



Louisville, Kentucky-Indiana

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of October 1, 2006



Housing Market Area



The Louisville, Kentucky-Indiana Housing Market Area (HMA) is located in northern Kentucky and southern Indiana along the Ohio River. The HMA consists of Bullitt, Jefferson, and Oldham Counties in Kentucky and Clark and Floyd Counties in Indiana. In this analysis, the counties in each state are addressed as two separate submarkets: the Kentucky submarket and the Southern Indiana submarket. Although the HMA is best known as the home of the Kentucky Derby and the Louisville Slugger baseball bat, it is also well regarded as a transportation logistics hub and pioneering medical research center.

Market Details

- Economic Conditions2
- Population and Households4
- Housing Market Trends6
- Data Profiles12

Summary

Economy

Growing worldwide demand for freight delivery services and an expanding national economy spurred job growth in the Louisville HMA during the 12 months ending September 2006 as resident employment increased by 8,100 jobs, or 1.7 percent. Local job creation has occurred chiefly in the professional and business services and the financial activities sectors. These sectors and the transportation sector, which grew as a result of the expansion of United Parcel Service (UPS) of America, Inc., will continue to lead the HMA in employment growth during the 3-year forecast period.

Sales Market

As of the current date, the sales housing market in the HMA is balanced. During the 12 months ending September 2006, sales of

new and existing homes decreased by a little more than 1 percent to 14,000 homes compared with the previous 12 months. As a result of several years of slow population growth, record-level construction of single-family homes, and rising mortgage interest rates, the number of homes currently on the market has increased to a 7-month supply. Demand is anticipated for 16,350 new sales housing units during the 3-year forecast period (see Table 1).

Rental Market

Rental housing market conditions are balanced in the HMA. During the 12 months ending September 2006, the average market-rate rent increased 1 percent to \$610 and the vacancy rate decreased slightly to 8.8 percent. Demand for 1,800 new market-rate rental units is forecast in the next 3 years (see Table 1).

Table 1. Housing Demand in the Louisville HMA, 3-Year Forecast, October 1, 2006 to October 1, 2009

	Louisville HMA		Kentucky Submarket		Southern Indiana Submarket	
	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units
Total Demand	16,350	1,800	12,600	1,400	3,750	400
Under Construction	1,700	940	1,300	900	400	40

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Under construction as of October 1, 2006.

Source: Estimates by analyst

Economic Conditions

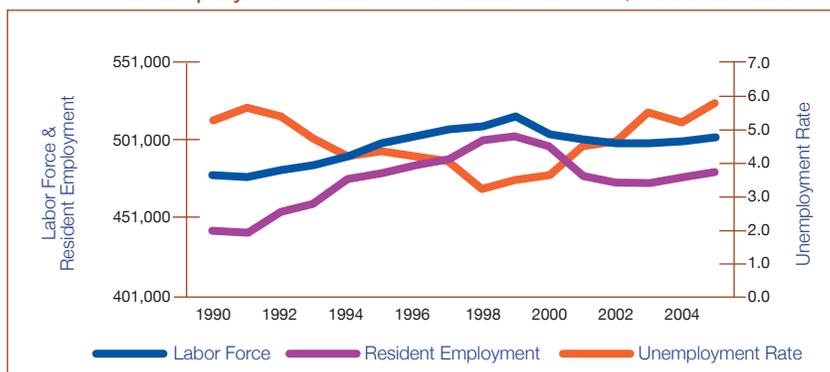
Steady job growth due to an expanding national economy and increasing worldwide demand for freight services during 2006 led to a 1.7-percent increase in resident employment in the Louisville HMA during the 12-month period ending September 2006. At 482,900 workers, HMA resident employment has recovered to its highest level since 1996. As the economy strengthened during 2006, the labor force expanded by 1.8 percent to 512,600 during the same period, keeping the unemployment rate relatively unchanged at 5.8 percent. See Figure 1 and Table DP-1 (at the

end of the report) for data on labor force, resident employment, and unemployment from 1990 to the current date.

The trade, transportation, and utilities sector is the largest employment sector in the HMA, providing almost one-fourth of the jobs in the area (see Figure 2). Louisville is home to Worldport™, the international air-sorting hub for UPS, the largest employer in the area. In June 2006, UPS began operation of a new heavy-airfreight facility, adding 1,200 workers to its payroll and plans to increase Worldport by 1.1 million square feet as part of a \$1 billion expansion that will employ 1,300 full-time and 3,700 part-time workers. UPS operations combined with other air traffic activity make Louisville International Airport the fourth largest cargo-shipping airport in the United States. Table 2 lists the top 10 employers in the HMA, along with the number of employees for each.

