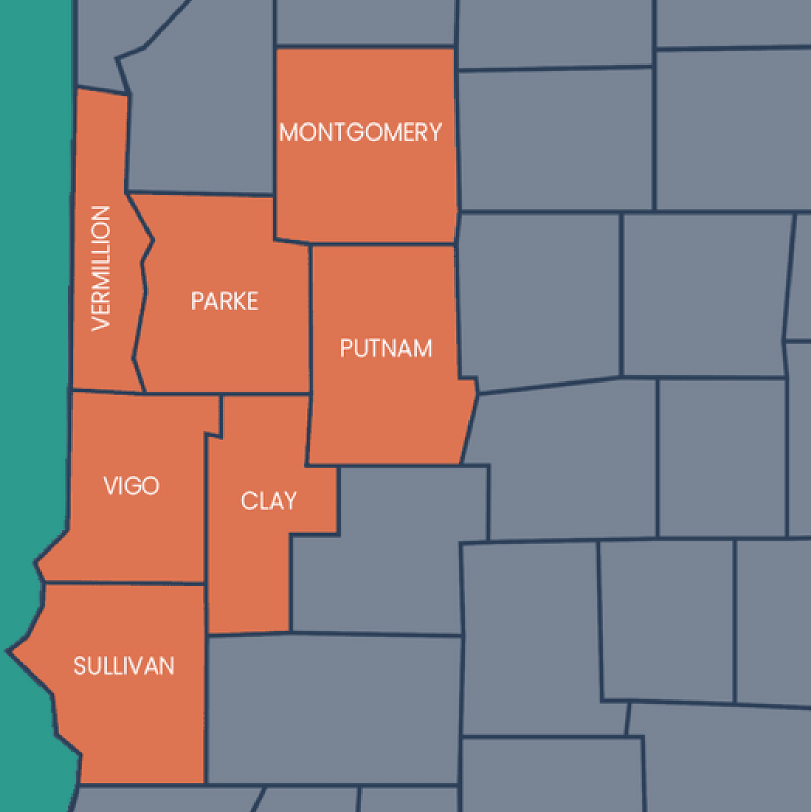
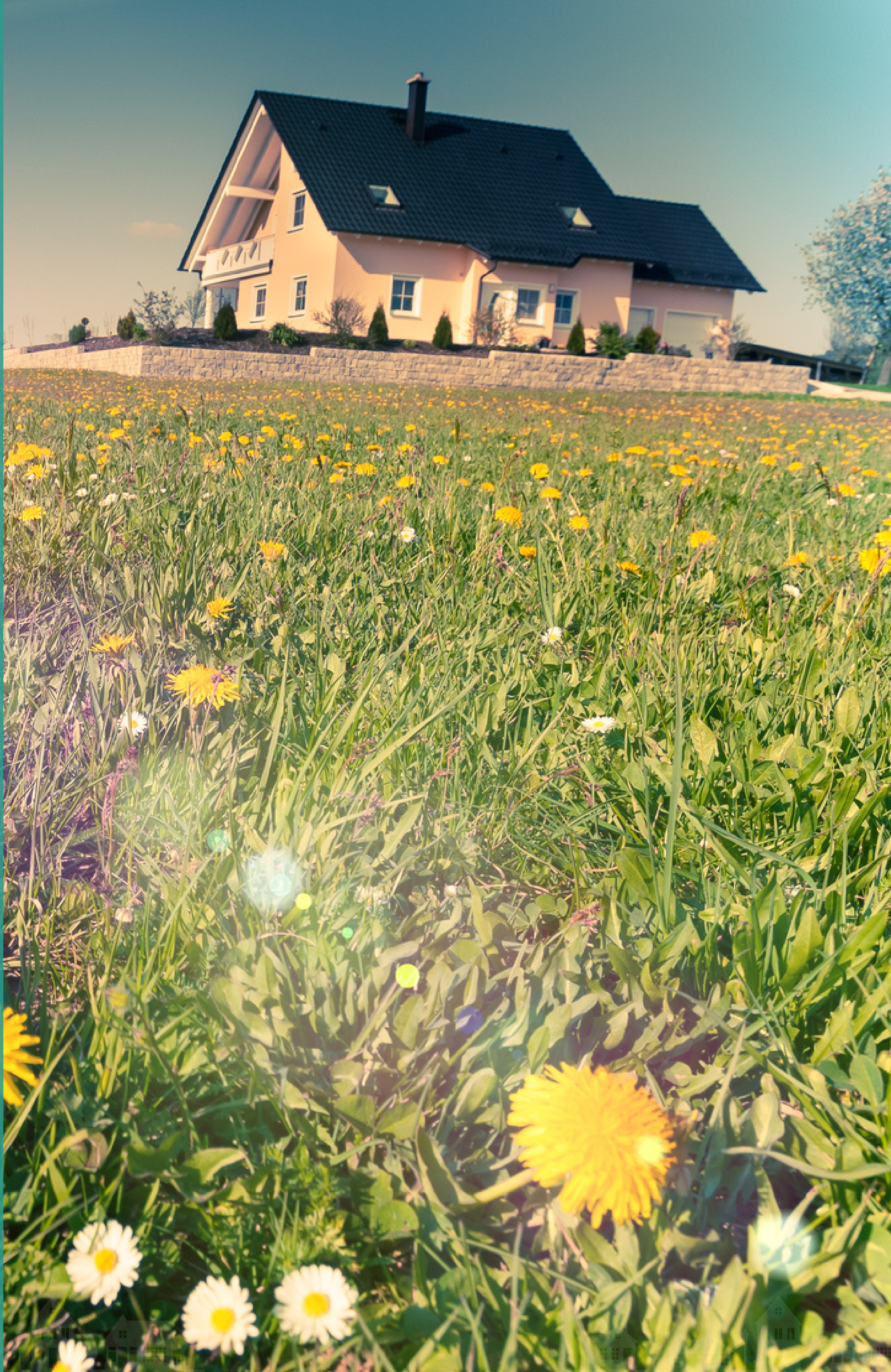


WEST CENTRAL INDIANA

HOUSING ANALYSIS 2022

THRIVE WEST CENTRAL

CONTENTS



ACKNOWLEDGEMENTS

The West Central Indiana Housing Analysis was prepared by Thrive West Central, with significant input and guidance from Thrive's Board of Directors and other key stakeholders in the private, public, and nonprofit sectors in the region. We are especially grateful for the participation of the steering committee for this effort:

IN MEMORY OF RICK JENKINS

A true gentleman who led by example, helped others, and whose insight and passion for creating a community fuels so many efforts. His work shaped this space for other professionals, and his legacy will not be forgotten.

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EXECUTIVE SUMMARY

The availability of safe, affordable, and quality housing plays a critical role in economic growth and quality of life. Without it, residents may experience housing instability, financial hardship, health issues, and limited economic mobility. Moreover, these challenges experienced by individuals and families also impact businesses as they face difficulty in recruiting and retaining employees. As West Central Indiana seeks to reverse its trend of population decline, the region must have adequate housing to meet the demands of current and prospective residents at their various stages of life and income levels.

Instead, the West Central region has an aging housing stock, a mismatch of supply and demand, and very little new construction. While these challenges predated COVID-19, the pandemic has only exacerbated issues around availability and affordability of housing. The median listing price for homes has jumped more than 20 percent over the last two years, and rents have increased accordingly, stretching tight budgets, and putting homeownership out of reach for more and more residents or would-be residents. Key findings of this analysis are:

There is a mismatch within the housing market. Not only is there not enough housing to meet a conservative estimate of future demand, but the region is also currently significantly oversupplied in the lower half of the market, i.e., homes selling for less than $150,000 or renting for less than $1,500 per month, and undersupplied in the upper half.

1. There is a mismatch within the housing market. Not only is there not enough housing to meet a conservative estimate of future demand, but the region is also currently significantly oversupplied in the lower half of the market, i.e., homes selling for less than $150,000 or renting for less than $1,500 per month, and undersupplied in the upper half.

2. A significant portion of existing housing in that lower end of the market is in poor condition and in need of repair or replacement.

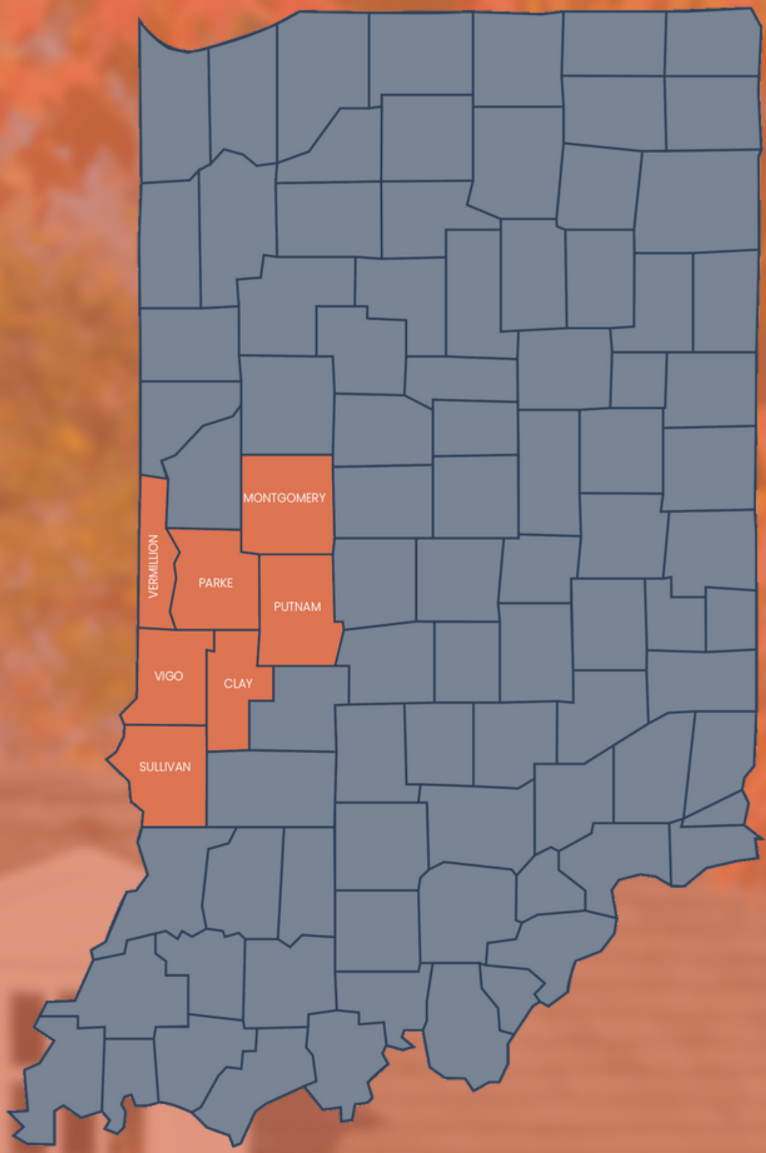
3. The market is not supporting sufficient new construction of the right variety, largely due to the fact that the high cost of new homes is hard to support in a region with median incomes that lag behind much of the state.

4. Demographic changes will drive the future market for housing as the baby boomer generation fully reaches retirement age in the next decade.

With these findings come several opportunities to:

- Support the development of new below-market-rate homes with assistance in land assembly and acquisition, infrastructure, or financing.
- Promote and facilitate infill housing development as a source of affordable housing and neighborhood revitalization.
- Improve the quality of existing housing to increase inventory and overall home values.
- Ease the construction of market-rate housing to fill a critical gap in the upper half of the region's market and facilitate movement in the housing market.
- Incentivize and facilitate the development of senior housing to meet the needs of this growing population segment.

This housing analysis is intended to develop and present a clear understanding, grounded in data, of West Central Indiana's housing market and inform conversations among local leaders about what might be done to begin remedying identified issues. Rather than offering one solution or set of recommendations, it presents a menu of possible options to spark creativity and action that, when coordinated strategically, will make a difference for the region.



