

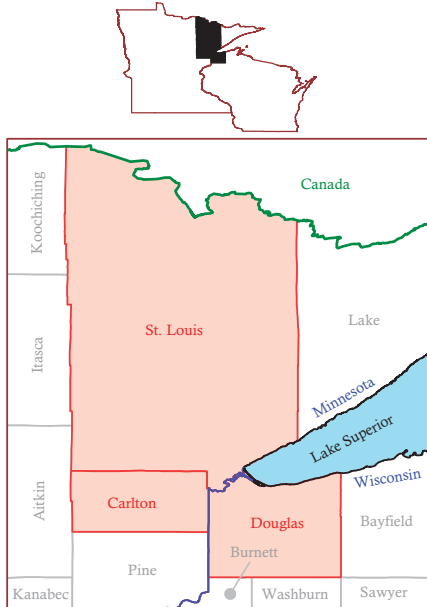


Duluth, Minnesota-Wisconsin

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of October 1, 2015



Housing Market Area



The Duluth Housing Market Area (HMA) is in the northeastern part of Minnesota and northwestern part of Wisconsin, along the shore of Lake Superior. It is coterminous with the Duluth, MN-WI Metropolitan Statistical Area, which comprises Carlton and St. Louis Counties in Minnesota and Douglas County in Wisconsin. Traditionally a mining and transportation hub, the HMA is developing as a center for health care. The HMA includes the University of Minnesota Duluth (UMD) and Port of Duluth-Superior. The city of Duluth is the largest in the HMA and the birthplace of folk-rock singer-songwriter Bob Dylan.

Summary

Economy

Nonfarm payroll levels in the Duluth HMA are the highest since 2008, as economic conditions continue to improve. During the 12 months ending September 2015, nonfarm payrolls totaled 135,200 jobs, an increase of 1,000 jobs, or 0.7 percent, from a year earlier. During the 3-year forecast period, nonfarm payrolls are expected to increase at an average annual rate of 0.5 percent. The three largest employers in the HMA are Essentia Health, St. Louis County, and UMD.

Sales Market

Sales housing market conditions in the HMA are balanced to soft, with an estimated vacancy rate of 1.9 percent, which has not changed since 2010. Demand is forecast for 670 new homes during the next 3 years (Table 1). The 50 homes currently under construction and a portion of the estimated 22,250 other vacant housing units that may reenter the sales market will satisfy some of the demand during the forecast period.

Rental Market

Rental housing market conditions are currently balanced in the HMA. As of October 1, 2015, the rental vacancy rate was an estimated 6.2 percent, down from 6.9 percent in April 2010. During the forecast period, demand is estimated for 360 new market-rate rental units (Table 1). The 270 units currently under construction will meet most of the demand.

Table 1. Housing Demand in the Duluth HMA During the Forecast Period

	Duluth HMA	
	Sales Units	Rental Units
Total demand	670	360
Under construction	50	270

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of October 1, 2015. A portion of the estimated 22,250 other vacant units in the HMA will likely satisfy some of the forecast demand. Sales demand includes an estimated demand for 50 mobile homes. The forecast period is October 1, 2015, to October 1, 2018.

Source: Estimates by analyst

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Economic Conditions

Economic conditions have improved in the Duluth HMA since 2010, with moderate growth during the past 2 years. During the 12 months ending in September 2015,

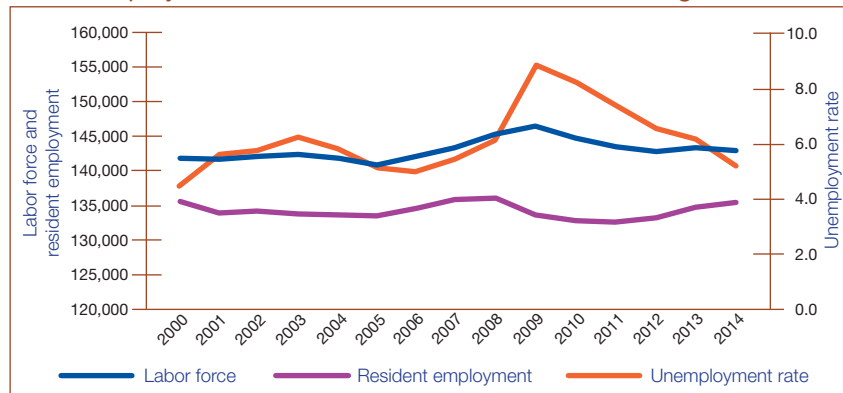
Table 2. 12-Month Average Nonfarm Payroll Jobs in the Duluth HMA, by Sector

