AN ANALYSIS

of

RESIDENTIAL MARKET POTENTIAL

for

The West Central Indiana Region

Clay, Montgomery, Parke, Putnam,
Sullivan, Vermillion, and Vigo Counties, Indiana

June, 2023

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Residential Market Analysis Across the Urban-to-Rural Transect

STUDY CONTENTS

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INTRODUCTION

The analysis to determine the market potential for new and existing housing units within the West Central Indiana Region included: delineation of the draw areas; determination of the depth and breadth of the potential market for new housing in the region; determination of the target households and the target residential mix corresponding to the housing preferences of the target households; and the optimum market position for new affordable and market-rate residential units in the region.

For the purposes of this analysis, the West Central Indiana Region includes Clay, Montgomery, Parke, Putnam, Sullivan, Vermillion, and Vigo Counties.

The depth and breadth of the potential market for new and existing housing units within the West Central Indiana Region have been derived from the housing preferences and financial capacities of the draw area households, identified through Zimmerman/Volk Associates' proprietary target market methodology and extensive experience with urban development and redevelopment.

SUMMARY OF FINDINGS

—THE DRAW AREAS—

Where are the potential renters and buyers of new and existing housing units in the West Central Indiana Region likely to move from?

Analysis of migration, mobility, demographic and lifestyle characteristics of households currently living within defined draw areas is integral to the determination of the depth and breadth of the potential market for new housing within the West Central Indiana Region.

Taxpayer migration data obtained from the Internal Revenue Service (IRS) provide the framework for the delineation of the draw areas—the principal counties of origin for households that are likely to move within or to the seven counties of the West Central Indiana Region. These data are maintained at the county and "county equivalent" level by the Internal Revenue Service and provide a clear representation of mobility patterns. The IRS migration data have been supplemented by migration and mobility data for each of the counties from the 2021 American Community Survey (ACS), which also measures population mobility.

Nationally, over the past several years, there has been a considerable reduction in mobility. Based on the ACS data, the West Central Indiana Region—where 16.2 percent of the region's population either moved within or to the region between 2020 and 2021—has a mobility rate higher than the national rate of 12.8 percent.

Analysis of county-to-county migration and mobility patterns from 2015 through 2019 shows that the number of households moving into the region over the study period peaked at 4,995 households in 2016, up from 3,839 migrating households in 2015, and dropping to 4,212 households in 2019. Marion County, accounted for 9.7 to 11.1 percent of in-migrating households. Hendricks County, directly west of Marion County, represented approximately seven to nine percent of in-migration. Tippecanoe County—adjacent to the north of Montgomery County—accounted for 2.5 to 3.7 percent of in-migrating households. Greene County, south of Clay and east of Sullivan, represented between 3.1 and 3.6 percent of in-migration. Owen County, adjacent to the south and east of Putnam and Clay, comprised between 2.1 and 2.7 percent, while Fountain County—adjacent to

Vermillion, Parke, and Montgomery—accounted for another 2.1 to three percent. No other county accounted for more than two percent of household migration into the region. All Illinois counties combined for an average of less than 200 households per year, with the top Illinois county, Vermilion, only accounting for an average of 50 households (between 0.5 and 1.7 percent share of annual movers into the region) per year moving into the region (*reference* Appendix One, Table 1 *in* METHODOLOGY, APPENDICES ONE THROUGH THREE, TARGET MARKET TABLES).

Households moving out of the region also peaked in 2016 with 5,465 out-migrating households, up from 4,248 in 2015, and dropping to 4,308 out-migrating households by 2019. The lowest total of households moving out of the region was of 4,145 households in 2018. Marion County is consistently the top destination county for out-migrants, with approximately 10.2 to 11.4 percent of households, and Hendricks County accounts for 6.3 to 7.8 percent.

Net migration—the difference between households moving into the region and those moving out—has shown net losses throughout the study period, ranging from a loss of 473 households in 2017 then gradually decreasing to a loss of just 96 households in 2019.

NOTE: Although net migration provides insights into an area's historical ability to attract or retain households compared to other locations, it is those households likely to move into an area (gross in-migration) that represent that area's external market potential.

Based on the IRS migration data for each of the counties of the region, then, the draw areas for the West Central Indiana Region have been delineated as follows:

- The internal draw area, by county: covering households who currently live in one of the counties in the region with the potential to move within that same county.
- The regional draw area: covering households who currently live in one of the counties in the region with the potential to move across county borders within the region.
- The Marion, Hendricks, Tippecanoe, Greene, Owen, and Fountain counties draw area: covering households with the potential to move to the region from those Indiana counties.

- The national draw area: covering households with the potential to move to the West Central Indiana region from all other U.S. counties.

The distribution of the draw areas as a percentage of the annual potential market for new and existing housing units in the West Central Indiana Region is shown on the following table:

Annual Average Market Potential by Draw Area
The West Central Indiana Region

Households Moving Within Each of the Seven Counties:	63.3%
Households Moving Across the Seven-County Borders:	10.5%
Households Moving from Marion, Hendricks, Tippecanoe, Greene, Owen, and Fountain Counties:	7.8%
Households Moving from the Balance of the U.S.:	18.4%
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

—AVERAGE ANNUAL MARKET POTENTIAL FOR THE WEST CENTRAL INDIANA REGION—

How many households have the potential to move within or to the West Central Indiana Region each year over the next five years?

As determined by the target market methodology, which accounts for household mobility within each of the seven counties, as well as migration and mobility patterns for households currently living in all other counties, an annual average of 15,805 households represent the potential market for new and existing housing units within the West Central Indiana Region each year over the next five years.

What are their housing preferences in aggregate?

The tenure and housing preferences of those 15,805 draw area households, derived from a combination of Claritas' market segmentation data, American Community Survey data, and Census data, are shown on the table following this page (*see also* Table 1 *following the text*).

Average Annual Market Potential by Tenure/Housing Type Propensities
The West Central Indiana Region

HOUSING TYPE	NUMBER OF HOUSEHOLDS	PERCENT OF TOTAL
Multi-family for-rent (lofts/apartments, leaseholder)	6,378	40.4%
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	702	4.4%
Single-family attached for-sale (townhouses/live-work, fee-simple/ condominium ownership)	1,484	9.4%
Single-family detached for-sale (houses, fee-simple ownership)	7,241	45.8%
Total	15,805	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

The 15,805 households that represent the potential market for new and existing rental and for-sale housing units in the West Central Indiana Region have been segmented by income, based on the lowest median family income (AMI) for a family of four for a county within the region, which, as determined by the U.S. Department of Housing and Urban Development (HUD) in 2022, was $66,700 in Parke County. The HUD income limits are used here since they are the benchmark numbers in common usage for determining housing affordability. The median family incomes of the other six counties in the region included in this analysis range from $68,500 in Sullivan County to $81,700 in Putnam County. The HUD income limits for Parke County are shown on the following table:

Fiscal Year 2022 Income Limits
Parke County, Indiana

NUMBER OF PERSONS IN HOUSEHOLD	EXTREMELY LOW 30% OF MEDIAN	VERY LOW 50% OF MEDIAN	LOW 80% OF MEDIAN
One	$15,650	$26,100	$41,750
Two	$18,310	$29,800	$47,700
Three	$23,030	$33,550	$53,650
Four	$27,750	$37,250	$59,600
Five	$32,470	$40,250	$64,400
Six	$37,190	$43,250	$69,150
Seven	$41,910	$46,200	$73,950
Eight	$46,630	$49,200	$78,700

SOURCE: U.S. Department of Housing and Urban Development.

