

HOUSING STUDY 2026

Freeman,
South Dakota

Photo: City of Freeman

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Executive Summary

Freeman is a tidy, friendly community with a diverse economy and small-town feel. With three banks, two grocery stores, manufacturing employment, a school, and a health system, Freeman's economy has something for everyone. The town is close enough to Sioux Falls for easy access, but far enough to escape its sphere of influence and instead maintain an independent small-town feel.

As Freeman plans for the future, PorchLight was contracted to assess the upcoming housing needs of the community. To conduct this assessment, PorchLight analyzed existing data, conducted a visual inspection of housing structures in town, and collected input through interviews. This report analyzes the period from 2024-2034.

Based on our research and analysis, we recommend the following for Freeman:

1. Freeman should expand the number of duplexes or townhomes to provide options for senior living.

2. Freeman should pursue additional quality, market-rate apartments.

3. Freeman should explore options like the Governor's Home program to generate entry-level owner-occupied housing.

4. Freeman should explore opportunities to create land availability for new single-family homes to be built.

5. Freeman should remain a tidy and well-maintained community with a safe, small-town feel.

Key Takeaways:

Freeman has a lot going for it. It is geographically well-positioned and has a diverse local economy with a variety of jobs. Right now, there is more demand for housing in Freeman than there are housing units available. Employers have employees who commute into town each day but would move to town if appropriate housing was available. Additionally, rental units are full and certain price ranges of apartments are rarely available in the community.

Employers point to two main pain points in the community. First, entry-level housing for first-time home buyers is hard to find. Second, Freeman lacks

available market-rate apartments for middle-income workers who are not yet ready to purchase - employers cite monthly rent of $700-1,200 as the key range.

The other key pressure on the housing market is that seniors have limited options to stay in the community while downsizing. When duplexes that meet the needs of seniors have been built in the community, they have filled up right away. Seniors should be welcome to stay in their homes for as long as they choose, but when a senior is ready to downsize, the community will benefit if they have somewhere to go. Downsizing seniors will open up housing suitable for families, creating owner-occupied housing for families and first-time home buyers at a more affordable price than a new build. In the long term, as in-home care options continue to expand, housing that allows seniors to live independently and receive care as they need it provides flexibility for the community as the size of the senior population fluctuates over time. If, in the future, the community has a smaller cohort of seniors, these units can be opened up to a variety of ages, as opposed to assisted living or similar housing options that can really only serve a specific population.

Freeman has experienced consistent, slow and steady growth over the past decade, and we anticipate that will continue, or could even accelerate, if appropriate housing is available.

Read on through the rest of the report for our full recommendations, a detailed housing needs analysis, and an appendix full of data and additional analysis.

Why 2024?

Of note, while this report was written in 2026, the modeling in this report covers the years 2024-2034. This is because the best and most granular source of housing data for rural communities, the American Community Survey, is not released in real time. At the time of the writing of this report, the most recent data available was for 2024, so we look at a ten-year period of 2024 to 2034. Some of the data in this report is more recent, including information from 2025, but the core modeling of the report is based on 2024 data, and we choose to project out 10 years from that data.

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Recommendations

Based on the analysis contained in this report, we make the following five recommendations.

Of note, we are cautious in these recommendations about hard and fast numbers. This is for two key reasons. First, for small towns like Freeman, American Community Survey data - the best data available on a year-by-year basis on population, housing units, etc. - has large margins of error and statistical approaches applied to introduce randomness to anonymize the data. We believe the numbers are useful directionally, but also believe they should be treated with caution, which is why we heavily supplement our work with interviews and in-community observations. Second, Freeman clearly has some unmet demand from commuters and potential residents, but quantifying that demand is difficult to do with precision.

For this reason, with each of these recommendations we recommend a broad-based and incremental approach. Take small actions on each of these recommendations, all at the same time, to increase the quantity of a variety of housing types and evaluate the response from the market to take the next action.

1. Freeman should expand the number of duplexes or townhomes to provide options for senior living.

Freeman's top priority should be working to generate more senior-friendly housing in the community. For example, single-level duplexes with managed maintenance. This type of housing should be pursued for multiple reasons.

First, these housing units would directly fill a need in the market. Interviewees report there are numerous homes in the community with seniors who may desire to downsize but do not have a good option that keeps them in the community. Interviewees report that as the current duplexes in town have come online, they have filled up quickly, demonstrating continued demand for this housing product. This type of housing can allow seniors to live independently for longer and even receive in-home care if needed. At the same time, if demographic patterns in Freeman shift, these units can be opened up to all ages instead of sitting empty if there is a smaller cohort of seniors down the line.

Second, as seniors downsize, the larger housing they previously occupied becomes prime, affordable housing for younger families. Construction costs have increased significantly in recent years, meaning that for first-time home buyers, their most affordable housing option is a home that has already been built. Opening up this housing stock currently occupied by seniors will help bring available units online for younger families.

To be clear, seniors should be welcome to stay in their longtime residence for as long as they choose, but we believe that many would choose to downsize if an appropriate option became available.

Third, Freeman has a demonstrated history of fixing up senior houses to put them back onto the market. As seniors age, it can be harder for them to keep up with maintenance for their home, at times leading to disrepair. Some buyers may be looking for a more affordable "fixer upper," but for those who are not, there are several individuals in town who have purchased these properties from seniors to rehabilitate the home and put it back into the housing supply. A strong enough market exists that seniors should have a buyer for their home even if significant repairs are required.

2. Freeman should pursue additional quality, market-rate apartments.

One of the primary workforce challenges in Freeman is for new arrivals. A rental market with little turnover and little vacancy means there are few ready-made landing spots for a new arrival in town. The same is true for the owner-occupied market, with few homes for sale at any one time. If someone receives a job in town, they may need to commute to town or stay with family until something suitable becomes available (if ever). Typically, the rental market would provide liquidity in the housing market to absorb these new arrivals.

The current state of rental housing in Freeman is that 1. the number of rental units shrunk around 2020 as single-family homes were converted from rentals to owner-occupied, 2. rentals in town are affordable, but unavailable because tenants stay in the same unit for a long time, and 3. many of the rental apartments in Freeman are targeted toward lower-income households. This fills a critical need in the community and should be celebrated, but many of these units are income-restricted or do not otherwise meet the needs of individuals seeking market-rate housing.

A variety of employers in Freeman expressed the need for apartments ranging from $700-$1,200 to meet the housing needs of their employees. Freeman could pursue this through a small apartment building (like an 8- or 10-plex) or through duplexes or townhomes. Freeman should then continue to expand its rental housing supply until it hovers in the 5-8% vacancy range. Right now, that would mean 7 to 12 apartments or rental homes should be available to rent at any one time. To be clear, no single unit should be sitting vacant for months on end, but across the whole rental market in Freeman there should be vacancies to absorb newcomers.

Our modeling suggests Freeman would benefit from, at a minimum, 14 additional apartment units, but we anticipate the true number is even higher due to people living outside the community who employers believe would move to the community if appropriate housing were available.

3. Freeman should explore options like the Governor's Home program to generate entry-level owner-occupied housing.

Freeman can open up the largest number of owner-occupied homes affordable for first-time home buyers through its senior housing efforts, but on a smaller scale it can seek to build new owner-occupied housing targeted toward first-time home buyers through the Governor's Home program. This program will take a lot of work from the community and result in perhaps one new home per year, but it is an effective program used across South Dakota to generate new homes at essentially the lowest possible cost. Employers and community leaders identified housing for entry-level home buyers as a priority for the community to support the workforce and welcome new families to support school enrollment. This program is one tool in the tool belt for tackling entry-level homeownership.

4. Freeman should explore opportunities to create land availability for new single-family homes to be built.

Freeman has a well-diversified small-town economy with multiple banks, a healthcare system, a school, two grocery stores, and manufacturing businesses. Across this diverse local economy, Freeman has households at a broad variety of incomes that require suitable housing in Freeman.

Our modeling indicates a need in Freeman for housing for households with incomes of $100,000 and above. Most owner-occupied households in Freeman

(whether they have a mortgage or their home is paid off) spend less than 20% of their income on housing, meaning they could increase their housing costs and still fall within the traditional affordability range of 20-30% of income spent on housing. This is especially true for households making $75,000 or more.

While part of the appeal of living in Freeman may be inexpensive housing, there are 173 households in Freeman making more than $100,000. If land were available, some number of these households (or similar households looking to move into the community) would likely seek to build a new home.

5. Freeman should remain a tidy and well-maintained community with a safe, small-town feel.

Freeman has a strong reputation as a well-kept community with a safe, small-town feel. Current practices generally seem to be working around code enforcement, though any community has some problem properties.

Freeman can build on this positive reputation by continuing to fill vacant properties with housing, expanding housing supply to meet a variety of community needs through small apartment buildings and duplexes that match the feel and character of the community, and creating new housing options for seniors to keep older housing stock in good condition.

Housing Needs Analysis

To project future housing needs for Freeman, PorchLight analyzed available data using our custom housing model built for rural communities and small towns.

The owner-occupied and rental analyses each include a summary of the modeling, a high-level look at the expected change in housing units required, and a summary table showing the net change in units required by 2034 compared to 2024.

Owner-Occupied Housing

Calculating Demand

To estimate owner-occupied housing demand for 2034, PorchLight grouped current households by income, then adjusted for anticipated changes in age cohorts and income, and finally adjusted for ideal vacancy rates.

Projected Owner-Occupied Demand

Freeman, SD (2024-2034)

	<15k	15k <35k	35k <50k	50k <75k	75k <100k	100k <150k	150k+
Current Households	23	57	86	63	59	76	77
Age Cohort Adjustment	25	57	88	67	69	95	90
Vacancy Adjustment	25	59	90	69	70	97	92
Total Projected Demand	25	59	90	69	70	97	92

Source: PorchLight Analysis • Created with Datawrapper

Total demand is the total number of households that will require housing in 2034, including current households, not the total number of new units that need to be built by 2034.

Calculating Supply

The yellow “Supply Model” chart shows the modeling PorchLight conducted to estimate supply for owner-occupied housing units in 2034. We first looked at the number of in-use housing units in 2024 and then adjusted for how many of those housing units are vacant and could re-enter the housing supply and how many units will be obsolete in 2034, based on the age of each unit and regional data for

rural communities based on United States Department of Housing and Urban Development Components of Inventory Change (CINCH) data.

Projected Owner-Occupied Supply

Freeman, SD (2024-2034)

	<15k	15k <35k	35k <50k	50k <75k	75k <100k	100k <150k	150k+
Current Units	14	61	87	98	76	61	45
Factoring Vacancy	15	62	88	100	77	62	46
Factoring Obsolescence	14	59	84	95	73	59	43
Anticipated Units Available	14	59	84	95	73	59	43

Each column shows housing units by household income that unit is affordable for.

Source: PorchLight Analysis • Created with Datawrapper

Evaluating Supply and Demand to Calculate Net Need by Household Income

Based on the above modeling, this table presents the net need for owner-occupied units to supply each income category.

Owner-Occupied Supply vs. Demand

Freeman, SD (2024-2034)

Owner-Occupied Units	Supply	Demand	Net Units Required
<15k	14	25	11
15k <35k	59	59	0
35k <50k	84	90	6
50k <75k	95	69	−26
75k <100k	73	70	−4
100k <150k	59	97	38
150k+	43	92	49
Total	**428**	**501**	**74**

This table shows the number of new owner-occupied units that need to be built from 2025 to 2034 to accommodate demand according to each growth scenario.

Source: PorchLight Analysis • Created with Datawrapper

Based on Freeman's growth and demographic trends, we projected a need for 74 owner-occupied homes by 2034.

Unit Mix

For unit mix, we project that most of the owner-occupied demand in Freeman will be for single-family homes, which includes duplexes and townhomes.

Single-Family Homes



We consider a unit to be a **single-family home** if it does not share vertical space with another structure or housing unit. This category includes traditional detached single-family homes that exist separately from any other housing units, but it also includes attached single-family homes like a duplex or townhome. (ACS Technical Documentation)

Multi-Family Homes



Multi-family units "are units in structures containing 2 or more housing units" where units share vertical space with other units. For example, this category could include a large or small apartment building, a four-plex with upstairs and

downstairs units, or an apartment above a business. (ACS Technical Documentation)

Mobile Homes



Mobile homes are a nuanced piece of any housing mix analysis. Manufactured or mobile homes can provide a quick route to generating affordable housing, but can present challenges for a community around housing upkeep, utilities management, and storm resilience. For individuals, mobile homes can present as an opportunity to build home equity while in fact being a rapidly depreciating asset with potentially unaffordable maintenance and upkeep costs.

However, improvements in the quality of factory-built or prefabricated housing, especially when permanently installed on a more traditional lot, may present real affordable housing opportunities with limited downsides.

