

La Porte County INDIANA Housing Analysis and Action Agenda

Steering Committee Meeting #1: Kick-Off

January 15, 2021



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Today's Agenda

Introductions

Scope and Schedule Overview

Trends

Discussion



Scope of Work, Schedule

Task 1: Project Start

Steering Committee: January 15th, 2021

Kick-off the project with confirmation of goals, deliverables, and key stakeholders to engage.

Task 2: Housing Supply Baseline

Meeting Date: Mid–February, 2021

Conduct demographic analysis of county, understanding age, incomes, household sizes, other attributes. Inventory housing stock of county, including owned and rented homes, vacation homes, group homes etc. Trip #1.

Task 3: Housing Demand, Gap, and Socioeconomic/ Racial Impacts

Meeting Date: Late March, 2021

Analyzing projections and demand against the inventory to identify important gaps and understanding important differential housing impacts on socioeconomic and racial/ethnic groups.

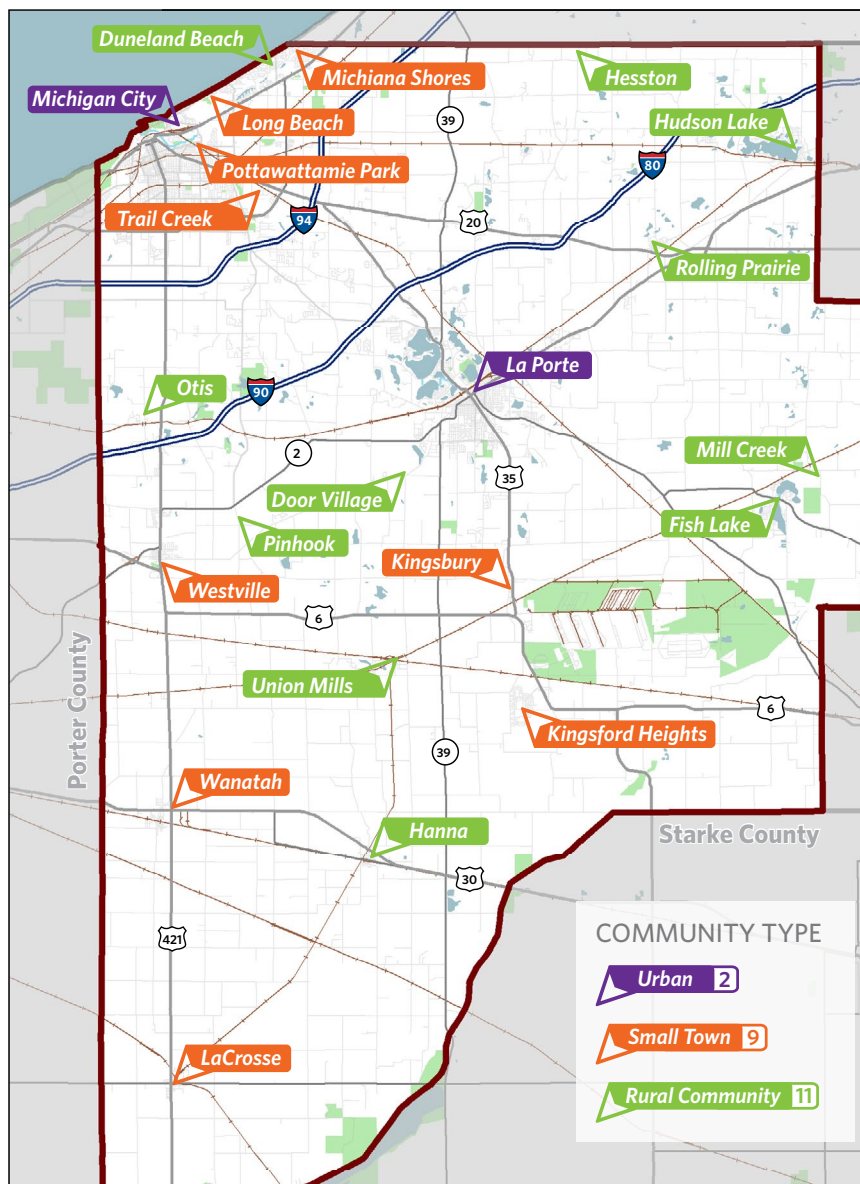
Task 4: Opportunities for Growth

Understand and describe ~five sites to market to the development community. Trip #2.

