Minot Housing Needs & Market Study

City of Minot
North Dakota

Stantec

March 4, 2024

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INTRODUCTION

INTRODUCTION

Minot. Minot is a uniquely dynamic city in north central North Dakota boasting three powerful economic drivers. It is a regional center for surrounding communities. It is a close neighbor to the vital Minot Air Force Base. And it serves as a gateway city to the North Dakota oil fields.

These drivers have shaped Minot's economy and had tremendous impact on its housing stock. The first two drivers have long contributed to a stable economic foundation. The third makes it subject to the heavy swings of the petroleum economy. The 2011 Mouse River flood was an additional destabilizing event, resulting in the displacement of many families and the demolition of numerous homes. This economic and historical backdrop has left its mark in Minot's housing landscape.

Minot faces housing challenges that are common to communities across North Dakota and the nation, as well as those that are unique to its economic and natural context. Housing production boomed during the oil boom in the early 2010s—after which time population growth stagnated, and even declined on a county-wide basis. As a result, housing growth has been modest in the intervening years, and only now have the market fundamentals recovered to the point that new housing production can start to be leveraged to address languishing needs.

The housing needs and market study. The Minot Housing Needs and Market analysis was initiated in response to this distinctive context. Its goal is to more clearly understand Minot's housing conditions and market context, and the housing related needs of the Minot community. It identifies strategies that can be employed to address Minot's present and future housing challenges and meet community needs.

The following pages document an analysis of:

- The economic and demographic factors that shape housing demand
- The market context for new housing development
- Minot's existing housing inventory, and
- The "gap" between the housing needs of the community and the housing that is available to meet those needs

This deep analysis provides essential information for City staff and elected officials as they shape housing related policies that meet community needs and advance the City's economic and human progress. It also offers critical intelligence to builders and developers that seek to understand the nature of Minot's local housing market and sources of housing demand.

INTRODUCTION

The final section of this study is focused on strategic action. It offers a menu of housing strategies that are relevant to and viable in Minot's market context—taking into consideration what was learned about its unique challenges and opportunities, and the needs of the Minot community. The strategies are a kit of ideas that can inform the City's housing-related action plan in the years to come.

Community engagement. The insights of stakeholders and community members have sharpened this analysis and informed its strategic guidance. Input was gathered through several means.

- Focus groups and structured interviews were conducted over the course of the study, many of which occurred during consultant site visits in November 2023 and January 2024.

- Broader community engagement utilized a Story Map on a dedicated website that conveyed all of the key findings and recommendations of the study to the public.

- A housing survey generated 859 responses from people who provided information on their personal housing situations.

Appreciation. We are grateful for our interaction with Minot's staff and elected officials, and appreciate the dedication they have demonstrated to the needs of the Minot community.

ONLY THE BEST COME NORTH

CLEARANCE 14 FT. 6 IN.

02

DEVELOPMENT DRIVERS

Minot's Population Grew by 35% since 2009, Outpacing the Region and Comparable Cities

Upper midwestern comparable locations have all witnessed strong population growth, however, the fracking revolution and consequent exploitation of the Bakken oil field has been a strong determinant of growth in the region, especially from 2010-2015.

### Indexed Population Growth, 2009-2021
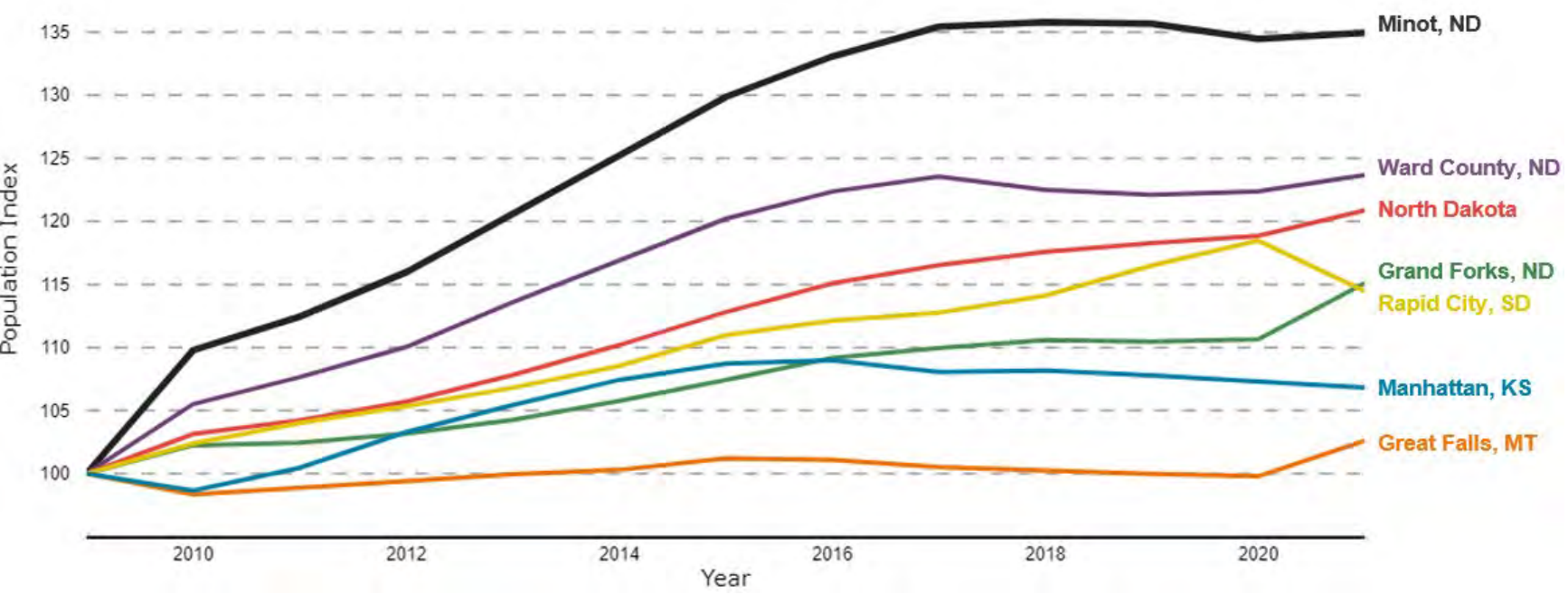
Note on Indexes: Indexed values are to a base of 100, with 2009 being the base year in this graph. Each integer above 100 represents 1% percent growth relative to the 2009 value. For example, 135 represents 35% growth since 2009. Indexes are helpful when assessing the rate of change rather than absolute numbers.

Source(s): US Census

Migration Remains Boom and Bust in Ward County

Migration is the primary determinant of population change. In-migration peaked during the oil boom, only to decline as the development of new wells dried up.

Net Population Change in Ward County, 2000-2023
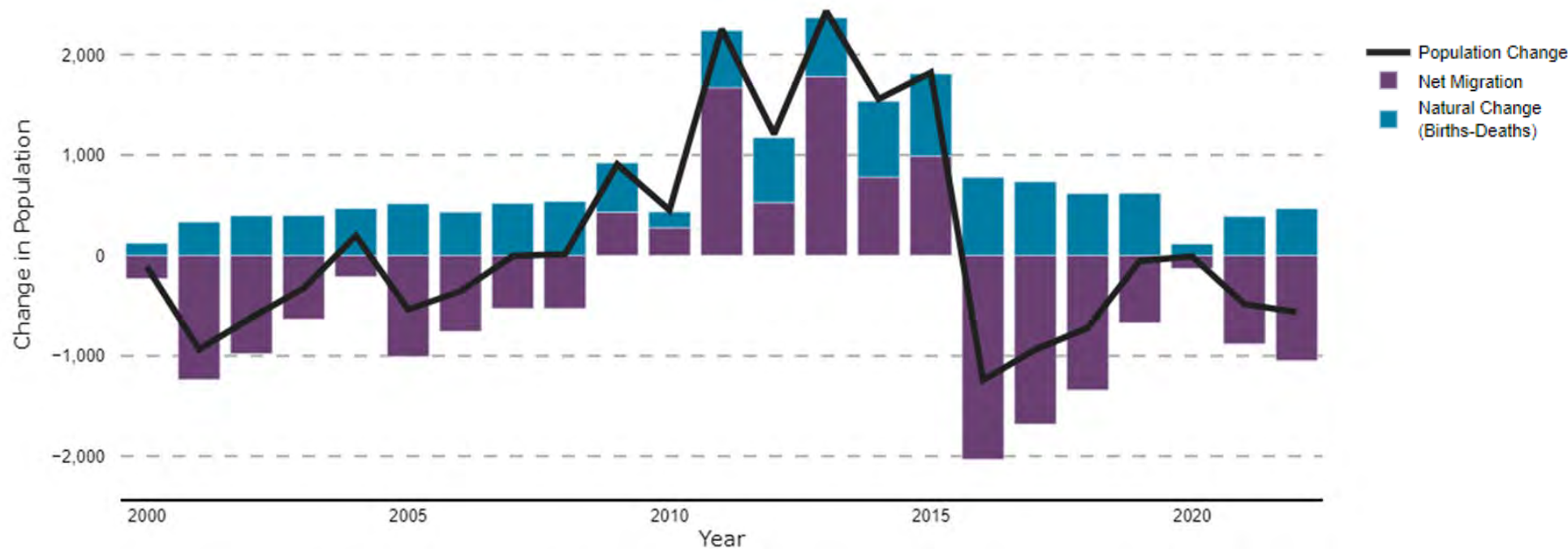
Population Growth is tightly related to the Bakken Oil Boom

New well creation started in 2010, and rapidly accelerated through 2015 before abruptly tapering as oil prices fell. New wells require more labor than maintaining wells, thereby generating growth. Mountrail and Williams Counties are the major seat of production, with Ward serving as a commuter city serving the oil fields. New well creation is still occurring, albeit sporadically.

Bakken Growth Continues, but at Less of Breakneck Pace
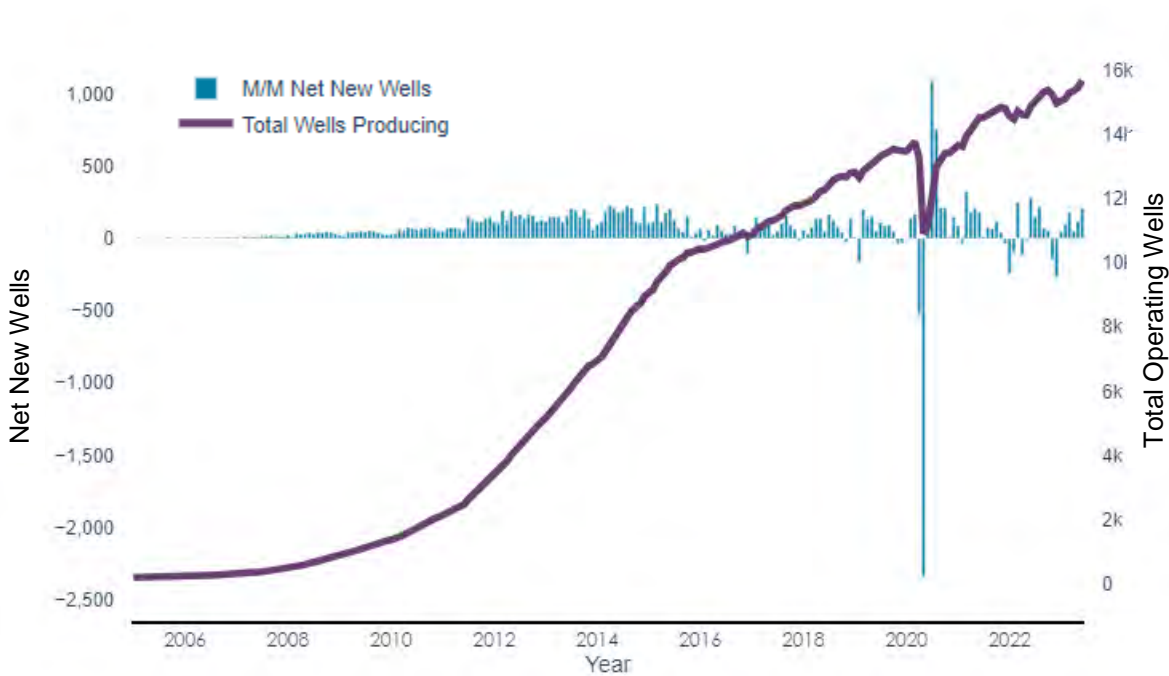
North Dakota Crude Oil Production is Stabilizing

Source(s): OnTheMap 2002-2020
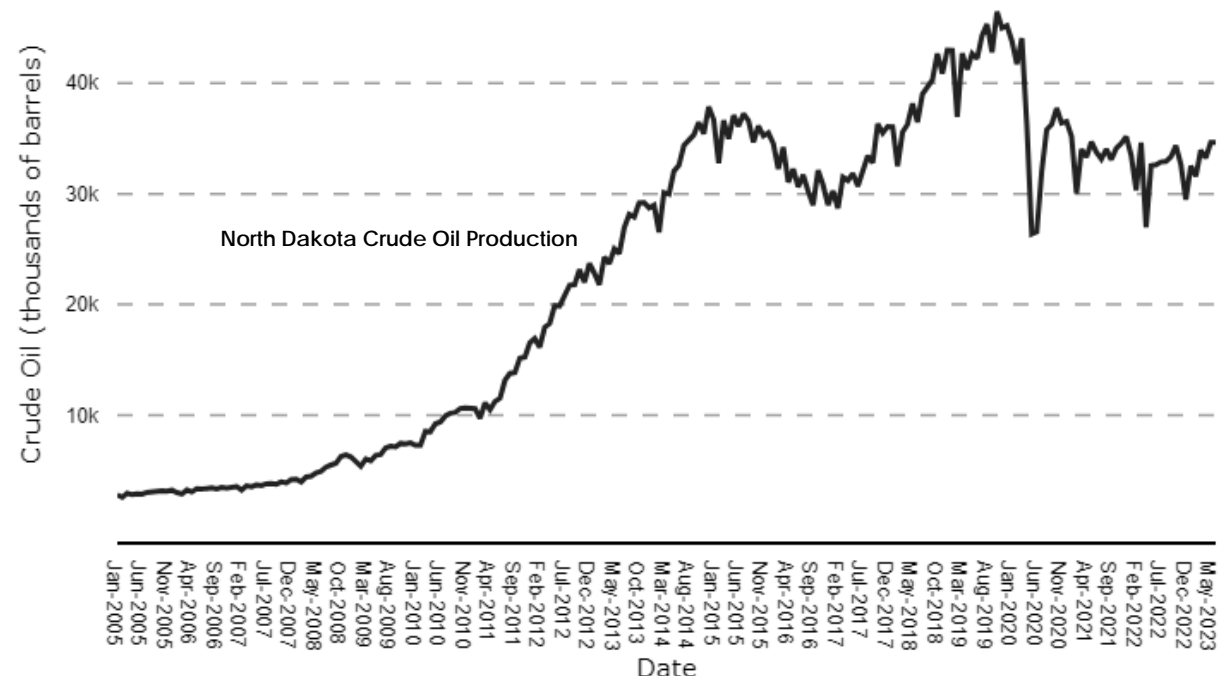
GDP Grew Rapidly in the 2000s, only to plateau and decline as drilling stabilized

Ward County and North Dakota grew rapidly through the 2000s, with Gross Domestic Product (GDP) reversing course as oil prices fell in 2015. The decline has since stabilized.

Total GDP Output by County and Select Metropolitan Areas
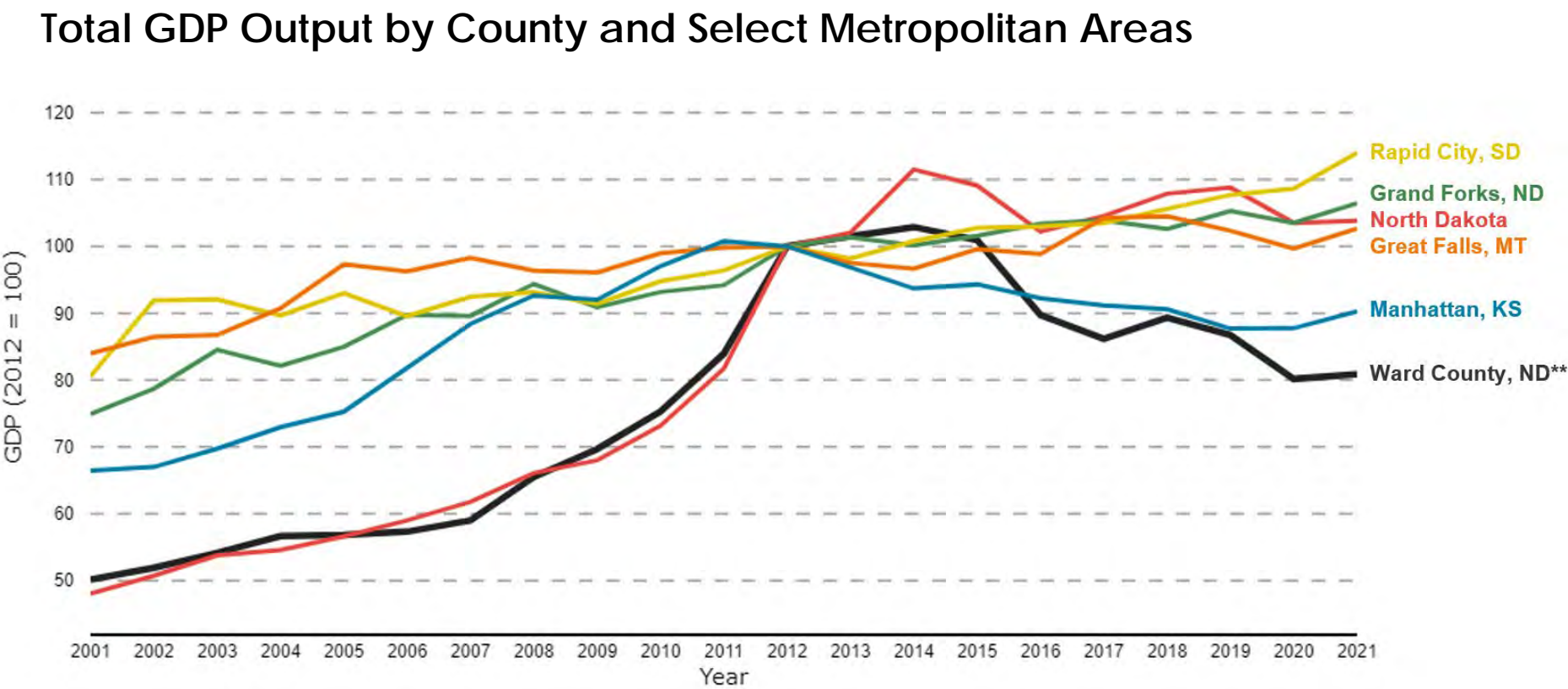
* Indexed values are set to a base of 100, with 2012 being the base year. Each integer above 100 represents 1% percent growth relative to 2012 GDP. For example, 50 would equal 50% below 2012 economic output. Indexed values are based on 2021 dollars.

** Minot is a Micropolitan Statistical Area. GDP data is only given for MSA and County level geographies. Ward County is used here to approximate growth.

Source(s): Bureau of Economic Analysis

Total GDP in Ward County is dominated by the Armed Forces and Other Public Sector activity

Oil production is largely situated outside of Ward County, with Ward County operating as a residential center serving the outskirts. Within Ward, the local economy is dominated by the public sector and traditional 'regional services' common to a county seat.

GDP by Industry in Ward County
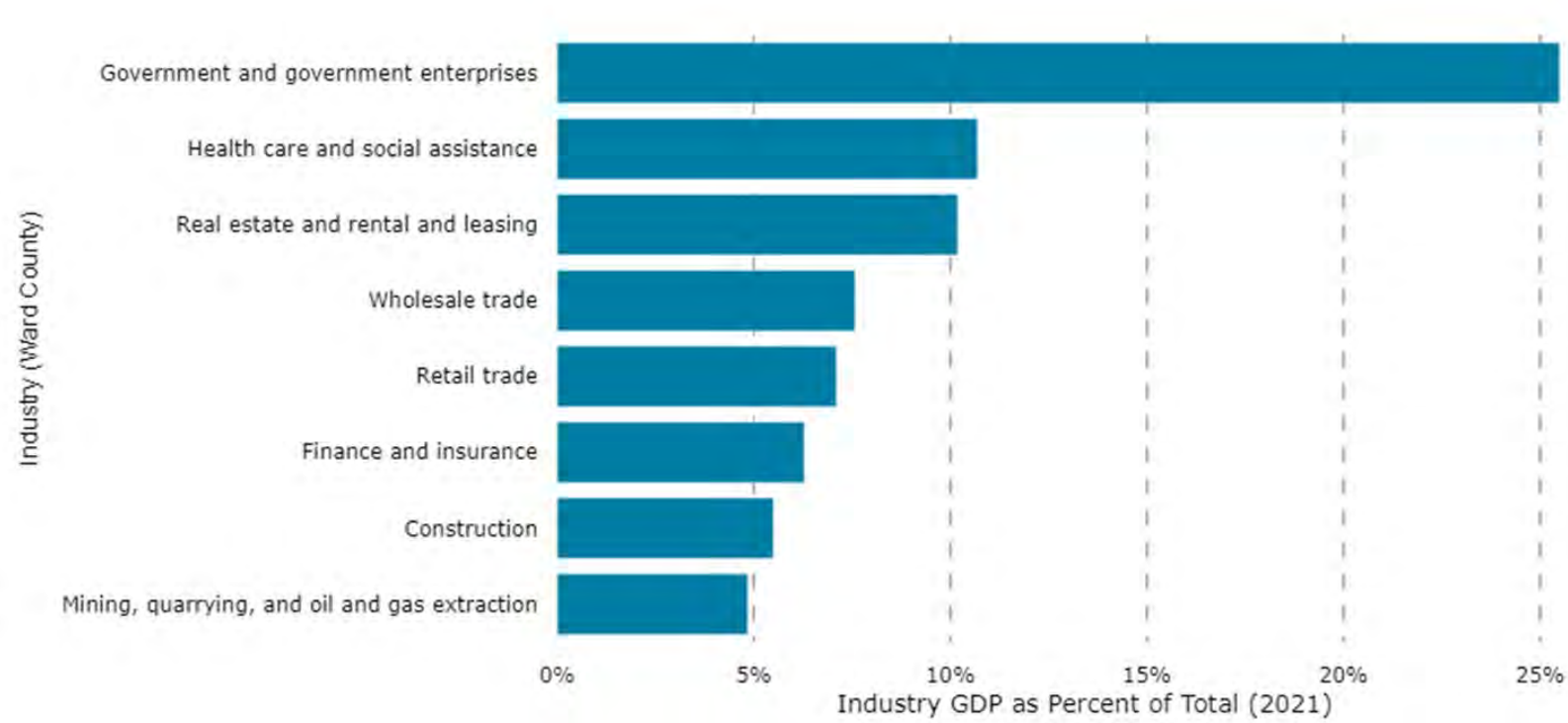
GDP is generally driven by tradeable goods. Tradeable goods often include durable manufactured goods and 'knowledge' based services such as corporate management, financial activities, or professional services.

Ward County's industrial profile, however, largely reflects it's two major industries: 1) The public sector, including the Air Force Base and regionally oriented public management, and 2) Minot's general role as a regional trade center for central North Dakota, which is reflected in the higher levels of economic output driven by services (trade, healthcare, and public management) and real estate.

Source(s): Bureau of Economic Analysis

Ward County employment is concentrated in services

Ward County's employment is also concentrated in sectors associated with being a regional hub and a major Air Force base. Oil extraction employment remains a smaller portion of the total employment base despite its growth.

Employment by Industry: Ward County
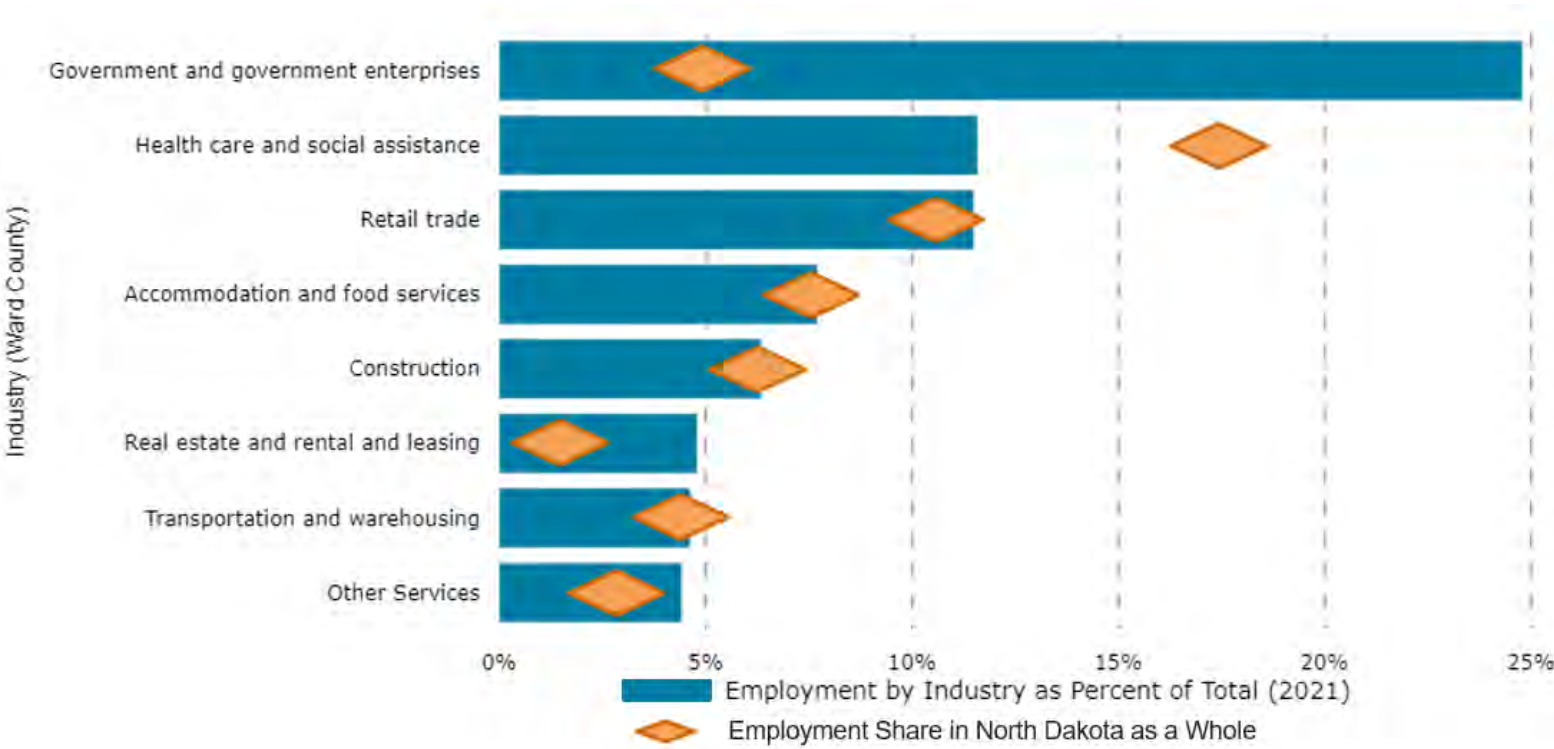
Employment often does not closely align with GDP. A region is driven by GDP output and creates the effective demand for services (ie: retail, wholesale, healthcare, education, construction) . The employment structure of a community, however, has different dynamics. Employment is a function of industry productivity and its size. Capital-intensive industries such as mining or manufacturing may have an outsized impact on GDP relative to employment. However, many services and construction are resistant to industrial automation, limiting output per worker. Consequently, to scale up production, industries with lower productivity must add additional labor. Low productivity per worker is one major factor that limits wages, especially in the service industry.

A consequence of this dynamic is that any local labor-market will contain relatively high proportions of lower-wage jobs. Outside of recent moments of labor market contraction, wage growth in these industries remains limited, even as the cost of living increases.

Source(s): Bureau of Economic Analysis

Situating the New Economy

The New Economy refers to transitions in the North American industrial structure post-globalization and the central drivers of regional economic development.

New Economy High Wage sectors are knowledge-based jobs that remain concentrated in urban centers and are historically less prone to geographical relocation. These industries remain the main catalyst for agglomeration – or spatial concentration – of industries. Knowledge production is a tradeable good that often drives urban development. Wages in these sectors drive effective demand for other service-based industries, medical services, and education.

Blue Collar sectors contain industries historically central to a manufacturing-based economy and contain tradeable goods that benefit from economies of scale. Manufacturing – in particular – is less geographically sticky in an era of globalization. These jobs often have lower educational requirements, but due to higher productivity, skill demands, and union density, wages remain higher than service sector work. They, likewise, are major drivers of regional economic development.

New Economy Low Wage sectors grow in proportion to other regional economic drivers. They are non-tradeable sectors and are 'geographically sticky.' Due to lower labor productivity, growth in demand is met with increased labor. Wages remain low, although exceptions exist (such as Wholesale Trade). These are generally non-tradeable goods, but often a sizeable sector in a regional economy.

Eds, Meds and Gov contain industries have higher proportions of middle-income wage earners due to educational requirements. These jobs concentrate both in regional hubs driven by New Economy High Wage jobs and in historic regional centers. They are non-tradeable goods and place-bound, but in the case of higher education institutions or sizeable public sector installations (Army Bases or State governance), can drive regional economic development.

Analytical Category	NAICS Sectors
New Economy: High Wage	Finance and Insurance Real Estate and Rental and Leasing Information Managment of Corporations Professional and Business Services
New Economy: Low Wage	Transportation and Warehouse Wholesale Trade Retail Trade Arts, Entertainment and Recreation Accomodation and Food Services Other Services
Blue Collar	Construction Manufacturing Utilities Agriculture, Forestry, Fishing and Hunting Mining, Quarrying, and Oil and Gas Extraction
Eds, Meds and Gov	Educational Services Health Care and Social Assistance Public Administration

Minot's industrial composition is reflective of a regional commercial center

The fastest growing segments of the economy are in 'Blue Collar' jobs in extraction and construction related industries, however these jobs remain a small part of the overall employment structure. New Economy Low Wage jobs and Eds, Meds and Gov – or jobs central to being a regional commercial center – predominate.

Indexed Growth by Industrial Category
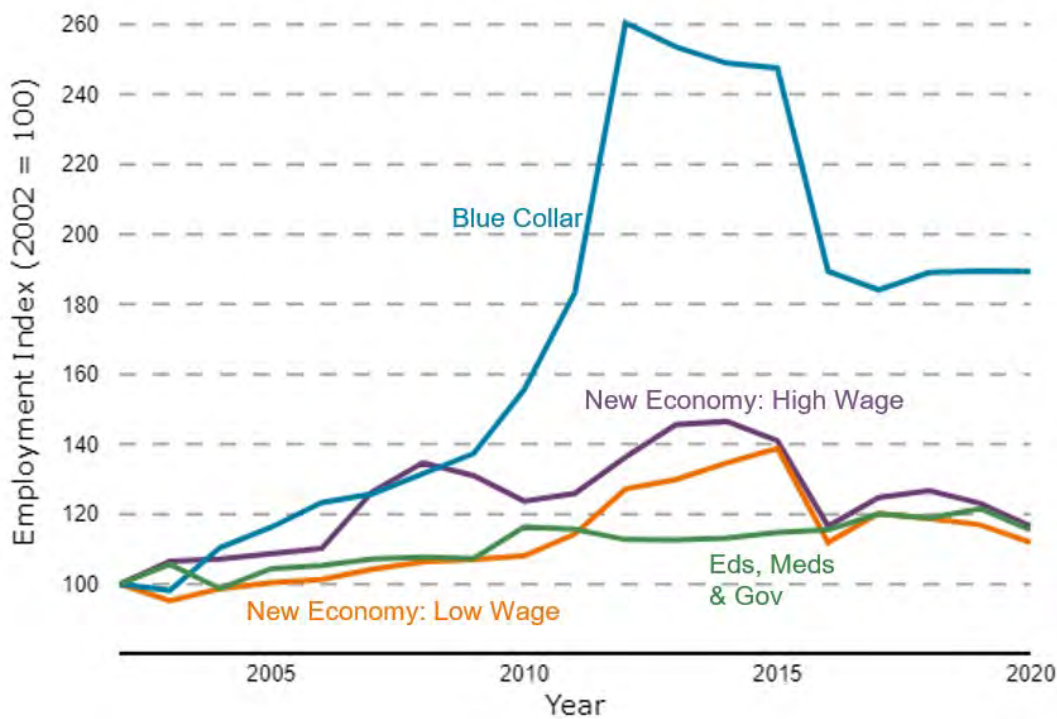
Job Share by Industrial Category
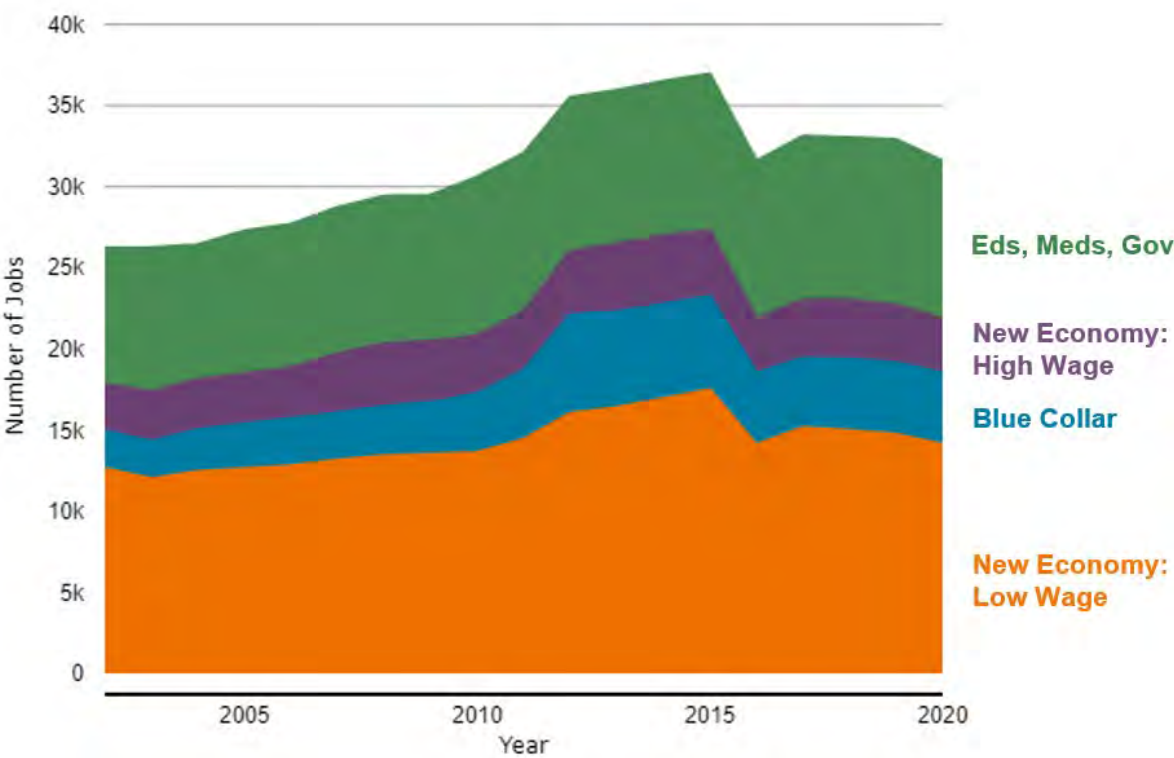
Minot is a relatively self-contained economy, with resident jobs reflecting jobs in the area

While the charts on the preceding page showed the industry mix of the jobs in Minot, these charts reflect the mix of jobs that Minot <u>residents</u> hold. The number of residents working in Blue Collar and New Economy High Wage jobs has grown most rapidly, but remain proportionately smaller than New Economy Low Wage and Eds, Meds & Government jobs.

Indexed Growth by Industrial Category for Minot Residents
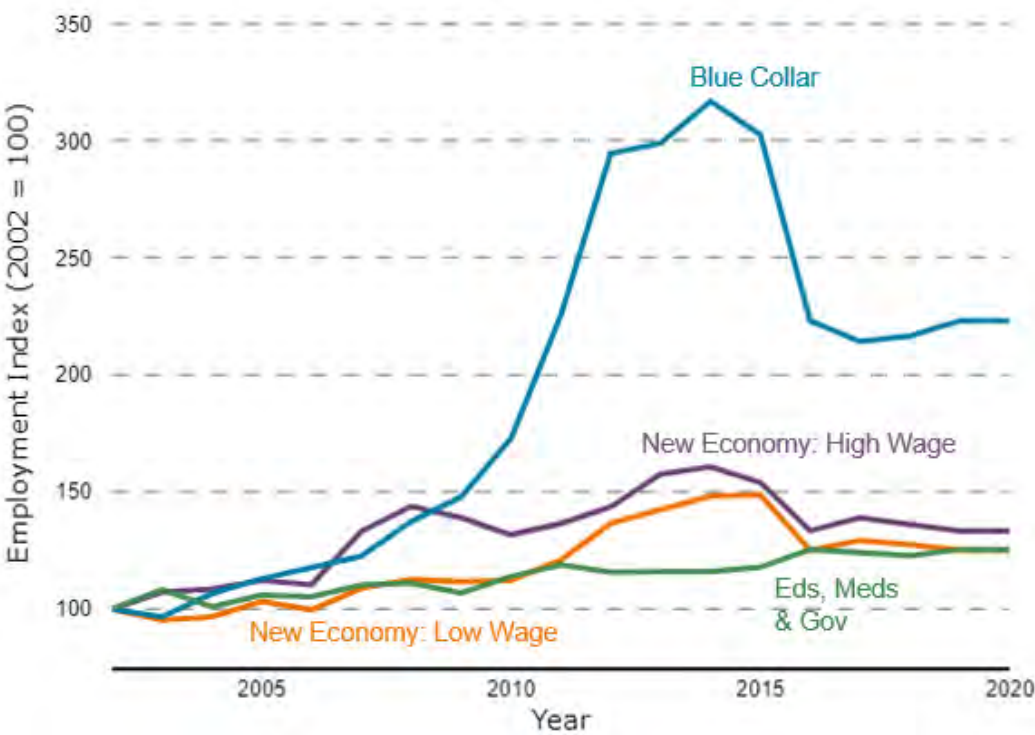
Job Share by Industrial Category for Minot Residents
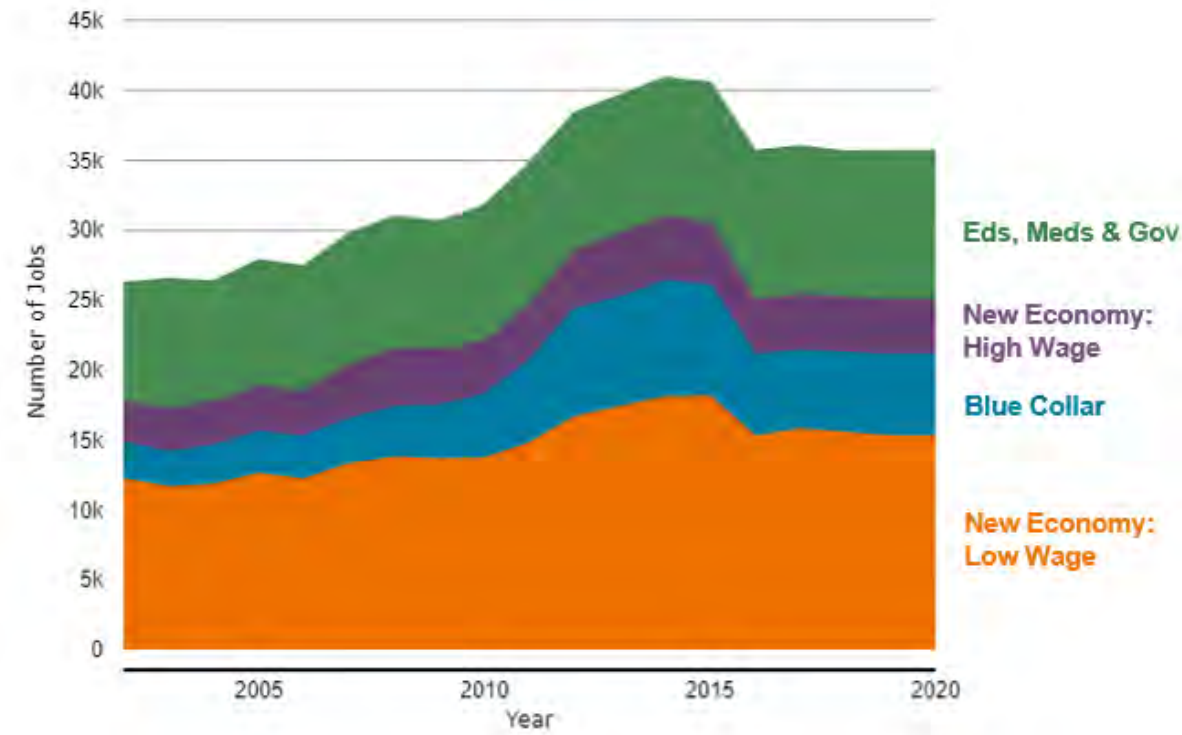
Minot has a high proportion of *out-commuters* to both the base and the oil fields

62.6% of Minot residents live and work in Minot. This ratio has fallen over time as more people commute in to Minot from the broader county, and more people commute out of Minot for work. The former is a consequence of sprawl, the latter of the growth of the oil industry outside of city boundaries.

Inflow and Outflow from Minot Over Time
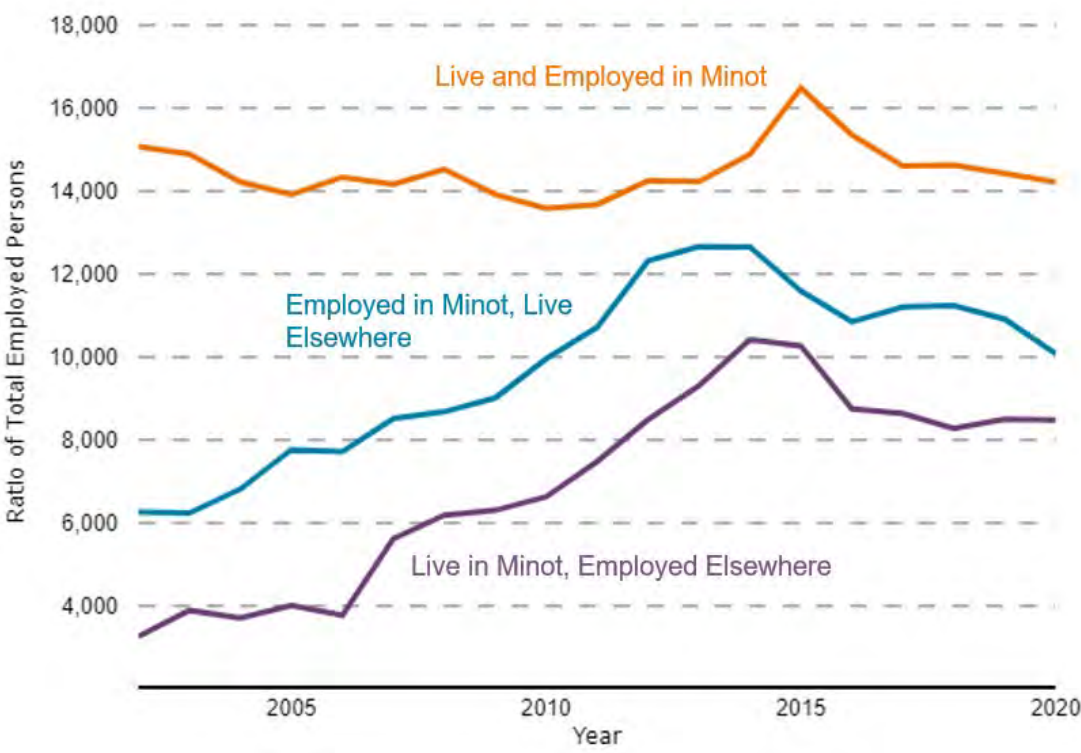
Job Growth/Share by Industrial Category

10078 — Work in Minot, Live Elsewhere

14218 — Live and Work in Minot

8479 — Live in Minot, Work Elsewhere
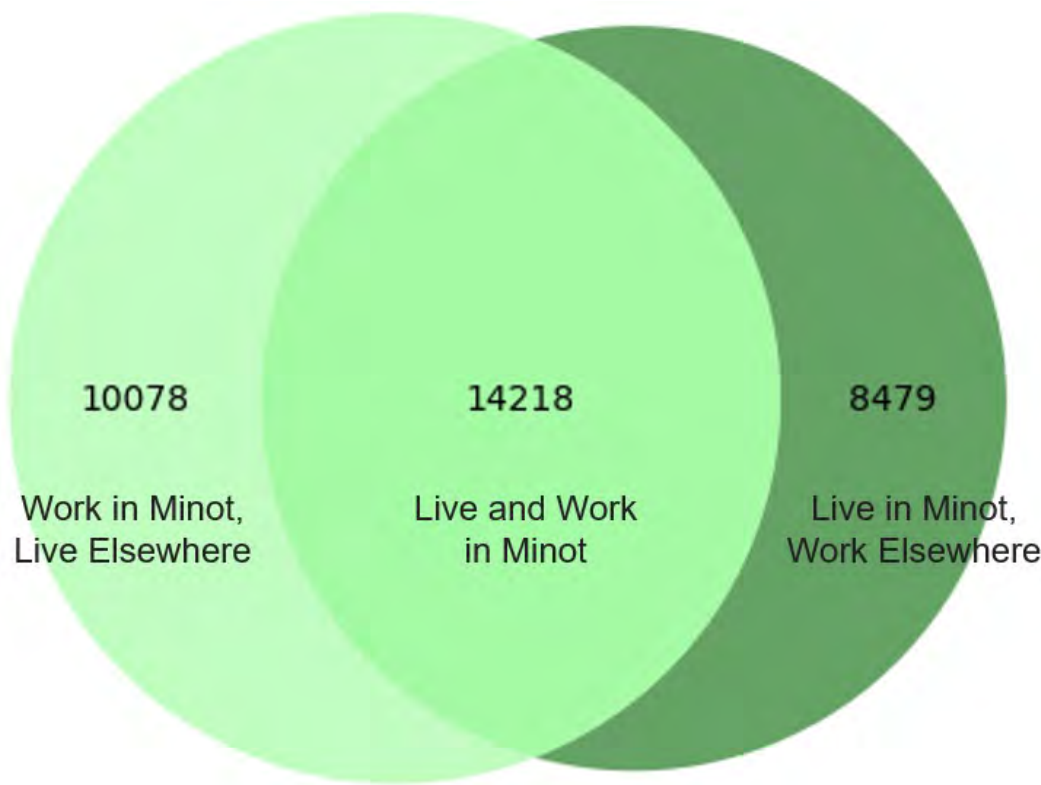
Source(s): OnTheMap 2002-2020

Other Ward County locations are the primary source and destination of commuters to and from Minot

The majority of commutes from Minot are going to jobs within the broader county, and vice versa, with more commuting into Minot from outside than the inverse. Many commuters are leaving from Minot to work west in the more oil-centric Williams and Mountrail Counties.

Origin of Commuters into Minot

Destination of Minot Commuters
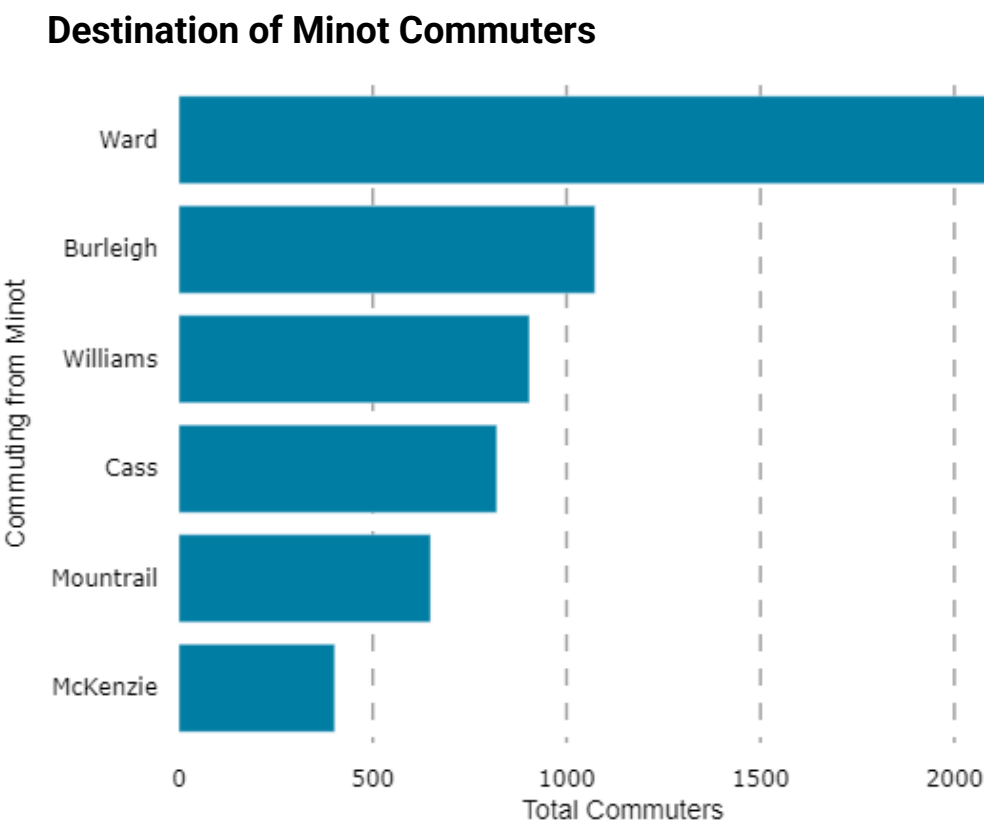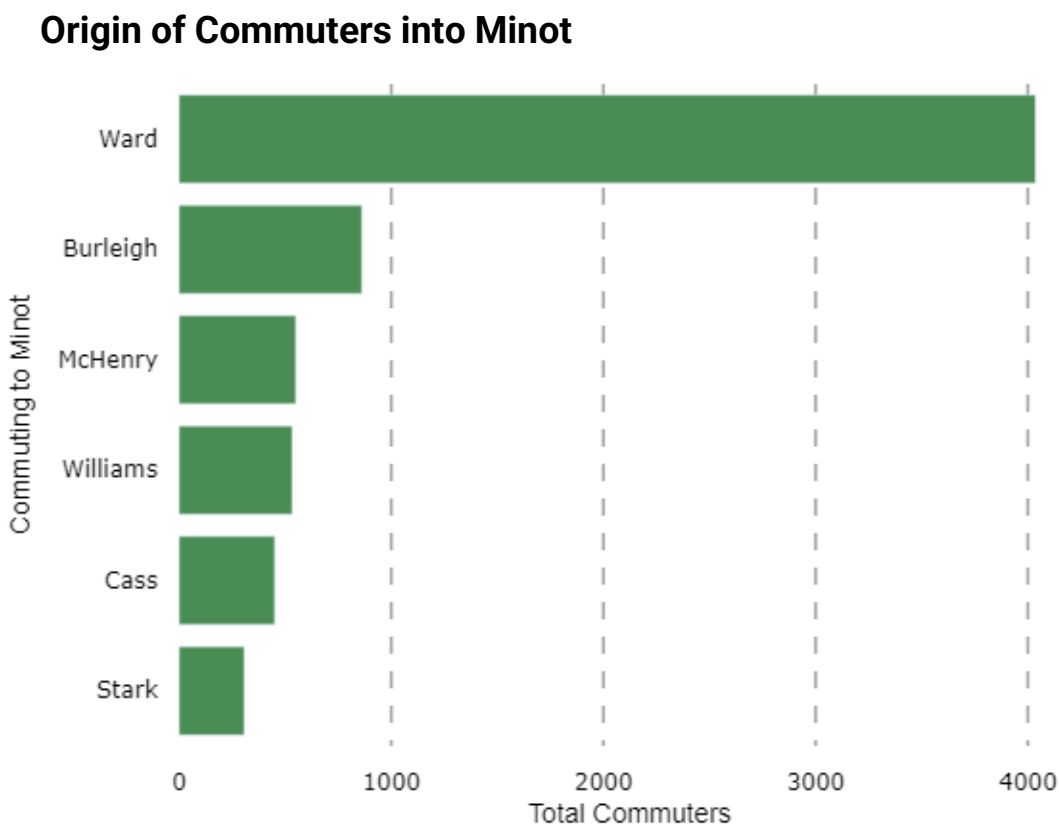
Source(s): OnTheMap 2020

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New Economy High Wage Industry: Breakdown

Minot is still a regional banking and insurance center. A growing segment, however, includes professional service firms, many of which serve as consultants for the extraction industry.

