

CITY OF MINNEAPOLIS

2021 Assessment Report

Presented by
Rebecca Malmquist,
Interim City Assessor

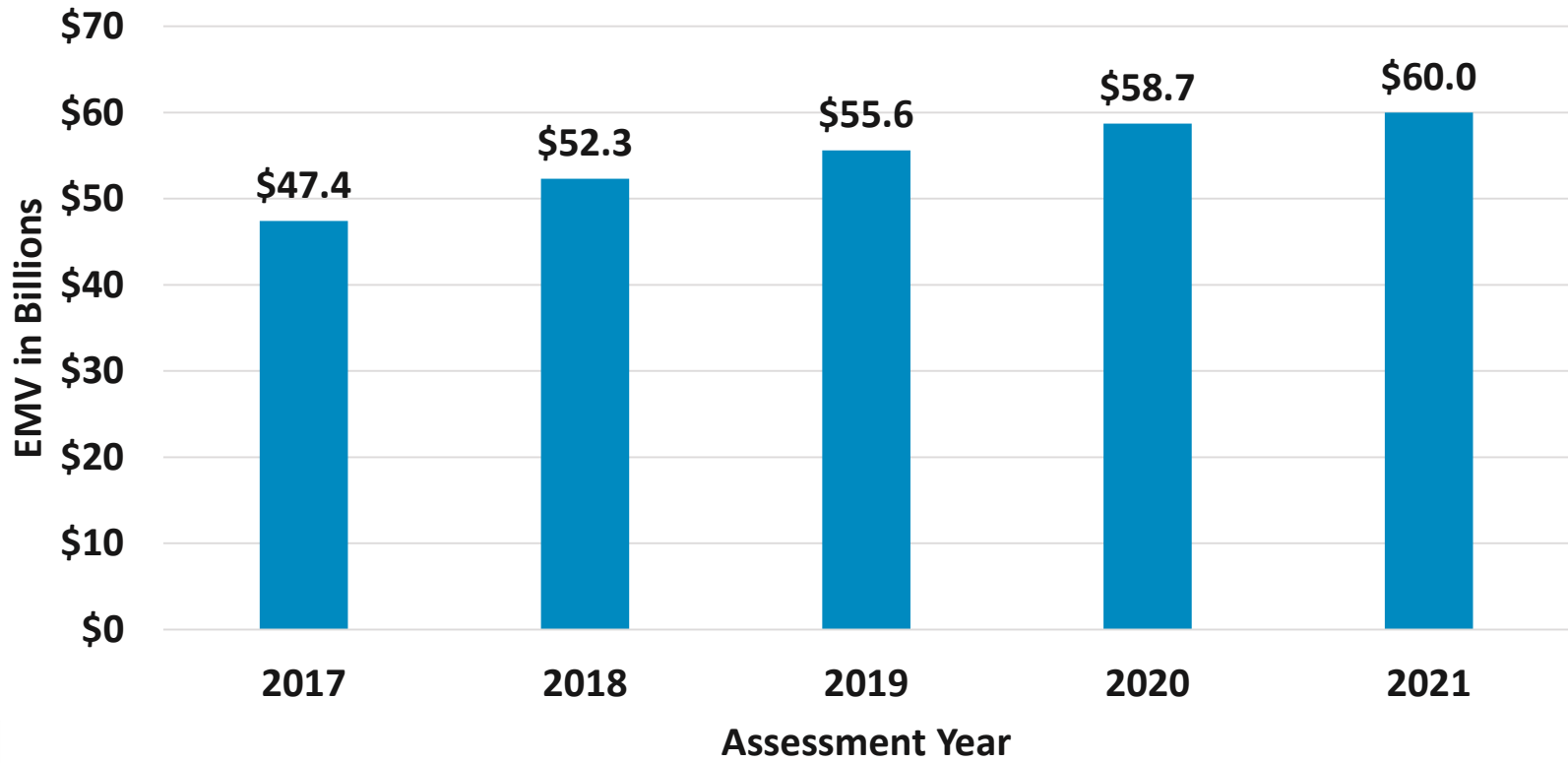
2021 Assessment

Summary

- The assessment of nearly 125,000 properties is complete.
- The Notices of Valuation and Classification are in the process of being printed and will be in the mail mid-March.
- The 2021 property assessment applies to property taxes payable in 2022.
- The assessment reflects sales that occurred between October 2019 and September 2020.

2021 Assessment Summary

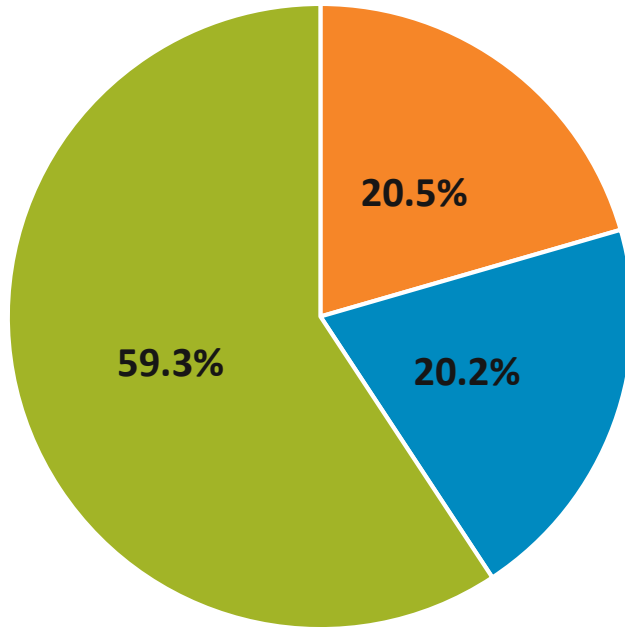
City Total Estimated Market Value (EMV)



