

# *City of Duluth 2013 Housing Indicator Report*

Released: May 16, 2014



Prepared by:  
Community Development Division  
407 City Hall  
Duluth, MN 55802  
Telephone: 218-730-5480



Homeownership statistics within Duluth show an improving housing market with increased number of sales and higher selling prices. Also, the number of foreclosures that happened last year has decreased again. Duluth continues to be one of the leading larger cities in the state with an extremely high percentage of homes that are over 50 years old. Here are some statistics that show what is happening with homeownership in Duluth:

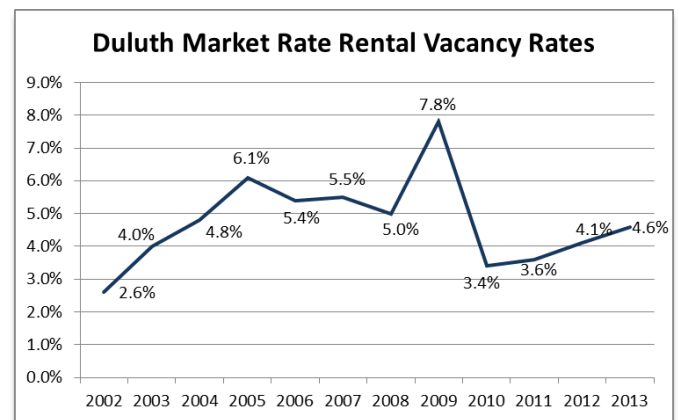
- The number of foreclosures in Duluth decreased from 189 in 2012, to 154 in 2013. This is a decrease of 18%.
- The percentage of Homesteaded properties in Duluth decreased slightly and is now at 58.3%, continuing a downward trend over the last several years.
- The median sales price of a single family home in Duluth increased 1.9% from \$145,000 in 2012 to \$147,700 in 2013.
- The number of standard (does not include family sales, short sales, forced sales, etc.) home sales jumped from 730 in 2012, to 920 in 2013, about a 26% increase. Here is a look at home sales in Duluth over the last five years:

	2009	2010	2011	2012	2013
<b>No. Valid Sales</b>	692	642	600	730	920
<b>Average price</b>	\$174,100	\$160,863	\$169,689	\$172,988	\$177,726
<b>Median price</b>	\$143,200	\$137,850	\$140,950	\$145,000	\$147,700

- Over 65% of homes in Duluth are over 50 years old.

Each year the Community Development office conducts a rental survey to look at rental vacancy rates and average rents throughout properties in Duluth. The survey is a good barometer for what is happening in the rental market within the City.

- The overall rental vacancy rate for the city is 3.7%, which is generally considered low.
- The market-rate vacancy rate was 4.6% which included non-subsidized units. The vacancy rate continues to be very low for Fond du Lac, Gary-New Duluth, Morgan Park, and Piedmont Heights while rental vacancy rates for West Duluth and Lincoln Park remain slightly elevated.
- From 2012 to 2013, the average rent in Duluth increased slightly from \$716 to \$720, an increase of 1%.



Bedroom Size	2012	2013	Change 2012 to 2013	Change 2005 to 2013
<b>Efficiency</b>	\$484	\$476	-2%	26%
<b>1 Bedroom</b>	\$675	\$690	2%	24%
<b>2 Bedroom</b>	\$774	\$778	1%	3%
<b>3 Bedroom</b>	\$882	\$907	3%	2%
<b>4 Bedroom</b>	\$1,003	\$1,003	0%	11%
<b>Average (All)</b>	\$716	\$720	8%	14%

In 2013, Duluth had a net gain of 38 housing units city-wide. While this seems low, consider that the City increased the number of demolitions significantly as a way to eliminate blight and flood damaged properties. Alterations (home improvements) continued at a high rate in Duluth.

- There were permits issued for the new construction of 101 units in 2013. Forty-one of these permits were for single family homes or duplexes.
- There were 52 single family homes demolished in 2013, which was a significant increase from 2012. The majority of these homes were blighted, condemned, or flood damaged.
- In 2013, there were 1,514 alterations permits issued, which is the second highest number of alteration permits in the last decade.

	2010	2011	2012	2013
New permits (residential)	55	25	35	41
Units of 5 or more family dwellings	0	16	106	60
Number of Units Created	57	41	141	101

Alteration permits (residential)	855	471	1,794	1,514
----------------------------------	-----	-----	-------	-------

Number of Units Demolished	53	103	31	63
----------------------------	----	-----	----	----

According to the U.S. Department of Housing and Urban Development (HUD), affordable housing is where no more than 30% of a household’s gross income (i.e. before taxes and deductions are removed) is used for housing. A household in Duluth would then need to make approximately \$42,120 annually to afford a \$153,680 home – the 2013 average value of an owner occupied single family home in Duluth. The average wage in Duluth for 2013 was \$40,196, which would equate to a \$146,270 dwelling unit.

- Households that are in the Extremely Low Income bracket (30% or less of area median income), based on paying a maximum of 30% of income towards housing, cannot afford anything other than an efficiency unit in Duluth
- Households that are at or below 50% of area median income cannot afford a 2+ bedroom house to purchase but can afford a 2 bedroom unit to rent.
- Households that are near the 80% of area median income can afford to purchase or rent 2 and 3 bedroom homes in Duluth.



# TABLE OF CONTENTS

<b><i>I. DEMOGRAPHICS</i></b> .....	<b><i>1</i></b>
Household Trends .....	1
Poverty .....	2
Homelessness .....	3
Wages .....	6
Labor Force and Unemployment .....	7
Employment Trends Summary .....	9
<b><i>III. HOMEOWNERSHIP TRENDS</i></b> .....	<b><i>10</i></b>
Homestead and Non-Homestead Units .....	10
Home Foreclosure in Duluth.....	10
Single Family Home Market Value .....	11
Single Family Home Sales in Duluth.....	11
Home Sales by Neighborhood .....	11
Homeownership Trends Summary .....	13
<b><i>IV. RENTAL HOUSING INDICATORS</i></b> .....	<b><i>14</i></b>
2013 Market Rate Rental and Vacancy Survey .....	14
Neighborhood Analysis .....	16
Public Housing and Housing Choice Voucher Trends .....	16
Rental Housing Indicators Summary .....	18
<b><i>V. HOUSING PRODUCTION</i></b> .....	<b><i>19</i></b>
Housing Unit Analysis .....	19
Alteration Permits .....	20
Age of Housing Stock.....	20
Condemned Housing .....	21
Housing Condition and the June 2012 Flood.....	22
Residential Land Development.....	22
New Construction .....	24
Housing Production Summary .....	24
<b><i>VI. HOUSING AFFORDABILITY ANALYSIS</i></b> .....	<b><i>25</i></b>
Rent and Homeownership Analysis.....	25
Housing Affordability Summary .....	27
<b><i>APPENDIX</i></b> .....	<b><i>28</i></b>

# I. DEMOGRAPHICS

## Household Trends

The population in Duluth has been stable for the past decade. The total population of Duluth was estimated at 86,239 in the 2008 - 2012 American Community Survey (ACS). This is only a slight drop from the 2000 Decennial Census count of 86,319. The difference of 73 people is a reduction of about 0.0009%. Duluth's population was decreasing much more drastically from the 1960's to the 1990's. Since the 1990's Duluth's population has hovered just above the 85,000 mark.



The number of housing units has remained relatively consistent since the 1980's. While there was a slight dip in the 1990 census of 990 units from the previous decade, there has been a slight increase over the past 20 years. In 2012 there were an estimated 38,190 housing units, up from the 1990 count of 34,646 and 2000 count of 35,500. The increase in units despite stagnant population is due to the reduction in household size. In 2000 Duluth's average household size was 2.26 and in 2012 it was estimated at 2.22.

**Table 1. Historical Population**

	1950	1960	1970	1980	1990	2000	2012*
Population	104,511	106,884	100,578	92,811	85,493	86,319	86,239
Households	30,873	34,491	33,384	35,363	34,646	35,500	35,862

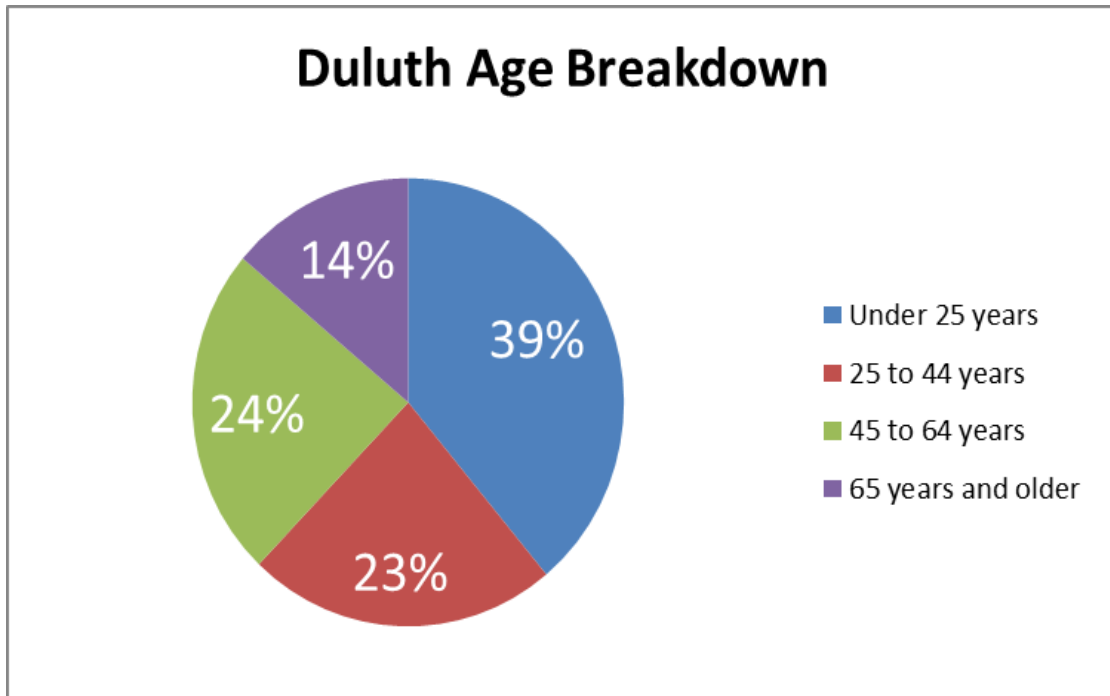
Source: U.S. Census Bureau Decennial Census, \* based on estimates from the 2008-2012 American Community Survey

**Table 2. Demographic Shifts in the City of Duluth**

	1980	1990	2000	2012*
Population	92,811	85,493	86,319	86,239
Person>65	14,367	18,504	13,147	11,985
Number of Households	35,363	34,646	35,500	35,862
Average Household Size	2.51	2.36	2.26	2.22
Number of Housing Units	37,090	36,022	36,994	38,190
Owner Occupied Units	22,816	22,275	22,773	21,380
For Sale Only	N/A	N/A	230	217
Renter Occupied Units	12,547	12,228	12,727	14,482
For Rent	N/A	N/A	454	556
Occupied Housing Units	35,636	34,563	35,500	35,862

Source: U.S. Census Bureau Decennial Census, \*based on estimates from the 2008-2012 American Community Survey

The median age of Duluth residents is 32.8 years, according to the 2008-2012 American Community Survey. In contrast the median age of all Minnesotans is 37.4. The median age of the entire U.S. population is 37.2.



Source: 2008-2012 American Community Survey

### Poverty

The level of poverty in Duluth is estimated at 21.9%. This is down slightly from the 2010 decennial census at 22.2%. However, this is up significantly from the 2000 rate of 15.5%. Other jurisdictions are as follows: United States 14.9%, State of Minnesota 11.2%, Rochester 9.9%, Minneapolis 22.5%, St. Paul 22.8%, Mankato 27.2%, and St. Cloud 23.1%.

**Table 3. Duluth Poverty**

Duluth Poverty Numbers	1980	1990	2000	2010	2012
Total Number of Persons Living Below Poverty Level	10,767	13,578	12,627	19,151	N/A
Percentage of Population Living Below Poverty Level	11.6%	15.9%	15.5%	22.2%	21.9%

Source: U.S. Census Bureau Decennial Census, 2008-2012 American Community Survey

The American Community Survey estimates that 21,353 (24.8%) individuals live at 125 percent of the poverty threshold or below. The poverty threshold is calculated by income and household characteristics. For example, a household of 4 is considered at the poverty line with an income of \$23,624 with 2 adults and 2 children, while a family of 4 with 1 adult and 3 children is \$23,707. For an individual living alone

and under 65 years of age the poverty threshold is an income of \$12,119, while over 65 years of age is \$11,173.

A higher poverty level disproportionately affects persons of color and children in Duluth. African Americans have a poverty rate of about 63.0% and Native Americans have a poverty rate of about 67.6%. Children under the age of 18 have a poverty rate of 25.5%. Furthermore, 24.3% of households with children under age 18 receive food assistance, compared to a state average of only 12.5%.

**Table 4. 2012 Poverty Income Guideline**

The Federal Poverty Guideline is a common measure used to define low-income status or the “working poor.” According to the U.S. Department of Health and Human Services (HHS), for 2013, an individual is considered living in poverty if they earn at or below \$11,490 annually.

Persons in family/ Household	Federal Poverty Guideline
1	\$ 11,490
2	\$ 15,510
3	\$ 19,530
4	\$ 23,550
5	\$ 27,570
6	\$ 31,590
7	\$ 35,610
8	\$ 39,630

The 2008-2012 American Community Survey estimates 21.9% of Duluth’s population lives below the ACS poverty threshold. The ACS sets the poverty threshold differently than Health and Human Services poverty level, which is outlined above. Only 8.8% of persons 65 years and older are estimated to live below the poverty threshold, while 22.7% of families with children under 18 years old live below the poverty threshold. This is especially true for female heads of household with no husband present, where households living under the poverty threshold is estimated at 53.0%. The ACS estimates the mean income deficit for families to be \$8,714.

For families/households with more than 8 persons, add \$4,020 for each additional person  
Source: U.S. Department of Health and Human Services, 2012

### Homelessness

A number of factors contribute to homelessness. In a statewide survey of homeless people conducted by the Wilder Research Foundation, most recently in 2009, people interviewed in Duluth cited various reasons for leaving their permanent housing. The most common reasons, which sometimes included more than one, include: ‘could not afford the rent’ (39%), ‘lost my job’ (37%), ‘eviction’ (36%) and ‘breakup with spouse or partner’ (27%).

**Table 5. Homeless Sheltered in Duluth**

	2007	2008	2009	2010	2011	2012
Emergency Shelters	1,818	1,890	1,847	1,835	1,788	2,137
Transitional Housing	305	277	349	363	299	338

Source: City of Duluth, Community Development Division (Numbers reported represent the majority—but not all—shelter and transitional housing providers).

