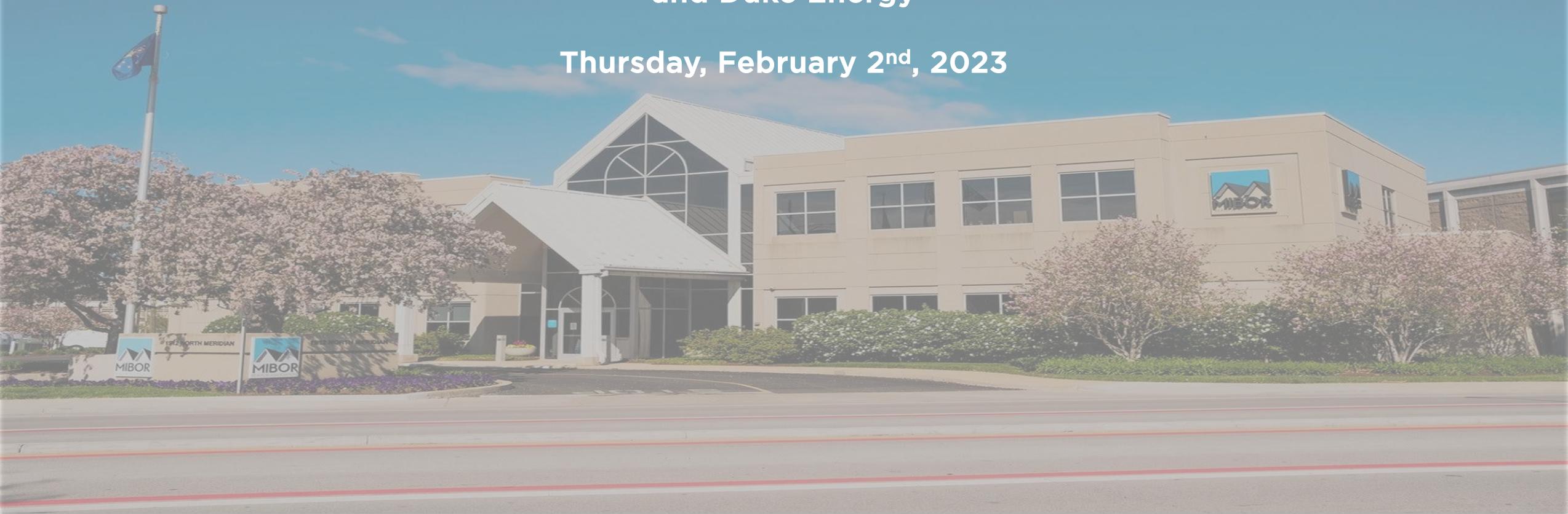


There's No Place Like Home: A Closer Look at Housing in Hendricks County

Housing in Hendricks County Seminar
Presented by Hendricks County Community Foundation
and Duke Energy

Thursday, February 2nd, 2023

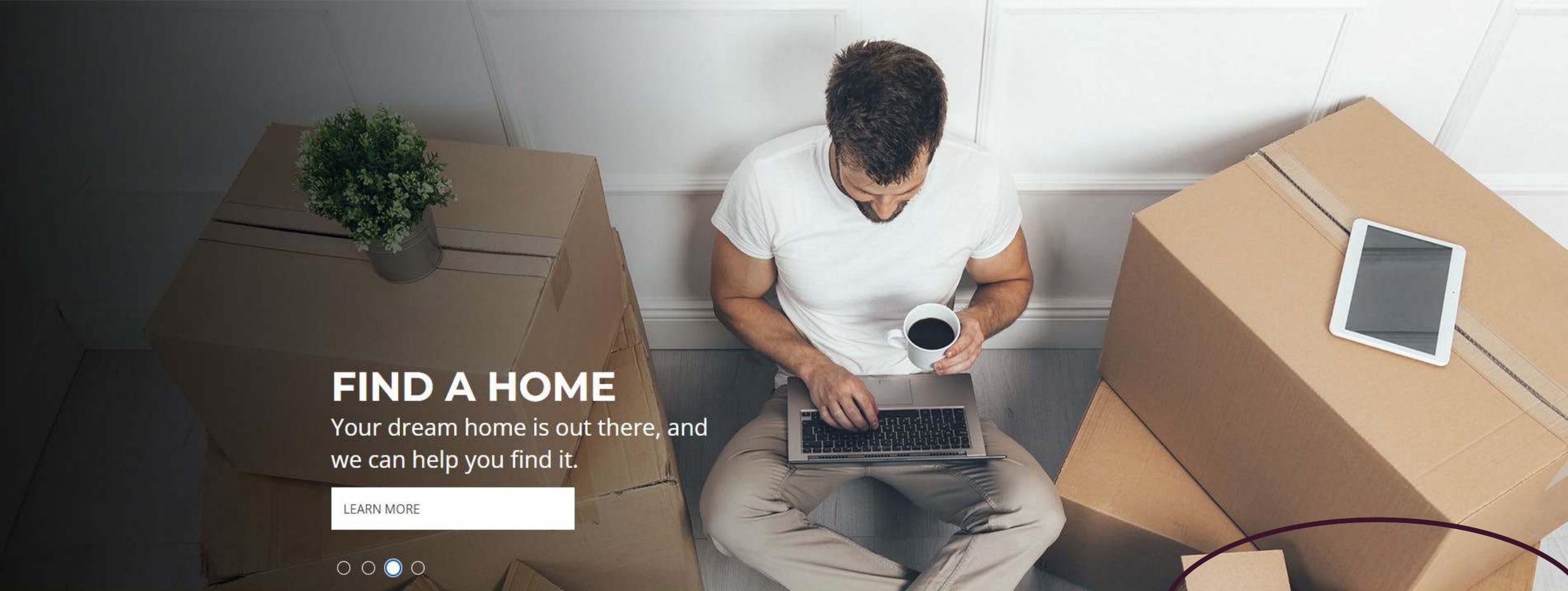


The background of the slide features a photograph of a modern building with large windows and a tree in the foreground. A sign in the lower-left corner of the image displays the MIBOR logo and the text "1912 NORTH MERIDIAN".

MIBOR REALTOR® Association is the professional association representing central Indiana's REALTORS®. Founded in 1912, MIBOR serves the needs of more than 10,000 members in Boone, Brown, Decatur, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Montgomery, Morgan, and Shelby counties.

Mission:

MIBOR REALTOR® Association empowers members and strengthens the marketplace in central Indiana through collaboration, advocacy, professionalism, education and innovation.



FIND A HOME

Your dream home is out there, and we can help you find it.

LEARN MORE



JOIN MIBOR

FIND A REALTOR®

FIND A HOME

FIND A SERVICE
PROVIDER

MARKET INSIGHTS

SNAPSHOT & MONTHLY REPORT

As Central Indiana REALTORS®, you may often be asked, “How’s the market?” Members of MIBOR have access to the most up-to-date market data in Central Indiana. We hope you leverage this data to get in front of your clients and serve as their partner in navigating this fast-paced market.

Log into MIBOR Central to utilize even more features of this tool!

\$280,000
MEDIAN SALES PRICE
 DEC 2022 ▲ 0.8%

FOR SALE

CLOSED SALES
 DEC 2022 ▼ 4.3%
2,414

35,539 • **40,519** • **1,706**
 YTD SALES • YTD RESIDENTIAL LISTINGS • CURRENT ACTIVE LISTINGS

MEDIAN DAYS ON MARKET DEC 2022 ▲ 44.0%
26

*Note, this field is now displaying "Median Days on Market". "Average Days on Market" shows in previous snapshots, can still be found in the Market Insights Report.

1.6
MONTH'S INVENTORY
 DEC 2022

MORTGAGE UPDATE
6.48%

Average rate for 30-year mortgage for the week ending Jan 5, (5.73% for 15-year) -IRJ Real Estate Weekly

ACTIVE VS SOLD

PRICE RANGE DEC 2022

REPORT

GO TO
[MIBOR.COM/MARKETINSIGHTS](#)
 FOR MORE INFO

MARKET INSIGHTS REPORT

DECEMBER 2022

Market Analysis

The housing market is one of the largest and most important sectors of the U.S. economy. To understand the trends within the market one must analyze activity both month-over-month and year-over-year. In this Market Insights Report, MIBOR REALTOR ASSOCIATION (MIBOR) provides a market analysis of the 16 central Indiana counties within the MIBOR service area by creating a single, timely, reliable source of data.

In this report, MIBOR has aggregated month-over-month inventory and properties for lease from the aggregated trends. This decision was made to add clarity to the data as the single-family residential segment is typically the focus. However, as our research shows, multiple segments, from the multi-unit property types to increasing commercial properties and a great treatment for municipalities. Given this information, we have added a section to the report to address condos and "vacant homes" as it is defined within our data.

To create a comprehensive view of the market, MIBOR has included the data pull in happens on the 15th day of the month for the prior month. After review, the completed reports are posted by the second Friday of the month at [www.mibor.com/marketinsights](#).

After analysis of December 2022 data, this is what our reports are saying:

"In December, central Indiana single-family homes ended 2022 with a median price of \$280,000, up 8.8% over last year and up slightly from last month's \$277,000. Year-over-year closed sales declined by 20.8%, while new pending sales declined 21.7%. We see no real estate is likely to be comparable to 2019," said Shirley Spruick, MIBOR CEO. "New listings are down 23.9% from last year and down 27.2% from last month, making the sixth month in a row of year-over-year declines bringing new listings to their lowest monthly level in at least a decade. If new listings remain weak, it's unlikely that we will see much growth in transactions which should help keep home prices stable."

Dr. Elton Hershberg, an internationally acclaimed economist and public speaker says, "At the national level, we have a bit more than three months of inventory on the market, which is still well below the commonly accepted healthy level of about five to six months, and that is why prices have stayed at historically high levels. Locally, in central Indiana, inventory levels do stand slightly above last month, representing just 1.6 month's supply of inventory. We are seeing the impact of higher interest rates as we have been able to list our listings less as potential buyers have moved down and evidenced the holidays with their existing low-rate mortgages, rather than entering our area the high interest rate environment we see currently in."

Year of year data for December:

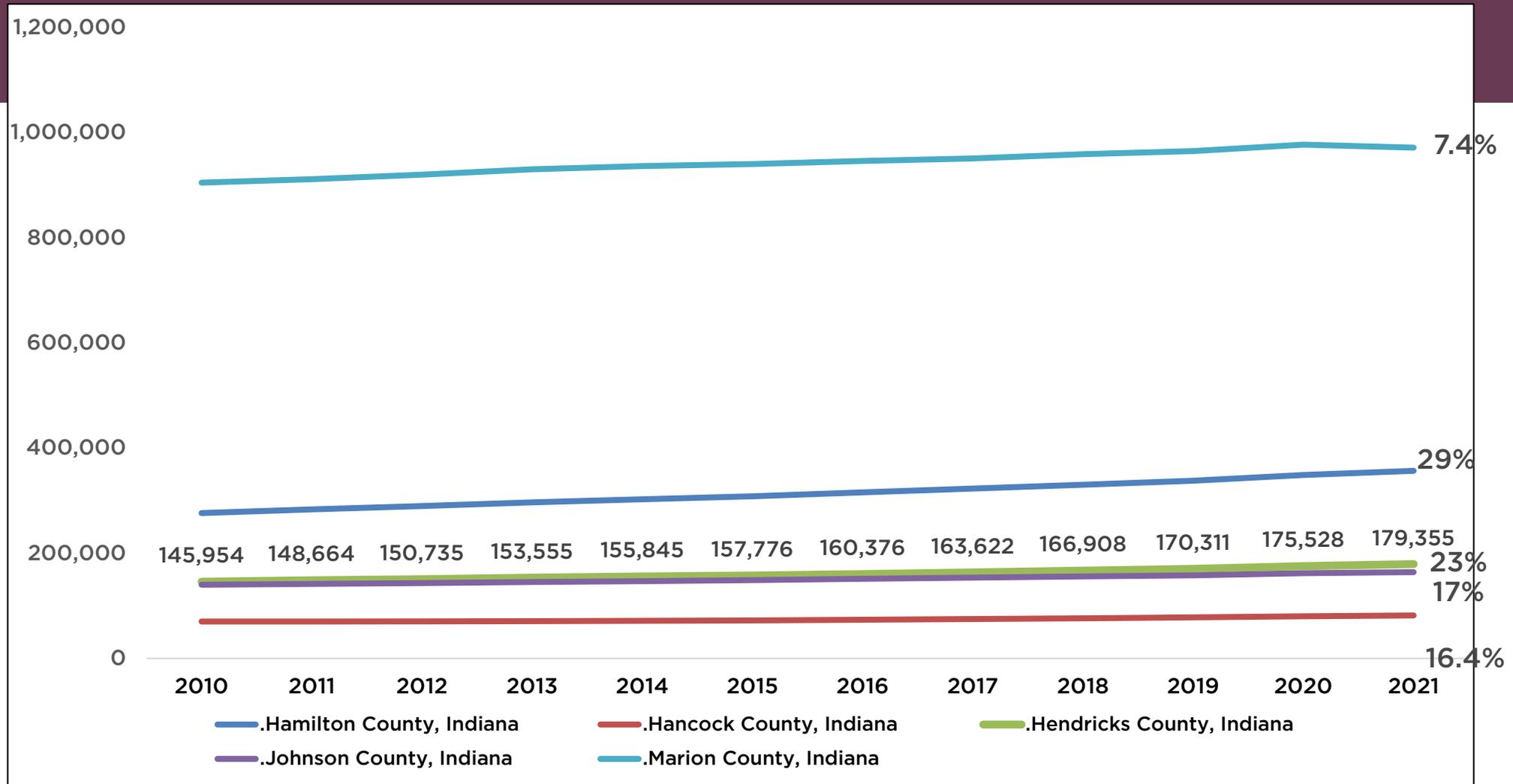
- Median sales price increased 8.8 percent to \$280,000
- Average days on market increased 44.7 percent to 26
- Current active listings increased 82.8 percent to 1,706

Contents

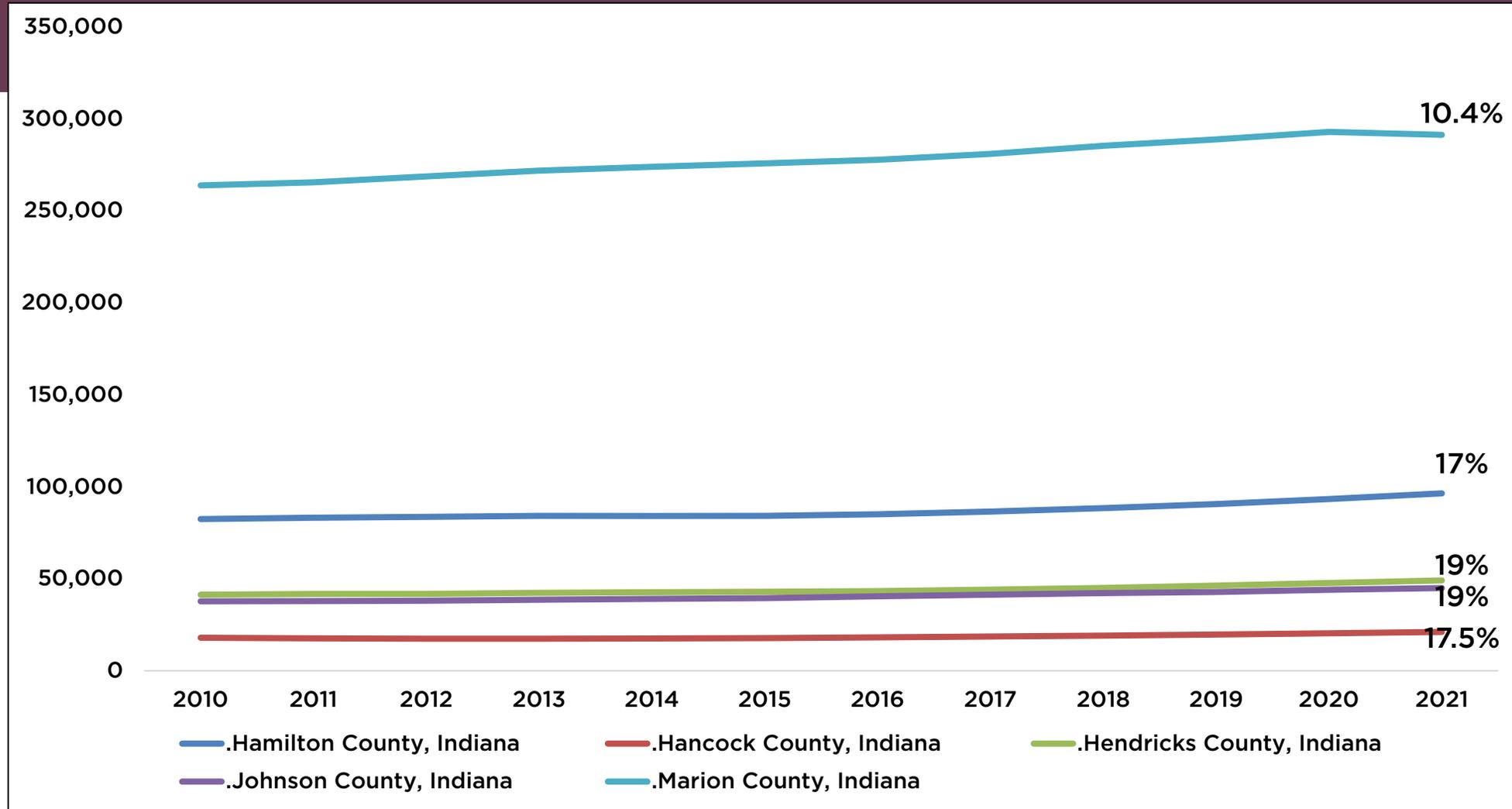
- MIBOR SERVICE AREA (1-5)
- BAITHOLOMEW COUNTY (6)
- BOONE COUNTY (7)
- BROWN COUNTY (8)
- DECATUR COUNTY (9)
- HAMILTON COUNTY (10)
- HANCOCK COUNTY (11)
- HENDRICKS COUNTY (12)
- JACKSON COUNTY (13)
- JENNINGS COUNTY (14)
- JOHNSON COUNTY (15)
- MADISON COUNTY (16)
- MARION COUNTY (17)
- MONTGOMERY COUNTY (18)
- MORGAN COUNTY (19)
- PUTNAM COUNTY (20)
- SHELBY COUNTY (21)
- CONDOS (22)