This study is examining the incomes and financial capabilities of the potential housing market based on income distributions at less than 30 percent AMI, between 30 and 60 percent AMI, between 60 and 80 percent AMI, between 80 and 100 percent AMI, and above 100 percent AMI. The incomes of households in Parke County at 60 and 100 percent AMI are shown on the following table:

Additional Income Limits
Parke County, Indiana

NUMBER OF PERSONS IN HOUSEHOLD	60% OF MEDIAN	100% OF MEDIAN
One	$31,300	$46,700
Two	$35,800	$53,400
Three	$40,250	$60,050
Four	$44,700	$66,700
Five	$48,300	$72,050
Six	$51,900	$77,400
Seven	$55,450	$82,750
Eight	$59,050	$88,050

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

Affordability ranges are based on the following factors:

- Households with incomes below 30 percent AMI (the majority of these households can only afford public housing or older, often substandard existing units);
- Households with incomes between 30 and 60 percent of AMI (these households typically qualify for new low-income tax credit rental housing, or older existing affordable resales);
- Households with incomes between 60 and 80 percent of AMI (naturally-occurring affordable rentals, or subsidized ownership housing);
- Households with incomes between 80 and 100 percent AMI (in many cities and towns, these households qualify for market-rate rentals or lower-priced for-sale housing units); and
- Households with incomes above 100 percent AMI (these households typically have sufficient incomes to rent or purchase market-rate housing).

The segmentation by income of the 15,805 target households, derived from the HUD income limits for Parke County and combined with their tenure and housing type propensities, are detailed on the following table:

Tenure/Housing Type Propensities by Income
Annual Average Market Potential for New and Existing Housing Units
The West Central Indiana Region

HOUSING TYPE	HOUSEHOLDS NUMBER	HOUSEHOLDS PERCENT
Multi-family for-rent (lofts/apartments, leaseholder)		
< 30% AMI	1,414	8.9%
30% to 60% AMI	1,214	7.7%
60% to 80% AMI	731	4.6%
80% to 100% AMI	324	2.0%
> 100% AMI	2,695	17.1%
Multi-family for-rent total	6,378	40.3%
Multi-family for-sale (lofts/apartments, condo/co-op ownership)		
< 30% AMI	136	0.9%
30% to 60% AMI	122	0.8%
60% to 80% AMI	77	0.5%
80% to 100% AMI	31	0.2%
> 100% AMI	336	2.1%
Multi-family for-sale total	702	4.5%
Single-family attached for-sale (townhouses, fee-simple ownership)		
< 30% AMI	298	1.9%
30% to 60% AMI	267	1.7%
60% to 80% AMI	168	1.1%
80% to 100% AMI	73	0.4%
> 100% AMI	678	4.3%
Single-family attached for-sale total	1,484	9.4%
Single-family detached for-sale (urban houses, fee-simple ownership)		
< 30% AMI	1,292	8.2%
30% to 60% AMI	1,217	7.7%
60% to 80% AMI	814	5.1%
80% to 100% AMI	372	2.4%
> 100% AMI	3,546	22.4%
Single-family detached for-sale total	7,241	45.8%
Grand Total	15,805	100.0%

NOTE: For fiscal year 2022, the Parke County median family income for a family of four is $66,700, the benchmark for calculating the income limits which are being utilized in this analysis.

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

Summarizing the incomes and financial capabilities of the 15,805 target households, then, 19.9 percent (3,140 households) have incomes below 30 percent of the AMI; 17.8 percent (2,820 households) between 30 and 60 percent AMI; 11.3 percent (1,790 households) between 60 and 80 percent AMI; 5.1 percent (800 households) between 80 and 100 percent AMI; and 45.9 percent (7,255 households) above 100 percent AMI.

—TARGET MARKETS—

Who are the households that represent the potential market for new and existing housing units within the West Central Indiana Region?

As determined by the target market analysis using market segmentation data provided by Claritas, Inc. in combination with American Community Survey and Census data, then, the general market segments, by lifestage and housing type, that represent the potential market for new and existing housing units in the West Central Indiana Region include (*see also* Table 2 *following the text*):

- Younger singles and childless couples—39.1 percent;
- Traditional and non-traditional family households—35.9 percent; and
- Empty nesters and retirees—25 percent.

APPENDIX FOUR, TARGET MARKET DESCRIPTIONS, contains detailed descriptions of each of the target market groups and is provided in a separate document. The descriptions of assets, income, and preferences below are derived from the national profiles of the predominant target groups in each lifestage category. The METHODOLOGY, APPENDICES ONE THROUGH THREE, TARGET MARKET TABLES document describes how the target market groups for housing in the region have been determined.

At over 39 percent, younger singles and couples make up the largest share of the market for new and existing housing units in the West Central Indiana Region. Due to a combination of economic issues—most notably rising interest rates, lack of mortgage down-payment funds, and high student debt—as well as lifestyle preferences, a higher percentage of Millennial and Gen Z households, even the most well-off, are choosing to be renters than was typical in predecessor generations at the same age.

Approximately 22 percent of the younger households have incomes below 30 percent AMI, 21 percent have incomes ranging between 30 and 60 percent AMI, 12 percent earn between 60 and 80 percent of the AMI, five percent earn between 80 and 100 percent AMI, and the remaining 40 percent have annual incomes of 100 percent of the AMI and up. The incomes of younger singles and couples generally range from less than $15,650 per year (below 30 percent AMI for a single-person household) to $53,400 per year or more (above 100 percent AMI for a two-person household). (*Reference* Tables 3 through 6 *following the text.)*

Approximately 62 percent of the younger single- and two-person households would be moving to a different unit in their home counties, 9.2 percent would be moving from one county to another county within the region, 8.7 percent would be moving from either Marion, Hendricks, Tippecanoe, Greene, Owen, or Fountain counties, and the remaining 19.8 percent would be moving to the region from elsewhere in the country, primarily other counties in Indiana, Illinois, and elsewhere in the Midwest. (*Reference* Appendix One, Table 10 *in* METHODOLOGY, APPENDICES ONE THROUGH THREE, TARGET MARKET TABLES.)

Just under 36 percent of the market is composed of traditional and non-traditional families. A substantial portion of these families are likely to be composed of single parents, adults caring for younger siblings, and households with grandparents present. In general, the family households have higher incomes than the younger households.

Approximately 20 percent of the family households have incomes below 30 percent AMI, 15 percent between 30 and 60 percent AMI, 12 percent between 60 and 80 percent AMI, 5 percent between 80 and 100 percent AMI, and 48 percent at 100 percent AMI and higher. The incomes of the family households generally range from less than $23,030 per year (below 30 percent AMI for a three-person household) to $72,050 per year or more (above 100 percent AMI for a five-person household). (*Reference* Tables 3 through 6 *following the text.)*

More than 63 percent of the traditional and non-traditional family households that represent the potential market for new and existing housing units in the West Central Indiana Region would be moving from one unit to another within their home counties; 11 percent would be moving from one county to another within the region; 8.2 percent would be moving to one of the seven counties in the region from Marion, Hendricks, Tippecanoe, Greene, Owen, or Fountain Counties; and the remaining 17.5 percent would be moving from elsewhere in the U.S. (*Reference* Appendix One, Table 10 *in* METHODOLOGY, APPENDICES ONE THROUGH THREE, TARGET MARKET TABLES.)

