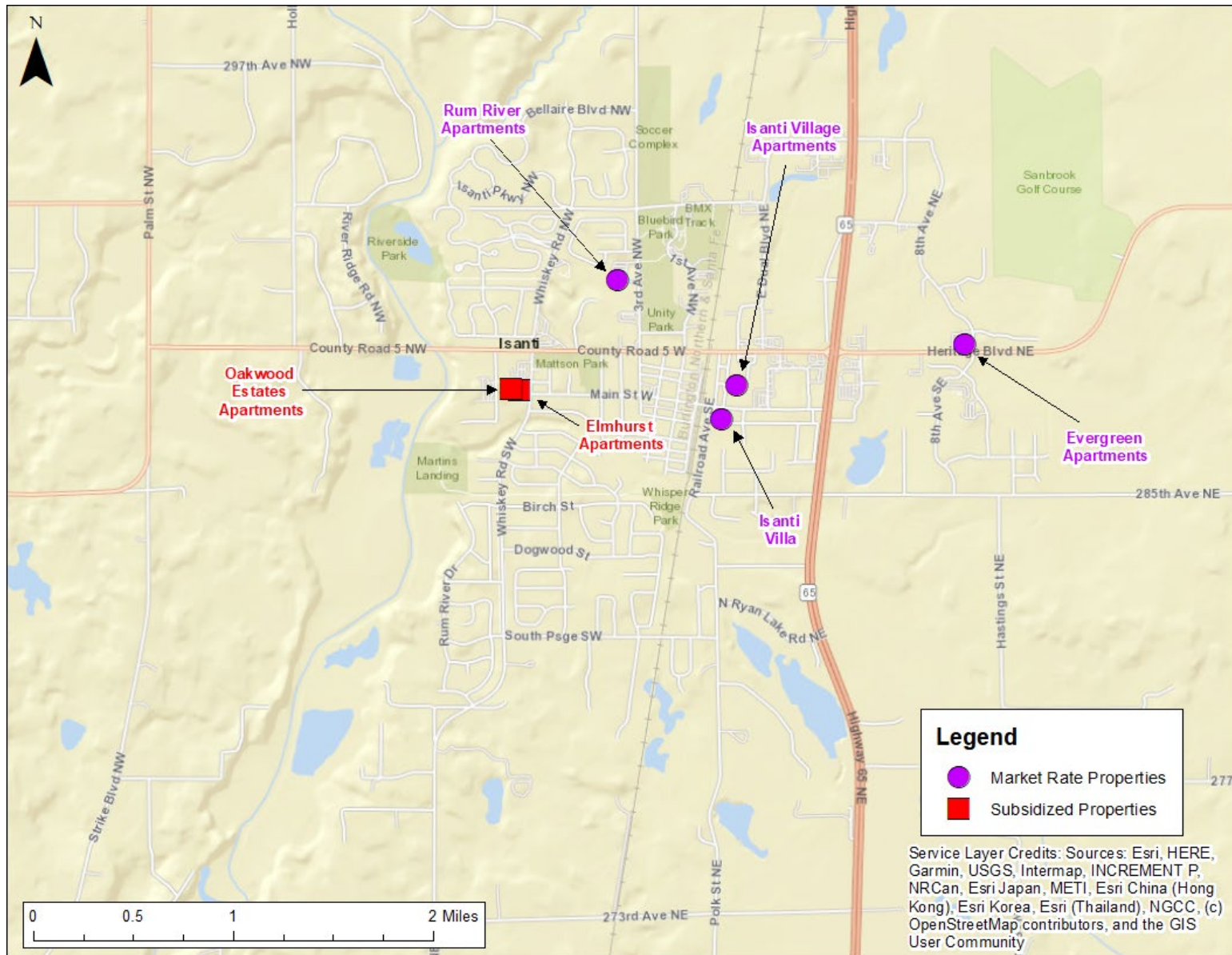
Source: Maxfield Research & Consulting, LLC.



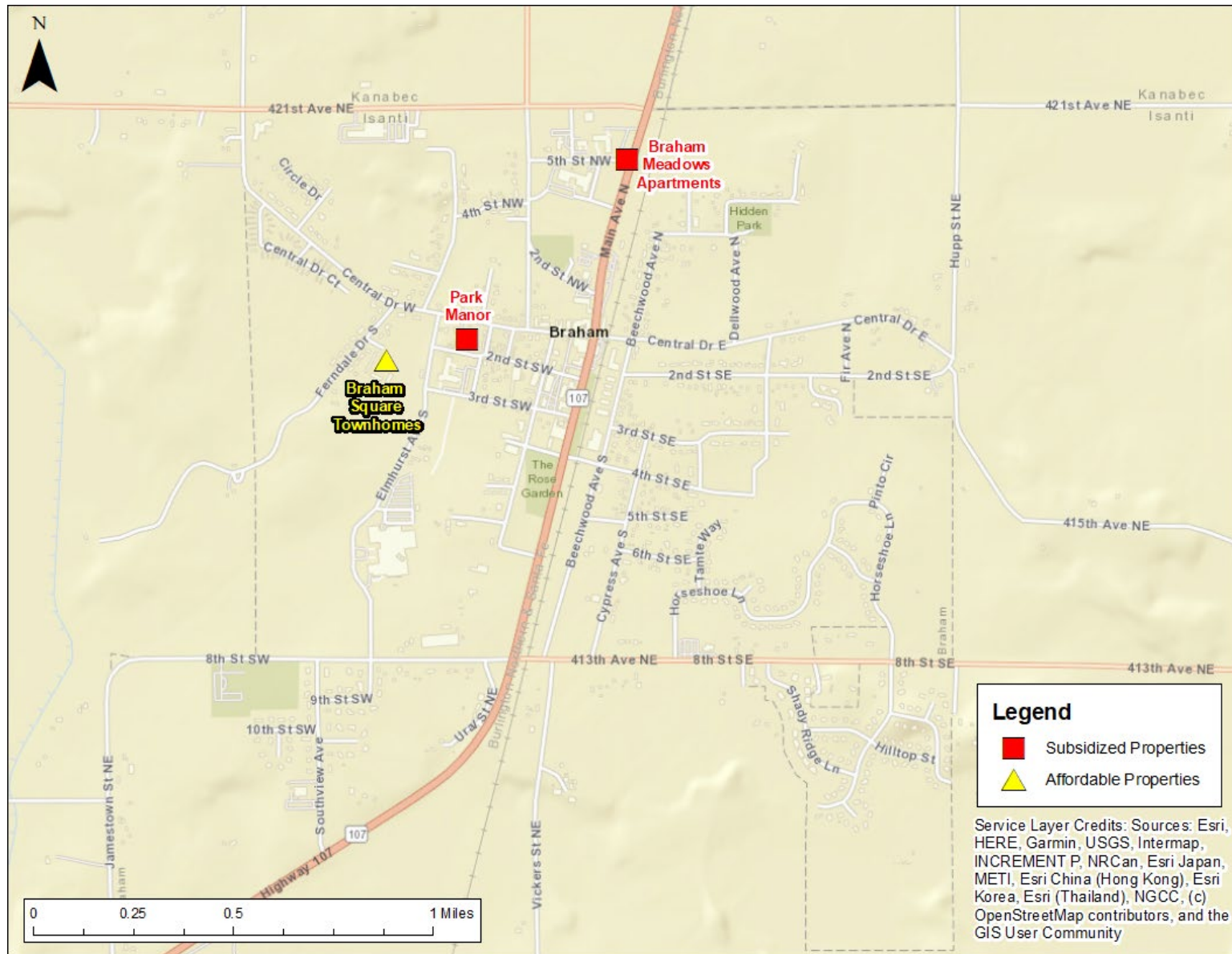
Multifamily General-Occupancy Rental Housing Properties in Cambridge



Multifamily General-Occupancy Rental Housing Properties in Isanti



Multifamily General-Occupancy Rental Housing Properties in Braham



Select General-Occupancy Rental Housing Properties in Cambridge



Normandy Townhomes



Main Street Flats



Normandy Townhomes



601 17th Ave



Inn Towne Court Apartments



The Emerald Apartments & Townhomes

Select General-Occupancy Rental Housing Properties in Cambridge (Continued)



Legacy Townhomes



Sunrise Court Apartments



Cambridge Town Square



The Preserve Apartments



Roosevelt Flats



Calhoun Apartments

Planned and Proposed Housing Developments

Maxfield Research obtained data from the Cities of Cambridge, Isanti, and Braham in order to identify housing developments under construction, planned, or pending. As of February 2024, there are two multifamily developments under consideration in the City of Cambridge. Table P-1, on the following page displays pending rental data.

- There were two multifamily developments under construction in the City of Cambridge at the time of the study.
- *Bridgewell* is a 65-unit affordable apartment community under development by Reuter Walton. The development is nearing completion and is expected to open in April 2024.
- *Strong Oak Apartments* is under construction by BJ Baas Builders on Old South Main St and estimated to be completed in 2025. The development is expected to have 148 market rate units.
- There are two approved apartment developments in the City of Isanti which will deliver 215 market rate apartments to the City upon completion. The *Whiskey Road Apartments* will have two 28-unit buildings and two garage buildings. The *Park Brook Apartments* will split the 157 units into one 49-unit building and three 36-unit buildings.

PLANNED AND PROPOSED HOUSING DEVELOPMENTS

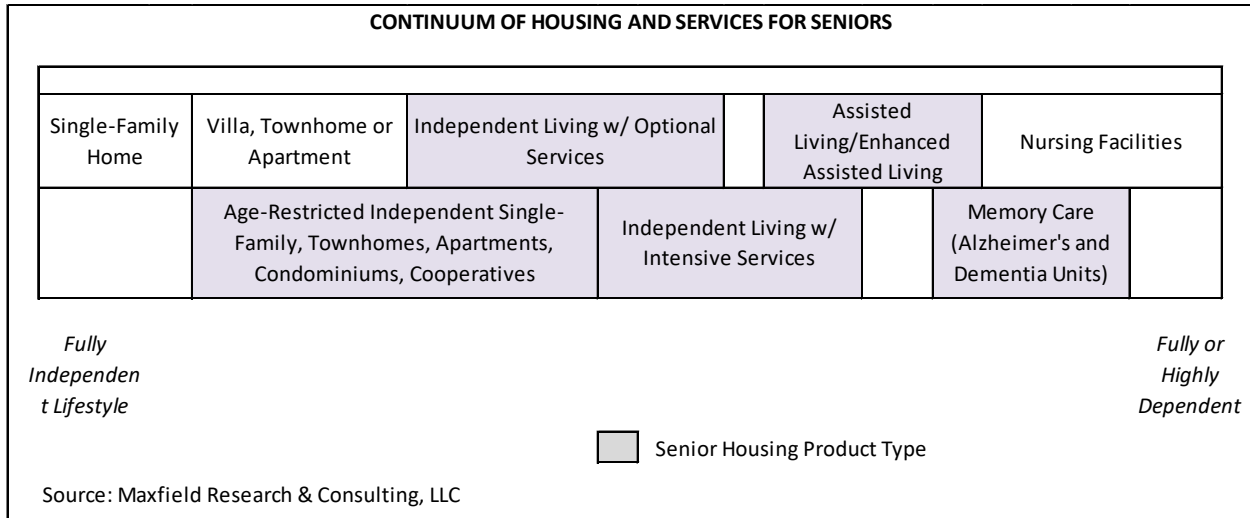
**TABLE P-1
PLANNED/PENDING RESIDENTIAL PROJECTS
CAMBRIDGE MARKET AREA
JANUARY 2024**

Project Name/Location	Developer/Applicant	Project Type	Units/Lots			Status/ Timing
			MR	Aff	Total	
Cambridge						
Bridgewell 203 22nd Ln SW <i>Cambridge</i>	Reuter Walton	Affordable Apartments	0	65	65	Under Construction Estimated Opening April 2024
The Lodge at Oak Landing 1920 Old Main St S <i>Cambridge</i>	BJ Baas Builders	Market Rate	148	0	148	Under Construction Estimated Opening 2025
Whiskey Road Apartment 302 Whiskey Rd <i>Isanti</i>	Carroll Holdings	Market Rate	58	0	58	Under Construction
Park Brook Apartments Between 7th & 8th Ave NE/Cajima St NE & Golden Way St NE <i>Isanti</i>	Kuepers Inc	Market Rate	157	0	157	Under Construction
E side Hwy 65 between 285 Ave & Broadway St SE <i>Isanti</i>		Market Rate	75		75	Concept Plan - Awaiting Approval

Source: City of Cambridge; City of Isanti; Maxfield Research & Consulting, LLC

Senior Housing Defined

Senior housing is a concept that generally refers to the integrated delivery of housing and services to seniors. However, as Figure 1 illustrates, senior housing embodies a wide variety of product types across the service-delivery spectrum.



Products range from independent apartments and/or townhomes with virtually no services on one end, to highly specialized, service-intensive assisted living units or housing geared for people with dementia-related illnesses (termed "memory care") on the other end of the spectrum.

In general, independent senior housing attracts people 65 and older while assisted living typically attracts people 80 and older who need assistance with activities of daily living (ADLs). For analytical purposes, Maxfield Research and Consulting, LLC classifies senior housing into five primary categories based on the level and type of services offered as described in the following figure.

- Active Adult** properties (or independent living without services available) are similar to a general-occupancy building, in that they offer virtually no services but have age-restrictions (typically 55 or 62 or older). Residents are generally age 70 or older if in an apartment-style building. Organized entertainment, activities and occasionally a transportation program represent the extent of services typically available at these properties. Because of the lack of services, active adult properties generally do not command the rent premiums of more service-enriched senior housing. Active adult properties can have a rental or owner-occupied (condominium or cooperative) format.

- **Independent Living** properties (or independent living with services available) offer support services such as meals and/or housekeeping, either on an optional basis or a limited amount included in the rent. These properties often dedicate a larger share of the overall building area to common areas, in part, because the units are smaller than in adult housing and in part to encourage socialization among residents. Independent living properties attract a slightly older target market than adult housing, typically seniors 75 or older. Rents are also above those of the active adult buildings. Sponsorship by a nursing home, hospital or other health care organization is common.
- **Assisted Living** properties come in a variety of forms, but the target market for most is generally the same: very frail seniors, typically age 80 or older (but can be much younger, depending on their particular health situation), who need extensive support services and personal care assistance. Absent an assisted living option, these seniors would otherwise need to move to a nursing facility. At a minimum, assisted living properties include two meals per day and weekly housekeeping in the monthly fee, with the availability of a third meal and personal care (either included in the monthly fee or for an additional cost). Assisted living properties also have either staff on duty 24 hours per day or at least 24-hour emergency response.
- **Memory Care** properties, designed specifically for persons suffering from Alzheimer's disease or other dementias, is one of the newest trends in senior housing. Properties consist mostly of suite-style or studio units or occasionally one-bedroom apartment-style units, and large amounts of communal areas for activities and programming. In addition, staff typically undergoes specialized training in the care of this population. Because of the greater amount of individualized personal care required by residents, staffing ratios are much higher than traditional assisted living and thus, the costs of care are also higher. Unlike conventional assisted living, however, which addresses housing needs almost exclusively for widows or widowers, a higher proportion of persons afflicted with Alzheimer's disease are in two-person households. That means the decision to move a spouse into a memory care facility involves the caregiver's concern of incurring the costs of health care at a special facility while continuing to maintain their home.
- **Skilled Nursing Care, or long-term care** facilities, provides a living arrangement that integrates shelter and food with medical, nursing, psychosocial and rehabilitation services for persons who require 24-hour nursing supervision. Residents in skilled nursing homes can be funded under Medicare, Medicaid, Veterans, HMOs, and private insurance as well as use of private funds.

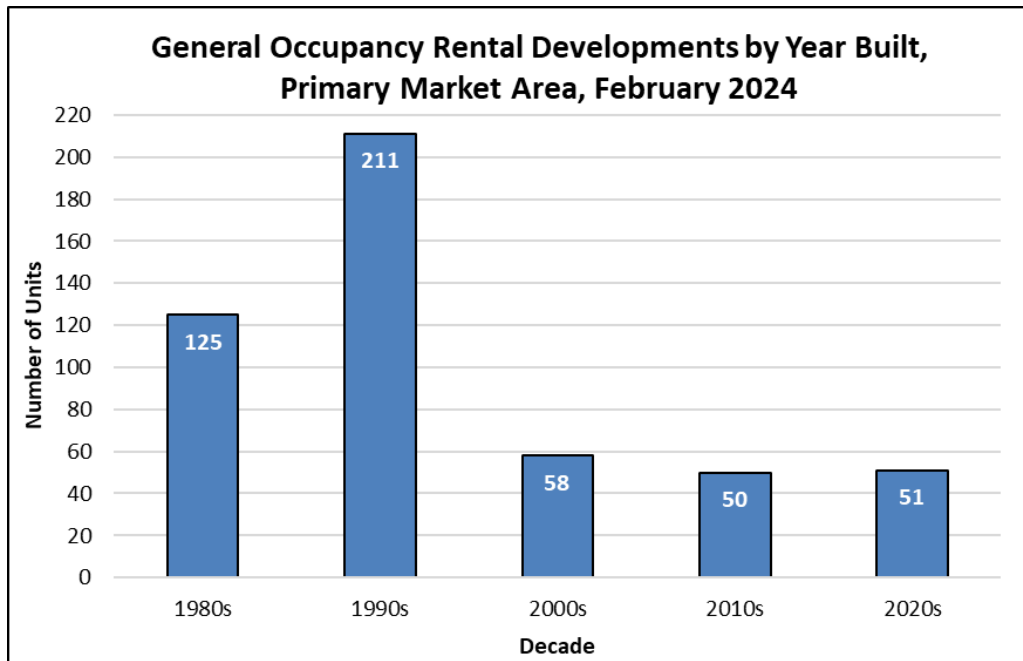
Senior Housing in the City of Cambridge

As of February 2024, Maxfield Research and Consulting, LLC identified twelve senior housing developments in the PMA. Combined, these projects contain a total of 485 units. Table S-1 provides a general overview of information on all inventoried senior housing projects in Cambridge. Information in the table includes address, year built, number of units, and number of units. Table S-2 provides a more detailed analysis of senior properties in the market area with vacancies, unit mixes, square footages, monthly rents, and amenities/additional comments.

The following are key points from our survey of the senior housing supply.

Property Name	Address	City	Built	Type	Units
Roosevelt Garden Estates	1900 10th Ave SE	Cambridge	2020	AA MR	51
GracePointe Crossing: The Terrace	1545 River Hills Pkwy NW	Cambridge	2018	AA MR	50
East Terrace Cooperative	2155 6th Ln SE	Cambridge	2006	AA Coop	38
Rosewood Senior Living	801 Main St N	Cambridge	2002	AL	20
GracePointe Crossing: Village Townhomes	1545 River Hills Pkwy NW	Cambridge	1999	AA MR	40
GracePointe Crossing: Commons Assisted Living	1545 River Hills Pkwy NW	Cambridge	1999	AL	62
GracePointe Crossing: Arbor Memory Care	1545 River Hills Pkwy NW	Cambridge	1999	MC	19
Elmhurst Commons	400 3rd St SW	Braham	1998	AL	36
Prairie Senior Cottages	706 6th Ave NE	Isanti	1998	MC	54
GracePointe Crossing: Mill Ridge Terrace	235 Fern St N	Cambridge	1988	AA MR	56
Riverwood Village	909 South Dellwood St	Cambridge	1988	AA MR	45
Ashland Place	222 Ashland St N	Cambridge	1981	AA Aff	24
Unit Totals:					495

Sources: Costar, Isanti County; Property Management & Real Estate Listing Sites; and Maxfield Research & Consulting, LLC.



The following are key points from our survey of the senior housing supply.

Market Rate Active Adult Senior Housing

- There are a total of 192 market rate active adult units across four properties in the PMA. As of February 2024, no vacant units were identified indicating pent-up demand for affordable/subsidized senior rental units.
- Rents range from \$1,115 for a one bedroom unit at Riverwood Village to \$2,350 for a two bedroom townhome unit at GracePointe Crossing: Village Townhomes.
- Square footages range from 518 square feet for a one bedroom unit to 1,702 square foot for a 1,702 two bedroom townhome unit at GracePointe Crossing: Village Townhomes.

For-Sale Active Adult

- There is one owner-occupied senior housing development, East Terrace Cooperative, which accounts for 38 total units. At the time of survey, no units were listed for-sale. Generally a healthy senior housing market will have a vacancy rate of around 5.0% in order to allow for sufficient consumer choice and turnover.
- Sales transactions prices (share costs) at East Terrace Cooperative are \$45,455 for a one-bedroom unit and \$83,556 for a two-bedroom unit.
- East Terrace Cooperative is a limited equity cooperative. Cooperative products involve purchasing a unit (or share) and then paying monthly fees which includes all utilities, of property and commons areas, and future building maintenance. Monthly costs for one-bedroom units are \$1,085 for one bedroom units and \$1,858 for two bedroom units.

Affordable Active Adult Senior Housing

- Affordable active adult units are income and age restricted. Residents must make at or below a specific income to qualify. There are no subsidized active adult units in the PMA.
- There are a total of 24 units in the one subsidized senior property, Ashland Place Apartments.
- As of February 2024, no vacant units are identified indicating pent-up demand for affordable senior rental units.
- All units are one bedroom units, are 570 square feet, and rent for \$978 a month.

Independent Living

- There are a total of 50 units in the one independent living property, GracePointe Crossing: The Terrace. As of February 2024, no vacant units are identified indicating pent-up demand for affordable senior rental units.
- Units range from 765 square feet for one bedroom units to 1,295 square feet for two bedroom units.
- Prices range from \$2,085 for one bedroom units to \$3,315 for two bedroom units.

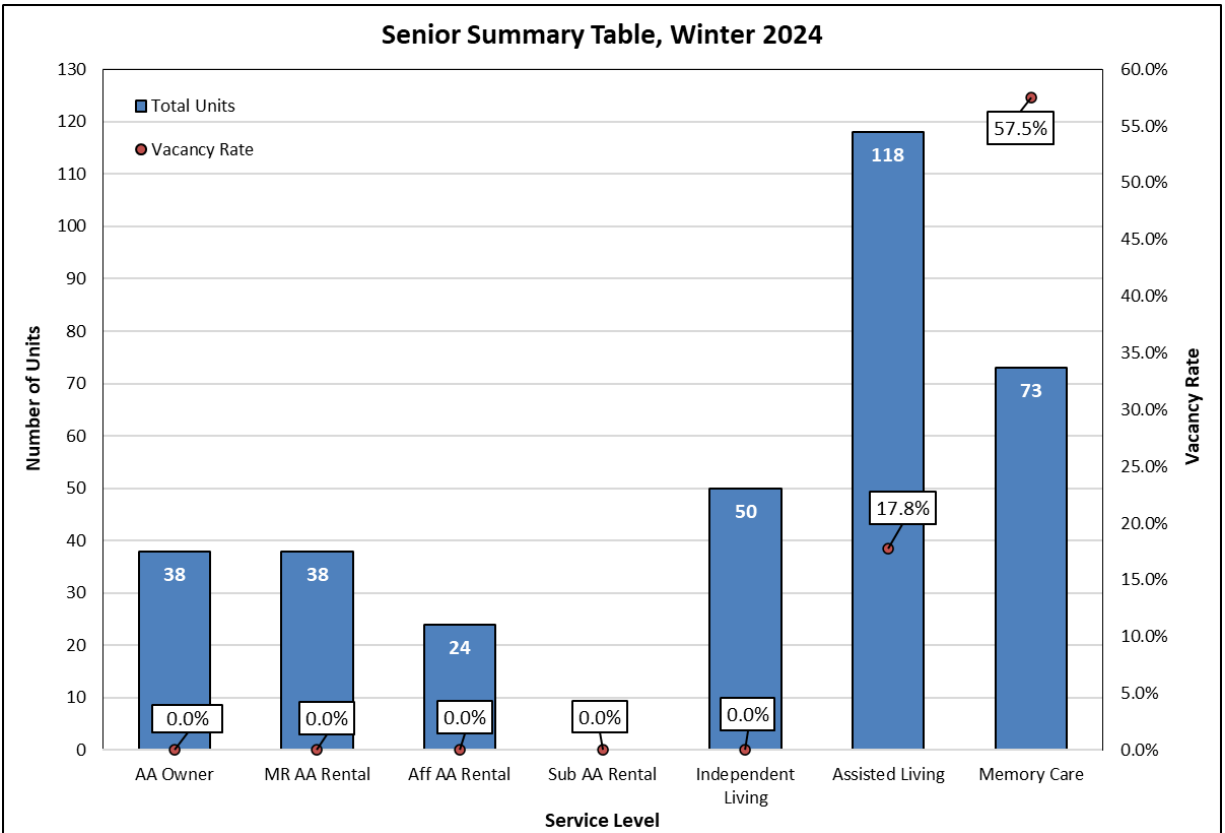
Assisted Living

- In the PMA, there are a total of three assisted living facilities with 118 units with a vacancy rate of 17.8% (21 units). This is well above 7.0%, which is considered the market equilibrium vacancy rate for assisted living and memory care housing.
- The newest project in Cambridge is Rosewood Senior Living. The project was built in 2002 and includes 20 units. The other two properties GracePoint Crossing: Commons Assisted Living (62 units) and Elmhurst Commons (36 units) opened in 1999 and 1998, respectively. The assisted living design preference today is apartment-style units versus suite-style units that tend to cater to more frail seniors. However, Rosewood Senior Living only includes suite options while GracePointe Crossing: Commons Assisted Living offers both suite and apartment style units.

Memory Care

- A total of two memory care facilities, Prairie Senior Cottages (54 units) and GracePointe Crossing: Arbor Memory Care (19 units) with 73 units are located in PMA. The memory care vacancy rate is approximately 57.5% as of February 2024. However, note that all 42 vacancies are at Prairie Senior Cottages while GracePointe Crossing: Arbor Memory Care has no vacancies.
- GracePointe Crossing: Arbor Memory Care opened in 1999 and is the newest senior housing development in the PMA. Prairie Senior Cottages opened in 1998.
- Average base monthly fees at GracePointe Crossing: Arbor Memory Care start at \$3,590 a month for a studio units which range from 396 square feet to 422 square feet. One bedroom units are \$3,995 a month and 501 square feet.
- At Prairie Senior Cottages rents range from \$6,990 to \$11,760 a month for one bedroom units. Two bedroom units utilize elderly waivers.