Each night in Duluth, as many as 300 homeless men, women and children seek refuge in emergency shelters, battered women’s shelters and transitional housing facilities. Others sleep on a friend’s couch, in their car, or outdoors. Currently in Duluth, there are six organizations that provide emergency shelter and services to individual men and women, to battered women and to families with children. Through these organizations, there are 130 beds available on any given night for the homeless. For homeless people transitioning from emergency shelters or “the streets” to permanent housing, there are eight organizations that provide transitional housing and services, with a total 149 beds available. Additionally, Duluth has

382 beds in permanent supportive housing units. Agencies that provide housing and supportive services for homeless persons assist more than 1,500 homeless persons each year in Duluth.

Every year St. Louis County coordinates the Point in Time Count, in which representatives of various agencies count the number of unsheltered people (i.e. people sleeping in a place that is not fit for human habitation). This count occurs at the end of January. In 2012 there were 132 unsheltered persons in the City Duluth, in 2013 there were 94 unsheltered persons; and in 2014 there were 115 unsheltered people.

St. Louis County also counts people who live in St. Louis County, but not in the City of Duluth (such as Hibbing and Virginia); in 2014 there were 19 unsheltered people which was an increase from the previous year of 17 unsheltered people.

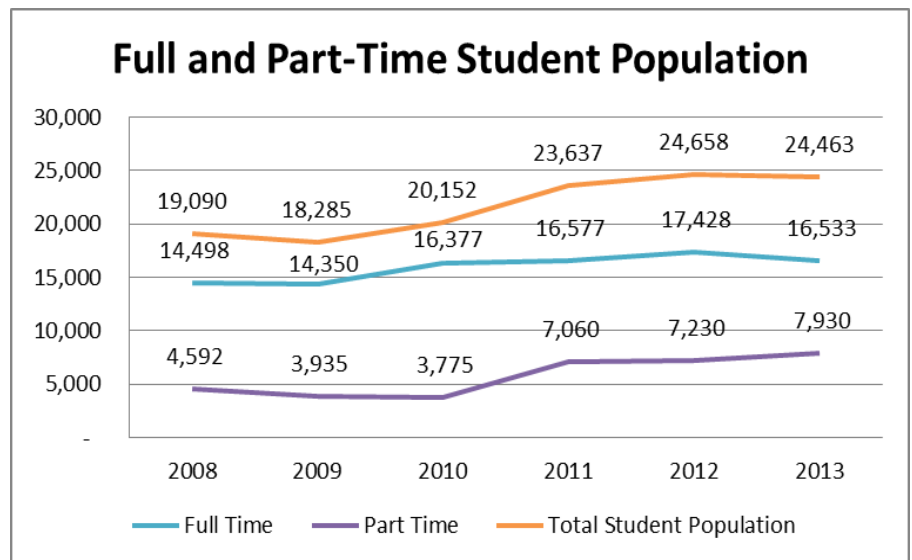
**Table 6. Characteristics of Unsheltered People Counted**

Characteristics	# in 2012	# in 2013	#in 2014
<b>Veteran</b>	9	10	9
<b>Victim of Domestic Violence</b>	9	8	15
<b>Chronic Substance Abuse</b>	38	33	45
<b>HIV/AIDS</b>	1	0	0
<b>Other Permanent Disability</b>	15	13	13
<b>Severe Mental Illness</b>	62	47	54
<b>Felony Conviction</b>	42	14	NA
<b>Unaccompanied Youth</b>	2	0	0

Source: St. Louis County Point in Time Count. Note: Some people fall into multiple categories.

### Student Housing

Higher education students represents a significant portion of Duluth’s population. Enrollment rates at the three major colleges in Duluth can have a substantial effect on supply and demand for housing. In the 2013-2014 school year, Duluth’s three major higher education colleges, College of Saint Scholastica (CSS), Lake Superior College (LSC), and the University of Minnesota Duluth (UMD) reported a total of 24,463 students, of which 16,533 of the students were enrolled full-time. 5,176 students lived on campus at UMD or CSS in apartments and dormitories.



\*Enrollment period varies by school.

For comparison, in 2012 school year there were 24,658 students, 17,428 of which were full-time and 7,230 were part-time. The 2013 enrollment is 10% higher than it was in 2008. Enrollment numbers include students who may live outside Duluth and may commute or learn electronically.



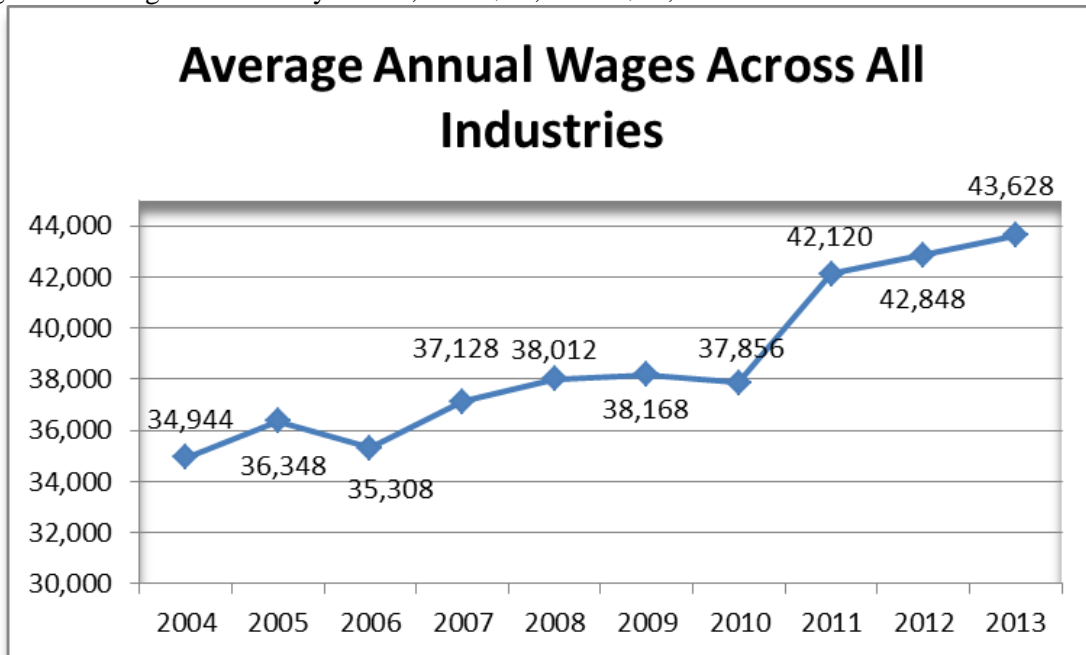
## **Demographics Summary**

- The number of higher education students enrolled in Duluth in 2013 was 24,463 students, decreasing slightly from 2012 but increasing 10% from 2008.
- The city's population from 2000 to 2010 was stable, according to the U.S. Census. There was only a slight decrease of 80 people or 0.0009% from 2010 to 2012. The 2012 population count was 86,239 people.
- According to the U.S. Census data, the estimated number of households increased slightly from 35,601 in 2001 to 35,862 households in 2012.
- In 2012, there were 132 unsheltered persons in the City Duluth during the annual Point in Time count. In 2013, there were 94 unsheltered persons. A higher number of these people were classified as having a Severe Mental Illness and/or Chronic Substance Abuse problem.

## II. EMPLOYMENT TRENDS

### Wages

Workers in Duluth have had an increase in wages over the last nine years. Between 2004 and 2013, the average annual wage increased by 24.9%, from \$34,944 to \$43,628.



Source: Minnesota Department of Employment and Economic Development (DEED), Quarterly Census of Employment and Wages, 2<sup>nd</sup> Quarter Wages, 2013.

Table 7 compares the average wages for cities in Minnesota. Duluth’s average wage remains higher than St. Louis County’s average wage, and has grown at a rate of 24.9% in the last ten years. According to [USInflationCalculator.com](http://USInflationCalculator.com) the inflation rate for the United States over the last ten years has been 23.3%.

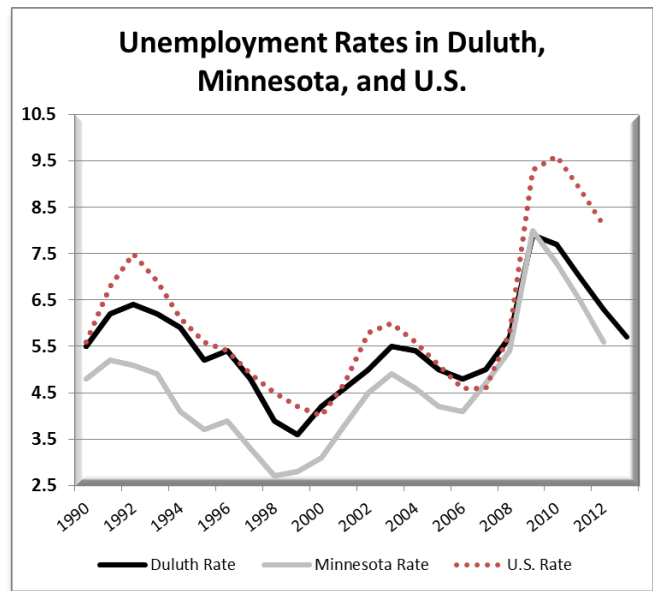
**Table 7. Average Wage for Other Locations**

Annual Average Wage	2004	2013	Change 2000-2012
City of Duluth	\$34,944	\$43,628	24.9%
St. Louis County	\$32,968	\$41,236	25.1%
City of Minneapolis	\$48,932	\$60,840	24.3%
City of St. Paul	\$41,236	\$50,076	21.4%
City of St. Cloud	\$33,592	\$41,600	23.8%
City of Mankato	\$30,420	\$37,544	23.4%
State of Minnesota	\$39,156	\$48,776	24.6%
United States	\$38,064	\$47,944	26.0%

Source: MN Department of Employment and Economic Development, Quarterly Census of Employment and Wages, 3<sup>rd</sup> Quarter, 2013

## Labor Force and Unemployment

The following table shows Duluth unemployment and labor force data from 2004 through 2013. Duluth's unemployment rate reached a 20 year high in 2009, but has since decreased to 5.7% unemployment, which is the lowest it has been since 2008, and has steadily decreased since the jump in 2009. The labor force has remained fairly consistent in the last ten years and remains at 45,384 today. The 2013 rate is higher than the unemployment rate for the Twin Cities Metro Area (4.9%) and for the state of Minnesota (5.1%), but remains less than the rate in the Duluth-Superior Metro Area (6.4%) and the United States (7.4%).



**Table 8. Duluth Labor Force and Unemployment 2004-2013 Comparisons (Averages)**

Year	Duluth Labor Force	Duluth Unemployment	Duluth Rate	Duluth Superior MSA Unemployment Rate	Twin Cities Metro Unemployment Rate	Minnesota Rate	U.S. Rate
2004	45,186	2,458	5.4	5.8	4.4	4.6	5.6
2005	44,702	2,239	5	5.3	3.9	4.2	5.1
2006	44,782	2,143	4.8	5.1	3.8	4.1	4.6
2007	45,242	2,262	5	5.5	4.3	4.7	4.6
2008	45,645	2,600	5.7	6.2	5.1	5.4	5.8
2009	45,641	3,617	7.9	9.2	7.9	8	9.3
2010	46,471	3,567	7.7	8.1	7.3	7.3	9.6
2011	46,181	3,216	7	7.4	6.3	6.5	8.9
2012	45,788	2,868	6.3	6.7	5.5	5.6	8.1
2013	45,384	2,604	5.7	6.4	4.9	5.1	7.4

Source: Minnesota Department Employment and Economic Development, Local Area Unemployment Statistics

In 2012, the economy in Duluth began to experience growth with the addition of both construction and permanent jobs because of several planned projects and business expansions. Beginning in 2012 and continuing over the next few years, Duluth is expected to gain 508 construction jobs, 85 of which are full-time equivalent because of these projects alone. In addition, there will be an estimated 571 permanent jobs added in a variety of industries, including health care, manufacturing, and food services.

The level of wages in Duluth is crucial for maintaining a healthy economy. Wages serve as a critical component to help define affordable housing opportunities for Duluth's working residents. According to the Department of Housing and Urban Development (HUD), the reasonable amount one can afford to pay for living accommodations should not exceed 30% of a household's gross income. The following tables

summarize Duluth's current wage levels by all sectors occupation classification from the 2<sup>nd</sup> Quarter of 2004, 2012, and 2013.

**Table 9. All Industry Employment in Duluth**

Industry	2009	2010	2011	2012	2013
Construction	2,288	2,059	2,086	1,993	2,075
Manufacturing	2,888	2,747	2,771	2,796	2,672
Utilities	686	695	719	745	766
Wholesale Trade	1,144	1,147	1,177	1,186	1,187
Retail Trade	6,262	6,321	6,436	6,363	6,403
Transportation and Warehousing	1,264	1,247	1,256	1,284	1,347
Finance and Insurance	2,236	2,154	2,254	2,094	2,165
Real Estate and Rental and Leasing	678	708	662	679	622
Professional, Scientific, and Technical Services	2,081	2,105	1,962	2,063	2,421
Management of Companies and Enterprises	677	717	728	698	604
Administrative and Support and Waste Management and Remediation Services	2,154	2,120	2,170	2,054	1,969
Educational Services	4,575	4,662	4,615	4,666	4,685
Health Care and Social Assistance	17,395	17,370	17,450	17,540	17,770
Arts, Entertainment, and Recreation	1,208	1,252	1,348	1,365	1,344
Accommodation and Food Services	6,027	6,003	5,801	5,951	6,269
Other Services (except Public Administration)	1,855	1,899	1,841	1,784	2,039
Public Administration	3,651	3,787	3,641	3,727	3,744
<b>Total, All Industries</b>	<b>58,462</b>	<b>58,075</b>	<b>57,849</b>	<b>57,922</b>	<b>59,196</b>

**Table 10. Annual Wages by Industry in Duluth**

Industry	2009	2010	2011	2012	2013
Construction	\$57,616	\$51,480	\$55,328	\$51,532	\$53,456
Manufacturing	\$46,072	\$47,424	\$49,920	\$51,480	\$50,856
Utilities	\$72,540	\$70,772	\$87,464	\$87,256	\$90,012
Wholesale Trade	\$45,552	\$45,604	\$49,348	\$46,904	\$46,904
Retail Trade	\$20,904	\$21,320	\$22,776	\$22,360	\$22,724
Transportation and Warehousing	\$49,608	\$54,860	\$59,384	\$58,968	\$56,472
Finance and Insurance	\$65,312	\$63,752	\$68,380	\$51,220	\$50,804
Real Estate and Rental and Leasing	\$23,088	\$24,908	\$27,092	\$24,648	\$28,652
Professional, Scientific, and Technical Services	\$50,960	\$53,248	\$56,576	\$59,072	\$60,944
Management of Companies and Enterprises	\$59,800	\$68,120	\$77,168	\$78,260	\$82,004
Administrative and Support and Waste Management and Remediation Services	\$25,532	\$22,984	\$26,260	\$25,168	\$25,740
Educational Services	\$46,020	\$46,176	\$47,788	\$46,332	\$47,528
Health Care and Social Assistance	\$40,196	\$39,780	\$46,436	\$52,312	\$54,236
Arts, Entertainment, and Recreation	\$16,120	\$15,756	\$16,380	\$16,328	\$16,952
Accommodation and Food Services	\$13,416	\$13,572	\$14,872	\$14,560	\$14,716
Other Services (except Public Administration)	\$20,852	\$21,320	\$22,568	\$22,464	\$21,528
Public Administration	\$54,236	\$52,260	\$60,112	\$58,448	\$57,200
<b>Total, All Industries</b>	<b>\$38,168</b>	<b>\$37,856</b>	<b>\$42,120</b>	<b>\$42,848</b>	<b>\$43,628</b>

## **Employment Trends Summary**

- The annual average unemployment rate was in Duluth was 5.7% in 2013.
- Over the last ten years the the average wages increased 24.9 %, from \$34,944 to \$43,628.
- Health Care and Social Assistance employs the highest number of workers (17,770) followed by Retail Trade (6,403), Accommodation and Food Services (6,269), and Education (4,685).

