

NORTH MINNEAPOLIS SFR PILOT SURVEY RESULTS

EDWARD G. GOETZ, ANTHONY DAMIANO & MARGARET TURVEY



Center for Urban and
Regional Affairs | **cura**

UNIVERSITY OF MINNESOTA

Previous Research

- Concentration of large sf rental owners associated with
 - Higher rates of eviction
 - Rent growth
 - Lower levels of property maintenance
- Less understood:
 - Differences BETWEEN types of large landlords
 - Threshold for portfolio size that makes a difference for tenant/nbhd outcomes

Provisional Ownership Typology

Landlord Size

Investor Type	Properties Owned
Micro	1-2
Small	3-10
Medium	11-50
Large	51+

(from Mills et al. 2019)

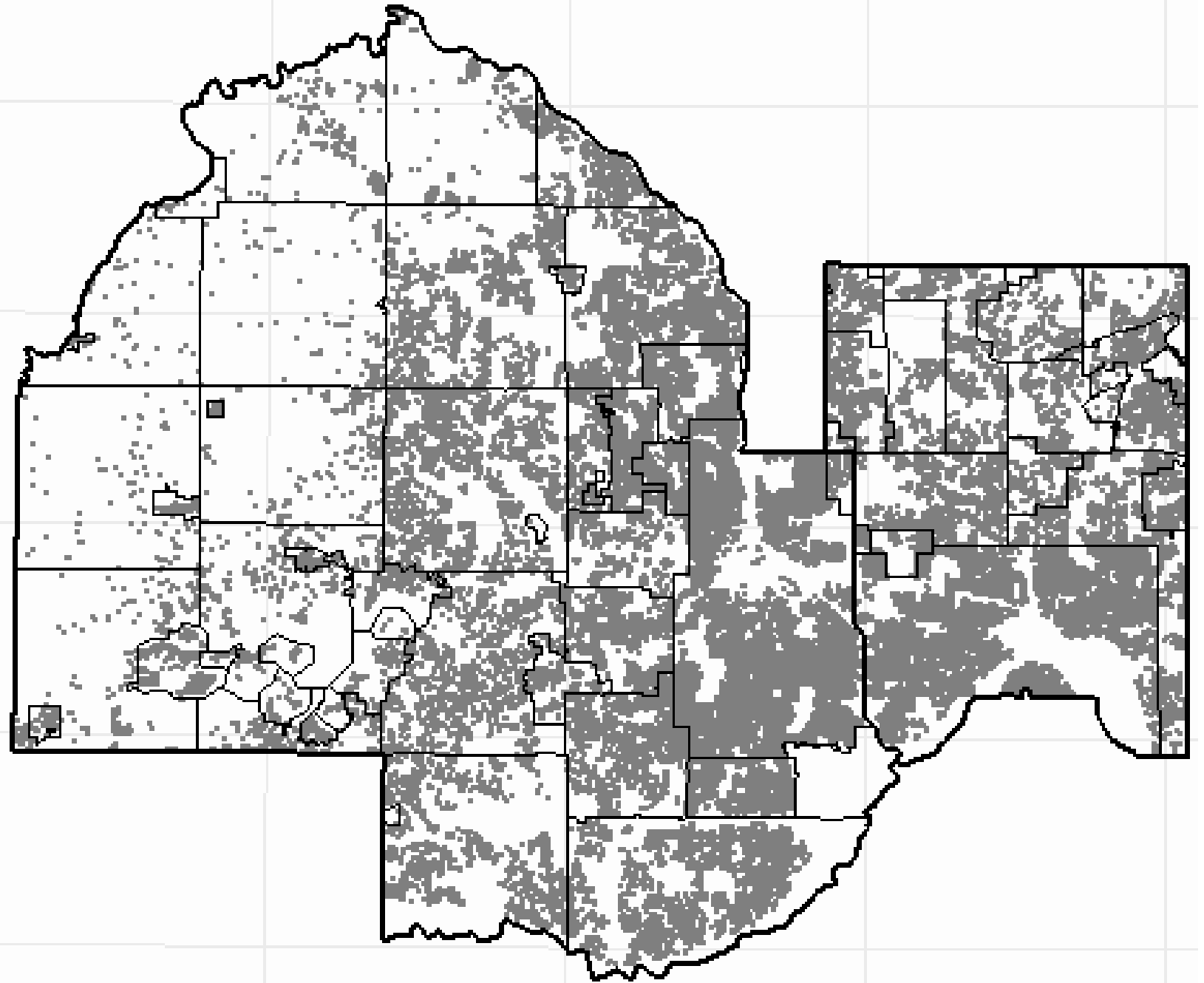
Provisional Ownership Typology

Within the large category previous research has identified two distinct types of national entities engaging in the SFR market:

