



# Duluth Housing and Community Assessment

February 13, 2014

# Our Mission:

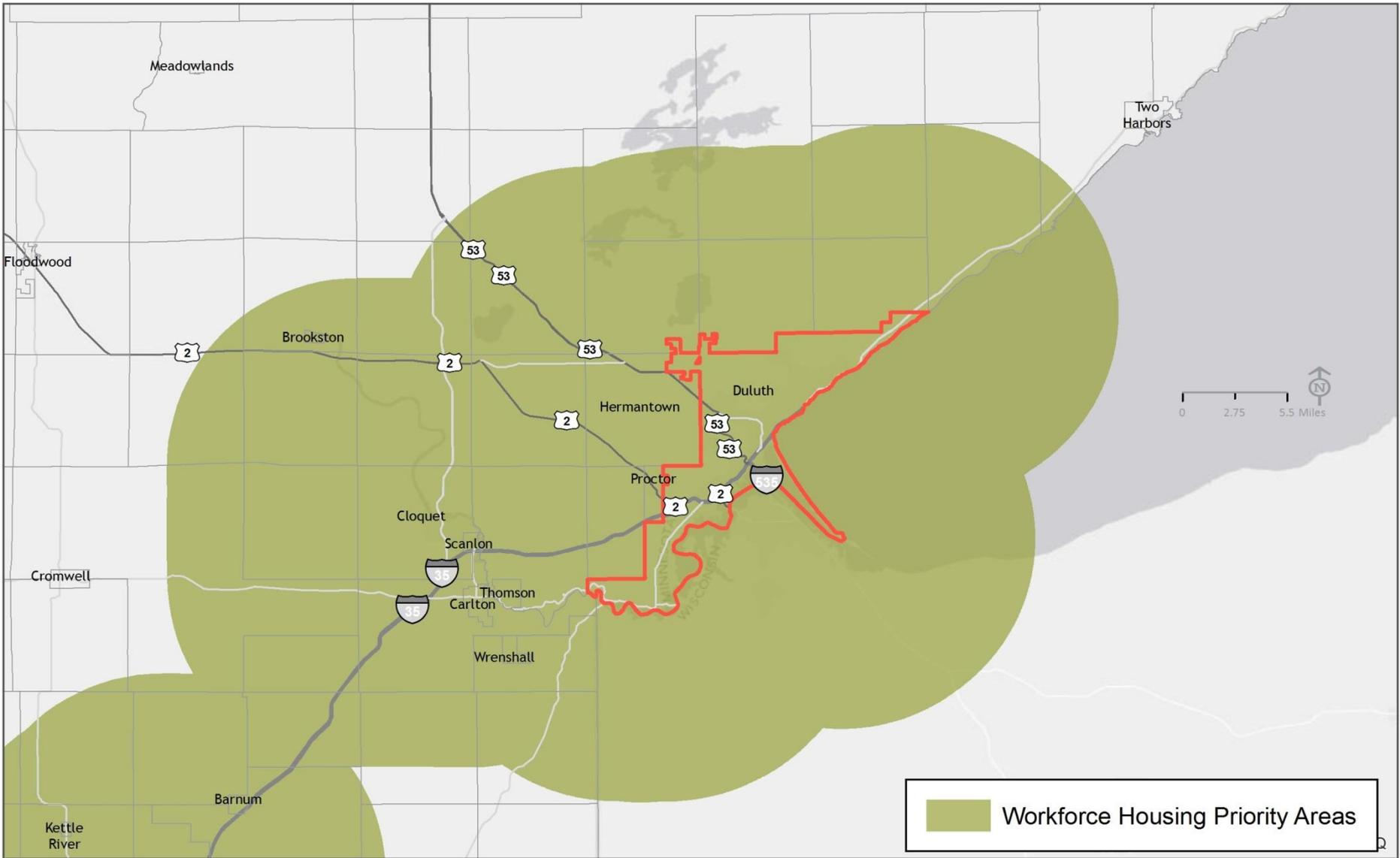
*Minnesota Housing finances affordable housing for low- and moderate-income households while fostering strong communities.*

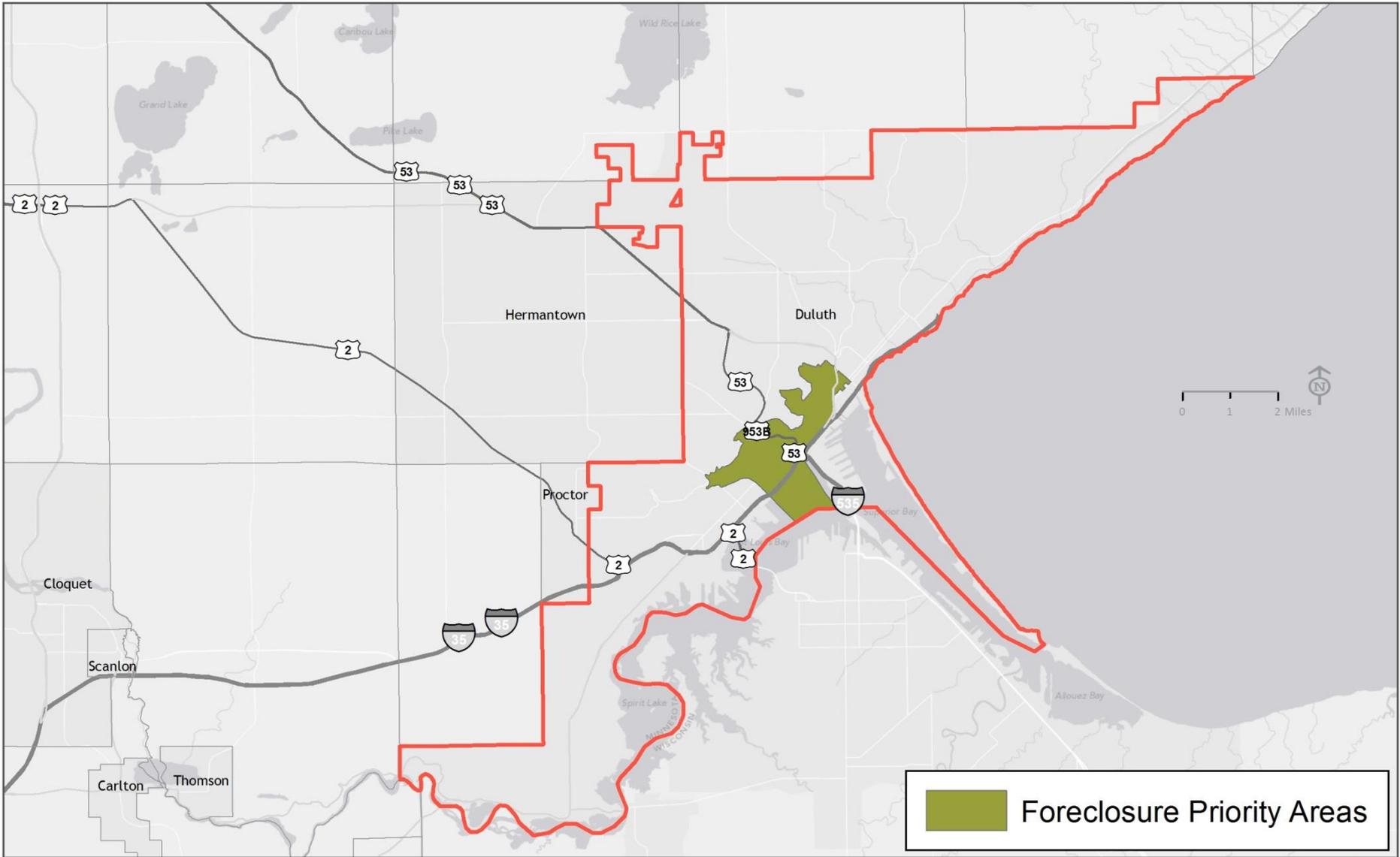
# Assessment Framework: Need for Affordable Housing

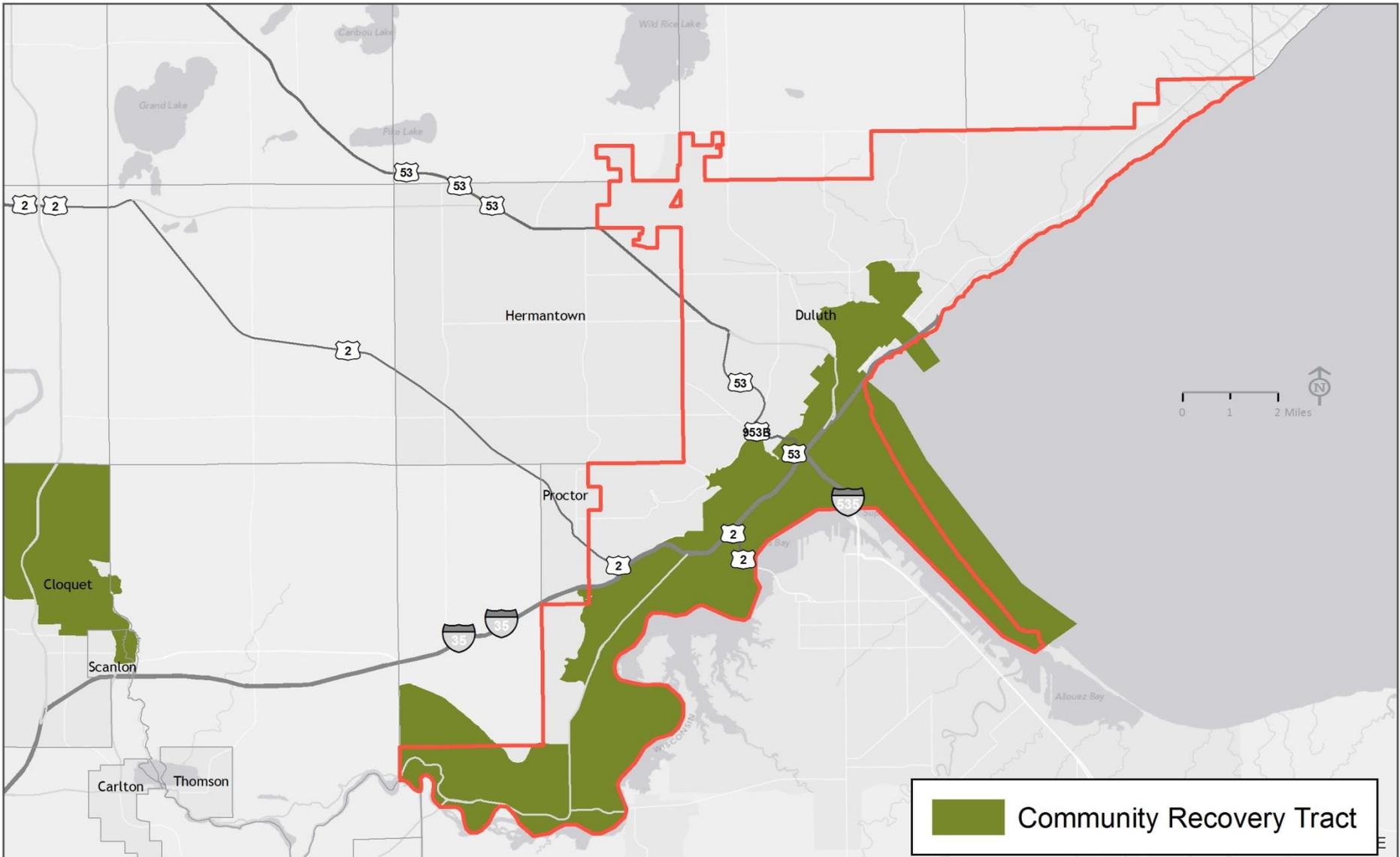
- **Fostering strong communities:**
  - Workforce housing
  - Community recovery and stabilization
- **Reducing number of cost burdened households:**
  - Spending less than 30% of income on housing
  - Focusing on low- to moderate-income

# Framework for Assessment: Need for Affordable Housing

- **Fostering strong communities:**
  - Workforce housing
  - Community recovery and stabilization
- Reducing number of cost burdened households







Source: Minnesota Housing analysis of American Community Survey Data 2008-2012.

