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# MITCHELL, SD HOUSING NEEDS ASSESSMENT



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# Executive Summary

This report presents information about the existing housing stock and housing needs in Mitchell, South Dakota.

## **Population Patterns and Projections**

The city of Mitchell is home to an estimated 15,660 people. The city's population has been fairly steady over the past decade, growing by an average of 0.26% (41 new residents) annually over the past decade. The number of households in Mitchell has grown on pace with the population, increasing by about 0.28% per year. This rate is slower than statewide growth in South Dakota. Mitchell's population growth over the last decade is attributed largely to natural increase, with some contribution from international migration. However, net domestic out-migration contributed to population loss.

Compared to statewide and nationwide averages, households in Mitchell tend to be smaller, and the most recent data available suggest that household size continues to decline. Declining average household size is consistent with growth in single-person households. Since 2010, Mitchell has experienced an increase in single-person households as well as families without children, while the number of families with children has decreased. The city's smaller household size is consistent with both changes in family type and the life-course stage of the Millennial and Baby Boomer generations who make up large parts of the population. Household growth has been driven by young professionals (aged 25 to 34) and older adults near retirement age (55 to 64 and 65 to 74).

Mitchell's population remains predominantly White, not Hispanic. However, over the past decade, the number of White, not Hispanic residents has actually decreased, while population growth has been driven largely by residents who identify as Hispanic or Latino. Mitchell's foreign-born population has also increased markedly over the past decade, and growth from international migration has helped offset population loss due to net negative domestic migration.

Going forward, the population of Mitchell is expected to remain relatively steady, growing at a rate of around 0.3% annually—similar to the rate of growth experienced over the past decade. At that rate, Mitchell can expect to add between 45 and 60 people to its population each year.

Assuming an average household size of around 2.0, Mitchell can expect to add about 20 new households each year. Allowing for a 5% vacancy rate and demolition and replacement of around 10 housing units per year, this rate of household growth would require the addition of about 30 housing units each year.

Projected changes in the age distribution suggest some growth among young, early career adults and more marked growth among retirement-age adults and seniors. These trends are likely to lead to continued demand for rental housing as well as housing options that appeal to older adults ready to downsize or move into more accessible housing such as single-floor, villa-style homes as well as various senior living options, from independent living to assisted

living or nursing homes. It may portend softening demand for larger single-family homes over the coming decade or two.

### **Income and Employment**

Mitchell plays an important role in the regional economy. Mitchell's economic base is dominated by four industries: health care and social assistance, retail trade, manufacturing, and accommodation and food services. It is a local hub for healthcare services for the surrounding rural areas and home to Mitchell Tech and Dakota Wesleyan University, higher education institutions with a combined enrollment of about 1,700 students.

Mitchell, like most areas in the United States, experienced a spike in unemployment related to the COVID-19 pandemic. However, the Mitchell μSA has largely returned to pre-pandemic unemployment levels of 2 to 3%. Through 2028, Mitchell is projected to add an estimated 65 jobs per year. About one-third of those jobs are expected to be in high-earning occupations, with annual median wages greater than \$50,000. The remaining two-thirds are expected to be in lower-paying occupations, including one-third with median annual wages at or below \$30,000.

Median household income in Mitchell is slightly lower than the South Dakota median, but the city's population growth over the last decade has been driven by higher-income households. That trend is expected to continue, buoyed by employment-driven growth. Mitchell can expect to experience household growth at higher income levels with a shrinking number of households at lower income levels, and a rising median household income.

These projected trends may change over the longer 10- to 20-year period, as a potential increase in single-person households and a growing share of young adults and older seniors could lead to a growing number of households at lower income levels. These age segments are more likely to live alone and to have lower incomes compared to mid-career adults. Although these trends do not in themselves suggest an immediate or definite need for additional affordable housing, attention should be paid to these demographic trends in the coming years to monitor for increased need for more affordable rent levels or homeownership opportunities.

If employment projections of 65 jobs per year hold true, Mitchell will need to add between 33 and 65 housing units annually to meet housing demand due to job growth. Job growth projections assume current trends in Mitchell continue at a similar pace. Any major new developments could affect these projections and the demand for housing. In the short term, Mitchell will need to add about 38 housing units by 2025 to meet the additional demand created by a recently announced soybean crushing plant, and the city could need up to 75 housing units to support this economic growth.

Additional housing demand may come from commuters, both people who currently live outside of Mitchell but work in the city and people who find work in the surrounding area but choose to live in Mitchell. Currently, about half of the people working in Mitchell live outside of the city, an estimated 5,584 employees. Mitchell also provides housing for people who

work in surrounding areas, so economic development in the more rural areas around Mitchell would likely increase housing demand in the city

Of note, a lack of sufficient suitable housing options can deter new employers from moving into a community. There is some indication that the limitations of Mitchell's current housing stock have led projects to choose other communities.

### **Current Housing Stock and New Construction**

Renters make up a significant and growing proportion of households in Mitchell. From 2010 to 2020, the proportion of renter-occupied housing units increased from 42.0% to 44.1%. Owner-occupied housing units made up the balance, an estimated 55.9% in 2020.

Between 2010 and 2020, Mitchell added a total of 837 housing units. About half of these (443 units) were in larger buildings with 20 or more units in the building. About 15% of units added were traditional single-family homes, i.e., 1-unit detached structures. Over the past decade, the Mitchell µSA has permitted an average of 15 to 20 units per year, in addition to those permitted in the city of Mitchell itself. Cumulatively, since 2010, new construction within the city of Mitchell has accounted for about 81% of the Mitchell µSA units permitted. In recent years, however, the city has made up a smaller share of total construction in the area. This change in trend has been due to slower construction activity in the city of Mitchell since 2016 combined with a slight uptick in construction activity in surrounding areas.

In Mitchell, most of the units permitted over the last decade have been in multifamily buildings, the bulk of which were part of major developments in 2013 and 2016. In 2013, developments included student housing near Mitchell Technical Institute, several conventional apartment and loft projects, and an affordable housing development. In 2016, new developments included second phases added to 2013 conventional rental projects. The emphasis on the construction of multifamily rental housing has resulted in a rental vacancy rate that increased from an estimated 6.4% in 2010 to 14.0% in 2020.

The construction of new single-family homes has lagged in recent years. Comparing permits issued with the actual net change in the number of single-family homes suggests that the construction of new single-unit buildings has not led to a 1:1 increase in the stock of single-unit buildings—in other words, the construction of single-family homes has not been sufficient to fully offset the demolition of single-family homes or their repurposing and conversion to multifamily rental properties. Low levels of single-family home construction resulted in a homeowner vacancy rate that has remained quite low, essentially unchanged from 0.7% in 2010 to 1% in 2020. This very low vacancy rate may make it difficult for newcomers to enter the Mitchell housing market, and it may also make it challenging for current homeowners to find and move to a new home that meets their changing needs.

### **Owner-occupied Housing**

Home value and sales data suggest that prices increased at a steady rate from 2010 to 2020, and have begun to climb more rapidly in the past 18 months. This uptick in prices

may indicate a growing demand for owner-occupied housing, which cannot be met with the currently limited housing stock.

Mitchell's stock of owner-occupied homes consists primarily of traditional, 1-unit detached structures (88.1%), with a handful of attached units (3%) and mobile homes (6.6%). The existing housing stock is relatively old, with 28.7% of units built before 1940, and only 29.9% built since 1980. Older properties can be well maintained or may be in need of repair. Considering the short supply of owner-occupied housing in general, rehabilitating and maintaining the existing stock will be critical to Mitchell's ability to meet future housing needs.

### **Renter-occupied Housing**

Available data suggest recent multifamily construction has met or exceeded the demand first observed in Mitchell's 2012 housing study. The latest data available, from 2020, found a rental vacancy rate in Mitchell of 14.0%, which suggests that in the short term, there is not demand for additional multifamily rental construction in Mitchell. Anecdotally, leaders in Mitchell report that the rental vacancy rate is beginning to decline: students returning to Mitchell are encountering difficulties finding available units, and rents are increasing. Over a longer 5- to 10-year period, the demand picture is likely to change, particularly with a projected increase in young adults and older adults who may seek rental housing.

In 2020, the median gross rent in Mitchell was \$715. Median rent in Mitchell has climbed fairly steadily since 2010, though there is some evidence that rental rates have leveled off in recent years. This may be due to the saturation of the market from significant new rental construction that took place through 2017. While median rents have stayed fairly steady, Mitchell has added quite a few rental units at higher rent levels. As new rental units come online, they enter the market at higher rent levels, but also often in better condition and with more amenities than older rentals.

About 40% of the rental units in Mitchell are in multifamily buildings with 10 or more units, but the majority of rentals are in smaller structures. In fact, about one-fourth of Mitchell's rental units are single-unit, detached structures—typically, single-family homes that have been converted to rentals. As with owner-occupied housing, a significant proportion of the rental stock in Mitchell was constructed in 1939 or earlier: more than one-fifth of rental units (22.81%) were built during this early period. Another 20% were constructed in the 1970s. Many of the older rental units may be formerly owner-occupied homes that have been converted to rentals. As with owner-occupied homes, aging rentals demand attention to housing quality and maintenance, and may indicate a need for rental-focused rehabilitation and revitalization programs.

### **Tax Credit and Subsidized Properties**

Between 1988 and 2021, SDHDA awarded 11 tax credit projects in Mitchell, supporting the construction or rehabilitation of 429 rental units. Of these units, 119 were new construction that were added to the rental inventory; the remainder were existing units that were rehabilitated or demolished and newly constructed. Notably, in Mitchell, nearly all tax credit properties operate as subsidized housing, where they help augment the supply of very

affordable housing. Any future tax credit properties in Mitchell should adopt a similar strategy, targeting a lower rent structure than the maximum allowed under the LIHTC program.

In 2022, Mitchell had an estimated 530 subsidized housing units. This study did not identify any new subsidized housing added to Mitchell's supply since the previous rental housing study, which was completed in 2015.

In 2021, Mitchell had 121 Housing Choice Vouchers in use, providing housing assistance to 138 residents. On average, eligible Mitchell residents spend 5 months on a waiting list before being issued a voucher.

### **Senior Housing, Assisted Living, and Nursing Homes**

Mitchell has a range of living options for seniors, from independent senior housing to skilled nursing care. In addition to 233 units already included in the subsidized housing inventory, Mitchell has another 59 units of independent senior housing with a meal option. The city is home to 94 units of senior housing with light services. In this category, since the last study in 2015, one facility was sold and repurposed, a loss of 18 single-occupancy units of senior housing with light services. Additionally, Mitchell has 5 assisted living facilities with 198 licensed beds (50 of which are also counted in the light services category because they can be flexibly used) and 2 skilled nursing home facilities with combined 234 beds. Nursing home bed occupancy is currently below capacity.

### **Infrastructure and Capacity**

In order to meet projected housing needs, Mitchell will need to develop an estimated 311 acres through 2040, about 15 acres per year. In addition to land needs, Mitchell is currently exploring a secondary water source with the Randall Community Water District, anticipating infrastructure needs related to future development. Mitchell currently relies on B-Y Water District as its sole source of treated drinking water, and the city projects that they are nearing maximum capacity. On July 18, 2022, the Mitchell city council approved a resolution to move forward with exploring options for adding a secondary water source.

### **Housing Needs**

Overall, owner and rental housing remain affordable, though there is some indication that housing affordability in Mitchell is declining for homeowners. In the city of Mitchell, the home value-to-income ratio was steady at around 2.5 from 2010 through 2015. But since 2015, the ratio has begun to climb. For the city of Mitchell, it has been above 3.0 since 2017.

Compared to residents' income levels, rental properties in Mitchell are fairly affordable. There is some evidence of a small affordability gap for renters in the very lowest income brackets: Demand for extremely affordable, subsidized rentals appears slightly higher than available supply, which may manifest as a waiting list for Housing Choice Vouchers, properties with project-based Section 8, or other forms of rental assistance. Rental housing at this rent level (< \$250) typically cannot be provided without subsidies. At other rent

levels, however, the number of units appears sufficient to serve the number of renters in corresponding income bands.

Compared to homeowners, renters in Mitchell are more likely to incur a cost burden. At current income and housing cost levels, about 15.8% of homeowners in Mitchell incur a housing cost burden, which means their monthly housing costs are more than 30% of their monthly income. By comparison, about 36.6% of renter households are cost-burdened, with monthly housing costs that amount to more than 30% of their monthly income.

In total, in the city of Mitchell, 3,455 households (49% of all households) have incomes at or below 80% of the area median family income (MFI), making them potentially eligible for affordable housing programs. Relatively more renter households fall into lower income brackets: whereas about 34% (1,270) of homeowner households have incomes at or below 80% MFI, among renter households, 67% (2,185) do.

However, Mitchell also has a significant number of renter households with higher incomes who can afford rent levels of \$1,250 per month or more. However, the city has only a small supply of rental units in this rent range. Many renters in this income band, therefore, rent down, enjoying more affordable rent. This pattern may result in the absorption of more affordable, moderate-rent units by households that could afford to pay more for housing. The population of higher-income renters may represent an untapped market for higher-rent apartments with more amenities. They may also represent potential homebuyers who have the financial capacity to purchase a home but, given the low homeowner vacancy rate in Mitchell, have not been able to find a suitable home for sale.

### **Housing Demand**

Over the next decade, Mitchell can expect to grow by 45 to 60 people per year, which would equate to about 23 to 30 households. Allowing for a moderate vacancy rate and replacement of units subject to demolition, that level of household growth indicates the need for the construction of 34 to 42 housing units per year.

Projected job growth is expected to be about 65 jobs per year. While new jobs may attract employees who choose to commute into Mitchell, ensuring available housing could encourage new workers to relocate to within the city itself. Consistent with population-based projections, the addition of 65 jobs per year indicates a need for 33 to 65 housing units.

Based on current tenure rates, future housing demand is expected to be composed of demand for about 22 to 34 owner-occupied units per year and 18 to 31 rental units. Rental demand may rebound and increase over time, and owner demand will depend on recovery and future economic conditions. In the short term, over the next five years, these demographic trends may increase the demand for homeownership. In the longer term, however, demand will continue to lean toward rentals. For the older adults, demand may be split among those transitioning into senior rentals with some level of services and those considering alternative owner options, such as townhouses with lower maintenance requirements.



Based on current housing stock and vacancy rates, the recent construction of new multifamily rental properties appears to have met or even exceeded demand for the immediate term. Demand will likely emerge in the next 5 years, but there is not evidence of an immediate need. Conventional market-rate developments appear well suited to the current profile of Mitchell renters. There may be a market for rentals with more amenities, including townhome or villa-style rentals.

Over a longer time period of 10 years or more, there is likely to be an increased need for more affordable rentals. Growth in the young adult population, as well as older adults, will increase the population of households with relatively lower incomes due to being early in their careers or retired. Long-term growth in the population of older adults ages 75+ may increase the need for housing with services or nursing home beds; this need is expected to emerge over the 10- to 15-year horizon.

There are some indications of pent-up demand for homeownership (low vacancy and current sales and listings data), but actual demand for homeownership will also depend on the broader economic context and perceived volatility of the housing market.

Mitchell's single-family housing stock is relatively old, and there are indications these homes are being lost to demolition or conversion to rentals. Considering the low vacancy and short supply of owner-occupied housing in general, rehabilitating and maintaining the existing stock of single-family homes will be critical to homeownership in Mitchell.

## **Recommendations**

To enhance homeownership opportunities in Mitchell, the following recommendations may be considered:

- Encourage construction of attached units. In the homeowner market, attached housing like townhomes can be appealing for retirement age and older adults who already own a home and are seeking to downsize or move to a home with less maintenance. Making this type of housing available could facilitate turnover in the market and open up existing single-family homes to new buyers.
- Promote existing homeownership programs. Many stakeholders in Mitchell stand to benefit from bolstering the homeowner sector, and all can play a part in advertising and promoting existing programs. The city, Chamber of Commerce, and Development Corporation, and employers can share information about first-time homebuyer assistance, down payment assistance, loans, homebuyer education and counseling, and other programs available through the state and local partners.
- Prioritize rehabilitation and revitalization. Mitchell has a relatively large proportion of older homes and evidence of the need for repairs. Rehabilitation and revitalization can be encouraged through several different routes, including a program to purchase, rehab, and resell homes. Sales of these homes could be restricted to income-eligible households with affordability restrictions for future sales. They could also be coupled with assistance to help renters become first-time homebuyers (e.g., down payment assistance). Another option would be a low- or zero-interest loan program for homeowners to assist with maintenance or rehabilitation of their homes.

- Consider new construction incentives. Such incentives could include reduced lot price, city-provided infrastructure or waived hookup or permit fees, or cash investment.

Based on expected demographic trends, household growth will occur primarily among households at income levels of \$75,000 and above. For homebuilders, market demand will drive construction of higher value homes. From a community development perspective, Mitchell should consider a focus on developing homes that are affordable to households with annual incomes of \$75,000 to \$150,000. Target home values for this group would fall roughly between \$225,000 and \$450,000.

Additionally, Mitchell is home to quite a few renter households with incomes that would make higher rent or homeownership feasible. Other factors may limit homeownership demand among current renters (e.g., interest rates or access to down payments). However, to encourage homeownership and community development, Mitchell should consider developing starter homes for renters moving into the homeowner market, priced at the lower end of the \$200,000 to \$300,000 range. These homes could be coupled with first-time homebuyer and downpayment assistance to make them more affordable.

Although there is limited rental demand in general at present, there is evidence of a need for some additional subsidized rental housing. Over the next 5 years, Mitchell should consider the possibility of expanding subsidized rental units or vouchers by approximately 20 households (recognizing that it may not be possible to develop these given limits to federal funding sources). Continue to monitor the supply of existing subsidized housing to prevent future losses.

Over the next 5 to 15 years, Mitchell can expect rental demand to rebound, especially if population growth unfolds as expected. A growing population of young adults and older seniors will contribute to this demand.

To plan for future demand for rental housing, the following recommendations should be considered:

- Encourage rental housing styles that appeal to older seniors. For aging adults, single-floor villa-style or townhome rentals with more amenities can be appealing. Many of these adults were homeowners who are switching to rentals for lifestyle reasons, including maintenance-free living.
- Demand will primarily be at conventional market-rate rent levels. However, the need for more affordable rent structures is likely to emerge over a 10- to 15-year period as aging seniors on fixed incomes and younger adults early in their careers make up a greater proportion of the rental market.

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# Introduction

This report presents information about the existing housing stock and housing needs in Mitchell, South Dakota.

Section 1 summarizes population trends, demographic patterns, and projections, including population and household growth for the city of Mitchell, Davison County, and the Mitchell Micropolitan Statistical Area (μSA). This section addresses components of demographic change, including international and domestic migration patterns. It includes data on the demographic characteristics of households (age, size, and composition) and expected population change over the next 2 to 5 years, the next 10 years, and the next 15 years.

Section 2 documents income and employment trends, including projections for future job growth. It also estimates housing demand due to job growth. This section includes data on the current income level of households in the community and anticipated income levels in the future. It also describes Mitchell's economic base, commuting patterns, and anticipated employment trends, including new employers moving into the Mitchell area and current employers with plans for expansion.

Section 3 describes Mitchell's existing housing stock. It includes data on new housing construction as well as estimates of the total housing stock of single-family homes and rental units, including conventional rentals, tax credit properties, and subsidized rental housing. The housing stock is characterized by tenure, type, value, age and condition, and vacancy rate. This section also presents information about new housing projects in Mitchell and building permit history, plus infrastructure capacity and challenges to further growth.

Section 4 identifies housing needs, including an in-depth examination of housing affordability in Mitchell. This section includes estimates of the housing gap between the number of households at various income levels and the number of units available in corresponding price ranges. It also quantifies the number of households with a housing cost burden and the number of households with other housing problems.

Section 5 compares Mitchell to similar communities along a series of metrics, including population growth, income and employment, and housing affordability.

Finally, section 6 summarizes the report's key findings and projections and suggests approaches to address local housing needs. It includes the analyst's opinion on the nature and extent of the community's short-to-midterm housing demand and long-term housing demand in various categories (new construction, rehab, senior housing, family housing, rental, and homeownership) as well as the price range for demand in various categories.

# Section 1: Population Patterns and Projections

This section summarizes population trends, demographic patterns, and projections of population and household growth for the city of Mitchell, Davison County, and the Mitchell Micropolitan Statistical Area (μSA). It also addresses components of demographic change, including international and domestic migration patterns, and includes data on the demographic characteristics of households (age, size, and composition). Projections are presented for demographic change over the next 2 to 5 years, the next 10 years, and the next 15 years.

## 1.1 Population Patterns

The city of Mitchell is home to an estimated 15,660 people. The city's population has been fairly steady over the past decade, growing an estimated 2.66% between 2010 and 2020, or about 0.26% annually. In population terms, this rate translates to about 41 new residents each year.

Population trends are similar for Davison County and the Mitchell μSA, which consists of Davison and Hanson Counties. The entire region has maintained a steady population, with growth of around 2.5% over the past decade. This rate is slower than statewide growth in South Dakota, which was about 8.9% over the previous decade, and also slower than nationwide population growth in the United States.

**Table 1.1. Population Growth, 2010 to 2020**

	2010 Census	2020 Census	2010 - 20 % Change	Avg % Change	# Change	Avg Annual # Change
Mitchell city	15,254	15,660	2.66%	0.26%	406	41
Davison County	19,504	19,956	2.32%	0.23%	452	45
Mitchell μSA	22,835	23,417	2.55%	0.25%	582	58
South Dakota	814,180	886,667	8.90%	0.85%	72,487	7,249
United States	308,745,538	331,449,281	7.35%	0.71%	22,703,743	2,270,374

Source: Decennial Census Table P1 (2020 Redistricting Data (PL 94-171) and 2010 Summary File 1)

Mitchell's population growth over the last decade is attributed largely to natural increase, with some contribution from international migration. Between 2010 and 2020, the population grew an estimated 2.8% due to natural increase (births minus deaths) and 1.1% due to international migration. However, net domestic out-migration contributed to population loss: during the same time period, the Mitchell μSA lost an estimated 1.9% of its population to domestic out-migration.

**Table 1.2 Contributing Components of Population Change, Mitchell μSA, July 1, 2010 to July 1, 2020**

% Total Population Change	% Change from Domestic Migration	% Change from International Migration	% Change from Natural Increase
2.0%	-1.9%	1.1%	2.8%

Source: U.S. Census Bureau Population Estimates Vintage 2021

The number of households in Mitchell has grown on pace with the population, increasing by about 0.28% per year, or 2.79% over the past decade.

Davison County and the Mitchell μSA have seen a slightly higher rate of household growth, though still less than the statewide and nationwide trends.

**Table 1.3 Household Growth, 2010 to 2020 (Occupied Housing Units)**

	2010 Census	2020 Census	2010 - 20 % Change	Avg % Change	# Change	Avg Annual # Change
Mitchell city	6,696	6,883	2.79%	0.28%	187	19
Davison County	8,296	8,581	3.44%	0.34%	285	29
Mitchell μSA	9,341	9,727	4.13%	0.40%	386	39
South Dakota	322,282	350,560	8.77%	0.84%	28,278	2,828
United States	116,716,292	126,817,580	8.65%	0.83%	10,101,288	1,010,129

Source: Decennial Census Table H1 (2020 and 2010 Redistricting Data (PL 94-171))

The table above shows change in occupied housing units, or households (i.e., single individuals or groups of people living together in a housing unit). While the number of households in Mitchell has increased less than 3% over the past decade, the number of housing units (including both occupied and vacant units) has increased at more than double that rate, about 7.87% over the past decade, or 0.76% annually.

On face, the additional growth in housing units (compared to households) suggests there is ample housing in Mitchell. However, it should be noted that housing units may be vacant for a variety of reasons: for example, housing unit growth could be due to the construction of vacation homes or cabins (housing units not intended for full-time occupancy), or it could reflect new construction of homes with different amenities if the existing housing stock does not satisfy current consumer demands. Some level of vacancy is expected and desirable to account for turnover and movement in the housing market. However, as examined in more detail later in this report, Mitchell's increase in vacancies is concentrated in the rental market, indicating that recently constructed rental units have not been fully absorbed.

**Table 1.4 Housing Unit Growth, 2010 to 2020 (Total Housing Units, Both Occupied and Vacant)**

	2010 Census	2020 Census	2010 - 20 % Change	Avg % Change	# Change	Avg # Change
Mitchell city	7,120	7,680	7.87%	0.76%	560	56
Davison County	8,852	9,484	7.14%	0.69%	632	63
Mitchell μSA	10,029	10,763	7.32%	0.71%	734	73
South Dakota	363,438	393,375	8.24%	0.79%	29,937	2,994
United States	131,704,730	140,498,736	6.68%	0.65%	8,794,006	879,401

Source: Decennial Census Table H1 (2020 and 2010 Redistricting Data (PL 94-171))

Compared to statewide and nationwide averages, households in Mitchell tend to be smaller, and the most recent data available suggest that household size continues to decline. In South Dakota, the average household size is 2.43, compared to 2.05 in Mitchell. Mitchell's 2020 average of 2.05 people per household is down from 2.16 in 2010.

**Table 1.5 Average Household Size, 2010 to 2020**

	2010 Census	2020 ACS	2010 - 20 % Change
Mitchell city	2.16	2.05	-5.09%
Davison County	2.26	2.18	-3.54%
Mitchell μSA	2.31	2.30	-0.43%
South Dakota	2.42	2.43	0.41%
United States	2.58	2.60	0.78%

Source: 2010 Decennial Census Table H12; 2020 American Community Survey 5-Year Estimates Table S1101

Declining average household size is consistent with growth in single-person households. Smaller households increase the demand for housing relative to population size, but also change the contours of that demand because smaller households tend to have different housing needs.



Since 2010, Mitchell has experienced an increase in single-person households as well as families without children, while the number of families with children has decreased.

**Table 1.6 Household Composition, Mitchell City, 2010 to 2020**

	2010 ACS	2020 ACS	2010 - 20 % Change	2010 - 20 # Change
Family households with children				
Married couple with related children	1,184	991	-16.30%	-193
Single or cohabiting parent with related children	455	567	24.62%	112
Total families with related children	1,639	1,558	-4.94%	-81
Family households without children				
Married couple without children	1,842	2,025	9.93%	183
Other family without children	250	287	14.80%	37
Total families without children	2,092	2,312	10.52%	220
Total family households	3,731	3,870	3.73%	139
Non-family households				
Single person	2,348	2,943	25.34%	595
Two or more persons	435	273	-37.24%	-162
Total non-families	2,783	3,216	15.56%	433

Source: 2010 and 2020 American Community Survey 5-Year Estimates Tables DP02 and S1101

Both the shrinking household size and changing household composition trends are consistent with the population's age structure in Mitchell. Household growth has been driven by young professionals (aged 25 to 34) and older adults near retirement age (55 to 64 and 65 to 74).