Task 5: Summary and Action Agenda

Final Meeting: May/June

An executive summary of the Housing Analysis, with an Action Agenda implementation plan organized by a vision and goals.



What We Need From You

Data

Help quantify vacation home market
Plans and goals around housing and development

Intended Audience

Housing builders, developers, investors, lenders
Housing advocates, CDFIs, non profits
Municipal and county staff
Elected officials

Local Experts

Who should I be talking to?
Example: Realtor round table
Michigan City round table
La Porte city round table

Deliverables

Slide decks
Executive Summary and Action Agenda document
What's helpful for you?

Source: Vibrant Communities of La Porte County

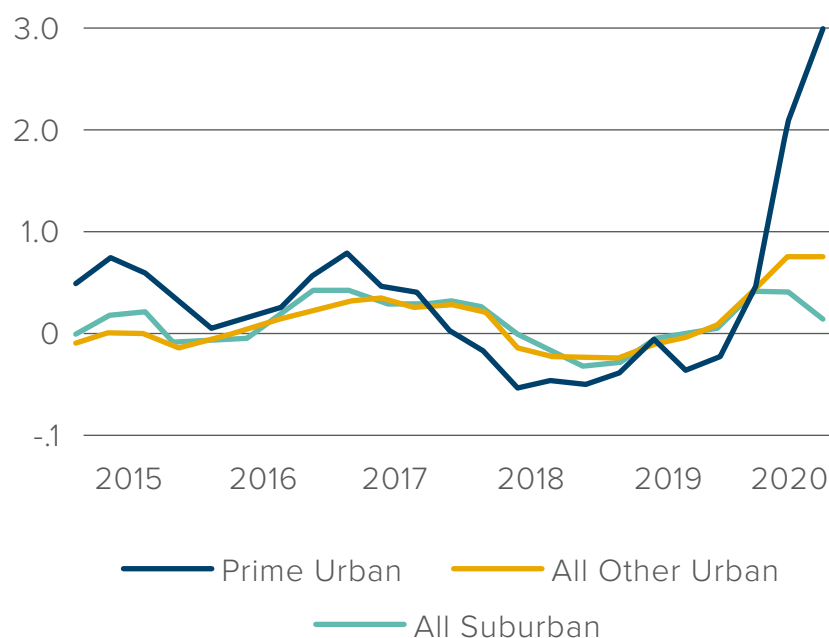
Trends

Recent National Trends

The pandemic has affected rental and owned housing markets across the country.

APARTMENT VACANCIES HAVE JUMPED IN PRIME URBAN AREAS

Year-over-Year Change in Vacancy Rate (percentage change)



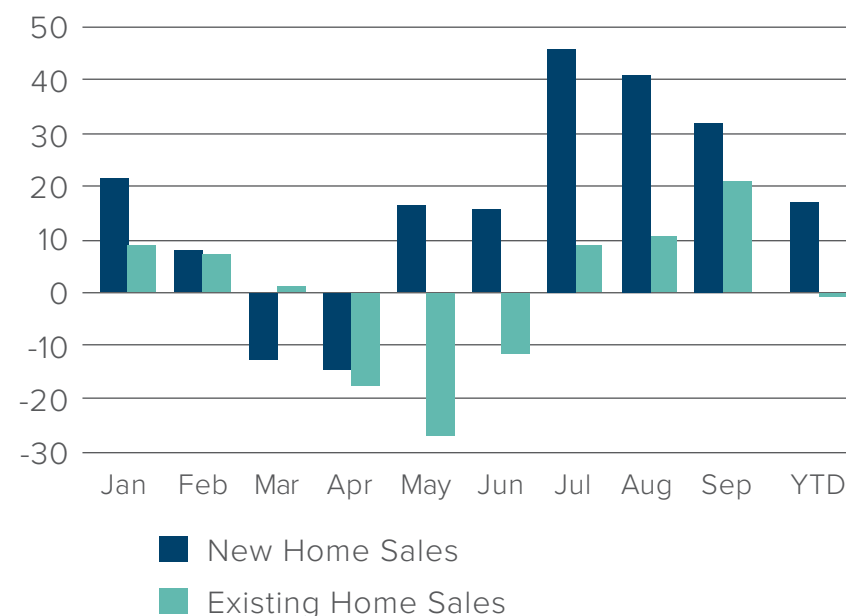
Note: Prime urban areas are the most expensive urban markets. Urban/suburban areas are defined based on density in the 54 largest markets that CoStar tracks.