### III. HOMEOWNERSHIP TRENDS

#### Homestead and Non-Homestead Units

According to the city assessor’s department at the end of 2013, there were a total of 22,155 (58.3%) homesteaded and 15,855 (41.7%) non-homestead units in Duluth, which is a slight decrease in the percentage of homesteaded units, continuing the five-year trend. It should be noted that the homestead-status of a housing unit can be continually in flux, and can change from year to year. For example, single family units may have been homesteaded units in one year and rental units the next year or vice versa, but this data gives a snapshot of what is happening with housing and homeownership within Duluth.

**Table 10. Number of Homesteaded Units vs. Non-Homesteaded Units**

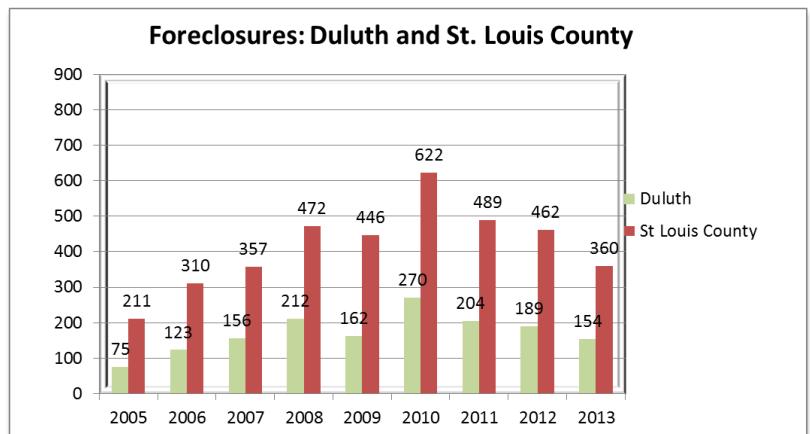
	2009	2010	2011	2012	2013
<b>Total Homesteaded</b>	<b>23,116</b>	<b>22,788</b>	<b>22,511</b>	<b>22,616</b>	<b>22,155</b>
1 unit	21,157	20,988	20,736	20,832	20,520
2 unit	1,544	1,448	1,430	1,438	1,300
3 unit	222	195	198	201	192
4 or more units	193	157	147	145	143
Homestead %	61.7%	60.2%	59.6%	59.7%	58.3%
<b>Total Non-homesteaded</b>	<b>14,360</b>	<b>15,073</b>	<b>15,296</b>	<b>15,280</b>	<b>15,855</b>
1 unit	3,887	4,280	4,502	4,448	4,804
2 unit	2,232	2,222	2,256	2,236	2,292
3 unit	645	645	633	633	633
4 or more units	7,596	7,926	7,885	7,963	8,126
Non-homesteaded %	38.3%	39.8%	40.4%	40.3%	41.7%
<b>Total Homesteaded &amp; Non-homesteaded units</b>	<b>37,476</b>	<b>37,861</b>	<b>37,787</b>	<b>37,896</b>	<b>38,010</b>

Source: St. Louis County Assessor Data

**NOTE:** Tax Exempt housing properties such as public housing units, state of Minnesota units, and units classified as “Seasonal, Recreational” or “Low Income Rental” housing properties are not included in these numbers.

#### Home Foreclosure in Duluth

Another aspect of homeownership that is now very prolific nation-wide is the number of home mortgage foreclosures that occur each year. Foreclosures were first starting to be tracked in 2005, at which time there were 6,466 in Minnesota. In 2013, there were 11,834 in Minnesota, which was a 34% decrease from the previous year. The Foreclosures graph shows that the 360 homes went into foreclosure in St. Louis County, of which 154 of those foreclosures were in Duluth, a decline of over 18% from the previous year.

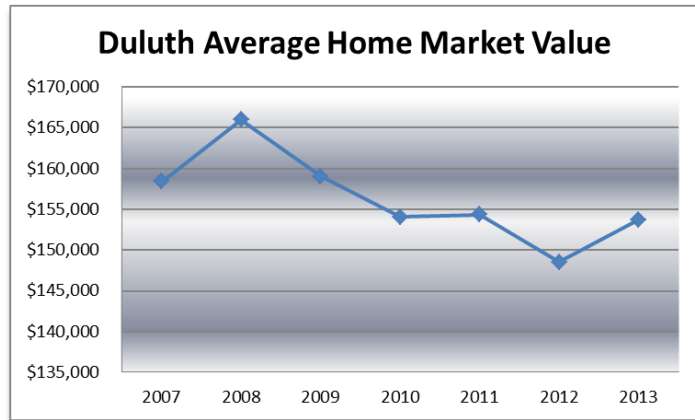


Source: St. Louis County

While the number of mortgage foreclosures in Duluth and Northern Minnesota appears significant, the overall levels are relatively small compared to other parts of the country. In Duluth, foreclosures

decreased for the third consecutive year. Still, this is an area of concern as some of the homes in foreclosure are being abandoned and/or are left vacant for long periods. According to the report “2013 Foreclosures in Minnesota” prepared by Housing Link, the state-wide number of 11,834 foreclosures in 2013 was less than half than when foreclosures peaked in 2008 with 26,251 foreclosures. In 2012, 0.65% of all residential parcels in Minnesota experienced a foreclosure.

The impact of foreclosures in a community can be quite significant. Properties in foreclosure tend to remain vacant for a period of time, and can be vandalized and/or fall into disrepair, creating blight that can affect entire neighborhoods, creating an undesirable place to live. As seen in the neighborhood foreclosure numbers, families living in rental housing are also at risk of losing their housing when the foreclosures hit the multi-family housing stock.



### Single Family Home Market Value

Over the last six years in Duluth, single-family home market values have fluctuated given the recession that began in the late part of the 2000’s. After several years of home value decreases, 2013 showed the first significant increase since 2008. The average value for a home in Duluth today is \$153,680, which is an increase of 3.5% from 2012 (\$148,497).

### Single Family Home Sales in Duluth

Data regarding the sale of single family homes in Duluth was collected from the city assessor’s office.

The assessor’s data reflects 2013 valid home sales as recorded in the St. Louis County recorder’s office during the calendar year and does not include reject sales which had extenuating circumstances (e.g. family sales, short sales, forced sales, gift sales).

From 2012 to 2013, the median sales price citywide raised by approximately 1.9%, from \$145,000 to \$147,700.

The change in the average sales price went from \$172,988 to \$177,726, an increase of nearly 3%. The total number of valid sales in 2012 increased, from 730 in 2012 to 920 in 2013 (a 26% increase). Also, 920 sales was a 5 year high in Duluth.

### Home Sales by Neighborhood

As in most cities, the price of homes varies greatly depending on the neighborhood in which the home is located. While a neighborhood boundary is somewhat subjective, this report attempts to group areas that

**Table 11. Single Family Home Sales of Homesteaded Properties**

	2009	2010	2011	2012	2013
<b>No. Valid Sales</b>	692	642	600	730	920
<b>Average price</b>	\$174,100	\$160,863	\$169,689	\$172,988	\$177,726
<b>Median price</b>	\$143,200	\$137,850	\$140,950	\$145,000	\$147,700
<b>No. of 1 bedroom</b>	14	16	7	14	17
<b>Average price</b>	\$100,088	\$117,849	\$102,660	\$141,641	\$117,675
<b>No. of 2 bedrooms</b>	205	169	163	184	251
<b>Average price</b>	\$139,824	\$136,668	\$129,204	\$138,325	\$140,353
<b>No. of 3 bedrooms</b>	305	299	290	352	405
<b>Average price</b>	\$162,550	\$155,698	\$166,704	\$165,646	\$169,021
<b>No. of 4 bedrooms</b>	107	92	91	135	175
<b>Average price</b>	\$237,439	\$216,738	\$221,214	\$207,751	\$234,324
<b>No. 5+ bedrooms</b>	34	23	28	27	30
<b>Average price</b>	\$273,359	\$257,825	\$304,145	\$372,270	\$327,241

Source: St. Louis County assessor data

are generally associated together as one unit. Examples would be Lester Park and Lakeside or Fond du Lac, Gary, and New Duluth. While doing this the individual neighborhood qualities and characteristics are still acknowledged. Park Point had the highest average sales price (\$283,400) followed by Congdon Park (\$275,803). Lincoln Park had the lowest average sales price of \$93,169 and the areas of Fond du Lac/Gary/New Duluth were next lowest with an average sales price of \$120,503.

**Table 12. Home Sales by Neighborhood, 2012**

Neighborhood	2012		2013		Average Sales Price Change
	Number of Sales	Average Sales Price	Number of Sales	Average Sales Price	
Park Point	21	\$270,048	15	\$283,400	5%
Congdon Park	47	\$290,681	58	\$275,803	-5%
North Shore	7	\$180,700	4	\$231,581	28%
Hunters Park	28	\$191,294	34	\$217,124	14%
Central Hillside/Central Bus. Dist.	27	\$154,637	22	\$192,604	25%
Kenwood	60	\$169,436	81	\$189,925	12%
Chester Park/UMD	56	\$194,776	46	\$188,156	-3%
Morley Heights	9	\$214,029	16	\$186,672	-13%
Lakeside/Lester Park	109	\$193,444	150	\$183,937	-5%
Duluth Heights	70	\$191,054	75	\$180,470	-6%
East Hillside/Endion	81	\$156,322	84	\$180,103	15%
Piedmont	38	\$160,080	85	\$171,522	7%
Woodland	46	\$158,328	44	\$171,065	8%
Bayview Heights	10	\$127,381	12	\$140,907	11%
Morgan Park/ Smithville/Riverside	15	\$103,232	29	\$137,844	34%
Denfeld/Cody/Oneota/ Irving Park/Fair	82	\$107,544	84	\$123,137	14%
Fond du Lac/Gary/New Duluth	17	\$137,157	27	\$120,503	-12%
Lincoln Park	37	\$100,395	46	\$93,169	-7%

Source: Saint Louis county assessor data

**Duluth Area Association of Realtors Numbers**

The Duluth Area Association of Realtors (DAAR) performs a number of duties including tracking sales and statistics for the region and for Duluth. According to DAAR, the number of days that a property is on the market before it sells is very telling of the activity in a market; in 2012 the average days on market was 73 days. In 2013 the average days on market was 105 days. However, when we look at the median number of days on market for 2013, it shows a median of 34. This shows that many houses are selling in short time periods. However, a smaller section of houses sitting on the market for extended periods of time brings the average way up. The DAAR also tracks the number of multi-family property sales in Duluth. According to DAAR, in 2013 there were 61 properties that sold, which is a 35% increase from the previous year (45 properties). Multi-family (rental) properties had an

**Table 13. Days on Market**

YEAR	Residential Sales Average Days on Market
2008	58
2009	62
2010	73
2011	83
2012	73
2013	105



average of the number of days on the market of 77 days. This data comes from the Duluth Area Association of Realtors (DAAR), and is based upon information reported by the member realtors.

### **Homeownership Trends Summary**

- The number of foreclosures in Duluth decreased from 189 in 2012 to 154 in 2013. This is a decrease of 18.5%.
- The percentage of Homesteaded properties in Duluth decreased slightly to 58.3%.
- The median sales price of a single-family home in Duluth increased approximately 2% from \$145,000 in 2012 to \$147,700 in 2013.
- The number of valid home sales jumped from 730 in 2012 to 920 in 2013, about a 26% increase.
- The average number of days a home is on the market has increased, from 73 days in 2012, to 105 days in 2013.

## IV. RENTAL HOUSING INDICATORS

### 2013 Rental Vacancy Rate

**The overall rental vacancy rate in the city of Duluth, taking into account the 2013 market rate rental survey and public housing units is approximately 3.7%.** This vacancy rate does not include several subsidized units that are generally income restricted. The vacancy rate of 3.7% reaffirms the American Community Survey which estimated Duluth’s rental vacancy at 3.7%. Furthermore, Minnesota Housing analyzed United States Postal Service Vacancy Data provided by HUD and found that the rental vacancy rate city wide was about 2%. The United States Postal Service collects data on vacant properties and shares this with the HUD to determine a residential vacancy rate. In some small areas such as East Hillside and the eastern edge of Lincoln Park there was an estimated vacancy of over 7.5%. A majority of the city was in the 0% - 2.5% vacancy range. Although there are multiple ways to determine the rental vacancy rate, the estimates show that rental vacancy in the city of Duluth is strained, preventing potential new residents from finding a variety of rental housing choices.

The 2008-2012 American Community Survey estimates Duluth’s rental vacancy rate at 3.7%. The vacancy rate has been in decline since the 2010 Decennial Census which counted 15,032 total rental units, 14,136 of which were occupied, leaving a vacancy of 896 units or 5.9%. The 2000 Census calculated the rental vacancy rate of 4.9%.