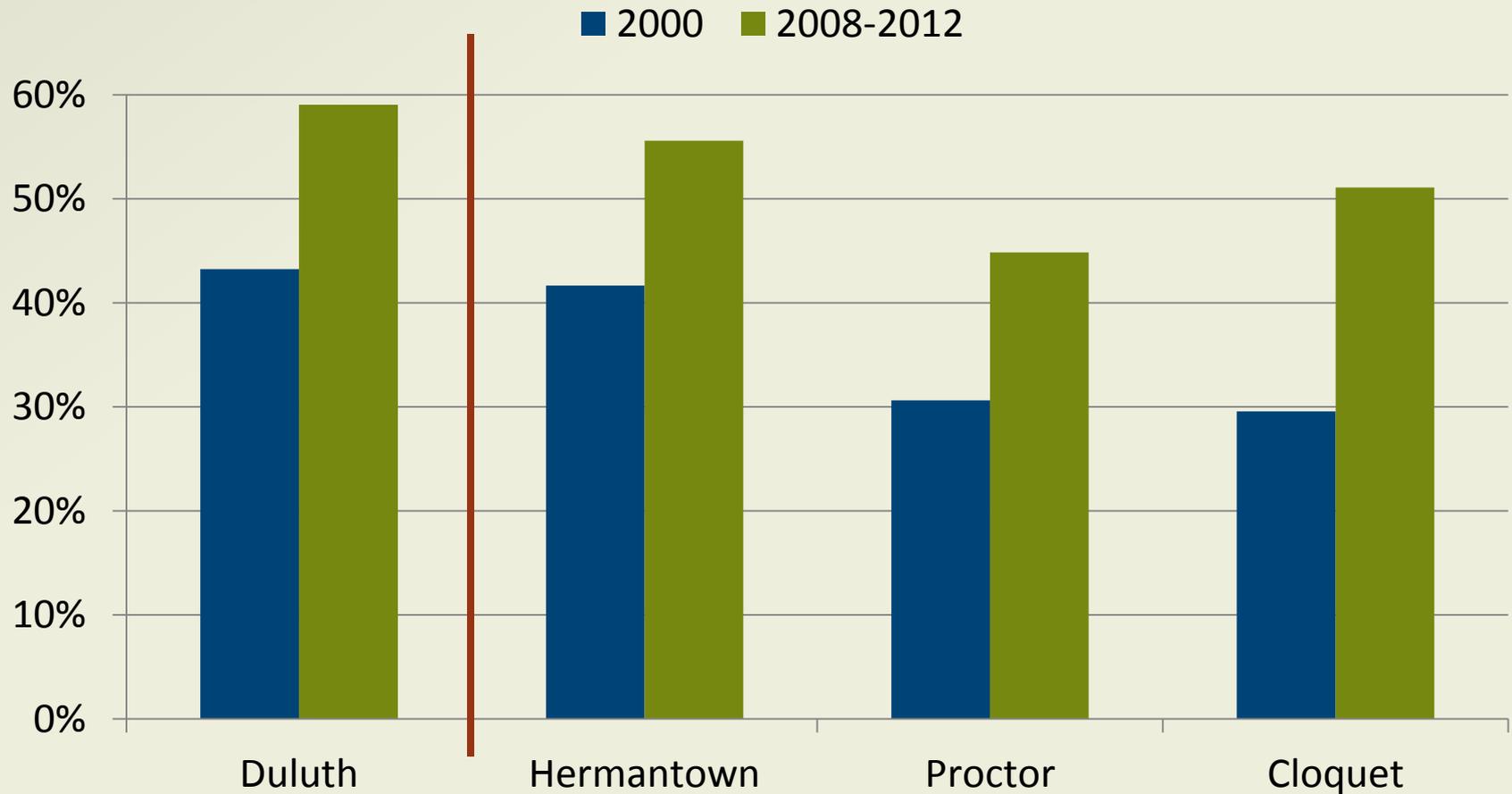
# Framework for Assessment: Need for Affordable Housing

- Fostering strong communities
- Reducing number of cost burdened households

# Cost Burden Assessment Overview

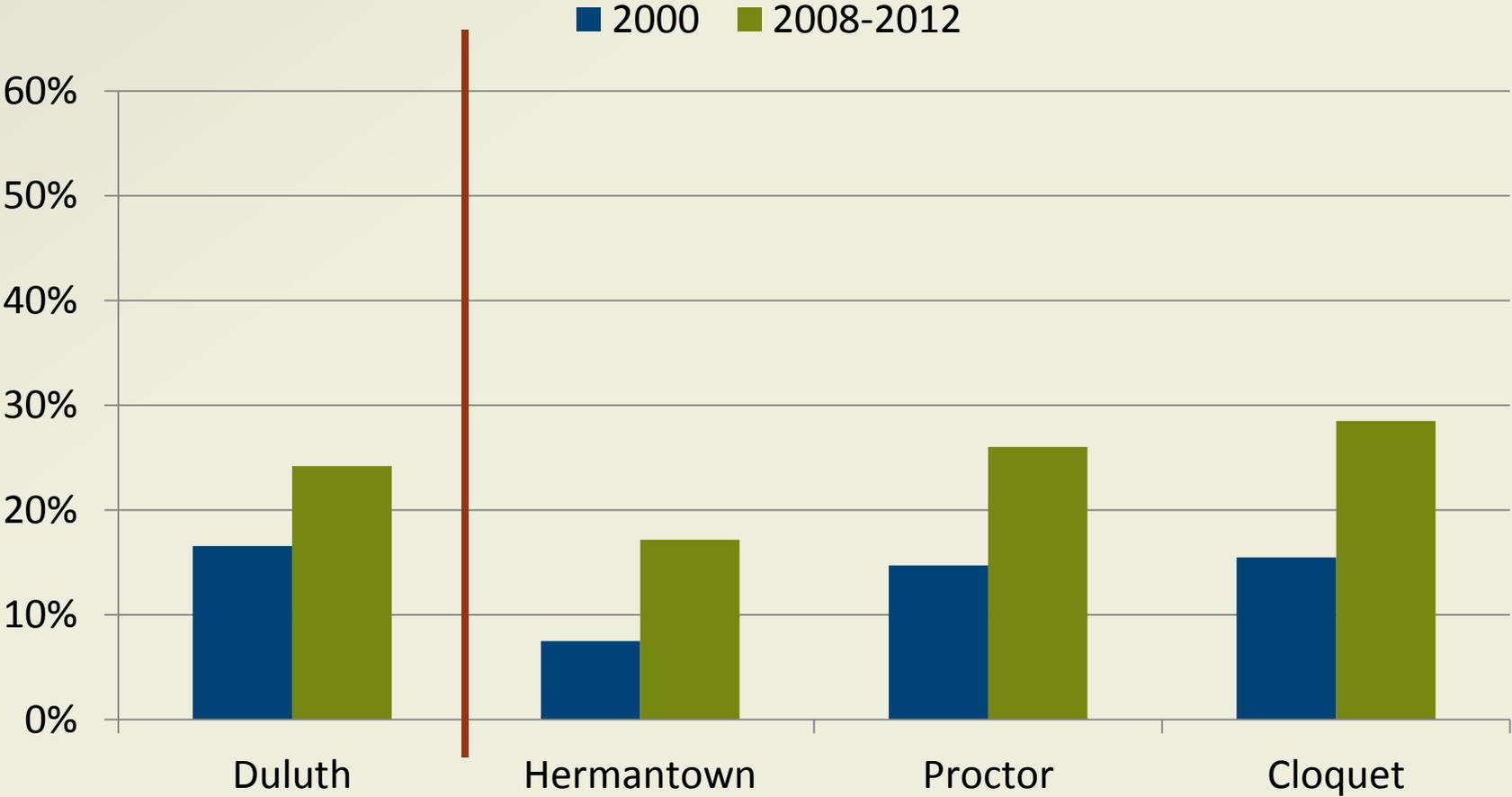
- Overall Trends:
  - Increase in percentage who are cost burdened (2000-2012)

# % of All Renters Who Are Cost Burdened



Source: Census Bureau, 2000 Decennial Census and American Community Survey (2008-2012)

# % of All Owners Who Are Cost Burdened

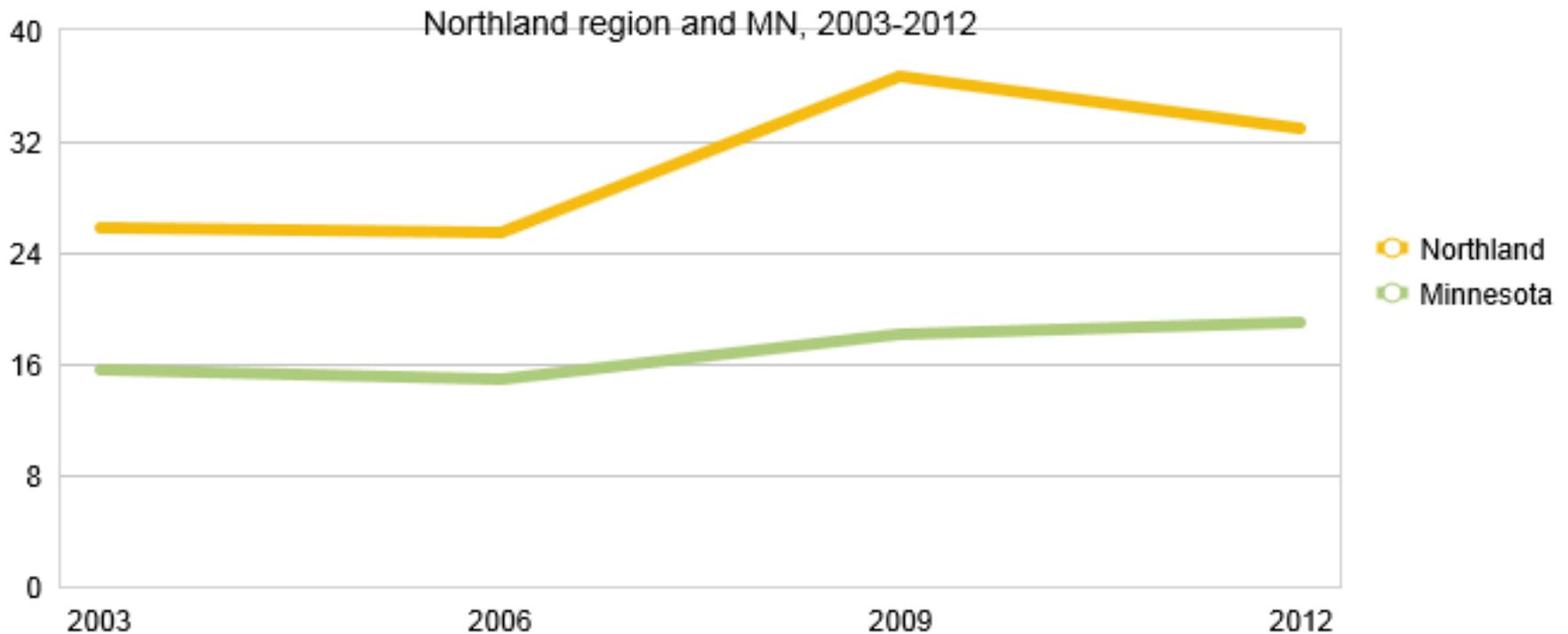


Source: Census Bureau, 2000 Decennial Census and American Community Survey (2008-2012)

