

PEQUOT LAKES HOUSING NOTES
REALTOR MEETING, MARCH 18TH, 2020

Attendees: Mark Jurchen, Preston Peters, Jim Fogarty, Sheila Holly, Bill Brekken, Kelly Woodman. The purpose of the meeting was to discuss Pequot Lakes' existing housing scenario and explore options and market needs for our area.

BULLET POINTS:

Current State of Pequot Lakes' Housing Market/Stock: Housing stock is depleted and not in good condition. There are few homes for sale in Pequot Lakes. Only 4 or 5 listed at this time. Fixer-uppers that were selling for \$85,000 now sell for \$150,000 or more. We have a large number of vacant lots available for home construction. Also a large number of homes that need to be rehabbed or razed and new homes built on the lots.

Types of Housing receiving most requests and Inquiries: Preston indicated that millennials wish to live in urban settings. Activities, parks, recreational activities, and restaurants and coffee shops are important. Many are moving north from the St. Cloud area he observed. The desired price range for units is \$200,000 to \$250,000. They are willing to live in smaller homes and do not desire the maintenance required with larger acreage and homes. Life experiences versus things, appears to be their objectives. Internet efficiency and speed will be a major factor in the purchase of a home in this market as well as others.

Also a large need for smaller homes suited for older adults on one level as they sell lake homes and larger dwellings. It was noted that a couple of long time residents from Pequot Lakes moved to the Baxter/Brainerd area as there are no homes in Pequot Lakes available for their needs. Jim indicated that he believed 0 lot lined duplexes and single unit townhomes would be ideal for the older adults. Requirements for these units are 1,500 to 2,000 square feet priced in the \$175,000 to \$250,000 range. Reference was made to similar to the homes in Brainerd Oaks.

Status and market for rehabbed homes: Many of the homes in Pequot Lakes, especially in the core area which has existing sewer and water, are smaller homes and in need of either being razed or are potentially dwellings suited to be rehabbed. The consensus was that homes that used to sell for \$60,000 which would be rehabbed, now sell in the \$130,000 range. The homes must be turnkey ready for most buyers as they either lack financial means, necessary skills, or willingness to undertake the remodeling/refurbishing themselves. Buyers are willing to consider smaller homes at a lower price.

Rentals versus Home Ownership: The consensus of the group was that there may be sufficient rental stock in multi-unit market to handle the rental. Increasing home ownership in the city would be an objective for increase in tax base, involvement of families in community, and to increase the number of middle and upper income residents in the city. Further research is needed to determine vacancy levels for existing multi-unit residential units.

Aging Marketplace: The group concurred that there will be an increased demand for homes that are suitable to the older adults, one level, handicapped accessible and units requiring little maintenance. They are available in other cities and communities, so Pequot Lakes is losing potential and existing residents of that age group to other areas.

City of Pequot Lakes Involvement: Tax forfeited lots could be donated by the City, although, Pequot Lakes may have only one lot at this time. Waiver of SAC/WAC fees or streamlining the permitting process in targeted areas to encourage infill could be addressed. Also, explore sources of funds to facilitate the rehabilitation and in-fill of the designated zone such as a revolving loan fund available to contractors and developers. Coordination with County efforts should be discussed along with the engagement of the Pequot Lakes HRA. Developing an actual plan which may entail a 10 to 20 year time line should be implemented. Properties that fit the matrix of redevelopment in some form should be identified. At the time the current homeowner or lot owner leaves the home or lots, the property should be evaluated for appropriate action.

Internet: Observation was made as to the importance of fiber/high speed internet as a determining factor in the purchase of a home or property. In today's increased "work at home" options, this piece of the puzzle is critical. Work with existing and potential providers of internet service is crucial along consideration of zoning and construction objectives of having new construction wired for fiber.

Thank you to the attendees for your interest and input on this topic!