New Economy High Wage: By 5-Digit NAICS Code with Wages
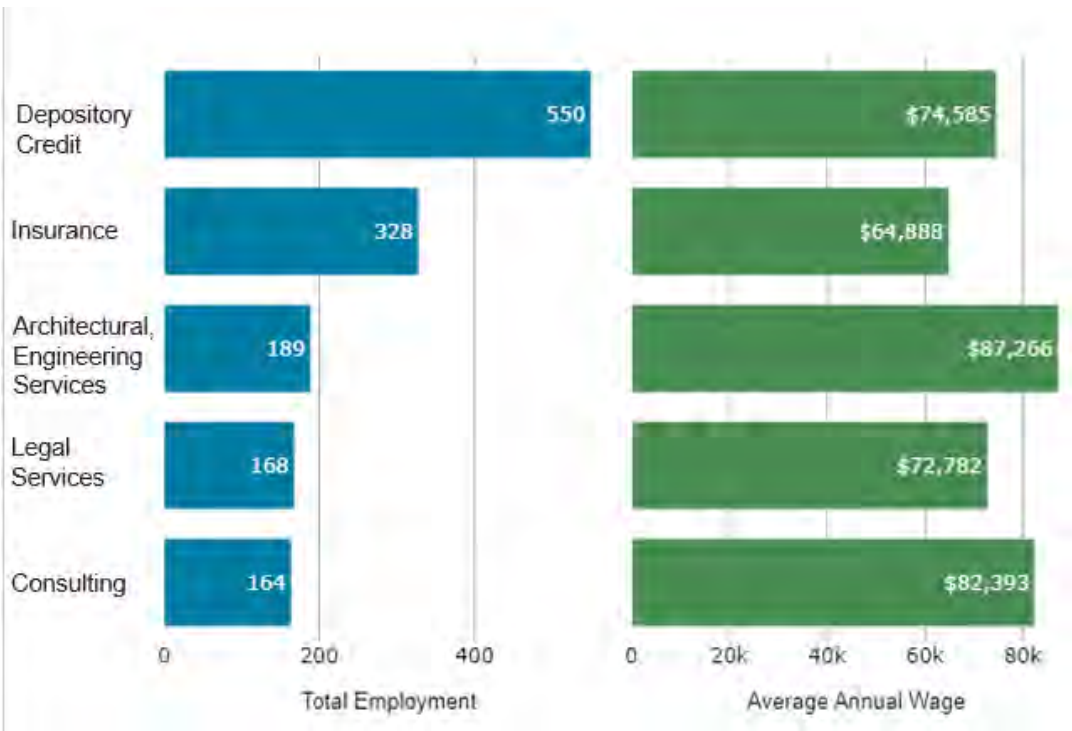
New Economy High Wage Industry Share
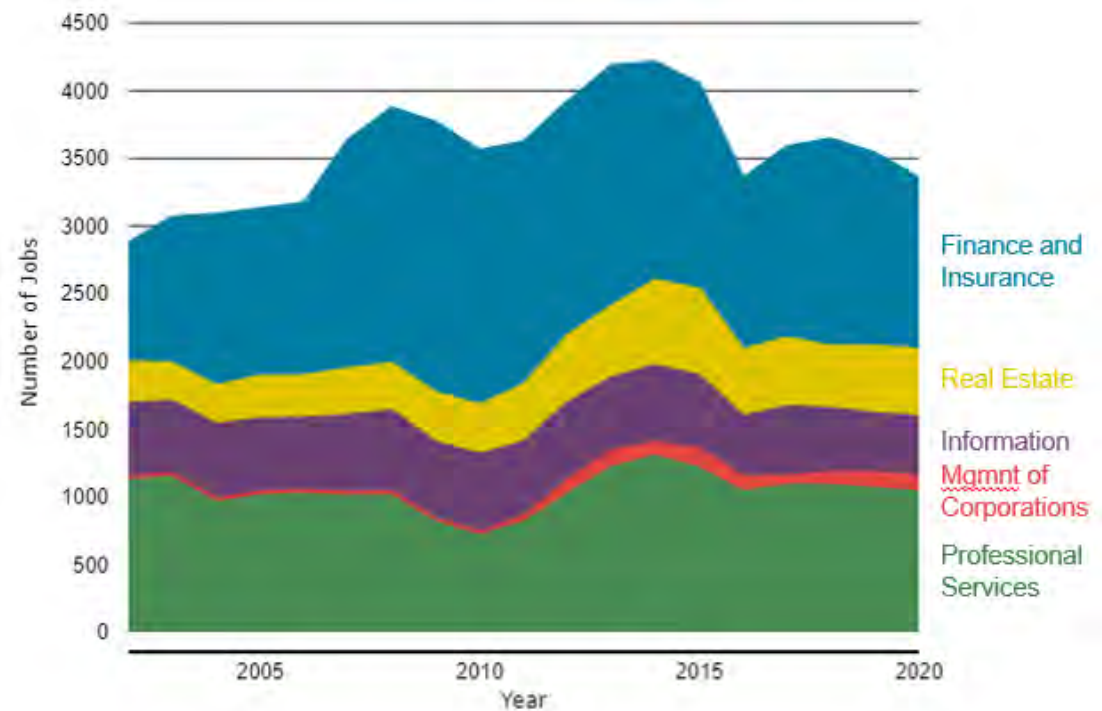
New Economy High Wage Jobs

New Economy High Wage jobs typically cluster in commercial districts as many are office-based. Downtown Minot contains some of the more distinct commercial office clusters, but in general the distribution is quite scattered.

New Economy High Wage Job Locations

Total Jobs
- 0-5
- 5-25
- >25
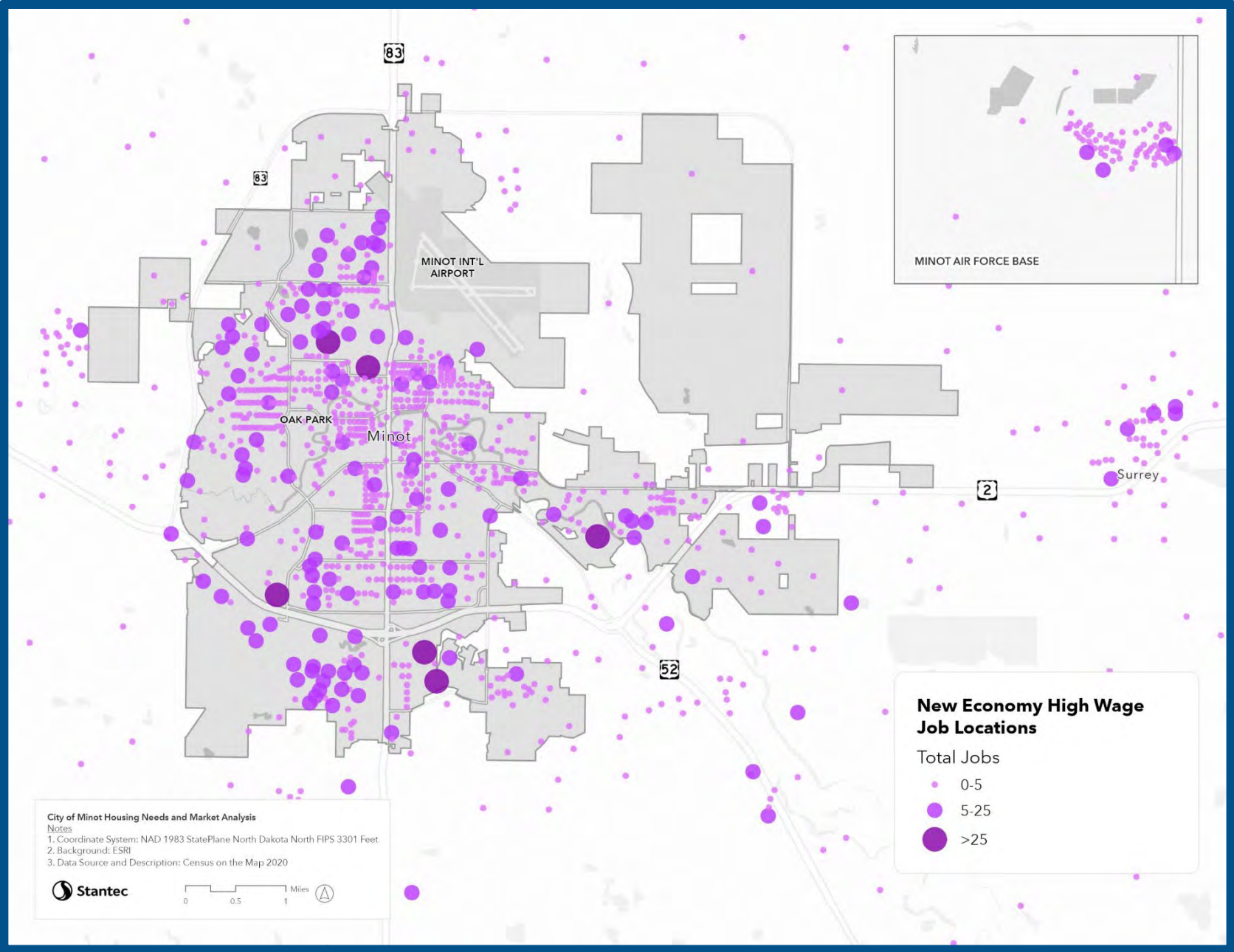
City of Minot Housing Needs and Market Analysis
Notes
1. Coordinate System: NAD 1983 StatePlane North Dakota North FIPS 3301 Feet
2. Background: ESRI
3. Data Source and Description: Census on the Map 2020

New Economy Low Wage Industry: Breakdown

Minot is a major service center for the region. Low productivity usually generates higher proportions of low-wage jobs, such as in restaurants and grocery stores. Wholesale retail tends to have higher wages.

New Economy Low Wage: By 5-Digit NAICS Code with Wages
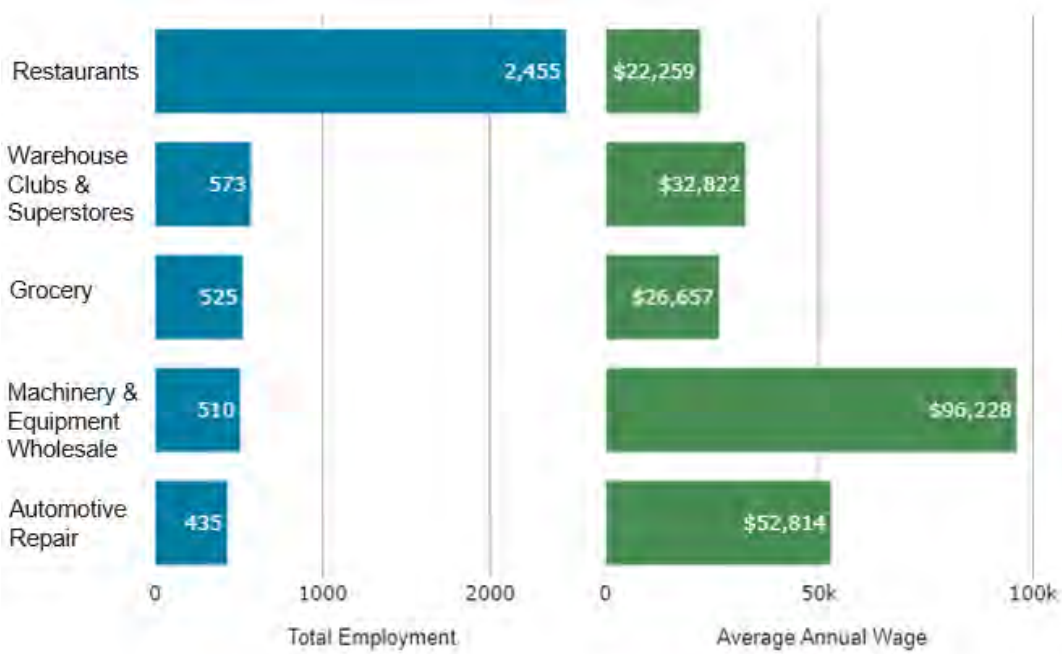
New Economy Low Wage Industry Share
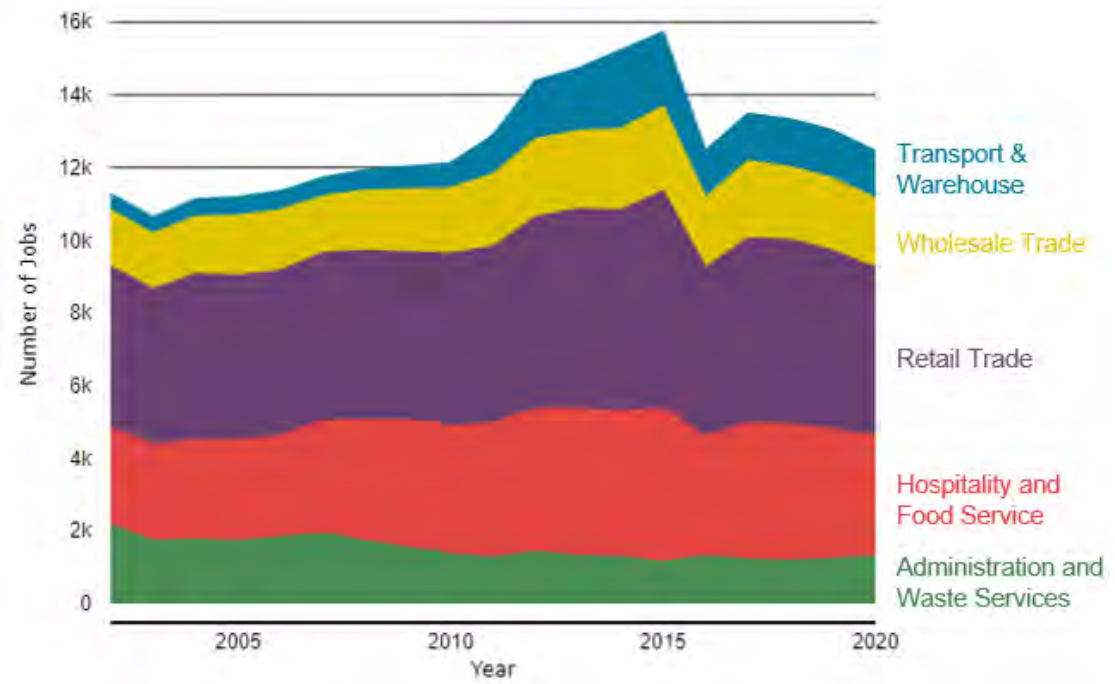
New Economy Low Wage Jobs

New Economy Low Wage jobs, as a whole, tend to be distributed across an urban location. Logistics jobs in trucking, warehousing, and wholesaling tend to be concentrated in or near key transportation arteries and in industrial parks. Retail, restaurants, and hospitality are broadly distributed, but here can be seen concentration in the northwest and southern parts of the city.
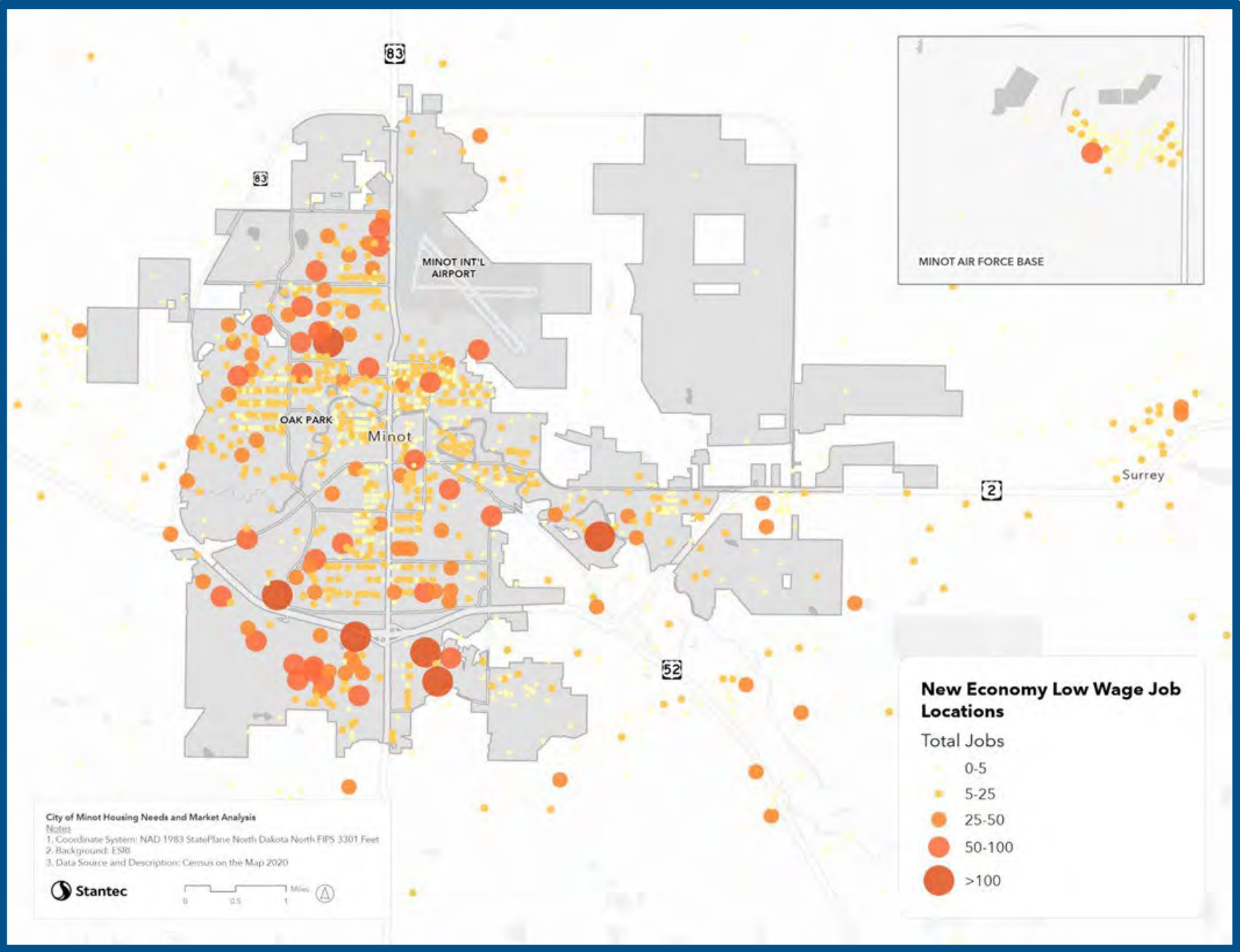
Blue Collar Industries: Breakdown

Oil, Gas and Mining grew precipitously with the boom. Average annual wages are above $100,000. The oil boom and the flood both helped drive construction and utility jobs, which pay well due to the skilled nature of the work and the higher rates of union density which increase market power.

Blue Collar: By 5-Digit NAICS Code with Wages
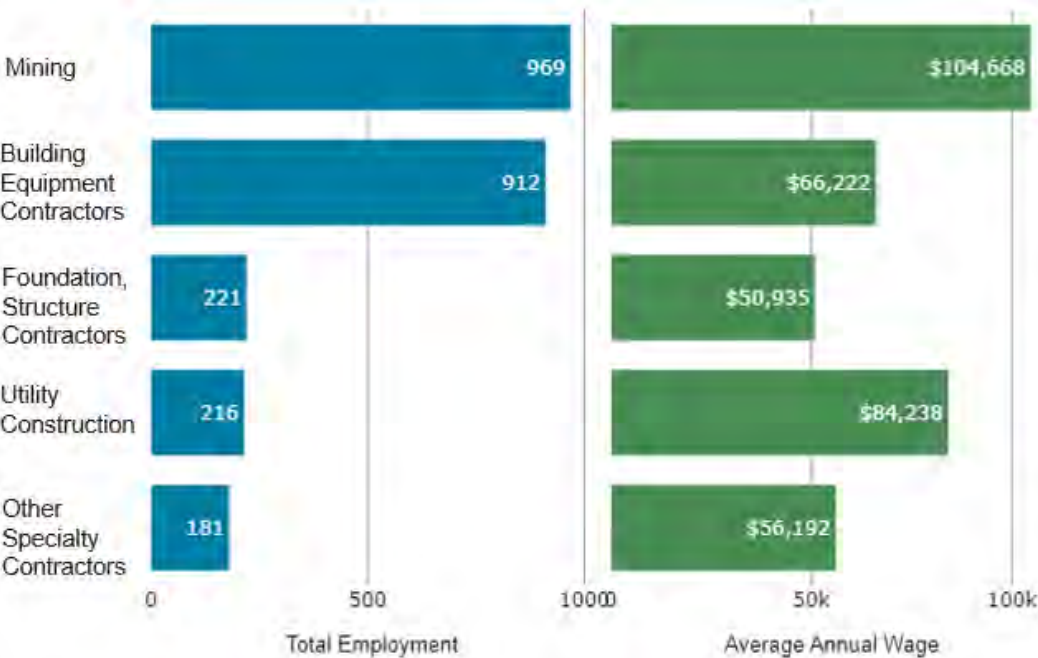
Blue Collar Industry Share
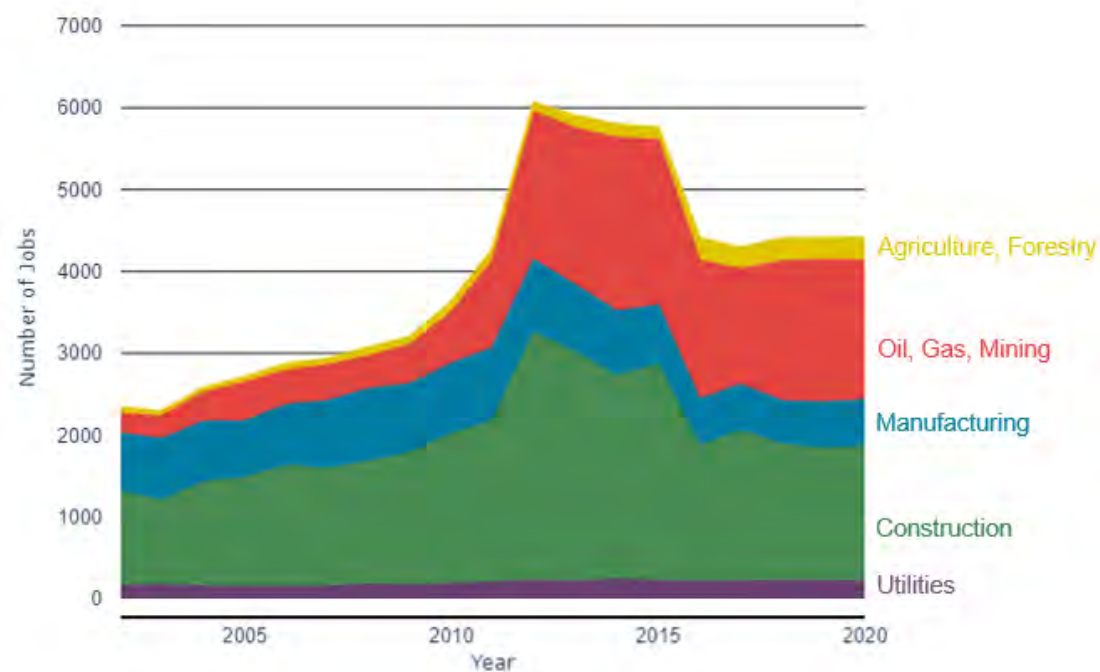
Blue Collar Jobs

Blue collar manufacturing jobs tend to be concentrated in industrial parks, which tend to be in specifically zones areas of the city and more on the general periphery. In Minot, blue collar jobs are less concentrated in the urban core, with broader distribution in industrial parks to the east, south and north. Construction jobs are 'located' by company office. Within Minot, firms working in the mining industry are likely to be in flex office/industrial spaces.

Blue Collar Job Locations

Total Jobs

- 0-5
- 5-10
- 10-25
- 25-50
- >50
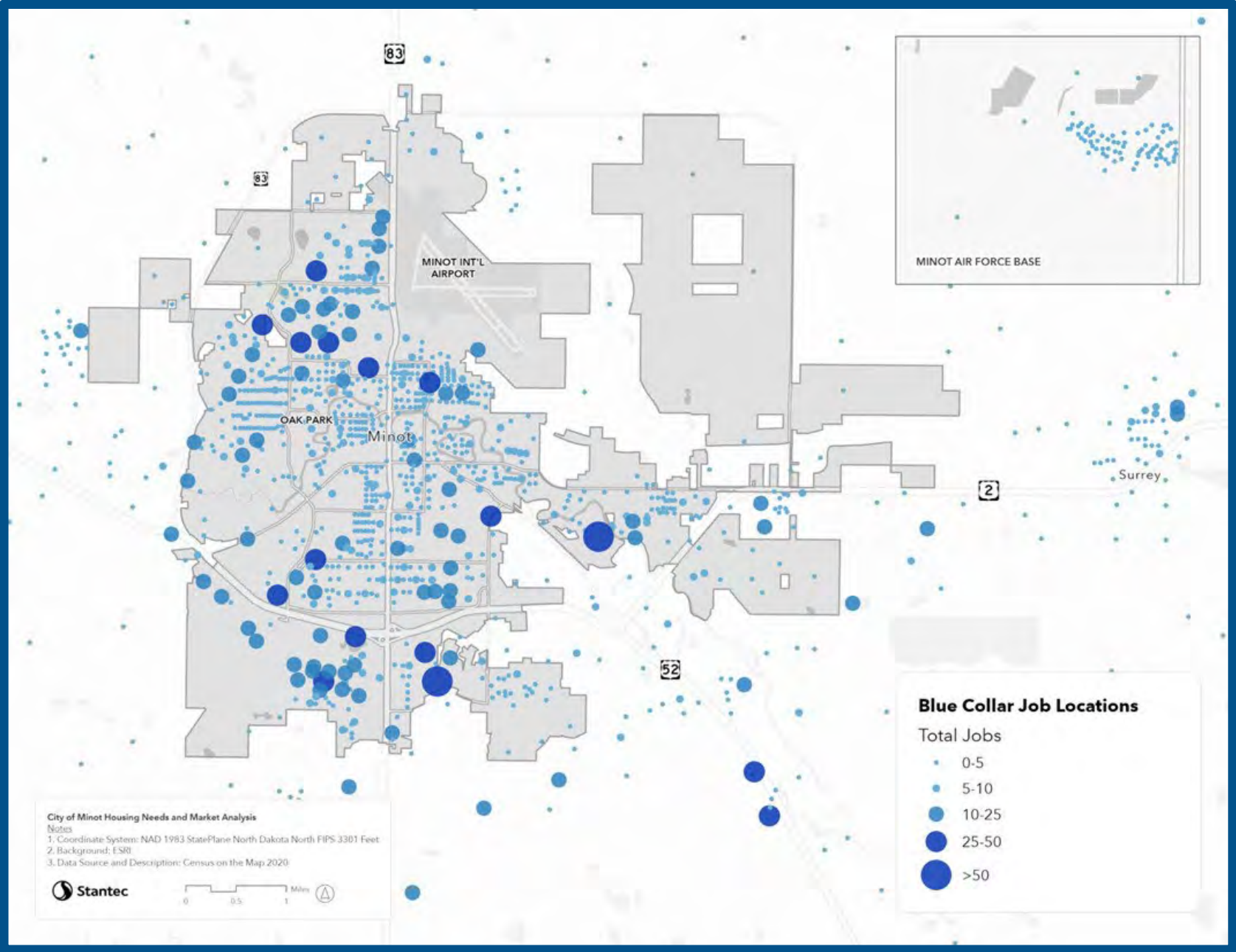
City of Minot Housing Needs and Market Analysis
Notes
1. Coordinate System: NAD 1983 StatePlane North Dakota North FIPS 3301 Feet
2. Background: ESRI
3. Data Source and Description: Census on the Map 2020

Eds, Meds and Gov: Breakdown

Minot remains the regional center for medical services. Growth has been limited. Education and public service are also important segments. Eds, Meds and Government jobs contain occupations that earn high and low salaries, however the mean trends higher than lower wage services due to higher levels of education/skill required.

Eds, Meds and Government: By 5-Digit NAICS Code with Wages
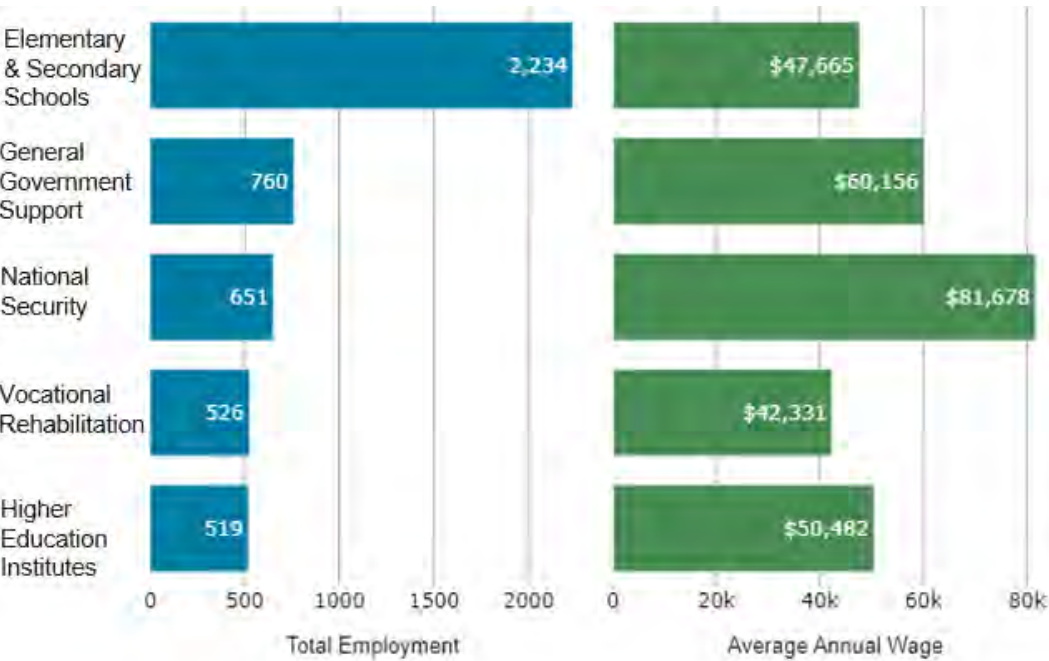
Eds, Meds and Government Industry Share
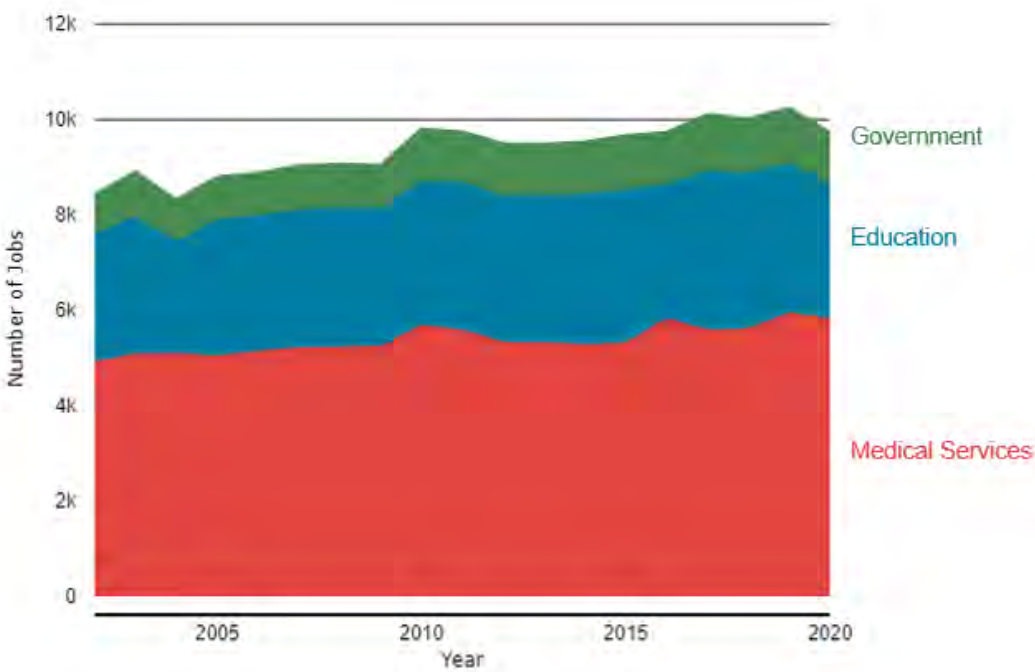
Eds, Meds and Gov

Education, medical services and government generally will have high proportions in downtown office districts where administrative jobs are often located, in and around hospitals where medical offices cluster, and near locations of higher education.
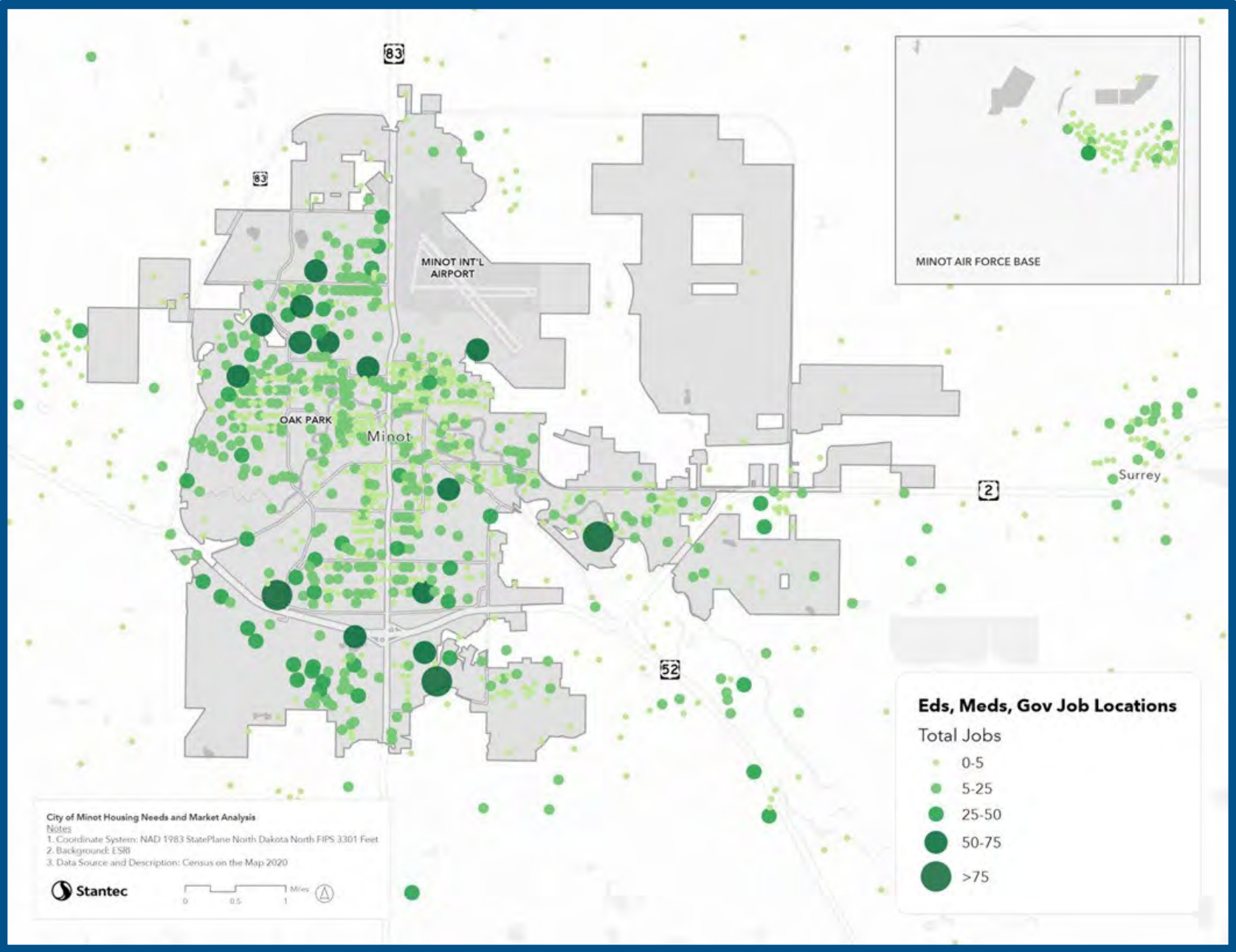
Minot has a healthy and diversified economic foundation that encompasses three major planks.

1. **A Regional Commercial Center:** Much of Minot's economic activity stems from its role as a regional commercial center, serving as a retail and healthcare destination, and wholesale distribution node for a broad multi-county region.

2. **Oil Turbulence:** The Bakken shale oil boom drove a short-term burst in employment that has slowed and stabilized. The oil boom has been the main contributor to economic growth, driving demand for housing and services.

3. **Air Force Base:** The Air Force base is a stable economic anchor to the regional economy. Base personnel are paid by the federal government, but spend much of their income at local businesses, supporting the local economy. Special projects such as the anticipated Sentinel project will result in short-term economic benefits.

4. **Projection.** Of these foundational elements, the oil industry has the most uncertain future. In the short to medium term, we expect oil-based economic growth to be less aggressive than during its boom phase, as the industry enters a more mature development trajectory.

03
DEMOGRAPHIC TRENDS

Introductory Notes

Demographics are organized through snapshots and trendline data. Snapshots provide a more detailed breakdown of the most recent ACS year at the time the study was conducted, whereas trend data helps understand shifts in the local economy.

Minot's demographics are juxtaposed against two different geographical segments. The first examine 'nested' geographies, including Ward County and North Dakota. The second examine Minot alongside comparable cities. The cities were selected with city staff based on their similar attributes – primarily being regional commercial centers with proximate military bases and higher education. The cities contain similar populations. They include:

1) Grand Forks, ND - Grand Forks, like Minot, is a regional trade center, with an economy further driven by the University of North Dakota and the Grand Forks Air Force Base.

2) Rapid City, SD – Rapid City is the county seat of Pennington County, is a regional trading center, and also is home to the Ellsworth Air Force Base and Camp Rapid. Regional tourism plays a larger role in the local economy.

3) Great Falls, MT – Great Falls, Montana is a regional trade and commercial center and home to Malmstrom Air Force Base and the Montana National Guard. Regional tourism also plays a larger role than it does in Minot.

4) Manhattan, KS – Manhattan, Kansas is a regional and commercial center with a regional economy driven by Kansas State University, and, to a lesser extent, Fort Riley.

Minot's population is rooted in younger, working age households

Minot's population contains higher proportions of working-age people in their 20-50s than the comparison geographies, landing closer in age distribution to cities driven by Universities. Military base demographics skew younger, and the oil boom attracted additional working age households during the Great Recession when unemployment skyrocketed nationwide.

Total GDP Output by County and Select Metropolitan Areas
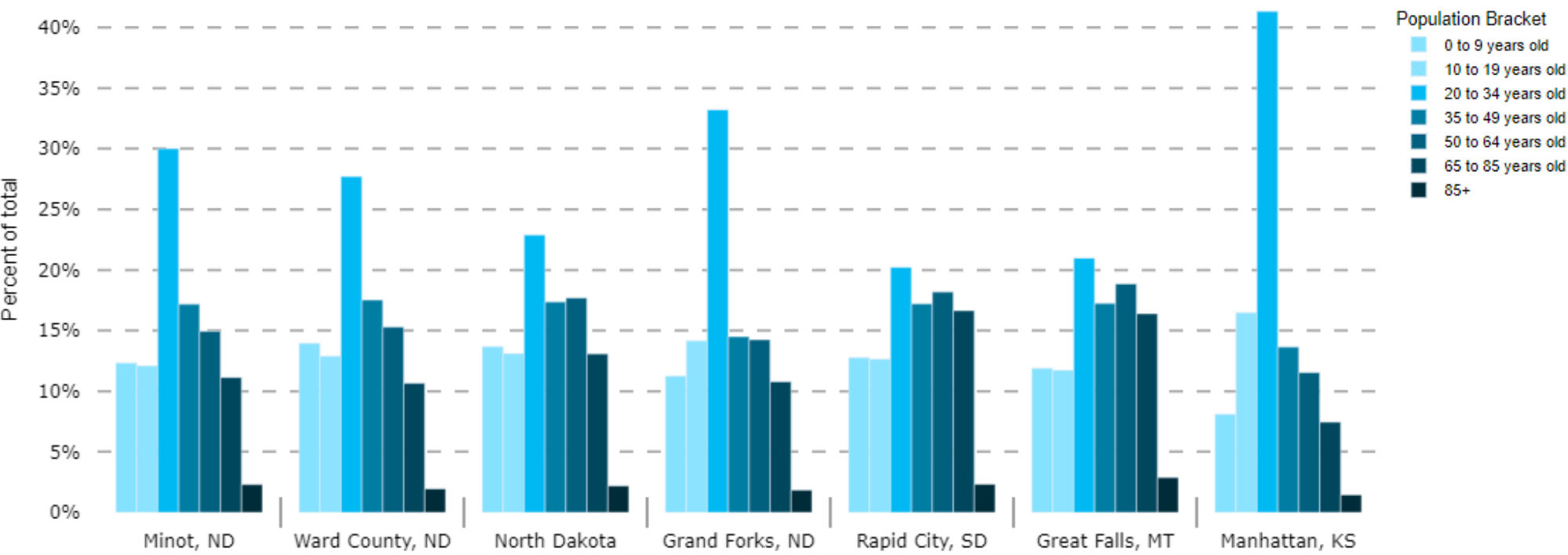
Minot Added Younger Households, and Household Size Grew

Minot, Ward County, and North Dakota added younger, workforce aged persons during the oil boom. Simultaneously, household size grew dramatically before falling to more comparative norms.

Median Age Trendline
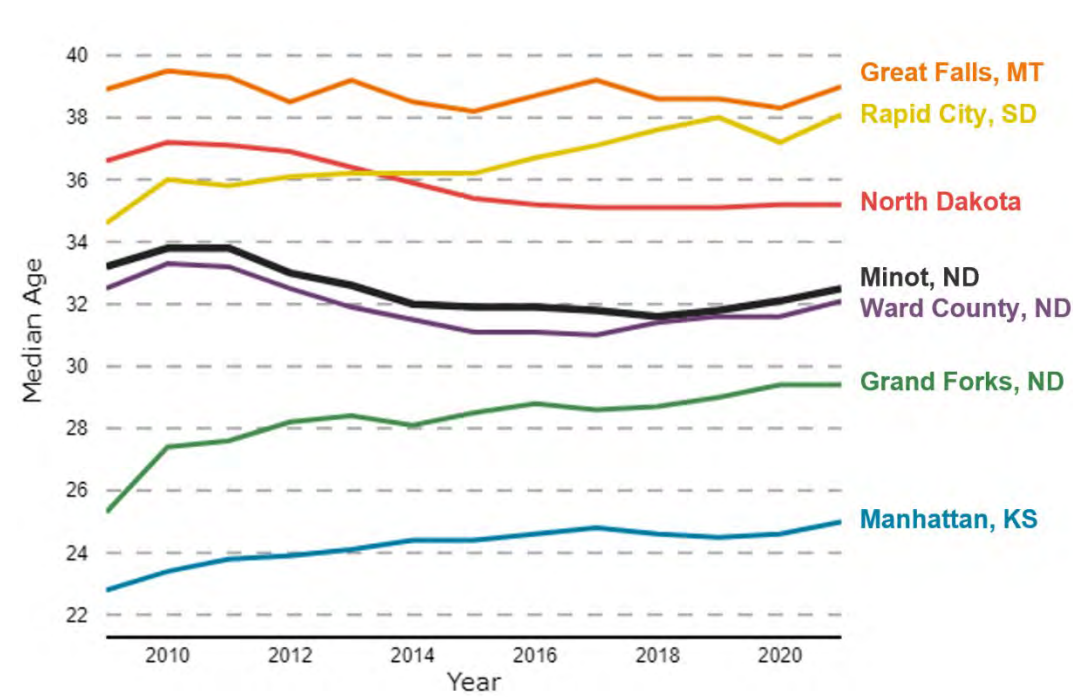
Household Size Trendline
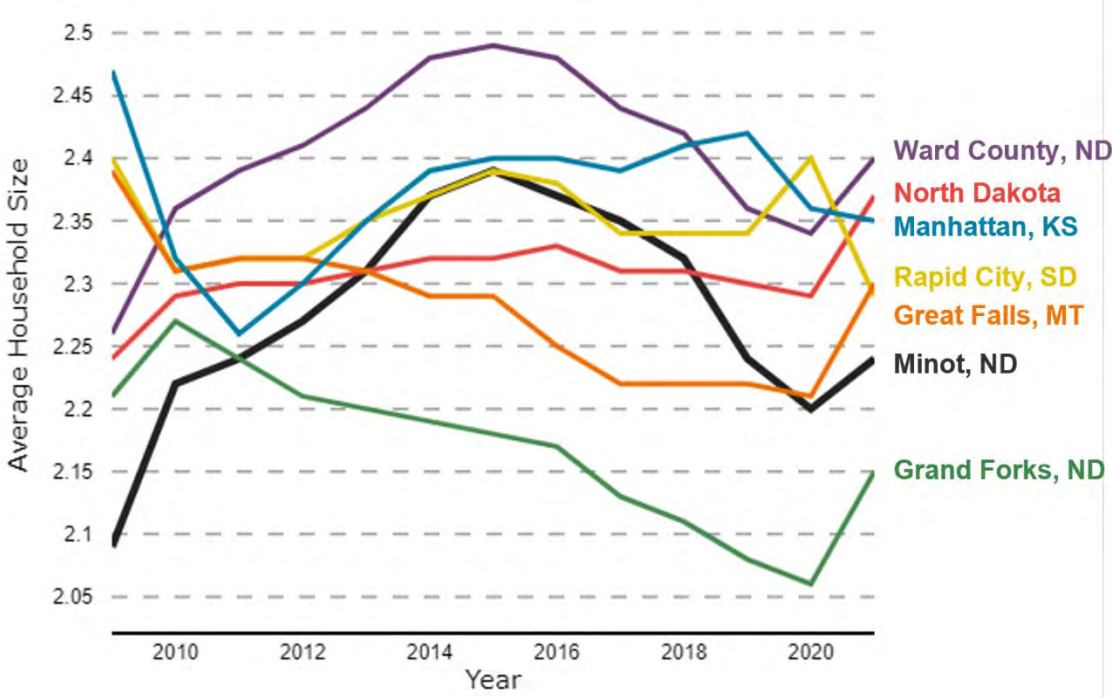
Source(s): ACS, 5 year estimates, 2009-2021

Minot's population is rooted in younger, working age households

Again, Minot's population is in the middle between a 'College' town that contains more cohabitating younger persons and people living alone, and more trade-oriented regional centers that have higher proportions of 'empty nesters'. Minot also tends to have higher rates of households with children for an urban center, although more live outside Minot in Ward County.

Household Structure by Household Type
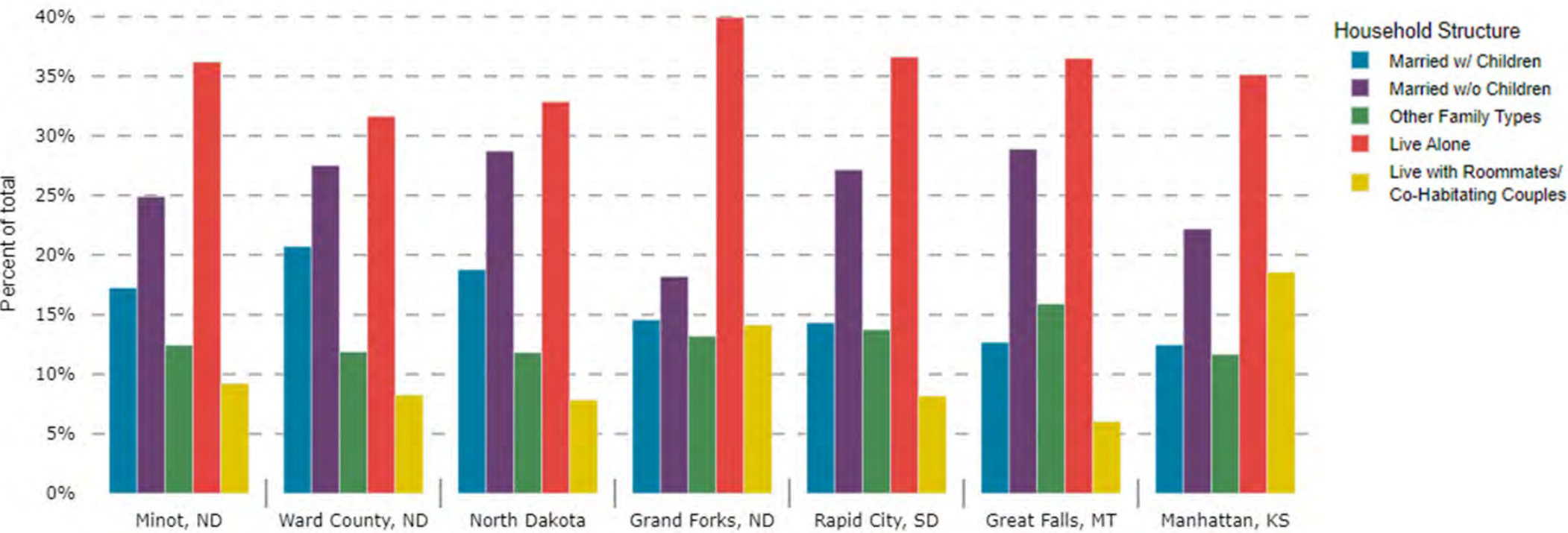
Source(s): ACS, 5-year estimates, 2021

More Cohabitating Households

The flood and the oil boom both may have impacted family structures. In Minot, the fastest growing family structure are people cohabitating (living with others), or living alone. Many younger workers and military personnel may prefer room-sharing to save on housing costs, while the flood may have driven more families to cohabitate. The trend stabilized, however by 2014.

Trends in Household Structure
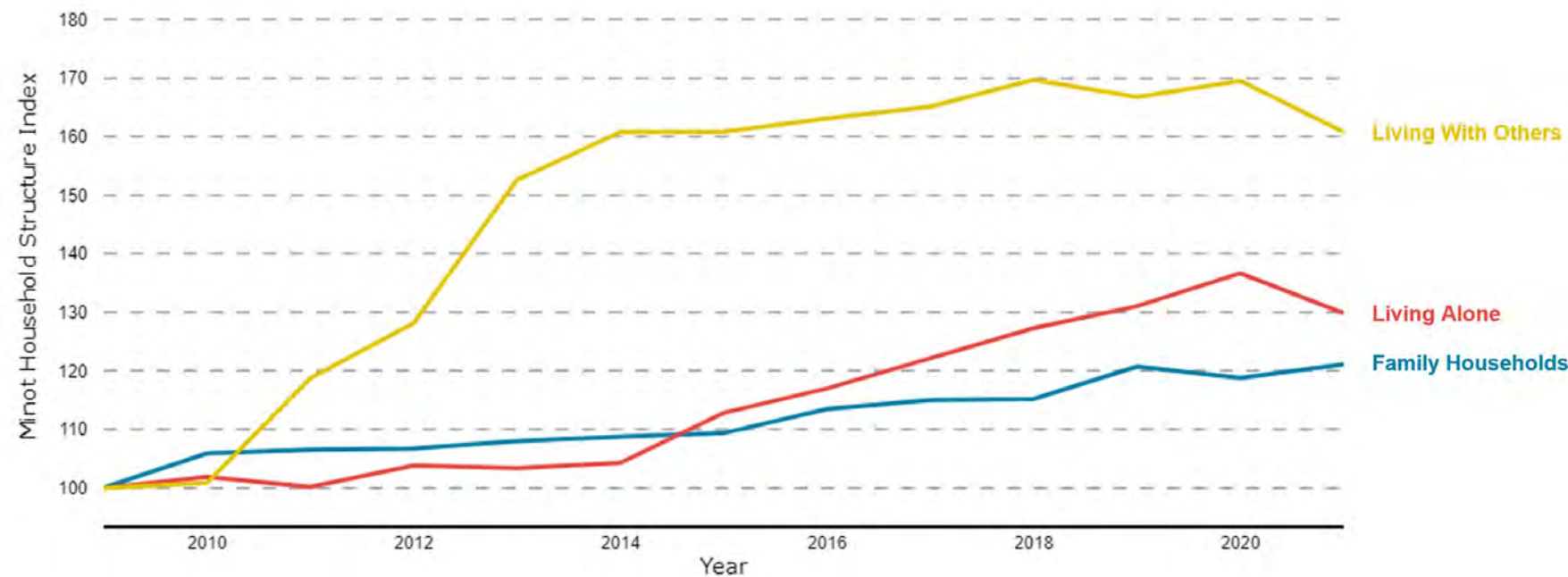
Minot contains higher proportions of middle and upper-middle income households

Household incomes are higher in Minot than the comparison cities. The balanced distribution derives from the higher proportion of blue collar and healthcare occupations that pay middle to upper-middle incomes (a consequence of a lower proportion of lower-income college students, or less dependence on low wage new economy industries than comparison cities).