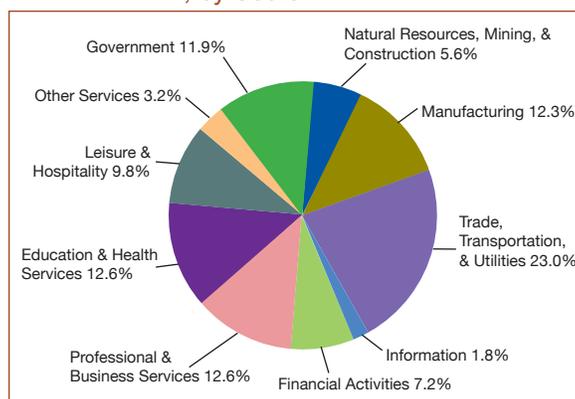
During the 12 months ending September 2006, the financial activities sector led the HMA in rate of growth, with a 4.7-percent increase, adding nearly 1,700 jobs (see Table 3). Nearly 1,200 jobs were added at the Louisville headquarters of health insurance company Humana Inc. Credit card companies Citigroup Inc. and Iron Triangle Payment Systems, LLC, are expected to add 450 jobs during the forecast period. During the 12 months ending September 2006, the professional and business services sector added 2,900 jobs, which is a 4.6-percent increase.

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Louisville HMA, 1990 to 2005



Source: U.S. Bureau of Labor Statistics

Figure 2. Current Employment in the Louisville HMA, by Sector



Note: Based on 12-month averages through September 2006.

Source: U.S. Bureau of Labor Statistics

The education and health services sector grew by 200 jobs, or 0.3 percent, during the 12 months ending September 2006, after averaging nearly 5 percent annually since 2001. The rate of employment growth within the sector is expected to return to recent historical levels during the forecast period. The HMA is a regional medical services center for northern Kentucky and

southern Indiana and is home to a world-renowned medical research center. Doctors at the Louisville Medical Center, occupying 20 blocks in downtown Louisville, performed the world's first hand transplant and developed the AbioCor artificial heart. Three of the top five employers in the HMA are health services firms, with a combined employment of 21,600 people. The University of Louisville has begun the construction of new medical research facilities and a new medical building. In the summer of 2007, Norton Healthcare will begin constructing a new hospital that will employ more than 400 people by 2009. See Figure 3 for the percentage change in employment by sector from 2001 through September 2006.

During the 12-month period ending September 2006, goods-producing employment remained relatively stable decreasing by less than 300 jobs, or 0.3 percent. The loss of nearly 400 construction jobs as a result of a decline in single-family homebuilding activity offset a slight gain of nearly 200 jobs in the manufacturing sector. Ford Motor Company, the second largest employer in the HMA, is part of a large manufacturing sector that accounts for more than 12 percent of jobs in the area. During the forecast period, manufacturing employment is expected to remain stable. The Colgate-Palmolive Company is closing a plant in Clarksville, Indiana, which will eliminate 475 jobs during the next 2 years; but Jeffboat LLC, which builds barges in Jefferson, Indiana, will add 800 jobs by 2008.

Table 2. Major Employers in the Louisville HMA

Name of Employer	Employment Sector	Number of Employees
United Parcel Service of America, Inc.	Transportation	17,543
Ford Motor Company	Manufacturing	8,972
Norton Healthcare	Health Services	8,525
Jewish Hospital & St. Mary's Healthcare	Health Services	7,605
Humana, Inc.	Health Services	5,850
General Electric Company	Manufacturing	5,000
The Kroger Co.	Retail	4,827
Baptist Hospital East	Health Services	3,179
Archdiocese of Louisville	Education	2,680
Kindred Healthcare, Inc.	Health Services	2,342

Source: *Business First, Book of Lists, December 2005*

Table 3. 12-Month Average Employment in the Louisville HMA, by Sector

Employment Sector	12 Months Ending September 2005	12 Months Ending September 2006	Percent Change
Total Covered Employment	519,700	527,400	1.5
Goods Producing	94,700	94,400	-0.3
Natural Resources, Mining, & Construction	30,000	29,600	-1.3
Manufacturing	64,700	64,800	0.2
Service Providing	425,000	433,100	1.9
Trade, Transportation, & Utilities	117,500	121,000	3.0
Information	9,600	9,700	1.0
Financial Activities	36,400	38,100	4.7
Professional & Business Services	63,300	66,200	4.6
Education & Health Services	66,000	66,200	0.3
Leisure & Hospitality	51,100	51,800	1.4
Other Services	16,800	16,800	0.0
Government	63,700	62,700	-1.6

