

2010 Excensus Change Report – Dakota County, MN

ULI MN/Regional Council of Mayors – Dakota County CDA

November 28, 2010

Summary

This report spans a recent and critical period of demographic and economic change in Dakota County. The initial years, May 2004 through April 2006, reflect an expanding housing market with increasing housing availability and demographic gains in all age categories. The second phase, from May, 2006 through April, 2008, shows a reversal in the region's housing market with dramatically reduced resident turnover. In the final year, May of 2008 through April of 2009, there are initial signs of some housing market recovery for some demographic segments. These economic swings have affected communities and household age groups in different ways.

Overall, Dakota County has a stable household base with a diversity of housing options, in both owner and renter-occupied housing. The County has experienced interesting changes in household characteristics and the types of housing they are living in. The most significant trend is the drop in turnover of households, particularly for those who are over 55 and in single family homes. While low turnover indicates that residents may be happy with their housing choice, turnover that is too low could reduce opportunities for younger households to locate in the county or could indicate that older residents are not able to move due to underwater mortgages, loss of jobs, or lack of downsizing options. The following are key observations on these household trends that provide a basis for Dakota County Community Development Agency's policy discussions.

- **Household Growth.** From 2004 to 2009, the County saw its occupied housing base grow from 140,237 to 151,168 households. There was a net loss of households under age 55 (-835) while significant increases were seen in households ages 55 to 74 (+9,888). In 2009, twenty-nine percent of the County's households were age 55 or older. Much of the gain in the age 55+ category can be attributed to "aging in place".
- **Turnover:** The housing turnover rate (the rate that the County's housing is changing hands) declined steadily over the period and particularly during the housing downturn in 2007. Turnover was significantly lower for older households age 55 to 74 (at 3.5%) than it was for households under age 35 (12.8%) and ages 35 to 54 (5.2%). Turnover appears to have bottomed out in the 2007/2008 period when single family detached housing dropped to 1.9 percent and apartments dropped to 11.0 percent. In 2009, turnover rebounded to 2.4 percent for single family detached housing and 15.5 percent for apartments. Even with the rebound, housing turnover in 2009 was still well below the levels at the start of the period. Seventy percent of all households did not move during this five year period.
- **Mix.** Between 2004 and 2009, owner-occupied housing dropped as a percent of all housing from 78 to 74 percent. Occupied single family housing dropped from 60 to 58 percent of all housing in Dakota County. The percent of single family detached homes in 2009 that were rented was a relatively low 4.4 percent. Thirty-three percent of young households (under age 35) lived in rental apartments. This is low relative to other suburban counties. Thirty percent of all young households in Dakota County were owners of single family detached housing.
- **Value of Housing.** Thirteen percent of the owned single family detached homes are valued at less than \$200,000 and of these homes 17 percent are occupied by households under age 35. Homes valued at \$300,000 or more account for 37 percent of all housing in the County. Households age 55 or older occupy 34 percent of these higher value "move-up" homes. Between 2004 and 2009, there

was a 10 percent increase in homes under \$200,000 owned by households age 55 or older.

- **Retention.** From 2004 to 2009, two-thirds of the Dakota County households that moved within the 7-county area ended up choosing a home in Dakota County. Households in rental single family housing (at 73%) are the most likely to choose another home in the County.
- **Migration.** Half of the household moves into the County (2004 to 2009), from within the metro area, came from St. Paul, Minneapolis, Bloomington, or Richfield. Half of all residents that moved out of Dakota County chose a home in St. Paul, Minneapolis, Bloomington, Savage, Woodbury, Prior Lake, or Cottage Grove.
- **Foreclosures.** Foreclosures increased 9-fold between 2004 and 2008. Three percent of all homeowners under age 35 went through a Sheriff's Sale during the period compared to 1.3 percent for all other age groups. Seventy-one percent of all Dakota County foreclosed households from 2004 to 2008 that relocated in the metro area found another home (of any type) in Dakota County.
- **Dakota County CDA Properties.** The CDA's owned multifamily units (townhomes) represent 12 percent of the Dakota County total in this category. Demographically, the CDA townhomes serve proportionately more households age 55 or older and fewer households under the age of 35. Between 2004 and 2009, CDA townhome units turned over at an annualized rate of 10 percent per year. Half of CDA household moves ended up within the 7-county area and, of these, 71 percent relocated in Dakota County. The CDA properties succeeded in retaining a larger share of the metro area moves in Dakota County than did the non-CDA properties. Households moving from a CDA townhome were more likely to move to a single family home than to another townhome or apartment.

Report Findings:

Availability of housing is just as important to a household wishing to move into the County as home style, location, and affordability. Dakota County has a mix of housing that is helping to ensure that housing options remain available even during a slowdown in the housing market. This mix is important since much of the county's single family housing stock has not been turning over fast enough to maintain a stable demographic base. With opportunities to develop vacant land and redevelop older apartments and housing developments, the county remains in a good position to continue providing housing choices that can meet the needs of new households, growing families, and existing single family residents seeking other housing in Dakota County.

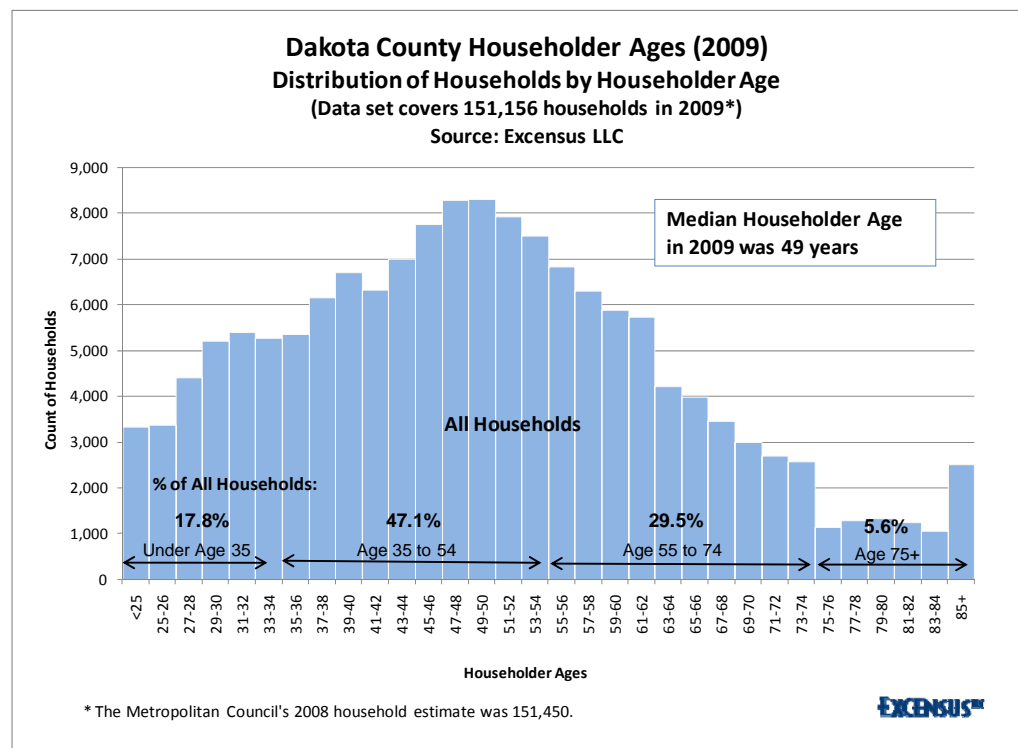
Housing needs are changing. These changes are being driven by long term population aging patterns as well as the recent downturn in the economy. This report uses detailed, household-level tracking data to show how the County's household base has changed over the period from May of 2004 to May 2009. This information was developed by Excensus LLC using data shared for research purposes by state and local governmental units. Definitions and a description of the methodology used in developing this data set are provided at the end of this report.