Household Income by Income Bracket
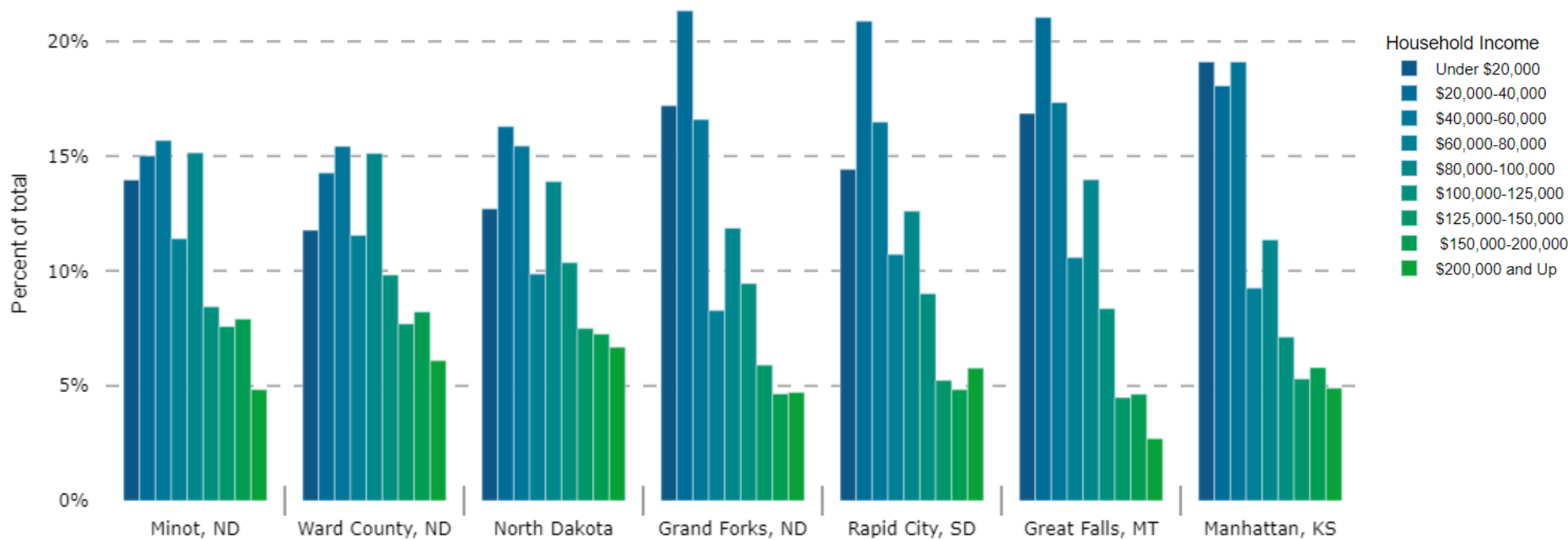
Household income growth is robust and higher than comparison cities

Household incomes are on par with the North Dakota average, with wages heavily influenced by the oil and natural gas sectors. Median household incomes are higher on average than comparable cities.

Median Household Income
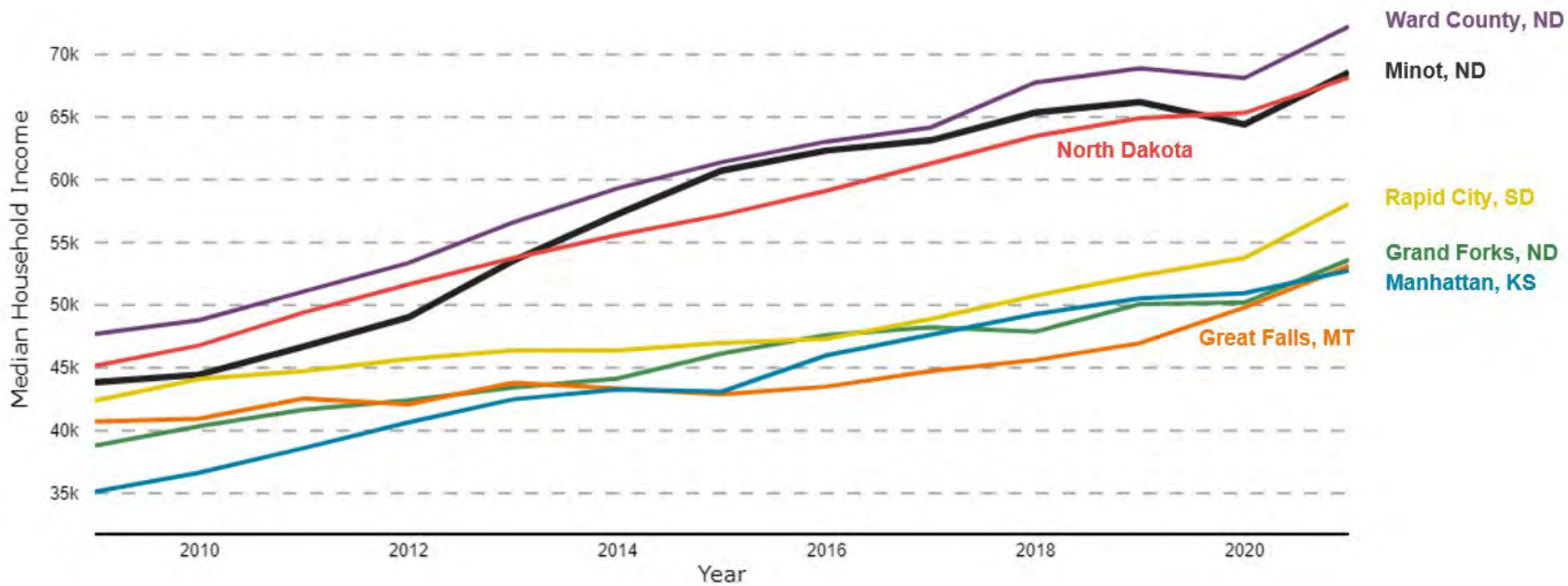
Median Household Income

Household incomes are highest in single-family neighborhoods adjacent to downtown, and in newly build single-family subdivisions on the periphery. Higher concentrations of lower income households live downtown and extending along Highway 2 east of town.

City of Minot Housing Needs and Market Analysis
Notes
1. Coordinate System: NAD 1983 StatePlane North Dakota North FIPS 3301 Feet
2. Background: ESRI
3. Data Source and Description: US Census ACS 5-yr estimate 2021

Median Household Income

	$0 - $25,000
	$25,000 - $50,000
	$50,000 - $75,000
	$75,000 - $100,000
	> $100,000
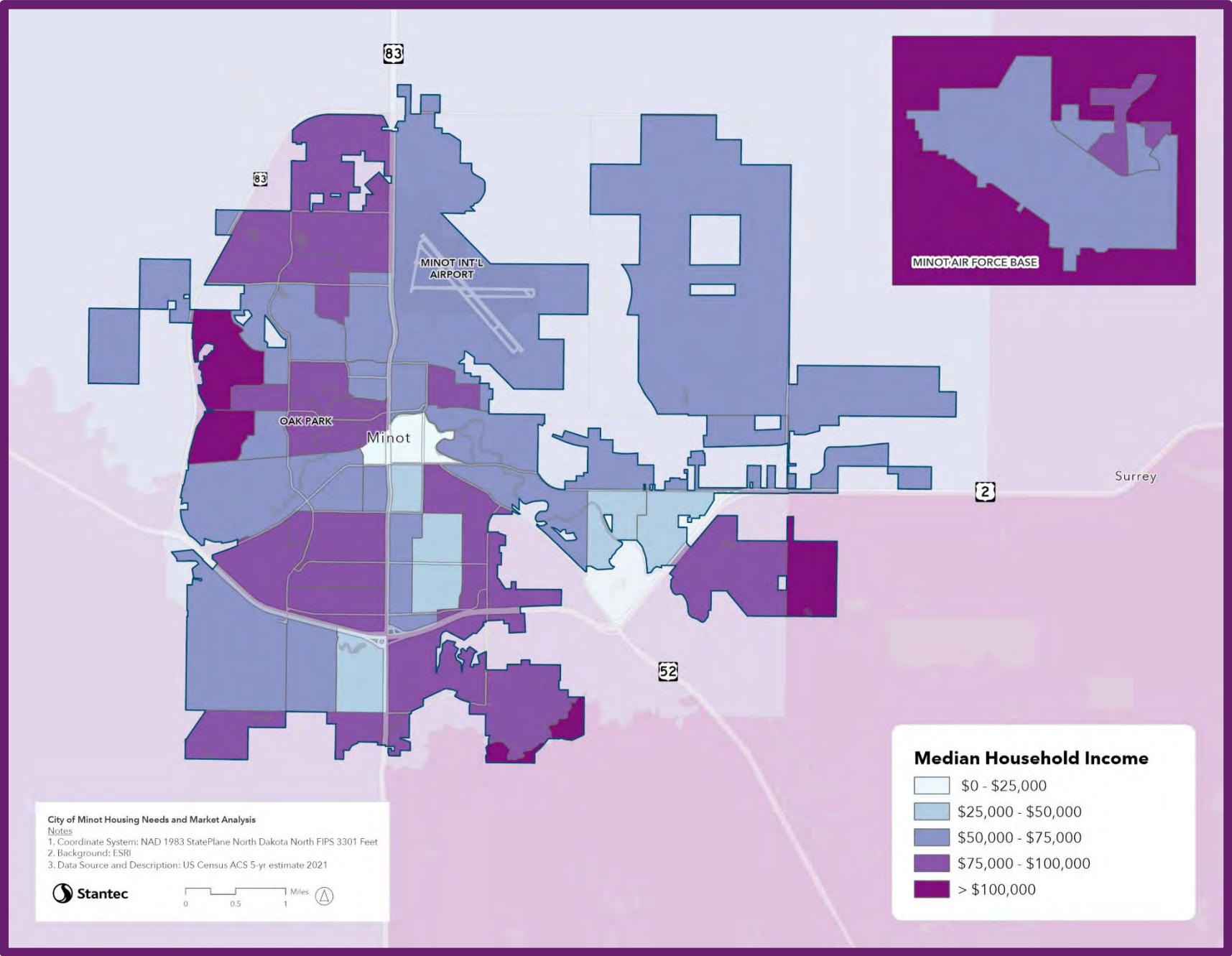
Source(s): ACS, 5-year Survey, 2021

Homeownership Rates are higher for younger households, but less so for older

Homeownership rates tend to be higher for younger households but lower for older households compared to College towns, whereas the inverse is true compared to 'trading cities'. Homeownership rates have shifted due to the addition of new rental housing to accommodate a growing workforce.

Homeownership by Age Bracket
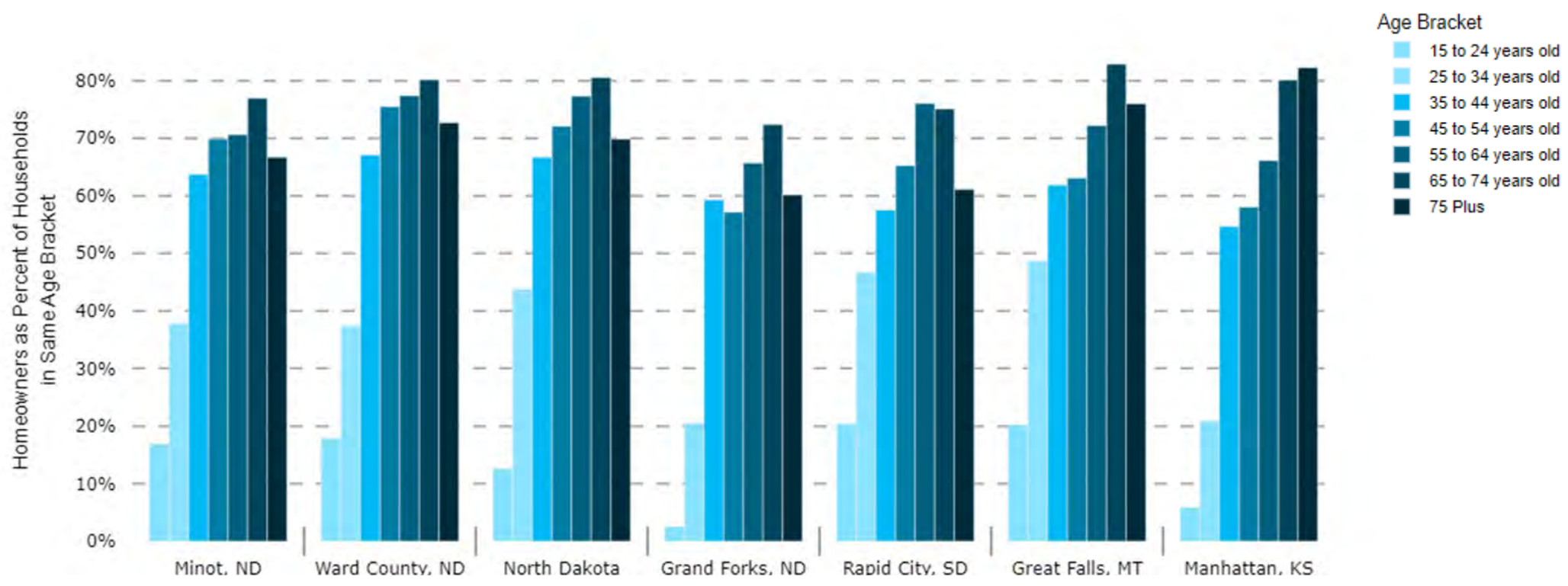
More Households are Renting

Minot's home ownership rate dropped as a wave of multi-family rentals were built in the early to mid 2010s. The growth in the rental market accommodated flood-impacted households and new migrants to the region. Homeownership rates are higher than college town comparison cities.

Home Ownership Rates
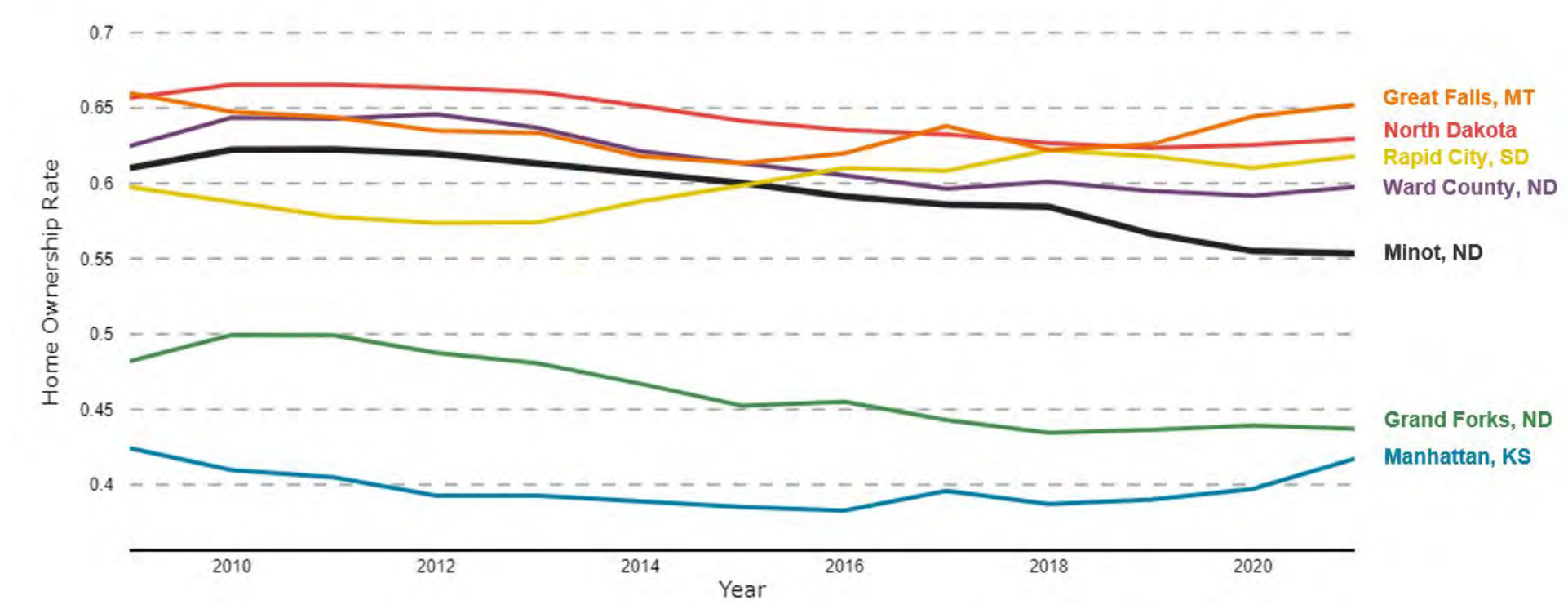
Many are housing cost burdened, but Minot is not unique

Nearly 45% of renter households and 22% of homeowners are housing cost burdened—meaning they pay more than 30% of their income in rent or home ownership costs. That's a greater proportion than the state of North Dakota as a whole. All of the comparison cities have a higher rate of cost burdened households.

Cost Burdened Households
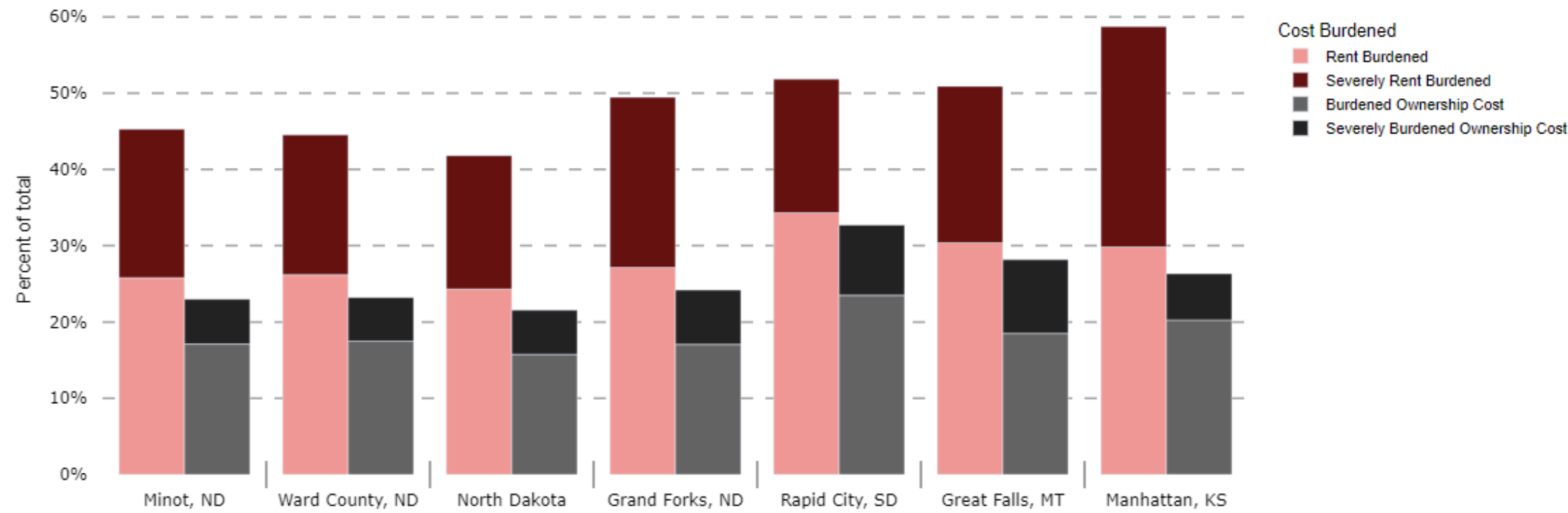
Housing costs are increasing significantly faster than incomes

The growth in rent burdened households dropped peak-boom but has since increased. This corresponds to a plateauing of median income growth even as median rents continue to climb. Rents have more than doubled since 2009 while incomes have increased by about 60%.

Rent Burdened Index

Rent and Home Value Growth Relative to Incomes
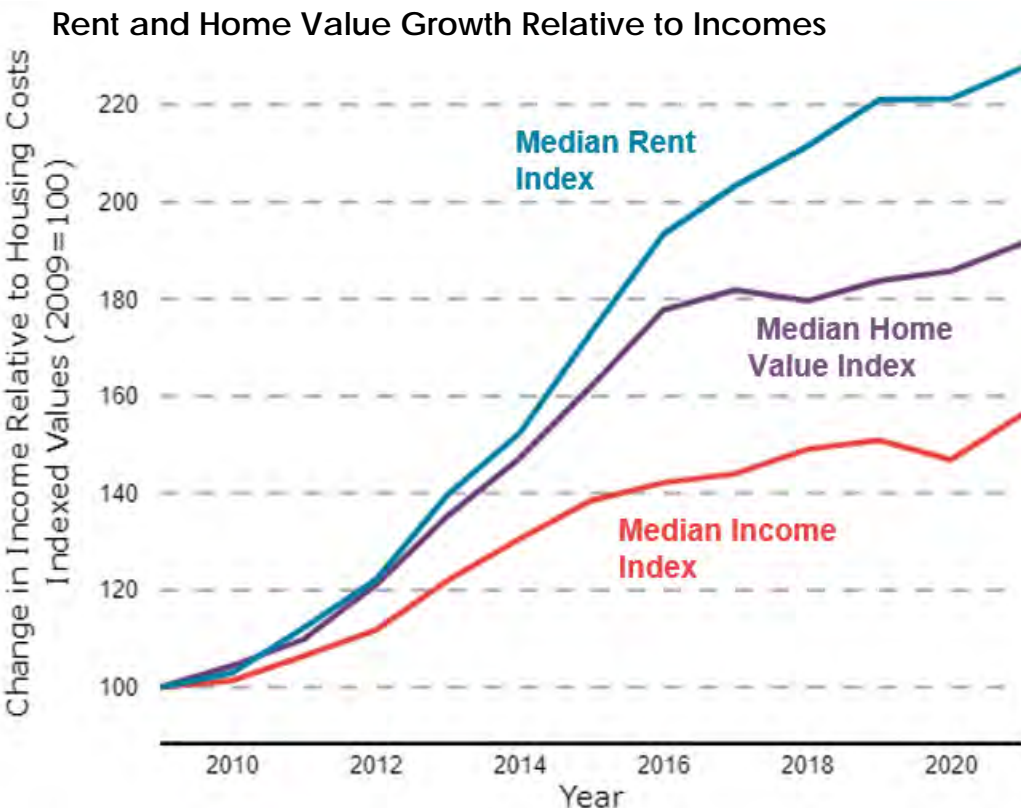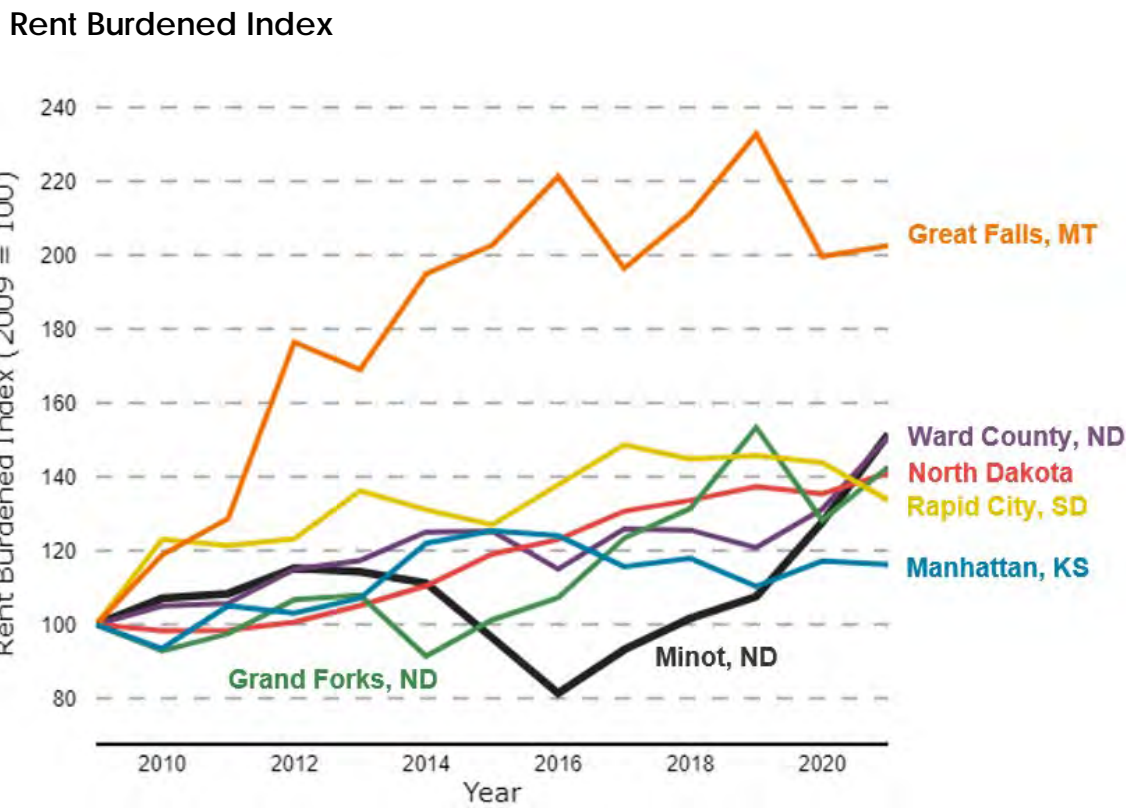
Source(s): ACS, 5-year estimates, 2021

1. **Young adults are overrepresented in Minot.** The air force base is the most important reason for that.

2. **Educational attainment** is a bit lower than average for North Dakota, but **median incomes** are on par with the state as a whole.

3. **Home ownership rates** are a bit lower the state as a whole, in part due to apartment construction during the most recent oil boom.

4. **Housing cost burdens** are experienced by many Minot households—that is, they pay more than 30% of their income on housing related costs—and the proportion of cost burdened households has significantly increased since 2016 as incomes have not kept pace with housing costs.

04
MARKET INDICATORS

Minot's residential construction boom was balanced between multi-family and detached single family homes

Minot's housing construction is far outpacing the broader region and comparative cities. Since 1980, development is concentrated in detached single-family homes and multi-family. Both jumped precipitously with the boom in the late 2010s, with multi-family since stabilizing.

Units Built Index
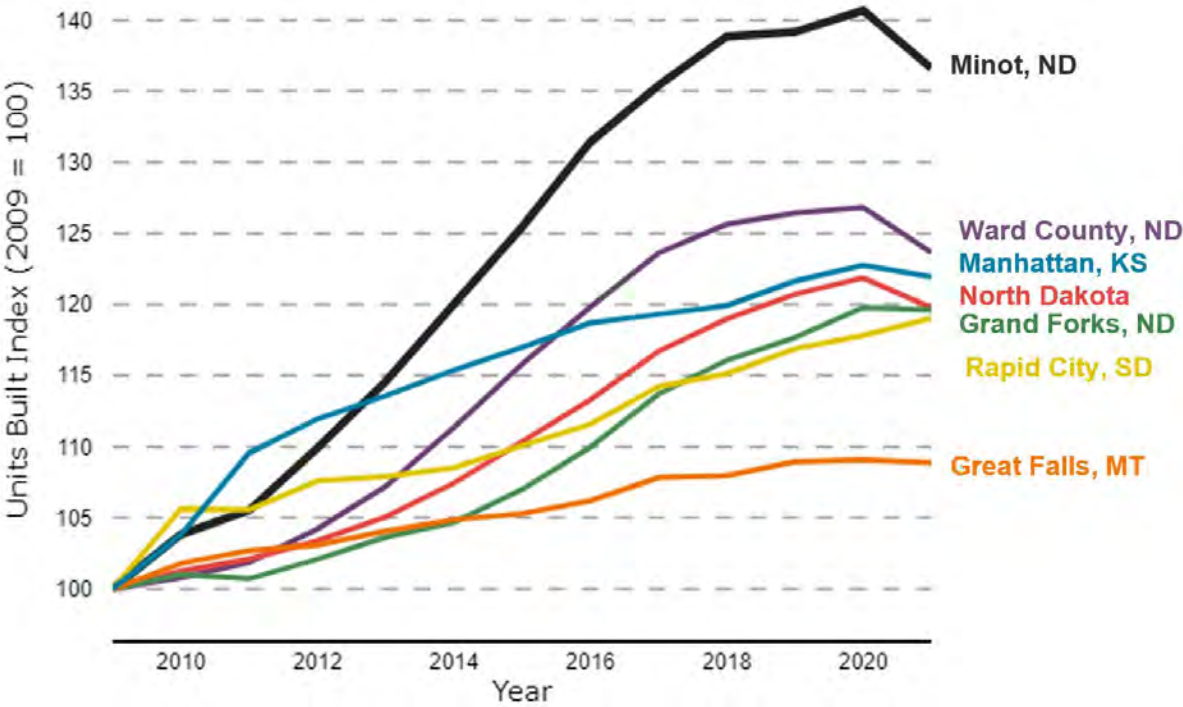
Minot Housing Units Built by Type Since 1980
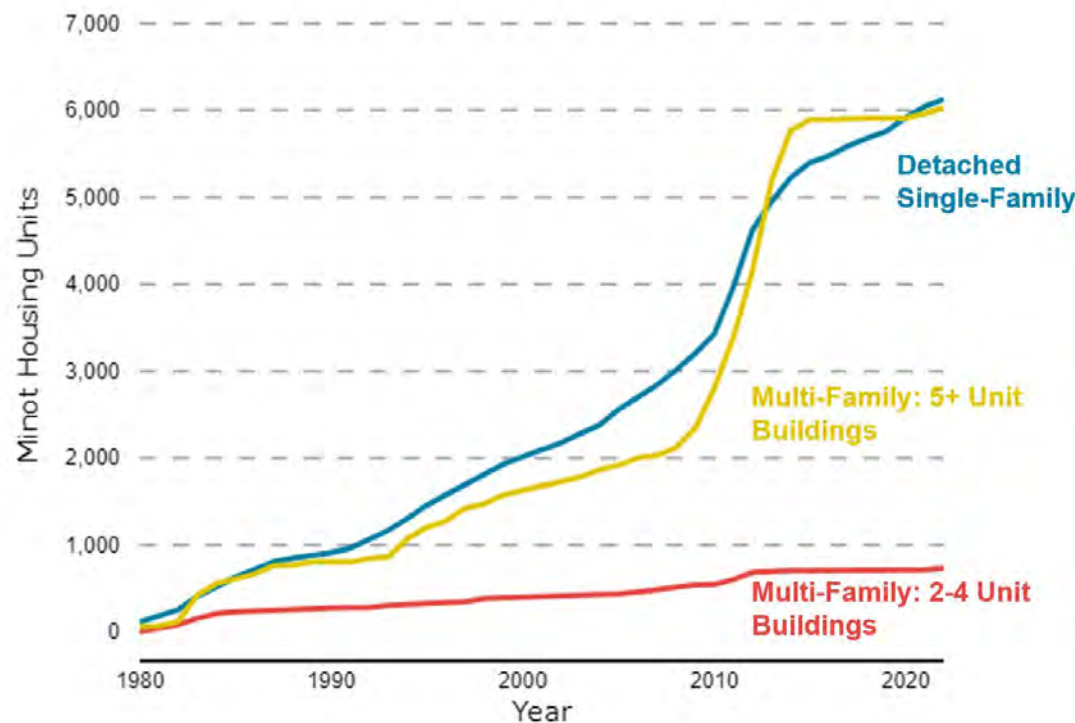
Source(s): ACS, 5-year estimates, 2009-2021; SOCDS Building Permits Database, Ward County

Change in Housing Units

Minot's development landscape is complex. The 2011 flood damage included over 4,100 homes flooded, 3,100 of which were demolished. Of that inventory, 2,360 were rental units. The loss of rental units occurred right as the city needed units to absorb in-migration. Undersupply drove rental increases. The flood impacted the city's older, historic housing infrastructure.

Meanwhile, single-family and multi-family growth was robust in newer suburban areas in the northwestern and southeastern quadrants of the city.

Change in Housing Units, 2013-2019

Number of Units
- (-) > 550
- (-) 0 - 550
- (+) 0 - 500
- (+) 500 - 1,000
- (+) > 1,000

City of Minot Housing Needs and Market Analysis
Notes
1. Coordinate System: NAD 1983 StatePlane North Dakota North FIPS 3301 Feet
2. Background: ESRI
3. Data Source and Description: US Census ACS 5-yr estimate 2021
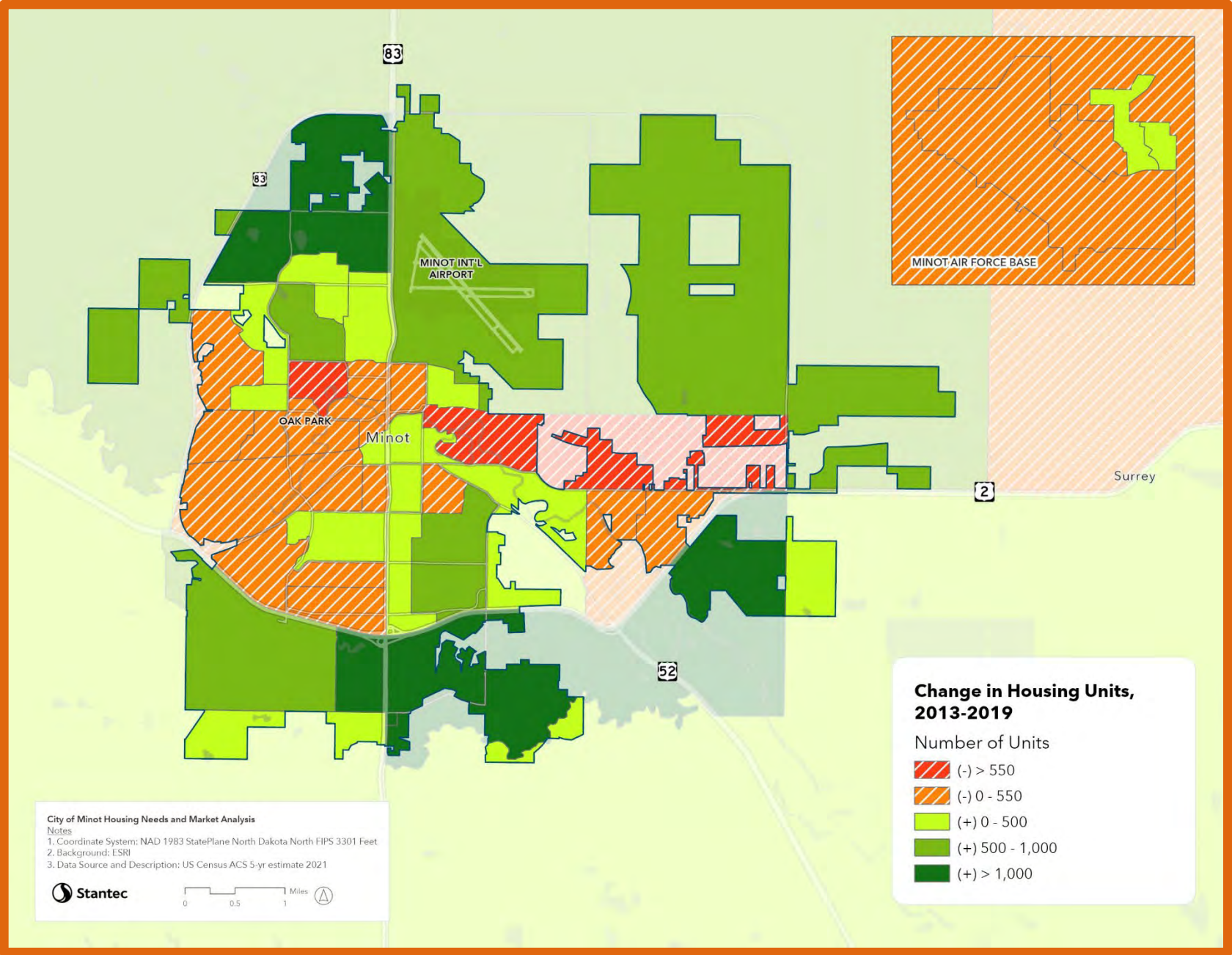
Source(s): ACS, five-year survey, 2013 and 2019

Vacancy rates spiked after the floods, but remain high

Vacancy rates - as measured by the ACS – rose drastically following the flood. The ensuing map demonstrates the role of the flood in elevating rates. The growth in vacancy rates was driven by the 'Sold: not Occupied' category, which includes homes owned but no longer fit to be occupied. Vacancy rates remain elevated due to rise in the 'Other Vacant' category.

Vacancy Rate
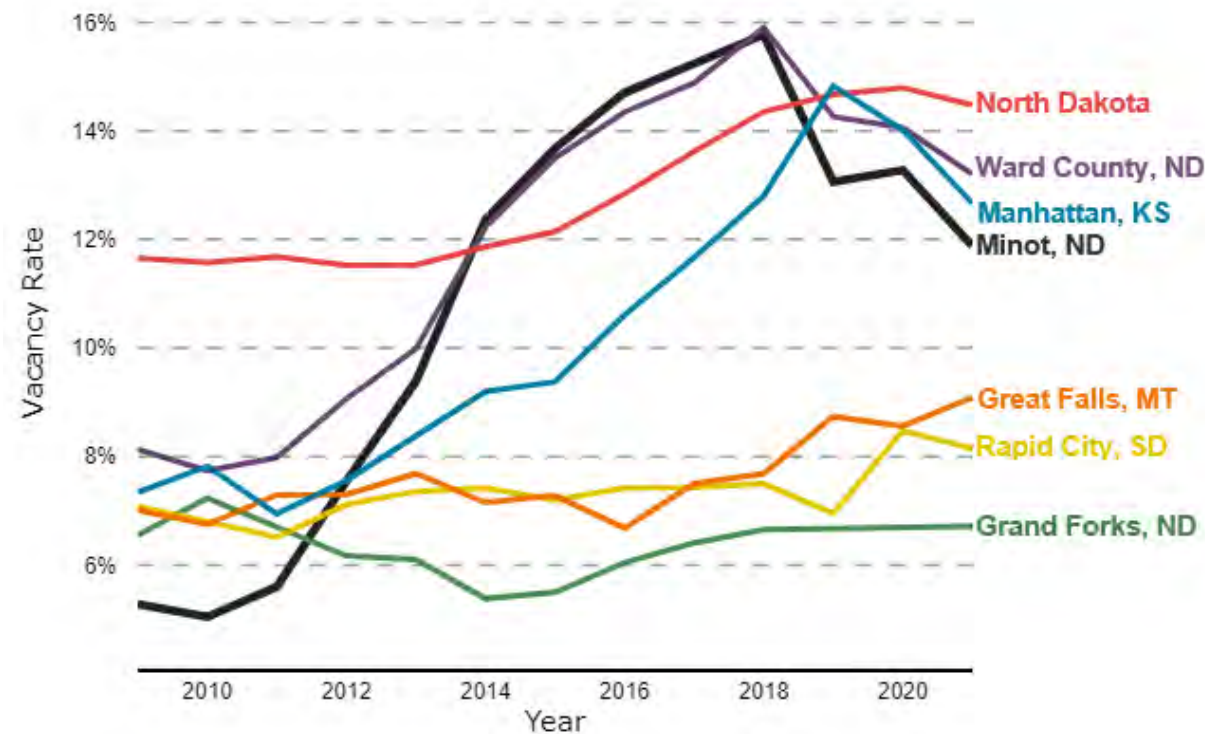
Vacancy rates are a composite of numerous types of vacancy. "Market Rate" vacancies are typically units for rent or for sale. A healthy "equilibrium" market vacancy rate is generally considered 5% for both ownership and rental markets.

Below 5% vacancy, and inventory is constrained, putting upward pressure on prices. Landlords are also less inclined to improve properties. Sustained rates below 5% send market signals to invest in new development.

Above 5%, and landlords may have difficulty filling units, leading to lower or declining prices, and an incentive to increase the quality of units, in order to compete for tenants. Sustained high vacancies can lead to under- or dis-investment.

Source(s): Zillow, ZHVI Cuts by Metro, extracted 10/1/2023

Vacancy

Minot's flood impacted ranges are still a primary driver of vacancy. Immediately after the flood, the increase in vacancy rates were driven by "Sold: Not Occupied" counts, or units that were inhabitable due to the flood. As oil prices dropped, however, market rate vacancies spiked as landlords had trouble filling units and more homes were put up for sale. As oil prices recovered, market vacancy rates dropped below 5%. However, vacancy rates as a whole remained propped up by the "Other: Vacant" category which includes uninhabitable homes. The higher rates of vacancy are clearly along the floodplain.

Higher rates of vacancy also exist in areas where newer apartments were built and in less desirable neighborhoods on the east side. On the other hand, the neighborhoods west of Oak Park remain some of the most desired (and least impacted by the flood), with very low vacancy rate. Unsurprisingly, rents and home values have been strongly appreciating in those neighorhoods.

Housing Vacancy Rate
- 0% - 2.5%
- 2.5% - 5%
- 5% - 15%
- 15% - 25%
- > 25%

City of Minot Housing Needs and Market Analysis
Notes
1. Coordinate System: NAD 1983 StatePlane North Dakota North FIPS 3301 Feet
2. Background: ESRI
3. Data Source and Description: US Census ACS 5-yr estimate 2021
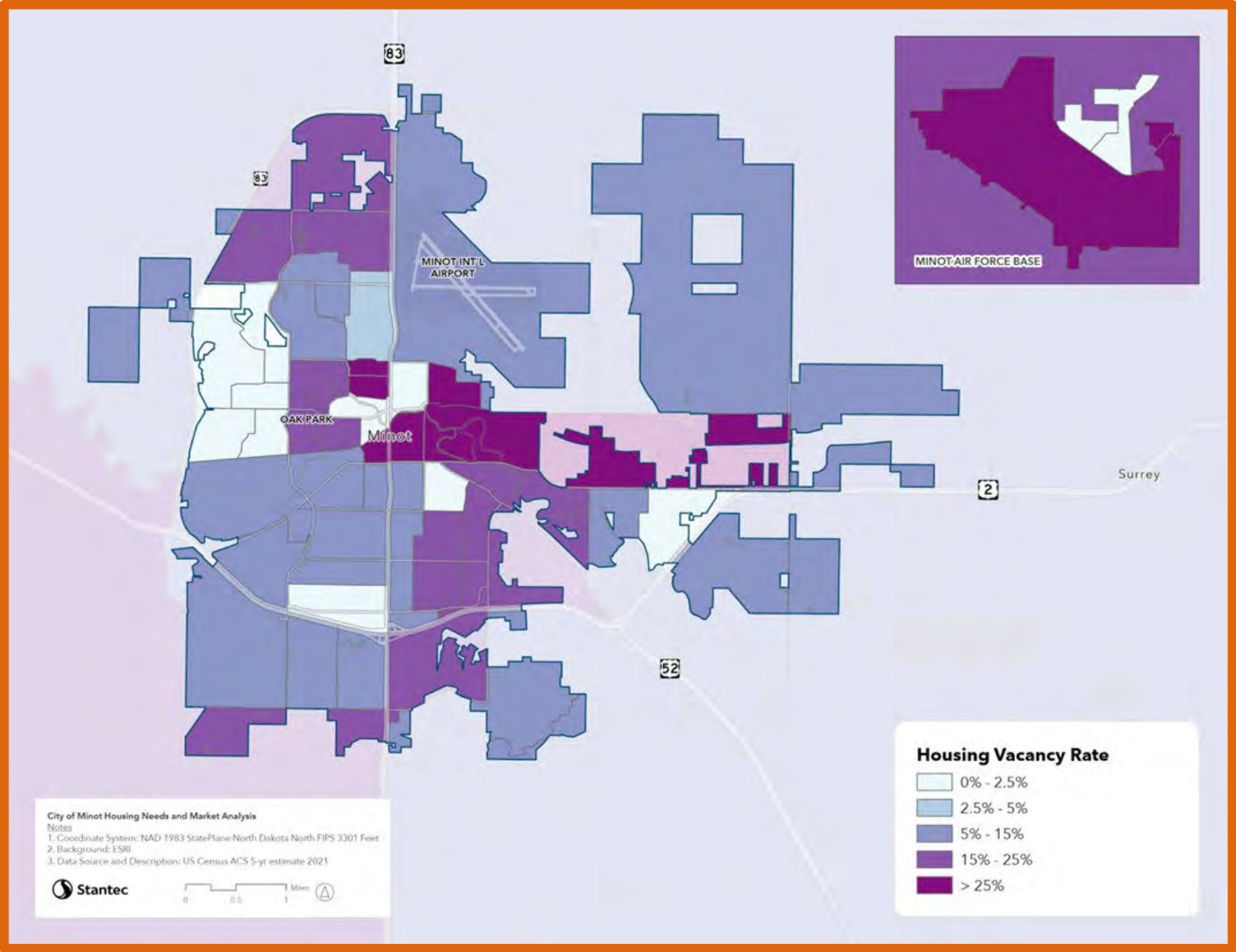
Source(s): ACS, five-year survey, 2013 and 2019

Rents grew during the boom and then stabilized, albeit at higher marks

Rents were very affordable in 2009. Increased demand and undersupply from the flood drove rents up by nearly 78% from 2009 to 2018, with rents eventually stabilizing due to the oil crash and additional supply on the market. However, where home values plummeted more dramatically, rents have remained elevated, signifying some longer-term shifts towards renting.

Median Gross Rent
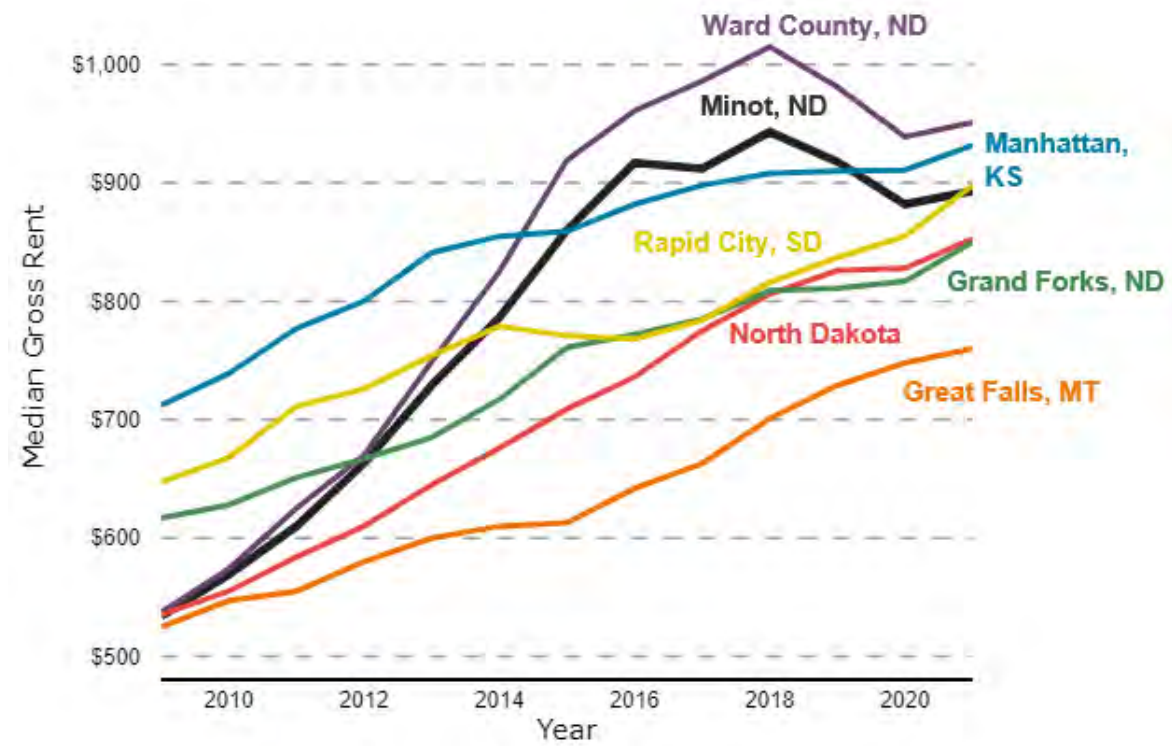
Median Rent Index
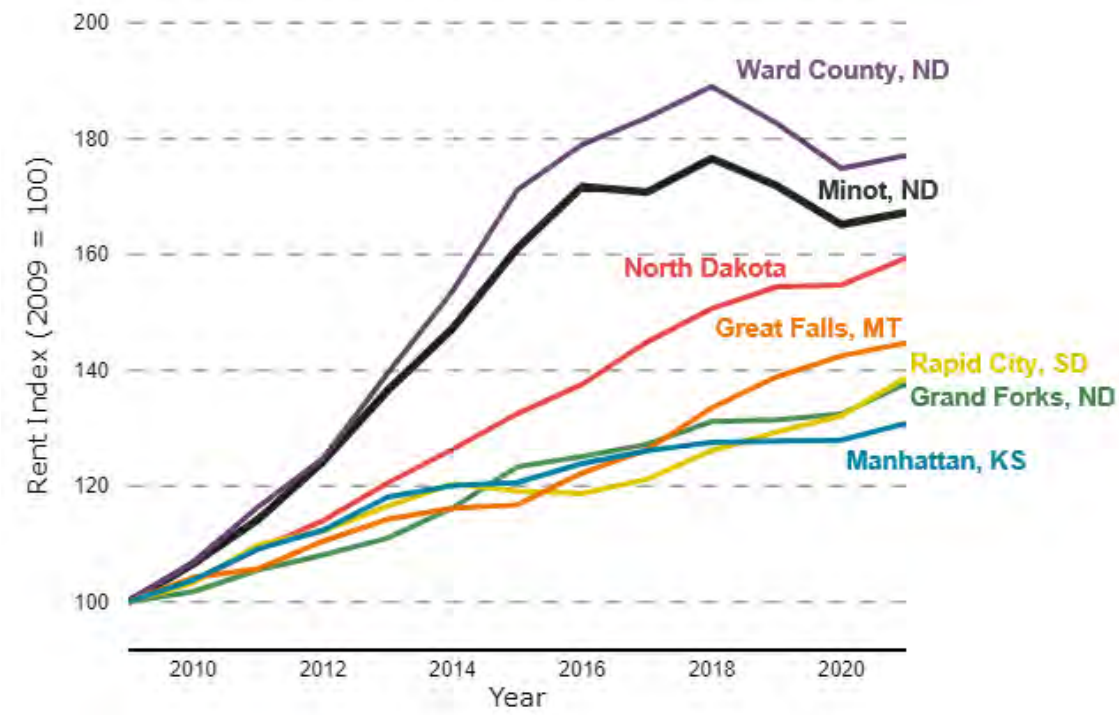
Source(s): Zillow, ZHVI Cuts by Metro, extracted 10/1/2023

As comparisons allow, the ZORI index shows rents are comparatively low despite recent growth

Zillow's Observed Rent Index offers another view of current rent trends—factoring all of Minot's rental listings. In this analysis, average rents in Minot have increased by around $135 per month since 2021 — an increase of around 16%. Median rents rapidly increased in Rapid City and Great Falls over the same time period.

Zillow Observed Rent Index (ZORI)
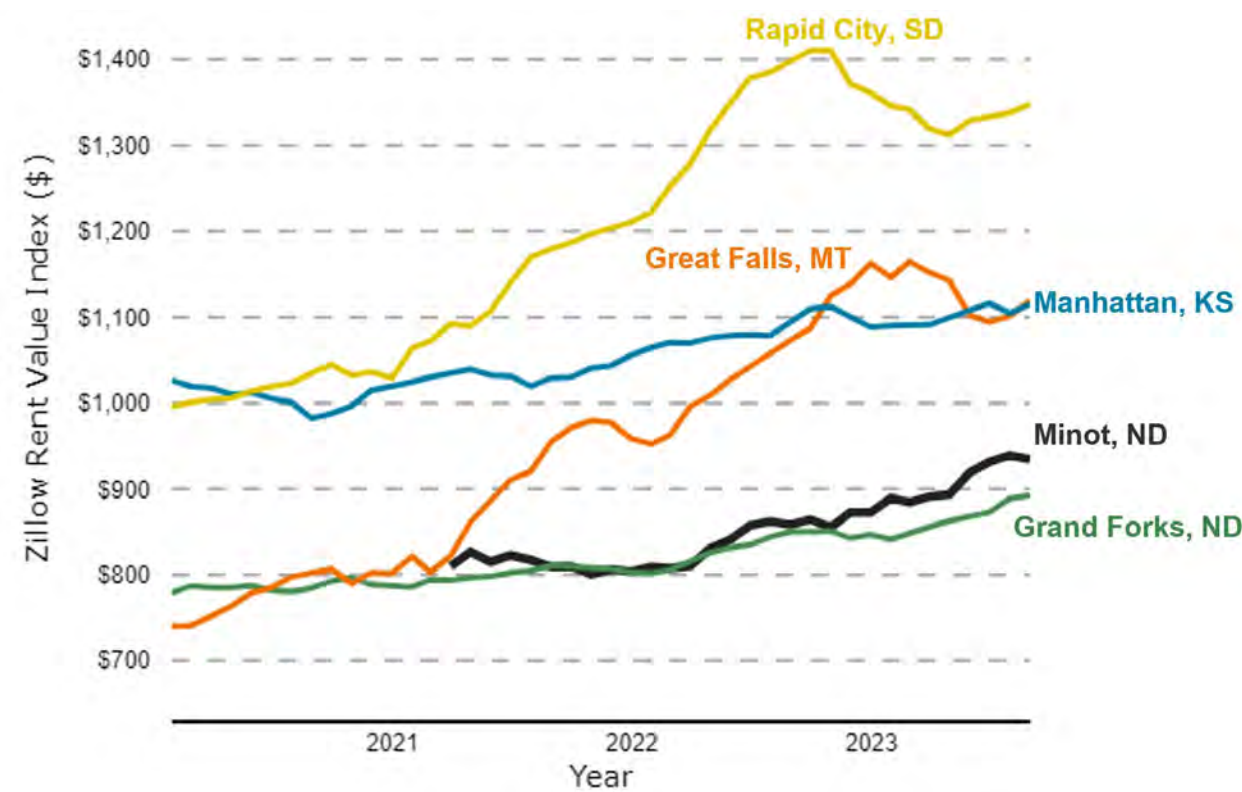
Zillow's rent index includes a more diverse range of housing types than CoStar. CoStar focuses on large multi-family rental complexes, whereas Zillow includes more single-family, duplex, and triplex rental properties in its 'repeat value index' model.

