

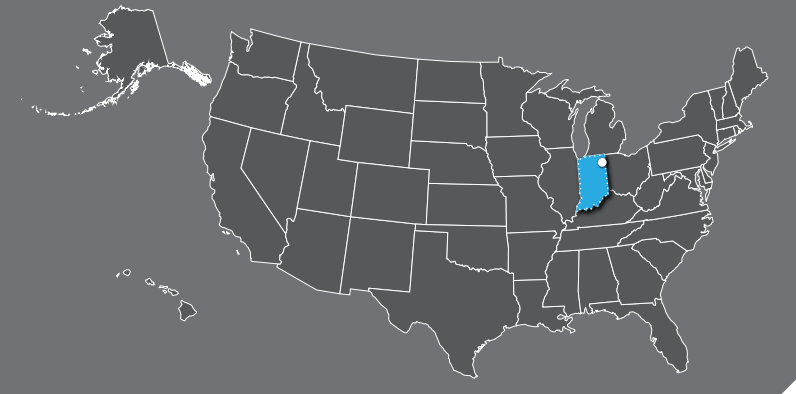
HUD PD&R Housing Market Profiles

Fort Wayne, Indiana



Quick Facts About Fort Wayne

- Current sales market conditions: balanced
- Current rental market conditions: balanced
- The Riverfront Fort Wayne revitalization development is among the largest ongoing public infrastructure projects in the metropolitan area. The project is intended to redevelop land along the St. Marys River from industrial use into public spaces. The project includes the creation of parks, promenades, trails, docks, marinas, and an amphitheater to encourage development near downtown Fort Wayne. A \$40 million Phase IIb of the development is underway and scheduled to be complete in 2025. The project began in 2019 with the opening of Promenade Park, which, to date, has spurred private investment totaling approximately \$300 million (Fort Wayne Community Development).



By [Tomasz Kukawski](#) | As of November 1, 2023

Overview

The Fort Wayne metropolitan area in northeastern Indiana includes Allen, Wells, and Whitley Counties and is coterminous with the metropolitan statistical area of the same name. Historically a manufacturing and transportation hub, the metropolitan area is also a healthcare center for northeastern Indiana. Located along the banks of the St. Joseph, St. Marys, and Maumee rivers, the city of Fort Wayne is the second most populous city in Indiana after Indianapolis, with a population of 267,900 as of July 1, 2022 (Census Bureau population estimates as of July 1). The local economy is expanding after surpassing the prerecession jobs count during 2022 from a downturn caused by the COVID-19 pandemic early in 2020. Home sales in the metropolitan area have been declining for the past 2 years, but home sales market conditions are balanced, supported by population growth. Rental market conditions are also balanced but have eased from a year ago because an increased supply of new apartments outpaced absorption.

- The population of the Fort Wayne metropolitan area is estimated at 458,700 as of November 1, 2023, representing an average increase of 3,050, or 0.7 percent, annually

continued on page 2



continued from page 1

since 2020 (Census Bureau decennial census counts and estimates by the analyst). Similarly, from 2010 to 2020, the population increased by an average of 3,150, or 0.7 percent, a year.

- Declining births and increased deaths attributed to the COVID-19 pandemic have caused a slowdown in net natural increase, which averaged 1,200 people annually since 2020, compared with an average net natural increase of 2,250 people annually from 2010 to 2020.

- Net in-migration to the metropolitan area has accelerated to an average of 1,850 people annually since 2020, compared with an average of about 900 people a year from 2010 to 2020. The largest numbers of people moving to the Fort Wayne metropolitan area are from the Indianapolis and Chicago metropolitan areas. Those two areas combined to account for 20 percent of the total in-migration to the Fort Wayne metropolitan area from 2016 through 2020 (2016–2020 American Community Survey 5-year data).

Economic Conditions

By 2022, the Fort Wayne metropolitan area had recovered all jobs lost from the downturn caused by the COVID-19 pandemic, and the economy in the area continued to expand during the past year. Although job growth slowed considerably during the past year, the growth rate was on par with the national average. As of the 3 months ending October 2023, nonfarm payrolls in the metropolitan area grew by 4,700, or 2.0 percent, compared with a year ago, to an average of 238,300 jobs, following a gain of 5.1 percent a year earlier. The current number of jobs in the metropolitan area is nearly 9 percent above the average during the 3 months ending October 2019. By comparison, prior to the COVID-19 pandemic, nonfarm payrolls in the Fort Wayne metropolitan area rose by an average of 2,700 jobs, or 1.2 percent, annually from the same periods of 2014 through 2019.