1.1 OVERVIEW OF THE REGION

West Central Indiana—made up of Clay, Montgomery, Parke, Putnam, Sullivan, Vermillion, and Vigo counties—is centrally located on the western border of Indiana, adjacent to Illinois (see map). It is a vibrant region of rural communities, 47 incorporated cities and towns, and one Class II City—the City of Terre Haute in Vigo County. The region is home to many state and local parks, nationally-recognized sports establishments, distinguished educational institutions, historic downtowns, museums, performing arts centers, and rural farmlands. West Central Indiana has abundant natural resources and has developed a strong, diversified manufacturing base for its economy. Each county has its own distinct assets that complement one another while also sharing a unified culture and Hoosier hospitality.

However, like many predominantly rural regions, the total population of West Central Indiana has been largely stagnant for the past century, even as the population of the country has more than tripled. More concerning, the number of residents declined by 2.3 percent over the last 10 years—primarily due to residents migrating out of the region—reversing slight gains from the 1990s and 2000s. On its current trajectory, West Central Indiana is projected to continue steadily losing population over the next 30 years, declining by nearly five percent by 2050 unless the trend is reversed. This erodes the tax base and limits the services and investments local government can offer, further perpetuating current challenges.

1.2 PURPOSE OF THIS STUDY

In today's economy, talent is everything. For our region to grow and prosper, we must attract and retain a skilled workforce to not only fill the jobs of today, but to create the jobs of the future. The availability of housing is an essential element for attracting and retaining talented individuals and families. The region must have an adequate supply of quality housing available at a range of price points and for those at all stages of life.

Therefore, the purpose of this study is to: 1) develop a clear understanding of the regional housing market and the factors impacting both supply and demand, 2) analyze policy, infrastructure, and/or other constraints on the housing market, and 3) identify opportunities and tools for the development of housing that will be attractive and affordable to multiple population segments.

1.3 DEVELOPMENT PROCESS

The development of the West Central Indiana Housing Analysis, led by Thrive West Central, began in March 2022 with the formation of a steering committee to guide the process. The committee is made up of individuals representing the real estate industry, economic and community development, residential developers, and local government. Efforts included extensive desk research, targeted surveys to relevant stakeholders, and direct engagement with community partners and residents.

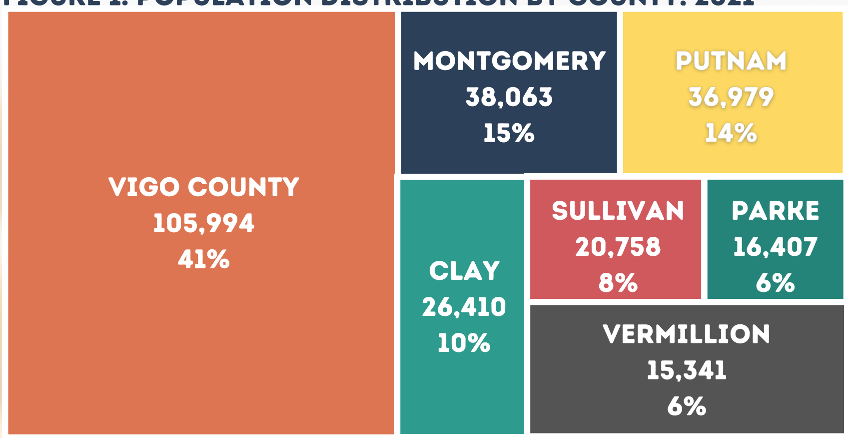
The availability of housing is an essential element for attracting and retaining talented individuals and families.

2. DEMOGRAPHICS

2.1 POPULATION

West Central Indiana's **total population in 2021 was 259,952**, with 41 percent of people residing in Vigo County. See Figure 1 for the regional population distribution. The region's population has been largely stagnant for the past century, with the number of residents declining by 2.3 percent over the last 10 years (see Figure 2).

FIGURE 1. POPULATION DISTRIBUTION BY COUNTY, 2021

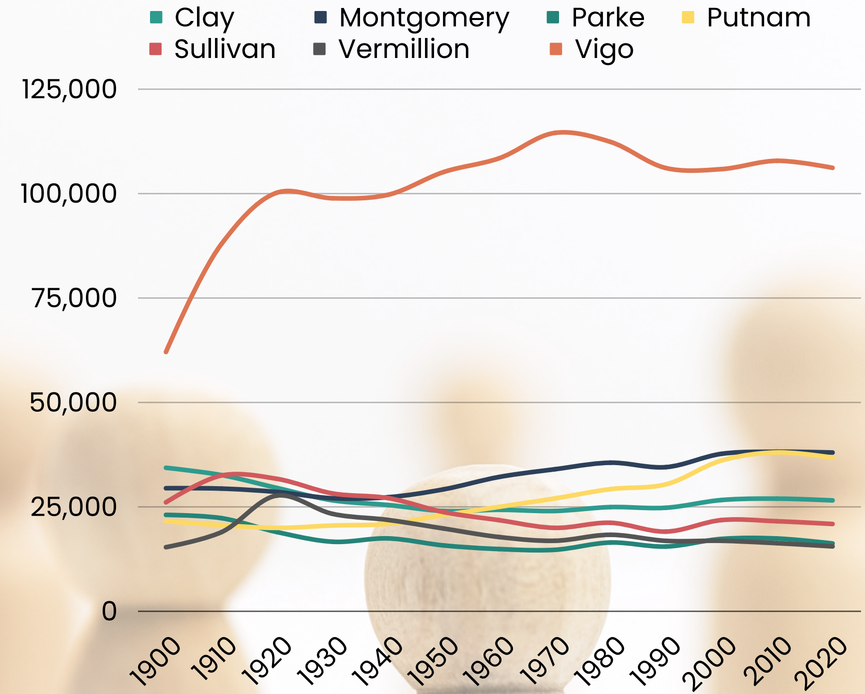


Source: U.S. Census Bureau Population Estimates Program

The decline was primarily driven by people moving out of the region to elsewhere in the country (i.e., domestic migration. See Figure 3). Its rate of natural increase (i.e., births minus deaths) and international migration helped to offset those residents' relocations, but not in large enough numbers to result in a net positive population change.

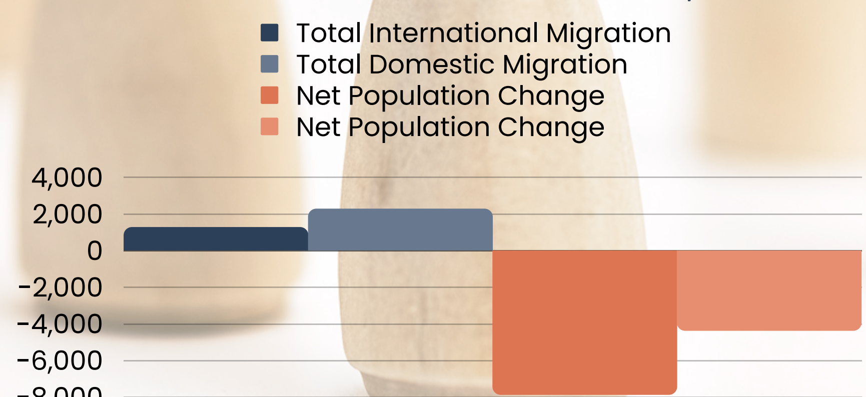
Total population in 2021 sat was 259,952.

FIGURE 2. POPULATION TOTALS BY COUNTY, 1900-2020



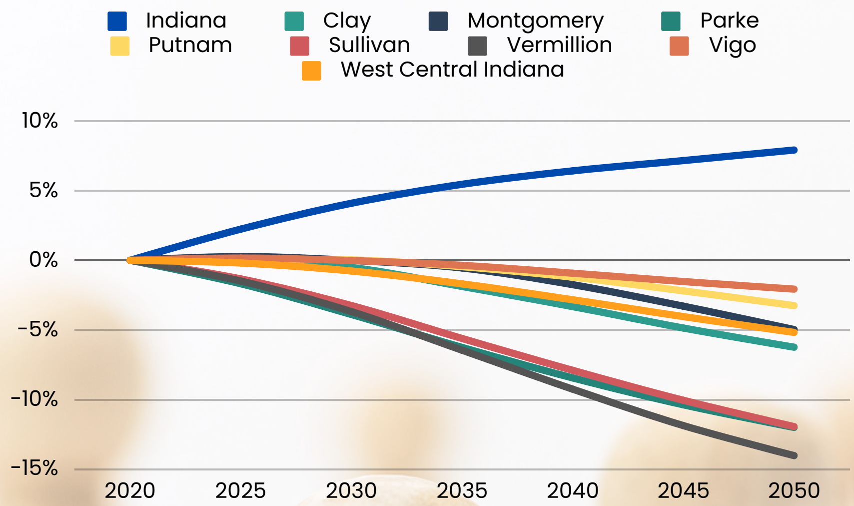
Source: U.S. Census Bureau Decennial Census

FIGURE 3. COMPONENTS OF POPULATION CHANGE, 2010-2020



Source: U.S. Census Bureau County Population Totals

FIGURE 4. PROJECTED POPULATION CHANGE FROM 2020



Source: STATS Indiana, using data from the Indiana Business Research Center

This trend is currently projected to accelerate over the next 30 years unless action is taken to reverse it. By 2050, West Central Indiana is expected to lose another 5 percent of its population, with each of the seven counties seeing a smaller number of residents than they have today. Vermillion County would see the sharpest decrease at 15 percent, all while the state of Indiana as a whole is expected to increase its population by 8 percent. See Figure 4.

By 2050, West Central Indiana is expected to lose another 5 percent of its population, with each of the seven counties seeing a smaller number of residents than they have today.

2.2 RACE AND ETHNICITY

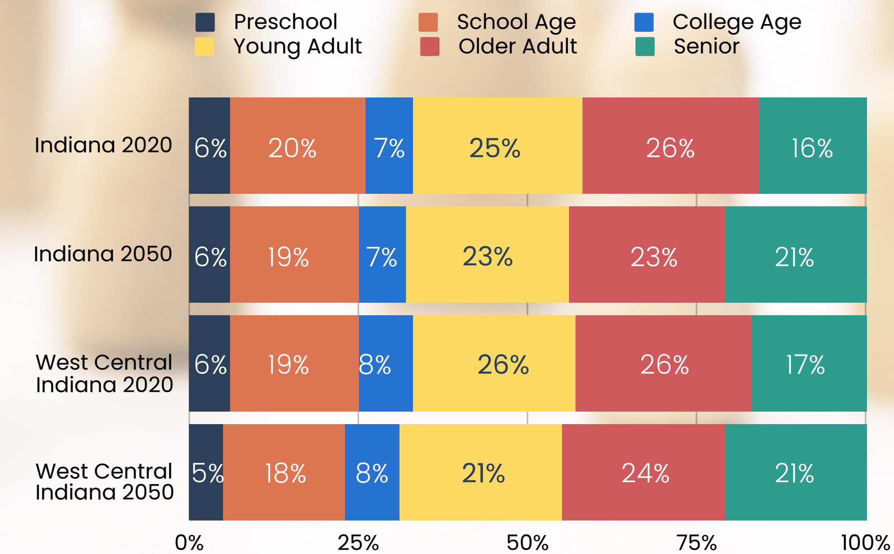
West Central Indiana is predominantly white (93.7 percent), followed by an estimated 5 percent Black, nearly 2 percent Asian, and the rest other races. 2.6 percent of its population is Hispanic or Latino.

