

**Summary Highlights**  
**Healthy Housing Indicators Analysis**  
**May 4, 2010**

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**Purpose**

- Analyze trends in housing condition and the housing market.
- Analyze trends in public and private investment in the housing stock.
- Determine the relationship between trends in housing condition, investment, and value.
- Begin to understand the characteristics of a “healthy housing” market?

**Timeline**

This research stemmed from new information needs:

- A need to better understand how the housing crisis was impacting city housing stock, particularly at the neighborhood level
- A need to improve our ongoing monitoring of key housing trends
- A need to understand the relationship between various program interventions and key housing indicators

Early 2009

- literature review, survey of housing indicators being used by various city departments here and elsewhere
- follow up conversations with City Assessor’s Office and Regulatory Services

June 2009

- Pilot report: 12 indicators across 8 neighborhoods, 2005-2008

January 2010

- Expanded list of indicators across all neighborhoods, 2005-2008

May 2010

- Expanded list indicators across all neighborhoods, 2005-2009

## Key Findings

### Indicators of Distress

Most distress indicators increased during this time period

Assessor data indicates a steady increase in non-homesteaded properties since 2001

As enforcement or tracking efforts for some factors increase, negative scores increase; example: housing violation sweeps.

Most indicators of housing stress were more pronounced in Near North and Camden communities

### Indicators of Investment

Due to time constraints, this study only considered permits valued over \$5,000; smaller permits were omitted

Although CPED program investment in single family units remained essentially flat, due to tight private credit markets, investments in multi-family projects decreased substantially.

During this period, the number of residential permits and overall permit value as a percentage of overall residential value decreased.

### Indicators of Value

Median sales prices of single family detached homes declined by 4% over the study period.

Overall residential values experienced a 15% decline, again with the decline being much greater in some neighborhoods.

With the housing bubble and its inevitable burst, followed by the housing crisis, it is unlikely that a “normal” housing market appears anywhere in the city during the 2005-2009 period.

CPED will continue to monitor these trends annually to gauge the impact of various foreclosure recovery efforts, including the federally funded Neighborhood Stabilization Program, the Northside Home Fund program, and other local programs. For more information about these efforts, please see the City’s foreclosure recovery web site:

<http://www.ci.minneapolis.mn.us/foreclosure/>

# Summary of Major Trends

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Indicator	Map	2005	2006	2007	2008	2009	5 Year Trend Direction
% of Properties with a Housing Violation	A	15%	25%	19%	17%	19%	Up and down
% of Properties on the VBR	B	0.2%	0.4%	0.7%	0.8%	0.8%	Increasing
Average time Properties are on VBR	C	14 Months	14 Months	12 Months	14 Months	16 Months	Flat
% of Properties that are Foreclosed	D	No Data	1.5%	2.7%	2.8%	2.0%	Up and down
% of Single Family Properties that are Non-Homesteaded	E-1	12%	13%	14%	16%	16%	Increasing
% of Single Family Properties that are Non-Homesteaded, 1995-2008	E-2	1995: 7%	2000: 7%	2005: 12%	2008: 16%	2009: 16%	Increasing
% of Properties with a Rental License	F	No Data	No Data	No Data	No Data	18%	N/A
% of Properties in Poor or Fair Condition	G	2%	2%	2%	2%	2%	Flat
% of Properties with Permits over \$5,000	H	4.0%	3.6%	3.1%	3.3%	3.1%	Decreasing
Average Permit Value by Neighborhood	I	\$4.9 million	\$3.8 million	\$2.9 million	\$2.3 million	\$1.8 million	Decreasing
Median % of Residential EMV that is Reinvested through Permits	J1-J4	0.47%	0.55%	0.43%	0.46%	0.38%	Up and down
Public and Private Investment in Single Family Housing	K - P	\$47,218,734	\$49,752,232	\$47,497,431	\$30,202,314	\$28,302,254	Decreasing
Public and Private Investment in Multi-Family Housing	Q - V	\$193,879,664	\$191,658,872	\$81,946,804	\$25,645,685	\$38,771,609	Decreasing
Median Single Family Detached Sales Price	W	\$210,000	\$219,900	\$229,950	\$221,000	\$202,000	Up and down
Median Residential EMV	X	\$209,000	\$208,000	\$190,100	\$184,500	\$177,000	Decreasing