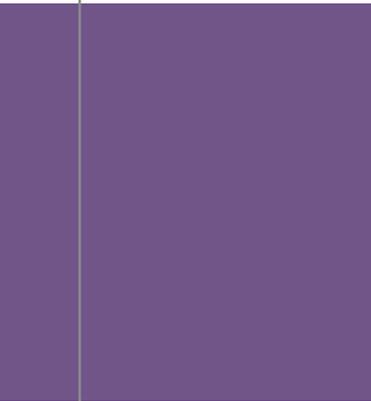
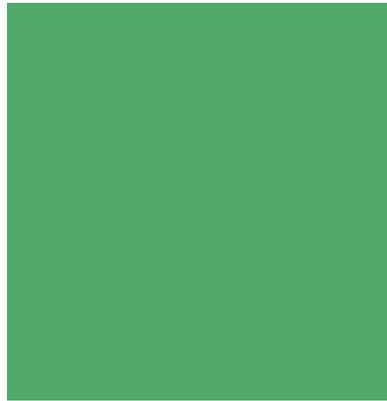




CENTRAL INDIANA HOUSING STUDY

INDIANAPOLIS METROPOLITAN PLANNING ORGANIZATION





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Boone County	Indianapolis Urban League
Boone County Economic Development	Indy Black Chamber of Commerce
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City of Carmel	Kittle Property Group
City of Fishers	Lennar Homes
City of Franklin	Town of McCordsville
City of Greenfield	M/I Homes
City of Greenwood	Merchants Affordable Housing
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City of Noblesville	Morgan County
City of Southport	Onyx + East
City of Westfield	PNC Bank
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Englewood Community Development Corporation	Red Carpet Living Properties
Fair Housing Center of Central Indiana	Shelby County
Firefly Children and Family Alliance	Shelby Senior Services
Flaherty & Collins Properties	Tangram
Gradison Design Build	Town of Avon
Hamilton County	Town of Bargersville
Hamilton County Area Neighborhood Development (HAND)	Town of Bargersville
Hancock County	Town of Brooklyn
Hancock County Economic Development Corporation	Town of Brownsburg
Health by Design	Town of Cicero
Hendricks County	Town of Cumberland
Herd Strategies	Town of Danville
IFF Indianapolis	Town of Mooresville
Indiana Economic Development Corporation (IEDC)	Town of New Palestine
Indiana Housing and Community Development Authority (IHCA)	Town of New Whiteland
	Town of Pittsboro
	Town of Plainfield
	Town of Speedway
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Introduction and Overview of the Project

INTRODUCTION

Central Indiana has long had a reputation for housing affordability, a characteristic that it proudly advertises as one of the key components to a higher quality of life relative to other markets in the United States. One could pay a small fortune in mortgage or rent in other areas – in many cases far exceeding spending the typically recommended 30% of income on housing – or you could live in Indiana, leaving behind the budget crunch that those housing prices cause. Increasingly, however, Central Indiana finds itself in a new reality. While housing affordability for the lowest-income groups has been a concern for decades more and more middle-income, and even high-income, households are finding themselves struggling to keep pace with rising housing prices.

Between 2020 and 2022, the median sales prices of single-family homes increased an average of 31.6% across all IMPO counties. Rent prices increased by an average of 21.2% over that same time period. Meanwhile wages rose by only 8.8% on average. Official numbers for 2023 haven't been finalized, but housing prices have continued to rise even as sales volume has dropped.

Higher interest rates are often pointed to as the primary driver behind the seemingly sudden crunch in local housing affordability – a transitory phenomenon that is entirely out of the hands of anyone other than the Federal Reserve and is assumed will ease in time. However, as this study will make clear, interest rates are just an aggravating issue to a pre-existing problem with a myriad of contributing factors.

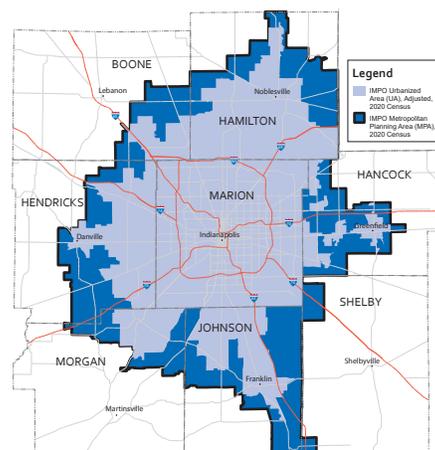
The Central Indiana Housing Study (CIHS) provides a current and comprehensive regional understanding of housing. Multiple municipalities within the Indianapolis Metropolitan Planning Organization's (IMPO) planning area have completed their own housing study assessments, and various public policy and housing organizations have conducted studies looking at housing for certain sectors of the

population (e.g. low-income households) or focusing on a smaller geographic scope (e.g. a singular county). This housing study assesses housing across all income groups, for renters and home-buyers, across the 8-county Central Indiana region (Marion County and the surrounding counties excluding Madison County). It examines gaps in the markets, identifies contributing factors, and provides a toolkit of policy solutions that can be used as a starting point to address identified issues.

ABOUT THE IMPO AND HOUSING STUDY PROCESS

Who the IMPO Is and Intent of the Study

The Indianapolis Metropolitan Planning Organization (IMPO) is a regional planning organization for Central Indiana, covering 1,468 square miles, 42 jurisdictions, and approximately 1.78 million residents. Originally founded to organize transportation planning and distribute certain federal funds, a 2018 strategic planning process identified a need for a regional coordinating planning entity that went beyond transportation. Since that time the IMPO has expanded to other subject matter including economic development, traffic safety, sustainability, and – now – housing. Due to limitations on what type of data is available at the census tract vs county level the Central Indiana Housing Study covers not only its current planning area, but the entirety of the 8 counties it overlaps with. This also allows for seamless updates far into the future as IMPO boundaries and membership is updated.



The IMPO works through four core pillars to help our members throughout the region:

1. Convene: Bring experts and community members together
2. Inform: Provide reliable data to support planning and policy-making
3. Plan: Create and adopt plans and track their implementation
4. Fund: Fund regionally-significant transportation projects

The CIHS is predominantly part of the “Inform” pillar and recognizes that each city and town within the IMPO’s boundaries possesses their own Comprehensive Plan which guides their vision and development, and a system of city planners, planning commissioners, and other officials which ultimately make decisions about development in their communities. The Central Indiana Housing Study does not dictate what each community should do regarding housing, but instead seeks to provide information to aid in Central Indiana’s continued growth and vibrancy.

The IMPO intends to continue work in the housing sphere primarily through the Inform and Convene pillars – that is expanding on the information provided in the CIHS, and by bringing together stakeholders to work on these issues collectively. Additional information on this is provided in the “Solutions to the Housing Crisis” section of this summary.

[Project Timeline, Plan Components, and Engagement](#)

The Central Indiana Housing Study launched in January 2023 and took place throughout the rest of 2023, with the full document released for public comment in January 2024.

			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
	Task 1	Project management and coordination													
	Task 2	Engagement													
Phase 1	Task 3	Housing plan and policy review													
	Task 4	Socioeconomic profile													
	Task 5	Housing conditions assessment													
Phase 2	Task 6	Housing gap analysis and demand summary													
	Task 7	Gap contributing factors and sensitivity analysis													
	Task 8	Investor-owned housing analysis													
Phase 3	Task 9	Housing strategies and toolkit													
	Task 10	Training program development													
	Task 11	Deliverable													

The main deliverables of the full CIHS can be loosely grouped into the following “Phases”:

Phase 1: Laying the groundwork – Provides foundational information that’s important in providing regional context.

- Housing plan and policy review: Reviews previous housing studies from around the region, as well as providing a list of state level housing legislation from the past ten years.
- Socioeconomic profile of the region: Examines demographic patterns, employment and incomes, population mobility, and more.
- Housing conditions assessment: Compiles analysis of housing market conditions across the region to inform the supply-side perspective of the CIHS, includes development patterns and current housing costs.

Phase 2: Identifying the problem – Provides an assessment of the current issues the Central Indiana region is facing in housing, and what factors motivate it.

- Housing gap analysis and demand summary: An analysis of housing and household characteristics with growth projections and market preference assessments to identify gaps in the current housing supply.
- Contributing factors assessment: Compiles contributing factors local stakeholders have identified as particularly impactful.
- Investor-owned housing analysis: Investigates the amount and impact of investor-owned housing on housing prices and code violations.

Phase 3: Next steps – Provides a toolkit of various policy options intended to help address the problems identified in Phase 2 and provide potential next steps the IMPO can take following the conclusion of the study.

- Housing strategies toolkit and next steps: Provides a variety of tools and housing strategies that can be pursued to address the identified issues. It also provides next steps that the IMPO can take in continuing this effort.
- Training program development: a curriculum for citizen planners, LEDOs, and others focused on understanding housing dynamics, diagnosing issues, and creating solutions. The material will be designed to supplement or even stand in for the IMPO as an educational resource for member communities and other regional stakeholders.

Engagement for the study took place throughout the entire process in the form of stakeholder conversations, through the Steering Committee, and through two open houses and a speaker event.

Six different Steering Committee Meetings took place, during which participants provided feedback and direction of the Housing Study process. Participants on the Steering Committee included membership staff, for-profit housing developers, non-profit housing developers, advocacy groups, and trade association representatives.



Image: Steering Committee Meeting and Presentation

Stakeholder conversations were scheduled with a variety of organizations serving various groups and purposes, including: non-profit developers, funders, and local CDCs (community development corporations) involved in housing; for-profit developers for both single-family and multifamily; economic development professionals; housing advocates; transportation professionals; organizations representing the immigrant community, seniors, people with disabilities, and the Black community; and community center representatives.

Three meetings were set for municipal staff representing a significant portion of the IMPO's membership. One at the beginning of the process to record thoughts, concerns and other observations on housing; one at the halfway point to provide a check-in regarding progress, and one at the conclusion of the study.

Engagement with the broader public was conducted via two different open houses, and an IMPO Speaker Event that focused on housing. During the speaker event economist Ali Wolf offered a big picture perspective on housing in the U.S., as well as insight into how the housing market has evolved and what we can learn by looking at peer cities across the nation.

of research and analysis, and steering committee feedback. The Vision Statement and Goals of the study inform the housing toolkit and the IMPO's work moving forward in housing.

Vision statement:

The Indianapolis Metropolitan Planning Organization (IMPO) Central Indiana Housing Study seeks to foster communication and support the development of a more equitable, accessible, attainable, and connected housing supply for current and future residents of the Central Indiana region.

Goals:

1. Establish a shared understanding of the history and current state of housing in Central Indiana.
2. Introduce a regional housing strategy that connects communities and promotes equity.
3. Provide context and guidance for the public and government leaders to inform public decision-making on housing issues and policy.
4. Support collaboration and policy change at the local and regional levels in promoting the vision.
5. Support the creation of the full continuum of housing types and attainability across the region.



LOCAL HOUSING PLAN AND POLICY REVIEW

Overview

This Local Housing Plan and Policy Review catalogs the housing-related analysis, planning, and policy work that has been done in the Central Indiana region in recent years. This review provides important context for the Regional Housing Study and can serve as a reference to potential resources and partnership opportunities around the region that can help the IMPO and others build ongoing momentum toward achieving this study's goals after the report is complete and implementation has begun.

The Local Housing Plan and Policy Review covers the following:

- Regional planning reports:
 - Central Indiana Comprehensive Economic Development Strategy (CEDS) - IMPO, 2022
 - Housing Resource Guide – Indiana Association of Realtors, Accelerate Indiana Municipalities (AIM), 2022
 - Indiana Metropolitan Area Housing Affordability Report – Common Sense Institute, 2023
 - Housing Task Force – Indiana General Assembly, 2022
- A Deep Dive into Affordable Rental Housing - SAVI, 2022
- Community Preference Survey – MIBOR REALTOR Association, IMPO, 2018 & 2022
- The State of Fair Housing in Indiana Report – Fair Housing Center of Central Indiana, 2022
- Local housing studies:
 - Housing Needs Analysis and Strategy – City of Fishers, 2022
 - Housing Study – Town of Plainfield, 2019
 - Housing for All – Noblesville Housing Authority, Hamilton Area Neighborhood Development (HAND), Westfield Washington Township, 2023
 - Neighborhood Investment Strategy – City of Indianapolis, 2017
 - Gateway Area Study – Town of Zionsville, 2021
 - Boone Housing Study & Utility Needs Analysis, anticipated publication 2024
 - Architectural design standards – City of Greenfield, 2022
- Local comprehensive plans overview
- Recent State Legislation

Regional Planning Reports

CENTRAL INDIANA COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) | IMPO – 2022

The CEDS plan was developed to guide the region's economic development activities and priorities over the next 5 years. The plan includes a wide sweep of perspectives, goals, and strategies reflecting the region's myriad opportunities and challenges as well as its broad network of stakeholders and resources positioned to support.

Housing is identified as an important component of the CEDS "Place" goal: Establish an attractive and welcoming environment for residents and tourists through a holistic approach to quality-of-place initiatives that draws on cross-sector partnerships.

The plan includes the following strategies related to housing policy:

- 3.3. Expand and preserve a full range of housing options (owner and rental), including attainable workforce housing and transit-oriented development (TOD).
 - 3.3.1. Leverage the American Rescue Plan Act and other near-term funding sources to invest in attainable housing and diversify the housing stock.
 - Share lessons learned and initiatives across the region regarding local plans to increase housing, including multifamily categories.
 - Preserve and maintain existing affordable housing by increasing access to home improvement grants and weatherization programs.
 - 3.3.2. Implement area plans for the IMPO's Regional Activity Centers to concentrate future housing growth in appropriate areas.
 - Ensure new housing developments have adequate connectivity to job centers through shared mobility systems and nonmotorized routes.
 - 3.3.3. Explore zoning policy changes to reduce barriers to housing development.

- 3.3.4. Identify municipal/county-controlled land in urban areas for residential housing units as well as in-fill opportunities, especially in downtown Indianapolis.
- 3.3.5. Advance community land trusts as a mechanism for long-term housing affordability

The CEDS plan includes a SWOT analysis of the region's economic position, including the following housing-related observations:

- Strengths
 - Relatively affordable (when compared to Chicago/Coasts)
 - Quality of life
- Weaknesses
 - Aging population
 - Long commute averages
 - Lack of multifamily housing
 - Stagnant growth in parts of the region
- Opportunities
 - Remote workers and talent attraction
 - Urban infill development
 - Transit-oriented development
 - Inclusive and equitable growth initiatives
 - Rural and suburban development
- Threats
 - Rising housing costs
 - Exclusionary zoning and development practices
 - Low-wage jobs
 - Racism and racial inequality



HOUSING RESOURCE GUIDE
INDIANA ASSOCIATION OF REALTORS |
ACCELERATE INDIANA MUNICIPALITIES
(AIM) - 2022

This report inventories a range of incentives, financing resources, and state and federal programs available to help municipalities and their economic development partners expand access to housing and anticipate demand.

The guide categorizes these resources as follows, including detailed descriptions of each program or resource:

Achieving homeownership

- First-time homebuyer assistance programs
 - IHEDA First Place Program (FP)
 - IHEDA Next Home Program (NH)
 - Mortgage Credit Certificate (MCC)
- Homeowner financial literacy program
 - Preferred banking relationships through CRA partnerships
 - INHP home value guarantee
 - IHEDA Individual Development Accounts (IDA)
 - Homeownership Financial Literacy Council (HOFLC)
 - Homeowner Repair Assistance
 - Down Payment Assistance
 - Federal & state tax credits for homeowners
 - Affordable and Workforce Housing Credit
 - Historic Rehabilitation Tax Credits
 - Over 65 Property Tax Deduction
 - Federal Low-Income Housing Tax Credit
 - Tax Abatements

Fair Housing Act

- Fair Housing Advocates and Resources
- HUD and the Indiana Civil Rights Commission
- Types of Complaints Investigated by FHEO

Promoting Affordable Housing

- Planning and zoning

- The Plan Commission
- The Comprehensive Plan
- The Zoning Ordinance
- The Board of Zoning Appeals

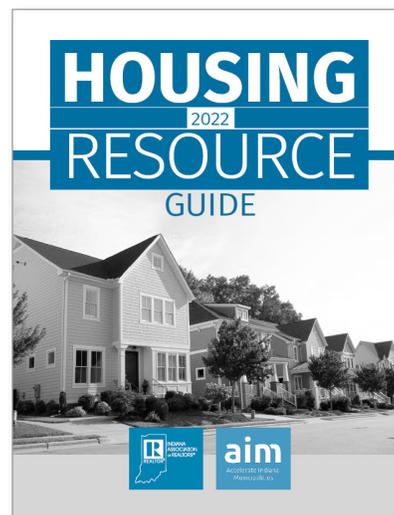
- Tools Available at the Local Level

Tax Increment Financing (TIF)

- Housing TIF Allocation Areas and Single-Family Residential Housing TIF
- Land Banks
- Flood Control Mechanisms
- Working With State Agencies
 - Indiana Finance Agency (IFA)
 - Indiana Housing and Community Development Authority (IHEDA)
 - Indiana Office of Community and Rural Affairs (OCRA)
 - Indiana Economic Development Commission (IEDC)
 - Indiana Department of Natural Resources (DNR)
 - Indiana Department of Environmental Management (IDEM)

Specific Federal and State Programs for Communities

- Brownfield Remediation Funding
- HOME/CDBG (Homeowner Repair Assistance)
- The Neighborhood Assistance Program (NAP)
- READI



INDIANA METROPOLITAN AREA HOUSING AFFORDABILITY REPORT | COMMON SENSE INSTITUTE – 2023

This report analyzes housing affordability trends over the past two decades and identifies housing gap/surplus levels for each of the region's counties.

The study also tracks the region's "Homebuyer Misery Index," a metric developed by the Institute to reflect the impact of prices and interest rates on homebuying affordability.

Findings indicate a significant overall housing deficit with substantially varying degrees of construction activity across the region's counties that suggest shortages may worsen in at least some areas. Additionally, rising costs are outstripping rising incomes, exacerbating affordability gaps.

Key findings included in this report:

- The housing deficit in 2022 is in the range of 18,852 to 61,238. To meet population growth by 2028 and close the housing deficit, between 66,000 and 115,000 housing units will need to be built.
- Due to elevated prices and rising interest rates, the affordability of purchasing a home in the Indianapolis metro area is near its lowest point in more than 15 years.
- Marion and Madison Counties have experienced the largest decreases in affordability over the last 8 years: 88% and 86% respectively.
- In Madison County, 92% of permits issued between 2012 and 2022 were for single-family housing units.
- Marion County is running the largest deficit of housing unit permits.
- Hamilton County has the largest surplus of housing unit permits.
- Household incomes have not kept pace with rising housing costs.
- Between 11,050 and 19,301 permits are needed annually through 2028 to close the housing supply deficit in the Indianapolis MSA (Metropolitan Statistical Area) and meet the demands of future population growth.

- Permits in the Indianapolis metro area are increasingly shifting away from single-family homes to multi-family structures.
- Homebuilder confidence has declined by 65% since a recent high in November 2020.

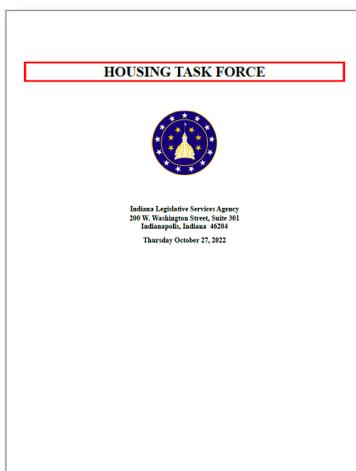


HOUSING TASK FORCE | INDIANA GENERAL ASSEMBLY – 2022

The Housing Task Force was created to study housing affordability shortages for low- and middle-income households; state laws that impact local housing regulation; examples of other states and places addressing housing shortages through land use and zoning regulations; and possible measures to increase housing options in Indiana. The Task Force also assessed issues of discrimination in housing appraisals.

The Task Force met three times during its tenure before releasing its findings and recommendations, which address topics including:

- State funding for housing infrastructure
- Residential TIF
- Brownfields
- Tax incentives
- Financial literacy
- Appraisal discrimination
- Tax sale reform
- READI program
- Housing stability
- Local zoning
- State and local permitting and inspections
- Statewide building codes
- Manufactured and modular housing
- Appraisal gaps
- Taxing housing
- Substandard housing



THE STATE OF FAIR HOUSING IN INDIANA REPORT | FAIR HOUSING CENTER OF CENTRAL INDIANA – 2021-23

The Fair Housing Center regularly conducts studies and reviews of lending and landlord practices in the region, often with a focus in Marion County.

The State of Fair Housing in Indiana Report includes the following volumes:

- **Mortgage Lending in Marion County 2018-2020.** This volume reviews trends in lending and homeownership, with a focus on racial disparities in mortgages originations.
- **At What Cost? Rents, Burdens, Evictions, and Profits in Marion County.** This volume documents the escalating housing burden on low-income renter households, especially renters of color, families with children, and female-headed households.
- **Our Changing Neighborhoods: the Impact of Investors, Foreclosures, and Mortgage Lending.** This volume covers changes in homeownership across Marion County's neighborhoods, including issues of gentrification and displacement; trends in lending and foreclosures; and the increased presence of investor-ownership of single-family homes.
- **Who Owns Indy's Houses: A Review of the Largest Single-Family Home Investors.** This volume examines the scope and impact of a growing trend of investors purchasing and managing single-family houses in Marion County.



A DEEP DIVE INTO AFFORDABLE RENTAL HOUSING | SAVI – 2022

The Indianapolis region contains 31,051 subsidized housing units which are most commonly supported by the following programs:

- Low-Income Housing Tax Credits
- Low-cost mortgages to private multifamily property owners from the Federal Housing Administration
- Project-based Section 8 vouchers

In addition to subsidized units, the market includes “organic affordable housing” [also known as naturally occurring affordable housing].

Focused on rental housing, the report defines housing affordability as a household’s rent requiring 30% or less of their total income. The study focuses on households that fall into HUD’s low income tiers: low income (50-80% AMI), very low income (30-50% AMI), and extremely low income (below 30% AMI). In calculating what rents would be affordable for a given household, the analysis also considers the size of the household, presence of children, and other characteristics that might determine how many bedrooms they would require.

By comparing the number of households at different income levels with the number of units that would be

affordable to each, the report identifies a substantial housing deficit at the extremely low income level but surpluses at the low income and very low income levels. Because of the shortage at the extremely low income level, many of those households are forced to rent

“... this illustrates a universal concept: Increased housing supply, both affordable and market rate, can alleviate pressure on low-income households to rent unaffordable homes. When more supply is created for households earning less than \$20,000, there will be more units available for households in the \$20,000-\$30,000 range. More affordable supply helps low-income households shift ... to more affordable units. Similarly, when more supply is created for households earning \$30,000-\$60,000 ... more affordable units are available to very low-income households.”



units above their affordability threshold, effectively displacing units affordable to households at the very low income level. At the same time, half of units that would be affordable to very low income households are occupied by households at the low income level or above, further displacing supply for very low income households.

The study concludes with the recommendation that more housing supply across the income spectrum is the best way to alleviate gaps at any one income level.

COMMUNITY PREFERENCE SURVEY |
MIBOR & IMPO – 2018 REPORT AND 2022
UPDATE

On behalf of MIBOR and IMPO, consumer research firm American Strategies conducted phone interviews with over 1,500 respondents in both 2018 and 2022 to develop a profile of housing preferences across the region and gauge change in sentiment across the intervening 5 years.

This survey includes findings very relevant to the Central Indiana Housing Study and its assessment of changes in market preferences and sentiments which drive current and future demand. The findings have also been cited in several other local and regional housing studies and reports in recent years.

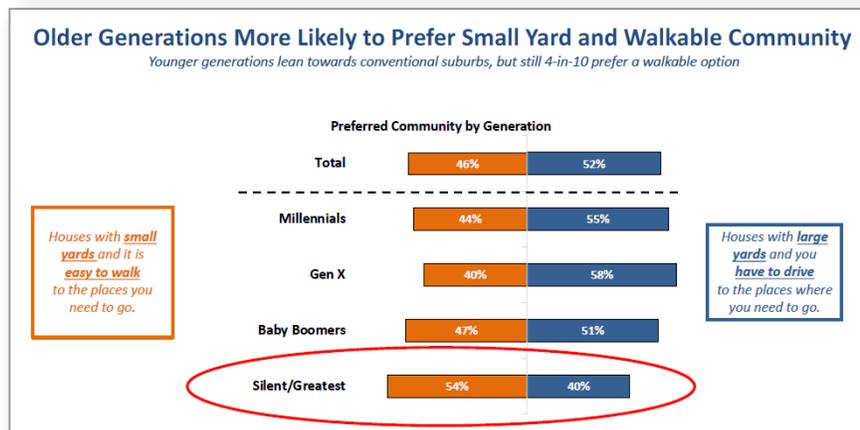
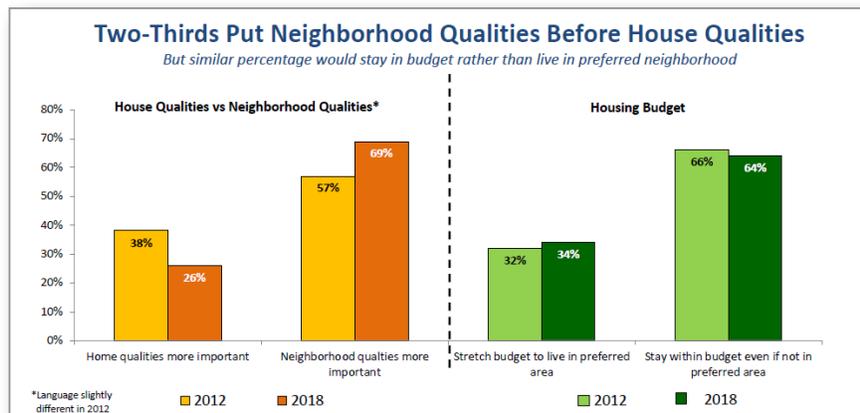
During the 2010s decade, residents' sentiments shifted from prioritizing the qualities of the house to the qualities of the neighborhood as most important in making homebuying or renting decisions.

Younger generations were more likely to prefer conventional suburban environments, but a substantial portion of each generation preferred smaller lots in walkable neighborhoods, likely at higher rates than exist within the region.

The survey asked respondents to describe the type of neighborhood they live in and then, a few questions later, the type of neighborhood they would prefer. In some cases, response rates generally aligned between actual and preferred residential contexts. Cases where responses mismatched include:

- More people preferred a small town or rural area than currently live in such a place (39% vs. 22%)
- More people lived in a

- suburban neighborhood with houses only than prefer such a place (27% vs. 12%)
- The most common preference was a mixed-use suburban neighborhood (28%) compared to the most common living situation being a suburban neighborhood with houses only (27%).
- Fewer people preferred living in a residential neighborhood in a city than actually live in such a place (10% vs. 16%).
- Most respondents indicated a preference for single family units but, between 2018 and 2022, the distribution shifted to include a significantly higher share of attached and townhouse style units within the single family category.
- 51% of respondents would rather live in a mixed-use neighborhood, 3 percentage points more than would prefer an auto-oriented environment and likely many more people than such housing options exist to accommodate.
- 10% of respondents reported neither renting or owning their home, but rather living with family.



Local Housing Studies and Reports

HOUSING NEEDS ANALYSIS & STRATEGY | CITY OF FISHERS - 2022

As stated in this recent study's introduction, the "goals of this Housing Study are to provide City decision makers, stakeholders, developers, and community members with comprehensive and meaningful data to establish a baseline of existing housing stock for current and future residential needs in Fishers."

The report details Fishers' demographic and employment existing conditions and emerging trends to place housing needs in the context of the community's expected growth and change in the future.

Referenced data includes detailed inventories of recently built market rate rental properties as well as new projects still in the development pipeline. The study includes detailed data on single-family homes for rent, most of which in Fisher's case are previously built homes that have been purchased by investment entities. Because this is a rapidly growing trend across the region, access to these datapoints offers a useful reference.

The study also models the fiscal impact of a range of hypothetical but realistic housing development scenario, from lower density single family to a mix of product types including denser multifamily components. Given fiscal impacts and economic considerations are a primary concern for communities managing growth, these models serve as valuable examples to learn from.

Key strategies recommended by this report:

Encourage development of a variety of senior housing units

- Increase the supply of new lower-maintenance housing in walkable, amenity-rich neighborhoods with design features that are suitable for senior living.
- Institute sensible building and zoning regulations for accessory dwelling units for

households interested in intergenerational living arrangements.

- Offer technical and financial assistance for senior home modifications for households interested in aging-in-place.

Encourage development of housing types to attract and retain young adults

- Work with developers and home builders to construct "right-sized" homes at attainable prices, both for-sale and for-rent.
- Examine and modify current zoning in areas deemed necessary to ensure developers can build denser residential structures such as such as apartments, townhomes, and condominiums by right.
- Ensure that homes located in mixed-use environments properly integrate design features that promote walkability and decreased dependence on automobiles.

Maintain a high-quality rental housing stock

- Initiate a rental registration program to ensure code compliance and proper tenant protection.
- Maintain a real-time inventory of rental homes along with key property information.
- Evaluate the feasibility of instituting an incentive to de-convert single-family rentals into homeownership.

Consideration of Affordable Housing

- Collaborate with the Indiana Housing & Community Development Authority (IHCDA), County agencies and local private/non-profit housing development organizations to build new income-restricted rental units in amenity-rich areas.
- Work with social service providers and housing development organizations to provide homes for senior and low-to-moderate income households with disabilities and special needs.

HOUSING NEEDS ANALYSIS & STRATEGY | CITY OF FISHERS - 2022

Though conducted prior to the pandemic, the Plainfield Housing Analysis and Strategies report captured emerging market and development trends which remain largely relevant today. The study indicated a need to diversify the housing stock to reflect national and local demographic changes which will shift significant demand to housing typologies that are not yet sufficiently prevalent in town.

The report also illustrates the benefits of a more diverse housing supply bolstered in particular by denser multifamily products which, according to the analysis, deliver a higher fiscal return to the city's tax base than typical single family houses. Additionally, the report suggests a more diverse housing stock will make Plainfield more competitive in the regional competition for higher paying jobs and employees.

[Key takeaways from this report:](#)

Housing trends

- Housing demand is changing as household demographics change.
- Home buyers place greater emphasis on neighborhood amenities, development type more than on the actual home.
- Housing diversity is lacking. semi-homogeneous housing stock does not allow Plainfield to compete with regional peers.
- Current development is segregated by use. A growing market segment prefers to live in mixed-use communities.
- Pipeline is much of the same. Housing options need to diversify.

Housing needs and affordability

- The Town in permitting new housing in alignment with future product type needs.
- There is likely a need to diversify both rental and ownership options based on Regional and Town community preference survey results.
- Location, access to amenities, and development types will affect Plainfield's competitiveness with surrounding Indianapolis suburbs.
- Demand is greatest at the far ends of the housing spectrum - lower-cost and higher-end housing.
- New lower-cost housing will likely require subsidies to support development.



HOUSING FOR ALL: LEVERAGING
HOUSING FOR ECONOMIC WELL-BEING
NOBLESVILLE HOUSING AUTHORITY |
HAMILTON COUNTY AREA NEIGHBORHOOD
DEVELOPMENT (HAND), AND WESTFIELD
WASHINGTON TOWNSHIP - 2023

Though conducted prior to the pandemic, the Plainfield The Housing for All study focuses on understanding and addressing the growing challenge of providing attainable housing in Hamilton County. The effort includes a detailed illustration of the trends underpinning diminishing housing affordability for local households, explanation of why diverse housing is important for Hamilton County's economic stability and resilience, and a call for strengthened efforts to confront this challenge in Hamilton County.

The study includes a vision statement and priorities for the initiative.

Vision statement

"We believe that housing should be attainable for those who desire to call Hamilton County home – during every stage of their lives. We will prioritize diversity in product types and housing prices to uphold the economic wellbeing of Hamilton County.

To ensure housing for all, we will...

work collaboratively with leadership to prioritize diversity in housing product types and prices (prioritizing households earning up to 120%AMI);

encourage and regulate for lower cost housing options near jobs and services;

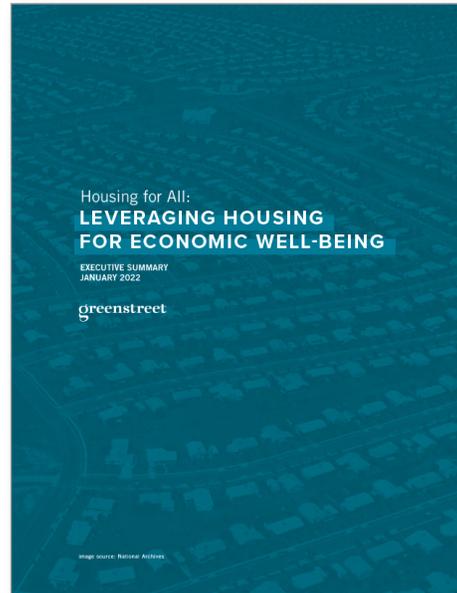
explore public-private-philanthropic partnerships to expand resources and dollars aimed at removing barriers to attainable housing; and

communicate the importance of attainable housing the County's economy today and in the future."

Strategies

The study includes detailed illustrations of key strategies recommended for implementation which can serve as useful reference for other communities in the region considering similar approaches, including:

- Public-private-philanthropic partnerships
- Community land trust
- Housing trust fund
- Land use and development strategies



NEIGHBORHOOD INVESTMENT STRATEGY | CITY OF INDIANAPOLIS - 2017

Adopted as part of the Comprehensive Plan for Indianapolis and Marion County, the Neighborhood Investment Strategy (NIS) provides a detailed assessment of the socioeconomic and housing market conditions in each of the county's diverse neighborhoods. Based on this assessment, the NIS assigned a neighborhood typologies for each along with a set of strategies tailored to reinforce its unique strengths, address its challenges, and achieve the community-building goals established by the overall plan.

Neighborhood typologies include:

- Maintain competitiveness
- Proactive stabilization
- Defensive measures
- Maintenance
- Responsive interventions
- Address underlying issues

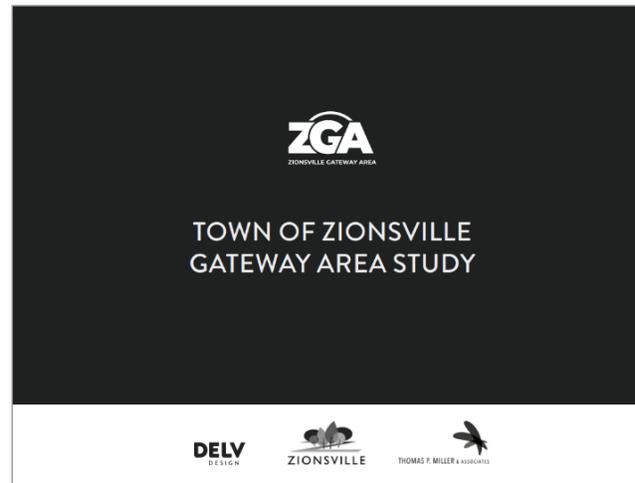
The NIS document includes a library of national best practices and a toolbox of strategies that could continue to be useful for this and future housing studies, policy initiatives, and investment decisions at local and regional levels.



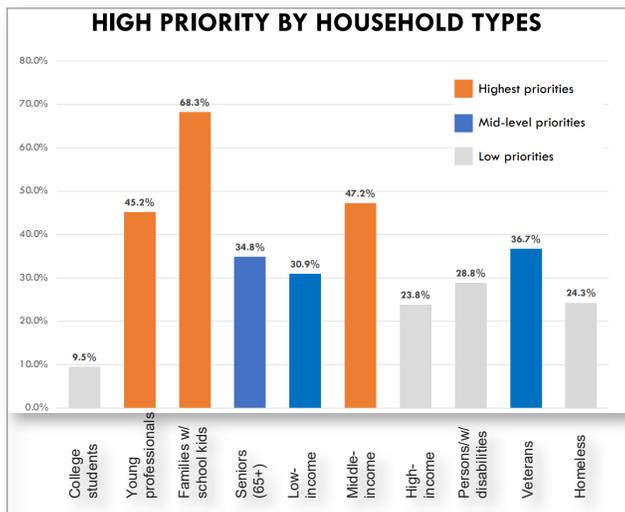
GATEWAY AREA STUDY | ZIONSVILLE - 2021

The Zionsville Gateway Area encompasses an underutilized portion of the downtown's south end. The study explores possible redevelopment options for this real estate, including housing mixed with other uses such as retail and office.

The report references Zionsville's projected ongoing growth and high household incomes as indicators that multifamily housing could be successful at this location. However, community and stakeholder input suggested housing, if developed, should be limited in its scale and scope.



At the time of this study's completion Boone County was in the process of completing the Housing Study and Utility Needs Analysis, intended to "assess the existing housing landscape and anticipate the evolving needs" of this "rapidly growing county." A community survey was conducted as part of the housing study process. The chart below summarizes responses to the question: "How would you prioritize the housing needs for different groups in Boone County?"



Like many communities in the region, Greenfield's zoning ordinance includes architectural design standards that regulate many aspects of building massing, materiality, façade detailing, and other built features. The purpose of guidelines like these is to promote a consistent level of design and construction quality throughout the community, but often raise the cost of housing in the process. In this assessment the Builders Association of Greater Indianapolis (BAGI) worked with the City of Greenfield to quantify the impact of these requirements on housing costs and affordability.

BAGI's assessment estimated the design standards of Greenfield add between \$27-35k to a typical home's construction cost. A home that is \$35k more expensive than the baseline requires between \$8-10k additional annual household income to comfortably afford, affecting Greenfield's affordability by a meaningful degree.

For 1- and 2-family houses, Greenfield's ordinance stipulates specific requirements and restrictions pertaining to design features such as:

- Roofs and overhangs
- Windows
- Attached garages
- Accessory structures
- Front façade material
- Landscape elements
- Detail features such as balconies, dormer windows, coach lights, gables, etc.

The ordinance also regulates multifamily design, including features such as:

- Façade materials
- Façade plane modulation
- Architectural detailing
- Windows
- Façade color variation
- Overall site and building layout
- Garages, parking, and access features

Local Comprehensive Plans Overview

The IMPO conducted a review of comprehensive plans in place across the region to compare strategies and goals between communities and identify shared priorities this housing study could expand upon. The following is a summary of that analysis.

Key findings:

The topics, ranked from most to least mentioned, [the number of comprehensive plans mentioning the topic are in brackets] are:

- [27] Diverse housing
- [16] Aging population (includes mentions of aging in place, downsizing, senior housing)
- [14] Mixed-use and walkable areas (note: these had to be mentioned together, some plans mentioned walkability but in the context of having sidewalks in housing only suburbs)
- [10] Infill development
- [9] Rehab for deteriorating homes
- [8] Affordable housing
- [6] Increase density
- [3] Green housing

As can be clearly seen “diverse housing” is an overwhelmingly popular topic, with 27 of the 30 plans incorporating it. Mentions of diverse housing was frequently paired with discussions of providing options for young professionals as well as for the aging Baby Boomer population (which 16 plans mentioned). Incorporating mixed-use and walkable areas was third, however it was often stated as only being appropriate in very small, specific, areas such as the historic downtown. Similarly increasing density was typically mentioned within historic downtown districts, though a few plans noted how increasing density overall would help increase the tax base and provide services.

One important caveat in reviewing the the comprehensive plans is their age. The oldest plan included is 24 years old, and the average age is 10.4 (median age is 10.5). Many of the comprehensive plans were written before, during, or in the immediate aftermath of the Great Recession – in the decade plus since then the economy and community priorities have changed.

Recent State Legislation

SB 46 & HB 1499 | “PROPERTY TAX CAP FOR HOMEOWNERS OLDER THAN 65” | STATUS: PASSED IN 2023

Overview

Establishes the ability for counties to cap property tax liability and annual increases for homeowners older than 65.

Official text

Authorizes a county fiscal body to adopt an ordinance to provide a credit against property tax liability for qualified individuals. Defines a “qualified individual” for purposes of the credit. Provides that the ordinance may designate: (1) all of the territory of the county; or (2) one or more specific geographic territories within the county; as a neighborhood enhancement district in which qualified individuals may apply for the credit. Provides that the amount of the credit in a particular year is equal to the amount by which an individual’s property tax liability increases by more than the percentage of increase specified by the county fiscal body from the prior year.

Makes certain changes to the qualification requirements for the: (1) deduction for individuals who are at least 65 years of age; and (2) additional credit for certain homesteads. Increases the amount of the supplemental homestead deduction for property taxes first due and payable in 2024 and 2025.

Key Takeaway:

Homeowners over the age of 65 can now be shielded from rapidly increasing property taxes, allowing counties to cap their tax liability in a given year and mitigate how much it increases year-over-year.

SB 339 | “ATTAINABLE HOME OWNERSHIP TAX CREDIT” | STATUS: PASSED IN 2023

Overview

Creates a tax credit for contributions to affordable housing organizations with the goal of expanding private investment in affordable housing development.

Official text

Establishes a tax credit (credit) for a contribution to an affordable housing organization (organization). Requires the Indiana economic development corporation to approve each organization applicant as an organization for which a taxpayer is eligible to claim a credit for a contribution. Provides that the amount of the credit is equal to 50% of the amount of the contribution that is not more than \$20,000 made to the organization. Provides that the credit may be carried forward for five years following the unused credit year. Provides (subject to certain conditions) that the total amount of tax credits awarded may not exceed \$100,000 in each state fiscal year. Requires the department of state revenue (department) to post certain information about the credit on a website used by the department to provide information to the public. Allows the department to adopt rules to implement the credit.

Key Takeaway:

Establishes a tax credit for private investments in affordable housing development.

SB 382 | "AFFORDABLE AND WORKFORCE HOUSING TAX CREDIT" | STATUS: PASSED IN 2023

Overview

Creates an Indiana Low-Income Housing Tax Credit (LIHTC) fund available to recipients of federal 4% LIHTC awards. The state fund is capped at \$30 million annually and the program extends until June 30, 2027 unless renewed.

Official text

(9) "State tax credit period" for a qualified project means the period of five (5) taxable years beginning with the taxable year in which any amount of the federal tax credit for the qualified project is first claimed.

(7) "Qualified project" means a qualified low income building (as defined in Section 42(c) of the Internal Revenue Code): (A) that is located in Indiana; (B) for which a federal affordable housing tax credit was awarded using a thirty percent (30%) present value of the qualified basis of the building; and (C) that is financed by tax exempt bonds that are subject

Sec. 8. (a) For each state fiscal year beginning after June 30, 2023, and before July 1, 2028, the aggregate amount of state tax credits awarded by the authority under this chapter may not exceed thirty million dollars (\$30,000,000).