SENIOR HOUSING ANALYSIS



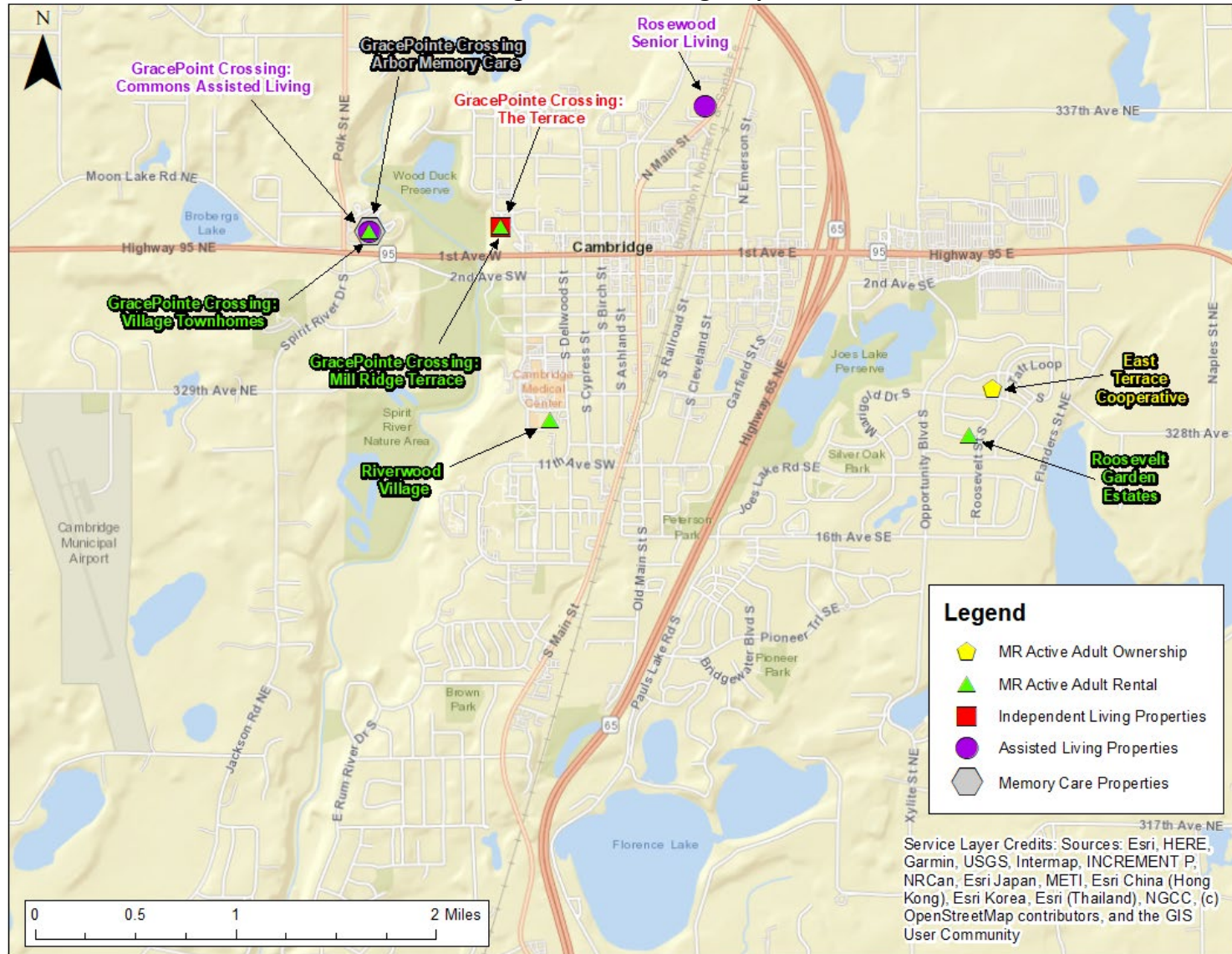
SENIOR HOUSING ANALYSIS

TABLE S-2 SENIOR HOUSING DEVELOPMENTS PRIMARY MARKET AREA FEBRUARY 2024										
Project Name/City	Year Built	No. of Units	No. Vacant	No.	Type	Sizes	Monthly Rent/ Sale Price	Rent/Sales Price PSF Min - Max	Services/Amenities/Comments	
Affordable Active Adult Rental										
Ashland Place Apartments 222 Ashland St N	1981	24	0	24	-	1BR	570	\$978	\$1.72	Amenities at Ashland Place Apartments include a community room, laundry facility, and off street parking. Heat, water, and trash are included in rent.
	Vacancy Rate:	0.0%								
Market Rate Active Adult-Ownership										
East Terrace Cooperative 2155 6th LN SE, Cambridge	2006	38	0	3	-	1BR	857	\$1,085	\$1.27 - \$1.27	East Terrace Cooperative features the following amenities: great room, library, wellness room, craft room, woodshop, community deck and grill, car wash stall, and garden plots. Currently a waitlist of 2.5 years.
	Vacancy Rate:	0.0%		35	-	2BR	1,497	\$45,455	\$53.04 - \$53.04	
								\$1,858	\$1.24 - \$1.24	
								\$83,556	\$55.82 - \$55.82	
Market Rate Active Adult Rental										
Roosevelt Garden Estates 1900 10th Ave SE, Cambridge	2020	51	0	17	-	1BR	772 - 879	\$1,355	\$1.54 - \$1.76	Amenities at Roosevelt Garden Estates include a security system, social activities, conference room, lounge, extra storage, multi-use room, coffee bar, library, fitness center, game/craft room, community room with fireplace, pet washing station, stainless steel appliances, dishwasher, kitchen island, walk in closets, linen closet, on site manager, walking/bike trails, courtyard, deck, picnic area, pet par, gazebo, in unit washer/dryer, and detached and tuck under garages.
	Vacancy Rate:	0.0%		3	-	1BR+D	1,031	\$1,380	\$1.34 - \$1.34	
				19	-	2BR	1,099 - 1,355	\$1,625	\$1.20 - \$1.48	
				12	-	2BR+D	1,423	\$1,775	\$1.25 - \$1.25	
GracePointe Crossing: Village Townhomes 1545 River Hills Pkwy NW, Cambridge	1999	40	0	18	-	1BR+D	991 - 1,686	\$1,665 - \$1,975	\$1.17 - \$1.68	GracePointe Crossing: Village Townhomes includes complimentary transportation, month to month rent agreements, maintenance and lawn care and snow removal. Water, sewer, and trash are included.
	Vacancy Rate:	0.0%		22	-	2BR	1,124 - 1,702	\$1,875 - \$2,350	\$1.38 - \$1.67	
GracePointe Crossing: Mill Ridge Terrace 235 Fern St N, Cambridge	1988	56	0	24	-	1BR	634 - 970	\$1,375 - \$1,705	\$2.17 - \$2.17	GracePointe Crossing: Mill Ridge Terrace features housekeeping, laundry facilities, basic cable and Wifi, private storage unit, and lawn care and snow removal. Heat, electric, air conditioning, water, sewer, and trash are included.
	Vacancy Rate:	0.0%		21	-	1BR+D	742 - 762	\$1,620 - \$1,625	\$2.18 - \$2.18	
				11	-	2BR	898 - 1,295	\$1,890 - \$1,990	\$2.10 - \$2.10	
Riverwood Village 909 S Dellwood St, Cambridge	1988	45	0	25	-	1BR	518 - 645	\$1,115 - \$1,345	\$2.09 - \$2.15	Riverwood Village features a gazebo, gardens, fireplace lounge, library, dining room, hair salon, professional management, dishwasher, patio, walk in closet, fitness room, piano, pool table, game room, craft room, and garage space.
	Vacancy Rate:	0.0%		20	-	2BR	845 - 931	\$1,625 - \$1,830	\$1.92 - \$1.97	
CONTINUED										

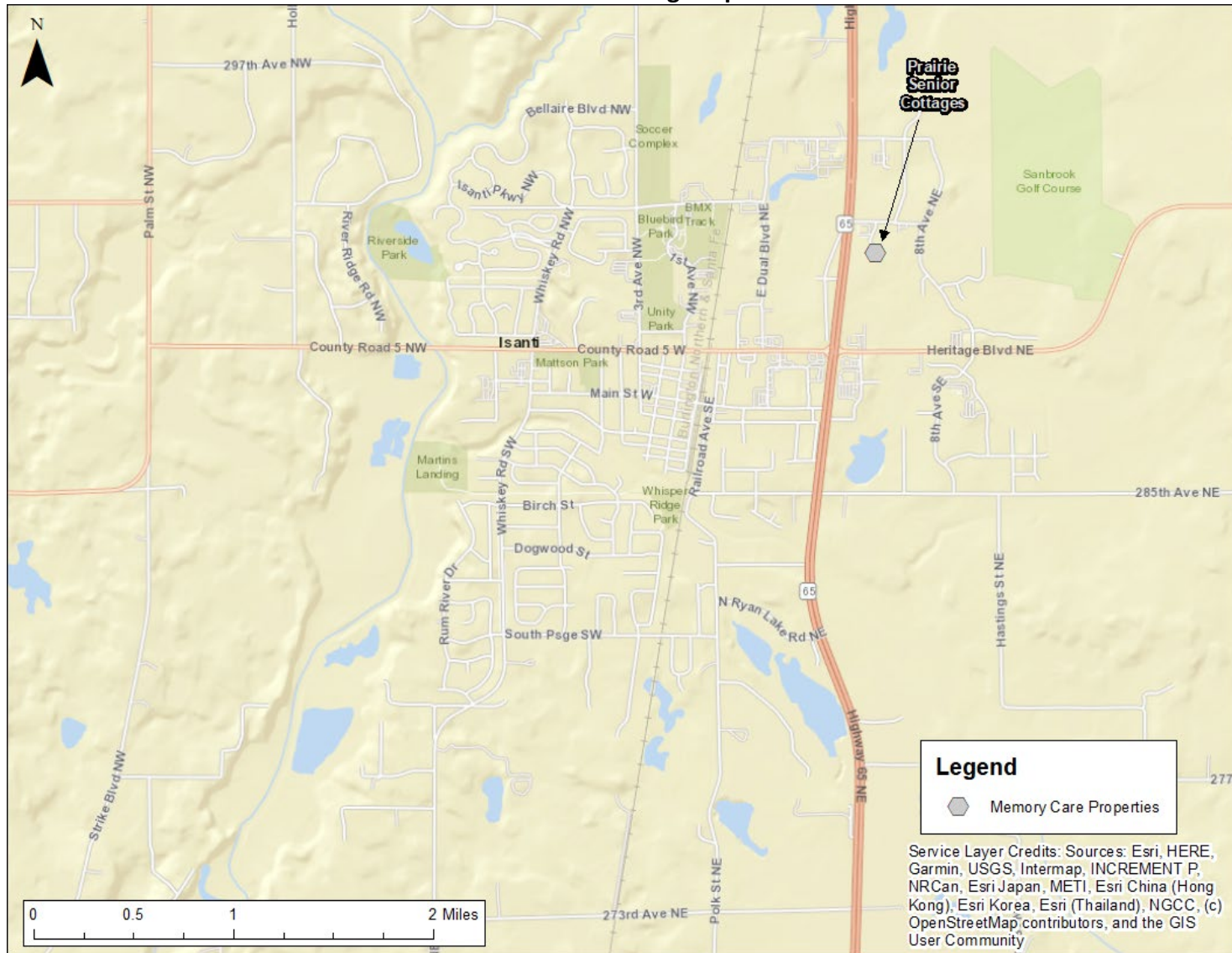
SENIOR HOUSING ANALYSIS

TABLE S-2 (CONTINUED) SENIOR HOUSING DEVELOPMENTS PRIMARY MARKET AREA FEBRUARY 2024										
Independent Living										
GracePointe Crossing: The Terrace 235 Fern St N, Cambridge	2018 Vacancy Rate:	50 0.0%	0	14 - 18 - 18 -	1BR 1BR+D 2BR	765 - 970 925 1,120 - 1,295	\$2,085 - \$2,410 \$2,505 \$2,805 - \$3,315	\$2.73 - \$2.73 \$2.71 - \$2.71 \$2.50 - \$2.50		GracePointe Crossing: The Terrace features basic cable and Wifi, telephone, complimentary transportation, controlled entrance, month to month rent agreements, building maintenance, lawn care and snow removal on site dining, banking service, guest suite, and underground heated parking. Heat, electric, air conditioning, water, and sewer and trash are included.
Assisted Living										
Rosewood Senior Living 801 Main St N, Cambridge	2002 Vacancy Rate:	20 10.0%	2	16 - 4 -	Private Room Shared Suite	NA - NA NA - NA	\$2,200 \$1,900	-- -- -- --		Amenities at Rosewood Terrace include meals and snacks, barbershop, arts and crafts classes, concierge, 24/7 on site staff, and emergency pull cords. Private pay, CADL, and Elderly Waivers are accepted. Monthly rents are base prices and additional services needed are determined by an RN assessment. Base rents include utilities, meals, laundry, linens, and activities.
GracePointe Crossing: Commons Assisted Living 1545 River Hills Pkwy NW, Cambridge	1999 Vacancy Rate:	62 19.4%	12	18 - 17 - 4 - 3 - 16 - 4 -	Studio 1BR 1BR+D 2BR Private Suite Shared Suite	396 - 526 517 - 553 804 - 835 923 315 - 425 280 - 300	\$2,935 \$2,935 - \$3,300 \$3,635 \$3,955 \$2,875 - \$3,005 \$2,500	\$7.41 - \$5.58 \$5.68 - \$5.97 \$4.35 - \$4.52 \$4.28 - \$4.28 \$7.07 - \$9.13 \$8.33 - \$8.93		Includes 42 apartments and 20 suites. GracePointe Crossing: Commons Assisted Living includes two meals a day, light housekeeping, laundry facilities, urgent call system, 24 hour on site resident assistant, complimentary transportation, health and wellness clinic, telephone service, basic cable and television, telephone, and guest suite. Second occupant is extra charge (\$800).
Elmhurst Commons 400 3rd St SW, Braham	1998 Vacancy Rate:	36 19.4%	7	30 - 6 -	1BR 1BR+D	562 - 778 828 - 941	\$3,455 \$3,800	\$4.44 - \$6.15 \$4.04 - \$4.59		Elmhurst Commons includes a community room, beauty/barber shop, storage units, garden plots, planned activities, community dining with meal plans, laundry services, library, ceiling fan, walk in closets, and on call nurse.
Memory Care										
GracePointe Crossing: Arbor Memory Care 1545 River Hills Pkwy NW, Cambridge	1999 Vacancy Rate:	19 0.0%	0	13 - 6 -	Studio 1BR	396 - 422 501	\$3,590 \$3,995	\$8.51 - \$9.07 \$7.97 - \$7.97		Currently one vacancy but it is reserved.
Prairie Senior Cottages 706 6th Ave NE, Isanti	1998 Vacancy Rate:	54 77.8%	42	NA - NA -	1 BR 2 BR	NA NA	\$6,990 - \$11,760 Elderly Waiver	-- -- -- --		Prairie Senior Cottages in Isanti features 24/7 care, transportation, laundry service, housekeeping, dining, scheduled activities, and help with medication. One bedroom units are \$233 to \$392 per day (pricing given for 30 days). Two bedroom units are all elderly waivers. Comprises two buildings.
NA: Not Assessed/Not Applicable.										
Sources: Senior Sites; Realtor sites; Minneapolis Area Association of Realtors; Maxfield Research & Consulting, LLC, Central MN Council on Aging.										

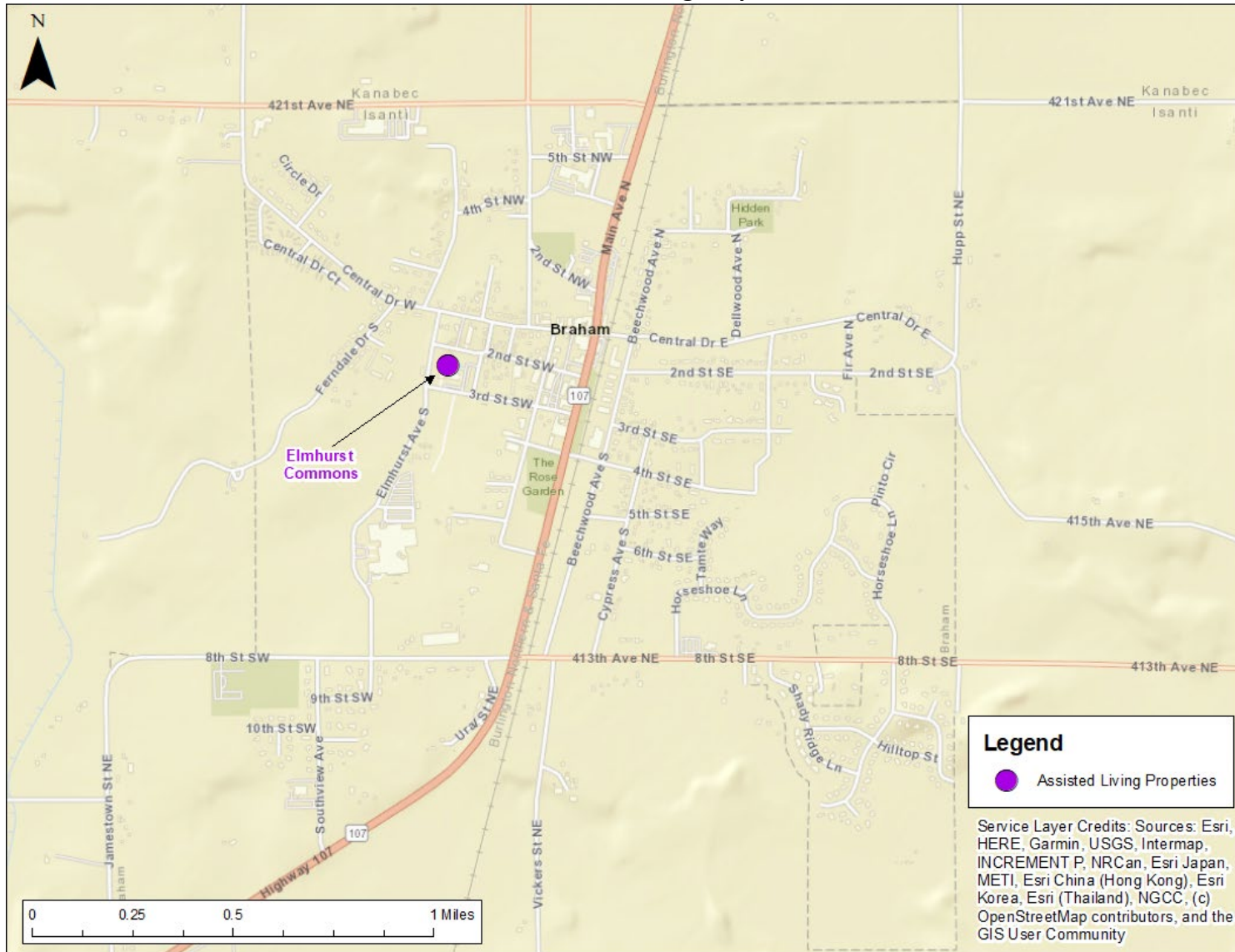
Cambridge Senior Housing Properties



Isanti Senior Housing Properties



Braham Senior Housing Properties



Senior Housing Properties in Cambridge



Rosewood Senior Living



Grace Pointe Crossing



Mill Ridge Terrace



Riverwood Village of Cambridge



East Terrace Cooperative



Roosevelt Garden Estates

Introduction

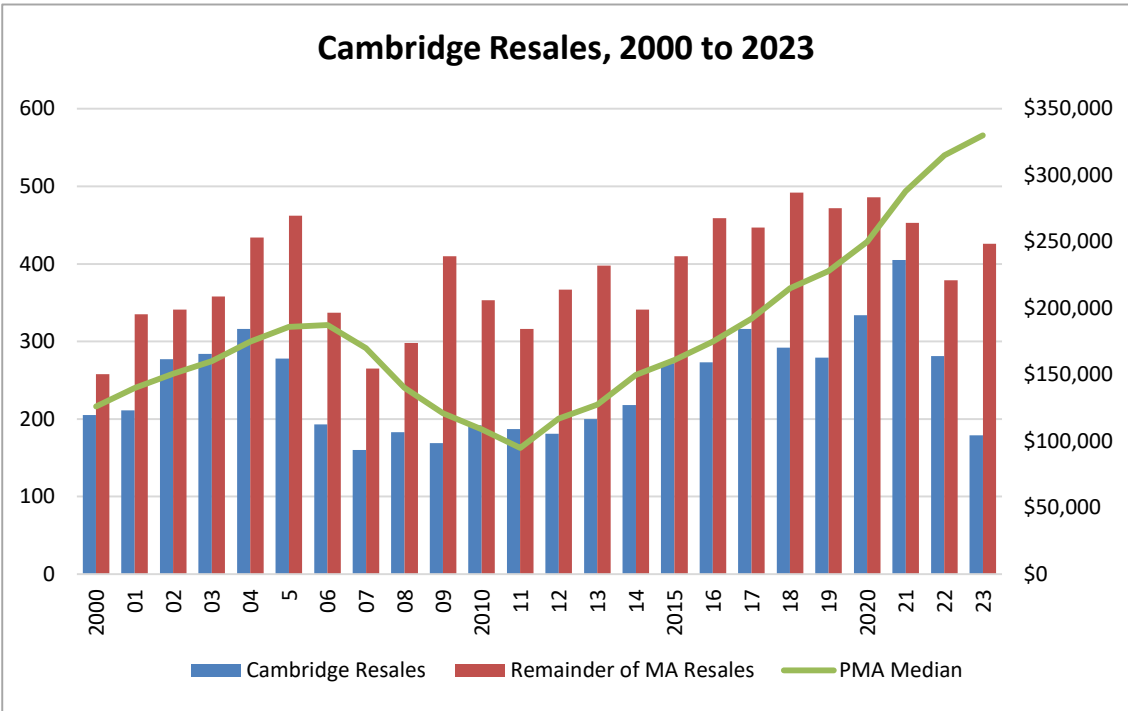
Maxfield Research & Consulting, LLC analyzed the for-sale housing market in Cambridge by analyzing data on single-family and multifamily home sales, active listings, lot supply, and the actively marketing subdivisions in Cambridge.

Overview of For-Sale Housing Market Conditions

Table FS-1 presents home resale data on single-family and multifamily housing in the Cambridge Market Area from 2000 through 2023. The data was obtained from the Regional Multiple Listing Services of Minnesota and shows annual number of sales, median and average pricing, and sales distribution by single-family and multifamily housing.

The following are key points observed from our analysis of this data.

- Median sales price trends highlight the effects of the Great Recession on sales prices in the Market Area. Median sales price rose from 2000 through 2006, before declining each year from 2007 to 2011. By 2011, the median sales price had dropped to \$95,000 from \$187,350 in 2006.
- Median sales prices have been recovering from the Recession in the Market Area. In 2017, median prices eclipsed the 2006 median sales price for the first time. Since 2017, median sales prices have continued to climb with the median resale price reaching \$330,000 in 2023.



FOR-SALE HOUSING ANALYSIS

- From 2000 to 2023, Cambridge averaged 245 resales per year with a total of 5,885 resales during this period. Single family homes represented 85% of resales in Cambridge.
- Resales peaked during the pandemic housing boom. There were 334 resales in 2020 and 405 resales in 2021. By 2022, resales had fallen to 281 and dropped further in 2023 to 179. This decline is related to the lack of supply and rising interest rates.

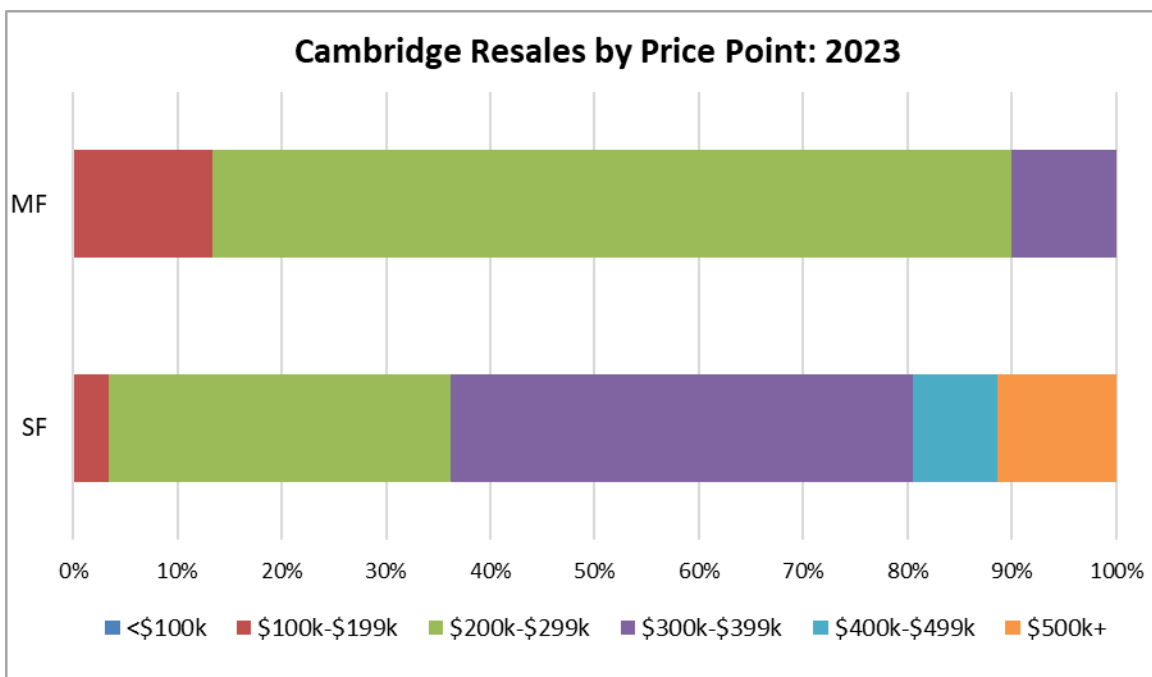
TABLE FS-1 RESALE TRENDS PRIMARY MARKET AREA 2000 to 2023								
Year	CITY OF CAMBRIDGE			REMAINDER OF MARKET AREA			ALL HOMES (SF + MF)	
	SF	MF	TOTAL	SF	MF	TOTAL	Avg.	Median
2000	201	4	205	253	5	258	\$131,635	\$126,065
2001	208	3	211	332	3	335	\$148,688	\$139,944
2002	240	37	277	336	5	341	\$162,208	\$150,682
2003	230	54	284	326	32	358	\$173,800	\$160,253
2004	264	52	316	397	37	434	\$192,878	\$174,950
2005	231	47	278	396	66	462	\$202,738	\$185,900
2006	155	38	193	296	41	337	\$198,954	\$187,350
2007	135	25	160	243	22	265	\$188,518	\$169,900
2008	149	34	183	273	25	298	\$151,785	\$140,100
2009	132	37	169	371	39	410	\$129,876	\$121,000
2010	137	55	192	308	45	353	\$121,338	\$109,000
2011	148	39	187	289	27	316	\$109,468	\$95,000
2012	150	31	181	355	12	367	\$124,170	\$117,000
2013	177	23	200	367	31	398	\$135,654	\$127,500
2014	181	37	218	324	17	341	\$159,931	\$149,900
2015	237	35	272	376	34	410	\$173,985	\$161,000
2016	244	29	273	425	34	459	\$185,760	\$175,000
2017	266	50	316	392	55	447	\$205,923	\$192,000
2018	260	32	292	453	39	492	\$220,080	\$215,000
2019	248	31	279	437	35	472	\$239,676	\$228,000
2020	288	46	334	447	39	486	\$262,136	\$249,900
2021	340	65	405	403	50	453	\$303,879	\$288,000
2022	237	44	281	352	27	379	\$333,036	\$315,000
2023	149	30	179	398	28	426	\$356,550	\$330,000

Sources: RMLS and Maxfield Research & Consulting, LLC.

Home Resales by Price Point

Table FS-2 shows the distribution of sales within nine price ranges from resales in 2023. The graph on the following page visually displays the sales data.

- About 40% of sales in 2023 were priced between \$200,000 and \$299,999, including more than three-fourths of multifamily homes sold in 2023.
- Another 39% of homes sold in Cambridge in 2023 were price between \$300,000 and \$399,999.

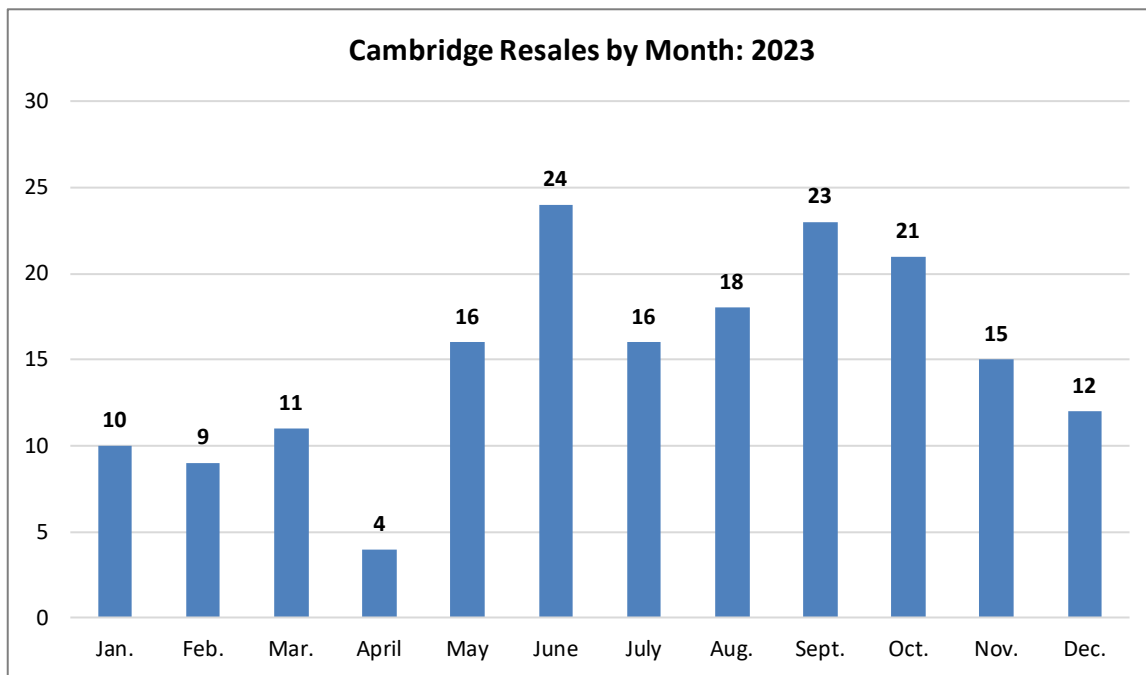


- The median value of multifamily homes sold in 2023 was \$233,000, while the median sold price of single-family homes was \$315,000.
- Single-family homes accounted for the majority of the resale market in the City of Cambridge, representing 83% of all resales in 2023.

