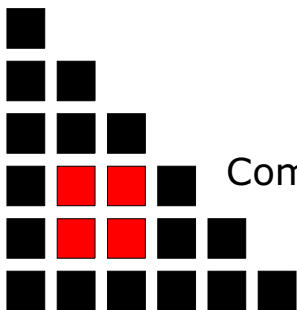


City of Alexandria HOUSING STUDY UPDATE

August 2023

An updated analysis of the overall housing needs
of the Alexandria area



Community Partners Research, Inc.
Lake Elmo, MN

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Executive Summary

This 2023 Housing Study Update for the Alexandria area is a continuation of previous research projects, most recently completed in 2018. Due to the ongoing growth and housing expansion in the area, period updates have been needed to track the changing supply and demand.

This 2023 Update has largely followed the format and content of the prior studies, and is organized into sections as listed below. This Executive Summary also follows in the same format, and provides some of the highlights from each of the individual sections.

- ▶ Demographic Data
- ▶ Projection Data
- ▶ Income and Housing Costs
- ▶ Existing Housing Data
- ▶ Rental Housing Inventory
- ▶ Senior Housing with Services Inventory
- ▶ Employment and Local Economic Trends
- ▶ Findings and Recommendations
- ▶ Alexandria in Comparison

Demographic Analysis Overview

- ▶ Consistent with past studies, the City of Alexandria has been the primary focus of this document and specific information has been provided. But the City has also been analyzed as part of a larger aggregated geography, referred to as Greater Alexandria. There are six additional jurisdictions that form Greater Alexandria: the City of Forada, and the Townships of Alexandria, Carlos, Hudson, Lake Mary and LaGrand.
- ▶ The 2023 Update was timed to include the release of more detailed 2020 Census tables in late May 2023. For many demographic and housing items, the 2020 Census is viewed as the most reliable benchmark.
- ▶ For post-Census estimates and projections, demographic reporting from Esri, Inc., has also been reviewed. While Esri does expect continued population and household growth for the Greater Alexandria area, in the opinion of Community Partners Research, Inc., the projections to 2028 are overly conservative. As a result, the analysts have generated alternate household projections which have been used to form housing unit recommendations presented in this document.

Demographic Highlights

- ▶ The City of Alexandria has continued its long history of population and household growth. The best available information shows that the City has accounted for the large majority of population and household growth for the Greater Alexandria area in recent years.
- ▶ Due to the impact of past annexation between Alexandria and bordering Townships, tracking actual growth within the City is difficult. However, the Greater Alexandria area achieved average annual growth of approximately 100 households and 250 people each year from 2010 to 2020. But this average is impacted by some slower growth years after 2010, and over the past few years the average annual growth in Greater Alexandria has probably been between 170 and 210 households per year.
- ▶ Estimated annual growth between 170 and 210 households per year is very consistent with identified change in the housing stock. Since 2020, the combined jurisdictions that form Greater Alexandria have had annual new construction activity of approximately 200 units in an average year. With limited vacant housing capacity, new unit creation and household growth have been directly connected.
- ▶ The anticipated age progression patterns identified in previous studies have continued to unfold, as the large “baby boom” generation moves through the aging cycle. As a desirable place to live, Greater Alexandria continues to attract and retain older adult households. Looking forward to 2028, the largest numeric increase in households is projected from households in the 75 and older age group. The age-based projections expect more than 54% of all households in Greater Alexandria to have a householder age 55 or older by the year 2028.

Growth Projection Highlights

- ▶ This Update has once again examined different projections for future growth within the Greater Alexandria area. Based on locally collected data, including housing starts and occupancy data, a realistic forecast over the next five years is that Greater Alexandria will add between 175 and 200 households in a typical year. Nearly all of the renter household growth is expected within the City as well as some of the owner-occupancy growth. As a result, Alexandria will capture most of the area’s increase in households.

- ▶ For this household growth potential to actually be achieved, especially within the City of Alexandria, a commensurate level of new housing unit creation will be required. In 2023, rental vacancy rates remain low in all segments and upward price pressure for home purchase indicates that demand exceeds supply.
- ▶ This Update also contains new age-based forecasts to the year 2028. Community Partners Research, Inc., has modified base projections from Esri to better reflect the area’s actual growth potential. These adjusted projections show the largest numeric increase in households by 2028 occurring in the 75 and older age range, followed by an increase in the 65 to 74 year old group. Overall, a large increase is expected in senior-headed households living in Greater Alexandria by 2028.
- ▶ The projections anticipate more limited growth in the number of younger adult households. However, the 20-year range between 35 and 54 years old is expected to increase by more than 300 households. It should be stated that the Alexandria area has demonstrated the past ability to grow faster than expected, and in the opinion of Community Partners Research, attracting an even larger number of younger adult households is possible if suitable housing options are available. The area has a strong local economy with significant job growth over time, making it a desirable place for younger adult households to live.
- ▶ The age-based projections expect no significant change in the number of households age 34 and younger through 2028. There is a large projected decrease in the 55 to 64 year old range, as the age cohort trailing behind the baby boom was not as large and will not fully replace the advancing generation.