To some extent, growth in these populations may be due to selective migration: The growth in the young professional population could be due to the draw of institutions of higher education located in Mitchell or employment opportunities, while growth in the older adult population could be due to retirees moving to Mitchell from other locations. However, it is important to note that, over the last decade, Mitchell's population change due to domestic migration has been negative (see Table 1.2). Instead, growth in these two age groups is the result of aging cohorts: the youngest Millennials are aging into the 25 to 34 group, while the Baby Boomers are aging into the 65+ age group.

**Table 1.7 Households by Age of Householder, Mitchell City, 2010 to 2020**

	2010 Census	2020 ACS	Avg Annual % Change	Avg Annual # Change
15 to 24	687	545	-2.32%	-14.2
25 to 34	1,089	1,274	1.57%	18.5
35 to 44	873	928	0.61%	5.5
45 to 54	1,140	878	-2.61%	-26.2
55 to 64	1,061	1,298	2.02%	23.7
65 to 74	718	1,036	3.67%	31.8
75+	1,128	1,127	-0.01%	-0.1
Total	6,696	7,086	0.57%	39

Source: 2010 Decennial Census Table H17; 2020 American Community Survey 5-Year Estimates Table B25007

The city of Mitchell has itself seen growth in single-person households and families without children. Compared to the Mitchell  $\mu$ SA as a whole, the city of Mitchell tends to have more single-person households and fewer households with 4 or more people. The city's smaller household size is consistent with both changes in family type and the life-course stage of the Millennial and Baby Boomer generations who make up large parts of the population.

**Table 1.8 Distribution of Household Size, Mitchell City, 2020**

	Owners	%	Renters	%
1 person	1,054	26.6%	1,888	60.5%
2 person	1,630	41.1%	736	23.6%
3 person	602	15.2%	187	6.0%
4 or more person	678	17.1%	311	10.0%
Total households	3,964		3,122	

Source: 2020 American Community Survey 5-Year Estimates Table S2501

**Table 1.9 Distribution of Household Size, Mitchell  $\mu$ SA, 2020**

	Owners	%	Renters	%
1 person	1,419	23.3%	2,102	58.5%
2 person	2,531	41.5%	801	22.3%
3 person	855	14.0%	242	6.7%
4 or more person	1,294	21.2%	446	12.4%
Total households	6,099		3,591	

Source: 2020 American Community Survey 5-Year Estimates Table S2501

Mitchell's population remains predominantly White, not Hispanic. However, over the past decade, the number of White, not Hispanic residents has actually decreased, while population growth has been driven largely by residents who identify as Hispanic or Latino. From 2010 to 2020, the Hispanic or Latino population grew by 227%.

Mitchell's foreign-born population has also increased markedly over the past decade, more than tripling between 2010 and 2020. Most foreign-born residents in Mitchell report that they speak English very well. However, housing providers should consider introducing materials and services in Spanish as the Hispanic or Latino population grows.

**Table 1.10 Population by Race and Ethnicity, Mitchell City, 2010 to 2020**

	2010 Census	2020 Census	% Change	# Change
Hispanic or Latino	255	833	226.67%	578
Not Hispanic or Latino (total)	15,254	15,660	2.66%	406
White	14,172	13,565	-4.28%	-607
Black or African American	70	121	72.86%	51
American Indian and Alaska Native	433	561	29.56%	128
Asian	79	101	27.85%	22
Native Hawaiian and Other Pacific Islander	10	0	-100.00%	-10
Some other race	7	26	271.43%	19
Two or more races	228	453	98.68%	225

Source: 2010 and 2020 Decennial Census Table P2

**Table 1.11 Population by Nativity and Ability to Speak English, Mitchell City, 2010 to 2020**

	2010 ACS	2020 ACS
Native (total)	14,090	14,331
Speak English less than "very well"	73	27
Foreign Born (total)	89	338
Speak English less than "very well"	0	66
Speak English less than "very well" (%)	0%	19.53%

Source: 2010 and 2020 American Community Survey 5-Year Estimates Table B160053

## 1.2 Population Projections

The population of Mitchell is expected to remain relatively steady, growing at a rate of around 0.3% annually—similar to the rate of growth experienced over the past decade. At that rate, Mitchell can expect to add between 45 and 60 people to its population each year.

It should be noted that some data sources, including Applied Geographic Solutions (used by the South Dakota Governor’s Office of Economic Development) and Esri (a private data service), offer more conservative projections: both project near-zero growth. The 2022 Davison County Comprehensive Plan adopts projections in line with this report, estimating household population growth in Davison County of about 60 people per year; assuming that Mitchell continues to be home to about 75% of the population in Davison County, that would equate to growth of about 45 people per year for Mitchell.

Population projections are subject to assumptions about future conditions. For example, continued domestic out-migration could lead to lower growth in the future if it is not counterbalanced by natural increase or international migration. If future conditions are similar to conditions experienced over the past decade, Mitchell can expect slow but steady population growth of around 45 to 60 people annually.

**Table 1.12 Population Projections to 2040**

	2020	2025	2030	2035	2040	2-year Change	5-year Change	10-year Change	15-year Change
Davison County	20,217	20,529	20,856	21,159	21,415	125	318	635	920
Hanson County	3,393	3,352	3,238	3,133	3,049	-17	-70	-181	-277
Mitchell Micro (Davison + Hanson)	23,610	23,881	24,094	24,293	24,464	108	248	455	643
Mitchell city (high estimate)*	15,660	15,902	16,155	16,390	16,588	97	246	492	712
Mitchell city (conservative estimate)*	15,660	15,668	15,676	15,684	15,691	3	8	16	24

\*County and μSA projections are derived from Hauer (2021). Mitchell city estimates are by analysts. Conservative estimates are based on Esri's 0.01% projected rate of growth. High estimates are based on Hauer 2021 estimates adjusted for the ratio of Mitchell to Davison County population.

Source: Hauer, M., and Center for International Earth Science Information Network - CIESIN - Columbia University. 2021. Georeferenced U.S. County-Level Population Projections, Total and by Sex, Race and Age, Based on the SSPs, 2020-2100. Palisades, New York: NASA Socioeconomic Data and Applications Center (SEDAC). <https://doi.org/10.7927/dv72-s254>. Accessed 19 July 2022. Hauer, M. E. 2019. Population Projections for U.S. Counties by Age, Sex, and Race Controlled to Shared Socioeconomic Pathway. Scientific Data 6: 190005. <https://doi.org/10.1038/sdata.2019.5>. Projections in the table are based on shared socioeconomic pathway 2 (SSP2), Hauer’s “middle of the road” scenario.

**Table 1.13 Population Projections to 2026 (Applied Geographic Solutions)**

	2021 Estimate	2026 Projection	Projected Average Annual Change
Mitchell city	15,663	15,658	-1
Davison County	19,936	19,903	-7
Mitchell µSA	23,433	23,854	84
South Dakota	877,674	912,317	6,929

Source: Applied Geographic Solutions (via SD GOED)

**Table 1.14 Population Projections to 2027 (Esri)**

	2010 Total Population	2020 Total Population	2022 Estimate	2027 Projection	Annual Rate of Growth
Mitchell city	15,308	15,660	15,722	15,727	0.01%

Source: Esri

Household projections depend on population growth and assumptions about household formation and household size. Based on the projected population growth of 45 to 60 people per year and assuming an average household size of around 2.0, Mitchell can expect to add about 20 new households each year. Allowing for a 5% vacancy rate and demolition and replacement of around 10 housing units per year, this rate of household growth would require the addition of about 30 housing units each year.

Applied Geographic Solutions offers a more aggressive household growth projection, estimating an annual average increase of 100 households. Esri, on the other hand, makes a more conservative projection, estimating only about 4 additional households per year. The 2022 Davison County Comprehensive Plan projections are again in line with this report, estimating the annual housing need for Davison County at just under 60 units per year; assuming again that Mitchell is home to the majority of the households in Davison County, that would equate to demand for 30 to 50 housing units per year for Mitchell.

**Table 1.15 Household Projections to 2026 (Applied Geographic Solutions)**

	2021 Estimate	2026 Projection	Projected Average Annual Change
Mitchell city	6,861	7,363	100
Davison County	8,572	9,197	125
Mitchell µSA	9,731	10,355	125
South Dakota	349,228	379,323	6,019

Source: Applied Geographic Solutions (via SD GOED)

**Table 1.16 Household Projections to 2027 (Esri)**

	2010 Total Households	2020 Total Households	2022 Estimate	2027 Projection	Annual Rate of Growth
Mitchell city (total households)	6,697	6,883	6,923	6,944	0.06%
Mitchell city (average household size)	2.18	2.2	2.2	2.2	

Source: Esri

**Table 1.17 Household Projections to 2040**

	2020 estimate	2025	2030	2035	2040	2-year Change	5-year Change	10-year Change	15-year Change
Mitchell city (total households)	6,883	6,904	6,924	6,945	6,966	8	21	41	62
Mitchell city (high estimate)	6,883	6,989	7,100	7,204	7,291	43	108	216	313

Source: Analyst (based on Hauer 2021 population projects for Davison County (see Table 1.12), a constant ratio of Mitchell city to Davison County population, a constant household size, and an adjustment factor to align with historical patterns)

Age projections suggest that, over the next 5 to 20 years, Mitchell will experience growth in the size and proportion of the population that is advanced in their careers or nearing retirement (50 to 64).

In the near term (5 years), the city may see low to moderate growth among the college-age and early career range (18 to 25); that segment may grow more over the 10- to 20-year horizon. The trend here may depend on enrollment at local educational institutions.

Over the next 5 years, the city may see growth in the number of people in their 30s and 40s, but this group is expected to decline over the longer 10- to 20-year window. Younger members of this age group are often at a stage in their life course when they consider buying a home or (if they are already homeowners) moving on from a starter home. Low growth or decline in this age group may continue the pattern of a preference for rentals over homeownership.

Likewise, the older adult population aged 75 or older is expected to stay steady over the next 5 years, but looking at the 10- to 20-year timeframe, this population may increase substantially. Many in this population are current homeowners who, over the next decade or two, may consider downsizing or moving into housing that requires less maintenance or provides some services.

Taken together, these trends suggest continued demand for rental housing as well as housing options that appeal to older adults ready to downsize or move into more accessible

housing such as single-floor, villa-style homes as well as various senior living options, from independent living to assisted living or nursing homes. It may portend softening demand for larger single-family homes over the coming decade or two.

**Table 1.18 Population Projections by Age, Mitchell City, 2010 to 2027**

Age	2010 Census	2020 ACS	2022 Estimate	2027 Projection	Avg Annual % Change	Avg Annual # Change
0 - 4	1,133	930	1,071	1,086	-1.97%	-20.3
5 - 9	897	942	992	1,009	0.49%	4.5
10 - 14	897	918	944	1,008	0.23%	2.1
15 to 24	2,426	2,241	1,873	1,904	-0.79%	-18.5
25 to 34	1,982	2,284	2,141	1,906	1.42%	30.2
35 to 44	1,499	1,562	1,779	1,888	0.41%	6.3
45 to 54	1,914	1,515	1,574	1,621	-2.34%	-39.9
55 to 64	1,731	2,070	1,936	1,652	1.79%	33.9
65 to 74	1,114	1,583	1,636	1,747	3.51%	46.9
75 - 84	1,025	1,081	1,165	1,291	0.53%	5.6
85 or over	636	473	613	614	-2.96%	-16.3

Source: 2010 Decennial Census Table P12; 2020 American Community Survey 5-Year Estimates Table DP05; Esri

**Table 1.19 Population Projections by Age, Davison County, 2020 to 2040**

Age	2020 Estimate	2025	2030	2035	2040	2-year Change	5-year Change	10-year Change	15-year Change
0 to 4	1,295	1,344	1,351	1,355	1,389	19	32	39	54
5 to 9	1,254	1,285	1,332	1,339	1,341	13	38	68	73
10 to 14	1,533	1,320	1,353	1,398	1,402	-85	-114	-77	-48
15 to 19	1,330	1,564	1,361	1,395	1,437	94	59	-49	-12
20 to 24	1,232	1,345	1,574	1,373	1,405	45	160	216	109
25 to 29	1,122	977	1,101	1,328	1,135	-58	-37	128	187
30 to 34	1,251	1,056	915	1,042	1,270	-78	-173	-207	-40
35 to 39	1,325	1,294	1,094	952	1,080	-12	-99	-276	-310
40 to 44	1,224	1,355	1,326	1,122	979	53	67	-32	-212
45 to 49	1,086	1,245	1,378	1,349	1,145	64	148	217	118
50 to 54	1,058	1,148	1,310	1,447	1,419	36	119	271	342
55 to 59	1,334	1,061	1,153	1,319	1,456	-109	-127	-5	149
60 to 64	1,363	1,282	1,011	1,104	1,275	-32	-157	-282	-158
65 to 69	1,166	1,284	1,203	938	1,030	47	39	-116	-238
70 to 74	839	1,090	1,205	1,127	870	100	197	235	85
75 to 79	620	749	989	1,102	1,029	51	173	363	401
80 to 84	426	490	602	825	928	25	83	239	414
85 or over	760	640	597	645	824	-48	-89	-96	4

Source: Hauer, M., and Center for International Earth Science Information Network - CIESIN - Columbia University. 2021. Georeferenced U.S. County-Level Population Projections, Total and by Sex, Race and Age, Based on the SSPs, 2020-2100. Palisades, New York: NASA Socioeconomic Data and Applications Center (SEDAC). <https://doi.org/10.7927/dv72-s254>. Accessed 19 July 2022. Hauer, M. E. 2019. Population Projections for U.S. Counties by Age, Sex, and Race Controlled to Shared Socioeconomic Pathway. Scientific Data 6: 190005. <https://doi.org/10.1038/sdata.2019.5>. Projections in the table are based on shared socioeconomic pathway 2 (SSP2), Hauer's "middle of the road" scenario.



## Section 2: Income and Employment Patterns

This section documents income and employment trends, including projections for future job growth. It also estimates housing demand due to job growth. This section includes data on the current income level of households in the community and anticipated income levels in the future. It also describes Mitchell's economic base, commuting patterns, and anticipated employment trends, including new employers moving into the Mitchell area and current employers with plans for expansion.

### 2.1 Income

Median household income in Mitchell is \$45,318, slightly lower than the South Dakota median of \$59,896. The median family income in Mitchell is \$69,684; it is higher than the median household income, as expected, because median household income is calculated among all households (including single individuals), whereas median family income is calculated only among households with 2 or more people.

**Table 2.1 Median Income, 2020**

	Median Household Income	Median Family Income
Mitchell city	\$45,318	\$69,684
Davison County	\$48,267	\$75,404
Mitchell μSA	\$49,149	\$76,556
South Dakota	\$59,896	\$77,042
United States	\$64,994	\$80,069

Source: 2020 American Community Survey 5-Year Estimates Table S1901

Nominally, Mitchell's median household income increased from \$39,345 in 2010 to \$45,318 in 2020. However, adjusted for inflation, real median household income has remained essentially unchanged.

**Table 2.2 Real Median Household Income, 2010 to 2020 (in 2020 Inflation-Adjusted Dollars)**

	2010 Median Household Income	2010 Median Household Income (in 2020 Dollars)	2020 Median Household Income
Mitchell city	\$39,345	\$46,841	\$45,318
Davison County	\$41,867	\$49,844	\$48,267
Mitchell μSA	\$42,355	\$50,425	\$49,149
South Dakota	\$46,369	\$55,203	\$59,896
United States	\$51,914	\$61,805	\$64,994

Source: 2010 and 2020 American Community Survey 5-Year Estimates Table S1901 and CPI-U (1/2010 and 1/2020)

In both the city of Mitchell and the Mitchell  $\mu$ SA, population growth over the last decade has been driven by higher income households. Although the city has gained about 200 households in the \$35,000 to \$49,999 range, on balance, the city has experienced a net decrease in the number of households with incomes below \$75,000.

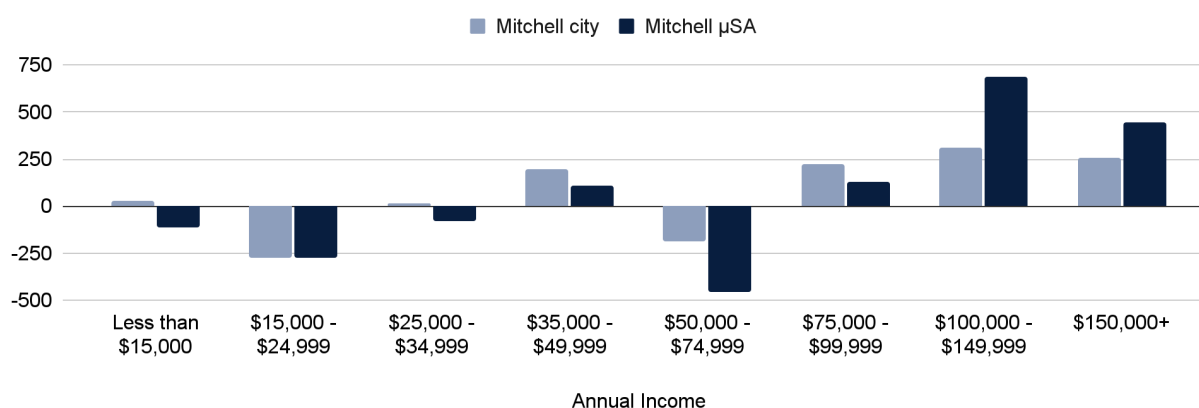
In part, the gain of higher-income households is due to inflation. As seen in the table above, for instance, a household with an income of about \$39,000 in 2010 would see that income increase to over \$46,000 by 2020 due to inflation alone. As a result, that household would move up into a higher income range. Nevertheless, the consistent pattern of population loss at lower income levels under \$75,000 and household gains at higher income levels above \$75,000 suggests the addition of higher income households.

**Table 2.3 Change in Households by Income, Mitchell City and Mitchell  $\mu$ SA, 2010 to 2020**

Annual Income	Mitchell City	Mitchell $\mu$ SA
Less than \$15,000	27	-110
\$15,000 - \$24,999	-275	-277
\$25,000 - \$34,999	15	-78
\$35,000 - \$49,999	199	107
\$50,000 - \$74,999	-188	-455
\$75,000 - \$99,999	223	130
\$100,000 - \$149,999	313	686
\$150,000+	258	445

Source: 2010 and 2020 American Community Survey 5-Year Estimates Table B19001

**Figure 2.1 Change in Households by Income, Mitchell City and Mitchell  $\mu$ SA, 2010 to 2020**



Source: 2010 and 2020 American Community Survey 5-Year Estimates Table B19001

As described above, income tends to be higher among family households than all households overall, due to the fact that family households have 2 or more people. In

Mitchell, 1-person households tend to have incomes well below the median. The typical 1-person household in Mitchell has an income of \$27,464.

Demographic trends over the coming 10 to 20 years may increase the number of 1-person households in Mitchell. Young adults and older adults, age segments expected to grow over this longer time horizon, may be more likely to live alone. These age groups also tend to have lower incomes compared to mid-career adults. In Mitchell, the median household income for households under 25 is an estimated \$27,783, while the median for older adults aged 65 and over is \$31,753, both below the city's overall median household income (\$45,318).

Although these trends do not in themselves suggest an immediate or definite need for additional affordable housing, attention should be paid to these demographic trends in the coming years to monitor for increased need for more affordable rent levels or homeownership opportunities.

**Table 2.4 Median Income by Household Size, 2020**

	Mitchell City	Mitchell μSA
Total (overall median):	\$45,318	\$49,149
1-person households	\$27,464	\$27,314
2-person households	\$67,576	\$69,840
3-person households	\$79,966	\$82,650
4-person households	\$69,632	\$81,150
5-person households	\$68,784	\$91,875
6-person households	-	\$165,779
7-or-more-person households	-	\$104,938

Source: 2020 American Community Survey 5-Year Estimates Table B19019

- Could not be computed because there were an insufficient number of sample observations.

**Table 2.5 Median Household Income by Age of Householder, 2020**

	Mitchell City	Mitchell μSA
Total (overall median):	\$45,318	\$49,149
Householder under 25 years	\$27,783	\$28,510
Householder 25 to 44 years	\$47,664	\$53,835
Householder 45 to 64 years	\$61,417	\$68,438
Householder 65 years and over	\$31,753	\$35,985

Source: 2020 American Community Survey 5-Year Estimates Table B19049

Household income projections for the next 5 years suggest a continuation of current trends: Overall, the median income is expected to increase around 9% to \$60,861 by 2027, although real and nominal changes will depend on prevailing economic conditions. The

distribution of household income increases is also expected to continue. Mitchell can expect to experience household growth at higher income levels with a shrinking number of households at lower income levels, and a rising median household income. These projected trends may change over the longer 10- to 20-year period, as a potential increase in single-person households and a growing share of young adults and older seniors could lead to a growing number of households at lower income levels.

**Table 2.6 Median Household Income Projections**

	2022	2027	Percent Change
Median Household Income (Mitchell)	\$55,810	\$60,861	9.1%

Source: Esri

**Table 2.7 Projected Income Distribution in Mitchell (ESRI)**

Income	Households 2022	Households 2027	Change in Households
Less than \$15,000	450	333	-117
\$15,000 - \$24,999	532	458	-74
\$25,000 - \$34,999	781	694	-87
\$35,000 - \$49,999	1,274	1,229	-45
\$50,000 - \$74,999	1,348	1,416	68
\$75,000 - \$99,999	858	854	-4
\$100,000 - \$149,999	1,085	1,235	150
\$150,000+	595	722	126
Total households	6,923	6,941	18

Source: Esri

## 2.2 Employment

Mitchell's economic base is dominated by four industries: health care and social assistance, retail trade, manufacturing, and accommodation and food services. These industries each employ, on average, over 1,200 people.

Of these industries, health care and social assistance along with manufacturing have the highest average weekly wages. Employees in these industries earn, on average, around \$1,000 per week (equivalent to about \$50,000 annually). Wages in retail trade and accommodation and food services are lower, averaging about \$700 and \$360 per week, respectively (equivalent to about \$36,000 and \$19,000 per year, respectively).

**Table 2.8 Employment and Weekly Wages by Industry (Privately Owned), Davison County, 2021**

Industry	Establishments	Average Employment	Average Weekly Wage
Health Care and Social Assistance	71	1,907	\$985
Retail Trade	120	1,740	\$701
Manufacturing	35	1,683	\$1,091
Accommodation and Food Services	86	1,235	\$358
Construction	80	699	\$1,131
Wholesale Trade	53	633	\$1,283
Professional, Scientific, and Technical Services	59	486	\$1,319
Finance and Insurance	67	405	\$1,362
Administrative and Support and Waste Management	41	387	\$643
Educational Services	12	310	\$558
Other Services (except Public Administration)	63	284	\$628
Transportation and Warehousing	33	180	\$747
Arts, Entertainment, and Recreation	16	164	\$424
Information	17	154	\$1,055
Utilities	4	66	\$1,679
Management of Companies and Enterprises	4	66	\$1,998
Real Estate and Rental and Leasing	20	58	\$442
Agriculture, Forestry, Fishing and Hunting	22	Confidential	Confidential
Mining, Quarrying, and Oil and Gas Extraction	1	Confidential	Confidential

Source: Labor Market Information Center, SD Dept. of Labor & Regulation in cooperation with U.S. Bureau of Labor Statistics

The list of top employers in Mitchell reflects these industry numbers. The table below shows the top employers in Mitchell as of August 2022, along with the product or service provided and the number of employees:

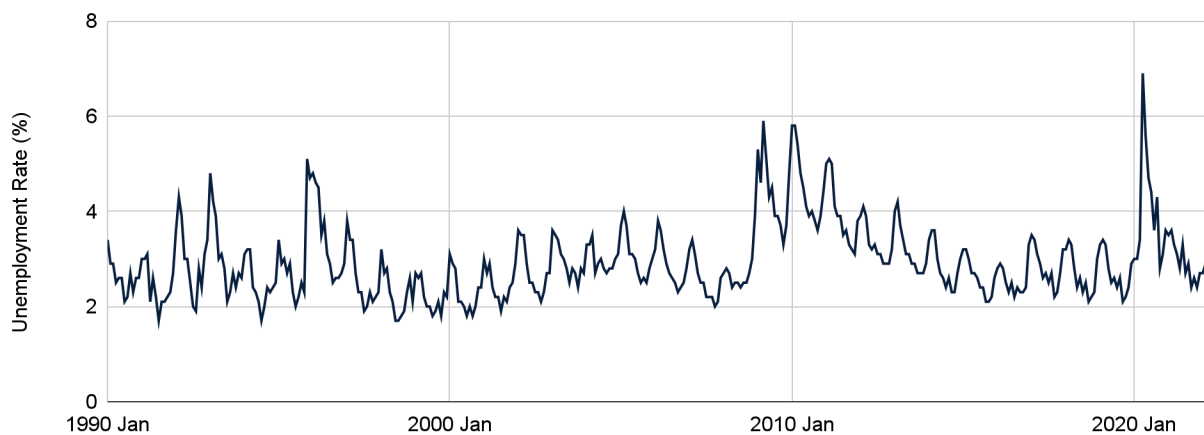
**Table 2.9 Top Employers in Mitchell, 2022**

Employer	Product/services	# of FTE
Avera Health Care System	Healthcare	660
Mitchell School District	Includes MTC	575
Trail King Industries	Over-the-road Truck Trailers	415
Wal-Mart	Retail	300
AKG North America	Heat Exchangers	255
Vantage Point Solutions	Communications Engineering & Consulting	225
Graphic Packaging	Full Color Printed Food Cartons	220
Twin City Fan	Commercial & Industrial Fans	209
City of Mitchell	Government	172
Innovative Systems	Communications Software Development	202

Source: Mitchell Area Chamber of Commerce

Mitchell, like most areas in the United States, experienced a spike in unemployment related to the COVID-19 pandemic. However, the Mitchell  $\mu$ SA has largely returned to pre-pandemic unemployment levels of 2 to 3%.

**Figure 2.2 Mitchell  $\mu$ SA Unemployment Rates, January 1990 to March 2022**



Source: U.S. Bureau of Labor Statistics, LAUMC, Not seasonally adjusted

Through 2028, Mitchell is projected to add an estimated 65 jobs per year. About one-third of those jobs are expected to be in high-earning occupations, with annual median wages greater than \$50,000. The remaining two-thirds are expected to be in lower-paying occupations, including one-third with median annual wages at or below \$30,000.