**Table 14. Change in Housing from 2000 to 2012**

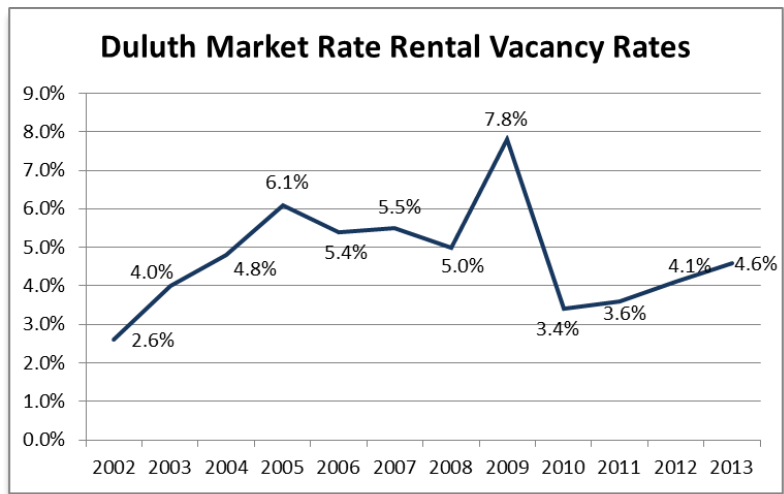
	2000 Census	2012 American Community Survey
Total rental housing units	13,181	15,038
Renter-occupied housing units	12,727	14,482
For Rent	454	556
Average household size of renter-occupied units	1.91	1.84

Source: 2000 Decennial Census, 2008-2012 American Community Survey, U.S. Census Bureau

### 2013 Market Rate Rental Survey

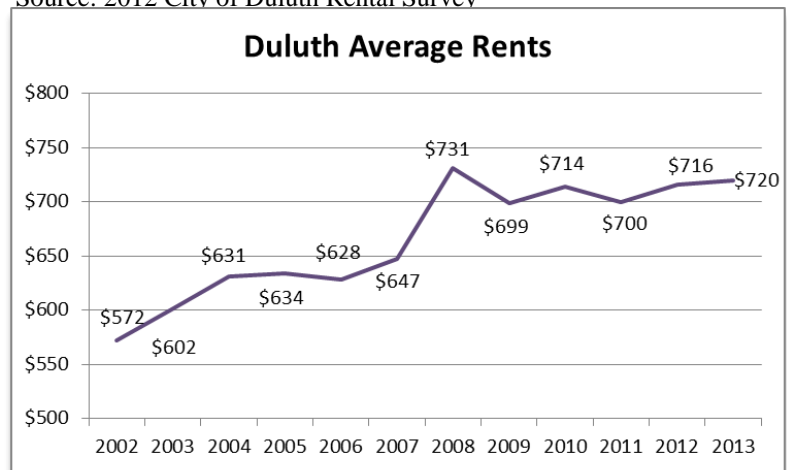
In an effort to gather more accurate data, the city of Duluth conducts an annual market rate rental survey. A database was created with information on property managers and rental properties. Property owners and managers are surveyed on rental rates and vacancy rates. The data is aggregated and the results are calculated by bedroom type, rent range, and geographic location. The responses include 2,195 units which account for approximately 15.1% of the total market rate rental units in Duluth. Of the returned responses 50% were for units located in buildings with 25 or more units, 23% were for units in buildings with 10 to 24 units, 15% were for units located in buildings with 4 to 9 units, and 11% were for triplexes. Subsidized and income restricted rental units are not surveyed so that we can determine the unrestricted market rate price per unit size. The responses include information on studio apartments (231 units), one-bedroom (970 units), two-bedroom (839 units), three-bedroom (125 units), four-bedroom (23 units), and other unit types (7 units).

The market rate rental vacancy rate as determined by the City of Duluth rental survey in 2013 was at 4.6% vacancy. This was up slightly from 2012 where the rate was 4.1%. In the 11 years for which the survey has been completed the lowest vacancy rate was in 2002 at 2.6% while the highest vacancy was in 2009 at 7.8% vacancy.



Source: 2012 City of Duluth Rental Survey

Average monthly rent in 2013 for private residential housing units was \$720. This is slightly higher rent than 2012 where average rent was \$716. The trend equates to roughly to a 2% increase in rent annually beginning in 2002. In 2008 Duluth had its highest average monthly rent of \$731.



Source: 2012 City of Duluth Rental Survey

We can see the average rent broken down by bedroom size and changes over the past seven years. The average monthly rent for two-bedroom units, one-bedroom units, and studio/efficiencies have dipped slightly from 2012. However, three-bedroom units and other types of rental units experienced an increase in average monthly rent. The four-bedroom unit average rent stayed the same at \$1,003. Two-bedroom units are at their lowest average rent in nearly ten years.

**Table 15. Rent and Number of Bedrooms**

Bedroom Size	2005	2009	2012	2013	Change 12 to 13	Change 05 to 13
Efficiency	\$378	\$406	\$484	\$476	-2%	26%
1 Bedroom	\$557	\$617	\$675	\$690	2%	24%
2 Bedroom	\$756	\$771	\$774	\$778	1%	3%
3 Bedroom	\$885	\$832	\$882	\$907	3%	2%
4 Bedroom	\$905	\$1,074	\$1,003	\$1,003	0%	11%
Average (All)	\$634	\$699	\$716	\$720	1%	14%
Units in Survey	2421	2184	2037	2195		

The survey found that in 2013, owners were more likely to pay the utility costs for studio/efficiency, one-bedroom, and two-bedroom apartments. The cost difference between units by renter and owner paid utilities is shown in Table 16. As expected, owner paid utility units have a higher rent.

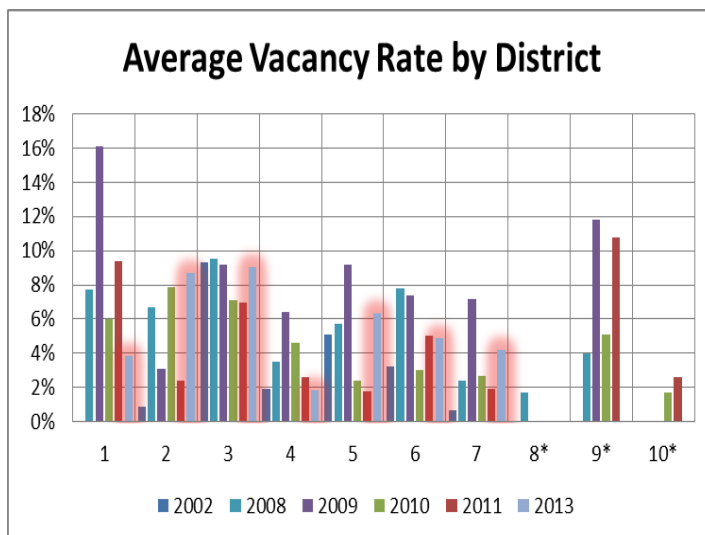
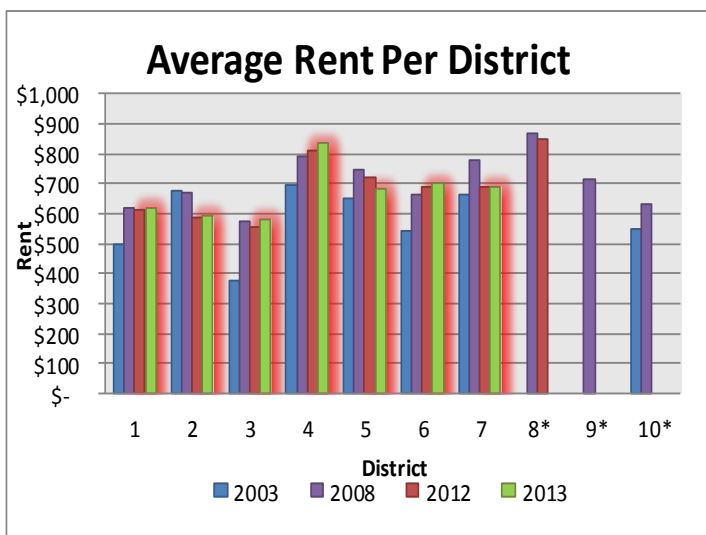
**Table 16. Rent by Who Pays Utilities**

Unit Type	Utilities Paid By	Total Units	Average Rent	Vacancy Rate	Difference in Owner vs. Renter Paid Utilities
<b>Studio/ Efficiency</b>	Owner Paid Utilities	227	\$477	4.4%	\$46
	Renter Paid Utilities	4	\$431	25.0%	
<b>1 Bedroom</b>	Owner Paid Utilities	868	\$702	4.0%	\$117
	Renter Paid Utilities	102	\$585	2.0%	
<b>2 Bedroom</b>	Owner Paid Utilities	671	\$794	5.2%	\$81
	Renter Paid Utilities	168	\$713	4.8%	
<b>3 Bedroom</b>	Owner Paid Utilities	60	\$961	6.7%	\$106
	Renter Paid Utilities	65	\$855	6.2%	
<b>4 Bedroom</b>	Owner Paid Utilities	4	\$1,275	0.0%	\$329
	Renter Paid Utilities	19	\$946	5.3%	

Source: 2013 City of Duluth Rental Survey

### Neighborhood Analysis

While the overall market rate rent averaged \$720 and the market rate vacancy rate was 4.6%, these figures vary greatly by neighborhood. According to the 2013 City of Duluth Rental Survey, the lowest rent was found in district 3 coming in at an average of \$584. In contrast, district 4 averaged the highest rent at \$836 per unit. This is consistent with the vacancy rates. The lowest market vacancy rate was in district 4 at 1.9% while the highest market vacancy rate was in district 3 with 9.1%. You would expect an area with low vacancy to have elevated rent and an area with high vacancy a lower rent. A map of the neighborhood districts can be found in the appendix.



## Public Housing and Housing Choice Voucher Trends

The Housing and Redevelopment Authority of Duluth (HRA) owns and manages public housing units. The public housing program was designed to provide decent, affordable housing for low-income families. Participants must meet federal income guidelines and other eligibility criteria. Rent is based on 30% of adjusted gross income. Households on the waiting list for the public housing program usually have a shorter waiting period, about two months for a four-bedroom apartment and 9-12 months for a two-bedroom apartment than those on the waiting list for the Housing Choice Voucher (HCV) program, which is approximately 18-24 months. While this time frame is not uncommon compared to other communities, it places a significant burden on individuals needing immediate housing.

The Housing Choice Voucher Program (formerly Section 8) is a federal rental assistance program for families qualifying under very low income guidelines established by the federal government, and certain other criteria. Participants locate housing in the private sector that meets federal housing quality standards (HQS) and rent payment standards established by the HRA. Participants generally pay 30% of their income toward rent, and the balance of the rent is subsidized by the federal government. The HCV program currently has 1,472 housing vouchers available and generally has a higher demand and wait time than the public housing program due to the ability to choose the home and neighborhood desired. The overall public housing vacancy for 2012 was 2.0%, and the HRA had 2.0% of their vouchers go unused for the year.

**Table 17. Waiting Lists and Vacancy Rates**

	2007	2008	2009	2010	2011	2012	2013
Public Housing Vacancy %	3.9%	2.3%	1.3%	1.3%	1.0%	3.0%	2.0%
Public Housing Avg. Waiting List	747	121	121	153	974	1,014	802
Housing Choice Voucher (unused)	0%	0%	0%	0%	1.0%	1.0%	2.0%
Housing Choice Voucher Avg. Waiting List	1,408	1,617	1,168	1,623	1,800	2,376	1,477

Source: Housing and Redevelopment Authority (HRA)

**Table 18. HUD's Housing Choice Voucher Program**

By Bedroom Size	2008	2009	2010	2011	2012	2013
0 Bedroom	\$433	\$433	\$433	\$433	\$504	\$481
1 Bedroom	\$528	\$528	\$528	\$528	\$607	\$579
2 Bedrooms	\$666	\$666	\$666	\$666	\$725	\$725
3 Bedrooms	\$836	\$836	\$836	\$836	\$945	\$945
4 Bedrooms	\$1,064	\$1,064	\$1,064	\$1,064	\$1,099	\$1,099
5 Bedrooms	\$1,224	\$1,224	\$1,224	\$1,224	\$1,264	\$1,264

Source: Housing and Redevelopment Authority (HRA)

In the Public Housing Program, the 2.0% vacancy rate is considered normal. In 2013 the HRA was able to reduce the number of applicants on the waiting list for both the HCV and Public Housing Program. The HRA has indicated that the Public Housing Program is currently full and the program is stable. Most HCV participants are usually able to find decent housing units and do not turn back vouchers. The Duluth HRA estimates that few individuals living in Public Housing pay more than 30% of their income for housing while 26% of participants in the HCV program pay more than 30% of their income for housing. Those who pay more than 30% do so for specific reasons. This is a reduction from 2012 where 40% of those with a HCV paid more than 30% of their income.

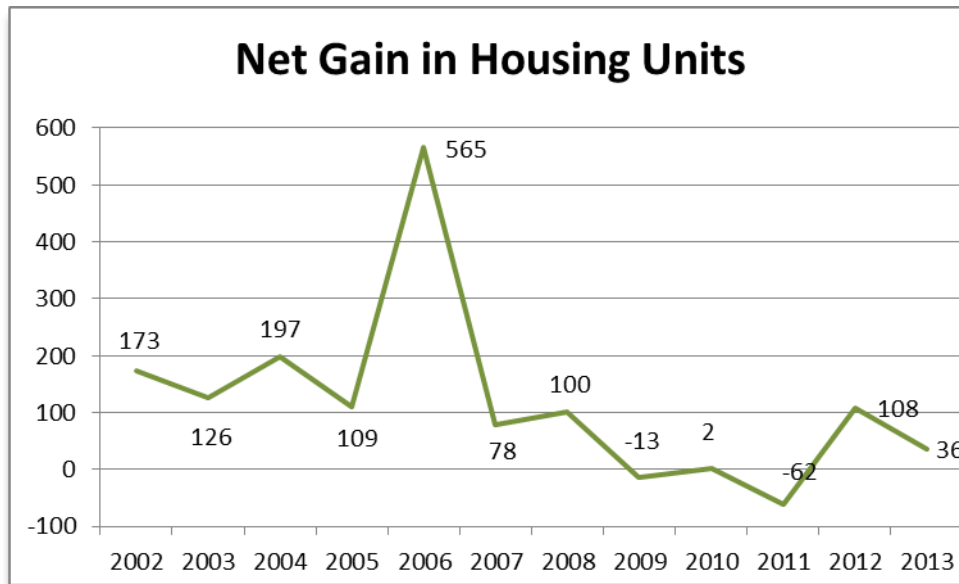
### **Rental Housing Indicators Summary**

- The rental vacancy rate continues to be very low for Fond du Lac, Gary-New Duluth, Morgan Park, and Piedmont Heights while rental vacancy rates for West Duluth and Lincoln Park remain slightly elevated. Overall rental vacancy rate is at 3.7%.
- From 2012 to 2013, the average rent in Duluth increased slightly from \$716 to \$720, an increase of less than a hundredth of a percent.
- The HRA has made strides in reducing the waiting lists for both the public housing program and Housing Choice Voucher program and reducing the percentage of cost burdened households enrolled in their programs. The amount of time a person can expect to be on the waiting list averages between 12 and 24 months.

## V. HOUSING PRODUCTION

### Housing Unit Analysis

The average lifespan of a house, according to HUD, is 40 to 50 years, without significant annual maintenance. According to the most recent American Community Survey (2008-2012), almost half (45.9%) of Duluth's units were built before 1940. This is significantly higher than Minnesota, where the percent of housing units built before 1940 in the state is 18.1%, and 13.9% for the nation.



Source: Duluth Construction Services and Inspections

As shown, there was a significant increase in the number of permits issued in 2006. During this time frame, there were many multi-unit projects being constructed, including student housing and affordable housing developments. The reduced numbers in 2009 - 2011 reflect the national trend of fewer construction projects due to the recession. In 2012, a large multi-family housing complex began construction which increased the number of units being created. In 2013, a building permit was issued for a 50-unit multifamily supportive housing development which increased the permit numbers. The number of overall permits was consistent with previous years. The number of demolition permits reflects increased blight removal efforts by the city of Duluth, which caused a lower number in the total net gain units.