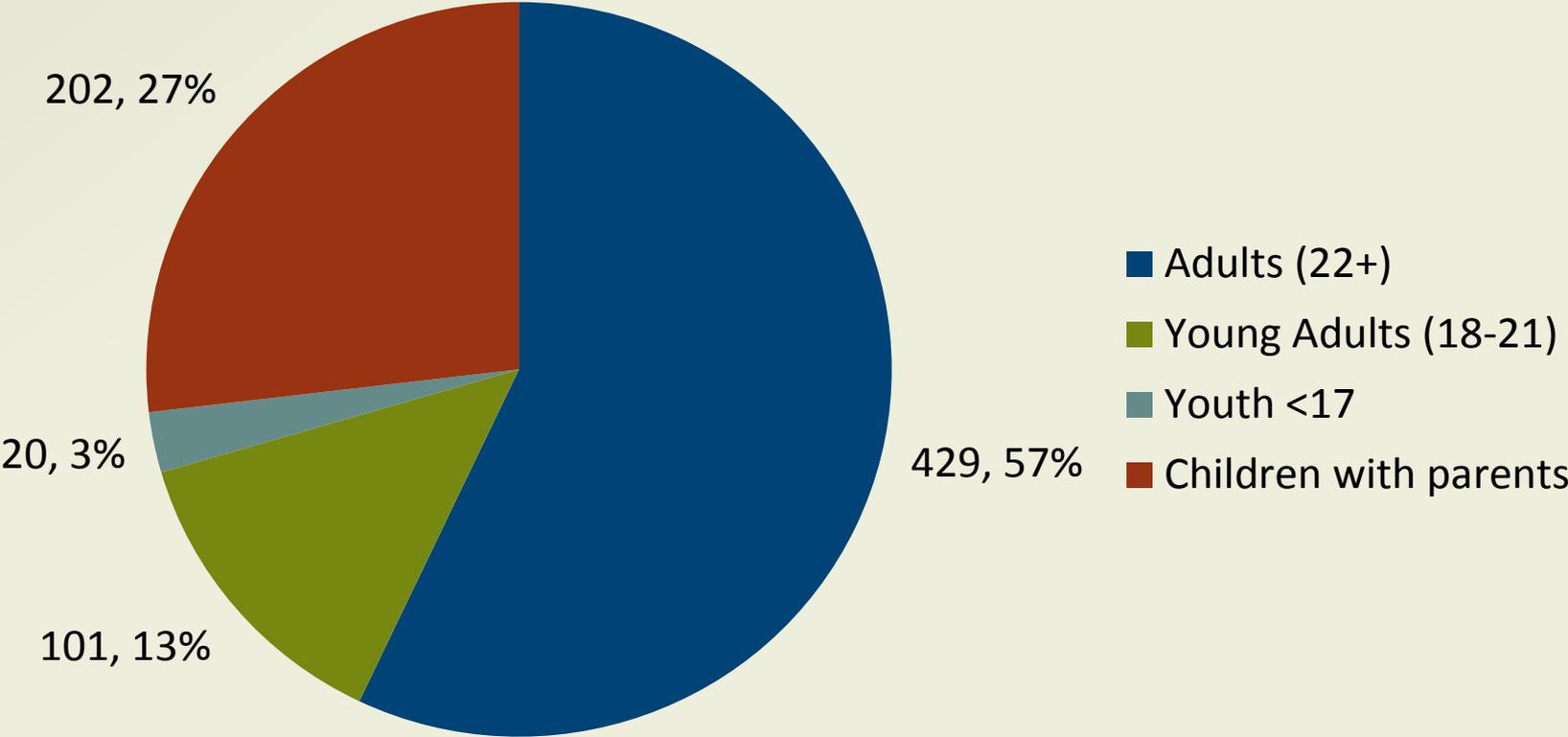


# Persons Experiencing Homelessness

## Rate of homelessness per 10,000 residents



# Homeless Counts (St. Louis County)



Source: Wilder, 2012 Minnesota Homeless Study



# Cost Burden Assessment

## Overview

Cost burdened is based on:

- Housing costs
- Income

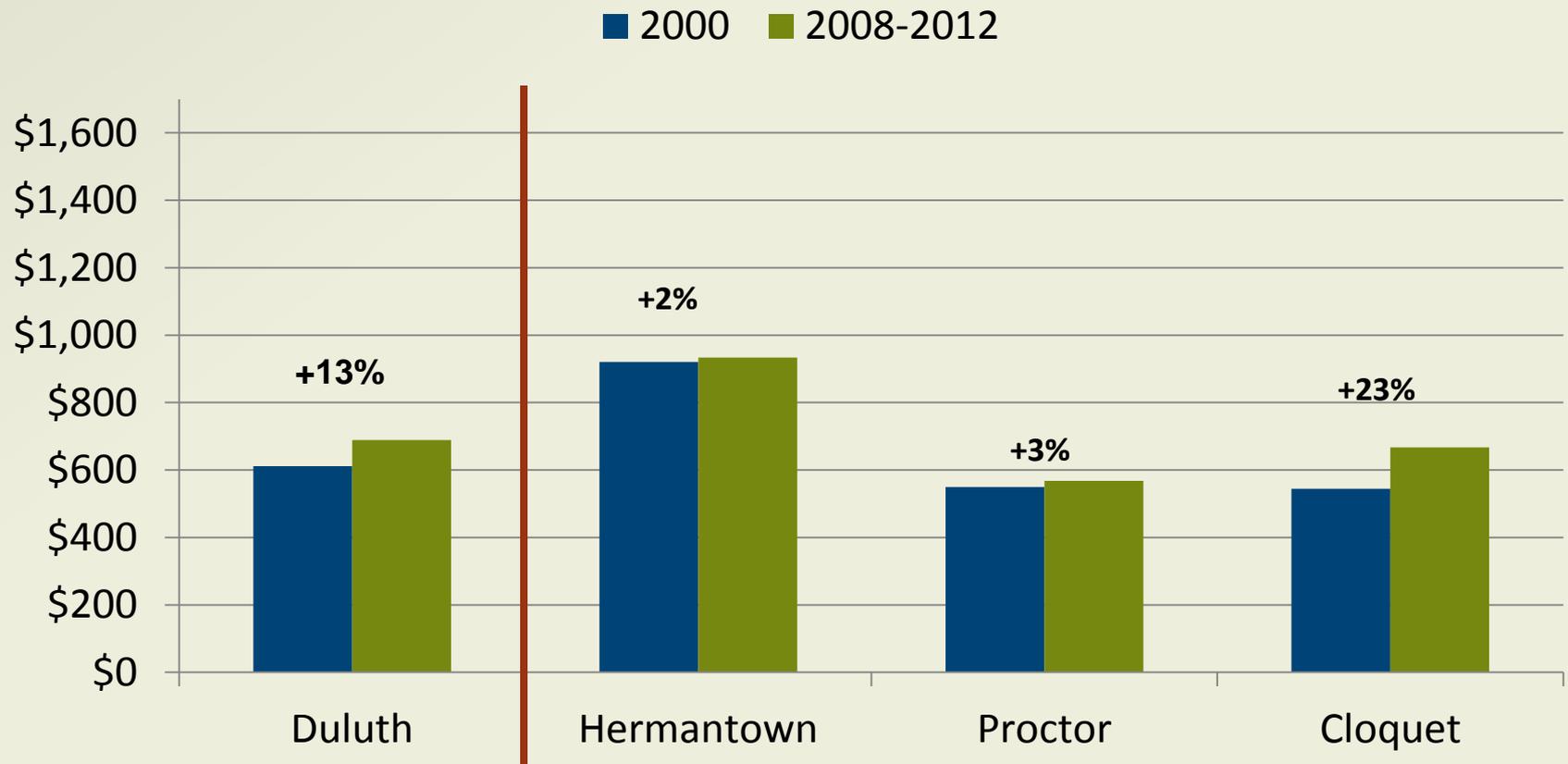
# Cost Burden Assessment

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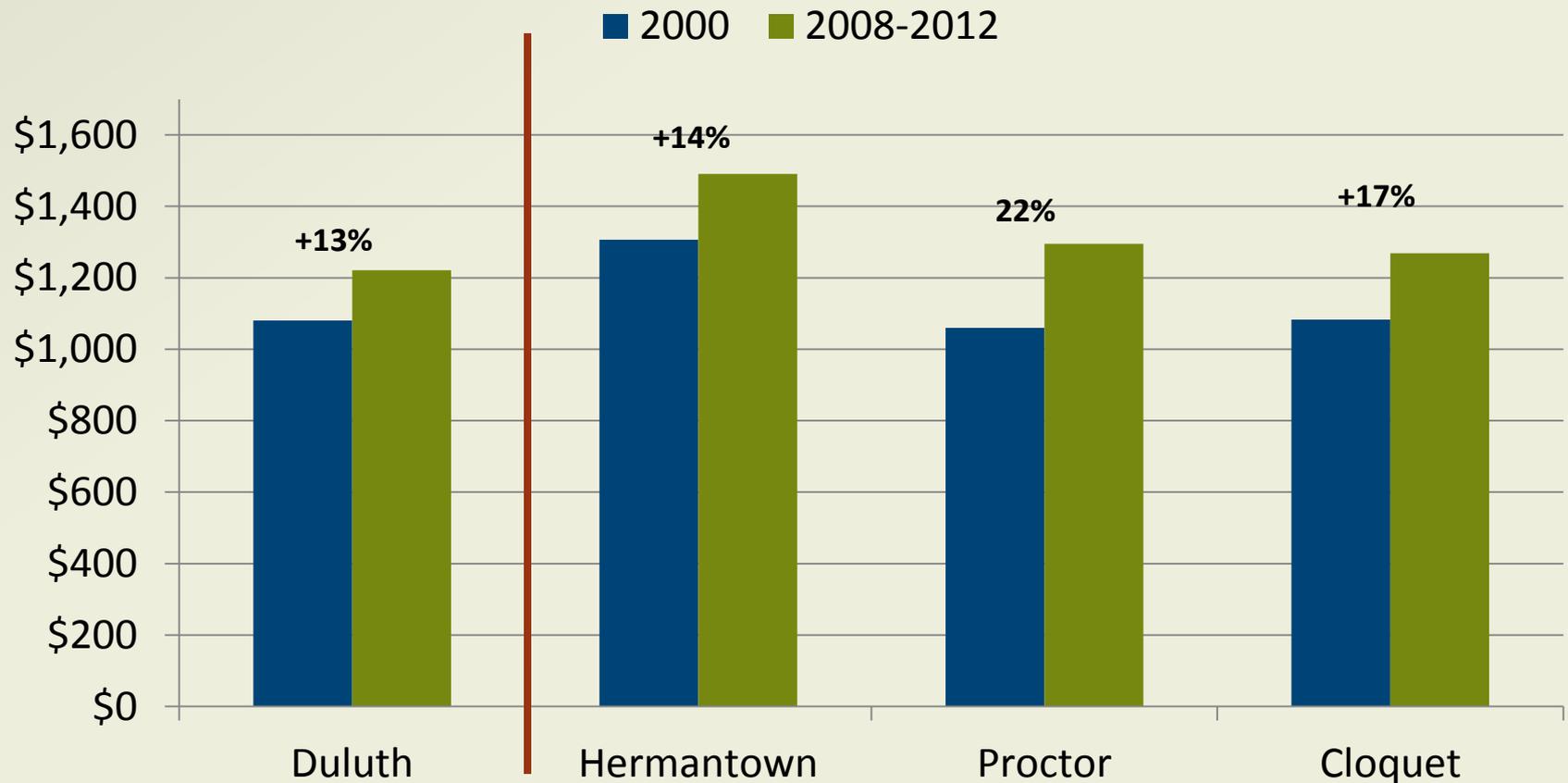
- Housing costs:
  - Increased in the city, particularly for homeowners (2000-2012)
  - Key contributor to increasing burden
- Income

