

Steering Committee Meeting #2: Housing Supply and Demographic Baseline

LA PORTE COUNTY INDIANA HOUSING ANALYSIS & ACTION AGENDA

February 19, 2021

greenstreet



Today's Agenda

Demographics

Housing Supply Inventory

Discussion



Schedule

Task 1: Project Start

Steering Committee: January 15th, 2021

Task 2: Housing Supply Baseline

Meeting Date: February 19th, 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. These will be described by market segments (age group, incomes, other preferences). Understanding important differential housing impacts on socioeconomic and racial/ethnic groups.

Task 4: Opportunities for Growth

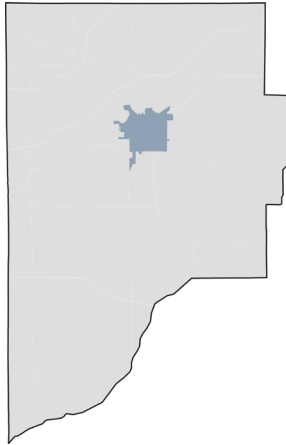
Understand and describe ~five sites to market to the development community. Trip #2.

Task 5: Summary and Action Agenda

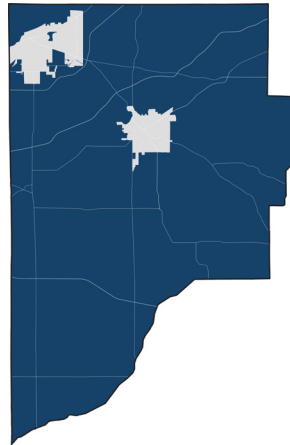
Final Meeting: May/June

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

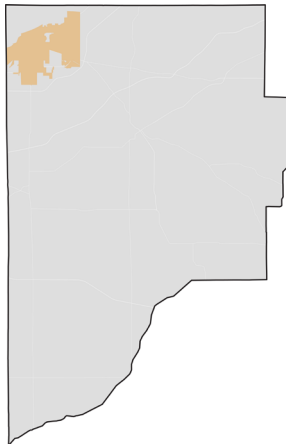
CITY OF LA PORTE



REMAINING LA PORTE COUNTY



MICHIGAN CITY



A Note on Project Geographies

Much of the following analysis of local housing data has been stratified into three project geographies within La Porte county: the City of La Porte, Michigan City, and the remaining La Porte County. The boundaries for these geographies were determined by current **municipal planning jurisdictions** and are shown in blue.

A Note on Institutionalized Population

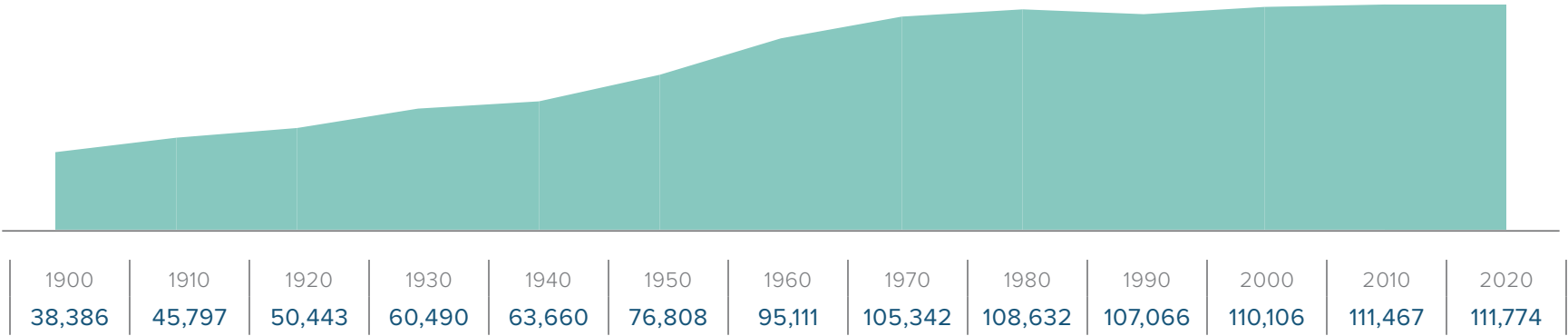
The entirety of this housing analysis omits La Porte County's institutionalized population (~8,000 occupants of federal, state, or local correctional facilities or group homes) from resident/household counts, and all occupied or unoccupied institutional quarters have been omitted from residential dwelling unit counts.

Source: La Porte County GIS, 2021.

Demographics

La Porte County Historical Population Trends

La Porte County’s population has recently
leveled off.

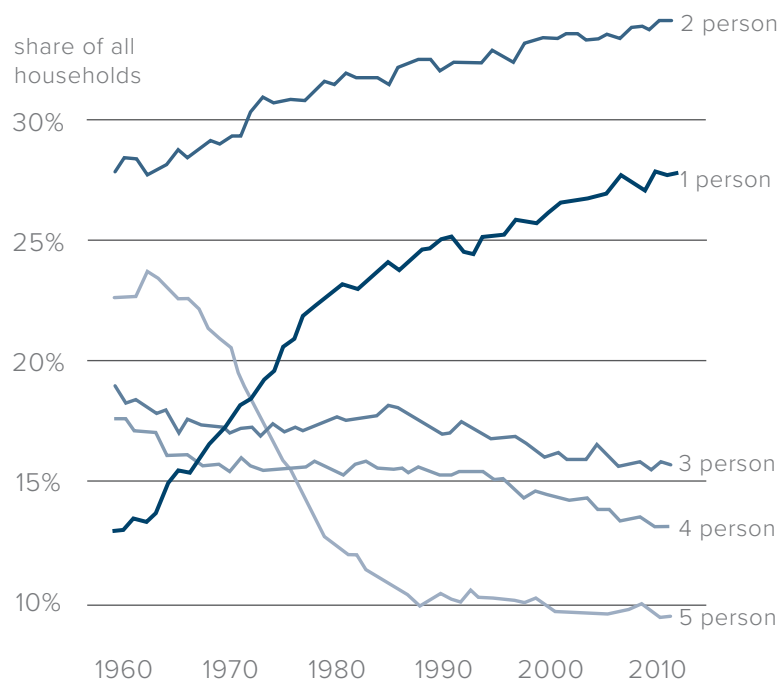


Source: Stats Indiana; Esri 2020.

Change in Household Size

The increasing number of one- and two-person households has changed housing demand.

BETWEEN 1960 AND 2010, ONE- AND TWO-PERSON HOUSEHOLDS HAVE GROWN SIGNIFICANTLY



44%
growth by 2030

The proportion of Americans who live alone has grown considerably since the 1920s when only five percent of people lived alone. In 2017, one-person households made up 28 percent of all households nationwide. In La Porte County, one-person households made up 29 percent of all households.

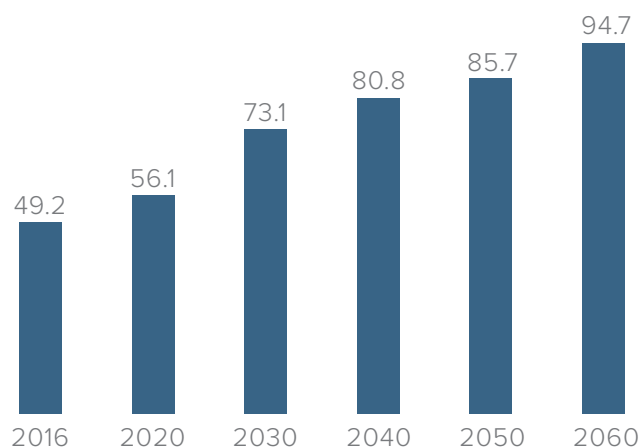
Source: U.S. Census; The Pew Charitable Trusts, "Growing Number of People Living Solo Can Pose Challenges," 2014; Wall Street Journal "One in Four American Households Is One Person Living Alone," 2014; Statista; American Community Survey, 2012 - 2016

Aging Americans

An aging population in the U.S. will continue to bring about important shifts in the future.

IN FIFTY YEARS, THE NUMBER OF OLDER ADULTS WILL NEARLY DOUBLE.

millions of people over 65



*Note: Older adults are those 65 and older. Children are age 0-17.
Source: U.S. Census Bureau, 2017 National Population Projections*

Due to an aging population, 2030 will mark the first year that immigration will overtake natural increase as the primary driver of population growth.

As the population ages, the number of deaths will rise substantially, while birth rates will continue to stay relatively low.

By 2035, older adults will outnumber children for the first time.

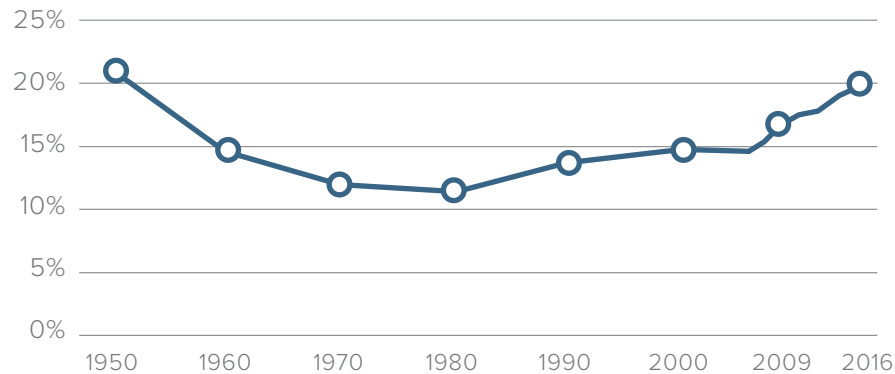
Population Change:

NET MIGRATION: ↑ In-Migration – Out-Migration ↓

NATURAL INCREASE: ↑ Births – Deaths ↓

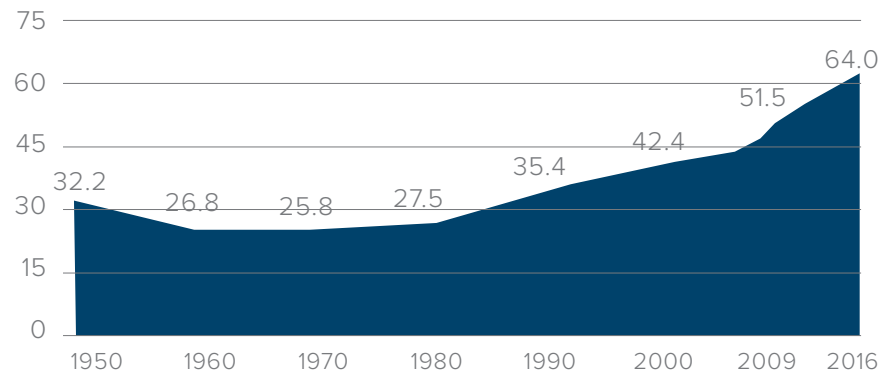
THE SHARE LIVING IN MULTIGENERATIONAL HOUSEHOLDS HAS RISEN.