**Table 2.10 Employment and Wages by Occupational Groups with Projected Annual Change in Employment, SD Balance of State with Mitchell City and Mitchell  $\mu$ SA Estimates, 2018 - 2028**

Occupation	Annual Median Wage	Projected Annual Change for Balance of State*	Annual change for East Balance of State	Annual change for Mitchell city*	Annual change for Mitchell $\mu$ SA*
All Occupations	\$37,440	1,431	972	65	95
Production Occupations	\$37,700	115	78	5	8
Office and Administrative Support Occupations	\$36,630	-12	-8	-1	-1
Sales and Related Occupations	\$29,570	122	83	6	8
Food Preparation and Serving Related Occupations	\$23,900	142	96	6	9
Transportation and Material Moving Occupations	\$36,060	129	88	6	9
Educational Instruction and Library Occupations	\$47,340	94	64	4	6
Healthcare Practitioners and Technical Occupations	\$59,990	105	71	5	7
Construction and Extraction Occupations	\$38,000	82	56	4	5
Installation, Maintenance, and Repair Occupations	\$47,140	81	55	4	5
Business and Financial Operations Occupations	\$61,820	78	53	4	5
Building and Grounds Cleaning and Maintenance Occupations	\$29,600	62	42	3	4
Healthcare Support Occupations	\$29,110	30	20	1	2
Management Occupations	\$97,680	146	99	7	10
Personal Care and Service Occupations	\$28,600	82	56	4	5
Community and Social Service Occupations	\$45,610	38	26	2	3
Architecture and Engineering Occupations	\$62,410	30	20	1	2
Protective Service Occupations	\$39,490	16	11	1	1
Life, Physical, and Social Science Occupations	\$48,570	22	15	1	1
Arts, Design, Entertainment, Sports, and Media Occupations	\$37,900	14	10	1	1
Computer and Mathematical Occupations	\$62,340	34	23	2	2
Farming, Fishing, and Forestry Occupations	\$35,260	12	8	1	1
Legal Occupations	\$60,540	9	6	0	1

\*Projected annual change for the East Balance of State, Mitchell city, and Mitchell  $\mu$ SA assume each subregion makes up a similar proportion of Balance of State employment compared to current patterns. In 2021, the East Balance of State accounted for about 67% of the Balance of State Employment; Mitchell city accounted for about 6.7% and the Mitchell  $\mu$ SA made up about 9.8%.

Source: Bureau of Labor Statistics, U.S. Department of Labor, Occupational Employment and Wage Statistics (OEWS) Survey, May 2021 Estimates; Labor Market Information Center, South Dakota Department of Labor and Regulation, July 2021.



## 2.3 Housing Demand Due to Employment and Job Growth

Job growth can create housing demand. A rule of thumb is to expect housing demand of at least one unit per one to two jobs created. If employment projections of 65 jobs per year hold true, Mitchell will need to add between 33 and 65 housing units annually to meet housing demand due to job growth. The specific contours of that demand will depend on employees' household composition as well as their decisions about where to live and whether to commute.

Job growth projections assume current trends in Mitchell continue at a similar pace. Any major new developments could affect these projections and the demand for housing. One example is the recently announced South Dakota Soybean Processors soybean crushing plant. The plan, permitted by Davison County in July 2022, is a \$500 million facility planned to be located two miles south of Mitchell along Highway 37. The plant is expected to open in 2025 and create an estimated 75 full-time jobs.<sup>1</sup> If current low unemployment rates persist, the plant will likely need to recruit newcomers to the community to fill these jobs. At a minimum, Mitchell will need to add about 38 housing units by 2025 to meet the additional demand created by this facility and could need up to 75 housing units to support this economic growth.

Additional job growth is expected from these in-progress developments:

- Superior Steel purchase of land in West Development Park with plans to add a 20,000 building and increase workforce from 9 to 20
- New and expanded Orthopedic Institute clinic will add new services, including a non-opioid pain clinic, by early 2023 (no jobs numbers have been announced publicly yet)
- Plains Commerce Bank is constructing a new branch, which should open in early 2023

Housing opportunities can also affect economic development and job growth. Lack of sufficient suitable housing options can deter new employers from moving into a community. There is some indication that the limitations of Mitchell's current housing stock have led projects to choose other communities. A wood truss facility that would have created upwards of 50 jobs considered locating in Mitchell, but despite a range of available incentives for construction and infrastructure, the company instead is opening in Hartford.<sup>2</sup> The Mitchell Area Development Corporation reports that housing was a major concern for the company and the reason they ultimately located elsewhere.

Commuting patterns can be another indication of unmet housing demand in a community. Workers who commute into a community for work may choose to live elsewhere for a variety of reasons, and not all would consider moving. However, in at least some cases, additional housing demand could come from employees who currently commute to work in Mitchell and might be enticed to live there with appropriate available housing. Currently,

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<sup>1</sup> *Mitchell Republic*, July 14, 2022

<sup>2</sup> *Argus Leader Business Journal*, July 13, 2022; email communication with Mitchell Area Development Corporation

about half of the people working in Mitchell live outside of the city, an estimated 5,584 employees. There are also an estimated 3,320 Mitchell residents who work outside of the city. Taking into account both groups, Mitchell employers attract an estimated net inflow of 2,264 people.

**Table 2.11 Employment Inflow and Outflow, Mitchell City, 2019**

	Count	Share of Employed
Employed in Mitchell	10,894	
Living in Mitchell	8,630	
Living in and employed in Mitchell	5,310	48.7%
Gross Inflow (employed in Mitchell but living outside)	5,584	51.3%
Gross Outflow (living in Mitchell but employed outside)	3,320	
Net Inflow from Employment	2,264	

Source: U.S. Census Bureau Longitudinal-Employer Household Dynamics Program (OnTheMap)

The top home locations for workers who commute into Mitchell include Sioux Falls, Huron, and Aberdeen. The table below shows the approximate percentage of Mitchell employees commuting from top home locations.

**Table 2.12 Home Location of Employees Commuting to Mitchell, 2019**

Home Location	% of Mitchell Employees
Sioux Falls, SD	3.6%
Huron, SD	1.7%
Aberdeen, SD	1.6%
Parkston, SD	1.3%
Mount Vernon, SD	1.0%
Watertown, SD	1.0%
Pierre, SD	0.8%
Alexandria, SD	0.8%
Brookings, SD	0.7%
All other locations outside Mitchell, SD	38.6%

Source: U.S. Census Bureau Longitudinal-Employer Household Dynamics Program (OnTheMap)

Mitchell plays an important role in the regional economy. It is a local hub for healthcare services for the surrounding rural areas. Mitchell is also home to Mitchell Tech and Dakota Wesleyan University. Mitchell Tech is a public technical school with a student body of around 1,000 students. Dakota Wesleyan is a private Methodist university with a student body of around 700 students.

In addition to offering employment opportunities for people who live outside of the city, Mitchell also provides housing for people who work in surrounding areas. Both functions are evident in commuting patterns.

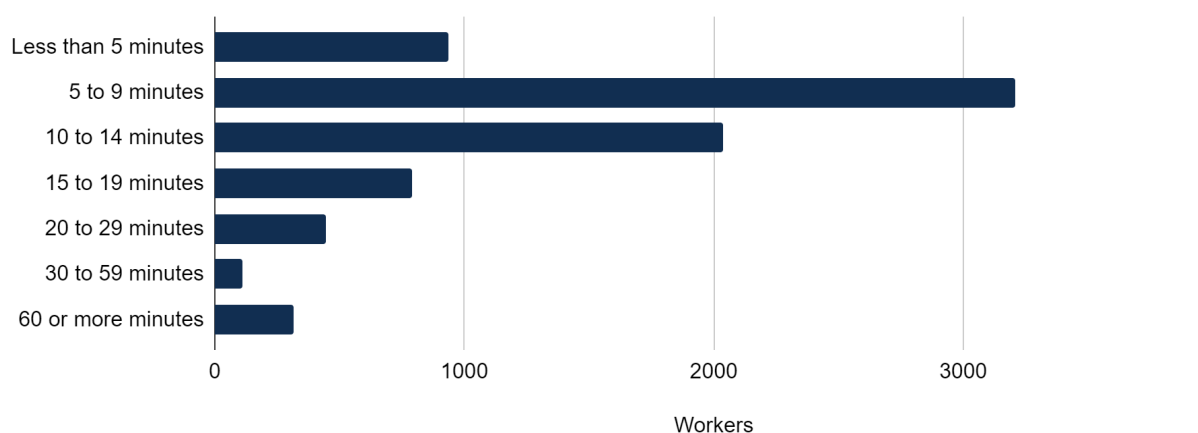
Most people who work outside the home in Mitchell travel less than 15 minutes to work. However, about 16% travel between 15 minutes and half an hour; another 5% travel half an hour or more—including about 4% of employees (around 317 people) who commute at least an hour to work in Mitchell.

**Table 2.13 Travel Time to Work for Workers 16 Years and Older Who Did Not Work at Home, Mitchell City, 2020**

	Workers	%
Less than 5 minutes	938	12.0%
5 to 9 minutes	3,209	40.9%
10 to 14 minutes	2,036	26.0%
15 to 19 minutes	792	10.1%
20 to 29 minutes	443	5.6%
30 to 59 minutes	109	1.4%
60 or more minutes	317	4.0%
Total (workers 16+ who do not work at home)	7,844	

Source: 2020 American Community Survey 5-Year estimates, Table B08303

**Figure 2.3 Travel Time to Work for Workers 16 Years and Older Who Did Not Work at Home, Mitchell City, 2020**



Source: 2020 American Community Survey 5-Year estimates, Table B08303

## Section 3: Housing Stock

This section describes Mitchell's existing housing stock. It includes data on new housing construction as well as estimates of the total housing stock of single-family homes and rental units, including conventional rentals, tax credit properties, and subsidized rental housing. The housing stock is characterized by tenure, type, value, age and condition, and vacancy rate. This section also presents information about new housing projects in Mitchell and building permit history, plus infrastructure capacity and challenges to further growth.

### 3.1 Housing Tenure: Owners and Renters

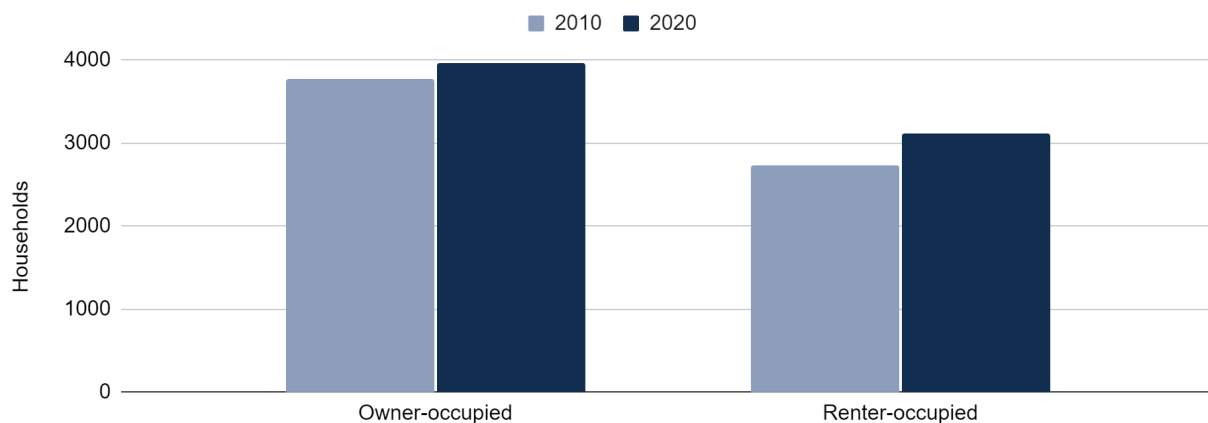
Renters make up a significant and growing proportion of households in Mitchell. From 2010 to 2020, the proportion of renter-occupied housing units increased from 42.0% to 44.1%. Owner-occupied housing units made up the balance, an estimated 55.9% in 2020.

**Table 3.1 Housing Tenure, Mitchell City, 2010 to 2020**

	2010	2020	% 2010	% 2020
Owner-occupied	3,776	3,964	58.0%	55.9%
Renter-occupied	2,738	3,122	42.0%	44.1%
Total occupied units	6,514	7,086		

Source: 2010 and 2020 American Community Survey 5-Year Estimates Table DP04

**Figure 3.1 Housing Tenure, Mitchell City, 2010 to 2020**



Source: 2010 and 2020 American Community Survey 5-Year Estimates Table DP04

Mitchell is a regional center for the surrounding area. Mitchell's housing composition reflects its role in the regional market. Mitchell's relatively high and increasing rate of renting is also consistent with the city's demographic profile, and given projected demographic trends, it can be expected to continue. Growth in the number of young adults will likely continue to drive demand for rental housing. Currently, retirement-age and older adults in Mitchell maintain high rates of home ownership, but this is an age group that may consider moving

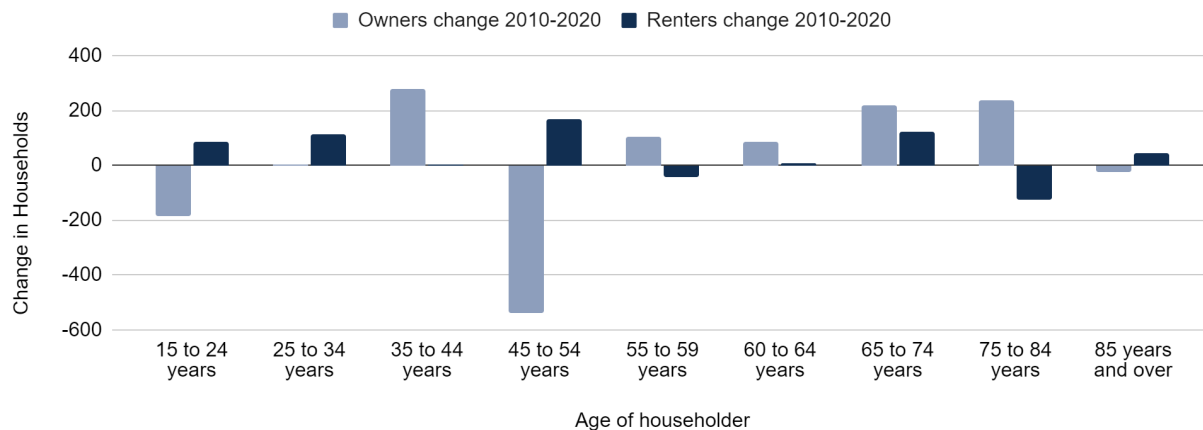
to a smaller property or a senior rental with services offered if appropriate properties are available.

**Table 3.2 Households by Tenure and Age of Householder, Mitchell City, 2010 and 2020**

Age of Householder	Renters 2010	Renters 2020	Owners 2010	Owners 2020
15 to 24 years	401	488	240	57
25 to 34 years	560	676	596	598
35 to 44 years	318	322	326	606
45 to 54 years	278	446	970	432
55 to 59 years	311	268	435	540
60 to 64 years	129	139	264	351
65 to 74 years	157	279	535	757
75 to 84 years	322	197	356	593
85 years and over	262	307	54	30

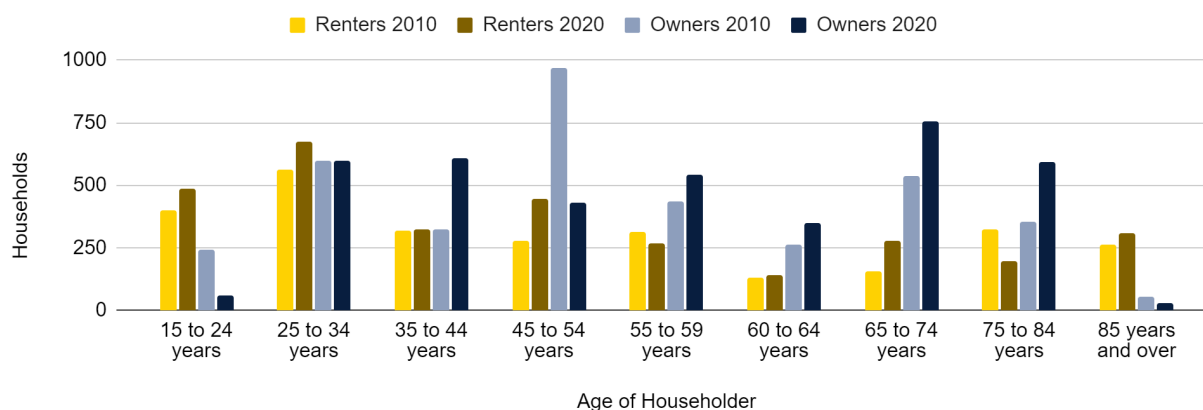
Source: 2010 and 2020 American Community Survey 5-Year Estimates Table B25007

**Figure 3.2 Change in the Number of Households by Tenure and Age of Householder, Mitchell City, 2010 and 2020**



Source: 2010 and 2020 American Community Survey 5-Year Estimates Table B25007

**Figure 3.3 Housing Tenure by Age, Mitchell City, 2010 to 2020**



Source: 2010 and 2020 American Community Survey 5-Year Estimates Table B25007

Among homeowners, the vast majority (71%) are family households. For the most part, these homeowner family households are married couples (58% of homeowners) who do not have their own children living at home (41% of homeowners). Overall, about 26% of homeowners have related children living at home.

Among renters, most households are nonfamily households (67%). Nonfamily households include individuals living alone as well as unrelated individuals living together. Overall, about 19% of renters have related children living at home.

**Table 3.3 Households by Tenure and Composition, Mitchell City, 2020**

	Owner-occupied	% of Households	Renter-occupied	% of Households
Total households	3,964	100%	3,122	100%
Nonfamily households	1,130	29%	2,086	67%
Family households (total)	2,834	71%	1,036	33%
- Married-couple family:	2,295	58%	721	23%
With own children of the householder under 18 years	669	17%	322	10%
No own children of the householder under 18 years	1,626	41%	399	13%
- Other family:	539	14%	315	10%
Male householder, no spouse present:	279	7%	39	1%
With own children of the householder under 18 years	89	2%	39	1%
No own children of the householder under 18 years	190	5%	0	0%
Female householder, no spouse present:	260	7%	276	9%
With own children of the householder under 18 years	246	6%	193	6%
No own children of the householder under 18 years	14	0%	83	3%

Source: 2020 American Community Survey 5-Year Estimates Table B25115

**Table 3.4 Households with Children by Tenure, Mitchell City, 2020**

	Owner-occupied	%	Renter-occupied	%
Households with related children	1,026	26%	593	19%
Total households	3,964		3,122	

Source: 2020 American Community Survey 5-Year Estimates Table B25012

In general, homeowners have higher incomes than renters. The median household income among renters is \$30,172, compared to a median of \$60,338 among homeowners. About three-fourths of renter households have household incomes below Mitchell's median. At income levels above \$35,000, Mitchell households are more likely to be homeowners; below this income threshold, Mitchell households are more likely to rent. In part, this is due to a difference in household composition: family households, which are more likely to be homeowners, are also more likely to have 2 earners contributing to household income. This pattern is also due to filtering that happens through the mortgage application process: typically, in order to become homeowners, households must have sufficient income to qualify for a mortgage to purchase a home.

**Table 3.5 Median Household Income by Tenure, Mitchell City, 2020**

	Median Household Income
Renters	\$30,172
Owners	\$60,338
All occupied housing units	\$45,318

Source: 2020 American Community Survey 5-Year Estimates Table S2503

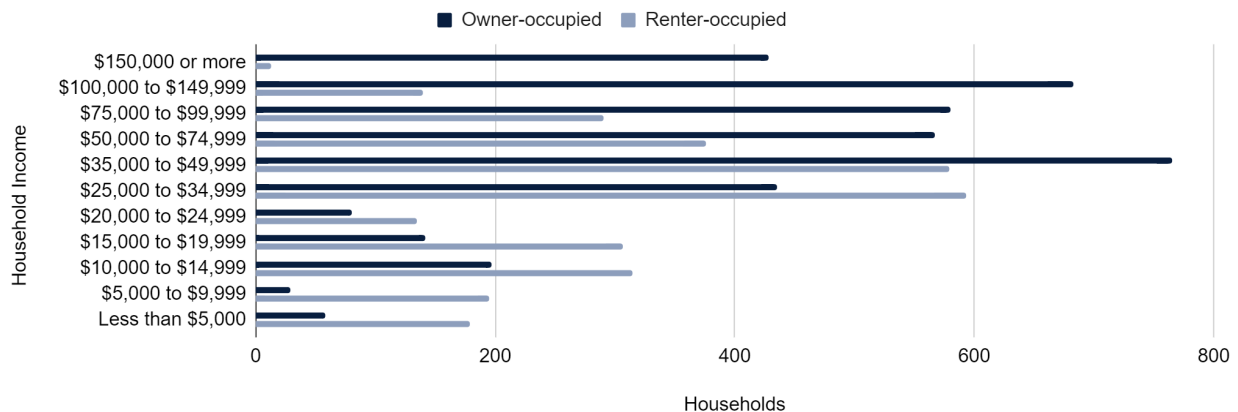
**Table 3.6 Household Income by Tenure, Mitchell City, 2020**

Household Income	All Occupied Housing Units	%	Owner-occupied	%	Renter-occupied	%
Less than \$5,000	237	3.3	58	1.5	179	5.7
\$5,000 to \$9,999	224	3.2	29	0.7	195	6.2
\$10,000 to \$14,999	512	7.2	197	5	315	10.1
\$15,000 to \$19,999	449	6.3	142	3.6	307	9.8
\$20,000 to \$24,999	215	3	80	2	135	4.3
\$25,000 to \$34,999	1,028	14.5	435	11	593	19
\$35,000 to \$49,999	1,344	19	765	19.3	579	18.5
\$50,000 to \$74,999	943	13.3	567	14.3	376	12
\$75,000 to \$99,999	870	12.3	580	14.6	290	9.3
\$100,000 to \$149,999	823	11.6	683	17.2	140	4.5
\$150,000 or more	441	6.2	428	10.8	13	0.4

Source: 2020 American Community Survey 5-Year Estimates Table S2503



**Figure 3.4 Household Income by Tenure, Mitchell City, 2020**



Source: 2020 American Community Survey 5-Year Estimates Table S2503

Some homeowners in Mitchell pay significantly more each month for housing than renters. About 25% of homeowners pay \$1,000 or more in monthly housing costs, compared to about 16% of renters. However, many renters and homeowners alike have monthly housing costs of less than \$800: about 54% of homeowners and 55% of renters pay less than \$800 per month for housing.

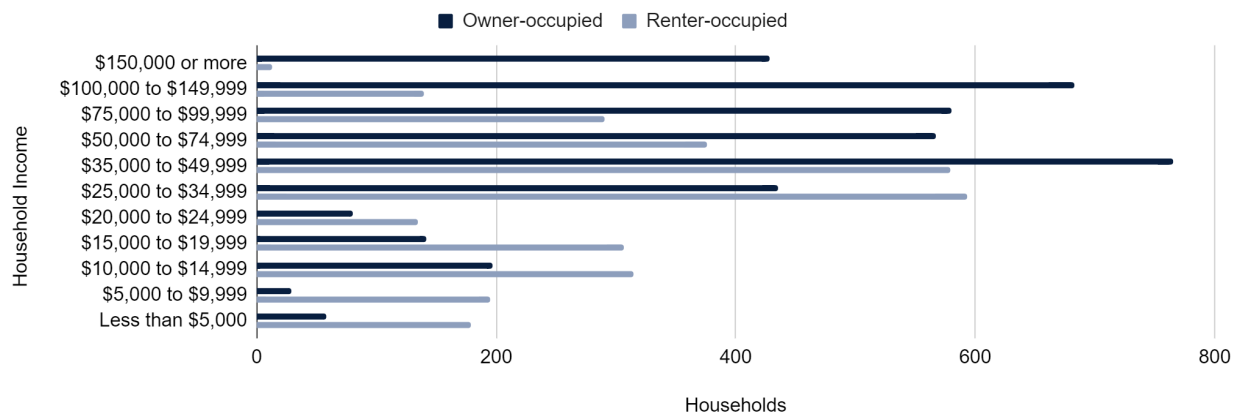
Households reporting the most affordable monthly housing costs—less than \$300—may have already paid off their mortgage (among homeowners) or may receive a rental subsidy (e.g., a Housing Choice Voucher or project-based Section 8). These households constitute about 6.3% of homeowners and 4.7% of renters.

**Table 3.7 Monthly Housing Costs by Tenure, Mitchell City, 2020**

Monthly Housing Costs	All Occupied Housing units	%	Owner-occupied	%	Renter-occupied	%
Less than \$300	445	6.3	298	7.5	147	4.7
\$300 to \$499	1378	19.4	789	19.9	589	18.9
\$500 to \$799	1983	28	990	25	993	31.8
\$800 to \$999	1285	18.1	598	15.1	687	22
\$1,000 to \$1,499	1054	14.9	718	18.1	336	10.8
\$1,500 to \$1,999	388	5.5	360	9.1	28	0.9
\$2,000 to \$2,499	200	2.8	170	4.3	30	1
\$2,500 to \$2,999	66	0.9	31	0.8	35	1.1
\$3,000 or more	88	1.2	10	0.3	78	2.5

Source: 2020 American Community Survey 5-Year Estimates Table S2503

**Figure 3.5 Monthly Housing Costs by Tenure, Mitchell City, 2020**



Source: 2020 American Community Survey 5-Year Estimates Table S2503

## 3.2 New Housing Construction

Between 2010 and 2020, Mitchell added a total of 837 housing units. About half of these (443 units) were in larger buildings with 20 or more units in the building. Smaller multifamily buildings, those with between 3 and 9 units in the building, contributed another 40% of the total units added. About 15% of units added were traditional single-family homes, i.e., 1-unit detached structures.