As of the 3 months ending October 2023—

- Eight of 11 nonfarm payroll sectors gained jobs, with the largest increase in the education and health services sector,

which rose by 1,300 jobs, or 3.0 percent, from a year earlier. The education and health services sector is the largest employment sector in the area, accounting for 44,000 jobs, or 18 percent of all nonfarm payroll jobs. Parkview Health is the largest employer in the area, with approximately 8,975 employees.

- Substantial job growth occurred in the government sector, with a gain of 1,000 jobs, or 4.6 percent, to 22,600. Job growth in the government sector occurred mostly in the local government subsector, which added 900 jobs, or a gain of 5.9 percent, from a year earlier.
- The leisure and hospitality sector increased by 800 jobs, or 3.7 percent, to 22,200. With that gain, the sector fully recovered from job losses during the pandemic, and jobs in the sector are nearly 16 percent higher than the recent low of 19,200 averaged during the 3 months ending October 2020.

continued on page 3

As of the 3 months ending October 2023, 8 of 11 payroll sectors added jobs in the Fort Wayne metropolitan area compared with a year ago.

	3 Months Ending		Year-Over-Year Change	
	October 2022 (Thousands)	October 2023 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	233.6	238.3	4.7	2.0
Goods-Producing Sectors	51.3	51.1	-0.2	-0.4
Mining, Logging, & Construction	12.7	12.9	0.2	1.6
Manufacturing	38.5	38.2	-0.3	-0.8
Service-Providing Sectors	182.4	187.2	4.8	2.6
Wholesale & Retail Trade	35.3	35.8	0.5	1.4
Transportation & Utilities	11.2	11.6	0.4	3.6
Information	2.0	1.9	-0.1	-5.0
Financial Activities	12.8	12.8	0.0	0.0
Professional & Business Services	24.0	24.3	0.3	1.3
Education & Health Services	42.7	44.0	1.3	3.0
Leisure & Hospitality	21.4	22.2	0.8	3.7
Other Services	11.4	12.0	0.6	5.3
Government	21.6	22.6	1.0	4.6
Unemployment Rate	2.6%	3.3%		

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics

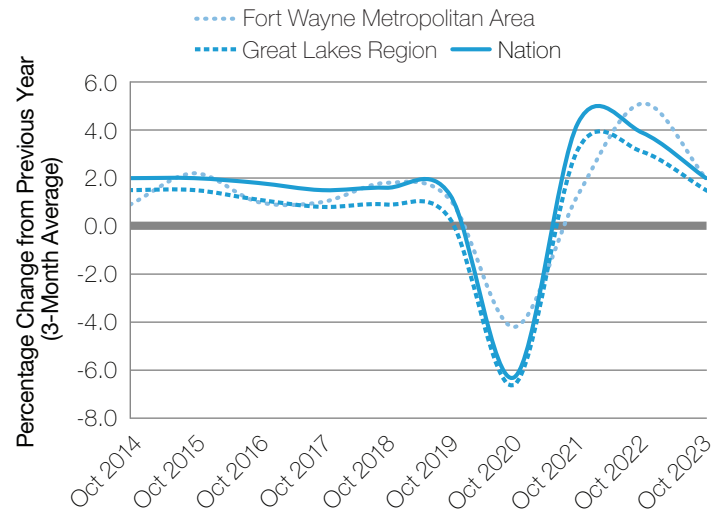


continued from page 2

- The unemployment rate rose to 3.3 percent from 2.6 percent a year earlier, primarily because an increase in the labor force outweighed growth in resident employment. By comparison, the current unemployment rate for Indiana was 3.4 percent, and the national unemployment rate averaged 3.6 percent.

