



## 1<sup>ST</sup> QUARTER 2011 - MHP “2 x 4” HOUSING INDICATORS

***Rent increases can be expected as rental vacancies plunge; 2006-2010 marks 50 year low in multi-unit housing construction***

**St. Paul, MN (June 13, 2011)** – The swelling ranks of Minnesota's renters may soon face higher rents, according to data in the [Minnesota Housing Partnership's \(MHP\) latest “2 x 4” Report](#). In the first quarter of 2011, the report also found that new lows were reached for housing construction and permits, and that the recession's spike in homelessness has failed to ease.

Data for the Twin Cities indicates that the rental market is tightening as the economy improves. Foreclosed former homeowners, people leaving doubled up situations, and young people able to leave parents' homes are all increasing demand for apartments. On the supply side, in Minnesota, only 16,400 multi-family units were issued building permits from 2006 to 2010, the lowest 5-year number since at least 1961-5, as far back as data is available. With demand up and supply down, higher rents are likely, which low-income Minnesotans can ill afford.

However, in brighter news, mortgage delinquencies and pre-foreclosure notices trended downward, offering hope that the housing market may stabilize eventually. Home prices have fallen dramatically from their 2006 peak under the weight of over 115,000 foreclosures statewide.

[MHP's “2 x 4” housing indicators report](#) continues covering the fallout of the Great Recession. The report graphically depicts 2 indicators for each of 4 key housing areas: *the home ownership market, the rental market, homelessness, and the housing industry*. Through quarterly updates, the report provides a concise and timely overview of housing challenges facing Minnesota.

For the first quarter of 2011:

- Vacancies in the Twin Cities rental market plunged to 3.1%, the lowest in a decade, while average rents climbed to \$916.
- 6,639 school children were identified as homeless by Minneapolis and St. Paul public schools through March of the school year. The combined number has increased each year since the 2007-8 school year.
- Mortgage delinquencies fell to 5.8%, representing a fifth straight quarter of improvement.
- In the Twin Cities metro, home sales prices fell, with high inventories of homes for sale. A record 38% of the homes on the market were foreclosures or short sales.
- Monthly employment in residential housing construction averaged only 7,500 workers, an 18-year low for Minnesota.

See the full [“2 x 4” Quarterly Housing Indicators Report](#) including graphs, data sources, and analysis at: <http://mhponline.org/publications/reports-and-research/2x4-report>. Media inquiries contact Leigh Rosenberg at 651-925-5543 or email at [rosenberg@mhponline.org](mailto:rosenberg@mhponline.org).

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The Minnesota Housing Partnership (MHP - 2446 University Ave W. - Ste 140 | St. Paul, MN 55114), a statewide nonprofit, advances the preservation and creation of housing affordable to low- and moderate-income people as a means of strengthening communities and families. MHP provides local governments and nonprofit housing organizations access to loans, grants, and technical expertise to plan and construct housing; it also advocates for and educates people on sound housing policies. MHP is an equal opportunity provider and employer.