The smallest general market segment consists of older households (empty nesters and retirees) who account for a quarter of the market for new and existing housing units in the West Central Indiana Region. Some of these older households are among the more affluent households in the region; heads of these households are still working in professional and executive positions or are business owners. There are also a significant number of older households who are struggling to pay rents on incomes derived from Social Security payments and minimal savings. Like the Millennials, a growing number of empty nest households are choosing to rent rather than buy as they approach retirement; they prefer the flexibility of renting and appreciate the relative liquidity of the proceeds from a house sale when those proceeds are not reinvested in real estate. When they do reinvest in real estate, they have often chosen lower-maintenance options, such as downsizing to a townhouse or condominium development or a detached home with aging-accessible features.

In general, the older singles and couples have similar annual incomes to the younger households. Just 16 percent have incomes that fall below 30 percent AMI, 17 percent between 30 and 60 percent AMI, 10 percent between 60 and 80 percent AMI, 5 percent between 80 and 100 percent AMI, and 52 percent earn more than 100 percent of the AMI. (*Reference* Tables 3 through 6 *following the text.)*

Almost two-thirds of the older singles and couples would be moving from one unit to another within their home county, 11.7 percent would be moving from one county to another within the region, 5.7 percent would be moving to the region from either Marion, Hendricks, Tippecanoe, Greene, Owen, or Fountain, and the remaining 17.6 percent would be moving to the region from elsewhere in the country, primarily other counties in Indiana, Illinois, and the Midwest. (*Reference* Appendix One, Table 10 *in* METHODOLOGY, APPENDICES ONE THROUGH THREE, TARGET MARKET TABLES.)

—FINANCIAL CAPABILITIES—

What are the rents and prices that correspond to the financial capabilities of the potential market?

As noted above under AVERAGE ANNUAL MARKET POTENTIAL FOR THE WEST CENTRAL INDIANA REGION, an annual average of 15,805 traditional and non-traditional families, younger singles and couples, and empty nesters and retirees of all incomes represent the potential market for new and existing housing units in the West Central Indiana Region each year over the next five years.

The rents and price points for the market-rate component of new housing units that could be developed in the region are derived from the income and equity levels of potential renter and buyer households with annual incomes at or above 100 percent AMI, or from $46,700 or more for a single-person household to $66,700 or more for a four-person household. A total of 7,255 households comprise this segment of the market (2,695 households with preferences for rental units, 336 households with preferences to purchase condominiums, 678 households with preferences to purchase townhouses, and 3,546 households with preferences to purchase single-family detached houses).

Households with incomes between 80 and 100 percent of the AMI comprise the market for lower-cost adaptive re-use or renovated upper-floor market-rate rental housing units. These households have incomes ranging between $41,750 and $46,700 for a single-person household, to $59,600 and $66,700 for a four-person household. A total of 324 households comprise this segment of the rental market, although many two-person and family households even at 100 percent AMI can get priced out of comparable newly-constructed units, therefore can be included here.

Households with incomes between 60 and 80 percent of the AMI comprise the market for affordable rental housing units. These households have incomes ranging between $31,300 and $41,750 for a single-person household, to $44,700 and $59,600 for a four-person household. A total of 731 households comprise this segment of the rental market.

In general, households with annual incomes at or below 60 percent AMI qualify for either Section Eight vouchers or low-income housing tax-credit rental units, and their rents are usually limited to no more than 30 percent of their monthly incomes. At 30 percent AMI a single-person household has an annual income of $15,650, and makes $31,300 at 60 percent AMI. At 30 percent AMI a four-person household has an annual income of $27,750, and makes $44,700 at 60 percent AMI. New housing for this income group is therefore outside the scope of this analysis.

Because of the lack of programs designed to promote construction of ownership housing priced at levels affordable to households with incomes below 100 percent of the AMI, as well as the very high direct subsidies required for a significant number of those households to enable them to purchase new housing, unit pricing for ownership housing for households with incomes below 100 percent of the AMI has also not been included in this analysis.

The analysis that follows therefore covers the annual average 3,750 households with incomes above 60 percent of the AMI with preferences for new rental housing units and the annual average 4,560 households with incomes above 100 percent of the AMI with preferences for new condominiums, townhouses, and single-family detached houses in the West Central Indiana Region.

The resulting distribution of rental and for-sale housing types, based on the target household propensities, is shown on the following table (*see again* Table 1):

Average Annual Potential Market for Housing Units
The West Central Indiana Region

	.... HOUSEHOLDS	
HOUSING TYPE	NUMBER	PERCENT
Multi-family for-rent	3,750	45.1%
60% to 80% AMI	731	8.8%
80% to 100% AMI	324	3.9%
> 100% AMI	2,695	32.4%
Multi-family for-sale	336	4.0%
> 100% AMI	336	4.0%
Single-family attached for-sale	678	8.2%
> 100% AMI	678	8.2%
Single-family detached for-sale	3,546	42.7%
> 100% AMI	3,546	42.7%
Total	8,310	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

—Multi-Family Distribution by Rent Range—

The number of households able to afford the specified rent ranges detailed on the following table were determined by calculating a monthly rental payment excluding utilities and ranging between 25 and 30 percent of annual gross income. (Although it is quite possible that many households will pay up to 40 percent of their annual gross incomes in rent, HUD recommends that a tenant pay no more than 30 percent of gross income for rent *including* utilities.)

As noted above, an annual average of 3,750 households per year with incomes above 60 percent of the area median income represent the target markets for newly-constructed and adaptive re-use or renovated rental housing units within the West Central Indiana Region, yielding the rent distribution shown on the following table (*see also* Table 3 *following the text*):

Multi-Family For-Rent
Distribution by Rent Range
HOUSEHOLDS WITH ANNUAL INCOMES ABOVE 60% AMI
The West Central Indiana Region

RENT RANGE	YOUNGER (1-2 PERSONS) HOUSEHOLDS PER YEAR	FAMILY (3+ PERSONS) HOUSEHOLDS PER YEAR	OLDER (1-2 PERSONS) HOUSEHOLDS PER YEAR	PERCENTAGE
$750–$1,000	348	0	102	12.0%
$1,000–$1,250	365	98	200	17.7%
$1,250–$1,500	369	151	136	17.5%
$1,500–$1,750	297	219	86	16.0%
$1,750–$2,000	209	196	61	12.4%
$2,000–$2,250	118	165	41	8.6%
$2,250–$2,500	71	137	29	6.3%
$2,500–$2,750	48	97	15	4.3%
$2,750–$3,000	31	57	12	2.7%
$3,000 and up	15	61	16	2.5%
Total:	1,871	1,181	698	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

- The largest group of target renters are younger singles and couples, at 49.9 percent of the market. Approximately 15 percent have careers that provide them with the financial capacity to afford rents at or above $2,000 per month. Just under 47 percent of the younger singles and couples represent the market for units with rents between $1,250 and $2,000 per month, and 38.1 percent of the younger cohort would only be able to support rents between $750 and $1,250 per month.

