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March 1984

Metropolitan Council Census Log

Housing the Twin Cities Area Population

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The Council´s census documents are designed for use by local governments, businesses, schools, social service agencies and other public and private organizations. The Council expects to prepare census documents on topics including population, housing, age, minorities and income.

Census information originates from the 1980 census questionnaire, a short, two-page form that went to every household in the country and from an additional four-page form given to a sample of the nation´s households.

Metropolitan Council of the Twin Cities Area

HOUSING THE TWIN CITIES AREA POPULATION

by

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March 1984

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The Metropolitan Council coordinates the planning and development of the Seven-County Metropolitan Area. The Council is authorized by state and federal laws to plan for highways and transit, sewers, parks and open space, airports, land use, air and water quality, solid waste management, health, housing, aging and the arts.

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HOUSING THE TWIN CITIES AREA POPULATION

SUMMARY

HOUSING SUPPLY AND TENURE

During the 1970s the Twin Cities Metropolitan Area gained 156,199 housing units, the largest 10-year increase since the end of World War II. The Area of Planned Urbanization had a 75 percent gain in units, compared to 26.3 percent for the Region as a whole.

Nearly two-thirds of all Twin Cities Area housing units in 1980 were owner-occupied or vacant for sale, a percentage up only slightly since 1970. Both ownership and rental housing had relatively low vacancy rates.

The number of condominium housing units increased markedly during the 1970s, but in 1980 contributed more than their share to the vacancy rate. That was probably only a temporary phenomenon for this new type of ownership housing.

Single-family homes made up 61 percent of all housing units in 1980 and the number of single-family homes had increased 22.3 percent since 1970. Townhouse and mobile home units had much larger growth rates but much smaller shares of the total units in the Region. Most of the townhouses were in the Area of Planned Urbanization and in Fully Developed Area suburbs.

Most owner-occupied housing units in the Region had two or three bedrooms, and most renter-occupied housing units had one or two bedrooms.

HOUSEHOLD CHARACTERISTICS AND HOUSING DEMAND

The aging of the "baby boom" generation contributed the most to a 25.8 percent increase in number of households. The Region's total population rose only 5.9 percent. More small households increased housing demand during the 1970s. Average household size fell from 3.19 to 2.69 persons per household.

Married-couple families, especially married-couple families with householders over age 25, provided the impetus behind the high ownership rates in the Region. While the number of married couples with no related children at home increased 23.5 percent over the decade, the number with related children at home fell 6.8 percent. Minneapolis and St. Paul lost married couples with related children and the suburbs had only modest gains in this type of household.

One-person households and nonfamily households with two or more persons had the largest percentage increases over the decade. The count of "other family" households, notably female-headed households with children, also increased substantially.

Different households lived in different abodes in 1980, depending on the age of the householder and the type of household. Householders under age 25 heading all type of households tended to rent much more often than own a home. People living alone were split into three nearly equal size age groups and at all ages tended to rent more often than own a home. Two-or-more-person nonfamily households with householders under age 35 tended to rent, but 52.2 to 67.2 percent of that type household with householders over age 35 owned a home. Similarly, "other families" with householders under age 35 tended to rent, but 63.7 to 77.6 percent of that type of household with householders over age 35 owned. Nearly 8 of every 10 married-couple families with householders age 25 to 34 owned a home, and over 9 in 10 married-couple families with householders age 35 or over lived in residences they owned.

Both the rental and the ownership housing markets were strained during the 1970s by changes in the numbers, size and composition of households. Many of the households added during the decade were headed by young people or were the types of households that tended to rent, putting stress on the rental housing supply. As members of the "baby boom" generation get older, more households will be in the age and household categories with greatest ownership rates. It is expected that the ownership market will continue to be tight during the 1980s as the relative mix of households continues to change. The rental market could remain tight if many current renters cannot become owners because of housing supply, housing cost or household financial reasons.

HOUSING COSTS AND HOUSING AFFORDABILITY

The value of an owner-occupied home rose 47 percent between 1970 and 1980 in 1979 constant dollars. The median home value for the Region was $64,492 in 1980, with the most expensive homes in the Area of Planned Urbanization (median value $72,879) and the least expensive in St. Paul (median value $52,900).

Higher interest rates meant that owners who occupied noncondominium homes between 1975 and 1980 averaged monthly housing costs of $528, 31.3 percent greater than for owners who moved between 1970 and 1974, and 60.5 percent greater than for those who moved into their homes before 1970. The housing cost figures included higher utility rates, but higher mortgage interest rates made the biggest difference. Despite increased ownership costs, fewer than one in 10 owner households spent 35 percent or more of their monthly incomes on housing. Hardest hit by ownership costs were those earning under $10,000 a year.

In 1979 constant dollars, median contract rents actually went down 3.7 percent over the decade to $237 a month. With utilities included, gross rent costs were $253. Nevertheless, just over 28 percent of all renters spent 35 percent or more of their monthly incomes on housing. Hardest hit were the lowest income households--those earning less than $10,000 a year. Since there were more total renters and more low-income renters at the end of the decade than at the beginning, 12,163 more renter households spent 35 percent or more of their income on housing.

Substandard and Overcrowded Housing

The 1980 census showed relatively little substandard or overcrowded housing in the Region. Only 1.2 percent of all housing units in the Region lacked complete plumbing facilities for exclusive use and only 0.1 percent of all units were vacant and boarded in 1980. Most were rental housing units. In 1980, only 1.9 percent of the occupied housing units had more than one person per room, a decline of 64 percent over the decade.

ABOUT THIS CENSUS LOG

This census log analyzes housing information from the U.S. Census. According to the 1980 census, 1,938,910 or 97.6 percent of the 1,985,873 people in the Region, lived in housing units. The rest of the population lived in "group quarters" such as prisons, halfway houses, dormitories, nursing homes, etc. The data for this report comes primarily from the 1980 and 1970 U.S. Censuses of housing and population.

The U.S. Censuses provide an important body of information on housing but like all data sources have certain limitations. Since the U.S. Census is done only once in 10 years, it cannot provide details on annual or quarterly variations in factors such as vacancy rates. The 1980 census was largely self-enumerated, that is, people usually filled out the forms themselves. Therefore, the census data reflects the version of reality that people were willing to or capable of putting down on the forms. When responding to certain census questions, some people may have lacked a clear understanding of their "real" housing circumstances or may have misunderstood a question, and some may even have refused to answer or lied. Metropolitan Council and Census Bureau experience indicates that answers to questions on age of housing, value of housing, housing costs and household income differ the most from "reality" as measured by independent observers. Also, some census questions were worded in such a way as to be ambiguous for certain housing situations. Council staff has especially noted problems with how people might have classified duplexes, double bungalows, townhouses and mobile homes in answering the question on housing types. Despite these caveats, census data provides a wealth of information on housing relevant to Council program and policy concerns.

The discussion in this report will focus on five topics: 1) housing supply; 2) housing utilization by tenure; 3) household characteristics and housing demand; 4) housing costs and housing affordability; and 5) housing problems. The text will analyze housing figures for the Seven-County Twin Cities Area, with reference to the Metropolitan Council Development Framework Policy Planning Areas within that area. The census log also presents data for the 10-county, Minneapolis-St. Paul Standard Metropolitan Statistical Area (SMSA) and comparable SMSAs in other parts of the United States.

This report was written by Stephen C. Maack, researcher at the Metropolitan Council. For answers to any questions you may have about the data, call him at 291-6570.

HOUSING SUPPLY

The 1980 housing supply for the Twin Cities Area totaled 750,228 units of all sorts. This included 1,844 vacant units held for seasonal or migratory use. The census provided little information about this type of vacant unit. Therefore, after the following section the discussion in this report will concern the 748,384 housing units in the Region that were intended for year-round use.

Housing Supply Increases

The total housing supply increased 26.3 percent during the 1970s, a slightly faster rate of increase than during the 1960s but well below the post-war change rate of the 1950s (Table 1).

Table 1
TWIN CITIES AREA HOUSING SUPPLY
NET CHANGE AND PERCENT CHANGE, 1950 TO 1980

1950	1950-1960 Change	1960	1960-1970 Change	1970	1970-1980 Change	1980
358,875	116,630 32.5%	475,505	118,524 24.9%	594,029	156,199 26.3%	750,228

Source: 1950, 1960, 1970 and 1980 U.S. Censuses, total housing units including vacant seasonal and migratory housing units.

However, the 1970 base was larger than previously, so the 1970 to 1980 percentage change represented the largest net growth in number of housing units in recent decades.

Over half of the total 1970 to 1980 change in housing units occured in the Area of Planned Urbanization (Table 2). The Rural Area grew at nearly the same rate as the Area of Planned Urbanization, but the numbers involved were much smaller. The Fully Developed Area had 35,455 net housing units added to its housing stock, mostly in the suburbs.

Table 2
HOUSING SUPPLY GROWTH BY POLICY PLANNING AREA,
1970 TO 1980

	1970	Net Change	Percent Change	1980
Fully Developed Area (FDA)	428,039	35,455	8.3%	463,494
Minneapolis	167,214	1,645	1.0	168,859
St. Paul	107,715	3,187	3.0	110,902
FDA Suburbs	153,110	30,623	20.0	183,733
Area of Planned Urbanization	114,378	85,789	75.0	200,167
Freestanding Growth Centers	23,786	14,229	59.8	38,015
Rural Area*	27,826	20,726	74.5	48,552
Twin Cities Area	594,029	156,199	26.3%	750,228

*For the purpose of this report, data for the "Rural Service Area" and the "Rural Town Centers" have been combined into "Rural Area" totals.

Source: 1970 and 1980 U.S. Censuses, total housing units including vacant seasonal and migratory housing units.

Vacancy Rate Changes

Since vacancy rates tend to fluctuate on a seasonal and yearly basis, decennial census data provides information of only limited value. However, census vacancy rates do give a once a decade look at vacancies which is comparable from one census to another. At the time of the 1980 census, 26,940 housing units in the Region were vacant. This gave a vacancy rate of 3.6 percent, compared to 3.1 percent in 1970. Of the vacant year-round units in 1980, 7,307 were for sale only, 10,465 were for rent, 1,261 were held for occasional use and 7,907 were vacant for other reasons.

The Council publishes a data-log series of quarterly vacancy statistics, Housing Vacancy and Turnover in the Twin Cities Metropolitan Area, which is based on utility connections and cutoffs. Figures from this series cannot be directly compared with census data but do provide a more frequent look at vacancy rates than census data does. Data-log figures showed a generally low vacancy rate in the Twin Cities Area since 1975 in both single-family and multifamily housing, with some increase in vacancies noted since 1981.

Owner-Occupancy Housing Stock

The 1980 census showed 478,731 owner-occupied homes in the Twin Cities Area and 7,307 housing units that were "vacant--for sale only," giving a total housing stock for owner-occupancy of 486,038 housing units. That amounted to 65.8 percent of all housing in the Region, up from 64.5 percent in 1970. As shown in Table 3, the Fully Developed Area contained over half of the owner-occupancy stock in the Region and the Area of Planned Urbanization had another 31 percent. The Twin Cities ranked seventh among the 25 largest metropolitan areas of the country in percentage of the housing stock intended for owner-occupancy.

Table 3
OWNER-OCCUPANCY HOUSING STOCK BY
POLICY PLANNING AREA, 1980

	Owner-Occupied Housing Units	Vacant For Sale Units	Total Owner-Occupancy Housing Units
Fully Developed Area (FDA)	262,402	3,084	265,486
Minneapolis	79,655	1,086	80,741
St. Paul	59,215	835	60,050
FDA Suburbs	123,532	1,163	124,695
Area of Planned Urbanization	148,646	3,275	151,921
Freestanding Growth Centers	26,731	415	26,786
Rural Area	41,314	533	41,847
Twin Cities Area	478,731	7,307	486,038

Source: 1980 U.S. Census, Census Tape STF-1, Tables 25 and 26.

In 1980, the planning areas having the greatest proportion of owner-occupancy housing stock included the Rural Area (89.9 percent), the Area of Planned Urbanization (77 percent) and the Freestanding Growth Centers (71.6 percent). In contrast, 55 percent of St. Paul housing units, 48.5 percent of Minneapolis units and 68.4 percent of suburban Fully Developed Area housing stock was for owner-occupancy.

Condominium Housing

Since 1970, condominium housing has developed as a new type of housing opportunity in the Twin Cities, especially for owners. The 1970 census lumped condominiums and cooperatives together and came up with only 952 housing units. However, by 1980 there were 17,435 condominium units in the Region, of which 14,412 or 82.7 percent were owner-occupied or vacant for sale only. Condominiums tended to be concentrated in the central portion of the Region (Table 4). In fact, a recent Council housing market study report, Condominiums in the Twin Cities Metropolitan Area, showed that 74.2 percent of the condominium units in the Region in 1982 were concentrated in just 15 cities, most notably in Minneapolis, Edina, Bloomington, Burnsville and St. Paul. The same report documented a 20 percent increase in condominium units between 1980 and 1982.

Table 4
CONDOMINIUM UNITS, BY
POLICY PLANNING AREA, 1980

	Number	Percent of Region	Number Vacant	Vacancy Rate
Fully Developed Area (FDA)	9,973	57.2%	1,544	15.5
Minneapolis	2,668	15.3	591	22.2
St. Paul	964	5.5	294	30.5
FDA Suburbs	6,341	36.4	659	10.4
Area of Planned Urbanization	7,043	40.4	734	10.4
Freestanding Growth Centers	419	2.4	31	7.4
Rural Area	0	0.0	0	0.0
Twin Cities Area	17,435	100.0%	2,309	13.2

Source: 1980 U.S. Census, Census Tape STF-1, Table 29.

Condominium unit vacancies provided more than their share of total vacant units. Condominium units accounted for just 2.3 percent of all housing units in the Region, but 8.6 percent of all vacant units at the time of the 1980 census. More significantly, condominiums made up three percent of all housing units that were either owner-occupied or vacant for sale, but 22.9 percent of all the vacant for sale units. The census data probably reflected the recent introduction of condominiums on the local market rather than a long-term lack of interest in this type of housing.

Rental Housing Stock

The 253,178 housing units that were renter occupied or for rent in 1980 constituted 34.2 percent of all units in the Region. This was down slightly from the 35.5 percent figure of 1970. The central cities provided over half of the rental units in the Region, with the bulk of the remainder in the suburban part of the Fully Developed Area (Table 5). Renter-occupied units made up 13.7 percent of all condominium units, but rented condominium units contributed less than one percent to the total rental housing stock.

Table 5
RENTAL HOUSING STOCK, BY POLICY PLANNING AREA, 1980

	Renter-Occupied Housing Units	Vacant For Rent Units	Total Rental Housing Units
Fully Developed Area (FDA)	185,127	7,326	192,453
Minneapolis	82,203	3,600	85,803
St. Paul	47,008	2,054	49,062
FDA Suburbs	55,916	1,672	57,588
Area of Planned Urbanization	43,119	2,288	45,407
Freestanding Growth Centers	10,010	625	10,635
Rural Area	4,455	226	4,681
Twin Cities Area*	242,713	10,465	253,178

*Components do not add up to the total because of suppression.

Source: 1980 U.S. Census, Census Tape STF-1, Tables 25 and 26.

Age of Housing

The age of the housing stock in the Region affects the amount of effort that must be put into maintenance, rehabilitation and renovation in order to maintain good condition housing for local residents. Over one-fourth (26.2 percent) of the housing units in the Region were in structures built before 1940, and 84.2 percent of those older units were in the Fully Developed Area. Over half (56.9 percent) of Minneapolis housing units and about half (49.5 percent) of St. Paul housing units were constructed before 1940 (Figure 1). In contrast, 21.6 percent of Freestanding Growth Center housing units, 21.4 percent of Rural Area homes and 6.4 percent of the Area of Planned Urbanization housing units were constructed before 1940. While suburban housing tended to be newer, some suburbs were developed over relatively few years. Since much of the housing in these suburbs would be approximately the same age much of it could begin to need special maintenance, rehabilitation or renovation efforts over a relatively short period of time in the future.

Approximately one-fourth (25.4 percent) of the housing in the Region was relatively new, built in the years between 1970 and 1980. Consistent with Council policy, about half (47.2 percent) of the construction since 1970 has taken place in the Area of Planned Urbanization. The suburbs of the Fully Developed Area have captured 18.5 percent of the units constructed since 1970, Minneapolis 8.1 percent and St. Paul 6.5 percent.