2.3 AGE DISTRIBUTION

West Central Indiana is not only facing a shrinking population, but also an aging one, as its share of residents age 65 and older is expected to grow from 17.4 percent in 2020 to 21.2 percent by 2050, the only age group anticipated to grow its share. This is not unique to the region or even the state, as all American baby boomers will reach age 65 by 2029. See Figure 5. Furthermore, statewide policy is shifting towards home- and community-based settings for seniors and promoting aging-in-place, which will create additional housing demand from those who might have otherwise stayed in or moved to an institutional setting.

West Central Indiana is not only facing a shrinking population, but also an aging one, as its share of residents age 65 and older is expected to grow from 17.4% in 2020 to 21.2% by 2050

FIGURE 5. AGE DISTRIBUTION



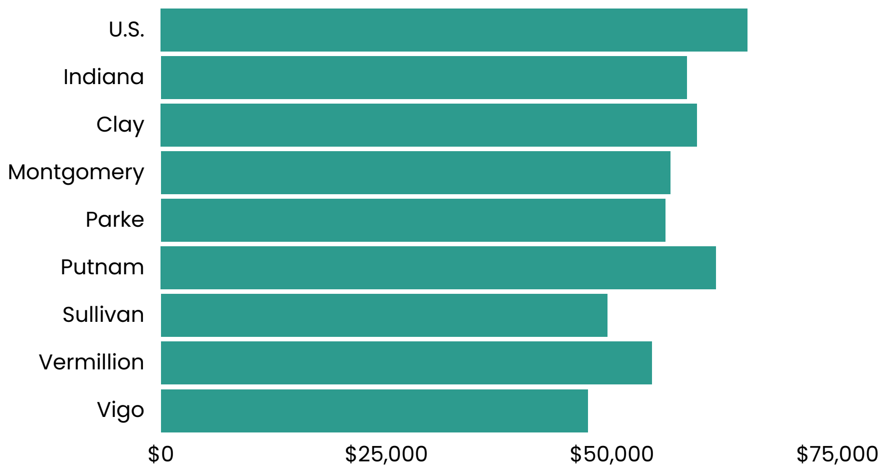
Source: American Community Survey (ACS) 5-year Estimates

3. ECONOMY

3.1 INCOMES

Median household incomes across each of the seven counties are lower than the national median. Both Clay and Putnam counties see median incomes above the state level, while the rest of the region lags behind (see Figure 6). Approximately 15 percent of the region's residents, or more than 35,000 people, live below the federal poverty level and struggle to meet their basic needs, including housing.

FIGURE 6. MEDIAN HOUSEHOLD INCOME, 2020



Source: ACS 5-year Estimates

Approximately 15 percent of the region's residents, or more than 35,000 people, live below the federal poverty level and struggle to meet their basic needs, including for housing.

3.2 LABOR FORCE

The region's total labor force in 2021 stood at nearly 113,000 people, with 3.6 percent of them, or around 4,100 people, unemployed. The lowest unemployment rates are seen in Montgomery and Parke counties, with Vigo coming in the highest at more than 4 percent. Across West Central Indiana, 27 percent of the prime age (25-54) population is not employed, either because they are not participating in the workforce or because they cannot secure employment. This is 5 to 6 points higher than the national and state levels. That number jumps even higher, to 36 percent, in Parke and Sullivan counties. The large share of adults not working in the region is driven by a sizeable number of residents without a high school diploma; well over half of them do not work.

The top occupations in West Central Indiana, according to Census data, are: management, business, and financial; office and administrative support; and production. Production occupations, in particular, are found in the region in a higher concentration than both Indiana and the U.S. as a whole. Average weekly wages across the region have largely grown over the past five years, with an average gain of almost six percent from 2020 to 2021, slightly behind national and state rates. However, Sullivan County was unique in that its workers' average wages slightly declined in 2021.

3.3 MAJOR INDUSTRIES AND EMPLOYERS

The top industries for employment across the region are: educational services, health care and social assistance, manufacturing, and retail trade. Manufacturing, in particular, makes up a much larger share of employment in the region (19 percent) than in the country as a whole (10 percent), although its similar to the rest of the state. Major employers include:

- Union Hospital
- Lakeside Book Company
- Taghleef Industries
- Local school corporations
- Terre Haute Regional Hospital
- Acuity Brands Lighting
- Great Dane Trailers
- Walmart Distribution Center
- Hoosier Energy
- Amcor
- DePauw University
- Peabody Energy
- Penguin Random House
- Indiana Air National Guard
- Nucor Steel
- Indiana State University
- White Construction
- Elanco

3.4 HOUSING'S IMPACT ON BUSINESSES AND THE ECONOMY

Housing plays a large role in businesses' locational decisions when choosing a site for a new operation or expansion. In one of the most high-profile site selection cases, Amazon's HQ2 requirements emphasized quality of life factors, in particular the availability of sufficient, diverse housing near the site. The same holds true for less-splashy business attraction efforts—if employees will not have access to a range of housing options, a site may simply be a no-go for that business.

Without a sufficient supply of quality, affordable housing that aligns with market demands, employers are at a competitive disadvantage when it comes to attracting workers. It can also impact employee retention and productivity if workers are forced to live in an unstable housing situation or have a long commute due to the inability to find housing near their place of work. Employers consulted for this analysis confirmed this, reporting struggles with bringing in new employees from outside of the region due to the difficulty in securing appropriate housing. On its own, this may not be enough to keep their business from attracting talent, but when combined with other factors, it can be a barrier.

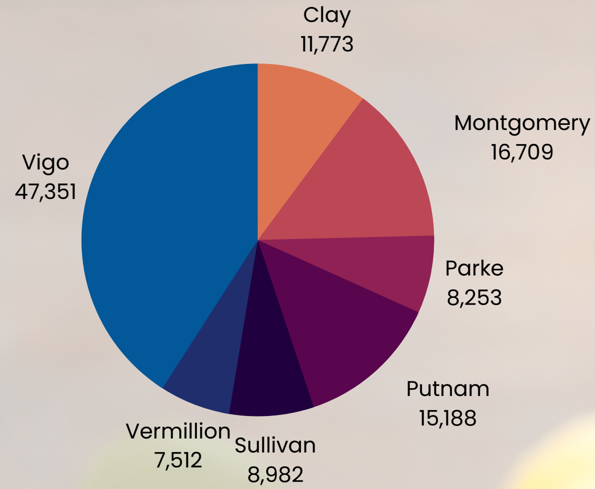
Without a sufficient supply of quality, affordable housing that aligns with market demands, employers are at a competitive disadvantage when it comes to attracting workers.

4. HOUSING SUPPLY

4.1 NUMBER AND TYPE OF UNITS

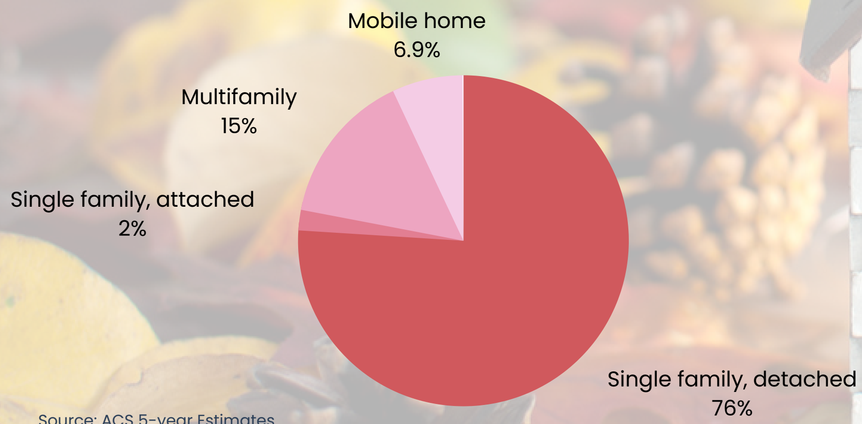
West Central Indiana was home to 115,768 housing units in 2020. The distribution of housing units throughout the region falls roughly in line with each county's share of the total population. See Figure 7.

FIGURE 7. HOUSING UNITS BY COUNTY, 2020



Source: ACS 5-year Estimates

FIGURE 8. TYPE OF HOUSING, WEST CENTRAL INDIANA, 2020



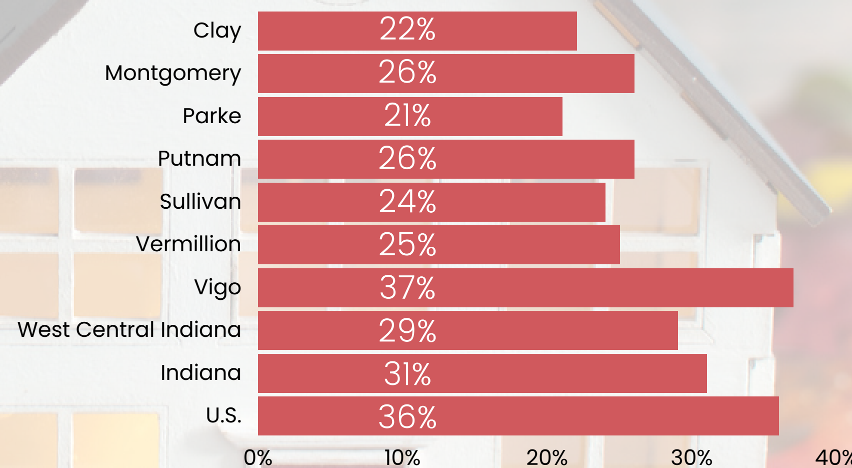
Source: ACS 5-year Estimates

4.2 OWNER VS. RENTER OCCUPIED

Approximately 71 percent of homes in the region are owner-occupied, and 29 percent are renter-occupied, a lower share of renters than in the U.S. as a whole (36 percent) and slightly lower than in the state (31 percent). See Figure 9. The share of renters differs significantly among the counties, however, from 21 percent in Parke County up to 37 percent in Vigo County. This is likely explained by Vigo County's large student population and lower incomes on average, two categories of people with a higher tendency to rent due to financial necessity or the desire for flexibility

Approximately 71 percent of homes in the region are owner-occupied, and 29 percent are renter-occupied.

FIGURE 9. RENTER-OCCUPIED HOUSING UNITS



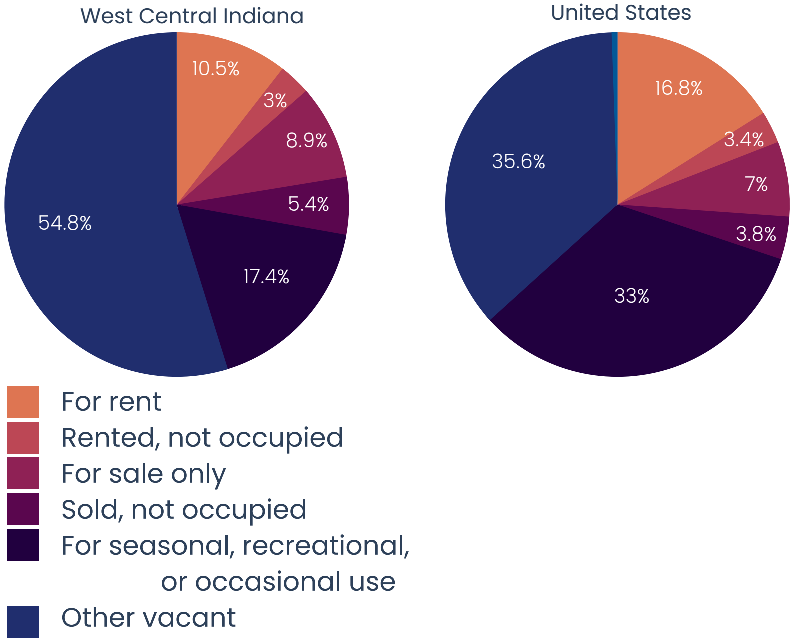
Source: ACS 5-year Estimates

4.3 VACANCIES

89 percent of housing units in West Central Indiana are occupied, leaving 11 percent (13,020 units) vacant. Of those vacant homes, roughly 17 percent are for seasonal or recreational use, more than 10 percent are for rent, and another 9 percent are for sale. More than half, however, or 7,135 units, are classified as "other vacant," without a clear explanation, a number more than 20 points higher than the national share. See Figure 10.