# Median Monthly Gross Rent (inflation adj. – 2012 \$)



Source: Census Bureau, 2000 Decennial Census and American Community Survey (2008-2012)

# Median Monthly Homeowner Costs (inflation adj. – 2012 \$)



Source: Census Bureau, 2000 Decennial Census and American Community Survey (2008-2012)

# Cost Burden Assessment

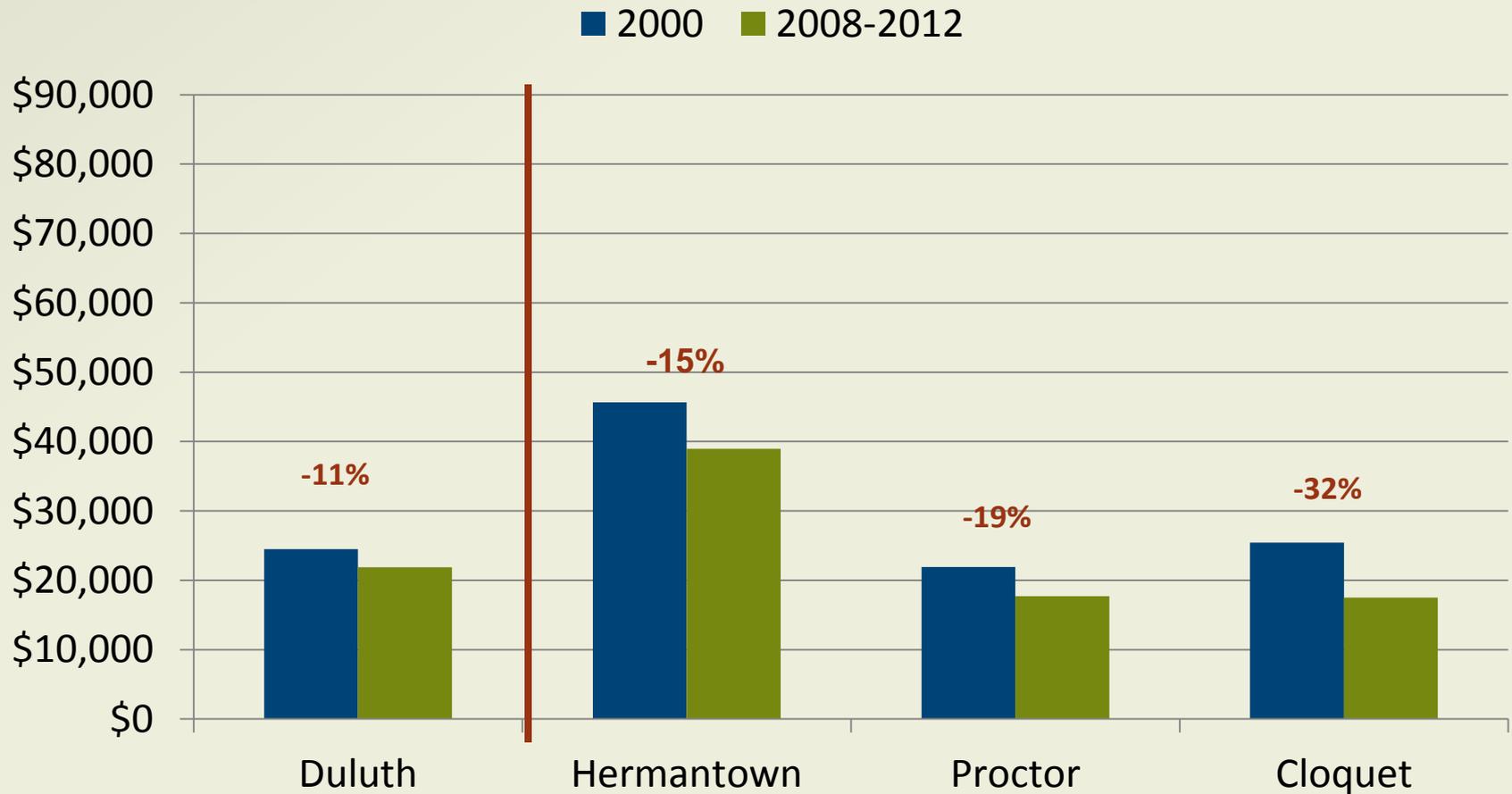
## Overview

Cost burdened is based on:

- Housing costs
- Income:
  - Also contributing to increasing burden, but

# Median Renter Household Income

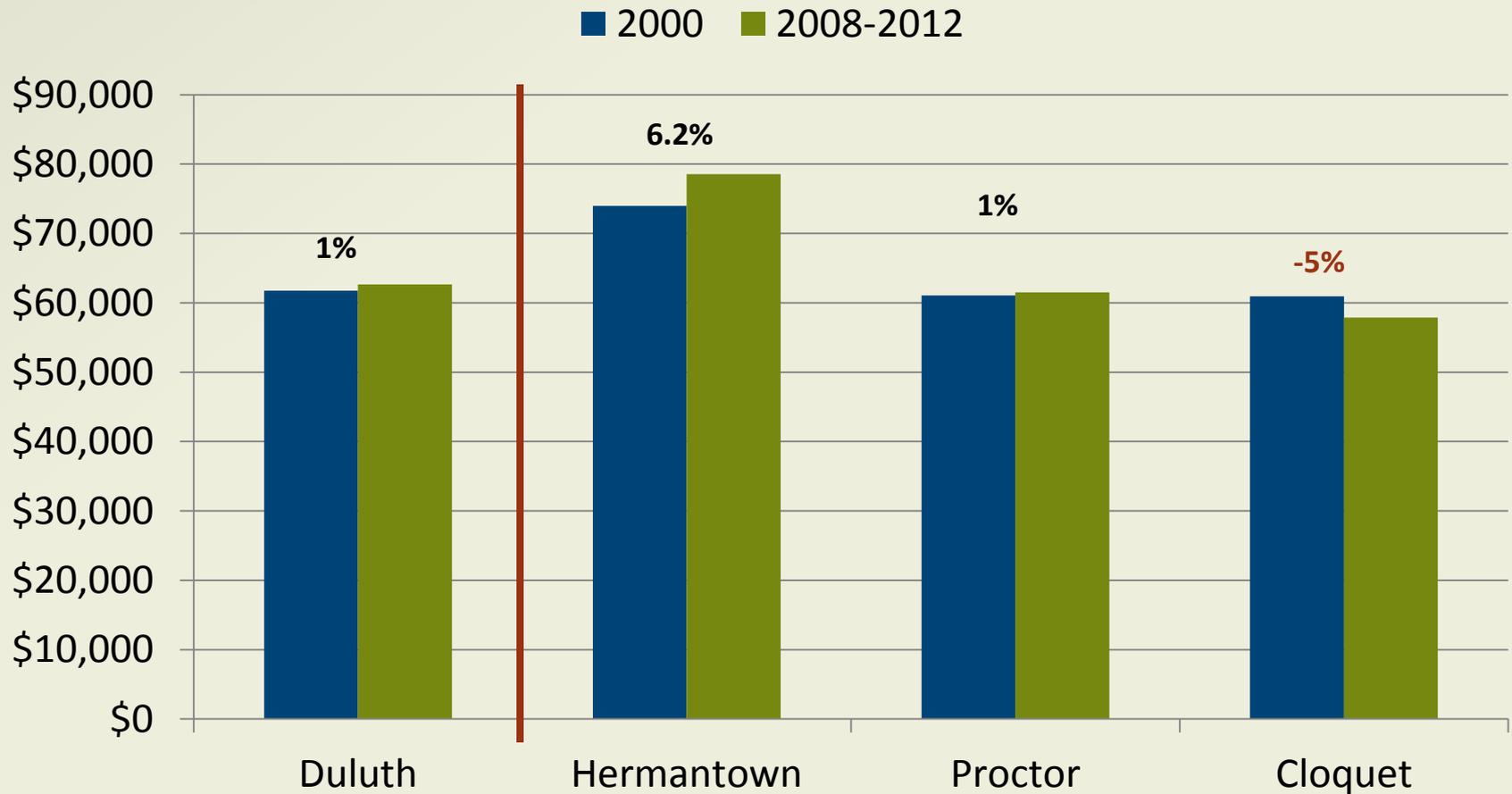
(inflation adj. – 2012 \$)



Source: Census Bureau, 2000 Decennial Census and American Community Survey (2008-2012)

# Median Owner Household Income

(inflation adj. – 2012 \$)

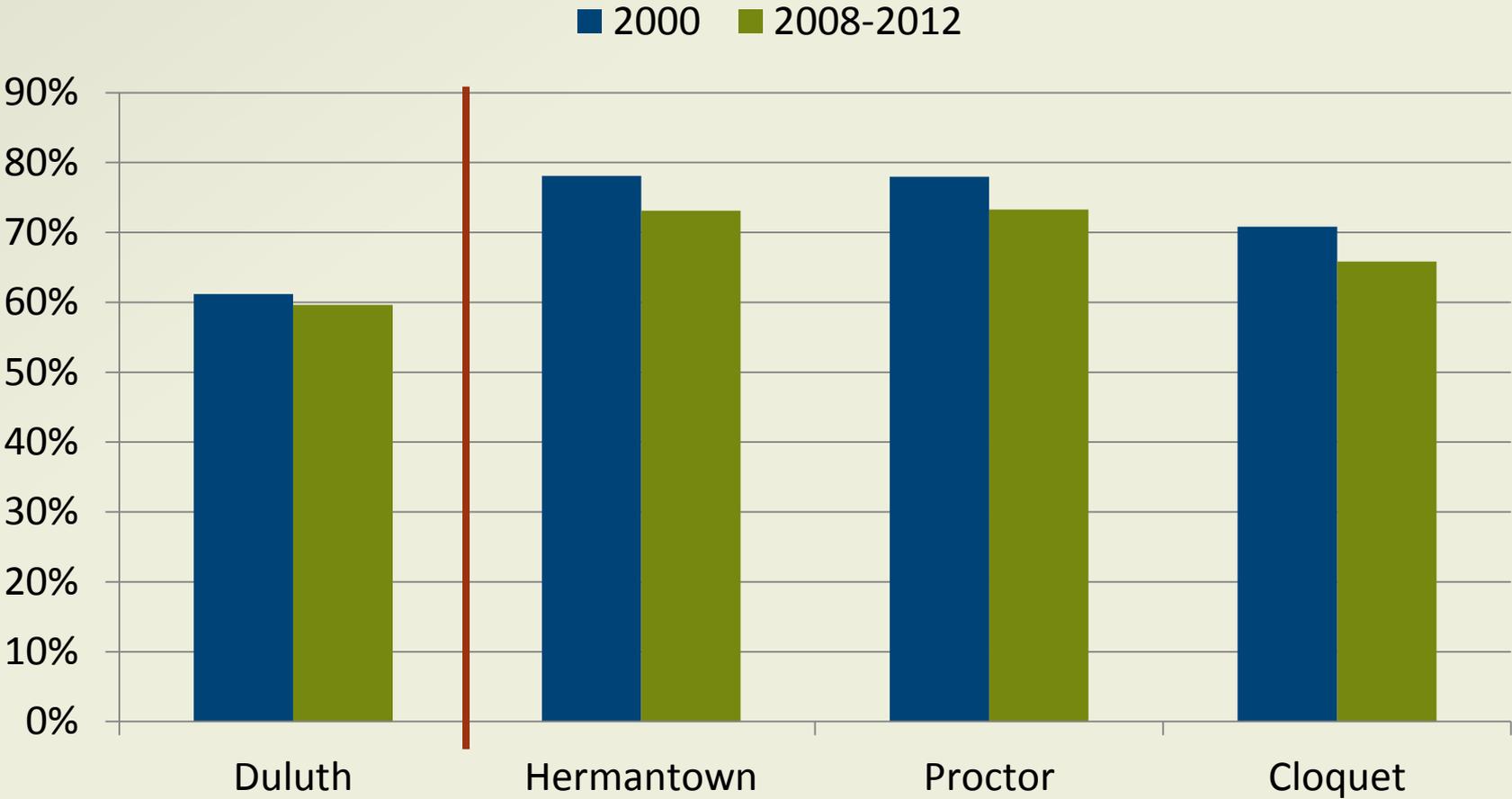


Source: Census Bureau, 2000 Decennial Census and American Community Survey (2008-2012)

