

**Petition to Support a Moderately Priced Single-Family Home at
1415 18th Ave NE**

Whereas the lot at 1415 18th Ave NE has been vacant since the fall of 2005;

Whereas the City of Minneapolis, neighborhood organization and neighbors want to see a single-family home at this location;

Whereas Windom Park Citizens in Action (WPIC) reviewed 3 quality proposal for a single-family home on the lot at 1415 18th Ave N;

Whereas the WPIC chose to recommend the proposal that will market for \$350,000 and rejected two proposals that were priced between \$210,000 and \$260,000;

Whereas housing interests rates have been rising quarterly since June 2004;

Whereas the median sales price of 18 properties in a 6 block radius of 1415 18th Ave NE is \$229,450 (see attached);

Whereas in a July 28th, the St. Paul Pioneer Press printed an article titled "Homes rising out of reach - Sales slide as many first-time buyers are priced out of metro market" (see attached);

Whereas the neighbors of this lot at 1415 18th Ave N are concerned that an over-priced single-family may eventually sell for rental property;

We the signatories of this document, who are the neighbors of this lot, request that the City of Minneapolis reject the WPIC recommendation and instead, support a moderately priced single-family home on the lot at 1415 18th Ave N.

Print Name	Address	Signature
Daniel Crombie	1501-18 th Ave NE	<i>[Signature]</i>
Laura Cole	1501-18 th Ave NE	<i>[Signature]</i>
Curtis Strand	1810 LINCOLN ST.	<i>[Signature]</i>
Rebecca Waypha	1811 Lincoln St	<i>[Signature]</i>
Bruce Blumenthal	1830 LINCOLN ST NE	<i>[Signature]</i>
Holly LaRoche	1823 LINCOLN ST NE	<i>[Signature]</i>
BOBBI CARLSTADSON	1823 LINCOLN ST NE	<i>[Signature]</i>
Patty Nelson	1815 Lincoln St NE	<i>[Signature]</i>
DELIA LAM	1722 LINCOLN ST NE	<i>[Signature]</i>
Richard Pizarro	1722 Lincoln St NE	<i>[Signature]</i>

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Print Name	Address	Signature
JOSE VELEZ	1800 LINCOLN ST	<i>[Signature]</i>
Shirley DeBlicck	1801 BUCHANAN	<i>[Signature]</i>
Marjorie Kinch	1801 BUCHANAN ST. N.E. APT. 2	<i>[Signature]</i>
John Blunt	1411 18 th Ave NE	<i>[Signature]</i>
MARINA ANDERSON	1407 18 th AVE NE	<i>[Signature]</i>
Rosemary Burns Velez	1800 Lincoln St NE	<i>[Signature]</i>
JANE SHAW	1814 LINCOLN ST NE	<i>[Signature]</i>
DONNA SCHEI	1838 LINCOLN ST NE	<i>[Signature]</i>
<i>[Signature]</i>	1838 LINCOLN ST. NE	AL SIKICH

Comparative Summary for Sold Properties

<u>MLS#</u>	<u>Status</u>	<u>Address</u>	<u>Beds</u>	<u>FB/HB</u>	<u>SqFt</u>	<u>Style</u>	<u>List Price</u>	<u>Sale Price</u>	<u>LP/SP</u>	<u>SP/SqFt</u>	<u>DOM</u>
3139837	CLOSD	1622 Polk St NE	3	1/ 0	1750	TWOST	179,900	159,900	1.13	91.37	66
3185942	CLOSD	1828 Pierce St NE	3	1/ 1	1080	ONEHF	164,500	164,500	1.00	152.31	63
2346894	CLOSD	1602 Johnson St NE	3	1/ 0	960	TWOST	179,900	177,400	1.01	184.79	63
3164685	CLOSD	1703 Lincoln St NE	3	1/ 0	1239	ONEHF	184,900	180,000	1.03	145.28	
2341173	CLOSD	1613 Buchanan St NE	2	1/ 1	1040	ONEST	197,000	186,000	1.06	178.85	78
2362384	CLOSD	1400 18th Ave NE	3	1/ 0	1442	ONEST	189,900	191,400	0.99	132.73	74
3045928	CLOSD	1614 Lincoln St NE	4	1/ 0	1680	ONEHF	214,900	214,900	1.00	127.92	95
3067465	CLOSD	1812 Pierce St NE	3	1/ 0	1647	TWOST	204,900	225,000	0.91	136.61	116
3019711	CLOSD	1806 Johnson St NE	3	2/ 0	1337	TWOST	229,000	226,000	1.01	169.04	440
3046642	CLOSD	1712 Polk St NE	4	1/ 1	2376	TWOST	229,900	229,900	1.00	96.76	47
3098530	CLOSD	1015 18 1/2 Ave NE	3	1/ 0	1189	TWOST	229,900	229,900	1.00	193.36	156
3142494	CLOSD	1819 Lincoln St NE	3	1/ 0	1300	TWOST	239,900	237,750	1.01	182.88	13
3063356	CLOSD	1815 FILLMORE STREET NE	3	1/ 0	1326	ONEHF	249,900	241,000	1.04	181.75	22
3200573	CLOSD	1907 Taylor St NE	3	2/ 0	1689	ONEHF	248,000	241,500	1.03	142.98	
3065785	CLOSD	1700 Buchanan St. NE St	4	1/ 0	1700	ONEST	249,900	243,500	1.03	143.24	62
3141760	CLOSD	1847 Fillmore St NE	4	1/ 1	1872	MRTTS	255,000	260,000	0.98	138.89	64
3037192	CLOSD	1801 Taylor NE	3	1/ 0	2260	TWOST	299,000	311,000	0.96	137.61	45
3006896	CLOSD	1926 Fillmore St NE	4	1/ 2	2539	TWOST	326,000	326,000	1.00	128.40	2