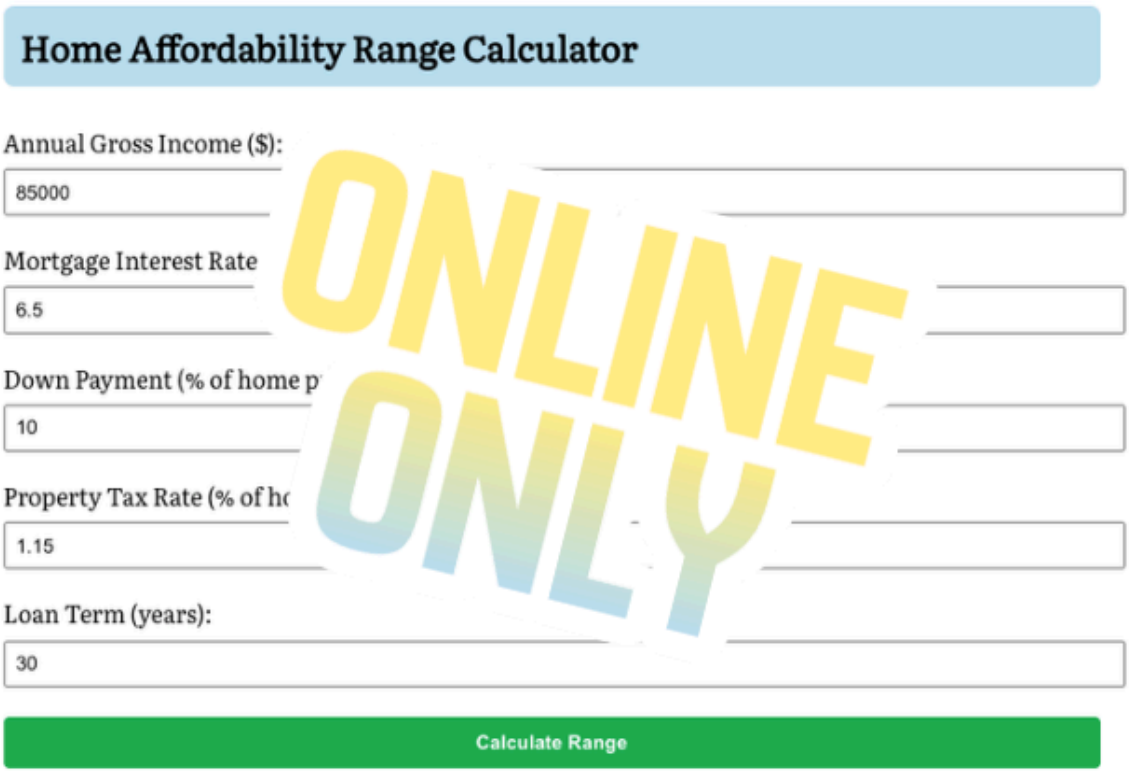
Initiatives like the Governor's House program and modular housing help to achieve the affordability benefits of pre-fabricated homes with good quality materials and appropriate foundations and lots to serve as long-term, quality housing.

Calculating Owner-Occupied Housing Affordability

Changing interest rates and household-specific down payment amounts make the home prices required for specific incomes highly variable. Because the interest rate environment over the life of this report is variable, what is affordable for various incomes will change over the life of the report. For individuals building their own detached single-family homes, the owner-occupied market will take care of itself, as long as they can secure land and builders. However, for spec

homes, townhomes, etc., builders will need to assess the financial environment and market as they prepare a specific project.

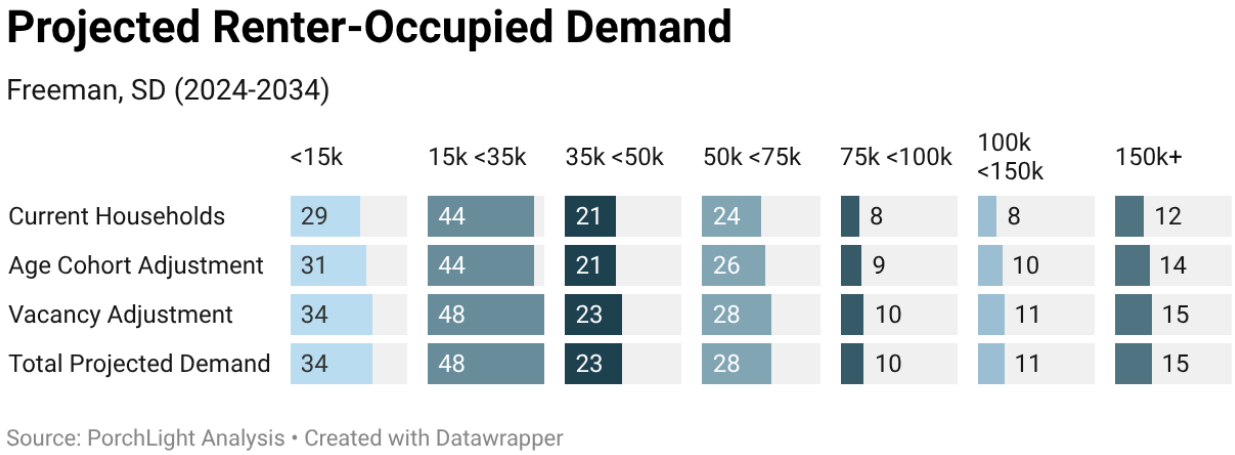
Use this calculator to get a sense of what these income bands translate to in terms of purchasing power.



Rental Housing

To estimate rental housing demand for 2034, PorchLight grouped current households by income, then adjusted for anticipated changes in age cohorts and income, and finally adjusted for ideal vacancy rates.

Calculating Demand



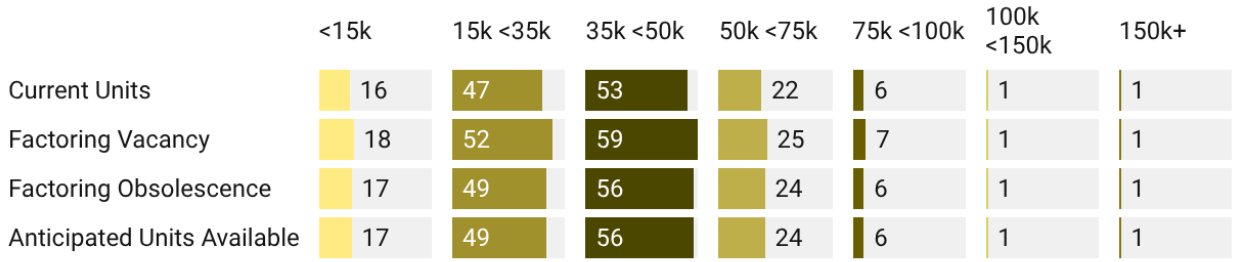
Total demand is the total number of households that will require housing in 2034, including current households, not the total number of new units that need to be built by 2034.

Calculating Supply

This yellow chart shows the modeling PorchLight conducted to estimate supply for rental housing units in 2034. We first look at the number of in-use housing units in 2024 and then adjust for vacant units and how many of those housing units will be obsolete in 2034, based on the age of each unit and regional data for rural communities based on United States Department of Housing and Urban Development Components of Inventory Change (CINCH) data.

Rental Unit Supply Model

Freeman, SD (2024-2034)



Each column shows housing units by household income that unit is affordable for.

Source: PorchLight Analysis • Created with Datawrapper

Evaluating Supply and Demand to Calculate Net Need by Household Income

Based on the above modeling, the following table presents the net need for units to supply each income category.

Rental Unit Supply vs. Demand

Freeman, SD (2025-2034)

Rental Units	Supply	Demand	Net Units Required
<15k	17	34	17
15k <35k	49	48	−1
35k <50k	56	23	−33
50k <75k	24	28	4
75k <100k	6	10	4
100k <150k	1	11	10
150k+	1	15	14
Total	**154**	**169**	**14**

This table shows the number of new rental units that need to be build from 2025 to 2034 to accommodate demand by household income according to each growth scenario.

Source: PorchLight Analysis • Created with Datawrapper

See Owner-Occupied Housing for a description of how this report categorizes different types of housing.

Income Limits and Program Eligibility

The U.S. Department of Housing and Urban Development publishes annual income limits for Hutchinson County that establish eligibility thresholds for virtually all federal and state housing assistance programs. For FY 2026, the Median Family Income (MFI) for Hutchinson County is $105,600 (Department of Housing and Urban Development). Because Hutchinson County is not part of a Metropolitan Statistical Area, HUD calculates its limits as a standalone non-metro area, applying adjustments for housing cost ratios and national income floors.

The following table presents the FY 2026 Section 8 Income Limits for Hutchinson County, which govern eligibility for the HOME Investment Partnerships Program, the Housing Opportunity Fund, the Housing Trust Fund, and the Community Development Block Grant program.

FY 2026 Section 8 Income Limits for Hutchinson County

HOME	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30% Limits	$22,200	$25,400	$28,550	$31,700	$34,250	$36,800	$39,350	$41,850
Very Low Income	$37,000	$42,250	$47,550	$52,800	$57,050	$61,250	$65,500	$69,700
60% Limits	$44,400	$50,700	$57,060	$63,360	$68,460	$73,500	$78,600	$83,640
Low Income	$59,150	$67,600	$76,050	$84,500	$91,300	$98,050	$104,800	$111,550

Source: South Dakota HOME Income Limits (2026) • Created with Datawrapper

A separate set of limits governs the Low-Income Housing Tax Credit program and tax-exempt bond financing. These Multifamily Tax Subsidy Projects (MTSP) income limits are calculated using a different hold-harmless methodology and may differ from the standard Section 8 figures. For FY 2026, the MTSP income limits for Hutchinson County are as follows.

FY 2026 Multifamily Tax Subsidy Projects (MTSP) Income Limits by Household Size (Hutchinson County, SD)

HERA	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Very Low Income	$37,000	$42,250	$47,550	$52,800	$57,050	$61,250	$65,500	$69,700
60% Income Limit	$44,400	$50,700	$57,060	$63,360	$68,460	$73,500	$78,600	$83,640

Source: South Dakota HERA Income Limits (2026) • Created with Datawrapper

Implications for LIHTC Development

Under income averaging, a LIHTC project may designate individual units at income tiers ranging from 20% to 80% AMI, provided the average income restriction across all tax credit units does not exceed 60% AMI. This approach allows developers to serve a broader income mix within a single project, which can strengthen underwriting in markets like Freeman where the rent differential between AMI tiers is relatively narrow.

Tax Credit Unit Recommendation

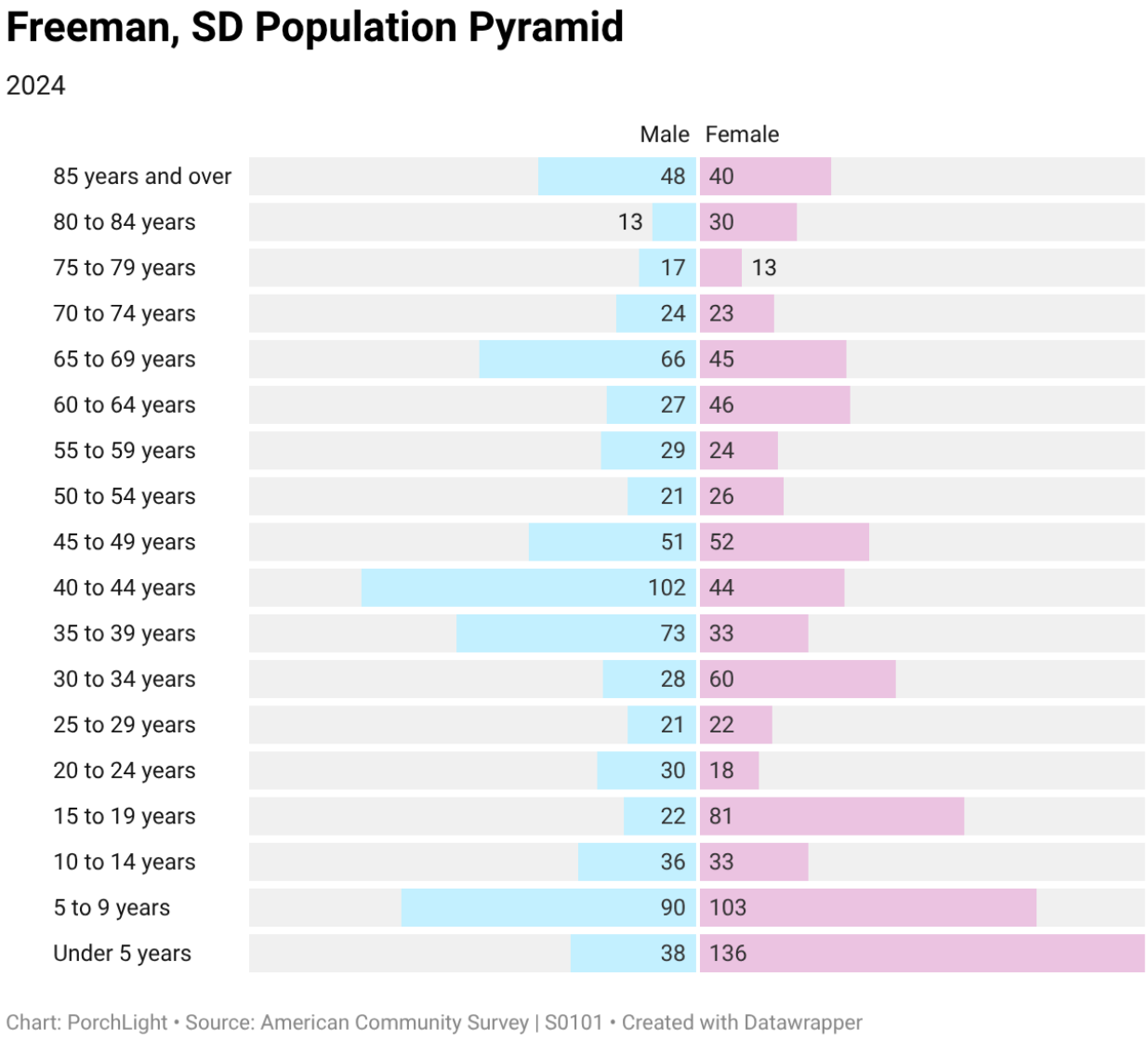
Our projections show a net need for at least 17 units affordable to households with household incomes below $15,000. These households fall below a household income of $37,000, which is the threshold for a one-person household to be considered “Very Low Income” due to being at or below 40% of Hutchinson County’s Median Family Income.