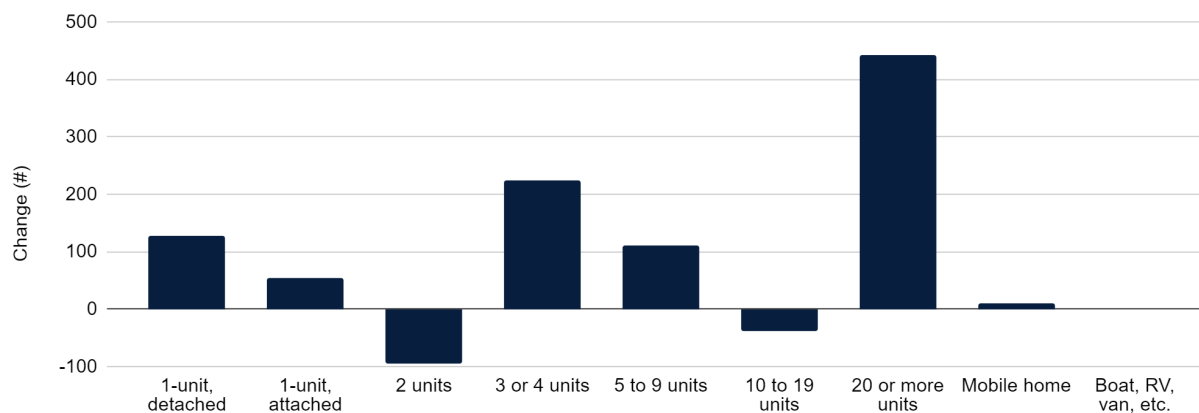
The numbers in the table below reflect the net change in housing units, taking into account units lost to demolition. They include both occupied and vacant units, and both rentals and owner-occupied homes.

**Table 3.8 Total Housing Units by Units in Structure, Mitchell City, 2010 to 2020**

	2010	2020	Change (#)	Change (%)
Total housing units	7,018	7855	837	11.9%
1-unit, detached	4,303	4430	127	3.0%
1-unit, attached	184	238	54	29.3%
2 units	200	105	-95	-47.5%
3 or 4 units	359	584	225	62.7%
5 to 9 units	460	570	110	23.9%
10 to 19 units	578	540	-38	-6.6%
20 or more units	540	983	443	82.0%
Mobile home	394	405	11	2.8%
Boat, RV, van, etc.	0	0	-	-

Source: 2010 and 2020 American Community Survey 5-Year Estimates, Table DP04

**Figure 3.6 Change in the Number of Housing Units by Units in Structure, Mitchell City, 2010 to 2020**



Source: 2010 and 2020 American Community Survey 5-Year Estimates, Table DP04

Building permits reflect the overall change in housing stock: most of the units permitted over the last decade have been in multifamily buildings, which is the component of the housing stock that has seen the most growth.

However, there is an apparent discrepancy between the change in the stock of single-unit housing and new single-unit housing permitted. According to permits issued, about 32% of new units have been in single-unit buildings (whether attached or detached), compared to figures above that suggest about 22% of the net growth in housing stock was made up of units in single-unit buildings. In other words, the construction of new single-unit buildings has not led to a 1:1 increase in the stock of single-unit buildings. This discrepancy may be due, in part, to measurement error in the American Community Survey; allowing for this error, it could also suggest that the construction of single-family homes has not been sufficient to fully offset the demolition of single-family homes or their repurposing and conversion to multifamily rental properties.

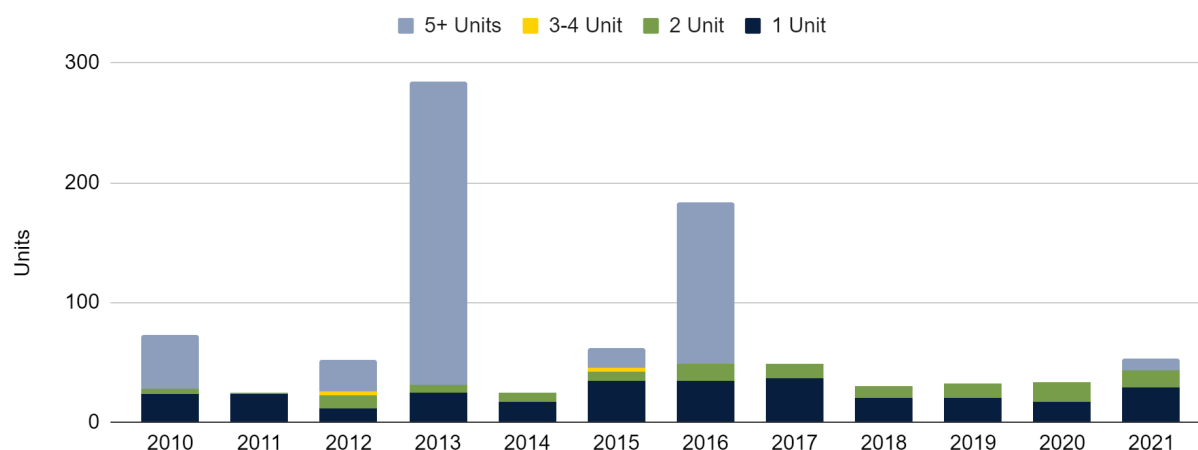
Of note, most of the multifamily construction Mitchell took place as part of major developments in 2013 and 2016. In 2013, developments included student housing near Mitchell Technical Institute, several conventional apartment and loft projects, and an affordable housing development. In 2016, new developments included second phases added to 2013 conventional rental projects.

**Table 3.9 Housing Unit Construction (Permits Issued) by Type, Mitchell City, 2010 to 2021**

Year	1 Unit	2 Unit	3-4 Unit	5+ Units	Total
2010	24	4	0	45	73
2011	23	2	0	0	25
2012	12	10	4	26	52
2013	25	6	0	254	285
2014	17	8	0	0	25
2015	34	8	4	16	62
2016	35	14	0	135	184
2017	37	12	0	0	49
2018	20	10	0	0	30
2019	20	12	0	0	32
2020	17	16	0	0	33
2021	29	14	0	10	53
Total	293	116	8	486	903

Source: U.S. Census Bureau Building Permits Survey

**Figure 3.7 Units Permitted by Type, Mitchell City, 2010 to 2021**



Source: U.S. Census Bureau Building Permits Survey

Over the past decade, the Mitchell  $\mu$ SA has permitted an average of 15 to 20 units per year, in addition to those permitted in the city of Mitchell itself. Cumulatively, since 2010, new construction within the city of Mitchell has accounted for about 81% of the Mitchell  $\mu$ SA units permitted. In recent years, however, the city has made up a smaller share of total construction in the area, ranging from 57% of units permitted in 2018 to 71% in 2021. This change in trend has been due to slower construction activity in the city of Mitchell since 2016 combined with a slight uptick in construction activity in surrounding areas.

**Table 3.10 Mitchell  $\mu$ SA Units Permitted by Type, 2010 to 2021**

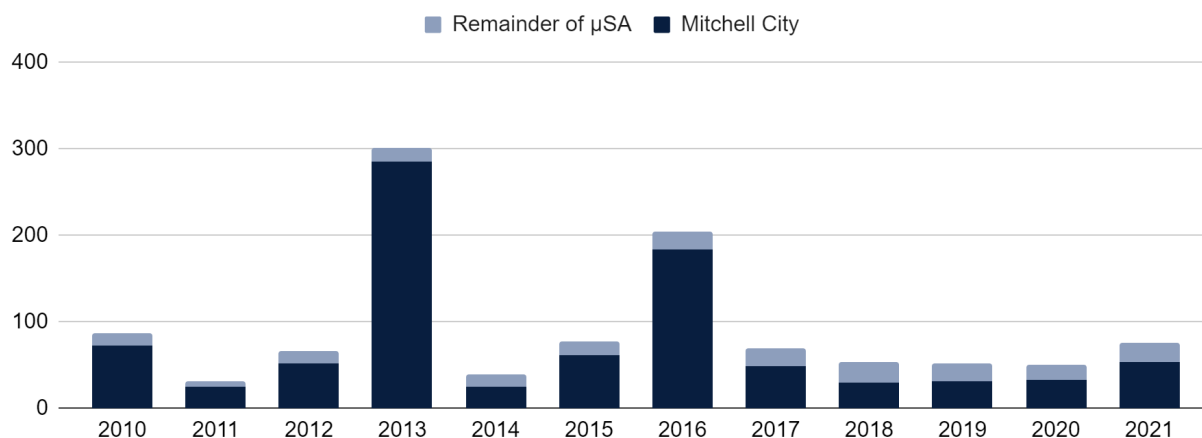
Year	1 Unit	2 Unit	3-4 Unit	5+ Units	Total
2010	38	4	0	45	87
2011	30	2	0	0	32
2012	26	10	4	26	66
2013	42	6	0	254	302
2014	32	8	0	0	40
2015	49	8	4	16	77
2016	55	14	0	135	204
2017	58	12	0	0	70
2018	43	10	0	0	53
2019	40	12	0	0	52
2020	35	16	0	0	51
2021	51	14	0	10	75
Total	499	116	8	486	1,109

Source: U.S. Census Bureau Building Permits Survey

**Table 3.11 Mitchell City and  $\mu$ SA Annual Housing Unit Construction, 2010 to 2021**

Year	Mitchell City	Remainder of $\mu$ SA Area	Mitchell City as % of Total $\mu$ SA
2010	73	14	84%
2011	25	7	78%
2012	52	14	79%
2013	285	17	94%
2014	25	15	63%
2015	62	15	81%
2016	184	20	90%
2017	49	21	70%
2018	30	23	57%
2019	32	20	62%
2020	33	18	65%
2021	53	22	71%

Source: U.S. Census Bureau Building Permits Survey

**Figure 3.8 Mitchell City and  $\mu$ SA Annual Housing Unit Construction, 2010 to 2021**

Source: U.S. Census Bureau Building Permits Survey

The emphasis on the construction of multifamily rental housing has resulted in a rental vacancy rate that increased from an estimated 6.4% in 2010 to 14.0% in 2020. Although some vacancy is expected in the rental market due to turnover, vacancy rates of more than 7 or 8% suggest there is not currently demand for additional rental housing. That picture could change in the next 5 to 10 years with population growth and a changing demographic profile expected to increase demand for rental housing.

At the same time, lower levels of single-family home construction resulted in a homeowner vacancy rate that has remained quite low, essentially unchanged from 0.7% in 2010 to 1% in 2020. This very low vacancy rate may make it difficult for newcomers to enter the

Mitchell housing market, and it may also make it challenging for current homeowners to find and move to a new home that meets their changing needs.

**Table 3.12 Occupied and Vacant Housing, Mitchell City, 2010 to 2020**

	2010	2020
Total housing units	7,018	7,855
Occupied housing units	6,514	7,086
Vacant housing units	504	769
Homeowner vacancy rate	0.7%	1%
Rental vacancy rate	6.4%	14%

Source: 2010 and 2020 American Community Survey 5-Year Estimates, Table DP04

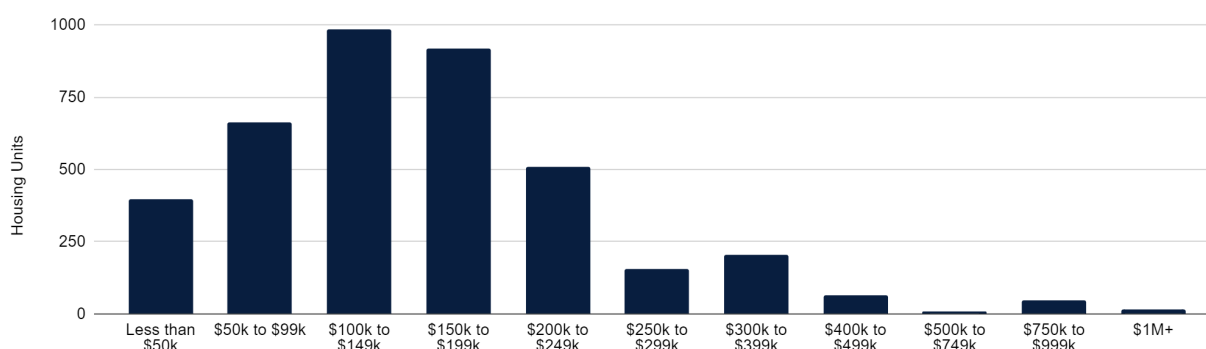
## 3.3 Owner-Occupied Housing Detail

### 3.3.1 Home Values and Sales

As noted above, homeowner vacancy rates in Mitchell are very low, an estimated 1% in 2020. Home value and sales data suggest that prices increased at a steady rate from 2010 to 2020, and have begun to climb more rapidly in the past 18 months. This uptick in prices may indicate a growing demand for owner-occupied housing, which cannot be met with the currently limited housing stock.

The typical home in Mitchell is valued at \$147,400, with half of the homes valued higher and half valued lower. Very few homes in Mitchell are valued at more than \$400,000.

**Figure 3.9 Home Value for Owner-occupied Homes, Mitchell City, 2020**



Source: 2020 American Community Survey 5-Year Estimates Table B25075

Although home values in Mitchell remain modest, they are increasing, and there is evidence that the rate of increase is beginning to climb. From 2010 to 2020, the median home value in Mitchell increased an estimated 42%, from \$103,800 to \$147,400.

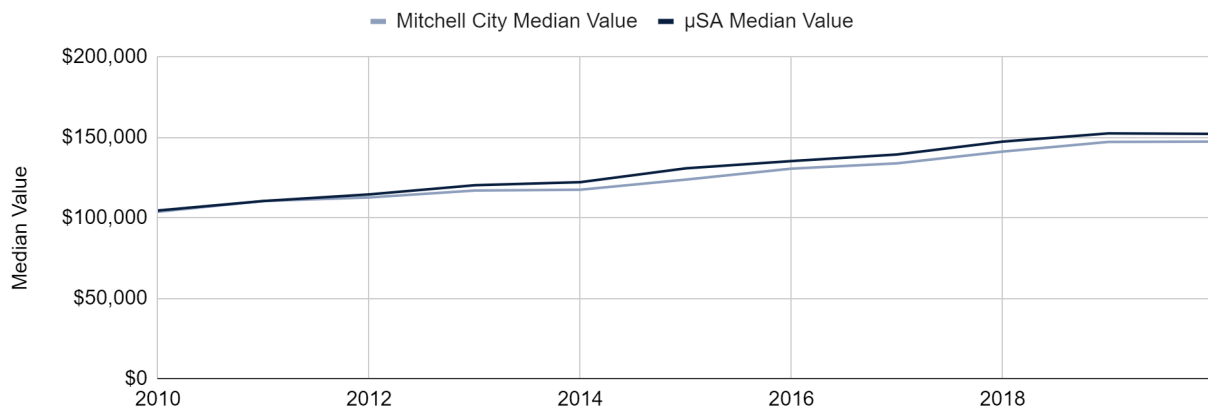


**Table 3.13 Median Owner-occupied Home Value in Mitchell City and Mitchell μSA, 2010 to 2020**

Year	Mitchell City Median Value	μSA Median Value
2010	\$103,800	\$104,600
2011	\$110,500	\$110,500
2012	\$112,700	\$114,600
2013	\$117,000	\$120,300
2014	\$117,500	\$122,200
2015	\$123,800	\$130,800
2016	\$130,600	\$135,300
2017	\$133,900	\$139,400
2018	\$141,200	\$147,400
2019	\$147,200	\$152,500
2020	\$147,400	\$152,200

Source: 2020 American Community Survey 5-Year Estimates Table DP04

**Figure 3.10 Median Owner-occupied Home Value in Mitchell City and Mitchell μSA, 2010 to 2020**



Source: 2020 American Community Survey 5-Year Estimates Table DP04

According to Davison County sales records, median sales price in the first half of 2022 topped \$210,000, up from a median price of \$179,000 in 2021—a 1-year increase of about 17%.

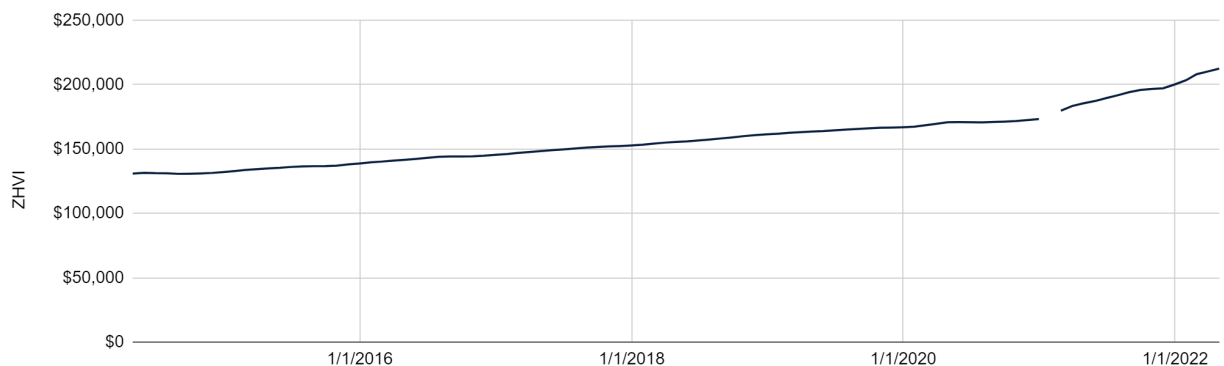
**Table 3.14 Average “Good Sale” Verified Selling Price (All Deed Types), Davison County, Recent Sales**

Year	Average price	Median price
2019	\$237,794	\$152,500
2020	\$195,978	\$154,700
2021	\$275,986	\$179,900
2022	\$252,923	\$210,000

Source: Davison County Property Information System (GIS), retrieved 2022-06-07 (partial year 2022)

Another indication of a recent escalation in home appreciation is the Zillow Home Value Index, a smoothed, seasonally adjusted measure of the typical home value for homes in the 35th to 65th percentile range. In Mitchell, the Zillow index reached an inflection point in 2021, climbing more rapidly than it had over the previous 6 years.

**Figure 3.11 Zillow Home Value Index, Mitchell City, 2014 to 2022**

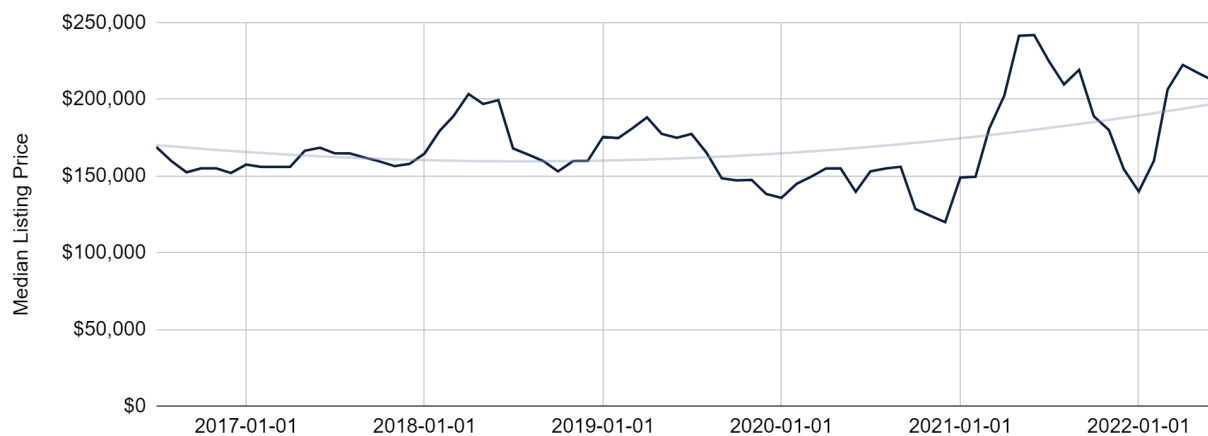


Source: Zillow.com

MLS data from Realtor.com, tabulated and reported by the Federal Reserve of St. Louis (FRED), shows that, since 2020, the median listing price in Mitchell has been increasing, median days on market have been decreasing, and active listings have been decreasing—all indications of growing demand for single-family, owner-occupied homes.

The median listing price was fairly flat from 2017 to 2020, then increased sharply in 2021. From a low point of \$119,900 in December 2020, the median listing price in Mitchell has climbed to \$241,500 in May 2021 and remained at \$212,450 in June 2022.

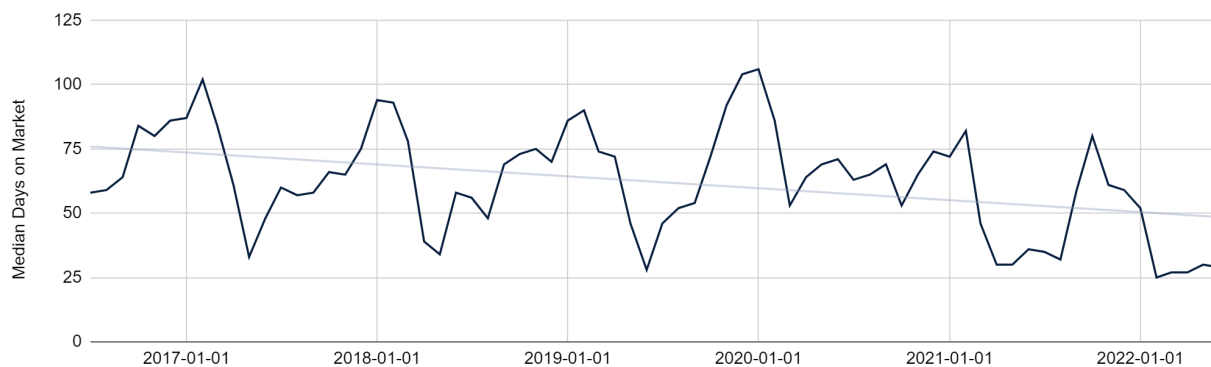
**Figure 3.12 Median Listing Price in Mitchell, SD (CBSA)**



Source: Realtor.com, Housing Inventory: Median Listing Price in Mitchell, SD (CBSA) [MEDLISPRI33580], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MEDLISPRI33580>, July 28, 2022.

The median number of days on market has been decreasing steadily (with seasonal cycles) since 2017. In February 2017, listings in Mitchell spent a median 102 days on market, compared to a median 93 days in February 2018, 90 days in February 2019, and 86 in February 2020. By February 2021, median days on market was at 46, and a year later in February 2022, listings spent a median of just 25 days on market.

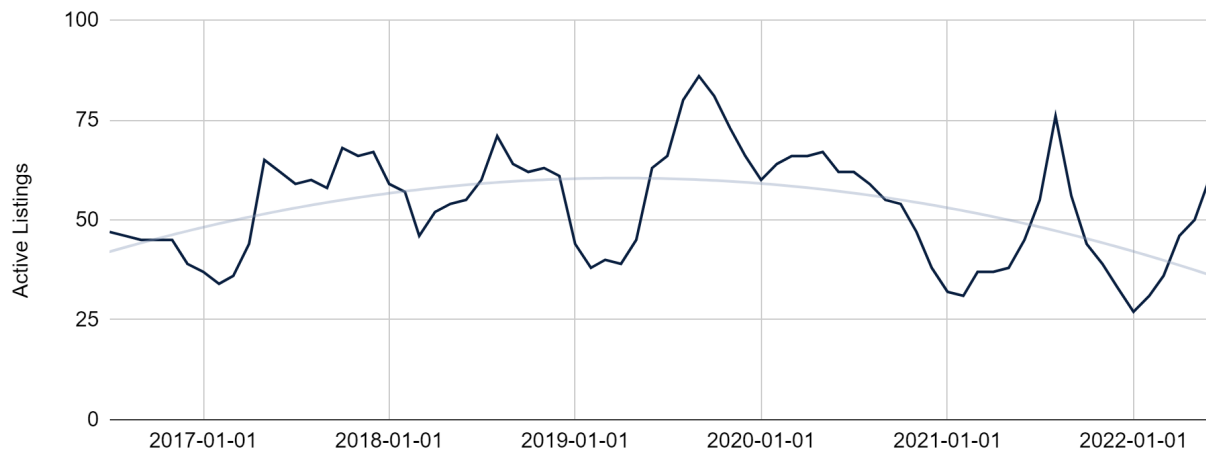
**Figure 3.13 Median Days on Market in Mitchell, SD (CBSA)**



Source: Realtor.com, Housing Inventory: Median Days on Market in Mitchell, SD (CBSA) [MEDDAYONMAR33580], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MEDDAYONMAR33580>, July 28, 2022.

The number of active listings increased (with seasonal cycles) from 2017 through late 2019, then began to decline in 2020. From a high of 86 active listings in September 2019, the market reached a low of just 27 active listening in January 2022. With escalating sales prices—and consistent with seasonal trends—listings rebounded somewhat in summer 2022, reaching 61 active listings in June 2022.

**Figure 3.14 Active Listings in Mitchell, SD (CBSA)**



Source: Realtor.com, Housing Inventory: Active Listing Count in Mitchell, SD (CBSA) [ACTLISCOU33580], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/ACTLISCOU33580>, July 28, 2022.

### 3.3.2 Current Owner-occupied Stock

Mitchell's stock of owner-occupied homes consists primarily of traditional, 1-unit detached structures (88.1%), with a handful of attached units (3%) and mobile homes (6.6%).

**Table 3.15 Units in Structure (Owner-occupied), Mitchell City, 2020**

Units in Structure	Estimate	Percent
1, detached	3,494	88.1%
1, attached	117	3.0%
2 apartments	0	0.0%
3 or 4 apartments	17	0.4%
5 to 9 apartments	0	0.0%
10 or more apartments	75	1.9%
Mobile home or other type of housing	261	6.6%

Source: 2020 American Community Survey 5-Year Estimates Table S2504

Most owner-occupied homes consist of 2 or more bedrooms. Just 2.5% of owner-occupied homes have 1 bedroom. About one-third (35.5%) have 4 or more bedrooms.

