

Housing Location Preferences of Minnesotans

February 2012

Planning, Analysis & Evaluation Unit



Introduction

Minnesota Housing's mission is to finance and advance affordable housing opportunities for low- and moderate-income Minnesotans to enhance quality life and foster strong communities. This requires supporting the location preferences of individuals but also balancing these individual preferences with larger societal goals, such as using scarce public resources as efficiently and effectively as possible, reducing transportation costs and fossil fuel consumption, and encouraging vibrant and economically integrated communities.

One step in this balancing process is to understand the housing location preferences of Minnesotans, most importantly the low- and moderate-income households who are eligible to be served by the agency. In a statewide survey of 804 Minnesotans that was administered by the University of Minnesota's Center for Survey Research from October through December of 2011, we asked how important the following factors are in the respondent's decision about where he or she would like to live:

- Having a short commute,
- Living close to shopping and services,
- Living close to restaurants, theaters, and other cultural facilities,
- Being within walking distance to the bus or light rail,
- Living close to family and friends,
- Having high quality schools,
- Having a low crime rate,
- Having a large suburban style yard,
- Having more than 5 acres of land,
- Having low rent or mortgage payments, and
- Living in a community with rising home values.

By allowing families to fulfill their location preferences, Minnesota Housing will help enhance their quality of life. For example, by living in a neighborhood with a low crime rate, families will feel safer, which reduces stress. By living in a community with a strong school system, parents help their children to obtain a higher quality education, which will facilitate greater prosperity for the family in the future. By living near shopping and services, families will have an easier time carrying out daily tasks.

Analysis

For the state as a whole, the importance of each location factor is shown in Table 1. Table 2, at the end of the report, shows the results in greater detail.

Table 1: All Minnesotans – Importance of Various Housing Location Factors

Critically Important	More Important	Less Important	Not Important
Identified as being critically important by the vast majority of respondents	Identified as being at least somewhat important by the vast majority respondents	Identified as being at least somewhat important by most respondents	Identified as being not important by most respondents
<ul style="list-style-type: none"> • Having a low crime rate, and • Having high quality schools. 	<ul style="list-style-type: none"> • Living close to family and friends, • Having low rent or mortgage payments, • Living close to parks and recreation facilities, • Having a short commute, • Living in a community with rising property values, and • Living close to shopping and services 	<ul style="list-style-type: none"> • Living close to restaurants, theaters, and other cultural resources. 	<ul style="list-style-type: none"> • Having more than 5 acres of land • Having a large suburban style yard • Being within walking distance to the bus or light rail

When the responses are disaggregated and broken out into different categories of Minnesotans, the results vary some.

- Living close to restaurants, theaters, and other cultural resources and being within walking distance to the bus or light rail is more important to renters and Twin Cities metro residents. Cultural resources, public transportation, and rental housing often characterize an urban environment.
- Having low rent or mortgage payments is more important to renters and households with an income less than \$50,000, which is not surprising given the financial situation of the typical lower-income renter.
- Living in a community with rising property values is more important to homeowners and Twin Cities metro area residents. Many homeowners consider housing a financial investment for which they want an appreciating value. In addition, the foreclosure crisis and dramatic declines in housing values have been much more pronounced in the metro area; thus, metro homeowners may be more concerned about declining property values.

Again, Table 2 (at the end of the report) presents the result details.

We also looked at the results by examining households eligible to be served by Minnesota Housing – low and moderate income households (using households with an annual household income less than \$50,000 as a proxy). Specifically, we examined:

- Low- and moderate-income renters in the Twin Cities metro area
- Low- and moderate-income renters in Greater Minnesota
- Low- and moderate-income homeowners in the Twin Cities metro area
- Low- and moderate-income homeowners in Greater Minnesota

The survey results for the agency's target market were generally the same as the statewide results with some notable differences:

- The most dramatic difference in the survey results was for low- and moderate-income renters in the Twin Cities metro area. The majority of this group identified 8 of the 12 factors as being “critically” important, which is the most of any group. Access to jobs, services, transit, and other amenities is clearly important to this group. In fact, 57 percent of this group said being within walking distance to the bus or light rail is critically important, which is far higher than any other group. Only 14 percent of all survey respondents said that being within walking distance to the bus or light rail was critically important.
- Of the four low- and moderate-income groups, homeowners in Greater Minnesota rated living close to jobs, services, transit, and other amenities the least important.

Table 3 shows the survey results for these low- and moderate income Minnesotans. (While roughly 800 Minnesotans responded to the survey, the number of responses in the low- and moderate-income categories is relatively small, limiting the generalization of the results beyond the survey respondents.)

