

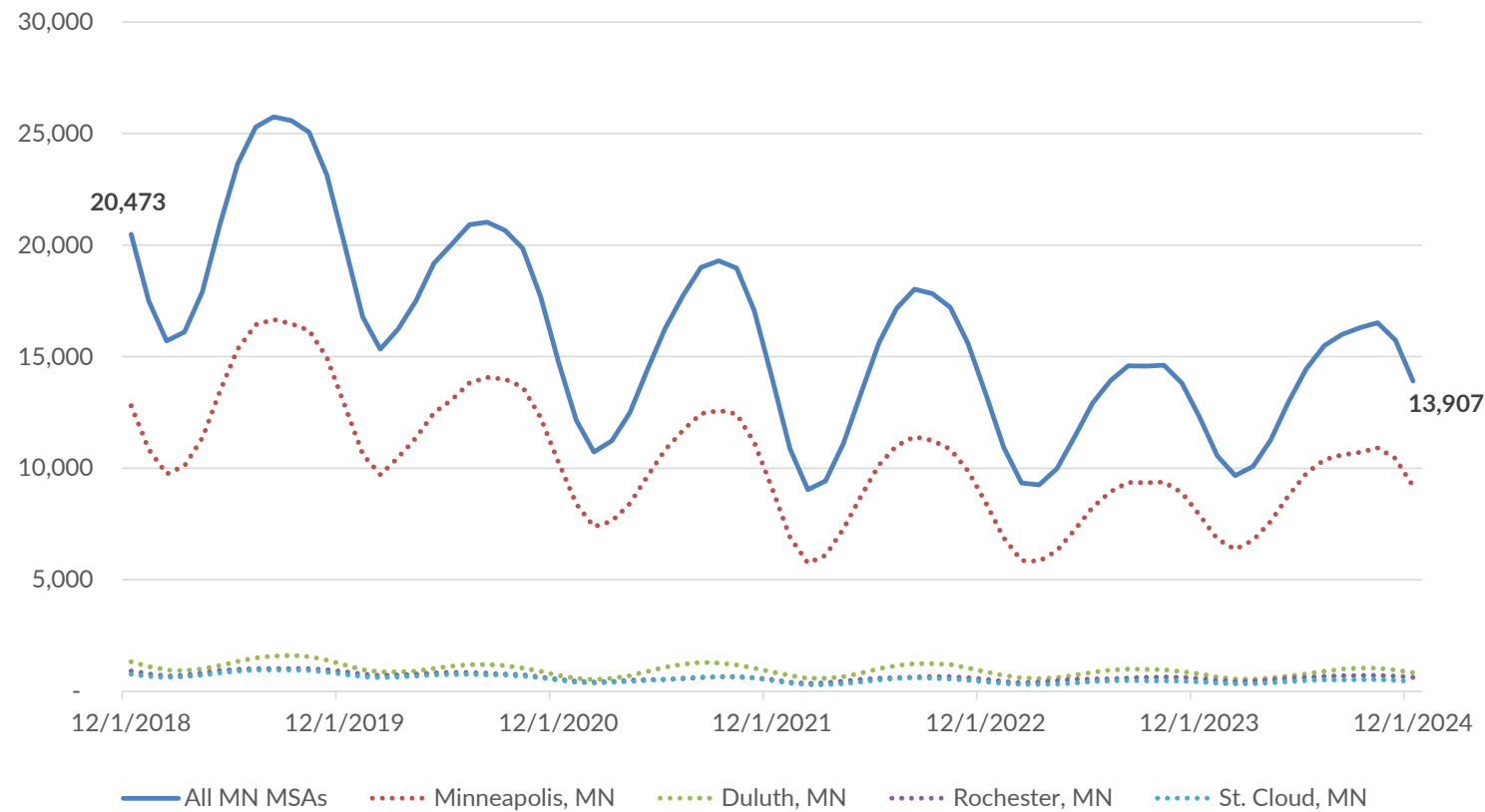
Housing Policy Developments & Outcomes

Presentation for Minnesota Senate Housing and Homelessness Prevention Committee

January 28, 2025

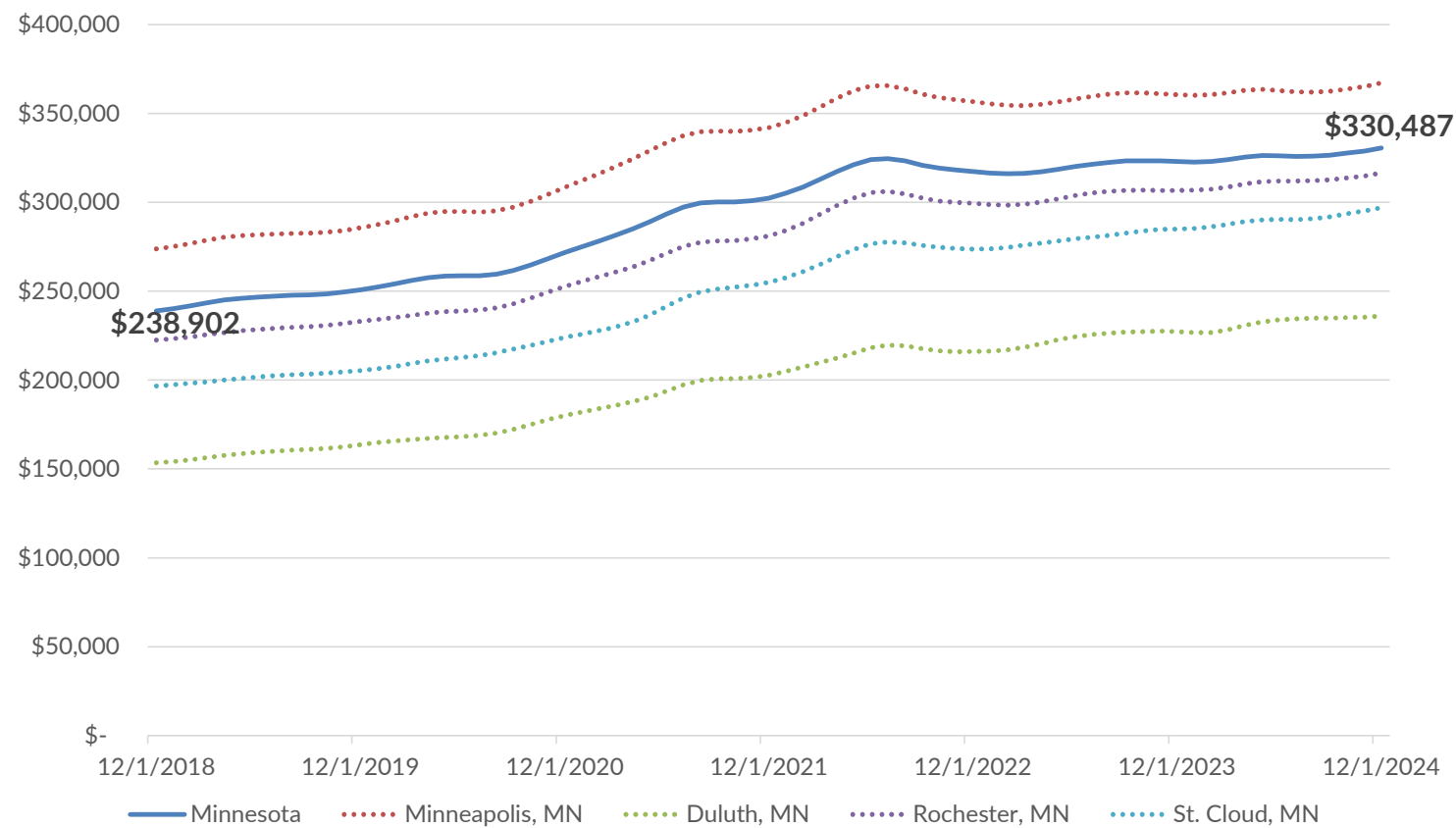
Pew

Minnesota's Housing Inventory 30% Lower Than 2018 Level



