The Post-Recession Buyer: Demographics, Housing Choices & Community Services

Presented by:
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• John Carpenter, Excensus LLC

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ULI MN

- Regional Council of Mayors - Housing Initiative
  - Promoting full range of housing choices
  - Recognized importance of change data

- Contract with ULI MN - Community Change Reports
- Data, analysis, outreach applications (subscription services)
Excensus Change Data

What is it?
Excensus Demographic Tracking

1. Household Level Data - Multiple Sources (7-county area)

2. Counts every Housing Unit (no estimates)

3. Tracks Residential Change - turnover & housing usage

4. Joined with GIS Systems - migration and flows
Excensus Demographic Tracking

Data can be summarized to fit any geographic level - by unique parcel groups, individual cities, counties, or the entire metro.

Longitudinal data /Updated Annually
- current data covers 2004-09
Key Regional Trend

Low Turnover = Increased Aging in Place + Fewer Options for Younger Ages
“These things usually creep along at the speed of a glacier. Not so with aging. In demographic terms, this is a tsunami. It doesn’t get much bigger than this... the future of Dakota County in the next 20 to 30 years is largely going to depend on what decisions [are made] over the next couple of years.”

Dr. Thomas Gillaspy, State Demographer, to the Dakota County Management Team, March 14, 2007 (Dakota County Aging Initiative: Executive Summary, April 2007)
An Aging Tidal Wave

7-County Metro Area Householder Ages (2009)
Distribution of Households by Householder Age
(Data set covers 1,089,258 households in 2009*)
Source: Excensus LLC

Median Householder Age in 2009 was 48 years

% of All Households:
- Under Age 35: 20.3%
- Age 35 to 54: 44.5%
- Age 55 to 74: 27.9%
- Age 75+: 7.3%

Householder Ages

* The Metropolitan Council’s 2009 household estimate is 1,138,512.
Growth in # - Older Households

- 1,089,300 - Occupied Housing Units (2009) in 7-Co. Area

95% net gain
+78,900
What Accounts for the Aging?

Not the Moves in/out

Net HH Gain or Loss Due to Turnover and Migration

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Net HH Gain/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Age 35</td>
<td>100,621</td>
</tr>
<tr>
<td>Age 35 to 54</td>
<td>13,384</td>
</tr>
<tr>
<td>Age 55 to 74</td>
<td>-20,000</td>
</tr>
<tr>
<td>Age 75+</td>
<td>-24,579</td>
</tr>
</tbody>
</table>

7-Co. Area Homes (2004-09)
They’ve Been Here All Along

The **Tidal Wave** - Existing HHs that did not move, but aged into the next higher age group

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Net HH Gain or Loss Due to Aging in Place (2004-09)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Age 35</td>
<td>(96,685)</td>
</tr>
<tr>
<td>Age 35 to 54</td>
<td>(12,769)</td>
</tr>
<tr>
<td>Age 55 to 74</td>
<td>70,118</td>
</tr>
<tr>
<td>Age 75+</td>
<td>39,336</td>
</tr>
</tbody>
</table>
Expect 20 to 25 Year Duration

Projected Minnesota population ages 65+

Minnesota State Demographic Center projections
What is the Cost?

• Shifts in demand for local goods/services

• Shrinking local tax bases

• Job markets impacts & transportation systems

• Demand for New Housing Types
Communities and Aging
Community Responses

- Inconsistent Rate of Aging Across Metro Area
- Retooling is Occurring
  - Dakota and Hennepin Counties - implementing aging initiatives and active transit development projects
  - Minneapolis, St. Paul, Anoka-Hennepin, Bloomington, Eden Prairie, Lakeville, actively closing schools and/or realigning boundaries
- Aggressively marketing to younger households
  - Mounds View and Minnetonka Schools actively enrolling students living in other districts
Key Factors that Mitigate Impacts of Aging in Place

1. **Share of Younger HH’s** - larger amount initially reduces impact later
2. **Turnover** - Strong and steady rate of housing availability
3. **Housing Choices** - Full range of housing choices
4. **Location** - Access to younger households
5. **Proximity to jobs and transportation**
Profile: Minneapolis (2009)

The Metro area’s youngest age profile

Minneapolis Householder Ages (2009)
Distribution of Households by Householder Age
(Data set covers 150,421 households in 2009*)
Source: Excensus LLC

Median Householder Age in 2009 was 43 years

* The Metropolitan Council's 2009 household estimate is 169,798.
Profile: Minneapolis (2009)

**Good Mix of Housing Types and Ownership Options**

**All Households in 2009**

- Owned SFD: 63,752
- Rental SFD: 15,662
- Duplex/Triplex: 45,617
- Owned MF: 9,160
- Rental MF: 12,442
- Rental Apt: 3,788