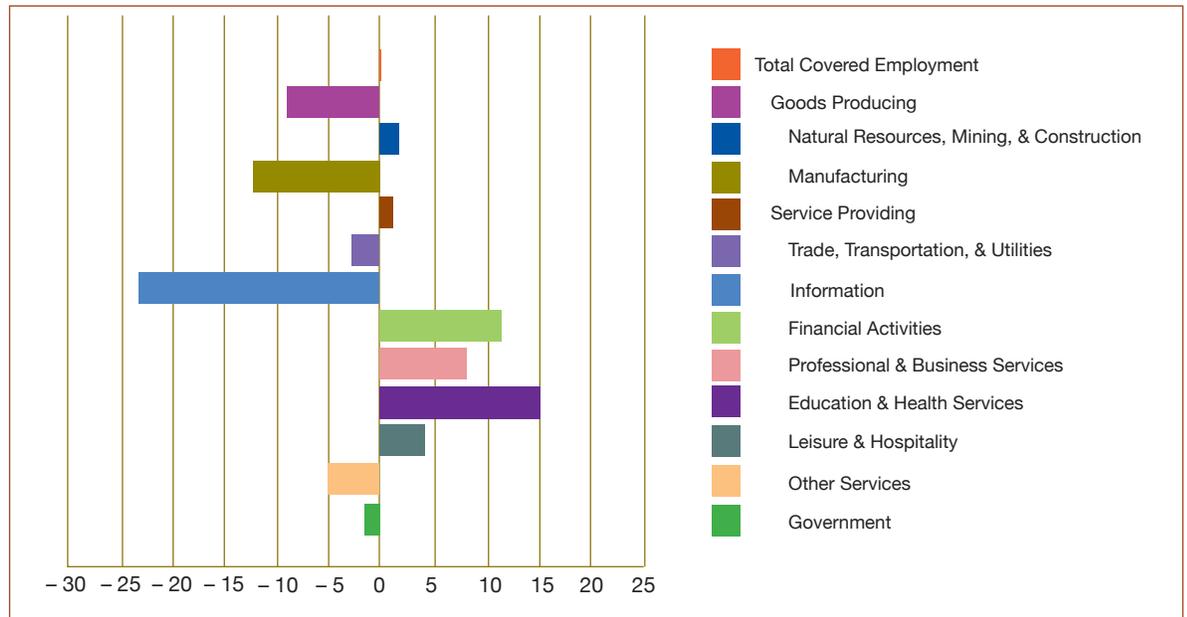
Notes: Based on 12-month averages through September 2005 and September 2006. Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics

Nonfarm employment in the HMA is expected to increase by approximately 4,300 jobs, or 0.8 percent, annually through the forecast date. Employment in the trade, transportation, and utilities sector will increase due to the UPS expansion. Education

and health services, as well as professional and business services, will generate job growth during the forecast period in response to population growth and the expansion plans by the University of Louisville and Norton Healthcare.

Figure 3. Sector Growth in the Louisville HMA, Percentage Change, 2001 to 2006



Note: Current is based on 12-month averages through September 2006.

Source: U.S. Bureau of Labor Statistics

Population and Households

Since 2000, population growth in the Louisville HMA has decelerated due to a decline in the rate of net natural change (resident births minus resident deaths) and a reduced rate of net in-migration. As of October 1, 2006, the population of the HMA is estimated at 1,007,700. Annual population growth between 2000 and the current date averaged

6,100, for an average annual rate of 0.6 percent compared with 7,100, or 0.7 percent, a year during the 1990s (see Figure 4). Net natural change accounted for two-thirds of the population increase from 1990 to 2000 and rose to 75 percent of the population growth between 2000 and 2006 due to reduced net in-migration. Net natural change remained relatively constant

Population and Households *Continued*

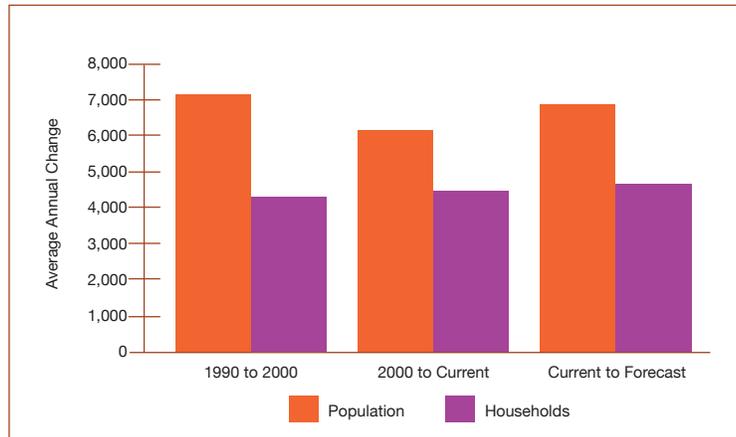
throughout the 1990s, at approximately 4,300 people annually, but, since 2000, has declined to 4,000 a year due to an aging population and a decrease in the size of the 18-to-25-year-old cohort. Net in-migration to the HMA slowed between 2001 and 2003, when approximately 16,200 jobs were eliminated in the HMA as a result of an economic downturn. Since

2004, with increased job opportunities in the HMA in 2005 and 2006, net in-migration has increased. See Figure 5 for statistics concerning the components of population change.

The rate of household growth in the Louisville HMA has remained steady, at approximately 1.1 percent annually since 1990. Between 1990 and 2000 and from 2000 to the current date, annual household growth averaged 4,200 and 4,350, respectively. An increase in empty nesters, the rise in smaller sized households, and a decline in the average size of households migrating to the area all contributed to an ongoing decline in average household size in the HMA.