2021 Assessment

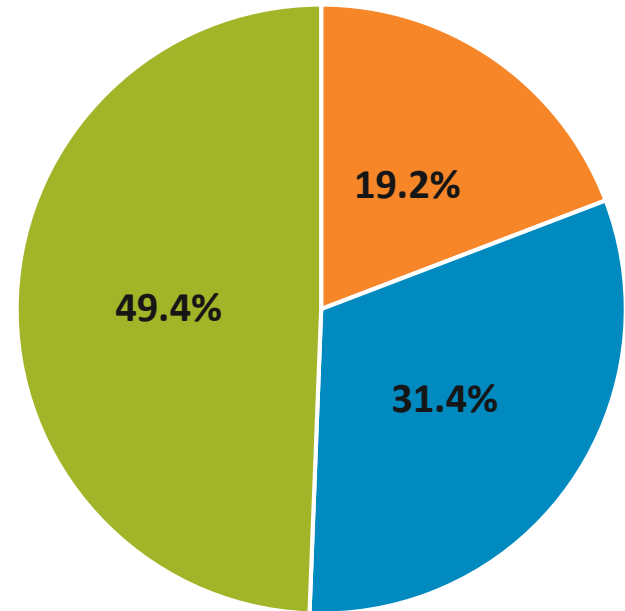
EMV vs NTC

2021 Estimated Market Value



- Apartment
- Commercial/Industrial
- Residential

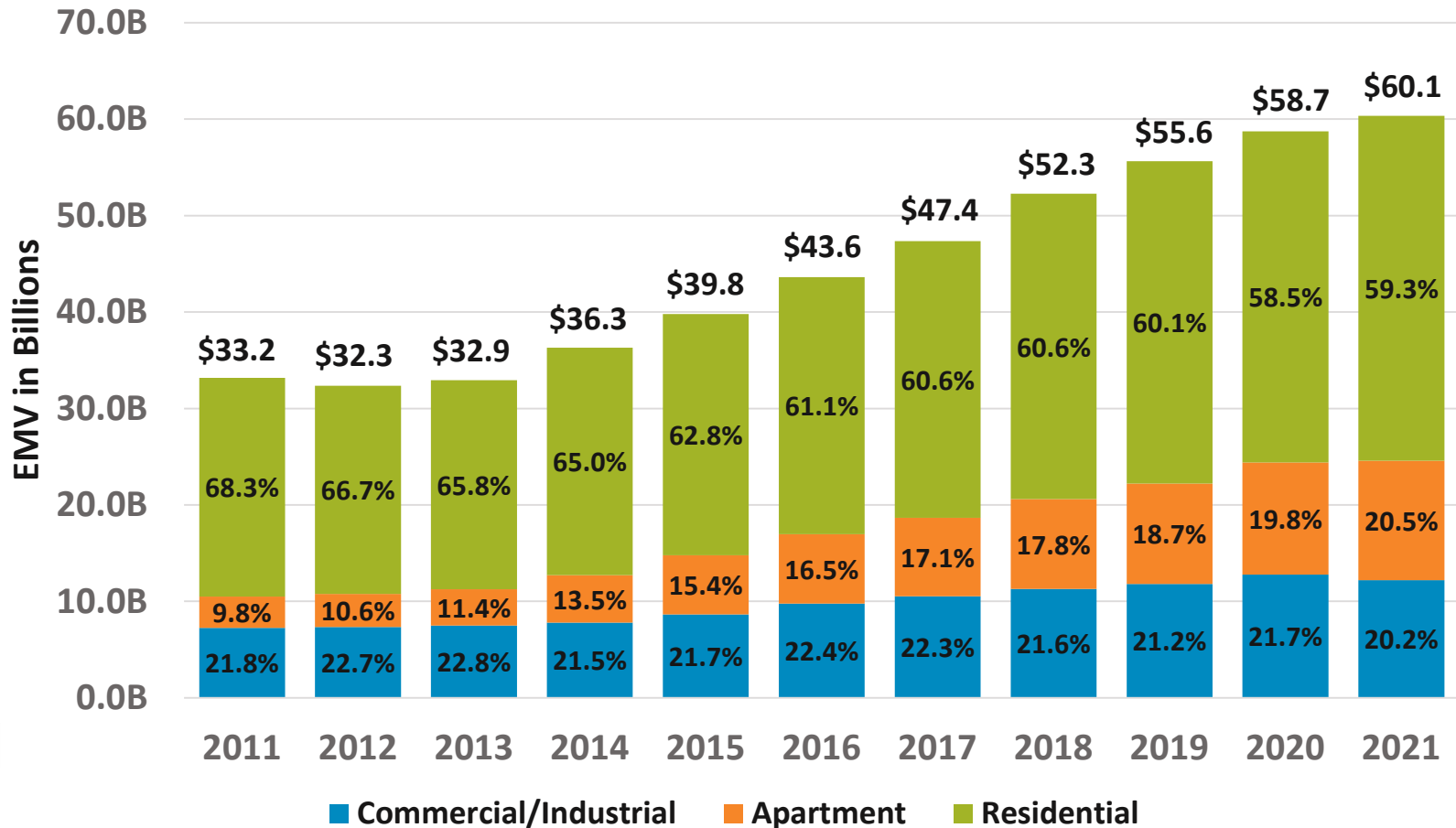
2021 Net Tax Capacity (For Taxes Payable 2022)



- Apartment
- Commercial/Industrial
- Residential

Estimated Market Value Growth 2011 - 2021

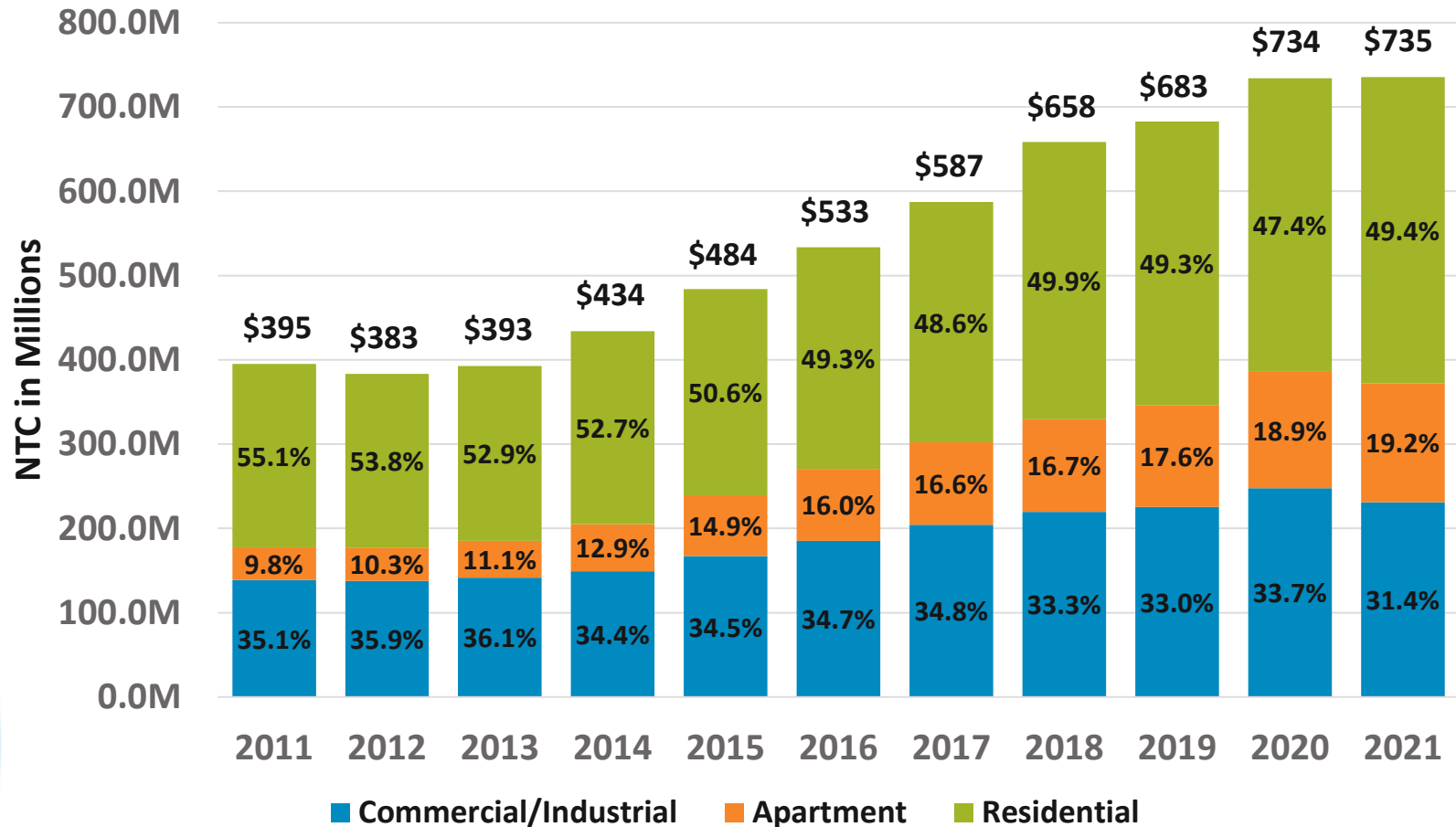
Estimated Market Value by Assessment Year



