



## Minnesota Housing in 2000

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The 1990s saw strong housing market trends in Minnesota. Rates of housing vacancy declined, home ownership increased, and housing prices rose substantially. The number of housing units grew by 217,501, a gain of 11.8 percent. In 2000, Minnesota had the second-highest rate of home ownership among all states and was tied for the lowest rate of housing vacancy. Vacancy rates were extremely low for both owner and renter housing.

Despite reports of a strong market for vacation and retirement homes, the number of seasonal housing

units in Minnesota remained almost constant between 1990 and 2000. Many of Minnesota's prime vacation areas experienced a decline in seasonal housing units, even though their population grew substantially and construction activity was robust during the past decade. Conversion of seasonal to year-round units may explain these shifts. Though many people continue to build vacation homes, an equal or greater number are turning vacation properties into year-round residences.

The 1990 and 2000 decennial censuses are the sources of data on

### HIGHLIGHTS

- In 2000, 3.3 percent of Minnesota's housing units were vacant, one of the lowest rates in the nation.
- Vacancy rates were especially low in the Minneapolis-St. Paul area.
- In 2000, 74.6 percent of Minnesota households were owner-occupied, up from 71.8 percent in 1990.
- Suburban areas of the Twin Cities area generally have the largest households.
- There has been a trend towards converting vacation and seasonal homes into year-round housing.
- Housing prices rose in all regions during the 1990s, with particularly large gains in north central Minnesota.

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### Downloading files

To download the files used for the tables on pages 12-14 click here:

CSV file: <http://mnplan.state.mn.us/demography/workingpapers/Housing/housing00.CSV>

Excel file: <http://mnplan.state.mn.us/demography/workingpapers/Housing/housing00.xls>

housing units, housing vacancies, tenure and seasonal units used in this report. Information on sales prices of existing houses comes from the Minnesota Department of Revenue. Housing value information from the 2000 census is not yet available, and will probably not be released until 2002.

### Vacancy rates

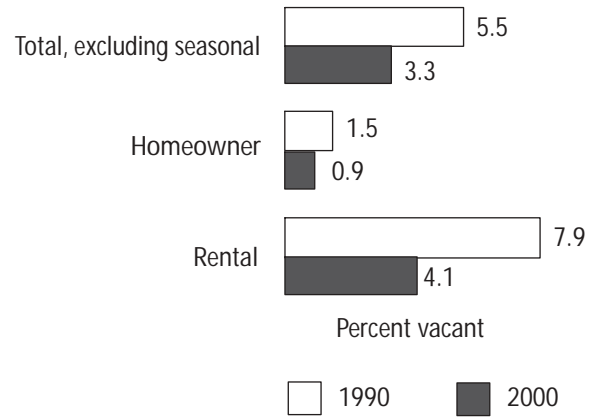
#### State vacancy rates are low

Excluding seasonal units, the total housing vacancy rate in Minnesota fell from 5.5 percent in 1990

to 3.3 percent in 2000. Minnesota's rental vacancy rate fell from 7.9 percent in 1990 to 4.1 percent in 2000. The owner vacancy rate fell from 1.5 to 0.9 percent.

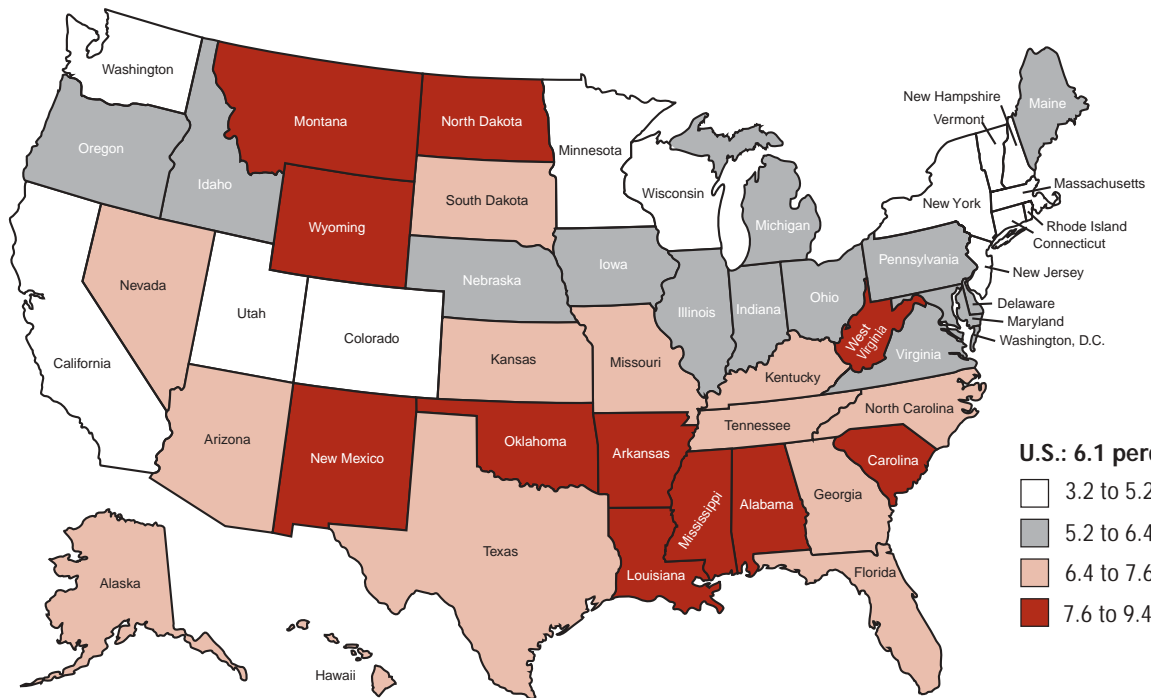
Vacancy rates declined because the number of households grew 15.0 percent, while the number of non-seasonal housing units rose only 12.4 percent. Since households grew faster than available units, the supply of housing became tighter. The number of vacant units, excluding seasonal units, fell from 95,470 in 1990 to 65,210 in 2000.

#### Minnesota housing vacancy rates were lower in 2000 than in 1990

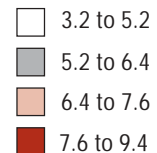


1990 and 2000 census data

#### Vacancy rate, excluding seasonal units



U.S.: 6.1 percent



Minnesota, along with Massachusetts and New Hampshire, had the lowest rate of housing vacancies in the country in 2000. In these three states, only 3.3 percent of non-seasonal housing units were vacant. At the other end of the spectrum, 9.4 percent of housing units in Alabama, New Mexico and Oklahoma were vacant.

### Regional differences in housing vacancies

The lowest vacancy rates and some of the sharpest declines in vacancies

occurred in the rapidly-growing Rochester - Twin Cities - St. Cloud corridor. Officials and residents in many rural areas have complained of housing shortages, but census data show the tightest markets are generally in more urbanized areas.

