

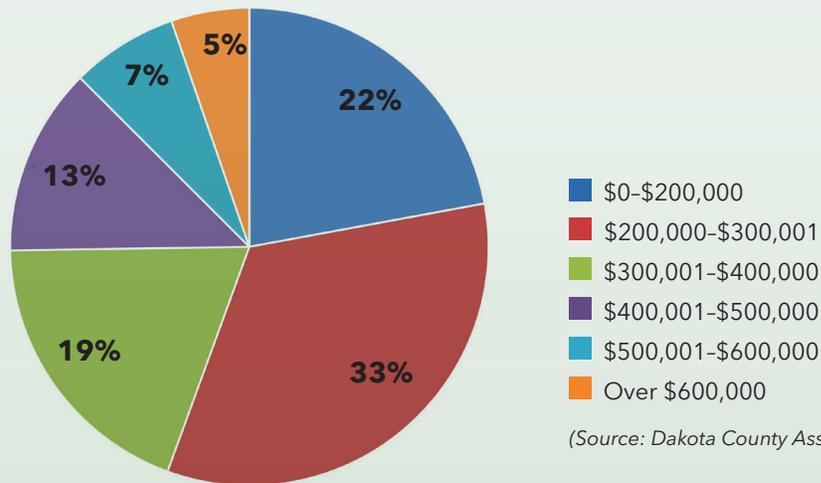


A Healthy Mix of Housing

Inver Grove Heights Housing Snapshot

The U.S. Department of Housing and Urban Development (HUD) deems homes valued at \$316,000 or less to be affordable to households earning \$79,900 per year, which is 80% of area median income in the Twin Cities. In Inver Grove Heights, 55% of residential properties are valued at \$300,000 or less, making them affordable to this segment of households.

**2021
IGH Assessed
Home Values**



(Source: Dakota County Assessors Office)

The overall supply of housing is increasing. Housing stock in Inver Grove Heights is expanding in both the total number of units and in the diversity of housing types. A total of 1,181 new units of housing have been added to the community since 2011, with 374 being added just in the past year. There are an additional 313 ready-to-build lots currently available in Inver Grove Heights, with more lots in the pipeline for 2022.

**2011-2021
IGH Housing
Development**



The Inver Grove Heights Housing Market: Growing, Affordable, Varied

- IGH saw a strong rebound in new housing construction in 2021, after a lull in 2020. This aligns with area trends. According to the U.S. Department of Housing and Urban Development, the Twin Cities metro added about 25,000 new housing units in 2021—the most new housing starts since 2004. (Source: *Axious Twin Cities*)
- Steady, sustainable housing growth is expected to continue in IGH. Based on estimates in the city's 2040 Comprehensive Plan, there are 2,356 acres available for residential development in the city.
- IGH offers affordable housing in both single-family and multi-family dwellings. Residents seeking a new home or townhome—or an existing home in an established neighborhood—can find a variety of options available and priced under \$400K, with many under \$300K. Examples of affordable IGH housing stock can be found on the back of this page.

IGH Offers Affordable Options Both in New Construction and Existing Housing Stock

Here are some examples of affordable homes in Inver Grove Heights:



For Sale at \$385,000



Sold in 2021 – \$328K
3 bed/3 bath, 1,466 sq. ft.



Sold in 2021 – \$320K
4 bed/2 bath, 2,702 sq. ft.



For Sale at \$273,000



For Sale at \$240,000



Sold in 2021 – \$345K
3 bed/2 bath, 2,053 sq. ft.



Townhome For Sale at \$279,900
2 bed/1 bath, 1,232 sq. ft.



Home For Sale at \$324,000
4 bed/1 bath, 2,026 sq. ft.



Home For Sale at \$385,000
4 bed/4 bath, 2,960 sq. ft.



Home For Sale at \$289,900
4 bed/2 bath, 1,639 sq. ft.

PHOTOS COURTESY OF ZILLOW

PHOTOS COURTESY OF DAKOTA COUNTY ASSESSORS OFFICE

Affordable Housing Assistance is Available in IGH

The city of Inver Grove Heights is committed to making quality housing affordable to all residents. In partnership with the Dakota County Community Development Agency (CDA), the city provides income-eligible homeowners access to zero-percent interest home improvement loans and weatherization grants. The CDA also offers homebuyer education and pre-purchase counseling resources to assist households in obtaining homeownership.



www.ighmn.gov/communitydevelopment



Home Building Costs in Inver Grove Heights

City building fees for new homes in IGH have remained stable and low for the last several years and make up only a small portion of the costs of construction. Between 2019 and 2022, city fees have increased by only 4.3%, which is a rate of 3.6% of the average home purchase price. For example, permit fees for a \$400K home in 2022, detailed below, total \$15,023 and provide homeowners with an array of city services and amenities.



BUILDING INSPECTION | \$5,193

Inspections ensure new homes are safe.



WATER CONNECTION | \$4,105

The city sources, stores and treats a safe, reliable water supply.



PARK DEDICATION | \$2,850

We build and maintain new parks and trails available to all.



CITY ENGINEERING, ADMINISTRATION AND INSPECTION | \$1,564

We insure that new roads and infrastructure are built safely to city standards.



SANITARY SEWER CONNECTION | \$1,230

Residents rely on a dependable sanitary sewer system, which sends waste to regional treatment facilities.



TRAFFIC CONTROL, STREET SIGNS AND MAP FEES | \$81

The city lights up new streets, provides road safety signs, and maps your address so that it can be found through navigation software.

City fees make up only a small portion of the cost of a new home, and they are growing very slowly, especially compared to the price of land.

From 2019 and 2022, city fees increased by only 4.6%. Meanwhile, raw land costs increased by 49%.

City fees make up approximately 3.6% of the total cost of the average new home in Inver Grove Heights.

Rising Costs, Yet Low City Fees

- As reported by the National Association of Home Builders, the Bureau of Labor Statistics reported in November 2021 that the price of goods used in residential construction rose by 12% during 2021.
- Target home price—the average price of a 2,000 square-foot home with a 400 square-foot garage—has increased from \$275K to \$400K in IGH over the last 3 years, 2019-2022.
- The price of raw land in IGH has increased by 49% since 2019, which is evidence of increased demand to live in the area.
- In spite of these significant cost increases, IGH city development fees have increased by only 4.3% since 2019.

Affordable New Starter Home Options

74% of the housing stock in IGH, including new starter homes, is affordably priced and valued at \$400K or less. Here are examples of what is currently available:



PHOTOS COURTESY OF ZILLOW