© 2022 [Zillow Analytics](#) under license for MIBOR REALTOR ASSOCIATION

County Total Populations: 2010-2021

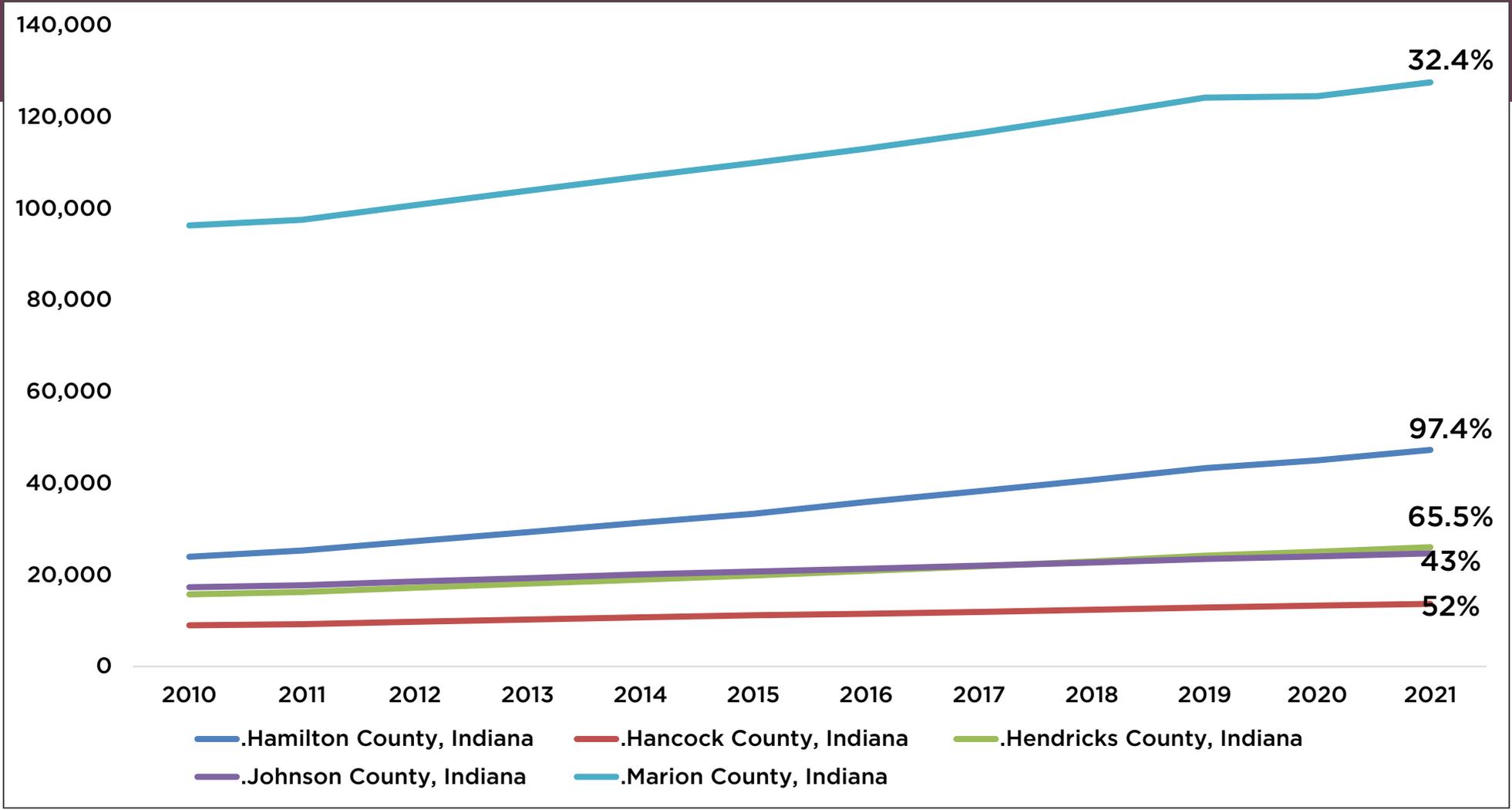


County Populations: 25-44-year-olds: 2010-2021



Source: U.S. Census Bureau, Population Division

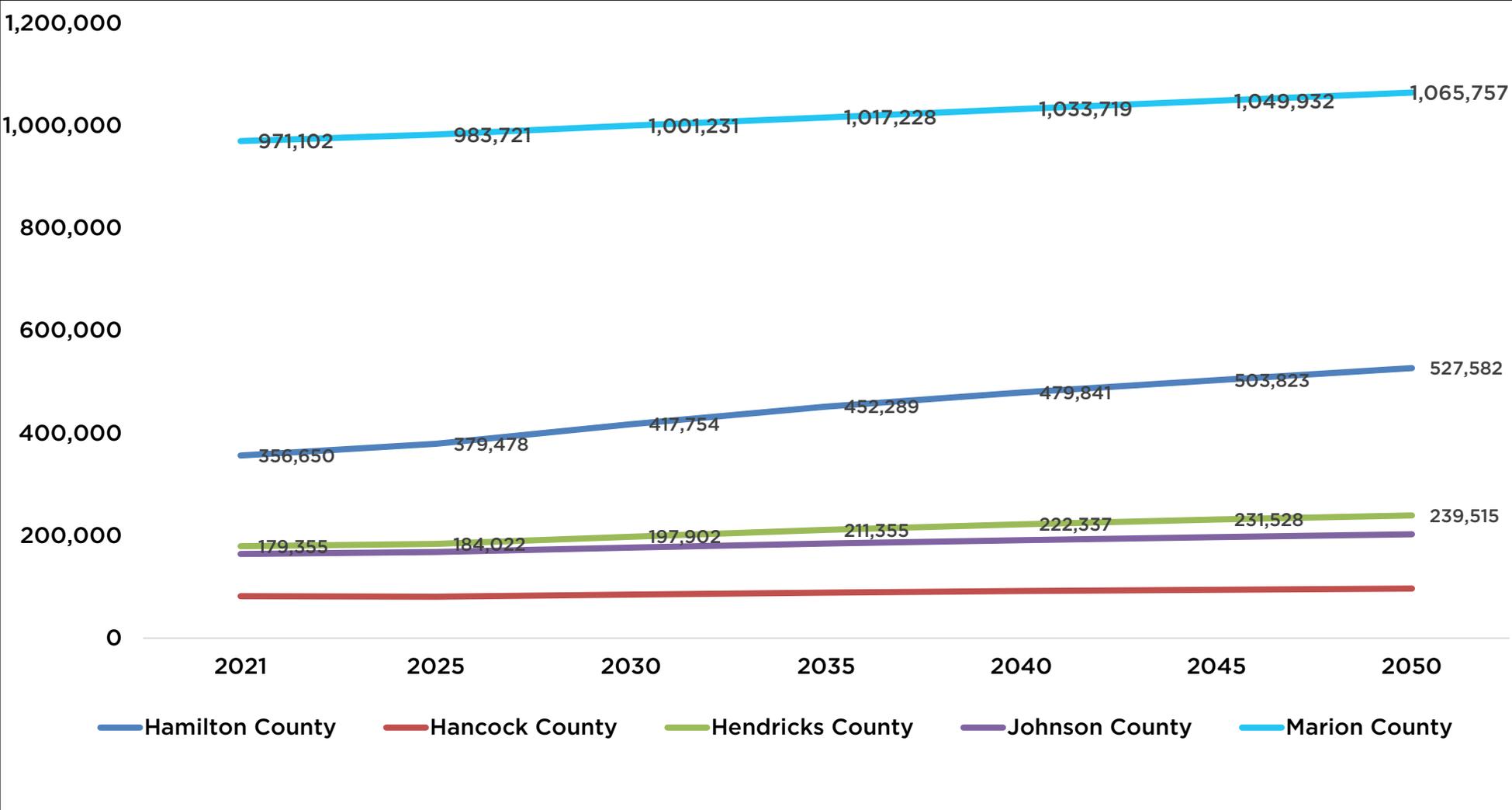
County Populations: 65 years+: 2010-2021



Source: U.S. Census Bureau, Population Division



County Populations Projection 2021 - 2050



Source: U.S. Census Bureau; STATS Indiana



Existing Housing Stock: Hendricks County

HOUSING OCCUPANCY		
Total housing units	65,852	65,852
Occupied housing units	62,911	95.50%
Owner-occupied	49,130	78.10%
Renter-occupied	13,781	21.90%
Vacant housing units	2,941	4.50%
Homeowner vacancy rate	0.6	(X)
Rental vacancy rate	4.1	(X)
Avg HH size of owner-occupied unit	2.84	(X)
Avg HH size of renter-occupied unit	2.21	(X)

Source: US Census Bureau, 2021 ACS 5-year estimates

HOUSING PRODUCT TYPE		
Total housing units	65,852	65,852
1-unit, detached	52,025	79.00%
1-unit, attached	3,370	5.10%
2 units	745	1.10%
3 or 4 units	985	1.50%
5 to 9 units	2,768	4.20%
10 to 19 units	2,708	4.10%
20 or more units	2,082	3.20%
Mobile home	1,169	1.80%

Source: US Census Bureau, 2021 ACS 5-year estimates

Cost Burden for Households in Hendricks County

HOMEOWNER COST BURDEN		
Housing units w/Mortgage	36,523	36,523
Less than 20.0 percent	23,110	63.30%
20.0 to 24.9 percent	4,926	13.50%
25.0 to 29.9 percent	2,462	6.70%
30.0 to 34.9 percent	1,734	4.70%
35.0 percent or more	4,291	11.70%
Not computed	45	(X)

Source: US Census Bureau, 2021 ACS 5-year estimates

RENTERS COST BURDEN		
Occ_Units paying Rent	13,170	13,170
Less than 15.0 percent	2,317	17.60%
15.0 to 19.9 percent	1,690	12.80%
20.0 to 24.9 percent	2,214	16.80%
25.0 to 29.9 percent	1,383	10.50%
30.0 to 34.9 percent	1,524	11.60%
35.0 percent or more	4,042	30.70%
Not computed	611	(X)

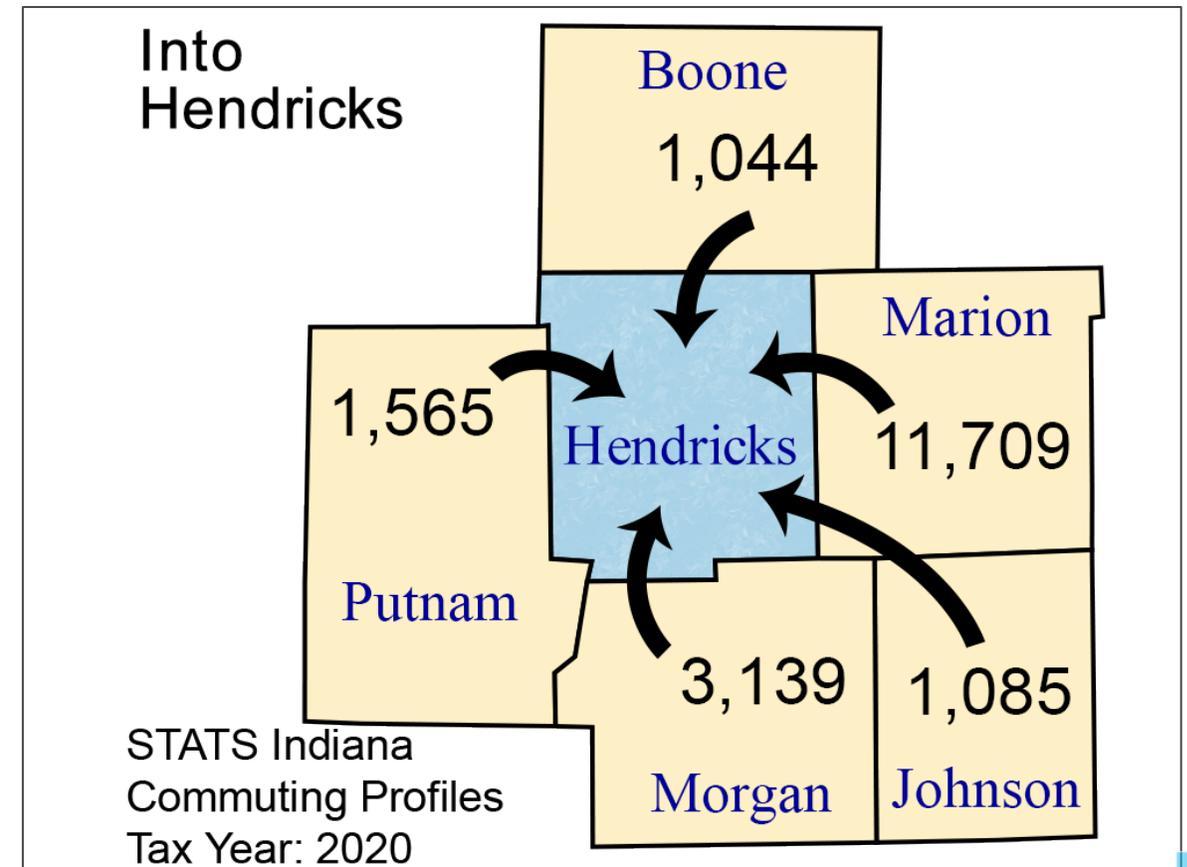
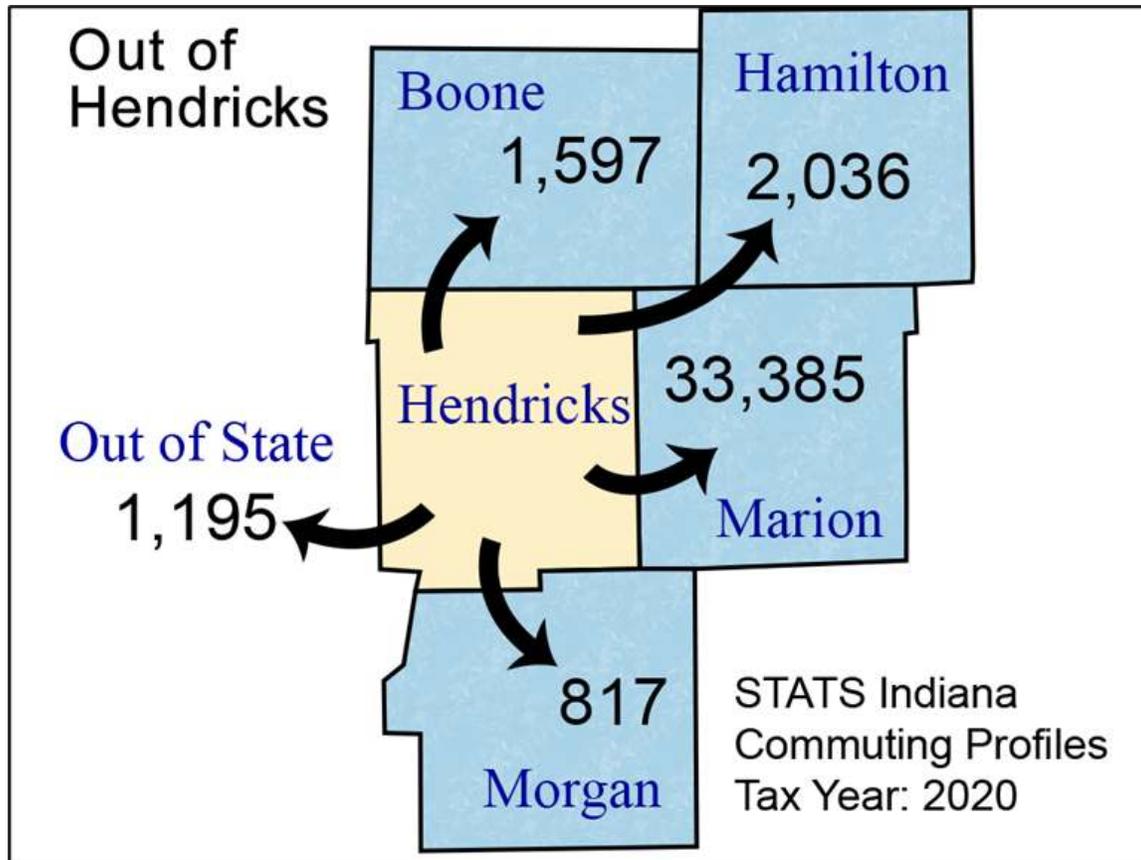
Source: US Census Bureau, 2021 ACS 5-year estimates

Incomes by Household Type and Purchasing Power Hendricks County

INCOME LAST 12MOS	Households	Families	Married-couple families	Nonfamily households	PRICLOW	PRICMID	PRICHIGH
Total	62,911	47,239	38,059	15,672			
Less than \$10,000	2.20%	1.30%	0.60%	5.20%	\$30,000	\$0	\$0
\$10,000 to \$14,999	1.40%	0.60%	0.10%	4.30%	\$30,000	\$37,499	\$44,997
\$15,000 to \$24,999	3.70%	2.60%	1.60%	8.60%	\$45,000	\$59,999	\$74,997
\$25,000 to \$34,999	5.30%	3.30%	2.10%	13.30%	\$75,000	\$89,999	\$104,997
\$35,000 to \$49,999	9.20%	7.50%	4.10%	16.30%	\$105,000	\$127,499	\$149,997
\$50,000 to \$74,999	18.90%	17.00%	15.80%	21.70%	\$150,000	\$187,499	\$224,997
\$75,000 to \$99,999	16.40%	17.90%	18.20%	13.30%	\$225,000	\$262,499	\$299,997
\$100,000 to \$149,999	23.00%	26.30%	29.40%	11.00%	\$300,000	\$374,999	\$449,997
\$150,000 to \$199,999	10.60%	12.40%	14.80%	3.70%	\$450,000	\$524,999	\$599,997
\$200,000 or more	9.10%	11.10%	13.30%	2.60%	\$0	\$0	\$600,000
Median income (dollars)	\$87,961	\$99,646	\$111,155	\$51,710	\$155,130	\$263,883	\$333,465
Mean income (dollars)	\$109,086	\$121,420	\$134,489	\$66,203	\$198,609	\$327,258	\$403,467

SOURCE: U.S. Census Bureau, 2017-2021 American Community Survey, 5-Year Estimates; Author's calculations.

