Housing Affordability in Roseau County

May 2009

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.

### Table: Housing Costs by Income Bracket

| 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 | 203 | 55.0% | 151 | 49.7% |
| $20,000 - $34,999 | 21 | 7.0% | 146 | 29.9% |
| $35,000 - $49,999 | 0 | 0.0% | 41 | 8.2% |
| $50,000 and over | 0 | 0.0% | 10 | 1.0% |
| All Income Levels | 224 | 25.3% | 348 | 14.8% |

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 2000, about 84.0% of Roseau County residents owned their home and 16.0% were renters. Of these, approximately 14.8% of homeowners and 25.3% of renters in Roseau 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.

**Foreclosures in Minnesota**
- In Roseau County in 2008, there were about 31 foreclosures, a 14.8% increase 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, 198 people were sheltered in the Northwest Region, including 81 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 10.0% of renter households pay at least half of their income on housing in Roseau County.
- For homeowner households in Roseau County, 5.0% pay at least half of their income on housing.

**Housing Costs.** In Roseau County, a median-priced home cost $86,000 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 24.5%, and the fair market rent has increased by 32.6%.

**Income.** In Roseau County, a family of four with two full-time wage earners needs to earn a combined annual salary of $43,476 to afford the basic cost of living. The median household income for Roseau County was $48,376 in 2007.

**Jobs.** 30% of jobs in Roseau County and counties nearby pay less than the regional wage required to afford basic needs. The average unemployment rate in Roseau County was 9.0% in March, 2009, up from 4.9% in March 2006.