Dakota County Demographic and Housing Profiles (2004 to 2009)

A. Trends in Householder Ages 2004 to 2009

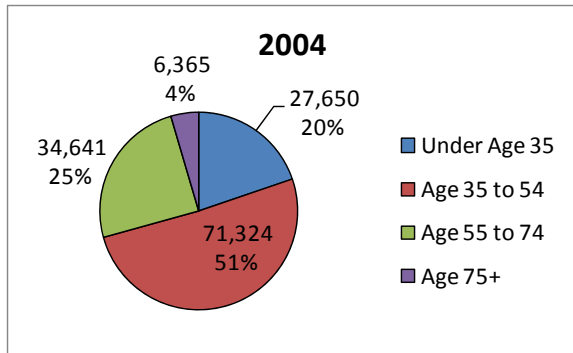
Dakota County has a resident base dominated by households ages 35 to 54. The large number of middle aged residents coupled with low housing turnover, is causing the county's demographic profile to age rapidly.

Household Age Curve - Dakota County Householder Ages (May, 2010)

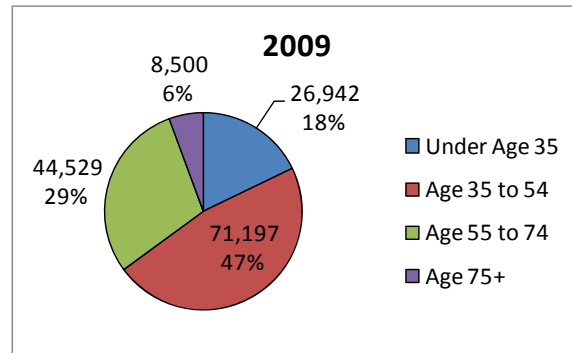


In 2009, there were 151,156 occupied housing units in Dakota County. Nearly half (47.1%) of these households had a householder between the ages of 35 and 54 and another 29 percent were between 55 and 74 years of age.

Dakota County Householder Ages (May, 2004)

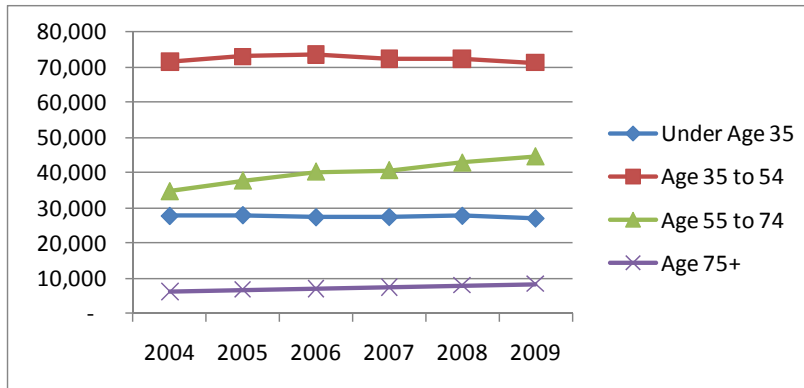


Householder Ages (May, 2009)



There were 835 fewer householders under age 55 in 2009 than in 2004. The number of households under age 55 increased during the years of the expanding housing market (2004 to 2006) but all of this growth was lost in the later years with the downturn in the housing market. Households age 55 to 74 increased significantly – growing by 9,888 households. The number of older households (ages 75 or more) increased by 2,135 during this same period. Much of the gains in both groups can be attributed to “aging in place.”

Dakota County Households by Age (2004 to 2009)

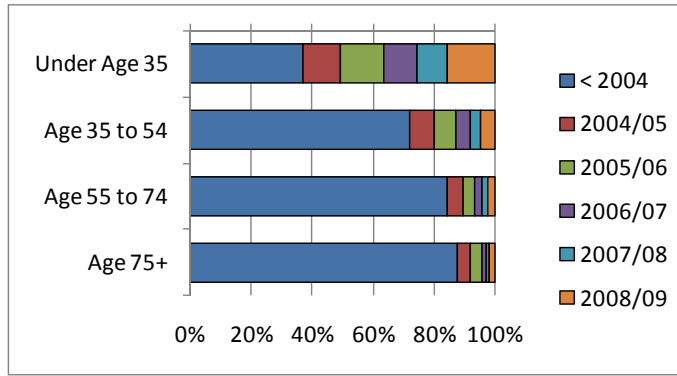


B. Household Aging

There is a cost to an aging household base. Local commercial areas, built on an expectation of young families or workers, may become less viable in the face of an aging community. Community services may have to retool to meet the changing needs of an aging community. And, as workers age, employers may feel the need to relocate in order to find the workforce they need. For local workers, commuting distances to work may increase. Furthermore, there is an impact to local schools as families with children age and leave the community and are not replaced.

The primary cause of community aging is “aging in place.” Households that would otherwise move to accommodate a growing family or to meet the needs of a changing lifestyle choose instead to remain in their existing homes. With only limited turnover, housing availability is reduced and there are fewer opportunities to attract and retain a more balanced mix of households. Seventy percent of all Dakota County’s households remained in their existing home through the period 2004 to 2009. For households age 55 and older, eighty-five percent remained in place during this period.

Dakota County Households – Year Moved into Current Dwelling



Net # of Householders that Aged into (+) or Aged out of (-) an Age Category by Year

	Under Age 35	Age 35 to 54	Age 55 to 74	Age 75+
2004/2005	(2,686)	(252)	1,767	1,171
2005/2006	(2,751)	(366)	1,909	1,208
2006/2007	(2,470)	(801)	2,037	1,234
2007/2008	(2,439)	(824)	2,069	1,194
2008/2009	(2,406)	(1,050)	2,212	1,244

Source: Excensus LLC

Dakota County currently needs 2,406 new households (under age 35) each year just to maintain their existing base of younger households. Conversely, 1,244 householders age 75 or older would need to move out of the County and be replaced by younger households each year for this age segment to keep from growing. The impact of aging in place can be mitigated over time through new housing construction or by leveraging turnover so that as existing households move they are replaced with younger households.

C. The Demographics of Homeownership – 2004 to 2009

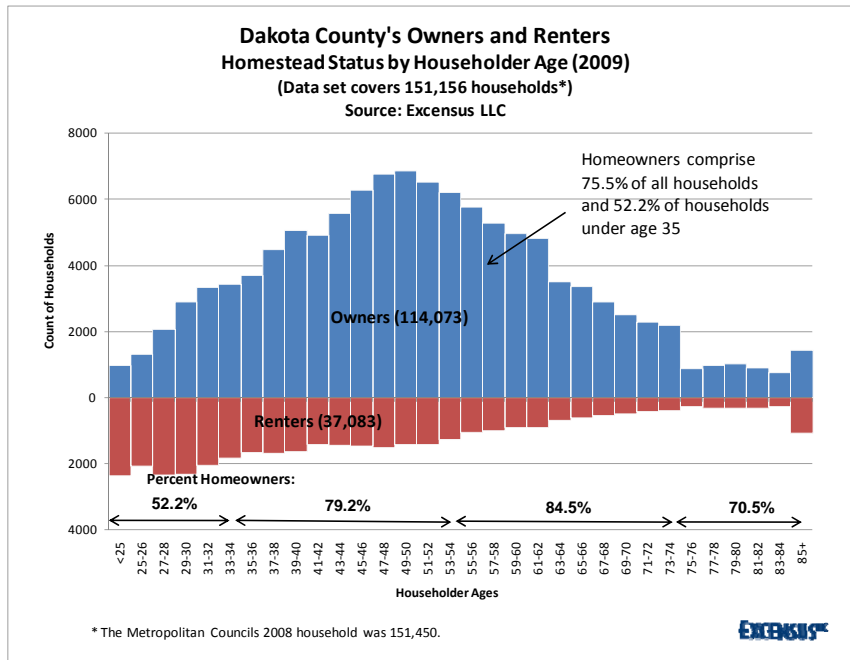
Overall, 75 percent of the County’s households live in owner-occupied housing. Owner-occupied single family housing, however, accounts for only 56 percent of the County’s housing stock. Just over half (52%) of all households under age 35 are homeowners. These households are using a wide variety of owned and renter-occupied housing. Just over a third of the County’s 37,083 rental units are in the hands of households under the age of 35. This rate is comparable to the rate in other metro area counties and shows that rental housing is being used by households in all age categories.