Hendricks County Community Patterns



Flow of Workers by Income

GDP by County, and Percent Work From Home

WORKER INCOME	LIVE OUT/ WORK IN	LIVE IN/ WORK IN	LIVE IN/ WORK OUT
LOWER WAGE	11,556	3,434	7,880
MID WAGE	21,084	5,190	14,120
HIGHER WAGE	15,669	5,845	32,160
ALL WORKERS	48,309	14,469	54,160
LOWER WAGE%	23.9%	23.7%	14.5%
MID WAGE%	43.6%	35.9%	26.1%
HIGHER WAGE%	32.4%	40.4%	59.4%
LOWER = \$1,251 LESS			
MID = \$1,251 - \$3,333			
HIGHER = \$3,333+ MONTH			

Geography	2021 GDP (000)	PCT OF STATE	PCT OF MSA	2021 PCT WFH*
Indiana	\$346,240,868	100.0%		
Boone, IN	\$3,805,313	1.1%	2.9%	N/A
Brown, IN	\$250,416	0.1%	0.2%	N/A
Hamilton, IN	\$19,431,795	5.6%	14.6%	27.4%
Hancock, IN	\$3,168,895	0.9%	2.4%	N/A
Hendricks, IN	\$7,213,615	2.1%	5.4%	14.3%
Johnson, IN	\$5,518,025	1.6%	4.1%	N/A
Madison, IN	\$3,469,013	1.0%	2.6%	13.3%
Marion, IN	\$86,015,333	24.8%	64.6%	16.2%
Morgan, IN	\$1,555,579	0.4%	1.2%	N/A
Putnam, IN	\$995,457	0.3%	0.7%	N/A
Shelby, IN	\$1,827,196	0.5%	1.4%	N/A
MSA	\$133,250,637	38.5%	100.0%	

SOURCE: U.S. Bureau of Economic Analysis, CAGDP1 County and MSA gross domestic product (GDP) summary;
*U.S. Census Bureau, 2021 American Community Survey 1-Year Estimates (WFH = Work from home)

SOURCE: U.S. Census Bureau, Center for Economic Studies, LEHD

2022 Community Preference Survey Results



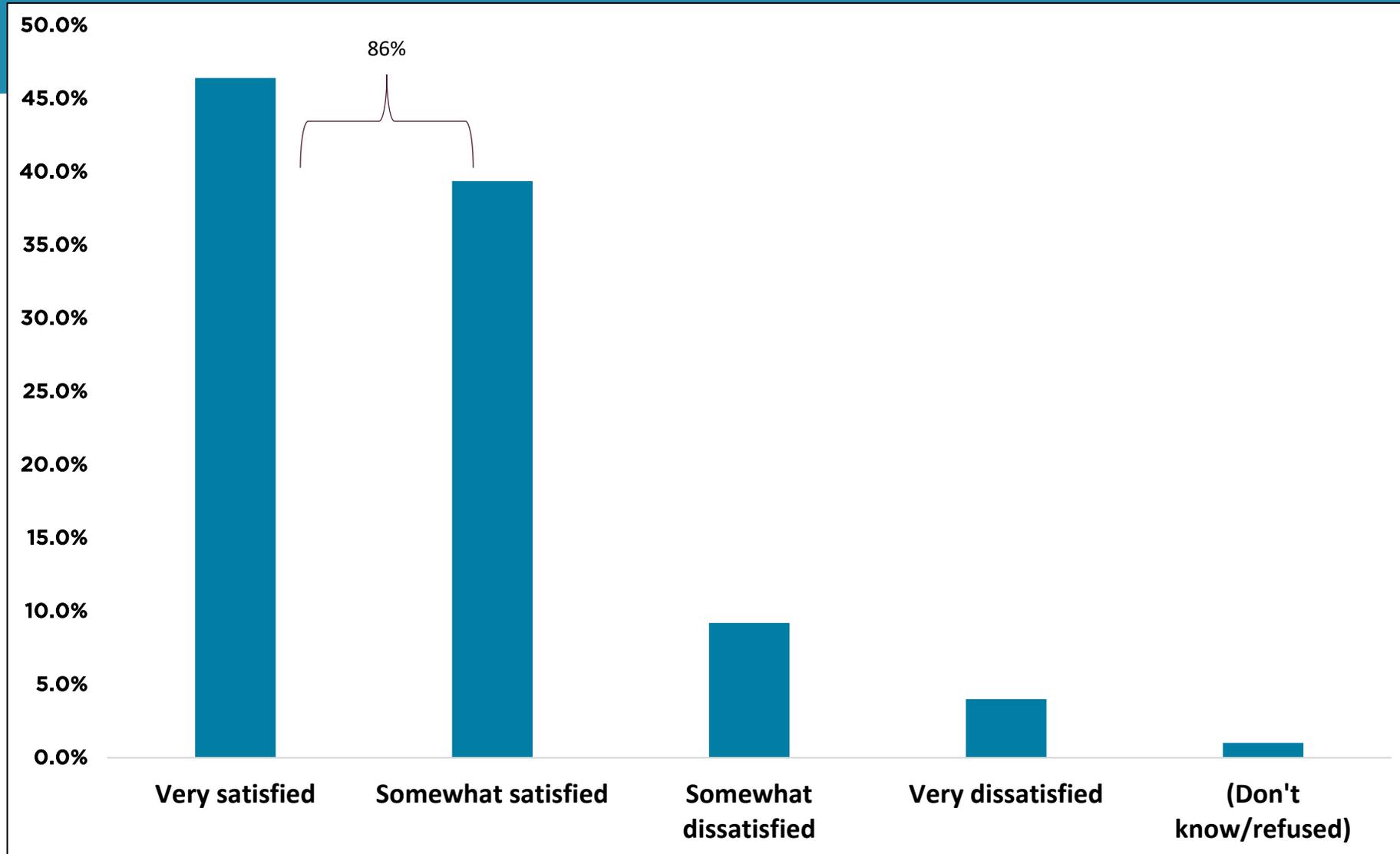
In 2022, MIBOR REALTOR® Association and the Indianapolis MPO commissioned American Strategies to conduct a survey regarding the community preferences of central Indiana residents.

Between April 18th - April 29th, American Strategies collected 1,500 responses throughout the 12 county MIBOR Service Area*.

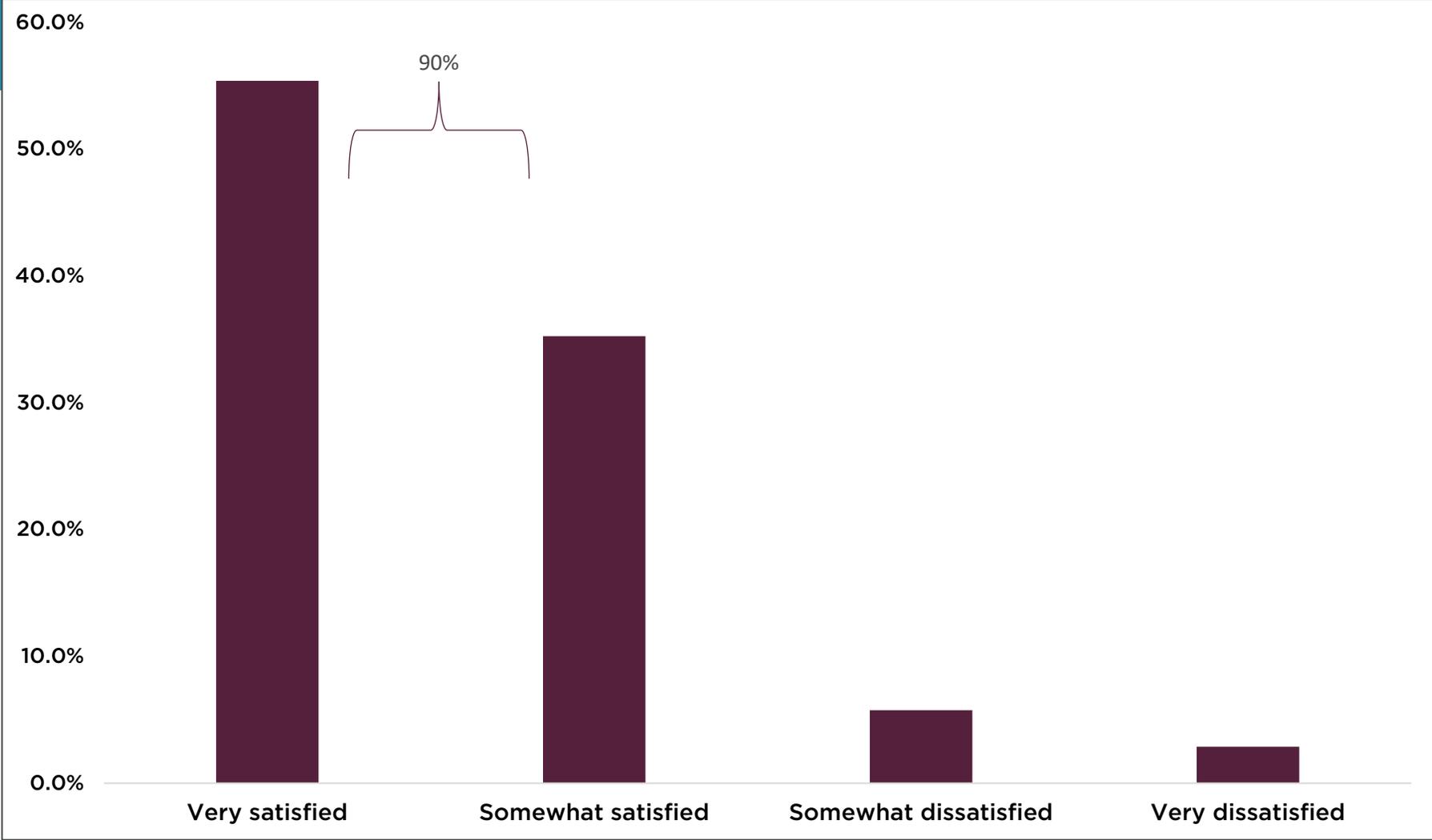
*MIBOR Service Area: Boone, Brown, Decatur, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Montgomery, Morgan, and Shelby Counties



Overall Satisfaction with Quality of Life Central Indiana



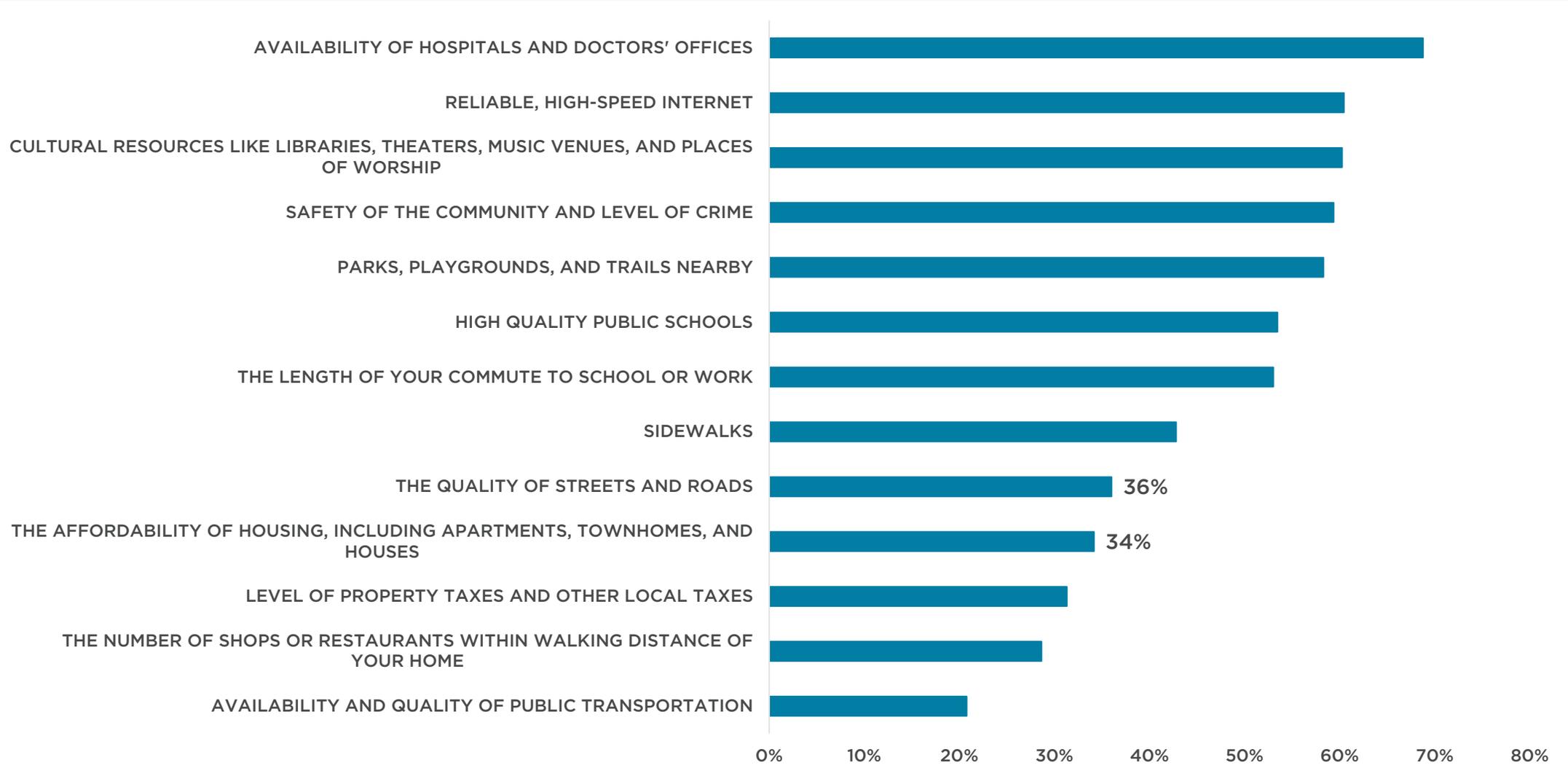
Overall Satisfaction with Quality of Life Hendricks County



Source: MIBOR REALTOR® Association, Indy MPO, 2022 Community Preference Survey



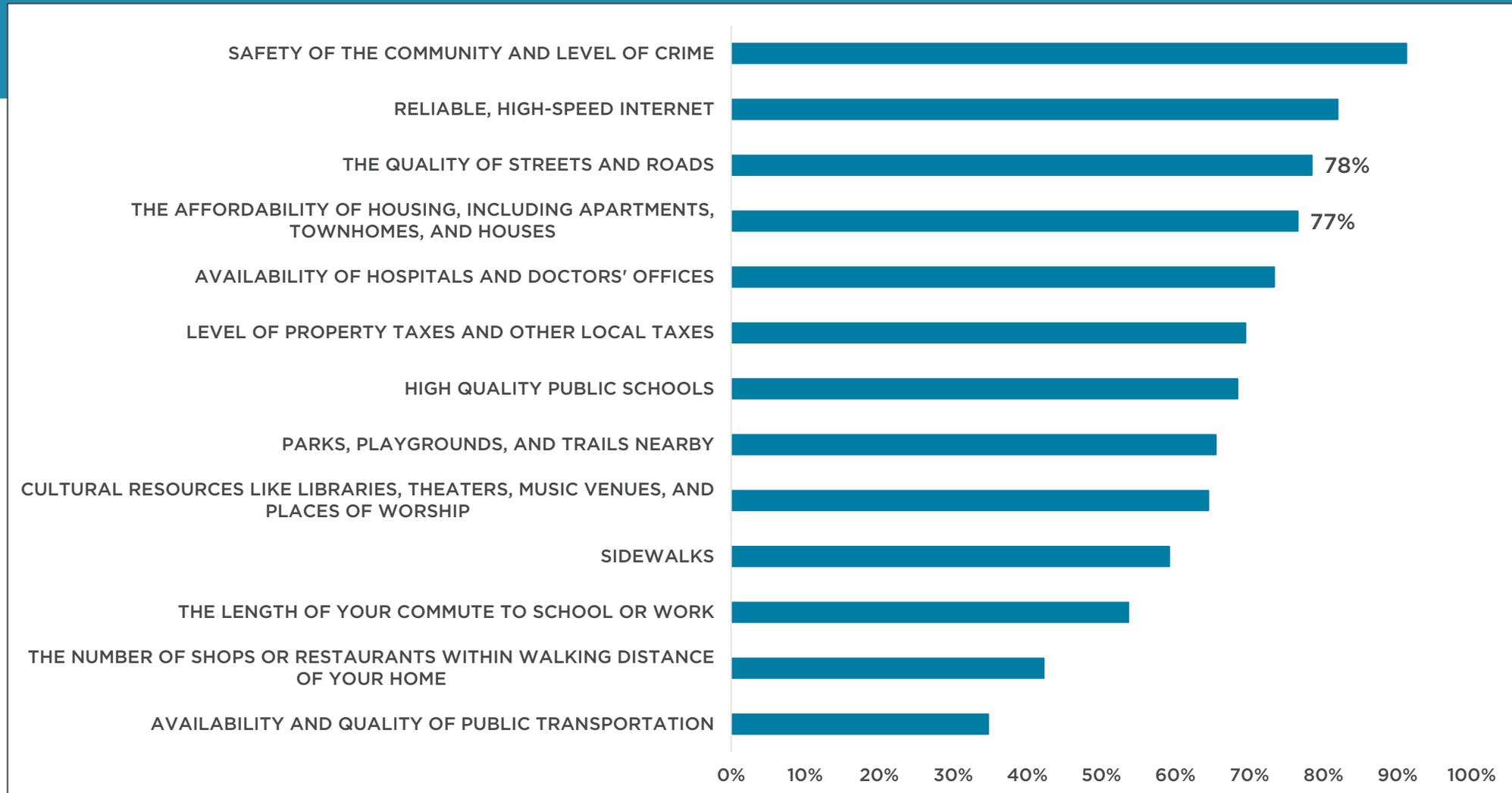
Satisfaction with Community Features: Central Indiana



