

2005 St. Paul Housing Study: Owner-Occupied Housing

**Prepared by
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Conducted on behalf of St. Paul Coalition for Community Development
February, 2006**

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Table of Contents

Introduction.....	1
Section One: St. Paul General Information.....	2
Saint Paul Neighborhoods.....	2
Section Two: Home Value Information.....	5
Owner-Occupied Housing Price Estimates.....	5
Methodology	5
2002 Median Sales	5
2005 Median Sales.....	5
2002 All Sales	6
2002 Single Family Sales.....	8
2002 Condominium Sales	10
2002 Townhome Sales.....	12
2002 Twin Home Sales.....	14
2002 Home Value Predictive Spread.....	16
2005 All Sales	19
2005 Single Family Sales.....	21
2005 Condominium Sales	23
2005 Townhome Sales.....	25
2005 Twin Home Sales.....	27
2005 Home Value Predictive Spread.....	29
Section Three: Neighborhood Incomes	31
Median Family Income	31
Methodology	31
Section Four: Comparison of Neighborhood Home Prices and Incomes	33
Comparison of 2002 and 2005 Median Sale Prices for All Sales.....	33
Comparison of 2001 and 2004 Median Family Incomes.....	33
Section 5: Affordability Gap Analysis.....	36
Section Six: Home Prices and Housing Quality	38
Section Seven: Home Prices, Subprime Lending and Foreclosures	41
Section Eight: Conclusions and Recommendations	46
Conclusions.....	46
Recommendations	47
REFERENCES	49

Index of Maps

Map 1: St. Paul Neighborhoods	4
Map 2: 2002 Median Sale Price by St. Paul Neighborhood	7
Map 3: 2002 Single Family Median Sale Price by St. Paul Neighborhood.....	9
Map 4: 2002 Condominium Median Sale Price by St. Paul Neighborhood	11
Map 5: 2002 Townhome Median Sale Price by St. Paul Neighborhood	13
Map 6: 2002 Twin Home Median Sale Price by St. Paul Neighborhood	15
Map 7: 2002 Home Value Predictive Spread	17
Map 8: 2002 Home Values and Minority Population.....	18
Map 9: 2005 Median Sale Price by St. Paul Neighborhood	20
Map 10: 2005 Single Family Median Sale Price by St. Paul Neighborhood.....	22
Map 11: 2005 Condominium Median Sale Price by St. Paul Neighborhood	24
Map 12: 2005 Townhome Median Sale Price by St. Paul Neighborhood	26
Map 13: 2005 Twin Home Median Sale Price by St. Paul Neighborhood	28
Map 14: 2002 Home Value Predictive Spread	30
Map 15: 2002 Home Values and Owner-Occupied Units without Complete Kitchen Facilities	39
Map 16: 2002 Home Values and Owner-Occupied Units without Complete Plumbing Facilities	40
Map 17: 2002 Subprime Loan Originations	42
Map 18: 2002 Foreclosures (As presented in an article by Jeff Crump in the CURA Reporter, Spring 2005.)	43
Map 19: 2002 Home Values and Subprime Loan Originations.....	44
Map 20: 2002 Subprime Loan Originations and Minority Population	45

Index of Tables

Table 1: St. Paul Neighborhood Characteristics	2
Table 2: 2002 Median Sale Price by St. Paul Neighborhood	6
Table 3: 2002 Single Family Median Sale Price by St. Paul Neighborhood	8
Table 4: 2002 Condominium Median Sale Price by St. Paul Neighborhood	10
Table 5: 2002 Townhome Median Sale Price by St. Paul Neighborhood	12
Table 6: 2002 Twin Home Median Sale Price by St. Paul Neighborhood	14
Table 7: 2005 Median Sale Price by St. Paul Neighborhood	19
Table 8: 2005 Single Family Median Sale Price by St. Paul Neighborhood	21
Table 9: 2005 Condominium Median Sale Price by St. Paul Neighborhood	23
Table 10: 2005 Townhome Median Sale Price by St. Paul Neighborhood	25
Table 11: 2005 Twin Home Median Sale Price by St. Paul Neighborhood	27
Table 12: Median Family Income by St. Paul Neighborhood, 1999-2004	31
Table 13: Percent of Median Family Income by St. Paul Neighborhood, 2004	32
Table 14: Affordability Gaps by Median Family Income and St. Paul Neighborhood, 2004	37

Index of Charts

Chart 1: 2002 and 2005 Median Sale Price Comparison by St. Paul Neighborhood	34
Chart 2: 2001 and 2004 Median Family Income Comparison by St. Paul Neighborhood	35

Introduction

The purpose of this report, conducted on behalf of the Saint Paul Coalition for Community Developers (SPCCD), is to better inform all of the stakeholders in the Saint Paul Owner-Occupied Housing Market. Stakeholders include the Saint Paul City Council, SPCCD member organizations, other neighborhood organizations, St. Paul residents and other interested parties. The primary goal of the project is to provide a current analysis of the financial barriers that households in the City of St. Paul face in regards to homeownership.

The information presented in this report is divided into several sections:

Section One provides general information about the City of St. Paul and its neighborhoods.

Section Two provides housing price information as estimated using MLS data provided by the Regional MLS of Minnesota via the St. Paul Area Association of Realtors and Habana Realty. Housing price information is given by neighborhood. In addition, a predictive model was used to estimate housing values across the City of St. Paul; therefore, it allows for a better representation of home prices without regard to neighborhood boundaries.

Section Three provides estimates for median family income by neighborhood.

Section Four compares the increases in housing prices between 2002 and 2005 and the increases in median family incomes between 2001 and 2004. This is done to illustrate how housing prices are increasing at a much faster rate than incomes throughout the City of St. Paul.

Section Five estimates the affordability gap needed in order for a family to afford the median housing price in the neighborhood.

Section Six attempts to demonstrate the relationship between housing quality and housing price using kitchen and plumbing facility information provided by Census 2000.

Section Seven provides information as it relates to subprime loan origination, foreclosures and housing price.

Section Eight provides some conclusions and recommendations.

Section One: St. Paul General Information

Saint Paul Neighborhoods

Saint Paul is divided into 17 neighborhoods, also known as planning districts, which include: Battle Creek, Como, Dayton's Bluff, Downtown, Greater Eastside, Hamline Midway, Highland, Lexington Hamline, Macalester Groveland, North End, Payne Phalen, St. Anthony Park, Summit Hill, Summit University, Thomas Dale, West Seventh and West Side. *See Map #1.*

Table 1: St. Paul Neighborhood Characteristics

Planning District	Neighborhood	Population	Area in Square Miles	Density	Households (HH)	Families		Housing Units					
						#	% of HH	Total	Occupied	Owner		Renter	
										#	% of Occupied	#	% of Occupied
1	Battle Creek	20,065	9.60	2,089	7,955	4,930	61.97%	8,105	7,955	4,535	57.01%	3,420	42.99%
10	Como	12,435	2.56	4,858	5,330	2,770	51.97%	5,450	5,330	3,525	66.14%	1,805	33.86%
4	Daytons Bluff	17,760	2.83	6,268	5,715	3,610	63.17%	5,990	5,715	3,330	58.27%	2,385	41.73%
17	Downtown	5,745	1.03	5,601	3,770	635	16.84%	4,025	3,770	610	16.18%	3,160	83.82%
2	Greater Eastside	26,565	3.93	6,768	9,860	6,430	65.21%	10,075	9,860	6,425	65.16%	3,440	34.89%
11	Hamline Midway	11,820	1.89	6,254	4,865	2,400	49.33%	5,035	4,865	2,980	61.25%	1,885	38.75%
15	Highland	23,200	6.03	3,848	10,620	5,385	50.71%	10,890	10,620	5,930	55.84%	4,690	44.16%
13	Lexington Hamline	18,805	2.90	6,489	7,190	3,355	46.66%	7,410	7,190	3,460	48.12%	3,725	51.81%
14	Macalester Groveland	19,770	2.59	7,623	8,230	4,460	54.19%	8,395	8,230	5,925	71.99%	2,300	27.95%
6	North End	24,655	4.29	5,753	9,600	5,410	56.35%	9,900	9,600	4,820	50.21%	4,780	49.79%
5	Payne Phalen	31,530	4.29	7,348	10,380	6,655	64.11%	10,780	10,380	6,050	58.29%	4,330	41.71%
12	St. Anthony Park	6,075	2.41	2,521	2,560	1,235	48.24%	2,610	2,560	1,245	48.63%	1,315	51.37%
16	Summit Hill	6,740	0.92	7,305	3,410	1,350	39.59%	3,505	3,410	1,590	46.63%	1,820	53.37%
8	Summit University	18,190	1.83	9,967	7,445	3,400	45.67%	7,780	7,445	2,930	39.36%	4,510	60.58%
7	Thomas Dale	17,250	1.71	10,064	5,030	3,370	67.00%	5,285	5,030	2,275	45.23%	2,755	54.77%
9	West Seventh	10,410	2.74	3,797	4,580	2,135	46.62%	4,735	4,580	2,570	56.11%	2,015	44.00%
3	West Side	16,135	4.58	3,523	5,565	3,475	62.44%	5,740	5,565	3,260	58.58%	2,305	41.42%
City of Saint Paul		287,150	56	5,116	112,105	61,005	54.42%	115,710	112,105	61,460	54.82%	50,640	45.17%

Source: Census 2000 & Wilder Research Center

According to Census 2000, as compiled by the Wilder Research Center, neighborhood populations range from 5,745 in Downtown to 31,530 in Payne Phalen. Average neighborhood population is 16,891 persons per neighborhood. Similarly, land area, in square miles, ranges from 0.92 square miles in Summit Hill to 9.6 square miles in Battle Creek with an average size of 3.30 square miles. Thus, the average density in St. Paul is 5,116 persons per square mile. Thomas Dale had the highest density of 10,064 persons per square mile. *See Table #1.*

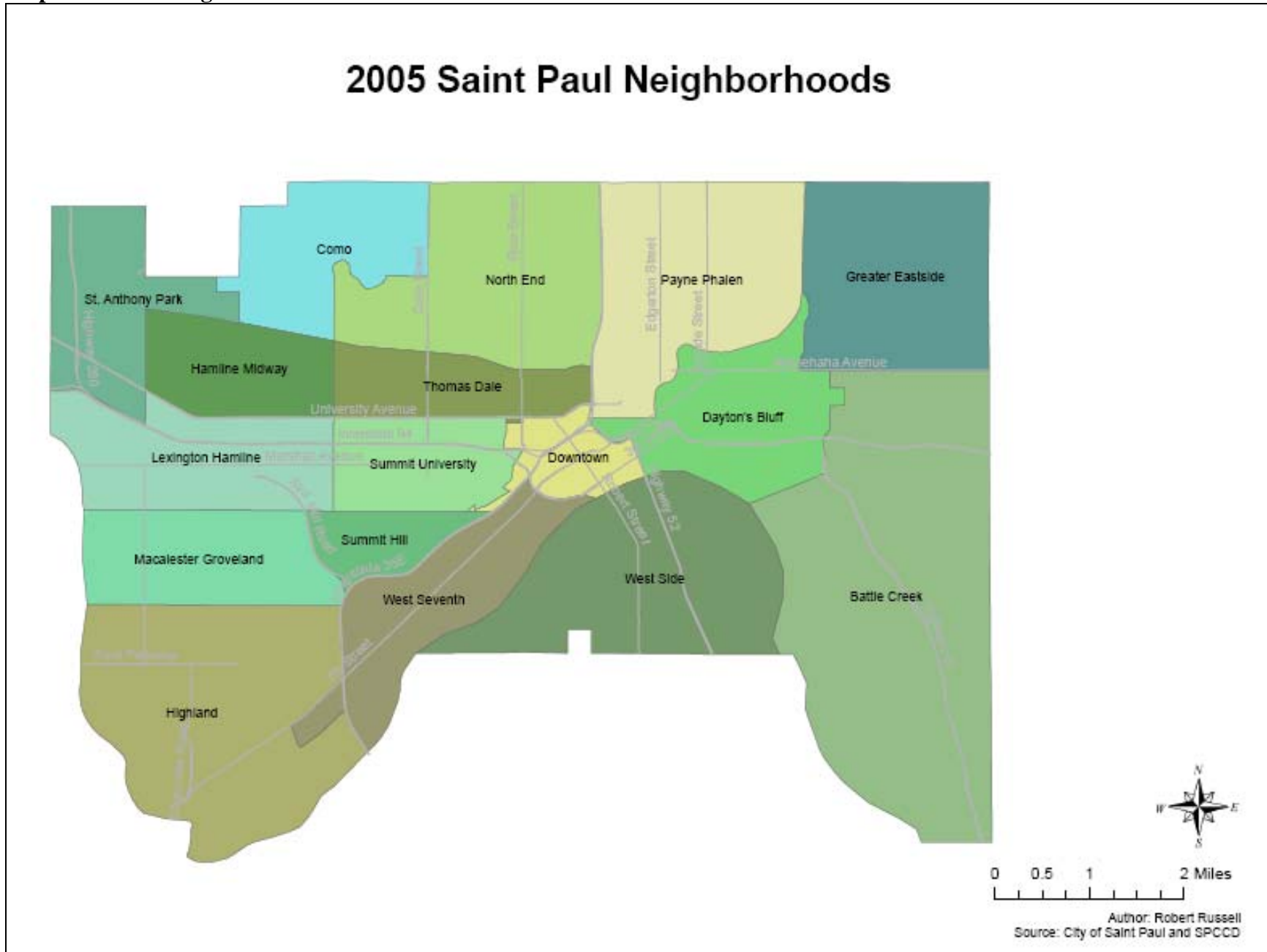
In 2000, there were 115,710 housing units in St. Paul. Of these housing units, 112,105 were occupied, which means there was an overall vacancy rate of 3.12% at the time of the Census. A "healthy" vacancy rate is considered to be 5.00%. The fact that St. Paul's

vacancy rate, at the time of the Census, was lower than 5.00% indicates a tight housing market – there are not enough available units to keep up with demand – which, in turn, encourages higher housing costs.

Of the 112,105 occupied housing units, 61,460 were owner-occupied housing units (54.82% of all occupied housing units) and 50,640 (45.17%) were renter-occupied housing units. Therefore, St. Paul has more homeownership opportunities than it does renter opportunities. Since most owner-occupied units are unaffordable to low- and moderate-income people, it is imperative that St. Paul promote affordable homeownership opportunities.

Macalester Groveland has the highest percentage of its occupied housing units being owner-occupied at 71.99%. Como, Greater Eastside and Hamline Midway each have owner-occupied percentages between 60% and 67%. With the exception of Downtown, all other neighborhoods have owner-occupied percentages between 40% and 59%. Downtown has an owner-occupied of 16.18%, which may have gone up due to the amount of condominium developments since the 2000 Census.

Map 1: St. Paul Neighborhoods



Section Two: Home Value Information

Owner-Occupied Housing Price Estimates

Methodology

Owner-occupied housing prices were estimated using MLS data provided by the Regional MLS of MN, as furnished by the St. Paul Area Association of Realtors and Habana Realty. MLS data included individual sale price, unit type, number of bedrooms, number of baths, square feet, year built, days on the market and address.

The MLS information was put into a database file. Using the ArcGIS and a street center-line file, the MLS information was then mapped according to its address. Once each sale was mapped, the sales information was then aggregated by neighborhood to calculate a neighborhood minimum, maximum, median and average sales price. In addition, average bedroom size, average bathroom size, average days on the market, average square feet, and median year built were calculated for each neighborhood. Calculations were made using a combination of ArcGIS and Microsoft Excel.

The process was completed for the years 2002 and 2005. The two years were then compared to each other in order to determine the percent change between 2002 and 2005. Similarly, the rate of change per year was then calculated.

Lastly, ArcGIS was used to determine a more refined price estimate, an estimate that is not constrained by neighborhood boundaries. A process known as Inverse Distance Weighting was used to complete this task. “Inverse Distance Weighted (IDW) interpolation implements a basic law of geography – things that are close to one another are more alike than things that are far apart. To predict a value for any unmeasured location, IDW uses the measured values surrounding the prediction location. Those measured values closest to the prediction location have more influence on the predicted value than those that are farther away” (ESRI, 2005).

2002 Median Sales

The data provided by the Regional MLS of MN indicated that there were 3,614 sales in St. Paul for the year 2002. Sales data was from the whole year, January 1, 2002 to December 31, 2002. Of those, 3,598 (99.56%) were able to be mapped using ArcGIS. Most of those that were not mapped were either not in St. Paul or had addresses that did not include a directional suffixes (N, S, E, etc).

The 3,598 sales were made up of 3,201 single family homes, 319 condominiums, 67 townhomes and 11 twin homes. Thus, single family homes made up 88.77% of the total sales; condominiums, 8.87%; townhomes, 1.86%; and twin homes, 0.31%.

2005 Median Sales

The data provided by the Regional MLS of MN indicated that there were 2,699 sales in St. Paul for the first three quarters of year 2005. Sales data was from January 1, 2005 to September 20, 2005 for single-family sales. Condominium, townhome and twin home sales data was from January 1, 2005 to September 27, 2005. Of those, 2,654 (98.33%) were able to be mapped using ArcGIS. Similar

to the 2002 data, most of those that were not mapped were either not in St. Paul or had addresses that did not include a directional suffixes (N, S, E, etc).

The 2,654 sales were made up of 2,180 single family homes, 403 condominiums, 62 townhomes and 9 twin homes. Thus, single family homes made up 82.14% of the total sales; condominiums, 15.18%; townhomes, 2.34%; and twin homes, 0.34%. From the data, condominiums made up a larger percentage of the total sales in 2005 than it did in 2002 – almost double the rate. Similarly, townhomes also doubled its share of total sales. Single family sales decreased its share while twin homes sales remained the same.