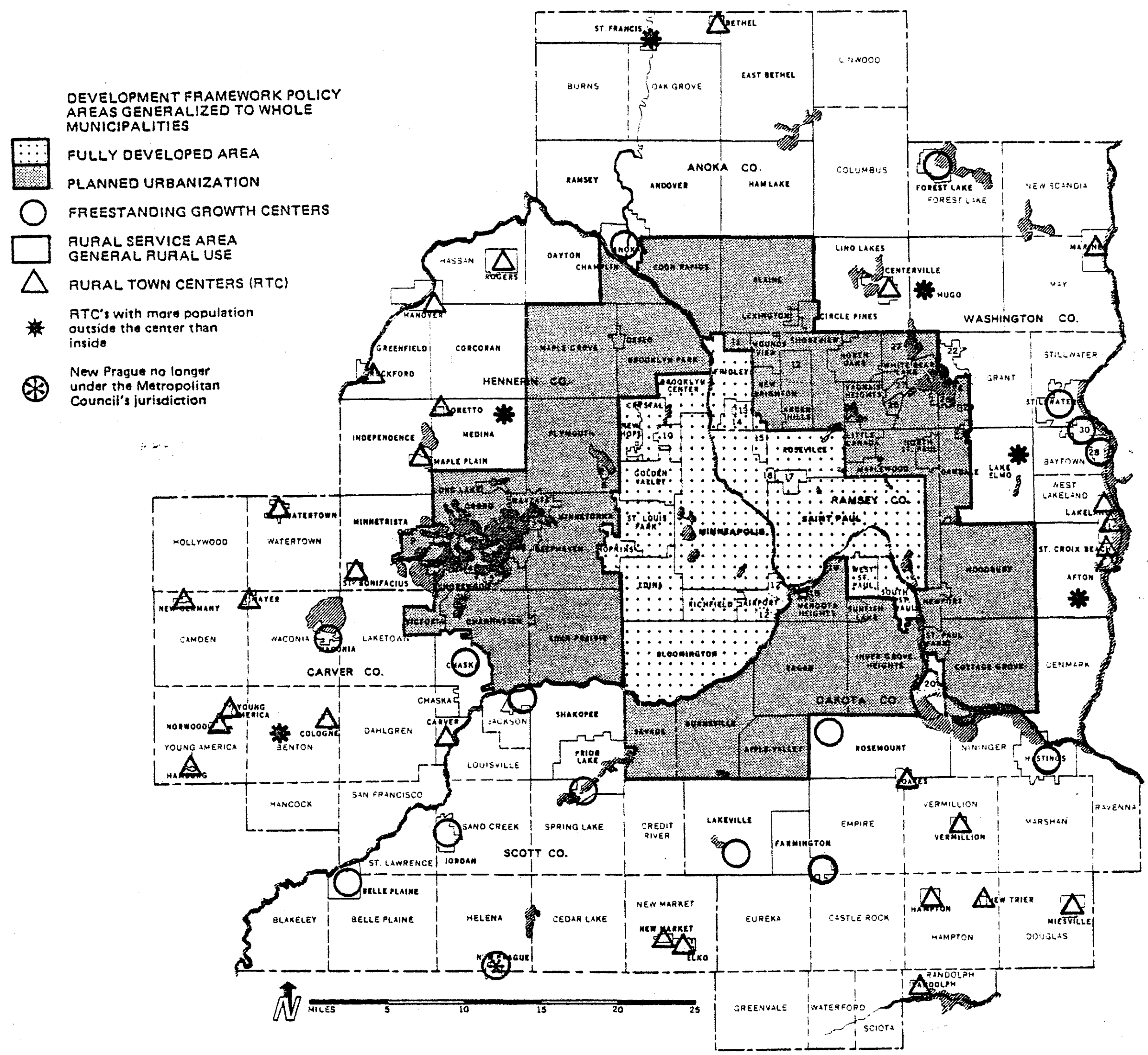
About one-fifth (21.6 percent) of the housing units in the Region were built between 1960 and 1969, about 18 percent were built during the 1950s, 8.8 percent during the 1940s. Figure 1 shows the predominate age of the housing stock in each Policy Planning Area and the proportion of units built each decade.

Size of Structures in Stories

In 1980, the Twin Cities Area contained mostly low-rise housing. In all, 94.3 percent of all housing units were in one to three story structures and 2.9

Figure 1

AGE OF HOUSING BY POLICY PLANNING AREA



TWIN CITIES METROPOLITAN AREA

	Units Built Before 1940	Units Built 1940 to 1949	Units Built 1950 to 1959	Units Built 1960 to 1969	Units Built 1970 to 1979
Fully Developed Area	165,175 35.6 %	51,350 11.1 %	92,999 20.1 %	90,624 19.6 %	63,212 13.6 %
Area of Planned Urbanization	12,728 6.4	9,771 4.9	32,700 16.3	54,693 27.4	89,903 45.0
Freestanding Growth Centers	8,183 21.6	2,194 5.8	4,808 12.7	7,846 20.8	14,800 39.1
Rural Area *	10,127 21.4 %	2,299 4.9 %	3,908 8.2 %	8,585 18.1 %	22,499 47.4 %

Source: 1980 U.S. Census, Computer Tape STF-3, Table 109, Total Year-Round Housing Units

* For the purposes of this report "Rural Area" will refer to the combined "Rural Service Area-General Rural Use", "Rural Town Centers (RTC)" and "RTC's with more population outside the center than inside" of the map.

percent in four to six story buildings. The Fully Developed Area had 96.2 percent of all the housing units that were in structures of seven to 12 stories in height and all the units in residential structures with 13 or more stories.

Types of Housing Structures

Single-family detached homes still made up the predominant housing type in the Twin Cities Area, accounting for about 61 percent of all units, or 456,195 houses in 1980. About one-fourth (25.2 percent) of all year-round housing units were in structures with five or more units. Duplexes or double bungalows provided 6.3 percent of all housing units and were the third most common structural type.

During the 1970s two of the rarer structural types, townhouses and mobile homes, showed marked growth in numbers. Townhouses (single-family attached homes) multiplied sixfold over the decade to 22,385 but still constituted under three percent of all units in 1980. Half again as many mobile homes were added to the housing stock, but the 1980 census count of 11,950 made up just 1.6 percent of all housing units. The census count of mobile homes may have been low because people might have listed a mobile home as a "one unit detached residence" rather than checking the "mobile home" box. Single-family detached homes expanded 22.3 percent, five or more unit structures 45.6 percent in number of units. Duplex and double bungalow units actually fell 16.3 percent in numbers because of demolition or conversion, and possibly because of how people might have classified them on the census questionnaire. The number of units in three or four unit structures increased 4.1 percent. More details can be found in the section on types of housing structure by tenure.

Number of Bedrooms

In 1980, most Twin Cities Area housing units had either three bedrooms (32.9 percent) or two bedrooms (29.2 percent). Distribution of housing with fewer or more bedrooms than that varied widely across the Region. For example, 23.7 percent of Fully Developed Area homes had one bedroom, compared to 12.8 percent in the Freestanding Growth Center, 11.1 percent in the Area of Planned Urbanization and 4.2 percent in the Rural Area. Furthermore, 3.4 percent of Fully Developed Area units had no bedrooms, compared to under one percent elsewhere. In contrast, the Rural Area and the Area of Planned Urbanization had more than their share of four and five bedroom homes. Four bedroom units made up 23.1 percent of Rural Area homes, five bedroom units made up 5.5 percent. The comparable figures for the Area of Planned Urbanization were 18.5 percent and 4.2 percent. These percentages compared with the Region average of 13.9 percent four bedroom and 3.1 percent five bedroom units. More detail on 1980 housing by number of bedrooms can be found in the section on tenure.

HOUSING UTILIZATION BY TENURE

The net increase in the housing supply barely kept up with the overall rise in number of households during the decade, although rental housing was overbuilt during the first few years. In 1980, vacancy rates for both rental and owner-occupancy housing units were low. Generally, people occupied the same style of housing as in the past, but proportionally more lived in townhouses and mobile homes. This section deals with tenure aspects of housing supply utilization. The next deals with household aspects of changing housing demand.

Overall Tenure Characteristics

The number of occupied housing units increased 25.8 percent between 1970 and 1980, from 573,582 to 721,444. Owner-occupied housing increased at a faster rate (27.2 percent) than renter-occupied housing did (23 percent). The number of owner-occupied units grew from 376,283 to 478,731 while occupied rental units went from 197,299 to 242,713.

Owner-Occupied Housing

The addition of 102,448 owner-occupied homes in 10 years demonstrated a strong demand for owner-occupancy. In fact owner-occupancy gained in percentage share of total housing utilization over the decade, going from 65.6 percent to 66.4 percent of all occupied units. Low interest rates and relatively low housing prices encouraged people to move from renting to owning during the early 1970s. In addition to being an option for shelter, owning a home attracted people for investment and tax reasons. However, high mortgage rates and increased asking prices have dampened movement from renting to owning in the late 1970s and early 1980s.

"Vacant for sale" units made up 1.5 percent of the owner-occupancy housing stock in 1980, compared to 0.4 percent a decade earlier. Two factors accounted for this situation: vacant condominium units and high mortgage interest rates in the spring of 1980. As mentioned previously, 22.9 percent of all vacant for sale housing units consisted of condominium units, a relatively new housing type in the regional market. Adjusting for the vacant for sale condominium units gave a vacancy rate of 1.2 percent, barely enough to provide for consumer choice among home purchase opportunities. That rate might have been lower had not conventional mortgage interest rates been high (12.65 to 12.95 percent) in 1980, compared with 10.77 to 10.92 percent just a year earlier and about 8 to 9.6 percent between 1973 and 1978. See the Council housing market study, Housing Financing in the Twin Cities Metropolitan Area (June 1981) for more details on interest rates. A possible indication of the influence of high mortgage rates is the fact that about one in four (24.5 percent) of the vacant for sale homes had been on the market for six months or more. While fluctuating somewhat, conventional mortgage interest rates have remained in the 12 percent to 15 percent range since the census period.

Renter-Occupied Housing

The net addition of 45,414 renter-occupied units to the total occupied housing stock between 1970 and 1980 suggested a strong demand for rental options. "Vacant for rent only" units accounted for 4.1 percent of the rental housing stock in 1980, compared to 5.2 percent in 1970. The 1980 figure was well below the five to six percent vacancy level considered necessary for consumer choice in rental housing.

Over one-third (36.2 percent) of the vacant rental units recorded in 1980 had been on the market for two or more months at the time of the census, up from 27.8 percent in 1970. Possible reasons for the change included economic conditions of renter households, high rental costs and physical condition of some rental units. Quarterly Council figures in Housing Vacancy and Turnover in the Twin Cities Metropolitan Area have noted an increase in vacancy rates in multifamily housing since the census period, which tended to confirm a post-1980 softening of the rental market.

Types of Occupied Housing Structures, by Tenure

Within the limits of the housing supply available in the ownership and rental markets, households have had some choice as to what type of structure they would occupy. As shown in Table 6, owners overwhelmingly preferred and had available single-family detached homes. The number of owner-occupied, single-family detached homes increased 23.1 percent between 1970 and 1980, somewhat below the 27.2 percent rate of increase in total owner-occupied units. During the 1970s, owners were also attracted to new townhouse and condominium options. The number of owners in one-unit attached homes, which are mostly townhomes, increased twelvefold over the decade. Many of the owner-occupied townhouses were built since 1970 in the Area of Planned Urbanization. Both townhouse construction and conversion of apartment buildings to condominiums contributed to a fivefold rise in owner-occupancy of structures with five or more units in them. This trend has notably occurred in the Fully Developed Area and the Area of Planned Urbanization. Similar factors may account for a 73.7 percent increase in owner-occupancy of three and four unit structures. On the other hand, demolitions and conversion to other uses probably account for a 27.2 percent decline in number of owner-occupied duplexes and double bungalows, the second ranking ownership choice.

Table 6
TYPES OF OCCUPIED HOUSING STRUCTURES, BY TENURE, 1980

	Owner-Occupied Housing Units					
	1 Unit Detached	1 Unit Attached	2 Units	3-4 Units	5 or More Units	Mobile Homes
Fully Developed Area (FDA)	234,576	4,826	11,378	2,002	8,475	1,146
Minneapolis	69,299	880	5,830	989	2,624	28
St. Paul	52,760	633	3,993	515	1,291	23
FDA Suburbs	112,517	3,313	1,555	498	4,560	1,095
Planned Urbanization	128,771	7,593	1,252	1,626	3,542	5,814
Freestanding Growth	23,142	323	557	256	435	1,654
Rural Area	37,851	142	513	230	232	2,010
Twin Cities Area	424,340	12,884	13,700	4,114	12,684	10,624

Table 6 (cont.)

	Renter-Occupied Housing Units					
	1 Unit Detached	1 Unit Attached	2 Units	3-4 Units	5 or More Units	Mobile Homes
Fully Developed Area (FDA)	12,400	4,789	26,593	13,927	127,191	230
Minneapolis	5,742	1,732	15,538	7,752	51,359	85
St. Paul	2,942	857	7,787	4,409	30,950	63
FDA Suburbs	3,716	2,200	3,268	1,766	44,882	82
Planned Urbanization	5,198	2,119	2,219	1,526	31,785	239
Freestanding Growth	1,630	389	1,295	1,269	5,260	167
Rural Area	2,456	87	727	416	500	206
Twin Cities Area	21,684	7,384	30,834	17,138	164,736	842

Source: 1980 U.S. Census, Census Tape STF-3, Table 102 manipulated.

In 1980, renters primarily occupied apartment buildings with five or more units, or lived in duplex or double bungalow structures. Renter occupancy of apartments in five or more unit structures increased 40.9 percent over the decade. However, the number of renter-occupied duplexes or double bungalow units dropped 12.5 percent and the count of renter-occupied triplexes and fourplexes went down 6.9 percent. Demolitions, conversions to owner-occupancy or changes in how people filled out the census question on housing types could account for these changes. Increased demand for owner-occupancy probably accounted for the 9.3 percent decline in number of rented single-family detached houses. Townhomes and mobile homes attracted renters as well as owners. By the end of the 1970s, 217.2 percent more renter households lived in one-unit attached homes or townhouses, 87.5 percent more in mobile homes.

Number of Bedrooms Per Housing Unit, by Tenure

In 1980, three bedroom homes provided the primary shelter for 46 percent of the owners throughout the Twin Cities Region, down slightly from 47.6 percent in 1970 (Table 7). The second most common housing type by number of bedrooms per owner-occupied units varied by planning area. In the Fully Developed Area and the Freestanding Growth Centers two bedroom homes were the second most common kind of owner-occupied housing but in the Area of Planned Urbanization and the Rural Area four bedroom homes ranked second.

Table 7
BEDROOMS PER UNIT BY TENURE OF OCCUPIED HOUSING, 1980

	Owner-Occupied Housing Units					
	No Bedrooms	One Bedroom	Two Bedrooms	Three Bedrooms	Four Bedrooms	5 or More Bedrooms
Fully Developed Area	426	13,005	76,379	115,903	46,412	10,278
Minneapolis	270	5,796	29,397	30,193	11,135	2,859
St. Paul	73	3,113	18,949	25,412	9,352	2,316
FDA Suburbs	83	4,096	28,033	60,298	25,925	5,103
Planned Urbanization	200	3,901	29,663	71,893	35,050	7,891
Freestanding Growth	17	851	5,730	13,043	5,635	1,091
Rural Area	60	1,102	8,104	19,237	10,084	2,391
Twin Cities Area	703	18,859	119,876	220,076	97,181	21,651

	Renter-Occupied Housing Units					
	No Bedrooms	One Bedroom	Two Bedrooms	Three Bedrooms	Four Bedrooms	5 or More Bedrooms
Fully Developed Area	14,262	91,184	62,762	13,311	2,693	918
Minneapolis	9,502	41,409	23,706	5,849	1,198	544
St. Paul	3,302	23,352	15,801	3,581	747	225
FDA Suburbs	1,458	26,423	23,255	3,881	748	149
Planned Urbanization	1,123	17,018	18,776	4,812	1,072	285
Freestanding Growth	269	3,666	4,584	1,123	289	79
Rural Area	49	703	1,881	1,090	506	163
Twin Cities Area	15,703	112,571	88,003	20,336	4,560	1,445

Source: 1980 U.S. Census, Census Tape STF-3, Table 116.

In 1980, renters generally occupied housing that had fewer bedrooms per unit than in homes occupied by owners. Regional totals showed that 46.4 percent of renters lived in one-bedroom units, 36.3 percent in two-bedroom places, 8.4 percent in units with three bedrooms, 6.5 percent in apartments with no bedrooms, 1.9 percent in four-bedroom homes and 0.6 percent in five-bedroom units. In the Fully Developed Area, the percentage in one- and two-bedroom units was much the same. However, in the Area of Planned Urbanization, the Freestanding Growth Centers and the Rural Area two-bedroom units were the most common type of shelter housing, 43.6 percent, 45.8 percent and 42.8 percent of renter households, respectively. About four of every 10 renter households lived in one bedroom units in the Area of Planned Urbanization, a slightly lower percent in the Freestanding Growth Centers did so. In the Rural Area, rental units tended to have more bedrooms. Only 16 percent of the renter households occupied one-bedroom units, while 24.8 percent occupied three-bedroom homes and 11.5 percent lived in four-bedroom housing. Minneapolis was notable for renter occupancy of housing units with no bedrooms, such as studios or rooms for rent near the University of Minnesota and downtown. The city had about 91 percent of all no-bedroom units in the Region, and about eight percent of Minneapolis renters lived in this kind of housing.