Sec. 11. This chapter is subject to review under IC 2-5-3.2-1 to evaluate the effectiveness of the state tax credit one (1) year prior to its expiration under section 12 of this chapter.

Key Takeaway:

Establishes a state LIHTC fund to help finance affordable and workforce housing development. The program extends until 2027 unless renewed for a longer period.

HB 1575 | "FIRE PREVENTION AND BUILDING SAFETY COMMISSION" | STATUS: PASSED IN 2023

Overview

In 2023 House Bill 1575 amended the membership requirements and duties of the Fire Prevention and Building Safety Commission which was formed in 2022. The bill added an additional member to the commission, redefined what professions must be represented in its membership, and precluded local units of government from adopting stricter fire and building safety codes.

Official text

Fire prevention and building safety commission. Increases the size of the fire prevention and building safety commission (commission) from 11 members to 12 members. Requires commission members to represent certain defined interests or professions, beginning August 1, 2023. Requires a commission member to be a resident of Indiana, beginning August 1, 2023. Provides that a commission member serves at the pleasure of the governor. Increases the number of members required for a quorum from six members to seven members. Provides that the affirmative vote of not less than two-thirds of the commission members present and voting is necessary for purposes of adopting a rule. Provides certain procedures for the review and adoption of building codes. Provides that a local unit of government may not adopt an ordinance concerning construction and remodeling that: (1) conflicts with the statute or a building code adopted by the commission; or (2) includes more stringent or detailed requirements than those set forth in the statute or a building code adopted by the commission. Provides that this prohibition does not apply to a unit's architectural design standards or its zoning ordinances.

Key Takeaway:

This bill establishes a commission to regulate building safety in order to reduce development costs. Under this law local units of government cannot adopt fire and building safety codes that are more stringent than those adopted by the commission.

HB 1454 | "TAX INCREMENT FINANCING" |
STATUS: PASSED IN 2023

Overview

Removes restrictions on where and when housing developers and builders can use tax increment financing to divert property tax revenue from schools and local governments to pay for infrastructure like streets, sidewalks and sewers in new housing developments.

Official text

Specifies information reporting requirements regarding residential housing development programs. Allows a redevelopment commission to expend revenues from a tax increment financing district that are allocated for police and fire services on both capital expenditures and operating expenses

Key Takeaway:

This bill allows developers to use tax increment financing (TIF) tools anywhere. A TIF allows for future tax dollars to fund the infrastructure supporting the development as opposed to general funds or other taxing districts such as schools.

HB 1005 | "RESIDENTIAL HOUSING
INFRASTRUCTURE REVOLVING FUND" |
STATUS: PASSED IN 2023

Overview

Building water pipes, sewage lines, sidewalks, and other housing infrastructure are some of the costliest expenses for home builders and developers. House Bill 1005 establishes a revolving housing infrastructure fund cities can apply to in order to receive funds to pay for these infrastructure costs rather than having developers fund these items. Municipalities must pay the funds back. 70% of these funds must be used in rural areas (municipalities with a population of less than 50,000).

Official text

Establishes the residential housing infrastructure assistance program (program) and residential housing infrastructure assistance revolving fund (fund). ... Provides that political subdivisions may apply to the fund for loans for certain infrastructure projects related to the development of residential housing. Provides that money in the fund may not be used for: (1) debt repayment; (2) maintenance and repair projects; (3) upgrading utility poles; or (4) consulting or engineering fees for studies, reports, designs, or analyses. Provides that loans from the fund must be allocated as follows: (1) 70% of the money in the fund must be used for housing infrastructure in municipalities with a population of less than 50,000. (2) 30% of the money in the fund must be used for housing infrastructure in all other political subdivisions. Requires the authority to establish a project prioritization system for the purpose of awarding loans from the fund and specifies the criteria that must be included in the project prioritization system.

Key Takeaway:

This bill establishes a revolving loan fund to finance housing-related infrastructure. The loan would be granted by the state, but the funds must be repaid. 70% of these funds must go towards municipalities with a population of less than 50,000.

SB 148 | “ZONING AND HOUSING MATTERS” | STATUS: PASSED IN 2021

Overview

Originally addressing mobile home parks, the bill was amended to include unrelated language regarding renter rights, including enabling landlords to evict tenants at short notice for minimal cause, such as reporting code violations.

Official text

Prohibits a unit of local government from regulating certain aspects of a landlord-tenant relationship with respect to privately owned real property located in the unit unless the regulation is authorized by the general assembly. Prohibits a landlord from taking certain retaliatory actions in response to a tenant’s engaging in one or more enumerated protected activities. Prohibits a local unit from adopting or enforcing any ordinance or regulation concerning retaliatory acts by landlords.

Key Takeaway:

This bill, which originally applied only to mobile home parks, was amended to include unrelated language limiting renter’s rights.

SB 240 | “EMOTIONAL SUPPORT ANIMALS” | STATUS: PASSED IN 2018

Overview

Provides that a dwelling that is exempt from Indiana fair housing law is not subject to the requirements applicable to emotional support animals. Exempt units may include single family houses that are owner or renter occupied as well as small condo buildings.

Official text

Emotional support animals. Provides that a dwelling that is exempt from the Indiana fair housing law is not subject to the requirements applicable to emotional support animals. Defines “emotional support animal”. Specifies who may use an emotional support animal, who may prescribe an emotional support animal, and when an individual may be prescribed an emotional support animal. Provides that an individual with a disability that is not readily apparent who submits a request for an emotional support animal that falsely suggests the individual has a disability that entitles the individual to the use of an emotional support animal in a dwelling commits a Class A infraction.

Key Takeaway:

This bill allows landlords to require written proof from a renter’s health care provider to allow for an emotional support animal to stay if the renter’s disability is not apparent. It also makes it a Class A infraction if an individual submits a request for an emotional support animal that falsely suggests they have a disability.

SB 558 | "LEASES AND SALES OF REAL PROPERTY" | STATUS: PASSED IN 2017

Overview

Bans communities from passing ordinances to promote inclusionary zoning as it relates to affordable housing and adds language for landlord's use regarding occupancy limitations in rental housing.

Official text

Amends the statute concerning landlord and tenant relations to provide that a unit may not regulate rental rates for privately owned real property, through a zoning ordinance or otherwise, unless the regulation is authorized by an act of the general assembly. (Current law provides that regulation of rental rates for such property must be authorized by an act of the general assembly.) ... Provides that a county or municipality may not adopt or enforce any land use or planning ordinance or regulation that has the effect of: (1) controlling rental or purchase price; or (2) requiring real property to be reserved for lease or sale to certain owners. Provides that a county or municipality may not require the owner of privately owned real property to agree to: (1) any requirement that would have the effect of controlling rental or purchase price; or (2) the payment of a fee, in lieu of a requirement that would have the effect of controlling rental or purchase price, as a prerequisite to consideration or approval of: (A) certain permits; or (B) any primary, secondary, or revised plats. Provides that a county or municipality retains the right to: (1) manage and control the development of a commercial or residential property in which the county or municipality has an ownership interest; and (2) enact, enforce, or maintain any general land use or zoning regulation that does not have the effect of: (A) controlling rental or purchase price; or (B) requiring real property to be reserved for sale or lease to certain owners.

Key Takeaway:

This bill bans communities from passing ordinances to promote inclusionary zoning where a certain percentage of all new units must be affordable for a given income.

HB 1300 | "ORDINANCES RELATED TO BUILDING AND HOUSING LAWS" | STATUS: PASSED IN 2015

Overview

Prohibits a county, municipality, or township from adopting an ordinance that requires or would have the effect of requiring a landlord to participate in: (1) a Section 8 program of the federal Housing Act of 1937; or (2) a similar program concerning housing. Also includes non-fair housing issues.

Official text

Ordinances related to building and housing laws. Specifies that an ordinance or other regulation adopted by a political subdivision that qualifies as a fire safety law or a building law: (1) must be submitted to the fire prevention and building safety commission (commission) for review within 30 days of adoption by the political subdivision; and (2) is not effective until the ordinance or regulation: (A) is approved by the commission; or (B) is approved automatically if the commission does not approve or deny the ordinance or regulation within four commission meetings. Requires the commission to specify the basis for the commission's denial of a local ordinance or regulation. Provides that a state agency or political subdivision may not require a person or entity to obtain or maintain, or both, a license to install or maintain a low voltage thermostat of 50 volts or less. Establishes procedures for the commission's program for review of adopted ordinances and other regulations. Prohibits a county, municipality, or township from adopting an ordinance that requires or would have the effect of requiring a landlord to participate in: (1) a Section 8 program of the federal Housing Act of 1937; or (2) a similar program concerning housing.

Key Takeaway:

This bill prohibits any community from adopting legislation that would require a landlord to participate in the Section 8 housing program. The Section 8 program enables the lowest income households to rent decent, safe housing in the private housing market by providing rental assistance.

HB 1403 | "REGULATION OF RESIDENTIAL RENTAL PROPERTY" | STATUS: PASSED IN 2014

Overview

Landlords may pass certain fees assessed by the municipality on to rental tenants. These may include inspection fees, registration fees, permit fees, nuisance violation penalties, etc

Official text

Provides that the owner of a rental unit assessed any fee by a political subdivision pertaining to the rental unit may: (1) notify the tenants of the rental unit of the assessment of the fee; and (2) require the tenants of the rental unit to reimburse the owner for the payment of the fee. (Current law refers to "inspection, registration, or other fee".) Requires fees regarding rental units and rental communities to be deposited in a dedicated fund to for reimbursement of costs actually incurred by the political subdivision relating to the imposition and amount of the fee. Restricts the circumstances and conditions in which a political subdivision may require a rental unit's owner or landlord to obtain a permit. Allows an owner of a rental unit to obtain an exemption from a political subdivision's inspection and inspection fee requirements if the rental unit satisfies certain requirements. Allows a political subdivision to impose a penalty for an act constituting a nuisance or ordinance violation. Allows a successful county, city, or town or a successful defendant to recover attorney's fees incurred in a nuisance action. Provides that a political subdivision may assess an annual registration fee. Repeals superseded statutes relating to local regulation of residential landlord and tenant relations.

Key Takeaway:

This bill allows landlords to force tenants to pay certain assessed fees such as administrative fees and nuisance penalties on the property they are renting. If the tenant attempts to take legal action and is not successful, they are responsible for paying all legal bills.



SOCIOECONOMIC PROFILE OF THE REGION

Overview

This report compiles an analysis of socioeconomic characteristics to provide the Central Indiana Housing Study with context on how people live and work across the region. Analysis draws from a variety of data sources, including the American Community Survey, Internal Revenue Service, ESRI, Census on the Map, and several other agencies and providers.

The document is organized into three sections focused on different perspectives of the region's population characteristics and migration patterns:

- Household characteristics, such as demographics and economic indicators that relate to a household's ability to access and maintain housing that meets their needs and aligns with their preferences.
- Community vulnerabilities, including indicators that gauge a household's stability relative to economic and environmental risk factors that could limit access to adequate housing and impact housing resilience in the face of crises.
- Jobs and migration, such as the distribution of job concentrations across the region and migration patterns that reflect housing challenges and opportunities as households resettle between counties within the Metropolitan Planning Area (MPA) region.

Note on data sources: While the maps displayed of the region show the different values for a given Census tract the regionwide estimates are based on the larger Indianapolis Metropolitan Statistical Area (MSA), and as such include data from Putnam, Brown, and Madison Counties. These counties represent roughly 9% of the metro population indicating their impact on averages across the region should be minimal.

Key Findings

Of this report's findings, the following are particularly reflective of the region's socioeconomic composition and instructive for shaping the broader project's policy and related recommendations.

1. The region exhibits significant income disparities within and between counties and municipalities. The most pronounced difference occurs between central Marion County and much higher-income Carmel and its adjacent communities. Most of the region's households living below poverty level are concentrated in central Marion County. Income disparities are less pronounced in other parts of the region, though some parts of Hendricks, Johnson, and Hancock Counties are substantially higher-income than others.
2. The region is also fragmented in terms of other demographic characteristics such as race and age. Central Marion County contains much higher concentrations of Hispanics and people of color than the rest of the region, though there are other areas of moderate racial diversity elsewhere too. Median ages are substantially higher in the surrounding counties than within Marion County, with the oldest populations in the most rural peripheral areas.
3. Households are much more likely to move within the core (Marion County) or within the surrounding counties than between the core and the surroundings. Among households who have moved within the past year, those moving from a home within Marion County tended to stay within the county. Households moving from a home within surrounding counties similarly resettled outside Marion County.
4. Measured on a region-wide basis, higher-income, larger households are concentrating in the suburbs while lower-income, smaller households are concentrating in Marion County. More detailed migration data suggests populations are trending toward higher levels of

socioeconomic homogeneity as higher-income households migrate into higher-cost communities and lower-income households migrate into lower-cost communities, especially Marion County. Additionally, larger households (i.e. families with children) are leaving Marion County for the surrounding communities while the households moving in are comparatively smaller.

5. Households in central Marion County are much more vulnerable to housing destabilization than elsewhere in the region. Indicators such as unemployment and lack of access to health insurance, home internet, and personal vehicles measure highest in central Indianapolis. However, one indicator – rates of cost burdened renters – was much more widespread throughout the region.

Household Characteristics

Overview

The following section details a range of socioeconomic characteristics to illustrate how different measures of household income, demographics, and related features are distributed across the region. Each has a meaningful relationship to housing need and attainability, though some more directly than others. However, it is important to note the need to provide a variety of housing that's accessible to a range of different people. In addition to improving housing access diversity in housing is also important in cultivating housing stock resilience as people move through different stages of life and economic realities fluctuate.

Characteristics include:

- Household income, indicating ability to pay for housing.
- Poverty rate, signaling where housing costs may present a burden which might also be compounded by other risk factors related to poverty status.
- Median age, informing, for example, the appropriate balance of housing unit sizes in terms of bedrooms.
- Percentage of population over 65, illustrating where seniors are more prevalent and thus housing that meets and anticipates their needs may be a higher priority.
- Percentage of population under 18, indicating where families with children reside, typically requiring larger housing units.
- School district enrollment, suggesting how many school age children live in the community overall and relative sizes of school system capacities.
- Student to teacher ratio, signaling school system capacity and ability to accommodate more families within existing facilities.
- Percentage of population foreign born, suggesting areas where population change might be tied to immigrants settling locally.
- Racial and ethnic diversity, indicating areas that are more multicultural or otherwise

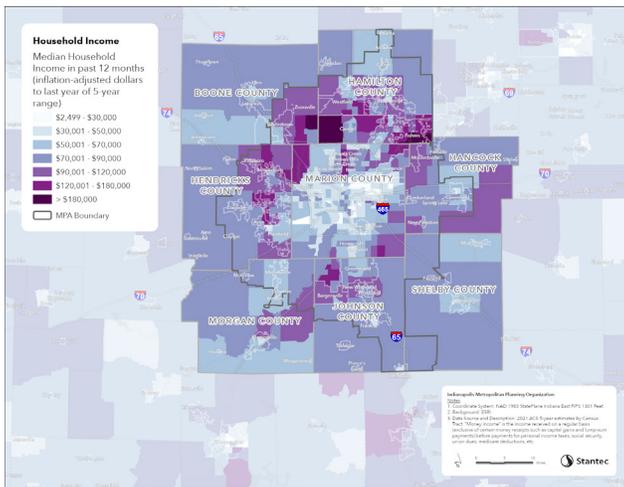
predominantly non-white.

HOUSEHOLD INCOME

Median household incomes are unevenly distributed across the region, with the highest concentrations of wealth in and adjacent to southern Hamilton County and lowest incomes across most of Marion County.

With some exceptions, incomes are somewhat higher in more rural areas of surrounding counties than their more suburban and urban centers.

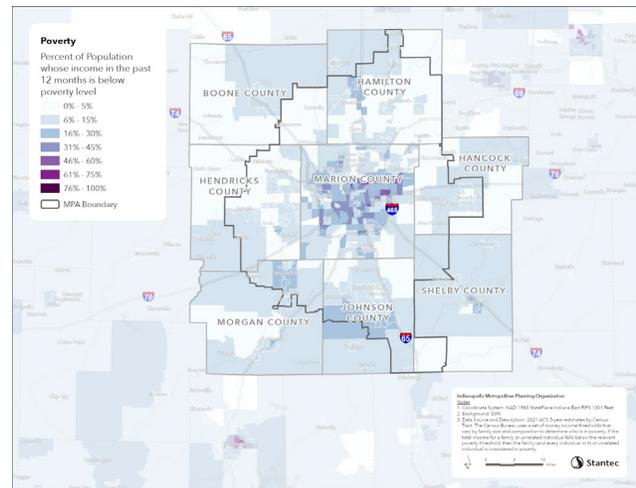
The median household income for the Indianapolis Metro is \$73,571 (2022 ACS 5-year).



POVERTY

Households in poverty are most prevalent within the central areas of Marion County. Poverty rates are less concentrated but still significant in some of the region's more rural areas.

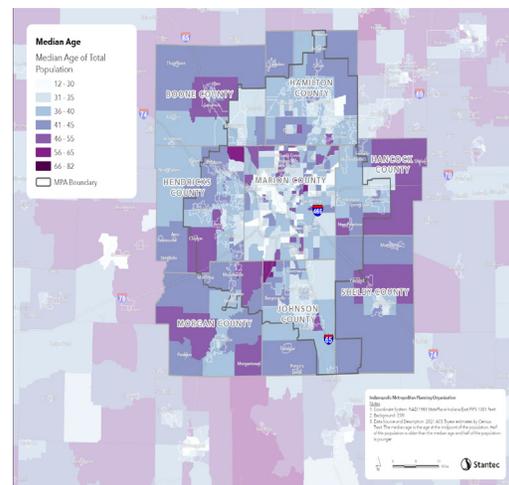
The poverty rate for the Indianapolis Metro is 11.1% (2021 ACS 5-year).



MEDIAN AGE

The surrounding counties' residents are generally older than those in the core. Within each county, the more populous central towns are generally younger than the more rural periphery.

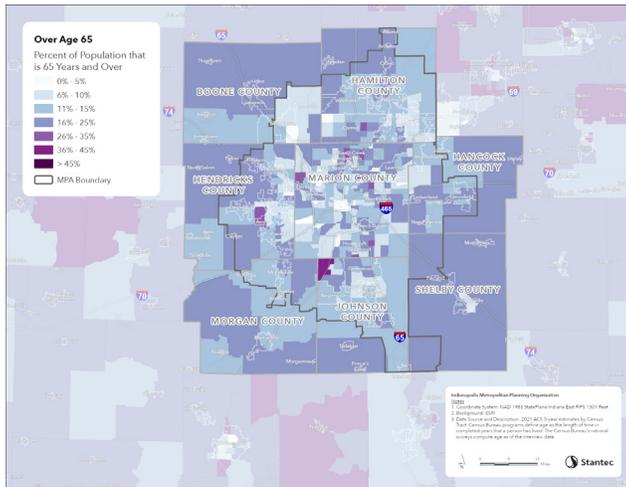
The median age for the Indianapolis Metro is 36.6 (2021 ACS 5-year).



OVER 65 POPULATION DISTRIBUTION

The region's senior population is more concentrated in rural areas than suburban or urban communities.

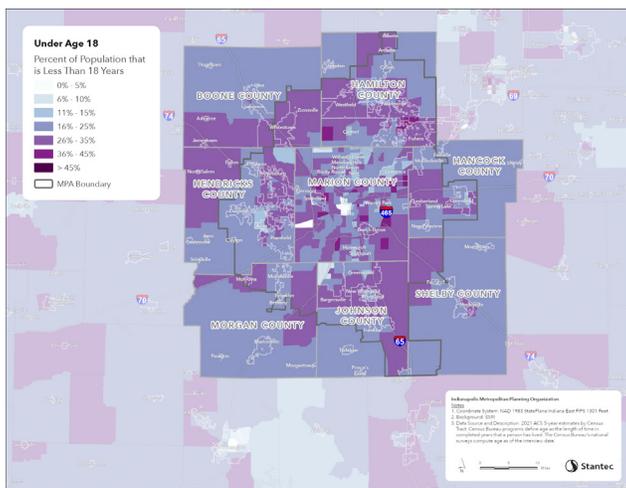
13.7% of the Indianapolis Metro population is 65 or older (2021 ACS 5-year).



UNDER 18 POPULATION

The region's youth population is more concentrated within the core but also somewhat unevenly distributed across surrounding suburban and rural areas.

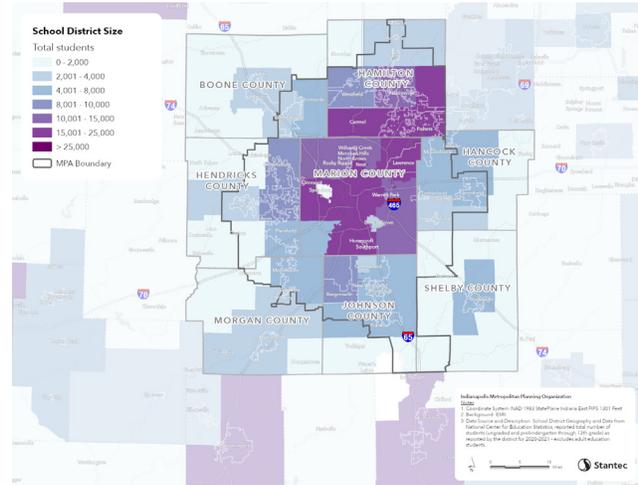
24.7% of the Indianapolis Metro population is under 18 (2021 ACS 5-year).



SCHOOL DISTRICT ENROLLMENT

School enrollment generally reflects relative population size around the region, with more populous Marion and Hamilton Counties enrolling many more students than other surrounding counties.

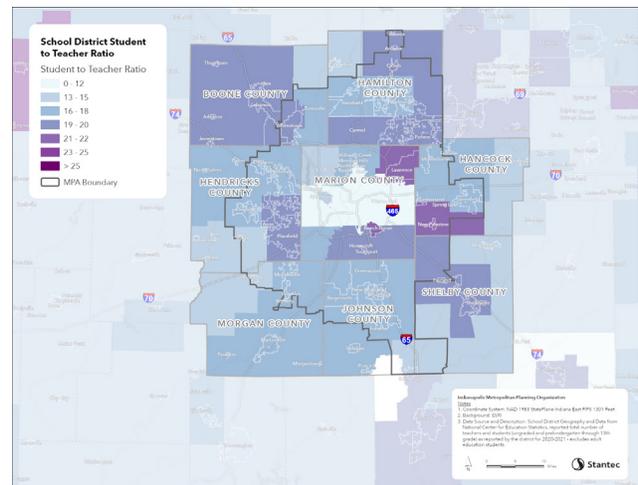
Metro-wide summary data not available.



STUDENT TO TEACHER RATIO

The school districts in the less populous counties tend to have more crowded classrooms, suggesting new school construction will be needed to support ongoing growth. Within Marion County, classrooms are much less crowded, in some cases possibly approaching levels that could lead to school closures or consolidations.

This analysis does not include charter schools. Metro-wide summary data not available.



Community Vulnerabilities

Overview

The following section focuses on socioeconomic characteristics that indicate community vulnerabilities which might impact household and neighborhood housing stability as well as resiliency to hardships such as macroeconomic downturns.

Characteristics include:

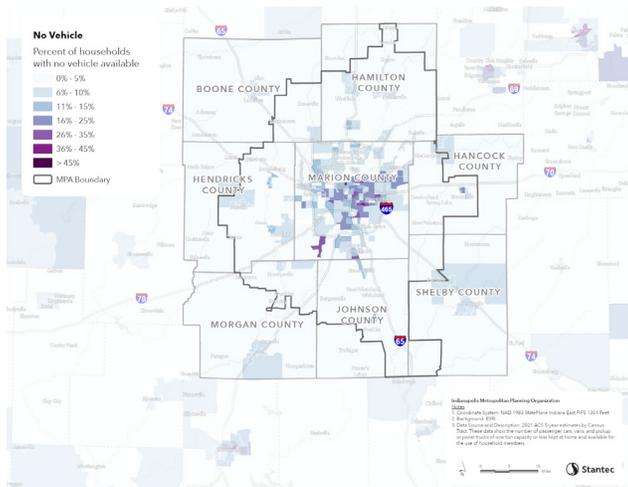
- Health insurance coverage, indicating financial resiliency in the event of a health-related crisis that could destabilize a household's housing status.
- Child poverty, suggesting limited resources to adequately house families and support dependents as they age and form their own households.
- Vehicle ownership, signaling reduced housing choices based on availability of alternative transportation.
- Access to home internet, suggesting constraints on capacity to connect to educational employment resources that can drive housing attainability.
- Cost burdened homeowners and renters, indicating households that are spending more than they can comfortably afford on housing.
- Unemployment, signaling households facing financial challenges that might destabilize their housing status.
- Center for Disease Control Vulnerability Index, a measure of the community's economic resiliency in response to environmental, economic, and other macro-level hardships.

VEHICLE OWNERSHIP

Though otherwise completely widespread, vehicle ownership is reduced within the core of Marion County and a few pockets of the surrounding counties.

Especially in more walkable, transit-served areas, households may choose to forego vehicle ownership without risk to their livelihood or quality of life. However, in cases where other circumstances dictate and transit alternatives are limited, lack of a vehicle can limit a household's viable housing options and present a major impediment to accessing employment, healthcare, and education resources.

2.0% of households in the Indianapolis Metro do not have access to a vehicle. (2021 ACS 5-year)

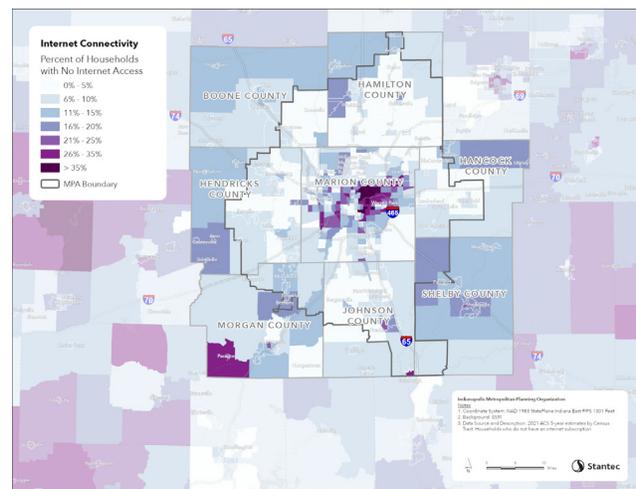


ACCESS TO HOME INTERNET

Internet access is lowest in the region's most rural areas as well as the less affluent core neighborhoods of Marion County.

While most households likely have some internet connectivity via cell phone, lack of home internet access can impede access to education and employment opportunities, especially given the post-Covid shift to remote work and education. These disadvantages can translate into diminished ability to afford and maintain adequate housing.

11.8% of households in the Indianapolis Metro do not have internet subscriptions at home. (2021 ACS 5-year)



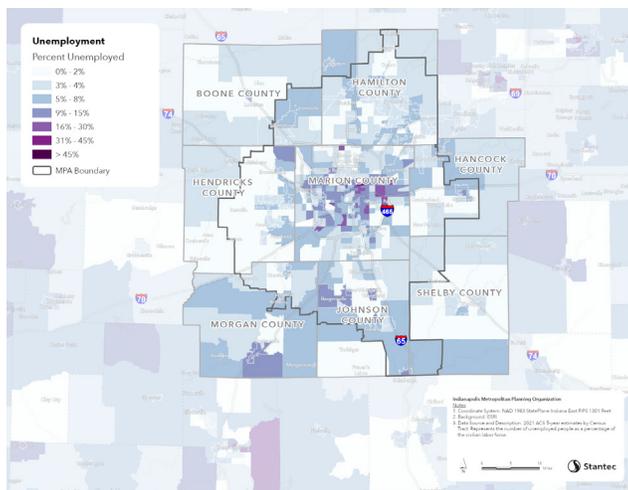
UNEMPLOYMENT

Rates of unemployment are generally in keeping with state and national averages (3.1% and 3.4% respectively in January 2023) but there are several pockets of higher unemployment within the core and some peripheral rural areas.

Employment is typically fundamental to household financial stability, so loss of employment might indicate households who are at risk of losing their current housing and might need support bridging the gap between jobs.

Addressing contributing factors like unemployment can indirectly improve housing stability and affordability.

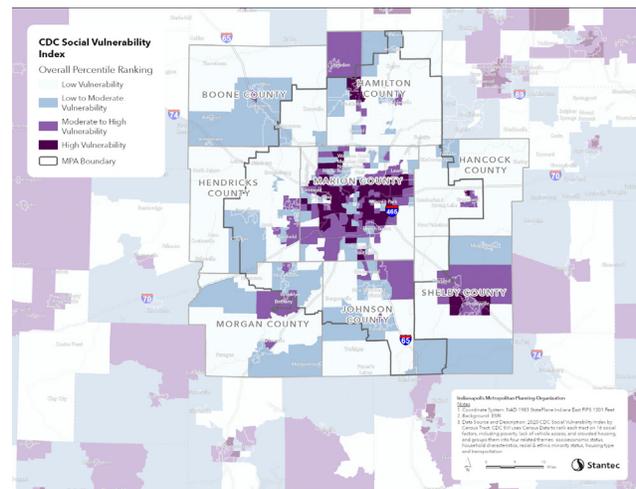
The unemployment rate for the Indianapolis Metro is 2.9%.



CDC SOCIAL VULNERABILITY INDEX

The Centers for Disease Control (CDC) established the Social Vulnerability Index to highlight areas where risk factors are particularly prevalent and, as a result, households are less resilient to destabilizing shocks to the community such as economic downturns, health crises, and environmental disasters. In the wake of such challenges, these households may be more likely to face housing challenges during a recovery.

Metro-wide summary data not available.



Jobs and Migration

Overview

The following section explores geographic employment distribution across the region and measures patterns of migration, especially within and between different parts of the region.

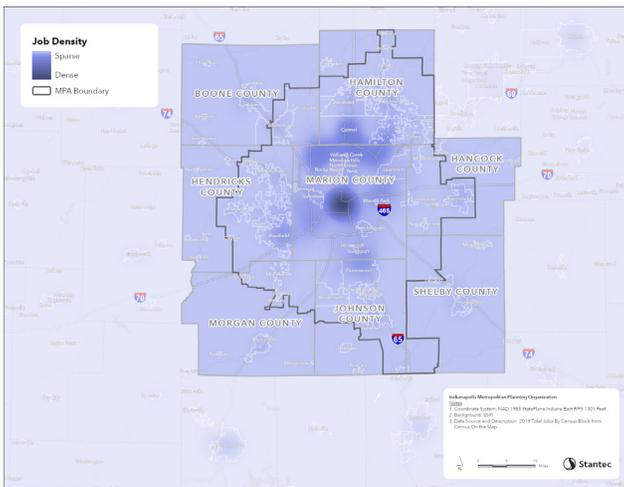
Analyses include:

- Job density, distinguishing the region's employment hubs from areas with fewer jobs.
- Total jobs, adding specificity to the job density measure and indicating where commuting flows to and from during the workday.
- Population growth, illustrating areas of where growth has been more or less sustained over the past 20 years, impacting housing demand and construction.
- Migration relative to the core and surrounding counties, illustrating patterns of resettlement based on where households moved from and to within the region, with focus on relocations between the core and surrounding compared to relocations within each.
- Migration between counties, indicating flows of households moving from one county to another in terms of quantity, average income, and average household size.
- Regional net migration, summarizing migration into and out of the region as a whole.

JOB DENSITY

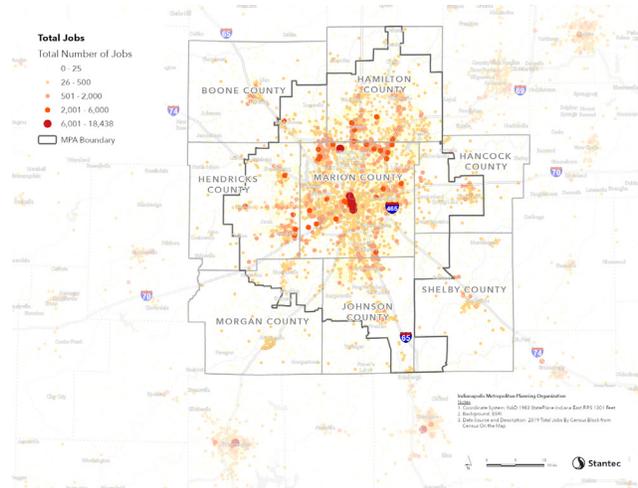
Employment is primarily concentrated in and around downtown Indianapolis, with secondary concentrations focused at nodes along the northern and western segments I-465 as well as within Greenwood.

Areas outside these employment centers are primarily bedroom communities whose residents travel some distance to reach their jobs. Given limited transit service in most of these areas, most commuters travel by car.



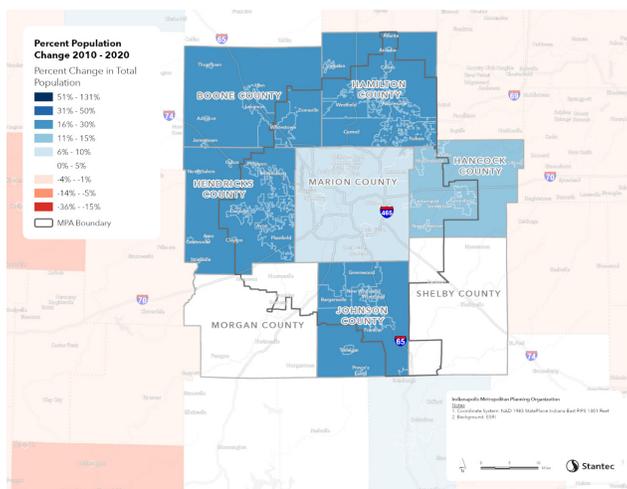
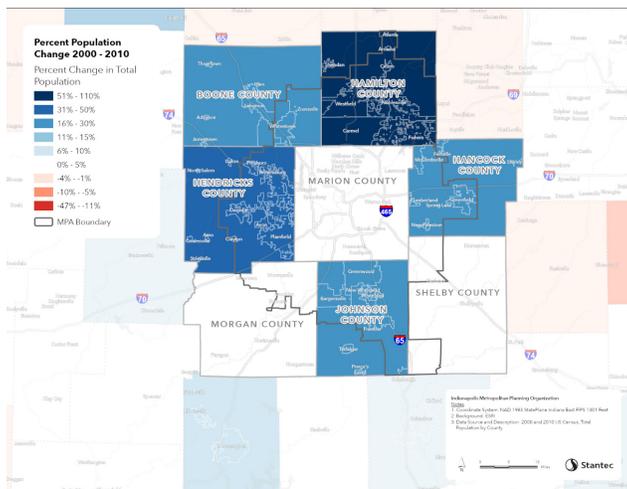
TOTAL JOBS

In addition to adding more geographic specificity to the distribution of jobs within general areas of employment concentration, this finer-grained mapping registers minor job centers within the centers of towns in surrounding counties. This indicates the opportunity for at least some local residents to work within their home community, though most likely commute to other places for work.



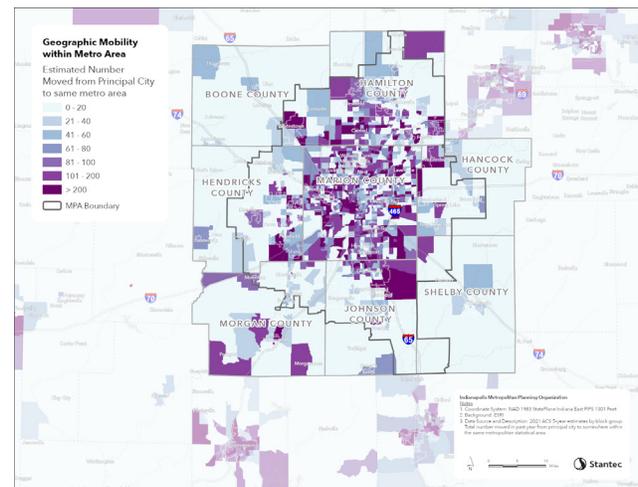
POPULATION GROWTH

Rates of population growth have slowed slightly in the previous decade compared to the 2000-2010 timeframe. However, all counties except Morgan and Shelby continue to experience meaningful growth, likely driven by a combination of ongoing preferences for suburban lifestyles by many households plus induced demand from ongoing housing construction (i.e. families moving to where housing supply is made available).



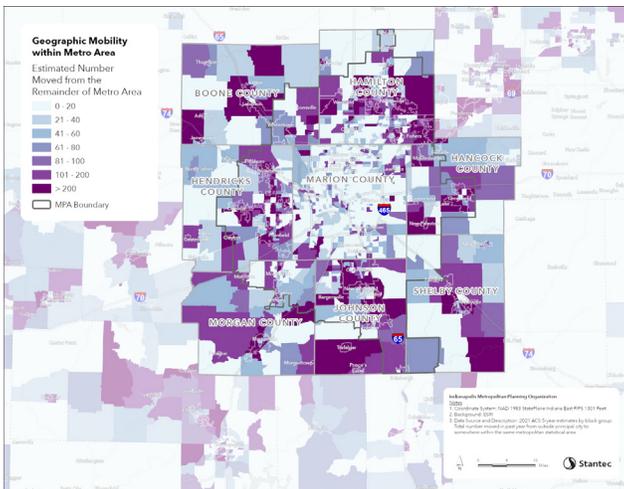
PEOPLE MOVING FROM THE CORE (MARION COUNTY) ARE STAYING NEAR THE CORE

This map focuses on people who were living in Indianapolis at the start of 2021 and changed residence during that year. Most of these households relocated within Marion County but significant numbers crossed into surrounding counties, settling in suburban communities near but outside the Marion County line. Smaller numbers relocated in the surrounding counties' more rural areas.



PEOPLE MOVING FROM OUTSIDE THE CORE (MARION COUNTY) STAYED OUTSIDE

This map focuses on people who were living outside Indianapolis at the start of 2021 and changed residence during that year. Most of these households remained outside Marion County, settling either in a new home within their origin community or another part of the surrounding counties. Significant numbers settled in the region's more rural areas. Notably few settled in southern Hamilton County communities such as Carmel and Fishers despite the high concentration of housing there.



PATTERNS OF MIGRATION BETWEEN COUNTIES

The following diagrams illustrate flows of household migration between counties in the region. Totals are limited to households that moved from one of the eight counties to another – movers within counties or between this region and other places are not captured in this analysis.

The purpose of this series is to document how households are resettling within the region in terms that reflect shifting housing demand and that might inform changing needs in local housing supply.

The example diagrams at right are annotated to help interpret this map-based style of tabulation.

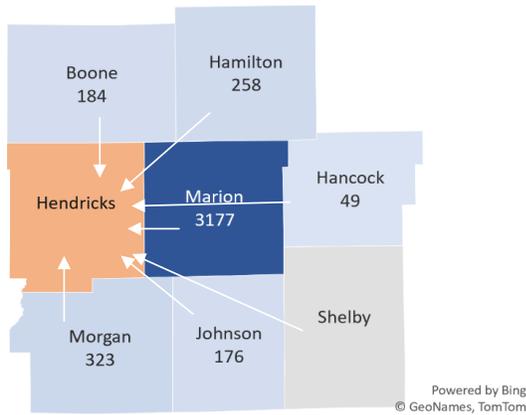
The following maps illustrate these migration flows in terms of three different variables, each contributing to

shifting housing market in different ways:

- Number of households, relating to overall net gains or losses of households of different socioeconomic profiles and housing preferences.
- Average household income, suggesting shifts in favor of more desirable housing in the destination county (when incomes are higher) or potential displacement due to rising local costs in the originating county (when incomes are lower).
- Average household size, indicating where families are relocating (when sizes are larger) or where singles and couples would rather live (when sizes are smaller).

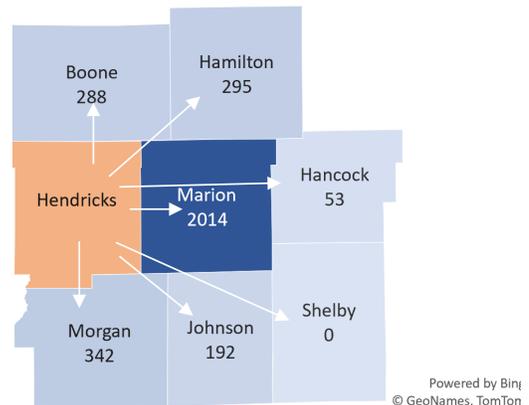
How To Read These Charts

Migration into Hendricks County
Total households by origin, 2019-2020



Migration in: the numbers represent how many households moved into the orange highlighted county from each of the other counties.

Migration from Hendricks County
Total households by destination, 2019-2020



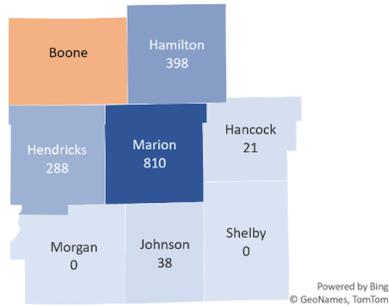
Migration from: the numbers represent how many households moved out of the highlighted county and into each of the other counties.

Note: Migration flows with fewer than 20 households were excluded from the source data by the provider for privacy reasons across this series of maps.

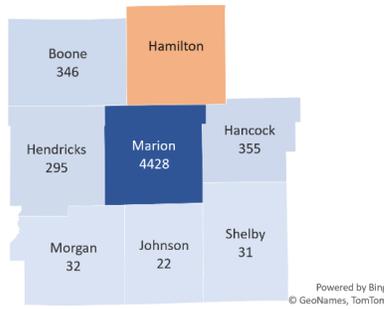
IN-MIGRATION FROM OTHER COUNTIES IN THE REGION BY TOTAL HOUSEHOLDS

These diagrams indicate the number of households moving into the highlighted county from each of the other counties in the region. The darker the color blue, the larger the amount of households that have migrated. Counties with no indicated incomes contributed to fewer movers than the IRS's minimum threshold per privacy restrictions.