- Traditional and non-traditional families represent 31.5 percent of the market for new rental units. Just under 44 percent of the family market have the financial capabilities to pay rents at or above $2,000 per month; just over 35 percent can support rents between $1,500 and $2,000 per month; and the remaining 21.1 percent can only afford rents between $1,000 and $1,500 per month.
- Empty nesters and retirees make up the remaining 18.6 percent of the market for new rental units within the West Central Indiana Region. Just 16 percent of the target empty nester and retiree market have the incomes that enable them to support rents above $2,000 per month. Approximately 40.5 percent represent the market for new units with rents between $1,250 and $2,000 per month. Another 43.3 percent can afford rents between $750 and $1,250 per month.

—Multi-Family Distribution by Price Range—

An annual average of 336 households with incomes above 100 percent of the area median income represent the target markets for newly-constructed for-sale multi-family housing units (condominiums) within the West Central Indiana Region (*as shown on* Table 4 *following the text*). Supportable price points have been determined by assuming a down payment of 10 percent, and a monthly mortgage payment, including taxes and insurance, that does not exceed 25 percent of gross income for each of the 336 households that represent the annual potential for-sale multi-family market, yielding the distribution shown on the table following this page.

New Multi-Family For-Sale
Distribution by Price Range
HOUSEHOLDS WITH ANNUAL INCOMES ABOVE 100% AMI
The West Central Indiana Region

PRICE RANGE	YOUNGER (1-2 PERSONS) HOUSEHOLDS PER YEAR	FAMILY (3+ PERSONS) HOUSEHOLDS PER YEAR	OLDER (1-2 PERSONS) HOUSEHOLDS PER YEAR	PERCENTAGE
$150,000–$175,000	27	0	21	13.3%
$175,000–$200,000	34	0	21	16.4%
$200,000–$225,000	25	21	14	17.8%
$225,000–$250,000	17	27	9	15.8%
$250,000–$275,000	12	21	6	11.6%
$275,000–$300,000	8	17	3	8.3%
$300,000–$325,000	5	13	5	6.8%
$325,000–$350,000	3	8	2	3.9%
$350,000 and up	2	10	5	5.1%
Total:	133	117	86	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

- Younger singles and couples comprise nearly 40 percent of the market for new for-sale multi-family units (condominiums) within the West Central Indiana Region. Just 7.5 percent of the younger singles and couples have the income and assets to purchase new condominiums with base prices over $300,000. Another 28 percent would be in the market for new units priced between $225,000 and $300,000, and the majority, 65 percent, can afford new condominiums with base prices between $150,000 and $225,000.
- Traditional and non-traditional families represent nearly 35 percent of the market for new condominiums in the West Central Indiana Region. An estimated 26.5 percent have the income and assets to purchase new condominiums priced over $300,000, 32 percent would be in the market for new condominiums with base prices between $250,000 and $300,000, and the remaining 41 percent could only afford units priced between $200,000 and $250,000.
- Empty nesters and retirees are the smallest market segment at 25.6 percent of the market for new condominiums. Fourteen percent of the empty nesters and retirees could afford new units priced over $300,000. Twenty-one percent would be in the market for new condominiums with base prices between $225,000 and $300,000 and the remaining 65 percent could only afford new condominiums priced between $150,000 and $225,000.

—Single-Family Attached Distribution by Price Range—

An annual average of 678 households with incomes above 100 percent of the area median income represent the target markets for newly-constructed for-sale single-family attached housing units (townhouses) within the West Central Indiana Region (*as shown on* Table 5 *following the text*). Again, supportable price points have been determined by assuming a down payment of 10 percent, and a monthly mortgage payment, including taxes and insurance, that does not exceed 25 percent of gross income for each of the 678 households that represent the annual potential for-sale single-family attached market, yielding the distribution shown on the following table:

New Single-Family Attached For-Sale
Distribution by Price Range
HOUSEHOLDS WITH ANNUAL INCOMES ABOVE 100% AMI
The West Central Indiana Region

PRICE RANGE	YOUNGER (1-2 PERSONS) HOUSEHOLDS PER YEAR	FAMILY (3+ PERSONS) HOUSEHOLDS PER YEAR	OLDER (1-2 PERSONS) HOUSEHOLDS PER YEAR	PERCENTAGE
$150,000–$175,000	40	0	15	8.1%
$175,000–$200,000	63	0	35	14.5%
$200,000–$225,000	50	40	33	18.1%
$225,000–$250,000	36	66	26	18.9%
$250,000–$275,000	25	51	21	14.3%
$275,000–$300,000	16	35	11	9.2%
$300,000–$325,000	8	25	10	6.3%
$325,000–$350,000	4	18	8	4.4%
$350,000 and up	1	25	16	6.2%
Total:	243	260	175	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

- Traditional and non-traditional families are the largest market segment at 38 percent of the market for new single-family attached units in the West Central Indiana Region. Just over 26 percent have the income and assets to purchase new townhouses priced over $300,000, and a third would be in the market for new townhouses with base prices between $250,000 and $300,000. The remaining 41 percent can afford new townhouses with base prices between $200,000 and $250,000.
- Younger singles and couples represent 36 percent of the market for new for-sale single-family attached units within the West Central Indiana Region. Only five percent of the

younger singles and couples have the income and assets to purchase new townhouses with base prices over $300,000. Another 32 percent would be in the market for new units priced between $225,000 and $300,000, and the clear majority, 63 percent, can only afford new townhouses with base prices between $150,000 and $225,000.

- Empty nesters and retirees are the smallest market segment at 26 percent of the market for new townhouses. Nineteen percent of the empty nesters and retirees could afford new units priced over $300,000. A third would be in the market for new townhouses with base prices between $225,000 and $300,000, and the remaining 47 percent could only afford new single-family attached units priced between $150,000 and $225,000.

—Single-Family Detached Distribution by Price Range—

An annual average of 3,546 households with incomes above 100 percent of the area median income represent the target markets for newly-constructed for-sale single-family detached housing units within the West Central Indiana Region (*as shown on* Table 6 *following the text*). Again, supportable price points have been determined by assuming a down payment of 10 percent, and a monthly mortgage payment, including taxes and insurance, that does not exceed 25 percent of gross income for each of the 3,546 households that represent the annual potential for-sale single-family detached market, yielding the distribution shown on the table following this page.

New Single-Family Detached For-Sale
Distribution by Price Range
HOUSEHOLDS WITH ANNUAL INCOMES ABOVE 100% AMI
The West Central Indiana Region

PRICE RANGE	YOUNGER (1-2 PERSONS) HOUSEHOLDS PER YEAR	FAMILY (3+ PERSONS) HOUSEHOLDS PER YEAR	OLDER (1-2 PERSONS) HOUSEHOLDS PER YEAR	PERCENTAGE
$150,000–$175,000	69	0	104	4.9%
$175,000–$200,000	117	0	156	7.7%
$200,000–$225,000	119	123	151	11.1%
$225,000–$250,000	97	218	133	12.6%
$250,000–$275,000	77	205	120	11.3%
$275,000–$300,000	72	178	114	10.3%
$300,000–$325,000	64	169	110	9.7%
$325,000–$350,000	51	166	97	8.8%
$350,000–$375,000	34	161	86	7.9%
$375,000–$400,000	28	121	74	6.3%
$400,000 and up	42	167	123	9.4%
Total:	770	1,508	1,268	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

- Traditional and non-traditional families are the largest market segment at 42.5 percent of the market for new single-family detached units. Just under 30 percent have the income and assets to purchase new detached houses priced over $350,000, and 47.6 percent would be in the market for new houses with base prices between $250,000 and $350,000. The remaining 22.6 percent can afford new units with base prices between $200,000 and $250,000.
- Empty nesters and retirees represent nearly 36 percent of the market for new detached houses. Twenty-two percent of the empty nesters and retirees could afford new units priced over $350,000. Nearly 35 percent would be in the market for new units with base prices between $250,000 and $350,000, and the remaining 43 percent could only afford new single-family detached units priced between $150,000 and $250,000.
- Younger singles and couples are the smallest market at 21.7 percent of the market for new detached units. Only 14 percent of the younger singles and couples have the income and assets to purchase new detached houses with base prices over $350,000. Slightly more than a third would be in the market for new units priced between $250,000 and $350,000, and 52 percent can only afford new houses with base prices between $150,000 and $250,000.