As such, we believe that if developers can make these units pencil, they would be competitive applicants for the Low Income Housing Tax Credit program.

Appendix

A. Population Data and Trends

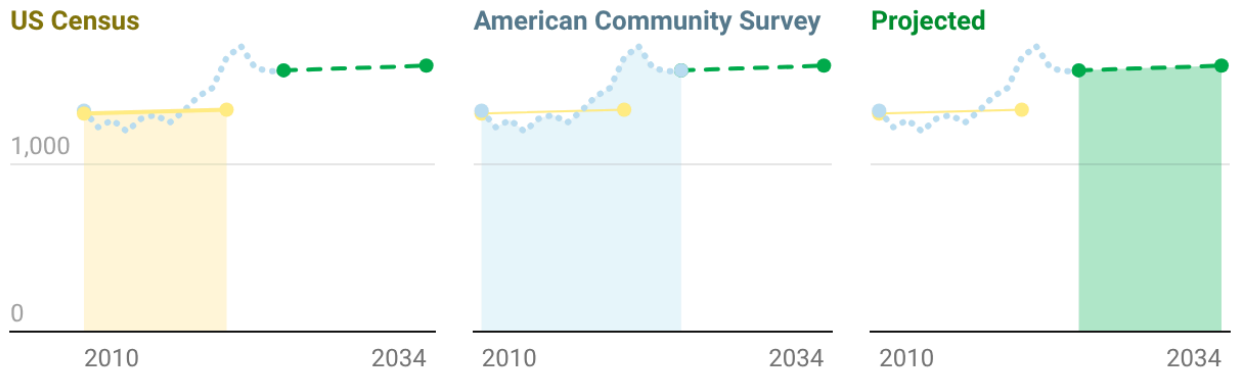
As of 2024, Freeman's population was 1,565.



To understand current population patterns in Freeman, PorchLight conducted a custom age-cohort analysis to identify typical inflows and outflows by age and model anticipated population growth alongside topline population trends. (See Methodology)

Projected Population Growth for Freeman, SD

2024-2034

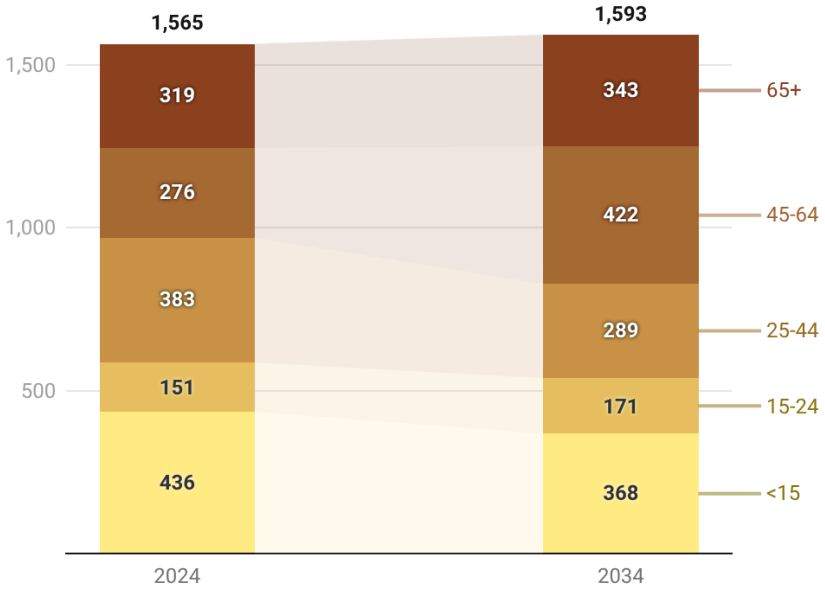


Source: US Census, American Community Survey (S0101), PorchLight Analysis • Created with Datawrapper

Based on our modeling, we expect Freeman's population to grow slightly, from 1,565 to 1,593 and we anticipate a more significant shift in age categories, with Freeman's population over 65 increasing from 319 to 343 and its 45-64 population increasing from 276 to 422.

Population Projection by Age Bracket

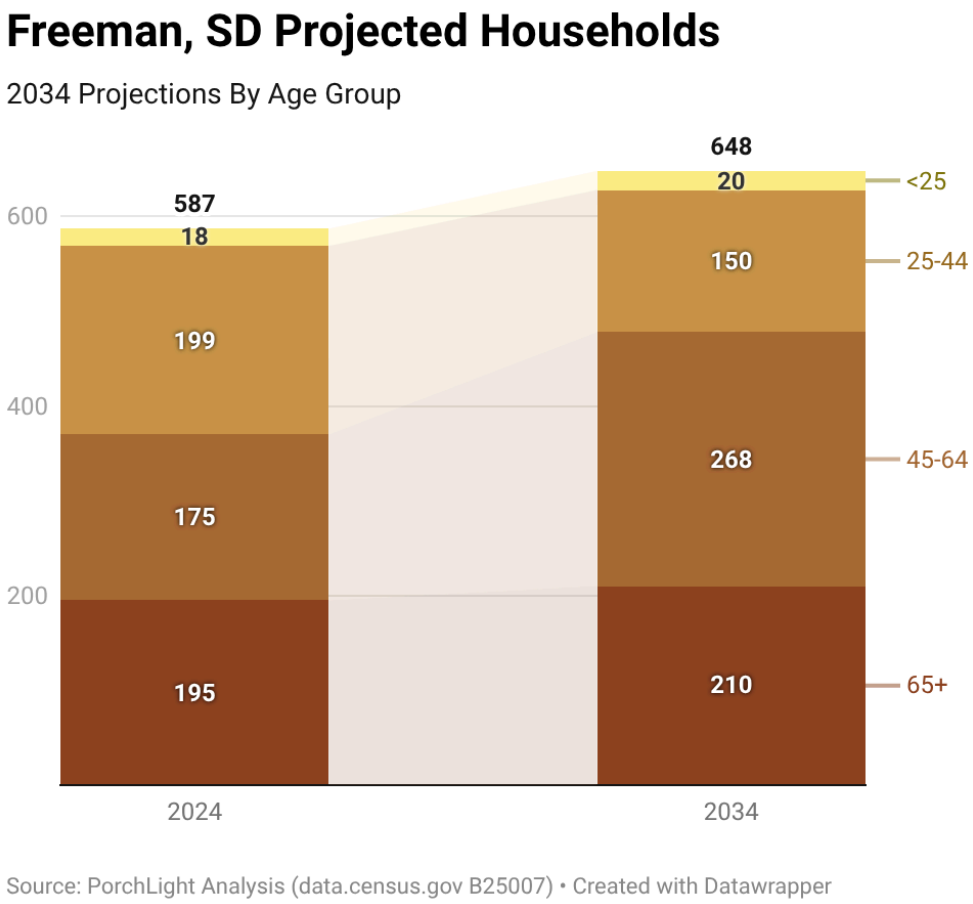
Freeman, SD



Source: PorchLight Analysis • Created with Datawrapper

B. Household Data and Trends

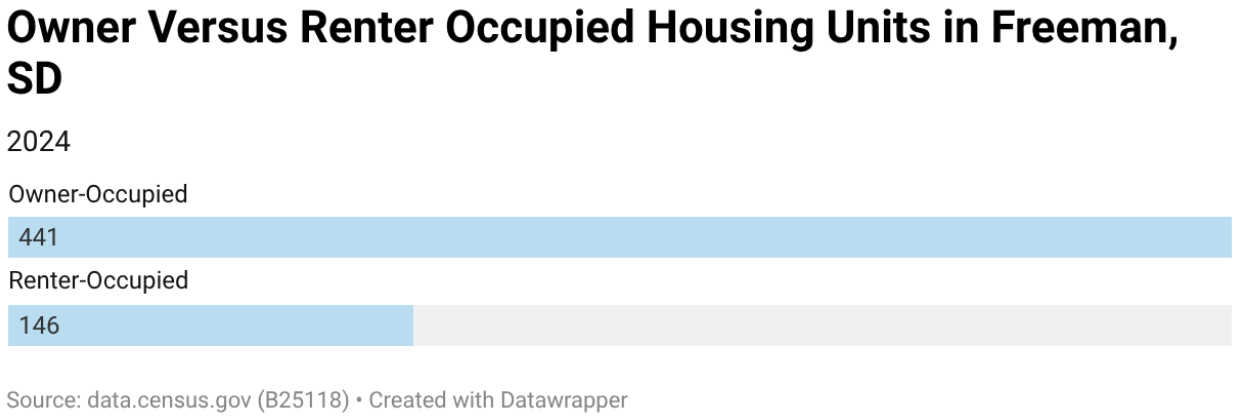
Because multiple people often live in one household, we also model population change at the household level, by age. Based on population projections, we project the number of housing units by householder age by modeling what percentage of each age cohort's population are householders, and applying those ratios to the population projections.



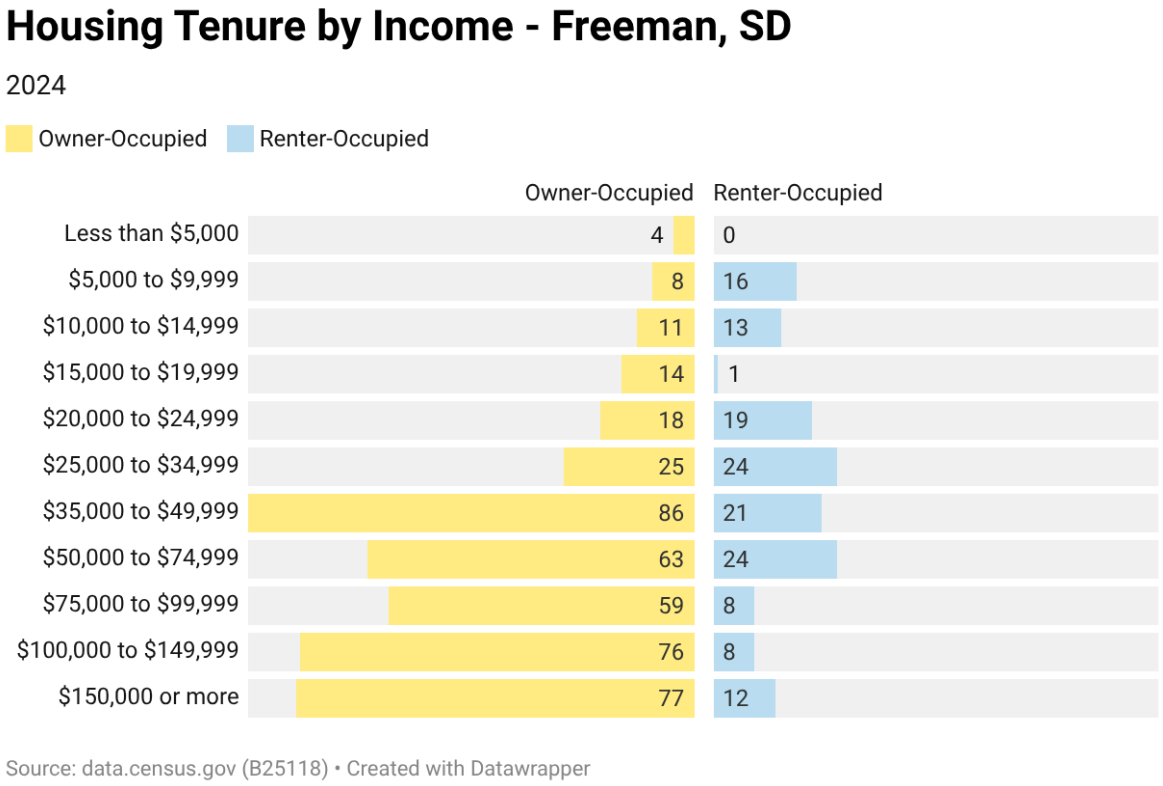
Because Freeman is a small community, American Community Survey data is noisy, and we believe the 2024 American Community Survey over-estimates the size of the 35-44 2024 age cohort due to sampling errors. Therefore, you will notice throughout our analysis that while these numbers and trends provide useful context, we do not treat them as definitive when making recommendations.

C. Housing Tenure

In Freeman, 441 housing units (75%) are owner-occupied and 146 housing units (25%) are renter-occupied. In US Census data, the term “tenure” is used to differentiate between households who own their home and households who rent.



Generally, households with higher incomes own more than they rent, but it is not a perfect correlation. The below chart shows owners versus renters by household income.



In Freeman, the crossover point where more households own than rent is a household income of $35,000. However, there is a significant rate of home ownership in Freeman even at very low levels of household income.