% of population in multigenerational households



THE NUMBER LIVING IN MULTIGENERATIONAL HOUSEHOLDS HAS REACHED A RECORD HIGH.

millions



Multigenerational Households

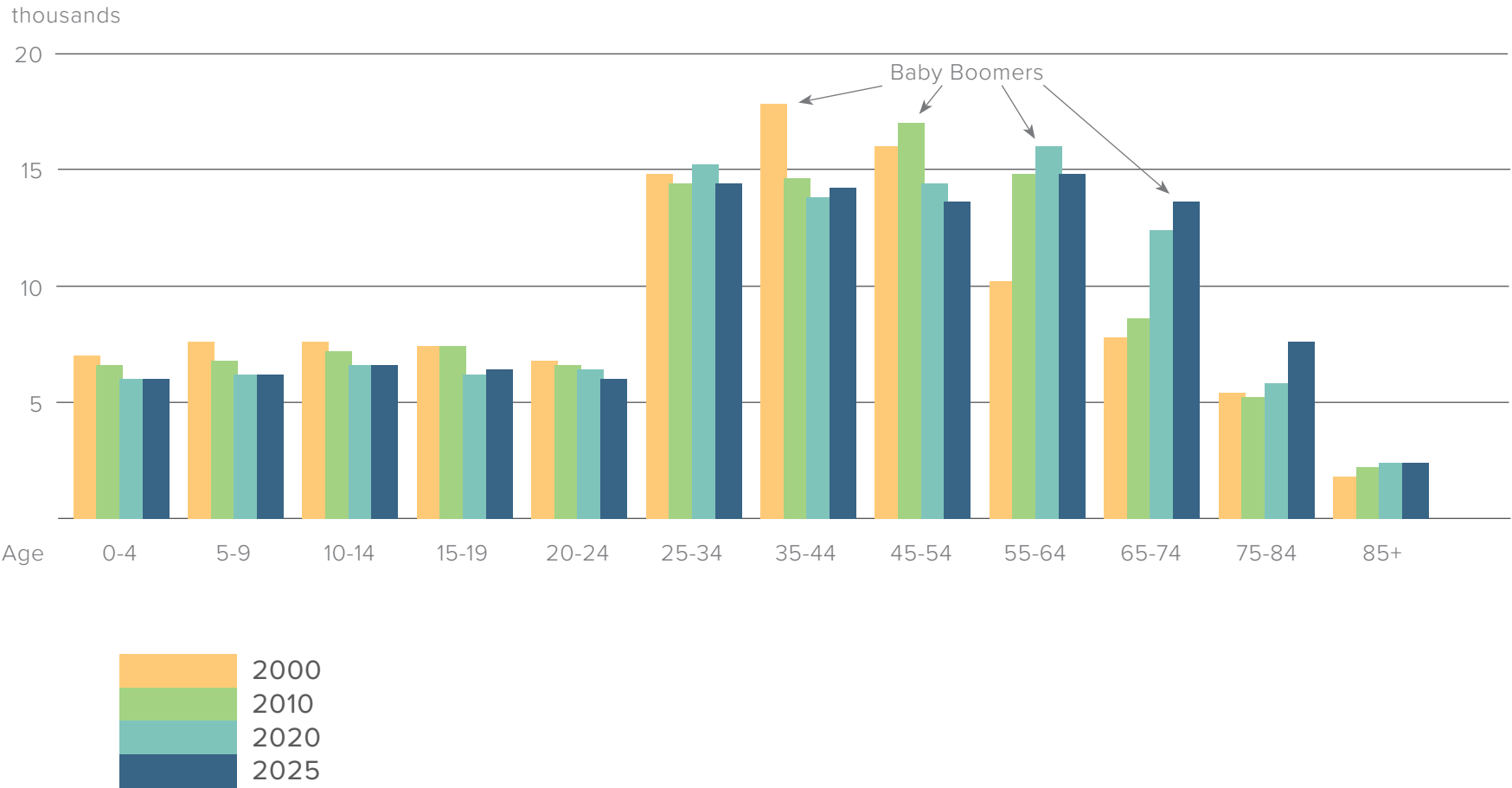
Shifts in household formation, driven partly by economic conditions among many other factors, have caused multigenerational living to rebound to historic rates.

<https://www.pewresearch.org/fact-tank/2018/04/05/a-record-64-million-americans-live-in-multigenerational-households/>

Local Household Change by Age

Different life stages will drive demand for diverse housing options, especially for seniors.

AGING BABY BOOMERS AND RETIREES MOVING TO LA PORTE COUNTY HAVE SIGNIFICANTLY SHIFTED THE HOUSEHOLD AGE MAKE-UP.

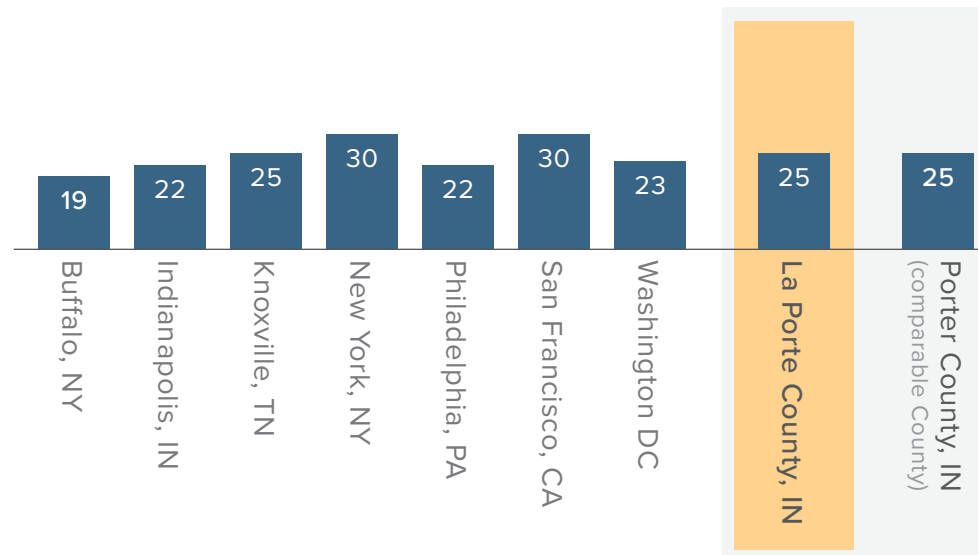


Source: U.S. Census Bureau, 2000; 2010. Esri, 2020; 2025.

Housing and Transportation

Many car-centric cities make “Most Affordable Cities” lists, and La Porte County looks relatively affordable, at 25 percent of the median income spent on housing.

HOUSING COSTS
AS A SHARE OF MEDIAN INCOME



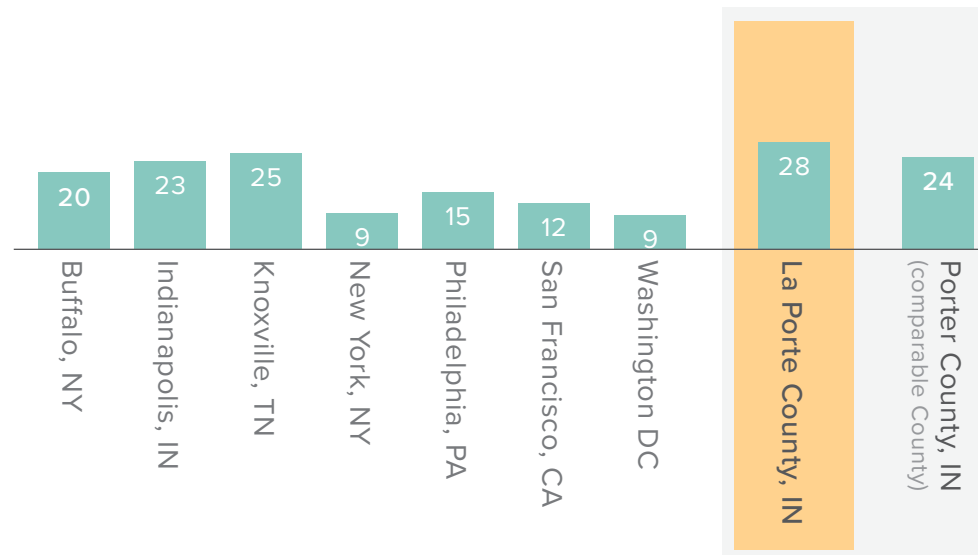
Sources: Center for Neighborhood Technology Housing + Transportation Index

Housing and Transportation

This ignores the generally higher transportation costs that sprawling cities tend to require.

La Porte County has higher transportation costs than many cities, but is on par with a comparative county set.

TRANSPORTATION COSTS
AS A SHARE OF MEDIAN INCOME



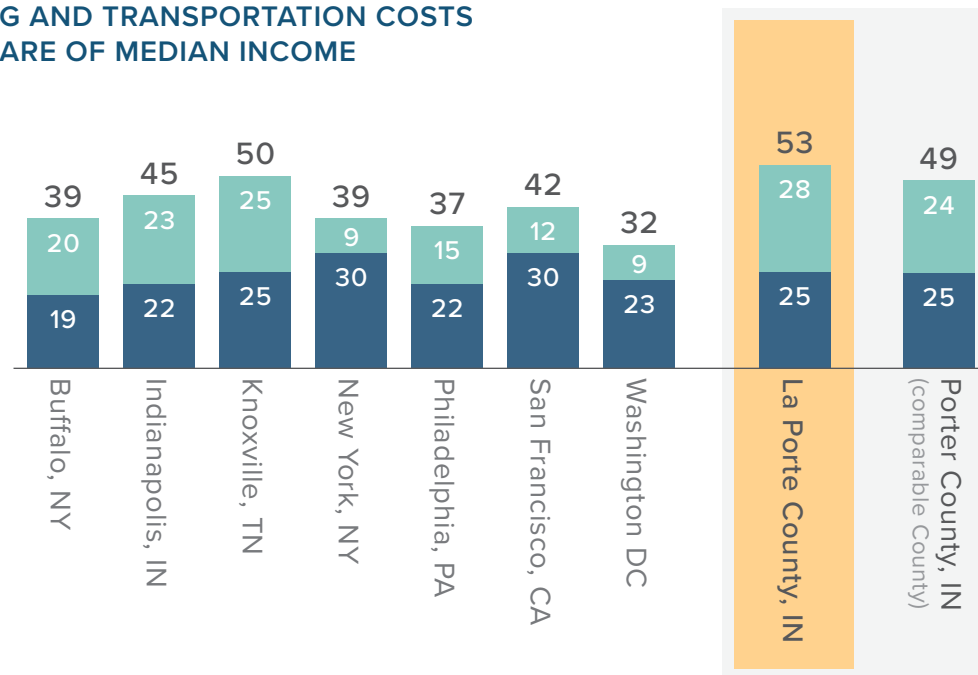
Sources: Center for Neighborhood Technology Housing + Transportation Index

Housing and Transportation

When viewed together, these two costs reveal a very different picture.

