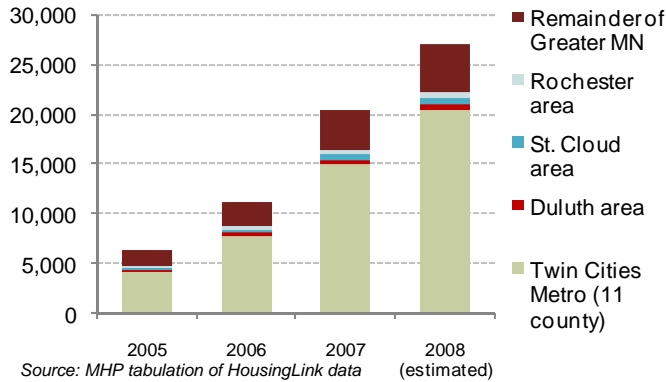


# NEED ON THE RISE: Housing Trends in Minnesota

January 2009

## Foreclosures: Sheriff's Sales by Area, Minnesota, 2005-2008

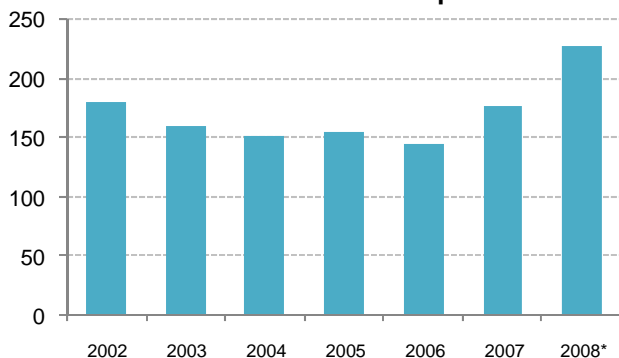


Recent trends in foreclosures have been cause for concern throughout Minnesota. One mortgage foreclosed for every 54 households from 2005 through 2007, and projected foreclosures for 2008 are higher still.

The rise in foreclosures has been accompanied by other trends indicating increased pressures on families in affording housing. The heavily populated Twin Cities metropolitan area has seen a tightening rental market, with rising rents and falling vacancy rates. Meanwhile, after years of a far lower unemployment rate than the US average, Minnesota unemployment looks similar to the country as a whole. In November, nearly 190,000 Minnesotans were unemployed.

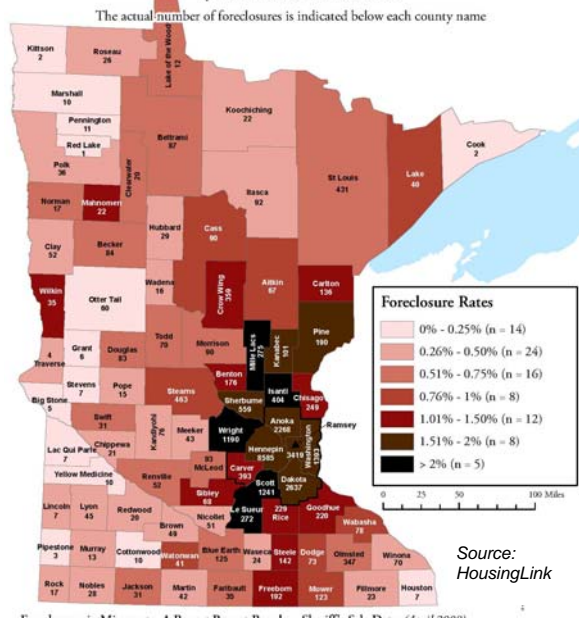
Reports of homelessness have increased, with loss of rental units due to foreclosure, economic woes, and a tight rental market. From 2006 to 2008, the average number of families using Hennepin County contracted shelters per month grew by nearly 60%.

## Average Number of Families Using Hennepin Co. Contracted Shelters per Month



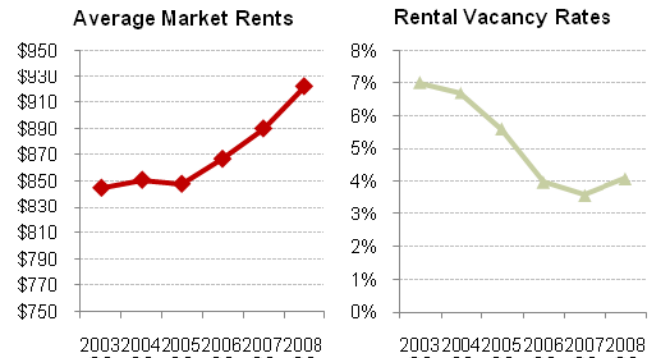
\*2008 data is for January through November only. Monthly count of families is unduplicated.  
Source: Hennepin County

## Minnesota Foreclosure Rates\* (2008 Projected) by Total 2005 Households

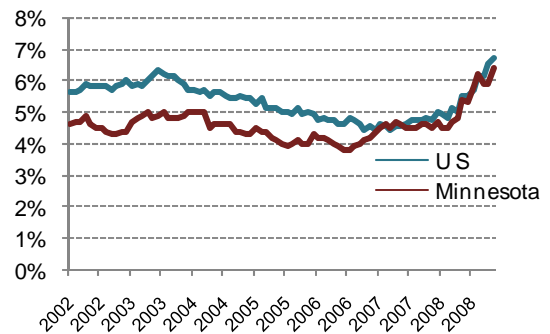


Foreclosures in Minnesota: A Report Report Based on Sheriff's Sale Data (April 2008)

