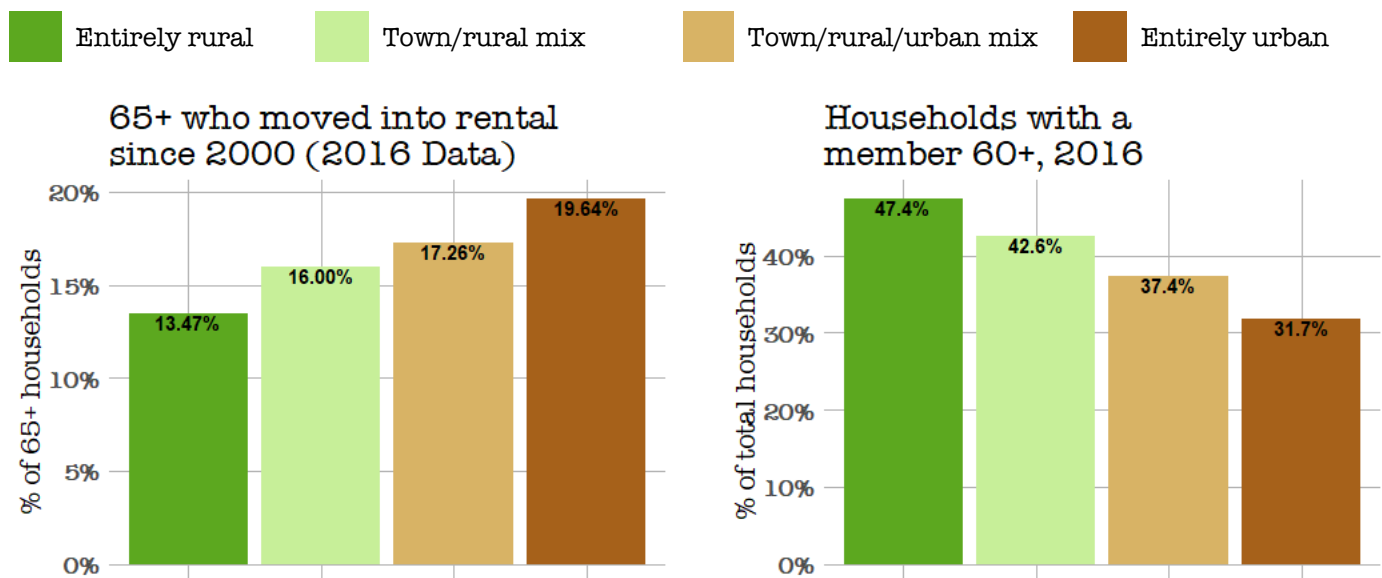


The rural workforce housing shortage: Getting to the heart of the issue

In rural areas, economic and demographic forces are at work creating a housing shortage that many communities say is keeping them from attracting much-needed new workers.

Demographic Forces

In rural areas, older households tend to move less, while at the same time they represent a larger percentage of total households.

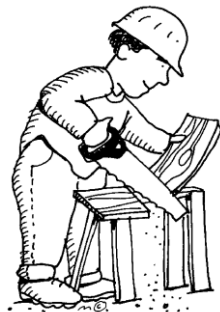


This lack of movement among older households creates something of a domino effect in the rural housing stock, freeing up fewer single-family homes for the new workforce and resulting in a shortage of housing across the entire housing life-cycle.

Economic Forces

Increasing Home Construction Costs

Construction costs have increased 60% to 90% since the early 2000s, resulting in less development and more challenges to rehab homes.