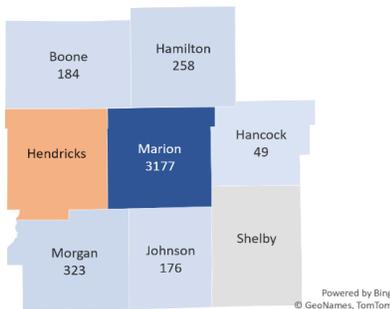
Migration into Boone County
Total households by origin, 2019-2020



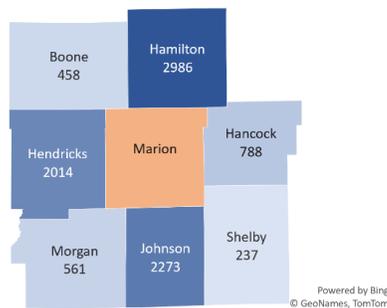
Migration into Hamilton County
Total households by origin, 2019-2020



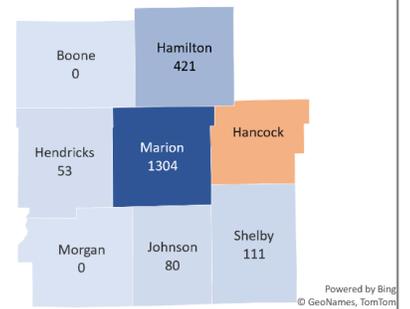
Migration into Hendricks County
Total households by origin, 2019-2020



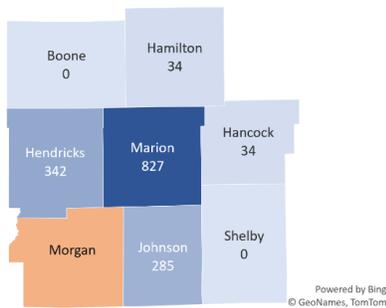
Migration into Marion County
Total households by origin, 2019-2020



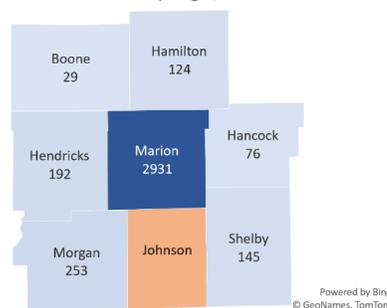
Migration into Hancock County
Total households by origin, 2019-2020



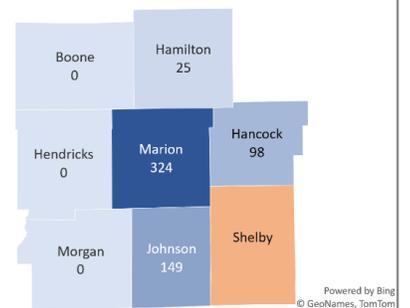
Migration into Morgan County
Total households by origin, 2019-2020



Migration into Johnson County
Total households by origin, 2019-2020



Migration into Shelby County
Total households by origin, 2019-2020



IN-MIGRATION FROM OTHER COUNTIES IN THE REGION BY AVERAGE HOUSEHOLD INCOME

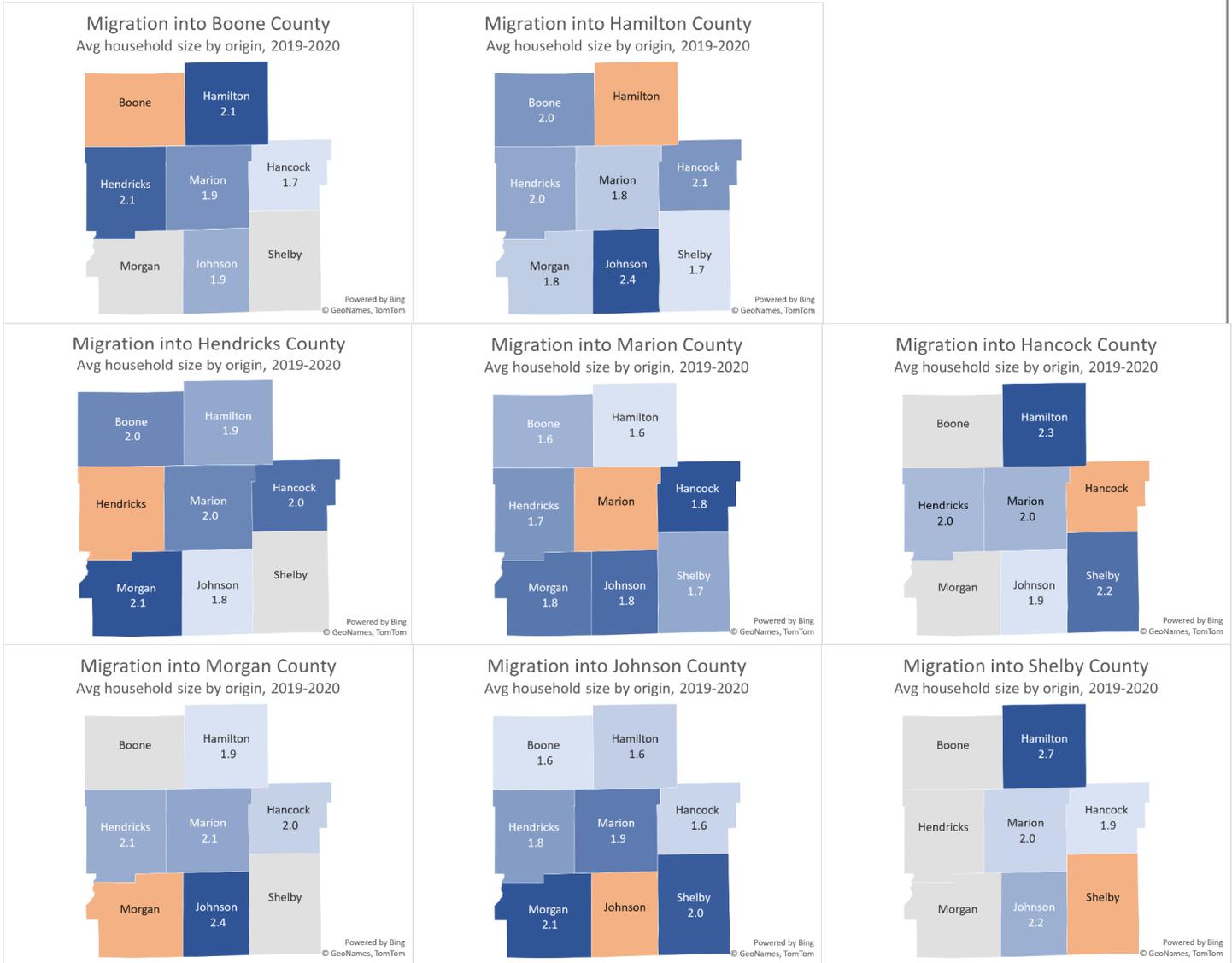
Of most interest are the counties exchanging households of markedly different incomes. Flows of lower-income households relative to the region could suggest pricing out; flows of higher-income households could be following lifestyle preferences.

These diagrams indicate the average income of households moving into the highlighted county from each of the other counties in the region. The darker the color blue, the larger the amount of households that have migrated. Counties with no indicated incomes contributed to fewer movers than the IRS's minimum threshold per privacy restrictions.

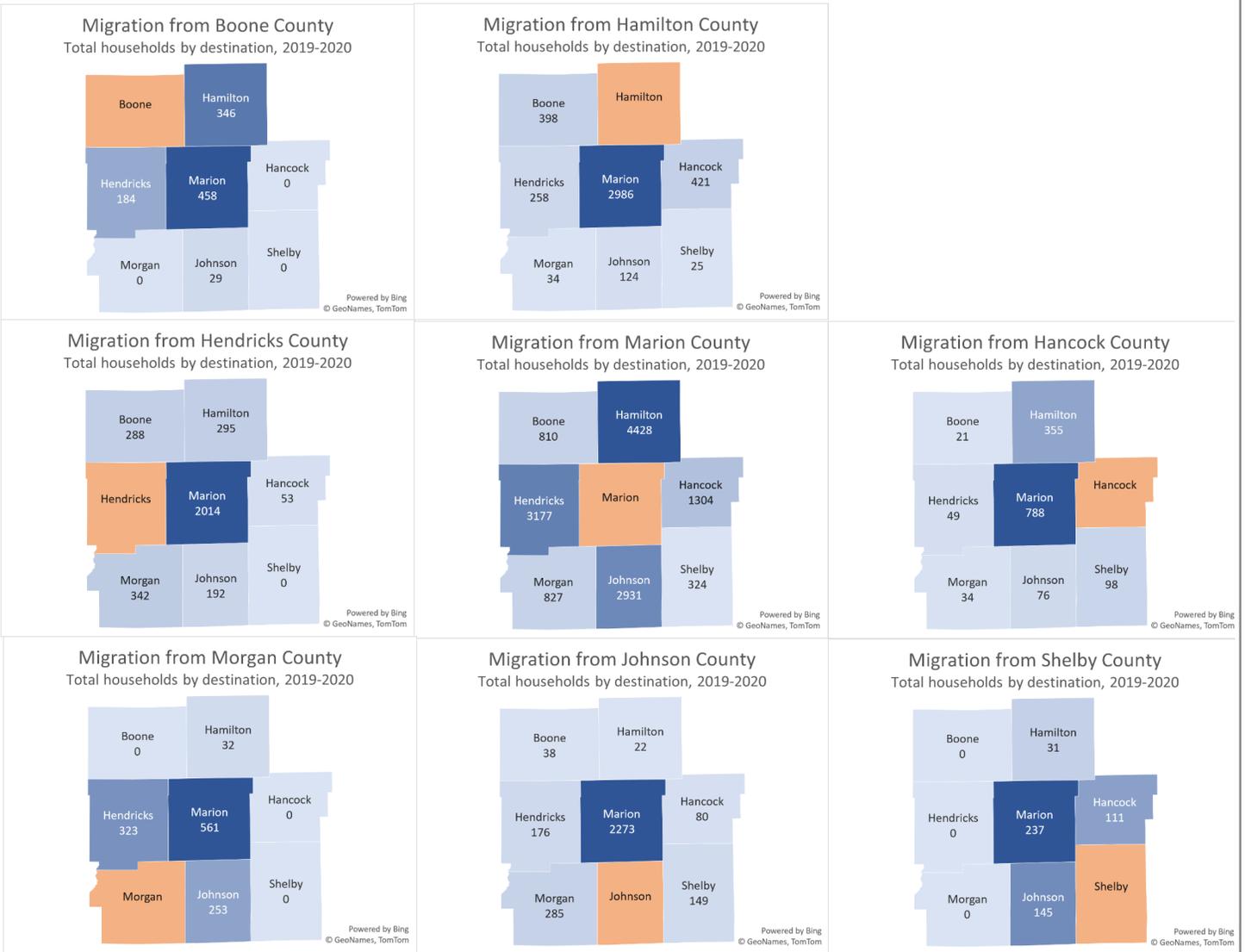


IN-MIGRATION FROM OTHER COUNTIES IN THE REGION BY AVERAGE HOUSEHOLD SIZE

Flows of larger households suggest families seeking larger housing types or different school options, likely in more suburban and rural environments. Flows of smaller households suggest singles and couples seeking smaller units. Counties with no indicated household size contributed to fewer movers than the IRS's minimum threshold per privacy restrictions.

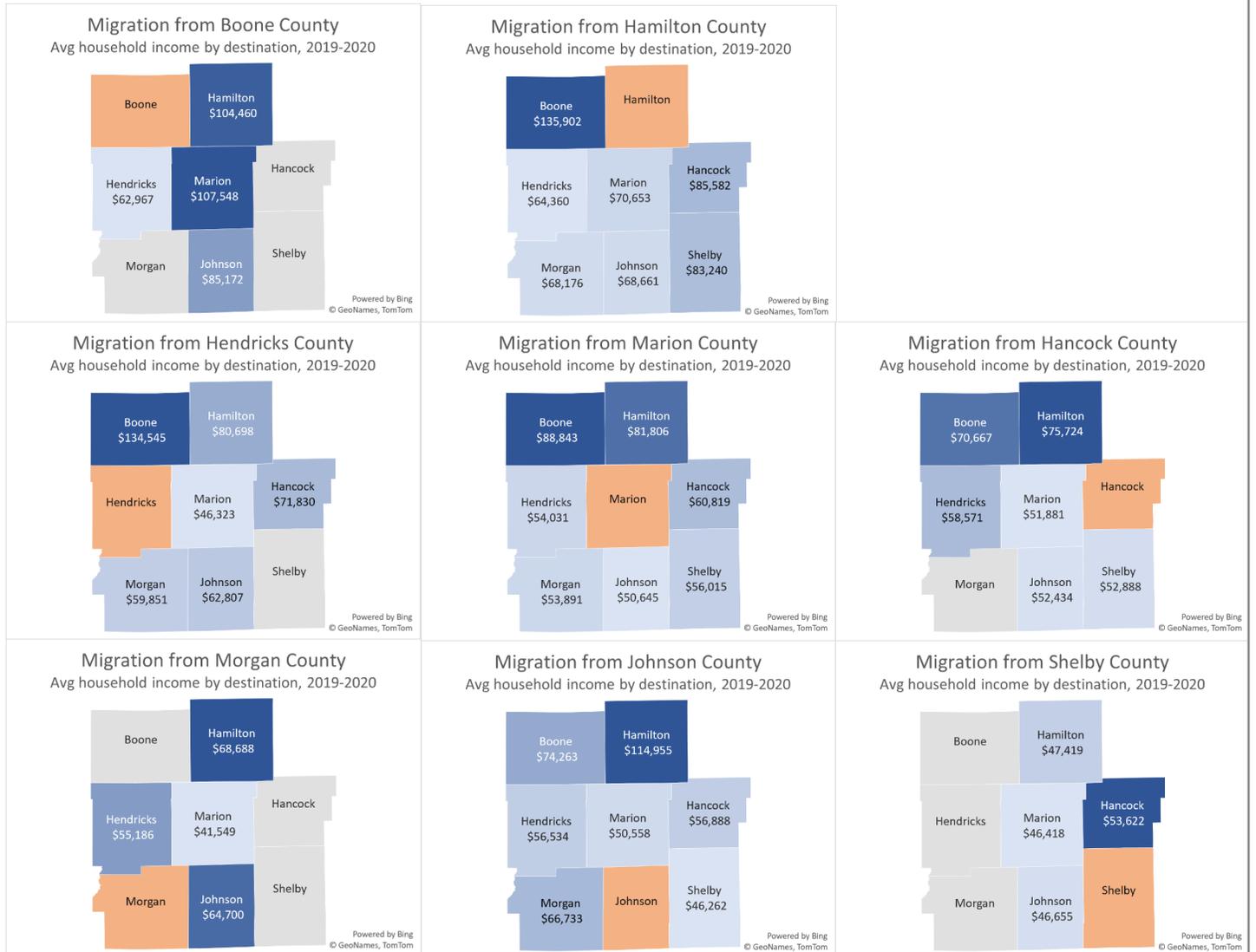


OUT-MIGRATION TO OTHER COUNTIES IN THE REGION BY TOTAL HOUSEHOLDS



OUT-MIGRATION TO OTHER COUNTIES IN THE REGION BY AVERAGE HOUSEHOLD INCOME

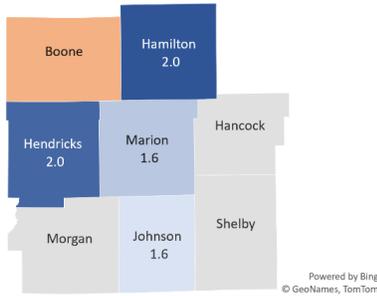
Of most interest are the counties exchanging households of markedly different incomes. Flows of lower-income households could suggest pricing out; flows of higher-income households could be following lifestyle preferences.



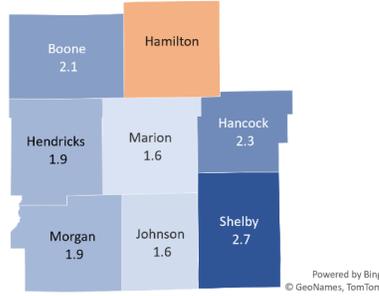
OUT-MIGRATION TO OTHER COUNTIES IN THE REGION BY AVERAGE HOUSEHOLD SIZE

Flows of larger households suggest families seeking larger housing types or different school options, likely in more suburban and rural environments. Flows of smaller households suggest singles and couples seeking smaller units, likely in more walkable environments.

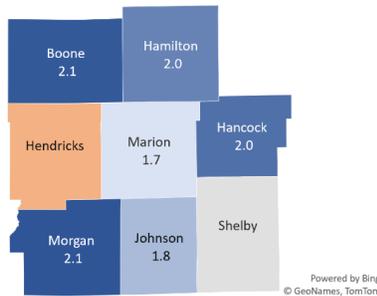
Migration from Boone County
Avg household size by origin, 2019-2020



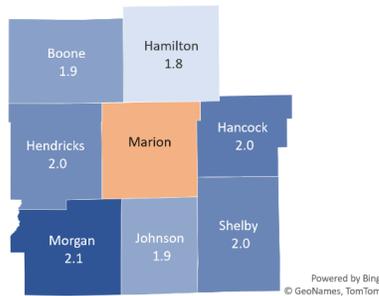
Migration from Hamilton County
Avg household size by origin, 2019-2020



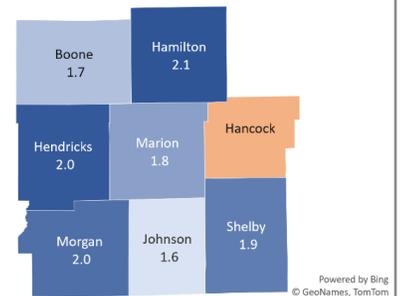
Migration from Hendricks County
Avg household size by origin, 2019-2020



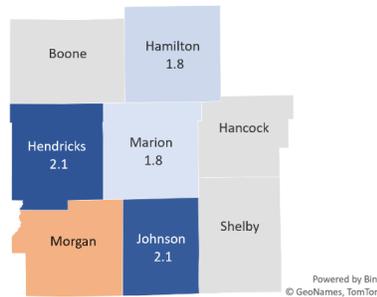
Migration from Marion County
Avg household size by origin, 2019-2020



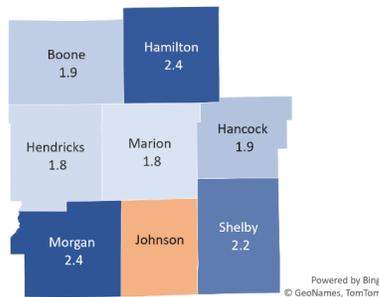
Migration from Hancock County
Avg household size by origin, 2019-2020



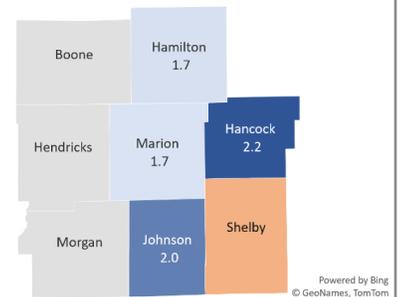
Migration from Morgan County
Avg household size by origin, 2019-2020



Migration from Johnson County
Avg household size by origin, 2019-2020



Migration from Shelby County
Avg household size by origin, 2019-2020



REGIONAL NET MIGRATION

In addition to migration flows between Central Indiana counties, there are significant flows into and out of the region overall. Together, these flows comprise measures of net migration, a potentially significant driver of total household growth. The table below summarizes net migration at the county and regional levels. Every county except Marion is experiencing growth driven by higher levels of in-migration than out-migration.

County	Total in-migration	Total out-migration	Net migration
Boone	2,881	2,316	565
Hamilton	13,018	10,217	2,801
Hancock	3,329	2,552	777
Hendricks	7,132	5,771	1,361
Johnson	6,151	5,685	466
Marion	25,168	30,112	-4,944
Morgan	2,294	2,104	190
Shelby	1,269	1,178	91
Annual totals	61,242	59,935	1,307

Extrapolating the region's annual net migration of 1,307 households into the future, these flows could add at least 13,000 households to the region's total 10-year growth. However, during this study, many stakeholders and community representatives have observed migration rates increasing due to the region's increasing attractiveness nationally due to its strong job growth and comparatively low housing costs (i.e. compared to Chicago or the nation's coasts). Therefore, it is reasonable to expect rates of net in-migration to increase over the coming years. The table below models how different degrees of year-over-year migration rate increases could lead to dramatic increases in total net in-migration over a 10-year period, contributing substantially to the region's projected overall growth.

Year	Potential year-over-year in-migration rate increase			
	0%	10%	20%	30%
1	1,307	1,307	1,307	1,307
2	1,307	1,438	1,568	1,699
3	1,307	1,581	1,882	2,209
4	1,307	1,740	2,258	2,871
5	1,307	1,914	2,710	3,733
6	1,307	2,105	3,252	4,853
7	1,307	2,315	3,903	6,309
8	1,307	2,547	4,683	8,201
9	1,307	2,802	5,620	10,662
10	1,307	3,082	6,744	13,860
Total 10-year net in-migration	13,070	20,830	33,928	55,704



HOUSING MARKET CONDITION REPORT

Overview

This report compiles analysis of housing market conditions across the region to inform the study on the housing currently available and how it was developed. Analysis draws from a variety of data sources, including the American Community Survey, Census Building Permit Survey, CoStar, and several other agencies and providers.

The document is organized into two primary sections:

- Development patterns, illustrating how the region has been settled over time and where development and redevelopment of different forms are most prevalent currently.
- Current housing costs, indicating present rental and purchase costs by unit characteristics such as bedroom count, comparing costs between different market clusters and counties, and tracking sales activity over the past several years.

Key Findings

Of this report's findings, the following are particularly reflective of what is driving the regional housing market and instructive for shaping the broader project's policy and related recommendations.

1. The core and surrounding counties have very different development histories and current market conditions. For almost a century, most of the region's development has focused outside central Indianapolis and, over time, spread further into the surrounding suburbs. While some parts of the core have seen relatively recent new development, many parts of Marion County have fewer units today than they did in the middle of the 20th century.
2. Large-scale multifamily development activity is increasing in the central and southern surrounding counties. This represents an expansion from Hamilton and Marion Counties where the market is now more mature to high-growth parts of Hendricks, Johnson, and Hancock Counties.
3. Region-wide, multifamily development represents a quickly growing share of overall housing production. This reflects shifts in housing market preferences from mostly single family to a wider mix of typologies in not just the more established core and developed Hamilton County but throughout the region. Notably, smaller-scale multifamily development (less than 5 units per building) has seen significant acceleration in recent years.
4. Single family prices continue to rise while sales volumes decline. Many forces are at play behind this observation, including rising interest rates, volatile construction costs, and widespread socioeconomic changes driven by the pandemic.
5. Purpose-built single family rental developments are increasingly common. Initially, single family

rental units were originally built for-sale but were being leased by small-scale investors or assembled into rental portfolios by investment firms. More recently, developers are building new single family rental houses at scales previously reserved for large for-sale homebuilders.

Development Patterns

Overview

The following section illustrates housing development patterns across the region both in their present form and historically since 1940.

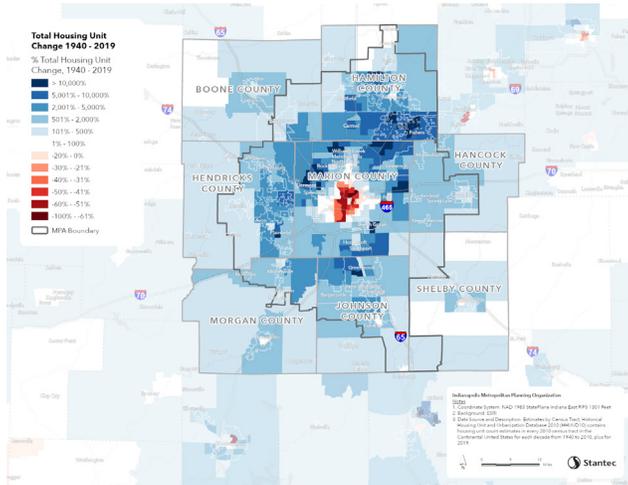
Perspectives include:

- Housing density, indicating where more and less intensive development has occurred.
- Housing vacancy, signaling areas of disinvestment, displacement, or other forms of neighborhood distress.
- Historic development by decade, illustrating patterns of housing development and displacement since 1940.
- Recent housing production by housing type, indicating the mix of housing types delivered each year since 2000.
- Permitted housing units by housing type in 2022, indicating where different development housing types are concentrating at present.
- Single family rentals, a rapidly emerging product type that introduces new opportunities and challenges in communities and the market.

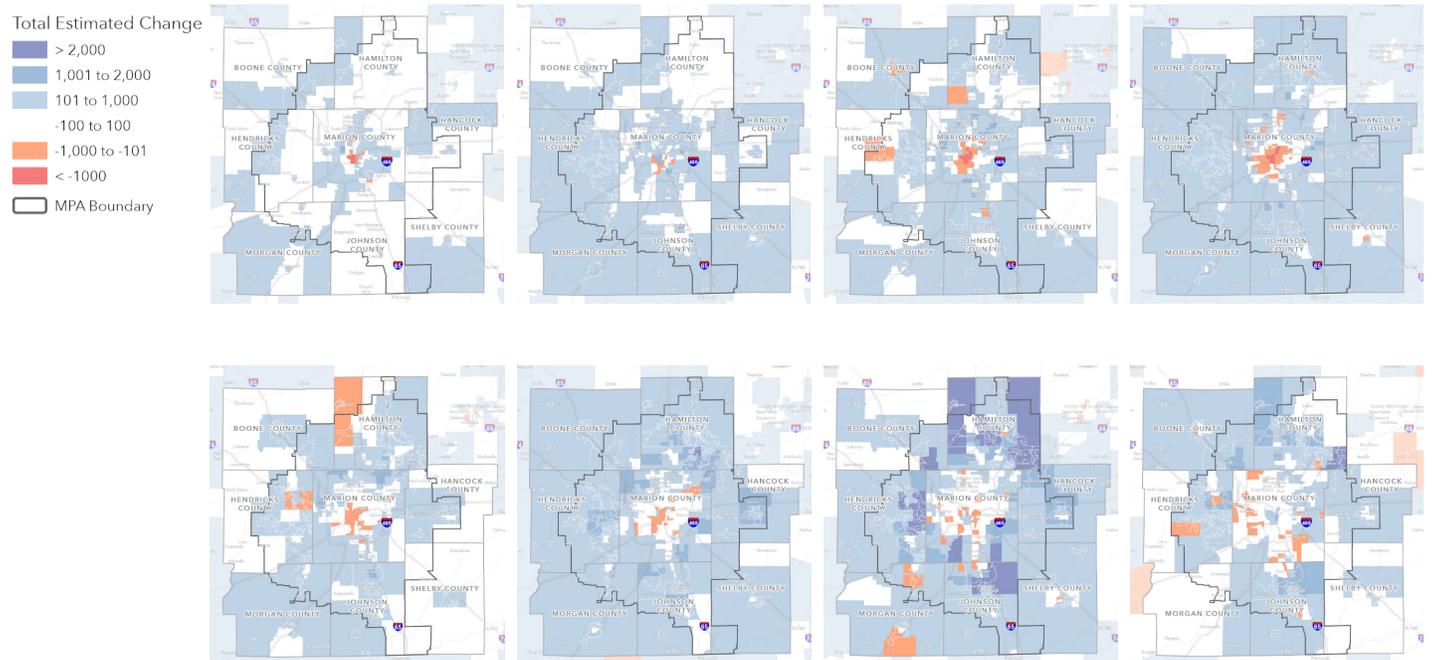
MOST NET NEW HOUSING DEVELOPMENT HAS FOCUSED AROUND – BUT NOT WITHIN – THE CORE.

Over the past 80 years, most of the region’s net new housing has been built along or outside the I-465 corridor. Most of this growth has occurred within the Marion, Hamilton, Hendricks, and Johnson Counties.

Smaller concentrations of development have occurred in and around town centers in other surrounding counties, with lower rates of development in more rural areas.



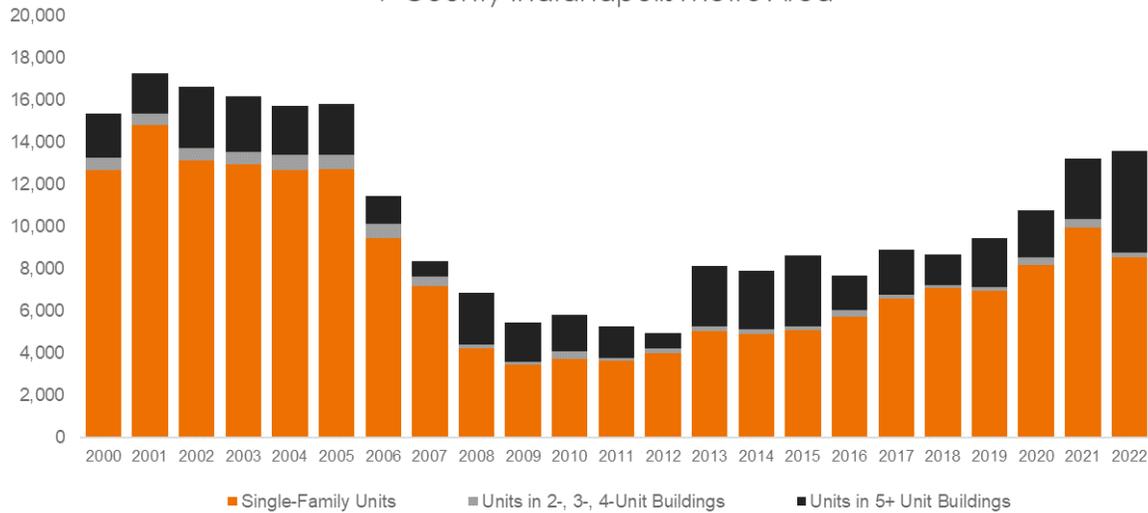
Broken down decade-by-decade, the region’s housing development has radiated from the core into the suburbs since the 1940s. Only since 2010 has central Indianapolis experienced a net unit increase, a period during which growth slowed in many other parts of the region.



CONSTRUCTION SINCE THE GREAT RECESSION HAS INCLUDED A LARGER SHARE OF MULTIFAMILY HOUSING

Growth in younger households, rising housing and land costs, and greater interest in living close to goods and services are some of the reasons why more development in recent years has consisted of multifamily, especially in larger buildings with 5 or more units.

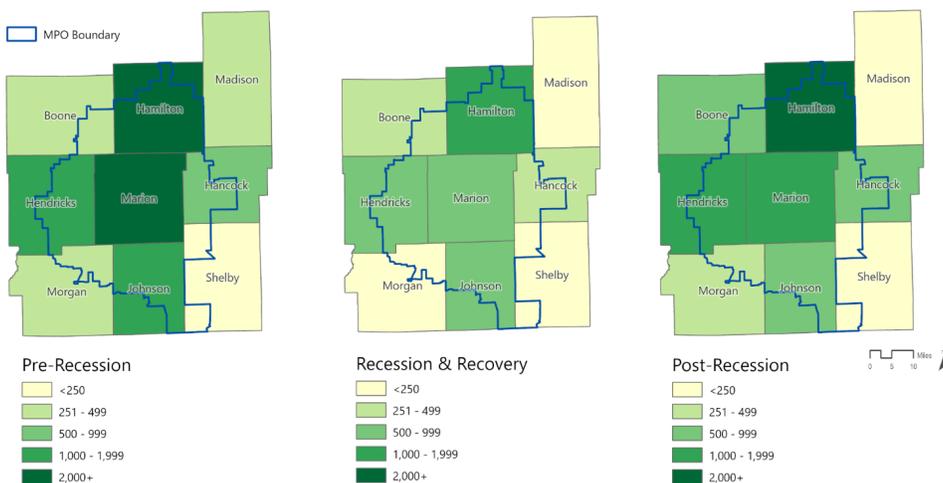
Housing Construction by Unit Type 2000-2022
9-County Indianapolis Metro Area



Source: US Census/HUD: State of the Cities Dataset (SOCDS)

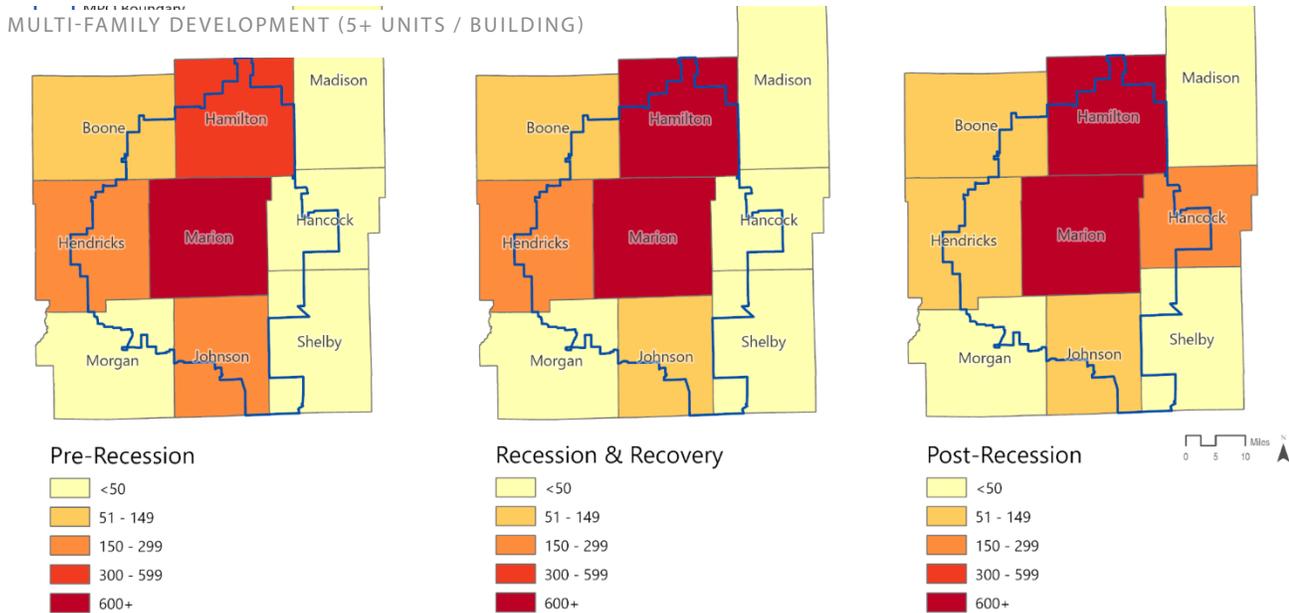
SINGLE FAMILY DEVELOPMENT PATTERNS REMAIN CONSISTENT THROUGH RECENT CYCLES

Dividing historical single family development patterns into increments corresponding to recent economic cycles, the pattern of construction across the region remains relatively consistent. During each period, the highest rates of development occurred in Hamilton, Hendricks, Johnson, and Marion Counties. Construction slowed down somewhat during and shortly after the Great Recession but has since resumed at Pre-Recession rates in many parts of the region.

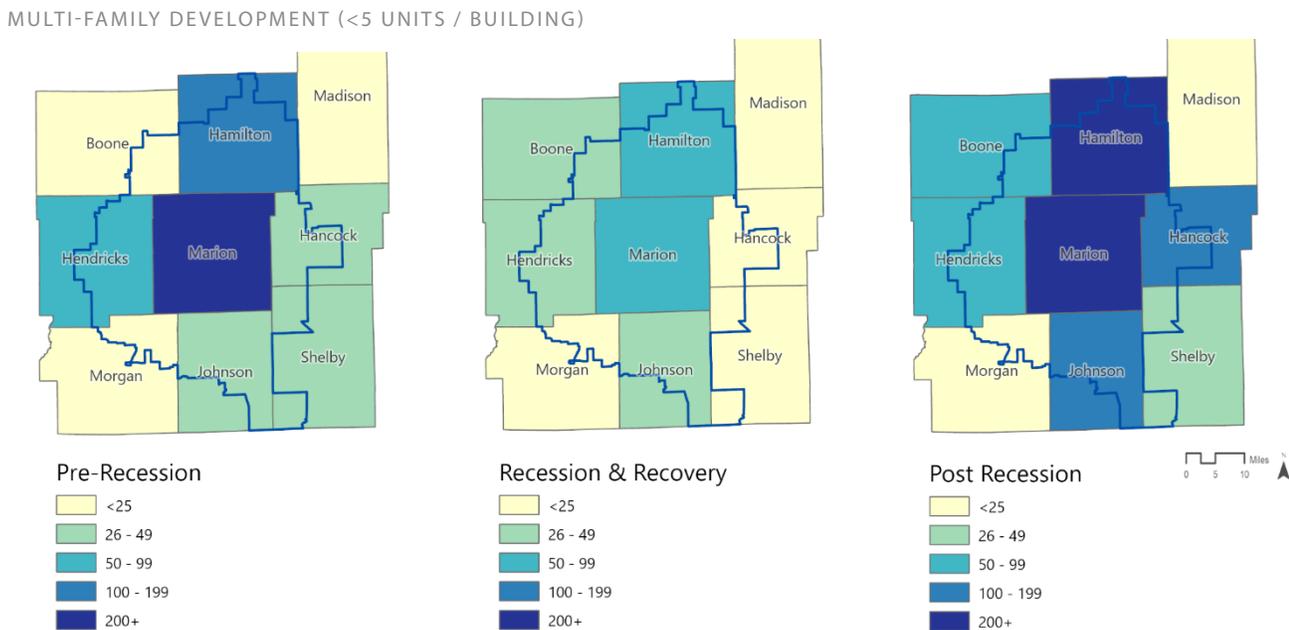


SMALLER DEVELOPMENTS A BIGGER PART OF MULTIFAMILY CONSTRUCTION

Patterns of larger-scale multifamily development (5 or more units per building) have remained largely consistent since pre-recession times, with areas of highest activity generally concentrated in Marion and Hamilton Counties. Hancock County has seen the most considerable increase in larger-scale multifamily development since the 2008 Recession.



At the same time, patterns of smaller-scale multifamily development (less than 5 units per building) have seen significant acceleration in recent years. This suggests smaller, infill projects are comprising an increasing share of the region's multifamily construction, especially in Marion and Hamilton Counties where the market is more mature and cities and towns are more built-out relative to other parts of the region.



SINGLE FAMILY RENTALS

Communities across the region have reported significant increases in single family rental development activity over recent years. Often resembling conventional for sale master plans, these developments regularly include over 100 units at a time. These developments typically include centralized management, operating like a garden apartment complex with functions such as landscaping and building maintenance conducted by the managing company rather than unit occupants.

Recently, rental product has comprised an increasing share of new single family development proposals. In some cases, rental developers have acquired un-built single family permits originally proposed as for sale units but which were not delivered for reasons related to tapering demand, increased financing cost, etc.

Single family rentals offer new opportunities and advantages, including:

- Access to a house for households not ready or able to purchase within their community of choice.
- Central management and maintenance functions can support an attractive and orderly neighborhood when diligently performed.

However, these developments raise concerns within communities for reasons such as:

- The format is still relatively new and untested in many places.
- The central management and maintenance might decline in quality and diligence over time, such as if the property changes hands and a less attentive buyer takes over.



A single family rental community in Florida developed by AMH. Image source: <https://communities.amh.com/communities/walden-woods>

Current Housing Costs Overview

The following section documents housing costs across the region, including comparisons between market clusters and counties at present and over time.

Indicators include:

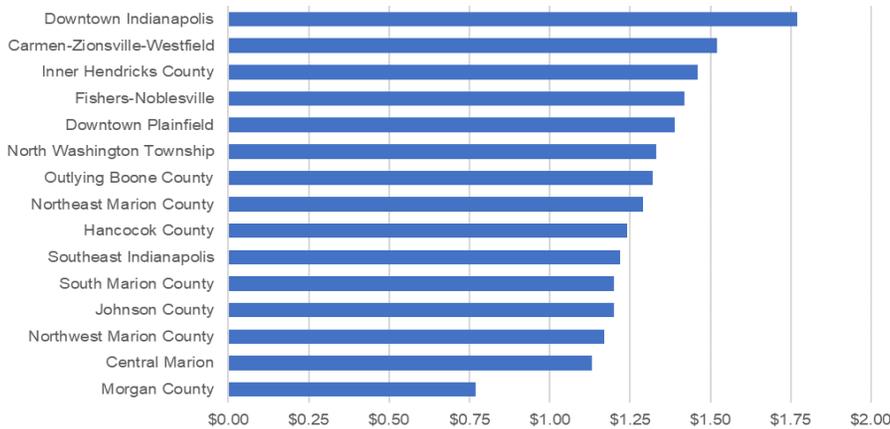
- Rental rates, indicating where rents are higher and lower by geography.
- Rental vacancy rates, illustrating where the rental market may be tighter versus softer in different sub-geographies across the region.
- Unit sizes, indicating ratio of smaller to larger rental unit production over recent years.
- Single family sale prices and volumes, comparing home prices and rates of sales between counties and over time.

RENTAL RATES RANGE WIDELY ACROSS THE REGION

The region's highest apartment rates are focused in Hamilton and Hendricks Counties as well as a concentration of top-of-market units in downtown Indianapolis. Other counties and peripheral parts of Marion County exhibit lower rental rates per square foot.

Note: The market cluster classifications utilized by this and subsequent charts are a product of CoStar, the data source for this information. The clusters are intended to reflect adjacent areas of comparable market conditions.

2023 Average Market Rate Rent per Square Foot by Market Cluster

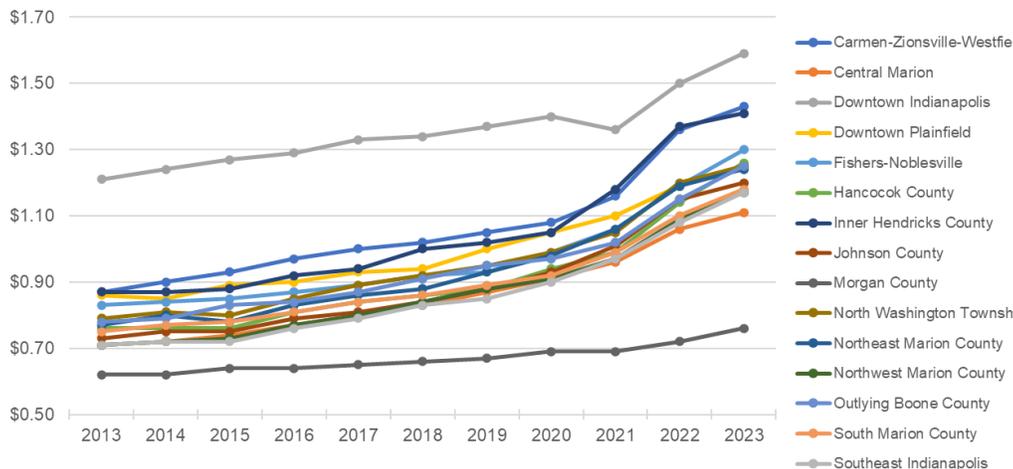


* Analysis is inclusive of recently developed properties in order to understand the current competitive conditions
Source: CoStar

RENTS ARE INCREASING THROUGHOUT THE REGION

Since 2020, rents across the region have begun increasing at a higher rate than over the previous decade. The most pronounced increases have occurred in areas where rents already outpaced the rest of the region, such as Downtown Indianapolis. As the majority of new multifamily development activity shifts from Hamilton and Marion Counties to other surrounding counties, it is likely these other market clusters will see jumps in local average rents.