**2009 SF Home Value**

- LT $200K: 24,553 (38.5%)
- $200-249K: 14,024 (22.0%)
- $250-299K: 8,647 (13.6%)
- GE $300K: 16,528 (25.9%)

**Young HHs Mostly in Rental or lower priced Housing**

**HH Under Age 35**

- Owned SFD: 22,108
- Rental SFD: 9,393
- Duplex/Triplex: 3,405
- Owned MF: 6,519
- Rental MF: 1,813
- Rental Apt: 3,767

**SF Home Value (HHs Under Age 35)**

- LT $200K: 4,651 (50%)
- $200-249K: 2,803 (30%)
- $250-299K: 872 (9%)
- GE $300K: 1,067 (11%)
Profile: Minneapolis (2004-09)

Household turnover consistently above the metro area average.

The impact of the recession on turnover in owned single family housing.

<table>
<thead>
<tr>
<th>Mpls. Avg. Annual Turnover</th>
<th>Age Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Under Age 35</td>
<td>12.1%</td>
</tr>
<tr>
<td></td>
<td>Age 35 to 54</td>
<td>7.3%</td>
</tr>
<tr>
<td></td>
<td>Age 55 to 74</td>
<td>4.3%</td>
</tr>
<tr>
<td></td>
<td>Age 75+</td>
<td>4.7%</td>
</tr>
</tbody>
</table>
Profile: Minneapolis (2004/09)

Export of Younger Households from Minneapolis & St. Paul

Household Moves
- 1 - 30 HHs
- 31 - 60 HHs
- 61 - 90 HHs
- 91 - 120 HHs
- 121 - 250 HHs
# Suburban County Comparison

**Housing Mix = Above Average Turnover & Retention**

<table>
<thead>
<tr>
<th>County</th>
<th>Turnover</th>
<th>Retention</th>
<th>Housing Mix Owner/Renter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anoka</td>
<td>5%</td>
<td>66%</td>
<td>78/22</td>
</tr>
<tr>
<td>Carver</td>
<td>4.4%</td>
<td>57%</td>
<td>83/17</td>
</tr>
<tr>
<td>Dakota</td>
<td>6%</td>
<td>66%</td>
<td>75/25</td>
</tr>
<tr>
<td>Sub. Hennepin</td>
<td>6%</td>
<td>67%</td>
<td>74/26</td>
</tr>
<tr>
<td>Sub. Ramsey</td>
<td>5.7%</td>
<td>52%</td>
<td>75/25</td>
</tr>
<tr>
<td>Scott</td>
<td>4.8%</td>
<td>60%</td>
<td>83/17</td>
</tr>
<tr>
<td>Washington</td>
<td>4.7%</td>
<td>63%</td>
<td>82/18</td>
</tr>
</tbody>
</table>
SW LRT Corridor Project:

Corridor Labor Shed
Where Employers Draw Their Workers

Where Workers Come From

<table>
<thead>
<tr>
<th>Cities where workers originate</th>
<th>Pct.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minneapolis</td>
<td>43,143</td>
</tr>
<tr>
<td>* St. Paul</td>
<td>12,612</td>
</tr>
<tr>
<td>* Eden Prairie</td>
<td>9,839</td>
</tr>
<tr>
<td>* St. Louis Park</td>
<td>8,498</td>
</tr>
<tr>
<td>* Bloomington</td>
<td>7,736</td>
</tr>
<tr>
<td>* Plymouth</td>
<td>7,282</td>
</tr>
<tr>
<td>* Minnetonka</td>
<td>6,858</td>
</tr>
<tr>
<td>* Brooklyn Park</td>
<td>6,361</td>
</tr>
<tr>
<td>* Edina</td>
<td>5,488</td>
</tr>
<tr>
<td>* Maple Grove</td>
<td>5,212</td>
</tr>
<tr>
<td>* All Other</td>
<td>126,387</td>
</tr>
</tbody>
</table>
Some thoughts on the future ...

1. Continue to support a full range of housing choices.

2. Profile the importance of Universal Design, Energy and Environmental Conservation – downsizing, reaching the young, singles and old.

3. Identify best practices related to existing resources in scattered site maintenance and aging in place.

4. Evaluate best practices and demonstrate the benefits of allowing accessory dwelling units.

5. Seek partnerships with housing providers, cities and agencies.
Excensus Online Demo
Web-based Demographic Profiling Tool
Excensus Online Demo

- **Subscription service** offering up-to-date access to local demographic tracking data.
- ULI MN County HRA/CDA tracking projects and funding partners: *ULI MN 2010 Opportunity Cities, Family Housing Fund, and Metropolitan Council Research*
- Web-mapping application permits quick and accurate demographic profiling of any user defined area - *neighborhoods, developments, transit corridors, redevelopment areas, etc.*
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