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SUBJECT: City Releases 2009 Housing Indicator Report

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City releases 2009 Housing Indicator Report

The City of Duluth Community Development Division, has completed the Duluth Housing Indicator Report which is an ongoing process to track current and past housing market trends within the City. Utilizing numerous sources, this report also highlights factors which impact housing such as income and poverty, housing stock, and labor statistics.

“This data is critical to understanding the housing market in Duluth. It also helps our work on the Duluth Prosperity Agenda which is addressing homeownership and reducing the cost burden of housing,” says Keith Hamre, Community Development Manager and member of the Duluth Prosperity Agenda initiative.

Highlights of the Report:

- After a generally slow upward trend from 2002 to 2008, the overall vacancy rate of residential housing units significantly increased in 2009, to a rate of 7.8%.
- The 2009 survey shows a decrease in the average rental rates, the first significant decrease since the survey started in 2002. The average rent for all residential rental units in 2008 was \$731, compared to \$699 in 2009 (a decrease of 4.4%).
- In 2009, there were a total of 13,270 licensed non-public rental units, a slight increase from 2008.

- While the number of persons on the HRA Housing Choice Voucher List is lower than it has been in the last 3 years, the public housing vacancy rate is at its lowest level since at least 2002, indicating very high demand for public housing. The amount of time a person can expect to be on the waiting list averages between 18 and 24 months.
- Poverty continues to be a challenge, with 18.3% of the Duluth population living below the Federal Poverty Level. The number of persons served by emergency shelters and transitional housing continues to increase.
- The least number of new residential permits was issued in 2009 as any of the previous seven years. The number of new permits has been decreasing at a rate of about 20% to 30% every year since 2004. The housing units that were constructed tended to be higher cost, with an average value of \$200,000 per unit.
- The median sale price of a single family housing unit decreased about 3% from \$146,000 in 2008 to \$143,200 in 2009.
- The number of home sales has dropped, from 744 reported in 2008 to 692 in 2009. The average number of days a home is on the market has increased slightly, from 58 days in 2008 to 62 days in 2009.
- The number of foreclosures has dropped from the 2008 levels (the highest reported number of foreclosures in the City), from 239 to 162 in 2009.
- The majority (67.6%) of Duluth's housing stock was built more than 50 years ago. Most of this older housing stock is located in the core neighborhoods of Duluth, where there is also a higher percentage of low to moderate income people.

The data compiled for this report comes from the U.S. Census (American Community Survey), Wilder Foundation Survey, Minnesota Department of Employment and Economic Development (DEED), City of Duluth and the St. Louis County Assessor's office, the Duluth Area Association of REALTORS, the Housing and Redevelopment Authority in Duluth, the City of Duluth Planning Division, and the City of Duluth Building Safety Permit office.

The entire Housing Indicator Report with 2009 information will be posted on the City web site at

www.duluthmn.gov/community_development/index.cfm.

For more information, please go to the City of Duluth website or call the Community Development Office at (218) 730-5480.

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