The counties with the highest vacancy rates (excluding seasonal housing units) were Kittson (15.3 percent of all units vacant), Big Stone (13.2 percent), Norman (11.5 percent), Aitkin (11.4 percent), Traverse (12.0 percent), and Wilkin (10.7 percent). Except for Aitkin County,

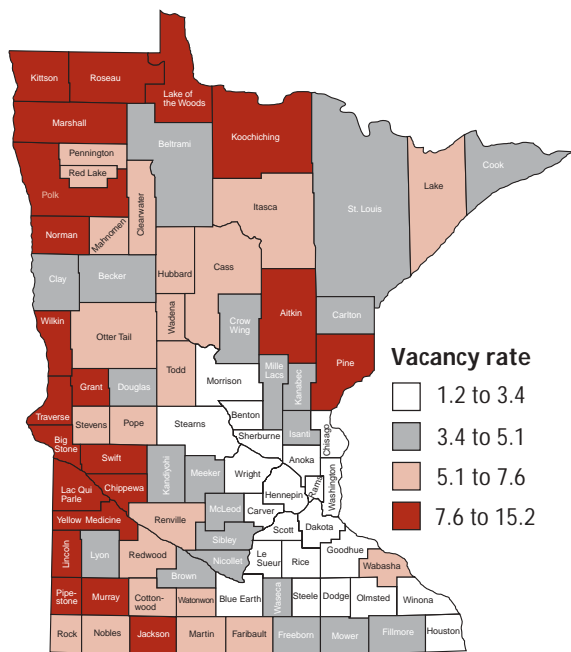
these are all rural agricultural counties along the western border. The lowest total vacancy rates are in the Twin Cities metropolitan area: Anoka (1.3 percent), Dakota (1.7 percent), Carver (1.6 percent), Sherburne (1.5 percent), Washington (2.1 percent) and Ramsey (2.1 percent) counties.

The same geographic pattern holds for both rental and owner vacancies: rural areas have higher vacancy rates while the Twin Cities and other growing metropolitan areas have lower vacancies. The discrepan-

cies are most pronounced for rental housing, because owner vacancy rates are relatively low in almost all areas. In the case of rental housing, vacancies ranged from a high of 17.1 percent in Traverse County along the western border to a low of 1.7 percent in Anoka County.

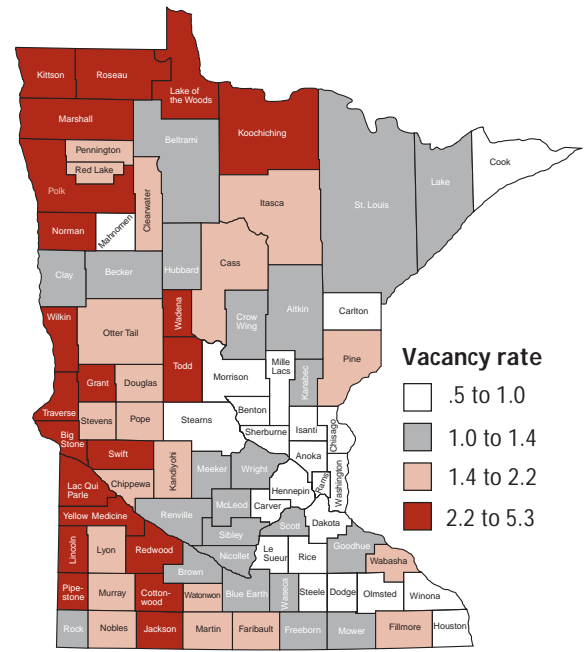
Almost all the cities with the lowest vacancy rates were in the Minneapolis-St. Paul area, while those with the highest vacancy rates were generally outside the Twin Cities. Many Twin Cities communities had rental vacancy rates below one percent.

**Total housing vacancy rate in 2000 excluding seasonal units**



2000 Census data

**Owner vacancy rates lowest in Twin Cities to St. Cloud corridor**



2000 Census data

It should be noted that some of these cities have few rental units available. In contrast, Olivia in Renville County and Appleton in Swift County both had rental vacancy rates above 19 percent. Appleton also had the highest owner vacancy rate, 6.4 percent.

In cities where rental vacancy rates are high, the reasons vary. In some cases the high vacancy rates were probably just a temporary blip, while in other cities high turnover and vacancy rates result from long-standing conditions. For example, one likely reason for the

high vacancy rates in Appleton is a high rate of personnel turnover at the Prairie Correctional Facility, the city's major employer.

In Breckenridge, a number of units damaged in the 1997 flood were vacant either because they were being re-habbed or because they were scheduled for demolition. Local officials believe that current vacancy rates are below those shown in the census.

In Eveleth, a large apartment complex had many vacant units because it was poorly maintained

and part of it was damaged by ice. In Luverne, a new apartment complex had just been completed at census time, but most of the units had not yet been rented. Again, local observers thought vacancy rates are lower now than at census time.

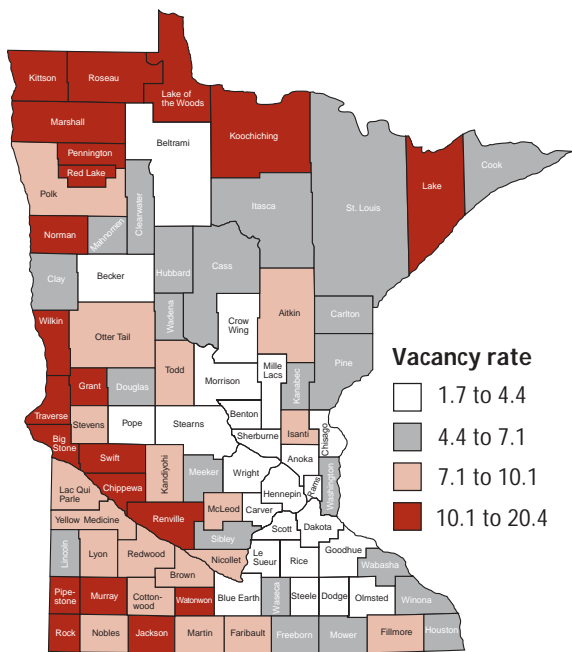
Officials in several Greater Minnesota communities observed that units that are not well-maintained, are small, or do not have parking spaces remain vacant for longer periods, even if they are inexpensive. Vacancy rates are very low in well-maintained, larger units.

**Trends in vacancy rates from 1990 to 2000**

The biggest declines in vacancy rates occurred north of an imaginary diagonal line running southeast from Big Stone and Wilkin counties on the western border through Goodhue and Wabasha counties in the southeastern part of the state. Particularly large declines occurred in north central Minnesota.

Interpretation of the trends is complicated because the north central region contains the bulk of the state's seasonal and recreational housing

**Rental vacancy rates lowest in Twin Cities to St. Cloud corridor**



2000 Census data

**Cities 2,500+ with lowest and highest owner vacancy rates, 2000 Census**

Lowest:	
Bayport	0.0%
New Hope	0.1
Vadnais Heights	0.1
Circle Pines	0.1
Melrose	0.1
Arnold CDP	0.1
Greenfield	0.1
Eagan	0.2
Highest:	
Rogers	2.7
Morris	2.8
Ely	2.8
Blue Earth	2.9
Crookston	3.2
Windom	3.7
Jordan	4.1
Appleton	6.4%

**Cities 2,500+ with lowest and highest rental vacancy rates, 2000 Census**

Lowest:	
Minnetrista	0.0%
Grant	0.0
North Oaks	0.0
Deephaven	0.0
Independence	0.0
Newport	0.4
Crystal	0.6
Chanhassen	0.6
Highest:	
Pipestone	14.2
St. James	14.3
Eveleth	16.0
Luverne	16.3
Jackson	16.8
Breckenridge	18.2
Appleton	19.0
Olivia	19.8%

units. In this report, seasonal units are excluded from calculations of vacancy rates because they are not generally available to the local populace for year-round occupancy. Including them in the rates gives a distorted picture of the housing situation for full-time residents. Yet, in practice it may be difficult for census takers to determine if a given unit is vacant because it is used seasonally or if it is vacant for some other reason. Some of the trends over the decade could result from changes in enumeration procedures as well as real changes in vacancy rates.

Tiny Cook County in northeastern Minnesota recorded a startling drop of 23.6 points in its housing vacancy rate, from 27.8 percent to only 4.2 percent. The other biggest declines were in Hubbard and Aitkin counties, both down 6.4 percentage points, and in Lake County, down 6.2 points. The vacancy rate actually grew in nineteen counties, though the gains were generally modest.

