Homes for All in Traverse County

A slow economic recovery and fallout from the foreclosure crisis have made housing difficult for many to afford. Though homes are less expensive in some areas, many owners cannot sell due to excessive debt. Renters often lack the savings or credit needed to buy. Regardless, renting is the best choice for many. High rental demand and rising rents make renters a focus for the 2013 County Profiles.

RENTAL OPTIONS LIMITED

Despite more renters after waves of foreclosures, the supply of places to rent is limited, and often in poor condition. 2007-2011 saw the lowest level of apartment construction statewide in any 5-year period in at least 50 years. In Traverse County, for every 100 extremely low-income renters there are now 53 units that are affordable and available.

INCOMES DO NOT COVER COSTS

In most Minnesota counties, renter incomes have fallen. According to the most recent data available, in Traverse County, real renter incomes have fallen by 9% while rents have fallen by 6% since 2000.

A safe, modest 2-bedroom apartment costs $626 per month in Traverse County. A family could affordably spend $573 per month on rent at the median renter household income of $22,917. By definition, half of the county’s renters earn less than this median, and would need less expensive housing. A minimum wage earner would have to work 66 hours per week to afford the $626 rent for a 2-bedroom apartment.

The cost of housing now consumes more than half of income for 1 in 7 Minnesota households. In 2000, only 1 in 13 households experienced this level of cost burden.
When parents cannot afford safe housing, kids do not reach their full potential.

Not all workers can afford housing readily. The median earnings for some essential jobs are simply too low in comparison to the actual costs of housing, the chart below shows.¹⁰

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Median Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary Teacher</td>
<td>$25,000</td>
</tr>
<tr>
<td>Licensed Practical Nurse</td>
<td>$30,000</td>
</tr>
<tr>
<td>Police Officer</td>
<td>$40,000</td>
</tr>
<tr>
<td>Food Preparation</td>
<td>$30,000</td>
</tr>
<tr>
<td>Retail Salesperson</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

Housing Affordability by Occupation, Traverse County

Needed to rent 2BR apartment
Needed to own median home

$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$0

EMPLOYMENT OPTIONS

- There are 2.3 job seekers for each vacant job in Traverse County and counties nearby.
- For vacant positions, the median wage is $14.97 for full time and $7.99 for part time jobs.
- The area unemployment rate was 4.7% in May, 2013. This does not include any workers who have quit looking for work.¹¹

In Traverse County, 7% of owner and 15% of renter households pay half or more of their income for housing. These families must choose between housing, food, medicine, and other basic needs.¹²

HOMEOWNERSHIP & FORECLOSURE

- The median sales price for non-foreclosed homes is about $53,250 in Traverse County, which is a real increase of about 53% since 2006.¹³
- From 2005-2012 in Traverse County, there were 42 foreclosures.¹⁴
- 16% of Minnesota mortgage holders currently owe more on their home than it is worth.¹⁵
- Almost 4% of primary mortgages in Minnesota were delinquent by 60+ days in early 2013, down from 8% in 2009. The average was 1.7% from 1979 to 2004.¹⁶