**Table 19. Permits and Demolitions 2002 – 2013**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
New permits (residential)	139	146	151	132	105	87	45	31	55	25	35	41
Units of 1 family dwellings	131	138	121	113	87	70	36	31	36	21	33	39
Units of 2 family dwellings	10	10	30	17	2	26	8	0	17	4	2	2
Units of 3 or 4 family dwellings	4	8	28	16	19	0	0	0	2	0	0	0
Units of 5 or more family dwellings	88	6	206	103	494	18	104	0	0	16	106	60
<b>Number of Units Created</b>	<b>233</b>	<b>162</b>	<b>385</b>	<b>249</b>	<b>602</b>	<b>114</b>	<b>148</b>	<b>31</b>	<b>57</b>	<b>41</b>	<b>141</b>	<b>101</b>
Alteration permits (residential)	1,037	883	904	865	810	819	808	821	855	471	1,794	1,514
Addition permits (residential)	140	134	120	109	113	89	82	59	65	55	54	38
Single family demolitions	29	20	22	47	19	32	38	44	45	32	31	52
Multi-family units demolished	31	16	166	93	18	4	10	0	8	71	0	11
<b>Number of Units Demolished</b>	<b>60</b>	<b>36</b>	<b>188</b>	<b>140</b>	<b>37</b>	<b>36</b>	<b>48</b>	<b>44</b>	<b>53</b>	<b>103</b>	<b>31</b>	<b>63</b>
Net Gain Single Family	102	118	99	66	68	38	-2	-13	-9	-11	2	-13
Net Production Multi-family Units	71	8	98	43	497	40	102	0	11	-51	106	49
<b>Net Gain Units (Total)</b>	<b>173</b>	<b>126</b>	<b>197</b>	<b>109</b>	<b>565</b>	<b>78</b>	<b>100</b>	<b>-13</b>	<b>2</b>	<b>-62</b>	<b>108</b>	<b>36</b>

*NOTE: The numbers in the table above are based on the number of permits issued, not on certificates of occupancy. Permits can be issued a year or two before the completion of construction and the issuance of an occupancy certificate. Source: Duluth Construction Services and Inspections*

### **Alteration Permits**

Alteration permits trends often reflect that of the economy and other influences. The increase in number of alteration permits in 2012 was due to the two major weather storms that impacted Duluth. In May of 2012, a major hail storm caused significant damage to several roofs and structures, and in June of 2012, public officials proclaim Duluth in a State of Emergency after a torrential rainstorm flooded many dwelling units and structures. There may be a couple of reasons for the high number of alteration permits in 2013. One could be attributed to the damage in the housing units not being immediately visible (such as foundation flaws) and therefore repairs were completed at a later time. The other could be people having more disposable income (after the recession) and they are able to invest in their homes.

### **Age of Housing Stock**

The majority of Duluth's housing stock was built more than 50 years ago. When compared to similar Greater Minnesota cities, the relative age of the housing stock becomes very apparent. The majority of aging housing stock is located in the older, core neighborhoods of Duluth, where there is also a higher percentage of low to moderate income people. The average lifespan of a house, according to the U.S. Department of Housing and Urban Development (HUD) guidelines, is 40-50 years without significant annual maintenance. When older housing stock lacks routine maintenance, it will become substandard.

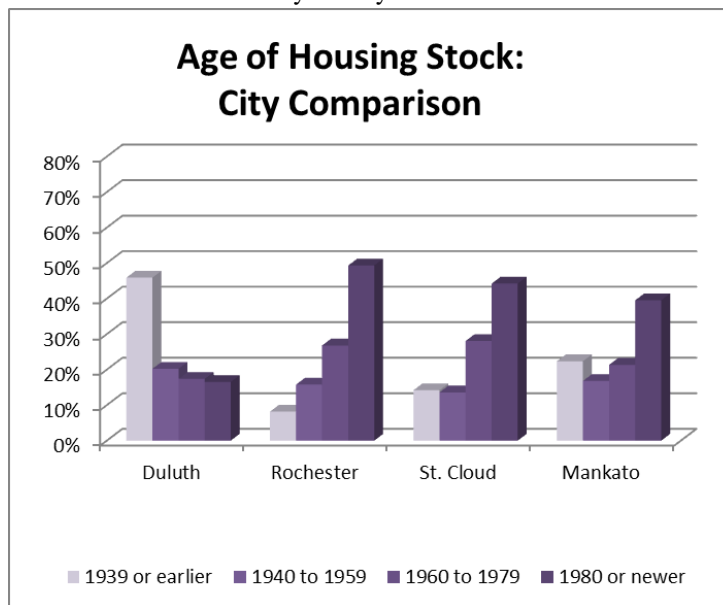


Census data indicates that the percentage of renters and homeowners experiencing housing problems correlates closely with household income. Housing repair and rehabilitation issues that are not addressed will lead to more condemned housing units that are unsafe for habitation. Given the age of housing stock in Duluth, rehabilitation will likely continue to be an important focus.

**Table 20. Age of Housing Stock, Cities of Duluth, Rochester, St. Cloud, and Mankato**

Age of Housing Stock	Duluth		Rochester		St. Cloud		Mankato	
Total Housing Units	<b>38,190</b>		<b>45,744</b>		<b>28,009</b>		<b>15,956</b>	
1980 or newer	6,304	16.5%	22,560	49.3%	12,386	44.2%	6,306	39.5%
1960 to 1979	6,634	17.4%	12,252	26.8%	7,858	28.1%	3,403	21.3%
1940 to 1959	7,723	20.2%	7,210	15.8%	3,798	13.6%	2,681	16.8%
1939 or earlier	17,529	45.9%	3,722	8.1%	3,967	14.2%	3,566	22.3%

Source: 2008-2012 American Community Survey



Source: 2008-2012 American Community Survey

The graph shows what a tremendous amount of aging homes Duluth has, as compared to other cities in Minnesota. Duluth's percentage of homes built prior to 1940 is over three times higher than St. Cloud, over five times higher than Rochester and twice as high as Mankato's rate. While 46% (17,529 housing units) of Duluth's housing were built prior to 1940, over 65% of Duluth homes are over 50 years old.

### Condemned Housing

The city building official has the authority to condemn buildings for human habitation or demolition. A structure can be condemned for human habitation for several reasons, including lack of utilities or multiple code violations. Structures can be condemned for demolition if there is significant deterioration or damage that exceeds 60% of the estimated market value of the building, or if the structure is unsafe. The condemned building must be torn down at the owner's expense.

As noted in Table 23, the number of condemned properties fluctuates over the years. During inspections, if the building safety inspectors find dangerous health and/or safety violations, the owner is instructed to correct the violations and the housing unit(s) is put on the condemned for human habitation list. When a property owner corrects the violations, the property is removed from the condemnation list. Recently there has been a greater concentration by the City and its partners to remove blighted properties.

**Housing Condition and the June 2012 Flood**

It is anticipated that there may be an influx of condemned properties as hundreds of homes were negatively impacted by the June 2012 Flood. Often leaks or foundation flaws do not result in immediate issues, but they begin to start deteriorating the structure, developing mold problems, eventually resulting in unsafe structures. As noted later in this chapter, many alteration permits were issued for property owners to fix or make improvements to homes after the flood.

**Table 21. Condemned Structures**

Year	Structures Condemned for Demolition	Structures Condemned for Human Habitation	Total
2010	34	99	133
2011	35	107	142
2012	27	134	161
2013	20	130	150

As a result of the flood, several homes were damaged beyond repair. The City of Duluth successfully applied for funding through the State of Minnesota and Federal Emergency Management Agency to acquire and demolish damaged homes. This program has several benefits, especially removing blight (or potential blight) and also relieving the property owner of the burden of a mortgage payment on a ruined home. At the time of this report, seven homes and one non-residential flood damaged structure were demolished in 2013, with another ten properties expected to be demolished in 2014 through this program.



## Residential Land Development

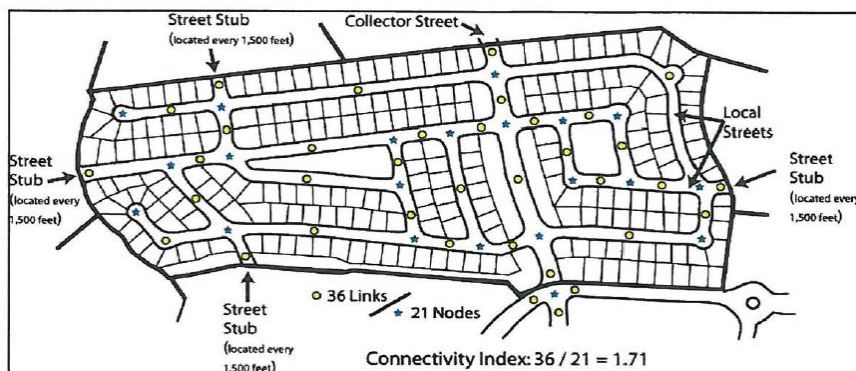
During the economic boom from 2002 to 2008, the city had several new plats approved which resulted in the creation of 474 new buildable lots. As with the rest of the nation, the soft housing market afterwards reduced the demand for new housing and plats. The following two tables show the number of lots added per year and the list of plats by the year approved.

**Table 22. Residential Plats Approved 2002-2013**

Year Approved	Plat Name	Number of Lots
2002	Northridge Estates	39
	The Views At Ridgeview	6
	Walsh Addition	4
	Summit Ridge Division	4
2003	Maple Ridge Arrangement	22
	Crystal Village City of Duluth	29
	Andrews Division Duluth	13
	Andrews Divisions First Addition Duluth	11
2004	Hawk Ridge Estates City of Duluth	61
	Cedar Ridge Estates City of Duluth	24
	Sackette Addition	10
	Bristol Wood First Addition	8
2005	Bluff Ridge	21
	Adamzak Acres City of Duluth	4
	Benson Heights	4
2006	Hawk Ridge Estates First Addition	65
2007	Coffee Creek	113
2008	East Ridge	23
	Hidden Estates	13
2009	No Plats Recorded	0
2010	No Plats Recorded	0
2011	No Plats Recorded	0
2012	No Plats Recorded	0
2013	Three lot divisions that each created a lot	3

Source: Duluth Planning Division

Another indication of housing production trends is reviewing the number of building permits that have been issued. The new single-family dwelling unit permit average value was \$213,506, which was a substantial increase from previous years. In addition, the value of alteration permits and residential permits was also higher. This increase may be attributed to people having increased disposable income to remodel their homes and more market rate single family units being built. The value of the multifamily units is consistent with previous years.



**Table 23. Average Unit Value Per Permit**

	2004	2006	2008	2010	2012	2013
New permits (residential)	\$124,682	\$130,036	\$122,039	\$169,536	\$176,937	\$213,506
1 family dwellings	\$165,410	\$156,423	\$234,584	\$245,252	\$178,927	\$219,565
2 family dwellings	\$108,038	\$90,491	\$116,252	\$142,500	\$144,100	\$154,428
3 or 4 family dwellings	\$73,477	\$130,053	\$0	\$120,857	\$0	\$0
5 or more family dwellings	\$110,144	\$125,548	\$83,526	0	\$168,829	\$168,317
Residential Alteration permits (average per permit)	\$5,425	\$10,168	\$6,279	\$12,095	\$5,593	\$7,038
Residential Addition permits (average per permit)	\$46,229	\$36,777	\$47,704	\$33,619	\$32,639	\$59,219

Source: Duluth Construction Services and Inspections

### **New Construction**

As stated in the demographic section, Duluth's population is stable; however due to small household sizes, the demand for housing units is steadily increasing. In addition the lack of rental units (as stated in the rental housing indicators section) is creating a demand for more housing units. Finally there is an expectation that there will be a number of "baby boomer" retirements in the next 5 to 7 years. Since not all retirees will be leaving Duluth, it can be projected that the demand for housing will increase, with both newcomers seeking quality housing and retirees in need of maintenance free/single level homes and/or condominium type housing.

Since the population and number of households is expected to increase and the majority of Duluth's housing stock was built more than 50 years ago, there is an expectation of increase demand for new housing construction. Currently there are few housing developments, as shown on Table 24 Residential Plats Approved 2002-2013. According to the Duluth MLS, there were 122 vacant lots, ranging from 4.5 acres to less than a quarter acre in the Duluth area (not all in the city of Duluth). The pricing of these lots varied greatly. It appears that the average platted residential lot for a single-family dwelling unit ranges from \$40,000 to \$70,000. In 2013, 53 lots were sold at a median price of \$41,000.

Although it is difficult to determine the cost of constructing a new dwelling unit due to size, materials, floor plan, garage, and utilities, a typical range is \$225,000 to \$350,000. In addition, landscaping, paving, utilities, and other improvements will further increase the pricing.

### **Housing Production Summary**

- There were permits issued for the new construction of 141 units in 2012, which is a significant increase from 41 new unit permits in 2011.
- There were 31 units demolished in 2012, of mostly blighted and condemned housing. There was an overall net gain of 108 units in 2012.
- In 2012, there were 1,794 alterations permits issued, which is a significant increase (280%) from 471 permits the year before.

## VI. HOUSING AFFORDABILITY ANALYSIS

### Rent and Homeownership Analysis

According to the U.S. Department of Housing and Urban Development (HUD), affordable housing is attained when no more than 30% of a household's gross income (i.e. before taxes and deductions are removed) is used for housing. A household in Duluth would then need to make approximately \$42,120 annually to afford a \$153,680 home – the 2013 average value of an owner occupied single family home in Duluth. The average wage in Duluth for 2013 was \$40,196, which would equate to a \$146,270 dwelling unit.

The average selling price for a two-bedroom home in Duluth in 2013 was \$146,270, which equates to an approximate \$1,005 monthly payment. For a three-bedroom home, the average 2013 price was \$169,021, which would have an approximate monthly payment of \$1,180. The mortgage payments in these examples assume a 30-year mortgage, 5% down, 4.5% interest rate, taxes, and estimated insurance. Homeownership is somewhat more affordable than in years past due to the current lower interest rates.

In the rental market an individual must earn an income of \$28,800 to afford the average market rate rent of \$720 per month. To afford an average two bedroom rent of \$778 the household would need to earn \$31,160. This is about the same as the 2012 average rent for a two bedroom apartment. However, the rent for a three bedroom apartment has increase from 2012 to 2013. The average rent for a 3 bedroom apartment in 2013 was about \$907 a month. For the apartment to be considered affordable the household would require an income of \$36,280, which is about \$1,000 more than in 2012.

Another example of housing affordability in Duluth can be based on the area median income that is calculated and updated annually by HUD for the Duluth Superior metropolitan area. The Duluth area median income for a family of four in 2013 was \$64,300. The median divides the household income distribution into two equal parts: one-half falling below the median household income and one-half falling above the median income. According to HUD, an income that is 30% or less of the median income is considered to be *extremely low income*, an income that is 30 – 50% of the median income is considered to be a *low income*, and 50 – 80% of the median income is considered to be a *low-moderate income*.