### Size of occupied units

#### Owner-occupied units larger than renter-occupied units

Minnesota households contained an average of 2.52 people in 2000, a modest decline from the 1990 figure of 2.58. Average household size has declined substantially since 1970, when it was 3.20.

Owner-occupied housing units were larger on average than renter-occupied units. The average size was 2.69,

compared to 2.03 for renter-occupied units.

#### Owner-occupied units larger in fast-growing suburbs

Owner-occupied housing had the most people per unit in fast-growing suburbs of the Twin Cities, including Sherburne County (3.05 people per unit), Scott and Carver counties (both 2.99), and Wright County (2.98). These counties have attracted young families with children. Andover (3.32), Lino Lakes and Greenfield (both 3.24) and Lakeville (3.22), all Twin Cities

#### Cities 2,500+ with largest and smallest average renter-occupied units, 2000

**Largest:**

Cottage Grove	2.92
North Oaks	2.89
St. Joseph	2.87
Corcoran	2.77
Rosemount	2.75
Oak Grove	2.75
East Bethel	2.57
Otsego	2.56

**Smallest:**

Benson	1.66
Roseau	1.65
Proctor	1.63
Annandale	1.63
Virginia city	1.62
Rogers	1.62
Oak Park Heights	1.61
Wayzata	1.58

#### Cities 2,500+ with largest and smallest average owner-occupied units, 2000

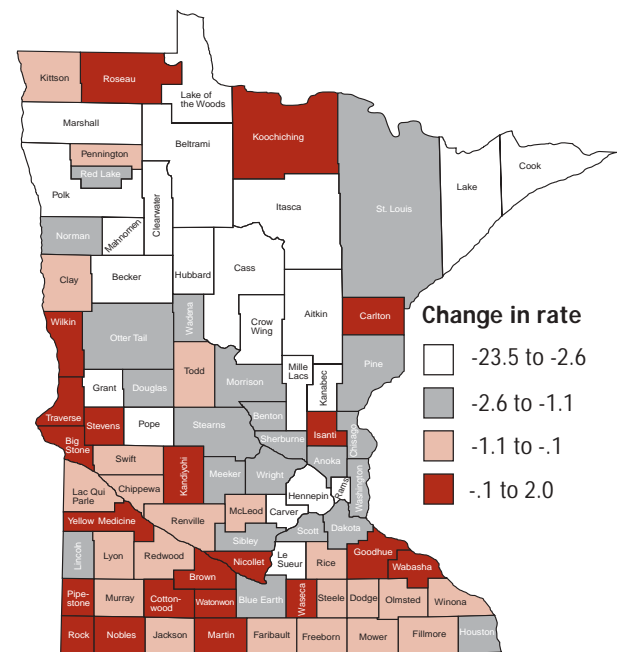
**Largest:**

Andover	3.32
Lino Lakes	3.24
Greenfield	3.24
Lakeville	3.22
Savage	3.18
St. Michael	3.18
Corcoran	3.17
Ramsey	3.15

**Smallest:**

Glenwood	2.34
St. Anthony	2.31
Chisholm	2.31
Eveleth	2.31
St. Louis Park	2.26
Virginia	2.24
Appleton	2.18
Ely	2.14

#### Change in vacancy rates between 1990 and 2000



1990 and 2000 Census data, excluding seasonal

suburbs, were the cities with the largest owner-occupied units.

Owner-occupied housing units are smaller on average in southwestern and northeastern Minnesota. Cook County (2.29 persons per unit), Aitkin (2.33) and Lake (2.39) counties, all in the northeast, have the smallest owner-occupied households. The population in these areas is older than the state average, meaning that many units are occupied by empty-nester couples or by a widowed person living alone. Among cities, four of the ten

with smallest owner-occupied average household sizes are in St. Louis County, including three on the Iron Range - Virginia, Eveleth and Chisholm.

As with owner-occupied units, the largest average household sizes for rental units were in the Twin Cities to St. Cloud corridor. The regional differences in rental size were less striking than for owner-occupied housing, however. Mahnomon and Cass counties had the largest average renter-occupied units, 2.58 persons per unit and 2.41 persons per unit respec-

tively. The smallest renter-occupied sizes were in Red Lake (1.74 persons per unit) and Cook (1.77) counties.

### Home ownership

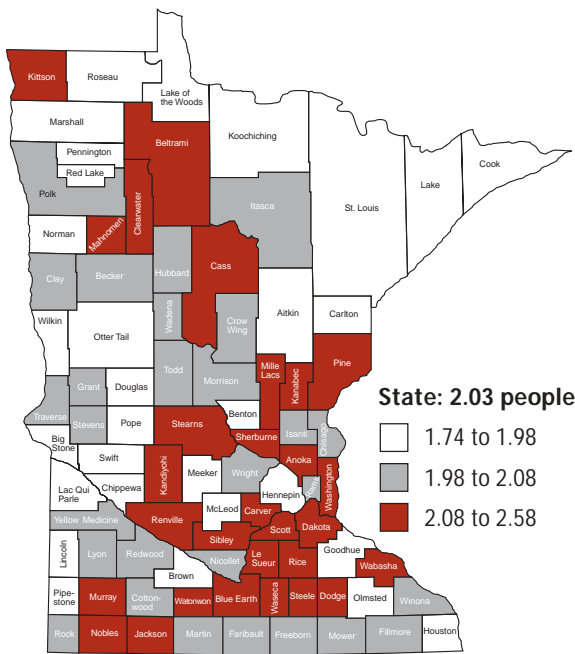
#### Minnesota ranks second in home ownership rate

In 2000, almost three-quarters (74.6 percent) of Minnesota households were owner-occupied, compared to a national average of 66.2 percent. Minnesota had the second-highest rate of home ownership in the United States, trailing only West Virginia (75.2 percent).

#### Cities 2,500+ with highest and lowest rates of owner-occupancy, 2000

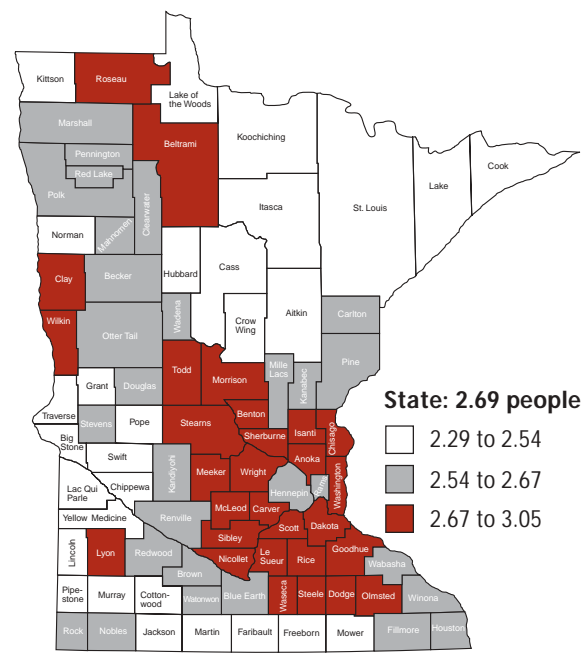
Highest:	
North Oaks	98.5%
Oak Grove	98.2
East Bethel	97.9
Ramsey	97.5
Grant	97.2
Otsego	96.6
Afton	96.5
Dayton	96.5
Lowest:	
Bemidji	54.2
Brainerd	53.9
Mankato	52.9
Park Rapids	52.4
Minneapolis	51.4
Alexandria	51.0
Waite Parke	39.2
Hopkins	37.9%