# Owning versus Renting in Duluth

- Majority of households are homeowners
- Homeownership rate steady (2000-2012)

# Homeownership Rates



Source: Census Bureau, 2000 Decennial Census and American Community Survey (2008-2012)



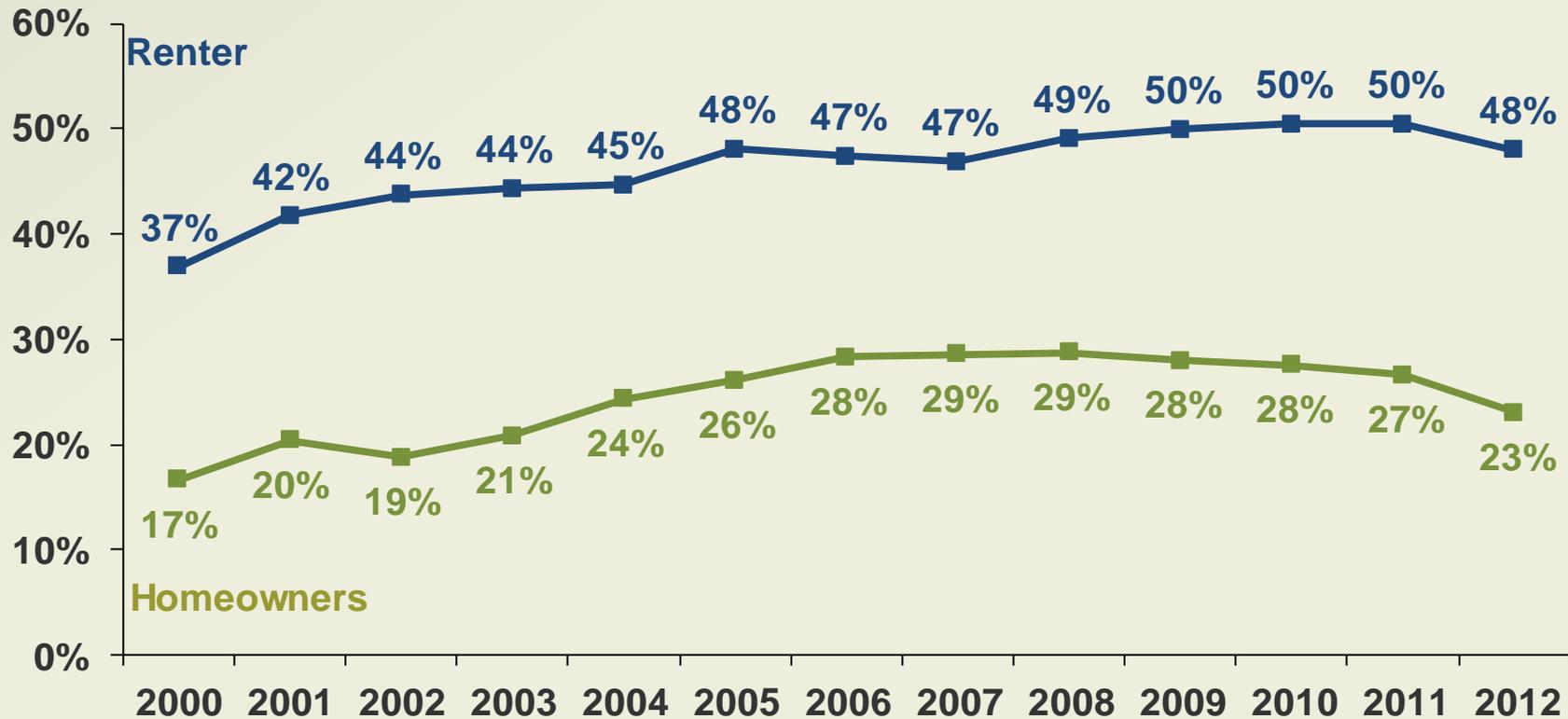
# Cost Burden Assessment

## Details

**Cost burdened is based on:**

- **Housing costs**
  - Home prices
  - Rent levels
  - Demand – household growth
  - Supply - inventory
- **Income**
  - Employment
  - Wages

# Statewide: Percentage of Households Cost Burdened



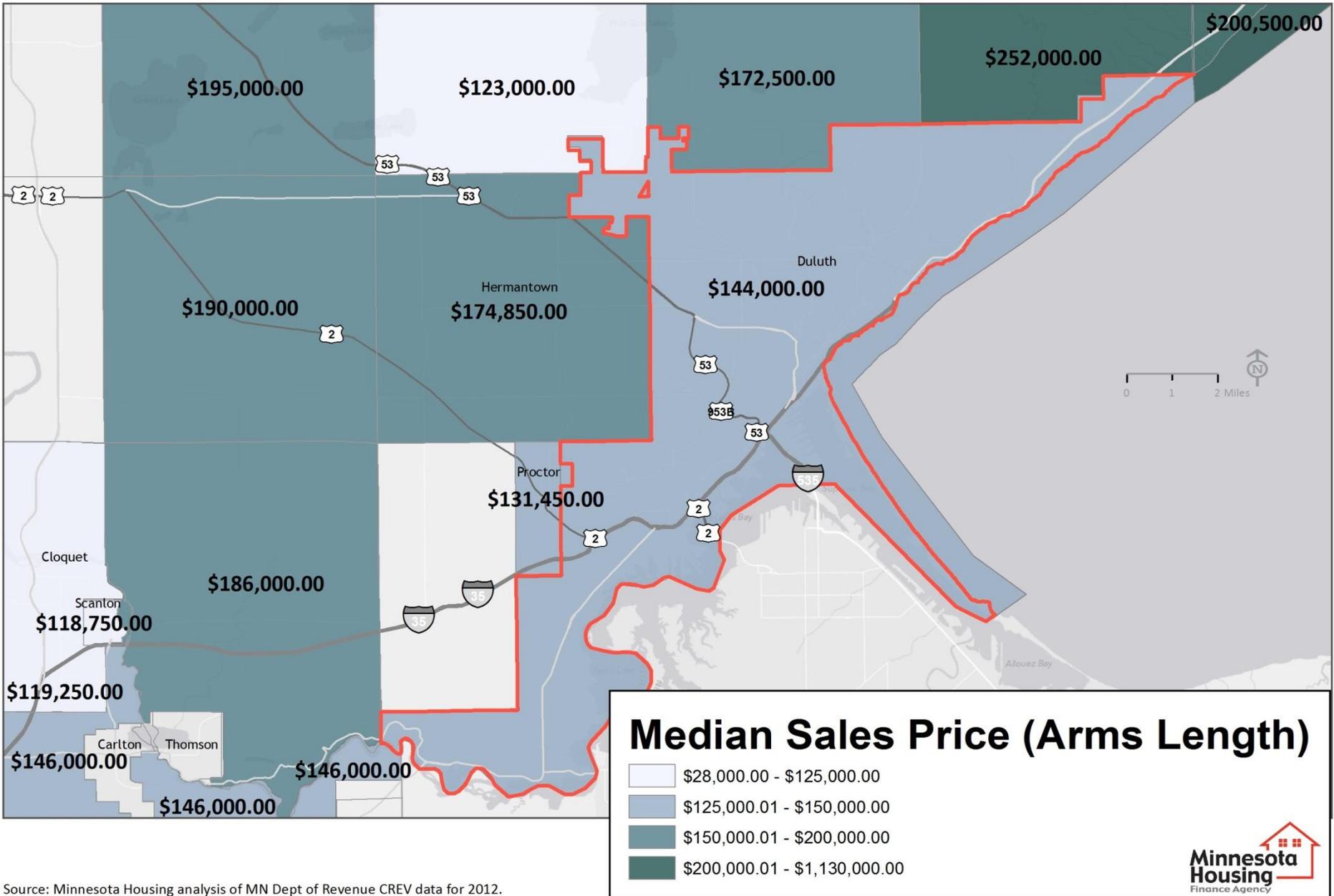
Source: Census Bureau, 2000 Decennial Census and American Community Survey (2001-2012)

# Cost Burden Assessment

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Cost burdened is based on:

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Source: Minnesota Housing analysis of MN Dept of Revenue CREV data for 2012.



# Duluth Median Sales Price

## January 2005-January 2014



- Median Sales Price January 2014 - \$143,150
  - Increase of 7.6% since February 2012