TABLE FS-2 HOME RESALES BY SALES PRICE & PRODUCT TYPE CITY OF CAMBRIDGE 2023						
Price Range	Single-family		Multifamily		Combined	
	No.	Pct.	No.	Pct.	No.	Pct.
<\$100,000	0	0.0%	0	0.0%	0	0.0%
\$100,000 to \$199,999	5	3.4%	4	13.3%	9	5.0%
\$200,000 to \$299,999	49	32.9%	23	76.7%	72	40.2%
\$300,000 to \$399,999	66	44.3%	3	10.0%	69	38.5%
\$400,000 to \$499,999	12	8.1%	0	0.0%	12	6.7%
\$500,000 to \$749,999	14	9.4%	0	0.0%	14	7.8%
\$750,000 to \$999,999	2	1.3%	0	0.0%	2	1.1%
\$1,000,000 or More	1	0.7%	0	0.0%	1	0.6%
Total	149	100.0%	30	100.0%	179	100.0%
Median	\$315,000		\$233,000		\$306,900	
Average	\$343,244		\$242,418		\$326,346	

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

- The months of June and September recorded the largest number of sales in 2023, with 24 and 23 sales, respectively.



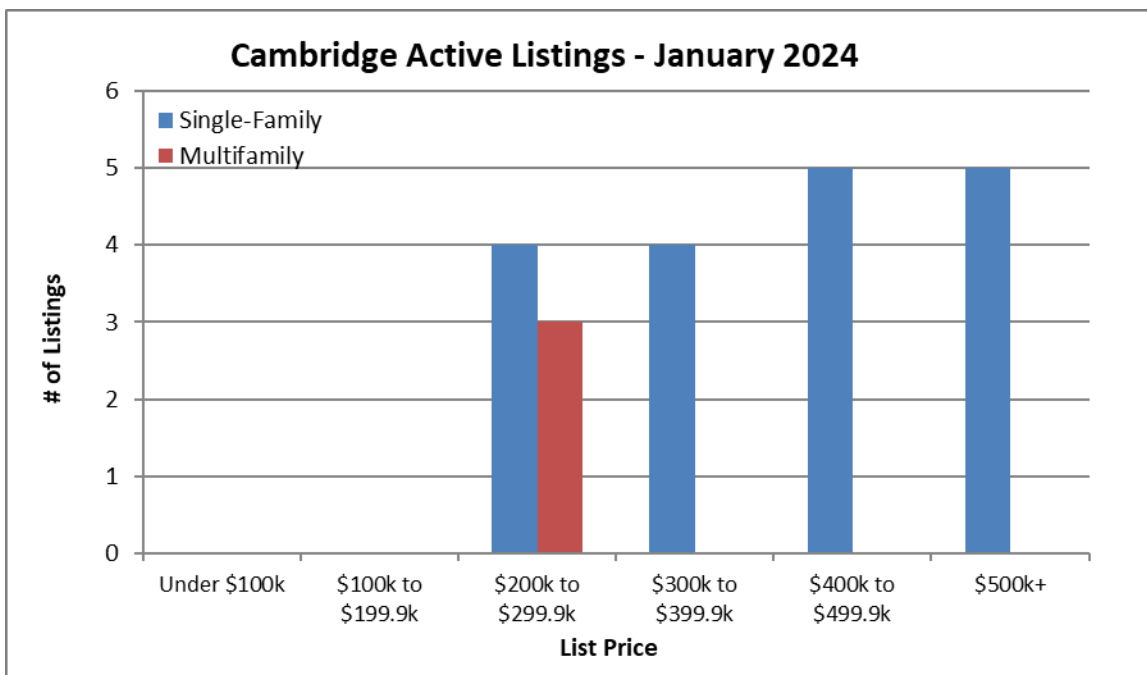
Current Supply of Homes on the Market

To more closely examine the current market for available owner-occupied housing in the City of Cambridge, we reviewed the current supply of homes on the market (listed for sale). Tables FS-3 through FS-5 homes shows currently listed for sale in the City of Cambridge. The data was provided by the Regional Multiple Listing Services of Minnesota and is based on active listings in January of 2024. MLS listings generally account for the vast majority of all residential sale listings in a given area.

Table FS-3 shows the number of listings by price point, while Table FS-4 and FS-5 shows listings by home style. The following points are key findings from our assessment of the active single-family and multifamily homes listed in the City of Cambridge.

- There were 21 active listings in the City of Cambridge in January 2024. Single-family properties accounted for 18 of the 21 listings.
- The median sale price is generally a more accurate indicator of housing values in a community than the average sale price. Average sale prices can be easily skewed by a few very high-priced or low-priced home sales in any given year, whereas the median sale price better represents the pricing of a majority of homes in a given market. The median listing price was \$418,890 in January 2024 for active single-family listings and \$294,500 for active multifamily listings in the City of Cambridge.
- There were no active listings, single family or multifamily, priced below \$200,000 at the time of our survey. All the active multifamily listings fell within the range of \$200,000 to \$300,000.
- There were five active home listings priced above \$500,000 in the City of Cambridge, representing nearly 28% of active listings at the time of the survey.
- Based on a median list price of \$418,890 for single-family listings, a household would need an income of between \$113,160 and \$150,880 in order to afford to make monthly housing payments (accounting for 30% to 40% of income) of about \$3,772 (assuming a 10% down payment, 7.0% 30-year fixed mortgage, property taxes, insurance, and PMI). A household with significantly more equity (in an existing home and/or savings) could put more than 10% down and afford a higher priced home.

TABLE FS-3 HOMES CURRENTLY LISTED FOR-SALE CITY OF CAMBRIDGE JANUARY 2024				
Price Range	Single-Family		Multifamily ¹	
	No.	Pct.	No.	Pct.
< \$99,999	0	0.0%	0	0.0%
\$100,000 to \$149,999	0	0.0%	0	0.0%
\$150,000 to \$199,999	0	0.0%	0	0.0%
\$200,000 to \$249,999	1	5.6%	1	33.3%
\$250,000 to \$299,999	3	16.7%	2	66.7%
\$300,000 to \$349,999	1	5.6%	0	0.0%
\$350,000 to \$399,999	3	16.7%	0	0.0%
\$400,000 to \$449,999	2	11.1%	0	0.0%
\$450,000 to \$499,999	3	16.7%	0	0.0%
\$500,000 and Over	5	27.8%	0	0.0%
	18	100%	3	100%
Minimum	\$239,900		\$239,900	
Maximum	\$799,900		\$294,500	
Median	\$418,890		\$294,500	
Average	\$447,566		\$276,300	
¹ Includes townhomes, twinhomes, and condominiums				
Sources: Regional Multiple Listing Service of MN Maxfield Research & Consulting				



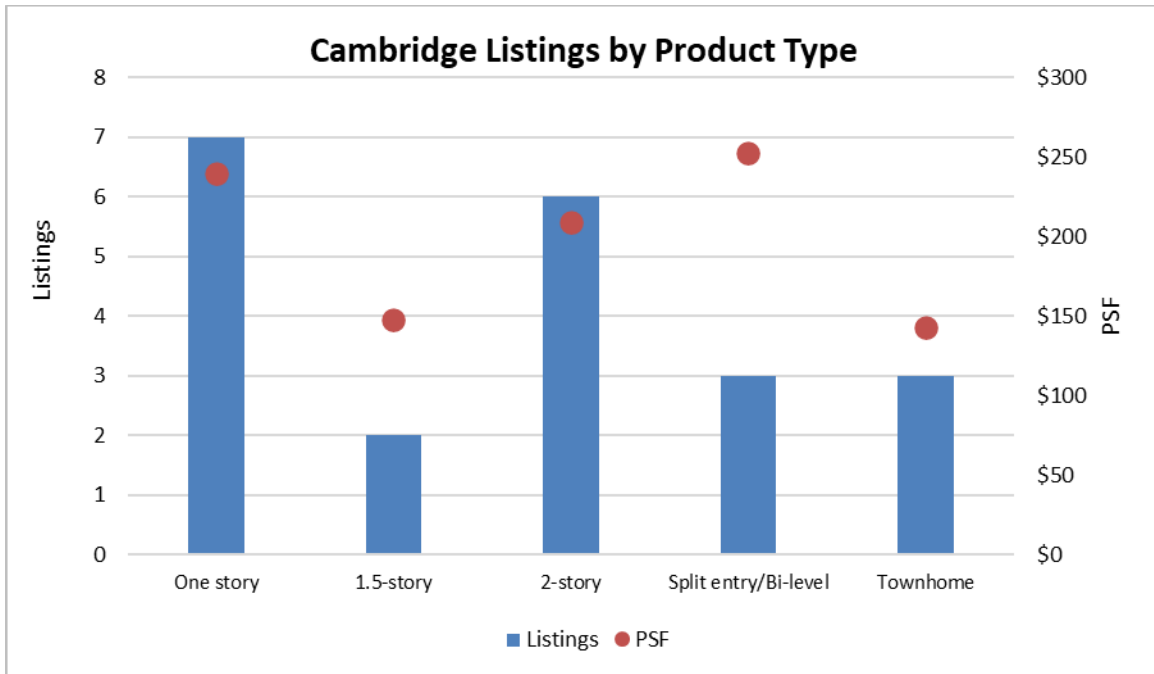
FOR-SALE MARKET ANALYSIS

- As shown in Table FS-4, 86% of the active listings were single-family homes with 18 listing on the market at the time of our survey. The remaining three listings were for townhomes.

Property Type	Listings	Pct.
Single-family	18	85.7%
Townhome/Twinhome	3	14.3%
Total	21	100.0%
Sources: Regional MLS of MN; Maxfield Research & Consulting		

- Table FS-5 shows the active listings by type. The single-family listings consisted of seven one story homes and six two-story homes. The remaining five listings were divided between 1.5-story homes and split entry homes.
- The average listing for one-story homes were listed was 1,952 sq ft, three bedrooms and two bathrooms for \$468,354. The average year one story homes were built was 2001.
- The average listing for a two-story homes was 2,215 sq ft, four bedrooms and three bathrooms for \$463,167. The average year one-story homes were built was 1979.
- The townhome active listings were, on average, smaller than the single-family homes listed for sale with an average of 1,931 sq ft. Townhomes averaged three bedrooms and two bathroom, with average year built on 2023 (i.e., new construction).

Property Type	Listings	Pct.	Avg. Size (Sq Ft)	Avg. List Price	Avg. List Price Per Sq. Ft.	Avg. Bedrooms	Avg. Bathrooms	Avg. Age of Home
Single-Family								
One story	7	38.9%	1,952	\$468,354	\$240	3	2	2001
1.5-story	2	11.1%	2,369	\$349,900	\$148	4	2	1948
2-story	6	33.3%	2,215	\$463,167	\$209	4	3	1979
Split entry/Bi-level	3	16.7%	1,711	\$432,967	\$253	3	2	2022
Total	18	100.0%	2,046	\$447,566	\$219	3	3	1991
Townhomes								
Townhome	3	100.0%	1,931	\$276,300	\$143	3	2	2023
Source: Regional Multiple Listing Service of MN; Maxfield Research & Consulting, LLC								



New Construction Housing Activity

Maxfield Research & Consulting, LLC obtained lot inventory and subdivision data from Metro Study, a homebuilding consulting company that maintains a database of all subdivision activity in the Greater Twin Cities Metro Area. Tables FS-6 to FS-10 provide a variety of information on the new construction market in Cambridge and the PMA.

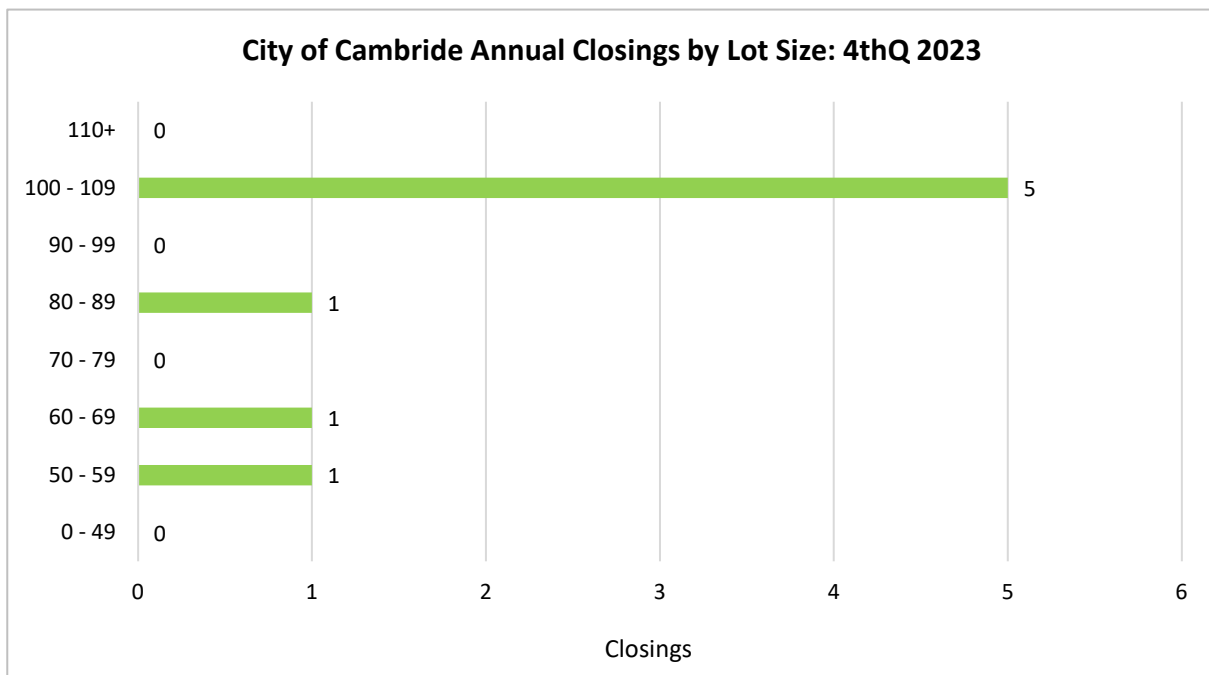
The following terms are used in the lot inventory tables:

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

Lot Supply by Lot Size

FS-6 depicts trends in new single-family home construction based on lot size (i.e., front footage). The data is current as of fourth quarter 2023 for Cambridge, Isanti County, and the Twin Cities Metro Area and is broken down by eight different lot size categories.

- Within Cambridge, the vast majority of lot closings have been with larger lot sizes between 100 and 109 feet. Approximately 60% of all lot closings over the past year have fallen into this category that is generally considered an executive lot today. Compared to the Twin Cities, these lot sizes are significantly higher.
- Lot sizes have decreased since the Great Recession as developers have sought to maximize density to keep housing more affordable. About 36% of lot closings in the Greater Metro Area in the past year have been on lots between 60 feet and 69 feet. Only 10% of lots in the Greater Twin Cities Area were over 100 feet wide.
- Isanti County lot closings over the past year fell into two distinct categories: 60 to 69 (36%) and 100 to 109 feet (49%). The next largest category is over 110 feet (6%).

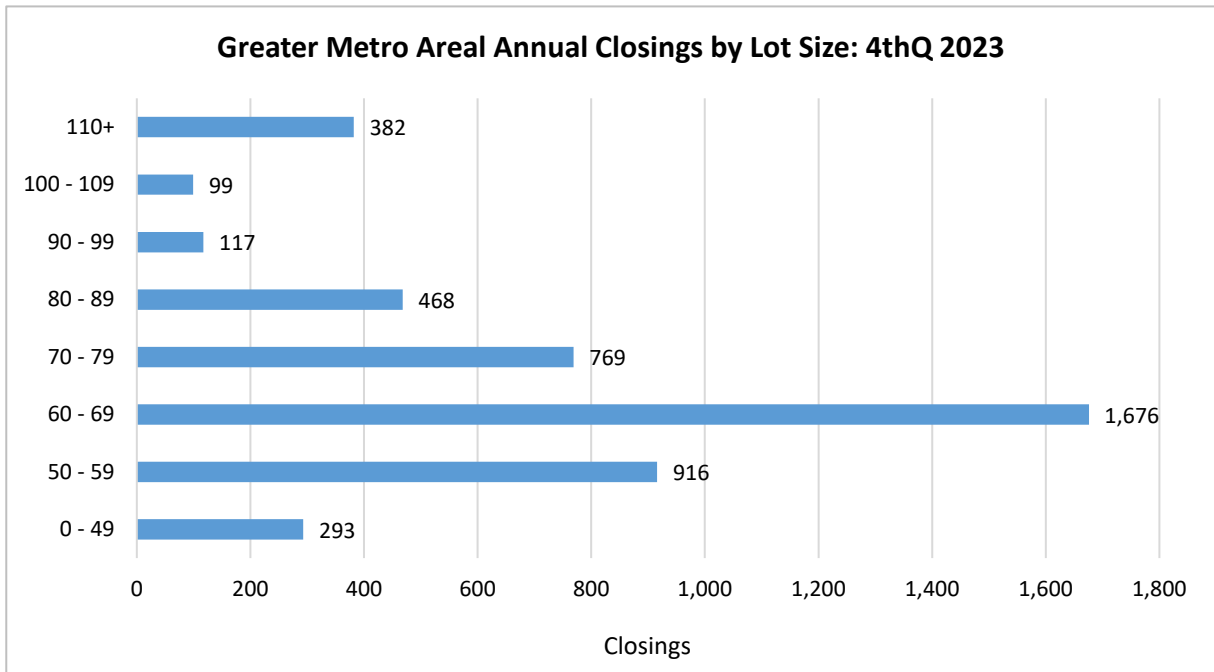
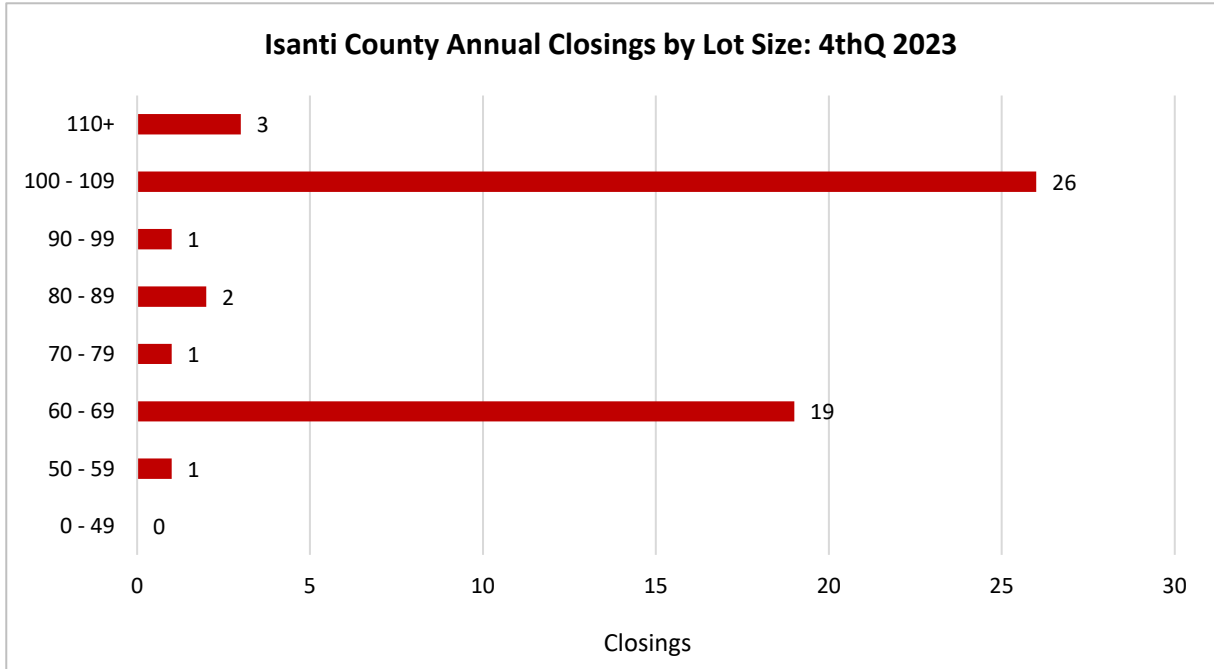


FOR-SALE MARKET ANALYSIS

**TABLE FS-6
LOT SIZE ANALYSIS - DETACHED
CAMBRIDGE, ISANTI COUNTY, & TWIN CITIES METRO AREA
4th QUARTER 2023**

Lot Size (Width)	Quarterly		Annual		Fn. Vac. (FV)	Under Const. (UC)	Hsg. Invent.	Vac. Dev. Lots (VDL)	Future Lots (Fut)
	Starts	Closings	Starts	Closings					
Cambridge									
0 - 49	7	0	7	0	0	7	7	36	0
50 - 59	1	0	1	1	0	1	1	34	95
60 - 69	0	1	1	1	0	0	0	2	0
70 - 79	9	0	9	0	0	9	9	23	30
80 - 89	1	0	1	1	0	2	2	2	152
90 - 99	0	0	0	0	0	0	0	0	0
100 - 109	0	2	2	5	0	0	0	15	199
110 And Over	0	0	0	0	0	0	0	8	0
Summary	18	3	21	8	0	19	19	120	476
Isanti County									
0 - 49	7	0	7	0	0	7	7	36	0
50 - 59	1	0	1	1	0	1	1	34	95
60 - 69	4	5	31	19	9	11	20	42	136
70 - 79	9	1	10	1	0	9	9	24	30
80 - 89	1	1	3	2	1	2	3	8	406
90 - 99	0	0	1	1	0	0	0	7	0
100 - 109	0	2	6	26	4	0	4	20	199
110 And Over	0	1	1	3	3	6	9	36	27
Summary	22	10	60	53	17	36	53	207	893
7-County Metro Total									
0 - 49	95	63	298	259	41	146	200	649	923
50 - 59	214	199	800	764	128	361	540	1,702	3,069
60 - 69	316	338	1,445	1,278	214	584	897	2,688	5,563
70 - 79	130	144	633	650	113	238	396	1,337	2,877
80 - 89	88	81	328	314	45	154	222	616	3,180
90 - 99	2	5	24	47	6	15	24	100	206
100 - 109	4	5	22	27	6	9	17	142	349
110 And Over	20	44	134	189	10	74	92	546	1,028
Summary	869	879	3,684	3,528	563	1,581	2,388	7,780	17,195
Greater Metro Area Total									
0 - 49	119	77	359	293	61	180	254	758	1,205
50 - 59	238	240	948	916	169	421	647	2,058	4,090
60 - 69	396	436	1,910	1,676	335	774	1,241	3,696	8,442
70 - 79	162	174	793	769	161	312	523	1,709	3,972
80 - 89	102	118	464	468	65	206	296	1,098	4,525
90 - 99	22	24	102	117	12	50	67	352	799
100 - 109	9	20	67	99	22	24	48	300	950
110 And Over	51	102	311	382	38	140	187	1,501	1,452
Summary	1,099	1,191	4,954	4,720	863	2,107	3,263	11,472	25,435

Source: Metrostudy, Maxfield Research & Consulting, LLC



New Construction Pricing (Detached Housing Units)

Table FS-7 depicts new construction inventory for detached housing units in Cambridge compared to Isanti County and the Metro Area. The table depicts quarterly and annual starts, finished vacant lots, number of homes under construction and homes previously built, and the number of vacant lots. All of these attributes are provided based on the estimated sales price of the home. Key findings follow.

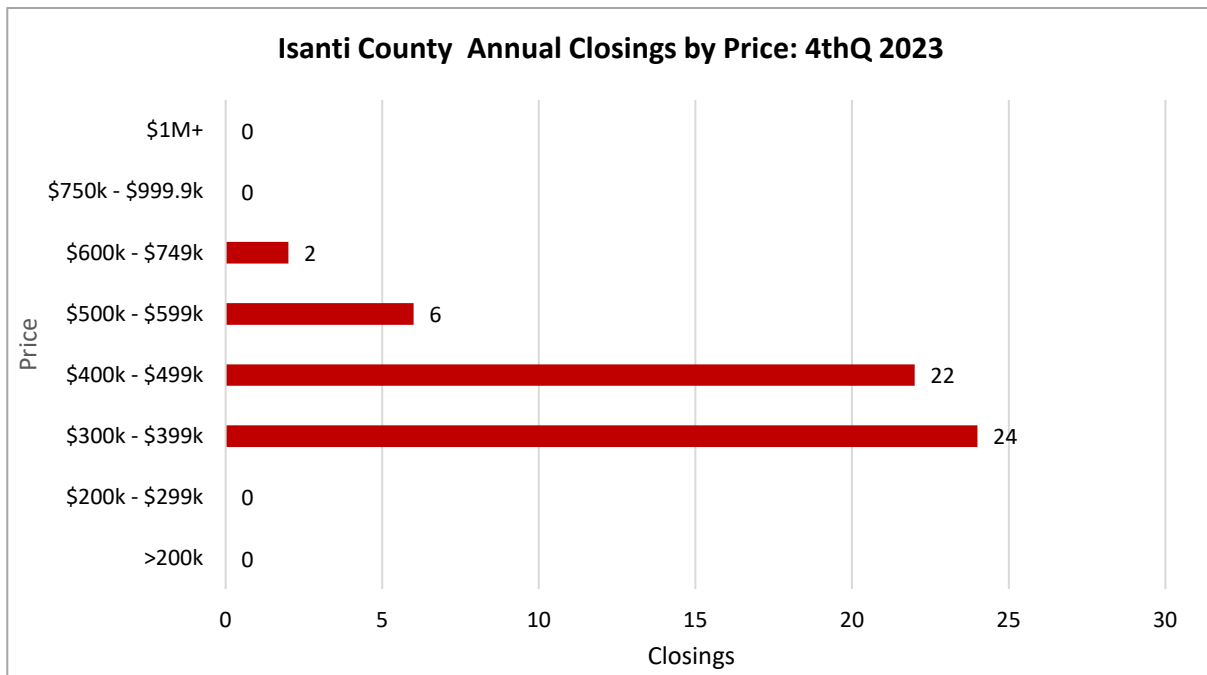
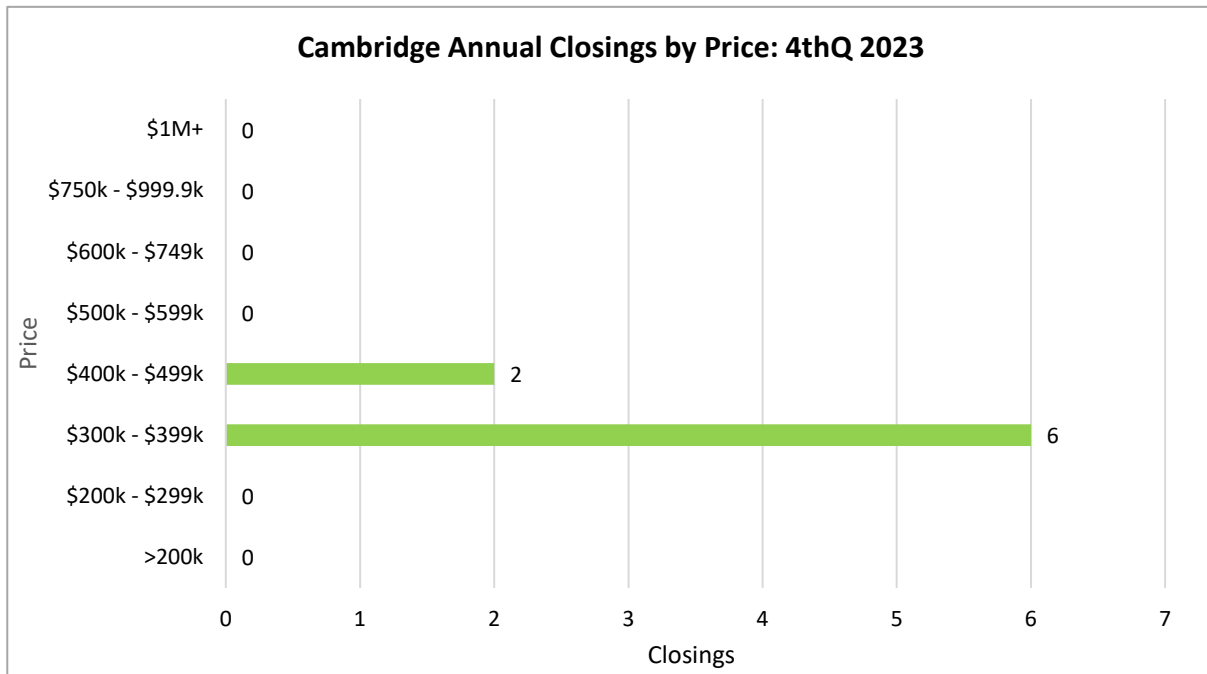
- Three-quarters of new construction closings in Cambridge have been priced between \$300,000 and \$400,000. This compares to only 12% in the Greater Metro Area and 44% in Isanti County.
- The remaining new single-family construction in Cambridge falls within \$400,000 to \$500,000. No new construction subdivisions were above \$500,000 during the survey.
- Nearly 85% of the single-family new construction in Isanti County falls between \$400,000 and \$600,000. About 15% is priced above \$500,000 in Isanti County.
- About 36% of the new construction in the Greater Twin Cities is priced between \$400,000 and \$500,000. Another 26% is priced from \$500,000 to \$600,000. Together, about 62% is priced between \$400,000 and \$600,000.
- Roughly 26% of all new construction in the Greater Twin Cities is priced over \$600,000; whereas only 12% is priced under \$400,000.

