

# Housing Trends City of Grand Forks

Housing Committee Kickoff Meeting

May 26, 2026

*Contact: Mark Schill, Praxis Strategy Group, [mark@praxissg.com](mailto:mark@praxissg.com)*

# **Rental Housing**

# Vacancy rates show the market has shifted from balanced to tight

- Average vacancy since 2008: **6.25%**
- Q4 2025 vacancy: **3.55%**
- Q1 2026 vacancy: **5.15%**
- Vacancy rate **under 4% for four straight quarters in 2025**

Source: Grand Forks Apartment Assoc Quarterly Vacancy Survey

## Interpreting Vacancy Rates:

<b>Vacancy Rate</b>	<b>Interpretation</b>
2 - 3%	severe shortage
3 - 4%	very tight
5 - 6%	tight
6 - 8%	balanced
8%+	soft

# Grand Forks Apartment Association Vacancy Survey, 2017-2026



Source: Grand Forks Apartment Assoc Quarterly Vacancy Survey

# Rent price growth is unusually fast for a small metro

## Key numbers:

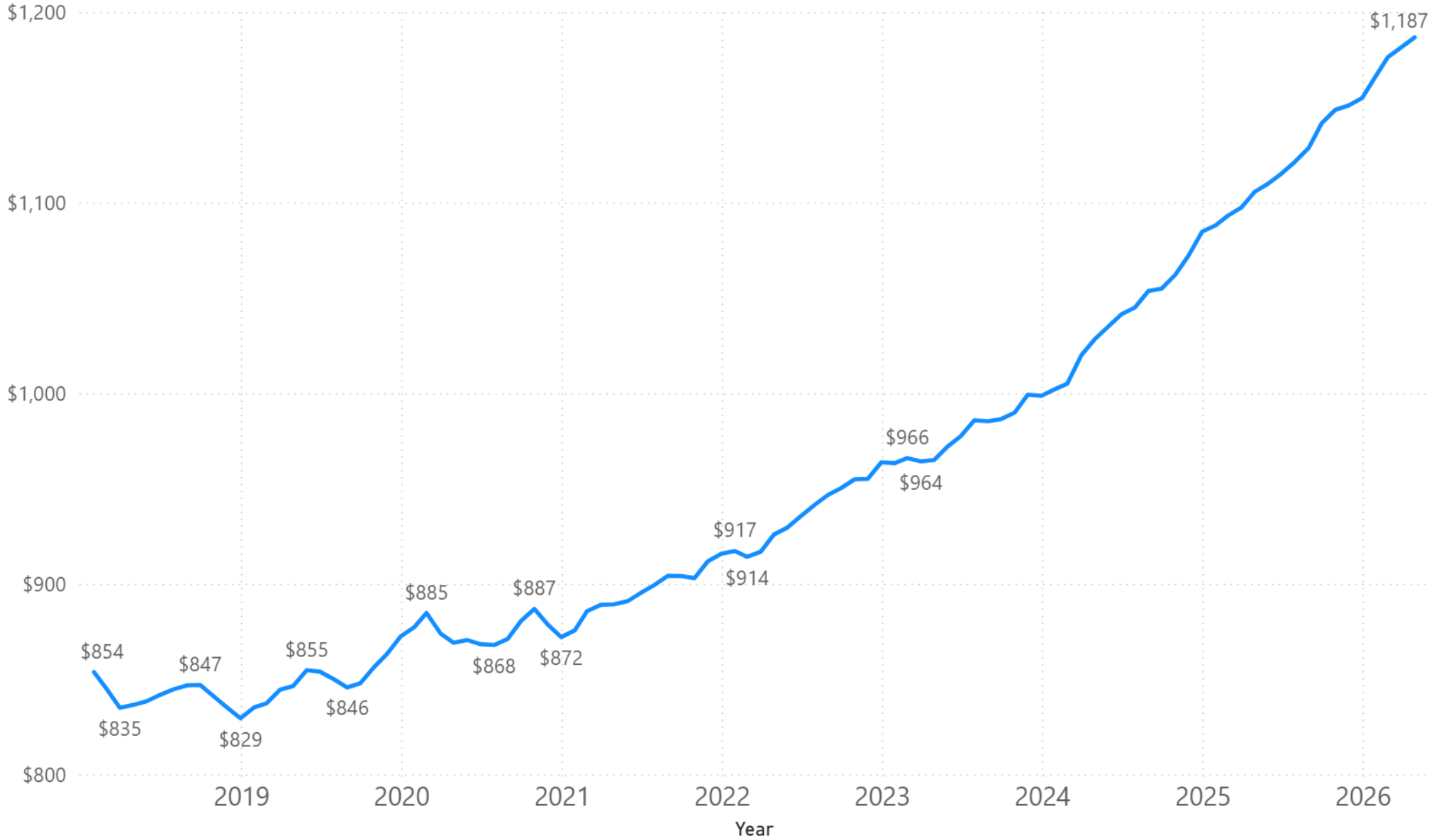
- +31% rent price growth since January 2022
- +20% since early 2024
- Rent price in Grand Forks is growing **3 times the national growth rate** recently at metro level

**Rent price growth in the city of Grand Forks is the highest in the region in recent months.**

# Median Rent by City (Seasonally Adjusted)

Zillow Rent Index

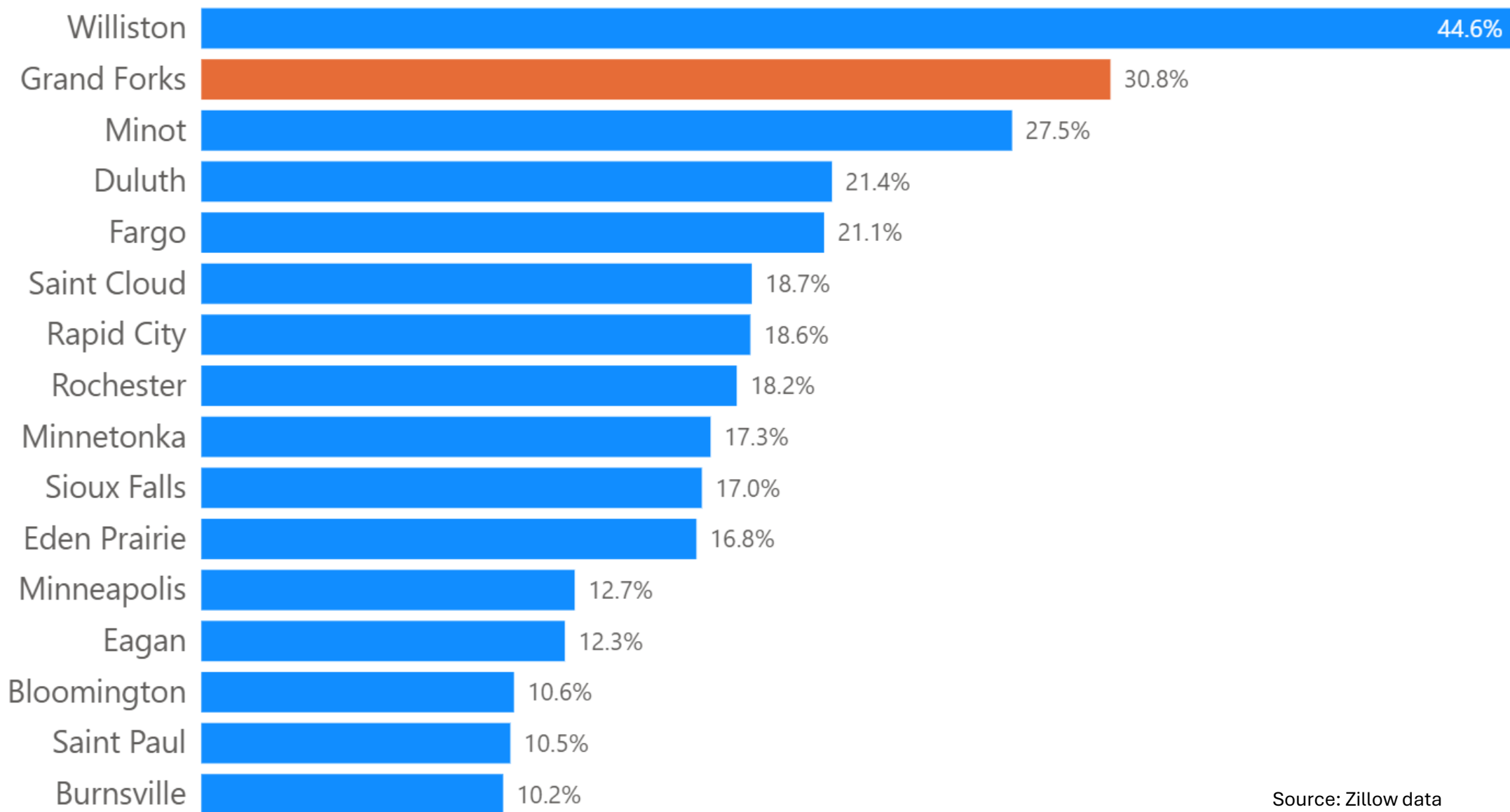
RegionName ● Grand Forks



Source: Zillow data

# Median Advertised Rent Growth Since January 2022 by City

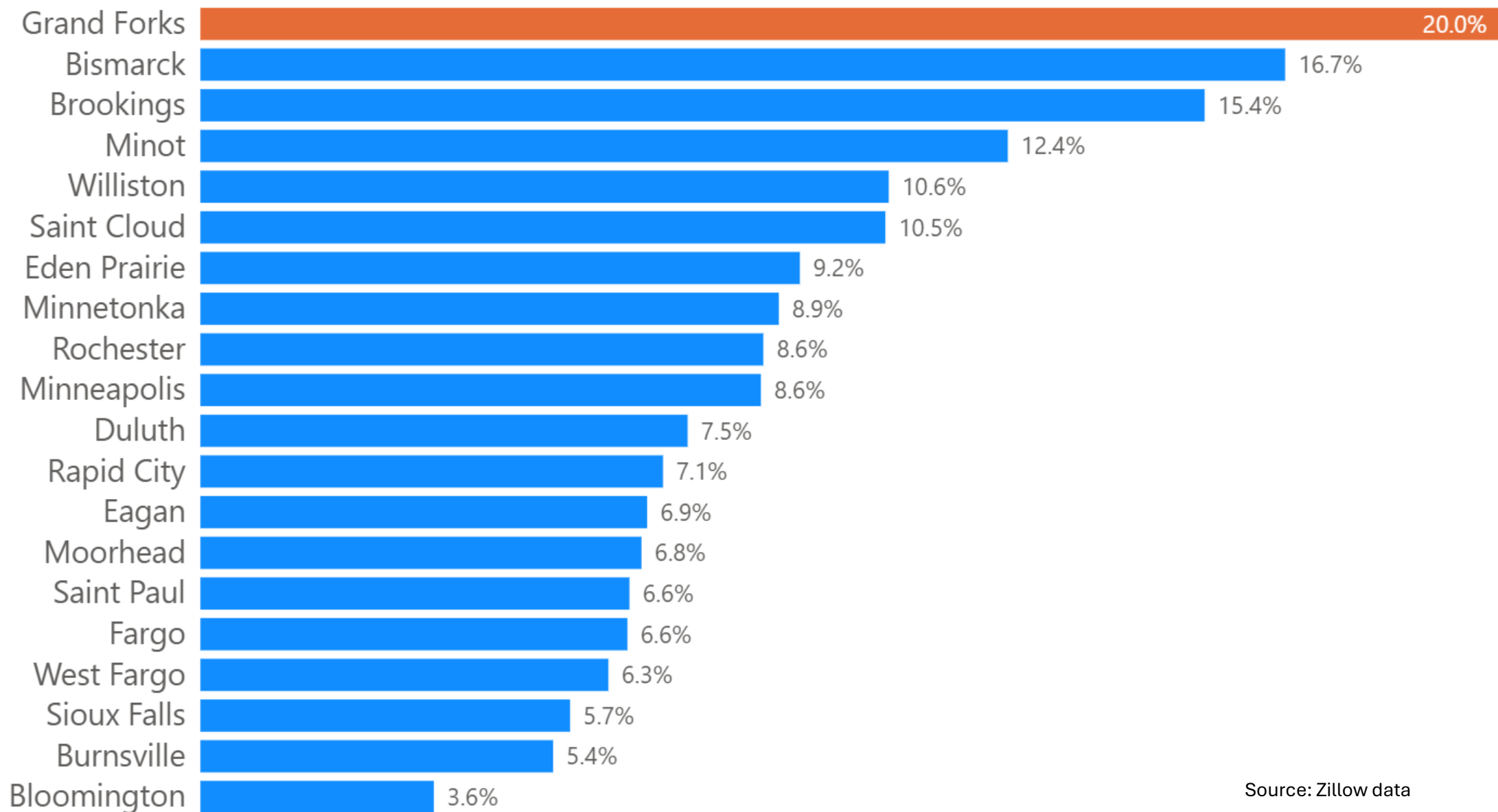
Zillow Rent Index



Source: Zillow data

# Median Advertised Rent Growth Since January 2024 by City

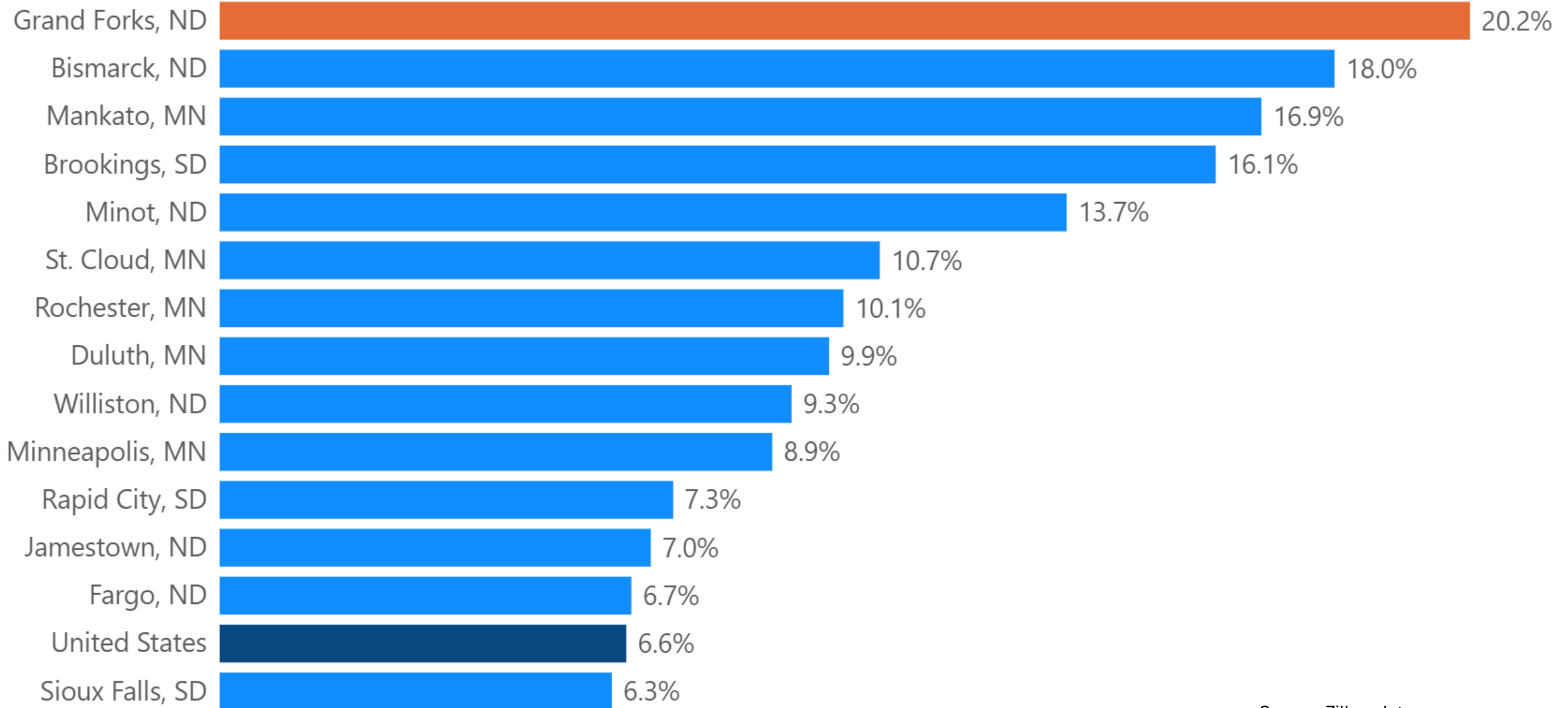
Zillow Rent Index



Source: Zillow data

# Metropolitan Area Median Rent Price Growth Since January 2024

Zillow Observed Rent Index



Source: Zillow data

# Construction of new multifamily units is below average in the 2020s

HUD studies suggest healthy markets typically add: **1-2% of rental stock annually**