Average Market Rate Apartment Rents per Square Foot by Market Cluster 2013-2023

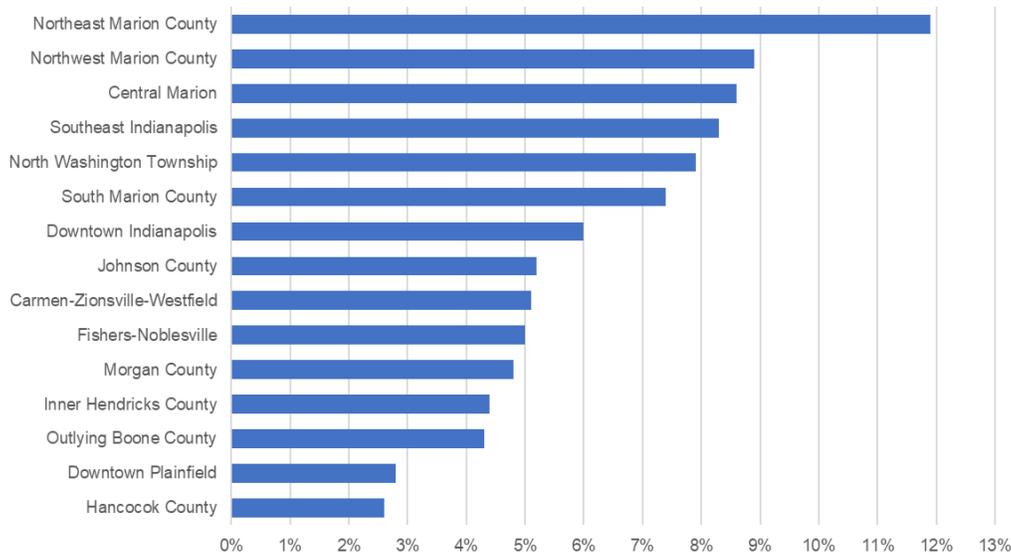


* Analysis focused on stabilized properties and excluded newer high-end properties in order to understand the true impact economic change on the market
Source: CoStar

RENTAL VACANCY RATES ARE MUCH HIGHER IN MARION COUNTY THAN ELSEWHERE

Apartment vacancy rates are relatively low outside Marion County which occupies the top 7 spots on the list at right. This finding would suggest higher market appetite for new apartments in surrounding counties. However, given the highly segmented nature of today's apartment markets, there may be certain product types that can gain traction in market clusters with high average vacancy rates but a shortage of specialized typologies that meet local niche demand.

2023 Market Rate Apartment Vacancy Rate by Market Cluster



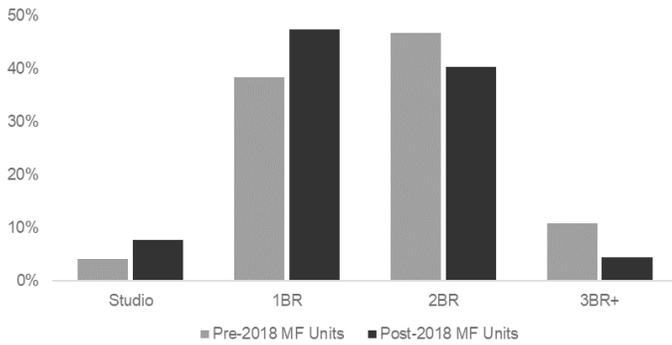
Source: CoStar

SMALLER UNIT TYPES HAVE BECOME MORE PROMINENT AT THE EXPENSE OF LARGER UNIT TYPES

Since 2018, many apartments have been built with more studios and one-bedroom units. Not surprisingly, buildings in downtown Indianapolis and close-in neighborhoods have skewed heavily toward these smaller unit sizes. However, even in the outer counties, there has been an important shift toward smaller unit sizes as well.

This shift has been driven by changing demographics and rapidly rising rents. The impact is that fewer larger unit types that can accommodate families are being built. This may in turn be contributing to the increasing popularity of built to rent subdivisions.

Multifamily Unit Mix by Year Built
Indianapolis Metro Area



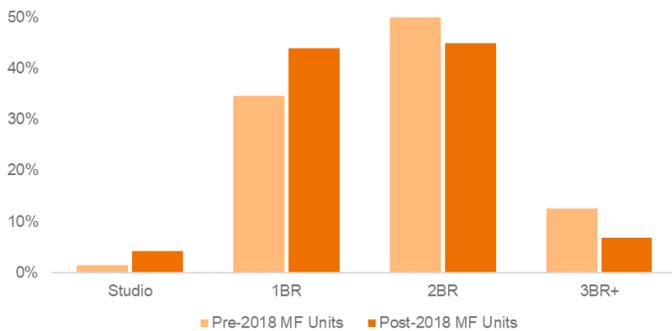
Source: CoStar

Multifamily Unit Mix by Year Built
Marion County



Source: CoStar

Multifamily Unit Mix by Year Built
Outer Counties

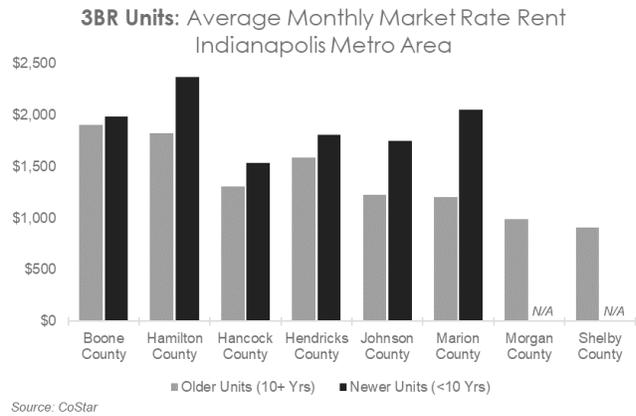
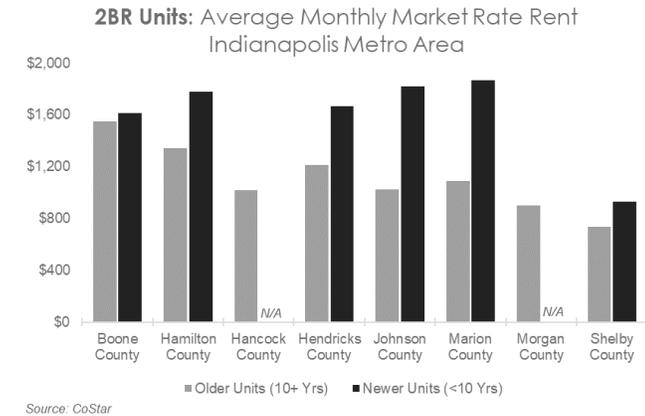
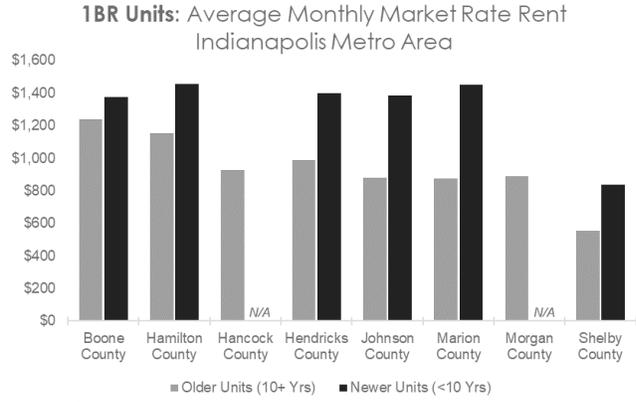
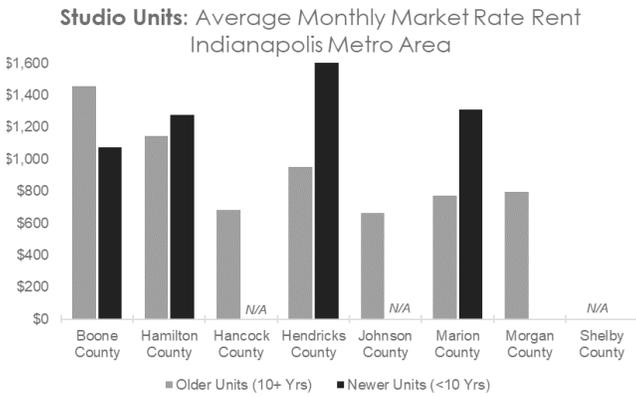


Source: CoStar

RENTS IN NEWER APARTMENTS ARE SIMILAR ACROSS COUNTIES. RENTS IN OLDER APARTMENTS VARY SIGNIFICANTLY BY COUNTY

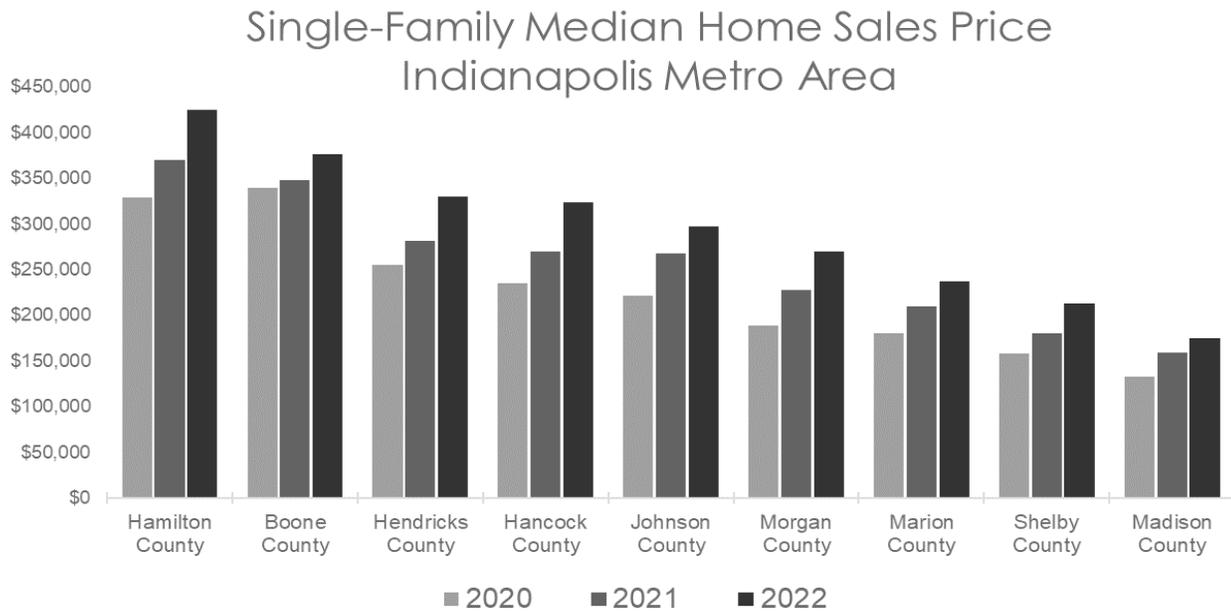
Almost universally across the region, multifamily rents in new developments are significantly higher than in developments that are 10 years or older. Rents are much more consistent regionally among newer developments than older.

Note: N/A designation assigned where too few – or zero – units are present to gauge a material estimate of the total.



SINGLE-FAMILY FOR-SALE PRICES ON THE RISE REGIONWIDE

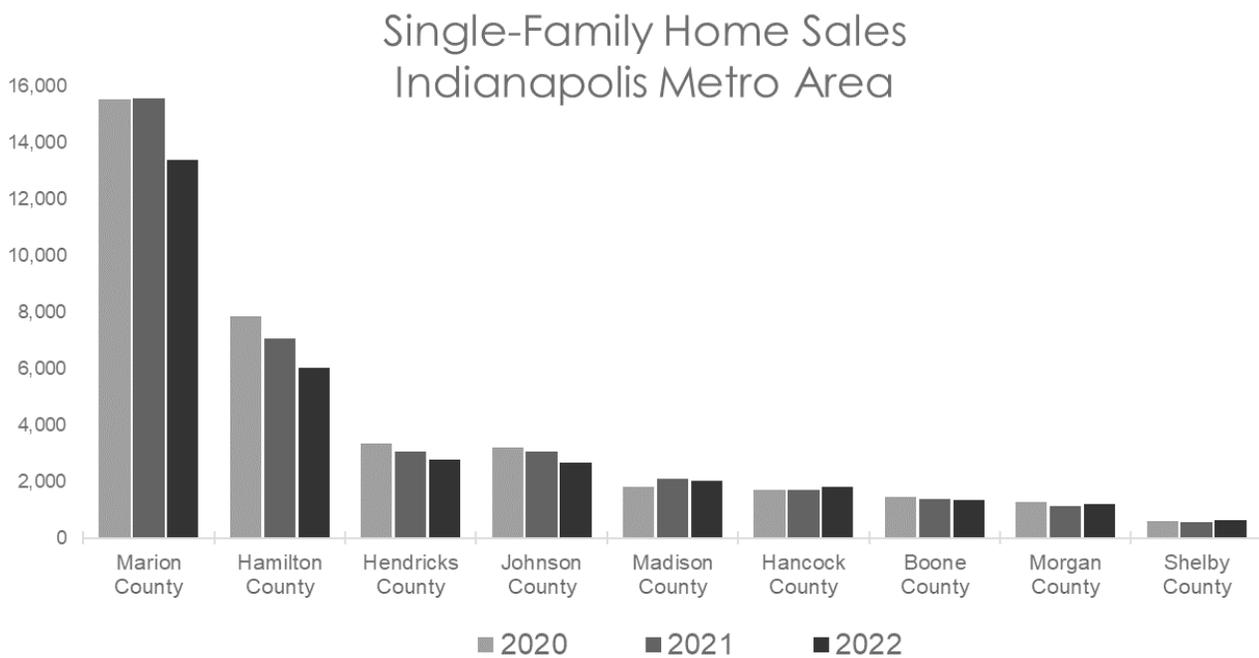
Between 2020 and 2022, median sales prices have increased an average of 31% across IMPO's counties.



Source: MIBOR Realtor Association: Market Insights Report

SINGLE FAMILY SALES RATES DECLINING ACROSS THE REGION

The largest counties in the IMPO have experienced a significant decline in homes sales since 2020.



Source: MIBOR Realtor Association: Market Insights Report



HOUSING DEMAND AND GAP ANALYSIS

Overview

This report compiles the analysis of housing and household characteristics along with growth projections and market preference assessments to identify gaps in the current housing supply and understand what additional housing will be needed to meet expected new demand over the coming years.

The document summarizes housing gaps and production need at the regional level. Each geography is assessed using the following sequence of analyses:

- Current housing preferences, establishing the choices residents would likely make if selecting housing based on their current income, household size, and tenure. Findings of this analysis are in concurrence with the recent MIBOR survey of consumer preferences.
- Current housing supply, summarizing the existing housing stock in terms of monthly cost, bedroom count, and tenure (rent vs own). This inventory is based on a complete modeling of the region's housing at the unit-by-unit level of detail, using parcel data, real-time web scraping, and other public and proprietary sources.
- Current market alignment, gauging the degree of alignment between preferences and supply. Areas of misalignment indicate households that, for example, pay more than they can comfortably afford; have more bedrooms than they need; or are otherwise not living in a unit that best reflects their preferences and/or ability to pay.
- Projected household growth, estimating future change in house counts by income.
- Production need forecast, translating household growth into new housing production need quantities.
- Five-year production need, parsing the housing production forecast into unit counts by cost, bedroom count, and tenure to inform the number and types of housing communities should plan for to accommodate expected new demand over the next five years.

Key Findings

This report provides a detailed review of the degree of alignment between the region's housing stock and its residents' housing preferences as well as projections of future household growth and the new housing needed to accommodate it. The following are key findings that have emerged through the course of these analyses:

1. The region has more mid- and higher-cost 3 and 4+ bedroom houses than people would prefer. In all counties and regionwide, there are considerably more owned houses at mid- and higher-cost levels than the current population would demand if making their housing decisions today. As such, it can be expected that, as households move to their next unit, many will shift from an owned house to either a smaller ownership unit (condo or townhome) or a rental option, assuming their preference is available in their community of choice. The one exception to this pattern is houses at the highest cost range where it seems the region could absorb more than it has.
2. The region does not have enough smaller ownership units. In all counties and regionwide, there are too few ownership units (up to 2 bedrooms) compared to what the population would prefer. Small ownership units often, though not always, come in the form of attached housing units such as condos, townhomes, and duplexes. These units can represent a more affordable homeownership opportunity for first-time buyers, as well as provide opportunities for downsizing empty nesters looking to reduce maintenance burdens.
3. There are too few affordable units, especially at smaller 1- and 2-bedroom sizes. In all counties and regionwide, there is a pronounced shortage of units affordable to lower-income households (especially those with incomes below \$35k). While the regional gap is most pronounced for lowest-cost 1-bedroom rental units, affordable ownership units are also in very short supply.
4. Significant growth is expected in the number of households over the next decade. In most counties, projected low-income household counts are either steady or declining. There are likely several explanations for this trend among low-income households that extend beyond the housing market but it should be monitored nonetheless to ensure displacement or cost burden are not intensifying as a consequence. Also, despite a net decrease in total low-income households, new households at these income levels are expected to enter the market over the next 5-years. Given the general shortage of housing options affordable to them, future production of units corresponding to their ability to pay therefore remains a need.
5. New housing production is needed at most cost levels with a considerable portion below market rate. While most counties will see demand for market rate rental and ownership housing continue, a substantial portion of new demand may require some level of subsidy or other support to deliver. The findings suggest modest demand for mid- and higher-cost 3+ bedroom houses but, as finding #1 suggests, there is technically a surplus of these units already. Future production of these units could be offset by existing units becoming available through market churn as misaligned households move out of some of them in favor of other types that better fit their preferences and ability to pay.

Methodology

The following section supplements notes in the findings sections to further explain the methodology behind this report’s analyses, including:

- Current preferences
- Current supply
- Current market alignment
- Growth projection
- Production need forecast
- 5-year production need

CURRENT PREFERENCES

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

By measuring the housing choices made most recently by households of different incomes and family compositions across the Midwest, the study distills the current trends and preferences driving market dynamics today. The analysis takes this measure of current trends and preferences and applies it to the Central Indiana region’s population to model what housing choices its residents would make if moving today (setting aside what choices they may have made in the past under different economic and market conditions). Comparing the units households actually occupy to where they would prefer under current circumstances, we can identify gaps in the current supply that signal potentially unmet need and market demand in terms of cost, typology, and tenure.

Ability to pay vs. Willingness to pay

This analysis caps what a household has the ability to pay at the 25% + 5% level noted at left. Especially in the case of lower income households, some are willing to pay more than this to obtain needed housing but typically only because the limited choices available force a compromise on price. Ideally, a local housing market does not require households to exceed this reasonable ability to pay to find housing options that work for them

Current housing preferences

Household Income	Maximum monthly housing cost	Rent				Own			
		1BR	2BR	3BR	4BR+	1BR	2BR	3BR	4BR+
Less than \$15,000	\$313	30301	8069	4541	5048	15528	3623	1086	1516
\$15,000-24,999	\$521	20422	8811	4186	5758	12445	6867	1467	2312
\$25,000-34,999	\$729	17750	9683	5071	4650	13838	9962	2538	3254
\$35,000-49,999	\$1,042	19984	11739	5308	7055	17917	18197	5422	6788
\$50,000-74,999	\$1,563	13773	14008	7048	9959	17941	32911	13038	17816
\$75,000-99,999	\$2,083	6151	8239	3759	4801	10052	27597	12836	19958
\$100,000-\$149,999	\$3,125	2816	5385	2201	5217	7587	35254	18227	34261
\$150,000-199,999	\$4,167	571	1363	770	670	1170	14341	8736	18649
\$200,000 or more		1100	1091	489	453	3049	16810	8313	20868

Notes:

- **Darker blues** indicate unit types more households would prefer.
- **Lighter blues** indicate unit types fewer households would prefer.

CURRENT SUPPLY

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



CURRENT MARKET ALIGNMENT

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

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



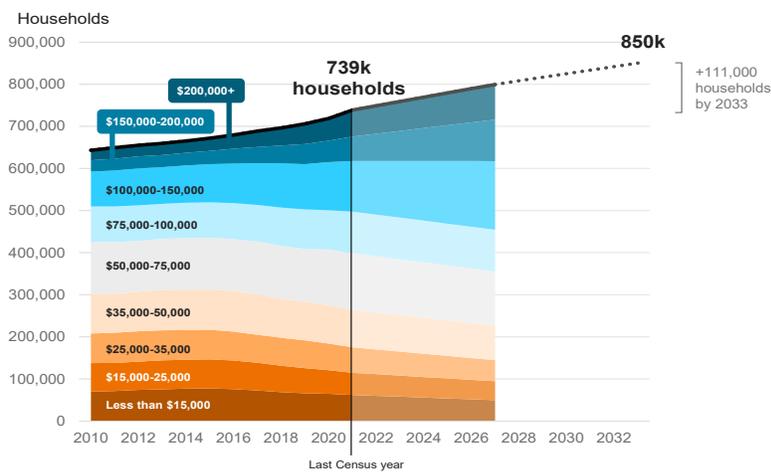
GROWTH PROJECTION

As a precursor to estimating future housing production targets, the household growth projection establishes the trajectory of growth that will drive future housing demand. Past years' change is derived from corresponding years' Census data. This should be considered the actual, observed flux in household counts by income over the past decade or so. This historical data extends to 2021, the latest year for which Census data is available.

The five-year projection is derived from ESRI estimates for household change by income between 2021 and 2027. The future projection originates from 2021, the most recent Census year. 2033 projections are derived from Woods & Poole estimates, a widely cited source for long-term population and employment projections. Future projections are adjusted to 2021 dollars.

The projection's income brackets correspond to housing cost brackets in other parts of the report to inform links between household change and potential housing demand.

Household growth, by income bracket



PRODUCTION NEED FORECAST

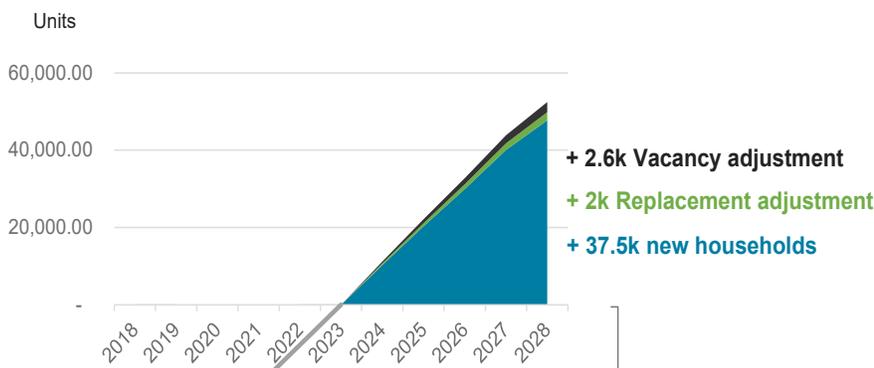
The housing production forecast establishes how many units are needed over the next 5 years to accommodate expected new demand. Demand is primarily driven by household growth and driven by the need for more units to accommodate more people.

A vacancy rate of about 5% is considered indicative of a healthy housing market. Lower vacancy rates constrain potential movers and might drive up prices. Therefore, this analysis considers the current vacancy rate and, if under 5%, adds units to support a future rate closer to the healthy standard.

Though some more so than others, All housing markets include some units that are or will be demolished in the course of new development, either because they are unfit for habitation or obsolete and more economically replaced than refurbished. The production forecast considers the typical age and condition of local housing stock to assign a replacement factor and adds units to the total accordingly.

Data sources include Census, ESRI, and Woods & Poole

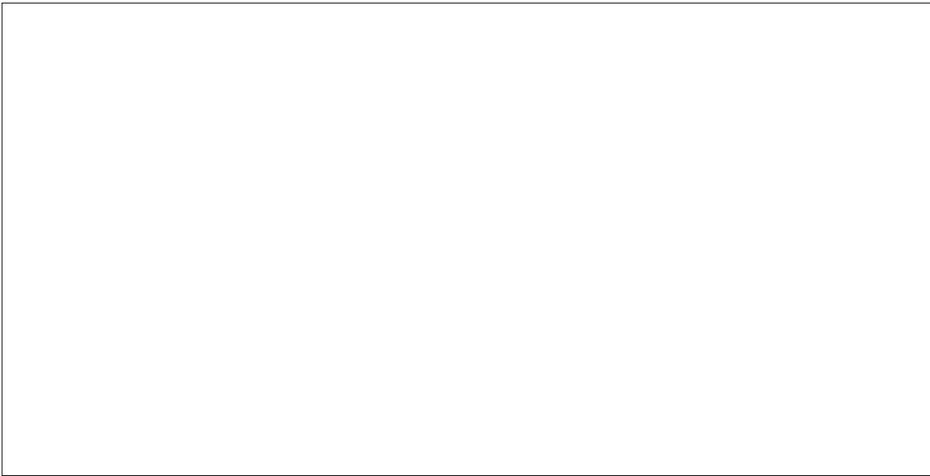
Housing production need forecast



FIVE YEAR PRODUCTION NEED

This step in the analysis translates the production need forecast into a distribution of needed housing units in terms of cost, tenure (rent/own), and bedroom count. Larger numbers indicate unit types (cost/tenure/size) that should be developed at higher volumes to meet expected household growth. Smaller numbers indicate unit types less urgently in need based on projected household growth.

The table is annotated with the approximate % AMI levels associated with each monthly cost bracket to help indicate which batches of units might require subsidy or other support to deliver. In general, housing that is affordable to households at or above 120% AMI is considered feasible to develop without subsidy.



Central Indiana Region

CURRENT PREFERENCES

This table indicates the housing cost, size, and tenure a household would most likely select if in the market for housing today. Preferences are informed by factors including income, household size, and current tenure. The factors are benchmarked against Midwest regional housing trends. Findings are consistent with related results from the recent MIBOR survey of consumer preferences.

Key takeaway: Regional housing preferences are concentrated around low-cost small rentals and middle- to higher-priced ownership units.

Current housing preferences

Household Income	Maximum monthly housing cost	Unit Types							
		1BR	2BR	3BR	4BR+	1BR	2BR	3BR	4BR+
Less than \$15,000	\$313	30301	8069	4541	5048	15528	3623	1086	1516
\$15,000-24,999	\$521	20422	8811	4186	5758	12445	6867	1467	2312
\$25,000-34,999	\$729	17750	9683	5071	4650	13838	9962	2538	3254
\$35,000-49,999	\$1,042	19984	11739	5308	7055	17917	18197	5422	6788
\$50,000-74,999	\$1,563	13773	14008	7048	9959	17941	32911	13038	17816
\$75,000-99,999	\$2,083	6151	8239	3759	4801	10052	27597	12836	19958
\$100,000-\$149,999	\$3,125	2816	5385	2201	5217	7587	35254	18227	34261
\$150,000-199,999	\$4,167	571	1363	770	670	1170	14341	8736	18649
\$200,000 or more		1100	1091	489	453	3049	16810	8313	20868

Notes:

- **Darker blues** indicate unit types more households would prefer.
- **Lighter blues** indicate unit types fewer households would prefer.

CURRENT SUPPLY

This table summarizes the IMPO region's housing supply in terms of cost, size, and tenure. Based on a parcel-level analysis of all units in the region, this survey draws from a variety of data sources to estimate monthly costs across housing types and tenures for all units in the region.

Key takeaway: Most of the region's housing consists of mid/high-priced 3-bed and 4+ bed owned houses, with a secondary concentration of mid-priced rentals.

Current housing supply

Household Income	Maximum monthly housing cost	Unit Types							
		1BR	2BR	3BR	4BR+	1BR	2BR	3BR	4BR+
Less than \$15,000	\$313	2664	1653	1089	0	13	98	165	102
\$15,000-24,999	\$521	9712	5282	2994	36	155	902	596	169
\$25,000-34,999	\$729	14854	5092	863	85	523	6605	4549	556
\$35,000-49,999	\$1,042	31363	32499	5861	416	965	17956	26209	4002
\$50,000-74,999	\$1,563	23638	61792	32246	4437	1070	24547	91935	20294
\$75,000-99,999	\$2,083	4713	18668	24086	7058	511	10429	73599	46269
\$100,000-\$149,999	\$3,125	582	4148	7632	5762	356	4757	49287	60868
\$150,000-199,999	\$4,167	183	470	160	255	64	669	13348	18835
\$200,000 or more		0	96	54	1	44	229	5714	13026

Notes:

- **Darker blues** indicate proportionally higher volumes of units
- **Lighter blues** and white indicate proportionally lower unit counts.

MARKET ALIGNMENT

Comparing current housing preferences with today’s supply reveals misalignments in the housing landscape. These shortages and surpluses are referred to as “potential” because the units are occupied and the households are housed, just not as appropriately as they could be. However, if/when misaligned households move, they will likely relocate to a units that better fit their preferences and ability to pay

Key takeaway: The region has a shortage of lower-priced small rentals and condos as well as higher-priced condos/townhomes. There is a surplus of mid-priced 3-bed houses.

Current housing market alignment

Household Income	Maximum monthly housing cost	Rent				Own			
		1BR	2BR	3BR	4BR+	1BR	2BR	3BR	4BR+
Less than \$15,000	\$313	-27637	-6416	-3452	-5048	-15515	-3525	-921	-1414
\$15,000-24,999	\$521	-10710	-3529	-1192	-5722	-12290	-5965	-871	-2143
\$25,000-34,999	\$729	-2896	-4591	-4208	-4565	-13315	-3357	2011	-2698
\$35,000-49,999	\$1,042	11379	20760	552.8	-6639	-16952	-241	20787	-2786
\$50,000-74,999	\$1,563	9865	47784	25198	-5522	-16871	-8364	78897	2478
\$75,000-99,999	\$2,083	-1438	10429	20327	2257	-9541	-17168	60763	26311
\$100,000-\$149,999	\$3,125	-2234	-1237	5431	545	-7231	-30497	31060	26607
\$150,000-199,999	\$4,167	-388	-893	-610	-415	-1106	-13672	4612	186
\$200,000 or more		-1100	-995	-435	-452	-3005	-16581	-2599	-7842

Notes:

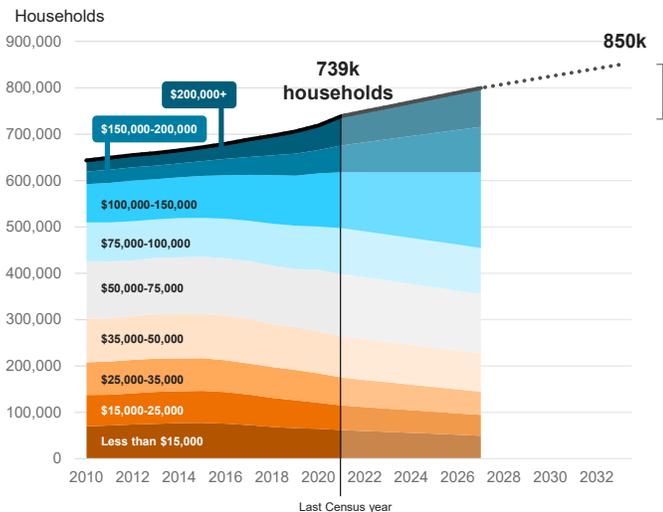
- **Red** cells indicate a shortage (darker shades indicate proportionally larger shortages).
- **Green** cells indicate a surplus (darker shades indicate proportionally larger surpluses).

GROWTH PROJECTION

This table tracks total household change over time by income to indicate overall trends as well as growth or reduction within individual income brackets. These income brackets correspond to household income and housing unit cost levels on other charts in this section to help compare the current status with historical and future conditions.

Key takeaway: The region is projected to add about 111,000 households by 2033, with net growth at higher incomes and net reduction at lower incomes.

Household growth, by income bracket



5-YEAR PRODUCTION NEED

This table parses the housing production projection by unit cost, size, and tenure. This tabulation reflects these households' expected mix of household incomes, sizes, and tenure preferences. The table also indicates how units correspond to different income levels in terms of AMI. Units at or above 80% are less likely to require subsidy than those below.

Despite net reduction in low-income households, new low-income households are projected to enter the market and thus need housing. Existing low-cost housing units could absorb some of this demand, but only if current residents churn out of them first, which might be unlikely given the overall shortage of low-cost housing.

Key takeaway: A substantial portion of projected new households entering the market will have moderate to extremely low incomes, suggesting the need for subsidy and/or creative financing to produce sufficient attainable housing.

Five-year production need

Maximum monthly housing cost	1BR	2BR	3BR	4BR+	1BR	2BR	3BR	4BR+	
\$313	76	50	22	7	1	8	8	3	Extremely low <30% AMI*
\$521	33	32	12	3	1	5	7	2	(Below \$28k)
\$729	54	65	24	7	2	16	20	6	Very low 30-50% AMI (\$28k-\$47k)
\$1,042	107	142	53	16	5	35	60	19	Moderate to Low Income 50-80% AMI
\$1,563	86	140	57	15	6	52	108	40	(\$47k-\$75k)
\$2,083	3	17	45	27	20	36	20	5	Workforce housing 80-120% AMI
\$3,125	18	44	24	8	3	25	80	70	(\$75k-\$113k)
\$4,167	15	42	27	13	4	20	91	126	Market-rate housing >120% AMI
More than \$4,167	28	66	51	18	3	42	121	258	(Above \$113k)

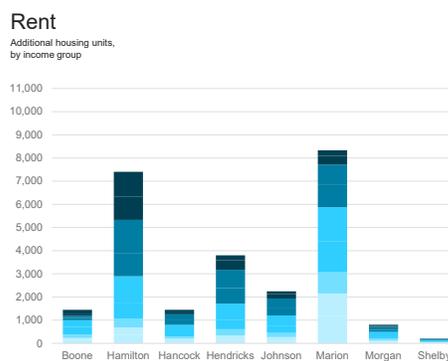
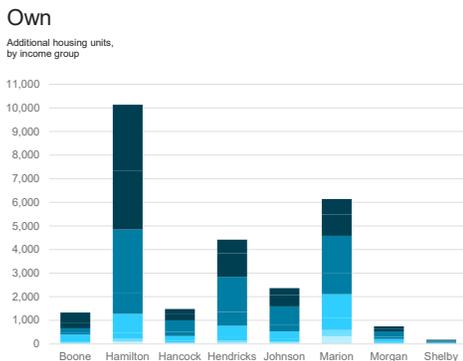
Notes:

- **Darker purples** indicate proportionally higher production volumes needed.
- **Lighter purples** and **white** indicate proportionally lower production volumes needed.
- The region's Area Median Income (AMI) = \$94k

5-YEAR PRODUCTION COMPARISON BY COUNTY

These tables compare production need between counties to illustrate where expected need is distributed within the region. The comparison is broken down by tenure (own/rent) and relative cost to suggest needed housing typologies and levels of affordability.

Key takeaway: A substantial portion of new housing needed to accommodate projected household growth is below market rate cost and thus may require subsidy or other support to deliver. Though the region is projected to see a net-decline in low-income households, there are still many new low-income households entering the market who will need accommodation given the systemic shortage of affordable options to begin with.





CONTRIBUTING FACTORS

Overview

Previous Central Indiana Housing Study deliverables have assessed and analyzed the housing market by evaluating housing development patterns, documenting socioeconomic conditions, and gauging supply/demand alignment and county and regional levels. Together, these perspectives combine to tell much of the story, but there is meaningful nuance they are not able to capture.

This study process has also included dozens of meetings with a wide range of stakeholders, including staff from most of the region’s municipalities, professionals focused on a variety of local and regional issues, members of the development and builder communities, and advocates for under-represented communities. During these discussions, many topics emerged that help build the broader story behind the numbers – these are the contributing factors that underpin the market assessments and analyses done so far.

“Contributing factors” refer to the underlying dynamics and trends that might not be directly evident in the primary analysis but are operating “behind the scenes” to shape housing access and attainability for many across the region. In some cases, these factors represent structural limitations that lead to disparities in housing quality and access for certain populations, such as housing accessibility for seniors and people with disabilities. In other cases, the factors are only expressed under certain conditions, but may disproportionately impact some population more than others, such as high mortgage rates and prospective first-time homebuyers.

This document supplements prior deliverables by compiling the contributing factors local stakeholders have identified as particularly impactful and important to add to study, including:

- Transportation, including walkability, transit, access to a vehicle, and connection to jobs.
- Market dynamics, including construction costs, mortgage rates, cost of living, wages, economic

- disruption, and corporate-owned houses.
- Local dynamics, including local regulations, public opinion, and political conditions.
- Contributing factors for vulnerable populations, including seniors and people with disabilities, immigrants and refugees, ethnic and racial minorities, and low-income households.

IMPACT ANALYSIS

The impact analysis examines to what degree a given contributing factor affects an individuals’ housing attainability as well as the overall market’s health and viability. For example, some factors impact limited populations but to a large degree, such as lack of access to bank financing for undocumented immigrants. Other factors are more universally experienced but may have more incremental impacts, such as gradual inflation and cost of living increases. Additionally, some factors are currently impacting people today and others are potential impacts that might emerge in the future.

Each contributing factor described in this report is accompanied by an impact analysis snapshot that summarizes the factor’s relative effect on individual and regional housing attainability from the following perspectives:

- Scope: How broadly does this factor influence housing attainability across the region?
- Affordability impact: For those impacted by this factor, how much does it influence housing affordability?
- Access impact: For those impacted by this factor, how much does it influence their access to housing?

EXAMPLE IMPACT ANALYSIS SNAPSHOT

- Scope: 20-25% of the population and growing
- Affordability impact: Price secondary to access
- Access impact: Can severely limit options for some

Transportation

Transportation costs represent a significant share of many households' annual spending. Nationally, the average household spends about \$10k on transportation. According to the Center for Neighborhood Technology's H+T index, this total is almost \$14k in the Central Indiana region, nearly as much as these households spend on housing. Especially for lower-income households already struggling with the cost of housing, opportunities to save money on transportation can help stabilize household finances and reduce the risk of displacement by increasing their ability to pay for housing.

A household's access to transportation can also determine which communities and neighborhoods they can live and which they might not be able to consider given mobility-related constraints.

This section reviews several transportation factors that can impact housing access and affordability:

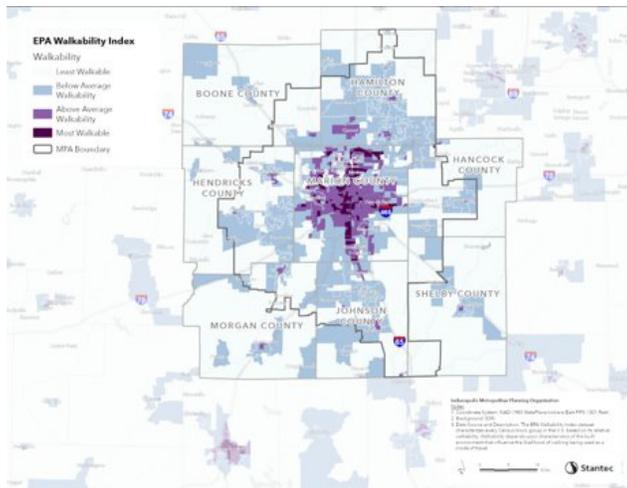
- Walkability, including cost savings associated with fewer vehicular trips when more of a household's needs are met within walking distance.
- Proximity to transit, including cost savings associated with reduced reliance on a personal vehicle in cases where sufficiently robust and well-connected transit routes can substitute.
- Access to a vehicle, including the degree to which owning a personal vehicle is essentially required to live in certain parts of the region.
- Connection to jobs, including the relationship between economic development and a diverse local housing supply.

TRANSPORTATION: WALKABILITY

Households living in walkable neighborhoods often spend less on transportation, reducing overall cost of living burden and improving the ability for a household to attain housing of their choice. The more services, amenities, and resources available within a walkable distance, the less reliant households will be on personal vehicles or even transit trips.

While there are some pockets of walkability in the donut counties, the most walkable areas are concentrated in Marion County, indicating most of the region requires access to a vehicle or transit to reach most of what they need.

Because there are strong demand for housing in walkable environments, this factor can also contribute to higher prices and competition, especially given the limited supply in this region.



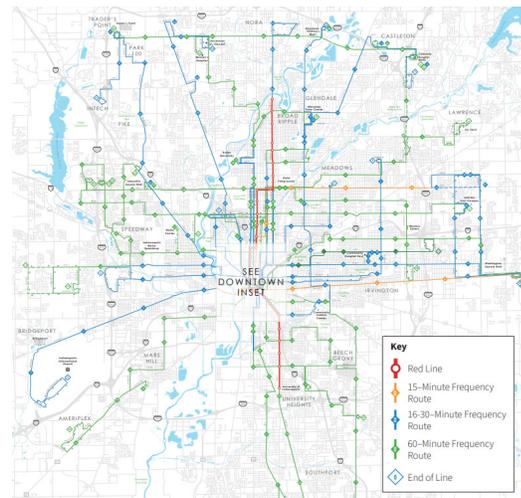
IMPACT ANALYSIS SNAPSHOT

- Scope: Most of the region is not very walkable
- Affordability impact: Walkability can reduce cost of living
- Access impact: Generally low except those without vehicle or transit

TRANSPORTATION: PROXIMITY TO TRANSIT

Housing located within walking distance of transit that connects to job centers and other necessary destinations help reduce dependency on expensive personal vehicles and thus reduce costs of living, freeing more income to cover housing expenses.

Some areas offer robust transit access within walking distance of housing concentrations, such as IndyGo's Red Line corridor in central Indianapolis. The Central Indiana Regional Transportation Authority (CIRTA) which operates at a regional level provides routes with an emphasis on connecting to regional employment centers across county lines. However, much of the region is underserved by transit and thus require personal or shared vehicles to access jobs, services, and other needs. As such, only a small portion of the region's households currently benefit from the convenience and cost savings proximity to transit can offer.



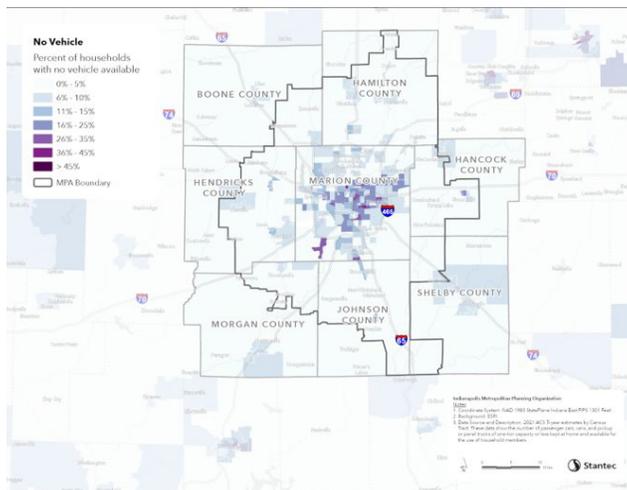
IMPACT ANALYSIS SNAPSHOT

- Scope: Most of the region is underserved
- Affordability impact: Transit can lower cost of living
- Access impact: Except those who have no vehicle

TRANSPORTATION: ACCESS TO A VEHICLE

When living in a walkable neighborhood or with access to robust transit that connects to needed destinations, a car-free or car-lite lifestyle can offer a viable, lower-cost option for households. However, given Central Indiana’s limited transit service and relatively few walkable neighborhoods, reliable access to a vehicle is essential for most households to conduct their daily lives comfortably and conveniently.