Total Listings: 18

	<u>Square Footage</u>	<u>List Price</u>	<u>Original List Price</u>	<u>Sale Price</u>	<u>DOM</u>
Average	1,579 Sq.Ft.	\$226,244	\$229,133	\$224,758	88
Minimum	960 Sq.Ft.	\$164,500	\$164,500	\$159,900	2
Maximum	2,539 Sq.Ft.	\$326,000	\$326,000	\$326,000	440
Median	1,545 Sq.Ft.	\$229,450	\$234,450	\$227,950	64

These properties are your competition. A potential purchaser will compare your home to homes similar to these when trying to decide which to buy. Take a look at these homes, if only on paper. Try to be objective and ask yourself, "Which home is the best value?" Is it yours?" If not, these other homes may sell before yours. But don't forget that the "List Prices" of these homes represent what the sellers WANT for their home, not necessarily what they are really going to get if they sell their home. So when setting the price of your home, don't simply look at the

Posted on Fri, Jul. 28, 2006

Homes rising out of reach

Sales slide as many first-time buyers are priced out of metro market

BY GITA SITARAMIAH
Pioneer Press

Alyssa Ford and her husband, Chris Shields, finished college, launched their careers and did what many couples do: Set their sights on buying their first house.

A town home in St. Paul's Frogtown caught their eye. Incentives promised to knock the price below \$200,000. Then they ran the numbers — and hit the brakes. Their monthly payment would have been nearly 2½ times the \$700 rent they pay for their Grand Avenue studio apartment.

"That really scared us off," Ford said.

Toss in college-loan and credit-card payments, and it all added up to "no sale," for a couple with a combined annual income of \$58,000.

After years of home prices rising faster than incomes, a growing number of prospective buyers are reaching the same conclusion. That means fewer buyers at a time when a record number of houses are on the market. Real estate experts say it's a key reason why sales have slowed.

"There's no question in a state like Minnesota, and the Twin Cities in particular, that there's a strain on affordability for low- and moderate-income first-time homebuyers," said Mike Haley, assistant commissioner of the Minnesota Housing Finance Agency.

The Minneapolis Area Association of Realtors says high home prices are a key reason for a 10 percent decline in home sales in the Twin Cities during the first half of this year.

The association notes that the median home price has increased more than 160 percent since 1992 to about \$230,000. Median household incomes have grown 51 percent during that time — to \$77,500 at the end of 2005.

Historically low interest rates have helped buyers afford the rising price tags over the past several years, but for many this no longer offsets the gap. What's more, interest rates are on the way up, adding to the cost of owning a home.

"I've been telling all my first-time buyers, this is it," said Todd Shipman, president of the Minneapolis Realtors association. "You should buy this year if you're planning to buy in the next few years."

Nationwide, first-time buyers play a major role in home buying. They represent 40 percent or more of all buyers for the past decade, according to the National Association of Realtors. The proportion of first-time buyers is even higher in the Midwest — at 45 percent. Most first-time buyers nationwide purchase homes priced under \$175,000.

Despite a record inventory of homes on the market, fewer sport price tags in that range.

"The prices have plateaued on home sales, but you don't have the huge number of lower-priced homes that were around five years ago," said Chip Halbach, executive director of the Minnesota Housing Partnership, a St. Paul-based nonprofit that promotes affordable housing.

Less than 65 percent of Twin Cities households can afford a home at the current median price, down from 79 percent 15 years ago, according to the National Association of Home Builders/Wells Fargo Housing Opportunity Index.

Rising home prices have been drawing more buyers to the Minnesota Housing Finance Agency for assistance. Three years ago, the agency provided \$160 million in first-time buyer home loans, which come with a lower interest rate, said Haley, at the Housing Finance Agency. This year, the agency expects to provide up to \$400 million of these loans.

"If you take a look at study after study after study across the country, you'll find the availability of affordable housing and the providing of affordable housing opportunities as a strong impact on underlying economic health and quality of life across the state," Haley said.

Home ownership long has been considered a primary way for people to build wealth as well as stability.

"Homeownership is so important for families because it allows them to put down roots in a community, to have stability for their kids in school so they're not transient," said Sue Hague, executive director of Twin Cities Habitat for Humanity.

After posting steady increases over the past several years, the nation's homeownership rate — the percentage of households that are owner-occupied — dipped to 68.5 percent during the first three months of this year, compared with 69.1 percent for the same period in 2005.

Having given up on the Frogtown town home, Ford and Shields still plan to buy a home someday. However, they won't look again until they make more money.

They considered less expensive houses, but all either required too much maintenance or were too far from bus lines.

Meanwhile, they've been making the best of things by attacking the clutter in their 600-square-foot apartment. Even after tossing out everything from a television to a collection of Van Halen CDs, it's a tight fit.

"We have some of our friends who come over for dinner parties who have to go outside to breathe because it gets so claustrophobic," Ford said.

Gita Sitaramiah can be reached at gsitaramiah@pioneerpress.com or 651-228-5472.

What's affordable?

The maximum home price for selected incomes:

- \$201,800 for a family of four earning 80 percent of the area's median income, or \$62,800.
- \$148,250 for a similar family earning 60 percent of the area's median income, or \$47,100.

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