**Table 24. Affordability Based On Duluth's 2013 Median Income**

<b>2013 HUD Income Definitions</b>	<b>Maximum Affordable Housing Payment (30% of Income)</b>	<b>Average Rent 2/Bedroom</b>	<b>Payment Average 2/Bedroom House (\$140,353)</b>	<b>Average Rent 3/Bedroom</b>	<b>Payment Average 3/Bedroom House (\$169,021)</b>	<b>Affordability GAP*</b>
<b>Extremely Low</b>  30% of Median Income  \$19,300	<b>\$483</b>	<b>\$778</b>	<b>\$967</b>	<b>\$907</b>	<b>\$1,180</b>	All standard housing unaffordable.
<b>Low</b>  50% of Median Income  \$32,150	<b>\$804</b>	<b>\$778</b>	<b>\$967</b>	<b>\$907</b>	<b>\$1,180</b>	Could only afford a 2 bedroom rental unit.
<b>Low-Moderate</b>  80% of Median Income  \$51,450	<b>\$1,286</b>	<b>\$778</b>	<b>\$967</b>	<b>\$907</b>	<b>\$1,180</b>	Could afford several housing options.

\*Affordability Gap is measured by taking the highest income level of each category, its equivalent maximum affordable housing payment (30% of income), and then comparing that to the expected housing payment.

In Table 24, the median income for a family of four persons is listed for each income category, from the extremely low-income category to the moderate income category. The affordable housing payment has then been compared to the actual cost a household could expect to pay for average rent for two- and three-bedroom apartments and mortgage payments for two- and three-bedroom homes. The table indicates that households that are at the top end of low-moderate income (50% to 80% of the median income) would be able to afford housing, but households with either extremely low income or low income would have a significant affordability gap to overcome. One shift in 2013 was that low income households (30%-50% of the median income) were able to afford a 2 bedroom rental unit where as in 2012 on average a 2 bedroom rental unit would have been a cost burden.

While the above analysis compares HUD determined income limits to average unit value it does not provide a great picture of the actual gap in number of affordable units for extremely low income households. The Urban Institute, a nonpartisan economic and social policy research group, has developed a database for all counties in the United States that determines the affordability gap. As part of their Housing Assistance Matters Initiative the Urban Institute compiled American Community Survey Data and HUD data to determine the lack of affordable housing for extremely low income households (HUD provided guidelines) for the years 2000, 2006 and 2012. Nationwide they found in 2012 that there were 11.5 million extremely low-income renter households but only 3.3 million affordable and available rental units. The discrepancy translates into 29 affordable and available units for every 100 extremely low-income renter households. These numbers include federally assisted housing. When the federal housing assistance is taken out of the comparison there are only 111,318 units that are affordable and available. This results in only 1 unit per 100 households nationwide that are affordable and available. St. Louis

County is similar to the nation when federally assisted housing is taken out of the analysis. St. Louis County has only 83 units available that are affordable to the 7,430 extremely low income households or 1 per 100 households. However, when federally assisted housing is included there are estimated 3,753 affordable and available units. This equates to 51 units of affordable housing for 100 extremely low income households in St. Louis County.

There was not a huge fluctuation in affordable housing in St. Louis County between 2000 to 2006 to 2012. With federally assisted housing removed there were 0 units that were affordable to extremely low income residents in both 2000 and 2006. With federally assisted housing there were 2,775 affordable units or 50 units per 100 households units in 2000, and 3,214 affordable units or 56 units per 100 households in 2006. The biggest contrast is the rise in extremely low income population. From 2000 to 2006 to 2012 the extremely low population in St. Louis County has increased from 5,560 to 5,761 to 7,430 respectively. A key take away is St. Louis County's ability to leverage federal funds to increase affordable housing units when the need has increased. Neighboring counties also experienced increases in extremely low income residents but have not been able to address the need as sufficiently as St. Louis County. In 2006, Itasca, Lake, Cook, and Douglas County had either 61 or 62 affordable units per 100 households. However, by 2012 that number was down to just 35 units per county with Douglas County being the exception at 39 affordable units per 100 extremely low income households.

<http://www.urban.org/housingaffordability/>

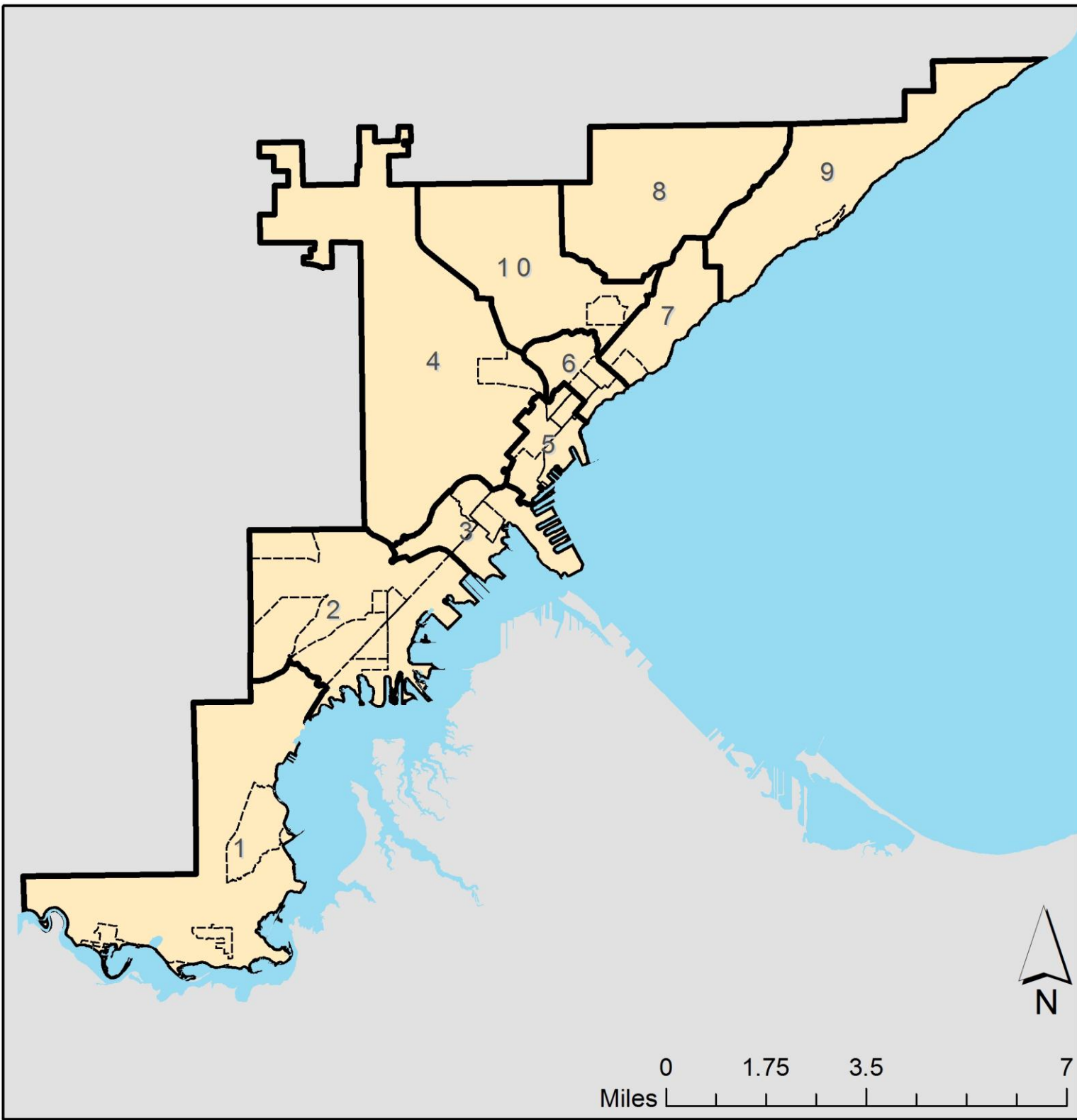
### **Housing Affordability Summary**


- Households that are in the Extremely Low Income (30% or less of area median income) bracket, based on paying 30% of income towards housing, cannot afford anything other than an efficiency unit in Duluth.
- Households that are at or below 50% of area median income cannot afford a 2+ bedroom house to purchase but can afford a 2 bedroom unit to rent.
- Households that are near the 80% of area median income can afford to purchase or rent 2 and 3 bedroom homes in Duluth.
- While there is increase need for affordable housing for extremely low income residents, using federal assistance has helped St. Louis County provide at least some relief to about half of those who need it.

## APPENDIX

Map: Duluth Neighborhood Districts .....	28
Map: Average Vacancies 2013, By Neighborhood.....	29
Map: Average Rental Rates 2013, By Neighborhood.....	30
Map: Home Sales 2013.....	31
Table: Duluth Market Rental Rates, By Neighborhood.....	32



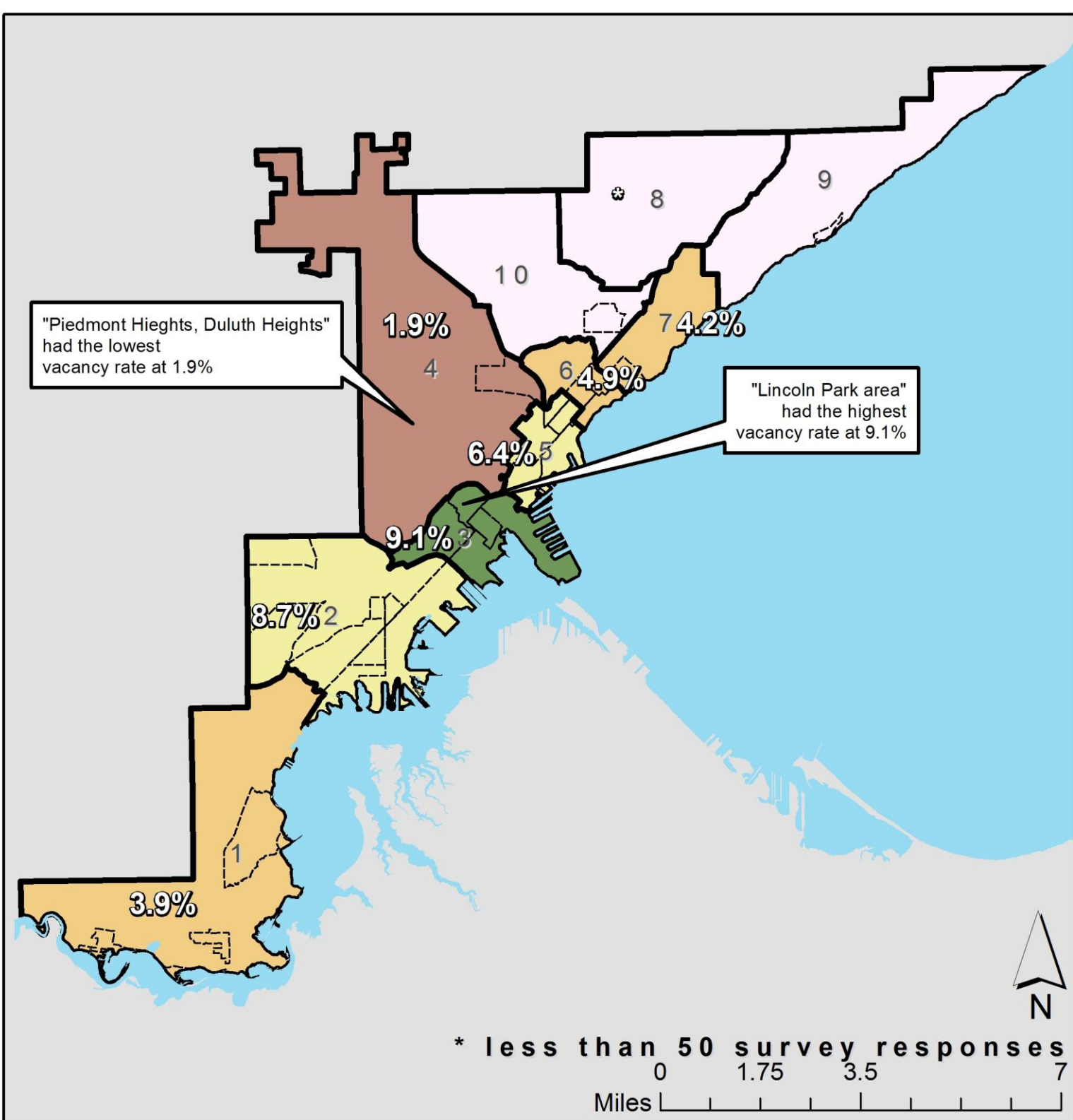


 Neighborhood Districts  
 CDBG Target Area

- 1 - Fond do Lac/ Morgan Park
- 2 - West Duluth
- 3 - Lincoln Park
- 4 - Mall Area
- 5 - Downtown/ Park Point
- 6 - Central Hillside
- 7 - East Hillside
- 8 - Woodland
- 9 - Lakeside/ Lester Park

# City of Duluth

## Neighborhood Districts

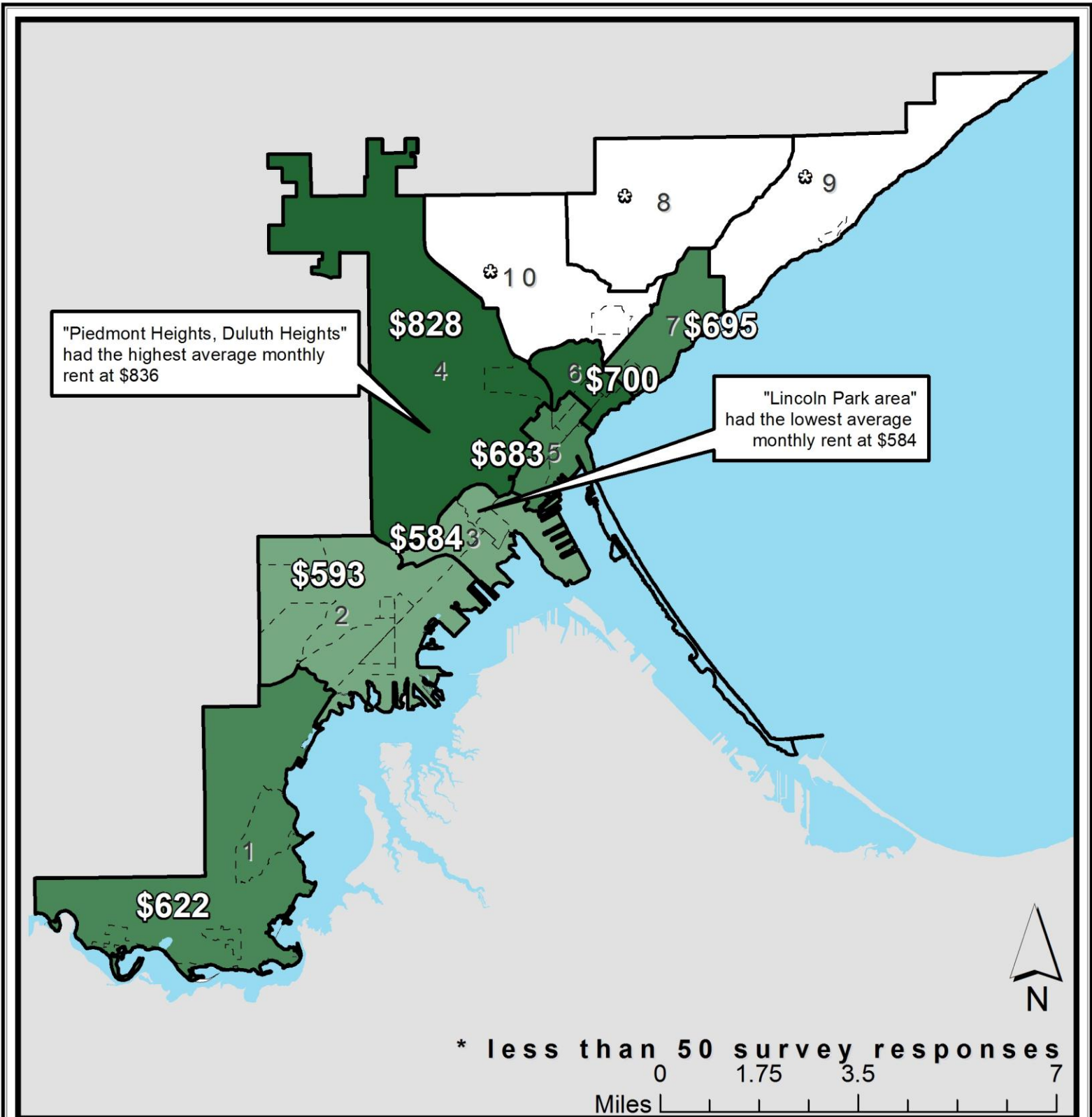


- Neighborhood Districts
- CDBG Target Area
- Vacancy Rate**
- N/A
- 3% and Below
- 3.01% - 6%
- 6.01% - 9%
- 9.01% and Above