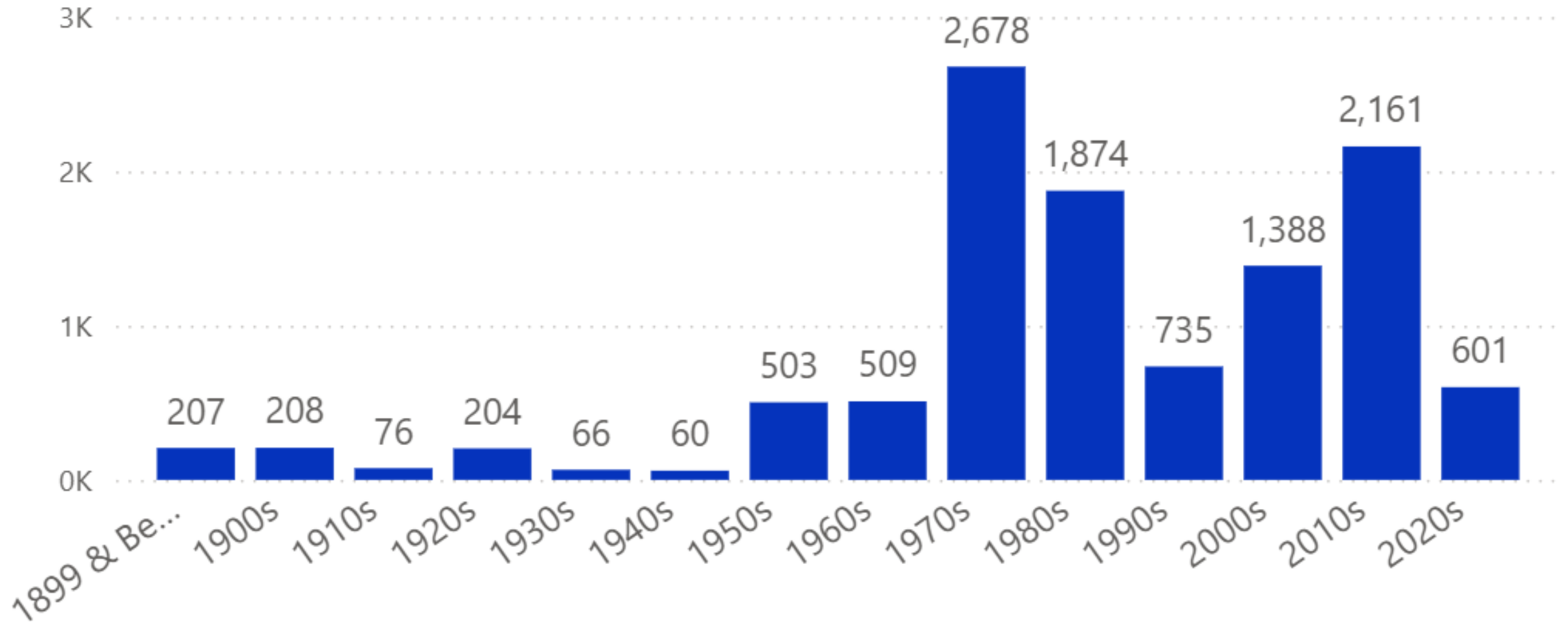
Grand Forks added **601 new apartment units in the 2020s**

This is an average of **100 per year**

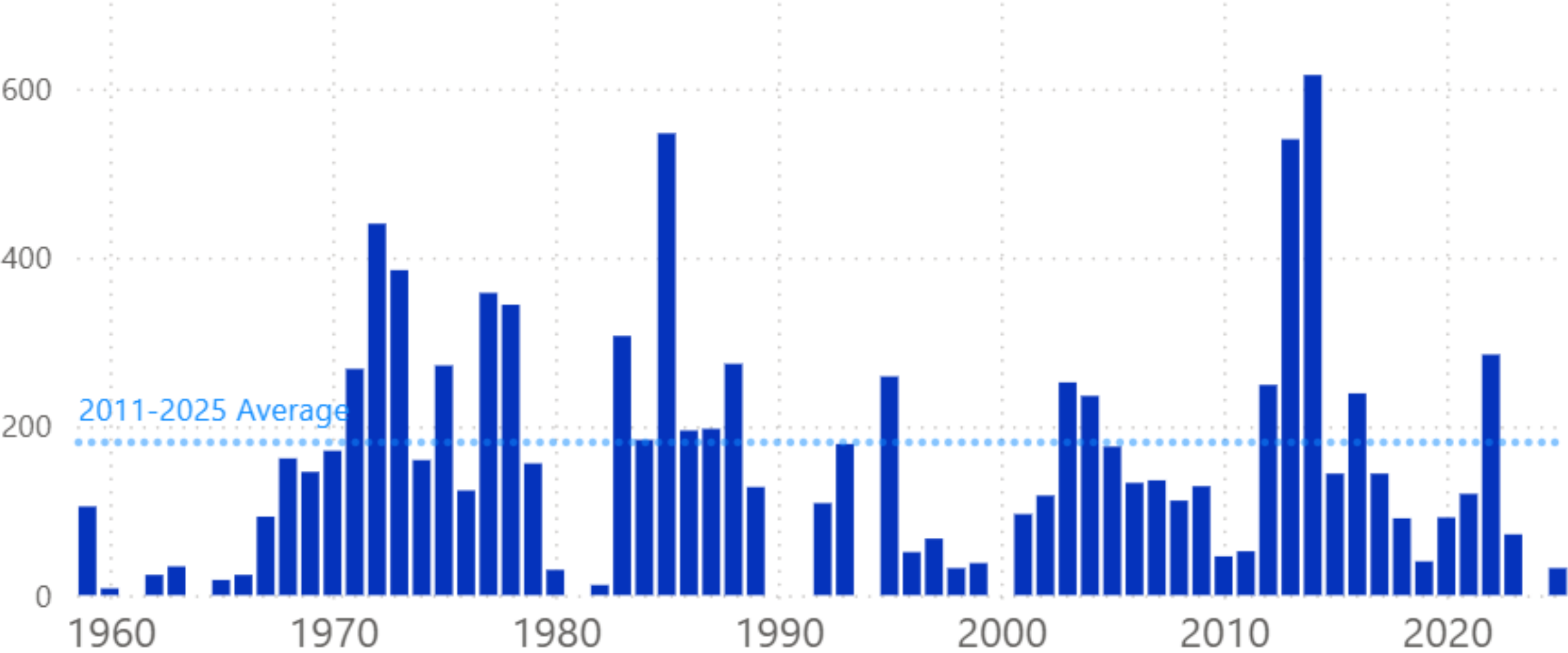
1. 1% growth target is **666 units**. 2% is **1331 units**.
2. Grand Forks averaged **181 new units** per year in the past 15 years.
3. Since 2018, **two of the eight years hit the 1% baseline**.

# Construction of multifamily units in 2020s has slowed

Number of Units by Year Built



# Number of Units by Year Built



Source: City of Grand Forks Parcel Database



Key Point:

**All three metrics together:**

- Vacancy persistently low

+

- Rent is skyrocketing

+

- Below average new supply

**All three metrics point in the same direction**

# Grand Forks rent prices are now higher than city of Fargo

February 2026

- Grand Forks city: **\$1,187**
- Fargo city: **\$1,092**
  
- Grand Forks MSA: **\$1,161**
- Fargo MSA: **\$1,142**

# Inbound and Outbound Migration

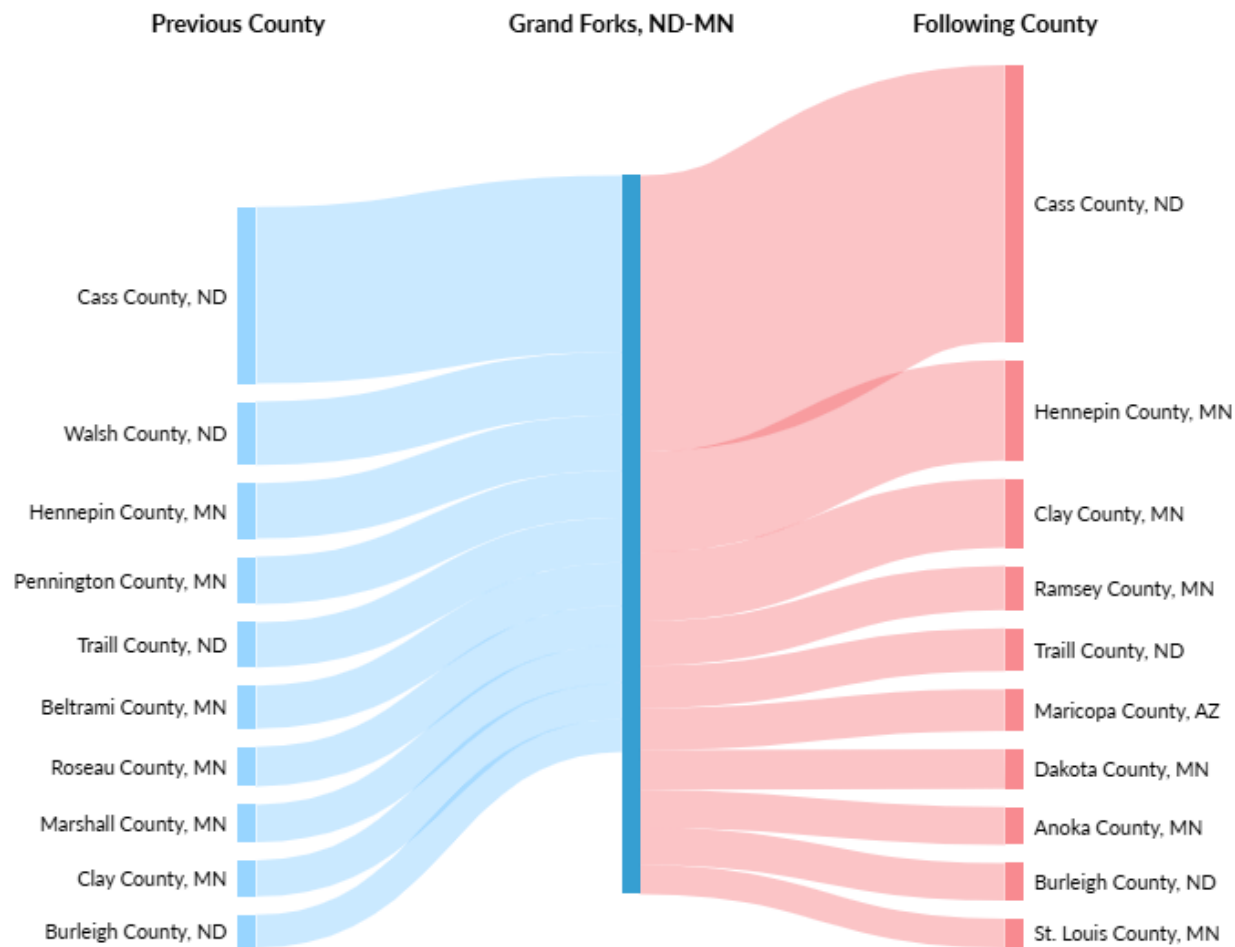


Fargo matters for **competitive reasons.**

This is the top place people go when they leave Grand Forks.

The table below analyzes past and current residents of Grand Forks, ND-MN. The left column shows residents of other counties migrating to Grand Forks, ND-MN. The right column shows residents migrating from Grand Forks, ND-MN to other counties.

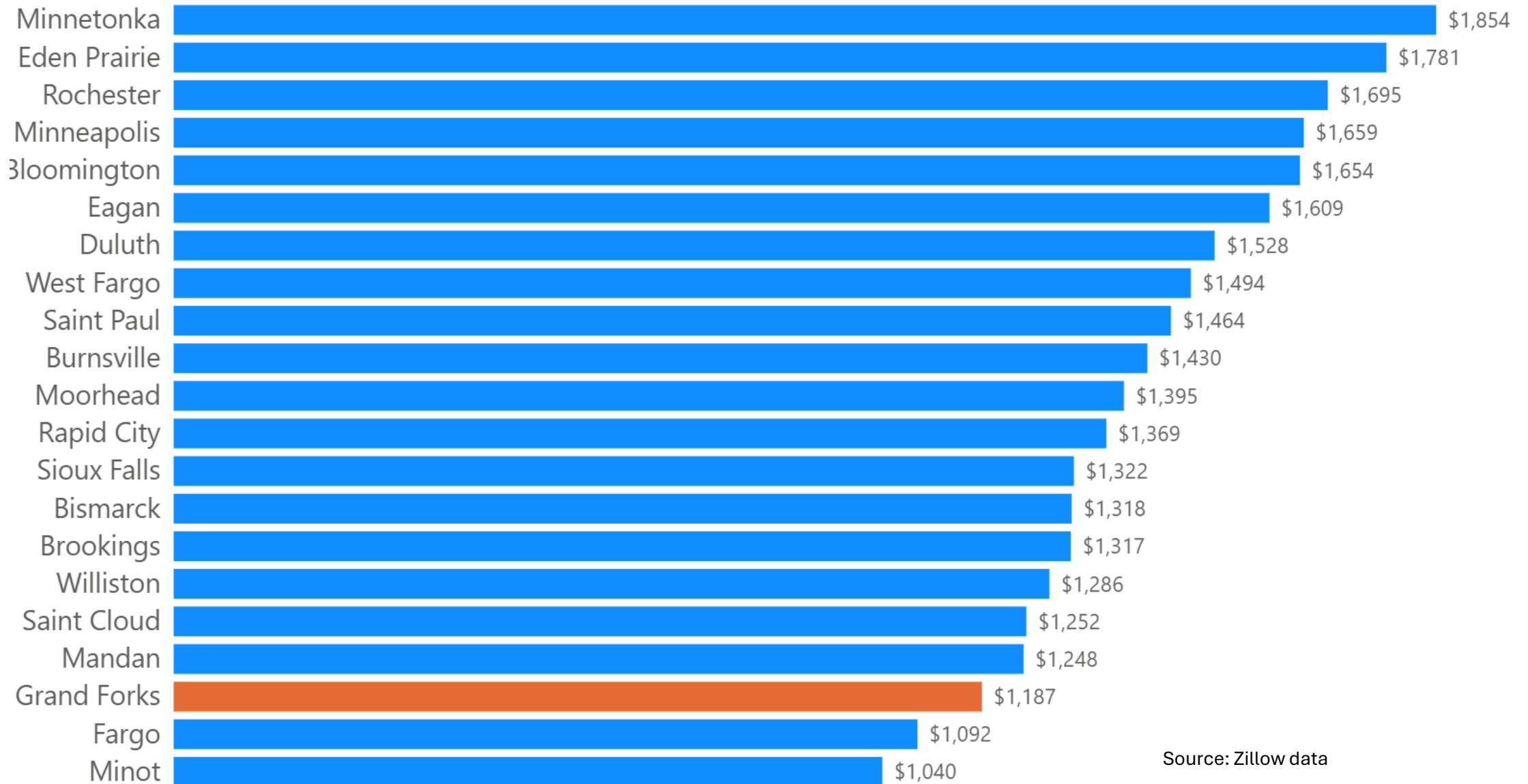
As of 2023, **290** people have migrated from Cass County, ND to Grand Forks, ND-MN. In the same year, **455** people left Grand Forks, ND-MN migrating to Cass County, ND. The total Net Migration for Grand Forks, ND-MN in 2023 was **-432**.