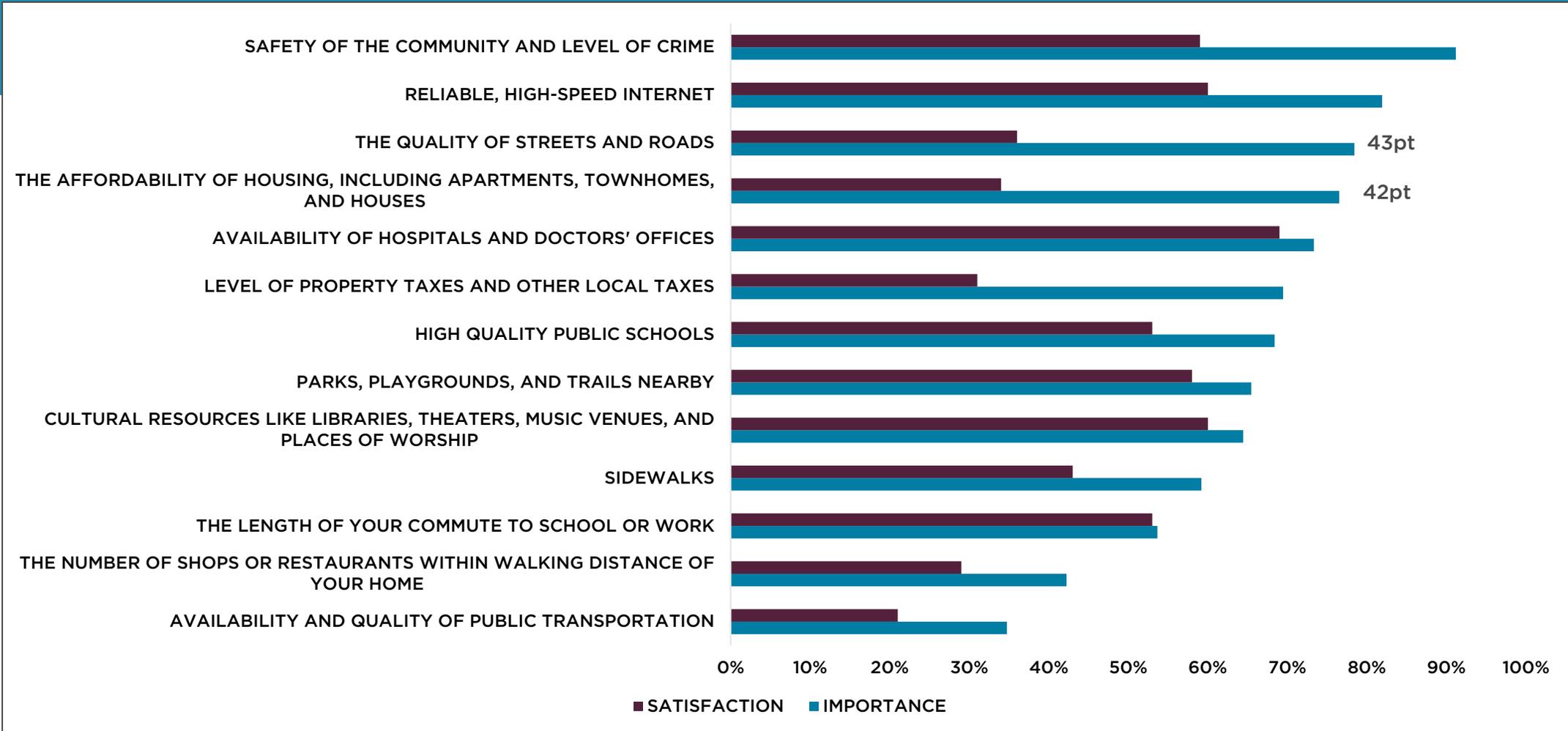
Source: MIBOR REALTOR® Association, Indy MPO, 2022 Community Preference Survey



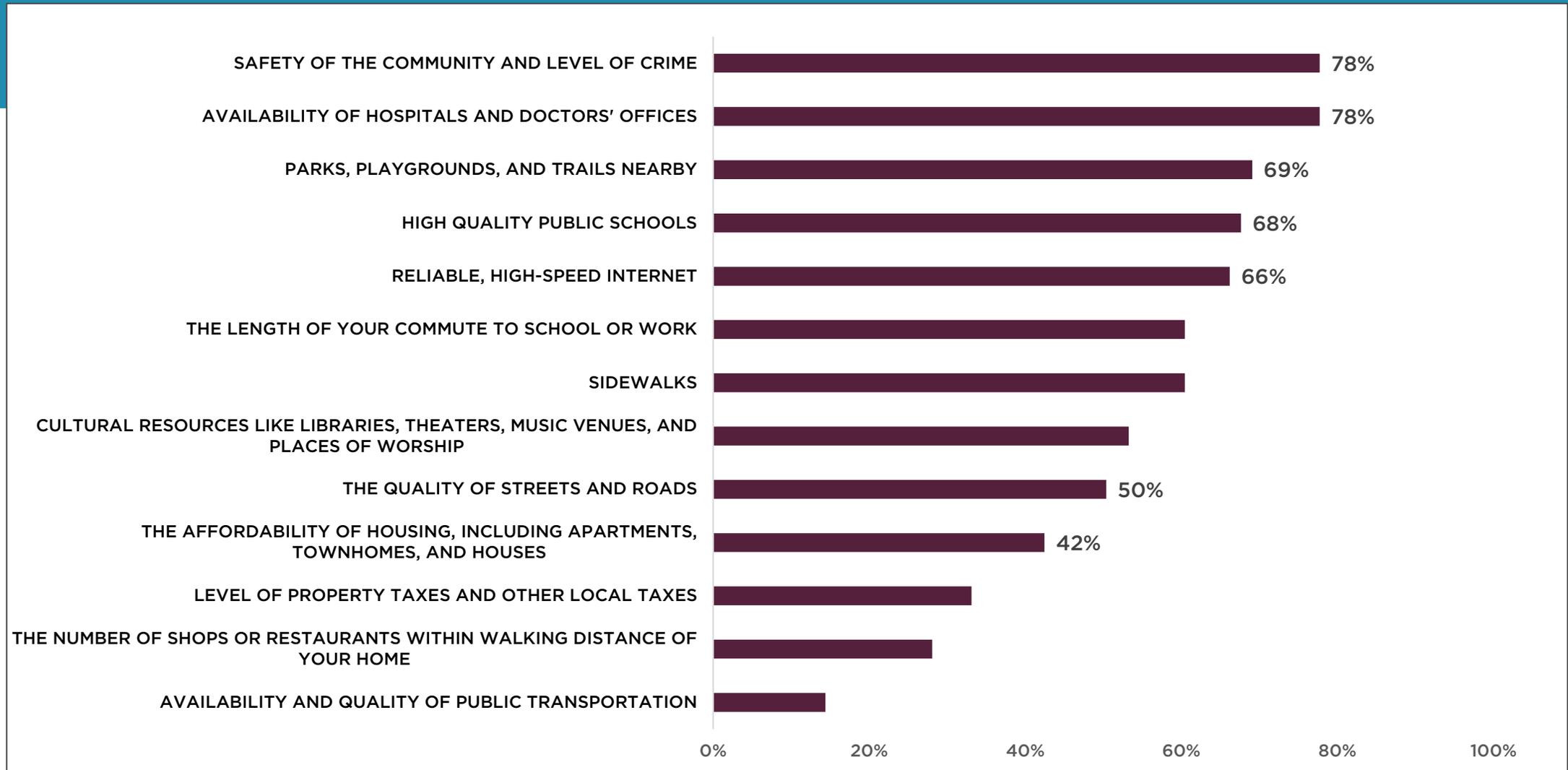
Importance of Community Features: Central Indiana



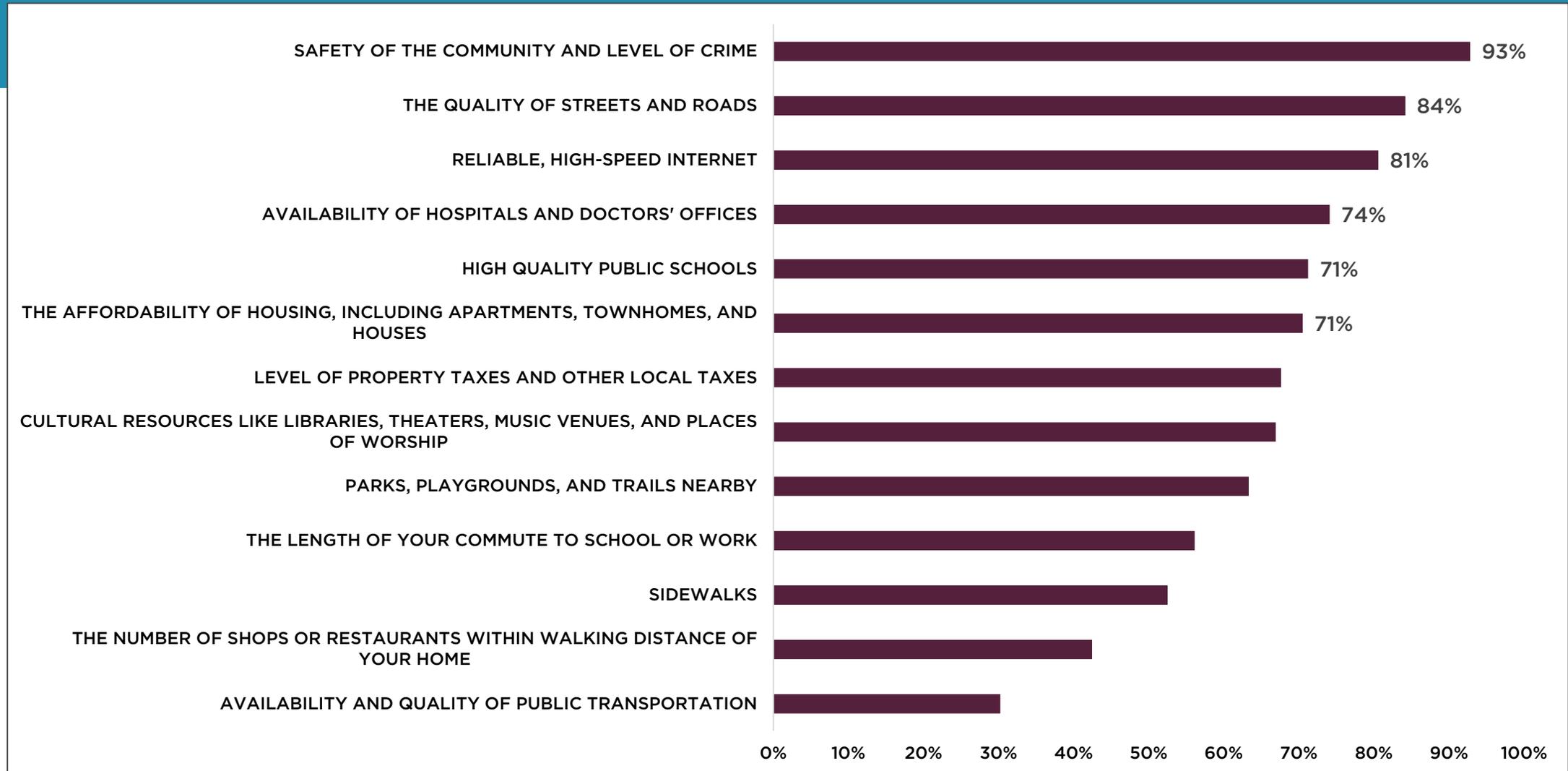
Importance vs. Satisfaction of Community Features: Central Indiana



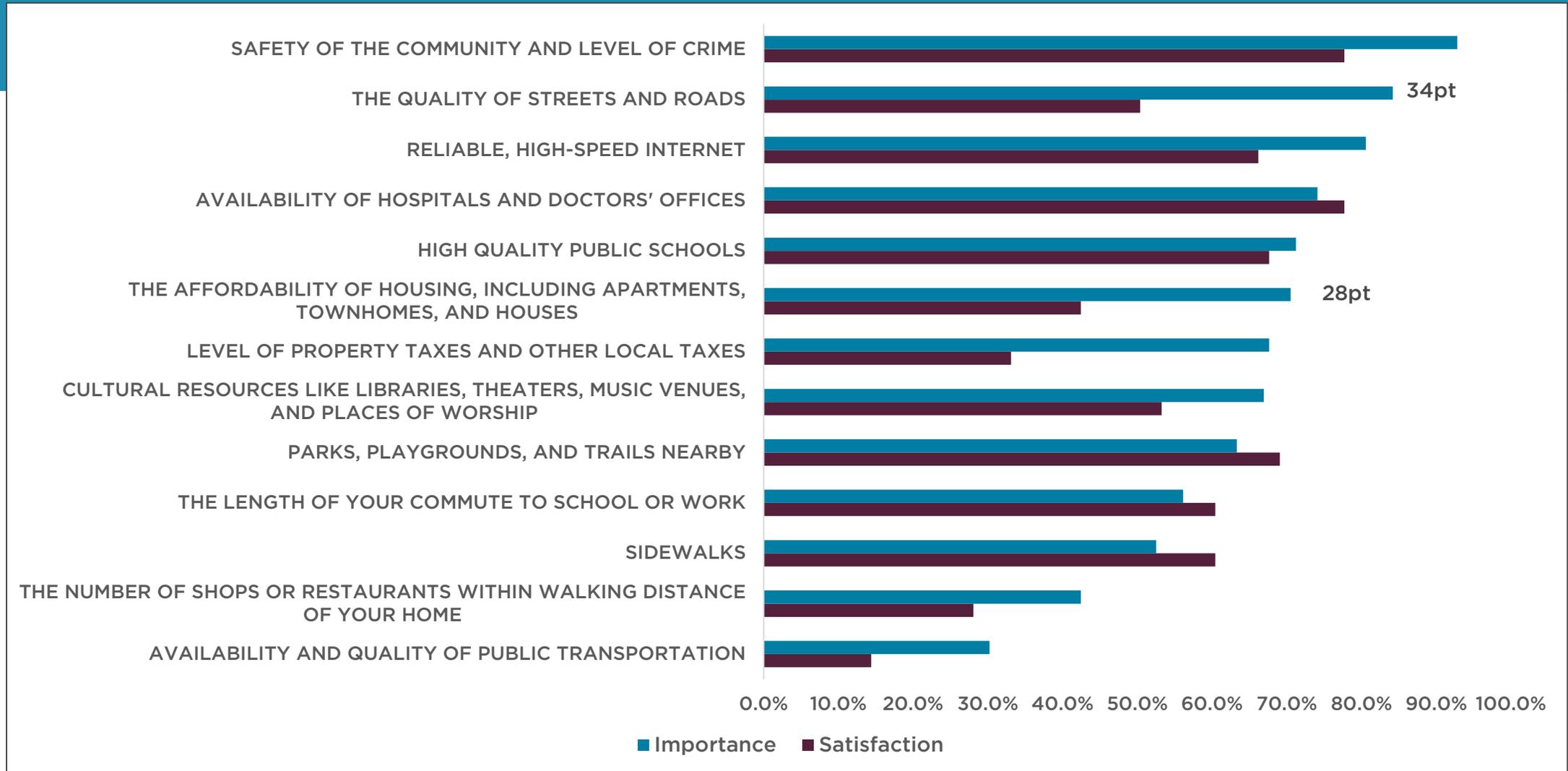
Satisfaction with Community Features Hendricks County



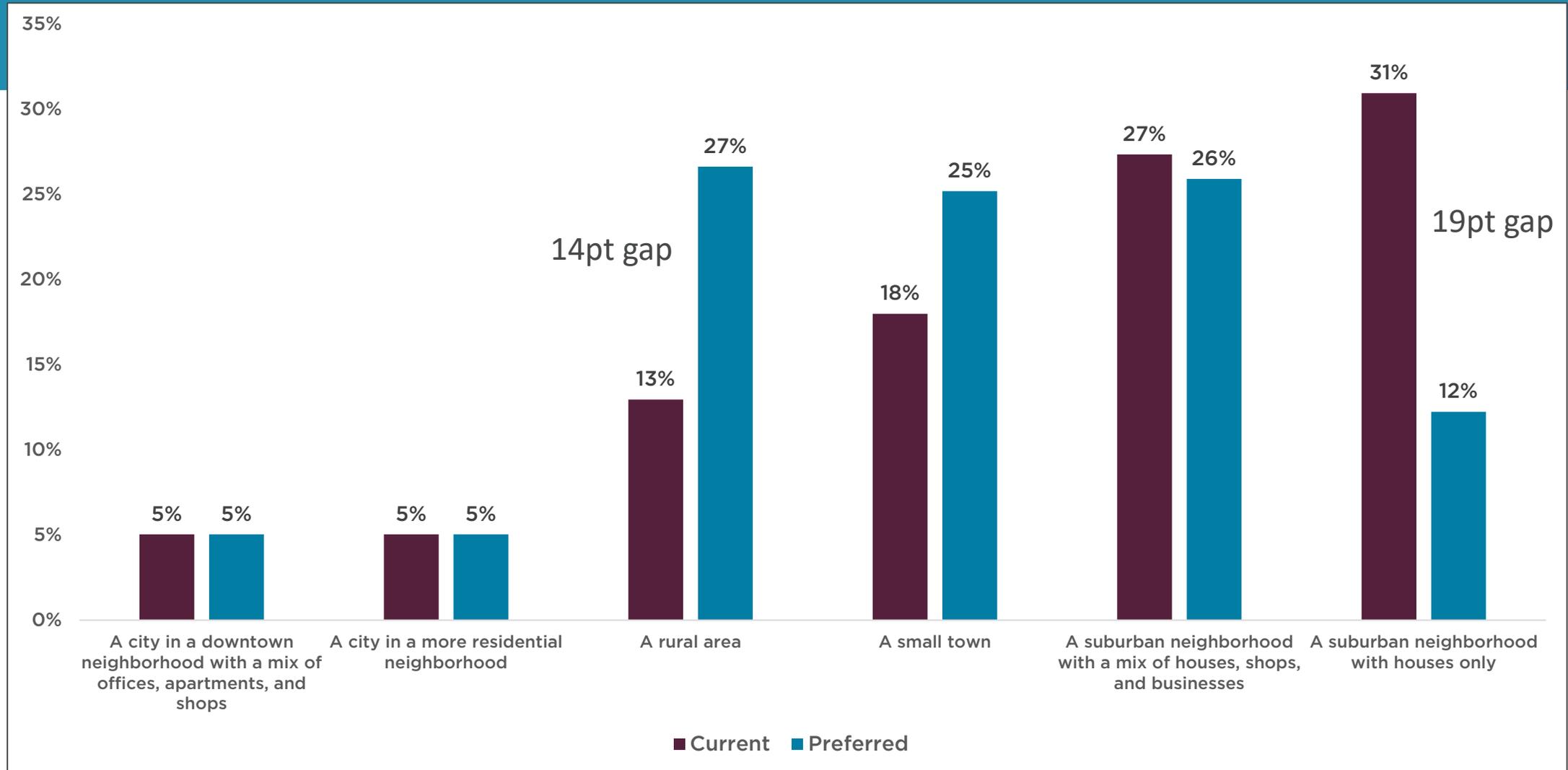
Importance of Community Features: Hendricks County