89 percent of housing units in West Central Indiana are occupied, leaving 11 percent (13,020 units) vacant.

FIGURE 10. HOUSING VACANCY STATUS, 2020



Source: ACS 5-year Estimates

These "other vacant" units include those held for legal reasons (e.g., estate settlement), personal reasons, or repairs. They also include abandoned and foreclosed homes. Nationally, housing units in this category are explained by a variety of circumstances, one of the most common being that the home is in need of repairs or repairs are in progress (see Table 1). If the same explanations were to apply across West Central Indiana, that would put more than 2,500 vacant homes in need of repairs or demolition. It is not known the extent to which these trends hold true in our region, but given a housing stock that is older than much of the rest of the country's, the real number of vacant homes in poor condition may be even higher.

TABLE 1. EXPLANATION FOR "OTHER VACANT" HOUSING UNITS, 2021

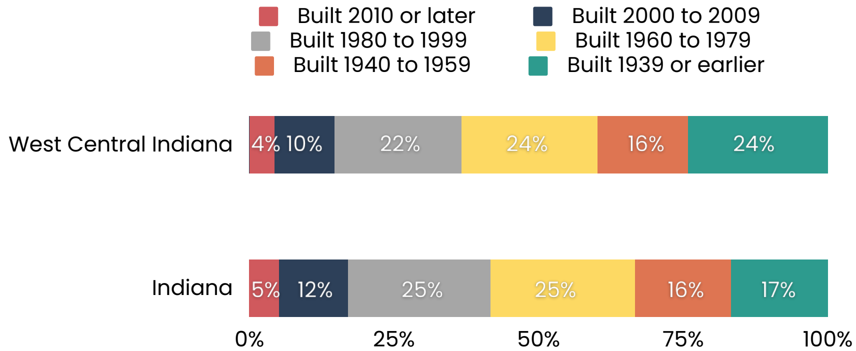
Explanation	Share, U.S.,	Estimate, West Central Indiana
Personal/Family Reasons	29%	2,040
Needs Repairs	16%	1,155
Being Repaired	16%	1,113
Preparing to Rent/Sell	8%	563
Storage	7%	513
Extended Absence	6%	413
Other/Don't Know	6%	392
Possibly Abandoned/to be Demolished/Condemned	4%	306
Legal Proceedings	4%	306
Specific Use Housing	4%	249
Foreclosure	1%	85

Source: U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey

4.4 AGE AND CONDITION OF HOUSING STOCK

Housing in West Central Indiana tends to be older on average, with 24 percent of housing in the region built in 1939 or earlier, 7 points higher than the share in Indiana, and more than double the U.S. share of 12 percent. An estimated 4,992 units have been built since 2010 (4 percent). See Figure 11.

FIGURE 11. YEAR HOUSING STRUCTURE BUILT, 2020



Source: ACS 5-year Estimates

The age of a housing structure may be one indicator of the home's condition, but not always. Price is typically a better marker of housing conditions and whether a structure is habitable. A number of realtors and local government officials consulted for this analysis reported that the condition of housing in the region is deteriorating or there are a large number of substandard homes, particularly within cities' cores. Realtors are encountering a number of issues during home inspections, especially in the lower half of the market. One speculated that due to the tilt of the market in sellers' favor, they do not feel the need to do certain repairs or upgrades in order to secure a strong offer from a buyer.

4.5 VALUE AND COST OF HOUSING

The median home value in 2020 for owner-occupied units ranged from $83,900 in Vermillion County up to $144,900 in Putnam County. Across the region as a whole, the largest share of homes (32 percent) are valued at $50,000 to $99,999, followed by another 21 percent at $100,000 to $149,999. 35 percent of homes are value at $150,000 or more.

A basic tool for estimating a home's affordability is that the home's cost should be approximately 2.5 times the household's income; at or more than 3 times a household's income, it is considered unaffordable. At the broader market level, the value-to-income ratio should be between 2.5 and 3. This indicates an affordable, sustainable housing market that can support market-rate new home construction. A value-to-income ratio below 2 signifies an undervalued market relative to incomes that will have difficulty supporting new construction due to issues like appraisals coming in below actual construction costs (particularly now with volatile and rising costs) or slim profit margins that expose home builders to too much risk. This is the case in much of the region—Clay, Parke, Sullivan, and Vermillion counties all have value-to-income ratios well below 2. In Montgomery, Putnam, and Vigo counties, ratios are at healthy levels between 2 and 2.5.

Median gross monthly rents (i.e., including utility costs) range from $660 in Sullivan County up to $784 in Putnam County. Two-thirds of West Central Indiana renters pay $500 to $999 per month in gross rent.

However, it is important to note that this data is from 2020 and does not fully take into account the drastic increases in prices since the beginning of the COVID-19 pandemic. See Section 5.3 for recent data on home sale prices.

Two-thirds of West Central Indiana renters pay $500 to $999 per month in gross rent.

TABLE 2. VALUE TO INCOME RATIOS, 2020

Geography	Median Value, Owner-Occupied Units	Median Household Income	Value-Income Ratio
Clay County	$104,200	$59,398	**1.75**
Montgomery County	$132,200	$56,408	2.34
Parke County	$96,400	$55,853	**1.73**
Putnam County	$144,900	$61,505	2.36
Sullivan County	$89,400	$49,449	**1.81**
Vermillion County	$83,900	$54,361	**1.54**
Vigo County	$105,200	$47,261	2.23
Indiana	$148,900	$58,235	2.56
U.S.	$229,800	$64,994	3.54

Source: ACS 5-year Estimates and Thrive West Central calculations

4.6 INVENTORY

290 homes were for sale in West Central Indiana in May 2022, according to data from the Indiana Association of Realtors, up 19.3 percent from a year prior. Only in Vigo County did the number of homes on the market drop from 2021. However, this leaves inventory levels still historically low, with the average supply of inventory in the region being only 1.5 months. This refers to the number of months it would take the inventory of homes on the market to sell at the current sales pace. Typically, a "balanced" supply that favors neither buyers nor sellers would be around 5 to 6 months; anything less than that is associated with price appreciation.

4.7 BUILDING PERMITS

Rates of new home construction in West Central Indiana, while remaining relatively consistent over the past 5 years, have not been enough to fill the shortfall in available housing inventory. Table 3 shows the number of new housing structures authorized by building permits from 2017 to 2021. It is important to note that this data does not show housing units; therefore, the impact of multifamily residential construction cannot be understood from these Census Bureau estimates. Local building permit data is available, but each jurisdiction that requires permits tracks this information in a slightly different manner, making aggregation or comparisons impossible. Many of the building permits processed by local governments are for activities like home additions, garages, signs, etc., so do not represent true impact on housing supply.

TABLE 3. NEW PRIVATE HOUSING STRUCTURES AUTHORIZED BY BUILDING PERMITS

Geography	2017	2018	2019	2020	2021	Total
Clay County	0	2	7	9	14	32
Montgomery County	57	67	77	76	79	356
Parke County	39	40	24	41	86	230
Putnam County	103	142	213	164	151	773
Sullivan County	23	22	5	5	6	61
Vermillion County	0	13	10	27	27	77
Vigo County	252	93	41	58	37	481
West Central Indiana	474	379	377	380	400	2,010

Source: ACS 5-year Estimates

4.8 CONSTRAINTS ON NEW SUPPLY

Many jurisdictions in the region lack local zoning and subdivision codes or do not have adequate staff for code enforcement. Those with zoning ordinances include:

- Montgomery County
- Parke County
- Putnam County
- Vermillion County
- Vigo County
- City of Brazil
- City of Clinton
- City of Crawfordsville
- City of Sullivan

This may lead to inconsistencies and unpredictability in land use, which can deter some developers or investors, who prefer certainty and seek to minimize risk. In some cases, it can limit the types of financing that will be available for a project. On the other hand, zoning and building codes that are too complex, cumbersome, or outdated are also likely to serve as a deterrent to new residential development. Specific constraints in local zoning ordinances for new single-family homes include those regulating minimum lot size and minimum ground floor area. In particular, large minimum lot sizes—currently as high as 3 acres in Putnam County, for example—can impact both the ability to build new homes in the quantity needed and those homes' affordability.

There can be significant time and costs associated with complying with local, state, and even federal regulatory requirements and permitting processes. Nationally, the National Association of Home Builders estimates that the cost of such regulations accounts for an average of 40.6 percent of multifamily housing development costs and 23.8 percent of the average sales price of a new single-family home. This includes the costs of applying for zoning approval, site work and construction permit fees, complying with new changes to building codes, and complying with labor regulations.

RISING COST OF HOME CONSTRUCTION

According to the Bureau of Labor Statistics' Producer Price Index, building materials prices have risen 35.6% from the start of the pandemic to April 2022. Lumber prices have been especially volatile, up 60% in just over 6 months' time

Regional home builders also report that finding land with the necessary infrastructure in place is a major constraint to new development. This includes water and sewer in particular, but also roads and broadband access. One developer shared that there tends to be a negative view from many residents around multifamily home construction, which slows down or even impedes the approvals process. Others explained that even if the above are mitigated, and a project is financially feasible despite rising construction costs (see box), they struggle to hire skilled workers to complete the project. The number of building trade workers declined dramatically after the 2008 housing crisis, and it has not recovered to meet current demand.

5. HOUSING DEMAND

5.1 COMMUTING PATTERNS

According to the Indiana Department of Revenue, 158,229 people work in West Central Indiana. 84 percent of workers who live in West Central Indiana also work in their county of residence. The remainder commute to nearby counties within the region, outside of the region, or to Illinois. Only Vigo County has a net positive worker inflow. The worker inflows may represent an opportunity to capture additional residents for the region.

TABLE 4. WORKER COMMUTING PATTERNS, 2019

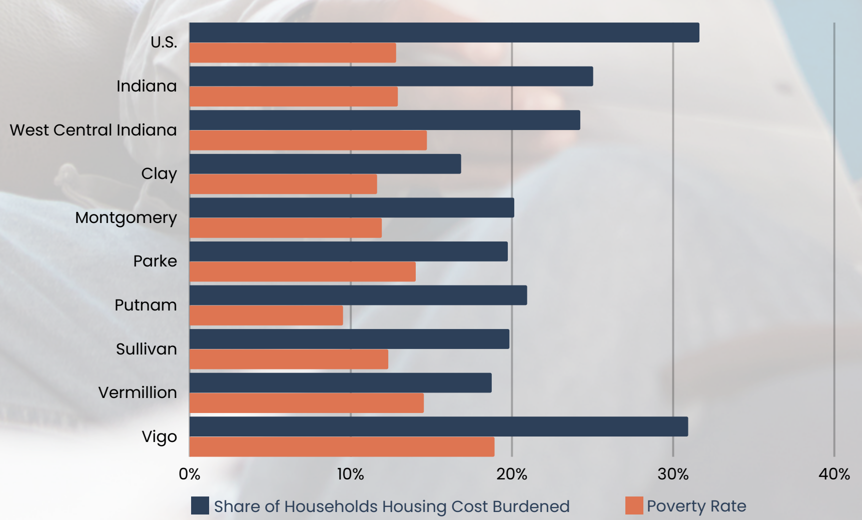
County	Live and Work in County	Worker Inflow	Worker Outflow	Net
Clay County	12,744	1,745	4,572	(2,827)
Montgomery County	21,867	3,221	3,406	(185)
Parke County	7,180	734	2,439	(1,705)
Putnam County	17,497	3,590	5,291	(1,701)
Sullivan County	9,619	1,299	3,051	(1,752)
Vermillion County	7,029	1,405	3,275	(1,870)
Vigo County	59,124	11,175	3,832	7,343

Source: Indiana Department of Revenue

5.2 HOUSING BURDEN LEVELS

While median home values and median rents across the region are lower than the state and national levels, approximately 24 percent of households (24,910) in West Central Indiana are considered housing cost burdened, meaning they spend 30 percent or more of their household income on housing costs. More than half of those households are in Vigo County, where the share reaches nearly 31 percent. Almost 47 percent of renter households exceed the 30 percent threshold for housing costs.