**Table 3.16 Owner-occupied Housing Units by Number of Bedrooms, Mitchell City, 2020**

	Estimate	Percent
No bedroom	0	0.0%
1 bedroom	100	2.5%
2 or 3 bedrooms	2,456	62.0%
4 or more bedrooms	1,408	35.5%

Source: 2020 American Community Survey 5-Year Estimates Table S2504

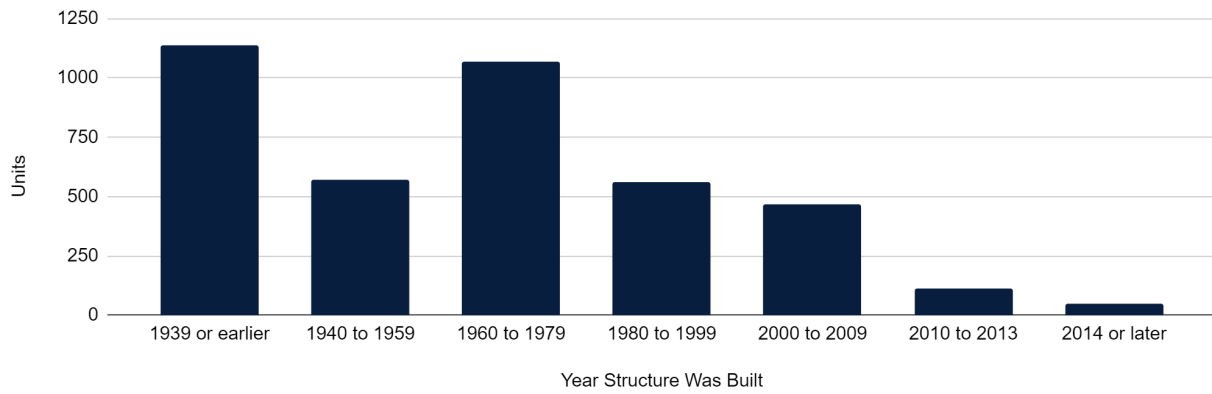
The existing housing stock is relatively old, with 28.7% of units built before 1940, and only 29.9% built since 1980. Older properties can be well maintained or may be in need of repair. In 2012, Community Partners Research, Inc. conducted a windshield survey of 4 neighborhoods in Mitchell and found that, across all 4 neighborhoods, about 30% of single-family homes and duplexes were dilapidated or in need of major repair, and another 30 to 40% were in need of minor repair. Considering the short supply of owner-occupied housing in general, rehabilitating and maintaining the existing stock will be critical to Mitchell's ability to meet future housing needs.

**Table 3.17 Year Structure Was Built (Owner-occupied), Mitchell City, 2020**

Year structure built	Units	Percent
2014 or later	49	1.2%
2010 to 2013	112	2.8%
2000 to 2009	465	11.7%
1980 to 1999	559	14.1%
1960 to 1979	1,068	26.9%
1940 to 1959	573	14.5%
1939 or earlier	1,138	28.7%

Source: 2020 American Community Survey 5-Year Estimates Table S2504

**Figure 3.15 Owner-occupied Housing Units by Year Structure Was Built, Mitchell City, 2020**



Source: 2020 American Community Survey 5-Year Estimates Table S2504

## 3.4 Rental Housing Detail

### 3.4.1 Current Rental Stock

In 2012, a housing study conducted for Mitchell found a very low vacancy rate, around 1%, across all segments of the rental market. That study precipitated the high levels of multifamily construction in 2013. A follow-up survey of rentals in 2015 found that the rental vacancy rate was increasing, reaching 7.5% in the conventional market and 9.2% in the tax credit market (it remained very low in the subsidized rental market). Additional multifamily construction took place in 2016.

No new survey of rental properties was conducted for the present study, but data from the American Community Survey suggests that multifamily construction has met or exceeded the demand first observed in 2012. Additionally, a recently announced project will add more units to the rental stock: the recently closed Ramada is slated to be converted to apartments, and the developers are seeking a TIF to help ensure rents after conversion are affordable.<sup>3</sup>

The latest data available, from 2020, found a rental vacancy rate in Mitchell of 14.0%. Anecdotally, leaders in Mitchell report that the rental vacancy rate is beginning to decline: students returning to Mitchell are encountering difficulties finding available units, and rents are increasing.

Nevertheless, available data suggest that, in the short term, there is not demand for additional multifamily rental construction in Mitchell. Over a longer 5- to 10-year period, this demand picture may change, particularly with a projected increase in young adults and older adults who may seek rental housing.

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<sup>3</sup> *Mitchell Republic*, January 4, 2022

**Table 3.18 Rental Vacancy Rates for Mitchell City**

	Conventional	Tax Credit	Subsidized	Rental Vacancy Rate (Blended)
2012 Housing Study	1.3%	< 1%	< 1%	
January 2015 telephone survey (Community Partners Research)	7.50%	9.20%	2%	
Mitchell city ACS 2020 5-yr				14.0%
Sioux Falls ACS 2020 5-yr for comparison				5.3%
Mitchell μSA ACS 2020 5-yr for comparison				13.4%
SD State ACS 2020 5-yr for comparison				6.8%

Source: 2015 housing update by Community Partners Research (telephone survey) and 2020 American Community Survey 5-Year Estimates, Table DP04

Gross rental rates in Mitchell range from less than \$250 (about 3% of rental units) to over \$1,500 per month (about 6% of rental units). In 2020, the median gross rent in Mitchell was \$715, meaning half of rental units ask higher rent and half ask less. Most units with rents of \$800 or more fall within the \$800 to \$1,000 range; overall, about 17% of rental units in Mitchell ask rent of \$1,000 or more per month.

**Table 3.19 Gross Rental Rates Distribution, Mitchell City, 2020**

	Units	%
Less than \$250	102	3.49%
\$250 to \$399	367	12.56%
\$400 to \$499	267	9.13%
\$500 to \$599	344	11.77%
\$600 to \$699	306	10.47%
\$700 to \$799	343	11.73%
\$800 to \$899	402	13.75%
\$900 to \$999	285	9.75%
\$1,000 to \$1,249	214	7.32%
\$1,250 to \$1,499	122	4.17%
\$1,500+	171	5.85%

Source: 2020 ACS 5-year estimates Table B25063



**Figure 3.16 Rental Units by Gross Rent Range, Mitchell City, 2020**



Source: 2020 ACS 5-year estimates Table B25063

Over the last decade, Mitchell has added quite a few rental units at higher rent levels. In 2010, just over 100 rental units asked rent of \$1,000 or more; by 2020, that number had grown to over 500. Mitchell has also added many units in the mid-to-upper rent ranges, from \$700 to \$1,000 in rent. Over the past decade, the number of rental units in that rent range has increased from 433 in 2010 to over 1,000 in 2020. During the same time period, the city has lost rental units with rents less than \$700, especially very low rent units that ask rents of \$400 or less. Put another way, the percentage of units available at less than \$800 was 85% in 2010, 70% in 2015, and 59% in 2020.

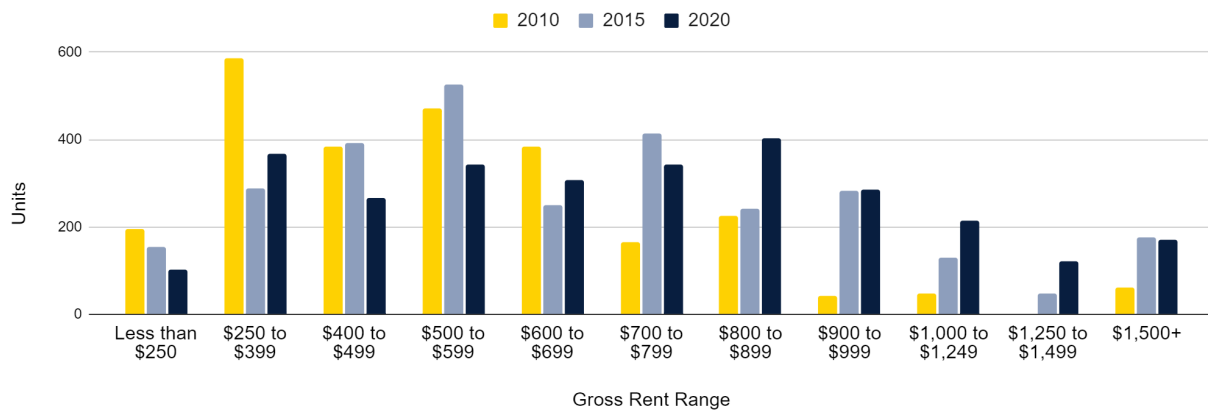
To some extent, this trend is the result of inflation, and the real change in rent levels is less dramatic than the nominal change. If rental rates had simply kept up with inflation, as measured by the CPI-U, an apartment that rented for \$650 in 2010 would have rented for \$700 in 2015 and \$775 in 2020.

More significantly, it is the result of new construction. As new rental units come online, they enter the market at higher rent levels, but also often in better condition and with more amenities than older rentals. Section 4 of this report examines the consequences of shifting rent ranges for renters in Mitchell.

**Table 3.20 Rental Unit Distribution by Rent Range, Mitchell City, 2010 to 2020**

	2010	2015	2020
Less than \$250	194	155	102
\$250 to \$399	587	289	367
\$400 to \$499	385	393	267
\$500 to \$599	472	526	344
\$600 to \$699	385	249	306
\$700 to \$799	166	415	343
\$800 to \$899	224	241	402
\$900 to \$999	43	284	285
\$1,000 to \$1,249	47	129	214
\$1,250 to \$1,499	0	47	122
\$1,500+	61	176	171

Source: 2010, 2015, and 2020 ACS 5-year estimates (in 2010, 2015, and 2020 dollars, respectively)

**Figure 3.17 Rental Unit Distribution by Rent Range, Mitchell City, 2010 to 2020**

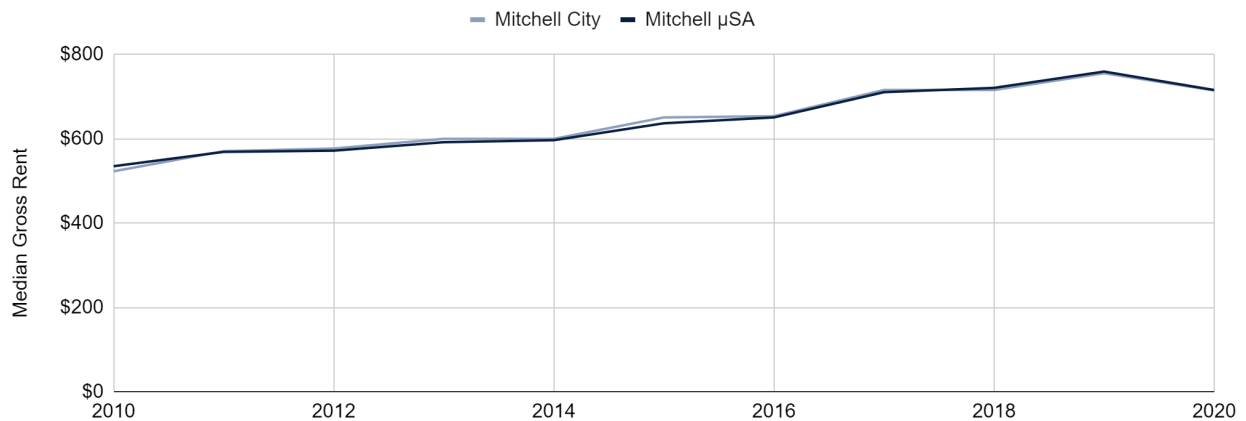
Source: 2010, 2015, and 2020 ACS 5-year estimates (in 2010, 2015, and 2020 dollars, respectively)

Median rent in Mitchell has climbed fairly steadily since 2010, though there is some evidence that rental rates have leveled off in recent years. This may be due to the saturation of the market from significant new rental construction that took place through 2016 and 2017.

**Table 3.21 Median Gross Rent (\$) among Renter-occupied Units Paying Cash Rent**

	Mitchell City	Mitchell μSA
2020	\$715	\$716
2019	\$756	\$760
2018	\$716	\$721
2017	\$716	\$711
2016	\$654	\$651
2015	\$651	\$637
2014	\$600	\$597
2013	\$600	\$592
2012	\$577	\$572
2011	\$571	\$569
2010	\$523	\$535

Source: 2020 American Community Survey 5-Year Estimates, Table B25064

**Figure 3.18 Median Gross Rent (\$) in Mitchell City and Mitchell μSA, 2010 to 2020**

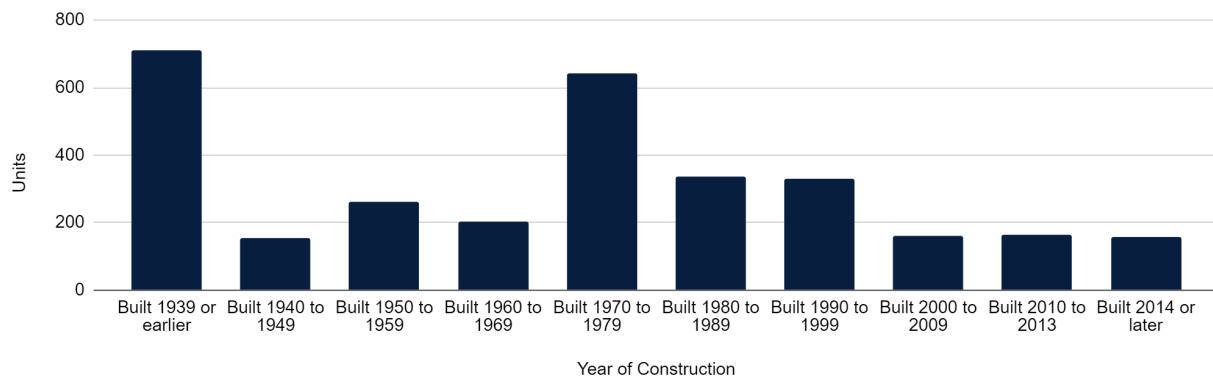
Source: 2020 American Community Survey 5-Year Estimates, Table B25064

As with owner-occupied housing, a significant proportion of the rental stock in Mitchell was constructed in 1939 or earlier: more than one-fifth of rental units (22.81%) were built during this early period. Another 20% were constructed in the 1970s. Many of the older rental units may be formerly owner-occupied homes that have been converted to rentals. As with owner-occupied homes, aging rentals demand attention to housing quality and maintenance, and may indicate a need for rental-focused rehabilitation and revitalization programs.

**Table 3.22 Rental Units by Year of Construction, Mitchell City, 2020**

	Units	Percent of All Units
Built 2014 or later	156	5.00%
Built 2010 to 2013	165	5.29%
Built 2000 to 2009	161	5.16%
Built 1990 to 1999	329	10.54%
Built 1980 to 1989	338	10.83%
Built 1970 to 1979	644	20.63%
Built 1960 to 1969	203	6.50%
Built 1950 to 1959	261	8.36%
Built 1940 to 1949	153	4.90%
Built 1939 or earlier	712	22.81%
Total	3,122	

Source: 2020 ACS 5-year estimates Table B25036

**Figure 3.19 Rental Units by Year of Construction, Mitchell City, 2020**

Source: 2020 ACS 5-year estimates Table B25036

About 40% of the rental units in Mitchell are in multifamily buildings with 10 or more units, but the majority of rentals are in smaller structures. In fact, about one-fourth of Mitchell's rental units are single-unit, detached structures—typically, single-family homes that have been converted to rentals. Another quarter of rental units are in smaller apartment buildings made up of three to nine units.

**Table 3.23 Units in Structure, Mitchell City, Renter-occupied**

	Estimate	Percent
1, detached	766	24.5%
1, attached	121	3.9%
2 apartments	105	3.4%
3 or 4 apartments	320	10.2%
5 to 9 apartments	443	14.2%
10 or more apartments	1,257	40.3%
Mobile home or other type of housing	110	3.5%

Source: 2020 American Community Survey 5-Year Estimates, Table S2504

The majority of rental units in Mitchell have 2 or 3 bedrooms. About one-fourth have 1 bedroom, and another 10% have no bedroom (i.e., studio or efficiency apartments). About 6.7% of rental units in Mitchell are larger, offering 4 or more bedrooms. This distribution is consistent with the renter population in Mitchell, which is made up largely of non-family households—single adults or roommates.

**Table 3.24 Number of Bedrooms (Renter-occupied), Mitchell City**

	Estimate	Percent
No bedroom	296	9.5%
1 bedroom	868	27.8%
2 or 3 bedrooms	1,748	56.0%
4 or more bedrooms	210	6.7%

Source: 2020 American Community Survey 5-Year Estimates, Table S2504

As expected, rental units with more bedrooms ask higher rent. Of note, larger rental units (those with 3 or more bedrooms) have seen a greater increase in rent over the past 5 years, when compared to smaller units. This could suggest demand for additional larger rental units. However, given the limited sample size for large rental units, estimates should be interpreted with caution.

**Table 3.25 Median Gross Rent by Number of Bedrooms, Mitchell City, 2015 and 2020**

	2015 Estimate	2020 Estimate	Percent Change
Total (all unit sizes):	\$651	\$715	10%
No bedroom	\$349	-	-
1 bedroom	\$456	\$481	5%
2 bedrooms	\$700	\$731	4%
3 bedrooms	\$722	\$875	21%
4 bedrooms	\$984	\$1,128	15%
5 or more bedrooms	\$825	\$1,260	53%

Source: 2015 and 2020 ACS 5-year estimates Table B25031

Note: ACS tables include all rental types—conventional, tax credit, subsidized, and voucher holders

The U.S. Department of Housing and Urban Development (HUD) calculates fair market rent (FMR). These estimates are based on American Community Survey data, like that presented in the table above. They are consistent with trends seen in that data, with FMR for a 2-bedroom unit set at \$790.

**Table 3.26 HUD Fair Market Rents by Bedroom Size, Davison County, FY 2022**

	FY 2022 FMR
Efficiency / Studio	\$525
1 bedroom	\$600
2 bedroom	\$790
3 bedroom	\$1,035
4 bedroom	\$1,352

Source: HUD FY 2022 Fair Market Rent Documentation System (based on HUD calculations from 2015-19 American Community Survey 5-year estimates)

### 3.4.2 Conventional Rentals

For this report, analysts reviewed monthly permit reports for residential permits issued in Mitchell since 2016. Most residential building activity has been single-family homes and duplexes or twin homes. Few large multifamily rentals have been permitted during this time period, with the exception of several developments in 2016. Recently permitted projects include the following:

- Juniper Kimball Homes - 7 units permitted in 2016 - a conventional townhome project with 3-bedroom units
- Edgerton Place Apts 2 - 72 units permitted in 2016 - phase 2, expanding on phase 1 from 2014, offering studio, 1, and 2-bedroom conventional apartments
- Valor Townhomes - 7 units permitted in 2017 - additional units adjacent to the Juniper Kimball Homes permitted the previous year
- Quail View Senior Living - 10 units permitted in 2021 - a townhome development with 2-bedroom, single story units with high end finishes, offering conventional rental housing for seniors

In addition to the above-listed permits for conventional multifamily rentals, permits were issued for specialized projects, including an expansion of an assisted living facility and a new dorm for students at Dakota Wesleyan University. Although neither facility is available to the general renting public, both provide housing options for people who might otherwise be occupying conventional homes or apartments:

- Edgewood Senior Living Center - 46 units initially permitted in 2016, another 10 units permitted later in the year - an expansion of Edgewood's assisted living facility with 24-hour staffing, nursing services, and other senior living amenities
- Dakota Hall, a Dakota Wesleyan University dorm - housing for 114 students, permitted in 2018

### 3.4.3 Tax Credit Properties

Since the late 1980s, the federal low-income housing tax credit program (abbreviated LIHTC and also referred to as Section 42) has been the federal government's primary financial incentive for the production of more affordable rental housing. Tax credits and similar funding are awarded in an annual competition by the South Dakota Housing Development Authority (SDHDA).

Between 1988 and 2021, SDHDA awarded 11 tax credit projects in Mitchell, supporting the construction or rehabilitation of 429 rental units.<sup>4</sup> Of these units, 119 were new construction that were added to the rental inventory; the remainder were existing units that were rehabilitated or demolished and newly constructed.

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<sup>4</sup> SDHDA HTC Cumulative Reservations List, as of July 2022. In some cases, a single rental complex might receive multiple awards over a period of several years as new buildings are added through phased development, or as an older new construction building is acquired and rehabbed.

While rehabilitation projects do not necessarily add additional units to the total rental inventory in a community, they typically do increase the number of units that must comply with the income, occupancy, and rent requirements of the tax credit program, effectively increasing the number of affordable rental units. The exception is the case of rehabilitation of older subsidized housing.

Prior to the development of the tax credit program, the federal government had prioritized public housing and subsidized housing that served extremely low-income households; these programs required deep subsidies, generally in the form of project-based assistance, and allowed tenants to pay rent based on 30% of their household income. The tax credit program marked a shift away from subsidized housing for extremely low-income people toward affordable rentals for a more moderate-income renter population. Instead of deep subsidies for renters, the tax credit program provides shallow financial assistance to developers.

Notably, in Mitchell, nearly all tax credit properties operate as subsidized housing. They are not listed here because they have instead been included with the subsidized rental inventory in the following section. Only 2 projects in Mitchell were identified as tax credit properties operating without additional subsidy or project-based rental assistance<sup>5</sup>:

- East Woods Apartments - 44 general occupancy units (2001)
- The Landings - 32 general occupancy units (2014)

The Landings is primarily a general occupancy tax credit property; however, through an agreement with Mitchell's public housing authority, The Landings has 11 project-based Section 8 vouchers to provide rental assistance.

Since 2014, 2 tax credit awards have been issued to projects in Mitchell. Acquisition and rehab credits were issued for Meadowlawn Plaza in 2015 and 2016 and for Davison Court Townhomes in 2018. In both cases, tax credits were for the rehabilitation of housing that was already operating as subsidized housing: Meadowlawn Plaza was originally public housing and continues to operate as subsidized housing; Davison Court Townhomes was originally constructed as a tax credit project (Winter Park, 1992) with assistance from Rural Development. Both operate as subsidized housing and are described below.

In other markets, tax credit projects play a key role in providing moderately affordable housing. In Mitchell, where there has been an adequate supply of affordable rentals (see Section 4), tax credit properties have instead helped augment the supply of subsidized housing. Any future tax credit properties in Mitchell should adopt a similar strategy, targeting a lower rent structure than the maximum allowed under the LIHTC program. Recent projects such as The Landings offer a template for how to layer funding and subsidies for more affordable units, allowing LIHTC properties to serve a wider income band.

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<sup>5</sup> Information in this section and the following section on subsidized housing is derived from the following sources: SDHDA LIHTC Cumulative Reservations List: Mitchell Projects, HUD LIHTC database, SD Housing Search, resources.hud.gov, National Housing Preservation Database, accessed 4/26/2021.



### 3.4.4 Subsidized Rental Housing

Subsidized housing refers to rental projects with federal or state subsidies that provide housing for very low-income and extremely low-income households. In Mitchell, subsidized housing is supported by a mix of funding streams, including programs available through HUD and the USDA's Rural Development programs.

Generally, rent levels in subsidized housing are based on tenants' household income and vary as income changes. Typically, rent is set at 30% of a household's income. Most subsidized housing serves households below 50% of the area median family income (MFI), referred to by HUD as very low-income (less than 50% MFI) or extremely low-income (less than 30% MFI) households.

In 2022, Mitchell had an estimated 530 subsidized housing units. These units were supported by a variety of federal programs, including Section 202, which serves very low-income seniors, Section 811, which serves very low-income people with disabilities, and project-based subsidies that serve a more general population (e.g., project-based Section 8).

Mitchell's stock of subsidized housing for general occupancy, sometimes referred to as family occupancy, includes the following developments:

- The Landings - 32 2- and 3-bedroom units, of which 11 have project-based Section 8 rental assistance through agreement with the Mitchell PHA (the remaining units are tax credit units subject to income restrictions)
- Meadowlawn Plaza - 105 general occupancy units (though preference is given to senior or disabled residents)
- Davison Court (Winter Park) - 24 3-bedroom units
- Spring Crest - 12 1-bedroom units
- Summer Crest - 12 3-bedroom units
- Green Meadows Townhomes - 20 2- and 3-bedroom units
- Palace Apartments - 32 1- and 2-bedroom units
- Lombardi Court - 30 1-, 2-, 3-, and 4-bedroom units
- West Elm Apartments - 28 1- and 2-bedroom apartments

Mitchell's stock of subsidized housing for senior or disabled residents includes the following developments:

- Grandview Apartments and Townhomes - 34 1- and 2-bedroom units
- Greenridge - 48 units
- Cathedral Square I & II - 80 units
- Autumn Crest - 16 1- and 1-bedroom units
- Westview - 24 efficiency and 1-bedroom apartments

Additionally, LifeQuest in Mitchell operates group homes and apartments with assistive services for people with disabilities. Housing operated by LifeQuest includes the Kimball group home (congregate housing with assistive services on site for 15 1-bedroom and 6

2-bedroom apartments) and the Gamble Street Apartments (12 1-bedroom apartments with assistive services).

This study did not identify any new subsidized housing added to Mitchell's supply since the previous rental housing study, which was completed in 2015.

Housing subsidy programs typically operate for a specified period of time. After that period, a property may exit its affordability period and operate as a conventional rental. Because of their age, these older properties may remain affordable even after affordability requirements expire. However, without continuing subsidies and affordability requirements, these housing units may be renovated or demolished and lost from the supply of affordable housing. The National Housing Preservation Database tracks the expected end date of tax credits and housing subsidies. The following table shows the number of units covered by each subsidy according to the year in which the subsidy is scheduled to expire. It should be noted that subsidies may be renewed or continued, so these units will not necessarily be lost. Additionally, the number of units per subsidy do not total to the "total units losing all subsidies" because units may be covered by multiple subsidy programs.

**Table 3.27 Subsidized Units by Subsidy Type and Year Subsidy Expires, Mitchell City**

	LIHTC	Section 8	HUD Insured	HOME	Section 202	RHS 538	RHS 515	Total Units Losing All Subsidies (Latest End Date)
2021								
2022		34						23
2023								
2024				11				11
2025		12						12
2026								
2027								
2028								
2029		48						48
2030		20						1
2031		78						30
2032								
2033		19						19
2034								
2035		30		11				24
> 2036	338	164				31	89	500
Total	338	405	0	22	0	31	89	668

Source: National Housing Preservation Database, accessed 4/26/2021 (note: units per subsidy do not total to total units losing all subsidies because units may be covered by multiple programs)

In addition to project-based rental assistance, which is tied to particular units, tenant-based rental assistance is available for very and extremely low-income renters, primarily through the HUD Section 8 Housing Choice Voucher Program. Voucher holders pay a defined portion of their household income (typically 30%) for their rent, and the voucher covers the difference between the tenant's contribution and asking rent. Tenant-based assistance follows households when they move and can be used in conventional or tax credit units, provided a unit's rent is set below a defined threshold and the unit can pass a Housing Quality Standards inspection.

In 2021, Mitchell had 121 Housing Choice Vouchers in use, providing housing assistance to 138 residents. On average, eligible Mitchell residents spend 5 months on a waiting list before being issued a voucher.