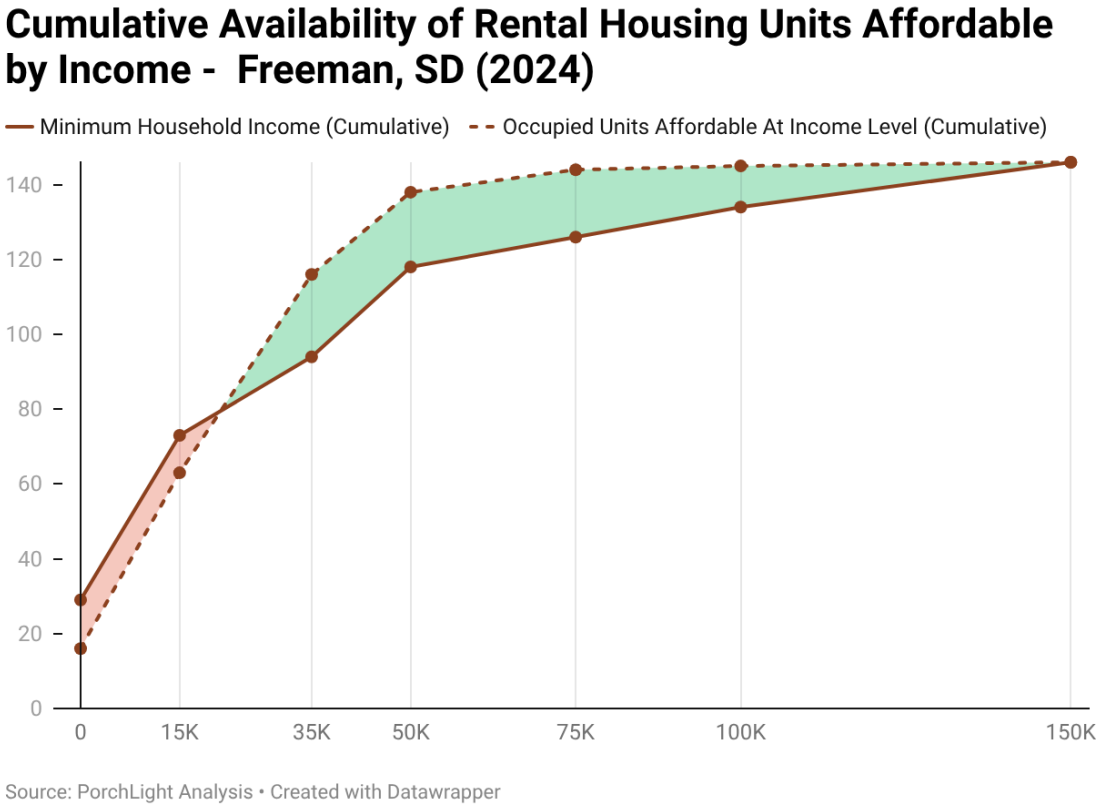
D. Housing Costs

i. Rental Households

The following chart compares the cumulative number of households at or above a particular income level (solid line) in Freeman to the number of occupied units in Freeman that are affordable at that income level (dashed line).

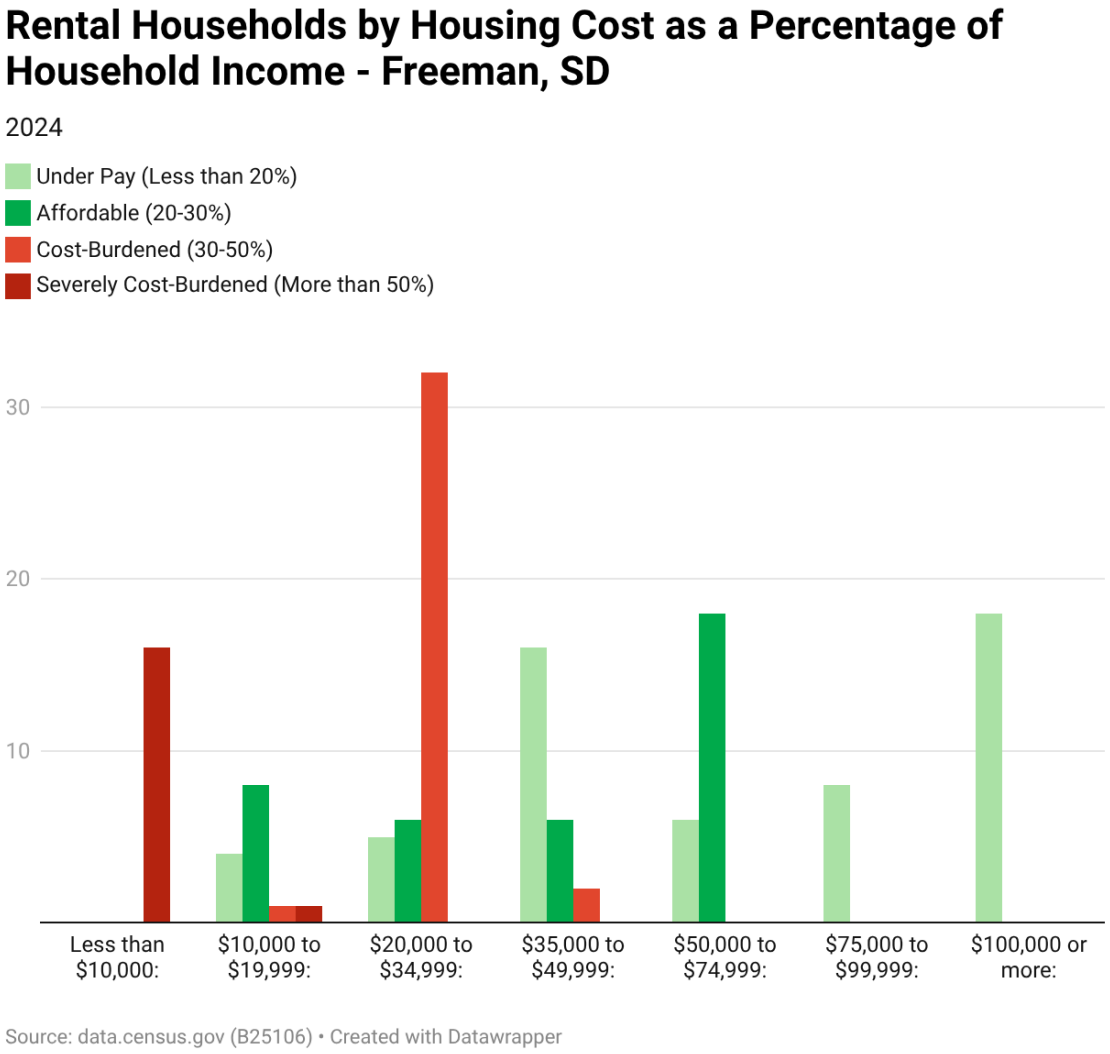
Any area marked in red indicates an area where the number of households at a particular income level exceed the number of occupied units affordable to that income, and the area marked in green indicates where the number of units affordable at that income level exceeds the number of households.

In general, areas marked in red indicate there are too few units available for a particular income and areas marked in green indicate there are more units than required for that particular income level.



In Freeman, there are generally enough rental units affordable for households making $35,000 or more, however, this does not account for households unable to move into the community at all due to lack of available or affordable housing and does not give us insight into the ways households may be under served by their housing.

Below, you can see a more detailed look at the rental housing market in Freeman. All rental households making more than $75,000 are paying less than 20% of their income for housing, indicating they are likely under served by the rental market. At the same time, that downward pressure in the market means lower-income households struggle to find affordable rentals, with a significant number of households making between $20,000 to $34,999 paying more than 30% of their income in rent.

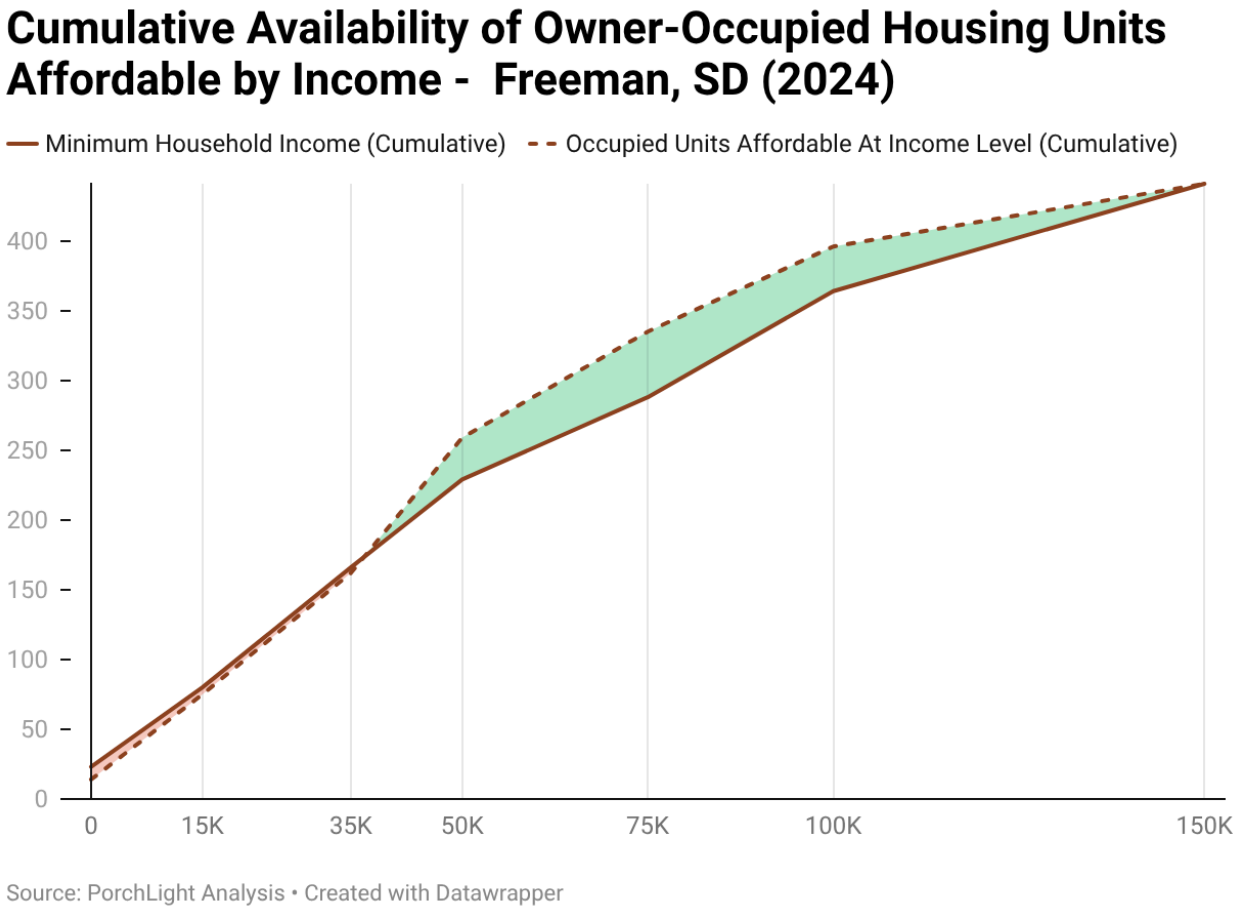


ii. Owner-Occupied Households

The following chart compares the cumulative number of owner-occupied households at or above a particular income level (solid line) in Freeman to the number of owner-occupied housing units in Freeman that are affordable at that income level (dashed line).

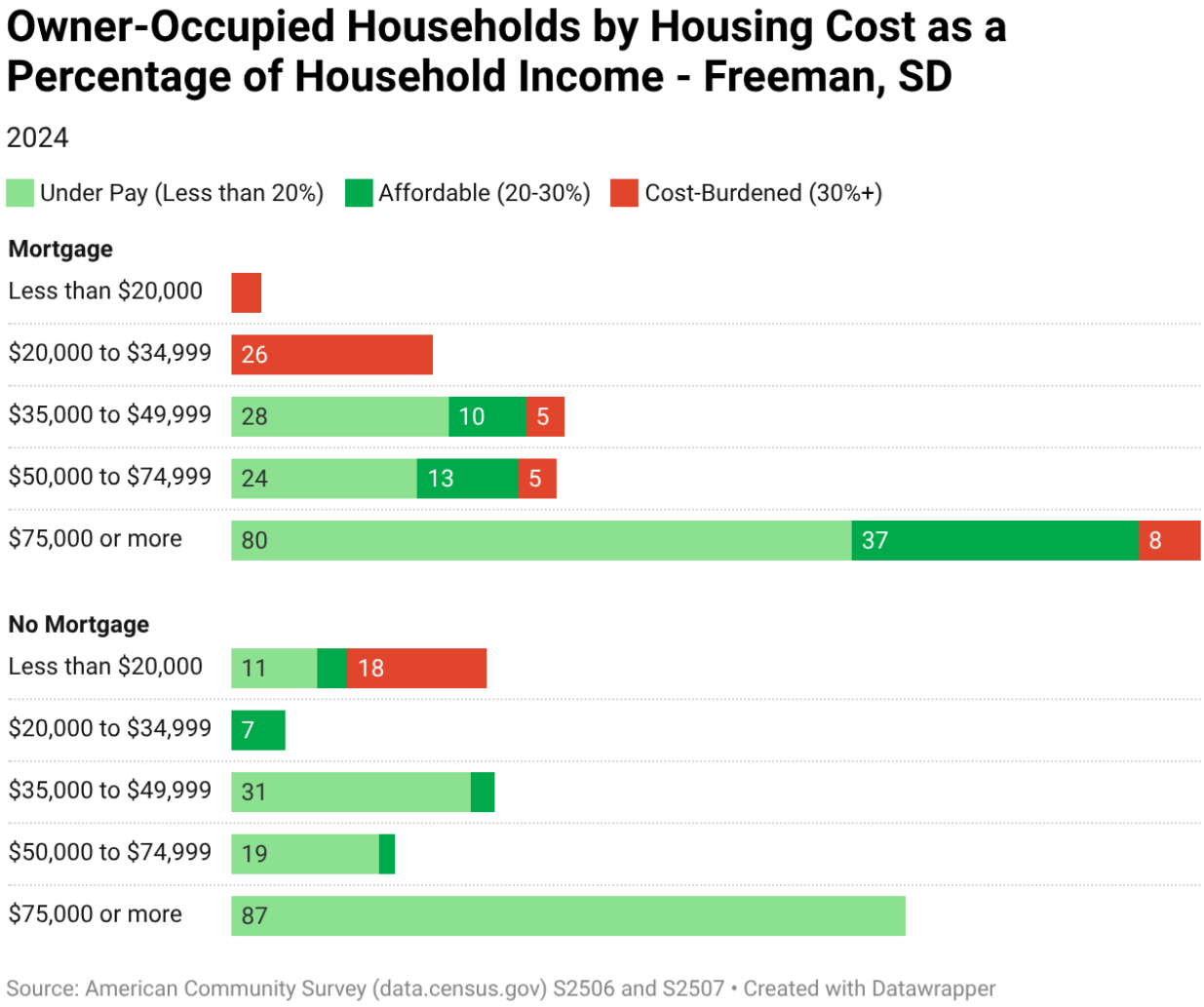
Any area marked in red indicates an area where the number of households at a particular income level exceed the number of occupied units affordable to that income, and the area marked in green indicates where the number of units affordable at that income level exceed the number of households.

