Housing Affordability in Nicollet 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.**

| Household Income | Renters | | | Home Owners | | |
|------------------|---------|------------------|------------------|
|                   | Number of Households Paying 30% or More in Rent | Percent of Households Paying 30% or More in Rent | Number of Households Paying 30% or More in Ownership Costs | Percent of Households Paying 30% or More in Ownership Costs |
| Less than $20,000 | 1,044 | 82.5% | 386 | 64.1% |
| $20,000 - $34,999 | 497 | 59.3% | 501 | 45.5% |
| $35,000 - $49,999 | 19 | 5.3% | 479 | 46.3% |
| $50,000 and over | 0 | 0.0% | 555 | 9.1% |
| All Income Levels | 1,560 | 49.2% | 1,921 | 21.7% |

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 73.6% of Nicollet County residents owned their home and 26.4% were renters. Of these, approximately 21.7% of homeowners and 49.2% of renters in Nicollet 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 Nicollet County, a median-priced home cost $159,500 in 2008, and the fair market rent for a two-bedroom apartment was $649 per month in 2009. Since 2001, home prices have increased by 34.1%, and the fair market rent has increased by 35.2%.3

**Income.** In Nicollet County, a family of four with two full-time wage earners needs to earn a combined annual salary of $46,404 to afford the basic cost of living.6 The median household income for Nicollet County was $58,959 in 2007.7

**Jobs.** 37% of jobs in Nicollet County and counties nearby pay less than the regional wage required to afford basic needs.8 The average unemployment rate in Nicollet County was 6.7% in March, 2009, up from 3.7% in March 2006.9

**Foreclosures in Minnesota**
- In Nicollet County in 2008, there were about 60 foreclosures, a 22.4% 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 26.1% of renter households pay at least half of their income on housing in Nicollet County.15
- For homeowner households in Nicollet County, 4.8% pay at least half of their income on housing.16