Source: JCHS tabulations of CoStar Data

Source: "The State of the Nation's Housing 2012", Harvard University

HOME SALES REBOUNDED AFTER A SPRING DOWNTOWN

Year-over-Year Change (percent)



Note: Year-over-year changes are based on seasonally adjusted data, while the year-to-date changes are not seasonally adjusted. Recent monthly data are subject to revision.

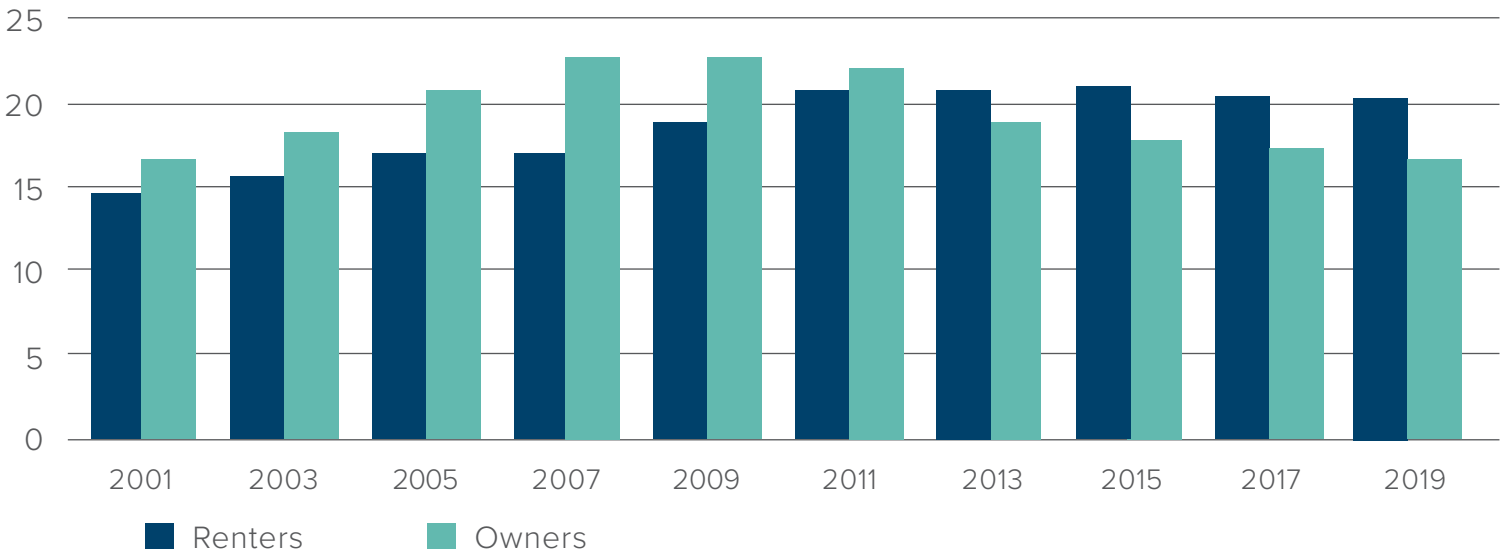
Source: JCHS tabulations US Census Bureau New Residential Sales; National Association of REALTORS (NAR) Existing Home Sales

Recent National Trends

Housing cost burdened households pay over 30 percent of their income on housing.

COST-BURDENED HOUSEHOLDS EXCEED 37 MILLION, DESPITE RECENT DROPS.