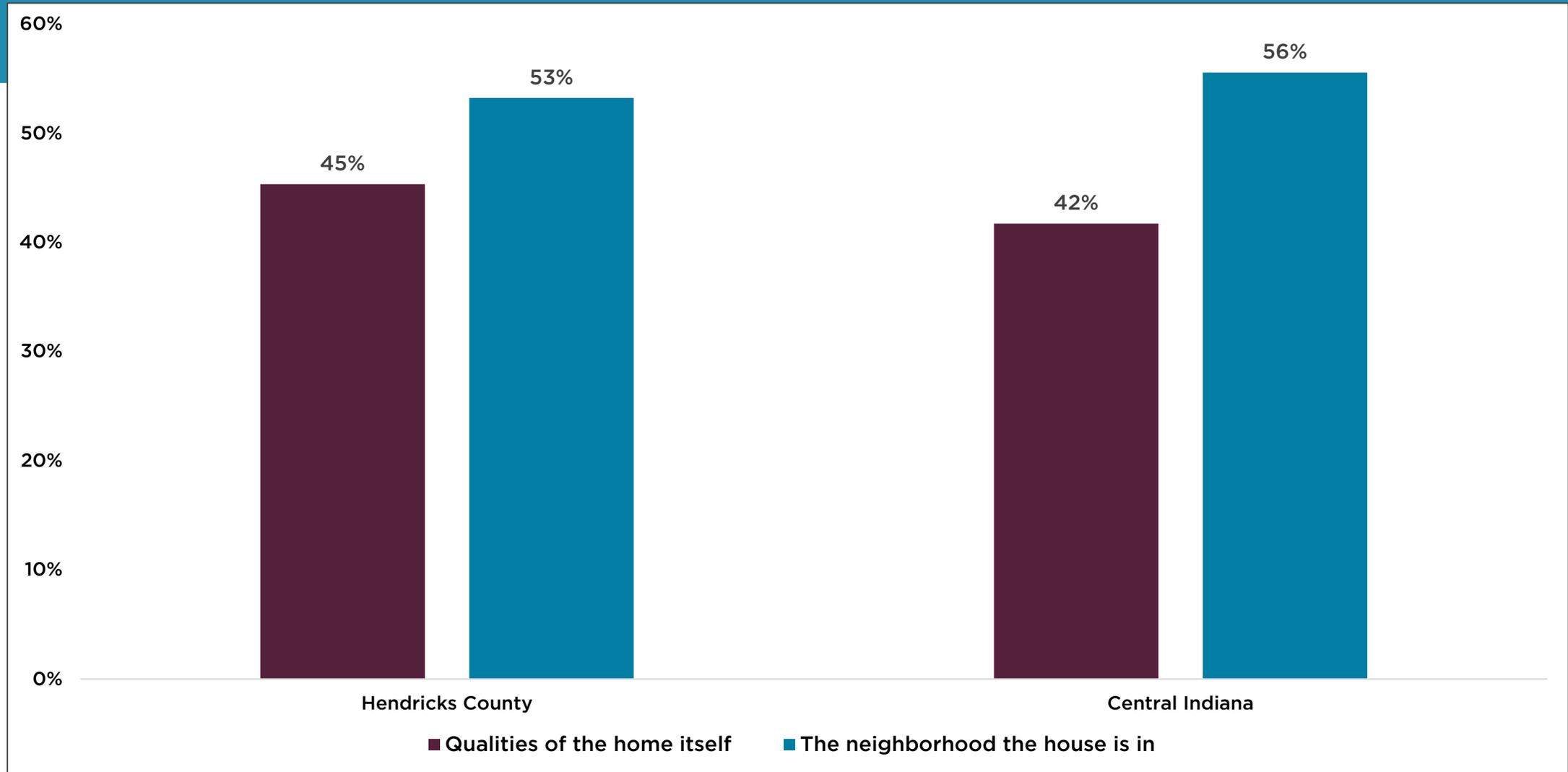
Importance vs. Satisfaction of Community Features: Hendricks County



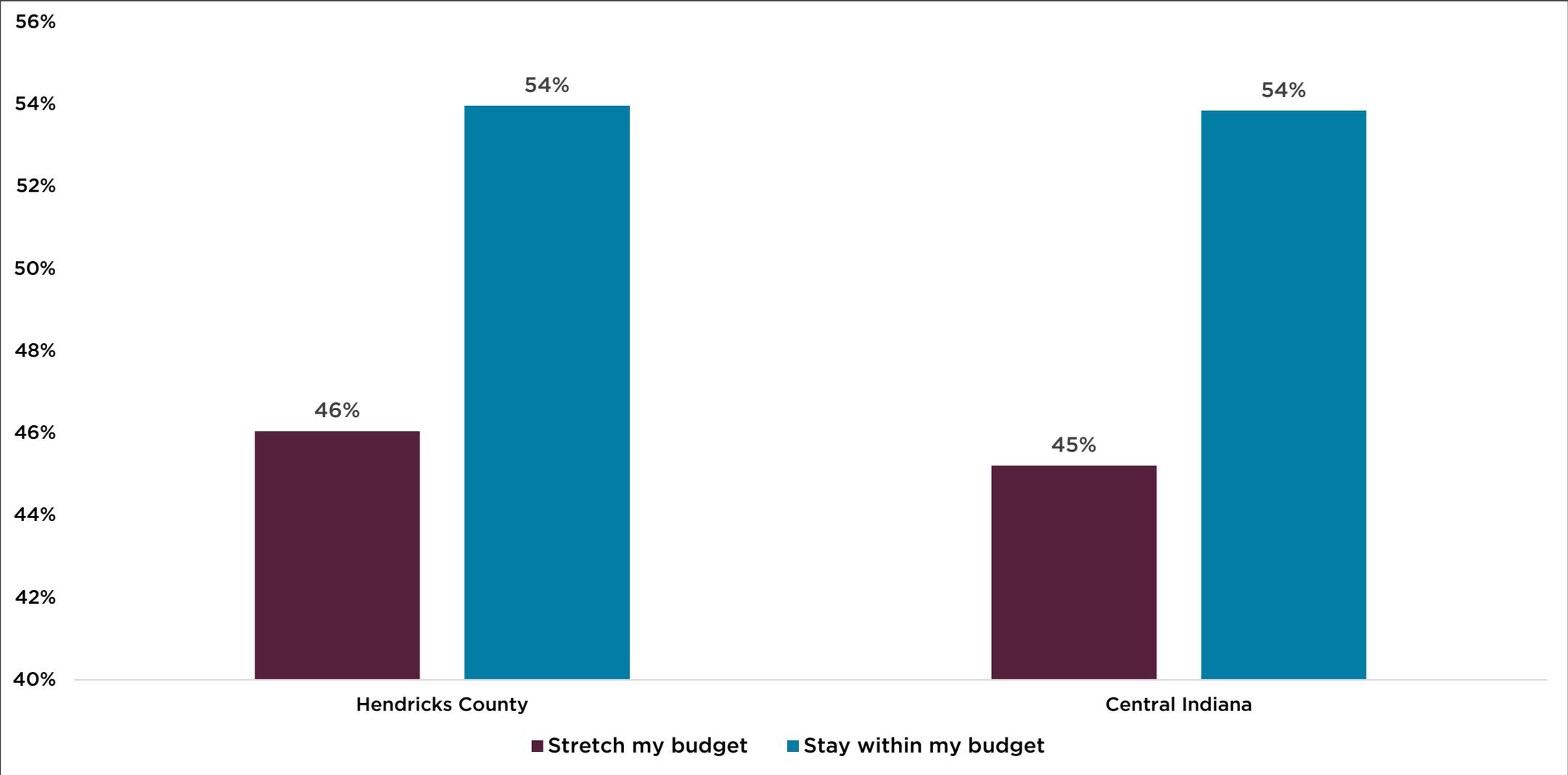
Current vs. Preferred Location Type: Hendricks County



Importance of House vs. Neighborhood Location



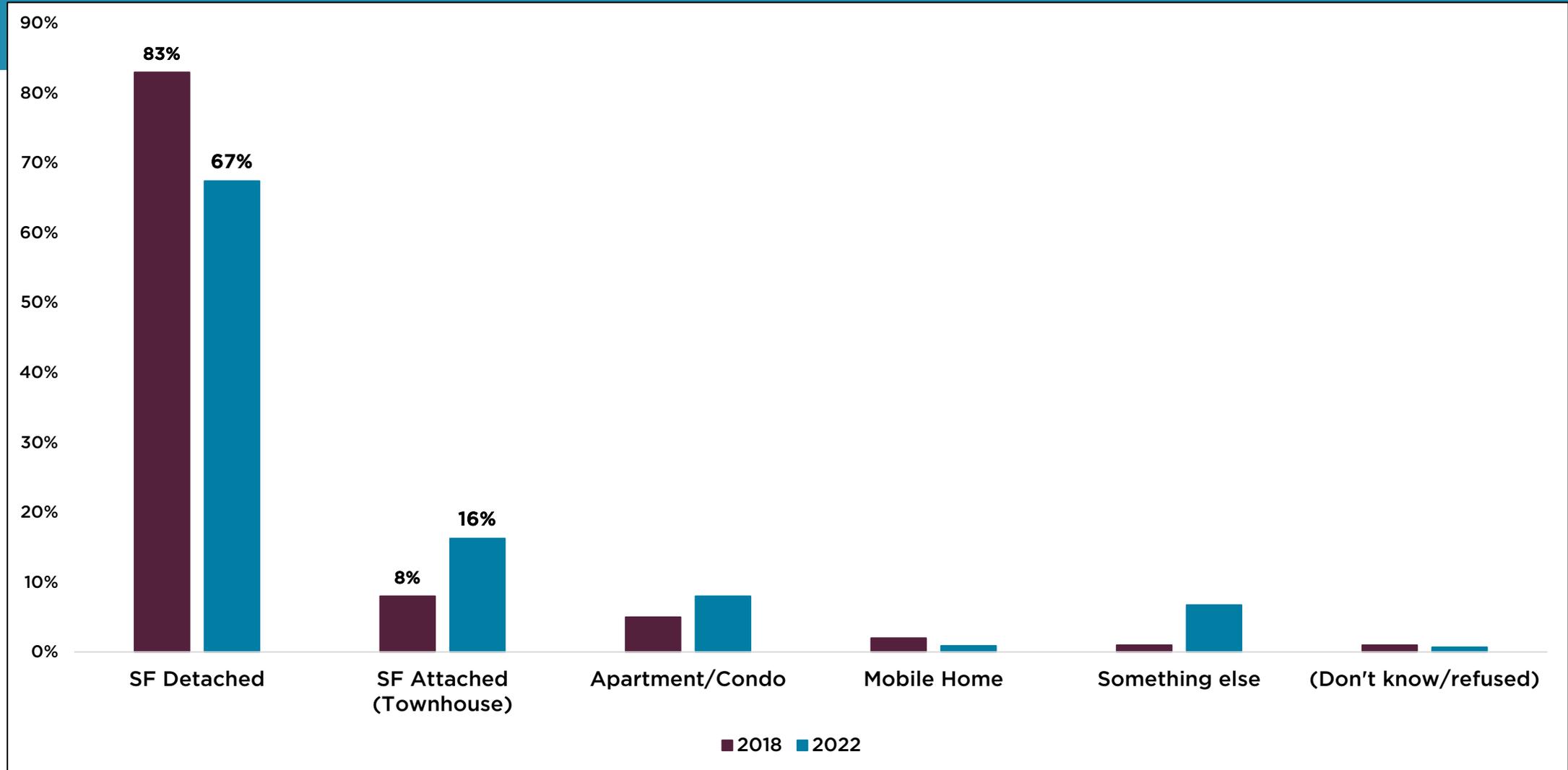
Importance of Budget in Deciding Where to Live?



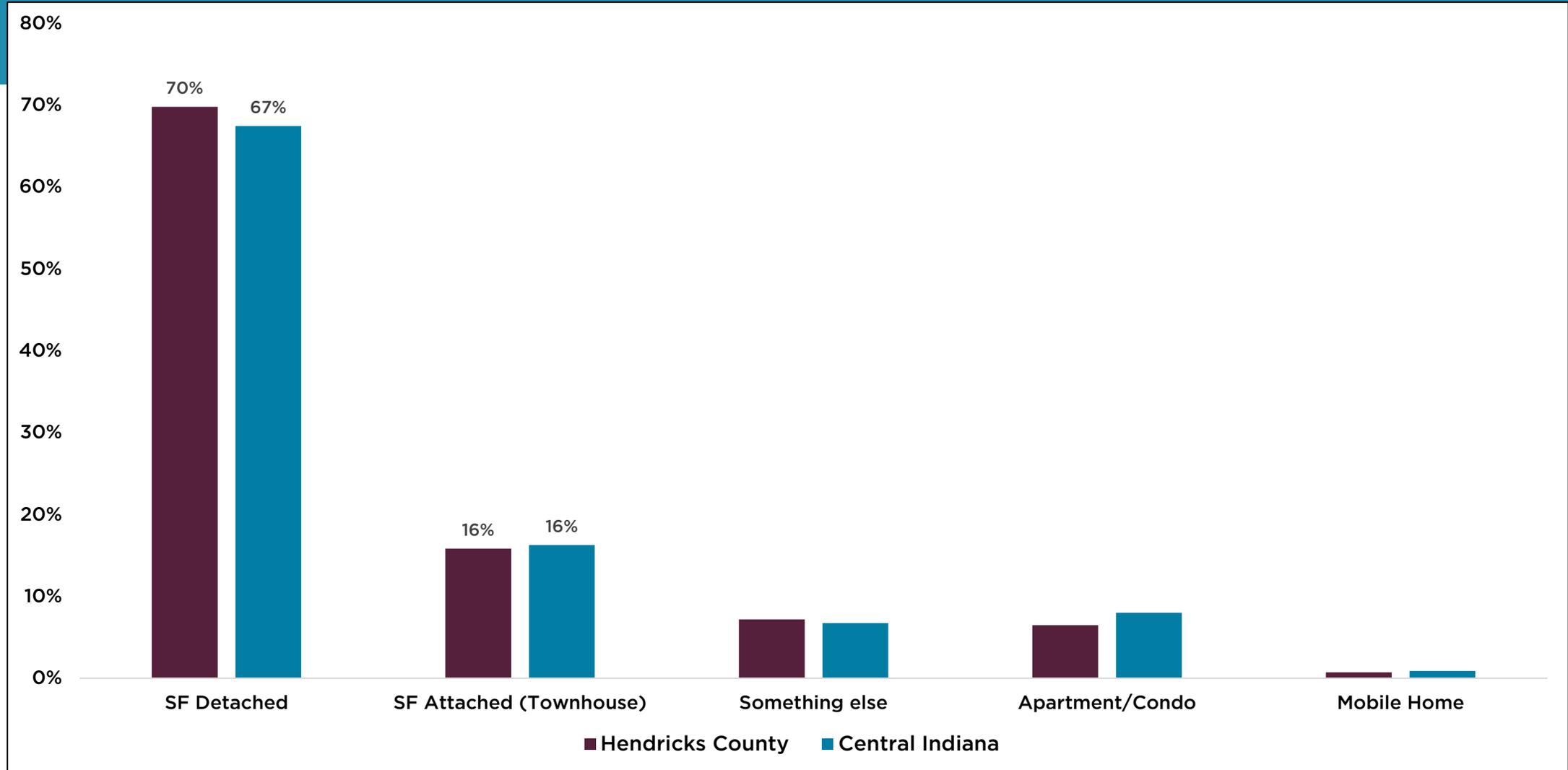
Source: MIBOR REALTOR® Association, Indy MPO, 2022 Community Preference Survey



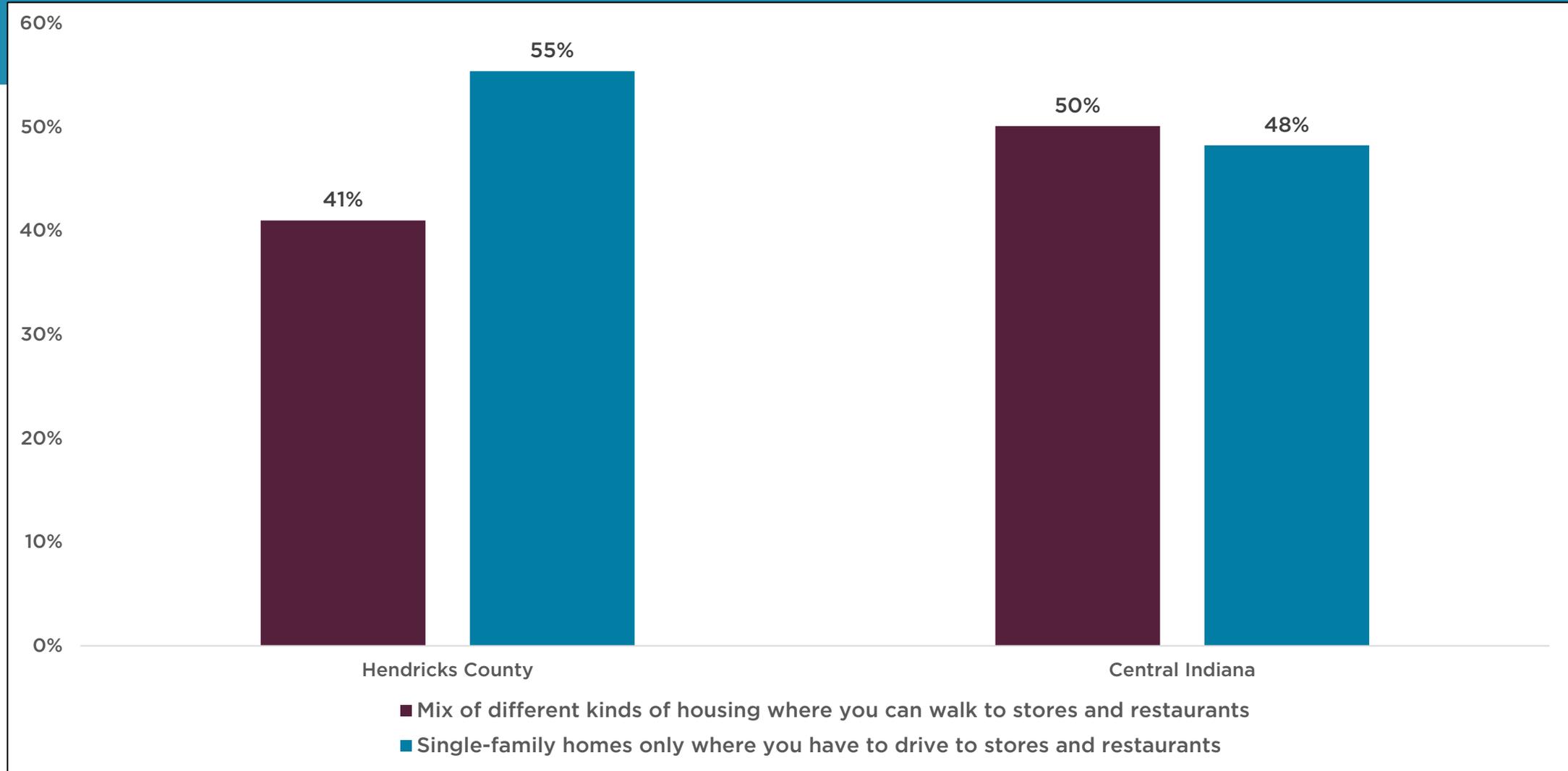
Preferred Housing Product Type: Central Indiana, 2018 vs. 2022