Source: IRS Tax Return Migration Data

# Median Advertised Rent by City

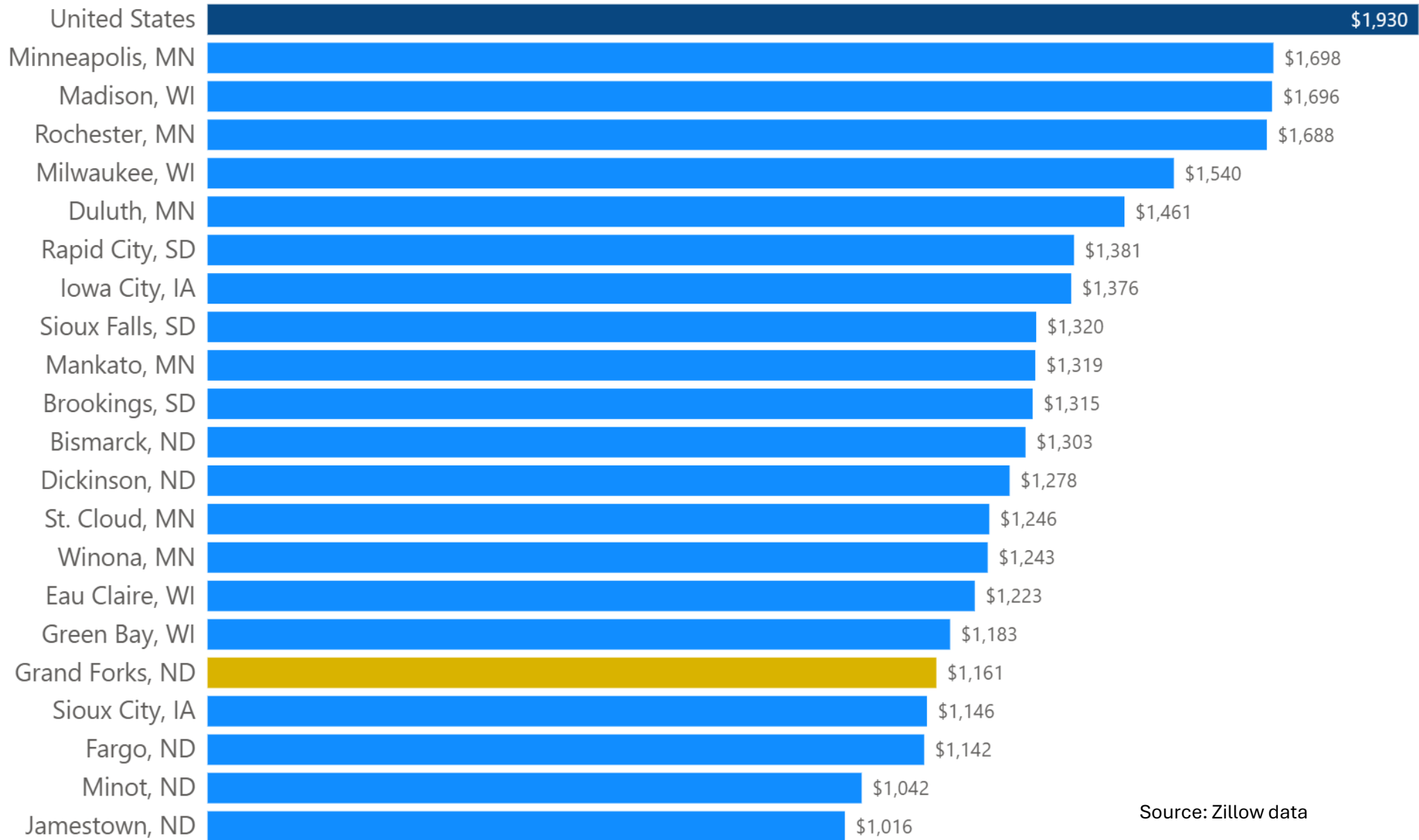
Zillow Rent Index



Source: Zillow data

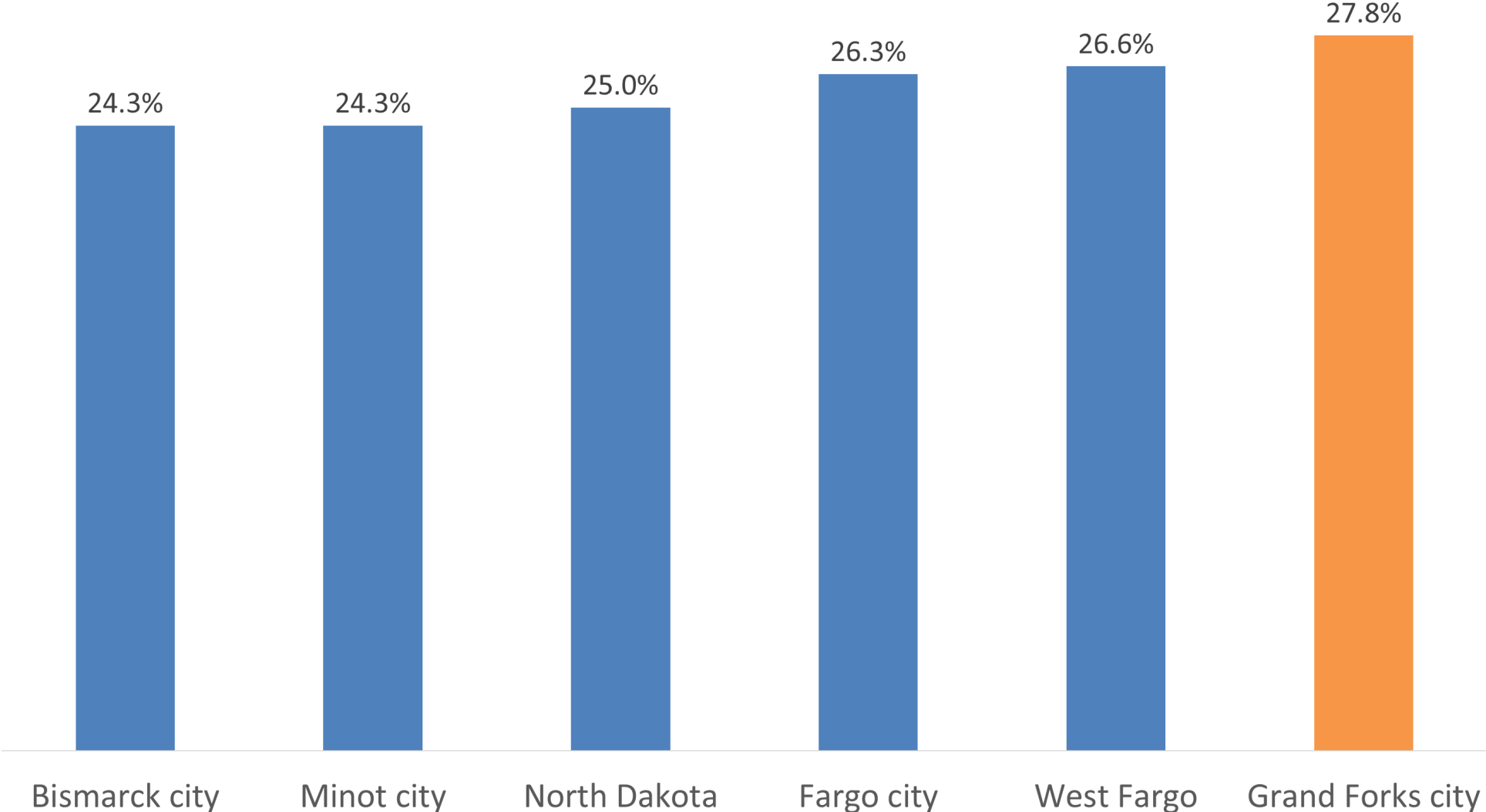
# Median Rent Price in Metropolitan Areas

Zillow Observed Rent Index



Source: Zillow data

# Median gross rent as a percentage of renter-household income, 2020-2024



Source: U.S. Census American Community Survey, 2020-2024

# 43% of Renters are Cost-burdened, roughly national average

## Share of Households Paying Over 30% of Income Towards Housing by Tenure, 2020-2024

	Grand Forks City	Fargo City	North Dakota	Minnesota	United States
Owned Units with a Mortgage	20.1%	19.8%	19.4%	21.7%	26.4%
Owned Units without a Mortgage	11.2%	6.4%	10.1%	11.8%	13.5%
Rented	42.6%	37.8%	34.7%	43.2%	45.6%

Source: U.S. Census American Community Survey, 2020-2024

# More than half of renting seniors are cost-burdened

**Cost Burden in Rented Units by Age of Householder, 2020-2024**

	Grand Forks City	Fargo City	North Dakota	Minnesota	United States
<b>Householder 15 to 24 years:</b>					
30.0 percent or more	62.5%	52.5%	50.7%	51.8%	57.1%
35.0 percent or more	55.5%	45.4%	41.9%	43.4%	48.7%
<b>Householder 25 to 34 years:</b>					
30.0 percent or more	32.9%	27.5%	26.6%	37.7%	43.3%
35.0 percent or more	23.6%	20.1%	19.9%	28.6%	34.2%
<b>Householder 35 to 64 years:</b>					
30.0 percent or more	31.5%	30.7%	29.0%	41.2%	45.0%
35.0 percent or more	25.4%	23.9%	23.0%	32.2%	36.7%
<b>Householder 65 years and over:</b>					
30.0 percent or more	53.1%	62.3%	51.1%	59.1%	56.3%
35.0 percent or more	42.4%	52.5%	42.2%	49.0%	47.4%

Source: U.S. Census American Community Survey, 2020-2024



# High rental churn amplifies rent price increases

Grand Forks renters moving in after 2020 ~**59%** ←  
National ~**43%**

Why this matters:

Renters cycle through units quickly, which means:  
**market rent increases hit households faster.**

Renter-occupied Units by Year Moved into Unit, 2020-2024

	Grand Forks City	Fargo City	North Dakota	Minnesota	United States
Moved in 2023 or later	12.2%	10.9%	11.5%	10.9%	9.4%
Moved in 2020 to 2022	47.0%	42.8%	38.7%	36.0%	33.3%
Moved in 2010 to 2019	34.4%	40.2%	41.1%	44.2%	45.4%
Moved in 2000 to 2009	4.5%	4.1%	5.6%	5.8%	7.5%
Moved in 1990 to 1999	1.2%	1.7%	2.1%	1.9%	2.6%
Moved in 1989 or earlier	0.7%	0.4%	1.2%	1.2%	1.8%

Source: U.S. Census American Community Survey, 2020-2024

# Rental housing is economically important to the city

1. Apartments and multifamily represent roughly: **\$1 billion in property value**

This makes rental housing:

- a major component of the tax base
- a significant economic sector

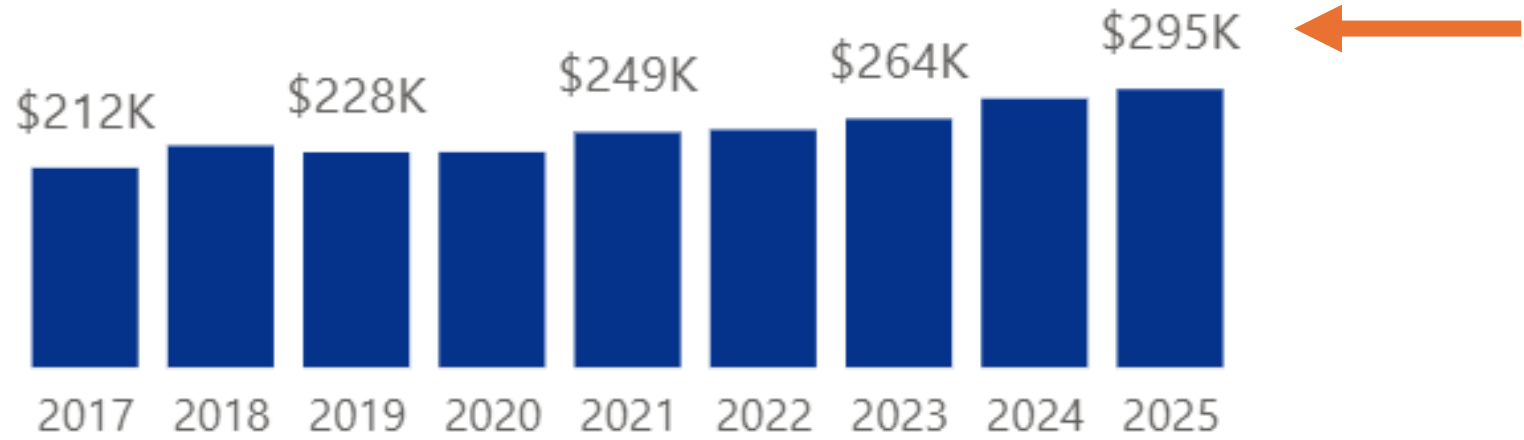
2. Rising **rent prices decrease disposable income** in the community which strains local businesses

3. Rising and high housing prices **constrict growth of an already short local workforce**

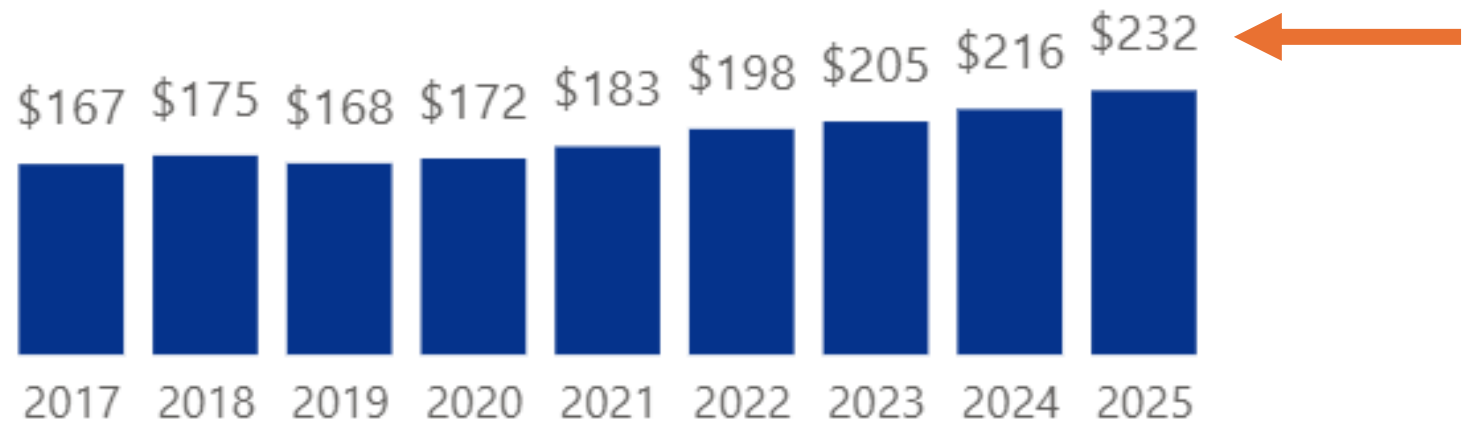
Single family

Single-family home prices steadily rising.

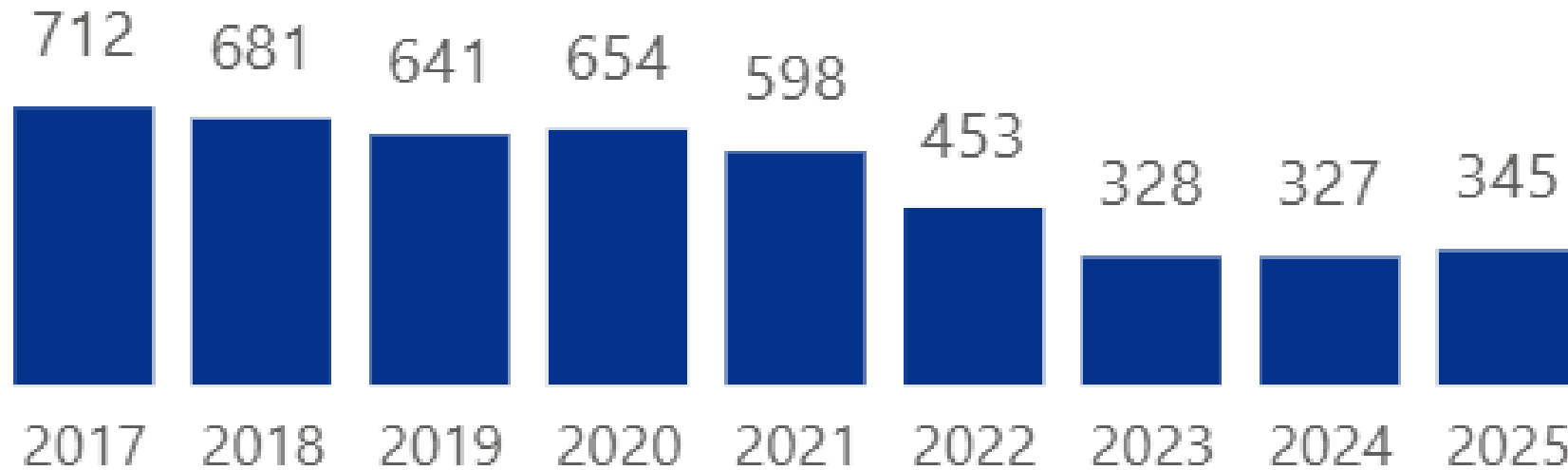
### Median of Sale Price



### Median Price per Sq Ft



# Number of Transactions



Source: City of Grand Forks Assessor's Data

## Absorption Rate

**29 transactions per month in 2025**

**87 listings available** (May 22, detached, condo, townhouse).

So that's about **3.0 months of supply** right now

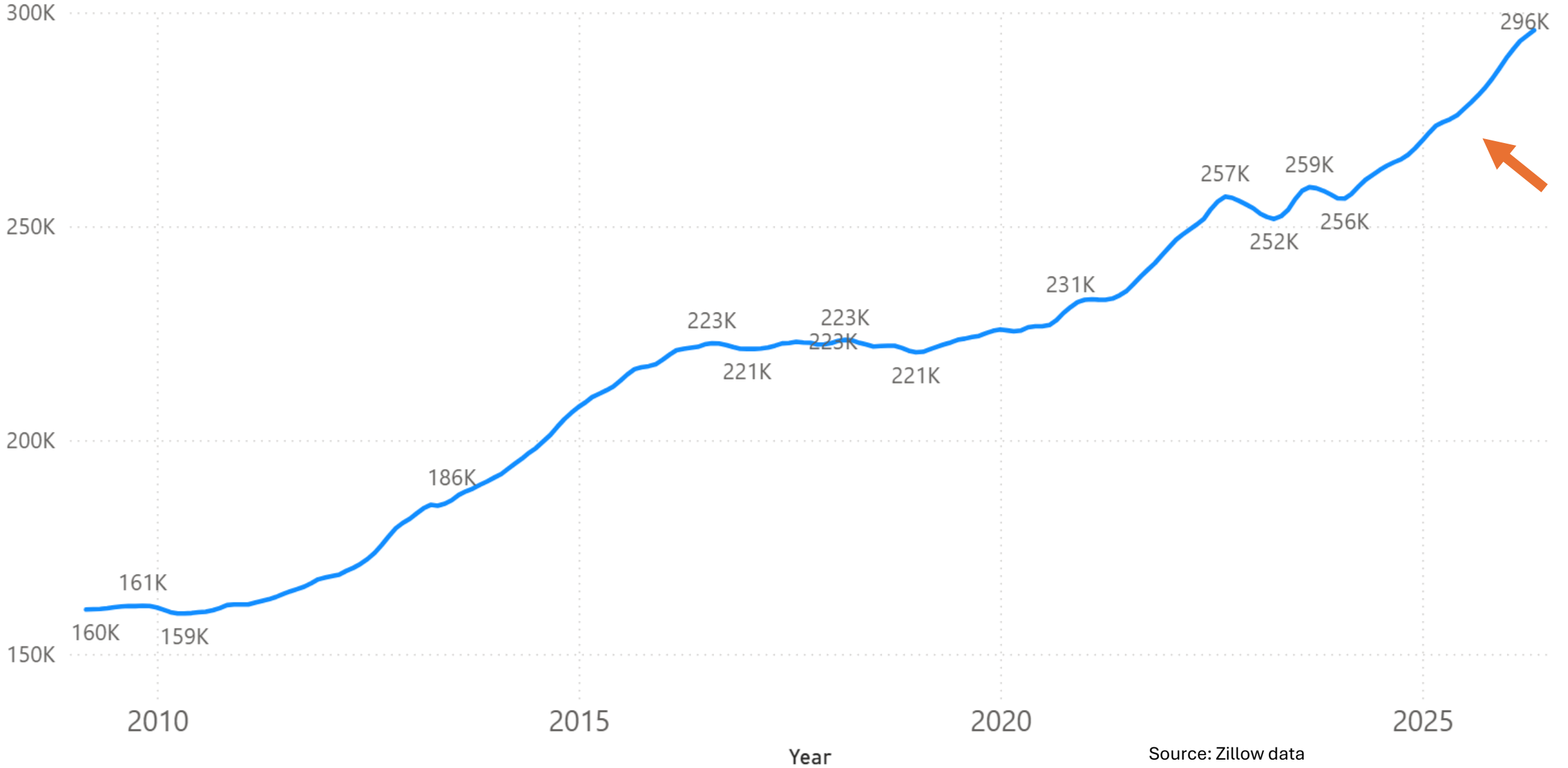
Less than 4 months is severe seller's market

