

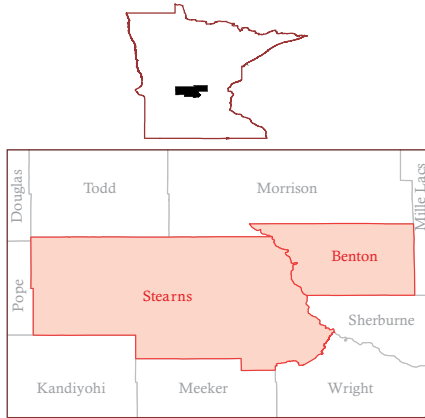


St. Cloud, Minnesota

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of October 1, 2015



Housing Market Area



The St. Cloud Housing Market Area (HMA), coterminous with the St. Cloud, MN Metropolitan Statistical Area, comprises Benton and Stearns Counties in central Minnesota. The healthcare industry, the wholesale and retail trade sector, and the manufacturing sector provide a strong economic base for the HMA. Nicknamed “The Granite City,” because of granite quarries that have operated in the area since the 1880s, the city of St. Cloud is the largest city in the HMA. The wall surrounding the Minnesota Correctional Facility–St. Cloud is the longest granite wall in the world.

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Summary

Economy

Economic conditions in the St. Cloud HMA continue to improve, building on a trend that began in 2011. During the 12 months ending September 2015, nonfarm payrolls totaled 106,700 jobs, an increase of 900 jobs, or 0.9 percent, from a year earlier. Three of the largest employers in the HMA are CentraCare Health; Coborn’s, Inc.; and the U.S. Department of Veterans Affairs (VA) Medical Center. During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 1.4 percent annually.

Sales Market

Sales housing market conditions in the HMA are balanced, with an estimated vacancy rate of 1.2 percent, down from 1.6 percent in 2010. Home sales (including single-family homes, townhomes, and condominiums) have increased for the second consecutive year in the HMA and totaled 3,050 homes sold during the 12 months ending September 2015. Demand is forecast for 1,425 new homes during the next 3 years (Table 1). The 150 homes currently under construction and a portion of the estimated 4,400 other vacant housing units that may reenter the sales market will satisfy some of the demand during the forecast period.

Rental Market

Rental housing market conditions in the HMA are currently balanced. As of October 1, 2015, the rental vacancy rate is an estimated 5.5 percent, down from 8.4 percent in April 2010. During the forecast period, demand is estimated for 740 new market-rate rental units (Table 1). The 320 units currently under construction will satisfy a portion of the forecast demand.

Table 1. Housing Demand in the St. Cloud HMA During the Forecast Period

	St. Cloud HMA	
	Sales Units	Rental Units
Total demand	1,425	740
Under construction	150	320

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of October 1, 2015. A portion of the estimated 4,400 other vacant units in the HMA will likely satisfy some of the forecast demand. Sales demand includes an estimated demand for 30 mobile homes. The forecast period is October 1, 2015, to October 1, 2018.

Source: Estimates by analyst

Economic Conditions

The St. Cloud HMA is located in south-central Minnesota, northwest of the adjacent Minneapolis-St. Paul metropolitan area. Large firms providing significant employment in the HMA include CentraCare Health; Coborn's, Inc.; Gold'n Plump; and Marco Technologies LLC. Traditionally known as a hub for the mining of granite and agricultural production, the HMA is developing as a center for health care and trade. The HMA is home to St. Cloud State University (SCSU) in St. Cloud, Saint John's University in Collegeville, the College of Saint Benedict in St. Joseph, and several technical and specialized vocational schools.

In the 2000s, the economy of the HMA generally followed the national trends of growth and decline. From 2000 through 2003, nonfarm payrolls remained virtually unchanged overall; the manufacturing sector and the retail trade subsector lost jobs while most other sectors gained jobs. From 2004 through 2007, nonfarm payrolls rose by an average of 2,000 jobs, or 2.0 percent, annually. The education and

health services and the professional and business services sectors led the job growth, increasing by an average of 600 and 400 jobs, or 4.0 and 4.4 percent, annually, respectively. From 2008 through 2010, the local economy recorded significant job losses during the national recession, with nonfarm payrolls declining by an average of 1,600 jobs, or 1.6 percent, annually. This downturn was broad based, with most sectors recording job losses. The manufacturing sector and the retail trade subsector lost an average of 900 and 300 jobs, or 5.7 and 2.3 percent, annually, respectively. Despite the economic downturn, the government and the education and health services sectors continued to expand by an average of 500 and 200 jobs, or 3.3 and 1.4 percent, annually, respectively, from 2008 through 2010. The economic recovery in the HMA began in 2011, when nonfarm payrolls grew by an average 1,900 jobs, or 1.9 percent, annually through 2013. Job growth was greatest in the education and health services sector, which added an average of 800 jobs, an increase of 4.5 percent, annually, from 2011 through 2013, primarily because of the growing demand of the elderly population for healthcare services. The professional and business services sector expanded from 2011 through 2013 by an average of 300 jobs, or 3.6 percent, annually, in part, because, as economic expansion resumed following the recession, employers increased the number of part-time workers rather than add full-time workers.

