COMPREHENSIVE HOUSING MARKET ANALYSIS

Indianapolis-Carmel-Anderson, Indiana

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of October 1, 2023

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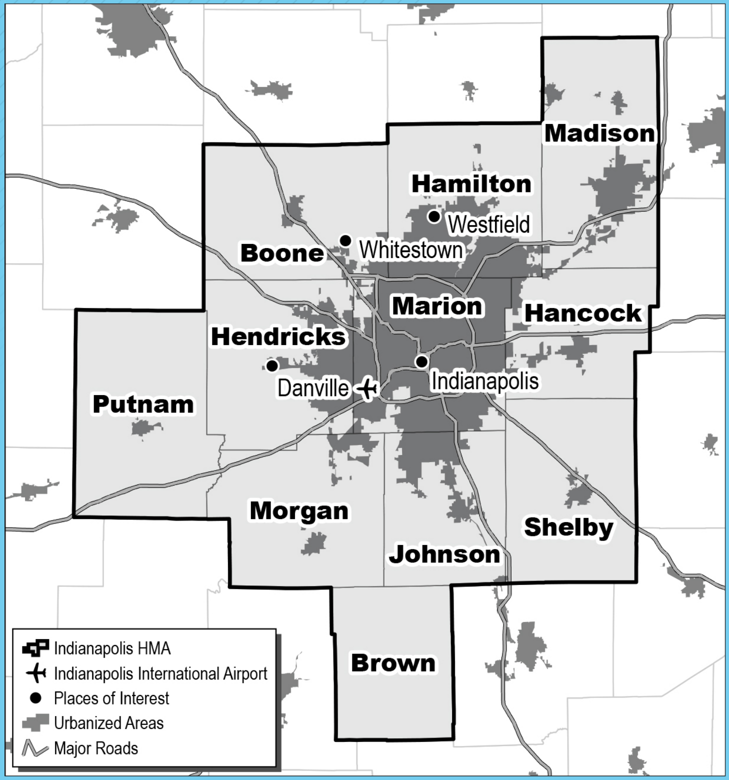
Executive Summary

Housing Market Area Description

The Indianapolis-Carmel-Anderson Housing Market Area (hereafter, Indianapolis HMA) is coterminous with the 11-county Indianapolis-Carmel-Anderson, IN Metropolitan Statistical Area (MSA). Located in central Indiana, the HMA is a transportation and logistics hub supported by a large FedEx Corporation facility at the Indianapolis International Airport and the CSX Corporation intermodal railyard nearby. Jobs added in the transportation and utilities sector accounted for 24 percent of total job growth since 2020. The HMA includes Marion County, the most populous county in Indiana and home to Indianapolis, the state capital and largest city. The suburban counties adjacent to Marion County, including Boone, Hamilton, Hendricks, and Johnson Counties, are proximate to the transportation facilities and areas where much of the population growth, job growth, and housing construction have occurred.

The current population of the HMA is estimated at 2.16 million.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's Market-at-a-Glance tool.
Additional data for the HMA can be found in this report's supplemental tables.
For information on HUD-supported activity in this area, see the Community Assessment Reporting Tool.

Market Qualifiers

Economy

Strong but Moderating: Nonfarm payrolls averaged 1.16 million during the 12 months ending September 2023, up by 38,200 jobs, or 3.4 percent, from a year ago, easing from an increase of 49,100 jobs, or 4.6 percent, a year earlier.

The economy has fully recovered the jobs lost during the 2020 recession. Current payrolls are 72,800 jobs, or 6.7 percent, above the average during the 12 months ending September 2019, the most recent comparable period before the recession. Gains during the past 12 months were led by the professional and businesses services, the education and health services, and the leisure and hospitality sectors. During the 3-year forecast period, job growth is expected to slow to a rate similar to the rate during the 2010s, averaging 2.0 percent annually.

Sales Market

Tight: The inventory of homes for sale averaged 1.6 months during the 12 months ending September 2023 and has been below 2.0 months since 2018 (Redfin, a national real estate brokerage).

The average home sales price increased 10 percent to $315,100 during the most recent 12 months, moderating from a 15-percent gain a year earlier but well above the 4-percent average annual increase from 2011 through 2019 (CoreLogic, Inc.). Home mortgage interest rates have been increasing during the past 24 months, contributing to a decline in home sales, which were down 25 percent during the most recent 12 months, accelerating from a 5-percent decline during the previous 12 months. During the 3-year forecast period, demand is expected for an additional 22,850 owner housing units. The 4,125 units under construction are expected to meet a portion of that demand.

Rental Market

Slightly Soft and Easing: The increase in rental units since 2020 exceeded the increase in rental households, causing the rental vacancy rate to rise from 9.4 percent in 2020 to 11.0 percent currently.

Following elevated rent growth during the previous 2 years, averaging 10 percent annually for apartments (CoStar Group) and 16 percent annually for single-family homes (CoreLogic, Inc.), year-over-year apartment rent growth moderated to 3 percent as of the third quarter of 2023, and the average rent for single-family homes declined 1 percent as of September 2023 compared with September 2022. Apartment market conditions are also slightly soft and easing. Absorption of recently built apartments was 30 units during the most recent 12 months, whereas 4,525 units were completed (CoStar Group), contributing to the easing of market conditions during the past year. During the 3-year forecast period, demand for an additional 11,350 units is expected. The 13,000 units under construction are expected to exceed the demand, and market conditions are expected to continue easing.

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3-Year Housing Demand Forecast

		Sales Units	Rental Units
Indianapolis HMA	Total Demand	22,850	11,350
	Under Construction	4,125	13,000

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of October 1, 2023. The forecast period is October 1, 2023, to October 1, 2026.
Source: Estimates by the analyst

Economic Conditions

Largest Sector: Professional and Business Services

Nonfarm payrolls in the Indianapolis HMA have fully recovered from job losses during the 2020 recession and have exceeded prerecession levels since early 2022.

Primary Local Economic Factors

The city of Indianapolis, the largest city in Indiana, was founded in 1821 as the state capital. In the more than 200 years since then, the Indianapolis HMA has become a center for government, transportation, and manufacturing. Large government employers include the State of Indiana; Indiana University (IU) Health, which is the largest healthcare system in the HMA; and Indiana University-Purdue University Indianapolis (IUPUI), the largest university in the HMA (Table 1) and third largest in the state. The largest nonfarm payroll sector is the professional and businesses services sector, with 17 percent of total nonfarm payrolls (Figure 1). Within the sector, 42 percent of those jobs are in the professional, scientific, and technical services industry.