### Average size of renter-occupied units



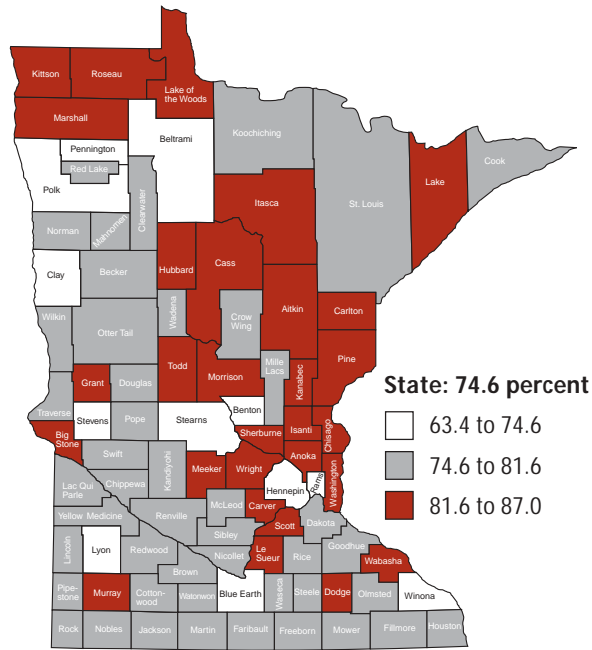
2000 Census data

### Average size of owner-occupied units



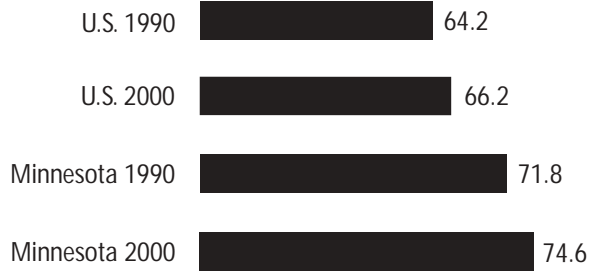
2000 Census data

Percent of households owner-occupied



2000 Census data

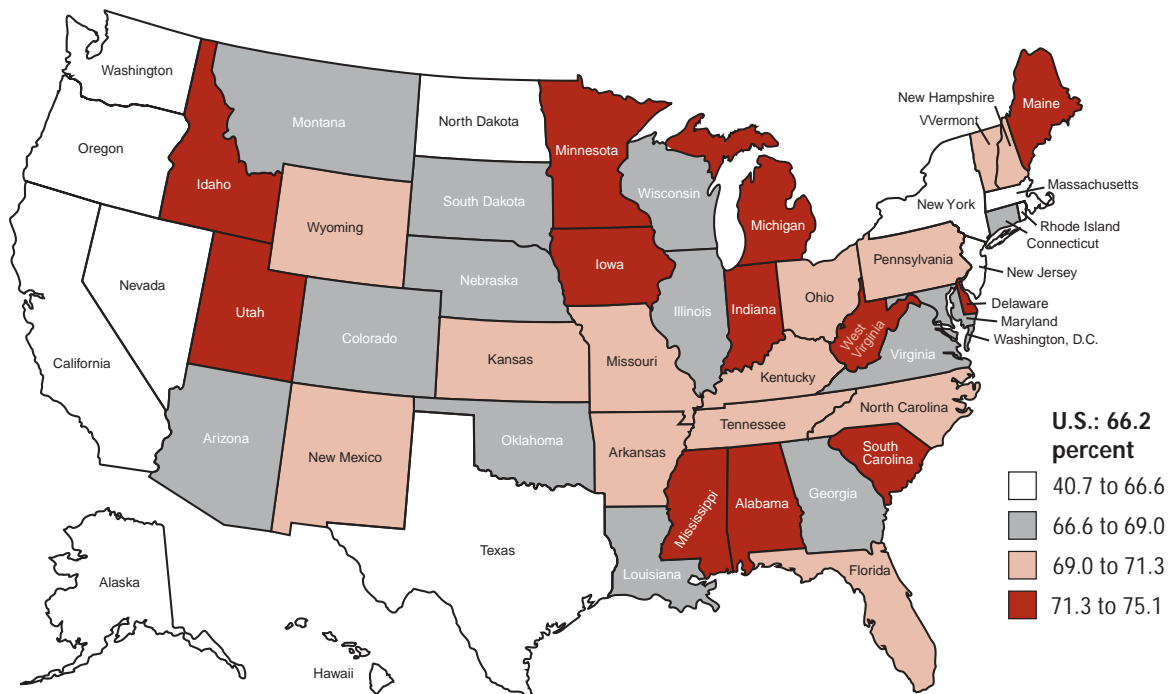
Home ownership rates rose between 1990 and 2000



Owner-occupied as percent of occupied units

1990 and 2000 census data

Owner-occupancy rate, 2000



2000 Census data

The other leaders were Michigan (73.8 percent) and Alabama (72.5 percent). The lowest proportions of home owners were in the District of Columbia (40.8 percent), New York (53.0 percent), California (56.9 percent) and Hawaii (56.5 percent).

Home ownership rates increased in Minnesota in the 1990s, as they did nationally. The generally strong economy, combined with low mortgage interest rates, allowed many people to buy homes. The 1990 home ownership rates were 71.8 percent in Minne-

sota and 64.2 percent in the United States.

**Home ownership lower in large central cities and college communities**

The state's two largest and most urbanized counties, Ramsey and Hennepin, had the lowest home ownership rates in 2000, 63.5 percent and 66.2 percent. Counties with colleges or universities, such as Blue Earth, Stearns, Winona, Clay and Lyon, are also below the state average. Their large student populations create a demand for rental housing.

Most other counties are above the state average rate of home ownership. The highest home ownership rates were in Chisago (87.1 percent) and Scott (86.5 percent) counties, both suburbs of the Twin Cities.

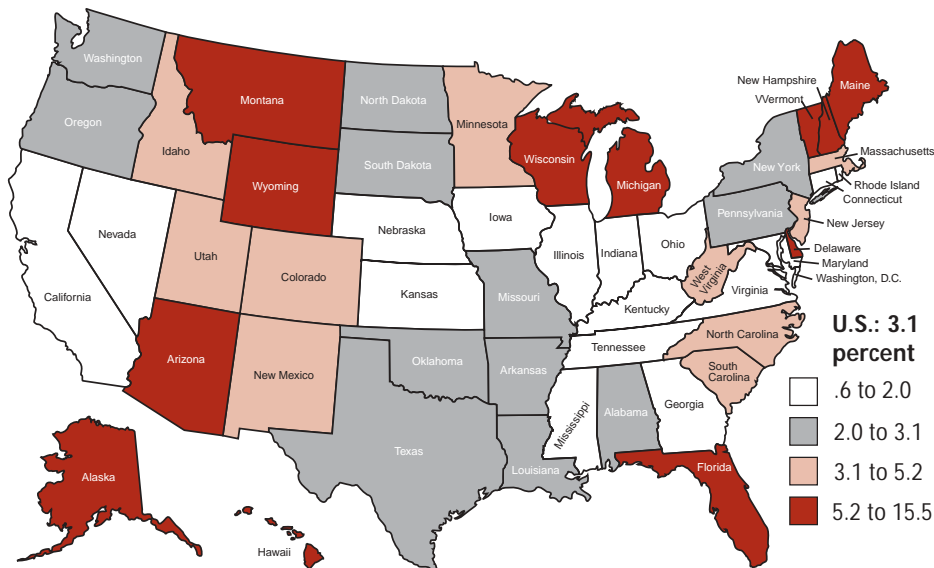
Among cities with 2,500 or more residents, the highest rates of home ownership were all in Twin Cities suburbs, led by North Oaks, Oak Grove and East Bethel. The amount of rental housing in these communities is minimal. Hopkins, a suburb near Minneapolis, had the lowest home ownership rate, 37.9 per-

cent. Almost half of Minneapolis households were renter-occupied. Some of the other communities with low home ownership rates – Brainerd, Park Rapids, Alexandria – are in resort areas, while Bemidji and Mankato have state university campuses.