During the 12 months ending September 2015, nonfarm payrolls in the HMA increased by 900 jobs, or 0.9 percent, to 106,700 jobs (Table 2) compared with an increase of 2,300 jobs, or 2.2 percent, during the previous 12 months. The unemployment

Table 2. 12-Month Average Nonfarm Payroll Jobs in the St. Cloud HMA, by Sector

	12 Months Ending		Absolute Change	Percent Change
	September 2014	September 2015		
Total nonfarm payroll jobs	105,800	106,700	900	0.9
Goods-producing sectors	20,800	21,300	500	2.4
Mining, logging, & construction	5,700	5,900	200	3.5
Manufacturing	15,200	15,400	200	1.3
Service-providing sectors	85,000	85,400	400	0.5
Wholesale & retail trade	17,700	17,700	0	0.0
Transportation & utilities	3,700	3,800	100	2.7
Information	1,700	1,600	-100	-5.9
Financial activities	4,800	4,800	0	0.0
Professional & business services	8,800	8,100	-700	-8.0
Education & health services	20,600	21,600	1,000	4.9
Leisure & hospitality	8,800	8,800	0	0.0
Other services	3,700	3,700	0	0.0
Government	15,300	15,100	-200	-1.3

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through September 2014 and September 2015.

Source: U.S. Bureau of Labor Statistics

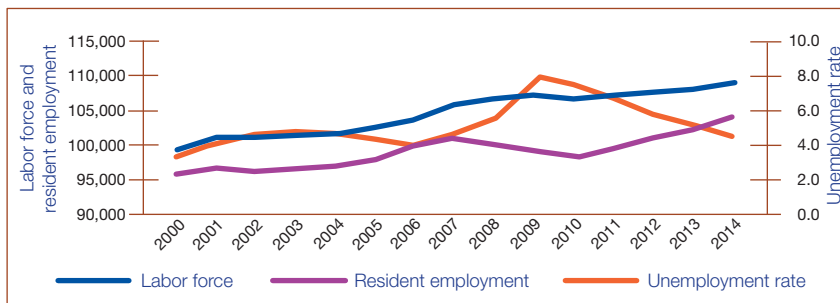
rate in the HMA was 3.9 percent during the 12 months ending September 2015, down from 4.4 percent during the previous 12-month period. Figure 1 shows trends in the labor force, resident employment, and the unemployment rate in the HMA from 2000 through 2014.

During the 12 months ending September 2015, the education and health services sector led job growth, expanding by 1,000 jobs, or 4.9 percent, to an average of 21,600 jobs compared with a gain of 1,500 jobs, or 7.7 percent, a year earlier. The education and health services sector is the largest nonfarm

payroll sector in the HMA and has increased 63 percent since 2000, the largest increase of any sector in the HMA (Figure 2). The sector has expanded rapidly because the aging population demands greater healthcare services. The sector accounts for more than 20 percent of all nonfarm payrolls (Figure 3) and includes CentraCare Health, the largest employer in the HMA (Table 3), with 6,400 employees. In 2012, CentraCare Health completed a \$223 million expansion of its St. Cloud Hospital and, in 2013, built a new 25-bed adolescent residential facility. The company is adding jobs and planning to renovate some of its other existing facilities.