—INCOME-BASED RENTS AND PRICES: THE WEST CENTRAL INDIANA REGION—

What is the market currently able to pay to rent or purchase new dwelling units in the West Central Indiana Region?

Based on the tenure and housing preferences and financial capabilities of the target households above 60 percent AMI for renters and 100 percent AMI for buyers, then, the range of rents and prices for newly-developed residential units in the West Central Indiana Region that could be sustained by the consumer housing market is as follows (*see also* Table 7 *following the text*):

Income-Based Rents and Prices
The West Central Indiana Region

HOUSING TYPE	RENT/PRICE RANGE	SIZE RANGE	RENT/PRICE PER SQ. FT.
MULTI-FAMILY FOR-RENT—			
Apartments 60% to 80% AMI	\$800–\$1,450/month	450–1,300 sf	\$1.12–\$1.78 psf
Apartments Over Retail 80% AMI and up	\$925–\$1,575/month	450–1,100 sf	\$1.43–\$2.06 psf
Apartments 100% AMI and up	\$1,100–\$2,250/month	550–1,400 sf	\$1.61–\$2.00 psf
MULTI-FAMILY FOR-SALE—			
Condominiums 100% AMI and up	\$150,000–\$270,000	750–1,450 sf	\$186–\$200 psf
SINGLE-FAMILY ATTACHED FOR-SALE—			
Townhouses 100% AMI and up	\$185,000–\$285,000	1,050–1,700 sf	\$168–\$176 psf
SINGLE-FAMILY DETACHED FOR-SALE—			
Houses 100% AMI and up	\$295,000–\$400,000	1,750–2,600 sf	\$154–\$169 psf

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

Rents and prices are in year 2023 dollars, are exclusive of consumer options and upgrades, and cover a broad range of rents and prices for newly-developed housing units currently sustainable by the market in the West Central Indiana Region.

Since the average age of the region has been rising in recent years, along with the share of younger households declining, a key focus of regional development should be to retain or attract younger households by supporting market-rate rental development in the upper floors of existing buildings or new multi-family buildings in the regions' downtowns, or small "mansion" apartment buildings designed to blend seamlessly into single-family neighborhoods. Increasing the share of households in the region that are attractive to potential employers by building housing tailored to those household preferences is an important tactic in a successful economic development strategy.

Development of residential units on the upper floors of the buildings along the principle downtown streets in the dozens of small cities and towns throughout the West Central Indiana Region should be strongly encouraged and should continue until there are no buildings remaining with vacant upper floors.

Several American cities have held workshops or seminars to assist building owners with the process of residential conversion, which can be complicated even for skilled developers. Because these units are all adaptive re-use, they will be most attractive to the market as hard or soft lofts, with unit sizes comparable to those outlined in Table 7. Although the internal configuration of the existing buildings can have significant impact on the size of the units created, wherever possible, smaller units (at comparatively lower rents and prices) should be the goal.

If so desired, an upper-floor conversion pilot program could be established to accept applications for technical assistance from building owners. If possible, a development incentive could be offered in the form of grants based on the square footage of the upper floor spaces proposed for redevelopment or financing to building owners and developers undertaking such redevelopment. An on-staff or consulting architect could serve as an advisor to the developers of the first conversions.

An upper-floor conversion program would have multiple community benefits. These units are likely to attract households who would choose to live downtown if that option existed; these units are likely to provide more affordable housing options for younger singles and couples; the residents of the new downtown units will help revitalize the downtowns as there will be more people frequenting the downtown shopping, entertainment, dining, and amenities.

Developable parcels and/or publicly-owned land located in close proximity to the many downtowns located throughout the region should be identified as potential redevelopment sites. If large enough, they could provide a variety of housing types, including both rental and for-sale, thereby attracting a broader range of the potential market.

Both condominium and townhouse units should contain unit sizes on the smaller end of the spectrum (*as detailed on* Table 7). This serves two purposes: preserving access to affordable price points while maintaining margins for the developer, and meeting the needs of the market, for which many older households wishing to downsize and younger households making a first purchase cannot find suitable housing. Single-family detached housing, by contrast, should contain larger unit sizes in line with the newly-constructed houses on offer in the region so as to avoid conflict with the price points offered by townhouse and multi-family condominium units. It should be noted, as the regional population ages, many of these more spacious units will need to accommodate aging-accessible features such as grab bars, clearance for the turn radius of wheelchairs in first-floor bathrooms, as well as first-floor bedrooms and level or graded entryways.

—MARKET CAPTURE—

Based on 35 years' experience using the target market methodology in 47 states, Zimmerman/Volk Associates has developed and refined a capture rate methodology scaled to study area size and context. Zimmerman/Volk Associates has determined that, for a study area the size of the West Central Indiana Region, a capture rate of 20 to 25 percent of the annual average number of potential renters with incomes over 60 percent of the AMI over the next five years is supportable.

New for-sale multi-family apartments (condominiums) and single-family attached (townhouses) should also be able to achieve an annual capture of 20 to 25 percent of the annual average number of potential buyers of condominiums and townhouses with incomes over 100 percent of the AMI each year over the next five years.

New for-sale single-family detached houses should be able to achieve an annual capture of 10 to 15 percent of the annual average number of potential buyers with incomes over 100 percent of the AMI each year over the next five years.

Based on a 20 to 25 percent capture of the annual potential rental, condominium, and townhouse market, and a 10 to 15 percent capture of the annual potential market for new for-sale single-family houses, then, the West Central Indiana Region could potentially absorb between 1,308 and 1,724 new rental and for-sale housing units each year over the next five years, as shown on the table following this page.

Annual Capture of Market Potential
The West Central Indiana Region

HOUSING TYPE	NUMBER OF HOUSEHOLDS	CAPTURE RATE	NUMBER OF NEW UNITS
Multi-Family For-Rent	3,750	20 – 25%	750 – 938
Apartments 60% to 80% AMI	731		146 – 183
Apts. over Retail 80% AMI and up	1,781		356 – 445
Apartments 100% AMI and up	1,238		248 – 310
Multi-Family For-Sale 100% and up AMI	336	20 – 25%	67 – 84
Single-Family Attached For-Sale 100% and up AMI	678	20 – 25%	136 – 170
Single-Family Detached For-Sale 100% and up AMI	3,546	10 – 15%	355 – 532
Total	8,310		1,308 – 1,724

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

Over five years, and barring the occurrence of a housing or economic recession over the study period, the West Central Indiana Region could potentially absorb 3,750 to 4,690 new mixed-income rental units, 335 to 420 new condominiums, 680 to 850 new townhouses, and 1,775 to 2,660 new detached houses—a total of 6,540 to 8,620 new housing units.