Income and Housing Cost Highlights

- ▶ The primary source of information on income is the 2021 American Community Survey. Since the estimates are based on limited sampling, there is a margin of error that is applied to each estimate.
- ▶ There has been solid growth in the past for the median household income and the median family income in the City of Alexandria. However, the medians for the City still remain lower than the comparable County and Statewide medians. In 2021, the estimated median household income in Alexandria was \$54,193 and the median family income was \$78,738.

- ▶ Income distribution information by housing tenure continues to show a significant disparity between home owners and renters. Most of the area's lower income households were renters. The estimated median household income for Greater Alexandria renter households was nearly \$40,000 in 2021. Nearly 28% of all renter households had an annual income below \$25,000 and limited buying power for housing.
- ▶ The estimated median household income for home owners in Greater Alexandria was approximately \$83,000, more than double the median for renters. Approximately 57% of all home owners in 2021 had an annual income of \$75,000 or more.
- ▶ A "housing cost burden" is defined as applying 30% or more of income for housing. According to the 2021 American Community Survey, approximately 46% of all renter households in Alexandria had a housing cost burden, and most of these were applying substantially more than 30% of their income. These households were distributed in all age ranges, including seniors.
- ▶ Nearly 20% of all home owners in the City also reported a housing cost burden in 2021. These households typically had a more moderate income and had a mortgage on their home.
- ▶ The last section of this document contains comparative information with comparably-sized communities in western and northern Minnesota. For median income levels, Alexandria tends to rate well against the five communities used for comparison. Alexandria had the highest median income for renters, and the third highest median income for home owners. However, rental costs and ownership costs in Alexandria are also the highest among the comparison cities, so the above-average income levels are often negated by higher housing costs.

Existing Housing Inventory Highlights

- ▶ Since 2020, Alexandria has continued to see ongoing construction of new single family houses. So far this decade, the City has been averaging more than 40 single family housing starts per year, including both detached houses and attached units intended for owner-occupancy. For all jurisdictions in Greater Alexandria combined, the average annual single family production has been above 110 units per year, including the new units in Alexandria.

- ▶ Although no multifamily projects were permitted in 2022 in Alexandria, both 2020 and 2021 were strong years for rental housing development. Including partial-year 2023 activity, the City has been averaging approximately 75 rental units per year in the current decade, although some of these units will not be occupied until 2024. There are additional permits that may be issued later in 2023.
- ▶ Nearly all of the most recent projects have created conventional market rate rentals, with some designated for senior occupancy. A student-oriented housing project has also started construction in 2023.
- ▶ Only one of the rental projects permitted since 2020 has utilized TIF assistance and includes some income-restricted units. Central Lakes Apartments has eight TIF-assisted apartments.
- ▶ Specific details are not always available about each of the projects permitted in Alexandria since 2010, but using the known information, units can be segmented into the following housing types:
 - ▶ 555 units of conventional market rate housing
 - ▶ 72 units of market rate designated for senior occupancy
 - ▶ 96 TIF-assisted units in conventional market rate projects
 - ▶ 82 student-oriented housing units
 - ▶ 24 moderate rent tax credit units with income and rent restrictions
 - ▶ 199 independent/light services senior units including some TIF
 - ▶ 59 assisted living/enhanced assisted living including some TIF
 - ▶ 32 memory care units including some TIF
 - ▶ 15 supportive housing units
- ▶ Sale prices for existing homes, as tracked by City Assessor records, show an upward trend in the median values, especially in the past few years. The most recent sales records reviewed for this Update were for the 2022 sales year, and found a median price of \$257,500. The median price for 2022 was up by \$54,000 from 2020. It is probable that prices have increased further in 2023.
- ▶ The median sale prices for houses in the neighboring Townships are even higher. In each of the five townships that form Greater Alexandria the median sales prices were approximately \$300,000 or higher in 2022. Lake shore sales would have some impact on the sales sample.