- REITS
- PE
- In addition, in the Twin Cities metro we identified a variety of local actors that own at least 50 properties as well as other national entities that don't neatly fit into the REIT or PE categories including
 - Purpose-built SFR communities
 - Singular single-family rental firms
 - Rent to Own schemes
- Others included flippers, ibuyers and homebuilders holding pre-sale. These were removed for the purposes of this analysis.

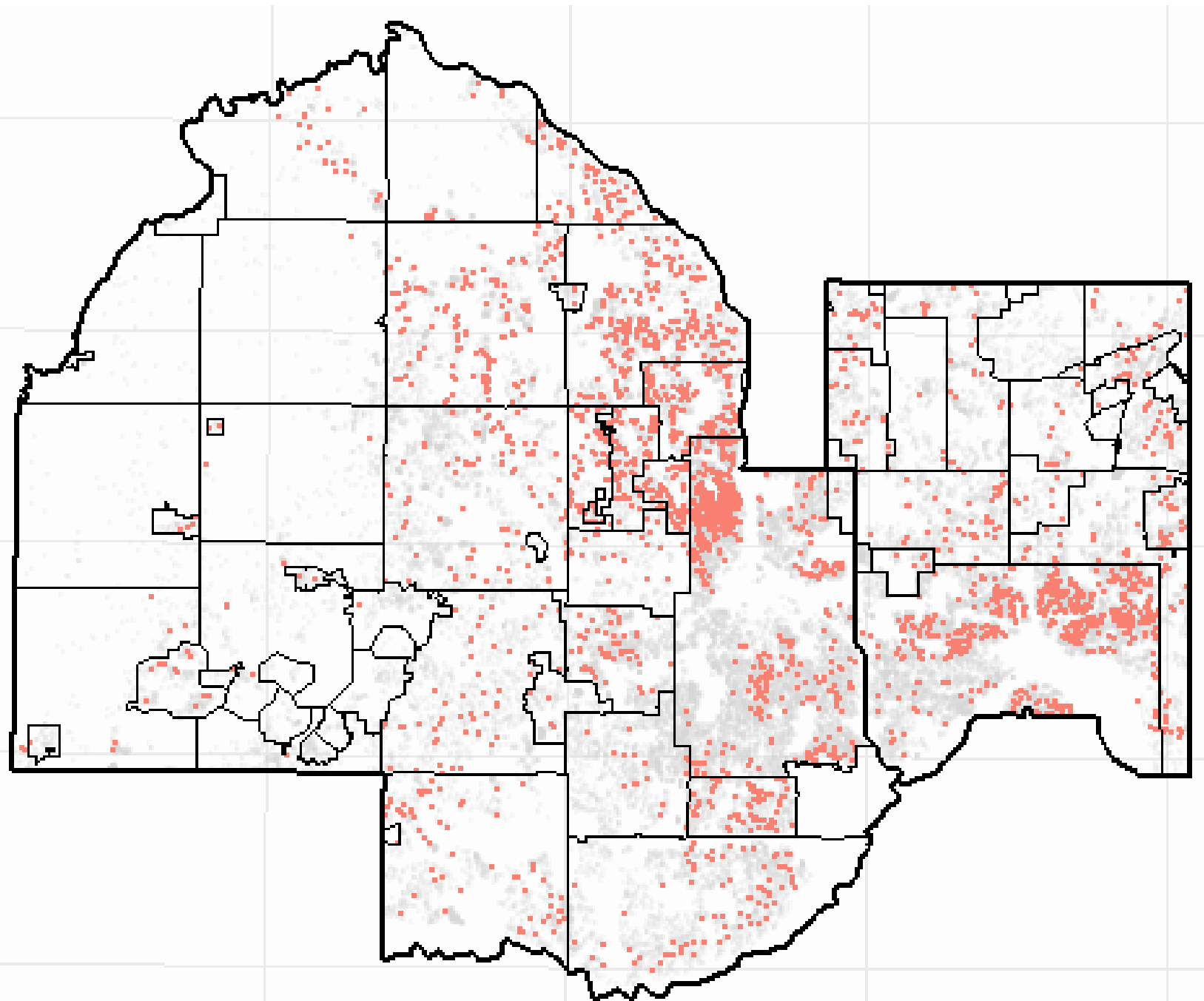
GEOGRAPHY OF ALL SFR HENNEPIN & RAMSEY 2022