Potential absorption by individual county in the region is detailed by housing type on Table 8, and has been calculated based on each county's share of the annual market potential in the seven-county region, and is summarized on the following table:

Absorption Forecasts by County
The West Central Indiana Region

COUNTY	ANNUAL AVERAGE ABSORPTION		
Clay	117	to	155
Montgomery	210	to	275
Parke	58	to	75
Putnam	171	to	226
Sullivan	75	to	99
Vermillion	66	to	87
Vigo	611	to	807
Total	1,308	to	1,724

SOURCE: Zimmerman/Volk Associates, Inc., 2023.

These capture rates are within the target market methodology's parameters of feasibility.

NOTE: Target market capture rates are a unique and highly-refined measure of feasibility. Target market capture rates are *not* equivalent to—and should not be confused with—penetration rates or traffic conversion rates.

The **target market capture rate** is derived by dividing the *annual* forecast absorption—in aggregate and by housing type—by the number of households that have the potential to purchase or rent new housing within a specified area *in a given year*.

The **penetration rate** is derived by dividing the *total* number of dwelling units planned for a property by the *total* number of draw area households, sometimes qualified by income.

The **traffic conversion rate** is derived by dividing the *total* number of buyers or renters by the *total* number of prospects that have visited a site.

Because the prospective market for a location is more precisely defined, target market capture rates are higher than the more grossly-derived penetration rates. However, the resulting higher capture rates are well within the range of prudent feasibility.

BUILDING AND UNIT TYPES

—MULTI-FAMILY BUILDINGS—

Appropriate multi-family building types in the West Central Indiana Region include:

- Mansion Apartment Building: A two- to three-story flexible-use structure with a street façade resembling a large detached or attached house (hence, "mansion"). The attached version of the mansion, typically built to a sidewalk on the front lot line, is most appropriate for downtown locations. The building can accommodate a variety of uses—from rental or for-sale apartments, professional offices, any of these uses over ground-floor retail, a bed and breakfast inn, or a large single-family detached house—and its physical structure complements other buildings within a neighborhood.

  Parking behind the mansion buildings can be either alley-loaded, or front-loaded served by shared drives.

  Mansion buildings should be strictly regulated in form, but flexible in use. However, flexibility in use is somewhat constrained by the handicapped accessibility regulations in both the Fair Housing Amendments Act and the Americans with Disabilities Act.

- Courtyard Apartment Building: In new construction, a pedestrian-oriented building of three or more stories, sometimes combined with non-residential uses on the ground floor, that encloses an interior space that provides parking on at least three sides. The building should be built to the sidewalk edge and, to provide privacy and a sense of security, the first floor should be elevated significantly above the sidewalk.

- Loft Apartment Building: Either adaptive re-use of older warehouse or manufacturing buildings or a new-construction building type inspired by those buildings. The new-construction version typically has double-loaded corridors.

- Mixed-Use Building: A pedestrian-oriented building, either attached or free-standing, with apartments and/or offices over flexible ground floor uses that can range from retail to office to residential.

- Housing over Retail: Adaptive re-use of vacant or under-utilized upper floors in main street buildings. Units can be configured as apartment flats with completely-partitioned rooms, as "soft lofts" with open floorplans but with sleeping areas partitioned from the main living area, or as "hard lofts" with open floorplans with only bathrooms completely partitioned. Either loft type would contain exposed systems, such as hvac ductwork and sprinkler piping, and structural elements such as brick walls. Parking should be provided behind the building. Units are usually leased, as an ownership structure, either as condominiums or cooperatives, would be unduly complex for relatively small structures.

—MULTI-FAMILY UNIT TYPES—

- Soft Lofts: Unit interiors typically have high ceilings, are fully finished and partitioned into individual rooms. Units may also contain architectural elements reminiscent of hard lofts, such as exposed ceiling beams and ductwork, concrete floors, and industrial finishes, particularly if the building is an adaptive re-use of an existing industrial structure.

- Apartments: More conventionally-finished single-level units, typically with completely-partitioned rooms. Finishes and fixtures—trim, interior doors, kitchens and baths are often fitted out with higher-end finishes and fixtures than in lofts.

- Apartments Above Retail: Adaptive re-use of vacant or under-utilized upper floors in main street buildings. Units can be configured as apartment flats with completely-partitioned rooms, as "soft lofts" with open floorplans but with sleeping areas partitioned from the main living area, or as "hard lofts" with open floorplans with only bathrooms completely partitioned. Either loft type would contain exposed systems, such as HVAC ductwork and sprinkler piping, and structural elements such as brick walls. Parking should be provided behind the building.

—SINGLE-FAMILY ATTACHED—

- Rowhouses/Townhouses: These single-family units can take various forms, but are always attached side-to-side. Garages—either attached, tucked under, or detached—are ideally located to the rear of the unit and accessed from a rear lane, alley, or auto court. In certain in-town, downtown, or center-city contexts, rowhouses/townhouses conform to the pattern of streets, with shallow front-yard setbacks. In these cases, to provide privacy and a sense of security, the first floor should be elevated significantly above the sidewalk. The rowhouse, as distinct from the townhouse, typically has a uniform front façade and cornice height.

- Semi-Detached House: (also twins, "paired homes") A two-unit building with the garages—either attached or detached—ideally located to the rear of the lot and accessed from a rear lane, alley or auto court. Semi-detached houses in walkable neighborhoods conform to the pattern of streets, typically with shallow front-yard setbacks. They work particularly well in corner locations with each unit facing a different street. Like end-unit townhouses, semi-detached houses are particularly well-suited to accommodating ground-floor master bedroom suites, matching the preferences of the older couples among the potential market for attached single-family (townhouse/duplex) units.

—SINGLE-FAMILY DETACHED—

- Cottage/Bungalow: A relatively small one- or one-and-a-half-story single-family detached house on a small lot. As distinct from the cottage, a bungalow always includes a large porch, usually spanning the full width of the front façade.

- House: A one-and-a-half- or two-story single-family detached unit, which in more urban locations is sited relatively close to the street. The structure can be disposed on a narrow lot as a sideyard house, with one side wall of the unit having no setback from the lot line. (An equivalent alternative has conventional sideyard setbacks, but combines adjoining sideyards through use easements.) Parking can be in attached or detached garages, and should be located at the rear of the lot at least 20 feet from the front façade in an urban context. Parking must be accessed from a rear lane, alley or auto court on lots narrower than 50 feet.

