

# Housing Age, Ownership and Home Values

## DESCRIPTION

Residential values in Ramsey County have been accelerating as the housing market recovers from the Great Recession.<sup>1</sup> Apartment properties are increasing in value at a faster pace than other residential properties. Homeowners tend to pay less in monthly housing costs than renters and can accrue wealth if their home increases in value. Having adequate and stable housing for both renters and owners is key for supporting strong communities and a healthy workforce.<sup>2</sup>

## HOW WE ARE DOING

In 2017, the assessed value of all Ramsey County residential property grew by \$1.98 billion. Median home values for single family-residences have been increasing fastest in the North End, Thomas-Dale/Frogstown and East Side neighborhoods of St. Paul and in the suburban areas of Arden Hills, White Bear Township and Shoreview. The increase in rental prices and low vacancy of units is driving strong increases in the market value of apartment buildings. Purchases of apartment complexes had the sharpest growth rate (17.4 percent) in the past year while Ramsey County experienced both new construction and the conversion of existing buildings into rental housing.<sup>1</sup> The value of homes in Ramsey County is modest, with 86 percent of residential housing valued between \$100,000 and \$400,000 and a median sale price of \$200,000 in 2017. There has been minimal new construction of homes in the county, with 72 percent of residential housing constructed before 1980.<sup>3</sup> In Ramsey County, the home ownership rate is 59 percent, which is lower than the Minnesota (70.9 percent) and the national (63.1 percent) rate.<sup>4</sup> In 2016, residents of color in Ramsey County were less likely to own their home: Black/African-American 3.1 percent, American Indian 0.3 percent, Asian 5.9 percent, two or more races 1.2 percent, Hispanic/Latino 3.0 percent compared to white residents (88.5 percent).<sup>3</sup>

## DISPARITIES

The 2008 housing crisis disproportionately affected households of color both nationally and locally. The Greater Eastside neighborhood of St. Paul was one of the hardest hit areas in the state by foreclosure and is now experiencing a rise in home values and sales prices.<sup>3</sup> A national study found that black applicants with high incomes were more than twice as likely as white applicants with low incomes to be denied a home mortgage loan.<sup>5</sup>

## RISK FACTORS

While some new housing has recently been built in Ramsey County, 72 percent of housing was constructed prior to 1980.<sup>3</sup> Children living in these older homes are at greater risk for lead exposure which can affect brain development.<sup>6</sup> Ramsey County is home to a higher percentage of renters (41 percent) than the surrounding counties.<sup>3</sup> Renters are more vulnerable than homeowners to changes in the housing market. High rental demand creates an environment where landlords have many options for tenants and may use screening tests like credit history, income verification, and high security deposits that create barriers for many households.<sup>5</sup>

## WHAT RAMSEY COUNTY GOVERNMENT IS DOING

Ramsey County established the Reuse, Recycle and Renovate for Reinvestment Program

## Information to note

- 41% of Ramsey County residents rely on rental housing.
- Between 2016-2017, home prices increased in Ramsey County. Prices for apartment complexes in St. Paul increased the most (17.4%).
- In 2016 African-American residents in Ramsey County were less likely to own their home (3.1%) compared to white residents (88.5%) and Asian residents (5.9%).

## Community voice

*"Cost of living especially housing takes away most of the income leaving little to take care of a good diet."*  
- Black/African American Male, age 35-44

Of the 191 respondents that mentioned housing 98 (51%) stated that housing is unaffordable.

Respondents linked high costs of housing to having less money for groceries, negatively impacting their health.

<sup>1</sup> Ramsey County Assessor's Office. Letter to community. <https://www.ramseycounty.us/sites/default/files/Property/Assessor%27s%20Office/2017%20Assessor%20Report%20.pdf>. Accessed July 2018.

<sup>2</sup> Housing Overview. Minnesota Compass. <http://www.mncompass.org/housing/overview>. Accessed July 2018.

<sup>3</sup> American Community Survey 2012-2016 5-year estimates. United States Census Bureau. <https://factfinder.census.gov/>. Accessed July 2018.

<sup>4</sup> Data USA. <https://embed.datausa.io/profile/geo/ramsey-county-mn/>. Accessed July 2018.

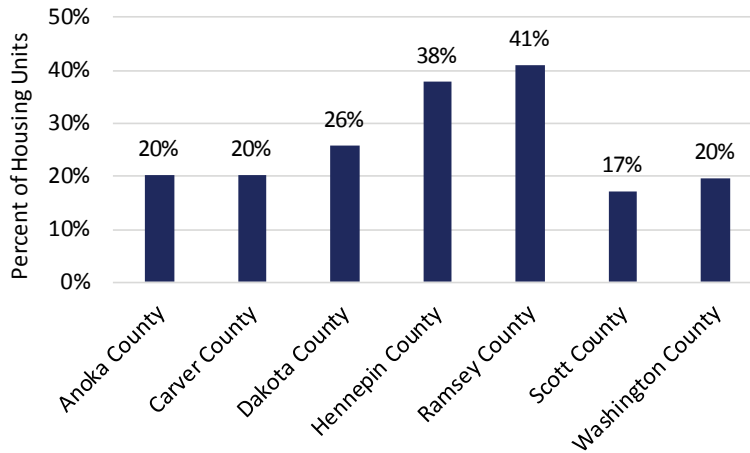
<sup>5</sup> Choice, Place and Opportunity: An Equity Assessment of the Twin Cities Region. Metropolitan Council. <https://metro council.org/Planning/Projects/Thrive-2040/Choice-Place-and-Opportunity/FHEA/FHEA-Sect-4.aspx>. Accessed July 2018.