FIGURE 12. SHARE OF POPULATION HOUSING COST BURDENED AND BELOW POVERTY LEVEL, 2020



ACS 5-year Estimates

5.3 HOME SALES AND PRICES

Over the last year (June 2021 through May 2022), 3,031 homes sold in West Central Indiana, a 1 percent increase from the prior year. Median sale prices on those homes ranged from $114,950 in Parke County to $213,000 in Putnam County. Home sale prices year-over-year increased by as much as 43.9 percent in Sullivan County, compared to 8.9 percent in Vigo County sales, while wages region-wide only grew by 6 percent in 2021. Statewide, home prices rose by 14 percent. Many realtors consulting for this analysis expressed concern about the high sale prices not reflecting real home values, placing homeowners underwater when/if prices stabilize.

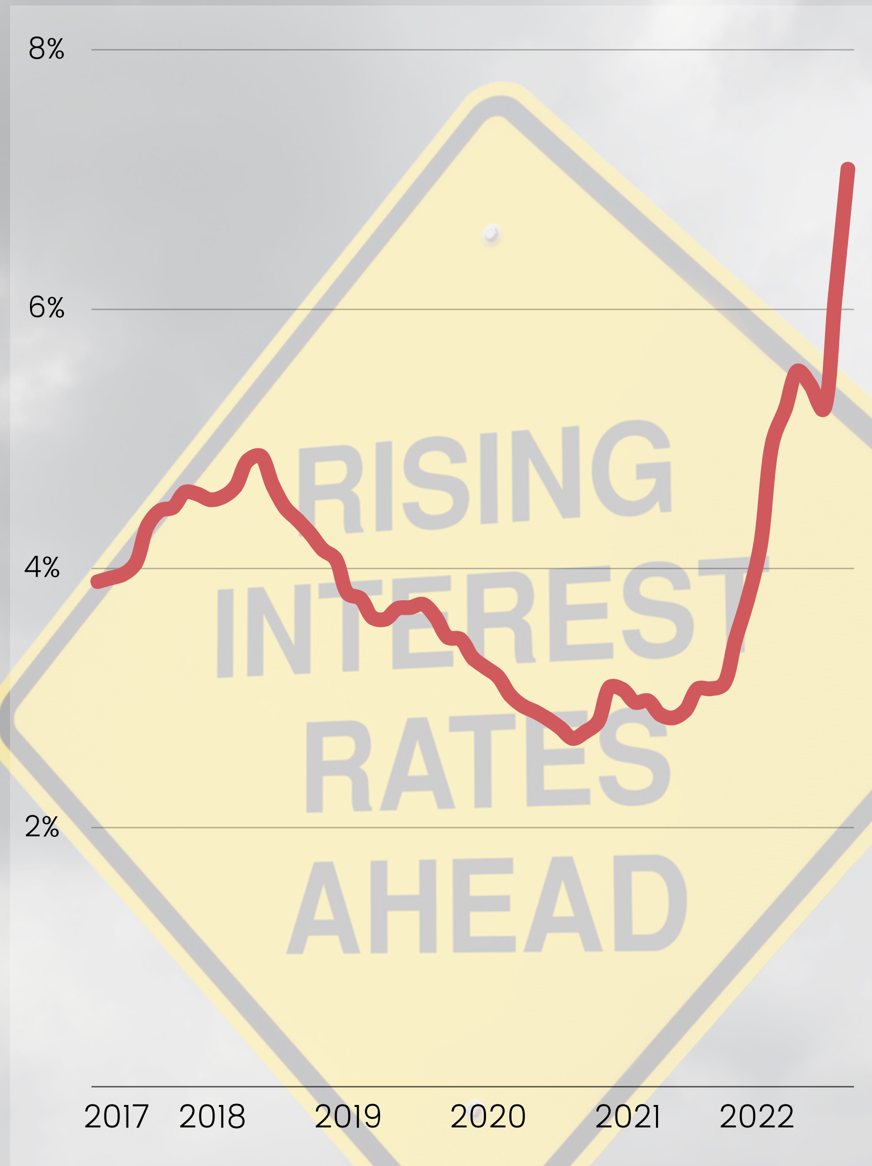
TABLE 5. HOME SALES

County	Closed Sales, June '21-May '22	Median Price, June '21-May '22	Percent Increase from Prior Year
Clay County	262	$139,450	9.8%
Montgomery County	621	$169,900	13.6%
Parke County	38	$114,950	27.7%
Putnam County	594	$213,000	26.4%
Sullivan County	134	$115,000	43.9%
Vermillion County	101	$115,000	38.1%
Vigo County	1,281	$135,000	8.9%

Source: Indiana Association of Realtors

Not only have sale prices continued to climb steeply in the last two years, but since the beginning of 2022, mortgage interest rates have also seen sharp increases, sending homebuyers' monthly payments even higher or pushing homeownership out of reach. The average 30-year fixed rate mortgage average in the U.S. has gone from the historic lows seen in 2021 to near seven percent in October 2022.

30-YEAR FIXED MORTGAGE INTEREST RATES



Source: Freddie Mac

5.4 HOME BUYER PREFERENCES AND SPECIALIZED NEEDS

According to the National Association of Realtors (NAR) 2021 Profile of Home Buyers and Sellers in Indiana, a little more than two-thirds of buyers were first-time home buyers. The typical home buyer was 43 years old with a median household income of $85,500. The vast majority bought previously owned homes (92 percent) and single-family detached homes (82 percent). The typical home purchased was 2,300 square feet and was built in 2001, with three bedrooms and two baths. The top factors influencing neighborhood choice were: 1) quality of the neighborhood, 2) convenience to friends/family, 3) convenience to job, and 4) overall affordability.

Realtors from across the region were consulted to better understand the preferences of buyers specifically in West Central Indiana. The following characteristics were mostly commonly cited as being in high demand or with the most unmet demand:

- Single family detached
- Generally, $130,000 to $250,000
- Under $150,000 without the need for substantial repairs
- 3+ bedrooms
- Duplexes priced $125,000 to $175,000
- Move-in ready homes
- 2+ bathrooms
- Rising demand for multifamily
- Large yard or acreage
- Outside of city limits, i.e., rural properties with land
- Single level homes in $150,000 range
- Updated kitchen
- Multi-car garages
- First-time home buyers in the $100,000 to $150,000 range
- Multiple living areas

Given the region's aging population, housing accessibility is and will continue to be an important factor in ensuring housing stock meets residents' needs.

Most local realtors said that relative proximity to employment, school, and/or childcare was very important to their clients, especially easy access to places of employment. These concerns have become even more prominent this year with high gas prices. Others shared that some of this demand may be replaced with demand for high-speed internet as more people work from home for some or all their working hours. In general, access to broadband and/or cell service is now seen as a necessity by many buyers.

Given the region's aging population, housing accessibility is and will continue to be an important factor in ensuring housing stock meets residents' needs. Across Indiana, according to NAR data, seven percent of buyers bought senior-related homes in 2021, but this share is expected to grow as the seniors' share of the population increases. Empty nesters or retirees looking to downsize are reportedly in search of single-level homes in West Central Indiana, often in the $150,000 price range. Beyond single-level living, those with mobility concerns or disabilities are often looking for features like a no-step entrance, extra wide hallways, or doors, and/or main floor bedrooms and bathrooms. Some residents may need further modifications to meet their needs, like grab bars, lever-style handles, roll-in showers, or light switches that are reachable from a wheelchair. Without accessible housing, seniors are at increased risk of injury and lose much of their independence and engagement with the community, or they may relocate to another community altogether that can provide the resources and housing needed.

5.5 HOUSING DEMAND PROJECTIONS & MARKET ALIGNMENT

To project approximate housing demand in the years ahead, this analysis combines population projections from the Indiana Business Research Center and current data on the average household size to estimate the number of households in 2030, and therefore the need for housing units. It does not take into account developments that would shift the region's current trajectory and impact the overall population and number of households. It assumes an 8 percent vacancy rate to account for units in transition or held vacant for any number of reasons, which is at the upper end of a healthy rate, but below current vacancy levels. This analysis also adds a small number of additional new units, 0.5 percent, to account for housing that will need replaced over time due to unexpected events. Together, these provide an estimate of the projected number of housing units needed in 2030, which is then compared to the current number of units across the region. See Table 6.

TABLE 6. HOUSING DEMAND PROJECTIONS, 2030

Geography	Number of Households	+ Vacancy Rate (8%)	+ Replacement Housing (0.5%)	= Required Number of Housing Units	Current Number of Units	Shortfall/ Surplus
Clay County	10,713	857	54	**11,624**	11,773	**149**
Montgomery County	16,177	1,294	81	**17,552**	16,709	**-843**
Parke County	6,147	492	31	**6,669**	8,253	**1,584**
Putnam County	15,889	1,271	79	**17,240**	15,188	**-2,052**
Sullivan County	8,401	672	42	**9,115**	8,982	**-133**
Vermillion County	6,289	503	31	**6,824**	7,512	**688**
Vigo County	46,456	3,716	232	**50,405**	47,351	**-3,054**
West Central Indiana	110,072	8,805	550	**119,429**	115,768	**-3,661**

Source: ACS 5-year Estimates; STATS Indiana, using data from the Indiana Business Research Center; and Thrive West Central calculations

Based on this analysis alone, it would appear that the region as a whole would be short by nearly 3,700 housing units in 2030 without any new construction, driven largely by sizeable shortages in Putnam and Vigo counties. This represents the number of new homes needed to keep up with current demographic trends. The largest housing surplus is projected to be in Parke County—just shy of 1,600 homes. However, this analysis does not capture a full picture of future housing demand in West Central Indiana for two reasons: 1) A top economic development goal for the region is to change its population trajectory by retaining and attracting more residents, which would require additional housing units, and 2) This analysis does not account for specific market alignment or affordability. Next, this analysis considered current affordability at the medians for both owner-occupied and rental homes, using the standards of a 2.5 value-to-income ratio and 30 percent of median household income (MHI) threshold for renters' housing costs. See Table 7. This analysis shows that in the market as a whole, there is not an affordability gap for either homeowners or renters.

TABLE 7. HOUSING AFFORDABILITY ANALYSIS

	Clay	Montgomery	Parke	Putnam	Sullivan	Vermillion	Vigo
MHI	$59,398	$56,408	$55,853	$61,505	$49,449	$54,361	$47,261
Owner Affordability							
MHI x 2.5	$148,495	$141,020	$139,633	$153,763	$123,623	$135,903	$118,153
Median Home Value	$104,200	$132,200	$96,400	$144,900	$89,400	$83,900	$105,200
Gap/Surplus	**$44,295**	**$8,820**	**$43,233**	**$8,863**	**$34,223**	**$52,003**	**$12,953**
Renter Affordability							
30% of MHI	$17,819	$16,922	$16,756	$18,452	$14,835	$16,308	$14,178
Median Rent	$8,604	$8,424	$9,108	$9,408	$7,920	$8,172	$9,132
Gap/Surplus	**$9,215**	**$8,498**	**$7,648**	**$9,044**	**$6,915**	**$8,136**	**$5,046**

Source: ACS 5-year Estimates and Thrive West Central calculations

However, this analysis buries important differences within income segments of the population and in the housing market as a whole. Therefore, it is critical to understand the number of affordable housing units across income brackets. This analysis uses the same assumptions as above for affordability, but aggregates owner-occupied and rental units for simplicity. This reveals a mismatch between housing supply and demand across the region. See Table 8. For households earning less than $50,000, there is a glut of affordable homes in the region, not taking into account homes' condition or habitability. At the other end, for households earning above this amount, homes are not available in the market in those price ranges. This finding largely holds true at the county-level across the region, a few exceptions—in Sullivan and Vermillion counties, the shortfall in affordable homes begins at the $35,000 income range, and in Vigo County, there is also a shortage of homes affordable to those in the lowest income range, i.e., less than $15,000 per year. See Appendix A, County Profiles, for breakdowns of this analysis by county.