**Trends in tenure vary by region**

Rapid growth in home ownership rates occurred in many fast-growing Twin Cities suburbs, including Rogers, North Branch, St. Michael and Monticello. Much of the substantial new construc-

Seasonal units as percent of total



**Cities 2,500+ with largest increases and decreases in owner-occupancy rate, 1990 to 2000**

**Largest increases:**

Rogers city	31.8%
North Branch	13.0
St. Michael	12.9
Monticello	11.9
Big Lake	11.5
Waconia	11.1
Farmington	10.6
Delano	10.2

**Largest decreases:**

Crookston	-4.7
Grand Rapids	-4.9
Greenfield	-5.1
Park Rapids	-5.2
Albertville	-5.5
Hermantown	-6.7
Goodview	-7.8
Appleton	-9.9%

tion in these communities has been owner-occupied single-family homes.

Most of the communities with the greatest declines in rates of home ownership between 1990 and 2000, including Appleton, Goodview and Hermantown, were outside the Twin Cities area. In most cases, addition of rental housing appears to be the reason for the falling rates of home ownership. Large apartment complexes were built in both Hermantown and Goodview. Appleton encouraged construction of new rental housing to meet the needs of prison employees.

## Seasonal units

### Number of seasonal units remains about the same

Despite strong population growth in resort areas and reports of large-scale recreation-related building, there was virtually no change in the number of seasonal housing units in Minnesota. In fact, many prime resort areas experienced a decline in the number of seasonal units.

The 2000 census found 105,609 seasonal housing units in Minnesota, barely more than the

105,122 in 1990. Among states, Minnesota ranked 11<sup>th</sup> in the total number of seasonal units and 14<sup>th</sup> in the percent of all housing units classified as seasonal, 5.1 percent. The highest proportions of seasonal units are found in the northern New England states of Maine (15.6 percent), Vermont (14.6 percent) and New Hampshire (10.3 percent). Illinois, the District of Columbia and Kansas have the smallest proportions of seasonal units.

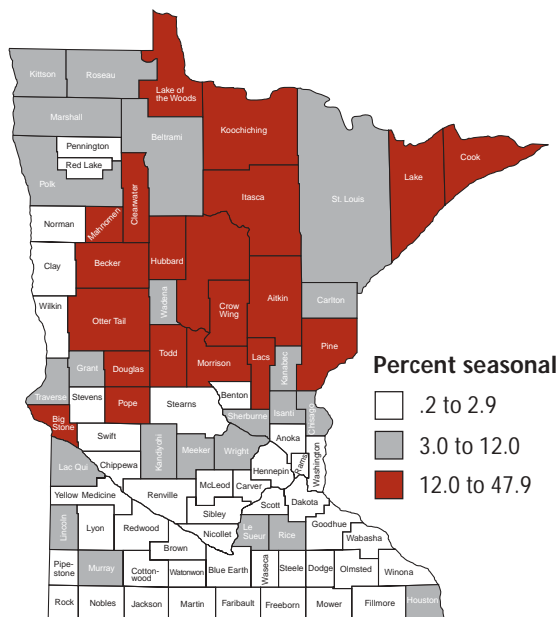
surprising that north central and northeastern Minnesota have the highest numbers and percentages of seasonal units in the state. Crow Wing County had 10,257 seasonal units, followed by Otter Tail (9,740) and Cass (9,582) counties. Cook (47.9 percent), Aitkin (47.1 percent), and Cass (45.0 percent) had the highest seasonal concentrations.

All but one of the cities and townships with the greatest number of seasonal units are in the lakes areas of north central Minnesota. The exception, Minneapolis, had 780 seasonal units, a small fraction of all the housing in the state's largest city. Crosslake Township in Crow Wing County had the most

### North central and northeastern Minnesota have most seasonal units

The lakes and forests of northern Minnesota have long attracted summer vacationers, and it is not

### North has highest percent of seasonal housing; south has lowest



2000 Census data

### Most seasonal housing units, 2000 Census

City/Township	County	Seasonal units
Crosslake	Crow Wing	1,497
Shamrock Township	Aitkin	1,281
Clover Township	Pine	1,143
Greenwood Township	St. Louis	1,139
Dunn Township	Otter Tail	1,068
Ideal Township	Crow Wing	969
Woodrow Township	Cass	920
Scandia Valley Township	Morrison	917
Bay Lake Township	Crow Wing	906
Minneapolis	Hennepin	780
Crooked Lake Township	Cass	750
Windemere Township	Pine	673

seasonal units, 1,497, followed by Shamrock Township in Aitkin County with 1,281.

Despite construction of many new housing units during the 1990s, some of Minnesota's prime recreational areas had fewer seasonal units in 2000 than they did ten years earlier. Crow Wing County lost 739 seasonal units, and the numbers in Aitkin and Cass counties stayed about the same or fell slightly. St. Louis County lost 2,150 seasonal units and Stearns lost 1,005.

The apparent paradox of a loss of seasonal hous-

ing units in areas that appear to be booming with recreation-related development may be explained by the conversion of seasonal to year-round homes. Officials in recreation-oriented counties confirm that conversion is a widespread trend, but add that new seasonal units are also being built. Apparently in some counties, conversions outpaced addition of vacation homes, while in other counties there were more new seasonal homes than conversions.

Possibly census workers in different areas or at

different time periods may have used slightly different procedures to decide whether housing units were vacant and, if so, whether they were seasonal units. This suggestion is difficult to verify, however.

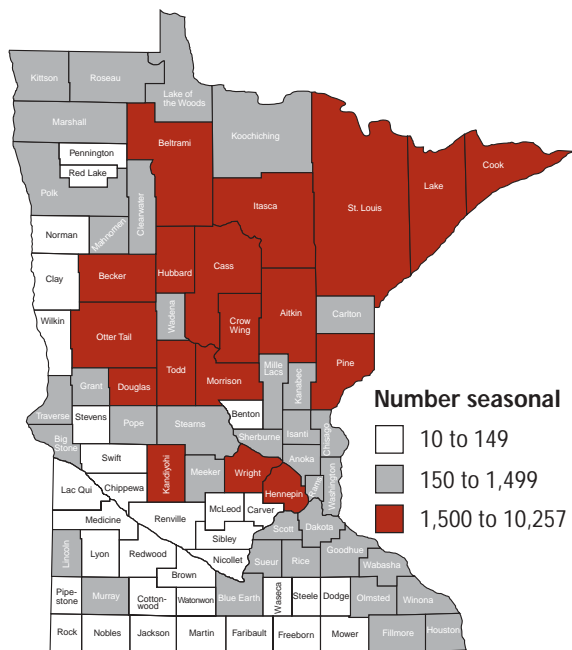
Not all recreational areas lost seasonal units. Otter Tail County gained 1,727 units; Hubbard County, 880; and Itasca County, 445. There was also an increase of 1,087 seasonal units in Hennepin County.