- ▶ A separate estimate of owner-occupancy home values exists in the American Community Survey, although it had an effective date of 2021. When compared to other communities, the median home value in Alexandria was substantially higher and more than \$35,000 above the next closest comparison community (Marshall).
- ▶ The 2023 Update did not obtain a comprehensive list of residential lots that are listed for sale in the area, but it does not appear that any shortage exists for new home construction in 2023. Annual lot absorption has resulted in ongoing private sector subdivision development, bringing new lots into the local inventory in recent years.

Rental Housing Market Highlights

- ▶ The 2020 Census provided a new housing tenure benchmark for the City. Based on occupancy, 46% of the City's permanent resident households lived in rental housing with 54% owning their home.
- ▶ Including vacant or unoccupied units, the City's total rental housing inventory in 2020 contained nearly 3,300 units. Based on construction activity after the Census, the probable rental inventory will contain just under 3,500 units by the end of 2023.
- ▶ The rental rate of 46% in Alexandria was very high by comparative standards, but if all of Greater Alexandria is included, the rental rate dropped to less than 30% and was generally similar to the Statewide average in 2020.
- ▶ As part of the research process for this Update, a telephone survey was conducted that attempted to contact the City's larger rental properties. The surveyed projects were analyzed based on the market segment that they served. Overall, information was collected from more than 57% of the estimated rental inventory in Alexandria in 2023.
- ▶ Despite the ongoing introduction of new units in recent years, the estimated vacancy rate in the market rate rental segment was still below 2%, consistent with the rental survey completed in 2018.
- ▶ There continues to be a wide variation in rates for market rate rental housing in Alexandria, with a mixture of new apartment buildings constructed in the past 10 years along with a large inventory of older units which are generally in a more modest range.

- ▶ At the time of the 2018 Housing Study we had commented that nearly all of the new rental projects constructed after 2010 had utilized TIF assistance and typically had 20% of the units designated for households at or below 50% of median income. However, only one project permitted since 2020, Central Lakes Apartments, has TIF-assisted units that are subject to the income limits.
- ▶ Alexandria has post-secondary student households distributed across the general rental market. A small number of projects are primarily oriented to student renters and these properties reported a very high rate of occupancy at the start of the fall 2022 term.
- ▶ The City's inventory of moderate rent tax credit housing has grown smaller since 2018, as Wiltoka Apartments has completed its affordable housing requirements and has converted to market rate housing. Despite multiple applications, the City's last tax credit award was for Deer Ridge Townhomes in 2012.
- ▶ In the moderate rent, income-based segment that utilized federal low income housing tax credits, good demand was evident, and the estimated vacancy rate was less than 1%, with waiting lists in existence.
- ▶ The inventory of very affordable federally subsidized rental housing has not changed since 2018. Alexandria has 290 units oriented to senior/disabled tenant occupancy and 126 units for general occupancy. One 24-unit general occupancy project that was identified as "at risk" in 2018 has been acquired and preserved by a regional nonprofit agency.
- ▶ Occupancy rates remain very high in the subsidized projects. The estimated vacancy rates were below 1% in both senior-oriented and general occupancy projects and waiting lists were common.
- ▶ The tenant-based HUD Housing Choice Voucher Program assists low income renter households but the waiting list has been closed in recent years due to its length. However, there were 41 more Vouchers in use in Alexandria 2023 than in 2018.
- ▶ According to the American Community Survey, the median gross rent in Alexandria was the second highest of the Cities used in the comparison, with only Bemidji having a higher rent level. However, Alexandria did have the highest median income level for renter households, which resulted in most renters paying less than 30% of income for housing.

- ▶ Information in the American Community Survey pointed to a large under supply of very affordable rental units in Alexandria, with a gross monthly rent below \$500. The number of renter households within a comparable income range was more than double the supply of very affordable units.
- ▶ In the rent ranges of \$900 or more, the overall supply of units was much smaller than the number of renters with moderate to higher incomes. Overall, the American Community Survey estimates showed that 37% of all renter households in Alexandria in 2021 had an annual income of \$50,000 or more, but only 18% of all rental units were priced at \$1,250 or more for gross rent. Since 2021 there have continued to be some additions to this higher price ranges in newly constructed projects.