Net Tax Capacity Growth

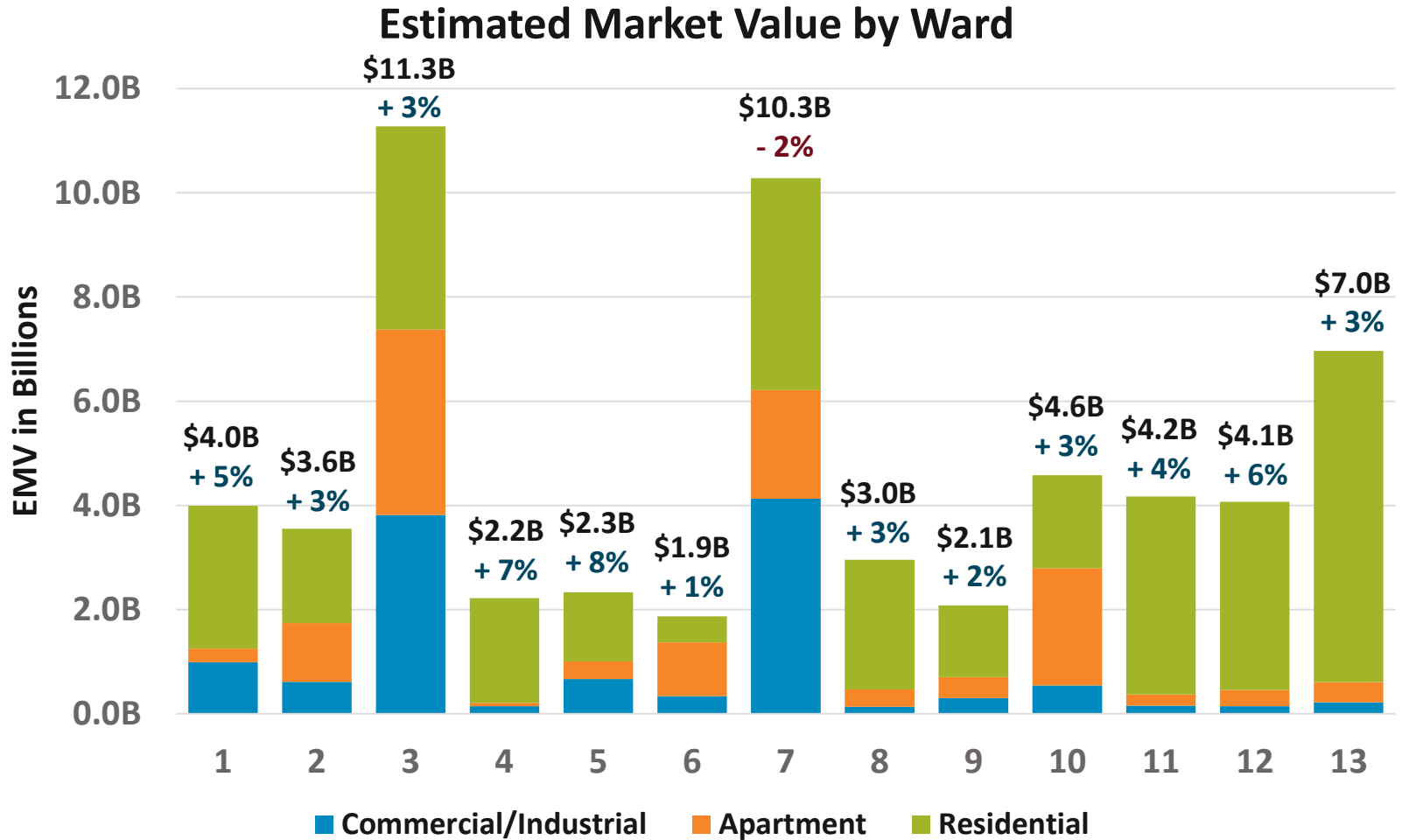
2011 - 2021

Net Tax Capacity by Assessment Year



2021 Assessment

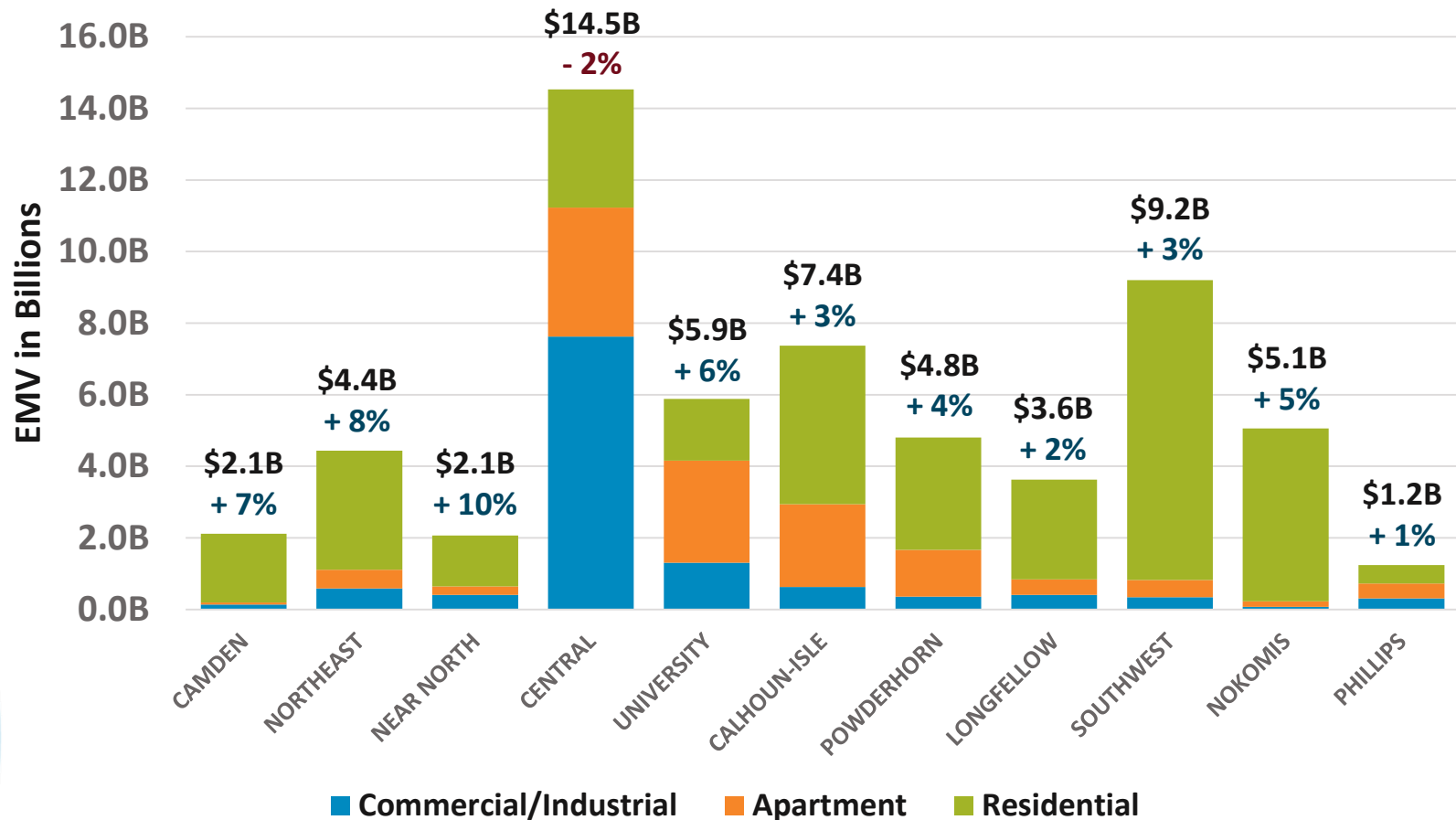
EMV by Ward



2021 Assessment

EMV by Community

Estimated Market Value by Community



2021 Assessment

Residential Growth

Property Type	2020 Total EMV	2021 Total EMV	2021 New Construction	Net Change (Less New Construction)
Condominium / Townhome	\$5.7 Billion	\$5.8 Billion	\$24.5 Million	1.1%
Duplex / Triplex	\$3.9 Billion	\$4.1 Billion	\$23.8 Million	3.5%
Single Family	\$24.5 Billion	\$25.6 Billion	\$192.3 Million	4.0%

2021 Assessment

Residential Sales Ratio Statistics

Property Type	Sale Count	Median Sales Ratio (90 To 105%)	COD (Below 15)	PRD (97 To 103)
Condominium / Townhome	1,208	95.7%	6.9	100.7
Duplex /Triplex	440	96.0%	8.0	100.6
Single Family	3,342	95.7%	7.2	100.8
All Residential	4,990	95.7%	7.2	100.7