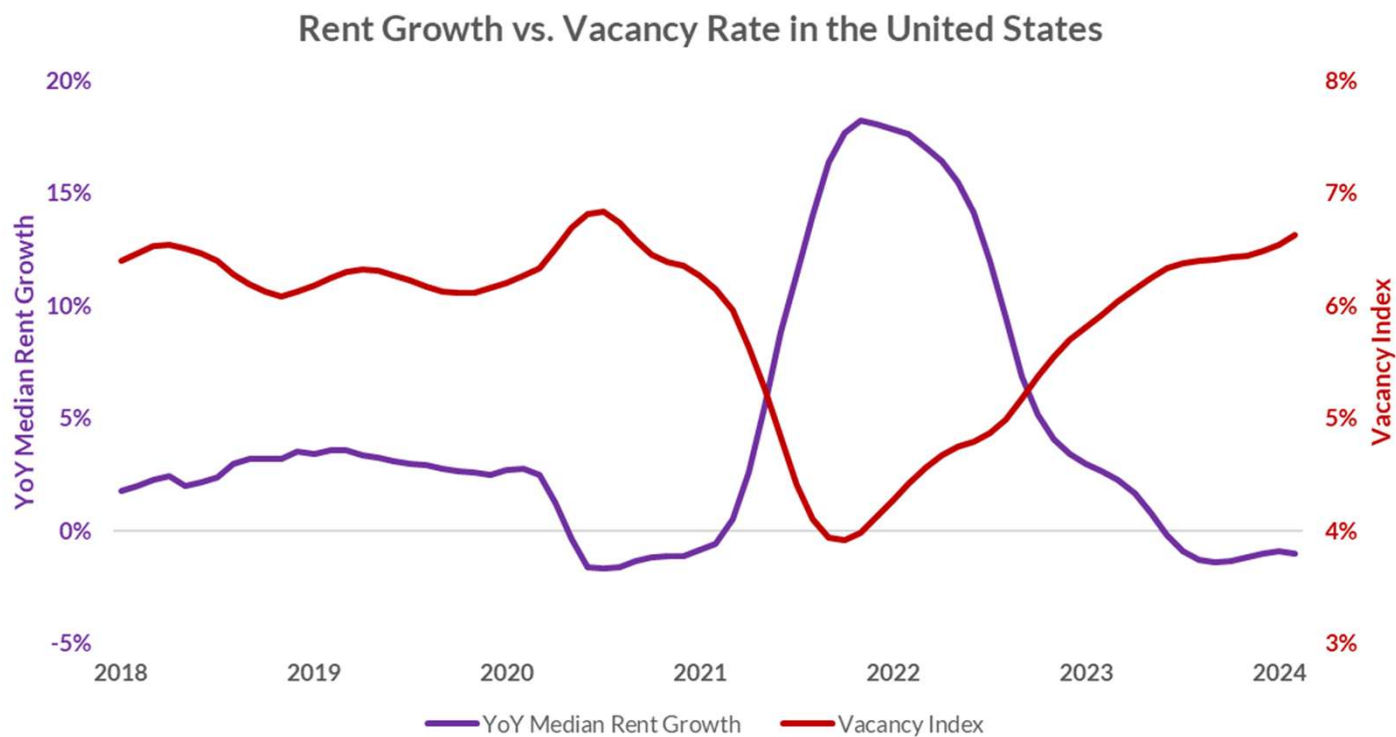
Source: Zillow Data

Minnesota's Home Prices Up 38% Since End of 2018



Source: Zillow Data

Rents Rise Quickly When Shortages Occur



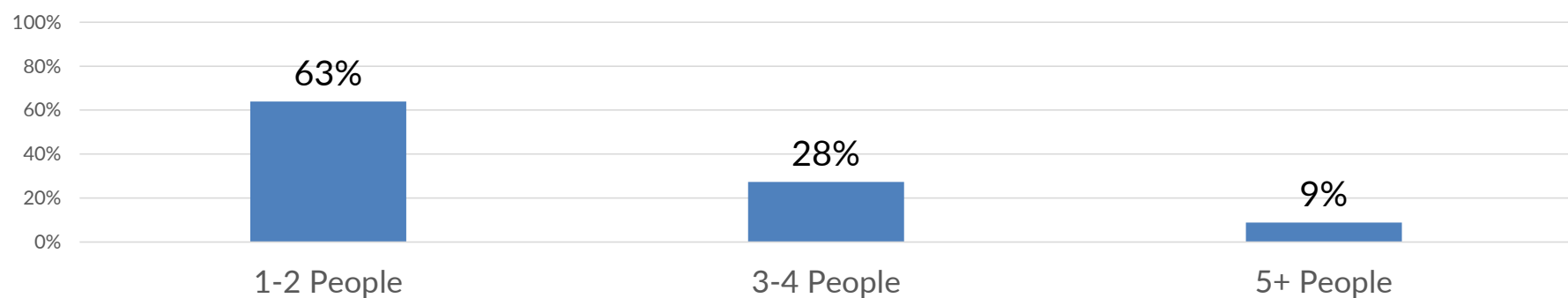
Source: Data from Apartment List

Housing Shortage Burdens Minnesota Renters

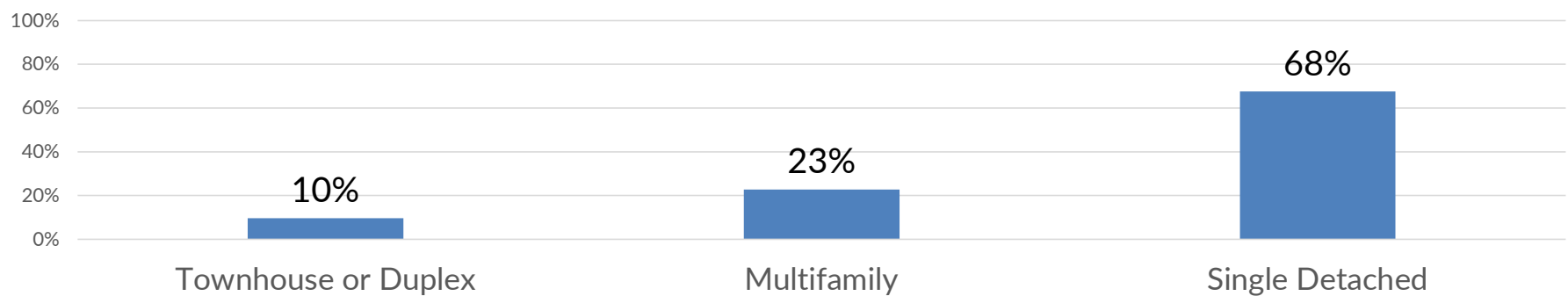
- 49% of Minnesota renters are spending more than 30% of their income on rent (2022)
- 26% of Minnesota renters are spending more than 50% of their income on rent (2022)
- In 2019, figures were 42% and 21%
- Restrictive zoning also pushes up transportation costs, vehicle miles traveled