2002 All Sales

The median sales price for St. Paul for all 3,598 sales in 2002 was \$159,700. The lowest median sale prices were in: Downtown, \$124,000; Thomas Dale, \$126,900; Dayton’s Bluff, \$134,900; North End, \$135,000; and Payne Phalen, \$139,050. The highest median sale prices were in Highland, Macalester Groveland, each at \$225,000; Lexington Hamline, \$225,600; and Summit Hill, \$262,000. *See Table #2.*

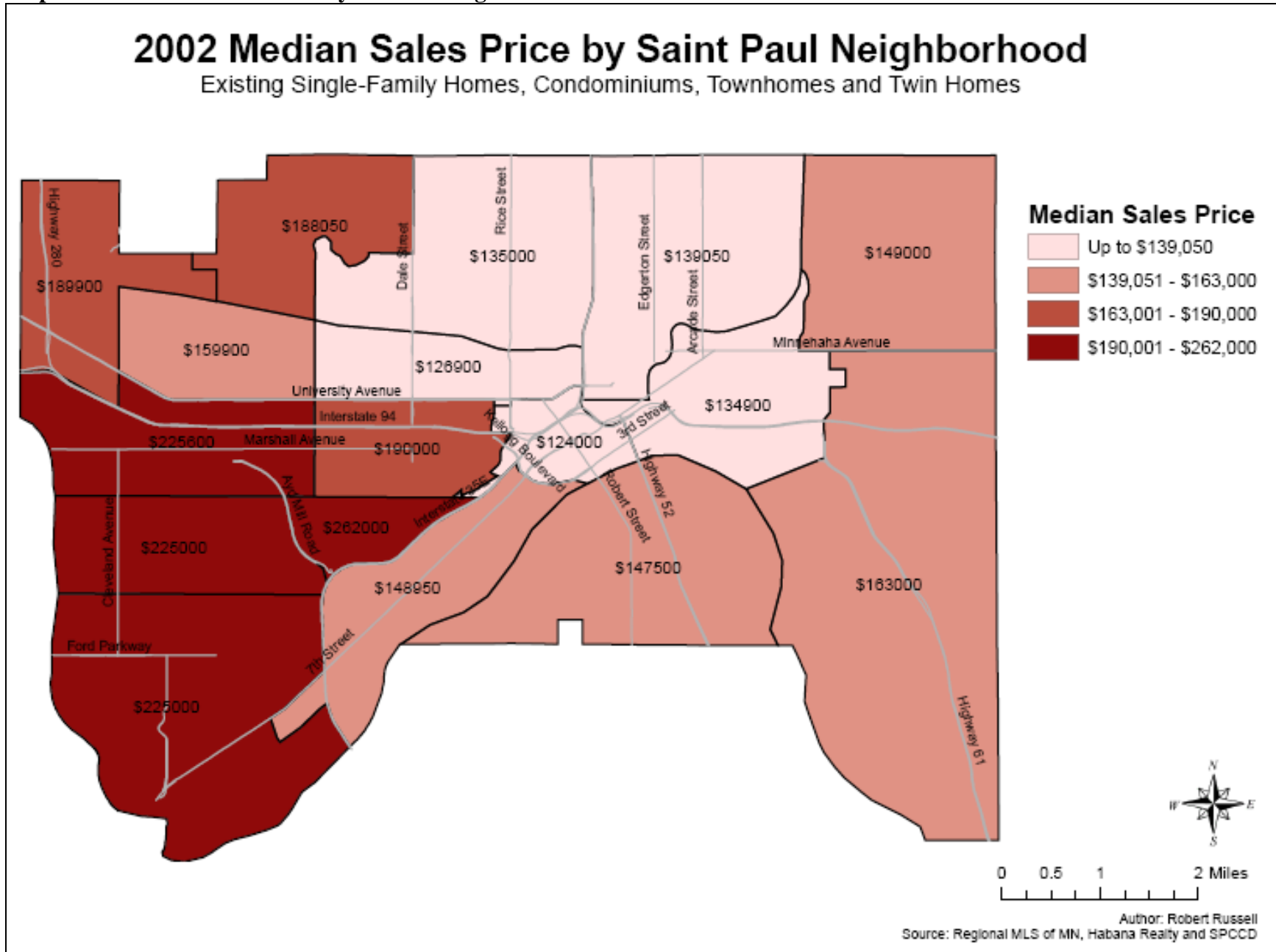
Spatially, housing sale prices were lowest north of Downtown. The most expensive housing sale prices are found in the south eastern corner of St. Paul while moderately priced housing is found in the remaining perimeter of the City. In general, housing prices by neighborhood increased the farther the neighborhood is away from Downtown. *See Map #2.*

Table 2: 2002 Median Sale Price by St. Paul Neighborhood

All Sales including Single Family Homes, Condominiums, Townhomes and Twin Homes										
Neighborhood	Number of Sales	Average Bathrooms	Average Bedrooms	Average Days on the Market	Average Square Feet	Median Year Built	Minimum Sales Price	Maximum Sales Price	Median Sales Price	Average Sales Price
Battle Creek	235	1.83	3.03	35	1,575	1963	\$92,500	\$450,000	\$163,000	\$168,303
Como	175	1.73	2.80	24	1,444	1945	\$89,500	\$400,000	\$188,050	\$194,593
Daytons Bluff	227	1.50	2.89	36	1,346	1914	\$40,000	\$350,000	\$134,900	\$134,920
Downtown	85	1.34	1.21	70	1,010	1982	\$70,000	\$490,765	\$124,000	\$170,145
Greater Eastside	447	1.59	2.84	28	1,366	1951	\$40,000	\$262,500	\$149,000	\$148,433
Hamline Midway	175	1.55	2.88	26	1,338	1916	\$90,000	\$265,300	\$159,900	\$159,033
Highland	350	1.94	2.88	32	1,650	1945	\$52,500	\$950,000	\$225,000	\$256,427
Lexington Hamline	159	1.91	3.33	27	1,727	1913	\$99,900	\$955,000	\$225,600	\$264,868
Macalester Groveland	263	1.78	2.89	25	1,475	1923	\$105,000	\$1,075,000	\$225,000	\$250,524
North End	305	1.43	2.63	40	1,163	1921	\$12,000	\$359,000	\$135,000	\$134,927
Payne Phalen	412	1.59	2.86	37	1,354	1923	\$42,000	\$365,000	\$139,050	\$140,664
St. Anthony Park	35	1.80	2.94	25	1,461	1926	\$79,900	\$428,000	\$189,900	\$230,412
Summit Hill	89	2.19	3.17	44	2,014	1910	\$96,305	\$1,350,000	\$262,000	\$349,101
Summit University	191	1.77	2.58	39	1,552	1904	\$61,000	\$1,225,000	\$190,000	\$222,088
Thomas Dale	130	1.52	2.86	36	1,238	1915	\$50,951	\$232,769	\$126,900	\$126,994
West Seventh	132	1.53	2.49	43	1,220	1923	\$74,000	\$237,000	\$148,950	\$148,086
West Side	188	1.52	2.86	35	1,326	1915	\$70,000	\$425,000	\$147,500	\$147,936
St. Paul	3,598	1.67	2.82	34	1,420	1926	\$12,000	\$1,350,000	\$159,700	\$182,088

Data Source: Regional MLS of MN, Habana Realty and SPCCD; Sales are from January 1, 2002 to December 31, 2002.

Map 2: 2002 Median Sale Price by St. Paul Neighborhood



2002 Single Family Sales

Median single family sales price were slightly higher than the median sales price for all sales at \$159,900. Downtown was the only neighborhood without any single family sales in 2002. The Thomas Dale neighborhood had the lowest median single family sales price at \$125,000. Dayton's Bluff, North End and Payne Phalen each had median sale prices in the \$130,000's. Summit Hill has the highest median sales price for single family units at \$378,450. See Table #3.

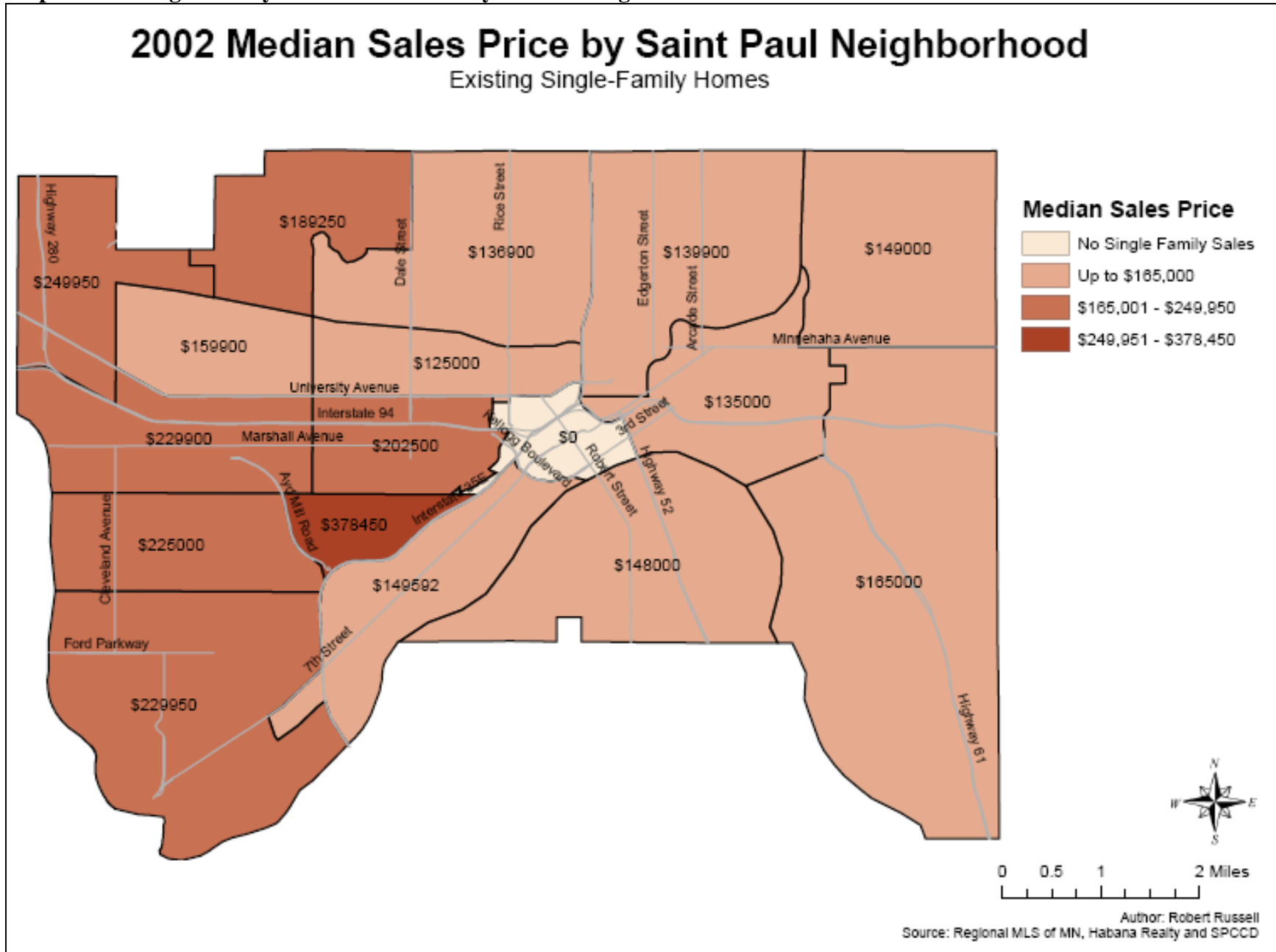
Single family sale prices were highest in the western portion of the City. Likewise, they were lowest in the eastern portion of the City. Similar to housing prices for all sales, housing prices by neighborhood increased the farther the neighborhood is away from Downtown. See Map #3.

Table 3: 2002 Single Family Median Sale Price by St. Paul Neighborhood

Single Family Home Sales										
Neighborhood	Number of Sales	Average Bathrooms	Average Bedrooms	Average Days on the Market	Average Square Feet	Median Year Built	Minimum Sales Price	Maximum Sales Price	Median Sales Price	Average Sales Price
Battle Creek	213	1.85	3.10	31	1,610	1960	\$93,012	\$450,000	\$165,000	\$171,707
Como	170	1.74	2.84	24	1,460	1945	\$100,000	\$400,000	\$189,250	\$197,173
Daytons Bluff	217	1.51	2.93	36	1,359	1913	\$40,000	\$350,000	\$135,000	\$135,341
Downtown	-	-	-	-	-	-	-	-	-	-
Greater Eastside	441	1.59	2.84	28	1,364	1951	\$40,000	\$262,500	\$149,000	\$148,502
Hamline Midway	175	1.55	2.88	26	1,338	1916	\$90,000	\$265,300	\$159,900	\$159,033
Highland	326	1.97	2.98	31	1,709	1941	\$52,500	\$950,000	\$229,950	\$264,188
Lexington Hamline	155	1.91	3.36	27	1,741	1913	\$106,000	\$955,000	\$229,900	\$267,114
Macalester Groveland	257	1.77	2.91	24	1,482	1923	\$110,000	\$1,075,000	\$225,000	\$252,374
North End	285	1.44	2.68	40	1,179	1919	\$12,000	\$359,000	\$136,900	\$136,225
Payne Phalen	408	1.59	2.87	38	1,354	1922	\$42,000	\$365,000	\$139,900	\$140,968
St. Anthony Park	26	1.92	3.08	23	1,755	1922	\$79,900	\$428,000	\$249,950	\$259,470
Summit Hill	50	2.74	4.00	43	2,523	1911	\$157,900	\$1,350,000	\$378,450	\$446,876
Summit University	81	2.14	3.52	43	1,934	1904	\$61,000	\$1,225,000	\$202,500	\$247,925
Thomas Dale	118	1.47	2.95	36	1,301	1913	\$50,951	\$216,300	\$125,000	\$121,380
West Seventh	96	1.59	2.76	31	1,284	1912	\$74,000	\$237,000	\$149,592	\$147,663
West Side	183	1.51	2.86	36	1,323	1914	\$70,000	\$425,000	\$148,000	\$148,402
St. Paul	3,201	1.69	2.94	32	1,458	1925	\$12,000	\$1,350,000	\$159,900	\$183,173

Data Source: Regional MLS of MN, Habana Realty and SPCCD; Sales are from January 1, 2002 to December 31, 2002.

Map 3: 2002 Single Family Median Sale Price by St. Paul Neighborhood



2002 Condominium Sales

Median condominium sales price were slightly lower than the median sales price for all sales at \$149,900. The Greater Eastside and Hamline Midway neighborhoods were the only neighborhoods without any condominium sales in 2002. The Payne Phalen neighborhood had the lowest median condominium sales price at \$55,000. This was based on one sale so caution should be taken when interpreting and applying this information. Summit University and Downtown had the most condominium sales with 98 and 82, respectively. Most condominium sales in the neighborhoods were between \$110,000 and \$120,000 with the exceptions being the Highland, St. Anthony Park, Summit Hill, Summit University and Thomas Dale neighborhoods. Condominium sale prices were \$139,000 in Highland, \$155,000 in St. Anthony Park, \$203,200 in Summit Hill, \$189,450 in Summit University and \$142,495 in Thomas Dale. *See Table #4.*

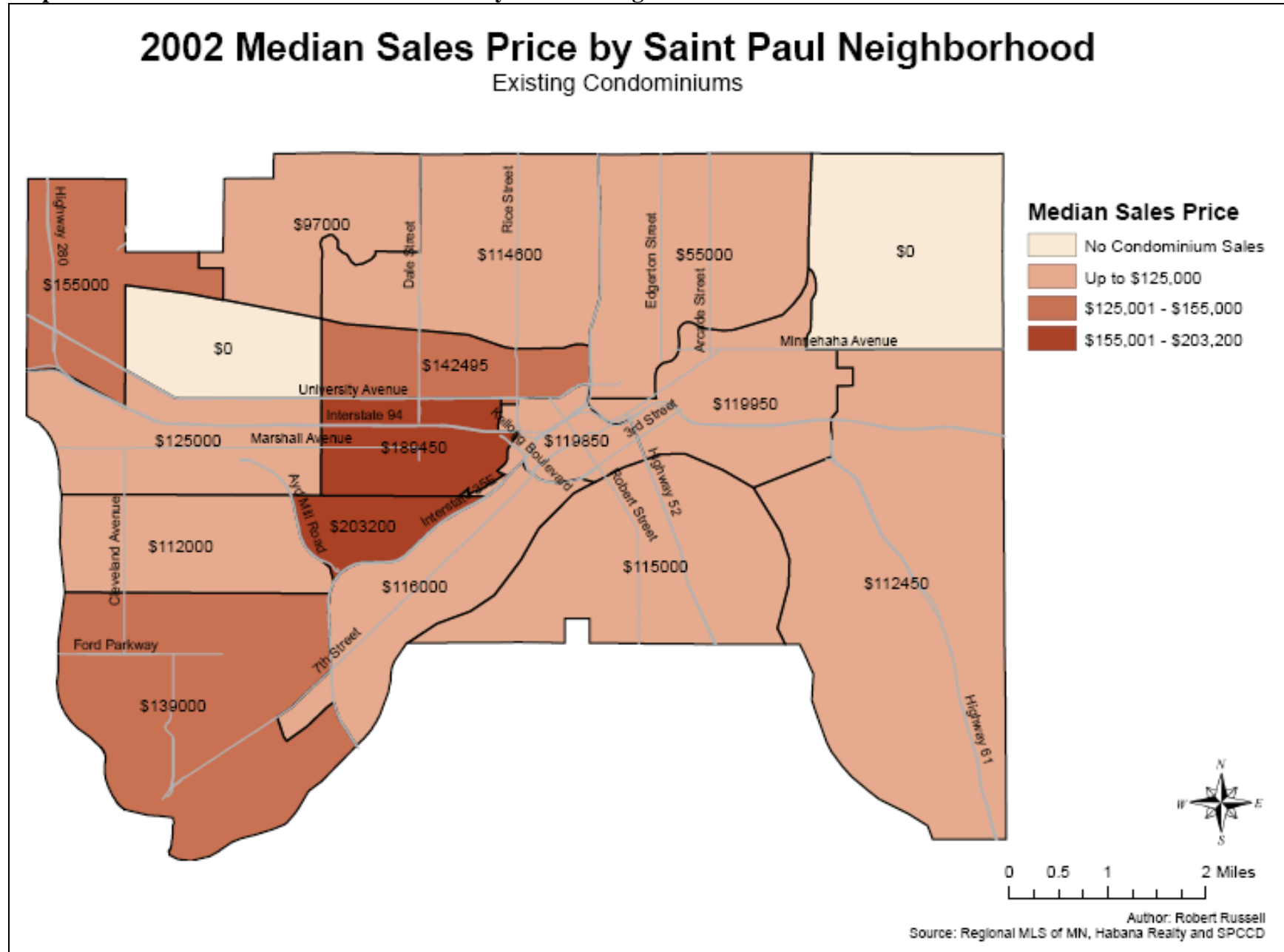
Geographically, condominium sale prices did not seem to follow any particular pattern. *See Map #4.*

Table 4: 2002 Condominium Median Sale Price by St. Paul Neighborhood

Condominium Sales										
Neighborhood	Number of Sales	Average Bathrooms	Average Bedrooms	Average Days on the Market	Average Square Feet	Median Year Built	Minimum Sales Price	Maximum Sales Price	Median Sales Price	Average Sales Price
Battle Creek	10	1.20	2.00	15	1,057	1985	\$92,500	\$129,900	\$112,450	\$112,247
Como	5	1.40	1.40	15	884	1983	\$89,500	\$133,500	\$97,000	\$106,880
Daytons Bluff	8	1.25	2.00	21	961	1985	\$103,200	\$162,500	\$119,950	\$124,613
Downtown	82	1.29	1.17	67	963	1982	\$70,000	\$490,765	\$119,850	\$163,297
Greater Eastside	-	-	-	-	-	-	-	-	-	-
Hamline Midway	-	-	-	-	-	-	-	-	-	-
Highland	22	1.45	1.45	38	875	1982	\$92,900	\$226,754	\$139,000	\$149,737
Lexington Hamline	3	1.00	1.33	22	901	1921	\$99,900	\$171,500	\$125,000	\$132,133
Macalester Groveland	4	1.25	2.00	51	994	1979	\$105,000	\$127,900	\$112,000	\$114,225
North End	16	1.25	1.69	41	885	1986	\$93,000	\$139,900	\$114,600	\$115,181
Payne Phalen	1	1.00	1.00	28	768	1983	\$55,000	\$55,000	\$55,000	\$55,000
St. Anthony Park	3	1.33	2.67	26	615	1948	\$129,500	\$155,000	\$155,000	\$146,500
Summit Hill	36	1.39	2.03	33	1,303	1908	\$96,305	\$427,000	\$203,200	\$220,301
Summit University	98	1.45	1.80	35	1,202	1904	\$75,000	\$615,000	\$189,450	\$199,427
Thomas Dale	4	1.75	1.50	8	321	1963	\$63,500	\$231,101	\$142,495	\$144,898
West Seventh	26	1.15	1.42	62	878	1983	\$107,900	\$199,900	\$116,000	\$134,588
West Side	1	1.00	2.00	10	880	1986	\$115,000	\$115,000	\$115,000	\$115,000
St. Paul	319	1.35	1.61	44	1,047	1965	\$55,000	\$615,000	\$149,000	\$169,898

Data Source: Regional MLS of MN, Habana Realty and SPCCD; Sales are from January 1, 2002 to December 31, 2002.