Dakota County Homeowners and Renters – Percent by Householder Age Group (2009)

Householder Age	All HHs	Owners	Pct. Owners	Renters	Pct. Renters
Under Age 35	26,939	14,058	52.2%	12,881	47.8%
Age 35 to 54	71,193	56,407	79.2%	14,786	20.8%
Age 55 to 74	44,524	37,616	84.5%	6,908	15.5%
Age 75+	8,500	5,992	70.5%	2,508	29.5%
Occupied Housing Units	151,156	114,073	75.5%	37,083	24.5%

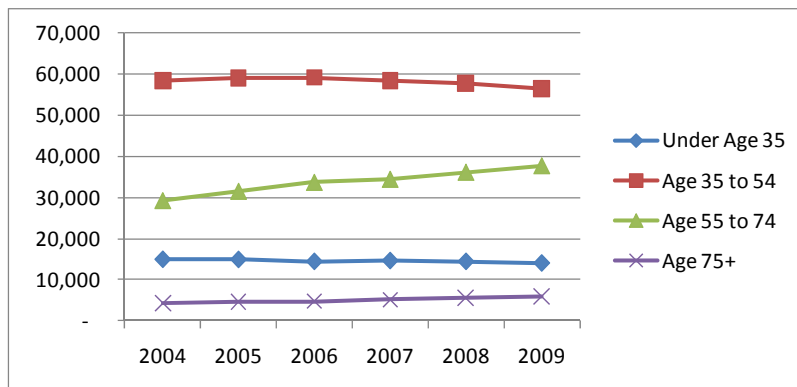
Source: Excensus LLC

Dakota County Age Curve – Homeowners and Renters by Householder Age (2009)

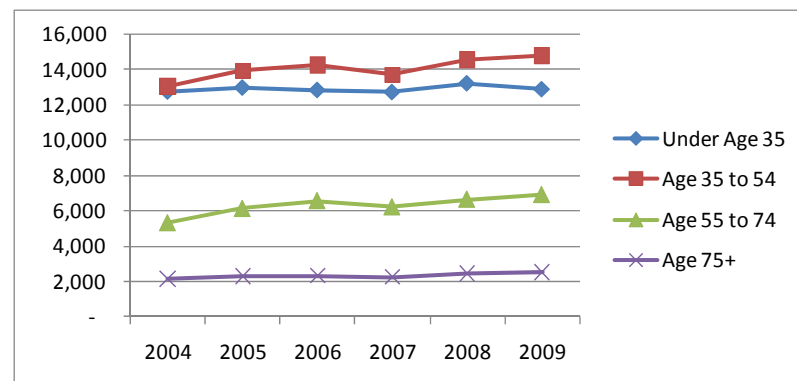


Dakota County’s homeowner base is aging – with significantly more households age 55 or older in 2009 than at the start of the period. The number of homeowners under age 35 dropped by 850 over this same period. With increasing rental housing stock, usage of rental housing increased across the middle to older household age groups. Households ages 35 and older have increased their use of rental housing steadily through this period.

Homeowners by Householder Age (2004 to 2009)



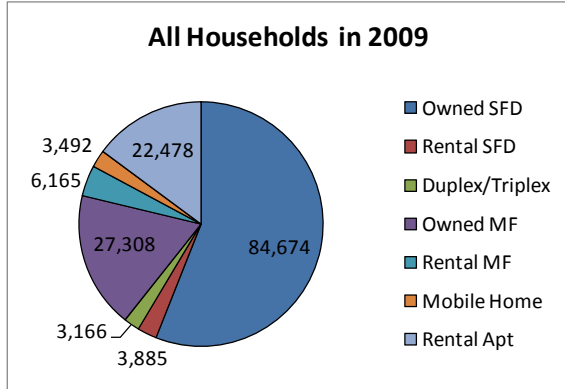
Renters by Householder Age (2004 to 2009)



D. Housing Usage and Home Tax Values – 2004 to 2009

Owner-occupied single family detaching housing dominates housing usage for the two middle age categories. Each age group, however, shows a significant share of other owned and rental options. This is particularly true for households under age 35 and for those ages 75 or more where there is a large concentration in owned single family, owned and rental multi-family, and apartments. Currently, 3,338 households age 75 or more are living in owned single family housing. This is four percent of the county's single family detached housing and a significant share of this housing can be expected to turn over in the next 5 to 10 years as this age group actively seeks other housing options.

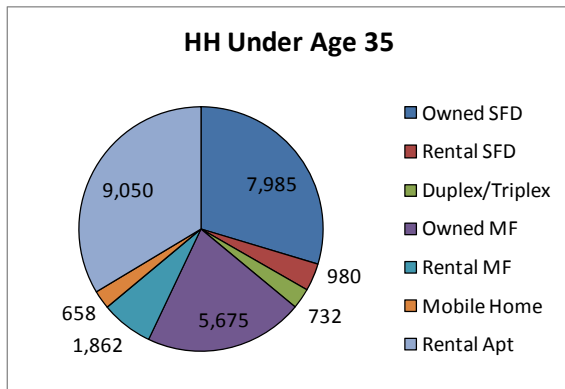
All Households by Housing and Ownership Type (2009)



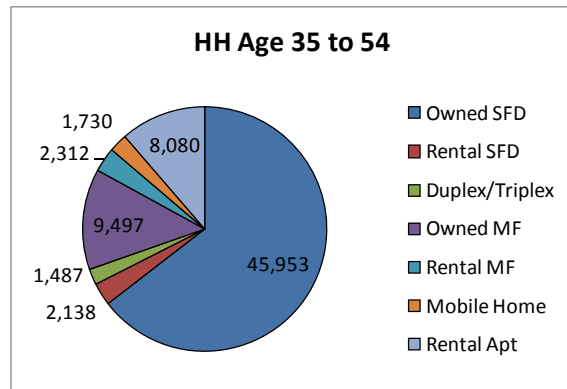
All Households in 2009

Housing Type	Occupied Dwellings	Percent of Total
Owned SFD	84,674	56.0%
Rental SFD	3,885	2.6%
Duplex/Triplex	3,166	2.1%
Owned MF	27,308	18.1%
Rental MF	6,165	4.1%
Mobile Home	3,492	2.3%
Rental Apt	22,478	14.9%
All Occupied Units	151,168	100.0%

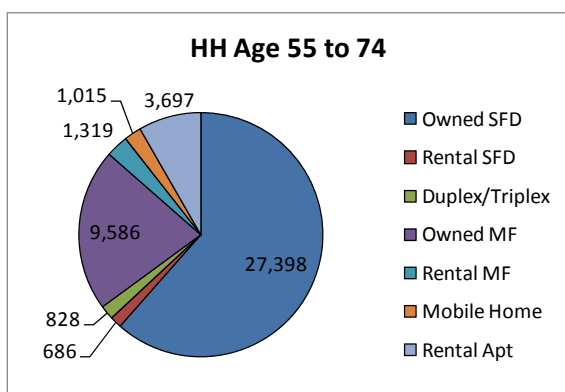
Households Under Age 35



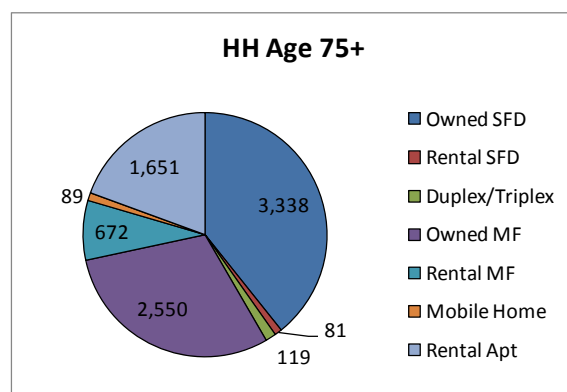
Households Age 35 to 54



Households Ages 55 to 74



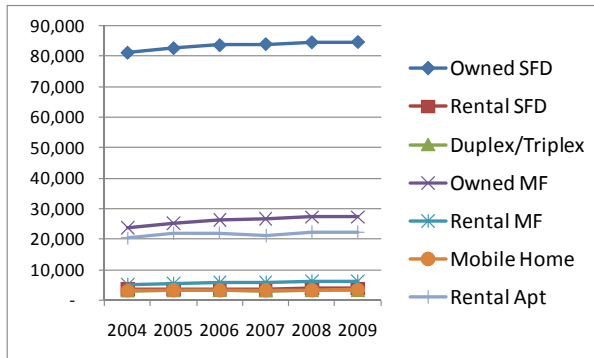
Households Ages 75+



These tables show the changes in housing usage since 2004. The most significant changes are in single family housing and owned multifamily housing. An increasing proportion of this housing is owned by households ages 55 or older and a decreasing share by younger households. Some of this may be related to increases in home foreclosures in recent years. A reduction in the base of young households could also affect the county's ability to attract other young homebuyers to existing homes and may impact school enrollment levels for those communities with increased aging and fewer young households.