## Median sales price of existing housing

### Sales prices rose substantially from 1998-1999 to 1999-2000

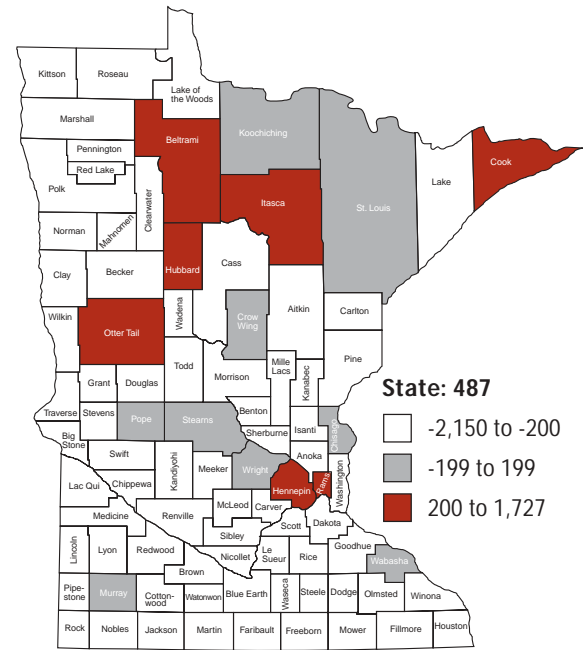
The median price of existing Minnesota houses sold between January 1999 and September 2000 was \$124,500, an increase of 10.7 percent since the 1998-1999 period. (Note there is an overlap between these two time periods; sales occurring between January, 1999 and September, 1999 are actually counted twice.)

### North has most seasonal housing units; southwest has fewest



2000 Census data

### Change in seasonal housing units 1990 to 2000



1990 and 2000 Census data

Since 1989-1990, housing sales prices have gone up 78 percent statewide. Over both the short and long term, housing prices have increased much faster than the CPI-U consumer price index. This standard measure of the cost of living increased 2.8 percent over the shorter time period and 33 percent from 1989-1990 to 1999-2000. The data on sales price of existing houses does not include information on the cost of newly-built houses, which are generally considerably more expensive than used houses.

**Prices highest in Twin Cities area**

Median sales prices ranged from a high of \$171,000 in Carver County to a low of \$29,000 in Kittson County. All the counties surrounding Minneapolis and St. Paul have median sales prices of at least \$100,000, while in 11 counties, almost all in western Minnesota, the median sales price was \$40,000 or less.

Among cities with a population of 20,000 or more, some of the suburbs of the Minneapolis-St. Paul area posted the highest median sales

prices. Edina ranked highest with \$240,000, followed by Chanhassen (\$196,000), and Minnetonka (\$188,000). Cities outside the Twin Cities region generally had lower sales prices. Austin had the lowest median price among larger cities, \$61,200; Duluth (\$78,900) and Moorhead (\$83,000) were second- and third-lowest.

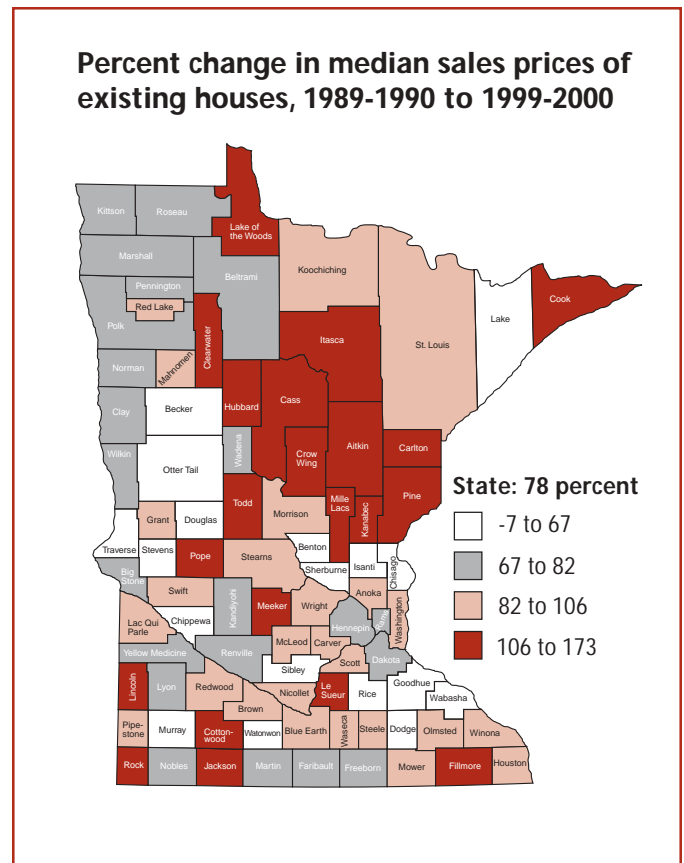
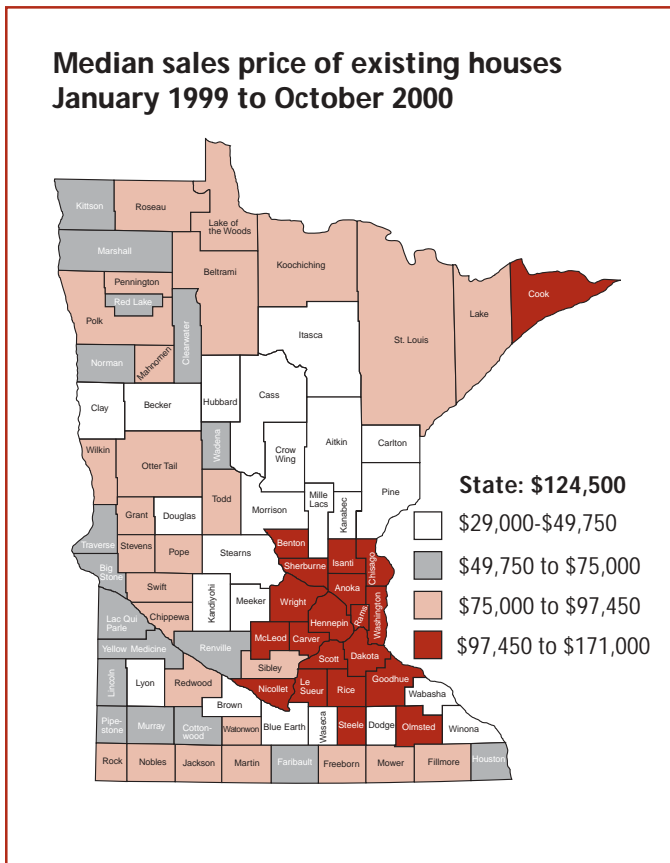
**Lakes area housing prices make big gains from 1989-1990 to 1999-2000**

Over a ten-year period, the greatest gains in housing sales prices

occurred in the lakes area of north central Minnesota and in a few other localities. From 1989-1990 to 1999-2000, the median sales price grew 173 percent in Cook County, 136 percent in Clearwater County, and 133 percent in Aitkin and Lincoln counties.

For the most part, western Minnesota lagged behind. Median sales prices grew only 39 percent in Wilkin County, 41 percent in Martin County and 42 percent in Nobles County.