Map 4: 2002 Condominium Median Sale Price by St. Paul Neighborhood



2002 Townhome Sales

Median townhome sales price were noticeably higher than the median sales price for all sales at \$170,000. The Como, Hamline Midway and North End neighborhoods did not have any townhome sales in 2002. Townhome sale prices were between \$120,000 and \$150,000 in Battle Creek, Dayton's Bluff, Greater Eastside, Highland, Payne Phalen, St. Anthony Park and West Side neighborhoods. Macalester Groveland, Summit Hill, Summit University and Thomas Dale each had median townhome sale prices in the \$200,000's. Downtown had the highest median townhome price at \$329,000. *See Table #5.*

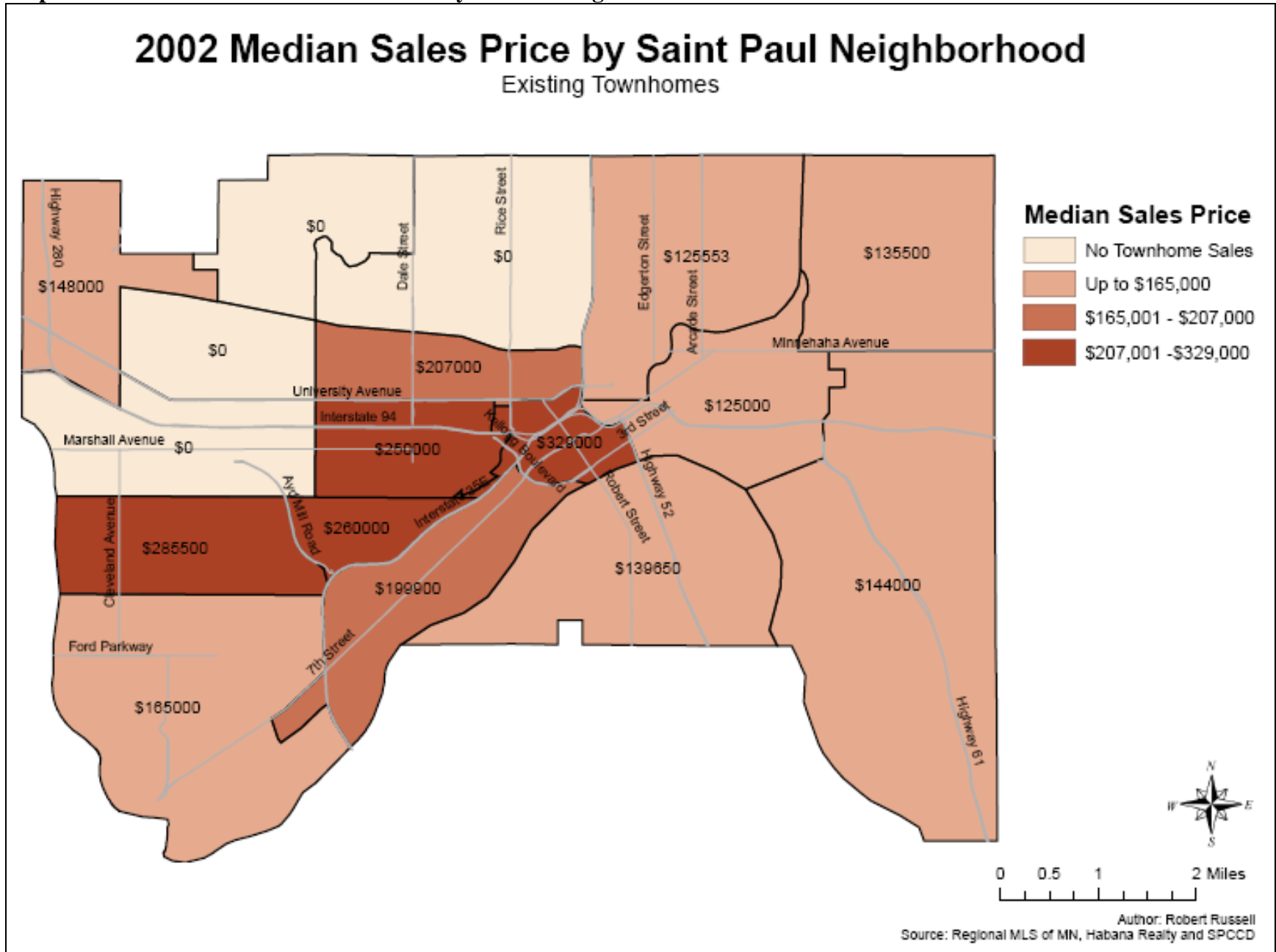
Spatially, townhome sales were highest in Downtown and west of downtown in neighborhoods south of Summit Avenue. *See Map #5.*

Table 5: 2002 Townhome Median Sale Price by St. Paul Neighborhood

Townhome Sales										
Neighborhood	Number of Sales	Average Bathrooms	Average Bedrooms	Average Days on the Market	Average Square Feet	Median Year Built	Minimum Sales Price	Maximum Sales Price	Median Sales Price	Average Sales Price
Battle Creek	11	2.00	2.64	133	1,388	1982	\$123,000	\$206,532	\$144,000	\$155,648
Como	-	-	-	-	-	-	-	-	-	-
Daytons Bluff	1	1.00	2.00	15	1,093	1985	\$125,000	\$125,000	\$125,000	\$125,000
Downtown	3	2.67	2.33	137	2,294	2001	\$319,000	\$424,000	\$329,000	\$357,333
Greater Eastside	5	1.80	2.60	30	1,432	1998	\$114,900	\$170,000	\$135,500	\$141,060
Hamline Midway	-	-	-	-	-	-	-	-	-	-
Highland	2	2.50	2.50	68	469	1990	\$120,000	\$210,000	\$165,000	\$165,000
Lexington Hamline	-	-	-	-	-	-	-	-	-	-
Macalester Groveland	2	3.00	2.00	21	1,440	1996	\$270,000	\$301,000	\$285,500	\$285,500
North End	-	-	-	-	-	-	-	-	-	-
Payne Phalen	2	2.50	2.50	10	1,294	1982	\$118,105	\$133,000	\$125,553	\$125,553
St. Anthony Park	6	1.50	2.50	33	610	1965	\$124,900	\$159,900	\$148,000	\$146,450
Summit Hill	3	2.67	3.00	191	2,055	1999	\$245,000	\$290,362	\$260,000	\$265,121
Summit University	11	2.09	2.55	41	1,809	1980	\$85,400	\$529,000	\$250,000	\$242,557
Thomas Dale	8	2.25	2.25	48	761	2002	\$156,051	\$232,769	\$207,000	\$200,852
West Seventh	9	1.89	2.67	115	1,482	2001	\$114,900	\$225,000	\$199,900	\$188,378
West Side	4	2.00	2.75	32	1,579	1984	\$107,000	\$153,000	\$139,650	\$134,825
St. Paul	67	2.07	2.54	75	1,377	1985	\$85,400	\$529,000	\$170,000	\$193,287

Data Source: Regional MLS of MN, Habana Realty and SPCCD; Sales are from January 1, 2002 to December 31, 2002.

Map 5: 2002 Townhome Median Sale Price by St. Paul Neighborhood



2002 Twin Home Sales

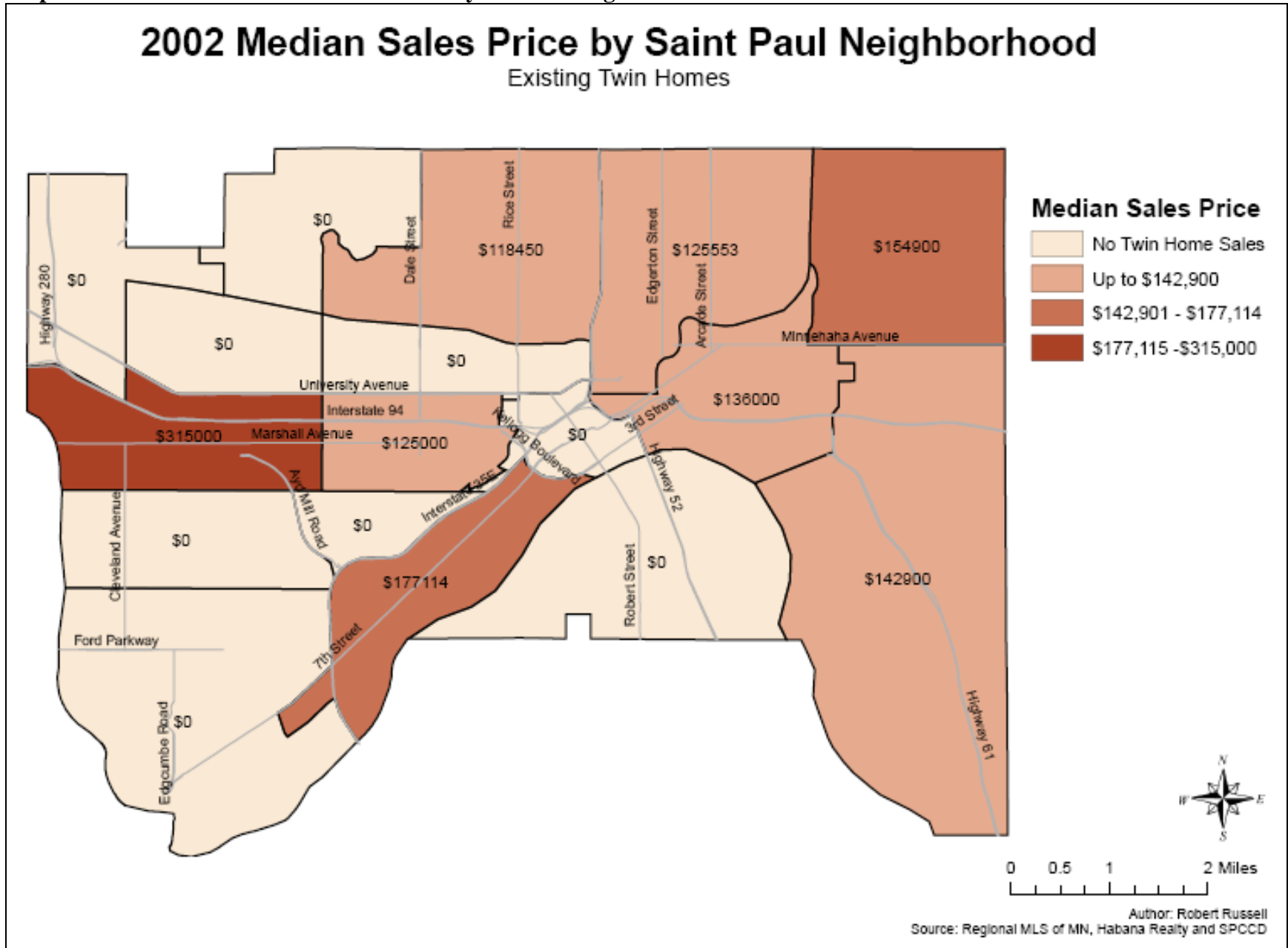
Median twin home sales price were markedly lower than the median sales price for all sales at \$136,000. Due to the limited nature of twin home sales half of the neighborhoods did not have any twin home sales. The North End neighborhood had 4 of the total 11 twin home sales in 2002 with a median sale price of \$118,450. The Hamline neighborhood had one twin home sale priced at \$315,000. All other neighborhoods with twin home sales had median sale prices between \$118,000 and \$178,000. See Table #6 and Map #6.

Table 6: 2002 Twin Home Median Sale Price by St. Paul Neighborhood

Twin Home Sales										
Neighborhood	Number of Sales	Average Bathrooms	Average Bedrooms	Average Days on the Market	Average Square Feet	Median Year Built	Minimum Sales Price	Maximum Sales Price	Median Sales Price	Average Sales Price
Battle Creek	1	2.00	3.00	15	1,470	1982	\$142,900	\$142,900	\$142,900	\$142,900
Como	-	-	-	-	-	-	-	-	-	-
Daytons Bluff	1	2.00	3.00	21	1,826	1971	\$136,000	\$136,000	\$136,000	\$136,000
Downtown	-	-	-	-	-	-	-	-	-	-
Greater Eastside	1	3.00	4.00	143	1,860	1980	\$154,900	\$154,900	\$154,900	\$154,900
Hamline Midway	-	-	-	-	-	-	-	-	-	-
Highland	-	-	-	-	-	-	-	-	-	-
Lexington Hamline	1	4.00	4.00	6	2,146	1996	\$315,000	\$315,000	\$315,000	\$315,000
Macalester Groveland	-	-	-	-	-	-	-	-	-	-
North End	4	1.75	2.50	35	1,166	1984	\$99,000	\$149,900	\$118,450	\$121,450
Payne Phalen	1	2.00	2.00	88	1,716	1982	\$132,800	\$132,800	\$125,553	\$132,800
St. Anthony Park	-	-	-	-	-	-	-	-	-	-
Summit Hill	-	-	-	-	-	-	-	-	-	-
Summit University	1	1.00	3.00	14	2,032	1901	\$125,000	\$125,000	\$125,000	\$125,000
Thomas Dale	-	-	-	-	-	-	-	-	-	-
West Seventh	1	2.00	3.00	24	1,540	2002	\$177,114	\$177,114	\$177,114	\$177,114
West Side	-	-	-	-	-	-	-	-	-	-
St. Paul	11	2.09	2.91	41	1,568	1982	\$99,000	\$315,000	\$136,000	\$151,774

Data Source: Regional MLS of MN, Habana Realty and SPCCD; Sales are from January 1, 2002 to December 31, 2002.

Map 6: 2002 Twin Home Median Sale Price by St. Paul Neighborhood



2002 Home Value Predictive Spread

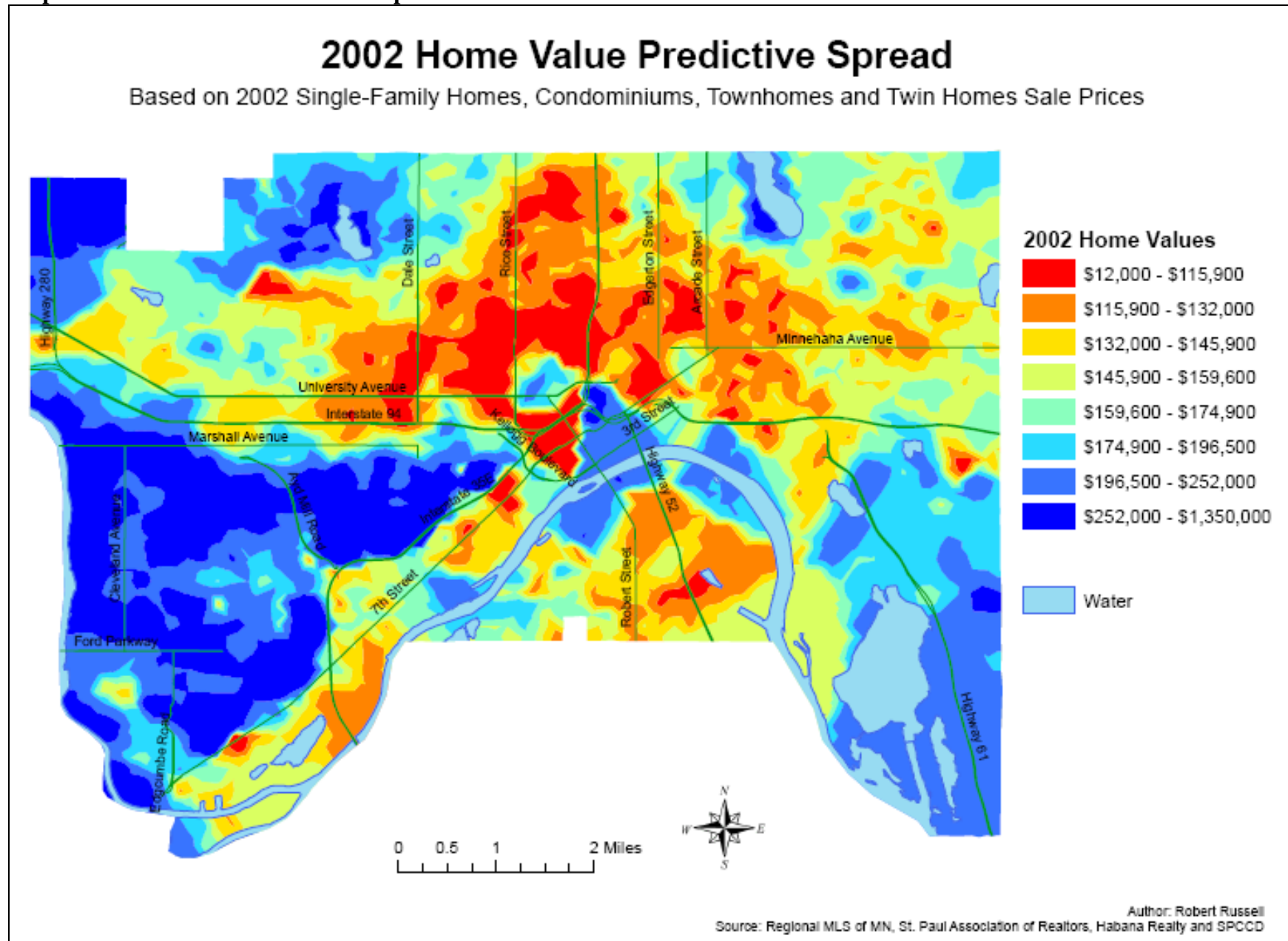
Using the IDW method described earlier, a home value predictive spread was determined. Home values were broken down into 8 quantiles.

It is interesting to note the spatial disparity of home values. The lowest home values are clustered in the center of St. Paul, north of Downtown and extended east and west for about two miles in both directions.