Senior Housing with Services Market Highlights

- ▶ There has been no new construction of specialized senior housing in Alexandria since the 2018 Housing Study was completed. The overall inventory of options has changed very little, although there was a minor reduction of capacity as three smaller residential assisted living facilities have been closed since 2018. There may have been some other small changes in use of available units/beds but any changes have been limited.
- ▶ Utilization rates in 2023 remain high in most market segments. However, not all providers were willing to disclose information for this report and the high utilization rates are estimated based on participating facilities. Any negative occupancy impacts that may have been caused by the global health pandemic were no longer evident in 2023.
- ▶ Based on the age distribution patterns reported in the 2020 Census, there has been growth in the number of senior-headed households in the Greater Alexandria area since 2010. Most of the past growth occurred in the younger senior age range, between 65 and 74 years old.
- ▶ Projections looking forward to 2028 expect continued growth within senior age groups, with the greatest increase expected within the 75 to 84 year old age group over the next five years. Older senior citizens, age 75 and above, are more likely to access senior housing that provides supportive services.

Employment and Economic Trends Highlights

- ▶ The area’s employment status remains strong, with growth in the number of jobs and a low rate of unemployment. There was a spike in the unemployment rate in 2020, presumably due to the pandemic, but by 2022 there were more employed people in Alexandria than pre-pandemic. The number of jobs in Alexandria that are covered by unemployment insurance had also nearly returned to pre-pandemic levels by 2022.
- ▶ The three primary employment sectors in Alexandria are Education and Health Services, Trade/Transportation/Utilities and Manufacturing. Nearly 69% of the identified employment in the City was in these three broad industry sectors.
- ▶ The average weekly wage in 2022 was \$1,084. At full-time employment this would be an annual wage of approximately \$56,400.
- ▶ Most of the area’s employed work force is locally-based, with a large majority traveling less than 30 minutes for employment in Alexandria. A large majority of City residents were traveling less than 20 minutes for employment, including the people that both live and work in Alexandria.

Findings and Recommendations Summary

The Findings and Recommendations for the Update have primarily focused on rental and home ownership housing opportunities in the Alexandria area and follow the format of the previous housing study, completed in 2018.

Overview

The primary demand-generator used for the new housing development recommendations in this Update is the expected household growth between 2023 and 2028. For the Greater Alexandria area, average annual household growth of between 175 and 200 households per year has been used. Over a five-year period, this results in expected demand for at least 875 to 1,000 total housing units just to address the increased number of households.

Other demand-generators will also contribute to the need for housing. For rental units this will include some overproduction to address the low rate of vacancy that has existed in recent years. For ownership housing, some higher level of production will be needed to address demand for specific types of units, especially customized new construction and age-appropriate options.

In determining the housing tenure needed, this Update has allocated the demand potential into approximately 50% owner-occupancy units and 50% renter-occupancy. This allocation is for all of Greater Alexandria, but nearly all of the rental development would be expected in the City, while the owner-occupancy housing construction will be both inside the City limits and in the surrounding Townships.

Rental Housing

When all demand-generators are combined, the rental production recommendation for the five-year period from 2023 to 2028 would be at least 550 to 625 total units for the Greater Alexandria area. Some of the new construction needed to meet this goal is already in the development pipeline, or may be in the planning phase.

- 1. Market Rate Rental: Promote Production of 325 to 355 Total Units Over Projection Period** - Alexandria has had ongoing construction of new, high quality rental housing in recent decades, which has been very successful in the marketplace. Looking forward over the next five years, between 325 and 355 additional units would be recommended to serve the conventional market rate segment. There is one project under construction in 2023 that will open late in 2024 and add approximately 72 senior-designated units. Three additional projects have been proposed that could add another 185 units, although some of these might not be available until 2025. Only one of the pending/proposed projects may include TIF-assisted units that are income/rent restricted.
- 2. Observations on TIF Assistance for Market Rate Housing** - At the time of the 2018 Housing Study, most of the new rental projects had included some affordable rental units through the use of Tax Increment Financing (TIF) assistance. However, nearly all of the projects developed since 2019, with the exception of Central Lakes Apartments, have not used TIF. While conventional market rate housing will represent most of the future new construction activity, many area renter households will need more affordable housing, as the median income level for renter households was nearly \$40,000 in 2021. An affordable rent threshold at the median income is \$1,000, a level that is difficult to achieve in purely market rate units. TIF usage typically results in some units with lower rents that are more affordable for moderate income households. One possible way to increase the supply of TIF units is to consider extended TIF districts to maintain the affordable supply long-term.
- 3. Senior-Designated Housing Continues to be Appropriate for Future Development** - The projections used in this Update expect that more than 54% of all households living in Greater Alexandria in 2028 will have a head of household age 55 or older. As much as 40% of the unit recommendation going forward could be senior-designated (age 55+). One project that is under construction in 2023 is senior-designated and two proposed future projects may also create units for senior occupancy.