	12 Months Ending		Absolute Change	Percent Change
	September 2014	September 2015		
Total nonfarm payroll jobs	134,200	135,200	1,000	0.7
Goods-producing sectors	16,500	16,300	-200	-1.2
Mining, logging, & construction	9,200	9,100	-100	-1.1
Manufacturing	7,300	7,200	-100	-1.4
Service-providing sectors	117,700	118,900	1,200	1.0
Wholesale & retail trade	18,700	19,100	400	2.1
Transportation & utilities	6,300	6,600	300	4.8
Information	1,400	1,400	0	0.0
Financial activities	5,700	5,500	-200	-3.5
Professional & business services	8,300	8,500	200	2.4
Education & health services	31,300	31,400	100	0.3
Leisure & hospitality	13,700	13,900	200	1.5
Other services	5,900	6,200	300	5.1
Government	26,400	26,400	0	0.0

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through September 2014 and September 2015.

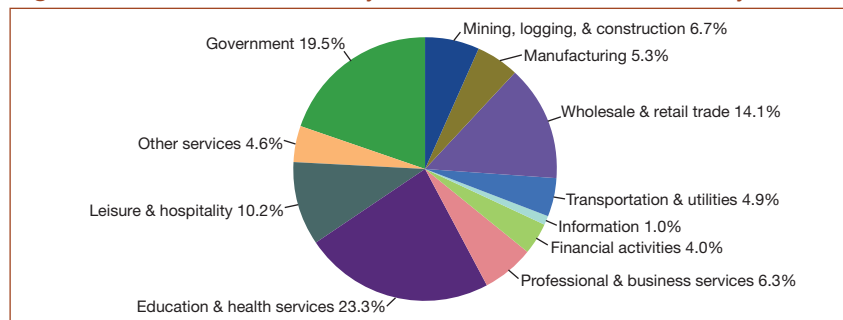
Source: U.S. Bureau of Labor Statistics

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Duluth HMA, 2000 Through 2014



Source: U.S. Bureau of Labor Statistics

Figure 2. Current Nonfarm Payroll Jobs in the Duluth HMA, by Sector



Note: Based on 12-month averages through September 2015.

Source: U.S. Bureau of Labor Statistics

nonfarm payrolls in the Duluth HMA increased by 1,000 jobs, or 0.7 percent, to 135,200 compared with an increase of 1,100 jobs, or 0.8 percent, during the previous 12 months (Table 2). During the 12 months ending September 2015, the average unemployment rate in the HMA was 4.8 percent, down from 5.5 percent during the previous 12-month period. Figure 1 shows trends in the labor force, resident employment, and the unemployment rate in the HMA from 2000 through 2014.

Leading absolute job growth during the past 12 months was the wholesale and retail trade sector, with a gain of 400 jobs, or 2.1 percent. This sector is the third largest in the HMA and accounts for 14.1 percent of all nonfarm payroll jobs (Figure 2). Some of the recent gains in this sector are attributable to expansion at Maurices, a national retailer with 930 stores in the United States and Canada. The company recently invested in a \$70 million project to construct its corporate headquarters in downtown Duluth, which is scheduled for completion in December 2015. The growing retailer will move its 425 associates to the new location and plans to add 175 new jobs.