At 53 percent, La Porte County's housing and transportation costs are high.

HOUSING AND TRANSPORTATION COSTS
AS A SHARE OF MEDIAN INCOME



Sources: Center for Neighborhood Technology Housing + Transportation Index

Housing and Transportation

Transportation expenditures create little tax revenue or benefit to a municipality.

BENEFITS OF REDUCED TRANSPORTATION COSTS



Disposable Income

Residents have more disposable income to spend on goods and services



Health Care

Residents have more income to spend on health care costs



Road Maintenance

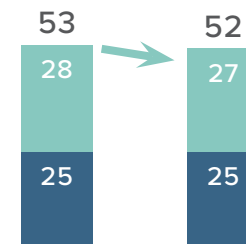
Reduction of vehicle-miles travelled reduces maintenance costs
Fewer vehicles on roadways reduces traffic congestion



Housing

Residents have more money available for housing
Municipality collects more annual property tax revenue

POTENTIAL IMPACT OF TRANSPORTATION SAVINGS IN LA PORTE COUNTY ARE SIGNIFICANT

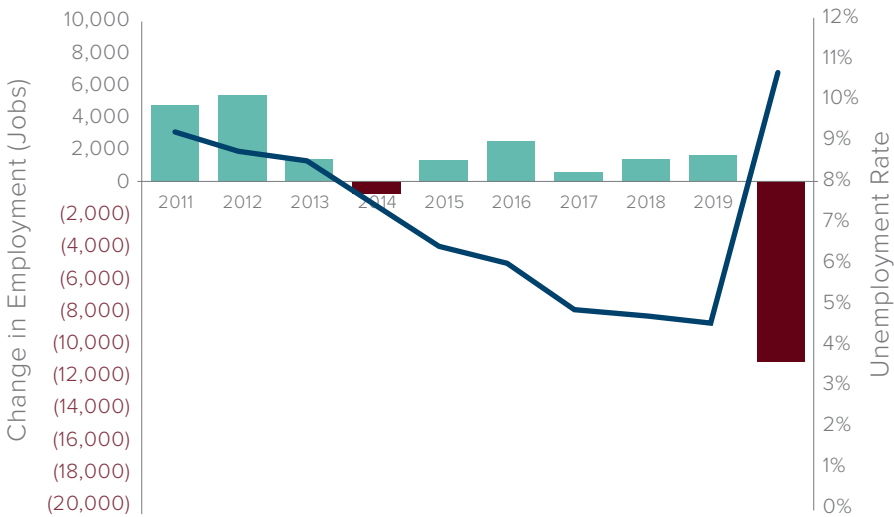


Reducing household transportation costs by just **1%*** would generate savings of nearly **\$30 million** to La Porte County households **every year**.

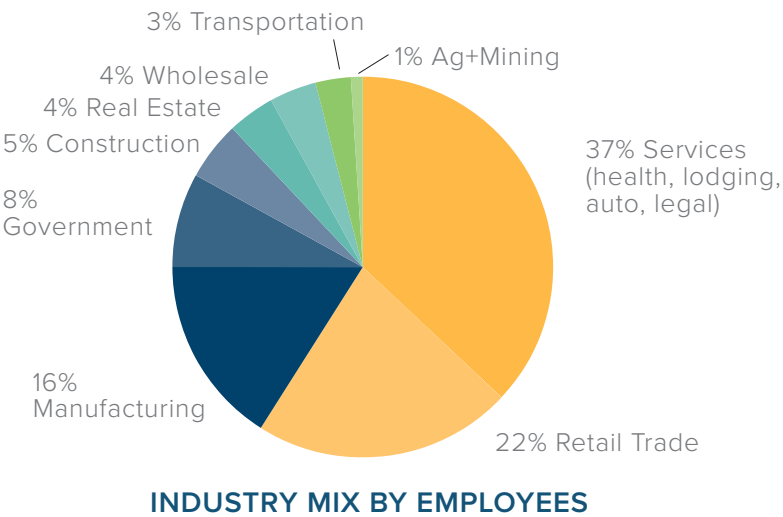
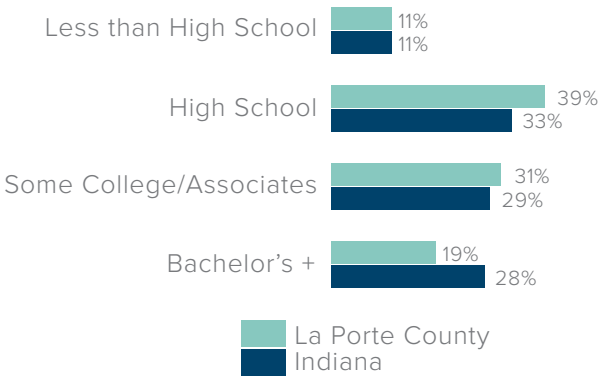
Labor Force Snapshot

La Porte County’s many service and retail employees have suffered during the pandemic.

THE PANDEMIC AND CURRENT RECESSION HAVE AFFECTED LA PORTE COUNTY SIGNIFICANTLY.



LA PORTE COUNTY’S EDUCATION RATES MATCH THE INDUSTRY MIX



Source: Esri, 2020; Cushman & Wakefield, 2020.
 Notes: Educational attainment data for La Porte County includes population ages 25 and over

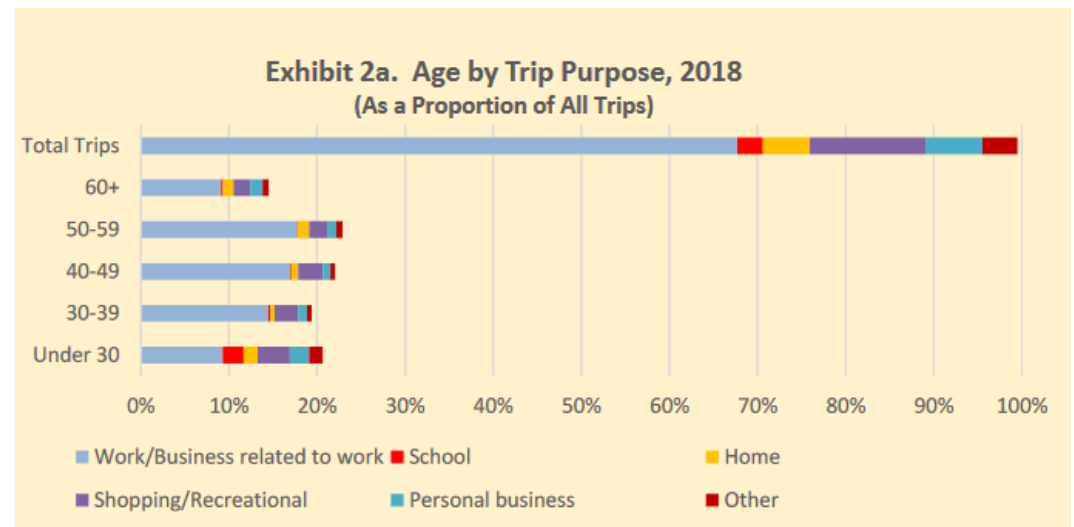


South Shore Line Riders

South Shore Line (SSL) riders represent an important potential market for La Porte County's growth: They are potential shoppers, visitors, workers, retirees, who will soon have much better service through the county.

SSL RIDERS:

- 60% female
- Median household income: ~\$90,000
- 90% drive to station
- 70% walk to destination
- Major concern: Frequency of Service 3.49 (1-5), soon to be addressed
- **#1 ridership factor: cost savings over driving**

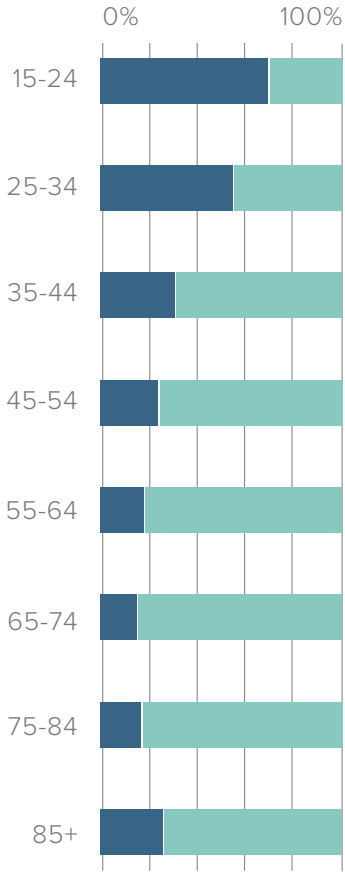


Source: NICTD. South Shore Line Onboard Passenger Survey. 2018, NWITDD.com

Owner/Renter by Age, 2019

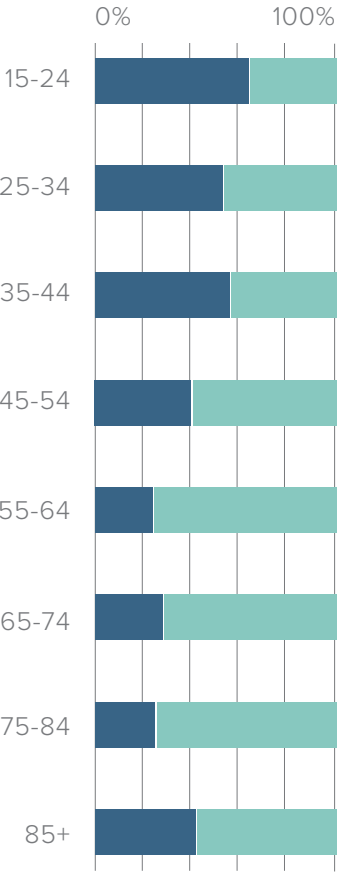
Renting is more common in early and later lifestages.