Households without reliable access to a vehicle are limited to the housing options available in these walkable and/or transit-served areas which tend to be concentrated in Marion County. As a result, these households are effectively excluded from the housing options, jobs, schools, and services available in the donut counties.



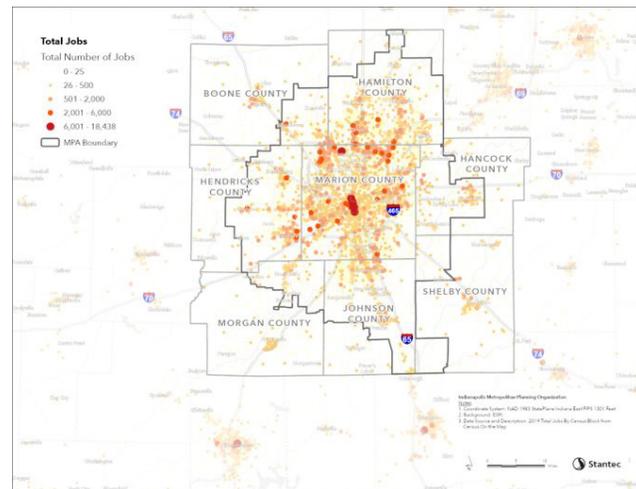
IMPACT ANALYSIS SNAPSHOT

- Scope: Limited, most households own vehicles
- Affordability impact: Not closely related
- Access impact: Can severely limit options for some

TRANSPORTATION: CONNECTION TO JOBS

Given the region’s uneven distribution of jobs and housing across the eight counties, households may limit their housing search to areas within reasonable range of their place of work. Places with good connectivity to employment centers are therefore more viable options for a greater range of households than places that are more isolated or otherwise disconnected.

On the other of the coin, employers are often more likely to locate new investment and jobs in places offering the housing options their employees would need. Therefore, diversifying the local housing stock can help attract jobs and follow-on economic development impacts.



IMPACT ANALYSIS SNAPSHOT

- Scope: Widespread, jobs and housing scattered regionally
- Affordability impact: Long commutes are expensive
- Access impact: Impactful if commute time intolerable

Market Dynamics

Market dynamics directly and indirectly impact housing attainability and access in numerous ways. For example, housing prices are directly tied to construction and financing costs. Households can struggle to keep up with housing costs when overall costs of living increase.

Compared to other contributing factors, market dynamics can be the most unpredictable, creating unexpected hardship and disadvantage such as in cases where the timing of pivotal housing changes or decisions happen to align with unfortunate market swings.

This section reviews several economic factors that can impact housing access and affordability:

- Construction costs, including impacts on housing production rates.
- Mortgage rates, including the dramatic affordability disparities a few points of rate change can create.
- Cost of living, including the challenges of managing housing costs during periods of inflation.
- Jobs and wages, including housing costs' impact on staffing essential service positions in high-cost communities.
- Economic disruptions, including the region's communities that are particularly vulnerable.
-

MARKET DYNAMICS: CONSTRUCTION COSTS

Changing construction costs impact housing attainability in a number of ways, from new home pricing to production rates to renovation costs.

Especially since Covid, construction costs have become very volatile, with supply chain disruptions and material shortages across the country. In parallel, the cost of labor has been rising steadily over recent years. These dynamics have driving up the cost of new home construction which is passed onto buyers who happen to be in the market at the time.

Some developers and builders may delay construction schedules to avoid cost spikes, reducing new inventory despite strong demand across types and cost levels.

These dynamics also drive up costs of home repair and renovation projects, potentially impacting household wealth such as among lower-income and older households with less ability to earn back the equity they borrow against to complete the work.



IMPACT ANALYSIS SNAPSHOT

- Scope: Widespread, impacts all development across the region
- Affordability impact: Increases cost significantly
- Access impact: Limits options for cost-sensitive

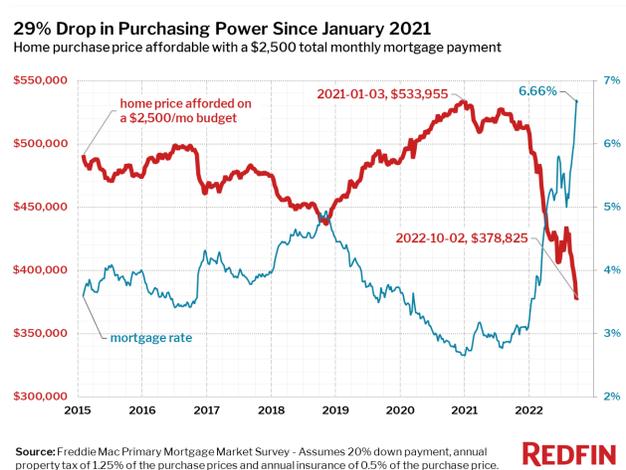
MARKET DYNAMICS: MORTGAGE RATES

Mortgage rates can have a major impact on housing affordability. As the chart at right illustrates, a 4-point rate increase translates to a \$155k reduction in the home price a household can afford to pay.

Rate volatility is particularly challenging because its cycles might not coincide with a household's purchasing timeframe. For example, the higher the rates when a household decides/needs to relocate, the lower their attainable purchase price and, by extension, the equity they can build in the new property.

High interest rates can also present a barrier for first-time homebuyers, delaying when they can purchase or forcing compromises on what and where they buy.

For homeowners who need to refinance or take an equity loan, the rate at that moment determines how much of their equity may erode in the process.



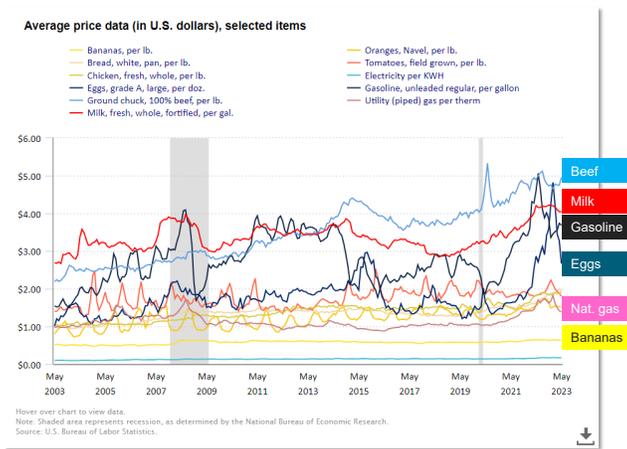
IMPACT ANALYSIS SNAPSHOT

- Scope: All homebuyers seeking financing
- Affordability impact: High, directly influences monthly costs
- Access impact: Limits options for cost-sensitive

MARKET DYNAMICS: COST OF LIVING

While housing represents perhaps a household's largest regular expense, other costs of living also impact household finances and can compete with housing when budgets are tight. While some essential items do not experience much price volatility (ex. fruit and vegetables), others may swing more dramatically (ex. gasoline and energy).

Compounded by inflation, price increases of essential items can put pressure on a household's ability to maintain their current housing situation and could contribute to a risk of displacement, especially if renting or facing parallel challenges such as unemployment or health problems.



IMPACT ANALYSIS SNAPSHOT

- Scope: Widespread, all residents impacted
- Affordability impact: Directly influences monthly costs
- Access impact: Limits options for cost-sensitive

MARKET DYNAMICS: JOBS AND WAGES

Related to cost of living, the region's jobs and wages drive housing affordability by governing how much households employed in different sectors can pay for housing.

The table at right indicates median salaries by job type in the Central Indiana region. Single-earner households in these professions are limited to housing options and community locations that are affordable based on these wages. Multi-earner households that combine multiple incomes can afford more but, depending on the jobs held, they still may be limited to certain options and locations.

In communities with particularly high housing costs, it might be hard for workers in essential services such as public safety and education to find housing near their jobs, leading to long commutes from lower-cost places and making it more difficult for the higher-cost places to attract these workers in the first place.

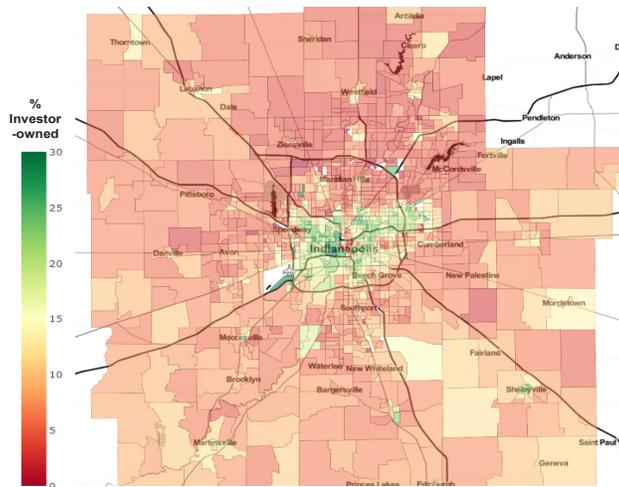
Occupation	Wages and Salary
Secondary school teacher	\$44,162
Computer programmer	\$59,459
Registered nurse	\$52,643
Agricultural and food science technicians	\$78,000
Firefighters	\$69,133
Machinist	\$42,473
Physician	\$247,032

IMPACT ANALYSIS SNAPSHOT

- Scope: Widespread, all residents impacted
- Affordability impact: Directly influences ability to cover monthly costs
- Access impact: Limits options for cost-sensitive

MARKET DYNAMICS: CORPORATE-OWNED HOUSES

Across many parts of the region, investors and corporations have acquired increasing numbers of single-family houses, typically converting them to rental units in the process. In some communities, as much as 30% of the single-family housing is corporate owned. The CIHS's analysis of corporate single-family home investors also shows that this type of investment negatively impacts homeownership and dampens home values even as it drives up rents.

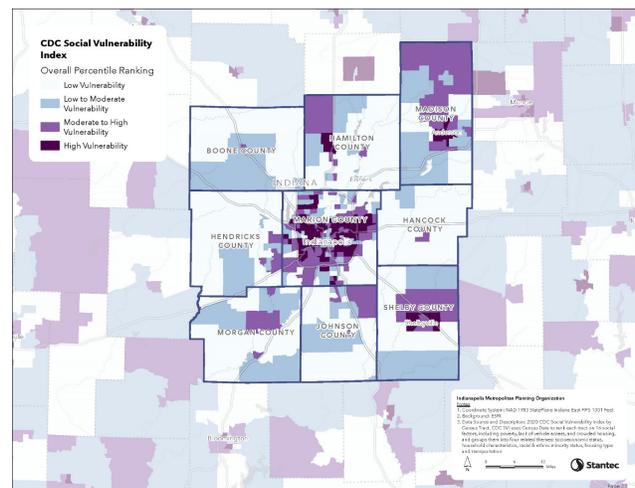


IMPACT ANALYSIS SNAPSHOT

- Scope: Geographically concentrated, but growing
- Affordability impact: Varies - neighborhoods with large concentrations of corporate owned homes tend to see significant increases in rent, even as home values are dampened.
- Access impact: Varies - neighborhoods with large concentrations of corporate owned homes may be more difficult to buy in.

MARKET DYNAMICS: ECONOMIC DISRUPTION

The Centers for Disease Control (CDC) established the Social Vulnerability Index to highlight areas where risk factors are particularly prevalent and, as a result, households are less resilient to destabilizing shocks to the community such as economic downturns, health crises, and environmental disasters. In the wake of such challenges, these households may be more likely to face housing challenges during a recovery. For example, the disruption may lead to a loss of income that can threaten housing displacement.



IMPACT ANALYSIS SNAPSHOT

- Scope: Disproportionately impacts vulnerable communities
- Affordability impact: Can paralyze incomes
- Access impact: Financial impacts can destabilize housing

Local Dynamics

Local dynamics refers to conditions unique to individual communities that affect housing.

This section reviews several factors that can impact housing access and affordability:

- Local regulations, including zoning and design standards.
- Public opinion, including movements to resist or promote different forms of new development.
- Political conditions, including state legislation and local BZAs.

LOCAL DYNAMICS: LOCAL REGULATIONS

The Central Indiana region includes a wide variety of communities, each with its own sense of identity and character. As such, many communities have established local zoning and design standards aiming to reinforce and extend how this character manifests in new development.

As a side effect of this regulatory approach, some housing typologies become excluded from the community, limiting the local range of options for new and existing residents. For example, a suburban community might prefer a lower density environment composed of single-family homes and thus restrict or prohibit multifamily development in many or most parts of the municipality.

Design standards intended to ensure new construction reflects local character preferences can increase development costs through requirements for architectural styles and features that might be less economical than a builder's typical approach. These costs are passed on to homebuyers, raising purchase prices and thus reducing affordability.

IMPACT ANALYSIS SNAPSHOT

- Scope: Most communities regulate density, form
- Affordability impact: Zoning and design standards can either drive up costs or have a moderating impact
- Access impact: Some housing types are very constrained

LOCALY DYNAMICS: PUBLIC OPINION

Public opinion and perceptions about housing development are major drivers of housing production on several levels, from motivating new local regulations to influencing the political discourse.

In many cases, public opinion is expressed in the form of resistance to new development that represents a change in course from the community's prior growth and development trajectory. This can result in resistance to housing types that either don't resemble the existing local physical character or don't align with the types of new development residents believe would be best for the community.

Another common perspective is a desire to modulate the rate of growth and avoid new developments that are larger and/or denser than residents believe local infrastructure and services can handle. This can have the side effect of increasing local housing prices as supply remains constrained in face of growing demand.

Given the public nature of the approvals process in most places, a critical mass of vocal residents can often effectively prevent development that they feel is not desirable. There are also examples of public opinion working toward change, such as movements to promote community land trusts in Hamilton County.

IMPACT ANALYSIS SNAPSHOT

- Scope: Widespread, housing is a prominent topic in most communities
- Affordability impact: Resistance to density often translates to less affordable options
- Access impact: Resistance to growth and density can limit new supply despite demand

LOCAL DYNAMICS: POLITICAL CONDITIONS

Politics plays a significant role in shaping housing regulation and production at local, regional, and state levels. Public opinion is often a strong influence but other forces factor in as well, such as industry groups and lobbyists.

In Central Indiana, state legislation can significantly impact local housing policy through bills that are directly related to housing, as well as those that at first may seem more indirect, such as property taxes. At the local level, elected officials and planning commissions are responsible for shaping land use regulations and approving new development. The scale and nature of future housing production is closely tied to their positions on growth, land use, built form, and economic development.

IMPACT ANALYSIS SNAPSHOT

- Scope: Widespread, housing is a key issue at local, regional, and state levels
- Affordability impact: Varies, funding established through state legislation can have significant impacts
- Access impact: Local elected officials and BZAs are gatekeepers for new supply

Contributing Factors for Vulnerable Populations

VULNERABLE POPULATIONS: SENIORS AND PEOPLE WITH DISABILITIES

The housing needs for seniors and people with disabilities can be significantly different than other types of households, often including unique features and modifications within units along with other constraints and requirements associated with their specific circumstances. These groups are also often more sensitive to fluctuations and disruptions in the economy.

According to the Central Indiana Senior Fund, 1 in 5 residents in the region will be over 65 by 2030. Given the rate at which this cohort is growing, the factors contributing to their housing experience will become more and more widespread and regionally impactful over time.

This section reviews several factors that can impact housing access and affordability for seniors and people with disabilities:

- Accessibility, including how reduced mobility and other special needs can limit housing choices.
- Affordability, including the vulnerabilities that come with low- or fixed-incomes.
- Access to services, including how viable housing options can be limited to the locations of supportive resources.
- Aging in place, including the housing units features and functions which may need modification to accommodate an aging householder.

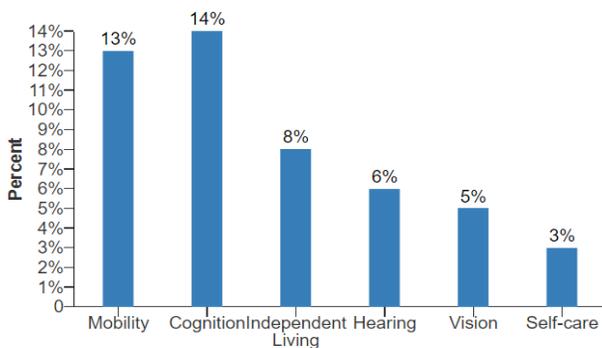
SENIORS AND PEOPLE WITH DISABILITIES: ACCESSIBILITY

Physical accessibility is a primary limiting factor of housing choices for seniors and people with disabilities. Especially in areas with older housing stock, many units cannot accommodate these population’s mobility and other needs, significantly reducing their housing choices in terms of the communities, neighborhoods, and property types available. While units can be modified for better accessibility, not all units are readily adaptable (ex. units that are above the ground floor or internally multilevel), and costs can be considerable. Additionally, many landlords may not allow needed modifications, disadvantaging renters even further.

The concept of accessibility extends beyond just the individual’s accommodations. For example, residents with disabilities may need a unit that can be accessed by service providers who need to bring large equipment into the home.

Additionally, seniors and people with disabilities cannot visit friends or family whose homes are not accessible to their needs, potentially imperiling important social and family connections that contribute to mental health and quality of life.

Percentage of adults in Indiana with select functional disability types



IMPACT ANALYSIS SNAPSHOT

- Scope: 20-25% of the population and growing
- Affordability impact: May add a cost premium
- Access impact: Can severely limit options for some

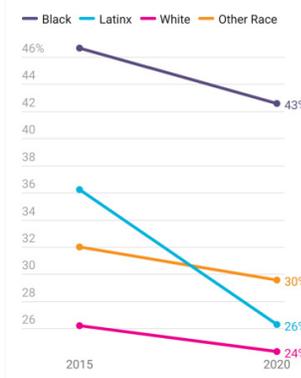
SENIORS AND PEOPLE WITH DISABILITIES: AFFORDABILITY

Like other demographic groups, housing represents perhaps the largest expense for seniors. However, there are several factors uniquely prominent among seniors that can challenge their ability to afford the housing they would prefer:

- **Reduced or fixed income:** Transitioning to part-time work or retirement reduces earning power and increases vulnerability to impacts such as inflation, cost of living increases, unexpected expenses, and other issues that can threaten housing stability.
- **Medical costs:** Healthcare expenses generally increase just as seniors’ earning power decreases, adding vulnerability to their finances and living situation.
- **Demographic disparities:** The financial risks and impacts experienced by seniors are more pronounced among minority groups who generally have accumulated less wealth during their lives (such as through wages and housing equity) and thus are less insulated from financial disruptions in older age.

Black older adults households are much more likely to be burdened by housing costs than other races.

Share of householders age 55 or older paying more than 30% of income toward housing (Central Indiana)



Source: State of Aging in Central Indiana Report, Central Indiana Senior Fund

IMPACT ANALYSIS SNAPSHOT

- Scope: 20-25% of the population and growing
- Affordability impact: High, by definition
- Access impact: Can limit options for cost-sensitive

SENIORS AND PEOPLE WITH DISABILITIES: ACCESS TO SERVICES

For many seniors and people with disabilities, access to services is essential to their health quality of life. These services include routine healthcare, rehabilitation, specialized healthcare, in-home provider visits, equipment and medical supplies, and many others.

The services these populations depend on are not evenly distributed across the Central Indiana region, leaving those in need with the choice of selecting housing in the limited areas that are well-served or securing transportation to travel across the region to reach services when needed. In the event housing is too expensive for the former, likely preferred option, they must compromise with the latter.

There are some service providers that make regular house calls to help bridge these gaps and allow people with disabilities more flexibility to live in their preferred community and housing type. “Pocket communities” is an emerging trend that combines specialized services with housing in a neighborhood designed to accommodate people with common special needs or disabilities. Village of Merici in Lawrence is one leading local example.

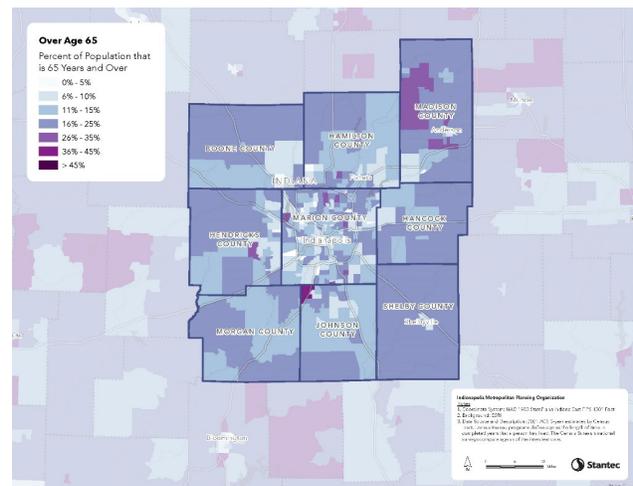
IMPACT ANALYSIS SNAPSHOT

- Scope: Smaller group, but distributed widely and growing
- Affordability impact: May need to pay more for housing with better access to services
- Access impact: Can severely limit options for some

SENIORS AND PEOPLE WITH DISABILITIES: AGING IN PLACE

For seniors with sufficient health and mobility, “aging in place,” or remaining in the same housing unit into older age, often promotes higher quality of life and lower cost of living than moving into retirement or continuing care facilities. There are several factors that impact one’s ability to age in place, including:

- Housing unit accessibility: Many units require moderate retrofits to accommodate changing mobility needs, such as adding wheelchair ramps, widening doorways, and replacing door and cabinetry hardware. Modifying both multilevel homes and rental units can be more challenging.
- Energy efficiency: The cost of heating and cooling a home can vary significantly with the weather and energy prices. Homes that are better insulated and include more efficient HVAC systems are more likely to remain affordable longer for aging adults.
- In-home services: Many seniors could stay in their homes much longer if supported by a limited set of in-home services supporting health needs and general household tasks such as cleaning, bathing, and cooking.



IMPACT ANALYSIS SNAPSHOT

- Scope: 20-25% of the population and growing
- Affordability impact: Retrofits can be costly
- Access impact: Inability to remain in home can lead to displacement

VULNERABLE POPULATIONS: IMMIGRANTS AND REFUGEES

Housing needs for immigrants and refugees are often significantly different than other populations. Much of these differences are related to the broader implications of being a new arrival to the country where one might not have many resources, connections, or language and cultural fluency yet. Other differences are tied to circumstances and priorities that are unique to these groups, such as tenuous legal status and pressure to send money home and/or support family members also attempting to move here.

This section reviews several factors that can impact housing access and affordability for immigrants and refugees:

- Legal status, including the many ways undocumented status limits housing options.
- Language and cultural isolation, including the tradeoffs associated with immigrating into to an ethnic enclave community.
- Predatory landlords, including how this impacts rental housing stability and efforts at homeownership.
- Overcrowding, including the different motivations to share units among several households and family members.

IMMIGRATION AND REFUGEE STATUS: LEGAL STATUS

An individual's legal citizenship status can significantly impact their ability to access housing and related services. For example, in most cases, a social security number is required to rent an apartment or secure a mortgage. Without it, people may be severely limited in the housing options available and the means to obtain them. They may need to seek out landlords and sellers that are willing to operate more informally and pay cash rather than use financing.

People without legal citizenship status can obtain an Individual Tax Identification Number (ITIN) to pay taxes, set up a bank account, and access other services and programs that require proof of residency. Many immigrants and refugees in the Central Indiana region use ITIN to start businesses that help support their families and cover housing costs.

Central Indiana Undocumented Population (2019)	
Total undocumented	38,947 (some estimates much higher)
Years in the US	
Less than 5	29.5%
5-9	17.0%
10-14	16.8%
15-19	20.5%
20 or more	16.1%
Employment status (16 years and older)	
Employed	64.6%
Unemployed, seeking work	1.5%
Not in labor force	33.9%
Health insurance coverage	
With coverage	53.5%
With no coverage	46.5%

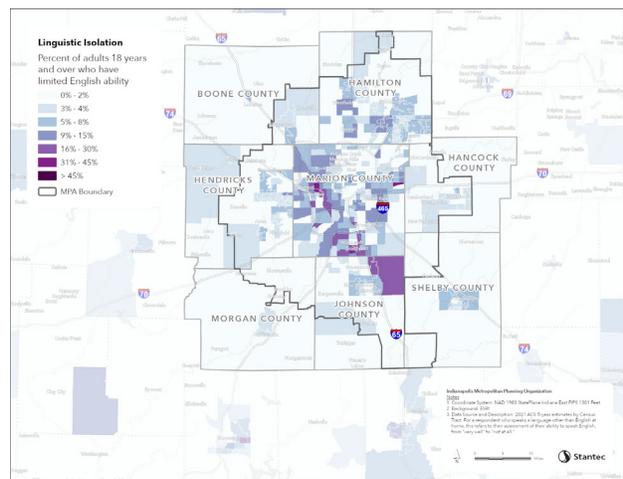
IMPACT ANALYSIS SNAPSHOT

- Scope: Most prevalent among new arrivals
- Affordability impact: Impacts ability to earn income
- Access impact: Significantly limits options for those affected

IMMIGRATION AND REFUGEE STATUS: LANGUAGE AND CULTURAL ISOLATION

Like in many parts of the country, new immigrants and refugees from common origins often settle together in the same communities and neighborhood. This helps new arrivals maintain social and cultural connections as they transition into a new country and economy. However, this can also limit housing options to those available in the few places where these migrants might feel comfortable relocating. Additionally, by living in a community dominated by foreigners, these people are insulated from the rest of the region and may not assimilate linguistically, culturally, or professionally as easily as they would if moving to a more diverse place. While perhaps promoting a more comfortable day-to-day lifestyle, this insulation can make it harder to navigate life in the broader region, potentially limiting access to jobs, education, services, and housing options.

In many cases, these isolating conditions are mostly limited to first-generation migrants. Subsequent generations born and raised in the region tend to grow up fluent in the local language and culture and ready to spread out to other parts of the region, expanding their access to housing choices that might better fit their needs and preferences.



IMPACT ANALYSIS SNAPSHOT

- Scope: Most prevalent among new arrivals
- Affordability impact: Impacts ability to earn income
- Access impact: Significantly limits options for those affected

IMMIGRATION AND REFUGEE STATUS: PREDATORY LANDLORDS

By nature of their recent arrival and relative lack of local connection or fluency, new immigrants and refugees are often living under more precarious legal and financial conditions than more established local citizens. As a result, they can be more vulnerable to predatory practices employed by landlords, employers, and others they may rely on but cannot necessarily hold to account legally.

Immigrant tenants may be subject to excessive rents and substandard living conditions in exchange for a landlord overlooking their undocumented status. While these tenants are subject to the same fair housing laws as other residents, they may not be aware of these protections or may not believe they are protected given their legal status.

There are also reports of rent-to-own schemes wherein immigrant tenants pay cash rents to landlords promising to credit the payments as home equity only to be evicted after a time with no claim on the property.

IMPACT ANALYSIS SNAPSHOT

- Scope: Most prevalent among new arrivals
- Affordability impact: May lead to overcharging, lost equity
- Access impact: Significantly limits options for those affected

IMMIGRATION AND REFUGEE STATUS: OVERCROWDING

It is not uncommon for immigrant and refugee communities to share housing units and bunk several families together in a few bedrooms, especially during the years immediately following their arrival. These arrangements have many motivations, from a desire to save as much money as possible (to send home or save for a car or house) to providing temporary housing for new arrivals that haven't yet found a job or residence of their own. Multigenerational households are also more common among immigrant and refugee communities, often requiring overcrowding to fit the extended family into a unit small enough to afford. For the most part, these groups are attempting to adapt limited local housing options to meet their cost constraints and space needs. Resulting overcrowding can create code compliance issues as well as possible health and safety risks for the occupants.

There are limited resources available to augment these groups' housing requirements so solutions to overcrowding and other issues that stem from their circumstances are difficult for advocates, service providers, and communities to completely avoid or even meaningfully mitigate.

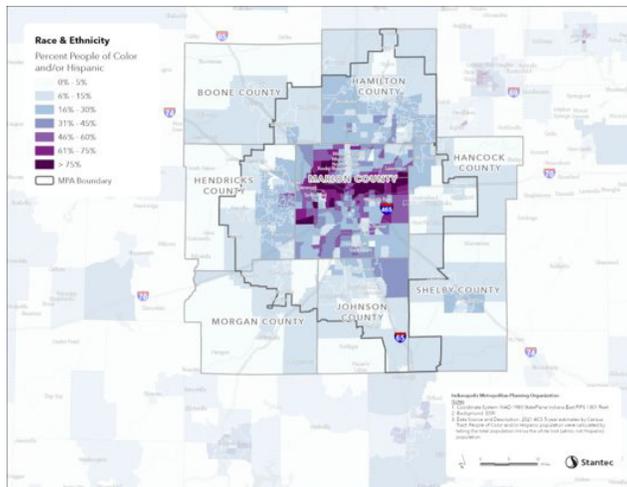
IMPACT ANALYSIS SNAPSHOT

- Scope: Most prevalent among new arrivals
- Affordability impact: High, housing unaffordable without it
- Access impact: Few alternative arrangements available

VULNERABLE POPULATIONS: RACIAL AND ETHNIC MINORITIES

The housing experience in Central Indiana can be significantly different for racial and ethnic minorities compared to the majority white population. In many cases, these minority populations are more vulnerable to challenges and hardships that can complicate or inhibit their access to the quality, affordable housing choices they might prefer. For example, the following issues emerged from conversations with stakeholders convened for this analysis:

- **Homelessness:** People experiencing homelessness in Central Indiana are more likely to be Black – and these Black individuals are more likely to encounter harsher treatment than their white counterparts.
- **Access to financing:** As has been well-documented nationwide, minority households (especially Black households) historically have more trouble obtaining mortgages and other housing-related financing resources than others due to a legacy of systemic discrimination that, while improving over time, may not be fully resolved in all cases yet.



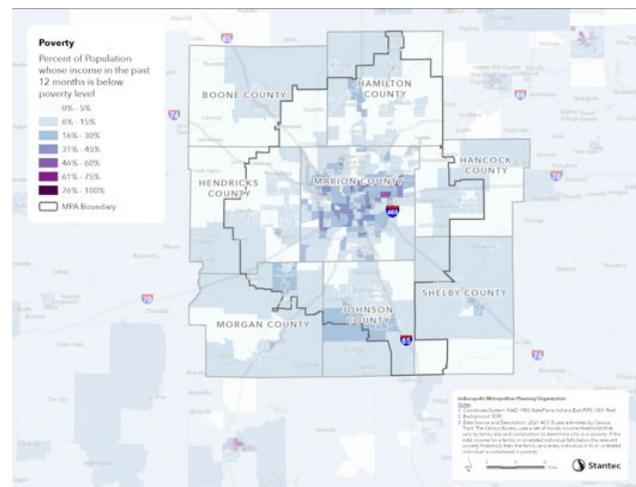
IMPACT ANALYSIS SNAPSHOT

- **Scope:** Legacy impacts widespread for these groups
- **Affordability impact:** Varies, however limited access to financing can severely limit
- **Access impact:** Can limit options

VULNERABLE POPULATIONS: LOW-INCOME HOUSEHOLDS

Low-income households often have a more precarious housing experience than their higher-income counterparts for a variety of reasons. Conversations with advocates and service providers for low-income households highlighted the following factors:

- **Constrained housing options:** In many cases, low-income households may be experiencing other hardships that require ready access to public services. Therefore, they may be limited to housing options that are proximate to those providers.
- **Lack of wealth:** Low-income households typically also have low (or even negative) net worths and likely lack access to generational wealth. This means they may not have a financial backstop to help maintain housing access through periods of hardship and they may not have the resources available to maintain bank accounts or finance a mortgage.
- **Precarious life experience:** Sometimes, low-income householders grew up under challenging circumstances such as childhood poverty or time in the foster system. These experiences may have impacted their access to the resources and education needed to start adulthood with housing and employment stability.



IMPACT ANALYSIS SNAPSHOT

- **Scope:** Often concentrated in specific areas
- **Affordability impact:** High, by definition
- **Access impact:** Can severely limit options



CORPORATE OWNED SINGLE- FAMILY HOUSING

Overview

Investment into single family rentals (SFR) is not a new phenomena. However, amidst the Great Recession and the foreclosure crisis, a new set of investors with a correspondingly new set of investment strategies emerged owing to policy and macroeconomic conditions. Corporate investors – or large firms that are largely ‘alternative asset’ investment vehicles – are starting to change the housing market. After hearing from numerous stakeholders about their concerns regarding corporate owned single-family housing, the CIHS’s scope was expanded to include an analysis of their effects in Central Indiana.

This project defines any ‘Corporate’ investor as a firm with 25+ investment properties in the Central Indiana region. There are 98 distinct corporate owners in the Central Indiana region, cumulatively owning 20,893 single family homes.

An ‘Investor,’ is a firm or individual who owns 3-24 properties. Cumulatively, 26,164 single family homes are owned by investors.

METHODOLOGY

This study is a rigorous assessment of corporate SFR investment in the Indianapolis region. Its perspective is informed by a literature review of emerging academic and leading think-tank studies on corporate SFR ownership in the United States. Most studies today examine corporate SFR investment from an inter-regional perspective. In other words, studies mostly focus on comparing major metropolitan regions where corporative investment takes place and looks at the relationship between place-specific and macroeconomic characteristics driving SFR investment and the consequences on home ownership, rents, home values, neighborhood stabilization, and disinvestment. This study instead applies some of these studies to examine intra-regional effects within Central Indiana.

Additional details regarding study methodology can

be found in the CIHS appendix.

Key Takeaways

1. Corporate SFR investment is a regional issue: Neighborhoods targeted by corporate investors are suburban and exurban with Hamilton, Hendricks, Johnson, and Hancock counties experiencing some of the highest investment. Neighborhoods are typically middle income and in areas with slightly higher rates of minority populations. These are historically working and middle-class suburban neighborhoods that enabled lower to middle income households to purchase and own a home and build long-term wealth. However, in an environment marked by headwinds to homeownership, these neighborhoods are now locations investor's see as strategic investments to maximize returns to shareholders.
2. Corporate SFR investment negatively impacts homeownership: This study reflects national research that homeownership rates are negatively impacted in areas where corporate ownership of SFR's is highest. The magnitude is even higher for black and young households despite location in areas historically popular with first-time homebuyers.
3. Corporate SFR investment dampens home value appreciation, but drives up rents: As profit maximizing firms that strategically locate in areas where projected demand outstrips supply and where incomes are proportionally higher than rents, corporate investors are savvy at increasing rents to maximize earnings. However, investment in these areas tends to dampen the appreciation of home values. This could be a result of increased turnover and holding assets to rent rather than reselling and/or a result of regional differences in home value appreciation as the highest appreciating neighborhoods are in gentrifying urban neighborhoods where rehabilitation and resells are more common than SFRs.
4. Corporate SFR investors are more likely to receive a code violation, far outstripping both non-investor and investor classes: Corporate investors have an average of 14.97 violations per 100 homes, investors (3 – 24 properties) 7.87 violations, and non-investors 2.73 violations. Corporate investors often target homes that need rehabilitation. These investors see undervalued homes in good neighborhoods as a competitive advantage served by their ability to draw on higher cash reserves, easier access to capital, and to contract at scale to improve properties. However, this improvement process may also be cosmetic as code violations persist. Bad actors – in particular firms operating in historically underinvested, formerly redlined neighborhoods with higher ratios of minority persons – are also common and traceable, but not meaningfully tracked or regulated. This encourages extracting higher rental profits for sub-standard housing.
5. Corporate investors are 2.76 times more likely to have had an eviction filed against a tenant than that of an investor, and 13.15 times greater than an individual investor. This shift towards using evictions to mediate relationships with renters can have significant detrimental impacts on not only evicted individuals but their broader communities as well.
6. Policy Matters: Central Indiana is attractive to SFR corporate investors due to a number of housing related policies unique to Indiana. Cities with similar economic fundamentals but different regulations and laws do not see the same scale of investment and negative outcomes.

History of Corporate Owned Single-family Housing

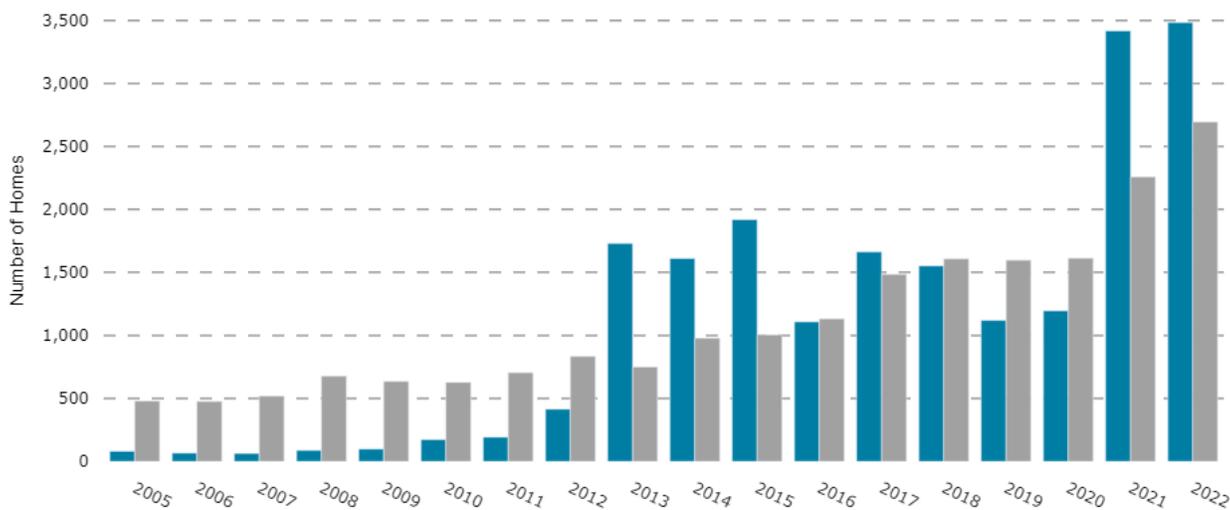
Patterns of investment into single-family housing has changed substantially over the past two decades, but can be grouped into three different time periods.

The Great Recession and Corporate Owners: As foreclosures mounted in the Great Recession, Fannie Mae and Freddie Mac bundled foreclosed homes and sold them in bulk to large investors. The policy sought to stabilize neighborhoods crushed by subprime loans, high unemployment and underwater mortgages. Investors saw an opportunity to buy low and sell high.

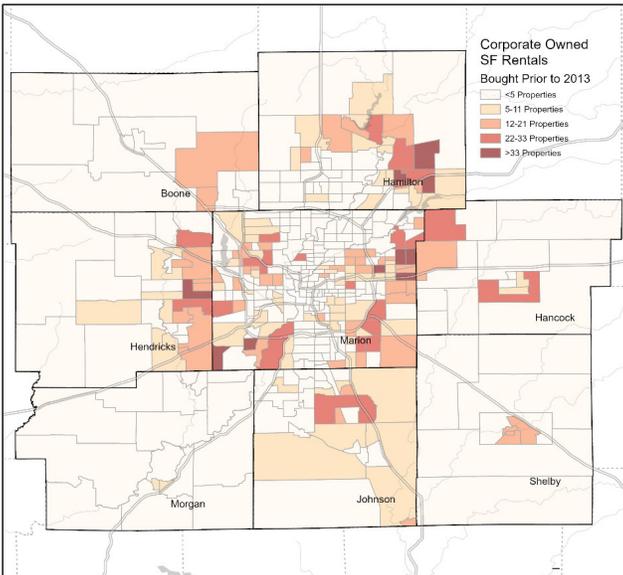
Recovery and Emergence of an Asset Class: After the Great Recession, revenue streams proved to be profitable. As incomes stalled and would-be millennial first-time homebuyers remained entrenched in student debt, large corporate investors saw the single-family rental market as a new asset class. New firms entered the market.

COVID-19: In response to economic devastation rendered by Covid-19, fiscal subsidies and supply chain disruption drove inflation. To combat inflation, the federal reserve increased interest rates, sharply increasing mortgage finance costs. Armed with cash borrowed cheaply during Covid-19, firms aggressively pursued new single-family homes. Further buttressed by both increasing demand for single-family homes due to millennial family formation and desire for more space in a work from home area, demand for the asset class skyrocketed, further driving corporate acquisitions.

Acquisitions by Year: Investor and Corporate Investors

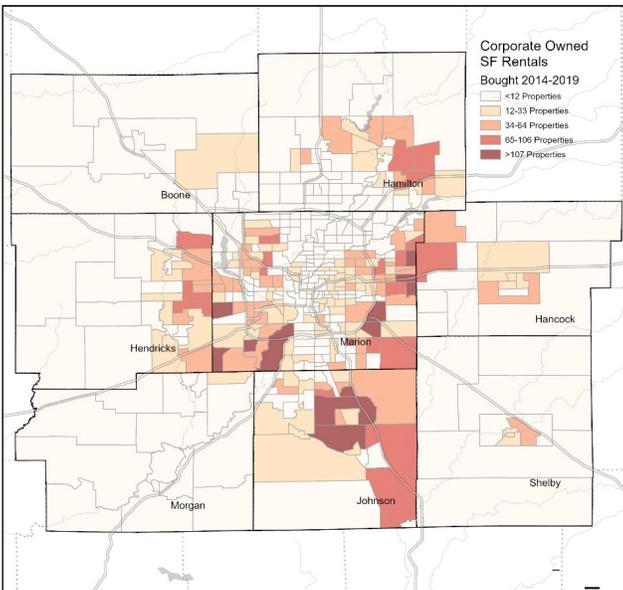


*Data is limited by 2023 ownership parcel data, meaning all parcels were purchased in the above year and are still held by the same owner. Corporate or investor purchases that have since sold a property are not included in this count.



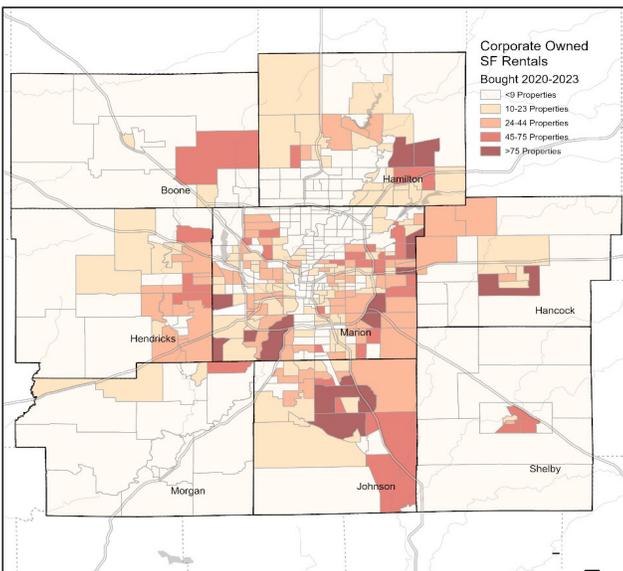
Wave 1: The Great Recession, 2007-2013

Typical Neighborhood: Predominantly lower and middle income neighborhoods where foreclosure rates were highest. This aligns with neighborhoods with higher minorities.



