Housing Affordability in Brown County

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.

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 2005-2007, about 80.2% of Brown County residents owned their home and 19.8% were renters. Of these, approximately 17.4% of homeowners and 31.2% of renters in Brown County spent 30% or more of their household income on housing.³
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 Affordability by Occupation, Brown County**

- **Housing Costs.** In Brown County, a median-priced home cost $111,000 in 2008, and the fair market rent for a two-bedroom apartment was $587 per month in 2009. Since 2001, home prices have increased by 34.8%, and the fair market rent has increased by 41.1%.5

- **Income.** In Brown County, a family of four with two full-time wage earners needs to earn a combined annual salary of $43,452 to afford the basic cost of living.6 The median household income for Brown County was $46,497 in 2007.7

- **Jobs.** 37% of jobs in Brown County and counties nearby pay less than the regional wage required to afford basic needs.8 The average unemployment rate in Brown County was 10.3% in March, 2009, up from 5.9% in March 2006.9

**Foreclosures in Minnesota**

- In Brown County in 2008, there were about 40 foreclosures, a 25.0% 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, 342 people were sheltered in the Southeast Region, including 181 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 15.9% of renter households pay at least half of their income on housing in Brown County.15

- For homeowner households in Brown County, 4.3% pay at least half of their income on housing.16