- 4. Moderate Rent Tax Credit Housing: Promote the Development of 60 to 70 Units over the Projection Period** - Since the 2018 Housing Study was completed, the inventory of moderate rent tax credit housing in Alexandria has grown smaller, as Wiltoka Apartments has completed its contractual obligations and no longer is subject to the tax credit rent and income limits. The last new tax credit project, Deer Ridge Townhomes, was constructed 10 years ago. More recent applications for tax credits have been submitted, but have not been funded due to the highly competitive award system. Going forward a goal of adding 60 to 70 moderate rent tax credit units is recommended. This would probably be accomplished by two awards over the 5-year projection period.
- 5. Subsidized Rental Housing: Develop as Resources Allow with a Goal to Add 25 to 50 Units** - Subsidized housing is affordable for even very low income households, as the monthly rent will often be based on 30% of the renter household's income. The subsidized unit inventory in Alexandria has not changed since the 2018 Housing Study, although one "at risk" project in 2018 was preserved when it was acquired by a regional nonprofit agency. The last physical addition to the subsidized inventory occurred in the early 2000s. Constructing any subsidized units going forward will be extremely difficult due to a lack of resources, but setting a goal of adding up to 50 very affordable units would be encouraged. There has been some increase in the number of households receiving tenant-based rent assistance since 2018, primarily through HUD Voucher programs.
- 6. Student-Oriented Housing: Monitor the Impact of the New 41-unit Project and the Future Demand for Student Housing** - Post-secondary students, primarily attending Alexandria Technical and Community College (ATC) form part of the demand for rental housing. A few projects, typically located close to the campus, are specifically oriented to students. In 2011, the College Foundation constructed Foundation Hall with capacity for 149 residents. In 2023, a second phase of construction is underway which will add an additional 150 beds. Many student households are also living in the general rental market and will be served by the new rental housing production that has been recommended in this Update. Student-specific housing should be monitored, including the impact of the newest project which will be available for the fall 2024 term.

Senior Housing With Services

- 7. Light Services Senior Housing: Promote an Expansion of 52 or More Units by 2028** - Since the 2018 Housing Study was completed there has been no new construction of specialized senior housing in Alexandria. However, some change in use has occurred, as some lighter services units have since been licensed for assisted living use. Between 2023 and 2028, the total population of senior citizens, age 65 and older, is expected to increase, with especially strong growth in the age ranges 75 years old and older. To maintain the current capture rates being achieved within the lighter services housing segment, an expansion of 52 units or more would be needed by 2028 in Douglas County. The City of Alexandria would be the best location for the large majority of these future units. One existing provider may be planning a new development phase of lighter services housing in 2024.
- 8. Assisted Living: Promote an Expansion of 50 or More Units by the Year 2028** - Despite some changes in use, the overall supply of assisted living in Alexandria has not changed significantly from the inventory that existed in 2018. No new construction projects have proceeded since 2015. In the recent past, there had been a greater increase in the number of younger senior citizens, but by 2028, the number of households age 75 and older should show stronger growth. Maintaining the current capture rate being achieved within the assisted living segment would require approximately 50 or more units by 2028 in Douglas County, with Alexandria the preferred location for most of these units.
- 9. Memory Care Housing: Promote an Expansion of 24 or More Rooms/Beds by the Year 2028** - Memory care housing represents a very specialized segment of the senior market. There have been no new construction projects adding memory care housing since the 2018 Housing Study, although some changes in use have occurred among existing providers. Going forward to the year 2028, an expansion of 24 or more units/beds would be recommended to maintain the same basic capture rate within this housing segment. It should be noted that in 2023, one of the current providers in Alexandria has intentionally vacant beds due to staffing issues. Memory care housing offers a high level of care and is staff intensive.

Home Ownership

The demand calculations used for this Update indicate the need for as many as 110 to 120 owner-occupancy housing units annually over the five-year projection period. This unit recommendation is based primarily on serving permanent resident households, although additional construction may occur of seasonal/recreational properties.

- 10. Continue to Offer Affordable Home Ownership Programs** - Offering affordable home ownership options in Alexandria continues to be an issue. Much of this is due to escalating home values, which continue to be higher than in comparable communities. By 2022, the median sale price in Alexandria had reached \$257,500, and up by \$54,000 from the median price in 2020. New construction prices would generally be substantially higher. The Alexandria HRA has been active in the past in offering home ownership assistance programs in the City and in 2019 a Local Housing Trust Fund was created that primarily offers home ownership assistance gap funding. With rapidly rising costs for both existing and new homes, continued ownership assistance efforts are encouraged.

