

Comprehensive Housing
Needs Analysis for
Dodge County, Minnesota

REVISED DRAFT

Prepared for:

Dodge County EDA
Mantorville, MN

January 2019



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March 25, 2019

Ms. Stephanie Lawson
Community and Business Development Specialist
1500 South Highway 52
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Chatfield, MN 55923

Dear Ms. Lawson:

Attached is the *Comprehensive Housing Needs Analysis for Dodge County, Minnesota* conducted by Maxfield Research and Consulting, LLC. The study projects housing demand from 2018 through 2025, and gives recommendations on the amount and type of housing that could be built in Dodge County to satisfy demand from current and future residents over the next decade.

The study identifies a potential demand for about 1,176 new housing units in 2018. Demand was divided between general-occupancy housing (863 units) and age-restricted senior housing (313). Our inventory of general-occupancy rental housing found an overall vacancy rate of 1.2% among the inventoried rental housing stock. The low vacancy rate indicates pent-up demand for additional rental units in Dodge County. The current lot supply in the West and Central submarkets is sufficient to meet demand in the next five years, while the East submarket is expected to need additional platted lots within three years. Detailed information regarding recommended housing concepts can be found in the *Conclusions and Recommendations* section at the end of the report.

We have enjoyed performing this study for you and are available should you have any questions or need additional information.

Sincerely,

MAXFIELD RESEARCH AND CONSULTING, LLC

Matt Mullins
Vice President

Jessica Van Voorhis
Research Associate

Attachment

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Purpose and Scope of Study

Maxfield Research and Consulting, LLC. was engaged by the Dodge County Economic Development Authority to conduct a *Comprehensive Housing Needs Analysis* for Dodge County, Minnesota. The Housing Needs Analysis 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 County.

The scope of this study includes: an analysis of the demographic and economic characteristics of the County; 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 and for-sale housing products; and an assessment of the need for housing by product type in the County. Recommendations on the number and types of housing products that should be considered in the County are also supplied.

Demographic Analysis

- The East submarket is the population center of the county, accounting for 57% of the county population. The East submarket population is forecast to add the greatest number new residents (+1,600) and households (+650) to Dodge County between 2018 and 2030.
- By 2025, the largest adult age cohort in the County will be those 35 to 44 and 45 to 54, each representing 18% of the population.
- The largest proportional growth is expected in the 65 to 74 age cohort in Dodge County, increasing by 44.8%.
- The majority of Dodge County residents, 96.4%, reported their race as “White Alone” in 2016 and 4.9% of the population reported their ethnicity as Hispanic or Latino. The proportion of the population reporting their ethnicity as Hispanic or Latino differed by submarket, ranging from 1.9% in the East submarket to 10.2% in the West submarket.
- The median income for Dodge County is projected to rise from \$73,733 to \$82,354 in 2023.
- In 2018, the highest median incomes were reported in the East submarket (\$80,962), followed by the West submarket (\$75,234). The Central submarket trails the other submarkets in income, with a median income in 2018 of \$62,500.
- Married households without children and other family households (typically single-parent households) are growing in Dodge County, while households of married couples with children are declining.

Housing Characteristics

- The number of building permits issued for new residential units in Dodge County continues to reflect the impact of the Great Recession. Building permits dropped from 1,073 new residential construction units permitted between 2000 and 2005 to 271 residential units permitted from 2014 to 2017.
- Single family detached units represented the largest proportion of owner-occupied homes (92.2%) and renter-occupied homes (39.5%) in Dodge County.
- Median home values for owner-occupied homes were highest in the East submarket at \$198,375 in 2016. Median contract rent was also highest in the East submarket in 2016 at \$552
- Median income among Dodge County owner households was \$77,170, while renter households reported a median income of \$32,768 in 2016.

Employment Trends

- Unemployment has been on a steady decline in Dodge County since peaking at 7.4% in 2009.
- Manufacturing is an industry leader in the County. It's the largest employment sector in Dodge County, accounting for 27.1% of employment, and it offers some of the highest weekly wages (\$1,143) among industries in the county.
- Just over 39% of workers who live Dodge County commute to work in Rochester, the most popular work destination for Dodge County workers.

Rental Housing Market Analysis

- In total, Maxfield Research surveyed 302 general occupancy market rate rental units in Dodge County spread across 24 multifamily developments (8 units and larger). At the time of the survey, there was a 1.2% vacancy rate in Dodge County. 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.
- There were 48 affordable units and 111 subsidized units in Dodge County. There were no vacant affordable units and only one vacant subsidized.

Senior Housing Market Analysis

- There is one active-adult few services rental developments in Dodge County with 12 one-bedroom units.

EXECUTIVE SUMMARY

- There is one congregate senior rental developments located in Dodge County with 20 units, including 16 one-bedroom and four two-bedroom units.
- There are four developments that offer assisted living services located in Dodge County, totaling 57 units. However, we were unable to contact one assisted living development to obtain a number of units.
- Prairie Meadows in Kasson was the only memory care facility in the County with a total of 22 units. Eleven units are considered moderate memory care. The remaining 12 units of memory care are in a secure unit.
- There are four active adult senior subsidized housing developments in Dodge County that offer 103 one-bedroom units with one vacant unit.

For-Sale Housing Market Analysis

- Median sales prices dropped sharply, from \$130,550 to \$109,950, between 2010 and 2011. Since 2011, median sales prices have generally risen and reached the highest point, \$176,500, in 2017.
- As of November 2018, there were 55 homes listed for sale in Dodge County. The median list price was \$224,900. Based on an average list price of \$224,900, the income required to afford a home at this price would be about \$64,257 to \$74,967, based on the standard of 3.0 to 3.5 times the median income. About 58% of Dodge County households have annual incomes at or above \$64,257.
- There are 179 lots available in subdivisions in Dodge County, 74 vacant lots were in the Central submarket, 87 lots were in the East submarket and 18 lots were in the West submarket. The average assessed lot value was \$27,092 and the average assessed home value within these subdivisions was \$193,649.

Development Pipeline

- Stagecoach Trails is a twelve-lot single family subdivision in Mantorville that received preliminary plat approval in October 2018.
- Greystone Place Townhomes in Dodge Center has an additional 12 units under construction. The units are expected to be finished in 2019.
- There are two developments in the early stages of consideration in Dodge County. There is interest in developing a 20-lot rural subdivision in Dodge County, west of Mantorville. There is also interest in a new subdivision development in Northwest Kasson that will have 15 twinhomes, and some additional single-family homes. Due to the initial nature of these projects they were not included in our demand calculations.

Housing Affordability

- About 18% of owner households and 38% of renter householders are estimated to be paying more than 30% of their income for housing costs in Dodge County. Compared to the Minnesota average, the percentage of cost burdened owner and renter households is lower than the state proportion.
- The number of cost burdened households in Dodge County increases proportionally based on lower incomes. About 63% of renters with incomes below \$35,000 are cost burdened and 46% of owners with incomes below \$50,000 are cost burdened.

Housing Needs Analysis

- Based on our calculations, demand exists in Dodge County for the following general occupancy product types between 2018 and 2025:
 - Market rate rental 199 units
 - Affordable rental 84 units
 - Subsidized rental 69 units
 - For-sale single-family 408 units
 - For-sale multifamily 103 units
- In addition, we find demand for multiple senior housing product types. By 2025, demand in Dodge County for senior housing is forecast for the following:
 - Active adult ownership 44 units
 - Active adult market rate rental 91 units
 - Active adult affordable 73 units
 - Active adult subsidized 9 units
 - Congregate 51 units
 - Assisted Living 25 units
 - Memory Care 50 units

Introduction

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

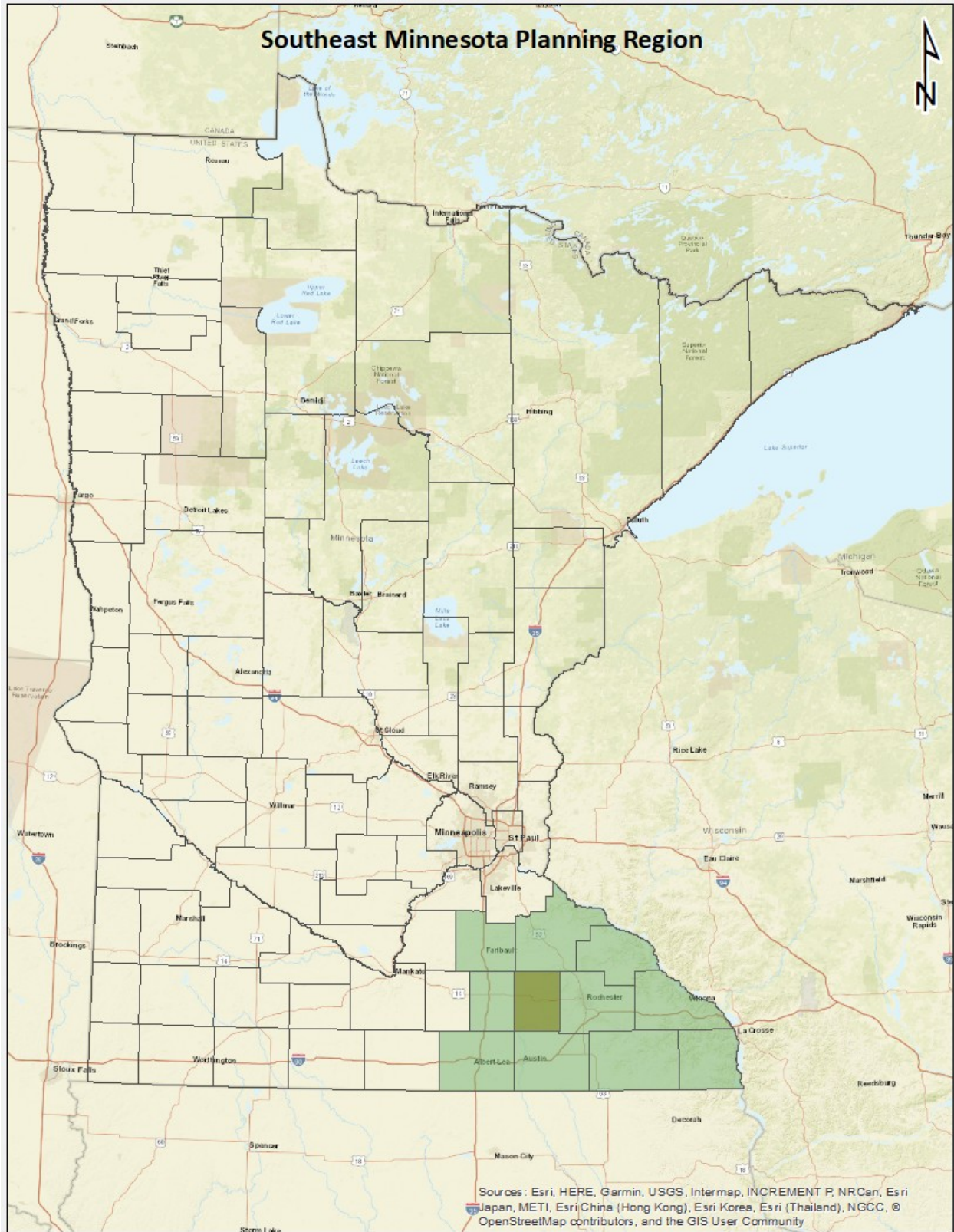
Dodge County Submarket Definitions

After conversations with local officials, Dodge County was divided into three submarkets; West, Central and East for purposes of the housing analysis. Subsequent data in the housing analysis is illustrated by submarket and county-wide.

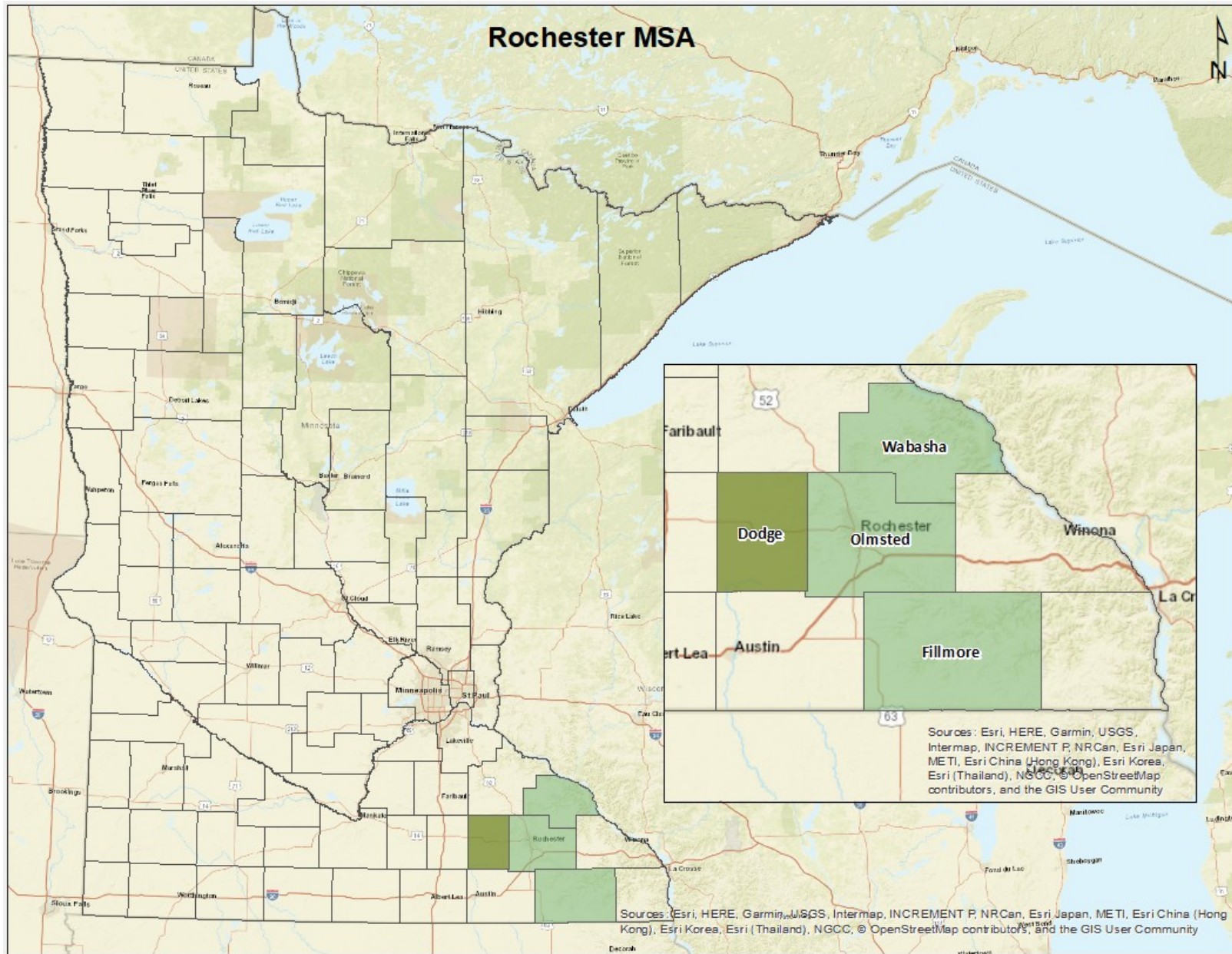
In some cases, additional demand for housing will come from individuals moving from just outside the area, those who return from other locations (particularly young households returning after pursuing their degrees or elderly returning from retirement locations), and seniors who move to be near their adult children living in Dodge County. Demand generated from within and outside of Dodge County is considered in the demand calculations presented later in this analysis.

Dodge County Market Area Definition	
City	Township
West Submarket	
Claremont	Claremont Ellington Ripley Westfield
Central Submarket	
Dodge Center Hayfield West Concord	Ashland Concord Hayfield Wasioja
East Submarket	
Kasson Mantorville	Canisteo Mantorville Milton Vernon
Source: Maxfield Research and Consulting LLC	

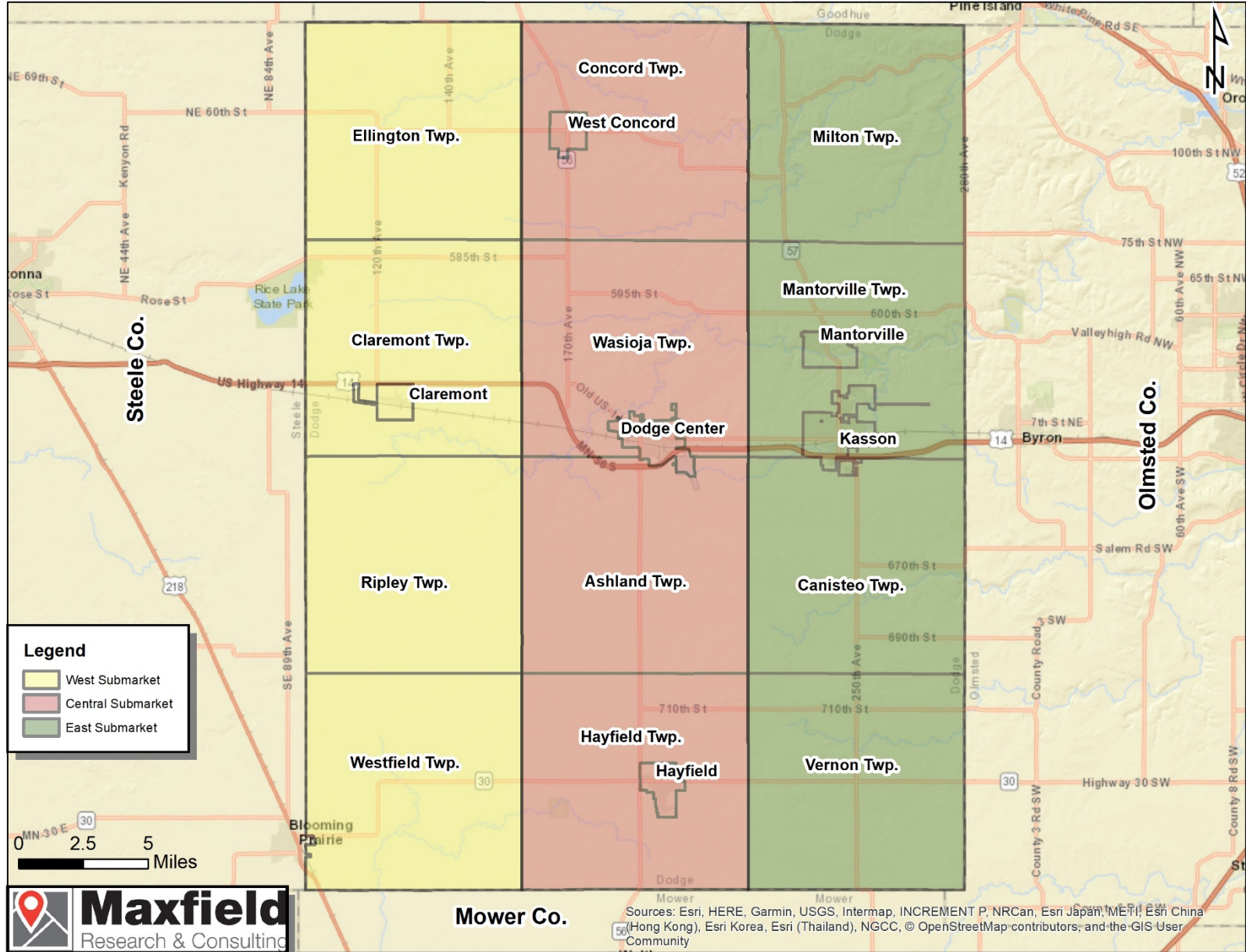
DEMOGRAPHIC ANALYSIS



DEMOGRAPHIC ANALYSIS



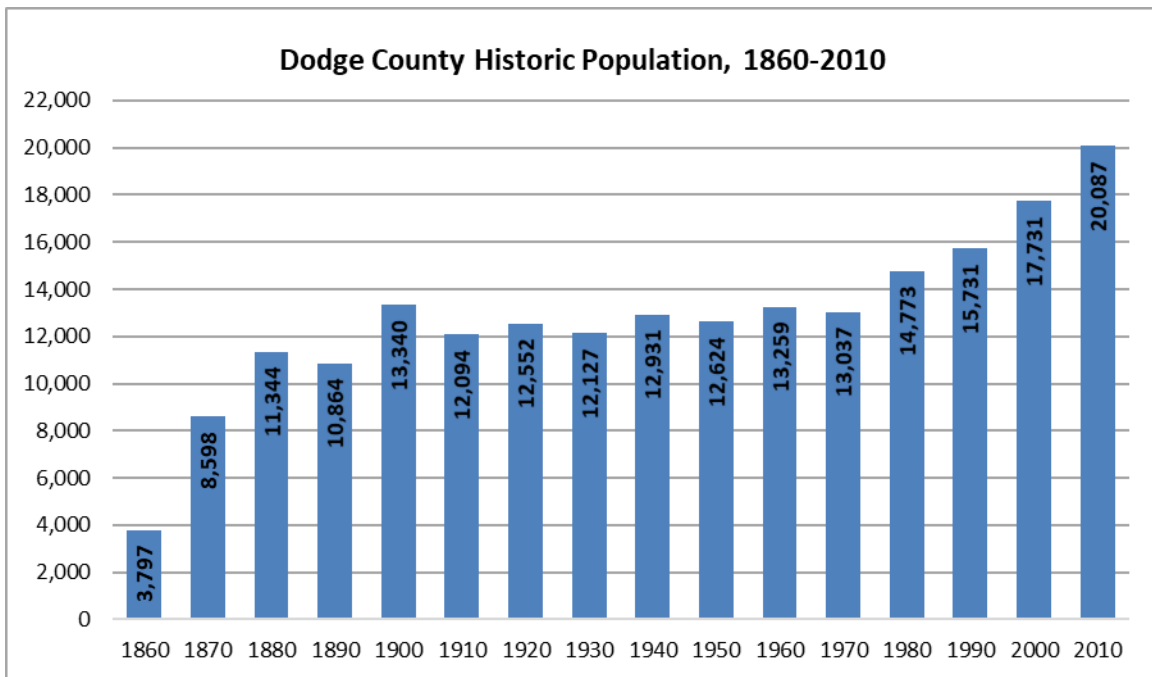
Dodge County Submarkets



Historic Population

The figure below shows historic Dodge County population from the U.S. Census Bureau from 1860 to 2010.

- In the late 1800's, Dodge County experience rapid population growth, rising from 3,797 to 11,344 in two decades.
- Throughout the majority of the 1900's, the population of Dodge County remained nearly steady. Then beginning in 1980, the population of Dodge County began to grow reaching 20,087 in 2010.

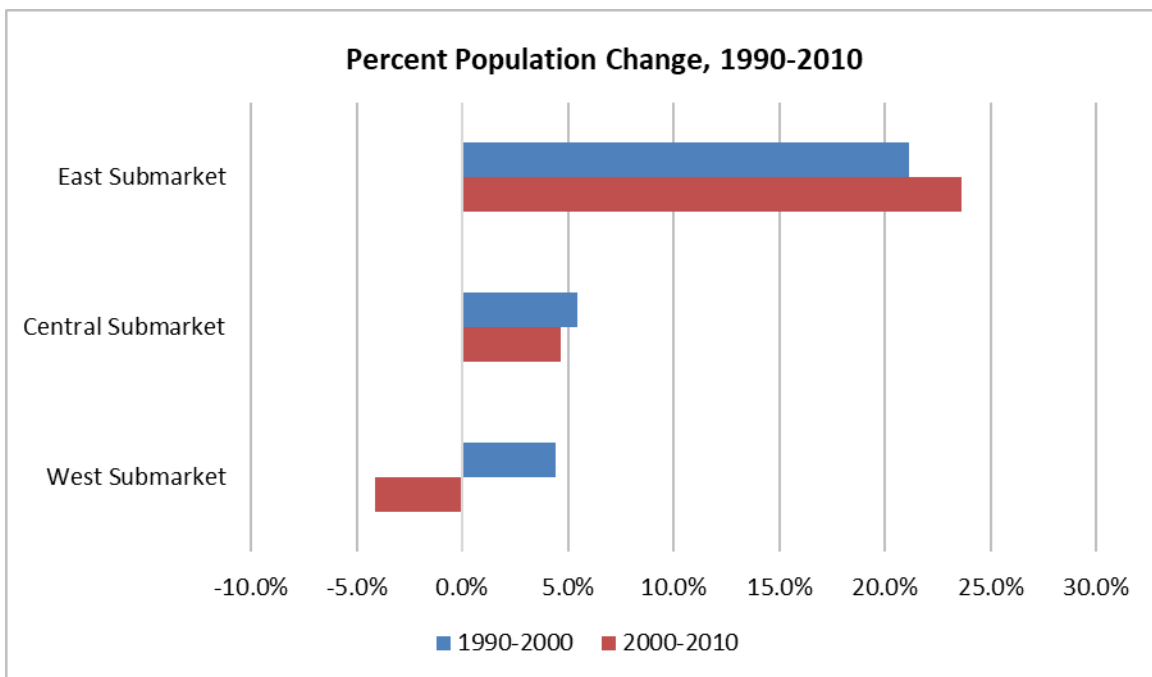


Population and Household Growth from 1990 to 2010

Tables D-1 and D-2 present the population and household growth of each submarket in Dodge County in 1990, 2000, and 2010. The data is from the U.S. Census.

Population

- The population of Dodge County grew by 12.7% between 1990 and 2000 from 15,731 to 17,731. The percent growth of Dodge County was nearly equal to the 12.4% growth the State of Minnesota experienced from 1990 to 2000.
- From 2000 to 2010, the population of Dodge County grew to 20,087, an 11.7% increase in population. Dodge County's population growth during this time exceeded the State of Minnesota, which grew by 7.2%.
- The most significant population growth occurred in the East submarket. The East submarket grew by 50% between 1990 and 2010, adding nearly 3,700 people.



DEMOGRAPHIC ANALYSIS

	Historic Population			Change			
	Census			1990 - 2000		2000 - 2010	
	1990	2000	2010	No.	Pct.	No.	Pct.
West Submarket							
Cities							
Claremont	530	620	548	90	17.0%	-72	-11.6%
Townships							
Claremont Township	449	468	461	19	4.2%	-7	-1.5%
Ellington Township	313	278	261	-35	-11.2%	-17	-6.1%
Ripley Township	200	212	195	12	6.0%	-17	-8.0%
Westfield Township	422	421	451	-1	-0.2%	30	7.1%
Submarket Total	1,914	1,999	1,916	85	4.4%	-83	-4.2%
Central Submarket							
Cities							
Dodge Center	1,954	2,226	2,670	272	13.9%	444	19.9%
Hayfield	1,283	1,325	1,340	42	3.3%	15	1.1%
West Concord	871	836	782	-35	-4.0%	-54	-6.5%
Townships							
Ashland Township	420	367	319	-53	-12.6%	-48	-13.1%
Concord Township	557	587	574	30	5.4%	-13	-2.2%
Hayfield Township	371	445	465	74	19.9%	20	4.5%
Wasioja Township	945	963	914	18	1.9%	-49	-5.1%
Submarket Total	6,401	6,749	7,064	348	5.4%	315	4.7%
East Submarket							
Cities							
Kasson	3,514	4,398	5,931	884	25.2%	1,533	34.9%
Mantorville	874	1,054	1,197	180	20.6%	143	13.6%
Townships							
Canisteo Township	599	662	654	63	10.5%	-8	-1.2%
Mantorville Township	1,158	1,610	1,926	452	39.0%	316	19.6%
Milton Township	671	692	734	21	3.1%	42	6.1%
Vernon Township	600	567	665	-33	-5.5%	98	17.3%
Submarket Total	7,416	8,983	11,107	1,567	21.1%	2,124	23.6%
Dodge County	15,731	17,731	20,087	2,000	12.7%	2,356	11.7%
Minnesota	4,375,099	4,919,479	5,303,925	544,380	12.4%	384,446	7.2%

Sources: U.S. Census; State Data Center of Minnesota; Maxfield Research & Consulting LLC

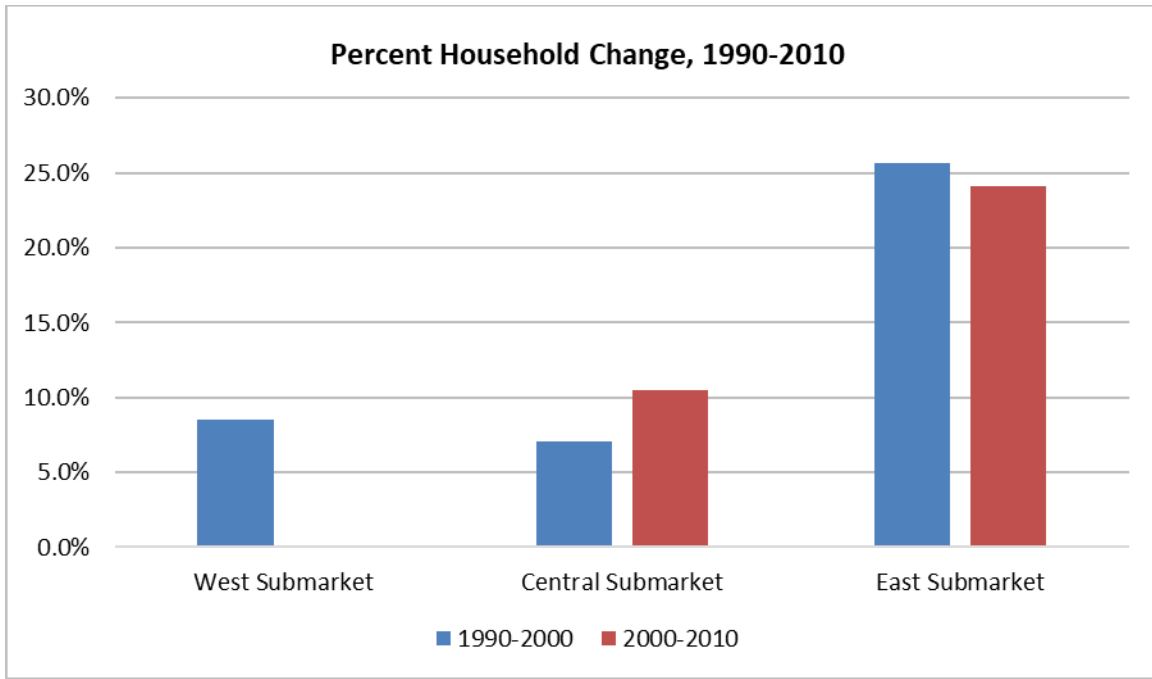
Households

Household growth trends are typically a more accurate indicator of housing needs than population growth since a household is, by definition, an occupied housing unit. However, additional demand can result from changing demographics of the population base, which results in demand for different housing products.

- The East submarket reported the largest household growth, 25.6%, between 1990 and 2000.
- Through 2010, the East submarket continued to report the largest household growth, increasing 24.1%.

DEMOGRAPHIC ANALYSIS

- Household growth in Dodge County has outpaced household growth in the State of Minnesota since 1990. From 1990 to 2000, households grew by 15.9% in Dodge County compared to 2.5% in Minnesota. Dodge County households increased by 13.9% from 2000 to 2010 compared to 9.2% in the State of Minnesota.



DEMOGRAPHIC ANALYSIS

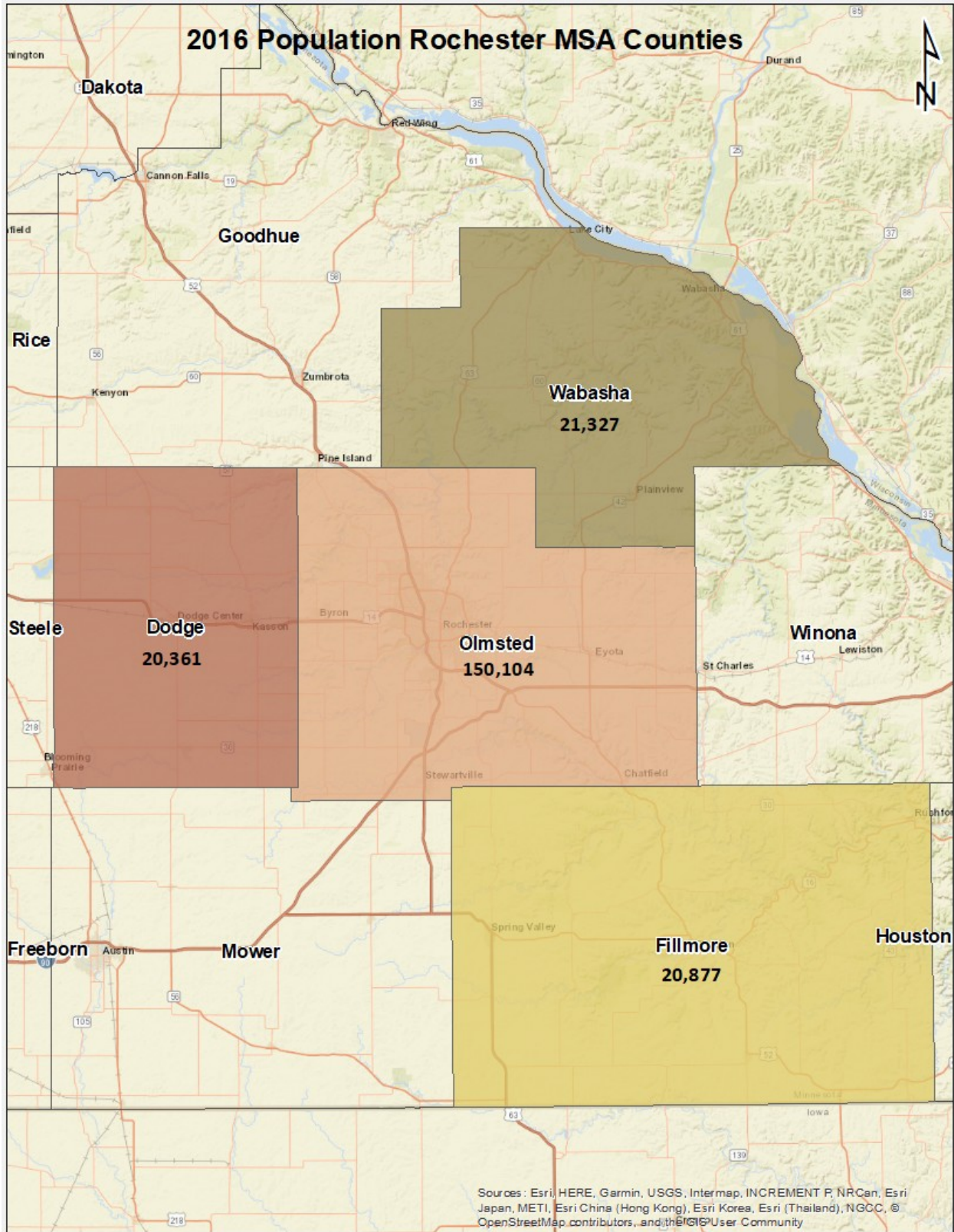
	Historic Households			Change			
	Census			1990 - 2000		2000 - 2010	
	1990	2000	2010	No.	Pct.	No.	Pct.
West Submarket							
Cities							
Claremont	205	239	220	34	16.6%	-19	-7.9%
Townships							
Claremont Township	141	157	167	16	11.3%	10	6.4%
Ellington Township	109	105	101	-4	-3.7%	-4	-3.8%
Ripley Township	72	73	74	1	1.4%	1	1.4%
Westfield Township	141	151	163	10	7.1%	12	7.9%
Submarket Total	668	725	725	57	8.5%	0	0.0%
Central Submarket							
Cities							
Dodge Center	740	824	998	84	11.4%	174	21.1%
Hayfield	474	496	547	22	4.6%	51	10.3%
West Concord	337	334	319	-3	-0.9%	-15	-4.5%
Townships							
Ashland Township	134	123	123	-11	-8.2%	0	0.0%
Concord Township	192	206	219	14	7.3%	13	6.3%
Hayfield Township	121	137	158	16	13.2%	21	15.3%
Wasioja Township	286	326	339	40	14.0%	13	4.0%
Submarket Total	2,284	2,446	2,703	162	7.1%	257	10.5%
East Submarket							
Cities							
Kasson	1,270	1,678	2,224	408	32.1%	546	32.5%
Mantorville	313	371	430	58	18.5%	59	15.9%
Townships							
Canisteo Township	205	225	237	20	9.8%	12	5.3%
Mantorville Township	375	519	640	144	38.4%	121	23.3%
Milton Township	222	246	265	24	10.8%	19	7.7%
Vernon Township	201	210	236	9	4.5%	26	12.4%
Submarket Total	2,586	3,249	4,032	663	25.6%	783	24.1%
Dodge County	5,538	6,420	7,460	882	15.9%	1,040	13.9%
Minnesota	1,848,445	1,895,127	2,087,227	46,682	2.5%	192,100	9.2%

Sources: U.S. Census; State Data Center of Minnesota; Maxfield Research & Consulting LLC

The map below shows the 2016 population of counties consider part of the Rochester MSA in order to provide a comparison of Dodge County to the remainder of MSA.

- In 2016, the Rochester MSA had a population of 212,669. The majority of this population was within Olmstead County, which had a population of 150,104. As a result, Olmstead County contained 70.6% of the MSA population.
- The remaining three counties, Dodge, Fillmore and Wabasha, in the MSA each accounted for approximately 10% of the MSA.

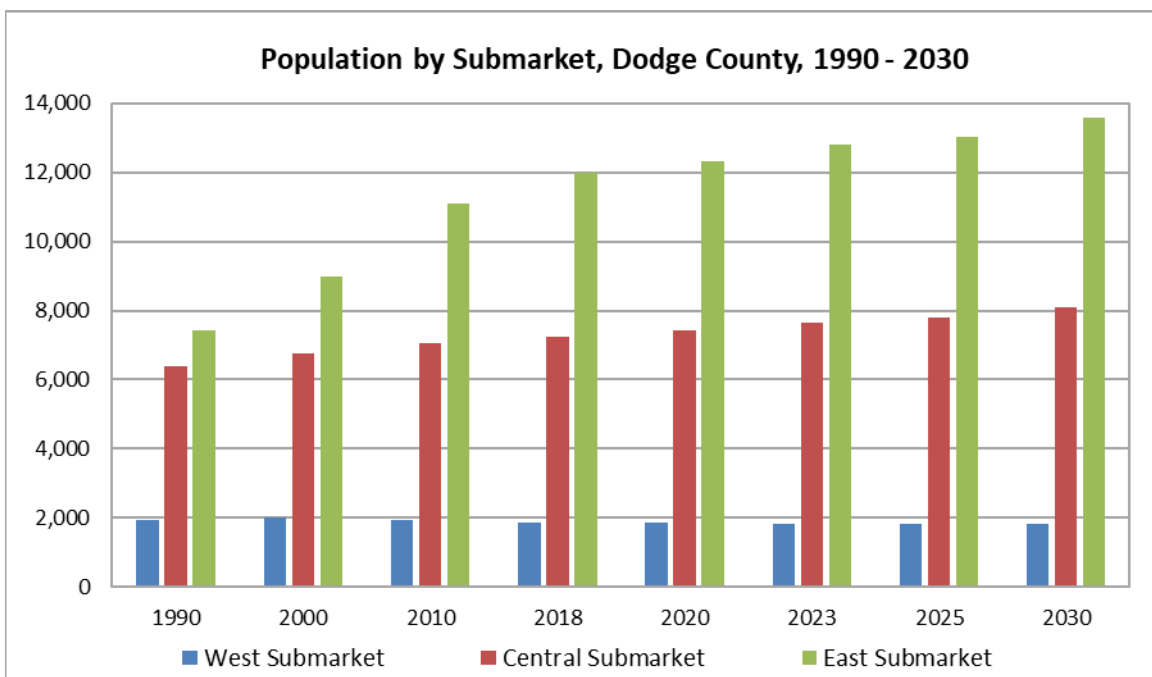
DEMOGRAPHIC ANALYSIS



Population and Household Estimates and Projections

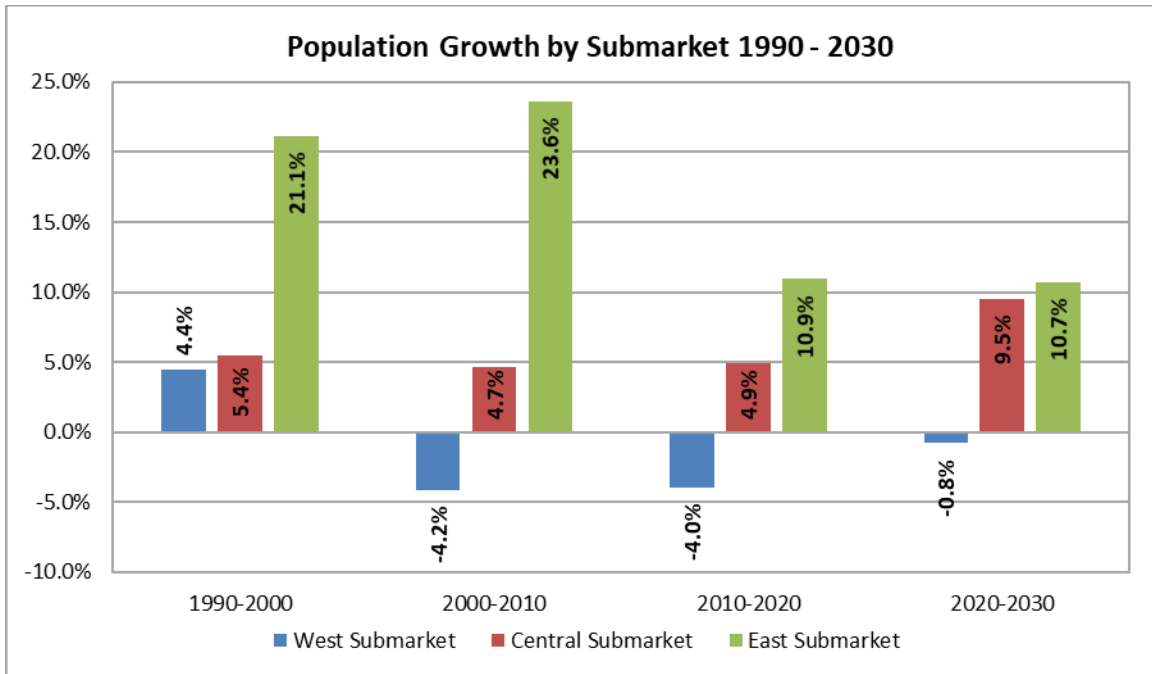
Table D-3 presents population and household growth trends and projections for Dodge County through 2030. Estimates for 2018 and projections through 2030 are based on information from ESRI (a national demographics service provider), the Minnesota State Demographic Center, and adjusted by Maxfield Research and Consulting, LLC based on local building permit trends.

- In 2018, the population of Dodge County was estimated at 21,000. Over half of the Dodge County population was within the East Submarket (12,000).
- There were 7,825 households in Dodge County in 2018. Similar to population trends, over half of households in the county were located in the East submarket (4,350).

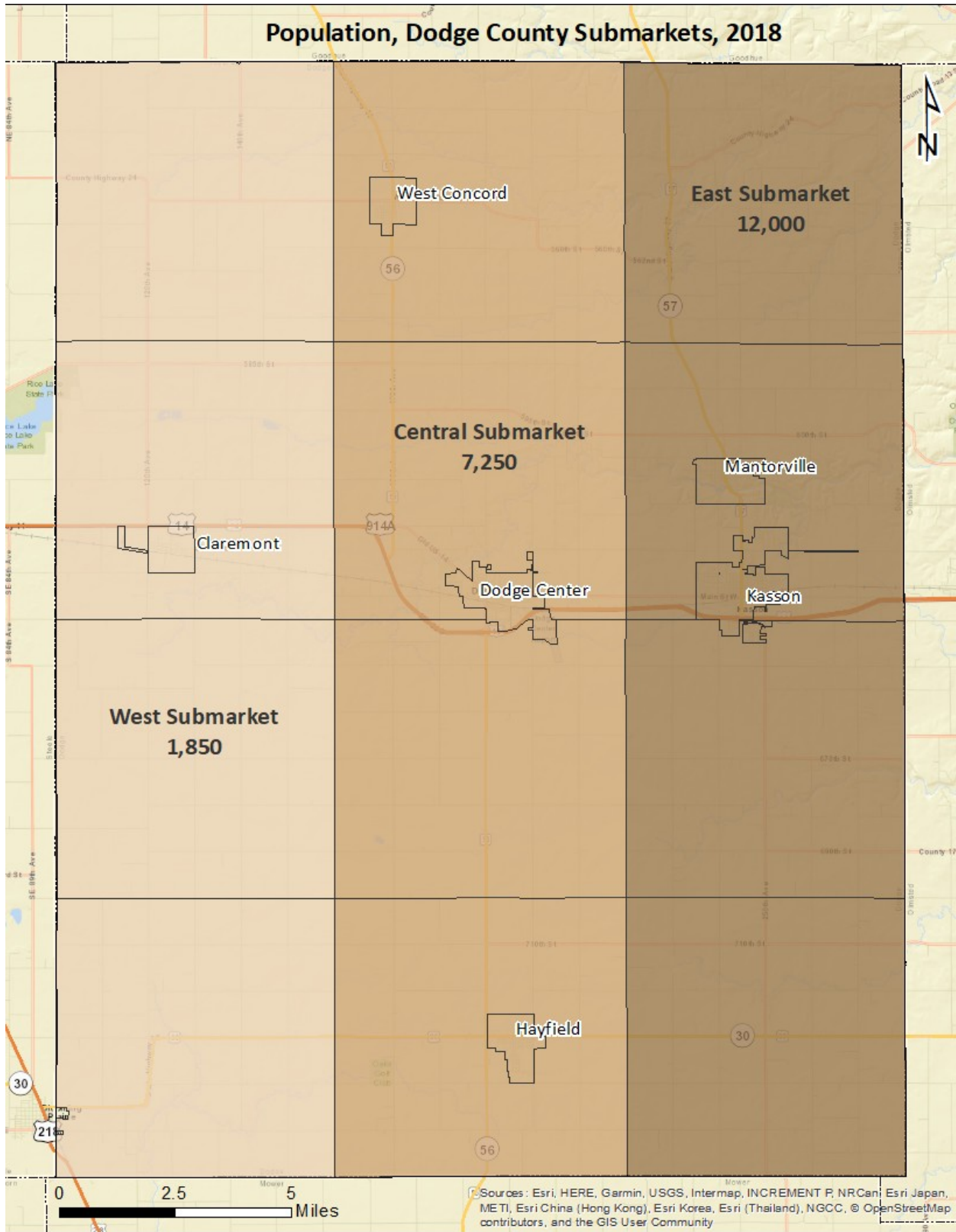


- Between 2010 and 2020, the Dodge County population is expected to grow by 7.4% (+1,483). Growth in the county is forecast to be led by the East submarket, which is predicted to increase population by 10.9% (+1,213).
- Changes in households are expected to mirror population changes through 2020. The East submarket is expected to add 438 households (+10.9%), the largest again among the submarkets in Dodge County.

DEMOGRAPHIC ANALYSIS



- The East submarket is forecast to continue to experience a similar growth rate through 2030. The population in the East submarket is projected to increase by 10.7% (+1,280) and households in the submarket are forecast to grow by 12.2% (+530).
- However, from 2020 to 2030, in the Central submarket population growth is expected to accelerate compared to the anticipated growth in the previous decade. The population in the Central submarket is expected to rise by 9.5% (+690) from 2020 to 2030, nearly double the expected growth through 2020.



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**TABLE D-3
POPULATION AND HOUSEHOLD GROWTH TRENDS AND PROJECTIONS
DODGE COUNTY
1990 to 2030**

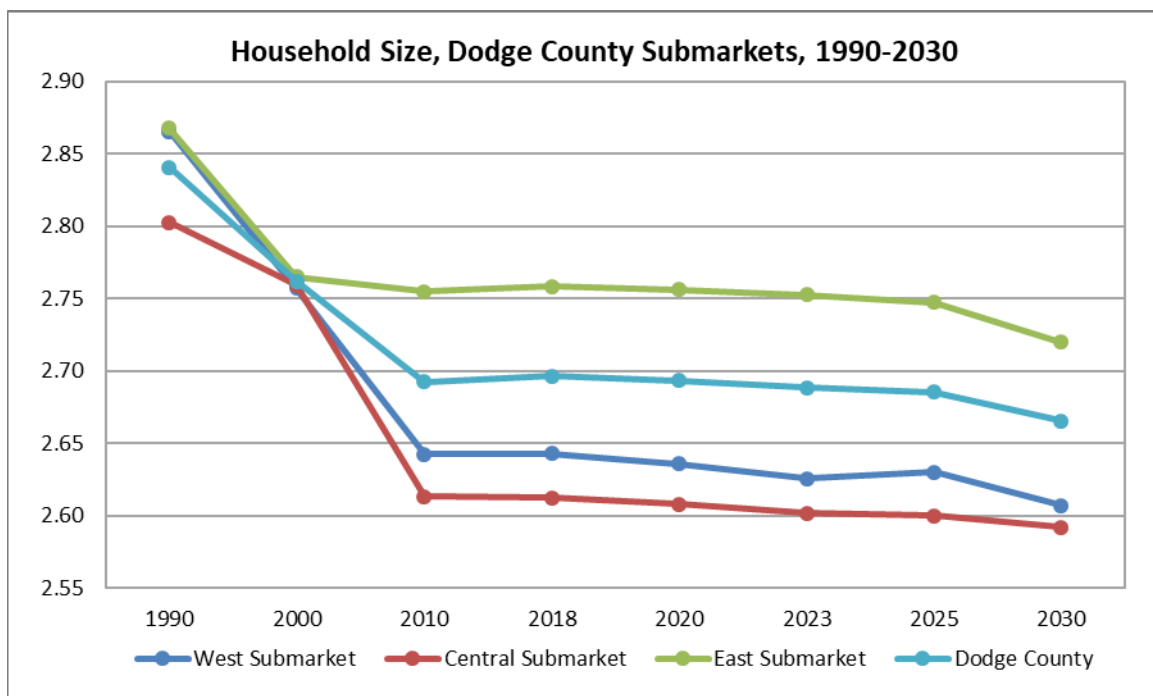
								Change							
	U.S. Census			Estimate 2018	Forecast 2020	Forecast 2025	Forecast 2030	1990 to 2000		2000 to 2010		2010 to 2020		2020 to 2030	
	1990	2000	2010					No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
POPULATION															
West Submarket	1,914	1,999	1,916	1,850	1,840	1,820	1,825	85	4.4	-83	-4.2	-76	-4.0	-15	-0.8
Central Submarket	6,401	6,749	7,064	7,250	7,410	7,800	8,100	348	5.4	315	4.7	346	4.9	690	9.5
East Submarket	7,416	8,983	11,107	12,000	12,320	13,050	13,600	1,567	21.1	2,124	23.6	1,213	10.9	1,280	10.7
Dodge County	15,731	17,731	20,087	21,100	21,570	22,670	23,525	2,000	12.7	2,356	13.3	1,483	7.4	1,500	6.7
Rochester MSA	162,722	184,740	206,877	219,882	221,679	226,681	229,749	22,018	13.5	22,137	12.0	14,802	7.2	8,070	3.7
Southeast Minnesota	420,094	460,102	494,684	508,231	508,015	511,457	511,341	40,008	9.5	34,582	7.5	13,331	2.7	3,326	0.7
Minnesota	4,375,099	4,919,479	5,303,925	5,616,504	5,687,161	5,844,466	5,974,304	544,380	12.4	384,446	7.8	383,236	7.2	287,143	5.1
HOUSEHOLDS															
West Submarket	668	725	725	700	698	692	700	57	8.5	0	0.0	-27	-3.7	2	0.3
Central Submarket	2,284	2,446	2,703	2,775	2,841	3,000	3,125	162	7.1	257	10.5	138	5.1	284	10.2
East Submarket	2,586	3,249	4,032	4,350	4,470	4,750	5,000	663	25.6	783	24.1	438	10.9	530	12.2
Dodge County	5,538	6,420	7,460	7,825	8,009	8,442	8,825	882	15.9	1,040	16.2	549	7.4	665	8.5
Rochester MSA	60,704	70,732	81,907	88,450	88,900	91,950	93,500	10,028	16.5	11,175	15.8	6,993	8.5	4,600	5.2
Southeast Minnesota	155,422	174,764	193,690	208,000	208,100	210,250	211,000	19,342	12.4	18,926	10.8	14,410	7.4	2,900	1.4
Minnesota	1,848,445	1,895,127	2,087,227	2,270,000	2,306,000	2,370,000	2,430,000	46,682	2.5	192,100	10.1	218,773	10.5	124,000	5.5
PERSONS PER HOUSEHOLD															
West Submarket	2.87	2.76	2.64	2.64	2.64	2.63	2.61								
Central Submarket	2.80	2.76	2.61	2.61	2.61	2.60	2.59								
East Submarket	2.87	2.76	2.75	2.76	2.76	2.75	2.72								
Dodge County	2.84	2.76	2.69	2.70	2.69	2.69	2.67								
Rochester MSA	2.68	2.61	2.53	2.49	2.49	2.47	2.46								
Southeast Minnesota	2.70	2.63	2.55	2.44	2.44	2.43	2.42								
Minnesota	2.37	2.60	2.54	2.47	2.47	2.47	2.46								
Rochester MSA includes Dodge, Fillmore, Olmsted and Wabasha Counties.															
Southeast Minnesota include Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, Winona Counties															
Sources: U.S. Census Bureau; ESRI; State Demographic Center; Maxfield Research & Consulting LLC															

Household Size

Household size is calculated by dividing the number of persons in households by the number of households (or householders). Nationally, the average number of people per household has been declining for over a century; however, there have been sharp declines starting in the 1960s and 1970s. Persons per household in the U.S. were about 4.5 in 1916 and declined to 3.2 in the 1960s. Over the past 50 years, it dropped to 2.57 as of the 2000 Census. However, due to the economic recession this trend has been temporarily halted as renters and laid-off employees “doubled-up,” which increased the average U.S. household size to 2.59 as of the 2010 Census.

The declining household size has been caused by many factors, including: aging, higher divorce rates, cohabitation, smaller family sizes, demographic trends in marriage, etc. Most of these changes have resulted from shifts in societal values, the economy, and improvements in health care that have influenced how people organize their lives. Table D-3 highlights the declining household size in Dodge County and its submarkets.

- In 1990, the average household size in Dodge County was 2.84. Household size differed by submarket at 2.80 in the Central submarket rising to 2.87 in the West and East submarkets.



- By the 2010 Census, household size had fallen to 2.64 in the County. Household size declined to 2.64 in the West submarket, 2.61 in the Central submarket and 2.75 in the East submarket.

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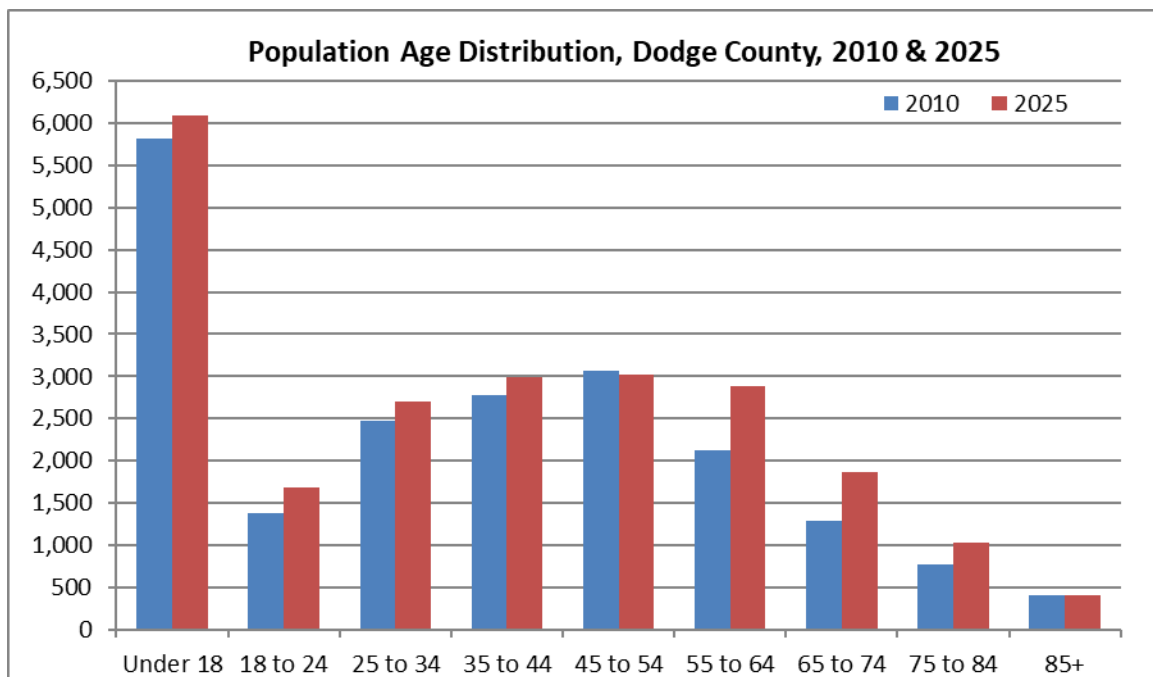
- The trend toward smaller household size is expected to continue through 2030, although the decline will be at a slower pace than recorded between 1990 and 2010. Household size is forecast to be 2.67 persons per household in Dodge County. Household size is expected to fall to 2.61 in the West submarket, 2.59 in the Central submarket and 2.72 in the East submarket.

Age Distribution Trends

Table D-4 shows the distribution of persons within nine age cohorts for the three submarkets in Dodge County in 2000 and 2010 with estimates for 2018 and projections through 2025. The 2000 and 2010 age distribution is from the U.S. Census Bureau. Maxfield Research and Consulting, LLC derived the 2018 estimates, as well as, the 2023 and 2025 projections from ESRI with adjustments made to reflect local trends.

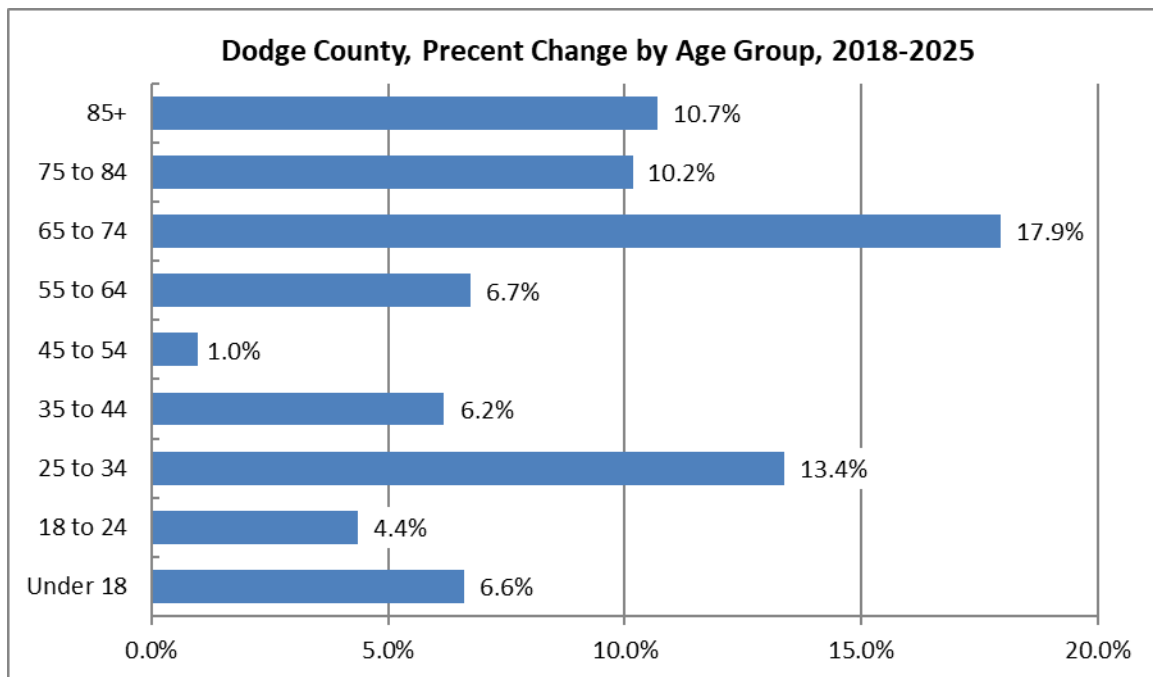
The key points from the table are found below.

- In 2010, the largest adult age cohort Dodge County were those age 45 to 54, representing 21% (3,063) of the population over age 18.
- By 2025, the largest adult age cohort in the County will be shared by the 35 to 44 and 45 to 54 age cohorts, which will each represent approximately 18% of the adult population in Dodge County.



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- Between 2010 and 2025, the largest growth is expected in the 65 to 74 age cohort in Dodge County, growing by 44.8% (+578). The increasing older adult population reflects larger state and national trends of an aging population, largely due to aging of the sizable baby boom generation.
- The largest proportional growth from 2010 to 2025 is expected to occur in the 65 to 75 year old age cohort in the Central (+42.4%) submarket. In the East submarket, the largest growth is expected to be in the 65 to 74 year old age cohort (+52.5%) and the 75 to 84 age cohort (+54.8%). The West submarket is expected to experience the largest growth in the oldest age cohort, as those over age 85 grow by 89.3%.
- From 2018 to 2025, the population of Dodge County is expected to grow by 7.4%. The largest growth is forecast in the 64 to 74 (+17.9%). The 25 to 34 age cohort is also projected to significant growth (+13.4%).



