



EMBARGOED UNTIL MARCH 20, 2012

4TH QUARTER 2011 - MHP "2 x 4" HOUSING INDICATORS

Good News / Bad News for Housing in Minnesota

ST. PAUL, MN (Embargoed until March 20, 2012) – Housing sector data shows progress for middle class Minnesotans but bad news for the state's lowest income residents, according the latest ["2 x 4" Report](#) by the [Minnesota Housing Partnership \(MHP\)](#). Homelessness continues to increase to alarming levels. The number of families seeking shelter in Hennepin County has nearly doubled since 2006. In contrast, Minnesota shows signs of growth in the private housing market with housing construction higher than last year and a lower inventory of homes for sale.

The Good News – A few more Minnesotans are at work building houses, and the housing market is finally showing signs of tightening. These undeniable bright spots are welcome news after years of decline. With a falling inventory of homes for sale, home prices could be poised to find the bottom. Residential housing construction increased by 8 percent from last year at this time, while the supply of homes on the market fell to 4.6 months, the lowest in six years.

The Bad News – The tightest rental market in a decade means renters must earn more to pay for increasing rents in the Twin Cities area. At the same time, homelessness continues to rise across the state amid rising rental costs and high long term unemployment. A striking 832 more children than last year at this time have been identified as homeless by the public school systems in Duluth, St. Paul and Minneapolis combined. Minnesota ranks the worst of all the states for unemployment among Blacks, even as overall unemployment is better than average.

The "2 x 4" Report by the Numbers

- 6** The number of years since the average supply of homes for sale in the Twin Cities for the quarter was this low.
- 2.8%** The vacancy rate for the Twin Cities rental market, well below the 5 percent "balanced" point where rents generally hold stable.
- 18%** The percentage of the state's homeowners who owe more on their home than it is worth. Also the reduction in the number of homes that foreclosed this quarter compared to two years ago.
- 39%** The increase in homeless children identified by Duluth schools compared to last year.
- 301** The average number of homeless families seeking shelter in Hennepin County per month. The number has grown 96 percent since late 2006.
- \$927** The average monthly rent for a Twin Cities area apartment.
- 5,068** The number of foreclosures this quarter, largely steady since last quarter.
- 18,750** The average number of homes for sale on the market in the Twin Cities this quarter.

[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.

See the full 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 rosenberg@mhponline.org.

###

[Subscribe](#) to MHP publications to stay informed about Minnesota housing resources and news.