The difference, here, illustrates how market rents tend to be higher in multi-family buildings compared to more independent landlords who tend to own and manage single family homes, duplexes, triplexes, and smaller multi-family complexes. Zillow's data is more current than ACS data, and shows how rental increases have again trended upwards since 2021 (where the ACS survey ends).

Source(s): Zillow, ZORI Smoothed Observed Rent Index for All Housing Types. Data available for Minot beginning in 2Q 2021.

A second burst in rent prices corresponds with a lack of inventory

Rents dropped precipitously when new well starts halted. However, as well starts recommenced and the industry again expanded output, new inventory has not kept pace, leading to 4-6% year-over-year rent growth. Average asking rents per unit have increased from $860 per unit to over $1,000 since 2018.

Multi-Family Rent Growth

Costar is a comprehensive database of commercial properties. It tracks a range of housing market metrics and commercial descriptors. In the housing market, it is strongest at tracking larger multi-family, market rate rental buildings. It does not track single-family homes for rent, duplexes, triplexes, or smaller/older multi-family complexes. In Minot, it fails to capture some of the older apartment stock that was destroyed during the flood, while, on the other hand, it does capture the more recent apartment developments since the oil boom.

It is useful to triangulate data from Costar with other data sources to get a more comprehensive understanding of the market.

Source(s): CoStar

Multi-Family rental units expanded greatly during the early 2010s

The multi-family rental stock nearly doubled since 2010, with strong market absorption. As oil field growth halted in 2016, so did new development. However, as mining rekindled growth in the late 2010s, the housing market has been slow to respond with new market rate inventory, putting upward pressure on rents.

Multi-Family Delivered and Absorbed Units
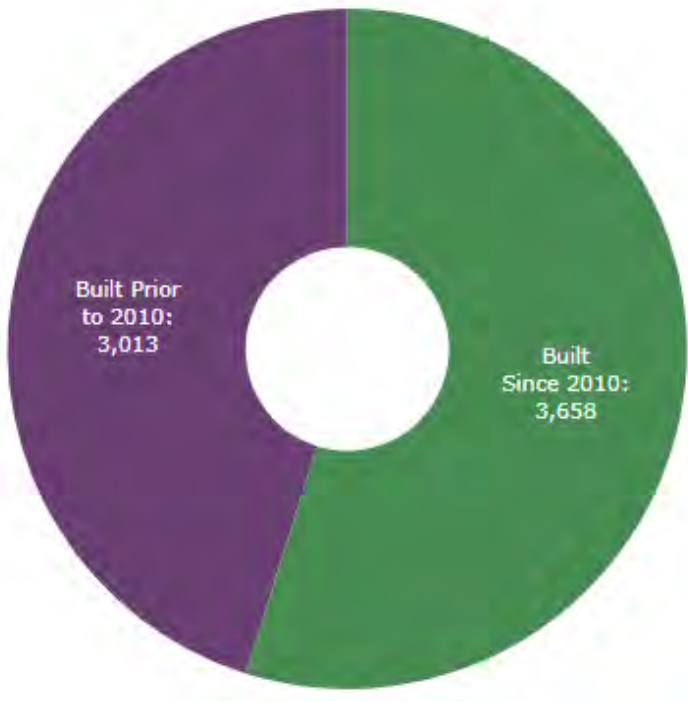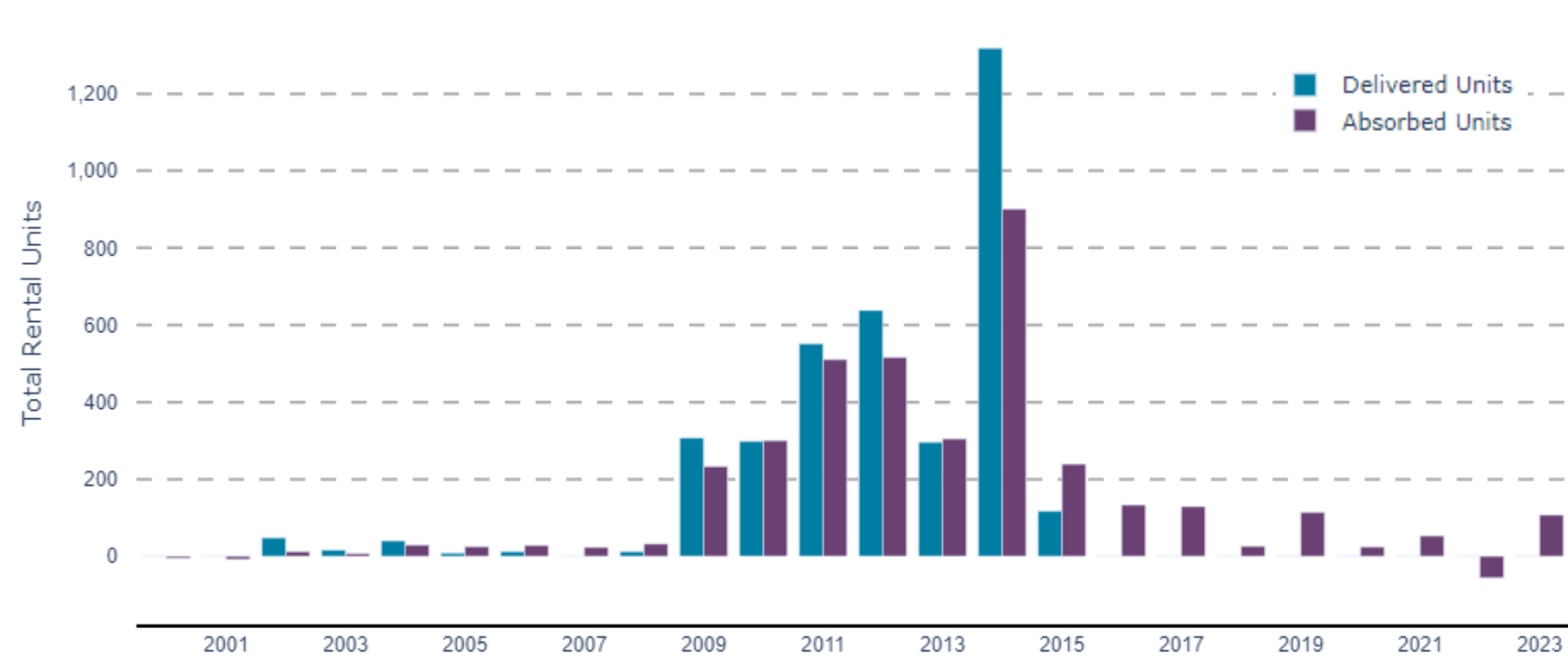
Lack of recent development is driving up rents due to undersupply

Rapid creation of new inventory in the early 2010s helped absorb new demand, putting less pressure on the apartment market. The oil industry crash drove vacancy rates above 10%, driving down rents. Since 2019, the recovery of oil extraction and broader macroeconomic factors have caused rental vacancy to drop to below 5%, driving up rents.

Multi-Family Rent Growth
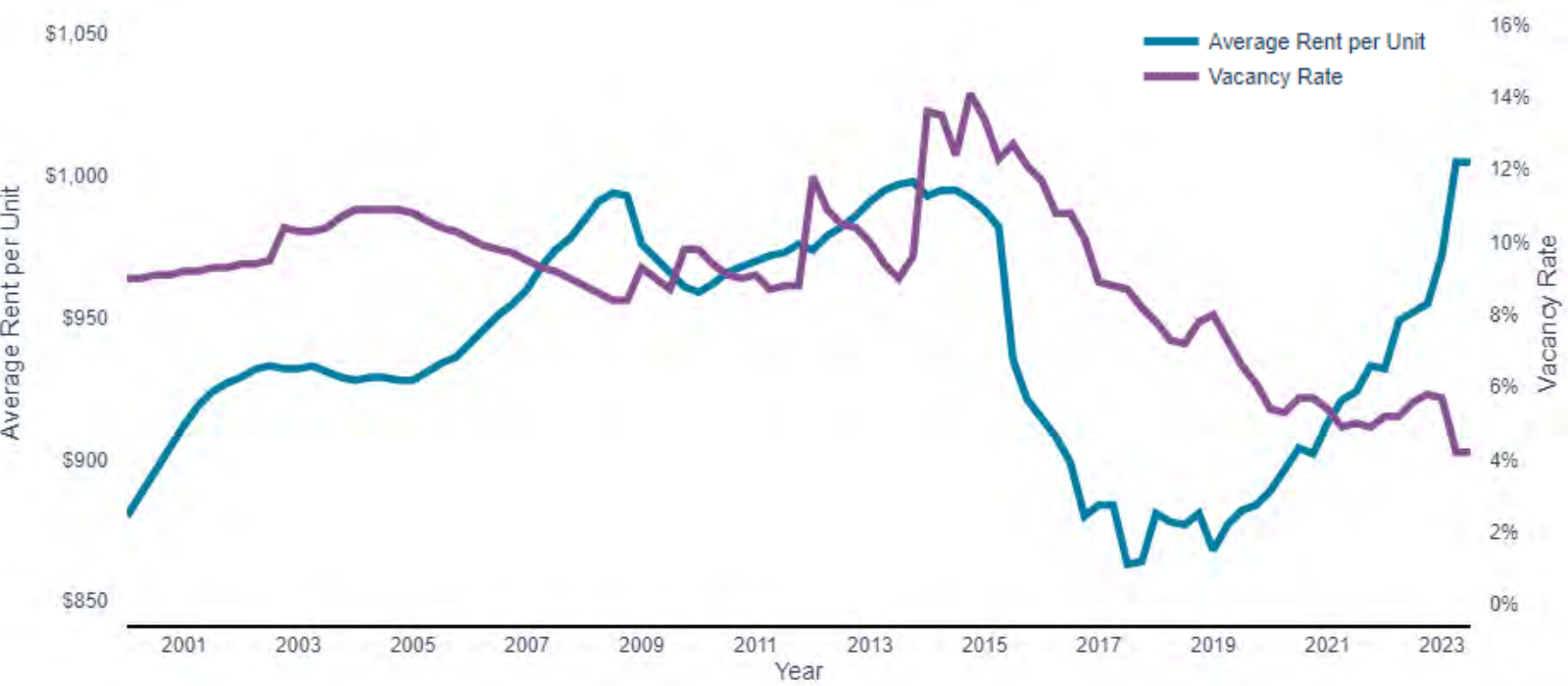
Costar rent tracking shows different trends from the ACS data. By asking people what rent they pay, the ACS captures a wider diversity of renters (affordable housing, section 8, single-family homes and plexes). During the flood, the destruction of rental units was acute. The units destroyed included older, more affordable housing types and more informal renting relationships between smaller landlords and tenants. The displacement of people from more affordable units into the more formal rental market would increase market exposure, rapidly driving up the median rent people pay, despite the 'average market rate apartment rent' – as depicted here – remaining between $850-1,000.

Source(s): CoStar

Rents are highest for single-family homes and condos, with mobile homes also desirable

Multi-family apartment buildings have the lowest median rent, whereas single family homes and condos tend to rent at higher prices. Where many smaller plexes and condos may have current renters at lower rents due to friendly landlords, the value here is the market rent. Given turnover is high and landlords are profit-maximizing, most renters are exposed to market rate rents.

Rent by Building Type
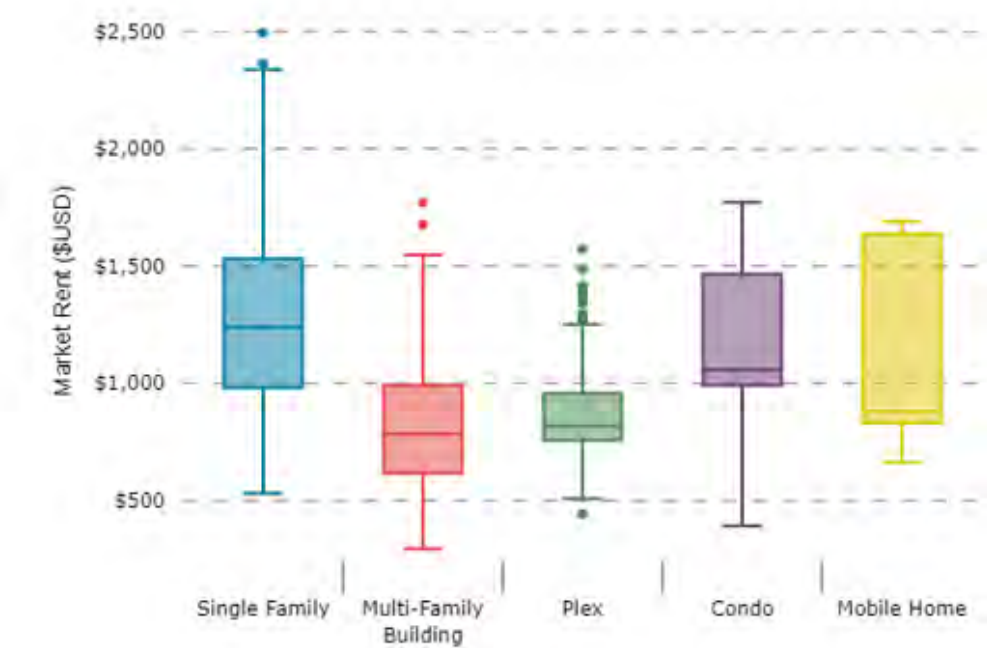
The market rate rental data on this slide and the next are derived from Stantec's rent prediction model. The rent prediction model is trained on existing market-rate rents. These rents are 'scraped' from a range of different online listing sites and joined to the assessor's parcel dataset that contains descriptions of each property, including its age, living area, land area, assessed values, number of bedrooms, etc. The model incorporates building attributes and neighborhood attributes (zip code, median household income, etc) to then predict rents. The result is an estimated or ground-truthed rent prediction for each property in Minot.

Here they are aggregated by different attributes into box plots. A box plot visualizes distribution, with the bottom bar indicating the bottom range, the first bar of the box indicating the 25th percentile, the middle line the median (or 50th percentile), the top of the box the 75th percentile, and the top line the maximum values (outliers are excluded and visualized with the dot, with outliers being 3 standard deviations or more from the median value).

Rents in older buildings do not command a premium, while three to four-bedroom units do

A substantial premium exists for larger apartment units, perhaps a consequence of their limited supply and increased demand for space amidst the pandemic. Newer units have a relatively modest price premium compared to housing stock built in earlier decades.

Rent by Bedroom Size

Rent by Year Built

Source(s): Stantec Rent Model, with data sourced from Apartments.com, Padmapper, Bisman Online, Zillow, Costar, and Ward County Assessor Data
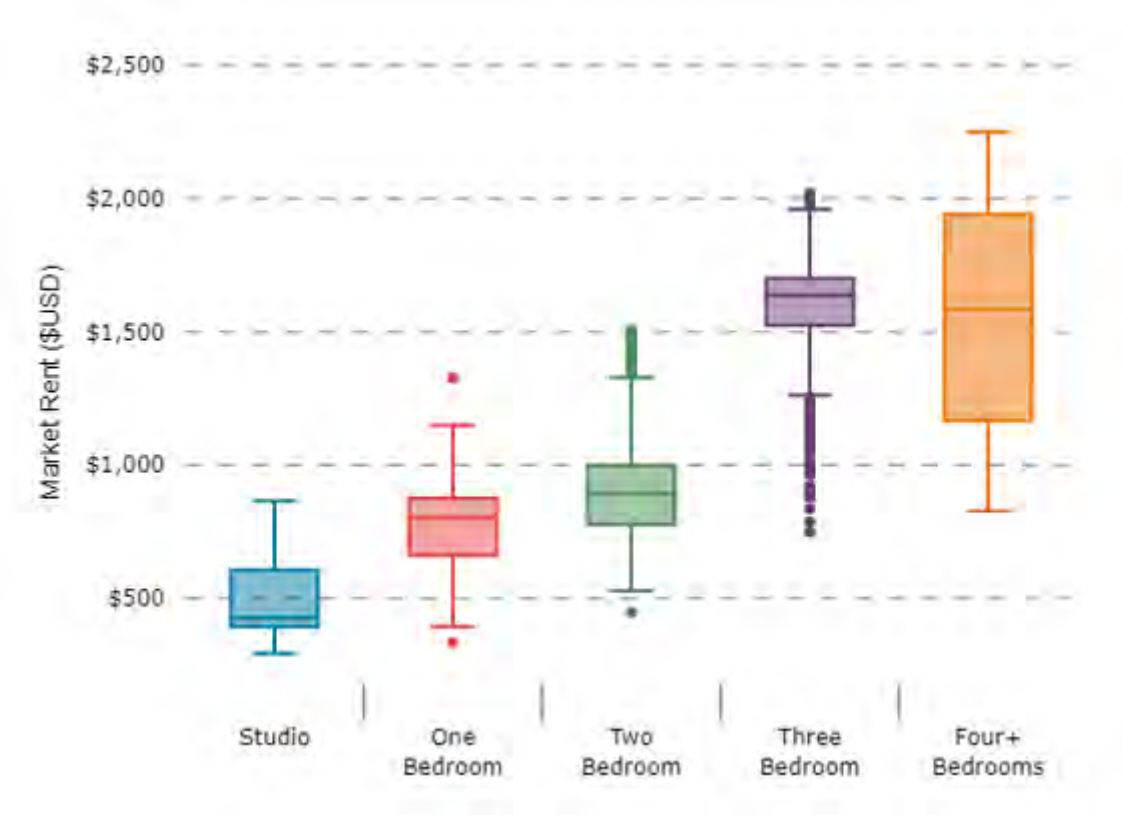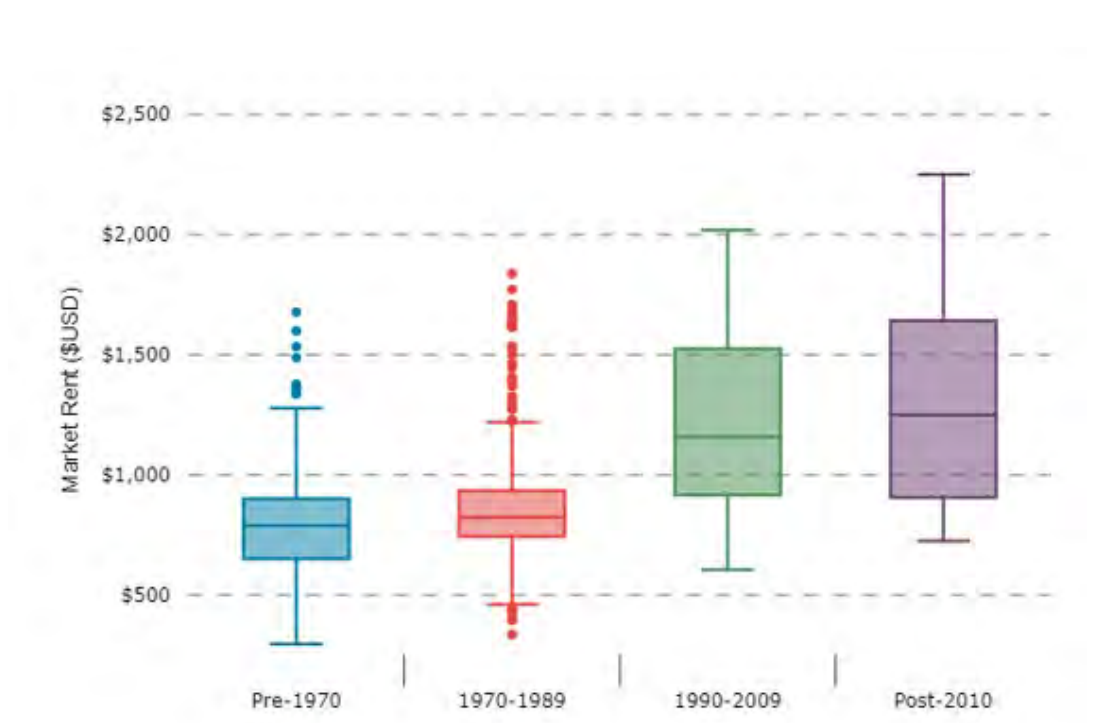
Median Rents: 2021

Minot's development landscape is complex. The 2011 flood damage included over 4,100 homes flooded, 3,100 of which were demolished. Of that inventory, 2,360 were rental units. The loss of rental units occurred right as the city needed units to absorb in-migration. Undersupply drove rental increases. The flood impacted the city's older, historic housing infrastructure.

Meanwhile, single-family and multi-family growth was robust in newer suburban areas in the northwestern and southeastern quadrants of the city. New construction biased housing.
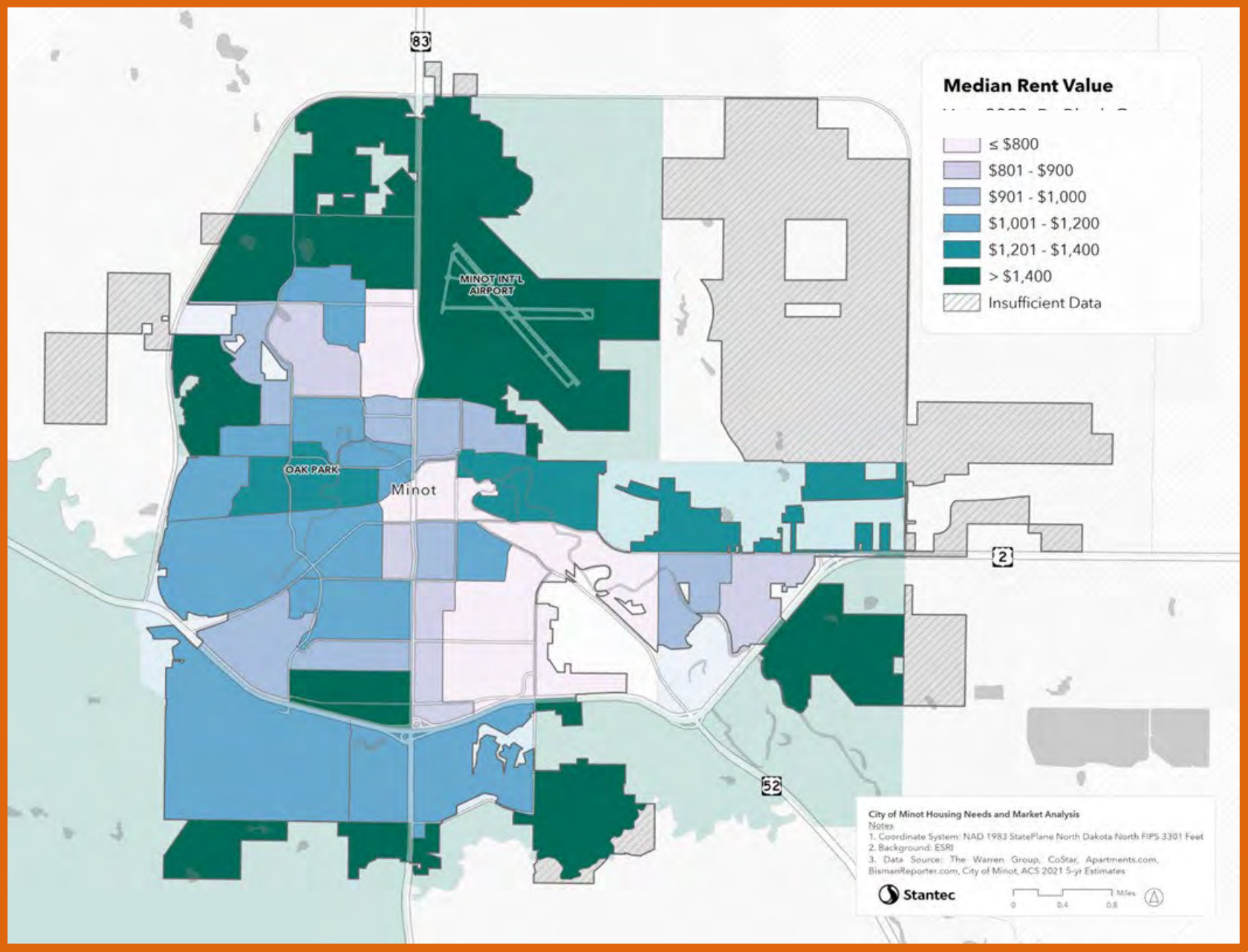
Source(s): ACS, five-year survey, 2013 and 2019

Change in Rents

Change in rent in this analysis is calculated as the ratio of the estimated market rate rent of apartments in 2023 from the ACS median rents in 2013. That generates a different that is likely to be greater than the actual change in rents – since the ACS estimate of rents tends to be below market rate.

Nonetheless, some patterns are evident. Many of Minot's historical neighborhoods and less desirable residential neighborhoods have seen only modest rent hikes, whereas much of the new construction – especially north by the airport and by retail on the southwestern side – have seen more substantial increases.

Change in Median Rent

Percent Change 2013-2023 by Block Group

- ≤ 0%
- 0 - 50%
- 50 - 100%
- 100 - 150%
- 150 - 200%
- > 200%
- Insufficient Data

City of Minot Housing Needs and Market Analysis
Notes
1. Coordinate System: NAD 1983 StatePlane North Dakota North FIPS 3301 Feet
2. Background: ESRI
3. Data Source: The Warren Group, CoStar, Apartments.com, BismanReporter.com, City of Minot, ACS 2021 5-yr Estimates
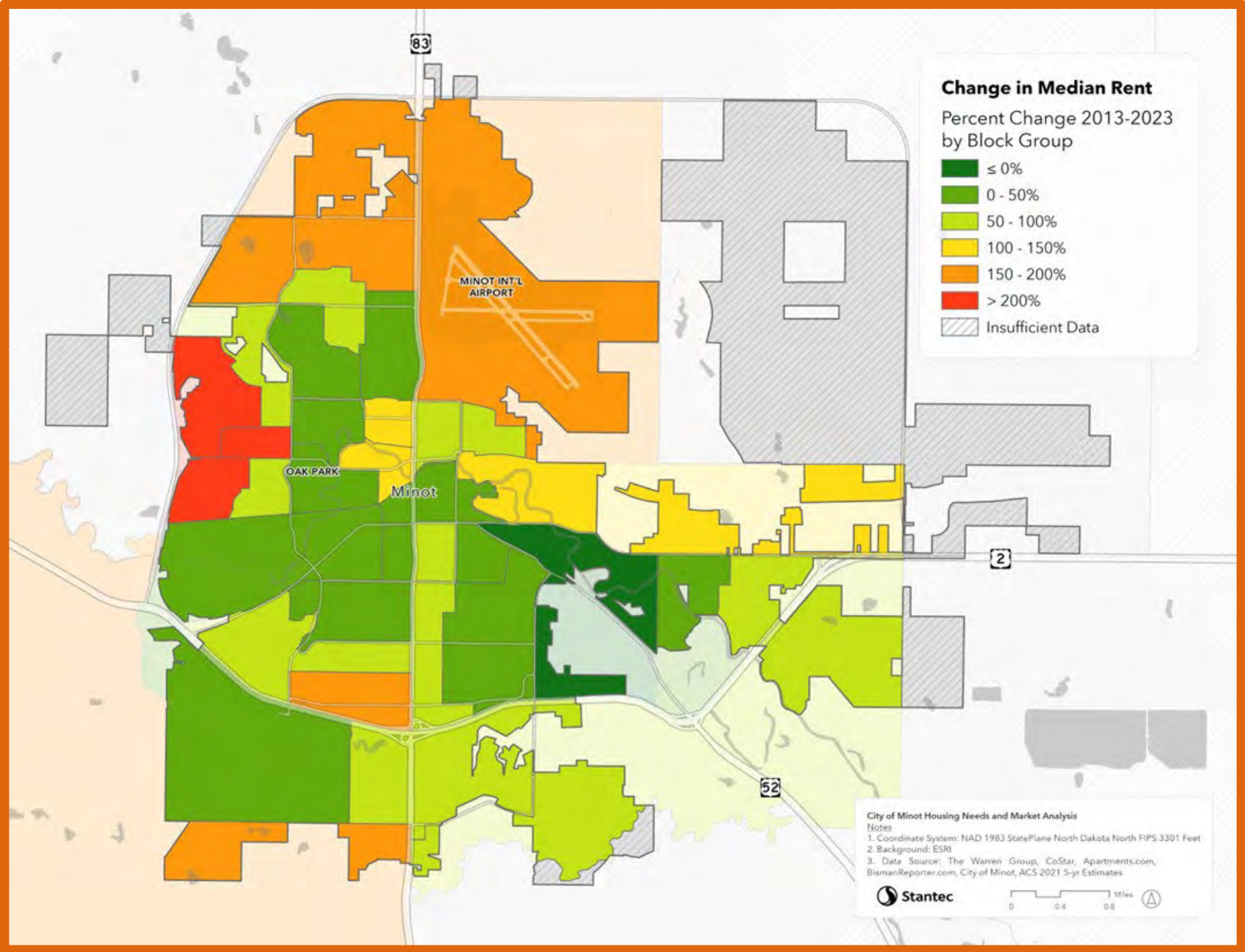
Source(s): ACS, five-year survey, 2013 and 2019

Home values peaked during the boom, dipped during the bust, and have now recovered

Due to the oil boom, Minot home values peaked as home prices stagnated in other locations. Outmigration led to a $60,000 drop in median home prices, which started rising again in 2020. The recovering demand has been strong across the three housing cost tiers.

Zillow Home Value Index – Middle Market (35th-65th percentile)
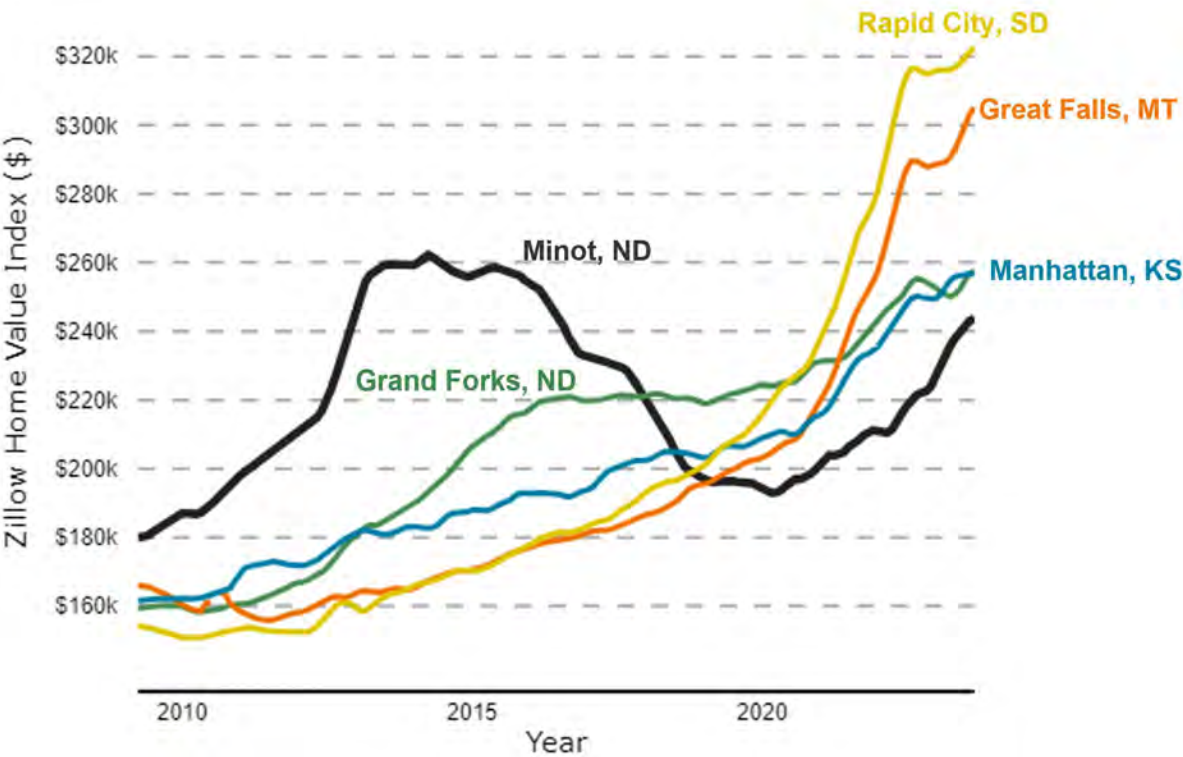
Zillow Home Value Index in Minot – By Tier
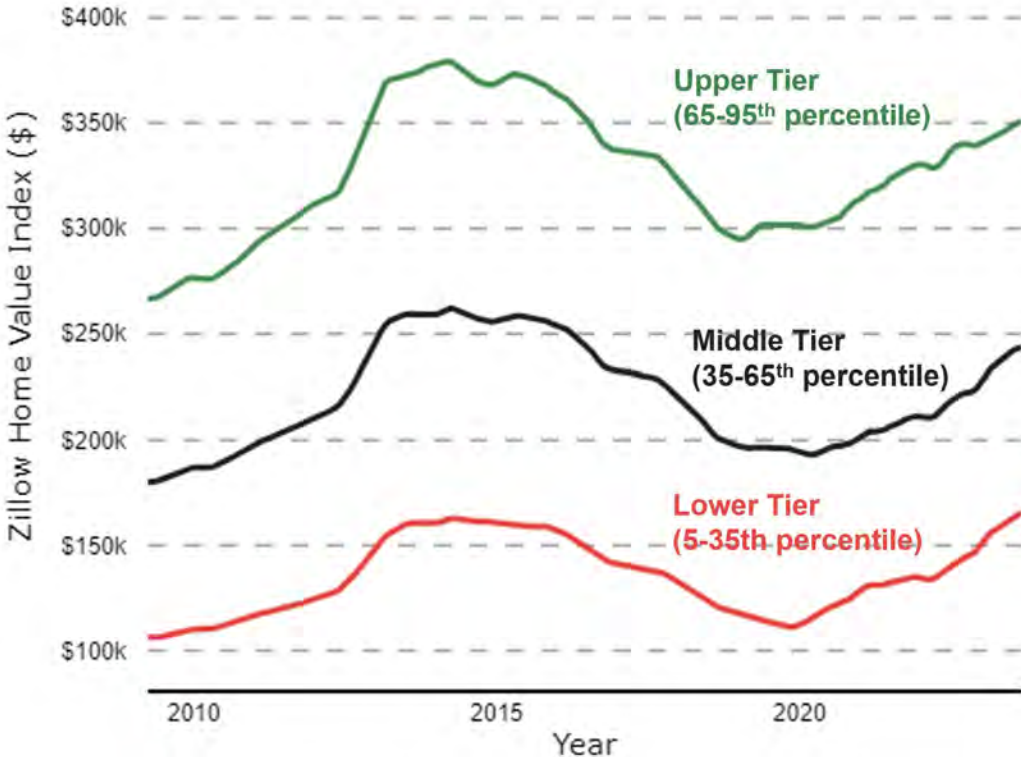
Source(s): Zillow, ZHVI Cuts by Metro, extracted 10/1/2023

Single-Family homes lead the market, mobile homes remain an attractive affordable home type

Single-family homes are the most expensive housing type, with condominiums also showing high desirability. Mobile homes, however, are a crucial affordable housing type option, with median market values near $90,000.

Home Value by Housing Type
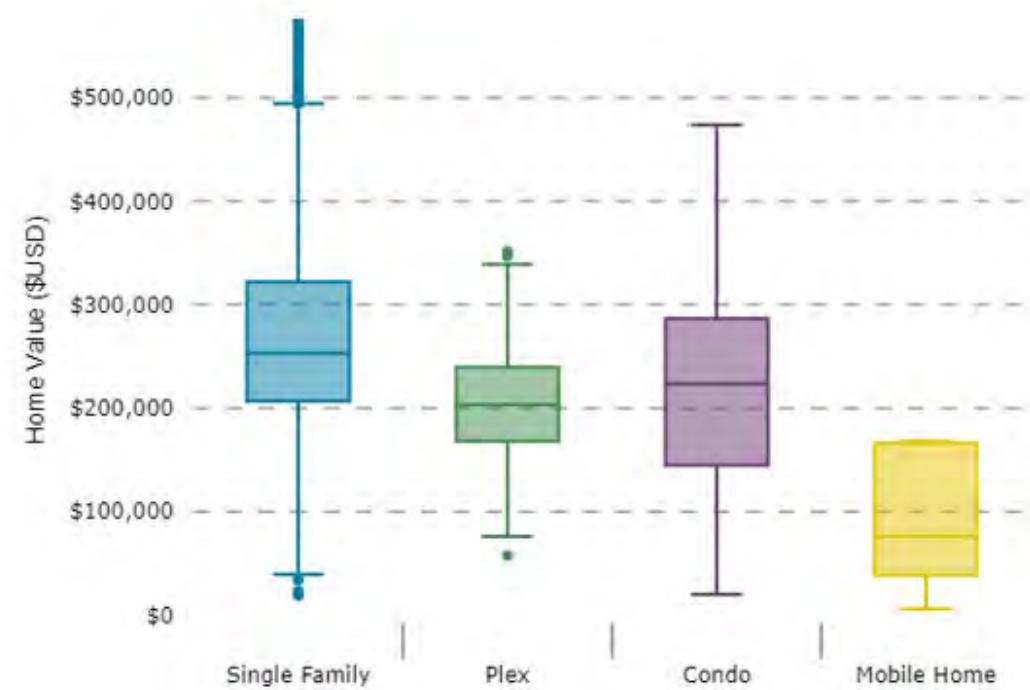
The market rate home value data on this slide and the next are derived from a similar price estimation model to that used to derive rents. The values are estimated based on parcel and neighborhood characteristics, and recent comparable sales.

Here they are aggregated by different attributes into box plots. A box plot visualizes distribution, with the bottom bar indicating the bottom range, the first bar of the box indicating the 25th percentile, the middle line the median (or 50th percentile), the top of the box the 75th percentile, and the top line the maximum values (outliers are excluded and visualized with the dot, with outliers being 3 standard deviations or more from the median value).

Source(s): Stantec Rent Model, with data sourced from Apartments.com, Padmapper, Bisman Online, Zillow, Costar, and Ward County Assessor Data

Rents in older buildings do not etch a premium, while three to four-bedroom units do

A substantial premium exists for larger homes, as does new construction. However, homes built in the past 30 years are valued competitively.

Home Value by Number of Bedrooms

Home Value by Year Built

Source(s): *Stantec Rent Model, with data sourced from Apartments.com, Padmapper, Bisman Online, Zillow, Costar, and Ward County Assessor Data*
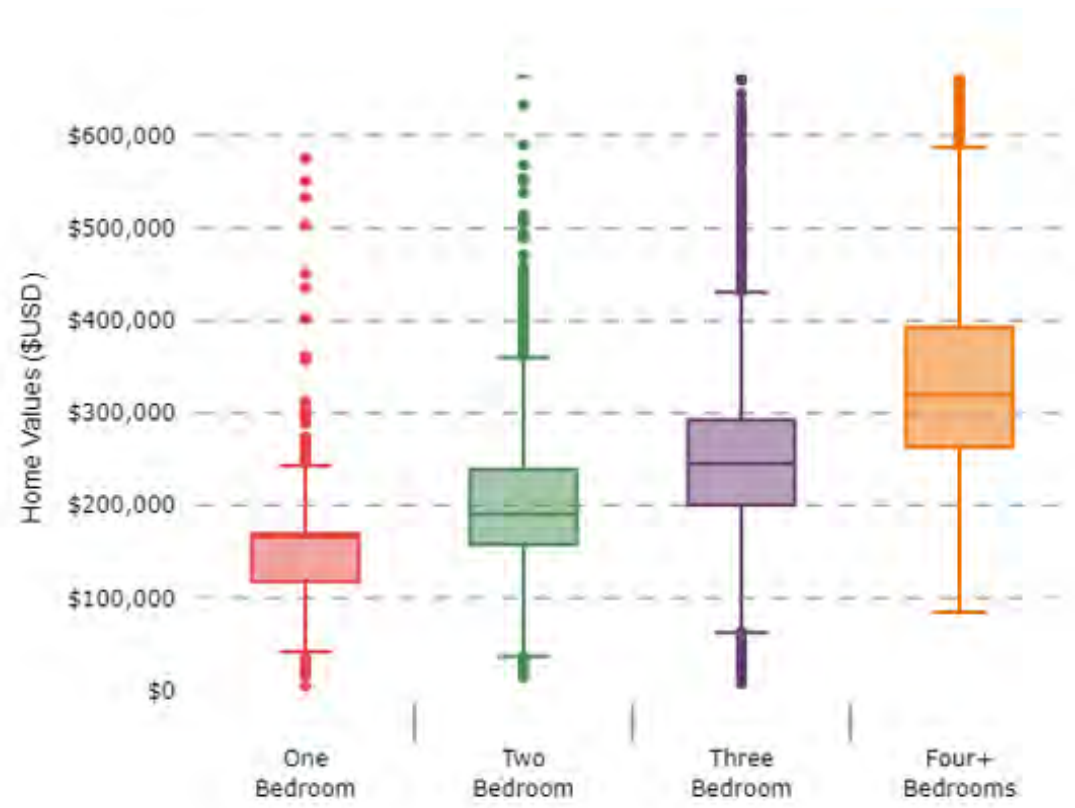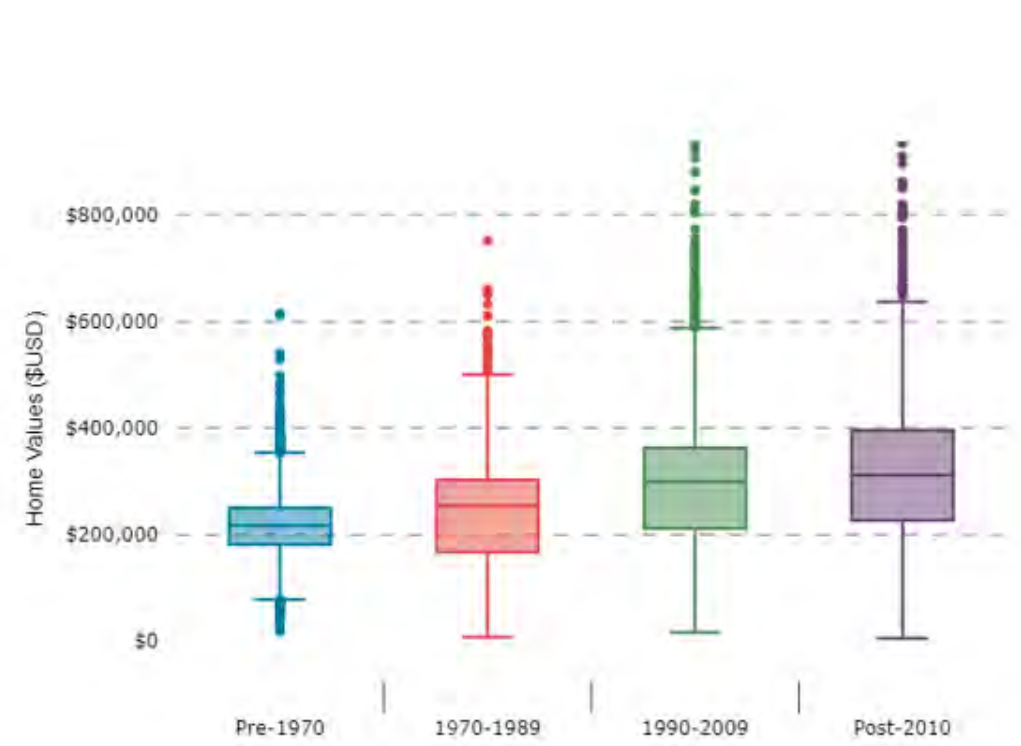
Inventory and time on market have been steadily decreasing

Homes for sale increased as oil prices crashed, with the median time on market nearing 3 months (especially in the winter). However, as oil prices recovered and macroeconomic dynamics (see below) limited new supply, total inventory and median days on market have declined. Compared to many markets that have seen inventory spike, Minot's market remains hot.

For-Sale Housing Inventory
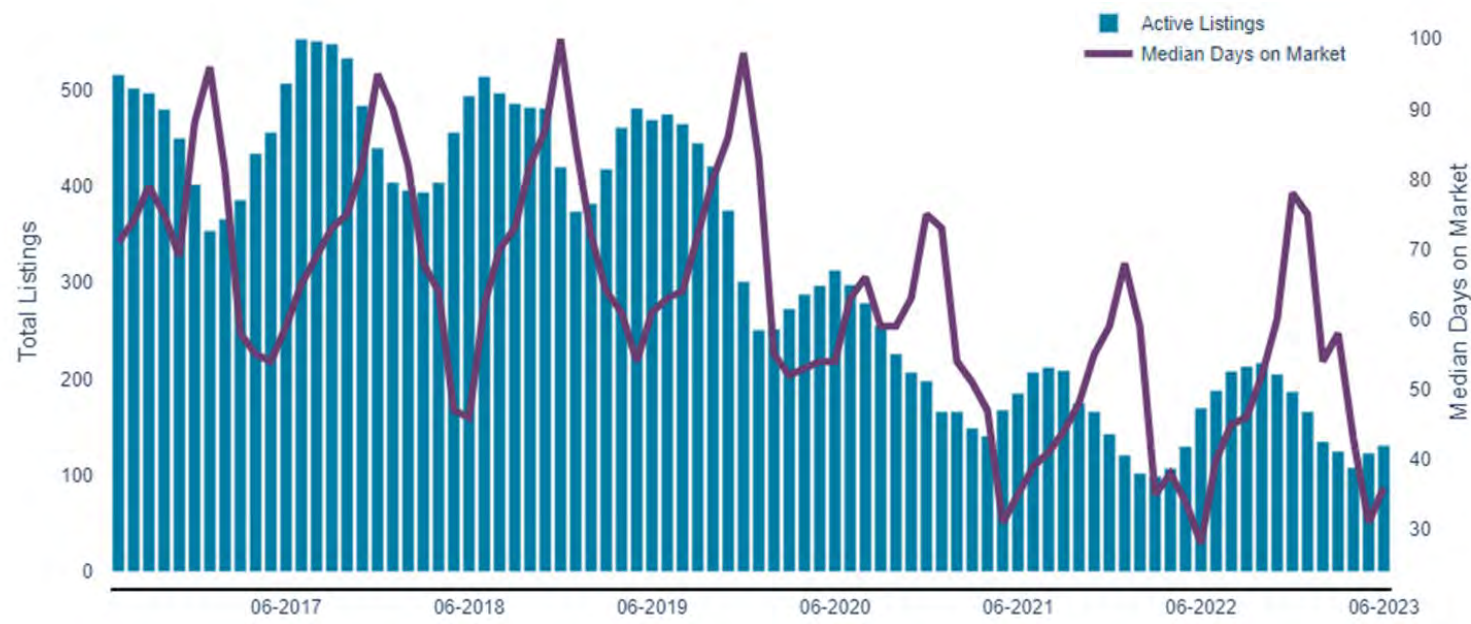
Housing inventory is subject to local and national drivers. Inventory may be high in times where job growth, and therefore household growth, is low or negative. Households leaving the community are forced to sell. In a low demand market, houses will be on the market longer, and are more likely to adjust the sale price downward to ensure a sale.

National drivers include things like macroeconomic performance and interest rates. As interest rates spiked to tame inflation in 2021-2023, new inventory nationwide plummeted as households were reluctant to forsake mortgages secured at lower interest rates and to absorb significantly higher finance costs at higher rates. This dampened the impulse of sellers to move.

In Minot, high demand for housing combined with limited inventory have driven home prices up.

Source(s): CoStar

Median Home Value

West of Oak Park and southwest Minot remain the highest value urban neighborhoods. Homes in more historic Minot and extending east – areas that include some mobile home parks – have lower median values.

Median Home Value
Year 2023, By Block Group

- ≥ $100,000
- $100,001 - $150,000
- $150,001 - $200,000
- $200,001 - $250,000
- $250,001 - $300,000
- > $300,000
- Insufficient Data

City of Minot Housing Needs and Market Analysis
Notes
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2. Background: ESRI
3. Data Source: The Warren Group, CoStar, Apartments.com, BismanReporter.com, City of Minot, ACS 2021 5-yr Estimates
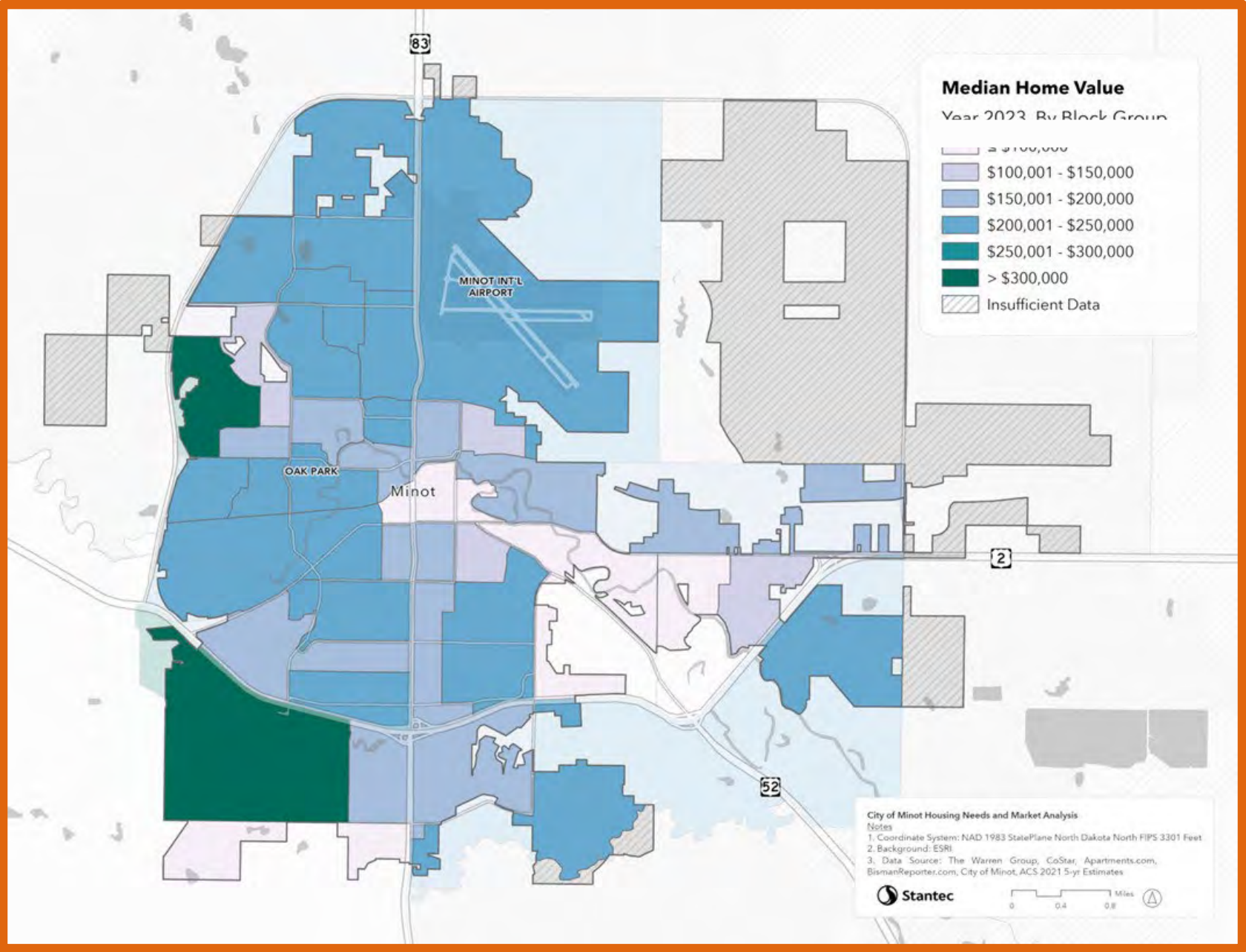
Change in Median Values

Median home values have been appreciating fastest in the southwest quadrant of town. The fast-appreciating district on the eastern portion of town includes a pioneering development of single-family homes, which drove to large changes in median rents over the time-period.

Change from 2013-2023 doesn't quite capture the 'up and down' nature of the housing market, but does demonstrate how housing prices have increased across the board, with recent increases particularly acute.