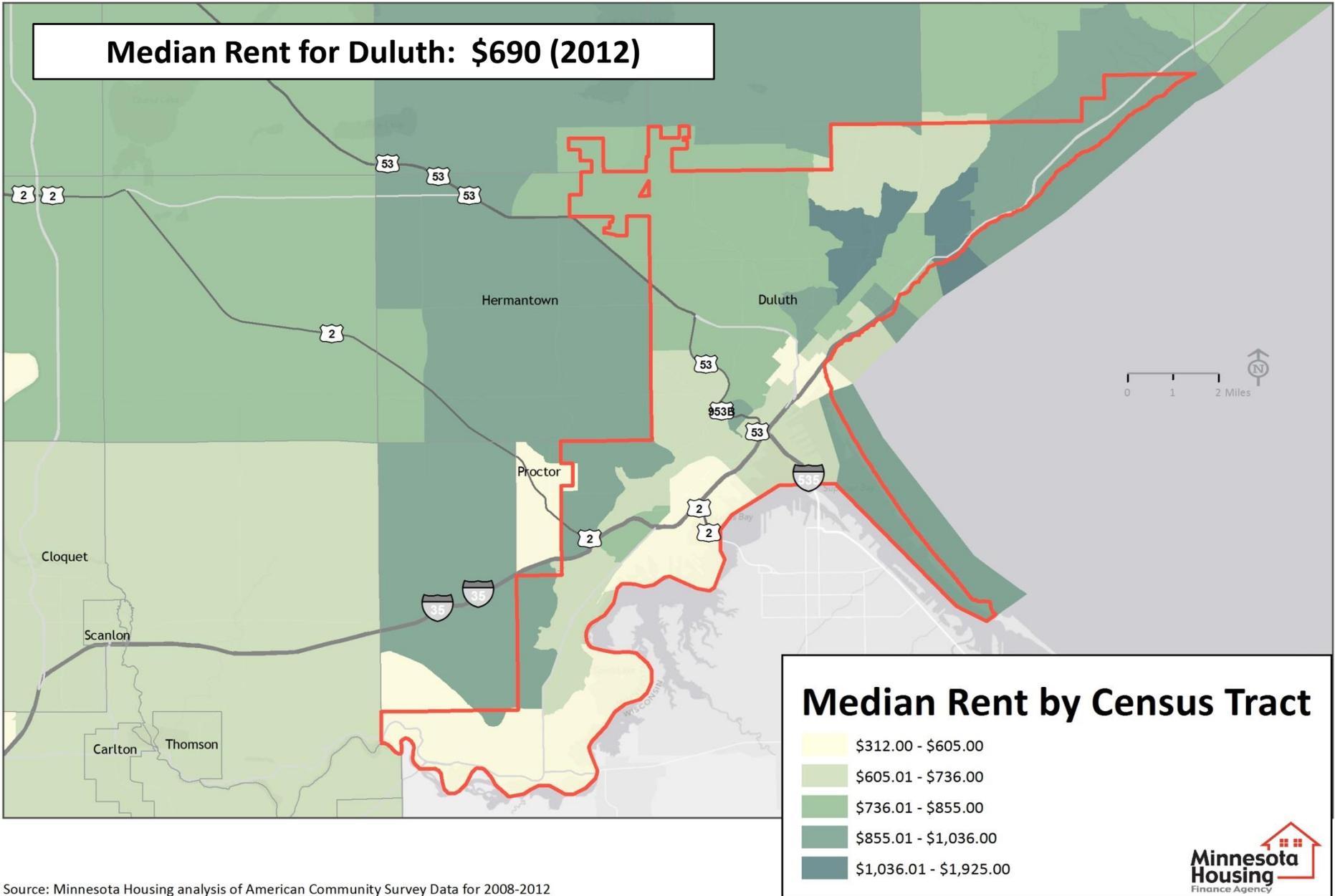
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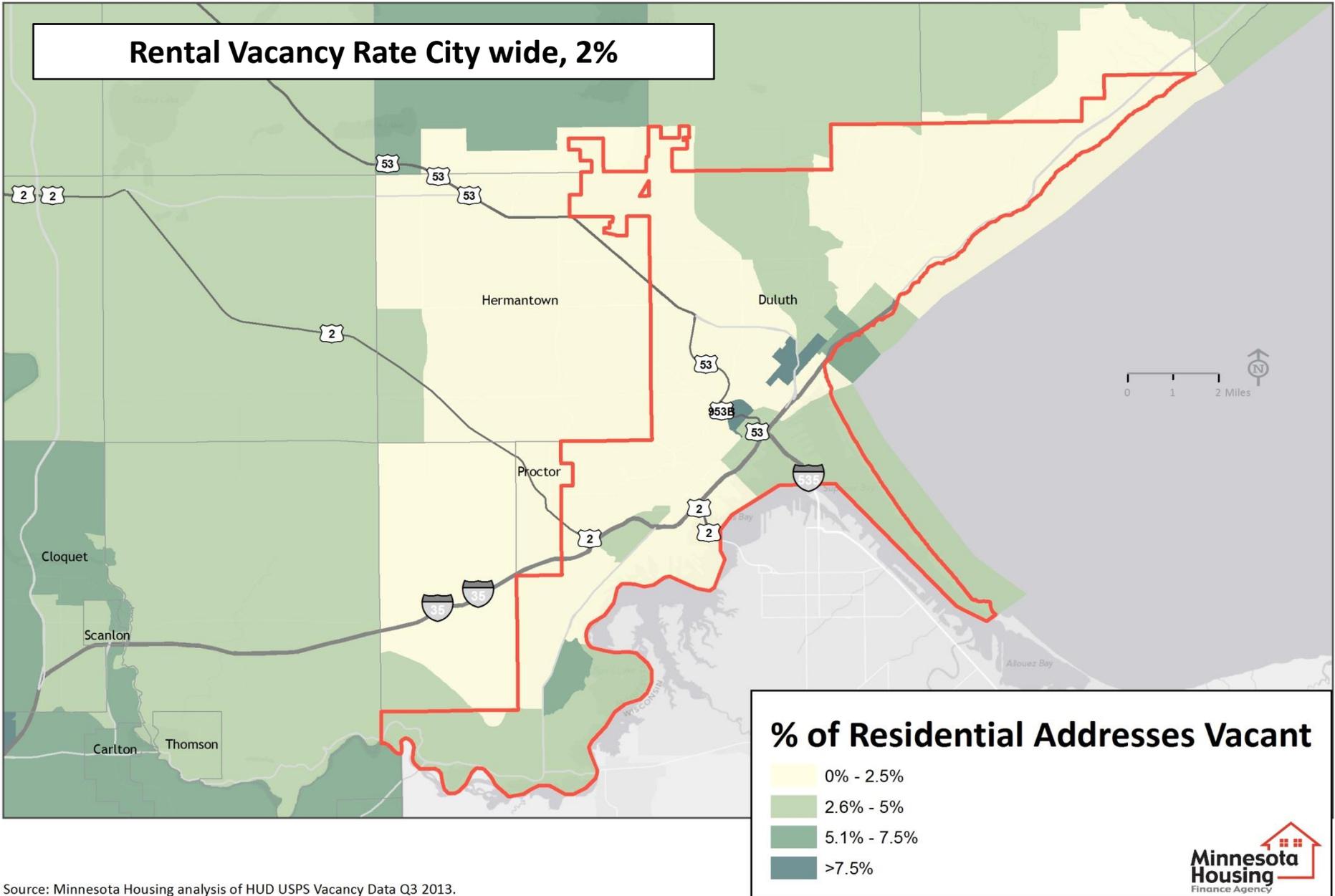
- **Housing costs**
  - Home prices
  - **Rent levels**
  - Demand – household growth
  - Supply - inventory
- **Income**
  - Employment
  - **Wages**

**Median Rent for Duluth: \$690 (2012)**



Source: Minnesota Housing analysis of American Community Survey Data for 2008-2012

# Rental Vacancy Rate City wide, 2%



Source: Minnesota Housing analysis of HUD USPS Vacancy Data Q3 2013.



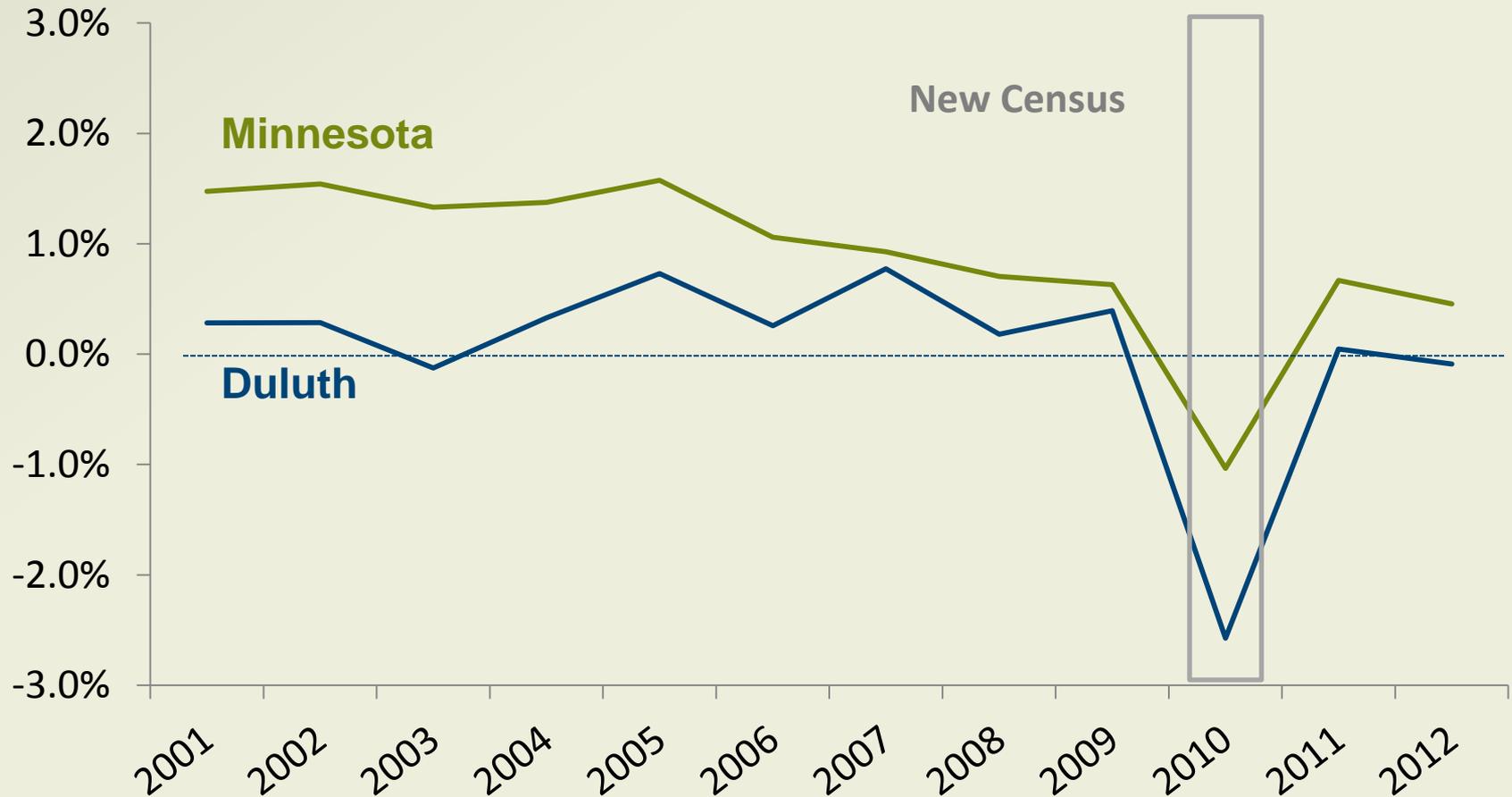
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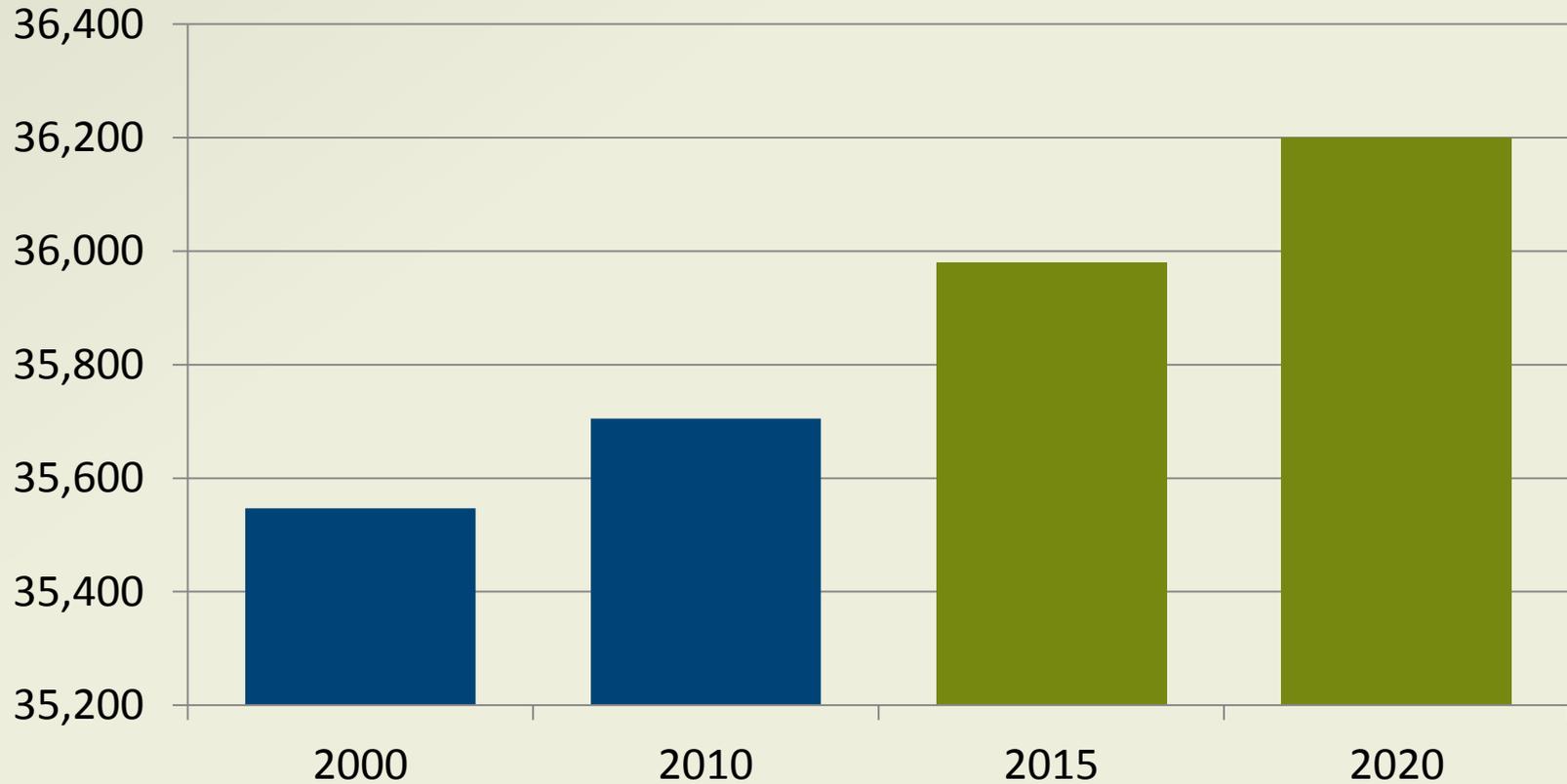
- **Housing costs**
  - Home prices
  - Rent levels
  - **Demand – household growth**
  - Supply - inventory
- **Income**
  - Employment
  - Wages

