



**Bigger, Cooler, More Bathrooms:
The Evolution of Twin Cities Housing, 1985 to 2007**

Martha McMurry

- The median square footage of newly built owner-occupied homes grew about one-third between 1985 and 2007.
- The proportion of owner-occupied homes with two or more bathrooms increased from 35 percent to 61 percent.
- In 2007, 84 percent of owner-occupied homes had central air conditioning, up from 42 percent in 1985.
- The ratio of housing value to household income grew from 2.2 to 3.4.

The housing stock of the Minneapolis-St. Paul region has changed substantially during the past quarter century. Home owners are acquiring larger houses with air conditioning and other features.

Data in this report come from the American Housing Survey (AHS) conducted by the U.S. Census Bureau. The American Community Survey and the Decennial Census also include housing information, but the AHS provides more detail on housing and neighborhood characteristics, finances, and problems such as crime and malfunctioning plumbing. The survey was conducted in the Twin Cities in 1974, 1977, 1981, 1985, 1989, 1993, 1998 and

2007. The 2007 sample size was 2,758. The Minneapolis-St. Paul Metropolitan Area currently includes 11 counties in Minnesota and two counties in Wisconsin.

Home Ownership Rate Rises

The rate of home ownership in the Minneapolis-St. Paul Metropolitan Area rose from 68 percent in 1985 to 73 percent in 1998 and 74 percent in 2007. The 2007 home ownership rate was identical to that found in the American Community Survey for the same year.

More Attached Units

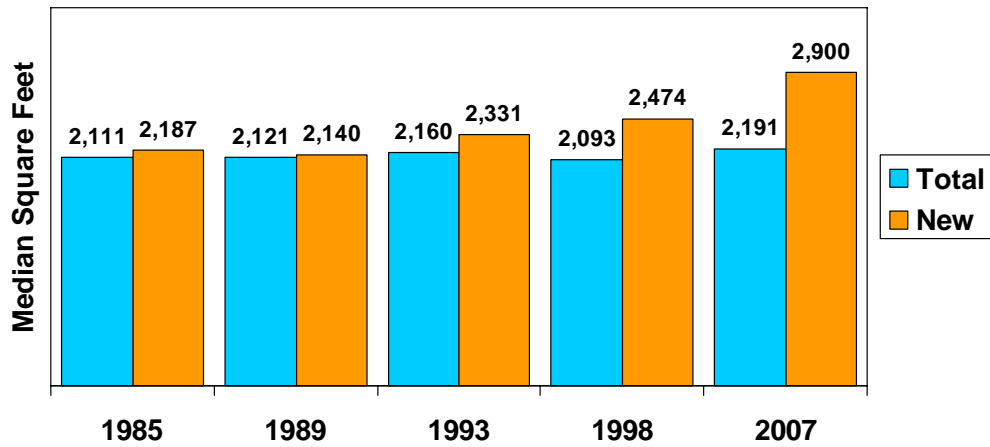
Most homeowners, 82 percent in 2007, live in single-family detached homes. This figure has declined slightly during the last decade. Between 1998 and 2007, the proportion living in single-family attached homes, for example townhouses, increased from 6 to 10 percent of the total. Rising land prices may account for growth in densely-clustered units.

New Houses Become Larger

Newer owner-occupied units have become substantially larger, a trend which has occurred mainly during the last 15 years. The median size of all existing homes has not changed much, increasing about 100 square feet between 1998 and 2007. Increases in the size of new homes have been much more pronounced. Between 1998 and 2007 the median size of new homes – those built in the past four years – grew from 2,494 to 2,900 square feet. Before 1993, the size of new and existing units was similar; since then the size gap between newer and older homes has become larger.

