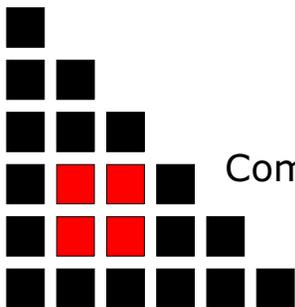


# **Wadena County HOUSING STUDY**

## **Wadena County Summary**

December 2020

A Countywide summary of the housing needs in the Cities of  
Menahga, Sebeka, Staples, Wadena and Verndale



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## **Introduction**

Community Partners Research, Inc., was hired by Wadena County, in partnership with The Economic Alliance, to complete an analysis of housing market conditions in the Cities of Menahga, Sebeka, Staples, Verndale and Wadena. This document provides a Countywide summary of some of the key findings and recommendations contained in the individual documents completed for each community.

## **Methodology**

A variety of resources were utilized to obtain information for the Housing Study. Community Partners Research, Inc., collected and analyzed data from July to November 2020. Data sources included:

- U.S. Census Bureau
- Minnesota State Demographer
- Esri, Inc., a private data reporting service
- Records and data from each City
- Records and data maintained by Wadena County
- Data from the MN Dept. of Employment and Economic Development
- Data provided by the Multiple Listing Service
- Interviews with elected officials and staff from the cities
- Interviews with community leaders
- Interviews with people familiar with the area's housing conditions
- Area housing agencies
- Rental property owner surveys

## **Limitations**

This document represents an analysis performed with the data available at the time of the research. Any findings are based upon current programs and the best available information on future trends and projections. Significant changes in the area's economy, employment growth, Federal or State tax policy or other related factors could change the conclusions contained in this Study.

During the course of the research for this project, a global pandemic was occurring, which has had immediate and widespread impacts, including on economic, housing and educational conditions. The longer-term effects of the pandemic cannot be predicted, and the analysts have proceeded with the best information available at the time of the research.

This study was prepared by:  
**Community Partners Research, Inc.**  
**(651) 777-1813**

## **Demographic and Housing Highlights**

**Overview:** The Housing Study provides extensive demographic analysis for each of the participating communities using the best available recent estimates. Within the next year the results of the 2020 U.S. Census will be released, and will set a new benchmark for each community's demographic profile.

Information of the existing housing stock in each community is also provided. Highlights of the demographic and housing summary are presented below.

### **Probable Household Growth over the Past Decade**

- ▶ **Menahga** - Average growth of 3 to 4 households per year
- ▶ **Sebeka** - Probable minor loss of households over the decade
- ▶ **Staples** (entire City) - Average growth of 8+ households per year
- ▶ **Verndale** - Probable minor loss of households over the decade
- ▶ **Wadena** - Average growth of 10 households per year
- ▶ **Wadena County** - Average growth of 10 to 14 households per year as increases in some jurisdictions were partially negated by losses in others

Although households have been added in some of the jurisdictions, there has generally been a pattern of decreasing population, due to fewer children and more one and two person households, often from an aging population.

### **Probable Growth in the Housing Stock**

- ▶ **Menahga** - Annual average growth of approximately 3 housing units
- ▶ **Sebeka** - Very limited change in the number of housing units
- ▶ **Staples** - Annual average growth of 11 to 12 housing units
- ▶ **Verndale** - Very limited change in the number of housing units
- ▶ **Wadena\*** - Annual average growth of 11 to 12 housing units

The estimated growth in the housing supply is generally well-matched to the estimated increase in households for most of the communities. Estimating sources such as the MN State Demographer do incorporate housing starts into their estimating methodology.

\*Wadena represents an estimate after subtracting losses caused by the 2010 tornado. In the other communities, no specific estimate exists of housing units that may have been lost or removed from the usable inventory in recent years.

### **Projected Household Growth over the Next Five Years**

Based on the information reviewed, the following projections represent a reasonable expectation of growth potential between 2020 and 2025.

- ▶ **Menahga** - Average growth of approximately 5 households per year
- ▶ **Sebeka** - Potential growth of 1 to 2 households per year
- ▶ **Staples** - Average growth of 10 to 13 households per year
- ▶ **Verndale** - Potential growth of 1 to 2 households per year
- ▶ **Wadena** - Average growth of 10 to 13 households per year
- ▶ **Wadena County** - Annual average growth of 15 to 20 households per year as growth in some jurisdictions will be negated by losses in others

It is important to note that this household growth potential is often greater than the recent past, especially in Sebeka and Verndale, which may have been losing households. For household growth to actually occur, it will generally require a commensurate increase in the housing supply. Only limited vacant or underused housing capacity tends to exist in most of the communities.

### **Projected Percentage of Senior-headed Households by 2025**

While various characteristics could be examined for each community, one issue that will impact housing is the aging of the County's population going forward. The following projections indicate the expected distribution of households with a householder age 65 or older in the year 2025.

- ▶ **Menahga** - Approximately 48% of all households age 65+
- ▶ **Sebeka** - Approximately 34% of all households age 65+
- ▶ **Staples** - Approximately 34% of all households age 65+
- ▶ **Verndale** - Approximately 32% of all households age 65+
- ▶ **Wadena** - Approximately 40% of all households age 65+
- ▶ **Wadena County** - Approximately 39% of all households age 65+

For comparison, it is probable that the Statewide average for senior-headed households in 2019 was just above 21% of all households.

**Estimated Median Household Income: 2018**

The Census Bureau’s American Community Survey provides a source for income estimates. While this information is dated, effective for 2018 income, it does provide a standardized source of data for comparison between communities. It should be noted that a margin of error exists within individual estimates, and this can be larger in small communities where limited sampling is completed.

- ▶ **Menahga** - \$37,578
- ▶ **Sebeka** - \$46,875
- ▶ **Staples** - \$40,722 Citywide / \$43,808 Wadena County portion
- ▶ **Verndale** - \$37,232
- ▶ **Wadena** - \$41,678
- ▶ **Wadena County** - \$48,886

At \$40,000, a household could apply approximately \$1,000/month to housing using a standard of 30% of income.

**Renter Estimated Median Household Income: 2018**

In each of the participating Cities, renter households had a lower median income level than home owners, resulting in greater issues with securing affordable housing.

- ▶ **Menahga** - \$19,318
- ▶ **Sebeka** - \$42,788
- ▶ **Staples** - \$25,741 Citywide
- ▶ **Verndale** - \$21,458
- ▶ **Wadena** - \$37,500
- ▶ **Wadena County** - \$33,403

At \$30,000, a household could apply approximately \$750/month to housing using a standard of 30% of income.

It is important to note that the estimates are based on limited sampling and in smaller communities they may be flawed. It is likely that the median in Sebeka was lower than estimated, and that the medians in Menahga and Verndale may have been higher than listed.

**Percentage of Renter Households with a Cost Burden: 2018**

Federal standards for affordable housing are generally based on keeping monthly housing costs below 30% of household income. When 30% or more is required, this is often defined as a housing cost burden. The 2018 American Community Survey contained an estimate of the percentage of renter households in each jurisdiction with a cost burden.

- ▶ **Menahga** - Approximately 55% paying 30% or more for rent
- ▶ **Sebeka** - Approximately 29% paying 30% or more for rent
- ▶ **Staples** - Approximately 34% paying 30% or more for rent
- ▶ **Verndale** - Approximately 36% paying 30% or more for rent
- ▶ **Wadena** - Approximately 34% paying 30% or more for rent
- ▶ **Wadena County** - Approximately 36% paying 30% or more for rent

Most renters with a housing cost burden had a relatively low annual income, which resulted in a limited amount that could be applied to rental housing costs. Approximately 96% of all households reporting a cost burden Countywide had an annual income that was less than \$35,000 in 2018. An affordable unit for these households would be less than \$875 per month in gross rent.

