



EMBARGOED UNTIL June 14, 2012

1ST QUARTER 2012 - MHP "2 x 4" HOUSING INDICATORS

Hopeful Signs for Housing Market, But Not Homelessness

ST. PAUL, MN (Embargoed until June 14, 2012, 12:01am) – Housing sector data for the first quarter of 2012 suggested a few rays of light reaching the beleaguered housing market, but the night darkened for the homeless. According to the latest "[2 x 4" Report](#)" by the [Minnesota Housing Partnership \(MHP\)](#), the number of families in Hennepin County shelters grew by 45% compared to just one year ago. At the same time fewer homes on the housing market brought more home price stability.

Homeowners saw some good news, with the inventory of homes for sale in the Twin Cities reaching an eight-year low this quarter. An average of about 17,300 homes, or 4.8 months of supply, was for sale. Prices, which have long been plummeting, began to stabilize under the influence of reduced inventory. Median sales prices fell only modestly in January and February, and actually increased in March in year-over-year comparisons.

Homelessness, with its tragic consequences for adults, families and children, grew more severe this quarter. Rising rents coupled with people dropping out of the labor force for lack of opportunity are the likely causes. An average of 283 homeless families sought shelter in Hennepin County contracted shelters each month. This figure was 45% higher than last year and 168% higher than 2006 for the first quarter. Homelessness among children in the Duluth, St. Paul and Minneapolis public schools was also up.

The "2 x 4" Report by the Numbers, Q1 2012

- 2.8%** The vacancy rate for the Twin Cities rental market, well below the 5 percent "balanced" point where rents generally hold stable.
- \$934** The average monthly rent for a Twin Cities area apartment.
- 861** The number of housing units issued new building permits in multi-family buildings. This number more than tripled since the first quarter of 2011.
- 5%** The percentage of primary mortgages that have been delinquent for 60+ days in Minnesota. This is the lowest level in about four years.
- 4,836** The number of foreclosures.
- 4.6** The months of supply of homes for sale on the market in the Twin Cities. This is the lowest level in six years.
- 8,076** The number of homeless children identified by the Minneapolis, St. Paul, and Duluth public schools.

[MHP's "2 x 4" Report](#) graphically depicts 2 sets of 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 overview of housing challenges facing Minnesota.

To obtain an embargoed copy of the report, please contact Leigh Rosenberg at 651-925-5543 or lrosenberg@mhponline.org.

After the embargo ends, see the full "2 x 4" Report including graphs, data sources, and analysis at: <http://mhponline.org/publications/reports-and-research/2x4-report>.

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