



Growing ND by the Numbers

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Home Equity Loan Use

Home equity loans appear to be most commonly used in North Dakota's more populated counties; Burleigh, Cass, Grand Forks, Morton and Ward, all of which showed that six percent or more of homes had a home equity loan. An estimated seven percent of the state's households use home equity loans compared to 11 percent nationally.

Source: U.S. Census Bureau ACS 2015 5-Yr data Table B25003

Home Ownership Factors in North Dakota

In 2015, in the state of North Dakota there were an estimated 313,500 housing units, of which 62 percent were owner-occupied. The rate of ownership in the state is lower than our surrounding states and the national average of 63 percent. In Minnesota, 71 percent of housing units are owned by the housing occupants, South Dakota 68 percent and Montana 67 percent.

The age of the householder (person that owns or rents the home) and household income appear to be determining factors of whether a householder owns their home outright, owns with a mortgage, or rents. The reason why North Dakota has a lower rate of ownership is likely due to the large influx of young adults into the state since 2010. Young adults are far less likely to own than to rent. For example, in the age range of 20 – 24, only 23 percent of North Dakota's householders reported they own rather than rent. However, this seems to change rapidly as the householder ages.

Below age 28, more householders rent than own in North Dakota. Above this age more householders report being owners than renters. Seventy percent of householders between ages 30 and 34 years of age own rather than rent. The percentage of ownership continues to increase with age group of householders until ages 60 – 64, when about 89 percent of householders own their homes.

When younger adults purchase their home, they are far more likely to have a mortgage than own outright. Those who do own outright are most likely to own older, less expensive homes. Almost all homes owned by householders under age 30 are mortgaged. For householders in the age range 30 – 34, nearly 80 percent of owners mortgage their home.

When householders of the same age are compared, typically individuals who own without a mortgage earn considerably more than householders who own with a mortgage. For

example, in the age range of 30 – 34, householder owners without a mortgage reported an average household income of \$95,503, while those householder-owners with a mortgage reported an average household income of \$82,487. Renters reported a lower average household income at \$52,315. In fact, renters in every age group tended to report a lower household income than either householder owners with mortgages or those without.

When younger adults own their homes outright, they are more often older homes. Responses to Census Bureau surveys in North Dakota show that when householders of less than 35 years of age own their home outright, the homes were generally built prior to 1950.

Source: U.S. Census Bureau ACS 2015 1- and 5-Yr data Table B25003, S2506 and PUMS data

Owners Tend to be Older, Renters Tend to be Younger

The average age of a householder who rents in North Dakota is 42 years of age, while those who own their homes with a mortgage average 46 years of age. Individuals who own without a mortgage are the oldest at an average age of just over 62 years. Young adults and elderly residents are far more likely to rent than to own the homes.

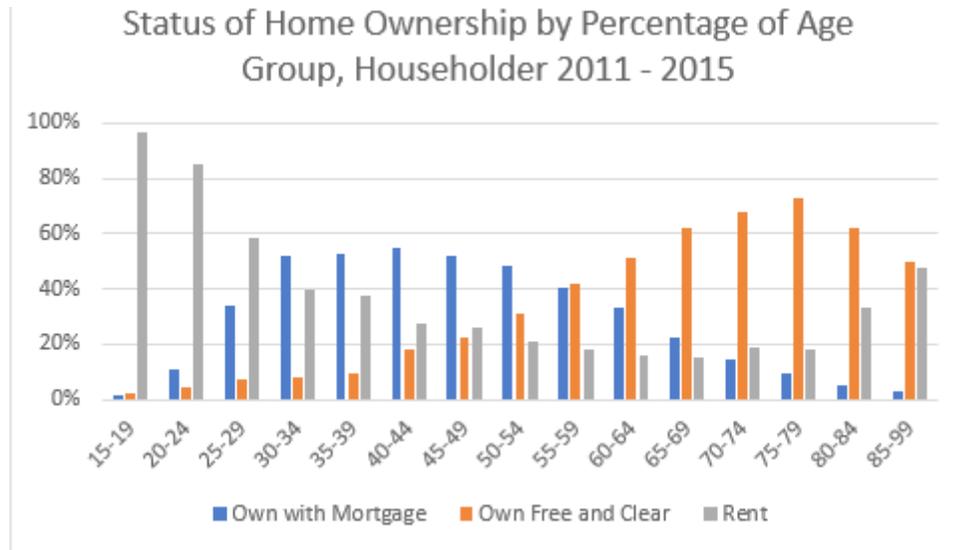
Source: U.S. Census Bureau ACS 1- and 5-Yr data Table B25003, S2506 and PUMS data

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Younger householders almost always rent while older householders tend to own their homes outright. Renting tends to become more common again as individuals reach age 80 and above. Source: U.S. Census Bureau ACS 2015 5-Yr PUMS data

North Dakota Household with Mortgages

Of homes that are owned by the householder, 53 percent have a mortgage compared to 65 percent nationally. North Dakota's percentage of owned housing that is mortgaged is quite low compared to other states, with only Mississippi and West Virginia reporting a lower rate than North Dakota.

Approximately 13 percent of householder owners with a mortgage reported having a second mortgage or a home equity loan. Home

equity loans were far more common of the two. The percentage of homes that have a second mortgage is much lower in North Dakota than in the rest of the country, with an estimated 17 percent of mortgaged home owners having a second mortgage.

The median value of mortgaged homes in North Dakota is \$169,800, this compares to \$196,600 nationally. Typically, the median monthly housing costs for individuals with

a mortgage, including property taxes in North Dakota, is \$1,243 per month. Nationally respondents who pay mortgages report paying on average \$2,003 in property taxes per year. Again, North Dakota's costs are much lower than the national average of \$1,492.

Source: U.S. Census Bureau ACS 2015 1- and 5-Yr data Table B25003 B25081, S2506 and PUMS data

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