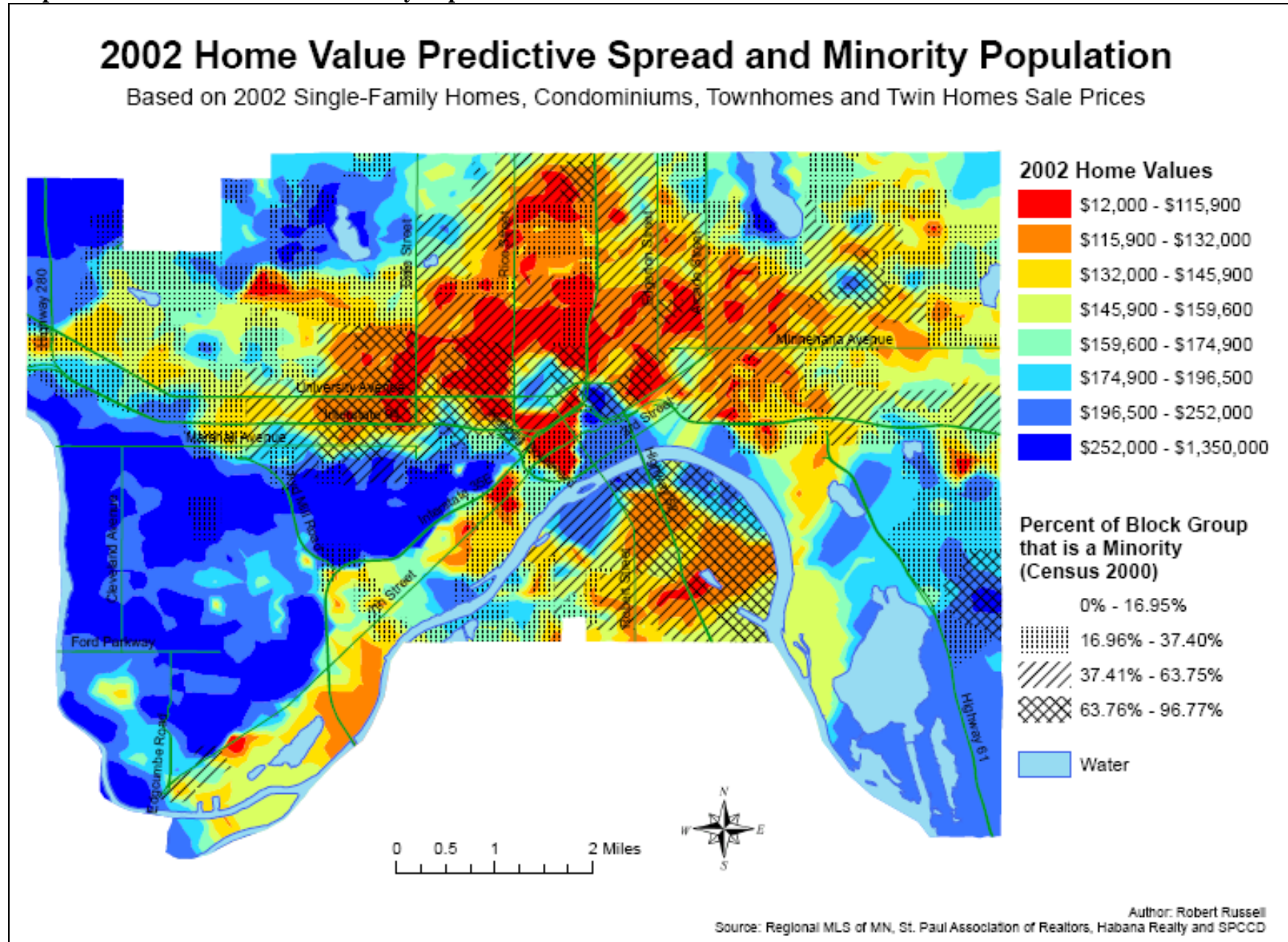
Higher home values are predominately found in the perimeter of the City of St. Paul. In addition, higher home values are found around the lakes; primarily, Como Lake, Lake Phalen and Pig's Eye Lake. *See Map #7.*

When home value information is overlaid with minority population data, it is interesting to note that areas with the lowest housing values are also areas with the highest minority concentration. *See Map #8.*

Map 7: 2002 Home Value Predictive Spread



Map 8: 2002 Home Values and Minority Population



2005 All Sales

The median sales price for St. Paul for the 2,654 sales in 2005 was \$195,900. Thus, there was a 22.67% change in median sales price between 2002 and 2005. In other words, sales price increased about 8.24% a year. The neighborhoods with the lowest median sale prices in 2002 (Downtown, Thomas Dale, Dayton's Bluff, North End and Payne Phalen) remained the same in 2005. Median sale prices were \$161,020 in Downtown, \$164,800 in Thomas Dale, \$165,000 in Dayton's Bluff, \$169,950 in North End and \$174,000 in Payne Phalen. Similarly, the neighborhoods with the highest median sale prices remained the same. Summit Hill, Highland, Macalester Groveland, St. Anthony Park and Lexington Hamline each had median sale prices above \$260,000. All other neighborhoods had median sale prices between \$174,000 and \$240,000. *See Table #7.*

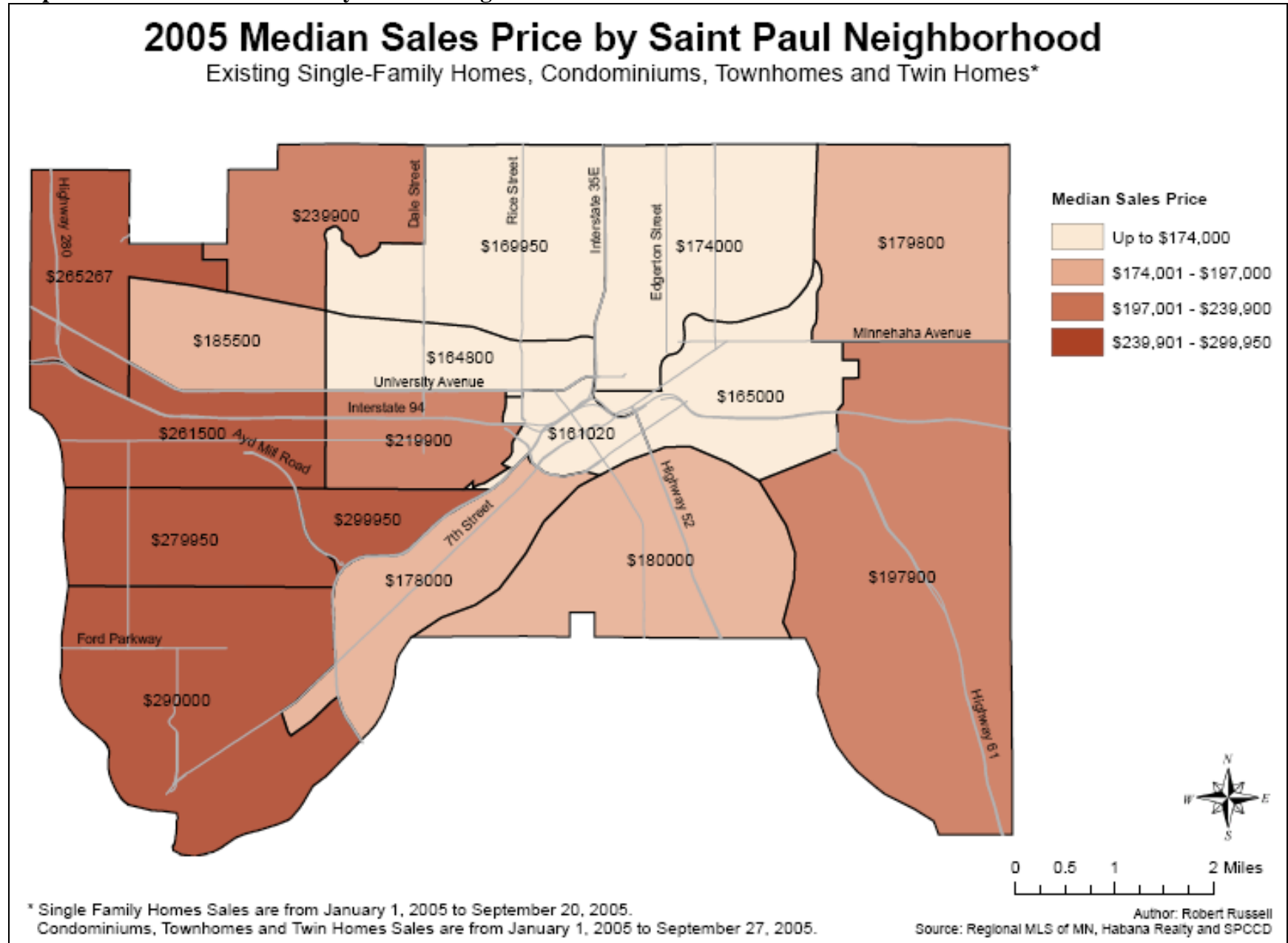
Spatially, sale prices followed the same pattern that exhibited in 2002. Housing sale prices were lowest north of Downtown. The most expensive housing sale prices are found in the south eastern corner of St. Paul while moderately priced housing is found in the remaining perimeter of the City. In general, housing prices by neighborhood increased the farther the neighborhood is away from Downtown. *See Map #9.*

Table 7: 2005 Median Sale Price by St. Paul Neighborhood

2005 All Sales including Single Family Homes, Condominiums, Townhomes and Twin Homes													
Neighborhood	Number of Sales	Average Bathrooms	Average Bedrooms	Average Days on the Market	Average Square Feet	Median Year Built	Minimum Sales Price	Maximum Sales Price	Median Sales Price	Average Sales Price	2002 Median Sales Price	Percent Change Since 2002	Percent Change per Year
Battle Creek	147	1.78	3.03	45	1527	1958	\$128,000	\$370,000	\$197,900	\$203,200	\$163,000	21.41%	7.79%
Como	127	1.68	2.95	36	1553	1942	\$142,500	\$660,000	\$239,900	\$247,849	\$188,050	27.57%	10.03%
Daytons Bluff	160	1.62	2.84	64	1361	1915	\$89,900	\$399,000	\$165,000	\$174,912	\$134,900	22.31%	8.11%
Downtown	133	1.23	1.15	65	923	1980	\$79,000	\$560,000	\$161,020	\$187,552	\$124,000	29.85%	10.86%
Greater Eastside	298	1.59	2.80	50	1360	1950	\$85,000	\$417,750	\$179,800	\$178,072	\$149,000	20.67%	7.52%
Hamline Midway	125	1.54	2.86	45	1306	1918	\$95,000	\$322,500	\$185,500	\$187,542	\$159,900	16.01%	5.82%
Highland	245	2.07	2.91	48	1713	1948	\$119,900	\$1,190,000	\$290,000	\$316,906	\$225,000	28.89%	10.51%
Lexington Hamline	98	1.93	3.30	44	1778	1914	\$99,900	\$1,580,000	\$261,500	\$326,584	\$225,600	15.91%	5.79%
Macalester Groveland	204	1.86	2.98	40	1586	1923	\$67,300	\$739,900	\$279,950	\$310,636	\$225,000	24.42%	8.88%
North End	216	1.54	2.72	57	1280	1924	\$52,500	\$374,900	\$169,950	\$169,021	\$135,000	25.89%	9.41%
Payne Phalen	277	1.65	2.98	53	1448	1925	\$85,000	\$464,000	\$174,000	\$180,130	\$139,050	25.13%	9.14%
St. Anthony Park	83	2.11	2.34	46	1488	2001	\$140,000	\$816,500	\$265,267	\$290,730	\$189,900	39.69%	14.43%
Summit Hill	74	2.05	2.91	62	2000	1913	\$93,500	\$1,550,000	\$299,950	\$406,839	\$262,000	14.48%	5.27%
Summit University	165	1.60	2.24	51	1452	1915	\$65,500	\$1,450,000	\$219,900	\$265,257	\$190,000	15.74%	5.72%
Thomas Dale	95	1.66	2.83	54	1320	1911	\$62,900	\$329,900	\$164,800	\$159,858	\$126,900	29.87%	10.86%
West Seventh	94	1.53	2.52	48	1283	1915	\$42,900	\$503,000	\$178,000	\$186,023	\$148,950	19.50%	7.09%
West Side	113	1.67	2.99	51	1356	1913	\$108,000	\$669,000	\$180,000	\$189,251	\$147,500	22.03%	8.01%
St. Paul	2654	1.70	2.75	51	1445	1927	\$42,990	\$1,580,000	\$195,900	\$226,929	\$159,700	22.67%	8.24%

Data Source: Regional MLS of MN, Habana Realty, St. Paul Association of Realtors and SPCCD; Sales are from January 1, 2005 to September 20, 2005.

Map 9: 2005 Median Sale Price by St. Paul Neighborhood



2005 Single Family Sales

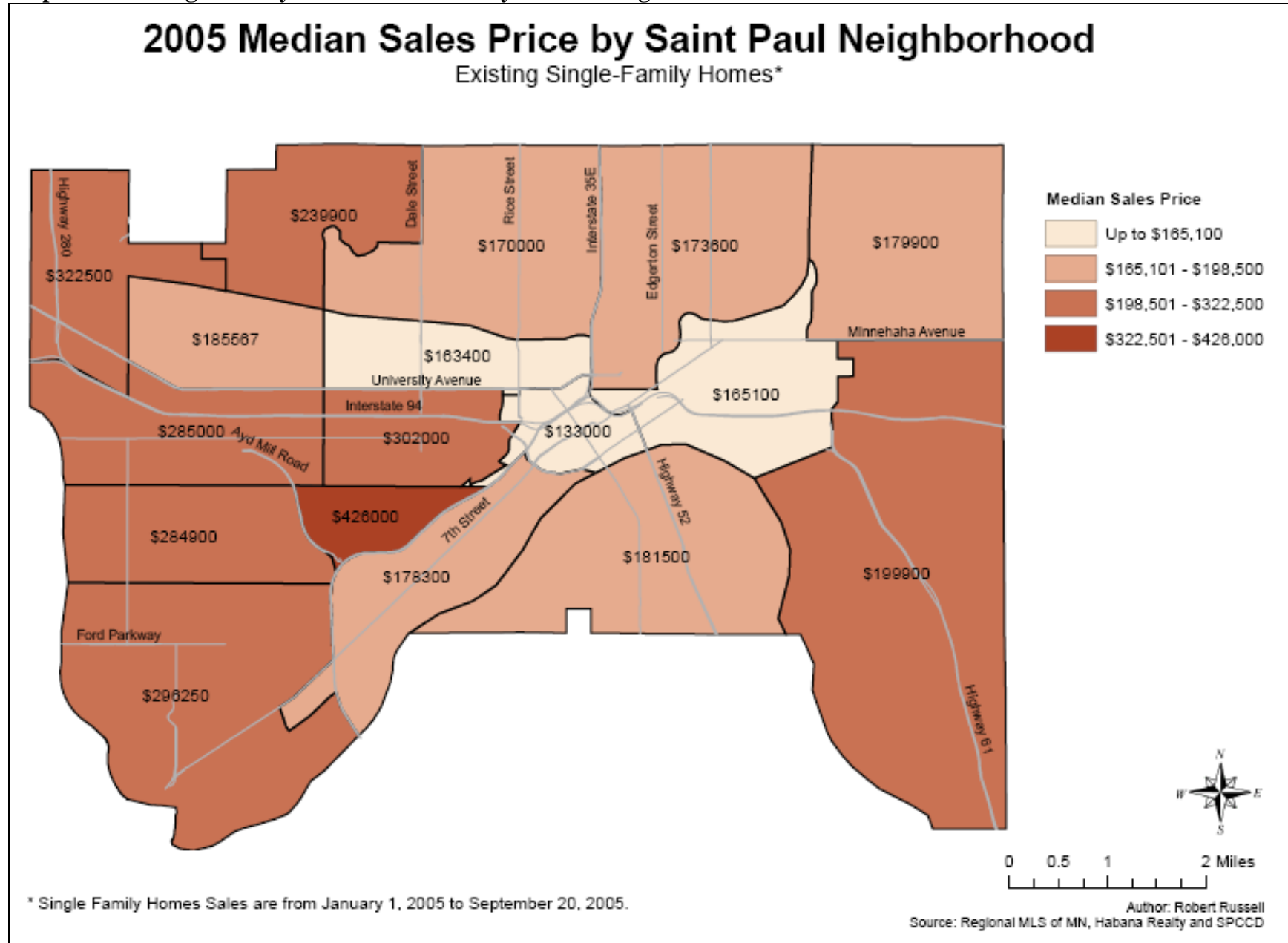
Median single family sales price were higher than the median sales price for all sales at \$197,000. There was a 23.20% change in median sales price between 2002 and 2005. In other words, sales price increased about 8.44% a year. Unlike 2002 when Downtown did not have any single family sales, Downtown had three sales with a median sale price of \$133,000. The Thomas Dale neighborhood had the next lowest median single family sales price at \$163,400. Dayton's Bluff, North End, Payne Phalen, West Seventh, Greater Eastside, West Side, Hamline Midway and Battle Creek each had median sale prices between \$170,000 and \$200,000. Summit Hill still has the highest median sales price for single family units at \$426,000. Como, Macalester Groveland, Lexington Hamline and Highland had median sale prices between \$239,000 and \$297,000. Summit University and St. Anthony Park had median sale prices in \$300,000's. See Table #8.

Single family sale prices were highest in the western portion of the City. Likewise, they were lowest in the eastern portion of the City. Similar to housing prices for all sales, housing prices by neighborhood increased the farther the neighborhood is away from Downtown. See Map #10.

Table 8: 2005 Single Family Median Sale Price by St. Paul Neighborhood

2005 Single Family Home Sales													
Neighborhood	Number of Sales	Average Bathrooms	Average Bedrooms	Average Days on the Market	Average Square Feet	Median Year Built	Minimum Sales Price	Maximum Sales Price	Median Sales Price	Average Sales Price	2002 Median Sales Price	Percent Change Since 2002	Percent Change per Year
Battle Creek	138	1.80	3.24	43	1539	1957	\$128,000	\$370,000	\$199,900	\$206,849	\$165,000	21.15%	7.69%
Como	123	1.67	2.98	36	1558	1941	\$162,500	\$660,000	\$239,900	\$250,450	\$189,250	26.76%	9.73%
Daytons Bluff	156	1.62	2.86	64	1364	1914	\$89,900	\$399,000	\$165,100	\$175,359	\$135,000	22.30%	8.11%
Downtown	2	1.00	2.00	59	564	1911	\$105,000	\$161,000	\$133,000	\$133,000	-	-	-
Greater Eastside	297	1.59	2.80	50	1361	1950	\$85,000	\$417,750	\$179,900	\$178,170	\$149,000	20.74%	7.54%
Hamline Midway	123	1.55	2.88	44	1312	1918	\$95,000	\$322,500	\$185,567	\$188,481	\$159,900	16.05%	5.84%
Highland	212	2.08	3.08	44	1768	1946	\$149,900	\$1,190,000	\$296,250	\$332,063	\$229,950	28.83%	10.48%
Lexington Hamline	91	2.00	3.41	42	1846	1914	\$120,000	\$1,580,000	\$285,000	\$337,622	\$229,900	23.97%	8.72%
Macalester Groveland	195	1.88	3.03	40	1609	1923	\$150,000	\$739,900	\$284,900	\$317,406	\$225,000	26.62%	9.68%
North End	189	1.53	2.82	52	1301	1917	\$52,500	\$374,900	\$170,000	\$170,788	\$136,900	24.18%	8.79%
Payne Phalen	270	1.65	3.00	52	1445	1924	\$85,000	\$464,000	\$173,600	\$180,300	\$139,900	24.09%	8.76%
St. Anthony Park	34	2.38	3.24	38	1852	1915	\$178,000	\$816,500	\$322,500	\$353,857	\$249,950	29.03%	10.55%
Summit Hill	38	2.58	3.82	67	2610	1912	\$195,000	\$1,550,000	\$426,000	\$523,674	\$378,450	12.56%	4.57%
Summit University	47	2.13	3.87	54	2216	1906	\$107,000	\$1,450,000	\$302,000	\$340,179	\$202,500	49.14%	17.87%
Thomas Dale	90	1.66	2.88	54	1317	1911	\$76,500	\$255,500	\$163,400	\$157,877	\$125,000	30.72%	11.17%
West Seventh	70	1.47	2.76	40	1315	1910	\$65,000	\$332,900	\$178,300	\$180,677	\$149,592	19.19%	6.98%
West Side	105	1.67	3.00	48	1368	1912	\$108,000	\$669,000	\$181,500	\$192,329	\$148,000	22.64%	8.23%
St. Paul	2180	1.75	2.99	48	1513	1925	\$52,500	\$1,580,000	\$197,000	\$230,283	\$159,900	23.20%	8.44%

Map 10: 2005 Single Family Median Sale Price by St. Paul Neighborhood



2005 Condominium Sales

Median condominium sales price were slightly lower than the median sales price for all sales at \$191,760. There was a 28.70% change in median sales price between 2002 and 2005. In other words, sales price increased about 10.44% a year. See Table #9 and Map #11.