**Estimated Percent of Income-Restricted Rental Housing Resources**

All of the participating communities have some form of income-restricted housing available for lower income households. This may include federally subsidized rentals, moderate rent tax credit projects, or tenant-based rent assistance Vouchers. These resources have been compared to the estimate of renter households in each community.

- ▶ **Menahga** - Approximately 30% of local rental options
- ▶ **Sebeka** - Approximately 35% of local rental options
- ▶ **Staples** - Approximately 29% of local rental options
- ▶ **Verndale** - Approximately 19% of local rental options
- ▶ **Wadena** - Approximately 26% of local rental options

Households with an annual income below \$35,000 would generally be income-eligible for existing affordable housing resources, including subsidized units, Vouchers and tax credit projects. These housing options do address some of the need affordable rentals within the County.

### **Estimated Median Home Value**

Different home value estimates exist, including sales activity as tracked by the County Assessor. While sales may not always be an accurate indicator of all home values in a community, they do offer an estimate. Based on recent sales and American Community Survey value data, the following estimates are indicated.

- ▶ **Menahga** - \$105,000 to \$120,000 estimated median
- ▶ **Sebeka** - \$70,000 or less estimated median
- ▶ **Staples** - \$145,000+ in Wadena County portion/much lower in Todd
- ▶ **Verndale** - \$90,000 or less estimated median
- ▶ **Wadena** - \$100,000+ estimated median

Although existing home values are relatively moderate, there is evidence of rising prices in most of the communities, based on the most recent sales.

### **Percentage of Income Required for Home Ownership: 2018**

The American Community Survey provides an estimate of the median percentage of household income required to own a home in each community, based on estimated income and home values. This information is for 2018.

- ▶ **Menahga** - 18.6% median percentage of income for ownership
- ▶ **Sebeka** - 14.6% median percentage of income for ownership
- ▶ **Staples** - 17.0% median percentage of income for ownership Citywide
- ▶ **Verndale** - 18.2% median percentage of income for ownership
- ▶ **Wadena** - 17.3% median percentage of income for ownership
- ▶ **Wadena County** - 17.7% median percentage of income for ownership

In general, home ownership requires a relatively small percentage of household income in the participating communities. However, this is partly a reflection of moderate home values for existing houses. The costs associated with newly constructed houses would be substantially higher than existing homes.

### **Estimated Housing Occupancy Tenure**

The 2010 Census represents the last reliable benchmark for housing tenure patterns, but updating the Census totals with new housing construction activity since 2010 can provide a reasonable estimate in 2020.

- ▶ **Menahga** - Estimated 66% owner/34% renter
- ▶ **Sebeka** - Estimated 71% owner/29% renter
- ▶ **Staples** - Estimated 60% owner/40% renter Citywide
- ▶ **Verndale** - Estimated 71% owner/29% renter
- ▶ **Wadena** - Estimated 59% owner/41% renter

Although most households own their housing in each of the participating communities, renter households probably represent 29% or more in all of the Cities. The estimated rental tenure rate in both Wadena and Staples may be above 40% in 2020. The actual tenure distribution will be included in the 2020 Census.

### **Estimated Median Year of Construction for Owner/Renter Housing**

The American Community Survey issued an estimate of the median year of construction for owner and renter housing in 2018. New units constructed since 2018 would move the estimated medians forward in the Cities that have added units.

- ▶ **Menahga** - Estimated year 1975 owner / 1982 renter
- ▶ **Sebeka** - Estimated year 1950 owner / 1977 renter
- ▶ **Staples** - Estimated year 1980 owner / 1991 renter Wadena portion
- ▶ **Verndale** - Estimated year 1958 owner / 1969 renter
- ▶ **Wadena** - Estimated year 1962 owner / 1969 renter
- ▶ **Wadena County** - Estimated year 1973 owner / 1973 renter

All of the communities have an older housing stock, especially for owner-occupancy units. In all of the participating Cities, the median year of construction is before 1980.

Rental housing tends to be slightly newer, as larger rental projects were often constructed in the 1970s to 1990s.

Countywide, the median year of construction for all housing was 1973.

## **Overview of Findings and Recommendations**

### **Home Ownership**

***New Single Family Construction*** - All of the Cities should promote new housing construction, but general market conditions have not been strong. Since 2010, no City in Wadena County has been able to maintain an annual average of more than two or three single family housing starts per year (excluding tornado recovery in Wadena). However, both Menahga and Wadena did see some recent increase in new home construction in the past year or two.

***Residential Lot/Subdivisions*** - With limited lot absorption for single family construction, some of the communities including Wadena, Sebeka and Menahga have a supply of vacant lots, generally available at lower prices. Staples and Verndale have a small vacant lot inventory, but with limited demand it will be difficult to see for-profit developers proceed with new subdivisions.

***New Construction Incentives*** - To help achieve a higher level of new home construction, and to utilize excess lots that may exist in some communities, Cities may consider some forms of financial incentives for new construction. While costly, incentives could help achieve multiple community goals. Wadena used incentive programs after the 2010 tornado and Staples is currently considering incentives. In addition to new construction incentives, direct programs to home buyers such as down payment assistance and home buyer education could be promoted.

***Affordable Housing Partnerships*** - While for-profit developers may construct some new homes, there may also be opportunities to work with nonprofit groups to see more affordable development. The Midwest Minnesota Community Development Corporation (MMCDC) recently acquired a supply of lots in Wadena for affordable new home construction. If successful, this model could potentially be replicated in other communities. Some Cities have also worked with Habitat for Humanity on very affordable home ownership options.

***Promote Existing Homes for Affordable Ownership*** - While existing home values differ by City, in all cases the estimated value of an existing house is probably less than half the cost for new single family home construction. Promoting older, lower valued houses for home ownership can help to preserve these units and can reduce conversion to rental housing that otherwise may occur if units are not attractive to potential home buyers. In some cases, it may be appropriate to design programs that provide for the purchase and rehabilitation of older homes to keep them in the ownership housing stock.

## **Rental Housing**

**Market Rate Rental Construction** - This Study includes new rental housing construction recommendations for all of the Cities participating in this project. Wadena, Staples and Menahga have each achieved recent success with new rental development, and additional production should be encouraged over the next five years. While less demand will be present in Sebeka and Verndale, there have been no new general purpose rental units constructed in these communities for many years, and both communities would benefit from high quality rental options. Rental development should be cognizant of the County's growing population of senior and near-senior residents. Any newly built units should use design features and amenities that would appeal to older renters.

**Affordable Rental Construction/Preservation** - While new market rate rentals should be promoted, most existing renter households in Wadena County have relatively low income levels, and cannot afford the rents typically associated with new construction. Any affordable rental housing that can be accomplished would be encouraged. It will also be important to monitor and preserve the supply of existing affordable housing resources, including some federally subsidized housing that exists within each of the five participating cities. A recent award of financial resources was made for an affordable new construction project in Staples, and this project should be monitored for possible replication. The smaller communities may not be able to successfully compete for State or federal subsidies and locally generated assistance may be needed to support more affordable housing.