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**TABLE D-4
POPULATION AGE DISTRIBUTION
DODGE COUNTY
2000 to 2025**

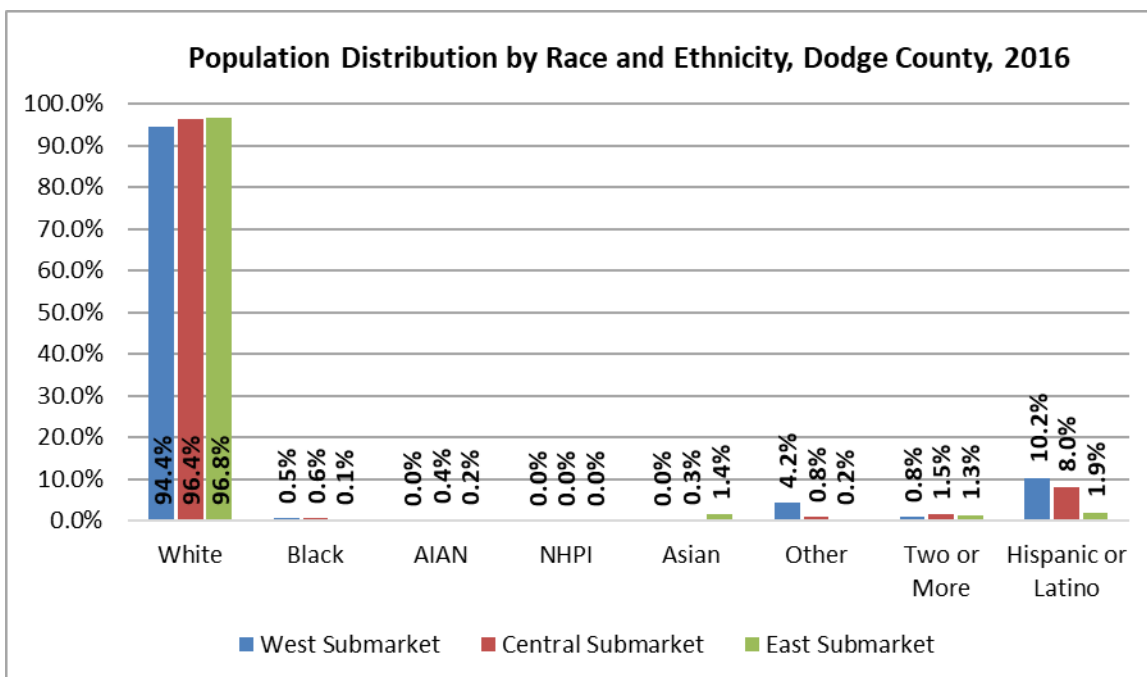
	Number of People					Change			
	U.S. Census		Estimate	ESRI		U.S. Census		ESRI	
	2000	2010	2018	2023	2025	2000-2010		2010-2025	
West Submarket	No.	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	581	526	442	442	440	-55	-9.5%	-86	-16.3%
18 to 24	154	109	178	131	131	-45	-29.2%	22	20.2%
25 to 34	253	216	215	208	207	-37	-14.6%	-9	-3.9%
35 to 44	348	252	244	241	240	-96	-27.6%	-12	-4.7%
45 to 54	241	346	293	246	246	105	43.6%	-100	-29.0%
55 to 64	175	228	236	265	264	53	30.3%	36	15.7%
65 to 74	137	144	139	168	167	7	5.1%	23	16.3%
75 to 84	93	70	61	77	76	-23	-24.7%	6	9.2%
85+	17	25	41	47	47	8	47.1%	22	89.3%
Total	1,999	1,916	1,850	1,825	1,820	-83	-4.2%	-96	-5.0%
Central Submarket	No.	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	1,992	1,936	1,904	2,050	2,090	-56	-2.8%	154	8.0%
18 to 24	547	559	545	566	577	12	2.2%	18	3.3%
25 to 34	829	948	812	910	928	119	14.4%	-20	-2.1%
35 to 44	1,074	864	891	987	1,006	-210	-19.6%	142	16.5%
45 to 54	792	1,030	947	964	983	238	30.1%	-47	-4.6%
55 to 64	510	718	992	964	983	208	40.8%	265	36.9%
65 to 74	450	471	607	658	671	21	4.7%	200	42.4%
75 to 84	358	328	339	367	374	-30	-8.4%	46	14.1%
85+	197	210	213	184	187	13	6.6%	-23	-10.9%
Total	6,749	7,064	7,250	7,650	7,800	315	4.7%	736	10.4%
East Submarket	No.	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	2,777	3,362	3,370	3,494	3,563	585	21.1%	201	6.0%
18 to 24	648	705	894	960	979	57	8.8%	274	38.8%
25 to 34	1,148	1,307	1,356	1,536	1,566	159	13.9%	259	19.8%
35 to 44	1,649	1,660	1,685	1,715	1,749	11	0.7%	89	5.3%
45 to 54	1,157	1,687	1,747	1,754	1,788	530	45.8%	101	6.0%
55 to 64	710	1,174	1,468	1,600	1,631	464	65.4%	457	38.9%
65 to 74	438	676	838	1,011	1,031	238	54.3%	355	52.5%
75 to 84	349	371	531	563	574	22	6.3%	203	54.8%
85+	107	165	111	166	170	58	54.2%	5	2.8%
Total	8,983	11,107	12,000	12,800	13,050	2,124	23.6%	1,943	17.5%
Dodge County Total	No.	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Under 18	5,350	5,824	5,716	5,986	6,093	474	8.9%	269	4.6%
18 to 24	1,349	1,373	1,617	1,658	1,687	24	1.8%	314	22.9%
25 to 34	2,230	2,471	2,383	2,654	2,702	241	10.8%	231	9.3%
35 to 44	3,071	2,776	2,821	2,943	2,995	-295	-9.6%	219	7.9%
45 to 54	2,190	3,063	2,987	2,964	3,016	873	39.9%	-47	-1.5%
55 to 64	1,395	2,120	2,696	2,829	2,878	725	52.0%	758	35.8%
65 to 74	1,025	1,291	1,585	1,837	1,869	266	26.0%	578	44.8%
75 to 84	800	769	930	1,007	1,025	-31	-3.9%	256	33.3%
85+	321	400	365	397	404	79	24.6%	4	1.0%
Total	17,731	20,087	21,100	22,275	22,670	2,356	13.3%	2,583	12.9%

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

Race of Population

The race of the population illustrates the diversity for each submarket in Dodge County. Data for 2010 and 2016 was obtained from the U.S. Census and is presented in Table D-5.

- The majority of Dodge County residents reported their race as “White Alone” in 2010 (96.3%) and 2016 (96.4%).
- In 2016, nearly 5% of Dodge County residents reported their ethnicity as Hispanic or Latino. The proportion of Hispanic residents varies greatly by submarket. The East submarket reported 1.9% of the population as Hispanic or Latino, while 10% of the population in the West Submarket reported themselves as ethnically Hispanic or Latino.



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**TABLE D-5
POPULATION DISTRIBUTION BY RACE
DODGE COUNTY
2010 & 2016**

	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 <i>Ethnicity not Race</i>	
	2010	2016	2010	2016	2010	2016	2010	2016	2010	2016	2010	2016	2010	2016	2010	2016
Number																
West Submarket	1,844	1,891	2	10	0	0	0	0	13	0	45	85	12	17	123	204
Central Submarket	6,679	6,823	31	45	2	27	2	0	30	22	169	56	123	104	447	569
East Submarket	10,771	10,919	27	12	2	27	2	0	47	159	98	17	138	147	345	215
Dodge County Total	19,294	19,633	60	67	4	54	4	0	90	181	312	158	273	268	915	988
Percentage																
West Submarket	96.2%	94.4%	0.1%	0.5%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	2.3%	4.2%	0.6%	0.8%	6.4%	10.2%
Central Submarket	94.9%	96.4%	0.4%	0.6%	0.0%	0.4%	0.0%	0.0%	0.4%	0.3%	2.4%	0.8%	1.7%	1.5%	6.4%	8.0%
East Submarket	97.2%	96.8%	0.2%	0.1%	0.0%	0.2%	0.0%	0.0%	0.4%	1.4%	0.9%	0.2%	1.2%	1.3%	3.1%	1.9%
Dodge County Total	96.3%	96.4%	0.3%	0.3%	0.0%	0.3%	0.0%	0.0%	0.4%	0.9%	1.6%	0.8%	1.4%	1.3%	4.6%	4.9%

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

Household Income by Age of Householder

The estimated distribution of household incomes in Dodge County and each submarket for 2018 and 2023 are shown in Tables D-6 through D-9. The data was estimated by Maxfield Research and Consulting, LLC 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, LLC utilizes 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.

Table D-6 presents household income by the age of the householder in Dodge County for 2018 and 2023.

- In 2018, the median income for Dodge County was \$73,733 across all ages. The median income is forecast to rise by 11.7% to \$82,354 in 2023.
- The highest median income was recorded among those ages 35 to 44 at \$90,499 in 2018. In 2023, this age cohort is expected to remain the highest earners with a median income of \$100,411, an 11.0% increase.
- Between 2018 and 2023 the median income of householders age 65 to 74 is forecast to experience the greatest growth, increasing 20.5% from \$58,519 in 2018 to \$70,543 in 2023. The increase in income among this age group reflects the population growth of the older age cohort and the tendency for people to work until an older age.

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	Age of Householder							
	Total	<25	25-34	35-44	45-54	55-64	65 -74	75+
2018								
Less than \$15,000	482	25	40	42	55	92	105	123
\$15,000 to \$24,999	474	26	46	42	47	80	67	166
\$25,000 to \$34,999	506	36	58	72	59	80	81	120
\$35,000 to \$49,999	923	59	133	136	157	159	142	137
\$50,000 to \$74,999	1,609	77	310	285	376	286	179	96
\$75,000 to \$99,999	1,426	29	234	300	360	306	130	67
\$100,000-\$149,999	1,554	35	252	416	356	304	138	53
\$150,000-\$199,999	538	7	75	125	132	129	53	17
\$200,000+	313	0	22	108	116	45	17	5
Total	7,825	294	1,170	1,526	1,658	1,481	912	784
Median Income	\$73,733	\$50,325	\$74,838	\$90,499	\$84,375	\$78,554	\$58,519	\$33,582
2023								
Less than \$15,000	415	24	31	35	36	70	96	123
\$15,000 to \$24,999	410	20	38	27	32	62	64	167
\$25,000 to \$34,999	460	29	47	55	47	67	88	127
\$35,000 to \$49,999	867	50	119	109	133	144	157	155
\$50,000 to \$74,999	1,546	76	292	234	329	283	216	116
\$75,000 to \$99,999	1,511	32	247	273	347	337	184	91
\$100,000-\$149,999	1,921	45	309	456	399	400	222	90
\$150,000-\$199,999	707	7	104	145	147	179	94	31
\$200,000+	448	0	37	141	150	65	44	11
Total	8,285	283	1,224	1,475	1,620	1,607	1,165	911
Median Income	\$82,354	\$56,085	\$83,603	\$100,411	\$91,786	\$88,167	\$70,543	\$38,726
Change 2018-2023								
Less than \$15,000	-67	-1	-9	-7	-19	-22	-9	0
\$15,000 to \$24,999	-64	-6	-8	-15	-15	-18	-3	1
\$25,000 to \$34,999	-46	-7	-11	-17	-12	-13	7	7
\$35,000 to \$49,999	-56	-9	-14	-27	-24	-15	15	18
\$50,000 to \$74,999	-63	-1	-18	-51	-47	-3	37	20
\$75,000 to \$99,999	85	3	13	-27	-13	31	54	24
\$100,000-\$149,999	367	10	57	40	43	96	84	37
\$150,000-\$199,999	169	0	29	20	15	50	41	14
\$200,000+	135	0	15	33	34	20	27	6
Total	460	-11	54	-51	-38	126	253	127
Median Income	\$8,621	\$5,761	\$8,765	\$9,912	\$7,411	\$9,613	\$12,024	\$5,143

Sources: ESRI; US Census Bureau; Maxfield Research and Consulting LLC

Table D-7 shows the median income for the West submarket for 2018 and 2023.

- The 2018 median income for the West submarket was \$75,234 for all age cohorts. The median income is expected to rise to \$88,956 in 2023, an 18.2% increase in median income.
- As in the County, the highest income earners were those age 35 to 44 in 2018 (\$99,999) and 2023 (\$115,475).
- At the same time, the 65 to 74 age cohort is forecast to experience the greatest income (+23.8%) growth in the West submarket.

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TABLE D-7 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER WEST SUBMARKET 2018 & 2023								
Total	Age of Householder							
	<25	25-34	35-44	45-54	55-64	65-74	75+	
2018								
Less than \$15,000	37	2	3 0	2 0	5 0	7 0	8 0	10
\$15,000 to \$24,999	39	2 0	3 0	2 0	2 0	9 0	7 0	14
\$25,000 to \$34,999	43	1 0	4 0	5 0	6 0	8 0	6 0	13
\$35,000 to \$49,999	83	9 0	12 0	11 0	13 0	15 0	10 0	13
\$50,000 to \$74,999	147	6 0	24 0	24 0	40 0	27 0	15 0	11
\$75,000 to \$99,999	107	2 0	13 0	22 0	30 0	26 0	10 0	4
\$100,000-\$149,999	165	5 0	22 0	41 0	39 0	36 0	16 0	6
\$150,000-\$199,999	39	0 0	4 0	11 0	10 0	8 0	4 0	2
\$200,000+	40	0 0	1 0	14 0	18 0	5 0	2 0	0
Total	700	27	86	132	163	141	78	73
Median Income	\$75,234	\$49,166	\$71,874	\$99,999	\$87,916	\$79,327	\$63,333	\$34,614
2023								
Less than \$15,000	29	2	3 0	2 0	4 0	3 0	6 0	9
\$15,000 to \$24,999	30	2	3 0	1 0	1 0	4 0	6 0	13
\$25,000 to \$34,999	33	0	2 0	3 0	4 0	8 0	4 0	12
\$35,000 to \$49,999	67	6	9 0	9 0	10 0	13 0	8 0	12
\$50,000 to \$74,999	131	7	22 0	17 0	35 0	27 0	13 0	10
\$75,000 to \$99,999	103	2	13 0	21 0	24 0	26 0	11 0	6
\$100,000-\$149,999	192	8	25 0	46 0	45 0	41 0	20 0	7
\$150,000-\$199,999	49	0	5 0	14 0	12 0	10 0	5 0	3
\$200,000+	61	0	3 0	19 0	27 0	8 0	4 0	0
Total	695	27	85	132	162	140	77	72
Median Income	\$88,956	\$62,500	\$81,731	\$115,475	\$103,124	\$89,423	\$78,409	\$37,500
Change 2018-2023								
Less than \$15,000	-8	0	0	0	-1	-4	-2	-1
\$15,000 to \$24,999	-9	0	0	-1	-1	-5	-1	-1
\$25,000 to \$34,999	-10	-1	-2	-2	-2	0	-2	-1
\$35,000 to \$49,999	-16	-3	-3	-2	-3	-2	-2	-1
\$50,000 to \$74,999	-16	1	-2	-7	-5	0	-2	-1
\$75,000 to \$99,999	-4	0	0	-1	-6	0	1	2
\$100,000-\$149,999	27	3	3	5	6	5	4	1
\$150,000-\$199,999	10	0	1	3	2	2	1	1
\$200,000+	21	0	2	5	9	3	2	0
Total	-5	0	-1	0	-1	-1	-1	-1
Median Income	\$13,722	\$13,334	\$9,856	\$15,476	\$15,208	\$10,096	\$15,076	\$2,885

Sources: ESRI; US Census Bureau; Maxfield Research and Consulting LLC

Table D-8 displays the median income among age cohorts for the Central submarket.

- Incomes in the Central submarket are expected to rise 14.3% from \$62,500 in 2018, to \$71,434 in 2023.
- The highest earners in the Central submarket were those age 35 to 44 in 2018 (\$77,344) and 2023 (\$89,249).
- The lowest incomes were reported in the 75+ age cohort (\$28,837) in 2018. This age group is expected to experience the largest income increase, 15.6%, through 2023.

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	Age of Householder							
	Total	<25	25-34	35-44	45-54	55-64	65 -74	75+
2018								
Less than \$15,000	248	11	20	23	27	44	63	60
\$15,000 to \$24,999	220	9	22	21	22	37	35	74
\$25,000 to \$34,999	208	12	23	34	25	32	39	43
\$35,000 to \$49,999	422	21	56	68	74	76	74	53
\$50,000 to \$74,999	579	19	102	114	144	108	62	30
\$75,000 to \$99,999	451	9	65	96	114	107	41	19
\$100,000-\$149,999	421	9	58	118	95	88	39	14
\$150,000-\$199,999	145	1	16	33	36	38	13	8
\$200,000+	81	0	6	31	33	9	2	0
Total	2,775	91	368	538	570	539	368	301
Median Income	\$62,500	\$44,642	\$65,441	\$77,344	\$73,784	\$68,634	\$44,526	\$28,837
2023								
Less than \$15,000	211	11	15	20	22	34	55	54
\$15,000 to \$24,999	187	7	17	15	16	32	30	70
\$25,000 to \$34,999	188	11	21	29	20	28	37	42
\$35,000 to \$49,999	397	21	54	59	66	67	74	56
\$50,000 to \$74,999	568	21	101	105	136	106	64	35
\$75,000 to \$99,999	500	12	73	100	124	119	49	23
\$100,000-\$149,999	561	13	76	150	125	119	56	22
\$150,000-\$199,999	202	1	23	46	47	51	19	15
\$200,000+	126	0	10	46	48	15	6	1
Total	2,940	97	390	570	604	571	390	318
Median Income	\$71,434	\$48,928	\$71,781	\$89,249	\$83,467	\$78,886	\$49,796	\$33,333
Change 2018-2023								
Less than \$15,000	-37	0	-5	-3	-5	-10	-8	-6
\$15,000 to \$24,999	-33	-2	-5	-6	-6	-5	-5	-4
\$25,000 to \$34,999	-20	-1	-2	-5	-5	-4	-2	-1
\$35,000 to \$49,999	-25	0	-2	-9	-8	-9	0	3
\$50,000 to \$74,999	-11	2	-1	-9	-8	-2	2	5
\$75,000 to \$99,999	49	3	8	4	10	12	8	4
\$100,000-\$149,999	140	4	18	32	30	31	17	8
\$150,000-\$199,999	57	0	7	13	11	13	6	7
\$200,000+	45	0	4	15	15	6	4	1
Total	165	6	22	32	34	32	22	17
Median Income	\$8,935	\$4,285	\$6,341	\$11,906	\$9,684	\$10,253	\$5,270	\$4,496

Sources: ESRI; US Census Bureau; Maxfield Research and Consulting LLC

Table D-9 shows the median incomes for the East submarket for 2018 and 2023.

- The median income in the East submarket was \$80,962 in 2018, increasing to \$87,885 in 2023.
- The highest earners in the East submarket (those ages 35 to 44) have a median income of \$96,290 in 2018 and \$105,673 in 2023.

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**TABLE D-9
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
EAST SUBMARKET
2018 & 2023**

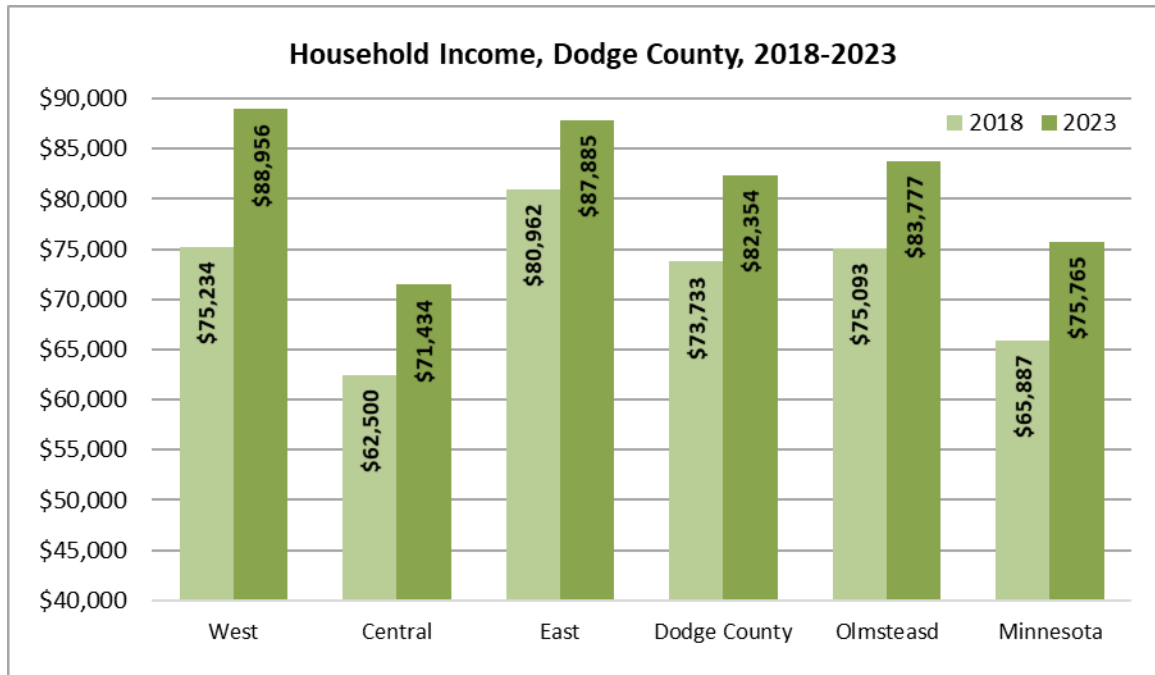
	Age of Householder							
	Total	<25	25-34	35-44	45-54	55-64	65-74	75+
2018								
Less than \$15,000	197	12	17	17	23	41	34	53
\$15,000 to \$24,999	215	15	21	19	23	34	25	78
\$25,000 to \$34,999	255	23	31	33	28	40	36	64
\$35,000 to \$49,999	418	29	65	57	70	68	58	71
\$50,000 to \$74,999	883	52	184	147	192	151	102	55
\$75,000 to \$99,999	868	18	156	182	216	173	79	44
\$100,000-\$149,999	968	21	172	257	222	180	83	33
\$150,000-\$199,999	354	6	55	81	86	83	36	7
\$200,000+	192	0	15	63	65	31	13	5
Total	4,350	176	716	856	925	801	466	410
Median Income	\$80,962	\$54,327	\$81,410	\$96,290	\$89,641	\$84,609	\$69,607	\$37,113
2023								
Less than \$15,000	175	11	13	13	10	33	35	60
\$15,000 to \$24,999	193	11	18	11	15	26	28	84
\$25,000 to \$34,999	239	18	24	23	23	31	47	73
\$35,000 to \$49,999	403	23	56	41	57	64	75	87
\$50,000 to \$74,999	847	48	169	112	158	150	139	71
\$75,000 to \$99,999	908	18	161	152	199	192	124	62
\$100,000-\$149,999	1,168	24	208	260	229	240	146	61
\$150,000-\$199,999	456	6	76	85	88	118	70	13
\$200,000+	261	0	24	76	75	42	34	10
Total	4,650	159	749	773	854	896	698	521
Median Income	\$87,885	\$58,593	\$89,673	\$105,673	\$95,602	\$93,749	\$80,040	\$42,500
Change 2018-2023								
Less than \$15,000	-22	-1	-4	-4	-13	-8	1	7
\$15,000 to \$24,999	-22	-4	-3	-8	-8	-8	3	6
\$25,000 to \$34,999	-16	-5	-7	-10	-5	-9	11	9
\$35,000 to \$49,999	-15	-6	-9	-16	-13	-4	17	16
\$50,000 to \$74,999	-36	-4	-15	-35	-34	-1	37	16
\$75,000 to \$99,999	40	0	5	-30	-17	19	45	18
\$100,000-\$149,999	200	3	36	3	7	60	63	28
\$150,000-\$199,999	102	0	21	4	2	35	34	6
\$200,000+	69	0	9	13	10	11	21	5
Total	300	-17	33	-83	-71	95	232	111
Median Income	\$6,923	\$4,267	\$8,263	\$9,383	\$5,962	\$9,140	\$10,433	\$5,387

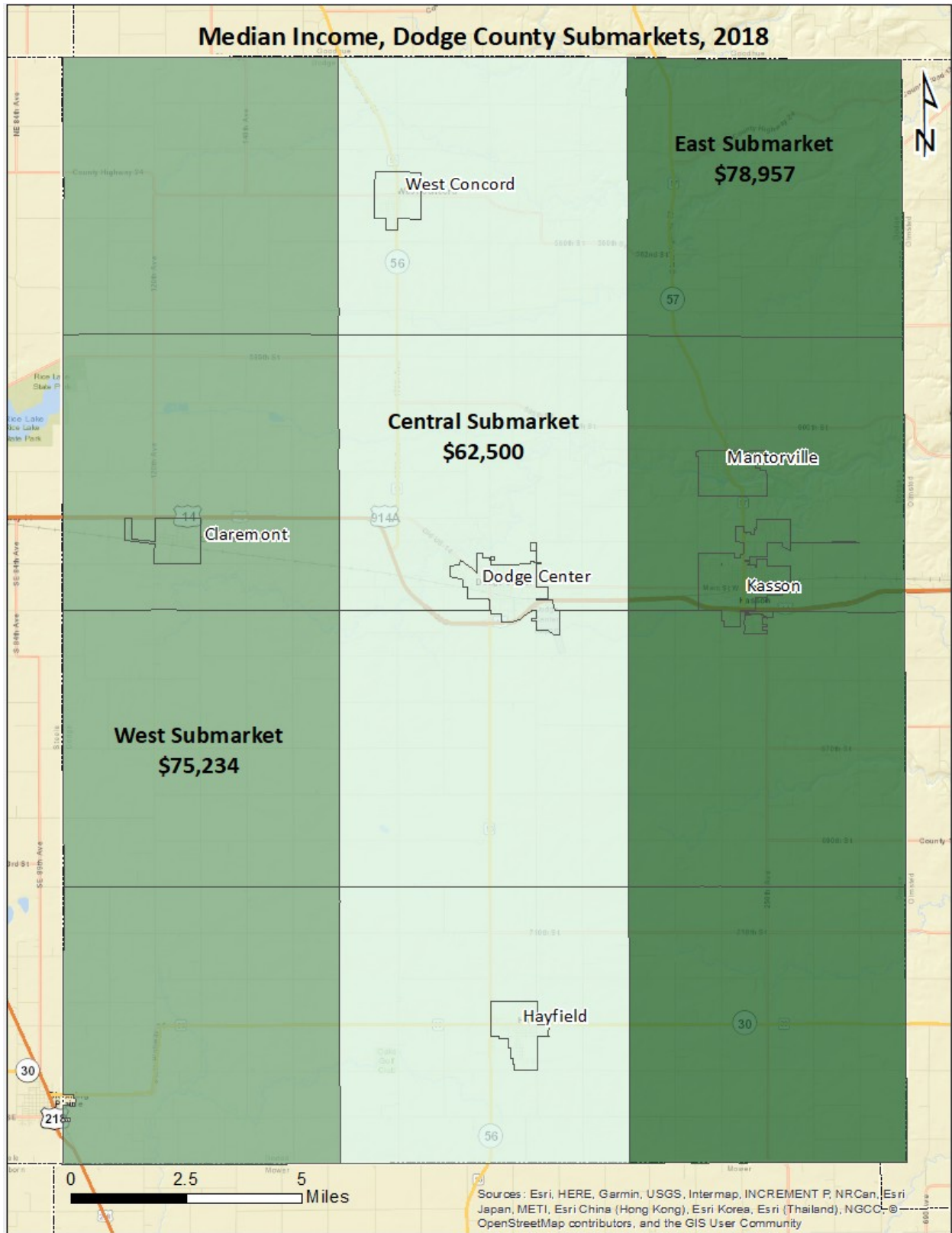
Sources: ESRI; US Census Bureau; Maxfield Research and Consulting LLC

- The median income in the East submarket was the highest reported among the Dodge County submarkets in 2018. In 2023, the highest median income is expected to be in the West submarket, 88,956.
- The West and East submarkets reported median incomes in 2018 higher than the median income in the State of Minnesota. The median income in Olmstead County in 2018,

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\$75,093, was higher than median income in Dodge County, but still below the median income in the East submarket.

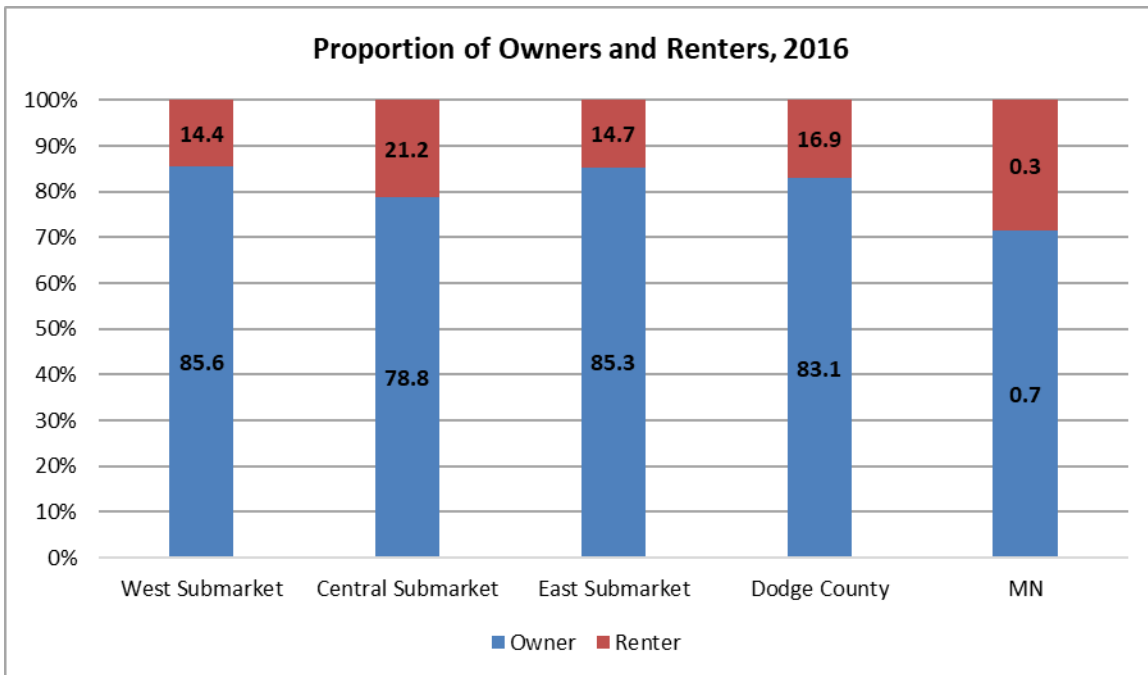




Tenure by Age of Householder

Table D-10 shows 2010 and 2016 tenure data for each of the submarkets in Dodge County by age cohort from the U.S. Census Bureau. This data is useful in determining demand for certain types of housing since housing preferences change throughout an individual’s life cycle.

- In 2010, 82.8% of Dodge County households were owner households. This number increased slightly in 2016 to 83.1%. The proportion of owner households in Dodge County exceed the state proportion of owner households (71.4%) in 2016.
- The West and East submarkets recorded over 85% of households as owner occupied in 2016. The Central submarket reported a slightly lower proportion of owner occupied households in 2016 of 78.8%.
- Owner households rose as households aged in Dodge County, reaching a peak of 91.4% in the 65 to 74 age cohort. Over age 75, renter households begin to climb, likely as households begin to move out of their larger single-family homes and desire to relinquish the maintenance responsibilities associated with ownership.

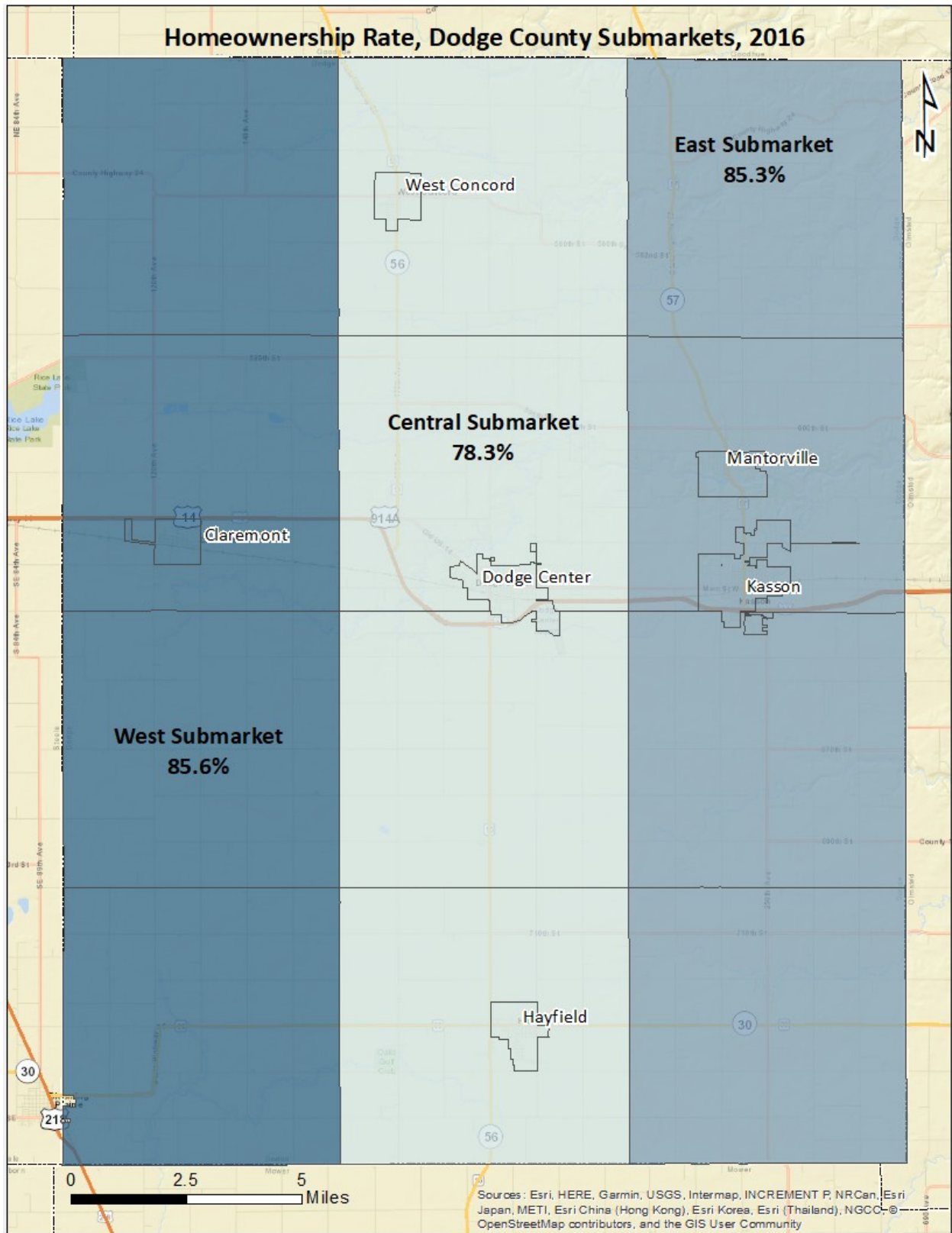


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TABLE D-10
TENURE BY AGE OF HOUSEHOLDER
DODGE COUNTY
2010 AND 2016

Age		West Submarket				Central Submarket				East Submarket				Dodge County				MN	
		2010		2016		2010		2016		2010		2016		2010		2016		2010	2016
		No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	Pct.	Pct.
15-24	Own	13	68.4	19	70.4	51	40.5	27	29.7	55	48.2	69	35.8	119	45.9	115	37.0	19.8%	16.6%
	Rent	6	31.6	8	29.6	75	59.5	64	70.3	59	51.8	124	64.2	140	54.1	196	63.0	80.2%	83.4%
	Total	19	100.0	27	100.0	126	100.0	91	100.0	114	100.0	193	100.0	259	100.0	311	100.0	100.0%	100.0%
25-34	Own	65	70.7	76	78.4	339	70.9	244	64.2	492	81.7	518	86.8	896	76.5	838	78.0	56.1%	52.0%
	Rent	27	29.3	21	21.6	139	29.1	136	35.8	110	18.3	79	13.2	276	23.5	236	22.0	43.9%	48.0%
	Total	92	100.0	97	100.0	478	100.0	380	100.0	602	100.0	597	100.0	1,172	100.0	1,074	100.0	100.0%	100.0%
35-44	Own	109	82.0	102	74.5	357	77.1	430	80.5	797	89.8	724	89.6	1,263	85.1	1,256	84.9	75.0%	71.4%
	Rent	24	18.0	35	25.5	106	22.9	104	19.5	91	10.2	84	10.4	221	14.9	223	15.1	25.0%	28.6%
	Total	133	100.0	137	100.0	463	100.0	534	100.0	888	100.0	808	100.0	1,484	100.0	1,479	100.0	100.0%	100.0%
45-54	Own	168	88.0	164	88.6	500	84.0	476	80.8	837	89.9	766	86.8	1,505	87.7	1,406	84.9	81.7%	80.1%
	Rent	23	12.0	21	11.4	95	16.0	113	19.2	94	10.1	116	13.2	212	12.3	250	15.1	18.3%	19.9%
	Total	191	100.0	185	100.0	595	100.0	589	100.0	931	100.0	882	100.0	1,717	100.0	1,656	100.0	100.0%	100.0%
55-64	Own	112	86.2	135	86.5	365	89.5	452	92.8	619	90.8	716	89.4	1,096	89.8	1,303	90.2	84.7%	83.2%
	Rent	18	13.8	21	13.5	43	10.5	35	7.2	63	9.2	85	10.6	124	10.2	141	9.8	15.3%	16.8%
	Total	130	100.0	156	100.0	408	100.0	487	100.0	682	100.0	801	100.0	1,220	100.0	1,444	100.0	100.0%	100.0%
65-74	Own	86	94.5	78	96.3	253	88.5	271	86.6	371	90.5	428	93.9	710	90.2	777	91.4	84.9%	84.7%
	Rent	5	5.5	3	3.7	33	11.5	42	13.4	39	9.5	28	6.1	77	9.8	73	8.6	15.1%	15.3%
	Total	91	100.0	81	100.0	286	100.0	313	100.0	410	100.0	456	100.0	787	100.0	850	100.0	100.0%	100.0%
75-84	Own	43	87.8	41	100.0	181	79.4	157	89.7	212	77.9	265	74.9	436	79.4	463	81.2	77.0%	78.1%
	Rent	6	12.2	0	0.0	47	20.6	18	10.3	60	22.1	89	25.1	113	20.6	107	18.8	23.0%	21.9%
	Total	49	100.0	41	100.0	228	100.0	175	100.0	272	100.0	354	100.0	549	100.0	570	100.0	100.0%	100.0%
85+	Own	17	85.0	44	95.7	67	56.3	53	49.5	67	50.4	44	95.7	151	55.5	141	70.9	55.3%	56.9%
	Rent	3	15.0	2	4.3	52	43.7	54	50.5	66	49.6	2	4.3	121	44.5	58	29.1	44.7%	43.1%
	Total	20	100.0	46	100.0	119	100.0	107	100.0	133	100.0	46	100.0	272	100.0	199	100.0	100.0%	100.0%
TOTAL	Own	613	84.6	659	85.6	2,113	78.2	2,110	78.8	3,450	85.6	3,530	85.3	6,176	82.8	6,299	83.1	73.0%	71.4%
	Rent	112	15.4	111	14.4	590	21.8	566	21.2	582	14.4	607	14.7	1,284	17.2	1,284	16.9	27.0%	28.6%
	Total	725	100.0	770	100.0	2,703	100.0	2,676	100.0	4,032	100.0	4,137	100.0	7,460	100.0	7,583	100.0	100.0%	100.0%

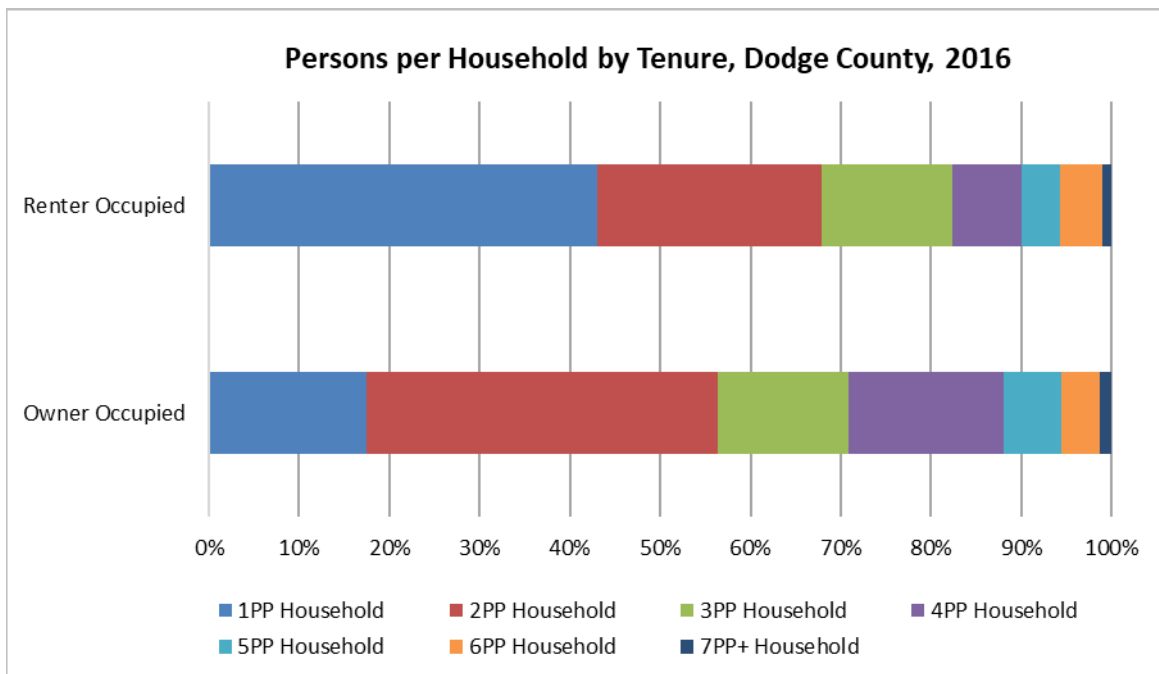
Sources: U.S. Census Bureau; Maxfield Research and Consulting, LLC



Tenure by Household Size

Table D-11 shows the distribution of households by size and tenure in Dodge County in 2016. This data is useful in that it sheds insight into unit type that may be most needed Dodge County.

- 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 2016, 43.1% of renter households Dodge County were one-person households.
- However, in the West submarket only 27.9% of renter households consisted of one-person households, followed by two-person households (25.2%).
- Owner households were most likely to contain two people in Dodge County, representing 38.8% of households.



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**TABLE D-11
HOUSEHOLDS BY SIZE
DODGE COUNTY
2016**

Size	West Submarket				Central Submarket				East Submarket				Dodge County			
	Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
1PP Household	138	20.9%	31	27.9%	412	19.5%	247	43.6%	553	15.7%	275	45.3%	1,103	17.5%	553	43.1%
2PP Household	286	43.4%	18	16.2%	871	41.3%	121	21.4%	1,290	36.5%	179	29.5%	2,447	38.8%	318	24.8%
3PP Household	92	14.0%	8	7.2%	288	13.6%	101	17.8%	530	15.0%	78	12.9%	910	14.4%	187	14.6%
4PP Household	93	14.1%	28	25.2%	273	12.9%	40	7.1%	716	20.3%	30	4.9%	1,082	17.2%	98	7.6%
5PP Household	35	5.3%	8	7.2%	150	7.1%	35	6.2%	226	6.4%	12	2.0%	411	6.5%	55	4.3%
6PP Household	11	1.7%	15	13.5%	74	3.5%	11	1.9%	177	5.0%	33	5.4%	262	4.2%	59	4.6%
7PP+ Household	4	0.6%	3	2.7%	42	2.0%	11	1.9%	38	1.1%	0	0.0%	84	1.3%	14	1.1%
Total	659	100%	111	100%	2,110	100%	566	100%	3,530	100%	607	100%	6,299	100%	1,284	100%

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

Household Type

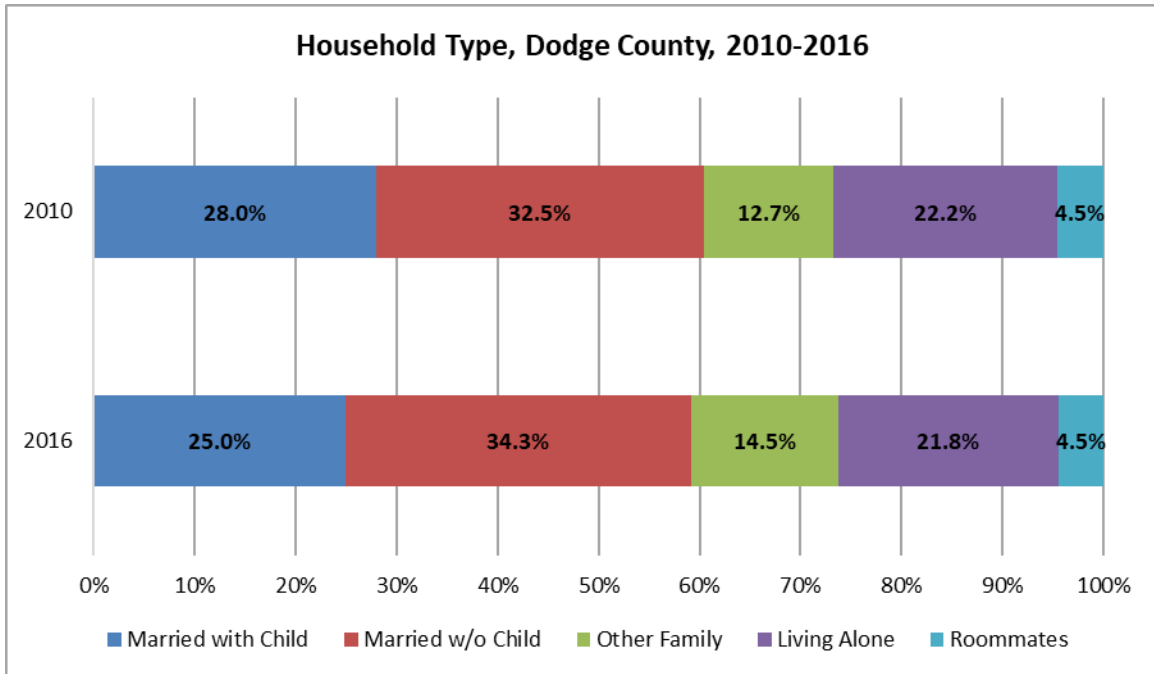
Table D-12 shows a breakdown of the type of households present in Dodge County in 2010 and 2016. The data is useful in assessing housing demand since the household composition often dictates the type of housing needed and preferred. The following key points are summarized from Table D-12.

- Across all submarkets in the county, married couples without children represented the largest household type. These households accounted for 34.3% of all households in the county in 2016, an increase from 32.5% in 2010. The proportion of married couples without children also rose in the State of Minnesota from 2010 to 2016, although the proportion in Minnesota (30.3%) is lower than Dodge County.
- The increase in households without children reflects the changing demographics of the county, and the country, as baby boomers age and more households become empty nest households. Additional factors contributing to this trend include couples delaying, or forgoing, having children.
- Married couples with children remain the second largest household type in the County, representing 25% of households. However, all submarkets reported a decline in the proportion of married couples with children between 2010 and 2016, ranging from a decline of -6.7% in the East submarket to -14.8% in the Central submarket.
- Other family households, namely single parents with children, experienced the largest increase in population, growing by 15.5% in Dodge County between 2010 and 2016.

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**TABLE D-12
HOUSEHOLD TYPE
DODGE COUNTY
2010 & 2016**

Households	Total HH's		Family Households						Non-Family Households			
			Married w/ Child		Married w/o Child		Other *		Living Alone		Roommates **	
	2010	2016	2010	2016	2010	2016	2010	2016	2010	2016	2010	2016
Dodge County Total	7,460	7,583	2,086	1,892	2,426	2,598	950	1,097	1,659	1,656	339	340
West Submarket	725	770	187	173	257	276	75	107	165	169	41	45
Central Submarket	2,703	2,676	654	557	832	881	395	452	677	659	145	127
East Submarket	4,032	4,137	1,245	1,162	1,337	1,441	480	538	817	828	153	168
State of Minnesota	2,087,227	2,135,310	443,212	440,402	617,297	647,462	288,506	292,896	584,008	604,515	154,204	150,035
<i>Percent</i>												
Dodge County Total	100.0	100.0	28.0	25.0	32.5	34.3	12.7	14.5	22.2	21.8	4.5	4.5
West Submarket	100.0	100.0	25.8	22.5	35.4	35.8	10.3	13.9	22.8	21.9	5.7	5.8
Central Submarket	100.0	100.0	24.2	20.8	30.8	32.9	14.6	16.9	25.0	24.6	5.4	4.7
East Submarket	100.0	100.0	30.9	28.1	33.2	34.8	11.9	13.0	20.3	20.0	3.8	4.1
State of Minnesota	100.0	100.0	21.2	20.6	29.6	30.3	13.8	13.7	28.0	28.3	7.4	7.0
	Change 2010-2016											
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Dodge County Total	123	1.6%	-194	-9.3%	172	7.1%	147	15.5%	-3	-0.2%	1	0.3%
West Submarket	45	6.2%	-14	-7.5%	19	7.4%	32	42.7%	4	2.4%	4	9.8%
Central Submarket	-27	-1.0%	-97	-14.8%	49	5.9%	57	14.4%	-18	-2.7%	-18	-12.4%
East Submarket	105	2.6%	-83	-6.7%	104	7.8%	58	12.1%	11	1.3%	15	9.8%
State of Minnesota	48,083	2.3%	-2,810	-0.6%	30,165	4.9%	4,390	1.5%	20,507	3.5%	-4,169	-2.7%
* Single-parents with children												
** Includes unmarried couples without children and group quarters												
Sources: U. S. Census; ESRI, Inc.; Maxfield Research and Consulting, LLC												

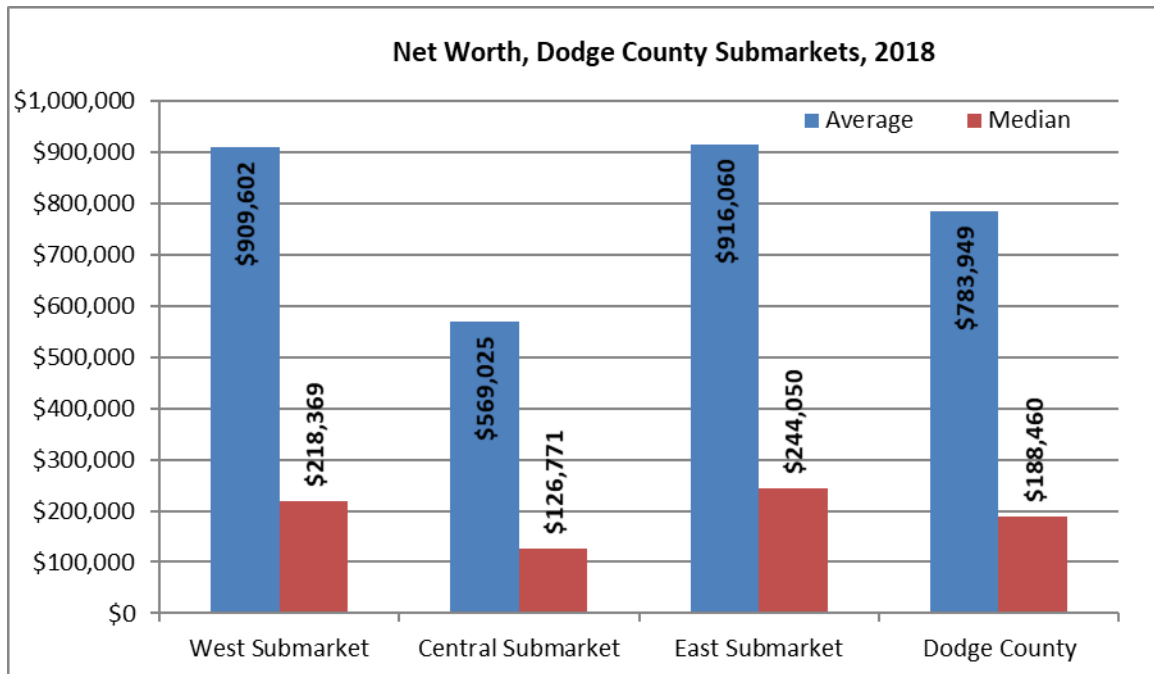


Net Worth

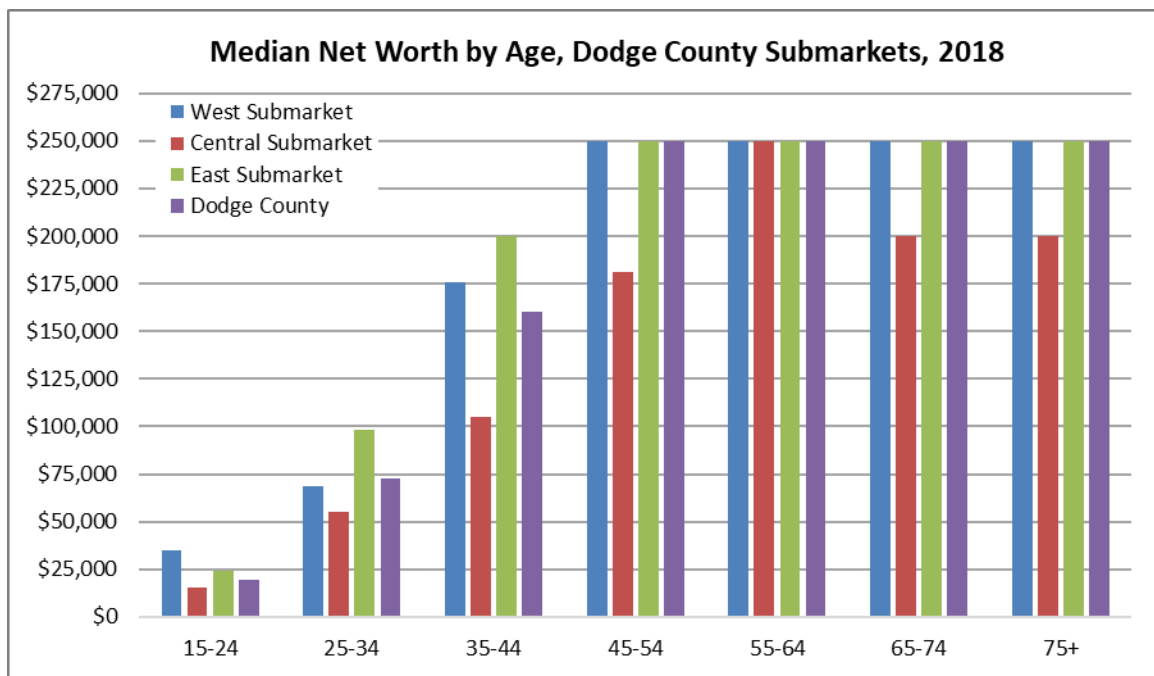
Table D-13 shows household net worth in Dodge County in 2018. Simply stated, net worth is the difference between assets and liabilities, or the total value of assets after the debt is subtracted. The data was compiled and estimated by ESRI based on the Survey of Consumer Finances and Federal Reserve Board data. According to the 2016 Survey of Consumer Finances, the median net worth of homeowners was 231,400 compared to a median net worth of just over \$5,500 for renters.

- Dodge County reported an average net worth of \$783,949 and a median net worth of \$188,460. Median net worth is generally a more accurate depiction of wealth than the average figure. A few households with very large net worth can significantly skew the average. Communities with high levels of farming equipment and land assets tend to also increase the average and median net worth in those areas.
- The highest median net worth was reported in the East submarket, \$244,050, while the Central submarket reported the lowest median income, \$126,771.

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- Among nearly all age cohorts, the Central submarket reported the lowest median net worth, except among the 55 to 64 age cohort where all submarkets reported a median income of \$250,001.



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TABLE D-13
ESTIMATED NET WORTH BY AGE OF HOUSEHOLDER
DODGEE COUNTY
2016

	Age of Householder							
	Total		15-24		25-34		35-44	
	Average	Median	Average	Median	Average	Median	Average	Median
West Submarket	\$909,602	\$218,369	\$53,721	\$35,000	\$115,209	\$68,827	\$477,032	\$175,485
Central Submarket	\$569,025	\$126,771	\$36,593	\$15,513	\$100,322	\$55,255	\$300,267	\$105,344
East Submarket	\$916,060	\$244,050	\$47,454	\$24,416	\$152,629	\$98,014	\$488,302	\$199,920
Dodge County Total	\$783,949	\$188,460	\$42,797	\$19,706	\$127,557	\$72,805	\$415,318	\$160,110
	45-54		55-64		65-74		75+	
	Average	Median	Average	Median	Average	Median	Average	Median
	West Submarket	\$933,339	\$250,001	\$1,379,949	\$250,001	\$1,278,601	\$250,001	\$1,033,415
Central Submarket	\$621,834	\$181,196	\$1,124,729	\$250,001	\$789,088	\$199,746	\$713,168	\$200,045
East Submarket	\$1,004,113	\$250,001	\$1,004,113	\$250,001	\$250,001	\$250,001	\$927,013	\$250,001
Dodge County Total	\$866,266	\$250,001	\$1,409,650	\$250,001	\$1,141,534	\$250,001	\$855,924	\$250,001

Sources: ESRI; Maxfield Research and Consulting, LLC

Summary of Demographic Trends

The following points summarize key demographic trends that will impact demand for housing throughout the Primary Market Area.

- The East submarket is the population center of the county, accounting for 57% of the county population. The East submarket population is forecast to add the greatest number new residents (+1,600) and households (+650) to Dodge County between 2018 and 2030.
- The largest adult age cohort in Dodge County in 2010 were those age 45 to 54, representing 21% of the population over age 18, followed by the 35 to 44 age cohort accounting for 19% of the adult age population.
- By 2025, the largest adult age cohort in the County will be those 35 to 44 and 45 to 54, each representing 18% of the population.
- The largest proportional growth is expected in the 65 to 74 age cohort in Dodge County, increasing by 44.8%.
- The majority of Dodge County residents, 96.4%, reported their race a “White Alone” in 2016 and 4.9% of the population reported their ethnicity as Hispanic or Latino. The proportion of the population reporting their ethnicity as Hispanic or Latino differed by submarket, ranging from 1.9% in the East submarket to 10.2% in the West submarket.
- The median income for Dodge County is projected to rise by 11.7% from \$73,333 to \$82,354 in 2023.
- In 2018, the highest median incomes were reported in the East submarket (\$80,962), followed closely by the West submarket (\$75,234). The Central submarket trails the other submarkets in income, with a median income in 2018 of \$62,500.
- The majority of households in Dodge County (83.1%) were owner households.
- Married households without children and other family households (typically single-parent households) are growing in Dodge County, while households of married couples with children are declining.

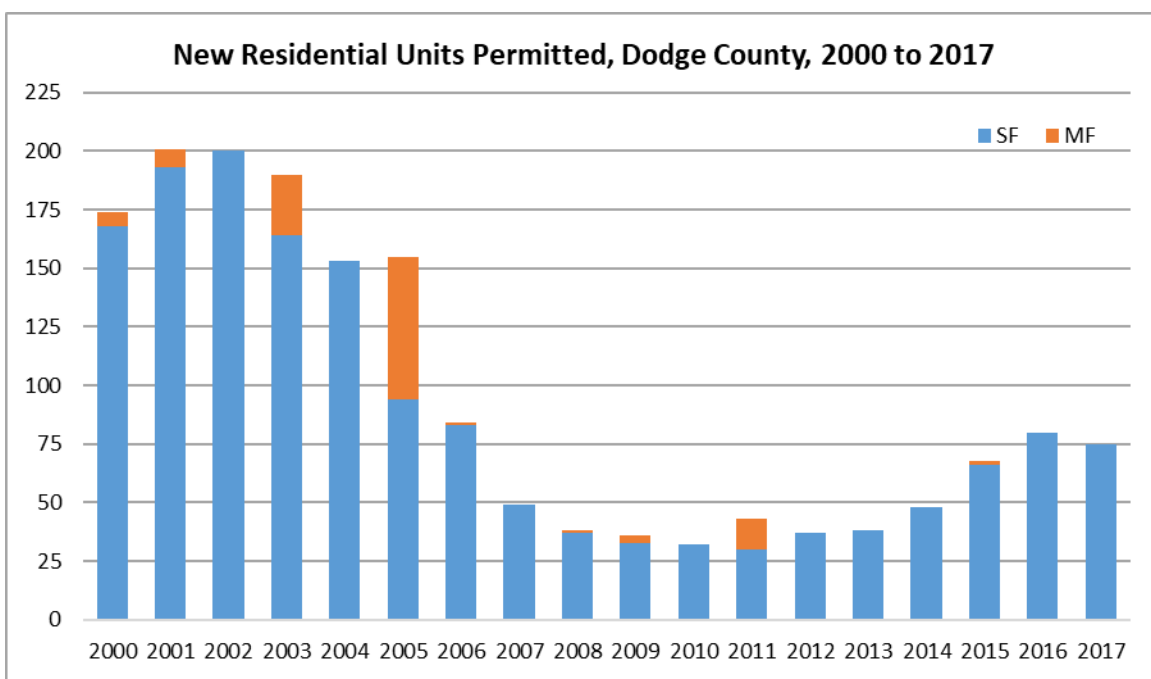
Introduction

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 each Dodge County submarket by reviewing data on the age of the existing housing supply; examining residential building trends since 2000; and reviewing housing data from the American Community Survey.