Wave 2: Post-Recession, 2014-2019

Typical Neighborhood: Focus shifted towards 'middle of the road' neighborhoods with newer housing stock built during the 2000-2008 boom. Median value of homes in 2023 is \$142,800, and median year built 1998, compared to \$129,400 and a median build year of 1962, respectively, for investors.



Wave 3: A New Asset Class, 2020-2023

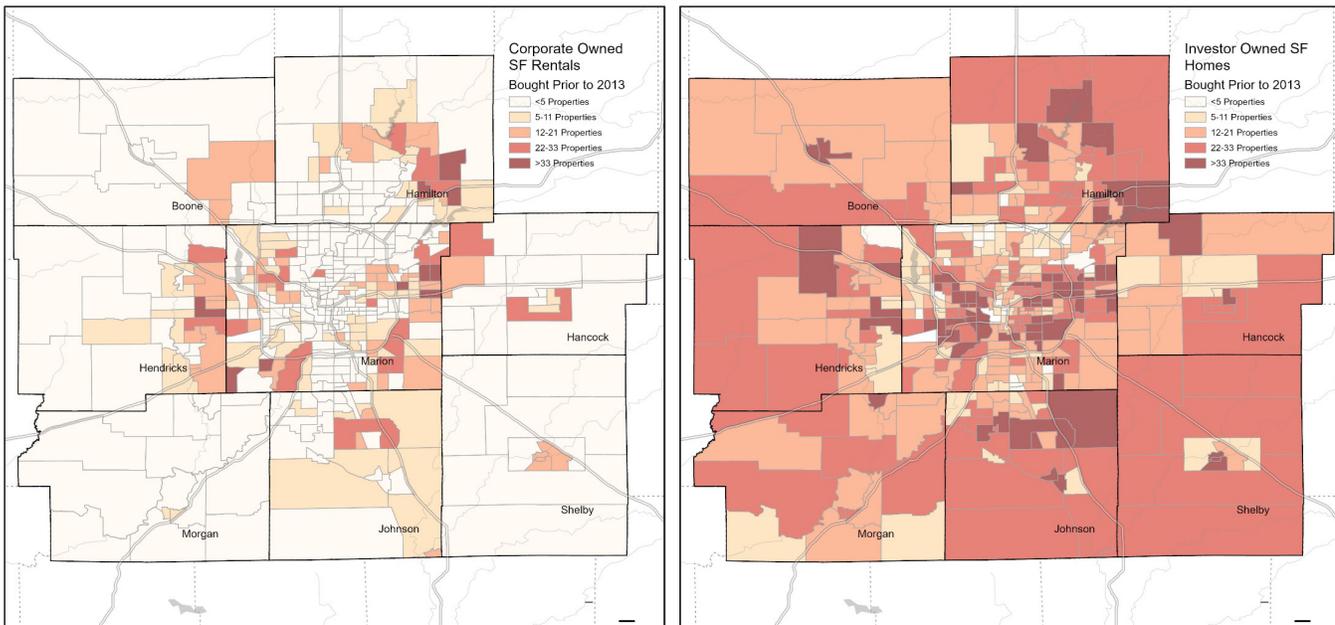
Typical Neighborhood: Investment remained focused in single-family suburban neighborhoods with newer homes. Median value of homes \$155,800, and median year built 1997. Further expansion into second ring suburbs, especially in areas with new built-to-rent communities.

INVESTOR VS CORPORATE OWNERSHIP: PRIOR TO 2013

Investor ownership of single-family homes is not a new phenomenon. Viewed spatially, investor ownership is much more dispersed with higher rates of single family investor owned parcels in lower-income neighborhoods.

As corporate investors entered the Indianapolis market, they largely did so in first ring suburbs hard hit by the Great Recession, but still primed for a bounce-back in values. Major differences exist in the median assessed value of these homes today, the year they were built, and their correlation with other neighborhood indicators.

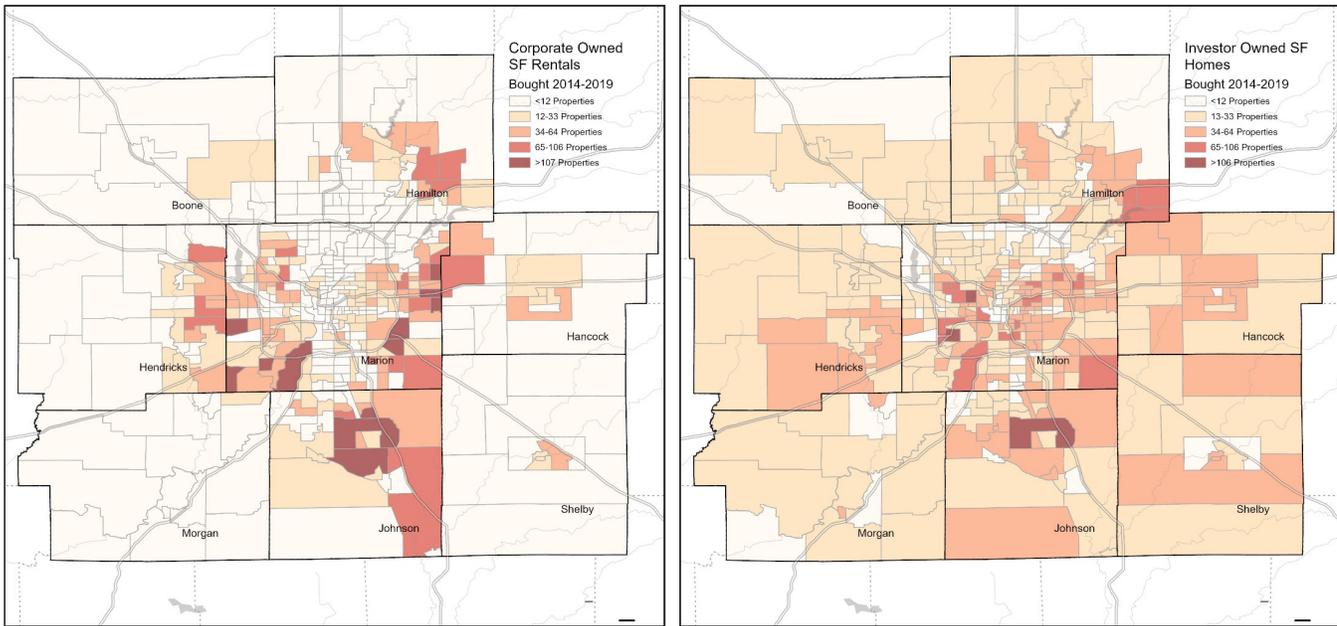
Purchases of foreclosed and vacant homes were common through government tax sales, many of which permitted unlimited sales to single owners (Eason, 2015). Both large private equity firms and smaller regional investors leveraged city-sales to convert foreclosed homes to rentals, at times without sufficiently updating properties in violation of health codes.



INVESTOR VS CORPORATE OWNERSHIP: 2014 - 2019

As the economy recovered, investments into single-family homes as rentals proved profitable. Tailwinds supported its growth as an industry. Quantitative easing produced immense capital at low rates to 'alternative' private equity firms, enabling cash purchases at low financing costs. Simultaneously, private mortgage lenders faced increased scrutiny and regulation, making it more difficult for individuals to secure financing for purchase or rehabilitation.

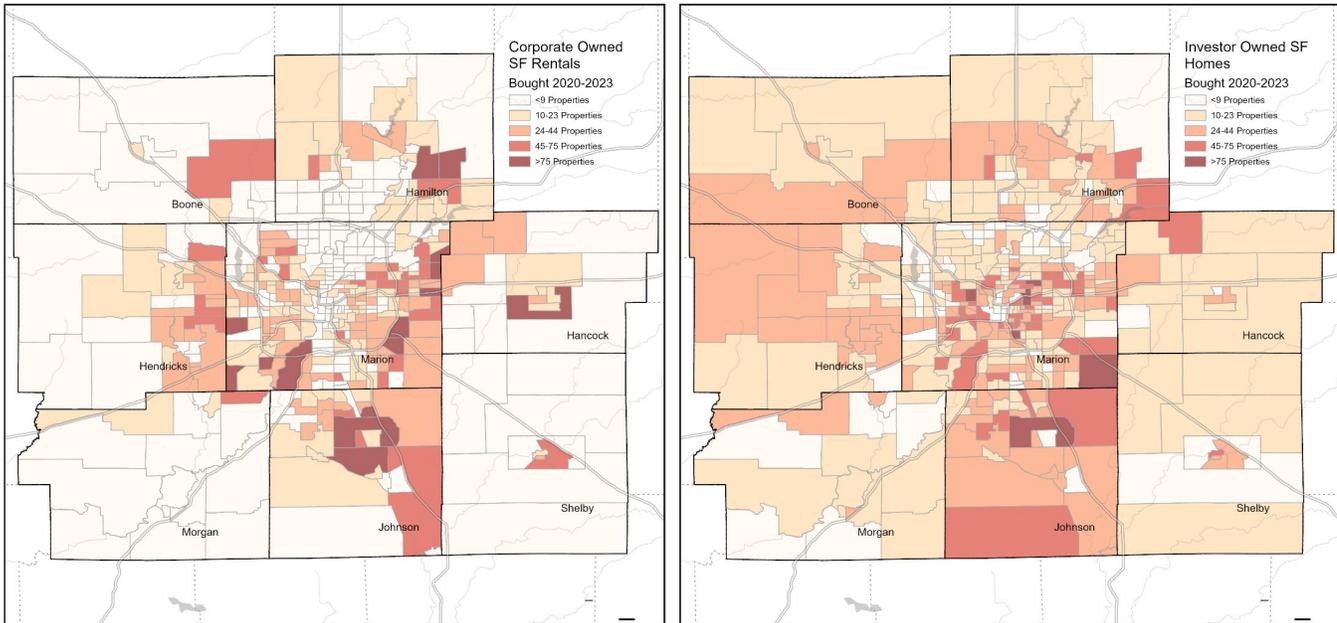
A clear strategy emerged for larger private equity firms. Firms focused on cities nationwide were earnings outpaced rent growth, and within cities in middle-income neighborhoods, often with metro average economic and racial diversity. Acquisitions focused on newer homes, and often leveraged their economies of scale to rehabilitate homes.



INVESTOR VS CORPORATE OWNERSHIP: 2020 - 2023

In the post-Covid era, corporate strategies doubled down on acquisitions in second ring and exurban locations. Headwinds to rent growth in this region remained strong as millennial renters sought suburban benefits even as home ownership remained out of reach for many. Macroeconomic factors again supported corporate ownership: In the higher mortgage rate environment, access to cheap capital secured during the recession outcompeted individual access to mortgages as interest rates spiked, providing an advantage in the marketplace for corporate investors who could offer cash above asking.

The proportion of sales going to investors peaked in 2021 and 2022, far outpacing sales to smaller investors who often pursued different strategies to the large corporate owners/ and/or were pushed out into less desirable markets.



Analysis on Impact of Corporate Ownership

Central Indiana is an interesting case-study for the changing nature of investment into SFR. Once a market dominated by smaller ‘Mom and Pop’ investors, single-family homes are now a central strategy for asset-managers to diversify real estate and financial holdings. Note: Throughout this analysis some Roth IRA accounts (e.g. Equity Trust Company Custodian) are included in the findings, however the various methods that can be used to invest via a Roth IRA (self managed vs aggregator properties) make it difficult to draw conclusions about Roth IRA accounts as a whole.

SUMMARIZING RESULTS

Investment into SFR’s began in earnest in 2012 and continued to accelerate into 2023. It has been, and remains, a profitable asset class. The tailwinds that drove the industry in the beginning – regulatory changes such as Dodd Frank and Quantitative Easing that reduced access to credit for small borrowers but increased capital available for investors, technological changes that enabled firms to quickly identify and move on acquisitions, increased debt and lower household incomes for millennial households, have not abated.

So what are the consequences? Compared to smaller investors where clear spatial patterns may be difficult to identify, the large private equity investors focus on more recently built lower and middle-tier suburban homes in single-family neighborhoods in first and second ring suburbs. These communities are historically working-class single-family homeownership neighborhoods that produced wealth for middle-income families. This opportunity is changing.

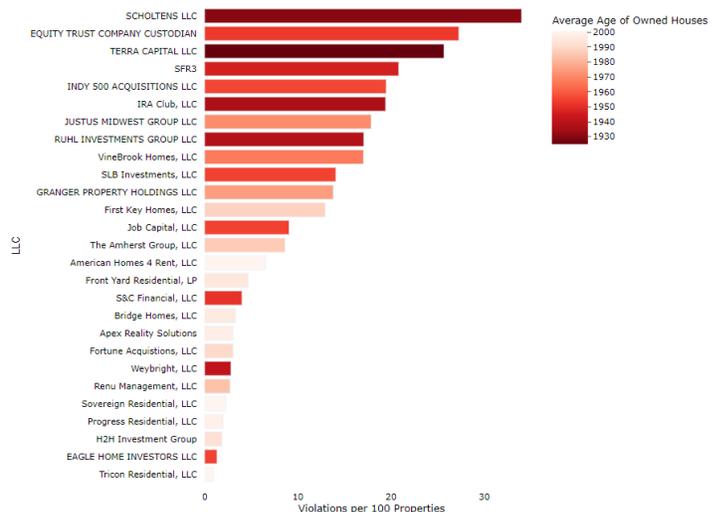
How do they impact communities? Research – including the research here – points towards lower rates of home ownership in neighborhoods where acquisitions are concentrated. Additional housing supply spurred by market demand in these specific places does not adequately compensate for the loss of housing stock. By targeting lower-middle tier homes, the impact on home ownership is more severe on those who traditionally pursue this market – younger first-time

homeowners and more economically marginalized communities of color. Within these communities, rents have accelerated faster. Not only do SFR tend to have higher rental rates than apartments, but it appears corporate entities are more profit-maximizing than smaller investors. If, on the one hand, they maximize profits, evidence also suggests that they have a higher rate of code violations, indicating higher rates of property neglect and disinvestment than owner-operators or smaller investors.

On average, large corporate investors are far more likely to have a code violation than smaller investors and non-investors, with 14.97 violations per 100 homes on average for corporate owners. This indicates that corporate owners, on average, are less responsive than smaller investors to renter needs, as renters are more likely to report violations in the event a landlord is nonresponsive to fix issues.

Investor Type	Mean Violations per 100 Homes
Corporate Investor	14.97
Investor	7.87
Not Investor	2.73

The graph below is sorted from most violations per property to lowest amongst corporate investors who own 50 or more single family properties in the region.



A clear relationship exists between the age of the portfolio of properties and the odds that there has been a reported and verified code violation. A large proportion of negligent landlords are regional operators that may focus on more risky investments. Of the region's largest national investors with significant violations, Vinebrook Homes and First Key Homes have a much larger portfolio of older, lower valued homes than national competitors, driving a higher ratio of homes with violations.

Evidence suggests that single family house price appreciation is also dampened by corporate investor presence. This may be a consequence of declining demand in neighborhoods with higher rates of corporate ownership. Empirically higher rates of disinvestment and anecdotal stories detailing the detrimental impact of neighborhood turnover may contribute.

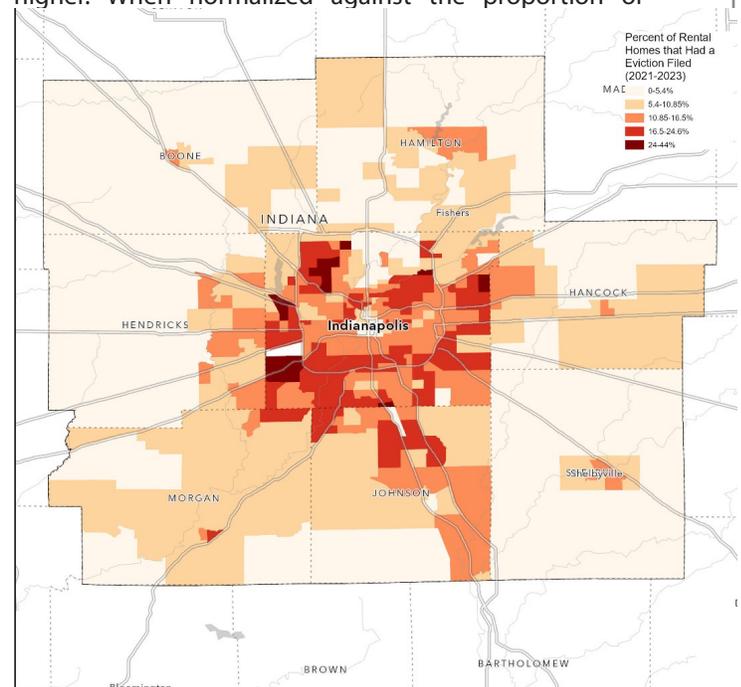
The story is not limited to large private equity firms. As the business model developed, new entrants and historically smaller regional entities started to pursue riskier strategies. This includes pursuing older homes in historically disinvested neighborhoods. While this may stabilize home prices, the impact on tenants may be more severe. The highest rates of code violations relative to property owned belong to mid-sized regional investors who owned 25 or more homes, far outpacing smaller investors and LLCs.

Evictions

An elevated rate of evictions, and their potential for devastating impacts on communities, are another concern when it comes to corporate investment. Evidence demonstrates that evictions drive community disintegration, are a major contributing factor to homelessness, reduce income and financial stability, negatively impact educational outcomes for children, and create significant stigma and discrimination that impacts a tenant's future ability to secure both market rate and affordable housing (Desmond, 2016). Evictions nationwide are far more present in historically disinvested neighborhoods, many of which were formerly redlined and disproportionately impact black households and women (Desmond, 2012).

Evictions temporarily accelerated during the Covid-19 Recession but have since begun to decline. According

to this study, the 8-County Metro area's eviction rate was 8.53% in 2021, 10.98% in 2022, and 10.2% in 2023. A New America Foundation study identified 57,960 evictions in the five year period between 2014-2018 in Marion County (New America Foundation, Displaced in America: Mapping Housing Loss Across the United States, 2022). In the three years from 2021-2023, there were 62,779, already passing the five-year mark from a decade prior. Growth has been strongest in the more outlying suburban and exurban communities - in particular in places like Johnson County that have seen deep investment from housing investors. This trend is common nationwide, with Rutan, Hepburn and Desmond (2023) identifying suburbs as the fastest growing geography of evictions, quickly closing the gap between more urbanized city cores. Underlying factors include suburbanization of low-income households due to gentrification and displacement and shifting patterns of tenure and ownership. Spatially, evictions are concentrated numerically in areas where home ownership rates are lower and the proportion of rental homes are higher. When normalized against the proportion of



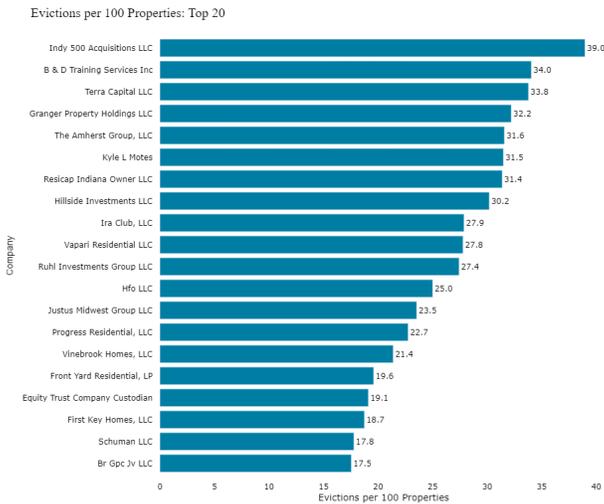
rental homes, the concentration actually shifts towards neighborhoods with higher rates of corporate ownership rather than investor or smaller landlord ownership patterns.

On average, the study found that a property owned by a corporate investor is 2.76 times more likely to have had an eviction filed against a tenant than that of an investor, and

Investor Type	Mean Evictions per 100 Homes
Corporate Investor	17.1
Investor	6.2
Not Investor	1.3

13.15 times greater than an individual investor. Corporate investors and individual investors are far more likely to use a court-based eviction to manage disputes.

The graph below shows the top 20 corporate investors by eviction rate, specifically it tallies the number of properties where a tenant has been evicted between 2021-2023 divided by the number of properties that the owner owned in 2023. This list only includes corporate owners who own 50 or more single family properties in the region.



Many landlords on this list are mid-sized regional investors who are also high on the list of landlords whose properties have frequent code violations. This includes investors like Terra, Justus, Granger and Indy 500 Acquisitions. Of the region's largest national investors with significant violations. The largest corporate owners also utilize evictions to manage tenant disputes at a very high rate, including the Amherst Group, Progress, Vinebrook, First Key Homes and Front Yard Residential.

Viewed across the different metrics assessed here, the impact of ownership structure on the use of evictions is substantial. On average, large corporate landlords are

more likely to use evictions to mediate the relationship with their renters. The difference in means is significant, as is the magnitude of ownership in predicting the odds of an eviction. Other geographic patterns are also present. There is significant co-variance between the census tracts targeted by corporate investors and tracts where the number of evictions per rental property are high. As investment into suburban and exurban areas ramped up towards the tail end of the 2010s and into the 2020s, these are the very spaces where the eviction rate has increased most sharply. This shows up interestingly in the data around the age of homes and eviction rate: Corporate investors have largely avoided older homes instead targeting suburban homes built in the early 2000s, and interestingly enough the age of homes are inversely related to evictions (older homes are less likely to have an eviction).

This study also reaffirms existing scholarship that demonstrates that evictions are higher in lower income neighborhoods and areas where the home ownership rate is lower, and, importantly, disproportionately impact people of color. Minority presence was a large positive indicator in determining the odds of eviction, and its covariance was even higher than the corporate ratio of single-family rentals.

This shift in landlord-tenant relationships can have significant detrimental impacts on communities. Based on the results of this study, corporate ownership of single-family homes tends to not only impact the economics of the housing market, but also the social milieu in which they are embedded. Evictions have spill-over impacts on the broader communities in which they are embedded and deep impacts on the individuals effected. As corporate investment continues to move into suburban and exurban areas – areas historically outside the focus of social services oriented towards those who need them most – consideration for the direction of services, and who most bears the cost of higher eviction rates, is worth further investigation and consideration.

STATISTICAL ANALYSIS

To understand the impact of corporate ownership on the Central Indiana housing market, a difference in means analysis was conducted that examined the differences

between neighborhoods with high rates of corporate ownership compared to neighborhoods with lower rates.

Measurements included:

- **Change in Single Family Homeownership Rate:**
The single family home ownership rate is a statistic derived for the American Community Survey that examines tenure by building type, where here we limited type to single-family detached homes. The statistic was taken for each tract from the ACS 5-year survey, for 2012 and for 2021, with the difference between the two measuring the change.
- **Change in Young Household Homeownership Rate:**
To measure the impact on first-time homebuyers, this statistic takes the home-ownership rate for all households where the householder is between 25-44 years old. The difference was calculated the same as the single family statistic.
- **Change in Black Homeownership Rate:** Historically black neighborhoods faced both historic disinvestment and predatory inclusion into housing markets, leading to lower rates of homeownership, less access to home improvement loans, and higher rates of foreclosure. The black homeownership rate was also used as a comparison metric.
- **Change in Median Values:** Median home values are derived from the ACS Table 25077 that includes the median home value for each tract.
- **Change in Median Rents:** Median rents are derived from ACS Table 25064 that includes the median rent for each tract.
- **Income Level** is a statistic taken by dividing the tract's median household income by the metropolitan CBSA median.
- **Median Year Built** is derived from the parcel database by spatially aggregating single family parcels in each tract and determining the median.
- **Minority Presence** is a statistic derived from the ACS population and is created by adding all non-white persons of color and dividing by the total population.
- **Percent with Bachelors** is the ratio of people in each tract that have completed a Bachelor's Degree or more.
- **Married Households** measures the ratio of married household types relative to all households in the tract.
- **The Median Age** is the median age of people in each tract.

The correlation between these variables can be analyzed on the Correlation Heat Map included in the appendix. A difference in means approach was utilized due limitations in data that precluded a deeper panel regression modeling exercise to determine causation. The difference in means approach can meaningful understand the correlation between corporate SFR and social and housing market indicators by understanding if the difference in mean values for each tract is a consequence of real phenomena or simply statistical randomness. Further discussion on the variables included and the process of dataset creation can be accessed upon request in the form of an annotated Jupyter Notebook.

Characteristics of Targeted Neighborhoods

The table below analyses the neighborhoods targeted by large corporate investors by taking a difference of means approach. The means of each statistic were taken for neighborhoods where corporate ownership of single family rentals exceeded 30% compared to where they were less. The differences in means were tested for statistical significance using one-sided t-tests.

The most evident correlations are:

- Higher Declines in Single-Family Home Ownership (HO)
- Higher Declines in Black Home Ownership
- Higher Declines in Young HH Home Ownership
- Greater change in Median Rents
- Less Home Value Growth

Areas targeted have:

- Higher Ratios of Minority Households
- Slightly higher Median Incomes than the Metro
- Newer Single-Family Homes
- Younger Neighborhoods

Table 1: Characteristics of Neighborhoods Targeted by Large Corporate Investors

Targeted Neighborhoods: Corporate Ownership Rate of SF Rentals is greater than 30%

VARIABLES	Targeted Neighborhoods (97 tracts)	Rest of Neighborhoods (323 tracts)	p-value
Change in SF Homeownership (2021-2012)	-4%***	-0.60%	0.0008
Change in Black Homeownership Rate (2021-2012)	-9.1%*	-2.50%	0.0479
Change in Young Household Homeownership Rate (2021-2012)	-5.15%**	-0.16%	0.0018
Change in Median Rents	\$317.92***	\$196.73	0.0000
Change in Median Home Values	\$36,522**	\$48,249.33	0.0012
Minority Presence (% non-white)	37.59%*	31.85%	0.0126
Income Level (Household Income/Metro Median Household Income)	1.105*	1.039	0.0399
Population Density (People per Square Kilometer)	980.32*	1104.22	0.0252
Median Year Built	1993.9***	1964.35	0.0000
Percent Bachelors or Higher	46.85%	49.52%	0.0814
Median Living Area (sqft)	1,825	1,769.76	0.0718
Median Lot Size (sqft)	10,363.72***	17,001.98	0.0000
Married Households	50.48%***	43.04%	0.0000
Median Age	35.23***	37.28	0.0001
Vacancy (Vacant: For Sale) Percent of Total Housing Units	0.47%*	0.69%	0.0422

Notes:

Test: One-side t-test. Null Hypothesis is there is no statistical difference in the mean between the two groups. T-tests do not assume equal variances. SF = Single Family (detached).

p-value: *** p<0.001, ** p<0.01, * p<0.05

POTENTIAL STRATEGIES

Rental Registration and Licensing

A rental registration and licensing ordinance can be an important tool to monitor and regulate the rental housing market. Registries maintain a database of licensed rental properties in a region. A registry requiring the true owners can ensure greater transparency in the market for research, policy, and market transparency, ensuring firms cannot obfuscate their behavior behind a multitude of LLCs (see, Minneapolis, MN, where the true owner is required in the rental license program).

While Indianapolis has an existing rental registration program that was created in 2015, gaps in its system exist and additional steps should be taken to increase its efficacy. A best-in-practice rental registration and licensing program would track key indicators, such as occupied housing code violations, eviction rates, and fee structures, thereby evaluating landlord performance. Evaluation can track 'bad actors' in the rental market. Public dissemination of information can be standardized and reinforced by ensuring landlords list their true operating name on leases. Public dashboards can then cross-reference the operator to the operator's performance as a landlord. However, while local governments can track this alone, a funded regional or state system may be more appropriate for management, administration, and completion of information.

Performance-based rental programs can add teeth to legislation. Performance-based evaluation could limit new rental licenses or add progressive fees based on benchmark landlord behaviors, while reducing fees and regulatory burdens of proof for good actors. Fees or penalties for non-compliance can be established.

Expand Tenant Protections

Corporate landlords target locations with lax tenant protections. This is explicitly stated by all investment firms when targeting where to invest. Central Indiana is targeted because of its unlevel playing field that overwhelmingly biases the interest of landlords. Indiana ranks alongside Alabama, Arizona, Florida and Georgia as states with the most landlord favorable laws. Some key protections could include:

- Right to Withhold Rent: The right to withhold rent enables tenants to withhold rent in the case of a

needed repair that violates health and safety codes. Indiana is one of five states nationwide that do allow tenants to withdraw rent in some form in the case of code violations. These laws vary in form, but the majority employ language that allow tenants to repair and deduct in the case that a landlord has been notified of a direct problem and has failed to respond. For example, the state of Michigan allows tenants to pay into an escrow account that the landlord cannot access until repairs are addressed. Maximums also exist to limit scale.

- Right to 'Repair and deduct': Indiana is one of 11 states with no such law, thereby lacking incentives to promptly respond to code violations. Renters who do not pay rent in protest may be evicted.
- Right to a Defense Attorney: Reporting on evictions demonstrate that many tenants living in substandard housing have no recourse to protest substandard conditions, and in court lack proper representation while landlord's employ attorneys. While certain free or low-cost services through organizations such as Indiana Legal Help do exist, many tenants may be unaware of these services as they require a tenant to seek them out. Right to a defense attorney is enshrined in many city and state policies, and can ensure that all tenants are represented during the evictions process.
- Eviction Sealing: Eviction court records are public, and a landlord can look up if an eviction has been filed even if it was unsuccessful. HB1219 recently attempted to address this issue and received bipartisan support.

'First Look' Program Sales and Rehabilitation Loans

Amidst the foreclosure crisis of the Great Depression, Fannie Mae and Freddie Mac installed a 'First Look' program that allowed future owner-occupants and NGO's a 20-day window to purchase foreclosed homes without competition from investors. In place since 2009, the Biden Housing Supply Plan increased the window from 20 to 30 days in 2022. A similar program for abandoned or tax sale homes could be put in place to ensure homes don't automatically get bundled and sold to investors or speculators, as has historically been the case.

The First Look program can be complemented by municipal, county or state policy. In Michigan, limits are

placed on the number of properties a single investor can purchase at once from a tax lien sale. Restrictions based on a landlord's historic record or scale of operation could also help limit re-sales to investors. These policies can help preclude issues like those occurred in Marion County during the Great Recession where large bundles of foreclosed properties were sold to investors known to have problematic records of renting sub-standard properties and 'milked' properties for rental income before abandoning the property.

Sales to non-profits remains a desirable option, but the lack of capital of NGO's makes the purchase of distressed or substandard homes difficult. This is especially so with the costs of financing rehabilitation often difficult to obtain or inaccessible. Increasing access to capital and finance for rehabilitation of distressed homes may help overcome hurdles non-profits, individual homeowners, and smaller investors may face in acquiring, rehabilitating, and renting/selling/living in formerly foreclosed or distressed properties. The advantages of increased access for rehabilitation may also help owner-occupants and demonstrably responsible investors take on more risk in acquiring housing needing repairs – a niche that corporate firms that operate at scale have been filling.

County Profiles

Typical neighborhoods pursued by the largest investors are first and second ring suburbs. These neighborhoods are historically working and middle-class single-family communities where home ownership produced long-term wealth for families. The spatial and acquisition strategies of corporate owners differs substantially from smaller and mid-sized investors, with corporate investors focusing on suburban and exurban locations. Although corporate SFR firms are new, they surpass smaller investors in market share in Hamilton, Hendricks, and Johnson Counties where their activity is most robust. Corporate density is highest in neighborhoods where houses were built during the 2000-2007 housing boom or in newly built communities where built-to-rent models are emerging. Within these communities, corporate investors target homes that tend to rest in the 30-45th percentile of home values.

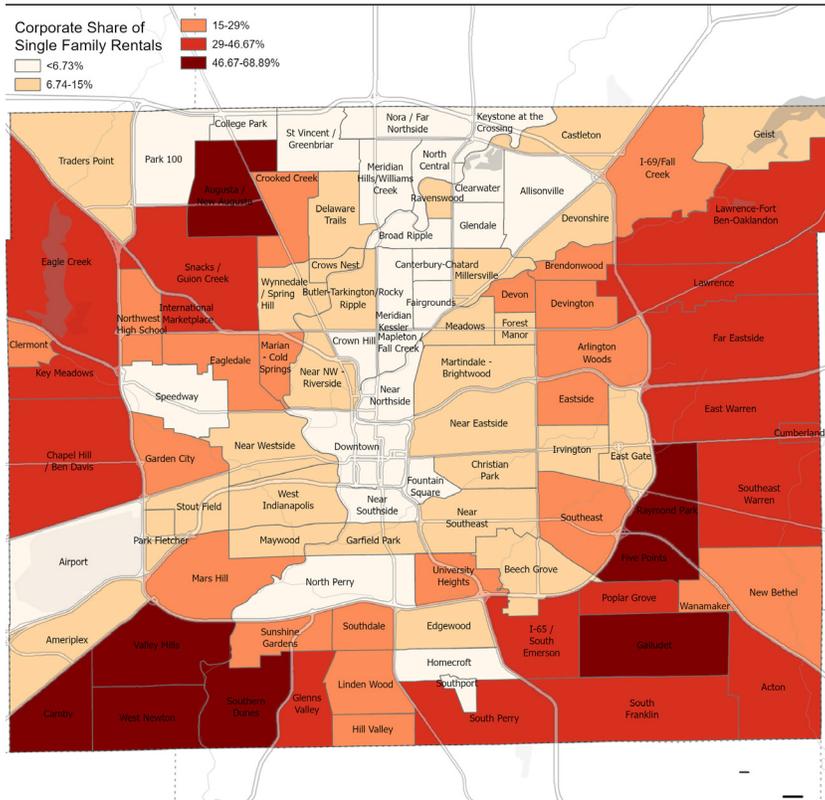
In these neighborhoods, income and home-ownership rates are generally on par with the metro average, with slightly higher racial diversity. As greater headwinds exist for entry into home-ownership for younger generations but as demand for 'suburban' life remains high, firms strategically chose neighborhoods where supply remain limited relative to demand, allowing for strong year over year rental gains.

Smaller, mid-sized, and regional operators tend to be more opportunistic and targeted in their purchasing patterns. Houses tend to be older and trend closer to county median assessed values. Likewise, investor's are more concentrated in historic suburbs within Marion County, and, likewise, more historic regional county centers.

	<u>County</u>	<u>Corporate-Owned Homes</u>	<u>Corporate Share (All SF)</u>	<u>Corporate Share (SFR)</u>	<u>Median Year Built</u>	<u>Median Assessed Value</u>
Corporate Owned Homes	Boone	198	0.9%	7.4%	2005	\$207,650
	Hamilton	2,258	2.2%	20.6%	2002	\$226,450
	Hancock	701	2.6%	18.9%	2002	\$145,200
	Hendricks	1,790	3.4%	26.5%	2002	\$154,300
	Johnson	2,102	4.4%	28.4%	2001	\$174,600
	Marion	13,183	5.1%	21.9%	1983	\$127,200
	Morgan	227	0.9%	5.4%	1995	\$131,600
	Shelby	434	2.8%	11.2%	1956	\$59,500
		<u>Investor-Owned Homes</u>	<u>Investor Share (All SF)</u>	<u>Investor Share (SFR)</u>	<u>Median Year Built</u>	<u>Median Assessed Value</u>
Investor Owned Homes	Boone	613	2.7%	23.0%	1958	\$125,300
	Hamilton	2,162	2.1%	19.7%	1996	\$213,300
	Hancock	822	3.0%	22.2%	1963	\$95,450
	Hendricks	1,330	2.5%	19.7%	1967	\$130,000
	Johnson	1,684	3.5%	22.8%	1965	\$146,750
	Marion	17,518	6.8%	29.1%	1951	\$72,900
	Morgan	1,028	4.3%	24.4%	1953	\$105,950
	Shelby	1,007	6.5%	26.1%	1949	\$65,800

MARION COUNTY

Typical neighborhoods pursued by the largest investors are first and second ring suburbs. These neighborhoods are historically working and middle-class single-family communities where home ownership produced long-term wealth for families. Income and home-ownership rates are generally on par with the metro average, with slightly higher racial diversity. As greater headwinds exist for entry into home-ownership for younger generations but as demand for 'suburban' life remains high, firms strategically chose neighborhoods where supply remain limited relative to demand, allowing for strong year over year rental gains.

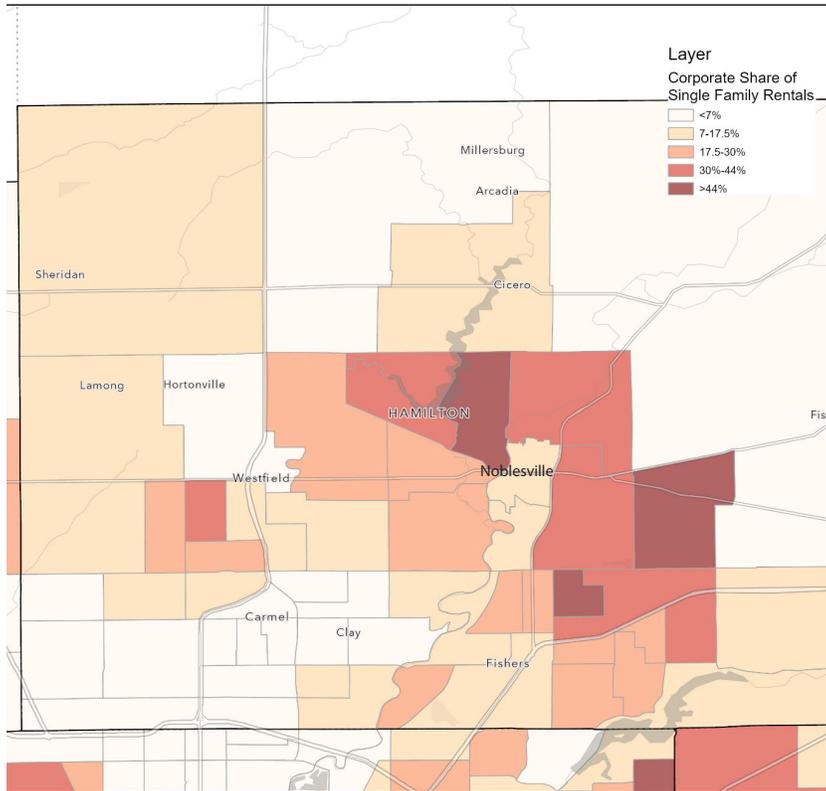


Neighborhoods	Corporate Homes	Share of Rentals	Share of All Homes
Southern Dunes	308	68.90%	13.90%
Camby	348	68.10%	16.90%
Five Points	385	61.70%	19.20%
Valley Mills	424	56.50%	10.60%
Raymond Park	175	54.20%	10.40%
Galludet	272	51.20%	6.27%
West Newton	86	49.40%	12%
Augusta	348	49.20%	9.20%
Snacks/Guion Creek	569	46.70%	7.79%
Acton	103	45.60%	7.71%

HAMILTON COUNTY

Hamilton County embodies the shifting strategy of corporate single family investment in targeting middle-income single-family neighborhoods with homes built during the 2000-2007 housing boom. Within the broader region, Hamilton County has the lowest percentage of investor owned homes, but a fast growing share of corporate owned homes. This is particularly true in fast-growing but still largely middle-income places like Noblesville and Fishers adjacent to higher income places such as Carmel. Policies have not shifted towards increasing the supply of a diversity of housing types, thereby putting upward pricing pressure on single family rentals.

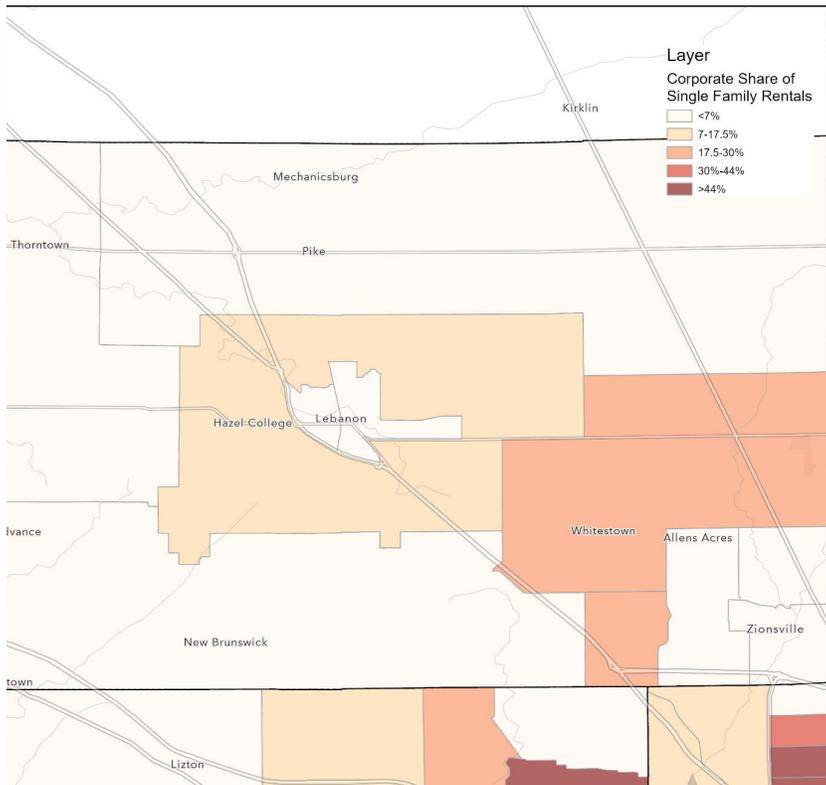
American Homes 4 Rent, First Key Homes, and Progress residential (3 of the top 5 largest single-family operators) have the highest presence in the community.



