Housing Affordability in Carver 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. In Minnesota, housing costs continue to consume a large portion of families’ income. For many, extended economic hardship is taking a toll.

The table above shows the number and percent of households at different income levels 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 2008, 1 in 8 Minnesota 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 2008, about 84% of Carver County residents owned their home and 16% were renters. Of these, approximately 29.9% of homeowners and 47.3% of renters in Carver 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 Costs.** In Carver County, a median-priced home cost $234,254 in 2009, excluding foreclosures. The fair market rent for a two-bedroom apartment was $899 per month in 2010. Since 2001, home prices have decreased by 1%, and the fair market rent has decreased by 2%, after adjusting for inflation.5

**Income.** In Carver County, a family of four with two full-time wage earners needs to earn a combined annual salary of $61,205 to afford the basic cost of living.6 The median household income for Carver County was $84,085 in 2008.7

**Jobs.** 36% of jobs in Carver County and counties nearby pay less than the regional wage required to afford basic needs.8 In April 2010, the unemployment rate in Carver County was 6.8%, compared to 7.4% in 2009 and 3.6% in 2005.9

**Foreclosures in Minnesota**
- From 2005-2009 in Carver County, there were 1,186 foreclosures. Of these, 363 occurred in 2009.10
- Almost 8% of primary mortgages in Minnesota were delinquent by 60 days or more by early 2010.11
- The most common reason people sought foreclosure counseling in 2009 was loss or reduction of income.12

**Homelessness in Minnesota**
- On a single day in 2009, 167 people were known to be homeless in the Washington/Scott/Carver County Region, including 103 children and youth through age 21.13
- An estimated 13,100 Minnesotans are homeless on any given night. The number of homeless people identified increased by 25% from 2006 to 2009.14
- The largest increase in homelessness from 2006 to 2009 was among young adults (18-21). Youth aged 12-21 saw the largest increase in likelihood of being turned away from a shelter.15

**Extreme Cost Burden**
- Approximately 17% of renter households pay at least half of their income on housing in Carver County.16
- For homeowner households in Carver County, 9% pay at least half of their income on housing.17