New Twin Cities Homes Have Become Larger

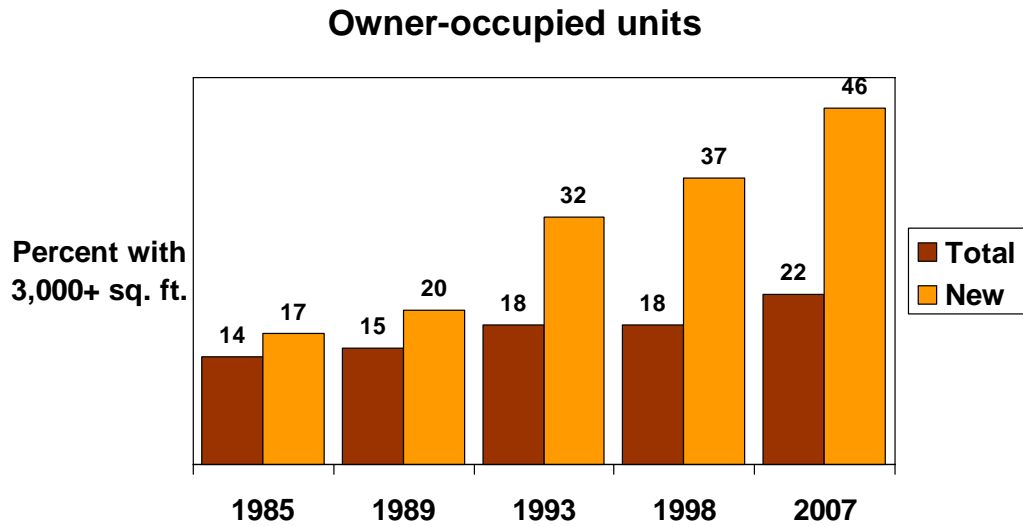
Owner-occupied units



American Housing Survey data. New=constructed within past 4 years.

The proportion of homes with at least 3,000 square feet provides another indicator of increasing size. Among all owner-occupied homes, this figure grew from 14 percent in 1985 to 22 percent in 2007. Among recently-built homes, almost half (46 percent) had 3,000 or more square feet in 2007, up from 17 percent in 1985.

Newer Twin Cities homes more likely to have 3,000 or more square feet

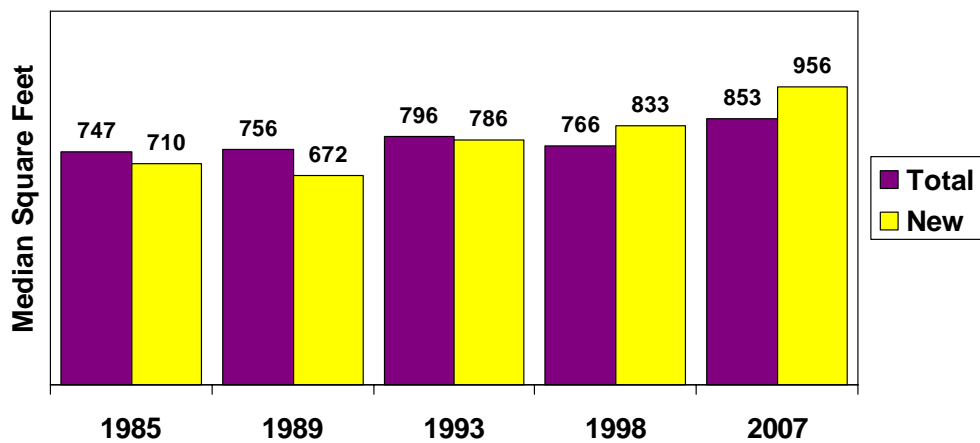


American Housing Survey data. New=constructed within past 4 years.

Since households have not become any larger, the median number of square feet per person in recently-build homes has risen sharply, from 786 in 1993 to 956 in 2007. In the 1980s, square feet per person was less in new homes than existing ones; in the more recent surveys new homes have considerably more space per person.