LA PORTE COUNTY



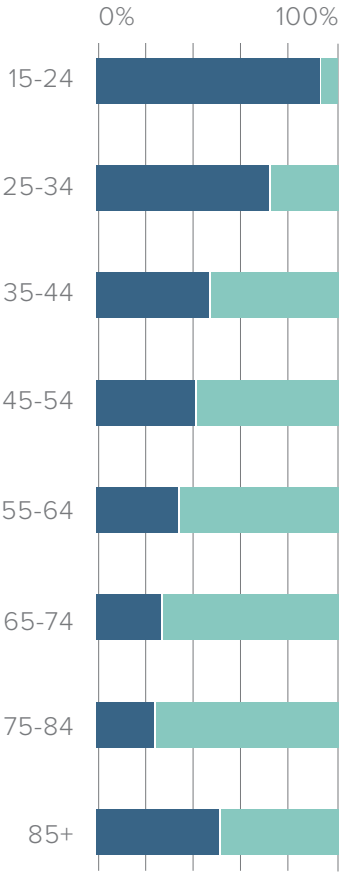
Total Renters: 20%

CITY OF LA PORTE



Total Renters: 40%

MICHIGAN CITY



Total Renters: 46%

Renter
Owner

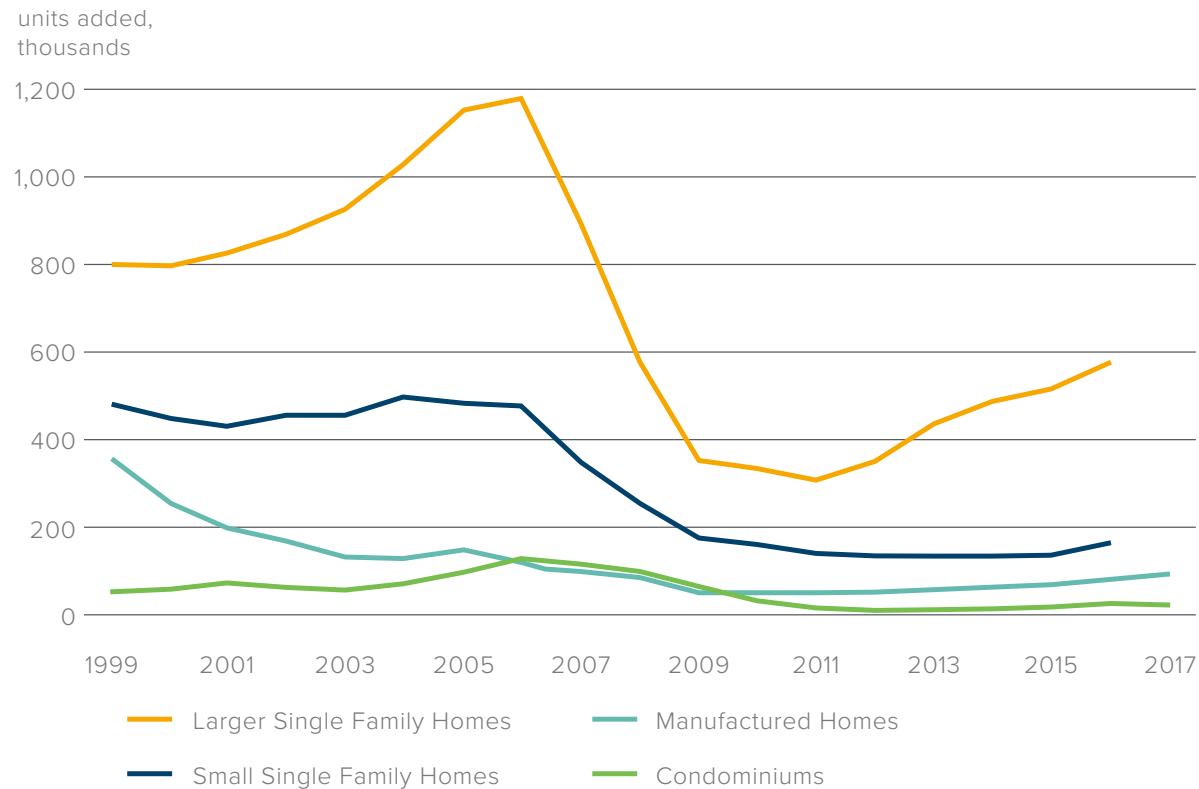
Source: Census, 2019.

Housing Supply Inventory

National Housing Types and Prices

Construction of modest, attached homes has remained limited since the Great Recession.

AFTER THE RECESSION, CONSTRUCTION OF LARGER SINGLE-FAMILY HOUSES HAS SEEN THE LARGEST GROWTH.



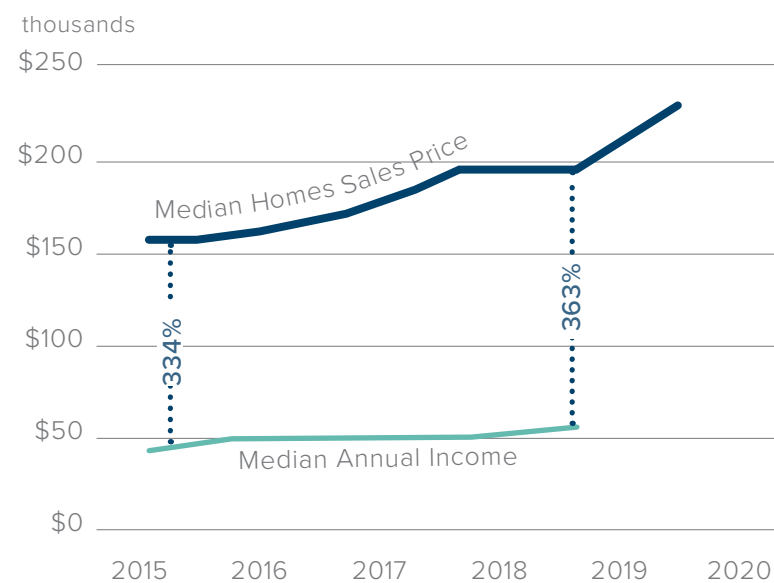
Note: Small/Large threshold is 1,800 sq. ft. Condominiums are for-sale multifamily units. Single-Family completions by home size for 2017 were unavailable at time of publication.

Source: Harvard Joint Center for Housing Studies tabulations of US Census Bureau, New Residential Construction and Manufactured Housing Surveys

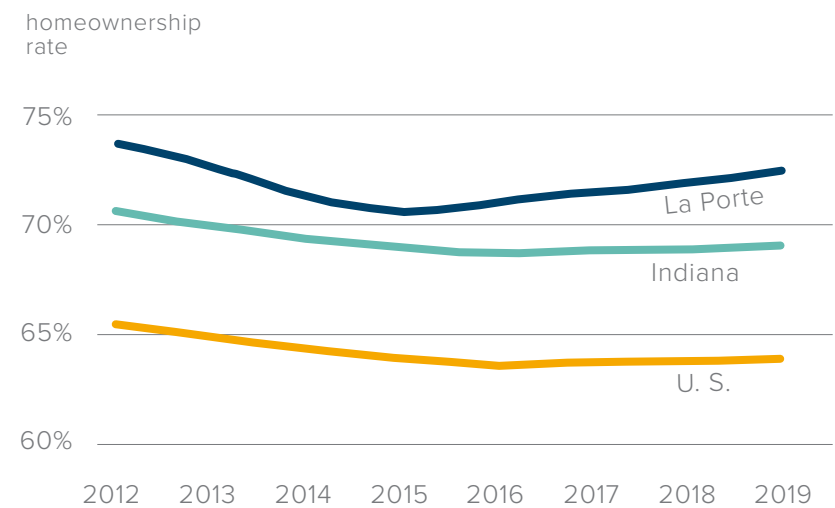
Local Housing Trends

Local housing prices remain high, but homeownership rates have recent rebounded.

MEDIAN HOME SALES PRICES HAVE SIGNIFICANTLY JUMPED IN LA PORTE COUNTY, FURTHER OUTPACING INCOME GROWTH.



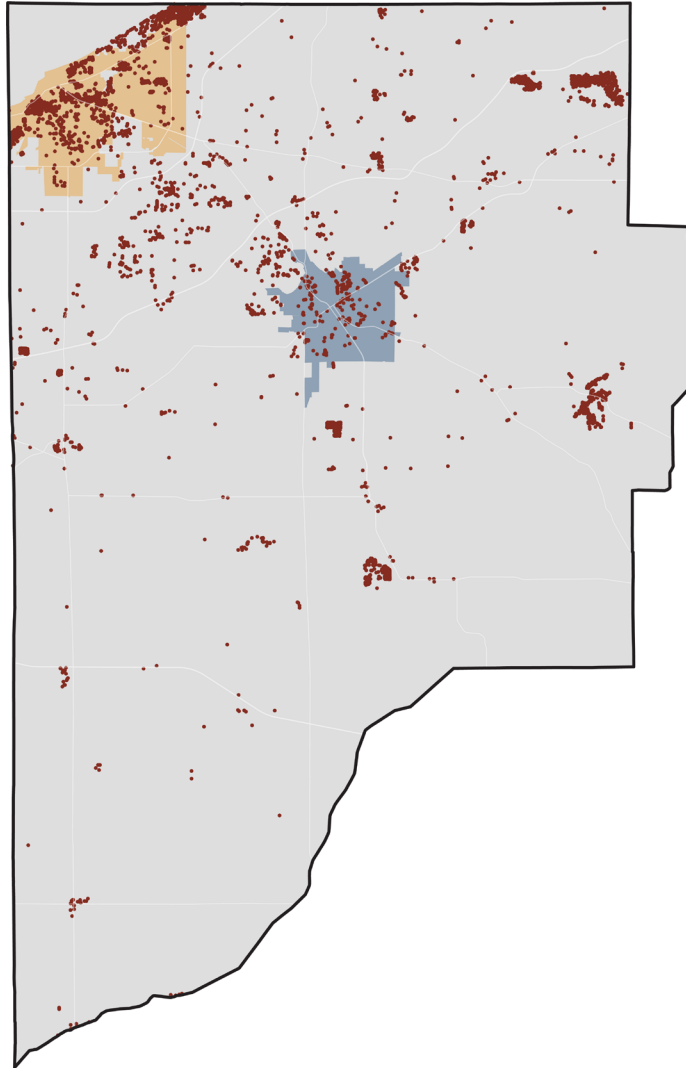
HOMEOWNERSHIP RATES HAVE REBOUNDED, WITH HIGHER RATES IN A SUBURBAN/RURAL COUNTY LIKE LA PORTE.



Source: Census, 2019; La Porte County Association of REALTORS, 2020

Previously Approved Vacant Lots

Numerous subdivisions stalled by the Great Recession have failed to complete.



As of the 2020 property assessment, La Porte County contains around 4,500 approved and platted residential lots that currently sit vacant. These approved but undeveloped lots amount to around 1,200 acres of land and could have a significant affect on the accommodation of future housing demand.

City of La Porte municipal limits

Michigan City municipal limits

Platted vacant residential lot

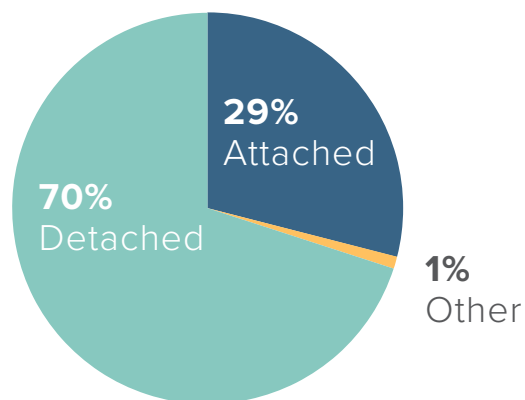
Source: La Porte County Assessor. Greenstreet calculations.

Note: Determination of vacant, platted residential lots determined from La Porte County Assessor parcels with State property class code "500".

