Housing Affordability in Martin 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.

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Number of Households Paying 30% or More in Rent</th>
<th>Percent of Households Paying 30% or More in Rent</th>
<th>Number of Households Paying 30% or More in Ownership Costs</th>
<th>Percent of Households Paying 30% or More in Ownership Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $20,000</td>
<td>692</td>
<td>71.9%</td>
<td>565</td>
<td>59.1%</td>
</tr>
<tr>
<td>$20,000 – $34,999</td>
<td>304</td>
<td>49.1%</td>
<td>318</td>
<td>28.5%</td>
</tr>
<tr>
<td>$35,000 – $49,999</td>
<td>23</td>
<td>9.5%</td>
<td>266</td>
<td>20.7%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>21</td>
<td>15.3%</td>
<td>266</td>
<td>7.1%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>1,040</td>
<td>48.7%</td>
<td>1,415</td>
<td>20.0%</td>
</tr>
</tbody>
</table>

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 2006-2008, about 77% of Martin County residents owned their home and 23% were renters. Of these, approximately 20.0% of homeowners and 48.7% of renters in Martin 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, Martin County

- **Elementary School Teacher**
- **Registered Nurse**
- **Police Officer**
- **Food Preparation Workers**
- **Retail Sales Persons**

**HOUSING COSTS.** In Martin County, a median-priced home cost $78,725 in 2009, excluding foreclosures. The fair market rent for a two-bedroom apartment was $588 per month in 2010. Since 2001, home prices have increased by 12%, and the fair market rent has increased by 15%, after adjusting for inflation.5

**INCOME.** In Martin County, a family of four with two full-time wage earners needs to earn a combined annual salary of $48,802 to afford the basic cost of living.6 The median household income for Martin County was $44,101 in 2008.7

**JOBS.** 43% of jobs in Martin County and counties nearby pay less than the regional wage required to afford basic needs.8 In April 2010, the unemployment rate in Martin County was 6.8%, compared to 8.5% in 2009 and 4.1% in 2005.9

**Foreclosures in Minnesota**
- From 2005-2009 in Martin County, there were 222 foreclosures. Of these, 46 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, 483 people were known to be homeless in the Southeast Region, including 278 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 19% of renter households pay at least half of their income on housing in Martin County.16
- For homeowner households in Martin County, 5% pay at least half of their income on housing.17