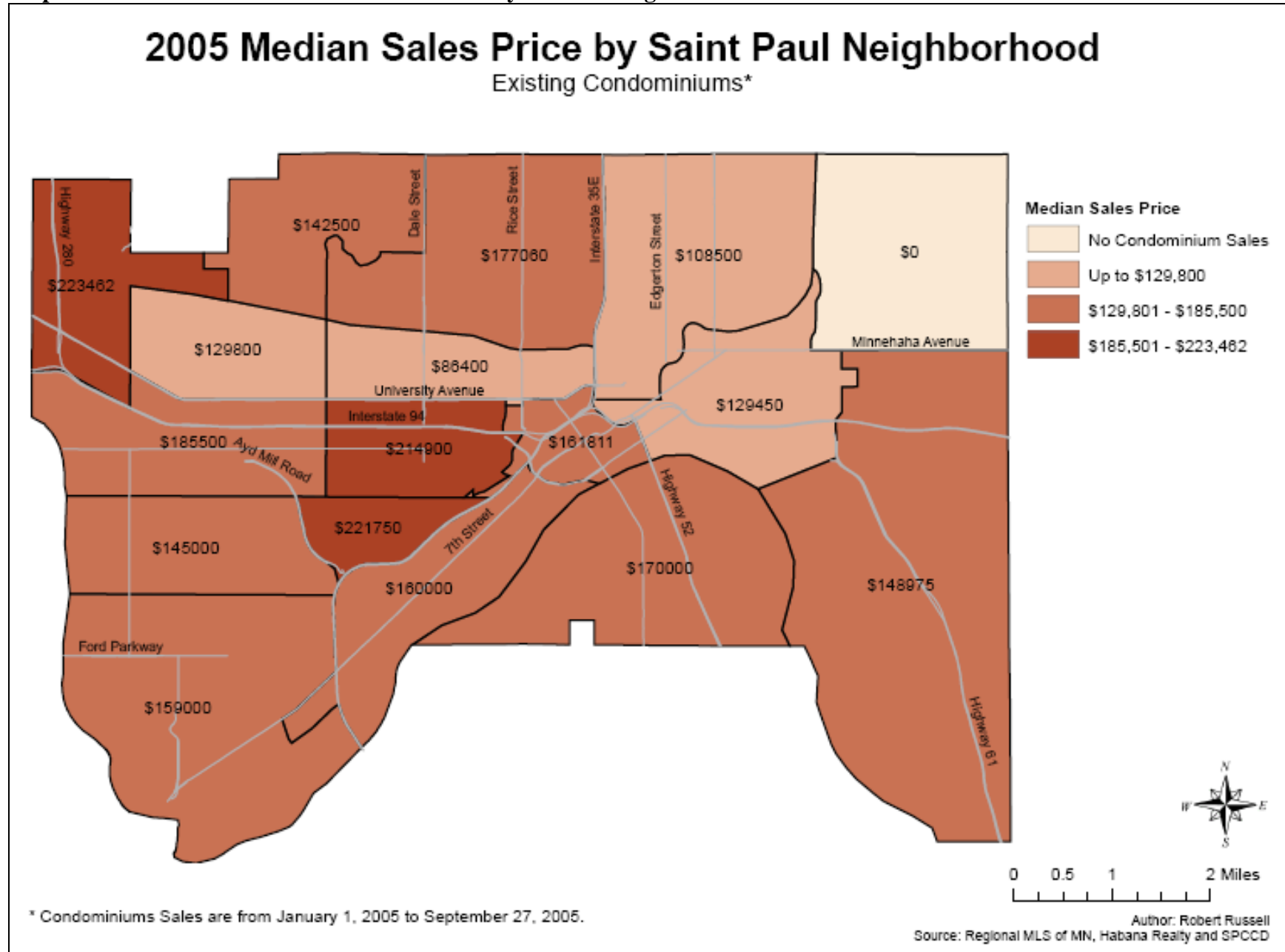
The Hamline Midway neighborhoods was the only neighborhood without any condominium sales in 2005. Like in 2002, the Payne Phalen neighborhood had the lowest median condominium sales price at \$86,400. Summit University and Downtown still had the most condominium sales with 109 and 130, respectively. Most condominium sales in the neighborhoods were between \$108,000 and \$190,000 with the exceptions being the St. Anthony Park, Summit Hill and Summit University neighborhoods. Condominium sale prices were \$223,462 in St. Anthony Park, \$221,750 in Summit Hill and \$214,900 in Summit University. See Table #9.

Spatially, condominium sale prices had more of a pattern in 2005 than it did in 2002. The lowest median condominium sale prices are found in neighborhoods just north of University Avenue west of Downtown and just north of Interstate 94 east of Downtown. Neighborhoods with the highest median condominium sale prices are located just west of Downtown. See Map #11.

Table 9: 2005 Condominium Median Sale Price by St. Paul Neighborhood

2005 Condominium Sales													2002 Median Sales Price	Percent Change Since 2002	Percent Change per Year
Neighborhood	Number of Sales	Average Bathrooms	Average Bedrooms	Average Days on the Market	Average Square Feet	Median Year Built	Minimum Sales Price	Maximum Sales Price	Median Sales Price	Average Sales Price					
Battle Creek	2	1.00	2.00	47	1088	1988	\$145,000	\$152,950	\$148,975	\$148,975	\$112,450	32.48%	11.81%		
Como	3	2.00	2.00	65	1257	1983	\$142,500	\$147,500	\$142,500	\$144,167	\$97,000	46.91%	17.06%		
Daytons Bluff	2	1.00	1.50	66	963	1985	\$124,000	\$134,900	\$129,450	\$129,450	\$119,950	7.92%	2.88%		
Downtown	130	1.22	1.13	65	905	1980	\$79,000	\$560,000	\$161,811	\$187,196	\$119,850	35.01%	12.73%		
Greater Eastside	-	-	-	-	-	-	-	-	-	-	-	-	-		
Hamline Midway	2	1.00	2.00	91	941	1981	\$128,100	\$131,500	\$129,800	\$129,800	-	-	-		
Highland	27	1.78	1.63	79	1228	1980	\$119,900	\$405,000	\$159,000	\$188,033	\$139,000	14.39%	5.23%		
Lexington Hamline	7	1.00	1.86	72	893	1916	\$99,900	\$245,000	\$185,500	\$183,091	\$125,000	48.40%	17.60%		
Macalester Groveland	7	1.29	1.57	49	906	1978	\$67,300	\$266,000	\$145,000	\$140,300	\$112,000	29.46%	10.71%		
North End	15	1.53	1.73	125	1016	2003	\$112,000	\$189,970	\$177,060	\$158,962	\$114,600	54.50%	19.82%		
Payne Phalen	2	1.00	2.00	30	992	1982	\$102,000	\$115,000	\$108,500	\$108,500	\$55,000	97.27%	35.37%		
St. Anthony Park	45	1.91	1.60	52	1237	2004	\$140,000	\$359,474	\$223,462	\$252,937	\$155,000	44.17%	16.06%		
Summit Hill	32	1.41	1.94	60	1320	1910	\$93,500	\$720,000	\$221,750	\$286,348	\$203,200	9.13%	3.32%		
Summit University	109	1.30	1.50	48	1099	1920	\$105,000	\$616,000	\$214,900	\$233,759	\$189,450	13.43%	4.88%		
Thomas Dale	2	1.00	1.50	86	867	1918	\$62,900	\$109,900	\$86,400	\$86,400	\$142,495	-39.37%	-14.31%		
West Seventh	17	1.41	1.71	60	1021	1981	\$122,000	\$325,000	\$160,000	\$179,936	\$116,000	37.93%	13.79%		
West Side	1	2.00	3.00	105	1120	1964	\$170,000	\$170,000	\$170,000	\$170,000	\$115,000	47.83%	17.39%		
St. Paul	403	1.39	1.47	62	1063	1980	\$62,900	\$720,000	\$191,760	\$210,802	\$149,000	28.70%	10.44%		

Map 11: 2005 Condominium Median Sale Price by St. Paul Neighborhood



2005 Townhome Sales

Median townhome sales price were noticeably lower than the median sales price for all sales at \$174,600. There was a 2.71% change in median sales price between 2002 and 2005. In other words, sales price increased about 0.98% a year. *See Table #10 and Map #12.*

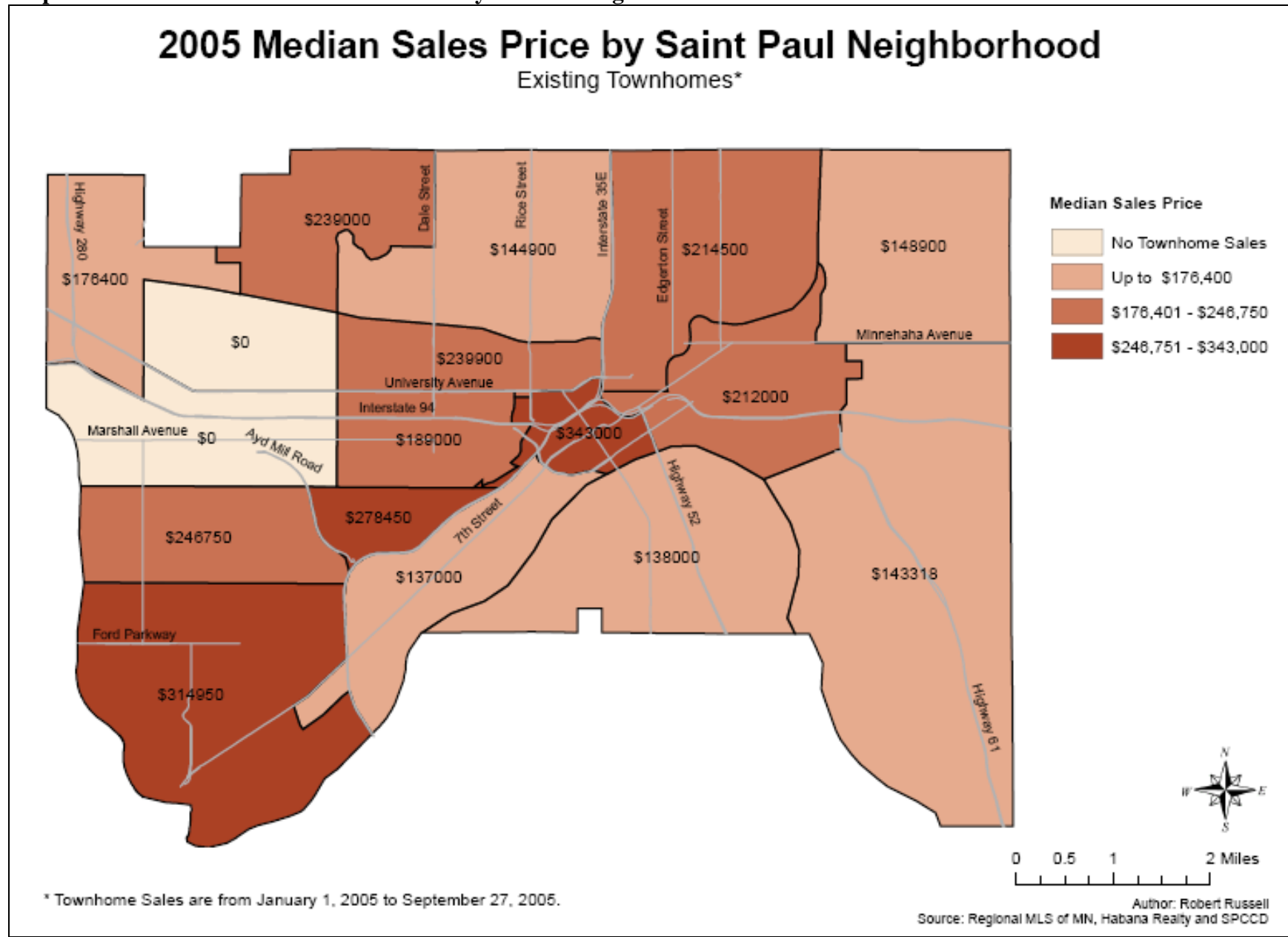
The Hamline Midway and Lexington Hamline neighborhoods did not have any townhome sales in 2005. Townhome sale prices were between \$137,000 and \$189,000 in the West Seventh, West Side, Battle Creek, North End, Greater Eastside, St. Anthony Park and Summit University neighborhoods. Dayton's Bluff, Payne Phalen, Como, Thomas Dale, Macalester Groveland and Summit University each had median townhome sale prices in the \$200,000's. Highland had a median townhome price of \$314,950. Downtown had the highest median townhome price at \$343,000. *See Table #10.*

Spatially, median townhome sale prices does not seem to follow a distinct pattern. Although median townhome sale prices were highest in Downtown and radiated to the west and northeast. *See Map #12.*

Table 10: 2005 Townhome Median Sale Price by St. Paul Neighborhood

2005 Townhome Sales												2002 Median Sales Price	Percent Change Since 2002	Percent Change per Year
Neighborhood	Number of Sales	Average Bathrooms	Average Bedrooms	Average Days on the Market	Average Square Feet	Median Year Built	Minimum Sales Price	Maximum Sales Price	Median Sales Price	Average Sales Price				
Battle Creek	7	1.29	2.29	85	1075	1987	\$129,900	\$164,900	\$143,318	\$146,760	\$144,000	-0.47%	-0.17%	
Como	1	2.00	2.00	16	1871	1984	\$239,000	\$239,000	\$239,000	\$239,000	-	-	-	
Daytons Bluff	1	2.00	3.00	23	1408	2001	\$212,000	\$212,000	\$212,000	\$212,000	\$125,000	69.60%	25.31%	
Downtown	1	2.00	2.00	38	4078	2003	\$343,000	\$343,000	\$343,000	\$343,000	\$329,000	4.26%	1.55%	
Greater Eastside	1	1.00	3.00	22	1200	1982	\$148,900	\$148,900	\$148,900	\$148,900	\$135,500	9.89%	3.60%	
Hamline Midway	-	-	-	-	-	-	-	-	-	-	-	-	-	
Highland	4	3.00	2.50	51	1751	1976	\$190,600	\$403,629	\$314,950	\$306,032	\$165,000	90.88%	33.05%	
Lexington Hamline	-	-	-	-	-	-	-	-	-	-	-	-	-	
Macalester Groveland	2	2.00	2.50	15	1681	1978	\$228,500	\$265,000	\$246,750	\$246,750	\$285,500	-13.57%	-4.94%	
North End	9	1.67	2.33	58	1215	1982	\$127,900	\$177,900	\$144,900	\$147,656	-	-	-	
Payne Phalen	5	2.00	2.40	91	1808	2004	\$153,900	\$234,000	\$214,500	\$199,580	\$125,553	70.84%	25.76%	
St. Anthony Park	4	2.00	3.00	47	1212	1982	\$169,500	\$195,000	\$176,400	\$179,325	\$148,000	19.19%	6.98%	
Summit Hill	4	2.25	2.00	39	1649	1978	\$111,500	\$375,000	\$278,450	\$260,850	\$260,000	7.10%	2.58%	
Summit University	7	2.29	2.43	74	1661	1981	\$65,500	\$454,500	\$189,000	\$241,190	\$250,000	-24.40%	-8.87%	
Thomas Dale	3	2.33	2.33	42	1708	2002	\$235,000	\$329,900	\$239,900	\$268,267	\$207,000	15.89%	5.78%	
West Seventh	7	2.43	2.14	103	1597	2003	\$42,990	\$503,000	\$137,000	\$254,270	\$199,900	-31.47%	-11.44%	
West Side	6	1.83	2.83	84	1207	1983	\$115,000	\$191,800	\$138,000	\$143,900	\$139,650	-1.18%	-0.43%	
St. Paul	62	2.02	2.42	66	1501	1982	\$42,990	\$503,000	\$174,600	\$208,254	\$170,000	2.71%	0.98%	

Map 12: 2005 Townhome Median Sale Price by St. Paul Neighborhood



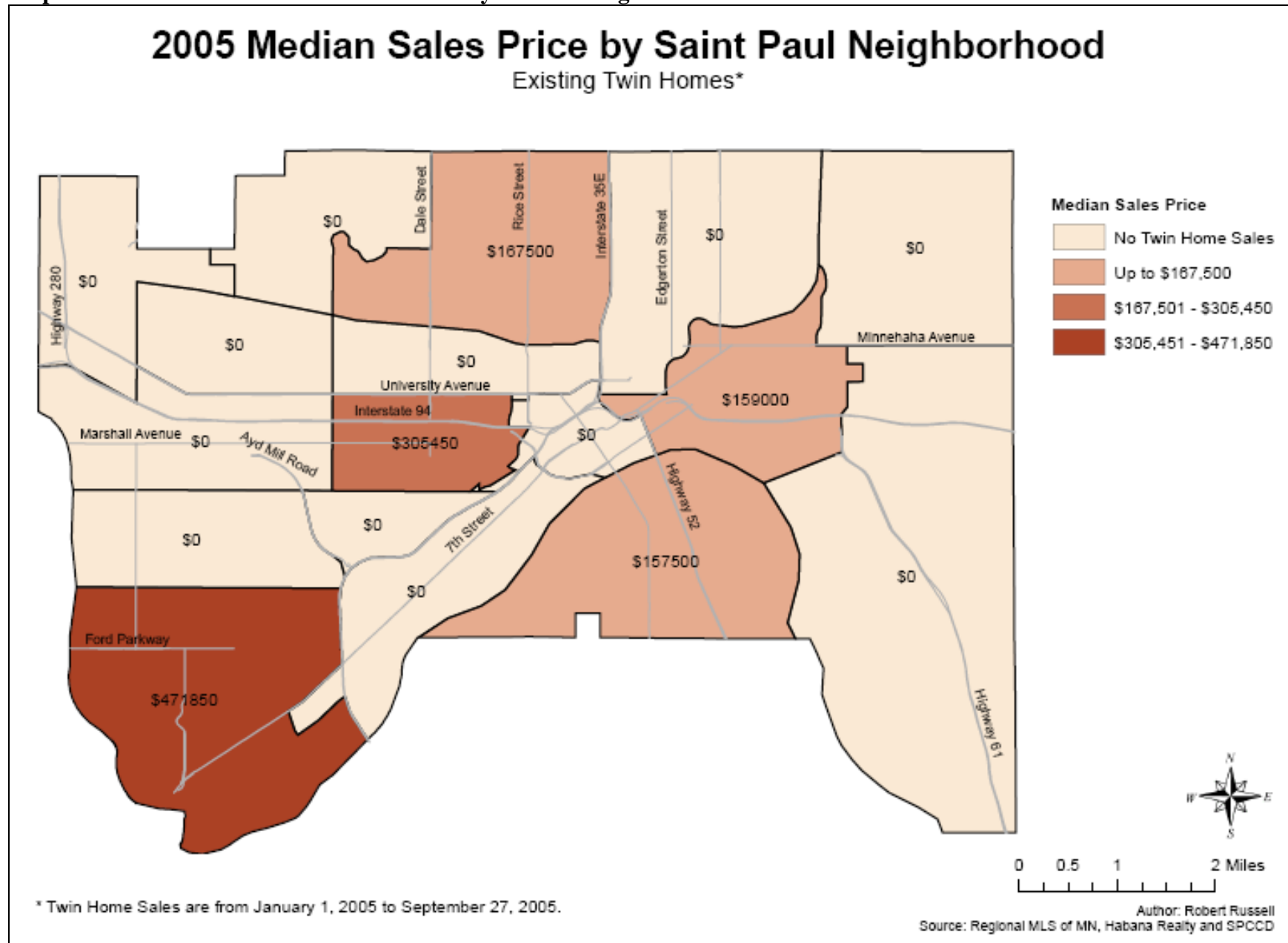
2005 Twin Home Sales

Median twin home sales price were slightly lower than the median sales price for all sales at \$186,000. There was a 36.76% change in median sales price between 2002 and 2005. In other words, sales price increased about 13.37% a year. Twin home sales saw the greatest rate of price increase between 2002 and 2005. The Dayton's Bluff, North End and West Side neighborhoods had median twin home sale prices between \$157,000 and \$173,000. Highland had the highest median sale price of \$471,850. Twin home *See Table #11 and Map #13.*

Table 11: 2005 Twin Home Median Sale Price by St. Paul Neighborhood

2005 Twin Home Sales													2002 Median Sales Price	Percent Change Since 2002	Percent Change per Year
Neighborhood	Number of Sales	Average Bathrooms	Average Bedrooms	Average Days on the Market	Average Square Feet	Median Year Built	Minimum Sales Price	Maximum Sales Price	Median Sales Price	Average Sales Price					
Battle Creek	-	-	-	-	-	-	-	-	-	-	-	\$142,900	-	-	
Como	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Daytons Bluff	1	2.00	3.00	52	1530	1973	\$159,000	\$159,000	\$159,000	\$159,000	\$136,000	16.91%	6.15%		
Downtown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Greater Eastside	-	-	-	-	-	-	-	-	-	-	\$154,900	-	-		
Hamline Midway	-	-	-	-	-	-	-	-	-	-	-	-	-		
Highland	2	3.00	3.00	142	2372	1998	\$214,900	\$728,800	\$471,850	\$471,850	-	-	-		
Lexington Hamline	-	-	-	-	-	-	-	-	-	-	\$315,000	-	-		
Macalester Groveland	-	-	-	-	-	-	-	-	-	-	-	-	-		
North End	3	1.33	2.67	57	1492	2002	\$162,900	\$186,000	\$167,500	\$172,133	\$118,450	41.41%	15.06%		
Payne Phalen	-	-	-	-	-	-	-	-	-	-	\$125,553	-	-		
St. Anthony Park	-	-	-	-	-	-	-	-	-	-	-	-	-		
Summit Hill	-	-	-	-	-	-	-	-	-	-	-	-	-		
Summit University	2	3.00	3.50	63	1966	1933	\$225,000	\$385,900	\$305,450	\$305,450	\$125,000	144.36%	52.49%		
Thomas Dale	-	-	-	-	-	-	-	-	-	-	-	-	-		
West Seventh	-	-	-	-	-	-	-	-	-	-	\$177,114	-	-		
West Side	1	1.00	3.00	34	1200	1911	\$157,500	\$157,500	\$157,500	\$157,500	-	-	-		
St. Paul	9	2.11	3.00	74	1765	1992	\$157,500	\$728,800	\$186,000	\$265,278	\$136,000	36.76%	13.37%		

Map 13: 2005 Twin Home Median Sale Price by St. Paul Neighborhood



2005 Home Value Predictive Spread

The IDW method was also used to determine a home value predictive spread for 2005. Home values were broken down into 8 quantiles.