Housing Usage Trends by Householder Age (2004 to 2009)

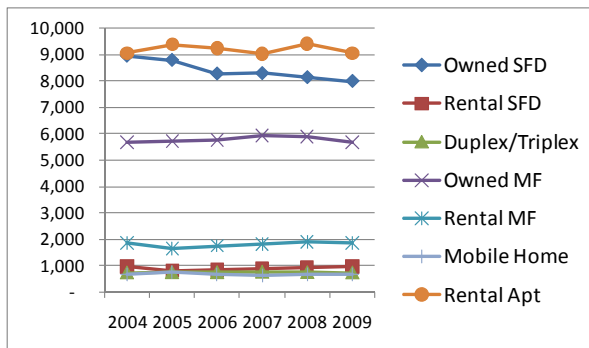
All Occupied Housing Units



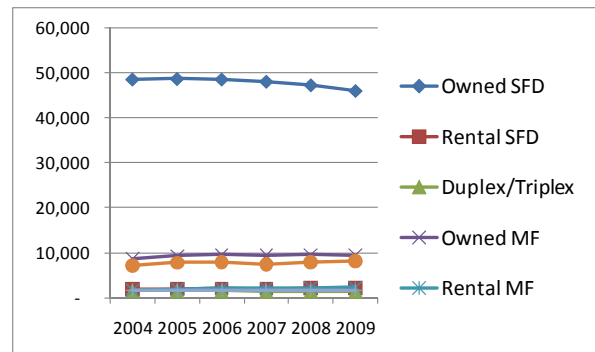
Housing Usage - 2004 to 2009

Housing Types	Housing Types - All Occupied Units		
	2004	2,009	Chg '04-'09
Owned SFD	81,076	84,674	3,598
Rental SFD	3,761	3,885	124
Duplex/Triplex	3,059	3,166	107
Owned MF	23,734	27,308	3,574
Rental MF	5,189	6,165	976
Mobile Home	3,110	3,492	382
Rental Apt	20,308	22,478	2,170
All Occupied Units	140,237	151,168	10,931

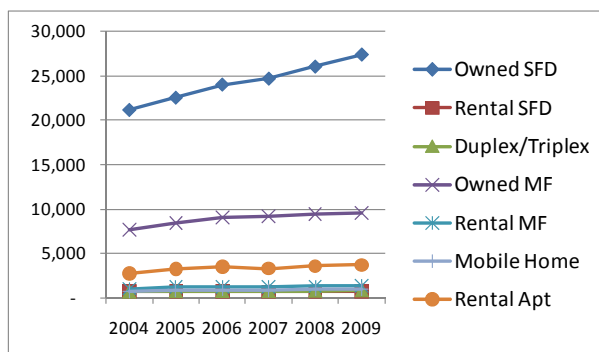
Households Under Age 35



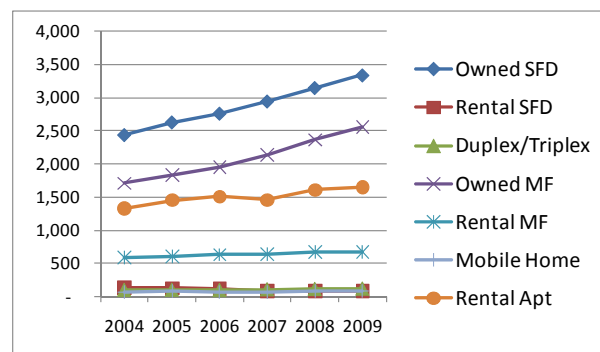
Households Age 35 to 54



Households Age 55 to 74

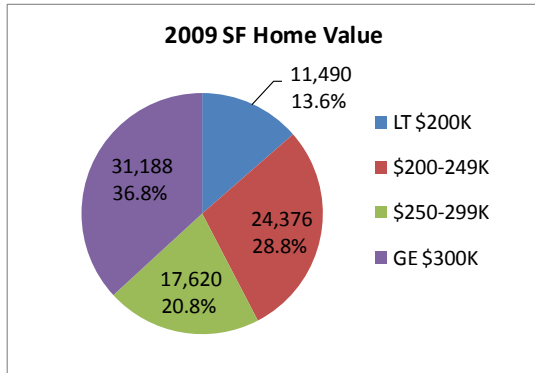


Households Ages 75+



There are affordable single family homes in the county. This analysis identified 84,674 owner-occupied single family detached homes in Dakota County. Forty-two percent of these homes had a 2009 tax value under \$250,000 and 13 percent were valued at less than \$200,000.

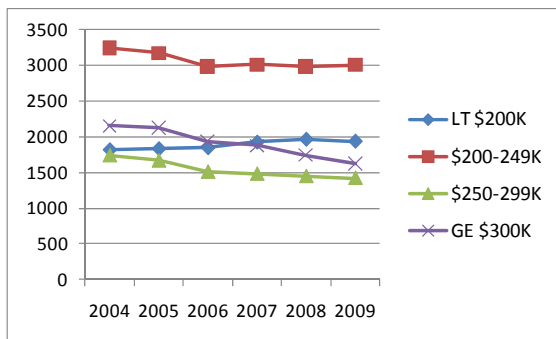
Single Family Homeownership by Tax Value of Home (2009)



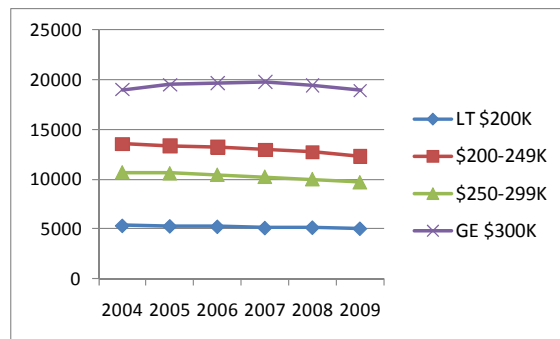
Following the housing boom in the early part of this decade, Households under the age of 35 are less likely to move into higher priced single family homes. Households age 35 to 54 declined in the two middle price ranges while households age 55 or older saw extended growth in all price ranges.