In general, areas marked in red indicate there are too few units available for a particular income and areas marked in green indicate there are more units than required for that particular income level.



Freeman has an appropriate distribution of housing based on the household incomes of its population.

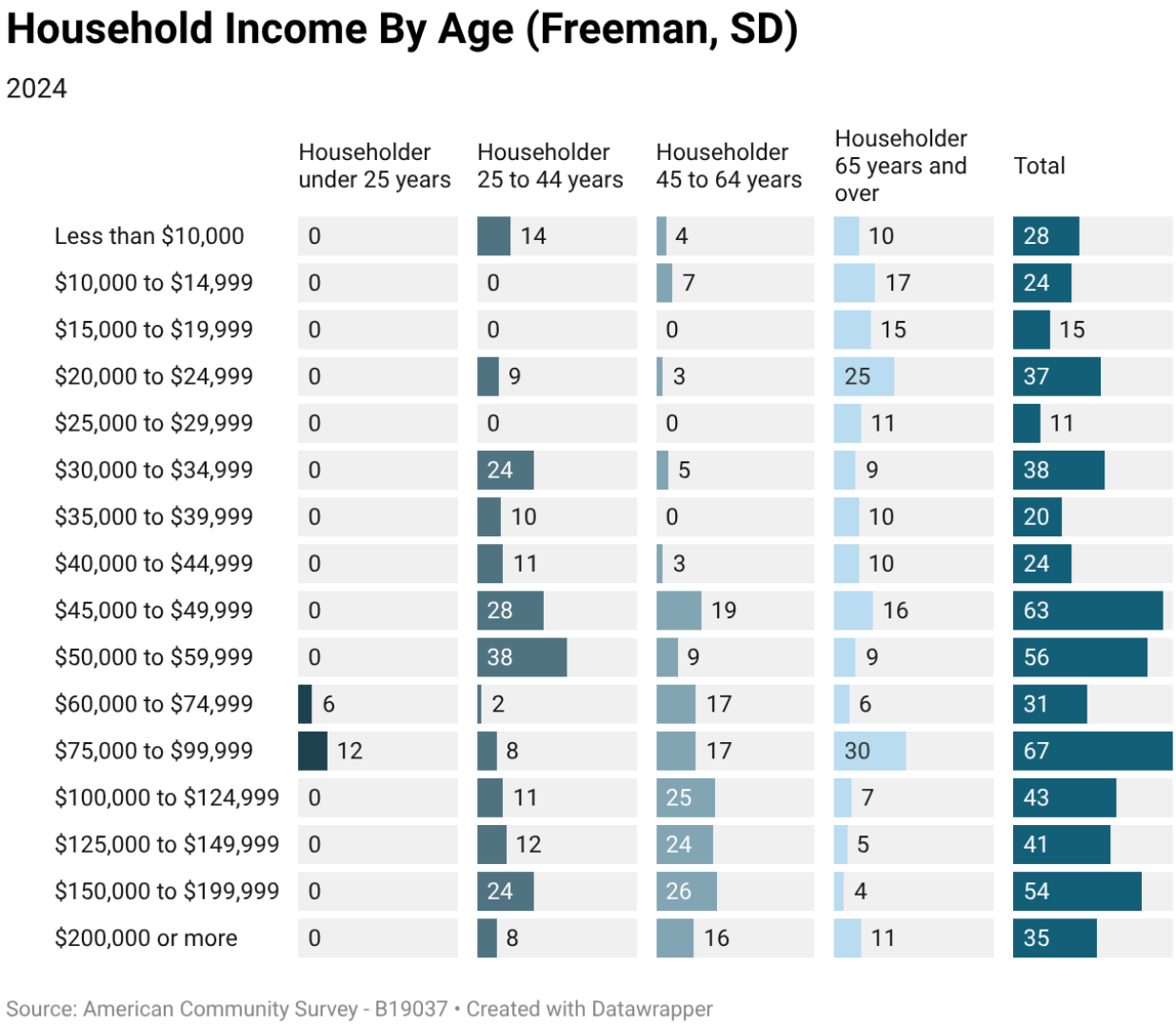
However, affordability challenges persist, as seen in the chart below. In particular, all households making less than $20,000 annually are cost-burdened by their mortgage, if they have one. At the same time, many households in Freeman are paying less than 20% of their income in housing costs.



E. Income Data

The median household income in Freeman is $57,440 and the mean income is $80,485.

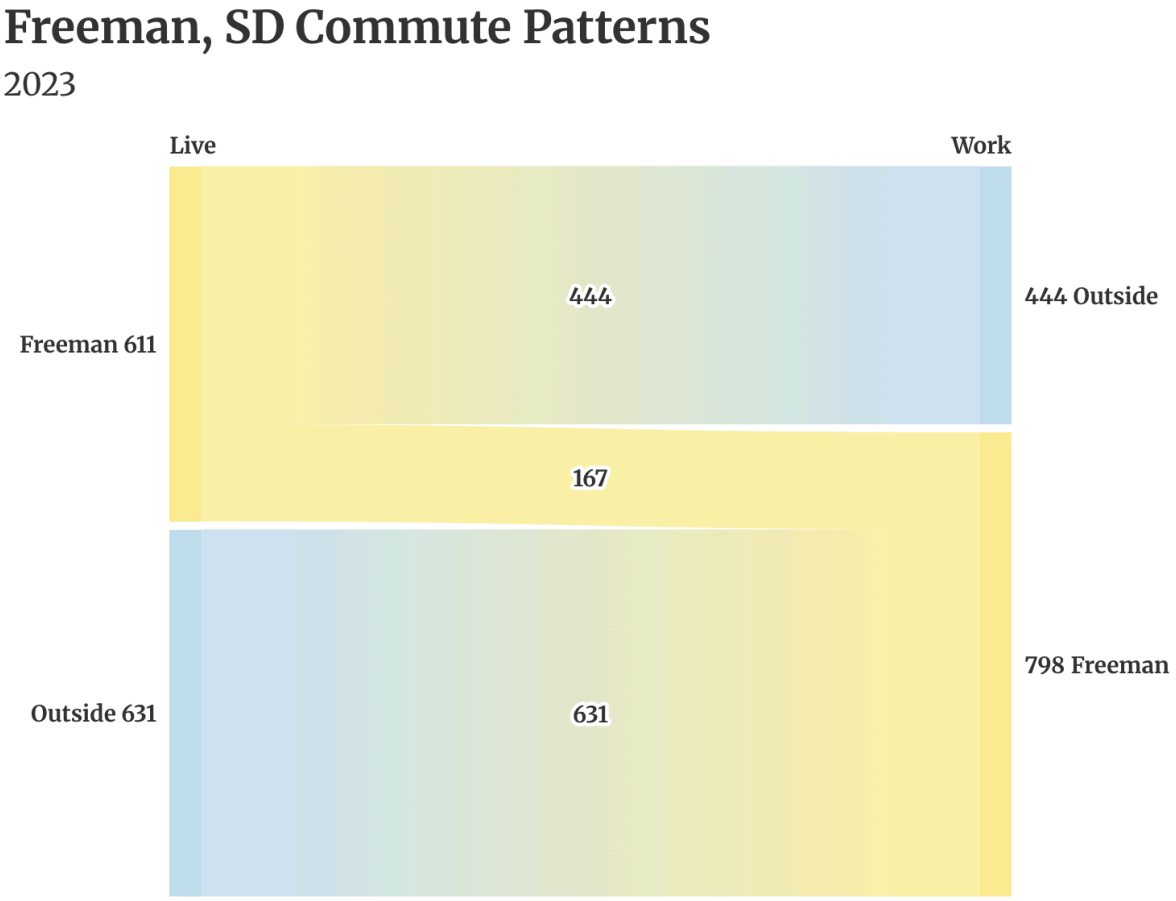
This chart breaks out household income in Freeman by age of householder.



F. Economic Analysis

i. Inflow/Outflow Analysis

Using commute data from the United States Census, PorchLight analyzed the commute patterns of Freeman workers and residents.



Source: https://onthemap.ces.census.gov/

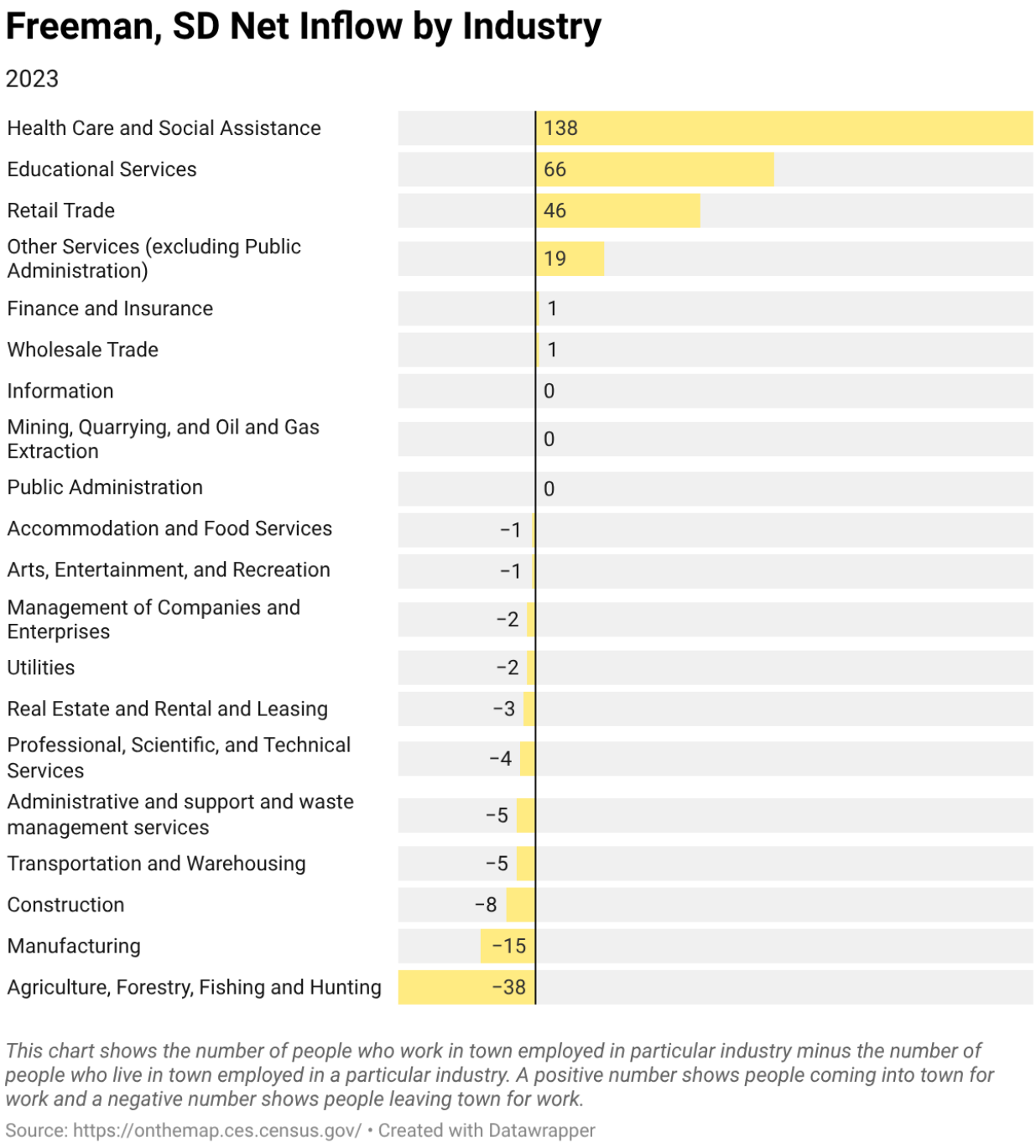
In total, there are 631 workers who live outside of Freeman but commute into the community for work. The US Census classifies these as “inflow” workers, and they comprise 79% of people who are employed in Freeman.

The other 167 people (21%) who are employed in Freeman live and work in Freeman. The US Census classifies these as “internal” workers.