HOUSEHOLD CHARACTERISTICS AND HOUSING DEMAND

Demand for housing depended on more than just the number of households in the renter and owner markets, or on available housing types, although both were important factors. Five other factors measured by the census contributed to housing demand and influenced housing choice. Household type, household size, age of the head, income and housing cost entered into decisions to own or rent. Who used the rental market and who used the ownership market differed in important respects. The household related factors in housing market utilization are discussed here, the cost factors in the next section.

When seeking housing people evaluate their space needs, locational preferences and tenure desires according to their particular household size, household type and income circumstances at that point in time. A college student may well find rental housing acceptable that a married couple with children finds inadequate. A single parent with children may want to own, just like the married couple, but be limited to renting by income. An elderly homeowner with children long ago grown and gone might decide to move to special rental housing for the elderly after her husband dies.

Household type and household size vary with age for many individuals as they pass through their life cycles, but in the aggregate both the type and size of households crosscut age categories. Many people make a series of housing decisions based on their current stage in a common life cycle pattern. The pattern starts with entry into the housing market as a single person, followed by marriage, leads to creation of a family with children, then progresses to an "empty nester" married couple status and possibly ends with a person living alone following the death of a spouse. However, many other people do not follow this pattern because of divorce, death, decisions to not marry, inability (or unwillingness) to bear children, or other circumstances. As a result, at any one point in time people of different ages may have the same type and size of household.

Census information can suggest some overall tendencies in housing choice but cannot completely represent the complex housing decisions sketched above, only the final outcomes. Each time the census is done it provides information for just one point in time, but the circumstances of people and generations of people vary over time. Analysis of decade to decade detail from successive censuses shows some patterns of change, but really only represents net results --not the complex tradeoffs and counterbalancing trends which yield the net changes. Using only census data to identify the causes of housing decisions and housing changes remains a speculative venture.

In addition to representing the net result of myriad individual decisions, where different kinds of households lived in 1980 also partly reflected the history of regional housing development, the number of household moves and the influence of widespread social trends over the decade. For example, because of the history of physical development of the Region, some areas had more or less rental housing in particular price ranges than others did. Other things being equal, households that could only afford low-cost rental housing had to seek it where it was. Concentrations of certain types of households in certain parts of the Region could simply be due to lack of alternative opportunities elsewhere. Furthermore, as people moved from one part of the Region to another (or out of it altogether) they opened housing opportunities in one place and affected them in another. If moves were massive in number or occurred frequently, housing utilization might have changed as a result. Finally, decade-long social trends, such as increasing numbers of divorces, declining birth rates and the aging of the large "baby boom" generation, have influenced the numbers of certain types of households and so the operation of the rental and ownership markets. The 1980 census gave a snapshot picture of the current situation, 1970 to 1980 trends showed the net result of decade-long changes, but census data could not have shown all the details or provided a complete picture of future trends.

With these provisos, the census data on households reported below does provide important information relevant to housing policy and program decision making. More than elsewhere in the report this section also includes judicious speculations on what might have caused the observed census distributions and on what direction housing trends might go in the future. The analysis attempts to clearly note what the census numbers were and when speculations about them are being made.

Changes in Types of Households

Important demographic and social events during the 1970s led to significant household changes which have directly impacted the housing market. First, many members of the large "baby boom" generation grew up, left the nests of their parents' homes and entered the housing market in their own right. People in this generation have tended to marry later and delay childbearing, contributing to lower birth rates during the 1970s than during the 1960s. Second, changing social attitudes have contributed to an increased number of divorces and more cases of men and women living together outside of marriage. Finally, more women have gone to work and used some of their money to contribute to housing costs as roommates, spouses, single parents or individuals living alone. The net result of these demographic and social trends has been a modification in the proportions of certain household types living in the Twin Cities. According to census data one person households, two or more person nonfamily households and single-parent families became more prevalent between 1970 and 1980, married couples with children less so.

Table 8 shows that married-couple families continued to be the predominant household type in 1980, but the number of married-couple families had increased at a much slower rate than the number of other household types had. This was especially true for married couples with related children.[1] The number of married couples with related children living with them fell 6.8 percent, while the number of married couples without related children grew 23.5 percent. In contrast, the count of other families with related children went up 84.9 percent, two or more person nonfamily households 121.4 percent, and one-person households 72 percent.

Table 8
CHANGES IN SIX HOUSEHOLD TYPES, 1970 AND 1980

	1970	1980	Change	Percent Change
One-Person Households	102,898	176,976	74,078	72.0%
Married Couples with No Related Children*	152,287	188,143	35,856	23.5
Married Couples with Related Children*	246,882	230,082	-16,800	-6.8
Other Family Households with Related Children*	27,390	50,633	23,243	84.9
Other Family Households with No Related Children*	23,316	29,533	6,217	26.7
Other Nonfamily Households	20,809	46,065	25,256	121.4
Total Households	573,582	721,432	147,850	25.8%

Source: 1970 and 1980 U.S. Census. Totals do not add up to those reported earlier because of suppresssion by the Census Bureau of data for areas with few households.

*"Related children" included sons, daughters, stepchildren, adopted children or other family members regardless of marital status, who were under age 18, and related to the householder or spouse. The "related children" had to be living with the householder for a household to be counted as having related children in it. If the householder or spouse (or both) but none of their other relatives in the household (if any) were under age 18, that household would have no related children in it. Foster children were counted as "nonrelatives," not "family members." This meant that families with only foster children living with them would not be counted as families with related children. "One-person households" and "other nonfamily households" could include persons under age 18 but by definition those persons would not be "related children" of the householder. The "total households" figures in Table 8 came out below those given earlier in this report because of Census Bureau suppression of data for areas with few households.

The change in number of families especially affected the central cities housing market, the changes in other household types had more impact on the rest of the Region. Between 1970 and 1980, Minneapolis had a net loss of 36.5 percent of its married couples with related children, St. Paul 29 percent. Both cities also showed net losses of married couples and other families who had no related children living with them. The central city trends were partly offset in the rest of the Region by net gains in numbers of married couples with related children (4.2 percent), married couples without resident children (58.7 percent) and other families without related children (94.5 percent).

While both central cities posted gains in the remaining household types, the real explosion in numbers of the less common household types took place in the rest of the Region. Two or more person nonfamily households living outside the central cities increased 208.6 percent in number, one-person households

178.6 percent and other families with related children went up 149 percent. Further details on household changes can be found in the recent Council census-log publication, Metropolitan Area Households Profile (March 1984). Table 9 shows the mix of households in different planning areas in 1980.

Table 9
SIX TYPES OF HOUSEHOLDS BY POLICY PLANNING AREA
NUMBER AND PERCENT OF HOUSEHOLDS, 1980

	One-Person Households		Married-Couple Families With No Related Children	
	Number	Percent	Number	Percent
Fully Developed Area (FDA)	136,476	30.5%	119,301	26.7%
Minneapolis	61,857	38.2	35,886	22.2
St. Paul	34,483	32.5	26,725	25.2
FDA Suburbs	40,136	22.4	56,690	31.6
Area of Planned Urbanization	29,048	15.1	48,401	25.2
Freestanding Growth Centers	7,075	19.4	8,848	24.3
Rural Area	4,377	9.6	11,593	25.3
Twin Cities Area	176,976	24.5%	188,143	26.1%

	Married-Couple Families With Related Children		Other Families With Related Children	
	Number	Percent	Number	Percent
Fully Developed Area (FDA)	103,271	23.1%	32,564	7.3%
Minneapolis	25,425	15.7	12,926	8.0
St. Paul	23,473	22.1	8,747	8.2
FDA Suburbs	54,373	30.3	10,891	6.1
Area of Planned Urbanization	86,327	45.0	13,432	7.0
Freestanding Growth Centers	15,110	41.5	2,528	6.9
Rural Area	25,374	55.4	2,109	4.6
Twin Cities Area	230,082	31.9%	50,633	7.0%

	Other Families With No Related Children		Two or More Person Nonfamily Households	
	Number	Percent	Number	Percent
Fully Developed Area (FDA)	21,977	4.9%	33,940	7.6%
Minneapolis	8,709	5.4	17,055	10.5
St. Paul	5,981	5.6	6,814	6.4
FDA Suburbs	7,287	4.1	10,071	5.6
Area of Planned Urbanization	5,209	2.7	9,343	4.9
Freestanding Growth Centers	1,204	3.3	1,612	4.4
Rural Area	1,143	2.5	1,170	2.6
Twin Cities Area	29,533	4.1%	46,065	6.4%

Source: 1980 U.S. Census, Census Tape STF-2, Tables B14, B15 and B18. Because of the effects of suppression, figures in this table may not match those given earlier in the report.

Changes in Household Size

The average household in 1980 was smaller than in 1970. During the decade average household size fell from 3.19 to 2.69 persons (Table 10). While the number of one-person households increased 72 percent, the number of six or more person households was halved and five person households were 8.1 percent fewer. More small households sought housing since the 25.8 percent increase in households occurred with only a 5.9 percent rise in total population. The same social and demographic reasons discussed above fueled the changes.

In 1980, average household size varied greatly by planning area. The Rural Area had the largest average household size (3.44), the Fully Developed Area the smallest (2.10). The Area of Planned Urbanization had a slightly larger average household size (2.88) than did the Freestanding Growth Centers (2.7). The Central Cities of Minneapolis and St. Paul tended to have smaller households than did other cities, with average sizes of 1.86 and 2.06, respectively. The variation reflected proportions of families and other households in each planning area.

Table 10
CHANGES IN HOUSEHOLD SIZE, 1970 TO 1980

	1970	1980	Change	Percent Change
One Person	102,898	176,977	74,079	72.0%
Two Persons	159,139	220,487	61,348	38.5
Three Persons	92,299	118,835	26,536	28.8
Four Persons	89,622	114,607	24,985	27.9
Five Persons	61,792	56,777	-5,015	-8.1
Six or More Persons	67,832	33,761	-34,071	-50.2
Total Households	573,582	721,444	147,862	25.8%
Average Household Size	3.19	2.69		

Source: 1970 U.S. Census First Count Table 29A and 1980 U.S. Census Tape STF-1 Table 33. Based on MAPS lists for Region II.

In addition to increasing the overall demand for housing, the change in size of households has affected the match between available housing and people seeking that housing. Household size and composition trends will continue to influence this match-up, but how is not certain. For example, during the next decade the current distribution of bedrooms per unit might result in underutilization of available housing space because of a continuing drop in average household size. On the other hand, fewer large families could mean less problem in housing them--unless groups of singles frequently bid for the limited supply of homes with many bedrooms. More small households could mean less overcrowding--

a trend already started during the 1970s (see the last chapter of this report). Finally, a greater proportion of people living alone are likely to be young rather than elderly, so less in need of certain types of special housing. In 1980 about one-third (32.7 percent) of the one-person households were people age 65 or over, compared to 42.1 percent in 1970.

Household Size and Tenure

In both 1970 and 1980, it was generally true that the larger the size of a household, the more likely that the household owned its residence. The only exception to the correlation occurred in 1980 figures which showed that six or more person households had a slightly lower percentage of owners (87.9 percent) than five person households (90 percent). It is speculated that the late 1970s influx of Indochinese refugees contributed to the slightly lower percentage of owners among six or more person households since Indochinese refugee households tended to be large and to rent rather than own homes.

Census figures showed increased numbers of owners and increased percentages of owners in almost every household size category in 1980 compared to 1970. Six or more person households were the only category to show both a drop in numbers and a drop in percentage share of owners. Five person households fell in total numbers, but increased from an 87.5 percent ownership rate in 1970 to a 90.9 percent ownership rate in 1980. For all other household sizes, both the proportion and number of owners increased during the decade. The greatest increases in numbers of owners took place among one-person households (up 89.6 percent) and two-person households (up 52.4 percent).

In half of the household size categories both the number of renter households and the percentage of renter households fell between 1970 and 1980. The only increase in numbers of renter households occurred in one-person renter households (up 63.4 percent) and two-person renter households (up 18.3 percent). However, the number of renter households in these categories increased at a slower pace than the number of owner households did. Renting one-person households totaled 63.7 percent of all one-person households in 1980, 67.1 percent in 1970. Renter households made up 34.6 percent of two-person households in 1980, down from 40.5 percent in 1970. The number of six or more person renting households fell 40 percent, but their percentage share of this size household increased from 10 percent to 12.1 percent. For every household size from two people on up, renter households were in the minority in 1980, under 25 percent of all households of a particular size.

Although future trends are be no means completely clear, some possible scenarios can be drawn from the 1980 distribution of household size by tenure and from historical trends. First, during the 1980s greater proportions of owner households than previously, might have only one or two persons in them, as 1970 to 1980 trends have already shown. Second, the most common renter households should continue to have only one or two people in them, and those size households might increase their relative share of all renter households. However, this would depend on "baby boom" generation members being able to move from renting to owning as more of them marry and bear children. If more renters are prevented from moving to ownership status by economic factors, financial considerations, or lack of housing stock then the number of three- and even four-person renter households could creep up during the 1980s, reversing the trend of the past decade.

Census data showed that in 1980, one-person households made up the most common type of renter household in every Policy Planning Area except the Rural Area, where the most common renter household had two people in it. Just over half of the renter occupied units in the Fully Developed Area had one person in them, and 30.7 percent had two people. In the Area of Planned Urbanization, renters were nearly evenly split between one-person households (35.1 percent) and two-person households (34.8 percent). The Freestanding Growth Centers resembled the Fully Developed Area, with 39.5 percent one-person renter households and 30.1 percent two-person. The Rural Area had 24 percent two-person renter households and the greatest proportion of three-person renter households (18.7 percent) of any area.

The household size of owner households showed more variation by policy planning area than the household size of renters did (Figure 2). In the Fully Developed Area and the Freestanding Growth Centers, the most common owner household had two persons in it. However, in the Area of Planned Urbanization and the Rural Area the most commonly found owner household had four persons. The second most common type in the Fully Developed Area had three persons, but in the Freestanding Growth Centers it had four persons. In both the Area of Planned Urbanization and the Rural Area, the second most common household type had two persons in it. The distribution of families with children accounted for much of this variation.

Age of Householders and Tenure

In addition to household size, both age of the household head and household type correlated with tenure. Details on age of householder by tenure are given here, variations by household type of tenure for householders of different ages follows. The overall age correlation was that the older the household head, the more likely that the household owned its residence, as long as the household head was under age 55. The proportion of owners dropped slightly for householders age 55 to 64, then dropped more sharply for householders age 65 and over. Owners outnumbered renters for householders age 25 or older.