All SF rentals



GEOGRAPHY OF ALL SFR HENNEPIN & RAMSEY 2022

Large owners (51+
Units) highlighted



Methods

- Sample was identified using Hennepin County parcel data to estimate the location of renter occupied single-family homes on the Northside
- Sample was stratified by estimated owner size so that small, medium and large landlords would be represented.
- 800 households were identified for sampling. Each was sent multiple mailings in February of this year with a link to take the online survey.
- In-person follow up was performed by *Inquiliinx* *Unidxs* organizers volunteers
- 140 usable surveys were completed between February and May of 2023

Survey Summary

- 150 total responses, 140 usable
- Required significant cleaning (part of issue of self-administered surveys)
- Demographics of survey respondents consistent with North Minneapolis renters according to ACS
- Homes surveyed match parcel characteristics of single-family rental homes as a whole
- Survey purposely oversamples sf renters who live in housing owned by larger entities and that holds in results

HOUSING CHARACTERISTICS

Variable	Stat	NMPLS Owners	NMPLS Renters	Post Cards	Survey Reponses
EMV	mean	\$198,940	\$166,390	\$158,935	\$159,543
	median	\$193,000	\$162,000	\$153,000	\$155,000
Home Size in Sq. Ft.	mean	2101.3	1962.7	1933.0	1908.5
	median	2051	1941	1902.5	1862
	min	506	480	616	722
	max	6495	5200	3953	3028
Year Built	mean	1938	1931	1928	1930
	median	1928	1923	1922	1923
Last Sale Year	mean	2010	2013	2013	2012
	median	2014	2014	2014	2012
Sale Value	mean	\$188,495	\$130,007	\$114,768	\$125,024
	median	\$184,133	\$112,727	\$89,394	\$76,541

Data Analysis

Broke up questionnaire into 4 sections:

1. Rents and Rent Increases
 2. Interactions with Landlord
 3. Respondent profile
 4. Housing Quality
- Ran series of cross tabulations of survey answers crossed with key demographic variables including tenant race/ethnicity, gender and voucher usage

FINDINGS:

Rents, fees, affordability

- Large owners more likely to have increased rents
 - 77% for large owners, 39% for micro owners
- Reported rents across owner-size categories not significantly different
- Number of fees paid did not vary by owner type
 - Overall cost of fees, however, higher among large and medium-sized owners compared to micro
 - Average of \$52 and \$58 per month compared to \$34

“I can afford this home right now”

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Large >50	3 (12.0%)	9 (36.0%)	4 (16.0%)	4 (16.0%)	5 (20.0%)
Medium 10-50	5 (12.5%)	10 (25.0%)	14 (35.0%)	6 (15.0%)	5 (12.5%)
Small 3-10	4 (22.2%)	5 (27.8%)	6 (33.3%)	0 (0%)	3 (16.7%)
Micro 1-2	6 (21.4%)	12 (42.9%)	7 (25.0%)	2 (7.1%)	1 (3.6%)
Total	18 (16.2%)	36 (32.4%)	31 (27.9%)	12 (10.8%)	14 (12.6%)

Tenants in large owner buildings were over 3.5x as likely to say they can afford their home at present.

Landlord / tenant relationships

- Only two-thirds of respondents had copy of their lease
- Point of contact differs greatly by owner size
 - 93% of tenants in micro-owner homes report the landlord/owner as the point of contact
 - 68% of tenants in large-owner homes report property manager/management company as point of contact
- Ease of contact varies by owner-size
 - 87% of tenants in micro-owner homes indicate their LL/PM is “easy to reach”, 44% of tenants in large-owner homes
- “treated well by your LL/PM?”
 - 79% yes in micro-owner homes, 43% in large-owner homes

Harassment, Discrimination and Retaliation

	Harassed		Discriminated against		Retaliated against		Any	
Large >50	6	22.2%	4	14.3%	4	14.8%	8	28.6%
Medium 10-50	14	27.4%	11	21.6%	12	24.0%	17	31.5%
Small 3-10	2	9.5%	4	19.1%	3	16.7%	4	18.2%
Micro 1-2	1	3.6%	1	3.6%	1	3.6%	3	8.3%
Total	23	18.1%	20	15.6%	20	16.3%	32	22.9%