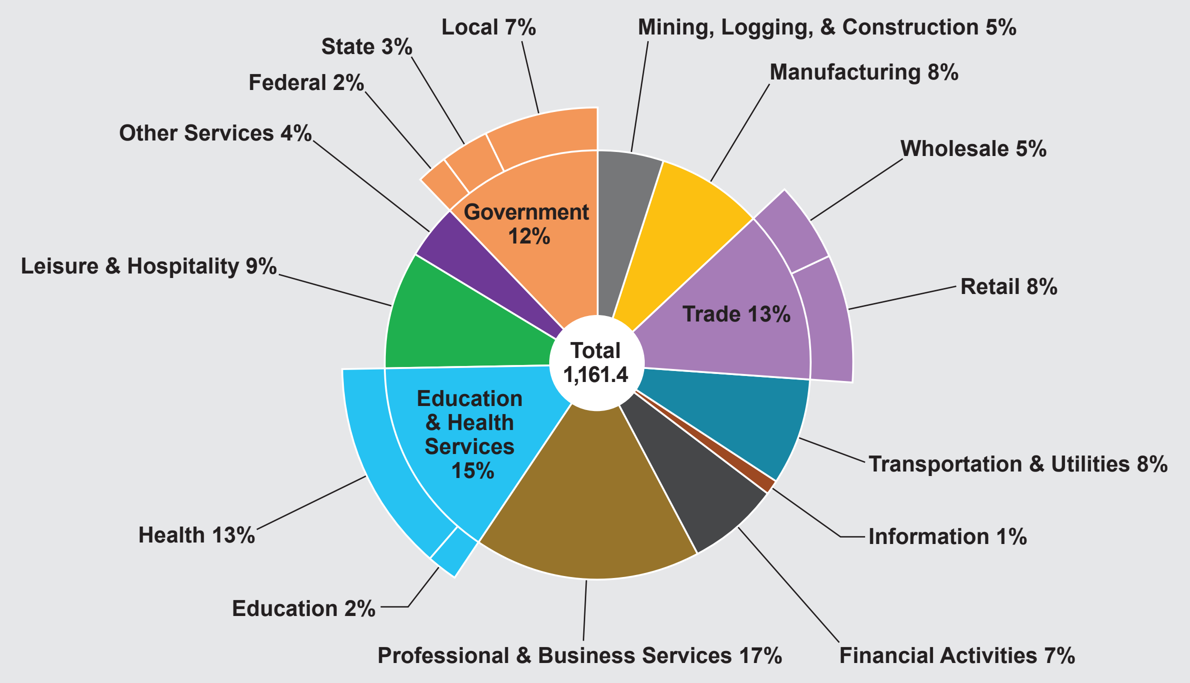
As the state capital, Indianapolis attracted elected officials and business leaders to the area, resulting in the city becoming a national transportation hub shortly after it was founded. The National Road, the first federally funded roadway, opened in the 1830s, enabling goods produced nearby to be brought to the East Coast, and the first

Table 1. Major Employers in the Indianapolis HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
State of Indiana	Government	33,134
Indiana University Health	Government	23,187
Federal Government	Government	19,368
Ascension	Education & Health Services	17,398
Community Health Network	Education & Health Services	15,000
Indiana University-Purdue University Indianapolis & IU School of Medicine	Government	14,000
Eli Lilly and Company	Manufacturing	11,279
Walmart Inc.	Wholesale & Retail Trade	9,582
The Kroger Co.	Wholesale & Retail Trade	7,520
FedEx Corporation	Transportation & Utilities	5,800

Note: Excludes all local governments and local school districts.
Source: Indy Partnership, 2023

Figure 1. Share of Nonfarm Payroll Jobs in the Indianapolis HMA, by Sector

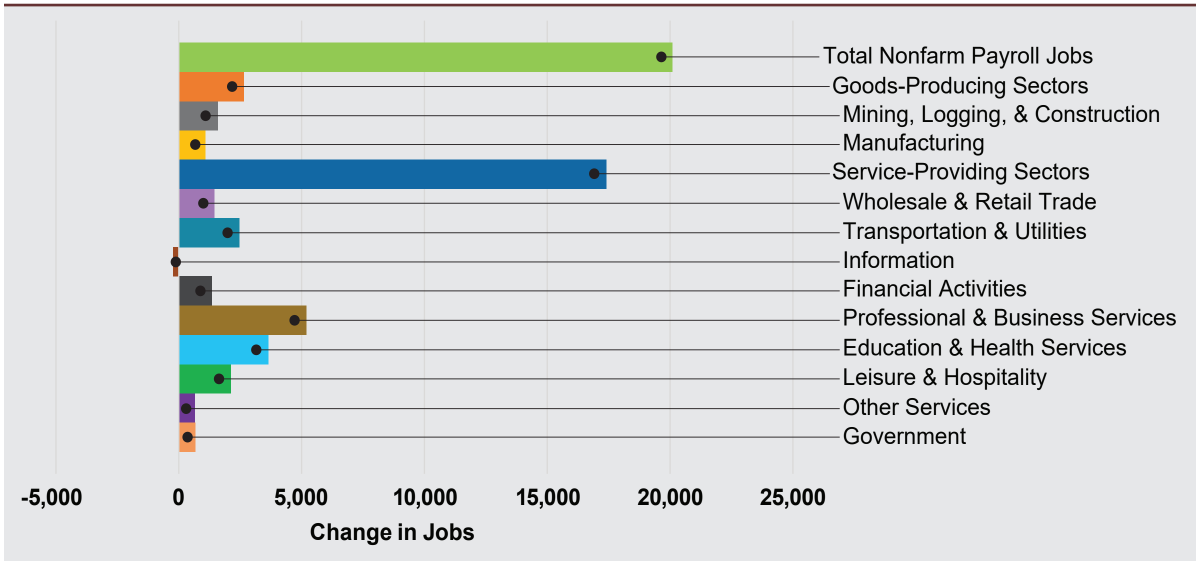


Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through September 2023.
Source: U.S. Bureau of Labor Statistics

railroad in the HMA opened in the 1840s, further supporting commerce and trade. The HMA remains a transportation hub for the distribution of goods, anchored by the FedEx Corporation facility at the Indianapolis International Airport; the CSX Corporation intermodal railyard, also proximate to the airport; and four interstate highways. Nationally recognized retail companies, including Amazon.com, Inc., Walmart Inc., and Target Corporation, have built or expanded multiple fulfillment and distribution centers in the HMA since 2010, partially because of the transportation infrastructure. The transportation and utilities sector accounted for 12 percent of total job gains from 2011 through 2019 (Figure 2a) and 24 percent since 2020 (Figure 2b). Consequently, the sector has accounted for a larger portion of the economy, growing from 6 percent of total nonfarm payrolls in 2010 to 8 percent during the 12 months ending September 2023.