TABLE 8. HOUSING AFFORDABILITY ANALYSIS BY INCOME RANGE

Household Income Range	Affordable Range for Owner Units	Affordable Range for Renter Units	Number of Households in Range	Number of Affordable Units	Gap/ Surplus
$0 to $14,999	$0 to $50,000	$0 to $500	11,369	13,587	2,218
$15,000 to $34,999	$50,000 to $99,999	$500 to $999	22,857	41,996	19,139
$35,000 to $49,999	$100,000 to $149,999	$1,000 to $1,499	14,449	18,770	4,321
$50,000 to $74,999	$150,000 to $199,999	$1,500 to $1,999	20,963	11,989	-8,974
$75,000 to $99,999	$200,000 to $299,999	$2,000 to $2,499	13,815	9,097	-4,718
$100,000 or more	$300,000 or more	$2,500+	19,406	5,310	-14,096

Source: ACS 5-year Estimates and Thrive West Central calculations

6.1 FINDING #1: THERE IS A MISMATCH WITHIN THE HOUSING MARKET

Not only does West Central Indiana's housing market have insufficient gross supply to meet future demand, but there also is a mismatch between home values and residents' incomes (and therefore the home they can afford) in the upper half of the market. This is evident in both the housing affordability analysis and in consultations with local realtors. There is unmet need for housing in the ballpark of $150,000, while the region is oversupplied in lower value homes.

OPPORTUNITIES

Support the development of new below-market-rate homes. It is difficult for the private sector to produce homes in the much-needed $150,000 price range without assistance in land assembly and acquisition, infrastructure, or financing.

Promote and facilitate infill housing development. Infill development is a promising, albeit small-scale, source of affordable housing due to existing access to the necessary infrastructure—water, sewer, roads, sidewalks, etc. Building quality housing on vacant lots (or replacing dilapidated structures) can improve or maintain the character of established neighborhoods and potentially prevent a cycle of disinvestment.

There is unmet need for housing in the ballpark of $150,000, while the region is oversupplied in lower value homes.

TOOLS

Financial incentives. With the cost of construction continuing to rise and persistently low incomes that have not risen commensurately with the price of housing, financial incentives will be critical for making new below-market-rate housing feasible. Several programs are managed by the Indiana Housing and Community Development Authority (IHCDA) to incentivize the development of affordable housing, primarily rentals (see box), each with slightly different target markets and requirements.

TAX CREDIT AND OTHER FINANCING PROGRAMS

- Low Income Housing Tax Credit
- Affordable and Workforce Housing Tax Credit
- Rental Housing Tax Credits
- Multifamily Tax-Exempt Bonds
- Housing Trust Fund grants
- Development Fund grants and loans
- HOME Investment Partnerships Program

Nonprofit developers. These organizations operate with a mission to develop housing that fills gaps that private sector developers cannot. Nonprofit developers are eligible for a variety of funding sources, some of which are limited to nonprofits like charitable donations, and could implement a range of housing programs in conjunction with community partners. Certified Community Housing Development Organizations (CHDOs) in particular are eligible for set-aside funds from the U.S. Department of Housing and Urban Development (HUD) and IHCDA to use for acquisition, new construction, and/or rehabilitation of rental housing or homebuyer property. Nonprofit developers can be housed within an existing organization, like the Light House Mission's CHDO in Terre Haute, or stand alone, like Habitat for Humanity.

Demonstration projects. These projects provide an opportunity to test and/or showcase new or improved housing development models, whether through innovative financing, construction methods, or piloting a new housing product to assess consumer demand. A demonstration project could provide a model or models to be replicated throughout the region, but would likely require assistance with items like infrastructure, gap financing, or permitting to incentivize a developer to take on the risk of an unproven approach. In 2019, IHCDA invested in demonstration projects across the state for anchor employer-led workforce housing and modular workforce housing. In Kosciusko County, the resulting public-private partnership has been used to finance pre-development costs, down payment assistance, and project loans.

SOUTH BEND NEIGHBORHOOD HOMES

In 2022, the City of South Bend announced a new initiative to ease the construction of more housing across the city, particularly infill development. It includes waiving utility connection fees for infill housing of 5 or fewer units and those developments being financed with Low Income Housing Tax Credits or by a nonprofit. It will also offer up to $20,000 in reimbursement for the costs of connecting sewer laterals to low- and moderate-income homes

Land assembly, site preparation, and/or low-cost lots. For infill development at scale, land assembly can be time-consuming and costly, acting as a deterrent to developers. Communities can take on strategic land acquisition and assembly in older but still attractive neighborhoods to share risks and provide appealing infill sites for new housing. Targeting such neighborhoods will help support a higher home appraisal in line with construction costs and will improve the home values in the neighborhood as a whole. Depending on the current condition of targeted lots and homes, site preparation may also be needed to incentivize development, i.e., demolishing dilapidated houses or upgrading aged infrastructure. Taking this a step further, communities may then consider offering these lots for free or a steeply reduced price, instead recouping its investment in the form of new property tax revenue after development.

Land banks. A land bank may be a public entity or nonprofit organization established by a local unit of government to manage and improve the marketability of distressed properties. Land banks generally acquire vacant, abandoned, or deteriorated properties through foreclosure or donation and hold or manage them to spur redevelopment and return the properties to productive use. The precise role of a land bank varies based on the community's defined goals, but could include land assembly, site preparation, holding strategic properties for later development, housing rehabilitation, or even property redevelopment.

6.2 FINDING #2: A SIGNIFICANT PORTION OF EXISTING HOUSING IS IN POOR CONDITION

While there is a surplus of homes valued under $150,000 or renting for under $1,500 per month, a significant number of these are priced as such due to their poor condition and are often in need of substantial repairs. The large share of vacant homes in the region classified as "other vacant" is symptomatic of this problem, representing a significant number of homes that need to be rehabilitated or replaced. Given the constraints on new construction, older homes in the region represent the best source of potential affordable housing, if they are properly improved and/or maintained. For those beyond repair, infill development is another promising source of affordable housing following demolition, but requires good home conditions in the surrounding neighborhood to make those investments attractive.

OPPORTUNITY

Improve the quality of existing housing. In addition to removing housing units from the available inventory, vacant or dilapidated homes also bring down the home values in the surrounding area, meaning that addressing this challenge could have a large impact on the overall housing market in West Central Indiana. Furthermore, rehabilitating existing housing units offers the best opportunity for increasing the stock of affordable, quality housing due to the high costs of land, infrastructure, and materials for new construction.

TOOLS

Rehabilitation loans and grants. Several state and federal funding sources exist to support communities in establishing home rehabilitation loan and grant programs or to provide support directly to homeowners and renters (see box). Such programs allow residents to undertake necessary repairs to maintain a safe and healthy living environment. They could cover code violations, roofs and flooring, windows, structural alterations, accessibility upgrades, or energy efficiency improvements. For households, whose residence may be on the verge of inhabitability, a home rehab loan or grant could prevent their displacement. A community may choose to establish a program that is targeted in nature—e.g., focusing on only one class of repairs like energy efficiency or limiting eligibility to particular populations—or may choose to keep it broad in nature to allow for maximum flexibility.

HOME REHABILITATION FUNDING

- IHCDA HOME Investment Partnerships Program
- OCRA Owner Occupied Rehabilitation Program
- FHL Bank Indianapolis Affordable Housing Program
- USDA Single Family Housing Repair Loans and Grants
- USDA Housing Preservation Grants
- IHCDA Weatherization Assistance Program

While there is a surplus of homes valued under $150,000 or renting for under $1,500 per month, a significant number of these are priced as such due to their poor condition and are often in need of substantial repairs.

Loan products and assistance. For many prospective homebuyers in the region, purchasing a home in need of significant repairs is simply not possible due to the high cost of rehabilitation exceeding the value at which a home would appraise. This deters investment in those homes even from those with the financial means. The Federal Housing Administration's (FHA) 203(k) Rehabilitation Mortgage Insurance program allows lenders to offer loans to homebuyers that cover both the purchase of the home and its renovation costs. Similarly, communities or employers may offer down payment assistance to homebuyers conditional on renovation and upgrades to the home.

Designated reinvestment areas. To ensure that investments made in housing rehabilitation and neighborhood improvements have the greatest cumulative impact, communities may wish to designate reinvestment area boundaries in which they target such efforts, rather than scattering projects across a city or town. Such designations could be used for allocating a range of incentives, financing, grants, or other community development activities to stabilize or revitalize neighborhoods.

Code enforcement. Even in the communities in the region with established property maintenance and building codes, implementation and enforcement are challenging. Successful code enforcement requires community education about its importance and, more critically, adequate trained staff that can follow up on issues or complaints. Partnerships among local departments or interlocal agreements could help ease this burden by allowing communities to share resources, particularly if they have common or largely similar ordinances that could be enforced by one officer. A clear, simple property standards manual helps residents understand maintenance requirements and highlights useful resources for things like waste disposal. Communities may wish to tie a home rehabilitation program to property standards and offer financing for necessary repairs to bring a home into compliance.

6.3 FINDING #3: THE MARKET IS NOT SUPPORTING SUFFICIENT NEW CONSTRUCTION

The market is not supporting new construction in the quantity or variety needed. The most rural counties of West Central Indiana have undervalued housing markets that struggle to incentivize new home building. Even in parts of the region with a more favorable market, builders are hard pressed to construct new homes at price points that meet demand while still earning a profit. Supply chain bottlenecks, labor shortages, and inflation have resulted in much higher costs for construction, further putting the squeeze on profit margins or putting prices out of range for what residents can typically afford.

In much of the region, buildable land is not available within city limits or within existing infrastructure networks. Generally, a developer would be expected to cover the cost of new infrastructure. However, rising infrastructure costs have deterred or prohibited new development, or limited it to high-end custom homes that can command a high enough sale price.

OPPORTUNITY

Ease the construction of market rate housing. While market rate construction has been occurring, this analysis shows that the region is greatly undersupplied in housing at the upper end of the market, especially homes valued at $300,000 or more. Communities can take strategic actions to help ease the burden for homebuilders and encourage the development of more moderate- or high-market housing to meet demand. Furthermore, this new construction may facilitate movement in the market, freeing up lower-cost housing for other residents.

The most rural counties of West Central Indiana have undervalued housing markets that struggle to incentivize new home building.

TOOLS

Regulations. Local zoning ordinances—when written simply, reasonably, and kept up-to-date—can provide developers and investors the predictability they need to minimize their risk and make a project attractive. In the region, some zoning codes have not been updated in decades, are not properly digitized for easy access, and follow outdated practices or recommendations. Bringing these ordinances up to today's standards will provide clarity for developers and residents alike. Relatedly, streamlining the application and review process for local building and planning permits, including shortening the timeline, and/or reducing fees for prioritized types of housing construction will ease the development process.

FORT WAYNE STREAMLINED PERMITTING

In 2011, the City of Fort Wayne began engaging closely with contractors and developers to understand constraints on new construction. Through this, they identified a need to improve customer service around permitting, consistency in rules' applications, communication of changes, simplicity of regulations, and the ability to manage business online. The City made investments in staff training, an online portal, a searchable code database, updating review processes, and cleaning up/realigning ordinances. They regularly measure customer satisfaction and approval timelines to ensure they are not hindering new development. From 2011 to 2021, the Fort Wayne metropolitan area increased residential permits by 166%.