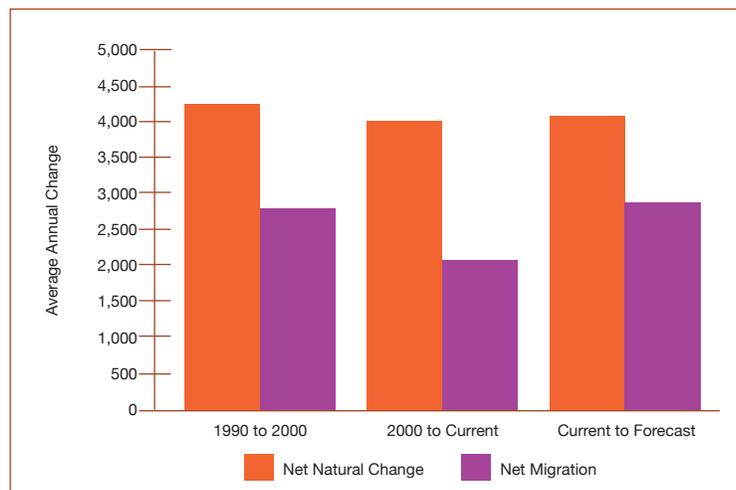
As a result of continued growth in the rate of net in-migration generated by sustained job growth, the low cost of living, and relatively affordable housing in the HMA, the annual population growth rate during the forecast period is estimated to be 0.7 percent. The population of the HMA is expected to total 1,028,600 by the forecast date. The population of the Kentucky submarket is anticipated to increase at an annual rate of 4,975, or 0.6 percent. The annual rate of population growth in the smaller Southern Indiana submarket of the HMA is expected to be 2,000, or 1.1 percent. Household growth in the HMA is projected to increase by 4,800 units annually, or 1.1 percent, to 433,000 households by the end of the 3-year forecast period.

Figure 4. Population and Household Growth in the Louisville HMA, 1990 to Forecast



Sources: 1990 and 2000—U.S. Census; current and forecast—estimates by analyst

Figure 5. Components of Population Change in the Louisville HMA, 1990 to Forecast



Sources: 1990 and 2000—U.S. Census; current and forecast—estimates by analyst

Housing Market Trends

Sales Market—Kentucky Submarket

Home sales in the Kentucky submarket slowed during the past 12 months. Approximately 11,400 new and existing homes were sold, reflecting a 2-percent decline compared with the previous 12-month period. Between 2002 and 2005, low interest rates led to increasing numbers of first-time homebuyers and move-up buyers, but this homebuying trend did not continue into 2006 due to increasing interest rates. Record levels of building since 2000 have contributed to an increase in the sales vacancy rate to an estimated 2 percent, compared with 1.4 in 2000.

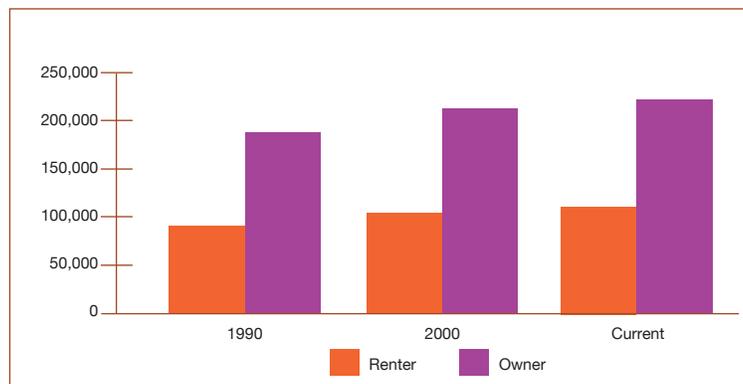
The median home sales price was \$146,800 as of the 12-month period ending September 2006, off by 4 percent compared with the previous 12-month period. Homes priced at or below the median for the area continue to sell well, while homes at \$350,000 or more are selling more slowly. The overall decrease

in median price was primarily due to a decline in the average sale price in Jefferson County, where sales volume in the HMA is highest. During the period an increase in sales activity of modest priced existing homes brought down the average sales price for the county overall. The median sale price in both Bullitt and Oldham Counties increased slightly because new homes represent a higher portion of sales volume.

During the past 12 months, 1,700 condominium units have been sold in the Kentucky submarket, a 14-percent increase compared with the previous 12-month period. The median sales price increased 2 percent to \$119,700 during the same period. Condominiums represent 13 percent of total sales in this submarket and are sold primarily to empty nesters and young professionals. Most condominiums are quad-plexes built in suburban Jefferson and Oldham Counties; but, since 2000, the downtown market has developed significantly. Currently, 600 condominium units are in downtown Louisville and 500 units are under development.