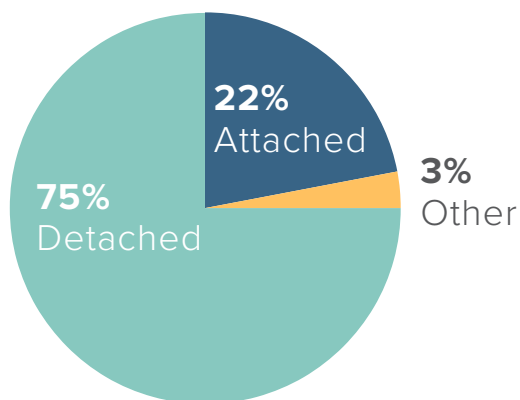
Current Housing Format

Housing format varies significantly between urban and rural areas in the county.

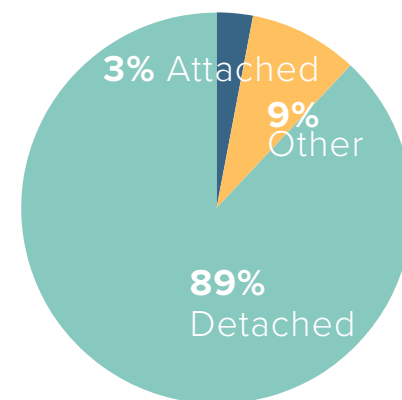
CITY OF LA PORTE HOUSING FORMAT



MICHIGAN CITY HOUSING FORMAT



REMAINDER OF LA PORTE COUNTY HOUSING FORMAT



ATTACHED HOMES



DETACHED HOMES



Source: La Porte County Assessor

Notes: "Other" includes non-conventional housing units such as mobile homes, RVs, boats, etc.

Some Density Examples

Building height, bulk, and character are not closely tied to dwelling unit density.

Pruitt-Igoe in St. Louis was 50 dwelling units per acre



Some Density Examples

Building height, bulk, and character are not closely tied to dwelling unit density.

Benedict Commons in Aspen, CO is 78 dwelling units per acre

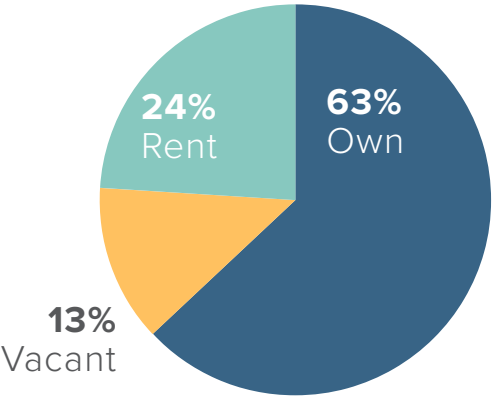


Source: Harry Teague Architects

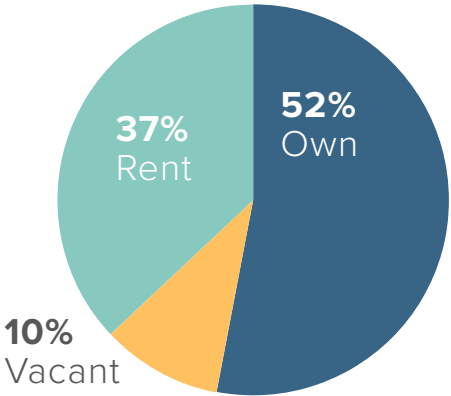
Current Housing Tenure

Housing tenure can vary widely among neighboring municipalities.

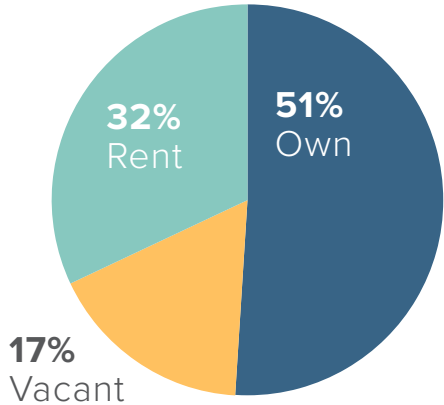
LA PORTE COUNTY
HOUSING TENURE



CITY OF LA PORTE
HOUSING TENURE



MICHIGAN CITY
HOUSING TENURE



OWNED HOMES



RENTED HOMES



Sources: Esri 2020

note: Institutionalized units such as penitentiaries and group homes not tabulated

La Porte County Dwelling Unit Mix

La Porte County has a higher share of detached housing than Indiana.

DETACHED

86% (La Porte County)
76% (Indiana)



SINGLE-FAMILY HOUSES

1-Family Dwellings

38,376 UNITS

ATTACHED

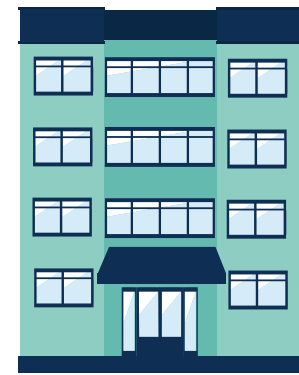
14% (La Porte County)
24% (Indiana)



SINGLE-FAMILY ATTACHED

2- and 3-Family Buildings

2,815 UNITS



MULTIFAMILY

4- or More Family Buildings

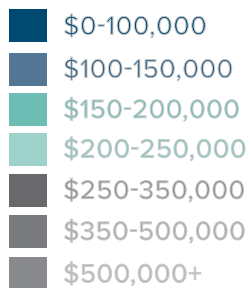
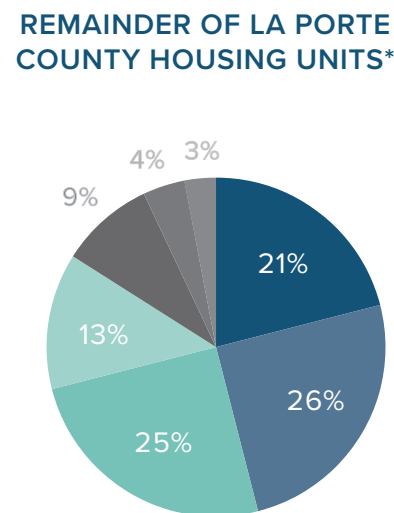
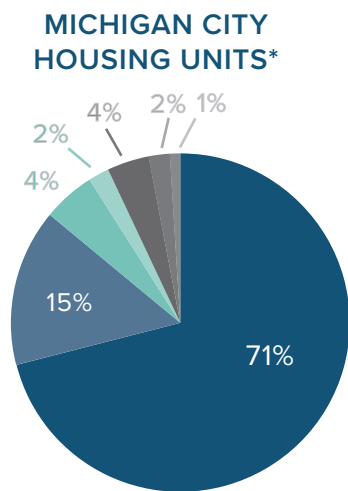
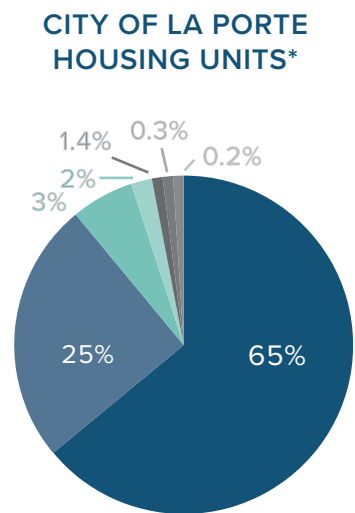
3,201 UNITS

Sources: La Porte County Assessor

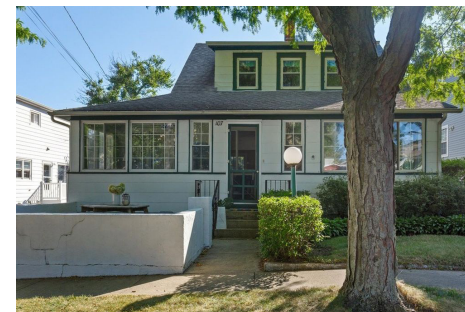
note: Unit mix does not include mobile homes or institutionalized units (penitentiaries, group homes). High-rise condominiums classified as multifamily.

Assessed Housing Values

City home values skew lower as a result of age, since most new homes have been built in the county.



City of La Porte



Michigan City

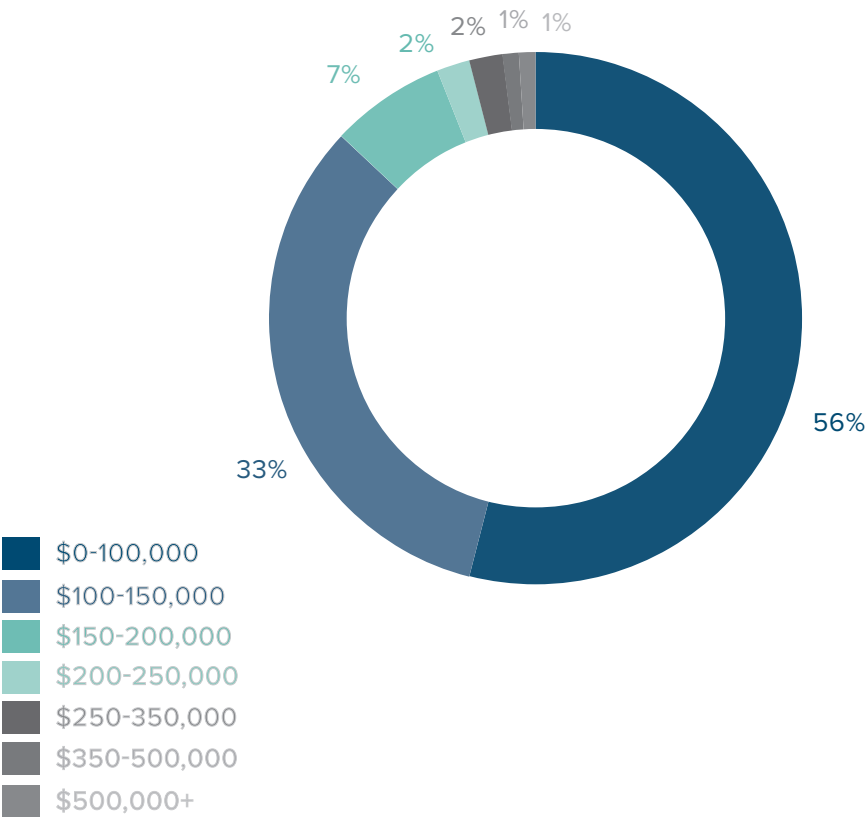
*This data set includes all single-family, duplex, triplex and condos housing units. Multi-unit parcels calculated as the average AV per unit

Source: La Porte County Assessor; Greenstreet calculations.

Single Family Housing

La Porte’s housing consists predominantly of small to mid-sized, single-family homes valued around \$100,000.

OVER 85% OF SINGLE-FAMILY HOMES ARE VALUED UNDER \$150,000.