Cost-Burdened Households (Millions)



Note: Cost-burdened households pay more than 30% of income for housing.
Source: JCHS tabulations US Census Bureau, American Community Survey 1-year estimates.

National Housing Supply Trends

Housing construction has been affected by the pandemic, but also long-standing trends.

Local Regulations Constrain Housing Density and Type



More than a third of the 1,703 cities, villages, towns, and counties with zoning authority allow no more than seven housing units per acre according to the 2019 National Longitudinal Land Use Survey. Such regulations impact land prices: the Federal Housing Finance Agency reports the median price per quarter acre of land underneath existing single-family housing was \$144,100 in 2018, up 56 percent from 2012 to 2019. At this median, land represented 39 percent of total value.

Multifamily units are burdened by myriad requirements as well. almost half of jurisdictions require two or more off-street parking spaces per unit, with only four percent requiring less than a space per unit.

Cost of Building Materials



The price of raw and manufactured goods used as inputs for residential construction increased 45 percent over the decade from 2010 to 2020, with the pandemic's disruption of supply chains adding significant pressure. The Bureau of Labor Statistics reports the softwood lumber prices jumped 87 percent just from April to September, the largest price shock since record keeping began in 1940s.

Access to Skilled Workers



Labor in the field is persistently low. 2019's 321,000 job openings on average is the highest it's been since at least 2001. With foreign-born workers accounting for almost a third of this labor force, the downward trend in immigration rates will further constrain the labor supply.

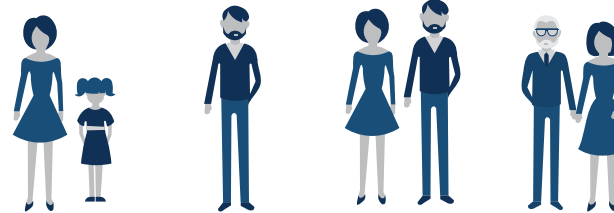
Source: "The State of the Nation's Housing". Joint Center for Housing Studies of Harvard University, 2020.

Change in Household Makeup

Household demographics are shifting, with singles driving the most growth.



HOUSEHOLD OF THE PAST



HOUSEHOLDS OF TODAY



3 out of 4
Households were married in 1950.

Today, only **half**
of Americans are married.

Younger generations are delaying marriage. Since 1960, the average age of first-time brides increased by over six years, from 20 to 26.5 in 2011. Additionally, more young people are forgoing marriage all together, up from just nine 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. For households under 35, single-person households outnumber married couple with children. Millennials will eventually drive family-household growth, just after 35.

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; "The State of the Nation's Housing". Joint Center for Housing Studies of Harvard University, 2020.

Walkability Preferences

While most Americans say they prefer single family homes, when it comes to real life trade-offs, preferences are shifting.

Over half of Americans would be willing to live in an apartment building or attached townhome if it meant they could be in a walkable location near amenities and work.



Source: National Association of REALTORS Community and Transportation Preference Survey, 2017. Left image: Cinnamon Hollow. Right image: Johnston Architects.

What is Walkability?

Walkability refers to the ease of getting to a variety of destinations on foot.

Clustered services and connected sidewalk infrastructure makes for efficient access that lowers transportation costs. This also allows other transportation options like bicycling or car-sharing to work well.

WALKSCORE DEFINITION:

Walkscore is an index of 0-100 that measures the walkability of a given location. Areas with higher walkscores have easy, walkable access to daily services and amenities.

Other than benefits to health, happiness, and reduced emissions, one study showed walkable neighborhoods suffered less than half the decline in value during the Great Recession, compared with less walkable neighborhoods.

During the pandemic, the NAR found those in walkable neighborhoods reported a higher quality of life, and those “very satisfied” *increased* as well.

