

POPULATION NOTES

June 1992
OSD 92-68

Homeownership Rates in Minnesota Second Highest in U.S.

Barbara Ronningen

Trends in homeownership in Minnesota contrasted with national trends from 1980 to 1990. Homeownership increased slightly in Minnesota over the decade but declined nationally. The number of persons per owner-occupied housing unit in Minnesota was slightly higher than the nation. On the other hand, the number of persons per renter-occupied housing unit was smaller in Minnesota. Fewer housing units in Minnesota were considered crowded. Minnesota saw the percentage of housing deemed crowded decline over the decade while nationally the percentage increased.

Minnesota Second in Nation in Homeownership

A higher percentage of Minnesotans own their homes than residents of any other state except West Virginia. Homeownership in Minnesota increased slightly from 1980 to 1990. The owner-occupancy rate, or the percent of occupied housing units occupied by the owner, increased slightly from 71.7 percent in 1980 to 71.8 percent in 1990. The owner-occupancy rate for the U.S., in contrast to Minnesota, dropped from 64.4 percent in 1980 to 64.2 percent in 1990. The lowest owner-occupancy rates are in the District of Columbia, New York and Hawaii (Figure 1). These states also had the lowest rates in 1980.

From 1980 to 1990, owner-occupancy rates declined in every state west of the Mississippi except Hawaii, Minnesota and Louisiana. Nineteen states, most east of the Mississippi, saw owner-occupancy rates rise over the ten-year period. Most of these states comprise a band from Virginia north to New Hampshire. Owner-occupancy rates also rose in Illinois, Mississippi, and Alabama.

Housing At A Glance...

- Homeownership rates in Minnesota are the second highest in the nation.
- Homeownership increased among older people in Minnesota from 1980 to 1990 but decreased for those under 45.
- Minnesota has more persons per owner-occupied housing unit than the nation but fewer per rental unit.
- Minnesota has less crowding than the nation.

Owner-occupancy Rates Higher in Rural Minnesota Counties

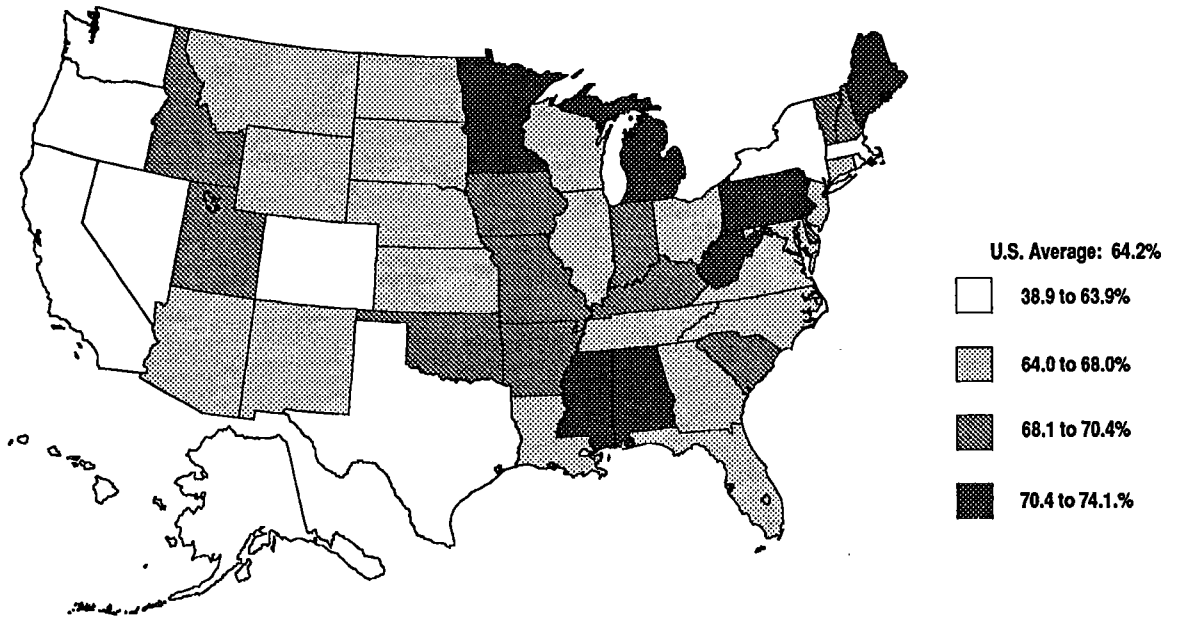
Homeownership rates in Minnesota tend to be higher in rural areas, especially the north central part of the state. In Minnesota, homeownership rates ranged from 62.2 percent in Ramsey County to 85 percent in Chisago County. Hennepin and Ramsey Counties and counties with large student populations (Benton, Blue Earth, Clay, Lyon and Stevens Counties) had the lowest homeownership rates (Figure 2). Only Hennepin, Ramsey and Blue Earth Counties had owner-occupancy rates less than the U.S. average (Table 1).