Additionally, there are 444 people who live in Freeman but leave to another community for work, meaning that 73% of workers who live in Freeman are

employed outside the community. The US Census classifies these as “outflow” workers.

Net, 187 more people commute into Freeman for work than commute out of the community for work.



The biggest draw industries in Freeman are healthcare, education, and retail.

The industry where Freeman sees the largest net outflow of workers is agriculture.

After Freeman (167), the top locations where Freeman workers live are Menno (67), Sioux Falls (23), Parkston (20), and Marion (16).

After Freeman (167), the top locations where Freeman residents are employed are Sioux Falls (84) and Menno (80).

An important note: employment in a location is not the same as a daily commute to that location. Someone may, for example, be employed at a Sioux Falls organization but work from home in Freeman every day.

ii. Location Quotient and Shift Share Analysis

To understand economic trends in Freeman, PorchLight conducted an economic analysis of major industries, comparing Freeman to the United States as a whole and looking at changes over a ten-year period.

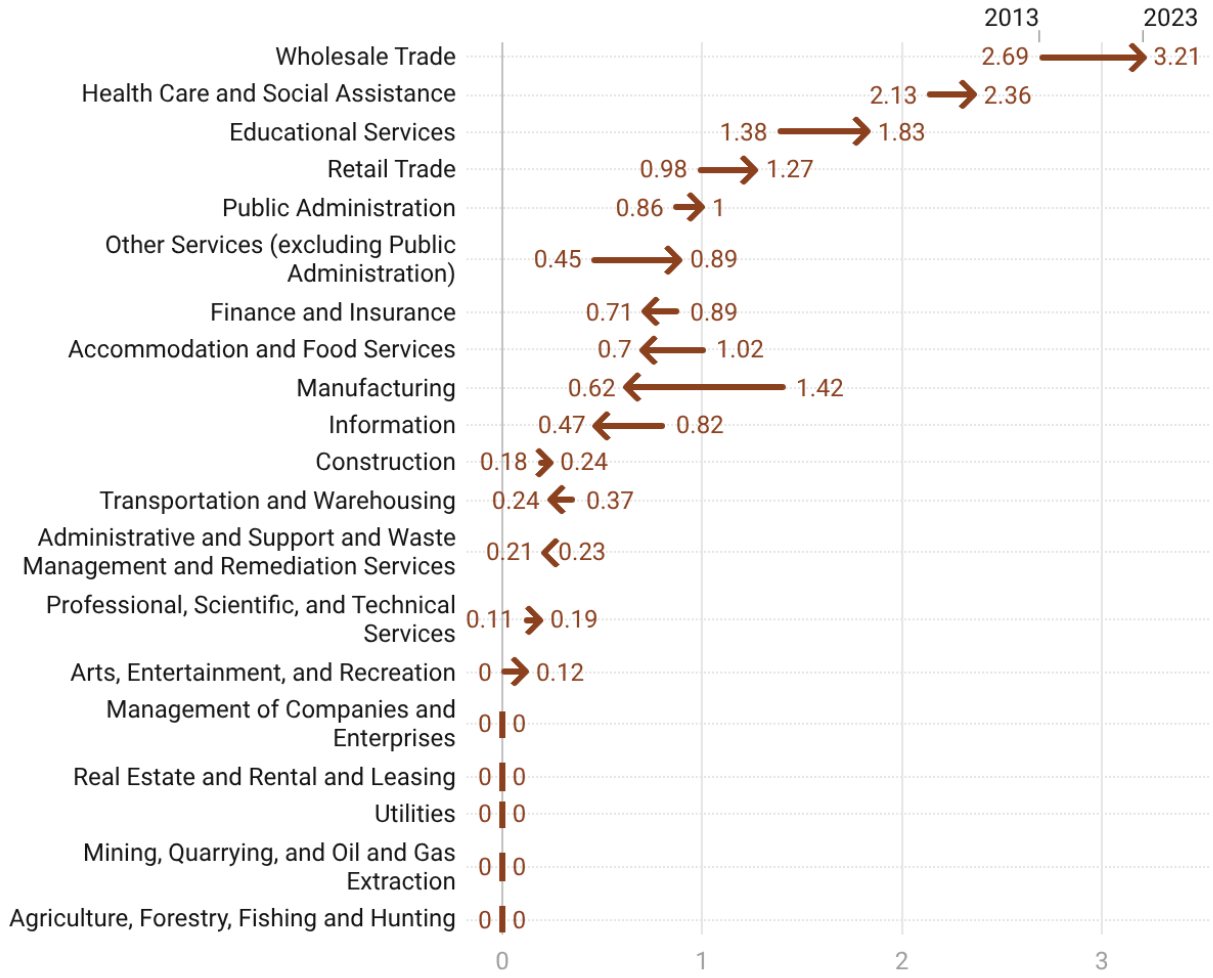
First, PorchLight analyzed the Location Quotient for each category of industry in Freeman. Location Quotient compares the prevalence of a particular industry in Freeman compared to the nation. A location quotient higher than one (1) means an industry is more prevalent proportionally in the local area compared to the national average, and a location quotient below one (1) means the industry is less prevalent proportionally compared to the national average.

The following chart demonstrates how the Location Quotient of each industry in Freeman changed from 2013 to 2023 (the most recent year for which data is available). For example, in 2013, “Wholesale Trade” was about 2.69 times as prevalent in Freeman as compared to the nation as a whole, and by 2023 that has increased to 3.21 times.

The industries where Freeman has the highest prevalence compared to the national average are wholesale trade, healthcare, and education.

Change in Location Quotient - Freeman, SD

2013-2023



Arrows start in 2013 and end in 2023.

Source: https://onthemap.ces.census.gov/ and data.census.gov (S2403) • Created with Datawrapper

Additionally, PorchLight conducted a shift-share analysis of industries in Freeman to provide more detail on why some industries have more or fewer jobs than a decade ago. The shift-share analysis considers three things that affect changes in jobs: the effect of national job growth, the effect of industry mix, and the local share effect.

National growth looks at the overall ten-year job growth rate across all industries. For 2013-2023, that was 13%, so we assume, all else being equal, 13% of job growth in each industry is not specific to any industry.

Industry mix looks at each industry on a national level, assuming that local industry in Freeman is affected by similar forces that affect their industry across the country. This varies by industry.

After accounting for national growth and industry mix, we look at the local share effect. This is what is happening locally that is not explained by national growth or overall industry mix.

Freeman, SD Shift-Share Analysis

2013-2023

INDUSTRY	National Growth Effect (%)	National Growth Effect (Count)	Industry Mix Effect (%)	Industry Mix Effect (Count)	Local Share Effect (%)	Local Share Effect (Count)
Agriculture, Forestry, Fishing and Hunting	13%	0	−15%	0	2%	0
Mining, Quarrying, and Oil and Gas Extraction	13%	0	−44%	0	31%	0
Utilities	13%	0	3%	0	−16%	0
Construction	13%	1	14%	2	17%	2
Manufacturing	13%	16	−6%	-8	−66%	-80
Wholesale Trade	13%	8	−29%	-17	4%	3
Retail Trade	13%	12	−10%	-9	14%	13
Transportation and Warehousing	13%	2	31%	4	−61%	-..
Information	13%	2	−14%	-2	−49%	-..
Finance and Insurance	13%	5	2%	1	−36%	-13
Real Estate and Rental and Leasing	13%	0	−4%	0	−10%	0
Professional, Scientific, and Technical Services	13%	1	30%	2	74%	5
Management of Companies and Enterprises	13%	0	38%	0	−51%	0
Administrative and Support and Waste Management and Remediation Services	13%	1	−1%	-1	−25%	-..
Educational Services	13%	14	2%	3	19%	20
Health Care and Social Assistance	13%	31	2%	5	−4%	-10
Arts, Entertainment, and Recreation	13%	0	1%	0	−14%	0
Accommodation and Food Services	13%	8	−13%	-8	−41%	-26
Other Services (excluding Public Administration)	13%	2	−5%	-1	80%	15
Public Administration	13%	4	−2%	-1	1%	1

Table: PorchLight • Source: data.census.gov (S2403) • Created with Datawrapper

Across all industries, we calculate the following shift-share totals.

National Growth Effect: 107

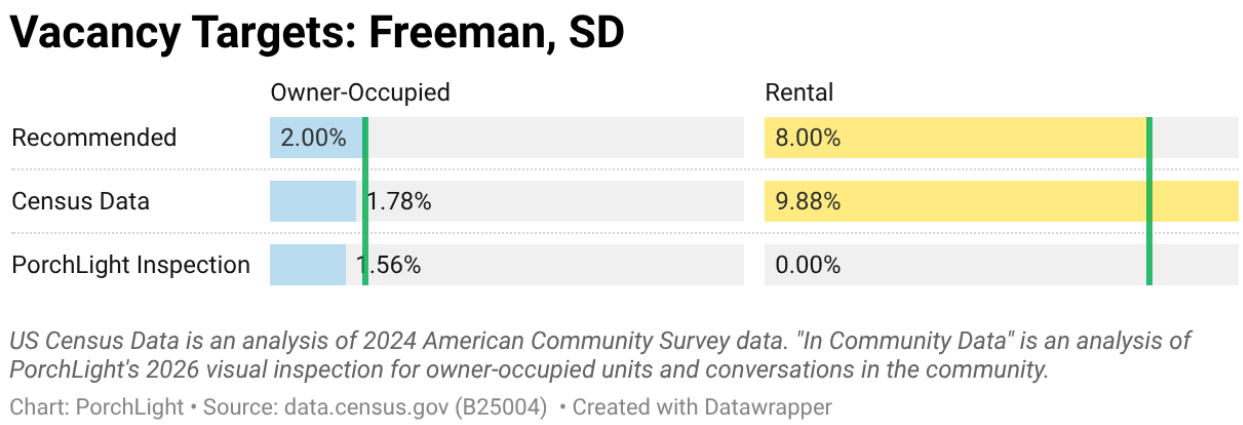
Industry Mix Effect: -30

Local Share Effect: -87

= **Total Local Employment Change -10**

G. Vacancy Rates

According to the American Community Survey, in 2024, 64 housing units in Freeman were vacant. 16 were available for rent, 8 were for sale, 11 were vacant for "seasonal, recreational, or occasional use," and 29 were classified as "other vacant."



This indicates an owner-occupied vacancy rate of 1.78% and a rental vacancy rate of 9.88%. In PorchLight's visual inspection, 8 of 512 units inspected were for sale, which equates to a vacancy rate of 1.56% for owner-occupied homes. Additionally, in conversations with community members, Freeman seems to have a lower rental vacancy rate than 9.88%, with little to no vacancy in rental units being the reality.

PorchLight generally recommends that communities should target a 2% vacancy rate for owner-occupied units and a 5-8% vacancy rate for rental units.

Why Target 2% Owner-Occupied Vacancy?

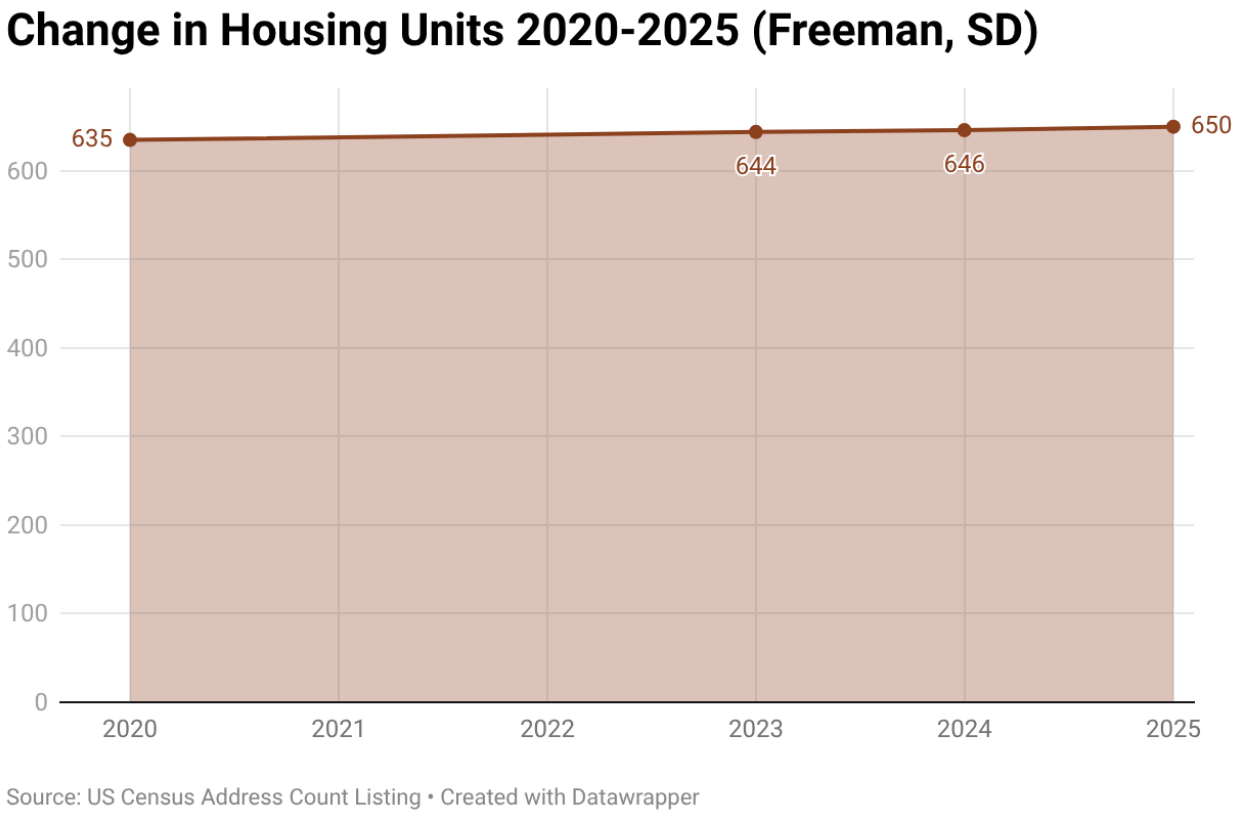
A 2% vacancy rate for owner-occupied housing demonstrates some availability in the market without a significant number of vacant properties. The typical

American homeowner spends about 13 years in their home, and up to 90 days on the market is considered an appropriate amount of time for a home to sell. Taking these factors into account, a home following a typical homeownership cycle will spend about 2% of time vacant. This indicates appropriate housing availability without long-term vacant housing.