As of the current date, an estimated 237,900 owner households are in the Kentucky submarket (see Figure 6). This figure represents an increase of 3,075, or 1.4 percent, annually from the 217,908 owner households recorded in 2000, as shown in Table DP-2.

Figure 6. Number of Households by Tenure in the Kentucky Submarket, 1990 to Current

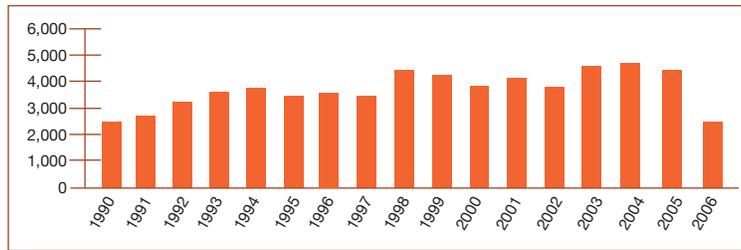


Sources: 1990 and 2000—U.S. Census; current—estimates by analyst

Housing Market Trends

Sales Market—Kentucky Submarket *Continued*

Figure 7. Single-Family Building Permits Issued in the Kentucky Submarket, 1990 to 2006



Notes: Includes only single-family units. Includes data through September 2006.
Source: U.S. Census Bureau, Building Permits Survey

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Kentucky Submarket, October 1, 2006 to October 1, 2009

Price Range (\$)		Units of Demand	Percent of Total
From	To		
125,000	149,999	1,000	7.9
150,000	174,999	650	5.2
175,000	199,999	975	7.7
200,000	224,999	1,150	9.1
225,000	249,999	1,700	13.5
250,000	274,999	1,425	11.3
275,000	299,999	1,050	8.3
300,000	324,999	800	6.3
325,000	349,999	675	5.4
350,000	374,999	725	5.8
375,000	399,999	850	6.7
400,000	549,999	850	6.7
550,000	and higher	750	6.0

Source: Estimates by analyst

Between 2000 and the current date, builders completed an average of 4,200 homes annually. During the past 24 months, the rate of production, as measured by the number of building permits issued, has declined due to an increased inventory of unsold homes.

Approximately 3,500 new single-family homes were permitted during the current 12-month period ending September 2006, more than 1,000 fewer than during the previous 12-month period. See Figure 7 for details on single-family building permit activity in the Kentucky submarket from 1990 through September 2006.

A demand for 12,600 new sales units is estimated for the 3-year forecast period. Table 4 provides an estimated distribution of the demand by price ranges for new market-rate sales housing in the Kentucky submarket.

Rental Market—Kentucky Submarket

The rental market in the Kentucky submarket strengthened during the past year due to rising mortgage interest rates and a decline in multifamily rental construction. The overall vacancy rate decreased from 9.5 percent to 8.8 percent. During the past 12 months, the average rent for all apartment units increased by nearly 2 percent, from \$605 to \$616. The current average rent is \$540 for a one-bedroom unit; \$610 for a two-bedroom, two-and-one-half bathroom unit; and \$830 for a three-bedroom, two-bathroom unit.

Between 1990 and 2000, the rental market in the Kentucky submarket was balanced. The vacancy rate averaged 7 percent, and the market absorbed an average of 850 new rental units annually. Beginning in 2001, a decline in job growth in the area and an increase in the rate of rental construction caused the rental vacancy rate to increase. In 2003, the rental vacancy rate exceeded 10 percent with no rent increases. Since 2004, conditions have steadily improved. Apartment production decreased to 400 units annually and job gains

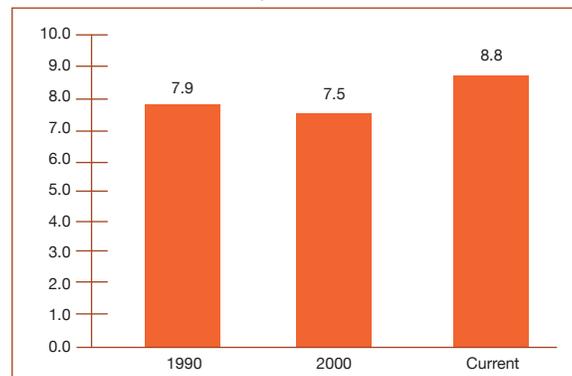
Housing Market Trends

Rental Market—Kentucky Submarket *Continued*

have attracted more households to the area. See Figure 8 for details on the rental market vacancy rate from 1990 to the current date. Figure 9 illustrates multifamily building permit activity since 1990.