More Owner-occupied Housing Built in Minnesota

From 1980 to 1990 the number of owner-occupied housing units increased slightly more (14.3 percent) than renter-occupied units (13.3 percent) in Minnesota. For the nation, renter-occupied units increased more rapidly (15.1 percent) than

MN PLANNING

Figure 1. 1990 Owner-Occupancy Rate



owner-occupied units (14.0 percent). The difference between Minnesota and the United States may be due to the greater affordability of housing in Minnesota. In areas of the nation where housing costs have soared, rental housing has increased more rapidly than in Minnesota.

Homeowners Are Older than Renters

Homeowners tend to be older than renters. As Minnesota's population ages, homeowners, too, are

becoming older. In 1990, 54.5 percent of homeowners were over age 45, and 22.3 percent were over age 65. In one-fourth of Minnesota's counties, 35 percent or more of all homeowners are over age 65. These counties are primarily in western and southern Minnesota. Aitkin County, in north central Minnesota, also has a high percentage of homeowners over 65 (Figure 3).

In 1990, only 32.1 percent of all renters were older than 45 and 18.8 percent were over 65. Fewer people ages 45 to 64 rent housing. People in this age group

Figure 2. Percentage of 1990 Housing Units Owner-Occupied

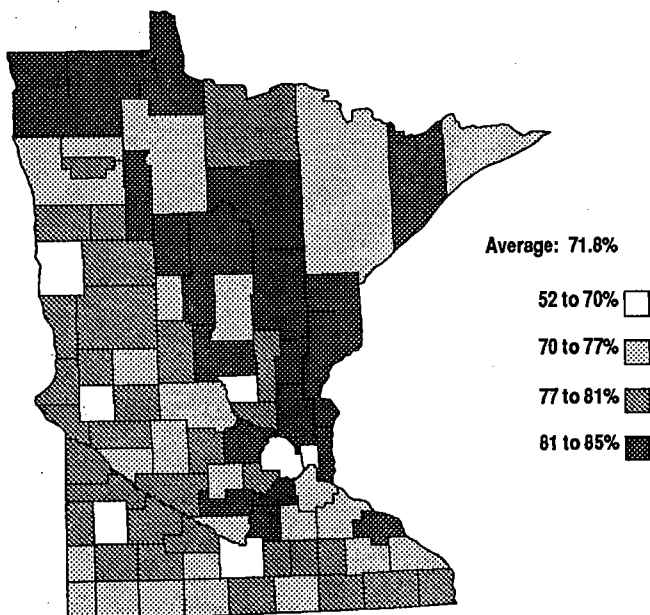


Figure 3. Percentage of 1990 Homeowners Over 65 Years Old

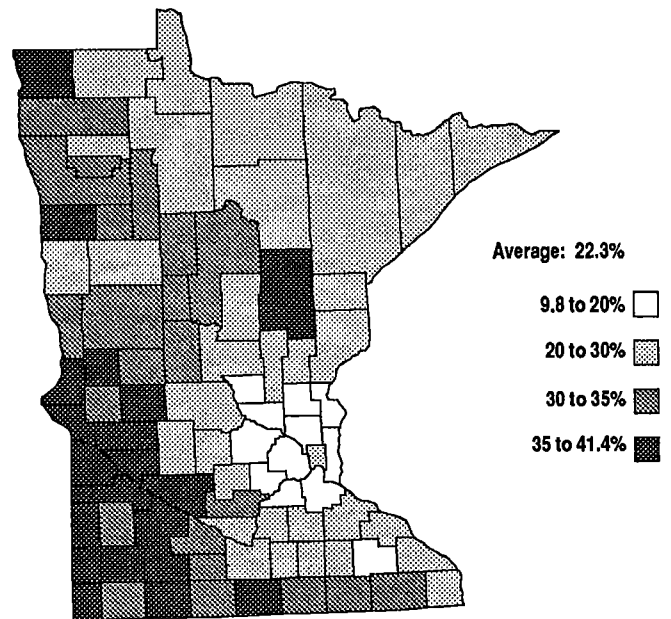


Table 1. 1990 Owner-Occupancy Rates by County

	Owner-Occupied	Renter-Occupied	Owner-Occupancy Rates			Owner-Occupied	Renter-Occupied	Owner-Occupancy Rates	
	Units	Units	1980	1990		Units	Units	1980	1990
Minnesota	1,183,673	464,180	71.7%	71.8%	Mahnomen	1,433	372	81.0%	79.4%
Aitkin	4,302	824	82.5%	83.9%	Marshall	3,443	751	83.4%	82.1%
Anoka	66,971	15,466	80.5%	81.2%	Martin	6,837	2,292	73.6%	74.9%
Becker	8,150	2,327	78.3%	77.8%	Meeker	6,092	1,559	79.7%	79.6%
Beltrami	8,680	3,190	75.3%	73.1%	Mille Lacs	5,507	1,404	79.8%	79.7%
Benton	7,331	3,607	74.8%	67.0%	Morrison	8,503	1,896	82.2%	81.8%
Big Stone	1,993	470	77.5%	80.9%	Mower	11,623	3,405	79.1%	77.3%
Blue Earth	12,328	6,949	66.1%	64.0%	Murray	2,982	776	78.8%	79.4%
Brown	7,979	2,342	78.2%	77.3%	Nicollet	6,905	2,573	74.3%	72.9%