LA PORTE COUNTY WALKSCORE MAP



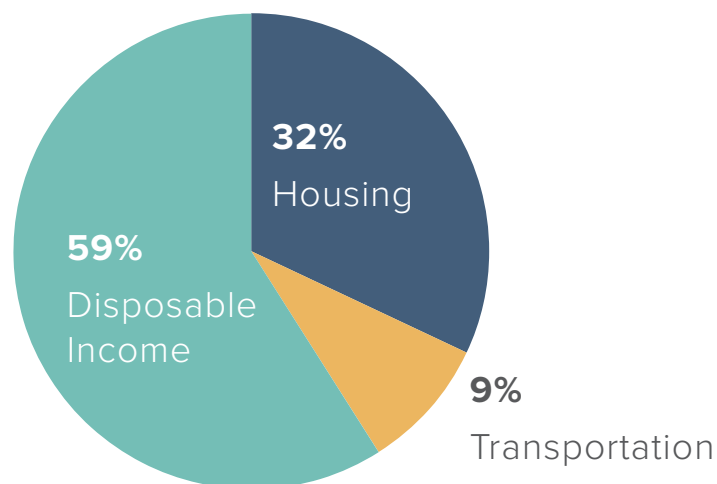
source: walk score®, <https://pubmed.ncbi.nlm.nih.gov/29699423/>, <https://urbanland.uli.org/sustainability/houston-economic-case-walkability/>

Housing and Transportation

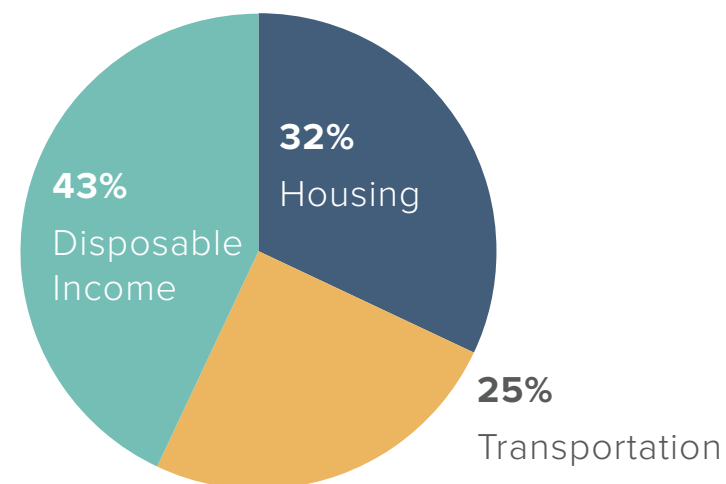
Housing costs are inextricably linked to transportation costs. Since choosing affordability on one is often a trade-off with the other, intelligent housing discussion includes both.

For every \$1 saved on housing costs by moving to the urban fringe, transportation costs rise \$0.77.

**LOCATION EFFICIENT NEIGHBORHOODS
OFFER SAVINGS ON TRANSPORTATION COSTS.**



**AUTO-DEPENDENT NEIGHBORHOODS ON THE
URBAN FRINGE HAVE HIGHER TRANSPORTATION
COSTS.**



Barbara J. Lipman, Something's Gotta Give: Working Families and the Cost of Housing, Center for Housing Policy, 2005.

The Importance of Housing Diversity

Having the right mix of housing is critical to La Porte County's competitiveness.

Municipal Revenues Lost



10x revenue

per Acre

Smart growth development generates 10 times more tax revenue per acre compared to conventional suburban development. A recent Indianapolis study by Smart Growth America found that typical drivable suburban development, composed mainly of single-family homes can actually generate negative net fiscal impacts.

Talent Attraction Harder

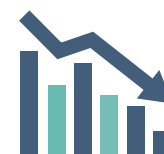


Skilled Labor

#1 Relocation Factor for Businesses

Companies across the U.S. are moving to and investing in walkable downtown locations, in large part because these places help to attract and retain talented workers. Ideal neighborhoods amenities include a wide range of home types that allow them to be affordable to employees of all income levels.