# Median Home Price

Zillow Home Value Index

April 2026

## Grand Forks



Source: Zillow data

# Home Price by County

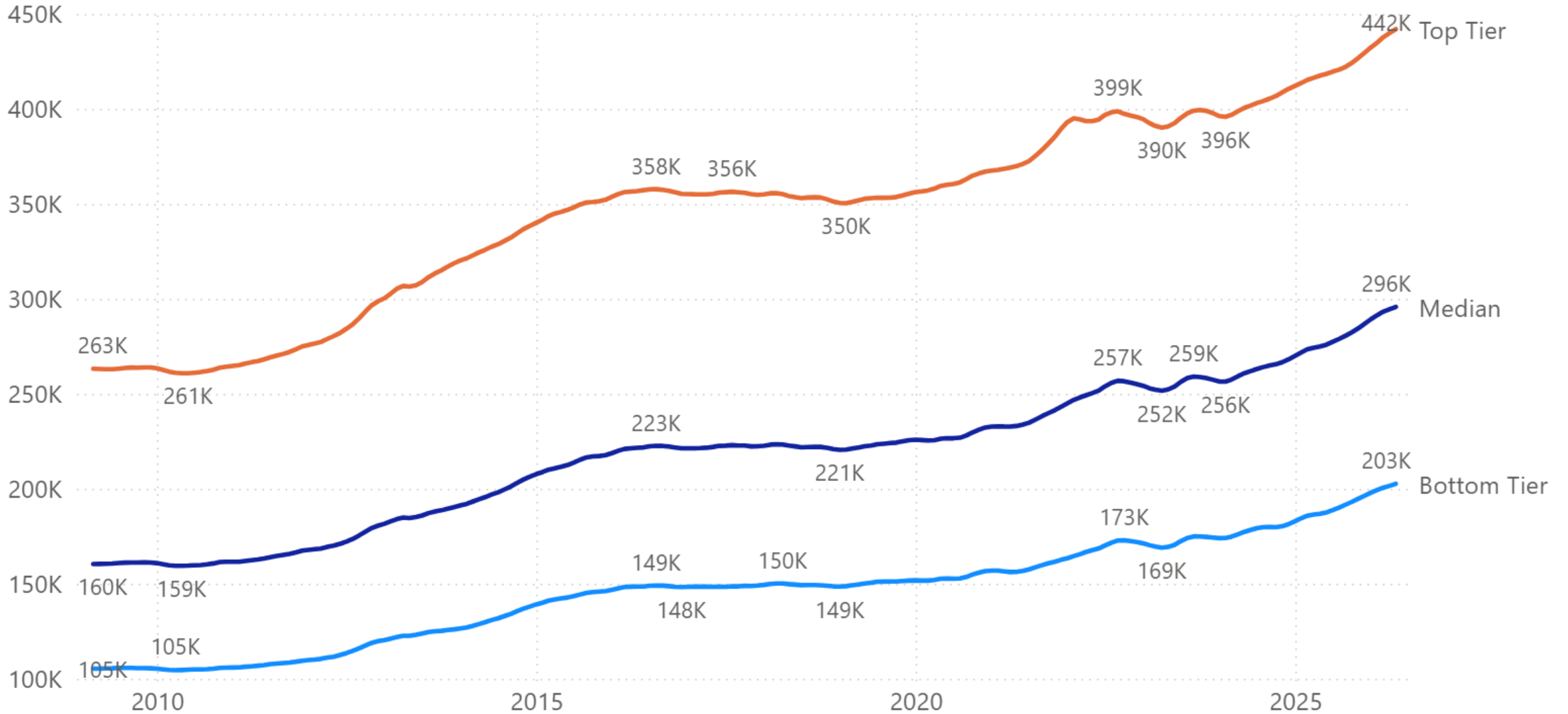
Zillow Home Value Index

April 2026

**Top:** 65<sup>th</sup>-95<sup>th</sup> percentile  
**Middle:** 35<sup>th</sup>-65<sup>th</sup> percentile  
**Bottom:** 5<sup>th</sup>-35<sup>th</sup> percentile