FOR-SALE MARKET ANALYSIS

**TABLE FS-7
NEW CONSTRUCTION ACTIVITY BY PRICE POINT - DETACHED
CAMBRIDGE AND TWIN CITIES METRO AREA
4th QUARTER 2023**

Price Point (Base Pricing)	Quarterly		Annual		Fn. Vac. (FV)	Under Const. (UC)	Hsg. Invent.	Vac. Dev. Lots (VDL)
	Starts	Closings	Starts	Closings				
Cambridge								
\$0 - \$199,000	0	0	0	0	0	0	0	0
\$200,000 - \$299,000	0	0	0	0	0	0	0	0
\$300,000 - \$399,000	8	2	10	6	0	8	8	75
\$400,000 - \$499,000	10	1	11	2	0	10	10	45
\$500,000 - \$599,000	0	0	0	0	0	1	1	1
\$600,000 - \$749,000	0	0	0	0	0	0	0	0
\$750,000 - \$999,000	0	0	0	0	0	0	0	0
\$1,000,000 & Over	0	0	0	0	0	0	0	0
Summary	18	3	21	8	0	19	19	121
Isanti County								
\$0 - \$199,000	0	0	0	0	0	0	0	0
\$200,000 - \$299,000	0	0	0	0	0	0	0	0
\$300,000 - \$399,000	9	6	28	24	9	19	28	107
\$400,000 - \$499,000	12	3	29	22	6	15	21	81
\$500,000 - \$599,000	1	0	3	6	1	2	3	18
\$600,000 - \$749,000	0	0	0	2	1	0	1	0
\$750,000 - \$999,000	0	0	0	0	0	0	0	0
\$1,000,000 & Over	0	0	0	0	0	0	0	0
Summary	22	9	60	54	17	36	53	206
7-County Metro Total								
\$0 - \$199,000	0	0	0	0	0	0	0	0
\$200,000 - \$299,000	0	0	0	0	0	0	0	3
\$300,000 - \$399,000	46	44	187	154	32	78	114	367
\$400,000 - \$499,000	319	300	1,251	1,202	188	524	780	2,429
\$500,000 - \$599,000	262	255	1,147	1,061	133	496	706	2,382
\$600,000 - \$749,000	128	150	614	623	127	253	429	1,430
\$750,000 - \$999,000	77	82	335	321	60	149	239	709
\$1,000,000 & Over	36	47	150	168	25	80	120	462
Summary	868	878	3,684	3,529	565	1,580	2,388	7,782
Greater Metro Area Total								
\$0 - \$199,000	0	0	0	0	0	0	0	13
\$200,000 - \$299,000	0	0	3	6	0	0	0	28
\$300,000 - \$399,000	121	160	657	561	142	272	428	1,552
\$400,000 - \$499,000	419	431	1,796	1,714	319	745	1,152	3,953
\$500,000 - \$599,000	293	288	1,301	1,221	175	562	821	2,899
\$600,000 - \$749,000	145	170	680	693	142	287	485	1,691
\$750,000 - \$999,000	83	93	365	357	63	162	257	868
\$1,000,000 & Over	36	47	150	170	25	80	120	472
Summary	1,097	1,189	4,952	4,722	866	2,108	3,263	11,476

Source: Metrostudy, Maxfield Research & Consulting, LLC



Actively Marketing Subdivisions

Tables FS-8 and FS-9 show an inventory of detached and attached lots within platted subdivisions in Cambridge and the PMA. The tables provide information on the initial date the subdivision became active, product type, lot sizes, typical base pricing, starts and closings, and the lot inventory. Please note: not all of the subdivisions may be actively marketing but may simply have available lots for future development.

- Table FS-8 identifies eight single-family subdivisions with available lots in Cambridge. Based on these subdivisions, there are 120 vacant developed lots as of 4th quarter 2023. However, there are another nearly 300 future lots in the same subdivisions.
- Three of these subdivisions were platted in the last year, whereas the remaining five subdivisions were most platted back in the early 2000s. The newer subdivisions have smaller lot sizes compared to existing subdivisions.
- Although there were only eight closings in the subject subdivisions, there were 21 housing starts. Generally, housing starts have continued to decline due to rising interest rates and continued rate hikes by the Federal Reserve, however builders are increasing production to meet demand due to the low supply of homes available from the resale market.
- Over the past year, the average sale prices of a single family home Cambridge has between about \$334,000 with an average finished square footage of 2,145 square feet, or about \$217PSF. At the same time, the average sale prices of a townhome in Cambridge has between about \$281,000 with an average finished square footage of just over 2,000 square feet, or about \$143PSF.
- Compared to single-family, there are few new construction attached products marketing in Cambridge. There are only five actively marketing attached subdivisions in Cambridge boasting a total of 161 vacant developed lots. Given high inflation and rising mortgage rates, the demand for townhome style units will continue to grow as buyers seek out affordability.

FOR-SALE MARKET ANALYSIS

**TABLE FS-8
SUBDIVISION & LOT INVENTORY - DETACHED HOUSING UNITS
CAMBRIDGE PMA
4TH QUARTER 2023**

City/ Township	Subdivision Name	Initial Active Qtr.	Status	Product Type	Lot Range (Ft.)	Pricing (\$1,000)		Annual Starts	Annual Closings	Currently Occupied	Vacant Developed Lot Inventory (VDL)	Future Units (Fut)	Total Units (Tot)
						Min	Max						
Active Lots													
Athens Twp.	Emerald Estates/2nd Addition	3Q21	Active 3Q21	Single Family	260'	\$420	\$580	1	0	2	7	0	10
Cambridge	Parkwood on the Lakes/DTH	1Q05	Active 1Q05	Single Family	100'	\$300	\$400	2	5	84	15	199	298
Cambridge	Woodhaven Acres	2Q03	Active 2Q03	Single Family	110'	\$300	\$375	0	0	47	8	0	55
Cambridge	Bridgewater, Bayview of (DTH)	3Q01	Active 3Q01	Single Family	60'	\$400	\$500	1	1	79	2	0	81
Cambridge	Bridgewater in Cambridge/SF	3Q02	Active 3Q02	Single Family	85'	\$400	\$550	1	1	160	2	0	164
Cambridge	Cambridge Cove/DTH	3Q23	Active 3Q23	Single Family	55'	\$320	\$450	1	0	0	32	68	101
Cambridge	Cambridge Cove/SF	3Q23	Active 3Q23	Single Family	70'	\$350	\$500	9	0	0	23	30	62
Cambridge	Cambridge Cove/Villa	3Q23	Active 3Q23	Single Family	42'	\$320	\$450	7	0	0	36	0	43
Cambridge	Parkwood on the Lakes/Villas	4Q04	Active 4Q04	Single Family	51'	\$300	\$400	0	1	46	2	0	48
Isanti	Fairway Greens/North	1Q22	Active 1Q22	Single Family	60'	\$350	\$600	30	18	30	27	91	168
Isanti	Fairway Greens/	2Q06	Active 2Q06	Single Family	75'	\$350	\$500	1	1	62	1	0	63
Isanti	Rum River Meadows	3Q03	Active 3Q03	Single Family	85'	\$300	\$400	0	0	101	5	142	248
Isanti	London Creek Addition	3Q18	Active 3Q18	Single Family	90'	\$300	\$450	1	1	3	7	0	10
Isanti	Heritage Estates in Isanti	3Q19	Active 3Q19	Single Family	140'	\$300	\$400	0	1	32	10	0	49
Isanti	Legacy Pines	3Q19	Active 3Q19	Single Family	100'	\$300	\$550	4	21	167	5	0	176
Isanti	Sun Prairie	4Q05	Active 4Q05	Single Family	85'	\$300	\$400	2	1	73	1	30	105
Spenser Brook Tw	Hidden Hills of Wyanett Creek	1Q22	Active 1Q22	Single Family	210'	\$400	\$600	0	0	1	11	0	12
Stanford Twp.	Dahlia Shores	4Q23	Active 4Q23	Single Family	65'	\$400	\$600	0	0	0	13	0	13
Subtotal								60	51	887	207	560	1,706
Future Lots													
Cambridge	B&L Lakeview Estates	0	Future	Single Family	0	\$0	\$0	0	0	0	0	13	13
Cambridge	Concept - Kelly Property	0	Future	Single Family	0	\$0	\$0	0	0	0	0	146	146
Cambridge	Liberty Shores	0	Future	Single Family	0	\$0	\$0	0	0	0	0	275	275
Cambridge	Meadowood	0	Future	Single Family	50'	\$300	\$400	0	0	0	0	27	27
Cambridge	Preserve at Parkwood, The	0	Future	Single Family	0	\$0	\$0	0	0	0	0	15	15
Cambridge	Yerigan Farms	4Q05	Future	Single Family	80'	\$150	\$290	0	0	126	0	152	278
Isanti	Fairway Greens/South	0	Future	Single Family	60'	\$0	\$0	0	0	0	0	45	45
Isanti	Johnson Subdivision (DTH)	0	Future	Single Family	0	\$0	\$0	0	0	0	0	38	38
Isanti	Rum River Villas	0	Future	Single Family	0	\$0	\$0	0	0	0	0	44	44
Isanti	South Park	4Q06	Future	Single Family	80'	\$150	\$225	0	0	25	0	82	107
Stanchfield Twp.	Country View Farms	0	Future	Single Family	0	\$0	\$0	0	0	0	0	10	10
Wyanett Twp.	Dawn View Estates	0	Future	Single Family	200'	\$388	\$452	0	0	0	0	14	14
Subtotal								0	0	151	0	861	1,012

Source: Metrostudy, Maxfield Research & Consulting

FOR-SALE MARKET ANALYSIS

**TABLE FS-9
SUBDIVISION & LOT INVENTORY - ATTACHED HOUSING UNITS
CAMBRIDGE PMA
4TH QUARTER 2023**

City/ Township	Subdivision Name	Initial Active Qtr.	Status	Product Type	Lot Range (Ft.)	Pricing (\$1,000)		Annual Starts	Annual Closings	Currently Occupied	Vacant Developed Lot Inventory (VDL)	Future Units (Fut)	Total Units (Tot)
						Min	Max						
Active Lots													
Cambridge	Bridgewater in Cambridge/TH	2Q05	Active 2Q05	Townhouse	25'-40'	\$300	\$350	0	6	164	98	0	262
Cambridge	Joes Lake (TH)	4Q01	Active 4Q01	Townhouse	29'	\$250	\$350	0	0	60	12	54	126
Cambridge	Maple Ridge/TH	1Q14	Active 1Q14	Townhouse	30'	\$300	\$400	0	0	0	6	12	18
Cambridge	Maple Ridge/TW	1Q05	Active 1Q05	Duplex	36'	\$300	\$400	0	2	36	4	40	80
Cambridge	Oak Meadows of Cambridge (TH)	4Q05	Active 4Q05	Townhouse	17'	\$250	\$300	0	0	32	37	0	69
Isanti	Villages on the Rum/(TW)	2Q06	Active 2Q06	Duplex	50'	\$300	\$400	0	0	32	4	0	36
Subtotal								0	8	324	161	106	591
Future Lots													
Cambridge	Parkwood on the Lakes/TH	4Q04	Future	Townhouse	50'	\$110	\$300	0	0	36	0	74	110
Source: Metrostudy, Maxfield Research & Consulting													

Vacant Lot Inventory & Active Subdivisions

Maxfield Research & Consulting inventoried vacant lots in newer subdivisions (i.e., non-infill lots) and identified actively marketing subdivisions in Cambridge (per Isanti County GIS). Please note, due to different data sources and the time to record a closing, the vacant lot numbers do not align with the previous table. Table FS-10 on the following page summarizes vacant lots by subdivision.

- Among the newer active subdivisions, there are 165 vacant lots across 17 subdivisions as of the fourth quarter of 2023. Among the subdivisions with vacant lots, there are a mix of single-family homes, attached townhomes and detached townhomes.
- The average lot size across all subdivisions was 0.28 acres. There were two subdivisions, Samson Acres and Tamarack Ridge River, offering lots with four or more acres.
- Many of the active subdivisions have fewer than five lots left. Only five subdivisions, Cambridge Cove, Maple Ridge, Oak Meadows, Parkwood Southeast (townhomes) and Townhouses at Joe's Lake PUD 2nd, have more than three lots remaining. All these subdivisions are offering new townhomes.
- The average lot value among active subdivisions is \$13,299. In the five subdivisions with the majority of available lots, four have an average lot value was lower than the overall lot value average.
- The average assessed home value was \$193,700. With home values ranging from \$73,800 to \$1,162,100.

FOR-SALE MARKET ANALYSIS

TABLE FS-10
 LOT SUPPLY SINGLE-FAMILY SUBDIVISIONS
 CITY OF CAMBRIDGE
 4TH QUARTER 2023

Subdivision	Type	City/Twp.	No. of Lots	Vacant/ Avail. Lots	Avg Size of Lots (Acres)			Avg Assessed Lot/Land Value ¹			Avg Assessed Home Value ²		
					Min	Max	Avg.	Min	Max	Avg.	Min	Max	Avg.
Bridgewater 3rd	Single Family	Cambridge	79	3	0.34	- 1.53	0.54	\$20,000	- \$112,500	\$33,256	\$116,000	- \$441,500	\$325,253
Bridgewater - Detached Townhomes	Detached Townhomes	Cambridge	81	3	0.12	- 0.12	0.12	\$20,000	- \$20,000	\$20,000	\$217,600	- \$383,700	\$305,114
Bridgewater - Attached Townhomes	Attached Townhomes	Cambridge	81	3	0.03	- 0.18	0.05	\$700	- \$5,000	\$3,952	\$73,800	- \$346,400	\$181,630
Cambridge Cove	SF/Villa/Detached TH	Cambridge	111	83	0.05	- 1.36	0.29	\$4,000	- \$4,000	\$4,000	NA	- NA	NA
East Oaks 6th Additon	Single Family	Cambridge	5	1	0.35	- 1.48	0.60	\$23,600	- \$82,600	\$43,600	\$331,600	- \$845,700	\$500,875
East Oaks 7th Addition	Single Family	Cambridge	9	2	0.33	- 0.87	0.52	\$22,000	- \$37,900	\$29,938	\$324,700	- \$440,900	\$367,550
Heritage Greens of Cambridge	Single Family	Cambridge	76	2	0.12	- 0.29	0.15	\$10,500	- \$25,000	\$15,842	\$203,400	- \$303,400	\$257,065
Maple Ridge	Townhomes	Cambridge	46	10	0.04	- 0.21	0.11	\$5,000	- \$9,000	\$8,478	\$175,100	- \$258,600	\$208,924
Oak Meadows	Townhomes	Cambridge	69	37	0.02	- 0.04	0.03	\$5,000	- \$9,000	\$5,348	\$156,000	- \$202,100	\$162,981
Parkwood Southeast	Detached Townhomes	Cambridge	81	14	0.15	- 0.62	0.21	\$15,000	- \$15,000	\$15,000	\$92,000	- \$362,500	\$252,634
Parkwood Southeast	Single Family	Cambridge	41	3	0.25	- 0.80	0.38	\$18,000	- \$18,000	\$18,000	\$24,300	- \$360,400	\$264,574
Samson Acres	Single Family	Cambridge	5	3	4.00	- 5.37	4.67	\$32,700	- \$56,000	\$42,860	\$314,400	- \$601,900	\$458,150
Schumaker Addition	Single Family	Cambridge	8	1	0.35	- 0.49	0.38	\$20,000	- \$20,000	\$20,000	\$278,900	- \$312,300	\$290,900
Spring Meadow	Single Family	Cambridge	8	1	0.29	- 0.65	0.41	\$20,000	- \$27,500	\$20,938	\$260,600	- \$279,200	\$269,014
Spring Meadow 1st Addition	Single Family	Cambridge	1	1	0.56	- 0.56	0.56	\$20,000	- \$20,000	\$20,000	NA	- NA	NA
Tamarack Ridge River	Single Family	Cambridge	8	1	4.03	- 7.84	4.98	\$40,000	- \$99,300	\$70,363	\$385,900	- \$1,162,100	\$543,986
Townhouses at Joe's Lake PUD 2nd	Townhomes	Cambridge	32	12	0.04	- 7.72	0.37	\$5,500	- \$42,000	\$12,262	\$158,300	- \$183,400	\$172,480
Subtotal			822	194	0.28			\$13,299			\$193,770		

1 Lot value and home value based on City of Cambridge Assessor data.

2 Home value is the county assessor data of land + building or total market value

Sources: City of Cambridge, & Maxfield Research and Consulting, LLC.

Realtor Input

Maxfield Research & Consulting reached out to local Realtors to solicit input on the Cambridge housing market. The following summarizes key findings.

- The local real estate market continues to be a sellers' market in Cambridge, as all Realtors survey indicated that there was an undersupply of homes on the market.
- Realtors were asked to identify the price ranges for entry level, move up and executive level single family homes. In general, entry level homes were determined to cost about \$300,000, move up homes had a price of \$400,000 and executive level home were estimated to cost \$500,000 or more.
- In the townhome market, entry level homes are expected to be priced at \$200,000, move up townhomes were estimated to be in the range of \$300,000 and executive townhomes were estimated to have a cost of \$500,000.
- Local realtors express a difference of opinion on the availability of lots in Cambridge. Approximately 57% of responses stated a lack of lots, while 42% indicated there were enough lots platted and ready to build in the area.
- In the Cambridge area, couples with children (whether married or unmarried) are the primary household type among those actively looking for homes in the Cambridge area, followed by couples (whether married or unmarried) without children.
- Realtors identified entry-level single-family homes and move-up single-family homes as the housing type the area most needs.
- Through 2024, Realtors estimate that median sales prices, supply and resales will all increase, while mortgage rates and days on market with either decrease or remain stable.
- Potential barriers to new housing supply in the Cambridge market based on our survey of Realtors in the area include home prices that are too high for the average home-buyer, coupled with higher interest rates and city taxes.

Introduction

Affordable housing is a term that has various definitions according to different people and is a product of supply and demand. According to the U.S. Department of Housing and Urban Development (HUD), the definition of affordability is for a household to pay no more than 30% of its annual income on housing (including utilities). Families who pay more than 30% of their income for housing (either rent or mortgage) are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.

Generally, housing that is income-restricted to households earning at or below 80% of Area Median Income (AMI) is considered affordable. However, many individual properties have income restrictions set anywhere from 30% to 80% of AMI. Rent is not based on income but instead is a contract amount that is affordable to households within the specific income restriction segment. Moderate-income housing, often referred to as “workforce housing,” refers to both rental and ownership housing. Hence the definition is broadly defined as housing that is income-restricted to households earning between 50% and 120% AMI. Figure 1 below summarizes income ranges by definition.

FIGURE 1
AREA MEDIAN INCOME (AMI) DEFINITIONS

Definition	AMI Range
Extremely Low Income	0% - 30%
Very Low Income	31% - 50%
Low Income	51% - 80%
Moderate Income Workforce Housing	80% - 120%

Note: Isanti County 4-person AMI = \$124,900 (2023).

Naturally-Occurring Affordable Housing (i.e., Unsubsidized Affordable)

Although affordable housing is typically associated with an income-restricted property, there are other housing units in communities that indirectly provide affordable housing. Housing units that were not developed or designated with income guidelines (i.e., assisted) yet are more affordable than other units in a community are considered “naturally-occurring” or “unsubsidized affordable” units. This rental supply is available through the private market, versus assisted housing programs through various governmental agencies. Property values on these units are lower based on a combination of factors, such as: age of structure/housing stock, location, condition, size, functionally obsolete, school district, etc. Because of these factors, housing costs tend to be lower.

According to the *Joint Center for Housing Studies of Harvard University*, the privately unsubsidized housing stock supplies three times as many low-cost affordable units than assisted projects nationwide. Unlike assisted rental developments, most unsubsidized affordable units are

scattered across small properties (one to four unit structures) or in older multifamily structures. Many of these older developments are vulnerable to redevelopment due to their age, modest rents, and deferred maintenance.

Because many of these housing units have affordable rents, project-based and private housing markets cannot be easily separated. Some households (typically those with household incomes of 50% to 60% AMI) income-qualify for both market rate and project-based affordable housing.

Rent and Income Limits

Table HA-1 shows the maximum allowable incomes by household size to qualify for affordable housing and maximum gross rents that can be charged by bedroom size in Pennington County. These incomes are published and revised annually by the Department of Housing and Urban Development (HUD) and also published separately by the Minnesota Housing Finance Agency based on the date the project was placed into service. Fair market rent is the amount needed to pay gross monthly rent at modest rental housing in a given area. This table is used as a basis for determining the payment standard amount used to calculate the maximum monthly subsidy for families at financially assisted housing.

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

HOUSING AFFORDABILITY

TABLE HA-1 MHFA/HUD INCOME AND RENT LIMITS ISANTI COUNTY - 2023								
Income Limits by Household Size								
	1 pph	2 pph	3 pph	4 pph	5 pph	6 pph	7 pph	8 pph
30% of median	\$26,100	\$29,820	\$33,540	\$37,260	\$40,260	\$43,230	\$46,230	\$49,200
50% of median	\$43,500	\$49,700	\$55,900	\$62,100	\$67,100	\$72,050	\$77,050	\$82,000
60% of median	\$52,200	\$59,640	\$67,080	\$74,520	\$80,520	\$86,460	\$92,460	\$98,400
80% of median	\$69,600	\$79,520	\$89,440	\$99,360	\$107,360	\$115,280	\$123,280	\$131,200
100% of median	\$87,000	\$99,400	\$111,800	\$124,200	\$134,200	\$144,100	\$154,100	\$164,000
120% of median	\$104,400	\$119,280	\$134,160	\$149,040	\$161,040	\$172,920	\$184,920	\$196,800
Maximum Gross Rent								
	EFF	1BR	2BR	3BR	4BR			
30% of median	\$652	\$745	\$838	\$931	\$1,006			
50% of median	\$1,087	\$1,242	\$1,397	\$1,552	\$1,677			
60% of median	\$1,305	\$1,491	\$1,677	\$1,863	\$2,013			
80% of median	\$1,740	\$1,988	\$2,236	\$2,484	\$2,684			
100% of median	\$2,175	\$2,485	\$2,795	\$3,105	\$3,355			
120% of median	\$2,610	\$2,982	\$3,354	\$3,726	\$4,026			
Fair Market Rent								
	EFF	1BR	2BR	3BR	4BR			
Fair Market Rent	\$1,007	\$1,149	\$1,410	\$1,916	\$2,209			

Sources: HUD; Novogradac; Maxfield Research and Consulting LLC.

HOUSING AFFORDABILITY

**TABLE HA-2
MAXIMUM RENT BASED ON HOUSEHOLD SIZE AND AREA MEDIAN INCOME
ISANTI COUNTY - 2023**

Unit Type ¹	HHD Size		Maximum Rent Based on Household Size (@30% of Income)											
	Min	Max	30%		50%		60%		80%		100%		120%	
			Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Studio	1	1	\$653	- \$653	\$1,088	- \$1,088	\$1,305	- \$1,305	\$1,740	- \$1,740	\$2,175	- \$2,175	\$2,610	- \$2,610
1BR	1	2	\$653	- \$746	\$1,088	- \$1,243	\$1,305	- \$1,491	\$1,740	- \$1,988	\$2,175	- \$2,485	\$2,610	- \$2,982
2BR	2	4	\$746	- \$932	\$1,243	- \$1,553	\$1,491	- \$1,863	\$1,988	- \$2,484	\$2,485	- \$3,105	\$2,982	- \$3,726
3BR	3	6	\$839	- \$1,081	\$1,398	- \$1,801	\$1,677	- \$2,162	\$2,236	- \$2,882	\$2,795	- \$3,603	\$3,354	- \$4,323
4BR	4	8	\$932	- \$1,230	\$1,553	- \$2,050	\$1,863	- \$2,460	\$2,484	- \$3,280	\$3,105	- \$4,100	\$3,726	- \$4,920

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

Note: Isanti County 4-person AMI = \$124,900 (2023)

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

Housing Cost Burden

Table HA-3 shows the number and percentage of owner and renter households in the Cambridge Market Area that pay 30% or more of their gross income for housing. This information was compiled from the American Community Survey 2021 estimates. This information is different than the 2000 Census which separated households that paid 35% or more in housing costs. As such, the information presented in the tables may be overstated in terms of households that may be “cost burdened.” The Federal standard for affordability is 30% of income for housing costs. Without a separate break out for households that pay 35% or more, there are likely a number of households that elect to pay slightly more than 30% of their gross income to select the housing that they choose. Moderately cost-burdened is defined as households paying between 30% and 50% of their income to housing; while severely cost-burdened is defined as households paying more than 50% of their income for housing.

Higher-income households that are cost-burdened may have the option of moving to lower priced housing, but lower-income households often do not. The figures focus on owner households with incomes below \$50,000 and renter households with incomes below \$35,000.

Key findings from Table HA-3 follow.

- About 29% of owner households and 58% of renter householders are estimated to be paying more than 30% of their income for housing costs in the City of Cambridge. The percentage of cost burdened owner households in the Market Area is lower compared to the city. The Market Area cost burdened households are 22% for owner households and 64% for renter households.
- There was a higher proportion of cost burdened households in the City of Cambridge and the Market Area compared to the State of Minnesota where 18% of owner households and 57% of renter households are considered cost burdened.
- The number of cost burdened households in Cambridge increases for lower income households. About 82% of renters with incomes below \$35,000 and 67% of owners with incomes below \$50,000 are cost burdened in the City of Cambridge.
- The proportion of cost burdened lower income owner households is similar in the City of Cambridge and the State of Minnesota. However, the proportion of cost burden low income renter households was lower in the State of Minnesota (47%) compared to the City of Cambridge.

