

Comprehensive Guide Plan Spotlight:

Housing



What do residents hope Minnetonka looks like in 25 years? How can the city accommodate population projections?

The city is asking these questions as it prepares to update its comprehensive guide plan – an important planning document that will guide future development decisions. As part of the effort to update the guide plan, the city commissioned a Housing and Demographics study to gain better insight into Minnetonka’s housing stock and population trends.

“We know growth is coming; preparing for it is our mission,” said Minnetonka Community Development Director Julie Wischnack. “Change will happen, and how we manage it is the whole point of the comprehensive plan. We can’t control everything, but we can control how we plan and prepare.”

A growing city

Growth is nothing new in Minnetonka. The city was home to 36,000 residents in 1970 and grew modestly until the 1980s, when population surged by nearly 25 percent, to 48,000 residents in 1990. In the 27 years since, the city has grown by just eight percent, but the Met Council projects the city to grow by roughly 15 percent over the next 20 years – to 60,000 by 2036.



Housing stock and characteristics

The study examined the city’s housing stock, including ownership trends, rental properties, age of housing and the health of the marketplace. The prevailing trend is that Minnetonka’s popularity continues to grow, and the demand for housing – all types – continually increases.

There is a strong demand for new rental housing, particularly apartments. The city has a very low vacancy rate across its 7,100 rental units. The bulk of housing rentals are older, with few developments since the 1990s. Of those 7,100, 700 are age-restricted units for older adults. There has been recent growth in this area, with two new co-ops and three new developments for seniors with services, but population projections indicate there is still work to do to provide adequate housing for residents as they age.

Minnetonka’s strong ownership market revealed an average home sale price of \$380,000, which is higher than the metro area average of \$300,000. However, high-end housing in Minnetonka contributes to the discrepancy between the averages.

The strong ownership and rental markets have had a noticeable impact on the city’s affordable housing stock. Due to rising rental and home sale prices, the number of affordable housing units in Minnetonka dropped from 7,700 to 5,500 in the last five years, which makes this an area the city will need to assess as it moves forward.

The importance of a diverse housing stock

Studies show that housing diversity helps a community withstand economic trends, and that a healthy housing stock provides a direct connection to economic vitality – and healthy employment rates – for the entire community.

“That is what makes the comprehensive guide plan so important,” said City Planner Loren Gordon. “Identifying a framework to provide diverse housing options for all residents into the future will keep Minnetonka strong for decades to come.”

Looking ahead

The information from the housing study will be utilized by the 2040 Comprehensive Guide Plan Steering Committee as it continues to gather data as part of the effort to update the guide plan.

To learn more about the process to prepare the city’s 2040 Comprehensive Guide Plan, and to view the full results of the housing study, visit eminnetonka.com/2040guideplan. Subscribe to receive email and/or text updates about the process and stay tuned for public meeting dates and opportunities to provide input.