Mix of Owned Single Family Homes by Tax Value (2009) and Age of Householder

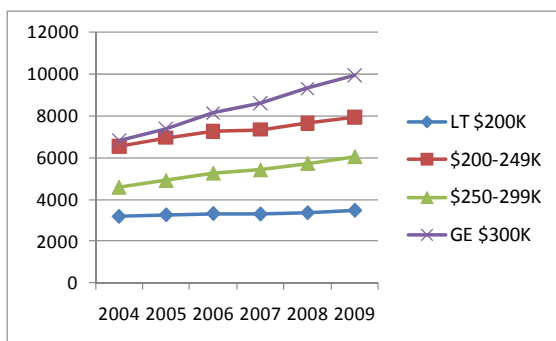
Households Under Age 35



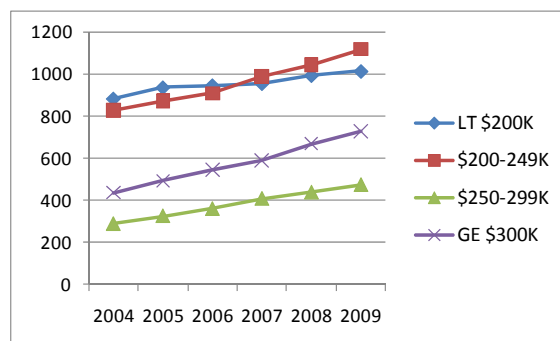
Households Age 35 to 54



Households Age 55 to 74



Households Ages 75+



E. Housing Usage and New Birth Families – 2004 to 2009

The number of new births in the metro area tends to remain relatively stable year to year. Between 2004 and 2009, the number of Dakota County households with new births increased by only one percent. Births by households in owned single family housing, however, decreased by 14 percent. There were steady increases in birth families living in all other housing types. Over the period, 40 percent of the county's new births occurred in housing other than owner-occupied single family housing. This trend towards more families with young children living in non-traditional housing is a metro wide trend and points up the changing expectations for rental and multifamily housing.

Housing Usage by Dakota County New Birth Families (2004 to 2009)

NewHousType	2004	2005	2006	2007	2008	2009	Total	Pct. Of Total
Owned SFD	2,955	2,854	2,874	2,765	2,591	2,527	16,566	59.7%
Rental SFD	172	179	174	150	151	183	1,009	3.6%
Duplex/Triplex	107	93	103	108	112	118	641	2.3%
Owned MF	525	586	626	702	741	723	3,903	14.1%
Rental MF	146	162	151	189	212	210	1,070	3.9%
Mobile Home	118	92	114	114	107	131	676	2.4%
Rental Apt	603	577	507	686	709	784	3,866	13.9%
All Housing Units	4,626	4,543	4,549	4,714	4,623	4,676	27,731	100.0%

Sources : MN Dept of Health, Public Birth Records; Excensus LLC

F. Housing Turnover and Retention – 2004 to 2009

Household turnover is a measure of mobility and an important indicator of housing availability. Turnover is defined as the percentage of all households that moved from their home in a given year. In 2009, Dakota County’s turnover rate was at 5.8 percent. This is a moderate rate, but well below the County’s 7.6 percent rate at the beginning of the period. The fact that this rate is up from 2008, shows some increasing housing market activity – a positive outcome following the housing downturn in 2007/2008.

While slow turnover rates are seen across the metro area, the County’s 2009 single family homeowner turnover rate of 2.4 percent is at the low end of the 2.5 to 3.0 percent range seen in other metro area counties. This rate is also up from the rate in 2007/2008.

The turnover rate differs dramatically depending on type of housing – ranging from two percent for moves from owner-occupied single family housing to 15 percent for moves from rental apartment units. The low turnover for owner-occupied single family households translates into limited availability of owner-occupied housing in the County for new households wishing to move into the County and for existing households looking to move within the County.

Housing Turnover Trends in Dakota County – May 2004 through April 2009

Housing Types	Percent of All HHs that Moved				
	2004/05	2005/06	2006/07	2007/08	2008/09
Owned SFD	4.0%	3.4%	3.2%	1.9%	2.4%
Rental SFD	12.5%	10.9%	12.1%	9.0%	12.0%
Duplex/Triplex	10.9%	9.7%	10.0%	6.5%	7.7%
Owned MF	7.6%	7.1%	5.6%	3.8%	4.9%
Rental MF	13.5%	13.1%	12.6%	7.9%	11.7%
Mobile Home	9.5%	8.9%	8.3%	5.0%	12.2%
Rental Apt	18.6%	17.9%	15.7%	11.0%	15.5%
All Occupied Units	7.6%	7.0%	6.3%	4.1%	5.8%

Source: Excensus LLC

Turnover rates, particularly for owned single family detached homes, have been falling steadily through most of this period. Turnover dropped in other types of housing as well, but not to the same degree. As single family turnover has decreased, rental apartments and multi-family properties have been taking on a more significant role providing a foothold for new households wishing to find a home in the county, providing transitional housing, and supporting a broader range of households types and needs. The section of new birth families supports this point.

Of the 45,022 households that moved during this five year period, forty-seven percent (21,260) were tracked to a new residential address in the 7-county metro area. Two-thirds of these moves both originated and ended in Dakota County. Existing Dakota County households represent the largest market for housing in Dakota County.

Turnover and Retention – All Dakota County Household Moves (May, 2004 to May, 2009)

Housing Types	All HH Ages 5-year Base	Moved 2004-09	Turnover Rate	Relocated in		Dakota Co. Retention
				7-Co. Area	Dakota Co.	
Owned SFD	415,813	12,419	3.0%	6,125	4,287	70.0%
Rental SFD	18,583	2,096	11.3%	993	725	73.0%
Duplex/Triplex	15,626	1,400	9.0%	658	465	70.7%
Owned MF	129,077	7,386	5.7%	3,444	2,185	63.4%
Rental MF	27,890	3,266	11.7%	1,624	1,079	66.4%
Mobile Home	16,430	1,446	8.8%	552	362	65.6%
Rental Apt	108,165	17,009	15.7%	7,864	5,019	63.8%
All Occupied Units	731,584	45,022	6.2%	21,260	14,122	66.4%

Source: Excensus LLC

This table shows turnover of households under age 35. This group had higher levels of turnover across all housing types (12.8 percent) including owner-occupied housing (6.4 percent). Sixty-two percent of these younger Dakota County households were able to find another residence in Dakota County.

Turnover and Retention – Moves by Households under Age 35 (May, 2004 to May, 2009)

Housing Types	HHs <35 5-year Base	Moved 2004-09	Turnover Rate	Relocated in		Dakota Co. Retention
				7-Co. Area	Dakota Co.	
Owned SFD	42,425	2,703	6.4%	1,382	925	66.9%
Rental SFD	4,287	637	14.9%	324	220	67.9%
Duplex/Triplex	3,722	511	13.7%	241	170	70.5%
Owned MF	28,841	2,892	10.0%	1,427	857	60.1%
Rental MF	8,697	1,365	15.7%	724	460	63.5%
Mobile Home	3,535	496	14.0%	223	140	62.8%
Rental Apt	46,309	9,097	19.6%	4,372	2,662	60.9%
All Occupied Units	137,816	17,701	12.8%	8,693	5,434	62.5%

Source: Excensus LLC

Turnover drops sharply starting with households age 35 to 54. Turnover among households age 55 to 74 age groups (55 or older) was the lowest overall at 3.5 percent and for owned single family housing at two percent. Retention rates increased with householder age.

Turnover and Retention – Moves by Households Age 35 to 54 (May, 2004 to May, 2009)

Housing Types	HHs 35-54 5-year Base	Moved 2004-09	Turnover Rate	Relocated in		Dakota Co. Retention
				7-Co. Area	Dakota Co.	
Owned SFD	241,149	6,732	2.8%	3,465	2,414	69.7%
Rental SFD	10,234	1,059	10.3%	509	382	75.0%
Duplex/Triplex	7,687	683	8.9%	330	230	69.7%
Owned MF	46,458	2,692	5.8%	1,264	834	66.0%
Rental MF	10,049	1,256	12.5%	631	438	69.4%
Mobile Home	8,273	658	8.0%	235	156	66.4%
Rental Apt	38,215	5,765	15.1%	2,645	1,750	66.2%
All Occupied Units	362,065	18,845	5.2%	9,079	6,204	68.3%

Source: Excensus LLC

Turnover and Retention – Moves by Households Age 55 to 74 (May, 2004 to May, 2009)