# City of Duluth

## Vacancy Rate

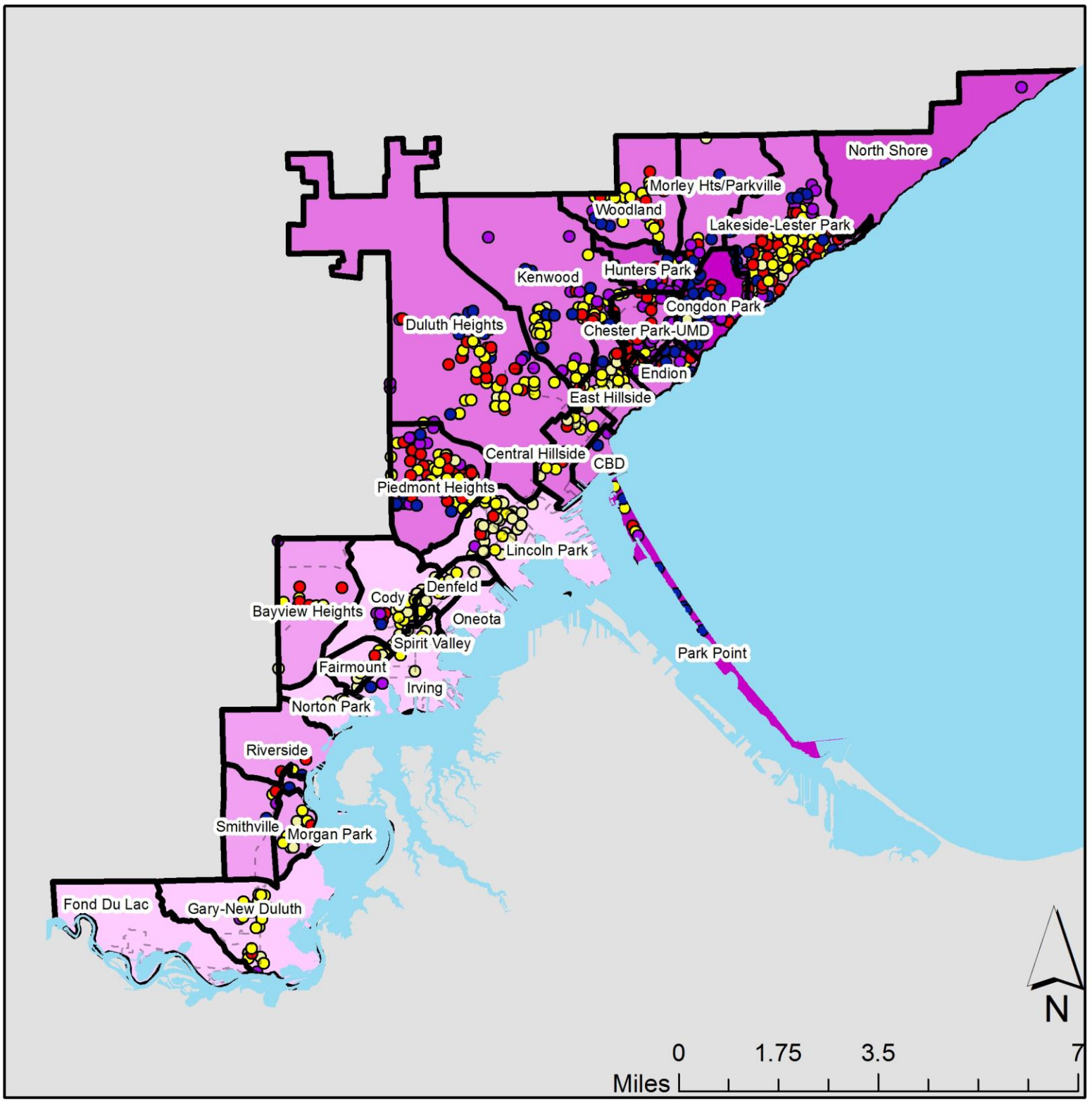
### 2013





\* less than 50 survey responses






# City of Duluth Average Rent 2013

- Neighborhood Districts
- CDBG Target Area
- <50 Survey Responses
- Less than \$500
- \$500 to \$599
- \$600 to \$699
- \$700 and above








 Neighborhood Districts  
 CDBG Target Area

**Average Home Sale Price**

-  \$130,000 and Below
-  \$130,001 - \$170,000
-  \$170,001 - \$210,000
-  \$210,001 - \$250,000
-  \$250,001 and Above

**Adjusted Sales Price**

-  \$15,000 - \$100,000
-  \$100,001 - \$150,000
-  \$150,001 - \$200,000
-  \$200,001 - \$250,000
-  \$250,001 - \$950,000

# City of Duluth

## Home Sales

### 2013

## Rent by Neighborhood and Year

Neighborhood District	Rent in 2003	Rent in 2008	Rent in 2012	Rent in 2013
1	\$496	\$619	\$615	\$622
2	\$678	\$671	\$584	\$593
3	\$378	\$574	\$557	\$584
4	\$694	\$794	\$808	\$828
5	\$649	\$750	\$721	\$683
6	\$543	\$662	\$689	\$701
7	\$662	\$776	\$691	\$693
8*	-	\$866	\$852	-
9*	-	\$714	-	-
10*	\$552	\$631	-	-

\*Less than 50 responses

## Vacancy Rate by Neighborhood and Year

Neighborhood District	Vacancies in 2008	Vacancies in 2009	Vacancies in 2010	Vacancies in 2011	Vacancies in 2012	Vacancies in 2013
1	7.7%	16.1%	6.0%	9.4%	3.1%	3.9%
2	6.7%	3.1%	7.9%	2.4%	9.9%	8.7%
3	9.5%	9.2%	7.1%	7.0%	3.7%	9.1%
4	3.5%	6.4%	4.6%	2.6%	2.1%	1.9%
5	5.7%	9.2%	2.4%	1.8%	5.1%	6.4%
6	7.8%	7.4%	3.0%	5.0%	5.5%	4.9%
7	2.7%	7.2%	2.7%	1.9%	4.4%	4.2%
8	1.7%	-	0.0%	0.0%*	1.7%	-
9	4.0%	11.8%	5.1%	10.8%*	7.7%*	-
10	0.0%	0.0%	1.7%	2.6%	0.0%*	-

\*Less than 50 responses

# Duluth Market Rental Rates - 2013

# Units: All

<i>Unit Type</i>	<i>Units Surveyed</i>	<i>Units Vacant</i>	<i>Vacancy Rate</i>	<i>Average Rent</i>	<i>Avg Low Rent</i>	<i>Avg High Rent</i>	<i>Average Sq Feet</i>	<i>Avg Low Sq Feet</i>	<i>Avg High Sq Feet</i>	<i>Avg Rent /Sq Foot</i>
1 Bedroom	970	37	3.8%	\$690	\$649	\$731	658	611	705	\$1.05
Owner Paid	868	35	4.0%	\$702	\$660	\$745	664	614	714	\$1.06
Renter Paid	102	2	2.0%	\$585	\$560	\$609	603	580	625	\$0.97
2 Bedroom	839	43	5.1%	\$778	\$741	\$815	899	850	949	\$0.87
Owner Paid	671	35	5.2%	\$794	\$755	\$834	922	866	979	\$0.86
Renter Paid	168	8	4.8%	\$713	\$684	\$743	808	787	828	\$0.88
3 Bedroom	125	8	6.4%	\$906	\$896	\$916	1,119	1,102	1,136	\$0.81
Owner Paid	60	4	6.7%	\$961	\$950	\$973	1,233	1,210	1,256	\$0.78
Renter Paid	65	4	6.2%	\$855	\$847	\$863	1,014	1,003	1,025	\$0.84
4 Bedroom	23	1	4.3%	\$1,003	\$1,002	\$1,005	1,220	1,207	1,233	\$0.82
Owner Paid	4	0	0.0%	\$1,275	\$1,275	\$1,275	1,309	1,234	1,384	\$0.97
Renter Paid	19	1	5.3%	\$946	\$944	\$948	1,201	1,201	1,201	\$0.79
Other	7	0	0.0%	\$1,552	\$1,552	\$1,552	1,562	1,562	1,562	\$0.99
Owner Paid	3	0	0.0%	\$1,308	\$1,308	\$1,308	1,425	1,425	1,425	\$0.92
Renter Paid	4	0	0.0%	\$1,735	\$1,735	\$1,735	1,664	1,664	1,664	\$1.04
Studio/Efficiency	231	11	4.8%	\$476	\$425	\$526	341	306	375	\$1.40
Owner Paid	227	10	4.4%	\$477	\$425	\$528	340	306	375	\$1.40
Renter Paid	4	1	25.0%	\$431	\$431	\$431	356	356	356	\$1.21
<b>Total:</b>	2,195	100	4.6%	\$720	\$681	\$758	752	708	796	\$0.96

Survey Conducted by: City of Duluth

How Survey was Conducted: The survey was conducted from the private rental market of rental structures with 1-3 units and 4 + units. All public housing units and subsidized units (such as public tax credits, mortgage credits, and other units using public funds to limit rental rates) are excluded from the survey. Units accepting housing vouchers, which are used in the private market, are included in the survey.

## Definitions

Rental Vacancies: Rental vacancies are the number of rental units that are currently vacant and for rent, or do not have a signed lease to be rented in January.

Owner Paid Utilities (Majority): This means that the owner pays the majority of the utility costs associated with heat, water, sewer, electric, and garbage, and these costs are included in the contract rent paid by tenants. This could mean that the tenant pays electric and garbage, but the owner pays majority of the total costs of utilities for heat, water, sewer and others.

Renter Paid Utilities (Majority): This means that the renter pays the majority of the utility costs associated with heat, water, sewer, electric, and garbage, and these costs are not included in the contract rent paid by tenants. This could mean that the tenant pays for majority of utility costs such as heat and electric, while the owner pays minority cost share of utilities such as water, sewer, and others.

Additional Information Contact: Michael Palermo, Community Development Division, 407 City Hall, Duluth, MN 55802-1197. Phone: 218-730-5305, Fax: 218-730-5915  
Email: MPalermo@DuluthMN.Gov

# Duluth Rates by Type and Planning District - 2013

# Units: All

## Planning District: 1 Morgan Park, Gary New Duluth, Fond du Lac, Smithsville, Riverside, Norton Park

Unit Type	Units Surveyed	Units Vacant	Vacancy Rate	Avg Rent	Avg Low Rent	Avg High Rent	Avg Sq Feet	Avg Low Sq Feet	Avg High Sq Feet	Avg Rent /Sq Foot
1 Bedroom	40	2	5.0%	\$578	\$546	\$610	556	546	565	\$1.04
Owner Paid	15	2	13.3%	\$571	\$536	\$605	495	470	520	\$1.15
Renter Paid	25	0	0.0%	\$582	\$552	\$613	592	592	592	\$0.98
2 Bedroom	48	1	2.1%	\$658	\$641	\$676	795	785	805	\$0.83
Owner Paid	2	0	0.0%	\$673	\$650	\$695	550	550	550	\$1.22
Renter Paid	46	1	2.2%	\$658	\$640	\$675	806	795	816	\$0.82
3 Bedroom	5	0	0.0%	\$706	\$706	\$706	1,260	1,260	1,260	\$0.56
Owner Paid	1	0	0.0%	\$625	\$625	\$625	750	750	750	\$0.83
Renter Paid	4	0	0.0%	\$726	\$726	\$726	1,388	1,388	1,388	\$0.52
4 Bedroom	9	1	11.1%	\$576	\$576	\$576	997	997	997	\$0.58
Renter Paid	9	1	11.1%	\$576	\$576	\$576	997	997	997	\$0.58
<b>Total:</b>	102	4	3.9%	\$622	\$601	\$643	742	733	750	\$0.84

## Planning District: 2 Bayview Heights, Cody, Fairmont, Spirit Valley, Irving, Denfeld, Oneota

Unit Type	Units Surveyed	Units Vacant	Vacancy Rate	Avg Rent	Avg Low Rent	Avg High Rent	Avg Sq Feet	Avg Low Sq Feet	Avg High Sq Feet	Avg Rent /Sq Foot
1 Bedroom	29	1	3.4%	\$543	\$529	\$558	569	543	594	\$0.96
Owner Paid	20	1	5.0%	\$573	\$557	\$589	582	556	609	\$0.98
Renter Paid	9	0	0.0%	\$477	\$466	\$488	539	517	561	\$0.89
2 Bedroom	26	3	11.5%	\$599	\$579	\$619	639	620	658	\$0.94
Owner Paid	15	2	13.3%	\$639	\$631	\$648	612	607	617	\$1.04
Renter Paid	11	1	9.1%	\$543	\$508	\$579	675	637	714	\$0.80
3 Bedroom	10	0	0.0%	\$781	\$781	\$781	883	883	883	\$0.88
Owner Paid	4	0	0.0%	\$967	\$967	\$967	938	938	938	\$1.03
Renter Paid	6	0	0.0%	\$657	\$657	\$657	846	846	846	\$0.78
Studio/Efficiency	4	2	50.0%	\$446	\$446	\$446	246	246	246	\$1.81
Owner Paid	3	1	33.3%	\$442	\$442	\$442	228	228	228	\$1.93
Renter Paid	1	1	100.0%	\$460	\$460	\$460	300	300	300	\$1.53
<b>Total:</b>	69	6	8.7%	\$593	\$579	\$607	622	604	640	\$0.95