Space per person in Twin Cities homes has increased since 1990s

Owner-occupied units



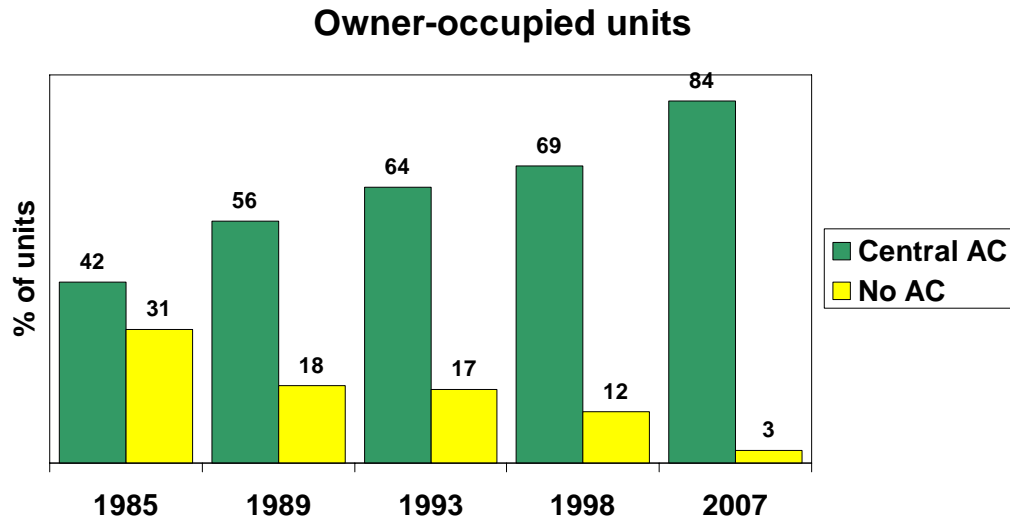
American Housing Survey data. New=constructed within past 4 years.

The increase in square footage mainly seems to reflect larger rooms, rather than a greater number of rooms. In 2007, 33 percent of recently-built homes had 8 or more rooms, similar to the figure for all homes, even though the newer homes have more square feet. Possibly newer homes have more open floor plans instead of the separate kitchens, dining rooms and living rooms found in more traditional designs. Sizes of individual rooms may also be larger. Another factor is the increase in the number of bathrooms. Bathrooms are not included in the count of number of rooms in the house, though they are included in the square footage calculation.

Air Conditioning

One of the striking Twin Cities housing trends over the past quarter century is the rise of air conditioning. In 1985, 42 percent of owner-occupied homes had central air conditioning; this figure rose to 84 percent by 2007. The percentage of homes with no air conditioning shrank from 31 to 3 percent. The remaining units had one or more room air conditioners.

Percent of Twin Cities homes with central air conditioning has doubled since 1985



American Housing Survey data. Remaining units have room air conditioners.

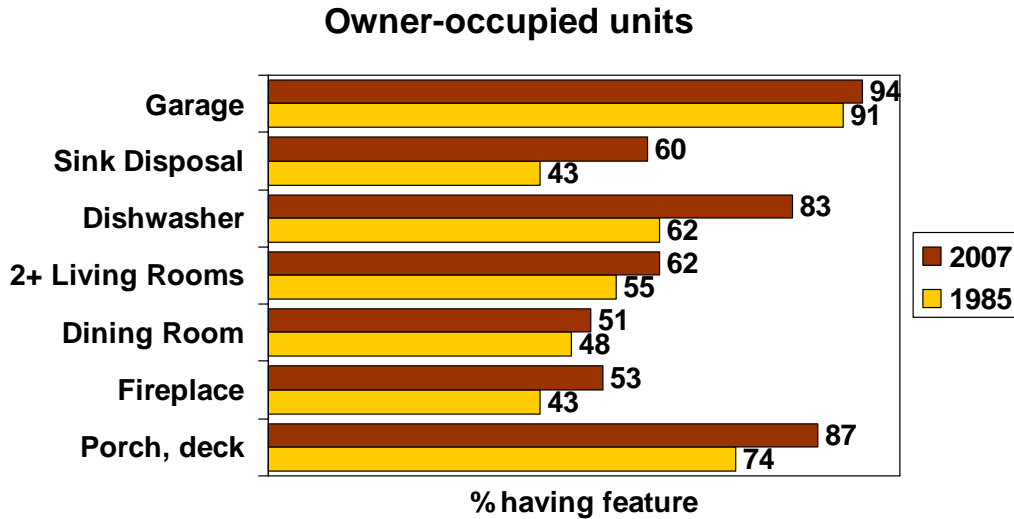
More Bathrooms

Multiple bathrooms have become much more common in the Twin Cities area. In 2007, 61 percent of owner-occupied homes had two or more bathrooms, up from 35 percent in 1985. The percentage of homes with only one bathroom dropped from 40 to 17 percent. The percentage with one and a half baths did not change much.