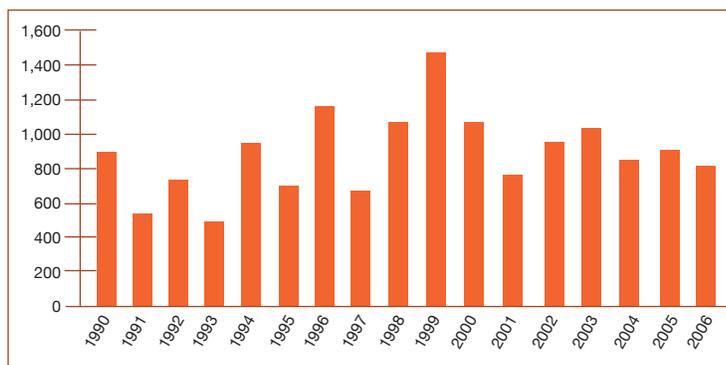
The most recent rental apartment completed in the Kentucky submarket is The Paddock at Eastpoint, located in eastern Jefferson County.

Figure 8. Rental Vacancy Rates in the Kentucky Submarket, 1990 to Current



Sources: 1990 and 2000—U.S. Census; current—estimates by analyst

Figure 9. Multifamily Building Permits Issued in the Kentucky Submarket, 1990 to 2006



Notes: Includes all multifamily units in structures with two or more units. Includes data through September 2006.

Source: U.S. Census Bureau, Building Permits Survey

Phase I, consisting of 298 one-, two-, and three-bedroom units began renting in late 2005 and is 89-percent occupied as of the current date. Developers have begun construction of Phase II, which will add another 202 units. As of October 1, 2006, no other large rental complexes are under construction in the Kentucky submarket.

In the Kentucky submarket, the U.S. Department of Housing and Urban Development (HUD) has funded 6,700 units of assisted housing; of these units, 3,220 are for families and 3,480 are for seniors and people with disabilities. The Louisville Metro Housing Authority (LMHA) administers about 8,500 Section 8 rental vouchers in Jefferson County. The Kentucky Housing Corporation administers about 380 Section 8 vouchers in Bullitt and Oldham Counties. In all three counties, about one-third of the vouchers are used by seniors or people with disabilities. The LMHA also operates approximately 4,930 conventional public housing units in Jefferson County. The U.S. Department of Agriculture (USDA) Rural Development has funded approximately 410 units in Bullitt and Oldham Counties; about 100 of these units are for seniors.

Since 1995, tax credit financing has been used most often to develop new rental housing for low- and moderate-income households in the submarket. An estimated 4,980 rental units have been financed using low-income housing tax credits (LIHTCs); about 750 of these units are for seniors.

Housing Market Trends

Rental Market—Kentucky Submarket *Continued*

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Kentucky Submarket, October 1, 2006 to October 1, 2009

1 Bedroom		2 Bedrooms		3 or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
750	500	900	700	1,250	200
800	430	950	575	1,300	175
850	400	1,000	525	1,350	150
900	350	1,050	475	1,400	125
950	325	1,100	400	1,450	100
1,000	275	1,150	350	1,500	90
1,050	225	1,200	300	1,550	80
1,150	175	1,300	250	1,650	70
1,250	150	1,400	150	1,750	50
1,350	125	1,500	100	1,850	40
1,450	100	1,600	75	1,950	30
and higher		and higher		and higher	

Notes: Distribution above is noncumulative. Demand shown at any rent represents demand at that level and higher.

Source: Estimates by analyst

Based on anticipated household growth and current market conditions, a demand for approximately 1,400 new market-rate, rental housing units is estimated for the 3-year forecast period ending October 1, 2009. Table 5 provides an estimate of the noncumulative distribution of demand for new market-rate rental housing in the Kentucky submarket by rent levels and the number of bedrooms per unit.

Sales Market—Southern Indiana Submarket

The Southern Indiana submarket historically has had more affordable sales housing than the rest of the Louisville HMA. Properties in Indiana typically have more square footage and larger lots compared with similarly priced homes in the Kentucky submarket. In addition, property taxes for comparable properties are lower in Clark and Floyd Counties than in the counties in the Kentucky submarket. Households often relocate to Clark County, directly across from Louisville, because of less traffic into downtown Louisville.

As of the current date, the sales market is balanced, although the vacancy rate has increased to an estimated 2 percent from 1.7 percent in 2000. The combined effect of an increase in single-family construction and the recent increase in mortgage interest rates has led

to an increase in unsold inventory. For the 12-month period ending September 2006, 2,600 homes were sold, nearly a 2-percent increase compared with the previous 12-month period. The median sales price increased less than 1 percent to \$130,900. Homes remained on the market an average of 105 days during the past 12-month period, relatively unchanged compared with the previous 12 months.

Condominium sales represent less than 3 percent of the market in southern Indiana. During the past 24 months, 90 condominium sales have been recorded. The median sales price of condominiums sold in the past 12 months was \$124,500, an increase of nearly 10 percent from the previous 12-month period. Nearly 150 condominiums have been built in Clark and Floyd Counties since 2003.