2021 Assessment

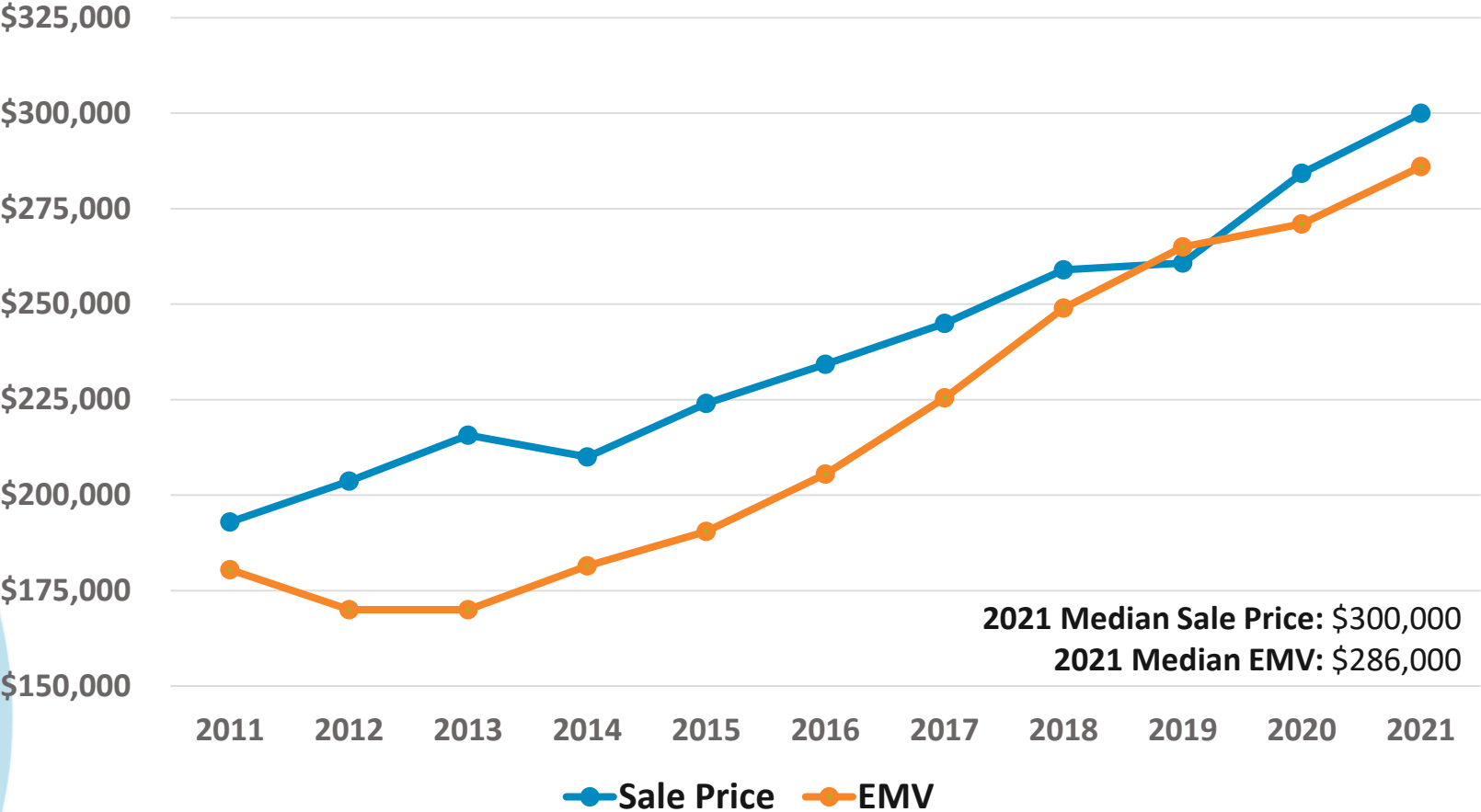
Residential Sales Ratio Statistics

Assessment Year	Sale Count	Median Sales Ratio (90 To 105%)	COD (Below 15)	PRD (97 To 103)
2021	4,990	95.7%	7.2	101
2020	5,220	95.8%	8.1	100
2019	5,222	97.5%	9.6	100
2018	5,097	96.1%	10.1	99
2017	5,420	94.2%	9.9	100
2016	5,083	94.2%	12.1	100
2015	4,987	95.4%	10.6	101
2014	4,130	94.7%	12.5	102
2013	4,023	91.3%	11.1	102