**Specialized Senior Housing** - There are specialized forms of senior housing offering some level of services in Menahga, Sebeka, Staples and Wadena. These may include housing with light services, assisted living, memory care housing and skilled nursing home options. A specific section later in this County Summary identifies all of the providers by housing type and capacity. In general, some modest expansion of these types of housing may be needed as the County's population of older senior citizens continues to grow over the next five years. In particular, expansions of lighter services housing and memory care may be needed, as these are sometimes not available in specific Cities as they attempt to address the life-cycle housing needs of residents.

## **Rehabilitation and Other Issues**

***Rental Housing Rehabilitation*** - Much of the affordable rental housing in each City exists in older structures, including single family houses that have been converted to rental use. Ongoing maintenance and repairs may be needed, but a lower rent structure often makes reinvestment difficult for property owners. Continued promotion of rental rehabilitation resources is encouraged, including rental rehab activities in Small Cities Development Program (SCDP) applications.

***Owner-Occupancy Rehabilitation*** - As documented previously, many of the single family houses in each community are older structures. The median year of construction is before 1980 in each of the participating Cities. Older houses represent the most affordable ownership option and will often serve first-time buyers. Many of the communities have accessed federal and State resources for housing rehabilitation, including SCDP grants or USDA Rural Development programs. Other communities have not promoted targeted programs in recent years. As part of this Study, a housing condition survey was completed in older neighborhoods in most of the Cities which could assist in attempts to secure rehab resources.

***Demolition and Clearance*** - The housing condition survey identified some dilapidated houses in each of the communities. When possible, older structures should be repaired, but in some cases, houses may be too dilapidated to economically rehab. Ongoing demolition of severely substandard structures is encouraged to enhance community appeal.

***Mobile Home Issues*** - Each of the Cities have some mobile homes. In many cases, these are older structures. It is often difficult to rehabilitate older mobile homes due to their low value, and in some cases, unit replacement may be needed. Those communities with a larger volume of mobile homes may want to consider specific programs targeted at mobile homes and/or parks.

***Downtown Redevelopment*** - Active, well-maintained downtown areas add to the attractiveness of a community as a residential location. Underutilized space in mixed-use buildings may also offer opportunities for the creation or preservation of affordable housing. Ongoing promotion of downtown improvement is encouraged, including affordable housing in these areas. Some of the Cities, including Wadena and Menahga, have secured SCDP grants that include downtown revitalization activities.

***Planning and Promotion*** - Implementing the ideas advanced in this Housing Study will require prioritization and staffing, along with efforts to promote the attractiveness of each community as an attractive residential location.

## Summary of Individual City Recommendations

The specific sections created for each City contain the findings and recommendations identified by the research process. The following pages provide a summary of the specific recommendations.

### Menahga

<b>Findings and Recommendations for Menahga</b>	
<b>Home Ownership Recommendations</b>	
1.	Projected Demand for Three to Five Owner-occupancy Units Annually
2.	Promote the Lot Options in the City/Monitor Lot Availability
3.	Additional Strategies to Encourage Lot Sales and New Home Construction
4.	Consider the Creation of Housing Construction Incentives
5.	Explore Options for Affordable New Construction Partnerships
6.	Promote the Affordable Existing Housing Stock in the City
7.	Utilize and Promote all Programs that Assist with Home Ownership
8.	Consider the Development of a Purchase/Rehabilitation Program
<b>Rental Housing Recommendations</b>	
9.	Promote the Production of 12 to 16 Units of Market Rate Rental Housing
10.	Monitor the Supply and Demand for Income-Restricted Rental Housing
11.	Monitor Demand for Specialized Senior Housing/Promote the Development of Memory Care Housing
<b>Housing Rehabilitation and Preservation</b>	
12.	Promote Rental Housing Rehabilitation Programs
13.	Continue to Promote Owner-occupied Housing Rehabilitation
14.	Demolish Dilapidated Structures
15.	Consider Programs to Improve the Condition and Quality of Mobile Homes
16.	Strategies for Downtown Housing and Redevelopment
<b>Other Initiatives</b>	
17.	Create a Housing Plan and Coordination Among Housing Agencies
18.	Develop Community Marketing Programs and Strategies

## Sebeka

<b>Findings and Recommendations for Sebeka</b>	
<b>Home Ownership Recommendations</b>	
1.	Projected Demand for One Owner-occupancy Unit Annually
2.	Promote the Affordable Lot Options in the City
3.	Additional Strategies to Encourage Lot Sales and New Home Construction
4.	Consider the Creation of Housing Construction Incentives
5.	Explore Options for Affordable New Construction Partnerships
6.	Promote the Affordable Existing Housing Stock in the City
7.	Utilize and Promote all Programs that Assist with Home Ownership
8.	Consider the Development of a Purchase/Rehabilitation Program
<b>Rental Housing Recommendations</b>	
9.	Promote the Production of 10 to 12 Units of Market Rate Rental Housing
10.	Monitor the Supply and Demand for Income-Restricted Rental Housing
11.	Monitor Demand for Specialized Senior Housing
<b>Housing Rehabilitation and Preservation</b>	
12.	Promote Rental Housing Rehabilitation Programs
13.	Continue to Promote Owner-occupied Housing Rehabilitation
14.	Demolish Dilapidated Structures
15.	Consider Programs to Improve the Condition and Quality of Mobile Homes
<b>Other Initiatives</b>	
16.	Create a Housing Plan and Coordination Among Housing Agencies
17.	Develop Community Marketing Programs and Strategies

## Staples

<b>Home Ownership Recommendations for Staples</b>	
1.	Projected Demand for Five to Seven Owner-occupancy Units Annually
2.	Promote Attached Single Family Housing Construction
3.	Promote the Lot Options in the City/Monitor Lot Supply
4.	Consider the Creation of Housing Construction Incentives
5.	Promote Affordable New Construction Partnerships
6.	Additional Strategies to Encourage Lot Sales and New Home Construction
7.	Promote the Affordable Existing Housing Stock in the City
8.	Utilize and Promote all Programs that Assist with Home Ownership
9.	Consider the Development of a Purchase/ Rehabilitation Program
<b>Rental Housing Recommendations</b>	
10.	Promote the Production of 24 to 30 Units of Market Rate Rental Housing
11.	Promote the Development/Conversion of at Least 16 to 20 Affordable Market Rate Rental Housing Units
12.	Monitor the Supply and Demand for Income-Restricted Rental Housing
13.	Monitor Demand for Specialized Senior Housing/Promote the Development of Housing with Services
<b>Housing Rehabilitation and Preservation</b>	
14.	Continue to Offer Rental Housing Rehabilitation Programs
15.	Continue to Offer Owner-occupied Housing Rehabilitation
16.	Continue to Demolish Dilapidated Structures
17.	Consider Programs to Improve the Condition and Quality of Mobile Homes
18.	Strategies for Downtown Housing and Redevelopment
<b>Other Initiatives</b>	
19.	Create a Housing Plan and Coordination Among Housing Agencies
20.	Develop Community Marketing Programs and Strategies