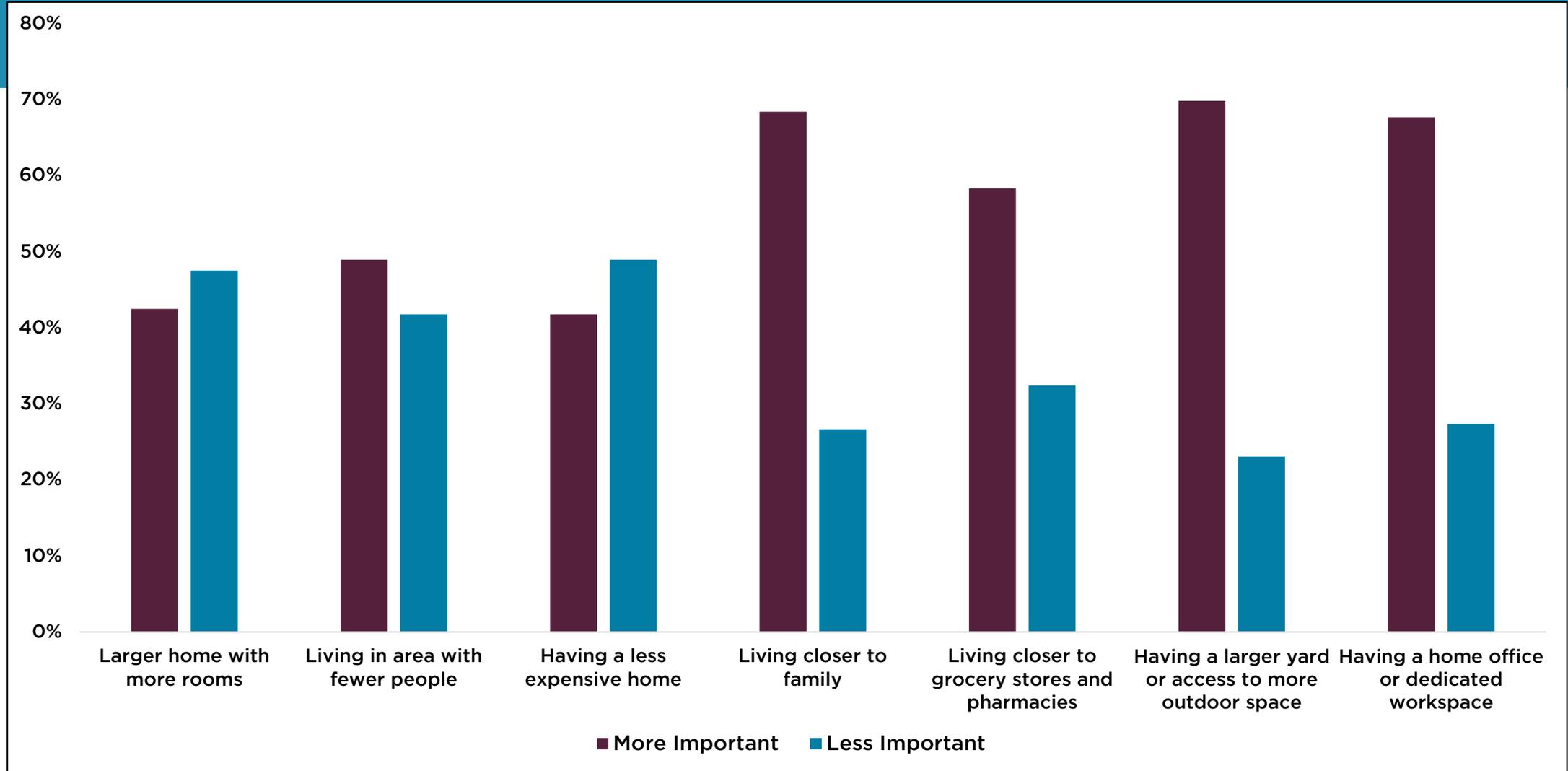
Preferred Housing Product Type: Hendricks County and Central Indiana



Preferred Neighborhood Type: Hendricks County and Central Indiana



Importance of Features Since the Pandemic: Hendricks County



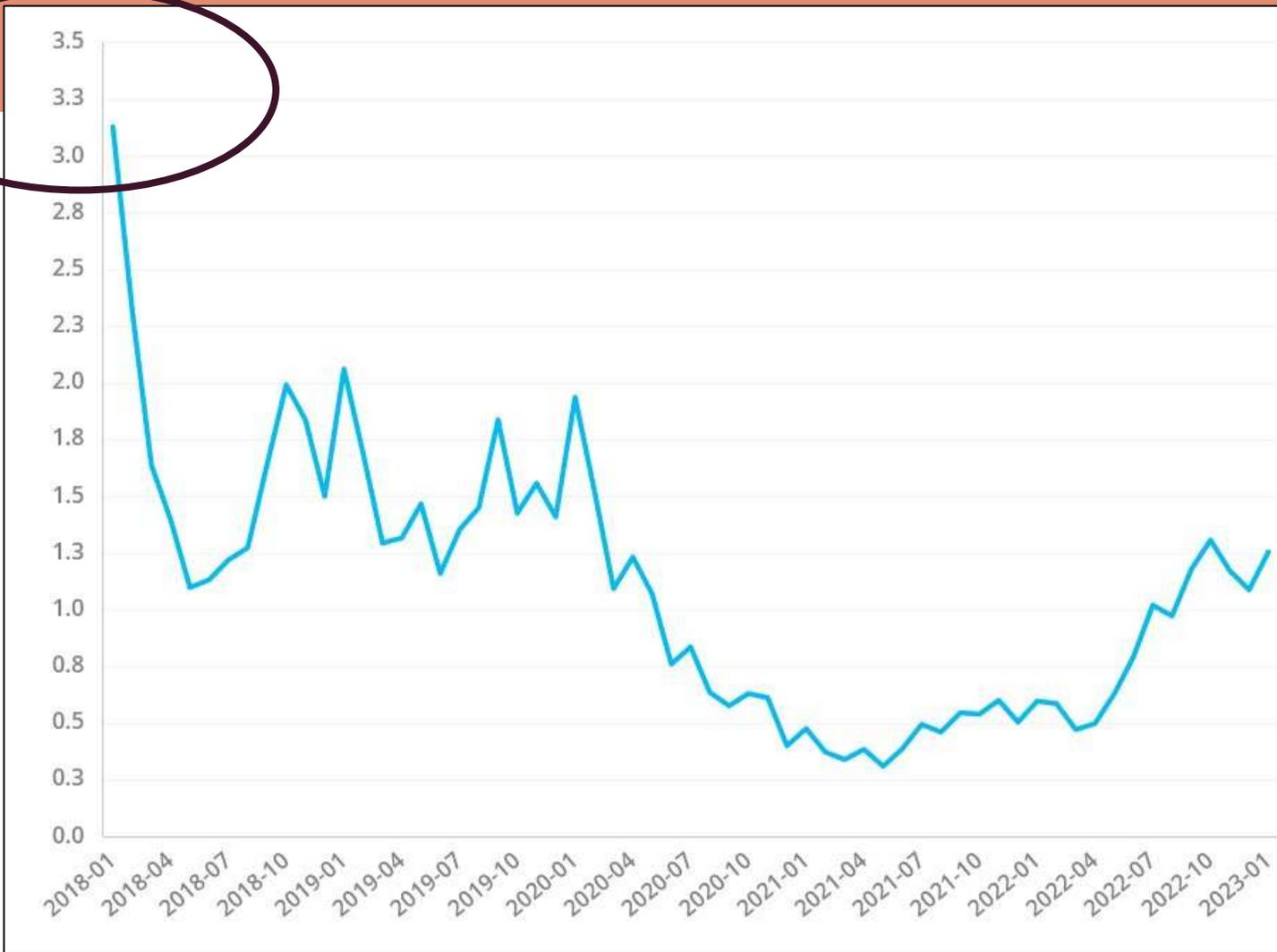
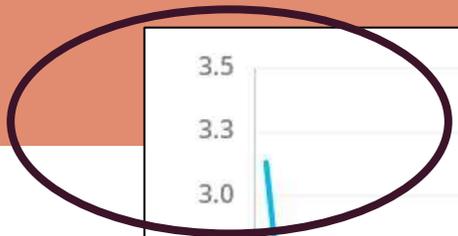
Closed Sales, Single-family homes, Hendricks County



Active Inventory, Single-family homes, Hendricks County



Months of Supply, Single-family homes, Hendricks County



January 2023

 **1.3**

 **15.3%**
change from **1.1**
Prior Period

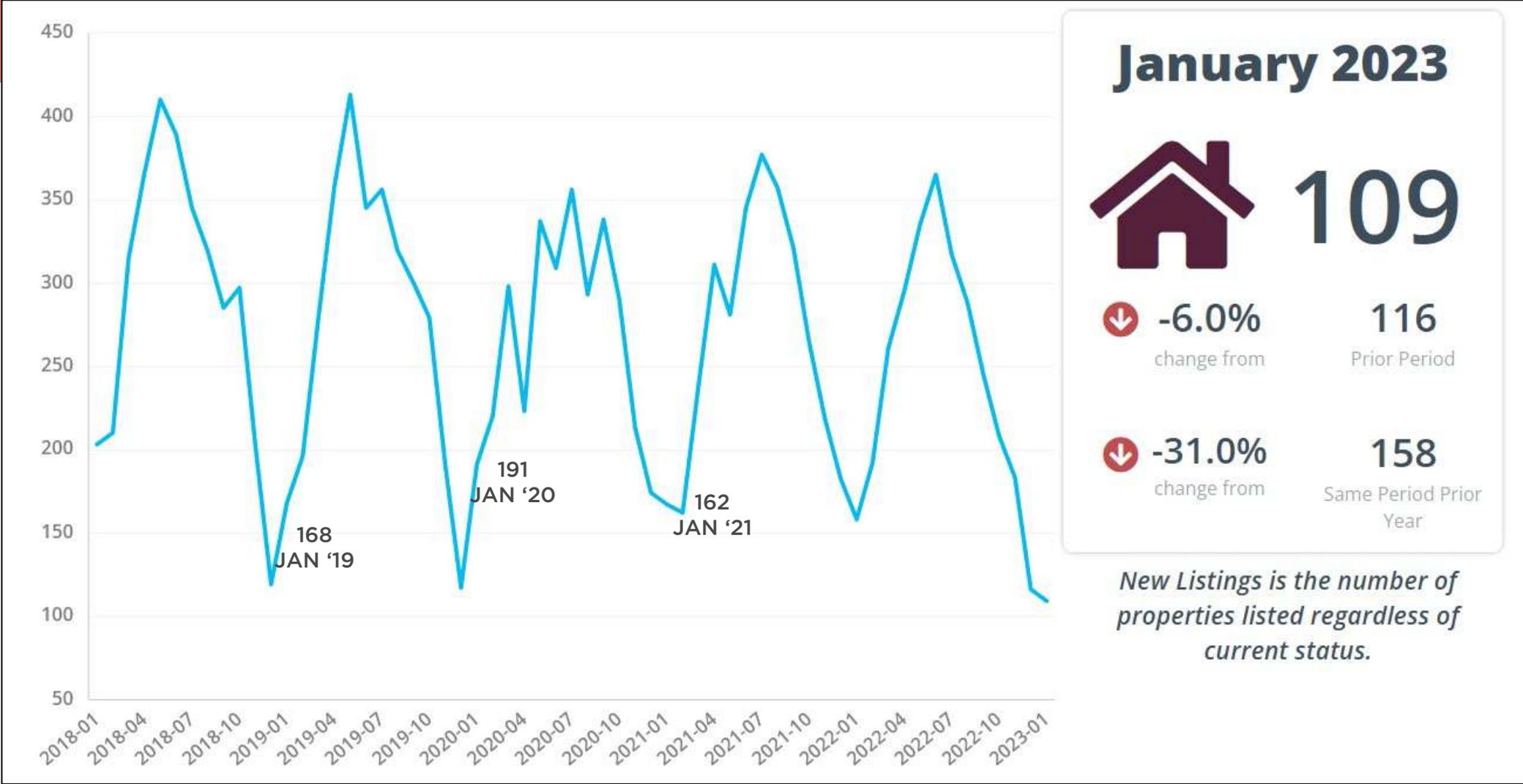
 **110.2%**
change from **0.6**
Same Period
Prior Year

Absorption Rate is the number of months it would take to sell through the available inventory at the current sales rate.

Median Sales Price, Single-family homes, Hendricks County



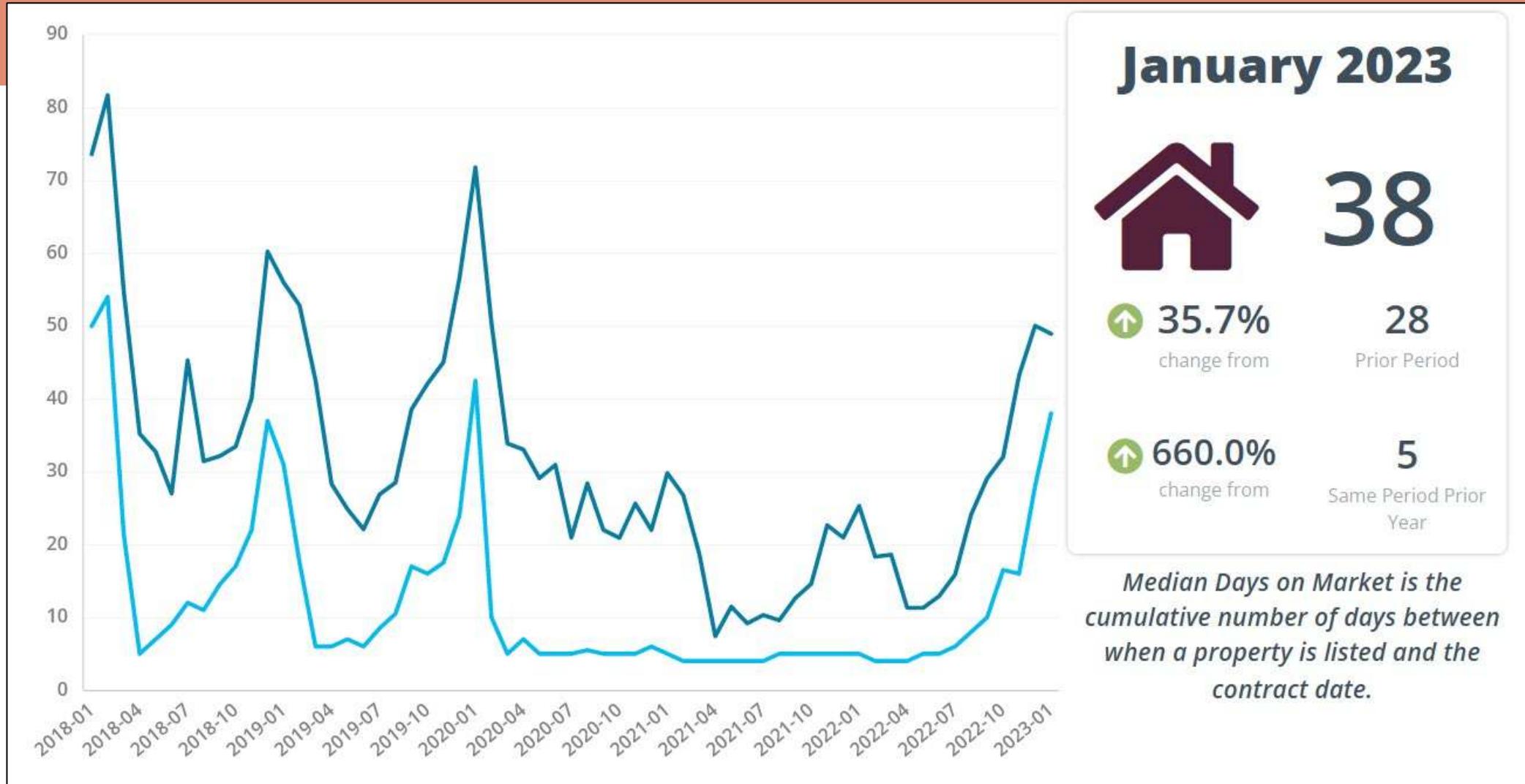
New Listings, Single-family homes, Hendricks County



Source: MIBOR REALTOR® Association, BLC® Listing Service



Days on Market, Single-family homes, Hendricks County

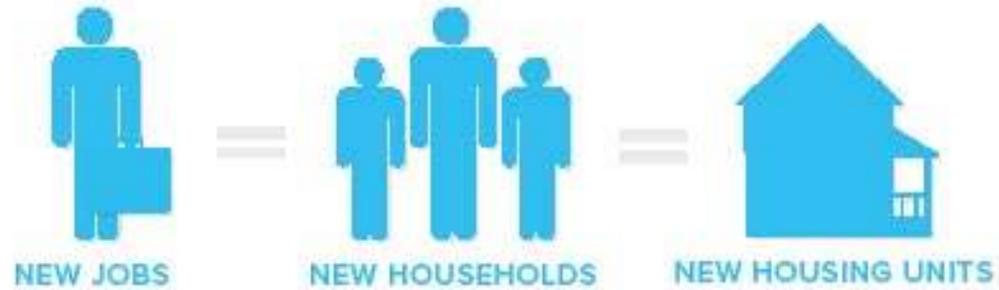


CENTRAL INDIANA

HOUSING THE REGION'S WORKFORCE



**PROJECTED JOB GROWTH
WILL DRIVE DEMAND FOR
NEW HOUSING UNITS.**



274,576
NET NEW JOBS

=

180,257
NET NEW UNITS*

Employment-driven demand was calculated from forecasted job growth which was then analyzed by age distribution of workers, household composition based on 10 household types, number of earners per household, and household incomes to estimate the type, tenure, and price point of housing needed over the next 20 years.