Residential Construction Trends

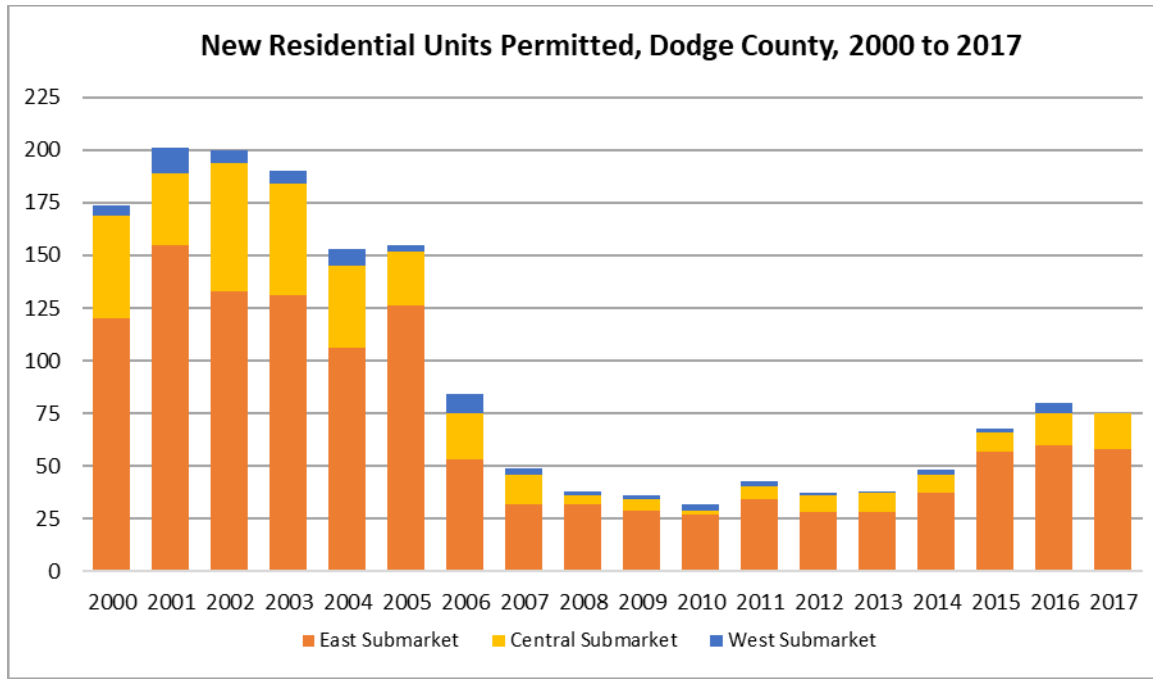
Maxfield Research obtained data on the number of new construction housing units from 2000 through 2017 from the U.S. Census Bureau, Dodge County and cities in Dodge County. Table HC-1 displays the number of building permits issued for new construction of residential units by submarket in Dodge County.

- Between 2000 and 2017 there were 1,701 new residential units permitted in Dodge County, 93% of those permits were issued for single-family units.
- Residential permits in Dodge County were at the highest volume prior to the onset of the Great Recession and housing crisis. Beginning in 2006, the number of permits began to fall, reaching a low of 30 units in 2012. The number of residential units permitted have generally risen since 2010 but have not recovered to pre-Recession levels.
- Very few multifamily units have been permitted in the County since the beginning of the Great Recession. Only 20 multifamily permits have been permitted since 2006.



HOUSING CHARACTERISTICS

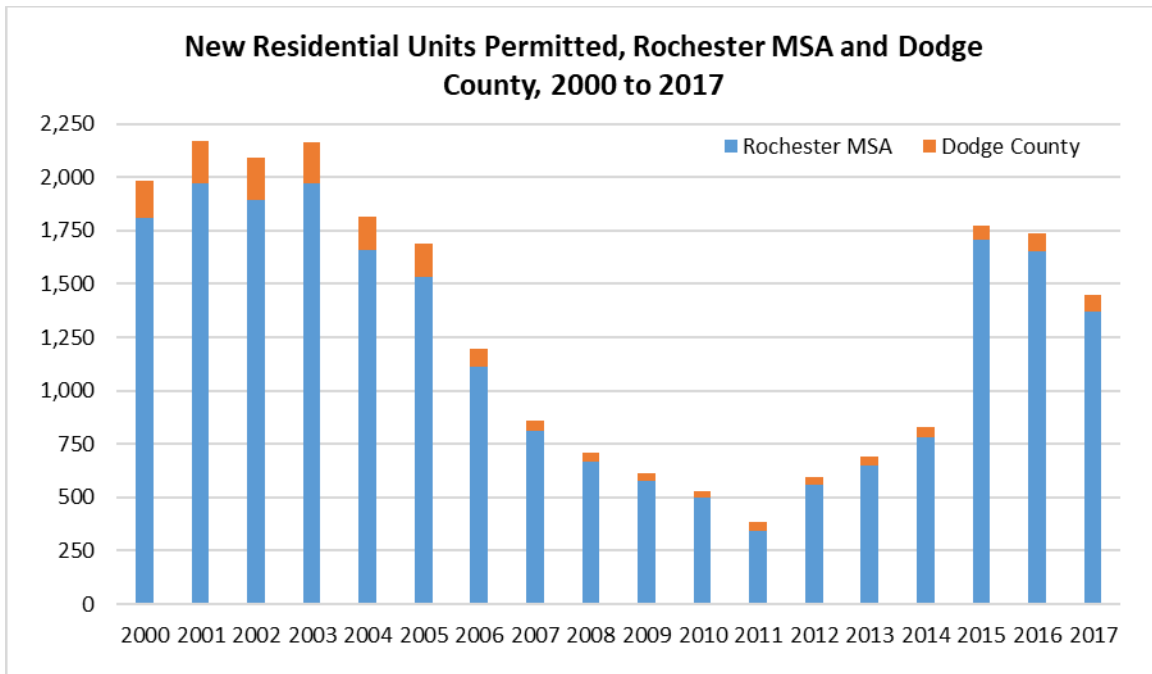
- Between 2000 and 2017, 73% (1,246) of all residential permits were in the East submarket. The East submarket also accounted for the majority of multifamily units permitted in the County (77%). Further, the only multifamily units permitted in the County since 2005 have been in the East submarket.



- The number of permits began to fall in 2006 and continued to decline through 2013 in all submarkets. The number of units permitted in Dodge County began to rise in 2014. Each submarket reported an increase in the number of single family units permitted between 2014 and 2017, compared to the number of units permitted between 2010 and 2013.
- However, the number of multifamily units permitted have remained in decline since 2005.
- Dodge County is part of the four county Rochester MSA, which includes Dodge, Fillmore, Olmsted and Wabasha Counties. The trends observed in Dodge County are similar to the Rochester MSA. The number of units permitted in the MSA, declined beginning in 2006 and continued to decline through 2013. Between 2014 and 2017, the number of permits in the MSA began to increase.
- In contrast to Dodge County, the number of multifamily permits in the Rochester MSA rose to 2,953 between 2014 and 2017, exceeding the number of multifamily units permitted between 2000 and 2005, before the beginning of the Great Recession.
- Dodge County accounted for 9% of units permitted in the Rochester MSA between 2000 and 2005. Since 2005, the proportion of Rochester MSA permits in Dodge County has fallen, reaching 4.7% of MSA permits between 2014 and 2017.

HOUSING CHARACTERISTICS

- The chart below shows the overall number of units permitted in the Rochester MSA each year between 2000 and 2017, with the orange portion highlighting the permits issued in Dodge County.



HOUSING CHARACTERISTICS

HC-1 RESIDENTIAL CONSTRUCTION BUILDING PERMITS DODGE COUNTY 2000-2017															
Year	West Submarket			Central Submarket			East Submarket			Dodge County Total			Rochester MSA		
	SF	MF	Total	SF	MF	Total	SF	MF	Total	SF	MF	Total	SF	MF	Total
2000	5	0	5	49	0	49	114	6	120	168	6	174	1294	688	1,982
2001	12	0	12	30	4	34	151	4	155	193	8	201	1604	567	2171
2002	6	0	6	61	0	61	133	0	133	200	0	200	1766	327	2093
2003	6	0	6	29	24	53	129	2	131	164	26	190	1827	336	2163
2004	8	0	8	39	0	39	106	0	106	153	0	153	1,750	65	1,815
2005	3	0	3	26	0	26	65	61	126	94	61	155	1,246	443	1,689
2006	9	0	9	22	0	22	52	1	53	83	1	84	934	265	1,199
2007	3	0	3	14	0	14	32	0	32	49	0	49	726	136	862
2008	2	0	2	4	0	4	31	1	32	37	1	38	543	164	707
2009	2	0	2	5	0	5	26	3	29	33	3	36	461	154	615
2010	3	0	3	2	0	2	27	0	27	32	0	32	388	144	532
2011	3	0	3	6	0	6	21	13	34	30	13	43	354	30	384
2012	1	0	1	8	0	8	28	0	28	37	0	37	533	62	595
2013	1	0	1	9	0	9	28	0	28	38	0	38	645	44	689
2014	2	0	2	9	0	9	37	0	37	48	0	48	621	211	832
2015	2	0	2	9	0	9	55	2	57	66	2	68	656	1,118	1,774
2016	5	0	5	15	0	15	60	0	60	80	0	80	742	993	1,735
2017	0	0	0	17	0	17	58	0	58	75	0	75	816	631	1,447
Total	73	0	73	354	28	382	1,153	93	1,246	1,580	121	1,701	16,906	6,378	23,284
Summary	SF	MF	Total	SF	MF	Total	SF	MF	Total	SF	MF	Total	SF	MF	Total
2000-2005	40	0	40	234	28	262	698	73	771	972	101	1,073	9,487	2,426	11,913
2006-2009	16	0	16	45	0	45	141	5	146	202	5	207	2,664	719	3,383
2010-2013	8	0	8	25	0	25	104	13	117	137	13	150	1,920	280	2,200
2014-2017	9	0	9	50	0	50	210	2	212	269	2	271	2,835	2,953	5,788
Sources: Dodge County; Cities of Claremont, Dodge Center, Hayfield and Kasson; HUD; Maxfield Research and Consulting LLC															

American Community Survey

The American Community Survey (“ACS”) is an ongoing statistical survey administered by the U.S. Census Bureau that is sent to approximately 3 million addresses annually. The survey gathers data previously contained only in the long form of the decennial census. As a result, the survey 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 2012 and 2016. It should be noted that all ACS surveys are subject to sampling error and uncertainty. The ACS reports margins of errors (MOEs) with estimates for most standard census geographies. The MOE is shown by reliability from low, medium to high. Due to the MOE, 2016 ACS data may have inconsistencies with previous 2010 Census data.

Tables HC-2 through HC-10 show key data from the American Community Survey for Dodge County. For a comparison, information for Dodge County is broken down by submarket.

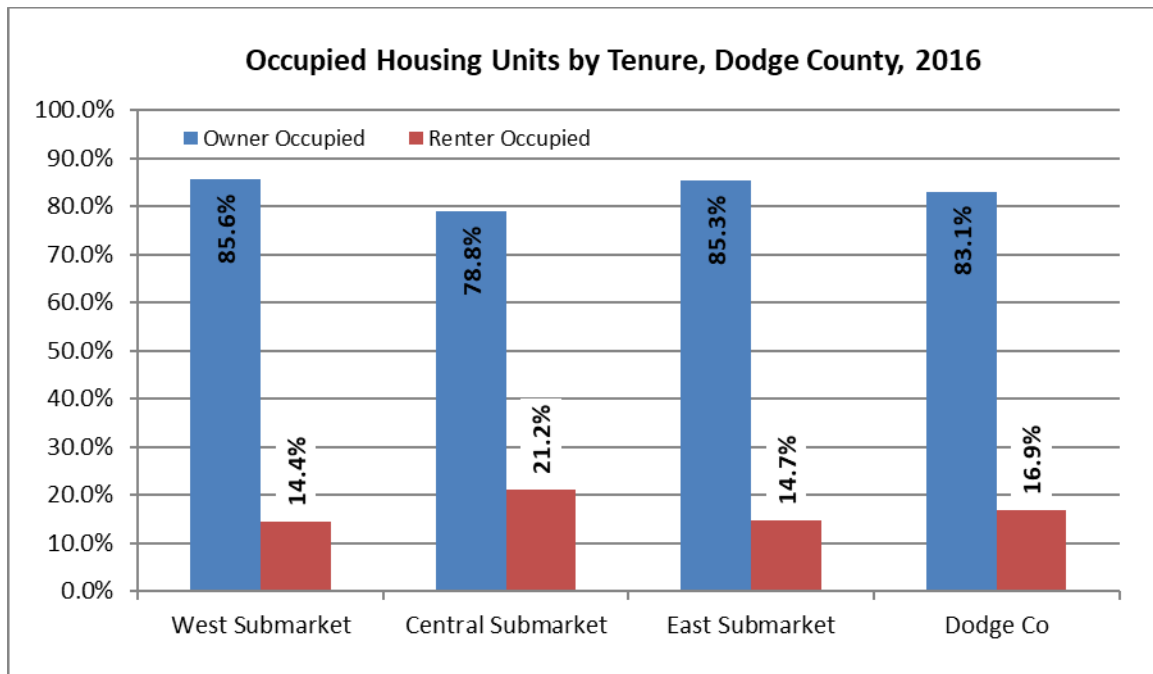
Occupied Housing Units by Tenure

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-2 shows the tenure by occupied housing units in 2016.

- The majority of homes in Dodge County are owner occupied (83.1%).
- The proportion of owner occupied homes in the West and East submarkets were nearly the same at 85%, while the proportion in the Central submarket was lower than other submarkets in the County at 78.8%.

TABLE HC-2 OCCUPIED HOUSING UNITS BY TENURE DODGE COUNTY 2016								
Year/Occupancy	West Submarket		Central Submarket		East Submarket		Total Dodge	
	No.	Pct.	No.	Pct.	Pct.	Pct.	No.	Pct.
Owner Occupied	659	85.6%	2,110	78.8%	3,530	85.3%	6,299	83.1%
Renter Occupied	111	14.4%	566	21.2%	607	14.7%	1,284	16.9%
Total	770	100.0%	2,676	100.0%	4,137	100.0%	7,583	100.0%

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

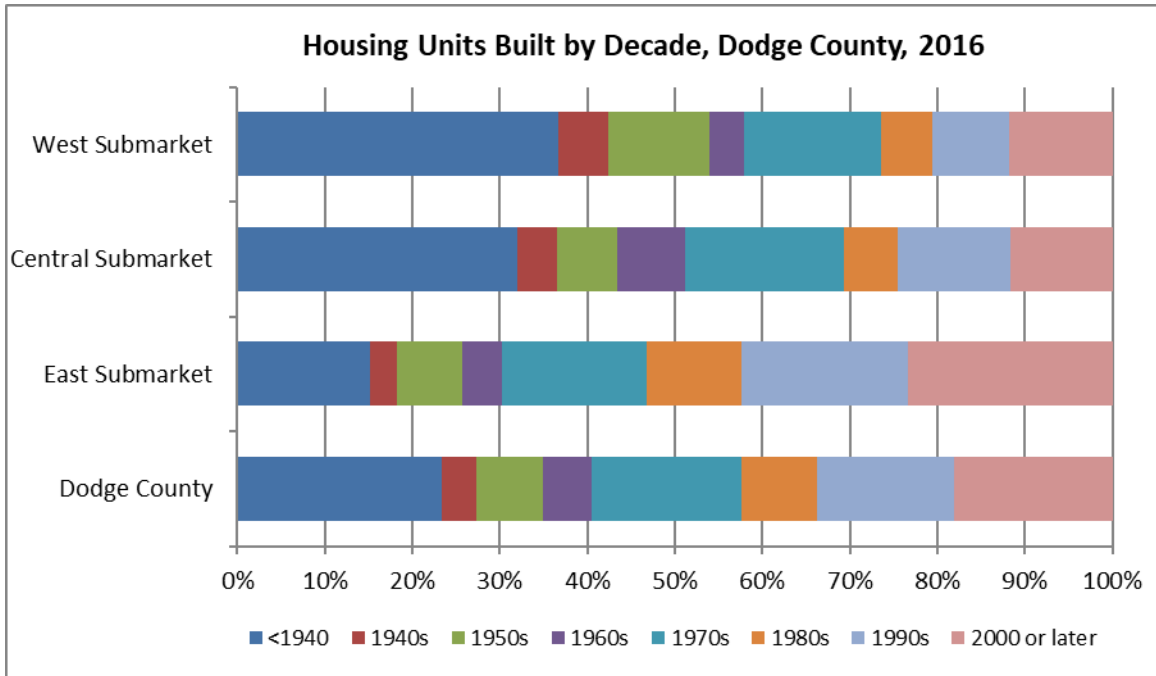


Age of Housing Stock

The following graph shows the age distribution of the housing stock based on data from the U.S. Census Bureau and the American Community Survey (5-Year estimates). Table HC-3 includes the number of housing units built in Dodge County by decade.

- In the West and Central submarkets, the largest proportion of housing units were built prior to the 1940s, while the largest proportion of housing stock in the East submarket was built post-2000.
- In all submarkets, the decade of the 1970s represented the second largest proportion of the housing stock.
- These trends are reflected in the median year built in which housing was built in each submarket. The West submarket (1959) and the Central submarket (1968) reported a median year built significantly older than the East submarket (1983).

HOUSING CHARACTERISTICS



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**TABLE HC-3
AGE OF HOUSING STOCK (OCCUPIED HOUSING UNITS)
DODGE COUNTY
2016**

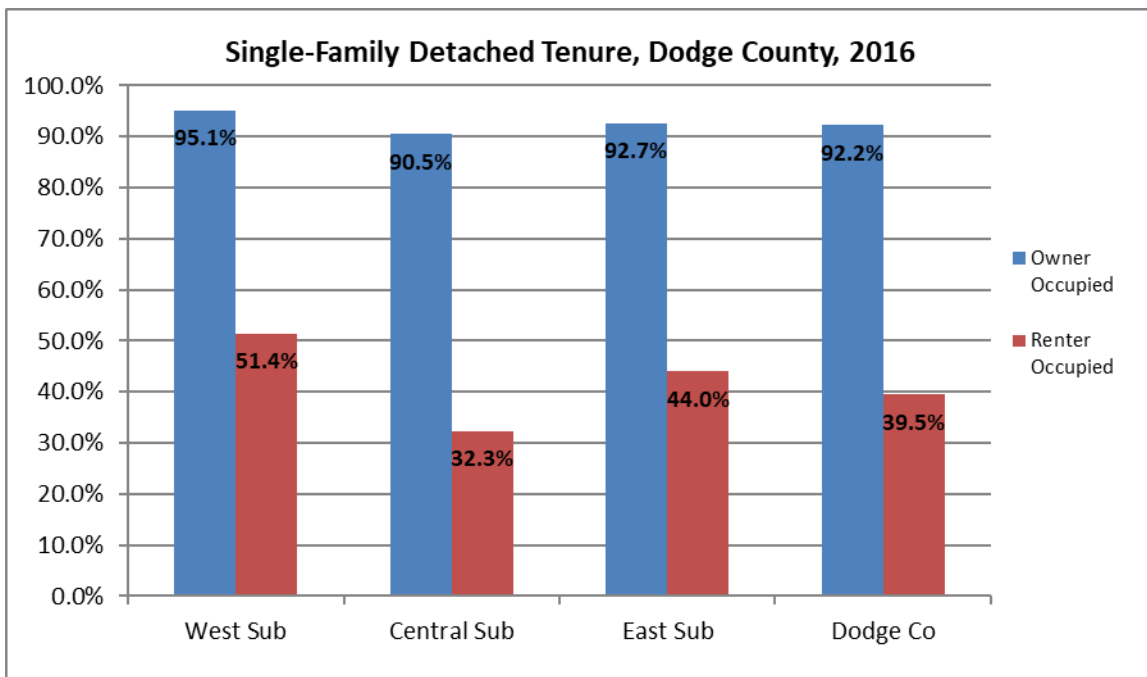
	Total Units	Med. Yr. Built	Year Structure Built																	
			<1940		1940s		1950s		1960s		1970s		1980s		1990s		2000 to 2009		2010 or later	
			No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
West Submarket	770	1959	278	36.1%	44	5.7%	87	11.3%	30	3.9%	119	15.5%	45	5.8%	66	8.6%	90	11.7%	0	0.0%
Central Submarket	2,676	1968	850	31.8%	122	4.6%	181	6.8%	205	7.7%	484	18.1%	161	6.0%	343	12.8%	309	11.5%	0	0.0%
East Submarket	4,137	1983	615	14.9%	123	3.0%	300	7.3%	179	4.3%	671	16.2%	436	10.5%	764	18.5%	926	22.4%	18	0.4%
Dodge County Total	7,583	1975	1,743	23.0%	289	3.8%	568	7.5%	414	5.5%	1,274	16.8%	642	8.5%	1,173	15.5%	1,325	17.5%	18	0.2%

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

Housing Units by Structure and Tenure

Table HC-4 shows the housing stock in Dodge County by type of structure and tenure based on the 2012 to 2016 ACS estimates.

- Single-family detached units are the dominate housing type for owner-occupied units in Dodge County, representing 92.2% of all owner-occupied units.
- Single-family detached units also make up the largest share of the renter-occupied units across the county, ranging from 32.3% in the Central submarket to 51.4% in the West submarket.
- Larger rental properties were most common in the East submarket, where 23.2% of rental units were in buildings with 20 to 49 units. In the Central submarket, rental properties were likely to be smaller, with 21.4% of units in buildings with 5 to 9 units.



HOUSING CHARACTERISTICS

**TABLE HC-4
HOUSING UNITS BY STRUCTURE & TENURE
DODGE COUNTY
2016**

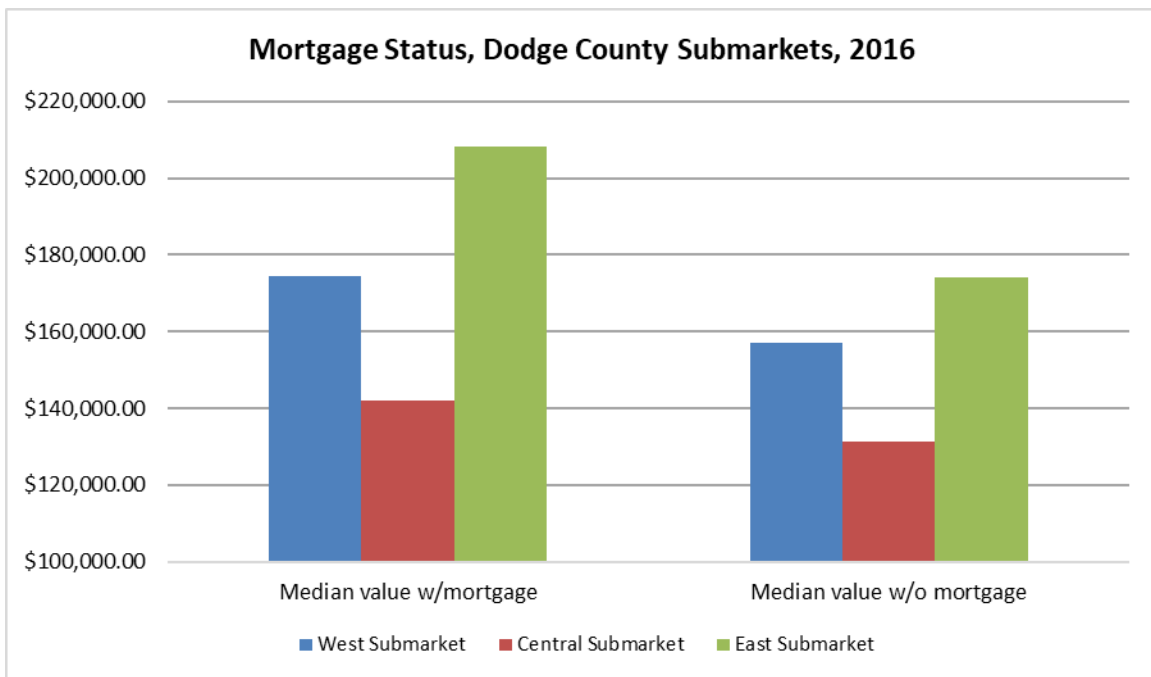
Units in Structure	West Submarket				Central Submarket				East Submarket				Dodge County Total				State of MN	
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied %	Renter-Occupied %
1, detached	627	95.1%	57	51.4%	1,909	90.5%	183	32.3%	3,272	92.7%	267	44.0%	5,808	92.2%	507	39.5%	85.4%	20.8%
1, attached	3	0.5%	15	13.5%	81	3.8%	34	6.0%	66	1.9%	21	3.5%	150	2.4%	70	5.5%	7.6%	8.5%
2	2	0.3%	6	5.4%	6	0.3%	9	1.6%	0	0.0%	17	2.8%	8	0.1%	32	2.5%	0.6%	6.3%
3 to 4	0	0.0%	0	0.0%	0	0.0%	26	4.6%	3	0.1%	46	7.6%	3	0.0%	72	5.6%	0.5%	6.1%
5 to 9	0	0.0%	11	9.9%	7	0.3%	121	21.4%	4	0.1%	18	3.0%	11	0.2%	150	11.7%	0.4%	6.8%
10 to 19	0	0.0%	6	5.4%	5	0.2%	83	14.7%	2	0.1%	81	13.3%	7	0.1%	170	13.2%	0.3%	11.6%
20 to 49	2	0.3%	8	7.2%	0	0.0%	86	15.2%	0	0.0%	141	23.2%	2	0.0%	235	18.3%	0.6%	16.7%
50 or more	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1.3%	21.7%
Mobile home	25	3.8%	8	7.2%	102	4.8%	17	3.0%	183	5.2%	13	2.1%	310	4.9%	38	3.0%	3.3%	1.5%
Boat, RV, van, etc.	0	0.0%	0	0.0%	0	0.0%	7	1.2%	0	0.0%	3	0.5%	0	0.0%	10	0.8%	0.0%	0.0%
Total	659	100%	111	100%	2,110	100%	566	100%	3,530	100%	607	100%	6,299	100%	1,284	100%	100%	100%

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

Owner-Occupied Housing Units by Mortgage Status

Table HC-5 shows mortgage status from the American Community Survey for 2016 (5-Year estimates). Mortgage status provides information on the cost of homeownership when analyzed in conjunction with mortgage payment data. A mortgage refers to all forms of debt where the property is pledged as security for repayment of debt. A first mortgage has priority claim over any other mortgage or if it is the only mortgage. A second (and sometimes third) mortgage is called a “junior mortgage,” a home equity line of credit (HELOC) would also fall into this category. Finally, a housing unit without a mortgage is owned free and clear and is debt free.

- Within Dodge County, 67.8% of homes have a mortgage. This is comparable to the state proportion of 67.4% of homes with a mortgage and the proportion of homes with a mortgage in the Rochester MSA (66.4%).
- Conversely, 32.2% of households in Dodge County do not have a mortgage, with the highest proportion of homes without a mortgage reported in the West Submarket (42.2%).
- Most homes did not carry a second mortgage or home equity loan. Of the 67.8% of homes in Dodge County with a mortgage, 54.5% did not have a second mortgage or home equity loan.



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- Housing units with a mortgage reported a higher median value than those without a mortgage in each submarket. The most significant difference was reported in the East submarket, where homes with a mortgage had a median value of \$34,000 more than homes without a mortgage.
- The median value of homes with a mortgage in the Rochester MSA, \$175,687, was higher than the median value of those Dodge County, \$168,300. However, homes in the East submarket had a higher median value, \$208,228, than the Rochester MSA.

HOUSING CHARACTERISTICS

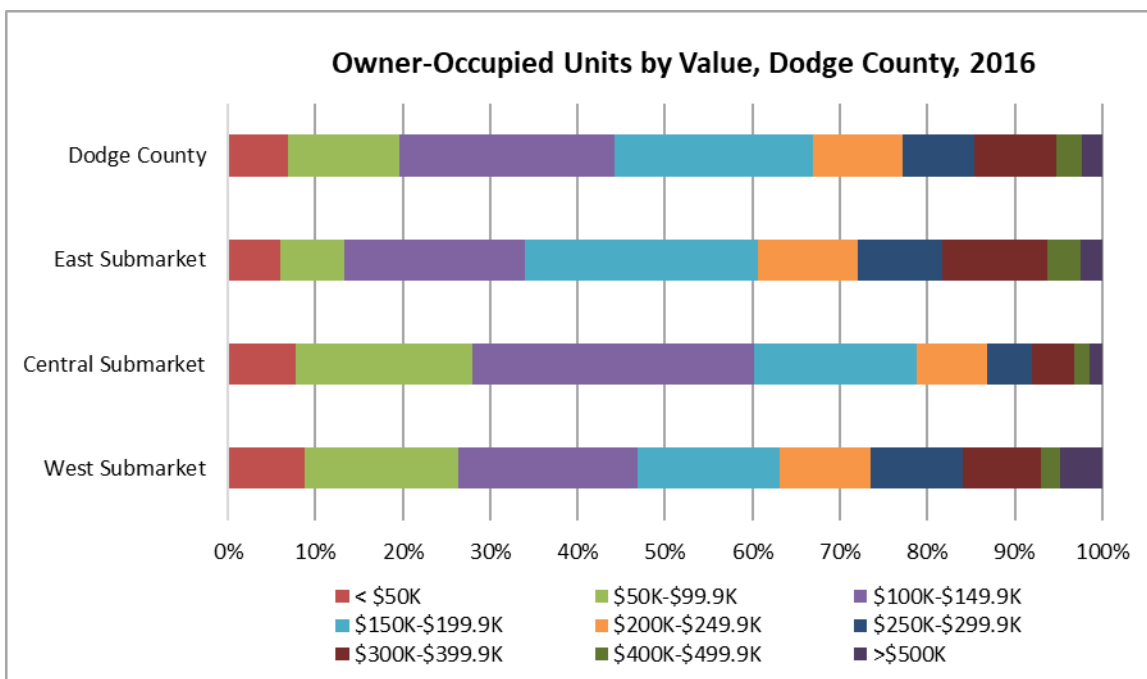
**TABLE HC-5
OWNER-OCCUPIED HOUSING UNITS BY MORTGAGE STATUS
DODGE COUNTY
2016**

Mortgage Status	West Submarket		Central Submarket		East Submarket		Total Dodge County		Rochester MSA		MN
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	Pct.
Housing units without a mortgage	278	42.2	681	32.3	1,070	30.3	2,029	32.2	21,346	33.6	32.6
Housing units with a mortgage/debt	381	57.8	1,429	67.7	2,460	69.7	4,270	67.8	42,232	66.4	67.4
<i>Second mortgage only</i>	25	3.8	51	2.4	114	3.2	190	3.0	2,023	3.2	3.5
<i>Home equity loan only</i>	51	7.7	143	6.8	430	12.2	624	9.9	5,684	8.9	9.3
<i>Both second mortgage and equity loan</i>	4	0.6	5	0.2	16	0.5	25	0.4	221	0.3	0.5
<i>No second mortgage or equity loan</i>	301	45.7	1,230	58.3	1,900	53.8	3,431	54.5	34,304	54.0	54.1
Total	659	100.0	2,110	100.0	3,530	100.0	6,299	100.0	63,578	100.0	100.0
Average Value by Mortgage Status											
Housing units with a mortgage	\$174,440		\$141,946		\$208,228		\$168,300		\$175,637		\$199,700
Housing units without a mortgage	\$156,929		\$131,337		\$174,155		\$148,100		\$161,293		\$172,100
Sources: U.S. Census Bureau - American Community Survey; Maxfield Research and Consulting, LLC											

Owner-Occupied Housing Units by Value

Table HC-6 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. Values include homes and mobile homes outside city limits, where values are likely lower compared to homes within city limits.

- The highest median home value was reported in the East Submarket (\$198,375), higher than the median value in Dodge County (\$162,000) and the State of Minnesota (\$191,500).
- In the West and Central submarkets, the highest proportion of homes were valued between \$100,000 and \$149,999. In the East submarket, the highest proportion of homes were valued slightly higher, between \$150,000 and \$199,999.
- Both the West and East submarkets have just over 60% of homes valued below \$199,999, while the Central submarket reported nearly 80% of homes valued below \$199,999.



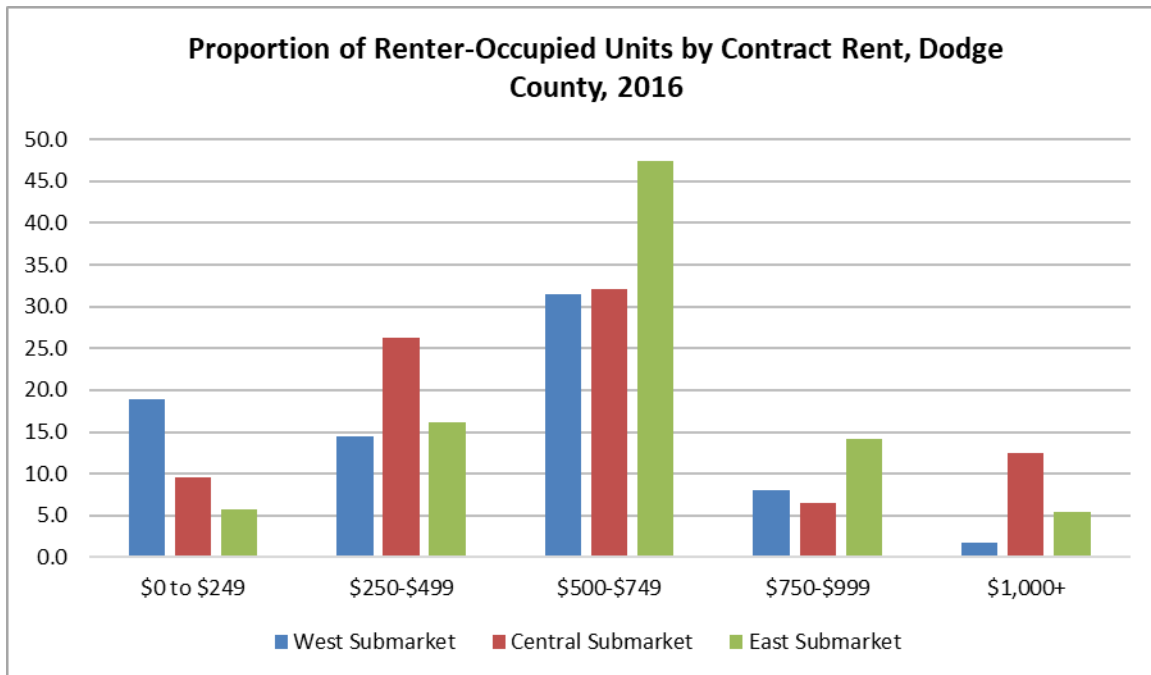
HOUSING CHARACTERISTICS

TABLE HC-6 OWNER-OCCUPIED UNITS BY VALUE DODGE COUNTY 2016									
Home Value	West Submarket		Central Submarket		East Submarket		Total Dodge County		MN
	No.	Pct.	No.	Pct.	Pct.	Pct.	No.	Pct.	Pct.
Less than \$50,000	58	8.8	162	7.7	211	6.0	431	6.8	6.0
\$50,000-\$99,999	116	17.6	428	20.3	257	7.3	801	12.7	10.1
\$100,000-\$149,999	135	20.5	681	32.3	733	20.8	1,549	24.6	16.6
\$150,000-\$199,999	107	16.2	390	18.5	938	26.6	1,435	22.8	20.3
\$200,000-\$249,999	68	10.3	171	8.1	406	11.5	645	10.2	14.5
\$250,000-\$299,999	70	10.6	109	5.2	339	9.6	518	8.2	10.2
\$300,000-\$399,999	59	9.0	102	4.8	426	12.1	587	9.3	11.3
\$400,000-\$499,999	14	2.1	37	1.8	132	3.7	183	2.9	4.9
Greater than \$500,000	32	4.9	30	1.4	88	2.5	150	2.4	6.1
Total	659	100.0	2,110	100.0	3,530	100.0	6,299	100.0	100.0
Median Home Value	\$165,879		\$139,992		\$198,375		\$162,000		\$191,500
Sources: U.S. Census Bureau - American Community Survey; Maxfield Research and Consulting, LLC									

Renter-Occupied Units by Contract Rent

Table HC-7 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 Dodge County, \$537, is significantly lower than the statewide median rent of \$785.
- The median rent in the Dodge County submarkets ranged from \$459 in the West submarket to \$552 in the East submarket.
- The proportion of rental units with no cash rent varied greatly between submarkets. In the East submarket, 11.0% of units reported no cash rent while 25.2% of rental units in the West submarket reported no cash rent.
- In each submarket, the highest proportion of contract rent fell between \$500 and \$749. Nearly half of rental units in the East submarket reported contract rents in this range, and nearly one-third of units in the West and Central submarkets.

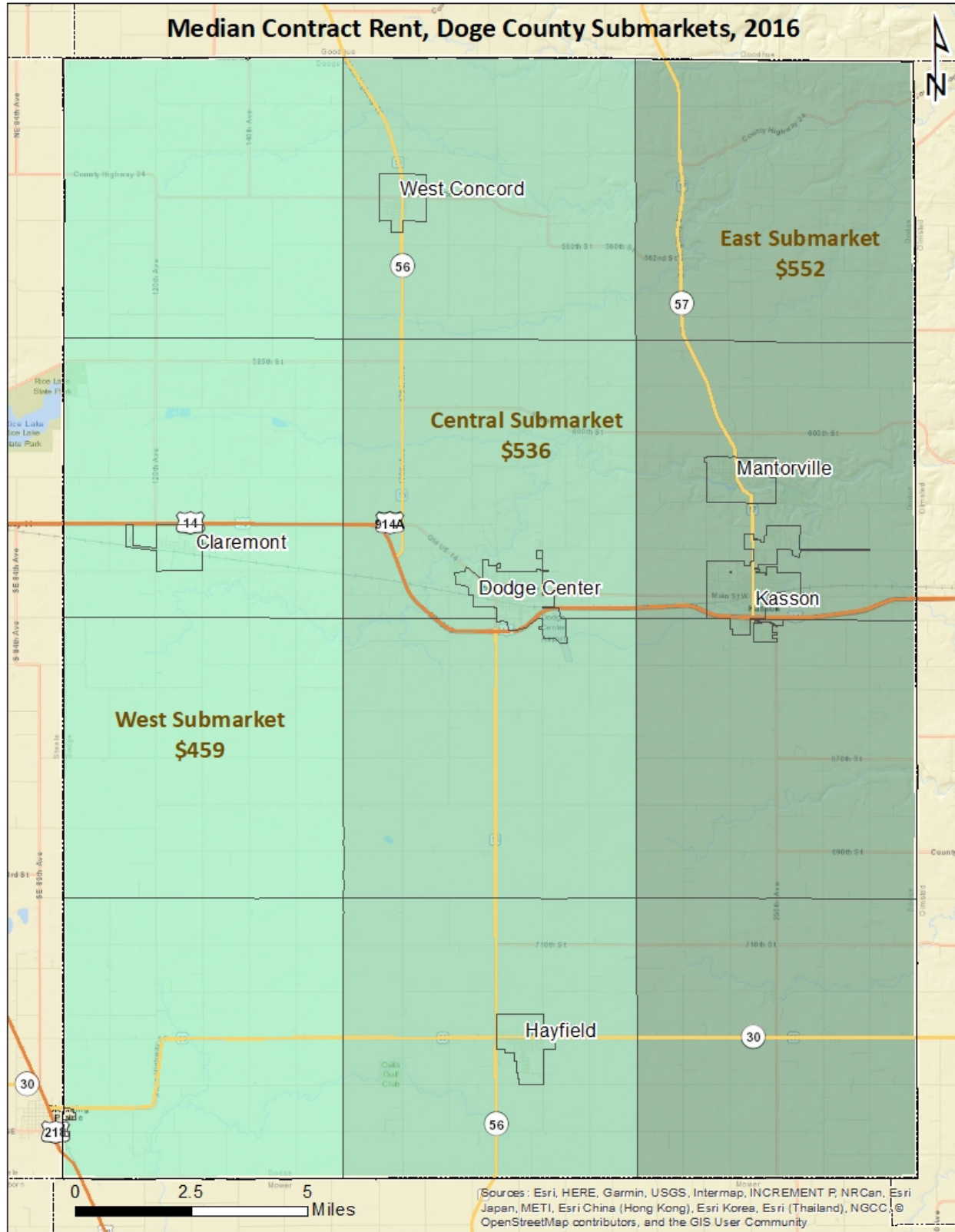


HOUSING CHARACTERISTICS

**TABLE HC-7
RENTER-OCCUPIED UNITS BY CONTRACT RENT
DODGE COUNTY
2016**

Contract Rent	West Submarket		Central Submarket		East Submarket		Total Dodge		MN
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	Pct.
No Cash Rent	28	25.2	73	12.9	67	11.0	168	13.1	4.5
Cash Rent	83	74.8	493	87.1	540	89.0	1,116	86.9	95.5
\$0 to \$249	21	18.9	54	9.5	35	5.8	110	8.6	6.6
\$250-\$499	16	14.4	149	26.3	98	16.1	263	20.5	12.7
\$500-\$749	35	31.5	182	32.2	288	47.4	505	39.3	24.4
\$750-\$999	9	8.1	37	6.5	86	14.2	132	10.3	24.4
\$1,000+	2	1.8	71	12.5	33	5.4	106	8.3	27.4
Total	111	100.0	566	100.0	607	100.0	1,284	100.0	100.0
Median Contract Rent	\$459		\$536		\$552		\$537		\$785

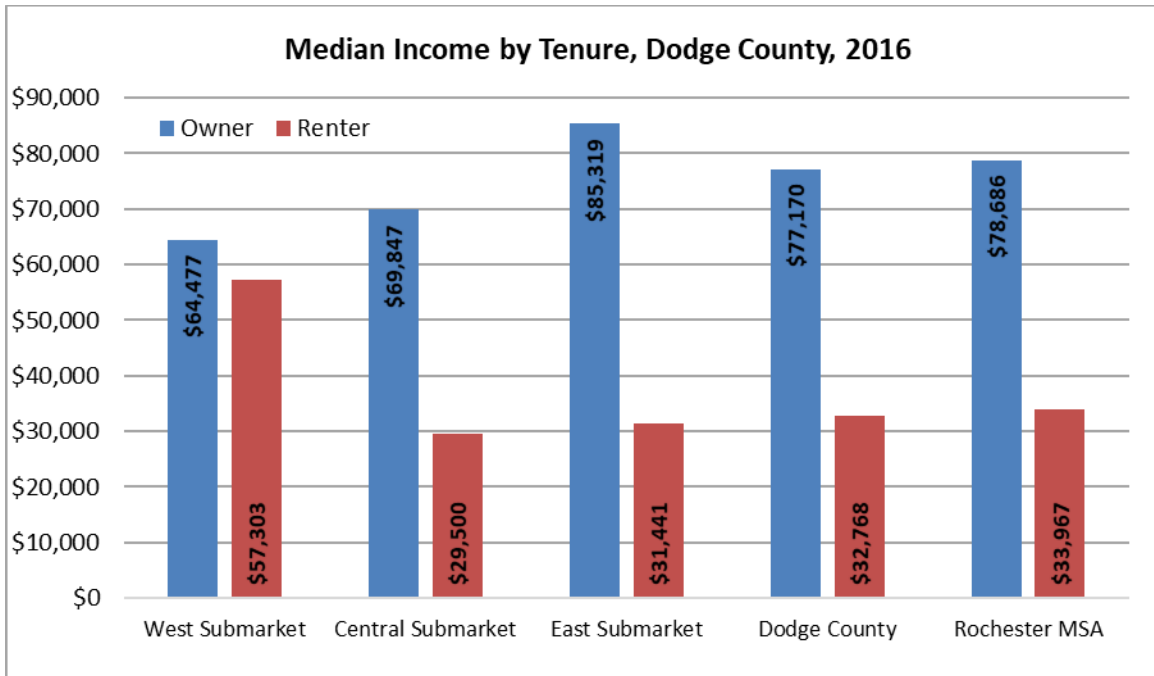
Sources: U.S. Census Bureau - American Community Survey; Maxfield Research and Consulting, LLC



Tenure by Household Income

Table HC-8 presents information on tenure by household incomes in Dodge County. Data was obtained through the American Community Survey for years 2012-2016.

- In Dodge County nearly half (46.3%) of households earning less than \$15,000 were owner-occupied, higher than the State proportion of 34.5%. However, there is variability among the submarkets, in the East submarket 39.5% of households earning less than \$15,000 are owner occupied compared to the West submarket where 79.2% of households earning less than \$15,000 are owner occupied.
- A portion of renter households are referred to as lifestyle renters, those who are financially able to own a home but choose to rent. Lifestyle renters typically have household incomes above \$50,000. The East and West submarkets indicate the presence of lifestyle references in Dodge County, as the proportion of owner households dips in the \$50,000 to \$74,999 income range in both submarkets.
- There was a significant gap in the median income of owner and renter occupied households in the Central and East submarkets. In the Central submarket, the median income of owner households was more than \$40,000 more than renter households. Owner households in the East submarket reported a median income of \$85,319 and renters reported a median income of \$31,441.
- The difference between owner and renter incomes in the West submarket was not as large as the difference in the other two submarkets. The median income among owners in the West submarket was \$64,477, while renters earned a median income of \$57,303.
- The median income of renters in the West submarket (\$57,303) was significantly higher than renter incomes in the Central (\$29,500) and East (\$31,441).
- The Rochester MSA reported median owner incomes of \$78,686 and renter incomes of \$33,967. Median incomes in Dodge County were similar to those in the Rochester MSA, \$77,170 among owner households and \$32,768 among renter households.



HOUSING CHARACTERISTICS

TABLE HC-8
TENURE BY HOUSEHOLD INCOME
DODGE COUNTY
2016

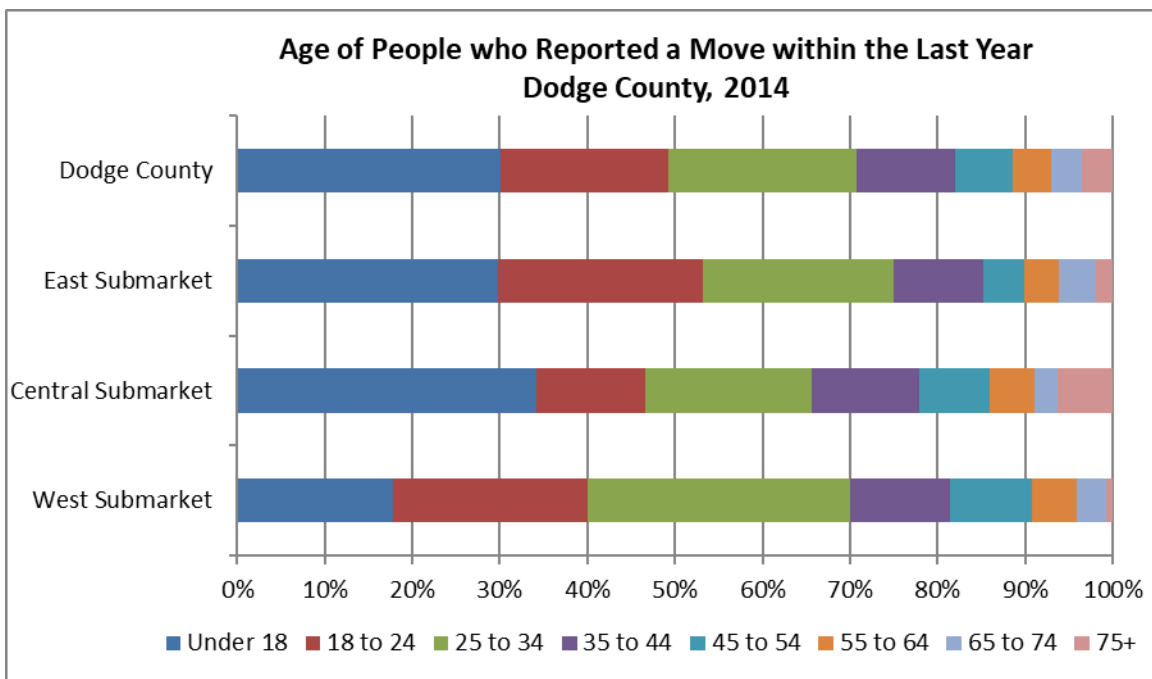
Income	West Submarket				Central Submarket				East Submarket				Dodge County				Rochester MSA			State of MN				
	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Pct.	Renter-Occupied	Pct.	Owner-Occupied	Renter-Occupied		
Less than \$15,000	38	79.2%	10	20.8%	118	44.5%	147	55.5%	64	39.5%	98	60.5%	220	46.3%	255	53.7%	2,537	37.4%	4,242	62.6%	34.5%	65.5%		
\$15,000 to \$24,999	50	76.9%	15	23.1%	110	52.1%	101	47.9%	169	68.7%	77	31.3%	329	63.0%	193	37.0%	3,141	49.4%	3,216	50.6%	47.5%	52.5%		
\$25,000 to \$34,999	49	86.0%	8	14.0%	209	74.6%	71	25.4%	216	60.7%	140	39.3%	474	68.4%	219	31.6%	4,404	60.0%	2,930	40.0%	56.3%	43.7%		
\$35,000 to \$49,999	120	92.3%	10	7.7%	255	66.9%	126	33.1%	363	87.3%	53	12.7%	738	79.6%	189	20.4%	7,329	69.4%	3,239	30.6%	64.1%	35.9%		
\$50,000 to \$74,999	133	73.9%	47	26.1%	446	85.4%	76	14.6%	642	77.3%	189	22.7%	1,221	79.6%	312	20.4%	12,345	78.0%	3,491	22.0%	74.4%	25.6%		
\$75,000 to \$99,999	110	86.6%	17	13.4%	401	93.0%	30	7.0%	787	95.6%	36	4.4%	1,298	94.0%	83	6.0%	11,330	89.0%	1,400	11.0%	83.5%	16.5%		
\$100,000 to \$149,999	107	99.1%	1	0.9%	387	98.0%	8	2.0%	896	99.7%	3	0.3%	1,390	99.1%	12	0.9%	12,781	91.6%	1,177	8.4%	89.4%	10.6%		
\$150,000+	52	94.5%	3	5.5%	184	96.3%	7	3.7%	393	97.3%	11	2.7%	629	96.8%	21	3.2%	9,711	94.7%	546	5.3%	93.9%	6.1%		
Total	659	85.6%	111	14.4%	2,110	78.8%	566	21.2%	3,530	85.3%	607	14.7%	6,299	83.1%	1,284	16.9%	63,578	75.9%	20,241	24.1%	71.4%	28.6%		
Median Income	\$64,477		\$57,303		\$69,847		\$29,500		\$85,319		\$31,441		\$77,170		\$32,768		\$78,686		\$33,967		\$77,618		\$34,348	

Source: American Community Survey; Maxfield Research and Consulting, LLC

Mobility in the Past Year

Table HC-10 shows the mobility patterns of Dodge County residents. The information reflects the proportion of residents that reported a move within the last year at the time the ACS survey was conducted. The table presents the estimates of mobility within the last year based on five years of data collection, 2012-2016.

- The majority of Dodge County residents (88.2%) did not move during the last year. All three submarkets reported similar rates of stability, ranging from 86.2% reporting no move in the West submarkets to 89.4% in the East submarket reporting no move.
- Residents of Dodge County were most likely to report a move from a different county (6.3%), followed by a move from within the county (4.4%).
- Of those who reported a move in Dodge County, the largest age group was children under 18 (30.1%). This suggests that families with children are moving to Dodge County.



HOUSING CHARACTERISTICS

**TABLE HC-9
MOBILITY IN THE PAST YEAR BY AGE FOR CURRENT RESIDENCE
DODGE COUNTY
2016**

Age	Not Moved		Moved								
	Same House		Within Same County		Different County Same		Different State		Abroad		
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	
West Submarket											
Under 18	358	88.2%	8	2.0%	31	7.6%	5	1.2%	4	1.0%	
18 to 24	126	67.7%	13	7.0%	31	16.7%	11	5.9%	5	2.7%	
25 to 34	162	66.7%	24	9.9%	44	18.1%	13	5.3%	0	0.0%	
35 to 44	216	87.4%	8	3.2%	23	9.3%	0	0.0%	0	0.0%	
45 to 54	317	92.7%	19	5.6%	0	0.0%	0	0.0%	6	1.8%	
55 to 64	257	94.8%	4	1.5%	2	0.7%	6	2.2%	2	0.7%	
65 to 74	136	93.8%	9	6.2%	0	0.0%	0	0.0%	0	0.0%	
75+	120	98.4%	2	1.6%	0	0.0%	0	0.0%	0	0.0%	
Total	1,692	86.2%	87	4.4%	131	6.7%	35	1.8%	17	0.9%	
Central Submarket											
Under 18	1552	83.1%	85	4.6%	224	12.0%	4	0.2%	3	0.2%	
18 to 24	380	76.8%	56	11.3%	44	8.9%	15	3.0%	0	0.0%	
25 to 34	602	77.5%	72	9.3%	94	12.1%	4	0.5%	5	0.6%	
35 to 44	803	87.6%	44	4.8%	70	7.6%	0	0.0%	0	0.0%	
45 to 54	903	92.3%	18	1.8%	51	5.2%	6	0.6%	0	0.0%	
55 to 64	848	94.7%	34	3.8%	8	0.9%	5	0.6%	0	0.0%	
65 to 74	513	95.5%	7	1.3%	7	1.3%	10	1.9%	0	0.0%	
75+	447	88.5%	18	3.6%	26	5.1%	7	1.4%	7	1.4%	
Total	6,048	86.7%	334	4.8%	524	7.5%	51	0.7%	15	0.2%	
East Submarket											
Under 18	2,722	88.6%	144	4.7%	169	5.5%	38	1.2%	0	0.0%	
18 to 24	602	68.5%	123	14.0%	138	15.7%	16	1.8%	0	0.0%	
25 to 34	995	79.5%	36	2.9%	194	15.5%	27	2.2%	0	0.0%	
35 to 44	1,441	92.3%	91	5.8%	20	1.3%	6	0.4%	3	0.2%	
45 to 54	1,578	96.6%	7	0.4%	46	2.8%	3	0.2%	0	0.0%	
55 to 64	1,338	96.7%	25	1.8%	13	0.9%	7	0.5%	0	0.0%	
65 to 74	727	93.6%	44	5.7%	6	0.8%	0	0.0%	0	0.0%	
75+	581	96.2%	0	0.0%	23	3.8%	0	0.0%	0	0.0%	
Total	9,984	89.4%	470	4.2%	609	5.5%	97	0.9%	3	0.0%	
Total Dodge County											
Under 18	4,632	86.6%	237	4.4%	424	7.9%	47	0.9%	7	0.1%	
18 to 24	1,108	71.0%	192	12.3%	213	13.7%	42	2.7%	5	0.3%	
25 to 34	1,759	77.4%	132	5.8%	332	14.6%	44	1.9%	5	0.2%	
35 to 44	2,460	90.3%	143	5.2%	113	4.1%	6	0.2%	3	0.1%	
45 to 54	2,798	94.7%	44	1.5%	97	3.3%	9	0.3%	6	0.2%	
55 to 64	2,443	95.8%	63	2.5%	23	0.9%	18	0.7%	2	0.1%	
65 to 74	1,376	94.3%	60	4.1%	13	0.9%	10	0.7%	0	0.0%	
75+	1,148	93.3%	20	1.6%	49	4.0%	7	0.6%	7	0.6%	
Total	17,724	88.2%	891	4.4%	1,264	6.3%	183	0.9%	35	0.2%	

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

Summary of Housing Characteristics

- The number of building permits issued for new residential units in Dodge County continues to reflect the impact of the Great Recession. Building permits dropped from 1,073 new residential construction units permitted between 2000 and 2005 to 271 residential units permitted from 2014 to 2017.
- The East submarket has the newest housing stock, with a median year built of 1983, compared to 1959 in the West submarket and 1968 in the Central submarket. Further, the largest proportion of housing stock in the East submarket (22.4%) was built between 2000 and 2009.
- Single family detached units represented the largest proportion of owner-occupied homes (92.2%) and renter-occupied homes (39.5%) in Dodge County.
- Median home values for owner-occupied homes were highest in the East submarket at \$198,375 in 2016. Median contract rent was also highest in the East submarket in 2016 at \$552
- Median income among Dodge County owner households was \$77,170, while renter households reported a median income of \$32,768 in 2016.

Employment Trends

Employment characteristics are an important component in assessing housing needs in any given market area. These trends are important to consider since job growth can fuel household and population growth as people generally desire to live near where they work. Long commute times have encouraged households to move closer to major employment centers.

Employment Growth and Projections

Table E-1 shows projected employment growth in Southeast Minnesota from 2014 to 2030 based on the most recent Minnesota Department of Employment and Economic Development (DEED) Employment Outlook projections. Long term employment projects were not available for Dodge County. The 2030 forecast is based on 2014-2030 industry projections for the Southeast Minnesota Planning area. The Southeast Minnesota Planning area consists of the following 11 Minnesota Counties, Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, Winona.

- Through 2030, Southeast Minnesota is projected to experience a 7.3% increase in employment, adding nearly 20,000 jobs.

TABLE E-1 EMPLOYMENT PROJECTIONS SOUTHEAST MINNESOTA 2014-2030					
				Change	
	2014	Forecast 2024	Forecast 2030	2012-2030	
	No.	No.	No.	No.	Pct.
Southeast Minnesota	267,404	279,572	286,873	19,469	7.3%

Sources: MN Dept of Employment and Economic Development; Maxfield Research and Consulting LLC

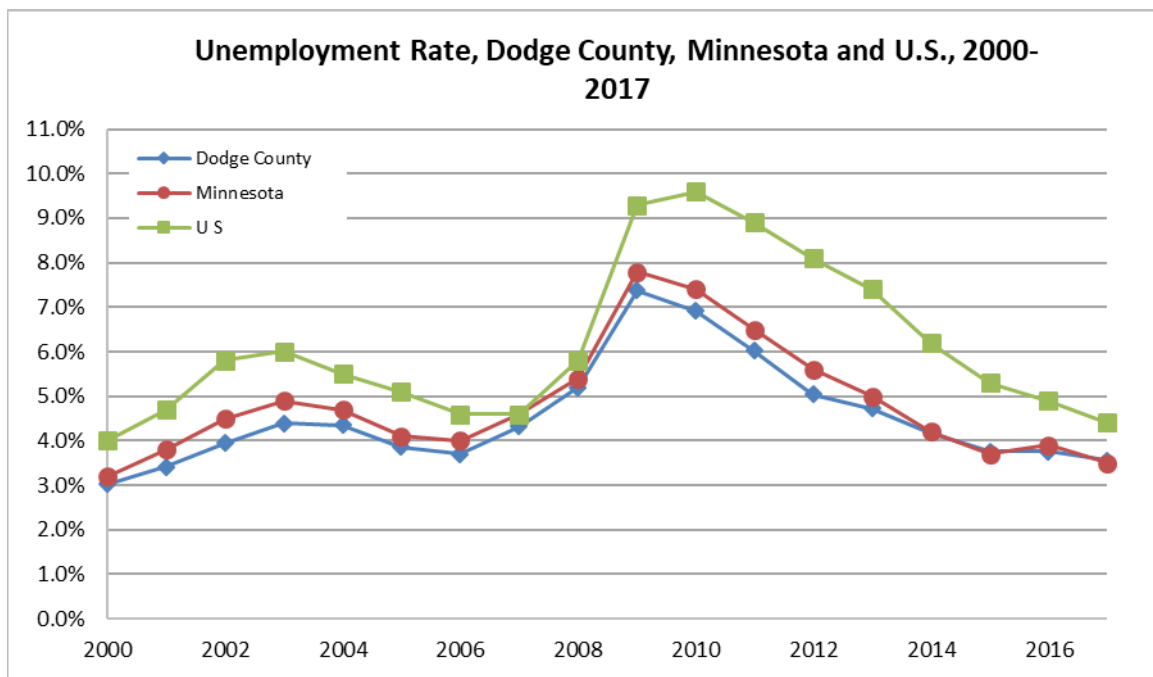
Resident Labor Force

Table E-2 presents resident employment data for Dodge County from 2000 through 2017. Resident employment data is calculated as an annual average *and reveals the work force and number of employed persons living in the County*. It is important to note that not all of these individuals necessarily work in Dodge County. The data was obtained from the Minnesota Department of Economic Development (MN DEED).

- Since 2000, the labor force in Dodge County has grown nearly 1,300, a 12.5% increase in the labor force.

EMPLOYMENT TRENDS

- The number of employed persons has also risen in Dodge County, growing 11.9% from 2000 to 2017.
- As shown in the chart below, the unemployment rate in Dodge County mirrors the unemployment trends in Minnesota and the U.S. However, unemployment in Dodge County has remained consistently below the unemployment rate of both Minnesota and the U.S. each year since 2000.
- Unemployment in Dodge County peaked at 7.4% in 2009 during the peak of the Great Recession. The unemployment rate has dropped each year since its 2009 peak, falling to 3.5% in 2017.



EMPLOYMENT TRENDS

TABLE E-2 ANNUAL AVERAGE RESIDENT EMPLOYMENT DODGE COUNTY 2000 to 2017				
Year	Labor Force	Employed	Unemployed	Rate
DODGE COUNTY				
2000	10,238	9,928	310	3.0%
2001	10,481	10,123	358	3.4%
2002	10,736	10,312	424	3.9%
2003	10,861	10,384	477	4.4%
2004	11,122	10,639	483	4.3%
2005	11,172	10,741	431	3.9%
2006	11,106	10,695	411	3.7%
2007	11,028	10,552	476	4.3%
2008	11,041	10,467	574	5.2%
2009	11,131	10,310	821	7.4%
2010	11,307	10,525	782	6.9%
2011	11,235	10,559	676	6.0%
2012	11,339	10,768	571	5.0%
2013	11,318	10,783	535	4.7%
2014	11,206	10,738	468	4.2%
2015	11,367	10,940	427	3.8%
2016	11,474	11,043	431	3.8%
2017	11,522	11,113	409	3.5%
Change 2000-2017				
Number	1,284	1,185	99	--
Percent	12.5%	11.9%	31.9%	--
MINNESOTA				
2010	2,938,795	2,721,194	217,601	7.4%
2016	3,036,278	2,919,097	117,180	3.9%
2017	3,063,604	2,957,837	105,766	3.5%
U.S.				
2010	153,888,583	139,063,916	14,824,750	9.6%
2016	159,187,166	151,435,833	7,751,000	4.9%
2017	160,319,750	153,337,416	6,982,250	4.4%
Not seasonally adjusted				
Sources: MN DEED, Maxfield Research and Consulting LLC				

EMPLOYMENT TRENDS

Covered Employment by Industry

Table E-3 presents covered employment workforce numbers for Dodge County from 2000 through 2017. *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. The data in both tables is sourced from the Minnesota Department of Employment and Economic Development. The following are key trends derived from the employment data:

- The three largest employment industries in Dodge County were the Manufacturing industry, Trade, Transportation and Utility industry and Education and Health Services industry.
- Between 2005 and 2017, the Professional and Business Services industry experienced the largest growth (34.5%) in the county. During the same time, the Trade, Transportation and Utilities industry added the largest number of employees (+168).
- During the same time period, the Financial Services industry reported the largest decrease in employment, falling by -25.6% (-40).