Neighborhood	Total Homes	Share of Rentals	Largest Share (total houses owned)
Noblesville	972	38.9%	American Homes 4 Rent (257), Progress Residential (238)
Fishers	736	28.2%	American Homes 4 Rent (290), First Key Homes (150)
Westfield	361	22.5%	American Homes 4 Rent (100), Progress Residential (74)
Sheridan	28	11.0%	First Key Homes (7), Tricon Residential (6)
Cicero	37	10.2%	Progress Residential (11), First Key Homes (8)
Carmel	102	4.6%	First Key Homes (29), American Homes 4 Rent (21)

BOONE COUNTY

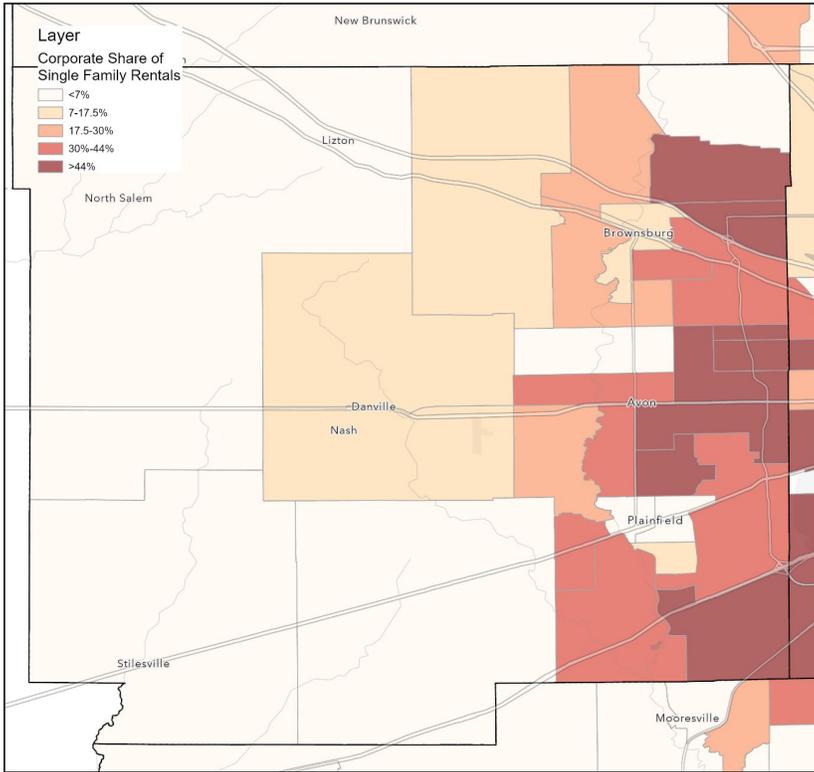
Investment activity into Boone County is low across the board, with less than 1% of SFR owned by large corporate investors and 5.66% of SFR owned by investors. Zionsville's upper-market housing is unattractive to the rental demographic targeted by corporate firms. However, single-family homes in developments constructed in the 2000-2008 boom remain the aim of investment activity. More than 75% of corporate owned homes in the county were built prior to 2011. However, builders such as D.R. Horton are experimenting with build-to-rent models in new developments such as Jackson Run South. Rather than act as owner-operators, national homebuilders see investor's as willing and qualified buyers of newly-built housing, especially in a more challenging macro-economic environment.



Neighborhood	Total Homes	Share of Rentals	Largest Share (total houses owned)
Whitestown	116	33.4%	First Key Homes (56), American Homes 4 Rent (24)
Lebanon	36	5.3%	Tricon Residential (13), Progress Residential (5)
Zionsville	42	5.2%	American Homes 4 Rent (22), First Key Homes (7)

HENDRICKS COUNTY

Hendricks County emerged as an attractive location for corporate investors after the Great Recession. Like many more exurban locations, smaller investors are historically less active, with new corporate investors emerging after the Great Recession. Corporate investors targeted homes built between 2000-2008 that averaged 75% the cost of a median home. Neighborhoods surrounding the airport fit the ideal profile for corporate acquisitions. American Homes 4 Rent and First Key Homes are both disproportionately concentrated in Hendricks.

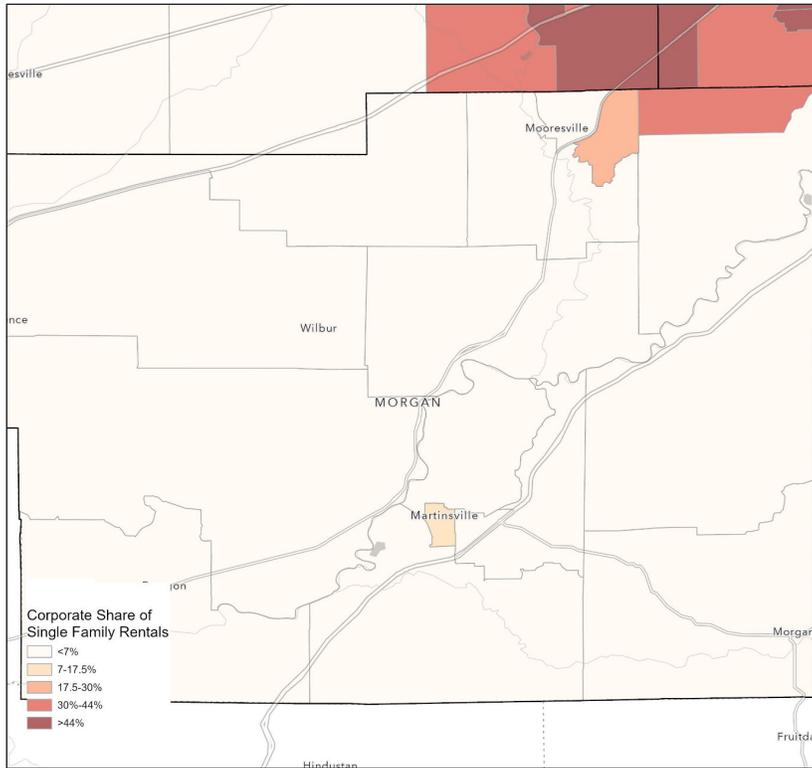


Neighborhood	Total Homes	Share of Rentals	Largest Share (total houses owned)
Avon	251	42.8%	First Key Homes (58), American Homes 4 Rent (51)
Brownsburg	321	32.3%	American Homes 4 Rent (100), First Key Homes (56)
Hendricks County*	805	27.7%	American Homes 4 Rent (22), First Key Homes (7)
Plainfield	329	27.0%	American Homes 4 Rent (239), First Key Homes (136)
Pittsboro	29	14.3%	American Homes 4 Rent (73), First Key Homes (73)
Danville	53	14.1%	American Homes 4 Rent (16), First Key Homes (8)

*Unincorporated Hendricks County

MORGAN COUNTY

With limited development during the suburban housing boom of the post-2000 era, Morgan County is not a major center for corporate housing investment. The housing stock – often significantly older, and the lack of housing density make corporate acquisition more risky. Local knowledge predominates, with large regional investors and smaller investors more active in the SFR market.

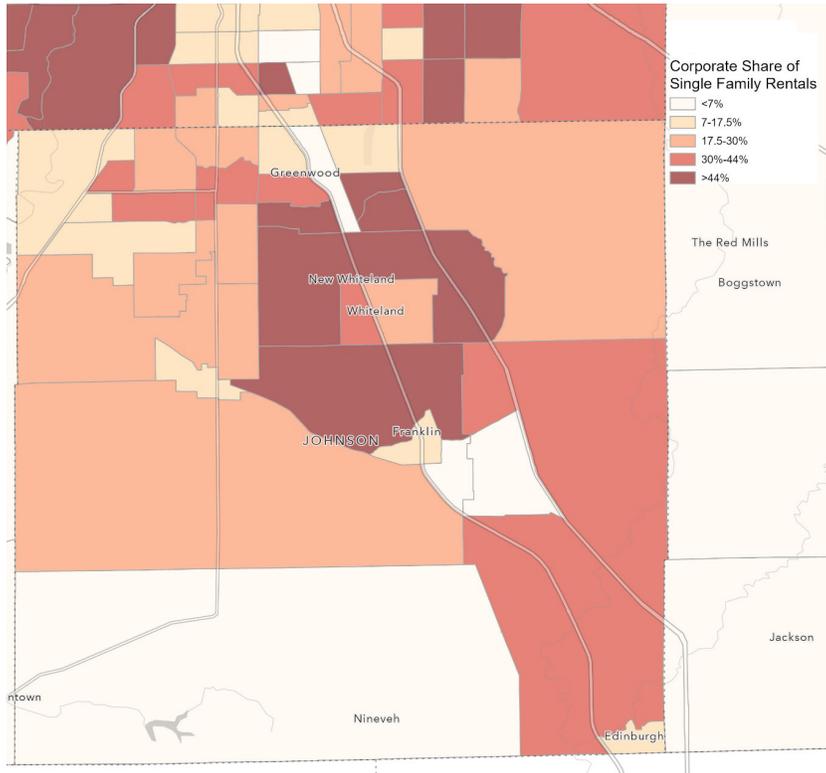


Neighborhood	Total Homes	Share of Rentals	Largest Share (total houses owned)
Monrovia	10	11.0%	Tricon Residential (6)
Mooresville	50	9.4%	John C LittleJohn (17), Progress Residential(12)
Martinsville	63	8.3%	Schwab Family Associates (26)
Morgan County*	98	7.2%	Progress (19), Tricon Residential (13)

*Unincorporated Morgan County

JOHNSON COUNTY

Johnson County is a regional hotbed of corporate and investor activity, second in proportion of corporate SFR's to Marion County. This is particularly true in housing developments surrounding Whiteland and Greenwood where 7-9% of all single family homes are owned by a corporate investor. The density corresponds with higher rates of foreclosure and the persistent duration of foreclosed properties following the Great Recession, enabling large firms to acquire properties at below market rates. The SFR rental market here is attractively priced for working-class, median income families desiring suburban homes and access to better school districts.



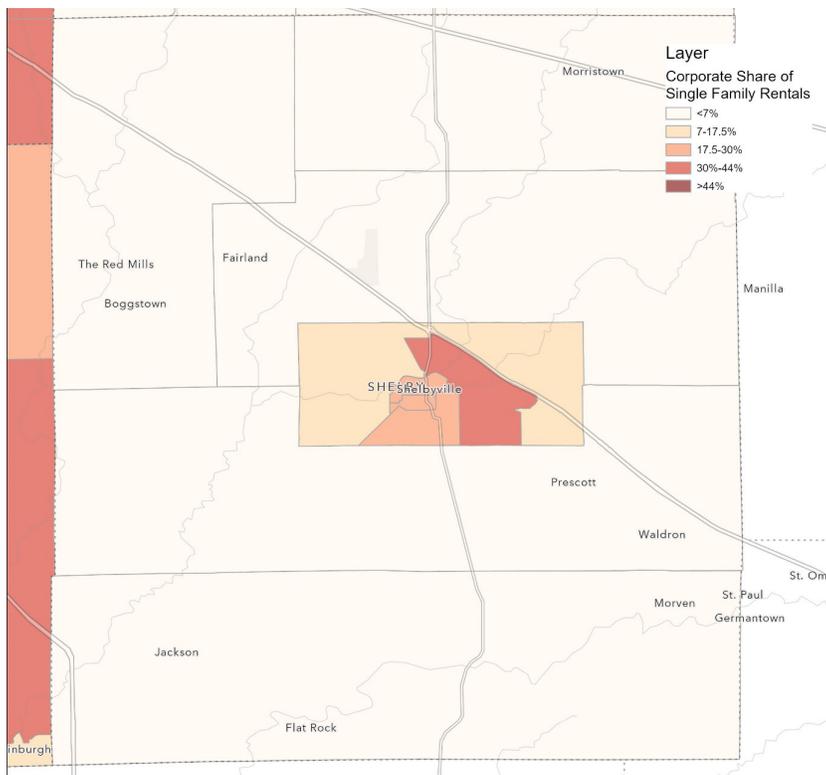
Neighborhood	Total Homes	Share of Rentals	Largest Share (total houses owned)
New Whiteland	172	43.0%	Stephen Mattick (44), American Homes 4 Rent (28)
Greenwood	1062	40.1%	American Homes 4 Rent (100), Progress Residential (184)
Franklin	542	34.8%	American Homes 4 Rent (159), Tricon Residential (94)
Whiteland	58	24.0%	First Key Homes (17), American Homes 4 Rent (9)
Bargersville	65	18.0%	First Key Homes (23), American Homes 4 Rent (12)
Johnson County*	166	11.1%	American Homes 4 Rent (53), First Key Homes (36)

*Unincorporated Johnson County

SHELBY COUNTY

Shelbyville – the main city in Shelby County – has high rates of both corporate and investor ownership. Approximately 7.2% of all single family properties and 43% of SFR are owned by a large investor. This is particularly true in the newer segments of town southeast of downtown where newer suburban homes are targeted.

Regional investors such as Reed Real Estate are the most active and highly concentrated in the community. Reed Real Estate, however, owns older homes in historic Shelbyville, with 1930 the median year built of Reed-owned parcels. The large national players including American Homes 4 Rent and First Key are active in the 2000-2008 built homes (median year built is 2005).



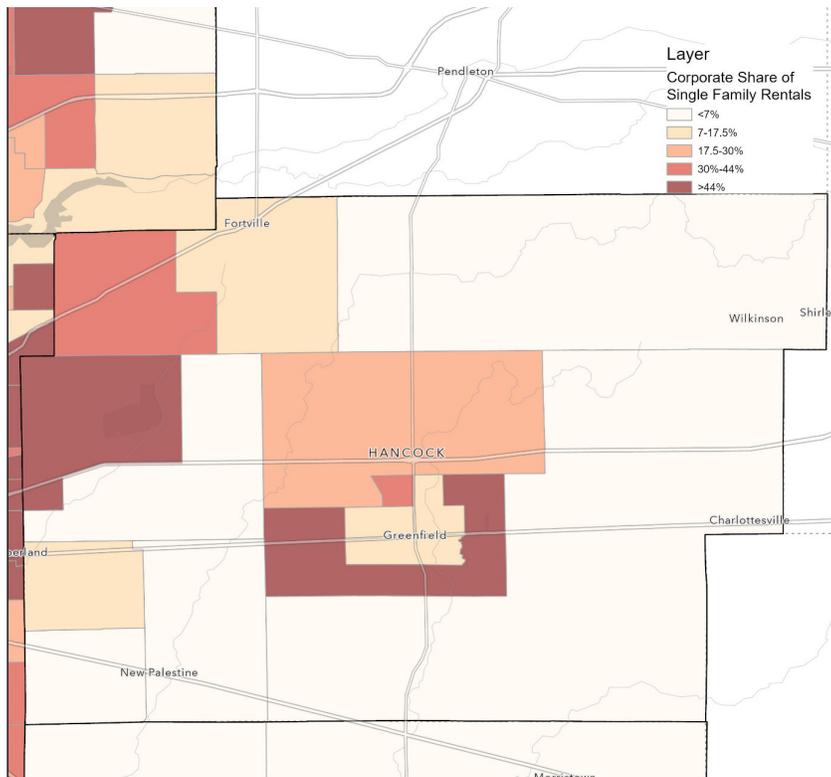
Neighborhood	Total Homes	Share of Rentals	Largest Share (total houses owned)
Shelbyville	172	43.0%	Reed Real Estate (258), American Homes 4 Rent (44)
Shelby	1062	40.1%	Reed Real Estate (10)

*Unincorporated Shelby County

HANCOCK COUNTY

Extending east, the corporate and investor share of housing in Hancock County is situated in the suburban neighborhoods surrounding older, historic Greenfield where Build-To-Rent models in new suburban tracts built by D.R. Horton are emerging (for example, Sandalwood) and subdivisions built between 2000-2008 are common. SFR acquired by larger corporate firms have a median year built of 2002, and tend to be in the lower to middle price range (30-45% of the median assessed value).

The largest investors are American Homes 4 Rent, Progress, and Tricon.



Neighborhood	Total Homes	Share of Rentals	Largest Share (total houses owned)
McCordsville	113	41.5%	American Homes 4 Rent (45), Progress Residential (28)
Greenfield	380	26.9%	American Homes 4 Rent (92), Tricon Residential (85)
Hancock County*	137	12.0%	American Homes 4 Rent (42), Progress Residential (30)
Fortville	41	10.4%	American Homes 4 Rent (11), Progress Residential (7)

*Unincorporated Hancock County

Corporate Profiles: Top 5

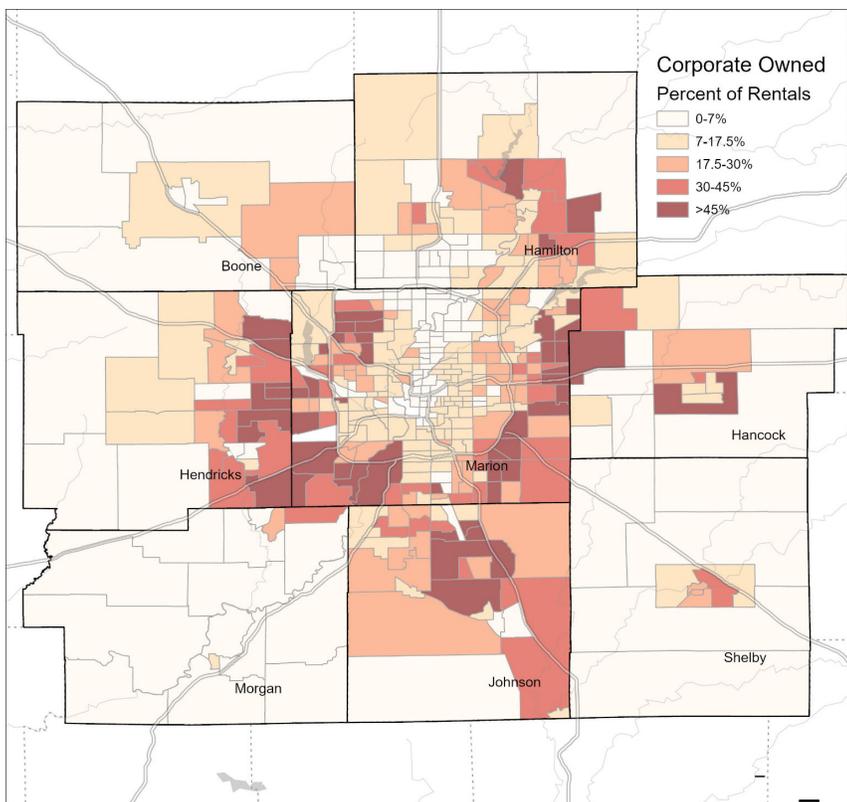
Corporate investors – or those who own 25 or more properties in the region – refer to a broad array of actors including national private equity giants, regional housing investors, and smaller upstarts. They are all active in the Indianapolis market, making Indianapolis one of the few non-Sunbelt Cities to experience persistent corporate investment at scale.

The largest investors by properties owned are the private equity firms. Simple patterns emerge here across their investment trajectories. Large private equity firms target:

- Newer Homes where property maintenance adds less overhead.
- Lower mid-tier suburban Homes in desirable middle income single family neighborhoods: Homes often desired by first-time home buyers.
- Some degree of spatial concentration to lower property maintenance costs.

Despite owning ‘newer’ property stock, many of the largest firms active in the 2010’s have high rates of code violations, aggressively pursue returns through raising rents, and have come under fire for adding burdensome fees on top of rents. As large financial vehicles, all experience enormous pressure to maximize returns on assets that may lead to different outcomes than smaller landlords.

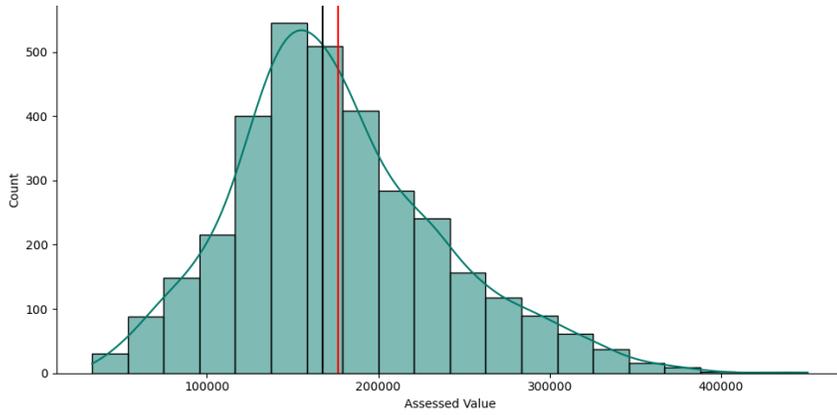
Diversification in the industry also exists. Mid-size local and regional investors – for example VineBrook, SLB Investments, or SFR – pursue a strategy based on acquiring and marketing ‘affordable’ or ‘workforce’ rentals. These firms pursue houses in more disinvested pockets of the city, including older, less expensive homes – many of which are in disrepair. Strategies here often involve some minimal repair and ‘profit milking’ approaches that can further disinvestment.



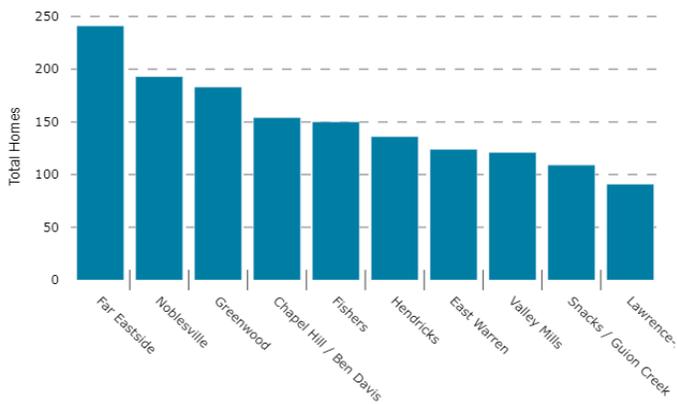
First Key Homes, LLC Dashboard:

- Total Number of Properties: 3,362
- Median Assessed Value: \$167,550
- Median Year Built of Homes Owned: 1999
- Mean Acquisition Year: 2018
- Marion County Code Violations per Property: 12.9 code violations per 100 properties.

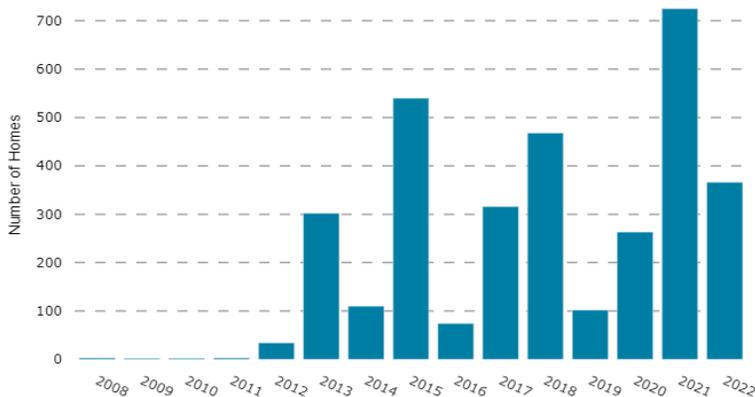
First Key Homes: Distribution of Assessed Value



First Key Homes: Top 10 Neighborhoods by Total Homes Owned



First Key Homes: Corporate Acquisitions by Year



AMERICAN HOMES 4 RENT, LLC

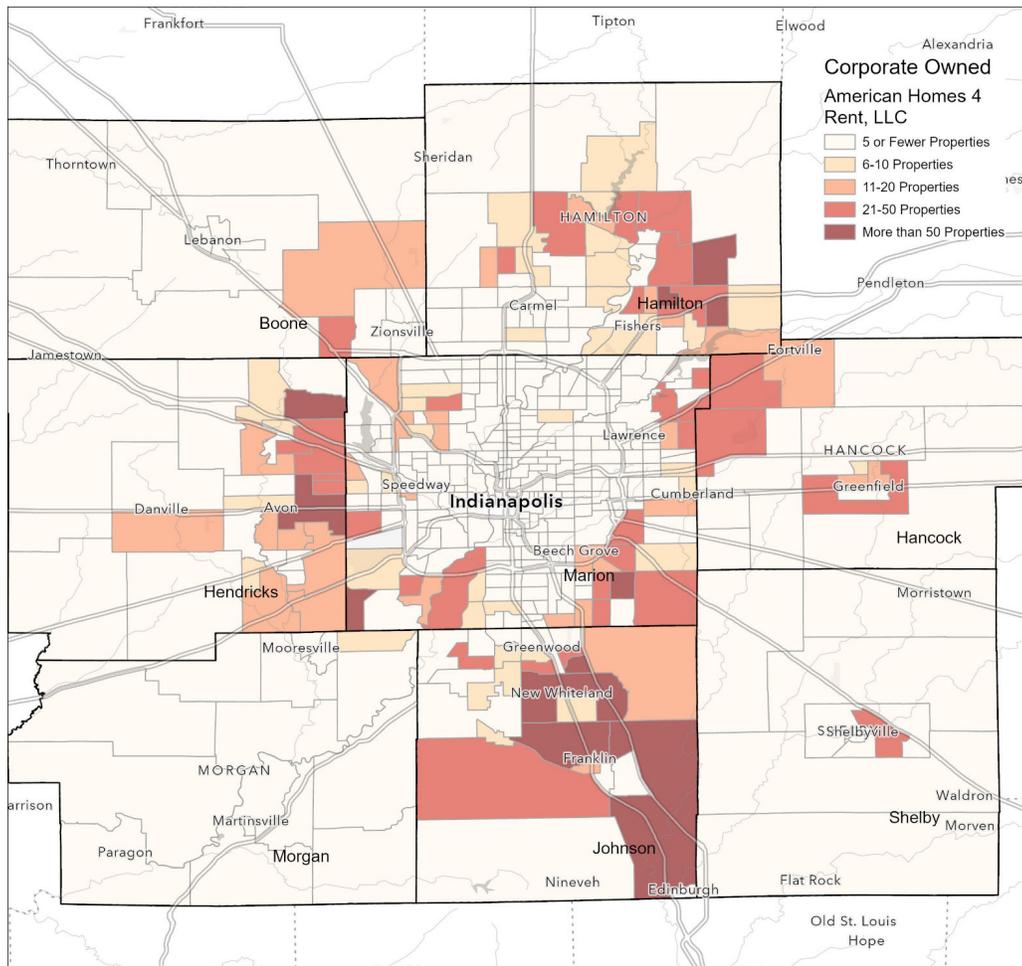
Company Location: Formed in 2007, incorporation in Maryland in 2018 as a REIT. It is based in Las Vegas, Nevada, and is owned by Wayne Hughes, the founder of Public Storage.

Company Size: 23,417 homes in 18 states

Company Location: Las Vegas, Nevada

Company Size: 59,902 properties nationwide. Indianapolis is its 7th largest market.

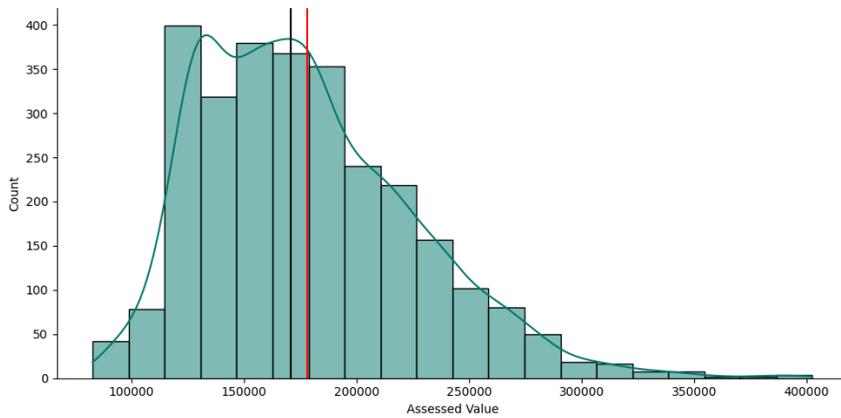
Company Strategy: Acquired homes purchased by BlackRock Financial, a large private equity firm who purchased bulk foreclosed properties en masse during the Great Recession. The firm's strategy targeted newer homes in suburban neighborhoods. They have also pioneered the AMH Development Program, a 'built-for-rental' development arm. Built-for-rent can spatially consolidate operations, reducing operation costs. In Indianapolis, they have higher purchases in areas on the periphery of high-income communities outside the metro core.



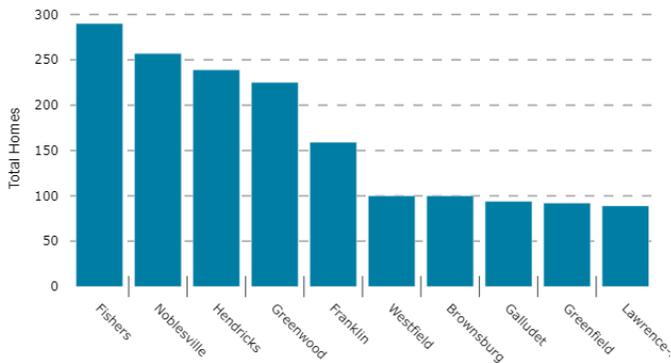
American Homes 4 Rent, LLC Dashboard:

- Total Number of Properties: 2,846
- Median Assessed Value: \$171,000
- Average Year Purchased: 2014
- Median Year Built: 2002
- Average 'realized rent' per property: \$1,753
- Average Occupancy: 96.5%
- Evictions per Property:
- Marion County Code Violations per Property: 6.5 code violations per 100 properties

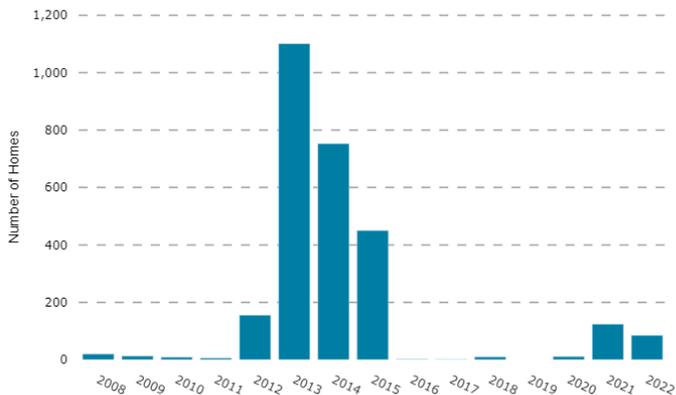
American Homes 4 Rent, LLC : Distribution of Assessed Value



American Homes 4 Rent: Top 10 Neighborhoods by Total Homes Owned



American Homes 4 Rent: Corporate Acquisitions by Year

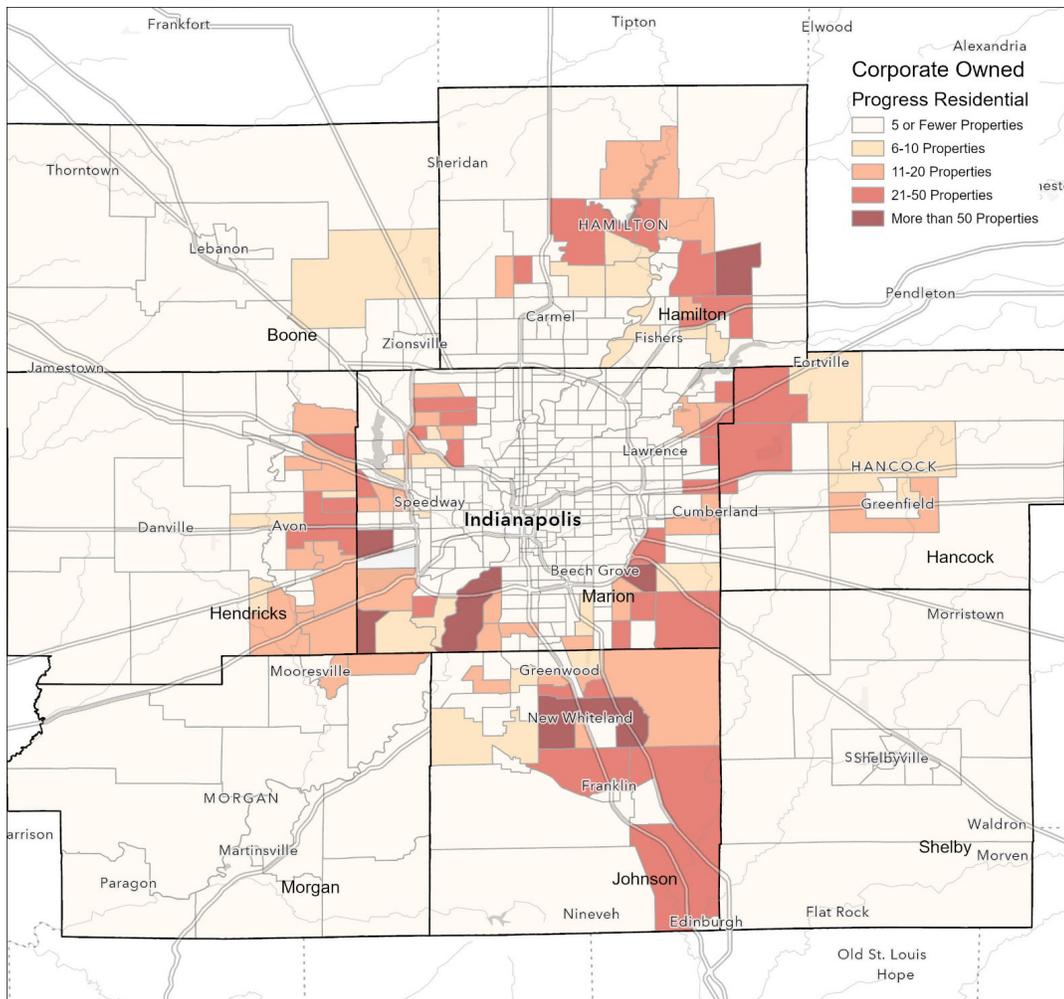


PROGRESS RESIDENTIAL, LLC

Company Location: Scottsdale, Arizona. Owned by Pretium Partners, a private equity firm.

Company Size: The largest SFR firm in the US, Progress Residential owns north of 95,000 homes, 2,396 of which are in Indianapolis.

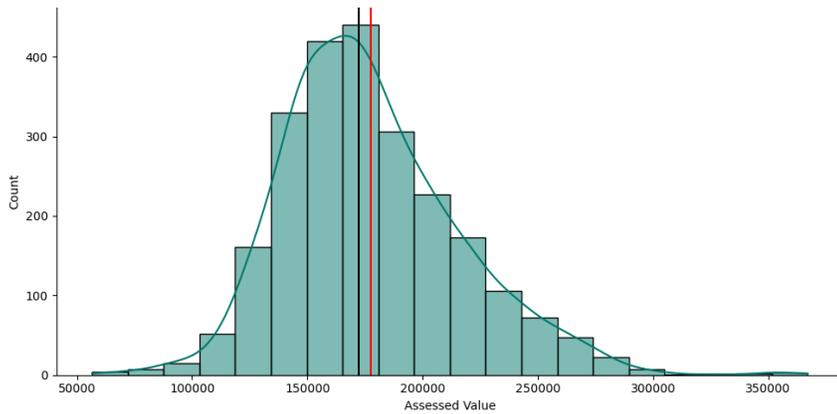
Company Strategy: The company strategy mirrors other large corporate single-family investors, with a larger bias for newer construction in middle-income suburbs in the counties surrounding Marion. Neighborhoods surrounding the airport and northeastern Indianapolis are major targets. Progress Residential's main strategy is neatly summarized by its CEO: "We want to buy a 2,000 square foot house built in the 21st century, preferably in a homeowners association, with a two car garage, a front and backyard, not on the corner." Like other firms, it is an aggressive profit-maximizer and leans heavily on evictions, causing it to come under investigation in Minneapolis where it is being sued for fraudulent and deceptive business practices, in national hearings for using evictions and other aggressive tactics to remove tenants.



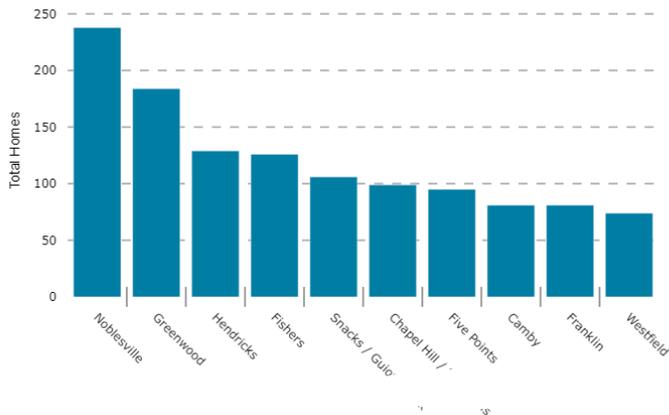
Progress Residential, LLC Dashboard:

- Total Number of Properties: 2,396
- Median Assessed Value: \$172,500
- Median Year Built: 2001
- Mean Acquisition Year: 2019
- Evictions per Property:
- Marion County Code Violations per Property: 1.9 code violations per 100 properties

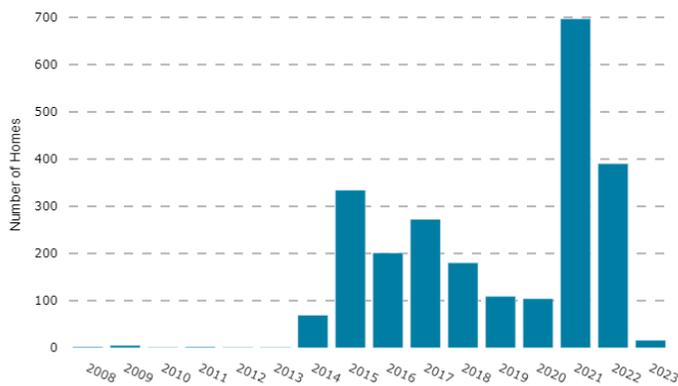
Progress Residential: Distribution of Assessed Value



Progress Residential: Top 10 Neighborhoods by Total Homes Owned



Progress Residential: Corporate Acquisitions by Year

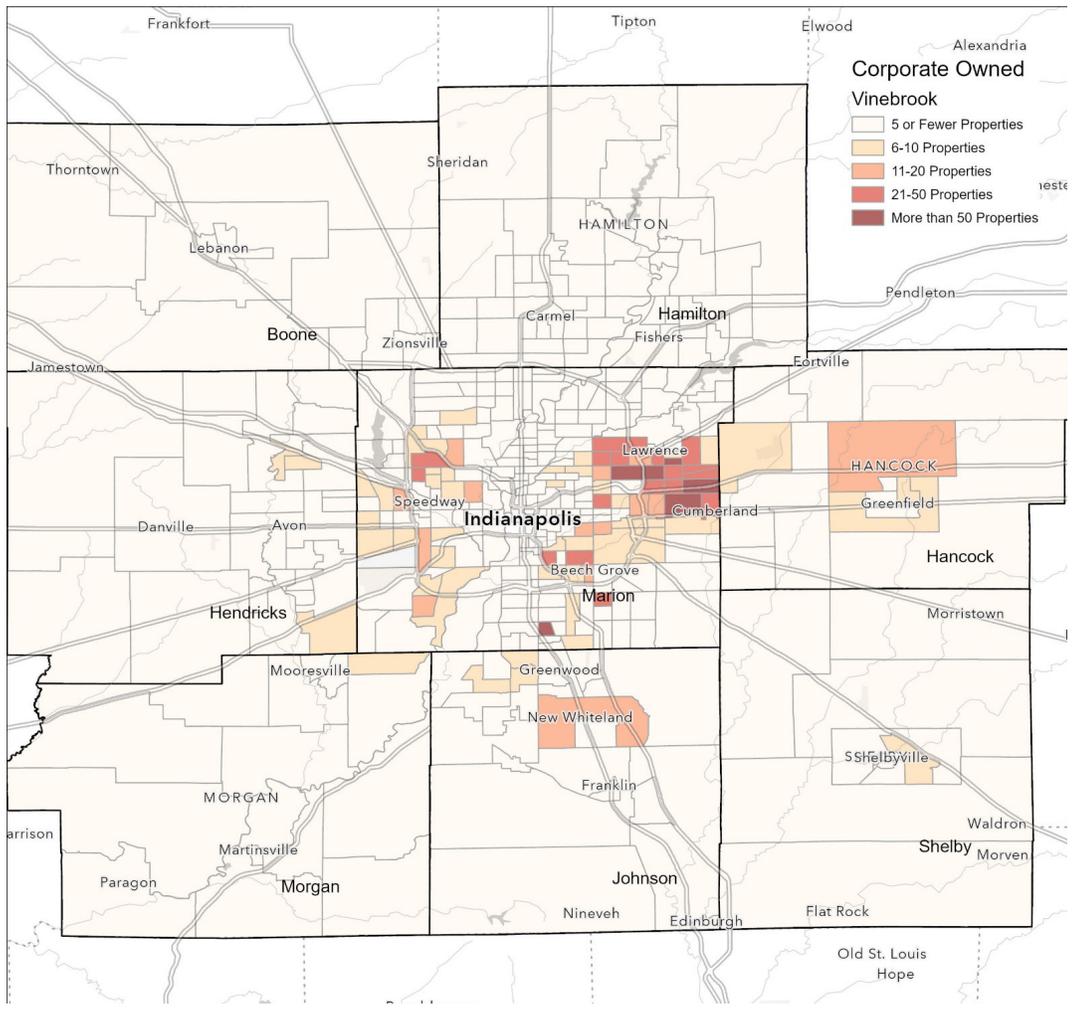


Company Location: Formed in 2007, incorporation in Maryland in 2018 as a REIT, based in Texas.

Company Size: 23,417 homes in 18 states

Company Strategy: Acquires foreclosed homes, lower-value homes than competitors, and older homes often purchased in bulk from other investors. More concentrated in neighborhoods with racial and ethnic minority households and lower median incomes than other top corporate firms. Strong reputation for high rates of eviction and code violations (forthcoming). Through 'renovating' homes, the company increased rent growth. The average rent for a single family home in Indianapolis in 2023: 3Q is \$1,234 relative to \$1,063 in 2021: 3Q, averaging 8% growth per year.

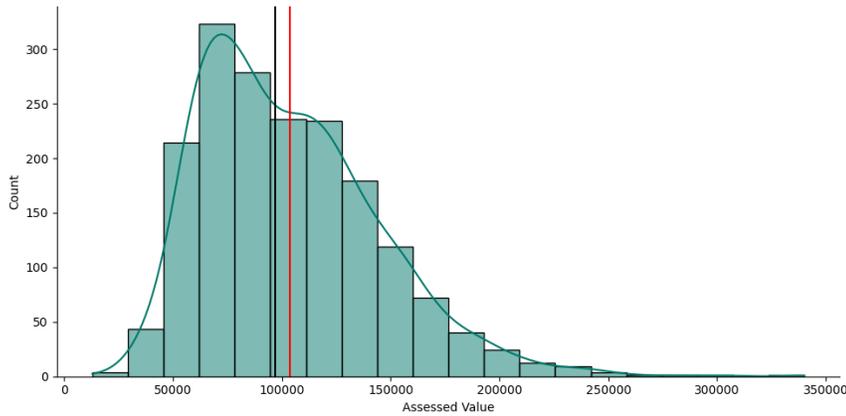
Notes: Sued by the city of Cincinnati, twice, for negligence in property management and violation of an agreement in relation to maintenance failure. Poor reputation in Milwaukee, Indianapolis, and Cleveland where journalists have conducted analyses on negligent management and concentration of assets in neighborhoods. Claims to be the "Largest provider of workforce housing (defined as housing costing less than \$1,400 a month) in the country" among SFR firms



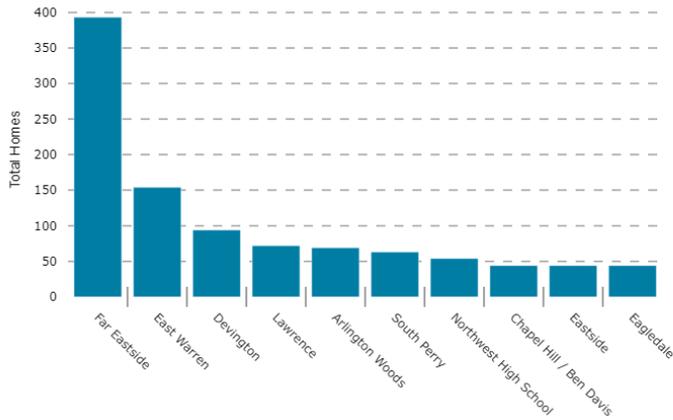
Vinebrook Homes, LLC Dashboard:

- Total Number of Properties: 1,488
- Average Rent: \$1,162 ((SEC 2022 Annual Report)
- Occupancy: 93.5% (SEC 2022 Annual Report)
- Median Assessed Value: \$97,100
- Mean Year Built of Properties Owned: 1964
- Evictions per Property: forthcoming
- Marion County Code Violations per Property: 17 violations per 100 homes.