## Grand Forks

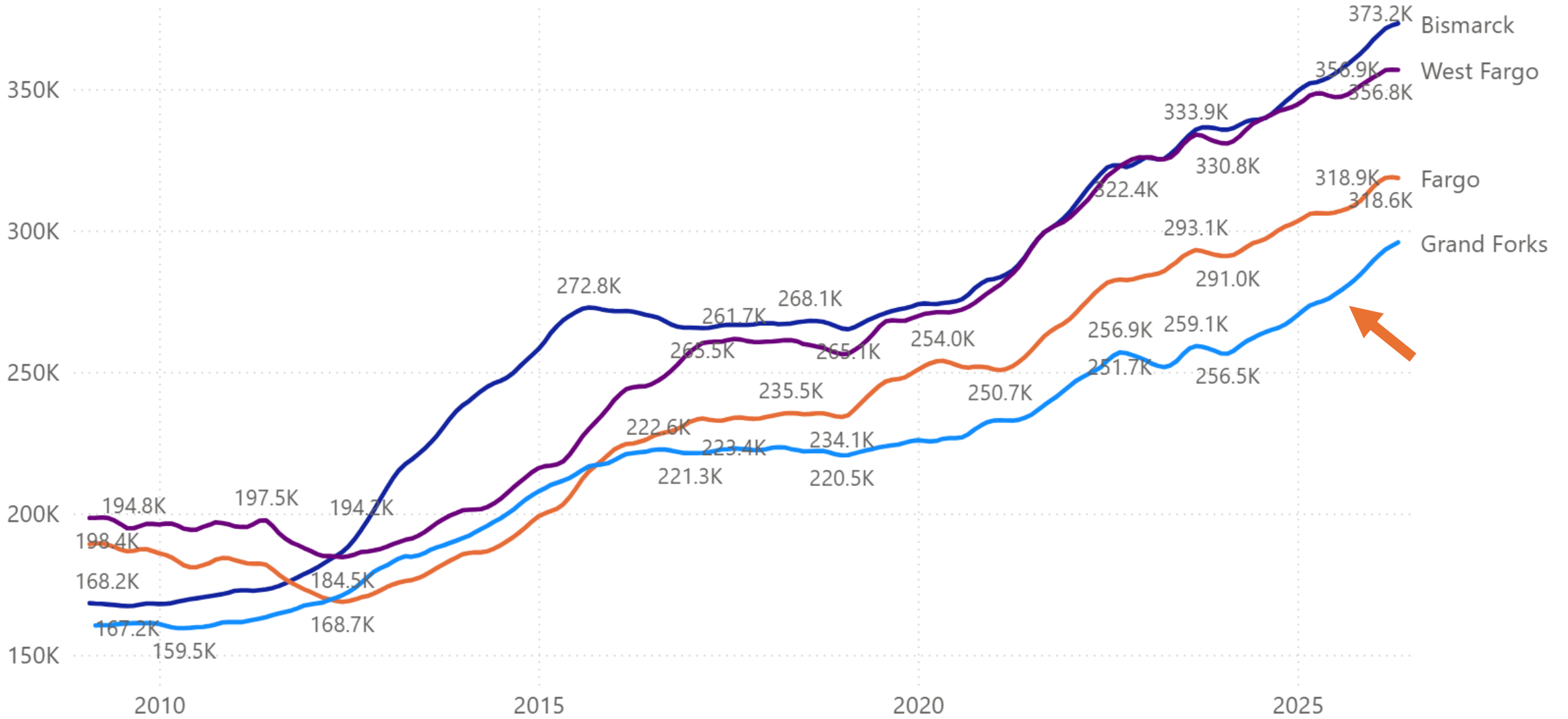
Type ● Bottom Tier ● Median ● Top Tier



# Home Price by City

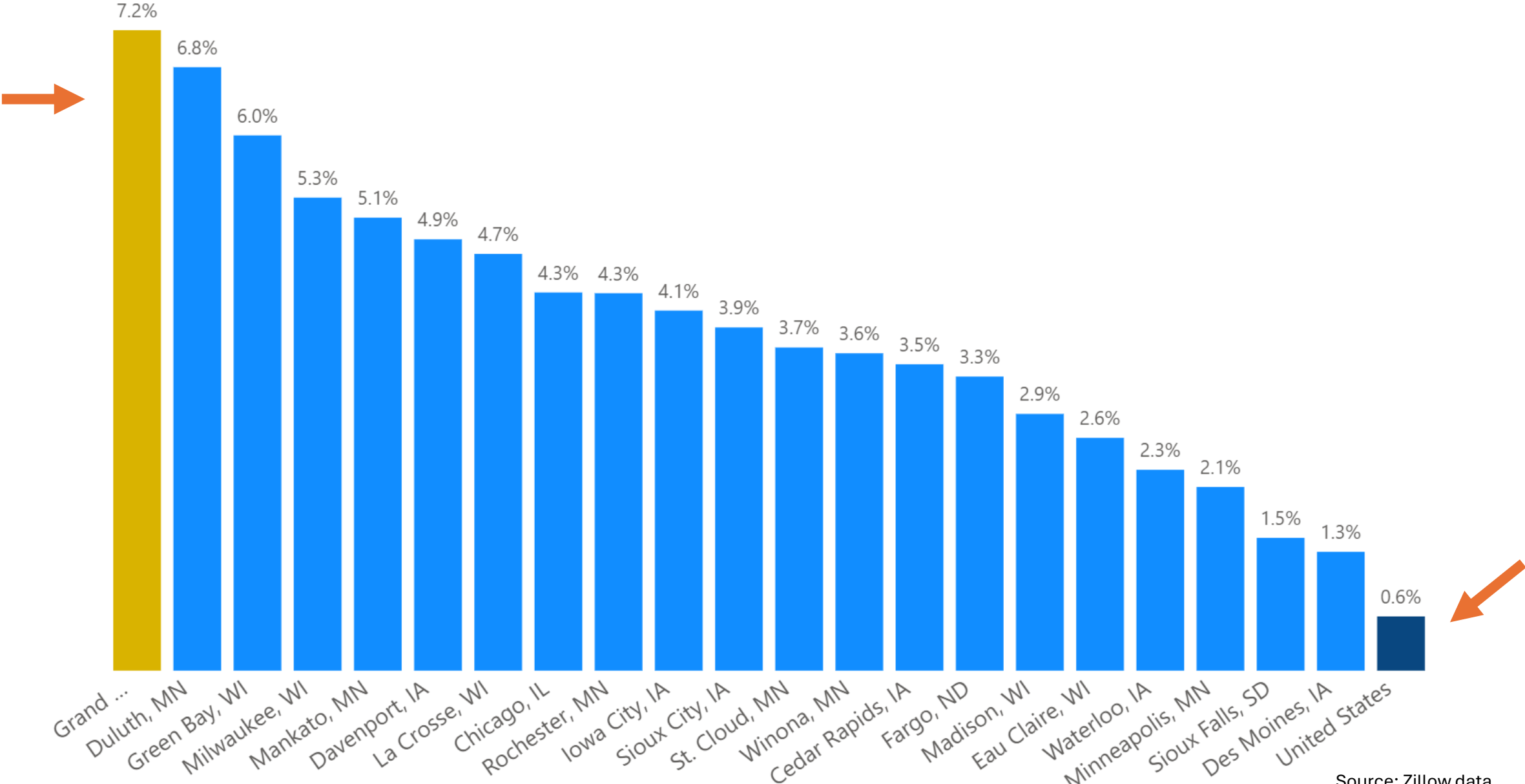
Zillow Home Value Index

RegionName ● Bismarck ● Fargo ● Grand Forks ● West Fargo



# One Year Home Price Growth by MSA

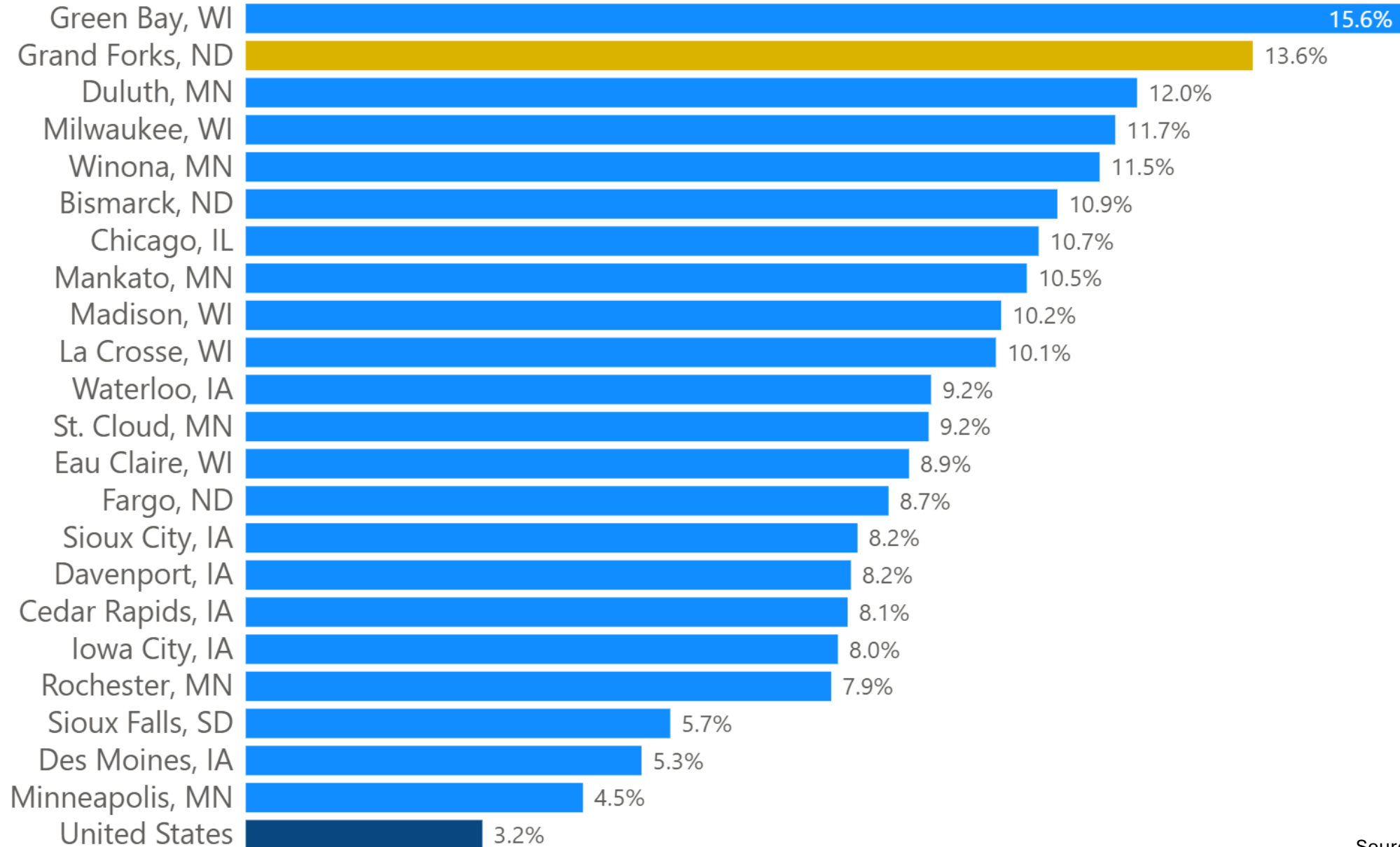
Zillow Home Value Index



Source: Zillow data

# Home Price Growth Since January 2024 by MSA

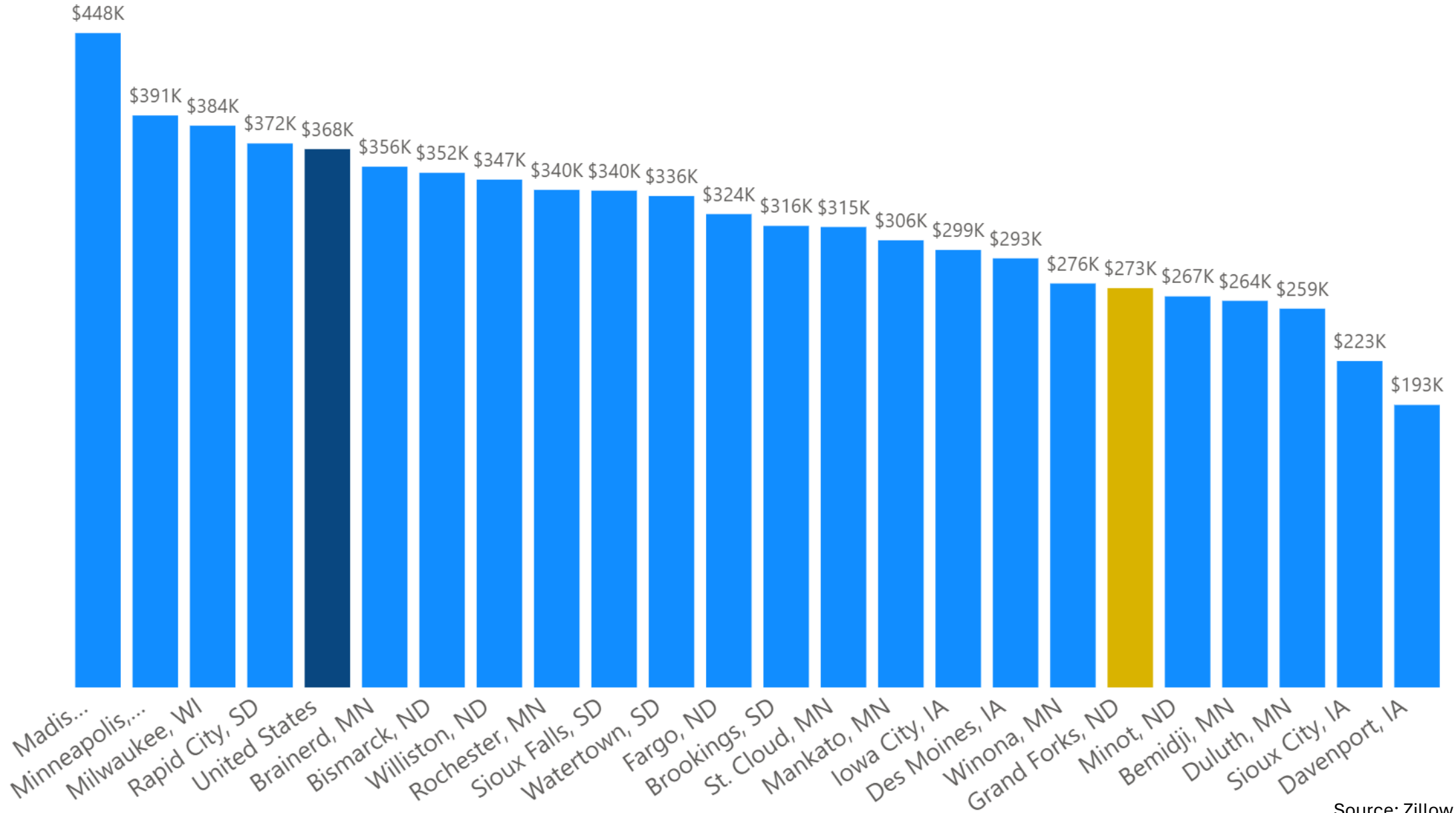
Zillow Home Value Index



Source: Zillow data

# Median Home Price in Metropolitan Areas

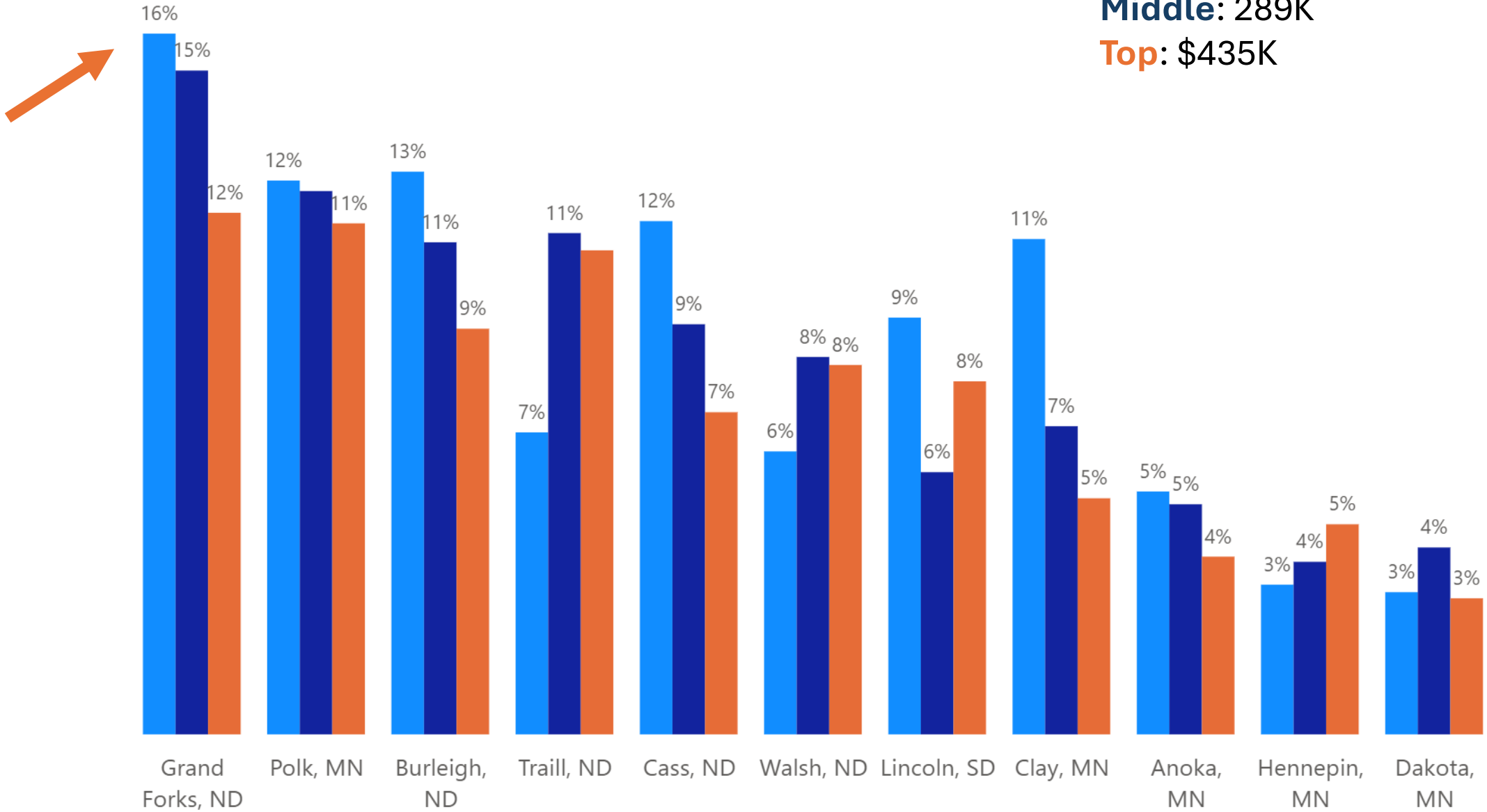
Zillow Home Value Index



# Home Price Growth by County Since January 2024

Zillow Home Value Index

Type ● Bottom Tier ● Median ● Top Tier



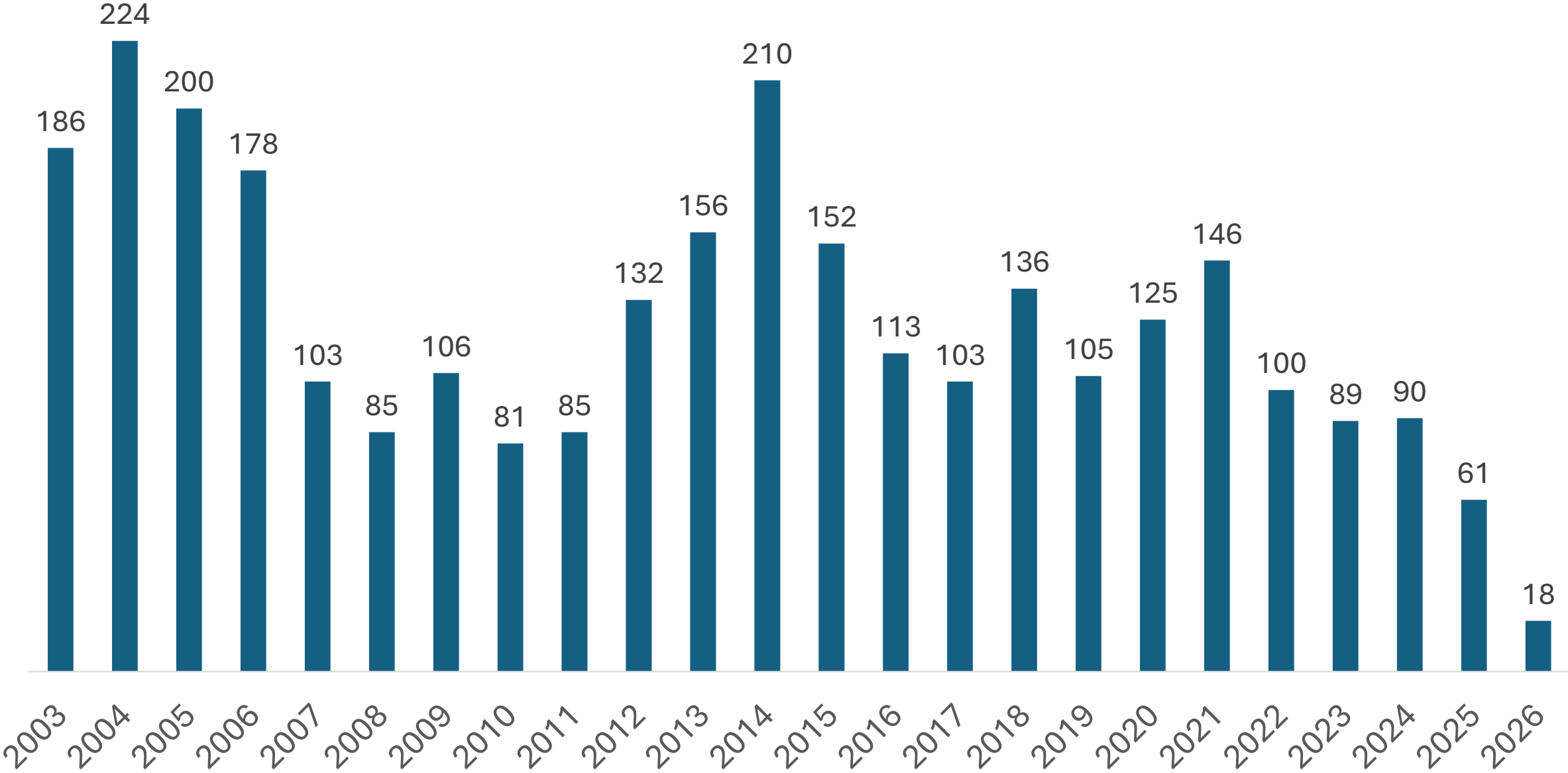
## Price levels in GF County

**Bottom:** 195K

**Middle:** 289K

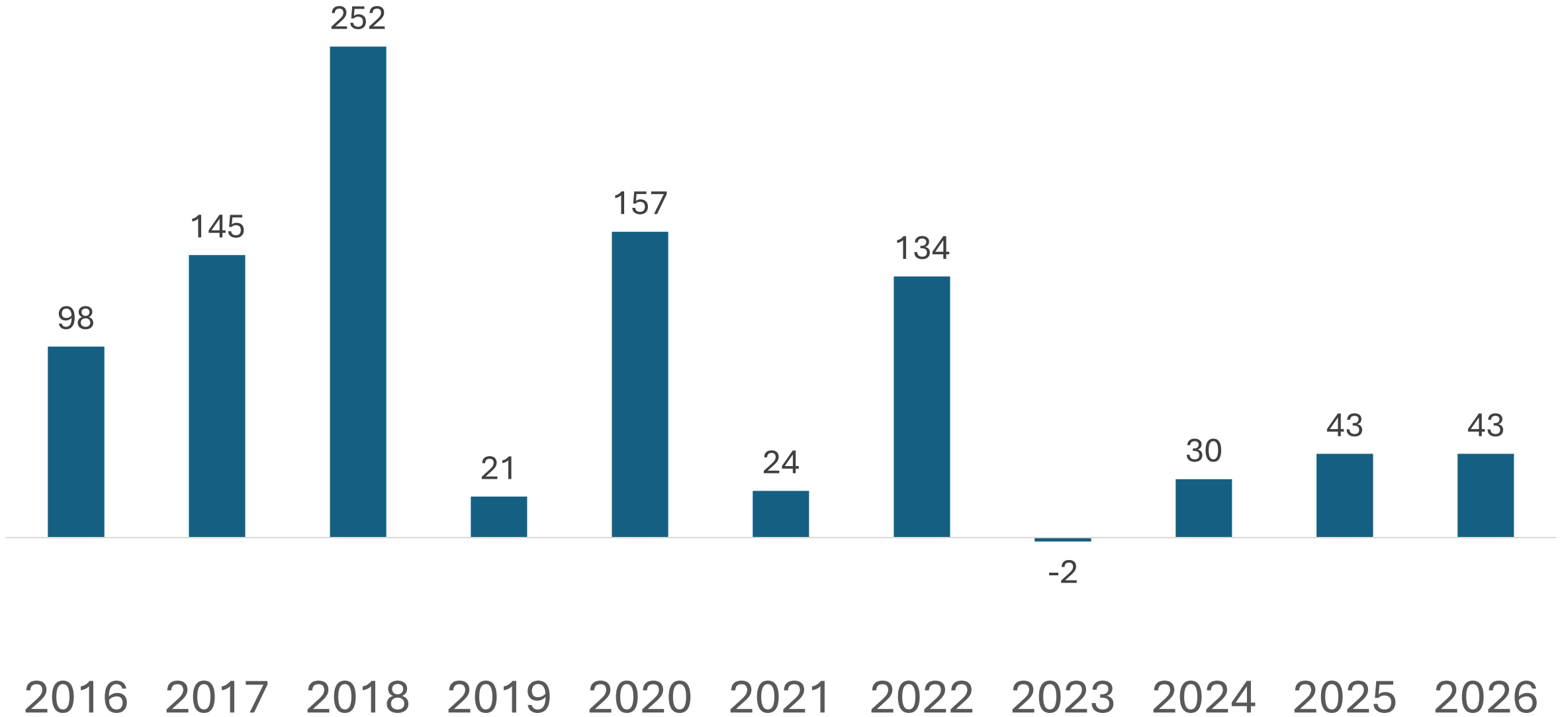
**Top:** \$435K

# Single family, Duplex, Townhouse Total Building Permits in City of Grand Forks



Source: City of Grand Forks

# Platted Single Family Lots City of Grand Forks



# Rental Status of Single-family Residential Units

By Occupancy and Rental Status

OCCUPANCY	NO	YES	<b>Total</b> ▼
Single-Family / Owner Occupied	9,229	22	<b>9,251</b>
Single-Family / Rental Unit		764	<b>764</b>
<b>Total</b>	<b>9,229</b>	<b>786</b>	<b>10,015</b>



Source: City of Grand Forks Parcel Database

## Rental Status of Single Family Units

By Occupancy and Rental Status

Ward	NO	YES	Total
Ward 1	493	18	<b>511</b>
Ward 2	1,765	604	<b>2,369</b>
Ward 3	1,846	81	<b>1,927</b>
Ward 4	1,850	53	<b>1,903</b>
Ward 5	1,827	11	<b>1,838</b>
Ward 6	470	2	<b>472</b>
Ward 7	978	17	<b>995</b>
<b>Total</b>	<b>9,229</b>	<b>786</b>	<b>10,015</b>



## Rental Status of Single Family Units

By Occupancy and Rental Status

Ward	NO	YES
Ward 1	96.5%	3.5%
Ward 2	74.5%	25.5%
Ward 3	95.8%	4.2%
Ward 4	97.2%	2.8%
Ward 5	99.4%	0.6%
Ward 6	99.6%	0.4%
Ward 7	98.3%	1.7%
<b>Total</b>	<b>92.2%</b>	<b>7.8%</b>



Source: City of Grand Forks Parcel Database

# Rental Status of Single-family Residential Units

By Occupancy and Rental Status

OCCUPANCY	Total Full Property Value	Number of Units	Property Value Per Unit
<input type="checkbox"/> <b>Single-Family / Owner Occupied</b>	<b>\$2,927,403,000</b>	<b>9,251</b>	<b>\$316,442</b>
NO	\$2,922,482,000	9,229	\$316,663
YES	\$4,921,000	22	\$223,682
<input type="checkbox"/> <b>Single-Family / Rental Unit</b>	<b>\$121,798,000</b>	<b>764</b>	<b>\$159,421</b>
YES	\$121,798,000	764	\$159,421
<b>Total</b>	<b>\$3,049,201,000</b>	<b>10,015</b>	<b>\$304,463</b>



Source: City of Grand Forks Parcel Database

## Potential Implication:

More desirable apartments for students could help **relieve pressure on single-family home rentals**