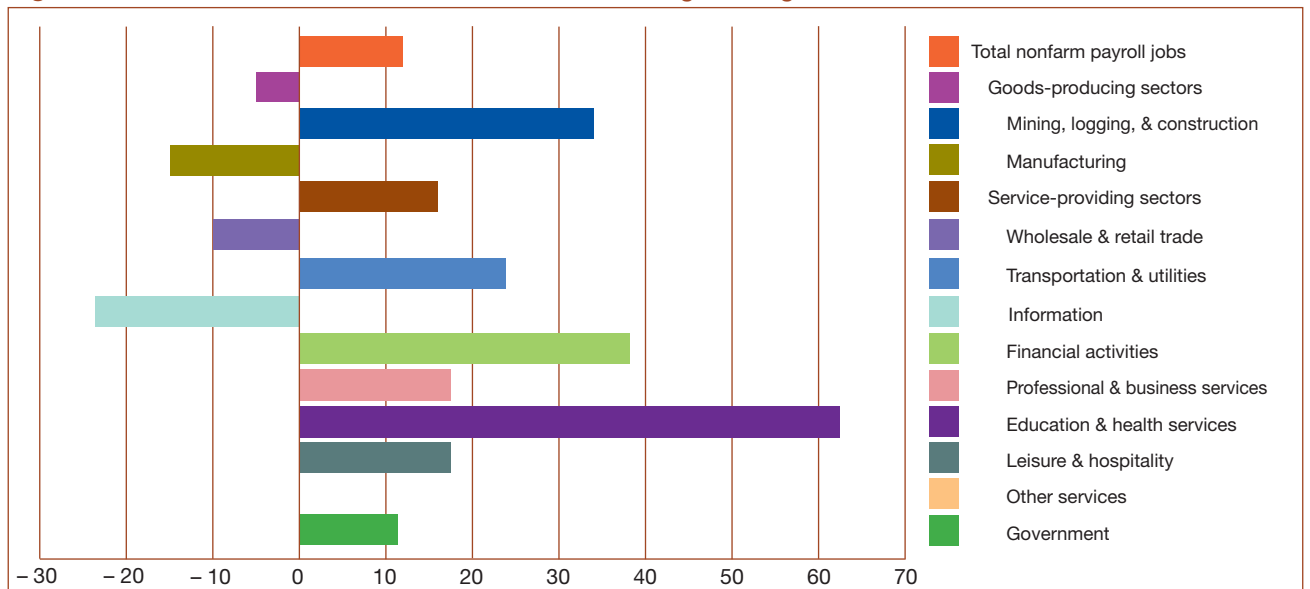
The wholesale and retail trade sector, the second largest employment sector in the HMA, averaged 17,700 jobs during the 12 months ending September 2015, accounting for nearly 17 percent of all nonfarm jobs. The retail trade subsector accounts for 74 percent of all jobs in the sector and includes Crossroads Center, a mall that serves as a regional shopping

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the St. Cloud HMA, 2000 Through 2014



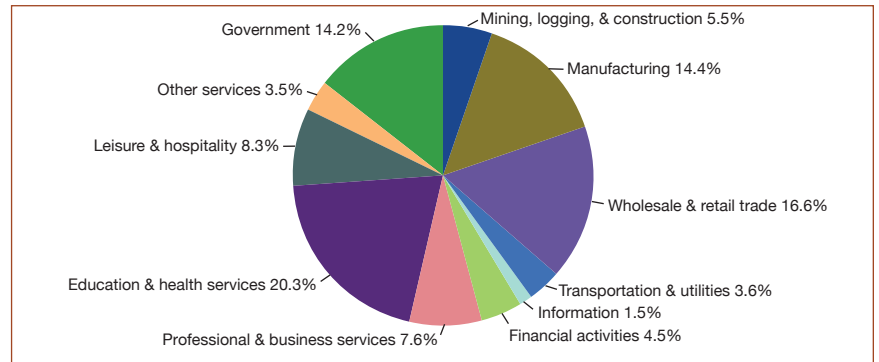
Source: U.S. Bureau of Labor Statistics

Figure 2. Sector Growth in the St. Cloud HMA, Percentage Change, 2000 to Current



Notes: Current is based on 12-month averages through October 2015. During this period, payrolls in the other services sector showed no net change.

Source: U.S. Bureau of Labor Statistics

Figure 3. Current Nonfarm Payroll Jobs in the St. Cloud HMA, by Sector

Note: Based on 12-month averages through September 2015.

Source: U.S. Bureau of Labor Statistics

Table 3. Major Employers in the St. Cloud HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
CentraCare Health	Education & health services	6,400
Coborn's, Inc.	Wholesale & retail trade	2,050
U.S. Department of Veterans Affairs Medical Center	Government	1,650
St. Cloud State University	Government	1,500
Electrolux Home Products	Manufacturing	1,300
Saint John's University	Education & health services	1,050
Gold'n Plump (GNP Company)	Manufacturing	900
Coldspring	Manufacturing	790
Array Services Group	Professional & business services	630
Polar Corporation	Manufacturing	620

Note: Excludes local school districts.

Source: Greater St. Cloud Development Corporation

hub. Headquartered in the city of St. Cloud, Coborn's, Inc., is a supermarket, convenience, and liquor retailer; most of the company facilities are located in the upper Midwest. With 2,050 employees, Coborn's, Inc., is the second largest employer in the HMA.

Factories in the HMA produce a variety of goods, including machinery for agriculture, truck bodies, boats, wire products, tools, freezers, refrigerators, wood products, sporting goods, printed matter, animal feed, meat products, optical lenses, and corrugated boxes. During the 12 months ending September 2015, jobs in the manufacturing sector, which is the third largest employment sector, increased by 200 jobs, or 1.3 percent, to an average of 15,400 jobs. In

January 2015, a local foundry operator, Grede Holdings, LLC, announced an investment of \$17.5 million in a 32,000-square-foot expansion to an existing 320,000-square-foot facility. The expansion is expected to result in the addition of 30 new jobs in 2015 (Grede Holdings, LLC, management). New Flyer, a Canadian manufacturer of heavy-duty transit buses, recently expanded its St. Cloud facility by 12,000 square feet. The company currently employs 600 people, up from 530 in 2013.