## Verndale

<b>Findings and Recommendations</b>	
<b>Home Ownership Recommendations</b>	
1.	Projected Demand for One Owner-occupancy Unit Annually
2.	Look for Small-Scale Land Development Options in the City
3.	Consider the Creation of Housing Construction Incentives
4.	Explore Options for Affordable New Construction Partnerships
5.	Promote the Affordable Existing Housing Stock in the City
6.	Utilize and Promote all Programs that Assist with Home Ownership
7.	Consider the Development of a Purchase/Rehabilitation Program
<b>Rental Housing Recommendations</b>	
8.	Promote the Production of 10 to 12 Units of Market Rate Rental Housing
9.	Monitor the Supply and Demand for Income-Restricted Rental Housing
<b>Housing Rehabilitation and Preservation</b>	
10.	Promote Rental Housing Rehabilitation Programs
11.	Continue to Promote Owner-occupied Housing Rehabilitation
12.	Demolish Dilapidated Structures
13.	Consider Programs to Improve the Condition and Quality of Mobile Homes
<b>Other Initiatives</b>	
14.	Create a Housing Plan and Coordination Among Housing Agencies
15.	Develop Community Marketing Programs and Strategies

## Wadena

<b>Findings and Recommendations for Wadena</b>	
<b>Home Ownership Recommendations</b>	
1.	Projected Demand for Five to Seven Owner-occupancy Units Annually
2.	Promote Attached Single Family Housing Construction
3.	Promote the Lot Options in the City/Monitor Lot Supply
4.	Consider the Creation of Housing Construction Incentives
5.	Promote Affordable New Construction Partnerships
6.	Additional Strategies to Encourage Lot Sales and New Home Construction
7.	Promote the Affordable Existing Housing Stock in the City
8.	Utilize and Promote all Programs that Assist with Home Ownership
9.	Consider the Development of a Purchase/ Rehabilitation Program
<b>Rental Housing Recommendations</b>	
10.	Promote the Production of 24 to 30 Units of Market Rate Rental Housing
11.	Monitor the Supply and Demand for Income-Restricted Rental Housing
12.	Monitor Demand for Specialized Senior Housing/Promote the Development of Housing with Services
<b>Housing Rehabilitation and Preservation</b>	
13.	Continue to Offer Rental Housing Rehabilitation Programs
14.	Continue to Offer Owner-occupied Housing Rehabilitation
15.	Continue to Demolish Dilapidated Structures
16.	Consider Programs to Improve the Condition and Quality of Mobile Homes
17.	Strategies for Downtown Housing and Redevelopment
<b>Other Initiatives</b>	
18.	Create a Housing Plan and Coordination Among Housing Agencies
19.	Develop Community Marketing Programs and Strategies

## **Employment and Economy**

While many factors influence the need for housing, employment opportunities represent a predominant demand-generator. Without jobs and corresponding wages, the means to afford housing is limited. Employment opportunities are provided by a broad range of private and public business sectors. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

### **Major Employers**

The largest employers in **Wadena** include:

- ▶ Tri-County Hospital
- ▶ Wal-Mart
- ▶ County of Wadena
- ▶ Independent School District 2155
- ▶ Mason Brothers Company
- ▶ Russ Davis Wholesale
- ▶ Homecrest Outdoor Living
- ▶ Polman Trucking Company
- ▶ Fair Oaks Lodge
- ▶ MN State Community & Technical College

Source: Comprehensive Annual Financial Report 2019

The largest employers in **Menahga** include:

- ▶ Green Pine Acres Nursing Home
- ▶ Menahga Public Schools
- ▶ Lakes Area Cooperative
- ▶ Salo Manufacturing
- ▶ Community First Bank
- ▶ Menahga Concrete Products

Source: LakesnWoods.com

The largest employers in **Sebeka** include:

- ▶ Sebeka Public Schools
- ▶ Caring Hands Inc.
- ▶ Sebeka DAC
- ▶ Anderson Homes
- ▶ City of Sebeka
- ▶ Hub 71 Restaurant
- ▶ Community First Bank
- ▶ West Central Telephone Association

Source: LakesnWoods.com

Some of the largest employers based in **Staples** are the following:

- ▶ Lakewood Health System
- ▶ Central Lakes College
- ▶ Staples-Motley Public Schools
- ▶ Sourcewell
- ▶ Stern Rubber
- ▶ 3M
- ▶ First International Bank and Trust

Source: Staples Comprehensive Plan 2018

The largest employers in **Verndale** include:

- ▶ Verndale Public Schools
- ▶ Verndale Custom Homes

Source: LakesnWoods.com

## Labor Force, Work Force and Unemployment

The Minnesota Department of Employment and Economic Development provides employment and labor force information for Wadena County. The following table looks at statistics since 2010.

<b>Table 22 County Labor Force and Employment: 2010 to 2020*</b>						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - MN	Unemployment Rate - US
2010	6,483	5,822	661	10.2%	7.4%	9.6%
2011	6,319	5,750	569	9.0%	6.5%	8.9%
2012	6,229	5,743	486	7.8%	5.6%	8.1%
2013	6,166	5,735	431	7.0%	5.0%	7.4%
2014	6,142	5,760	382	6.2%	4.2%	6.2%
2015	6,327	5,954	373	5.9%	3.7%	5.3%
2016	6,266	5,895	371	5.9%	3.9%	4.9%
2017	5,831	5,510	321	5.5%	3.4%	4.4%
2018	5,917	5,611	306	5.2%	2.9%	3.9%
2019	6,049	5,675	374	6.2%	3.2%	3.7%
2020*	6,073	5,626	447	7.4%	6.1%	8.4%

Source: MN Department of Employment and Economic Development

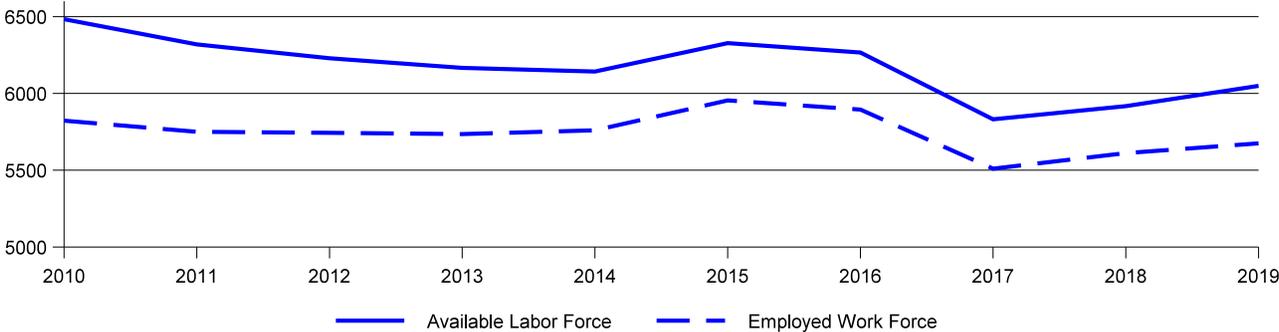
\* 2020 is through October

The Local Area Unemployment Statistics (LAUS) tracks employment by place of residence. It shows how many County residents are actively in the labor force, and their employment status, regardless of where they actually work.

When viewed back to the year 2010, there has been some up and down movement in the size of the County’s available labor force. If 2019 is compared to 2010, the total resident labor force decreased by 434 people, or -6.7%. However, the low point for the decade was actually reached in 2017, and the size of the resident labor force increased since that time.