# Household Formation: % Change in Households



Source: Minnesota Demographer's Estimates

# Household Growth Trends and Projections



Source: Maxfield Research, 2014

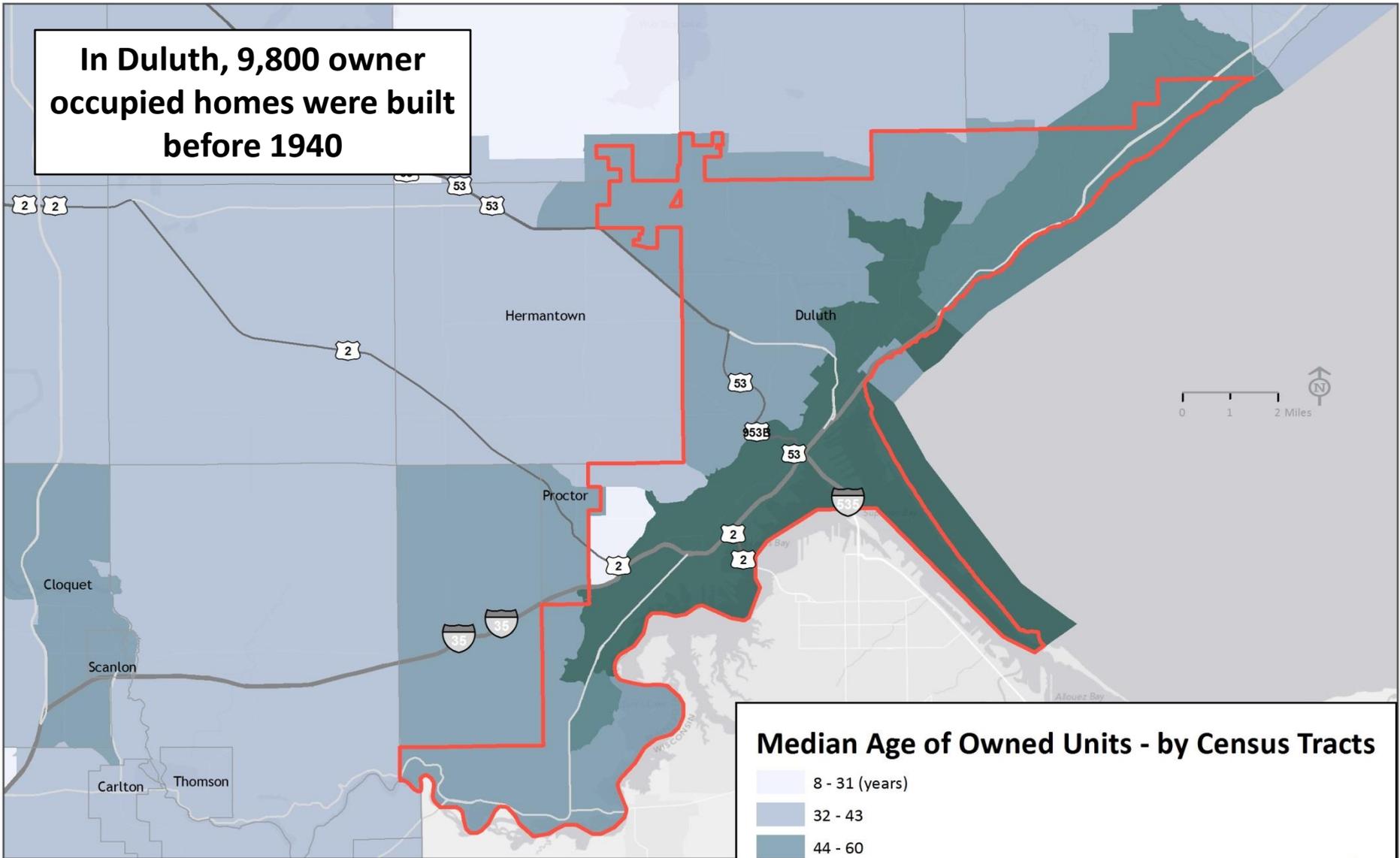
# Cost Burden Assessment

## Details

Cost burdened is based on:

- **Housing costs**
  - Home prices
  - Rent levels
  - Demand – household growth
  - **Supply - inventory**
- **Income**
  - Employment
  - **Wages**

**In Duluth, 9,800 owner occupied homes were built before 1940**



### Median Age of Owned Units - by Census Tracts

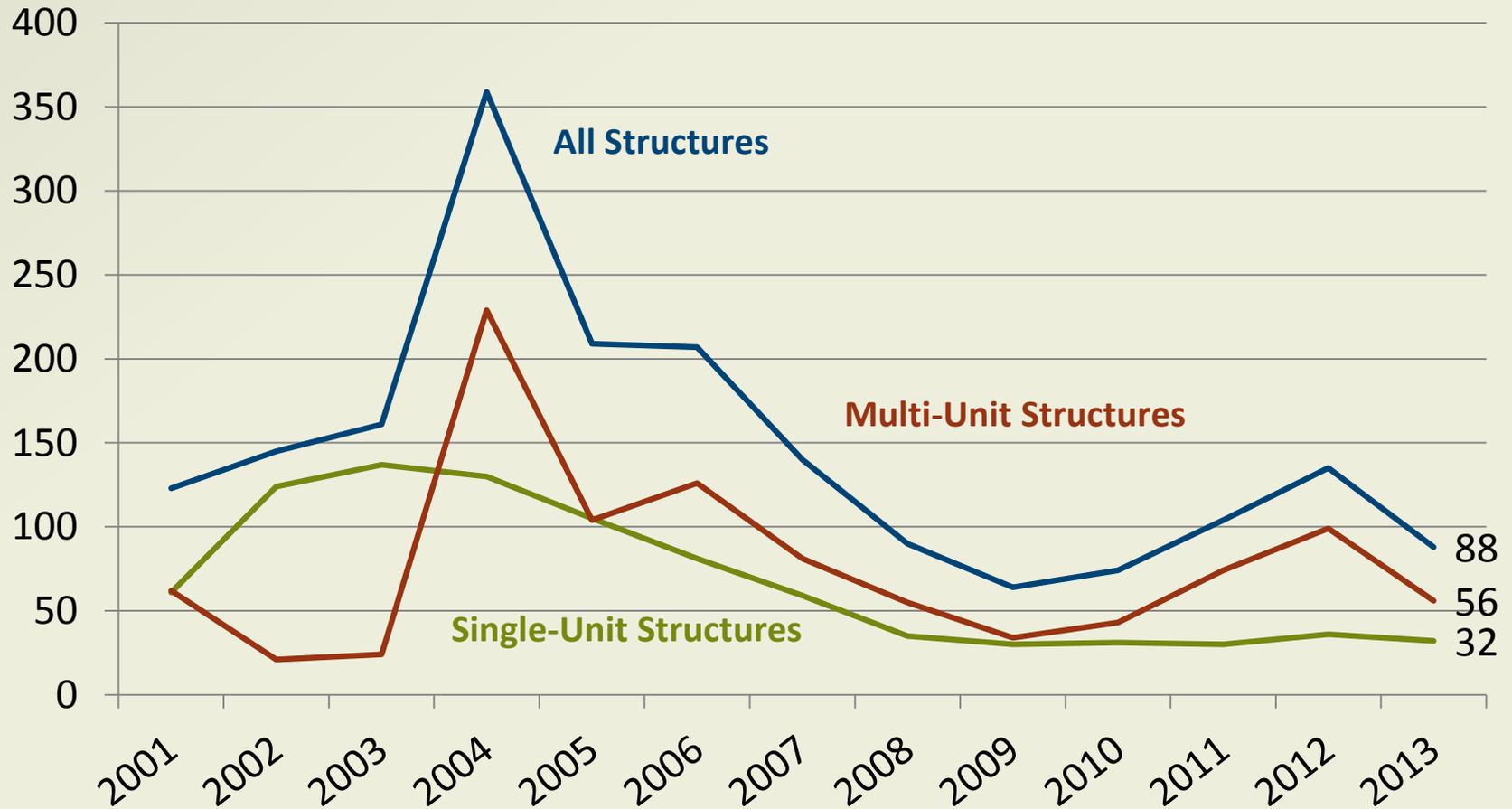
- 8 - 31 (years)
- 32 - 43
- 44 - 60
- 61 - 65
- 66 - 74



Source: Minnesota Housing analysis of American Community Survey Data 2008-2012.

# Duluth: Building Permits

## Number of Units



Source: US Department of Housing and Urban Development – State of the Cities Data Systems