Using Survey Results – Possible Next Steps

There are two clear uses of these survey results: (1) assessing the location of new housing developments, and (2) overcoming individual preferences to achieve societal goals.

Assessing Location of New Affordable Housing

One of the clearest pictures drawn from this survey data is that Minnesotans consider school performance and crime rate two very important factors in deciding where they would like to live. Consequently, when the location desirability of a proposed affordable housing development is assessed, good schools and low crime rates are important. However, as the survey results also show, other location factors are important, particularly for lower-income renters in the Twin Cities metropolitan area. These factors include: having a short commute, living close to shopping and services, living close to parks and recreation facilities, being within walking distance of the bus or light rail, and living close to family and friends. The location of new affordable housing should be assessed holistically, looking at the full range of factors that will improve a household's quality of life and prosperity.

Overcoming individual preferences to achieve societal goals

If Minnesotans strongly prefer living in communities with good schools and low crime rates, how can Minnesota Housing and its partners use housing to stabilize communities needing revitalization? These communities often have lower performing schools and higher crime rates. Clearly, housing investments need to be one part of a larger community revitalization effort that includes improving schools, reducing crime, and promoting economic development.

Survey Issues

The survey involved randomly calling 9,703 Minnesotans, which included both landline and cell phone numbers. In the end, 804 adults completed the survey. The demographics of the sample largely matched the demographics of the household population in Minnesota, with two exceptions. First, the sample slightly overrepresented Minnesotans over age 45 and under represented younger adults. Second, the sample overrepresented homeowners and underrepresented renters, which may just reflect the fact that the sample overrepresented older adults.

Detailed Survey Results

Table 2: Location Preferences – Full Sample by Category
Percentage of Respondents who Classified a Housing Location Factor as Critically, Somewhat, or Not Important

	All – N=797			Homeowners – N= 647			Renters – N = 148		
	Critically Important	Somewhat Important	Not Important	Critically Important	Somewhat Important	Not Important	Critically Important	Somewhat Important	Not Important
Having a short commute	30.4%	47.8%	21.8%	28.6%	48.4%	23.0%	38.5%	45.3%	16.2%
Living close to shopping and services	22.7%	58.5%	18.8%	19.6%	60.1%	20.2%	36.5%	50.7%	12.8%
Living close to restaurants, theaters, and cultural resources	15.2%	57.7%	27.1%	13.5%	58.0%	28.5%	23.0%	55.4%	21.6%
Living close to parks and recreation facilities	27.7%	53.6%	18.7%	25.3%	55.0%	19.8%	38.5%	47.3%	14.2%
Being within walking distance to the bus or light rail	14.2%	30.0%	55.8%	10.3%	30.8%	58.9%	31.8%	26.4%	41.9%
Living close to family and friends	45.8%	46.6%	7.6%	45.2%	48.5%	6.3%	48.6%	37.8%	13.5%
Having high quality schools	72.5%	21.3%	6.1%	71.7%	22.3%	6.0%	76.2%	17.0%	6.8%
Having a low crime rate	85.3%	13.4%	1.2%	86.0%	13.3%	0.6%	81.9%	14.1%	4.0%
Having a large suburban style yard	10.7%	35.0%	54.3%	11.3%	35.0%	53.7%	8.3%	35.9%	55.9%
Having more than 5 acres of land	11.5%	21.6%	66.9%	11.7%	20.5%	67.8%	10.8%	27.0%	62.2%
Having low rent or mortgage payments	41.0%	45.3%	13.7%	36.9%	47.3%	15.9%	59.2%	36.7%	4.1%
Living in a community with rising home values	23.2%	53.2%	23.6%	23.4%	54.2%	22.4%	22.6%	47.9%	29.5%

Critically Import = More than 50% classified it as Critically Important

High Somewhat Important = At least 75% classified it as Critically or Somewhat Important, but no more than 50% classified it as Critically Important

Low Somewhat Important = 50% or more classified it as Critically or Somewhat Important but less than 75%; and no more than 50% Critically Important

Not Important = More than 50% classified it as Not Important

Table 2 (continued): Location Preferences – Full Sample by Category
Percentage of Respondents who Classified a Housing Location Factor as Critically, Somewhat, or Not Important