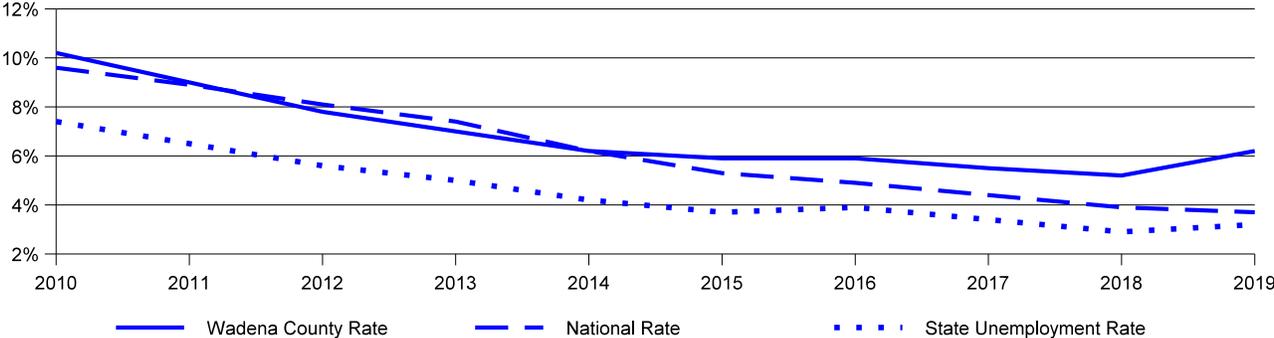
Generally similar patterns were present in the employed work force. From 2010 to 2019, the number of employed County residents decreased by 147 people, or -2.5%. During this time, the County’s unemployment rate has dropped from 10.2% in 2010 to 6.2% in 2019.

Wadena County Area Labor Force and Employed Work Force: 2010 to 2019



The County’s unemployment rate has shown some fluctuation, but had generally been on a downward trend through 2019. The County’s lowest unemployment rate was reached in the year 2018 at 5.2%. The highest rate was reached in 2010 at 10.2%.

Annual Unemployment Rate: 2010 to 2019



Since 2015, Wadena County’s unemployment rate has remained higher than the national rate, and has been above the Statewide rate for the entire time period reviewed.

The impact of the global pandemic is evident in the partial-year statistics for 2020. The County’s unemployment rate has increased, consistent with the State and national rates.

## Employment and Wages by Industry

The following table shows the annual employment and average wages for 2019, the last full year of data. The table provides information for Wadena County. The previous table, which provided information on the County’s labor force, represents the location of the worker by their home residence. The following table represents the location of the job.

<b>Table 24 Wadena County Average Annual Wages by Industry - 2019</b>		
Industry	Employment	Average Weekly Wage
Total All Industry	5,507	\$758
Natural Resources and Mining	42	\$614
Construction	287	\$1,000
Manufacturing	516	\$832
Trade, Transportation, Utilities	1,268	\$726
Information	68	\$905
Financial Activities	147	\$948
Professional and Business Services	96	\$917
Education and Health Services	2,167	\$810
Leisure and Hospitality	388	\$258
Other Services	159	\$424
Public Administration	367	\$827

Source: MN Department of Employment and Economic Development

For all industry, the average weekly wage was \$758 in 2019. At full-time employment for 52 weeks this would equate to an annual wage of \$39,416.

The two dominant industry sectors for total employment were Education and Health Services, and Trade/Transportation/Utilities. More than 62% of all reported jobs in Wadena County were in one of these industry sectors. The average weekly wages in these sectors were \$810 and \$726, respectively.

As the largest jurisdiction in Wadena County, the City of Wadena represents most of the jobs countywide. In 2019, more than 59% of all reported jobs in the County were in the City of Wadena. Much of the employment in Staples would be located in the Todd County portion of the City.

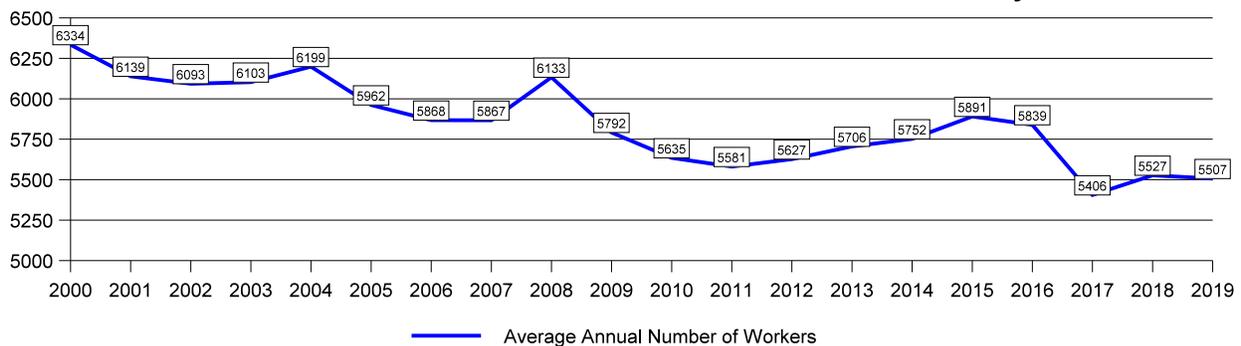
## Wadena County Annual Covered Employment

Since the Quarterly Census of Covered Workers (QCEW) tracks employees covered by unemployment insurance by location of the job, it is possible to examine longer-term patterns in employment. The following table displays the total number of workers reported in Wadena County back to the year 2000.

<b>Table 25 Wadena County Average Annual Employment</b>			
Year	Total Covered Employment	Year	Total Covered Employment
2000	6,334	2010	5,635
2001	6,139	2011	5,581
2002	6,093	2012	5,627
2003	6,103	2013	5,706
2004	6,199	2014	5,752
2005	5,962	2015	5,891
2006	5,868	2016	5,839
2007	5,867	2017	5,406
2008	6,133	2018	5,527
2009	5,792	2019	5,507

Source: QCEW - MN Department of Employment and Economic Development

**Number of Covered Workers in Wadena County**



When viewed over a longer time period, back to the year 2000, there has been a pattern of covered job decreases in Wadena County. Most of the recent change occurred between 2016 and 2017, but the number of jobs has remained largely stable since that time.

## Commuting Patterns of Area Workers

Information on commuting patterns is from the 2018 American Community Survey and has been examined for the County. The first table looks at travel time for County residents, excluding people that work at home.

<b>Table 26 Commuting Times for Wadena County Residents - 2018</b>		
Travel Time	Number	Percent
Less than 10 minute	1,434	26.0%
10 to 19 minutes	1,850	33.5%
20 to 29 minutes	837	15.2%
30 minutes +	1,402	25.4%
Total	5,523	100%

Source: American Community Survey

A majority of Wadena County’s residents were working fairly locally in 2018, with a travel time of 19 minutes or less for their primary job. Overall, nearly 60% had a commute time less than 20 minutes. However, more than 25% were traveling 30 minutes or more for their job.

Travel times are also listed by location of employment. For people that worked in Wadena County, the following travel times were identified.