The manufacturing sector is the second largest payroll sector in the metropolitan area, with 38,200 jobs, or 16 percent of all nonfarm payrolls, compared with an 8-percent share nationally. The metropolitan area has been a hub for automobile and automobile parts manufacturing. The General Motors Company (hereafter General Motors) Fort Wayne Assembly Plant, which produces GMC Sierra and Chevrolet Silverado trucks, is the largest employer in the sector and the second largest employer in the metropolitan area, with 4,325 employees. During the 2010s, jobs in the manufacturing sector rose an average of 2 percent a year to 38,000 in 2019, largely because gains in automobile sales led to increased production. The sector shrank nearly 9 percent to 34,700 jobs during 2020 because of temporary plant closures during the pandemic, but all the jobs lost that year had been recovered by 2022. As of the 3 months ending October 2023, the manufacturing sector declined by 300 jobs, or 0.8 percent, relative to a year ago; job growth in the sector stalled, partly because of the labor strike at General Motors earlier in 2023. The decline in the sector followed a period of robust growth as of the 3 months ending October 2022, when jobs in the sector rose by 2,700 jobs, or 7.6 percent, from the same period a year earlier. In June 2023, General Motors announced a \$632 million investment in the Fort Wayne Assembly Plant to prepare it for production of the next generation of full-size trucks.

During the past year, nonfarm payroll growth in the Fort Wayne metropolitan area has outpaced growth in the Great Lakes region and was on par with the growth rate in the nation.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the Fort Wayne Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Parkview Health	Education & Health Services	8,975
General Motors Company	Manufacturing	4,325
Lutheran Health Network	Education & Health Services	4,075

Note: Excludes local school districts.

Source: Greater Fort Wayne Inc.

Sales Market Conditions

The sales housing market in the Fort Wayne metropolitan area is currently balanced, with an estimated vacancy rate of 1.2 percent, up slightly from 1.1 percent in 2020. Home sales in the metropolitan area fell for the second consecutive year. During the 12 months ending September 2023, new and existing home sales (including single-family homes, townhomes, and condominiums) totaled about 8,675, reflecting a 20-percent decline from the 10,850 homes sold a year earlier and a 7-percent decline of 860 homes 2 years ago (Zonda). The inventory of homes available for sale remained low, representing only 1.6 months of supply in September 2023, up from a 1.1-month supply in September 2022 but below the 1.8-month supply in September 2020 (Redfin, a national real estate brokerage). Home sales in the HMA have been declining because of a low inventory of homes available for sale and

rapidly rising costs of homeownership. However, home sales market conditions are balanced, supported by strong economic conditions and increased net in-migration to the metropolitan area. In September 2023, the percentage of home loans in the metropolitan area that were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into real estate owned (REO) status was 1.1 percent, representing a decline from 1.3 percent a year earlier and a recent high of 3.2 percent in November 2020 (CoreLogic, Inc.). The current rate in the metropolitan area is similar to the 1.2-percent rate for Indiana and the 1.0-percent rate for the nation.

As of the 12 months ending September 2023—

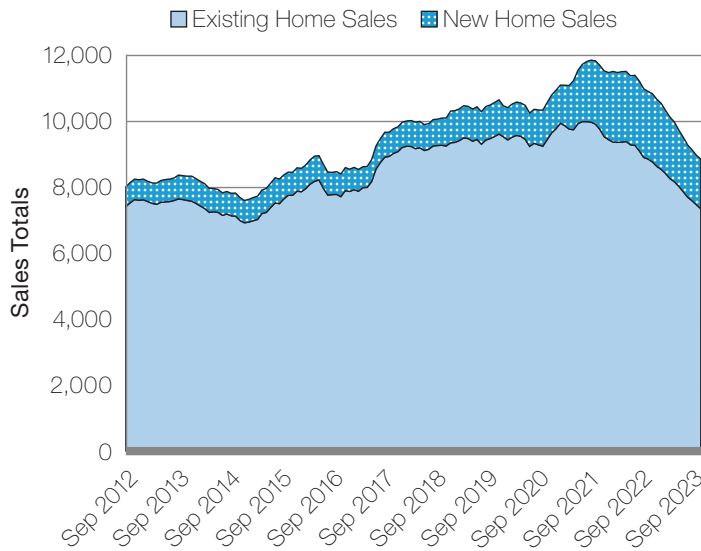
- New home sales totaled 1,475, representing a decline of 590 sales, or 29 percent, from the same period a year

continued on page 4

continued from page 3

earlier. The decline during the past year followed a period of gains averaging 14 percent annually from 2017 to 2020 and an 86-percent gain during 2021, when demand for new homes increased to a recent high of 2,150 sales because of the pandemic, boosted by low mortgage interest rates.