**Table 3.28 Subsidized Housing Programs in Mitchell, 2021**

Program	Units Available	Number of People	% with Children
Housing Choice Vouchers	121	138	26%

Source: U.S. Department of Housing and Urban Development, A Picture of Subsidized Households, 2021 based on 2010 Census. M = missing. "Units available" is defined as "Number of units under contract for federal subsidy and available for occupancy." Accessed 6/27/2022 at <https://www.huduser.gov/portal/datasets/assthsg.html>

**Table 3.29 Subsidized Housing in Mitchell: Average Months Since Moved In, 2021**

Program	Units Available	Number of People	Average Months Since Moved In	Average Months on Waiting List
Housing Choice Vouchers	121	138	53	5

Source: U.S. Department of Housing and Urban Development, A Picture of Subsidized Households, 2021 based on 2010 Census. M = missing. "Units available" is defined as "Number of units under contract for federal subsidy and available for occupancy." Accessed 6/27/2022 at <https://www.huduser.gov/portal/datasets/assthsg.html>

### 3.5 Senior/Assisted Living Options

Over the coming years, the number of Mitchell residents aged 65 or older is projected to increase. This increase is due in large part to the aging of the Baby Boomer generation. As that generation ages into retirement and older adulthood, demand for senior living options may increase. This demand will likely follow current trends, with many seniors choosing to age in place or opting for independent living options. Any demand for assisted living is likely to come mostly from older seniors (ages 75 and older).

National surveys suggest that the Baby Boomer generation, even more than previous generations, will strive to age at home instead of in senior-living communities. Only an estimated one in five Baby Boomers plan to move to a senior living community. This trend may temper the demand for assisted living, while at the same time increasing the need for home modifications or home types with aging-friendly features (i.e., single-story, low-maintenance homes with accessibility features).<sup>6</sup>

Currently, Mitchell has a range of living options for seniors, from independent senior housing to skilled nursing care. This section describes the current facilities available in each of the following categories:

- Independent senior housing with a meal option - rental housing reserved for seniors where at least some meals are served on-site. Housing in this category is typically not registered or licensed by the state, and meals are typically separate from rent.
- Senior housing with light services - housing options where the basic monthly rent includes some services, such as meals or housekeeping. Some of these facilities may be registered with the South Dakota Department of Health as Residential Living Centers.
- Assisted living centers - facilities with a higher level of services, including 24-hour staffing and skilled nursing availability. These facilities are licensed by the South Dakota Department of Health as Assisted Living Centers.
- Skilled nursing homes - provide an intensive level of services. These facilities serve seniors and may also provide temporary rehabilitation stays. They are licensed by the South Dakota Department of Health as Nursing Facilities.

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<sup>6</sup> Burbank, J. (2013). Baby Boomers & Their Homes: On Their Own Terms (Demand Institute Housing & Community Survey, p. 13). Demand Institute.  
<https://www.nielsen.com/wp-content/uploads/sites/3/2020/05/baby-boomers-and-their-homes.pdf>

### 3.5.1 Independent Senior Housing with a Meal Option

In this study, four facilities were identified as offering independent senior housing with a meal option. Three of these facilities have already been included above as part of the subsidized housing inventory: Cathedral Square I and II, Greenridge Apartments, and Meadowlawn Plaza. Additionally, Wesley Acres Senior Living operates as conventional rental housing. Each is described briefly:

- Cathedral Square I and II - 80 units (included in the subsidized inventory above). Weekday noon meals are available through Mitchell's Adult Nutrition Program. The facility also has an on-site service coordinator.
- Greenridge Apartments - 48 units (included in the subsidized inventory above). Weekday noon meals are available through Mitchell's Adult Nutrition Program. The facility also has an on-site service coordinator.
- Meadowlawn Plaza - 105 units (included in the subsidized inventory above). This property is actually a general occupancy facility, but preference is given to elderly or disabled applicants. Weekday noon meals are available through Mitchell's Adult Nutrition Program.
- Wesley Acres Senior Living - 59 units, including both 1- and 2-bedroom apartments for independent living. This facility was originally constructed as subsidized housing but now operates as conventional rental housing; however, it is managed by a nonprofit organization affiliated with the Dakota United Methodist Conference, and rents are kept relatively affordable. Weekday noon meals are available through Mitchell's Adult Nutrition Program.

### 3.5.2 Senior Housing with Light Services

Senior housing with light services refers to housing options where the basic monthly rent includes some services, such as meals, emergency call systems, laundry, or housekeeping. In this study, two facilities were identified in this category: Bishop Hoch Villa and Countryside Living.

- Bishop Hoch Villa - 6 congregate-living apartments for individuals capable of independent living. Bishop Hoch Villa is part of the Avera Brady senior complex. Monthly rent includes services such as laundry, housekeeping, and an emergency response system. Meals and additional services are available for an additional cost.
- Countryside Living - 88 apartments, including a mix of 1- and 2-bedroom apartments, studio apartments, and companion suites. The 88 units at Countryside Living are flexible and may be used either as independent living (with light services) or assisted living. The facility is registered with the South Dakota Department of Health for 60 Residential Living Center beds and 50 Assisted Living Beds. Available services depend on the level of care chosen by residents; they can include laundry and housekeeping, transportation, medication administration, and 24-hour staffing.<sup>7</sup>

A third facility, Crystal Manor, had been identified in previous studies, but it has since been purchased by Abbott House to repurpose as a group foster home. Crystal Manor had 18

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<sup>7</sup> <https://www.sdhhs.org/verify/> accessed 8/16/2022

rooms designed for single occupancy. Its repurposing represents a loss of 18 units in this category.

### 3.5.3 Assisted Living Centers

Assisted living centers have a higher level of care and services than the previous categories, and they are licensed by the South Dakota Department of Health. Services include 24-hour on-site staffing and skilled nursing. All meals are available, plus medication assistance.

According to the South Dakota Department of Health, Mitchell has 5 licensed assisted living facilities: Countryside Living, Avera Brady Assisted Living, Edgewood, Edgewood Prairie Crossings, and Rosewood Court.

- Countryside Living - as described above, Countryside Living has 88 apartments that are flexibly used as independent or assisted living for seniors. Of note, the 2012 housing study found Countryside Living was licensed for 22 assisted living beds; that total has increased to 50.
- Avera Brady Assisted Living - 25 licensed assisted living beds.
- Edgewood Mitchell Assisted Living - 62 licensed assisted living beds.
- Edgewood Mitchell Memory Care - 37 licensed assisted living beds. Memory care services include standard assisted living services with modifications and staff specially trained for people living with Alzheimer's or memory loss.
- Rosewood Court - 24 licensed assisted living beds. Rosewood Court is owned by Dakota Counseling, which provides mental health care for all ages. The facility is marketed as a senior assisted living facility, but some residents may also be younger people with mental health-related needs.

### 3.5.4 Skilled Nursing Homes

Of all the categories of senior living options profiled here, skilled nursing homes offer the most intensive level of care. Skilled nursing homes, which are licensed by the South Dakota Department of Health, may offer both long-term nursing home care and short-term rehabilitation stays. For this study, 2 skilled nursing home facilities were identified in Mitchell: Avera Brady Health & Rehab and Firesteel Healthcare Community.

- Avera Brady Health & Rehab - 84 licensed nursing home beds. This facility offers short-term inpatient rehabilitation, long-term nursing home care, and hospice comfort suites. It is part of the Avera Brady senior complex, which also offers independent and assisted living options (described above).
- Firesteel Healthcare Community - 150 licensed nursing home beds. This facility provides long-term care, a rehabilitation unit, a memory care unit, respite care, and outpatient therapy. They also hold a VA contract.

Since 1988, South Dakota has had a moratorium on the addition of nursing home beds. The original intent of the moratorium was to encourage the development of alternatives to nursing homes for seniors, such as home health care and assisted living. Consistent with that moratorium, Mitchell has not added nursing home beds since the previous 2012 housing study.

The current occupancy of nursing home beds in Mitchell remains below capacity. As of August 12, 2022, the South Dakota Department of Health reported an occupancy rate of 70% for Avera Brady Health & Rehab's 84 beds and 52% for Firesteel Healthcare Community's 150 beds.<sup>8</sup>

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<sup>8</sup> <https://dhs.sd.gov/LTSS/default.aspx>



## 3.6 Infrastructure Capacity and Challenges

The 2022 Davison County Comprehensive Plan estimates a need for 310 acres of land to accommodate the addition of 972 housing units through 2040, assuming 2.5 units/acre for single family, 8 units/acre for multifamily, and 6 units/acre for manufactured homes, plus a 30% markup for land for infrastructure and reserve market demand.

**Table 3.30 Project Land Needs, Davison County, 2021 to 2040**

	2021-2025	2026-2030	2031-2035	2036-2040	Total
Projected units	233	240	246	253	972
Infill/replacement	37	38	39	40	153
Single family units	117	120	124	127	489
Multifamily units	65	67	69	71	272
Mobile homes	14	14	15	15	58
Net acres needed	57.45	58.98	60.55	62.17	239.16
30% markup (roads, market, etc.)	17.24	17.69	18.17	18.65	71.75
Total acres needed	74.69	76.68	78.72	80.82	310.90

Source: 2022 Davison County Comprehensive Plan (Table 31)

In addition to land needs, Mitchell is currently exploring a secondary water source with the Randall Community Water District, anticipating infrastructure needs related to future development. Mitchell currently relies on B-Y Water District as its sole source of treated drinking water, and the city projects that they are nearing maximum capacity.<sup>9</sup> On July 18, 2022, the Mitchell city council approved a resolution to move forward with exploring options for adding a secondary water source.

<sup>9</sup> *Mitchell Republic*, June 24, 2022

## Section 4: Housing Needs

This section identifies housing needs, including an in-depth examination of housing affordability in Mitchell. It includes estimates of the housing gap between the number of households at various income levels and the number of units available in corresponding price ranges. It also quantifies the number of households with a housing cost burden and the number of households with other housing problems.

### 4.1 Defining Affordability

The United States Department of Housing and Urban Development (HUD) defines affordability as paying 30% or less of gross monthly income for housing costs. For example, a family of four with an annual income of \$78,200 could afford to pay up to \$1,955 per month toward rent or a mortgage and utilities.

Many housing programs that aim to increase access to affordable housing base eligibility on income limits set annually by HUD. HUD sets limits relative to household size and an area's median family income (MFI). Eligibility for most affordable housing programs begins at or below 80% MFI. Generally, households earning 80% MFI or more are able to find housing they can afford on the open market.

In the case of Mitchell, HUD sets income limits and affordability standards based on median family income for Davison County. For fiscal year (FY) 2022, HUD income limits were based on an MFI for Davison County of \$78,200. The table below shows HUD's income limits by family size and percentage of MFI.

**Table 4.1 Income Limits by Household Size, Davison County, FY 2022**

Income Limit Category (% MFI)	Persons in Family							
	1	2	3	4	5	6	7	8
Extremely Low (30%)	\$16,950	\$19,400	\$23,030	\$27,750	\$32,470	\$37,190	\$41,910	\$46,630
Very Low (50%)	\$28,250	\$32,250	\$36,300	\$40,300	\$43,550	\$46,750	\$50,000	\$53,200
Low (80%)	\$45,150	\$51,600	\$58,050	\$64,500	\$69,700	\$74,850	\$80,000	\$85,150

Source: HUD FY 2022 Income Limits Documentation System. Davison County, SD MFI for FY 2022 is \$78,200.

Note: The 30% MFI income limit is adjusted by HUD such that the federal HHS poverty guideline is used where a calculated 30% of MFI would fall below poverty. Slightly different limits are used for tax credit properties.

Conventionally, households at or below 30% MFI are referred to as extremely low income, those between 30% and 50% as very low income, and those between 50% and 80% as low income.

Using HUD's affordability standard, 30% of income is considered the *maximum* amount a family can affordably spend on housing. The table below shows the maximum amount that households at each income limit could afford to pay for housing, given that standard.

**Table 4.2 Affordable Monthly Housing Costs by Household Size, Davison County, FY 2022**

Income Limit Category (% MFI)	Persons in Family							
	1	2	3	4	5	6	7	8
Extremely Low (30%)	\$424	\$485	\$576	\$694	\$812	\$930	\$1,048	\$1,166
Very Low (50%)	\$706	\$806	\$908	\$1,008	\$1,089	\$1,169	\$1,250	\$1,330
Low (80%)	\$1,129	\$1,290	\$1,451	\$1,613	\$1,743	\$1,871	\$2,000	\$2,129

Source: Calculated by analyst. Affordable is defined as housing costs (including utilities) at or below 30% of gross monthly income.

Put another way, the table above shows the housing affordability threshold that housing programs should target in order to make housing affordable to a household of a given size within a given income limit category. For example, in order to be affordable to a 4-person, extremely low-income household (with income at or below 30% MFI), a housing unit's monthly cost must be less than \$694.

Consider the 30% affordability standard relative to hourly wages and their annual equivalents.

**Table 4.3 Annual Equivalents of Hourly Wages**

Annual Income	Hourly Wage	30% monthly
\$15,080	\$7.25*	\$377
\$20,696	\$9.95**	\$517
\$25,000	\$12.02	\$625
\$30,000	\$14.42	\$750
\$35,000	\$16.83	\$875
\$40,000	\$19.23	\$1,000
\$45,000	\$21.63	\$1,125
\$50,000	\$24.04	\$1,250

Source: Calculated

\*Federal minimum wage

\*\*South Dakota minimum wage effective January 1, 2022

At the current South Dakota minimum wage of \$9.95 per hour, a full-time employee would earn about \$20,696 annually. Based on HUD's FY 2022 income limits, that employee could be eligible for housing programs serving very or extremely low-income households: an

annual income of \$20,696 is below the 50% MFI income limit for a single-person household and below the 30% MFI income limit for a household of 3 people.

Working full time at \$15 per hour, a single parent with two children would fall under the 50% MFI income limit for a 3-person household. If both parents worked full-time at minimum wage, a married couple family with two children would be below the 80% MFI income limit—and just above the 50% MFI income limit—for a 4-person household. For a 4-person household to exceed an annual income of \$64,500 (the 80% MFI income limit), a single earner would need an hourly wage of \$31.01, or dual earners would need to average full-time hourly wages of \$15.50.

In Mitchell, the estimated median annual earnings for individuals is \$31,262.<sup>10</sup> This is below the 50% MFI limit for a 2-person household.

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<sup>10</sup> 2020 American Community Survey 5-Year Estimates, Table S2001. Note that this estimate is the median across all individuals, age 16 and over, with any earnings (including people who worked part-time or only part of the year). Median earnings among only those who worked full-time, year-round are higher, an estimated \$41,799.

## 4.2 Affordability Gaps

Overall, in the city of Mitchell, 3,455 households (49% of all households) have incomes at or below 80% MFI, making them potentially eligible for affordable housing programs.

**Table 4.4 Households by % of Median Family Income, Mitchell City, 2018**

% of MFI	Owner-occupied		Renter-occupied		Total	
<= 30%	190	5.0%	605	18.6%	795	11.3%
30 to 50%	260	6.9%	685	21.1%	945	13.4%
50 to 80%	820	21.6%	895	27.5%	1,715	24.4%
80 to 100%	445	11.7%	275	8.5%	720	10.2%
> 100%	2,075	54.7%	790	24.3%	2,865	40.7%
Total	3,790	100.0%	3,250	100.0%	7,040	100.0%

Source: Comprehensive Housing Affordability Strategy (CHAS), 2014-2018 ACS 5-year estimates

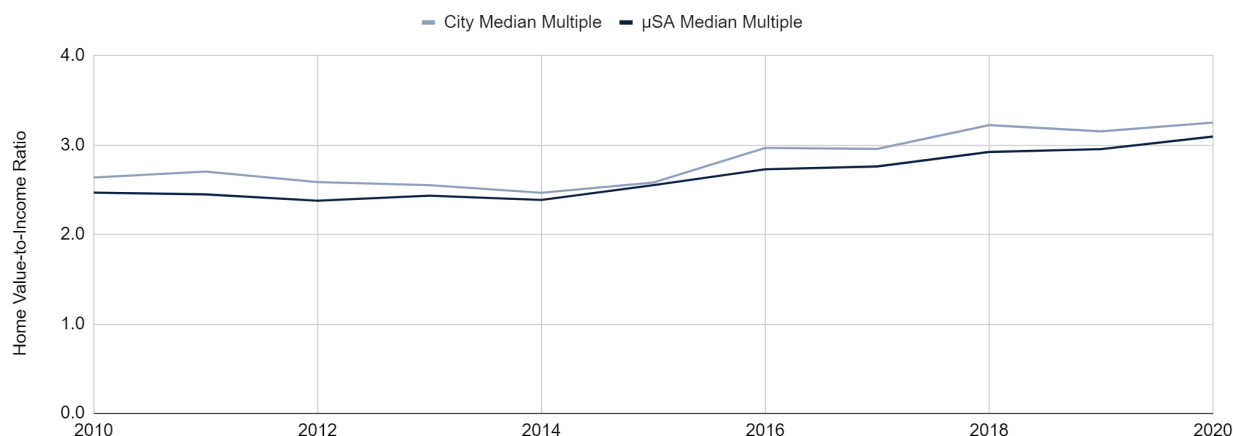
Although homeowner households slightly outnumber renter households overall (3,790 versus 3,250), more renter households fall into lower income brackets. Whereas about 34% (1,270) of homeowner households have incomes at or below 80% MFI, among renter households, 67% (2,185) do. Further, 19% (605) of renter households fall into the very lowest income bracket, with incomes equal to or less than 30% MFI.

The table above can be read as an indication of demand at different affordability levels. For example, there is demand for about 190 owner-occupied units and 605 renter-occupied units at costs affordable at or below 30% MFI (i.e., at or below about \$694 for a 4-person household or \$424 for a single-person household).

There is some indication that housing affordability in Mitchell is declining for homeowners. For current homeowners and potential buyers, a widely used measure of affordability is the price-to-income ratio, sometimes referred to as the median multiple. The price-to-income ratio compares the median home value to the median annual household income in a market. Conventionally, ratios under 3.0 indicate relative affordability.

In the city of Mitchell, the home value-to-income ratio was steady at around 2.5 from 2010 through 2015. But since 2015, the ratio has begun to climb. For the city of Mitchell, it has been above 3.0 since 2017.

**Figure 4.1 Mitchell City and Mitchell μSA Home Value-to-Income Ratio, 2010 to 2020**



Source: 2020 American Community Survey 5-Year Estimates Tables S1901 and DP04

Note: Ratios of 3.0 and under are considered affordable; 3.1 to 4.0 are moderately unaffordable; 4.1 to 5.0 are seriously unaffordable; and 5.1 and over are severely unaffordable

For renters, too, housing in Mitchell is generally affordable. The table and chart below compare rent and income distributions for renter households. In this analysis, the calculation of the ability to pay assumes a goal that no more than 30% of income is used for rent. For example, a household with an annual income of \$20,000 could afford monthly gross rent of up to \$500.

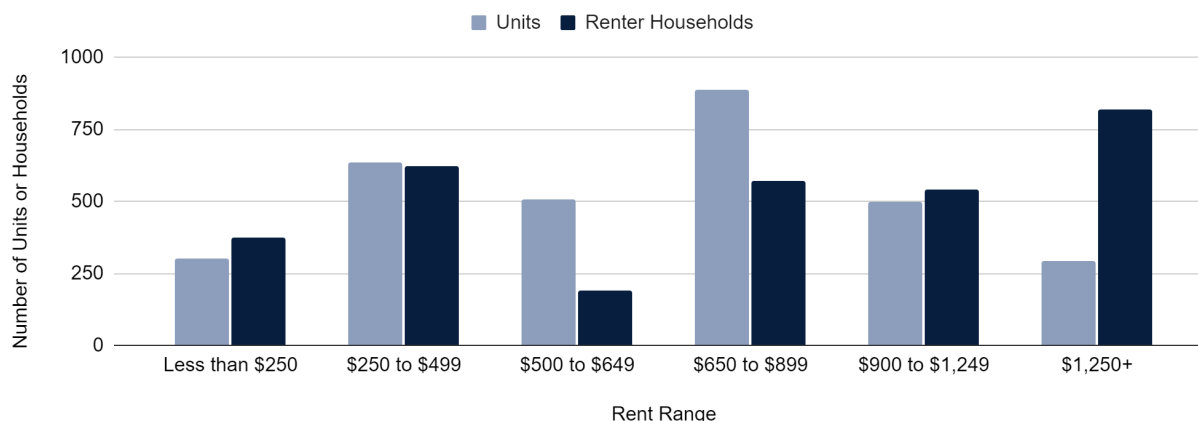
**Table 4.5 Households by Income Versus Units by Rent Range, Mitchell City, 2020**

	Units	Renter Households
Less than \$250	301	374
\$250 to \$499	634	622
\$500 to \$649	506	192
\$650 to \$899	889	573
\$900 to \$1,249	499	542
\$1,250+	293	819

Source: 2020 American Community Survey 5-Year Estimates, Tables B25063 and S2503, calculations by analyst

Note: Households were proportionately redistributed to align income and rent cutoffs. The "Less than \$250" category includes 199 housing units with no cash rent.

**Figure 4.2 Households by Affordable Rent Based on Income versus Units Available by Rent Range, Mitchell City, 2020**



Source: 2020 American Community Survey 5-Year Estimates, Tables B25063 and S2503, calculations by analyst

Compared to residents' income levels, rental properties in Mitchell are fairly affordable. There is some evidence of a small affordability gap for renters in the very lowest income brackets: Demand for extremely affordable, subsidized rentals appears slightly higher than available supply, which may manifest as a waiting list for Housing Choice Vouchers, properties with project-based Section 8, or other forms of rental assistance. Rental housing at this rent level (< \$250) typically cannot be provided without subsidies. At other rent levels, however, the number of units appears sufficient to serve the number of renters in corresponding income bands.

Mitchell has a significant number of renter households with higher incomes who could afford rent of \$1,250 per month or more. However, the city has only a small supply of rental units in this rent range. Many renters in this income band, therefore, rent down, enjoying more affordable rent. This pattern may result in the absorption of more affordable, moderate-rent units by households that could afford to pay more for housing.

The population of higher-income renters may represent an untapped market for higher-rent apartments with more amenities. They may also represent potential homebuyers who have the financial capacity to purchase a home but, given the low homeowner vacancy rate in Mitchell, have not been able to find a suitable home for sale.

## 4.3 Cost Burden

At current income and housing cost levels, about 15.8% of homeowners in Mitchell incur a housing cost burden, which means their monthly housing costs are more than 30% of their monthly income. Only 4.4% of homeowners face a severe cost burden, paying 50% or more of their income toward housing each month. Homeowners with incomes at or below 80% of the area median family income are more likely to incur a cost burden, but relatively few homeowners fall into these income levels.

**Table 4.6 Cost-burdened Homeowner Households by % of Median Family Income, Mitchell City**

% of MFI	Cost Burden > 30%		Cost Burden > 50%		Total	
<= 30%	150	78.9%	75	39.5%	190	100.0%
30 to 50%	80	30.8%	30	11.5%	260	100.0%
50 to 80%	235	28.7%	60	7.3%	820	100.0%
80 to 100%	40	9.0%	0	0.0%	445	100.0%
> 100%	95	4.6%	0	0.0%	2,075	100.0%
Total	600	15.8%	165	4.4%	3,790	100.0%

Source: Comprehensive Housing Affordability Strategy (CHAS), 2014-2018 ACS 5-year estimates

Note: One way to think about the results in these tables: At each %MFI level, are renters/owners able to find affordable housing? At 50 to 80% MFI, 28.7% of owners can't. At 80 to 100% MFI, though, just 9% of owners aren't in affordable housing.

Compared to homeowners, renters in Mitchell are more likely to incur a cost burden. About 36.6% of renter households are cost-burdened, with monthly housing costs that amount to more than 30% of their monthly income. Housing cost burden is most prevalent among renters whose incomes fall at or below 50% of the area median family income, an income level served by subsidized housing and Housing Choice Vouchers.



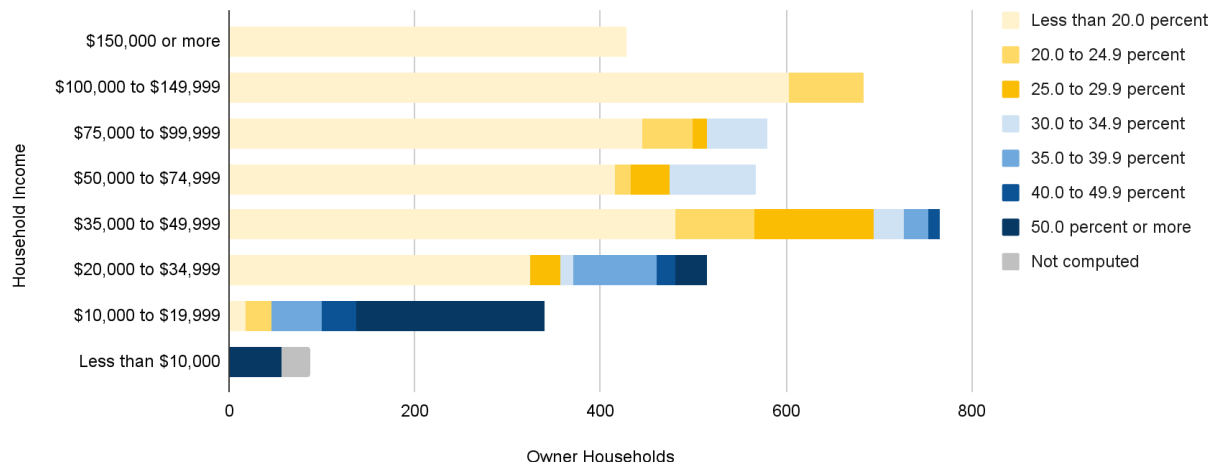
**Table 4.7 Mitchell Cost-burdened Households by % of Median Family Income, Renters**

% of MFI	Cost Burden > 30%		Cost Burden > 50%		Total	
<= 30%	475	78.5%	340	56.2%	605	100.0%
30 to 50%	415	60.1%	190	27.5%	690	100.0%
50 to 80%	210	23.5%	0	0.0%	895	100.0%
80 to 100%	40	14.5%	0	0.0%	275	100.0%
> 100%	50	6.3%	40	5.1%	790	100.0%
Total	1,190	36.6%	570	17.5%	3,250	100.0%

Source: Comprehensive Housing Affordability Strategy (CHAS), 2014-2018 ACS 5-year estimates

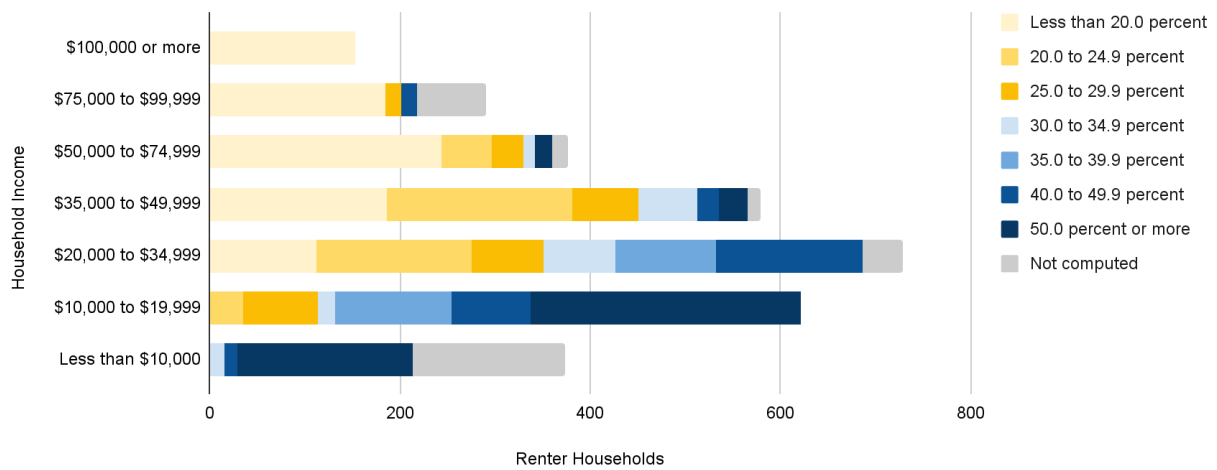
The charts below show the proportion of homeowners and renters at different income levels who experience a housing cost burden. As is evident from these charts, homeowners and renters with household incomes of at least \$35,000 are unlikely to have a housing cost burden, but the majority of households with incomes below \$35,000 will experience a housing cost burden.