A slowdown in the pace of economic expansion was noticeable in most nonfarm sectors, and three sectors lost jobs: the professional and business services, the government, and the information sectors. During the 12 months ending September 2015,

nonfarm payrolls in the professional and business services sector declined by 700 jobs, or 8.0 percent, to 8,100 jobs. This decline may actually indicate a stronger economy because a portion of the job losses reflects temporary jobs given up by workers who found permanent employment (*St. Cloud Area Quarterly Business Report*, vol. 17, no. 1). In addition, the current low unemployment rate, which is less than 4.0 percent, in the HMA likely results in a limited number of workers for temporary or contract jobs. Not all the job losses in this sector are the result of temporary workers who gave up jobs. Quad/Graphics Inc., a provider of print and media solutions, announced a layoff of 280 employees in the city of St. Cloud in June 2014.

The government sector is the fourth largest in the HMA, with payrolls that averaged 15,100 jobs during the 12 months ending September 2015, down 200 jobs, or 1.3 percent, from a year earlier. Recent job losses can be attributed to the state and local government subsectors. SCSU is the second largest public university in Minnesota and the largest postsecondary school

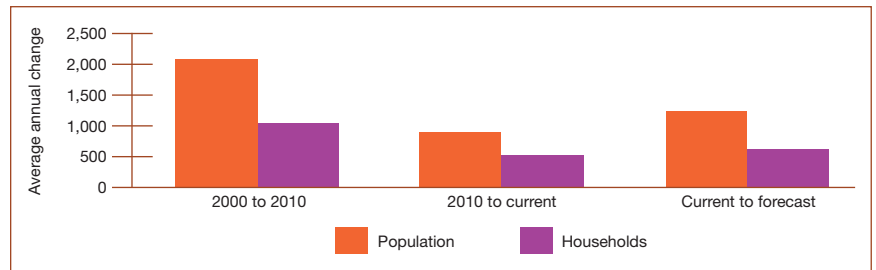
in the HMA. The university employs nearly 1,500 people, which accounts for most of the state government jobs in the HMA. The SCSU economic impact was estimated to be \$519 million in 2011 (*The Economic Impact of St. Cloud State University*, Wilder Research, February 2013). St. Cloud VA Health Care System, part of the government sector, provides health care to veterans in central, west central, and northern Minnesota. It is the fourth largest employer in the HMA and recently opened a 19,000-square-foot Rehabilitation Center and a new 19,000-square-foot Mental Health Center, which was an \$8.5 million capital investment.

During the 3-year forecast period, the economy of the HMA is expected to continue to expand, with nonfarm payroll growth averaging approximately 1.4 percent annually. Job gains are expected in most private employment sectors during the next 3 years. The strongest gains are expected in the education and health services sector as the population in the HMA continues to age in place and the demand for health care is expected to remain strong.

Population and Households

The population of the St. Cloud HMA as of October 1, 2015, is estimated at 194,000, reflecting an average annual increase of 890, or 0.5 percent, annually since April 1, 2010 (Figure 4). By comparison, during the period of economic expansion from 2004 to 2007, the population grew by an average of 2,575, or 1.4 percent, annually (Census Bureau population

estimates, as of July 1). The population continued to grow from 2007 to 2009 but by a reduced rate, averaging 1,750, or 0.9 percent, annually because nonfarm payrolls declined in the HMA as a result of the economic downturn. The population of the city of St. Cloud, the largest city in the HMA, accounts for 34 percent of the total HMA population, unchanged from 2010.