Residential Tax Increment Financing (TIF). Legislation creating residential TIF was signed into law in 2019, replacing a previous program (HOTIF) with difficult-to-meet standards and allowing redevelopment commissions to create a TIF district for residential property to stimulate new housing construction. TIF allows a community to use new property tax revenue (“tax increment”) to go directly to that district to be spent on things like infrastructure, financial incentives for construction

HOUSING TIF IN WARSAW

Shortly after the new residential TIF law went into effect in 2019, the City of Warsaw created two TIF districts to help address its housing shortage. This, alongside other efforts to reduce upfront development costs and promote infill development, has led to an increase in single family home construction with new promising developments on the horizon.

Tax abatement. This is another tool that can reduce the costs of development and therefore make residential new construction or rehabilitation projects feasible. Tax abatements can come in many forms depending on the goal of the community. They may grant annual reductions in property tax assessments, limit annual increases, freeze the taxable assessed value, or otherwise reduce taxes owed for a designated number or years. Tax abatements should be used for development or activity that would not have occurred but for the abatement to ensure that it is only applied when and where necessary.

6.4 FINDING #4: DEMOGRAPHIC CHANGES WILL DRIVE THE FUTURE MARKET FOR HOUSING

West Central Indiana currently has an outsized senior population relative to the rest of the state, and that older population is expected to grow by 18.5 percent by 2030. Seniors have specific housing needs in order to maintain both their health and quality of life as they age. This represents a significant shift in the housing market. If suitable homes are available to meet the needs of older adults as they seek to downsize or adjust their living arrangements, it also opens up inventory for families and others at various points on the so-called "housing ladder."

OPPORTUNITY

Incentivize and facilitate the development of senior housing. People at different stages of life will naturally require and desire different types of housing. Making up a growing share of residents in West Central Indiana, seniors have specific housing needs that do not seem to be fully met currently. Depending on the individual, this could include downsizing to a smaller home or lot, relocating to a senior living community, or making modifications to their current home to better meet their needs as they age in place.

Seniors have specific housing needs in order to maintain both their health and quality of life as they age.

TOOLS

Financial incentives. For low-income seniors in particular, many of the same programs managed by IHCDA as referenced in Finding #1 can be used to specifically incentivize the development of senior housing. Within the Low Income Housing Tax Credit allocations, for example, extra points may be awarded for the development of senior housing.

Aging related home modifications. Targeting home rehabilitation and improvement programs specifically to seniors, particularly those on fixed incomes, can make a significant impact on those residents' health and quality of life by allowing them to make critical repairs or accessibility upgrades to their homes. Modifications like wheelchair ramps, grab bars, or roll-in showers can allow individuals to maintain their independence and help retain them as valued members of their community. These set-asides could be made part of a large home rehabilitation grant or loan program (see Finding #2).

Senior housing demonstration projects. As referenced above in Finding #1, demonstration projects can pilot and prove new housing concepts and products and subsequently promote their replication elsewhere. For seniors, this may include housing with smaller square footage; shared maintenance; accessible townhomes or duplexes, senior villages, or retirement communities; or housing with easy access to public transportation, grocery stores, healthcare, and community activities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7. OPPORTUNITIES FOR FURTHER STUDY

This analysis has revealed several topics that are ripe for further study and analysis. Doing so would provide a deeper understanding of issues and opportunities in the regional housing market.

A **land constraints analysis** seeks to identify parcels of land that have the potential for development or redevelopment. This geographic information system (GIS)-based analysis should consider factors like absolute constraints that make land extremely unlikely to be developed (i.e., bodies of water, permanently protected open space, cemeteries, rights-of-way, etc.), functional constraints that pose a significant barrier to development (i.e., flood zones, wetlands), and high-utilization constraints that make development unlikely given the high value of a parcel or its recent development. This type of analysis may also benefit from considering land with environmental hazards, publicly-owned sites that already include buildings, and/or sites with nearby access to public infrastructure. The end result of such an analysis could be a database of buildable lots or marketing of particular sites that show significant opportunity. It will also give a realistic picture of where new construction or redevelopment is likely to be feasible.

Given the high rate of vacant homes in the region without a clear explanation, a **vacant housing inventory** could provide a more detailed and accurate sense of the scope of the challenge in order to determine possible solutions, if any. A vacant housing survey would take into account key vacancy indicators from sources like health departments, county treasurers, sheriff's departments, and utility providers to develop a list of probable vacancies. Field workers would then verify the vacancy status and collect other basic information like number of units, for sale status, home condition, and a photograph. Such an inventory could be used to define targets for redevelopment, guide acquisition and demolition actions, or to support land assembly for infill development.

Seniors (those aged 65+) are the only age group projected to grow in its share of the regional population over the coming decade as baby boomer generation ages, and they have unique housing requirements and desires. In order to better understand this market opportunity, a **targeted survey of older residents**—both seniors and older adults—could provide evidence for the type, location, and price of housing that seniors need now and into the future. A survey would help both the public and private sector understand where opportunities lie and inform efforts to ensure senior remain integrated into their communities.

INDIANAPOLIS VACANT HOUSING INITIATIVE

The City of Indianapolis undertook an effort to develop a comprehensive inventory of vacant housing by improving coordination among agencies and utilizing field survey teams. They maintained and shared the data publicly to help spur redevelopment interest from nonprofits, private developers, and neighborhood groups. The City also used the inventory to identify serial negligent property owners and explore rehabilitation opportunities.

CLAY COUNTY PROFILE

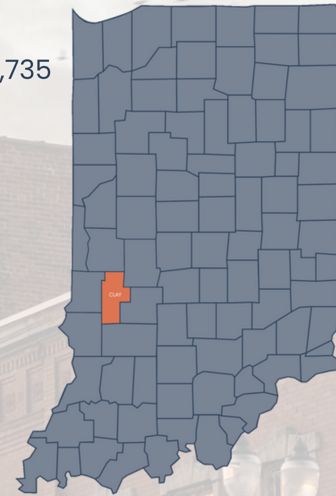
The median household income in Clay County is $59,398 which is 1.0% higher than the state average. The median price for a home in 2022 is $138,450. The value-income ratio for the county is 1.75, indicating it is an undervalued market relative to incomes. Unlike many of the other counties in West Central Indiana, Clay County is experiencing a surplus of housing units, 149 units specifically. The largest number of homes in Clay County were built in 1939 or earlier.

AFFORDABILITY ANALYSIS BY INCOME RANGE

The chart below shows the gap of housing units available for the respective income range, whether it be a surplus or shortfall. The "# of households with income range" section represents the number of households within the county that are within that specific income range. The "total units" section represents occupied units in the county that are affordable for households of that income range. The "housing gap" section displays either the surplus or shortfalls of housing units that are available for that income range and the number of households within that income range.

Income Range	# of households with income range	Total Units (occupied)	Housing Gap
Less than $14,999	806	1,295	489
$15,000 to $34,999	1,916	4,285	2,369
$35,000 to $49,999	1,694	2,296	602
$50,000 to $74,999	2,107	991	-1,116
$75,000 to $99,999	1,808	793	-1,015
$100,000 or more	2,123	566	-1,557
Total	10,454	10,226	

Note: 228 households didn't pay rent & aren't included in total units



- Population (2021) – 26,410
- Population projections (2050) – 24,735
- Age Distribution 2020
  - Preschool (0-4) – 1,662
  - School Age (5-19) – 4924
  - College (20-24) – 1,381
  - Young Adult (24-44) – 6,336
  - Older Adult (45-64) – 7,083
  - Seniors (65+) – 4,996
- Projected Age Distribution 2050
  - Preschool – 1,434
  - School Age – College – 1,309
  - Young Adult – 5,548
  - Older Adult – 6,003
  - Seniors – 5,990
- Number of Housing Units (vacant & occupied 2020) – 11,773
- Owner vs Renter Occupied (2020) – 22% renters
- Vacancy Rate (2020) – 1,319 vacant units. This consists of units for rent, not occupied, for sale, recreational, or classified as other.
- Median value/median household income/value-to-income ratio (2020) – 1.75
- Housing cost burden/poverty rate – cost burden = 16.8% / poverty rate = 11.6%
- Median monthly mortgage (2020) - $994
- Median gross rent (2020) - $717
- Home sales data (# of sales, median price, YOY change)
  - # of sales 88 (2022, year to date)
  - Median Price = $138,450 (2022)
  - Median Price = $120,000 (2011)
  - An increase of $18,450, or 15%, over 11 years.
- Housing demand projections (2020) – 149 surplus units

For example: For Clay County, there are 806 households who earn less than $14,999 annually. There are 1,295 occupied housing units, in the county that are within this income range. There is a surplus of 489 housing units for households with this income range.

MONTGOMERY COUNTY PROFILE

The median household income in Montgomery County is $56,408, 1.0% lower than the state average. The median price for a home in 2022 is $165,000. The value to income ratio for Montgomery County is stable at 2.34, indicating a sustainable housing market that can support market-rate new construction. There is a shortage of 843 housing units in the county, which is consistent with trends in the region. Most of the homes in Montgomery County were built in 1939 or earlier and within the 1960-1979 time period.

AFFORDABILITY ANALYSIS BY INCOME RANGE (2020)

Income Range	# of households with income range	Total Units (occupied)	Housing Gap
Less than $14,999	1,369	1,406	37
$15,000 to $34,999	3,468	5,750	2,283
$35,000 to $49,999	1,947	3,307	1,360
$50,000 to $74,999	3,356	2,363	-993
$75,000 to $99,999	1,973	1,574	-399
$100,000 or more	3,505	942	-2,563
Total	15,618	15,342	

Note: 276 households didn't pay rent & aren't included in total units

- Population (2021) – 38,063
- Population projection (2050) – 36,435
- Age Distribution 2020
  - Preschool – 2,313
  - School Age – 7,318
  - College Age – 2,338
  - Young Adult – 8,914
  - Older Adult – 10,173
  - Seniors – 7286
- Projected Age Distribution 2050
  - Preschool – 2,018
  - School Age – 6682
  - College Age – 2188
  - Young Adult – 8040
  - Older Adult – 8661
  - Seniors - 8846
- Number of housing units (vacant & occupied 2020) – 16,709
- Owner vs renter occupied (2020) – 26% renters
- Vacancy rate and explanations (2020) – 1,091 vacant units. This consists of units for rent, not occupied, for sale, recreational, or classified as other.
- Median value/median household income/value-to-income ratio (2020) – 2.34
- Housing cost burden/poverty rate (2020) – cost burden = 20% / poverty rate = 11.9%
- Median mortgage (2020) - $1,069/month
- Median gross rent (2020) - $702/month
- Home sales data (# of sales, median price, YOY change)
  - # of sales = 232 (2022, year to date)
  - Median price = $165,000 (2022)
  - Median price = $149,000 (2011)
  - A $16,000 increase over 11 years.
- Housing demand projections - 843 shortfalls housing units

PARKE COUNTY PROFILE

The median household income for Parke County is $55,853 which is 1.0% below the state average. The median sale prices of homes in Parke County in 2022 is $105,200. The value to income ratio is low at 1.73, indicating it is an undervalued market relative to household incomes. There are 1,584 surplus housing units in the county, while West Central Indiana as a whole is experiencing housing unit shortages. Most of the homes in Parke County were built within the 1960-1979 time period.