Carlton	8,798	2,044	88.2%	81.1%	Nobles	5,791	1,892	75.9%	75.4%
Carver	13,117	3,484	78.0%	79.0%	Norman	2,498	620	81.1%	80.1%
Cass	6,882	1,420	83.3%	82.9%	Olmsted	29,012	11,046	70.5%	72.4%
Chippewa	3,955	1,290	74.6%	75.4%	Otter Tail	15,235	4,275	79.8%	78.1%
Chisago	8,964	1,587	85.0%	85.0%	Pennington	3,828	1,345	75.4%	74.0%
Clay	11,948	5,542	69.6%	68.3%	Pine	6,252	1,325	82.3%	82.5%
Clearwater	2,500	564	82.9%	81.6%	Pipestone	3,129	949	77.1%	76.7%
Cook	1,250	382	71.4%	76.6%	Polk	8,950	3,034	74.3%	74.7%
Cottonwood	3,925	1,135	77.5%	77.6%	Pope	3,254	881	79.5%	78.7%
Crow Wing	13,188	4,016	79.5%	76.7%	Ramsey	118,499	72,001	61.8%	62.2%
Dakota	72,598	25,695	74.3%	73.9%	Red Lake	1,363	367	79.6%	78.8%
Dodge	4,482	1,056	83.2%	80.9%	Redwood	5,055	1,499	76.6%	77.1%
Douglas	8,149	2,839	75.8%	74.2%	Renville	5,378	1,412	78.6%	79.2%
Faribault	5,335	1,437	76.1%	78.8%	Rice	12,338	4,009	76.3%	75.5%
Fillmore	6,109	1,713	79.5%	78.1%	Rock	2,826	928	74.4%	75.3%
Freeborn	9,993	3,036	76.2%	76.7%	Roseau	4,472	943	83.1%	82.6%
Goodhue	11,622	3,576	77.8%	76.5%	St. Louis	58,541	20,360	73.3%	74.2%
Grant	1,952	502	82.1%	79.5%	Scott	15,857	3,510	80.5%	81.9%
Hennepin	265,610	153,450	62.2%	63.4%	Sherburne	10,977	2,666	82.6%	80.5%
Houston	451	1,393	79.8%	79.6%	Sibley	4,339	984	80.5%	81.5%
Hubbard	4,804	977	81.5%	83.1%	Stearns	28,418	11,358	74.8%	71.4%
Isanti	7,321	1,489	82.7%	83.1%	Steele	8,746	2,596	76.6%	77.1%
Itasca	12,855	2,606	82.6%	83.1%	Stevens	2,569	1,254	70.4%	67.2%
Jackson	3,477	1,083	75.8%	76.3%	Swift	3,306	962	77.4%	77.5%
Kanabec	3,925	828	82.3%	82.6%	Todd	6,944	1,645	82.7%	80.8%
Kandiyohi	10,418	3,880	73.2%	72.9%	Traverse	1,405	373	78.2%	79.0%
Kittson	1,860	414	81.4%	81.8%	Wabasha	5,954	1,332	81.2%	81.7%
Koochiching	4,695	1,330	79.4%	77.9%	Wadena	3,804	1,174	79.3%	76.4%
Lac Qui Parle	2,765	740	78.7%	78.9%	Waseca	5,138	1,511	78.0%	77.3%
Lake	3,516	726	82.0%	82.9%	Washington	41,307	7,939	83.6%	83.9%
Lake Of The Woods	1,332	244	82.0%	84.5%	Watsonwan	3,387	1,143	76.8%	74.8%
Le Sueur	6,946	1,522	81.7%	82.0%	Wilkin	2,178	627	78.0%	77.6%
Lincoln	2,161	543	79.3%	79.9%	Winona	12,205	4,725	72.9%	72.1%
Lyon	6,207	2,866	71.5%	68.4%	Wright	18,866	4,147	84.3%	82.0%
McLeod	9,093	2,722	77.8%	77.0%	Yellow Medicine	3,590	1,017	76.9%	77.9%