Most households have 1-2 people; large majority of homes are single-detached

Share of US Households by Household Size

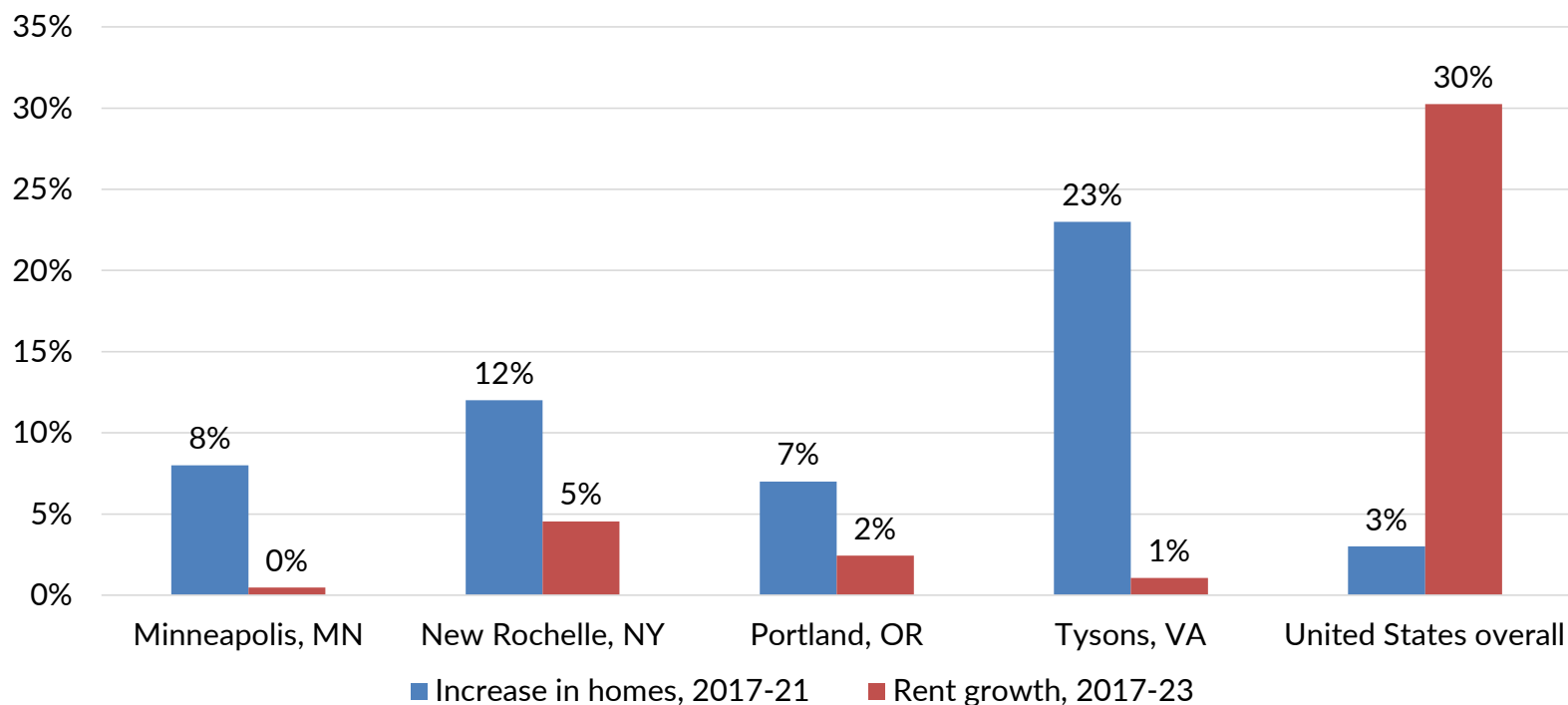


Share of US Homes



New Data Confirms More Supply = Lower Housing Costs

Rent Growth Is Low Where Housing Has Been Added

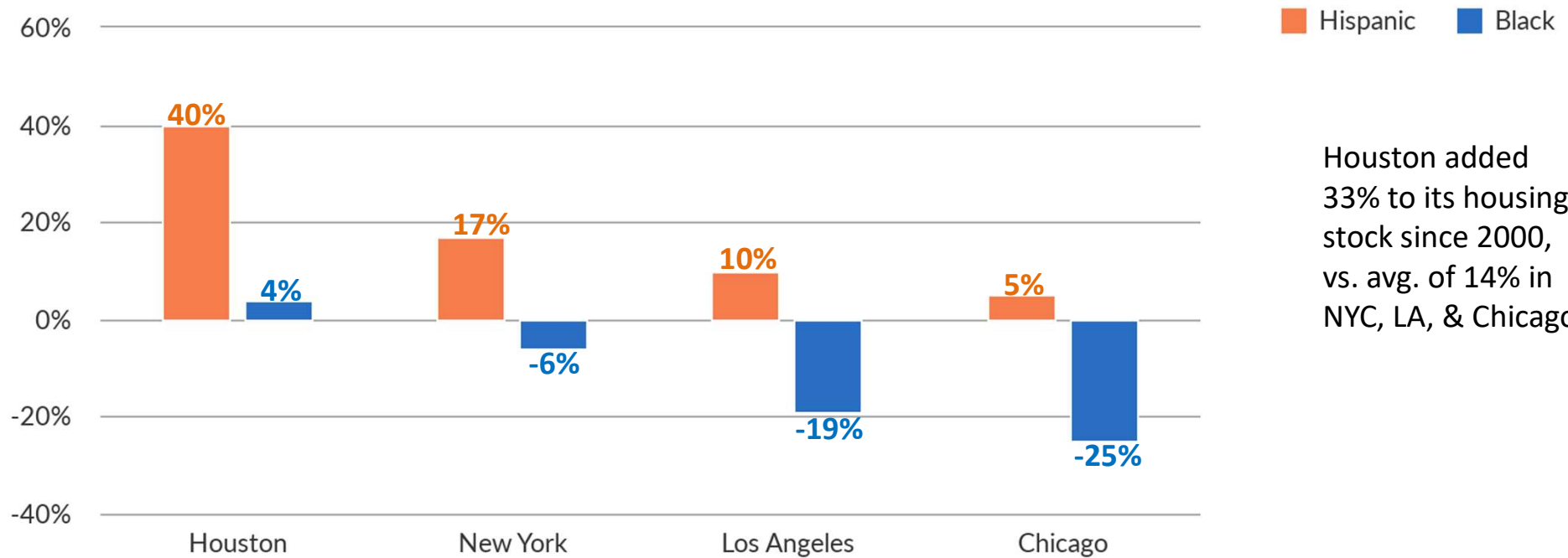


The four local jurisdictions shown added proportionally more households than the U.S. overall from 2017-21—indicating low demand was not the cause of their slow rent growth.

Source: Pew's analysis of Apartment List rent estimate data (Jan. 2017-Jan. 2023) and U.S. Census data on housing units (2017-2021)