## Tightening Rental Market: Twin Cities Metro



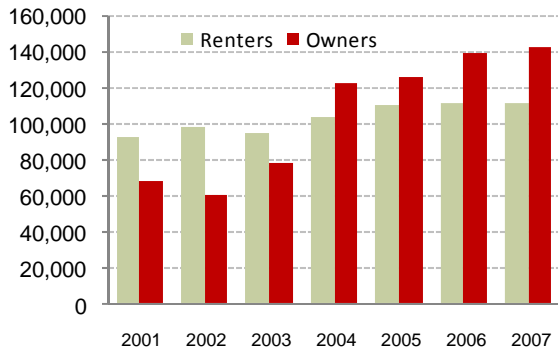
## Unemployment Rate, 2002-2008 (seasonally adjusted)



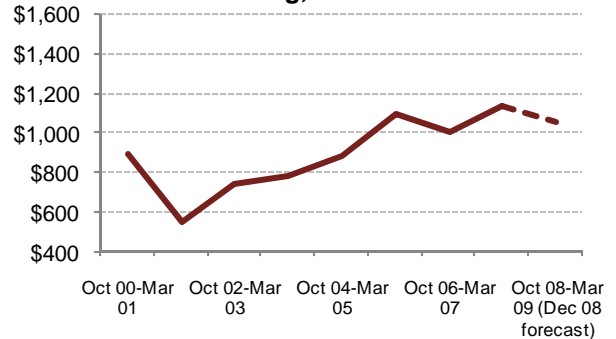
# HOUSING COSTS: Mounting in Minnesota



**Households Spending at least Half of Income on Housing, Minnesota**



**Average Household Expenditures for Winter Heating, Midwestern States**

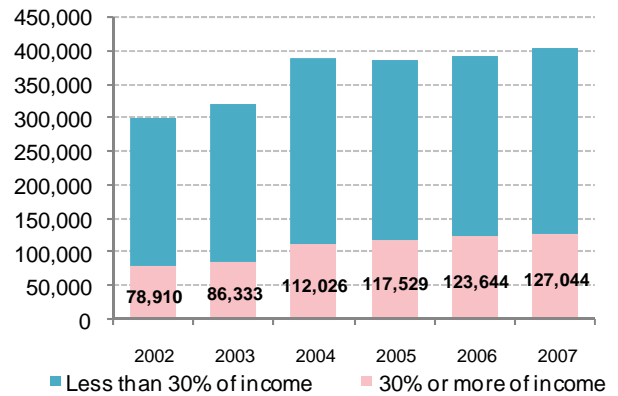


People from all walks of life are feeling the squeeze from mounting housing costs amid growing unemployment. With high homeownership costs, a tightening rental market and rising heating costs, more Minnesotans are unable to afford their housing. Too often, families must choose between housing and other basic needs.

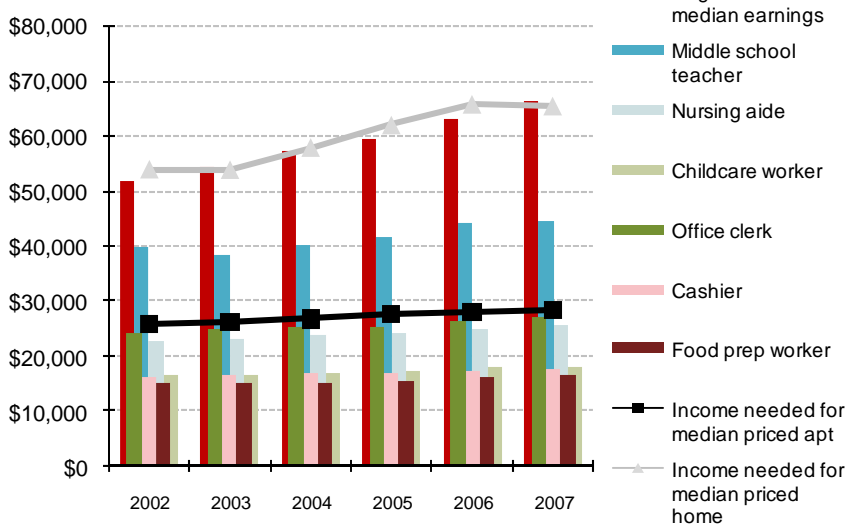
Senior citizens on fixed incomes have little capacity to increase earnings in the face of high housing costs. A recent study by Wilder Research predicted that by 2020 over 35,000 very low-income senior households will need affordable housing in the East Metro alone.

Workers who provide essential services to our communities, such as teachers and health care workers sometimes cannot afford rent, let alone home ownership. By 2007, 1 in 8 Minnesota households were paying more than *half* of their income for housing, indicating severe cost burden. In fact, between 2000 and 2007, Minnesota had the fastest growth in severely cost burdened households of any state in the nation. Growing unemployment will strain more households in the coming months.

**Income Paid for Housing by Households Headed by Seniors Citizens 65+, MN**



**Housing Affordability by Essential Service and Common Occupations, Minnesota**



**States with the Fastest Growth in Households Spending at least Half of Income on Housing**

State Rank	2000	2007	% Change
1. Minnesota	6.5%	12.3%	+89.5%
2. New Hampshire	8.4%	13.9%	+65.5%
3. New Jersey	12.0%	19.4%	+61.0%
4. Delaware	8.6%	13.8%	+60.6%
5. Rhode Island	11.4%	18.0%	+56.9%
6. Michigan	9.7%	15.0%	+54.5%
7. Wisconsin	8.7%	12.7%	+46.1%
8. Maryland	10.2%	14.8%	+45.9%
9. Florida	13.6%	19.7%	+44.3%
10. Virginia	9.0%	12.9%	+43.8%

Sources: MHP tabulation of American Community Survey (ACS) data (top left & middle right); Short Term Energy Outlook data (top right); ACS, MN Department of Revenue, & Bureau of Labor Statistics data (bottom left) and ACS and Census data (bottom right).