

March 1, 2022

Chair Marquart and Members of the House Taxes Committee:

Thank you for the opportunity to submit written testimony in support of Rep. Youakim's HF 3688, modifying the credit for rehabilitation of historic structures.

Minnesota Realtors® was founded in 1919 and is a statewide business trade association with a membership of over 21,000 real estate professionals working with buyers and sellers of all types of property in every corner of the state.

Minnesota Realtors® supports policies that recognize the importance of both market-rate housing and housing affordability, and the historic rehabilitation tax credit has certainly supported and encouraged private investment in housing over the past decade.

The University of Minnesota Extension's January 2022 report, "Economic Impact of Projects Leveraged by the Minnesota Historic Rehabilitation Tax Credit: Fiscal Year 2021," identified "owner-occupied dwellings (housing)" as among the top industries impacted by the historic tax credit. The report also highlighted numerous examples of how this tax credit has supported economic development, encouraged private investment in projects statewide, and created more than 28,000 jobs since 2011.

Residential housing projects supported by the historic rehabilitation tax credit are particularly important at this time as Minnesota continues to experience a lack of adequate housing inventory. The Minnesota Realtors® market data report for January found only 6,631 homes for sale statewide, representing a reduction of over 24% compared to January 2021. The number of homes for sale this January translates to less than a one-month supply of inventory, which is dramatically short of the 4-6 months of inventory that is necessary for the market to be well-balanced between buyers and sellers.

Finally, Minnesota Realtors® would like to thank Rep. Youakim, and co-authors Rep. Davids, Rep. Her, and Rep. Hertaus, for bringing HF 3688 forward this Session.

Sincerely,



Paul Eger
Senior Vice President, Governmental Affairs,
Minnesota Realtors®