- Tenants in Medium/large owner buildings over 2x as likely to report harassment, discrimination and retaliation compared to small/micro landlords.
- Medium sized landlords had highest reported rates

“My landlord is responsive to me”

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Large >50	3 (12.5%)	11 (45.8%)	4 (16.7%)	5 (20.8%)	1 (4.2%)
Medium 10-50	10 (25.6%)	13 (33.3%)	10 (25.6%)	2 (5.1%)	4 (10.3%)
Small 3-10	7 (38.9%)	8 (44.4%)	1 (5.6%)	0 (0%)	2 (11.1%)
Micro 1-2	12 (44.4%)	8 (29.6%)	4 (14.8%)	1 (3.7%)	2 (7.4%)
Total	32 (29.6%)	40 (37.0%)	19 (17.6%)	8 (7.4%)	9 (8.3%)

- Tenants in micro/small owner buildings over 3x likely to strongly agree that their landlords is responsive to them.

Housing quality: health & safety

- Consistent findings across all questions related to repairs, health and safety concerns showing greater problems/concerns for tenants living in homes owned by large-portfolio owners

Are repairs currently needed in your house?

	Yes	No
Large >50	24 (85.7%)	4 (14.3%)
Medium 10-50	38 (77.6%)	11 (22.4%)
Small 3-10	13 (65.0%)	7 (35.0%)
Micro 1-2	11 (44.0%)	14 (56.0%)
Total	86 (70.5%)	36 (29.5%)

- Tenants in large owner buildings were twice as likely as tenants in micro owner buildings to say repairs were needed at their house.

“I started finding things that needed to be repaired right after I moved in.”

	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Total
Large >50	62.5% (15)	20.8% (5)	12.5% (3)	4.2% (1)	100.0% (24)
Medium 10-50	55.3% (21)	23.7% (9)	15.8% (6)	5.3% (2)	100.0% (38)
Small 3-10	38.5% (5)	15.4% (2)	15.4% (2)	30.8% (4)	100.0% (13)
Micro 1-2	30.0% (3)	40.0% (4)	0.0% (0)	30.0% (3)	100.0% (10)
Total	51.8% (44)	23.5% (20)	12.9% (11)	11.8% (10)	100.0% (85)

Safety and/or Health Concerns

	Safety Concerns	Health Concerns	Health or Safety Concerns
Large >50	16 (57.1%)	11 (39.3%)	18 (64.3%)
Medium 10-50	15 (28.3%)	16 (30.2%)	19 (35.2%)
Small 3-10	4 (19.0%)	5 (23.8%)	6 (27.3%)
Micro 1-2	4 (14.3%)	5 (17.2%)	7 (19.4%)
Total	39 (30.0%)	37 (28.2%)	50 (35.7)

- Tenants in large owner buildings were 3x as likely as tenants in micro owner buildings to report health and/or safety concerns

Findings Summary

Owner size

- Tenants in homes owned by medium/large owners reported worse conditions and treatment
 - corroborated with Minneapolis code violation data
 - rent/fee differentials not as conclusive

Race/Ethnicity

- Whites had lower rates of health and safety concerns compared to BIPOC renters
- Whites also reported lower rates of harassment, discrimination and retaliation.

Findings Summary

Gender

- Female headed households were twice as likely to report health and safety concerns at their current home.
- Women were more likely to have knowledge of and make use of renter resources like HOMELine and 311.

Voucher holders

- More likely than non-voucher holders to report health and safety concerns. Rates of concern were particularly high for voucher holders living in homes owned by large landlords.

Limitations

- Chi-Square tests and simple regression models show for example that renters living in homes owned by medium and large owners were more likely to report harassment than those owned by small/micro owners.
- But, small number of completed surveys limits our ability to see how multiple variables interact and correlate with each other.
- A larger sample will allow us to better control for confounding variables and more accurately understand the relationship between different tenant characteristics, owner characteristics and tenant experiences.
- Concentration on North Minneapolis means we cannot assess whether landlords treat neighborhoods differently

NORTH MINNEAPOLIS SFR PILOT SURVEY RESULTS

EDWARD G. GOETZ, ANTHONY DAMIANO & MARGARET TURVEY



Center for Urban and
Regional Affairs | **cura**

UNIVERSITY OF MINNESOTA