Why Target 5-8% Rental Vacancy?
For renter-occupied units, we recommend a target vacancy rate of 5-8%. Rental units experience higher turnover and provide necessary slack in the housing market. A 5-8% vacancy rate indicates the average rental unit spends one month vacant every 12-20 months.

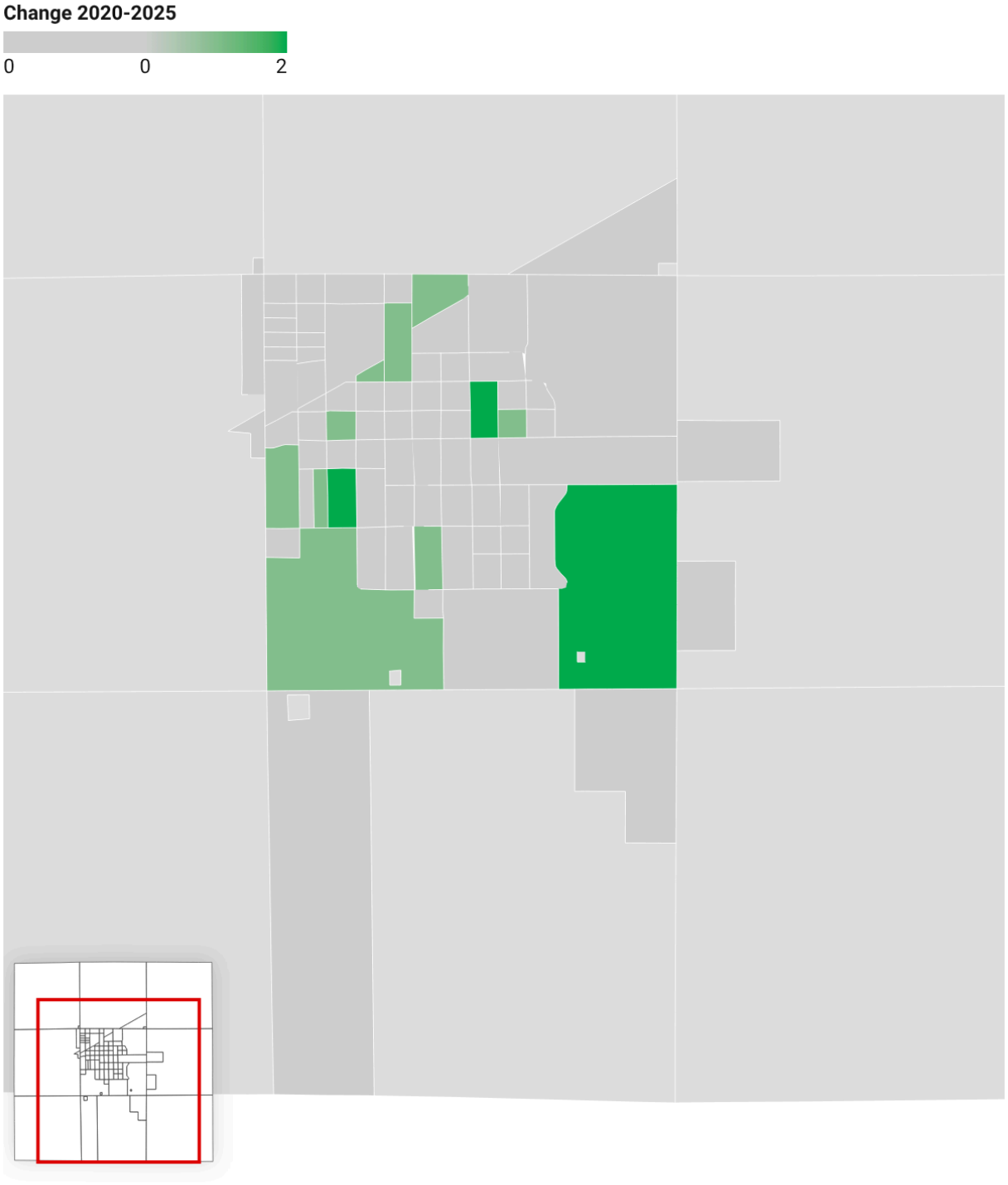
H. Sales and New Builds

According to data from the US Census Address Count Listing, Freeman has added, on net, 15 housing units since 2020, an average of three (3) housing units per year.



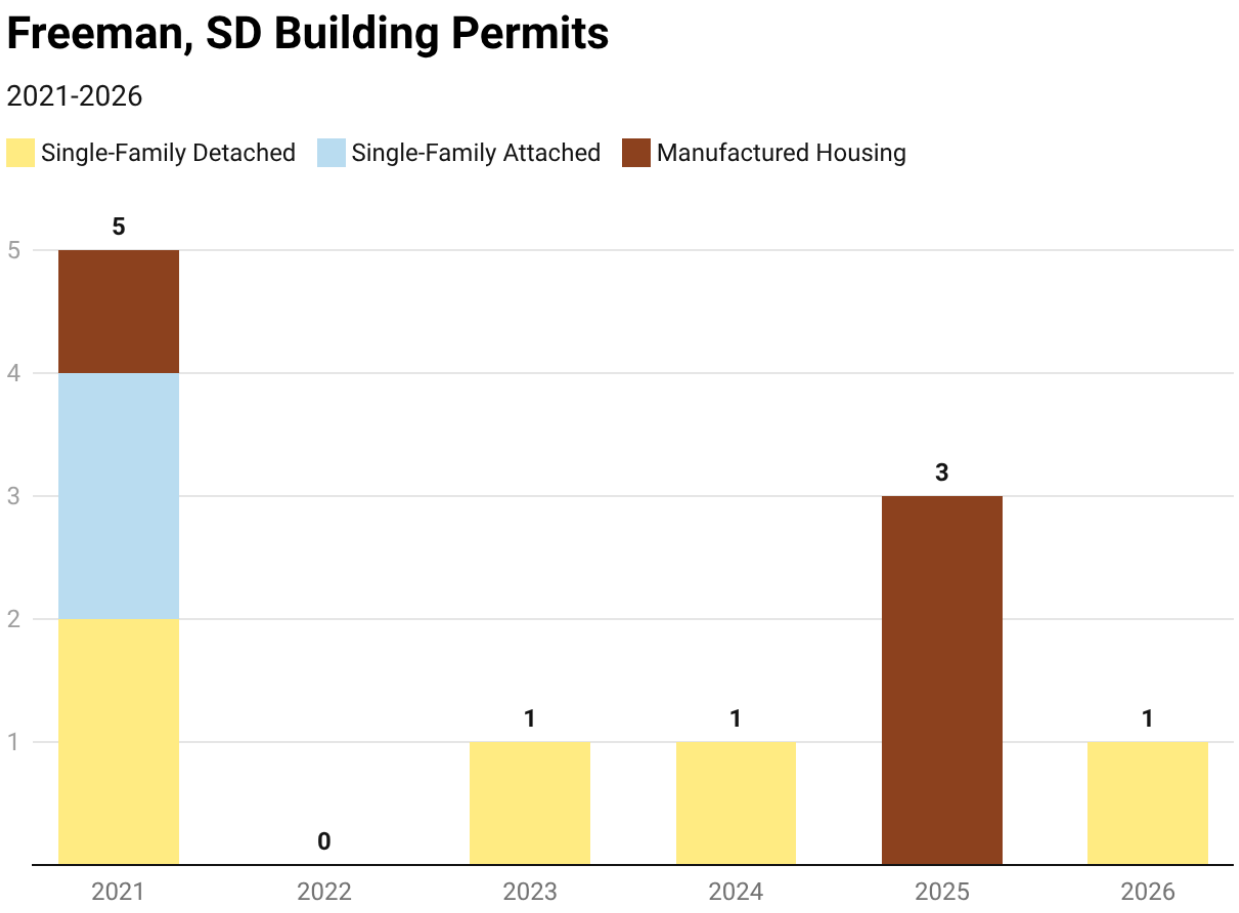
For a more detailed look at where Freeman has seen increases and decreases in the number of housing units, the following map provides more detail.

Freeman, SD Housing Unit Change (2020-2025)



Source: US Census Address Count Listing • Created with Datawrapper

According to the City of Freeman's building permit reports, from 2021-2026, 7 single-family housing units and 8 manufactured housing units were permitted.



I. Housing Condition Inspection

On July 1, 2026, PorchLight conducted a visual inspection of attached and detached single-family dwelling units (single-family homes and townhomes) in Freeman using a windshield survey.

Homes were evaluated according to the following rubric.

Windshield Survey: Housing Condition Rating Rubric

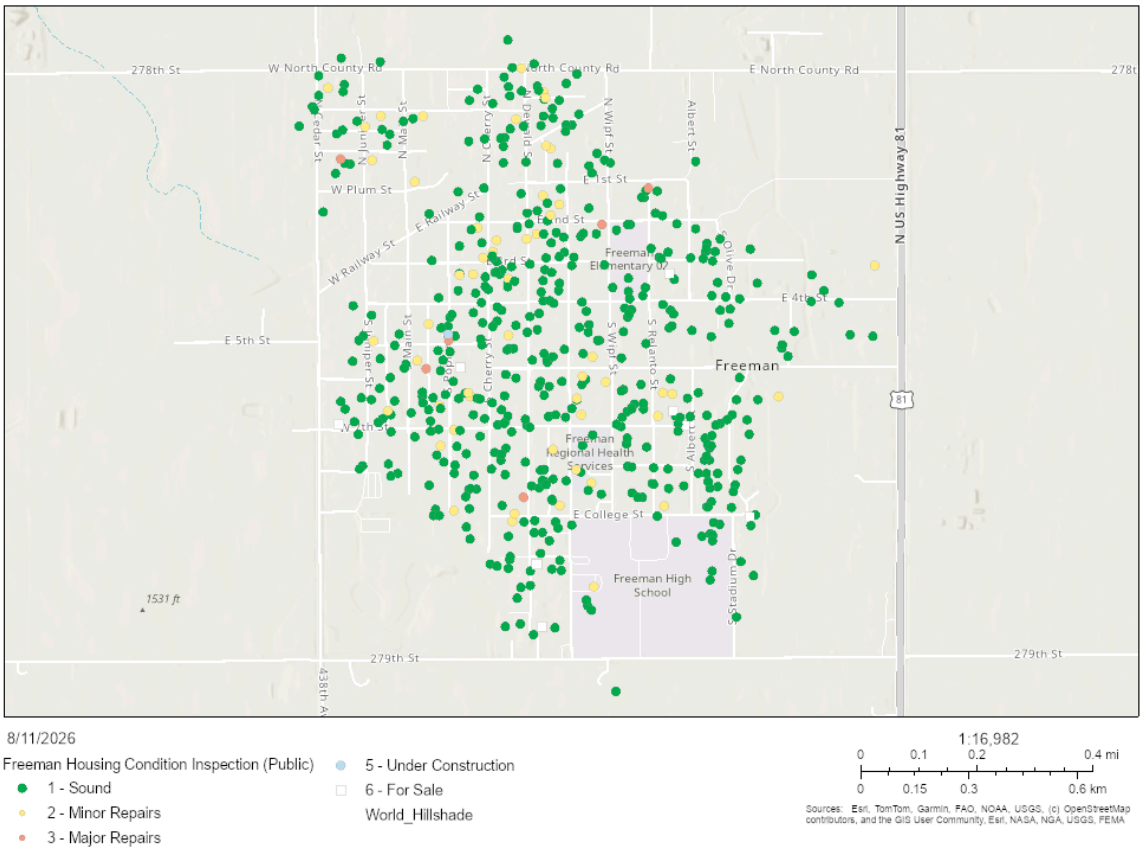
Use this rubric to assess housing conditions based on a street-level (windshield) view only. Begin with the highest category (Sound Houses) and move downward. If a house exhibits two or more features from a lower category, it should be downgraded to that level. This approach mirrors standard practices in housing inspections, where multiple visual indicators—rather than isolated issues—are used to determine overall condition. Use visible signs only—do not consider interior features.