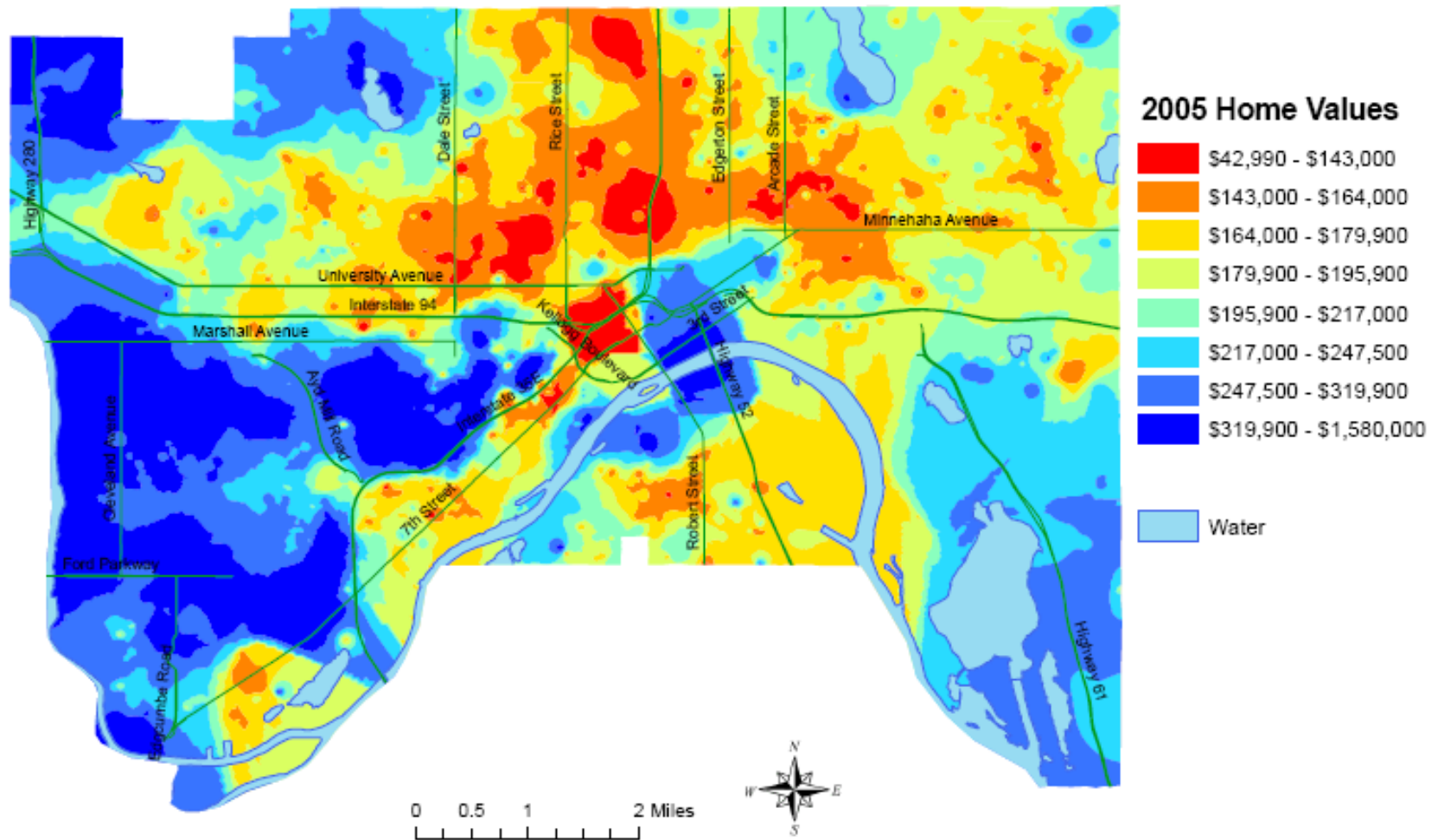
The spatial disparity of home values that existed in 2002 seemed to be more constrained in 2005. The lowest quantile home values are still clustered around Downtown St. Paul. On the other hand, second quantile home values have a greater predominance in the inner core than in 2002. Additionally, the west side of Downtown has seen a broadening of its high home values.

In 2005, lakes seem to have lost their effect on raising home values. *See Map #14.*

Map 14: 2002 Home Value Predictive Spread

2005 Home Value Predictive Spread

Based on 2005 Single-Family Homes, Condominiums, Townhomes and Twin Homes Sale Prices*



* Single Family Homes Sales are from January 1, 2005 to September 20, 2005.

Condominiums, Townhomes and Twin Homes Sales are from January 1, 2005 to September 27, 2005.

Source: Regional MLS of MN, St. Paul Association of Realtors, Habana Realty and SPCCD

Author: Robert Russell

Section Three: Neighborhood Incomes

Median Family Income

Methodology

Median family incomes for each neighborhood were calculated using Census 2000 data, as compiled by Wilder Research Center, and the American Community Survey. Wilder Research Center provided a base estimate for median family income by neighborhood from Census 2000; therefore, the income listed as 2000 Census is the median family income estimate for 1999.

The American Community Survey was used to get median family income for the City of St. Paul for 2001 through 2004. The income estimations for each neighborhood assumed that each neighborhood's median family income increased the same as the City of St. Paul. In other words, the percent change, as indicated by the American Community Survey since Census 2000, was calculated for the City of St. Paul and then applied to each neighborhood to arrive at a median family income estimate for each neighborhood. *See Table 12.*

Table 12: Median Family Income by St. Paul Neighborhood, 1999-2004

Neighborhood	2000 Census	2001	2002	2003	2004
Battle Creek	\$49,026	\$51,240	\$51,527	\$54,561	\$53,945
Como	\$62,708	\$65,539	\$65,907	\$69,788	\$69,000
Daytons Bluff	\$37,271	\$38,954	\$39,172	\$41,479	\$41,011
Downtown	\$46,912	\$49,030	\$49,305	\$52,209	\$51,619
Greater Eastside	\$45,558	\$47,615	\$47,882	\$50,702	\$50,129
Hamline Midway	\$49,461	\$51,694	\$51,984	\$55,046	\$54,424
Highland	\$68,295	\$71,379	\$71,779	\$76,006	\$75,148
Lexington Hamline	\$74,705	\$78,078	\$78,516	\$83,140	\$82,201
Macalester Groveland	\$61,793	\$64,583	\$64,945	\$68,770	\$67,993
North End	\$37,260	\$38,942	\$39,161	\$41,467	\$40,999
Payne Phalen	\$39,972	\$41,777	\$42,011	\$44,485	\$43,983
St. Anthony Park	\$66,741	\$69,754	\$70,146	\$74,277	\$73,438
Summit Hill	\$87,364	\$91,309	\$91,821	\$97,228	\$96,130
Summit University	\$45,795	\$47,863	\$48,131	\$50,966	\$50,390
Thomas Dale	\$32,011	\$33,456	\$33,644	\$35,625	\$35,223
West Seventh	\$47,015	\$49,138	\$49,414	\$52,323	\$51,732
West Side	\$46,139	\$48,222	\$48,493	\$51,348	\$50,768
St. Paul	\$48,925	\$51,134	\$51,421	\$54,449	\$53,834
Change Since Census	-	4.52%	5.10%	11.29%	10.03%
Change Per Year	-	4.52%	0.56%	5.89%	-1.13%

Source: American Community Survey, Census 2000 as compiled by Wilder Research

Lastly, percentages of median family income for 2004 were calculated. Percentages of 30%, 50%, 60% and 80% were used because it is common practice for HUD when determining different income level groups. Very low-income households are defined as 30% of median family income. Low-income households are defined as 50% of median family income. Moderate-income households are defined as 80% of median family income. Households with incomes that are 60% of median family income qualify for other subsidy programs, like the HOME program. *See Table 13.*

Table 13: Percent of Median Family Income by St. Paul Neighborhood, 2004

Neighborhood	Percent of 2004 Median Family Income				
	100%	80%	60%	50%	30%
Battle Creek	\$49,026	\$39,221	\$29,416	\$24,513	\$14,708
Como	\$62,708	\$50,166	\$37,625	\$31,354	\$18,812
Daytons Bluff	\$37,271	\$29,817	\$22,363	\$18,636	\$11,181
Downtown	\$46,912	\$37,530	\$28,147	\$23,456	\$14,074
Greater Eastside	\$45,558	\$36,446	\$27,335	\$22,779	\$13,667
Hamline Midway	\$49,461	\$39,569	\$29,677	\$24,731	\$14,838
Highland	\$68,295	\$54,636	\$40,977	\$34,148	\$20,489
Lexington Hamline	\$61,793	\$49,434	\$37,076	\$30,897	\$18,538
Macalester Groveland	\$74,705	\$59,764	\$44,823	\$37,353	\$22,412
North End	\$37,260	\$29,808	\$22,356	\$18,630	\$11,178
Payne Phalen	\$39,972	\$31,978	\$23,983	\$19,986	\$11,992
St. Anthony Park	\$66,741	\$53,393	\$40,045	\$33,371	\$20,022
Summit Hill	\$87,364	\$69,891	\$52,418	\$43,682	\$26,209
Summit University	\$45,795	\$36,636	\$27,477	\$22,898	\$13,739
Thomas Dale	\$32,011	\$25,609	\$19,207	\$16,006	\$9,603
West Seventh	\$47,015	\$37,612	\$28,209	\$23,508	\$14,105
West Side	\$46,139	\$36,911	\$27,683	\$23,070	\$13,842
St. Paul	\$53,834	\$43,067	\$32,300	\$26,917	\$16,150

Source: American Community Survey

Section Four: Comparison of Neighborhood Home Prices and Incomes

Comparison of 2002 and 2005 Median Sale Prices for All Sales

Overall, the data indicates that there was a 22.67% increase in median sale prices between 2002 and 2005. Nine of the 17 neighborhoods saw percent increases that were lower than 22.67%: Battle Creek; 21.41%; Dayton's Bluff; 22.31%; Greater Eastside; 20.67%; Hamline Midway; 16.01%; Lexington Hamline; 15.91%; Summit Hill; 14.48%; Summit University; 15.74%; West Seventh; 19.50%; and West Side; 22.03%.

On the other hand, St. Anthony Park saw the greatest percent increase between 2002 and 2005 at 39.69%. Thomas Dale and Downtown had the next greatest percent increases at 29.87% and 29.85%, respectively. The other neighborhoods that had percent increases greater than that of the City of St. Paul as a whole were: Como, 27.57%; Highland, 28.89%; Macalester Groveland, 24.42%; North End, 25.89%; and Payne Phalen, 25.13%.

Comparison of 2001 and 2004 Median Family Incomes

It is assumed that households use their previous year's incomes to estimate their home purchasing power. Therefore, 2004 median family incomes will be compared to 2005 median home values. Likewise, 2001 median family incomes will be compared to 2002 median home values.

According to the American Community Survey conducted by the US Census, median family income in St. Paul rose by 5.28% between 2001 and 2004. Since the City's percent increase was used to estimate each neighborhood, each neighborhood's median family income is assumed to increase by 5.28%. In reality, some neighborhoods may have increased at a greater or lesser rate. It is beyond the scope of this report to exactly estimate median family incomes by neighborhood.

The point can still be made, though, that incomes increased by only a small fraction of the increase realized by home values – 5.28% compared to 22.67%. Thus, it follows that households will, and *are*, having a harder time finding affordable home opportunities.

To further illustrate the affordability issue, the next section will estimate the affordability gap needed for households within a neighborhood to afford a median home priced home in their neighborhood.

Chart 1: 2002 and 2005 Median Sale Price Comparison by St. Paul Neighborhood

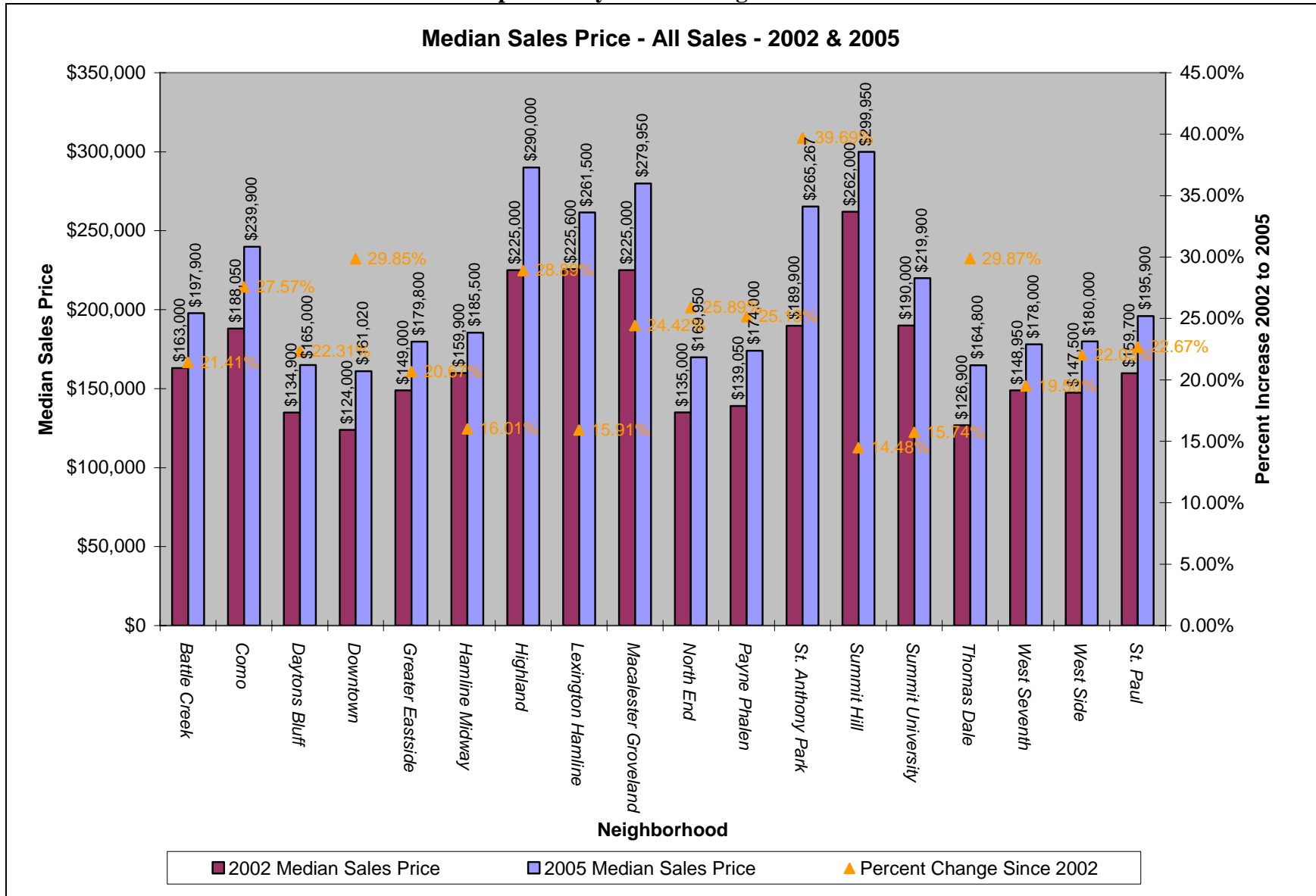
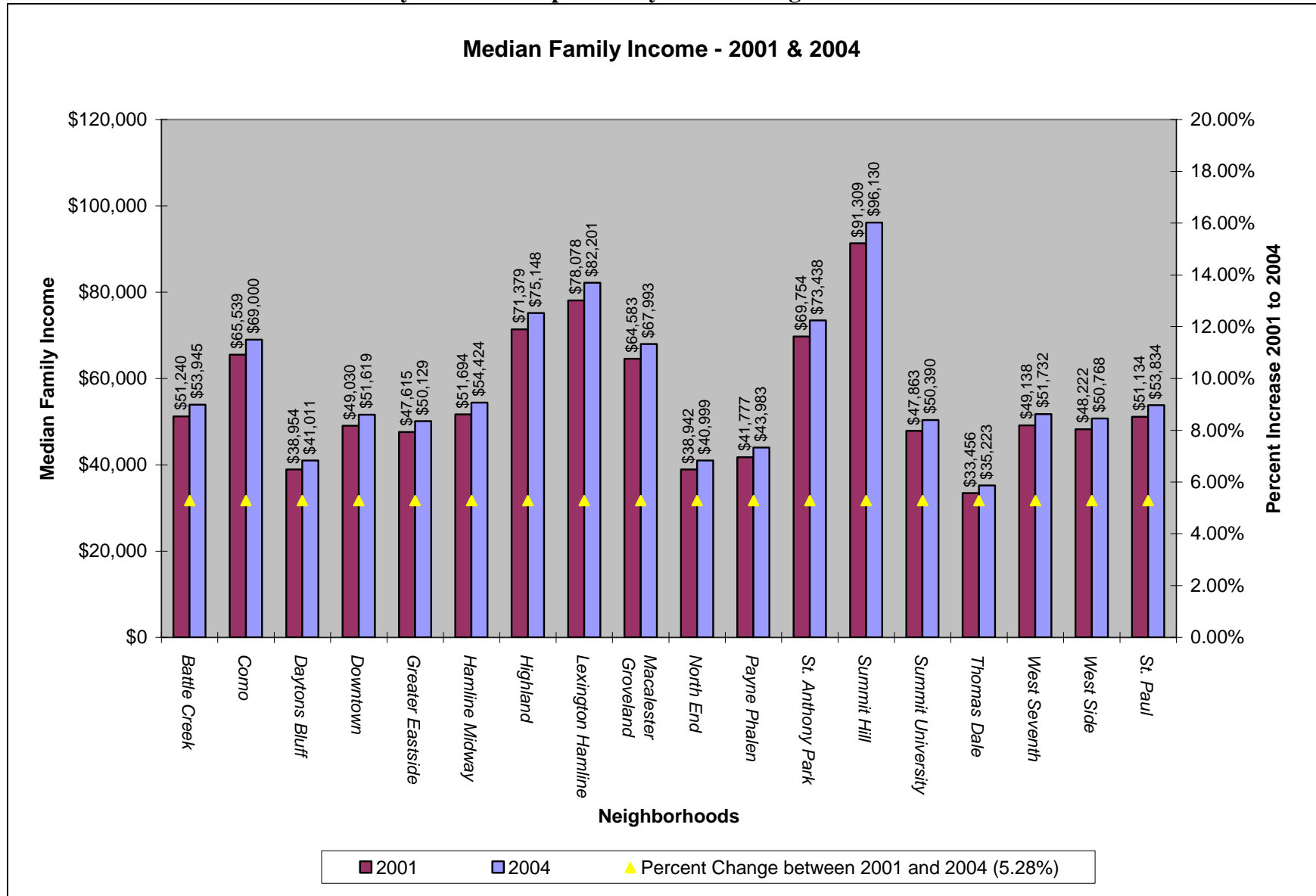


Chart 2: 2001 and 2004 Median Family Income Comparison by St. Paul Neighborhood



Section 5: Affordability Gap Analysis

The analysis conducted in this section is modeled after the City of Lakes Community Land Trust (CLCLT) Study (Nyquist, 2005). Several of the assumptions are different, but the methodology is the same. The methodology involved taking the 2004 median family income for each neighborhood and determining the maximum mortgage that income could afford. The affordability gap was then determined by taking the difference between the 2005 median home price for the neighborhood and the maximum mortgage amount.