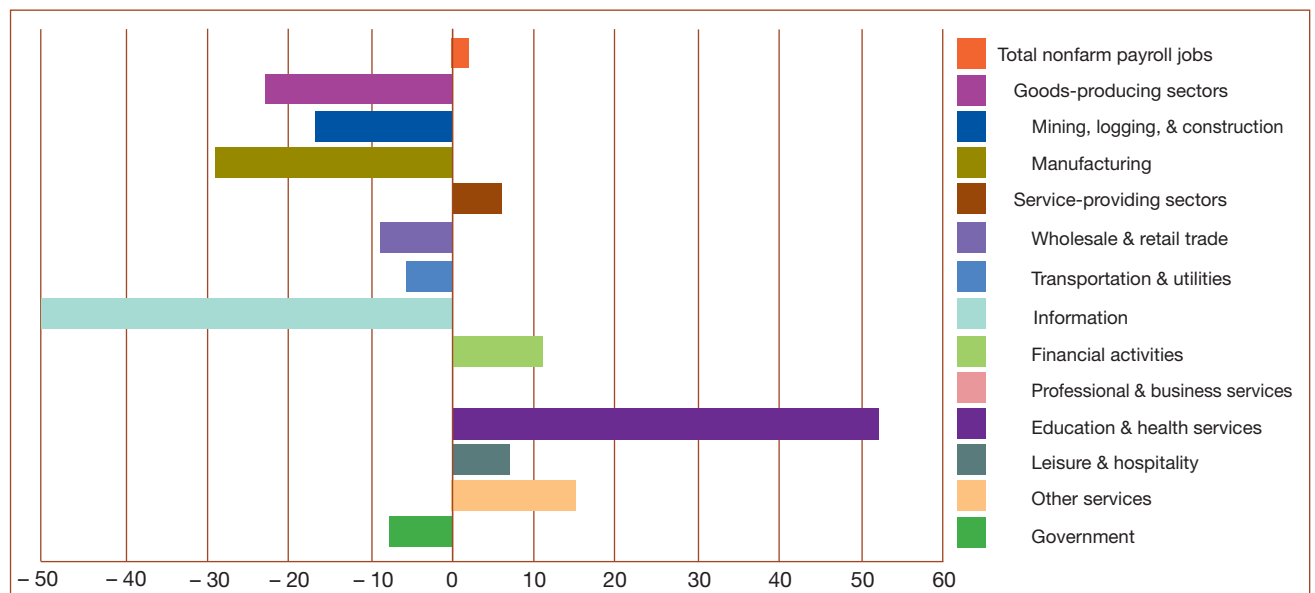
The other services sector was the fastest growing (on a percentage basis) during the past 12 months, up 300 jobs, or 5.1 percent. In this sector, AAR Corporation, which provides aviation maintenance, has contributed \$47 million annually to the regional economy since 2012 (AAR Corporation, 2015). The company employs 385 full-time workers and plans to hire 50 to 65 more in the next year. The aviation services industry in the HMA is expected to grow 20 percent through 2022 (Minnesota Department of Employment and Economic Development).

The education and health services sector is the largest nonfarm payroll sector in the HMA. By percentage, it has expanded more than any other sector since 2000 (Figure 3). Most of the growth in this sector is attributed to the health care and social services industry, which continues to expand as the aging population demands greater healthcare services. The industry accounts for about 94 percent of the education and health services sector, with a network of hospitals and health-care centers in the HMA that serve the population of northeastern

Minnesota and northwestern Wisconsin. The sector accounts for 23.3 percent of all nonfarm payrolls. During the 12 months ending September 2015, employment in the education and health services sector increased by 100 jobs, or 0.3 percent. This sector contains two of the four largest private employers in the Duluth HMA—Essentia Health and St. Luke’s Health Care System, which employ 5,350 and 1,600 workers, respectively (Table 3).

The government sector is the second largest sector in the HMA, with 26,400 nonfarm payroll jobs, and accounts

Figure 3. Sector Growth in the Duluth HMA, Percentage Change, 2000 to Current



Notes: Current is based on 12-month averages through September 2015. During this period, employment in the professional and business services sector showed no net change.

Source: U.S. Bureau of Labor Statistics

Table 3. Major Employers in the Duluth HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Essentia Health	Education & health services	5,350
St. Louis County	Government	1,950
University of Minnesota Duluth	Government	1,700
St. Luke’s Health Care System	Education & health services	1,600
Minnesota Taconite (U.S. Steel)	Mining, logging, & construction	1,400
United Healthcare	Financial activities	1,375
ALLETE, Inc.	Transportation & utilities	1,325
Fond du Lac Band of Lake Superior Chippewa	Government	880
City of Duluth	Government	850
U.S. government	Government	850

Note: Excludes local school districts.

Source: Northland Connection (<http://www.northlandconnection.com/industries.php>)

for 19.5 percent of all nonfarm payroll jobs in the HMA. Employment in the government sector has not changed in the past 12 months but is down 200 jobs, or 0.6 percent annually, since 2000; the sector includes UMD and the Port of Duluth-Superior. A regional branch of the University of Minnesota system, UMD is the third largest employer in the HMA, with approximately 1,700 employees. The university has an impact of more than \$500 million

annually on the local economy (Labovitz School of Business and Economics, Bureau of Business and Economic Research, 2014).