Housing Market Trends

Sales Market—Southern Indiana Submarket *Continued*

Figure 10. Number of Households by Tenure in the Southern Indiana Submarket, 1990 to Current



Sources: 1990 and 2000—U.S. Census; current—estimates by analyst

Figure 11. Single-Family Building Permits Issued in the Southern Indiana Submarket, 1990 to 2006



Notes: Includes only single-family units. Includes data through September 2006.
Source: U.S. Census Bureau, Building Permits Survey

As of the current date, an estimated 53,200 owner households are in the Southern Indiana submarket (see Figure 10). This figure represents an increase of 950 owner households a year, or a 1.9-percent annual increase from the 47,078 in 2000, as shown in Table DP-3.

The rate of single-family home construction, as measured by the number of building permits issued, slowly increased between 1990 and the current date (see Figure 11). An average of 900 units were constructed annually during the 1990s. Since 2000, average annual construction activity increased to 1,200 units. During the forecast period, a similar level of construction equaling 3,750 over the 3-year period will satisfy the estimated demand. Half of all new sales demand is expected in the \$175,000 to \$250,000 price range. See Table 6, which shows the demand for single-family homes by price range.

Table 6. Estimated Demand for New Market-Rate Sales Housing in the Southern Indiana Submarket, October 1, 2006 to October 1, 2009

Price Range (\$)		Units of Demand	Percent of Total
From	To		
125,000	149,999	125	3.3
150,000	174,999	375	10.0
175,000	199,999	575	15.3
200,000	224,999	600	16.0
225,000	249,999	625	16.7
250,000	274,999	475	12.7
275,000	299,999	325	8.7
300,000	324,999	225	6.0
325,000	349,999	125	3.3
350,000	374,999	120	3.2
375,000	399,999	100	2.7
400,000	549,999	60	1.6
550,000	and higher	20	0.5

Source: Estimates by analyst

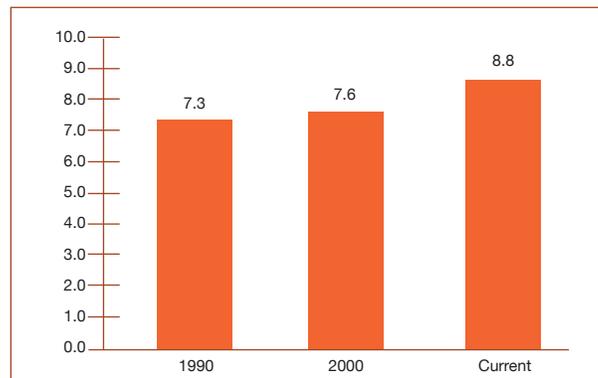
Rental Market—Southern Indiana Submarket

Similar to the rent and occupancy increases in the Kentucky submarket, rents and occupancy in the Southern Indiana rental submarket have increased over the past year. The average rent, currently \$560, has increased by about 1 percent annually since 2004. The submarket vacancy rate as of the current date is 8.8 percent, down slightly from a year ago. Rising mortgage interest rates and an increased rate of job growth in the HMA led to a greater demand for rental units during the 12-month period ending September 2006. See Figure 12 for details on

rental vacancy rates in the Southern Indiana submarket from 1990 to the current date.

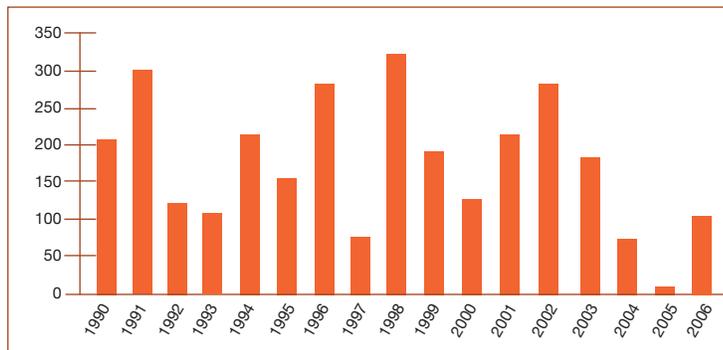
Multifamily construction, which is predominantly built as rental housing, has averaged only 140 units annually since 2000. Currently no projects larger than 50 units are planned or under construction in the market. Since 2000, the conversion of existing single-family homes to rental units has occurred at a rate of approximately 90 units a year. See Figure 13 for information on multifamily building permit activity in the Southern Indiana submarket from 1990 through September 2006.

Figure 12. Rental Vacancy Rates in the Southern Indiana Submarket, 1990 to Current



Sources: 1990 and 2000—U.S. Census; current—estimates by analyst

Figure 13. Multifamily Building Permits Issued in the Southern Indiana Submarket, 1990 to 2006



Notes: Includes all multifamily units in structures with two or more units. Includes data through September 2006.

Source: U.S. Census Bureau, Building Permits Survey

The inventory of project-based rental assistance housing funded by HUD programs in the Southern Indiana submarket totals 1,160; of these units, 460 are for families and 700 are for seniors and people with disabilities. Four local housing authorities and a community action organization administer about 975 Section 8 vouchers in the submarket. Approximately one-third of these vouchers are leased to seniors or people with disabilities. Three of the four housing authorities also operate about 1,700 conventional public housing units. The submarket has 60 units of USDA Rural Development multifamily rental housing units, all in Clark County.