Among cities with more than 20,000 people, the greatest gains in housing



## Median sales prices of existing houses, by county

County	1984-85 Median sales price of existing homes	1989-90 Median sales price of existing homes	1995-96 Median sales price of existing homes	1998-99 Median sales price of existing homes	1999-2000 Median sales price of existing homes	Percent change 1989-90 to 1999-2000	Percent change 1998-99 to 1999-2000
MINNESOTA	\$64,000	\$70,000	\$87,500	\$112,500	\$124,500	77.9%	10.7%
Aitkin	31,000	32,250	54,200	70,000	75,000	132.6	7.1
Anoka	67,000	79,000	97,500	119,999	133,000	68.4	10.8
Becker	34,500	39,200	56,000	69,425	76,750	95.8	10.6
Beltrami	40,450	43,000	55,950	67,000	70,700	64.4	5.5
Benton	48,000	53,300	76,000	90,000	99,850	87.3	10.9
Big Stone	20,667	24,471	29,500	38,125	39,895	63.0	4.6
Blue Earth	51,000	52,700	72,000	88,000	92,000	74.6	4.5
Brown	50,000	44,987	60,300	73,400	78,900	75.4	7.5
Carlton	32,000	38,000	55,000	68,650	79,500	109.2	15.8
Carver	74,000	94,088	131,320	158,000	171,000	81.7	8.2
Cass	39,000	44,500	64,000	89,500	95,000	113.5	6.1
Chippewa	30,000	28,500	38,750	48,100	53,519	87.8	11.3
Chisago	55,000	69,900	98,850	120,000	132,500	89.6	10.4
Clay	52,000	55,000	67,900	78,000	81,000	47.3	3.8
Clearwater	22,500	16,000	25,750	35,000	37,750	135.9	7.9
Cook	39,000	46,500	75,237	105,000	126,750	172.6	20.7
Cottonwood	25,000	21,600	33,000	42,000	44,500	106.0	6.0
Crow Wing	40,900	45,825	65,700	89,900	96,785	111.2	7.7
Dakota	77,000	89,900	114,500	134,000	148,000	64.6	10.4
Dodge	48,000	49,500	74,200	87,000	94,950	91.8	9.1
Douglas	48,313	50,450	71,725	89,285	94,550	87.4	5.9
Faribault	29,500	28,000	26,000	39,000	43,399	55.0	11.3
Fillmore	28,750	33,000	47,950	64,000	70,000	112.1	9.4
Freeborn	38,900	39,900	45,900	59,900	65,000	62.9	8.5
Goodhue	46,000	55,000	81,000	98,500	109,000	98.2	10.7
Grant	25,000	26,500	33,700	39,950	45,750	72.6	14.5
Hennepin	74,000	85,500	101,900	127,000	140,000	63.7	10.2
Houston	46,951	50,000	67,750	83,500	86,750	73.5	3.9
Hubbard	29,750	38,000	55,000	74,900	82,400	116.8	10.0
Isanti	50,601	60,000	82,950	102,250	115,000	91.7	12.5
Itasca	35,000	36,800	52,000	70,000	77,950	111.8	11.4
Jackson	32,500	20,000	33,750	47,000	45,860	129.3	-2.4
Kanabec	30,000	37,500	54,250	69,250	79,700	112.5	15.1
Kandiyohi	52,000	51,000	67,838	77,000	78,295	53.5	1.7
Kittson	13,900	20,250	18,000	31,000	29,000	43.2	-6.5
Koochiching	30,000	29,000	40,000	44,000	49,750	71.5	13.1
Lac qui Parle	28,750	17,500	28,125	31,750	30,000	71.4	-5.5
Lake	23,000	31,500	41,000	54,150	61,000	93.6	12.7
Lake of the Woods	20,500	26,250	40,000	42,750	60,000	128.6	40.4
Le Sueur	46,000	49,000	70,900	88,475	102,000	108.2	15.3
Lincoln	20,500	15,000	21,000	34,900	35,000	133.3	0.3
Lyon	45,000	48,200	64,175	74,750	77,975	61.8	4.3
McLeod	54,466	57,110	79,900	95,000	104,000	82.1	9.5
Mahnomen	22,000	26,000	36,750	33,000	46,450	78.7	40.8
Marshall	20,577	26,750	32,237	33,500	40,000	49.5	19.4

## Median sales prices of existing houses, by county (continued)

County	1984-85 Median sales price of existing homes	1989-90 Median sales price of existing homes	1995-96 Median sales price of existing homes	1998-99 Median sales price of existing homes	1999-2000 Median sales price of existing homes	Percent change 1989-90 to 1999-2000	Percent change 1998-99 to 1999-2000
Martin	40,000	37,000	41,000	52,500	52,000	40.5	-1.0%
Meeker	41,000	41,000	59,900	74,225	84,900	107.1	14.4
Mille Lacs	37,000	43,000	60,500	84,000	89,900	109.1	7.0
Morrison	34,000	42,300	49,900	68,225	75,800	79.2	11.1
Mower	36,000	36,150	49,900	58,500	62,000	71.5	6.0
Murray	33,500	23,750	35,750	38,000	44,000	85.3	15.8
Nicollet	56,000	62,000	84,000	105,000	110,950	79.0	5.7
Nobles	38,400	37,820	47,680	50,500	53,500	41.5	5.9
Norman	18,000	20,000	24,500	32,000	30,400	52.0	-5.0
Olmsted	60,000	66,000	82,000	98,800	114,000	72.7	15.4
Otter Tail	37,850	38,700	52,500	67,900	72,175	86.5	6.3
Pennington	40,942	33,000	43,500	51,200	50,750	53.8	-0.9
Pine	30,000	36,000	54,000	69,825	79,900	121.9	14.4
Pipestone	22,250	25,750	29,900	35,500	44,000	70.9	23.9
Polk	39,000	40,000	48,950	65,405	65,000	62.5	-0.6
Pope	27,675	29,900	45,500	55,750	65,200	118.1	17.0
Ramsey	69,500	78,000	88,000	112,500	125,000	60.3	11.1
Red Lake	25,000	17,500	23,750	32,500	30,000	71.4	-7.7
Redwood	40,000	30,000	40,600	49,500	52,650	75.5	6.4
Renville	32,150	28,000	33,500	43,000	44,625	59.4	3.8
Rice	52,900	62,400	85,000	111,000	119,150	90.9	7.3
Rock	34,750	28,500	52,000	59,250	65,000	128.1	9.7
Roseau	31,500	40,000	53,000	62,250	58,000	45.0	-6.8
St. Louis	34,813	39,900	55,000	67,500	72,000	80.4	6.7
Scott	73,375	86,000	117,000	139,995	156,500	82.0	11.8
Sherburne	57,300	67,500	95,000	118,900	129,900	92.4	9.3
Sibley	32,000	37,000	45,500	62,500	71,500	93.2	14.4
Stearns	51,000	57,000	75,450	89,000	97,450	71.0	9.5
Steele	50,050	57,000	78,660	95,000	102,378	79.6	7.8
Stevens	36,595	32,000	42,000	58,663	64,000	100.0	9.1
Swift	25,000	28,500	37,500	42,740	49,000	71.9	14.6
Todd	26,750	25,000	35,500	48,950	53,373	113.5	9.0
Traverse	21,625	16,000	29,750	37,000	29,750	85.9	-19.6
Wabasha	44,000	48,000	70,000	82,000	90,000	87.5	9.8
Wadena	31,500	29,450	34,700	45,050	44,890	52.4	-0.4
Waseca	46,300	48,000	68,000	78,400	83,500	74.0	6.5
Washington	74,000	86,600	115,000	139,000	155,000	79.0	11.5
Watsonwan	36,500	26,000	33,500	48,000	50,000	92.3	4.2
Wilkin	29,000	37,000	35,000	51,300	51,300	38.6	0.0
Winona	43,942	49,900	71,500	84,750	89,450	79.3	5.5
Wright	58,295	69,000	97,000	120,000	132,500	92.0	10.4
Yellow Medicine	\$34,925	\$23,000	\$37,052	\$32,250	\$38,500	67.4%	19.4%

Note: Data on arms length sales from Minnesota Department of Revenue, Property Tax division. Data cover a 21-month period from January through September. Figures are in current dollars. Excludes multiple parcel sales. Includes warranty deed and contract for deed sales. For Beltrami and Waseca counties, all 1999-2000 sales were included because transaction type was not available. For Waseca County, only 9 sales were recorded in 1998-1999, so there is probably missing data.