2021 Assessment

Single Family Residential

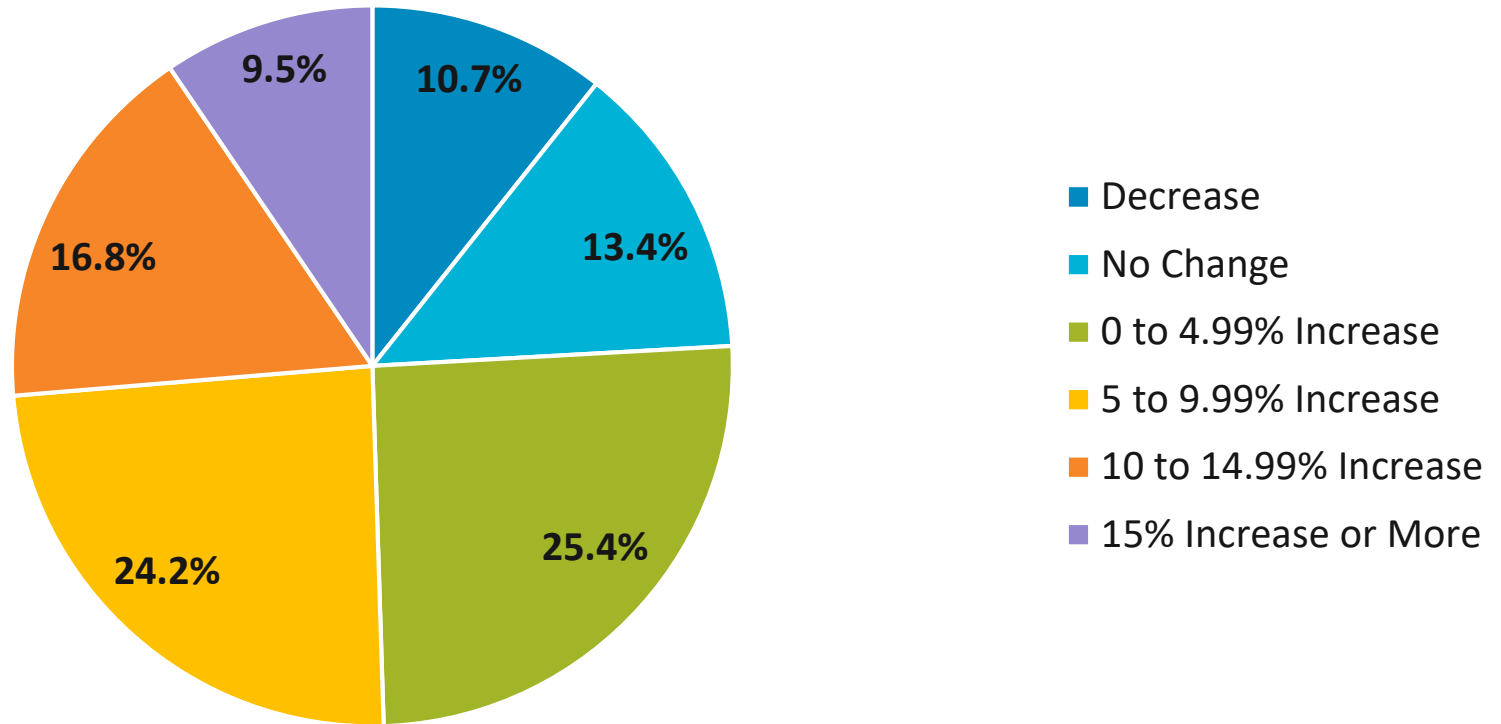
Median Sale Price vs Median EMV



2021 Assessment

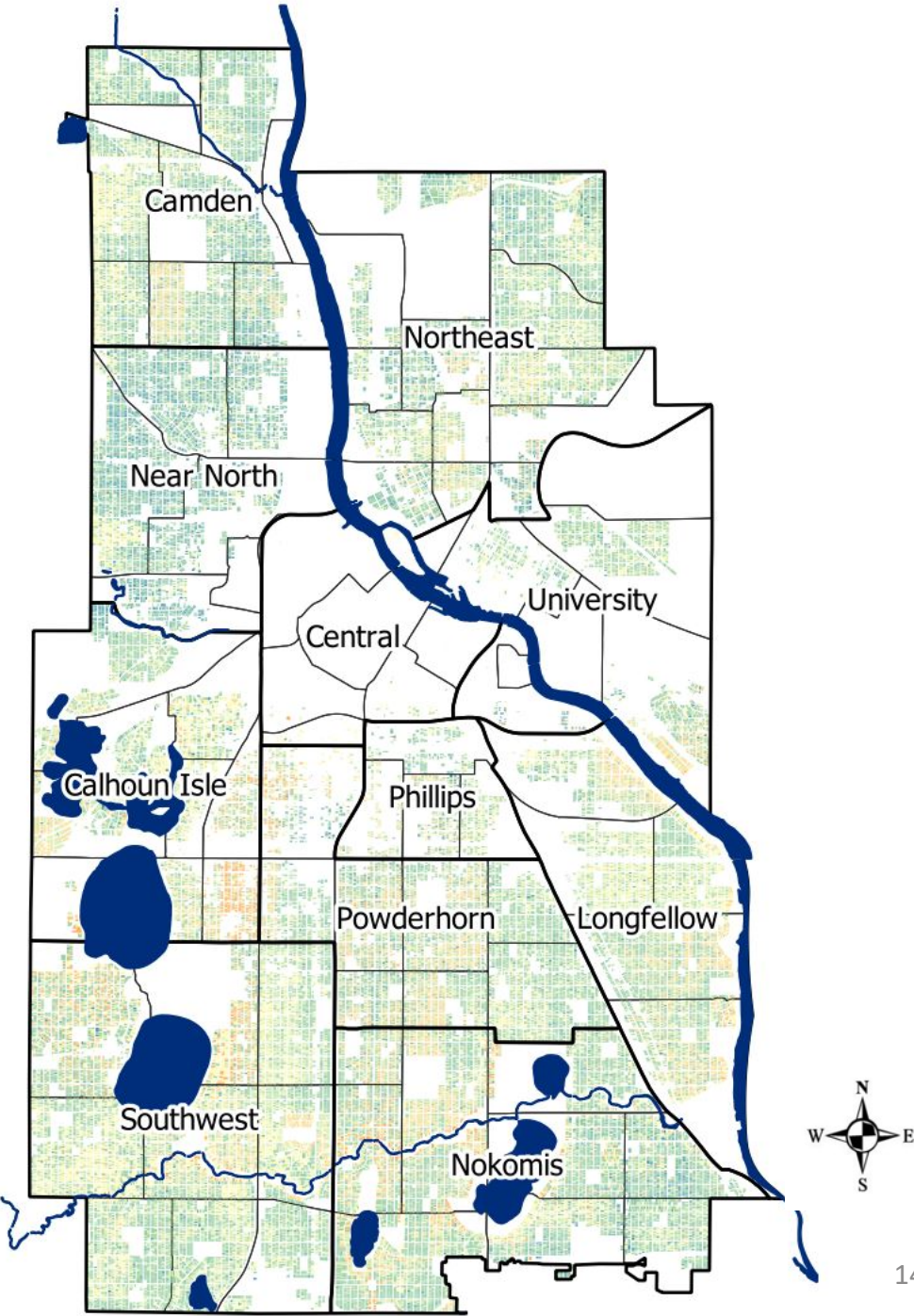
Single Family Residential Growth

Estimated Market Value Changes (2020 vs 2021)

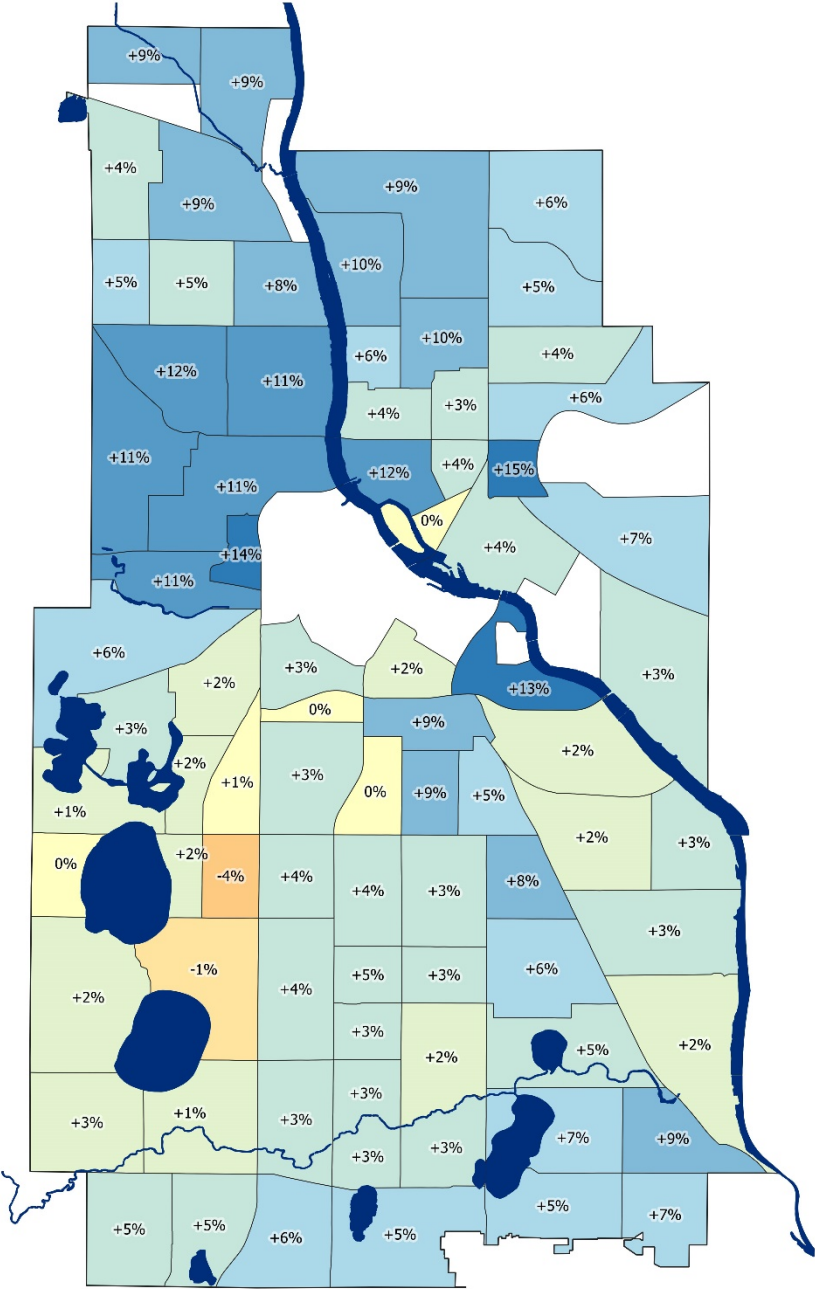


2021 Assessment Single Family Residential Growth by Parcel

- 5% or More
- 0% to -5%
- No Change
- 0 to 5%
- 5 to 10%
- 10 to 15%
- 15 to 20%
- 20% or More



2021 Assessment Single Family Residential Growth by Neighborhood



2021 Assessment

Residential by Ward

WARD	2020 TOTAL EMV	2021 TOTAL EMV	NEW CONSTRUCTION	PERCENT CHANGE (LESS NEW CONSTRUCTION)	2021 MEDIAN EMV	SALE COUNT	MEDIAN SALE PRICE	MEDIAN SALES RATIO	COD
1	\$2.57 Billion	\$2.74 Billion	\$10.2 Million	6.3%	\$279,000	455	\$289,500	95.8%	7.1
2	\$1.77 Billion	\$1.83 Billion	\$5.9 Million	3.4%	\$301,000	261	\$291,000	96.0%	8.1
3	\$4.25 Billion	\$4.40 Billion	\$87.6 Million	1.5%	\$344,000	511	\$350,000	95.3%	6.9
4	\$1.87 Billion	\$2.00 Billion	\$13.4 Million	6.5%	\$183,000	530	\$192,400	95.3%	7.6
5	\$1.19 Billion	\$1.33 Billion	\$9.8 Million	10.6%	\$192,000	223	\$209,900	95.5%	8.4
6	\$527 Million	\$560 Million	\$0.7 Million	6.2%	\$239,000	86	\$220,800	96.2%	7.6
7	\$3.99 Billion	\$4.13 Billion	\$20.8 Million	3.1%	\$396,000	393	\$381,000	96.0%	5.7
8	\$2.39 Billion	\$2.49 Billion	\$8.5 Million	3.9%	\$291,000	389	\$308,000	95.4%	6.8
9	\$1.30 Billion	\$1.37 Billion	\$6.8 Million	4.5%	\$243,000	213	\$250,000	96.0%	7.6
10	\$1.79 Billion	\$1.84 Billion	\$5.4 Million	2.0%	\$343,000	264	\$294,000	96.5%	7.0
11	\$3.65 Billion	\$3.80 Billion	\$13.1 Million	3.7%	\$352,000	506	\$363,700	95.7%	7.0
12	\$3.43 Billion	\$3.62 Billion	\$20.6 Million	4.9%	\$275,000	514	\$285,000	95.5%	7.0
13	\$6.17 Billion	\$6.36 Billion	\$38.2 Million	2.5%	\$462,000	644	\$439,000	95.9%	6.5