**Planning District: 3 Lincoln Park**

<i>Unit Type</i>	<i>Units Surveyed</i>	<i>Units Vacant</i>	<i>Vacancy Rate</i>	<i>Avg Rent</i>	<i>Avg Low Rent</i>	<i>Avg High Rent</i>	<i>Avg Sq Feet</i>	<i>Avg Low Sq Feet</i>	<i>Avg High Sq Feet</i>	<i>Avg Rent /Sq Foot</i>
1 Bedroom	52	5	9.6%	\$560	\$528	\$592	578	565	591	\$0.97
Owner Paid	26	4	15.4%	\$566	\$538	\$593	626	616	635	\$0.90
Renter Paid	26	1	3.8%	\$555	\$519	\$591	531	515	547	\$1.05
2 Bedroom	68	3	4.4%	\$654	\$624	\$684	783	760	806	\$0.84
Owner Paid	46	0	0.0%	\$667	\$627	\$708	756	729	783	\$0.88
Renter Paid	22	3	13.6%	\$625	\$617	\$634	839	824	854	\$0.75
3 Bedroom	18	3	16.7%	\$650	\$629	\$671	947	947	947	\$0.69
Owner Paid	4	0	0.0%	\$821	\$791	\$851	875	875	875	\$0.94
Renter Paid	14	3	21.4%	\$601	\$582	\$620	968	968	968	\$0.62
Studio/Efficiency	16	3	18.8%	\$287	\$219	\$355	372	372	372	\$0.77
Owner Paid	16	3	18.8%	\$287	\$219	\$355	372	372	372	\$0.77
<b>Total:</b>	154	14	9.1%	\$584	\$550	\$617	690	676	705	\$0.85

**Planning District: 4 Piedmont Heights, Duluth Heights**

<i>Unit Type</i>	<i>Units Surveyed</i>	<i>Units Vacant</i>	<i>Vacancy Rate</i>	<i>Avg Rent</i>	<i>Avg Low Rent</i>	<i>Avg High Rent</i>	<i>Avg Sq Feet</i>	<i>Avg Low Sq Feet</i>	<i>Avg High Sq Feet</i>	<i>Avg Rent /Sq Foot</i>
1 Bedroom	305	7	2.3%	\$800	\$775	\$825	720	701	738	\$1.11
Owner Paid	304	7	2.3%	\$801	\$776	\$826	720	701	738	\$1.11
Renter Paid	1	0	0.0%	\$465	\$465	\$465	750	750	750	\$0.62
2 Bedroom	255	4	1.6%	\$875	\$834	\$917	987	956	1,018	\$0.89
Owner Paid	245	4	1.6%	\$874	\$835	\$914	998	966	1,030	\$0.88
Renter Paid	10	0	0.0%	\$902	\$813	\$990	713	713	713	\$1.27
3 Bedroom	5	0	0.0%	\$1,036	\$1,036	\$1,036	944	944	944	\$1.10
Renter Paid	5	0	0.0%	\$1,036	\$1,036	\$1,036	944	944	944	\$1.10
4 Bedroom	1	0	0.0%	\$1,100	\$1,100	\$1,100	1,600	1,600	1,600	\$0.69
Renter Paid	1	0	0.0%	\$1,100	\$1,100	\$1,100	1,600	1,600	1,600	\$0.69
Studio/Efficiency	1	0	0.0%	\$395	\$395	\$395	400	400	400	\$0.99
Renter Paid	1	0	0.0%	\$395	\$395	\$395	400	400	400	\$0.99
<b>Total:</b>	567	11	1.9%	\$836	\$804	\$868	843	819	867	\$0.99



**Planning District: 5 Central Hillside, Observation, Downtown**

<i>Unit Type</i>	<i>Units Surveyed</i>	<i>Units Vacant</i>	<i>Vacancy Rate</i>	<i>Avg Rent</i>	<i>Avg Low Rent</i>	<i>Avg High Rent</i>	<i>Avg Sq Feet</i>	<i>Avg Low Sq Feet</i>	<i>Avg High Sq Feet</i>	<i>Avg Rent /Sq Foot</i>
1 Bedroom	155	10	6.5%	\$670	\$598	\$742	586	471	702	\$1.14
Owner Paid	142	10	7.0%	\$676	\$600	\$752	585	463	707	\$1.16
Renter Paid	13	0	0.0%	\$601	\$571	\$632	601	559	644	\$1.00
2 Bedroom	116	7	6.0%	\$764	\$705	\$822	810	770	851	\$0.94
Owner Paid	102	7	6.9%	\$778	\$718	\$839	806	766	847	\$0.97
Renter Paid	14	0	0.0%	\$657	\$614	\$699	842	799	885	\$0.78
3 Bedroom	23	1	4.3%	\$850	\$833	\$866	1,157	1,152	1,161	\$0.73
Owner Paid	14	1	7.1%	\$927	\$902	\$952	1,136	1,129	1,143	\$0.82
Renter Paid	9	0	0.0%	\$730	\$727	\$733	1,189	1,189	1,189	\$0.61
4 Bedroom	1	0	0.0%	\$930	\$900	\$960	1,300	1,300	1,300	\$0.72
Renter Paid	1	0	0.0%	\$930	\$900	\$960	1,300	1,300	1,300	\$0.72
Other	1	0	0.0%	\$2,100	\$2,100	\$2,100	1,900	1,900	1,900	\$1.11
Owner Paid	1	0	0.0%	\$2,100	\$2,100	\$2,100	1,900	1,900	1,900	\$1.11
Studio/Efficiency	63	5	7.9%	\$481	\$421	\$542	300	266	335	\$1.60
Owner Paid	62	5	8.1%	\$483	\$421	\$545	300	265	335	\$1.61
Renter Paid	1	0	0.0%	\$375	\$375	\$375	350	350	350	\$1.07
<b>Total:</b>	359	23	6.4%	\$683	\$621	\$745	651	582	720	\$1.05

**Planning District: 6 East Hillside**

<i>Unit Type</i>	<i>Units Surveyed</i>	<i>Units Vacant</i>	<i>Vacancy Rate</i>	<i>Avg Rent</i>	<i>Avg Low Rent</i>	<i>Avg High Rent</i>	<i>Avg Sq Feet</i>	<i>Avg Low Sq Feet</i>	<i>Avg High Sq Feet</i>	<i>Avg Rent /Sq Foot</i>
1 Bedroom	213	10	4.7%	\$665	\$610	\$719	664	593	735	\$1.00
Owner Paid	209	10	4.8%	\$667	\$611	\$722	666	594	738	\$1.00
Renter Paid	4	0	0.0%	\$562	\$549	\$575	550	550	550	\$1.02
2 Bedroom	207	14	6.8%	\$758	\$715	\$801	850	824	875	\$0.89
Owner Paid	164	11	6.7%	\$746	\$703	\$788	880	849	912	\$0.85
Renter Paid	43	3	7.0%	\$806	\$761	\$851	733	731	736	\$1.10
3 Bedroom	46	3	6.5%	\$1,037	\$1,031	\$1,043	1,221	1,193	1,249	\$0.85
Owner Paid	26	2	7.7%	\$1,001	\$996	\$1,006	1,473	1,428	1,519	\$0.68
Renter Paid	20	1	5.0%	\$1,084	\$1,076	\$1,093	893	888	898	\$1.21
4 Bedroom	3	0	0.0%	\$1,197	\$1,197	\$1,197	1,379	1,379	1,379	\$0.87
Owner Paid	2	0	0.0%	\$1,200	\$1,200	\$1,200	1,268	1,268	1,268	\$0.95
Renter Paid	1	0	0.0%	\$1,190	\$1,190	\$1,190	1,600	1,600	1,600	\$0.74
Other	1	0	0.0%	\$1,190	\$1,190	\$1,190	1,800	1,800	1,800	\$0.66
Renter Paid	1	0	0.0%	\$1,190	\$1,190	\$1,190	1,800	1,800	1,800	\$0.66
Studio/Efficiency	111	1	0.9%	\$500	\$446	\$554	340	292	389	\$1.47
Owner Paid	111	1	0.9%	\$500	\$446	\$554	340	292	389	\$1.47
<b>Total:</b>	581	28	4.8%	\$700	\$654	\$746	718	672	765	\$0.97

**Planning District: 7 Endion, Congdon Park**

<i>Unit Type</i>	<i>Units Surveyed</i>	<i>Units Vacant</i>	<i>Vacancy Rate</i>	<i>Avg Rent</i>	<i>Avg Low Rent</i>	<i>Avg High Rent</i>	<i>Avg Sq Feet</i>	<i>Avg Low Sq Feet</i>	<i>Avg High Sq Feet</i>	<i>Avg Rent /Sq Foot</i>
1 Bedroom	156	1	0.6%	\$631	\$598	\$664	664	631	698	\$0.95
Owner Paid	141	1	0.7%	\$625	\$588	\$661	654	624	683	\$0.96
Renter Paid	15	0	0.0%	\$691	\$688	\$694	765	697	834	\$0.90
2 Bedroom	96	11	11.5%	\$761	\$755	\$768	1,102	889	1,315	\$0.69
Owner Paid	79	11	13.9%	\$756	\$750	\$761	1,101	861	1,340	\$0.69
Renter Paid	17	0	0.0%	\$787	\$776	\$798	1,106	1,018	1,195	\$0.71
3 Bedroom	17	1	5.9%	\$970	\$961	\$979	1,122	1,081	1,164	\$0.86
Owner Paid	11	1	9.1%	\$992	\$983	\$1,001	1,068	1,059	1,077	\$0.93
Renter Paid	6	0	0.0%	\$931	\$923	\$939	1,222	1,122	1,322	\$0.76
4 Bedroom	5	0	0.0%	\$1,356	\$1,356	\$1,356	1,220	1,160	1,280	\$1.11
Owner Paid	2	0	0.0%	\$1,350	\$1,350	\$1,350	1,350	1,200	1,500	\$1.00
Renter Paid	3	0	0.0%	\$1,360	\$1,360	\$1,360	1,133	1,133	1,133	\$1.20
Other	4	0	0.0%	\$1,369	\$1,369	\$1,369	1,377	1,377	1,377	\$0.99
Owner Paid	2	0	0.0%	\$913	\$913	\$913	1,188	1,188	1,188	\$0.77
Renter Paid	2	0	0.0%	\$1,825	\$1,825	\$1,825	1,566	1,566	1,566	\$1.17
Studio/Efficiency	32	0	0.0%	\$473	\$450	\$496	396	385	406	\$1.20
Owner Paid	31	0	0.0%	\$472	\$449	\$496	396	386	407	\$1.19
Renter Paid	1	0	0.0%	\$495	\$495	\$495	375	375	375	\$1.32
<b>Total:</b>	310	13	4.2%	\$695	\$673	\$716	815	728	902	\$0.85

**Planning District: 8 Woodland, Hunters Park, Morley Heights**

<i>Unit Type</i>	<i>Units Surveyed</i>	<i>Units Vacant</i>	<i>Vacancy Rate</i>	<i>Avg Rent</i>	<i>Avg Low Rent</i>	<i>Avg High Rent</i>	<i>Avg Sq Feet</i>	<i>Avg Low Sq Feet</i>	<i>Avg High Sq Feet</i>	<i>Avg Rent /Sq Foot</i>
1 Bedroom	4	0	0.0%	\$725	\$700	\$750	908	890	925	\$0.80
Renter Paid	4	0	0.0%	\$725	\$700	\$750	908	890	925	\$0.80
2 Bedroom	1	0	0.0%	\$825	\$825	\$825	1,050	1,050	1,050	\$0.79
Renter Paid	1	0	0.0%	\$825	\$825	\$825	1,050	1,050	1,050	\$0.79
<b>Total:</b>	5	0	0.0%	\$745	\$725	\$765	936	922	950	\$0.80

**Planning District: 9 Lakeside, Lester Park, North Shore**

<i>Unit Type</i>	<i>Units Surveyed</i>	<i>Units Vacant</i>	<i>Vacancy Rate</i>	<i>Avg Rent</i>	<i>Avg Low Rent</i>	<i>Avg High Rent</i>	<i>Avg Sq Feet</i>	<i>Avg Low Sq Feet</i>	<i>Avg High Sq Feet</i>	<i>Avg Rent /Sq Foot</i>
1 Bedroom	16	1	6.3%	\$665	\$633	\$697	628	628	628	\$1.06
Owner Paid	11	0	0.0%	\$735	\$694	\$775	720	720	720	\$1.02
Renter Paid	5	1	20.0%	\$513	\$500	\$525	425	425	425	\$1.21
2 Bedroom	18	0	0.0%	\$839	\$786	\$892	789	769	808	\$1.06
Owner Paid	16	0	0.0%	\$877	\$819	\$935	834	813	856	\$1.05
Renter Paid	2	0	0.0%	\$538	\$525	\$550	425	425	425	\$1.26
4 Bedroom	1	0	0.0%	\$900	\$900	\$900	1,900	1,900	1,900	\$0.47
Renter Paid	1	0	0.0%	\$900	\$900	\$900	1,900	1,900	1,900	\$0.47
Studio/Efficiency	4	0	0.0%	\$545	\$530	\$560	500	500	500	\$1.09
Owner Paid	4	0	0.0%	\$545	\$530	\$560	500	500	500	\$1.09
<b>Total:</b>	39	1	2.6%	\$739	\$700	\$778	722	713	731	\$1.02

**Planning District: 10 Kenwood, Chester Park**

<i>Unit Type</i>	<i>Units Surveyed</i>	<i>Units Vacant</i>	<i>Vacancy Rate</i>	<i>Avg Rent</i>	<i>Avg Low Rent</i>	<i>Avg High Rent</i>	<i>Avg Sq Feet</i>	<i>Avg Low Sq Feet</i>	<i>Avg High Sq Feet</i>	<i>Avg Rent /Sq Foot</i>
2 Bedroom	2	0	0.0%	\$860	\$860	\$860	800	800	800	\$1.08
Renter Paid	2	0	0.0%	\$860	\$860	\$860	800	800	800	\$1.08
3 Bedroom	1	0	0.0%	\$1,290	\$1,290	\$1,290	1,125	1,125	1,125	\$1.15
Renter Paid	1	0	0.0%	\$1,290	\$1,290	\$1,290	1,125	1,125	1,125	\$1.15
4 Bedroom	3	0	0.0%	\$1,530	\$1,530	\$1,530	1,348	1,348	1,348	\$1.13
Renter Paid	3	0	0.0%	\$1,530	\$1,530	\$1,530	1,348	1,348	1,348	\$1.13
Other	1	0	0.0%	\$2,100	\$2,100	\$2,100	1,725	1,725	1,725	\$1.22
Renter Paid	1	0	0.0%	\$2,100	\$2,100	\$2,100	1,725	1,725	1,725	\$1.22
<b>Total:</b>	7	0	0.0%	\$1,386	\$1,386	\$1,386	1,214	1,214	1,214	\$1.14