<sup>6</sup> Risk factors for childhood lead exposure: facts & figures. Minnesota Department of Health. [https://apps.health.state.mn.us/mndata/lead\\_risk](https://apps.health.state.mn.us/mndata/lead_risk). Accessed July 2018.

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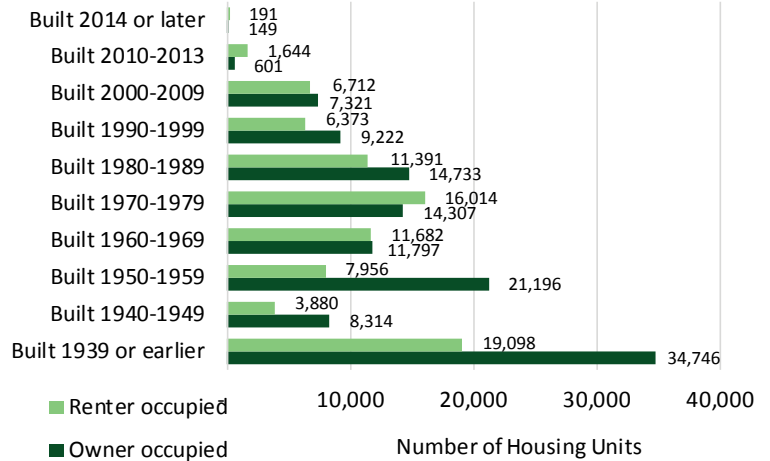
(4R Program) in April 2010. Within the program, tax-forfeited land (TFL) properties can be renovated to correct code violations and fix major repairs to ensure low to moderate income home buyers will not be burdened with heavy repairs during their first five years of ownership.

Renter Households, 2016



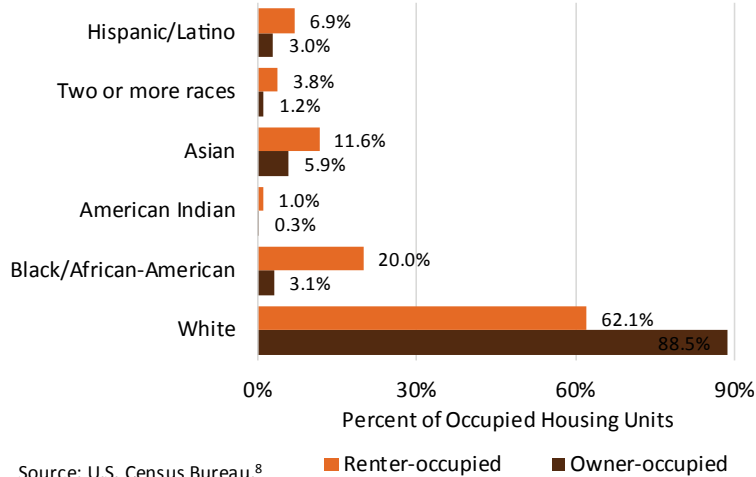
Source: U.S. Census Bureau.<sup>7</sup>

Age of Housing, Ramsey County



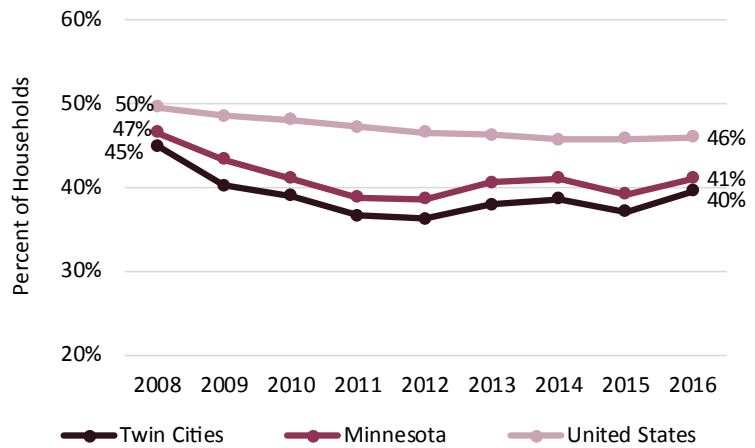
Source: U.S. Census Bureau.<sup>7</sup>

Housing by Race/Ethnicity, Ramsey County, 2016



Source: U.S. Census Bureau.<sup>8</sup>

Home Ownership for People of Color Over Time



Source: MN Compass.<sup>9</sup>

<sup>7</sup> 2012-2016 American Community Survey 5-Year Estimates. U.S. Census Bureau.

<sup>8</sup> 2012-2016 American Community Survey 5-Year Estimates. U.S. Census Bureau. [https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_16\\_5YR\\_S2502&prodType=table](https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_5YR_S2502&prodType=table). Accessed July 2018.

<sup>9</sup> Homeownership Gap. MN Compass Web site. <http://www.mncompass.org/housing/homeownership-gap#7-5176-g>. Accessed January 17, 2018.