Table 1

Annual Market Potential For New And Existing Housing Units

Distribution Of Annual Average Number Of Draw Area Households With The Potential
To Move Within/To The West Central Region Each Year Over The Next Five Years
Based On Housing Preferences And Income Levels

The West Central Indiana Region

Clay, Montgomery, Parke, Putnam, Sullivan, Vermillion, and Vigo Counties, Indiana

Clay, Montgomery, Parke, Putnam, Sullivan, Vermillion, and Vigo Counties, Indiana; Marion, Hendricks, Tippecanoe, Greene, Owen, and Fountain Counties, Indiana; Balance of U.S.
Draw Areas

Annual Number Of Target Market Households With Potential To Rent/Purchase Within The West Central Indiana Region	15,805

Annual Market Potential

	Below 30% AMI	*30% to 60% AMI*	*60% to 80% AMI*	*80% to 100% AMI*	*Above 100% AMI*	*Subtotal*
Multi-Family For-Rent:	1,414	1,214	731	324	2,695	**6,378**
Multi-Family For-Sale:	136	122	77	31	336	**702**
Single-Family Attached For-Sale:	298	267	168	73	678	**1,484**
Single-Family Detached For-Sale:	1,292	1,217	814	372	3,546	**7,241**
Total:	**3,140**	**2,820**	**1,790**	**800**	**7,255**	**15,805**
Percent:	**19.9%**	**17.8%**	**11.3%**	**5.1%**	**45.9%**	**100.0%**

Note: For fiscal year 2022, the lowest Median Family Income for a county within the region was Parke County, IN at $66,700 for a family of four.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Table 2

Annual Market Potential By Lifestage And Income Range

Derived From Purchase And Rental Propensities Of Draw Area Households With The Potential
To Move Within/To The West Central Region Each Year Over The Next Five Years
Based On Housing Preferences And Income Levels

The West Central Indiana Region

Clay, Montgomery, Parke, Putnam, Sullivan, Vermillion, and Vigo Counties, Indiana

	Total	*Below 30% AMI*	*30% to 60% AMI*	*60% to 80% AMI*	*80% to 100% AMI*	*Above 100% AMI*
Number of Households:	**15,805**	**3,140**	**2,820**	**1,790**	**800**	**7,255**
Empty Nesters & Retirees	25.0%	19.9%	24.1%	23.1%	23.0%	28.4%
Traditional & Non-Traditional Families	35.9%	36.0%	30.0%	37.2%	36.4%	37.7%
Younger Singles & Couples	39.1%	44.1%	45.9%	39.7%	40.6%	33.9%
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Note: For fiscal year 2022, the lowest Median Family Income for a county within the region was Parke County, IN at $66,700 for a family of four.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Table 3

Target Groups For Multi-Family For Rent
The West Central Indiana Region

Clay, Montgomery, Parke, Putnam, Sullivan, Vermillion, and Vigo Counties, Indiana

	. . . . . Number of Households						
	0% to 30% AMI†	*30% to 60% AMI†*	*60% to 80% AMI†*	*80% to 100% AMI†*	*Above 100% AMI†*	*Total*	*Percent of Total*
Empty Nesters & Retirees**							
Subtotal:	201	204	119	50	529	1,103	17.3%
	18.2%	18.5%	10.8%	4.5%	48.0%	100.0%	
Traditional & Non-Traditional Families††							
Subtotal:	427	307	231	100	850	1,915	30.0%
	22.3%	16.0%	12.1%	5.2%	44.4%	100.0%	
Younger Singles & Couples**							
Subtotal:	786	703	381	174	1,316	3,360	52.7%
	23.4%	20.9%	11.3%	5.2%	39.2%	100.0%	
Total Households:	**1,414**	**1,214**	**731**	**324**	**2,695**	**6,378**	**100.0%**
Percent of Total:	**22.2%**	**19.0%**	**11.5%**	**5.1%**	**42.2%**	**100.0%**	

† For fiscal year 2022, the lowest Median Family Income for a county within the region was Parke County, IN at $66,700 for a family of four.

** Predominantly one- and two-person households.

†† Predominantly three- to five-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Table 4

Target Groups For Multi-Family For Sale
The West Central Indiana Region
Clay, Montgomery, Parke, Putnam, Sullivan, Vermillion, and Vigo Counties, Indiana

. . . . . Number of Households . . . . .

	0% to 30% AMI†	*30% to 60% AMI†*	*60% to 80% AMI†*	*80% to 100% AMI†*	*Above 100% AMI†*	*Total*	*Percent of Total*
Empty Nesters & Retirees**							
Subtotal:	26	27	15	6	86	160	22.8%
	16.2%	16.9%	9.4%	3.8%	53.7%	100.0%	
Traditional & Non-Traditional Families††							
Subtotal:	46	35	27	11	117	236	33.6%
	19.5%	14.8%	11.4%	4.7%	49.6%	100.0%	
Younger Singles & Couples**							
Subtotal:	64	60	35	14	133	306	43.6%
	20.9%	19.6%	11.4%	4.6%	43.5%	100.0%	
Total Households:	**136**	**122**	**77**	**31**	**336**	**702**	**100.0%**
Percent of Total:	**19.4%**	**17.4%**	**11.0%**	**4.4%**	**47.8%**	**100.0%**	

† For fiscal year 2022, the lowest Median Family Income for a county within the region was Parke County, IN at $66,700 for a family of four.

** Predominantly one- and two-person households.

†† Predominantly three -to five-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Table 5

Target Groups For Single-Family Attached For Sale
The West Central Indiana Region

Clay, Montgomery, Parke, Putnam, Sullivan, Vermillion, and Vigo Counties, Indiana

	..... *Number of Households*						
Empty Nesters & Retirees**	*0% to 30% AMI†*	*30% to 60% AMI†*	*60% to 80% AMI†*	*80% to 100% AMI†*	*Above 100% AMI†*	*Total*	*Percent of Total*
Subtotal:	53	58	36	16	175	338	22.8%
	15.7%	17.2%	10.6%	4.7%	51.8%	100.0%	
Traditional & Non-Traditional Families††							
Subtotal:	108	80	63	25	260	536	36.1%
	20.1%	14.9%	11.8%	4.7%	48.5%	100.0%	
Younger Singles & Couples**							
Subtotal:	137	129	69	32	243	610	41.1%
	22.5%	21.2%	11.3%	5.2%	39.8%	100.0%	
Total Households:	**298**	**267**	**168**	**73**	**678**	**1,484**	**100.0%**
Percent of Total:	**20.1%**	**18.0%**	**11.3%**	**4.9%**	**45.7%**	**100.0%**	

† For fiscal year 2022, the lowest Median Family Income for a county within the region was Parke County, IN at $66,700 for a family of four.

** Predominantly one- and two-person households.

†† Predominantly three -to five-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Table 6

Target Groups For Single-Family Detached For Sale
The West Central Indiana Region

Clay, Montgomery, Parke, Putnam, Sullivan, Vermillion, and Vigo Counties, Indiana

. . . . . Number of Households . . . . .

Empty Nesters & Retirees**	*0% to 30% AMI†*	*30% to 60% AMI†*	*60% to 80% AMI†*	*80% to 100% AMI†*	*Above 100% AMI†*	*Total*	*Percent of Total*
Subtotal:	346	390	243	112	1,268	2,359	32.6%
	14.7%	16.5%	10.3%	4.7%	53.8%	100.0%	
Traditional & Non-Traditional Families††							
Subtotal:	549	426	345	155	1,508	2,983	41.2%
	18.4%	14.3%	11.6%	5.2%	50.5%	100.0%	
Younger Singles & Couples**							
Subtotal:	397	401	226	105	770	1,899	26.2%
	20.9%	21.1%	11.9%	5.5%	40.6%	100.0%	
Total Households:	**1,292**	**1,217**	**814**	**372**	**3,546**	**7,241**	**100.0%**
Percent of Total:	**17.9%**	**16.8%**	**11.2%**	**5.1%**	**49.0%**	**100.0%**	

† For fiscal year 2022, the lowest Median Family Income for a county within the region was Parke County, IN at $66,700 for a family of four.