Housing Types	HHs 55-74	Moved 2004-09	Turnover Rate	Relocated in		Dakota Co. Retention
	5-year Base			7-Co. Area	Dakota Co.	
Owned SFD	118,319	2,473	2.1%	1,133	820	72.4%
Rental SFD	3,511	332	9.5%	142	109	76.8%
Duplex/Triplex	3,693	173	4.7%	76	57	75.0%
Owned MF	43,790	1,396	3.2%	623	406	65.2%
Rental MF	6,007	464	7.7%	216	144	66.7%
Mobile Home	4,250	265	6.2%	86	59	68.6%
Rental Apt	16,293	1,665	10.2%	735	521	70.9%
All Occupied Units	195,863	6,768	3.5%	3,011	2,116	70.3%

Source: Excensus LLC

Turnover and Retention – Moves by Households Age 75 or more (May, 2004 to May, 2009)

Housing Types	HHs 75+	Moved 2004-09	Turnover Rate	Relocated in		Dakota Co. Retention
	5-year Base			7-Co. Area	Dakota Co.	
Owned SFD	13,920	511	3.7%	145	128	88.3%
Rental SFD	551	68	12.3%	18	14	77.8%
Duplex/Triplex	524	33	6.3%	11	8	72.7%
Owned MF	9,988	405	4.1%	130	88	67.7%
Rental MF	3,137	181	5.8%	53	37	69.8%
Mobile Home	372	27	7.3%	8	7	87.5%
Rental Apt	7,348	481	6.5%	112	86	76.8%
All Occupied Units	35,840	1,706	4.8%	477	368	77.1%

Source: Excensus LLC

G. Housing Choices – Housing Type Before and After the Move

Choices in housing are important to Dakota County residents. Between May 2004 and May 2009 a total of 28,313 households moved into a Dakota County home from a home either in Dakota County or elsewhere in the 7-county metro area. Thirty-one percent of these moves were to an owned single-family home. Of these moves to single family housing, seventy percent moved from another single family home. Most of the remaining 30 percent came from an apartment or condo/townhome. Similarly, of the 8,809 households entering an apartment in the county, forty-three percent had previously been living in a single family home.

All Households Moving Into a Home in Dakota County (May, 2008 to May, 2009)

Dakota Co. Housing	Dakota Co. HHs ('04-09)		Previous Housing Types for Incoming Households				
	Move-Ins	Percent	Single Family	Duplex/Triplex	Condo/TH	Mobile Home	Apartment
Owned SFD	8,811	31.1%	69.2%	3.3%	12.2%	1.3%	14.0%
Rental SFD	1,247	4.4%	62.6%	5.1%	12.2%	2.1%	18.0%
Duplex/Triplex	801	2.8%	49.2%	8.6%	9.6%	2.2%	30.3%
Owned MF	5,856	20.7%	60.3%	2.7%	11.8%	0.9%	24.2%
Rental MF	2,094	7.4%	52.7%	4.6%	11.9%	1.5%	29.2%
Mobile Home	695	2.5%	49.4%	4.6%	5.5%	22.4%	18.1%
Rental Apt	8,809	31.1%	43.0%	3.7%	8.6%	2.0%	42.7%
Grand Total	28,313	100.0%	56.6%	3.7%	10.7%	2.0%	26.9%

Source: Excensus LLC

In looking at single family residents that moved out of a home in Dakota County, nearly three-quarters (72%) moved to another single family home and forty percent of those leaving an apartment moved to a single family home. The proportion moving to apartments and condo/townhomes increased with householder age. Overall, fifty-nine percent of all moves ended in a single family home.

Households Moving from a Home in Dakota County (2004 to 2009)

Dakota Co. Housing	Dakota Co. HHs ('04-09)		Distribution of Destination Housing Types for Move-out Households				
	Move-Outs	Percent	Single Family	Duplex/Triplex	Condo/TH	Mobile Home	Apartment
Owned SFD	6,591	30.2%	72.0%	1.8%	18.8%	0.8%	6.5%
Rental SFD	1,090	5.0%	71.5%	3.0%	14.2%	1.7%	9.5%
Duplex/Triplex	725	3.3%	63.4%	8.1%	10.3%	1.4%	16.7%
Owned MF	3,581	16.4%	66.2%	2.0%	20.2%	0.8%	10.7%
Rental MF	1,580	7.2%	56.4%	3.9%	21.0%	1.3%	17.4%
Mobile Home	570	2.6%	55.1%	3.7%	8.8%	17.5%	14.9%
Rental Apt	7,661	35.1%	42.9%	3.8%	16.5%	1.8%	35.0%
Grand Total	21,798	100.0%	58.9%	3.0%	17.6%	1.7%	18.7%

Source: Excensus LLC

A total of 14,026 Dakota County households moved to another home in the County over the five year period. Seventy percent of all single family homeowners found another single family home in the county and just 38 percent of all apartment renters moved to another apartment in the County. Nearly as many apartment renters moved to a single family dwelling as moved to another apartment.

Housing Choices for Dakota County Moves that began and ended in Dakota County (2004 to 2009)

Dakota Co. Housing	In-County Moves (2004-09)		Type of Housing After the Move (2004-2009)				
	Move-Outs	Percent	Single Family	Duplex/Triplex	Condo/TH	Mobile Home	Apartment
Owned SFD	4,568	32.6%	69.9%	1.5%	22.0%	1.0%	5.6%
Rental SFD	783	5.6%	69.7%	2.7%	17.0%	2.3%	8.3%
Duplex/Triplex	495	3.5%	60.8%	9.9%	11.3%	1.6%	16.4%
Owned MF	2,229	15.9%	63.6%	1.5%	24.7%	0.9%	9.3%
Rental MF	997	7.1%	51.8%	3.3%	25.8%	1.8%	17.4%
Mobile Home	372	2.7%	48.1%	3.0%	10.5%	26.1%	12.4%
Rental Apt	4,582	32.7%	35.7%	3.5%	19.4%	2.5%	38.8%
Grand Total	14,026	100.0%	55.6%	2.7%	20.9%	2.3%	18.6%

Source: Excensus LLC

H. Household Migration – Dakota County’s Resident Origins and Destinations

Between 2004 and 2009, half (51%) of all metro area moves into Dakota County came from four cities (St. Paul, Minneapolis, Bloomington, and Richfield).

Top Metro Area Origination Cities for Moves into Dakota County (May, 2004 to May, 2009)

Dakota Co. Housing	Move-Ins New to Co.	Top Origination Cities for New HH Moves into Dakota County (2004-2009)									
		St. Paul	Minneapolis	Bloomington	Richfield	Savage	Cottage Grove	Woodbury	Shakopee	Eden Prairie	
Owned SFD	3,184	21.4%	15.8%	10.0%	4.9%	4.2%	2.9%	3.8%	2.6%	2.9%	
Rental SFD	412	27.7%	13.8%	10.2%	2.2%	2.4%	5.8%	2.2%	2.9%	1.7%	
Duplex/Triplex	287	25.4%	10.8%	7.3%	5.2%	3.1%	7.0%	3.8%	1.4%	1.7%	
Owned MF	2,389	17.9%	13.1%	13.4%	4.5%	3.3%	3.9%	3.3%	1.7%	4.2%	
Rental MF	759	21.5%	15.3%	9.5%	4.0%	4.6%	3.3%	4.7%	2.2%	2.1%	
Mobile Home	254	26.8%	16.9%	11.8%	2.4%	4.3%	5.9%	1.6%	4.7%	1.2%	
Rental Apt	3,707	23.0%	14.8%	9.0%	3.9%	3.8%	3.9%	3.7%	2.3%	2.2%	
Grand Total	10,992	21.6%	14.7%	10.3%	4.2%	3.8%	3.7%	3.6%	2.3%	2.8%	

Source: Excensus LLC

Of those households that moved out of Dakota County, half ended up in one of these seven neighboring cities: St. Paul, Minneapolis, Bloomington, Savage, Woodbury, Prior Lake, and Cottage Grove.