2021 Assessment

Residential

OTHER MARKET INDICATORS

- Median Sales Price: \$300,000 (+7.1% over 2020)
- Median Percent of Original List Price: 100.0% (100% in 2020)
- Median Days on Market: 18 (22 days in 2020)
- Months Supply of Homes: 2.2 months (1.9 months in 2020)

Source: NorthstarMLS, InfoSparks

2021 Assessment

Commercial / Industrial

Property Type	2020 Total EMV	2021 Total EMV	2021 New Construction	Net Change (Less New Construction)
Office/Medical	\$6.7 Billion	\$6.4 Billion	\$70.9 Million	- 5.0%
Retail	\$1.7 Billion	\$1.7 Billion	\$3.5 Million	- 5.4%
Hotels	\$1.1 Billion	\$0.8 Billion	\$22.8 Million	- 28.3%
All Commercial	\$11.4 Billion	\$10.7 Billion	\$139.3 Million	- 6.8%
Industrial	\$1.2 Billion	\$1.4 Billion	\$5.8 Million	+ 12.5%
All Commercial & Industrial	\$12.6 Billion	\$12.1 Billion	\$145.1 Million	- 4.9%

2021 Assessment

Commercial / Industrial

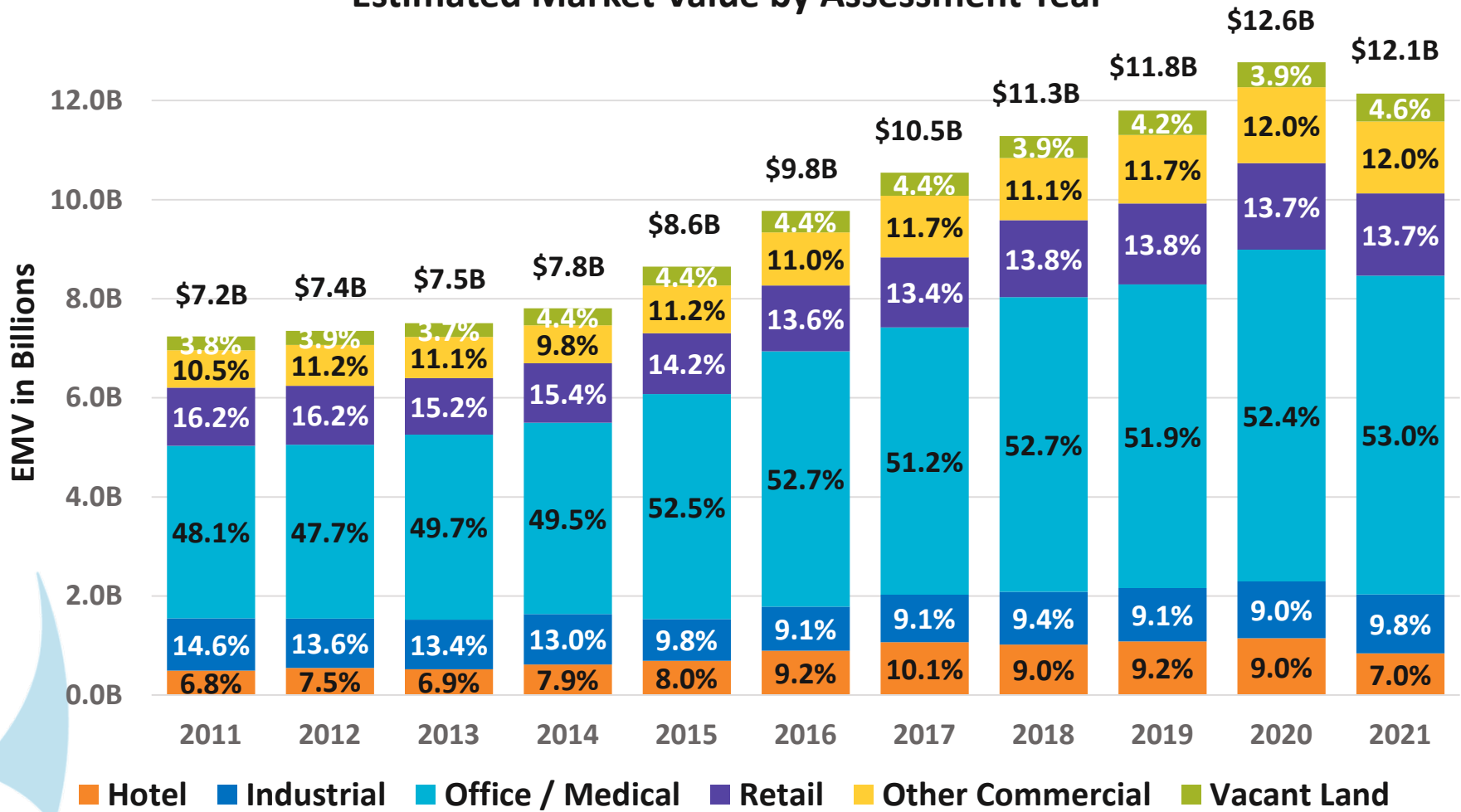
Sales Ratio Statistics

Property Type	Sale Count	Median Sales Ratio (90 To 105%)	COD (Below 20)	PRD (97 To 103)
Commercial	49	94.4%	13.2	106.0
Industrial	4	86.5%	*	*
Commercial/ Industrial	53	94.4%	13.8	106.7
*Not Enough Sales to be Significant				

Commercial / Industrial

2011 - 2021

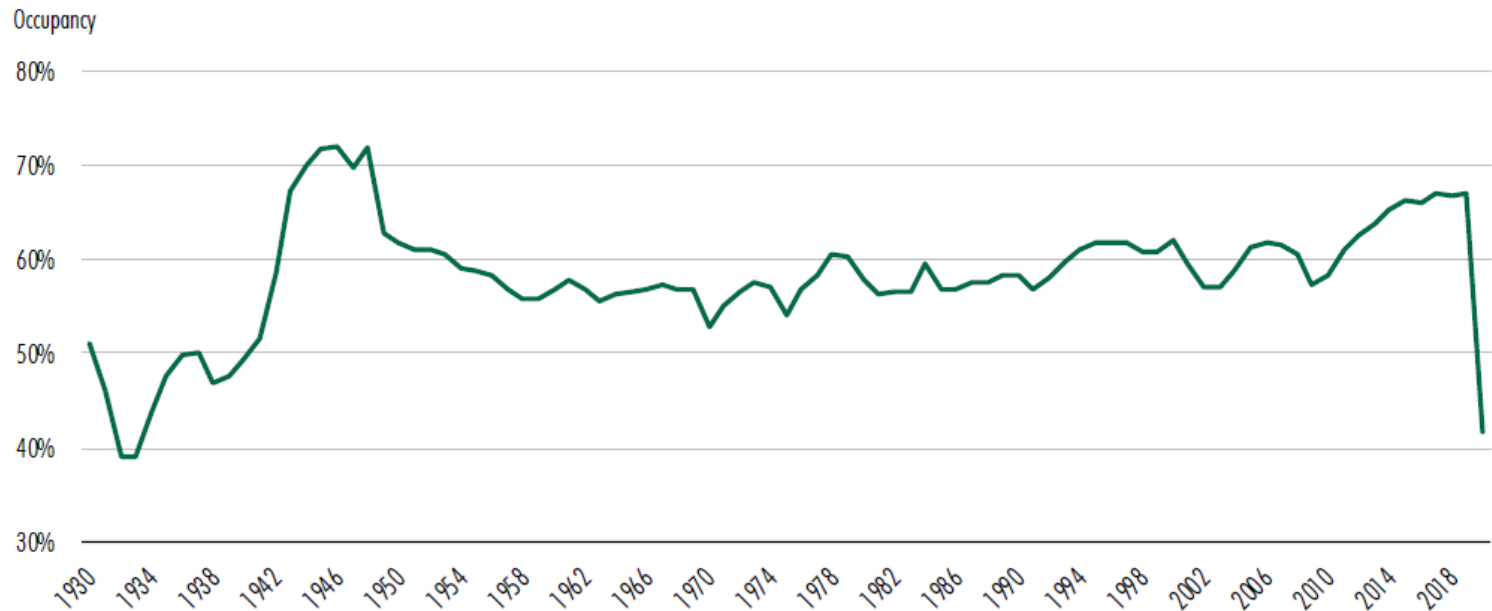
Estimated Market Value by Assessment Year