The Port of Duluth-Superior, at the head (westernmost point) of the Great Lakes St. Lawrence Seaway System, is the largest volume port on the Great Lakes, the second largest dry bulk port in the United States, and mid-America's gateway to global trade (Duluth Seaway Port Authority). Cargo moving through the port supported approximately 11,500 jobs, with \$545 million generated in wages and \$1.5 billion generated in business revenues in 2010 (*The Economic Impacts of the Port of Duluth-Superior*, 2011).

Much of the shipping from the port in the HMA historically has been iron ore, and the HMA accounted for about 60 percent of the country's total iron ore output from 1900 to 1980. Employment in the mining and logging subsector has declined by more than 1,000 jobs in the past 12 months because of reduced global demand and falling prices for steel. The drop this year follows a recovery from 2009 through 2014, when the subsector increased by an annual average of 190 jobs, or 7.0 percent. Job losses in the mining and logging subsector in the past 12 months were mostly offset by gains in the construction subsector. As a result, the mining, logging, and construction sector averaged 9,100 jobs during the 12 months ending September 2015, a decline of 100 jobs, or 1.1 percent, from a year earlier.

In the 2000s, the economy of the HMA generally followed the national economic trends of growth and decline. From 2004 through 2007, nonfarm payrolls increased by an average of

1,100 jobs, or 0.9 percent, annually. Job growth during these years was led by the education and health services sector, which increased by an average of 1,100 jobs, or 4.3 percent, annually. In 2008, nonfarm payrolls remained unchanged before decreasing by 4,900, or 3.7 percent, in 2009 as a result of the national recession. Education and health services was the only sector in the HMA with significant job gains during 2008 and 2009; it added 400 jobs a year, an average annual increase of 1.6 percent. Job losses during the same period were greatest in the manufacturing, the mining, logging, and construction, and the wholesale and retail sectors, which declined by 800, 700, and 700 jobs, or 9.7, 8.3, and 3.4 percent, respectively. Growth resumed in 2010, and nonfarm payrolls increased by an average of 1,000 jobs, or 0.8 percent, annually through the current 12 months. During this period, the education and health services and the mining, logging, and construction sectors grew the most, increasing annually by 400 and 300 jobs, or 1.4 and 3.7 percent, respectively.

During the 3-year forecast period, the economy in the Duluth HMA is expected to continue increasing, with nonfarm payrolls expected to gain an average of 720 jobs, or 0.5 percent, annually. Job growth is forecast to slow throughout the period because of slowing economic expansion and expected declines in the mining and logging subsector. The strongest gains are expected in the education and health services sector and the retail trade subsector. In August 2015, the St. Luke's Health Care System completed its \$22.5 million new surgical expansion in the city of Duluth, and the company continues to add new jobs.

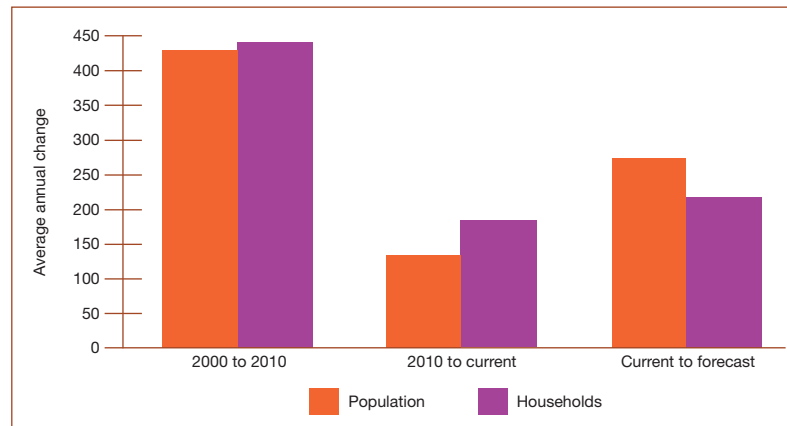
Population and Households

The Duluth HMA is characterized by slow population growth, and changes in net migration are being affected by the economic conditions in the HMA. As of October 1, 2015, the population of the HMA is estimated at 280,500, growing by an average of only 130 since 2010 (Figure 4). The rate of population growth in the mid-2000s generally lagged changes in labor market conditions. The population declined slightly in 2004 and 2005—even though job gains began in 2004—but began to grow in mid-2006, as job gains continued. Annual net out-migration from 2004 to 2006 averaged 390 people (Census Bureau decennial census counts and population estimates, as of July 1). From 2006 to 2009, the

population increased by an average of 920, or 0.3 percent, annually. During that period, net in-migration averaged 750 people annually and accounted for 82 percent of all population growth. Population growth has remained slow following job losses in 2009. The population of the HMA increased by only 320, or 0.1 percent, from 2009 to 2010. During the same time period, net in-migration slowed to only 130 people and accounted for 41 percent of all population growth. Duluth is the largest city in the HMA, with a population of approximately 86,400, or 31 percent of the population of the HMA. During the 3-year forecast period, the population of the Duluth HMA is expected to remain relatively unchanged, increasing by an average of 270, or 0.1 percent, annually, to 281,300 by October 1, 2018. Figure 5 displays the components of population change from 2000 through the forecast period.