Figure 4. Population and Household Growth in the St. Cloud HMA, 2000 to Forecast

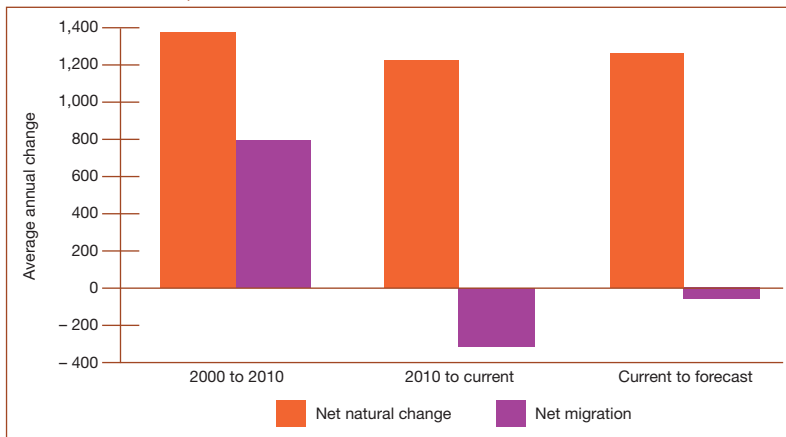
Notes: The current date is October 1, 2015. The forecast date is October 1, 2018.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Changes in local economic conditions and variations in SCSU student enrollment have affected population growth and migration into and out of the HMA. From 2004 to 2007, net in-migration averaged 1,100 people a year and accounted for 43 percent of total population growth. Net in-migration to the HMA in 2008 and 2009 fell sharply to average only 110 people a year in response to the economic and housing decline. Although economic conditions in the HMA have improved since 2010, population growth has slowed because of net out-migration averaging 340 people annually. This period of net out-migration corresponds with a decline in student enrollment at SCSU. During the 2015 fall semester,

the student enrollment at SCSU is estimated at 15,475, down 16 percent from the 18,475 enrollment reported in 2010. The lower student enrollment at SCSU is likely related to a decline in the number of high school graduates in Minnesota. The Minnesota Office of Higher Education projected a 9.0-percent decline in the number of high school graduates from 65,073 in 2010 to 59,727 in 2017, which likely has affected enrollments numbers at SCSU. In addition, the student enrollment at SCSU in 2010, during the economic downturn, was high because out-of-work adults chose to enroll at the university to improve employment options. As employment grew with the economic expansion that began in 2011, the student enrollment at SCSU declined. Figure 5 shows the components of population change from 2000 to the forecast date.

The lower rate of population growth since 2010 resulted in a slower pace of household formation in the St. Cloud HMA. An estimated 74,100 households reside in the HMA, an increase of 510 households, or 0.7 percent, annually since 2010. By contrast, the number of households expanded by an average of 1,075, or 1.6 percent, annually from 2000 to 2010 (Table DP-1 at the end of the report).

Figure 5. Components of Population Change in the St. Cloud HMA, 2000 to Forecast

Notes: The current date is October 1, 2015. The forecast date is October 1, 2018.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

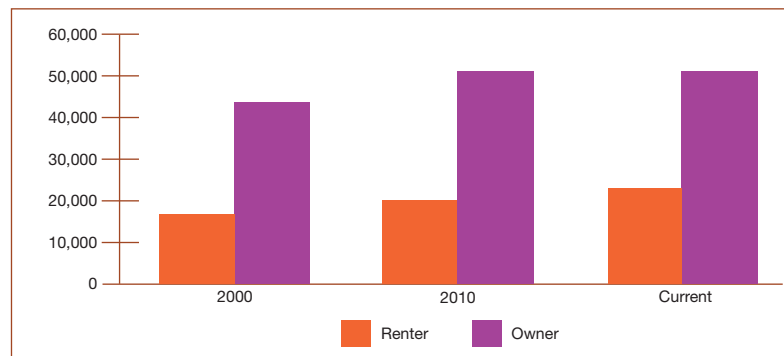
Population and Households *Continued*

One effect of the national recession was a decline in the homeownership rate. Owner households are estimated to represent 68.6 percent of the current total households, down from 71.0 percent in 2010. From 2000 to 2010, the number of owner households grew by an average of 670, or 1.4 percent, annually but has remained virtually unchanged since 2010. The number of renter households grew by an average of 390, or 2.1 percent, annually from 2000 through 2010, and has grown by an average of 480, or 2.2 percent, annually since 2010. The main reasons the homeownership rate declined were the large number of home foreclosures and tighter lending standards that resulted from the housing crisis in the late 2000s. Foreclosures have largely abated in the HMA; however, a growing desire of the local elderly population to rent rather than own has resulted in a

continued decline in homeownership (local sources). Between 2000 and 2010, the age cohort of 55 to 64 years residing in the HMA increased by 69 percent, faster than any age group (Census data). In 2000, the HMA reported 21,498 residents 62 years old and older, representing nearly 13 percent of the total population. This cohort increased by 3 percent a year during the decade, rising to 27,830 residents in 2010 and accounting for nearly 15 percent of the HMA population. The increase of the elderly population that is aging in place in the HMA is expected to continue to the forecast date, and the demand for senior rental housing is expected to grow. In addition, the tendency of young adults to rent apartments in a city, close to where they work, and stringent lending standards that are preventing potential homeowners from obtaining a mortgage, are expected to result in additional renters in the HMA.

During the 3-year forecast period, continued economic expansion is expected to result in an increase in the number of households in the HMA by an average of 670, or 0.9 percent, annually, and population growth is expected to average 1,175 people, or 0.6 percent, annually. The homeownership rate is expected to continue to decline but at a slower rate. Figure 6 shows the number of households in the HMA by tenure from 2000 to the current date.

