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.

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.

In 2005-2007, about 76.6% of Martin County residents owned their home and 23.4% were renters. Of these, approximately 18.5% of homeowners and 38.1% of renters in Martin County spent 30% or more of their household income on housing.
Lower-income households face extreme affordability challenges.

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

**Housing Costs.** In Martin County, a median-priced home cost $89,250 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 55.2%, and the fair market rent has increased by 38.7%.

**Income.** In Martin County, a family of four with two full-time wage earners needs to earn a combined annual salary of $45,720 to afford the basic cost of living. The median household income for Martin County was $42,997 in 2007.

**Jobs.** 37% of jobs in Martin County and counties nearby pay less than the regional wage required to afford basic needs. The average unemployment rate in Martin County was 7.4% in March, 2009, up from 4.7% in March 2006.

**Foreclosures in Minnesota**
- In Martin County in 2008, there were about 52 foreclosures, a 3.7% decrease from 2007.
- 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.

**Homelessness in Minnesota**
- On a single day in 2006, 342 people were sheltered in the Southeast Region, including 181 children.
- Roughly 9,200 Minnesotans are homeless and 7,700 are precariously housed in temporary or unstable housing. 38% are children and youth.
- 39% of Minnesota’s homeless population cite the inability to afford housing as a primary reason for leaving previous housing.

**Extreme Cost Burden**
- Approximately 11.7% of renter households pay at least half of their income on housing in Martin County.
- For homeowner households in Martin County, 3.6% pay at least half of their income on housing.