<b>Table 27 Commuting Times for Wadena County Employees - 2018</b>		
Travel Time	Number	Percent
Less than 10 minutes	1,491	23.5%
10 to 19 minutes	2,124	33.5%
20 to 29 minutes	1,156	18.2%
30 minutes+	1,565	24.7%
Total	6,336	100%

Source: American Community Survey

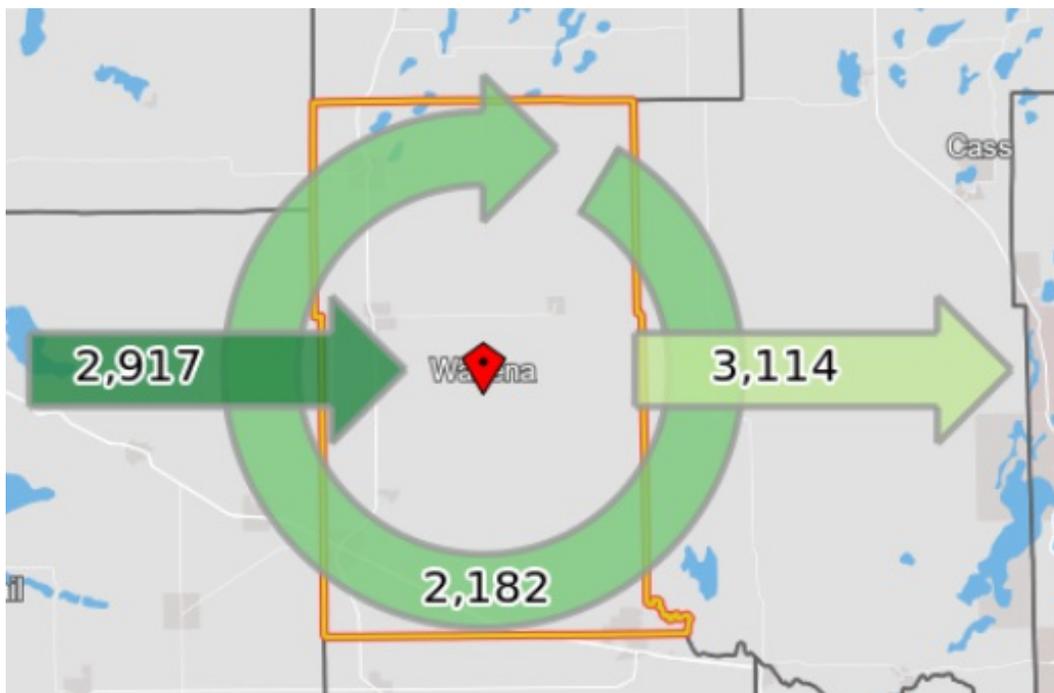
Most people that work in Wadena County were traveling less than 20 minutes in 2018. Overall, approximately 57% of the jobs were filled by people traveling 19 minutes or less. However, nearly 25% of workers in the City were traveling greater distances to their primary job, commuting 30 minutes or more.

## Census On the Map

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on data for the year 2017, and provides a further breakdown of worker movement patterns.

According to the report for Wadena County, there were 5,099 people that were employed within the County in 2017. Approximately 43% of these County-based employees also lived within Wadena County, but more than 2,900 employees were commuting in to work. The primary identified jurisdictions supplying workers to the County were the Todd County portion of Staples and Perham.

Many Wadena County residents left their home communities to work elsewhere. In 2017, approximately 59% of the County's employed residents worked outside the county borders. The primary locations listed for outbound commuters were New York Mills, the Todd County portion of Staples, Park Rapids, Perham and Brainerd.



## **Wadena County Senior Housing with Services Summary**

Senior housing with services is a broad classification that encompasses a wide range of housing options, from nearly independent housing to advanced assisted living and memory care. The following definitions of units by type have been made by Community Partners Research based on our understanding of the care assistance being offered at each facility. These definitions may not always match with the technicalities of licensing through the State of Minnesota.

### **Units by Type**

The Minnesota Department of Health identifies a number of licensed providers of senior housing with services in Wadena County. This list was used to contact housing providers.

The projects in the County have been grouped and analyzed within the following market segments:

- ▶ Senior housing with light services/congregate housing
- ▶ Assisted living
- ▶ Memory care
- ▶ Skilled nursing homes

### **Pandemic Impact**

During the research process, the global pandemic was occurring. While impacting all forms of housing, in Minnesota this event had the largest effect on senior housing providing services for frail residents. Most of the housing providers in County were listed at some point within the past few months on the Minnesota Department of Health website identifying senior facilities with confirmed COVID tests.

The impact of pandemic was evident in the rental survey that was completed. In some cases, tenant movement had been suppressed, and many seniors were attempting to delay any move, if that was a possible option. In facilities with confirmed COVID cases, there may have been a limitation on admitting new residents. In some facilities, rooms were intentionally being held vacant to allow for isolation of existing residents that may test positive.

The telephone survey asked questions both about current occupancy patterns and about pre-pandemic patterns. However, these senior segments may need to be reevaluated once the pandemic is brought under control.

## **Housing with Light Services/Congregate Housing**

Projects that have been identified as providing light services may use different descriptions in their marketing. Some of the facilities may define their housing as independent living, or congregate senior housing. Community Partners Research has classified these units as housing with light services.

As used in this Study, senior housing with light services defines a housing project where certain types of supportive services are readily available to residents, such as a daily meal(s), access to an emergency call system and on-site staffing. Other light services may also be available or provided, such as weekly laundry service or assistance with house keeping. In completely independent rental housing, these types of services would not be available. Housing projects with some services allow seniors to acquire help as needed, allowing them to “age in place”.

All of the housing projects listed in this section are classified as “Housing with Services” by the MN Department of Health.

### **Unit Inventory**

There are currently two housing projects in Wadena County that serve the lighter services segment of the senior market. Both of these projects are part of larger complexes that can offer more intensive services, and they have the ability to deliver a higher level of care as needed by the resident.

The projects that are viewed by the analysts as addressing this housing with light services segment are:

- ▶ Woodside Manor - Menahga
- ▶ Lakewood Pines Senior Housing - Staples

**Woodside Manor** in Menahga, with 37 apartment units, is a “flexible” care facility, offering independent living to higher levels of care, including assisted living. Residents are not required to purchase any services, but may elect lighter services such as meals, laundry and light housekeeping. While services are optional, all residents do have access to an emergency call system and 24-hour staffing from the adjoining nursing home. At the time of the rental survey, approximately half of the units in Woodside Manor were occupied by tenants acquiring only limited services.

**Lakewood Pines** is located in the Wadena County portion of Staples. It has a total of 41 apartments that can offer “flexible” care from largely independent to assisted living. Two of the 41 units are reserved for respite care. At the time of the rental survey, approximately 50% of the units in Lakewood Pines were occupied by tenants acquiring only limited services.

Combined, these two providers have approximately 35 to 40 rental units that are available to seniors wishing to acquire some level of lighter services with their housing. Since these are “flexible” units that could also serve the assisted living segment, the actual inventory can shift from month to month.

There had previously been another provider of housing with services. Fair Oaks Apartments in Wadena, with 32 units, is physically attached to the skilled nursing home in the City. When originally constructed in the 1990s, it had been intended to provide assisted living. It later changed its focus to lighter services housing. But in 2020 this building was opened up for general occupancy, and is no longer oriented to the senior market due to persistent vacancy issues. There are still some senior residents in this project acquiring services privately, but this may change over time.

### **Occupancy/Vacancy**

Occupancy rates in this segment of the senior market appear to be high. Woodside Manor reported full occupancy and a waiting list is maintained, but it is not as long as in the past. This may be due in part to the global pandemic and a reluctance by many seniors to move into multifamily housing. Lakewood Pines also reported full occupancy and a waiting list.

### **Rental Rates**

Comparison of rental rates in senior housing with services projects can be difficult, as these can vary significantly depending on what services are actually included in the basic package. Both of the lighter services projects in Wadena County can decouple the basic unit rent from the service package. As a result, the lowest entry point in Menahga is below \$1,000, and less than \$1,100 in Staples. However, this price would then increase as light services or meals are added.

### **Pending Projects**

The research for this Study did not identify any proposed senior projects in Wadena County.