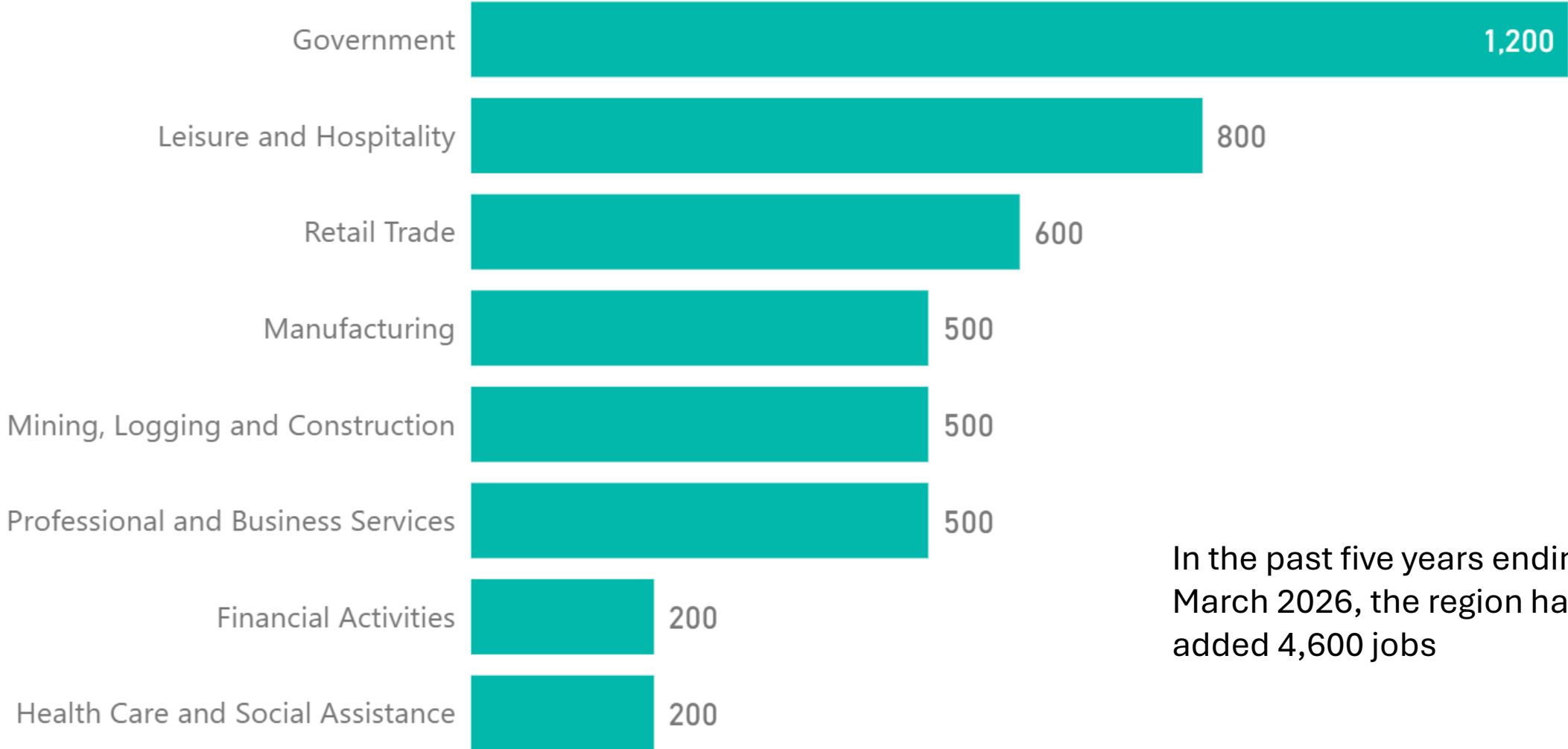
# **Economic Driver**

# Recent job growth supports rising housing demand

March 2026

Grand Forks MSA Employment Growth Five Year Employment Growth

U.S. Bureau of Labor Statistics Current Employment Survey

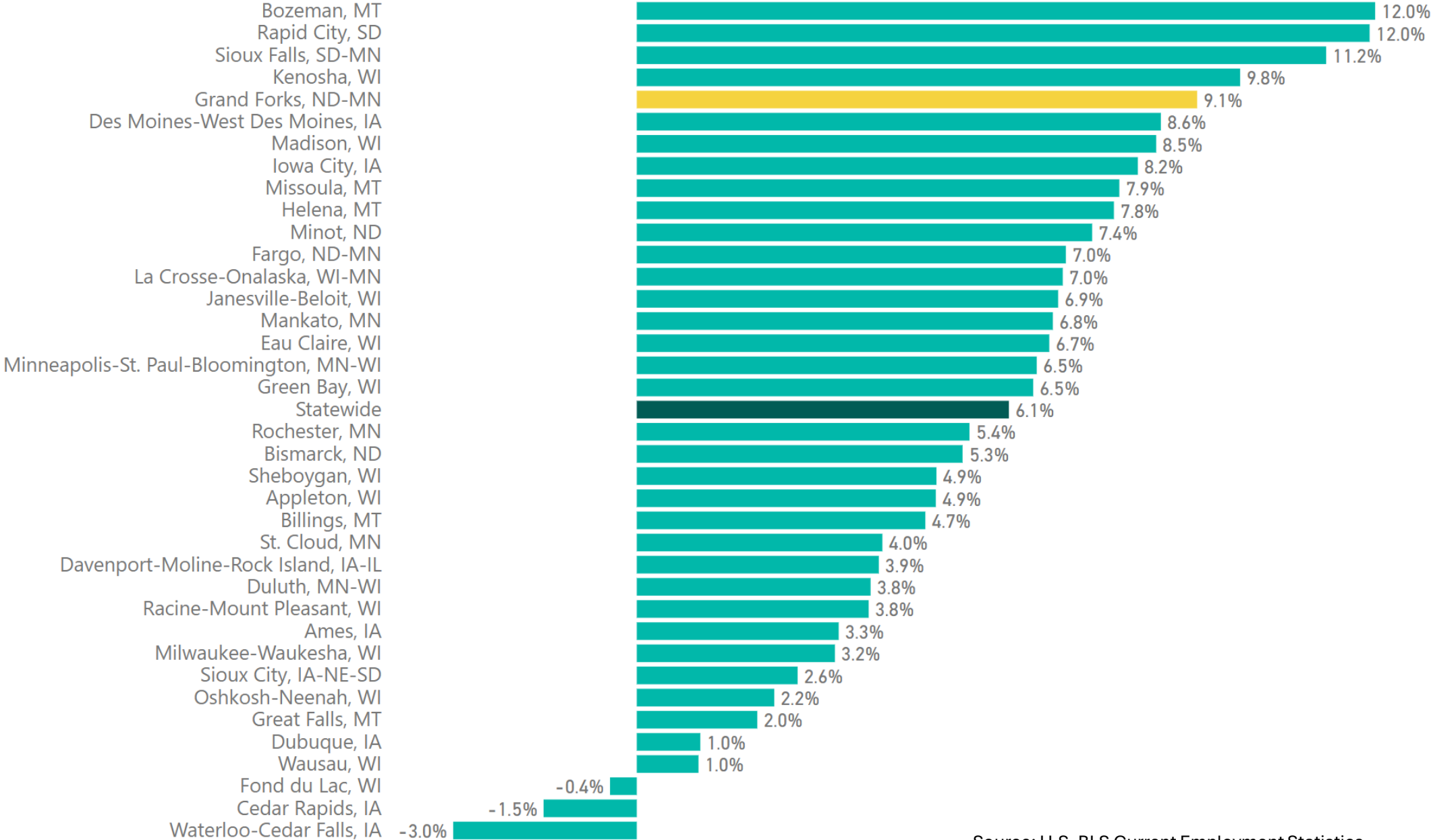


In the past five years ending March 2026, the region has added 4,600 jobs

Source: U.S. BLS Current Employment Statistics

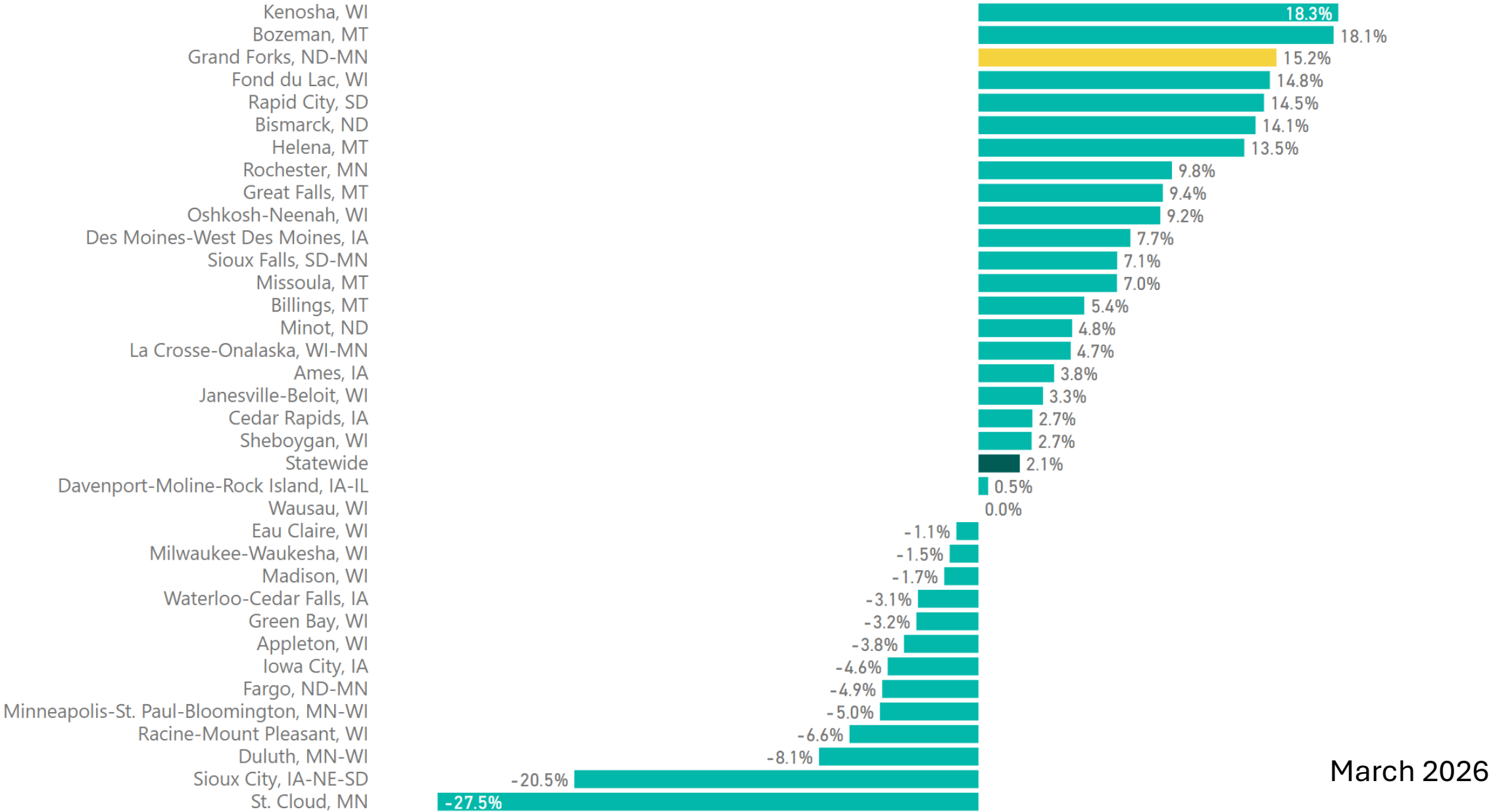
# Total Employment Growth Since March 2021

March 2026



Source: U.S. BLS Current Employment Statistics

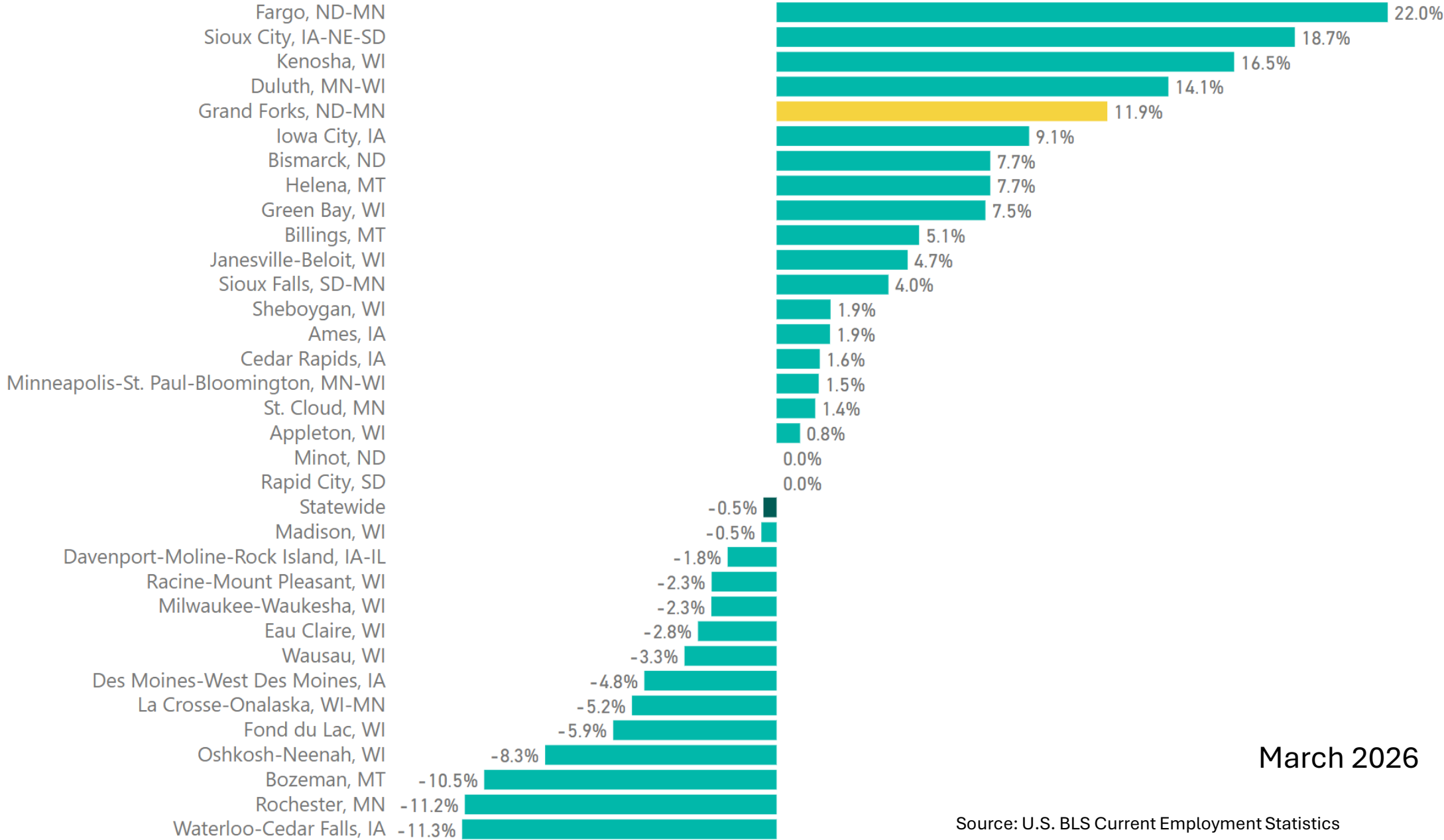
# Professional and Business Services Employment Growth Since March 2021



March 2026

Source: U.S. BLS Current Employment Statistics

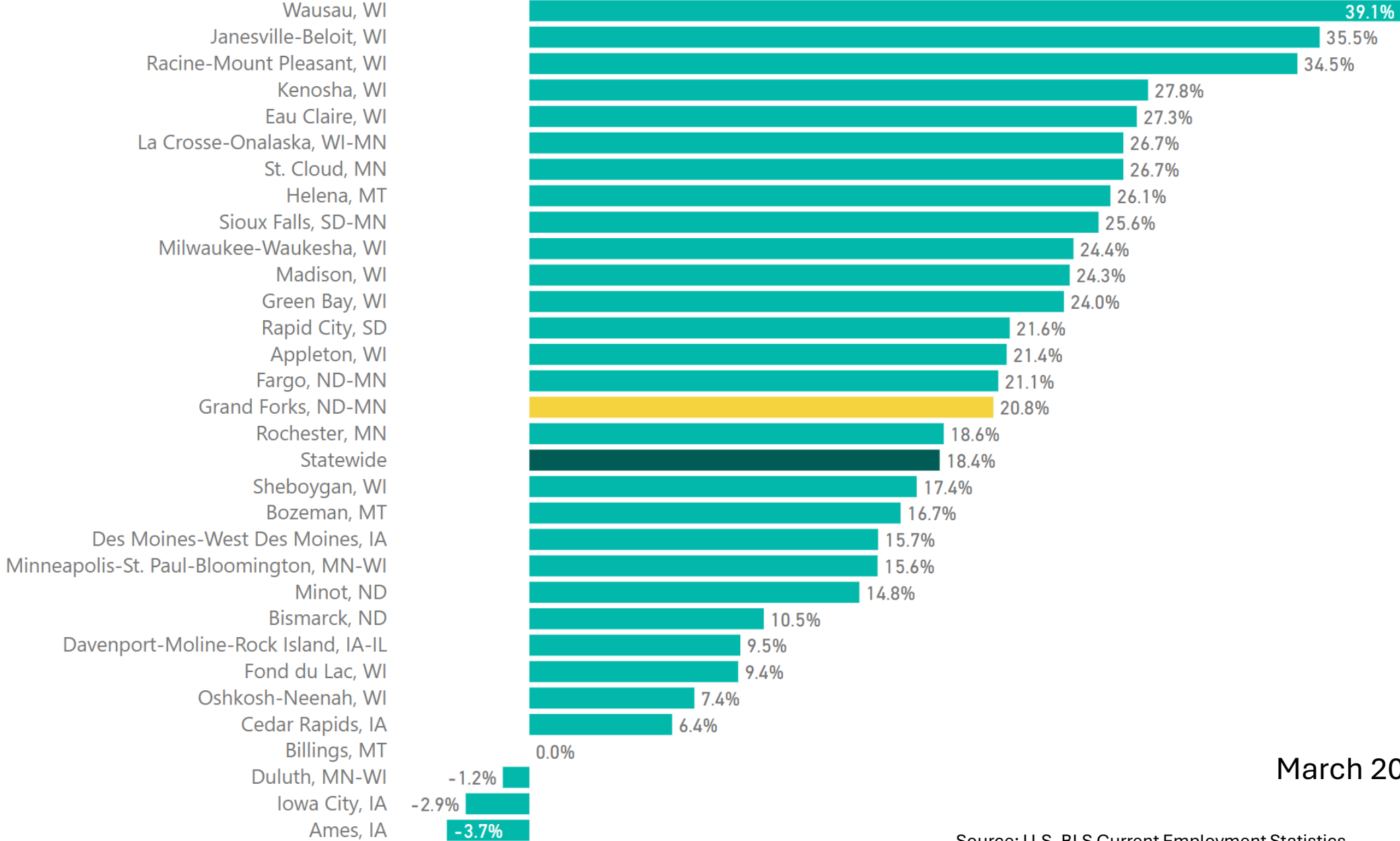
# Manufacturing Employment Growth Since March 2021



March 2026

Source: U.S. BLS Current Employment Statistics

# Mining, Logging, Construction Employment Growth Since March 2021



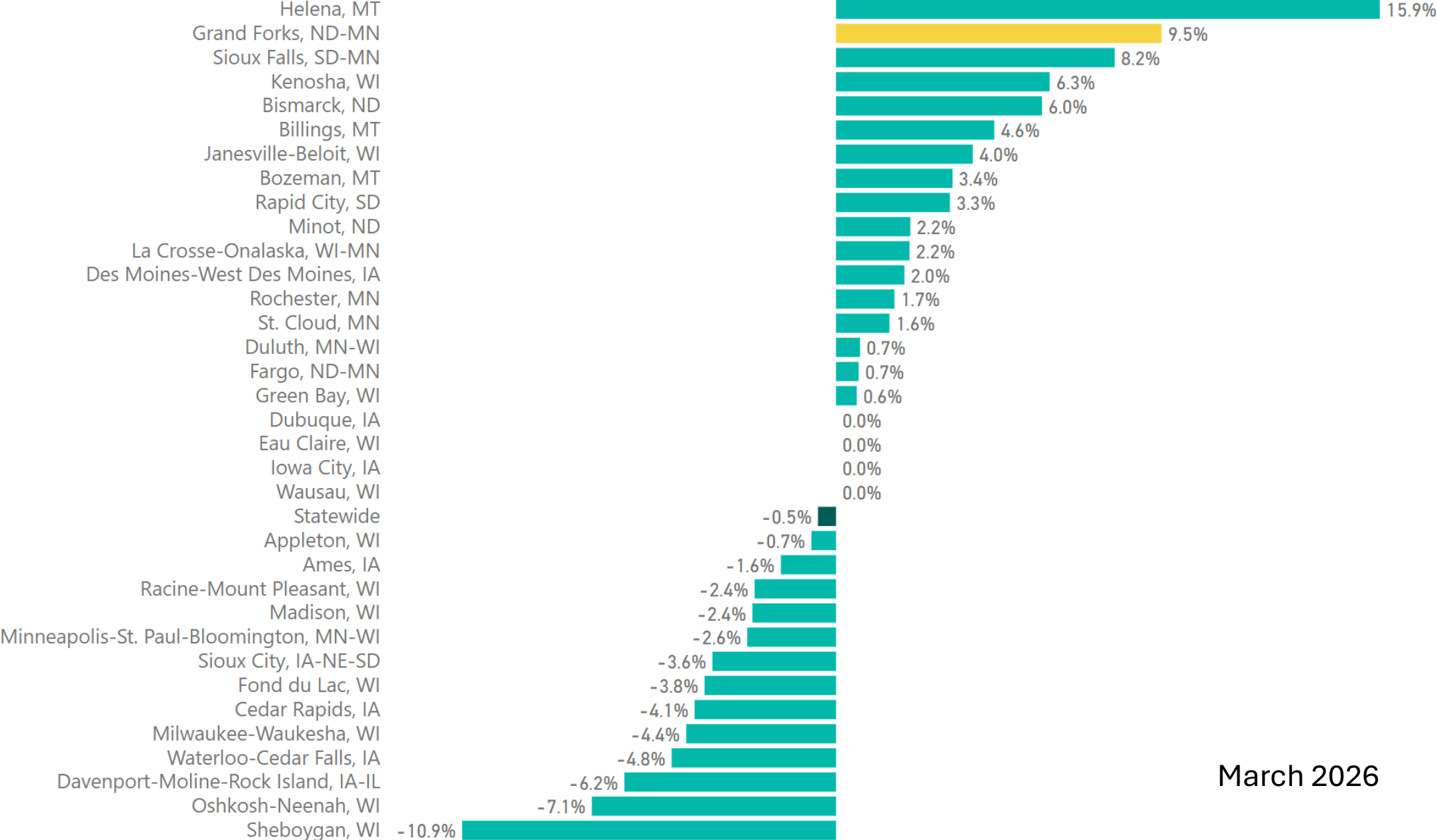
March 2026

Source: U.S. BLS Current Employment Statistics

# Grand Forks MSA Housing Construction Sector is Undersized (Jobs)

- Residential building construction: **64% of average**
- Foundation, structure, building exterior: **80% of average**
- Building equipment contractors: **103% of average**
- Building finishing contractors: **64% of average**
- Other specialty trades: **93% of average**

