The Real Cost of Housing in Minnesota

The growing cost of housing in Minnesota hurts low to moderate income families and the communities they call home. From 2000 to 2014, the statewide median income declined among homeowners and renters, but housing costs increased, creating a housing cost burden for 1 in 3 Minnesota households. Stable, affordable housing is the foundation for building strong families and communities making the gap between incomes and housing costs a real threat to the long-term viability of Minnesota.

Housing Cost Burden Forces Tough Choices

Households that spend 30% or more of their income on housing are forced to make many tough choices with their remaining dollars. In Minnesota, the growing cost of housing makes it difficult for many workers to afford decent, stable housing:

- 3 in 5 households earning less than $50,000 are cost burdened (2014), spending 30% or more of their income on housing.
- Families must earn $17.20/hr & work 40hr/week to afford a 2br apartment (2015).
- Minimum wage earners must work 68 hours per week to afford a 1br apartment at 30% of their income (2015).

The Rental Market

Finding affordable housing is difficult for many renters in Minnesota because vacancy rates have been extremely low for several years, and rents have been increasing.

Change in Rent & Renter Income, MN, 2000-2014

Renters in District 56B, 2014

**Income Needed for 2br Apt.**

**Income Needed for Median Priced House**

*Occupations represent top five employment sectors by region

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Income Needed for 2br Apt.</th>
<th>Income Needed for Median Priced House</th>
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<tbody>
<tr>
<td>Elementary School Teacher</td>
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<td>Food Preparation Worker</td>
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<tr>
<td>Manufacturing Worker</td>
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<td>Administrative Assistant</td>
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<tr>
<td>Retail Salesperson</td>
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</tbody>
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Rental Occupied Households

- Median Household Income (Annual) $43,024
- Median Monthly Rent Paid $1,029
- Percent of Renters Spending 30% or more on Housing 47%
- Income Less than $50,000/yr 39%
- Total Renter Occupied Households 5,305
**Recent Trends, New Directions**

With the number of foreclosures returning to pre-recession levels, affordable housing providers and advocates must refocus their work. The rising real cost of housing compared to incomes is a growing issue in most communities, especially for people at the lowest income levels.

Sources: 1-2: American Community Survey (ACS) 5-Year Counts, 2010-2014, U.S. Census Bureau; 3-4: National Low Income Housing Coalition, Out of Reach 2015; 5: Calculations Based on Minnesota Department of Revenue, Sales Ratio Study (based on January-September home sales prices); 2014; HUD Fair Market Rent (by county), 2014; OES Wage Data (by economic development Region), Q1 2015; 6: HUD Point in Time Counts, 2015.