### Median sales price of existing housing units in Minnesota cities with 20,000+ population

	2000 Population	Median sales price:		Percent change:		
		1989-1990	1998-1999	1999-2000	1989-1990 to 1999-2000	1998-1999 to 1999-2000
Minneapolis	382,618	\$70,000	\$100,000	\$120,000	71.4%	20.0%
St. Paul	287,151	69,100	95,000	110,000	59.2	15.8
Duluth	86,918	42,000	73,000	78,900	87.9	8.1
Rochester	85,806	66,000	97,500	113,000	71.2	15.9
Bloomington	85,172	94,000	132,000	146,000	55.3	10.6
Brooklyn Park	67,388	82,900	119,529	132,124	59.4	10.5
Plymouth	65,894	120,000	176,000	184,900	54.1	5.1
Eagan	63,557	93,750	136,000	152,500	62.7	12.1
Coon Rapids	61,607	77,500	112,900	123,825	59.8	9.7
Burnsville	60,220	98,000	133,000	146,500	49.5	10.2
St. Cloud	59,107	55,000	84,900	91,750	66.8	8.1
Eden Prairie	54,901	110,500	165,000	179,900	62.8	9.0
Minnetonka	51,301	114,900	165,000	188,000	63.6	13.9
Maple Grove	50,365	89,000	139,900	152,000	70.8	8.6
Edina	47,425	147,900	210,000	240,000	62.3	14.3
Woodbury	46,463	98,500	155,000	169,925	72.5	9.6
Apple Valley	45,527	93,500	132,900	146,000	56.1	9.9
Blaine	44,942	75,000	116,000	129,700	72.9	11.8
St. Louis Park	44,126	80,200	120,500	135,000	68.3	12.0
Lakeville	43,128	92,000	153,050	171,900	86.8	12.3
Maplewood	34,947	82,200	122,000	137,000	66.7	12.3
Richfield	34,439	82,000	120,000	133,500	62.8	11.3
Roseville	33,690	91,208	130,500	144,900	58.9	11.0
Mankato	32,427	54,000	88,250	94,450	74.9	7.0
Moorhead	32,177	57,000	79,500	83,000	45.6	4.4
Cottage Grove	30,582	82,800	124,900	139,000	67.9	11.3
Inver Grove Heights	29,751	85,000	127,950	140,000	64.7	9.4
Brooklyn Center	29,172	77,000	100,000	116,224	50.9	16.2
Fridley	27,449	81,000	117,000	128,574	58.7	9.9
Winona	27,069	46,000	88,250	84,315	83.3	-4.5
Oakdale	26,653	79,900	125,000	138,900	73.8	11.1
Andover	26,588	92,450	143,750	159,000	72.0	10.6
Shoreview	25,924	98,500	136,000	154,250	56.6	13.4
White Bear Lake	24,325	83,950	124,000	135,000	60.8	8.9
Austin	23,314	36,150	57,900	61,200	69.3	5.7
Crystal	22,698	76,500	106,950	122,250	59.8	14.3
Owatonna	22,434	58,900	96,000	104,900	78.1	9.3
New Brighton	22,206	99,950	131,950	146,000	46.1	10.6
Champlin	22,193	86,000	124,900	136,400	58.6	9.2
Savage	21,115	92,000	148,000	166,300	80.8	12.4
New Hope	20,873	90,439	128,250	140,000	54.8	9.2
Faribault	20,818	53,000	93,000	98,500	85.8	5.9
Shakopee	20,568	79,700	125,900	138,000	73.1	9.6
Chanhassen	20,321	122,000	184,250	196,000	60.7	6.4
Golden Valley	20,281	104,900	145,000	159,900	52.4	10.3
South St. Paul	20,167	\$71,950	\$ 99,900	\$117,000	62.6%	17.1%

Note: Data on arms length sales from Minnesota Department of Revenue, Property Tax Division. Data cover a 21-month period from January through September. Figures are in current dollars. Excludes multiple parcel sales. Includes warranty deed and contract for deed sales.

prices during the past decade occurred in Duluth (88 percent), Lakeville (87 percent) and Winona (83 percent). Moorhead and New Brighton (both 46 percent) and Burnsville (50 percent) posted the smallest rates of increase.

### **Twin Cities gains were substantial from 1998 to 2000**

Overall, median sales prices went up 11 percent between 1998-1999 and 1999-2000. As noted earlier, there is some overlap between these two data sets. The western half of the state lagged in the most recent years, while the Twin Cities area recorded large increases. Despite this general pattern, two small rural counties with relatively few sales had the greatest growth rates. In Mahanomen County, prices went up 41 percent from \$33,000 to \$46,450, while in Lake of the Woods County, prices rose 40 percent.

In thirteen counties, housing prices fell during the last few years. Prices fell 20 percent in Traverse County, 8 percent in Red Lake County, and 7 percent in Red Lake and Roseau counties. All these

counties are in western Minnesota.

The period between 1998-1999 and 1999-2000 was a good one for housing price gains in some of the central cities and older suburbs. In Minneapolis, housing prices surged 20 percent. Median sales price rose 17 percent in South St. Paul, and 16 percent in Rochester, St. Paul and Brooklyn Center.

Among larger cities, only Winona experienced a drop in housing prices; the median price fell 5 percent between 1998-1999 and 1999-2000. Moorhead and Plymouth were also below the state average, at 4.4 percent and 5.1 percent respectively.

### **Summary**

The 1990s were a period of strong housing demand in most areas of Minnesota. According to the 2000 census, Minnesota had one of the lowest rates of housing vacancies and one of the highest rates of home ownership in the country. Another indicator of the strong housing market comes from Minnesota Department of Revenue data, which shows substantial increases in housing

prices in most parts of the state. Despite the rise in housing prices, the rate of home ownership rose between 1990 and 2000, probably because increased incomes and low mortgage interest rates made owning a home more affordable.

The strong housing market has its downside. Though home ownership is usually seen as desirable, not everyone can afford to purchase a home or wants to. Low vacancy rates for rental housing may make it harder for renters to find housing. It may also lead to sharp rent increases. Lower-income people in particular may have difficulty finding adequate housing in a market where housing values are rising and vacancy rates decreasing.

Housing trends in different regions of the Minnesota varied in the 1990s. The lakes and resort areas of north central Minnesota saw a marked gain in housing prices. Despite increased demand for property in these recreational areas, the number of seasonal units in some prime resort areas fell or did not change. Observers suggest that many people are converting former vacation proper-

ties into year-round residences. Statewide, the number of seasonal housing units was almost the same in 2000 as in 1990.

In the Twin Cities region, housing vacancies are extremely low, in both rental and owner units. The Twin Cities area continues to have the highest housing prices in the state, with most areas experiencing moderate to substantial growth in housing values. Housing sales prices have picked up in Minneapolis and St. Paul after a period of stagnation.

The Twin Cities pattern of low vacancies and strong housing values extends throughout the Rochester-St. Cloud corridor, though prices in the Rochester and St. Cloud areas remain lower than they are around Minneapolis and St. Paul.

Outside of prime recreation areas, the housing picture for rural areas, especially in western Minnesota, is generally less rosy. Demand for housing is apparently not as strong in these areas. Vacancy rates are higher, housing prices are lower, and prices have grown more slowly than elsewhere.

## Sources

Census housing data are from the 1990 and 2000 censuses. The 2000 data comes from the SF-1 profiles. Data on sales price of existing houses comes from the Minnesota Department of Revenue data on arms-length sales. Several city and county officials provided insights about housing trends in their communities.