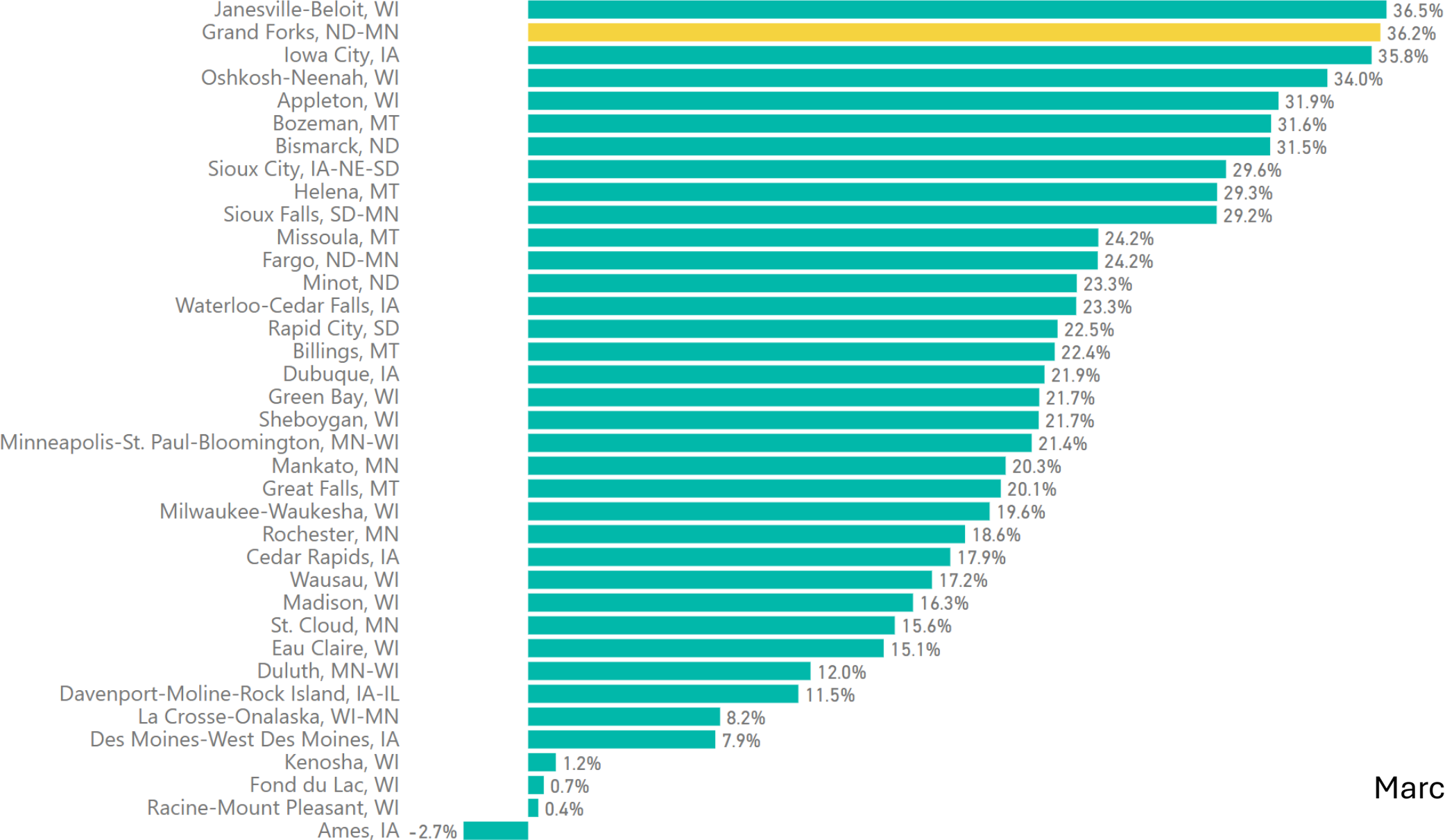
# Retail Employment Growth Since March 2021



March 2026

Source: U.S. BLS Current Employment Statistics

# Rising Wages in the GF Market in Past Five Years



March 2026

Source: U.S. BLS Current Employment Statistics

# March 2026 Average Hourly Earnings

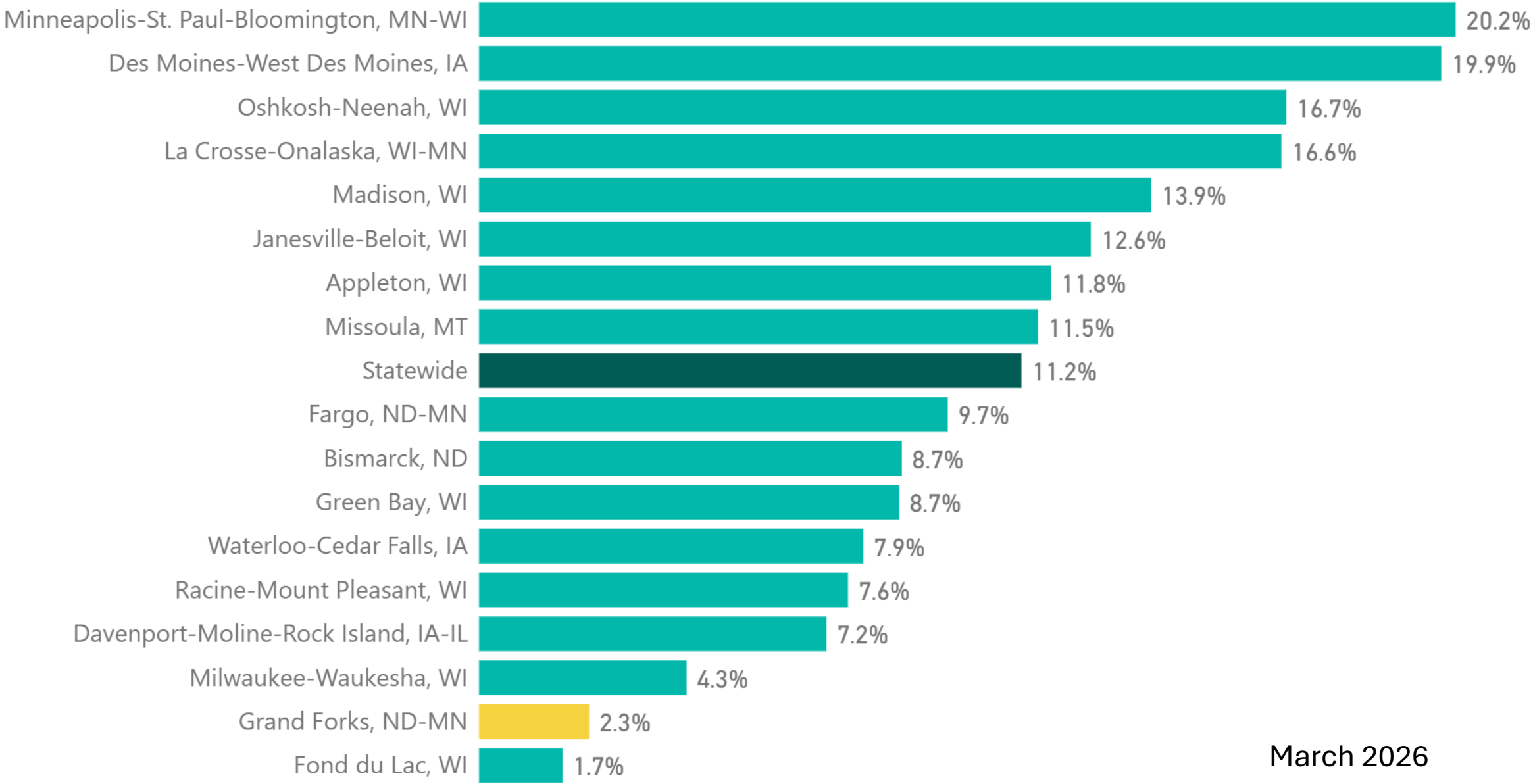


**\$32.24 in Grand Forks MSA**

**March 2026**

Source: U.S. BLS Current Employment Statistics

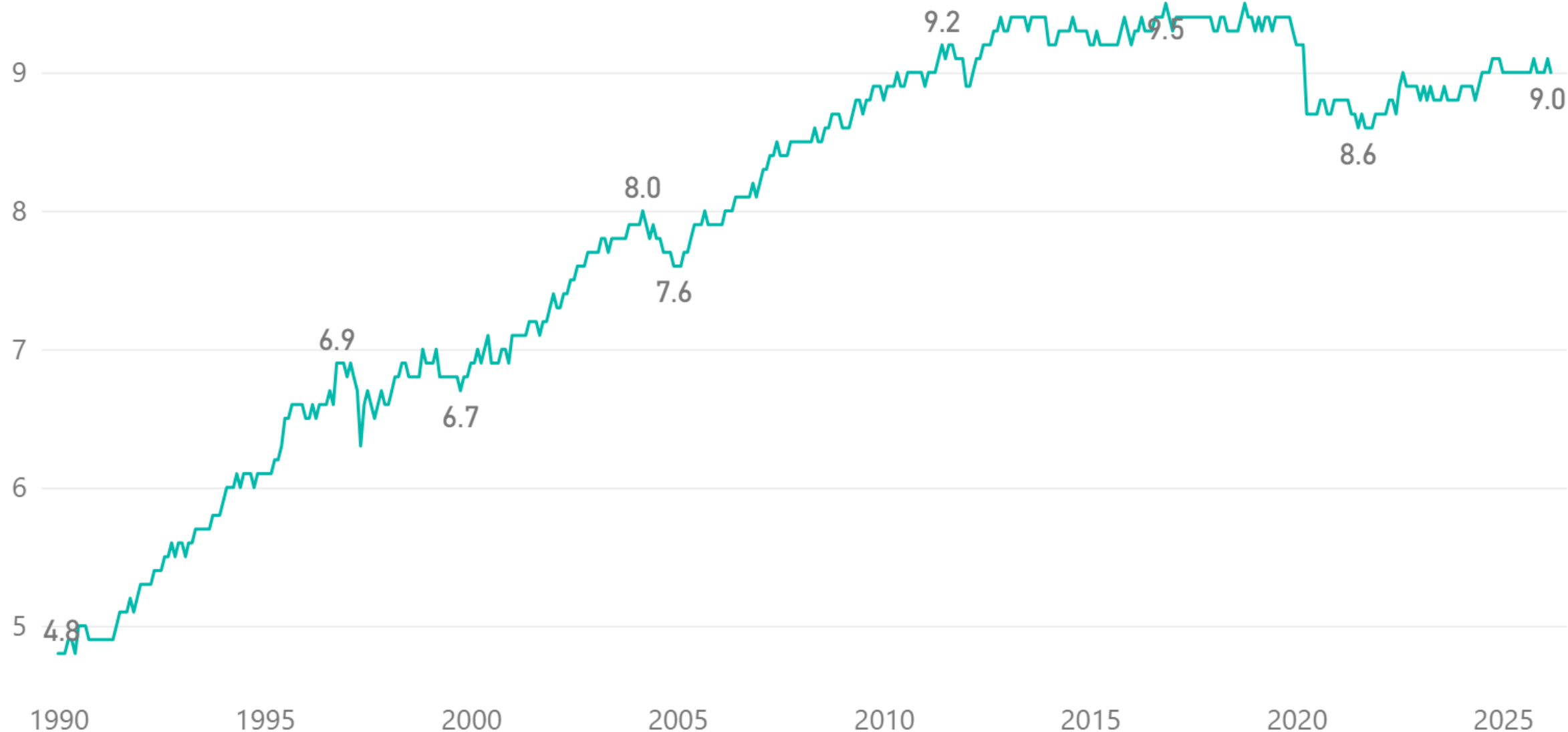
# Health Care Employment Growth Since March 2021



March 2026

Source: U.S. BLS Current Employment Statistics

# Health Care Employment Grand Forks MSA



**Tax Base**

# Rental housing is economically important to the city

## Property Value by Type

DESCRIPTION	Total Property Value	Number of Properties	Number of Units
Residential	\$3,360,892,000	11655	11,752
Commercial Buildings	\$1,602,062,000	1256	1,059
→ Multi-Family	\$965,170,000	576	12,460
Townhomes & Condominiums	\$461,888,000	2180	2,160
Vacant Land	\$49,463,000	648	5
Agricultural	\$12,067,000	117	0
Hospital/Clinic Exempt	\$7,616,000	2	0
Lease Site - Government	\$6,287,000	1	0
Centrally Assessed	\$4,425,000	22	0
Out Building only	\$372,000	13	1
Church/Parsonage/Church Parking	\$324,000	50	1
Multi-Family/Owned by Non-Profit	\$83,000	8	292
Exempt Non-Apprsd/Government	\$28,000	580	12
Fraternal Organization Exempt	\$0	20	11
Grand Forks Housing Authority Exempt	\$0	22	36
<b>Total</b>	<b>\$6,470,677,000</b>	<b>17150</b>	<b>27,789</b>

# Multi-family Rentals

Property Value by Year Built in Multi-family and Mixed Use

Year Built	Property Value	Number of Units	Commercial Value Per Unit
1899 & Before	\$14,557,000	207	\$70,324
1900s	\$12,552,000	208	\$60,346
1910s	\$3,978,000	76	\$52,342
1920s	\$9,877,000	204	\$48,417
1930s	\$3,622,000	66	\$54,879
1940s	\$3,542,000	60	\$59,033
1950s	\$30,112,000	503	\$59,865
1960s	\$24,985,000	509	\$49,086
1970s	\$134,836,000	2,678	\$50,350
1980s	\$119,378,000	1,874	\$63,702
1990s	\$51,110,000	735	\$69,537
2000s	\$125,216,000	1,388	\$90,213
2010s	\$252,634,000	2,161	\$116,906
2020s	\$90,043,000	601	\$149,822
<b>Total</b>	<b>\$876,442,000</b>	<b>11,270</b>	<b>\$77,768</b>



**39%** of total property value is in buildings constructed since 2010. (\$343 million)

# Multi-family Rentals

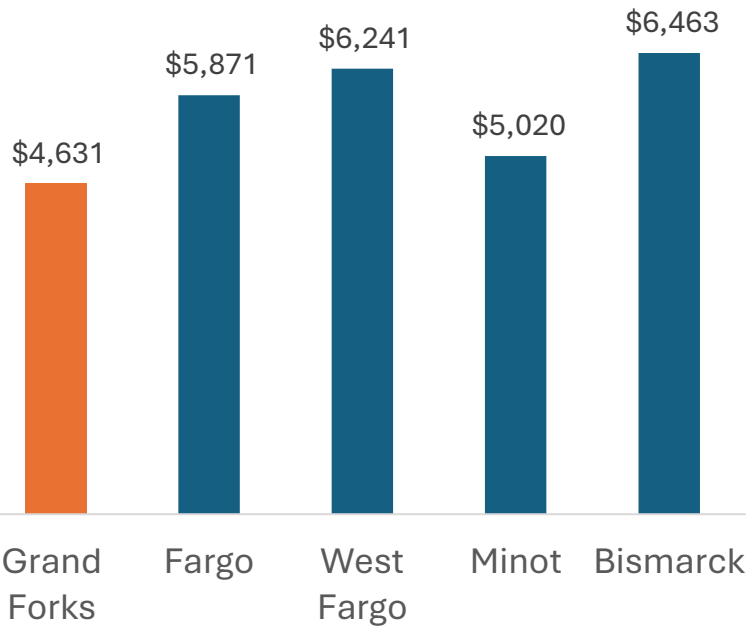
Number of Units by Ward (Structures with 4+ Units)

Ward	Total Full Property Value	Number of Units	Commercial Value Per Unit
Ward 1	\$89,434,000	1,207	\$74,096
Ward 2	\$56,539,000	988	\$57,226
Ward 3	\$151,522,000	2,167	\$69,922
Ward 4	\$60,078,000	1,119	\$53,689
Ward 5	\$113,851,000	966	\$117,858
Ward 6	\$280,423,000	3,191	\$87,879
Ward 7	\$124,595,000	1,632	\$76,345
<b>Total</b>	<b>\$876,442,000</b>	<b>11,270</b>	<b>\$77,768</b>

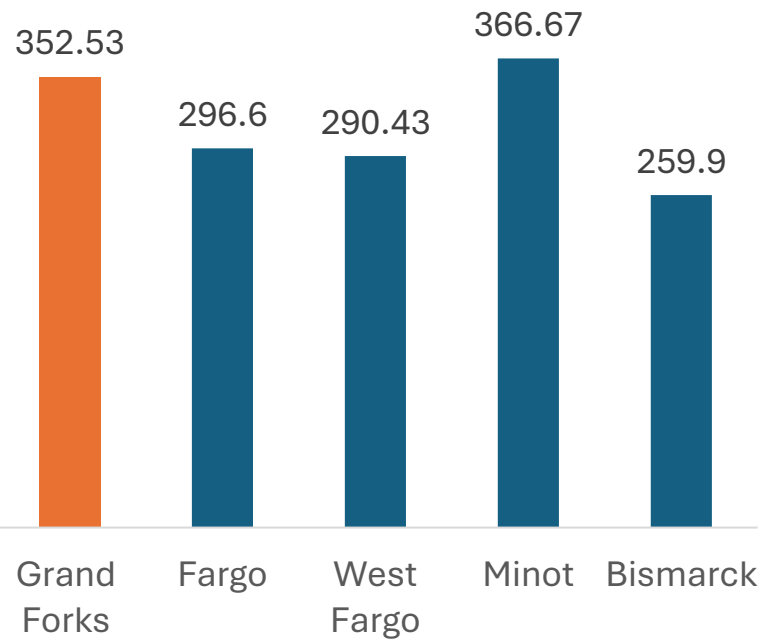
Source: City of Grand Forks Parcel Database