Change in Median Value
Percent Change 2013-2023 by Block Group

- ≤ 0 %
- 0% - 25%
- 25% - 50%
- 50% - 75%
- > 75%
- Insufficient Data

City of Minot Housing Needs and Market Analysis
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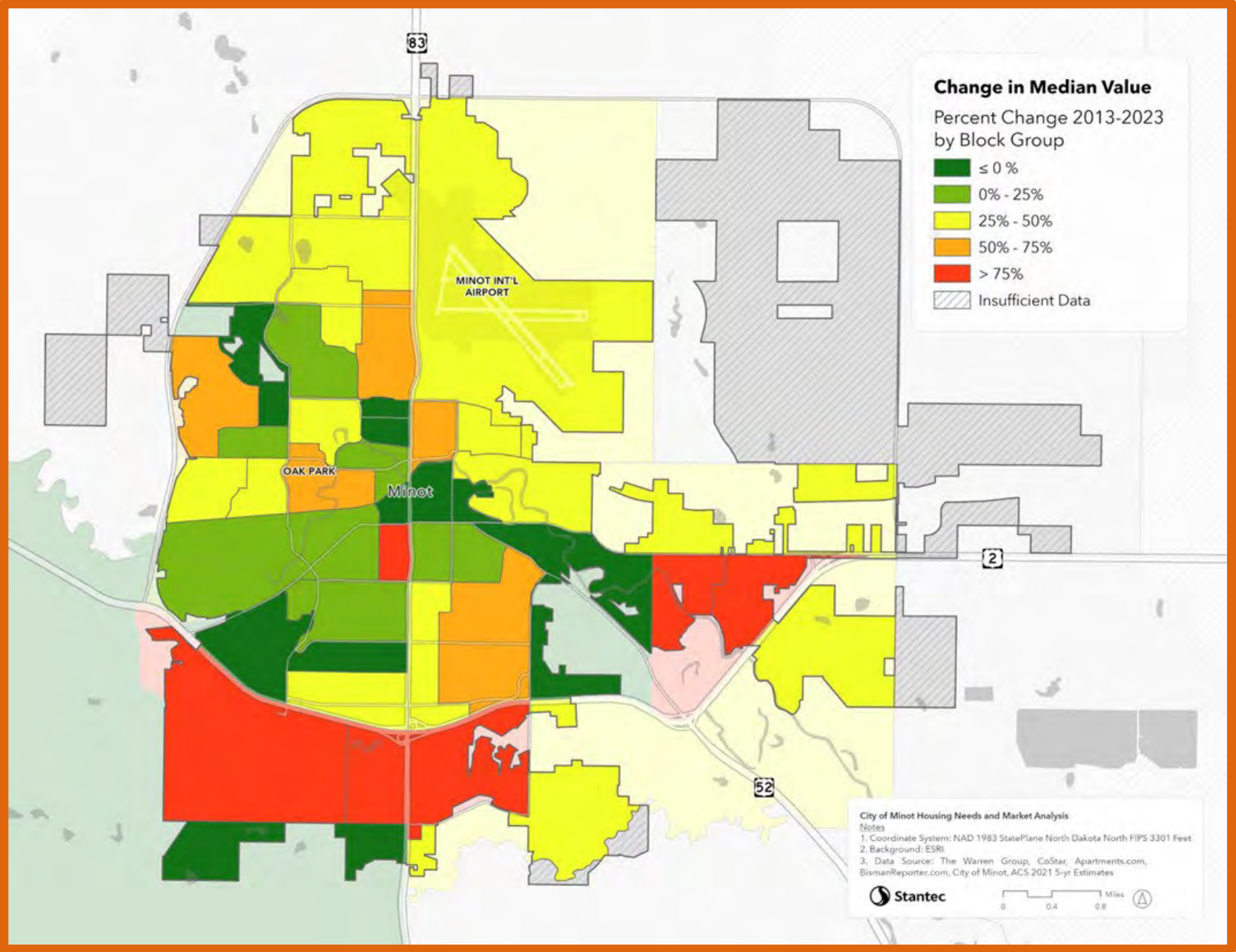
Source(s): ACS, five-year survey, 2013 and 2019

1. **Ups and downs.** The market indicators reflect the roller coaster of housing market impacts that Minot has experienced—a surge in demand and new construction with the oil boom and in-migration, and a drop in rent levels and home values when the labor force left. Now, after a period of economic stability, apartment buildings have reached full occupancy and rents have started to rise once again.

2. **Little new construction.** These dynamics explain the absence of new multifamily housing and slow subdivision development while conditions stabilized, and the existing housing stock was fully absorbed.

3. **Current market conditions.** With lower vacancy rates and increased rents over the last few years, more supportive conditions may be returning for new housing development. The multi-phase project being pursued by Epic Companies is a promising signal of market recovery. It will also test the viability of an upscale apartment community, and the depth of a higher income professional rental demographic.

05
HOUSING
INVENTORY

Dwelling Types

Minot offers a broad variety of housing types. Newer multi-family construction is located on the northern and southern sections of town, with newer developments built at a larger scale than historic multi-family buildings. Abutting the newer multi-family apartments are a high proportion of Minot's multi-family and soft-density ownership housing (condominiums and townhomes).

Minot's single-family neighborhoods are abundant, with newer development largely occurring on the suburban periphery and extending into unincorporated Ward County

Duplexes, triplexes, and quadruplexes are located in the older historic neighborhoods where mixed-use and soft density were historically more common before single-use zoning.

"Vacant Residential" includes many platted subdivisions that remained unbuilt when the boom crashed. Recommencing construction remains challenging despite increasingly favorable conditions and demand.

City of Minot Housing Needs and Market Analysis
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2. Background: ESRI
3. Data Source: The Warren Group, CoStar, Apartments.com, BismanReporter.com, City of Minot, ACS 2021 5-yr Estimates
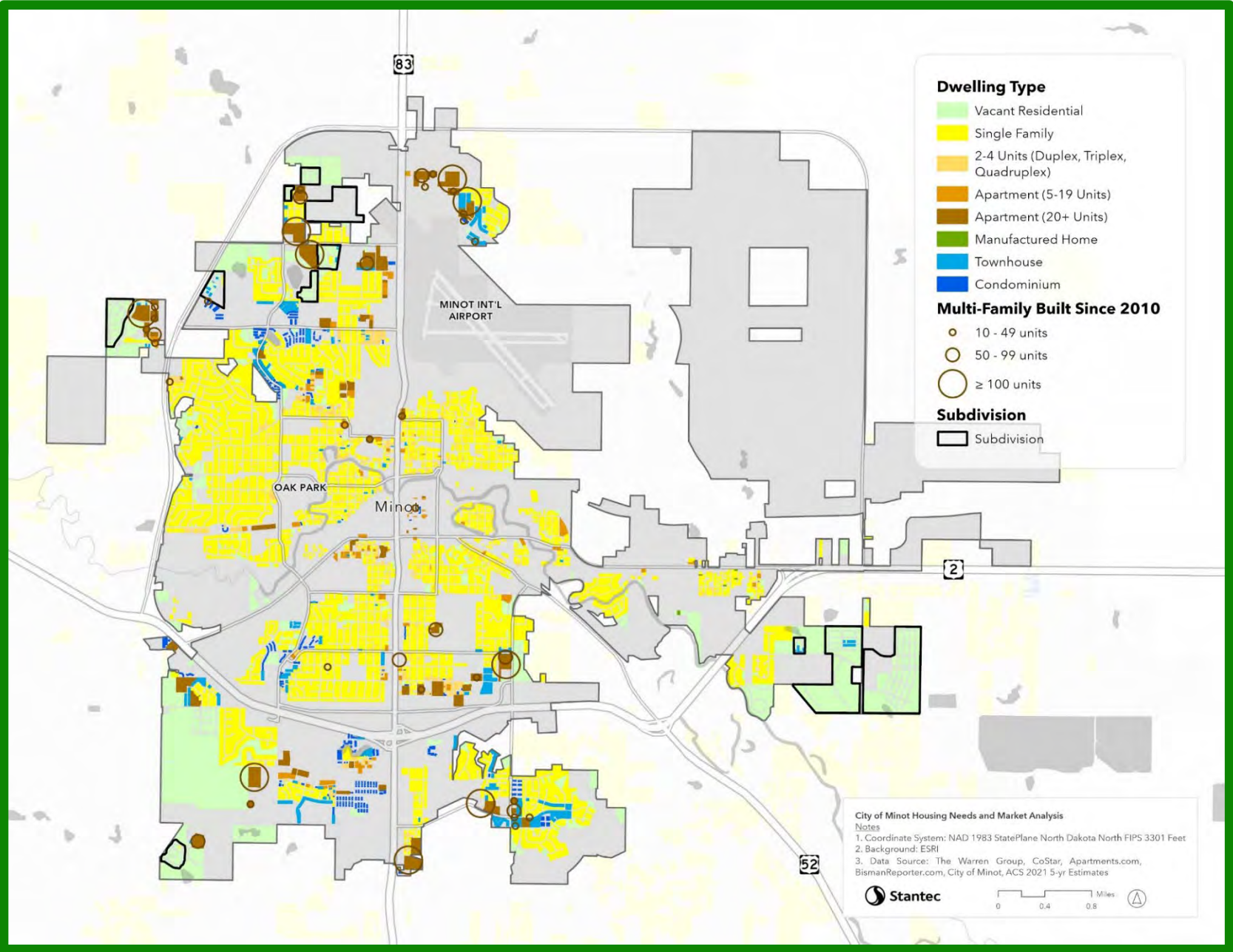
Year Built

Minot's urban core was built prior to 1920. Mixed-use development was once more common, especially prior to the proliferation of single-family zoning that only emerged after WWI. Duplexes remain common. Infill development is also common downtown in flood impacted areas.

Single family neighborhoods then expanded outwards during the post-War era, creating Minot's predominantly single-family housing neighborhoods.

New development in suburban areas, denoted by the yellow, often include a mix of housing density – with a much larger proportion of multi-family homes and lighter density (townhomes) than was typical in the previous era.

Year Built
- Pre-1920
- 1920-1939
- 1940-1959
- 1960-1979
- 1980-1999
- 2000-2023

City of Minot Housing Needs and Market Analysis
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2. Background: ESRI
3. Data Source: The Warren Group, CoStar, Apartments.com, BismanReporter.com, City of Minot, ACS 2021 5-yr Estimates
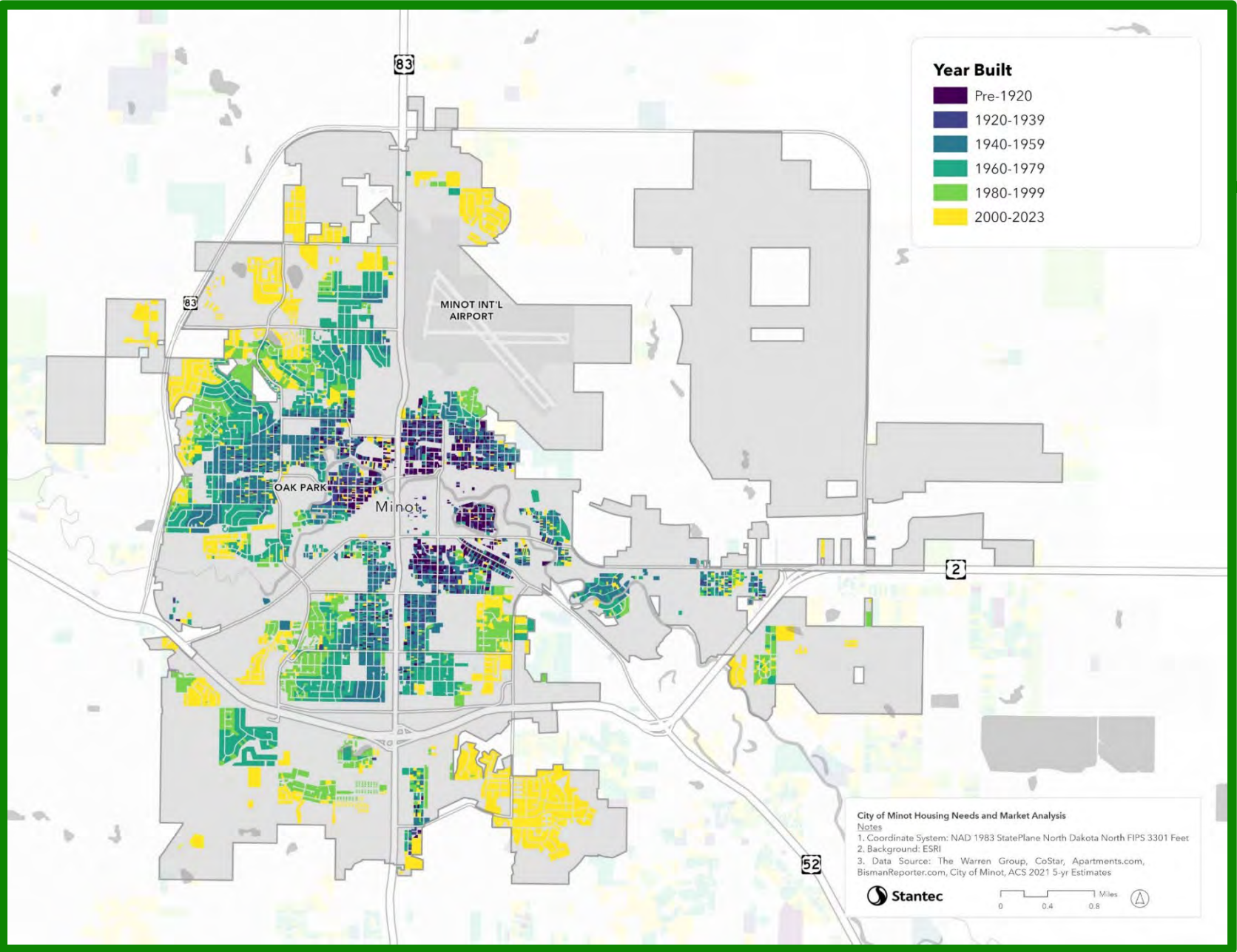
Source(s): City parcel records

Senior Housing

Market rate senior apartment developments are concentrated in the southwest quadrant of Minot.

A range of subsidized senior housing including Section-8 housing and LIHTC (Low Income Housing Tax Credit) financed communities are south of downtown, with Souris Heights by the airport the most recent development.

The region lacks recently built, market rate senior housing options despite demand. This includes some of the 'newer' retirement community types – such as active adult 55+ communities, both for rent and ownership. Active adult communities tend to have lower-maintenance lifestyle options including a range of housing types (single story ranch style homes or 'stacked' multifamily condos), and some community-oriented amenities (recreational and athletic facilities), but less integrated services than independent or assisted living. These communities – once mostly restricted to the Sunbelt – are proliferating as the peak Baby Boomer generation enters early retirement. Demand for this type of housing was noted in the housing survey among aging households.

Senior Housing
Type
- Licensed Care Facility
- Minot Housing Authority
- All Other

Souris Heights
Built 2021, 54 units

Trinity Homes
230 units

Minot Health and Rehab
114 units

Henry Towers
Built 1948 (1976 Costar), 83 units

The View Minot
Built 2005, 61 units

Edgewood Minot Senior Living
Built 1993, 114 units

Maple View Memory Care
43 units

Cooks Court Apartments
Built 2018, 40 units

Somerset Court
Built 1999, 137 units

Morgan Apartments
Built 1986, 64 units

Dakota Terrace Apartments
Built 1987, 138 units

Edgewood Minot Memory Care
Built 2002, 28 units

Elison Assisted Living Minot
Built 1999, 85 units

Minot Lodge Senior Living (The Wellington)
Built 2005, 67 units

City of Minot Housing Needs and Market Analysis
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2. Background: ESRI
3. Data Source: The Warren Group, CoStar, Apartments.com, BismanReporter.com, City of Minot, ACS 2021 5-yr Estimates

Property Name	Owner	Address	Year Built	# Units/ Rooms	Building Format	Affordability	Type of Care	ND Licensed Facility
Souris Heights	Minot Housing Authority	1400 35TH AVE NW	2021	54	Apartments	Rent Restricted	Independent living	
Cooks Court Apartments	Minot Housing Authority	1810 2nd St SE	2018	40	Apartments	Rent Restricted	Independent living	
The View Minot	Maple View Memory Care/The View on Elk Drive	2905 Elk Dr	2005	61	Condominiums for rent		Independent living, assisted living	
Minot Lodge Senior Living (The Wellington)	Sinceri Senior Living	601 24th Ave SW	2005	67	Apartments		Independent living, assisted living, memory care	
Edgewood Minot Memory Care	Edgewood Healthcare	520 28th Ave SE	2002	28	Rooms		Assisted living, memory care, rehab services	
Elison Assisted Living Minot	Sagora Senior Living	3515 10th St SW	1999	85	Apartments and Rooms		Assisted Living	
Somerset Court	Somerset Court	1900 28th St SW	1999	137	Apartments	Rent Restricted	Assisted Living, memory care	
Edgewood Minot Senior Living	Edgewood Healthcare	800 16th Ave SE	1993	114	Apartments and Rooms		Independent living, assisted living, memory care	Basic Care
Dakota Terrace Apartments	Investors Management & Marketing	3205 10th St SW	1987	138	Apartments		Independent living	
Morgan Apartments	Minot Housing Authority	1921 6TH ST SE	1986	64	Apartments	Rent Restricted	Independent living	
Henry Towers	Minot Housing Authority	1000 2nd St SE	1948 (1976 Costar)	83	Apartments	Rent Subsidized	Independent living for 62+, disabled	
Trinity Homes	Trinity Health	305 8th Ave NE		230	Beds		Certified long-term care facility, memory care, medical and rehab services	Skilled Nursing
Minot Health and Rehab	North Shore Healthcare	600 S Main St		114			Assisted living, memory care, skilled nursing care, rehabilitation services	Skilled Nursing
Maple View Memory Care of Minot	Maple View Memory Care/The View on Elk Drive	2805 Elk Dr		43	Rooms		Memory care	Basic Care

Affordable Housing

Despite rising incomes in Minot, many households are still rent-burdened. Demand for affordable housing is, and will remain, substantial.

The primary funding vehicle for new affordable housing development is LIHTC (Low Income Housing Tax Credit). Housing that received LIHTC funding are required to set rents that are affordable to households earning incomes euqla to or less than 60% of the Area Median Income (AMI).

Existing Section-8 apartments allow residents to pay 30% of their income on rent, and the federal government pays the rest.
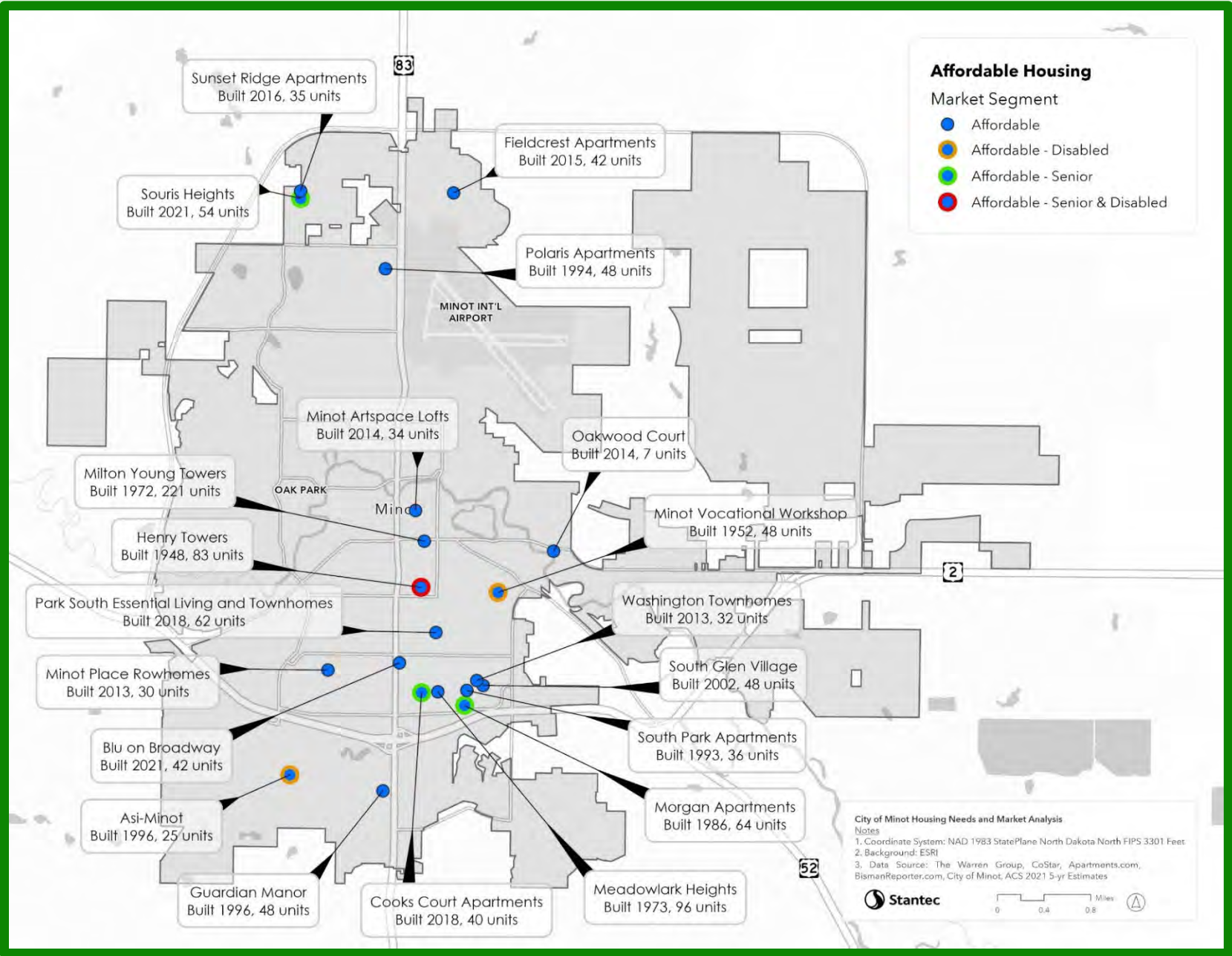
Property Name	Owner	Address	Year Built	Number of Housing Units	Market Segment	Affordability Type	Funding	Affordability
Blu on Broadway	Epic Companies	1629 S Broadway	2021	42	All	Rent Restricted	National Disaster Resilience Funds/TIF	
Souris Heights	Minot Housing Authority	1400 35th Ave NW	2021	54	Senior	Rent Restricted	LIHTC	50% to 60% AMI
Park South Essential Living and Townhomes	Epic Companies	234 14th Ave SE	2018/2022	62	All	Rent Restricted	National Disaster Resilience Funds	
Cooks Court Apartments	Minot Housing Authority	1810 2nd St SE	2018	40	Senior	Rent Restricted	LIHTC	50% to 60% AMI
Burlington Willows	Minot Housing Authority	304-482 Riverwood Drive	2016	38	All	Rent Subsidized	Section 8	30% of Income
Sunset Ridge Apartments	Beyond Shelter Inc	3524 NW Kodiak St	2016	35	All	Rent Restricted	LIHTC	50% to 60% AMI
Fieldcrest Apartments	Minot Housing Authority	500 36th Avenue NE	2015	42	All	Rent Subsidized	Section 8	30% of Income
Minot Artspace Lofts		3 Main St S	2014	34	All	Rent Restricted	LIHTC	50% to 60% AMI
Minot Place Rowhomes		1717 11th St SW	2013	30	All	Rent Restricted	LIHTC	--
Washington Townhomes	Beyond Shelter Inc	813 SE 18th Ave	2013	32	All	Rent Restricted	LIHTC	50% to 60% AMI
South Glen Village	Premier S Glen Vlg Minot Nd Ll	1835 Hiawatha St	2002	48	All	Rent Restricted	LIHTC	50% to 60% AMI
Asi-Minot		1425 31st Ave SW	1996	25	Disabled	Rent Subsidized	Section 811	30% of Income
Guardian Manor		3205 4th Street SW	1996	48	All	Rent Restricted	LIHTC	50% to 60% AMI
Polaris Apartments		300 27th Ave NW	1994	48	All	Rent Restricted	LIHTC	50% to 60% AMI
South Park Apartments	South Park Limited Partnership	631 19th Ave SE	1993	36	All	Rent Restricted	LIHTC	50% to 60% AMI
Morgan Apartments	Minot Housing Authority	1921 6th St SE	1986	64	Senior	Rent Subsidized	Section 8	30% of Income
Meadowlark Heights		400 18th Ave SE	1973	96	All	Rent Subsidized	Project Based Section 8	30% of Income
Milton Young Towers	Minot Housing Authority	108 Burdick Expy E	1972	221	All	Rent Subsidized	Public Housing	30% of Income
Henry Towers	Minot Housing Authority	1000 2nd St SE	1948 (1976 Costar)	83	Senior & Disabled	Rent Subsidized	Project Based Section 8	30% of income
Minot Vocational Workshop	Kalix	1005 11th Ave Costar	1952	48	Disabled	Rent Subsidized	HUD Section 202	30% of Income

New Multi-Family Apartments

The map shows multifamily development since 2010, which has led to an approximate doubling of total apartment units. New development has been concentrated in sites on Minot's periphery. Most construction of market-rate units occurred from 2011-2016. The development since then has mostly been rent-restricted affordable apartments. New multi-family construction tend to be significantly larger than older rental complexes –a consequence of the need for economies of scale that make larger projects financially viable. Most are strictly housing. Mixed use projects with both residential and commercial elements are rare. The housing survey noted a community desire for more retail and entertainment, especially near North Hill. Newer projects – especially those located near the new Trinity Hospital – are filling a market desire for more amenity rich, mixed-use facilities, such as Epic's The Tracks.

With land available on the periphery, infill redevelopment in more central locations have been less common. Examples include Beaver Ridge Apartments and Blue on Broadway.

Multi-Family Built Since 2010
Number Of Units
- 25 - 50 units
- 51 - 100 units
- > 100 units

Cobblestone Apartments Built 2012, 76 units
Lindenwood Apartments Built 2010, 48 units
Sunset Ridge Apartments Built 2016, 35 units
Northern Plains Built 2012, 144 units
Souris Heights Built 2022, 54 units
Fieldcrest Apartments Built 2015, 42 units
The Wyatt at Northern Lights Built 2014, 276 units
Stonebridge Townhomes Built 2014, 202 units
Landmark Circle Built 2012, 35 units
Encore Apartments Built 2012, 42 units
Sunset Pointe Apts Built 2014, 27 units
North Highlands Built 2014, 239 units
MINOT INT'L AIRPORT
Prairie Heights Apts Built 2013, 147 units
Willowbrooke Lodge Built 2012, 42 units
Parkview Place Apts Built 2015, 36 units
2100 33rd St NW Built 2014, 50 units
Northdale Apartments 2717 Built 2011, 91 units
Eagles Landing Built 2010, 32 units
Beaver Ridge Apartments Built 2011, 40 units
Country Meadows Built 2014, 66 units
Beaver Suites Built 2012, 32 units
Minot Artspace Lofts Built 2014, 34 units
Park South Essential Living and Townhomes Built 2022, 62 units
Country View Apartments Built 2015, 52 units
Blu on Broadway Built 2021, 52 units
Minot Place Rowhomes Built 2013, 30 units
Minot Place Built 2011, 144 units
Washington Townhomes Built 2013, 32 units
Cooks Court Apartments Built 2018, 40 units
Meadows at Woodside Built 2010, 36 units
The Commons & Landing at Southgate Built 2014, 341 units
Southwood Built 2012, 156 units
Crossing at the Bluffs Built 2011, 66 units
The Flats at Southwest Crossing Built 2011, 60 units
Paramount at the Bluffs Built 2011, 50 units
Meadow Ridge Apartments Built 2010, 168 units
Woodside Townhomes Built 2011, 48 units

City of Minot Housing Needs and Market Analysis
Notes
1. Coordinate System: NAD 1983 StatePlane North Dakota North FIPS 3301 Feet
2. Background: ESRI
3. Data Source: The Warren Group, CoStar, Apartments.com, BismanReporter.com, City of Minot, ACS 2021 5-yr Estimates

1. **Housing mix.** Minot benefits from having a broad mix of housing types that have been built over the years—including single family homes, twin homes, townhomes, mobile home parks, apartments, senior housing and affordable housing.

2. **Senior housing.** There are a good number of senior housing communities, but recently built developments are lacking, even as Minot's senior population has grown in numbers and in its share of the total population.

3. **Affordable housing.** A range of affordable housing options are present in Minot, with good geographic distribution—some of which have been recently built. The need for affordable and workforce housing options continues, however, due to lagging incomes compared to rising housing costs.

4. **New multifamily housing.** The most recent generation of housing was built during the oil boom and built for a working-class demographic. Maverick, the first phase of The Tracks, will be the first market rate apartments in Minot since 2015—and is targeting an upscale demographic.

06
GAP
ANALYSIS

Real-time supply side analysis with machine learning.

A parcel-level inventory of all housing units within the region incorporates Census data, rental data from CoStar, real-time cost information from web-scraping algorithms, and other sources, to establish a predictive technique to assign monthly cost attributes to each unit using statistical regression and related methods. The model incorporates HUD data on public and subsidized unit totals, costs, and bedroom counts at the county level.

1) Parcel Data from the Warren Group

Parcel data contains information on the location, year built, homestead status, assessed value, number of bedrooms, bathrooms, and total rooms, condition and the property use type of each parcel. Many are missing attributes. Completed entries then train Machine Learning (ML) models to predict and fill missing data. Staff ground-truth this data with existing housing surveys such as the American Community Survey, ensuring the estimates for bedroom size, unit counts, and building types reflect existing data.

2) Real-Time Data from Leading Sources

CoStar: Aggregates data on multi-family rental buildings, including its class, intended market, condition, number of units by size, and rent for units at each size.

Apartments.com: We scrape rental data from Apartments.com listings, which can include both large multi-family buildings with real-time prices, and single-family homes, condos, or other units posted

Padmapper: Scraped rental data from Padmapper.com. Padmapper combines rental postings from a variety of sources, including smaller rental buildings like homes, condos, duplexes and triplexes in addition to large multi-family units.

BismanOnline: Rental data is scraped from North Dakota's own Craigslist, accessing data on real-time rents for properties such as duplexes, mobile homes, or single-family homes that often are not posted on more formal rental sites.

City of Minot: Data on tenancy was prioritized from Minot's internal housing assessment that determines whether a home, plex unit, condominium, or townhouse is rented or owner-occupied. This complements other data for approximating tenure such as homestead status. City data incorporated into the model also includes housing type, whether the property was converted from single-family into a multi-tenant property, and the number of units available.

Note on Affordable/Senior Units: Using an inventory of LIHTC and Public Housing data from the Minot Housing Authority and HUD's LIHTC database, buildings designated as affordable are included in the analysis, with rents set at the 60% MFI rate for the minimum household relative to unit size based on 2023 determinations (ie: a 2 bedroom unit is set at 60% AMI for a 2 person household).

3) Real-Time rent with parcel information

This combination creates a database of specific parcels and the rent and a 'training' dataset for statistical ML models. Stantec uses 20+ variables to help predict rent such as location, median rent for apartments by size in each block group in which the parcel is located, living area per unit, age, condition, bedrooms, bathrooms, assessed value per unit, etc.

Stantec checks predictions in a 'test' dataset – or 20% of the train dataset set aside – to assess the performance of the best ML model. The model then predicts market rents for all properties designated as 'rental' in the region. A similar model is developed and applied by the Warren group to determine the market value of condominiums and homes.

This dataset gives a detailed breakdown of all units in a region by building type, tenure, bedroom unit count, and type, as well as the rest of the building attributes. Using the estimated monthly housing cost to afford the unit, we get a specific breakdown of the cost to own or rent.

4) Aggregate and Analyze

This dataset enables us to aggregate data that helps contextualize supply and demand together. Stantec visualizes and analyzes data based on cost, location, year built, and development type.

Example regression analysis comparing Stantec's predicted to ground-truthed rent for parcels
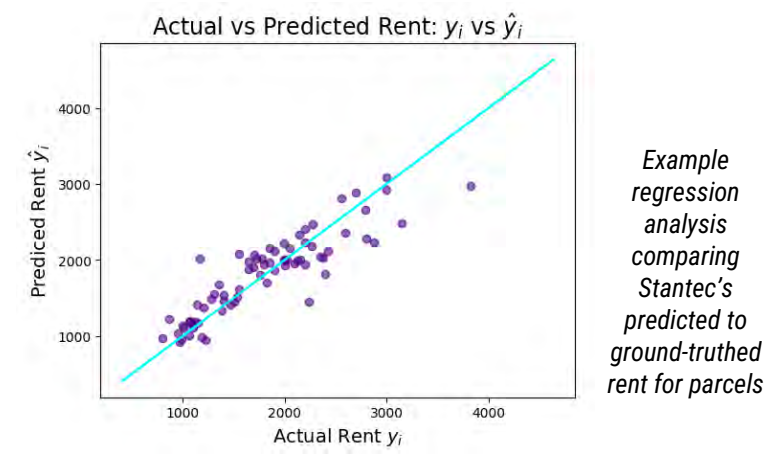
Housing gap analysis is informed by supply, preferences, and production

Current need

Housing preferences are derived by analyzing the housing choices made by households who moved within the last 12 months per the most recent census (in this case, 2021 Census ACS). By isolating just these recent movers, the analysis can model housing market decisions typical households of various incomes and sizes are making in the present market based on their current needs and ability to pay. This is referred to as the market's "current preferences."

The current preferences model is a 'demand curve', incorporating the kinds of units that households of different sizes and income levels choose to acquire. The model creates a 'weight' that determines the odds of each household at a given number of persons and income choosing a house of a particular size. For example, in the case of a household with a high income but only 2 persons in the house, chances are higher than this household owns and occupies a unit larger than their strict need. However, there are many people that still choose to rent a one bedroom. The model would assign a low probability for the renting a one

bedroom and a higher probability for owning a three bedroom.

The cost of housing is determined based on the 'max affordability level,' or the amount that a household earning a certain income could pay and to still have that unit be considered affordable. Maximum housing cost is capped at 25% in this analysis because the data only includes monthly rent or mortgage and tax. Assuming an additional 5% should be added to cover costs such as utilities and insurance brings the effective cost ceiling approximately to the 30% standard.

Identifying the gap

Comparing the current distribution of preferences against the housing supply reveals how well aligned (or how misaligned) these two sides of the market are at each income level, tenure, and unit size. Shortages occur when there are more households preferring a given unit profile (cost, tenure, size) than there are such units available within the geography. Surpluses occur when there are more of a given unit profile than there are households who would prefer it.

The results of this analysis should be considered indicative of potential future shifts in settlement patterns and not necessarily predictive of where or when households might actively change units. There are numerous personal reasons a household might choose to move or remain in a given year. Also, even if they did choose to move, a unit matching their exact preference might not be available.

Affordability gaps are evident as shortages among the lowest cost units. Because the households included in this analysis are currently housed within the same geography, it can be assumed many at corresponding income levels are currently cost burdened for lack of affordable options.

Minot Housing Demand

The table shows the housing demand for Minot's population as a function of their income, tenure (whether they rent or own), and desired unit size, based on the choices of the existing population

Using **25% of household income as the baseline** 'affordability' level, we project the number of units demanded at certain price points according to current household incomes and composition. We take the current composition of housing tenure (own versus rent) as the baseline. Willingness to pay may be different than ability to pay, especially with households above area median income.

Housing preference

The units size needed (number of bedrooms) reflects the household sizes in Minot's population as well as expressed housing preferences at each income level based on the regional model.

Housing Demand by Price, Tenure, and Unit Size with Regional Preferences

Household Income Required	Max Monthly Housing Cost	Rent				Own			
		1BR	2BR	3BR	4BR+	1BR	2BR	3BR	4BR+
Less than $15000	$313	736	435	134	40	40	231	302	108
$15,000-24,999	$521	389	306	110	47	19	163	225	69
$25,000-34,999	$729	336	419	126	21	24	101	206	85
$35,000-49,999	$1,042	673	689	301	85	37	286	512	261
$50,000-74,999	$1,563	399	766	278	71	38	393	851	414
$75,000-99,999	$2,083	290	436	239	75	32	275	865	512
$100,000-149,999	$3,125	189	352	223	79	19	307	1,091	1,032
$150,000-199,999	$4,167	28	114	78	67	3	69	314	557
$200,000 or more	--	22	54	99	25	8	59	359	868

Minot Housing Supply

This table shows the housing supply in Minot, organized by tenure, unit sizes, and the monthly costs that are affordable to households at different income levels.

Housing supply is determined using parcel-level data. A detailed statistical analysis determines the total number of housing units currently occupied by renters and owners in the region.

Rental

Real-time rent data, captured from live web postings, is incorporated into a statistical model to predict rents for all rented housing units in the region. Current home values are also estimated through a statistical modeling process.

Ownership

Monthly housing costs for ownership housing reflects monthly payments on 30-year mortgages with a13% down payment (national average) and 7.725% interest rate (regional average, July 2023). Estimated property taxes and insurance payments are added. This yields estimated monthly costs associated with the purchase of an ownership property, which is distinct from what the existing homeowner is currently paying.

Housing Supply: Units categorized by tenure, size, and monthly cost

Household Income Required	Max Monthly Housing Cost	Rent				Own			
		1BR	2BR	3BR	4BR+	1BR	2BR	3BR	4BR+
Less than $15,000	$313	14	0	0	0	21	27	135	0
$15,000-24,999	$521	229	1	0	0	15	36	138	0
$25,000-34,999	$729	695	630	0	0	24	34	117	3
$35,000-49,999	$1,042	1,139	3,339	116	18	55	249	157	11
$50,000-74,999	$1,563	737	1,335	915	72	116	1,020	547	91
$75,000-99,999	$2,083	0	1	727	114	179	1,160	1,851	453
$100,000-149,999	$3,125	0	0	5	12	19	625	2,310	1,519
$150,000-199,999	$4,167	0	0	0	0	4	52	364	672
$200,000 or more	--	0	0	0	0	4	14	81	262

Source(s): Woods & Poole, Replica, ACS, CoStar, Apartments.com, Padmapper

The housing gaps snapshot results from comparing the supply of housing to housing demand

This table compares the housing supply to the housing demand to quantify the housing gaps at each income level, tenure and unit size. It demonstrates a surplus of workforce and middle-income housing, but deficits in affordable units and executive housing units.

Gap Methodology

The housing gap combines the units at different bedroom sizes and housing tenure demanded at affordable price points and the total units supplied for renters and owners at market prices. The product is either a housing surplus or deficit for units at price points and bedroom size that captures where housing demand is not meeting current housing supply, or where housing supply currently exceeds housing demand.

Gap Snapshot Results

- Minot needs to provide housing for the lowest income
- The housing supply is overly weighted towards 3-bedroom units in the $1,500 to $3,125 per month range, while the population characteristics indicate a stronger demand for 1- and 2-bedroom units in rental and more affordable family homes.

Gap Analysis: Percent of units categorized by tenure, size, and monthly cost

Household Income Required	Max Monthly Housing Cost	Rent 1BR	Rent 2BR	Rent 3BR	Rent 4BR+	Own 1BR	Own 2BR	Own 3BR	Own 4BR+
Less than $15000	$313	-722	-435	-134	-40	-19	-204	-167	-108
$15,000-24,999	$521	-160	-305	-110	-47	-4	-127	-87	-69
$25,000-34,999	$729	359	211	-126	-21	0	-67	-89	-82
$35,000-49,999	$1,042	466	2,650	-185	-67	18	-37	-355	-250
$50,000-74,999	$1,563	338	569	637	1	78	627	-304	-323
$75,000-99,999	$2,083	-290	-435	488	39	147	885	986	-59
$100,000-149,999	$3,125	-189	-352	-218	-67	0	318	1,219	487
$150,000-199,999	$4,167	-28	-114	-78	-67	1	-17	50	115
$200,000 or more	--	-22	-54	-99	-25	-4	-45	-278	-606

Housing Demand is Greater than Supply — Supply Meets Demand — Housing Supply is Greater than Demand

Source(s): Stantec

Housing Gap (All Units): Deficit exists at lowest incomes, and surplus shrinks towards upper incomes.

The difference in total unit supply and total households indicate total vacancy rate. The Stantec metric estimates vacancy at 13%, mirroring ACS estimates. Vacancy at specific price points is unavailable with the given data.

Minot 2023 AMI: $93,500

A surplus indicates that more units are available at this price point than matching households. It does not indicate vacancy, as many lower income households live in more expensive housing and vice versa.

Total Units Affordable by Income Level

Total Households by Income

Deficit 2,710 units — ≤30% AMI

Deficit 1,126 units — ≤50% AMI

Surplus — ≤60% AMI

294 units Surplus — ≤80% AMI

2,816 units Surplus — ≤100% AMI

3,698 units Surplus — ≤120% AMI

2,998 units Surplus — >120% AMI

There are **80** Households earning 'Workforce Wages' (less than or equal to 120% AMI) for every **100** housing units available: A relatively strong indicator of market supply when examined from the perspective of households.

Housing becomes more scarce as the maximum income level is reduced.

For single-income or lower income households, the number of units affordable to typical 'workforce' jobs remains constrained, thereby encouraging household formation of more than one income earner.

Affordability Relative to Common Industry Median Wages
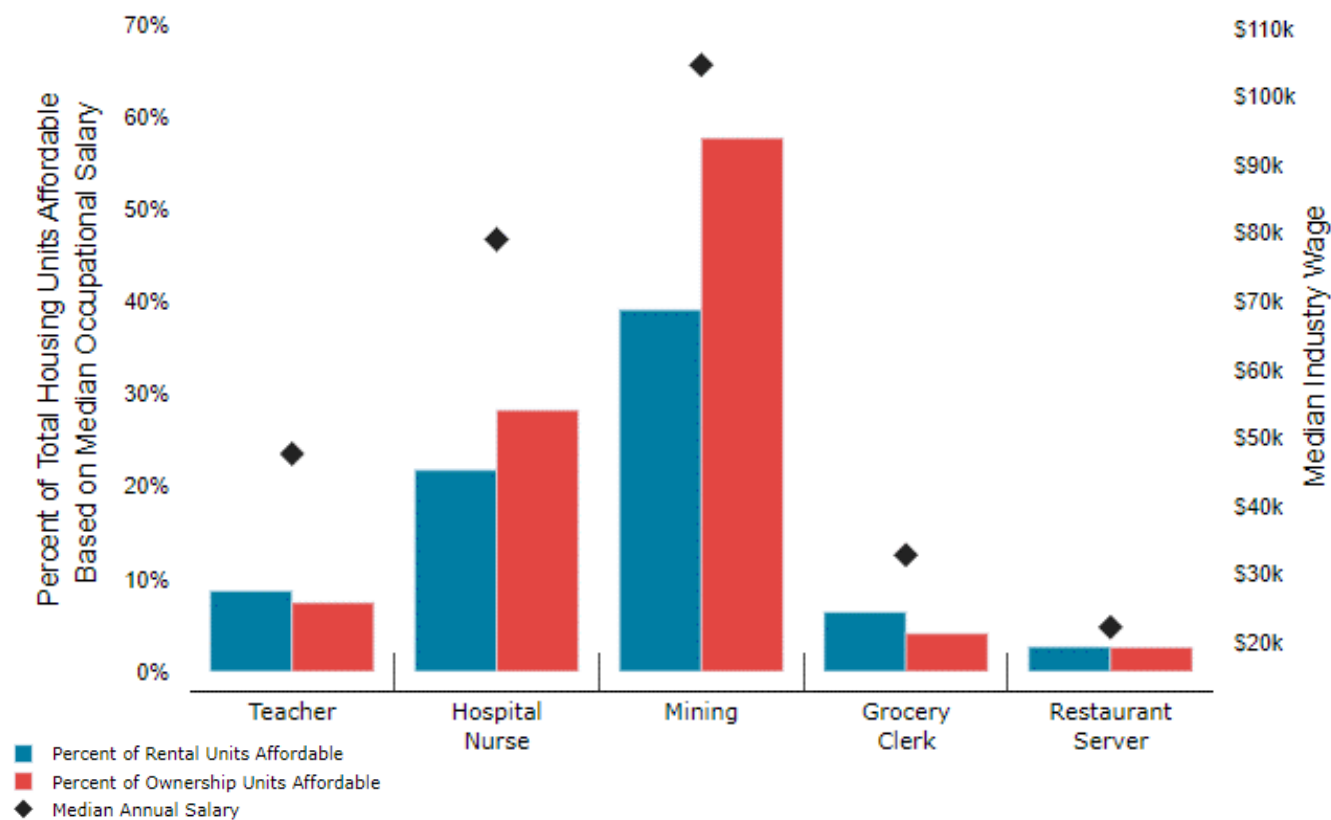
Source(s): Wages are derived from QCEW, Housing Availability from Stantec

1. **Middle income and workforce housing.** The gap analysis suggests that, because of the increase in housing supply during the early 2010s followed by the contraction of the workforce, the supply of moderate to middle income housing is adequate to meet local needs.

2. **Housing for lower income households.** There is a deficit in numbers of affordable housing units for lower income households. That is numerically evident in that there are fewer housing units available at a rent or ownership cost that is affordable to those households. And the actual deficit in supply will exceed that, since households at higher income tiers will occupy some of the housing units affordable to the lowest income tiers.

3. **Executive rental and ownership opportunities.** There is potential demand for higher cost housing options that haven't recently been built in volume. Epic Companies will be testing that demand in a rental apartment development through its Tracks development. There may be corresponding demand on the ownership side for an executive home subdivision in a higher amenity environment.

07
HOUSING
NEEDS

Population and household growth is projected to stabilize

Household growth and income brackets are projected to continue to grow at a moderate rate as the rate of new well drilling stabilizes, and under the assumption that oil and natural gas demand will continue to be strong.

Household growth projections are based on a projected population growth rate of 1.24% - a rate determined and utilized for Minot's 2040 Comprehensive Plan. The conversion from population to households is based on the 4-year average of number of persons per household from 2017-2021.

Income tiers are assumed to remain proportionally consistent.

Projected Household Growth by Income
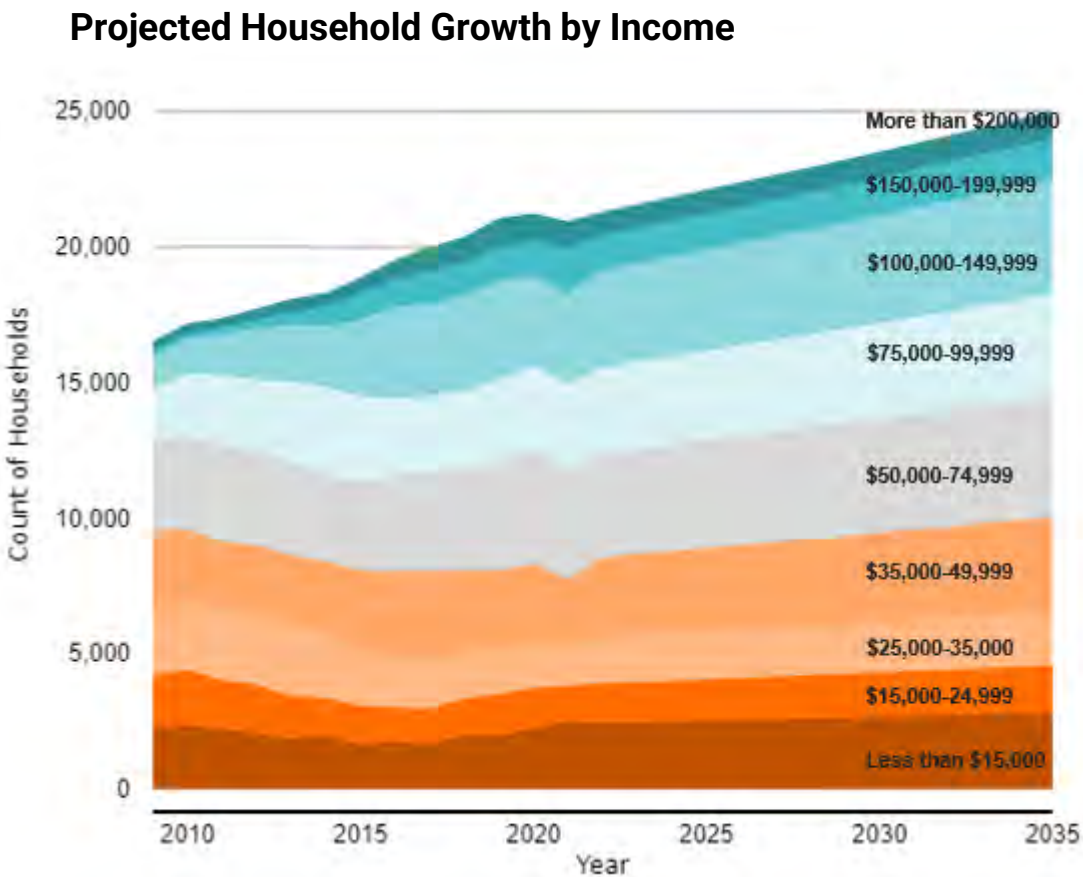
Source(s): Minot 2040 Comprehensive Plan, ACS 5-year estimates, Stantec assumptions

Other considerations play into the calculation of overall housing need

Housing needs are further adjusted based on general undersupply, substandard housing, and replacement. The adjustments are then added to new units required for household growth to determine a production target.

Vacancy Rate adjustment is based on the number of additional units to maintain market equilibrium, generally considered at 5%. Vacancy rates in Minot have declined to at/around 5% in both rental and housing markets, down from about 12% in 2021.

Substandard Housing is defined as units with no plumbing and/or no kitchen. The national threshold is 1.2%, the Minot rate is 1.6%, therefore creating a .4% housing adjustment.

Overcrowding is defined as units where more than one occupant lives in the room. The threshold national average is 3.35%, where Minot's is 3.36%. No overcrowding adjustment is required.

Replacement is the replacement rate of demolitions. The annual replacement need is based on a four year average 2019-2022 of housing demolitions in Minot. The recent four year period was used because previous years were skewed by flood impacts.

Vacancy (overall)	5.0%	Threshold market health	--	Minot rate	149	Vacancy adjustment
Substandard (no plumbing/kitchen)	1.2%	Threshold nat'l avg	1.6%	Minot rate	70	Substandard adjustment
Overcrowding (>1 occupant/room)	3.35%	Threshold nat'l avg	3.36%	Minot rate	--	Overcrowding adjustment
Replacement (per year)	0.09%	Annual need	22	Annual units	220	Replacement housing
Household growth	21,484	2023 HHs	24,313	2033 HHs	2,829	Household growth

10-year production: 3,268 units

Weighted Future Demand

Given the projections and considerations considered above, the weighted future demand is an analysis of the increased need for housing. It does not incorporate the existing housing gaps.

The weighted future analysis is determined by allocating households based on current demand preferences. To determine preferences, a 'weight' or 'probability' was determined based on the demand matrix. For example, for each household earning $100,000 or more, different odds were created on that household renting or owning units of different sizes. With the demand 'weight', the number of households are then allocated based on these odds to create a projected future demand table. This table *does not* incorporate existing gaps, and can be considered a projection simply based on new household need.

The weighted future demand table shows stronger demand for two main housing profiles. Proportionately more 1-2 bedrooms across income brackets, and larger single-family homes for ownership affordable to households earning around median incomes (generally home prices ranging from $192,000-385,000, which break down to monthly housing costs between $1,560-$3,125 per year.

Housing demand by price, tenure, and unit size with recent movers preference for new households: 2023-2033

Source: ACS, regional PUMS preference for movers in the last 12 months

Household Income Required	Max Monthly Housing Cost	Rent				Own			
		1BR	2BR	3BR	4BR+	1BR	2BR	3BR	4BR+
Less than $15000	313	113	67	21	6	6	35	46	17
$15,000-24,999	521	58	46	16	7	3	24	34	10
$25,000-34,999	729	58	72	22	4	4	17	35	15
$35,000-49,999	1042	94	96	42	12	5	40	71	36
$50,000-74,999	1563	63	121	44	11	6	62	135	66
$75,000-99,999	2083	45	68	37	12	5	43	135	80
$100,000-149,999	3125	28	51	33	12	3	45	159	151
$150,000-199,999	4167	4	16	11	9	0	10	43	77
$200,000 or more	--	2	4	8	2	1	5	27	66

Projected Need: Unit Production Need x Existing Gaps x Weighted Future Demand

Projected need incorporates unit production need and allocated unit production targets by existing gaps and weighted future demand.

The projected need analysis uses weights from the future demand profile and the gap analysis to allocate future need. The purpose is to provide an 'ideal distribution' of new housing types, independent of the financial feasibility of producing those types.

The profile highlights three primary "needs", or areas of potential undersupply.

The first is deeply affordable housing, for both renter and owner households. The market systematically undersupplies both housing types.

The second is higher end, luxury apartments. This is the market niche targeted by Epic Companies in "The Tracks", a planned multi-family and mixed-use development that targets younger professionals.

The third is 'executive housing', or higher priced homes. This submarket is being targeted elsewhere in North Dakota, such as the golf course communities being built in Bismarck-Mandan. Minot has not seen a similar product, despite the presence of a higher income submarket.

Housing demand by price, tenure, and unit size with recent movers' preference

Source: ACS, regional PUMS preference for movers in the last 12 months

Household Income Required	Max Monthly Housing Cost	Rent				Own			
		1BR	2BR	3BR	4BR+	1BR	2BR	3BR	4BR+
Less than $15000	313	232	138	43	13	10	70	77	34
$15,000-24,999	521	89	96	34	15	4	46	51	22
$25,000-34,999	729	15	53	43	7	5	29	53	28
$35,000-49,999	1042	42	0	74	23	3	51	132	77
$50,000-74,999	1563	25	59	0	13	0	0	198	121
$75,000-99,999	2083	93	139	0	8	0	0	15	100
$100,000-149,999	3125	58	109	68	23	3	7	11	104
$150,000-199,999	4167	8	34	23	20	0	13	43	72
$200,000 or more	--	5	12	23	6	1	12	71	162

1,643 Rental Units   **1,625 Owner Units**

3,268 Total Units

Recommendations: Bedroom Size

Projected need incorporates unit production need and allocated unit production targets by existing gaps and weighted future demand.

Minot's recent development trajectory favored 1 and 2 bedroom units, as new development sought to create quick workforce housing in multi-family rental complexes.

Our recommendation is a slight adjustment towards larger homes. Minot added many middle income, younger households due to the oil economy. As the industry stabilizes, many households will desire a shift from rental to ownership housing—especially as many younger workforce households start families.

