

Housing Affordability in Hubbard County

May 2009



**Minnesota
Housing Partnership**

Homes for all.

Housing is considered affordable if it consumes less than 30% of a household's gross income. At higher levels, families must choose between housing and other basic needs and will struggle to weather financial setbacks. For 2009, housing costs continue to consume a large portion of families' income, with substantial unemployment threatening Minnesotans.

Renters

Home Owners

Household Income	Number of Households Paying 30% or More in Rent	Percent of Households Paying 30% or More in Rent	Number of Households Paying 30% or More in Ownership Costs	Percent of Households Paying 30% or More in Ownership Costs
Less than \$20,000	282	47.0%	304	45.9%
\$20,000 – \$34,999	32	10.4%	168	22.5%
\$35,000 – \$49,999	0	0.0%	67	8.8%
\$50,000 and over	0	0.0%	46	3.7%
All Income Levels	314	27.9%	585	17.1%

The table above shows the number and percent of households in different income brackets that pay 30% or more of household income for rental or ownership costs. It illustrates that the **burden of housing costs weighs more heavily on lower-income families.**¹

Even before the current economic downturn, housing needs were severe. In 2007, 1 in 8 households spent at least half of their income on housing, up from 1 in 15 in 2000. **Minnesota experienced the fastest increase of extremely cost burdened households of any state in the nation during this time period.**²

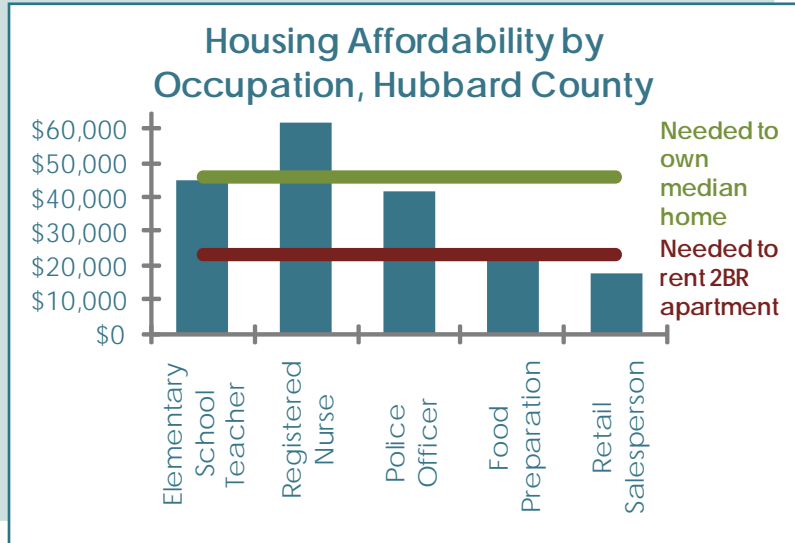
In 2000, about 83.0% of Hubbard County residents owned their home and 17.0% were renters. Of these, approximately 17.1% of homeowners and 27.9% of renters in Hubbard County spent 30% or more of their household income on housing.³



2446 University Avenue West, Suite 140
Saint Paul, MN 55114-1740
f: 651-649-1725 p: 800-728-8916
www.mhponline.org 651-649-1710

Lower-income households face extreme affordability challenges.

The chart below compares median earnings across different occupations to the income required to afford housing.⁴



HOUSING COSTS. In Hubbard County, a median-priced home cost \$143,750 in 2008, and the fair market rent for a two-bedroom apartment was \$577 per month in 2009. Since 2001, home prices have increased by 36.8%, and the fair market rent has increased by 38.7%.⁵

INCOME. In Hubbard County, a family of four with two full-time wage earners needs to earn a combined annual salary of \$47,220 to afford the basic cost of living.⁶ The median household income for Hubbard County was \$42,231 in 2007.⁷

JOBS. 42% of jobs in Hubbard County and counties nearby pay less than the regional wage required to afford basic needs.⁸ The average unemployment rate in Hubbard County was 12.5% in March, 2009, up from 7.3% in March 2006.⁹

SOURCES: 1 US Decennial Census, 2000. 2 Ibid. 3 Ibid. 4 OES Wage Data by economic development region, MN DEED, 4th quarter, 2008; HUD Fair Market Rents, 2009; MN Department of Revenue Sales Ratio Study, 2007-8. 5 MN Dept of Revenue Sales Ratio Study 2000-1 & 2007-8; HUD Fair Market Rents, 2001 & 2009. Not adjusted for inflation. 6 The Cost of Living in Minnesota Family Wage & Budget Calculator, JOBS NOW Coalition, 2009. 7 Small Area Income & Poverty Estimates, 2007. 8 The Cost of Living in Minnesota, JOBS NOW Coalition, 2007. 9 Local Area Unemployment Statistics, MN DEED, March 2009. 10 Minnesota Foreclosure Supplement, 2008, HousingLink, 2009. 11 2008 Foreclosure Counseling Program Report, Minnesota Home Ownership Center, April 2009. 12 Wilder Research Center, 2007. 13 Ibid. 14 Ibid. 15 US Decennial Census, 2000. 16 Ibid.

Foreclosures in Minnesota

- In Hubbard County in 2008, there were about 67 foreclosures, a 6.3% increase from 2007.¹⁰
- Left unaddressed, abandoned foreclosed properties destabilize neighborhoods, erode the local tax base and drive up the costs of municipal services.
- Of homeowners seeking foreclosure counseling in 2008, three-quarters were considered to be low- and moderate-income. Half experienced a reduction of income before seeking counseling. 60% had prime mortgages.¹¹

Homelessness in Minnesota

- On a single day in 2006, 198 people were sheltered in the Northwest Region, including 81 children.¹²
- Roughly 9,200 Minnesotans are homeless and 7,700 are precariously housed in temporary or unstable housing. 38% are children and youth.¹³
- 39% of Minnesota's homeless population cite the inability to afford housing as a primary reason for leaving previous housing.¹⁴

Extreme Cost Burden

- Approximately 9.0% of renter households pay at least half of their income on housing in Hubbard County.¹⁵
- For homeowner households in Hubbard County, 7.0% pay at least half of their income on housing.¹⁶