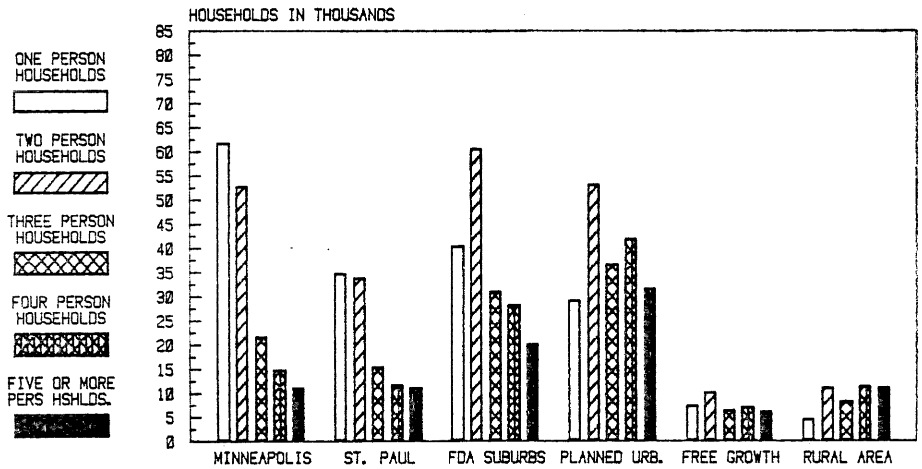
Figure 3 details the overall correlation by age between owning and renting. Life-cycle changes undoubtedly underlay the observed correlation between age of the householder and tenure. At ages 15 to 24, many people have left the homes of their parents and some have formed families. The 1980 census figures showed that renters totaled almost 80 percent of all householders in that age range. At ages 25 to 34 more people have formed families, some have had children, some have already divorced and/or divorced and remarried. The 1980 census figures indicated that owners made up 59.1 percent of all households in that age range. By ages 35 to 44 most people have married who intended to marry, more women have had more children, additional divorces have taken place and remarriages have occurred. The 1980 census data showed that over 80 percent of householders age 35 to 44 owned their homes. Between the ages of 45 to 54 and 55 to 64 individual householders might be undergoing a variety of changes in their lives, including divorce and living through changes in the composition of their households, but householders in those age ranges had quite stable tenure patterns. The 1980 census figures showed that the proportion of owners rose to 84 percent for householders age 45 to 54 and totalled about 80 percent for householders age 55 to 64. With children gone from home, retirement, deteriorating health and death having more of an impact, more older people (age 65 or above) might decide to rent. Census data for 1980 showed that the percentage of owners in the oldest age group (householders 65 or over) was 63.3 percent, a sharp decrease from the proportion of owners among 35- to 64-year old house-

Figure 2

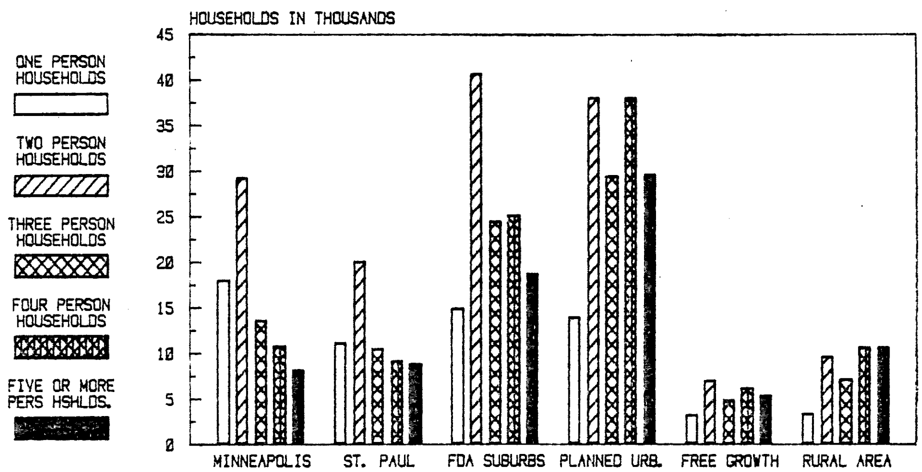
HOUSEHOLD SIZE BY TENURE

BY POLICY PLANNING AREA

NUMBER OF PERSONS PER HOUSEHOLD



NUMBER OF PERSONS PER OWNER HOUSEHOLD



NUMBER OF PERSONS PER RENTER HOUSEHOLD

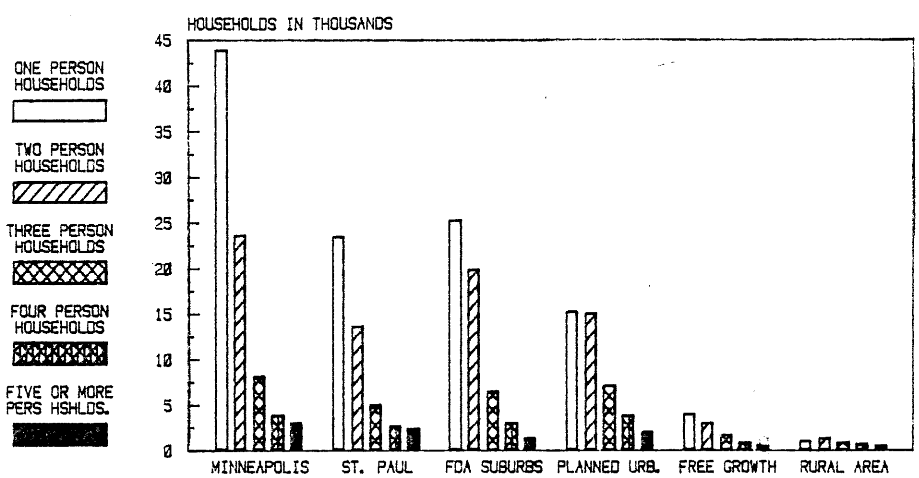
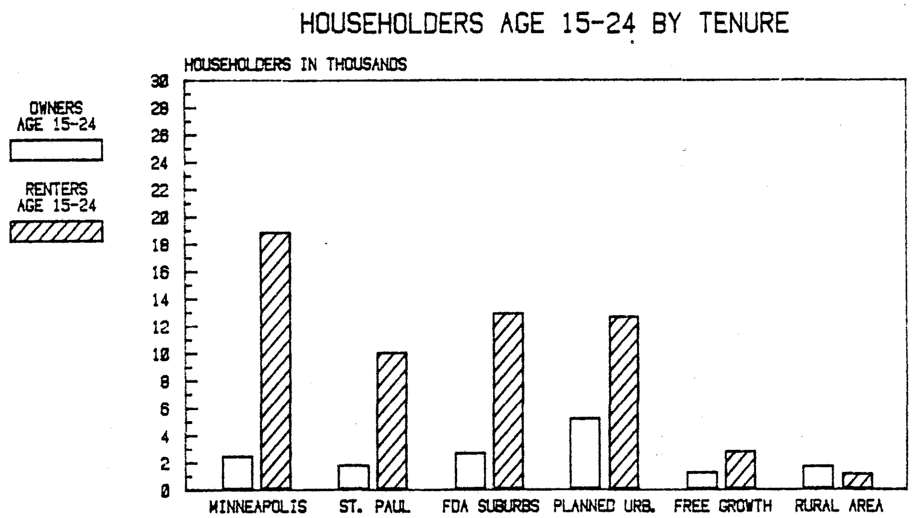


Figure 3

AGE OF HOUSEHOLDERS BY TENURE AND POLICY PLANNING AREA



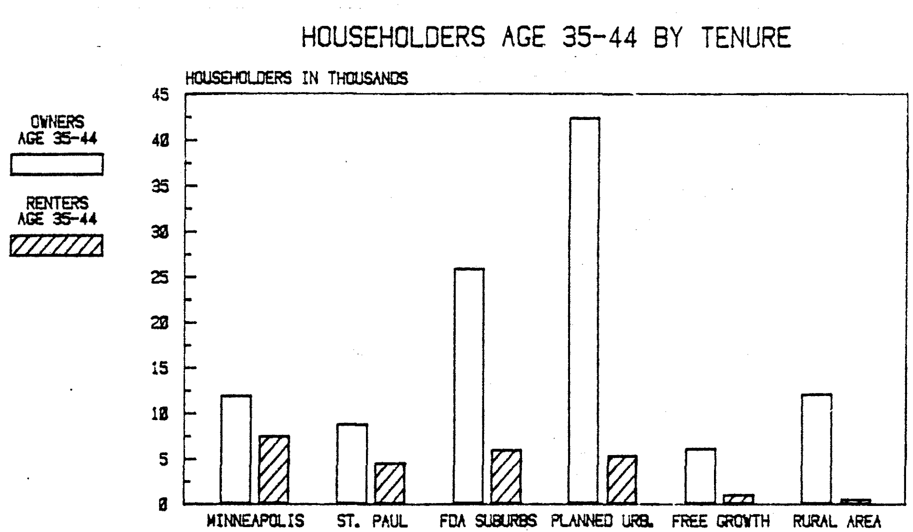
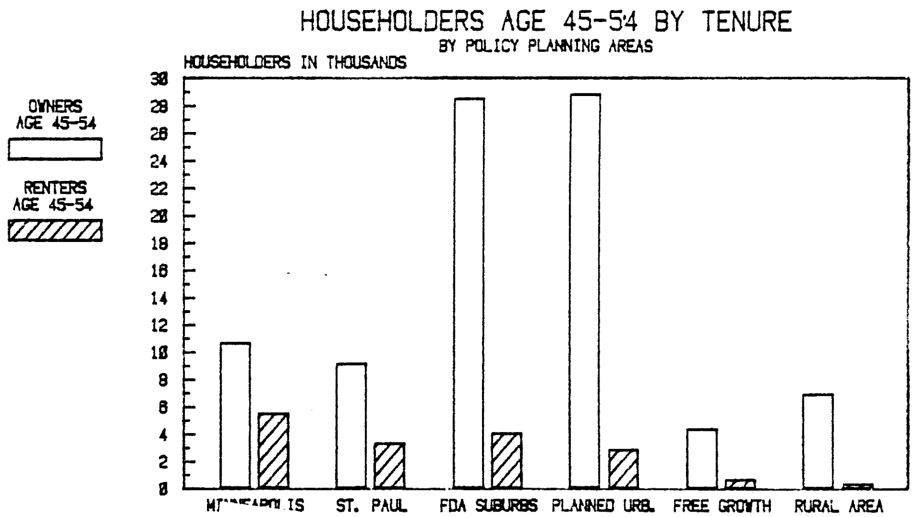
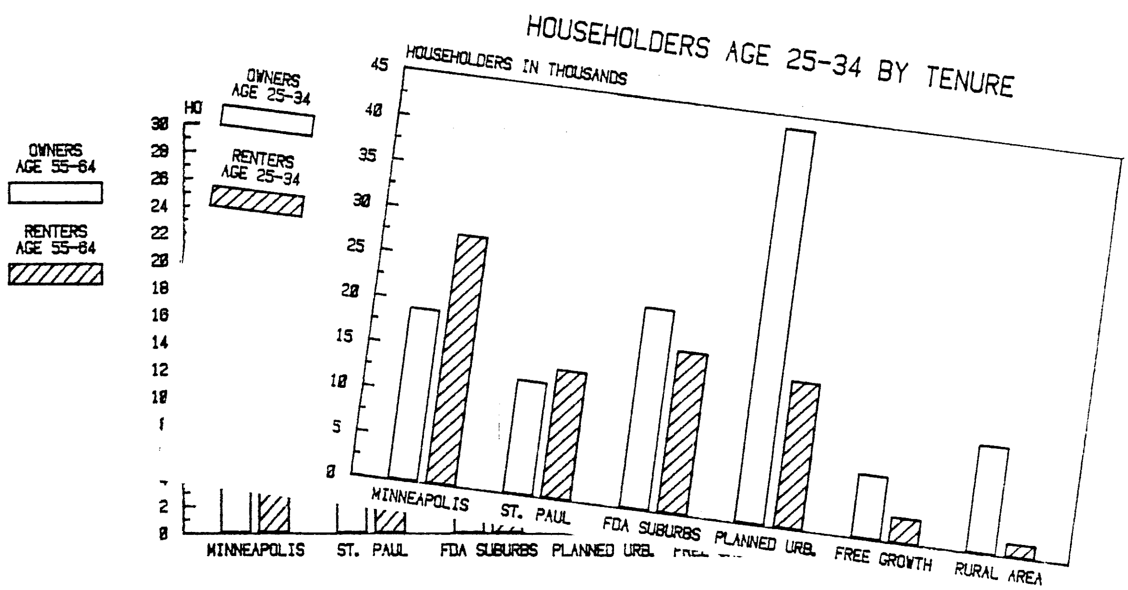
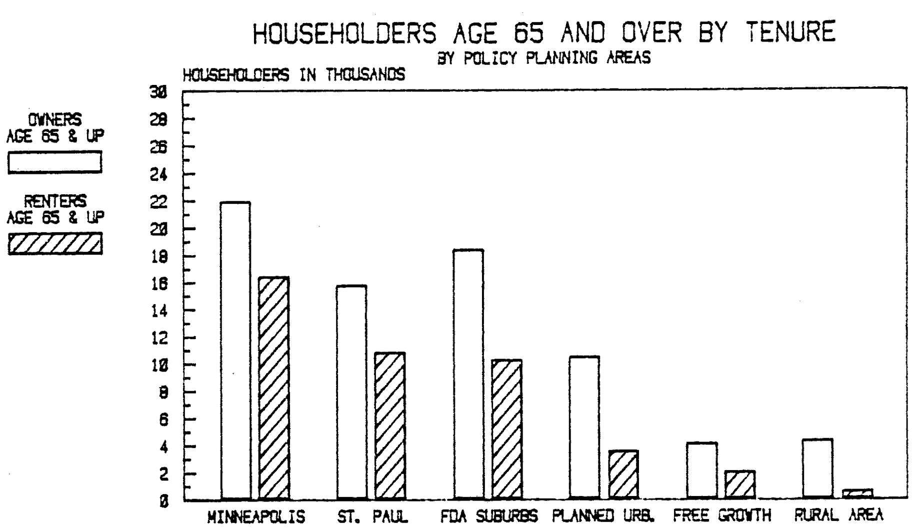


Figure 3 continued







holders. Whether these ownership patterns by age persist over time, depends on how much they are determined by life-cycle factor or by preference and economic position of a particular "generation."

Partly because of the uneven distribution of rental housing across the Region, in every age category the Rural Area and Area of Planned Urbanization had greater percentages of owners than the Fully Developed Area did.

Variations of Tenure by Household Type and Age of Householder

A closer look at the 1980 census data supported a correlation of household type with tenure and age of the householder. The overall change by age group from renting to owning was due to the large proportion of married-couple families among households with householders age 25 and over. The drop in ownership rate among householders age 65 and over corresponded with an increase in one-person households and a decline in married-couple families in that age range. The higher proportions of renters among people under age 25 related to the existence of large numbers of one-person households and of two or more person nonfamily households in that age range.

At each age group level, married-couple families had the largest proportion of owners of any household type (Table 11). The majority of householders at each age group level from age 25 to 64 lived in married-couple families. Ownership rates were higher for all households with householders age 25 to 64 than for those with younger or older householders. The age range of 25 to 34 was the youngest one in which over half (56.8 percent) of the householders lived in married-couple families, and the youngest one in which the total number of owners of any household type was greater than the total number of renters of any household type. At age 25 to 34, over 70 percent of all householders lived in married-couple families and about eight of every 10 married-couple families had become owners. The ownership rate increased even more for older married couples, going above 90 percent of married couple families in each age category for householders between the ages of 35 and 64. The maximum 94.1 percent ownership rate for married couples occured for householders age 45 to 54, which was also the age at which married-couple families peaked at 72.9 percent of all households.

Table 11
AGE OF HOUSEHOLDER BY TENURE FOR FOUR HOUSEHOLD TYPES,
TWIN CITIES AREA TOTALS FOR 1980

	Married-Couple Families			Other Families		
	Number Owners	Percent Owners	Total Households	Number Owners	Percent Owners	Total Households
Householder was						
Age 15 to 19	158	19.7%	802	105	7.9%	1,328
Age 20 to 24	9,183	42.8	21,458	1,101	12.8	8,586
Age 25 to 34	89,089	79.7	111,745	8,128	36.8	22,095
Age 35 to 44	87,406	92.8	94,214	11,403	63.7	17,915
Age 45 to 54	72,330	94.1	76,887	9,110	73.5	12,388
Age 55 to 64	58,765	91.7	64,072	6,687	77.6	8,621
Age 65 and over	40,441	82.5	49,047	7,124	77.2	9,233
Total Households	357,372	85.5%	418,225	43,658	54.5%	80,166

Table 11 (cont.)

	Two or More Person Nonfamily Households			One-Person Households		
	Number Owners	Percent Owners	Total Households	Number Owners	Percent Owners	Total Households
Householder was						
Age 15 to 19	78	3.3%	2,374	123	6.2%	1,985
Age 20 to 24	1,891	11.3	16,771	2,272	11.5	19,789
Age 25 to 34	6,216	34.9	17,834	12,800	28.4	45,139
Age 35 to 44	1,834	52.2	3,517	6,484	39.7	16,347
Age 45 to 54	994	53.7	1,852	6,074	42.6	14,272
Age 55 to 64	933	60.2	1,549	10,630	49.3	21,570
Age 65 and over	1,456	67.2	2,168	25,828	44.6	57,874
Total Households	13,402	29.1%	46,065	64,211	36.3%	76,976

Source: 1980 U.S. Census, Computer Tape STF-2, Table A15.

Unfortunately, available census data did not detail the proportion of owners among married couples with and without children for householders of different ages. Such detail would be needed to better evaluate the impact of young childless couples, married couples with children, and older "empty nesters" on the housing market. If it is assumed that the older the married-couple householder, the more likely that she or he has a child or several children living in the household, then the correlation of age of married-couple householders and ownership fit well with the correlation of household size and tenure discussed earlier. In 1980, census totals showed that 42.9 percent of married-couple family householders age 15 to 24 had "own children"[2] living with them.

Of those married-couple family householders age 25 to 34, 70.1 percent had "own children" living with them; 88.1 percent of those age 35 to 44 did; but only 29.3 percent of those over 45 did. The presence of children could explain part but not all of the correlation between age of married-couple householders and ownership. The tenure distribution for married-couple householders over age 45 could indicate that once married couples became owners most remained owners even if they had no children living with them, until they were age 65 or over. Compared to younger householders, fewer householders age 65 and over lived in married-couple families and the percentage of married-couple family householders who owned their own homes dropped to 82.5 percent.