Housing by Number of Bedrooms: Current, Recent and Future

	Current stock	*New additions: Last 10 years*	*New additions: Next 10 years*	
4-Bed	14%	11%	26%	+15% CHANGE IN COURSE
3-Bed	33%	28%	28%	NO CHANGE IN COURSE
2-Bed	37%	41%	27%	-14% CHANGE IN COURSE
1-Bed	16%	19%	18%	-1% CHANGE IN COURSE
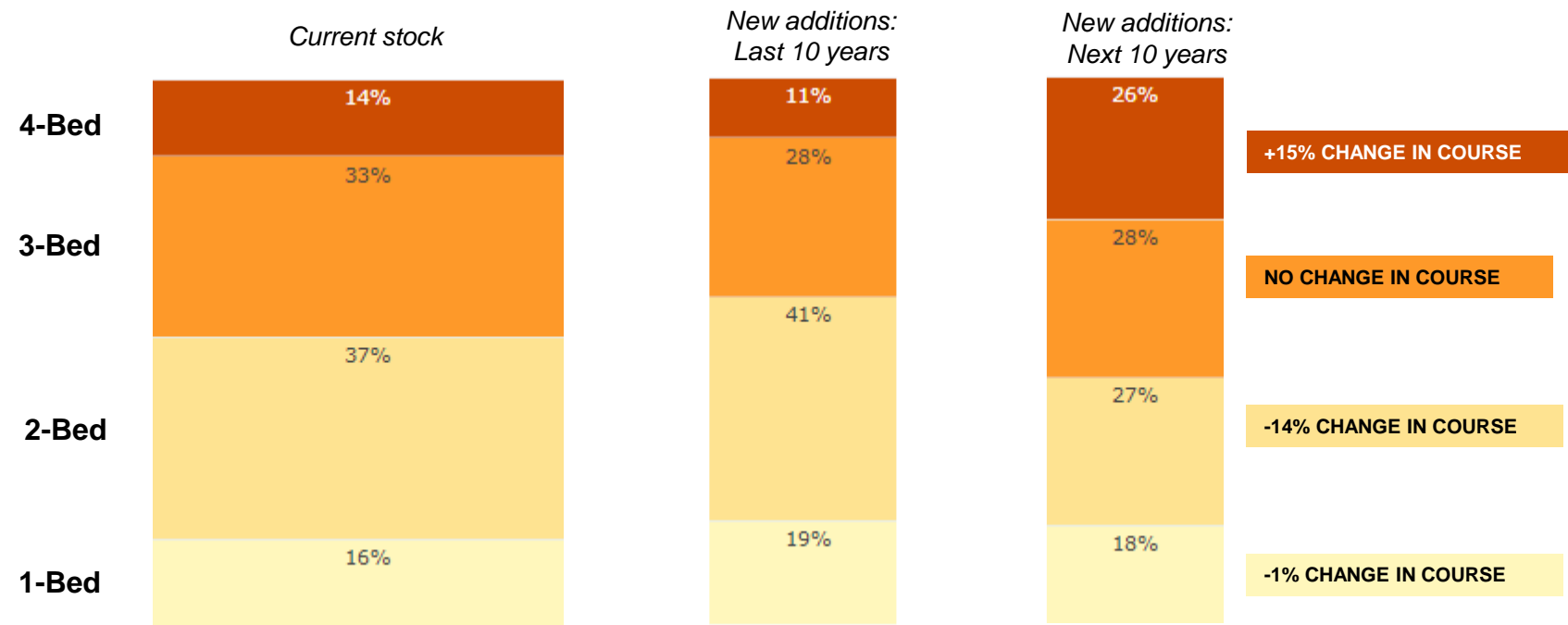
Recommendations: Tenure

Projected need incorporates unit production need and allocated unit production targets by existing gaps and weighted future demand.

Minot's recent development focused on rental housing. During the oil-boom and flood period, adding rental stock was necessary given large transitions in people's lives that often requires flexibility. Also, given the role of the Air Force Base in the regional economy, a higher proportion of rental housing is sensible.

However, as the dust settles on the oil boom, the community and broader region added high paying jobs that enable home ownership options. Shifting towards historic norms of ownership will create new inventory that can act as a release valve on the existing housing stock.

Housing by Tenure: Current, Recent and Future

Current stock

New additions: Last 10 years

New additions: Next 10 years

Renter-Occupied

Owner-Occupied

46%

54%

69%

31%

50%

49%

-19% CHANGE IN COURSE

+18% CHANGE IN COURSE
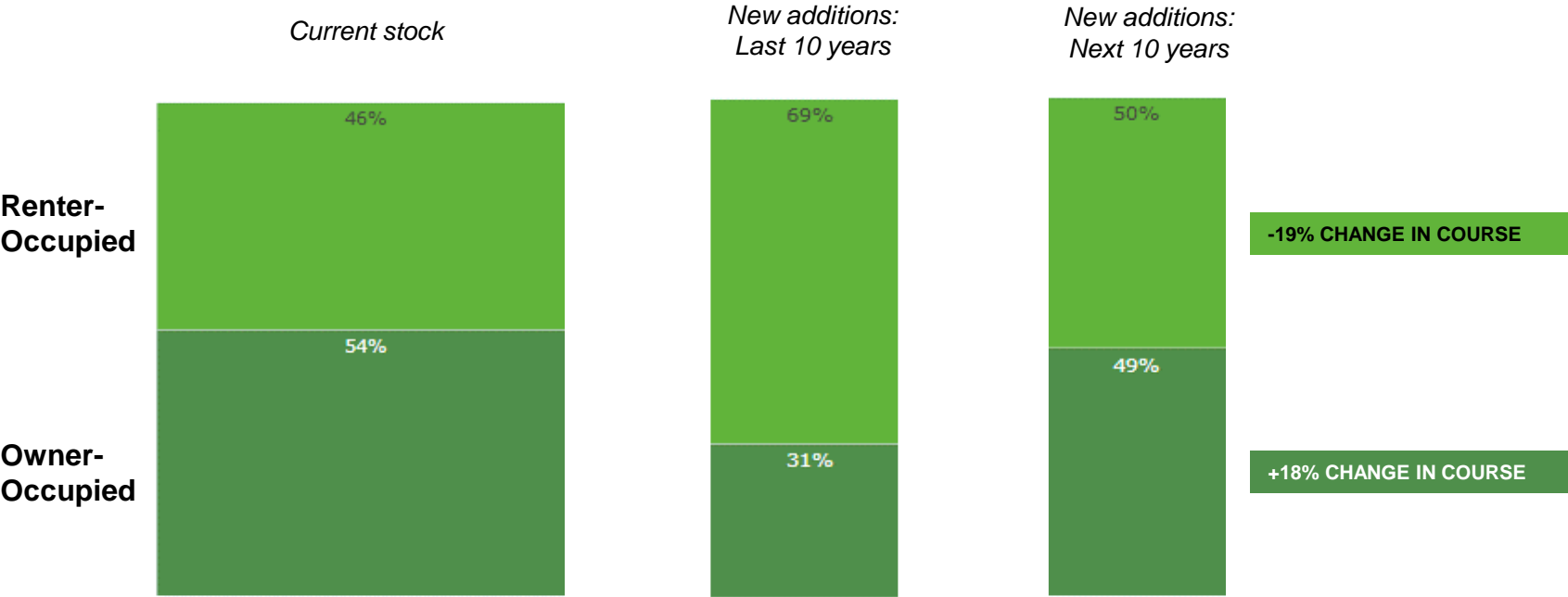
Recommendations: Housing Type

Projected need incorporates unit production need and allocated unit production targets by existing gaps and weighted future demand.

Development heavily favored multi-family projects. Multi-family can quickly add housing supply, and is necessary in times of community growth.

Today, the oil boom apartments have been absorbed and the market is tight. That sets the stage for new apartment development. At the same time the Minot community will need to restore the production of single family homes to meet anticipated needs.

Housing by Structure Type: Current, Recent and Future

Current stock

New additions: Last 10 years

New additions: Next 10 years

	Current stock	Last 10 years	Next 10 years
Multi-Family	35%	52%	42%
Light Density	13%	14%	13%
Single-Family	52%	34%	45%

-10% CHANGE IN COURSE

-1% CHANGE IN COURSE

+11% CHANGE IN COURSE
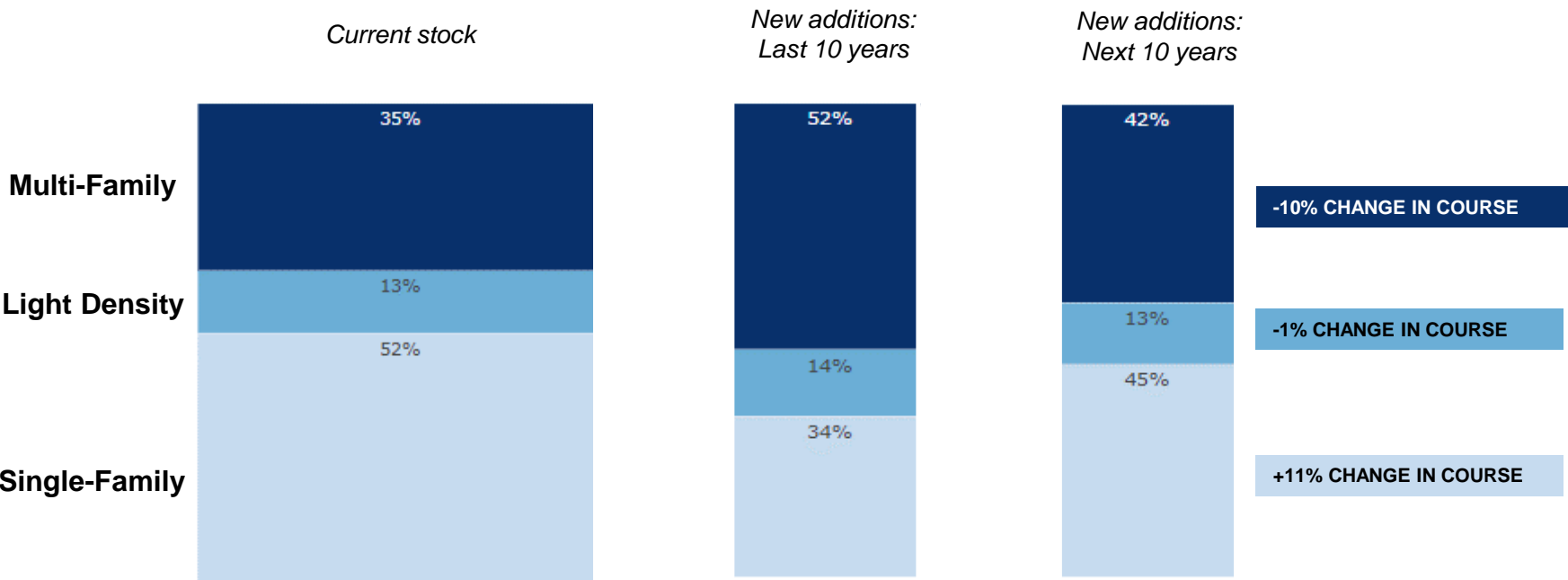
Recommendations: Market vs Need

While Minot still has a gap for affordable workforce housing for households earning 80% or less of AMI, this need cannot be filled through new construction. A 1-to-1 match is not possible. So how does it work?

Adding New Supply

Nationwide, housing prices have skyrocketed due to inadequate supply relative to demand. The rising cost of housing as a percentage of household income can be detrimental to households, local small businesses and employers. Communities often desire new housing to meet immediate affordable needs.

This is, however, a challenge. Raising construction, financing, insurance and material costs make building new housing expensive. Density – multi-family housing, town and twinhomes, condominiums, and smaller lots – can help lower costs, but rarely to a price affordable to lower to middle incomes.

Counterintuitively, adding supply, even at the 'top end,' can alleviate rent and home value increases. When supply is tight and vacancy rates are low, landlords can charge more for rent knowing they can fill their units while also having less incentive to invest in rehabilitation and maintenance. Adding supply requires landlords to compete for tenants, either by lowering prices or improving units.

Adding new supply – even if it is relatively expensive given development costs – can 'open up' new housing options. Higher-income households with the ability and desire to pay more for higher quality housing have the option to do so. My shifting 'up' into newly built housing, this opens up the market in the middle. With fewer households competing for middle-income housing, prices stabilize or decrease in older units. This again allows lower-income households to 'shift-up' in the market.

In the context of Minot, recent development (last 12 years) focused on workforce rental housing and entry-level ownership product to accommodate rapid employment growth and housing unit loss. A shift towards more historic norms of single-family housing construction and market-rate multi-family that is desirable for younger, non-married persons in the early stage of their career may not immediately produce affordable rents, but it will meet an unmet market niche that will help alleviate market pricing in the bulky 'middle-market', with older multi-family units with lower debt burdens most likely to lower rents to attract new tenants.

Adding Affordable Units

Current housing markets inadequately provide housing for low-income households nationwide, and Minot is no exception. Consistent effort should be made to leverage local, state, and federal policies to bolster affordable housing construction that meets the needs of households earning 60% or less of AMI. Channeling this investment into mixed-income communities and developments builds greater economic and social resiliency and can help prevent the concentration of disinvestment and policy.

Pro-Development Mindset

Increasing housing supply requires pro-development policies that encourage housing policy – policies that require communities to recognize that pro-housing policies broadly benefit the community.

Three primary focus areas address Minot's housing needs

Housing for low to moderate income households. Lower-wage service sector jobs remain a major part of Minot's economy, leaving many households financially stretched and vulnerable to life setbacks. Housing for low to moderate income households should be intentionally fostered as part of the new housing mix. These will primarily be modest, market rate housing that could include manufactured home communities, tiny home developments, accessory dwelling units, townhomes, workforce apartments, and starter homes. To the extent possible, it should also include new rent restricted apartment developments.

While it is eminently possible to foster new housing development that supports lower income households, many or most such households will look to existing homes or apartments to meet their housing needs. New housing production of any kind has a ripple effect to make existing housing more available and affordable. New housing units that are occupied by current Minot residents are leaving their previous housing unit available for another household.

Modest Multifamily Apartments

This product was overbuilt during the oil boom – Demand is beginning to return

Affordable Apartments

Beyond Shelter and Minot PHA are doing an excellent job in this arena

"Starter" Home Subdivisions

Subdivisions face challenges related to land and construction costs

ADUs, Tiny Homes, Cluster Development

Alternative housing types can have an impact at the margins

Manufactured Homes

Manufactured home parks are under stress

Three primary focus areas address Minot's housing needs

Executive, single-family homes and upmarket apartments. New apartments and residential subdivisions in Minot have largely focused on middle income households. That leaves an opportunity for differentiation of products toward housing types that support higher income tenants and homeowners.

Amenity-rich upscale apartments are appealing to a broad mix of ages and household types, which stereotypically includes young professional singles and couples, empty nesters and retirees, and divorced dads. The depth of demand for this housing type will be tested by "The Tracks" and the planned future stages of that project. Given that the submarket for these apartments is typically drawn to walkable, vibrant environments, downtown Minot is another location where upscale apartments may be successful.

"Executive" single-family homes have been built sporadically, but a higher income community hasn't been built in recent years. Building such housing may be helpful in attracting executive level personnel to Minot.

Senior housing. While Minot is getting younger as the community and region's economy diversifies, demand exists for senior housing as households age in place. Demand is high for single-floor (rather than split level or two story homes) homes that reduce falling risks and are easier on aging bodies. While some obstacles exist for higher-service senior living products (such as the cost of labor), opportunity exists for rental and ownership senior communities, both market-rate and affordable, that are age restricted and targeted to the needs of seniors. Providing senior housing has a dual benefit since it often makes an existing home available to others.

08
HOUSING
STRATEGIES

Strategies Menu

The following pages offer a menu of strategies that are responsive to Minot's unique challenges, needs and opportunities.

The analysis in the preceding pages builds an understanding of Minot's housing needs. That picture was broadened through the qualitative input of stakeholders and community members, including:

- City Staff
- Elected officials
- Business leaders
- Developers
- Representatives of economic and civic organizations
- Community members

These sources of information and insight sharpened our understanding of the Minot's housing challenges, needs and opportunities, and set the stage for a collection of strategies that are responsive to those considerations.

Production Strategies

| Accessory Dwelling Units (ADUs) | Tiny Homes | Manufactured Home Parks | Subdivision Production |

Preservation Strategies

| Trinity Hospital Rehabilitation | Reposition Hotels for Workforce Housing |

Location-Specific Strategies

| Infill Housing in Flood Protected Areas | Downtown Living for Downtown Activation |

Capacity Building Strategies

| New Developer Training | Building Trades Workforce Development |

These strategies are recommended for consideration because they may be suitable for Minot based on our research and stakeholder conversations.

They are offered for discussion, consideration and prioritization.

Accessory dwelling units (ADUs) add to housing diversity and can meet a range of needs.

They may meet a need for families who want to provide a space for a parent or adult child, which is close at hand but still offers independence. Other families would benefit from a source of rental income.

Context. Accessory dwelling units (ADUs) can meet community needs by increasing the supply and variety of housing. They create an important additional income stream for some, and for others they may meet family needs related to caring for family members.

They are smaller housing units that are on the same lot as an existing home and owned by that homeowner. They may be built as an attachment to the primary home or as a separate structure. They are an efficient use of public infrastructure because they introduce a new housing unit where there are existing utilities. The property manager, being the resident of the primary home, is close at hand, which usually ensures good management and responsive attention to issues that arise.

From a tenant perspective, ADUs can be attractive for renters who prefer to live in a neighborhood setting.

Minot has an existing ADU ordinance but has only permitted a few ADUs due to restrictions that:

- Only allow an ADU as an attachment to or within an existing primary residential home;

- Require that the unit be designed so that the home can be reverted back if ADU use terminates

- Require the applicant to apply for and obtain approval from the Planning and Zoning Commission for a Conditional Use Permit.

In general, cities that have more flexible regulations related to ADUs see a modest level of production over time, as opposed to rapid neighborhood transformation.

Strategy. Additional ADU development can be supported through revisions to Minot's existing ordinance to remove or modify restrictive requirements. No financial resources are required to pursue this strategy.

Case studies. Several North Dakota cities allow the development of ADUs. Those include Bismarck, Mandan, and Dickinson.

Tiny homes are what they sound like – an affordable (and small) type of single family home

Tiny homes fill a need on the housing continuum because, like manufactured homes, they offer the independence of a single family home at a lower production cost.

Context. Increasing numbers of Minot households are paying more then they can afford on housing. Even small conventional homes cost in the range of $300,000 today, and the cost burden of home ownership can price people out of home ownership, or make it difficult to afford other life needs, such as eating well, getting good health care, and addressing emergencies that come up.

Tiny homes are modest in size and price even compared with typical starter homes, so they can be part of the menu of solutions. With increasing acceptance, tiny homes can represent a financial life-saver for some households.

Tiny homes differ from manufactured homes in two important ways. They are set on standard foundations or frost footings, and the land is typically owned along with the

home. They can be situated along a street, as in the illustration. Or they can be arranged in a cluster format, with multiple homes sharing a common parking area and community space.

Strategy. Zoning Code requirements for homes can be adjusted to allow smaller home dimensions and less space between homes, as part of an intentionally planned tiny home development.

Tiny homes could also be allowed as an accessory use. For example, Minnesota adopted a statute that allowed churches to situate tiny homes on church properties. Something like that could be authorized in Minot through its local zoning code.

Case studies. The images at right are from a Lennar development in San Antonio.

Church congregations in St. Paul and Roseville are among the first to situate tiny homes their properties. They partner closely with an organization that coordinates supportive services for residents as needed.

Manufactured home communities are an important option for many lower income families

In recent years it has become common for land rents in manufactured home communities to be dramatically increased, resulting in this affordable form of homeownership becoming less affordable.

Context. Minot's manufactured home communities are important because they are the City's most affordable owner-occupied housing. Residents own their home, but pay rent for the land, utility availability and property maintenance. Nationally and locally, the owners of these communities have more and more often been boosting rents by dramatic amounts. Residents often have little alternative to paying more because of the difficulty of finding another manufactured home community to move to. Moreover, after being rooted in a place for some time, the home itself may be difficult to move.

These challenges have led to strategies for making the residents themselves the owners of their community through a cooperative ownership structure. A cooperatively owned manufactured home community will remain more affordable over the long term because

rent increases will only occur as required to meet property maintenance needs, as opposed to corresponding to what the market will bear.

Two strategies are explored relative to manufactured home communities. Both have the goal of stabilizing the affordability of the community over the long run.

Strategy 1 – Cooperative conversion. Cooperative conversion puts an existing manufactured home community on a more financially sustainable long-term basis. It entails paying market price for the property, investing resources in cost stabilization, and then transferring ownership to a cooperative entity that represents the homeowners themselves. A flagship organization nationally that supports this work is ROC (Resident Owned Cooperatives) USA. Local

partner organizations play a role as well.

Pursuing this strategy involves getting educated on how these processes work, by learning from ROC USA and others. Locally it requires building relationships with manufactured home community owners and residents in order to identify acquisition and conversion opportunities. Financial resources will need to be identified and raised to support cooperative conversion.

Manufactured home communities are an important option for many lower income families

In recent years it has become common for land rents to be dramatically increased, resulting in this most affordable form of ownership housing becoming less affordable.

Strategy 2 – Newly developed cooperatives. If a cooperative ownership structure is established from the very beginning, it is less expensive to establish, and exploitative future rent increases will not occur. Given that future stages of Minot's flood protection will disrupt some existing manufactured home communities, it might be beneficial to facilitate the development of one or more new manufactured home cooperatives before that occurs.

Developing a cooperatively owned manufactured home community requires an intermediary because the homeowners the will reside in the future manufactured home community are unlikely to have the collective capital and preexisting organizational structure to accomplish this. The strategy for new

development of a manufactured home cooperative begins with reaching out to organizations who can play a role in that process through their experience. The City of Minot can play an important role in facilitating its development through the use of public financing to support land acquisition and street and infrastructure development. Those resources can be wholly or partly recouped when the land is conveyed to the cooperative.

Case studies. Montana has seen a large number of successful cooperative conversions. The City of Missoula has been especially proactive in facilitating the conversion of manufactured home parks to cooperative ownership. Bonnie's Place is their most recent success story. It was converted to a

cooperative in April 2023.

There are fewer examples of newly created manufactured home cooperatives than there are conversions of existing communities to cooperative. But two examples are being explored or planned in neighboring states.

Northcountry Cooperative Foundation is in the early stages of creating a new manufactured home cooperative in Northfield, MN. Headwaters Economics is exploring how to establish a cooperatively owned manufactured home community for owners of manufactured homes displaced by flood buyouts in Glendive, MT.

New home subdivisions are the most common form of housing production in Minot

The overall supply of homes has a great impact on price, so increasing the rate of home building in an ongoing way will make Minot a more affordable community in the long run.

Context. Homebuilding is a major source of housing growth. But homebuilding in Minot is occurring at a slow rate. There are multiple factors that hinder more rapid subdivision development. A key factor is the high cost of development. Another is the land price expectations on the part of land owners. A third factor is development risks. Public sector actions can have an impact in each of these areas.

Cities and developers have a mutual interest in reducing development cost. Reductions in development costs increase the rate of production and reduces home prices. The graph at right shows how reducing costs shifts the supply curve to the right, which reduces home costs and increases their quantity.

Strategy 1 – Adjust practices to reduce development costs and lower risks. Most development costs are independent of public

sector influence. However, the elements that are impacted by public sector policies and practices make an important difference in the overall cost of development.

The most impactful opportunity is rethinking the provision and financing of public infrastructure. Cities have discretion over how and when the cost of infrastructure must be paid for. At one end of the spectrum, the City of Saskatoon acquires land, and finances the public infrastructure, for most new subdivisions, through its partner agency, Saskatoon Land. At the other end of the spectrum, the developer is responsible for funding all street and utility construction, and not seeing a return on that investment until new homes are sold. That adds costs because private financing is more expensive than public financing. And it adds development risk, which in turn increases costs through higher financing costs and other mechanisms.

Many cities have landed on a middle ground, where they fund public infrastructure, and recoup costs at the time of platting, or through special assessments. If this path is taken, good communication with homebuyers will allow the City to convey that, although special assessments can feel like an add-on, the development partnership will have reduced the price of the home overall.
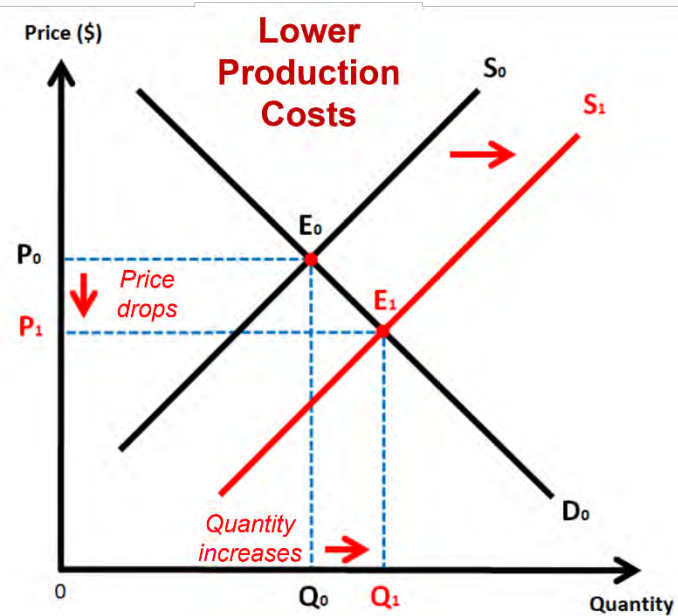
New home subdivisions are the most common form of housing production in Minot

The overall supply of homes has a great impact on price, so increasing the rate of home building in an ongoing way will make Minot a more affordable community.

Some cities have gone one step further, and made homes more affordable to lower income or first-time homebuyers by forgiving a portion of the special assessment.

The regulatory processes are another arena in which the modification of city practices can contribute to reduced development costs. Any streamlining of processes reduces development risks and thus costs. Fees can also be reduced, and one way to rationalize that is to observe that reduced development fees are likely to be recouped in the first year or two of real estate taxes.

Note that for all of these strategies, if they result in increased production, the cost to the City will be offset by the newly created tax base.

Strategy 2 – Land prices. Minot can play a proactive role in resetting price expectations. The City can develop a communication strategy that addresses price expectations with information. Land sale price data can be collected from comparable markets and conveyed to landowners.

More assertively, the City can enter the land market directly or through an intermediary. The goal would be to determine a target land price, and look for opportunities to make land purchases at that price. Those sale prices become metrics that reset price expectations directly.

Case studies. Many North Dakota cities pay for subdivision infrastructure and recoup those costs through special assessments—including Fargo, West Fargo and Grand Forks.

Saskatoon Land is a public authority in Saskatoon, Saskatchewan, that has established a practice of buying land in the periphery of the City for subdivision development at a large scale, thereby supporting a flow of new development, fostering regional growth, and improving housing affordability in the entire region.

Fostering reuse of the vacant Trinity Hospital building is a high priority in downtown Minot

In an initial analysis of the downtown Trinity Hospital building, this study found that the building may be conducive to rehabilitation for housing on its upper floors, and commercial or institutional use on its lower floors.

Context. Trinity Health, Minot's largest medical provider, recently constructed a new medical complex in southwest Minot, which left its downtown hospital building vacant. The property is in a prime location for being reoccupied in order to support the vitality of downtown Minot.

This market study included an initial feasibility study on the rehabilitation of the primary downtown hospital building. It found that, while significant improvements are needed, the building configuration is supportive of residential conversion on its upper stories. The lower stories, with their larger floor plates, are more suitable for commercial or institutional use.

Strategy. The investigation outlined a set of next steps to further explore the potential for rehabilitation, including:

- A Building Assessment, to learn more about the condition of the building core and shell, systems, hazardous materials, etc.

- As-built drawings

- Rehabilitation budget and preliminary proforma

- Soliciting developer interest

On the public side, there may be a demonstrated need for appropriately scaled public financial support. Public financial support, if provided, is likely to be recouped through new property tax generation.

Because challenges related to office vacancies are prevalent, it may be possible to advocate for state consideration of providing local public financing tools to support office-to-residential conversions.
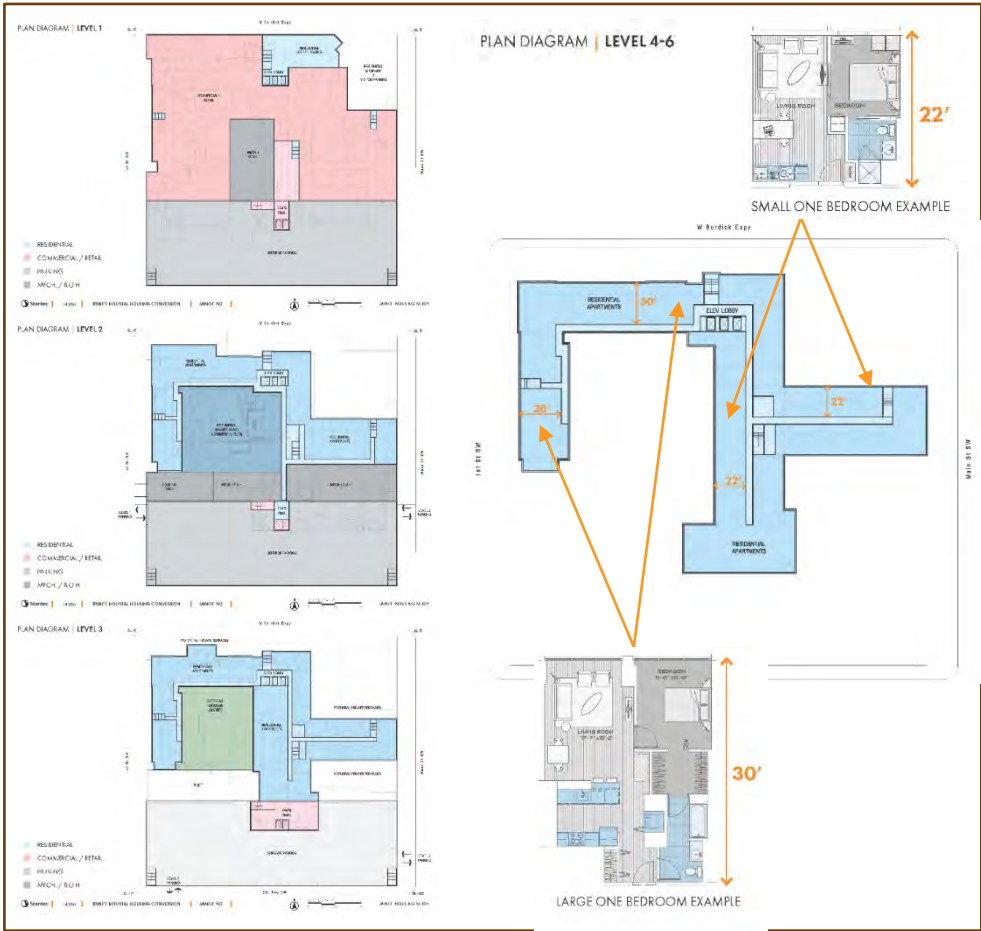
Hotel conversion could result in modestly sized residential apartment units

With an excess stock of low to mid-tier hotels, and a needsfor housing that is affordable to lower and moderate income households, hotel-to-apartment conversions could be a win-win.

Context. Over half of the hotel rooms in Minot were developed during the oil boom between 2010 and 2013, leaving the city with excess capacity in low to mid-tier hotels. Minot's below average hotel occupancy can lead to property disinvestment and management concerns. Hotel-to-apartment conversions would result in small and affordable housing units, a product that would meet important needs in the local community.

An additional benefit of conversions would be the reinvestment that would come into these aging buildings.

The conversions of hotels to apartments currently faces zoning restrictions. Most hotels are located in the C1, C2 and GMU zoning districts, which don't currently allow apartment conversions without a commercial element remaining on the site.

Strategy. Inviting hotel-to-residential conversions entails increasing zoning flexibility to allow residential redevelopment in some or all commercial zoning districts. It may also require appropriately scaled public financial support.

Case study. The proposed Fleck House project in Bismarck is at right. It involves the rehabilitation of the existing hotel structure, and new construction in the form of an apartment wing addition.
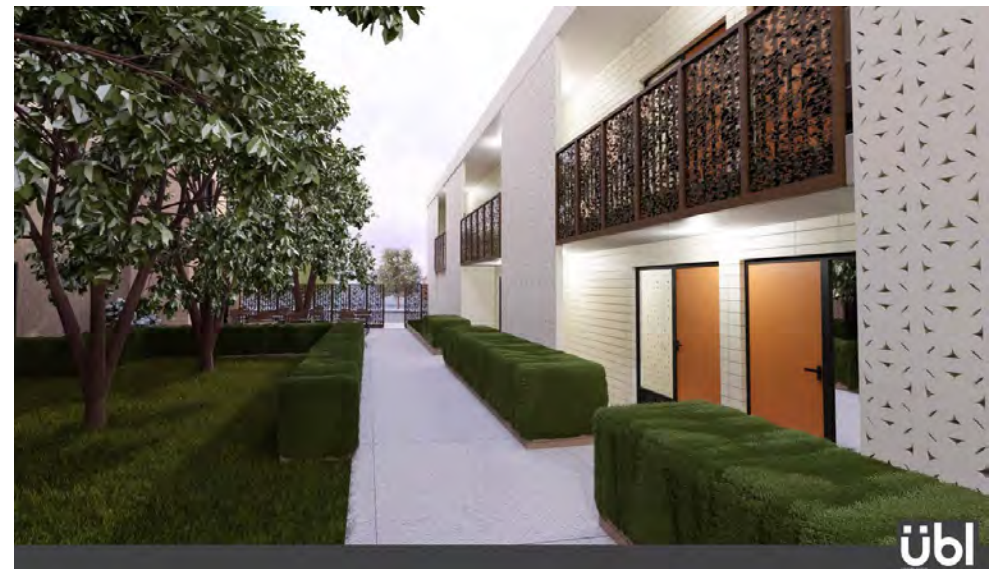
Areas that have been protect by levies are an opportunity for infill housing development

While complicated by the restrictions associated with home buyout funds, newly protected residential neighborhoods can start to be repopulated with infill housing.

Context. Numerous homes were purchased and demolished in the aftermath of the Mouse River flood, leaving vacant properties in desirable, centrally located Minot neighborhoods. As the flood protection infrastructure has been built, many of those properties are no longer at risk of flood damage. Redevelopment of the properties benefits the City through property tax generation and the strengthening of core neighborhoods.

New development on many of those lots is complicated by deed restrictions. Flood buyouts were funded using a variety of funding sources, some of which required that the property remain undeveloped indefinitely. In those instances, infill development must either occur on the properties that do allow development. Or relief from those restrictions could be sought.

Strategy. The recommended strategy starts with better information, mapping on a property specific basis the development constraints that are associated with vacant properties.

Where there are buildable lots mixed with non-buildable lots, a cluster development ordinance could be adopted that supports placing clusters of homes on the parcels that allow it, with open space on the ones that don't.

The potential for removal of restrictions could be the subject ofconversation with Minot's congressional delegation. They may be able to assess whether a case can be made at the federal level for releasing development constraints for properties that no longer face flood risks.

Case study. Bismarck created a vacant

property dashboard (below) using ArcGIS online to make it easy for developers and the public to find existing vacant lots for infill.
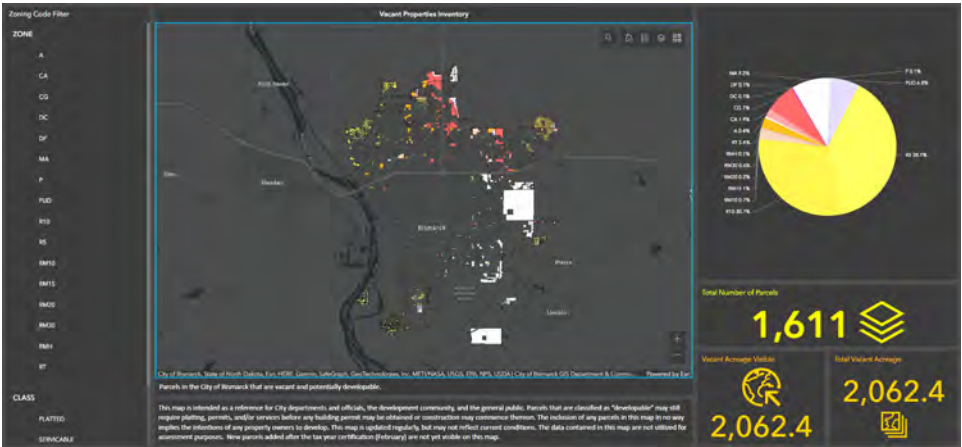
Downtown is a priority location for housing because more housing supports downtown vibrancy

Downtown housing provides a customer base for downtown businesses. It puts eyes and foot traffic on the street, activating downtown and making it safer. It adds stakeholders who care about the success and vibrancy of downtown Minot.

Context. Minot has placed a major emphasis on strengthening its downtown, setting a goal of adding 500 housing units downtown by 2040. It understands the benefits of increasing the downtown population base as an integral part of fostering an activated downtown business district.

The downtown Renaissance Zone was established in 2001 to bring attention and resources to revitalizing the downtown area. It has funded retail, office and residential development, as well as streetscape improvements.

Strategy. With the downtown Renaissance Zone and existing policy commitments, Minot can continue to seek out opportunities to build the residential community in and near downtown Minot, whether in the form of redevelopment, the rehabilitation of underutilized commercial buildings, or re-occupancy of second and third story spaces in downtown storefront buildings.

Downtown can also be a priority location for development resources. The Renaissance Zone financial resources should continue to be employed to support development where the program criteria are met and the need is demonstrated. Other public financial support should also be considered when appropriate to surmount the extra challenges of redevelopment in the City's core.

Increasing the pool of developers could yield more housing production

Development capacity in Minot was diminished after the end of the oil boom by multiple factors. With renewed housing needs and demand, it's timely to invite and train a new generation of developers.

Context. Minot's community of local developers was crowded out during the oil boom because of the influx of national developers that came to Minot. As the air went out of the oil boom there was a net migration out of the area, and little need for housing developers. Now, at a time when housing demand is growing, the previous generation of local developers has been reduced.

There is a benefit to increasing the developer pool. Increased development capacity would yield more housing production, and that puts downward pressure on housing prices.

There are national organizations that provide developer training resources that can be used and modified as necessary to align with local regulations and processes. Those courses include:

- Certified Commercial Investment Institute - Real Estate Development: Land Development

- National Association of Home Builders - Land Development Program

- Urban Land Institute – Real Estate Development

Minot State University could play a partnering role in establishing and delivering the developer training curriculum.

Strategy. The City of Minot with local economic development partners can play the role of convener. They can initiate conversations with national training providers and Minot State University to determine how a local developer training curriculum might be designed and delivered. A City financial contribution to the cost of program initiation could be considered.

Boosting the building trades benefits housing development and the upcoming Sentinel Project.

A deeper building trades workforce would contribute to housing affordability in the near term, and it would position local people to capture more of the jobs associated with the upcoming Sentinel Project.

Context. A robust local workforce in the building trades contributes to lower housing production costs, and increases housing production. Minot faces challenges in attracting and retaining skilled workers in the construction industry—including the aging of the existing workforce, competition from other sectors and regions, lack of awareness and interest among young people, and barriers faced by women and minorities.

Workers in the building trades will also be a key hiring target for the upcoming Sentinel Project. Increasing Minot based participation in that project has multiple economic benefits including the likelihood that locally based workers will spend more of their income at local businesses.

Many local communities have implemented successful development and training programs in the construction industry, using programs offered by the North America's Building Trades Unions (NABTU), the Home Builders Institute (HBI), local home builder associations (HBAs) and others.

Strategy. The City of Minot and/or local economic development partners can play the role of convener—bringing together local partners and fostering collaborations with stakeholders such as Minot State University, Minot Association of Builders, Minot Public Schools, Minot Area Workforce Academy, and local labor organizations to design and implement workforce development and training programs that are tailored to the local context and needs.

A communications effort could also be made to promote the construction industry as a rewarding and viable career option for young people, women, minorities, and other underrepresented groups.

09
COMMUNITY ENGAGEMENT

Minot Housing Needs & Market Study | Stantec

Survey Respondent Follow-Up Interview
Personal Story #1
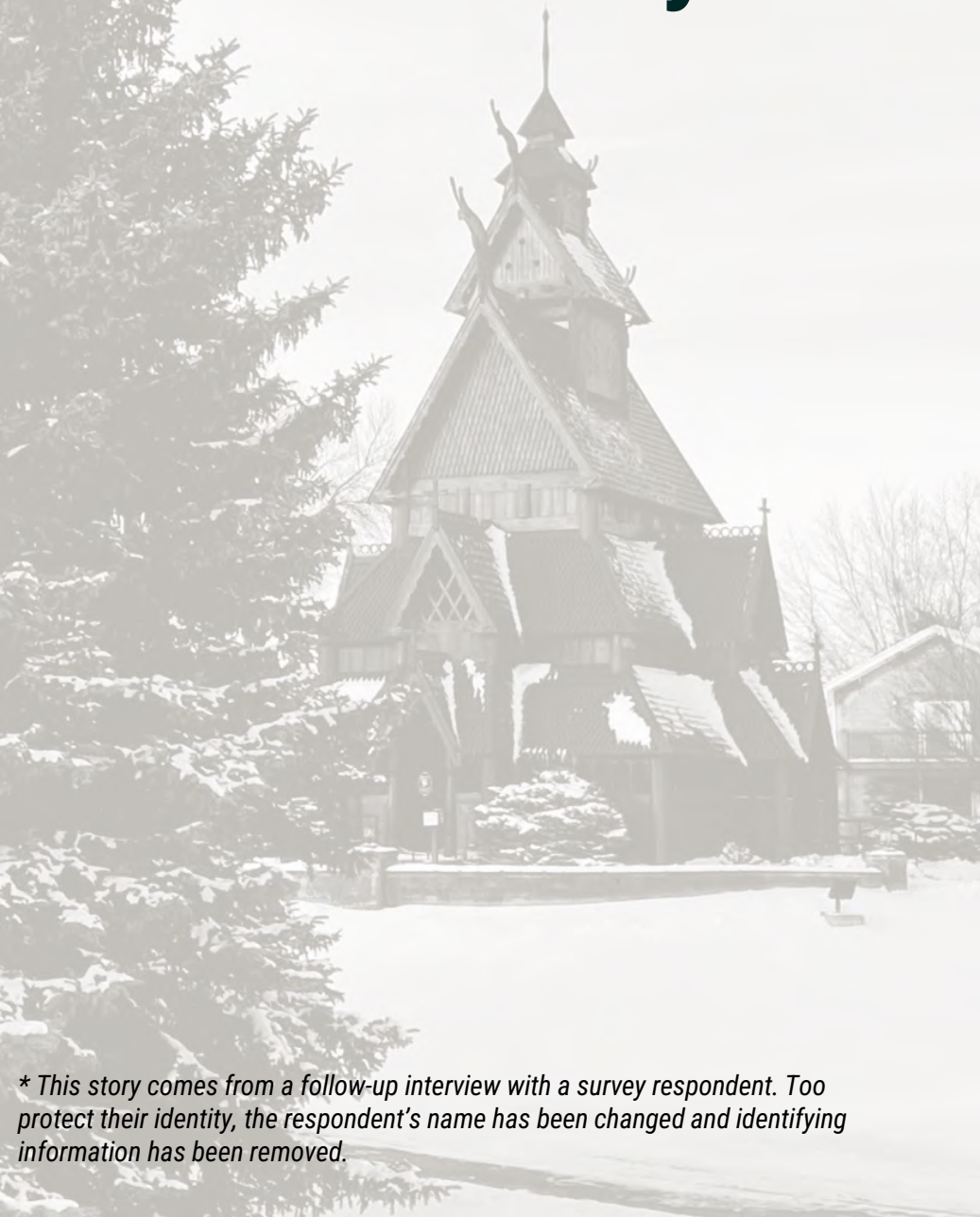
Camila's job is to find housing for elderly and people with disabilities in Minot, and she noted that they really struggle to find affordable and accessible housing for people on fixed incomes. She said often there might be an accessible unit, but it's not in the price range that they're able to afford. Or if they can find an affordable unit, it presents accessibility problems for their clients. She said they also work with populations that have housing barriers such as poor credit or criminal backgrounds, and it's difficult to find landlords who are willing to overlook those barriers.

In her view the burden of finding senior housing in Minot is worsened by low availability so there are very few available units for people 55 and older. There is a voucher program that works for some people but they have seen clients go to shelters because they can't get them into a unit quickly enough while trying to overcome other barriers like a previous eviction.

She has also seen costs rise in Minot's manufactured home parks. That started during the oil boom but has really escalated in the last few years when they were sold to out-of-state investors. Rents were raised so much that "even though people had lived there for 20-30 years, they couldn't afford the lot rent anymore. So they had to make the decision to move to a different community."

Camila
housing coordinator

Minot Housing Needs & Market Study | ◯ Stantec

Community engagement strategies were developed at beginning of the study

Introduction

It was important early on to identify and prioritize effective methods of gathering input from the community about housing related issues and needs in order to confirm or challenge data analysis findings.

A Public Engagement Plan (PEP) was created early in the process to identify effective engagement strategies for the Minot Housing Study. It established **Who** each strategy would be used to engage with, **How** engagement should be done and **Accountability** standards using measurable objectives to evaluate the strategies execution and success.

A key part of the approach was a "no jargon" philosophy. The extensive use of graphics and other alternative formats helped translate complex ideas throughout every phase of the project to ensure study-related information was accessible for all.

Public Engagement Plan

WHO   HOW   ACCOUNTABILITY

Objectives for THE PEP and each engagement strategy were evaluated to measure execution and success.

Public Engagement Plan Objectives

The following objectives were identified for this study.

1. Gather input from residents and businesses that have direct knowledge of the region, community or specialty.

2. Align strategies to aspirations of community members.

3. Put a human face on housing needs by highlighting individual experiences that are reflective of others in the community.

4. Broaden community support for housing strategies that meet City objectives.

5. Broaden understanding of community needs and buy-in for housing strategies to support implementation of the goals and objectives.

The Minot City Council served as the primary advisory body and sounding board through the process.

Two presentations were made to the Minot City Council, following the Analytics and Strategies phases of the project. Stantec staff also solicited the views of City Council members in interview and focus group settings. They provided invaluable input and perspectives related to the needs of the community, and the opportunities they see to address those needs.

City Council Meetings and Workshop Objectives

The following objectives were met through City Council Meetings, individual interviews and focus groups:

1. All legal obligations for public hearings and notice of governing bodies were adhered to as well as open meetings requirements for any applicable or potentially applicable meetings or workshops in which a quorum of City Council members would be or were present.

2. Council member insights were solicited relative to housing needs, challenges, and opportunities.

3. Findings of research and analysis were conveyed to the City Council relative to Minot's housing market context and needs.

4. A range of potential strategies was advanced, which could be pursued over time to addressing challenges and meet local needs.

5. A foundation was set for housing related actions the City Council can take following the completion of the housing study.

6. All activities, comments received, notes from meetings, and other information generated through the process were documented and are available to the public.

Smaller focus groups and research interviews captured a range of perspectives and thoughts

Stakeholder & Research Interviews

- City of Minot Departments/Divisions:
  - Community Development
  - Planning
  - Engineering
  - Building Official
  - City Management
  - Human Resources
- Minot Chamber EDC
- Minot AFB
- City of Warren, NE
- City of Cheyenne, WY
- Realtors
- Trinity Hospital
- Affordable Housing Providers
- Service Providers
- Community Change Agents

Local stakeholders and professional experts such as realtors and major employers provided important information and perspectives related to various aspects of housing.

Participants for focus groups and research interview varied and were selected for their expertise and understanding of specific topics. Stantec worked collaboratively with City staff to identify stakeholders and interview subjects. The City of Minot was responsible for coordinating meeting dates, times, and location, however Stantec helped as needed. Meetings were held as either one-on-one formats or as small groups and where all conducted in-person except during a final site visit to accommodate a travel hindrance encountered by the Stantec Project Manager.

The information gained in these interviews informed a more in-depth understanding of:

- Current housing conditions and needs
- Housing related programs or activities that already exist
- Strategies that may potentially be employed to address housing challenges and meet local needs.

Focus group and research interviews were also used to understand the housing needs and housing issues faced by hard-to-reach populations such as though who may be housing insecure, homeless, BIPOC (Black, indigenous, and people of color) and those with disabilities that cannot participate using conventional engagement activities, prioritizing conversations with agencies that provide services for and work directly with these populations. This method ensured the Study project team was able to get a better understanding the housing issues these hard-to-reach populations face without needing to deploy labor intensive outreach strategies.

Focus Groups and Research Interviews

The following objectives were met for these engagement activities.

1. Participants engaged in structured conversations about relevant housing related issues.

2. Participants identified local needs, defined community priorities, reviewed housing strategies, and provided recommendations and guidance

3. All activities, comments received, notes from meetings, and other information generated through the process were documents, and are available upon request, within the bounds of protecting privacy for commenters and survey takers.

Information about the Study was provided in an online, easy to use and interpret format

Utilization of a Story Map website ensured that study information and updates were made available to anyone who was interested, and was presented in an accessible format. By doing so, it fostering greater community engagement with housing related issues. It provided an initial overview of the study and provided a link to the housing survey. It was updated after the analytical phase of the project to provide detailed information about Minot's housing market. It was updated again after the strategies phase of the project to outline candidate strategies for meeting Minot's housing needs.

Project Story Map Updates

Phase 1 *Kickoff*	Created June 2023	• Study overveiw • Study project schedule • Housing mix map
Phase 2 *Analysis*	Updated October 2023	• Economic Foundation analysis • Demographics • Housing Inventory • Market Context • Needs
Phase 3 *Strategies*	Updated January 2024	• Production Strategies • Preservation Strategies • Location-Specific Strategies • Capacity Building Strategies

STUDY DELIVERABLE

Minot Housing Study StoryMap

visit

tinyurl.com/Minot-Housing

SCAN ME

Website/StoryMap Objectives

The following engagement objectives were met for the online website

1. A Story Map providing study-related information was created, and its availability was communicated to the public through a variety of means.

2. The Story Map utilized easy-to-understand language and straightforward graphics to communicate content.

3. The Story Map built public understanding of Minot's housing needs in Minot, and put a human face on the stories of two households that have faced housing challenges.

4. The Story Map was updated on two occasions as the study advanced.

An online housing survey provided an additional opportunity to gather input from the community

859
Survey Responses
October 13 – December 5, 2023

Survey Purpose:

The goal of the housing survey was to collect input on the housing experiences, needs and desires of community members – how well people feel their needs are met by their existing housing, and the challenges they face or have faced in finding housing that meets their needs.

Survey Content

The survey gathered the following information survey respondents:

- *Demographics*
- *Household Information: Housing Satisfaction*
- *Housing Barriers*
- *Housing Needs*

Survey Administration

The Survey was created and administered using Microsoft Forms and was embedded within the online Storymap. It was available to the public from October 13 to December 5. Promotion of the survey occurred at regular intervals by the City of Minot using scheduled social media posts (see bottom right example).

Survey Results

Key findings from the survey are on the following pages. A more complete survey report can be found in the appendix.

Housing Survey Objective

The following objective for the survey was met.

1. The housing survey collected input collected on the housing experiences of Minot community members, including how well they feel their needs are met by their existing housing, and the challenges they face or have faced in finding housing that meets their needs.