The number of new and existing home sales declined in the Fort Wayne metropolitan area during the 12 months ending September 2023.



Note: Sales are for single-family homes, townhomes, and condominiums.
Source: Zonda

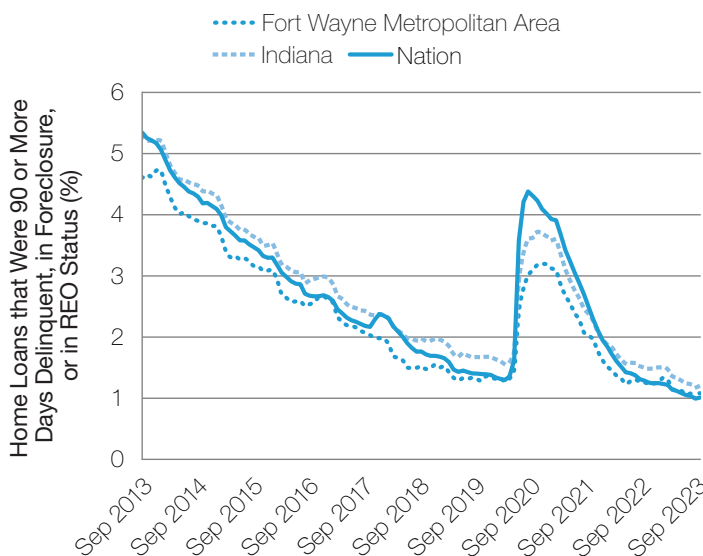
- Existing home sales totaled 7,200, down by 1,575, or 18 percent, from the previous 12 months, following a decline of 10 percent during the 12 months ending September 2022. The recent declines contrast with average annual increases of 6 percent from 2017 to 2020.
- The average price for a new home reached a high of \$362,700, representing an increase of 10 percent from the average price a year earlier. Since 2020, the average price for a new home in the metropolitan area has increased an average of nearly 13 percent annually.
- The average price for existing homes was \$227,300, representing an increase of \$11,800, or 5 percent, compared with a year earlier. Prices for existing homes in the metropolitan area rose an average of 6 percent annually from 2016 through 2020 before accelerating to an average annual increase of 10 percent during the next 2 years.

Since a slowdown in 2022, new home construction, as measured by the number of single-family homes and townhomes permitted, rose in the metropolitan area because continued strong population growth gave builders the confidence to increase production despite the decline in home sales during the past year.

- During the 12 months ending October 2023, the number of homes permitted totaled 1,825, representing an increase of 320, or 21 percent, from a year earlier (preliminary data).

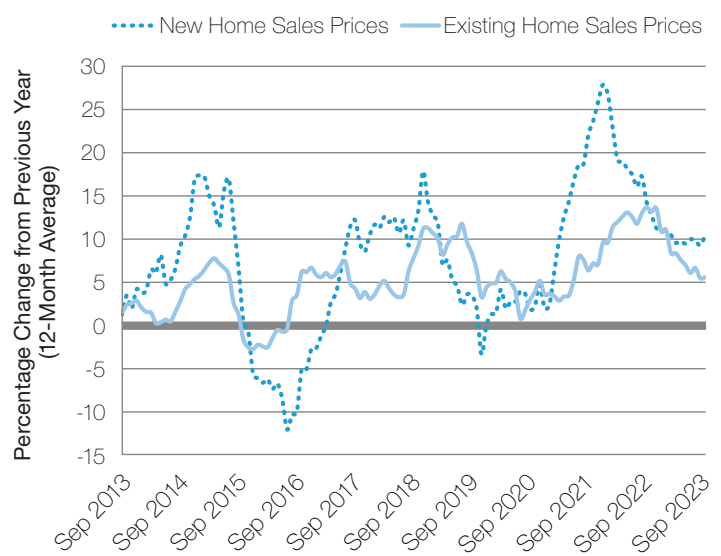
continued on page 5

The rate of seriously delinquent mortgages and REO properties in the Fort Wayne metropolitan area is at the lowest level in 10 years.



REO = real estate owned.
Source: CoreLogic, Inc.