	Greater Minnesota – N=390			Twin Cities Metro – N=406			Income Less than \$50,000 – N= 284		
	Critically Important	Somewhat Important	Not Important	Critically Important	Somewhat Important	Not Important	Critically Important	Somewhat Important	Not Important
Having a short commute	28.5%	45.9%	25.6%	32.3%	49.5%	18.2%	32.4%	44.7%	22.9%
Living close to shopping and services	17.1%	57.9%	25.0%	27.9%	59.1%	13.0%	29.7%	50.7%	19.6%
Living close to restaurants, theaters, and cultural resources	11.4%	51.6%	37.0%	19.0%	63.3%	17.7%	15.1%	53.9%	31.0%
Living close to parks and recreation facilities	19.5%	56.9%	23.6%	35.5%	50.5%	14.0%	29.2%	52.1%	18.7%
Being within walking distance to the bus or light rail	9.7%	26.5%	63.9%	18.7%	33.3%	48.0%	21.0%	30.4%	48.6%
Living close to family and friends	47.3%	45.3%	7.3%	44.4%	47.8%	7.8%	49.5%	42.2%	8.4%
Having high quality schools	74.5%	21.2%	4.3%	70.8%	21.4%	7.9%	73.2%	21.8%	4.9%
Having a low crime rate	84.0%	14.0%	2.0%	86.8%	12.7%	0.5%	85.3%	12.6%	2.1%
Having a large suburban style yard	11.6%	30.2%	58.1%	9.9%	39.5%	50.6%	11.0%	31.3%	57.7%
Having more than 5 acres of land	17.0%	27.4%	55.6%	5.9%	15.8%	78.2%	14.4%	24.3%	61.3%
Having low rent or mortgage payments	41.2%	44.8%	14.0%	40.4%	46.1%	13.5%	51.6%	37.5%	11.0%
Living in a community with rising home values	18.9%	50.8%	30.3%	27.3%	55.3%	17.4%	21.3%	49.6%	29.1%

Critically Import = More than 50% classified it as Critically Important

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Not Important = More than 50% classified it as Not Important

Table 3: Location Preferences – Only Low and Moderate Income Respondents (Household Income less than \$50,000)
Percentage of Respondents who Classified a Housing Location Factor as Critically, Somewhat, or Not Important

	N=48			N = 44			N=61			N=133		
	TC Metro / Low-Moderate / Renter			Grtr MN / Low-Moderate / Renter			TC Metro / Low-Moderate / Owner			Grtr MN / Low-Moderate / Owner		
	Critically Important	Somewhat Important	Not Important	Critically Important	Somewhat Important	Not Important	Critically Important	Somewhat Important	Not Important	Critically Important	Somewhat Important	Not Important
Having a short commute	50.4%	45.6%	3.9%	31.6%	45.7%	22.7%	29.6%	50.6%	19.9%	27.8%	40.5%	31.8%
Living close to shopping and services	59.3%	30.4%	10.3%	21.4%	55.4%	23.3%	30.6%	53.9%	15.5%	21.6%	54.2%	24.2%
Living close to restaurants, theaters, and cultural resources	30.0%	61.7%	8.3%	11.8%	48.7%	39.6%	10.7%	69.5%	19.8%	13.0%	45.2%	41.8%
Living close to parks and recreation facilities	60.1%	29.1%	10.9%	23.4%	62.2%	14.4%	35.6%	51.8%	12.6%	16.6%	57.7%	25.7%
Being within walking distance to the bus or light rail	57.3%	23.0%	19.7%	14.8%	27.5%	57.6%	20.6%	36.9%	42.4%	10.6%	30.3%	59.1%
Living close to family and friends	51.8%	33.0%	15.2%	54.9%	32.3%	12.7%	48.6%	46.9%	4.6%	46.8%	46.9%	6.3%
Having high quality schools	86.7%	6.1%	7.3%	80.2%	17.5%	2.3%	64.9%	27.3%	7.9%	69.8%	26.2%	4.0%
Having a low crime rate	86.7%	11.2%	2.1%	80.3%	13.8%	5.9%	82.7%	17.3%	0.0%	88.3%	10.2%	1.5%
Having a large suburban style yard	10.7%	41.4%	47.8%	8.2%	24.6%	67.3%	3.5%	35.6%	60.9%	16.0%	28.1%	55.9%
Having more than 5 acres of land	12.2%	28.2%	59.6%	20.6%	31.4%	48.0%	6.6%	12.8%	80.6%	17.3%	25.7%	57.0%
Having low rent or mortgage payments	75.9%	20.9%	3.2%	60.4%	36.0%	3.6%	46.1%	38.4%	15.5%	41.8%	43.6%	14.6%
Living in a community with rising home values	29.5%	44.6%	25.8%	15.9%	55.4%	28.7%	23.3%	57.7%	19.0%	19.6%	45.0%	35.4%

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