Housing Survey Respondents Characteristics

Origin of Respondents

- Minot — 37.4%
- North Dakota, but not Minot — 25.3%
- Outside North Dakota — 37.2%
- No Response — 0.117%
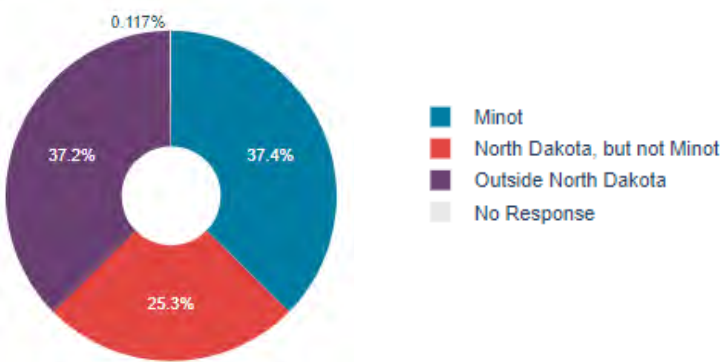
Representation from Across Household Types

- Married couple with children — 37.1%
- Married couple without children — 21.4%
- Single — 20.4%
- Unmarried couple or roommates — 10.2%
- Other — 9.48%
- No Response — 1.41%
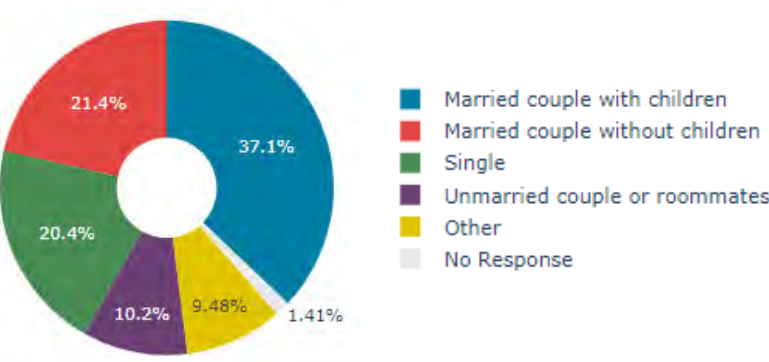
Housing Tenure

64.5% Own
35.5% Rent

Race

86.3% White
13.7% People of Color

Income of Respondents

- $28,000 or less — 16.2%
- $28,000 to 47,000 — 8.89%
- $47,000 to 56,000 — 12.1%
- $56,000 to 75,000 — 14.1%
- $75,000 to 93,000 — 13.4%
- $93,000 to 112,000 — 25.7%
- $112,000 or more — 9.6%
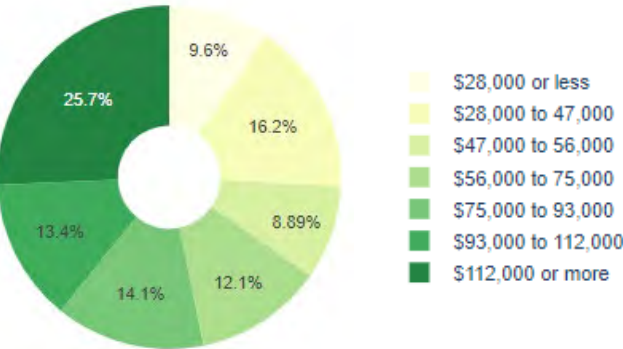
Respondents tend younger

- 18 and younger — 0.271%
- 19 to 34 — 34%
- 35 to 54 — 44%
- 55 to 74 — 20.3%
- 75 and older — 1.49%
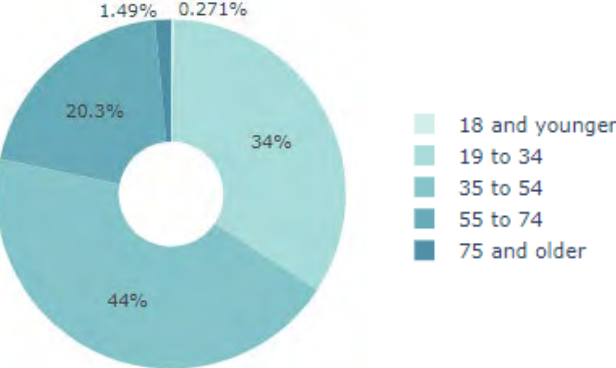
Respondents Live Across Minot Locations

- Downtown — 2.58%
- Neighborhoods near downtown — 36.4%
- Suburban — 52%
- Rural — 8.55%
- No Response — 0.468%
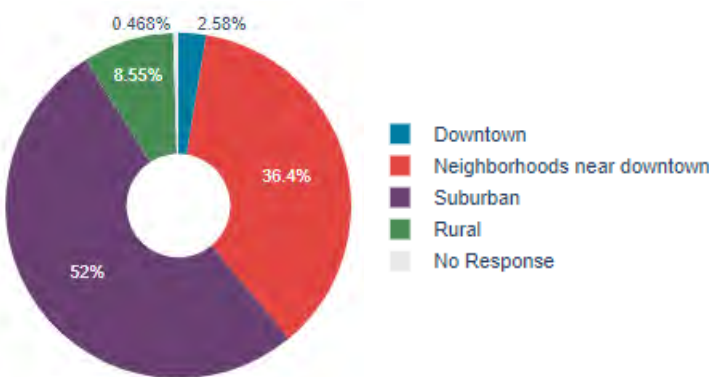
Satisfaction with Current Housing

On a scale of 1-5 where 1 means strongly disagree and 5 means strongly agree, how well does your house meet your needs in terms of the following elements?

Highest Satisfaction

- Size of home

Lowest Satisfaction

- Cost of home
- Neighborhood amenities

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Condition	4.5%	9.7%	26.6%	32.7%	26.4%
Features	5.4%	11.9%	26.6%	29.0%	27.1%
Size	4.9%	9.2%	20.4%	25.4%	40.1%
Cost	17.4%	15.6%	24.8%	20.9%	21.4%
Neighborhood Amenities	14.2%	16.2%	24.9%	22.7%	22.1%

Typical Comments

"I am 34, have two jobs, and should be a homeowner but the market in Minot is expensive!"

"Housing needs to cost less. Most families now have 2 or 3 jobs just to pay for their homes."

"I'm a senior and I need a single-story ranch home rather than a split-level home."

"I am a full-time college student and this year alone my rent increased $400."

"More amenities in the north side of town would be awesome for all northerners including myself."

Housing Survey Comments

Lois is a single mother of two boys. She moved to Minot following a natural disaster, and says, "I have been trying to deal with housing from the moment I moved to Minot." She is in the rental market, and has lived in multiple apartments.

Even working at a professional job in the insurance industry, it is hard to make the finances work. She says, "You have to keep the rent to a reasonable level simply because of utility bills. Sometimes power gets very expensive when it's winter... I had to move from a place because a one month bill for electricity was almost $400. That's a lot when you are a single mom."

And her housing costs have escalated at times. "Where I am now, they haven't increased the rent. But every other place that I have rented from they have increased my rent $50 to $75 once or twice a year, and then they increase the fees for the common areas. And I have even seen them charge additional for snow removal. At my last place it just feels like the management company did everything they could to keep my deposit."

Lois's time in Minot has been beneficial to her older son, who graduated last year from Minot State University.

Lois
A single mother of two boys

* This story comes from an actual follow-up interview with a survey respondent. Too protect the individual, the respondent's name has been altered and identifying information has been removed.

Minot Housing Study

Housing Needs and Market Analysis

> The City of Minot is working on an in-depth study of the City's housing market – looking at the existing housing supply in Minot and how well that is meeting the needs of Minot residents.

The study will analyze Minot's past, current and projected housing conditions, including Minot's economic drivers, community demographics, housing market dynamics, and development trends. It will identify proven strategies and innovative approaches to increasing the production of housing types that meet community needs. It will also recommend strategies for dealing with future surges in housing demand.

The study will entail four phases from Summer 2023 to Spring 2024—Kickoff, Analysis, Strategies, and Deliverables. This website provides an overview of the study, and invites you to share your own experience about housing in Minot.

Please review the following info, complete a short survey by end of November, *and share this website with neighbors and friends!*

Minot is growing, and like many growing communities housing is a pressing issue.

Housing challenges make it harder for Minot to meet local needs, support continued growth, and attract the workforce needed by local businesses. Minot also contends with external events that cause values and rents to surge, and that deepens challenges related to housing affordability—especially for renters, including:

- Flood-related losses and disruptions
- Changes in staffing levels at the air force base
- Booms and busts associated with the petroleum industry

Minot is expecting a temporary influx of workers in 2028-2029 related to upgrading the ballistic missile system at Minot Air Force Base, and that's expected to present additional challenges and opportunities. The City will need a resilient housing stock to meet its community needs now and into the future.

Click "*New Multifamily*" and "*Residential Areas*" on the map for more information.

New Multifamily (since 2010)

Number of Units

- 100+
- 50 - 100
- 0 - 50

Residential Areas

- Single Family
- Mobile Home
- Plexes
- Apartments (5-19 Units)
- Apartments (20+ Units)
- Townhouse
- Condominium
- Vacant Residential

Subdivisions

Esri, NASA, NGA, USGS, FEMA | State of North Dakota, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA

5,000 ft   Powered by Esri
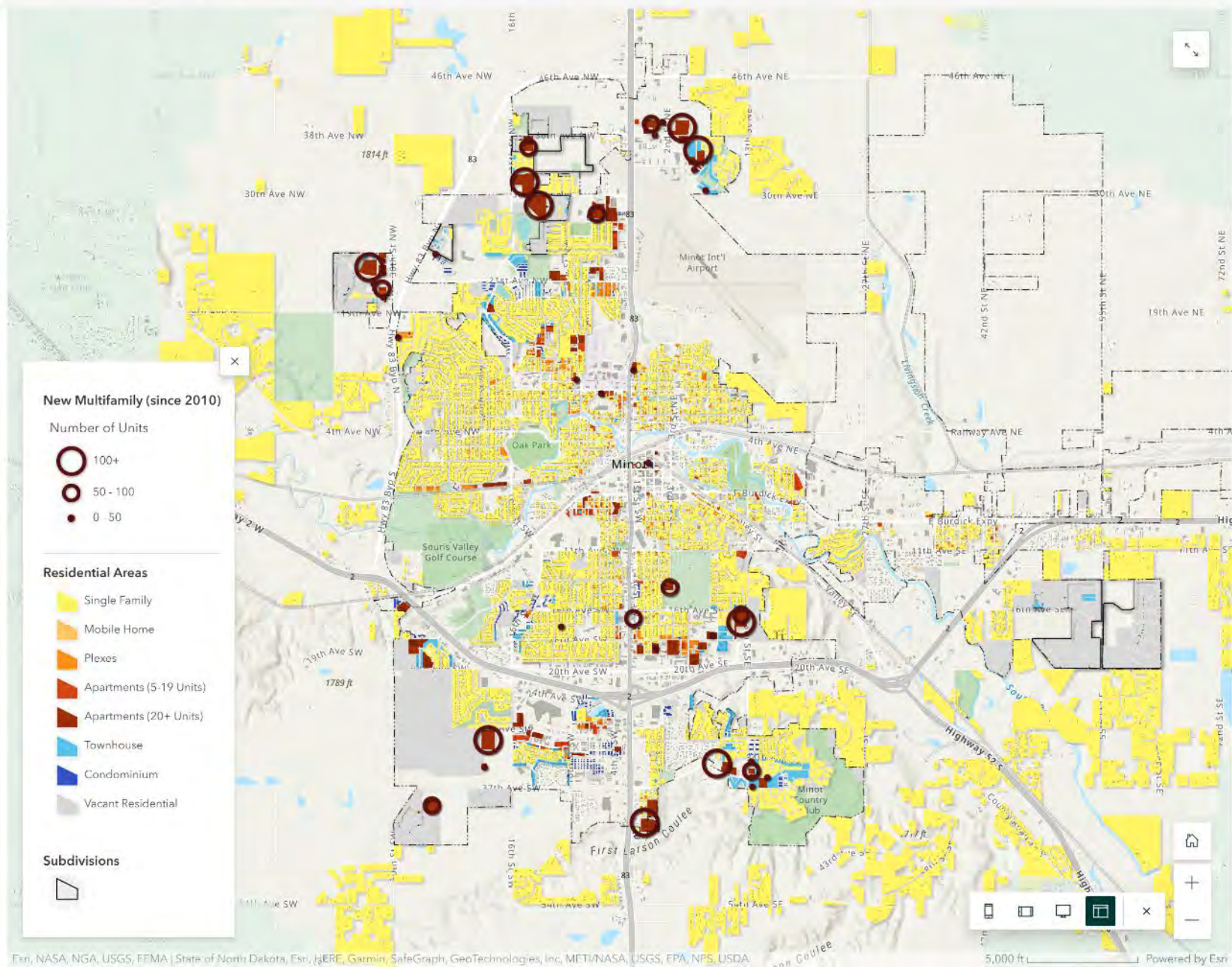
Economic Foundations

Minot has a healthy and diversified economic foundation that encompasses three major planks.

A Regional Commercial Center: Much of Minot's economic activity stems from its role as a regional commercial center, serving as a retail and healthcare destination, and wholesale distribution node for a broad multi-county region.

Oil Turbulence: The Bakken shale oil boom drove a short-term burst in employment that has slowed and stabilized. The oil boom has been the main contributor to economic growth, driving demand for housing and services.

Air Force Base: The Air Force base is a stable economic anchor to the regional economy. Base personnel are paid by the federal government, but spend much of their income at local businesses, supporting the local economy. Special projects such as the anticipated Sentinel project will result in short-term economic benefits.

Of these foundational elements, the oil industry has the most uncertain future. In the short to medium term we expect oil-based economic growth to be less aggressive than during its boom phase, as the industry enters a more mature development trajectory.

Click the arrow (to right) to read more about Economic Foundations

Ward County's employment is concentrated in sectors associated with being both a regional hub and a major Air Force base. (Air force personnel fall under the "Government" category in the table. Oil extraction remains a smaller portion of the total direct employment base despite its economic importance.

Continue to Demographics

Industry (Ward County)

Government and government enterprises
Health care and social assistance
Retail trade
Accommodation and food services
Construction
Real estate and rental and leasing
Transportation and warehousing
Other Services

0%   5%   10%   15%   20%   25%

Employment by Industry as Percent of Total (2021)

Employment Share in North Dakota as a Whole

Source: Bureau of Economic Analysis
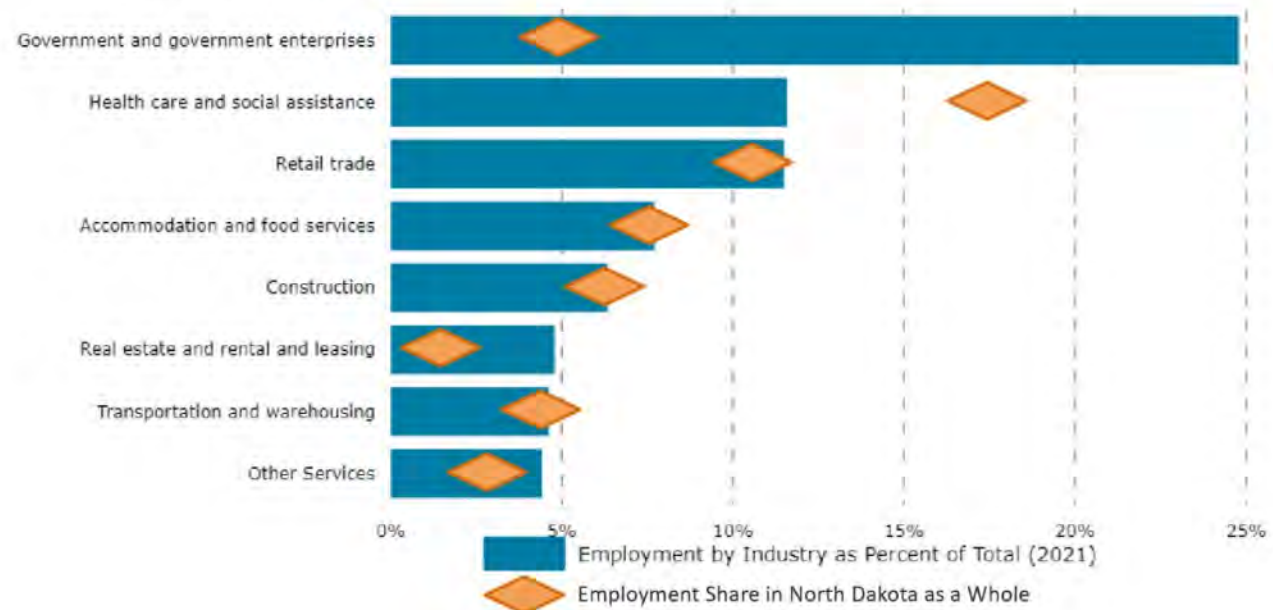
Demographics

Young adults are overrepresented in Minot. The air force base is the most important reason for that.

Educational attainment is a bit lower than average for North Dakota, but median incomes are on par with the state as a whole.

Home ownership rates are a bit lower the state as a whole, in part due to apartment construction during the most recent oil boom.

Housing cost burdens are experienced by many Minot households—that is, they pay more than 30% of their income on housing related costs—and the proportion of cost burdened households has significantly increased since 2016 as incomes have not kept pace with housing costs.

Click the arrow (to right) to read more about Demographics

Minot's population growth jumped in the early 2010s at a faster rate than comparable cities and Ward County. As oil prices dropped, Minot's population growth stalled.

Ward County's population grew with high rates of net migration in during the oil boom. As the boom stabilized, net migration out of the county increased relative to natural change, driving decreases in the population.
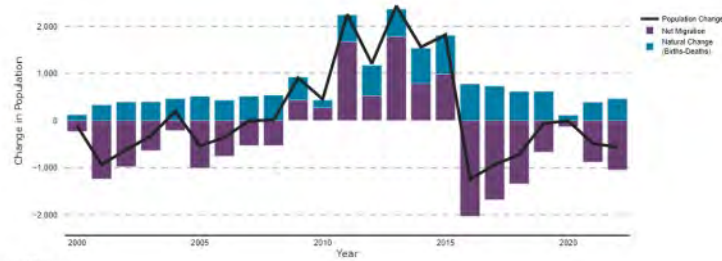
Source: US Census

Minot's population contains higher proportions of working-age people in their 20-50s than North Dakota as a whole, and a lower proportion of other age groups.
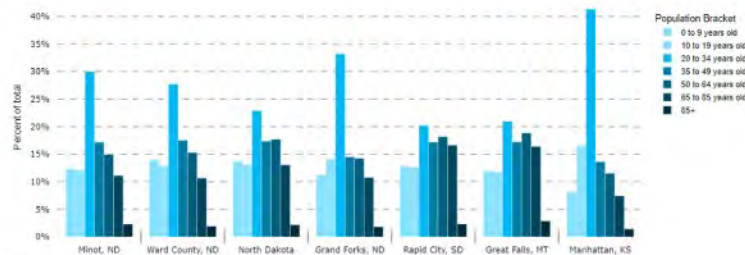
Source: ACS, 5-year estimates, 2021
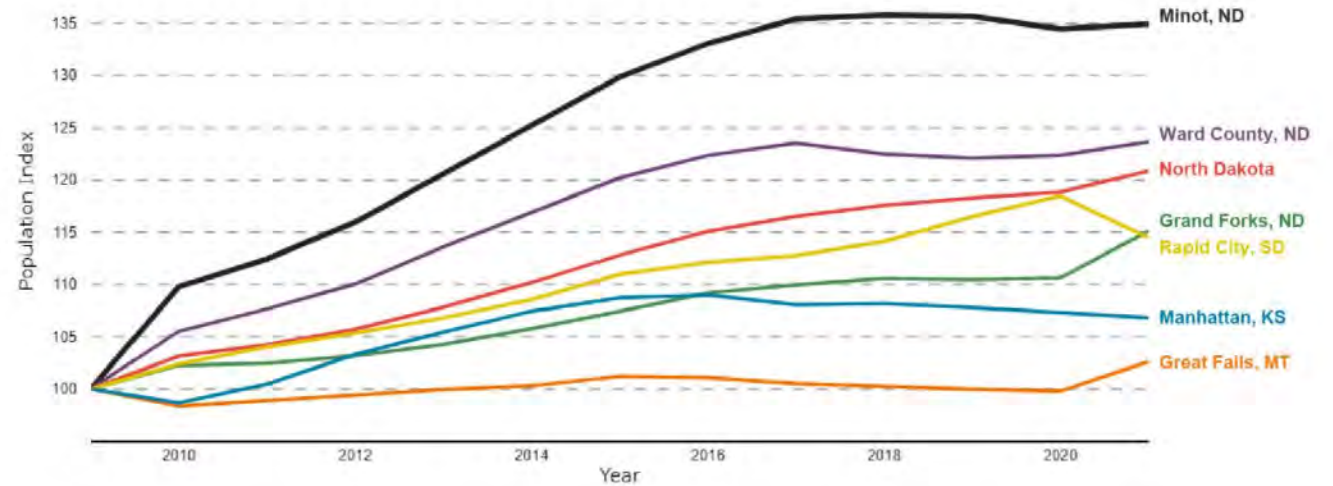
* Indexed values are set to a base of 100, with 2009 established as the baseline year. A number of 130 indicates 30% growth over the initial point.

Source: ACS, 5-year estimates

Household incomes are higher in Minot than the comparison cities. The balanced distribution derives from the higher proportion of blue collar and healthcare occupations that pay middle to upper-middle incomes (with a lower proportion of college students than the comparison cities).
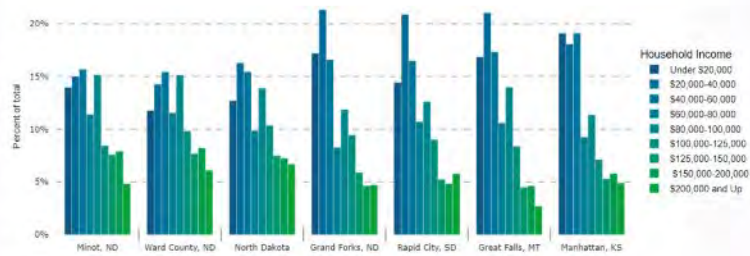
Source: ACS, 5-year estimates, 2021

Median incomes tend to be higher in Minot's newer suburbs compared with the urban core.
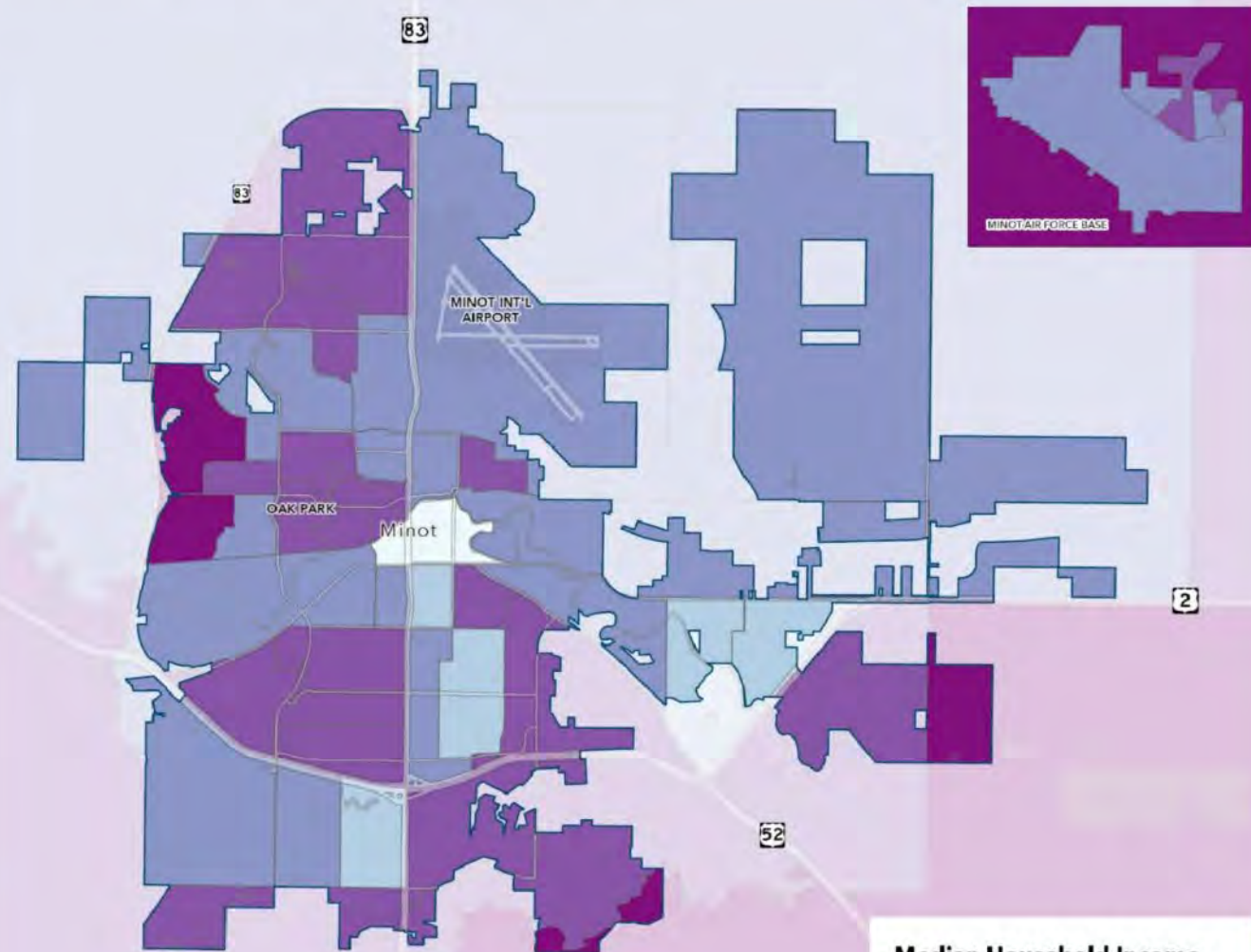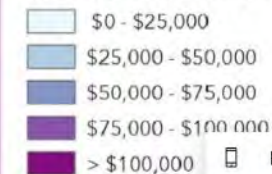
City of Minot Housing Needs and Market Analysis
Notes
1. Coordinate System: NAD 1983 StatePlane North Dakota North FIPS 3301 Feet
2. Background: ESRI
3. Data Source and Description: US Census ACS 5-yr estimate 2021

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Median Household Income
- $0 - $25,000
- $25,000 - $50,000
- $50,000 - $75,000
- $75,000 - $100,000
- > $100,000

Nearly 45% of renter households and 22% of homeowners are housing cost burdened—meaning they pay more than 30% of their income in rent or home ownership costs. That's a greater proportion than the state of North Dakota as a whole. All of the comparison cities have a higher rate of cost burdened
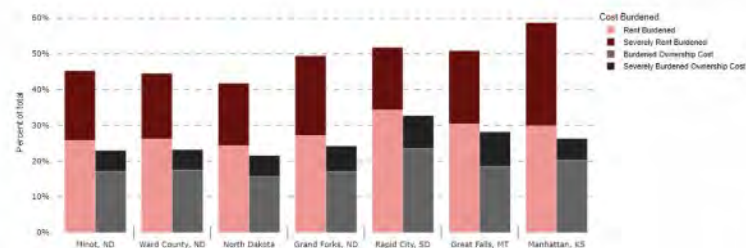
Source: ACS, 5-year estimates, 2021

The high number of rent burdened households is explained by a more rapid increase in rent levels in comparison to income growth.

Source: ACS, 5-year estimates, 2009-2021

y of Minot Housing Needs and Market Analysis

Coordinate System: NAD 1983 StatePlane North Dakota North FIPS 3301 Feet
Background: ESRI
Data Source and Description: US Census ACS 5-yr estimate 2021

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Housing Cost Burdened, Renters only

- 0% - 10%
- 10% - 20%
- 20% - 30%
- 30% - 40%
- > 40%
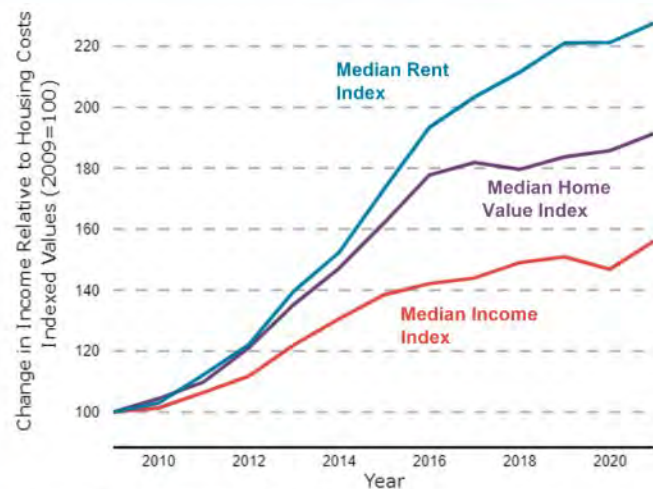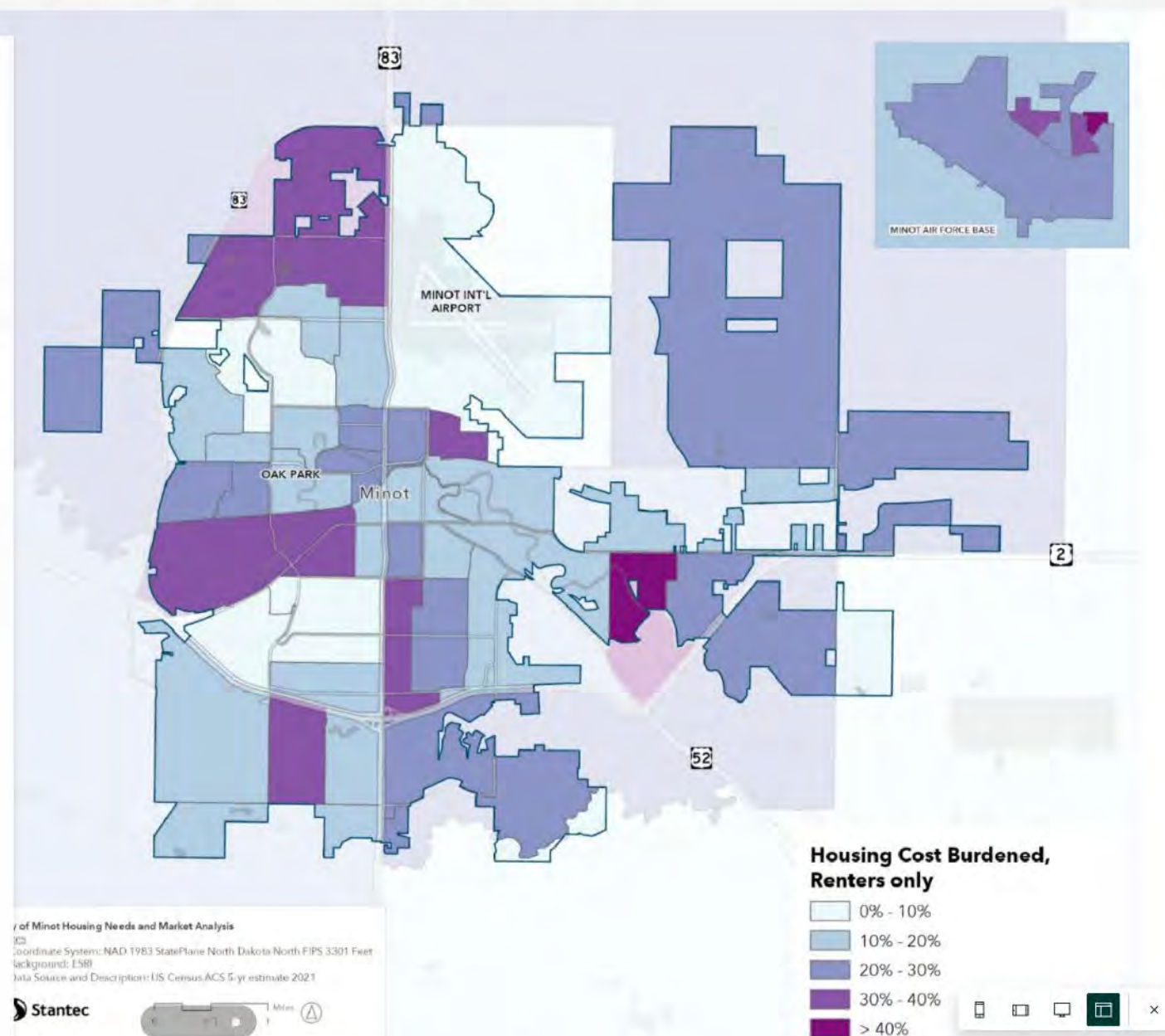
Housing Inventory

Housing mix. Minot benefits from having a broad mix of housing types that have been built over the years—including single family homes, twin homes, townhomes, mobile home parks, apartments, senior housing and affordable housing.

Senior housing. There are a good number of senior housing communities, but recently built developments are lacking, even as Minot's senior population has grown in numbers and in its share of the total population.

Affordable housing. A range of affordable housing options are present in Minot, with good geographic distribution—some of which have been recently built. The need for affordable and workforce housing options continues, however, due to lagging incomes in comparison to housing costs.

New multifamily housing. The most recent generation of housing was built during the oil boom, and built for a working class demographic. Maverick, the first phase of The Tracks, will be the first market rate apartments in Minot since 2015—and is targeting an upscale demographic.

Click the arrow (to right) to read more about Housing Inventory

01 / 05

Market rate senior apartment developments are concentrated in southwest Minot

The region lacks recently built, market rate senior housing options

Senior Housing

Type

● Licensed Care Facility
● Minot Housing Authority
● All Other

Souris Heights
Built 2021, 54 units

Trinity Homes
230 units

Minot Health and Rehab
114 units

Henry Towers
Built 1948 (1976 Costar), 83 units

The View Minot
Built 2005, 61 units

Edgewood Minot Senior Living
Built 1993, 114 units

Maple View Memory Care
43 units

Cooks Court Apartments
Built 2018, 40 units

Somerset Court
Built 1999, 137 units

Morgan Apartments
Built 1986, 64 units

Dakota Terrace Apartments
Built 1987, 138 units

Edgewood Minot Memory Care
Built 2002, 28 units

Elison Assisted Living Minot
Built 1999, 85 units

Minot Lodge Senior Living (The Wellington)
Built 2005, 67 units

City of Minot Housing Needs and Market Analysis

02 / 05

There's a good geographic dispersion of affordable housing, with a particular concentration in the communities south of downtown Minot

There has been a set of privately built affordable housing developments built in the past decade

Affordable Housing

Market Segment
- Affordable
- Affordable - Disabled
- Affordable - Senior
- Affordable - Senior & Disabled

Sunset Ridge Apartments
Built 2016, 35 units

Fieldcrest Apartments
Built 2015, 42 units

Souris Heights
Built 2021, 54 units

Polaris Apartments
Built 1994, 48 units

Minot Artspace Lofts
Built 2014, 34 units

Oakwood Court
Built 2014, 7 units

Milton Young Towers
Built 1972, 221 units

Minot Vocational Workshop
Built 1952, 48 units

Henry Towers
Built 1948, 83 units

Park South Essential Living and Townhomes
Built 2018, 62 units

Washington Townhomes
Built 2013, 32 units

Minot Place Rowhomes
Built 2013, 30 units

South Glen Village
Built 2002, 48 units

Blu on Broadway
Built 2021, 42 units

South Park Apartments
Built 1993, 36 units

Asi-Minot
Built 1996, 25 units

Morgan Apartments
Built 1986, 64 units

Guardian Manor
Built 1996, 48 units

Cooks Court Apartments
Built 2018, 40 units

Meadowlark Heights
Built 1973, 96 units

City of Minot Housing Needs and Market Analysis

03 / 05

These multifamily development projects represent a strong housing growth pattern.

The great majority of these projects were built in the oil boom years. Little development has occurred since 2016.

Cobblestone Apartments
Built 2012, 76 units

Lindenwood Apartments
Built 2010, 48 units

Sunset Ridge Apartments
Built 2016, 35 units

Northern Plains
Built 2012, 144 units

Souris Heights
Built 2022, 54 units

Fieldcrest Apartments
Built 2015, 42 units

The Wyatt at Northern Lights
Built 2014, 276 units

Stonebridge Townhomes
Built 2014, 202 units

Landmark Circle
Built 2012, 35 units

Encore Apartments
Built 2012, 42 units

Sunset Pointe Apts
Built 2014, 27 units

North Highlands
Built 2014, 239 units

MINOT INT'L AIRPORT

Willowbrooke Lodge
Built 2012, 42 units

Prarie Heights Apts
Built 2013, 147 units

2100 33rd St NW
Built 2014, 50 units

Northdale Apartments 2717
Built 2011, 91 units

Parkview Place Aph
Built 2015, 36 units

Eagles Landing
Built 2010, 32 units

Beaver Ridge Apartments
Built 2011, 40 units

Country Meadows
Built 2014, 66 units

Beaver Suites
Built 2012, 32 units

Minot Artspace Lofts
Built 2014, 34 units

Minot

Park South Essential Living and Townhomes
Built 2022, 62 units

Blu on Broadway
Built 2021, 52 units

Country View Apartments
Built 2015, 52 units

Minot Place Rowhomes
Built 2013, 30 units

Washington Townhomes
Built 2013, 32 units

Minot Place
Built 2011, 144 units

Cooks Court Apartments
Built 2018, 40 units

Meadows at Woodside
Built 2010, 36 units

The Commons & Landing at Southgate
Built 2014, 341 units

Southwood
Built 2012, 156 units

Crossing at the Bluffs
Built 2011, 66 units

The Flats at Southwest Crossing
Built 2011, 60 units

Meadow Ridge Apartments
Built 2010, 168 units

Woodside Townhomes
Built 2011, 48 units

Paramount at the Bluffs
Built 2011, 50 units

Multi-Family Built Since 2010
Number Of Units

● 25 - 50 units

● 51 - 100 units

● > 100 units

City of Minot Housing Needs and Market Analysis
Notes
1. Coordinate System: NAD 1983 StatePlane North Dakota North FIPS 3301 Feet
2. Background: ESRI
3. Data Source: The Warren Group, CoStar, Apartments.com, BismanRepoter.com, City of Minot, ACS 2021 5-yr Estimates

Stantec

Minot's overall housing development pattern is unique. The 2011 flood damage included over 4,100 homes flooded with over 3,100 lost to demolition, 2,360 of which were rental units. The flood drove the net decrease of housing units in and around the more historic core. Meanwhile, single-family and multi-family growth was robust in newer suburban areas in the northwestern and southeastern quadrants.

Continue to Market Context

Change in Housing Units, 2013-2019
Number of Units

- (-) > 550
- (-) 0 - 550
- (+) 0 - 500
- (+) 500 - 1,000
- (+) > 1,000

City of Minot Housing Needs and Market Analysis
Notes
1. Coordinate System: NAD 1983 StatePlane North Dakota North FIPS 3301 Feet
2. Background: ESRI
3. Data Source and Description: US Census ACS 5-yr estimate 2021

Stantec
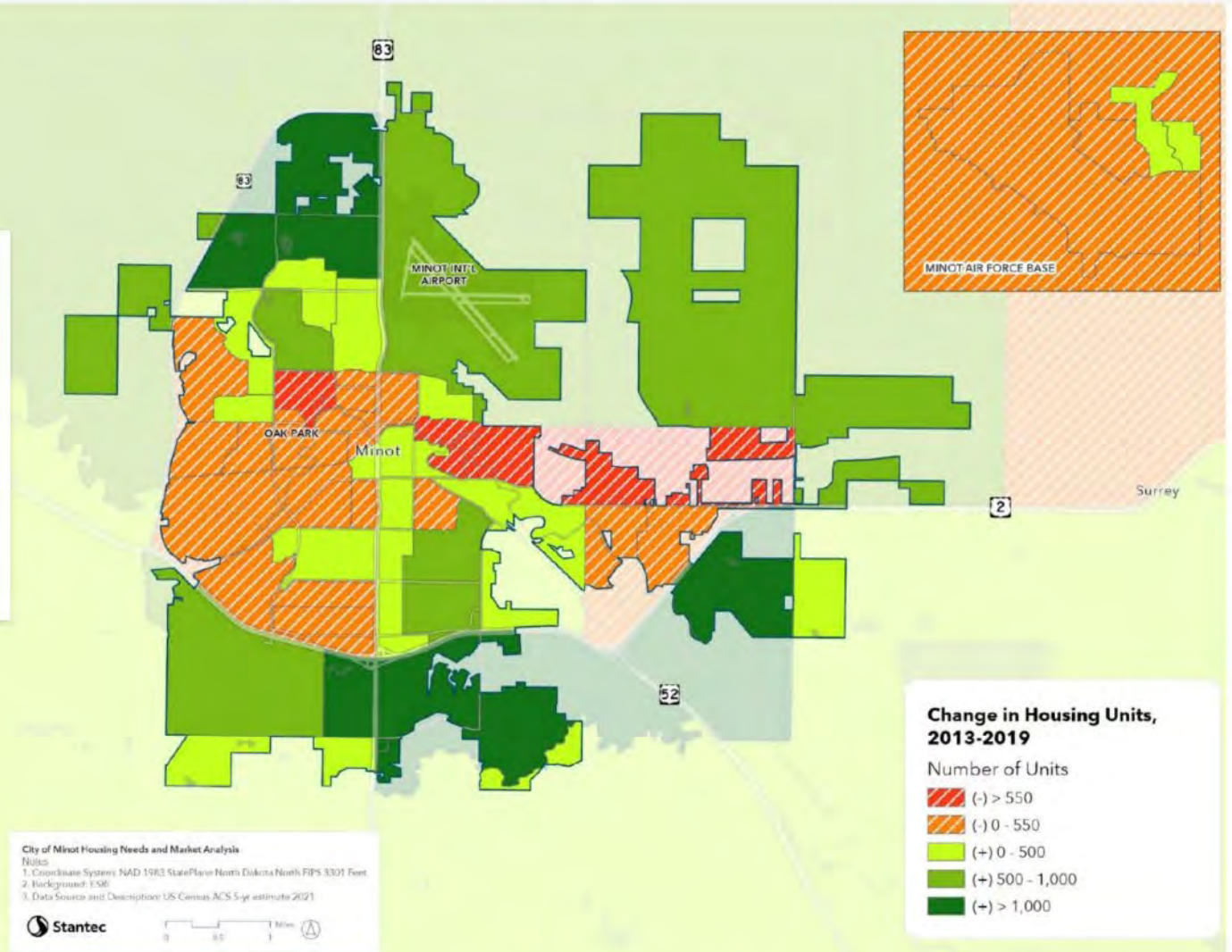
Housing Market Context

Ups and downs. The market indicators reflect the roller coaster of housing market impacts that Minot has experienced—a surge in demand and new construction with the oil boom and in-migration, and a drop in rent levels and home values when the labor force left. Now, after a period of economic stability, apartment buildings have reached full occupancy and rents have started to rise once again.

Little new construction. These dynamics explain the absence of new multifamily housing and slow subdivision development while conditions stabilized and the existing housing stock was fully absorbed.
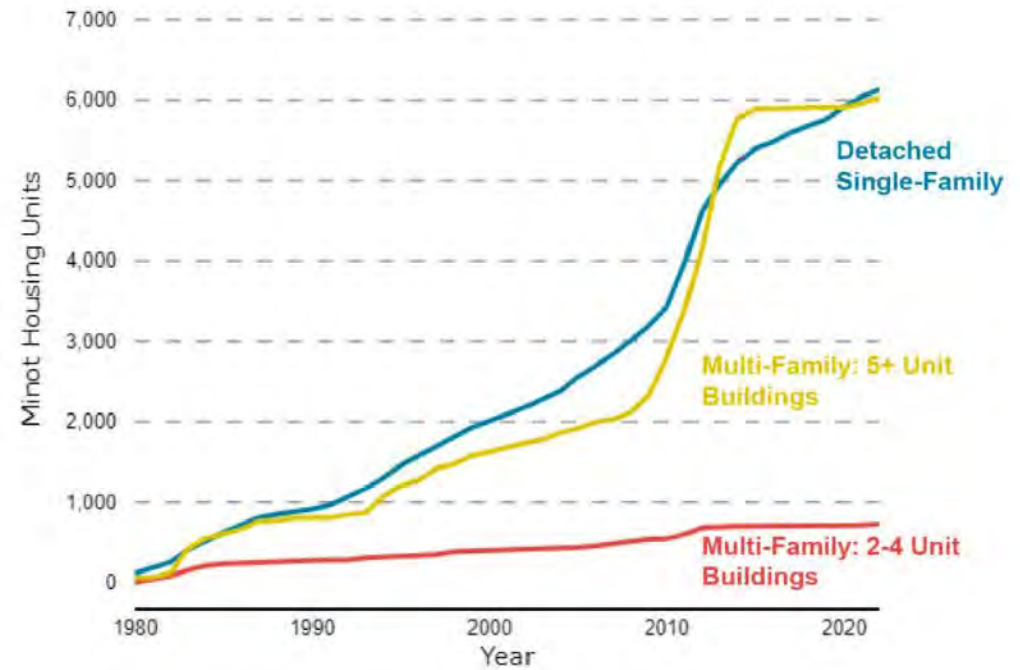
Current market conditions. With lower vacancy rates and increased rents over the last few years, more supportive conditions may be returning for new housing development. The multi-phase project being pursued by Epic Companies is a promising signal of market recovery. It will also test the viability of an upscale apartment community, and the depth of a higher income professional rental demographic.

Click the arrow (to right) to read more about Housing Market Context

Since 1980, development is concentrated in detached single-family homes and multi-family. Both jumped precipitously with the boom in the late 2000s, with multi-family since stabilizing.

Minot Housing Units Built by Type Since 1980

Detached Single-Family

Multi-Family: 5+ Unit Buildings

Multi-Family: 2-4 Unit Buildings

Source: SOCDS Building Permits Database, Ward County

From 2000 to 2014, vacancy rates in Minot hovered near 10%. It took from 2015 to 2021 for the new apartment buildings built in the early 2010s to reach market equilibrium occupancy. Only then did rent levels start to rise again, and they have been rising quickly in the last several years.

Average Rent per Unit
Vacancy Rate
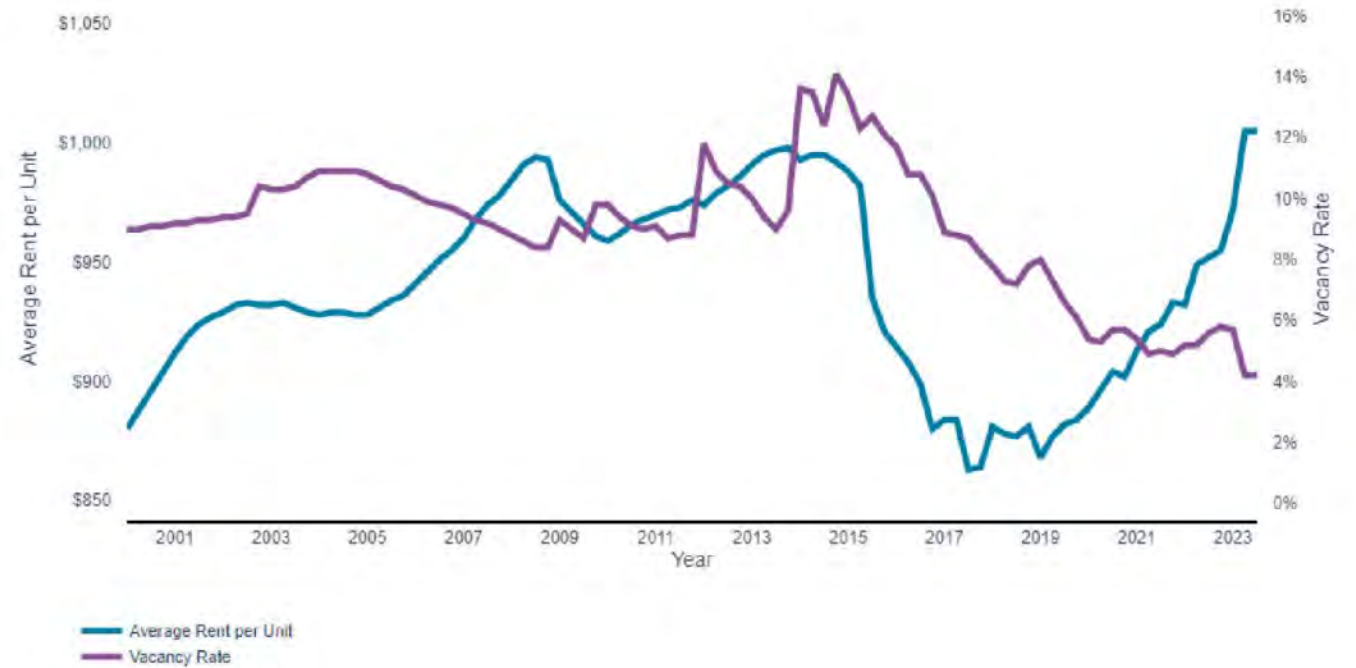
According to Zillow's Home Value Index, home prices in Minot have gone up and down. The housing crunch caused prices to dramatically climb, only to fall with the outmigration of the oil based workforce. The median price has rebounded, albeit at a slower rate than comparison cities.

Zillow Home Value Index in Minot – By Tier
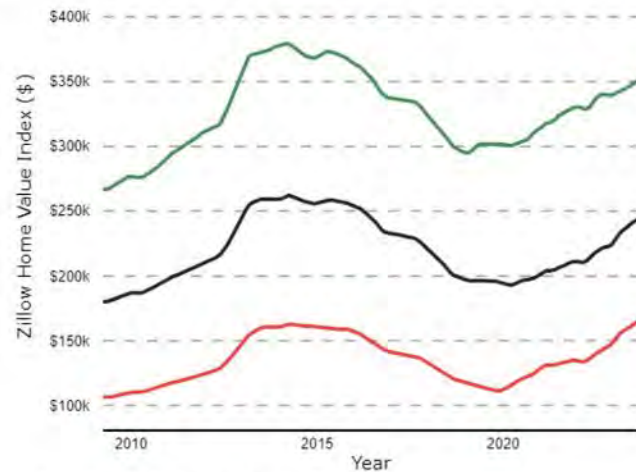
Source: Zillow, ZHVI Cuts by Metro, extracted 10/1/2023

Zillow Home Value Index – Middle Market (35th-65th percentile)

Source: Zillow, ZHVI Cuts by Metro, extracted 10/1/2023

Continue to Housing Needs
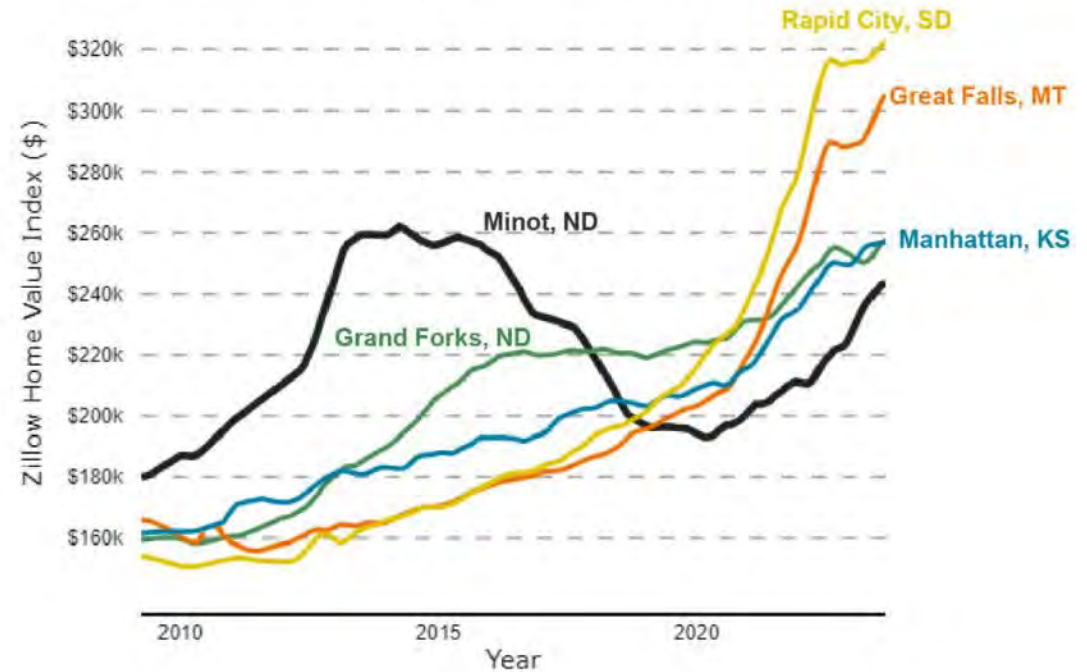
Housing Needs

Affordable rental housing. There is a need for additional housing for low to moderate income households, as indicated by housing cost burden data, and the housing gap analysis. These needs can be met through both new construction products and the preservation of existing affordable apartments.
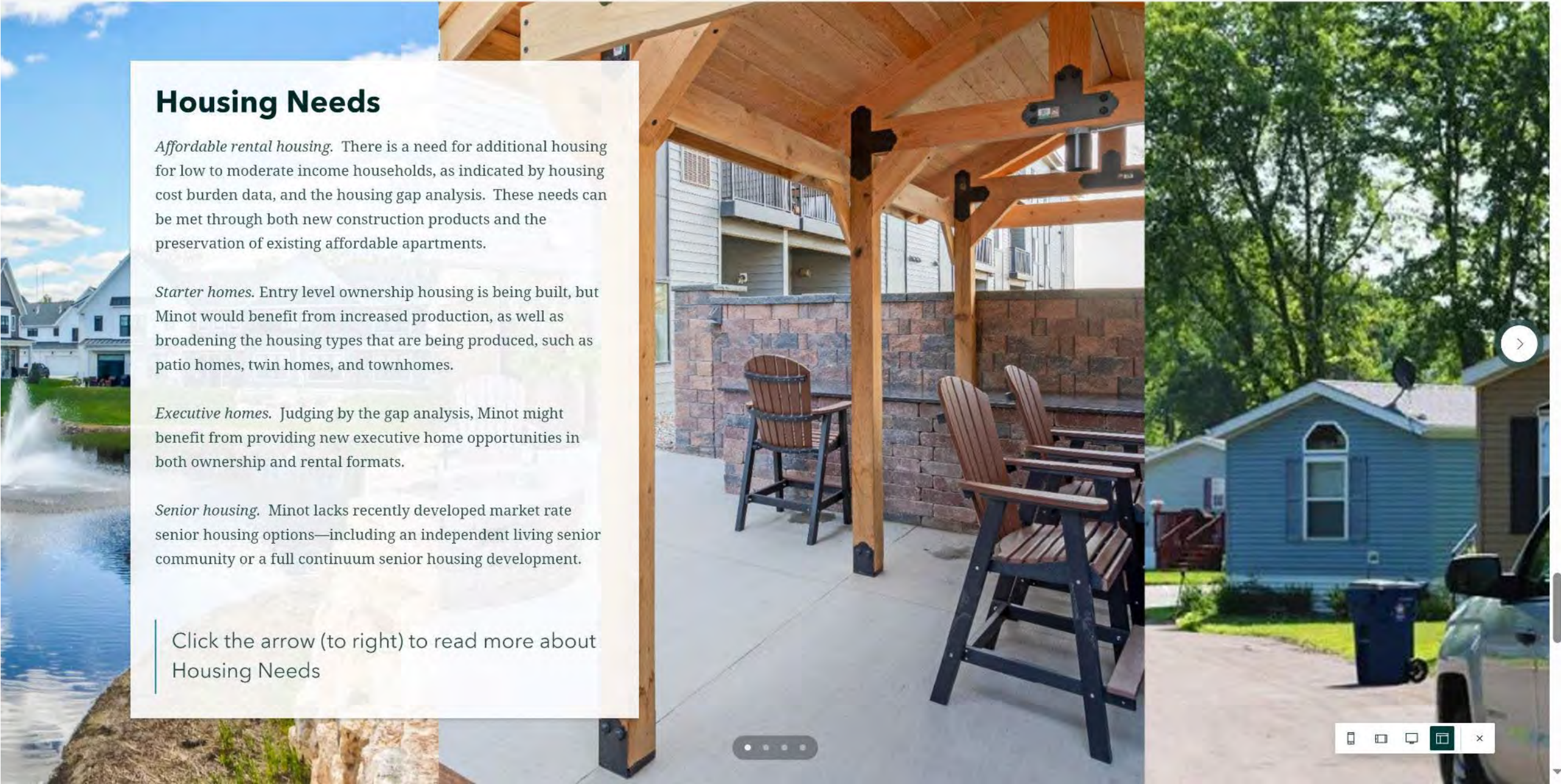
Starter homes. Entry level ownership housing is being built, but Minot would benefit from increased production, as well as broadening the housing types that are being produced, such as patio homes, twin homes, and townhomes.