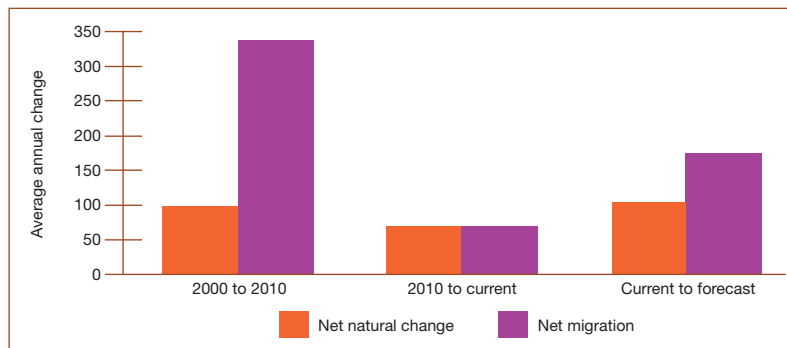
The number of households in the HMA increased from 112,491 in 2000 to 116,876 in 2010, an average increase of 440, or 0.4 percent, annually (Table DP-1 at the end of this report). The effects of the national recession and significant job losses in the HMA toward the end of the 2000s led to a slowdown in household growth. Since 2010, the number of households has increased by an average of 180, or 0.2 percent, annually to 117,850 as of October 1, 2015. Since 2010, the homeownership rate in the HMA has declined from 71.9 percent to an estimated 70.0 percent, coinciding with an annual decline of 300 owner households. During the same period, the number of renter households increased by an average of 460, or 1.4 percent, annually. The decline in the homeownership rate intensified in the aftermath of the national recession when potential

Figure 4. Population and Household Growth in the Duluth HMA, 2000 to Forecast

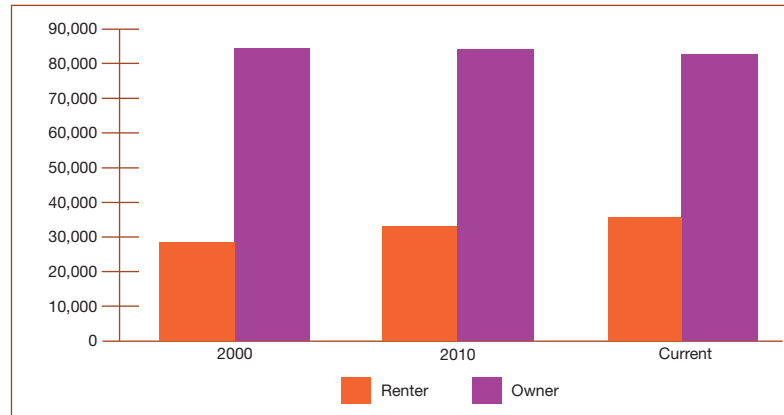


Notes: The current date is October 1, 2015. The forecast date is October 1, 2018.
Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 5. Components of Population Change in the Duluth HMA, 2000 to Forecast



Notes: The current date is October 1, 2015. The forecast date is October 1, 2018.
Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 6. Number of Households by Tenure in the Duluth HMA, 2000 to Current

Note: The current date is October 1, 2015.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

homebuyers faced stagnant incomes and tougher lending standards. An increased number of foreclosures in the HMA resulted in an addition of single-family homes to the rental housing stock.

During the forecast period, improving economic conditions are expected to result in an increase in the number of households in the HMA by an average of 220, or 0.2 percent, annually. The homeownership rate is expected to continue to decline, but at a slower rate. Figure 6 shows the number of households in the HMA, by tenure, since 2000.