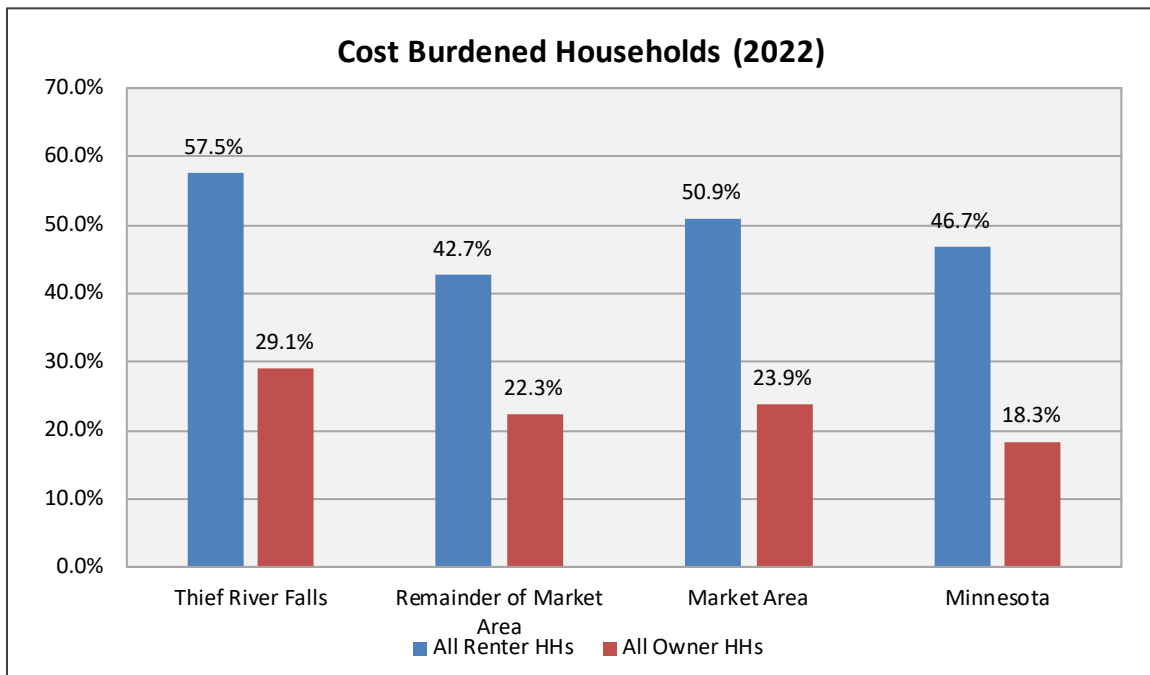
HOUSING AFFORDABILITY

**TABLE HA-3
HOUSING COST BURDEN
CAMBRIDGE MARKET AREA
2022**

Community	City of Cambridge		Remainder of MA		Market Area		Minnesota	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Owner Households								
All Owner Households	2,751		9,196		11,947		1,631,701	
Cost Burden 30% or greater	800	29.1%	2,040	22.3%	2,840	23.9%	297,746	18.3%
Renter Households								
All Renter Households	1,277		1,177		2,454		624,425	
Cost Burden 30% or greater	729	57.5%	436	42.7%	1,165	50.9%	275,577	46.7%
Renter Households w/ incomes <\$35,000								
All Renter Households	618		520		1,138		231,952	
Cost Burden 30% or greater	499	82.1%	332	76.7%	831	79.8%	176,143	82.7%

Note: Calculations exclude households not computed.

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



Housing Costs as Percentage of Household Income

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

The housing affordability calculations assume the following:

For-Sale Housing

- 10% down payment with good credit score
- Closing costs rolled into mortgage
- 30-year mortgage at 7.00% interest rate
- Private mortgage insurance (equity of less than 20%)
- Homeowners insurance for single-family homes and association dues for townhomes
- Owner household income per 2022 ACS

Rental Housing

- Background check on tenant to ensure credit history
- 30% allocation of income
- Renter household income per 2022 ACS

Because of the down payment requirement and strict underwriting criteria for a mortgage, not all households will meet the income qualifications as outlined above.

- About 47% of Cambridge PMA households could afford to buy an entry-level home (\$275,000) in Cambridge. Furthermore, about 57% of existing owner households could afford to purchase a home of \$275,000.
- About 52% of existing renter households can afford to rent a one-bedroom unit in Cambridge (approx. \$925/month). The percentage of renter income-qualified households decreases to roughly 36% that can afford an existing three-bedroom unit (approx. \$1,350/month). Furthermore, about 39% of renters could afford to rent a one-bedroom apartment at \$1,250 per month within a new development.

HOUSING AFFORDABILITY

**TABLE HA-4
HOUSING AFFORDABILITY - BASED ON HOUSEHOLD INCOME
CAMBRIDGE MARKET AREA**

For-Sale (Assumes 10% down payment and good credit)						
	Single-Family			Townhome/Twinhome/Condo		
	Entry-Level	Move-Up	Executive	Entry-Level	Move-Up	Executive
Price of House	\$275,000	\$400,000	\$550,000	\$225,000	\$300,000	\$425,000
Pct. Down Payment	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Total Down Payment Amt.	\$27,500	\$40,000	\$55,000	\$22,500	\$30,000	\$42,500
Estimated Closing Costs (rolled into mortgage)	\$8,250	\$12,000	\$16,500	\$6,750	\$9,000	\$12,750
Cost of Loan	\$255,750	\$372,000	\$511,500	\$209,250	\$279,000	\$395,250
Interest Rate	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
Number of Pmts.	360	360	360	360	360	360
Monthly Payment (P & I)	-\$1,702	-\$2,475	-\$3,403	-\$1,392	-\$1,856	-\$2,630
(plus) Prop. Tax	-\$229	-\$333	-\$458	-\$188	-\$250	-\$354
(plus) HO Insurance/Assoc. Fee for TH	-\$92	-\$133	-\$183	-\$100	-\$100	-\$100
(plus) PMI/MIP (less than 20%)	-\$111	-\$161	-\$222	-\$91	-\$121	-\$171
Subtotal monthly costs	-\$2,133	-\$3,103	-\$4,266	-\$1,770	-\$2,327	-\$3,255
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$85,327	\$124,112	\$170,654	\$70,813	\$93,084	\$130,202
Pct. of ALL Market Area HHDS who can afford¹	46.5%	26.7%	7.1%	56.3%	41.5%	16.9%
Pct. of Market Area owner HHDs who can afford²	56.7%	33.1%	8.0%	65.5%	50.8%	25.8%
Rental (Market Rate)						
	Existing Rental			New Rental		
	1BR	2BR	3BR	1BR	2BR	3BR
Monthly Rent	\$925	\$1,150	\$1,350	\$1,250	\$1,450	\$1,725
Annual Rent	\$11,100	\$13,800	\$16,200	\$15,000	\$17,400	\$20,700
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$37,000	\$46,000	\$54,000	\$50,000	\$58,000	\$69,000
Pct. of ALL Market Area HHDS who can afford¹	80.2%	73.4%	67.7%	70.4%	65.0%	57.5%
Pct. of Market Area renter HHDs who can afford²	51.7%	42.8%	36.4%	38.9%	33.9%	27.1%
¹ Based on 2024 household income for ALL households						
² Based on 2022 ACS household income by tenure (i.e. owner and renter incomes. Owner incomes = \$93,704 vs. renter incomes = \$40,071)						
Source: Maxfield Research & Consulting, LLC						

Introduction

Previous sections of this study analyzed the existing housing supply and the growth and demographic characteristics of the population and household base in the Cambridge Market Area. This section of the report presents our estimates of housing demand in the Cambridge Market Area and City of Cambridge from 2024 through 2035.

Demographic Profile and Housing Demand

The demographic profile of a community affects housing demand and the types of housing that are needed. The housing life-cycle stages are:

1. *Entry-level householders*
 - Often prefer to rent basic, inexpensive apartments
 - Usually singles or couples in their early 20's without children
 - Will often "double-up" with roommates in apartment setting
2. *First-time homebuyers and move-up renters*
 - Often prefer to purchase modestly priced single-family homes or rent more upscale apartments
 - Usually married or cohabiting couples, in their mid-20's or 30's, some with children, but most are without children
3. *Move-up homebuyers*
 - Typically prefer to purchase newer, larger, and therefore more expensive single-family homes
 - Typically, families with children where householders are in their late 30's to 40's
4. *Empty-nesters (persons whose children have grown and left home) and never-nesters (persons who never have children)*
 - Prefer owning but will consider renting their housing
 - Some will move to alternative lower-maintenance housing products
 - Generally, couples in their 50's or 60's
5. *Younger independent seniors*
 - Prefer owning but will consider renting their housing
 - Will often move (at least part of the year) to retirement havens in the Sunbelt and desire to reduce their responsibilities for upkeep and maintenance
 - Generally, in their late 60's or 70's

6. *Older seniors*

- May need to move out of their single-family home due to physical and/or health constraints or a desire to reduce their responsibilities for upkeep and maintenance
- Generally single females (widows) in their mid-70's or older

Demand for housing can come from several sources including: household growth, changes in housing preferences, and replacement need. Household growth necessitates building new housing unless there is enough desirable vacant housing available to absorb the increase in households. Demand is also affected by shifting demographic factors such as the aging of the population, which dictates the type of housing preferred. New housing to meet replacement need is required, even in the absence of household growth, when existing units no longer meet the needs of the population and when renovation is not feasible because the structure is physically or functionally obsolete.

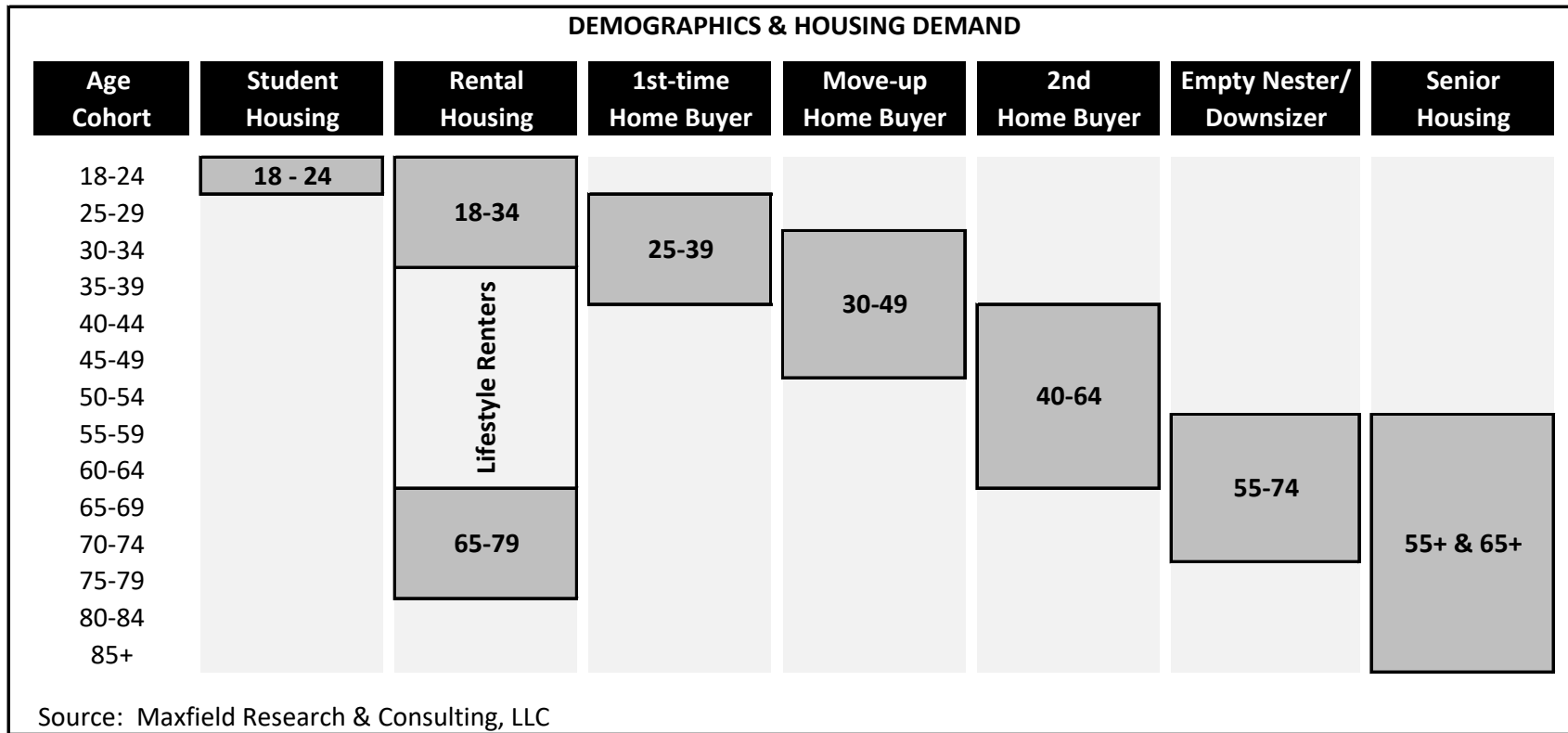
The graphic on the following page provides greater detail of various housing types supported within each housing life cycle. Information on square footage, average bedrooms/bathrooms, and lot size is provided on the subsequent graphic.

Housing Demand Overview

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

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

HOUSING DEMAND ANALYSIS



HOUSING DEMAND ANALYSIS

TYPICAL HOUSING TYPE CHARACTERISTICS				
	Housing Types	Target Market/ Demographic	Unit/Home Characteristics	Lot Sizes/ Units Per Acre ¹
For-Sale Housing	Entry-level single-family	First-time buyers: Families, couples w/no children, some singles	1,200 to 2,200 sq. ft. 2-4 BR 2 BA	80'+ wide lot 2.5-3.0 DU/Acre
	Move-up single-family	Step-up buyers: Families, couples w/no children	2,000 sq. ft.+ 3-4 BR 2-3 BA	80'+ wide lot 2.5-3.0 DU/Acre
	Executive single-family	Step-up buyers: Families, couples w/no children	2,500 sq. ft.+ 3-4 BR 2-3 BA	100'+ wide lot 1.5-2.0 DU/Acre
	Small-lot single-family	First-time & move-down buyers: Families, couples w/no children, empty nesters, retirees	1,700 to 2,500 sq. ft. 3-4 BR 2-3 BA	40' to 60' wide lot 5.0-8.0 DU/Acre
	Entry-level townhomes	First-time buyers: Singles, couples w/no children	1,200 to 1,600 sq. ft. 2-3 BR 1.5BA+	6.0-12.0 DU/Acre
	Move-up townhomes	First-time & step-up buyers: Singles, couples, some families, empty-nesters	1,400 to 2,000 sq. ft. 2-3 BR 2BA+	6.0-8.0 DU/Acre
	Executive townhomes/twinhomes	Step-up buyers: Empty-nesters, retirees	2,000+ sq. ft. 3 BR+ 2BA+	4.0-6.0 DU/Acre
	Detached Townhome	Step-up buyers: Empty-nesters, retirees, some families	2,000+ sq. ft. 3 BR+ 2BA+	4.0-6.0 DU/Acre
	Condominiums	First-time & step-up buyers: Singles, couples, empty-nesters, retirees	800 to 1,700 sq. ft. 1-2 BR 1-2 BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 75.0+ DU/Acre
Rental Housing	Apartment-style rental housing	Singles, couples, single-parents, some families, seniors	675 to 1,250 sq. ft. 1-3 BR 1-2 BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 75.0+ DU/Acre
	Townhome-style rental housing	Single-parents, families w/children, empty nesters	900 to 1,700 sq. ft. 2-4 BR 2BA	8.0-12.0 DU/Acre
	Student rental housing	College students, mostly undergraduates	550 to 1,400 sq. ft. 1-4BR 1-2 BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 50.0+ DU/Acre
Both	Senior housing	Retirees, Seniors	550 to 1,500 sq. ft. Suites - 2BR 1-2 BA	Varies considerably based on senior product type

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

Source: Maxfield Research & Consulting, LLC

Demographics

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

Economy and Job Growth

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

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

Consumer Choice/Preferences

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

Supply (Existing Housing Stock)

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

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

Housing Finance

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

Recent mortgage interest rate hikes from the Federal Reserve has resulted in tighter underwriting and leaving many buyers on the sidelines. Housing payments have increased by about 45% from early 2022 to 2023 just on interest rates alone.

Mobility

It is important to note that demand is somewhat fluid between Cambridge and the surrounding Isanti county geography's and will be impacted by development activity in nearby areas, including other communities outside of the Market Area. Much of the housing demand in a

community is generated by the turnover of existing households. Satisfying future demand will be highly dependent on the availability of suitable housing options in the community.

Estimated Demand for For-Sale Housing

Table HD-1 presents our demand calculations for general occupancy for-sale housing in the Cambridge Market Area between 2024 and 2035.

The 65 and older cohort is typically not a target market for new general occupancy for-sale housing, therefore, we limit demand from household growth to only those households under the age of 65. According to our projections, at a propensity to own of 83%, the Cambridge Market Area is expected to increase by 482 households under the age of 65 between 2024 and 2035.

Demand is forecast to emerge from existing Market Area householders through turnover. An estimated 9,518 owner-occupied households under age 65 are located in the Cambridge Market Area in 2024. Based on mobility data from the Census Bureau, an estimated 53% of owner households will turnover in a seven-year period, resulting in 5,026 existing households projected to turnover. Finally, we estimate 15% of the existing owner households will seek new for-sale housing, resulting in demand for 754 for-sale units through 2035. Combining demand from projected household growth (482 households) with demand from existing owner households (754 households) results in combined demand of 1,765 households.

Next, we estimate that 30% of the total demand for new for-sale units in the Cambridge Market Area will come from people currently living outside of the Market Area. A portion of this market will be former residents of the area, such as “snow-birds” heading south for the winters. Adding demand from outside the Cambridge Market Area to the existing demand potential, results in a total estimated demand for 1,765 for-sale housing units by 2035.

Based on land available, building trends, and demographic shifts (increasing older adult population), we project 75% of the for-sale owners will prefer traditional single-family product types while the remaining 25% will prefer a maintenance-free multi-family product (i.e., townhomes, townhomes, detached townhomes, condominiums, etc.).

We then subtract the current identified platted lots that are available, under construction or approved. After subtracting the current lot supply in subdivisions (207 total single-family lots and 161 total multifamily lots) we find total demand through 2035 resulting in 1,117 single-family lots and 280 multifamily lots.

Finally, we estimate that 40% of the excess single-family demand and 75% of the excess multifamily demand from the Cambridge Market Area demand could be captured in Cambridge. Therefore, total for-sale demand in Cambridge through 2035 is about 450 new single-family lots and 210 multifamily units.

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TABLE HD-1 FOR-SALE HOUSING DEMAND CAMBRIDGE MARKET AREA 2024 to 2035			
Demand from Projected Household Growth			
Projected HH growth under age 65 in the Market Area 2024 to 2035 ¹			580
(times) % propensity to own ²	x	83%	
(equals) Projected demand from new HH growth	=		<u>481</u>
Demand from Existing Owner Households			
Number of owner households (age 64 and younger) in the Market Area (2024) ³			9,518
(times) Estimated percent of owner turnover ⁴	x	53%	
(equals) Total existing households projected to turnover	=		<u>5,026</u>
(times) Estimated percent desiring new housing	x	15%	
(equals) Demand from existing households			<u>754</u>
(equals) Total demand from HH growth and existing HHs 2024 to 2035	=		1,235
(times) Demand from outside the Market Area			30%
(equals) Total demand potential for ownership housing, 2024 to 2035			1,765
		Single Family	Multi- Family*
(times) Percent desiring for-sale single-family vs. multifamily ⁵	x	75%	25%
(equals) Total demand potential for new single-family & multifamily for-sale housing	=	1,324	441
(minus) Units under construction or approved platted lots (undeveloped and developed lots) ⁶	-	207	161
(equals) Excess demand for new general occupancy for-sale housing in the PMA	=	1,117	280
(times) Percent of Market Area demand capturable in Cambridge	x	40%	75%
(equals) number of units supportable in the City of Cambridge		447	210
¹ Estimated household growth based on projections as adjusted by Maxfield Research and Consulting LLC			
² Pct. of owner households under the age of 65 (U.S. Census - 2022).			
³ Estimate based on 2022 households under age 65 and ownership propensity.			
⁴ Based on on turnover from 2022 American Community Survey for households moving over an 7-year period.			
⁵ Based on preference for housing type and land availability			
⁶ Approved platted lot data does not account for the scattered lot supply which includes individual lots and lots in older non-marketing subdivisions.			
* Multi-family demand includes demand for townhomes, twinhomes, and condominium units.			
Source: Maxfield Research and Consulting LLC.			

Estimated Demand for General-Occupancy Rental Housing

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

The 65 and older cohort is typically not a target market for new general occupancy rental housing, therefore, we limit demand from household growth to only those households under the age of 65. According to our projections, at an estimated 18.5% rental rate (adjusted up from 17% after all the rental housing planned and under construction is built), the Cambridge Market Area is expected to increase by 107 households under the age of 65 between 2024 and 2035.

Demand is forecast to emerge from existing Market Area householders through turnover. An estimated 2,100 renter-occupied households under age 65 are located in the Cambridge Market Area in 2024. Based on mobility data from the Census Bureau, an estimated 90% of renter households will turnover in 11-year period, resulting in 1,900 existing households projected to turnover. Finally, we estimate 22% of the existing renter households will seek new rental housing, resulting in demand for 420 rental units through 2035.

Next, we estimate that 30% of the total demand for new rental units in the Cambridge Market Area will come from people currently living outside of the Market Area. Adding demand from outside the Cambridge Market Area to the existing demand potential, results in a total estimated demand for about 750 rental housing units by 2035.

Based on a review of rental household incomes and sizes and monthly rents at existing projects, we estimate that approximately 15% of the total demand will be for subsidized housing (30% AMI), 15% will be for affordable housing (40% to 60% AMI), and 70% will be for market rate housing (non-income restricted).

Next we subtract housing projects that are under construction or pending, since these projects will satisfy some of the calculated demand for general occupancy rental housing. There are currently **345 pending market rate units, 65 pending affordable units**, and no pending subsidized units. Subtracting these units at 95% occupancy leaves 128 market rate units, 38 affordable units, and 96 subsidized units.

Finally, we estimate that a site in Cambridge can capture 70% of market rate demand, 75% of affordable demand, and 85% of subsidized demand in the Market Area, resulting in demand for 88 subsidized units, 32 affordable units, and 98 market rate units in Cambridge.

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TABLE HD-2 RENTAL HOUSING DEMAND CAMBRIDGE MARKET AREA 2024 to 2035																								
Demand from Projected Household Growth																								
Projected HH growth under age 65 in the Market Area 2024 to 2035 ¹			580																					
(times) Estimated % to be renting their housing ²	x		19%																					
(equals) Projected demand from new HH growth	=		107																					
Demand from Existing Renter Households																								
Number of renter HHs (age 64 and younger) in the Market Area (2024) ³			2,120																					
(times) Estimated percent of renter turnover ⁴	x		90%																					
(equals) Total existing households projected to turnover	=		1,908																					
(times) Estimated percent desiring new rental housing	x		22%																					
(equals) Demand from existing households			420																					
(equals) Total demand from HH growth and existing HHs 2024 to 2035	=		527																					
(times) Demand from outside the Market Area			30%																					
(equals) Total demand potential for rental housing, 2024 to 2035			753																					
		<table border="1" style="display: inline-table;"> <thead> <tr> <th>Subsidized</th> <th>Affordable</th> <th>Market</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">15%</td> <td style="text-align: center;">15%</td> <td style="text-align: center;">70%</td> </tr> <tr> <td style="text-align: center;">113</td> <td style="text-align: center;">113</td> <td style="text-align: center;">527</td> </tr> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">62</td> <td style="text-align: center;">345</td> </tr> <tr> <td style="text-align: center;">113</td> <td style="text-align: center;">51</td> <td style="text-align: center;">182</td> </tr> <tr> <td style="text-align: center;">85%</td> <td style="text-align: center;">75%</td> <td style="text-align: center;">70%</td> </tr> <tr> <td style="text-align: center;">96</td> <td style="text-align: center;">38</td> <td style="text-align: center;">128</td> </tr> </tbody> </table>	Subsidized	Affordable	Market	15%	15%	70%	113	113	527	0	62	345	113	51	182	85%	75%	70%	96	38	128	
Subsidized	Affordable	Market																						
15%	15%	70%																						
113	113	527																						
0	62	345																						
113	51	182																						
85%	75%	70%																						
96	38	128																						
(times) Percent of rental demand by product type ⁵	x																							
(equals) Total demand potential for general-occupancy rental housing units	=																							
(minus) Units under construction or pending ⁶	-																							
(equals) Excess demand for new general occupancy rental housing in the PMA	=																							
(times) Percent of Market Area demand capturable by Cambridge	x																							
(equals) number of units supportable in the City of Cambridge																								
¹ Estimated household growth based on projections as adjusted by Maxfield Research and Consulting LLC ² Pct. of renter households under the age of 65 (U.S. Census - 2022), adjusted for new construction in pipeline ³ Estimate based on 2022 renter households (under age 65). ⁴ Based on on turnover from 2022 American Community Survey for households moving over 11-year period. ⁵ Based on the combination of current rental product and household incomes of area renters (non-senior households) ⁶ Pending/proposed/under construction at 95% occupancy.																								
Source: Maxfield Research & Consulting, LLC.																								

Estimated Demand for Market Rate Active Adult Senior Housing

Table HD-3 presents our demand calculations for market rate active adult senior housing in the Cambridge Market Area in 2024 and 2035.

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

We calculate that the minimum income needed to afford monthly rents is \$35,000 or more plus homeowner households with incomes between \$25,000 and \$34,999 who would be able to supplement their incomes with the proceeds from a home sale. We estimate the number of age/income-qualified senior households in the Cambridge Market Area in 2024 to be 1,377 households.

Adjusting to include appropriate long-term capture rates for each age cohort (1.5% of households age 55 to 64, about 8.5% of households age 65 to 74, and 15% of households age 75 and over) results in a market rate demand potential for 362 active adult senior rental units in 2024.

Some additional demand will come from outside of the Cambridge Market Area. We estimate that 30% of the long-term demand for active adult senior housing will be generated by seniors currently residing outside the Cambridge Market Area. This demand will consist primarily of parents of adult children living in the Cambridge Market Area, individuals who live just outside of the Cambridge Market Area and have an orientation to the area, as well as former residents who desire to return. Together, the demand from the Cambridge Market Area seniors and demand from seniors who would relocate to the Cambridge Market Area results in a demand for 517 market rate active adult units in 2024.

Active adult demand in the Cambridge Market Area is apportioned between ownership and rental housing. Based on the age distribution, homeownership rates and current product available in the Cambridge Market Area, we project that 60% of the Cambridge Market Area's demand will be for adult ownership housing (181 units) and 40% will be for rental housing (336 units).

Next, we subtract existing competitive market rate units (minus a vacancy factor of 5% to allow for sufficient consumer choice and turnover) from the owner and rental demand. Subtracting the existing competitive market rate units results in total demand potential for 145 adult owner-occupied units and 154 active adult rental units. Finally, we estimate that 35% of the excess owner-occupied demand and 65% of the excess renter-occupied demand in the Cambridge Market Area demand could be captured in Cambridge, resulting in demand for 94 owner occupied units and 100 renter-occupied units in 2024.

Adjusting for inflation, we have estimated that households with incomes of \$40,000 or more and homeowners with incomes of \$30,000 to \$34,999 would income qualify for market rate

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independent senior housing in 2035. Considering the growth in the older adult base and the income distribution of the older adult population in 2035, the methodology projected that demand will be 177 adult owner-occupied units and 214 adult rental units in the Cambridge Market Area. Accounting for the 35% of excess owner-occupied demand and 65% of excess renter-occupied demand capturable in Cambridge, results in demand for 115 owner occupied units and 139 renter-occupied units in 2035.