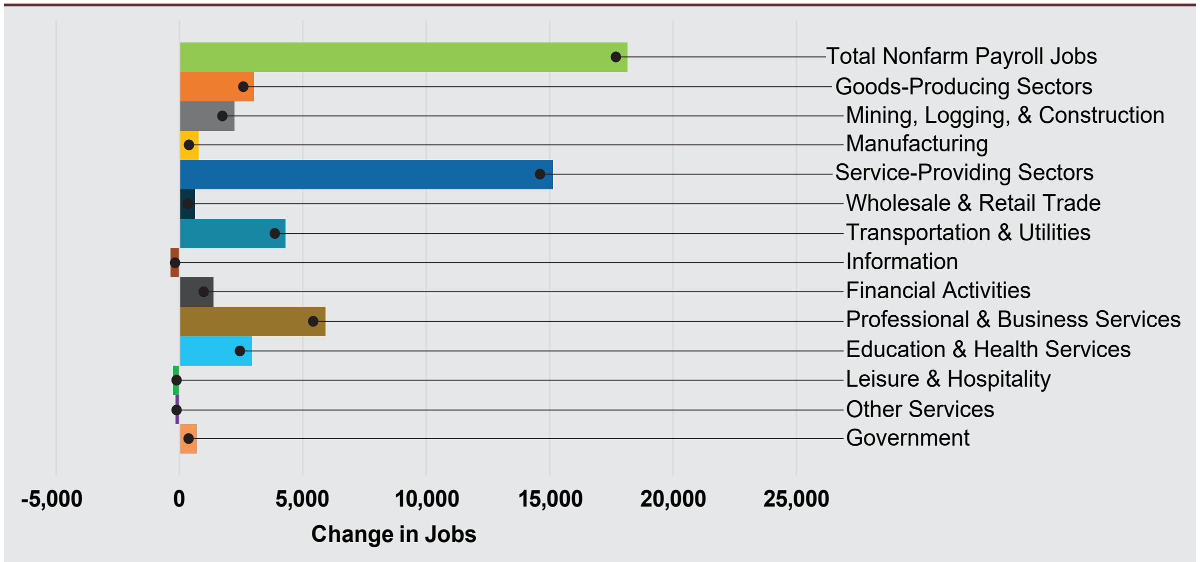
The road and rail access that developed in the 19th century, along with proximity to steel manufacturers in Gary, Indiana, 150 miles north of the HMA, also supported manufacturing in the HMA. By the early 1900s, the area was a center for automobile manufacturing. The Indianapolis 500 car race was started in 1911 to highlight local innovation and has been held each spring for more than a century. Modern manufacturing industries have diversified to include transportation equipment, motor vehicle parts, and chemical manufacturing,

Figure 2a. Average Annual Sector Growth in the Indianapolis HMA, 2011 to 2019



Source: U.S. Bureau of Labor Statistics

Figure 2b. Average Annual Sector Growth in the Indianapolis HMA, 2020 to Current



Note: Current data are based on the 12-month averages ending September 2023.
Source: U.S. Bureau of Labor Statistics

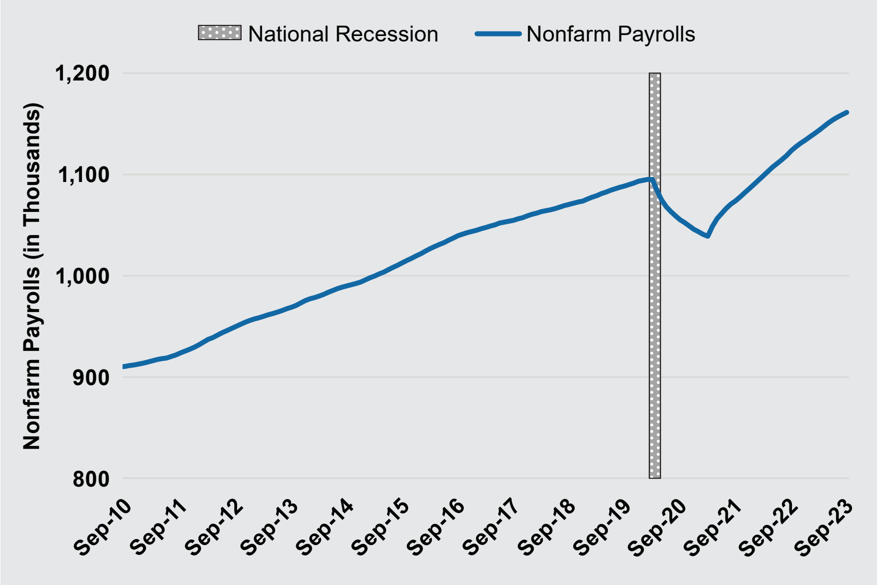
each with more than 9,000 jobs in the HMA. Large manufacturing employers include Eli Lilly and Company, a pharmaceutical manufacturer; Rolls-Royce plc, an aircraft engine manufacturer; and Allison Transmission Holdings, Inc., a vehicle transmission manufacturer.

Current Conditions—Nonfarm Payrolls

Nonfarm payrolls surpassed pre-2020 recession levels in early 2022 and have continued to rise. Job growth is moderating from faster rates a year ago but is strong relative to gains in the 2010s. Total nonfarm payrolls averaged 1.16 million during the 12 months ending September 2023, up by 38,200 jobs, or 3.4 percent, from the previous 12 months and are 72,800 jobs, or 6.7 percent, above the 12 months ending September 2019, which was the most recent comparable period before the recession of 2020 (Figure 3). The most recent year-over-year job growth was slower than the gain of 49,100 jobs, or 4.6 percent, during the previous year, but job growth exceeded the average gain of 20,100 jobs, or 2.0 percent, annually from 2011 through 2019. Job growth in the HMA tends to be faster than in the HUD-defined Great Lakes Region, where gains were 2.0 percent during the 12 months ending September 2023, 3.6 percent during the 12 months ending September 2022, and averaged 1.1 percent annually from 2011 through 2019.