make up only 13.3 percent of all renters while people ages 65 and over comprise 18.8 percent of all renters. This difference is probably due to seniors who sell their homes and move into rental housing.

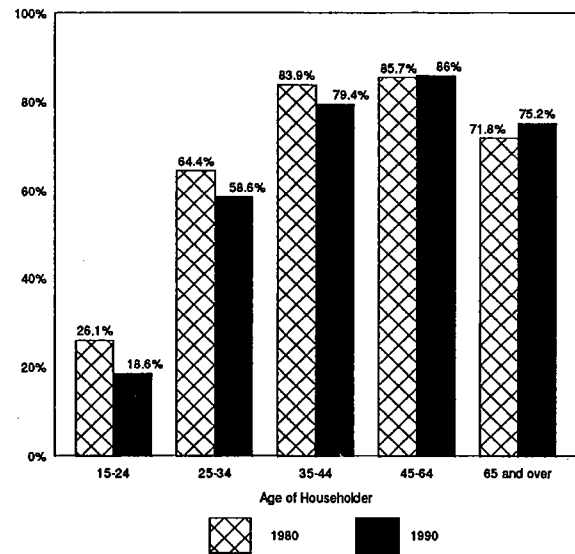
Owner-occupancy Rates Decline for Younger People

From 1980 to 1990, owner-occupancy rates declined for people under age 45 while rates for those 45 and older increased. In 1980, the owner-occupancy rate for people 65 and over was nearly the same as the statewide rate. In 1990, the owner-occupancy rate for this age group was more than three percentage points higher than the statewide rate (Figure 4). Factors such as the increased cost of housing and a tendency to marry later and postpone childbearing may have contributed to lower owner-occupancy rates for younger people. A similar trend has occurred in the nation.

Minority Homeownership Declines

Homeowners in Minnesota are overwhelmingly white. Mahnomon County is the only county where less than 90 percent of all homeowners are white. The owner-occupancy rate for minority populations in Minnesota in 1990 was 38.2 percent or about half the rate for white Minnesotans (73.3 percent). In 1980, the owner-occupancy rate for minority populations was 41.7 percent. Every minority group saw the rate of homeownership drop over the decade. From 1980 to 1990, Minnesota saw large increases in minority populations. As a result, the number of minority homeowners in Minnesota actually increased from 1980 to 1990. However, the increase in minority population was larger, and as a consequence, the owner-occupancy rate declined. For example, the number of Asian and Pacific Islander homeowners increased 125 percent over the

Figure 4. Minnesota Owner-Occupancy Rates by Age



decade, but the owner-occupancy rate declined nearly ten percent. Similarly, the number of black homeowners increased 42.1 percent, but owner-occupancy declined 5.7 percent. These figures suggest that minority newcomers have yet to establish themselves well enough in Minnesota to be able to purchase homes (Table 2).