Figure 6. Number of Households by Tenure in the St. Cloud HMA, 2000 to Current



Note: The current date is October 1, 2015.

Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Housing Market Trends

Sales Market

The sales housing market in the St. Cloud HMA is currently balanced. As of October 1, 2015, the sales vacancy rate was estimated at 1.2 percent, which is down from 1.6 percent in 2010. Sales of new and existing homes (including single-family homes, townhomes, and condominiums) totaled 3,050 homes sold during the 12 months ending September 2015, nearly double the 1,575 homes sold during the 12 months ending September 2014 (CoreLogic, Inc., with adjustments by the analyst). Averaging 3,775 homes sold annually, the total number of homes sold peaked from 2004 through 2006, when annual net in-migration averaged 1,050 people. Following that peak, the total number of homes sold declined by an average of 440 annually from 2007 through 2010. Although home sales stabilized from 2011 through 2012, averaging 1,800 annually, a sharp annual decline of 520 homes sold was recorded in 2013. During the 12 months ending September 2015, new home sales totaled 100 and accounted for 3 percent of total sales, down from 5 percent during the same period a year earlier. By comparison, from 2001 through 2008, new home sales averaged 14 percent of total sales annually (CoreLogic, Inc.). The number of new homes sold is too few to provide accurate data for average prices for comparison purposes.

During September 2015, the HMA had 5.0 months of inventory on the housing market, down from 7.3 months during September 2014 (St. Cloud Area Association of Realtors®). The lower inventory of homes for sale contributed to an increase in the average home sales price in the

HMA. During the 12 months ending September 2015, the average sales price of a home in the HMA was \$164,000, an increase of \$11,800, or 8 percent, from the previous 12 months. The average home sales price peaked at \$180,700 in 2006 and then decreased more than 6 percent annually, to a low of \$132,100 at the end of 2011. Since then, the average home sales price has increased by an average of 6 percent annually.

As the economy improved, the percentage of delinquent homes in the HMA declined. The percentage of all mortgage loans that were 90 or more days delinquent, were in foreclosure, or had transitioned into real estate owned (REO) status decreased to 2.5 percent in September 2015 from 3.1 percent in September 2014. That figure is down from the peak level of 5.5 percent recorded in February 2010 (Black Knight Financial Services, Inc.). By comparison, in the state of Minnesota, 2.3 percent of all mortgage loans were 90 or more days delinquent, were in foreclosure, or had transitioned into REO status in September 2015, down from 2.6 percent a year earlier and 6.3 percent at the peak in February 2010.

Single-family homebuilding activity, as measured by the number of single-family homes permitted, including townhomes, totaled 400 in the St. Cloud HMA, during the 12 months ending September 2015 (preliminary data, with the analyst's estimates). That permitting level was an increase of 60 homes, or nearly 18 percent, from the previous 12-month period. During the peak period from 2001 through 2005, the number of homes permitted averaged 1,500

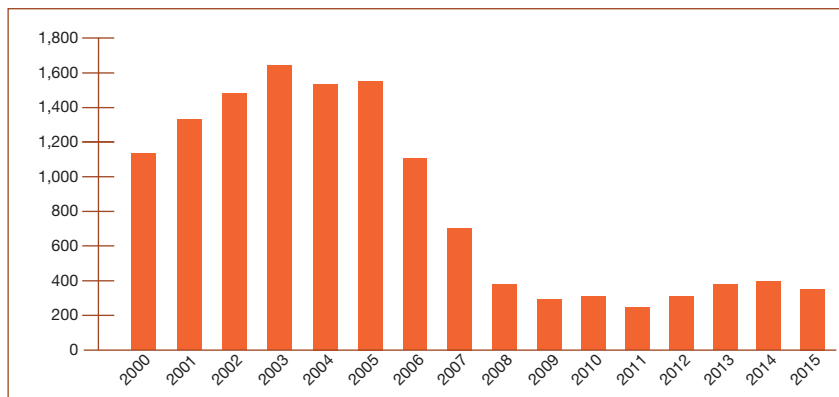
annually. Single-family homebuilding activity declined rapidly from 2006 through 2011, averaging 900 homes permitted annually during 2006 and 2007, then falling to an average of 330 homes permitted annually from 2008 through 2010. Single-family permitting bottomed out at 250 homes during 2011 but then began to increase as the economy in the HMA began to recover. From 2012, the number of homes permitted rose by 11 percent annually to 390 in 2014. An estimated 150 single-family homes are currently under construction in

the HMA. Figure 7 shows the number of single-family homes permitted since 2000.