Hotel Market

FIGURE 4

HOTEL OCCUPANCY SINCE 1930



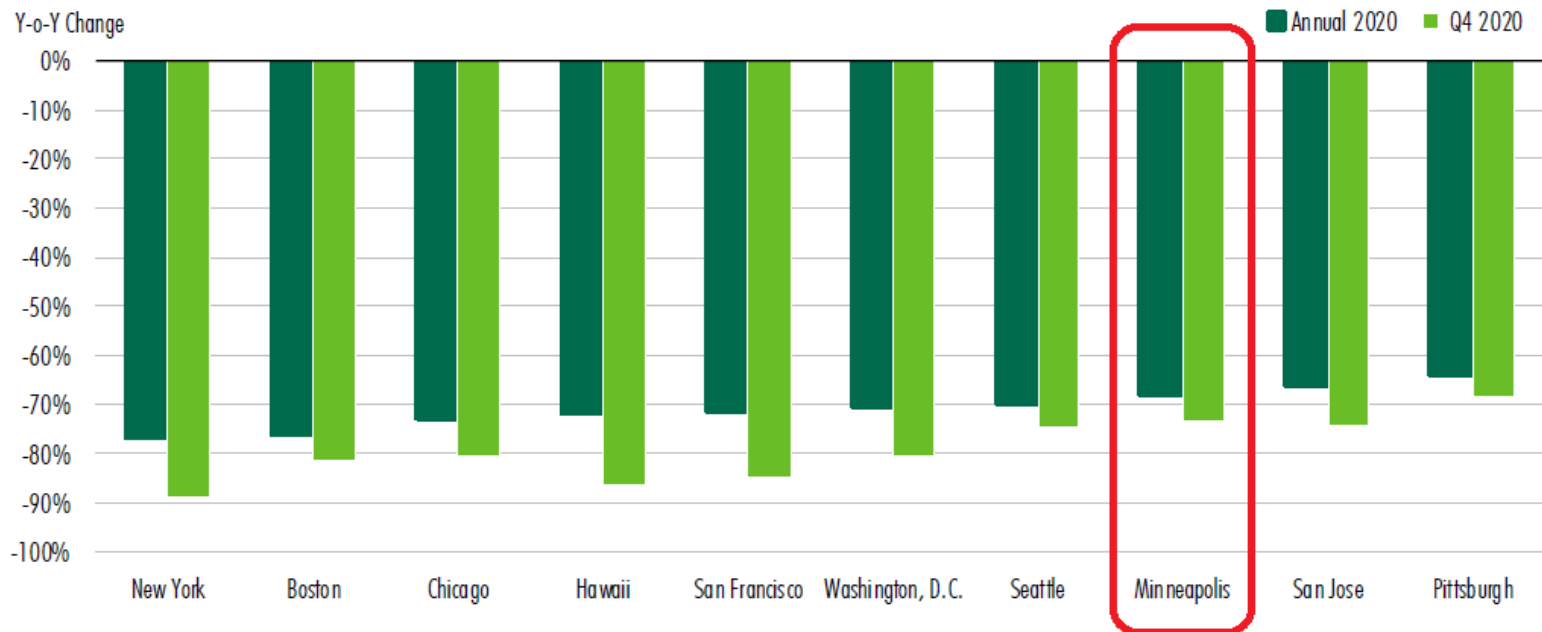
Source: CBRE Hotels Research - Trends® in the Hotel Industry, Kalibri Labs.

- The 41.6% occupancy level for U.S. hotels in 2020 was the lowest since the Great Depression in the 1930s.

Hotel Market

FIGURE 11

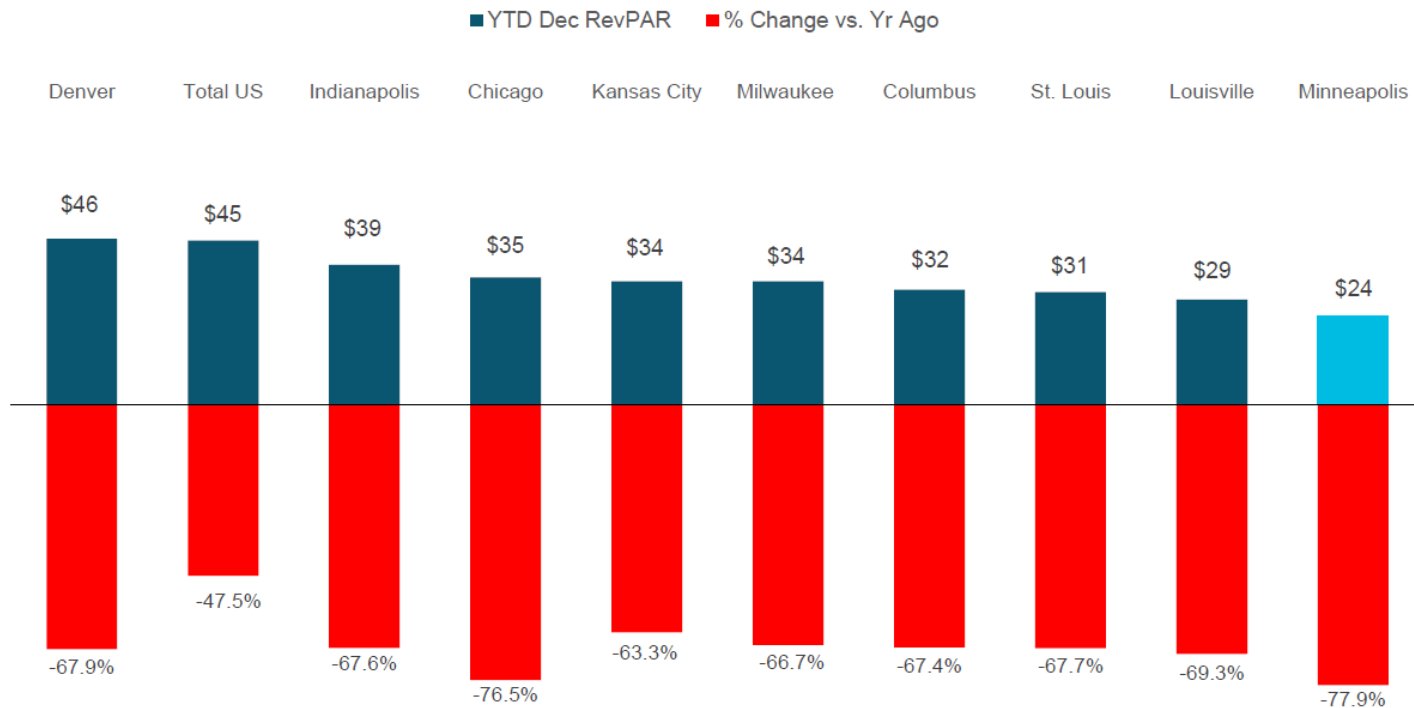
BOTTOM 10 REVPAR CHANGE MARKETS, ANNUAL AND Q4 Y-O-Y CHANGE



Source: CBRE Hotels Research, Kalibri Labs, Q4 2020.

Hotel Market

YTD DECEMBER REVPAR



Source: STR, Inc.

2021 Assessment


Apartment

Property Type	2020 Total EMV	2021 Total EMV	2021 New Construction	Net Change (Less New Construction)
Apartment	\$11.7 Billion	\$12.4 Billion	\$841.2 Million	- 1.0%

Sales Ratio Statistics

Property Type	Sale Count	Median Sales Ratio (90 To 105%)	COD (Below 15)	PRD (97 To 103)
Apartment	100	94.0%	9.84	104.0

2021 Assessment Notice of Valuation and Classification



Minneapolis Assessor's Office
Rebecca Malmquist
Director of Assessments
309 2nd Ave S, Room 100
Minneapolis, MN 55401-2344
www.minneapolismn.gov/assessor

Valuation Notice

2022

2021 Values for Taxes Payable in

Property tax notices are delivered on the following schedule:

Step	Valuation and Classification Notice	<i>See Details Below.</i>
1	Class: Estimated Market Value: Homestead Exclusion: Taxable Market Value:	
Step	Proposed Taxes Notice	
2	2022 Proposed Tax:	<i>Coming November 2021</i>
Step	Property Tax Statement	
3	1st Half Taxes: 2nd Half Taxes: Total Taxes Due in 2022:	<i>Coming March 2022</i>

Now is the time to question or appeal your classification or valuation.
It will be too late when proposed taxes are sent this fall.