## **Assisted Living**

Assisted living providers are able to offer a higher level of care and services for their senior residents. Assisted living will have 24-hour on-site staffing, and the availability of skilled nursing care. All meals are provided, as well as the ability to assist with medications. Some facilities offer bundled service packages while others may offer the services for purchase 'a la carte'.

Each of the providers analyzed in this section is classified as "Assisted Living Services" on the MN Department of Health website.

### **Unit Inventory**

There are various forms of assisted living being offered in Wadena County. Some of the assisted living providers are part of larger senior complexes, which can offer a range of care. Other providers are stand-alone facilities.

The identified providers are as follows:

- ▶ The Meadows of Wadena
- ▶ Comfort Care Cottages - Wadena
- ▶ Lakewood Pines Senior Housing - Wadena County portion of Staples
- ▶ Providence Villa - Sebeka
- ▶ Serenity Living Solutions - Sebeka
- ▶ Rose Haven - Menahga
- ▶ Woodside Manor - Menahga

***The Meadows of Wadena*** offers both assisted living and memory care housing. There are 37 suites/apartments that are available for assisted living. A separate wing with 10 rooms provides memory care.

***Comfort Care Cottages*** in Wadena offers assisted living in 20 private sleeping rooms/apartments. One room can be used for shared occupancy with total capacity for 21 people.

***Lakewood Pines*** is located in the Wadena County portion of Staples. It has a total of 41 apartments that can offer "flexible" care from largely independent to assisted living. Two of the 41 units are reserved for respite care. At the time of the rental survey, approximately 50% of the units in Lakewood Pines were occupied by tenants acquiring assisted living services.

**Providence Villa** in Sebeka has 16 sleeping rooms available for seniors needing assisted living. Providence makes many of their rooms available for shared occupancy for couples, and has a maximum capacity for 28 residents.

**Serenity Living Solutions** in Sebeka has 13 rooms for seniors needing assisted living. One room is offered for shared occupancy, with capacity for 14 residents.

**Rose Haven** in Menahga offers 13 sleeping rooms for seniors needing assisted living. Two rooms are available for couples with total capacity for 15 residents.

**Woodside Manor** in Menahga, with 37 apartment units, is a “flexible” care facility, offering independent living to higher levels of care, including assisted living. At the time of the rental survey, approximately half of the units in Woodside Manor were occupied by tenants acquiring more extensive assisted living services.

Combined, these facilities have 135 to 140 units/rooms available for assisted living care. Actual resident capacity can be greater as some double-occupancy can occur with couples. Some additional units exist within “flexible care” projects including Lakewood Pines and Woodside Manor, but currently offer more independent housing.

### **Occupancy/Vacancy**

Within the assisted living inventory there was some unused capacity present in Wadena. When contacted, both of the assisted living providers had open units/rooms. However, some of this may have been COVID-related.

There was some limited unused capacity in Sebeka. Based on the rental survey, some of the residents in this community come from outside the immediate area, through a referral system, rather than from locally-generated demand.

Assisted living utilization rates in Menahga were reported as high, with good demand. The largest facility in Menahga offers flexible care packages, and many residents were more independent and not utilizing assisted living care.

In addition to the identified assisted living provider in the Wadena County portion of Staples, a companion facility also exists in the Todd County part of the City. Both of these providers reported full occupancy and a waiting list. However, both of these facilities offer flexible care packages, and many residents were more independent and not utilizing assisted living care.

## **Rental Rates**

No specific rate information was obtained, but assisted living requires a high level of staffing and services, and this type of housing has a higher monthly rate.

All of the providers will accept County assistance programs such as Elderly Waiver which allows lower income seniors the ability to acquire necessary services.

## **Pending Projects**

The research for this Study did not identify any proposed senior projects in Wadena County.

## **Memory Care Housing**

Memory care housing represents a very specialized segment of the senior market. People with health issues due to dementia, Alzheimer’s Disease, or other causes may often be housed in assisted living centers, nursing homes, or less service-intensive forms of senior housing in the earlier phases of memory loss. However, as the problems progress, it is often necessary to provide housing in facilities that provide a secure environment and specialized care targeted to residents with memory loss.

### **Unit Inventory**

The records available from the MN Department of Health website list only one housing with services provider in Wadena County with a “Dementia Unit/Dementia Program” classification. However, some of the skilled nursing homes also have specialized wings for memory care needs.

**The Meadows of Wadena** has a designated wing that serves residents with memory care housing needs. There are 10 suites in a dedicated memory care wing of this facility.

**Fair Oaks Lodge** in Wadena has a 20-bed memory care wing as part of the skilled nursing home.

**Lakewood Health System Care Center** in Staples has a 16-bed memory care wing as part of the skilled nursing home.

Combined, these three facilities in Wadena County can serve 46 people with memory loss issues that require a specialized and secure form of housing.

It is also important to note that people with memory loss may also be able to living in other skilled nursing homes, assisted living or senior housing.

### **Occupancy/Vacancy**

The utilization rates in this specialized segment appear to be high, although some vacant rooms/beds were reported.

Both The Meadows of Wadena and Fair Oaks Lodge reported a high rate of occupancy, consistent with pre-pandemic patterns. Lakewood Care Center did have three open beds when surveyed, but this facility did have confirmed COVID cases, which may have limited new admissions.

## **Rental Rates**

No specific rate information was obtained, but memory care requires a high level of staffing and services, and this type of housing has a higher monthly rate.

All of the providers will accept County assistance programs such as Elderly Waiver which allows lower income seniors the ability to acquire necessary services.

## **Pending Projects**

The research for this Study did not identify any proposed senior projects in Wadena County.

## **Skilled Nursing Homes**

Skilled nursing homes have historically represented the most service-intensive form of senior housing. This segment of the market has been in transition in recent decades, as options such as assisted living, have grown in availability and become the preferred choice for many seniors.

Telephone interviews with administrators of nursing homes have generally highlighted the fact that nursing home residents often stay for shorter periods of time than in the past. Many nursing homes have changed their focus over time by designating a larger share of their beds for short-term stays in transitional care units (TCU).

During the pandemic in 2020, the demand for transitional care stays has been greatly reduced, as elective surgeries have often been postponed. Even in homes with dedicated TCU wings it is possible that recent use may have shifted to long-term care (LTC).

### **Unit Inventory**

There are three licensed skilled nursing homes in Wadena County:

- ▶ Fair Oaks Lodge - Wadena
- ▶ Green Pine Acres - Menahga
- ▶ Lakewood Health System Care Center - Staples

**Fair Oaks Lodge** is licensed for 75 beds in 2020. These are targeted to three different segments, including the 20 beds for memory care use, as identified on the previous page. There are 35 beds for traditional long-term care and 20 beds dedicated to shorter-term, transitional care stays. However, during the pandemic, the third floor of this facility has been reserved for COVID use, and only 51 total beds are being offered to traditional uses.

**Green Pine Acres** is licensed for 65 beds in 2020. There are 16 beds in a transitional care wing, and the remaining 49 beds are available for longer-term residents.

**Lakewood Care Center** is licensed for 100 beds in 2020, but 16 of these beds are in a dedicated memory care wing. In the remaining 84 beds, there are no specific set-asides but staff estimated that approximately 50% are typically utilized for long-term care. Using this information, the estimated LTC utilization would be 40 to 45 beds.

Excluding the beds that are dedicated to other uses, it is estimated that as many as 125 to 130 beds are available for long-term care in Wadena County. This is based on pre-pandemic capacity.