Other Features

The proportion of homes with most types of amenities – garbage disposals, decks, fireplaces – has increased. There was an especially large gain in the popularity of dishwashers. The smallest gains are for garages – already nearly universal in the 1980s – and dining rooms.

% of Twin Cities homes with selected features, 1985 and 2007



American Housing Survey

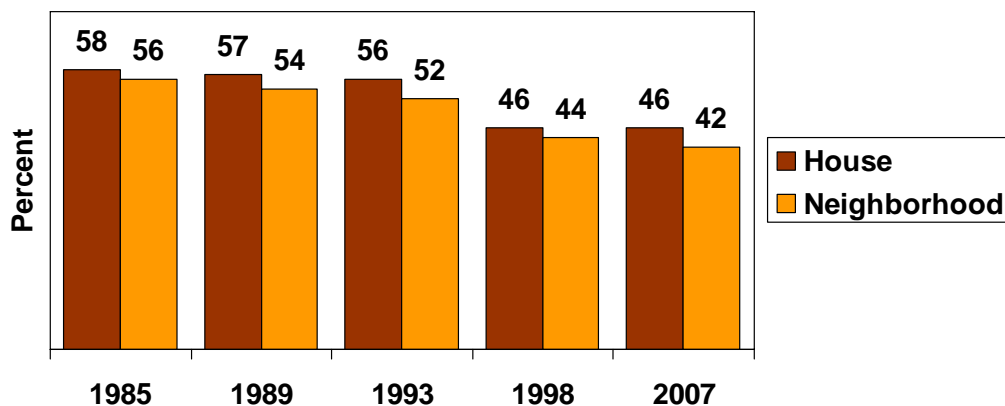
High Ratings for Home, Neighborhood

Most Twin Cities home owners give high ratings to the quality of their homes and surrounding neighborhoods. On a scale of 1 (worst) to 10 (best), the great majority of homeowners rate their homes and neighborhoods 7 or higher. This has been true in each year of the survey.

Although homeowners' evaluations of their homes and neighborhoods remain high, fewer give the extremely high 9 or 10 ratings than in the past. In the 1985, 1989 and 1993 surveys more than half of respondents gave a 9 or 10 rating; in the two most recent surveys less than half gave these very high ratings. Without more information it is not possible to tell if people are truly less enamored of their surroundings or if some other factor is responsible.

Percent of households rating their housing units and neighborhoods very high has fallen slightly

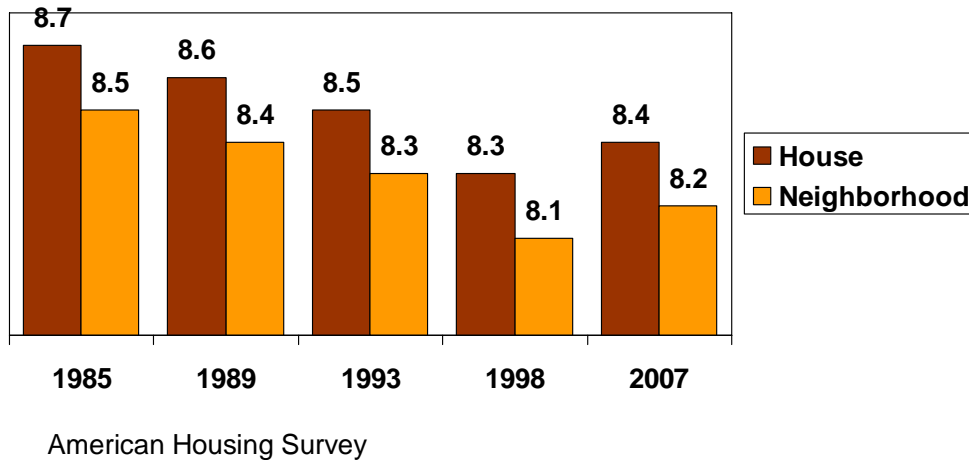
Owner-occupied: Rated 9 or 10 on a 1 to 10 Scale