Your Property's Classification(s) and Values

Taxes Payable in 2021 <small>(2020 Assessment)</small>	Taxes Payable in 2022 <small>(2021 Assessment)</small>
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The assessor has determined your property's classification(s) to be:

If this box is checked, your classification has changed from last year's assessment.

The assessor has estimated your property's market value to be:

Estimated Market Value (EMV)

Several factors can reduce the amount that is subject to tax:

- Green Acres Value Deferral
- Rural Preserve Value Deferral
- Open Space Deferral
- Platted Vacant Land Deferral
- Exclusion for Veterans With Disabilities
- Mold Damage Exclusion
- Homestead Market Value Exclusion

Taxable Market Value (TMV)

The following values (if any) are reflected in your estimated and taxable market values:

New Improvement Value

The classification(s) of your property affect the rate at which your value is taxed.

The following meetings are available to discuss or appeal your value and classification:

Local Board of Appeal and Equalization	County Board of Appeal and Equalization
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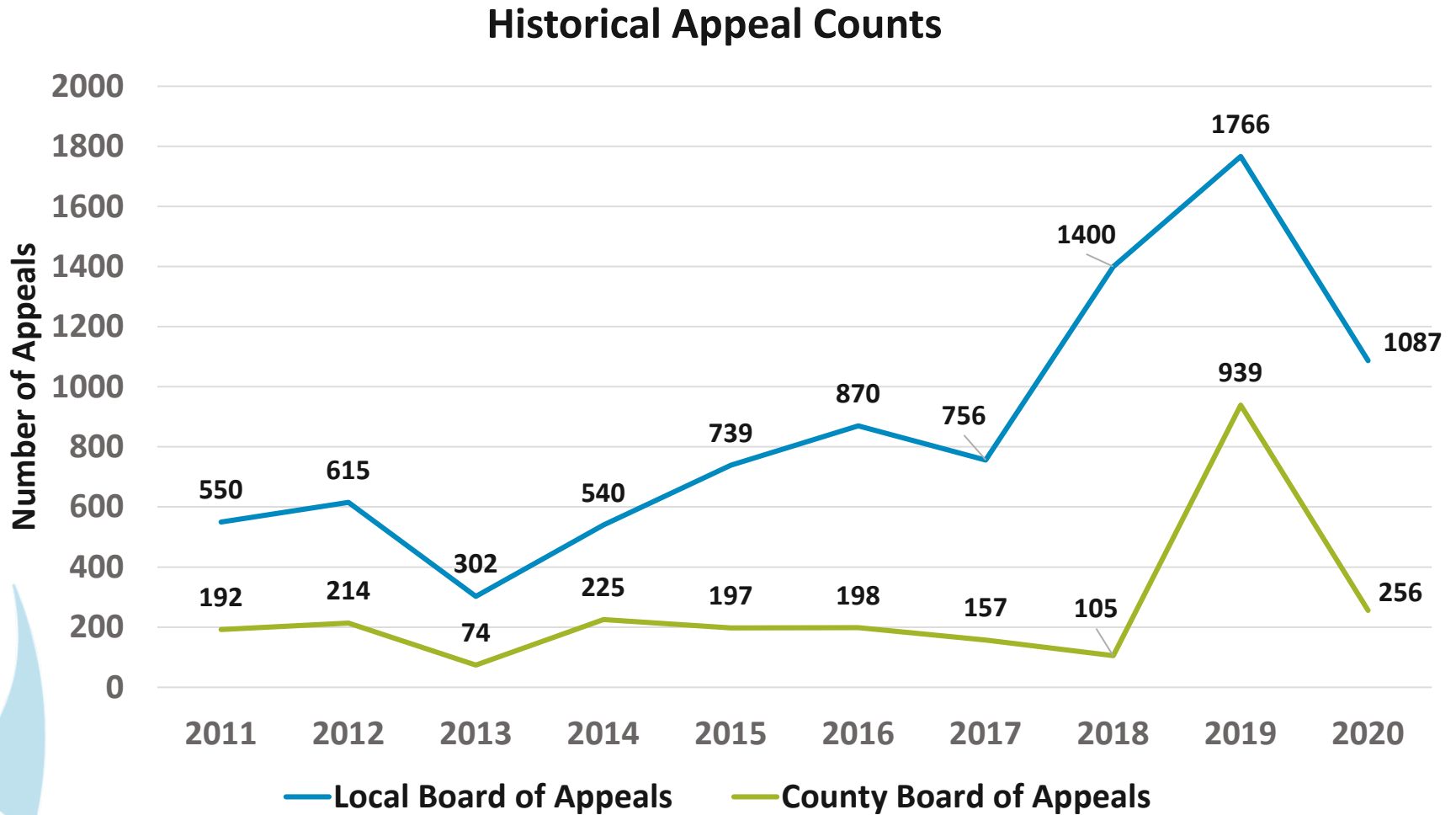
Appointments are recommended.
Call 612-348-7050 by May 21, 2021.

Attention: If you want help translating this information or are hard of hearing, call 612-673-3000 or TTY 612-673-2157.
Para asistencia 612-673-2700 - Rau kev pab 612-673-2800 - Hadil aad Caawimaad u baahantahay 612-673-3500.

- Notices will be mailed by March 18, 2021.
- No on-site inspections will be done due to Covid-19 concerns.
- The notices are color coded in purple to align with Hennepin County's initiative to color code value notice with the tax year (2022 tax statement).
***Personal property notices will have a yellow highlight
- Information about contacting our office and appeal process is on the notice.
- Applications can be submitted online, by mail, or by secure drop box.
- Resources available on our website – Neighborhood Sales Finder and Property Tax Estimator

2021 Assessment

Historical Appeal Counts



2021 Assessment

Short Term Rentals

As part of a bill passed during the fifth special session, the state legislature added language classifying certain properties used as Short-term residential rentals as 4b(1) starting with the 2021 assessment.

The new law defines a qualified Short-term rental property as:

- Rented for periods of less than 30 consecutive days
- Containing fewer than four units
- Rented for more than 14 days in the preceding year
- Non-homesteaded

Hennepin County Property Type classifications for qualified Short Term Rentals:

- **2021** – Residential Miscellaneous 4b(1)
- **2020** – Commercial 3(a)
- **2019 and Prior** – Short Term Rentals not tracked

2021 Assessment

Short Term Rental Status

	2020 Assessment (Taxes Payable 2021)	2021 Assessment (Taxes Payable 2022)
Minneapolis Short Term Rental Licensed *A significant number of existing short term rental licenses expire March 2021	146	154
STRS Properties Homesteaded	58	87
STRS Survey Mailed	146	73
STRS Survey Response	73	47
STRS Survey Non-Response	73	26
STRS Classification on January 2 nd (2020 – Commercial, 2021 – Residential Misc.)	45	31
Year End Remaining STRS (12-31-2020)	27	
Under Tax Court Petition	4	

2020 Disaster Assessment

Following civil unrest, the Assessor's Office reviewed all parcels identified as potentially damaged.

Parcels determined to have been more than 50% damaged were eligible for tax abatements and credits.

Percent Damage	Parcel Count	Reassessed Value Lost
0%	282	-
1 – 24%	511	\$33,805,748
25 – 49%	20	\$5,499,799
50 – 74%	26	\$31,784,490
75 – 99%	10	\$9,454,818
100%	39	\$25,474,800
Total	888	\$106,019,655

2020 Disaster Assessment

By Property Type

Property Type Grouping	All Parcels Reviewed		Parcels w/ 50% or More Damage	
	Parcel Count	Reassessed Value Lost	Parcel Count	Reassessed Value Lost
Apartment	56	\$10,077,230	2	\$2,150,600
Commercial	698	\$93,045,009	72	\$63,600,808
Industrial	16	\$1,250,919	1	\$962,700
Residential	90	\$1,646,467	0	-
Other	28	\$30	0	-
Total	888	\$106,019,655	75	\$66,714,108

2021 Assessment

Key Dates

- | | |
|------------------------|--|
| March 18 | Value Notice Mail Date |
| April 19 | Local Board of Appeal and Equalization convenes |
| April 21 and 23 | Local Board of Appeal and Equalization reconvenes
(with additional dates the last week of April if necessary) |
| June 14 | Hennepin County Board of Appeal and Equalization convenes |



2022 Assessment Annual Quintile

Residential Plan
Purple neighborhoods
will be reviewed summer 2021