In the city of Sartell, construction is continuing at the 116-unit Eagle Ridge Estates residential community, which is about 20 percent developed at this time. Three- to six-bedroom homes ranging in size from 1,450 to 3,200 square feet are offered at prices ranging from \$229,900 to \$364,900. New single-family homes are available in The Villages of CreekSide–Sauk Rapids. This project has 102 single-family lots, 44 of which are currently developed. Two- to five-bedroom homes ranging in size from 1,450 to 3,150 square feet are offered at prices ranging from \$200,000 to \$400,000. The West Prairie Point residential community in the city of St. Cloud includes 155 lots, with 15 lots left to sell. Prices for newly constructed three-bedroom single-family homes start at \$185,000.

Demand is forecast for 1,425 new homes in the HMA during the 3-year forecast period, including 30 mobile homes (Table 1). The 150 homes currently under construction will meet part of the demand during the first year. A portion of the 4,400 other vacant units in the HMA may reenter the market and satisfy some of the forecast demand. Demand is expected to be strongest during the first year of the forecast period and strongest for homes priced from \$240,000 to \$299,999. Table 4 shows estimated demand for new market-rate sales housing in the HMA by price range.

Figure 7. Single-Family Homes Permitted in the St. Cloud HMA, 2000 to Current



Notes: Includes townhomes. Current includes data through October 2015.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 4. Estimated Demand for New Market-Rate Sales Housing in the St. Cloud HMA During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
170,000	239,999	350	25.0
240,000	299,999	550	40.0
300,000	399,999	280	20.0
400,000	and higher	210	15.0

Notes: The 150 homes currently under construction and a portion of the estimated 4,400 other vacant units in the HMA will likely satisfy some of the forecast demand. Demand for 30 mobile homes during the forecast period is excluded from this table. The forecast period is October 1, 2015, to October 1, 2018.

Source: Estimates by analyst

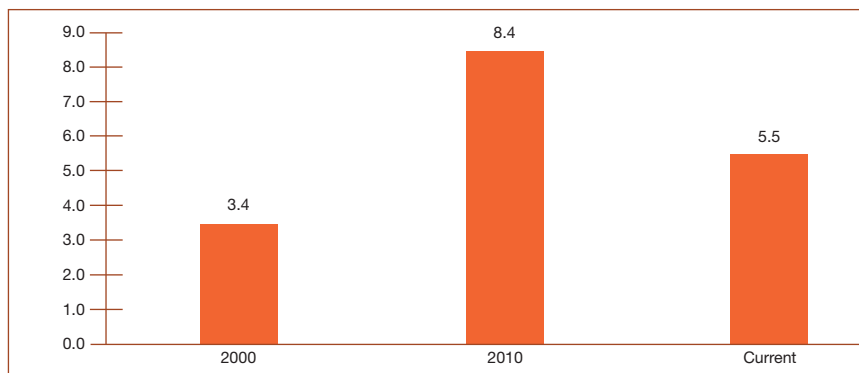
Rental Market

Rental housing market conditions in the St. Cloud HMA are balanced. As of October 1, 2015, the rental vacancy rate is estimated at 5.5 percent, down from 8.4 percent in April 2010 (Figure 8). The HMA rental inventory includes approximately 23 percent in single-family homes, 8 percent in two-to-four-unit buildings, and 67 percent in apartment buildings with five or more units. The apartment market in the HMA is tight, with a 3.2-percent vacancy rate as of October 1, 2015, down from 5.0 percent a year earlier (Reis, Inc.). The average rent for an apartment in the HMA is \$765, up \$19, or 3 percent, from a year earlier.

Students at SCSU historically have had a significant effect on the local rental market. SCSU, with a total enrollment of 15,475 students, offered accommodations for up to 2,325 students for the 2015–16 school year, down from 2,950 students the previous year because two residence halls were closed for renovation. Approximately 13,200 students, or 85 percent of the student population of SCSU, currently live off campus. Students represent approximately 19 percent of renter households in the HMA and nearly 36 percent of renter households in the city of St. Cloud. A large proportion of single-family housing stock near SCSU is primarily offered for rent to students and provides an alternative to apartment rentals in the HMA. A 2013 rental survey conducted by Western Economic Services, LLC, reported a 12-percent vacancy rate for single-family rentals in the HMA compared with a 5.7-percent apartment vacancy rate reported by Reis, Inc., in the same year. The higher vacancy rate for single-family rentals is attributed to lower demand caused by the recent decline in SCSU student enrollment and the higher cost of single-family rentals. Rents for single-family homes with three or more bedrooms are approximately 20 percent higher than rents for apartments with the same number of bedrooms.