- 11. Promote the Construction of 8 to 10 Very Affordable Homes Per Year** - There has been some annual production of very affordable new houses in Alexandria, primarily through the Alexandria HRA and Habitat for Humanity. These have often served low and moderate income households that would not have been otherwise able to purchase a new home. Recent Habitat houses have had a fair market value of approximately \$260,000, well below the price for typical new construction. Going forward, a goal of producing 8 to 10 very affordable homes per year would help to address demand from marginal home buyers. In 2023, Habitat for Humanity received PUD approval for a 25 acre affordable subdivision that will allow for ongoing construction of very affordable homes.

- 12. Promote the Construction of 12 to 16 Entry-level Homes Annually** New construction of affordable single family homes in the Alexandria area has been limited in recent years, due in part to increased costs for materials and labor. With projected growth in the 35 to 44 year old age group, some increased demand should exist for entry-level homes, generally defined as less than \$375,000. When combined with the previous recommendation for very affordable ownership, this would place approximately 18% to 22% of future new construction in the more affordable market segments.

- 13. Mid-Priced and Higher-Priced Housing Should Continue to Represent Most of the New Construction Activity** - The analysis of projected demographic trends continues to indicate that the strongest demand should be for trade-up housing, especially units that are age-appropriate for empty nesters and young seniors. Consistent with the 2018 Study, we would continue to expect that 80% or more of the single family construction will be in the moderate to higher price ranges, generally defined as \$375,000 or more. The projected level of annual construction would include some attached single family units, such as twin homes and town houses.
- 14. Attached Single Family Housing Should Continue to Gain Market Share** - The age-based projections show strong overall household growth between 2023 and 2028, primarily within the 65 and older age ranges. The projections indicate that more than 54% of all households living in Greater Alexandria in 2028 will be age 55 and older. The near-senior and senior citizen age groups have historically had very high rates of owner-occupancy and represent a primary target market for attached single family housing that offers no maintenance or low maintenance living. The demand calculations used for this Update expect that approximately 20% to 25% of the future demand for owner-occupancy housing construction can be met through attached single family housing, such as twin homes and town house units.
- 15. Monitor the Overall Residential Lot Supply** - Although no comprehensive inventory of available residential lots was obtained during the research process in 2023, area developers have continued to create new residential areas and the overall supply of lots is not viewed as a limitation to future housing construction. While the overall lot inventory should be monitored, the research completed for this Update continues to indicate that lot/land availability will not be a limiting factor.

Alexandria in Comparison Highlights

The last section in this document uses standardized data from the American Community Survey to compare Alexandria with a group of similar-sized communities. The cities selected for direct comparison include Bemidji, Brainerd, Fergus Falls, Marshall and Willmar. Multiple demographic, income and housing cost data comparisons have been made, and some of these are highlighted below:

- ▶ **Median Household Income** - Alexandria had the highest median income of the six communities at \$54,193. The median for home owners was \$75,657, ranking third highest among the six comparison communities, while the median for renters was \$38,167, the highest among the comparison cities.
- ▶ **Median Owner-Occupied Home Value** - Alexandria had the highest median home value of the comparison communities, at \$199,000 according to the American Community Survey. The median value in Alexandria was more than \$35,000 higher than in Marshall, the second highest of the comparison cities. At the time of the 2018 Housing Study, Alexandria's median was more than \$16,000 higher than the median value in Marshall, as the value difference has more than doubled since that time.
- ▶ **Median Gross Rent** - Alexandria had the second highest median gross rent of the comparison cities, trailing Bemidji. The estimated median gross rent in Alexandria in 2021 was \$782 per month.
- ▶ **Ownership Housing Costs** - Using median income and housing cost data, an estimate can be made of the percentage of household income that is required for ownership costs. This includes households both with and without a mortgage. Alexandria had the second highest percentage of income required for ownership, at 17.2% of median income. Alexandria did have a substantially higher median home value, but the median household income for home owners was also relatively high, so the percentage needed for ownership was still in an affordable range.
- ▶ **Renter Housing Costs** - Alexandria was near the middle of the comparison communities for the highest percentage of income needed for rental housing, at 28.9% of median income. Although the City's median gross rent was higher than most of the other cities, the median income for renter households was the highest, allowing a renter household at the median income level to avoid a housing cost burden.