# Summary of Housing Costs:

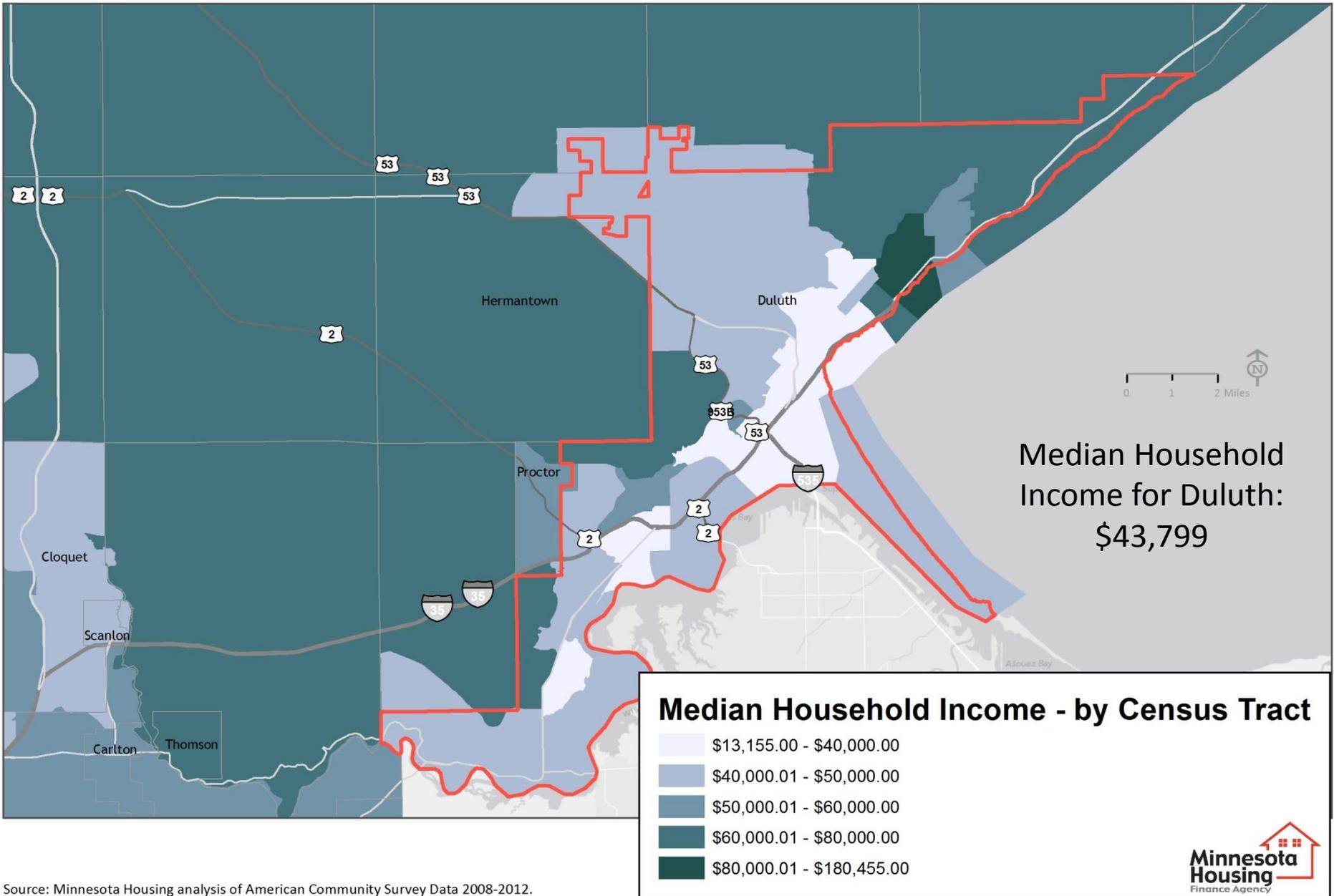
- Home sales prices are on the rebound through 2013.
- Rents have increased in the past decade.
- Household growth is moderate and projected to continue.
- Housing construction of single unit buildings has continued since the recession.

# Cost Burden Assessment

## Details

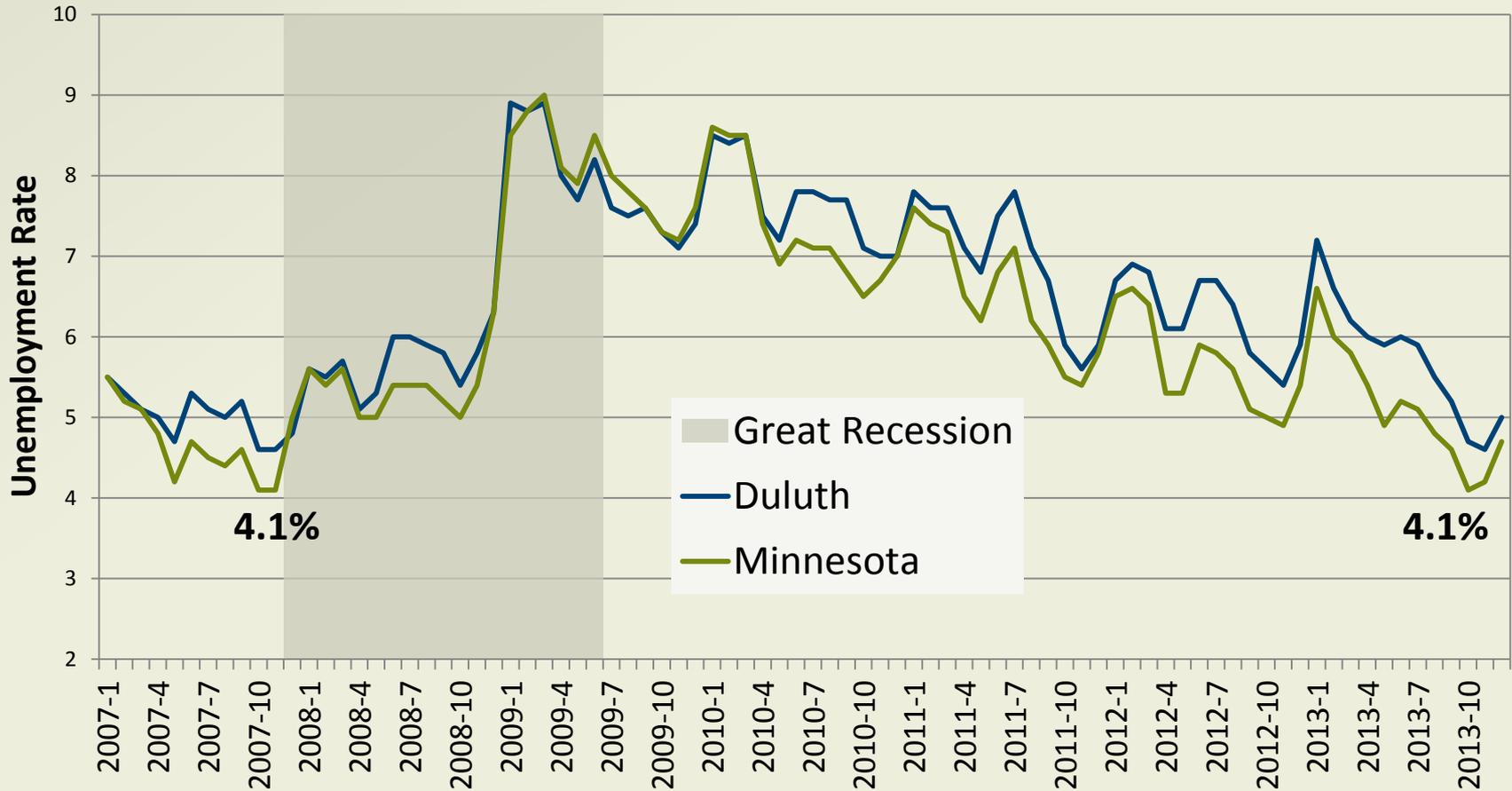
Cost burdened is based on:

- **Housing costs**
  - Home prices and foreclosures
  - Rent levels
  - Demand – household growth
  - Supply - inventory
- **Income**
  - **Employment**
  - **Wages**



Source: Minnesota Housing analysis of American Community Survey Data 2008-2012.

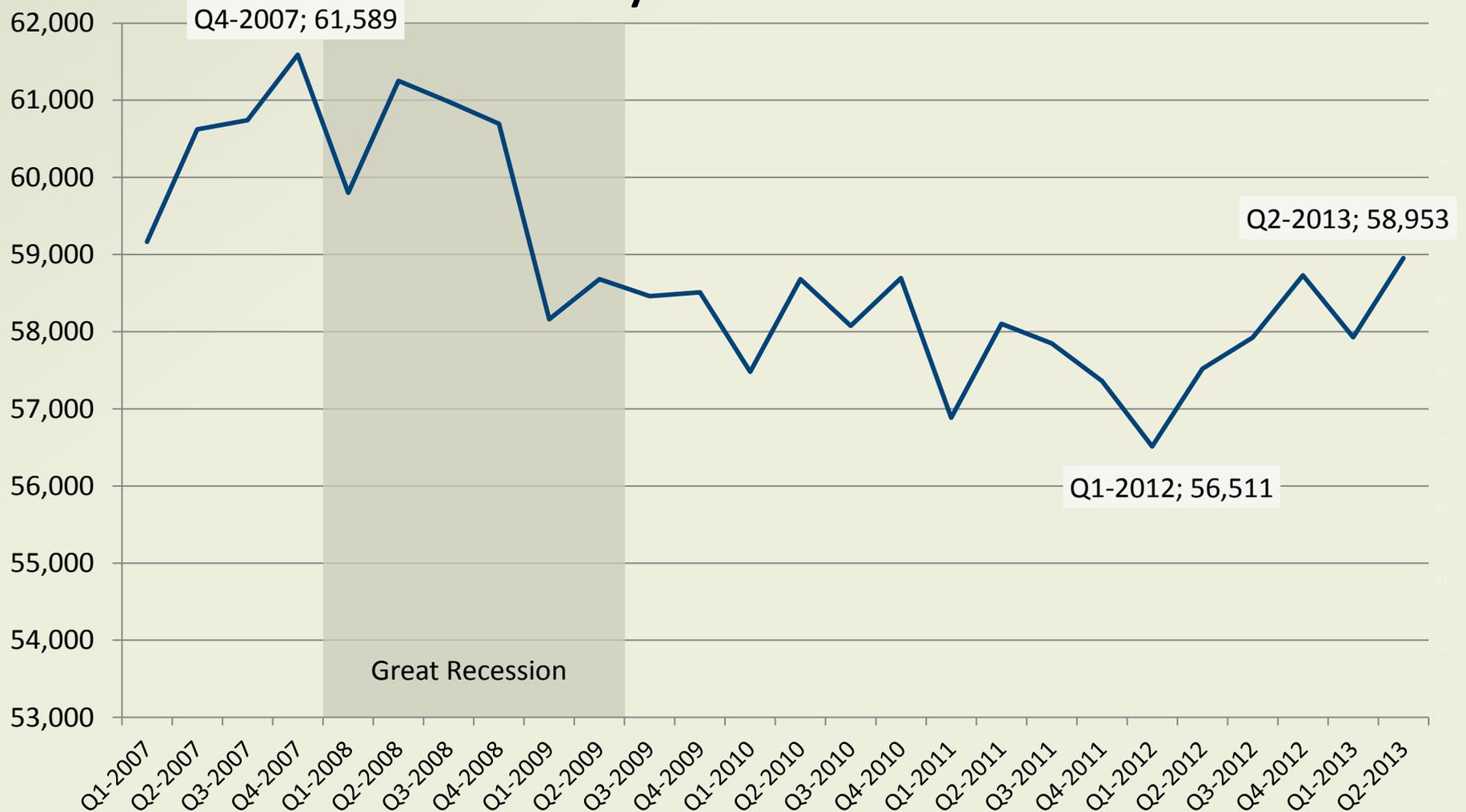
# Unemployment Rates 2007-Present



Source: Minnesota Department of Unemployment and Economic Development Local Unemployment Statistics, not seasonally adjusted

# Total Jobs 2007- Second Quarter 2013

## City of Duluth



# Job Growth and Wages by Industry

## City of Duluth

Industry	Jobs in Q2 2013	Job Change since 2012	Average Annual Wages	Wage Changes since 2012
Construction	2,202	13.8%	\$53,800	9.7%
Education and Health Services	22,834	1.2%	\$52,400	9.9%
Financial Activities	2,788	0.5%	\$51,000	1.6%
Information	1,047	20.5%	\$49,200	0.7%
Leisure and Hospitality	7,174	3.4%	\$45,800	0.8%
Manufacturing	2,598	-5.8%	\$45,500	2.9%
Natural Resources and Mining	39	8.3%	\$35,200	-0.6%
Other Services	2,045	12.7%	\$34,400	-2.0%
Professional and Business Services	4,984	8.0%	\$21,700	3.3%
Public Administration	3,682	-1.2%	\$14,200	2.1%
Trade, Transportation, Utilities	9,558	0.7%	\$39,200	1.7%
<b>Total, All Industries</b>	<b>58,953</b>	<b>2.5%</b>	<b>\$41,000</b>	<b>5.6%</b>

# Summary of Income:

- Unemployment and jobs continue a steady recovery and are near pre-recession levels.
- In the past year, jobs and wages have rebounded more significantly.

# Overall Summary:

## Key Local Trends in Duluth

- Economic recovery continues at a steady pace, and will **increase housing demand**.
- Low vacancy rates and **limited current supply** increases prices and cost burden in a tighter housing market.

**for more information contact:**

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