Owner-occupied Housing Has More Persons

In Minnesota, the number of persons per owner-occupied unit fell from 3.02 in 1980 to 2.78 in 1990. However, the number of persons in renter-occupied units rose slightly from 2.02 in 1980 to 2.08 in 1990. Owner-occupied housing in the nation had slightly fewer persons per unit than in

Table 2. Households by Race

Race/Hispanic origin of Householder	1990 Occupied Housing Units	1990 Owner-Occupied Housing Units	Owner-occupancy Rate	
			1980	1990
All Minnesota Households	1,647,853	1,183,673	71.7%	71.8%
White	1,579,722	1,158,606	72.6%	73.3%
Black	31,201	9,654	36.6%	30.9%
American Indian	14,168	6,085	43.0%	42.9%
Asian and Pacific Islander	17,193	7,101	50.9%	41.3%
Hispanic origin*	14,039	6,559	49.2%	46.7%

* Hispanic origin householders can be of any race.

Minnesota (2.75) while renter-occupied housing had significantly more persons per unit (2.42). These differences between Minnesota and the nation are probably related to the difference in owner-occupancy rates. With a higher owner-occupancy rate, Minnesota has fewer families living in rental housing than nationally. Minnesota renters are more likely to live in small non-family households. In Minnesota 43.8 percent of all renters live alone compared with 17.8 percent of homeowners.

Rented Housing More Crowded

Crowding in housing is measured by the percent of housing units with more than one person per room. In 1990, 4.9 percent of occupied housing in the nation was crowded, an increase from 1980 when 4.5 percent of units had more than one person per room. In Minnesota, the opposite trend occurred. In 1980, 2.3 percent of Minnesota housing units had more than one person per room. In 1990, the figure had dropped to 2.1 percent.

Crowding in owner-occupied housing is much lower than in renter-occupied housing. In Minnesota in 1990, 1.3 percent of owner-occupied housing was crowded compared to four percent of renter-occupied housing. Crowding in owner-occupied housing ranged from 0.6 percent in Chippewa County (west

Figure 5. Crowding In Owner-Occupied Housing 1990

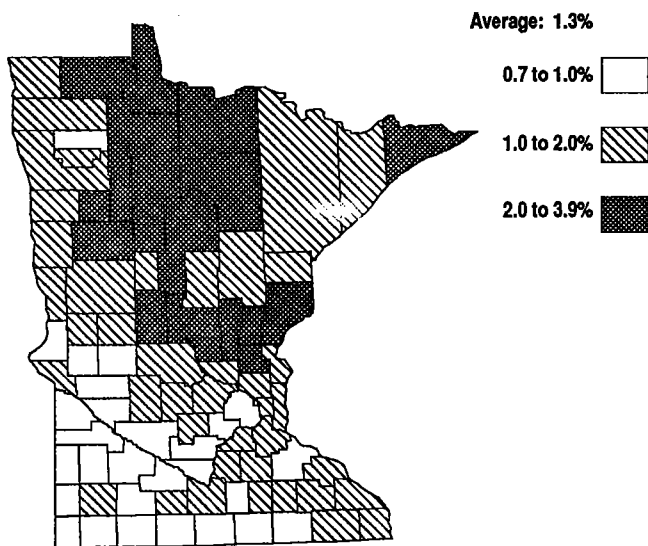
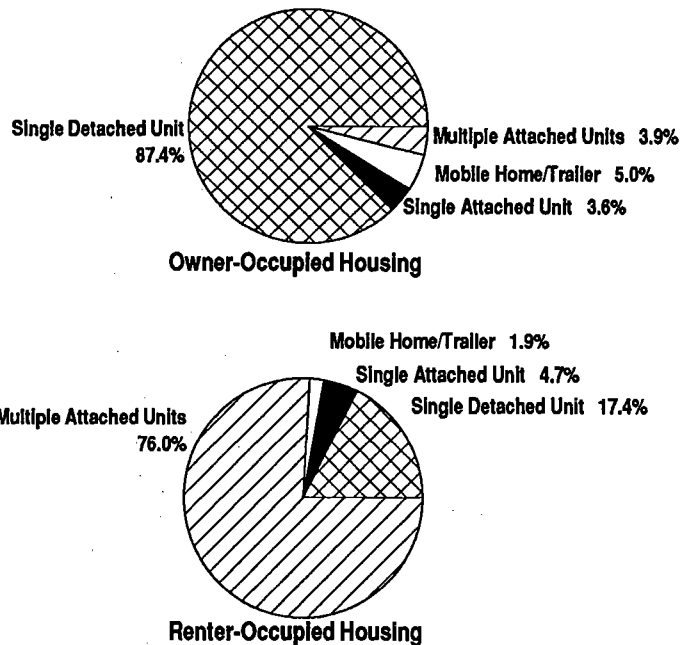