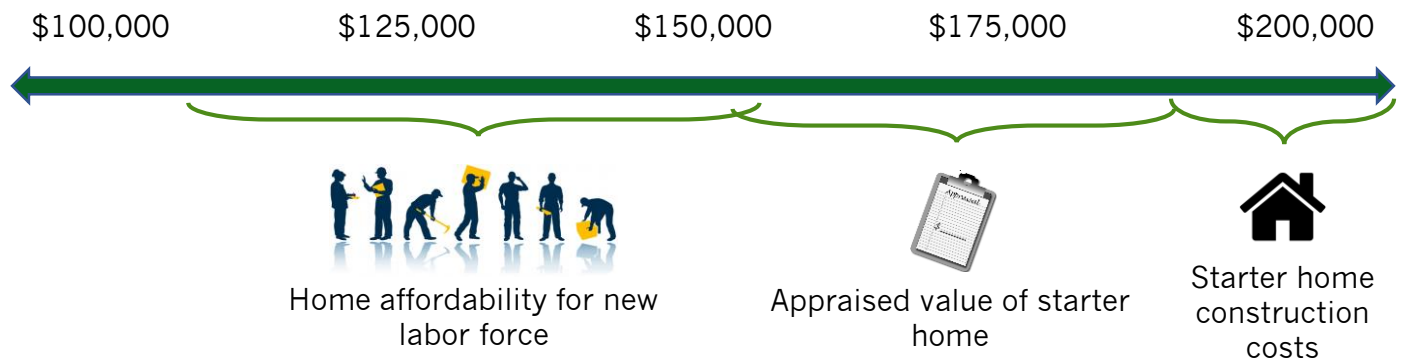
Low Home Values

Median home values are 25% to 50% lower in rural areas compared to metropolitan regions, resulting in new homes being appraised at values lower than what it cost to build them.

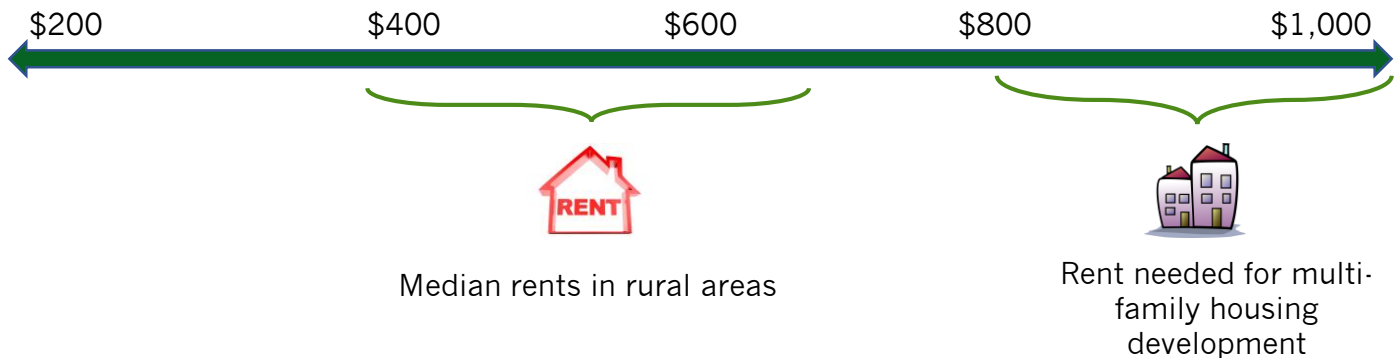
To read the full report, visit our website at ruralmn.org.

The rural workforce housing shortage: Getting to the heart of the issue

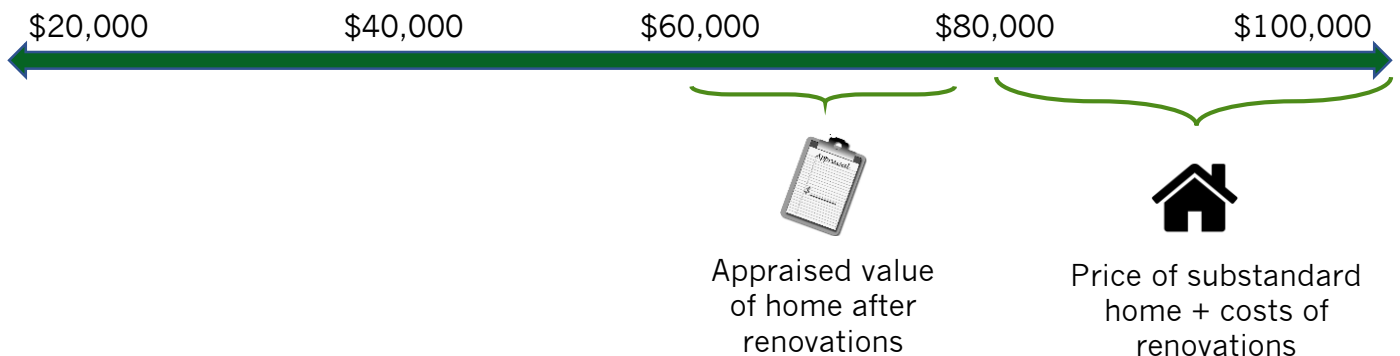
New construction “starter homes” are out of reach for incoming workforce. A significant gap exists between starter home costs and appraised value of home after construction.



Low rents makes it challenging to recruit lenders and investors for the development of multi-family housing.



The lower values of substandard homes coupled with the high cost of renovations makes them a poor investment for families and creates significant challenges for banks looking to lend on this type of home.



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