Executive homes. Judging by the gap analysis, Minot might benefit from providing new executive home opportunities in both ownership and rental formats.

Senior housing. Minot lacks recently developed market rate senior housing options—including an independent living senior community or a full continuum senior housing development.

Click the arrow (to right) to read more about Housing Needs

This table compares the housing supply to the housing demand to quantify the housing gaps at each income level, tenure and unit size. It demonstrates a surplus of workforce and middle-income housing, but deficits in affordable units and executive housing units.

Gap Methodology. The housing gap combines the units at different bedroom sizes and housing tenure demanded at affordable price points and the total units supplied for renters and owners at market prices. The product is either a housing surplus or deficit for units at price points and bedroom size that captures where housing demand is not meeting current housing supply, or where housing supply currently exceeds housing demand.

Results Snapshot

- Minot needs to provide housing for the lowest income
- The housing supply is overly weighted towards 3-bedroom units in the $1,500 to $3,125 per month range, while the population characteristics indicate a stronger demand for 1- and 2-bedroom units in rental and more affordable family homes.

Gap analysis: % of units categorized by tenure, size, and monthly cost
Source: Stantec

Household Income Required	Max Monthly Housing Cost	Rent				Own			
		1BR	2BR	3BR	4BR+	1BR	2BR	3BR	4BR+
Less than $15000	$313	-722	-435	-134	-40	-19	-204	-167	-108
$15,000-24,999	$521	-160	-305	-110	-47	-4	-127	-87	-69
$25,000-34,999	$729	359	211	-126	-21	0	-67	-89	-82
$35,000-49,999	$1,042	466	2,650	-185	-67	18	-37	-355	-250
$50,000-74,999	$1,563	338	569	637	1	78	627	-304	-323
$75,000-99,999	$2,083	-290	-435	488	39	147	885	986	-59
$100,000-149,999	$3,125	-189	-352	-218	-67	0	318	1,219	487
$150,000-199,999	$4,167	-28	-114	-78	-67	1	-17	50	115
$200,000 or more	--	-22	-54	-99	-25	-4	-45	-278	-606

Housing Demand is Greater than Supply   Supply Meets Demand   Housing Supply is Greater than Demand

The table shows the housing demand for Minot's population as a function of their income, tenure (whether they rent or own), and desired unit size, based on the choices of the existing population.

Using 25% of household income as the baseline 'affordability' level, we project the number of units demanded at certain price points according to current household incomes and composition. We take the current composition of housing tenure (own versus rent) as the baseline. Willingness to pay may be different than ability to pay, especially with households above area median income.

Housing preference. The units size needed (number of bedrooms) reflects the household sizes in Minot's population as well as expressed housing preferences at each income level based on the regional model.

Housing demand by price, tenure, and unit size with regional preferences
Source: ACS, all regional PUMS preference

Household Income Required	Max Monthly Housing Cost	Rent				Own			
		1BR	2BR	3BR	4BR+	1BR	2BR	3BR	4BR+
Less than $15000	$313	736	435	134	40	40	231	302	108
$15,000-24,999	$521	389	306	110	47	19	163	225	69
$25,000-34,999	$729	336	419	126	21	24	101	206	85
$35,000-49,999	$1,042	673	689	301	85	37	286	512	261
$50,000-74,999	$1,563	399	766	278	71	38	393	851	414
$75,000-99,999	$2,083	290	436	239	75	32	275	865	512
$100,000-149,999	$3,125	189	352	223	79	19	307	1,091	1,032
$150,000-199,999	$4,167	28	114	78	67	3	69	314	557
$200,000 or more	--	22	54	99	25	8	59	359	868

This table compares the housing supply to the housing demand to quantify the housing gaps at each income level, tenure and unit size. It demonstrates a surplus of workforce and middle-income housing, but deficits in affordable units and executive housing units.

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$200,000 or more	--	-22	-54	-99	-25	-4	-45	-278	-606

Housing Demand is Greater than Supply   Supply Meets Demand   Housing Supply is Greater than Demand

Strategies

The following strategies are recommended for consideration because they may be suitable for Minot based on research and stakeholder conversations. They are offered for discussion, consideration, and prioritization.

Scroll down or follow links for information.

Production Strategies

- Accessory Dwelling Units (ADUs)
- Tiny Homes
- Manufactureed Home Parks
- Subdivision Production

Preservation Strategies

- Trinity Hospital Rehabilitation
- Reposition Hotels for Workforce Housing

Location-Specific Strategies

- Infill Housing in Flood Protected Areas
- Downtown Living for Downtown Activation

Capacity Building Strategies

- New Developer Training
- Building Trades Workforce Development

Accessory Dwelling Units (ADUs)

Accessory dwelling units (ADUs) are smaller housing units under owned by an adjacent homeowner. They are a way of introducing a rental housing option where there are existing utilities. The neighboring homeowner is the property manager, which usually means good management and responsive attention to issues that arise.

ADUs can be attractive for renters who would need a small home and prefer to live in a more residential setting. They can provide a helpful income stream for the homeowner.

Minot has an existing ADU ordinance but has only permitted a few ADUs due to heavy design restrictions.

Objective: *Increase housing supply and variety. Provide supportive environments for family members and others.*

Strategy

- Update the existing ADU ordinance to remove barriers, including conditional use permit, parking and re-conversion requirements.
- **Resource requirements.** No financial resources are required.

Case Studies

Bismarck, Mandan and Dickinson are ND cities that have ADU ordinances

Production Strategies

Tiny Homes

Even small conventional homes cost in the range of $300,000 or more. High housing costs can make it difficult to eat well, get good health care, and address emergencies that come up.

Increasing acceptance of tiny homes in certain locations can be a life-saving solution for some.

Objective: Allow and facilitate the development of small homes to lower the cost of ownership or rental housing.

Strategy

- Update Zoning Code requirements to allow smaller home dimensions and less space between homes as part intentionally planned tiny home developments.
- Consider allowing churches to develop tiny homes as accessory uses on church properties.
- **Resource requirements.** No financial resources are required.

Case Studies

The images are from a Lennar development in San Antonio. Churches throughout MN are now allowed to build tiny homes on their property. Congregations in St. Paul and Roseville have moved forward

Production Strategies

Manufactured Home Communities

Minot's manufactured home communities are important because they are the City's most affordable owner-occupied housing. Residents own their home, but pay rent for the land, utility availability and property maintenance. Investor purchases of parks can lead to huge rent increases, made possible because residents have trouble finding other options

Cooperative conversion involves paying market price for the property, investing in cost stabilization, and transferring ownership to the manufactured home owners themselves. From that time on, it will be long-term affordable.

If a cooperative ownership structure is established from the very beginning, it is less expensive to establish, and exploitative future rent increases by corporate owners will not occur. This requires an intermediary because the homeowners in a future cooperatively owned manufactured home community don't have the resources or preexisting organization to accomplish this

Objective: Increase the long-term affordability and stability of mobile home community residents.

Strategy #1 - Cooperative Conversion

- Learn from the leaders who do this work. ROC (Resident Owned Cooperatives) USA is the nationalleader in this area. NeighborWorks Montana is their nearest partner organization, in Montana.
- Build relationships with manufactured home community owners and residents, identify/raise financial resources for cooperative conversion.
- **Resource requirements.** Public financial support would be needed.

Case Studies

There have been many cooperative conversions in Montana. The City of Missoula has been especially proactive in facilitating cooperative conversions of their manufactured home parks. Bonnie's Place is their most recent success story. It was converted to a cooperative in April 2023.

Strategy #2 - New Cooperatives

- Reach out and discuss partnership and collaboration with lead organizations in this arena.
- Provide leadership in financing the land acquisition and infrastructure provision. This is a timely action because it could provide an option for the manufactured home owners bought out in future flood buyouts.
- **Resource requirements.** Public capital investment is required, which can be fully or largely recouped.

Case Studies

- Northcountry Cooperative Foundation is in the early stages of creating a new development manufactured home cooperative in Northfield, MN.
- Headwaters Economics is exploring how to establish a cooperatively owned manufactured home community for owners of manufactured homes displaced by flood buyouts in Glendive, MT.

Production Strategies

Subdivision Production

Homebuilding is a major source of housing growth, including for moderate income households, but it is occurring at a slow rate. Multiple factors hinder more rapid subdivision development, including high cost of development and inflated land price expectations.

Cities and developers have a mutual interest in reducing development cost. Any reduction in development costs increases the rate of production and reduces home prices. Reducing development risks also reduces development cost.

It can be rational for owners of land to overprice the land in hopes of future value increases. That's happening in Minot, resulting in land costs that is not reflective of what the land is worth under current market conditions.

Objective: Increase the pace of new home subdivision development by reducing development costs and surmounting barriers.
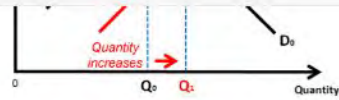
Demand curve: as quantity increases, home prices decrease

Strategy #1 - Adjust Practices to Provide More Support to Development

- Public sector financing is less expensive than developer financing. Fund public infrastructure development, and recoup costs at the time of platting, or through special assessments. Clear communication with homebuyers is essential. Although they will have paid less for the home overall, special assessments can feel like an add-on.
- Make homes more affordable to buyers by forgiving some of the cost of infrastructure development.
- Streamline development review and reduce fees. This reduces risk and saves costs for developers. Fee reductions can be reimbursed through the initial year or two of property tax revenues.
- **Resource requirements.** Resources are required for some of these strategies, but if they result in an increase in home building they will be recouped through the growth in tax base.

Case Studies

Many North Dakota cities pay for subdivision infrastructure and recoup those costs through special assessments—including Fargo, West Fargo and Grand Forks.

Strategy #2 - Adjust Land Price Expectations

Minot can play a proactive role in resetting price expectations:

- Address expectations with information. Collect land sale price data from comparable locations. Communicate that land is abundant, and future value increases are not a given.
- Enter the market directly or through an intermediary to buy land at target prices, and resell for subdivision development.
- Resource requirements. Public capital investment is required, which will ideally be fully recouped. Entering a speculative activity like land acquisition entails risks associated with value changes.

Case Studies

Saskatoon Land is a public authority in Saskatoon, Saskatchewan, that has established a practice of buying land in the periphery of the City for subdivision development at a large scale, thereby supporting a flow of new development, fostering regional growth, and improving housing affordability in the entire region.

Trinity Hospital Rehabilitation

Trinity Health, Minot's largest medical provider, recently constructed a new medical complex in southwest Minot, which left its downtown hospital building vacant. The property is in a prime location for being reoccupied in order to support the vitality of downtown Minot.

This market study included a high-level, initial feasibility study on the rehabilitation of the primary downtown hospital building. It found that, while significant improvements are needed, the building dimensions and configuration are supportive of residential conversion.

Objective: Reuse the downtown Trinity Hospital building for housing or other uses.

Strategy

- Encourage and support further investigation of the rehabilitation potential of the building.
- Be prepared to provide appropriately scaled public financial support, if the need is demonstrated.
- Because of its multiple benefits to the community, encourage state consideration of providing additional local public financing tools to support office-to-residential conversions.
- **Resource requirements.** Public financial support may be required, which would be recouped through greater future property tax revenues.

Preservation Strategies

Reposition Hotels for Workforce Housing

Over half of the hotel rooms in Minot were developed during the oil boom between 2010 and 2013, leaving the city with excess capacity in low to mid-tier hotels. Minot's below average hotel occupancy can lead to property disinvestment and management concerns. On the other hand, the hotel capacity may be beneficial for the upcoming influx of Sentinel Project workers.

Hotel-to-apartment conversions provides small and affordable housing units, which would meet important local needs. Most hotels are located in the C1, C2 and GMU zoning districts, which don't currently allow apartment conversions without a commercial element on the site

Objective: *Support the conversion of some existing hotels for short- and long-term rental housing.*

Strategy

Support both hotel reinvestment and apartment conversions through:

- Increase zoning flexibility to allow residential redevelopment in some or all commercial zoning districts.
- Be prepared to consider appropriately scaled public financial support to support conversions, if the need is demonstrated.
- **Resource requirements.** Public financial support may be needed for some hotel to residential conversions.

Case Studies

The proposed Fleck House project in Bismarck is at right. It involves an existing hotel rehab, and the development of a new apartment wing.
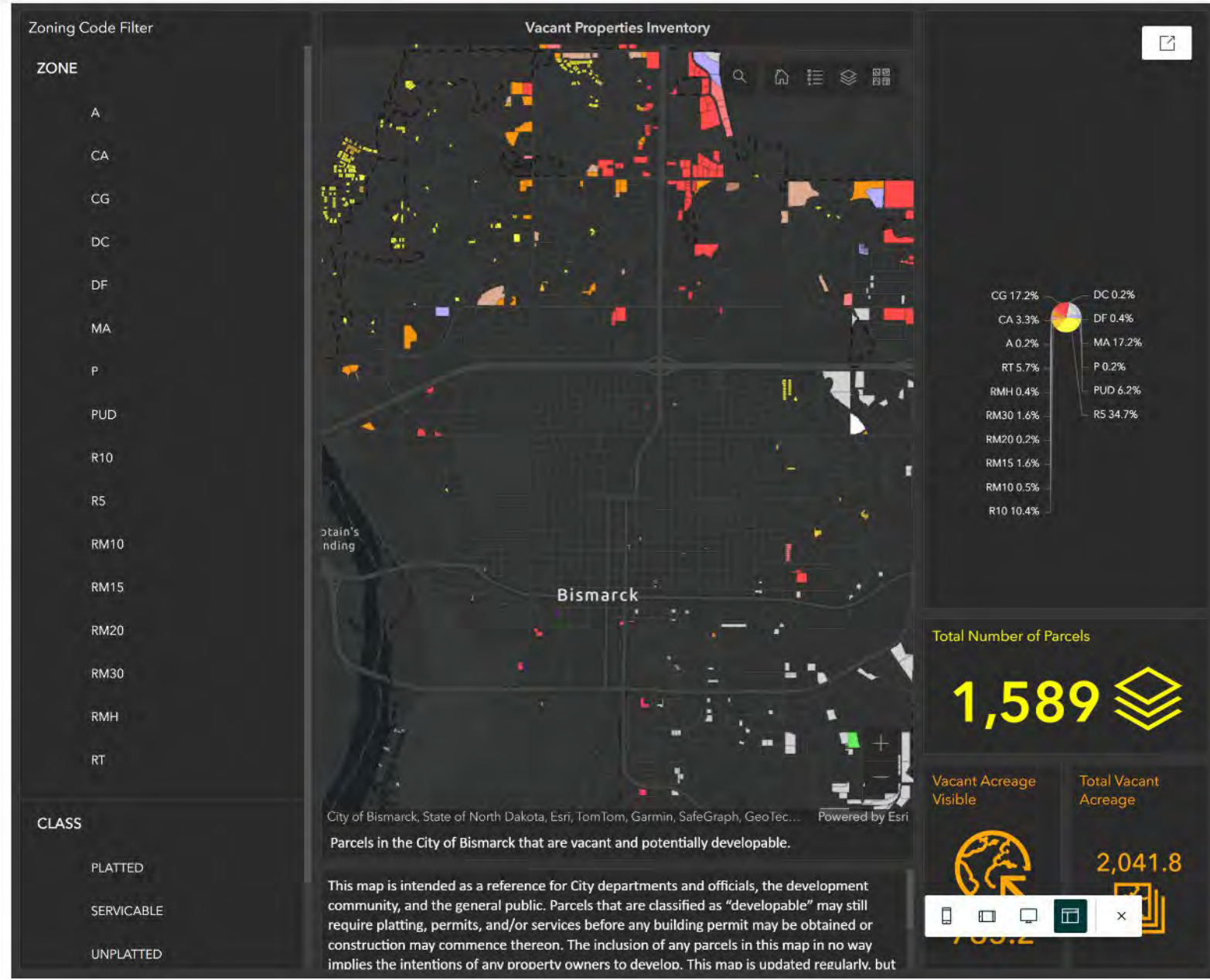
Infill Housing in Flood Protected Areas

Numerous homes were purchased and demolished in the aftermath of the Mouse River flood, leaving vacant properties in desirable, centrally located Minot neighborhoods. As flood protection infrastructure is built, most of those properties are no longer at risk of flood damage.
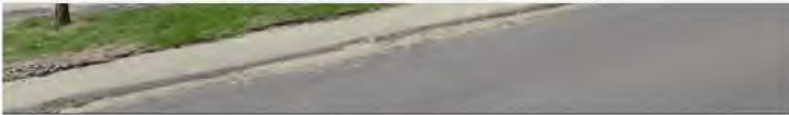
Flood buyouts were completed using a variety of funding sources which in some cases limited future redevelopment. Redevelopment of infill sites benefits the City through property tax generation and support for local businesses.

Objective: Foster new homes on vacant lots in newly protected, centrally located, Minot neighborhoods.
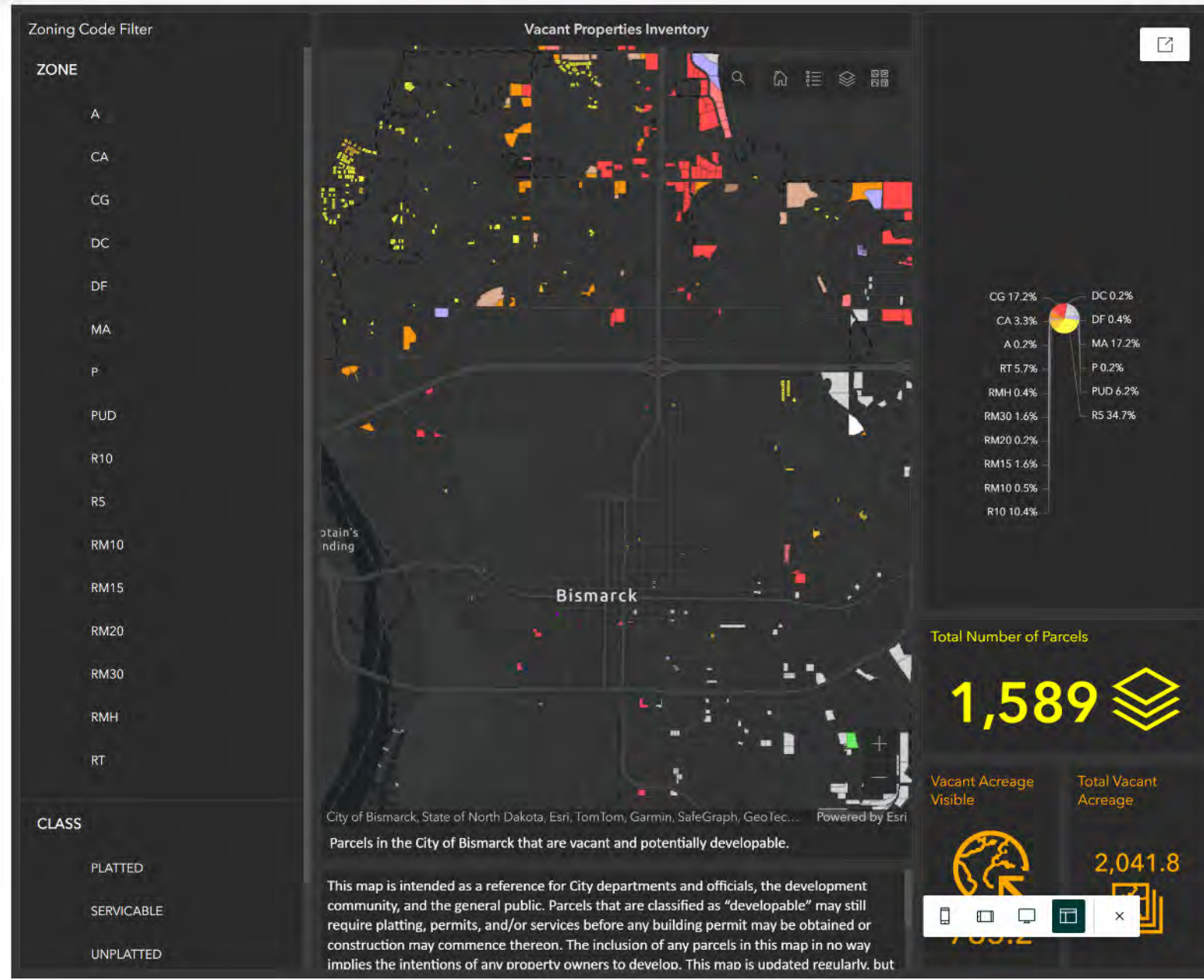

Example of infill housing

Zoning Code Filter

ZONE

- A
- CA
- CG
- DC
- DF
- MA
- P
- PUD
- R10
- R5
- RM10
- RM15
- RM20
- RM30
- RMH
- RT

CLASS

- PLATTED
- SERVICABLE
- UNPLATTED

Vacant Properties Inventory

Bismarck

City of Bismarck, State of North Dakota, Esri, TomTom, Garmin, SafeGraph, GeoTec...   Powered by Esri

Parcels in the City of Bismarck that are vacant and potentially developable.

This map is intended as a reference for City departments and officials, the development community, and the general public. Parcels that are classified as "developable" may still require platting, permits, and/or services before any building permit may be obtained or construction may commence thereon. The inclusion of any parcels in this map in no way implies the intentions of any property owners to develop. This map is updated regularly, but

CG 17.2%   DC 0.2%
CA 3.3%   DF 0.4%
A 0.2%   MA 17.2%
RT 5.7%   P 0.2%
RMH 0.4%   PUD 6.2%
RM30 1.6%   R5 34.7%
RM20 0.2%
RM15 1.6%
RM10 0.5%
R10 10.4%

Total Number of Parcels

1,589

Vacant Acreage Visible

Total Vacant Acreage

2,041.8

Example of infill housing

Strategy

- Undertake research to understand the development constraints on vacant flood buyout properties at a parcel specific level.
- Adopt a cluster development ordinance that supports placing clusters of homes on the parcels that allow it, with open space on the ones that don't.
- Explore whether a case can be made at the federal level for releasing development constraints for properties that no longer face risks of being flooded.
- **Resource requirements.** No financial resources are required for this strategy.

Case Study

Bismarck created a vacant property dashboard using ArcGIS online to make it easy for developers and the public to find existing vacant lots for infill.

Zoning Code Filter

ZONE

A
CA
CG
DC
DF
MA
P
PUD
R10
R5
RM10
RM15
RM20
RM30
RMH
RT

CLASS

PLATTED

SERVICABLE

UNPLATTED

Vacant Properties Inventory

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Bismarck

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Total Number of Parcels

1,589

Vacant Acreage Visible   Total Vacant Acreage

2,041.8

Location-Specific Strategies

Downtown Living for Downtown Activation

Increasing downtown housing has a powerful positive effect on the vibrancy of downtown areas. It means

- More customer support for downtown businesses and restaurants.
- Increased pedestrian traffic and eyes on the street, which improves the safety of downtown.

Minot has placed a major emphasis on strengthening its downtown, setting a goal of adding 500 housing units downtown by 2040. The downtown Renaissance Zone was established in 2001 to bring attention and resources to revitalizing the downtown area. It has funded retail, office and residential development, as well as streetscape improvements.

Objective: Support downtown vibrancy by increasing opportunities for people to live downtown.

Strategy

- Continue to seek out opportunities to build the residential community in and near downtown Minot, whether in the form of redevelopment, the rehabilitation of underutilized

Minot has placed a major emphasis on strengthening its downtown, setting a goal of adding 500 housing units downtown by 2040. The downtown Renaissance Zone was established in 2001 to bring attention and resources to revitalizing the downtown area. It has funded retail, office and residential development, as well as streetscape improvements.

Objective: *Support downtown vibrancy by increasing opportunities for people to live downtown.*

Strategy

- Continue to seek out opportunities to build the residential community in and near downtown Minot, whether in the form of redevelopment, the rehabilitation of underutilized commercial buildings, or re-occupancy of second and third story spaces in downtown storefront buildings.
- Utilize the Renaissance Zone financial resources to support developmentwhere the program criteria are met and the need is demonstrated.
- **Resource requirements.** If public financial support is provided, it wouldbe recouped through greater property tax revenues.

New Developer Training

Minot's community of local developers was reduced by the influx of national developers during the oil boom, and then the reduced demand for housing after the oil boom. Increased developer capacity would yield more housing production, putting downward pressure on housing prices.

There are national organizations that provide developer training resources that can be used and modified as necessary to align with local regulations and processes. Courses are offered by the Certified Commercial Investment Institute, National Association of Home Builders, and Urban Land Institute. Minot State University could play a partnering role in establishing and delivering the developer training curriculum.

Objective: Increase the pool of developers who can build Minot's future housing base.

Strategy

- Initiate conversations with national training providers and Minot State Universityto determine how a developer training curriculum might be designed and delivered.
- **Resource requirements.** A City contribution to the cost of program development and delivery could be considered.

Building Trades Unions (NABTU), the Home Builders Institute (HBI), local home builder associations (HBAs) and others.

Objective: Foster workforce development in the building trades to gear up a homegrown workforce for the Sentinel project, and build a long-term workforce for housing development.

Strategy

- Establish collaborations with stakeholders such as Minot State University, Minot Association of Builders, Minot Public Schools, Minot Area Workforce Academy, and local labor organizations to design and implement workforce development and training programs that are tailored to the local context and needs.
- Promote the construction industry as a rewarding and viable career option for young people, women, minorities, and other underrepresented groups.
- **Resource requirements.** No financial resources are required for this strategy.

Capacity Building Strategies

Building Trades Workforce Development

A robust local workforce in the building trades contributes to lower housing production costs, which increases housing production.

Minot faces challenges in attracting and retaining skilled workers in the construction industry—including the aging of the existing workforce, competition from other sectors and regions, lack of awareness and interest among young people, and barriers faced by women and minorities.

Many local communities have implemented successful development and training programs in the construction industry, using programs offered by the North America's Building Trades Unions (NABTU), the Home Builders Institute (HBI), local home builder associations (HBAs) and others.

Objective: Foster workforce development in the building trades to gear up a homegrown workforce for the Sentinel project, and build a long-term workforce for housing development.

Strategy

- Establish collaborations with stakeholders such as Minot State

Minot Housing Survey

859	06:27	Closed
Responses	Average time to complete	Status

1. Your age

🔵 18 and younger	3	
🟠 19 to 34	277	
🟢 35 to 54	368	
🔴 55 to 74	182	
🟣 75 and older	23	

2. Your race/ethnicity

🔵 White alone	737	
🟠 Black or African American	13	
🟢 Asian	10	
🔴 Native American	6	
🟣 Hispanic or Latino	19	
🟤 Other or Multiple races	60	
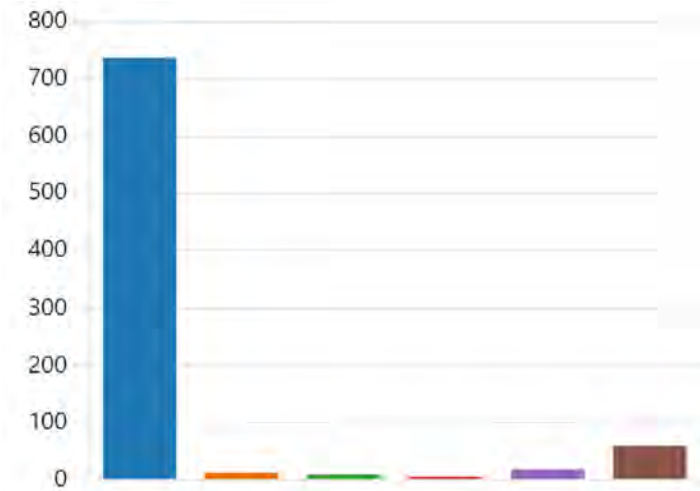
3. Household income

🔵	$28,000 or less	81
🟠	$28,000 to $47,000	137
🟢	$47,000 to $56,000	75
🔴	$56,000 to $75,000	102
🟣	$75,000 to $93,000	119
🟤	$93,000 to $112,000	113
🟣	$112,000 or more	217
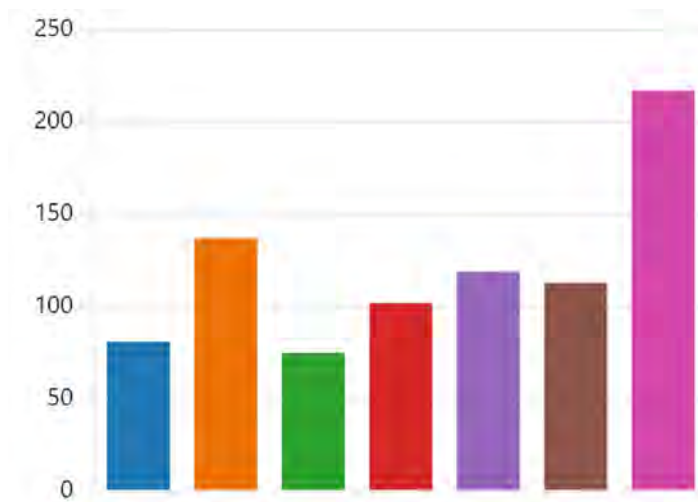
4. Number of people in your household

🔵	1	169
🟠	2	300
🟢	3	143
🔴	4	145
🟣	5	70
🟤	6 or more	26
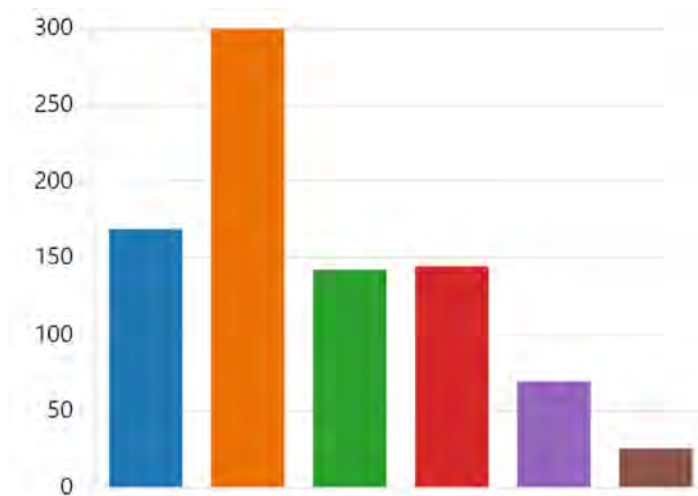
5. Household type

🔵	Married couple with children	317
🟠	Married couple without children	183
🟢	Unmarried couple or roommates	87
🔴	Single	174
🟣	Other	81

6. Where did you grow up?

🔵	Minot	319
🟠	North Dakota, but not Minot	216
🟢	Outside North Dakota	318

7. Housing type

🔵	Single family home	512
🟠	Townhome	69
🟢	Apartment	212
🔴	Condominium or cooperative	25
🟣	Mobile home	34

8. Rent or own?

🔵	Rent	302
🟠	Own	551
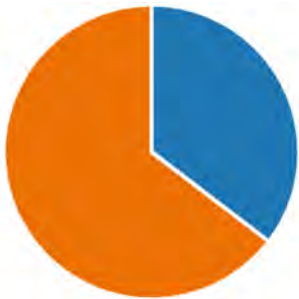
9. Number of bedrooms

🔵	1	48
🟠	2	217
🟢	3	273
🔴	4	197
🟣	5 or more	118
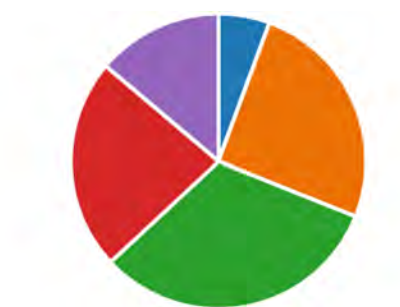
10. Age of home (best guess)

🔵	Pre-war (built before 1945)	93
🟠	Post-war (built 1945 to 1980)	290
🟢	Turn of the 21st century (1980 t...	217
🔴	Recent (2010 to the present)	252

11. Location

🔵	Downtown	22
🟠	Neighborhoods near downtown	311
🟢	Suburban	444
🔴	Rural	73
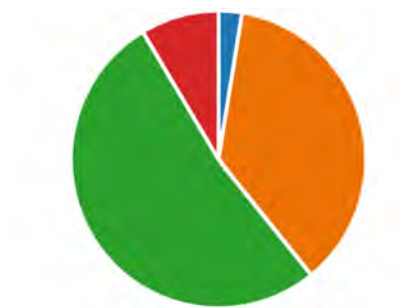
12. On a scale of 1 to 5, how well does your home meet your needs in terms of:

3.86
Average Rating
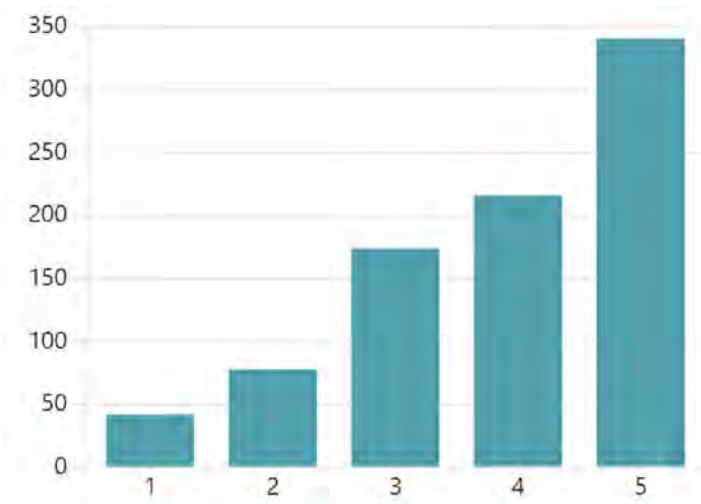
13.

3.61
Average Rating
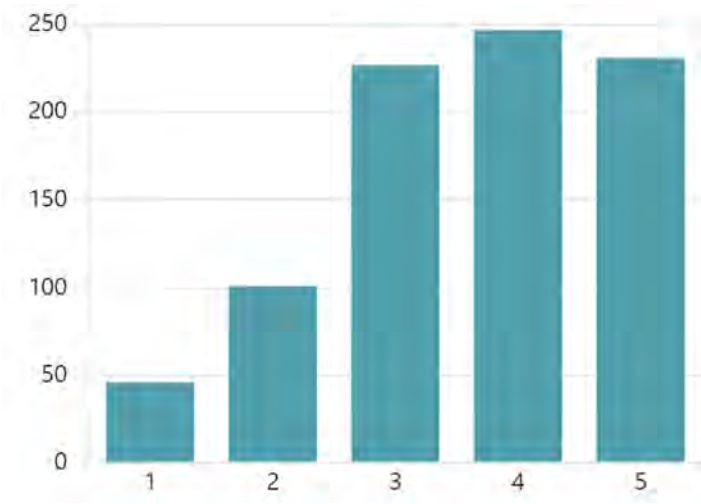
14.

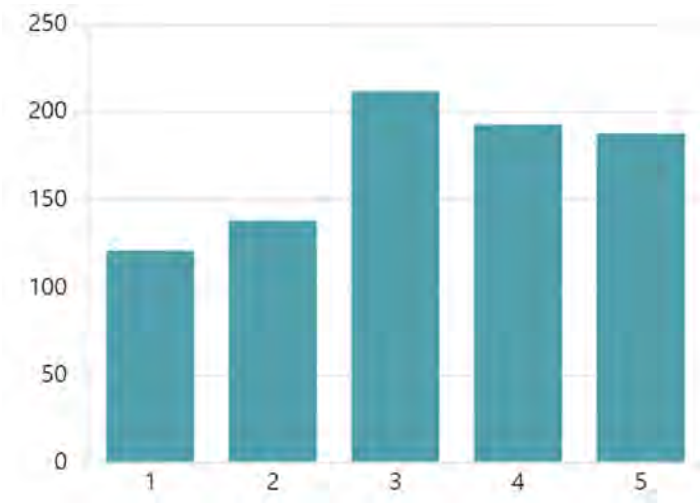
3.67
Average Rating
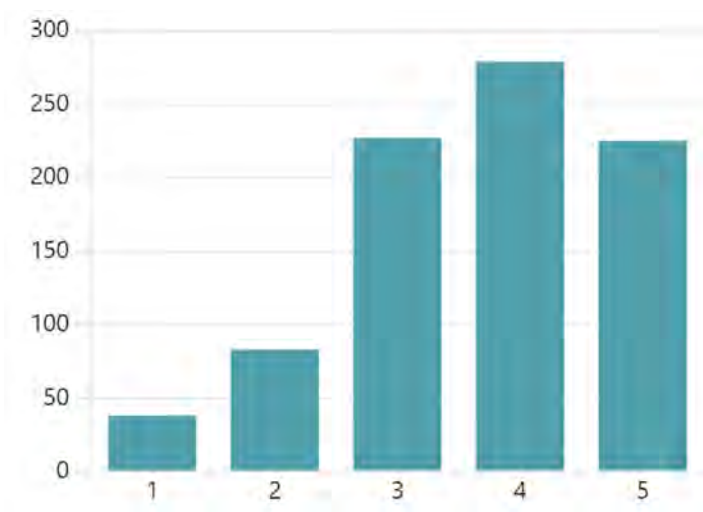
15.

3.13
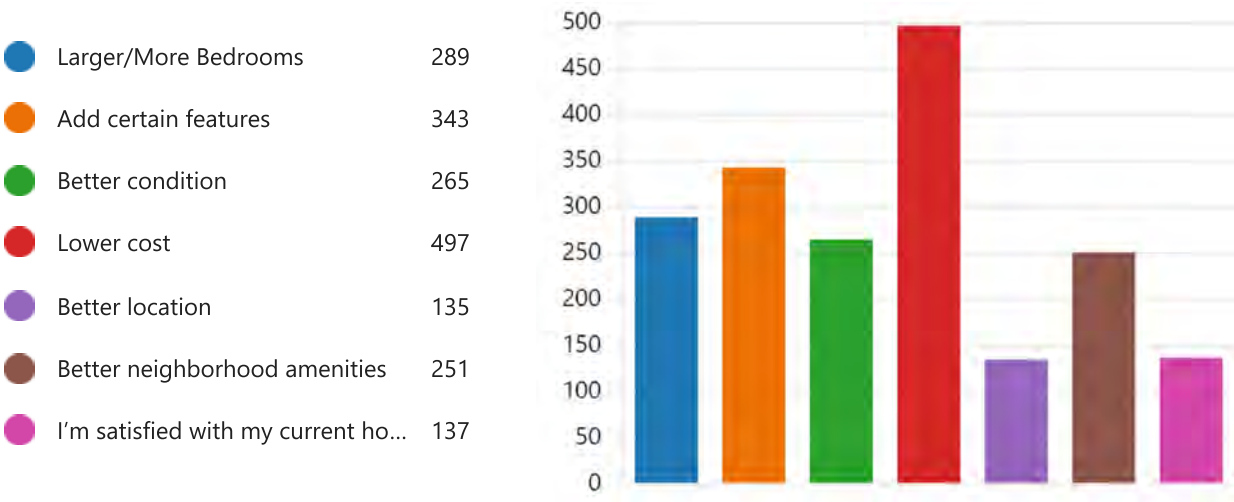Average Rating

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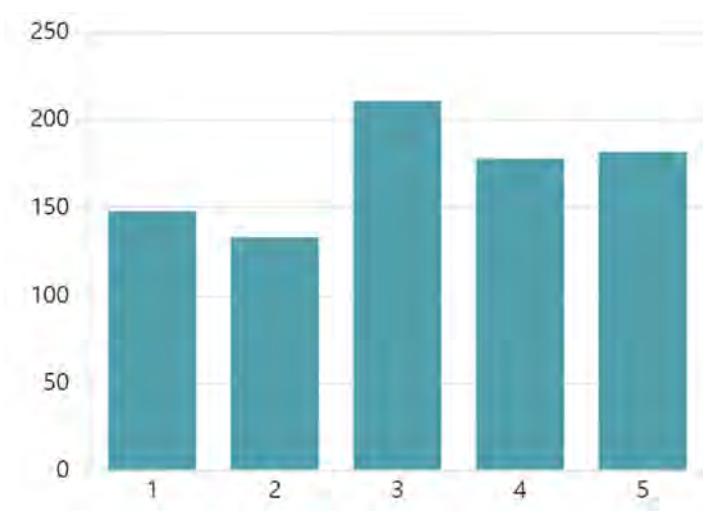
16.

4.07
Average Rating
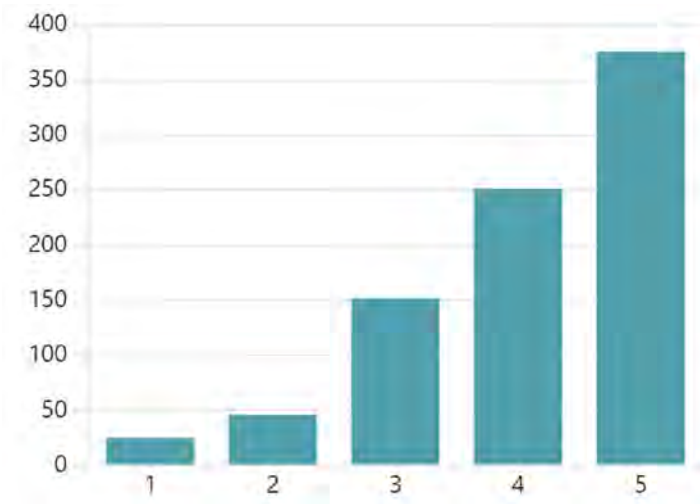
17.

3.22
Average Rating

18. If all housing types were available, how could your housing situation be improved?

🔵	Larger/More Bedrooms	289
🟠	Add certain features	343
🟢	Better condition	265
🔴	Lower cost	497
🟣	Better location	135
🟤	Better neighborhood amenities	251
🟣	I'm satisfied with my current ho...	137

19. Say more about the kind of housing that would work better for you

598
Responses

Latest Responses

107 respondents (**18**%) answered **home** for this question.

20. What are the barriers to finding that housing?

648
Responses

Latest Responses
"*cost*"

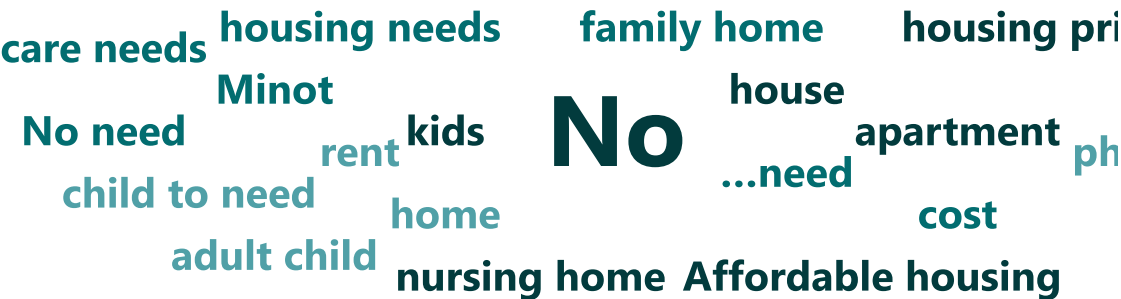224 respondents (35%) answered **Cost** for this question.

Cost & property
cost of ho
Cost and availability   High cost   property taxes   Cost o
taxes are too high   homes   **Cost**   Interest rate
price   High interest
Cost of living   Minot   Housing cost
cost is too high   costs too much to live

21. Are there people in your household or extended family with housing needs, such as parents, kids, others?

512
Responses

Latest Responses

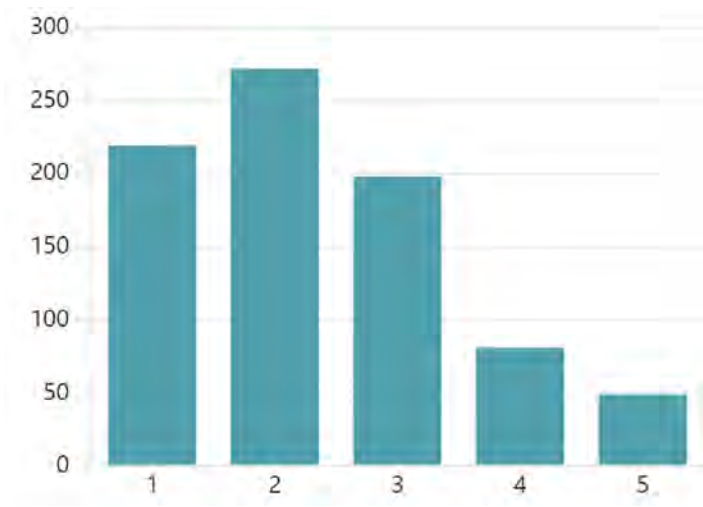270 respondents (53%) answered **No** for this question.

care needs   housing needs   family home   housing pri
Minot   house
No need   kids   **No**   apartment   ph
rent   ...need
child to need   home   cost
adult child   nursing home   Affordable housing

22. On a scale of 1 to 5, how easy do you think it is for the following groups to find suitable housing in Minot?
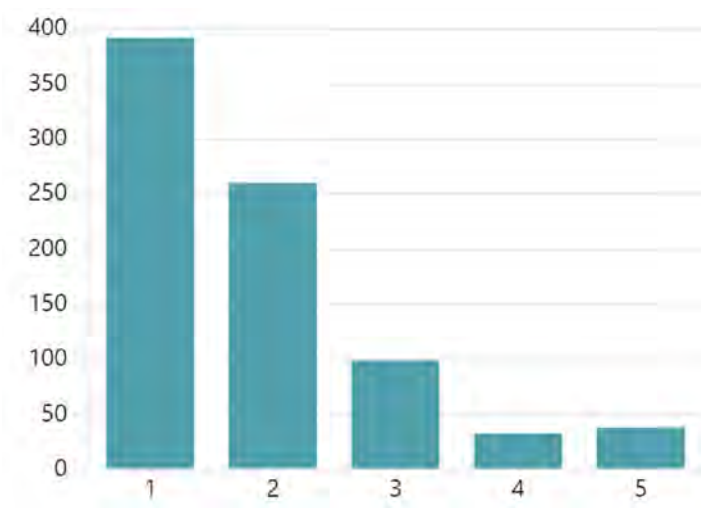
2.68
Average Rating
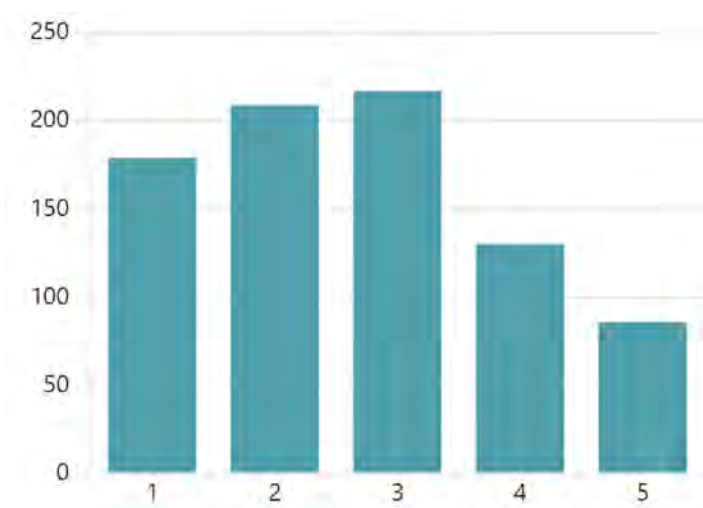
23.

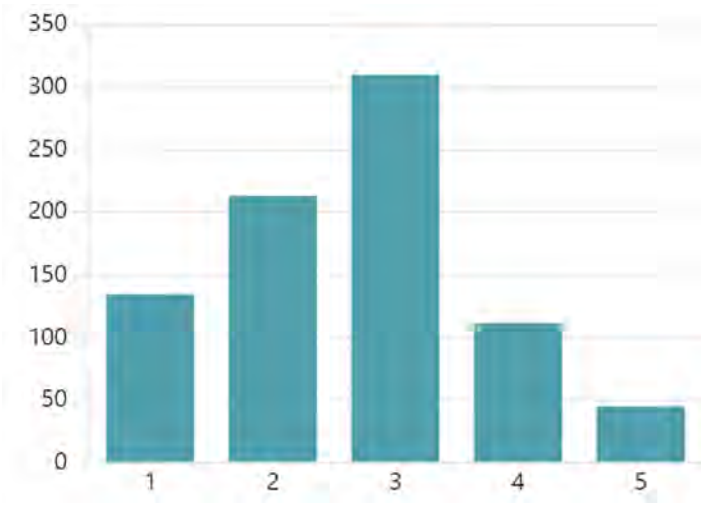**2.35**
Average Rating

24.

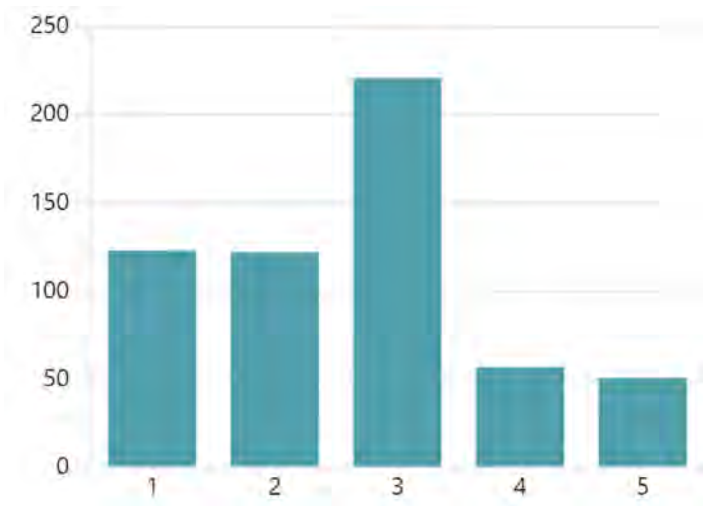

1.86

Average Rating

25.

2.66

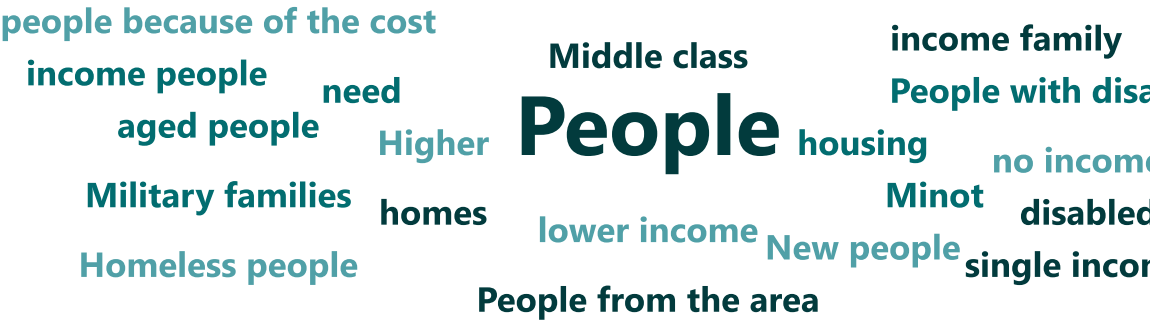Average Rating

26.

2.64
Average Rating

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27. If you ranked "Other" which groups were you referring to?

345
Responses

Latest Responses

76 respondents (**22**%) answered **People** for this question.

28. Did we miss something crucial about your housing experience in Minot? Please describe

383
Responses

Latest Responses
"high taxes"

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65 respondents (**17**%) answered **home** for this question.

taxes are way family homes Minot does need housing opt

housing costs **people** lower incomes **property ta**

Affordable housing **city** **home** **Houses** income

housing market **Rent** property tax Taxes are too high

high and taxes Housing in Minot

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29. We'd love to hear more about people's housing experiences in Minot!

168
Responses

Latest Responses

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8 respondents (**5**%) answered **needs** for this question.

MOBILE HOMES housing Prope

Connie **lower** price **homes** lot rer

starter home **Minot** **needs** **house** work ma

701 family homes Good High decε

Randy Holbach