Several large expansion projects in the HMA contributed to job gains during the past 12 months. Construction of a $3.7 billion research and production facility in Boone County for Eli Lilly and Company began in 2023. The project is currently supporting an estimated 1,500 construction jobs and contributed to the gain of 3,600 jobs, or 6.1 percent, in the mining, logging, and construction sector (Table 2). Upon completion, the company plans to add 700 scientific

Figure 3. 12-Month Average Nonfarm Payrolls in the Indianapolis HMA



Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Indianapolis HMA, by Sector

	12 Months Ending September 2022	12 Months Ending September 2023	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	**1,123.2**	**1,161.4**	**38.2**	**3.4**
Goods-Producing Sectors	152.9	159.9	7.0	4.6
Mining, Logging, & Construction	59.2	62.8	3.6	6.1
Manufacturing	93.7	97.1	3.4	3.6
Service-Providing Sectors	970.3	1,001.5	31.2	3.2
Wholesale & Retail Trade	153.7	155.6	1.9	1.2
Transportation & Utilities	89.2	91.6	2.4	2.7
Information	12.5	12.3	-0.2	-1.6
Financial Activities	74.5	77.1	2.6	3.5
Professional & Business Services	188.0	195.4	7.4	3.9
Education & Health Services	169.1	175.4	6.3	3.7
Leisure & Hospitality	104.6	110.0	5.4	5.2
Other Services	43.8	45.4	1.6	3.7
Government	134.9	138.8	3.9	2.9

Notes: Based on 12-month averages through September 2022 and September 2023. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

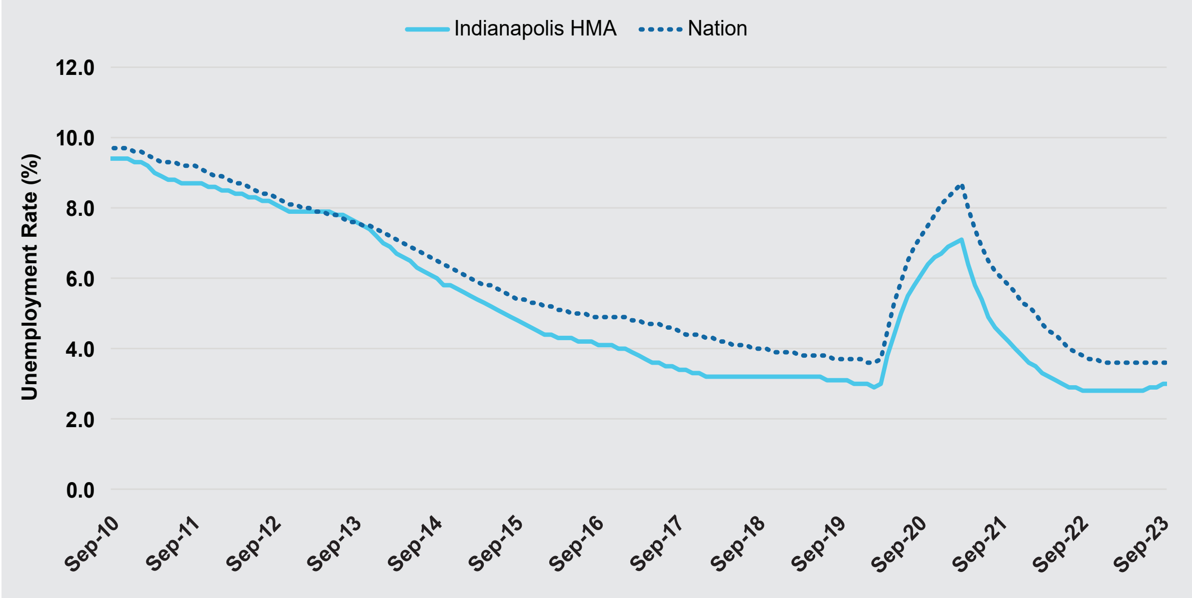
and technical jobs at the new campus. Republic Airways Holdings Inc., opened a new training facility in 2023, consolidating 2,000 jobs, most of which were previously in other metropolitan areas around the country, onto a single site in the HMA. Jobs added at the training facility contributed to growth of 2,400 jobs, or 2.7 percent, in the transportation and utilities sector.

The information sector was the only sector in the HMA with a decline in jobs during the most recent 12 months, down by 200 jobs, or 1.6 percent. In January 2023, Salesforce, Inc., a technology company with more than 2,300 employees in the HMA at that time, announced a layoff of 10 percent of their workforce nationwide, contributing to the decline.

Current Conditions—Unemployment

The unemployment rate increased from a year ago because the labor force expanded faster than resident employment. The unemployment rate averaged 3.0 percent during the 12 months ending September 2023, up from 2.8 percent a year earlier (Figure 4). The labor force increased by 21,500, or 1.9 percent, whereas resident employment increased by 18,900, or 1.8 percent. For context, the unemployment rate was at or below 5.0 percent from 2015 through 2019, including a pre-2020 recession low of 3.0 percent in 2019. The unemployment rate increased to 6.7 percent in 2020 and declined during 2021 and 2022. The rate in the HMA during the 12 months ending September 2023 was below rates for the nation and HUD-defined Great Lakes Region, which averaged 3.6 and 3.7 percent, respectively, each down from 3.8 percent a year earlier.

Figure 4. 12-Month Average Unemployment Rate in the Indianapolis HMA and the Nation



Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Economic Periods of Significance

2011 Through 2019: Growth

Following the end of the Great Recession, nonfarm payrolls were at a low in 2010 and increased each year from 2011 through 2019. By the end of 2012, payrolls surpassed the late-2000s pre-Great Recession peak, recovering 2 years earlier than the nation. During the recovery period in the HMA, job growth was faster than the expansionary period that followed, with an average increase of 21,600 jobs, or 2.3 percent, annually during 2011 and 2012, before moderating to an average gain of 19,600 jobs, or 1.9 percent, annually from 2013 through 2019.