Allowing More Housing Reduces Displacement

Percentage change in Black and Hispanic populations by city, 2000-21

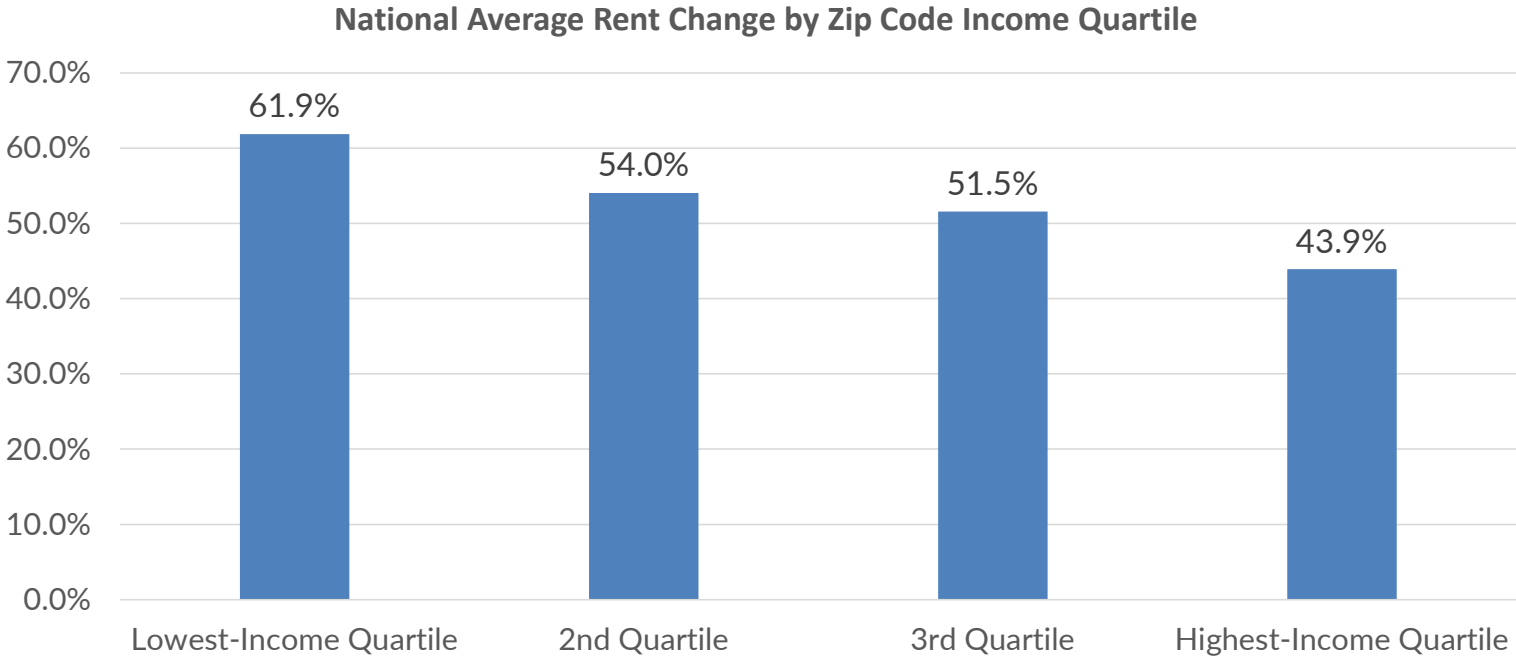


Houston added 33% to its housing stock since 2000, vs. avg. of 14% in NYC, LA, & Chicago.

Source: ACS Census Bureau data



Housing Shortage Hurts Low- and Moderate-Income Households Most



Source: Pew’s analysis of Zillow rent estimate data (Sep. 2017-Sep. 2024) and IRS Income by ZIP Code data (2017)