Top Destination Cities for Moves from Homes in Dakota County (May, 2004 to May, 2009)

Dakota Co. Housing	Move out of County	Top Destination Cities for Moves out of Dakota County (2004-2009)								
		St. Paul	Minneapolis	Bloomington	Savage	Woodbury	Prior Lake	Cottage Grove	Eden Prairie	Edina
Owned SFD	1,961	11.9%	8.3%	5.7%	5.0%	5.6%	6.1%	3.7%	3.2%	3.3%
Rental SFD	308	15.6%	6.5%	5.2%	6.2%	3.6%	4.9%	7.8%	1.3%	0.6%
Duplex/Triplex	228	14.5%	8.3%	9.6%	4.8%	6.1%	4.4%	9.2%	0.4%	0.9%
Owned MF	1,405	9.5%	10.8%	10.7%	7.6%	5.3%	4.1%	3.3%	2.7%	2.3%
Rental MF	607	13.8%	11.2%	8.7%	5.6%	4.6%	6.1%	2.3%	4.0%	1.8%
Mobile Home	204	13.2%	10.8%	8.3%	7.8%	2.9%	4.4%	5.9%	1.0%	1.0%
Rental Apt	3,279	16.9%	10.9%	8.8%	6.7%	4.6%	2.4%	4.0%	4.0%	1.4%
Grand Total	7,992	13.9%	10.0%	8.2%	6.3%	4.9%	4.1%	4.0%	3.3%	2.0%

Source: Excensus LLC

This table shows those households that moved from Dakota County to a single family home in one of the other six metro area counties. Forty-seven percent of these moves were to these seven cities: St. Paul, Minneapolis, Bloomington, Woodbury, Cottage Grove, Savage, and Prior Lake.

Top Destination Cities for Dakota County Household Moves to a Single Family Dwelling (2004-2008)

Dakota Co. Housing	Moves to SF Out of County	Top Destination Cities for Moves to a Single Family Home Outside of Dakota County (2004-2009)								
		St. Paul	Minneapolis	Bloomington	Woodbury	Cottage Grove	Savage	Prior Lake	Blaine	Coon Rapids
Owned SFD	1,168	9.0%	6.7%	4.9%	6.8%	4.7%	2.6%	3.6%	2.7%	0.9%
Rental SFD	184	13.0%	6.5%	6.0%	2.7%	8.7%	2.7%	3.3%	2.7%	0.5%
Duplex/Triplex	131	9.9%	9.2%	10.7%	6.9%	13.0%	2.3%	2.3%	3.1%	0.8%
Owned MF	751	8.8%	10.7%	9.9%	7.2%	4.4%	5.1%	1.5%	2.3%	1.1%
Rental MF	317	12.3%	11.7%	6.6%	4.7%	2.8%	5.0%	5.0%	2.2%	2.2%
Mobile Home	115	14.8%	12.2%	8.7%	2.6%	7.8%	3.5%	4.3%	0.0%	2.6%
Rental Apt	1,358	17.7%	11.8%	6.8%	5.4%	6.3%	4.0%	1.4%	2.2%	1.8%
Grand Total	4,024	12.5%	9.8%	6.9%	6.0%	5.6%	3.7%	2.5%	2.3%	1.4%

Source: Excensus LLC

I. Home Foreclosure (Sheriff's Sale) Demographics – 2004 to 2009

Sheriff's sale home foreclosures in Dakota County increased nine-fold from 2004 to 2008 (190 foreclosed homes in 2004 to 1,726 homes in 2008). More than half of these sales involved resident householders between the ages of 35 and 54.

Dakota County Sheriff's Sale Foreclosures by Resident Householder Age (2004 to 2009)

Dakota County Foreclosure Trends (2004-09)						
Householder Age	2004	2005	2006	2007	2008	2009 ¹
Under Age 35	60	79	153	370	447	143
Age 35 to 54	104	228	442	724	1,002	300
Age 55 to 74	26	57	130	206	265	116
Age 75+	-	1	1	9	12	10
Foreclosed Total	190	365	726	1,309	1,726	569

1) 2009 foreclosure data does not cover the full year.

Source: Excensus LLC

On a proportionate basis, homeowners under the age of 35 have been hardest hit. In 2008, 3.1 percent of all homeowners under age 35 had a home sold through a Sheriff's sale. This is more than twice the average for all homeowners and nearly twice the rate for homeowners age 35 to 54. Additional affordable housing options are needed as these households attempt to re-enter the housing market.

Homeowners in Sheriff's Sale Foreclosures as a Percent of All Homeowners (2008)

Dakota Co. Foreclosures as Pct. of All HHs (2008)			
Homeowner Age	HHs in Foreclosed Units		
	All HHs	Total	Percent
Under Age 35	14,447	447	3.1%
Age 35 to 54	57,776	1,002	1.7%
Age 55 to 74	36,081	265	0.7%
Age 75+	5,614	12	0.2%
Foreclosed Total	113,918	1,726	1.5%

Source: Excensus LLC

For households that moved as a result of a Sheriff's sale foreclosure during this period, very few have as yet shown up in new housing in the Twin Cities metro area. Many of the moves may not be showing up because the households moved in with parents or friend, left the metro area, or have not yet settled into a permanent location. Of the 282 foreclosures from 2004 to 2008 that were tracked to a new dwelling in the metro area, half had moved into single family housing (owned or rented), 25 percent into a condo or townhome, and 23 percent into an apartment.

Housing Choices after Foreclosure – Housing Type After Relocation (7-County Metro Area – 2004-2008)

Dakota Co. Foreclosed Dwellings	Metro Area Moves ('04-08)		Housing Type Chosen Following 7-County Metro Area Move				
	Move-Outs	Percent	Single Family	Duplex/Triplex	Condo/TH	Mobile Home	Apartment
Owned SFD	125	44.3%	49.6%	4.8%	26.4%	1.6%	17.6%
Rental SFD	38	13.5%	57.9%	7.9%	18.4%	5.3%	10.5%
Duplex/Triplex	14	5.0%	57.1%	0.0%	7.1%	0.0%	35.7%
Owned MF	75	26.6%	45.3%	4.0%	17.3%	1.3%	32.0%
Rental MF	22	7.8%	59.1%	4.5%	13.6%	0.0%	22.7%
Mobile Home	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rental Apt	8	2.8%	25.0%	0.0%	12.5%	0.0%	62.5%
Grand Total	282	100.0%	50.0%	4.6%	20.6%	1.8%	23.0%

Source: Excensus LLC

A large share (71%) of the tracked foreclosure households ended up in another home in Dakota County. Housing type does not appear to be a factor in determining the likelihood of foreclosed households finding another residence in Dakota County.

Housing Choices – Destination Cities following Dakota County Home Foreclosures (Metro Area – 2004-2008)

Foreclosure Type	Metro Area Moves ('04-08)	County Destination following Dakota Co. Sheriff's Sale						
		Dakota	Anoka	Carver	Hennepin	Ramsey	Scott	Washington
Owned SFD	143	73.4%	1.4%	0.0%	3.5%	9.8%	7.0%	4.9%
Rental SFD	45	80.0%	0.0%	0.0%	2.2%	2.2%	11.1%	4.4%
Duplex/Triplex	15	66.7%	0.0%	0.0%	26.7%	6.7%	0.0%	0.0%
Owned MF	82	72.0%	1.2%	1.2%	0.0%	15.9%	2.4%	7.3%
Rental MF	27	63.0%	0.0%	3.7%	0.0%	3.7%	14.8%	14.8%
Mobile Home	27	63.0%	0.0%	3.7%	0.0%	3.7%	14.8%	14.8%
Rental Apt	9	33.3%	0.0%	11.1%	0.0%	55.6%	0.0%	0.0%
Grand Total	348	71.0%	0.9%	1.1%	2.9%	10.3%	7.2%	6.6%

Source: Excensus LLC

J. Dakota CDA Householder Demographics – 2009

There were a total of 1,576 occupied Dakota County CDA housing units identified as of May, 2009. The bulk of these properties are classified as either rental multifamily or rental apartments. The owned multifamily units (townhomes) represent 12 percent of the Dakota County total in this category. Demographically, the CDA townhomes serve proportionately more households age 55 or older and fewer households under the age of 35.