CITY OF LA PORTE SINGLE-FAMILY STATS



6,107
TOTAL UNITS

1937
AVG. YEAR BUILT

1,498
AVG. SQ. FT./UNIT

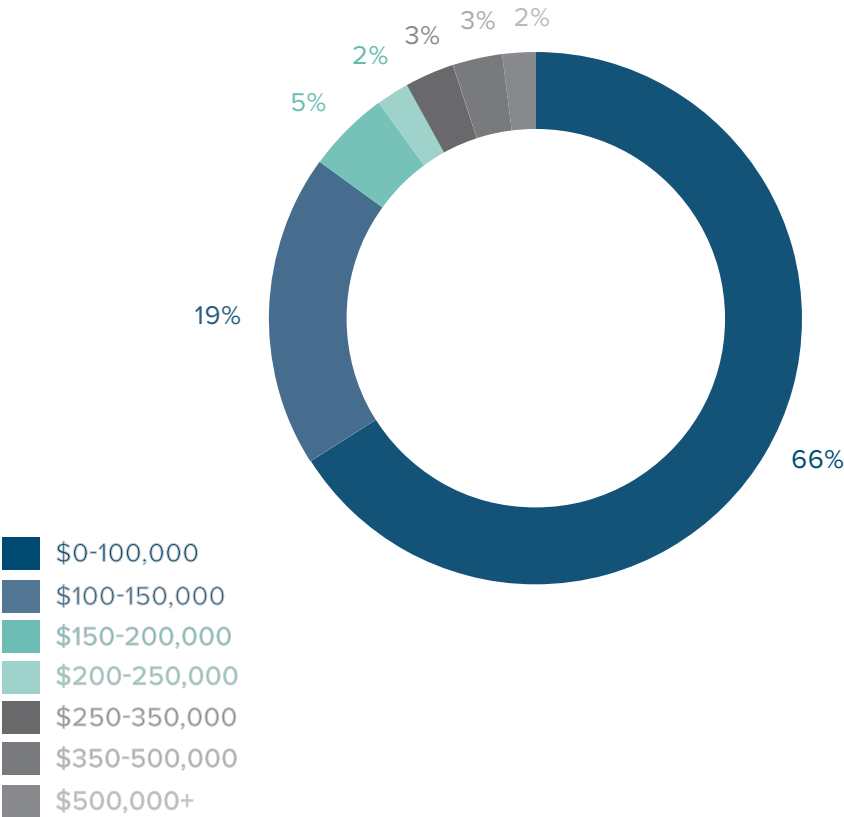
\$103,569
AVG. ASSESSED VALUE

Source: La Porte County Assessor. Greenstreet calculations.

Single Family Housing

Michigan City's single family houses are also older, smaller with low assessed values.

85% OF SINGLE-FAMILY HOMES ARE VALUED UNDER \$150,000.



MICHIGAN CITY SINGLE-FAMILY STATS



8,761
TOTAL UNITS

1945
AVG. YEAR BUILT

1,510
AVG. SQ. FT./UNIT

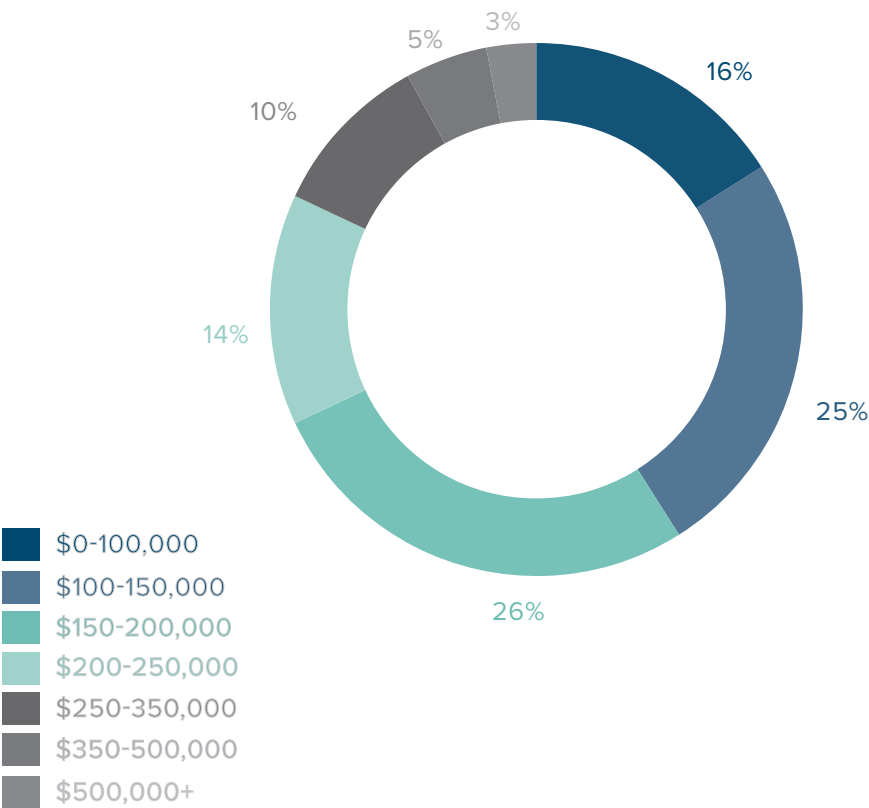
\$115,812
AVG. ASSESSED VALUE

Source: La Porte County Assessor

Single Family Housing

Rural areas of La Porte County have significantly higher values.

OUTSIDE OF THE TWO CITIES, RECENT CONSTRUCTION HAS LED TO A WIDER MIX OF VALUES.



Source: La Porte County Assessor

REMAINDER OF LA PORTE SINGLE-FAMILY STATS



21,030
TOTAL UNITS

1966
AVG. YEAR BUILT

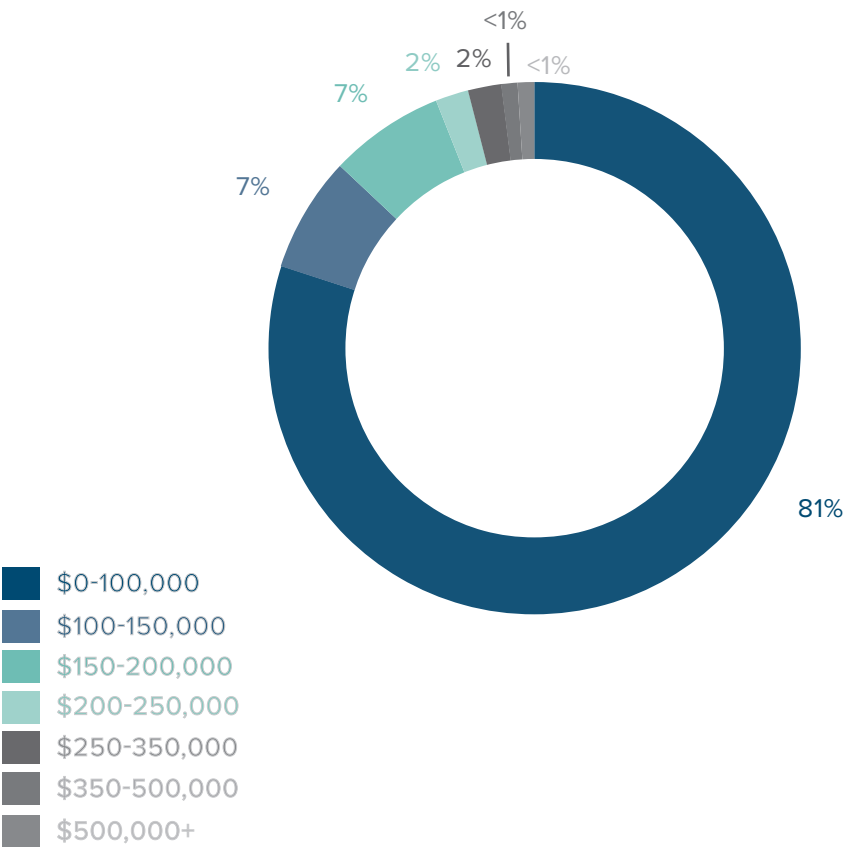
1,890
AVG. SQ. FT./UNIT

\$195,452
AVG. ASSESSED VALUE

Single Family Attached Housing

The City of La Porte has a small amount of older two-, three-family, and condo units.

CITY OF LA PORTE ATTACHED HOMES HAVE VERY LOW VALUES.



**Single-family attached includes duplex, triplex, and condos.*
Source: La Porte County Assessor

CITY OF LA PORTE SINGLE-FAMILY ATTACHED STATS



1.514*
TOTAL UNITS

1939
AVG. YEAR BUILT

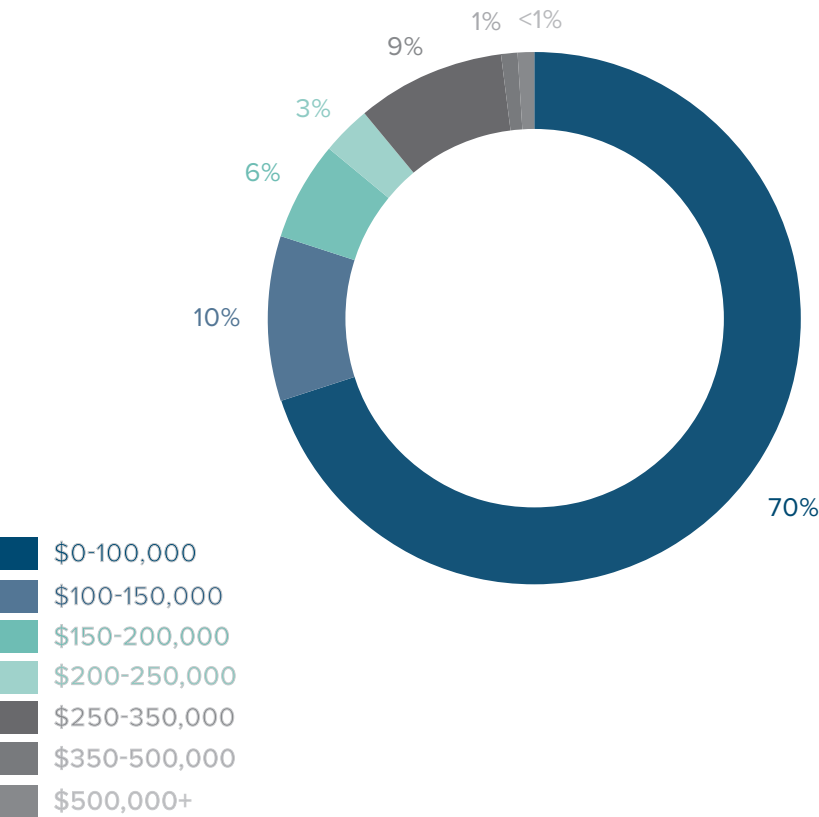
862
AVG. SQ. FT./UNIT
Avg.Price/Sq.Ft.- \$43

\$62,899
AVG. ASSESSED VALUE PER UNIT

Single Family Attached Housing

Michigan City has over 1,400 units of these smaller two- and three-family units.