Dodge County Average Number of Employees	Change		% of Total							
	2005 - 2017		2000	2005	2010	2017				
Industry	2000	2005	2010	2017	No.	Pct.	2000	2005	2010	2017
Natural Resources & Mining	185	236	246	233	-3	-1.3	3.9%	4.4%	4.8%	3.9%
Construction	297	479	336	474	-5	-1.0	6.3%	8.9%	6.6%	8.0%
Manufacturing	1,184	1,497	1,180	1,481	-16	-1.1	25.0%	27.7%	23.0%	25.1%
Trade, Transportation, and Utilities	1,022	1,071	1,069	1,239	168	15.7	21.6%	19.8%	20.8%	21.0%
Information	36	N/A	56	59	N/A	N/A	0.8%	N/A	1.1%	1.0%
Financial Services	147	156	143	116	-40	-25.6	3.1%	2.9%	2.8%	2.0%
Professional and Business Services	142	206	254	277	71	34.5	3.0%	3.8%	5.0%	4.7%
Education and Health Services	857	853	879	995	142	16.6	18.1%	15.8%	17.1%	16.9%
Leisure and Hospitality	423	411	404	437	26	6.3	8.9%	7.6%	7.9%	7.4%
Other Services	175	197	192	208	11	5.6	3.7%	3.6%	3.7%	3.5%
Public Administration	271	298	369	381	83	27.9	5.7%	5.5%	7.2%	6.5%
Totals	4,739	5,404	5,128	5,900	496	9.2				

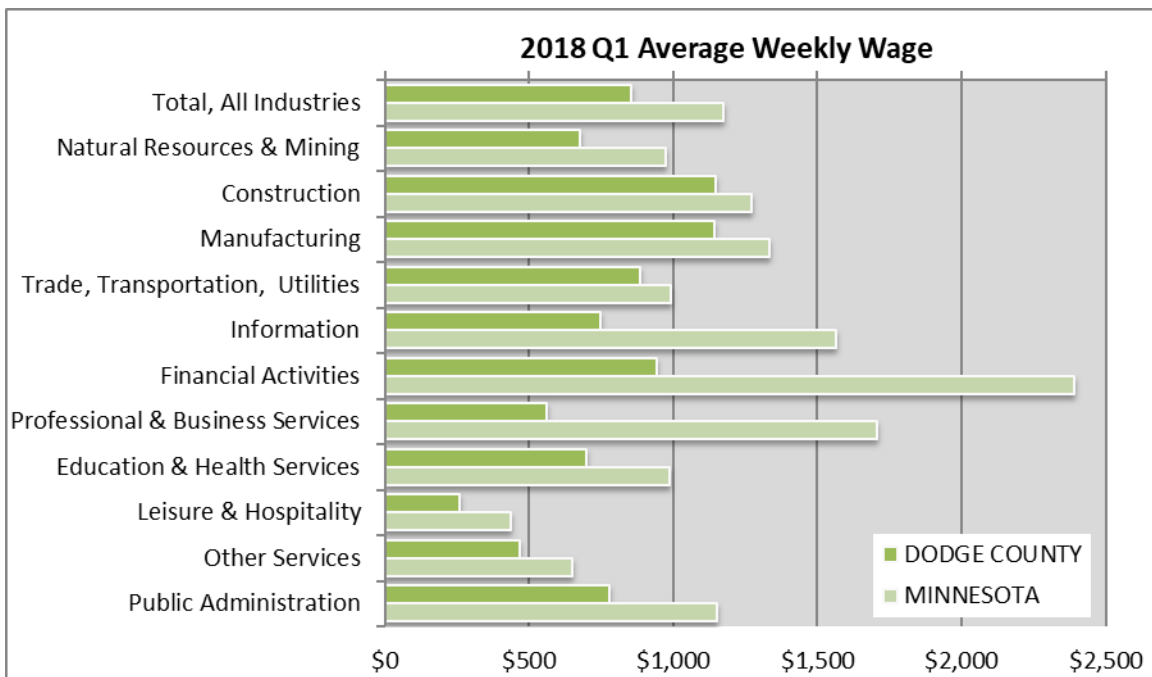
Source: MN DEED, Maxfield Research and Consulting LLC

Employment and Wages

Table E-4 displays information on employment and wages in the Dodge County and Minnesota. The Quarterly Census of Employment and Wages (QCEW) data is sourced from Minnesota DEED for the first quarters of 2017 and 2018, the most recent annual data available. All establishments covered under the Unemployment Insurance (UI) Program are required to report wage and employment statistics quarterly to DEED. Federal government establishments are also covered by the QCEW program.

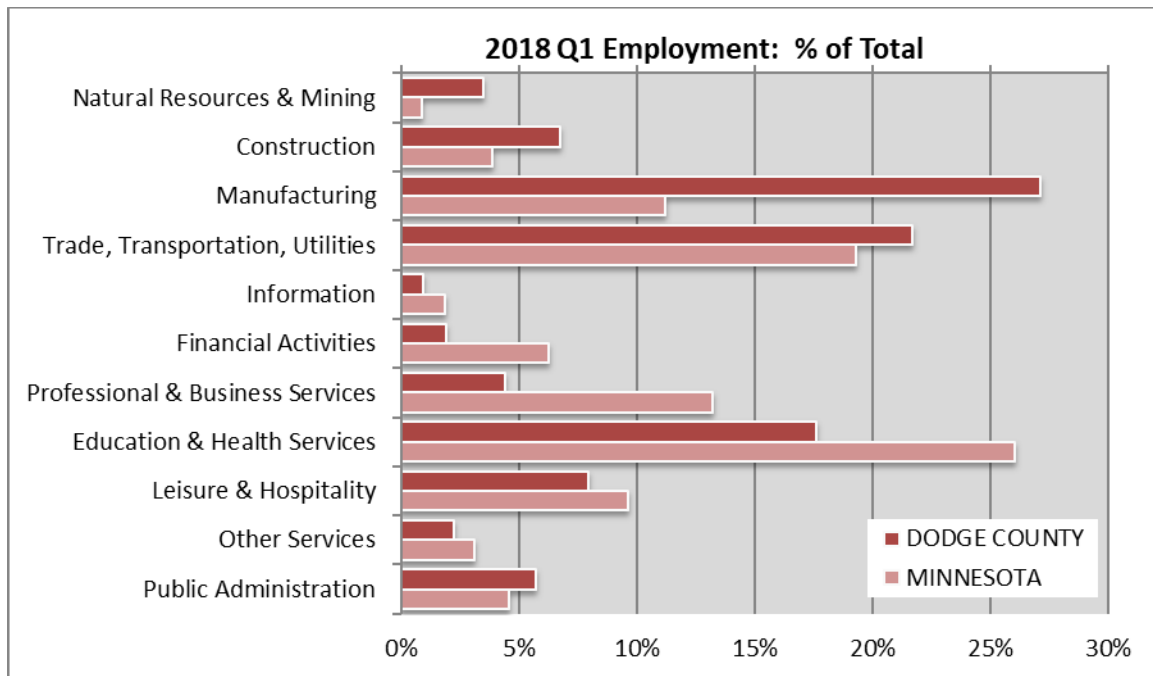
It should be noted that certain industries in the table may not display any information which means that there is either no reported economic activity for that industry or the data has been suppressed to protect the confidentiality of cooperating employers. This generally occurs when there are too few employers or one employer comprises too much of the employment in that geography.

- The highest weekly wages in Dodge County were reported in the Construction (\$1,147) and Manufacturing (\$1,143) industries in the first quarter of 2018.
- The Manufacturing Industry was the largest employment sector in the County, employing 27.1% of worked in Dodge County.



- The second largest employment sector in Dodge County was the Trade, Transportation and Utilities industry (21.7%) which reported an average weekly wage of \$886.
- The average weekly wage in Minnesota was \$1,175 in the first quarter of 2018 compared to \$853 in Dodge County.

EMPLOYMENT TRENDS



**TABLE E-4
QUARTERLY CENSUS OF EMPLOYMENT AND WAGES
DODGE COUNTY AND MINNESOTA**

Industry	2017 Q1			2018 Q1			Change 2017 - 2018			
	Establish-ments	Employ-ment	Weekly Wage	Establish-ments	Employ-ment	Weekly Wage	Employment #	Employment %	Wage #	Wage %
DODGE COUNTY										
Total, All Industries	434	5,742	\$819	457	5,879	\$853	137	2.4%	\$34	4.2%
Natural Resources & Mining	30	232	\$677	29	205	\$677	-27	-11.6%	\$0	0.0%
Construction	84	409	\$1,044	88	398	\$1,147	-11	-2.7%	\$103	9.9%
Manufacturing	27	1,448	\$1,120	30	1,594	\$1,143	146	10.1%	\$23	2.1%
Trade, Transportation, Utilities	86	1,229	\$839	89	1,276	\$886	47	3.8%	\$47	5.6%
Information	6	56	\$654	7	57	\$748	1	1.8%	\$94	14.4%
Financial Activities	23	113	\$927	25	114	\$941	1	0.9%	\$14	1.5%
Professional & Business Services	46	263	\$535	45	259	\$560	-4	-1.5%	\$25	4.7%
Education & Health Services	36	1,032	\$684	40	1,036	\$700	4	0.4%	\$16	2.3%
Leisure & Hospitality	30	410	\$265	36	466	\$258	56	13.7%	(\$7)	-2.6%
Other Services	43	207	\$556	45	133	\$469	-74	-35.7%	(\$87)	-15.6%
Public Administration	23	339	\$750	23	338	\$780	-1	-0.3%	\$30	4.0%
MINNESOTA										
Total, All Industries	163,404	2,795,448	\$1,151	173,534	2,821,872	\$1,175	26,424	0.9%	\$24	2.1%
Natural Resources & Mining	2,944	24,942	\$924	3,052	24,621	\$973	-321	-1.3%	\$49	5.3%
Construction	15,502	108,232	\$1,255	16,418	110,080	\$1,271	1,848	1.7%	\$16	1.3%
Manufacturing	8,214	314,133	\$1,306	8,651	316,266	\$1,334	2,133	0.7%	\$28	2.1%
Trade, Transportation, Utilities	36,683	543,629	\$968	38,026	544,739	\$991	1,110	0.2%	\$23	2.4%
Information	3,608	54,126	\$1,486	3,949	53,059	\$1,563	-1,067	-2.0%	\$77	5.2%
Financial Activities	15,235	175,302	\$2,245	15,923	177,097	\$2,391	1,795	1.0%	\$146	6.5%
Professional & Business Services	29,056	367,335	\$1,737	31,544	373,432	\$1,705	6,097	1.7%	(\$32)	-1.8%
Education & Health Services	18,810	724,108	\$960	20,571	734,073	\$986	9,965	1.4%	\$26	2.7%
Leisure & Hospitality	14,400	268,324	\$419	15,244	271,617	\$436	3,293	1.2%	\$17	4.1%
Other Services	15,618	88,760	\$670	16,780	87,734	\$649	-1,026	-1.2%	(\$21)	-3.1%
Public Administration	3,334	126,554	\$1,123	3,376	129,152	\$1,151	2,598	2.1%	\$28	2.5%

Sources: Minnesota Department of Employment and Economic Development; Maxfield Research and Consulting LLC

Commuting Patterns

Proximity to employment is often a primary consideration when choosing where to live, since transportation costs often account for a considerable proportion of households’ budgets. Table E-5 highlights the commuting patterns of workers in Dodge County in 2015 (the most recent data available), based on Employer-Household Dynamics data from the U.S. Census Bureau. Home destination is defined as where workers live who are employed in the selection area. Work destination is defined as where workers are employed who live in the selection area.

- As Table E-5 illustrates, the largest proportion workers who live in Dodge County are employed in the City of Rochester (39.1%). The next largest destination for workers from Dodge County was Dodge Center (10.4%).
- Among Dodge County workers, over 30% also live in Dodge County, and 16.2% live in Rochester.

TABLE E-5 COMMUTING PATTERNS DODGE COUNTY 2015					
Home Destination			Work Destination		
<u>Place of Residence</u>	<u>Count</u>	<u>Share</u>	<u>Place of Employment</u>	<u>Count</u>	<u>Share</u>
Rochester city, MN	947	16.2%	Rochester city, MN	3,923	39.1%
Kasson city, MN	805	13.8%	Dodge Center city, MN	1,048	10.4%
Dodge Center city, MN	521	8.9%	Kasson city, MN	695	6.9%
Byron city, MN	177	3.0%	Owatonna city, MN	513	5.1%
Owatonna city, MN	166	2.8%	Byron city, MN	215	2.1%
Austin city, MN	162	2.8%	Hayfield city, MN	202	2.0%
Hayfield city, MN	157	2.7%	Mantorville city, MN	178	1.8%
Mantorville city, MN	151	2.6%	Austin city, MN	149	1.5%
West Concord city, MN	84	1.4%	Faribault city, MN	118	1.2%
Claremont city, MN	71	1.2%	Minneapolis city, MN	102	1.0%
All Other Locations	2,609	44.6%	All Other Locations	2,892	28.8%
Total All Jobs	5,850		Total All Jobs	10,035	
Home Destination = Where workers live who are employed in Dodge County					
Work Destination = Where workers are employed who live in Dodge County					
Sources: US Census Bureau On the Map; Maxfield Research and Consulting LLC					

Tables E-6 through E-8 highlights the commuting patterns of workers in each of the three Dodge County submarkets in 2015.

- In all submarkets, Rochester was the most common work destination for employees who live in Dodge County.

EMPLOYMENT TRENDS

- Owatonna was a common work destination for commuters in the West submarket, accounting for 15% of all jobs for workers living in Dodge County.
- In the Central and East submarkets, is the second most common work destination was within the submarket. In the East submarket 9.4% of workers commuted to Kasson and 16.6% of workers in the Central submarket commuted to Dodge Center.
- Home destinations for Dodge County workers varied by submarket. In the Central submarket, Rochester was the common home destination for Dodge County workers (19.3%). In the East submarket, workers were most likely to live in Kasson (24.4%). Owatonna was the most common home destination, 8.6%, for workers in the West submarket.

**TABLE E-6
COMMUTING PATTERNS
EAST COUNTY
2015**

Home Destination			Work Destination		
Place of Residence	Count	Share	Place of Employment	Count	Share
Kasson city, MN	495	24.4%	Rochester city, MN	2,675	47.0%
Rochester city, MN	249	12.3%	Kasson city, MN	533	9.4%
Dodge Center city, MN	96	4.7%	Dodge Center city, MN	385	6.8%
Mantorville city, MN	77	3.8%	Owatonna city, MN	147	2.6%
Byron city, MN	67	3.3%	Byron city, MN	145	2.5%
Hayfield city, MN	42	2.1%	Mantorville city, MN	131	2.3%
Owatonna city, MN	31	1.5%	Hayfield city, MN	66	1.2%
Pine Island city, MN	19	0.9%	Austin city, MN	64	1.1%
Stewartville city, MN	16	0.8%	Minneapolis city, MN	60	1.1%
Minneapolis city, MN	15	0.7%	Pine Island city, MN	51	0.9%
All Other Locations	922	45.4%	All Other Locations	1,439	25.3%
Total All Jobs	2,029		Total All Jobs	5,696	

Home Destination = Where workers live who are employed in Dodge County

Work Destination = Where workers are employed who live in Dodge County

Sources: US Census Bureau On the Map; Maxfield Research and Consulting LLC

EMPLOYMENT TRENDS

**TABLE E-7
COMMUTING PATTERNS
CENTRAL SUBMARKET
2015**

Home Destination			Work Destination		
<u>Place of Residence</u>	<u>Count</u>	<u>Share</u>	<u>Place of Employment</u>	<u>Count</u>	<u>Share</u>
Rochester city, MN	684	19.3%	Rochester city, MN	1,088	31.4%
Dodge Center city, MN	405	11.4%	Dodge Center city, MN	575	16.6%
Kasson city, MN	301	8.5%	Owatonna city, MN	235	6.8%
Austin city, MN	146	4.1%	Kasson city, MN	146	4.2%
Owatonna city, MN	112	3.2%	Hayfield city, MN	106	3.1%
Hayfield city, MN	109	3.1%	Austin city, MN	63	1.8%
Byron city, MN	106	3.0%	Byron city, MN	63	1.8%
Mantorville city, MN	73	2.1%	Faribault city, MN	51	1.5%
West Concord city, MN	54	1.5%	Mantorville city, MN	41	1.2%
Claremont city, MN	47	1.3%	West Concord city, MN	35	1.0%
All Other Locations	1,516	42.7%	All Other Locations	1,060	30.6%
Total All Jobs	3,553		Total All Jobs	3,463	

Home Destination = Where workers live who are employed in Dodge County
 Work Destination = Where workers are employed who live in Dodge County

Sources: US Census Bureau On the Map; Maxfield Research and Consulting LLC

**TABLE E-8
COMMUTING PATTERNS
WEST SUBMARKET
2015**

Home Destination			Work Destination		
<u>Place of Residence</u>	<u>Count</u>	<u>Share</u>	<u>Place of Employment</u>	<u>Count</u>	<u>Share</u>
Owatonna city, MN	23	8.6%	Rochester city, MN	160	18.3%
Dodge Center city, MN	20	7.5%	Owatonna city, MN	131	15.0%
West Concord city, MN	19	7.1%	Dodge Center city, MN	88	10.0%
Claremont city, MN	15	5.6%	Hayfield city, MN	30	3.4%
Rochester city, MN	14	5.2%	Faribault city, MN	29	3.3%
Kasson city, MN	9	3.4%	Austin city, MN	22	2.5%
Hayfield city, MN	6	2.2%	Claremont city, MN	20	2.3%
Austin city, MN	4	1.5%	West Concord city, MN	20	2.3%
Byron city, MN	4	1.5%	Kenyon city, MN	19	2.2%
Ellendale city, MN	3	1.1%	Kasson city, MN	16	1.8%
All Other Locations	151	56.3%	All Other Locations	341	38.9%
Total All Jobs	268		Total All Jobs	876	

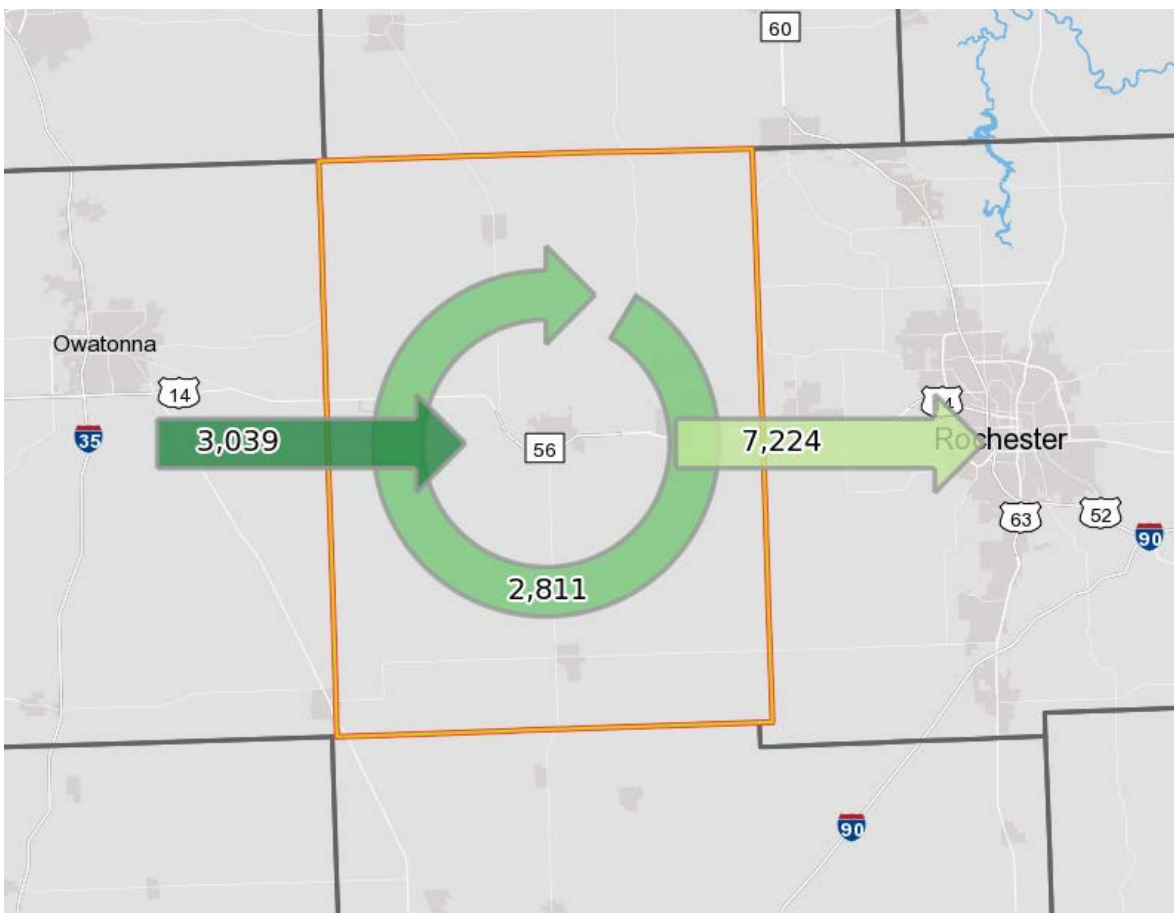
Home Destination = Where workers live who are employed in Dodge County
 Work Destination = Where workers are employed who live in Dodge County

Sources: US Census Bureau On the Map; Maxfield Research and Consulting LLC

Inflow/Outflow

Table E-9 provides a summary of the inflow and outflow of workers of Dodge County. Outflow reflects the number of workers living in the County but employed outside of the County while inflow measures the number of workers that are employed in the County but live outside. Interior flow describes those people who live and work in the County.

- Dodge County experiences a net outflow of 4,185 workers. Over 7,200 workers commute out of Dodge County to work, while 3,039 commute into the County.
- An additional 2,811 people live and work in Dodge County.
- Among outflow workers, 63.6% work in the “All Other Services” industry, while inflow workers are most likely to be employed in the “Good’s Producing” industry (50.6%).



EMPLOYMENT TRENDS

	Outflow		Inflow		Interior Flow	
City Total	7,224	100.0%	3,039	100.0%	2,811	100.0%
By Age						
Workers Aged 29 or younger	1,485	20.6%	721	23.7%	657	23.4%
Workers Aged 30 to 54	4,318	59.8%	1,741	57.3%	1,499	53.3%
Workers Aged 55 or older	1,421	19.7%	577	19.0%	655	23.3%
By Monthly Wage						
Workers Earning \$1,250 per month or less	1,195	16.5%	381	12.5%	608	21.6%
Workers Earning \$1,251 to \$3,333 per month	2,176	30.1%	877	28.9%	897	31.9%
Workers Earning More than \$3,333 per month	3,853	53.3%	1,781	58.6%	1,306	46.5%
By Industry						
"Goods Producing"	1,432	19.8%	1,538	50.6%	920	32.7%
"Trade, Transportation, and Utilities"	1,196	16.6%	553	18.2%	649	23.1%
"All Other Services"	4,596	63.6%	948	31.2%	1,242	44.2%
Sources: US Census Bureau Local Employment Dynamics; Maxfield Research and Consulting, LLC						

Tables E-10 through E-12 provide a summary of the inflow and outflow of workers of the three Dodge County submarkets.

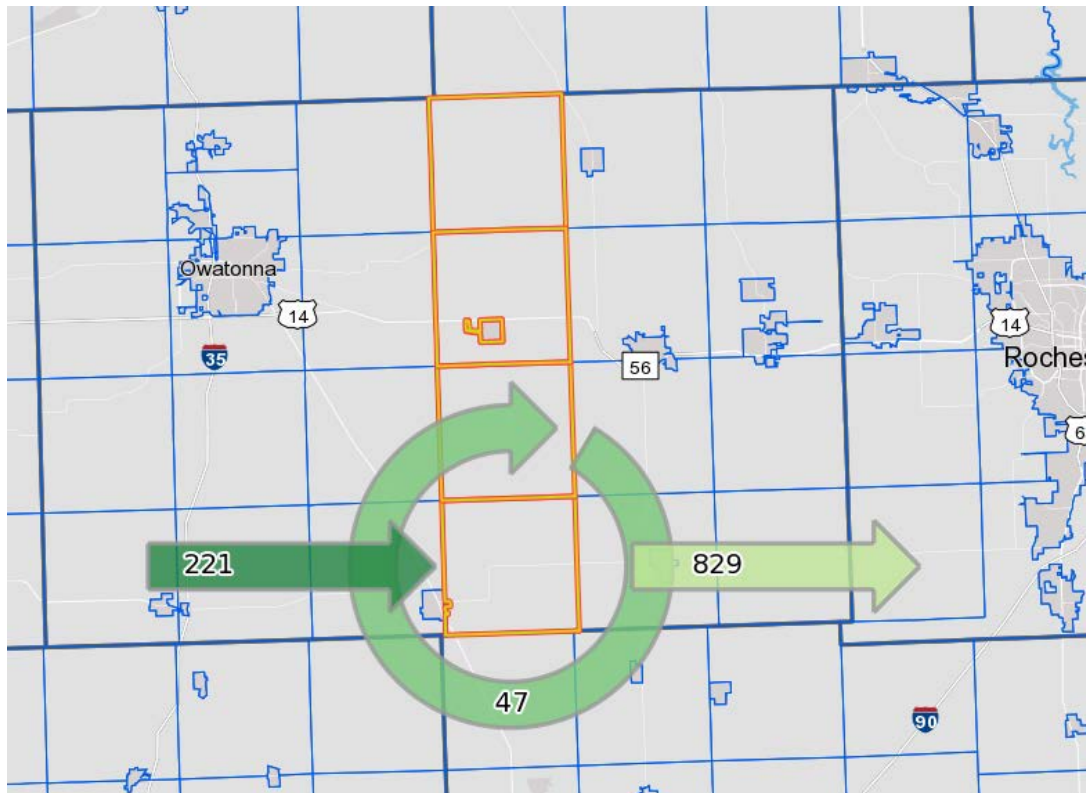
- The East and West submarkets experience a net out flow of workers. However, the Central submarket experiences a net inflow of workers to the submarket, with approximately 90 additional workers commuting into the submarkets compared to the number of workers commuting out of the submarket.
- In all the three submarkets the lowest number of workers was among interior flow, those who live and work in the submarket.
- In the West submarket, nearly half of inflow and outflow commuters earned more than \$3,333 per month.
- Outflow workers from the West submarket were most likely to work in the "All Other Services" industry while 72.4% of inflow workers and 53.2% of interior flow workers were employed in the "Goods Producing" industry.

EMPLOYMENT TRENDS

**TABLE E-10
COMMUTING INFLOW/OUTFLOW CHARACTERISTICS
WEST SUBMARKET
2015**

	Outflow		Inflow		Interior Flow	
City Total	829	100.0%	221	100.0%	47	100.0%
By Age						
Workers Aged 29 or younger	186	22.4%	66	29.9%	9	19.1%
Workers Aged 30 to 54	454	54.8%	116	52.5%	28	59.6%
Workers Aged 55 or older	189	22.8%	39	17.6%	10	21.3%
By Monthly Wage						
Workers Earning \$1,250 per month or less	153	18.5%	33	14.9%	14	29.8%
Workers Earning \$1,251 to \$3,333 per month	276	33.3%	83	37.6%	18	38.3%
Workers Earning More than \$3,333 per month	400	48.3%	105	47.5%	15	31.9%
By Industry						
"Goods Producing"	232	28.0%	160	72.4%	25	53.2%
"Trade, Transportation, and Utilities"	184	22.2%	35	15.8%	11	23.4%
"All Other Services"	413	49.8%	26	11.8%	11	23.4%

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



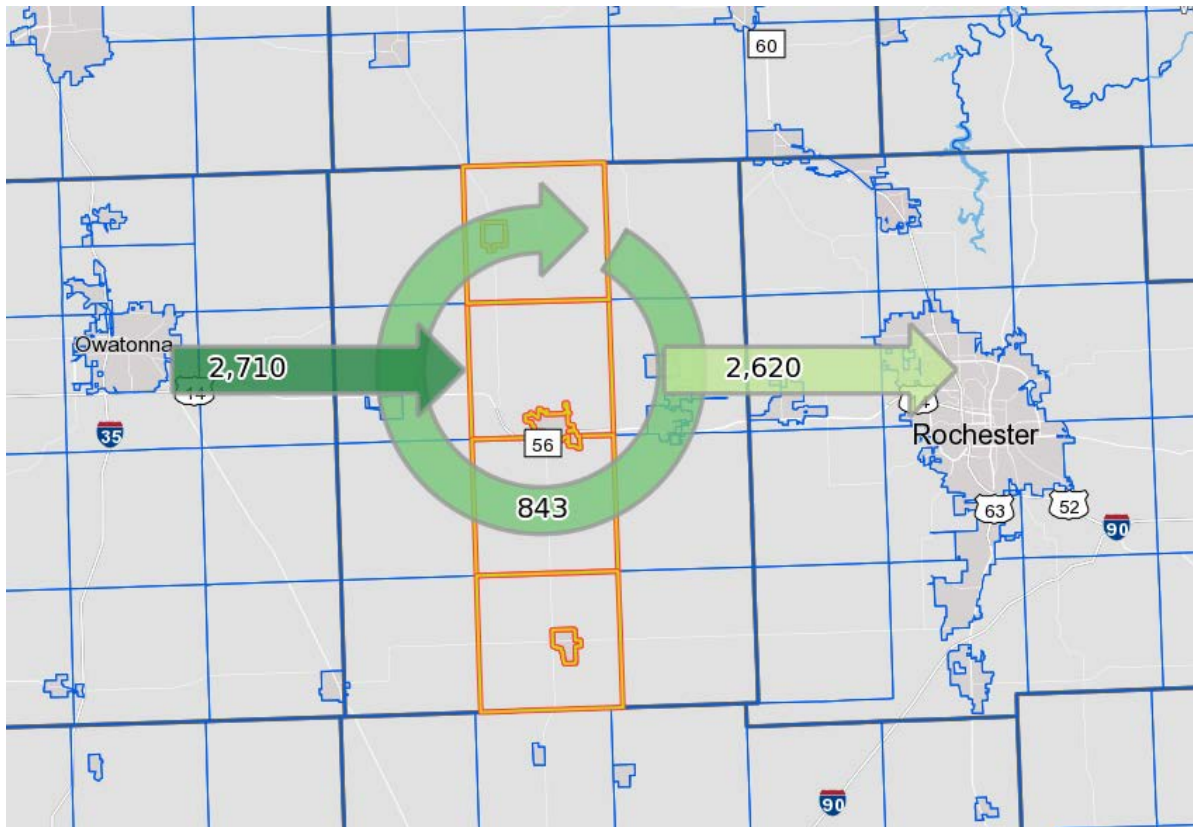
- In the Central submarket, inflow workers reported the highest earnings with 68.2% of in-flow workers earning more than \$3,333. Approximately half of both outflow and interior flow workers also earned more than \$3,333.
- Over 60% of outflow workers in the Central submarket worked in the “All other services” industry, while 54.7% of inflow workers were employed in the “Good Producing” industry.

EMPLOYMENT TRENDS

**TABLE E-11
COMMUTING INFLOW/OUTFLOW CHARACTERISTICS
CENTRAL SUBMARKET
2015**

	Outflow		Inflow		Interior Flow	
City Total	2,620	100.0%	2,710	100.0%	843	100.0%
By Age						
Workers Aged 29 or younger	580	22.1%	552	20.4%	163	19.3%
Workers Aged 30 to 54	1,526	58.2%	1,635	60.3%	461	54.7%
Workers Aged 55 or older	514	19.6%	523	19.3%	219	26.0%
By Monthly Wage						
Workers Earning \$1,250 per month or less	493	18.8%	252	9.3%	133	15.8%
Workers Earning \$1,251 to \$3,333 per month	880	33.6%	609	22.5%	264	31.3%
Workers Earning More than \$3,333 per month	1,247	47.6%	1,849	68.2%	446	52.9%
By Industry						
"Goods Producing"	616	23.5%	1,483	54.7%	289	34.3%
"Trade, Transportation, and Utilities"	425	16.2%	628	23.2%	268	31.8%
"All Other Services"	1,579	60.3%	599	22.1%	286	33.9%

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



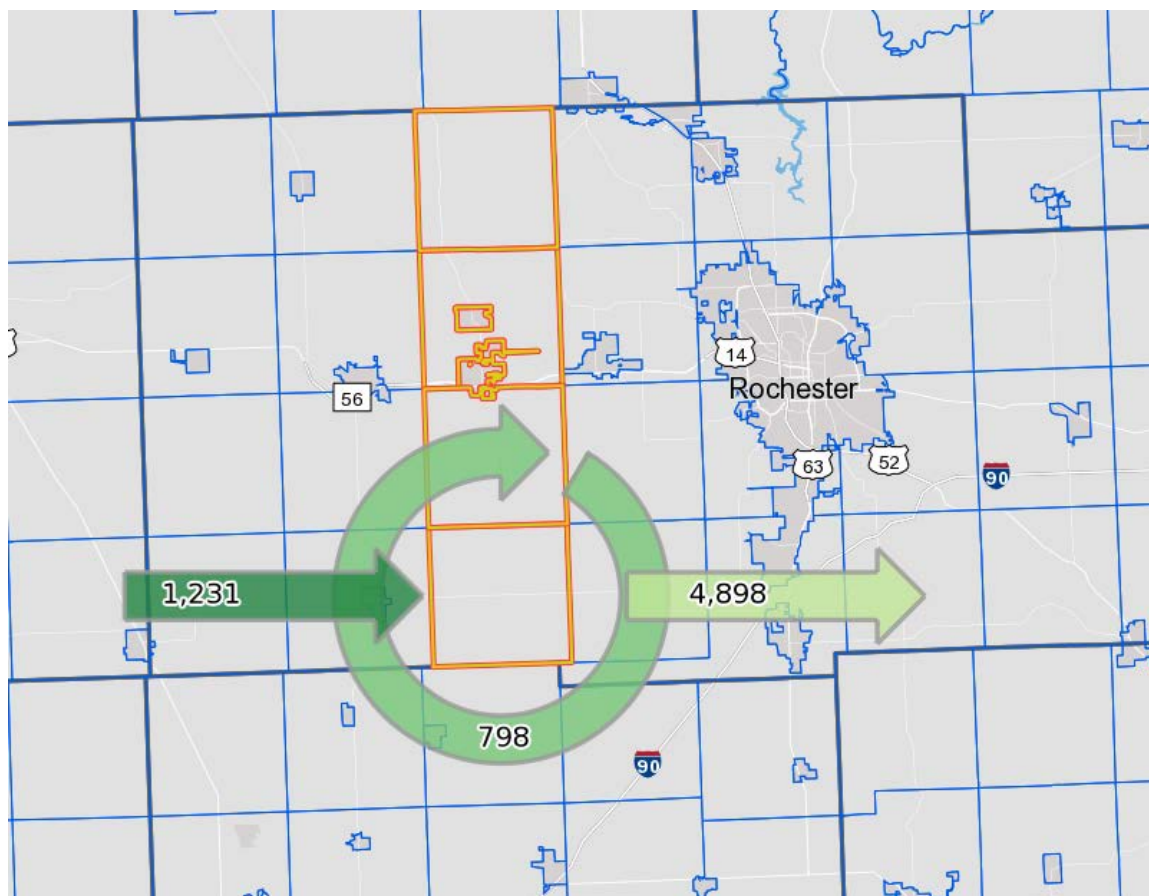
- In the East submarket, the highest earnings were among the outflow workers. Outflow workers were most likely to earn more than \$3,333 per month (57.3%), compared to 34.8% of inflow workers and 30.6% of interior workers who earned \$3,333.

EMPLOYMENT TRENDS

- In the East submarket, more than 60% of jobs in each category were in the “All other services” industry.

	Outflow		Inflow		Interior Flow	
City Total	4,898	100.0%	1,231	100.0%	798	100.0%
By Age						
Workers Aged 29 or younger	984	20.1%	368	29.9%	220	27.6%
Workers Aged 30 to 54	2,976	60.8%	628	51.0%	372	46.6%
Workers Aged 55 or older	938	19.2%	235	19.1%	206	25.8%
By Monthly Wage						
Workers Earning \$1,250 per month or less	754	15.4%	301	24.5%	256	32.1%
Workers Earning \$1,251 to \$3,333 per month	1,337	27.3%	502	40.8%	298	37.3%
Workers Earning More than \$3,333 per month	2,807	57.3%	428	34.8%	244	30.6%
By Industry						
"Goods Producing"	1,029	21.0%	340	27.6%	161	20.2%
"Trade, Transportation, and Utilities"	841	17.2%	144	11.7%	116	14.5%
"All Other Services"	3,028	61.8%	747	60.7%	521	65.3%

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



Major Employers

A portion of the employment growth in Dodge County will be generated by the largest employers in the County. Table E-8 below lists some of the top employers in Dodge County along with a description of their primary industry and number of employees.

The following are key points from the major employers table.

- The largest employer in the County was McNeilus Steel with 355 employees, followed closely by the Kasson-Mantorville School District with between 250 to 275 employees.
- Among the largest employers, the Education industry employed approximately 601 people and the Manufacturing industry employed 719 people.
- Major employers in the City of Dodge Center reported 796 employees, followed by the City of Kasson which reported 716 employees.
- The remaining cities reported significantly fewer employees compared to Kasson and Dodge Center. There were 331 employees accounted for in the City of Hayfield. The cities of West Concord, Mantorville and Claremont each reported 100 to 130 employees in the County’s largest employers.

Name	City	Industry/Product/Service	Approximate Employee Size
McNeilus Steel Inc	Dodge Center	Steel Works/Blast Furnaces/Rolling Mills	355
Kasson-Mantorville Sch Dist	Kasson	School Districts	250-275
Dodge County	Mantorville	Government Offices	225
Triton School District	Dodge Center	School Districts	196
Hayfield Window & Door Co	Hayfield	Windows-Manufacturers	150
Erdmans Food Ctr	Kasson	Grocers-Retail	130
Ellingson Co	West Concord	Drainage Contractors	120
Hayfield School District Supt	Hayfield	School Districts	100
Hubbell House	Mantorville	Restaurants	100
Fairview Care Ctr	Dodge Center	Nursing & Convalescent Homes	90
Field Crest Care Ctr	Hayfield	Nursing & Convalescent Homes	81
V Z Hogs	Claremont	Hogs	80
Mayo Family Clinic	Kasson	Clinics	80
A&A Electric	Kasson	Utility	74
Kasson Mantorville Leo Club	Kasson	Clubs	70
City of Kasson	Kasson	Government Offices	62
Marantha Adeventist Christian School	Dodge Center	Schools	55
Energy Economics Inc	Dodge Center	Meters (Whls)	50
Images By Design	Kasson	Screen Printing (Mfrs)	50
Al-Corn Clean Fuel	Claremont	Industrial Organic Chemicals NEC (Mfrs)	50
Welsh Equipment	Dodge Center	Truck-Dealers-Used	50

Source: Reference USA, Employers, Maxfield Research and Consulting LLC

Employer Survey

Maxfield Research surveyed representatives of the largest employers in Dodge County during October and November 2018. Employers were asked their opinion about issues related to housing in the area. Specifically, they were asked whether the current supply of housing in the area matches the needs of their workforce. The following points summarize the findings of this survey process.

- Employees interested in buying a home are mostly able to find the housing they are looking for, but it is taking longer than a few years ago. Employees may look for a longer period or may find prices are higher.
- A low number of rentals, both apartments and single-family rentals, along with limited houses listed for sale at a time cause difficulty for employees looking for a place live when initially transitioning to jobs.
- A consistent theme among employers was the need for more rental options County. People relocating for jobs often rent, some temporarily until they buy a home and others for a longer period, but these rentals are in short supply and often unavailable.
- Employers feel that a lack of apartments make it difficult to attract new employees because they have nowhere to live initially.
- Several employers noted that home prices are rising the Kasson and Mantorville as people move to the cities to be closer to Rochester, and households from Rochester move to Dodge County for more affordable housing.
- Employers noted that apartment rentals with an asking rent between \$800 and \$900 would be considered affordable to their employees. For employees looking to purchase a home, employers commented that houses priced between \$180,000 and \$300,000 were often targeted by employees.
- In addition to a lack of rentals, several employers noted the need for additional starter homes and move-up homes.
- There were a number of employers who felt that housing was not significantly impacting their employees or their ability to attract and retain qualified workers.

Summary of Employment Trends

- Unemployment has been on a steady decline in Dodge County since peaking at 7.4% in 2009. In 2017, the unemployment rate had fallen to 3.5%.
- Manufacturing is an industry leader in the county. It's the largest employment sector in Dodge County, accounting for 27.1% of employment, and it offers some of the highest weekly wages (\$1,143) among industries in the county.
- Just over 39% of workers who live Dodge County commute to work in Rochester, the most popular work destination for Dodge County workers.

Introduction

The following section of the report analyzes current market conditions for general occupancy rental housing in Dodge County. Topics covered include rental housing data from the American Community Survey, detailed information on individual rental developments in the Market Area. Maxfield Research and Consulting identified and surveyed larger rental properties of eight or more units in Dodge County.

For purposes of our analysis, we have classified rental projects into two groups, general occupancy and senior (age restricted). All senior projects are included in the *Senior Rental Analysis* section of this report. The general occupancy rental projects are divided into three groups, market rate (those without income restrictions), affordable (those receiving tax credits in order to keep rents affordable), and subsidized (those with income restrictions based on 30% allocation of income to housing).

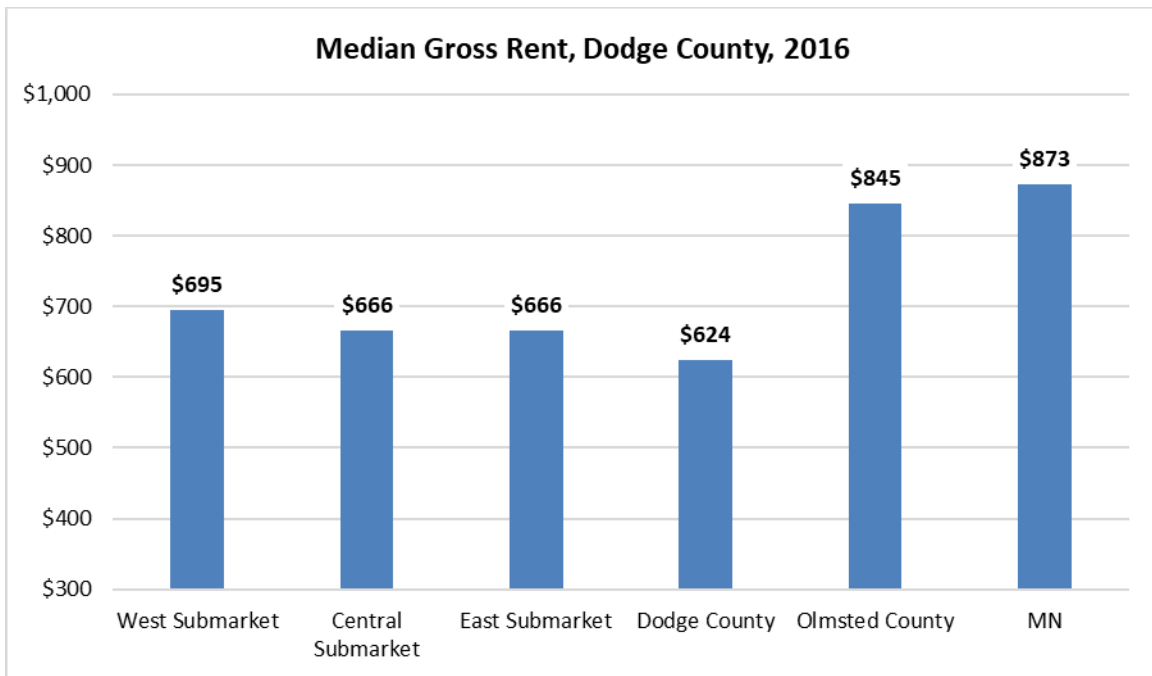
Overview of Rental Market Conditions

Maxfield Research utilized data from the American Community Survey (ACS) to summarize rental market conditions in Dodge County. 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. The ACS provides sample data, which results in a margin of error for the data. In some cases, there are no sample observations or too few observations to compute an estimate. In those cases, no data is provided for the geography. For the Dodge County submarkets, the margin of error for the total number rental units is large enough for the data to be of a medium reliability, as identified by ESRI, indicating that data should be used with caution. In addition, many Dodge County subdivisions did not have a median rent reported in 2016.

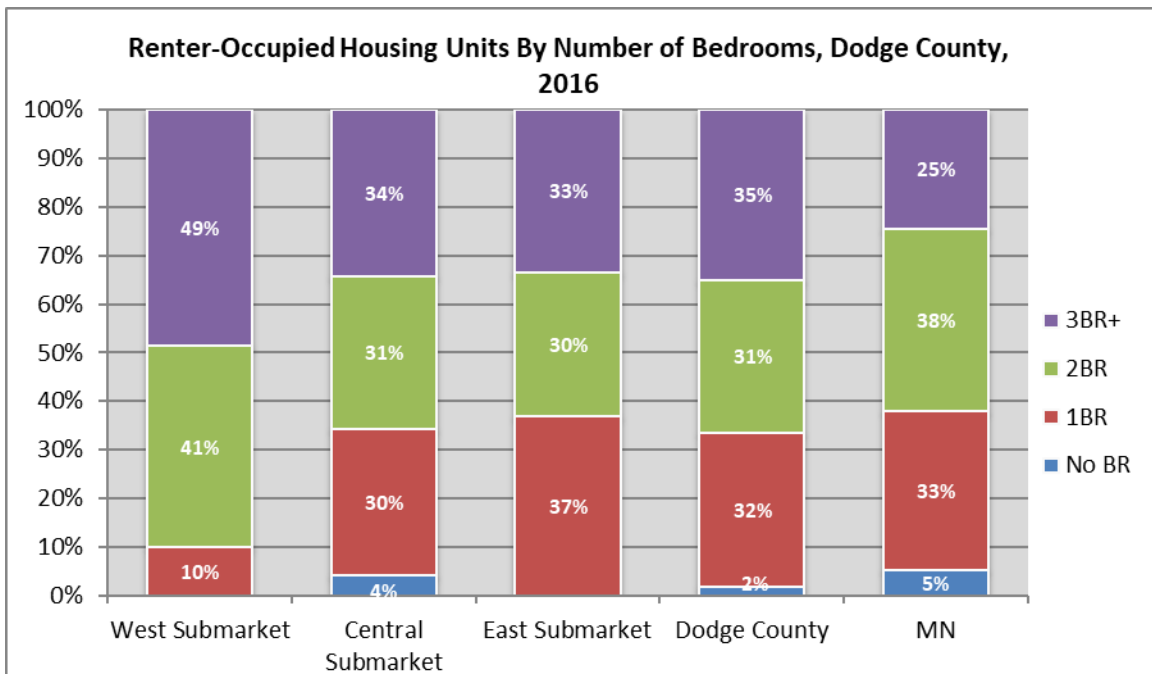
Table R-1 on the following page presents a breakdown of median gross rent and monthly gross rent ranges by number of bedrooms in renter-occupied housing units from the 2012-2016 ACS in Dodge County broken down into three submarkets, in comparison to Minnesota. Gross rent is defined as the amount of the 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.

- The median gross rent was similar in all three Dodge County submarkets, ranging from \$666 to \$695 per month.
- The median gross rent in all Dodge County submarkets was well below the median rent in Olmsted County, \$845, and the State of Minnesota, \$873.

RENTAL MARKET ANALYSIS

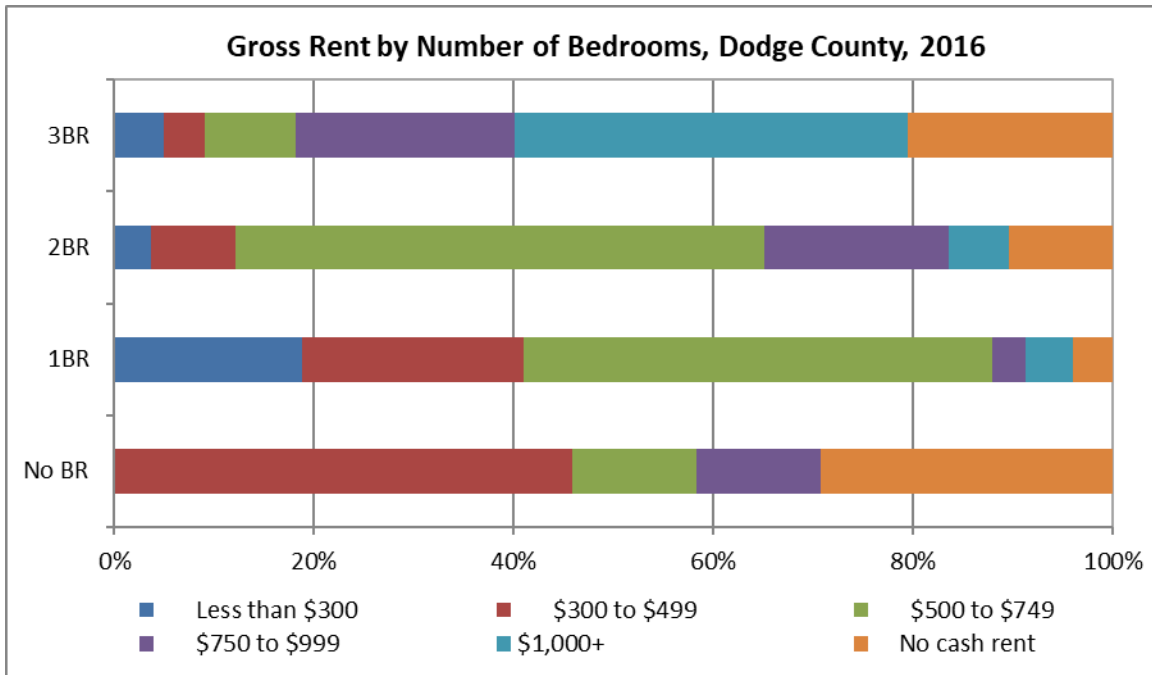


- The proportion of one-bedroom rental units in Dodge County, 32%, was similar to the proportion in Olmstead County, 30%, and the State of Minnesota, 33%. However, the West submarket reported a significantly lower proportion of one-bedroom units, 10%, compared to the State.
- All Dodge County submarkets reported a higher proportion of three-bedroom units compared to Olmstead County. Dodge County, 35% of rental units were three-bedroom units compared to 25% of units in Olmsted County.



RENTAL MARKET ANALYSIS

- One- and two-bedroom rentals in Dodge County were most likely to have a gross rent between \$500 and \$749. Nearly 47% of one-bedrooms and 53% of two-bedrooms had a rent between \$500 and \$749.
- The largest proportion of units with no bedrooms (46%), such as efficiency or studio units, earned a gross rent between \$300 to \$499.



RENTAL MARKET ANALYSIS

**TABLE R-1
BEDROOMS BY GROSS RENT, RENTER-OCCUPIED HOUSING UNITS
DODGE COUNTY
2016**

	West Submarket		Central Submarket		East Submarket		Dodge County		MN
	#	% of Total	#	% of Total	#	% of Total	#	% of Total	% of Total
Total:	111	100%	566	100%	607	100%	1,284	100%	100%
Median Gross Rent	\$695		\$666		\$666		\$624		\$873
No Bedroom	0	0%	24	4%	0	0%	24	2%	5%
Less than \$300	0	0%	0	0%	0	0%	0	0%	1%
\$300 to \$499	0	0%	11	2%	0	0%	11	1%	1%
\$500 to \$749	0	0%	3	1%	0	0%	3	0%	2%
\$750 to \$999	0	0%	3	1%	0	0%	3	0%	1%
\$1,000 to \$1,499	0	0%	0	0%	0	0%	0	0%	0%
\$1,500 or more	0	0%	0	0%	0	0%	0	0%	0%
No cash rent	0	0%	7	1%	0	0%	7	1%	0%
1 Bedroom	11	10%	170	30%	224	37%	405	32%	33%
Less than \$300	6	5%	35	6%	35	6%	76	6%	4%
\$300 to \$499	0	0%	46	8%	44	7%	90	7%	4%
\$500 to \$749	0	0%	65	11%	125	21%	190	15%	8%
\$750 to \$999	0	0%	3	1%	11	2%	14	1%	10%
\$1,000 to \$1,499	0	0%	19	3%	0	0%	19	1%	4%
\$1,500 or more	0	0%	0	0%	0	0%	0	0%	2%
No cash rent	5	5%	2	0%	9	1%	16	1%	0%
2 Bedrooms	46	41%	178	31%	180	30%	404	31%	38%
Less than \$300	12	11%	3	1%	0	0%	15	1%	1%
\$300 to \$499	0	0%	26	5%	8	1%	34	3%	2%
\$500 to \$749	25	23%	75	13%	114	19%	214	17%	7%
\$750 to \$999	1	1%	31	5%	43	7%	75	6%	11%
\$1,000 to \$1,499	3	3%	14	2%	4	1%	21	2%	12%
\$1,500 or more	0	0%	3	1%	0	0%	3	0%	3%
No cash rent	5	5%	26	5%	11	2%	42	3%	1%
3 or More Bedrooms	54	49%	194	34%	203	33%	451	35%	25%
Less than \$300	0	0%	20	4%	0	0%	20	2%	1%
\$300 to \$499	3	3%	5	1%	9	1%	17	1%	1%
\$500 to \$749	14	13%	6	1%	17	3%	37	3%	3%
\$750 to \$999	7	6%	51	9%	31	5%	89	7%	4%
\$1,000 to \$1,499	10	9%	37	7%	87	14%	134	10%	8%
\$1,500 or more	2	2%	15	3%	9	1%	26	2%	6%
No cash rent	18	16%	20	4%	45	7%	83	6%	3%

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

General-Occupancy Rental Projects

Our research of Dodge County's general occupancy rental market included a survey of 17 market rate apartment properties (8 units and larger), two affordable communities and five subsidized units during December 2018. These projects represent a combined total of 302 units, including 243 market rate units, 48 affordable units and 111 subsidized units.

At the time of our survey, three market rate units, no affordable units and one subsidized units were vacant. As a result, market rate general occupancy units had a vacancy rate of 1.5%, affordable units had a vacancy rate of 0% and subsidized units had a vacancy rate of 0.9%. The overall vacancy rate in Dodge County for all property types was 1.2%. Vacancy rates were based only on properties where unit mix and vacancies were obtained during the survey. This is much lower than the industry standard of 5% vacancy for a stabilized rental market, which promotes competitive rates, ensures adequate choice, and allows for unit turnover.

Table R-2 summarizes information on market rate projects, Table R-3 summarizes the amenities and features offered at market rate projects and Table R-4 provides a summary of unit type, vacancies and rent pricing for market rate projects.

Market Rate

- Two-bedroom units accounted for the largest share of market rate units in Dodge County. The unit breakout by unit type is summarized below.
 - Efficiency units: 0 | 1%
 - One-bedroom units: 72 | 39%
 - Two-bedroom units: 88 | 47%
 - Three-bedroom units: 26 | 17%
- The following is the monthly rent ranges and average rent for each unit type:
 - Efficiency units: \$550 to \$550 | Avg. \$550
 - One-bedroom units: \$345 to \$675 | Avg. \$569
 - Two-bedroom units: \$450 to \$995 | Avg. \$660
 - Three-bedroom units: \$725 to \$1,035 | Avg. \$753
- The higher end of the rent ranges for two and three-bedrooms are attributed to the newest property in Dodge County. Greystone Place Townhomes in Dodge Center which opened in 2018. It offers residents attached garages, private entrances, in-unit laundry and playground.
- One-bedroom apartments account for 39% of market rate units in Dodge County, the second most common unit type. One-bedroom units reported the highest average rent per square foot at \$0.92. Newer one-bedroom apartment in Rochester reported an average monthly rent of \$1,250 and an average per square foot rent of \$1.73.

RENTAL MARKET ANALYSIS

TABLE R-2 MARKET RATE RENTAL PROJECTS DODGE COUNTY December 2018									
Project Name/Location	Year Built	Units/ Vacancy	Unit Mix	Vacant	Unit Size	Monthly Rent	Avg Rent	Rent Per Sq Ft.	Amenities/Comments
Market Rate									
West Submarket									
124 W Front St	1950	21	4 - 1BR	N/A	N/A	N/A	N/A	N/A	Laundry facilities, smoke free. Could not reach property for rents and vacancies
124 W Front St Claremont		N/A	14 - 2BR	N/A	N/A	N/A	N/A	N/A	
			3 - 3BR	N/A	N/A	N/A	N/A	N/A	
Central Submarket									
Pineview Apartments	1912	10	N/A	N/A	N/A	N/A	N/A	N/A	Could not reach property for rents and vacancies
20664 County Highway 34 Dodge Center		N/A							
Dodge House Apartments	1949	8	1 - EFF	0	N/A	\$550	\$550	N/A	No dogs permitted, no laundry on-site.
206 2nd St SW		0	6 - 1BR	0	N/A	\$650 - \$675	\$663	N/A	
Dodge Center		0%	1 - 2BR	0	N/A	\$750 - \$775	\$763	N/A	
West Main Street Apartments	1956	10	5 - 1BR	0	600	\$500	\$500	\$0.83 - \$0.83	All utilities included.
7 2nd Ave NW		0	5 - 2BR	0	750	\$600	\$600	\$0.80 - \$0.80	
Dodge Center		0%							
Rozell II	2004	24	3 - 1BR	0	658	\$625	\$625	\$0.95 - \$0.95	Coin-op laundry, off street parking, garages available for additional fee, A/C, ceiling fans
221 2nd St SW		0	18 - 2BR	0	1,000	\$720 - \$730	\$725	\$0.72 - \$0.73	
Dodge Center		0%	3 - 3BR	0	1,410	\$815	\$815	\$0.58 - \$0.58	
Greystone Place Townhomes	2018	12	N/A - 2BR	0	1,000	\$995	\$995	\$1.00 - \$1.00	Includes single stall garage, no pets, master bath upstairs.
18 6th Ave SE		0	N/A - 3BR	0	1,200	\$1,035	\$1,035	\$0.86 - \$0.86	
Dodge Center		0%							
Brownstone Apartments	1890	9	9 - 1BR	0	N/A	\$345	\$345	N/A	
24 W Main St Hayfield		0							
		0%							
Hayfield Apartments	1930	10	10 - 2BR	0	550 - 650	\$450 - \$500	\$475	\$0.77 - \$0.82	Hot water included in rent
109 Center Ave N Hayfield		0							
		0%							
Central Park Apartments	1977	12	12 - 2BR	N/A	N/A	N/A	N/A	N/A	Could not reach property for rents and vacancies
119 1st Ave NE Hayfield		N/A							
Fuller Estates	1980	16	4 - 2BR	0	1,023 - 1,263	\$650	\$650	\$0.51 - \$0.64	Attached garage, laundry area, utility room
900 3rd Ave SE		0	12 - 3BR	0	1,405 - 1,428	\$725 - \$740	\$733	\$0.52 - \$0.52	
Hayfield		0%							
The Meadows Apartments	1979	24	16 - 1BR	0	635	\$595	\$595	\$0.94 - \$0.94	Some units renovated to include new appliances, hardwood laminate, new cabinets and lighting and updates bathrooms, playground within a block.
620 Eugene St		0	9 - 2BR	0	725	\$695	\$695	\$0.96 - \$0.96	
West Concord		0%							

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TABLE R-2 CONTINUED MARKET RATE RENTAL PROJECTS DODGE COUNTY December 2018									
East Submarket									
Corner Plaza Apartments	1917	10	N/A - EFF	0	N/A	N/A	N/A	N/A	In downtown, walking distance to grocery store, bank, doctors and dentist offices.
302 Main St W		1	N/A - 1BR	1	650	\$625	\$625	\$0.96 - \$0.96	
Kasson		10%	N/A - 2BR	0	1,100	\$875	\$875	\$0.80 - \$0.80	
West Main Street Apartments	1938	13	13 - 1BR	0	700	N/A	N/A	N/A	
902 Main St W		0							
Kasson		0%							
Meadow Lodge	1977	24	7 - 1BR	0	N/A	\$420	\$420	N/A	7-8 units undergoing an upgrade and currently not available for rent, expected to be ready by Spring. Rents in remodeled units expected to rise: 1BR approx. \$650-\$695; 2BR approx \$750-\$795; 3BR approx \$850-\$895
300 6th St SW		0	11 - 2BR	0	N/A	\$479	\$479	N/A	
Kasson		0%	6 - 3BR	0	N/A	\$559	\$559	N/A	
Parkside Apartments	1977	8	1 - 1BR	0	N/A	\$600	\$600	N/A	
402 2nd St		0	7 - 2BR	1	N/A	\$650 - \$700	\$675	N/A	
Kasson		0%							
8th Place Apartments	1978	8	N/A - EFF	0	N/A	\$550	\$550	N/A	
9 8th Ave NW		0	N/A - 1BR	0	N/A	\$650	\$650	N/A	
Kasson		0%	N/A - 2BR	0					
Terrace Creek Apartments	1979	24	8 - 1BR	1	650	\$595	\$595	\$0.92 - \$0.92	Two and three bedrooms don't open often and when they do open, often rent very quickly.
302 6th St SW		1	8 - 2BR	0	765	\$725	\$725	\$0.95 - \$0.95	
Kasson		4%	8 - 3BR	0	950	\$725 - \$795	\$760	\$0.76 - \$0.84	

Sources: Maxfield Research and Consulting LLC

RENTAL MARKET ANALYSIS

**TABLE R-3
FEATURES/AMENITIES/UTILITIES
MARKET RATE APARTMENT DEVELOPMENTS
DODGE COUNTY
December 2018**

Projects	In-Unit						Common Area								Parking and Utilities										
	Air Conditioning	Refrigerator	Microwave	Dishwasher	Washer/Dryer	Walk-in Closet	Patio/Balcony	Community Room	Laundry Facility	Elevator	Fitness Center	Storage	Indoor Pool	Outdoor Pool	BBQ	Play Area	Walking Trail	Heat/Gas	Electricity	Water/Sewer	Trash	Cable	High Speed Internet	Parking	Parking Fee per month
124 W Front St	X	X	X					X	X											X	X			OS	
Pineview Apartments																								OS	
Dodge House Apartments		X																		X	X			OS	
West Main Street Apartments - Dodge Center		X	X						X									X	X	X	X			OS	
Rozell II	X	X							X									X		X	X			OS/G	
Greystone Place Townhomes	X	X		X	X	X										X				X	X			AG	Included
Brownstone Apartments																									
Hayfield Apartments		X							X																
Central Park Apartments	X	X																						OS	
The Meadows Apartments	X	X	X						X											X	X			OS	
Corner Plaza Apartments	X	X							X											X	X			OS	
West Main Street Apartments - Kasson	X																							OS	
Meadow Lodge	X	X	X						X															OS	
Parkside Apartments		X																		X	X				
8th Place Apartments	X	X				S			X																
Terrace Creek Apartments	X	X							X							X								OS	

X = Available/Included; S = Some; AG = Attached Garage; DG = Detached Garage; OS = Off Street

Sources: Maxfield Research and Consulting, LLC

- The majority of the properties surveyed offered laundry on-site, and included water, sewer and trash in the monthly rent.