During the 12 months ending September 2015, the number of multifamily units permitted in the St. Cloud HMA rose to 270, up 17 percent from the 230 units permitted during the past 12 months (preliminary data, with adjustments by the analyst). By comparison, during the peak period of 2002 and 2003 (Figure 9), multifamily permitting activity

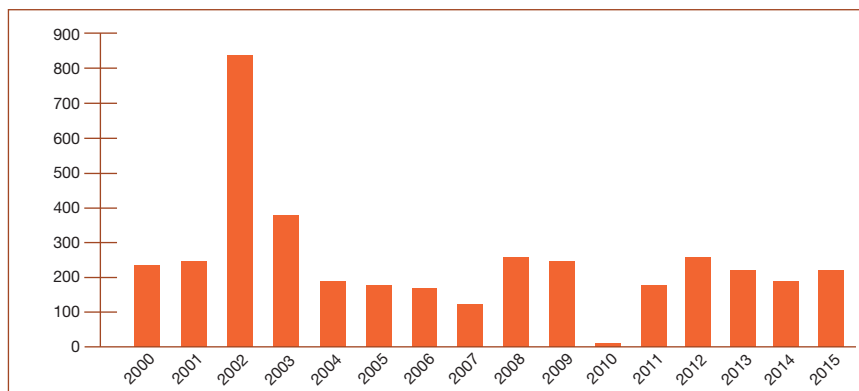
Figure 8. Rental Vacancy Rates in the St. Cloud HMA, 2000 to Current



Note: The current date is October 1, 2015.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Figure 9. Multifamily Units Permitted in the St. Cloud HMA, 2000 to Current



Notes: Excludes townhomes. Current includes data through September 2015.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

averaged 610 units a year. Increased construction followed a period of higher net in-migration to the HMA that occurred from 2000 through 2003. Following the peak, multifamily building activity slowed to an average of 160 units permitted annually from 2004 through 2007. In 2008 and 2009, multifamily construction rose to an average of 250 units annually, despite the recession. Only 10 multifamily units were permitted in 2010 in response to the large amount of construction in 2008 and 2009 and the increase in available rental units as evidenced by the high rental vacancy rate in 2010. Multifamily construction picked up again and averaged 210 units annually from 2011 through 2014 in response to the increased demand for rental units and the fact that single-family construction continued at modest levels.

Notable recent apartment developments include the addition of 69

units in 2015 to Grand Royale Plaza in St. Cloud, which brought the total number of apartments to 203. Rents at Grand Royale range from \$695 to \$780 for one-bedroom units and from \$895 to \$995 for two-bedroom units; three-bedroom units start at \$1,125. The Chateau Waters, under construction in the city of Sartell, is expected to be complete by the summer of 2016. The \$29 million development will include 72 senior apartments in a resort-style community. The apartments will include one or two bedrooms, with rents starting at \$2,600 and all amenities included.

Demand is forecast for 740 new market-rate rental units during the 3-year forecast period (Table 1). The 320 apartments under construction are expected to meet a portion of the anticipated demand. Table 5 shows the forecast demand for new market-rate rental housing in the HMA by rent level and number of bedrooms.

Table 5. Estimated Demand for New Market-Rate Rental Housing in the St. Cloud HMA During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
550 or more	20	700 to 899	190	850 to 1,049	200	1,000 to 1,199	45
		900 or more	120	1,050 or more	130	1,200 or more	30
Total	20	Total	310	Total	330	Total	75

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 320 units currently under construction will likely satisfy some of the estimated demand. The forecast period is October 1, 2015, to October 1, 2018.

Source: Estimates by analyst

Data Profile

Table DP-1. St. Cloud HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	95,807	98,757	105,500	0.3	1.4
Unemployment rate	3.2%	7.5%	3.9%		
Nonfarm payroll jobs	95,600	98,600	106,700	0.3	1.7
Total population	167,392	189,093	194,000	1.2	0.5
Total households	60,669	71,311	74,100	1.6	0.7
Owner households	43,919	50,639	50,800	1.4	0.1
Percent owner	72.4%	71.0%	68.6%		
Renter households	16,750	20,672	23,300	2.1	2.2
Percent renter	27.6%	29.0%	31.4%		
Total housing units	63,751	78,114	80,500	2.1	0.5
Owner vacancy rate	0.7%	1.6%	1.2%		
Rental vacancy rate	3.4%	8.4%	5.5%		
Median Family Income	\$46,800	\$67,000	\$69,600	3.7	0.8

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through September 2015. Median Family Incomes are for 1999, 2009, and 2014. The current date is October 1, 2015.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
 2010: 4/1/2010—U.S. Decennial Census
 Current date: 10/1/2015—Analyst’s estimates
 Forecast period: 10/1/2015–10/1/2018—
 Analyst’s estimates

The metropolitan statistical area definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In the U.S. Department of Housing and Urban Development’s (HUD’s) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures

are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to huduser.gov/publications/pdf/CMARtables_StCloudMN_16.pdf.

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD’s Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to huduser.gov/portal/ushmc/chma_archive.html.