

UFF-DA!

Useful Facts and Figures - Data for Affiliates!

September 2009

Greetings! Please share this information with your Board and staff and let us know what data is useful to you in your work. With your input, we will work together to gather information and compile it into a format that is most useful to you. Please feel free to ask us for data that you are most interested in. We look forward to and thank you for your feedback and suggestions.

House Costs & Homebuyer Characteristics

During fiscal years 2008 and 2009, 61 new homes were constructed and funded by the Federal Home Loan Bank of Des Moines (FHLB) totaling \$431,700. Those 61 homes put roofs over the heads of 173 children throughout Greater Minnesota. The FHLB has provided \$4 million in grants to Minnesota Habitat affiliates since 1998 to help construct or rehabilitate more than 600 homes.

Through the FHLB grants, Habitat for Humanity of Minnesota has collected a wonderful historic record of the cost and value elements of Habitat homes as well as a variety of demographic information about Habitat homeowners. The data used for this report was collected through our most recent grants representing 61 newly constructed homes in Greater Minnesota that closed between July 1, 2007 and June 30, 2009. Table 1 is a summary of the key data collected.

Table 1. House Costs and Homebuyer Characteristics for Greater Minnesota Habitat Affiliates

Average	2 Bedroom	3 Bedroom	4 bedroom	5 bedroom	All Greater Minnesota	Rural Only	Urban* Only
count (number of homes)	10	35	9	5	61	53	7
household size	2.6	3.7	5.8	7.2	4.2	4.1	5.3
family income	\$21,909	\$25,609	\$29,396	\$32,714	\$26,334	\$26,411	\$25,734
single head of household	90%	66%	33%	60%	64%	64%	71%
square footage	1,057	1,167	1,307	1,864	1,244	1,210	1,507
appraised value	\$139,520	\$126,923	\$133,889	\$129,900	\$131,735	\$131,189	\$135,871
1st mortgage amount	\$92,324	\$88,225	\$97,353	\$102,842	\$93,092	\$91,925	\$102,092
cost of home	\$101,373	\$98,511	\$102,098	\$107,629	\$101,608	\$98,942	\$122,181
cost per square foot	\$95.91	\$84.41	\$78.12	\$57.74	\$81.68	\$81.77	\$81.08
difference in cost of home and 1st mortgage	(\$9,049)	(\$10,286)	(\$4,745)	(\$4,787)	(\$8,516)	(\$7,017)	(\$20,089)

* The urban homes in Greater Minnesota are located in Duluth, Hibbing, Mankato, Moorhead, Rochester, St. Cloud and Winona. These are areas defined as urban by the Federal Home Loan Bank of Des Moines and exclude areas which under other circumstances may also be considered urban.

Did you know...

- Over \$5.3 million was spent to construct these 61 homes and another nearly \$1 million in land, materials and professional labor was donated!!
- Sponsorships were received for 33 homes averaging \$16,252 per home and totaling nearly \$634,000.
- On average, 25% of the homeowners are racial and ethnic minorities. The average age of the homeowners is 33. Sixty-four percent were single head of household. All were first time homebuyers!!

- The average cost of land was \$15,044 in rural areas and \$23,789 in urban areas.
- An Administrative Fee (also called a Developer's Fee) was charged to 79% of the homes averaging \$5,489 or 5.4% of the average total cost of the homes. Habitat for Humanity International policy states affiliates are permitted to include a Developer's Fee of up to 10% of the direct costs of the home.
- Homebuyers made downpayments on 72% of the homes averaging \$1,814. The downpayments combined totaled nearly \$80,000 -- enough to build another Habitat home!

Greater Minnesota Habitat Housing Trends, 2003 to 2009

Habitat for Humanity of Minnesota has collected and shared similar FHLB grant data in previous UFF-DA! Reports. Table 2 is a summary of that data, which details the history of new home construction in Greater Minnesota by Minnesota's Habitat affiliates.

Some items have stayed very consistent over time: the size of the families served (4.2 people) and consequently the number of bedrooms in a home (3.2 bedrooms).

Most notably there has been an almost \$20,000 average increase in the cost to build Habitat homes over the past six years despite rigorous cost containment measures. Similarly, there has been a substantial increase in first mortgage amounts to reflect those increase costs.

We have also seen a 20% increase in the appraised value of the Habitat homes built, though that increase has slowed dramatically in recent time. Many affiliates are now reporting much lower than average appraisals in 2009.

For several years, Habitat Minnesota has been reporting this data and carefully watching trends across time. One trend we are happy to report has decreased is the negative gap between the cost of the home and the 1st mortgage amount. Over time, affiliates are getting better at charging the true cost to build the home reinforcing Habitat for Humanity's mantra of "a hand up, not a hand out."

Table 2. Housing Trends at Greater Minnesota Habitat Affiliates

Average	2003 -2005	2005 - 2007	2007 - 2009
count	64	58	61
family size	4.3	4.2	4.2
family income	\$23,231	\$23,803	\$26,334
square footage	1,175	1,313	1,244
number of bedrooms	3.2	3.3	3.2
appraised value	\$110,175	\$128,480	\$131,735
1st mortgage amount	\$70,854	\$82,370	\$93,092
cost of homes	\$81,870	\$94,008	\$101,608
cost per square foot	\$69.68	\$71.60	\$81.68
difference in cost of home and 1st mortgage	(\$11,016)	(\$11,638)	(\$8,516)
donated lots (value)	\$9,586	\$10,679	\$16,404
donated lots (percentage of total number of homes)	33%	43%	21%

We are deeply appreciative of the Bremer Bank office in Willmar who has sponsored all eleven of our FHLB grant requests. Our deepest thanks goes out to Roger Madison and Deb Zinda-Hanson at Bremer for reviewing and processing every homeowner file we have submitted for funding since 1998!

What's in store for the October UFF-DA! Report?

In the October edition of the UFF-DA Report, find out how "We Build It Green"! Look forward to details on Green Building efforts by affiliates across the state, see how efficiency improvements impact Partner Families, and learn about upcoming trainings and resources available to affiliates through the new Partners in Sustainable Building Program.

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