Home sales prices in the Fort Wayne metropolitan area increased during the past year but at a slower rate than during the previous year.

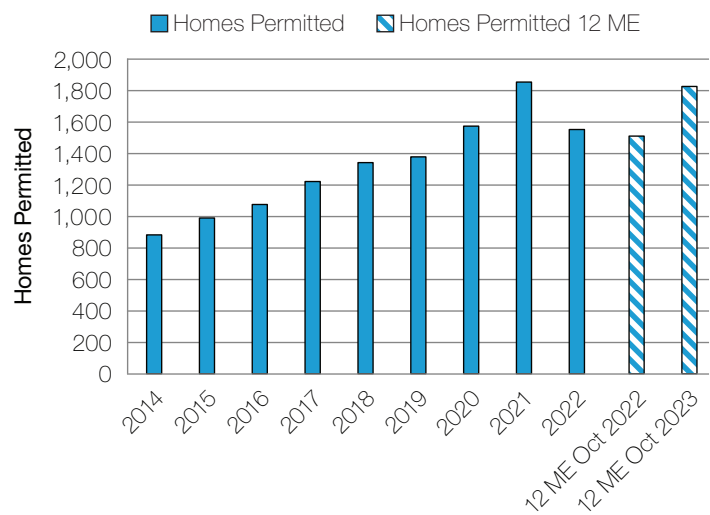


Note: Prices are for single-family homes, townhomes, and condominiums.
Source: Zonda

continued from page 4

- Since 2015, home sales construction rose for 7 consecutive years, averaging a gain of 11 percent annually to a recent high of 1,850 homes permitted in 2021. Home construction fell 16 percent a year later, with 1,550 homes permitted in 2022.
- Ridley Park is a single-family home subdivision underway in the northern part of the city of Fort Wayne that will consist of 37 two- to four-bedroom homes with prices starting around \$243,000. Currently, 28 home sites remain available for sale at the first phase of Ridley Park. In southwest Fort Wayne, 5 lots remain available at the 32-lot second phase of the Palmira Lakes development. Three- to four-bedroom homes at Palmira Lakes have prices starting in the high \$200,000s.

Following a slowdown in 2022, construction of homes for sale in the Fort Wayne metropolitan area accelerated during the 12 months ending October 2023.



12 ME = 12 months ending.

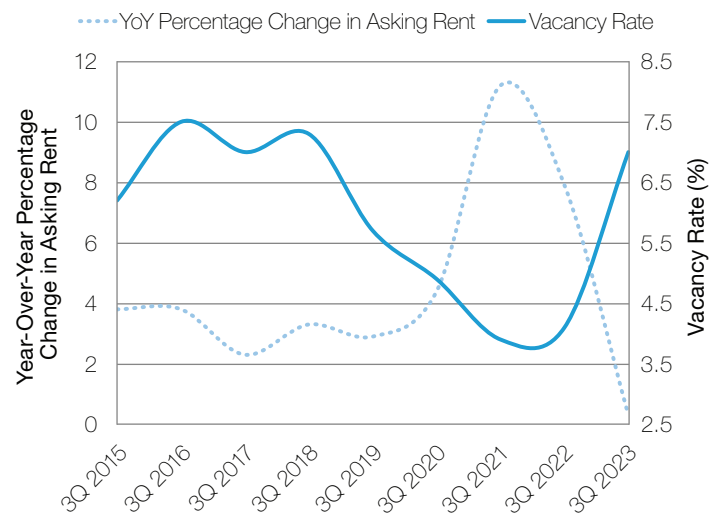
Sources: U.S. Census Bureau, Building Permits Survey; 2014–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Rental Market Conditions

Rental housing market conditions in the Fort Wayne metropolitan area are currently balanced but easing. The estimated vacancy rate for all rental units (including single-family homes, mobile homes, and apartments) was 9.4 percent as of November 1, 2023, representing an increase from 8.5 percent in 2020, when market conditions were also balanced. In 2022, 52 percent of renter households lived in single-family homes or in buildings with two, three, or four units (American Community Survey 1-year data); approximately 44 percent lived in buildings with five or more units, typically apartments. During the past year, apartment market conditions in the metropolitan area eased, following tight conditions from the third quarter of 2020 to the third quarter of 2022, when the apartment vacancy rate was below 5 percent. Apartment construction activity has steadily increased since 2020, and during the past year, the apartment vacancy rate rose as deliveries of new apartments in the metropolitan area outpaced absorption.