**TABLE R-4
MARKET RATE RENT SUMMARY
DODGE COUNTY
December 2018**

Unit Type	Unit Mix ¹		Vacancies ²		Rent Range		Rent	Avg.	Avg.
	No.	Pct.	No.	Pct.	Low	High	Avg.	Size	Rent/Sq. Ft.
Monthly Rents									
Market Rate									
Eff	1	1%	0	N/A	\$550 - \$550		\$550	N/A	N/A
1BR	72	39%	2	2.9%	\$345 - \$675		\$569	654	\$0.92
2BR	88	47%	1	1.3%	\$450 - \$995		\$660	833	\$0.79
3BR	26	14%	0	0.0%	\$725 - \$1,035		\$753	1,253	\$0.60
Total	243		3	1.5%	\$345 - \$1,035		\$644	846	\$0.76

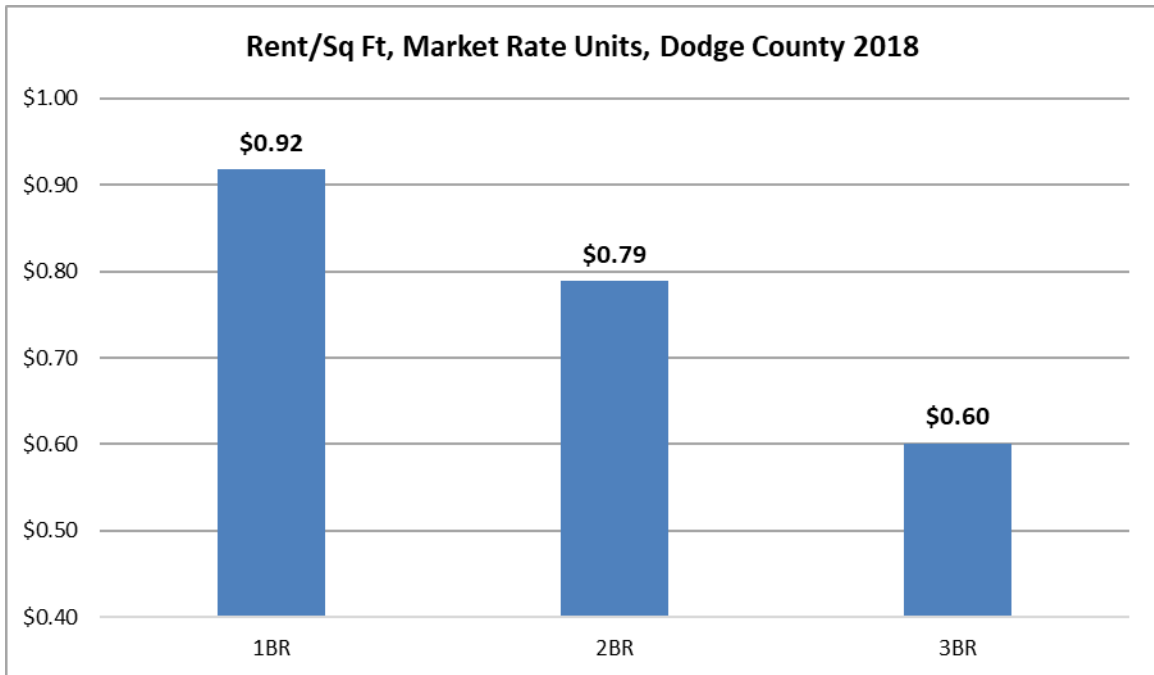
¹ Unit mix based on properties where data was available, not all properties were able to be reached or provided a unit mix. As a result, unit mix total does not match total unit number.

² Vacancy rates based participating properties where unit mix and vacancies were provided

Source: Maxfield Research and Consulting, LLC

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- The average rent per square foot in Dodge County was \$0.76 compared to \$1.66 in Rochester.
- The average rent in Rochester, across all unit types was \$1,259, nearly twice the average rent of Dodge County market rate projects.
- However the average size of apartment units in Rochester, 759 square feet, was smaller than the average size of Dodge County apartments, 846 square feet.



General Occupancy Projects in Dodge County

The following are photographs of select market rate general occupancy rental projects in Dodge County:



Subsidized GO Rental in Claremont



Market-Rate GO Rental in Dodge Center



Subsidized Rental in Dodge Center



Subsidized GO Rental in Dodge Center



Market-Rate GO Rental in Hayfield



Market-Rate GO Rental in Hayfield

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Market-Rate GO Rental in Hayfield



Market-Rate GO Rental in Kasson



Market-Rate GO Rental in Kasson



Market-Rate GO Rental in Kasson



Market-Rate GO Rental in Kasson



Subsidized GO Rental in Kasson

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Market-Rate GO Rental in Kasson



Subsidized GO Rental in Mantorville



Market-Rate GO Rental in West Concord

Affordable

- There is one affordable rental project in Hayfield and one affordable rental project in Kasson. These projects provide 48 units of affordable rental product. There were no vacant affordable apartments in Dodge County at the time of our survey.
- Half of the affordable apartments were two-bedroom units.
- Both affordable projects offered on-site laundry facilities, air conditioning and included water, sewer and trash in the rent. Hayfield Greens also included heat in the rent.
- Southridge Townhomes offered a few additional amenities, including washer and dryer hook-ups in the units, storage space and a play area.
- The affordable rental projects in Dodge County were newer than the market rate projects. Both affordable developments were built in 2000, while market rate units have a median year built of 1977.
- The affordable projects also reported a higher average rent, \$691, compared to market rate units, \$644.

RENTAL MARKET ANALYSIS

TABLE R-5 GENERAL OCCUPANCY AFFORDABLE RENTAL PROJECTS DODGE COUNTY December 2018									
Project Name/Location	Year Built	Units/ Vacancy	Unit Mix	Vacant	Unit Size	Monthly Rent	Avg Rent	Rent Per Sq Ft.	Amenities/Comments
Affordable									
Central Submarket									
Hayfield Greens	2000	24	12 - 1BR	0	550	\$490	\$490	\$0.89 - \$0.89	Waiting list. Bi-level units, basement for storage, smoke free, private entrances, courtyard.
115 1st Ave NE		0	12 - 2BR	0	590	\$530	\$530	\$0.90 - \$0.90	
Hayfield		0%							
East Submarket									
Southridge Townhomes	2000	24	12 - 2BR	0	950	\$840	\$840	\$0.88 - \$0.88	Private entry, on-site management, emergency maintenance. Waiting list.
510-546 Veterans Memorial Hwy W		0	12 - 3BR	0	1,250	\$905	\$905	\$0.72 - \$0.72	
Kasson		0%							

Sources: Maxfield Research and Consulting LLC

R-6 FEATURES/AMENITIES/UTILITIES AFFORDABLE APARTMENT PROJECTS DODGE COUNTY December 2018																										
Projects	In-Unit							Common Area						Parking and Utilities												
	Air Conditioning	Refrigerator	Microwave	Dishwasher	Washer/Dryer	Walk-In Closet	Patio/Balcony	Community Room	Laundry Facility	Elevator	Fitness Center	Storage	Indoor Pool	Outdoor Pool	BBQ	Play Area	Walking Trail	Heat/Gas	Electricity	Water/Sewer	Trash	Cable	High Speed Internet	Parking	Parking Fee per month	
Affordable																										
Hayfield Greens	X	X							X								X		X	X			OS/DG			
Southridge Townhomes	X	X		X	HU		X		X		X				X			X	X			AG				

X = Available/Included; S = Some; HU = W/D Hook-Ups; AG = Attached Garage; DG = Detached Garage; OS = Off Street

Sources: Maxfield Research and Consulting, LLC

RENTAL MARKET ANALYSIS

TABLE R-7 AFFORDABLE RENTAL PROJECTS SUMMARY DODGE COUNTY December 2018									
Unit Type	Unit Mix		Vacancies		Rent Range		Monthly Rents	Avg. Size	Avg. Rent/Sq. Ft.
	No.	Pct.	No.	Pct.	Low	High	Rent Avg.		
1BR	12	25%	0	0.0%	\$490 - \$490		\$490	550	\$0.89
2BR	24	50%	0	0.0%	\$530 - \$530		\$685	770	\$0.89
3BR	12	25%	0	0.0%	\$905 - \$905		\$905	1,250	\$0.72
Total	48		0	0.0%	\$490 - \$905		\$691	835	\$0.83

Source: Maxfield Research and Consulting, LLC

Subsidized

- There are five general occupancy subsidized projects in Dodge County, providing a total of 111 units.
- One and two-bedroom units comprise nearly all the subsidized units in the County, with only 8 three-bedroom general occupancy subsidized units in Dodge County.
- There was one vacancy reported during the survey of properties, resulting in a 0.9% vacancy rate for among subsidized units.

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TABLE R-8 SUBSIDIZED GENERAL OCCUPANCY RENTAL PROJECTS DODGE COUNTY December 2018									
Project Name/Location	Year Built	Units/ Vacancy	Unit Mix	Vacant	Unit Size	Monthly Rent	Avg Rent	Rent Per Sq Ft.	Amenities/Comments
West Submarket									
Claremont Manor	1977	8	2 - 1BR	0	N/A	30% Income	N/A	N/A - N/A	Off street assigned parking, on-site laundry, indoor mailboxes, no pets
100 3rd St W		0	6 - 2BR	0	739	30% Income	N/A	N/A - N/A	
<i>Claremont</i>		0%							
Central Submarket									
The Crossroads	1978	37	31 - 2BR	0	680	30% Income	N/A	N/A - N/A	Waiting list. Courtyard, grill, laundry facilities, playground, air conditioning, private entrances, garages available for a fee, smoke free
106 5th St SW		0	6 - 3BR	0	877	30% Income	N/A	N/A - N/A	
<i>Dodge Center</i>		0%							
Heritage Estates	1980	38	38 - 1BR	0	N/A	30% of Income	N/A	N/A - N/A	Smoke free, pets allowed with restrictions, units have lots of storage and closet space, mixture of all ages, max rent \$550.
111 2nd St SW		0					N/A	N/A - N/A	
<i>Dodge Center</i>		0%							
East Submarket									
Greenfield Village Apartments	1984	16	4 - 1BR	0	630	30% Income	N/A	N/A - N/A	Off street assigned parking, indoor mailboxes, no pets.
600 & 602 Veterans Memorial Hwy W		1	10 - 2BR	1	750	30% Income	N/A	N/A - N/A	
<i>Kasson</i>		6%	2 - 3BR	0	N/A	30% Income	N/A	N/A - N/A	
Chestnut Apartments	1980	12	8 - 1BR	0	650	30% Income	N/A	N/A - N/A	On-site laundry, off street parking, no pets allowed.
507 Chestnut St		0	4 - 2BR	0	N/A	30% Income	N/A	N/A - N/A	
<i>Mantorville</i>		0%							
		111	Unit Mix	Vacancy	Vacancy Rate by Bedroom				
			1BR	52 - 47%	0	0.0%			
			2BR	51 - 46%	1	2.0%			
			3BR	8 - 7%	0	0.0%			
			Total	111 100%	1	0.9%			

Sources: Maxfield Research and Consulting LLC

RENTAL MARKET ANALYSIS

**TABLE R-9
FEATURES/AMENITIES/UTILITIES
SUBSIDIZED GENERAL OCCUPANCY RENTAL PROJECTS
DODGE COUNTY
December 2018**

Projects	In-Unit						Common Area										Parking and Utilities									
	Air Conditioning	Refrigerator	Microwave	Dishwasher	Washer/Dryer	Walk-In Closet	Patio/Balcony	Community Room	Laundry Facility	Elevator	Fitness Center	Storage	Indoor Pool	Outdoor Pool	BBQ	Play Area	Walking Trail	Heat/Gas	Electricity	Water/Sewer	Trash	Cable	High Speed Internet	Parking	Parking Fee per month	
Subsidized																										
Claremont Manor	X	X						X								X				X	X			OS		
Crossroads	X	X			HU			X							X	X				X	X			OS/DG		
Heritage Estates	X	X	X				X	X												X	X			OS		
Greenfield Village								X			X					X				X	X			OS		
Chestnut Apartments	X	X						X												X	X			OS		

X = Available/Included; UG = Heated Underground; AG = Attached Garage; DG = Detached Garage; S = Surface

Sources: Maxfield Research and Consulting, LLC

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Table R-10 provides a summary on the number of units and vacancy rates for general occupancy rental projects by type and submarket.

Submarket	Market Rate		Affordable		Subsidized		Total	
	Units	Vacancy Rate*	Units	Vacancy Rate*	Units	Vacancy Rate*	Units	Vacancy Rate*
West	21	0.0%	0	0.0%	8	0.0%	29	0.0%
Central	135	0.0%	24	0.0%	75	0.0%	234	0.0%
East	87	2.3%	24	0.0%	28	3.6%	139	2.2%
Total	243	1.8%	48	0.0%	111	0.9%	402	1.2%

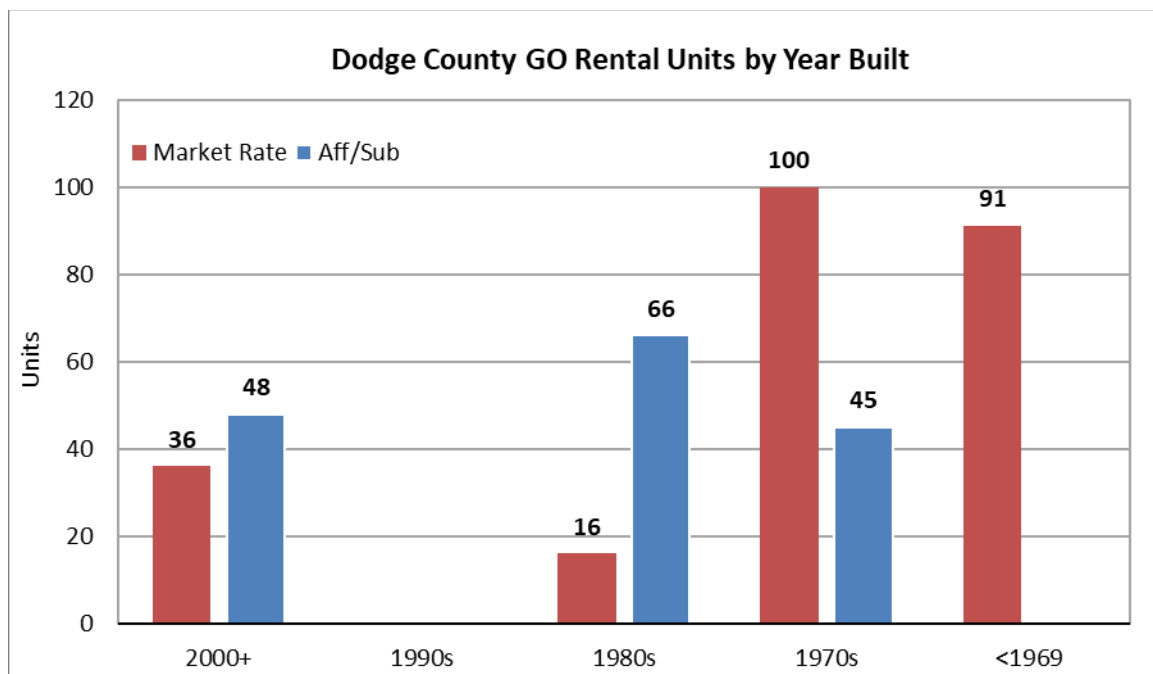
* Vacancy rates based participating properties where unit mix and vacancies were provided

Source: Maxfield Research and Consulting, LLC

- The majority of units in Dodge County, 60%, are market rate general occupancy projects and subsidized units accounted for 27% of rental units in the County.
- The overall vacancy rate in Dodge County, across all unit types, was only 1.2% and the East submarket was the only submarket that reported vacant units.

Table R-11 provides a summary on the number of units by year built for market rate and affordable/subsidized general occupancy rental projects.

- Market rate rental products had a median year built of 1977. Units built in the 1970s made up the largest number of market rate units, followed by units built before 1970. There were 16 units built in the 1980s and 36 units built in the 2000s.



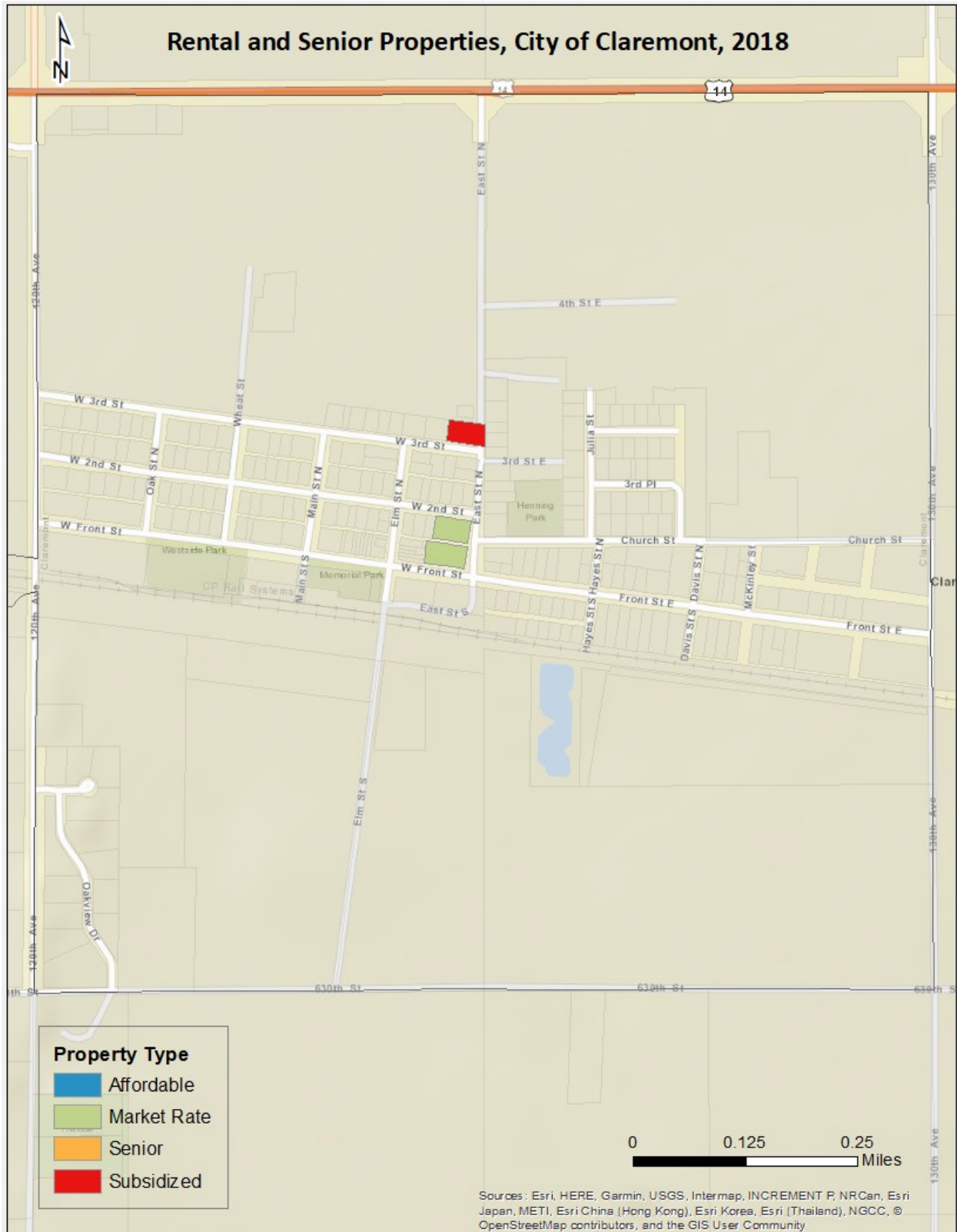
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- The affordable and subsidized projects were slightly newer with a median year built of 1980. All 48 units built in the 2000s were affordable rental projects.
- The remaining 111 subsidized units were built in the 1970s and 1980s.

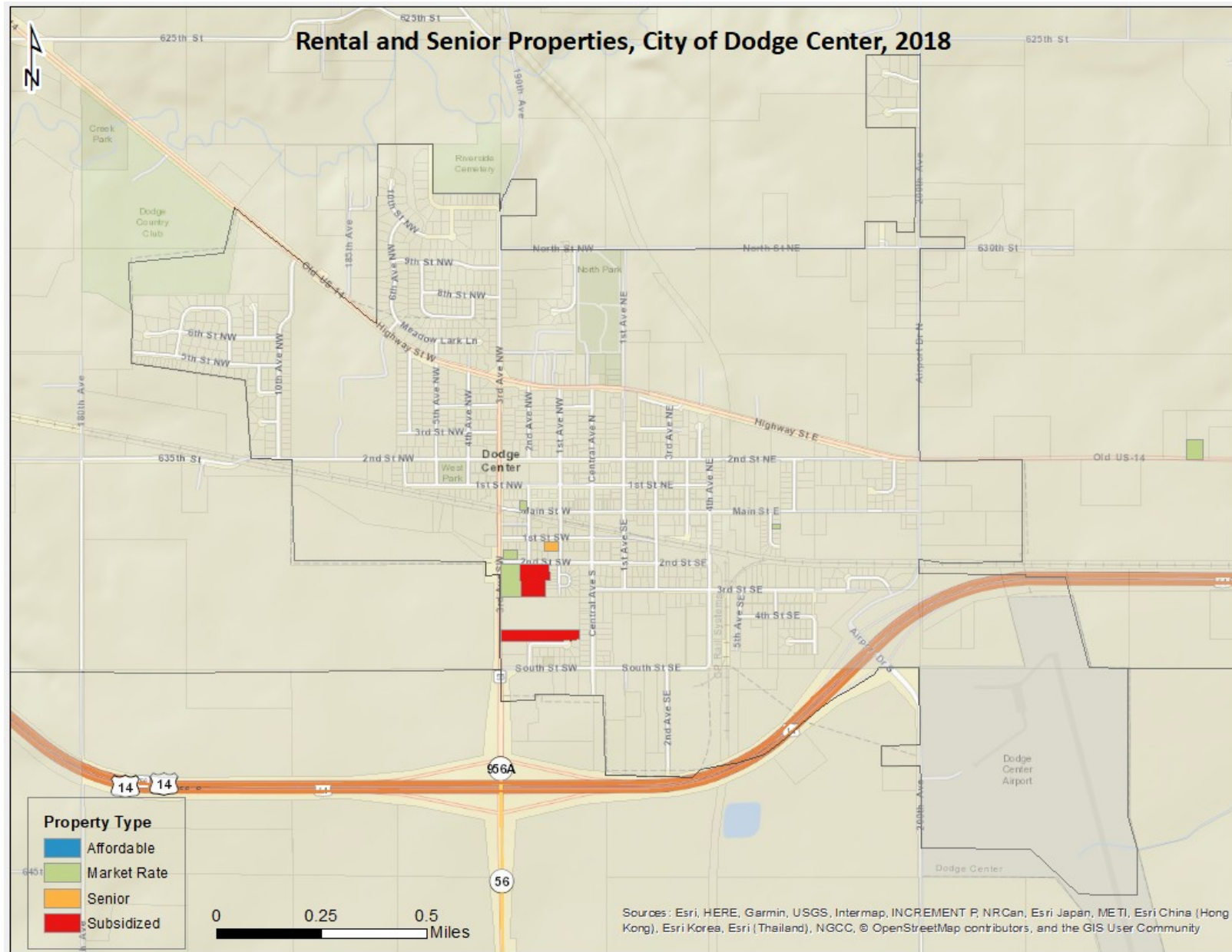
TABLE R-11 GENERAL OCCUPANCY RENTAL PROJECTS YEAR BUILT DODGE COUNTY DECEMBER 2018		
Affordable/Subsidized		
Year Built	# of Units	Pct. of Total
2000+	48	30.2%
1990s		0.0%
1980s	66	41.5%
1970s	45	28.3%
<1969		0.0%
Total	159	100.0%
Median Year:	1980	
Market Rate		
Year Built	# of Units	Pct. of Total
2000+	36	14.8%
1990s		0.0%
1980s	16	6.6%
1970s	100	41.2%
<1969	91	37.4%
Total	243	100.0%
Median Year:	1977	
Source: Maxfield Research & Consulting, LLC		

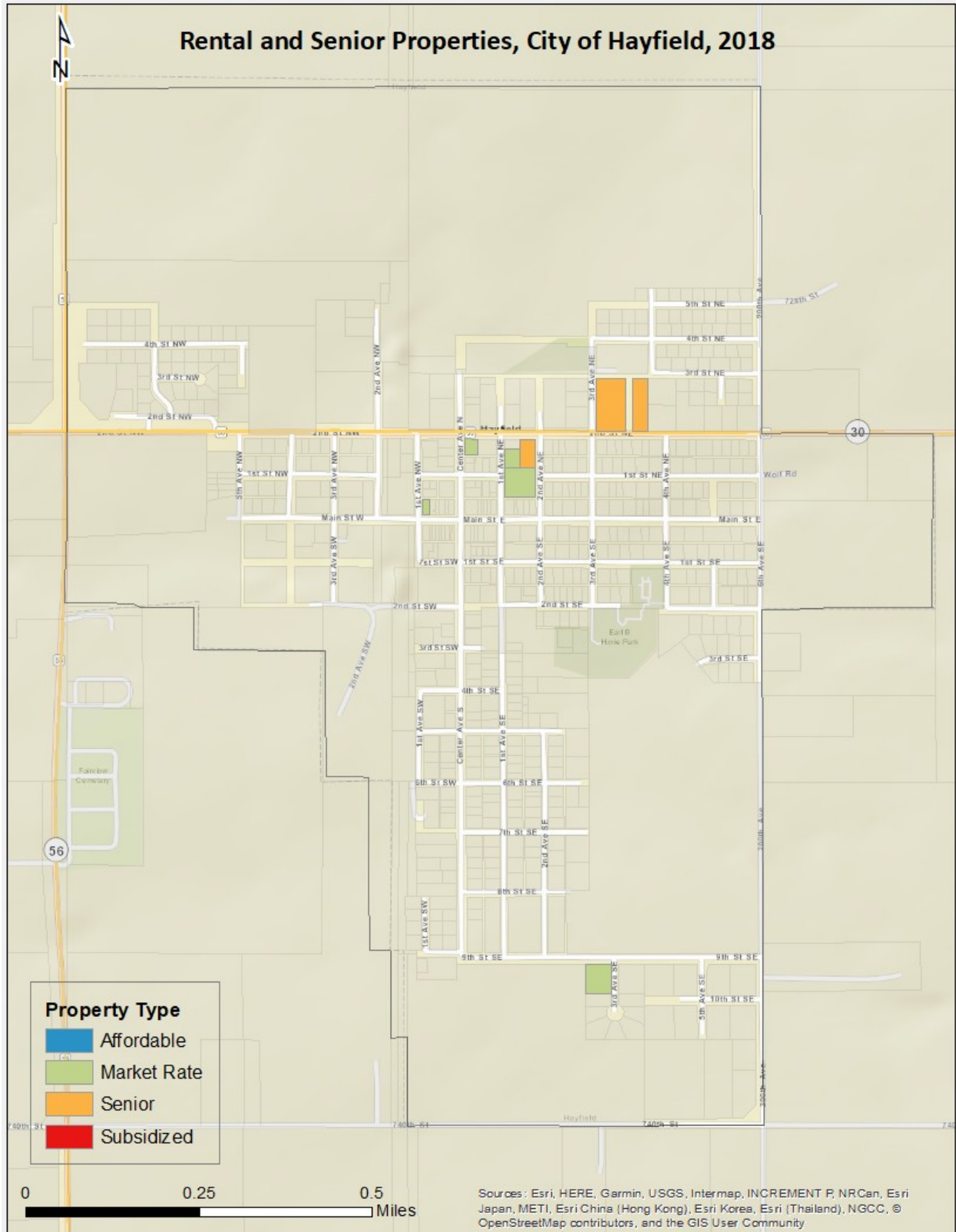
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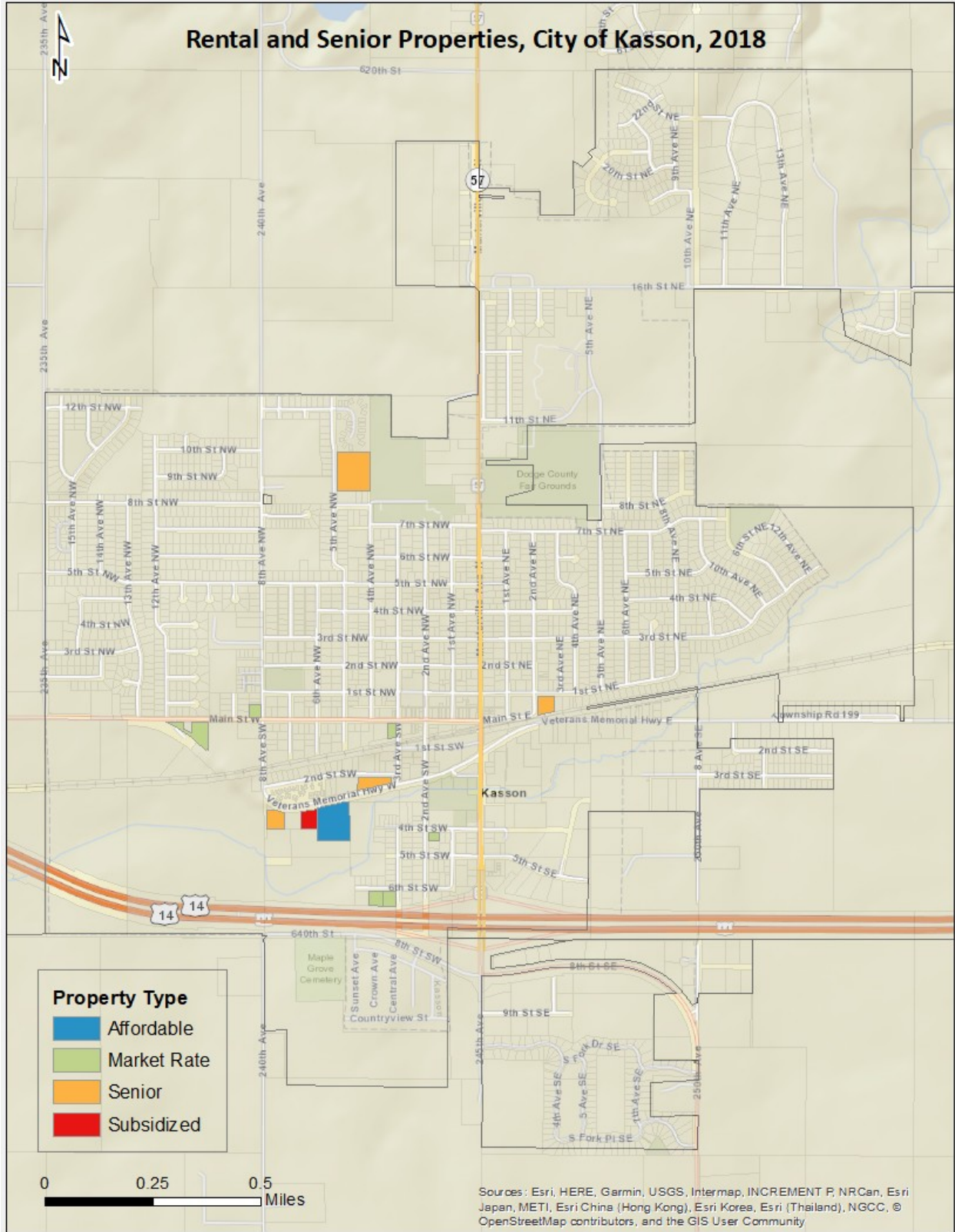
The following maps show the location of rental and senior properties in Dodge County.



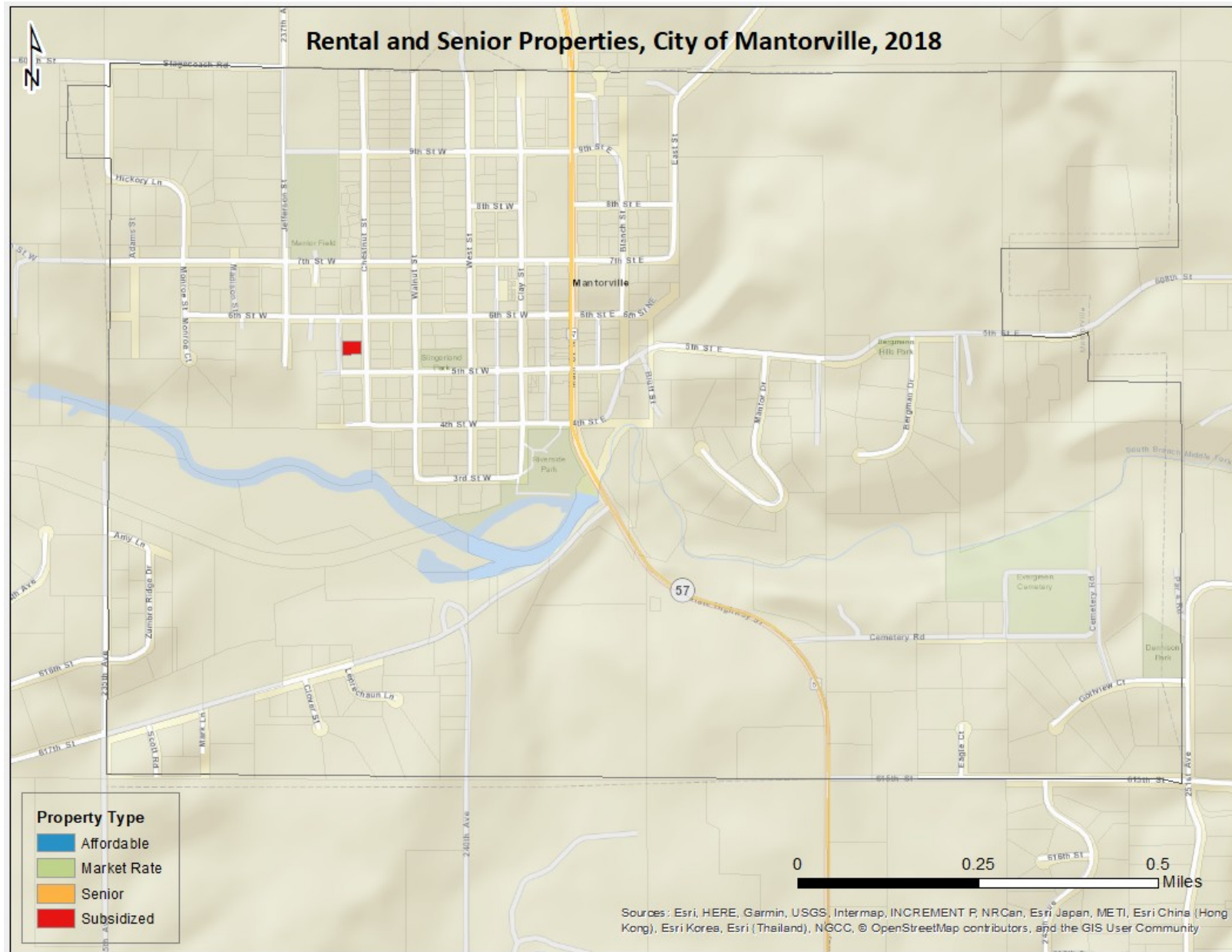
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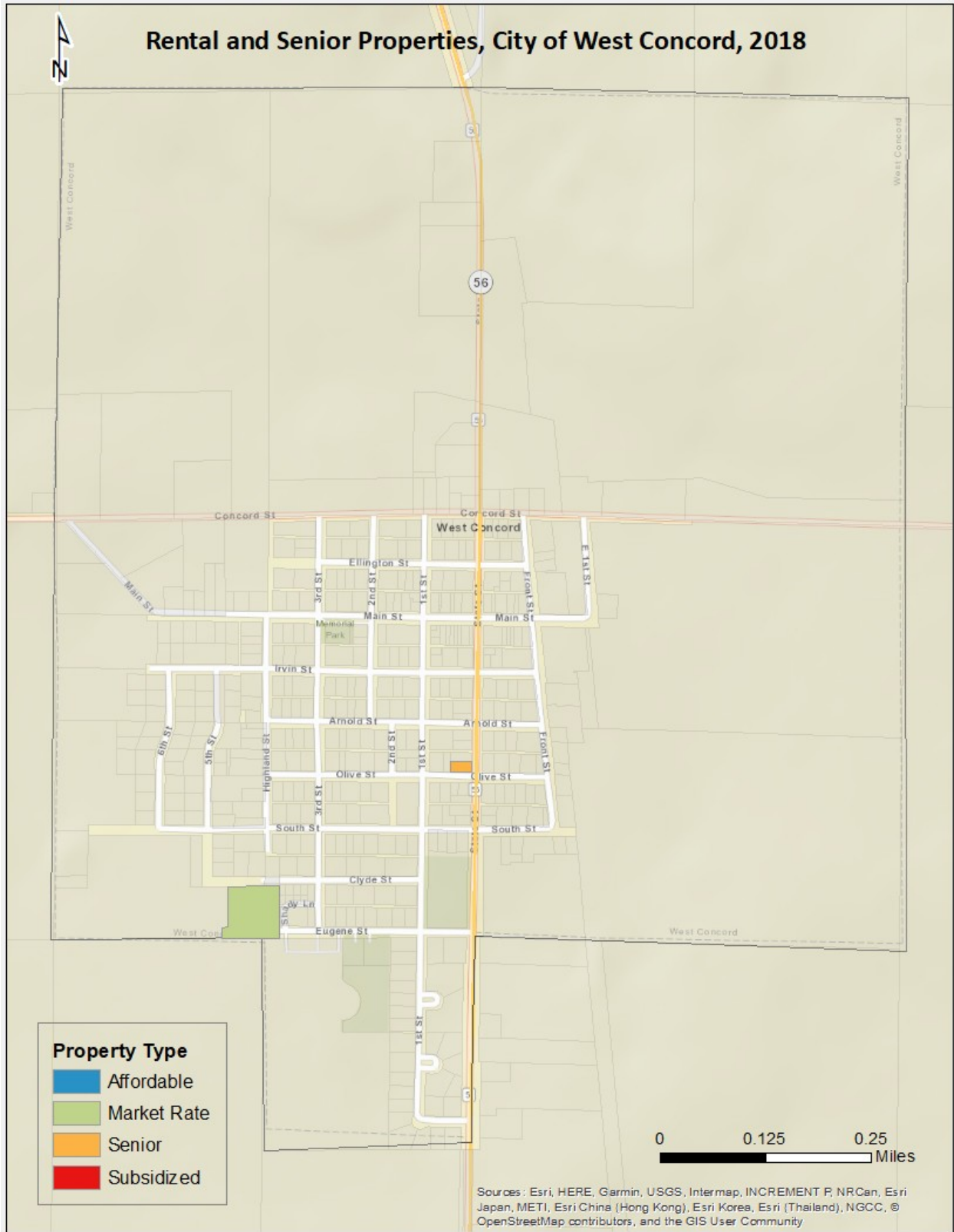






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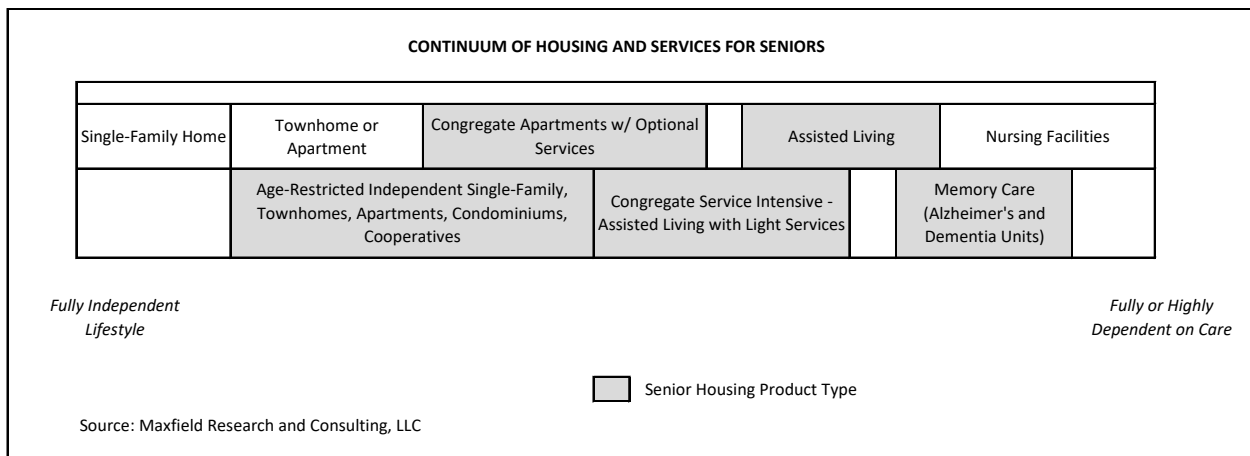


Introduction

This section provides an assessment of the market support for senior housing (active adult, congregate, assisted living, and memory care) in Dodge County. An overview of the demographic and economic characteristics of the senior population in Dodge County is presented along with an inventory of existing and pending senior housing developments in the County. Demand for senior housing is calculated based on demographic, economic and competitive factors that would impact demand for additional senior housing units in the County. Our assessment concludes with an estimation of the proportion of County demand that could be captured by senior housing communities located in the Dodge County.

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 age 65 and over while assisted living typically attracts people age 80 and older who need assistance with activities of daily living (ADLs). For analytical purposes, Maxfield Research Inc. classifies market rate senior housing into five categories based on the level and type of services offered:



- Active Adult properties (or independent living without services available) are similar to a general-occupancy building, in that they offer virtually no services but have age-restrictions (typically 55 or 62 or older). 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

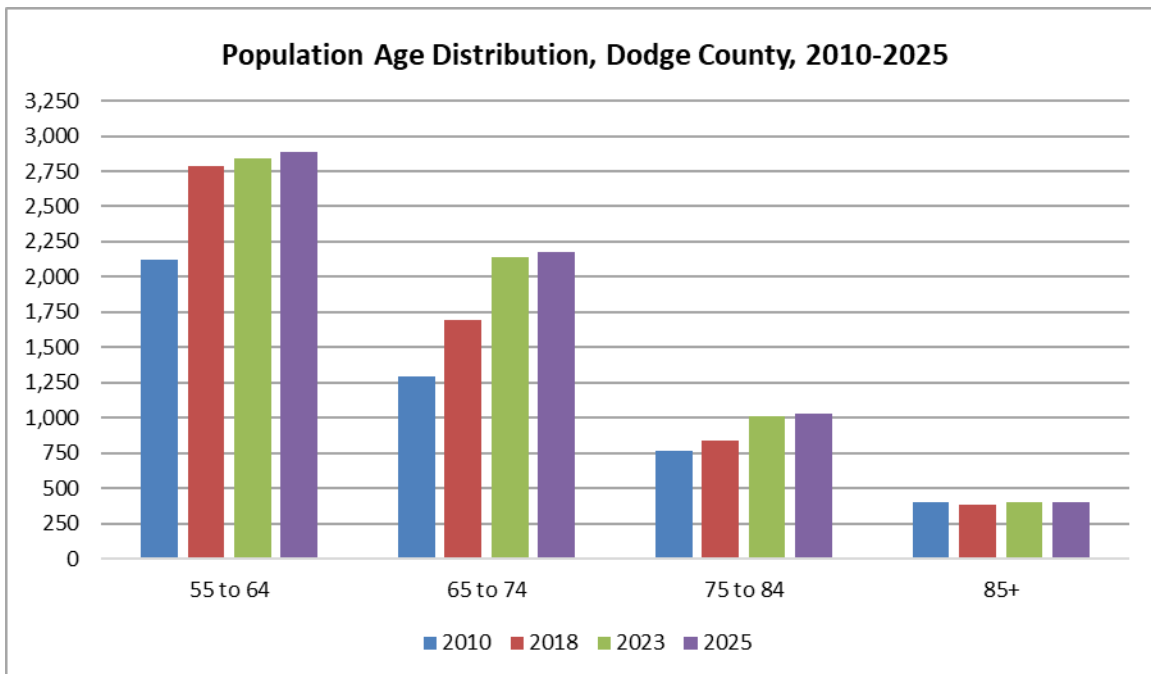
service-enriched senior housing. Active adult properties can have a rental or owner-occupied (condominium or cooperative) format.

- Congregate properties (or independent living with services available) offer support services such as meals and/or housekeeping, either on an optional basis or a limited amount included in the rents. These properties 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. Congregate properties attract a slightly older target market than adult housing, typically seniors age 75 or older. Rents are also above those of the active adult buildings. Sponsorship by a nursing home, hospital or other health care organization is common.
- Assisted Living properties come in a variety of forms, but the target market for most is generally the same: very frail seniors, typically age 80 or older (but can be much younger, depending on their particular health situation), who are in need of extensive support services and personal care assistance. Absent an assisted living option, these seniors would otherwise need to move to a nursing facility. At a minimum, assisted living properties include two meals per day and weekly housekeeping in the monthly fee, with the availability of a third meal and personal care (either included in the monthly fee or for an additional cost). Assisted living properties also have either staff on duty 24 hours per day or at least 24-hour emergency response.
- Memory Care properties, designed specifically for persons suffering from Alzheimer's disease or other dementias, is one of the newest trends in senior housing. Properties consist mostly of suite-style or studio units or occasionally one-bedroom apartment-style units, and large amounts of communal areas for activities and programming. In addition, staff typically undergoes specialized training in the care of this population. Because of the greater amount of individualized personal care required by residents, staffing ratios are much higher than traditional assisted living and thus, the costs of care are also higher. Unlike conventional assisted living, however, which 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.

Older Adult (Age 55+) Population and Household Trends

The Demographic Analysis section of this study presented general demographic characteristics of Dodge County’s population. The following points summarize key findings from that section as they pertain to the older adult population in Dodge County.

- Between 2010 and 2025, the fastest growing proportion of the population were those age 65 to 74, which experienced a 68.5% increase in population, an addition of 885 people.



- The primary market for service-enhanced housing is senior households age 75 and older. While individuals in their 50s and 60s typically do not comprise the market base for service-enhanced senior housing, they often have elderly parents to whom they provide support when they decide to relocate to senior housing. Since elderly parents typically prefer to be near their adult caregivers, growth in the older adult age cohort (age 55 to 64) generally results in additional demand for senior housing products.
- Homeownership information lends insight into the number of households that may still have homes to sell and could potentially supplement their incomes from the sales of their homes to support monthly fees for alternative housing.
- Dodge County maintains high rates of homeownership in the older adult age cohorts. The homeownership rate in 2016 was 90.2% for age 55 to 64 households and 91.4% for age 65 to 74. Seniors typically begin to consider moving into senior housing alternatives or more convenient housing such as apartment buildings or twin homes in their early to mid-70s.

This movement pattern is demonstrated by the drop in homeownership between the 75 to 84 age cohort (81.2%) and the 85+ age cohort (70.8%).

- With a homeownership rate of 86.1% for all households over the age of 65, a large number of residents would be able to use proceeds from the sales of their homes toward senior housing alternatives. The resale of single-family homes would allow additional senior households to qualify for market rate housing products, since equity from the home sale could be used as supplemental income for alternative housing. These considerations are factored into our demand calculations.
- Based on the 2017 median sale price of \$176,500 in Dodge County, a senior household could generate around \$3,318 of additional income annually (about \$277 per month), if they invested in an income-producing account (2.5% interest rate) after accounting for marketing costs and/or real estate commissions (6.0% of home sale price).

Supply of Senior Housing in Dodge County

As of December 2018, Maxfield Research identified four senior housing developments that offer subsidized senior housing and five market rate senior housing developments in Dodge County. Combined, these projects contain a total of 215 units. Table S-1 summarizes information for the subsidized product in Dodge County and Table S-2 shows features and amenities for subsidized senior projects in Dodge County. Table S-3 provides information on the market-rate senior housing product type by service-level. Information in the table includes year built, number of units, unit mix, and general comments about each project. Table S-4 shows a checklist for unit features, building amenities, and services for market-rate senior projects in Dodge County. Finally, Table S-5 provides of senior housing by service level in each Dodge County sub-market.

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

Affordable/Subsidized Senior Housing Projects

- Subsidized senior housing offers affordable rents to qualified lower income seniors and handicapped/disabled persons. Typically, rents are tied to residents' incomes and based on 30% of adjusted gross income (AGI), or a rent that is below the fair market rent. For those households meeting the age and income qualifications, subsidized senior housing is usually the most affordable rental option available.
- There is a total of 103 units in four subsidized senior projects in Dodge County. These units are exclusively one-bedroom units.
- As of December 2018, one unit was vacant, resulting in a vacancy rate of 1.0%.
- All projects included heat, water, sewer and trash in the monthly rent. In addition, most projects had a community room and all projects had a laundry facility available to residents.

SENIOR HOUSING ANALYSIS

TABLE S-1 SUBSIDIZED SENIOR HOUSING DODGE COUNTY December 2018											
Project Name/Location	Year Built	Units	Unit Mix	Vacant	Unit Size	Monthly Rent	Avg Rent	Rent Per Sq Ft.		Amenities/Comments	
Central Submarket											
Midtown Manor 115 2nd St NE <i>Hayfield</i>	1980	24	24 - 1BR	1	N/A	30% of Income	N/A	N/A	-	N/A	Secure entrances, elevator, pets allowed, medical alarm system
East Submarket											
Kasson Senior Housing 400 2nd St SW <i>Kasson</i>	1980	36	36 - 1BR	0	N/A	30% of Income	N/A	N/A	-	N/A	Controlled entrances, elevator, community room, cats allowed, medical alarm system, gas for hot water included. Waiting list.
Greenfield Manor 700 Veterans Memorial Hwy W <i>Kasson</i>	1985	12	12 - 1BR	0	630	30% of Income	N/A	N/A	-	N/A	Off street parking, on-site laundry, controlled access, ommunity room, indoor mailboxes and storage room.
Sunwood Manor 200 1st St NE <i>Kasson</i>	1986	31	31 - 1BR	0	750	30% of Income	N/A	N/A	-	N/A	
			Unit Mix 103 - 1BR	Vacancy 1	Vacancy Rate by Bedroom 1.0%						
Sources: Maxfield Research and Consulting LLC											

SENIOR HOUSING ANALYSIS

TABLE S-2
 FEATURES/AMENITIES/UTILITIES
 SUBSIDIZED SENIOR HOUSING
 DODGE COUNTY
 December 2018

Projects	In-Unit						Common Area										Parking and Utilities									
	Air Conditioning	Refrigerator	Microwave	Dishwasher	Washer/Dryer	Walk-In Closet	Patio/Balcony	Community Room	Laundry Facility	Elevator	Fitness Center	Storage	Indoor Pool	Outdoor Pool	BBQ	Play Area	Walking Trail	Heat/Gas	Electricity	Water/Sewer	Trash	Cable	High Speed Internet	Parking	Parking Fee per month	
Adult/Few Services																										
Midtown Manor	X	X						X	X	X								X	X	X	X			OS		
Greenfield Manor	X					X		X	X			X						X		X	X			OS		
Kasson Senior Housing	X	X						X	X	X								X		X	X			OS		
Sunwood Manor	X								X									X		X	X					
X = Available/Included; S = Some; UG = Heated Underground; AG = Attached Garage; DG = Detached Garage																										
Sources: Maxfield Research and Consulting, LLC																										

SENIOR HOUSING ANALYSIS

TABLE S-3 MARKET RATE SENIOR HOUSING DODGE COUNTY December 2018											
Project Name/Location	Year Built	Units	Vacancy	Unit Mix	Vacant	Unit Size	Rent	Avg Rent	Rent Per Sq Ft.	Amenities/Comments	
Adult/Few Services											
Central Submarket											
Centerview Apartments 101 1st St SW Dodge Center	1978	12	2	12 - 1BR	2	600	\$617	\$617	\$1.03 - \$1.03	55+, no pets, smoke free, accepts HUD vouchers. Storage room, community room with full kitchen, all utilities included., accepts vouchers.	
Congregate											
Central Submarket											
Crest View Villa Senior Apartments 305 4th St NE Hayfield	1967	20	0	16 - 1BR 4 - 2BR	0	N/A	\$1,155 - \$1,700 \$1,325 - \$1,875		N/A	Rent based on one or two person occupancy, controlled entry, complimentary laundry facilities, priority access to Field Crest Care Center, chapel, sunrooms. Services provided for an additional cost: 24-hr penddant response, daily well check, bathing assistance, dressing and grooming assistance, safety checks, medication management, escort to meals and programs, beauty/barber services, monthly meal packages	
Assisted Living											
Central Submarket											
Field Crest Assisted Living 318 2nd St NE Hayfield	1967	9	0	6 - EFF 3 - Dlx		200 335	\$3,126 - \$3,866 \$3,176 - \$3,916	\$3,496 \$3,546	\$15.63 - \$19.33 \$9.48 - \$11.69	Rent based on one or two person occupancy, shared common living space and kitchen, controlled entry, emergency response, priority access to Field Crest Care Center, chapel, sunrooms, wellness service, bathing assistance, dressing/grooming assistance, safety checks, escorts to meals/programs, medication assistance, daily trash removal	
Chico's Board & Lodge 520 State St West Concord	1910	N/A	N/A	N/A	N/A	114 - 200	\$835 - \$1,726	\$1,281	\$7.32 - \$8.63	Assistance with community resources, non-smoking, no pets allowed, able to accommodate special diets	
Circle Drive Manor 56733 State Highway 56 West Concord	1989/ 2006	10	0	10 - 1BR	0	520 - 585	\$2,200		\$3.76 - \$4.23	Activity room, internet access, whirlpool, social events, special diets accomodated, no smoking, pets allowed with a deposit. Rooms have a kitchenette.	
East Submarket											
Prairie Meadows 800 5th Ave NW Kasson	2005	38	0	N/A - 1BR N/A - 2BR	0	424 - 715 785 - 920	\$2,670 - \$3,080 \$3,630 - \$3,850			Tenant assistance call system, limited access building, 24-hour staff, tuck under garages, movie theater, hair salon, chapel, garden. Double Occupancy +\$615. Additional services can be added at hourly or monthly rates	
Memory Care											
East Submarket											
Prairie Meadows Autumn Ridge Moderate Memory Care 800 5th Ave NW Kasson	2005	12	0	N/A - 1BR N/A - 2BR	0	424 - 715 785	\$2,895 - \$3,295 \$3,850			Tenant assistance call system, limited access building, 24-hour staff, tuck under garages, movie theater, hair salon, chapel, full bath, garden. Double occ +\$615. Additional memory care services added to base rate range from \$2,703 to \$3,829	
Prairie Meadows Rose Court Secure Unit 800 5th Ave NW Kasson	2005	11	0	11 - Studio	0	300	\$2,975			Tenant assistance call system, limited access building, 24-hour staff, tuck under garages, movie theater, hair salon, chapel, full bath, garden. Double occ +\$615. Additional memory care services added to base rate range from \$2,703 to \$3,829	
Sources: Maxfield Research and Consulting LLC											

SENIOR HOUSING ANALYSIS

**TABLE S-4
UNIT FEATURES/BUILDING AMENITIES/SERVICES
EXISTING SENIOR HOUSING
DODGE COUNTY
December 2018**

	Unit Features					Building Amenities							Services				Utilities	
	A/C	Dishwasher	Microwave Oven	W/D	Walk-in Closet Balcony/Patio	Community Rm. Dining Rm.	Craft/Hobby Rm. Library	Computer Ctr.	Storage Lockers	Exercise Rm.	Garage Parking	Guest Suite	Transportation Activities	Laundry	Housekeeping	Meals		
ACTIVE ADULT																		
Centerview Apartments	X		Common			X			X								Heat, electricity, water, sewer, trash	
CONGREGATE																		
Crest View Villa Senior Apartments	X		Common			X	X						X	X			Heat, electricity, water, sewer, trash, recycling	
ASSISTED LIVING																		
Field Crest Assisted Living	X					X	X						X	X	2/wk	Weekly Daily light housekeep	3/day snacks	Heat, electricity, water, sewer, trash, cable
Chicos Board & Lodge	X		Common										X	X			3/day snacks	Cable TV
Cirlice Drive Manor	X		Common			X	X						X	X	X Weekly		3/day snacks	Cable TV
Prairie Meadows Senior Living	X					X	X		X \$26/Mo	X	X		X	X		Weekly	3/day	
Prairie Meadows Senior Living	X					X	X			X	X		X	X		Weekly	3/day	
Y = Yes; N = No; S = Some; O = Optional, A = Attached Garage; DG = Detached Garage; U = Underground Parking																		
Sources: Maxfield Research and Consulting LLC																		

SENIOR HOUSING ANALYSIS



Active Adult in Dodge Center



Congregate/Assisted Living in Hayfield



Subsidized Senior in Hayfield



Subsidized Senior Rental in Kasson



Subsidized Senior in Kasson



Subsidized Senior in Kasson



Assisted Living/Memory Care in Kasson

Active-Adult Few Services

- There is one active-adult few services rental developments in Dodge County with 12 one-bedroom units.
- Centerview Apartments in Dodge Center offers an on-site laundry, community room and storage lockers to residents. All the resident's utilities are included in the rent.

Congregate Senior Projects

- There is one congregate senior rental developments located in Dodge County with 20 units, including 16 one-bedroom and four two-bedroom units.
- Crest View Villa Senior Apartments in Hayfield offers complimentary laundry, sunrooms, community room and a dining room. In addition, the apartments provide scheduled transportation and activities to residents.

Assisted Living

- There are four developments that offer assisted living services located in Dodge County, totaling 57 units. However, we were unable to contact one assisted living development to obtain a number of units.
- Common amenities include a community room and dining room, scheduled transportation and activities, laundry, housekeeping, and three meals daily.

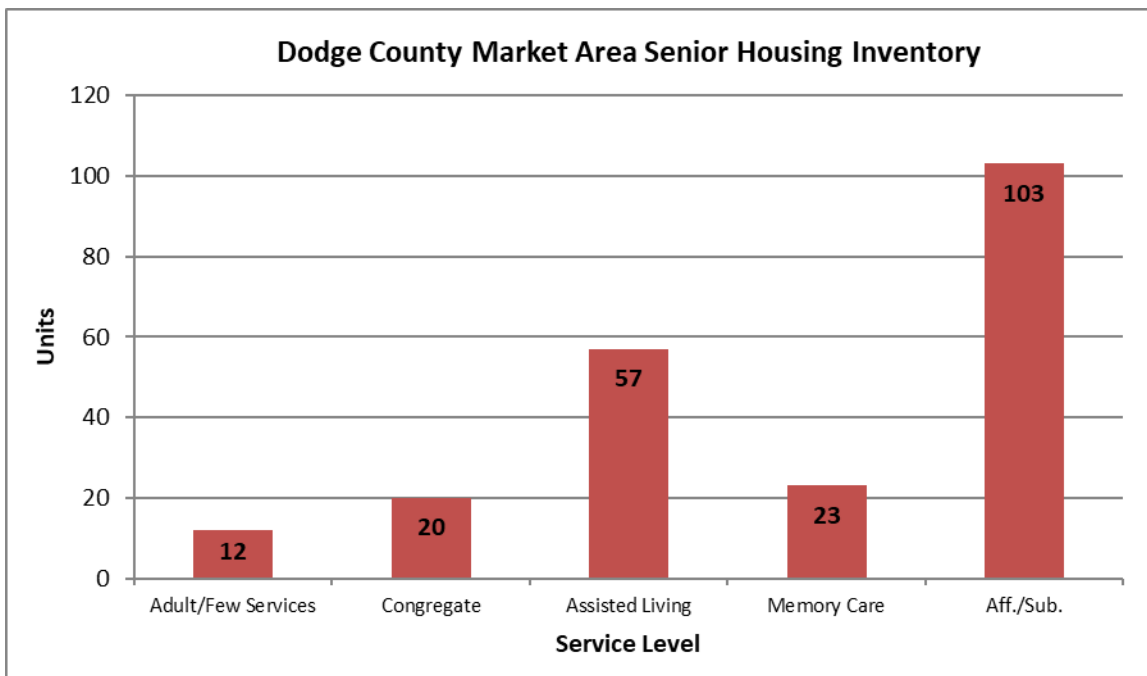
Memory Care

- Prairie Meadows in Kasson was the only memory care facility in the County with a total of 22 units.
- Prairie Meadows offers two levels of memory care. Eleven units are considered moderate memory care. The remaining 12 units of memory care are in a secure unit.