Figure 6. Housing Types in Minnesota 1990



central Minnesota) to 3.9 percent in Beltrami County. Eighteen counties in 1990 had owner-occupied crowding rates greater than 2 percent. All of those counties are in the northern half of the state (Figure 5).

In 1990, Lincoln County had the least crowded rental housing (0.6 percent) and Stevens County had the most crowding (8.2 percent). Crowding in Stevens County is concentrated in the city of Morris. Of 103 crowded rental housing units in Stevens County, 100 were in Morris. College students at the University of Minnesota campus in Morris probably account for most of this crowding.

Crowding in renter-occupied housing is less geographically concentrated because of factors such as large student populations and owner-occupancy rates. The five counties with the most crowded rental housing are Stevens (8.2 percent), Beltrami (7.4 percent), Mahnomon (7.3 percent), Clearwater (6.7 percent) and Ramsey (5.9 percent). Counties with the least crowding in renter-occupied housing (like those with the least crowding in owner-occupied housing) are located in the west central and southwestern part of the state.

Owner-occupied Housing Has More Rooms

The difference in crowding between owner- and renter-occupied housing may be associated with the

difference in the number of rooms. In Minnesota in 1990, owner-occupied housing units averaged 2.5 more rooms per unit than renter-occupied housing (6.5 rooms and 4.0 rooms, respectively). The difference in the number of rooms per unit between owner-occupied and renter-occupied housing ranged from less than one room in Murray County to nearly three rooms in Hennepin County. The average number of rooms in owner-occupied housing ranges from 5.5 rooms in Cook County to 7.0 rooms in Carver County. The smallest owner-occupied units are in northern Minnesota, while counties with the greatest number of rooms per unit are in the Twin Cities area and southern Minnesota.

The fewest rooms per rented unit are found in Ramsey and Hennepin Counties (3.7 rooms). Clay, St. Louis, Olmsted and Benton Counties average fewer than 4 rooms per unit. Murray County (southwestern Minnesota) averages the most rooms per rented unit (5.4). Thirteen counties in west central and southwestern Minnesota average more than five rooms per rental unit.

Most owner-occupied housing in Minnesota (87 percent) consists of single detached units (Figure 6). However, the percent of rented housing which consists of single detached dwellings varies widely.

Only 17.1 percent of Minnesota's rented housing consists of single detached units. Single detached units range from 70 percent of rented housing in Murray County to 8 percent or less in Dakota, Ramsey and Hennepin Counties. Counties with more detached rental units tend to have less crowding in part because detached housing units tend to be larger.

Note: This report is based on data collected by the Bureau of the Census, U.S. Department of Commerce, in Summary Tape File 1a for 1990. National data are drawn from 1990 Housing Highlights Minnesota published by the Bureau of the Census.

Population Notes is published periodically by Demography, Minnesota Planning, 300 Centennial Office Building, 658 Cedar, St. Paul, Minnesota 55155

For more information or copies:
Census Help Line (612)296-2557

Recycled ■ Recyclable ■ Soy Ink

MN PLANNING
658 CEDAR STREET
ST. PAUL, MN 55155

Bulk Rate
U.S. Postage
PAID
Permit No. 171
St. Paul, MN

**POPULATION
NOTES**