Housing Market Trends

Sales Market

The sales housing market in the Duluth HMA is balanced to soft because of a declining demand for sales housing, evidenced by the recent decline in owner households. As of October 1, 2015, the sales vacancy rate is estimated at 1.9 percent, unchanged from April 2010. Although economic conditions continue to improve, the production of new homes remains low because of geographic constraints. The city of Duluth, where most housing construction activity in the HMA takes place, is restrained geographically by Lake Superior to the east. Much of the available land is already built up, and developers often are forced to demolish old buildings before starting new construction. That greatly increases costs and makes new homes less affordable to potential buyers. As a result, most new homes are high-priced, custom-built homes; virtually

no speculative building takes place. New home sales accounted for slightly more than 1 percent of total sales in the HMA during the 12 months ending August 2015, unchanged from the previous year (CoreLogic, Inc.). By comparison, in the state of Minnesota, new home sales accounted for more than 5 percent of total sales during the 12 months ending August 2015, down from 7 percent during the same period a year earlier.

The sale of new and existing homes, which includes single-family homes, townhomes, and condominiums, totaled 5,100 during the 12 months ending September 2015, an increase of 400 homes, or 7 percent, compared with the 12 months ending September 2014 (CoreLogic, Inc.). Home sales rebounded in 2011 after declining steadily from 2005 through 2010.

Total home sales peaked during the 2-year period from 2004 through 2005, averaging 7,075 sales annually, as net migration turned positive in the HMA. From 2006 through 2010, the number of home sales declined by an average of 640, or 11 percent, annually, and total home sales bottomed out in 2010 at 3,850 homes sold. Although total home sales have increased every year since 2010, they averaged only 4,250 annually from 2011 through 2013 before increasing significantly in 2014.

During the 12 months ending September 2015, the average sales price of a home in the Duluth HMA was \$143,200, an increase of 8 percent from the previous 12 months, when it was down less than 11 percent from the 12 months ending September 2013. The current average home sales price is \$23,000, or 19 percent, higher than the average sales price of a home recorded for the 12 months ending September 2010. During September 2015, the HMA had a 9.5-month supply of inventory on the market, down from an 11.1-month supply during September 2014 and down from a 10.3-month supply in September 2013 (Duluth Area Association of Realtors®). The lower inventory of homes for sale contributed to an increase in the average home sales price in the HMA. The percentage of all mortgage loans in the HMA

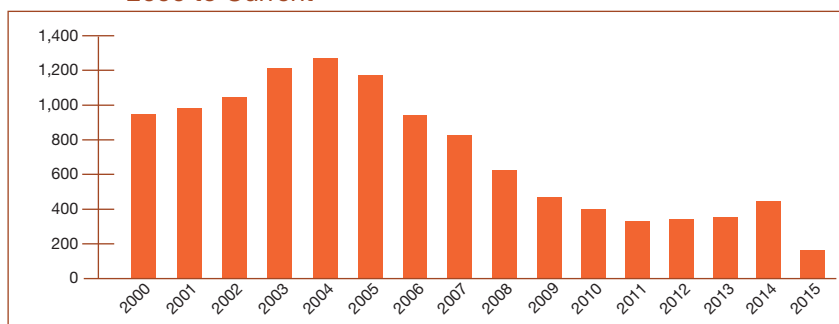
that were 90 or more days delinquent, were in foreclosure, or had transitioned to real estate owned (REO) status declined slightly to 3.1 percent in September 2015, down from 3.3 percent in September 2014. That figure is down from the peak level of 4.9 percent recorded in February 2010 (Black Knight Financial Services, Inc.).

Despite increasing sales in recent years, homebuilding activity, as measured by the number of homes permitted, has remained at historically low levels since 2009. During the 12 months ending September 2015, the number of single-family homes permitted decreased to 170, down from 280 homes permitted during the previous 12 months (preliminary data, with analyst estimates). During the peak period, from 2002 through 2005, the number of single-family homes permitted averaged 1,175 annually but then declined at an annual rate of 19 percent before bottoming out at 330 homes in 2011. Homebuilding activity has remained low but increased each year since 2012, with 440 homes permitted in 2014 (Figure 7).

Hawk Ridge Estates in Duluth is a recent development with 126 single-family lots developed in phases. This development underwrites its own incentive programs and uses proceeds from lot sales to offer downpayment assistance to new homebuyers. Home prices at Hawk Ridge Estates range from \$180,000 to \$490,000. Of the 126 lots, 77 have been developed, with buildout of the development expected by 2019.