TABLE HD-3 MARKET RATE ACTIVE ADULT HOUSING DEMAND CAMBRIDGE MARKET AREA 2024 & 2035						
	2024			2035		
	Age of Householder			Age of Householder		
	55-64	65-74	75+	55-64	65-74	75+
# of Households w/ Incomes of >\$35,000 ¹	2,559	1,773	828	2,451	2,160	1,081
# of Households w/ Incomes of \$25,000 to \$34,999 ¹	+ 166	187	309	+ 144	189	270
(times) Homeownership Rate	x 88%	85%	72%	x 88%	85%	72%
(equals) Total Potential Market Base	= 2,705	1,932	1,049	= 2,577	2,320	1,274
(times) Potential Capture Rate	x 1.5%	8.5%	15.0%	x 1.5%	8.5%	15.0%
(equals) Demand Potential	= 41	164	157	= 39	197	191
Potential Demand from Residents	= 362			= 427		
(plus) Demand from Outside of the Market Area (30%)	+ 155			+ 183		
(equals) Total Demand Potential	= 517			= 610		
	Owner-Occupied	Renter-Occupied		Owner-Occupied	Renter-Occupied	
(times) % by Product Type	x 35%	x 65%		x 35%	x 65%	
(equals) Demand Potential by Product Type	= 181	= 336		= 213	= 396	
(minus) Existing and Pending MR Active Adult Units ²	- 36	- 182		- 36	- 182	
(equals) Excess Demand for MR Active Adult Units in the PMA	= 145	= 154		= 177	= 214	
(times) Percent of demand Capturable by the City of Cambridge	x 65.0%	x 65.0%		x 65.0%	x 65.0%	
(equals) Number of units supportable by the City of Cambridge	= 94	= 100		= 115	= 139	

¹ 2035 calculations define income-qualified households as all households with incomes greater than \$40,000 and homeowner households with incomes between \$30,000 and \$39,999.

² Existing and pending are deducted at market equilibrium (95% occupancy).

Source: Maxfield Research & Consulting, LLC.

Estimated Demand for Subsidized/Affordable Active Adult Senior Housing

Table HD-4 presents our demand calculations for subsidized/affordable active adult senior housing in the Cambridge Market Area in 2024 and 2035.

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

Households in a need-based situation (either requiring services or financial assistance) more readily move to housing alternatives than those in non-need-based situations. Hence, the capture rate among each age group is higher than for market rate housing. Capture rates are employed at 1.5% for households age 55 to 64, 10.0% for households age 65 to 74 and 20.0% for households age 75 and older. This results in demand for 196 units in 2024.

An additional proportion is added for senior households that would move into affordable active adult housing in the Market Area who currently reside outside of the Market Area. Typically, the Market Area for affordable active adult is larger than that of market rate active adult. As a result, we estimate that seniors currently residing outside the Market Area will generate 35% of the demand for shallow/deep-subsidy active adult senior housing, increasing demand to 302 units.

Seniors in need-based situations are less selective when securing housing than those in non-need-based situations. We estimate that a high-quality site would capture a greater proportion of total demand for financially-assisted housing than for market rate housing. Of affordable units, we feel that 40% could be captured by subsidized units and the remaining 60% could be captured by shallow subsidy units.

Using the methodology described above results in a demand potential for 121 total subsidized and 181 affordable senior units in 2024. After subtracting existing affordable/subsidized active adult housing (no units) and adjusted for household incomes demand results in 91 subsidized units and 136 affordable units in the Market Area. Finally, we estimate that 75% of excess deep subsidy demand and 75% of excess shallow-subsidy demand in the Cambridge Market Area demand could be captured in Cambridge, resulting in demand for 91 owner occupied units and 136 renter-occupied units in 2024.

Adjusting for inflation, we estimate that households with incomes up to \$40,000 would be candidates for financially-assisted independent housing in 2035. We reduce the potential market by homeowner households earning between \$35,000 and \$39,999 that would exceed income-restrictions once equity from their home sales is converted to monthly income.

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Following the same methodology, we project demand in the Cambridge Market Area for 109 subsidized units and 163 affordable units in 2035. Accounting for the 35% of excess subsidized demand and 35% of excess shallow-subsidy demand that capturable in Cambridge, results in demand for 109 subsidized units and subsidy units in 2035.

TABLE HD-4 DEEP-SUBSIDY/SHALLOW SUBSIDY ACTIVE ADULT HOUSING DEMAND CAMBRIDGE MARKET AREA 2024 & 2035								
	2024			2035				
	Age of Householder			Age of Householder				
	55-64	65-74	75+	55-64	65-74	75+		
# of Households w/ Incomes of <\$35,000 ¹	528	584	804	444	647	945		
Less Households w/ Incomes of \$30,000 to \$34,999 ¹	- 83	94	154	- 86	100	109		
(times) Homeownership Rate	x 88%	85%	72%	x 88%	85%	72%		
(equals) Total Potential Market Base	= 456	505	694	= 369	563	867		
(times) Potential Capture Rate	x 1.5%	10.0%	20.0%	x 1.5%	10.0%	20.0%		
(equals) Demand Potential	= 7	50	139	= 6	56	173		
(equals) Potential Demand from Residents	= 196			= 235				
(plus) Demand from outside of the Market Area (35%)	+ 106			+ 127				
(equals) Total Demand Potential	= 302			= 362				
	<u>Deep-Subsidy</u>		<u>Shallow-Subsidy</u>		<u>Deep-Subsidy</u>		<u>Shallow-Subsidy</u>	
(times) % by Product Type	x 40%		x 60%		x 40%		x 60%	
(equals) Demand Potential by Product Type	= 121	=	181	=	145	=	217	
(minus) Existing and Pending Sub./Aff. Active Adult Units ²	- 0	-	0	- 0	-	0		
(equals) Excess Demand for Sub./Aff. Units	= 121	=	181	= 145	=	217		
(times) Percent of demand Capturable by the City of Cambridge	x 75.0%	x	75.0%	x 75.0%	x	75.0%		
(equals) Number of units supportable by the City of Cambridge	= 91	=	136	= 109	=	163		

¹ 2035 calculations define income-qualified households as all households with incomes less than \$40,000. Homeowner households with incomes between \$35,000 and \$39,999 are excluded from the market potential for financially-assisted housing.
² Existing units are deducted at market equilibrium, or 97% occupancy.

Source: Maxfield Research & Consulting, LLC.

Estimated Demand for Independent Living Senior Housing

Table HD-5 presents our demand calculations for independent living housing in the Cambridge Market Area in 2024 and 2035.

The potential age- and income-qualified base for independent living senior housing includes all senior (65+) households with incomes of \$35,000 as well as homeowner households with incomes between \$30,000 and \$34,999 who would qualify with the proceeds from the sales of their homes. The proportion of eligible homeowners is based on the 2022 ACS homeownership rates of the Cambridge Market Area seniors. The number of age, income, and asset-qualified households in the Cambridge Market Area is estimated to be 1,395 households in 2024.

Demand for independent living is need-drive, which reduces the qualified market to only the portion of seniors who need some assistance. Adjusting to include appropriate capture rates for each age cohort (1.5% of households age 65 to 74 and 15.0% of households age 75 and older) results in a local demand potential for 169 independent living units in 2024.

We estimate that seniors currently residing outside of the Cambridge Market Area will generate 30% of the demand for independent living senior housing. Together, the demand from the Cambridge Market Area seniors and demand from seniors who are willing to locate to the Cambridge Market Area totals 241 independent living units in 2024.

Currently, there are 50 existing independent living units in the PMA. Subtracting these units, at 95% occupancy, results in overall demand for 193 independent living units in 2024 in the Market Area. Finally, we estimate that 65% of Cambridge Market Area independent living demand could be captured in the City of Cambridge, resulting in demand for 126 units in 2024.

Adjusting for inflation, we estimate that households with incomes of \$40,000 or more and senior homeowners with incomes between \$35,000 and \$39,999 would qualify for independent living housing in 2035. Following the same methodology, demand is calculated to increase to 248 units through 2035. Accounting for the 65% of demand capturable in Cambridge, results in demand for 161 independent units in 2035.

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**TABLE HD-5
MARKET RATE INDEPENDENT LIVING RENTAL HOUSING DEMAND
CAMBRIDGE MARKET AREA
2024 & 2035**

	2024		2035	
	Age of Householder		Age of Householder	
	65-74	75+	65-74	75+
# of Households w/ Incomes of >\$35,000 ¹	1,773	828	2,160	1,081
# of Households w/ Incomes of \$30,000 to \$34,999 ¹	+ 94	154	+ 96	104
(times) Homeownership Rate	x <u>85%</u>	<u>72%</u>	x <u>85%</u>	<u>72%</u>
(equals) Total Potential Market Base	= 1,853	938	= 2,241	1,156
(times) Potential Capture Rate ²	x <u>1.5%</u>	<u>15.0%</u>	x <u>1.5%</u>	<u>15.0%</u>
(equals) Potential Demand	= 28	+ 141	= 34	+ 173
Potential Demand from Market Area Residents	= 169		= 207	
(plus) Demand from Outside of the Market Area (30%)	+ <u>72</u>		+ <u>89</u>	
(equals) Total Demand Potential	= 241		= 296	
(minus) Existing and Pending Independent Living Units ³	- 48		- 48	
(equals) Total Independent Living Demand Potential	= 193		= 248	
(times) Percent of demand Capturable by the City of Cambridge	x 65%		x 65%	
(equals) Number of units supportable by the City of Cambridge	= 126		= 161	

¹ 2035 calculations define income-qualified households as all households with incomes greater than \$40,000 and homeowner households with incomes between \$35,000 and \$39,999.

² The potential capture rate is derived from data from the Summary Health Statistics for the U.S. Population: National Health Interview Survey, 2018 by the U.S. Department of Health and Human Services. The capture rate used is the percentage of seniors needing assistance with IADLs, but not ADLs (seniors needing assistance with ADLs typically need assistance with multiple IADLs and are primary candidates for service-intensive assisted living).

³ Competitive units include Independent Living units at 95% occupancy (market equilibrium).

Source: Maxfield Research and Consulting LLC.

Estimated Demand for Assisted Living Housing

Table HD-6 presents our demand calculations for assisted living senior housing in the Cambridge Market Area in 2024 and 2035. This analysis focuses on the potential *private pay/market rate* demand for assisted living units.

The availability of more intensive support services such as meals, housekeeping and personal care at assisted living facilities usually attracts older, frailer seniors. According to the 2009 Overview of Assisted Living (which is a collaborative research project by the American Association of Homes and Services for the Aging, the American Seniors Housing Association, National Center for Assisted Living, and National Investment Center for the Seniors Housing and Care Industry), the average age of residents in freestanding assisted living facilities was 87 years in 2008. Hence, the age-qualified market for assisted living is defined as seniors ages 75 and over, as we estimate that of the half of demand from seniors under age 87, almost all would be from seniors over age 75. In 2024, there are a projected 2,652 seniors aged 75 and older in the Cambridge Market Area.

Demand for assisted living housing is need-driven, which reduces the qualified market to only the portion of seniors who need assistance. According to a study completed by the U.S. Census Bureau (1999 panels of the Survey of Income and Program Participation (SIPP) files), 30% of seniors needed assistance with everyday activities (from 25.5% of 75-to-79-year-olds, to 33.6% of 80-to-84-year-olds and 51.6% of 85+ year olds). Applying these percentages to the senior population yields a potential assisted living market of 911 seniors in the Cambridge Market Area.

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

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

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

\$40,000 (who will spend down assets, including home-equity, in order to live in assisted living housing). This results in a total potential market of 553 units in 2024.

Because the vast majority of assisted living residents are single (88% according to the 2009 Overview of Assisted Living), our demand methodology multiplies the total potential market by the percentage of seniors age 75+ in the Cambridge Market Area living alone. Based on 2010 Census data, only 46% of age 75+ households in the Cambridge Market Area lived alone. Applying this percentage results in a total base of 257 age/income-qualified singles. The 2009 Overview of Assisted Living found that 12% of residents in assisted living were couples. There is a total of 292 age/income-qualified seniors needing assistance in the Cambridge Market Area including both couples and singles.

We estimate that roughly 60% of the qualified market needing significant assistance with Activities of Daily Living (“ADLs”) would either remain in their homes or less service-intensive senior housing with the assistance of a family member or home health care or would need greater care provided in a skilled care facility. The remaining 40% could be served by assisted living housing. Applying this potential market penetration rate of 40% results in demand for 117 assisted living units in 2024.

We estimate that a portion of demand for assisted living units (30%) will come from outside of the Cambridge Market Area. Applying this figure results in total potential demand for 167 market rate assisted living units in the Cambridge Market Area.

There are a total of 118 market rate assisted living units in the Cambridge Market Area. After deducting these competitive units (minus a 93% occupancy rate) from the total demand potential, we calculate that there is current demand for 57 assisted living units in the Cambridge Market Area in 2024. After applying the aforementioned calculations to the age/income-qualified base in 2035, results in demand for 69 units.

Of Cambridge Market Area independent living demand, 65% could be captured in the City of Cambridge, resulting in demand for 37 units in 2024 and 69 units in 2035.

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

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

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TABLE HD-6 MARKET RATE ASSISTED LIVING DEMAND CAMBRIDGE MARKET AREA 2024 and 2035						
Age group	2024			2035		
	People	Percent Needing Assistance ¹	Number Needing Assistance ¹	People	Percent Needing Assistance ¹	Number Needing Assistance ¹
75 - 79	1,216	25.5%	310	1,498	25.5%	382
80 - 84	775	33.6%	261	975	33.6%	328
85+	661	51.6%	341	829	51.6%	428
Total	2,652		911	3,302		1,137
Percent Income-Qualified²			61%			63%
Total potential market			553			714
(times) Percent living alone			x 46%			46%
(equals) Age/income-qualified singles needing assistance			= 257			332
(plus) Proportion of demand from couples (12%) ³			+ 35			45
(equals) Total age/income-qualified market needing assistance			= 292			377
(times) Potential penetration rate ⁴			x 40%			40%
(equals) Potential demand from MA residents			= 117			151
(plus) Proportion from outside MA (30%)			+ 50			65
(equals) Total potential assisted living demand			= 167			215
(minus) Existing market rate assisted living units ⁵			- 110			110
(equals) Total excess market rate assisted living demand			= 57			106
(times) Percent of demand Capturable by the City of Cambridge			65%			65%
(equals) Number of units supportable by the City of Cambridge			= 37			69
¹ The percentage of seniors unable to perform or having difficulty with ADLs, based on the 2018 State of Aging in America published by the Centers for Disease Control and Prevention and the National Center for Health Statistics.						
² Includes households with incomes of \$40,000 or more, plus a portion of estimated owner households with incomes below \$40,000 (who will spend down assets, including home-equity, in order to live in assisted living housing). \$45,000+ in 2035.						
³ The 2009 Overview of Assisted Living (a collaborative project of AAHSA, ASHA, ALFA, NCAL & NIC) found that 12% of assisted living residents are couples.						
⁴ We estimate that 60% of the qualified market needing assistance with ADLs could either remain in their homes or reside at less advanced senior housing with the assistance of a family member or home health care, or would need greater care provided in a skilled						
⁵ Existing and pending units at 93% occupancy.						
Source: Maxfield Research & Consulting, LLC.						

Estimated Demand for Memory Care Senior Housing

Table HD-7 presents our demand calculations for market rate memory care senior housing in the Cambridge Market Area in 2024 and 2035.

Demand is calculated by starting with the estimated Cambridge Market Area senior (age 65+) population in 2024 and multiplying by the incidence rate of Alzheimer's/dementia among this population's age cohorts. According to the Alzheimer's Association (Alzheimer's Disease Facts and Figures, 2007), 2% of seniors ages 65 to 74, 19% of seniors ages 75 to 84, and 42% of seniors ages 85+ are afflicted with Alzheimer's Disease. This yields a potential market of 734 seniors in the Cambridge Market Area in 2024.

Because of the staff-intensive nature of dementia care, typical monthly fees for this type of housing are at least \$4,000 and range upwards of \$5,000 to \$6,000 when including service packages. Based on our review of senior household incomes in the Cambridge Market Area, homeownership rates and home sale data, we estimate that 56% of seniors in the Cambridge Market Area would have incomes and/or assets to sufficiently cover the costs of memory care housing. This figure takes into account married couple households where one spouse may have memory care needs and allows for a sufficient income for the other spouse to live independently. Multiplying the number of seniors with Alzheimer's/dementia by the income-qualified percentage results in a total of 409 age/income-qualified seniors in the Cambridge Market Area in 2024.

According to data from the National Institute of Aging, about 25% of all individuals with memory care impairments comprise the market for memory care housing units. This figure considers that seniors in the early stages of dementia will be able to live independently with the care of a spouse or other family member, while those in the later stages of dementia will require intensive medical care that would only be available in skilled care facilities. Applying this figure to the estimated population with memory impairments yields a potential market of about 102 seniors in the Cambridge Market Area.

We estimate that 30% of the overall demand for memory care housing would come from outside of the Cambridge Market Area. Together, demand totals 146 memory care units in 2024. We reduce the demand potential by accounting for the existing memory care product in the Cambridge Market Area. There are a total of 78 units; however, we reduce the competitive units to include memory care units at a 7% vacancy rate. Subtracting these competitive units results in a demand for 78 units.

The same calculations are applied to the age/income-qualified base in 2035. Following the same methodology, potential demand for market rate memory care units is expected to increase to 93 units in the Cambridge Market Area through 2035.

Of Cambridge Market Area memory care demand, 75% could be captured in the City of Cambridge, resulting in demand for 59 units in 2024 and 93 units in 2035.

HOUSING DEMAND ANALYSIS

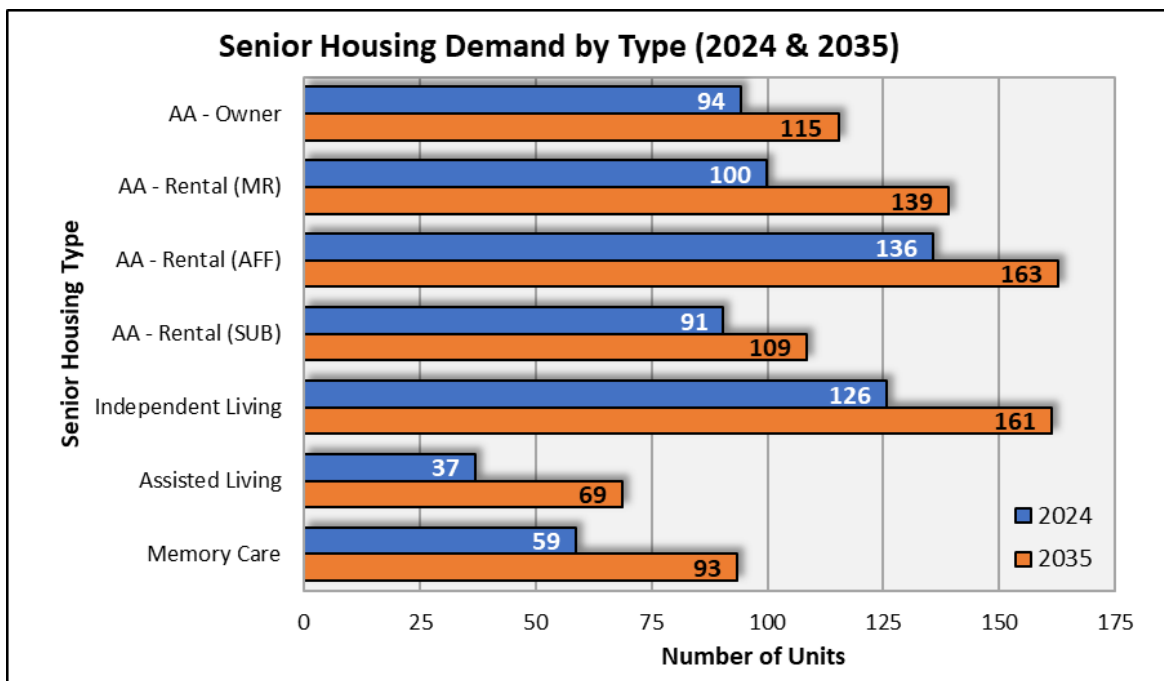
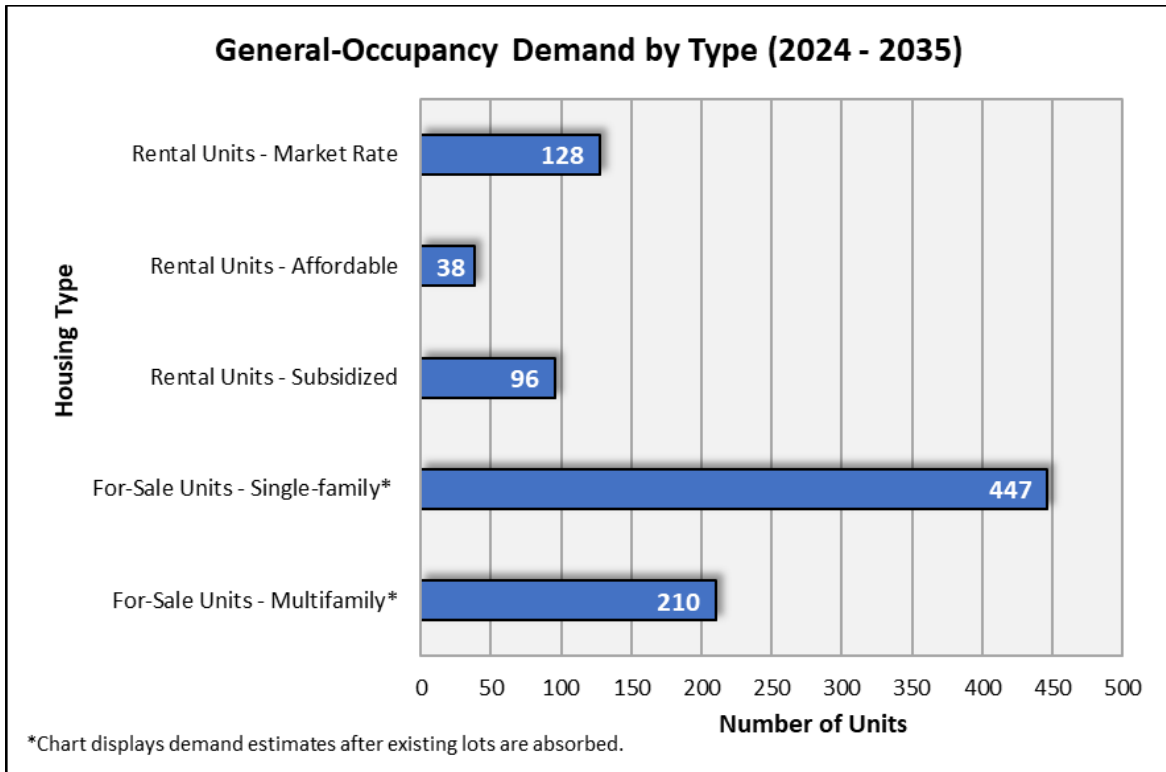
TABLE HD-7 MARKET RATE MEMORY CARE DEMAND CAMBRIDGE MARKET AREA 2024 & 2035		
	2024	2035
65 to 74 Population	3,903	4,619
(times) Dementia Incidence Rate ¹	x <u>2%</u>	x <u>2%</u>
(equals) Estimated Age 65 to 74 Pop. with Dementia	= 78	= 92
75 to 84 Population	1,991	2,473
(times) Dementia Incidence Rate ¹	x <u>19%</u>	x <u>19%</u>
(equals) Estimated Age 75 to 84 Pop. with Dementia	= 378	= 470
85+ Population	661	829
(times) Dementia Incidence Rate ¹	x <u>42%</u>	x <u>42%</u>
(equals) Estimated Age 85+ Pop. with Dementia	= 277	= 348
(equals) Total Senior Population with Dementia	= 734	= 910
(times) Percent Income/Asset-Qualified ²	x <u>56%</u>	x <u>59%</u>
(equals) Total Income-Qualified Market Base	= 409	= 539
(times) Percent Needing Specialized Memory Care Assistance	x <u>25%</u>	x <u>25%</u>
(equals) Total Need for Dementia Care	= 102	= 135
(plus) Demand from Outside of the Market Area (30%)	+ <u>44</u>	+ <u>58</u>
Total Demand for Memory Care Units	= 146	192
(minus) Existing and Pending Memory Care Units ³	- 68	- 68
(equals) Excess Demand Potential	= 78	= 124
(times) Percent of demand Capturable by the City of Cambridge	75%	75%
(equals) Excess Demand Potential	= 59	= 93
¹ Alzheimer's Association: Alzheimer's Disease Facts & Figures (2007)		
² Includes seniors with income at \$60,000 or above (\$65,000 in 2035) plus a portion of homeowners with incomes below this threshold (who will spend dow assets, including home-equity, in order to live in memory care housing.		
³ Existing memory care units at 7% vacancy rate.		
Source: Maxfield Research & Consulting, LLC		

Introduction

Based on the finding of our analysis and demand calculations, Table CR-1 below provides a summary of housing demand in the PMA and Cambridge through 2035. As the table illustrates, demand exists in Cambridge for a variety of product types. The following section summarizes housing concepts and housing types that will be demanded from various target markets. It is important to note that not all housing types will be supportable and that the demand illustrated in Table CR-1 may not directly coincide with housing development due to a variety of factors (i.e. economies of scale, infrastructure capacity, land availability, etc.).

Based on the findings of our analysis and demand calculations, Table CR-2 provides a summary of recommended development concepts by product type for Cambridge. It is important to note that these proposed concepts are intended to function as a development guide to effectively meet the housing needs of existing and future households in Cambridge. The recommended development types do not directly coincide with total demand as illustrated in Table CR-1.

TABLE CR-1				
SUMMARY OF HOUSING DEMAND				
CAMBRIDGE MARKET AREA				
2024-2035				
Type of Use	Primary Market Area		City of Cambridge	
	2024-2035		2024-2035	
<i>General-Occupancy</i>				
Rental Units - Market Rate	182		128	
Rental Units - Affordable	51		38	
Rental Units - Subsidized	113		96	
For-Sale Units - Single-family*	1,117		447	
For-Sale Units - Multifamily	280		210	
Total General Occupancy Supportable	1,743		919	
	Primary Market Area		City of Cambridge	
	2024	2035	2024	2035
<i>Age-Restricted (Senior)</i>				
<i>Market Rate</i>				
Active Adult	299	391	194	254
<i>Ownership</i>	145	177	94	115
<i>Rental</i>	154	214	100	139
Independent Living	193	248	126	161
Assisted Living	57	106	37	69
Memory Care	78	124	59	93
Total Market Rate Senior Supportable	627	870	415	578
<i>Affordable/Subsidized</i>				
Active Adult - Subsidized	121	145	91	109
Active Adult - Affordable	181	217	136	163
Total Affordable Senior Supportable	302	362	226	271
* Demand estimate after existing lots have been absorbed.				
Source: Maxfield Research and Consulting LLC.				