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[2]The 1980 census term "own children" referred to people under 18 years of age who were never-married sons, daughters, stepchildren or adopted children of the householder. All "own children" were "related children" but not all "related children" were "own children" because of differences in definition between the terms. The 1980 census figures indicated that 98.4 percent of the married-couple families with related children and 95.1 percent of "other families" with related children were families with "own children."

The pattern of increased ownership by age varied somewhat by household type among households which were not married-couple families. The maximum percentage of ownership and the age after which ownership proportions declined showed the most variation. For each age category of householders, married-couple families had higher percentages of homeownership than other types of households did.

"Other families" resembled married-couple families the closest in percentage of owners in different age groups, but reached a lower maximum rate of ownership (77.6 percent) at a later age (55 to 64). Renters made up 92.1 percent of "other family" householders age 15 to 19, 87.2 percent of those age 20 to 24, and 63.2 percent of those age 25 to 34. While married-couple family householders outnumbered married-couple family renter householders from age 25 on, "other family" homeowners did not outnumber "other family" renter householders until age 35 and over.

The category "other families" included both single-parent families and households such as brothers or sisters living together. Again, census data did not provide a tenure breakdown for "other families" with and without own children, but did provide a breakdown for presence of own children by age and sex of "other family" householders. Among female householders age 15 to 24 who lived in "other families," 79.1 percent had one or more of their own children living with them. At age 25 to 34, 91.3 percent of the female-headed "other families" included own children, at age 35 to 44 a slightly lower percentage, 89 percent did. However, at age 45 and over just 26.6 percent of the female-headed "other families" had own children living with them. Similar figures for much smaller numbers of male-headed other families showed the presence of own children for 23 percent of those male householders age 15 to 24, 43.5 percent of those age 25 to 34, 71.6 percent of those age 35 to 44 and 26.8 percent of those over age 45. Matching these figures against those on tenure of "other families" suggests that single-parent families headed by householders under age 35 depended primarily on the rental market for housing. To the extent that their incomes were lower than average, which incomes of female-headed families with children tended to be, high rental costs would pose a particular problem for single-parent families. It is speculated that chances for single-parent families to move from renting to owning status as the householder got older could be even bleaker than the census data suggested. The increase in ownership among "other family" householders age 25 to 34 and 35 to 44 might have resulted more from divorce settlements awarding an owned house to the parent who would have possession of the children than from an actual move from a renting to a homeowning situation. Census data provided no direct detail on this speculation.

Two or more person nonfamily households followed a tenure pattern similar to that of "other family" households for householders up to age 35, but then the proportion of owners rose at a slower rate for older nonfamily householders than for older "other family" householders. About 80 percent of the two or more person nonfamily householders were under age 35, so might be characterized as students or young workers just entering the housing market, unmarried couples living together, or young single or divorced people pooling their resources. The 1980 census figures showed that 96.7 percent of nonfamily householders age 15 to 19, 88.7 percent of those 20 to 24, and 65.1 percent of those age 25 to 34 rented. Barely a majority (52.2 percent) of nonfamily householders age 35 to 44 were owners, compared to 63.7 percent of "other family" householders of that age. Only 53.7 percent of nonfamily householders age 45 to 54 owned their residences, 60.2 percent of those age 55 to 64 did, and 67.2 percent of those 65 and over did. Unlike the case for married couples and "other families", the maximum percentage of ownership occured among the oldest nonfamily householders. It is speculated that two or more person nonfamily households with older householders included many surviving spouses of married-couple families that had owned their own homes. The survivors could have been pooling their housing resources with friends or other nonrelatives for purposes of companionship, security or health care. Again, census data provided no direct proof of this speculation.

The number of one-person households was more evenly split among householder age categories than the number of two or more person nonfamily households was. Of all people living alone, 37.8 percent were age 15 to 34, 29.5 percent age 35 to 64, and 32.7 percent age 65 or over. However, a majority of people living alone rented, no matter what their ages. Among the young people living alone, 93.8 percent of those age 15 to 19, 88.5 percent of those age 20 to 24, and 71.6 percent of those age 25 to 34 rented. Of all the people in one-person households, middle-age people had the greatest proportion of owners but renters still predominated. About 60 percent of one-person householders age 35 to 44, 57.4 percent of those age 45 to 54, and just over half (50.7 percent) of those age 55 to 64 rented. At age 65 or over, the percentage of renters among people living alone rose to 55.4 percent. This split age distribution of one-person households suggests different rental housing needs for this type of household. The young, middle-aged and some older people living alone might need studio or one-bedroom rental units at appropriate rental rates. Given the lower purchasing power of people with one income, some subsidized units might be appropriate. The rest of the older people living alone might need special housing for the elderly with such provisions as congregate dining or health care facilities. Council policy has been especially successful in the past decade in extending such subsidized housing for the elderly across the Region.

Assuming that these general correlations between tenure, household type and age of householder will still hold in the future, speculation suggests that the aging of the large "baby boom" generation should continue to strongly influence operation of the housing market during the 1980s and beyond. Members of this generation began turning 25 during the 1970s--the age at which more people switch from renting to owning--and will be in the 25- to 34- and 35- to 44-year old age groups during the 1980s. As mentioned above, even though "baby boomers" started to pass through prime family formation ages during the 1970s, many chose other household arrangements and the number of married-couple families rose more slowly than expected. While that 1970 to 1980 trend might have helped to limit overall demand for ownership, it also led to pressure on banks and other lenders to expand ownership opportunities for household types such as two or more person nonfamily households. As "baby boomers" grow older, more will probably marry, and these married couples can be expected to want to own their own homes. Even if lower percentages of this generation than of past generations marry, demand for ownership should still increase since more "other family" and nonfamily householders own homes as they get older. Also, banks and other leading institutions can be expected to continue to be willing to lend to credit-worthy households that want to become homeowners but that are not married couple families. Both household type and age trends should lead to stronger ownership demand throughout the 1980s.

Demand for rental opportunities should lessen during the 1980s, but how much and how quickly could depend on the rate at which "baby boomers" form families, decide to own and can marshall the finances to switch from renting to owning. Demand for rental opportunities over the coming decade could also depend on how quickly new ownership opportunities can be created through new construction, addition of units for owner occupancy in existing structures or conversion of rental units to ownership.

This discussion suggests that the ownership and rental housing markets operate quite differently in the Twin Cities Area. Each appeals to a different mix of family and nonfamily households at different stages in the life cycle. Utilization of either ownership or rental opportunities is also affected by overall social changes, such as increasing numbers of divorces and of single-parent families. Finally, preferences may change over a life cycle due to the existence of special housing opportunities, such as housing for the elderly, or a growing realization that the household type no longer matches well the housing being occupied. How these factors play out over time in the context of the available housing stock and the affordability of housing go far to governing what happens with the housing markets in the Twin Cities.

Migration and Household Movement as an Influence on Housing Demand

Two more household related factors, the rate of migration to or from the Region and the rate of household movement within the Region, also influenced what happened in the Twin Cities housing markets in the 1970s. Census figures underlined the basic stability of the Twin Cities Area. Of the 1,843,392 people age five or over in the Twin Cities Area in 1980, 86.9 percent had lived in the 10-county SMSA in 1975. In fact, 52.7 percent of the people age five or over still lived in the same house as in 1975, another 24.7 percent lived in a different house but the same county, and 12.8 percent lived in a different county but had previously resided in Minnesota. Only 9.7 percent of the 1980 population age five or over had moved into the Twin Cities Area from other states or countries since 1975. Almost half of the new residents came from the North Central Region of the United States (i.e., from states near Minnesota).

Available census data provided little information on where people who left the Twin Cities Area between 1975 and 1980 went, although more left than moved here. However, analysis of census data did provide some insight into what was happening with the population of the Central Cities. About three-fourths (74.9 percent) of the Minneapolis population in 1980 had lived in the central cities (either Minneapolis or St. Paul) in 1975. In St. Paul, the comparable figure was 81 percent. That is, many of the 1980 residents had been central city residents for some time. However, any "back-to-the-city" movement had not swelled their numbers appreciably. In Minneapolis, 8.3 percent of the population came from the rest of the SMSA since 1975; 9.3 percent from a different SMSA in the country; and 7.5 percent from nonmetropolitan areas. In St. Paul, the figures were 7.3 percent from the rest of the SMSA; 5.4 percent from a different SMSA; and 6.3 percent from nonmetropolitan areas. For comparison, in the Area of Planned Urbanization, 9.8 percent of the population age five or over had moved from the Central Cities after 1975. Similarly, 10.1 percent of the Fully Developed Area suburban population, 5.1 percent of the Freestanding Growth Center residents and 6.5 percent of the Rural Area populations moved there from the Central Cities after 1975. Since 1975, Minneapolis and St. Paul combined have gained 47,296 people from the rest of the 10-county SMSA, but lost 113,674 people to the rest of the Seven-County Metropolitan Council Region. There was some movement into the city from the suburbs, but the movement in the other direction vastly overshadowed it.

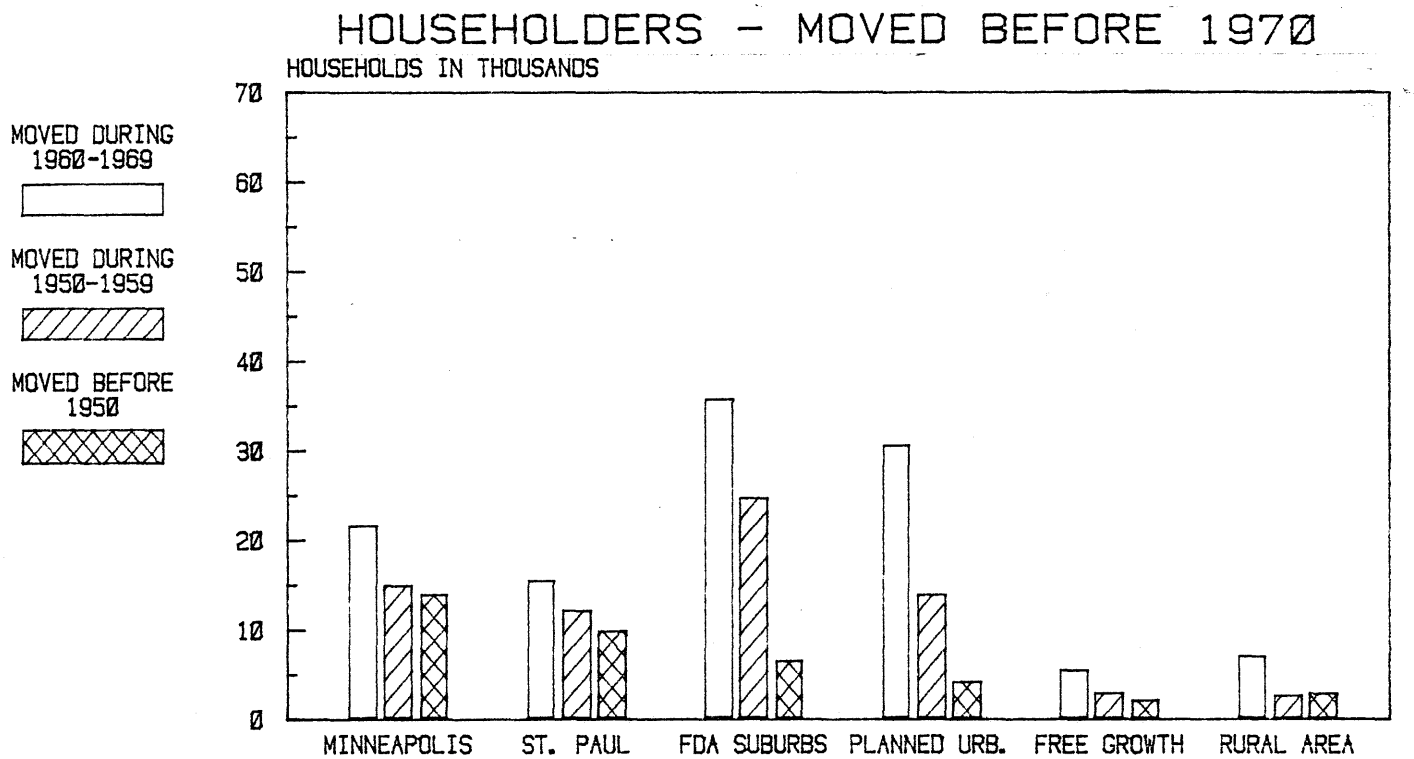
The influence on housing of people moving into or within the Region can be examined by looking at figures on the years that householders moved into the housing units where they lived when the census was taken. Renters were four times as likely as owners to have moved into their units between 1979 and 1980 (Figure 4). However, 32.9 percent of renter households, versus 28.1 percent of owners had moved into their 1980 residences between 1975 and 1978. Totaling both periods showed that 40.3 percent of the owners and 81.4 percent of the renters had occupied their 1980 housing units since 1975. Because of the high proportion of owners in the Region, during the five years before the census almost as many owner households as renter households changed residence, but owners tended to stay put longer after they had moved.

The Policy Planning Areas that had the most household movement of home owners between 1975 and 1980 were the Area of Planned Urbanization (50.7 percent), the Rural Area (48.7 percent) and the Freestanding Growth Centers (45.2 percent). Council records indicate that these were the areas with the highest rates of new home construction during the decade. In contrast, only 33.2 percent of Minneapolis owners, 30.9 percent of St. Paul owners and 33.1 percent of owners in the Fully Developed Area suburbs had moved in during 1975 or later. The older parts of the Region benefited from the advantages and disadvantages of having a population of long resident homeowners. The more recently settled parts of the Region benefited from the advantages of attracting many homeowners since 1975, but also were subject to social and physical adjustments brought about by extensive housing development in some suburban areas.

The Area of Planned Urbanization, the Freestanding Growth Center and the balance of the Fully Developed Area were also likely to be affected by any ill effects of frequent turnover of rental units. Fully 90.7 percent of the renter households in the Area of Planned Urbanization, 85.4 percent of those in the Freestanding Growth Centers and 83.4 percent in the Balance of the Fully Developed Area had moved to their 1980 residences since 1975. Some of this movement was undoubtedly brought about by construction of new rental units in these areas. In contrast, 77.5 percent of rural area renters, 77.3 percent of Minneapolis renter households and 72 percent of St. Paul renter households had moved into their 1980 units since 1975. Both the Central Cities and the Rural Area benefited from any advantages of having a somewhat more stable rental population.