MICHIGAN CITY DUPLEXES AND TRIPLEXES HAVE SLIGHTLY HIGHER VALUES.



**Single-family attached includes duplex, triplex, and condos.*
Source: La Porte County Assessor

MICHIGAN CITY SINGLE-FAMILY ATTACHED STATS



2,158*
TOTAL UNITS

1947
AVG. YEAR BUILT

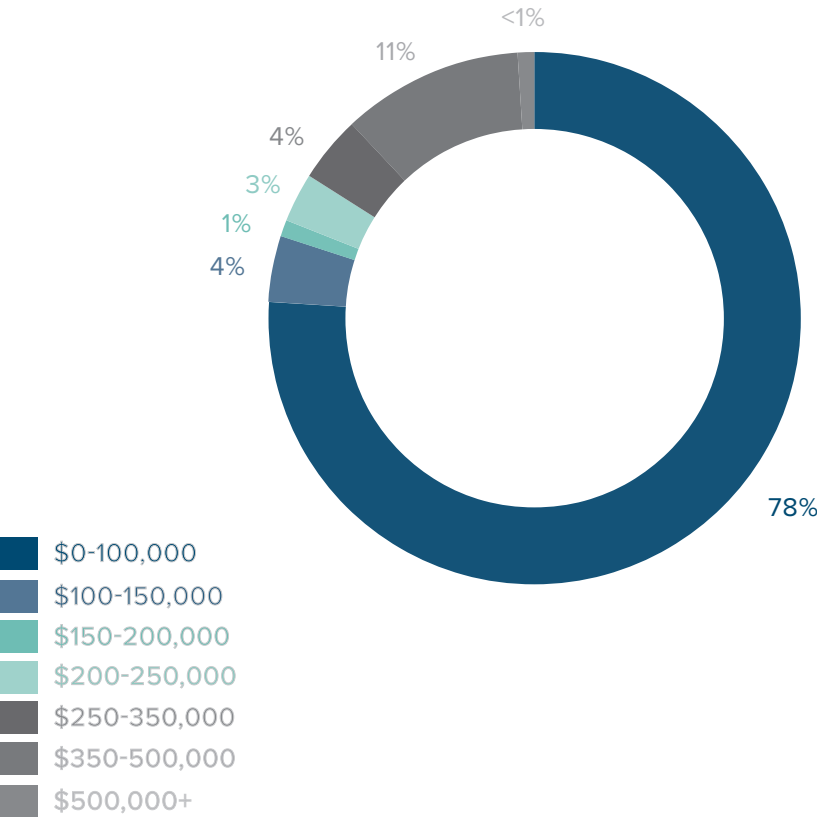
1,054
AVG. SQ. FT./UNIT

\$89,864
AVG. ASSESSED VALUE PER UNIT

Single Family Attached Housing

The remainder of the county has a limited number of attached single family units, but this

THE REMAINDER OF THE COUNTY HAS SOME HIGHER VALUED ATTACHED UNITS.



**Single-family attached includes duplex, triplex, and condos.*
Source: La Porte County Assessor

REMAINDER OF LA PORTE COUNTY SINGLE-FAMILY ATTACHED STATS



235*
TOTAL UNITS

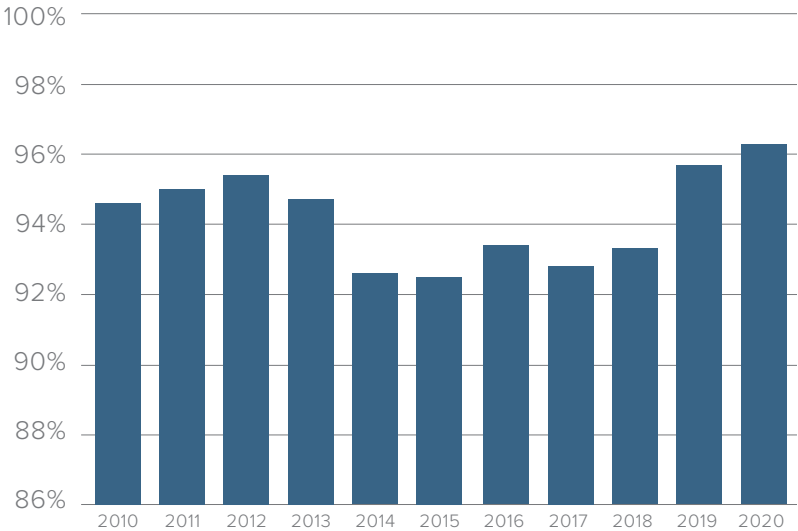
1977
AVG. YEAR BUILT

1,210
AVG. SQ. FT./UNIT

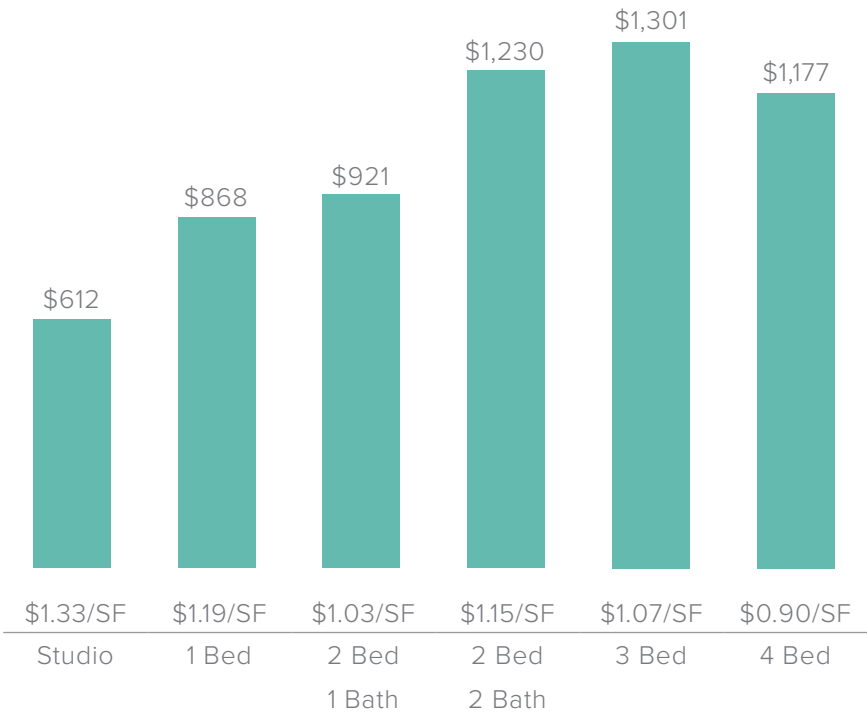
\$108,226
AVG. ASSESSED VALUE PER UNIT

Northwest Indiana Multifamily Housing Market

APARTMENT OCCUPANCY FOR ALL THREE COUNTIES IS AT A TEN-YEAR HIGH AT 96%. MORE THAN 1,300 UNITS ARE PLANNED OR UNDER CONSTRUCTION.



RENT AND OCCUPANCY FOR ALL THREE COUNTIES IS MOVING UP AND REACHING FEASIBILITY IN MORE LOCATIONS.



Source: Cushman & Wakefield, 2020

Multifamily Housing

The City of La Porte’s multifamily buildings are generally older, with some recent investment.

RECENT MARKET RATE CONSTRUCTION SEEKS TO ATTRACT AN UNDERSERVED MARKET.



Rendering of The Banks. Flaherty & Collins

CITY OF LA PORTE MULTIFAMILY* STATS



1,002
TOTAL UNITS

1977
AVG. YEAR BUILT

TBD
AVG. SQ. FT./UNIT

\$45,108
AVG. ASSESSED VALUE
PER UNIT

*Multifamily units include apartments and townhomes assessed as commercial or residential property with 4+ units.

Source: La Porte County Assessor, Flaherty & Collins

Multifamily Housing

Many of Michigan City’s apartment units are older, with relatively low rent.

HISTORIC AND GARDEN-STYLE APARTMENTS
PREDOMINATE IN MICHIGAN CITY.



MICHIGAN CITY
MULTIFAMILY STATS



1,968
TOTAL UNITS

1945
AVG. YEAR BUILT

TBD
AVG. SQ. FT./UNIT

\$44,749
AVG. ASSESSED VALUE
PER UNIT

**Multifamily units include apartments and townhomes assessed as commercial or residential property with 4+ units.*

Source: La Porte County Assessor

Multifamily Housing

The remainder of the county has limited apartment options.

SOME RECENT DEVELOPMENTS HAVE OCCURRED OUTSIDE OF LA PORTE AND MICHIGAN CITY.



REMAINING LA PORTE COUNTY MULTIFAMILY* STATS



731
TOTAL UNITS

1978
AVG. YEAR BUILT

TBD
AVG. SQ. FT./UNIT

\$52,174
AVG. ASSESSED VALUE
PER UNIT

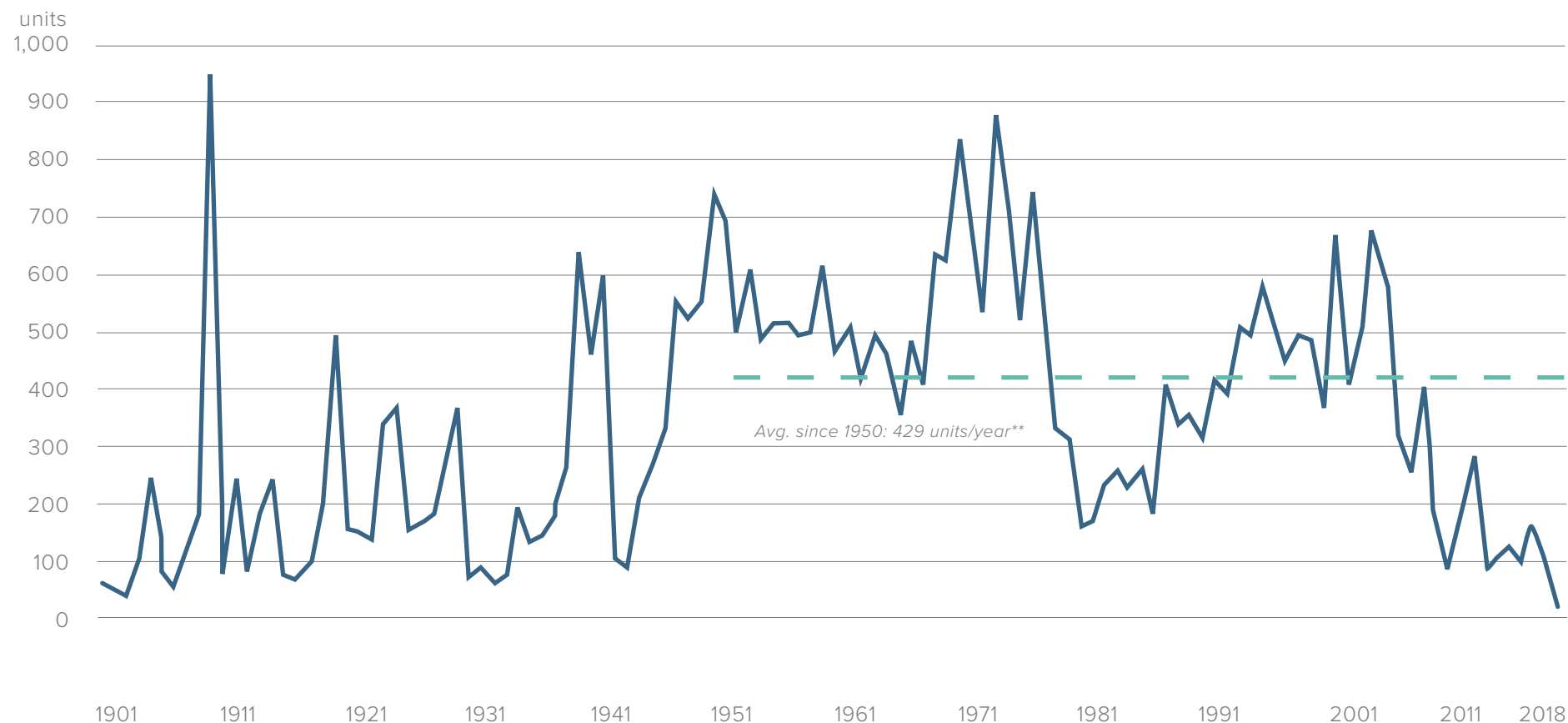
**Multifamily units include apartments and townhomes assessed as commercial or residential property with 4+ units.*