**Figure 4.3 Selected Monthly Owner Costs as a Percentage of Household Income, Mitchell City, 2020**



Source: 2020 American Community Survey 5-Year Estimates, Table B25074

**Figure 4.4 Gross Rent as a Percentage of Household Income, Mitchell City, 2020**



Source: 2020 American Community Survey 5-Year Estimates, Table B25074

**Table 4.8 Housing Costs as a Percentage of Household Income**

	All Occupied Housing Units	Owner-occupied Housing Units	Renter-occupied Housing Units
Less than \$20,000	1,230	395	835
Less than 20 percent	18	18	0
20 to 29 percent	142	28	114
30 percent or more	1,070	349	721
\$20,000 to \$34,999	1,201	515	686
Less than 20 percent	438	325	113
20 to 29 percent	270	32	238
30 percent or more	493	158	335
\$35,000 to \$49,999	1,331	765	566
Less than 20 percent	666	480	186
20 to 29 percent	479	214	265
30 percent or more	186	71	115
\$50,000 to \$74,999	927	567	360
Less than 20 percent	659	415	244
20 to 29 percent	146	60	86
30 percent or more	122	92	30
\$75,000 or more	2,062	1,691	371
Less than 20 percent	1,814	1,476	338
20 to 29 percent	166	149	17
30 percent or more	82	66	16
Zero or negative income	136	31	105
No cash rent	199	(X)	199

Source: 2020 American Community Survey 5-Year Estimates, Table S2503

## 4.4 Other Housing Needs

Besides affordability, other housing needs include overcrowding and incomplete kitchen or plumbing facilities. Overcrowding here is defined as more than 1.0 persons per room. Incomplete kitchen facilities refers to a housing unit without a sink with running water, a stove or range, or a refrigerator. Incomplete plumbing facilities refers to a unit without hot and cold piped water, a flush toilet, or a bathtub or shower.

In Mitchell, there is little evidence of overcrowding among owners or renters. Among owners, there were no units reported with incomplete kitchen or plumbing facilities in 2020. However, among renters, an estimated 6.8% of units lack complete kitchen facilities, and 3.2% lack complete plumbing facilities.

**Table 4.9 Crowding in Mitchell City, 2020**

Crowding	Estimate	Percent
Total:	7,086	
Owner occupied:	3,964	
0.50 or less occupants per room	3,335	84.1%
0.51 to 1.00 occupants per room	629	15.9%
1.01 to 1.50 occupants per room	0	0.0%
1.51 to 2.00 occupants per room	0	0.0%
2.01 or more occupants per room	0	0.0%
Renter occupied:	3,122	
0.50 or less occupants per room	2,295	73.5%
0.51 to 1.00 occupants per room	802	25.7%
1.01 to 1.50 occupants per room	25	0.8%
1.51 to 2.00 occupants per room	0	0.0%
2.01 or more occupants per room	0	0.0%

Source: 2020 American Community Survey 5-Year Estimates, Table B25014

**Table 4.10 Incomplete Kitchen Facilities, Mitchell City, Renter-occupied Housing Units, 2020**

	Units	% of Total Units
Renter occupied (total)	3,122	
Complete kitchen facilities	2,911	93.2%
Lacking complete kitchen facilities	211	6.8%

Source: 2020 American Community Survey 5-Year Estimates, Table B25053

Note: 2020 5-year estimate for owner-occupied housing is 0 (+/- 16) with incomplete kitchen facilities

**Table 4.11 Incomplete Plumbing Facilities, Mitchell City, Renter-occupied Housing Units, 2020**

	Units	% of Total Units
Renter occupied (total)	3,122	
Complete kitchen facilities	3,022	96.8%
Lacking complete kitchen facilities	100	3.2%

Source: 2020 American Community Survey 5-Year Estimates, Table B25049

Note: 2020 5-year estimate for owner-occupied housing is 0 (+/- 16) with incomplete plumbing facilities

## 4.5 Housing Assistance

The table below shows the number of needs requests to the 211 Helpline Center from Mitchell callers, from January 2020 through June 2022. Over this period, the number of calls related to housing increased, both in absolute terms and as a percentage of all needs. This increase is likely due to pandemic-related rent payment assistance programs.

**Table 4.12 Helpline Center Needs Requests in Mitchell**

	1/1/2020 - 6/30/2020	7/1/2020 - 12/31/2020	1/1/2021 - 6/30/2021	7/1/2021 - 12/31/2021	1/1/2022 - 6/30/2022
Rank of Housing among all General Needs	4	2	2	1	1
% of General Needs in Housing	9.50%	14%	26.90%	28.20%	31.40%
Total Housing Needs	69	217	227	211	162

Source: Helpline Center 211 Data Dashboard, online at

<https://www.helplinecenter.org/2-1-1/data/>

The following table shows the housing needs most frequently identified for contacts in the Mitchell area. Note that both the table above and the one below show the number of needs identified, not the number of individuals. For the Helpline Center, a contact includes calls, texts, and emails, and each contact may have more than one need.

**Table 4.13 Helpline Center Needs Requests in Mitchell: Top Housing Needs**

	1/1/2020 - 6/30/2020	7/1/2020 - 12/31/2020	1/1/2021 - 6/30/2021	7/1/2021 - 12/31/2021	1/1/2022 - 6/30/2022
Rent Payment Assistance	46	159	148	135	97
Homeless Shelter	15	19	25	43	32
Crisis Shelter	≤5	-	≤5	≤5	≤5
Energy/Water Conservation Improvements	≤5	-	-	-	
Homeless Permanent Supportive Housing	≤5	-	-	-	
Mortgage Payment Assistance	≤5	9	-	≤5	≤5
Older Adult/Disability Related Supportive Housing	≤5	-	-	-	
Rental Deposit Assistance	≤5	7	7	7	7
Tenant Rights Information/Counseling	≤5	≤5	≤5	≤5	
Transitional Housing/Shelter	≤5	-	-	-	
Low Income/Subsidized Rental Housing	-	6	13	7	≤5
Housing Related Coordinated Entry	-	≤5	9	≤5	≤5
Emergency Related Eviction/Foreclosure Moratoriums	-	≤5	10	≤5	
Eviction Prevention Legal Assistance	-	≤5	≤5	-	≤5
Home Purchase/Mortgage Refinance Loans	-	≤5	-	-	
Housing Search and Information	-	-	6	15	14
Housing Authorities	-	-	-	-	≤5

Source: Helpline Center 211 Data Dashboard, online at  
<https://www.helplinecenter.org/2-1-1/data/>

# Section 5: Mitchell in Comparison

## 5.1 Mitchell in Comparison

This section presents comparative profiles of demographic, economic, and housing information for a set of cities that share similarities with Mitchell in terms of geographic region and economic and population characteristics. The specific circumstances of each community influence their profiles: for example, communities that are part of larger, urban metropolitan areas have different economic and housing profiles than more remote cities of the same size. Considering the varied experiences of communities similar in size to Mitchell can shed light on the range of development paths that are possible. The following communities have been included for comparison:

- Altoona, IA
- Boone, IA
- Indianola, IA
- Storm Lake, IA
- Albert Lea, MN
- Alexandria, MN
- Bemidji, MN
- Fergus Falls, MN
- Marshall, MN
- Stillwater, MN
- Willmar, MN
- Worthington, MN
- Beatrice, NE
- Scottsbluff, NE
- Jamestown, ND
- Mandan, ND
- Huron, SD
- Yankton, SD



## 5.2 Demographic Comparison

Among the comparison communities, Mitchell ranks near the middle in population size and population growth over the past decade. Over this period, Mitchell's population grew by an estimated 2.7%, compared to 33.6% in the fastest growing community (Altoona, IA) and -4.5% in the community with the most negative growth (Scottsbluff, NE).

Out of the 19 communities considered, 7 experienced negative population growth over the past decade. In general, this set of communities grew more slowly than the United States population as a whole: From 2010 to 2020, the United States population increased by 7.35%. Only 5 of the 19 communities in this set grew at that rate or faster.

**Table 5.1 Decennial Population Change, Core City and  $\mu$ SA or MSA, July 1, 2010 to July 1, 2020**

City	City Population, 2020 (Rank)	Percent Population Change, 2010 - 2020 (Rank)	$\mu$ SA or MSA Population, 2020 (Rank)	$\mu$ SA or MSA Percent Population Change, 2010-2020 (Rank)
Altoona, IA	19,503 (4)	33.6% (1)	707,915 (2-tie)	16.7% (2-tie)
Boone, IA	12,407 (17)	-2.1% (15)	124,514 (5)	7.5% (5)
Indianola, IA	16,072 (6)	8.8% (4)	707,915 (2-tie)	16.7% (2-tie)
Storm Lake, IA	10,438 (19)	-1.9% (13)	19,772 (19)	-2.4% (15)
Albert Lea, MN	17,733 (5)	-2.8% (16)	30,364 (11)	-2.8% (16)
Alexandria, MN	13,885 (12)	11.0% (3)	38,328 (9)	6.4% (7)
Bemidji, MN	15,452 (8)	8.5% (5)	47,442 (7)	6.8% (6)
Fergus Falls, MN	13,758 (13)	2.4% (9)	58,741 (6)	2.5% (9)
Marshall, MN	13,417 (15)	-2.0% (14)	25,271 (12)	-2.3% (14)
Stillwater, MN	19,694 (3)	5.8% (7)	3,657,477 (1)	9.7% (4)
Willmar, MN	19,891 (2)	1.6% (10)	43,130 (8)	2.1% (10)
Worthington, MN	12,968 (16)	1.5% (11)	21,400 (16)	0.1% (13)
Beatrice, NE	12,264 (18)	-3.3% (18)	21,431 (15)	-3.9% (18)
Scottsbluff, NE	14,373 (11)	-4.5% (19)	37,285 (10)	-4.3% (19)
Jamestown, ND	14,930 (9)	-3.2% (17)	20,498 (17-tie)	-2.9% (17)
Mandan, ND	22,857 (1)	21.1% (2)	129,641 (4)	17.2% (1)
Huron, SD	13,420 (14)	6.4% (6)	20,498 (17-tie)	5.3% (8)
Mitchell, SD	15,697 (7)	2.7% (8)	23,301 (13)	2.0% (11)
Yankton, SD	14,651 (10)	1.2% (12)	22,742 (14)	1.4% (12)

Source: U.S. Census Bureau Population Estimates Vintage 2021

Considering only the most recent annual rate of population change, from 2020 to 2021, Mitchell ranks in the bottom third, with population loss of -0.3%. However, recent growth appears depressed throughout the region: only 2 communities saw population increases of more than 0.5%.

Over the past decade, the population in the city of Mitchell grew more rapidly than the population in the Mitchell  $\mu$ SA (2.7% and 2.0%, respectively). However, from 2020 to 2021, Mitchell lost population at a slightly higher rate than the  $\mu$ SA (-0.3% and -0.1%, respectively).

**Table 5.2 Annual Population Change, Core City and  $\mu$ SA or MSA, July 1, 2020 to July 1, 2021**

City	City Population, 2020 (Rank)	Percent Population Change, 2010 - 2020 (Rank)	$\mu$ SA or MSA Population, 2020 (Rank)	$\mu$ SA or MSA Percent Population Change, 2010-2020 (Rank)
Altoona, IA	20,705 (3)	5.4% (1)	719,146 (2-tie)	1.2% (1)
Boone, IA	12,469 (17)	0.2% (5-tie)	126,195 (5)	0.7% (3)
Indianola, IA	15,747 (7)	0.4% (3-tie)	719,146 (2-tie)	1.2% (2)
Storm Lake, IA	11,256 (19)	0.2% (5-tie)	20,771 (18)	0.0% (11-tie)
Albert Lea, MN	18,428 (5)	-0.5% (16)	30,749 (11)	-0.4% (17)
Alexandria, MN	14,202 (13)	-1.3% (19)	39,238 (9)	0.4% (5)
Bemidji, MN	15,279 (10)	0.2% (5-tie)	46,380 (7)	0.3% (6-tie)
Fergus Falls, MN	14,029 (14)	-0.1% (12-tie)	60,046 (6)	0.0% (11-tie)
Marshall, MN	13,641 (16)	0.1% (9-tie)	25,231 (12)	0.2% (8-tie)
Stillwater, MN	19,389 (4)	0.0% (11)	3,690,512 (1)	-0.1% (13-tie)
Willmar, MN	21,045 (2)	0.2% (5-tie)	43,767 (8)	0.2% (8-tie)
Worthington, MN	13,726 (15)	-0.8% (18)	21,991 (15)	-0.9% (19)
Beatrice, NE	12,209 (18)	-0.4% (15)	21,616 (16)	-0.2% (15-tie)
Scottsbluff, NE	14,282 (11)	-0.7% (17)	37,580 (10)	-0.7% (18)
Jamestown, ND	15,750 (6)	0.1% (9-tie)	21,576 (17)	0.2% (8-tie)
Mandan, ND	24,447 (1)	0.9% (2)	134,417 (4)	0.6% (4)
Huron, SD	14,231 (12)	-0.1% (12-tie)	20,757 (19)	-0.2% (15-tie)
Mitchell, SD	15,631 (8)	-0.3% (14)	23,383 (13)	-0.1% (13-tie)
Yankton, SD	15,453 (9)	0.4% (3-tie)	23,297 (14)	0.3% (6-tie)

Source: U.S. Census Bureau Population Estimates Vintage 2021

A variety of factors can contribute to population change, including domestic migration, international migration, and natural increase. Domestic migration refers to net migration within the United States (i.e., migration into an area minus migration out of the area).

International migration likewise refers to net migration, but across international borders. Natural increase refers to the change in population due to births minus deaths.

Of the 19 communities compared here, all of them experienced at least some positive growth due to international migration over the past decade. The amount of growth due to international migration ranged from 8.8% in Huron, SD to 0.2% in Beatrice, NE. Mitchell ranks near the middle, with population growth of 1.1% due to international migration.

**Table 5.3 Decennial Contributing Components of Population Change,  $\mu$ SA or MSA, July 1, 2010 to July 1, 2020**

City	$\mu$ SA or MSA	% Total Population Change, 2010-2020 (Rank)	% Change from Domestic Migration, 2010-2020 (Rank)	% Change from International Migration, 2010-2020 (Rank)	% Change from Natural Increase, 2010-2020 (Rank)
Altoona, IA	Des Moines-West Des Moines, IA MSA	16.7% (2-tie)	7.1% (2-tie)	2.4% (8-tie)	7.2% (2-tie)
Boone, IA	Ames, IA MSA	7.5% (5)	-2.3% (11)	6.4% (3)	3.4% (11)
Indianola, IA	Des Moines-West Des Moines, IA MSA	16.7% (tie)	7.1% (2-tie)	2.4% (8-tie)	7.2% (2-tie)
Storm Lake, IA	Storm Lake, IA $\mu$ SA	-2.4% (15)	-13.3% (18)	4.4% (4)	6.5% (5-tie)
Albert Lea, MN	Albert Lea, MN $\mu$ SA	-2.9% (17)	-2.7% (12)	0.9% (12-tie)	-1.0% (18)
Alexandria, MN	Alexandria, MN $\mu$ SA	6.4% (7)	6.3% (4)	0.3% (18)	0.0% (15)
Bemidji, MN	Bemidji, MN $\mu$ SA	6.7% (6)	-0.4% (7)	0.9% (12-tie)	6.3% (7)
Fergus Falls, MN	Fergus Falls, MN $\mu$ SA	2.5% (9)	2.4% (5)	0.8% (15)	-0.5% (16-tie)
Marshall, MN	Marshall, MN $\mu$ SA	-2.3% (14)	-11.9% (17)	3.9% (6)	5.6% (9)
Stillwater, MN	Minneapolis-St. Paul-Bloomington, MN-WI MSA	9.7% (4)	0.2% (6)	2.9% (7)	6.7% (4)
Willmar, MN	Willmar, MN $\mu$ SA	2.1% (10)	-6.7% (15)	4.2% (5)	4.6% (10)
Worthington, MN	Worthington, MN $\mu$ SA	0.1% (13)	-15.9% (19)	6.7% (2)	9.2% (1)
Beatrice, NE	Beatrice, NE $\mu$ SA(part of Lincoln-Beatrice, NE CSA)	-4.0% (18)	-2.2% (10)	0.2% (19)	-1.9% (19)
Scottsbluff, NE	Scottsbluff, NE $\mu$ SA	-4.3% (19)	-6.5% (14)	0.5% (16-tie)	1.7% (13)
Jamestown, ND	Jamestown, ND $\mu$ SA	-2.8% (16)	-3.2% (13)	0.9% (12-tie)	-0.5% (16-tie)
Mandan, ND	Bismarck, ND MSA	17.1% (1)	9.3% (1)	1.2% (10)	6.5% (5-tie)
Huron, SD	Huron, SD $\mu$ SA	5.3% (8)	-9.5% (16)	8.8% (1)	5.9% (8)
Mitchell, SD	Mitchell, SD $\mu$ SA	2.0% (11)	-1.9% (9)	1.1% (11)	2.8% (12)
Yankton, SD	Yankton, SD $\mu$ SA	1.4% (12)	-0.7% (8)	0.5% (16-tie)	1.6% (14)

Source: U.S. Census Bureau Population Estimates Vintage 2021

Note: Data in this table are reported at the MSA or  $\mu$ SA level. Altoona and Indianola, IA are both part of the Des Moines-West Des Moines, IA MSA, so their data and rankings are

identical. For each MSA or  $\mu$ SA, highlighting shows the component of population change that contributed most to population growth from 2010 to 2020.

Most (14) experienced positive population growth due to natural increase (births exceeding deaths), whereas 5 lost population due to deaths exceeding births. For most communities, change due to natural increase was the largest contributing component of population change over the past decade. This was the case in Mitchell, too, where natural increase contributed to a 2.8% increase in population.

However, when it comes to domestic migration within the United States, only 6 of the 19 communities experienced population growth due to net migration. The others had net migration out of the community. In Mitchell, domestic migration led to a net decrease in population of 1.9%.

The highlighted cells in the table above show the component of population change that contributed the most growth over the past decade. In Mitchell, as in the majority of communities, most growth was due to natural increase. Several communities had growth driven by international migration, including Huron, SD, and Boone, IA. Just 3 had growth driven primarily by domestic migration: Alexandria and Fergus Falls, MN, and Mandan, ND.

The table below shows components of population change for a single year, from 2020 to 2021. The patterns here diverge from the experience of the last decade. More communities saw growth driven by domestic migration, and fewer saw growth from natural increase. In fact, 7 lost population due to deaths exceeding births. Both the uptick in domestic migration and the decline in natural increase may reflect the effects of the COVID-19 pandemic.

For Mitchell, however, population dynamics over the past year were not very different from those over the previous decade: the city saw population increase due to natural increase and loss due to domestic migration, with no change attributed to international migration.

**Table 5.4 Annual Contributing Components of Population Change,  $\mu$ SA or MSA, July 1, 2020 to July 1, 2021**

City	$\mu$ SA or MSA	% Total Population Change, 2020-2021 (Rank)	% Change from Domestic Migration, 2020-2021 (Rank)	% Change from International Migration, 2020-2021 (Rank)	% Change from Natural Increase, 2020-2021 (Rank)
Altoona, IA	Des Moines-West Des Moines, IA MSA	1.4% (1-tie)	0.9% (1-tie)	0.1% (7-tie)	0.4% (3-tie)
Boone, IA	Ames, IA MSA	0.8% (3)	0.4% (5-tie)	0.2% (3-tie)	0.1% (10-tie)
Indianola, IA	Des Moines-West Des Moines, IA MSA	1.4% (1-tie)	0.9% (1-tie)	0.1% (7-tie)	0.4% (3-tie)
Storm Lake, IA	Storm Lake, IA $\mu$ SA	-0.3% (14-tie)	-1.2% (17-tie)	0.3% (2)	0.6% (2)
Albert Lea, MN	Albert Lea, MN $\mu$ SA	-0.5% (17)	-0.1% (11)	0.0% (10-tie)	-0.4% (16-tie)
Alexandria, MN	Alexandria, MN $\mu$ SA	0.6% (4-tie)	0.9% (1-tie)	0.0% (10-tie)	-0.3% (14-tie)
Bemidji, MN	Bemidji, MN $\mu$ SA	0.3% (6)	0.2% (8)	0.0% (10-tie)	0.1% (10-tie)
Fergus Falls, MN	Fergus Falls, MN $\mu$ SA	-0.1% (9-tie)	0.5% (4)	0.0% (10-tie)	-0.6% (19)
Marshall, MN	Marshall, MN $\mu$ SA	-0.2% (13)	-0.7% (16)	0.2% (3-tie)	0.3% (6-tie)
Stillwater, MN	Minneapolis-St. Paul-Bloomington, MN-WI MSA	0.0% (8)	-0.5% (14-tie)	0.1% (7-tie)	0.4% (3-tie)
Willmar, MN	Willmar, MN $\mu$ SA	0.1% (7)	-0.4% (13)	0.2% (3-tie)	0.3% (6-tie)
Worthington, MN	Worthington, MN $\mu$ SA	-1.3% (19)	-2.3% (19)	0.2% (3-tie)	0.8% (1)
Beatrice, NE	Beatrice, NE $\mu$ SA (part of Lincoln-Beatrice, NE CSA)	-0.4% (16)	0.0% (10)	0.0% (10-tie)	-0.4% (16-tie)
Scottsbluff, NE	Scottsbluff, NE $\mu$ SA	-0.8% (18)	-0.5% (14-tie)	0.0% (10-tie)	-0.3% (14-tie)
Jamestown, ND	Jamestown, ND $\mu$ SA	-0.1% (9-tie)	0.3% (7)	0.0% (10-tie)	-0.4% (16-tie)
Mandan, ND	Bismarck, ND MSA	0.6% (4-tie)	0.4% (5-tie)	0.0% (10-tie)	0.2% (8-tie)
Huron, SD	Huron, SD $\mu$ SA	-0.3% (14-tie)	-1.2% (17-tie)	0.7% (1)	0.2% (8-tie)
Mitchell, SD	Mitchell, SD $\mu$ SA	-0.1% (9-tie)	-0.2% (12)	0.0% (10-tie)	0.1% (10-tie)
Yankton, SD	Yankton, SD $\mu$ SA	-0.1% (9-tie)	0.1% (9)	0.0% (10-tie)	-0.2% (13)

Source: U.S. Census Bureau Population Estimates Vintage 2021

Demographic characteristics of a community can shape demand for housing. The table below compares communities across a selection of demographic characteristics, including household size, age, education, and presence of children.

Mitchell ranks 16th out of 19 for household size, with an average of just 2.05 per household. By comparison, Worthington, MN has the largest average household size (2.81 people per household), while Alexandria, MN has the smallest (1.91 people per household). Typically, a larger household size indicates the presence of children, while a smaller household size may reflect an older population or a large student population: in Mitchell's case, both older population and student population influence household size.

**Table 5.5 Selected Demographic Comparisons (Cities Only), 2020**

City	Persons per Household (Rank)	Median Age (Rank: lowest = 1)	% Enrolled in Post-Secondary Education (Rank)	% Age 17 and Younger (Rank)	% of Households with Children (Rank)
Altoona, IA	2.76 (2)	36.7 (10)	3.5% (16)	27.6% (3)	37.9% (1)
Boone, IA	2.41 (6)	38.5 (13)	5.0% (10)	21.0% (13)	30.3% (9)
Indianola, IA	2.39 (7)	35.5 (8)	11.3% (3)	23.9% (8)	33.7% (4)
Storm Lake, IA	2.53 (3)	30.6 (2)	9.5% (4)	26.8% (4)	33.2% (5)
Albert Lea, MN	2.21 (12)	44.6 (17)	4.0% (14)	21.6% (12)	27.8% (12)
Alexandria, MN	1.91 (19)	39.4 (14)	7.6% (6)	18.5% (18)	19.8% (18)
Bemidji, MN	2.15 (13)	27.5 (1)	21.3% (1)	20.0% (16)	25.4% (13)
Fergus Falls, MN	2.01 (18)	47.6 (19)	3.3% (17-tie)	19.4% (17)	20.1% (17)
Marshall, MN	2.35 (9)	33.2 (4)	12.8% (2)	25.4% (7)	29.9% (10)
Stillwater, MN	2.52 (4)	42 (16)	5.7% (9-tie)	22.7% (10)	32.0% (6)
Willmar, MN	2.49 (5)	34.7 (6)	4.9% (11)	25.9% (6)	30.5% (8)
Worthington, MN	2.81 (1)	32.5 (3)	3.6% (15)	29.5% (1)	36.9% (2)
Beatrice, NE	2.12 (14)	45 (18)	3.3% (17-tie)	20.3% (15)	22.1% (16)
Scottsbluff, NE	2.38 (8)	35.2 (7)	5.7% (8-tie)	26.6% (5)	31.5% (7)
Jamestown, ND	2.04 (17)	37.9 (11-tie)	8.8% (5)	18.2% (19)	18.8% (19)
Mandan, ND	2.24 (11)	35.6 (9)	4.8% (12)	23.0% (9)	29.6% (11)
Huron, SD	2.3 (10)	34.6 (5)	2.8% (19)	28.4% (2)	35.2% (3)
Mitchell, SD	2.05 (16)	37.9 (11-tie)	6.9% (7)	21.9% (11)	22.8% (15)
Yankton, SD	2.11 (15)	41.3 (15)	4.1% (13)	20.9% (14)	25.0% (14)

Source: 2020 American Community Survey, 5-Year Estimates, Tables DP05 (median age and percent of total population under 18), S1101 (persons per household), S2501 (households with related children under 18), B14001 (percent of population 3 years and over enrolled in college or graduate school)

Mitchell ranks 11th of 19 for the oldest community, with a median age of 37.9 years. The 4 communities with the youngest median age—Bemidji, MN; Storm Lake, IA; Worthington, MN; and Marshall, MN—are home to large universities and/or employment centers that have attracted young, working-age families.

