



REPORT: RENTS “OUT OF REACH” ACROSS MINNESOTA — As People Lose Homes, Renters Struggle to Find Affordable Housing —

St. Paul, MN (April 15, 2009) – Despite falling home prices and foreclosures, rents remain unaffordable for Minnesota families. A national report just released says that a 2-bedroom apartment remains beyond the means of Minnesota’s average renter. Being able to afford rent is particularly important now: with so many foreclosures, demand for rentals is up. Rising unemployment and a lack of affordable housing set the stage for increased homelessness.

The news for Minnesota is twofold: 1) rural areas are seeing the fastest rent increases, and 2) the Twin Cities’ already-high rents continue to increase: to be affordable, a Twin City 2-bedroom apartment now requires an annual income of \$31,500. In 85 of the state’s 87 counties, renting a two-bedroom apartment requires overtime work for those earning the median wage for renters.

The report, [Out of Reach 2009](#), was jointly released by the [National Low Income Housing Coalition](#) (NLIHC) in Washington DC and the [Minnesota Housing Partnership](#) (MHP) in St. Paul. The report provides data for every state, metropolitan area and county in the country.

“We hope that *Out of Reach* will demonstrate to policy makers the urgency of acting now to increase the supply of affordable housing and housing assistance for those who are hit hardest by the recession,” said Sheila Crowley, President of the National Low Income Housing Coalition.

Chip Halbach, MHP executive director and NLIHC board member, says one of the best ways to promote economic stability is through a stable housing market with a variety of housing types. “As unemployment increases and Minnesotans continue to tighten their belts, we need to be sure there are housing options for people at all income levels. That means our communities need a healthy supply of both rental and owner-occupied homes,” said Halbach.

For help analyzing your own community’s information in this rent report, contact the Minnesota Housing Partnership at (651) 925-5549 or Rick.Bernardo@MHPonline.org.

GREATER MINNESOTA

The news for Greater Minnesota is especially sobering. The rents in rural counties have increased 34% on average since 2000, compared to a 22% increase for the Twin Cities. Eight rural counties (Martin, Cottonwood, Faribault, Jackson, Murray, Pipestone, Rock and Watonwan Counties) saw an increase of more than 50% in that span.

In 36 counties, a renter who earns the median renter wage would have to work at least 60 hours a week to afford a two-bedroom apartment. Only four of these counties are in the Twin Cities Metro (all are suburban). Topping the list of least affordable counties: Isanti, Chisago, Wright, Pine, Clay, Sherburne, Cass, Scott, Mille Lacs, and Wilkin Counties.

TWIN CITIES METRO

In the Twin Cities metro, rent continues to be very expensive. A renter must earn at least \$16.79 hourly to afford a modest 2-bedroom apartment, yet the average Twin Cities metro renter earns only \$14.68. The region also has the highest concentration and number of renters in the state—about 322,000 households. A person earning minimum wage would need to work 103 hours weekly for a 2-bedroom apartment. Someone earning the average wage for renters needs to work 46 hours per week.

The full report, including county and metro area statistics can be found at the National Low Income Housing Coalition’s website at www.nlihc.org/oor2009.

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