During the 9-year period of growth from 2011 through 2019, all sectors added jobs except the information sector. Job growth was fastest in the transportation and utilities sector, which increased by an average of 2,500 jobs, or 4.0 percent, annually. The FedEx Corporation facility at Indianapolis International Airport was the second largest hub for the company in the nation in 2018, and the company began a $1.5 billion expansion project that year, contributing to gains in the sector. The manufacturing sector, which declined during the 2000s, added an average of 1,100 jobs, or 1.2 percent, annually. Manufacturing companies announced expansion projects totaling as much as $3.4 billion in private investment, which created up to 7,850 additional jobs (Indy Chamber). The jobs created by these projects were concentrated in transportation equipment, motor vehicle parts, and food manufacturing industries. The sector with the largest increase was professional and business services, increasing by an average of 5,200 jobs, or 3.6 percent, annually, with 43 percent of the gains in the professional, scientific, and technical services industry.

2020: Recession

The onset of the COVID-19 pandemic in March 2020 and the public health measures intended to limit the spread of the virus contributed to a sharp decline in jobs. Government restrictions on in-person gatherings and changes to consumer preferences contributed to a decline of 47,400 jobs, or 4.3 percent, in 2020, the largest 1-year decline in jobs since 2009. The leisure and hospitality sector, with workers that primarily serve in-person customers, had the largest loss of jobs during 2020, down by 20,800, or 18.8 percent, accounting for 44 percent of jobs lost, despite the sector accounting for only 9 percent of nonfarm payrolls.

Pandemic-influenced changes to consumer preferences and interest rates contributed to gains in two sectors. An increase in goods purchased online, up 43 percent nationally compared with 2019 (U.S. Census Bureau, Retail Trade Survey), supported a gain of 2,700 jobs, or 3.6 percent, in the transportation and utilities sector in the HMA. A reduction in the Federal Reserve target interest rate led to a decline in interest rates for many types of loans, including home mortgages and construction loans, which incentivized construction. The mining, logging, and construction sector increased by 1,100 jobs, or 2.0 percent.

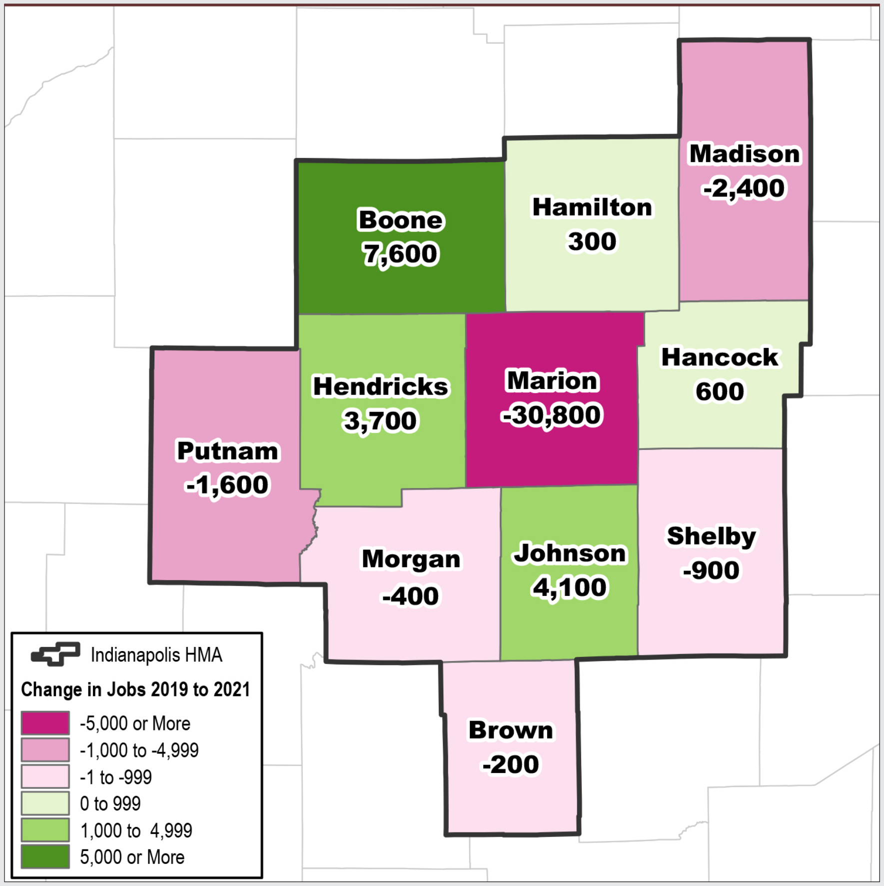
2021: Early Recovery

In 2021, payrolls increased at the fastest rate in more than 25 years, rising by 40,300 jobs, or 3.9 percent. Gains were led by the professional and business services sector, up by 12,100 jobs, or 7.3 percent, adding more jobs than were lost in the sector in 2020. The leisure and hospitality sector had the fastest rate of growth and second largest gain during 2021, up by 6,800 jobs, or 7.5 percent, as government restrictions on in-person gatherings were eased and a vaccine to prevent severe illness from COVID-19 became available. The third largest job gain was in the transportation and utilities sector, up by 5,300 jobs, or 6.8 percent, supported by a 17-percent increase in online retail spending nationwide. Problems with sourcing and delivery of goods manufactured abroad led some companies to move their manufacturing activities to the United States, including the HMA, supporting an increase of 1,900 jobs, or 2.1 percent, in the manufacturing sector.

Change in Jobs by County 2019 to 2021

The severity of the decline in jobs and the extent of recovery varied from county to county in the HMA, partially because of the types of jobs located in each county. Marion County, which includes the city of Indianapolis, had the largest deficit of jobs in 2021 compared with 2019, with 30,800, or 4.7 percent, fewer jobs (U.S. Census Bureau OnTheMap, with adjustments by the analyst; Map 1). Jobs in the arts, entertainment, and recreation, and the accommodation and food services industries, which were severely impacted by the 2020 recession, are concentrated in the county, with about one-half of the HMA jobs in those industries in 2019. Boone, Johnson, and Hendricks Counties all had an increase in jobs, primarily supported by gains in the transportation and warehousing industry. In 2019, the three counties had a combined 34 percent of all jobs in the transportation and warehousing industry but only 15 percent of total jobs in the HMA. Proximity to transportation infrastructure, such as the Indianapolis International Airport and an intermodal railyard, allowed employment to expand faster in these counties relative to other counties in the HMA, with transportation and warehousing industry jobs in the counties up by a combined 12,500, or 51.0 percent, during the 2-year period. In Hamilton County, which includes a relatively high portion of jobs that can be performed through telework, jobs were relatively unchanged from 2019 to 2021.