*Represents employment-driven demand only. Additional demand could be 1.8 times the employment-driven demand, or more than 324,000 net new units. Prior studies in Washington DC and Minneapolis, MN found that total housing demand tended to be between 1.5 and 2.0 times the employment-driven demand.



BAGI

greentree
REALTY

Lisa Sturtevant
REALTOR

**THE INDIANAPOLIS REGION
IS UNDERBUILDING EACH YEAR BY
1,750 UNITS**

RECENT CONSTRUCTION TRENDS WON'T MEET THE DEMAND
FOR A PROJECTED 9,000 NEW HOUSING UNITS ANNUALLY.

THE TYPES OF JOBS ATTRACTED TO THE REGION AFFECTS HOUSEHOLD AGE, SIZE, AND MAKEUP.

Industry sectors with a younger workforce (*retail, accommodations and food services*) are more likely to live alone or in smaller household sizes. This and other patterns used to drive the employment-driven model are based on current population trends.



75% OF HOUSEHOLDS WERE MARRIED IN 1950.

TODAY, ONLY **50%** OF AMERICANS ARE MARRIED.

Younger generations are delaying marriage. Since 1960, the average age of first-time brides increased by over 6 years, from 20 to 26.5 in 2011. Additionally, more young people are forgoing marriage all together, up from just 9 percent in 1960 to 20 percent in 2012.



43% OF HOUSEHOLDS WERE MARRIED W/ KIDS IN 1950.

THAT NUMBER IS DOWN TO JUST **20% TODAY.**

Younger generations are waiting longer to start families. Over the last 45 years, the median age of first-time mothers has increased by 5 years. American families have gotten smaller since 1960, resulting in the need for smaller homes.



HOUSEHOLD OF THE PAST



HOUSEHOLDS OF TODAY

Source: US Census; New York Times, "Late Marriage and its Consequences," 2013; Time, "Why 25% of Millennials Will Never Get Married," 2014; NPR, "Average Age of First-Time Moms Keeps Climbing in the US," 2016; Bloomberg, "Millennials Still Want Kids, Just Not Right Now," 2016



MYTHS IN HOUSING

INDY REGION

PRODUCTION IS NOT THE ONLY FACTOR TO MEETING HOUSING DEMAND.

CREATING THE RIGHT SUPPLY
IS critical.

BUT COMMONLY HELD MISCONCEPTIONS LIMIT THE REGION'S ABILITY TO DELIVER

the right product
at the right price points
in the right locations.



Which of these common housing perceptions are completely true?

HOUSING MYTH

MIXED HOUSING PRODUCTS AND MIXED VALUES WILL DEPRESS NEARBY HOME VALUES

HOUSING MYTH

DENSER NEIGHBORHOODS BURDEN SCHOOLS AND ARE COSTLIER TO SERVICE

HOUSING MYTH

DENSE HOUSING WILL NEGATIVELY AFFECT TRAFFIC AND PARKING

HOUSING MYTH

ALTERNATIVE HOUSING TYPES INCREASE NEIGHBORHOOD CRIME RATES

HOUSING MYTH

FIRE SAFETY INCREASES AS RESIDENTIAL DENSITY DECREASES

HOUSING MYTH

DIFFERENT HOUSING TYPES, OR DENSER HOUSING, ARE UGLY AND OUT OF CONTEXT

HOUSING MYTH

THERE'S NO DEMAND FOR NEW HOUSING TYPES

HOUSING MYTH

MIXED HOUSING PRODUCTS AND MIXED VALUES WILL DEPRESS NEARBY HOME VALUES



Those new apartments will drag down the value of my home.”

— general comment regarding development of apartments near single family detached homes

BUSTED: ~~MIXED HOUSING PRODUCTS AND MIXED VALUES WILL DEPRESS NEARBY HOME VALUES~~

reality #1

APPRAISER DATA/PROCESS SHOWS DIFFERENT HOUSING TYPES ARE CATEGORICALLY NOT INVOLVED IN DEVELOPMENT OF COMPS FOR HOME SALES

Over the past few decades, more than a dozen reports conducted throughout the nation studied price appreciation/depreciation in mixed-income neighborhoods. Researchers overwhelmingly agree on several relevant findings:

- There is no evidence suggesting the mere presence of affordable housing units reduced the value of higher priced homes within the same neighborhood
- In instances when devaluation does occur, the effect is negligible - equivalent to removing 0.5 square feet from the home's square footage (Lyons and Loveridge)
- The change in adjacent property values - positive or negative - is largely due to design quality and upkeep of affordable units, not their selling price or assessed value (Cummings and Landis)

reality #2

MULTIPLE STUDIES HAVE FOUND MIXED PRODUCT TYPE HAS POSITIVE IMPACTS ON PRICE VALUE OF ADJACENT SINGLE FAMILY

In 2010, the Partnership for Housing Affordability conducted an analysis of neighborhoods with mixed-income/mixed-use housing. These neighborhoods were shown to have positive impacts on surrounding neighborhoods, including higher home price appreciation and lower crime levels compared to other parts of the region.

+10% price appreciation of single family homes for units located within 300 feet of multifamily units compared to units in single-use neighborhoods.

Source: NAHB computations based on data in U.S. Census Bureau and the Department of Housing and Urban Development, American Housing Survey, *Making Mixed-income Neighborhoods Work for Low-Income Households*

HOUSING MYTH

DENSER NEIGHBORHOODS BURDEN SCHOOLS AND ARE COSTLIER TO SERVICE

“New apartments will flood our schools with children.”

— general comment regarding density's impact on public services

BUSTED: ~~DENSER NEIGHBORHOODS BURDEN SCHOOLS AND ARE COSTLIER TO SERVICE~~

reality #1

RENTERS AND LOW-INCOME HOUSEHOLDS HAVE FEWER CHILDREN, NOT MORE

OWNER-OCCUPIED UNITS AND HIGH-INCOME HOUSEHOLDS CONTRIBUTE THE MOST CHILDREN TO INDIANAPOLIS-AREA SCHOOLS

28%

owner-occupied households have 28% more children per unit compared to renter-occupied households

21%

high-income (>\$75,000) households have 21% more children per unit compared to low-income households

reality #2

AS HOUSING DENSITY INCREASES, PER-UNIT COST TO BUILD AND PROVIDE SERVICES DECREASES

SUBURBAN LOW (4.2 units per acre)
\$2,321 annual cost per unit

SUBURBAN MEDIUM (10.3)
\$1,922 annual cost per unit

URBAN COMPACT (20.3)
\$1,338 annual cost per unit

3,000 dwelling units used for each development

The per-unit cost to construct infrastructure and provide municipal services is significantly lower for dwelling units located in compact, walkable developments compared to low density auto-oriented neighborhoods.

Higher densities have been found to reduce per-unit residential service costs related to Fire/EMS and Police, road maintenance, school transportation, utilities, and solid waste pickup.

Source: Indianapolis MSA 2017 ACS PUMS; Smart Growth America: The Fiscal Implications of Development Patterns: Indianapolis

MUNICIPALITIES CAN SAVE MONEY BY BUILDING SMARTER, MORE EFFICIENT NEIGHBORHOODS.

Land development and infrastructure cost of efficient development can be up to one-third less and save 10 percent on on-going delivery of city services, including police, ambulance, and fire services. Additionally, municipalities can generate 10 times more tax revenue per acre.

FISCAL BENEFITS OF COMPACT, WALKABLE DEVELOPMENT



1/3 LESS

Upfront Land Development & Infrastructure Costs



10% SAVINGS

On-Going Delivery of Municipal Services



10X REVENUE

Compared to Traditional Suburban Development



DEVELOPMENT PATTERNS HAVE A HUGE EFFECT ON THE FINANCES OF A TOWN OR CITY. THE COST OF INFRASTRUCTURE LIKE ROADS AND SEWERS, AS WELL AS SERVICES LIKE FIRE DEPARTMENTS, AMBULANCES AND POLICE ARE MAJOR BUDGET ITEMS FOR ANY MUNICIPALITY, AND DECISIONS ABOUT DEVELOPMENT PATTERNS CAN RAISE OR LOWER THE COST OF THESE SERVICES. THESE CHOICES HAVE SIGNIFICANT IMPLICATIONS FOR PUBLIC BUDGETS IN COMMUNITIES EVERYWHERE.

Source: Smart Growth America, The Fiscal Implications of Development Patterns Indianapolis, IN, 2015; Smart Growth America, Building Better Budgets, 2013



BAGI



Lisa Sturtevant
@LisaSturtevant

HOUSING MYTH

DENSE HOUSING WILL NEGATIVELY AFFECT TRAFFIC AND PARKING

“Our roads couldn't handle the traffic from a dense new development.”

— general comment regarding development of apartments and other higher density housing types

BUSTED: ~~DENSE HOUSING WILL NEGATIVELY AFFECT TRAFFIC AND PARKING~~

reality #1

ISOLATED LOW DENSITY UNITS GENERATE MORE DAILY TRIPS PER UNIT, ESPECIALLY AT PEAK HOUR

PEAK HOUR VEHICLE TRIPS PER UNIT

SINGLE USE/SUBURBAN
0.61 peak hour trips/unit (avg.)



MIXED USE/URBAN
0.23 peak hour trips/unit (avg.)

2.6x more

WALKABILITY ADDS VALUE

By reducing the number of vehicle trips, residents are able to spend less on transportation costs and allocate more money to housing. A 2016 Redfin study found that one WalkScore point can increase the value of a home by an average of **\$3,250**.

alternative approach: roadway design



Conventional street networks (left top) make heavy use of large, widely spaced arterials fed by smaller, disconnected roadways. Limited route choices contribute to congestion on large roads and create longer, inefficient trips often unsafe for walking and bicycling.



Connected street grids (left bottom) provide a variety of more direct routes, spreading traffic more evenly among roadways. Enhanced connections create safe, multimodal accessibility to nearby amenities.

Source: ITE Trip Generation Manual, 10th Edition; Kimley-Horn & Associates; Digital Media Productions; Redfin

HOUSING MYTH

ALTERNATIVE HOUSING TYPES INCREASE NEIGHBORHOOD CRIME RATES



I wouldn't feel safe living next to dense housing."

— general comment regarding development of apartments and their relationship to crime

BUSTED: ~~ALTERNATIVE HOUSING TYPES INCREASE NEIGHBORHOOD CRIME RATES~~

reality #1

THE INTRODUCTION OF LOW INCOME HOUSING UNITS HAS BEEN FOUND TO REDUCE CRIME, EVEN IN HIGH INCOME NEIGHBORHOODS

In 2016, Stanford University studied the effects caused by construction of new, affordable or low income housing units within established neighborhoods of all price ranges. The study concluded that the introduction of affordable units:

- Reduced the rates of violent crime and property crime for properties within one mile of the affordable units in all neighborhoods, including neighborhoods in the highest income category
- Revitalized and raised nearby property values in low income neighborhoods

Additionally, nationwide studies by Harvard University's Joint Center for Housing Studies (2007) and Partnership for Housing Affordability (2010) found no relationship between mixed-income neighborhoods and residential crime rates.

Source: National Bureau of Economic Research, International CPTED Association

alternative approach: CPTED

The strategies of Crime Prevention Through Environmental Design (CPTED) take advantage of pre-existing environmental assets or change the design features and condition of particular buildings in an attempt to deter criminal activity, increase overall safety for citizens, and reduce citizen fear of crime.



Surveillance

Understanding the relationship of natural features and the activities of people can maximize visibility and foster positive social interaction



Access Control

Taking steps to differentiate public and private spaces through the use of design elements



Maintenance

Taking steps to ensure that public and private properties are always well maintained to communicate the sense that a space is occupied and used

HOUSING MYTH

FIRE SAFETY INCREASES AS RESIDENTIAL DENSITY DECREASES



Putting homes too close to each other is a safety hazard.”

— general comment regarding need for large sideyard setbacks

BUSTED: ~~FIRE SAFETY INCREASES AS RESIDENTIAL DENSITY DECREASES~~

reality #1

INCREASED SAFETY RESULTS FROM DESIGN, AWARENESS, AND LOCATION

Despite the increased density and decreased separation between attached dwelling units, the comparative safety of fires in multi-unit structures can be attributed to several factors typically associated with their construction:

- Increased fire protection regulations, including sprinkler systems
- Dedicated maintenance staff to ensure proper operation of alarms and prevention systems
- Presence of nearby residents for early reporting
- Ability for first responders to more quickly and easily find the location of fires compared to single family, which may be set back from road or within neighborhood with a confusing network of streets

Despite setback regulations for single family dwellings often establishing separation distances much higher than required by fire codes, only **4%** of national single family and duplex fires spread to a new structure

alternative approach: collaborative initiatives

At first glance, the growing desire to construct narrower, pedestrian friendly streets in mixed-use neighborhoods appears to contradict with the accessibility needed by local public safety officials. An increasing number of communities are exploring collaborative initiatives, such as the Emergency Response & Street Design Initiative, with the goal of amending design regulations to allow walkability without compromising citizens' safety. Benefits of smaller, well connected streets serving walkable mixed use neighborhoods include:

- Lower speed limits result in fewer vehicle and pedestrian collisions, reducing the number of emergency responses
- Multiple and shorter paths provided by connected streets can reduce emergency response times
- Compact development results in less distance between residents and emergency response units

In 2001, the City of Raleigh, North Carolina required additional street connections to be constructed on all new residential subdivisions. Within seven years, average citywide emergency response times dropped by **30 seconds**, a reduction of **9%**.

Source: FEMA U.S. Fire Administration; International Code Council International Residential Code; Congress for the New Urbanism

Note: Residential fires occurring nationwide between 2013-2015

HOUSING MYTH

DIFFERENT HOUSING TYPES, OR DENSER HOUSING, ARE UGLY AND OUT OF CONTEXT

“It wouldn't look right in this neighborhood.”

— general comment regarding development of alternative types of housing

BUSTED: ~~DIFFERENT HOUSING TYPES, OR DENSER HOUSING, ARE UGLY AND OUT OF CONTEXT~~

reality #1

CREATIVE DESIGN CAN BLEND ALTERNATIVE UNITS IN RESIDENTIAL NEIGHBORHOODS



Courtyard Villa (Duplex)
Stapleton, Colorado



Townhomes
Urbana, Illinois



Courtyard Cottage
Boston, Massachusetts



Townhomes
Stapleton, Colorado

Source: Redfin; Landon Elise Baker; Parkwood Homes; Union Studio

BUSTED: ~~DIFFERENT HOUSING TYPES, OR DENSER HOUSING, ARE UGLY AND OUT OF CONTEXT~~

reality #2

ATTAINABLE CAN BE ATTRACTIVE

Affordable housing units can be designed to integrate with the design and form of adjacent traditional units in today's mixed-income neighborhoods.



Pruitt Igoe Public Housing
St. Louis, Missouri circa 1955

78 units/acre

Source: theguardian.com; epa.gov



Benedict Commons Affordable Housing
Aspen, Colorado circa 1995

50 units/acre

HOUSING MYTH

THERE'S NO DEMAND FOR NEW HOUSING TYPES

“

Residents wouldn't want to live in that type of housing.”

— general comment regarding development of non-single family detached products

BUSTED: ~~THERE'S NO DEMAND FOR NEW HOUSING TYPES~~

reality #1

AS AGE AND DEMOGRAPHICS CHANGE, SO DO HOUSING NEEDS

1 in 5

Americans will be 65 or older
by 2030

44%

expected growth of single-person
households in America by 2030

51%

of central Indiana residents
prefer to live in small-lot homes
in walkable neighborhoods over
large-lot, auto-dependent homes

56%

central Indiana residents consider
neighborhood qualities more
important than individual home
qualities

43%

of central Indiana residents
consider walkable amenities
'important' or 'very important'
qualities in deciding where to live

Source: MIBOR 2022 Community Preference Survey; U.S. Census Bureau; Pew Research Center; Urban Green and ULI Research

Which of these common housing perceptions are completely true? **NONE**

HOUSING MYTH

MIXED HOUSING PRODUCTS AND MIXED VALUES WILL DEPRESS NEARBY HOME VALUES

HOUSING MYTH

DENSER NEIGHBORHOODS BURDEN SCHOOLS AND ARE COSTLIER TO SERVICE

HOUSING MYTH

DENSE HOUSING WILL NEGATIVELY AFFECT TRAFFIC AND PARKING

HOUSING MYTH

ALTERNATIVE HOUSING TYPES INCREASE NEIGHBORHOOD CRIME RATES

HOUSING MYTH

FIRE SAFETY INCREASES AS RESIDENTIAL DENSITY DECREASES

HOUSING MYTH

DIFFERENT HOUSING TYPES, OR DENSER HOUSING, ARE UGLY AND OUT OF CONTEXT

HOUSING MYTH

THERE'S NO DEMAND FOR NEW HOUSING TYPES

BUSTED

TO SOLVE THE REGION'S HOUSING ISSUES, WE NEED TO MAKE
DECISIONS BASED ON AVAILABLE DATA, NOT **myths.**



fixABLE
PROBLEMS
INDY REGION

WE'RE UNDERBUILDING BY NEARLY 2,000 HOMES A YEAR.