Although longer-term records were not available, in most communities there has been some reduction in capacity over the past few decades. As de-licensing has occurred, more rooms are available for private occupancy, compared to shared occupancy in the past. The bed reductions, along with more desirable private occupancy, have helped improve the annual occupancy rates.

### **Occupancy/Vacancy**

There was unused capacity within the beds designated for long-term care in Wadena County. However, some of the open beds can be directly linked to the global COVID pandemic. Fair Oaks Lodge in Wadena has temporarily dedicated one floor for emergency Covid use. Lakewood Health Systems has had positive COVID tests, and the reported occupancy rate at the time of the survey was lower than pre-pandemic levels.

### **Rental Rates**

No information was collected on daily rates. Rates are generally impacted by State policy of reimbursement.

### **Pending Projects**

There has been a long-standing moratorium on the construction of additional nursing home beds. No changes were identified in the supply of beds in Wadena County.

## **Wadena County Senior Demographics and Market Share**

Housing with services projects can attract people of any age, but typically have the greatest utilization by older seniors. To better analyze the market share for the various forms of housing in Wadena County, Community Partners Research has compared the supply of various types of units to demographic data for older seniors, age 75 and above.

### **Senior Population in 2020**

The 2020 estimates from Esri show 3,515 total senior citizens living in Wadena County. This is almost equally split, with 1,788 seniors between the ages of 65 and 74 years old, and 1,727 older seniors, age 75 and above.

When compared to the 2010 Census, the County has added senior citizens. In 2010 there were 2,918 total senior citizens living in the County, with 1,360 age 65 to 74 years old and 1,558 age 75 and older.

Between 2010 and 2020, the older senior age group increased by 169 people, or 10.8%.

### **Senior Households**

For senior-headed households, there were 1,821 households in the County that had a householder age 65 or older at the time of the 2010 Census. Of these households, 838 had a householder between 65 and 74 years old, and 983 had a householder age 75 or older.

By 2020, Esri estimates that there are 2,121 total senior households, with 1,062 age 65 to 74 and 1,059 age 75 and older.

When 2020 is compared to 2010, the County had an increase of 76 older senior households age 75 and above, for an increase of 7.7%.

For younger seniors between 65 and 74 years old, the County had an increase of 224 households, or growth of 26.7%.

## **Projections to 2025**

Esri's age-based projections to the year 2025 expect some further growth. Between 2020 and 2025, the County is expected to add approximately 200 people in the 75 and older age ranges. The County is projected to add 113 total older senior households over the next five years.

In percentage terms, the older senior population is expected to increase by 11.5%, while older senior households should increase by 10.7%.

It is important to note that the senior demographic statistics and projections would include seniors already residing in senior housing, including nursing homes, assisted living and memory care facilities. Adjustments to the senior population and the number of senior-headed households will be made for each of the different housing types reviewed.

## **Skilled Nursing Home Capture Rates**

Since utilization of nursing home beds varies by short-term versus longer-term stays, some assumptions need to be applied to this segment of the market. For the nursing homes in Wadena County, it is estimated approximately 125 to 130 skilled nursing beds are generally available to longer-term residents. These beds exist in Wadena, Staples and Menahga.

When compared to the older senior population of approximately 1,558 people in the County in 2020, the available supply of longer-term nursing home beds would need a capture rate of approximately 7.6% of the total population of older seniors (age 75+) in order to maintain a bed utilization rate of 95%.

It is important to note that the supply of licensed nursing home beds has not been increasing in many years even though the population of seniors has continued to grow. The required capture rate in 2020 is generally lower than it would have been in the past.

While calculations have been performed on the market share for nursing homes, there has been a long-standing moratorium on adding beds, and any new nursing home facilities are typically limited to replacing existing beds. As a result, no additional capture by nursing homes would be expected in the future. Instead, it is possible that the supply of longer-term occupancy beds could potentially decrease, as more beds are devoted to rehab/recovery stays, memory care or similar uses in the future.

## **Memory Care Housing Capture Rates**

Wadena County has the potential capacity for approximately 46 people in specialized memory care units. This segment of the market has expanded in the recent past, as beds have been added since 2010. The County's memory care providers are located in Wadena and Staples.

After adjusting for approximately 115 people that would typically be long-term residents of nursing homes, there are approximately 1,440 older seniors in the primary target market living in the County. The current supply of memory care beds would need to capture approximately 3.2% of the County's older senior population to achieve full occupancy.

As reported to the rental survey, utilization rates in the existing supply of memory care beds/units tend to be high. There was some unused capacity reported, but this may have been directly linked to the COVID pandemic.

Looking forward to the year 2024, to maintain a similar capture rate would yield the potential need for approximately six to seven additional memory care beds. This is growth-generated demand only, and does not include the potential for pent-up demand, as will be discussed later in this document.

## **Assisted Living Capture Rates**

When examining market demand for assisted living, the supply of units has been compared to the number of older senior households. People living in some other intensive form of senior housing, such as nursing homes or memory care, would probably be classified as "group quarters" residents and not counted as an independent household, so no downward adjustments are needed.

There are an estimated 1,059 older senior households, age 75 and above, that are present in Wadena County in 2020. This group has been growing annually since 2010, based on aging patterns for the area, and should continue to grow through the year 2025.

Calculating the actual supply of assisted living units is somewhat difficult, due to the flexible approach used by some of the County's housing with services providers. However, in 2020 the estimated assisted living inventory includes approximately 135 to 140 units/rooms are available Countywide. Most providers reported relatively high rates of occupancy.

The County's assisted living inventory would require a capture rate of approximately 12.7% to 13.2% of all older senior citizen households. This calculation groups all types of assisted living options together, but there are variations in the type of unit/room, including some in apartment-style units and some in sleeping rooms with shared bathrooms.

Looking forward to the year 2025, there will be continued growth within the primary target group of seniors age 75 and older. Using Esri's age-based growth projections, and applying the same basic capture rate as exists in 2020, the Market Area would need approximately 14 to 15 additional assisted living units/rooms by that time. This is growth-generated demand only, and does not include the potential for pent-up demand, as will be discussed later in this document.

### **Housing with Light Services Capture Rates**

Housing with only light services offered, serving more independent senior households, exist in both Staples and Menahga. Wadena does not currently have any providers within this market segment.

As noted above, both of the light services housing providers are in flexible care projects, where tenants can live largely independently or can purchase more intensive services as needed. Based on the current distribution of light services versus assisted living use, approximately 35 to 40 light services housing units are available in Wadena County.

Light services units are typically compared to the distribution of all older senior households. Housing with light services can serve a more active and independent senior, and it is more common to see couples reside in this housing, as well as one-person households.

After adjusting for households that already live in more service-intensive assisted living, we would estimate the target market at approximately 930 total older senior households in the County in 2020. Given the flexible approach offered by some providers, the actual use of assisted living versus light services housing can change somewhat with actual demand.

The estimated supply of light services units in 2020 would require a market capture rate of approximately 3.8% to 4.3% of the County's adjusted target market of older senior households. Occupancy rates appear to be high within this market segment.

Based on the projected growth among older senior households over the next five years, even more units within this segment can be justified. At the higher end of the potential existing capture rate, as many as five light services units may be needed.

However, in the opinion of the analysts, the current unit supply is too low within this segment, with no current providers in Wadena, and a higher capture rate can be achieved. This will be addressed in greater detail later in this document.