# Grand Forks Tax Base Conundrum, 2023

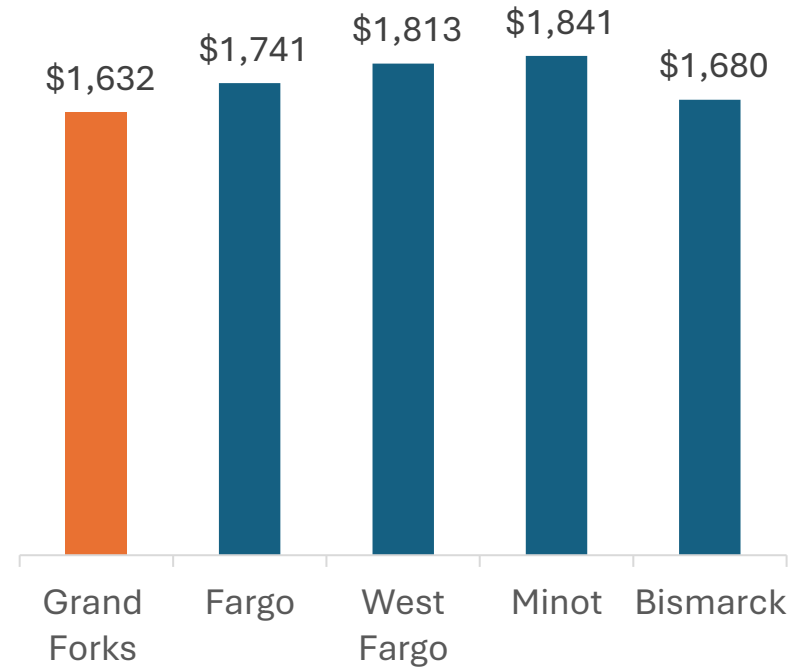
Taxable Value Per person



Total Levy Rate



Total Tax Revenue per Person



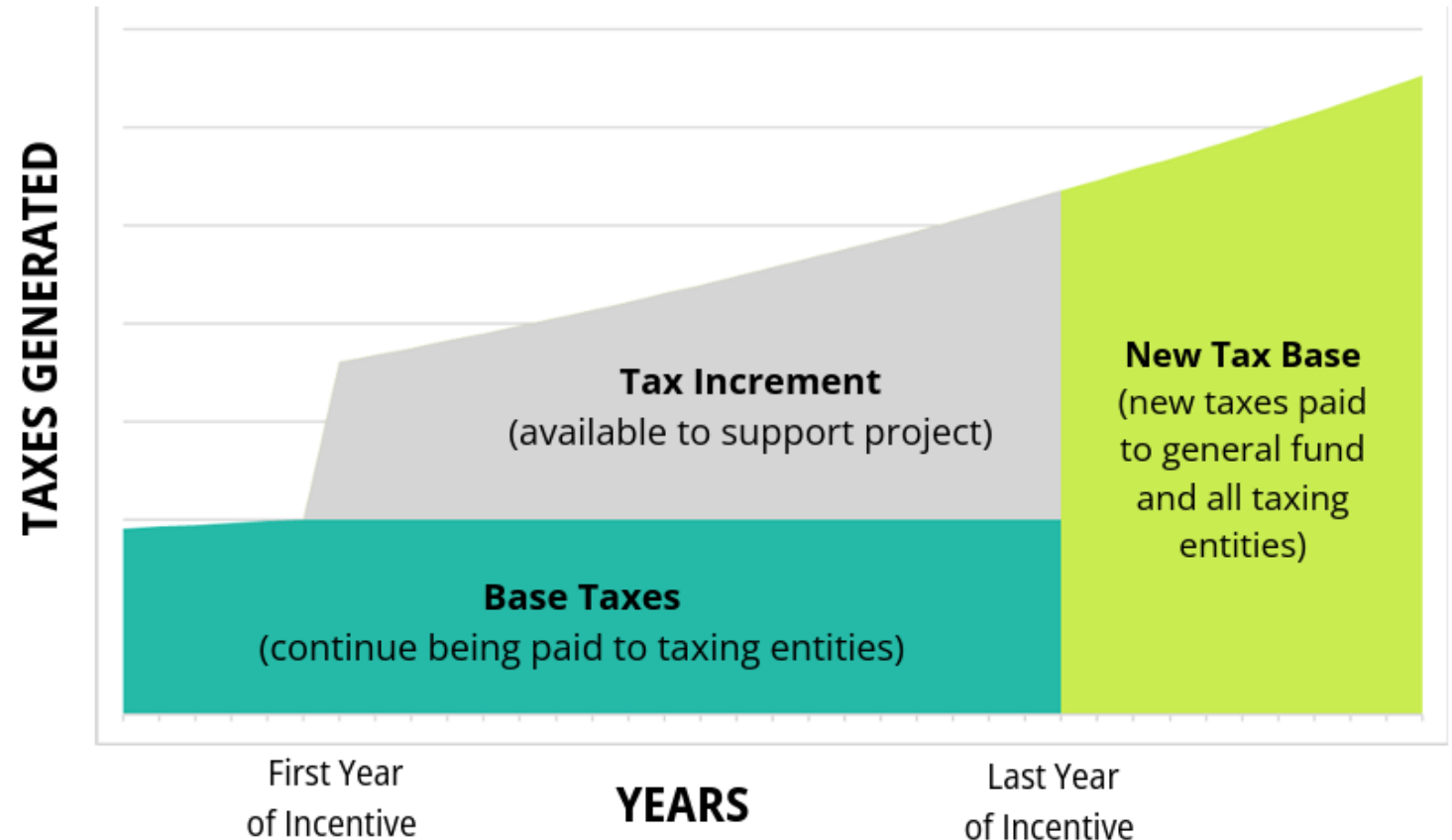
Because of its thin tax base, Grand Forks must tax at a higher rate to generate **less revenue per person**.

# **Multifamily Tax Incentive Case Study**



# Fundamentals of Tax Incentives

- Tax Increment = difference between the pre- and post-completion value of a development project
- Increment is generated by the increase in property value
- Increment is “captured” for a fixed term, then is added to existing tax base





# University Flats - TIF Exemption



## PROJECT

Multi-family redevelopment of blighted area

## INCENTIVE

10 year declining TIF exemption (100 years 1-6, 80% year 7, 60% year 8, 40% year 9, 20% year 10)

## IMPACT

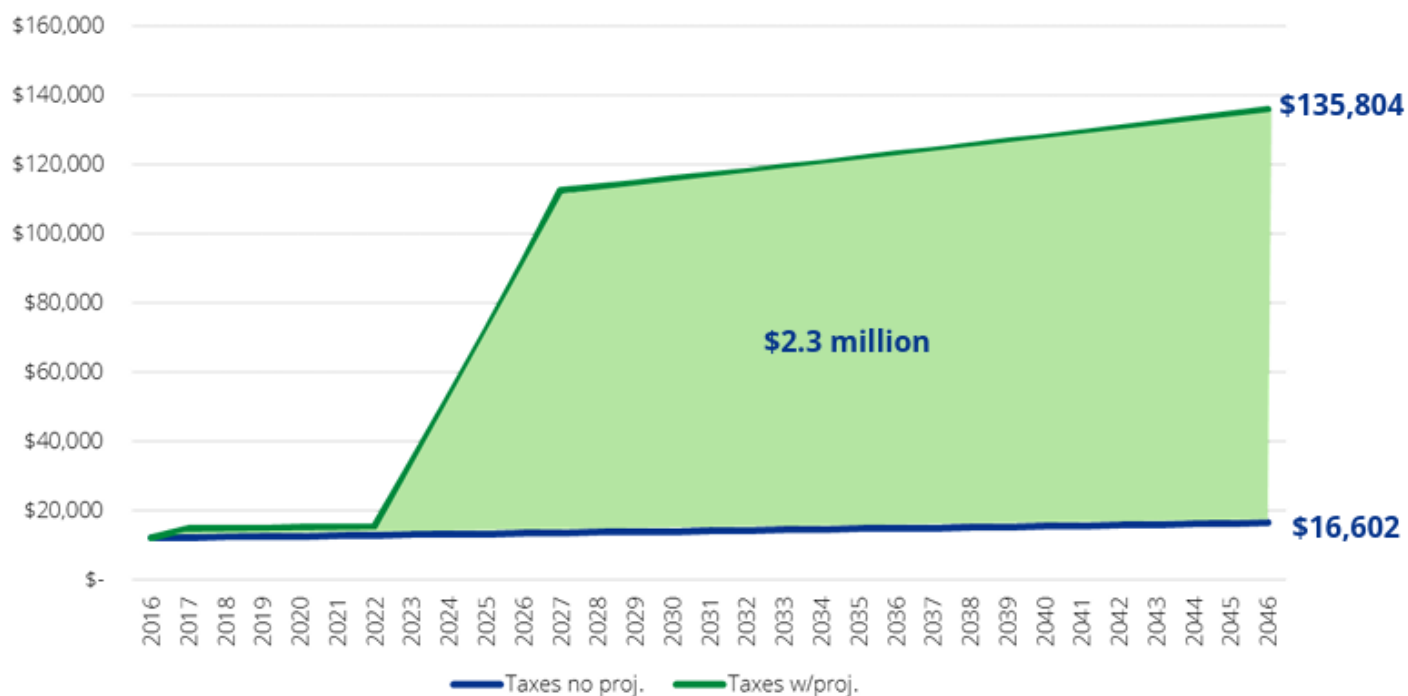
Pre-project value: \$746,500

Estimated completion value: \$6.16 million

30-Year Estimated Net Tax Revenue Gain:

**\$2.3 million**

University Flats Projected Tax Revenue Comparison  
10-yr. Declining Exemption



# Multifamily Tax Incentive Community Return

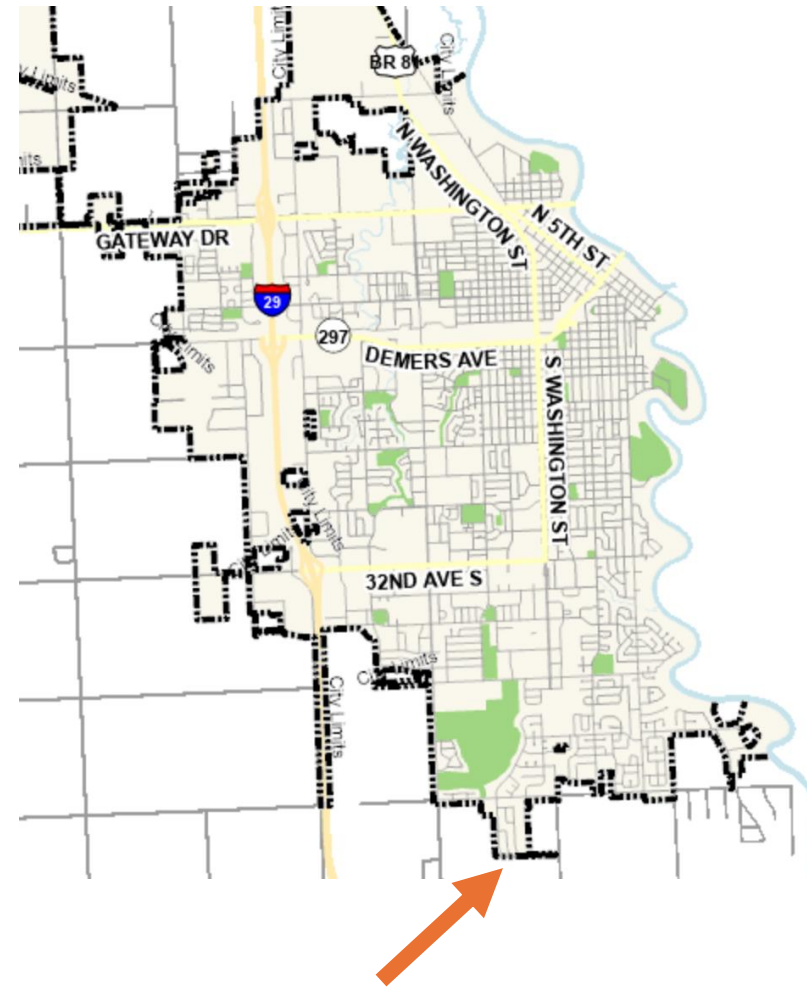
	Start	End	Forgone Taxes	Net Gain Through 2025	Net Gain Through 2035	Return Multiple through 2025	Return Multiple through 2035
Opera House	2016	2020	\$ 87,993	\$ 78,105	\$ 250,323	0.9	2.8
Old Town	2001	2010	\$ 123,476	\$ 920,069	\$ 1,452,288	7.5	11.8
Aurora	2012	2016	\$ 261,366	\$ 427,452	\$ 1,024,109	1.6	3.9
Roosevelt	1996	2005	\$ 123,664	\$ 352,448	\$ 599,973	2.9	4.9
University Flats	2017	2026	\$ 751,233	\$ 134,136	\$ 1,403,740	0.2	1.9
<b>Total</b>			<b>\$ 1,347,732</b>	<b>\$ 1,912,210</b>	<b>\$ 4,730,432</b>	<b>1.4</b>	<b>2.5</b>

# **Single Family Infrastructure Cost Case Study**



# Greenfield, Single Family Development Case Study: Grand Valley

~120 Lots





# Greenfield, Single Family Development Costs: Grand Valley

<b>Project</b>	<b>Total</b>	<b>Assessed</b>	<b>City</b>
Lift Station / Forcemain	\$ 4,561,106	\$ -	\$ 4,561,106
Sanitary Sewer	\$ 2,486,670	\$ 2,438,670	\$ 48,000
Watermain	\$ 1,512,671	\$ 1,330,671.	\$ 182,000
Storm Sewer	\$ 3,777,176	\$ 3,499,176	\$ 278,000
Storm Pond	\$ 2,682,375	\$ 2,134,375	\$ 548,000
Paving	\$ 6,904,830	\$ 5,521,830	\$ 1,383,000
<b>Total</b>	<b>\$ 21,924,828</b>	<b>\$ 14,924,722</b>	<b>\$ 7,000,106</b>



~120 Lots

Source: City of Grand Forks



# Sources of City Funds

<b>Project</b>	<b>City Revenue Stream</b>
Lift Station / Forcemain	Wastewater Enterprise (Rates)
Sanitary Sewer	Wastewater Enterprise (Rates)
Watermain	Waterworks Enterprise (Rates)
Storm Sewer	Stormwater Enterprise (Rates)
Storm Pond	Stormwater Enterprise (Rates)
Paving	Street & Infrastructure (Sales Tax)
<b>Total</b>	



# Other Cost: City Markup for Services

Assessed Subtotal	\$ 14,924,722.00
Assessment Markup	\$ 1,790,966.64
<b>Assessed Total</b>	<b>\$ 16,715,688.64</b>

***“What is the Assessment Markup?”***

This markup covers City staff activities on the projects. The breakdown for a typical project is as follows:

- Engineering 8%\*
- Admin 8%
- Interest 4%
- Miscellaneous 2%

Source: City of Grand Forks



## ***Potential City Policy Levers to increase housing supply:***

- 1. Defer special assessment timeline (this occurred with Grand Valley)***
- 2. Reduce markup percentages for large scale developments (this occurred with Grand Valley)***
- 3. Use the City Engineering staff whenever possible (3% fee)***

\*The Engineering percentage drops to 3% if a consultant is used for engineering activities. The engineering consultant fees then become part of the assessed cost and can range from 8-15% of total project cost depending on the project. Utilizing City Engineering staff at 8% is typically a lower cost option to provide engineering services on the infrastructure development.



# Greenfield, Single Family Development Case Study: Grand Valley

Project	Total	Assessed	City	City Revenue Stream
Lift Station / Forcemain	\$ 4,561,106.00	\$ -	\$ 4,561,106.00	Wastewater Enterprise (Rates)
Sanitary Sewer	\$ 2,486,670.00	\$ 2,438,670.00	\$ 48,000.00	Wastewater Enterprise (Rates)
Watermain	\$ 1,512,671.00	\$ 1,330,671.00	\$ 182,000.00	Waterworks Enterprise (Rates)
Storm Sewer	\$ 3,777,176.00	\$ 3,499,176.00	\$ 278,000.00	Stormwater Enterprise (Rates)
Storm Pond	\$ 2,682,375.00	\$ 2,134,375.00	\$ 548,000.00	Stormwater Enterprise (Rates)
Paving	\$ 6,904,830.00	\$ 5,521,830.00	\$ 1,383,000.00	Street & Infrastructure (Sales Tax)
<b>Total</b>	<b>\$ 21,924,828.00</b>	<b>\$ 14,924,722.00</b>	<b>\$ 7,000,106.00</b>	

Assessed Subtotal	\$ 14,924,722.00
Assessment Markup	\$ 1,790,966.64
<b>Assessed Total</b>	<b>\$ 16,715,688.64</b>

Assessments for Grand Valley were deferred for 3 years

## “What is the Assessment Markup?”

This markup covers City staff activities on the projects. The breakdown for a typical project is as follows:

Engineering		8%*
Admin	8%	
Interest	4%	
Miscellaneous	2%	

\*The Engineering percentage drops to 3% if a consultant is used for engineering activities. The engineering consultant fees then become part of the assessed cost and can range from 8-15% of total project cost depending on the project. Utilizing City Engineering staff at 8% is typically a lower cost option to provide engineering services on the infrastructure development.



# Takeaways

- 1. Demand is high, prices rising faster than the region (rental and owned)**
- 2. New supply has slowed (rental and owned)**
- 3. Economy is driving growth – 2025 population growth estimate is strong**
- 4. Construction sector undersized**
- 5. Tax base disadvantage**