Since 1990, tax credit financing has been used to develop rental housing for low-income households in southern Indiana. An estimated 2,000 completed rental units for low-income residents were financed using LIHTCs.

Housing Market Trends

Rental Market—Southern Indiana Submarket *Continued*

Based on anticipated household growth and current market conditions, estimates indicate a demand for approximately 400 new market-rate, rental housing units during the 3-year forecast period ending October 1, 2009. Table 7 provides

an estimate of the noncumulative distribution of demand for new market-rate rental housing in the Southern Indiana submarket by rent levels and the number of bedrooms per unit.

Table 7. Estimated Demand for New Market-Rate Rental Housing in the Southern Indiana Submarket, October 1, 2006 to October 1, 2009

1 Bedroom		2 Bedrooms		3 or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
700	140	850	200	1,100	60
750	125	900	175	1,150	55
800	120	950	150	1,200	50
850	100	1,000	125	1,250	40
900	90	1,050	120	1,300	35
950	80	1,100	100	1,350	30
1,000	60	1,150	90	1,400	25
1,100	50	1,250	70	1,500	20
1,200	40	1,350	50	1,600	15
1,300 and higher	30	1,450 and higher	30	1,700 and higher	10

Notes: Distribution above is noncumulative. Demand shown at any rent represents demand at that level and higher.

Source: Estimates by analyst

Data Profiles

Table DP-1. Louisville HMA Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%)	
				1990 to 2000	2000 to Current
Total Resident Employment	448,997	491,010	482,900	0.9	-0.3
Unemployment Rate (%)	5.2	3.6	5.8		
Covered Employment	437,846	530,442	527,400	1.9	-0.1
Total Population	897,948	968,313	1,007,738	0.8	0.6
Total Households	348,153	390,301	418,600	1.1	1.1
Owner Households	232,780	264,986	291,100	1.3	1.5
Percent Owner (%)	66.9	67.9	69.5		
Renter Households	115,373	125,315	127,500	0.8	0.3
Percent Renter (%)	33.1	32.1	30.5		
Total Housing Units	370,960	414,800	449,875	1.1	1.3
Owner Vacancy Rate (%)	1.5	1.5	2.0		
Rental Vacancy Rate (%)	7.9	7.5	8.8		
Median Family Income	NA	NA	NA		

NA = data are not available.

Sources: U.S. Bureau of Labor Statistics; U.S. Census Bureau; U.S. Department of Housing and Urban Development; analyst estimates

Table DP-2. Kentucky Submarket Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%)	
				1990 to 2000	2000 to Current
Total Population	745,767	801,018	831,535	0.7	0.6
Total Households	290,776	324,039	346,000	1.1	1.0
Owner Households	192,737	217,908	237,900	1.2	1.4
Percent Owner (%)	66.3	67.2	68.8		
Rental Households	98,039	106,131	108,100	0.8	0.3
Percent Renter (%)	33.7	32.8	31.2		
Total Housing Units	310,409	344,536	372,000	1.0	1.2
Owner Vacancy Rate (%)	1.5	1.4	2.0		
Rental Vacancy Rate (%)	7.9	7.5	8.8		
Median Family Income	NA	NA	NA		

NA = data are not available.

Sources: U.S. Bureau of Labor Statistics; U.S. Census Bureau; U.S. Department of Housing and Urban Development; analyst estimates

Table DP-3. Southern Indiana Submarket Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%)	
				1990 to 2000	2000 to Current
Total Population	152,181	167,295	176,203	1.0	0.8
Total Households	57,377	66,262	72,600	1.5	1.4
Owner Households	40,043	47,078	53,200	1.6	1.9
Percent Owner (%)	69.8	71.0	73.3		
Rental Households	17,334	19,184	19,400	1.0	0.2
Percent Renter (%)	30.2	29.0	26.7		
Total Housing Units	60,551	70,264	77,875	1.5	1.6
Owner Vacancy Rate (%)	1.4	1.6	2.0		
Rental Vacancy Rate (%)	7.3	7.6	8.8		
Median Family Income	NA	NA	NA		

NA = data are not available.

Sources: U.S. Bureau of Labor Statistics; U.S. Census Bureau; U.S. Department of Housing and Urban Development; analyst estimates

Data Definitions and Sources

1990: 4/1/1990—U.S. Decennial Census

2000: 4/1/2000—U.S. Decennial Census

Current date: 10/1/2006—Analyst's estimates

Forecast period: 10/1/2006–10/1/2009—
Analyst's estimates

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

For additional data pertaining to the housing market for this HMA, go to http://www.huduser.org/publications/pdf/CMARtables_LouisvilleKY-IN.pdf.

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This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD wishes to express its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to
www.huduser.org/publications/econdev/mkt_analysis.html.