CONCLUSIONS AND RECOMMENDATIONS

TABLE CR-2 RECOMMENDED HOUSING DEVELOPMENT CITY OF CAMBRIDGE 2024 to 2035				
		Purchase Price/ Monthly Rent Range ¹	No. of Units	Development Timing
Owner-Occupied Homes				
Single Family				
	Entry-level	<\$300,000	145 - 150	Ongoing
	Move-up	\$350,000 - \$475,000	240 - 250	Ongoing
	Executive	\$500,000+	90 - 100	Ongoing
	Total		475 - 500	
Townhomes/Twinhomes/Detached Townhomes/Villas				
	Entry-level	<\$225,000	90 - 100	Ongoing
	Move-up	\$250,000 - \$325,000	100 - 110	Ongoing
	Executive	\$350,000+	60 - 70	Ongoing
	Total		250 - 280	
Total Owner-Occupied			725 - 780	
General Occupancy Rental Housing				
Market Rate Rental Housing				
	Apartment-style (moderate)	\$850/1BR - \$1,300/3BR	50 - 60	2026+
	Apartment-style (move up)	\$975/Eff - \$1,500/3BR	40 - 50	2027+
	Townhomes (move up)	\$1,800/2BR - \$2,250/3BR	25 - 35	2026+
	Total		115 - 145	
Affordable Rental Housing				
	Apartment-style	Moderate Income ²	50 - 60	2024+
	Townhomes	Moderate Income ²	30 - 35	2024+
	Subsidized	30% of Income ³	30 - 40	2024+
	Total		110 - 135	
Total Renter-Occupied			225 - 280	
Senior Housing (i.e. Age Restricted)				
	Senior Cooperative(s)	\$75,000+	80 - 90	2024+
	Active Adult Market Rate Rental ⁴	\$1,300/1BR - \$1,700/2BR+Den	100 - 120	2025+
	Active Adult Affordable Rental ⁴	Moderate Income ³	130 - 140	2024+
	Independent Living/Congregate	\$1,900/1BR - \$2,900+/2BR	100 - 120	2025+
	Assisted Living	\$3,000/Eff - \$4,750/2BR	40 - 50	2028+
	Memory Care	\$4,000/EFF - \$6,000/2BR	50 - 60	2026+
	Total		500 - 580	
Total - All Units			1,450 - 1,640	
¹ Pricing in 2024 dollars. Pricing can be adjusted to account for inflation. ² Affordability subject to income guidelines per Minnesota Housing Finance Agency (MHFA). See Table HA-1 for Isanti County Income limits. ³ Subsidized housing will be difficult to develop financially. Hence, some demand moved from subsidized to affordable ⁴ Alternative development concept is to combine active adult affordable and market rate active adult into mixed-income senior communities.				
Source: Maxfield Research & Consulting, LLC.				

For-Sale Housing Recommendations

Single-Family Housing

Table HD-1 identified demand for nearly 450 single-family housing units in Cambridge through 2035. The lot supply benchmark for growing communities is a three- to five-year lot supply, which ensures adequate consumer choice without excessively prolonging developer-carrying costs. According to Table FS-8 and our research, given the number of existing vacant developed platted lots in Cambridge and the number of homes constructed annually, the current lot supply appears to be sufficient only in the short-term. Although there are some scattered, infill lots throughout the City of Cambridge in older neighborhoods, many of these lots are undesirable to today's buyers as they are unable to accommodate specific product types.

Due to the price of the existing housing stock (and slightly older) in Cambridge, most of the existing older housing stock appeals to entry-level buyers. Entry-level homes, which we generally classify as homes priced under \$300,000 will be mainly satisfied by existing single-family homes as residents of existing homes move into newer housing products built in the Cambridge Area, such as move-up single-family homes, twinhomes, rental housing and senior housing. A move-up buyer or step-up buyer is typically one who is selling one house and purchasing another one, usually a larger and more expensive home. Usually the move is desired because of a lifestyle change, such as a new job or a growing family. Based on our interviews with real estate professionals, move-up homes are generally priced from the low \$300s to \$475,000 or more. Although demand is strong for entry-level new construction, it will be difficult to construct new homes for much less than \$300,000 given today's development costs. Executive-level homes are loosely defined as those homes priced above \$500,000. Most of these homes would be build-to-suit new construction in one of the city's newer subdivisions are on larger acreages located outside or near city limits.

Much of the new single-family construction in Cambridge and the surrounding townships has targeted move-up and executive buyers (pricing \$350,000+); in part because of the high infrastructure costs in developing new subdivisions and increasing construction, material, and labor costs. However, through our research we find demand for a variety of price points of new single-family homes.

Although there would be substantial demand for a new single-family housing product priced under \$300,000, financially it will be difficult to develop even with public assistance due to infrastructure costs and rising labor and material costs.

In the short-term, new construction in Cambridge is expected to slow given high interest rates. However, long term the market for new construction in Cambridge will be high given the housing costs are much more affordable than Metro Area communities. The pandemic has pushed housing demand out from the core and ex-urban and tertiary markets such as Cambridge and Isanti County will be in strong demand for more affordably priced housing costs and the ability of households to work remotely.

For-Sale Multifamily Housing

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

Based on the changing demographics and the need for alternative housing types, demand was calculated for up to 210 new multifamily for-sale lots/units in Cambridge through 2035 (after subtracting 161 vacant multifamily lots – resulting in a demand for roughly 330 units in Cambridge before the vacant lots were subtracted). Given the aging of the population (especially those 65+), desire for association-maintained housing (and affordability); Cambridge is expected to see an increased demand for attached housing or association-maintained product types. We recommend offering both one-level and two-story townhome units; however two-story units could also have the option for a master suite on the main level. According to our research and interviews, there are a number of one-level villas being constructed but not much attached housing that is more affordable.

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

- *Twinhomes*– By definition, a twin home is basically two units with a shared wall with each owner owning half of the lot the home is on (also referred to as a duplex). Some one-level living units are designed in three-, four-, or even six-unit buildings in a variety of configurations. The swell of support for twin home and one-level living units is generated by the aging baby boomer generation, which is increasing the numbers of older adults and seniors who desire low-maintenance housing alternatives to their single-family homes but are not ready to move to service-enhanced rental housing (i.e., downsizing or right sizing). Housing products designed to meet the needs of these aging Cambridge residents, many of whom desire to stay in their current community if housing is available to meet their needs, will be needed into the future. Based on our windshield survey of Cambridge, there are very few twin home units in the current housing stock.

Twinhomes are also a preferred for-sale product by builders throughout the Twin Cities area and outstate Minnesota as units can be developed as demand warrants. Because twinhomes bring higher density and economies of scale to the construction process, the price point can be lower than stand-alone single-family housing with similar finishing's and square footage. Many two-story townhomes cater to professionals, smaller families, and younger seniors while one-level living townhomes cater to the 55+ age cohorts and often feature at least 1,400 square feet or more on the main level.

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Because twinhomes have some of the lowest densities among multifamily housing types, this product would likely be constrained to the outer limits of Cambridge due to land requirements that make it hard to develop closer to Downtown; unless infill sites were zoned appropriately for twinhome construction.

- *Detached Townhomes/Villas* – An alternative to the twin home is the one-level villa product and/or rambler. This product also appeals mainly to baby boomers and empty nesters seeking a product similar to a single-family living on a smaller scale while receiving the benefits of maintenance-free living. Many of these units are designed with a walk-out or look-out lower level if the topography warrants. We recommend lot widths ranging from 45 to 55 feet with main level living areas with at least 1,450 square feet. The main level living area usually features a master bedroom, great room, dining room, kitchen, and laundry room while offering a “flex room” that could be another bedroom, office, media room, or exercise room. However, owners should also be able to purchase the home with the option to finish the lower level (i.e., additional bedrooms, game room, storage, den/study, etc.) and some owners may want a slab-on-grade product for affordability reasons. Finally, builders could also provide the option to build a two-story detached product that could be mixed with the villa product.

Although there are no new construction villas developed at this time, this product type has been successfully developed in Cambridge in the past decade. Pricing for a detached townhome/villa will vary based on a slab-on-grade home versus a home with a basement. Base pricing will fluctuate based on custom finishes, upgrades, etc., however pricing will likely need to be near \$300,000 or more given today’s high construction costs.

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

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

Side-by-side townhomes would be attractive to a variety of first-time and move-up buyers. Because of the growth in the older population, two-story units should be designed with the option of a master suite on the main level. Side-by-side townhomes command the highest

CONCLUSIONS AND RECOMMENDATIONS

density among the various townhome products and would be the recommended concept for Cambridge.

General Occupancy Rental Housing Recommendations

Our competitive inventory identified that the vacancy rates for all types of general occupancy rental product are below market equilibrium as of February 2024. Across all rental income product types the vacancy rate is only 1.6% in Cambridge, a balanced vacancy rate is considered 5% hence the current market is under supplied. As illustrated in the NOAH analysis, nearly all of the existing rental housing stock is “affordable” at either 50% or 60% AMI. However, the growing renter base is seeking newer rental properties with additional and updated amenities that are not offered in older development and that is evident in the number of apartments in the development pipeline.

Maxfield Research calculated demand for about 750 rental housing units in the PMA through 2035, including 550 in the City of Cambridge. However, there are a number of apartment projects under construction in both Cambridge and Isanti, hence the demand is reduced to account for the number of projects expected to delivery soon. After subtracting out units in the pipeline, demand in Cambridge is reduced to 128 market rate, 38 affordable, and 96 subsidized rental housing units in Cambridge through 2035. Based on our analysis and significantly low vacancy rates, demand could be even higher to meet market equilibrium of 5%.

- ***Market Rate Rental*** – Since 2013 Cambridge has seen the construction of nine new rental developments and many more units are under construction at the time of this study. Given the number of recently completed projects in the absorption period and new projects expected to deliver, we do not recommend any new rental housing in the short-term until the existing projects have leased and reached stabilized occupancy (95% occupied). Because new projects often take years to bring from concept to completion, new projects today may not deliver until 2026 at which time the market should reach stabilized occupancies from the newest rental projects.

We recommend a mix of moderate market rate housing with rents ranging from \$850 to \$1,300 per month and move-up rental housing with rents ranging from roughly \$975 to \$1,500 per month. We recommend a move up rental project with roughly 50 to 60 units and a move up rental project with 30 to 40 units.

Average rents in Cambridge are approximately \$1.37 per square foot. Therefore, both the recommended concepts will command a rent premium compared to some of the older rental housing stock. New market rate rental units should be designed with contemporary amenities that include open floor plans, higher ceilings, in-unit washer and dryer, full appliance package, central air-conditioning, and garage parking.

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- Market Rate General Occupancy Rental Townhomes– In addition to the recommended apartment project(s), we find that demand exists for some larger townhome units for families – including those who are new to the community and want to rent until they find a home for purchase. An additional 25 to 35 rental townhome units could be supported in Cambridge, potential more should elevated interest rates persist keeping buyers on the sidelines. We recommend a project with rents of approximately \$1,800 for larger two-bedroom units to \$2,250 for three-bedroom units. Units should feature contemporary amenities (i.e., in-unit washer/dryer, high ceilings, etc.) and an attached two car garage.
- Affordable General Occupancy Rental Apartments and Townhomes– There is one 65-unit affordable housing project under construction in Cambridge and this project has been subtracted from the demand calculations in HD-2. We find that demand exists for another 38 affordable units through 2035. In addition, we find additional demand for another 96 subsidized units. As a result, we recommend a 50- to 60-unit moderate-income affordable apartment-style development, a 30 to 35 moderate-income townhome development, and a 30 to 40 subsidized development. However, the subsidized project is nearly impossible to financing today so these units could be reapportioned to affordable housing later in the decade.

Units should feature central air conditioning, full appliance package, in-unit washer/dryer, an attached one/two car garage. Such development could assist in drawing more families to the community that cannot find affordable housing options through ownership or market rate rental in the surrounding area.

We believe the addition of the rental developments suggested above will further provide sufficient housing choices in the City and will continue to serve the needs of households that live and/or currently work in Cambridge.

Senior Housing Recommendations

As illustrated in Table CR-1, demand exists for nearly all senior housing product types in the PMA and the City of Cambridge. Development of additional senior housing is recommended in order to provide housing opportunity to these aging residents in their stages of later life. The development of additional senior housing serves a two-fold purpose in meeting the housing needs in Cambridge: older adult and senior residents are able to relocate to new age-restricted housing in Cambridge, and existing homes and rental units that were occupied by seniors become available to other new households. Hence, development of additional senior housing does not mean the housing needs of younger households are neglected; it simply means that a greater percentage of housing need is satisfied by housing unit turnover. The types of housing products needed to accommodate the aging population base are discussed individually in the following section.

CONCLUSIONS AND RECOMMENDATIONS

- Market Rate Active Adult Rental – Demand was projected for about 139 market rate active adult rental units in Cambridge through 2035. Currently, there are four market rate rental active adult products in Cambridge, Roosevelt Garden Estates, Grace Pointe Crossing Village Townhomes, GracePointe Crossing Mill Ridge Terrace, Riverwood Village. It is likely there are seniors who currently reside in general-occupancy housing that would consider a newer active adult rental product.

Development of this product could be in a separate stand-alone facility or in a mixed-income project. A mixed-income building could include a portion of units that would be affordable to seniors with incomes established the Minnesota Housing Finance Agency. Although demand is strong for this sector, this senior demographic is also a target for all-ages general occupancy rental housing and this target market is not always ready to sell their home until product is available that meets their needs. Given the few options for home buyers today, seniors can take advantage of a low supply housing market and sell their homes quickly

We recommend 100 to 120 market rate active adult units consisting of one-bedroom, two-bedroom, and two-bedroom plus den units. Units should range from \$1,900 to \$2,900 a month.

- Affordable (shallow-subsidy) Rental – Demand was calculated for about 163 units of affordable senior housing in Cambridge through 2035. There is currently only one affordable development in Cambridge that is age restricted, Ashland Place Apartments. Presently, a senior renters have to find affordable units within the limited supply of affordable general occupancy rental units in Cambridge or look elsewhere in other communities in the surrounding area.

Affordable senior housing will likely be a low-income tax credit project through the Minnesota Housing Finance Agency. Affordable senior housing products can also be incorporated into a mixed income building which may increase the projects financial feasibility. We recommend a total of 130 to 140 affordable active adult units; likely across several projects.

- For-Sale Active Adult – There is one senior age-restricted for-sale development in Cambridge at this time, East Terrace Cooperative, which has 38 units and no units available at this time. Maxfield Research and Consulting, LLC projected demand for 115 active adult ownership units through 2035.

Maxfield Research & Consulting, LLC recommends a cooperative development with a mix of one-, two-, and three-bedroom units with share costs starting around \$75,000. The cooperative model, in particular, appeals to a larger base of potential residents in that it has characteristics of both rental and ownership housing. Cooperative developments allow prospective residents an ownership option and homestead tax benefits without a substantial up-front investment as would be true in a condominium development or life care option.

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Maxfield Research & Consulting, LLC has found the cooperative model to be very well-accepted in rural communities across the Midwest.

Due to the lack of association-maintained housing options in Cambridge, demand will be strong for a variety of for-sale products beyond senior cooperatives (such as villas, cottages, twin homes, etc.)

- Independent Living– Demand was calculated for about 161 independent living units through 2035 in Cambridge. There is only one independent living property in Cambridge, GracePointe Crossing: The Terrace. As a result, many seniors may stay in their homes due to the lack of independent senior housing or leaving Cambridge to find suitable housing in other communities. A new independent living senior housing could be developed as part of a continuum of care project or in a stand-alone development. We suggest that a new independent living project comprise a mix of one- and two-bedroom units with base rents ranging from \$1,900 to \$2,900.

Meals and other support and personal care services will be available to independent living residents on a fee-for-service basis, such as laundry, housekeeping, etc. When their care needs increase, residents also have the option of receiving assisted living packages in their existing units.

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

- I’m OK program;
- Daily noon meal;
- Regularly scheduled van transportation;
- Social, health, wellness and educational programs;
- 24-hour emergency call system; and
- Complimentary use of laundry facilities.
-

In addition, meals and other support and personal care services will be available to congregate residents on a fee-for-service basis, such as laundry, housekeeping, etc. When their care needs increase, residents also have the option of receiving assisted living packages in their existing units.

- Assisted Living and Memory Care Senior Housing – Based on our analysis, we project demand to support an additional 69 assisted living units and 93 memory care units in Cambridge through 2035. Cambridge has three existing assisted living (Rosewood Senior Living, GracePointe Crossing: Commons Assisted Living, and Elmhurst Commons), and two

CONCLUSIONS AND RECOMMENDATIONS

memory care facilities (Grace Pointe Crossing: Arbor Memory Care). Assisted living and memory care units each have high vacancy rates at 17.8% (21 vacant units) and 57.5% (42 vacant units), respectively. With the high vacancy rates, we do not recommend any new product in the short-term as demand will increase as seniors age through this decade.

Given the existing supply of assisted living, we recommend only 40 to 50 assisted living in the 2028 or later. The unit mix for assisted living units should be studios, one-bedroom, and two-bedroom units with base monthly rents ranging from \$3,000 to \$4,750. Memory care demand was slightly higher than assisted living units and we recommend 50 to 60 units in 2026 or later (across several projects). Memory care unit mix should be studios and one-bedroom units with base monthly rents ranging from \$4,000 to \$6,000. Memory care units should be located in a secured, self-contained wing located on the first floor of a building and should feature its own dining and common area amenities including a secured outdoor patio and wandering area.

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

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

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

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

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Although we do not recommend new assisted living at this time, new assisted living units could be incorporated into an existing senior housing facility or could be designed in a “Catered Living” concept outlined below.

Challenges and Opportunities

The following were identified as the greatest challenges and opportunities for developing the recommended housing types.

- **Accessory Dwelling Units (“ADU”):** Accessory dwelling units (“ADUs”) go by several different names such as: In-law suites, garage apartments, backyard cottages, granny flats, guest houses, etc. An ADU is simply a small, stand-alone residential dwelling unit located on the same property as a detached single-family home. However, in some cases an ADU could include an addition on an existing home, apartment over a garage, or be located within an attic or basement within the home. Legally, however, an ADU is still a part of the original parcel’s PID number and title is with the property owner. The most common reason for building an ADU is generating rental income for the homeowner or housing a family member (often for free).

Because of increased density on the property and smaller sized units, ADUs have the potential to increase housing affordability and create a wider range of housing options. Many communities that permit ADUs in their zoning code limit the number of accessory structures to just one; however, some cities have recently revised their zoning code to allow up to two accessory structures. Some communities monitor ADU construction by limiting new construction to only owner-occupied housing units (main structure is owned), minimum lot size, setbacks, and number of occupants or bedrooms in the accessory structure.

Maxfield Research recommends that local planning departments review their existing zoning code and if not already permitted, revise zoning codes to ensure ADUs can be a permitted use. Since the pandemic, the demand for ADUs has continued to increase as many homeowners have sought to move family members together in a multi-generational environment. Also, some homeowners design the ADU as a multifunctional space as a home office and living space.

- **Affordable Housing/Naturally Occurring Affordable Housing (NOAH).** Tables HA-1 and HA-2 identified the Isanti County median incomes (“AMI”) and the fair market rents by bedroom type. Table R-7 and R-8 summarized market rate rental communities by AMI by bedroom type. As illustrated in Table R-8, all of the existing market rate rental product in Cambridge is affordable to households earning less than 80% AMI. Most of the older market rate rental stock is affordable at 50% AMI. At the same time however, rents have been increasing faster than incomes over the few years and the affordability gap is slowly widening from year-to-year and the number of cost burdened households is increasing. Because NOAH housing provides the vast majority of affordable housing to renters; we recommend a proactive approach to maintaining affordability within the existing housing stock. Dollar for dollar, preservation of NOAH units yields a much higher number of affordable units vs. new construction under the LIHTC program. Given the number of new rental units in the

CHALLENGES AND OPPORTUNITIES

development pipeline and target market, the percentage of NOAH units is expected to decline as newer market rate project attracts higher-income renters.

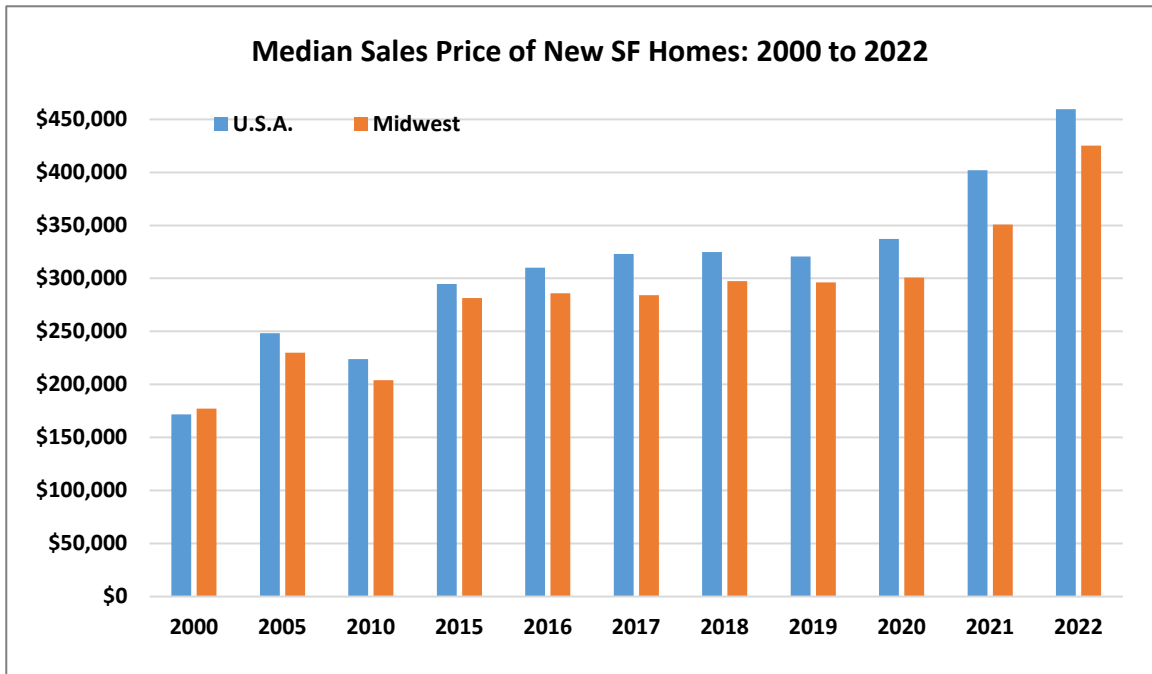
- **Aging Population/Aging Boomers.** As illustrated in Table D-4, there was significant growth between 2010 and 2020 in the younger senior population in Cambridge and the PMA (+57.8% and 47.5%) respectively. Over the next five years senior growth remains strong with the addition of 1,040 seniors. In addition, Table D-9 shows homeownership rates among seniors 65+ is approximately 81% in 2022. High homeownership rates among seniors indicate there could be lack of senior housing options, or simply that many seniors prefer to live in their home and age in place. Aging in place tends to be higher in rural vs. urban settings as many rural seniors do not view senior housing as an alternative retirement destination but a supportive living option only when they can no longer live independently. Rural areas also tend to have healthier seniors and are also more resistant to change. Because of these demographic and social dimensions, new senior housing development (specifically independent living with light services) in Cambridge could experience a longer lease-up period as seniors in the region are less reluctant to move from their current home to senior housing living.
- **Builders.** The Cambridge and Isanti County new construction market has historically been dominated by smaller, local builders and contractors vs. regional builders or production builders that are located in the Twin Cities Metro Area. Across the Metro Area, 71% of the market share in 2021 was completed by the top ten builders. The following chart summarizes the differences between production, custom, and spec builders. Production builders have increased their market share since the Great Recession in the Twin Cities and across the country, in part because competitors defaulted on lots and homes and smaller builders have gone out of business, while production builders were able to acquire land holdings for a fraction of the original cost to develop. The production builders have also driven new home activity from the development side as land developers are unable to absorb lot development costs for open builder developments. Because Isanti County lacks volume builders, housing development is unable to take advantage of larger economies of scale that can bring down the retail cost of the home.

CHALLENGES AND OPPORTUNITIES

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

Source: Maxfield Research and Consulting, LLC

- Construction & Development Costs.** The cost to build and develop new single-family housing has increased significantly over the past decade and since the Great Recession in all markets across the U.S.A., as seen in the chart below. New construction pricing peaked in the 2000s between 2005 and 2007 before falling during the recession. Pricing in nearly every market across the United States decreased between 2008 and 2011 before starting to rebound in 2012 and beyond. However, since the Great Recession it has become increasingly difficult for builders to construct entry-level new homes due to a number of constraints – rising land costs, rising material and labor costs, lack of construction labor, and increasing regulation and entitlement fees. As a result, affordable new construction homes have become rare as builders are unable to pencil-out modestly priced new construction. New construction in Cambridge is difficult to achieve under \$350,000. At the same time, new construction pricing is at an all-time high coming out of the pandemic due to strong demand and supply and labor constraints for builders that are driving up housing costs.



- COVID-19 Impacts.** The COVID-19 pandemic has had both direct and indirect effects on the housing industry. The senior housing industry was directly impacted as the virus affected older adults at a much higher rate. Senior properties hit record high vacancy rates and many seniors continue to age in place as long as possible as they have avoided living in a shared space. At the same time, many ex-urban communities and counties benefit from the pandemic-related housing boom.

Historically, the unemployment rate in Isanti County has been slightly higher than the State of Minnesota, but lower than US. Trends. Prior the pandemic in early 2020, the unemployment rate in Isanti County was 5.5%, before jumping to 10.9% in May 2020. The unemployment rate began to settle down by May 2021 when it was just 3.9%. For most of 2023, the Isanti County unemployment rate was under 4%.

Despite the pandemic impacts over the past four years, the local real estate market has performed above expectations and strong demand remains for housing. Supply remains at an all-time low, yet pricing is remaining steady (but some appreciation) due few homes for sale. The pandemic has changed buyer preferences; both internally and externally. Buyers have a greater desire for outdoor features, green space, more square footage, flexible spaces for home offices, and healthy living conditions. Buyers are also trading location for more home by locating further from their place of employment; benefiting tertiary markets such as Cambridge and Isanti County. There is also a preference toward new construction and the new home market has been strong since 2020 as builders have not kept the pace with demand.

On the rental side, social distancing initially had an impact on common corridor apartment buildings as all communal areas were shut down and tenants could not utilize amenities. Since the pandemic, the demand for smaller unit sizes has waned as renters desire larger spaces as they work from home, utilize for fitness, etc. With telecommuting and work from home being the norm tenants are seeking a separation of work and live spaces as well as access to balconies and patios to provide fresh air and extra space. There has been strong demand for townhome-style rentals or a building that has been designed with a separate entrance to eliminate the possible of interacting with others and catching the virus. These trends and preferences will likely continue as the pandemic has waned.

- **Housing Programs.** Many communities and local Housing and Redevelopment Authorities (HRAs) offer programs to promote and preserve the existing housing stock. In addition, there are various regional and state organizations that assist local communities enhance their housing stock. Generally, we find very few housing programs available in Cambridge and Isanti County. We recommend implementing even a few housing programs to assist new development or enhance the existing housing stock. The following is a sampling of potential programs that could be explored.
 - 4d Affordable Housing Tax Incentive - Offers rental property owners a 40% tax rate reduction and limited grant assistance for units that remain affordable for ten years. Property owners can invest the savings into updating and maintaining their naturally occurring affordable housing units.
 - Architectural Design Services - The local government authority (City, HRA, etc.) partners with local architects to provide design consultation with homeowners. Homeowner pays a small fee for service, while the City/public entity absorbs the majority of the cost. No income restriction.
 - Construction Management Services – Assist homeowners regarding local building codes, reviewing contractor bids, etc. Typically provided as a service by the building department. This type of service could also be rolled into various remodeling related programs.
 - Density Bonuses – Since the cost of land is a significant barrier to housing affordability, increasing densities can result in lower housing costs by reducing the land costs per unit. Municipalities can offer density bonuses as a way to encourage higher-density residential development while also promoting an affordable housing component.
 - Fast Track Permitting – Program designed to reduce delays during the development process that ultimately add to the total costs of housing development. By expediting the permitting process costs can be reduced to developers while providing certainty into the development process. Typically, no-cost to the local government jurisdiction.