Supply Boost Has Driven Down Rents in Lower-Cost Apartments

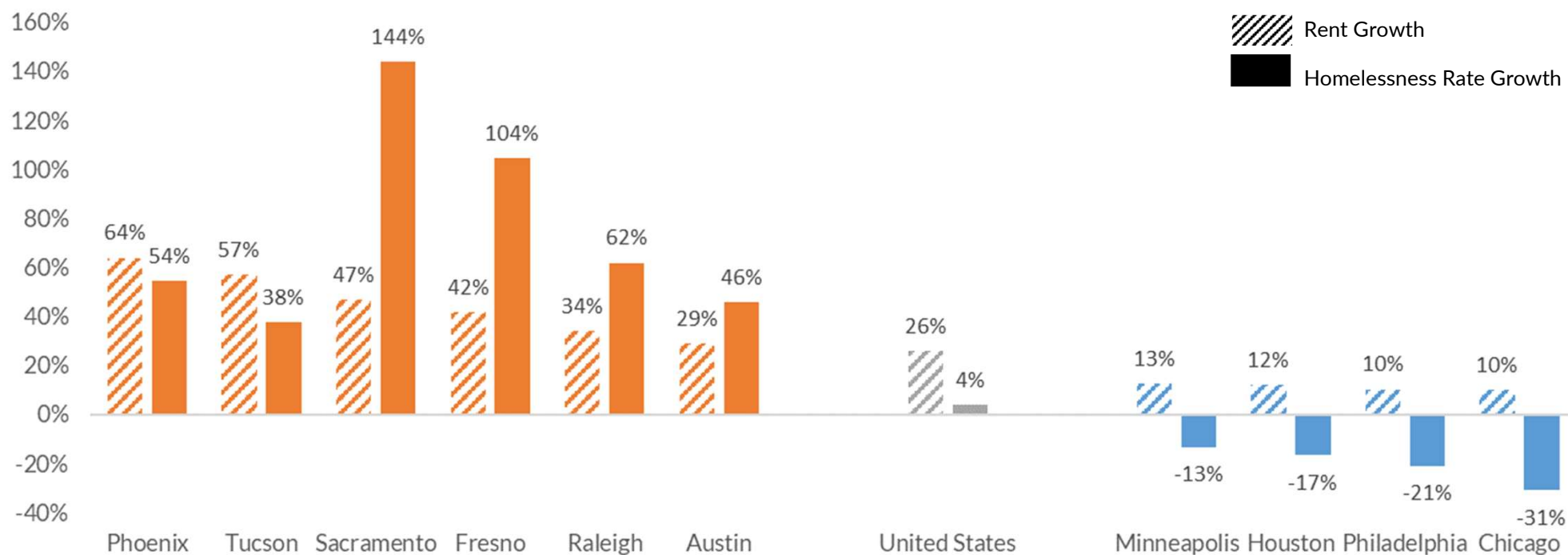
Market	Effective Rent Change in 2023			
	Market Average	Class A	Class B	Class C
Austin	-6.0%	-4.4%	-5.7%	-7.9%
Dallas	-1.4%	-0.4%	-1.9%	-1.5%
Orlando	-4.0%	-2.9%	-5.1%	-3.1%
Phoenix	-4.3%	-1.9%	-3.9%	-7.2%
Salt Lake City	-3.4%	-1.9%	-3.9%	-3.6%
San Antonio	-2.9%	-1.7%	-3.6%	-2.8%

Source: chart and rent data from RealPage

How Housing Costs Drive Homelessness Levels

Homelessness Increased in Areas Where Rents Soared

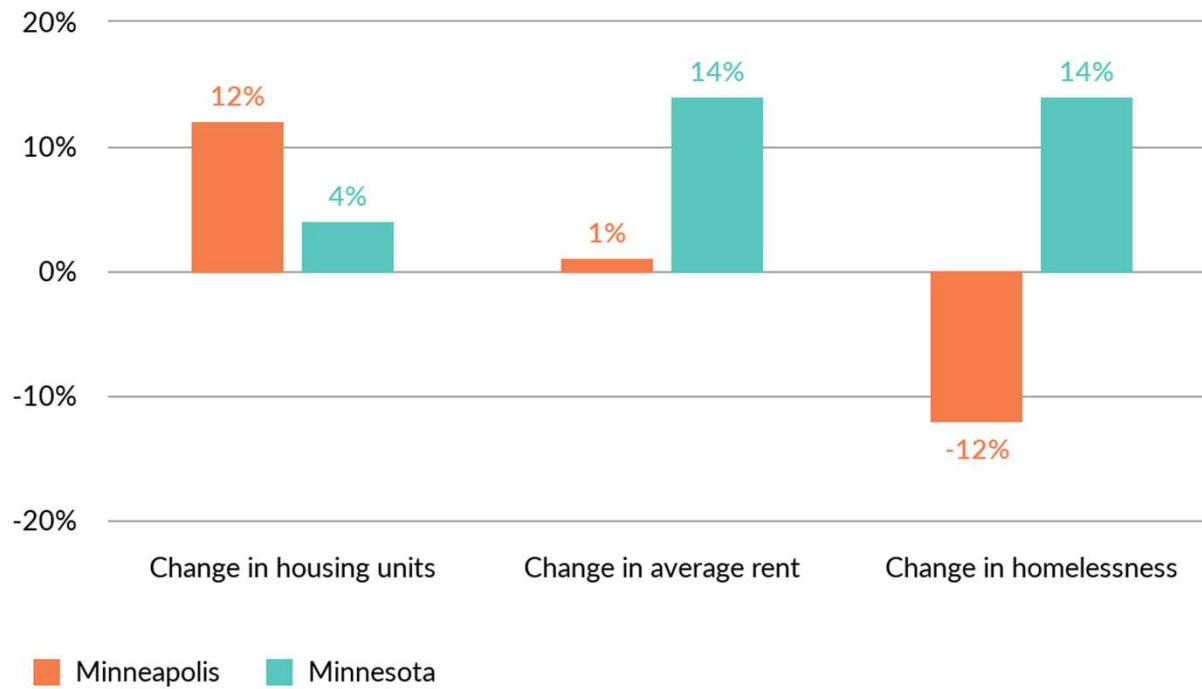
Percent change in homelessness per 10,000 residents, 2017-2022