AFFORDABILITY ANALYSIS BY INCOME RANGE (2020)

Income Range	# of households with income range	Total Units (occupied)	Housing Gap
Less than $14,999	481	1,183	702
$15,000 to $34,999	1,506	2,166	660
$35,000 to $49,999	647	790	143
$50,000 to $74,999	1,416	605	-811
$75,000 to $99,999	811	560	-251
$100,000 or more	1,144	492	-652
Total	6,005	5,796	

Note: 209 households didn't pay rent & aren't included in total units

- Population (2021) – 16,407
- Population Projection (2050) – 14,576
- Age Distribution 2020
  - Preschool – 956
  - School Age - 2988
  - College Age - 833
  - Young Adult – 4129
  - Older Adult – 4395
  - Seniors – 3264
- Projected Age Distribution 2050
  - Preschool – 872
  - School Age – 2792
  - College Age – 832
  - Young Adult – 3817
  - Older Adult – 3268
  - Seniors - 2995
- Number of housing units (vacant & occupied 2020) – 8,253
- Owner vs renter occupied (2020) – 20.9% renter-occupied
- Vacancy rate and explanations (2020): Total vacancy – 2,248 This consists of units for rent, not occupied, for sale, recreational, or classified as other.
- Median value/median household income/value-to-income ratio (2020) – 1.73
- Housing cost burden/poverty rate (2020): Cost burden = 19.7% / poverty rate = 14%
- Median monthly mortgage (2020): $935/month
- Median gross rent (2020) - $759
- Home sales data (2020) (# of sales, median price, YOY change)
  - # of sales = 14
  - Median price = $105,200 (2022)
  - Median price = $87,500 (2011)
  - A $17,700 increase over 11 years.
- Housing demand projections (2020) – 1584 surplus housing units

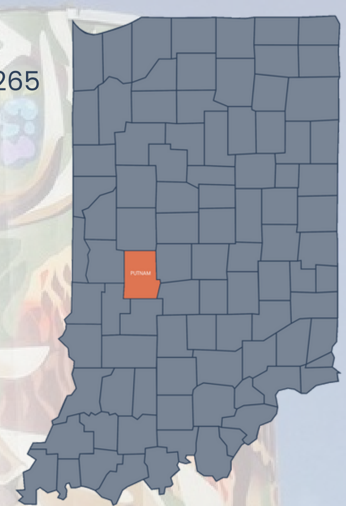
PUTNAM COUNTY PROFILE

The median household income for Putnam County is $61,505, the highest median household income in the region and 1.1% higher than the state average. The median home sale price in the County is $212,500, the highest in West Central Indiana. The value to income ratio is stable at 2.36, indicating a sustainable housing market that can support market-rate new construction. Putnam County is short 2,052 housing units, which is significantly higher than the other counties experiencing housing unit shortages in the region, with the exception of Vigo County. Most of the homes within Putnam County were built within the 1980-1999 time period.

AFFORDABILITY ANALYSIS BY INCOME RANGE (2020)

Income Range	# of households with income range	Total Units (occupied)	Housing Gap
Less than $14,999	924	1,259	335
$15,000 to $34,999	2,698	4,194	1,496
$35,000 to $49,999	1,756	3,209	1,453
$50,000 to $74,999	3,101	1,822	**-1,279**
$75,000 to $99,999	2,206	1,927	**-279**
$100,000 or more	2,966	1,111	**-1,855**
Total	13,651	13,522	

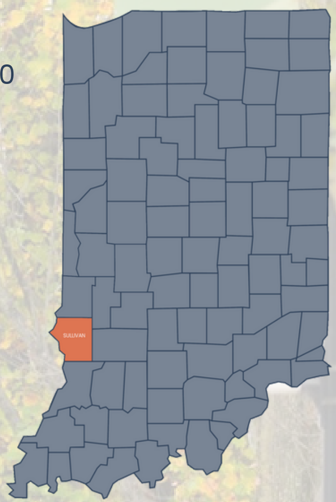
Note: 129 households didn't pay rent & aren't included in total units



- Population (2021) – 36,979
- Population projection (2050) – 36,265
- Age Distribution 2020
  - Preschool – 1802
  - School Age - 6769
  - College Age - 3467
  - Young Adult – 9010
  - Older Adult – 9879
  - Seniors – 6559
- Projected Age Distribution 2050
  - Preschool – 1685
  - School Age – 6342
  - College Age – 3169
  - Young Adult – 8313
  - Older Adult – 8703
  - Seniors - 8053
- Number of housing units (vacant & occupied 2020) – 15,188
- Owner vs renter occupied (2020) – 26% renter occupied
- Vacancy rate and explanations (2020) – 1,537 vacancy total. This consists of units for rent, not occupied, for sale, recreational, or classified as other.
- Median value/median household income/value-to-income ratio (2020) – 2.36
- Housing cost burden/poverty rate (2020) – Cost burden = 20.9% / poverty rate = 9.5%
- Median monthly mortgage (2020) - $1,142
- Median gross rent (2020) - $784
- Home sales data (2020) (# of sales, median price, YOY change)
  - # of sales – 227
  - Median home price = $212,500 (2022)
  - Median price = $165,000 (2011)
  - A $47,500 increase over 11 years.
- Housing demand projections (2020) – 2,052 shortcomings housing units

SULLIVAN COUNTY PROFILE

Sullivan County's median household income is $49,449, 1.8% lower than the state average. The median home price in 2022 is $117,000. The value to income ratio in the county is low at 1.81, indicating the market is undervalued in relation to median household incomes. There is a shortage of 133 housing units in the county. Most of the homes built in Sullivan County were built in 1939 or earlier.



- Population (2021) – 20,758
- Population projection (2050) – 18,120
- Age Distribution 2020
  - Preschool – 1121
  - School Age – 3448
  - College Age – 1172
  - Young Adult – 5653
  - Older Adult – 5429
  - Seniors – 3756
- Projected Age Distribution 2050
  - Preschool – 957
  - School Age - 3010
  - College Age – 1086
  - Young Adult – 4968
  - Older Adult – 4300
  - Seniors - 3799
- Number of housing units (vacant & occupied 2020) – 8,982
- Owner vs renter occupied (2020) – 24.3% renter occupied
- Vacancy rate and explanations (2020) – 1,176 total vacant. This consists of units for rent, not occupied, for sale, recreational, or classified as other.
- Median value/median household income/value-to-income ratio (2020) – 1.81
- Housing cost burden/poverty rate (2020) – Cost burden = 19.8% / Poverty rate – 12.3%
- Median monthly mortgage (2020) - $932/month
- Median gross rent (2020) - $660
- Home sales data (2020) (# of sales, median price, YOY change)
  - # of sales – 42
  - Median Price - $117,000 (2022)
  - Median price - $78,575 (2011)
  - $38, 425 increase over 11 years.
- Housing demand projections (2020) – 133 shortfall housing units

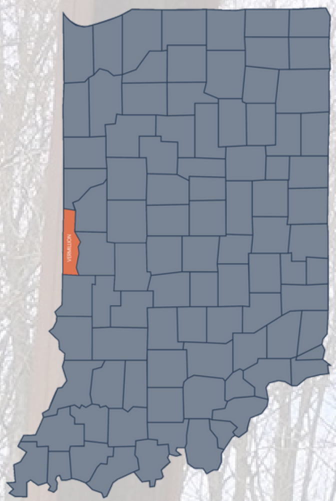
AFFORDABILITY ANALYSIS BY INCOME RANGE (2020)

Income Range	# of households with income range	Total Units (occupied)	Housing Gap
Less than $14,999	813	1,549	736
$15,000 to $34,999	1,923	3,102	1,179
$35,000 to $49,999	1,206	1,098	-108
$50,000 to $74,999	1,597	860	-737
$75,000 to $99,999	984	618	-366
$100,000 or more	1,283	295	-988
Total	15,618	15,342	

Note: 284 households didn't pay rent & aren't included in total units

VERMILLION COUNTY PROFILE

Vermillion County's median household income is $54,361, 1.1% below the state average. The median home sale price for Vermillion County is $90, 100, the lowest in West Central Indiana. The value to income ratio is 1.54, indicating the market is undervalued in relation to median household incomes. There is a surplus of 688 housing units in the county. The majority of homes were built in 1939 or earlier.



- Population (2021) – 15,341
- Population projects (2050) – 13,079
- Age Distribution 2020
  - Preschool – 837
  - School Age – 2769
  - College Age – 773
  - Young Adult – 3446
  - Older adult – 4123
  - Seniors – 3266
- Projected Age Distribution 2050
  - Preschool – 789
  - School Age – 2448
  - College Age – 660
  - Young Adult – 2856
  - Older Adult – 3158
  - Seniors – 3168
- Number of housing units(vacant & occupied 2020) – 7,512
- Owner vs renter occupied (2020) – 24.7% renters
- Vacancy rate and explanations (2020) – 955 vacant. This consists of units for rent, not occupied, for sale, recreational, or classified as other.
- Median value/median household income/value-to-income ratio (2020) – 1.54
- Housing cost burden/poverty rate (2020) – Cost burden = 18.7% / Poverty rate = 14.5%
- Median monthly mortgage (2020) - $878/month
- Median gross rent (2020) - $681
- Home sales data (2020) (# of sales, median price, YOY change)
  - # of sales – 31
  - Median price - $90,100 (2022)
  - Median price - $82,450 (2011)
  - $7,650 increase over 11 years.
- Housing demand projections (2020) – 688 surplus units

AFFORDABILITY ANALYSIS BY INCOME RANGE (2020)

Income Range	# of households with income range	Total Units (occupied)	Housing Gap
Less than $14,999	831	1,473	642
$15,000 to $34,999	1,229	2,953	1,724
$35,000 to $49,999	1,047	764	-283
$50,000 to $74,999	1,185	481	-704
$75,000 to $99,999	1,213	535	-678
$100,000 or more	1,052	155	-897
Total	6,557	6,361	

Note: 196 households didn't pay rent & aren't included in total units

VIGO COUNTY PROFILE

The median household income for Vigo County is $47,261 – the lowest in the region and 1.2% below the state average. The median home sale price in Vigo County is $136,000. The value to income ratio is stable at 2.23, indicating a sustainable housing market that can support market-rate, new construction. There is a shortage of 3,054 housing units – the highest in the region. The majority of homes in Vigo County were built within the 1960-1979 time period or before 1939.

- Population (2021) – 105,994
- Population projections (2050) – 105,564
- Age distribution 2020
  - Preschool – 6150
  - School Age – 20093
  - College Age – 10769
  - Young Adult – 27520
  - Older Adult – 25241
  - Seniors – 18022
- Projected Age Distribution 2050
  - Preschool – 5704
  - School Age – 19577
  - College Age – 9980
  - Young Adult – 25961
  - Older Adult – 24435
  - Seniors - 19907
- Number of housing units (vacant & occupied 2020) – 47,351
- Owner vs renter occupied(2020) – 36.6% renters
- Vacancy rate and explanations – 4,694 vacant units. This consists of units for rent, not occupied, for sale, recreational, or classified as other.
- Median value/median household income/value-to-income ratio (2020) – 2.23
- Housing cost burden/poverty rate (2020) – Cost burden = 30.9% / Poverty rate = 18.9%
- Median monthly mortgage (2020) - $977/month
- Median gross rent (2020) - $761
- Home sales data (2020) (# of sales, median price, YOY change)
  - # of sales – 431
  - Median price - $136,000 (2022)
  - Median price - $114,900 (2011)
  - $21,100 increase over 11 years.
- Housing demand projections (2020) – 3,054 shortcomings of units

AFFORDABILITY ANALYSIS BY INCOME RANGE (2020)

Income Range	# of households with income range	Total Units (occupied)	Housing Gap
Less than $14,999	6,143	5,422	-721
$15,000 to $34,999	10,110	19,546	9,436
$35,000 to $49,999	6,143	7,306	1,163
$50,000 to $74,999	8,190	4,867	**-3,323**
$75,000 to $99,999	4,820	3,090	**-1,730**
$100,000 or more	7,337	1,749	**-5,588**
Total	42,743	41,980	

Note: 744 households didn't pay rent & aren't included in total units

WEST CENTRAL INDIANA

HOUSING ANALYSIS 2022

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