HOW DO WE **fix** THAT?

common goals:

1

BUILD & SELL
QUALITY,
IN-DEMAND HOMES

2

DEVELOP SAFE,
DESIRABLE
COMMUNITIES

3

CREATE AN
ENVIRONMENT THAT
SUPPORTS INVESTMENT

IF WE CAN AGREE ON THESE, WE CAN FIND A **fix.**

HISTORICALLY SPEAKING, ITS BEEN A LOT OF...



US VS. THEM

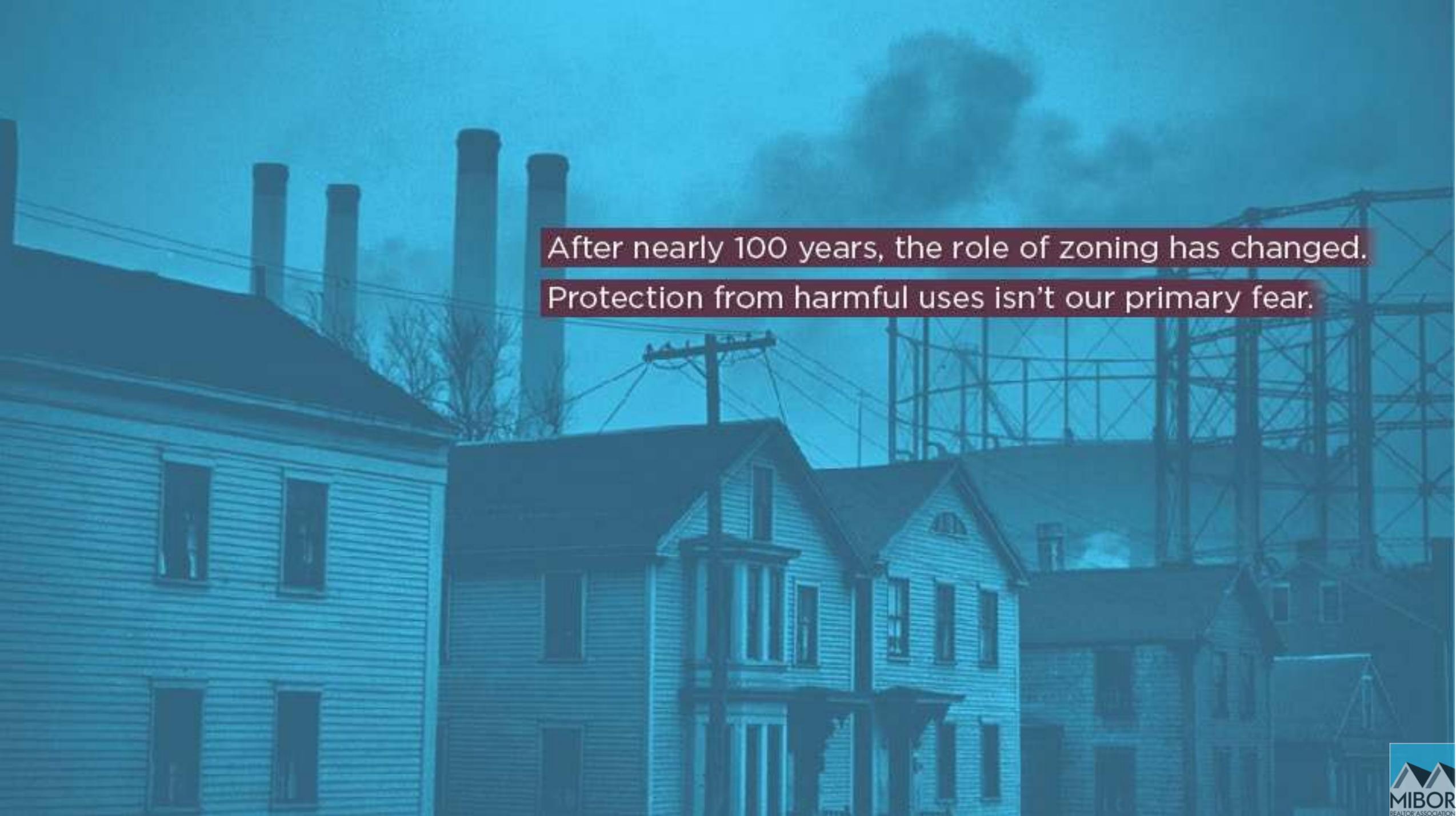


Create win-wins for municipalities, builders, and home buyers by bringing all parties together to improve the development and delivery of housing in the Indy Region.

MOVING FORWARD, WE NEED TO SEE MORE WE.

A LITTLE HISTORY LESSON

WHY WAS ZONING CREATED IN THE FIRST PLACE?



After nearly 100 years, the role of zoning has changed.
Protection from harmful uses isn't our primary fear.

“

We changed from a country in which landowners had relatively unfettered freedom to add density to a country in which veto rights over new projects are shared by a dizzying array of abutters and stakeholders.

...CONSEQUENTLY, WE NOW BUILD FAR LESS IN THE MOST SUCCESSFUL, BEST EDUCATED PARTS OF THE COUNTRY, AND HOUSING PRICES IN THESE AREAS ARE FAR HIGHER THAN CONSTRUCTION COSTS OR PRICES ELSEWHERE.”

— Edward Glaeser, Brookings Institute
Reforming Land Use Regulations
Published 2017



In some communities, this has broken the zoning and development process, causing market failures and fiscal instability.

And ultimately creating communities that aren't as great as they could be.

Zoning should be market-responsive and fiscally sustainable.



HERE ARE SOME SHORTER TERM, DO-ABLE, REALISTIC **fixes**

Are these the only ones? No, but they can get the conversation moving.

fixable problem #1:

REDUCE SINGLE-FAMILY ONLY ZONING DISTRICTS.

fixable problem #2:

ELIMINATE MINIMUMS.

fixable problem #3:

MATCH INFRASTRUCTURE TO DEVELOPMENT.

fixable problem #4:

MAKE ENTITLEMENT PROCESS MORE COLLABORATIVE.

fixable problem #5:

DECIDE WHAT YOU WANT AND STICK TO IT.

fixable problem #6:

MAKE IT EASIER, FASTER, AND MORE AFFORDABLE TO BUILD WHAT YOU WANT.

fixable problem #1:

REDUCE SINGLE-FAMILY ONLY ZONING DISTRICTS.

IN THE U.S. OVER 75% OF LAND IS LIMITED TO SINGLE-FAMILY DETACHED ONLY ZONING. THIS GREATLY REDUCES THE QUANTITY OF HOUSING THAT CAN BE DEVELOPED LEADING TO UNDERPRODUCTION OF HOUSING IN SOME COMMUNITIES LIKE CENTRAL INDIANA. DOWN ZONING TO AGRICULTURE OR LOW DENSITY ALSO IMPACTS THE AVAILABILITY OF DEVELOPABLE LAND.

fixable problem

REDUCE THE AMOUNT OF LAND THAT IS ZONED EXCLUSIVELY SINGLE-FAMILY DETACHED.

INCREASE OPPORTUNITIES FOR GENTLE DENSITY DEVELOPMENTS. ALLOW BY RIGHT DEVELOPMENT OF SMALL OR IRREGULAR LOTS, TOWNHOMES, DUPLEXES AND QUADS IN RESIDENTIAL ZONING DISTRICTS.



fixable problem #2:

ELIMINATE MINIMUMS.

REGULATORY COSTS ACCOUNT FOR NEARLY 25 PERCENT OF THE TOTAL HOME PRICE. MINIMUM LOT SIZES, MINIMUM DENSITIES, MINIMUM HOUSE SIZES ALL IMPACT COST AND HOW THEY ARE EMBRACED BY THE MARKET. BY ALLOWING THE MARKET TO DICTATE THESE, APPROPRIATE HOMES CAN BE BUILT FOR A BROADER SWATH OF THE MARKET. (NAHB 2021)

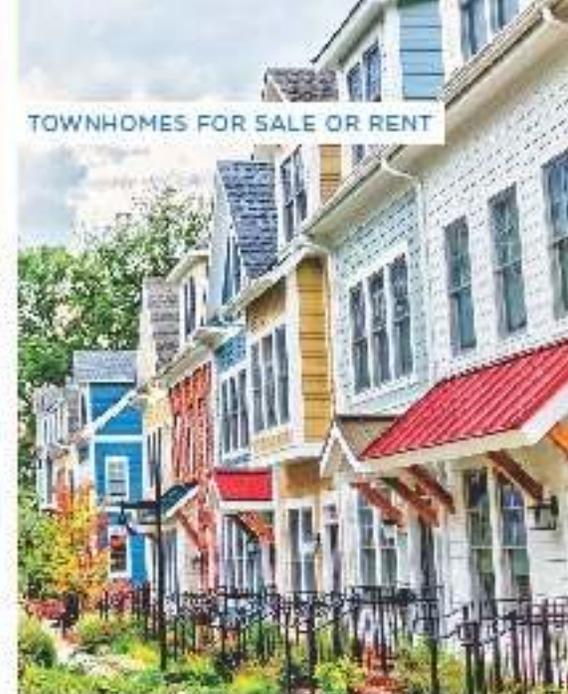
fixable problem

ELIMINATE
STANDARD
MINIMUMS.

REMOVE REGULATORY
BARRIERS TO ALLOW FOR
A VARIETY OF HOME AND
LOT SIZES AS DEMANDED
BY THE MARKET. THIS MAY
INCLUDE SMALLER HOMES
FOR EMPTY NESTERS AND
SINGLES AS WELL AS
DENSER NEIGHBORHOODS
THAT BETTER SUPPORT
WALKABILITY.



CARRIAGE HOUSE OR IN-LAW SUITE



TOWNHOMES FOR SALE OR RENT



NARROW LOTS AND INFILL



SMALL APARTMENTS OR CONDOS

fixable problem #3:

MATCH INFRASTRUCTURE TO DEVELOPMENT.

OVERSIZED ROADS AND OTHER INFRASTRUCTURE INCREASE COST AND CONSUME VALUABLE LAND THAT COULD BE USED FOR HOUSING. ADDITIONALLY, INFRASTRUCTURE BECOMES A COST BURDEN TO MUNICIPALITIES BRINGING DOWN REVENUES AND DRIVING UP COSTS.

fixable problem

MATCH INFRASTRUCTURE STANDARDS TO ACTUAL DEVELOPMENT INTENSITY.

ALIGN INFRASTRUCTURE STANDARDS WITH DEVELOPMENT INTENSITY ALLOWED AND/OR PROPOSED TO MANAGE COST FOR BOTH THE DEVELOPER (TODAY) AND THE MUNICIPALITY (IN THE FUTURE.)



NARROW NEIGHBORHOOD STREET IN STAPLETON, CO

fixable problem

MATCH INFRASTRUCTURE STANDARDS TO ACTUAL DEVELOPMENT INTENSITY

NARROWER STREETS FORCE CARS TO SLOW DOWN AND CAN GREATLY REDUCE FATALITIES OF PEDESTRIANS.

PEDESTRIANS HAVE A 95% SURVIVAL RATE AT 20 MPH VERSUS ONLY A 10% SURVIVAL RATE AT 40 MPH.

THIS CAN REDUCE FUTURE MAINTENANCE COST, INCREASE THE PRODUCTIVITY OF THE LAND, AND REDUCE THE COST OF EACH LOT

(top) HAR (bottom) Bungalowier



fixable problem #4:

MAKE ENTITLEMENT PROCESS MORE COLLABORATIVE.

MAKE DESIRED OUTCOMES CLEAR AND WORK COLLABORATIVELY FROM THE BEGINNING. THIS CAN BE A BENEFIT FOR THE MUNICIPALITY AND BUILDER.

fixable problem

**MAKE THE ENTITLEMENT
PROCESS MORE
COLLABORATIVE DURING
THE EARLY PHASE.**

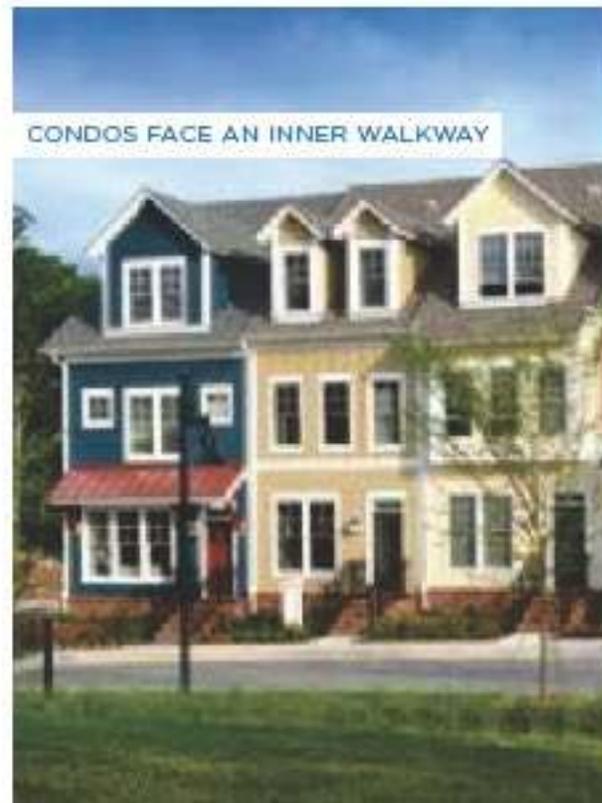
**REDUCE TIME, RISK AND
WASTED INVESTMENT BY
WORKING
COLLABORATIVELY EARLY
IN THE DESIGN PROCESS.**



ROOF LINES RELATE TO NEIGHBORHOOD



COMMERCIAL SPACE ADDS VALUE



CONDOS FACE AN INNER WALKWAY



MIX OF HOUSING TYPES GENERATES VIBRANCY

fixable problem #5:

DECIDE WHAT YOU WANT AND STICK TO IT.

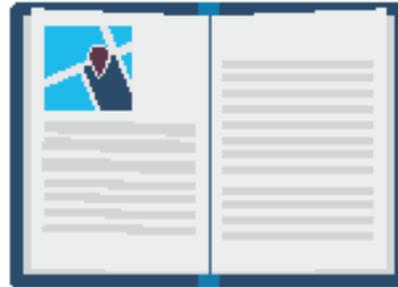
ENSURE THAT STAFF, APPOINTED/ELECTED OFFICIALS, AND OTHER DECISIONS MAKERS UNDERSTAND WHAT THE COMMUNITY AND CONSUMERS WANT AND STICK TO THAT. PERSONAL PREFERENCE OR IDEAS ON WHAT CONSUMERS WANT, DON'T HAVE A PLACE IN THE REVIEW PROCESS.

fixable problem

DECIDE WHAT THE COMMUNITY WANTS TO SEE BUILT AND STICK TO IT.

ALL GUIDING AND REGULATORY DOCUMENTS SHOULD COMPLEMENT AND SUPPORT ONE ANOTHER. REQUIREMENTS NEED TO REINFORCE AND REFLECT DESIGN AND DEVELOPMENT TYPES DESIRED BY THE BROADER COMMUNITY, NOT PERSONAL PREFERENCES.

GOALS, OBJECTIVES, AND REGULATIONS



COMPREHENSIVE PLAN



AREA AND SUBAREA PLANS



LAND USE CODES

FUTURE DEVELOPMENT



fixable problem #6:

MAKE IT EASIER, FASTER, AND MORE AFFORDABLE TO BUILD WHAT YOU WANT.

ONCE YOU DECIDE WHAT YOU WANT, REGULATE FOR IT. ALLOW DESIRED PRODUCT TYPES, PRICE POINTS, NEIGHBORHOOD TYPES, ETC. TO BE BUILT BY RIGHT. REDUCE REGULATORY HURDLES, DISCOUNT APPLICATION AND REGULATORY FEES TO EASE THE WAY FOR BUILDERS.

fixable problem

**MAKE IT EASIER,
FASTER, AND MORE
AFFORDABLE TO BUILD
WHAT THE COMMUNITY
WANTS TO SEE.**

REDUCE THE REGULATORY
AND FINANCIAL BARRIERS TO
BUILDING DESIRED HOUSING
AND NEIGHBORHOOD
TYPES. THIS CAN INCLUDE
REDUCED FEES, EXPEDITED
REVIEWS, OR INCENTIVES TO
ENCOURAGE BUILDERS.



IF WE CAN AGREE ON THESE,
WE CAN START TO **fix** CENTRAL INDIANA'S HOUSING CHALLENGES.

1

BUILD & SELL
QUALITY,
IN-DEMAND HOMES

2

DEVELOP SAFE,
DESIRABLE
COMMUNITIES

3

CREATE AN
ENVIRONMENT THAT
SUPPORTS INVESTMENT

fixes WILL VARY BY COMMUNITY, BUT AGREEING THERE ARE FIXABLE PROBLEMS MOVES US ONE STEP CLOSER TO ALLEVIATING THE REGION'S HOUSING SHORTAGE.

fixable problem #1:

REDUCE SINGLE-FAMILY ONLY ZONING DISTRICTS.

fixable problem #2:

ELIMINATE MINIMUMS.

fixable problem #3:

MATCH INFRASTRUCTURE TO DEVELOPMENT.

fixable problem #4:

MAKE ENTITLEMENT PROCESS MORE COLLABORATIVE

fixable problem #5:

DECIDE WHAT YOU WANT AND STICK TO IT.

fixable problem #6:

MAKE IT EASIER, FASTER, AND MORE AFFORDABLE TO BUILD WHAT YOU WANT.

REGIONAL (potentially statewide) **COOPERATION IS NEEDED**
TO TRULY fix THE HOUSING SHORTAGE WE ARE FACING.

In Closing ...

Inventory continues to be challenged. We need to work collaboratively to ensure we provide housing for the workforce of today and the future.

The right product.
The right price point.
The right location.

We need to ensure that our region and counties' economic development strategies are supported by a robust housing strategy. And vice-versa.

As the region and our communities continue to grow, we need to ensure development is strategic and fiscally responsible, not only for today but for the future.

It is critical that communities continue to invest in quality of place and amenities that contribute to high quality of life and attract a talented workforce.

Questions?

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