Figure 4

PERIOD DURING WHICH HOUSEHOLDER MOVED TO THE HOUSING UNIT OCCUPIED IN 1980,
BY POLICY PLANNING AREA



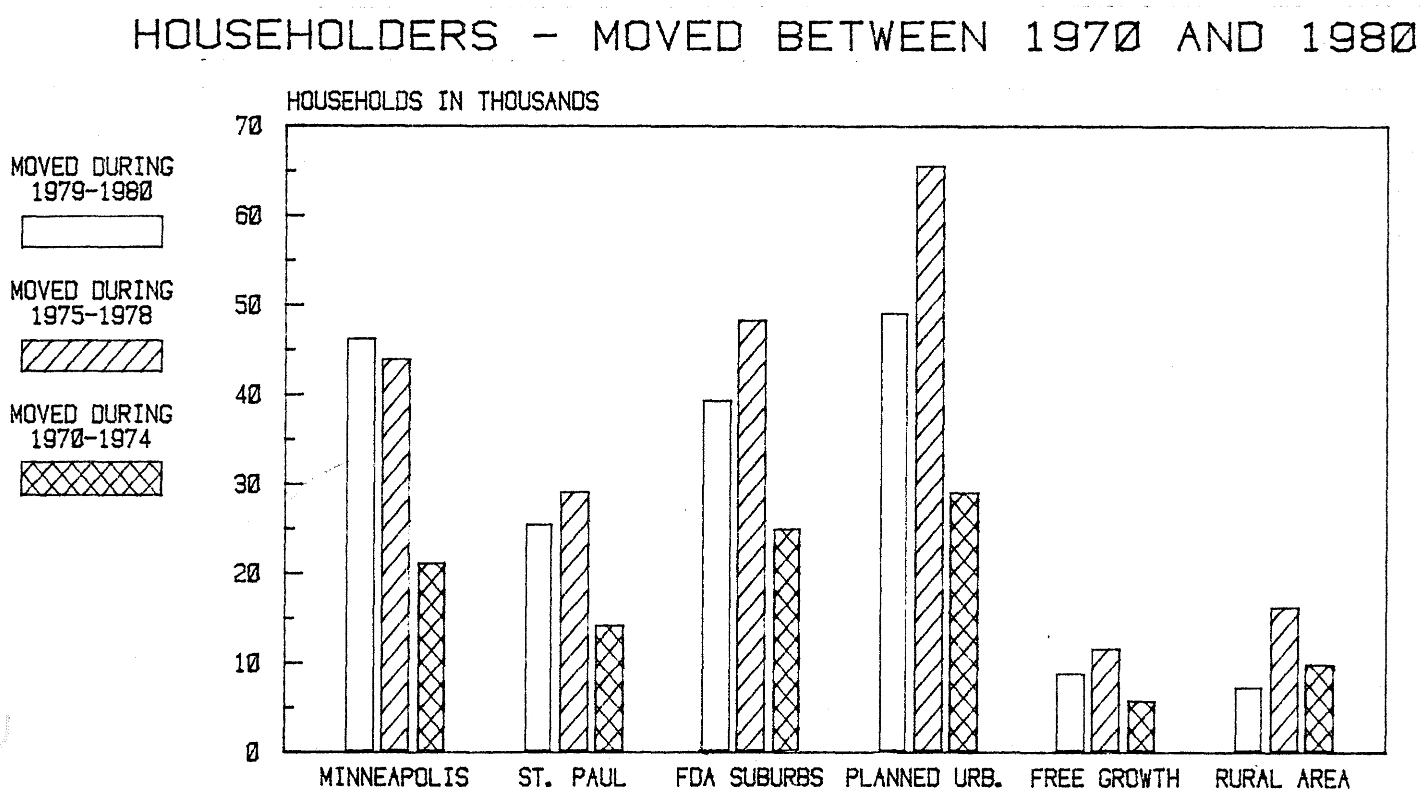
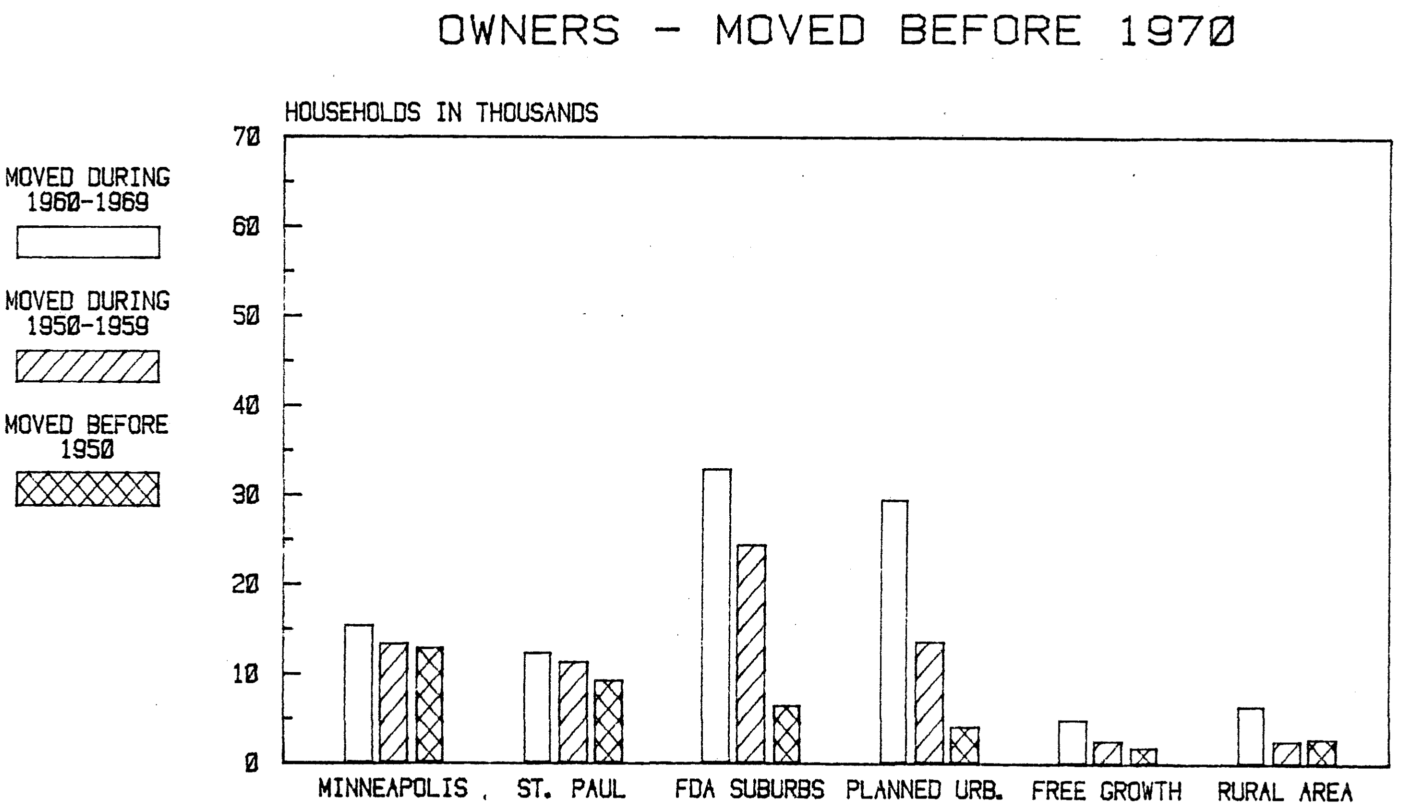
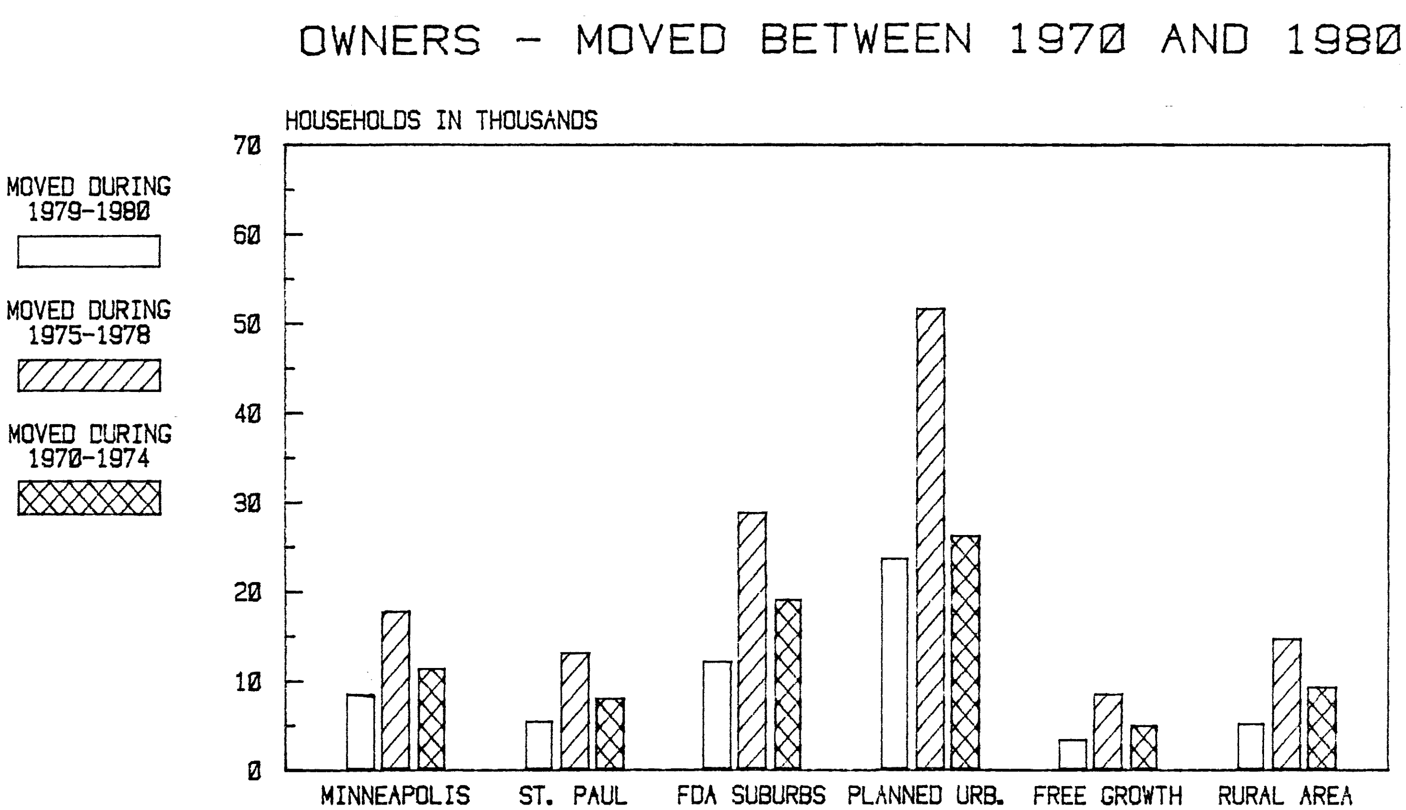


Figure 4 continued





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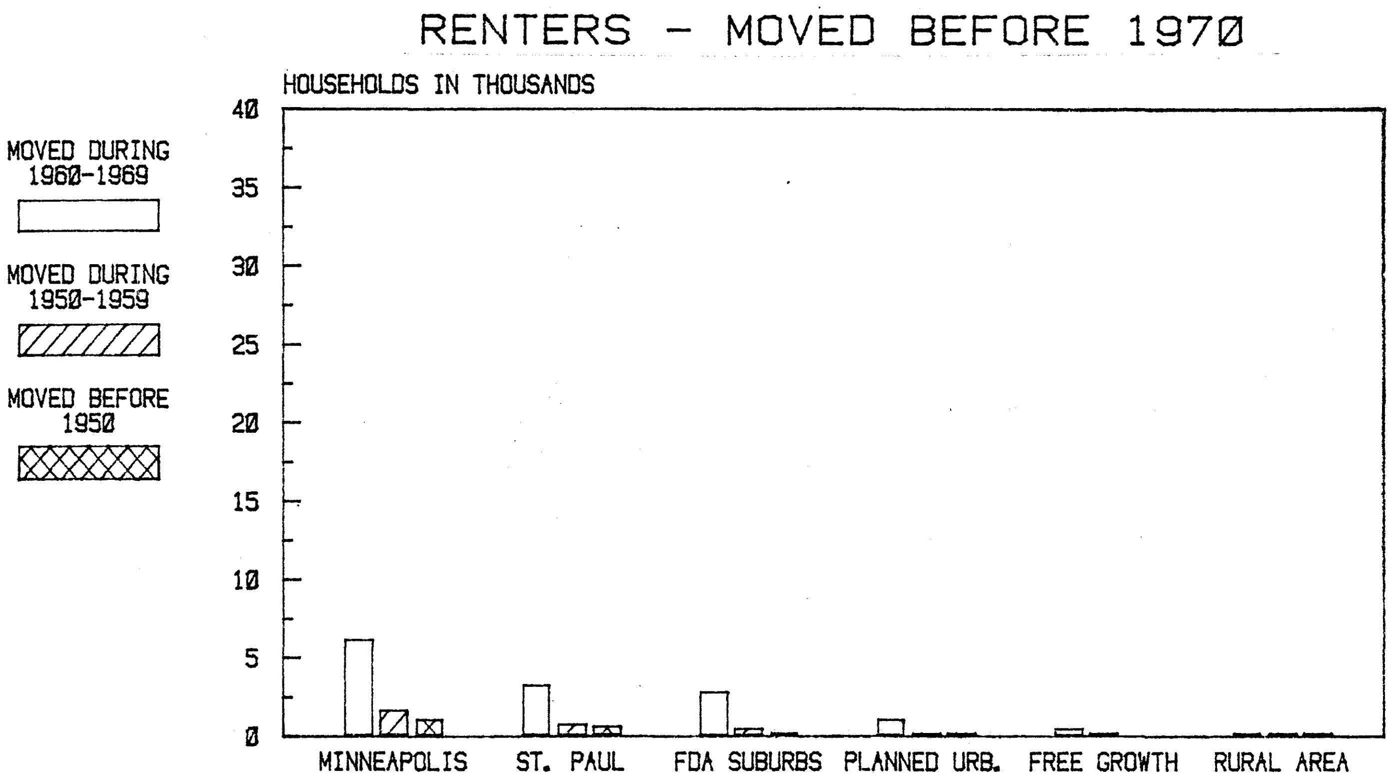
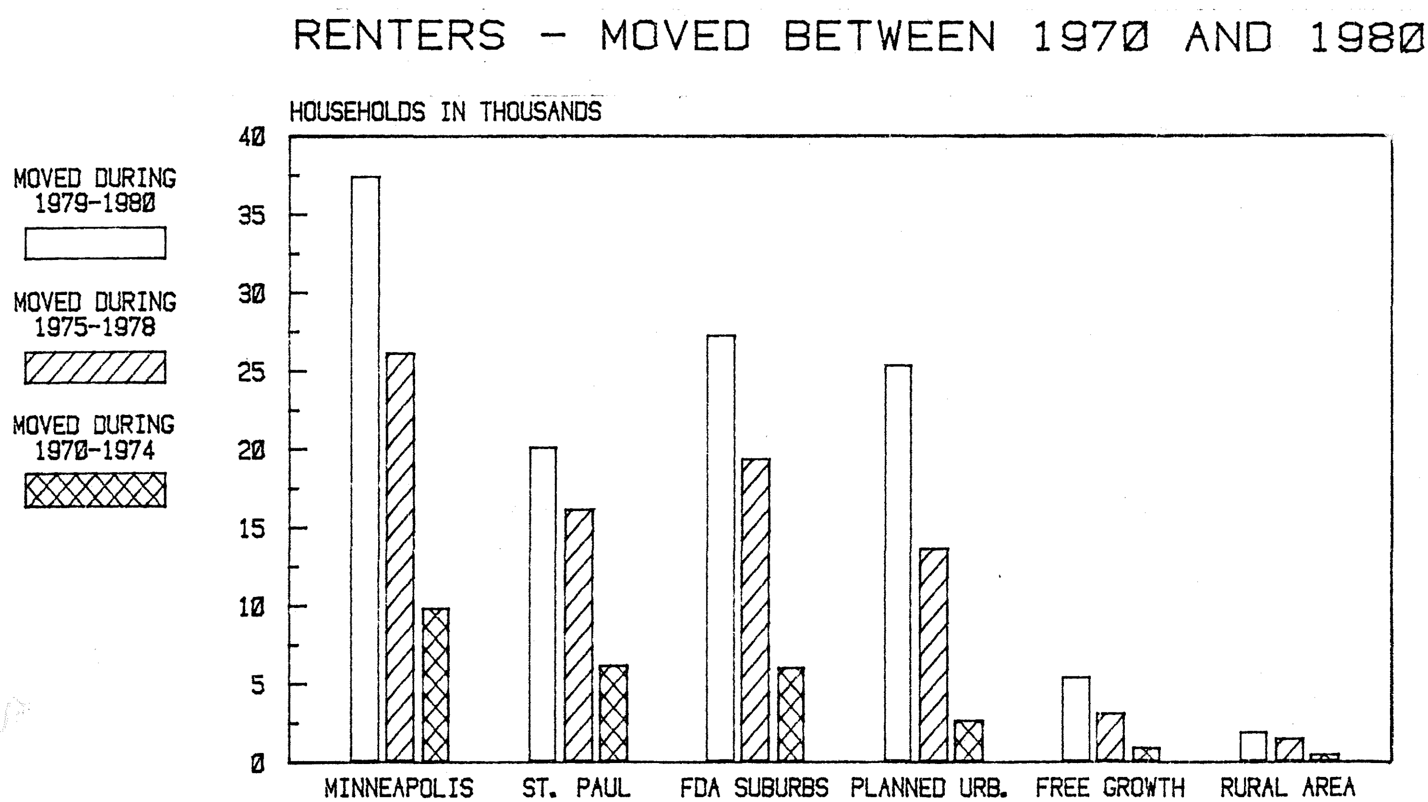




HOUSING COSTS AND HOUSING AFFORDABILITY

Calculated on a constant dollar basis, buying a home was more expensive in 1980 than in 1970 but renting costs declined over the decade. The median value of homes increased 47.1 percent. During the decade higher utility charges affected all homeowners, and both higher asking prices and larger mortgage interest rates affected home purchasers. According to the 1980 census, average homeownership costs of householders who moved into their homes between 1975 and 1980 were 31.3 percent higher than those of people who moved between 1970 and 1974, and 60.5 higher than those who moved in before 1970.