CHALLENGES AND OPPORTUNITIES

- Heritage/Historic Preservation – Encourage residents to preserve historic housing stock in neighborhoods with homes with character through restoring and preserving architectural and building characteristics. Typically funded with low interest rates on loans for preservation construction costs.
- Home Improvement Area (HIA) - HIAs allow a townhome or condo association low interest loans to finance improvements to communal areas. Unit owners repay the loan through fees imposed on the property, usually through property taxes. Typically, a "last resort" financing tool when associations are unable to obtain traditional financing due to the loss of equity from the real estate market or deferred maintenance on older properties.
- Home-Building Trades Partnerships – Partnership between local Technical Colleges or High Schools that offer building trades programs. Affordability is gained through reduced labor costs provided by the school. New housing production serves as the “classroom” for future trades people to gain experience in the construction industry.
- Home Sale Point of Sale - City ordinance requiring an inspection prior to the sale or transfer of residential real estate. The inspection is intended to prevent adverse conditions and meet minimum building codes. Sellers are responsible for incurring any costs for the inspection. Depending on the community, evaluations are completed by either city inspectors or third-party licensed inspectors.
- Housing Fair - Free seminars and advice for homeowners related to remodeling and home improvements. Most housing fairs offer educational seminars and "ask the expert" consulting services. Exhibitors include architects, landscapers, building contractors, home products, city inspectors, financial services, among others.
- Home Energy Loans – Offer low interest home energy loans to make energy improvements in their homes.
- Household and Outside Maintenance for the Elderly (H.O.M.E.) – Persons 60 and over receive homemaker and maintenance services. Typical services include house cleaning, grocery shopping, yard work/lawn care, and other miscellaneous maintenance requests.
- Infill Lots – The City or HRA purchase blighted or substandard housing units from willing sellers. After the home has been removed, the vacant land is placed into the program for future housing redevelopment. Future purchasers can be builders or the future owner-occupant who has a contract with a builder. Typically, all construction must be completed within an allocated time period (one year in most cases).
- Land Banking – Land Banking is a program of acquiring land with the purpose of developing at a later date. After a holding period, the land can be sold to a developer (often at a price lower than market) with the purpose of developing affordable housing.

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- Land Trust - Utilizing a long-term 99-year ground lease, housing is affordable as the land is owned by a non-profit organization. Subject to income limits and targeted to work-force families with low-to-moderate incomes. If the family chooses to sell their home, the selling price is lower as land is excluded.
- Realtor Forum - Typically administered by City with partnership by local school board. Inform local Realtors about school district news, current development projects, and other marketing factors related to real estate in the community. In addition, Realtors usually receive CE credits.
- Remodeling Tours - City-driven home remodeling tour intended to promote the enhancement of the housing stock through home renovations/additions. Homeowners open their homes to the public to highlight home improvements.
- Rental Collaboration - City organizes regular meetings with owners, property managers, and other stakeholders operating in the rental housing industry. Collaborative, informational meetings that includes city staff, updates on economic development and real estate development, and updates from the local police, fire department, and building inspection departments.
- Rent to Own - Income-eligible families rent for a specified length of time with the end-goal of buying a home. The HRA saves a portion of the monthly rent that will be allocated for a down payment on a future house.
- Shallow Rent Subsidy: The HRA funds a shallow rent subsidy program to provide program participants living in market rate rentals a rent subsidy (typically about \$100 to \$300 per month).
- Tax Abatement: A temporary reduction in property taxes over a specific time period on new construction homes or home remodeling projects. Encourages new construction or rehabilitation through property tax incentives.
- Tax Increment Financing (TIF): Program that offers communities a flexible financing tool to assist housing projects and related infrastructure. TIF enables communities to dedicate the incremental tax revenues from new housing development to help make the housing more affordable or pay for related costs.
- Transfer of Development Rights – Transfer of Development Rights (TDR) is a program that shifts the development potential of one site to another site or different location, even a different community. TDR programs allow landowners to sever development rights from properties in government-designated low-density areas and sell them to purchasers who want to increase the density of development in areas that local governments have selected as higher density areas.

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- **Waiver or Reduction of Development Fees** – There are several fees’ developers must pay including impact fees, utility and connection fees, park land dedication fees, etc. To help facilitate affordable housing, some fees could be waived or reduced to pass the cost savings onto the housing consumer.
- **Infill Lots.** Infill refers to a parcel(s) of land which is surrounded by land that has already been developed. Infill development is new construction located on underutilized or vacant lots usually located in established neighborhoods of a community, such as the neighborhoods near Downtown Cambridge. Infill development can be challenging as enough parcels of land that are permissible land uses are typically required to be assembled to allow for a feasible building. Typically, the challenge is assembling all of the parcel owners to agree to sell and in a time period that makes economic sense to the buyer. Although Cambridge may have some infill lots available; however, many have tighter lot widths which require lot combinations in order to achieve a buildable lot. Many of these lots are priced lower than lots marketing in new subdivisions. As such, these lots are typically among the lowest price in a community.

Many communities have infill programs that are designed to enhance older neighborhoods or provide affordable homes for low- and moderate-income households. Infill programs are designed to facilitate the development of vacant lots in older neighborhoods that suit the character of the neighborhood. Some cities provide pre-approved floor plans that meet building criteria on smaller lots sizes. Other communities have infill programs that provide incentives to encourage developers to build affordable housing within targeted neighborhoods. Such incentives include free land for qualified builders/developers, deferred or waived impact fees, and funding assistance.

- **Inflation.** U.S. inflation rates hit a new 40-year high of nearly 9% in 2022, the biggest yearly increase since December 1981. Rampant price increased for nearly every good and service and specifically energy and food costs are having an impact on American consumers and will eventually affect housing affordability. As a result, the Federal Reserve is implementing interest rate hikes and increasing borrowing costs to hopefully offset a recession. As interest rates have increased for-sale housing demand has slowed and demand for rental housing has increased. This has resulted in higher housing costs for both buyers and renters. Housing assets are in higher demand during inflationary times as real estate values tend to hedge inflation and investors seek out rental housing assets as equity continues to grow. In the short term, household balance sheets will continue to be stretched as rising costs affect Cambridge area residents. This could hinder housing production in the near term as new construction will be difficult to pencil. Finally, the high inflation of homeowners insurance is having a major impact on housing affordability as many homeowners are facing premium increases of 20% or more.
- **Job Growth/Employment.** The Covid-19 pandemic created a number of new challenges for businesses, workers, and government. These unprecedented challenges had an economic ripple effect across the country as thousands of Americans found themselves out of work

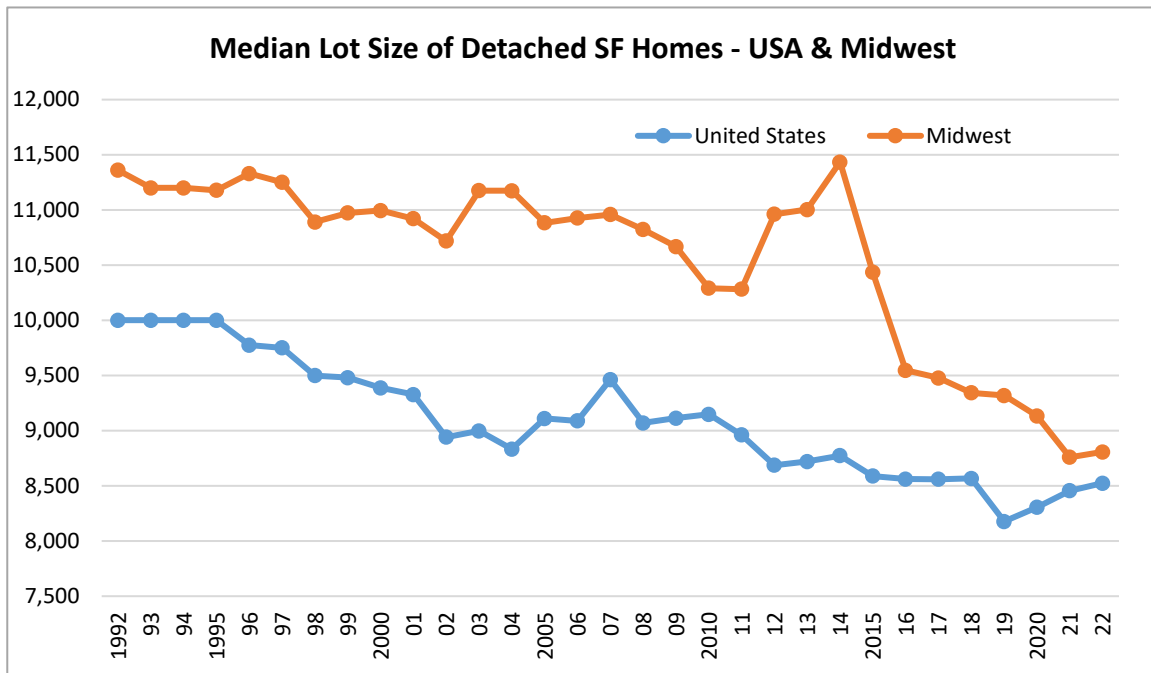
with increases in unemployment. As depicted earlier, the unemployment rate in Isanti County has historically been higher than the State of Minnesota, but lower than the U.S. averages. Unemployment peaked at nearly 11% during the pandemic shutdowns, but by early 2021 began to fall under 5% and have remained rather tight since

Although the unemployment rate remains low, the labor force has not come back to the 2020 employment numbers prior to the pandemic. Although a low unemployment rate is generally considered positive news, a low unemployment rate and declining labor force can be challenging for employers looking to add additional staff. Many employers find that the local labor force is tapped out in terms of skilled employees and attracting new talent to the area has been challenging. In part, employee recruitment has been challenging due to a tight housing market and the lack of an availability as supply in either the for-sale market or rental market has been significantly low.

- **Lifestyle Renters.** Historically, householders rented because they couldn't afford to buy or didn't have the credit to qualify for a mortgage. Today that is no longer the case, and many householders are renting by choice. High-income renters represent the fastest growing market segment of the rental market today; having grown 48% over the past decade. Demand is being driven by the Millennials, would-be buyers on the side-lines (due to high sales prices and mortgage rates), and empty nesters. As a result, rental housing is one of the preferred real estate asset classes today across country. Lifestyle renters are attracted to developments offering excellent finishing quality, extensive common area facilities, and typically focus on an environment providing a more social experience.
- **Lot Size:** Across Minnesota, the Midwest, and the U.S. there has been a growing trend of lot size compression for decades and especially since the Great Recession of last decade. As illustrated in the chart below, the median lot size of a new single-family detached home in the United States sold in 2019 dropped to its smallest size since the Census Bureau has been tracking lot sizes. Nationwide median lot sizes have dropped below 8,200 square feet (0.19 acres) before increasing in 2021 and 2022 from the pandemic. At the same time, lot sizes decreased in the Midwest to the lowest levels recorded in 2021, down about 15% from 2010.

Lot sizes have decreased in part due to increasing raw land prices, lot prices, and rising regulatory and infrastructure costs (i.e. curb and gutter, streets, etc.). As a result, builders and developers have reduced lot sizes in an effort to increase density and absorb higher land development costs across more units. Many newer single-family subdivisions across the Greater Twin Cities Metro Area have lot widths of about 65 to 75 feet, down from the standard width of 80 to 90 feet prior to the Great Recession. Because many local governments have larger minimum lot size requirements, the cost of housing continues to rise as developers and buyers may be required to purchase a lot this is larger than they prefer. Table FS-6 shows 52% of new lots in the Greater Twin Cities have lot widths of 60 to 79 feet; whereas many lots in Cambridge that closed this past year were over 100' wide. In an

effort to curb rising costs, we recommend compressing lot sizes for new construction to help alleviate costs and maintain affordability.



- Lot Supply.** Tables FS-9 and FS-10 inventoried active subdivisions with available lots. Based on our research, there are anywhere from 100 to 120 vacant developed lots at the time of this report (excluding scattered or infill-lots). Historically Cambridge is averaging about 33 new single-family homes per year since 2010, therefore the current lot supply is able to support demand in the very short-term. Therefore, additional lots will be needed immediately to meet future housing demand. Given the time to develop finished lots with infrastructure, developers and builders need to be platted new subdivisions now to meet future housing needs.
- Mobility/Outstate Minnesota Lifestyle and Image:** The COVID-19 pandemic fundamentally changed the housing industry and mobility has been at all-time highs since the pandemic. According to Pew Research, 20% of American’s moved during the pandemic. Housing suddenly became more than a place to sleep, but the home office, school, gym, and place of entertainment. Generally, households used the pandemic and the work-from-home movement to flee high-cost housing markets and relocated to more affordable housing markets. Mobility trends showed the movement away from urban core neighborhoods or Metro Areas to the suburbs, exurbs, and rural areas. Households moved to lesser denser populated areas, lower tax states, sought larger homes and yards, and traded-up due to the lower cost of housing.

Many communities outside of the Twin Cities experienced strong growth as remote work made the movement to small towns and the “country” viable which was once led by

proximity to the office. Outstate Minnesota returnees are often motivated to live closer to family and friends, smaller schools to raise children, slower pace of life, outdoor activities, and finally more affordable housing stock compared to their previous place of residence. It is estimated that families with children accounted for the highest percentage of household types that have moved to smaller cities.

A recent study released in March 2024 shows that across the U.S. the average distance between the employer and the employee increased by 2.7x driven by hybrid and work from home employment options. The movement away from the place of employment is being led by Millennials and often targeting higher-paying professionals that have the option to work remotely or hybrid. Given Cambridge's proximity to the Metro Area and northern Minnesota recreational amenities, Cambridge is well-positioned to capture household growth that traditionally may have located closer into the Twin Cities core. We recommend marketing strategies on branding Cambridge's lifestyle, amenities, and more affordable housing stock.

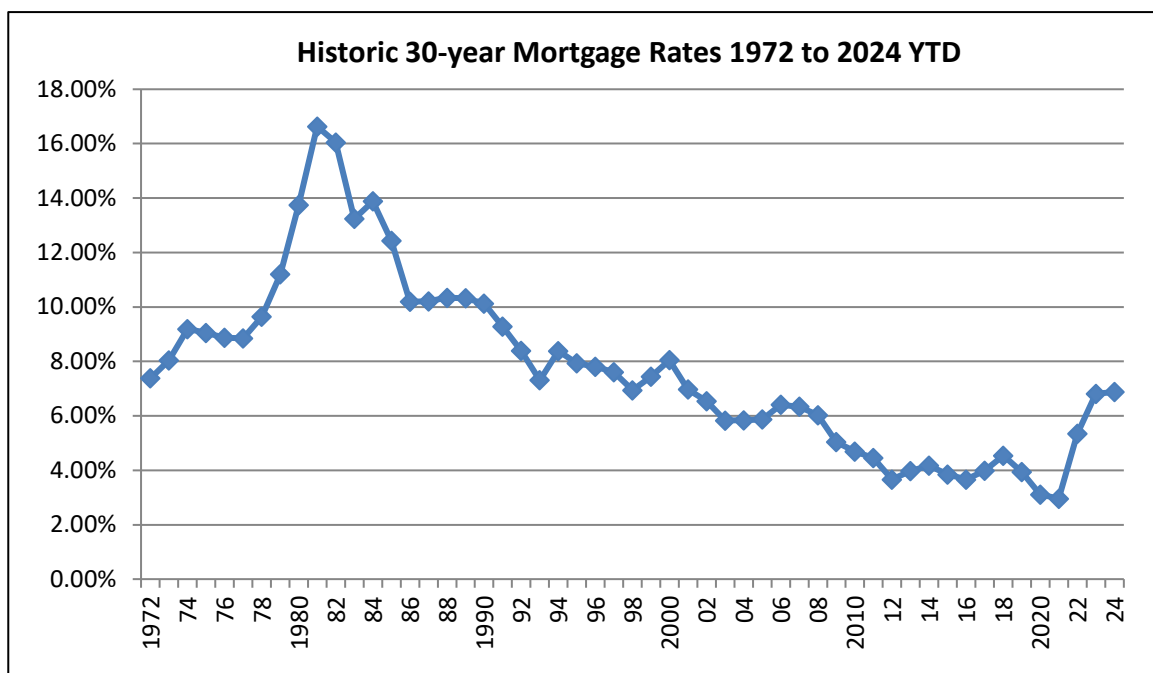
- **Modular Housing.** Modular housing, often referred to as prefab housing, is the construction of housing units in a controlled factory-like setting or on a manufacturer's site or lumber yard. Modular housing is gaining steam from developers and investors to combat high construction costs, labor shortages, and speed-up the construction timeline. The biggest advantage modular housing provides is time and shaving months of holding costs off the consumer's bottom line. Originally modular housing was mostly single-family oriented; however, developers are now constructing entire apartment buildings, hotels, senior living, man camps, and college dorms. Historically the biggest challenge of modular housing is transportation, shipping costs, and perception. Modular housing has made huge strides over the decades and are now built on concrete foundations or include basements. The industry continues to battle the stigma of the older mobile homes as the appraisal community continually mis-appraises modular homes due to biases or lack of education on the product. Maxfield Research believes there is opportunity in the modular construction sector that can be utilized in Cambridge, providing a win-win scenario by providing housing production and passing cost savings along to consumers. Modular plants are located in Detroit Lakes, Owatonna, and one is planned along the I-94 corridor between the Twin Cities and St. Cloud.

If not already so, we recommend that the City revise zoning codes to allow for this type of housing if it is not permitted. However, design standards should be enforced in order to ensure incompatible housing does not deter neighborhoods.

- **Mortgage Rates.** Mortgage rates play a crucial part in housing affordability. Lower mortgage rates result in a lower monthly mortgage payment and buyers receiving more home for their dollar. Rising interest rates often require homebuyers to raise their down payment in order to maintain the same housing costs. Mortgage rates have stayed at historic lows for most of the past decade trending under 4.5% (30-year fixed) since around 2010. At the on-set of the COVID-19 pandemic, rates plummeted to at or near an all-time low under 3%

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for part of 2020 and most of 2021. However, due to a 40-year high inflation the Federal Reserve began hiking rates in 2022 to slow the economy and curtail inflation. The Federal Reserve has implemented 11 rate hikes over the past two years. As a result, the cost of for-sale housing has increased significantly, and many would-be-buyers are on the sidelines and have been priced out of the market. Compared to early in 2022, mortgage payments in Winter of 2024 are on average about 65% higher than the beginning of 2022 (3.25% vs. near 7%). As a result, affordability has been crushed and a housing market reset is in play. The following charts illustrates historical mortgage rate averages as compiled by Freddie Mac. The Freddie Mac Market Survey (PMMS) has been tracking mortgage rates since 1972 and is the most relied upon benchmark for evaluating mortgage interest market conditions. The Freddie Mac survey is based on 30-year mortgages with a loan-to-value of 80%.



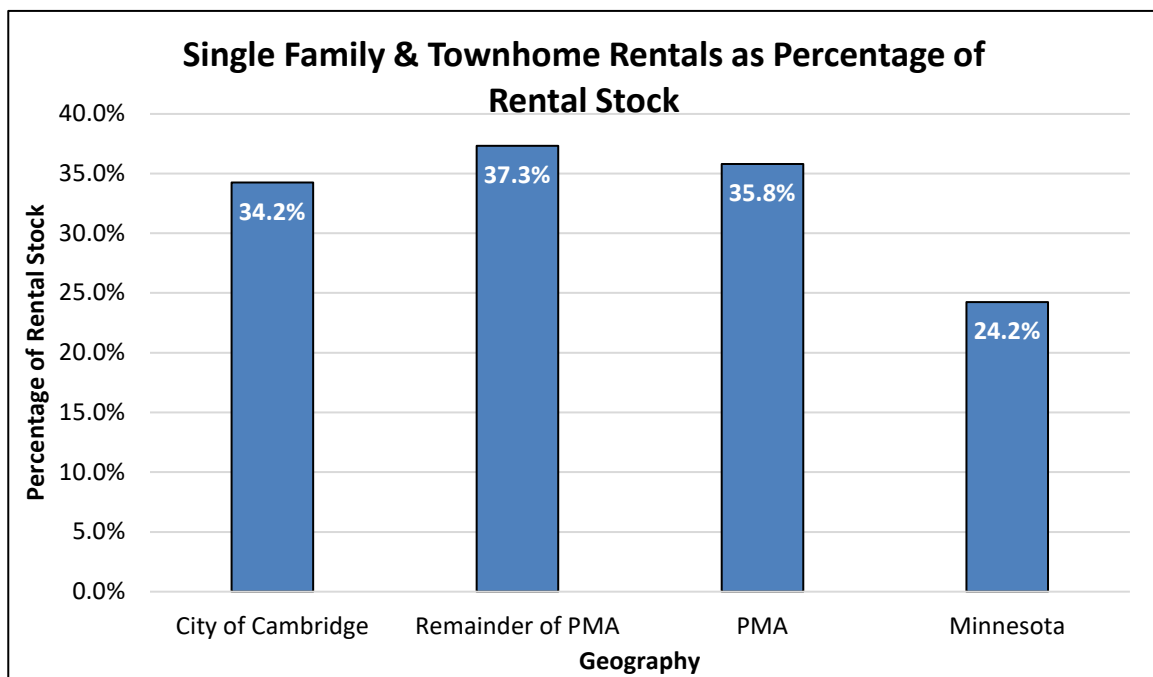
- **Private/Public Partnerships (“PPP”).** Private/public partnerships are a creative alliance formed to achieve a mutual purpose and goal. Partnerships between local jurisdictions, the private sector, and nonprofit groups can help communities develop housing products through collaboration that otherwise may not materialize. Private sector developers can benefit through greater access to sites, financial support, and relaxed regulatory processes. Public sectors have increased control over the development process, maximize public benefits, and can benefit from and increased tax base.

A number of communities have solved housing challenges through creative partnerships in a variety of formats. Many of these partnerships involve numerous funding sources and stakeholders. Because of the difficulty financing infrastructure costs, it will likely require innovative partnerships to stimulate housing development.

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- **Single-Family Rental Housing Demand.** Table HC-5 showed that 27% of the rental housing inventory in Cambridge in 2021 is within single-unit housing structures. Another 11% of units were located within an attached structure such a townhome or twin home. Nation-wide, it is estimated that 25 of the 43 million rental households in the United States (58%) reside in both single-family rentals, townhomes, duplexes, triplexes, and quads. Single-family units, townhomes, and condos make-up about 34% of all rental units in the country, 23% in the Twin Cities Metro Area, and 27% in the State of Minnesota. About 36% of all rental units in the Market Area are comprised of lower-density rentals.

A recent study by Freddie Mac identified the market share of single-family rentals (“SFR”) by ownership type across the country. The study found that 88% of SFR are owned by investors with between 1 and 10 homes. Institutional investors make-up only 1% of the market share today; even though they are they have the financial backing and are able to acquire larger portfolios.



Demand is strong for SFR by providing renter lifestyle choice and the ability to reside in a detached unit without having to obtain the funds for a down payment on a mortgage. Many single-family renters may consider purchasing; however, the rising costs of real estate and the down payment requirements hinder some renters from making the leap to home ownership. The COVID-19 pandemic increased demand for SFR as renters desire more square footage, green space/yards, separate entrances, and more privacy than traditional multifamily structures.

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Single-family rental communities have been one of the hottest real estate products to come out of the pandemic over the past few years. Although Minnesota is behind the rest of the country, there are several developments in the pipeline or that have recently been completed in the Twin Cities. We recommend exploring purpose-built single-family rental communities or townhomes in the City of Cambridge and zoning codes that permit the project concept.

APPENDIX

Definitions

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

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

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

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

Affordable Housing – The general definition of affordability is for a household to pay no more than 30% of their income for housing. For purposes of this study we define affordable housing that is income-restricted to households earning at or below 80% AMI, though individual properties can have income-restrictions set at 40%, 50%, 60% or 80% AMI. Rent is not based on income but instead is a contract amount that is affordable to households within the specific income restriction segment. It is essentially housing affordable to low or very low-income tenants.

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

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

Assisted Living – Assisted Living properties come in a variety of forms, but the target market for most is generally the same: very frail seniors, typically age 80 or older (but can be much younger, depending on their particular health situation), who are in need of extensive support

services and personal care assistance. Absent an assisted living option, these seniors would otherwise need to move to a nursing facility. At a minimum, assisted living properties include two meals per day and weekly housekeeping in the monthly fee, with the availability of a third meal and personal care (either included in the monthly fee or for an additional cost). Assisted living properties also have either staff on duty 24 hours per day or at least 24-hour emergency response.

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

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

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

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

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

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

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

APPENDIX

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

Gross Density – The number of dwelling units per acre based on the gross site acreage.

Gross Density = Total residential units/total development area

Net Density - The number of dwelling units per acre located on the site, but excludes public rights-of-way (ROW) such as streets, alleys, easements, open spaces, etc.

Net Density = Total residential units/total residential land area (excluding ROWs)

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

Effective Rents – Contract rent less applicable concessions.

Elderly or Senior Housing – Housing where all the units in the property are restricted for occupancy by persons aged 62 years or better, or at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or better and the housing is designed with amenities, facilities and services to meet the needs of senior citizens.

Extremely Low-Income – Person or household with incomes below 30% of Area Median Income, adjusted for respective household size.

Fair Market Rent – Estimates established by HUD of the Gross Rents needed to obtain modest rental units in acceptable conditions in a specific geographic area. The amount of rental income a given property would command if it were open for leasing at any given moment and/or the amount derived based on market conditions that is needed to pay gross monthly rent at modest rental housing in a given area. This figure is used as a basis for determining the payment standard amount used to calculate the maximum monthly subsidy for families on at financially assisted housing.

Fair Market Rent Isanti County - 2023

	Fair Market Rent				
	EFF	1BR	2BR	3BR	4BR
Fair Market Rent	\$1,007	\$1,149	\$1,410	\$1,916	\$2,209

Floor Area Ratio (FAR) Ratio of the floor area of a building to area of the lot on which the building is located.

Foreclosure – A legal process in which a lender or financial institute attempts to recover the balance of a loan from a borrower who has stopped making payments to the lender by using the sale of the house as collateral for the loan.

Gross Rent – The monthly housing cost to a tenant which equals the Contract Rent provided for in the lease, plus the estimated cost of all utilities paid by tenants. Maximum Gross Rents are shown in the figure below.

**Gross Rent
Isanti County – 2023**

	Maximum Gross Rent				
	EFF	1BR	2BR	3BR	4BR
30% of median	\$652	\$745	\$838	\$931	\$1,006
50% of median	\$1,087	\$1,242	\$1,397	\$1,552	\$1,677
60% of median	\$1,305	\$1,491	\$1,677	\$1,863	\$2,013
80% of median	\$1,740	\$1,988	\$2,236	\$2,484	\$2,684
100% of median	\$2,175	\$2,485	\$2,795	\$3,105	\$3,355
120% of median	\$2,610	\$2,982	\$3,354	\$3,726	\$4,026

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

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

Housing Choice Voucher Program – The federal government's major program for assisting very low-income families, the elderly, and people with disabilities to afford decent, safe, and sanitary housing in the private market. A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. Housing choice vouchers are administered locally by public housing agencies. They receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program. A housing subsidy is paid to the landlord directly by the public housing agency on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

Housing Unit – House, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

HUD Project-Based Section 8 – A federal government program that provides rental housing for very low-income families, the elderly, and people with disabilities in privately owned and managed rental units. The owner reserves some or all of the units in a building in return for a

Federal government guarantee to make up the difference between the tenant's contribution and the rent. A tenant who leaves a subsidized project will lose access to the project-based subsidy.

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

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

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

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

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

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

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

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

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

Market Study – A comprehensive study of a specific proposal including a review of the housing market in a defined market or geography. Project specific market studies are often used by developers, property managers or government entities to determine the appropriateness of a

proposed development, whereas market specific market studies are used to determine what housing needs, if any, existing within a specific geography.

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

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

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

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

Mobility – The ease at which people move from one location to another. Mobility rate is often illustrated over a one-year time frame.

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

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

Naturally Occurring Affordable Housing – Although affordable housing is typically associated with an income-restricted property, there are other housing units in communities that indirectly provide affordable housing. Housing units that were not developed or designated with income guidelines (i.e., assisted) yet are more affordable than other units in a community are considered “naturally-occurring” or “unsubsidized affordable” units. This rental supply is available through the private market, versus assisted housing programs through various governmental agencies. Property values on these units are lower based on a combination of factors, such as: age of structure/housing stock, location, condition, size, functionally obsolete, school district, etc.

APPENDIX

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

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

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

Population – All people living in a geographic area.

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

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

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

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

Rent Burden – Gross rent divided by adjusted monthly household income.

Restricted Rent – Rent charged under the restriction of a specific housing program or subsidy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Workforce Housing – Housing that is income-restricted to households earning between 80% and 120% AMI; however, some government agencies define workforce housing from 50% to 120% AMI. Also referred to as moderate-income housing.

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