Volatile Housing Cycles



Stability

Diversity Provides Protection

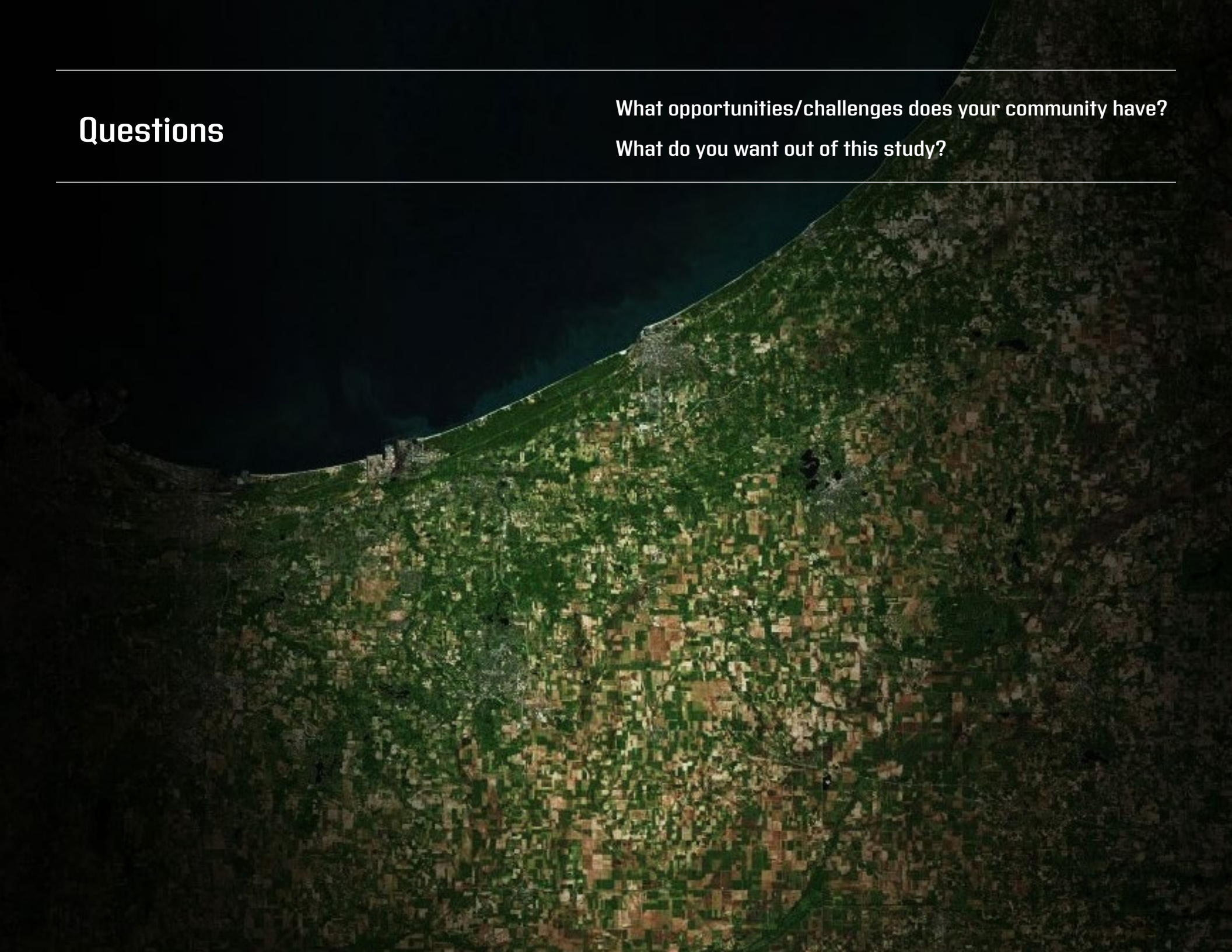
Municipalities with monotonous, undifferentiated housing stock suffered more value decreases during the recent recession in 2008. As demographic groups slowly shift preferences over time, a mix of housing types allow a city to retain these households, and stabilize resale values.

Source: The Fiscal Implications of Development Patterns: Indianapolis, 2016; Amazing Place: Six Cities Using the New Recipe for Economic Development, 2016; Core Values: Why American Companies are Moving Downtown, 2015

Questions

What opportunities/challenges does your community have?

What do you want out of this study?



Thank You

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Read ahead on demographics!

[Stats Indiana](#)