Category	1. Sound Houses	2. Minor Repair	3. Major Rehabilitation	4. Dilapidated
General Appearance	Well-maintained exterior with good curb appeal	Minor cosmetic issues such as peeling paint or aging trim	Obvious neglect, multiple visible defects	Severe deterioration, may appear abandoned
Structure	Foundation and walls appear straight and stable	Small cracks or minor settling visible	Large cracks, leaning walls or porch	Collapsing or visibly unsafe structure
Roof	Fully intact, no sagging or visible damage	Minor wear, small missing areas	Major visible damage or sagging	Missing or caved-in roof sections
Windows & Doors	All present, secure, and in good condition	May need repainting or minor repair	Broken or boarded windows/doors visible	Multiple openings boarded up or missing entirely
Exterior Walls	Paint, siding, or brick in good condition	Peeling paint, small areas of damage	Large holes, crumbling siding, or masonry	Severe decay or missing wall sections
Yard & Grounds	Maintained landscaping, clean and orderly	Overgrown grass or minor clutter	Trash, overgrowth, broken fences, signs of neglect	Unmaintained, trash-strewn, may indicate vacancy

Table: PorchLight • Created with Datawrapper

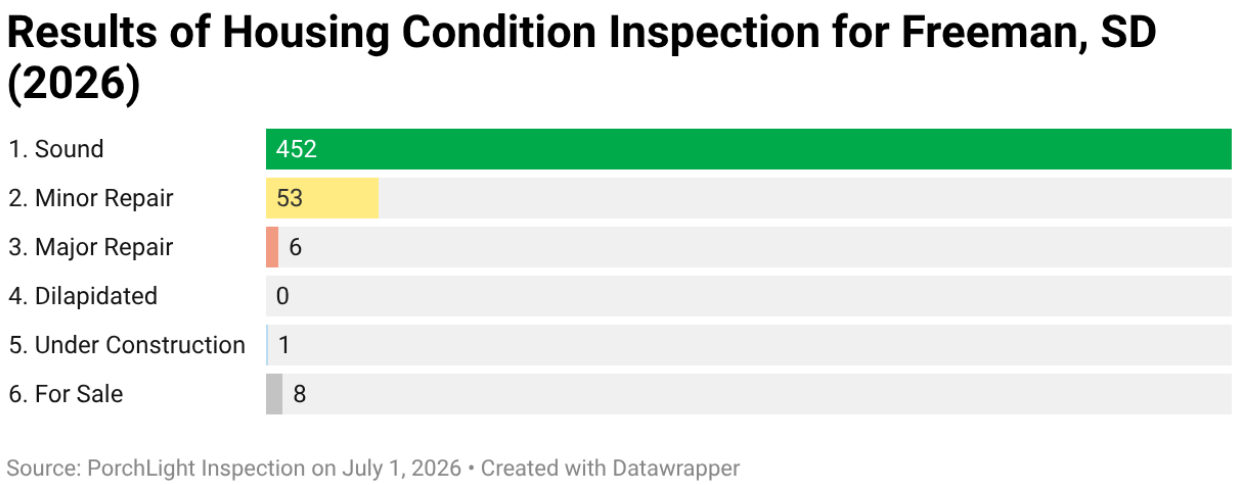
The results of the inspection can be viewed in this interactive map. Dots do not correlate to exact coordinates for each home. Click the information button to see the legend and color-coding system.

Freeman Housing Condition Inspection (2026)



Overall, PorchLight reviewed 512 single-family dwelling units. 452 (88.3%) were in sound condition, 53 (10.4%) required minor repairs, 6 (1.2%) required major repairs, 0 were dilapidated (0), and 1 (0.2%) was under construction, which includes homes in the process of significant repairs. 8 houses (1.6%) had “for sale” signs.

The vast majority of homes in Freeman are in very good condition. PorchLight’s visual inspection confirmed the overall sense in Freeman that homes are generally in good condition. In particular, Freeman has very few homes requiring significant repairs.



J. Community Input Summary

PorchLight conducted input interviews with a variety of individuals to develop a qualitative understanding of the housing market in Freeman alongside existing data. The following is a summary of those conversations, anonymized to allow individuals to speak freely.

i. Freeman's Location and Economic Strength

Throughout interviews, residents pointed to several factors that allow the community to sustain as a self-supporting small town.

Freeman is close enough to several larger communities – including Mitchell, Yankton, and Sioux Falls – to reap the benefits of proximity, including a shared labor shed that allows workers to commute from those communities to Freeman for employment or vice versa. At that same time, Freeman is far enough from each of those communities to be outside their sphere of influence. Freeman is its own small town, not a suburb or a bedroom community of a larger town or city.

Additionally, Freeman has a robust local economy. With three banks, multiple manufacturing employers, two grocery stores, a public school, and a hospital, Freeman has a wide variety of employment opportunities and can serve many of the day-to-day needs of residents in town.

ii. Workforce Housing Needs

Three key takeaways emerged from conversations with major employers about housing needs.

First, employers reported a significant number of employees commute into town each day in Freeman, largely due to a lack of available, suitable, or affordable housing in the community. Employers reported they believe many of their employees who commute into town would be interested in living in Freeman if the right housing opportunities existed. Some employees, of course, have family connections or a spouse working in another community and are unlikely to relocate to Freeman. As an example, Vermeer provided data that of their 104 employees in Freeman, only 39 live in Freeman.

Second, employers report a need for additional quality market-rate rental housing options in Freeman, particularly small- to mid-size apartment buildings. The price range that employers mentioned varied from $700 to $1,200. This range would help to serve workers who make a decent wage but are making their initial move to town while they prepare to purchase a home or just want the simplicity of renting an apartment.

Third, employers reported a need for starter homes and entry-level housing in Freeman. In particular, some employers reported that homes over $300,000 are unattainable for many employees, and others identified the $150,000-$200,000 range as the greatest need.

iii. Senior Housing

Interview participants identified strong demand for senior-focused housing in Freeman. Several duplexes have been built in Freeman that were quickly filled by seniors looking to downsize.

Freeman has a variety of housing options for seniors, including independent living, assisted living, and a nursing home through Freeman Regional Health Services. In the medium- to long-term, Freeman Regional plans to build a new hospital facility and then turn to updating its senior living and care facilities.

Freeman is a small community, and there is some concern that expansion of senior living and care facilities could lead to expensive, overbuilt senior-only housing

that is not resilient to changing demographic patterns. At the same time, many seniors are living independently late into life and options to deliver care in-home continue to expand and improve. Freeman may be well-served when deciding between assisted living and independent living to build options that preserve maximum optionality so that if, in the future, Freeman has a smaller senior population those units can be opened up to all ages. For example, this may be filled by building senior-restricted duplexes that are normal, single-level duplexes with managed maintenance. Seniors may be able to stay in those duplexes longer, instead of moving into assisted living facilities, through in-home care programs.

Developing senior-appropriate housing as an attractive downsizing option could also help to open up affordable owner-occupied housing in Freeman for families, as existing housing may be more affordable than a new build. In addition, providing opportunities for seniors to transition to lower-maintenance housing can help to ensure the housing stock is in good condition when it transitions to a new owner.

iv. Owner-Occupied Housing

Interviewees indicated the largest need for owner-occupied housing is for starter and mid-range homes, particularly at a price point below $250,000. However, today's construction costs make building new housing at that price point difficult outside of specialized programs like the Governor's House program. However, if seniors had more downsizing options available in Freeman, that may open housing stock suitable and affordable for young families and first-time homebuyers.

In general, Freeman is viewed as a neat and tidy community where properties are well cared for. This aligned with PorchLight's visual inspection of the community. Alongside exterior appearance, there is a fairly active market for the size of community for renovating and flipping houses that need repairs. It was not clear from interviews how this impacts affordability of entry-level housing in the community.

v. Renter-Occupied Housing

Across the board, there is a sense that Freeman is short on rental housing. One historical event that has had a lasting impact is that around 2020, some

single-family homes that had been rentals were purchased and became owner-occupied, shrinking the total pool of rentals in the community.

Residents generally did not identify the cost of current units as a major concern. A number of the rental units in town are subsidized or otherwise affordable. Units experience low turnover, meaning there is little liquidity in the market to house new arrivals to town.

In general, participants believed new, good-quality rental units, whether single-family homes, duplexes, or small apartments like an 8- or 10-plex would be received favorably by the community.

The two primary demographics participants pointed to as the greatest need were seniors (looking for duplexes or other low-maintenance options) and young professionals looking to get their start in the community.

K. Methodology Notes

i. Population Modeling

To analyze historical population change and project future population trends, this study employs an age-cohort analysis using data from the American Community Survey (ACS). Population estimates are organized into ten-year age cohorts, structured to align with life-stage transitions and long-term demographic movement.

Age cohorts are defined as follows: ages 0–4, 5–14, 15–24, 25–34, 35–44, and continuing in ten-year increments through age 85 and older. This structure allows for consistent tracking of population cohorts over time while accounting for births, aging, migration, and mortality.

For each community, population counts are extracted for the most recent ACS year available (currently 2023) and for the same geography ten years prior (2013). To measure cohort change, each age group in the earlier year is compared to the corresponding group ten years older in the later year. For example, the population aged 25–34 in 2013 is compared to the population aged 35–44 in 2023. This comparison approximates the same cohort aging forward through time, allowing the analysis to capture net population change attributable to in-migration, out-migration, and survival effects.

Percentage changes are calculated for each cohort over the ten-year period. These cohort-specific change rates are then applied forward to project population by age ten years into the future. In practice, this means that observed historical trends—such as gains or losses as residents move from early adulthood into mid-career years—are applied to today's younger cohorts to estimate how those populations are likely to evolve over the next decade.

Special adjustments are made for the youngest and oldest age groups. For the 0–4 age cohort, projections are based on the historical relationship between total population and the share of residents represented by early childhood ages, reflecting expected birth rates rather than cohort aging. For the oldest age groups, upper-age categories (particularly ages 85 and older) are consolidated to adjust for the fact that all individuals aged 85 and older are reported as one category, so the 75 to 84 cohort and the 85 and older cohort combine over a ten-year period.

ii. Limitation of Census Data in Rural Communities

The United States Census American Community Survey (ACS) provides critical, granular data related to housing and population for rural communities. At the same time, this data is imperfect. Year-by-year data is based on sampling over a 5-year period, and margins of error are high in rural communities. Reproducing or finding this level of data would be nearly impossible without the American Community Survey, so its limitations are worth it for the data it can provide.

PorchLight works to collect additional data in the communities where we work, including through community interviews, to ensure this data aligns with the reality on the ground.

Acknowledgements

It has been a pleasure working with Freeman on this housing study. Thank you in particular to our steering committee: Shelly Wanninger, Courtney Unruh, Christa Helma, Blaine Saarie, Jake Tietje, Julie Oien, and Steve Schmeichel. In addition, we are grateful to Jeremy Waltner, Chet Peterson, Charles Harberts, and Erin Lachman for their insights.

This housing study was supported, in part, by GROW South Dakota in partnership with Sunrise Banks. GROW South Dakota is a nonprofit organization whose vision is to grow sustainable communities through housing, community, and economic development. GROW South Dakota recognizes the importance of strong local partnerships in addressing housing needs across rural communities and is grateful for the opportunity to be a partner in the completion of this housing study.





About Us

PorchLight is the hub for rural workforce, partnering with rural communities to prepare for the 21st-century workforce. PorchLight is committed to connecting workforce to rural communities, and housing is a frequent barrier for communities to attract and retain workers. We love working with communities to solve problems and provide really good data. We pride ourselves on the connection we make with the people in the communities we serve and our ability to apply that essential people-centered information to augment the data and hard numbers we collect.

We believe that you should be able to work big and live small no matter where you choose to call home.

Berk Ehrmantraut - Director of Policy and Communities

Originally from Beresford, SD (pop. 2,180), Berk is the Director of Policy and Communities at PorchLight and the lead author on this report. He leads PorchLight's work with communities to support their workforce needs including housing, childcare, community development, and employee attraction.

After growing up in Jamestown, ND and Aberdeen and Beresford, SD, Berk attended American University in Washington, DC, where he earned a Bachelor of Arts interdisciplinary studies degree in Communication, Legal Institutions, Economics, and Government. He is a Certified Collaborative Discussion Coach through the Collaborative Discussion Project.

After working on South Dakota political campaigns and working as a staffer for the South Dakota legislature, Berk returned to Washington, DC, where he served as the Senior Digital Communications Manager for Friends of the Global Fight Against AIDS, Tuberculosis and Malaria, an advocacy nonprofit responsible for securing $1.56 billion in annual appropriations for programs to fight infectious diseases globally.

Berk came back to South Dakota to serve as Executive Director of a major political non-profit. In his two years serving as Executive Director, he more than doubled election cycle expenditures, revitalized the organization's culture, improved operational and financial procedures, delivered robust programming and events, and achieved key electoral objectives.

Berk lives in Sioux Falls, SD with his wife, Keeley.

Jessica Meyers - CEO

Originally from Winner, SD (pop. 2,852), Jessica Meyers was raised in Winner and Vermillion, SD, and earned her bachelor's degree at South Dakota State University in Brookings. Jessica and her husband, Matt, followed the flight patterns of many young adults and left the small towns of SD for bigger cities. After 10 years of living in some of the largest cities in America, she now lives in Sioux Falls with her family. In her professional career, Jessica has worked in several industries, from publishing, sales, and healthcare recruiting, where she has run multi-million-dollar organizations and won multiple national awards across industries. Pairing over 20 years of sales and recruiting experience, she is co-founder and CEO of PorchLight. This talent recruitment firm partners with rural communities to prepare for the 21st-century workforce and connect rural workers to employment opportunities.

Jessica created the first-of-its-kind PorchLight Certification and the platform where rural development and job opportunities connect.

Jessica has been married for over 25 years to her high school sweetheart, Matt, and they have three daughters, Eve, Grace, and Juliet, who live in Sioux Falls, South Dakota.