- The apartment market is balanced, with a 7.0-percent vacancy rate as of the third quarter of 2023, up from 4.1 percent a year earlier and higher than the 5.7-percent rate during the third quarter of 2019, prior to the pandemic (CoStar Group).
- As of the third quarter of 2023, the average apartment rent was \$1,019, virtually unchanged from a year earlier. By

As of the third quarter of 2023, rent growth slowed, and the vacancy rate rose from a year ago in the Fort Wayne metropolitan area.



3Q = third quarter. YoY = year-over-year.

Source: CoStar Group

comparison, apartment rents in the metropolitan area grew 4 percent from the third quarter of 2019 to the third quarter of 2020 before accelerating 10 percent from the third quarter of 2021 to the third quarter of 2022.

continued on page 6

continued from page 5

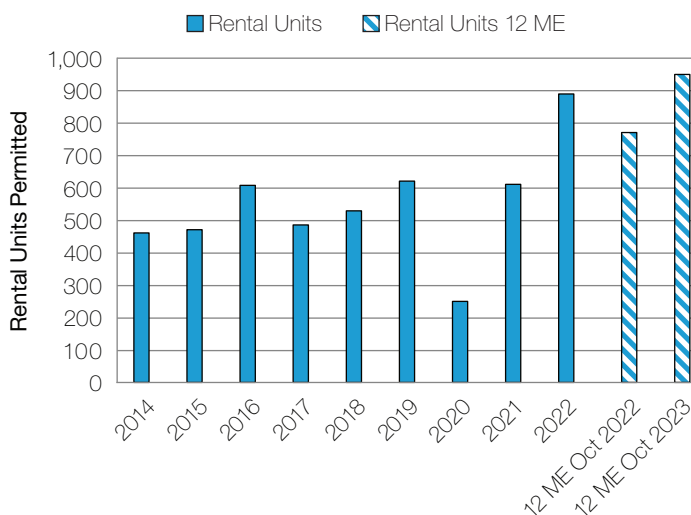
- The vacancy rate for professionally managed single-family homes for rent was 2.8 percent as of October 2023, reflecting a slight increase from 2.7 percent a year earlier, and the average rent for a three-bedroom single-family home rose 8 percent to \$1,246 from a year earlier (CoreLogic, Inc.).
- Vacancy rates for most types of congregate senior apartments rose sharply during the pandemic and remain high. During the third quarter of 2023, the vacancy rate among apartments restricted to households headed by seniors, including assisted- and independent-living facilities, averaged 14.2 percent, down from 15.2 percent a year earlier and substantially higher than the average of 7.3 percent during the third quarter of 2019 (Moody's Analytics REIS).

Following a slowdown during 2020, rental construction activity rapidly increased as builders responded to low vacancy rates early in the 2020s when demand was strong, supported by net in-migration.

- During the 12 months ending October 2023, approximately 950 rental units were permitted, reflecting an increase of 23 percent from 770 units permitted during the same period a year ago (preliminary data, with adjustments by the analyst).
- Rental construction activity averaged 560 units a year from 2016 through 2019 before falling substantially with the onset of the pandemic to only 250 units permitted during 2020. Construction activity has increased strongly since 2021.
- Since 2020, approximately 94 percent of all rental developments in the metropolitan area were built in the city of Fort Wayne, relatively unchanged from 97 percent from 2014 through 2019.

- Recently completed rental properties include the 229-unit The Riverfront at Promenade Park in central Fort Wayne. The property offers one-, two-, and three-bedroom units, with starting monthly rents ranging from \$1,350 for a one-bedroom apartment to \$2,650 for a three-bedroom unit. The 132-unit 41 North development opened earlier this year and includes one- and two-bedroom apartments for rent to households headed by adults aged 55 years and older; monthly rents start at \$1,450.

Rental housing construction in the Fort Wayne metropolitan area rose to a new high during the 12 months ending October 2023.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2014–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Distressed Sales	Short sales and real estate owned (REO) sales.
Existing Home Sales	Includes regular resales and REO sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Increase	Resident births are greater than resident deaths.
Rental Market/Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
----	---