SENIOR HOUSING ANALYSIS

TABLE S-5 SENIOR HOUSING SUMMARY BY DODGE COUNTY SUBMARKET December 2018				
Product Type	Dodge County Submarket			Total
	West Submarket	Central Submarket	East Submarket	
Affordable/Subsidized	0	24	79	103
Adult/Few Services	0	12	0	12
Congregate	0	20	0	20
Assisted Living	0	19	38	57
Memory Care	0	0	23	23
Total				
Units	0	75	140	215

Source: Maxfield Research and Consulting, LLC



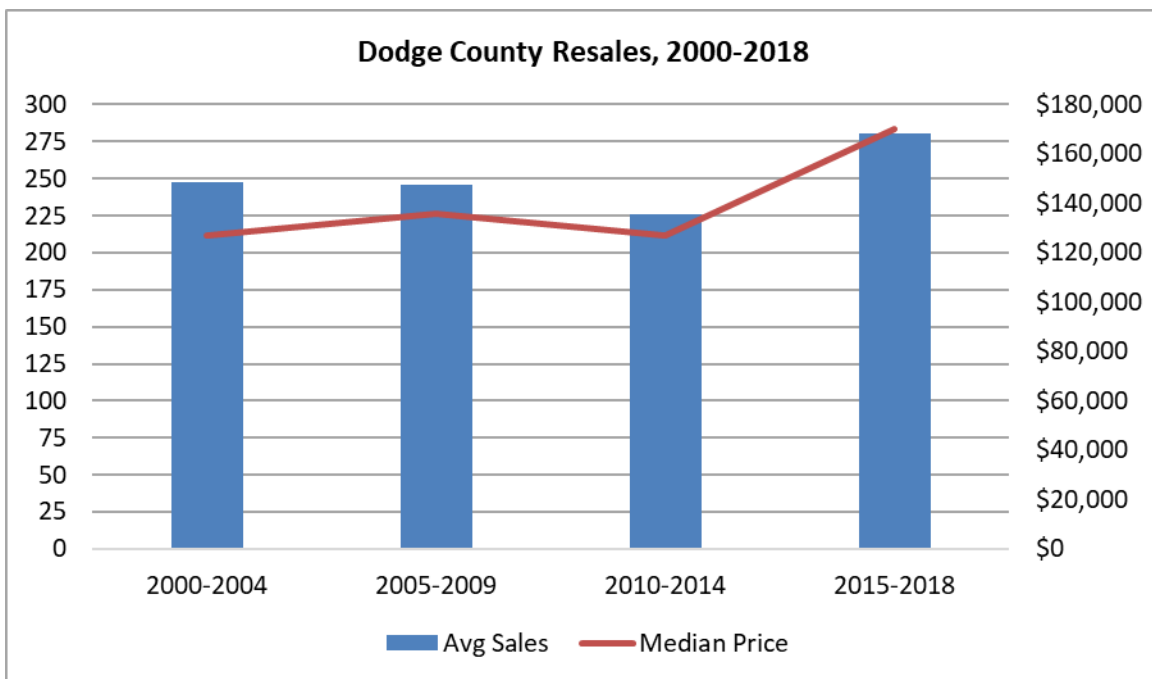
Introduction

Maxfield Research and Consulting analyzed the for-sale housing market in Dodge County by collecting data on single-family and multifamily home sales and active listings, identifying active subdivisions and pending for-sale developments; and conducting interviews with local real estate professionals, builders, developers and planning officials.

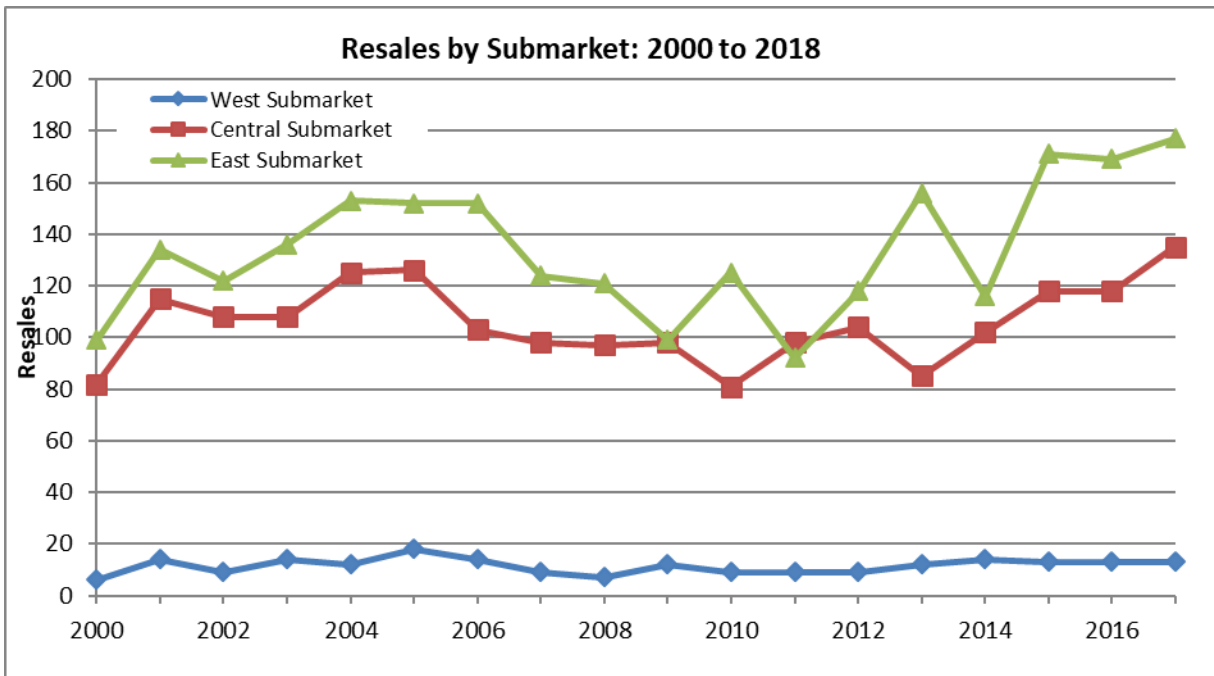
Home Resales in Dodge County

Table FS-1 presents home resale data on single-family and multifamily housing in Dodge County from 2000 through 2018. The data was obtained from the Southeast Minnesota Association of Realtors and shows the annual number of sales and median sales price by Dodge County submarket. The table includes only residential transactions and excludes agricultural dwellings. The following are key points observed from our analysis of this data.

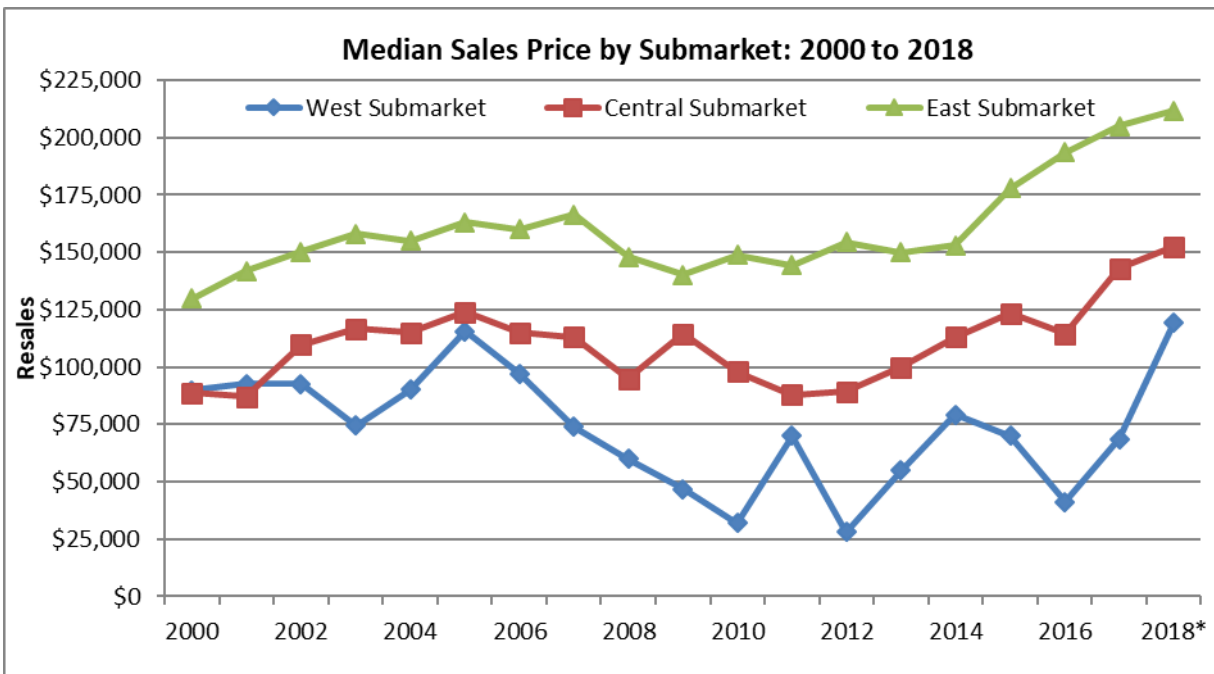
- Since 2000, there have been an average of 248 residential sales per year in Dodge County. After rising for several years, the number of sales fell each year between 2006 and 2011, reaching a low of 199 sales in 2011, reflecting the effects of the Great Recession.



- Since 2011, resales have generally risen as economic conditions improved, and reached a high of 325 in 2017.
- The Central and East submarkets reported a much greater volume of sales per year compared to the West submarket.



- Likely due to the lower number of sales in the West submarket, the submarket shows greater variability in the median sales price from 2000 to 2018 compared to other submarkets.
- During the same time, the Central and East submarkets experienced generally increasing median sale prices. Although a noticeable decline in prices is shown between 2008 and 2010, prices remained steady through 2014, before beginning to climb again. This trend reflects the impact of the Great Recession.



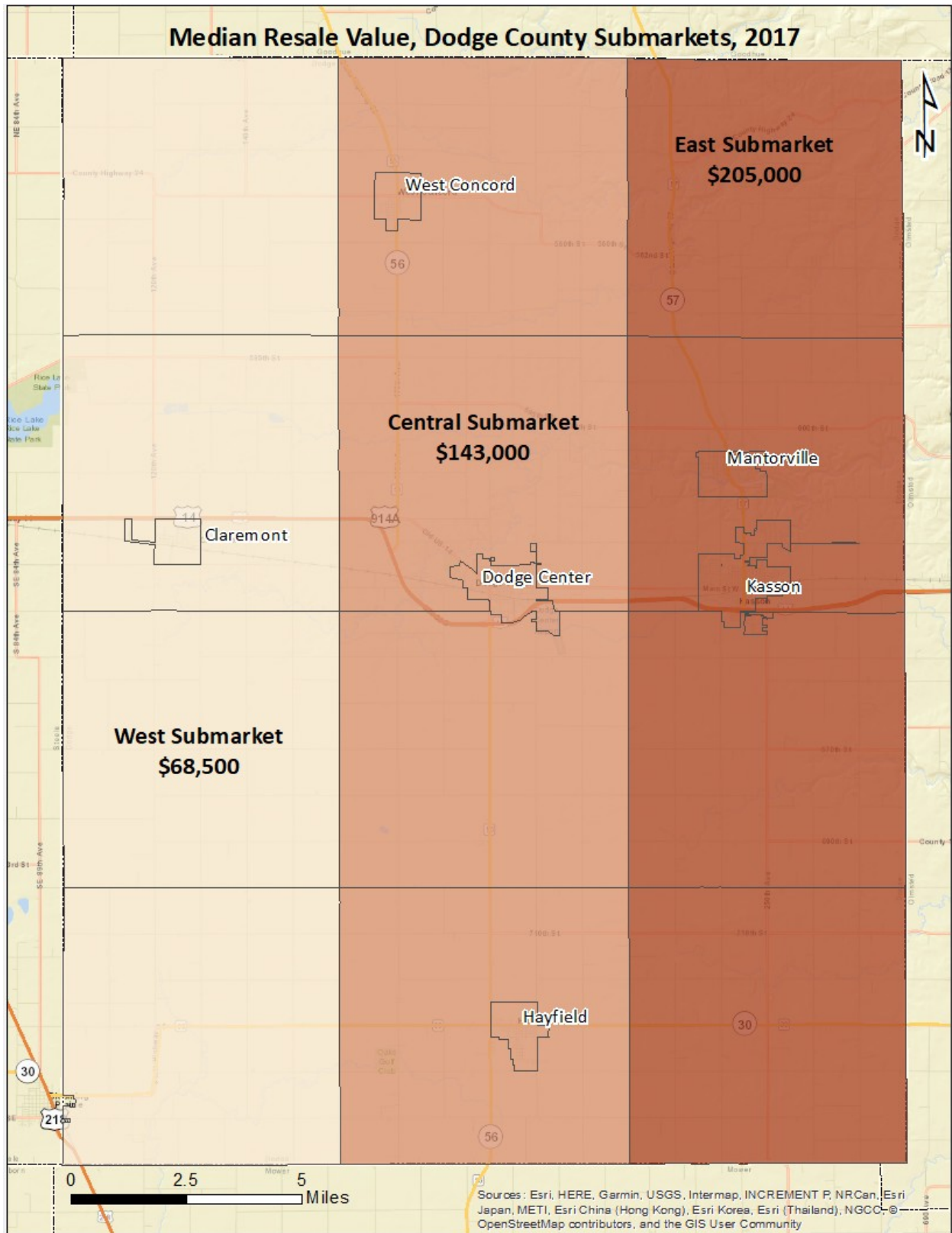
FOR-SALE HOUSING ANALYSIS

**TABLE FS-1
DODGE COUNTY RESALE VALUES BY SUBMARKET
2000 TO 2018**

Year	West Submarket	Central Submarket	East Submarket	Dodge County
Sales				
2000	6	82	99	187
2001	14	115	134	263
2002	9	108	122	239
2003	14	108	136	258
2004	12	125	153	290
2005	18	126	152	296
2006	14	103	152	269
2007	9	98	124	231
2008	7	97	121	225
2009	12	98	99	209
2010	9	81	125	215
2011	9	98	92	199
2012	9	104	118	231
2013	12	85	156	253
2014	14	102	116	232
2015	13	118	171	302
2016	13	118	169	300
2017	13	135	177	325
2018*	9	73	112	194
Avg Sales				
2000-2004	11	108	129	247
2005-2009	12	104	130	246
2010-2014	11	94	121	226
2015-2018	12	111	157	280
Median Sales Price				
2000	\$89,800	\$88,775	\$129,900	\$114,900
2001	\$92,550	\$87,000	\$141,950	\$120,000
2002	\$92,600	\$109,600	\$150,300	\$134,000
2003	\$74,450	\$116,788	\$157,950	\$134,950
2004	\$90,200	\$115,000	\$154,900	\$135,250
2005	\$115,500	\$123,875	\$162,950	\$142,500
2006	\$97,000	\$115,000	\$159,950	\$140,000
2007	\$73,900	\$112,900	\$166,400	\$137,000
2008	\$60,000	\$95,000	\$147,900	\$130,000
2009	\$46,700	\$114,400	\$140,080	\$130,000
2010	\$32,000	\$97,900	\$148,750	\$130,550
2011	\$69,900	\$88,000	\$144,350	\$109,950
2012	\$28,000	\$89,200	\$154,317	\$124,950
2013	\$54,950	\$99,900	\$149,900	\$137,000
2014	\$79,250	\$113,000	\$153,000	\$132,500
2015	\$69,900	\$123,250	\$178,000	\$156,000
2016	\$41,235	\$114,450	\$193,500	\$155,500
2017	\$68,500	\$143,000	\$205,000	\$176,500
2018*	\$119,500	\$152,500	\$211,797	\$192,000
Median Price				
2000-2004	\$89,800	\$104,175	\$144,950	\$127,000
2005-2009	\$84,638	\$114,900	\$154,750	\$135,900
2010-2014	\$49,900	\$97,500	\$149,900	\$126,990
2015-2018	\$68,250	\$129,900	\$195,200	\$170,000

* 2018 resales through September

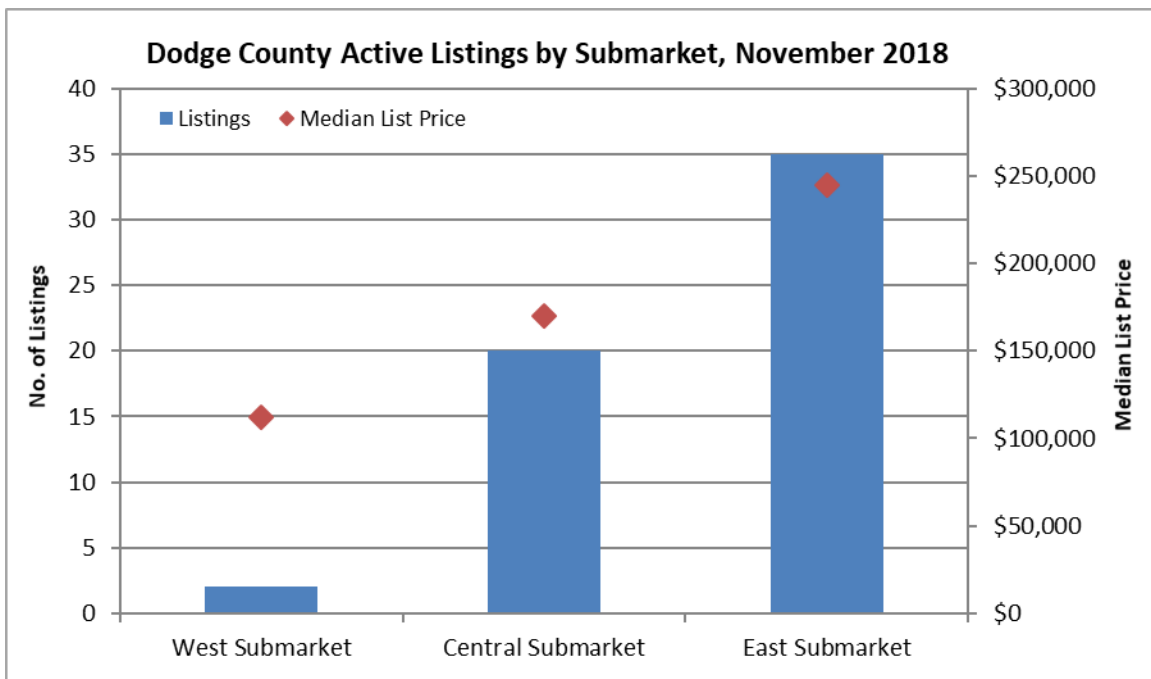
Sources: SE MN Association of Realtors, Maxfield Research and Consulting, LLC



Current Supply of Homes on the Market

To more closely examine the current market for available owner-occupied housing in Dodge County, we reviewed the current supply of homes on the market (listed for sale). Table FS-3 shows homes currently listed for sale in Dodge County by submarket distributed into eight price ranges. The listings were obtained in November 2018 from the Southeast Minnesota Association of Realtors.

- As of November 2018, there were 55 homes listed for sale in Dodge County. Nearly 64% (35) of the active listings advertised homes for sale in the East submarket. There were 18 active listing in the Central submarket, accounting for 33% of all listings in the County. The West submarket had only two active listings in November 2018.
- The median list price in Dodge County is \$224,900. 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.



- Based on a median list price of \$224,900 for Dodge County, the income required to afford a home at this price would be between \$64,257 and \$74,967, based on the standard of 3.0 to 3.5 times the median income (and assuming these households do not have a high level of debt). About 58% of Dodge County households have annual incomes at or above \$64,257. A household with significantly more equity (in an existing home and/or savings) could afford a higher priced home.

FOR-SALE MARKET ANALYSIS

**TABLE FS-2
HOMES CURRENTLY LISTED FOR-SALE
DODGE COUNTY
November 2018**

Price Range	West Submarket		Central Submarket		East Submarket		Dodge County	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Under \$25,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$25,000 to \$49,999	0	0.0%	1	5.6%	0	0.0%	1	1.8%
\$50,000 to \$74,999	0	0.0%	1	5.6%	1	2.9%	2	3.6%
\$75,000 to \$99,999	1	50.0%	1	5.6%	1	2.9%	3	5.5%
\$100,000 to \$149,999	1	50.0%	3	16.7%	4	11.4%	8	14.5%
\$150,000 to \$199,999	0	0.0%	5	27.8%	4	11.4%	9	16.4%
\$200,000 to \$249,999	0	0.0%	1	5.6%	10	28.6%	11	20.0%
\$250,000 and Over	0	0.0%	6	33.3%	15	42.9%	21	38.2%
	2	100%	18	100%	35	100%	55	100%
Minimum	\$95,950		\$34,000		\$51,100		\$34,000	
Maximum	\$128,200		\$440,000		\$529,900		\$529,900	
Median	\$112,075		\$169,900		\$244,900		\$224,900	
Average	\$112,075		\$212,244		\$249,669		\$232,417	

Sources: Southeast Minnesota Associate of Realtors, Maxfield Research and Consulting, LLC

FOR-SALE MARKET ANALYSIS

- The median list price in the submarkets ranged from \$112,075 in the West submarket to \$244,900 in the East submarket.
- Over 58% of listings in Dodge County were priced over \$200,000. In the East submarket, more than 71% of listings were for homes priced over \$200,000, compared to 39% of listings in the Central submarket and no listings in the West submarket priced over \$200,000.
- Only 11% of listings in Dodge County were priced under \$100,000.

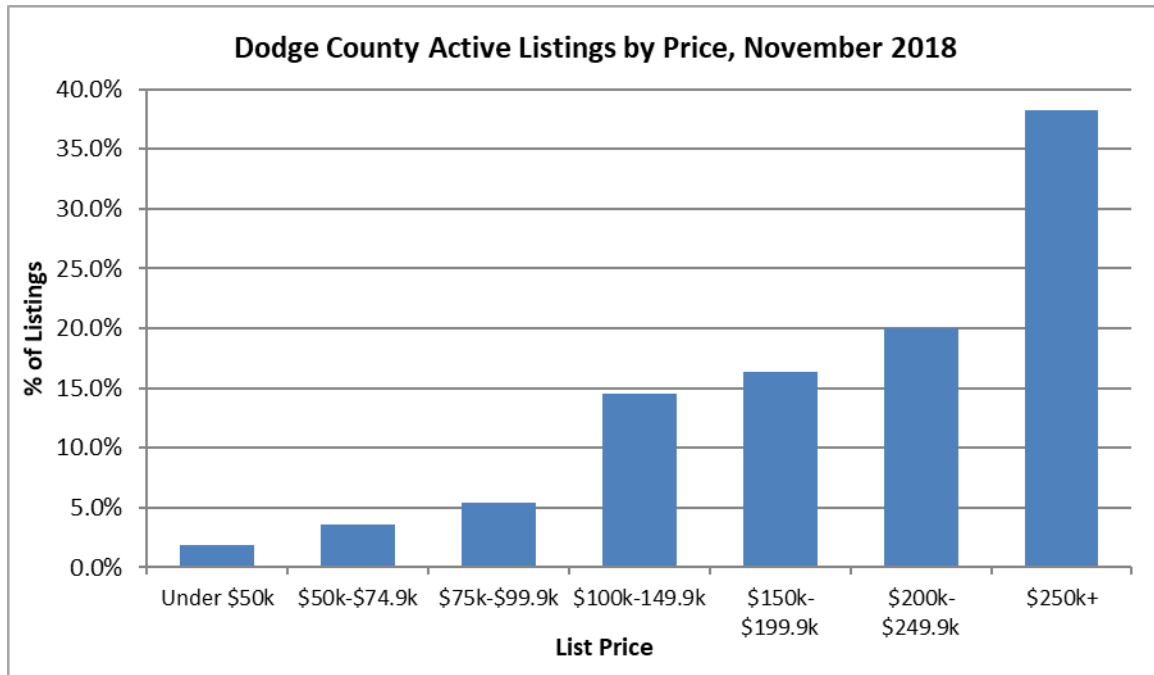
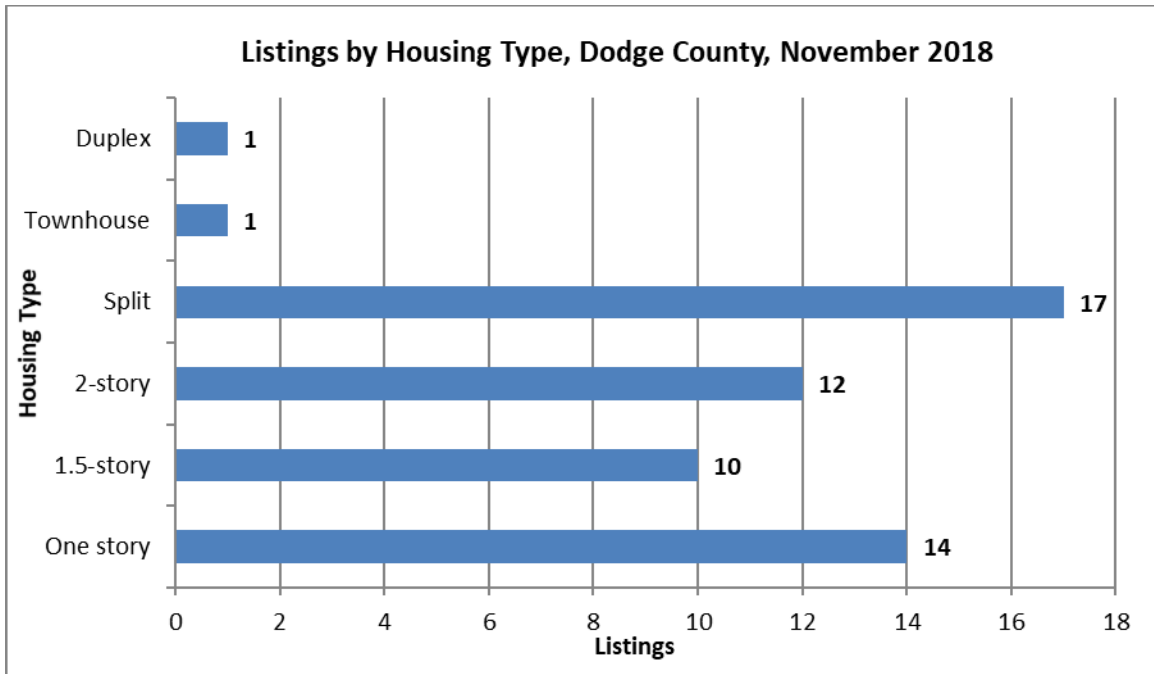
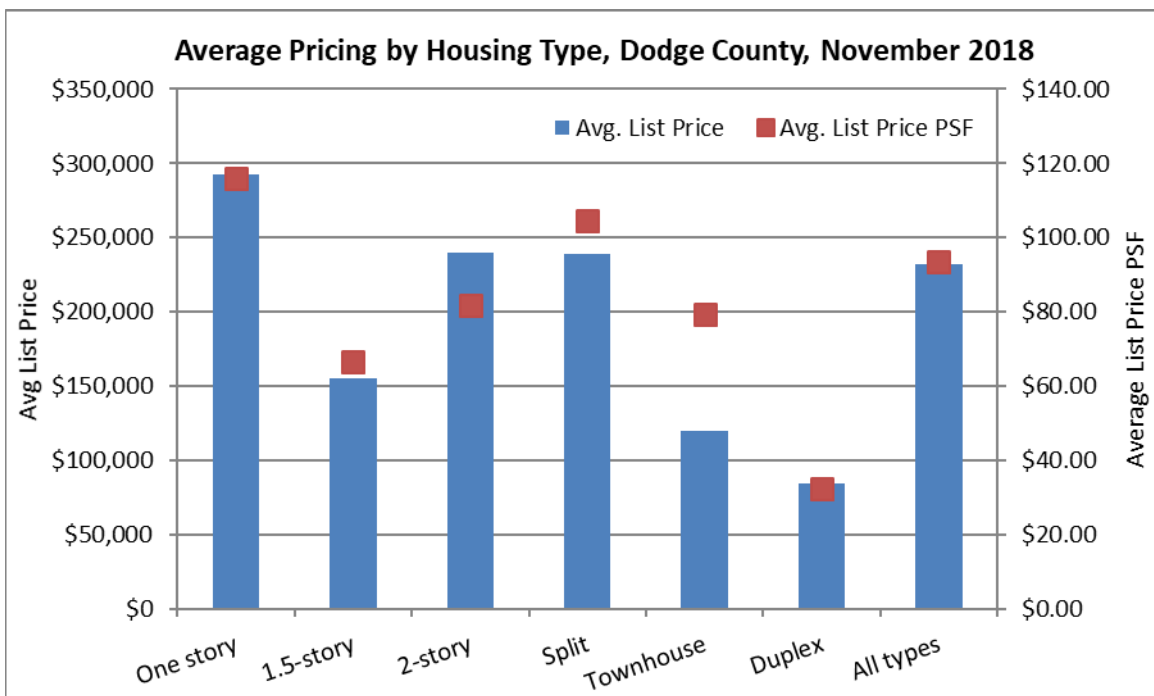


Table FS-4 shows homes currently listed for sale in Dodge County by submarket by property type. The listings were obtained in November 2018 from the Southeast Minnesota Association of Realtors.

- Of the 55 listings in Dodge County, 53 (96.4%) were for single family homes, the remaining two listings were for a townhome unit and both units of a duplex building.
- The largest proportion of active listings (30.9%) were for split level homes. Split level homes had an average list price of \$238,741 and an average size of 2,283 square feet. Split level homes also reported the newest average age, with an average year built of 2002.



- One story homes comprised 25.5% of listings and had the highest average list price of \$292,364 and the highest average price per square foot at \$116.
- Two story and 1.5 story homes were significantly older than one story and split level homes, with an average year built of 1936 and 1919, respectively.



Property Type	Listings	Pct.	Avg. List Price	Avg. Home Size Sq. Ft.	Avg. List Price Per Sq. Ft.	Avg. Age of Home
Single-Family						
One story	14	25.5%	\$292,364	2,521	\$116	1997
1.5-story	10	18.2%	\$154,985	2,323	\$67	1919
2-story	12	21.8%	\$239,717	2,929	\$82	1936
Split	17	30.9%	\$238,741	2,283	\$105	2002
Total	53	96.4%	\$237,324	2,500	\$95	1970
Multi-Family						
Townhouse	1	1.8%	\$119,900	1,512	\$79	1978
Duplex	1	1.8%	\$84,900	2,608	\$33	1870
Dodge County	55	100.0%	\$232,417	2,484	\$94	1968

Sources: Southeast Minnesota Association of Realtors, Maxfield Research and Consulting, LLC

Owner-occupied Turnover

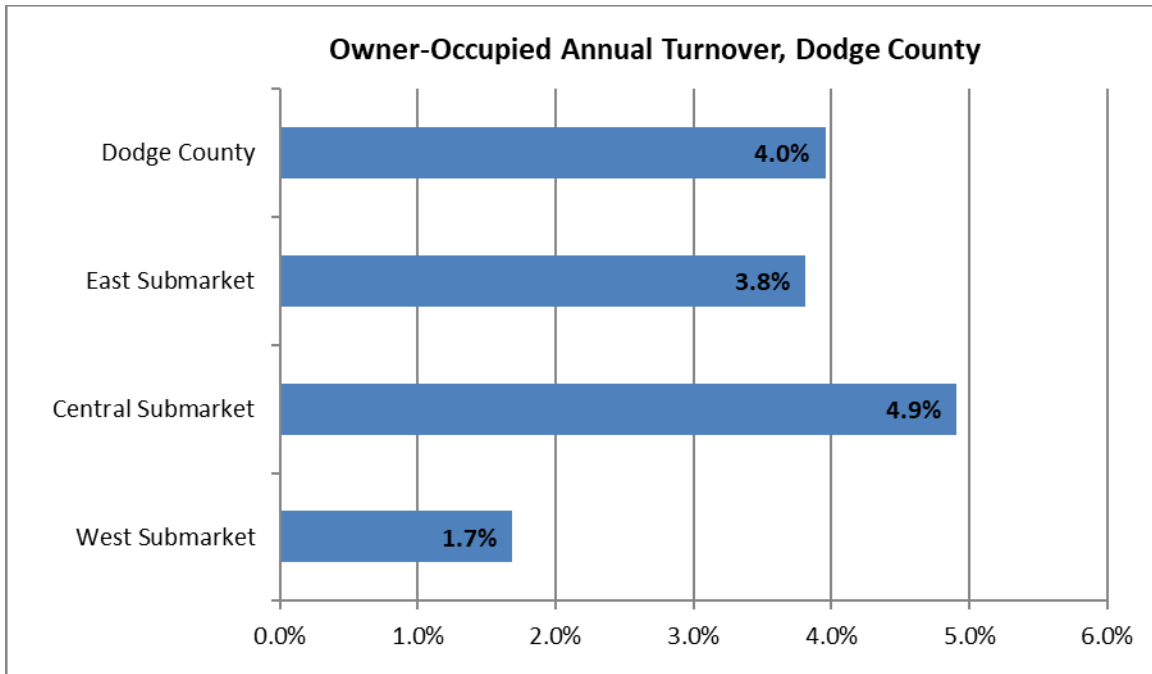
Table FS-5 illustrates existing home turnover as a percentage of owner occupied units in Dodge County. Resales are based on historic transaction volume between 2007 and 2017 as obtained from the Southeast Minnesota Association of Realtors. Owner-occupied housing units are sourced to the U.S. Census as of 2016.

As displayed in the table, approximately 4.0% of Dodge County’s owner-occupied housing stock is sold annually. Turnover rates range from 1.7% in the West submarket to 4.9% in the Central submarket. Typically, we find owner-occupied turnover ranges from 3% at the low-end to 8% at the high-end in many non-metro communities throughout the Midwest.

Submarket	Owner-occupied Housing Units¹	Resales Annual Avg.²	Turnover Pct.
West Submarket	659	11	1.7%
Central Submarket	2,110	104	4.9%
East Submarket	3,530	134	3.8%
Dodge County	6,299	249	4.0%

¹ Owner-occupied housing units in 2016
² Annual average of resales between 2008 and 2017

Source: U.S. Census Bureau, SEMAR, Maxfield Research and Consulting, LLC



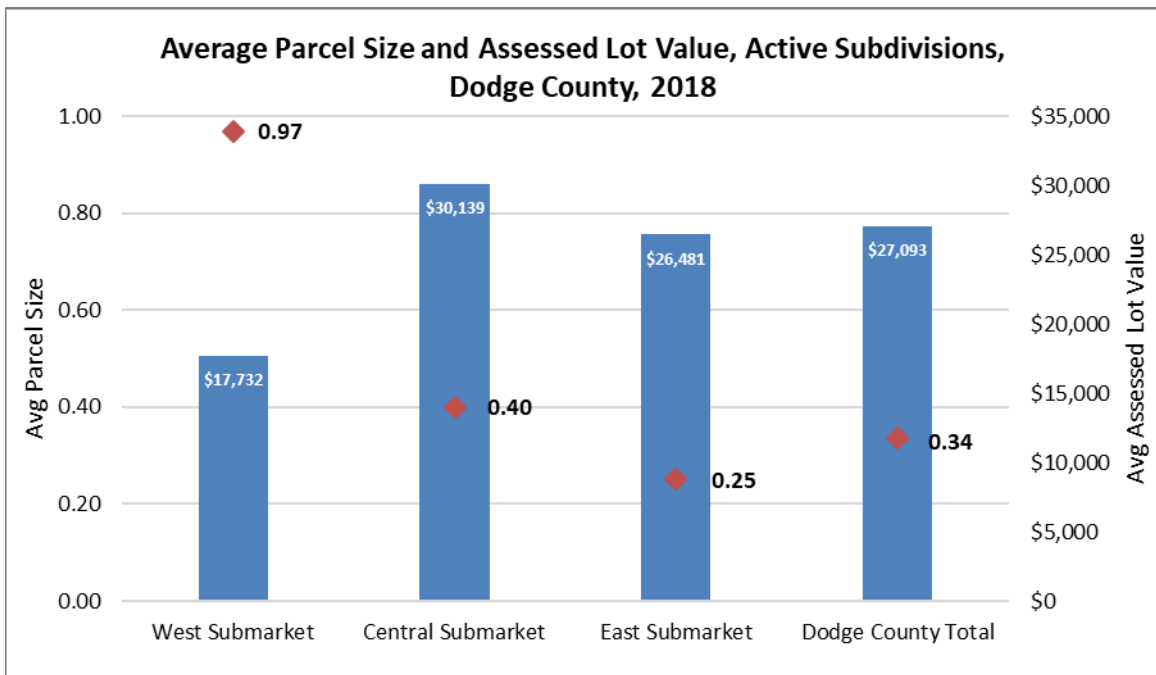
Actively Marketing Subdivisions

Table FS-6 identifies newer subdivisions with available lots in Dodge County. The table identifies the number of lots, available lots, typical lot sizes, and assessed values for lots and homes. Please note; the table does not include scattered, infill lots. Key points from the table follow.

- In the West Submarket, the City of Claremont has a 15 lot single family subdivision marketing lots for sale. Three of the 15 lots have been sold.
- The marketing price for the city lots in Claremont is \$28,637. However, the City of Claremont is offering the lots at a reduced cost for families meeting income qualifications. One or two-person families may be eligible for a free lot if their income is below \$84,200 or they may purchase a lot of \$9,500 if their income is greater than \$84,201. Families with three or more people may receive a lot for free if their income is below \$96,830, or they may qualify to purchase a lot for \$9,500 if their income is above \$96,831.
- In addition, there are six lots available in Whitetail Estates in Westfield Township. Lots in the Whitetail Estates subdivision are the largest in the County, ranging from 1.23 to 4.04 acres.
- In the Central submarket, there are 78 lots available within six subdivisions in Dodge Center, three subdivisions in Hayfield and one subdivision in West Concord.
- There are 83 lots available in the East submarket, all within the City of Kasson.

FOR-SALE MARKET ANALYSIS

- The largest average lot size among the three submarkets was reported in the West submarket, where lots average 0.97 acres in size. The large average size in the West submarket is attributable to the Whitetail Estates subdivision. Meanwhile, the average lot size in the East submarket was only 0.25 acres.
- The average assessed value of lots was highest in the Central submarket and the average assessed home value were the highest in the West submarket. Values in the West submarket are heavily influenced by the Whitetail Estates subdivision, which had an average assessed value of \$412,480 compared to an average of \$102,300 for the RK&T subdivision within the City of Claremont.



- Although the assessed prices were highest among lots in the Central subdivision, the marketing value of lots was highest in the East subdivision.

FOR-SALE MARKET ANALYSIS

TABLE FS-5 ACTIVELY MARKETING SINGLE-FAMILY SUBDIVISIONS DODGE COUNTY DECEMBER 2018												
Subdivision	City/Twp.	No. of Lots	Vacant/ Avail. Lots	Avg Size of Lots (Acres)			Avg Assessed Lot/Land Value			Avg Assessed Home Value		
				Min	Max	Avg.	Min	Max	Avg.	Min	Max	Avg.
West Submarket												
RK&T	Claremont	15	12	0.21	- 0.26	0.22	\$2,400	- \$11,300	\$3,633	\$90,800	- \$113,800	\$102,300
Whitetail Estates 2nd	Westfield Township	12	6	1.23	- 4.04	1.90	\$26,300	- \$57,500	\$35,355	\$394,100	- \$433,200	\$412,480
Subtotal		27	18			0.97			\$17,732			\$240,158
Central Submarket												
Meadow View Estates	Dodge Center	19	1	0.29	- 0.57	0.39	\$19,600	- \$35,100	\$28,195	\$196,200	- \$352,600	\$249,711
Meadow View Second	Dodge Center	21	5	0.31	- 0.50	0.36	\$11,400	- \$36,200	\$26,745	\$199,300	- \$371,400	\$264,047
Meadow View Third	Dodge Center	22	9	0.28	- 0.63	0.39	\$27,800	- \$47,000	\$37,305	\$217,400	- \$434,400	\$310,758
Meadow View Fourth	Dodge Center	37	36	0.20	- 0.66	0.34	\$19,600	- \$46,500	\$30,643	\$129,700	- \$129,700	\$129,700
North Park Second	Dodge Center	5	2	0.09	- 0.37	0.22	\$3,800	- \$26,400	\$18,060	\$184,600	- \$207,700	\$195,533
Rolling Meadows	Dodge Center	14	9	0.66	- 1.57	0.84	\$33,400	- \$43,800	\$41,279	\$172,100	- \$323,700	\$244,660
Candlewood Estates	Hayfield	5	5	0.45	- 0.69	0.55	\$23,600	- \$28,900	\$26,880			
Klocke 2nd	Hayfield	9	5	0.29	- 0.47	0.35	\$21,900	- \$27,400	\$24,467	\$206,600	- \$298,800	\$242,500
Johnson's Rolling Meadows	Hayfield	14	2	0.23	- 0.32	0.27	\$22,200	- \$24,400	\$23,256	\$92,200	- \$239,100	\$180,100
Mathias Subdivision	West Concord	9	4	0.25	- 0.31	0.29	\$15,700	- \$17,600	\$16,650	\$162,600	- \$191,900	\$177,250
Subtotal		155	78			0.39			\$29,355			\$210,498
East Submarket												
Houston's First ¹	Kasson	25	13	0.16	- 0.44	0.24	NA	- NA	NA	NA	- NA	NA
Blaine's 11th Phase 4	Kasson	36	3	0.21	- 0.30	0.22	\$30,900	- \$40,500	\$32,500	\$174,900	- \$210,400	\$189,630
Stone Ridge	Kasson	23	7	0.19	- 0.40	0.24	\$30,400	- \$47,400	\$35,157	\$217,000	- \$352,500	\$263,150
Stone Ridge Patio Homes	Kasson	19	1	0.24	- 0.24	0.24	\$30,700	- \$34,000	\$31,253	\$150,900	- \$281,600	\$223,600
Bigelow-Voigt 7th Subdivision	Kasson	59	23	0.17	- 0.45	0.24	\$30,000	- \$47,500	\$35,490	\$131,900	- \$317,100	\$249,671
Kasson Meadows 5th	Kasson	18	3	0.17	- 0.42	0.24	\$30,000	- \$42,300	\$35,448	\$91,600	- \$383,600	\$273,150
Kasson Meadows 6th	Kasson	13	4	0.32	- 0.74	0.45	\$37,600	- \$47,600	\$40,742	\$288,400	- \$391,800	\$347,188
South Fork ²	Kasson	112	29	0.16	- 0.53	0.25	\$12,400	- \$41,600	\$20,815	\$54,700	- \$222,300	\$127,630
Subtotal		305	83			0.25			\$26,771			\$182,239
Dodge County Total		487	179			0.34			\$27,093			\$194,444
¹ Platted in 2017, no tax records available yet												
² The South Fork subdivision has a mix of manufactured and built homes.												
Source: Dodge County, Maxfield Research and Consulting, LLC												

Newer Subdivisions in Dodge County

The following are photographs of housing options in select newer subdivisions in Dodge County.



Dodge Center



Dodge Center



Kasson



Kasson



Kasson

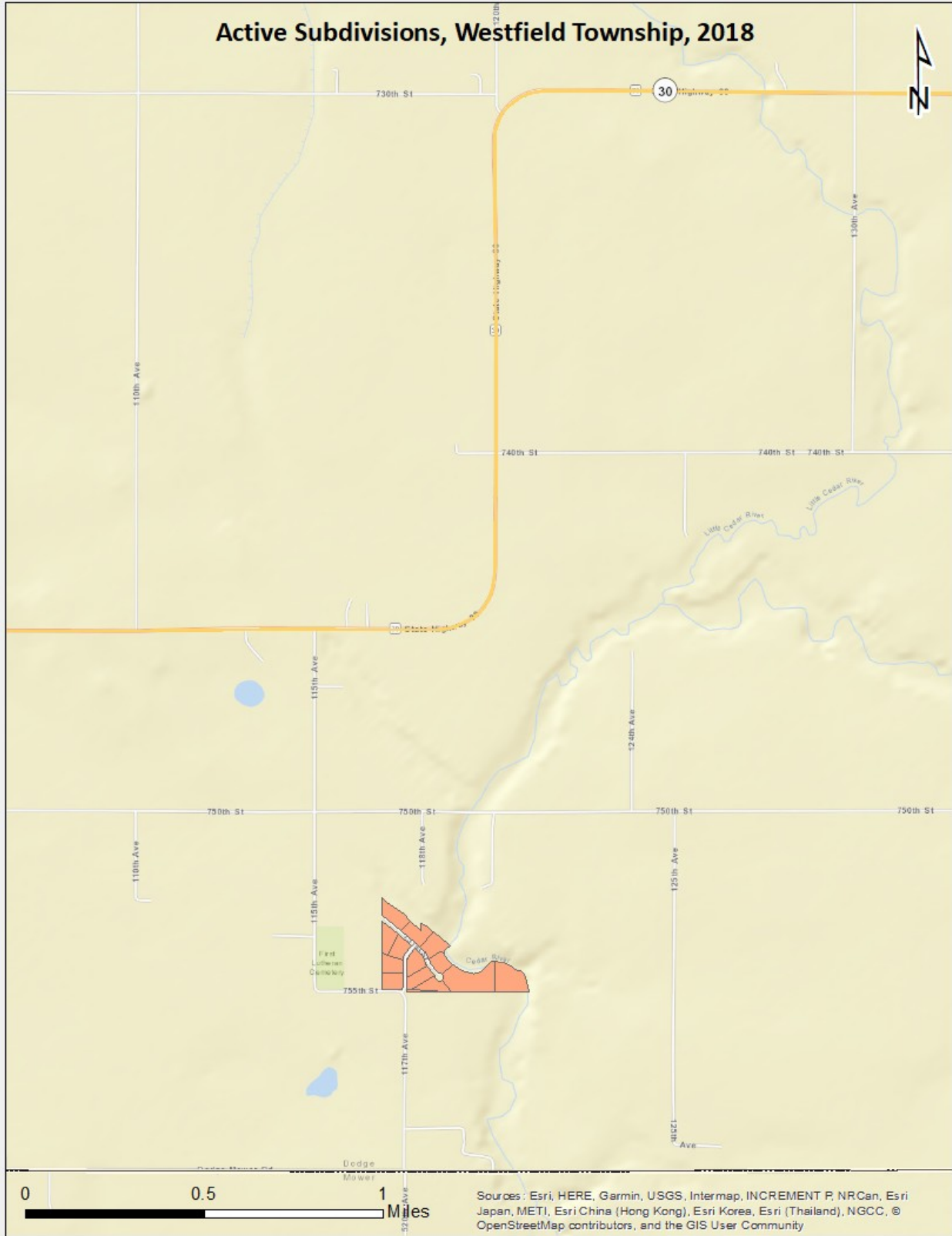


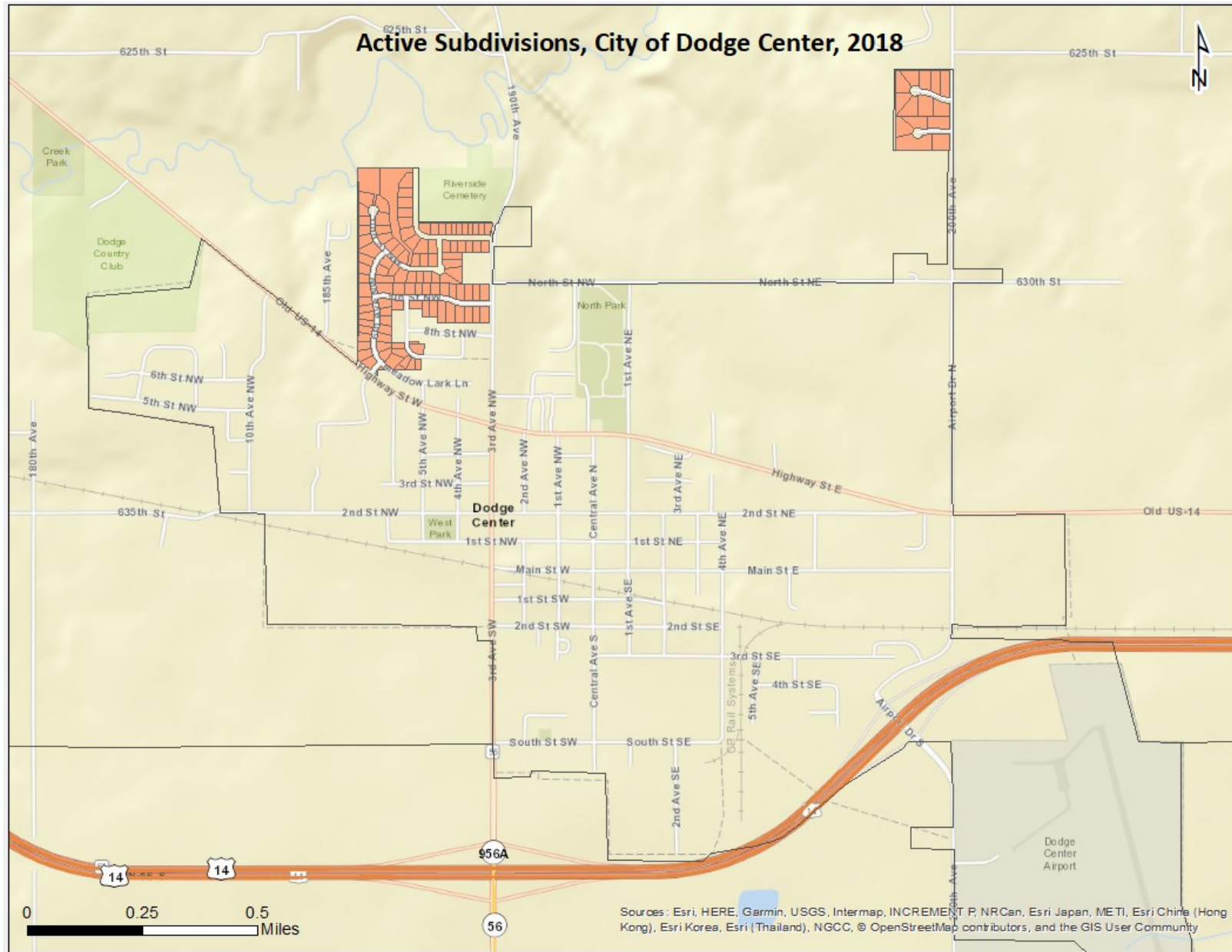
Kasson

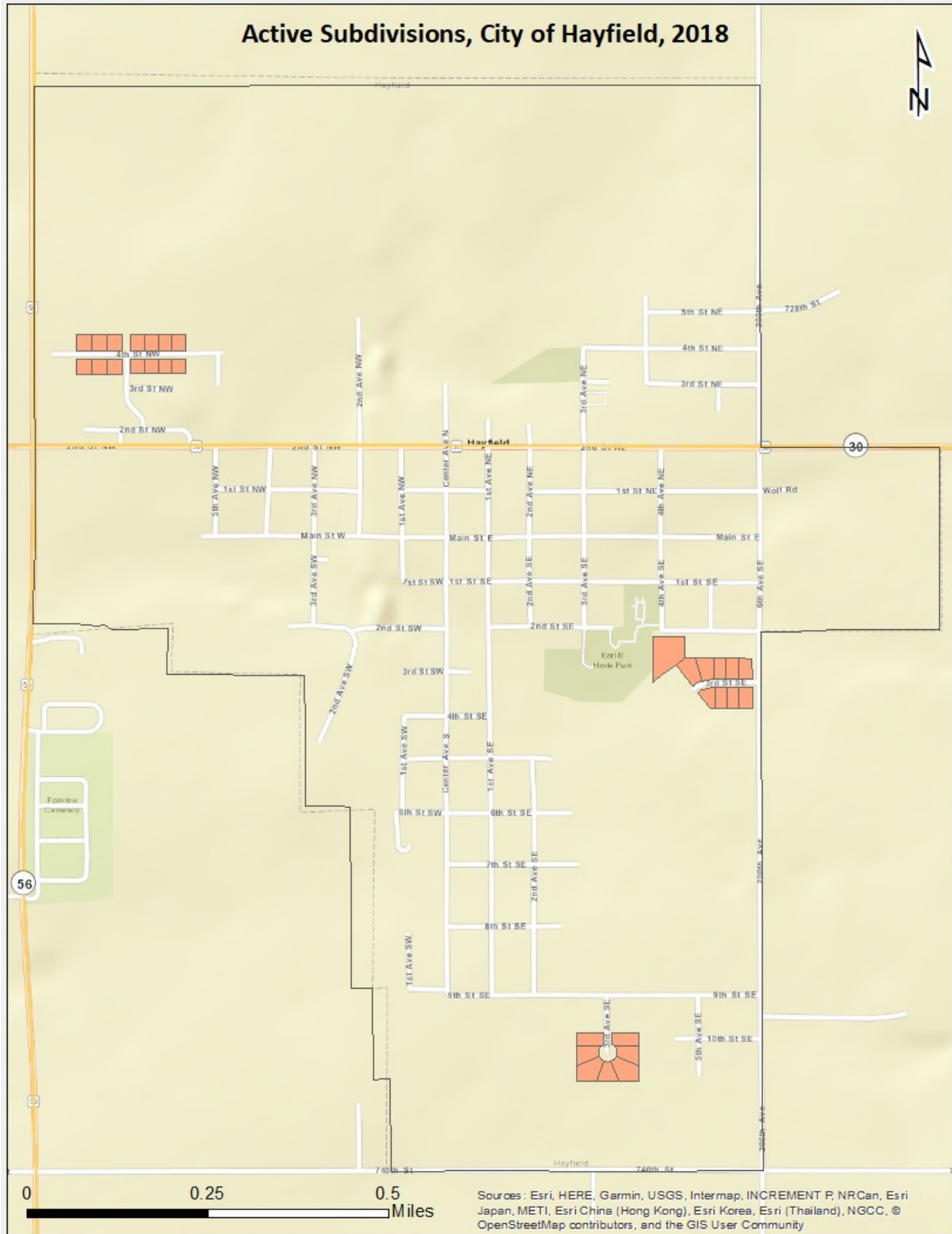
Location of Newer Subdivisions in Dodge County

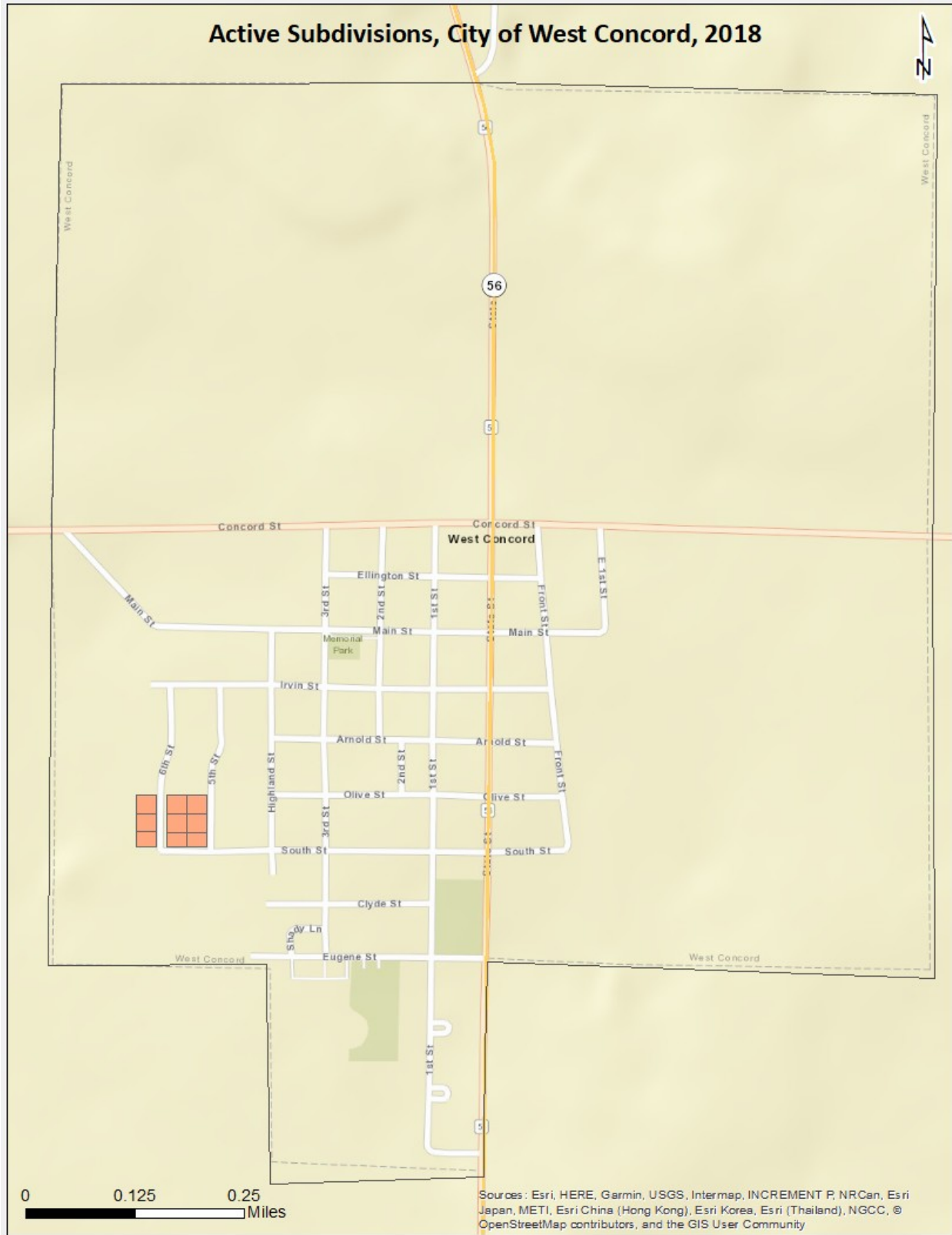
The following maps present the location of newer subdivisions in Dodge County.

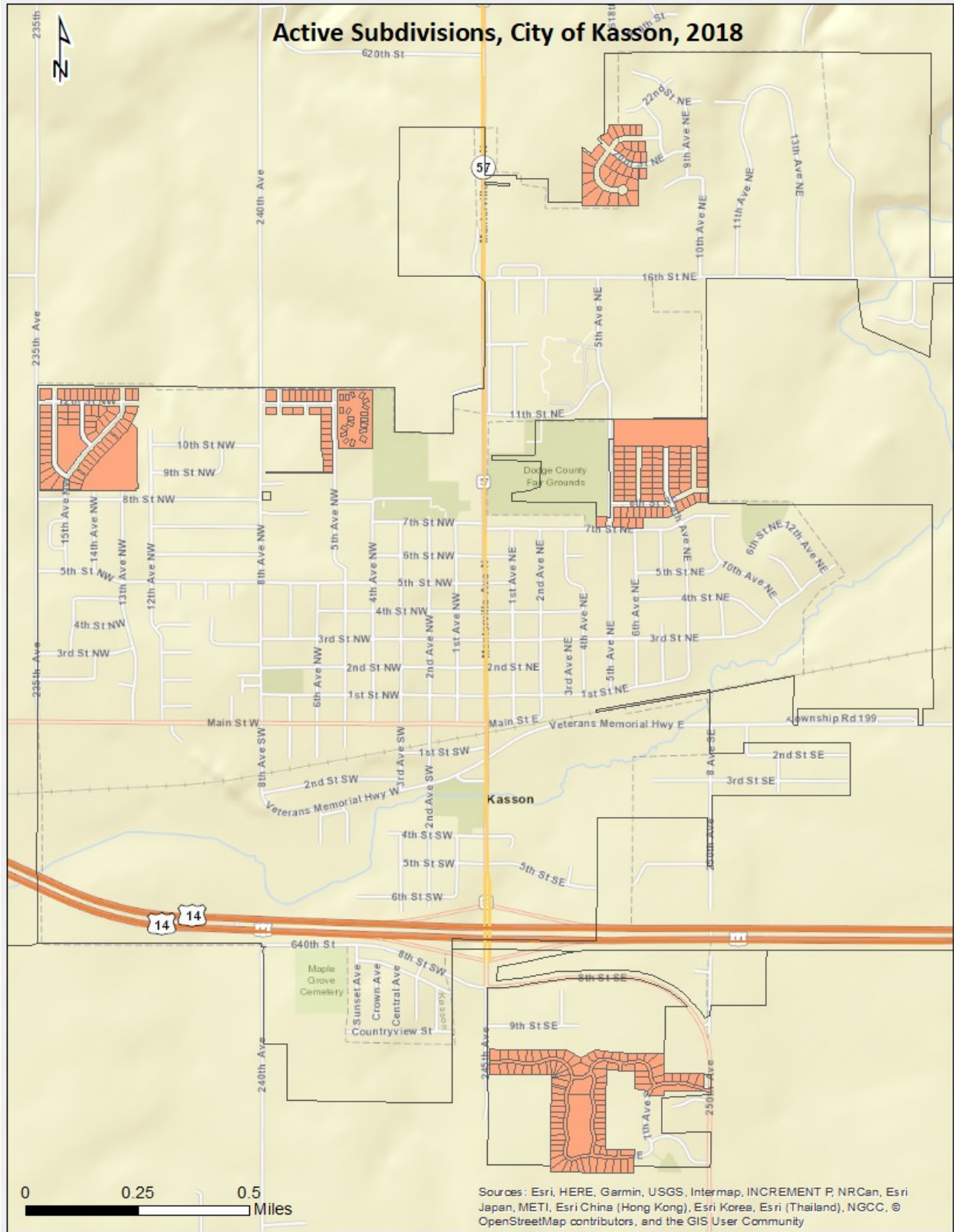












Realtor Interviews

Maxfield Research and Consulting interviewed real estate agents and other professionals familiar with Dodge County's owner-occupied market to solicit their impressions of the for-sale housing market throughout the county. Key points are summarized by topic as follows.