Distribution of Dakota County HRA Properties by Housing Type (May 2009)

Housing Types	CDA Units	All Housing
Owned SFD	-	84,674
Rental SFD	73	3,885
Duplex/Triplex	19	3,166
Owned MF	-	27,308
Rental MF	733	6,165
Mobile Home	-	3,492
Rental Apt	751	22,478
Occupied Units	1,576	151,168

Source: Excensus LLC

Age of Householders in Dakota County CDA Townhomes (May 2009)

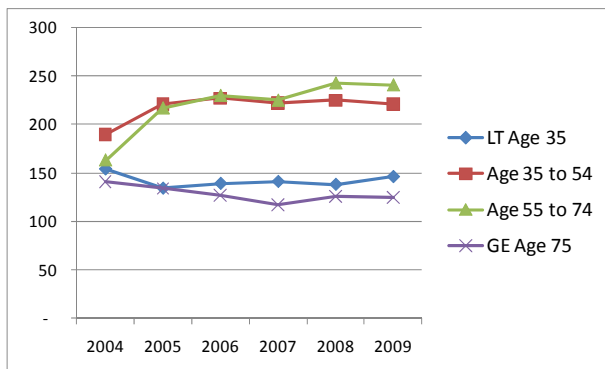
Household Age	CDA Rental MF		All Other Rental MF	
	Units	Percent	Units	Percent
LT Age 35	146	19.9%	1,716	31.6%
Age 35 to 54	221	30.2%	2,091	38.5%
Age 55 to 74	241	32.9%	1,078	19.8%
GE Age 75	125	17.1%	547	10.1%
Occupied Units	733	100.0%	5,432	100.0%

Source: Excensus LLC

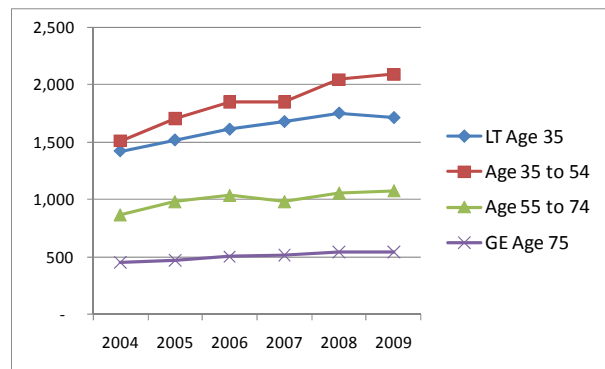
Both the CDA and non-CDA townhome units saw a gain in households ages 35 to 74 during the period. The CDA properties had a relatively stable base of younger households.

Changes in the Mix of Householder Ages (2004 to 2009)

CDA Townhome Units



All Other Dakota County Townhome Units



There were 350 CDA townhome households that moved to another location during the period 2004 to 2009. This is a 10 percent annualized turnover rate. The non-CDA rate was 12 percent. In both cases, the turnover rate decreased with householder age. Half of CDA household moves ended up within the 7-county area and, of these, 71 percent relocated in Dakota County. The CDA properties succeeded in retaining a larger share of the metro area moves in Dakota County than did the non-CDA properties.

Turnover and Retention of CDA Townhome Renters – 2004 to 2009

Household Age	All HH Ages	Moved 2004-09	Turnover Rate	Relocated in		Dakota Co Retention
	5-year Base			7-Co. Area	Dakota Co	
LT Age 35	706	109	15.4%	65	49	75.4%
Age 35 to 54	1,085	118	10.9%	69	45	65.2%
Age 55 to 74	1,078	70	6.5%	35	27	77.1%
GE Age 75	645	53	8.2%	11	8	72.7%
All Occupied Units	3,514	350	10.0%	180	129	71.7%

Source: Excensus LLC

Turnover and Retention of Non-CDA Townhome Renters – 2004 to 2009

Household Age	All HH Ages	Moved 2004-09	Turnover Rate	Relocated in		Dakota Co Retention
	5-year Base			7-Co. Area	Dakota Co	
LT Age 35	7,991	1,256	15.7%	777	485	62.4%
Age 35 to 54	8,964	1,138	12.7%	665	468	70.4%
Age 55 to 74	4,929	394	8.0%	219	143	65.3%
GE Age 75	2,492	128	5.1%	47	34	72.3%
All Occupied Units	24,376	2,916	12.0%	1,708	1,130	66.2%

Source: Excensus LLC

Households moving from a CDA townhome were more likely to move to a single family home than to another townhome or apartment. A third of all metro area moves were to a single family home.

CDA Townhome Moves - Housing Type after the Metro Area Move – 2004 to 2009

HRA Households	Metro Moves	Housing Type Following Move			
	2004-09	SFD	Duplex/Triplex	Condo/TH	Apartment
LT Age 35	65	25	5	9	12
Age 35 to 54	69	20	5	10	10
Age 55 to 74	35	10	-	7	11
GE Age 75	11	5	-	2	8
All Occupied Units	180	60	10	28	41

Source: Excensus LLC

K. Data Description and Definition of Terms

The information presented in this report is based on household-level profiles and tracking data developed and maintained by Excensus LLC. All rights to this information remain the property of Excensus LLC.

Data Sources

The demographic profiles have been created by Excensus from administrative data sets shared for research and planning purposes by Federal, State, and local government sources. Principal data sets include the US Postal Service resident file, the Minnesota Department of Public Safety driver's license and vehicle registration files, the Minnesota Department of Health Live Birth data, County foreclosure data, and the MetroGIS parcel and property ownership files. All private and confidential information on individuals and households is protected by non-disclosure agreements, usage licenses, and/or Minnesota privacy statutes and may not be released by Excensus.

Methodology

All charts and tables used in this report refer to actual household counts. The 7-County metro area data set consists of more than 1 million households and their occupied housing units. Each household record is linked to its individual property parcel using GIS. This helps provide address verification and permits household and housing attributes to be mapped and linked by means of a relational database. This is a longitudinal data set. All householders and other adults in these households are assigned a unique identifier which permits the tracking of householders as they move from location to location within the 7-county metro area.

Definitions of Terms

Household – For purposes of this analysis, a household is equivalent to an “occupied housing unit.” Note that households may be created or lost as members of a single household relocate to separate dwellings or where separate households come together into a single housing unit. This differs from the definition used by the Census Bureau which permits multiple households (unrelated individuals or families) to occupy a single housing unit.

Householder – This is the oldest adult living in an occupied housing unit. Note that the householder may change from year to year as the members of the household change. In the Excensus system, the householder in each dwelling is updated annually.

Turnover – The base consists of household moves from an existing home. A move is indicated when the household is no longer residing at a particular address. The turnover rate is the percent of all households that moved and is computed as an average annual rate.

Retention – Moves within the 7-county metro area where the householder relocated in the same geographic area (i.e., county for purposes of this report). The retention rate is the proportion of all moves that are retained in the same geographic area.

Move-up Housing – Typically a larger, more expensive home that a homeowner buys in response to an expanding household or increasing income.

Aging in Place – Household members that remain in their current home rather than moving. Household members age during that period. A community that is aging-in-place may appear to be unchanged, but the needs of the residents change due of aging.

Housing Choices – These are the housing options (type, style, price and location) available to a household looking for new owned or rental housing. This analysis shows “choice” based on actual market behavior – that is, what different groups of households are buying or renting.

Single Family Housing – Generally, this is a dwelling with a separate, private entrance. A single family detached (SFD) home is a dwelling that is not attached to another dwelling unit. A single family attached (SFA) home is a dwelling that is physically attached to at least one other dwelling unit.

Examples of single family attached homes include townhomes, duplexes, triplexes and quad homes. Mobile homes are also considered single family attached dwellings for purposes of this research.

Multi-Family Housing – Generally, this is a group of attached dwelling units with a common entrance. Examples of a multi-family home would include most condominiums and apartments.

Lifecycle Segments – These are groupings of householders by age that are representative of different stages in the life of a household – “forming households” (under age 35), “growing households” (ages 35 to 54), “mature households” (ages 55 to 74), and “aging households” (ages 75+). This typology is useful for describing underlying household needs and housing requirements.