Map 1. Change in Jobs by County in the Indianapolis HMA from 2019 to 2021



Source: U.S. Census Bureau OnTheMap 2019 and 2021 data, with adjustments by the analyst

Forecast

During the 3-year forecast period, nonfarm payrolls in the HMA are expected to continue to increase but at a more moderate rate, averaging 2.0 percent annually, which is similar to the average annual rate of growth from 2011 through 2019. Federal Reserve interest rate increases enacted in 2022 and 2023 to slow inflation are expected to contribute to slower job growth during the forecast period. Growth in online retail spending has slowed, which is expected to contribute to slower gains in the transportation and utilities sector. In September 2023, spending at restaurants, hotels, entertainment and recreation venues in the state of Indiana was more than 10 percent above prepandemic levels (Opportunity Insights). The leisure and hospitality sector has nearly recovered from pandemic-influenced job losses, and growth is expected to slow in the sector as spending stabilizes.

Population and Households

Current Population: 2.16 million

Population growth slowed to an average of 14,700, or 0.7 percent, annually since 2020, down from an average gain of 22,300, or 1.1 percent, annually in the 2010s (Table 3), primarily because of lower net natural increase in the more recent period.

Population Trends

The population of the Indianapolis HMA is growing quickly compared with the Great Lakes Region. Stronger job growth in the HMA relative to the HUD-defined Great Lakes Region and comparatively affordable housing contributed to net in-migration each year since 2010. During the national economic recovery in the early 2010s, net in-migration was generally lower, and net in-migration increased during the national economic expansion in the later 2010s. Net natural increase occurred each year since 2010, also supporting population growth, but it has moderated in recent years because of a decline in the birthrate and an increasing number of seniors aged 65 and older. Net natural increase declined further at the onset of the COVID-19 pandemic and has been subdued since 2020.

2010 to 2015

The early 2010s were a period of economic recovery from job losses associated with the Great Recession. Many of the recovered jobs were filled by existing residents of the HMA, leading to relatively subdued net in-migration. From 2010 to 2015, the population increased by an average of 20,250, or 1.0 percent, annually (Figure 5). Net in-migration averaged 9,050 people annually, and net natural increase averaged 11,200 people annually.

2015 to 2020

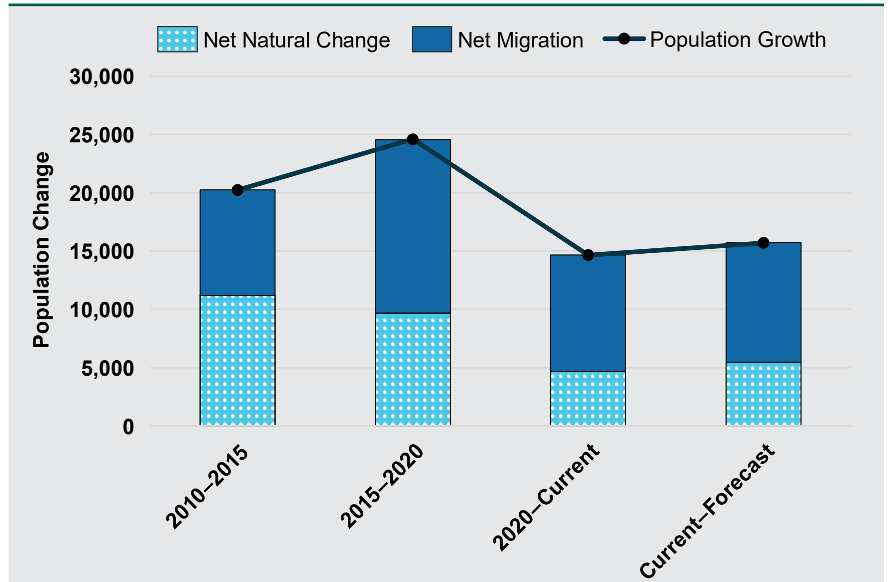
The late 2010s was a period of economic expansion and low unemployment in the HMA. People moving to the area, attracted by job opportunities and the relatively low cost of living, contributed to an increase in net in-migration and

Table 3. Indianapolis HMA Population and Household Quick Facts

		2020	Current	Forecast
Population Quick Facts	Population	2,111,040	2,162,000	2,210,000
		2010–2020	2020–Current	Current–Forecast
	Average Annual Change	22,300	14,700	15,700
	Percentage Change	1.1	0.7	0.7
		2020	Current	Forecast
Household Quick Facts	Households	826,470	857,900	885,100
		2010–2020	2020–Current	Current–Forecast
	Average Annual Change	9,425	8,975	9,075
	Percentage Change	1.2	1.1	1.0

Note: The forecast period is the current date (October 1, 2023) to October 1, 2026.
Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

Figure 5. Components of Population Change in the Indianapolis HMA, 2010 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is the current date (October 1, 2023) to October 1, 2026.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

overall stronger population growth. From 2015 to 2020, population growth averaged 24,600, or 1.2 percent, annually. Net in-migration averaged 14,950 people annually, reflecting a 65-percent increase compared with the average from 2010 to 2015. Net natural increase averaged 9,675 people annually, representing a 14-percent decrease compared with the previous period, because of a 1-percent decline in births and a 9-percent increase in deaths.