The median constant dollar cost of renting actually fell 3.7 percent over the decade as overbuilding in the early 1970s depressed rents and then inflation outstripped contract rent increases. Nevertheless, more renter households paid larger proportions of their household incomes for shelter at the end of the decade than at the beginning. The 1980 census figures showed that 48.3 percent of the renter households paid 25 percent or more of their incomes for rent, compared to 45.5 percent a decade earlier. Furthermore, there were more renter households at the end of the 1970s than at the beginning. Therefore, the 1980 census recorded 27,739 more renter households which spent one-fourth or more of their incomes for housing than the 1970 census had. Low-income households tended to pay greater percentages of their earnings for rental costs than middle and high income households did. Over half of the additional renter households counted in 1980 earned under $10,000 a year in 1979. These low-income renter households have been most affected by changes in housing costs and least able to afford them.

THE OWNER-OCCUPIED HOUSING MARKET

As measured by the census, housing costs of owner-occupied homes included market or sales value of new and used homes, mortgage interest rates, insurance and utilities. Housing affordability related the monthly housing costs to the incomes of the owner-occupant households. The 1980 census figures referred to 1979 costs and incomes, the 1970 census figures to 1969 costs and incomes.

The Value of Owner-Occupied and Vacant For-Sale Housing

According to census figures, the median value of a noncondominium owner-occupied home in 1979 was $64,492, up 47.1 percent in constant dollar terms from 1969. If anything, this figure could be an underestimate since census data was self-reported data and people who have owned their homes for a few years tended to underestimate the current market value of those homes. Based on median housing values, in 1979 the most expensive noncondominium owner-occupied housing was in the Area of Planned Urbanization ($72,879), the least expensive in St. Paul ($52,900). Regional totals showed that vacant for sale noncondominium housing had an average asking price of $78,668, about $10,000 higher than the average (perceived) value of $68,910 for owner-occupied homes (Table 12). However, the difference between the asking price of vacant for sale homes and that of owner-occupied homes varied considerably by planning area. For example, vacant for sale noncondominium asking prices in Minneapolis averaged $2,448 below the value of owner-occupied noncondominium homes in that city, and vacant for sale asking prices in St. Paul averaged $4,881 above owner-occupied home values.

Table 12
1979 MEDIAN AND MEAN VALUES OF OWNER-OCCUPIED, VACANT FOR-SALE HOMES

	Median Value* Owner-Occupied Housing Units	Mean Value* Owner-Occupied Housing Units	Mean Value* Vacant for Sale Housing Units
Fully Developed Area (FDA)	$ 61,257	$ 64,149	$ 69,273
Minneapolis	54,500	56,673	54,225
St. Paul	52,900	54,877	59,759
FDA Suburbs	67,386	73,018	87,251
Area of Planned Urbanization	72,879	77,600	86,930
Freestanding Growth Centers	62,310	64,378	69,767
Rural Area	66,615	71,551	71,157
Twin Cities Area	$ 64,492	$ 68,910	$ 78,668

Source: 1980 U.S. Census, Census Tape STF-1, Tables 39, 40, and 41.

*Half of all owner-occupied noncondominium housing units had a value above the median value and half had a value below it. Median values provide the best comparative measure for home prices since very high priced and very low priced homes in an area have less influence on a median value than on a mean value. The mean or average value of owner-occupied homes is shown in Table 12 simply for comparison with the average value of vacant for sale homes.

The median value of owner-occupied condominium units in the Region was $59,600, almost $5,000 below the $64,492 noncondominium unit median value. In Minneapolis, a high percentage of luxury as well as low-cost condominium units drove the median value to $54,300, only slightly below the $54,500 median value of owner-occupied noncondominium units. In St. Paul, owner-occupied condominiums were worth $60,800, about $8,000 higher than the median value of other owner-occupied homes ($52,900). The difference could be due to the often extensive renovation costs that have gone into converting old St. Paul apartment buildings to condominiums. Across the Region, the mean value of vacant for sale condominium units was usually higher than that of owner-occupied condominium units. More details can be found in the recent Council housing market study, Condominiums in the Twin Cities Metropolitan Area (September 1983).

The Cost of Owner Occupancy

The census measured monthly expenses of homeownership in terms of mortgage costs and selected other costs, such as real estate taxes, property insurance and utilities. All of these costs have increased over the decade. As a result, a greater percentage of homeowners paid more of their household income for housing in 1979 than in 1969.

The existence of a mortgage made a big difference in total monthly housing costs. According to the 1980 census just under 75 percent of all owner-occupied noncondominium homes in the Region were mortgaged. The most common monthly ownership cost for mortgaged homes in Minneapolis and in the suburban part of the Fully Developed Area fell between $250 and $299; in St. Paul between $300 and $349, and in the rest of the Region between $500 and $599. In contrast, throughout the Twin Cities Area the most common monthly ownership cost for the 25 percent nonmortgaged homes was between $150 and $199. In fact, 92.4 percent of the households with no mortgage on their homes paid under $250 a month in total housing costs.

The overwhelming factor accounting for variations in ownership costs throughout the Region was when mortgages were taken out. To a lesser degree, the median home value in a planning area related to the average cost of homeownership in 1979. As can be seen by comparing Table 12 above with Table 13 below, the planning areas in which monthly homeownership costs were higher were precisely those in which the median home values fell above the Region median. The difference in ownership costs by year the owner moved in shows the interplay between mortgage rates and monthly housing costs.

Table 13
MEAN MONTHLY OWNERSHIP COSTS BY PERIOD HOUSEHOLDER MOVED INTO THE HOME

	Owner Moved in During 1975-80	Owner Moved in During 1970-74	Owner Moved in During 1960-69	Owner Moved in Before 1960	Owner Had No Mortgage
Fully Developed Area (FDA)	$ 502	$ 384	$ 331	$ 294	$ 156
Minneapolis	465	346	297	297	146
St. Paul	455	365	328	307	157
FDA Suburbs	545	413	344	289	165
Area of Planned Urbanization	561	427	348	314	182
Freestanding Growth Centers	508	394	336	319	144
Rural Area	521	406	364	335	163
Twin Cities Area	$ 528	$ 402	$ 338	$ 301	$ 160

Source: 1980 U.S. Census, Census Tape STF-3, Tables 137 and 138.

Throughout the Region, the older the period during which the householder moved into his or her home, the lower the average monthly ownership costs. It can be assumed that the owner took out a mortgage at about the time he or she moved into the unit. Before 1974 conventional mortgage rates were fairly constant in Minnesota at about eight percent, or even lower before 1970. Increases in monthly homeownership costs can be attributed to increases in home values up to 1974. After 1974 both home values and mortgage rates rose greatly in the Twin Cities Area and ownership costs showed a considerable increase. From 1975 to 1977 conventional mortgage rates were in the 9 to 9.25 percent range, in 1978 they were around 9.5 to 9.6 percent, in 1979 10.75 to 11 percent, in 1980 12.5 to 13 percent, and in 1981 14 to 14.25 percent. More detail on the influence of mortgage rates on housing affordability can be found in the recent Council housing market study publications, Housing Financing in the Twin Cities Metropolitan Area (June 1981), Update on Housing Financing in the Twin Cities Metropolitan Area (March 1983) and 1983 Update on Housing Affordability in the Twin Cities Metropolitan Area (September 1983).

Affordability of Homeownership

The Census Bureau measured the affordability of noncondominium home ownership in terms of monthly housing costs expressed as a percentage of household income. The figures from the 1980 census referred to 1979. Monthly housing costs combined mortgage, real estate tax, property insurance and utility costs. Household income included the income of the householder and of all other persons 15 years old and over who lived in the household, whether they were related to the householder or not. The 1970 census did not provide information on affordability of homeownership. Census affordability measures should be interpreted cautiously since in the self-enumerated 1980 census people might not have accurately recorded their incomes and/or some of their homeownership costs. According to the census figures, over six in 10 households (63.6 percent) in the Region paid under 20 percent of their monthly income for housing in 1979, but one in every 10 (9.5 percent) paid 35 percent or more of their income.

The lowest income households were those hit hardest by high monthly housing costs relative to their income. About 75 percent of the owner households which had under $5,000 income per year spent 35 percent or more of their income on homeownership each month. Looked at another way, nearly 30 percent of those who paid 35 percent or more of their income for ownership costs earned under $5,000 per year, and over half (52.9 percent) earned under $10,000 per year. In contrast, about 75 percent of those owner households which earned $20,000 or more a year paid under 20 percent of their income for ownership expenses. Details are shown in Figure 5.

Figure 5 shows that the majority of those with incomes under $10,000 who were paying a disproportionate share of their income in housing costs resided in the Fully Developed Area, notably in Minneapolis and St. Paul.

THE RENTAL HOUSING MARKET

Renters as well as owners faced rising current dollar costs over the decade. Contract rents increased as did the costs of utilities paid directly by the tenants. However, overbuilding of rental housing in the early 1970s resulted in lower rent raises due to competition. In the end, inflation outstripped both current dollar increases in contract rents and increased costs of fuel. As a result, in 1979 renters paid less in constant dollar terms than in 1969. However, census figures also showed that more renters paid greater proportions of their incomes for rent in 1979 than in 1969. How could this apparent contradiction have occured? The reason was that low-income households made up over half of the net increase in renter households over the decade. Households with low incomes had to spend relatively more of their incomes on housing when increases in their incomes were less than increases in rents. The lowest income renter households in 1980 were hardest hit by rental costs.

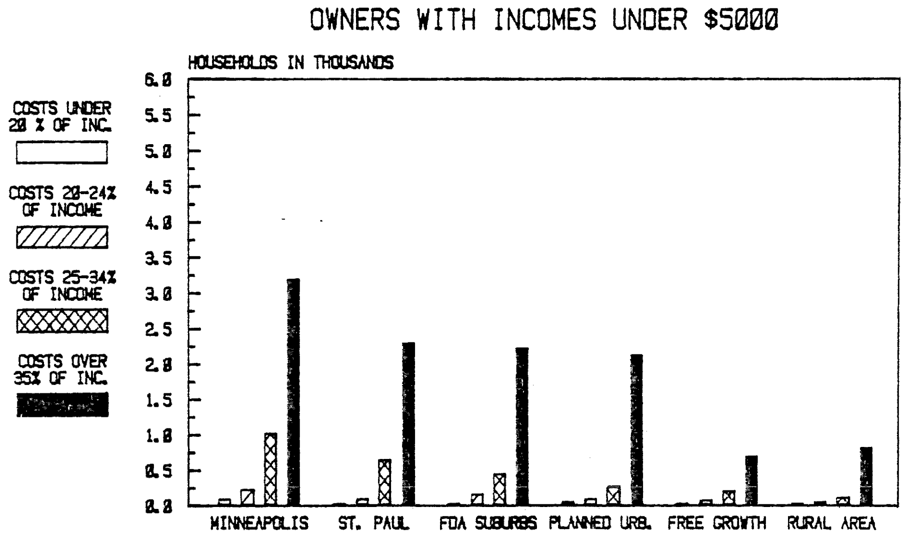
The Cost of Renting

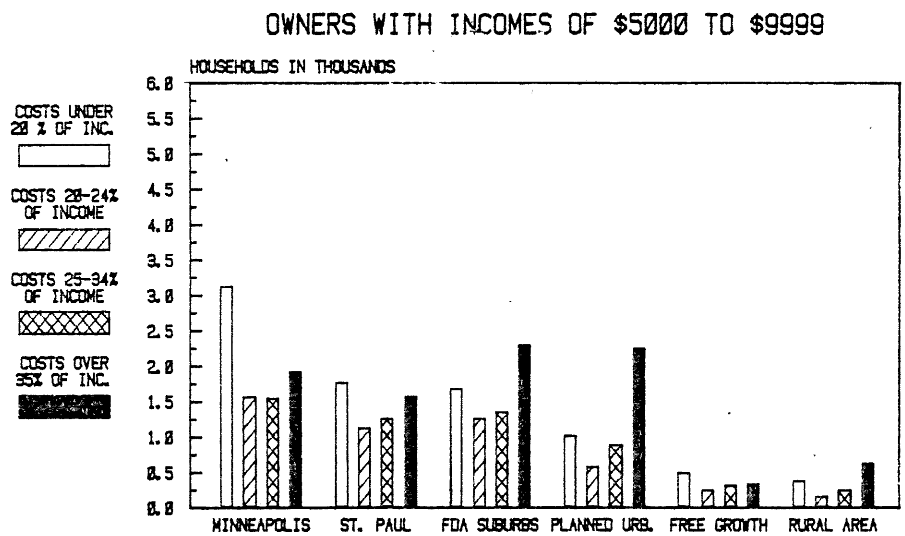
The 1980 and 1970 censuses measured both contract rents and gross rents. The 1980 census figures refered to 1979, the 1970 census figures to 1969. The median contract rent for the Twin Cities Area in 1979 totaled $237 per month, 3.7 percent less in constant dollars than in 1969. In census terms gross rent included the contract rent plus the cost of utilities such as electricity, gas, water and heating fuel when these were not included in the contract rent. For

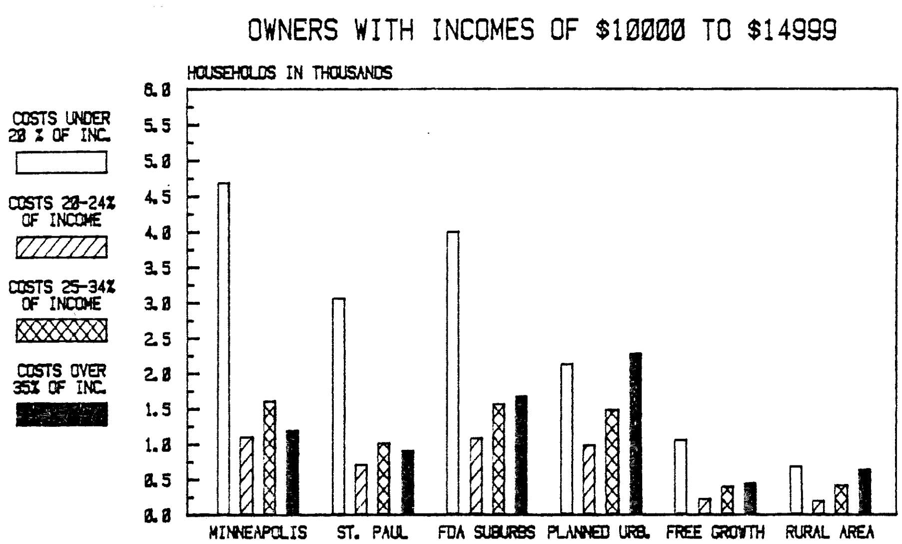
Figure 5

OWNERSHIP COSTS AS A PERCENTAGE OF INCOME

BY POLICY PLANNING AREA







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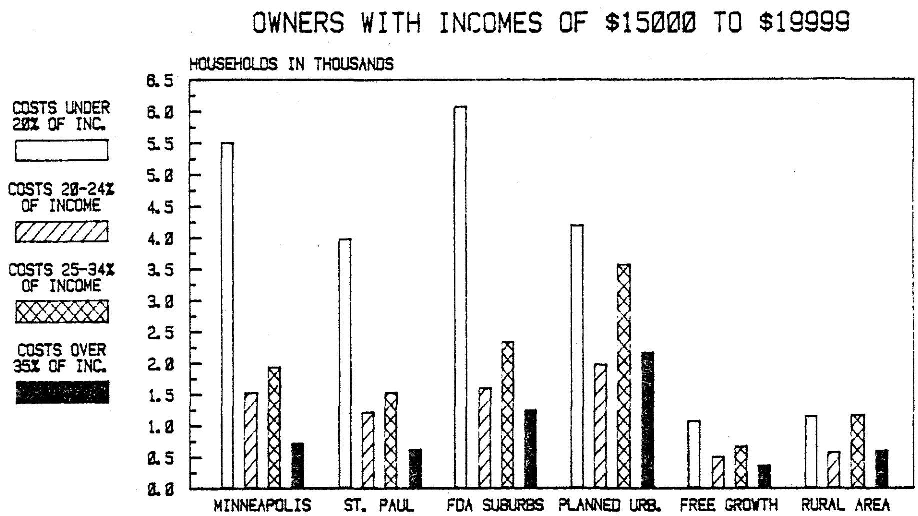
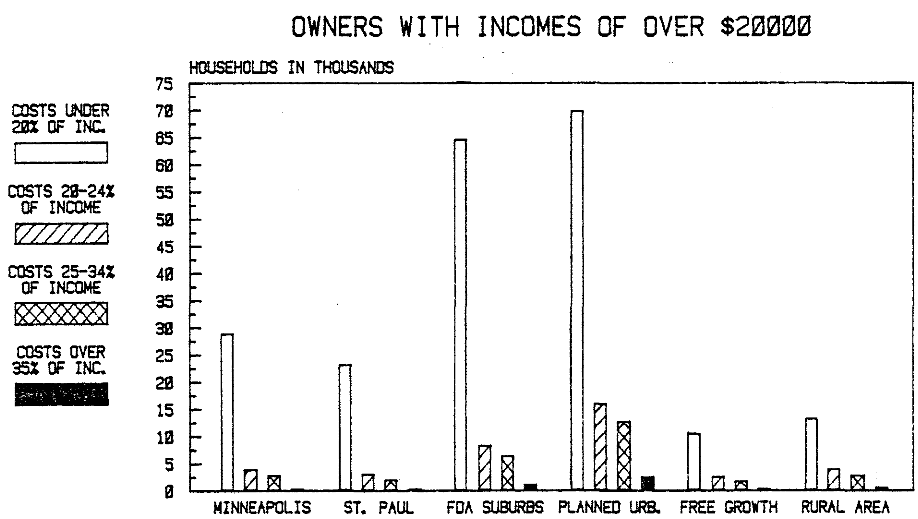




82 percent of the renting households in the Region one or more of these utilities was not included in the rent in 1980. With utilities added in, median gross rental costs per month were $253.