As stated, maximum mortgage amounts were calculated for each neighborhood using the neighborhood's 2004 median family income. In addition, the following assumptions were also used:

1. \$350 of other personal debt payments per month (credit cards, car, etc);
2. 2.25% downpayment (97.75% LTV);
3. 41% Debt to Income Ratio;
4. \$2,100 yearly taxes and insurance (\$175 a month);
5. And a 6% fixed interest rate with 30 year term.

As stated in the CLCLT Study, there are several methodological caveats that should be kept in mind while looking at the data:

- First, the research does not take into account household preferences. In other words, some households may be willing to spend a substantial portion of their income on housing. In other words, they may want to purchase a more expensive home; although, this is minimized because most lenders will not exceed a 41% Debt to Income Ratio.
- Second, the \$350 amount of personal debt amounts used may actually be too low. Personal and household debts are currently at record highs. So if in fact personal debt amounts are higher, the maximum affordable mortgage will decrease; thereby, increasing the affordability gap.
- Third, the assumption of a 2.25% downpayment is low. On the other hand several SPCCD member organizations suggest that this is the maximum downpayment a typical low- and moderate-income homebuyer can afford. Therefore, if the downpayment is higher, then the maximum mortgage amount will increase and gap will decrease.
- Fourth, closing costs were not included in the set of assumptions. So with the added costs, it is assumed that the affordability gap will increase – by the amount of the closing costs – for many of the lower income households.

Using the aforementioned assumptions, affordability gaps were calculated for each neighborhood, as well as, for the City of St. Paul. In addition, affordability gaps were calculated at difference income levels.

For the City of St. Paul, the median home price was \$195,900 in 2005 and the median family income was \$53,834 in 2004. Given this information, no gap is needed for households who earn around \$53,834. As expected as a household moves down in income level, the affordability gap increases. For example, a moderate-income household (a household that earns 80% of median family income) earns \$43,067 and will need about \$38,039 in assistance to afford the same \$195,900 house. Similarly, a low-income household (a household that earns 50% of median family income) earns \$26,917 and will need about \$130,073 in assistance to a \$195,900 house. Further, a very low-income household (a household that earns 30% of median family income) earns \$16,150 and will need about \$191,431 in assistance to a \$195,900 house.

It is clear that in most neighborhoods, only households that have income near the median family income are able to afford a median priced home. *See Table 14.*

Further, it is also clear that it is very difficult to make homeownership a viable option for households that earn less than 80% of the median family income since the affordable gap financing necessary becomes far too excessive.

Without the necessary gap financing, the other option for moderate-income households is to purchase homes that are valued less than the median home price. Unfortunately, a home that is priced less than the median may also be a home that has a lower quality. The next section will examine home price and home quality.

Table 14: Affordability Gaps by Median Family Income and St. Paul Neighborhood, 2004

Neighborhood	Median Housing Price	Percent of 2004 Median Family Income					Gap Needed to Afford 2005 Median Home Price				
		100%	80%	60%	50%	30%	100%	80%	60%	50%	30%
Battle Creek	\$197,900	\$49,026	\$39,221	\$29,416	\$24,513	\$14,708	\$6,080	\$61,957	\$117,835	\$145,773	-
Como	\$239,900	\$62,708	\$50,166	\$37,625	\$31,354	\$18,812	No Gap	\$41,582	\$113,053	\$148,788	\$220,259
Dayton Bluff	\$165,000	\$37,271	\$29,817	\$22,363	\$18,636	\$11,181	\$40,169	\$82,648	\$125,128	\$146,367	-
Downtown	\$161,020	\$46,912	\$37,530	\$28,147	\$23,456	\$14,074	No Gap	\$34,715	\$88,183	\$114,917	-
Greater Eastside	\$179,800	\$45,558	\$36,446	\$27,335	\$22,779	\$13,667	\$7,744	\$59,668	\$111,592	\$137,555	-
Hamline Midway	\$185,500	\$49,461	\$39,569	\$29,677	\$24,731	\$14,838	No Gap	\$47,574	\$103,947	\$132,134	-
Highland	\$290,000	\$68,295	\$54,636	\$40,977	\$34,148	\$20,489	No Gap	\$66,211	\$144,049	\$182,969	\$260,808
Lexington Hamline	\$261,500	\$61,793	\$49,434	\$37,076	\$30,897	\$18,538	No Gap	\$67,353	\$137,781	\$172,995	\$243,423
Macalester Groveland	\$279,950	\$74,705	\$59,764	\$44,823	\$37,353	\$22,412	No Gap	\$26,938	\$112,082	\$154,654	\$239,799
North End	\$169,950	\$37,260	\$29,808	\$22,356	\$18,630	\$11,178	\$45,182	\$87,648	\$130,115	\$151,349	-
Payne Phalen	\$174,000	\$39,972	\$31,978	\$23,983	\$19,986	\$11,992	\$33,777	\$79,334	\$124,892	\$147,671	-
St. Anthony Park	\$265,267	\$66,741	\$53,393	\$40,045	\$33,371	\$20,022	No Gap	\$48,562	\$124,630	\$162,664	\$238,731
Summit Hill	\$299,950	\$87,364	\$69,891	\$52,418	\$43,682	\$26,209	No Gap	No Gap	\$88,798	\$138,584	\$238,157
Summit University	\$219,900	\$45,795	\$36,636	\$27,477	\$22,898	\$13,739	\$46,493	\$98,688	\$150,882	\$176,979	-
Thomas Dale	\$164,800	\$32,011	\$25,609	\$19,207	\$16,006	\$9,603	\$69,944	\$106,428	\$142,913	\$161,155	-
West Seventh	\$178,000	\$47,015	\$37,612	\$28,209	\$23,508	\$14,105	No Gap	\$51,226	\$104,811	\$131,603	-
West Side	\$180,000	\$46,139	\$36,911	\$27,683	\$23,070	\$13,842	\$4,633	\$57,219	\$109,806	\$136,099	-
St. Paul	\$195,900	\$53,834	\$43,067	\$32,300	\$26,917	\$16,150	No Gap	\$38,039	\$99,397	\$130,073	\$191,431

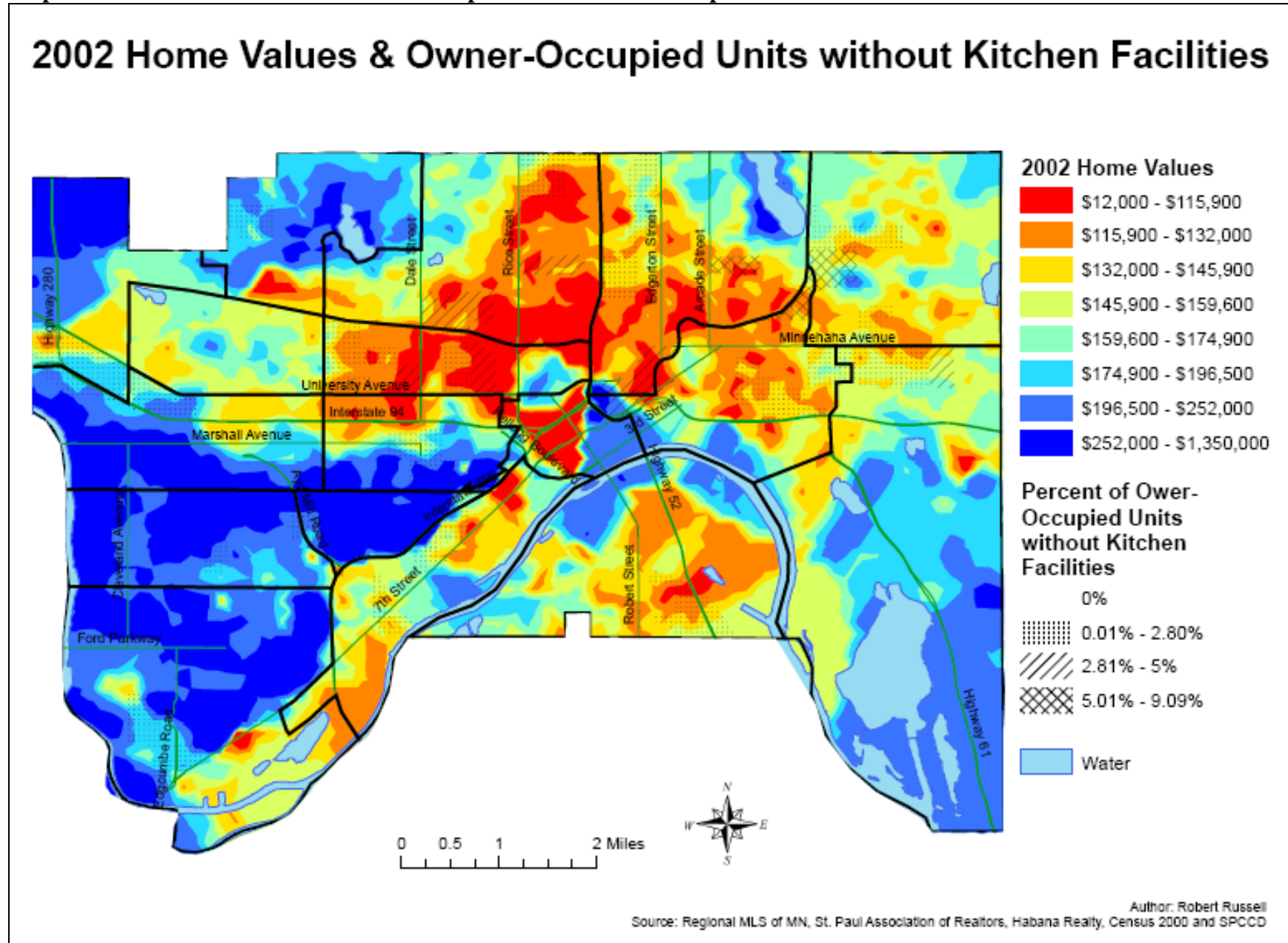
Section Six: Home Prices and Housing Quality

Census data was used to determine the quality of owner-occupied housing units. The only available data fields that would be useful to get at housing quality were: H48 – Plumbing facilities and H50 – Kitchen facilities as listed in the Summary File 3 data. The data was downloaded by census block group and mapped. The data was then overlaid with 2002 home values.

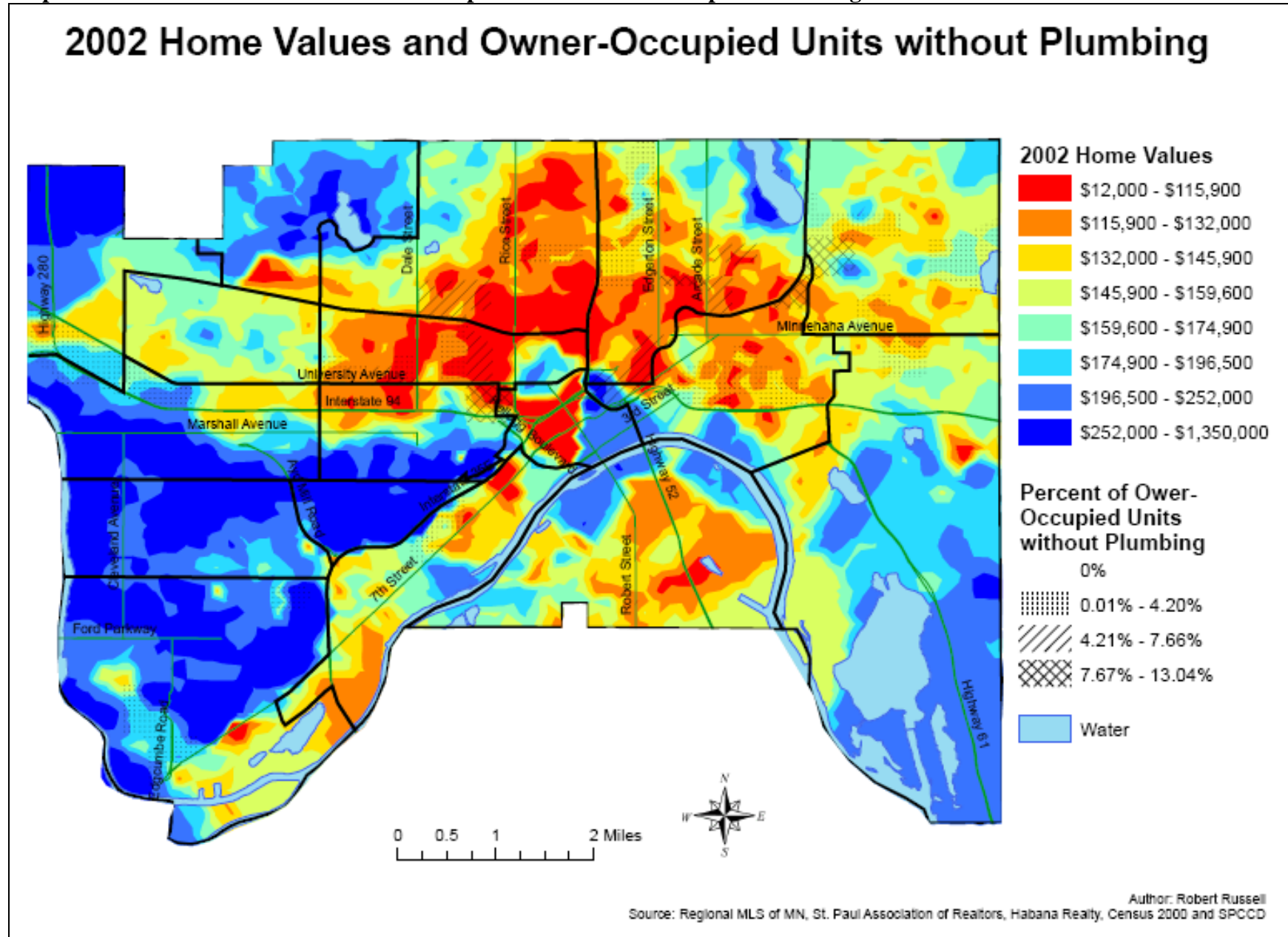
In 2002, the median home price in St. Paul was \$159,700. It is interesting to note that most of the owner-occupied units that lack complete plumbing facilities and that lack complete kitchen facilities are found in areas with home values less than \$159,600. *See Maps #15 and #16.* Thus, given the data, there is a strong spatial correlation between lower home values and lower quality housing units.

As stated earlier, one alternative for low- and moderate-income households to purchase a home is to purchase a home that has a lower value. So it would follow that those same households will need to fix up the home at some point. In the long run is possible that the cost savings in the purchase will be outweighed by the need to fix up the house; therefore, a once “affordable” home could have the potential to become unaffordable over time. Without funds for rehabilitation, the areas that are currently have blighted or run-down housing could become more dilapidated.

Map 15: 2002 Home Values and Owner-Occupied Units without Complete Kitchen Facilities



Map 16: 2002 Home Values and Owner-Occupied Units without Complete Plumbing Facilities



Section Seven: Home Prices, Subprime Lending and Foreclosures

Jeff Crump (Spring 2005) in his article printed in the CURA Reporter provides a good definition of subprime lending. He also provides a comparison of subprime lending to predatory lending. It is as follows:

“The first point is that subprime loans are more expensive than those obtained in the prime market. Subprime loans generally have higher rates of interest, smaller loan amounts, and greater origination costs. The second point is that the subprime lending market is associated with certain “predatory” practices that are not justified by an applicant’s lack of credit-worthiness. According to Deborah Goldstein, author of Understanding Predatory Lending, predatory loans are usually distinguished from subprime loans by the sales practices of the lenders. Predatory lending is characterized by sales practices that mislead borrowers by withholding information or purposefully hiding the costs associated with a loan, and selling loans that the lender knows the borrower will not be able to pay back...It is important to recognize that it is not easy to distinguish between a subprime loan and predatory lending. Not all subprime loans are predatory, but some are. What is known is that for borrowers with predatory loans, the financial burdens can be heavy” (p.14).

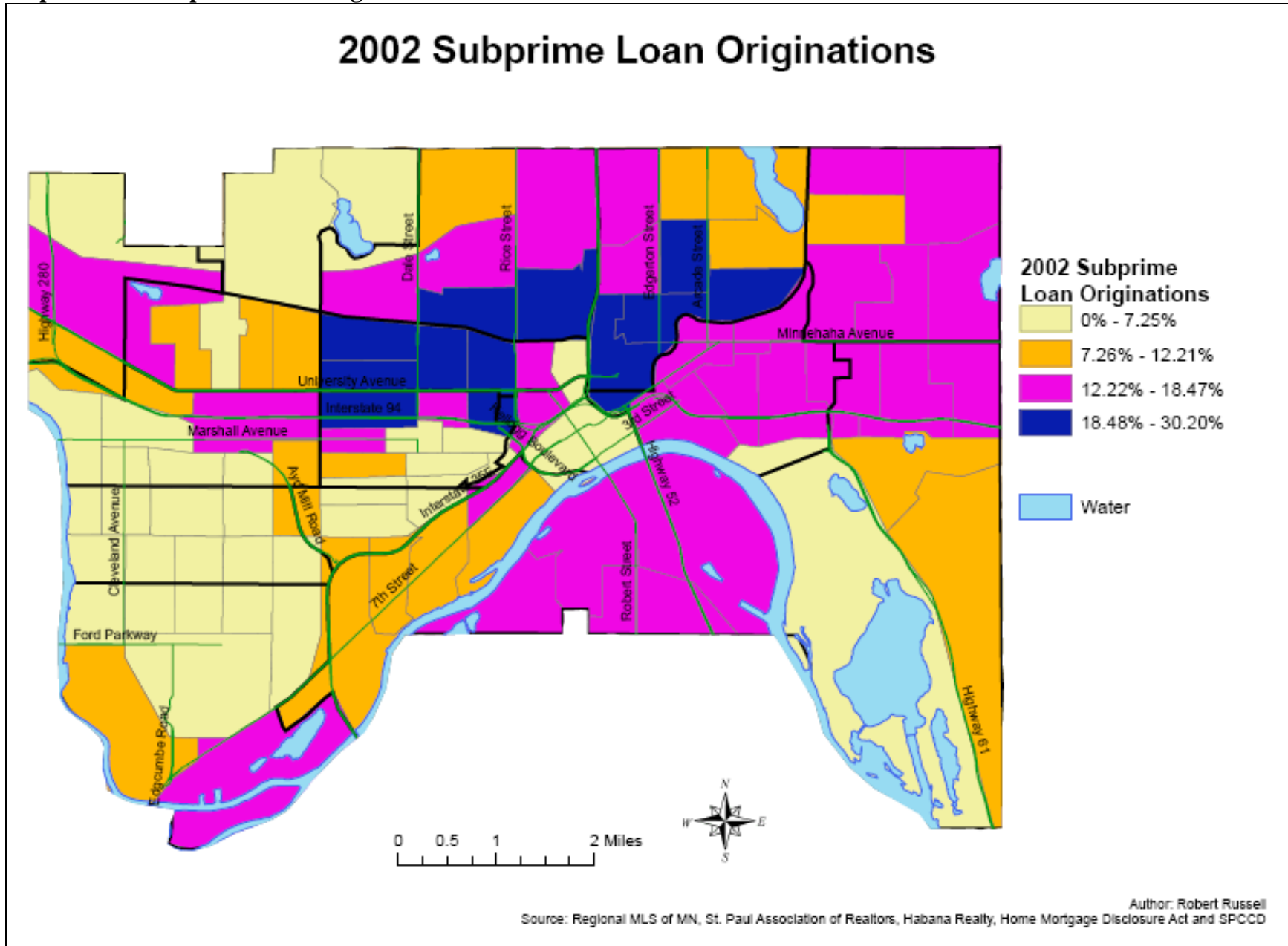
Using data provided by the University of Minnesota’s Institute of Race and Poverty, a map was made to determine the spatial distribution of subprime loans. *See Map #18*. Areas with the highest percentage of all loan originations being subprime are found in neighborhoods just north of Downtown, primarily in the Thomas Dale, North End and Payne Phalen neighborhoods. In addition, the Dayton’s Bluff, West Side neighborhoods, as well as, portions of Highland, Hamline Midway and St. Anthony Park neighborhoods have high percentages of their loan originations being subprime.