Mitchell is home to institutions of higher education, including both Mitchell Tech and Dakota Wesleyan University. An estimated 6.9% of the population in Mitchell is currently enrolled in post-secondary education. Mitchell ranks 7th among the 19 comparison communities. The 6 communities ranked ahead of Mitchell in terms of postsecondary enrollment are also home to technical colleges or universities. In 1st-ranked Bemidji, MN, 21.3% of the population is enrolled in postsecondary education, compared to 2.8% of the population in Huron, SD, which ranks 19th.

Mitchell falls near the middle or bottom third in terms of the presence of children. Mitchell ranks 11th for percent of the population aged 17 or under, with an estimated 21.9% of the city's population in this age group. By comparison, 1st-ranked Worthington, MN has 29.5% of its population under 18, and 19th-ranked Jamestown, ND has 18.2%.

Mitchell ranks 15th for the percentage of households with related children living at home, with an estimated 22.8% of households including children. By comparison, in 1st-ranked Altoona, IA, 37.9% of households have children, and in 19th-ranked Jamestown, ND, 18.8% have children.

## 5.3 Economic and Housing Comparison

In 2020, the average weekly wage paid for all reporting industries in the Mitchell  $\mu$ SA was \$888. This ranked 15th among the 19 comparison communities. At full-time employment for 52 weeks, this weekly wage would yield an annual wage of approximately \$46,176.

**Table 5.6 Wages and Unemployment ( $\mu$ SAs and MSAs)**

City	$\mu$ SA or MSA	Average Weekly Wage, 2021 annual average (Rank)	Unemployment Rate, 2021 annual average (Rank: lowest = 1)	Unemployment Rate, May 2022 (Rank: lowest = 1)
Altoona, IA	Des Moines-West Des Moines, IA MSA	\$1,242 (2-tie)	4.2% (18-tie)	2.2% (17-tie)
Boone, IA	Ames, IA MSA	\$1,127 (4)	3.0% (9-tie)	1.6% (4-tie)
Indianola, IA	Des Moines-West Des Moines, IA MSA	\$1,242 (2-tie)	4.2% (18-tie)	2.2% (17-tie)
Storm Lake, IA	Storm Lake, IA $\mu$ SA	\$923 (12)	3.2% (11)	2.0% (12-tie)
Albert Lea, MN	Albert Lea, MN $\mu$ SA	\$890 (14)	3.5% (15)	1.6% (4-tie)
Alexandria, MN	Alexandria, MN $\mu$ SA	\$965 (7)	2.8% (5-tie)	1.3% (1)
Bemidji, MN	Bemidji, MN $\mu$ SA	\$938 (10)	3.7% (17)	2.2% (17-tie)
Fergus Falls, MN	Fergus Falls, MN $\mu$ SA	\$876 (16)	3.4% (13-tie)	1.6% (4-tie)
Marshall, MN	Marshall, MN $\mu$ SA	\$964 (8)	2.7% (2-tie)	1.5% (3)
Stillwater, MN	Minneapolis-St. Paul-Bloomington, MN-WI MSA	\$1,387 (1)	3.4% (13-tie)	1.6% (4-tie)
Willmar, MN	Willmar, MN $\mu$ SA	\$893 (13)	3.6% (16)	1.6% (4-tie)
Worthington, MN	Worthington, MN $\mu$ SA	\$973 (6)	2.9% (7-tie)	1.4% (2)
Beatrice, NE	Beatrice, NE $\mu$ SA (part of Lincoln-Beatrice, NE CSA)	\$807 (19)	2.4% (1)	2.0% (12-tie)
Scottsbluff, NE	Scottsbluff, NE $\mu$ SA	\$827 (18)	2.7% (2-tie)	2.1% (16)
Jamestown, ND	Jamestown, ND $\mu$ SA	\$936 (11)	3.0% (9-tie)	1.9% (9-tie)
Mandan, ND	Bismarck, ND MSA	\$1,067 (5)	3.3% (12)	1.9% (9-tie)
Huron, SD	Huron, SD $\mu$ SA	\$870 (17)	2.8% (5-tie)	2.0% (12-tie)
Mitchell, SD	Mitchell, SD $\mu$ SA	\$888 (15)	2.9% (7-tie)	2.0% (12-tie)
Yankton, SD	Yankton, SD $\mu$ SA	\$953 (9)	2.7% (2-tie)	1.9% (9-tie)

Source: Bureau of Labor Statistics LAUS and QCEW

Note: Data in this table are reported at the MSA or  $\mu$ SA level. Altoona and Indianola, IA are both part of the Des Moines-West Des Moines, IA MSA, so their data and rankings are identical. For each MSA or  $\mu$ SA, highlighting shows the component of population change that contributed most to population growth from 2010 to 2020.



The highest average wage was paid in the Minneapolis-St. Paul-Bloomington, MN-WI MSA, home to Stillwater, MN. At full-time employment, that area's average weekly wage of \$1,387 would yield an annual wage of approximately \$72,124, or nearly 56% higher than the average in the Mitchell MSA. The Beatrice, NE μSA had the lowest average at \$807 per week, which as an annual wage would be approximately \$41,964, or about 9% lower than the average in the Mitchell μSA.

By 2021, the increase in unemployment due to the COVID-19 pandemic had largely subsided across the region. Across all 19 of the comparison communities, the 2021 annual average unemployment rate did not top 4.2%. The lowest unemployment rate was observed in the Beatrice, NE μSA at 2.4%. The Mitchell μSA ranked 7th out of 19 in terms of unemployment, with a 2021 annual average unemployment rate of 2.9%.

As of May 2022, unemployment rates had fallen even further. The highest unemployment rate observed among the comparison communities in May 2022 was just 2.2%. The Mitchell μSA had a May 2022 unemployment rate of 2.0%, ranking 12th out of 19 communities.

As the following table shows, in 2020, the estimated median household income in the city of Mitchell was \$45,318. This ranked 16th among the 19 communities compared here. Stillwater, MN, and Altoona, IA ranked 1st and 2nd with median household incomes of \$91,947 and \$79,482, respectively. Both are part of larger metropolitan areas (Stillwater in the Twin Cities area and Altoona in Des Moines). Bemidji, MN had the lowest median household income at \$36,250.

**Table 5.7 Housing Affordability: Median Income and Housing Costs, Cities, 2020**

City	Median Household Income (Rank)	Median Owner Housing Value (Rank)	Median Owner Housing Costs as % of Income (Rank: lowest = 1)	Median Gross Rent (Rank: lowest = 1)	Median Gross Rent as % of Income (Rank: lowest = 1)
Altoona, IA	\$79,482 (2)	\$199,600 (3)	18.1% (19)	\$1,027 (18)	24.9% (6)
Boone, IA	\$60,854 (5)	\$114,600 (17)	16.4% (8-tie)	\$752 (12)	24.5% (3)
Indianola, IA	\$62,761 (4)	\$167,600 (5)	17.3% (15-tie)	\$810 (14)	30.0% (16)
Storm Lake, IA	\$47,943 (14)	\$142,000 (11)	14.4% (1-tie)	\$695 (6)	24.7% (5)
Albert Lea, MN	\$45,929 (15)	\$102,700 (19)	15.2% (5)	\$728 (11)	29.4% (15)
Alexandria, MN	\$54,572 (6)	\$185,000 (4)	17.1% (13-tie)	\$707 (8)	30.2% (17-tie)
Bemidji, MN	\$36,250 (19)	\$141,300 (12)	17.7% (17)	\$860 (15-tie)	35.1% (19)
Fergus Falls, MN	\$42,659 (17)	\$142,700 (10)	17.3% (15-tie)	\$639 (3)	30.2% (17-tie)
Marshall, MN	\$48,236 (13)	\$156,000 (6)	15.6% (6)	\$684 (4)	29.2% (13)
Stillwater, MN	\$91,947 (1)	\$302,500 (1)	16.8% (11-tie)	\$1,084 (19)	27.5% (10)
Willmar, MN	\$51,884 (8)	\$140,800 (13)	16.8% (11-tie)	\$727 (10)	28.0% (11)
Worthington, MN	\$49,590 (10)	\$129,900 (14)	17.1% (13-tie)	\$786 (13)	22.2% (2)
Beatrice, NE	\$42,103 (18)	\$115,100 (16)	15.8% (7)	\$621 (1)	28.6% (12)
Scottsbluff, NE	\$49,182 (11)	\$116,400 (15)	17.9% (18)	\$860 (15-tie)	29.3% (14)
Jamestown, ND	\$49,846 (9)	\$151,100 (8)	14.4% (1-tie)	\$688 (5)	24.6% (4)
Mandan, ND	\$71,357 (3)	\$222,500 (2)	16.5% (10)	\$877 (17)	25.0% (7)
Huron, SD	\$48,374 (12)	\$106,300 (18)	15.1% (4)	\$702 (7)	21.5% (1)
Mitchell, SD	\$45,318 (16)	\$147,400 (9)	14.9% (3)	\$715 (9)	26.5% (9)
Yankton, SD	\$54,278 (7)	\$155,000 (7)	16.4% (8-tie)	\$630 (2)	26.1% (8)

Source: 2020 American Community Survey 5-Year Estimates

Note: Owner costs as percent of income is calculated among owner-occupied households (with or without a mortgage); rent as a percent of income is calculated among renter-occupied households with cash rent.

In Mitchell, the estimated median value of owner-occupied homes in 2020 was \$147,400. This ranked 9th among comparison communities. The highest median home value was in Stillwater, MN at \$302,500, followed by Mandan, ND at \$222,500. The lowest median home value was in Albert Lea, MN, at \$102,700. Although a lower home value can make home ownership more achievable for new buyers, a lower value can also indicate that the condition or quality of the houses is lower, or that less demand exists from potential home buyers.

Homeownership costs as a percentage of income depend both on the cost of housing among homeowners as well as income levels among homeowner households. The selected monthly owner costs reported in the table below reflect the cost of mortgage payments or other

debts on property, taxes, insurance, utilities, and fuels, and, where appropriate, condominium fees and mobile home costs such as lot rent. They are calculated as a percentage of household income among homeowners, who tend to have higher household incomes than renters.

Mitchell ranked 3rd in affordability for homeowners, behind Storm Lake, IA, and Jamestown, ND. In Mitchell, homeowners pay an estimated 14.9% of income toward ownership costs, compared to 14.4% in both Storm Lake, IA, and Jamestown, ND. For homeowners, Altoona, IA ranked as the least affordable; in Altoona, IA, homeowners pay an estimated 18.1% of income for ownership costs.

Gross rent as a percentage of income depends on the cost of rental housing and income levels among renter households who pay rent. Gross rent includes contract rent plus the estimated average monthly cost of any utilities and fuels paid by the tenant.

Mitchell ranked 9th for lowest median gross rent, at \$715 per month. The lowest median gross rents were found in Beatrice, NE (\$621) and Yankton, SD (\$630), while the highest rents were in Stillwater, MN (\$1,084) and Altoona, IA (\$1,027). While, as with home values, a lower rent amount can indicate poorer condition or quality or lowered demand, most renter households have lower income levels than homeowners and need an affordable unit to avoid a cost burden (i.e., paying more than 30% of income for rent).

Considering rent relative to income, Mitchell ranked 9th in affordability for renters. In Mitchell, renter households typically spend 26.5% of their income on housing expenses, compared to 21.5% in Huron, SD (the most affordable for renters) and 35.1% in Bemidji, MN (the least affordable for renters).

Across all of the comparison communities, renters spend more on housing than homeowners do, relative to their income. In Mitchell, for instance, renters spend 26.5% of their income on housing compared to 14.9% for homeowners. This disparity is due primarily to differences in income between homeowners and renters; in most communities, rent is lower than owner costs in absolute terms, but renters have lower incomes than owners, making rent more expensive relative to their incomes.

Disparities between owners and renters are also evident in rates of housing cost burden, as shown in the following table. Households that spend more than 30% of their income on housing are considered cost-burdened. Overall, Mitchell ranked 14th for the lowest overall rate of cost burden among all households, with over one-fourth (27.6%) of all households in the city experiencing a housing cost burden. The highest proportions of cost-burdened households were found in Bemidji, MN (42.5%) and Fergus Falls, MN (32.3%), while the lowest proportions of cost-burdened households were seen in Boone, IA (19.0%) and Yankton, SD (19.9%).

**Table 5.8 Housing Affordability: Cost Burdened Households**

City	% of All Households with a Cost Burden (Rank: lowest = 1)	% Owner Households with a Cost Burden (Rank: lowest = 1)	% Renter Households with a Cost Burden (Rank: lowest = 1)	% Renter Households with Income <\$20,000 with a Cost Burden (Rank: lowest = 1)	% Renter Households with Income \$20,000-\$35,000 with a Cost Burden (Rank: lowest = 1)
Altoona, IA	24.8% (8)	17.4% (12-tie)	40.9% (9)	95.7% (19)	69.9% (14)
Boone, IA	19.0% (1)	14.3% (6)	31.4% (5)	73.4% (5)	51.1% (5)
Indianola, IA	26.0% (11)	15.9% (10)	46.7% (15)	92.2% (18)	69.0% (12)
Storm Lake, IA	20.7% (3)	12.0% (2)	29.7% (2)	61.9% (2)	62.2% (10)
Albert Lea, MN	25.0% (9)	15.5% (9)	46.9% (16)	80.2% (9)	70.3% (15)
Alexandria, MN	29.9% (16)	12.4% (4)	48.7% (18)	90.7% (16)	69.6% (13)
Bemidji, MN	42.5% (19)	21.5% (18)	57.2% (19)	90.1% (15)	75.7% (17)
Fergus Falls, MN	32.3% (18)	24.0% (19)	47.6% (17)	82.8% (11-tie)	63.3% (11)
Marshall, MN	29.7% (15)	16.4% (11)	46.6% (14)	77.9% (8)	61.3% (9)
Stillwater, MN	21.5% (5)	15.2% (8)	42.5% (11)	70.2% (3)	73.4% (16)
Willmar, MN	27.0% (13)	17.4% (12-tie)	40.8% (8)	76.1% (6)	57.8% (8)
Worthington, MN	24.7% (7)	21.4% (17)	30.3% (4)	71.0% (4)	52.5% (6)
Beatrice, NE	26.2% (12)	14.0% (5)	43.4% (12)	81.5% (10)	47.0% (3)
Scottsbluff, NE	30.7% (17)	19.1% (15)	44.8% (13)	82.8% (11-tie)	76.0% (18)
Jamestown, ND	25.2% (10)	12.2% (3)	39.8% (7)	86.4% (14)	54.6% (7)
Mandan, ND	21.9% (6)	11.9% (1)	41.1% (10)	91.5% (17)	87.3% (19)
Huron, SD	21.2% (4)	19.4% (16)	23.9% (1)	60.8% (1)	42.6% (2)
Mitchell, SD	27.6% (14)	18.6% (14)	39.0% (6)	86.3% (13)	48.8% (4)
Yankton, SD	19.9% (2)	14.5% (7)	29.9% (3)	77.8% (7)	28.8% (1)

Source: 2020 American Community Survey 5-Year Estimates, Table B25106

Renters, and especially lower income renters, are more likely to experience a cost burden. In all 19 comparison cities, renters are more likely to be cost-burdened than homeowners—in most cities, rates of cost burden among renters are at least twice as high as among homeowners, approaching half of all renters. Among low-income renters, rates of cost burden are very high: across all comparison cities, between 60.8% and 95.7% of renters with incomes below \$20,000 face a housing cost burden, as do the vast majority of renters with incomes between \$20,000 and \$35,000.

Mitchell ranks 13th among the 19th cities in terms of the lowest rate of cost burden among low-income renters with incomes below \$20,000. However, the city compares more favorably when it comes to moderately low-income renters—those with a household income

between \$20,000 and \$35,000. For this group, Mitchell ranks 4th among the 19 cities, behind Yankton, SD; Huron, SD; and Beatrice, NE.

When it comes to commuting dynamics, Mitchell ranks 4th out of 19 cities for the percentage of Mitchell-based employees who both work and live in the city. In Mitchell, an estimated 48.7% of employees live and work in Mitchell, while the other 51.3% of people who work in the city live elsewhere and commute. By comparison, 1st-ranked Huron, SD sees 58.2% of its employees live in the city and 42.2% commute in, whereas 19th-ranked Altoona, IA has 11.9% of its employees living in the city and 88.1% commuting in. Commuting dynamics are shaped by location: cities that are part of larger metropolitan areas, like Altoona, IA, and Des Moines, may see more people commuting between home in one city and work in another. More remote locations may see less movement.

**Table 5.9 Employment Inflow and Outflow among Comparison Communities, 2019**

	Employed in city (Rank)	Live in and employed in city (Rank)	Gross inflow (employed in city but live outside) (Rank)	% of employees who live and work in city (Rank)	% of employees who commute in from outside (Rank: lowest = 1)
Altoona, IA	9,145 (11)	1,090 (19)	8,055 (4)	11.9% (19)	88.1% (19)
Boone, IA	5,136 (19)	1,637 (17)	3,499 (17)	31.9% (12)	68.1% (12)
Indianola, IA	5,759 (18)	1,603 (18)	4,156 (14)	27.8% (15)	72.2% (15)
Storm Lake, IA	8,441 (14)	3,282 (12)	5,159 (13)	38.9% (10)	61.1% (10)
Albert Lea, MN	9,838 (8)	4,576 (4-tie)	5,262 (12)	46.5% (5)	53.5% (5)
Alexandria, MN	14,506 (3)	3,969 (8)	10,537 (3)	27.4% (16)	72.6% (16)
Bemidji, MN	14,593 (2)	3,761 (10)	10,832 (2)	25.8% (17)	74.2% (17)
Fergus Falls, MN	9,450 (10)	3,786 (9)	5,754 (10)	40.1% (9)	60.9% (9)
Marshall, MN	11,245 (4)	4,554 (6)	6,691 (6)	40.5% (8)	59.5% (8)
Stillwater, MN	9,049 (12)	1,661 (16)	7,388 (5)	18.4% (18)	81.6% (18)
Willmar, MN	18,465 (1)	5,771 (1)	12,694 (1)	31.3% (14)	68.7% (14)
Worthington, MN	6,479 (16)	2,686 (15)	3,793 (16)	41.5% (7)	58.5% (7)
Beatrice, NE	6,430 (17)	3,145 (13)	3,285 (18)	48.9% (3)	51.1% (3)
Scottsbluff, NE	10,293 (7)	3,704 (11)	6,589 (7)	36.0% (11)	64.0% (11)
Jamestown, ND	8,771 (13)	4,882 (3)	3,889 (15)	55.7% (2)	44.3% (2)
Mandan, ND	9,609 (9)	3,057 (14)	6,552 (8)	31.8% (13)	68.2% (13)
Huron, SD	7,463 (15)	4,341 (7)	3,149 (19)	58.2% (1)	42.2% (1)
Mitchell, SD	10,894 (5)	5,310 (2)	5,584 (11)	48.7% (4)	51.3% (4)
Yankton, SD	10,331 (6)	4,576 (4-tie)	5,755 (9)	44.3% (6)	55.7% (6)

Source: U.S. Census Bureau Longitudinal-Employer Household Dynamics Program (OnTheMap)

# Section 6: Summary of Findings and Recommendations

## 6.1 Summary of Findings

From 2010 to 2020, the city of Mitchell added an average of 41 new residents and 19 new households annually. Over the next decade, the city can expect to grow by 45 to 60 people per year, which would equate to about 23 to 30 households (assuming the average household size remains near 2.0). Allowing for a moderate vacancy rate and replacement of units subject to demolition, that level of household growth indicates the need for the construction of 34 to 42 housing units per year.

Projected job growth is expected to be about 65 jobs per year. While new jobs may attract employees who choose to commute into Mitchell, ensuring available housing could encourage new workers to relocate to Mitchell. The addition of 65 jobs per year indicates a need for 33 to 65 housing units.

Based on current tenure rates, future housing demand is expected to be composed of demand for about 22 to 34 owner-occupied units per year and 18 to 31 rental units. Rental demand may rebound and increase over time, and owner demand will depend on recovery and future economic conditions.

Since 2010, demographic change in Mitchell has been characterized by declining household size and more single-person, non-family households. The city has seen growth driven by higher-income households. In terms of age, growth has primarily occurred among young adults (ages 25-34) and adults nearing or just past retirement age (55-64 and 65-74).

Future population growth is projected to continue the trend toward smaller households and more single-person, non-family households. Like growth over the past decade, future growth is expected to occur among higher-income households. However, there are changes coming to the age structure:

Over the next five years, the age groups expected to grow the most are those in their 30s and 40s. However, over a 10- to 20-year period, this group is expected to decrease in size. Instead, over the longer time horizon, Mitchell can expect to see an increase in people who are college age or early in their careers (18-25), advanced in careers or nearing retirement (50-64), and older seniors (aged 75 and older).

In the short term, over the next five years, these demographic trends may increase the demand for homeownership (depending on prevailing economic conditions). In the longer term, however, demand will continue to lean toward rentals. For the older adults, demand may be split among those transitioning into senior rentals with some level of services and those considering alternative owner options, such as townhouses with lower maintenance requirements.

Based on current housing stock and vacancy rates, the recent construction of new multifamily rental properties appears to have met or even exceeded demand for the immediate term. Demand will likely emerge in the next five years, but there is not evidence of an immediate need. Conventional market-rate developments appear well suited to the current profile of Mitchell renters. There may be a market for rentals with more amenities, including townhome or villa-style rentals.

Over a longer time period of 10 years or more, there is likely to be an increased need for more affordable rentals. Growth in the young adult population as well as older adults will increase the population of households with relatively lower incomes due to being early in their careers or retired. Long-term growth in the population of older adults ages 75+ may increase the need for housing with services or nursing home beds; this need is expected to emerge over the 10- to 15-year horizon.

There are some indications of pent-up demand for homeownership (low vacancy and current sales and listings data), but actual demand for homeownership will also depend on the broader economic context and perceived volatility of the housing market.

Mitchell's single-family housing stock is relatively old, and there are indications these homes are being lost to demolition or conversion to rentals. Considering the low vacancy and short supply of owner-occupied housing in general, rehabilitating and maintaining the existing stock of single-family homes will be critical to homeownership in Mitchell.

## 6.2 Recommendations

In the short term (0-5 years), a soft rental market and low homeowner vacancy rate suggest the need to focus on owner-occupied housing. Expanding homeownership can enhance community stability. To Mitchell's advantage, existing homes are affordable, which can attract first-time homebuyers and newcomers to the market. However, potential homebuyers face limited availability and choice given how few homes turn over each year, which can impede the market. In addition, the loss of older single-family homes to demolition or conversion to rentals threatens to further deteriorate the homeowner base.

To enhance homeownership opportunities in Mitchell, the following recommendations may be considered:

- Encourage construction of attached units. In the homeowner market, attached housing like townhomes can be appealing for retirement age and older adults who already own a home and are seeking to downsize or move to a home with less maintenance. Making this type of housing available could facilitate turnover in the market and open up existing single-family homes to new buyers.
- Promote existing homeownership programs. Many stakeholders in Mitchell stand to benefit from bolstering the homeowner sector, and all can play a part in advertising and promoting existing programs. The city, Chamber of Commerce, and Development Corporation, and employers can share information about first-time homebuyer assistance, down payment assistance, loans, homebuyer education and counseling, and other programs available through the state and local partners.
- Prioritize rehabilitation and revitalization. Mitchell has a relatively large proportion of older homes and evidence of the need for repairs. Rehabilitation and revitalization can be encouraged through several different routes, including a program to purchase, rehab, and resell homes. Sales of these homes could be restricted to income-eligible households with affordability restrictions for future sales. They could also be coupled with assistance to help renters become first-time homebuyers (e.g., down payment assistance). Another option would be a low- or zero-interest loan program for homeowners to assist with maintenance or rehabilitation of their homes.
- Consider new construction incentives. Such incentives could include reduced lot price, city-provided infrastructure or waived hookup or permit fees, or cash investment.

Based on expected demographic trends, household growth will occur primarily among households at income levels of \$75,000 and above. For homebuilders, market demand will drive construction of higher value homes. From a community development perspective, Mitchell should consider a focus on developing homes that are affordable to households with annual incomes of \$75,000 to \$150,000. Target home values for this group would fall roughly between \$225,000 and \$450,000.

Additionally, Mitchell is home to quite a few renter households with incomes that would make higher rent or homeownership feasible. Other factors may limit homeownership demand among current renters (e.g., interest rates or access to down payments). However, to encourage homeownership and community development, Mitchell should consider



developing starter homes for renters moving into the homeowner market, priced at the lower end of the \$200,000 to \$300,000 range. These homes could be coupled with first-time homebuyer and downpayment assistance to make them more affordable.

Although there is limited rental demand in general at present, there is evidence of a need for some additional subsidized rental housing. Over the next 5 years, Mitchell should consider the possibility of expanding subsidized rental units or vouchers by approximately 20 households (recognizing that it may not be possible to develop these given limits to federal funding sources). Continue to monitor the supply of existing subsidized housing to prevent future losses.

Over the next 5 to 15 years, Mitchell can expect rental demand to rebound, especially if population growth unfolds as expected. A growing population of young adults and older seniors will contribute to this demand.

To plan for future demand for rental housing, the following recommendations should be considered:

- Encourage rental housing styles that appeal to older seniors. For aging adults, single-floor villa-style or townhome rentals with more amenities can be appealing. Many of these adults were homeowners who are switching to rentals for lifestyle reasons, including maintenance-free living.
- Demand will primarily be at conventional market-rate rent levels. However, the need for more affordable rent structures is likely to emerge over a 10- to 15-year period as aging seniors on fixed incomes and younger adults early in their careers make up a greater proportion of the rental market.