Sources: HUD, Census ACS, Apartment List; Homelessness data for CoC level (often county)

With More Homes, Minneapolis Saw Low Rent Growth, Lower Homelessness

Income needed to afford median apartment rent dropped from 87% of area median to 72% from 2017-2022



Sources: Department of Housing and Urban Development, Apartment List, Census

Zoning Reforms Seeing Increased State Adoption

States Adopting Reforms to Allow More Housing Types

Efforts seek to curb harms of restrictive zoning

- Enabling accessory dwelling units (ADUs)
- Legalizing multifamily in commercial areas
- Streamlining permit approval processes
- Allowing use of manufactured housing
- Limiting parking mandates
- Legalizing micro-units/co-living & house sharing

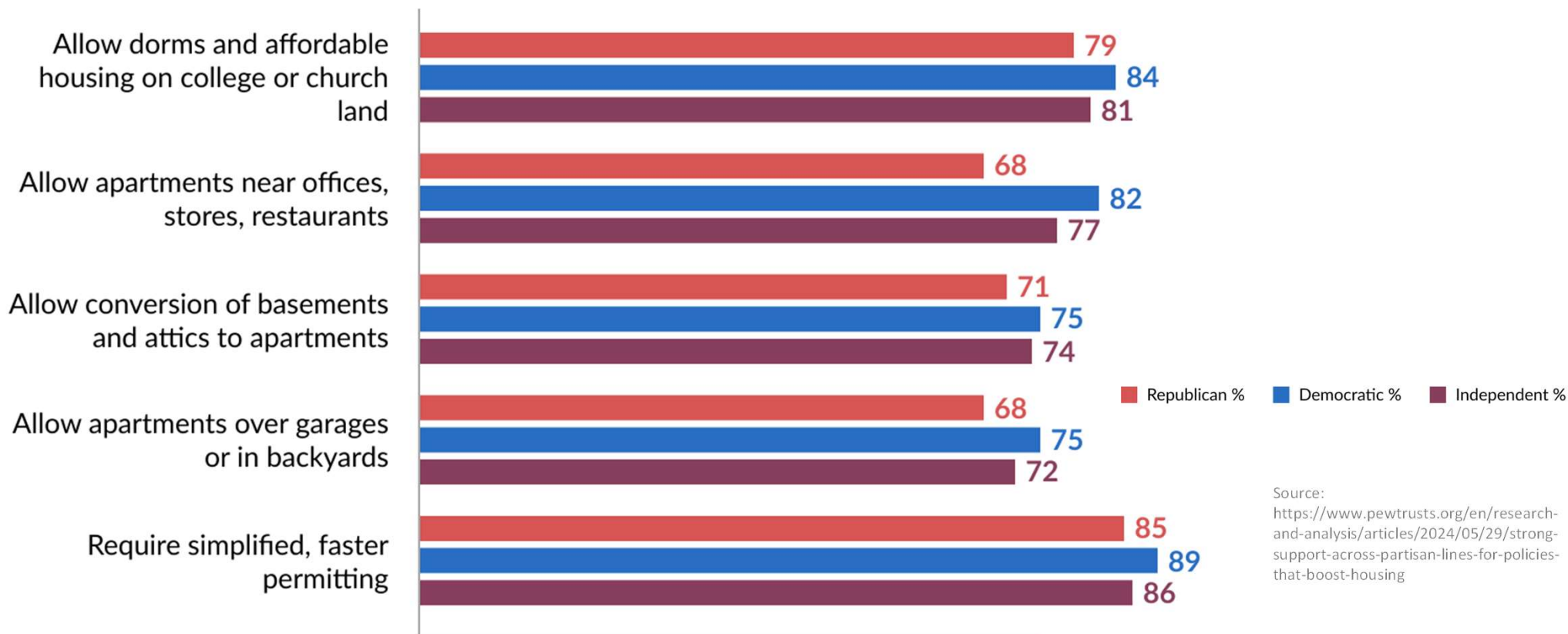


State Laws to Enable More Homes Becoming Much More Common

Average number adopted by states per year:

- 2012-2016: 1
- 2017-2022: 18
- 2023-2024: 48

2023 Pew Survey: Share of Americans Favoring Each Policy



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The Pew Charitable Trusts
[Pewtrusts.org/housingpolicy](https://pewtrusts.org/housingpolicy)

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