- Homes priced accordingly are selling very quickly throughout Dodge County. Although the market has slowed, and some homes are beginning to offer price cuts.
- Homes have continued to rise in price in recent years. Homes priced between \$100,000 and \$250,000 have increased an average of \$20,000 to \$30,000 over the last few years.
- Proximity to Rochester plays a significant role in home buying trends in Dodge County. Kasson and Mantorville have a stronger market, compared to other Dodge County cities, due to their proximity to Rochester. The closeness to Rochester is also starting to push housing prices up, particularly in Kasson.
- Dodge County Realtors work with a large number first time home buyers.
- First time home buyers with a budget of \$100,000 or less are more likely to look for homes in Dodge Center or West Concord because those communities have more entry level homes in that price range.
- With existing homes in the \$200,000 to \$250,000 price range, Realtors expect to see continued interest in building new homes.
- Realtors conveyed a need for the construction of more move-up level homes to create greater turnover among entry-level homes.
- Buyers are interested in patio homes or townhomes priced in an affordable range, typically under \$200,000. Although there is an interest in this style of home at a lower price point (\$150,000), but it's not possible to reach this price point with new construction costs.
- Buyers prefer move-in ready homes and will pay a higher price for homes that are move-in ready. However, there are few of these homes available as supply is low.
- Buyers are looking from the three-bedroom, two-bathroom, two car garage home.
- Many buyers from Rochester, and some from Owatonna are buying homes in Dodge County because prices are more affordable.
- Dodge County housing costs are generally defined as follows:
 - Entry-level: less than \$125,000
 - Move-up: \$125,000 to \$200,000
 - Executive: \$250k+

- Lot sizes generally range from .19 to .22 acres and cost between \$42,000 and \$65,000.
- Farm land in Dodge County sells for approximately \$7,700 gross an acre.
- There's an increasing interest in rural developments on larger (one acre) lots.

Developer Interviews

- Buyers are seeking rural lot subdivisions and attached townhomes, which are in short supply.
- First time home buyers also constitute a significant segment of buyers for new construction homes.
- The low supply of homes on the resale market keeps demand for new homes high.
- Many new construction homes are split-level designs due to the lower construction cost of this style home.
- Hardwood or LVP/LVT flooring, granite countertops and a large garage space are the features buyers frequently request in new homes. However, with increasing housing costs, buyers are trying to make simple feature choices.
- At this time, flat lots are a popular choice among baby boomers who do not want to live in townhome or within an association-maintained subdivision. Boomers can build a slab on grade home in a single-family subdivision.
- Lots range from \$27,500 to \$47,000 in existing subdivisions, newer subdivisions have lots prices as high as \$55,000 to \$63,000.
- The average price per square foot for new construction is approximately \$200 to \$225. However, lots prices, along with the individual choices of the buyer for items such as flooring and finishes can cause the price per square foot to vary significantly.
- Material and labor costs have been rising. In addition, building codes and permit fees are contributing to rising costs for homes. Further, processing time for permits and approvals slow down the construction process.
- Dodge County new construction housing costs are generally defined as follows:
 - Entry-level: less than \$200,000 to \$260,000
 - Move-up: \$260,000 to 400,000
 - Executive: \$400+

Planned and Proposed Housing Projects

Maxfield Research interviewed planning staff members in communities in Dodge County in order to identify housing developments under construction, planned, or pending. At the time of this study, there was one pending for-sale projects in progress and two development proposals being discussed.

- Stagecoach Trails is a twelve-lot single family subdivision in Mantorville that received preliminary plat approval in October 2018.
- Greystone Place Townhomes in Dodge Center has an additional 12 units under constructions. The units are expected to be finished in 2019.
- There is interest in developing a 20-lot rural subdivision in Dodge County, west of Mantorville. The project received zoning approval from Dodge County, but the County has not yet received a general development plan. Due to the preliminary nature of this project, these lots are not included in our demand calculations.
- There is also interest in a new subdivision development in Northwest Kasson that will have 15 twinhomes, and some additional single-family homes. There have been some initial discussions with the City of Kasson, but the City has received no formal plans. Since there have been no formal plans submitted to the City, these lots are not included in our demand calculations.

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: Dodge County 4-person AMI = \$90,500 (2018)	

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 may be 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.

Based on the review of Dodge County's housing stock and the inventory of rental properties; we find a substantial portion of the housing stock would be classified as naturally-occurring 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 Dodge 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
DODGE COUNTY- 2018**

	Income Limits by Household Size							
	1 pph	2 pph	3 pph	4 pph	5 pph	6 pph	7 pph	8 pph
30% of median	\$19,020	\$21,720	\$24,450	\$27,150	\$29,340	\$31,500	\$33,690	\$35,850
50% of median	\$31,700	\$36,200	\$40,750	\$45,250	\$48,900	\$52,500	\$56,150	\$59,750
60% of median	\$38,040	\$43,440	\$48,900	\$54,300	\$58,680	\$63,000	\$67,380	\$71,700
80% of median	\$50,720	\$57,920	\$65,200	\$72,400	\$78,240	\$84,000	\$89,840	\$95,600
100% of median	\$63,400	\$72,400	\$81,500	\$90,500	\$97,800	\$105,000	\$112,300	\$119,500
120% of median	\$76,080	\$86,880	\$97,800	\$108,600	\$117,360	\$126,000	\$134,760	\$143,400
	Maximum Gross Rent							
	EFF	1BR	2BR	3BR	4BR			
30% of median	\$475	\$543	\$611	\$678	\$733			
50% of median	\$792	\$905	\$1,018	\$1,131	\$1,222			
60% of median	\$951	\$1,086	\$1,222	\$1,357	\$1,467			
80% of median	\$1,268	\$1,448	\$1,630	\$1,810	\$1,956			
100% of median	\$1,585	\$1,810	\$2,037	\$2,262	\$2,445			
120% of median	\$1,902	\$2,172	\$2,445	\$2,715	\$2,934			
	Fair Market Rent							
	EFF	1BR	2BR	3BR	4BR			
Fair Market Rent	\$567	\$655	\$860	\$1,146	\$1,395			

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

HOUSING AFFORDABILITY

**TABLE HA-2
MAXIMUM RENT BASED ON HOUSEHOLD SIZE AND AREA MEDIAN INCOME
DODGE COUNTY - 2018**

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	\$476	-\$476	\$793	-\$793	\$951	-\$951	\$1,268	-\$1,268	\$1,585	-\$1,585	\$1,902	-\$1,902
1BR	1	2	\$476	-\$543	\$793	-\$905	\$951	-\$1,086	\$1,268	-\$1,448	\$1,585	-\$1,810	\$1,902	-\$2,172
2BR	2	4	\$543	-\$679	\$905	-\$1,131	\$1,086	-\$1,358	\$1,448	-\$1,810	\$1,810	-\$2,263	\$2,172	-\$2,715
3BR	3	6	\$611	-\$788	\$1,019	-\$1,313	\$1,223	-\$1,575	\$1,630	-\$2,100	\$2,038	-\$2,625	\$2,445	-\$3,150
4BR	4	8	\$679	-\$896	\$1,131	-\$1,494	\$1,358	-\$1,793	\$1,810	-\$2,390	\$2,263	-\$2,988	\$2,715	-\$3,585

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: 4-person Dodge County AMI is \$90,500 (2018)

Sources: HUD, Novogradac, Maxfield Research and Consulting, LLC

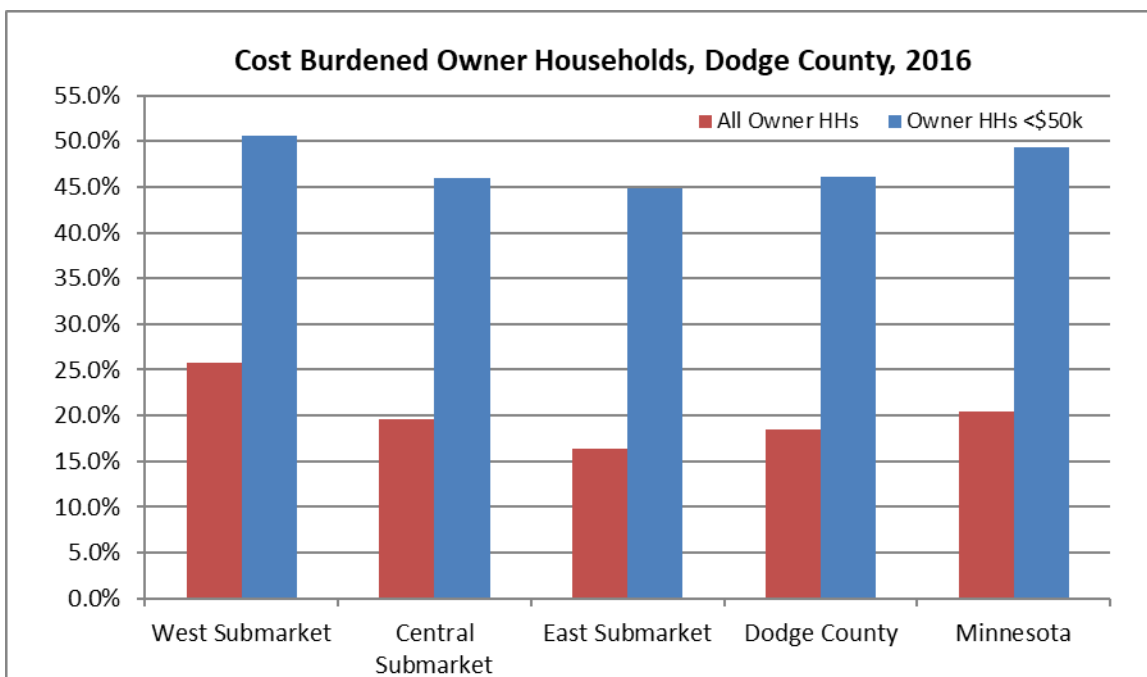
Housing Cost Burden

Table HA-3 shows the number and percentage of owner and renter households in Minnesota, Dodge County, and the submarkets in Dodge County that pay 30% or more of their gross income for housing. This information was compiled from the American Community Survey 2016 estimates. This information is different than the 2000 Census which separated households that paid 35% or more in housing costs. As such, the information presented in the tables may be overstated in terms of households that may be “cost burdened.” The Federal standard for affordability is 30% of income for housing costs. Without a separate break out for households that pay 35% or more, there are likely a number of households that elect to pay slightly more than 30% of their gross income to select the housing that they choose. Moderately cost-burdened is defined as households paying between 30% and 50% of their income to housing; while severely cost-burdened is defined as households paying more than 50% of their income for housing.

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

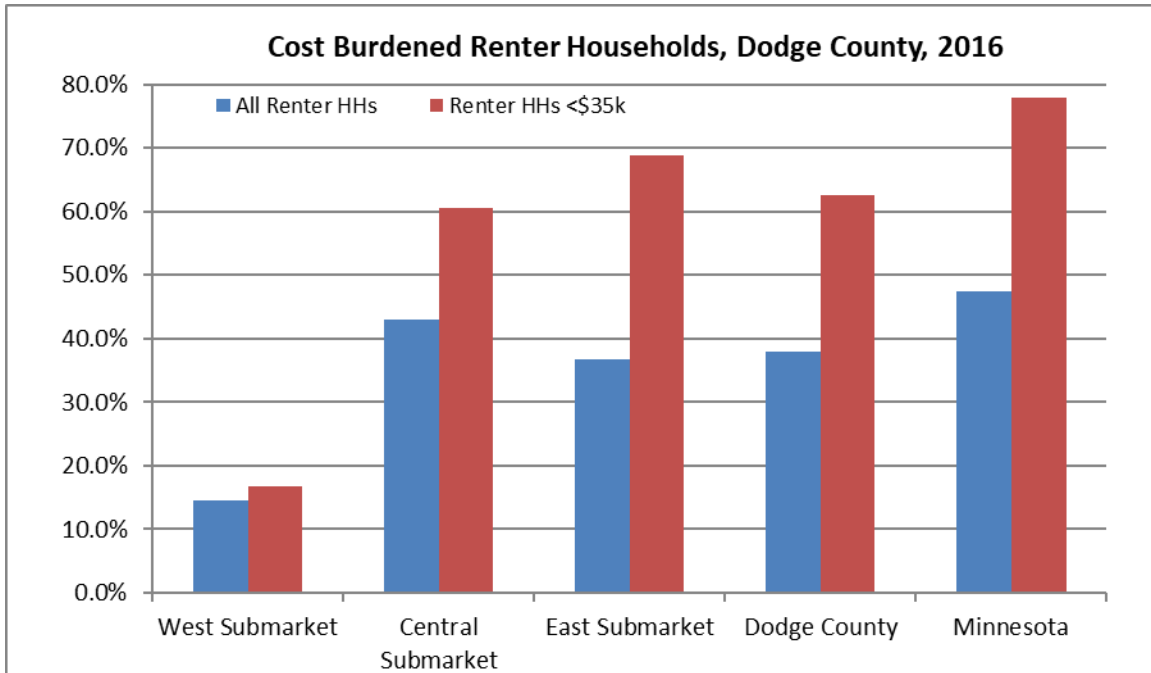
Key findings from Table HA-3 follow.

- In Dodge County, 18.4% of owner households and 37.8% of renter households are considered cost burdened. The West submarket recorded the highest proportion of cost burdened owner households, 25.8% and the Central submarket recorded the highest proportion of cost burdened renter households, 43.0%.



HOUSING AFFORDABILITY

- Among owner households earning less than \$50,000, 46.1% were cost burdened in Dodge County. The West submarket reported the highest proportion of cost burdened owner households with incomes under \$50,000, with just over half of owner households earning less than \$50,000 considered cost burdened.
- Among Dodge County renter households earning less than \$35,000, 62.7% were cost burdened. The proportion in the East submarket was the highest in the County, with 68.8% of renter households earning less than \$35,000 considered cost burdened.



HOUSING AFFORDABILITY

**TABLE HA-3
HOUSING COST BURDEN
DODGE COUNTY SUBMARKETS
2016**

	West Submarket		Central Submarket		East Submarket		Dodge County		Minnesota	
Community	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Owner Households										
All Owner Households	659		2,110		3,530		6,299		1,525,611	
Cost Burden 30% or greater	169	25.8%	410	19.5%	574	16.4%	1,153	18.4%	310,897	20.5%
Owner Households w/ incomes <\$50,000	257		692		812		1,761		436,374	
Cost Burden 30% or greater	128	50.6%	313	46.0%	354	44.8%	795	46.1%	211,957	49.4%
Renter Households										
All Renter Households	111		566		607		1,284		609,699	
Cost Burden 30% or greater	12	14.5%	212	43.0%	198	36.7%	422	37.8%	272,275	47.4%
Renter Households w/ incomes <\$35,000	33		319		315		667		309,063	
Cost Burden 30% or greater	4	16.7%	175	60.6%	192	68.8%	371	62.7%	223,669	77.9%
Median Contract Rent ¹	\$459		\$536		\$552		\$537		\$785	
¹ Median Contract Rent 2016 Note: Calculations exclude households not computed.										
Sources: American Community Survey 2016 estimates; Maxfield Research and Consulting LLC										

Housing Vouchers

In addition to subsidized apartments, “tenant-based” subsidies like *Housing Choice Vouchers*, can help lower income households afford market-rate rental housing. The tenant-based subsidy is funded by the Department of Housing and Urban Development (HUD), and is managed by the Southeast Minnesota Multi-County Housing and Redevelopment Authority. Under the Housing Choice Voucher program (also referred to as Section 8) qualified households are issued a voucher that the household can take to an apartment that has rent levels with Payment Standards. The household then pays approximately 30% of their adjusted gross income for rent and utilities, and the Federal government pays the remainder of the rent to the landlord. The maximum income limit to be eligible for a Housing Choice Voucher is 50% AMI based on household size, as shown in Table HA-1. The following are key points about the Housing Choice Voucher Program in Dodge County.

- The Southeast Minnesota Multi-County Housing and Redevelopment Authority has 387 vouchers dispersed among six Southeast Minnesota counties, including Wabasha, Goodhue (excluding the City of Red Wing), Houston, Dodge, Fillmore and Winona (excluding the City of Winona).
- Of the 387 vouchers administered by the Southeast Minnesota Multi-County Housing and Redevelopment Authority, 65 are located in Dodge County.
- Throughout much of 2018, vouchers were issued monthly, keeping the waiting list minimal. As of December 2018, there is no funding for vouchers remaining. As a result, the waiting list could extend up to six months.
- Families issued vouchers in Dodge County typically look for housing in the cities, including Claremont, Kasson, Mantorville, Hayfield and Dodge Center.

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 Dodge County. The table estimates the percentage of Dodge County householders that can afford rental and for-sale housing based on a 30% allocation of income to housing. Housing costs are based on the Dodge County average.

The housing affordability calculations assume the following:

For-Sale Housing

- 10% down payment with good credit score
- Closing costs rolled into mortgage
- 30-year mortgage at 4.74% 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 2016 ACS

Rental Housing

- Background check on tenant to ensure credit history
- 30% allocation of income
- Renter household income per 2016 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.

- The median income of all Dodge County households in 2018 was about \$73,733. However, the median income varies by tenure. According to the 2016 American Community Survey, the median income of a homeowner is \$77,170 compared to \$32,768 for renters.
- Approximately 77.7% of all households and 81.0% of owner households could afford to purchase an entry-level home in Dodge County (\$150,000). When adjusting for move-up buyers (\$225,000) about 62.1% of all households and 66.0% of owner households would income qualify.
- About 68.4% of existing renter households can afford to rent a one-bedroom unit in Dodge County (\$570/month). The percentage of renter income-qualified households decreases to 56.6% that can afford an existing three-bedroom unit (\$750/month).
- After adjusting for new construction rental housing, the percentage of renters that are income-qualified decreases significantly. About 47.1% of renters can afford a new market rate one-bedroom unit while 35.3% can afford a new three-bedroom unit.

HOUSING AFFORDABILITY

TABLE HA-4 DODGE COUNTY MARKET AREA HOUSING AFFORDABILITY - BASED ON HOUSEHOLD INCOME						
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	\$150,000	\$225,000	\$300,000	\$150,000	\$200,000	N/A
Pct. Down Payment	10.0%	10.0%	10.0%	10.0%	10.0%	N/A
Total Down Payment Amt.	\$15,000	\$22,500	\$30,000	\$15,000	\$20,000	N/A
Estimated Closing Costs (rolled into mortgage)	\$4,500	\$6,750	\$9,000	\$4,500	\$6,000	N/A
Cost of Loan	\$139,500	\$209,250	\$279,000	\$139,500	\$186,000	N/A
Interest Rate	4.740%	4.740%	4.740%	4.740%	4.740%	N/A
Number of Pmts.	360	360	360	360	360	N/A
Monthly Payment (P & I)	-\$727	-\$1,090	-\$1,454	-\$727	-\$969	N/A
(plus) Prop. Tax	-\$125	-\$188	-\$250	-\$125	-\$167	N/A
(plus) HO Insurance/Assoc. Fee for TH	-\$50	-\$75	-\$100	-\$100	-\$99	N/A
(plus) PMI/MIP (less than 20%)	-\$60	-\$91	-\$121	-\$60	-\$81	N/A
Subtotal monthly costs	-\$962	-\$1,443	-\$1,925	-\$1,012	-\$1,315	N/A
Housing Costs as % of Income	30%	30%	30%	30%	30%	N/A
Minimum Income Required	\$38,492	\$57,738	\$76,985	\$40,492	\$52,616	N/A
Pct. of ALL Dodge County HHDS who can afford¹	77.7%	62.1%	46.6%	76.1%	66.3%	N/A
No. of Dodge County HHDS who can afford¹	5,891	4,712	3,534	5,769	5,029	N/A
Pct. of Dodge County owner HHDS who can afford²	81.0%	66.0%	51.0%	79.5%	70.0%	N/A
No. of Dodge County owner HHDS who can afford²	5,104	4,160	3,214	5,006	4,410	N/A
No. of Dodge County owner HHDS who cannot afford²	1,195	2,139	3,085	1,293	1,889	N/A
Rental (Market Rate)						
	Existing Rental			New Rental		
	1BR	2BR	3BR	1BR	2BR	3BR
Monthly Rent	\$570	\$660	\$750	\$900	\$1,100	\$1,200
Annual Rent	\$6,840	\$7,920	\$9,000	\$10,800	\$13,200	\$14,400
Housing Costs as % of Income	30%	30%	30%	30%	30%	30%
Minimum Income Required	\$22,800	\$26,400	\$30,000	\$36,000	\$44,000	\$48,000
Pct. of ALL Dodge County HHDS who can afford¹	88.6%	86.2%	83.8%	79.7%	73.3%	70.1%
No. of Dodge County HHDS who can afford¹	6,717	6,540	6,357	6,042	5,556	5,313
Pct. of Dodge County renter HHDS who can afford²	68.4%	62.7%	56.6%	47.1%	39.2%	35.3%
No. of Dodge County renter HHDS who can afford²	878	805	726	604	504	453
No. of Dodge County renter HHDS who cannot afford²	406	479	558	680	780	831

¹ Based on 2016 household income for ALL households

² Based on 2016 ACS household income by tenure (i.e. owner and renter incomes. Owner incomes = \$77,170 vs. renter incomes = \$32,768)

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 Dodge County. This section of the report presents our estimates of housing demand in the County from 2018 through 2025.

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

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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.

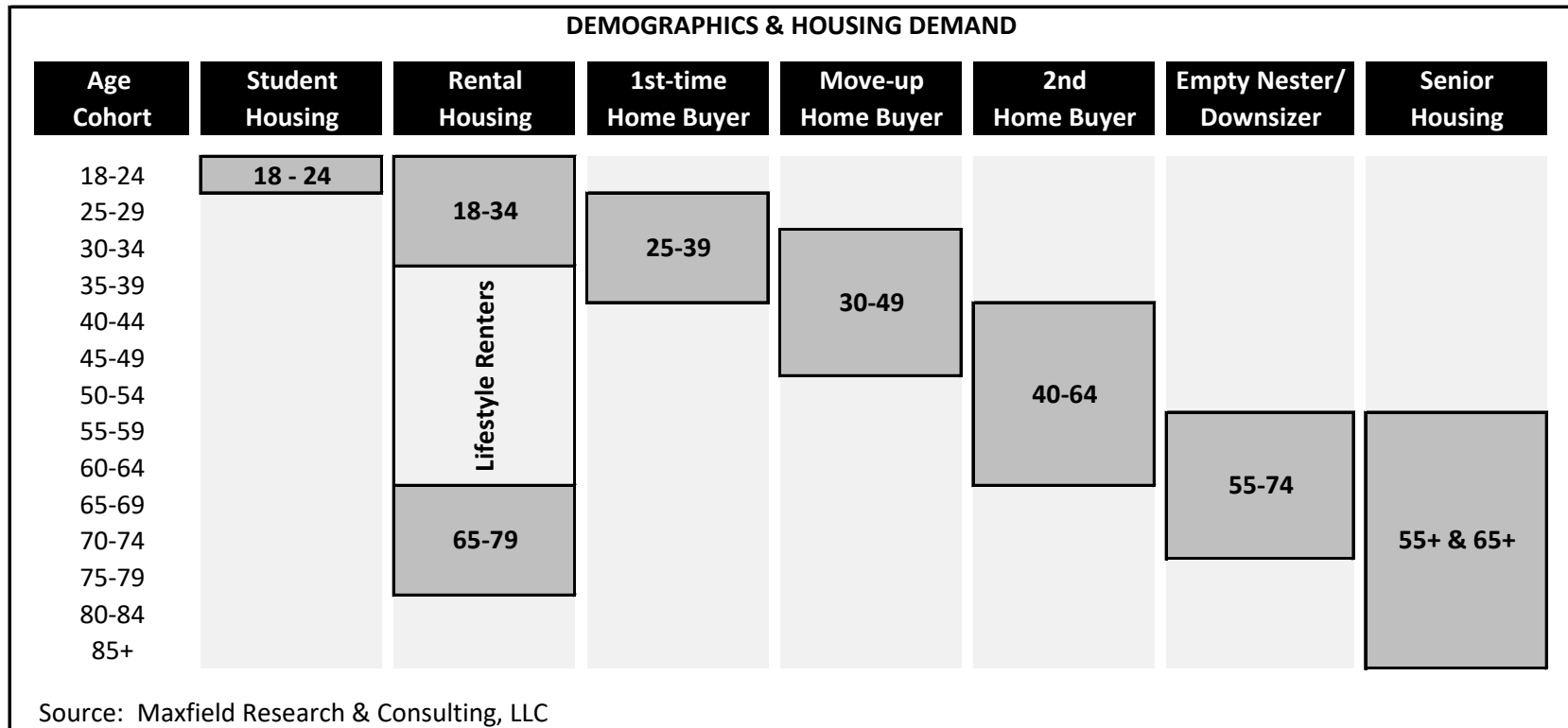
The following graphic provides greater detail of various housing types supported within each housing life cycle. Information on square footage, average bedrooms/bathrooms, and lot size is provided on the subsequent graphic.

Housing Demand Overview

The previous sections of this assessment focused on demographic and economic factors driving demand for housing in Dodge County. In this section, we utilize findings from the economic and demographic analysis to calculate demand for new general occupancy housing units in the County. In addition, we present housing demand for each submarket in the County.

Housing markets are driven by a range of supply and demand factors that vary by location and submarket. The following bullet 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 & 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. Historically low unemployment rates have driven both existing home purchases and new-home

HOUSING DEMAND ANALYSIS

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.

The ability of buyers to obtain mortgage financing has recently become slightly easier as lenders have eased restrictions that had been in place after the Great Recession. As a result, many borrowers are taking the opportunity to seek for-sale housing within their means or home refinancing their current residence.

Mobility

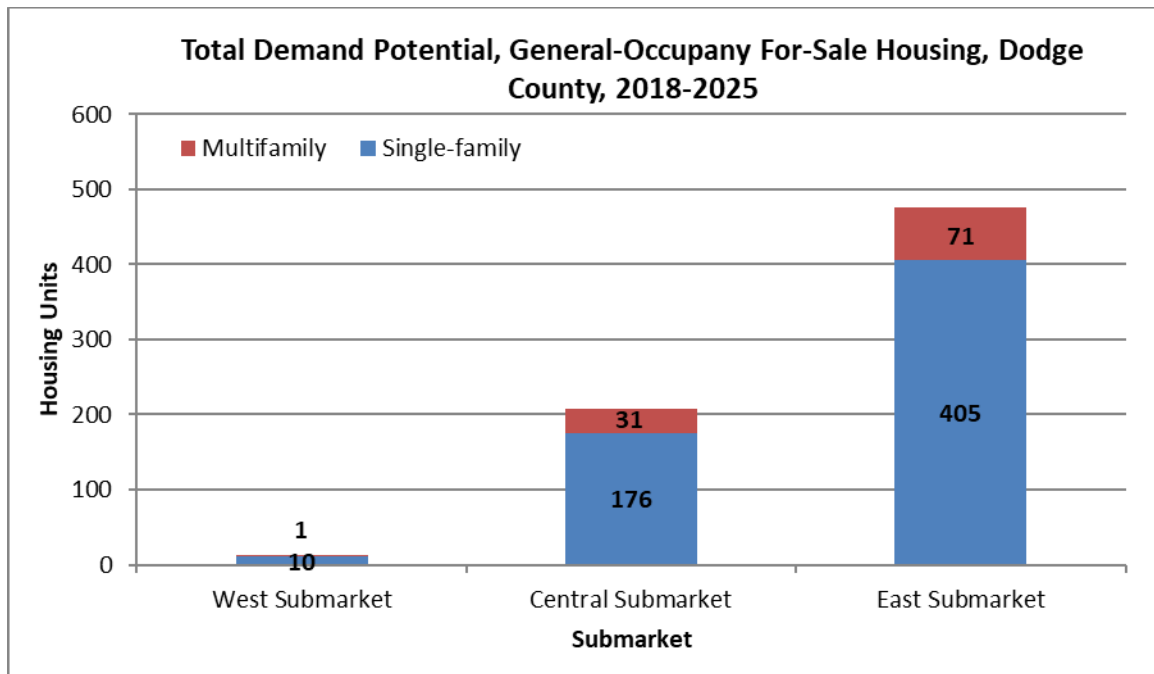
It is important to note that demand is somewhat fluid between submarkets and will be impacted by development activity in nearby areas, including other communities outside Dodge County. Demand given for each submarket may be lower or higher if proposed and/or planned developments move forward.

For-Sale Housing Market Demand Analysis

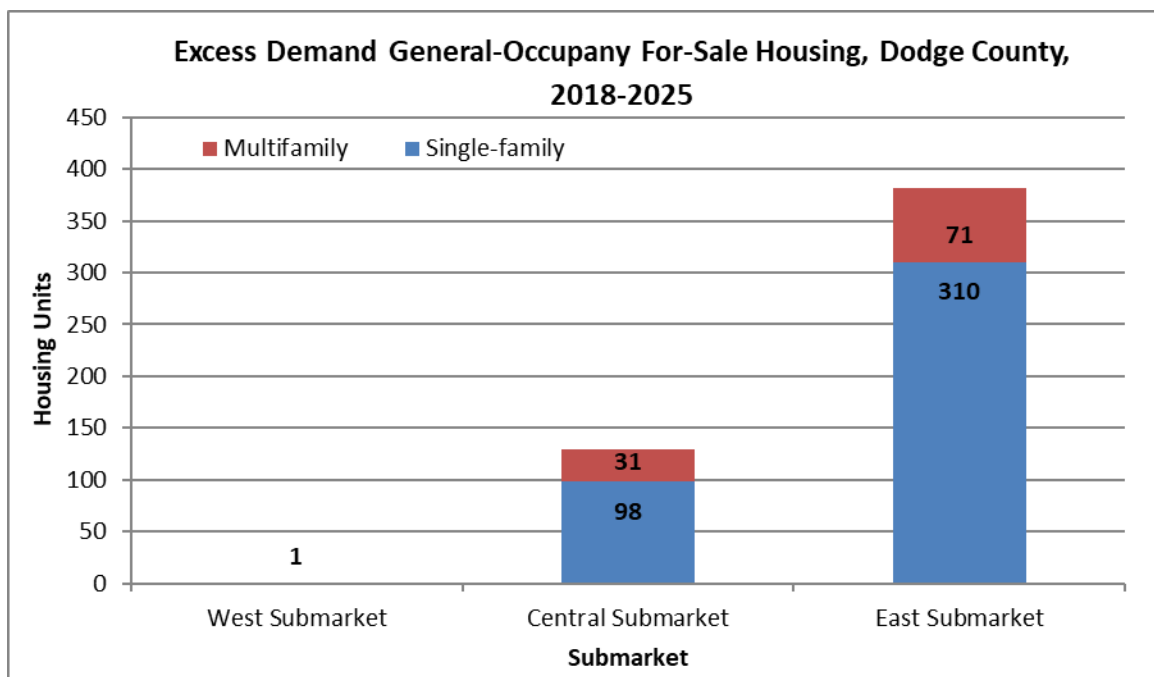
Table HD-1 presents our demand calculations for general occupancy for-sale housing in Dodge County between 2018 and 2025. This analysis identifies potential demand for general occupancy for-sale housing that is generated from both new households and turnover households. The following points summarize our findings.

- Because the 65 and older cohort is typically not a target market for new general occupancy for-sale housing, we limit demand from household growth to only those households under the age of 65. According to our projections, an increase of 491 households under age 65 is expected in Dodge County between 2018 and 2025.
- Using household tenure data from the US Census, we estimate the proportion of new households under 65 to desire owner occupied housing. In 2016, the propensity to own ranged from 78.3% of households in the Central submarket to 85.1% of households in the East submarket. Based on new household growth, and the likelihood these new households will desire owner occupied housing, we estimate a demand for 406 owner housing units in Dodge County through 2025 from new household growth.
- Next, we consider the proportion of existing households desiring new homes. There are approximately 4,918 owner households under the age of 65 in the County, and we estimate between 20.9% and 30.4% of those households will experience turnover between 2018 and 2025. As a result, we estimate approximately 1,377 existing households will turnover by 2025.
- Among the existing households likely to experience turnover through 2025, we estimate that 10% of the households will desire new housing. This estimate results in demand from existing households for 138 new residential units in the County between 2018 and 2025.
- Total demand from household growth and existing household turnover between 2018 and 2025 equates to 544 new for-sale housing units.
- Next, we estimate that a portion of the total demand for new for-sale units in Dodge County will come from people currently living outside of the three submarkets. Adding demand from outside Dodge County to the existing demand potential, results in a total estimated demand for 695 for-sale housing units by 2025.
- Based on land available, building trends, the existing housing stock, and demographic shifts, we project 85% of the for-sale owners in Dodge County will prefer traditional single-family product types while the remaining 15% will prefer a maintenance-free multi-family product (i.e. twin homes, townhomes, or condominiums). This results in demand for 591 single-family units and 104 multifamily units in Dodge County through 2025.

HOUSING DEMAND ANALYSIS



- We then subtract the current identified platted lots that are under construction or approved. There are 179 available single family lots in Dodge County and 12 single family lots which have received preliminary plat approval in the City of Mantorville. After subtracting the current and pending lot supply, we find excess demand through 2025 for 408 single-family lots and 104 multifamily lots/units in Dodge County.



HOUSING DEMAND ANALYSIS

TABLE HD-1 DEMAND FOR ADDITIONAL FOR-SALE HOUSING DODGE COUNTY 2018 to 2025								
	West Submarket		Central Submarket		East Submarket		Dodge County Total	
DEMAND FROM NEW HOUSEHOLD GROWTH								
Household growth under age 65, 2018 to 2025 (times) % propensity to own ¹	0		171		320			491
	82.4%		78.3%		85.1%			
(Equals) Demand from new household growth	0		134		272			406
DEMAND FROM EXISTING HOUSEHOLDS								
Total owner households under age 65, 2016	496		1,629		2,793			4,918
(times) % of owner turnover 2018-2025 ²	20.9%		26.0%		30.4%			
(times) % desiring new owner housing	10.0%		10.0%		10.0%			
(Equals) Demand from existing households	10		42		85			138
TOTAL MARKET DEMAND								
Total demand from new HH growth and turnover	10		176		357			544
(Plus) Demand from outside Submarket	10.0%		15.0%		25.0%			
(Equals) Total demand potential for ownership housing	12		207		477			695
Proportion Single-family vs. Multifamily	90%	10%	85%	15%	85%	15%	85%	15%
No. of Single-family vs. Multifamily Units	10	1	176	31	405	71	591	104
(minus) Units marketing or approved platted lots (undeveloped and developed lots)	18	0	78	0	95	0	191	0
(Equals) Excess demand for new general occupancy for-sale housing	0	1	98	31	310	71	408	104
¹ Based on percent owner households under age 65 in 2016								
² Based on household turnover and mobility data (2016 American Community Survey, Five Year Estimates)								
³ Includes twinhomes, townhomes, detached townhomes, condos, etc.								
Source: Maxfield Research and Consulting LLC								

Rental Housing Demand Analysis

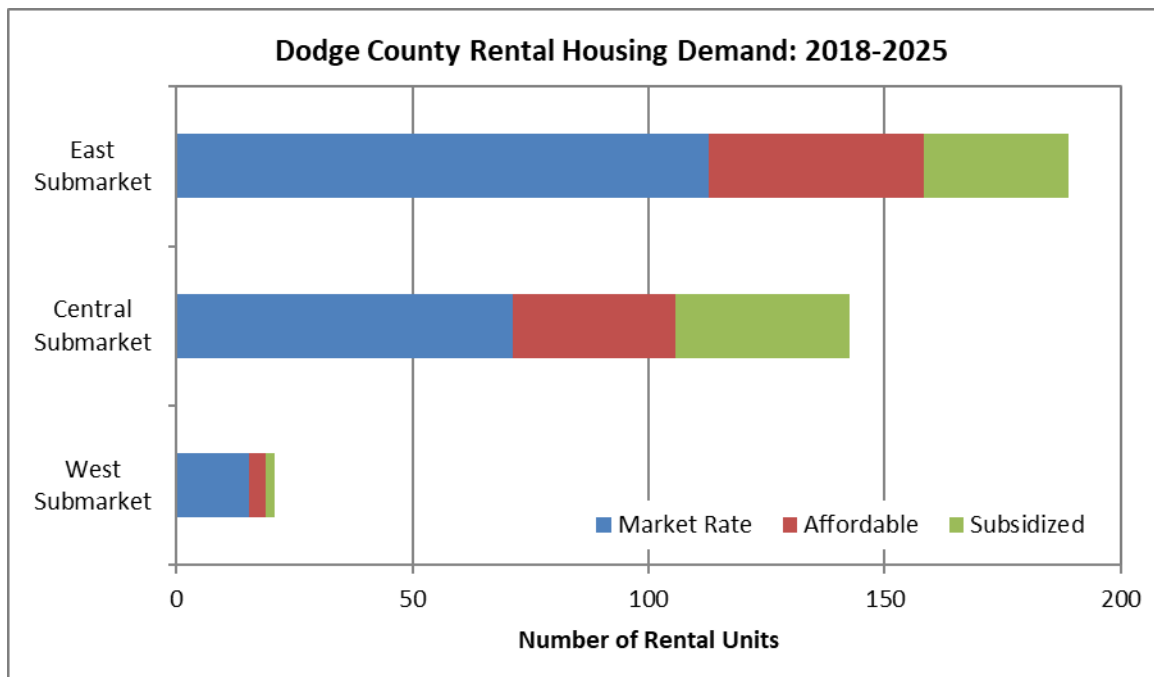
Table HD-2 presents our calculation of market rate general-occupancy rental housing demand for Dodge County. This analysis identifies potential demand for rental housing that is generated from both new households and turnover households.

- According to our projections, Dodge County is expected to increase by 491 non-senior households between 2018 and 2025. Because the 65 and older cohort is typically not a target market for new general-occupancy market rate rental housing, we limit demand from household growth to only those households under the age of 65.
- We identify the percentage of households that are likely to rent their housing based on 2016 tenure data. The propensity to rent ranges from 17.9% to 21.7% based on the submarket. After adjusting household growth to show growth among renter households, we estimate there will be an additional 85 renter households by 2025.
- Next, we calculate demand from existing households under the age of 65 in Dodge County that could be expected to turnover between 2018 and 2025. As of 2018, there are 1,046 renter households under the age of 65 in the County. Based on household turnover data from the 2016 American Community Survey, we estimate that between 70.3% and 83.1% of these under-65 renter households will experience turnover between 2018 and 2025 (turnover rate varies by submarket). This results in anticipated turnover of approximately 826 existing households by 2025.
- We then estimate the percent of existing renter households turning over that would prefer to rent in a new rental development. Considering the age of the County's housing stock, we estimate that 25% of the households turning over in Dodge County will desire new rental housing. As a result, we forecast demand from existing renter households for 207 new residential rental units between 2018 and 2025.
- Combining demand from household growth and turnover results in total demand from 291 rental units in Dodge County from 2018 to 2025.
- Like for-sale housing, we estimate that 10% to 25% of the total demand for new rental housing units in Dodge County will come from people currently living outside of one of the three submarkets. As a result, we find demand for 352 renter households based on household growth, existing households and demand from outside the County between 2018 and 2025.
- We then subtract from our demand new units under construction at 95% occupancy. There are 12 units under construction in Dodge Center at the Greystone Place Townhomes. As a result, we reduce the total demand potential in the Central Submarket by 11 units.
- Based on a review of renter household incomes and sizes and monthly rents at existing properties, we estimate that 57% of the total demand in Dodge County will be for market

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rate housing, resulting in demand for 199 units. An additional 84 units will be needed to meet expected demand for affordable rental units and we project demand for an additional 69 subsidized units in Dodge County through 2025.

- We estimate that 17% to 24% of the total demand in Dodge County will be for affordable housing and 9% to 26% will be for subsidized housing. The percentage breakdown varies by submarket.
- Of the 352 new rental units expected to be needed in the County, only 21 are forecast to be need in the West submarket.



HOUSING DEMAND ANALYSIS

TABLE HD-2 DEMAND FOR ADDITIONAL RENTAL HOUSING DODGE COUNTY 2018 to 2025				
	West Submarket	Central Submarket	East Submarket	Dodge County
DEMAND FROM NEW HOUSEHOLD GROWTH				
Household growth under age 65, 2018 to 2025	0	171	320	491
(times) % propensity to rent ¹	17.6%	21.7%	14.9%	
(Equals) Number of potential renter HHs from new HH growth	0	37	48	85
DEMAND FROM EXISTING HOUSEHOLDS				
Total renter households under age 65, 2016	106	452	488	1,046
(times) % of renter turnover 2018-2025 ²	70.3%	83.1%	77.1%	
(times) % desiring new rental housing	25.0%	25.0%	25.0%	
(Equals) Demand from existing households	19	94	94	207
TOTAL MARKET DEMAND				
Total demand from new HH growth and turnover	19	131	142	291
(Plus) Demand from outside Submarket	10.0%	15.0%	25.0%	
(Equals) Total demand potential for rental housing	21	154	189	
(minus) Pending Units ³	0	11	0	
(Equals) Total Rental Housing Demand	21	143	189	352
Percent Market Rate ⁴	74%	50%	60%	57%
Number	15	71	113	199
Percent Affordable ⁴	17%	24%	24%	24%
Number	4	34	46	84
Percent Subsidized ⁴	9%	26%	16%	20%
Number	2	37	30	69
¹ Based on percent renter households under age 65 in 2016				
² Based on household turnover and mobility data (2016 American Community Survey, Five Year Estimates)				
³ Pending units are subtracted at 95% Occupancy				
⁴ Based on the pricing of current rental product and household incomes of area renters (i.e. excludes owner incomes)				
Source: Maxfield Research and Consulting, LLC				

Senior Housing Demand Analysis

Tables HD-3 and HD-7 shows demand calculations for senior housing in Dodge County by sub-market from 2016 to 2025. Demand methodology employed by Maxfield Research utilizes capture and penetration rates that blend national senior housing trends with local market characteristics, preferences and patterns. Our demand calculations consider the following target market segments for each product types:

Market Rate Active Adult Rental and Ownership Housing: Target market based includes age 55+ older adult and senior households with incomes of \$35,000 or more and senior homeowners with incomes between \$25,000 and \$34,999.

Affordable/Subsidized Independent Housing: Target market based includes age 55+ older adult and senior households with incomes of \$35,000 or less.

Congregate Housing: Target market base includes age 65+ seniors who would be financially able to pay for housing and service costs associated with congregate housing. Income-ranges considered capable of paying for congregate housing are the same as for active adult housing.

Assisted Living Housing: Target market base includes older seniors (age 75+) who would be financially able to pay for private pay assisted living housing (incomes of \$40,000 or more and some homeowners with incomes below \$40,000).

Memory Care Housing: Target market base includes age 65+ seniors who would be financially able to pay for housing and service costs associated with memory care housing. Income ranges considered capable of paying for memory care housing (\$60,000 or more) are higher than other service levels due to the increased cost of care.

Existing senior housing units are subtracted from overall demand for each product type.

HOUSING DEMAND ANALYSIS

TABLE HD-3 DEMAND FOR MARKET RATE ACTIVE ADULT HOUSING DODGE COUNTY 2018 to 2025				
	West Submarket	Central Submarket	East Submarket	Dodge County
2018				
Households age 55-64	141	539	801	1,482
(times) % income qualified ¹	83.0%	79.0%	85.6%	
(times) HO factor \$25k-\$35k	4.9%	5.5%	4.5%	
(plus) Homeowners w/incomes \$25k-35k ²	7	30	36	
(times) potential capture rate	0.5%	0.5%	0.5%	
(equals) demand potential	1	2	4	
Households age 65-74	78	368	466	912
(times) % income qualified ¹	73.5%	62.7%	79.6%	
(times) HO factor \$25k-\$35k	7.4%	9.2%	7.2%	
(plus) Homeowners w/incomes \$25k-35k ²	6	34	34	
(times) potential capture rate	5.5%	5.5%	5.5%	
(equals) demand potential	3	15	22	
Households age 75+	73	301	410	784
(times) % income qualified ¹	49.4%	41.2%	52.4%	
(times) HO factor \$25k-\$35k	17.4%	10.6%	12.1%	
(plus) Homeowners w/incomes \$25k-35k ²	13	32	49	
(times) potential capture rate	16.5%	16.5%	16.5%	
(equals) demand potential	8	26	44	
(Equals) Demand potential from Dodge Cty.	12	43	70	124
(plus) Demand from Outside Dodge Cty./Submarket)	10%	10%	10%	
(Equals) total Demand Potential	13	47	77	
Percent Owner-Occupied	30%	30%	30%	
Number	4	14	23	41
(minus) Existing and Pending Units ³	0	0	0	0
(equals) Total Owner-Occupied Demand	4	14	23	41
Percent Renter-Occupied	70%	70%	70%	
Number	9	33	54	97
(minus) Existing and Pending Units ³	0	11	0	11
(equals) Total Renter-Occupied Demand	9	22	54	85
CONTINUED				

HOUSING DEMAND ANALYSIS

TABLE HD-3 CONT. DEMAND FOR MARKET RATE ACTIVE ADULT HOUSING DODGE COUNTY 2018 to 2025				
	West Submarket	Central Submarket	East Submarket	Dodge County
2025				
Households age 55-64	139	583	875	1,597
(times) % income qualified ¹	85.9%	79.8%	87.6%	
(times) HO factor \$30k-\$40k	5.2%	5.9%	3.6%	
(plus) Homeowners w/incomes \$30k-40k ²	7	34	32	
(times) potential capture rate	0.5%	0.5%	0.5%	
(equals) demand potential	1	2	4	
Households age 65-74	77	398	509	984
(times) % income qualified ¹	76.1%	62.5%	80.5%	
(times) HO factor \$30k-\$40k	5.9%	9.4%	6.6%	
(plus) Homeowners w/incomes \$30k-40k ²	4	38	34	
(times) potential capture rate	5.5%	5.5%	5.5%	
(equals) demand potential	3	16	24	
Households age 75+	72	325	447	844
(times) % income qualified ¹	48.1%	41.3%	52.7%	
(times) HO factor \$30k-\$40k	13.3%	9.1%	9.6%	
(plus) Homeowners w/incomes \$30k-40k ²	10	30	43	
(times) potential capture rate	16.5%	16.5%	16.5%	
(equals) demand potential	7	27	46	
(Equals) Demand potential from Dodge Cty.	11	45	74	131
(plus) Demand from Outside Dodge Cty./Submarket)	10%	10%	10%	
(Equals) total Demand Potential	13	50	83	
Percent Owner-Occupied	30%	30%	30%	
Number	4	15	25	44
(minus) Existing and Pending Units ³	0	0	0	0
(equals) Total Owner-Occupied Demand	4	15	25	44
Percent Renter-Occupied	70%	70%	70%	
Number	9	35	58	102
(minus) Existing and Pending Units ³	0	11	0	11
(equals) Total Renter-Occupied Demand	9	24	58	91
¹ Based on households earning \$35,000+ in 2018. 2025 calculations are based on households earning \$40,000+ due to inflation. ² Estimated homeowners with incomes between \$25,000 and \$34,999 in 2018. Incomes between \$30,000 and \$39,999 in 2025. ³ Existing and pending units are deducted at market equilibrium (95% occupancy).				
Source: Maxfield Research and Consulting LLC				

HOUSING DEMAND ANALYSIS

TABLE HD-4 DEMAND FOR SUBSIDIZED/AFFORDABLE SENIOR HOUSING DODGE COUNTY 2018 to 2025				
	West Submarket	Central Submarket	East Submarket	Dodge County
2018				
Households age 55-64	141	539	801	1,482
(times) % income qualified ¹	17.0%	21.0%	14.4%	
(times) potential capture rate	2.0%	2.0%	2.0%	
Households age 65-74	78	368	466	912
(times) % income qualified ¹	27.1%	37.2%	20.4%	
(times) potential capture rate	10.0%	10.0%	10.0%	
Households age 75+	73	301	410	784
(times) % income qualified ¹	50.8%	58.8%	47.6%	
(times) potential capture rate	20.0%	20.0%	20.0%	
(Equals) Demand potential from Dodge County Residents	10	51	51	112
(plus) Demand from Outside Dodge Cty./Submarket)	10%	10%	10%	
(Equals) total Demand Potential	11	57	56	125
Percent Subsidized	34%	52%	40%	
Number	4	30	23	56
(minus) Existing and Pending Units ²	0	23	75	98
(equals) Total Subsidized Demand	4	7	0	11
Percent Affordable ²	66%	48%	60%	
Number	7	27	34	69
(minus) Existing and Pending Units ²	0	0	0	0
(equals) Total Affordable Demand	7	27	34	69
2025				
Households age 55-64	139	583	875	1,597
(times) % income qualified ¹	13.9%	20.2%	12.4%	
(times) potential capture rate	2.0%	2.0%	2.0%	
Households age 65-74	77	398	509	984
(times) % income qualified ¹	24.3%	37.5%	19.5%	
(times) potential capture rate	10.0%	10.0%	10.0%	
Households age 75+	72	325	447	844
(times) % income qualified ¹	51.8%	58.7%	47.3%	
(times) potential capture rate	20.0%	20.0%	20.0%	
(Equals) Demand potential from Dodge County Residents	10	55	54	120
(plus) Demand from Outside Dodge Cty./Submarket)	10%	10%	10%	
(Equals) total Demand Potential	11	62	60	133
Percent Subsidized	34%	52%	40%	
Number	4	32	24	60
(minus) Existing and Pending Units ²	0	23	75	98
(equals) Total Subsidized Demand	0	9	0	9
Percent Affordable ²	66%	48%	60%	
Number	7	30	36	73
(minus) Existing and Pending Units ²	0	0	0	0
(equals) Total Affordable Demand	7	30	36	73
¹ Based on households earning \$35,000 and under in 2018. Households earning \$40,000 and under in 2025.				
² Existing and pending units are deducted at market equilibrium (95% occupancy).				
Source: Maxfield Research and Consulting LLC				

HOUSING DEMAND ANALYSIS

TABLE HD-5 DEMAND FOR CONGREGATE RENTAL HOUSING DODGE COUNTY 2018 TO 2025				
	West Submarket	Central Submarket	East Submarket	Dodge County
2018				
Households age 65-74	78	368	466	912
(times) % income qualified ¹	73.5%	62.7%	79.6%	
(times) HO factor \$30k-\$35k	3.72%	4.6%	3.62%	
(plus) Homeowners w/incomes \$30k-35k ²	3	17	17	
(times) potential capture rate	1.5%	1.5%	1.5%	1.5%
(equals) demand potential	1	4	6	
Households age 75+	73	301	410	784
(times) % income qualified ¹	49.4%	41.2%	52.4%	
(times) HO factor \$30k-\$35k	8.7%	5.3%	6.0%	
(plus) Homeowners w/incomes \$30k-35k ²	6	16	25	
(times) potential capture rate	13.0%	13.0%	13.0%	11.0%
(equals) demand potential	6	18	31	
(Equals) Demand potential	6	22	37	65
(plus) Demand from Outside Dodge Cty./Submarket)	10%	10%	10%	
(Equals) total Demand Potential	7	24	41	
(minus) Existing and Pending Units ³	0	19	0	
(Equals) Total Congregate Demand	7	0	41	48
2025				
Households age 65-74	77	398	509	984
(times) % income qualified ¹	76.1%	62.5%	80.5%	
(times) HO factor \$35k-\$40k	3.3%	5.3%	3.4%	
(plus) Homeowners w/incomes \$35k-40k ²	3	21	17	
(times) potential capture rate	1.5%	1.5%	1.5%	1.5%
(equals) demand potential	1	4	6	
Households age 75+	72	325	447	844
(times) % income qualified ¹	48.1%	41.3%	52.7%	
(times) HO factor \$35k-\$40k	5.9%	4.3%	4.2%	
(plus) Homeowners w/incomes \$35k-40k ²	4	14	19	
(times) potential capture rate	13.0%	13.0%	13.0%	13.0%
(equals) demand potential	5	19	33	
(Equals) Demand potential	6	23	39	69
(plus) Demand from Outside Dodge Cty./Submarket)	10%	10%	10%	
(Equals) total Demand Potential	7	26	44	
(minus) Existing and Pending Units ³	0	19	0	
(Equals) Total Congregate Demand	7	0	44	51
¹ Based on households earning \$35,000+ in 2018. 2025 calculations are based on households earning \$40,000+ due to inflation. ² Estimated homeowners with incomes between \$30,000 and \$34,999 in 2018. Incomes between \$35,000 and \$39,999 in 2025. ³ Existing and pending units are deducted at market equilibrium (95% occupancy).				
Source: Maxfield Research and Consulting LLC				

HOUSING DEMAND ANALYSIS

TABLE HD-6 DEMAND FOR ASSISTED LIVING RENTAL HOUSING DODGE COUNTY 2018 to 2025				
	West Submarket	Central Submarket	East Submarket	Dodge County
2018				
People age 75-79	36	199	305	540
(times) % needing assistance ¹	25.5%	25.5%	25.5%	25.5%
People age 80-84	25	140	226	390
(times) % needing assistance ¹	33.6%	33.6%	33.6%	33.6%
People age 85+	41	213	111	365
(times) % needing assistance ¹	51.6%	51.6%	51.6%	51.6%
(Equals) Number needing assistance	39	208	211	457
(times) Percent Income-Qualified ²	65.7%	54.6%	63.1%	
(times) Percent Living Alone	41.4%	51.8%	42.5%	
(plus) Proportion of demand from couples (12%) ³	1	8	8	17
(equals) Total Age-Income Qualified market needing assistance	12	67	64	
(times) Potential penetration rate ⁴	40.0%	40.0%	40.0%	
(Equals) Demand potential from Dodge Cty. Residents	5	27	26	57
(plus) Demand from Outside Dodge Cty./Submarket)	10%	10%	10%	
(Equals) total Demand Potential	5	30	29	
(minus) Existing and Pending Units ⁵	0	15	30	45
(Equals) Total Assisted Living Demand	5	15	0	20
2025				
People age 75-79	45	220	330	595
(times) % needing assistance ¹	25.5%	25.5%	25.5%	25.5%
People age 80-84	31	154	244	430
(times) % needing assistance ¹	33.6%	33.6%	33.6%	33.6%
People age 85+	47	187	170	404
(times) % needing assistance ¹	51.6%	51.6%	51.6%	51.6%
(Equals) Number needing assistance	46	205	254	505
(times) Percent Income-Qualified ²	64.7%	54.8%	63.6%	
(times) Percent Living Alone	41.4%	51.8%	42.5%	
(plus) Proportion of demand from couples (12%) ³	2	8	9	19
(equals) Total Age-Income Qualified market needing assistance	14	66	78	
(times) Potential penetration rate ⁴	40.0%	40.0%	40.0%	
(Equals) Demand potential from Dodge Cty. Residents	6	26	31	63
(plus) Demand from Outside Dodge Cty./Submarket)	10%	10%	10%	
(Equals) total Demand Potential	6	29	35	
(minus) Existing and Pending Units ⁵	0	15	30	45
(Equals) Total Assisted Living Demand	6	14	5	25
<p>¹ The percentage of seniors unable to perform or having difficulty with ADLs, based on the publication Health, United States, 1999 Health and Aging Chartbook, conducted by the Centers for Disease Control and Prevention and the National Center for Health Statistics.</p> <p>² Includes households with incomes of \$40,000 or more (who could afford monthly rents of \$3,000+ per month) plus 40% of the estimated owner households with incomes below \$40,000 (who will spend down assets, including home-equity, in order to live in assisted living housing).</p> <p>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.</p> <p>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 care facility.</p> <p>⁵ Existing and pending units at 93% occupancy. We exclude 15% of units to be Elderly Waiver.</p>				
Source: Maxfield Research and Consulting LLC				

HOUSING DEMAND ANALYSIS

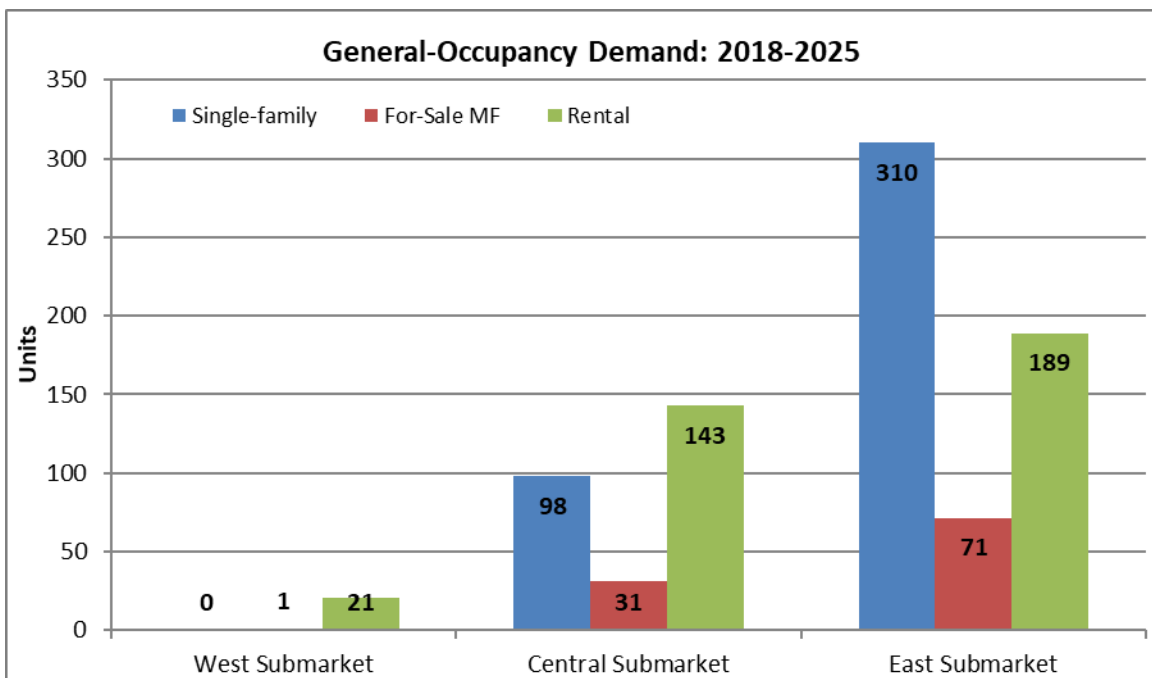
TABLE HD-7 DEMAND FOR MEMORY CARE RENTAL HOUSING DODGE COUNTY 2018 to 2025				
	West Submarket	Central Submarket	East Submarket	Dodge County
2018				
People age 65-74	139	607	0	747
(times) Dementia incident rate ¹	2.0%	2.0%	2.0%	2.0%
People age 75-84	61	339	0	399
(times) Dementia incident rate ¹	19.0%	19.0%	19.0%	19.0%
People age 85+	25	213	0	238
(times) Dementia incident rate ¹	42.0%	42.0%	42.0%	42.0%
(Equals) Total senior population with dementia	25	166	0	191
(times) Percent Income-Qualified ²	63.2%	51.5%	63.4%	
(times) Potential penetration rate	25.0%	25.0%	25.0%	25.0%
(Equals) Demand Potential from Dodge County	4	21	0	25
(plus) Demand from Outside Dodge Cty./Submarket)	10%	10%	10%	
(Equals) total Demand Potential	4	24	0	
(minus) Existing and Pending Units ³	0	0	18	18
(Equals) Total Memory Care Demand	4	24	-18	10
2025				
People age 65-74	167	671	1,236	2,074
(times) Dementia incident rate ¹	2.0%	2.0%	2.0%	2.0%
People age 75-84	76	374	551	1,002
(times) Dementia incident rate ¹	19.0%	19.0%	19.0%	19.0%
People age 85+	47	187	188	422
(times) Dementia incident rate ¹	42.0%	42.0%	42.0%	42.0%
(Equals) Total senior population with dementia	38	163	208	409
(times) Percent Income-Qualified ²	65.8%	54.3%	65.7%	
(times) Potential penetration rate	25.0%	25.0%	25.0%	25.0%
(Equals) Demand Potential from Steele County	6	22	34	63
(plus) Demand from Outside Steele Cty./Submarket)	10%	10%	10%	
(Equals) total Demand Potential	7	25	38	
(minus) Existing and Pending Units ³	0	0	18	18
(Equals) Total Memory Care Demand	7	25	20	51
¹ Alzheimer's Association: Alzheimer's Disease Facts & Figures (2007) ² Includes seniors with income at \$60,000 or above plus 40% of homeowners with incomes below this threshold (who will spend down assets, including home-equity, in order to live in memory care housing. Households with incomes at \$65,000+ for 2025 calculations due to inflation. ³ Existing and pending units at 93% occupancy. We exclude 15% of the units to be Elderly Waiver.				
Source: Maxfield Research and Consulting LLC				

Dodge County Demand Summary

The housing demand calculations in Tables HD-1 through HD-7 indicate that between 2018 and 2025, 511 for-sale housing units, 352 rental units, and 655 senior units will be needed in Dodge County to satisfy the housing demand for current and future residents. Summary demand tables for general occupancy and senior housing are broken down by submarket in Tables HD-8 and HD-9.

We recommend maintaining a single-family lot supply of at least three to five years to provide adequate consumer choice but not prolonged developer carrying costs. We find demand for approximately 511 for-sale housing units through 2025. An average of 68 new housing units were built annually between 2014 and 2017 in Dodge County. Currently, Dodge County has about 179 vacant developed lots in subdivisions, excluding infill lots and agricultural properties that could be subdivided. Based on past building permit trends, the current lot supply should meet the demand needs of the County for approximately three years.

Table R-10 shows a 1.2% vacancy rate in the general-occupancy rental market. There are few newer apartment products in Dodge County and the existing rental stock is older and lacks features and amenities today’s renters seek. With a strong rental market, we find that new rental units should be added in the short-term to satisfy potential household growth and accommodate employees working at local businesses. We found demand for 352 general-occupancy rental units in Dodge County through 2025, 199 of which are market rate units.