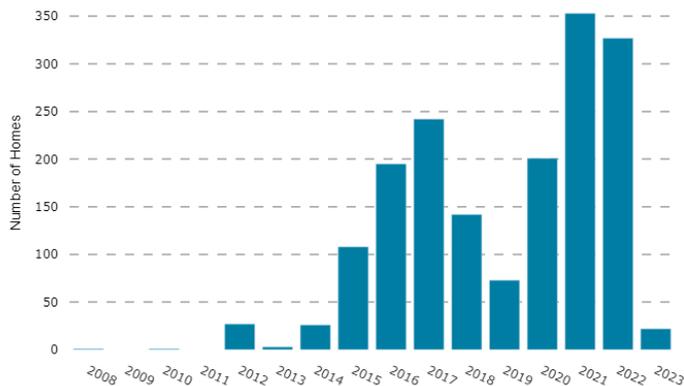
VineBrook Homes: Distribution of Assessed Value



VineBrook Homes: Top 10 Neighborhoods by Total Homes Owned



VineBrook Homes, LLC: Corporate Acquisitions by Year

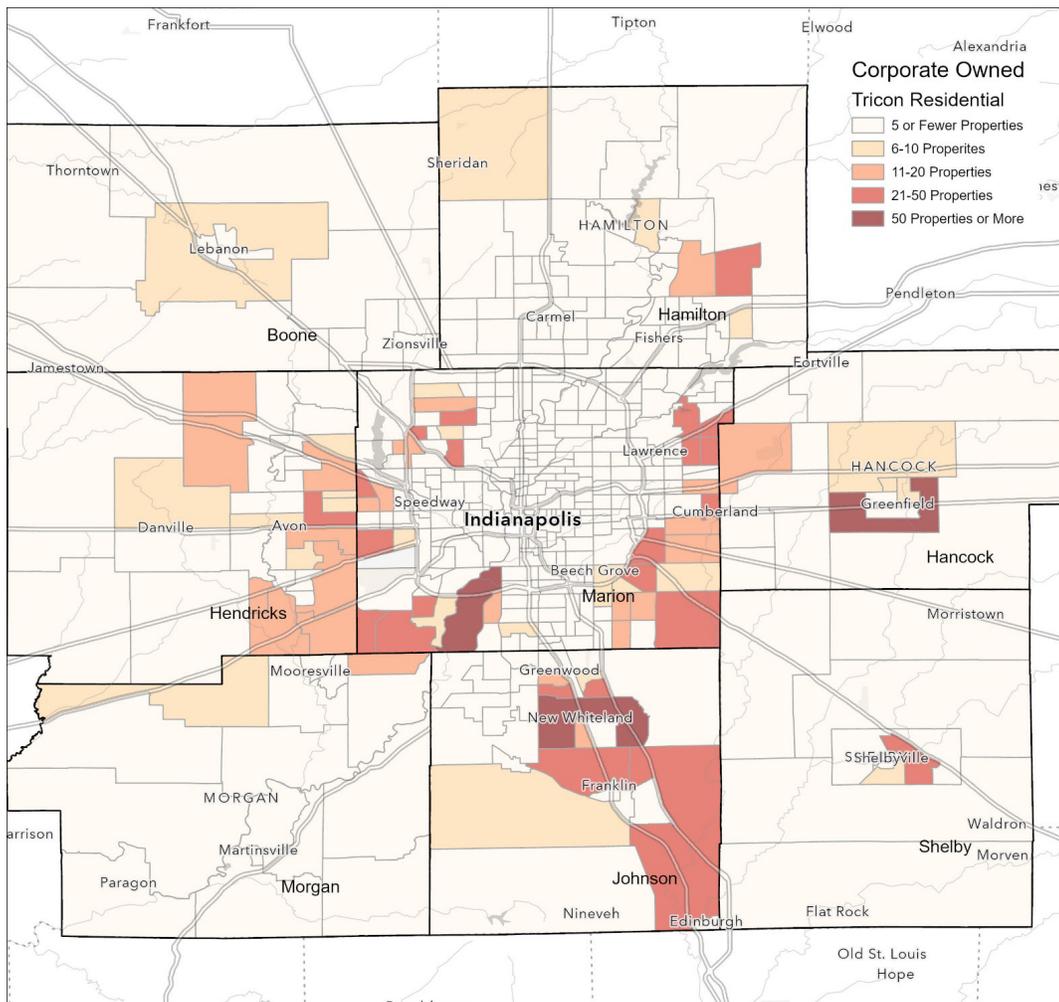


TRICON RESIDENTIAL, LLC

Company Location: Incorporated in Toronto, Canada, Tricon Residential is a private equity firm with \$13.1 billion invested in 37,024 single family rental homes and multi-family rentals. It is a publicly traded firm.

Company Size: 38,000 homes in the US Sunbelt and multi-family rental homes in Canada.

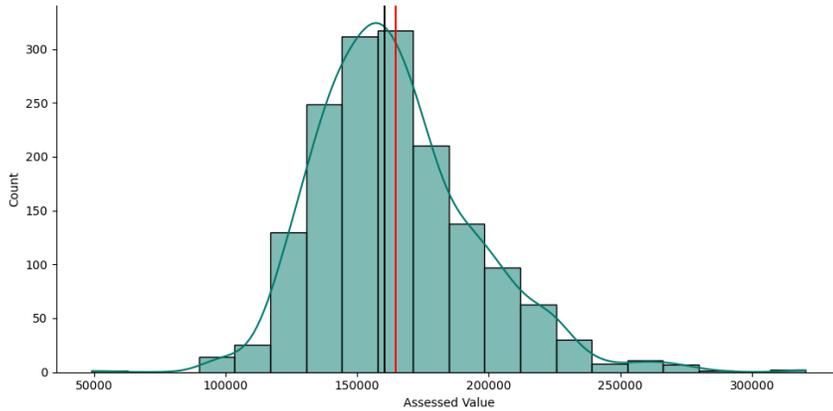
Company Strategy: Tricon pursues a similar acquisition strategy to other large corporate investors, pursuing single-family homes in middle-income neighborhoods in first ring suburbs as well as newer exurbs where they pursue build-to-rent properties. The company targets middle income tenants earning between \$70,000-110,000 per year that promise longer-term renting capacities. According to company reports, Tricon leads the large SFR industry with a turnover rate of 15% per year on its homes. Tricon's pricing model moderates rental increases for renewals, (6.8% per year) but aggressively increases rents upon turnover (11.5%); this model still enabled the firm to increase rents by 9.4% year over year from 2021-2022.



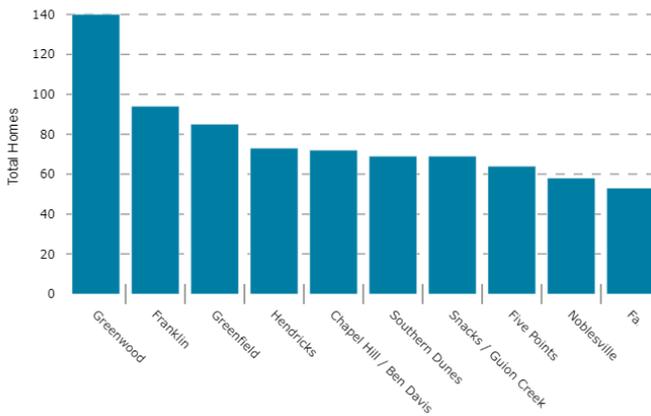
Tricon Residential, LLC Dashboard:

- Total Number of Properties: 1,615 properties
- Median Assessed Value: \$160,500
- Median Year Built of Properties Owned: 2002
- Mean Acquisition Year: 2020
- Evictions per Property:
- Marion County Code Violations per Property: 1 per 100 properties.

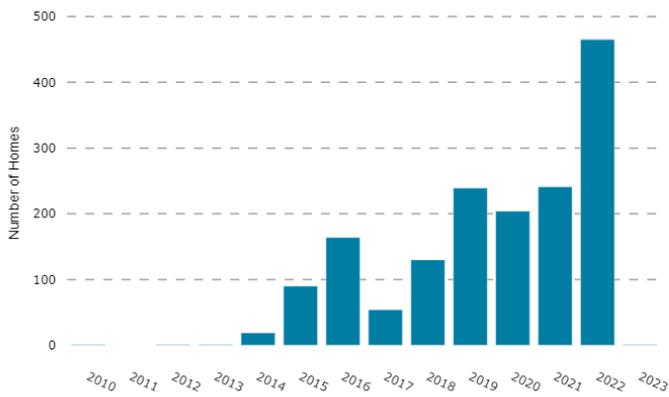
Tricon Residential: Distribution of Assessed Value



Tricon Residential: Top 10 Neighborhoods by Total Homes Owned



Tricon Residential, LLC: Corporate Acquisitions by Year





HOUSING TOOLKIT AND NEXT STEPS

Overview

PROJECT VISION AND GOALS

The toolkit is organized around the vision and goals established through the course of the project. These statements are informed by the process's extensive stakeholder engagement, numerous stages of research and analysis, and steering committee feedback.

Vision statement:

"The Indianapolis Metropolitan Planning Organization's Central Indiana Housing Study seeks to foster communication and support the development of a more equitable, accessible, attainable, and connected housing supply for current and future residents of the Central Indiana region."

Goals:

1. Establish a shared understanding of the history and current state of housing in Central Indiana.
2. Introduce a regional housing strategy that connects communities and promotes equity.
3. Provide context and guidance for the public and government leaders to inform public decision-making on housing issues and policy.
4. Support collaboration and policy change at the local and regional levels in promoting the vision.
5. Support the creation of the full continuum of housing types and attainability across the region.

ONE TOOLKIT, TWO USER GROUPS

Just as there is no single contributor to the rising cost of housing, neither is there a single policy that will serve as a solution. The Housing Toolkit provides specific strategies organized around the vision and goals established through the course of the project. The

strategies and recommendations have two targeted user groups serving as the lead, the IMPO itself and its member communities consisting of municipalities. However, other entities such as developers, non-profits, and other organizations operating in the housing space also have a role to play.

In order to combat rising unaffordability the CIHS offers the following goal to municipal staff and leadership:

- Support the creation of the full continuum of housing types and attainability across the region.

Each community within Central Indiana is ultimately in control of which strategies, if any, they decide to employ as they work towards achieving their local housing goals. However, providing more housing in general is necessary in order to alleviate rising unaffordability – as supply rises the upward pressure on housing prices will also ease. The housing production need forecast completed for the CIHS estimates that an additional 42,000 housing units need to be produced over the next five years, or roughly 8,400 per year. Additionally, a greater variety of housing that meets the preferences and price points of households needs to be produced. Different strategies for increasing housing vary from market-type incentives such as offering property tax abatement for developers to updating public policy documents such as local zoning to allow for a greater amount and type of housing to be developed.

As communities investigate which options are best suited to them, the IMPO will continue to provide support and information to members. Strategies serving the following goals are assigned to the IMPO:

- Establish a shared understanding of the history and current state of housing in Central Indiana.
- Introduce a regional housing strategy that connects communities and promotes equity.
- Provide context and guidance for the public and government leaders to inform public decision-making on housing issues and policy.

- Support collaboration and policy change at the local and regional levels in promoting the vision.

These goals, and the specific strategies listed under each, fall under the informational and convening work the IMPO has historically provided as an organization. By expanding on the information provided in the CIHS and bringing together stakeholders to work on these issues collectively the IMPO hopes to continue advancing housing issues.

Additionally, while the IMPO offers these strategies for communities to consider in case helpful, they are by no means mandated. Communities should make their own decisions about the best path toward achieving local housing goals.

STRATEGY CATEGORIES AND VARIABLES

The toolkit matrix classifies strategies across several categories to summarize key features of each and help users compare between them. These categories and their constituent variables include:

Type: What form does the strategy take?

- Communication: Informing the regional housing discourse by providing data and education to stakeholders and the community about housing needs, solutions, market dynamics, and related topics.
- Financing: Providing direct or indirect investment or financing.
- Regulation: Changing how government establishes policies and interfaces with builders.
- Community: Empowering nonprofits and community organizations to lead solutions.

Scale: What is the strategy's geographic scope?

- State/region: Across the metro area or statewide
- County: Across a county and its constituent municipalities and unincorporated areas
- Municipality: Limited to a single city or town
- Neighborhood: Focused on a district within a municipality
- Site: Focused on a single project site

Timeframe: On what timescale is the strategy implemented?

- Short-term: Within a year
- Mid-term: Within 3-5 years
- Long-term: More than 5 years
- Ongoing: Recurring indefinitely once established

Cost: What is the order of magnitude cost associated with implementing the strategy?

- Low: Less than \$100k (in many cases, cost primarily limited to staff time)
- Moderate: Between \$100k and \$1M
- High: Above \$1M

Leader: What type of organization should lead the strategy's development and implementation?

- State: A state agency or legislative body
- MPO: The IMPO
- County: A county agency or governing body
- Municipality: A city or town board, agency, department, or governing body

IMPO role: What is the IMPO's role in developing and deploying the strategy?

- Inform: Providing data, guidance, or technical assistance.
- Convene: Organizing meetings, events, discourse, and collaborations.
- Plan: Setting policy goals and strategies.
- Fund: Investing in projects and programs.

Toolkit Strategies: Establish a shared understanding of the history and current state of housing in Central Indiana

MAINTAIN AND UPDATE HOUSING PLAN

Update the housing plan document or produce periodic supplements reflecting the latest data, toolkit strategies, and technical assistance resource offerings.

Given the dynamic nature of housing markets and the high rate of growth and change across the Central Indiana region, this plan’s findings will need periodic updates to keep current with the latest conditions and community needs. Updates could take the form of revisions to the plan itself or supplemental attachments.

In addition to refreshing the data, IMPO can update toolkit strategies and other components of the plan as applicable, offering the regional audience the latest information, ideas, and resources available at the time. Upon the release of each update, IMPO could also conduct a round of outreach and engagement, including reviewing new material with member communities and convening public conversations about important trends highlighted in the work.

Category	Variable
Type	Communication
Scale	Regional
Timeframe	Ongoing
Cost	Low
Leader	MPO
IMPO role	Plan and inform
Next step	Refresh analyses every 2-4 years

CREATE AND MAINTAIN ONLINE DASHBOARD

Establish and regularly update an online dashboard featuring indicators and findings from the housing plan and the data behind it.

As an additional dimension of the housing plan, IMPO could build an online dashboard offering interactive review of and engagement with the housing study’s data, findings, and resources. Plan updates could also be translated onto the dashboard. In addition to visualizing the regional study’s databases, the dashboard could include real-time indicators of housing market conditions, such as recent ownership and rental pricing data. Other features could include live feeds of regional housing news and research, calendars highlighting housing-related events and programming, and other current information and news.

Category	Variable
Type	Communication
Scale	Regional
Timeframe	Ongoing
Cost	Low
Leader	MPO
IMPO role	Inform
Next step	Specify desired elements and functionality for a dashboard concept and select a platform that can accommodate.

COMMISSION FOLLOW-UP STUDIES

Commission follow-up studies on critical housing issues that impact housing attainability and access at local and regional levels.

As this plan describes in sections such as the Contributing Factors report, the housing market is extremely complex and dynamic and there is great value to building broad awareness and understanding of the key forces driving change and contributing to housing attainability challenges across the region.

The IMPO can periodically release focused studies that address key housing issues and the forces that influence them to keep community residents, stakeholders, leaders, and policymakers informed and engaged with existing and emerging challenges and opportunities that previously may have gone unnoticed and unaddressed. For example, IMPO has commissioned a review of the scope of investor-owned single-family housing and its relationship to local affordability. There are numerous other topics that are not well understood but which the community would have an interest in learning about and which deserve more policy and planning attention in general.

Category	Variable
Type	Communication
Scale	Regional
Timeframe	Ongoing
Cost	Low
Leader	MPO
IMPO role	Inform
Next step	Identify the next issue for a deeper dive study.

PROVIDE REGIONAL CONTEXT

Provide regional context as resource for local planning through resource sharing and active collaboration.

As part of its new role as a leader in regional housing policy discussions, the IMPO could operate as a clearinghouse of data, studies, and resources that provide the overall regional context to compliment municipal planning and policy-making. Rather than attempt to dictate how municipalities should manage housing issues and opportunities, the IMPO could contribute insight on the broader trends and market forces active across the region and help municipal decision-makers incorporate this perspective into their local work.

This strategy could include activities such as:

- Providing resources and information to municipalities that are considering or launching local housing studies.
- Distributing ongoing regional housing research, data, insights, and policy tool concepts.
- Promoting regional awareness about current trends, opportunities, and challenges in the housing market along with ideas about how to address them.
- Executing on other strategies in this plan that contribute to the goal of broader contextual understanding of housing at the regional level and how it relates to local concerns.

Category	Variable
Type	Communication
Scale	Regional
Timeframe	Ongoing
Cost	Low
Leader	MPO
IMPO role	Inform
Next step	Distribute housing plan and findings to regional stakeholders.

Toolkit strategy: Introduce a regional housing study that connects communities and promotes equity.

SET HOUSING GOALS

Work with municipalities and other government officials to set housing production targets at regional and county levels that reflect this plan's vision and goals.

As a next step after this study is complete, the IMPO could work with its member communities and stakeholder partners to develop regional housing goals. These goals might consist of quantified production targets and/or attainability rates to work toward.

These housing goals would offer a regional context that could inform how municipalities calibrate internal targets. The IMPO would offer the goals as guidance to inform local planning, not mandated quotas that must be adhered to.

Over time, the IMPO could convene its member and stakeholder networks to review progress toward regional housing goals and consider updates in light of how markets and attainability may have shifted since initial marks were set.

Category	Variable
Type	Communication
Scale	Regional
Timeframe	Ongoing
Cost	Low
Leader	MPO
IMPO role	Plan
Next step	Establish regional housing production targets and offer guidance to municipalities on possible local targets

Toolkit strategy: Provide context and guidance for public and government leaders to inform public decision-making on housing issues and policy.

HOUSING ELEMENT IN COMPREHENSIVE PLANS

Recommend municipalities include a housing element in comprehensive plans and updates.

The comprehensive plan offers one of the most effective ways to keep residents, stakeholders, and local policymakers up-to-date on a variety of conditions, challenges, and opportunities in their communities. In addition, the planning process provides a forum to share ideas and set priorities around a wide range of topics.

Many municipalities in Central Indiana do not address housing in detail in their comprehensive plans but all should be encouraged to do so. When writing its housing element, a municipality could inventory and characterize their housing stock and try to gauge current levels of cost burden across income levels. The element's action items could focus on strategies to close attainability gaps and add housing types that reflect the way the municipality wants to grow and adapt in light of residents' evolving needs and expected demand from new households.

Category	Variable
Type	Regulation
Scale	Any
Timeframe	Long-term
Cost	Low
Leader	Municipality
IMPO role	Plan
Next step	Communicate the benefits of expanded housing consideration in comprehensive plans and encourage municipalities to include them.

ENHANCE POLICYMAKER AWARENESS OF HOUSING ISSUES

Enhance awareness of housing challenges and opportunities with ongoing communication and information sharing.

In addition to spreading awareness and understanding of housing issues in the region, the IMPO is well positioned to help inform policymakers on these topics. It is essential that decision makers are up to date on the latest housing conditions and trends and are fluent in the current housing policy discourse within the region.

The IMPO can build this awareness and understanding through several channels, including:

- Distributing studies, reports, and updates to policymakers.
- Developing direct relationships with policymakers and offering to serve as an impartial but well-informed advisor when housing regulations and bills are under debate.
- Help network between stakeholders and policymakers across the region to foster direct dialogues between multiple perspectives around key housing issues.
- Supporting citizen planner training to build capacity at staff and other levels locally and regionally.

Category	Variable
Type	Communication
Scale	Any
Timeframe	Ongoing
Cost	Low
Leader	Any
IMPO role	Convene
Next step	Develop a communications plan to increase contact and information-sharing with policymakers at local and state levels.

Toolkit strategies: Support collaboration and policy change at the local and regional levels in promoting the vision.

PROVIDE TECHNICAL ASSISTANCE

Support municipalities with technical assistance and resources to help them overcome challenges and capture opportunities to promote housing attainability.

As an extension of its regional planning efforts, the IMPO could offer technical assistance to help member communities address housing issues and opportunities locally. These services could range from informal consultation to more involved analysis, planning, and advising.

The IMPO could structure the technical assistance program around one or both of the following approaches:

- Offer on-demand support to communities and scope the work to meet each place's unique needs.
- Develop standardized assistance modules focused on specific housing topics and tasks and invite communities to enroll in those that appeal to them.

Technical assistance would consist of IMPO staff time providing information to and supporting each engaged community.

Category	Variable
Type	Communication
Scale	Regional
Timeframe	Ongoing
Cost	Low to moderate
Leader	MPO
IMPO role	Inform
Next step	Develop and distribute a "menu" of technical assistance resources and make regular contact with member communities.

FOSTER COLLABORATION AND DIALOGUE

Leveraging its role as convener for the regional housing study and discourse, the IMPO could produce public events, organize leadership summits, and network stakeholders.

Public events could include standalone programs as well as sessions related to specific studies and research the IMPO is engaged with at the time. Some events may be designed for broader public consumption with general housing topics while others target planners, policymakers, or other stakeholders with more specialized topics and presentations.

Leadership summits could include open-ended formats where participants drive the discussion together and rely on each other for ideas, as well as more directed formats where the IMPO directs the conversation and structures collaboration activities more proactively. Summit topics could include recurring modules around housing needs assessment and policy development as well as specialized sessions focused on emerging trends and new areas of concern among member communities.

Networking. Through its emerging role as a convener of regional housing discourse, the IMPO is well positioned to connect communities and stakeholders across Central Indiana and foster a network of collaboration and resource sharing.

Category	Variable
Type	Communication
Scale	Regional
Timeframe	Ongoing
Cost	Low
Leader	MPO
IMPO role	Convene
Next step	Develop a program of events, summits, and networking functions.

Toolkit strategies: Support the creation of the full continuum of housing types and attainability across the region.

PROPERTY TAX ABATEMENT FOR DEVELOPERS

Offering property tax abatements for affordable housing developments.

Jurisdictions offer property tax incentives to developers, building owners, and owner occupants who create or preserve affordable housing. Property tax abatements directly reduce the amount of taxes owed for a specified period and can be offered as an incentive to encourage the construction or rehabilitation of buildings that include a share of or all affordable units. Exemptions are commonly offered to encourage rental property owners to make upgrades that improve the condition of lower lower-cost units. The increased value resulting from the upgrades is excluded from property tax calculations for a defined period.

The abatement of property taxes in Indiana is governed by IC 6-1.1-12.1 and other state statutes – there are some limitations, and 100% abatements are not permitted by state law.

Category	Variable
Type	Financing
Scale	Municipal
Timeframe	Mid-term
Cost	Moderate
Leader	Municipality
IMPO role	Plan
Next step	Interview local developers and stakeholders to assess current financing gaps.

DEDICATING PUBLIC LAND FOR HOUSING

Dedicating publicly owned land that is suitable and appropriately sited for new housing.

Especially in areas with relatively high land costs and/or few development sites available, offering publicly owned land for affordable housing development creates an opportunity to increase the affordable housing supply where market forces otherwise challenge such production. In this model, municipalities offer vacant, underutilized, or otherwise surplus property to developers who agree to build all affordable or mixed-income housing on the site. The municipality may reduce the price of the land (or grant it at no cost) to close the financing gap a conventional affordable housing development would otherwise face locally.

Because land costs constitute between 10-20% of a typical multifamily housing development, granting the land at a reduced cost – or at no cost – effectively represents a significant subsidy that can allow the developer to add a substantial affordability component while preserving a housing development project's feasibility.

Category	Variable
Type	Regulation
Scale	Municipal
Timeframe	Short-term
Cost	Moderate
Leader	Municipality
IMPO role	Plan
Next step	Inventory underutilized publicly owned land and assess suitability for housing.

HOUSING BOND FUNDS

Establishing bond funds to help finance affordable housing.

Local funding programs are often used to close the gap in financing for housing developments that reflect community goals but are not otherwise financially feasible for developers to build.

These programs can be funded by bonds, multi-jurisdiction trust funds, and/or general revenue funds. Fund managers can establish criteria for funding awards, such as levels of affordability and tenure. The funds can also be used to foster nonprofit housing.

Category	Variable
Type	Financing
Scale	Municipal
Timeframe	Mid-term
Cost	High
Leader	Municipality
IMPO role	Plan
Next step	Meet with existing bond banks to understand current programs and opportunities to move forward.

Tax Increment Financing

Enabling Tax Increment Financing (TIF) for new housing development.

Tax Increment Financing (TIF) is an effective tool for offsetting some of the costs of development, sitework, and infrastructure to help improve a project's financial feasibility.

In the realm of multifamily and mixed-use projects, it can be used to fill financing gaps and enable development of units the community may desire but which do not otherwise "pencil" to produce. In many cases, communities reserve TIF for housing development that includes affordable or workforce units, offering the financing support as compensation for the developer accepting a less profitable development.

Category	Variable
Type	Financing
Scale	Municipal
Timeframe	Mid-term
Cost	Moderate
Leader	Municipality
IMPO role	Plan
Next step	Interview local developers and stakeholders to assess current financing gaps.

HOME REPAIR PROGRAM

Establishing a program to support home maintenance and energy efficiency upgrades for income-qualified households.

Often, the most capital-efficient way to promote housing affordability is to help lower-income people maintain their existing housing arrangement and mitigate displacement pressure. Necessary home repair and renovation projects have the potential to strain household finances and could lead to excessive debt burden if financed conventionally or housing and quality of life deterioration if deferred altogether. There are several federal and state programs that support certain types of home improvement, such as energy efficiency upgrades. Complementary municipal and other local programs can support the wide variety of improvements otherwise not covered by these larger programs, such as routine plumbing, electrical, HVAC, or roofing/envelope projects.

These programs are often structured as low- or no-interest loans offered to qualifying homeowners and landlords. In many cases, the typical applicant needs less than \$20k in assistance to complete significant projects that can effectively extend a low-income resident's tenure in their current home for years.

Category	Variable
Type	Financing
Scale	Any
Timeframe	Short-term
Cost	Low to high
Leader	Municipality
IMPO role	Plan
Next step	IMPO to compile list of organizations doing this work in the Central Indiana region and assess where additional investment or other support is needed.

HOME ACCESSIBILITY RETROFITS

Establishing a program to support aging-in-place with accessibility retrofits and other light modifications.

Helping seniors age in place in their homes promotes affordability and quality of life by delaying the need to move to expensive assisted living facilities and maintaining local social and community ties. In many cases, a housing unit can be made significantly more accessible for a senior occupant with just a few strategic and low low-cost retrofits, extending their ability to live there for several more years. These include modifications such as handrails along front steps, grab bars in the bathroom, widened doorways, interior and exterior ramps, and upgraded door and kitchen hardware.

Retrofit projects could be administered numerous ways, from seasonal volunteer drives to more formalized home assessment and small grant programs managed by municipal, healthcare, or non-profit entities.

Category	Variable
Type	Financing
Scale	Any
Timeframe	Short-term
Cost	Low to high
Leader	Municipality
IMPO role	Plan
Next step	IMPO to compile list of organizations doing this work in the Central Indiana region and assess where additional investment or other support is needed.

PROPERTY TAX ABATEMENT FOR RESIDENTS

Providing property tax relief for income-qualified homeowners to mitigate cost burden and prevent displacement.

Low- or fixed-income homeowners can experience displacement pressure from a property tax burden that grows faster than their ability to pay, such as when driven by quickly rising local property values. Municipalities can mitigate this threat to homeowner stability by linking tax liability to household income.

While all homeowners would continue to pay taxes, those at lower incomes could qualify for lower payment obligations that is capped at a certain percentage of their income. For example, some communities limit the tax payment to no more than 9 or 10% of a household's income (ex. Maryland and Boston, MA). In some cases, the state reimburses municipalities for potential tax revenue forgone to the program (ex. Connecticut).

Category	Variable
Type	Financing
Scale	Municipal
Timeframe	Short-term
Cost	Moderate
Leader	Municipality
IMPO role	Plan
Next step	Assess the relationship between property tax increases and risk of displacement within communities.

FORECLOSURE PREVENTION PROGRAM

Establishing a program to provide education, technical assistance, and financing options that help financially struggling homeowners avoid foreclosure.

Foreclosures can create devastating financial and social consequences for households – and geographic concentrations of foreclosure can destabilize neighborhoods and lead to blight and other economic and community issues. In many cases, a household's foreclosure is triggered by a short-term challenge that could be overcome with modest support at the right time. Foreclosure prevention programs can draw on a variety of financing and service strategies to help the homeowner overcome these challenges and avoid losing their home.

For example, some programs offer legal and financial counseling to help homeowners keep their mortgages through renegotiation or creative budgeting. No-interest loans or grants help struggling homeowners make mortgage and tax payments during periods of financial hardship. In Boston, Blue Hub Capital will purchase the property from a homeowner before they reach foreclosure and then sell it back to them at a more manageable price and interest rate.

Category	Variable
Type	Regulation
Scale	Municipal
Timeframe	Short-term
Cost	Moderate
Leader	Municipality
IMPO role	Plan
Next step	IMPO to compile list of organizations doing this work in the Central Indiana region and assess where additional investment or other support is needed.

ENABLING ADUS BY RIGHT IN ZONING

Modifying local zoning to allow Accessory Dwelling Units (ADUs) by right.

An accessory dwelling unit (ADU) is a smaller, independent residential dwelling unit located on the same lot as a stand-alone (i.e., detached) single-family home. ADUs go by many different names throughout the U.S., including accessory apartments, secondary suites, and granny flats. ADUs can be converted portions of existing homes (i.e., internal ADUs), additions to new or existing homes (i.e., attached ADUs), or new stand-alone accessory structures or converted portions of existing stand-alone accessory structures (i.e., detached ADUs).

Many cities and counties permit ADUs by right, subject to certain standards. Common provisions include dimensional and design standards to ensure neighborhood compatibility. Other relatively common provisions include minimum lot sizes and limits on the number of occupants or bedrooms. While some codes also include occupancy restrictions that stipulate that ADUs can only house family members or domestic employees, this type of restriction can severely limit the potential for ADUs to address a shortage of rental housing.

Category	Variable
Type	Regulation
Scale	Municipal
Timeframe	Mid-term
Cost	Low
Leader	Municipality
IMPO role	Plan
Next step	Determine potential attainability benefits of ADUs and which zones they might be most suitable.

COMMUNITY LAND TRUSTS

Establishing community land trusts that incorporate attainable housing development.

Typically managed by a community-based nonprofit, land trusts effectively remove the cost of land from a housing unit's overall development cost. The controlling entity absorbs the cost of the land and passes only the cost of construction to eventual buyers or renters. Because land often constitutes around 25% of a new housing unit's cost, this effectively results in a 25% discount for the future owner or tenant, significantly lowering the barrier to entry and making the unit attainable to households with lower incomes than the typical market process would allow.

Because the cost of land is permanently excluded from the pro forma, this model readily enables the affordability period to extend in perpetuity (rather than the 10- to 30-year timeframes other affordable development models are limited by).

Due to the decentralized nature of CLTs, communities can take matters into their own hands to preserve affordability and stability, with or without support from various levels of government.

Category	Variable
Type	Community
Scale	Municipal
Timeframe	Long-term
Cost	High
Leader	Non-profit
IMPO role	Plan
Next step	Next step for IMPO is to conduct research on examples and strategies and provide information to interested communities.

LAND BANKS

Establishing land banks that reserve property for attainable housing development.

Land banks are public authorities or non-profit organizations created to acquire, hold, manage, and sometimes redevelop property in order to return these properties to productive use to meet community goals, such as increasing affordable housing or stabilizing property values.

Land banks can play a number of roles depending on a community's development goals, including assembling parcels of tax-delinquent or abandoned properties for redevelopment and acquiring and holding strategically valuable properties until the community can develop them as affordable housing.

In Cincinnati, development authority leaders recently purchased 194 occupied single-family units through a land bank-like mechanism to prevent corporate investors from acquiring the properties and to maintain their natural affordability.

Category	Variable
Type	Community
Scale	Any
Timeframe	Mid-term
Cost	High
Leader	Municipality
IMPO role	Plan
Next step	Identify neighborhoods that would benefit most and candidate properties for a first round of acquisition.

PAYMENT IN LIEU OF TAXES

Allowing payment in lieu of taxes (PILOT) to help finance affordable and mixed-income housing development.

Payment in lieu of taxes (PILOT) is an arrangement between the municipality and the developer whereby the developer provides an up-front lump sum payment in exchange for reduced long-term property tax liability. Often, the payment amounts to less than the municipality would have received in actual property taxes for the improved property but, by improving the project's financial feasibility, it can represent necessary means to bridge financing gaps and help make the project possible.

Additionally or alternatively, a PILOT agreement could be offered in exchange for the developer including some or more affordable units than may be planned or required.

Category	Variable
Type	Financing
Scale	Municipal
Timeframe	Mid-term
Cost	Moderate to high
Leader	Municipality
IMPO role	Plan
Next step	Interview local developers and stakeholders to assess current financing gaps.

DESIGN STANDARDS UPDATES

Updating architectural design standards that reduce built-in housing costs.

Architectural design standards are used by many municipalities to help ensure new housing development is built to a high level of quality. These standards are often motivated by a desire to maintain attractive community aesthetics and the durable property values that follow.

In practice, these standards sometimes include requirements that do not materially impact aesthetic quality but contribute to higher construction costs and, as a result, reduced housing attainability.

Communities could audit their design standards to understand the relationship between different requirements and their construction cost implications. Then, communities may choose to revise the standards to focus on elements that maintain desirable aesthetics without unintentionally increasing costs disproportionately.

Category	Variable
Type	Regulation
Scale	Municipal
Timeframe	Ongoing
Cost	Low
Leader	Municipality
IMPO role	Inform
Next step	Review existing standards documents with builders and realtors to understand cost implications.

ZONING FOR NEW HOUSING DEVELOPMENT

Updating zoning to accommodate new housing development in appropriate locations.

In many cases, responding to local housing need and market opportunity involves accommodating new building typologies and higher development densities. Once a community has established the housing types and densities it is interested in fostering, zoning should be reviewed to gauge if changes are needed to allow the new development.

Zoning updates may involve modifying use and/or dimensional tables to reflect the density, height, bulk, and functional characteristics of the development typologies desired by the community. Corresponding zoning updates may include modifying certain zoning districts to allow the new development typologies and/or introducing overlay districts covering the areas this development is desired.

Category	Variable
Type	Regulation
Scale	Municipal
Timeframe	Ongoing
Cost	Low
Leader	Municipality
IMPO role	Inform
Next step	Assess existing zoning ordinances to determine if they meet today's community needs and market demand.

GOAL	STRATEGY	DESCRIPTION	TYPE	SCALE	TIMEFRAME	COST	LEADER	IMPO ROLE	NEXT STEP
ESTABLISH A SHARED UNDERSTANDING OF THE HISTORY AND CURRENT STATE OF HOUSING IN CENTRAL INDIANA	Maintain and update housing plan	Update the housing plan document or produce periodic supplements reflecting the latest data, toolkit strategies, and technical assistance resource offerings.	Communication	Regional	Ongoing	Low	MPO	Plan and inform	Refresh analyses every 2-4 years
	Maintain online dashboard	Establish and regularly update an online dashboard featuring indicators and findings from the housing plan and the data behind it.	Communication	Regional	Ongoing	Low	MPO	Inform	Build out initial dashboard website.
	Commission follow-up studies	Commission follow-up studies on critical housing issues that impact housing attainability and access at local and regional levels.	Communication	Regional	Ongoing	Low	MPO	Inform	Identify the next issue for a deeper dive study.
	Provide regional context	Provide regional context as resource for local planning through resource sharing and active collaboration.	Communication	Regional	Ongoing	Low	MPO	Inform	Distribute housing plan and findings to regional stakeholders.
INTRODUCE A REGIONAL HOUSING STRATEGY THAT CONNECTS COMMUNITIES AND PROMOTES EQUITY	Set housing goals	Work with municipalities to set housing production targets at regional and county levels that reflect this plan's vision and goals.	Communication	Regional	Ongoing	Low	MPO	Plan	Distribute housing plan and findings to regional stakeholders.
EDUCATE THE PUBLIC AND GOVERNMENT LEADERS TO INFORM PUBLIC DECISION-MAKING ON HOUSING ISSUES AND POLICY.	Housing element in comprehensive plans	Recommend municipalities include a housing element in comprehensive plans and updates.	Regulation	Any	Long-term	Low	MPO state or	Plan	Communicate the benefits of expanded housing consideration in comprehensive plans and encourage municipalities to include them.
	Enhance policymaker awareness of housing issues	Enhance awareness of housing challenges and opportunities with ongoing communication and information sharing, such as regularly providing meetings, whitepapers, networking opportunities, etc.	Communication	Any	Ongoing	Low	Any	Convene	Develop a communications plan to increase contact and information-sharing with policymakers at local and state levels.
SUPPORT COLLABORATION AND POLICY CHANGE AT THE LOCAL AND REGIONAL LEVELS IN PROMOTING THE VISION.	Provide technical assistance	Support municipalities with technical assistance and resources to help them overcome challenges and capture opportunities to promote housing attainability.	Communication	Regional	Ongoing	Low to moderate	MPO	Inform	Develop and distribute a "menu" of technical assistance resources and make regular contact with member communities.
	Organize stakeholder summits	Organize collaboration summits with local stakeholders and municipalities to catalyze organizational partnerships and resources-sharing.	Communication	Regional	Ongoing	Low	MPO	Convene	Organize a pilot summit at the county or regional scale.
	Network local and regional stakeholders	Provide leadership in connecting local and regional stakeholders to create a more robust and networked housing ecosystem of partnerships and collaboration.	Communication	Regional	Ongoing	Low	MPO	Convene	Compile a contact list of the region's stakeholders and reach out to those not already in regular contact with IMPO.
SUPPORT THE CREATION OF THE FULL CONTINUUM OF HOUSING TYPES AND ATTAINABILITY ACROSS THE REGION.	Property tax abatement for developers	Offering property tax abatement or exemptions for affordable housing developments.	Financing	Municipal	Mid-term	Moderate	Municipality	Plan	Interview local developers and stakeholders to assess current financing gaps.
	Dedicate public land for housing	Dedicating publicly owned land that is suitable and appropriately sited for new housing	Regulation	Municipal	Short-term	Moderate	Municipality	Plan	Inventory underutilized publicly owned land and assess suitability for housing.
	Housing bond funds	Establishing bond funds to help finance affordable housing	Financing	Municipal	Mid-term	High	Municipality	Plan	Interview local developers and stakeholders to assess current financing gaps.
	Tax Increment Financing	Enabling Tax Increment Financing (TIF) for new housing development	Financing	Municipal	Mid-term	Moderate	Municipality	Plan	Interview local developers and stakeholders to assess current financing gaps.
	Home repair program	Establishing a program to support home maintenance and energy efficiency upgrades for income-qualified households	Financing	Any	Short-term	Low to High	Municipality	Plan	Identify potential partners and develop a small pilot to test local receptivity and administrative capacity to implement.
	Home accessibility retrofits	Establishing a program to support aging-in-place with accessibility retrofits and other light modifications	Financing	Any	Short-term	Low to High	Municipality	Plan	Identify potential partners and develop a small pilot to test local receptivity and administrative capacity to implement.
	Property tax abatement for residents	Providing property tax relief for income-qualified homeowners to mitigate cost burden and prevent displacement	Financing	Municipal	Short-term	Moderate	Municipality	Plan	Assess the relationship between property tax increases and risk of displacement within communities.
	Foreclosure prevention program	Establishing a program to provide education, technical assistance, and financing options that help financially struggling homeowners avoid foreclosure.	Regulation	Municipal	Short-term	Moderate	Municipality	Plan	Identify potential partners and develop a small pilot to test local receptivity and administrative capacity to implement.
	Enabling ADUs by right in zoning	Modifying local zoning to allow Accessory Dwelling Units (ADUs) by right	Regulation	Municipal	Mid-term	Low	Municipality	Plan	Determine potential attainability benefits of ADUs and which zones they might be most suitable.
	Tenant notification requirement	Requiring landlords to provide 90-day notices to tenants when property changes hands, especially if lease terms are likely to change.	Regulation	Municipal or state	Short-term	Low	Municipal or state	Plan	Interview local residents and advocacy groups to articulate the problem and calibrate a potential requirement.
	Community land trusts	Establishing community land trusts that incorporate attainable housing development	Community	Municipal	Long-term	High	Non-profit	Plan	Identify potential partners and suitable locations within the community.
	Land banks	Establishing land banks that reserve property for attainable housing development	Community	Any	Mid-term	High	Municipality	Plan	Identify neighborhoods that would benefit most and candidate properties for a first round of acquisition.
	Payment in lieu of taxes (PILOT)	Allowing payment in lieu of taxes (PILOT) to help finance affordable and mixed-income housing development.	Financing	Municipal	Mid-term	Moderate to high	Municipality	Plan	Interview local developers and stakeholders to assess current financing gaps.
	Zoning for new housing development	Update zoning to accommodate new housing development in appropriate locations.	Regulation	Municipal	Ongoing	Low	Municipality	Inform	Assess existing zoning ordinances to determine if they meet today's community needs and marketing demand.
Design standards updates	Updating architectural design standards that reduce built-in housing costs.	Regulation	Municipal	Ongoing	Low	Municipality	Inform	Review existing standards documents with builders and realtors to understand cost implications.	
Rental registration and licensing	Establish a rental registration and licensing ordinance/program to ensure greater transparency and accountability in the market.	Regulation	Municipal	Mid-term	Moderate	Municipality	Inform	Research best practices, and determine what resources and data collection is necessary in order to establish.	