American Housing Survey

Average evaluations of home and neighborhood in the Twin Cities are high but have not risen

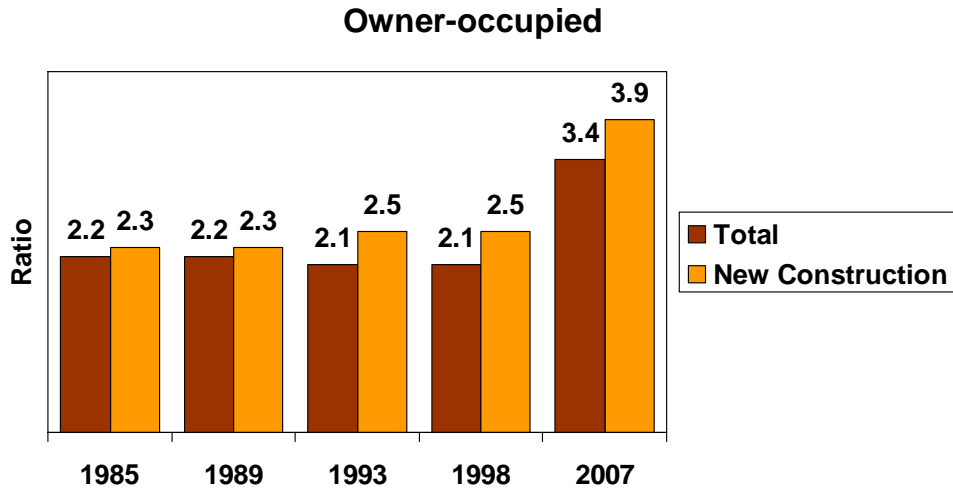
Average ratings on 1 to 10 scale for owner-occupied homes



Survey shows some signs of financial stress

The 2007 housing survey was conducted before the full impact of the recent housing crisis became apparent. Analysis by the State Demographic Center showed that 2007 housing prices in Minnesota remained fairly stable compared to 2006, though the number of sales had already started to plummet. Though the American Housing Survey was not designed to delve into problems such as subprime loans or foreclosures, the survey does provide some indication that many homeowners were spending a large share of their incomes on housing payments. Between 1998 and 2007, median monthly housing costs rose 74 percent while median homeowner incomes rose 37 percent. As a result, the median value of the share of income homeowners spent on housing was 22 percent in 2007, compared to 17 percent in 1998. Forty-one percent of homeowners with a mortgage had two or more mortgages in 2007. Data on multiple mortgages was not collected in 1998.

Ratio of housing value to income much higher in 2007



American Housing Survey

Sources:

The data used in this report come from the American Housing Survey conducted by the U.S. Census Bureau. The survey provides national data and collects data for a rotating group of metropolitan areas. This article focuses on data for homeowners, but the reports also provide statistics for rental-occupied housing. Information is also given for units with Latino and Black householders, though the race and ethnicity data may be suppressed if the sample size is too small.

American Housing Survey for the Minneapolis-St. Paul Metropolitan Area, 2007

American Housing Survey for the Minneapolis-St. Paul Metropolitan Area, 1998

<http://www.census.gov/hhes/www/housing/ahs/metropolitandata.html>

National data from the American Housing Survey

<http://www.census.gov/hhes/www/housing/ahs/nationaldata.html>

“Minnesota Housing Prices, 2006-2007,” *Population Notes*, Minnesota State Demographic Center, July 2008

<http://www.demography.state.mn.us/documents/MinnesotaHousingPrices20062007.pdf>

Population Notes is published periodically by the State Demographic Center at the Minnesota Department of Administration.

Upon request, *Population Notes* will be made available in alternative format, such as Braille, large print, or audio tape. For TTY, contact Minnesota Relay Service at 800-627-3529 and ask for the Minnesota Department of Administration. For more information or additional copies of *Population Notes*, contact:

MINNESOTA STATE DEMOGRAPHIC CENTER

658 Cedar St., Room 300
St. Paul, MN 55155
651-296-2557
Fax: 651-296-3698
www.demography.state.mn.us
demography.helpline@state.mn.us



MINNESOTA
STATE DEMOGRAPHIC CENTER