Demand is forecast for 670 new homes in the HMA during the next 3 years, including 50 mobile homes (Table 1). New home demand will decline slightly during each successive year of the

Figure 7. Single-Family Homes Permitted in the Duluth HMA, 2000 to Current



Notes: Includes townhomes. Current includes data through September 2015.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Housing Market Trends
Sales Market *Continued*

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Duluth HMA During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
105,000	149,999	30	5.0
150,000	199,999	90	15.0
200,000	249,999	140	23.0
250,000	299,999	140	22.0
300,000	349,999	110	18.0
350,000	399,999	60	10.0
400,000	499,999	30	5.0
500,000	and higher	10	2.0

Notes: The 50 homes currently under construction and a portion of the estimated 22,250 other vacant units in the HMA will likely satisfy some of the forecast demand. Excludes demand for 50 mobile homes during the forecast period. The forecast period is October 1, 2015, to October 1, 2018.

Source: Estimates by analyst

forecast period, causing the home-ownership rate to continue to decline. The 50 homes currently under construction will meet part of the demand during the first year. A portion of the 22,250 other vacant units in the HMA may reenter the market and satisfy some of the forecast demand. Demand is expected to be concentrated for homes priced from \$200,000 to \$299,999.

Table 4 shows estimated demand for new market-rate sales housing in the HMA, by price range.

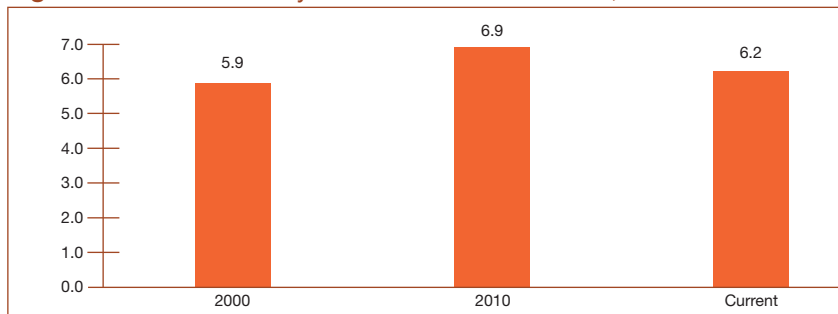
Rental Market

Overall rental housing market conditions in the Duluth HMA are balanced. As of October 1, 2015, the rental vacancy rate is estimated at 6.2 percent, down from 6.9 percent in April 2010 (Figure 8). The apartment market in the HMA is tight, with a 2.3-percent vacancy rate as of September 1, 2015, down from 2.5 percent a year earlier (Reis, Inc.). The average rent for an apartment in the HMA is \$884, up \$10, or 1 percent, from a year earlier. The apartment market is tighter than the overall rental market because of a significant increase in the number of single-family rentals. Single-family home rentals increased to 35 percent of all rental units in 2013 (2013 American Community Survey 1-year data), up from 29 percent reported by the

American Community Survey in 2010. Growth in the number of single-family homes that shifted to rentals was spurred by an increased number of foreclosures and also in response to the demand of UMD students to live off campus. Single-family home rentals are growing in popularity among UMD students as an alternative to apartment rentals (local sources). During the 2014–2015 academic year, UMD had an enrollment of about 11,100 students, of whom only 3,025 lived on campus. Students at the university account for an estimated 2,500 renter households, or more than 7 percent of all renter households in the HMA. Apartments near UMD and in other areas of the city of Duluth where students prefer to reside are characterized by lower vacancy rates and higher rents compared with the rest of the HMA.

Multifamily construction, as measured by the number of multifamily units permitted, has increased since 2014 (Figure 9). During the 12 months ending September 2015, the number of multifamily units permitted increased to 220, up from 190 units permitted during the previous 12 months

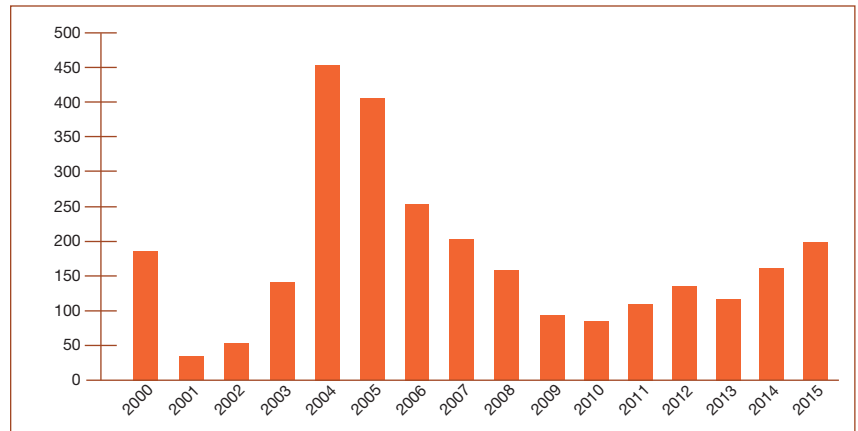
Figure 8. Rental Vacancy Rates in the Duluth HMA, 2000 to Current