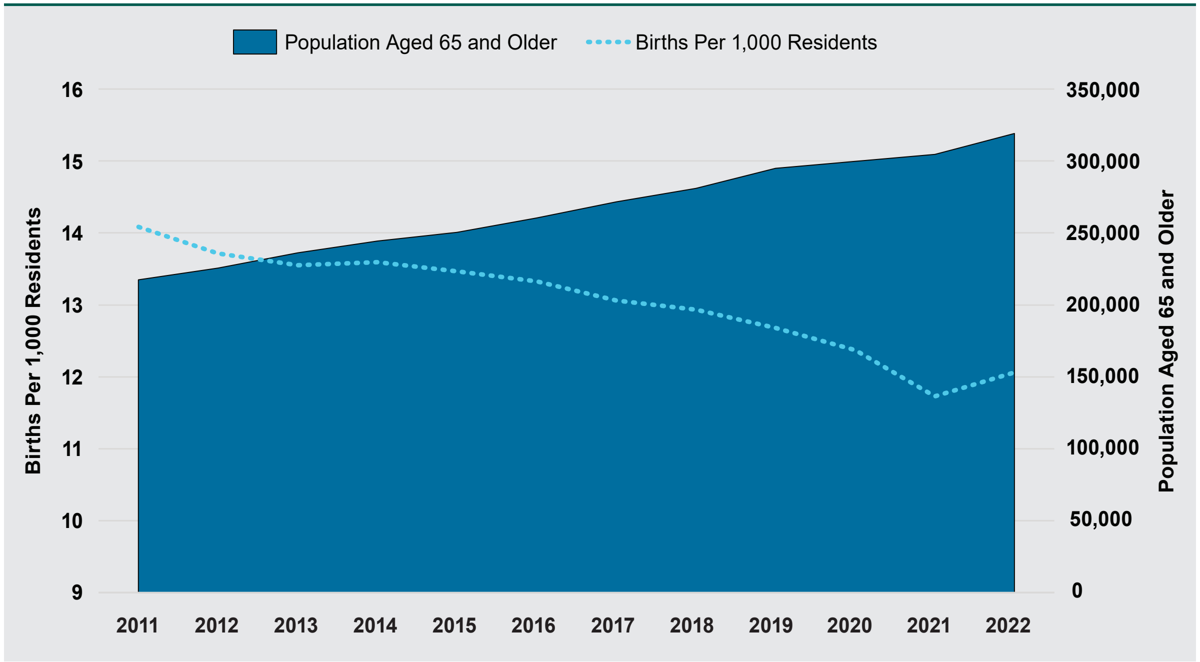
2020 to Current

Population growth slowed at the onset of the COVID-19 pandemic and has remained subdued, averaging 14,700 people, or 0.7 percent, annually since 2020. The recent average annual population increase was below the average annual gains during both the 2010 to 2015 and the 2015 to 2020 periods. Net in-migration since 2020 fell to an average of 10,050 people annually, partly because job openings immediately following the 2020 recession were filled by existing residents. An increasing number of jobs allowed full-time telework, so fewer people moved for work. Since 2020, net natural increase fell to an average of 4,675 people annually, down 52 percent compared with the average from 2015 to 2020. In addition to an ongoing decline in the birthrate and an increasing senior population, the proliferation of the COVID-19 virus contributed to a further decline in net natural increase, with 14,450 deaths in the HMA attributed to the virus since 2020 (State of Indiana).

Trends in the Birthrate and Senior Population

Since 2011, the birthrate has been declining, and the senior population has been increasing. Both of those trends contributed to the decline in net natural increase. The birthrate was 14.1 births per 1,000 residents in 2011 (U.S. Census Bureau population estimates as of July 1). The rate fell during most years since 2012, decreasing to 12.7 in 2019 and 12.1 in 2022 (Figure 6). As a portion of the population, the number of seniors aged 65 and older have increased faster than the population overall. In 2010, the senior population was 212,300, or approximately 11 percent of the total population (American Community Survey [ACS] 1-year data). The senior population increased an average of 4 percent annually from 2011 to 2019, and the cohort accounted for 14 percent of the total population in 2019. The rate of increase slowed to an average of 3 percent annually from 2020 to 2022, and the senior population was 319,100, or 15 percent of the total HMA population, in 2022.

Figure 6. Selected Demographic Trends in the Indianapolis HMA



Sources: Population aged 65 and older—American Community Survey 1-year data and estimates by the analyst; births per 1,000 residents—U.S. Census Bureau population estimates as of July 1 and 2020 estimates by the analyst

Migration Trends

The inter-metropolitan area in-migration into the Indianapolis HMA is generally from higher-cost metropolitan areas, whereas out-migration from the HMA, which is lower than in-migration, is often to nearby metropolitan areas with large universities. The Chicago, Louisville/Jefferson County, Elkhart-Goshen, and New York metropolitan areas were the most common origins for in-migrants to the HMA from 2016 to 2020 (2016–2020 ACS 5-year data; Table 4). Each of these areas is less affordable than the HMA based on rankings in the National Association of Home Builders (NAHB)/Wells Fargo Housing Opportunity Index. The Bloomington, Muncie, and Lafayette-West Lafayette metropolitan areas, which were among the most common areas to move to when leaving the HMA, are all within 75 miles of the HMA and include the first, second, and fourth largest universities by student enrollment in Indiana (IUPUI in the city of Indianapolis is the third largest).

Table 4. Metro-to-Metro Migration Flows in the Indianapolis HMA, 2016–2020

Net In-migration to the HMA	
Chicago-Naperville-Elgin, IL-IN-WI Metro Area	2,900
Louisville/Jefferson County, KY-IN Metro Area	1,416
Elkhart-Goshen, IN Metro Area	1,098
New York-Newark-Jersey City, NY-NJ-PA Metro Area	916
Net Out-migration from the HMA	
Bloomington, IN Metro Area	-2,411
Muncie, IN Metro Area	-2,039
Outside Metro Area within U.S. or Puerto Rico	-1,398
Lafayette-West Lafayette, IN Metro Area	-1,106

