



EMBARGOED UNTIL September 11, 2012

## 2<sup>ND</sup> QUARTER 2012 - MHP "2 x 4" HOUSING INDICATORS

### *Gains for Home Owners Fail to Extend to Renters as Average Rents Leap*

*ST. PAUL, MN (Embargoed until September 11, 2012, 12:01am)* – New data from the second quarter of 2012 point to continuing improvements for homeowners, but renters and the lowest-income families are falling farther behind. According to the latest ["2 x 4" Report](#) by the [Minnesota Housing Partnership \(MHP\)](#), home prices have begun to rebound, but rental costs are rising rapidly, putting families and children at risk, especially low-wage workers and the unemployed.

The Twin Cities metro area saw an average increase of \$17 for rents from last quarter, the largest single-quarter jump since 2001. The vacancy rate is still quite low in the area, making affordable rental housing even harder to come by and pushing prices higher. Homelessness is also on the rise, with the Minneapolis, St. Paul, and Duluth school districts reporting almost 1,000 newly homeless children. Hennepin County also saw a marked increase in the number of homeless families seeking shelter.

The rise in home prices may be attributed in part to a lighter inventory. A near decade-low average of 17,800 homes was on the market this quarter, putting upward pressure on home sales prices. The number of home foreclosures has remained relatively stable over the past three quarters, while pre-foreclosure notices were down. As a result, median home sale prices are up 14.3% since last July, a positive sign after years of price decline.

### *The "2 x 4" Report by the Numbers, Q2 2012*

- \$951** The average monthly rent for a Twin Cities area apartment.
- 2.7%** The vacancy rate for the Twin Cities rental market. This marks two full years that the rate has been below the 5% "balanced" point where rents generally hold stable.
- 17%** The increase in the number of homeless families seeking shelter in Hennepin County compared to last year at this time, to an average of 304 families per month.
- 9,037** The number of homeless children identified within the Minneapolis, St. Paul, and Duluth public school districts combined throughout the school year.
- 4,791** The number of home foreclosures, which is similar to the past three quarters.
- 9,995** The number of pre-foreclosure notices issued, which is down 17% since last quarter and down over 40% compared to two years ago.
- 9,501** The average number of residential housing construction workers on the job, which is only about half of the employment numbers during the peak of the housing bubble.

[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](mailto: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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