Note: The current date is October 1, 2015.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Figure 9. Multifamily Units Permitted in the Duluth HMA, 2000 to Current



Notes: Excludes townhomes. Current includes data through September 2015.
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

(preliminary data, with adjustments by analyst). By comparison, during the peak period from 2004 through 2005, multifamily permitting activity averaged 430 units a year. Increased construction coincided with growth in nonfarm payroll jobs, and the number of units permitted during that period was boosted by the addition of 130 housing units for seniors in 2004 and an additional 155 in 2005. From 2006 through 2008, multifamily building activity decreased significantly, to an average of 210 units permitted annually. In the aftermath of the local economic downturn brought on by the national recession, building activity decreased further, averaging only 110 units annually from 2009 through 2013.

The largest recently built apartment development is BlueStone Commons. It includes two separate projects. The student-focused, 99-unit BlueStone Lofts opened in 2013, with rents that start at \$940 for a studio unit, \$1,200 for a one-bedroom unit, and \$1,530 for a two-bedroom unit. The 142-unit BlueStone Flats is under construction and geared toward young professionals and seniors; it is scheduled for completion in May 2016.

The Firehouse is a 40-unit, \$12 million development that opened in 2013. It consists of two parts: a decommissioned fire hall on Third Street and Firehouse Flats, a new building on Fourth Street. Rents range from \$600 to \$650 for one-bedroom units, \$720 to \$770 for two-bedroom units, and \$820 to \$870 for three-bedroom units. The Summit Ridge luxury apartment complex added 60 new multifamily units in 2014, bringing the total number of housing units in the complex to 202. This \$7.5 million addition consists of one- and two-bedroom apartment units and six townhomes for rent. Rents start at \$850, \$980, and \$1,700, respectively.

During the 3-year forecast period, demand is expected for 360 new market-rate rental units (Table 1). Demand is expected to be strongest for one-bedroom units with monthly rents ranging from \$950 to \$1,149 (Table 5). The 270 rental units currently under construction will likely satisfy part of the demand.

Housing Market Trends

Rental Market *Continued*

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Duluth HMA During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
510 to 709	10	600 to 799	35	720 to 919	15	800 to 999	10
710 or more	10	800 to 999	80	920 to 1,119	65	1,000 or more	10
		1,000 to 1,199	40	1,120 to 1,319	50		
		1,200 or more	10	1,320 to 1,519	15		
				1,520 to 1,719	10		
				1,720 or more	10		
Total	20	Total	160	Total	160	Total	20

Notes: Numbers may not add to totals because of rounding. The 270 units currently under construction will likely satisfy some of the estimated demand. The forecast period is October 1, 2015, to October 1, 2018.

Source: Estimates by analyst

Data Profile

Table DP-1. Duluth HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	135,747	133,054	136,000	-0.2	0.5
Unemployment rate	4.5%	8.2%	4.8%		
Nonfarm payroll jobs	133,000	130,000	135,200	-0.2	0.8
Total population	275,486	279,771	280,500	0.2	0.0
Total households	112,491	116,876	117,850	0.4	0.2
Owner households	84,296	84,068	82,500	0.0	-0.3
Percent owner	74.9%	71.9%	70.0%		
Renter households	28,195	32,808	35,350	1.5	1.4
Percent renter	25.1%	28.1%	30.0%		
Total housing units	129,877	141,539	144,000	0.9	0.3
Owner vacancy rate	1.0%	1.9%	1.9%		
Rental vacancy rate	5.9%	6.9%	6.2%		
Median Family Income	\$46,700	\$59,900	\$61,200	2.5	0.4

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through September 2015. Median Family Incomes are for 1999, 2009, and 2014. The current date is October 1, 2015.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
2010: 4/1/2010—U.S. Decennial Census
Current date: 10/1/2015—Analyst’s estimates
Forecast period: 10/1/2015–10/1/2018—
Analyst’s estimates

The metropolitan statistical area definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In the U.S. Department of Housing and Urban Development’s (HUD’s) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits.

As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to huduser.gov/publications/pdf/CMARtables_DuluthMN-WI_16.pdf.

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD’s Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

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