HOUSING DEMAND ANALYSIS

TABLE HD-8 GENERAL OCCUPANCY EXCESS DEMAND SUMMARY DODGE COUNTY 2018 to 2025							
Submarket	2018 to 2025						
	FOR-SALE			RENTAL			
	Single-family	Multifamily	Total	Market Rate	Affordable	Subsidized	Total
West Submarket	0	1	1	15	4	2	21
Central Submarket	98	31	129	71	34	37	143
East Submarket	310	71	377	113	46	30	189
DODGE COUNTY	408	103	507	199	84	69	352

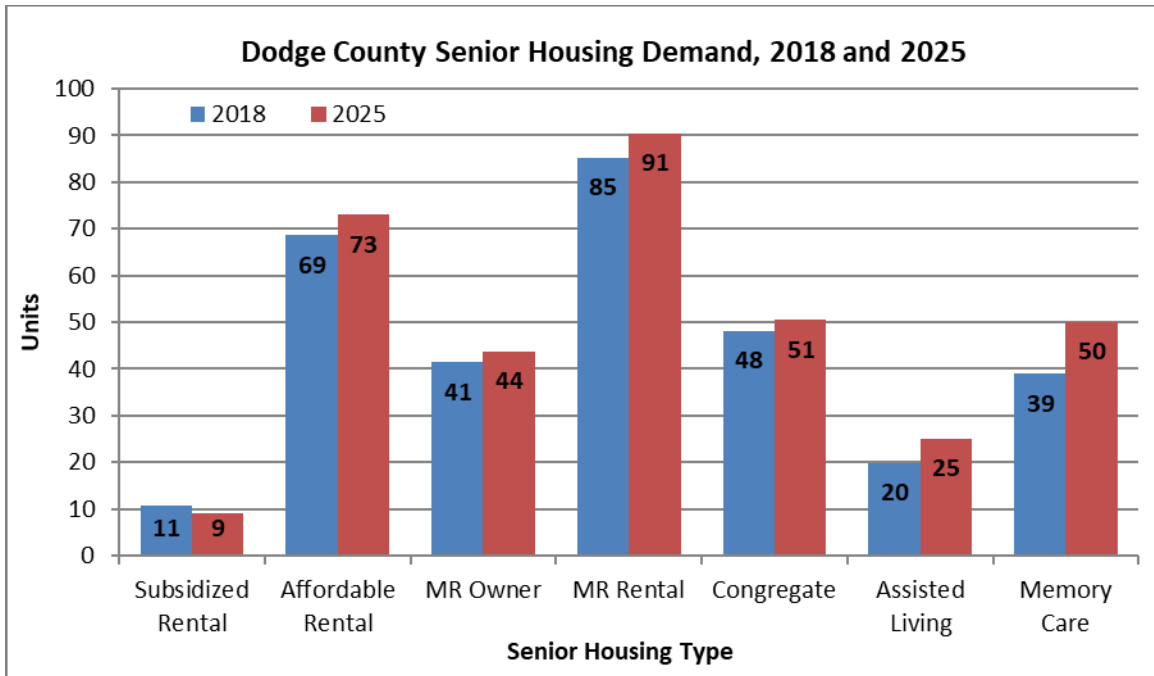
Sources: Maxfield Research & Consulting, LLC

Among active adult senior products, the highest demand was found for market rate rentals, followed by affordable rentals. For service enhanced senior projects, the highest projected demand in 2018 and 2025 was for congregate units.

TABLE HD-9 SENIOR HOUSING EXCESS DEMAND SUMMARY DODGE COUNTY 2018 to 2025									
Submarket	2018					2018			
	ACTIVE ADULT					SERVICE-ENHANCED**			
	Subsidized Rental	Affordable Rental	MR Owner	MR Rental	Total	Congregate	Assisted Living	Memory Care	Total
West Submarket	4	7	4	9	25	7	5	4	17
Central Submarket	7	27	14	22	70	0	15	24	38
East Submarket	0	34	23	54	111	41	0	11	52
DODGE COUNTY	11	69	41	85	206	48	20	39	107
Submarket	2025					2025			
	ACTIVE ADULT					SERVICE-ENHANCED**			
	Subsidized Rental	Affordable Rental	MR Owner	MR Rental	Total	Congregate	Assisted Living	Memory Care	Total
West Submarket	0	7	4	9	20	7	6	7	20
Central Submarket	9	30	15	24	78	0	14	25	39
East Submarket	0	36	25	58	119	44	5	18	67
DODGE COUNTY	9	73	44	91	216	51	25	50	126

** Service-enhanced demand is calculated for private pay seniors only; additional demand could be captured if Elderly Waiver and other sources of non-private payment sources are permitted.

Sources: Maxfield Research & Consulting, LLC



Introduction

Based on the findings of our analysis and demand calculations, Tables HD-8 and HD-9 provided a summary of housing demand county and submarket through 2025. Demand exists in Dodge County 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 in all communities and that the demand illustrated in Tables HD-8 and HD-9 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-1 provides a summary of the recommended development concepts by product type for Dodge County. It is important to note that these proposed concepts are intended to act as a development guide to most effectively meet the housing needs of existing and future households in Dodge County. The recommended development types do not directly coincide with total demand as illustrated in Tables HD-8 and HD-9.

Recommended Housing Product Types

Owner Occupied

Single-Family Housing

Table HD-8 identified demand for 591 single-family housing units in Dodge County through 2025. Table FS-6 indicated there are 179 vacant lots located within existing and planned subdivisions. There are also 12 lots approved for development. Accounting for existing and planned lots in the county, demand is reduced to 408 new general occupancy single-family houses.

The demand for 408 new single-family homes was limited to the Central and East submarkets. There are 173 vacant lots within existing and planned subdivisions in the Central and East submarkets. In the last four years, 50 single-family homes have been permitted in the Central submarket, resulting in an average of 13 homes per year. There are 78 existing lots in the Central submarket. Based on an average of 13 new homes per year, the existing lot supply in the Central submarket will be absorbed in approximately six years.

In the last four years, 210 single-family homes have been permitted in the East submarket, resulting in an average of 53 homes per year. As of December 2018, there are 95 existing and pending lots in the East submarket. Based on an average of 53 new homes per year, the existing lot supply in the East submarket will be absorbed in approximately two years.

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.

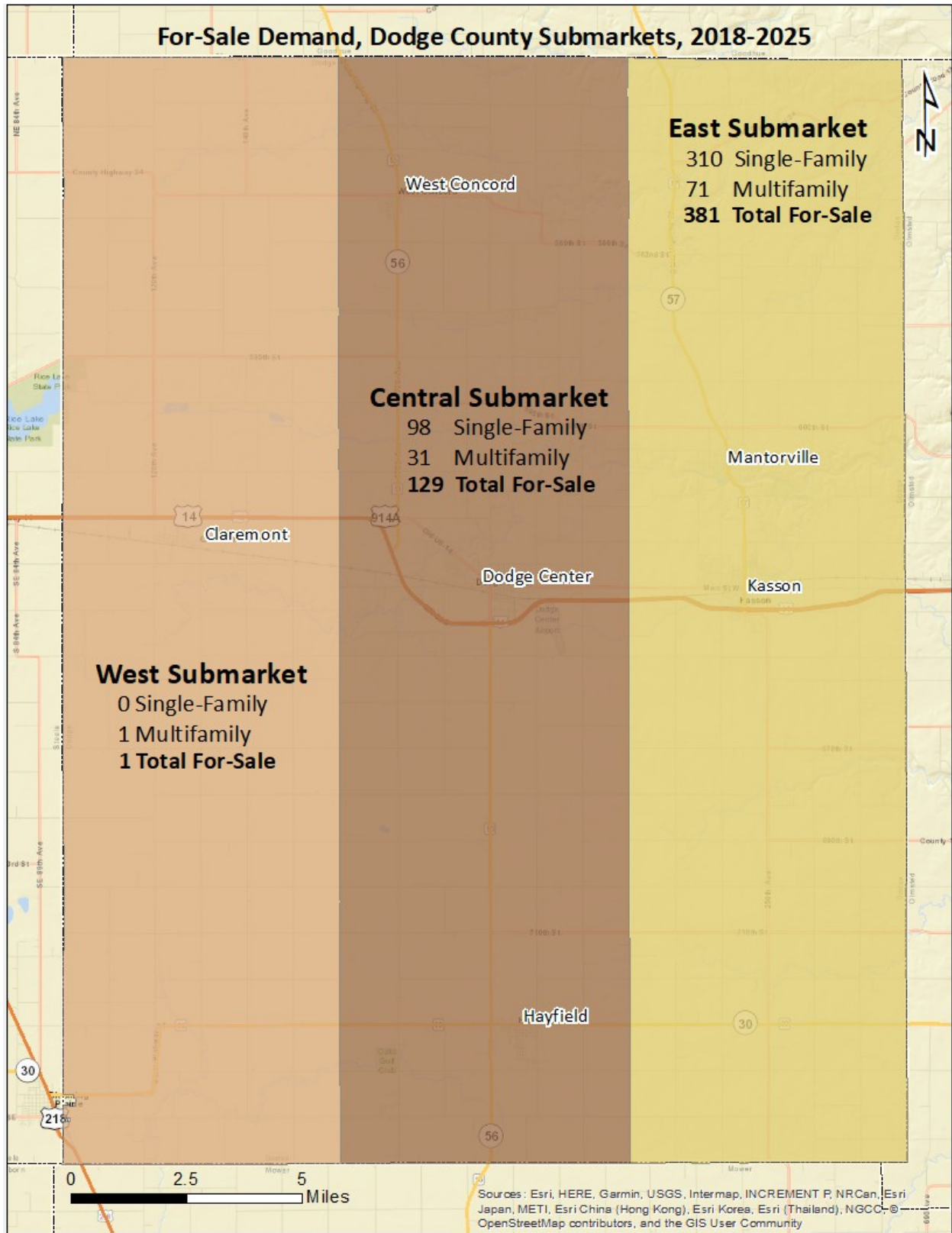
RECOMMENDATIONS AND CONCLUSIONS

Given the number of existing platted lots in Dodge County and the number of homes constructed annually, the current lot supply will meet demand for the less than five years. New platted lots may be needed to accommodate product type preference. Although there are a number of scattered, infill lots in all of the Dodge County submarkets, many of these lots are undesirable to today's buyers as they are unable to accommodate specific product types (i.e. ranch-style homes with large main-levels).

Many of the new single-family construction projects in Dodge County target entry-level home buyers. Many entry level home buyers prefer new construction as opposed to renovating an out dated existing homes. New construction entry-level homes cost between \$200,000 and \$260,000 in Dodge County, depending on the lot price and feature choices of the homeowner. The affordability of new construction in the County is driving the demand new entry-level homes in the County.

Although entry-level home buyers are seeking new construction homes, the development of additional move-up homes may still create openings in newer existing homes that may also satisfy the needs of entry-level home buyers. Developing a more robust supply of move-up and executive level homes also provides the opportunity for households to move within the County as opposed to leaving for another area with a more diverse housing stock. Depending on the type of lot and the feature choices of the homeowner, the new construction move-up market was defined as ranging from \$260,000 to \$400,000 and the executive level markets is defined as homes priced over \$400,000.

We estimate 80% of demand for new construction homes were for move-up and executive level homes priced over \$260,000. This results in demand for 78 move-up or executive level homes in the Central submarket and 248 move-up or executive level homes in the East submarket. The majority of demand will likely be for homes within the city limits, although a small portion is likely to prefer large, rural lot homes. We estimate approximately 15% of move-up and executive level demand to be for rural homes. This results in demand for 12 rural lot homes in the Central submarket and 37 rural lot homes in the East submarket.



For-Sale Multifamily Housing

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

Our review of the Dodge County for-sale housing stock found very few maintenance-free products as historically buyers have preferred the single-family house. However, given the aging of the population and the high growth rate in the 55+ population, Dodge County may benefit from a more diversified housing stock. Demand was calculated for 104 new multifamily for-sale units in Dodge County through 2025. These attached units could be developed as twin homes, detached townhomes or villas, townhomes/row homes, or any combination. Because the main target market is empty-nesters and young seniors, the majority of townhomes should be one-level, or at least have a master suite on the main level if a unit is two-stories. The following provides greater detail into townhome and twinhome style housing.

- *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. Some one-level living units are designed in three-, four-, or even six-unit buildings in a variety of configurations. The swell of support for twinhome and one-level living units is generated by the aging baby boomer generation, which is increasing the numbers of older adults and seniors who desire low-maintenance housing alternatives to their single-family homes but are not ready to move to service-enhanced rental housing (i.e. downsizing or right sizing).

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

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, further twinhomes can be constructed as demand warrants. We recommend a broad range of pricing for twinhomes; however, pricing should start at around \$200,000.

Many older adults and seniors will move to this housing product with substantial equity in their existing single-family home and will be willing to purchase a maintenance-free home

RECOMMENDATIONS AND CONCLUSIONS

that is priced similar to their existing single-family home. The twinhomes should be association-maintained with 40'- to 50'-wide lots on average.

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

Pricing for a detached townhome/villa will vary based on a slab-on-grade home versus a home with a basement. Base pricing should start at \$225,000 and will fluctuate based on custom finishes, upgrades, etc.

- *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 a four-plexes that could be back-to-back with main-level master bedrooms that would cater to empty-nesters. If the product is successful, future phases could include rowhomes that would increase density and cater to a broader market. Units should be priced from \$180,000 to \$250,000.

General Occupancy Rental Housing

Maxfield Research and Consulting calculated demand for 352 general-occupancy rental units in Dodge County through 2025 (199 market rate, 84 affordable, and 69 subsidized units). We recommend a variety of rental housing product types to meet this demand.

Our competitive inventory identified 1.5% vacancy rate among the general occupancy rental product as of December 2018. Due to the age and positioning of most of the existing rental supply, a significant portion of units are priced at or below guidelines for affordable housing, which indirectly satisfies demand from households that income-qualify for financially assisted housing. However, the renter base, particularly those renters relocating from a larger city such as Rochester, is seeking newer rental properties with additional and updated amenities that are not offered in older developments.

Because of the economies of scale when constructing multifamily rental housing, new construction requires density that will be difficult to achieve in the smaller Dodge County communities. New rental housing can be developed immediately and will continue to be in demand through this decade especially if new job growth and additional commuters are attracted to Dodge County. The following rental product types are recommended through 2025:

- **Market Rate Rental** - As illustrated in Table R-2, there are few traditional or townhome style multifamily rental projects in Dodge County. The existing rental housing stock is older and located in mainly smaller structures (8 units or less). However, 12 new townhome units were added to the Central submarket in 2018 at the Greystone Place Townhomes. These are fully occupied. Another 12 units are under construction and expected to open in 2019. In addition, the single-family housing stock also plays a significant role in the overall rental housing market sector.

Due to the lack of rental supply throughout the County, we recommend new market rate rental product in the Central and East submarkets. We recommend new market rental project(s) that will attract a diverse resident profile; including young to mid-age professionals, as well as, singles and couples across all ages. To appeal to a wide target market, we suggest a market rate apartment project(s) with a unit mix consisting of one-bedroom units, or two-bedroom units, and two-bedroom plus den or three-bedroom units. Larger three-bedroom units would be attractive to households with children. Rental properties indicated that larger units are less likely to turnover, and the often receive frequent inquires for their larger units.

Monthly rents (in 2018 dollars) should range from \$900 for a one-bedroom unit to \$1,200 for a three-bedroom unit. Monthly rents should range from about \$0.95 to \$1.10 per square foot to be financially feasible. Monthly rents can be trended up by 2.0% annually prior to occupancy to account for inflation depending on overall market conditions. Because of construction and development costs, it may be difficult for a market rate apartment to be financially feasible with rents lower than the suggested per square foot price. Thus, for this type of project to become a reality, there may need to be a public – private

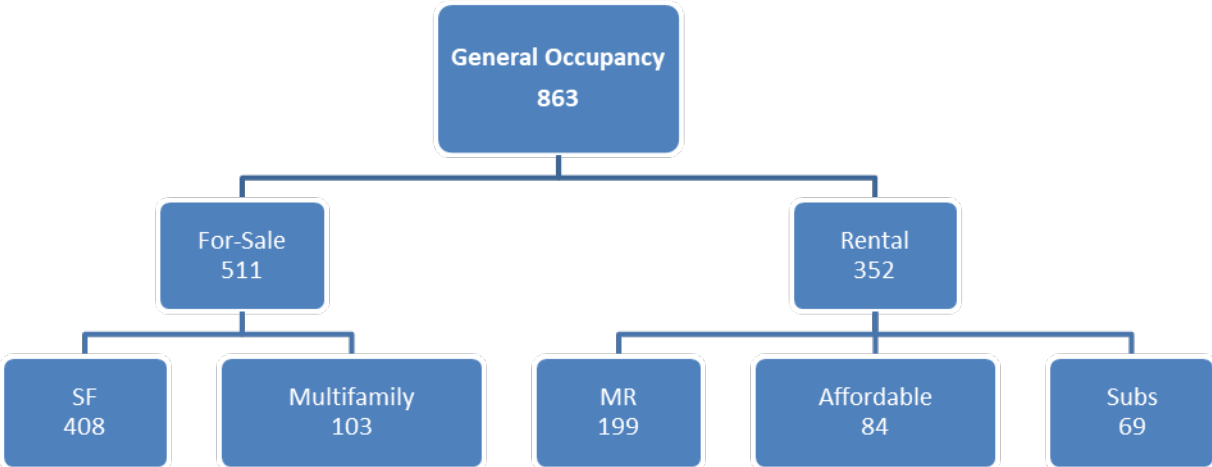
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partnership to reduce development costs and bring down the rents or the developer will need to provide smaller unit sizes.

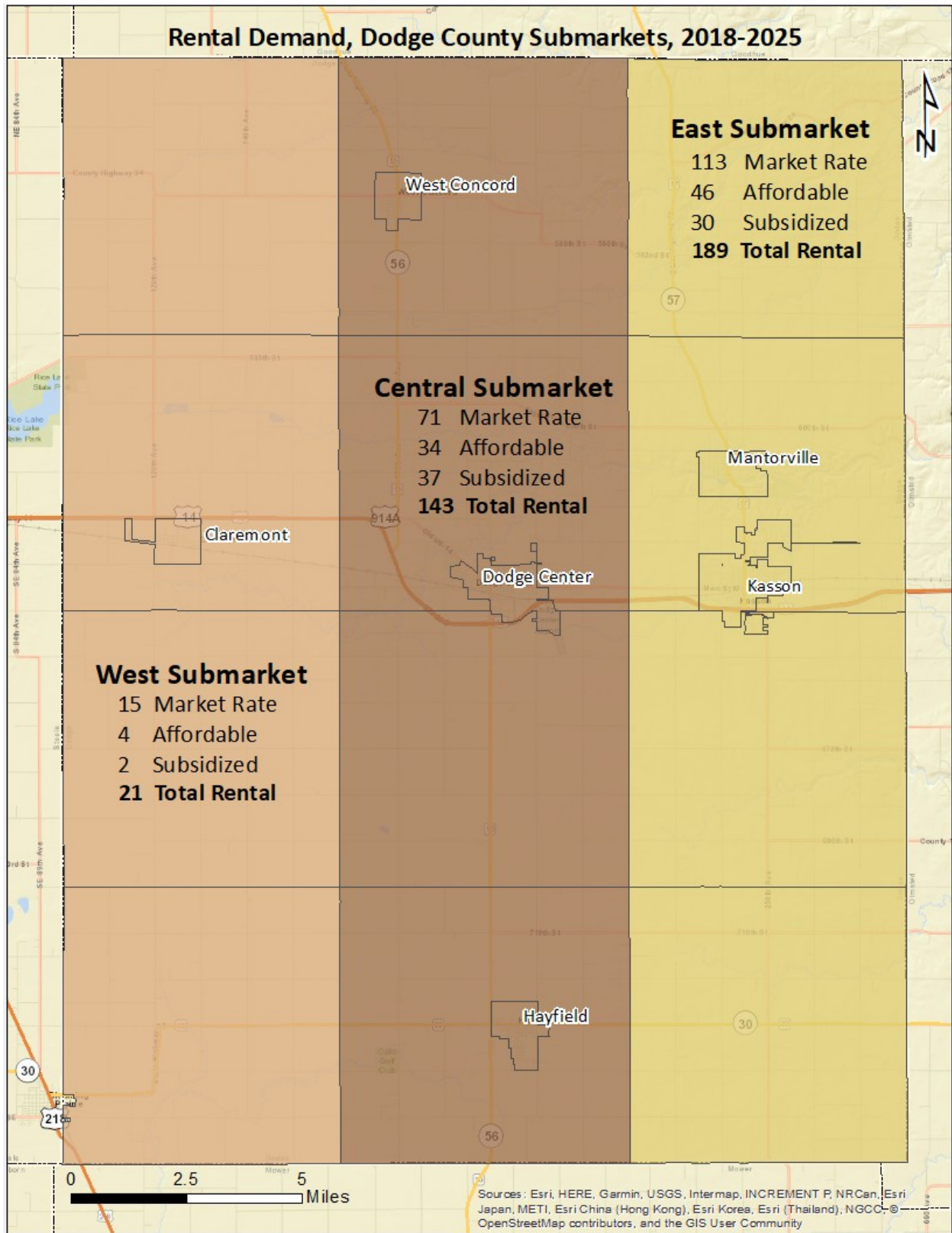
New market rate rental units should be designed with contemporary amenities that include open floor plans, higher ceilings, in-unit washer and dryer, full appliance package, central air-conditioning, and garage parking.

- *Market Rate General Occupancy Rental Townhomes*– In addition to the traditional multi-family structures, 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. A portion of the overall market rate demand could be a townhome style development versus traditional multifamily design. We recommend a project with rents of approximately \$950 for two-bedroom units to \$1,200 for three-bedroom units. Units should feature contemporary amenities (i.e. in-unit washer/dryer, high ceilings, etc.) and an attached two car garage. Again, like traditional multifamily development, these rents are significantly higher than then existing rental product and a public-private partnership may be needed to bring down development and monthly rental costs.
- *Affordable and Subsidized Rental Housing*– Affordable and subsidized housing receives financial assistance (i.e. operating subsidies, tax credits, rent payments, etc.) from governmental agencies in order to make the rent affordable to low-to-moderate income households. Although we find demand for about 64 subsidized units through 2025, this housing is very difficult to develop financially as federal funding has shifted to tax credit rentals.

We find demand for 75 affordable rental housing units in Dodge County. Affordable rental units offer lower rents than similar market rate units in the community. The development is often financed the Low Income Housing Tax Credit Program (LIHTC), which provides tax credits to developers with the condition that rents are maintained at an affordable amount for a specified number of years. The affordability of rents is determined by median household incomes and the unit type.



RECOMMENDATIONS AND CONCLUSIONS

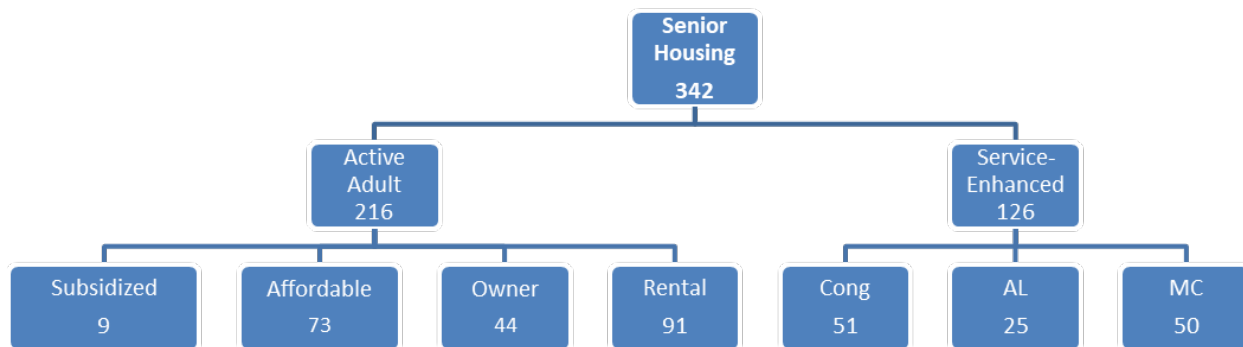


RECOMMENDATIONS AND CONCLUSIONS

Senior Housing

As illustrated in Table HD-9, demand exists for active adult, congregate, and memory care senior housing product types in Dodge County through 2025. Due to the aging of the County's population, demand for senior housing products will continue to grow as more seniors desire to, or need to, move from their larger single-family homes.

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 Dodge County: older adult and senior residents are able to relocate to new age-restricted housing in Dodge County, 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. The figure below shows the anticipated demand for senior housing in 2025.



- **Active Adult Rental** – Demand was calculated for 91 active adult rentals in Dodge County through 2025.

Because active adult senior housing is not need-driven, the demand for this product type may experience delays in realizing demand if seniors decide to choose not to sell their homes. Therefore, we would recommend an active adult project be developed to allow for a mix of market rate and affordable units.

- **Affordable and Subsidized Rental** – Dodge County demand for affordable senior housing is 73 units through 2025, while subsidized senior housing is nine units. Affordable senior housing products can also be incorporated into a mixed-income building which may increase the projects financial feasibility. Affordable senior housing will likely be a low-income tax credit project through the Minnesota Housing Finance Agency. Financing subsidized senior housing is difficult as federal funds have been shrinking. Therefore, a new subsidized development would likely rely on a number of funding sources; from low-income tax credits (LIHTC), tax-exempt bonds, Section 202 program, USDA 515 program, among others.

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The Minnesota Housing Finance Agency introduced a Senior Rental Housing Pilot program in 2016. The program used deferred loan resources for the development of a senior rental project. The projects must create new units for seniors over age 62, have a service component and set aside at least five percent of units for households incomes at or below 30% of the area median income and home and community based service needs.

- Independent Living/Congregate – Demand was calculated for about 51 congregate units through 2025 in Dodge County. Due to the limited demand, we do not recommend a stand alone congregate building at this time. However, we recommend an additional 15 to 20 congregate units be added to an existing development.

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.

Due to economies of scale needed for congregate housing, other service levels may have to be combined to the project to increase density to be financial 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 below for definition of Catered Living).

- Assisted Living and Memory Care Senior Housing – Based on our analysis, we project demand to support an additional 25 assisted living units and 50 memory care units in Dodge County through 2025.

We recommend an additional 12 to 16 units of memory care be added to an existing facility. 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;

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- 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 very 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.

- Service-Enhanced Senior Housing or “Catered Living” –Due to economies of scale, it will be difficult to develop stand-alone facilities in the smaller communities for service enhanced senior housing products that are financially feasible. Therefore, we recommend senior facilities that allow seniors to “age in place” and remain in the same facility in the stages of later life. Catered living is a “hybrid” senior housing concept where demand will come from independent seniors interested in congregate housing as well as seniors in need of a higher level of care (assisted living). In essence, catered living provides a permeable boundary between congregate and assisted living care. The units and spatial allocations are undistinguishable between the two senior housing products, but residents will be able to select an appropriate service level upon entry to the facility and subsequently increase service levels over time. Additionally, catered living not only appeals to single seniors but also to couples; each resident is able to select a service level appropriate for his or her level of need, while still continuing to reside together. In addition, memory care can be incorporated into the facility in a separate secured wing.

The catered living concept tends to be developed in more rural communities that cannot support stand-alone facilities for each product type. Monthly rents should include a base rent and service package with additional services provided either a la carte or within care packages. Monthly rents should start at about \$2,000 for congregate care and \$3,000 for assisted living care.

Summary by Submarket

Dodge County's proximity to Rochester, and its affordability compared to Rochester, provide an opportunity for Dodge County to retain its seniors, and potentially capture new seniors, as they age out of their single-family homes and into age-restricted and service enhanced living options. Dodge County can offer affordable housing options to seniors, but they can also remain close to the significant number of healthcare options offered in Rochester.

Although there is demand for a variety of housing product types in each of the submarkets, it will be difficult to develop certain housing products due to the density and economies of scale needed to be financially viable. Therefore, the lesser populated communities will experience additional challenges due density requirements. In addition, there is likely to be cross-over demand and mobility between submarkets as new housing product is developed. Table CR-1 outlines the submarkets most likely to experience new housing based on housing demand and the number of units needed to be supportable.

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**TABLE CR-1
HOUSING RECOMMENDATIONS BY DODGE COUNTY SUBMARKET
2018 to 2025**

Housing Type/Program	West Submarket	Central Submarket	East Submarket
For-Sale Housing			
Single-family¹			
Entry-level ²		X	
Move-up		X	X
Executive			X
Twinhomes/Townhomes/Detached Townhomes			
Entry-level ²		X	X
Move-up			X
General Occupancy Rental Housing			
Market Rate Rental Housing			
Apartment-style		X	X
Townhome-style		X	X
Affordable Rental Housing³			
Apartment-style		X	X
Townhome-style		X	X
Senior Housing			
Market Rate			
Active Adult - Rental		X	X
Congregate			X
Memory Care			X
Catered Living ⁴		X	X
Affordable Senior Housing			
Active Adult		X	X

¹ A portion of demand will be met by the existing lot supply

² Entry-level single-family will be very difficult to develop without financial assistance. The majority of entry-level demand will be met by the existing housing stock/resale market.

³ Affordability subject to income guidelines per MN Housing Finance Authority. See Table HA-1 for Dodge County income limits.

⁴ Catered living is a hybrid concept of congregate and assisted living service levels. Catered living would absorb demand from both independent and assisted living seniors

Note: Although all of the submarkets show housing demand for a variety of housing types; it will not be feasible due to the economies of scale needed for new development. Therefore, recommendations are based on the demand and density needed to be feasible.

Source: Maxfield Research & Consulting, LLC

Challenges and Opportunities

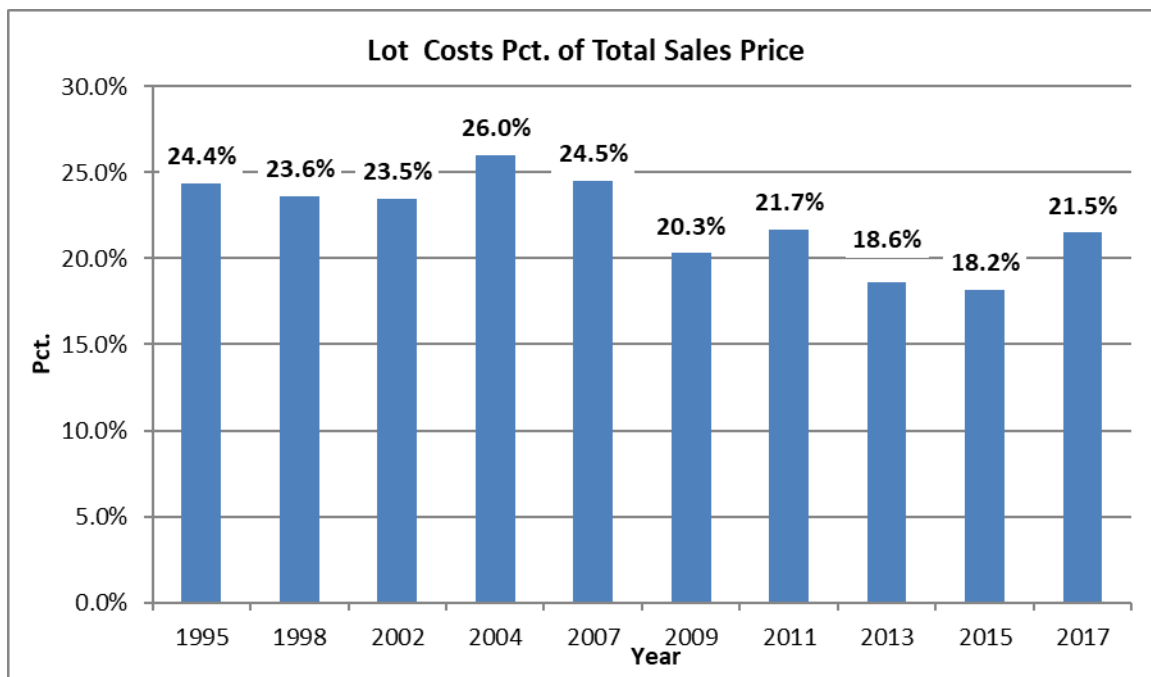
The following were identified as the greatest challenges and opportunities for developing the recommended housing types (in no particular order – sorted alphabetically).

- **Affordable Housing.** Tables HA-1 and HA-2 identified Dodge County Area Median Incomes (“AMI”) and the fair market rents by bedroom type. The average market rate rent is \$644/month and the established rents for affordable housing are higher than most market rate rental developments in Dodge County, lower than the maximum rents permitted for most affordable units, as shown in Table HA-2. As a result, the majority of rental housing units in the County are considered affordable and are mostly fulfilled by existing, older rental product in the marketplace.
- **Age of Rental Housing Stock.** The market rate general occupancy rental housing stock in Dodge County has a median year built of 1977. Most of the rental housing stock lacks the contemporary amenities many of today’s renters seek. Many renters today seek the following unit amenities: in-unit laundry, walk-in closets, balconies/patios, oversized windows, and individually controlled heating and air-conditioning. Community amenities included: community rooms with kitchens and big screen TV’s, fitness centers, Wi-Fi, extra storage, and the inclusion of environmentally responsible design and features. Most of these features and amenities are not offered in current rental housing products in Dodge County. During interview, employers, realtors and developers all noted the lack of contemporary rentals and communicated they felt the County needed these rental units to attract both employees and commuters.
- **Aging Population.** As illustrated in Table D-4, there is significant growth in the Dodge County senior population, especially among seniors ages 65 to 74 (+22.9% growth through 2021). In addition, Table D-11 shows market area homeownership rates among seniors 65+ is approximately 85%. 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 are more resistant to change. Because of the rising population of older adults, demand for alternative maintenance-free housing products should be rising. In addition, demand for home health care services and home remodeling programs to assist seniors with retrofitting their existing homes should also increase.
- **Capturing Commuters.** Over 7,000 people commute out of Dodge County for work, nearly 60% of these commuters are age 30 to 54 and over half earn more than \$3,333 a month. Rochester continues to attract more employers, but housing costs are also rising. Dodge County could capture Rochester area workers who are willing to commuter in order to achieve lower housing costs, well-rated schools and smaller communities.

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- **Developers Lot Carrying Costs.** Land development and entitlement carries a large financial risk for builders and/or investors. Prior the Great Recession developing land was considered a profitable side of the housing business. However, today land development continues to be dominated by larger builders that can absorb the lot inventory more easily than smaller builders or land developers. Due to raw land costs, entitlements, and the cost to develop infrastructure, developers will be cautious given the lot price they could achieve. Prolonged carrying costs due to slow lot absorption are deterrents for builders and developers who must absorb project development costs until the lots are sold.

As a result, the land development business is not a lucrative business for real estate investors and future lot development may require a private-public partnership to bring down infrastructure costs. The impact of lot and infrastructure costs will have the largest impact on potential housing developments in the smaller and more rural communities of Dodge County. The chart below shows the average lot cost across the country compared to the retail sales price of the home.



- **Economies of Scale.** Economies of scale refer to the increase in efficiency of production as the number of goods being produced is increased. Typically, companies or organizations achieving economies of scale lower the average cost per unit through increased production since fixed costs are shared over an increased number of goods. In the housing development industry, generally the more units that are constructed the greater the efficiency. For example, larger homebuilders negotiate volume discounts in materials and subcontractors, are more efficient in the land entitlement process, leverage the power of technology, and have greater access and lower costs of capital. In multifamily housing, typically the higher the number of units equates into a lower per unit costs. Because of this, construction costs

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in larger communities such as in Mankato or Rochester can actually be lower than found in many communities in Dodge County.

Although Table CR-1 showcased demand for many housing products in Dodge County through 2025, many of the products will require some density for the project to be financially feasible. Because demand may not be high enough to support various stand-alone housing concepts new development may require private/public partnerships or the combination of multiple product types to ensure the project can be developed.

- **Financing Barriers/Infrastructure Costs and Private/Public Partnerships** One of the key challenges facing housing development in rural communities is financing. Finding banks to finance projects is difficult as most lenders require substantial equity contributions from the developer. As discussed in the previous bullet (*Developers' Carrying Costs*), developers are typically required to upfront residential subdivisions and pay for the cost of water, sewer, curb and gutter, utilities, etc. Because of the substantial cost to fund improvements, most builders/developers do not have the assets or equity to fund the project and lenders have conservative underwriting standards. Furthermore, private investors seek targeted returns on investment and liquidity that cannot be guaranteed as lot absorption/takedowns is an unknown factor. Many local jurisdictions do not have the necessary tools today to fund infrastructure costs.

Because of this barrier, we recommend exploring other private/public partnerships to entice housing development. 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 in Dodge County, it will likely require innovative partnerships to stimulate housing development.

- **Housing Resources & Programs.** Many communities and local Housing and Redevelopment Authorities (HRAs) offer programs to promote and preserve the existing housing stock. In addition, there are various regional and state organizations that assist local communities enhance their housing stock. The following bullet points outline a variety of resources available:

State Resources:

Greater Minnesota Housing Fund – The Greater Minnesota Housing Fund (“GMHF”) supports, preserves, and creates affordable housing in the 80 counties outside the core Twin

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Cities Metro Area. The GMHF provides numerous programs, financing mechanisms, technical support, and research to support production of affordable housing across Greater Minnesota.

<http://www.gmhf.com/>

Minnesota Housing Finance Agency (“Minnesota Housing”) – Minnesota Housing is a housing finance agency whose mission is to finance affordable housing for low- and moderate-income households across Minnesota. Minnesota Housing partners with for-profit, non-profit, and governmental sectors to help develop and preserve affordable housing. The organization provides numerous products and services for both the single-family and multi-family housing sectors. The organization’s five strategic priorities are as follows:

- Preserve federally-subsidized rental housing;
- Promote and support successful homeownership;
- Address specific and critical needs in rental housing markets;
- Prevent and end homelessness, and;
- Prevent foreclosure and support community recover.

<http://www.mnhousing.gov/>

Minnesota Department of Employment and Economic Development – MN DEED offers community development funding through two programs for projects that assist communities stay vital and pursue economic development.

- The Small Cities Development Program offers state grant funds in three general categories.
 - Housing grants provide funds to rehabilitate local housing stock. Local governments lend the funds to projects benefiting low and moderate income persons and may be used for owner-occupied, rental, single-family or multifamily projects.
 - Public facility grants are directed toward wastewater treatment projects
 - Comprehensive grants can include housing and public facility activities. It may also include economic development activity in which loans are provided to businesses for building, façade improvements, code violations and health and safety issues.
- Workforce Housing Development Program targets communities in Greater Minnesota where housing shortages hinder the ability of businesses to attract workers (see Workforce Housing Development Program below for more details)

In addition to the resources available at the state and regional-level, the Dodge County and its cities can explore a toolbox of housing programs that would aid in the enhancement of housing stock. The following is a sampling of potential programs that could be explored:

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- Architectural Pro Bono Assistance: Local architects and/or architectural students volunteer their time to design site plans for non-profit developers or governmental agencies to provide a baseline for developers and funders.
- Brush Pick-Up: Schedule an annual brush pick-up in the spring months so property owners can properly dispose of any trees, brush, that are removed by the local government and recycled and/or composted.
- Construction Management Services – Assist homeowners regarding local building codes, reviewing contractor bids, etc.
- Density Bonuses – Since the cost of land can be a significant barrier to housing affordability, increasing densities can result in lower housing costs by reducing the land costs per unit. Communities can offer density bonuses as a way to encourage higher-density residential development while also promoting an affordable housing component.
- Historic Preservation – Encourage residents to preserve historic housing stock in neighborhoods with turn-of-the-century character through restoring and preserving architectural and building characteristics. Typically funded with low interest rates on loans for preservation construction costs.
- Home Fair – Provide residents with information and resources to promote improvements to the housing stock. Typically offered on a weekend in early spring where homeowners can meet and ask questions to architects, landscapers, building contractors, lenders, building inspectors, Realtors, etc.
- 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. This program is contingent on proximity to these programs.
- 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 city inspectors or 3rd party licensed inspectors.
- 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.) Program – 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.
- Land Banking – Land Banking is a program of acquiring land with the purpose of developing at a later date. After a holding period, the land can be sold to a developer (often at a price lower than market) with the purpose of developing affordable housing.
- Land Trust - Utilizing a long-term 99-year ground lease, housing is affordable as the land is owned by a non-profit organization. Subject to income limits and targeted to workforce families with low-to-moderate incomes. If the family chooses to sell their home, the selling price is lower as land is excluded.

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- Mobile Home Improvements – Offer low or no-interest loans to mobile home owners for rehabilitation. Establish income-guidelines based on family size and annual gross incomes.
- Property Improvement Contest – Local residents nominate properties for recognizing quality exterior property improvements, facades, landscaping, etc. Property owners who are recognized receive a prize and are highlighted in local media. Typically administered in the spring to fall months.
- Realtor Forum - Typically administered by local governments 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.
- Redevelopment Credit – remove a substandard home with new construction
- Remodeling Advisor – Partner with local architects and/or builders to provide ideas and general cost estimates for property owners
- Rental Collaboration – Local government 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.
- Rental License – Licensing rental properties in the communities. Designed to ensure all rental properties meet local building and safety codes. Typically enforced by the fire marshal or building inspection department. Should require annual license renewal.
- Rent to Own - Income-eligible families rent for a specified length of time with the end-goal of buying a home. The HRA or other public agency saves a portion of the monthly rent that will be allocated for a down payment on a future house.
- Senior Housing Regeneration Program - Partnership between multiple organizations that assists seniors transitioning to alternative housing options such as senior housing, condominiums, townhomes, etc.
- 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. TIF funds can be used to provide a direct subsidy to a particular housing project or they can also be used to promote affordable housing by setting aside a portion of TIF proceeds into a dedicated fund from other developments receiving TIF.

- 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.

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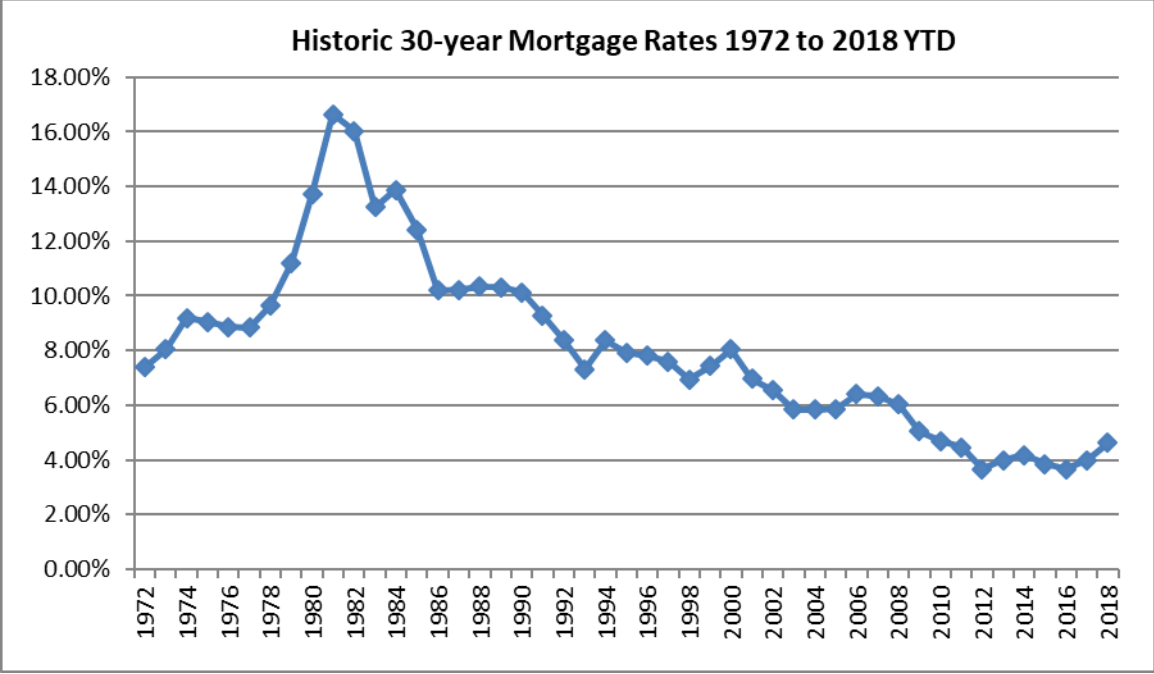
- **Job Growth/Employment.** Historically, low unemployment rates have driven both existing home purchases and new-home purchases. Lack of job growth leads to slow or diminishing household growth, which in-turn relates to reduced housing demand. Like most areas across Minnesota, the Midwest, and U.S., the Dodge County unemployment rate peaked in 2009 during the Great Recession. Dodge County reported an unemployment rate of 8.6% in 2009. This rate was similar to what most cities and counties experienced during the recession. The unemployment rate has decreased annually since 2009 and is was only 3.5% as of the end of 2017. Although the low unemployment rate is generally considered positive news, a very low unemployment rate can be challenging for employers looking to add additional staff. Additional job creation in Dodge County will result in household growth that could exceed projections outlined in Table D-3.
- **Land Banking/Land Acquisition.** 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 housing. Dodge County municipalities should consider establishing a land bank to which private land may be donated and public property may be held for future housing development.

Similarly, land acquisition is a tool used by many governmental authorities to set aside land for a variety of public purposes; including new development/redevelopment, infrastructure projects, recreation, conservation, etc. Many local governments consider land acquisition and land banking as a strategy for stimulating private sector development.

- **Lot Supply.** Table FS-6 showed an inventory of 179 vacant lots throughout Dodge County in newer subdivisions. Based on this lot supply, and the recent construction activity since 2014 the current finished lot inventory is sufficient to meet the approximate three-year needs of the County. However, additional lots will be needed the East submarket where the 87 existing lots and 12 pending lots are estimated to be sufficient for two years based on past building permit trends continue. Lot demand could also be higher for lot offerings that were more diverse from the current availability of vacant lots (i.e. mature treed lots, lot sizes, walk-outs, rural subdivisions, etc.).
- **Mortgage Rates.** Mortgage rates play a crucial part in housing affordability. Lower mortgage rates result in a lower monthly mortgage payment and buyers receiving more home for their dollar. Rising interest rates often require homebuyers to raise their down payment in order to maintain the same housing costs. Mortgage rates have remained at historic lows over the past several years coming out of the Great Recession. Mortgage rates remained low for much of 2017; however due to job gains, rising wages, and the sale of bonds - mortgage rates have increased. As of December 2018, rates are the highest since 2011 and are expected to rise throughout 2018. Another two to three rate increases are expected in 2019. A significant increase in rates (+1% or more; over 5% in the short term) would greatly affect the housing market and would slow projected housing demand.

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



- **Renovation of Existing Housing Stock (both owner and rental).** As illustrated in the *Housing Characteristics* section of this report, 23% of the housing stock in Dodge county was built pre-1940, with a median year built of 1975. Because of a portion of the housing stock is older, many housing units in throughout Dodge County become affordable through a combination of factors such age of structure, condition, square footage, functionally obsolete, etc. Housing units that are older with low rents or low market values are considered “naturally occurring affordable housing” as the property values on these units are low.

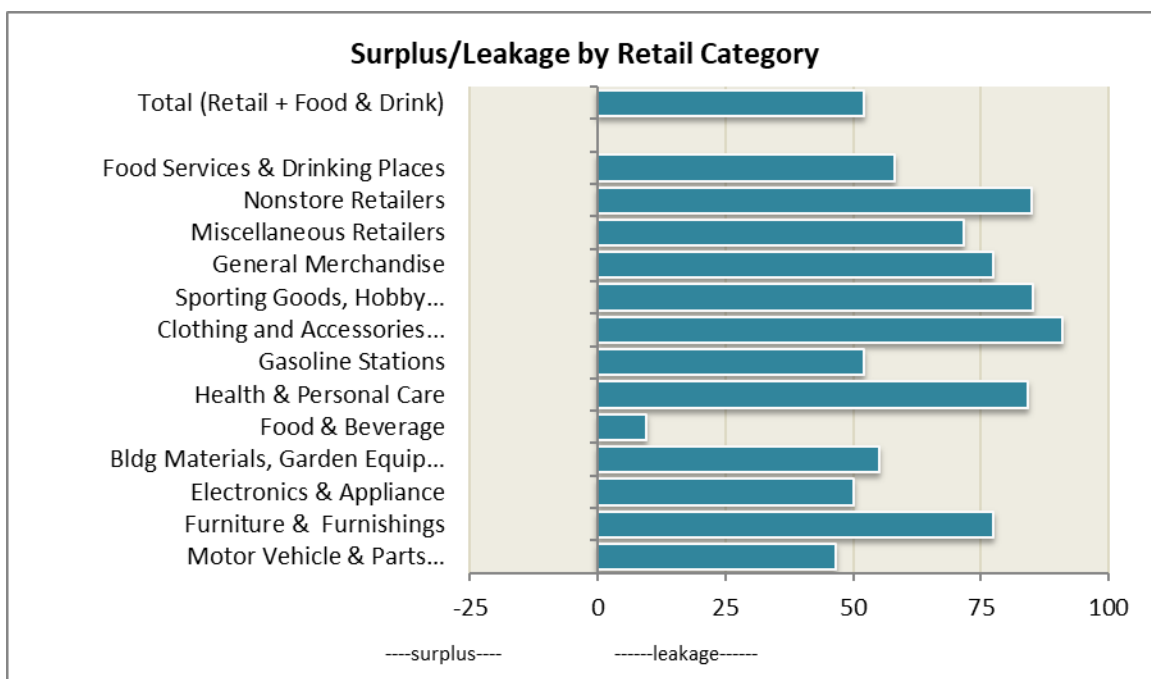
Since a portion of the housing stock is older, housing consumers will demand increased remodeling or replacement needs over the long-term. Maxfield Research recommends encouraging housing programs that will enhance the existing housing stock, this may create a more appealing for-sale market of existing homes, especially for entry level home buyers.

Numerous home improvement programs are initiated by local HRAs and local governmental agencies across the country to preserve the existing housing stock. Dodge County communities should explore various programs that would aid the improvement of the county’s housing stock. A variety of programs are available, including:

- Redevelopment Credit – remove a substandard home with new construction
- Remodeling Advisor – Partner with local architects and/or builders to provide ideas and general cost estimates for property owners

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- Construction Management Services – Assist homeowners regarding local building codes, reviewing contractor bids, etc.
 - Historic Preservation – Encourage residents to preserve historic housing stock in neighborhoods with turn-of-the-century character through restoring and preserving architectural and building characteristics. Typically funded with low interest rates on loans for preservation construction costs.
 - Mobile Home Improvements – Offer low or no-interest loans to mobile home owners for rehabilitation. Establish income-guidelines based on family size and annual gross incomes.
 - Rent to Own - Income-eligible families rent for a specified length of time with the end-goal of buying a home. The local government agency saves a portion of the monthly rent that will be allocated for a down payment on a future house.
 - Home Fair – Provide residents with information and resources to promote improvements to the housing stock. Typically offered on a weekend in early spring where home owners can meet and ask questions to architects, landscapers, building contractors, lenders, building inspectors, Realtors, etc.
- **Retail Potential.** Dodge County communities that attract Rochester area commuters may consider the desires of those who choose to relocate to the area for housing and school choice, while continuing to commute daily for work. One such consideration is the availability of retail options. The following graph and chart show the where whether retail spending is being captured in the County or if spending is moving outside the County. A positive value represents “leakage” of retail opportunity to stores outside of the Market Area. A negative value represents a “surplus,” where more customers are coming into the area for retail goods and services than there are households in the area.



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As illustrated in the graph above, most of the major retail categories experience leakage of retail sales in the PMA. It appears that Market Area residents are purchasing retail goods and services at establishments located outside the area, generating “leakage” of retail opportunity outside the PMA. Additional retail opportunities within the County could further attract commuter households who may wish to reduce their recreational drive times as their commuting times increase.

RETAIL DEMAND POTENTIAL AND LEAKAGE DODGE COUNTY 2018					
Industry Group (NAICS Code)	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap (Demand - Supply)	Surplus/Leakage Factor	Number of Businesses
SUMMARY					
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	\$1,096,999,073	\$344,543,211	\$752,455,861	52.2	100
Total Retail Trade (NAICS 44-45)	\$992,141,375	\$316,867,307	\$675,274,067	51.6	77
Total Food & Drink (NAICS 722)	\$104,857,698	\$27,675,904	\$77,181,794	58.2	23
EXPENDITURE TYPE					
Motor Vehicle & Parts Dealers	\$210,383,335	\$76,865,813	\$133,517,522	46.5	16
Automobile Dealers	\$168,334,452	\$56,032,106	\$112,302,346	50.1	5
Other Motor Vehicle Dealers	\$24,064,948	\$3,197,879	\$20,867,069	76.5	2
Auto Parts, Accessories & Tire Stores	\$17,983,936	\$17,635,828	\$348,108	1.0	9
Furniture & Home Furnishings Stores	\$31,275,195	\$3,974,085	\$27,301,110	77.5	2
Furniture Stores	\$18,485,221	\$0	\$18,485,221	100.0	0
Home Furnishings Stores	\$12,789,975	\$3,974,085	\$8,815,890	52.6	2
Electronics & Appliance Stores	\$35,843,397	\$11,907,249	\$23,936,148	50.1	3
Bldg Materials, Garden Equip. & Supply Stores	\$74,077,991	\$21,453,484	\$52,624,508	55.1	9
Bldg Material & Supplies Dealers	\$66,969,249	\$21,453,484	\$45,515,766	51.5	9
Lawn & Garden Equip & Supply Stores	\$7,108,742	\$0	\$7,108,742	100.0	0
Food & Beverage Stores	\$154,162,797	\$127,643,935	\$26,518,861	9.4	14
Grocery Stores	\$127,894,519	\$110,701,247	\$17,193,272	7.2	7
Specialty Food Stores	\$7,888,300	\$583,014	\$7,305,286	86.2	2
Beer, Wine & Liquor Stores	\$18,379,977	\$16,359,674	\$2,020,303	5.8	5
Health & Personal Care Stores	\$69,896,312	\$6,029,486	\$63,866,826	84.1	2
Gasoline Stations	\$109,957,395	\$34,544,044	\$75,413,351	52.2	4
Clothing & Clothing Accessories Stores	\$50,708,853	\$2,455,031	\$48,253,823	90.8	3
Clothing Stores	\$34,752,331	\$781,015	\$33,971,316	95.6	1
Shoe Stores	\$7,379,353	\$0	\$7,379,353	100.0	0
Jewelry, Luggage & Leather Goods Stores	\$8,577,169	\$1,674,016	\$6,903,153	67.3	2
Sporting Goods, Hobby, Book & Music Stores	\$29,783,955	\$2,377,693	\$27,406,262	85.2	6
Sporting Goods/Hobby/Musical Instr Stores	\$25,962,105	\$2,377,693	\$23,584,412	83.2	6
Book, Periodical & Music Stores	\$3,821,850	\$0	\$3,821,850	100.0	0
General Merchandise Stores	\$171,771,037	\$21,933,362	\$149,837,675	77.4	5
Department Stores Excluding Leased Depts.	\$128,461,961	\$6,825,592	\$121,636,368	89.9	1
Other General Merchandise Stores	\$43,309,077	\$15,107,770	\$28,201,307	48.3	4
Miscellaneous Store Retailers	\$38,598,137	\$6,406,080	\$32,192,057	71.5	11
Florists	\$2,140,907	\$419,891	\$1,721,016	67.2	1
Office Supplies, Stationary & Gift Stores	\$7,762,637	\$133,485	\$7,629,152	96.6	1
Used Merchandise Stores	\$4,721,053	\$3,403,214	\$1,317,839	16.2	5
Other Miscellaneous Store Retailers	\$23,973,541	\$2,449,490	\$21,524,050	81.5	4
Nonstore Retailers	\$15,682,969	\$1,277,045	\$14,405,924	84.9	2
Electronic Shopping & Mail-Order Houses	\$12,136,108	\$307,693	\$11,828,416	95.1	1
Vending Machine Operators	\$716,240	\$0	\$716,240	100.0	0
Direct Selling Establishments	\$2,830,620	\$969,352	\$1,861,268	49.0	1
Food Services & Drinking Places	\$104,857,698	\$27,675,904	\$77,181,794	58.2	23
Special Food Services	\$2,700,180	\$878,281	\$1,821,899	50.9	1
Drinking Places - Alcoholic Beverages	\$6,021,127	\$2,690,301	\$3,330,826	38.2	3
Restaurants/Other Eating Places	\$96,136,391	\$24,107,322	\$72,029,068	59.9	19

Note: All figures quoted in 2018 dollars. Supply (retail sales) estimates sales to consumers by establishments, sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at a retail establishment. Leakage/Surplus factor measures the relationship between supply and demand at ranges from +100 (total leakage) to -100 (total surplus). A positive value represents "leakage" of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area.

Sources: ESRI; Maxfield Research & Consulting, LLC

RECOMMENDATIONS AND CONCLUSIONS

- **Shuttle Service.** In the City of Rochester, apartments in developments that offer a shuttle service to the Mayo Clinic are in high demand because of the difficulty parking in the city. Apartment developments and cities in Dodge County could consider developing a shuttle service to the Mayo Clinic to attract and retain workers at the Mayo Clinic to Dodge County. Offering this service would remove the challenges of parking for work in Rochester.
- **Urban Expansion Zone:** The urban expansion zone in the Dodge County Zoning Ordinance is an area designated for future development, adjacent to an urban area, which is expected to occur over 20 to 30 years. Development in the urban expansion zone is permitted with the following densities and conditions:

Area	Density	Conditions
Dodge County	1 dwelling/3 acres	Until all or a portion is annexed by a city or municipal sewer is provided
Urban Expansion	1 dwelling/1.5 acres	If community sewage treatment system provided
Urban Expansion	1 dwelling/0.75 acres	If community sewage treatment system provided and municipal wastewater treatment to be provided in 20 years

A portion of the move-up and executive level for-sale demand is likely to be met by large lot rural subdivisions. Demand will be influenced by the cost of land which rises with the size of the lot. Other considerations for rural lots will be services, such as water and sewer. It costs approximately \$8,000 to \$15,000 to install a 1,000-gallon tank on a new construction homes, which would service a three- or four-bedroom home.

A 2004 study by the Rocky Mountain Institute reviewed *“Case Studies of Economic Analysis and Community Decision Making for Decentralized Wastewater Systems.”* One case reviewed the use of cluster wastewater systems in the City of Lake Elmo. The City of Lake Elmo utilizes engineered wetland treatment systems in eight subdivisions as of 2004. The costs of installation ranged from \$4,500 to nearly \$9,000. A monthly service fee that includes operating, maintenance and replacement costs were estimated at \$24 a month.

Maintenance and testing for the systems were delegated to homeowners associations and codified in the City’s Code of Ordinances. However, since the initial installation, the city has considered municipal ownership, operation and maintenance of communal wastewater systems in the future to ensure adequate performance and reliability.

Cluster developments offer developers advantages over individual septic tanks. Homes can be located in the best or preferred locations, as opposed to planning lots and homes on the individual septic system requirements. According to a local company with expertise in sewer

RECOMMENDATIONS AND CONCLUSIONS

system rehabilitation, the clustered sewer system is more cost effective than individual septic systems when developments include seven or more homes.

The cost effectiveness of clustered systems indicates that developers, and potential homeowners, may be interested in this form of development in order to obtain the increased density, and therefore, decreased land costs. In turn, the possibility of lower development costs of rural and executive lots may lead to increased demand for rural executive and move-up lots.

Maxfield Research & Consulting finds there is a lack of move-up and estate-style lots in Dodge County. Estate lots in neighboring Olmsted County on shared septic's tend to have lot prices starting at \$150,000 for a 2-acre parcel or larger. We find there is an opportunity to offer estate lots in Dodge County more economically that will capture demand from Olmsted County. We find the density of 1.5 homes per acre acceptable in a cluster-style development in Dodge County.

- **Workforce Housing Development Program** targets communities in Greater Minnesota where housing shortages hinder the ability of businesses to attract workers and is administered by the Minnesota Department of Employment and Economic Development. The criteria for the program include:
 - Cities located outside of the metro area with a population exceeding 500 residents or communities with a combined population of 1,500 residents located within 15 miles of a city or an area served by a joint county-city economic development authority
 - A vacancy rate of 5 percent or lower for at least the prior two years
 - One or more businesses located in the project area (or within 25 miles of the area) that employ 20 full time equivalent employees
 - A statement from participating businesses that a lack of housing makes it difficult to recruit and hire workers
 - The development must serve employees of the businesses in the project area

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

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

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

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

Demand – The total number of households that would potentially move into a proposed new or renovated housing project. These households must be of appropriate age, income, tenure and

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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.

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

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

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

Effective Rents – Contract rent less applicable concessions.

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

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

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

Fair Market Rent Dodge County - 2018

	Fair Market Rent				
	EFF	1BR	2BR	3BR	4BR
Fair Market Rent	\$567	\$655	\$860	\$1,146	\$1,395

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

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

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

**Gross Rent
Dodge County – 2018**

	Maximum Gross Rent				
	EFF	1BR	2BR	3BR	4BR
30% of median	\$475	\$543	\$611	\$678	\$733
50% of median	\$792	\$905	\$1,018	\$1,131	\$1,222
60% of median	\$951	\$1,086	\$1,222	\$1,357	\$1,467
80% of median	\$1,268	\$1,448	\$1,630	\$1,810	\$1,956
100% of median	\$1,585	\$1,810	\$2,037	\$2,262	\$2,445
120% of median	\$1,902	\$2,172	\$2,445	\$2,715	\$2,934

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

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

HUD Project-Based Section 8 – A federal government program that provides rental housing for very low-income families, the elderly, and the disabled in privately owned and managed rental 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 house needs, if any, existing within a specific geography.

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

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

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

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

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

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

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

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

Population – All people living in a geographic area.

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

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

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

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

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

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

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

Senior Housing – The term “senior housing” refers to any housing development that is restricted to people age 55 or older. Today, senior housing includes an entire spectrum of hous-

ing 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. 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.