Source: La Porte County Assessor

La Porte County Building Trends

La Porte County has experienced several significant growth periods since 1940.

HOUSING UNITS BY YEAR BUILT, 1900 - 2018



**This data set includes all housing units in the residential property classification but excludes institutionalized units.*

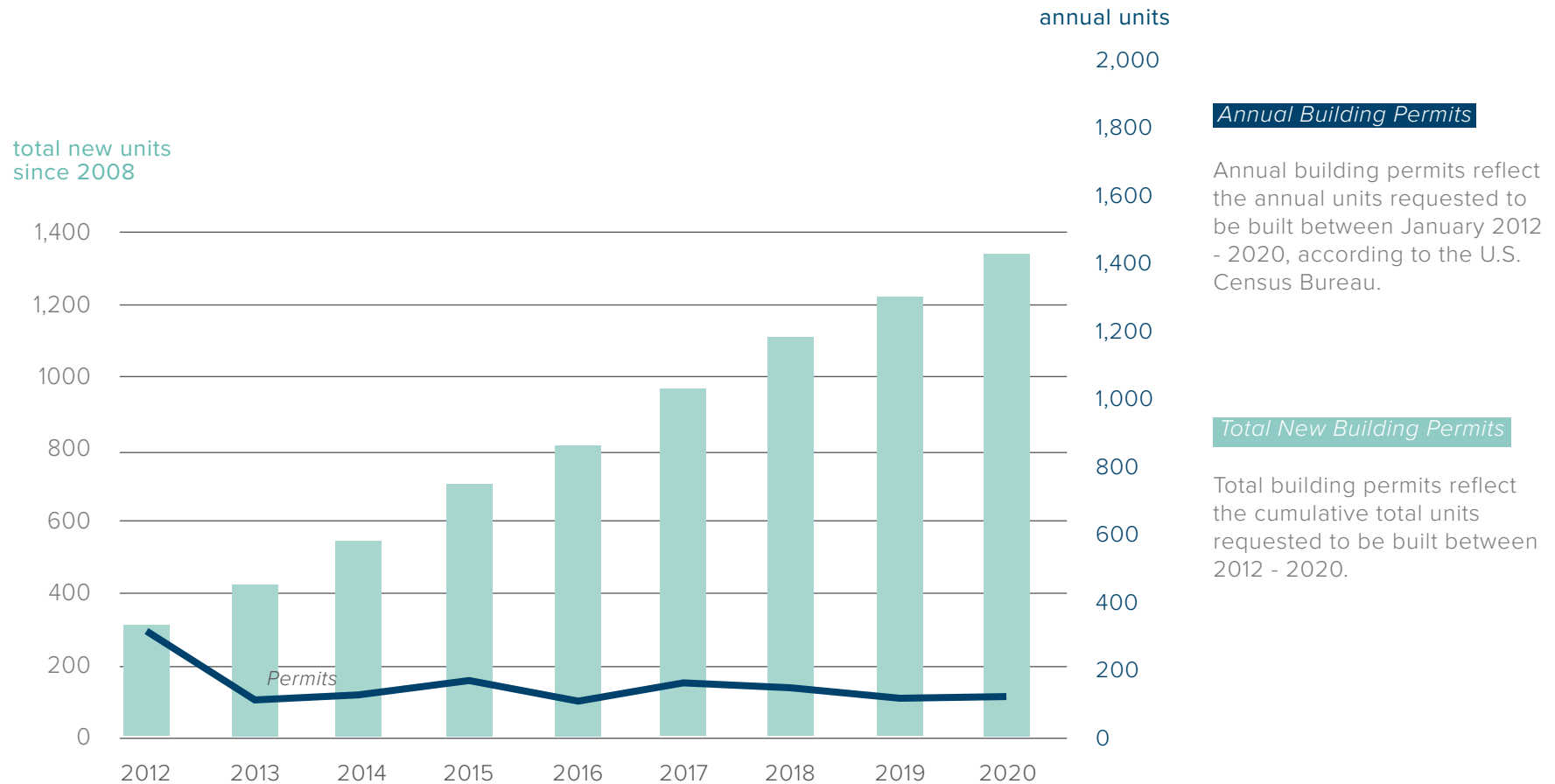
***Average of housing units between 1900-2020*

Note: Spikes may represent estimations of older homes' initial construction or significant renovation year.

Source: La Porte County Assessor

Recent Supply – Building Permit Trends

Building permits have trended around 100–150 per year since 2013, revealing a slow homebuilding market.



Source: Census, 2020.

Pressures on Municipal Budgets

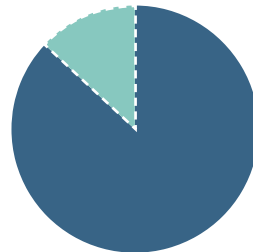
Aging infrastructure and shifting revenues are causing cities to think more efficiently.

Property tax reform in 2008 created tax caps on the local tax rate. These “circuit breaker” credits amounted to \$4.9 million in 2020 for La Porte County.

To increase revenue, cities can either raise income taxes and fees, or...

Support household growth and improve the efficiency of their land use.

That's a
13.3% loss
of the tax levy.



More tax revenue per acre can increase the
tax base.



Source: Indiana Department of Local Government Finance (DLGF). Indiana Fiscal Policy Institute. 2016

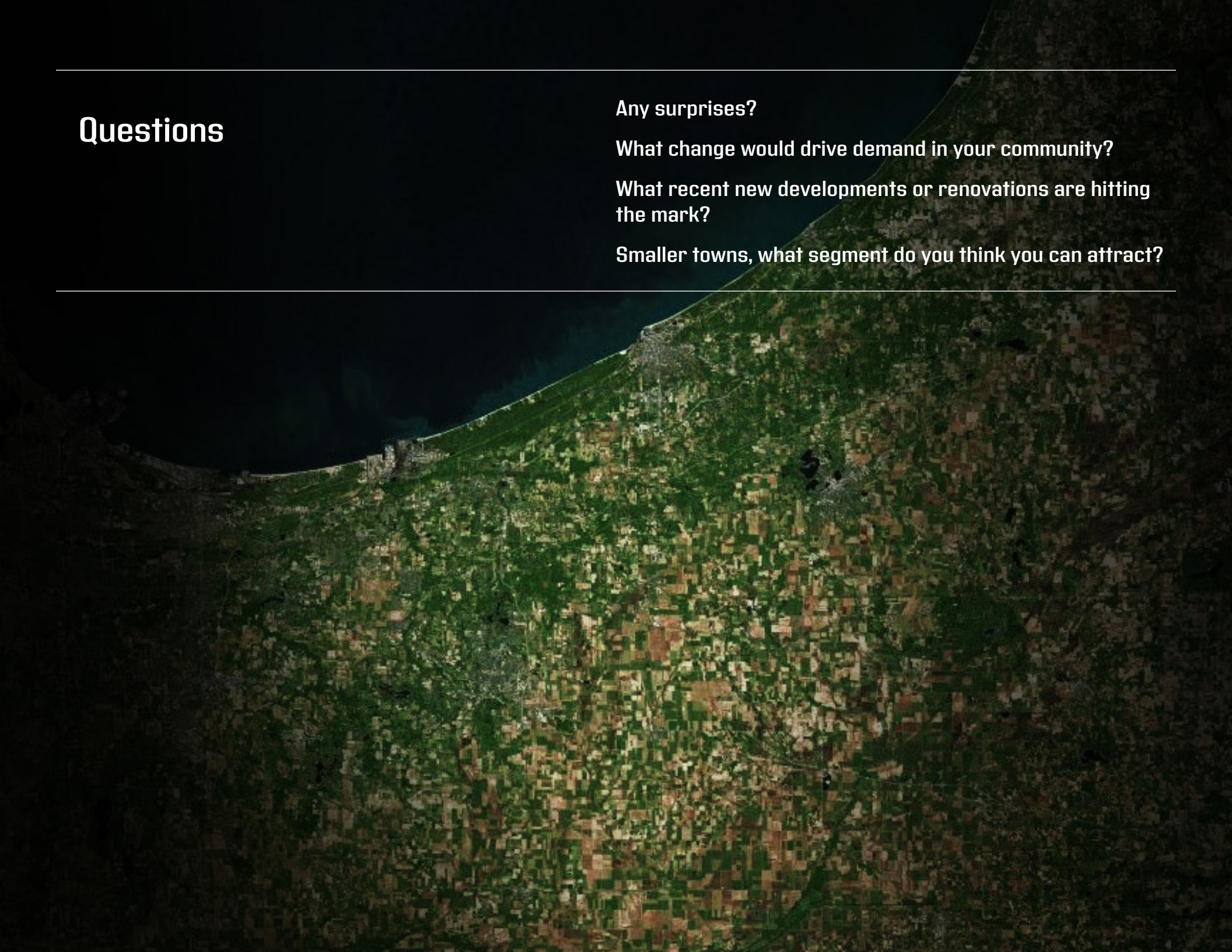
Questions

Any surprises?

What change would drive demand in your community?

What recent new developments or renovations are hitting the mark?

Smaller towns, what segment do you think you can attract?



Thank You

Task 1: Project Start

Steering Committee: January 15th, 2021

Task 2: Housing Supply Baseline

Meeting Date: Mid–February, 2021

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

Meeting Date: Late March, 2021

Task 4: Opportunities for Growth

Task 5: Summary and Action Agenda

Final Meeting: May/June