The least expensive rental housing (Table 14) could be found in St. Paul ($207 median contract rent) and Minneapolis ($210). Both cities had extensive rental housing stock. The next least expensive rental costs were in the Rural Area ($217 median contract rent) and the Freestanding Growth Centers ($229), which had relatively little rental housing. The suburban part of the Fully Developed Area and the Area of Planned Urbanization contained the most expensive rental housing, $274 and $278, respectively.

Table 14
1980 MEDIAN AND MEAN RENTS FOR OCCUPIED AND VACANT HOUSING

	Median Gross Rent Occupied Housing	Median Contract Rent Occupied Housing	Mean Contract Rent Occupied Housing	Mean Rent Asked for Vacant Housing
Fully Developed Area (FDA)	$ 244	$ 230	$ 234	$ 235
Minneapolis	227	210	215	199
St. Paul	227	207	209	217
FDA Suburbs	286	274	282	337
Area of Planned Urbanization	290	278	281	326
Freestanding Growth Centers	254	229	224	239
Rural Area	266	217	229	222
Twin Cities Area	$ 253	$ 237	$ 242	$ 255

Source: 1980 U.S. Census, Census Tape STF-3, Tables 126, 127, 128, 130 and STF-1, Tables 43, 44, 45 and 46.

Utility costs added more to the cost of renting in the Rural Area and in the Freestanding Growth Centers than elsewhere in the Region. Higher utility costs or less inclusion of utility costs in contract rents could have been factors contributing to differences between median contract and gross rents in the various planning areas.

Table 14 includes a figure on mean (average) contract rent of occupied housing units for comparison with the rent asked for vacant housing units. The average rents asked for vacant units in Minneapolis and in the Rural Area were lower than the average contract rents of occupied units. However, in every other part of the Region the asking price for vacant rental housing was $7 to $55 more than the contract rent of renter-occupied housing. The suburban part of the Fully Developed Area and the Area of Planned Urbanization had the largest spread between contract rents and rents asked for vacant units.

Affordability of Rental Housing

The Census Bureau measured affordability of rental housing in terms of gross rent (including utilities) as a percentage of household income. The figures from the 1980 census referred to 1979. According to the 1980 census figures, renters were relatively worse off than owners in terms of the percentage of their income devoted to housing costs. Over 28 percent of renter households, compared to under 10 percent of owner households, spent 35 percent or more of their monthly incomes on housing. Furthermore, under 35 percent of renter households, compared to almost 64 percent of owner households, used less than 20 percent of their incomes for housing each month.

Renters were also relatively worse off in percentage of income going for housing in 1979 than they were in 1969. In 1979, 20 percent of all renter households spent between 25 and 34 percent of their incomes for rent, compared to 16.7 percent in 1969. This amounted to 15,576 more renter households who paid that much on housing. In 1979, 28.3 percent of all renter households paid 35 percent or more of their incomes for rent, compared to 28.8 percent in 1969. While the percentage shares were about the same at the beginning and at the end of the decade, there were more total renters in 1980 so there were 12,163 more renter households who spent 35 percent or more of their incomes on housing.

The lowest income households were those most affected by high housing costs relative to their incomes (Figure 6). About 71 percent of renting households with 1979 incomes under $5,000 a year spent 35 percent or more of their monthly income for shelter needs. Looked at another way, 87.4 percent of the households which rented and paid at least 35 percent of their income for housing earned under $10,000 annually. In contrast, 84 percent of the renting households which earned $20,000 a year or more paid less than 20 percent of their income on housing.

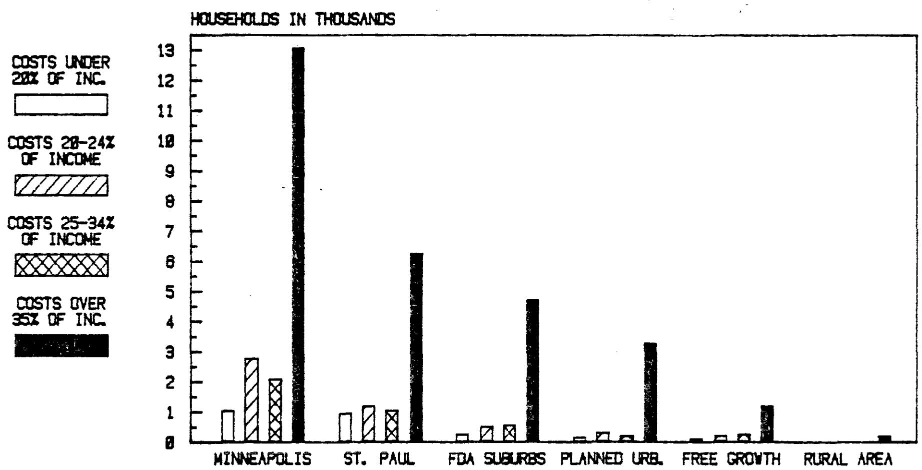
About 45 percent of the renters in the Region who had household incomes under $5,000 and rental costs at 35 percent or more of their income lived in Minneapolis. Another 21.8 percent lived in St. Paul and 16.4 percent in the Balance of the Fully Developed Area. Yet of the few renters in the $5,000 income range who lived in the Rural Area and the Area of Planned Urbanization, over 80 percent had this type of high rental cost.

Figure 6

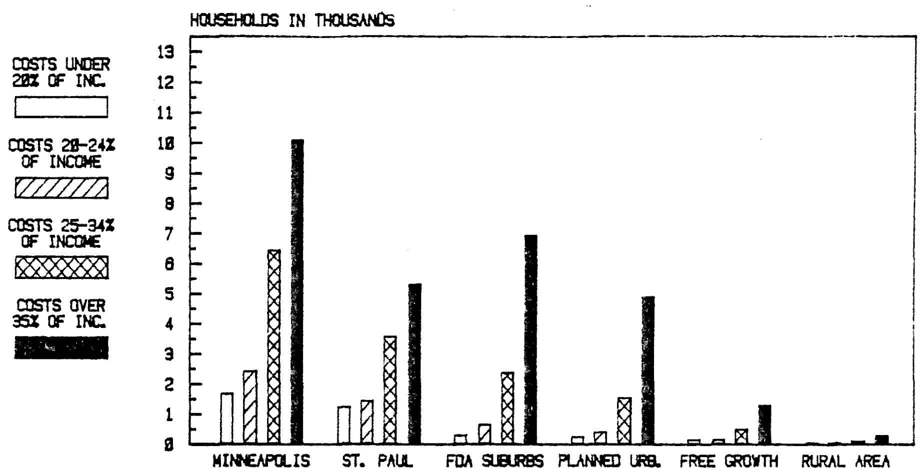
GROSS RENTAL COSTS AS A PERCENTAGE OF INCOME

BY POLICY PLANNING AREA

RENTERS WITH INCOMES OF UNDER $5000



RENTERS WITH INCOMES OF $5000 TO $9999



RENTERS WITH INCOMES OF $10000 TO $14999

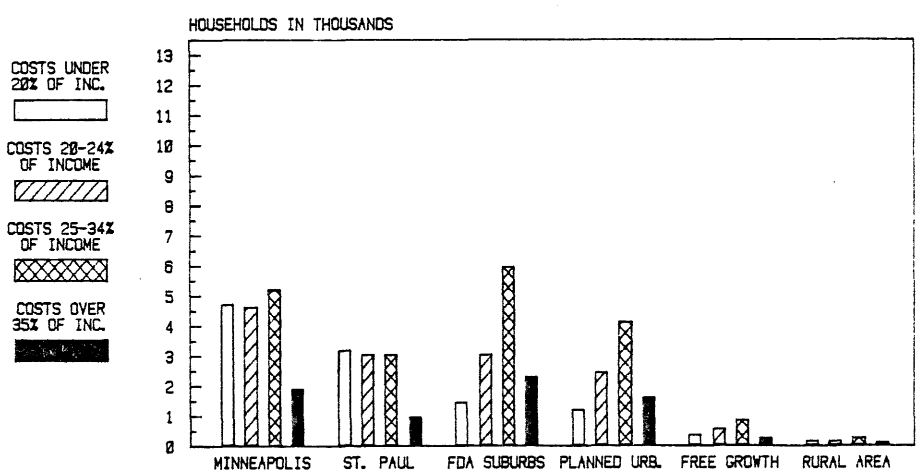
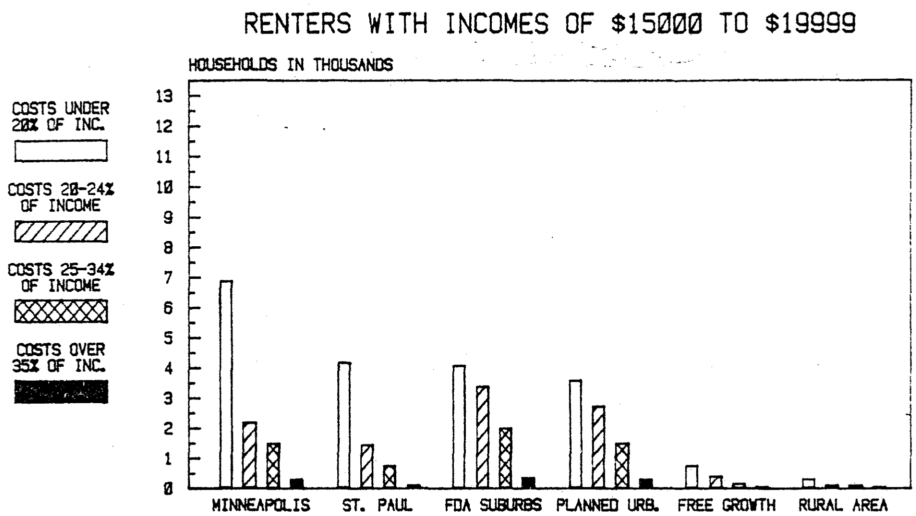
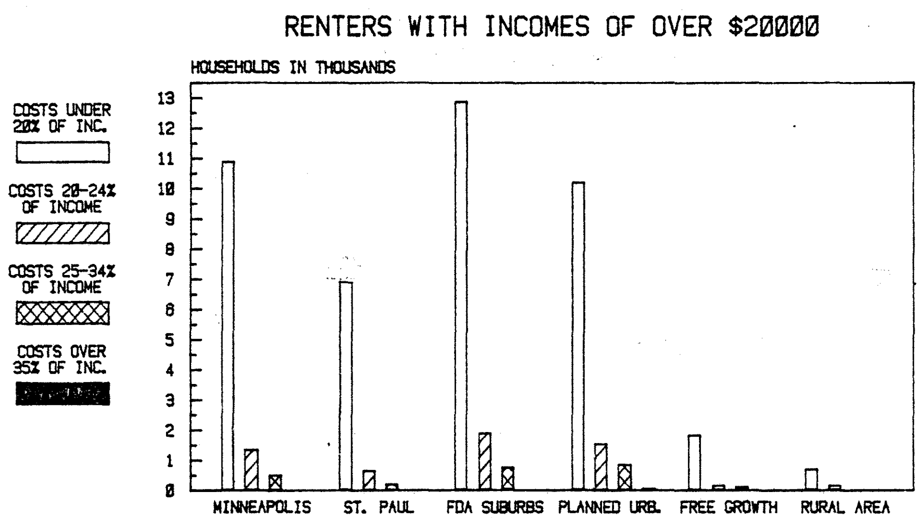


Figure 6 continued





HOUSING PROBLEMS

In addition to providing information on the major problem of housing affordability, census data dealt with two other housing problems: substandard housing and overcrowding. Substandard housing was measured in terms of lack of complete plumbing facilities for exclusive use, lack of complete bathrooms, lack of complete kitchen facilities, and existence of vacant and boarded units. Census data provided no other information on interior or exterior housing conditions which might be related to maintenance, rehabilitation or renovation needs. Overcrowding can be evaluated using census data on the number of persons per room. Fortunately, the Twin Cities Area had relatively little problem with overcrowding or substandard housing in 1980, and the situation had improved over the decade.

Substandard Housing

In 1980, housing units without complete plumbing facilities for exclusive use numbered 9,311 or 1.2 percent of all housing units in the Region. Of that number, 967 were vacant. Of the occupied units, 81.9 percent or 6,837 were rental units. Minneapolis had over half (3,565) of the occupied rental units with inadequate plumbing, St. Paul had about 20 percent (1,418). These were the two cities most likely to have housing units with toilets and baths down the hall. The total number of units with incomplete plumbing had declined 54.1 percent from the 1970 figure of 20,293.

Under 0.1 percent of all housing units were vacant and boarded up in 1980. Just 1.6 percent had incomplete bathroom facilities, and 0.9 percent had incomplete kitchen facilities. Some of the housing units with limited bathroom and kitchen facilities could be serving the needs of certain types of transient persons, including students. The vacant and boarded housing might have been burned, abandoned--or simply awaiting rehabilitation to building code standards. The existence of limited amounts of this type of housing in the Region provides no cause for alarm.

Overcrowded Housing

When defined as over one person per room, overcrowding occured in 1.9 percent or 13,799 of the occupied housing units in the Region in 1980. This amounted to a reduction of 64.5 percent from the 38,880 overcrowded units of 1970. Both the reduction in size of households and the building of new housing contributed to this dramatic change. However, 80,778 residents, or 4.2 percent of the household population, still lived in overcrowded conditions in 1980.

More owner-occupied units (7,619) than renter-occupied units (6,180) were overcrowded. This resulted in 49,842 people living in overcrowded owner-occupied homes and 30,936 in overcrowded rental units. About 47 percent (3,571) of the overcrowded owner-occupied units could be found in the Fully Developed Area, 32.4 percent (2,470) in the Area of Planned Urbanization. However, 76.1 percent (4,704) of the rental housing units with over one person per room were in the Fully Developed Area, 16.6 percent (1,028) in the Area of Planned Urbanization.

Very overcrowded conditions (1.51 or more persons per room) existed in 3,366 housing units, or 0.5 percent of all occupied housing. Nearly three of every four (73.1 percent) of the very overcrowded housing units were rented.

Relatively few homes in the Region, 490 or under 0.1 percent, were both overcrowded and lacked complete plumbing facilities for exclusive use. Some 2,233 people, or about 0.1 percent of the household population, lived in such conditions. Rental housing accounted for 84.1 percent of all units which were both overcrowded and lacked complete plumbing.

COUNCIL CENSUS DOCUMENTS ON THE TWIN CITIES METROPOLITAN AREA

To obtain census documents listed below, call the Metropolitan Council's Public Information Office at 291-6464.

An Overview of Historic Population and Housing Trends in the Twin Cities Metropolitan Area, March 1984, No. 01-83-147, 38 pp., $1.50.

Housing the Twin Cities Area Population, March 1984, No. 01-84-030, 47 pp., $2.

Characteristics of Minorities in the Twin Cities Metropolitan Area, 1980, March 1984, No. 01-84-012, 34 pp., $1.50.

Minority Population Trends in the Twin Cities Metropolitan Area, 1980. April 1983. No. 01-83-022; 45 pp.; $1.50.

Census Facts by Health Planning Area for the Twin Cities Metropolitan Area. February 1983. No. 18-82-102; 111 pp.; $2.

Population and Housing Density in the Metropolitan Area by Community and Census Tract, 1980. February 1983. No. 01-82-126; 45 pp.; $1.50.

Twin Cities Metropolitan Area Population Distribution, 1980. A map. February 1982. No. 01-82-021; 50 cents.

Twin Cities Metropolitan Area Population Distribution of Minorities, 1980. A map. September 1981. No. 08-81-084; 50 cents.

Minority Population Trends in The Twin Cities Metropolitan Area, 1980. May 1981. No. 01-81-044; $1.

Twin Cities Metropolitan Area 1980 Census Tracts. A map. No. 01-79-057A; 50 cents.

1980 Census Tracts, Chisago, St. Croix and Wright Counties. A map. No. 01-79-057B; 50 cents.

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