This is a concern because, as Crump rightly points out, areas with a high rate of subprime lending are at a higher risk of foreclosures. In addition, “The high cost of subprime loans may put many families in financial jeopardy and increase the risk of foreclosure. Foreclosures in turn threaten the viability of entire neighborhoods, as the increase in vacant homes lowers property values, encourages crime, and discourages business development” (p.14). In a map created by Crump and presented in his article, it shows that the areas that have high rates of subprime lending also are areas with the most foreclosures. *See Map #18 and compare to Map #17*.

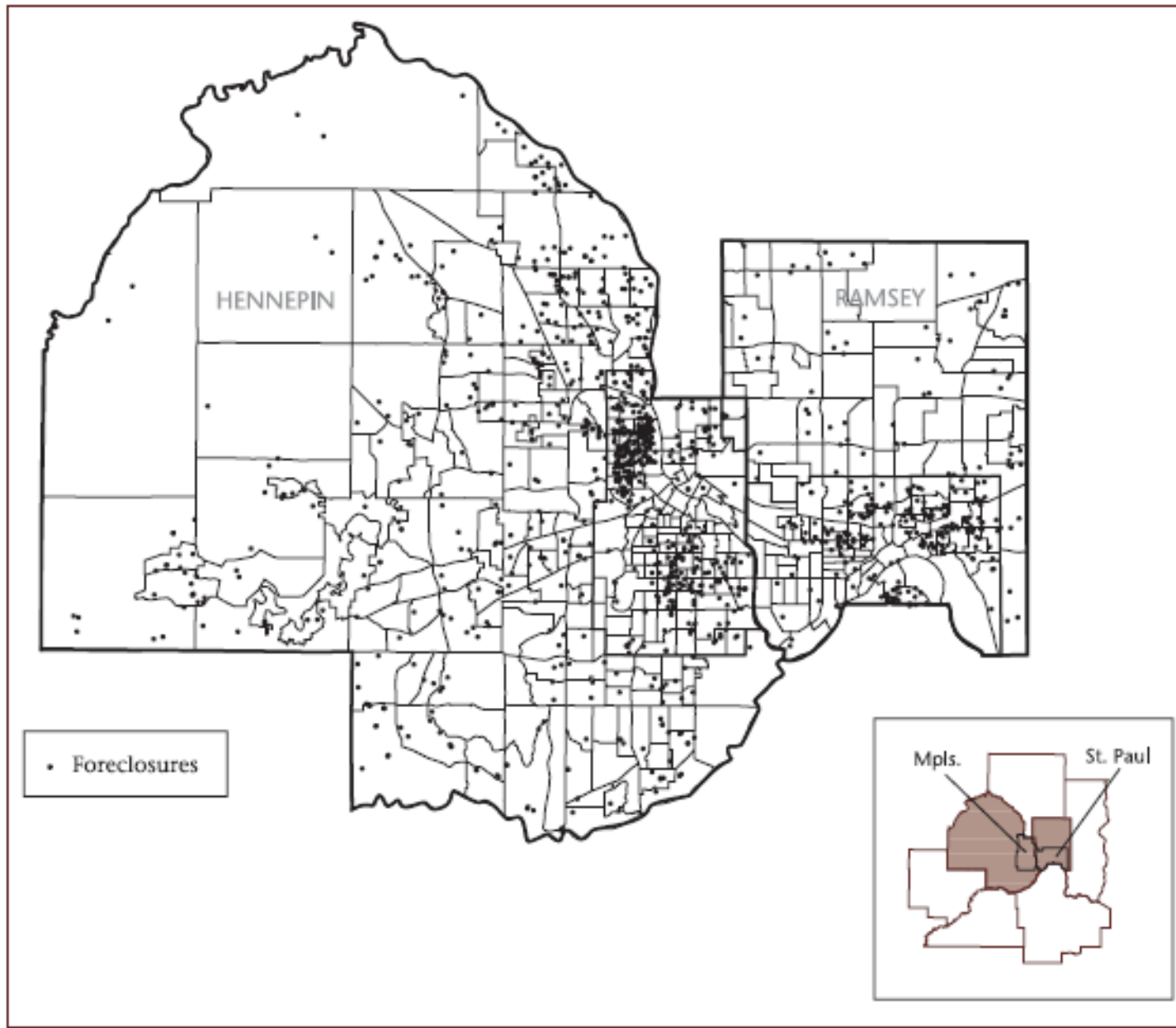
In short, subprime lending can encourage disinvestment in areas that are already suffering from blight and low property values. *Map #19 illustrates how areas with the lowest home values are also areas with high rates of subprime lending*. There is also an affordability concern here since the low- and moderate-income households who already are financially disadvantaged, as indicated by their need for a subprime loan, are using those loans to buy lower cost, lower quality housing. The higher interest rates associated with subprime loans and the costs associated with lower quality housing may in the long run lead to foreclosure.

Lastly, Crump concludes that minorities, especially American Indians, African Americans and Hispanics, are at a higher risk of receiving subprime loans. For example, Crump suggests that the rate of African Americans receiving a subprime mortgage is 3.6 times higher than the overall rate in Hennepin and Ramsey Counties. *Map #20 illustrates how areas in St. Paul that have high concentrations of minorities are also the areas that have high rates of subprime lending*.

Map 17: 2002 Subprime Loan Originations

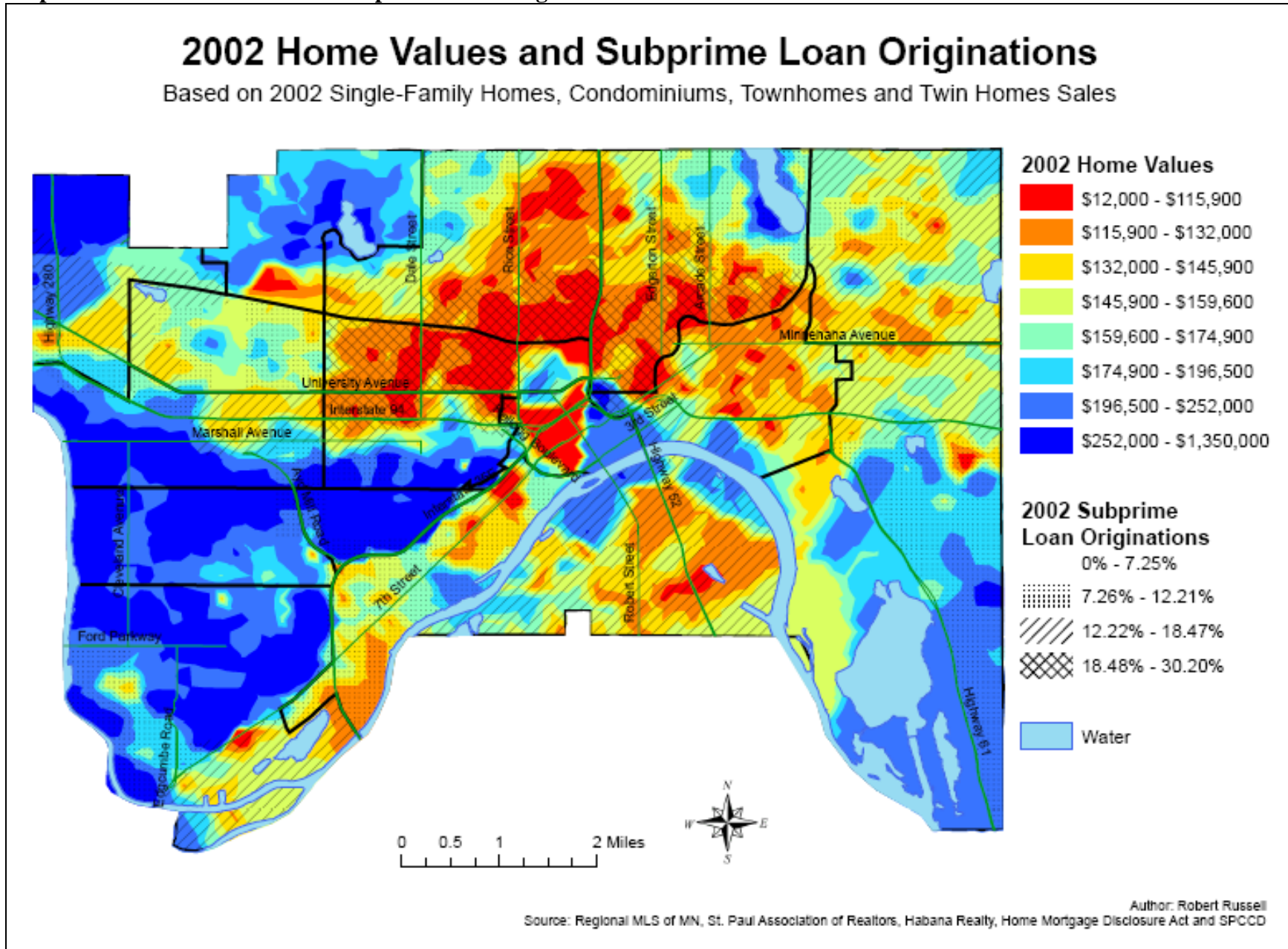


Map 18: 2002 Foreclosures (As presented in an article by Jeff Crump in the CURA Reporter, Spring 2005.)

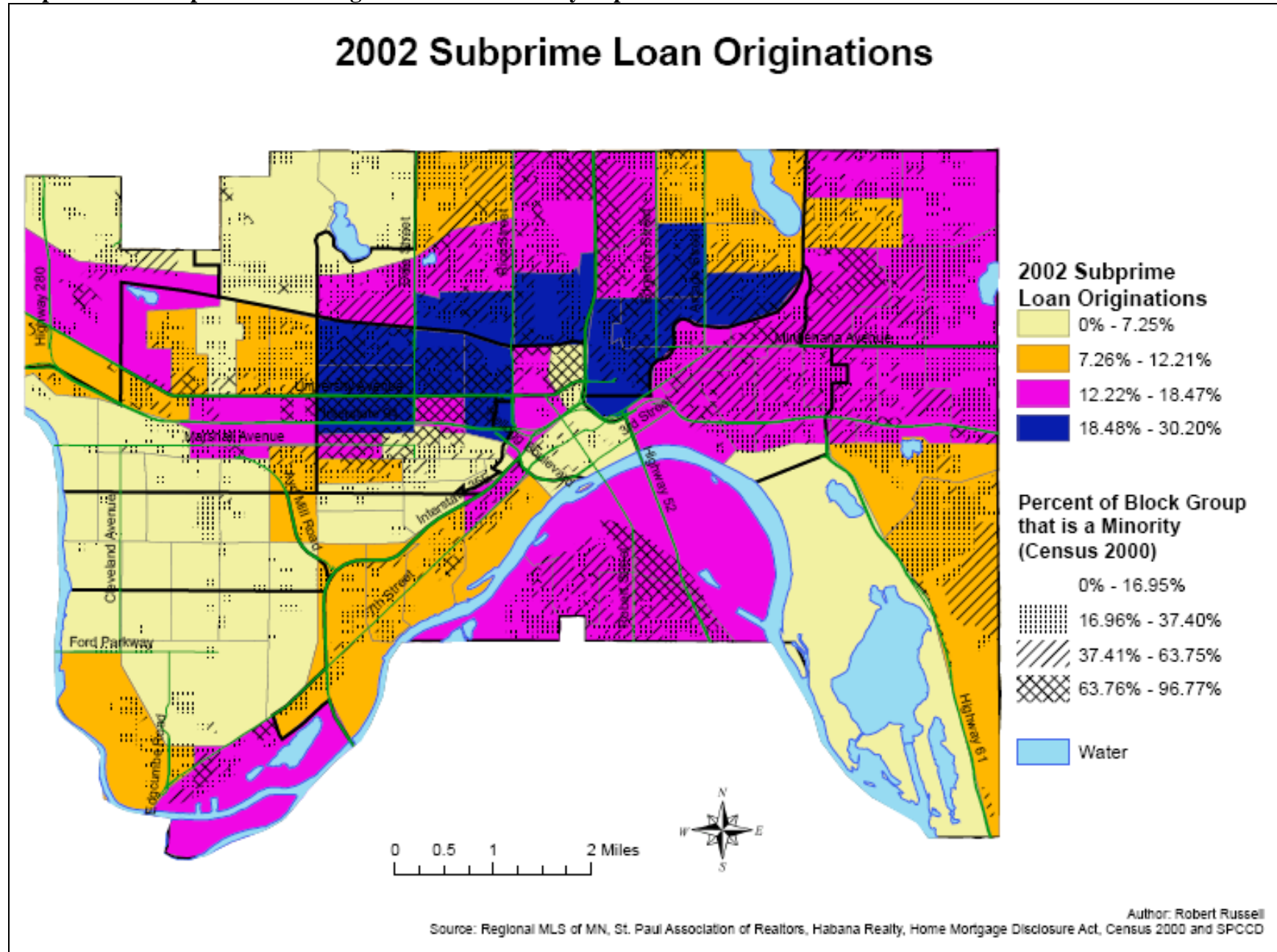


Data Source: Hennepin and Ramsey Counties, 2003

Map 19: 2002 Home Values and Subprime Loan Originations



Map 20: 2002 Subprime Loan Originations and Minority Population



Section Eight: Conclusions and Recommendations

Conclusions

The following conclusions can be drawn from the analysis of this report:

- St. Paul has more homeownership opportunities (54.82%) than it does renter opportunities (45.17%). Since most owner-occupied units are unaffordable to low- and moderate-income people, it is imperative that St. Paul promote affordable homeownership opportunities.
- The median sales price for St. Paul for the 2,654 sales in 2005 was \$195,900 – a 22.67% change in median sales price between 2002 and 2005 (8.24% a year). Median single family sales price were higher than the median sales price for all sales at \$197,000 (Seeing a 23.20% change in median sales price between 2002 and 2005, 8.44% a year). Median condominium sales price were slightly lower than the median sales price for all sales at \$191,760 (Seeing a 28.70% change or 10.44% a year). Median townhome sales price were noticeably lower than the median sales price for all sales at \$174,600 (Seeing a 2.71% change or 0.98% a year). Median twin home sales price were slightly lower than the median sales price for all sales at \$186,000 (Seeing a 36.76% change or 13.37% a year).
- Median family income in St. Paul rose by 5.28% between 2001 and 2004. Incomes increased by only a small fraction of the increase realized by home values – 5.28% compared to 22.67%. Thus, it follows that households will, and *are*, having a harder time finding affordable homeownership opportunities.
- The City of St. Paul had a median home price of \$195,900 in 2005 and a median family income of \$53,834 in 2004. Given this information, no gap is needed for households who earn around \$53,834. Thus, in order to afford a median priced home, a household must earn at least the median household income.
- As expected as a household moves down in income level, the affordability gap increases. For example, a moderate-income household (a household that earns 80% of median family income) earns \$43,067 and will need about \$38,039 in assistance to afford the same \$195,900 house. Similarly, a low-income household (a household that earns 50% of median family income) earns \$26,917 and will need about \$130,073 in assistance to a \$195,900 house. Further, a very low-income household (a household that earns 30% of median family income) earns \$16,150 and will need about \$191,431 in assistance to a \$195,900 house.
- Thus, it is very difficult to make homeownership a viable option for households that earn less than 80% of the median family income since the affordable gap financing necessary becomes far too excessive.

- Without the necessary gap financing, the other option for moderate-income households is to purchase homes that are valued less than the median home price. Unfortunately, a home that is priced less than the median may also be a home that has a lower quality. Most of the owner-occupied units that lack complete plumbing facilities and that lack complete kitchen facilities are found in areas with home values less than \$159,600. Thus, given the data, there is a strong spatial correlation between lower home values and lower quality housing units.
- Lower quality housing will require more rehabilitation needs. So in the long run is possible that the cost savings of the lower priced home will be outweighed by the need to fix up the house; therefore, a once “affordable” home could have the potential to become unaffordable over time. Without funds for rehabilitation, the areas that are currently have blighted or run-down housing could become more dilapidated.
- Areas with a high rate of subprime lending are at a higher risk of foreclosures. Subprime lending can encourage disinvestment in areas that are already suffering from blight and low property values.
- There is also an affordability concern here since the low- and moderate-income households who already are financially disadvantaged, as indicated by their need for a subprime loan, are using those loans to buy lower cost, lower quality housing. The higher interest rates associated with subprime loans and the costs associated with lower quality housing may in the long run lead to foreclosure.
- Minorities, especially American Indians, African Americans and Hispanics, are at a higher risk of receiving subprime loans. Also minorities are located in areas with the lowest housing values.

Recommendations

The following recommendations are made by the author of this report (not necessarily the views of SPCCD):

- SPCCD member organizations should better coordinate and work more closely together to solve the housing issues in St. Paul instead of continuing to promote a fragmented housing solution.
- There needs to be a greater commitment by the City of St. Paul and the State of Minnesota to produce affordable housing; especially, affordable homeownership opportunities. Thus, more forms of homeownership assistance are needed from both the City and the State.
- The City should extend commitment to and continue to promote the building of affordably price homeownership opportunities. The City should be commended for its progressive approach to promoting affordable housing. Hopefully the City will continue to pursue more affordable housing programs in the future. The City should also consider adopting a more comprehensive inclusionary housing policy.

- SPCCD member organizations should continue to pursue funding from state and local resources. Further, SPCCD member organizations should continue to create partnerships to strengthen applications for funding resources and to better leverage each other's funds. MHFA and HUD both like partnerships and leveraging of funds.
- SPCCD and the City should take better advantage of MHFA programs. For example, the MURL (Minnesota Urban and Rural Homesteading) program is an excellent way to provide homeownership to households that are below 80% of the median family income. MURL is a rehabilitation program that allows developers to buy blighted housing and rehabilitate them. The rehabilitated home is then sold as a contract-for-deed to very low- and low-income households. The contract-for-deed has zero percent interest making it a very affordable option.
- SPCCD and the City should continue and expand the use of low-interest rehabilitation loans for housing located in areas of concentrated blight.
- SPCCD and the City should address the issues surrounding minority concentration; especially as it relates to discrimination in lending practices and the correlation of minority homeownership in blighted neighborhoods. Participating in the upcoming "Emerging Markets Homeownership Initiative" would be a good way to pursue this issue.

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