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. 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>874</td>
<td>74.8%</td>
<td>466</td>
<td>69.8%</td>
</tr>
<tr>
<td>$20,000 – $34,999</td>
<td>461</td>
<td>56.2%</td>
<td>436</td>
<td>44.4%</td>
</tr>
<tr>
<td>$35,000 – $49,999</td>
<td>111</td>
<td>18.4%</td>
<td>586</td>
<td>53.3%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>36</td>
<td>4.9%</td>
<td>622</td>
<td>10.2%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>1,482</td>
<td>42.0%</td>
<td>2,110</td>
<td>23.8%</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 72% of Nicollet County residents owned their home and 28% were renters. Of these, approximately 23.8% of homeowners and 42.0% 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.  

### Foreclosures in Minnesota

- From 2005-2009 in Nicollet County, there were 175 foreclosures. Of these, 66 occurred in 2009.  
- Almost 8% of primary mortgages in Minnesota were delinquent by 60 days or more by early 2010.  
- The most common reason people sought foreclosure counseling in 2009 was loss or reduction of income.

### 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.  
- An estimated 13,100 Minnesotans are homeless on any given night. The number of homeless people identified increased by 25% from 2006 to 2009.  
- 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.

### Extreme Cost Burden

- Approximately 24% of renter households pay at least half of their income on housing in Nicollet County.  
- For homeowner households in Nicollet County, 7% pay at least half of their income on housing.

**HOUSING COSTS.** In Nicollet County, a median-priced home cost $157,950 in 2009, excluding foreclosures. The fair market rent for a two-bedroom apartment was $682 per month in 2010. Since 2001, home prices have increased by 9%, and the fair market rent has increased by 15%, after adjusting for inflation.

**INCOME.** In Nicollet County, a family of four with two full-time wage earners needs to earn a combined annual salary of $50,153 to afford the basic cost of living. The median household income for Nicollet County was $55,535 in 2008.

**JOBS.** 43% of jobs in Nicollet County and counties nearby pay less than the regional wage required to afford basic needs. In April 2010, the unemployment rate in Nicollet County was 5.6%, compared to 6.1% in 2009 and 3.3% in 2005.