** Predominantly one- and two-person households.

†† Predominantly three -to five-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Income-Based Rents and Prices
The West Central Indiana Region
Clay, Montgomery, Parke, Putnam, Sullivan, Vermillion, and Vigo Counties, Indiana
May, 2023

Percent of Households Number	*Housing Type*	*Unit Configuration*	*Base Rent/Price Range**	*Base Unit Size Range*	*Base Rent/Price Per Sq. Ft.**	*Annual Market Capture*
45.1%	**Multi-Family For Rent**					**750 to 938**
731	Apartments					146 to 183
	(HHs With Incomes from 60 to 80% AMI)	Studio/1ba	$800 to $850	450 to 500	$1.70 to $1.78	
		1br/1ba	$950 to $1,000	600 to 650	$1.54 to $1.58	
		2br/1ba	$1,150 to $1,250	800 to 900	$1.39 to $1.44	
		3br/1.5ba	$1,350 to $1,450	1,100 to 1,300	$1.12 to $1.23	
1,781	Apartments Over Retail					356 to 445
	(HHs With Incomes above 80% AMI)	Studio/1ba	$925 to $975	450 to 500	$1.95 to $2.06	
		1br/1ba	$1,025 to $1,175	600 to 700	$1.68 to $1.71	
		2br/1ba	$1,325 to $1,425	850 to 950	$1.50 to $1.56	
		2br/2ba	$1,500 to $1,575	1,050 to 1,100	$1.43 to $1.43	
1,238	Apartments					248 to 310
	(HHs With Incomes above 100% AMI)	Studio/1ba	$1,100 to $1,150	550 to 600	$1.92 to $2.00	
		1br/1ba	$1,350 to $1,450	700 to 800	$1.81 to $1.93	
		2br/2ba	$1,700 to $1,800	950 to 1,050	$1.71 to $1.79	
		3br/2ba	$1,950 to $2,250	1,150 to 1,400	$1.61 to $1.70	

NOTE: For fiscal year 2022, the lowest Median Family Income for a county within the region was Parke County, IN at $66,700 for a family of four.

NOTE: Base rents/prices in year 2023 dollars and exclude floor, view premiums, options, or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

Income-Based Rents and Prices
The West Central Indiana Region
Clay, Montgomery, Parke, Putnam, Sullivan, Vermillion, and Vigo Counties, Indiana
May, 2023

Percent of Households Number	*Housing Type*	*Unit Configuration*	*Base Rent/Price Range**	*Base Unit Size Range*	*Base Rent/Price Per Sq. Ft.**	*Annual Market Capture*
4.0%	**Multi-Family For-Sale**					**67 to 84**
336	Condominiums					
	(HHs With Incomes above 100% AMI)	1br/1ba	$150,000 to $175,000	750 to 900	$194 to $200	
		2br/1.5ba	$195,000 to $220,000	1,000 to 1,150	$191 to $195	
		3br/2ba	$250,000 to $270,000	1,300 to 1,450	$186 to $192	
8.2%	**Single-Family Attached For-Sale**					**136 to 170**
678	Townhouses					
	(HHs With Incomes above 100% AMI)	2br/1.5ba	$185,000 to $190,000	1,050 to 1,100	$173 to $176	
		2br/2.5ba	$205,000 to $220,000	1,200 to 1,300	$169 to $171	
		2br/2.5ba/study	$230,000 to $245,000	1,350 to 1,450	$169 to $170	
		3br/2.5ba	$255,000 to $285,000	1,500 to 1,700	$168 to $170	

NOTE: For fiscal year 2022, the lowest Median Family Income for a county within the region was Parke County, IN at $66,700 for a family of four.

NOTE: Base rents/prices in year 2023 dollars and exclude floor, view premiums, options, or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

Income-Based Rents and Prices

The West Central Indiana Region

Clay, Montgomery, Parke, Putnam, Sullivan, Vermillion, and Vigo Counties, Indiana

May, 2023

Percent of Households Number	*Housing Type*	*Unit Configuration*	*Base Rent/Price Range**	*Base Unit Size Range*	*Base Rent/Price Per Sq. Ft.**	*Annual Market Capture*
42.7%	**Single-Family Detached For-Sale**					**355 to 532**
3,546	Houses					
	(HHs With Incomes above 100% AMI)	2br/2.5ba	$295,000 to $300,000	1,750 to 1,800	$167 to $169	
		3br/2ba	$315,000 to $325,000	1,900 to 2,000	$163 to $166	
		3br/2.5ba	$350,000 to $365,000	2,150 to 2,300	$159 to $163	
		4br/2.5ba	$380,000 to $400,000	2,400 to 2,600	$154 to $158	
100.0%						
8,310	**Target Households**					**1,308 to 1,724** per year

NOTE: For fiscal year 2022, the lowest Median Family Income for a county within the region was Parke County, IN at $66,700 for a family of four.

NOTE: Base rents/prices in year 2023 dollars and exclude floor, view premiums, options, or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

Table 8

Absorption Forecasts by County

The West Central Indiana Region

May, 2019

County	*Percentage of Total **	*Rentals 20% Capture*		*Rentals 25% Capture*	*Multi-Family Condominiums 20% Capture*		*Multi-Family Condominiums 25% Capture*	*Single-Family Townhouses 20% Capture*		*Single-Family Townhouses 25% Capture*	*Single-Family Detached 10% Capture*		*Single-Family Detached 15% Capture*
Clay	9.0%	67	to	84	6	to	8	12	to	15	32	to	48
Montgomery	16.0%	120	to	150	11	to	13	22	to	27	57	to	85
Parke	4.4%	33	to	41	3	to	4	6	to	7	16	to	23
Putnam	13.1%	98	to	123	9	to	11	18	to	22	46	to	70
Sullivan	5.7%	43	to	54	4	to	5	8	to	10	20	to	30
Vermillion	5.0%	38	to	47	3	to	4	7	to	9	18	to	27
Vigo	46.8%	351	to	439	31	to	39	63	to	80	166	to	249
	100.0%	750	to	938	67	to	84	136	to	170	355	to	532
		dwelling units			dwelling units			dwelling units			dwelling units		

County	*Annual Average Absorption*		
Clay	117	to	155
Montgomery	210	to	275
Parke	58	to	75
Putnam	171	to	226
Sullivan	75	to	99
Vermillion	66	to	87
Vigo	611	to	807
Total	1,308	to	1,724
	dwelling units		

* Percentage of Total Annual Market Potential

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

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Residential Market Analysis Across the Urban-to-Rural Transect

ASSUMPTIONS AND LIMITATIONS—

Every effort has been made to insure the accuracy of the data contained within this analysis. Demographic and economic estimates and projections have been obtained from government agencies at the national, state, and county levels. Market information has been obtained from sources presumed to be reliable, including developers, owners, and/or sales agents. However, this information cannot be warranted by Zimmerman/Volk Associates, Inc. While the proprietary residential target market methodology™ employed in this analysis allows for a margin of error in base data, it is assumed that the market data and government estimates and projections are substantially accurate.

Absorption scenarios are based upon the assumption that a normal economic environment will prevail in a relatively steady state during development of the subject property. Absorption paces are likely to be slower during recessionary periods and faster during periods of recovery and high growth. Absorption scenarios are also predicated on the assumption that the product recommendations will be implemented generally as outlined in this report and that the developer will apply high-caliber design, construction, marketing, and management techniques to the development of the property.

Recommendations are subject to compliance with all applicable regulations. Relevant accounting, tax, and legal matters should be substantiated by appropriate counsel.

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