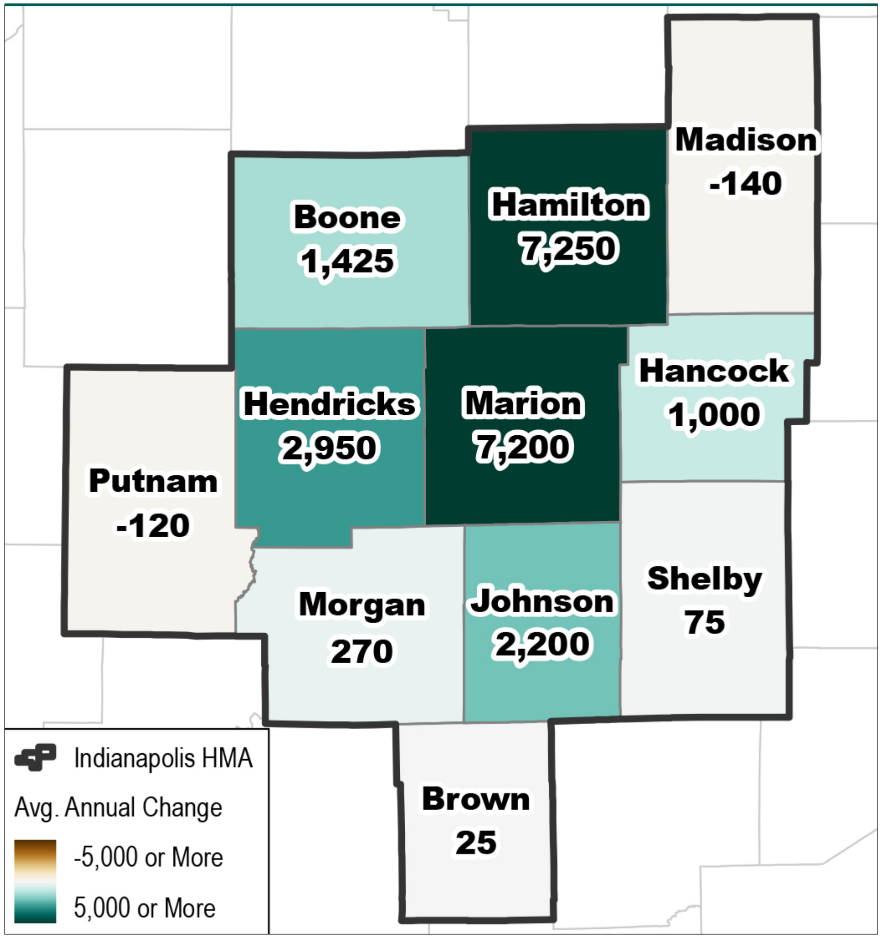
Source: U.S. Census Bureau Migration Flows, 2016–2020 American Community Survey, 5-year data

In Marion County, the most populous county in the HMA, net out-migration has occurred each year since 2020. In 2021, net out-migration occurred from Marion County into each of the suburban counties (Internal Revenue Service County-to-County Migration Flows, 2020–21). The most common destinations were Hamilton County and Hendricks County, each capturing slightly more than one-fourth of net out-migration from the county. Partially offsetting net out-migration to the suburban counties in the HMA was net in-migration to Marion County from the remainder of the state of Indiana and the remainder of the nation.

Population Change by County

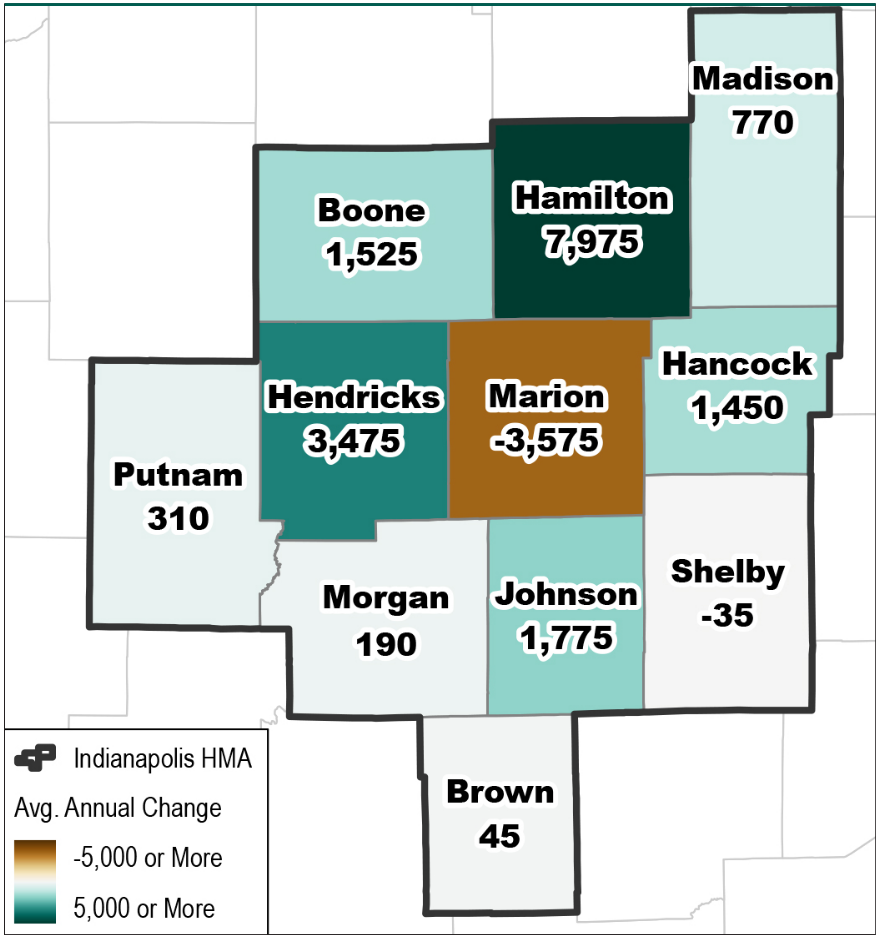
In most of the suburban counties, population growth was stronger in the 2020 to 2022 period compared with population growth from 2010 to 2020. The population in Marion County declined from 2020 to 2022, a reversal from gains during 2010 to 2020, partially offsetting the larger gains in the other counties during the more recent period (Census Bureau population estimates as of July 1; Maps 2a and 2b). The strongest gains from 2020 to 2022 were in Hamilton County, followed by Hendricks County. In Marion County, the population declined by an average of 3,575 annually from 2020 to 2022, compared with an average gain of 7,200 annually from 2010 to 2020.

Map 2a. Population Change by County 2010 to 2020 in the Indianapolis HMA



Source: U.S. Census Bureau July 1 population estimates, 2020

Map 2b. Population Change by County 2020 to 2022 in the Indianapolis HMA



Source: U.S. Census Bureau July 1 population estimates, 2022

Population Forecast

During the 3-year forecast period, population growth is expected to average 15,700 people, or 0.7 percent, annually, reflecting a larger increase compared with the 2020 to current period. Job growth and relatively affordable housing are expected to continue to draw new residents to the area, supporting a modest increase in net in-migration. The declines in net natural increase, attributable to a falling birthrate and an increasing senior population, are expected to continue during the forecast period. However, deaths from the COVID-19 virus have declined during the past year and are expected to remain subdued, leading to higher net natural increase compared with the 2020 to current period.

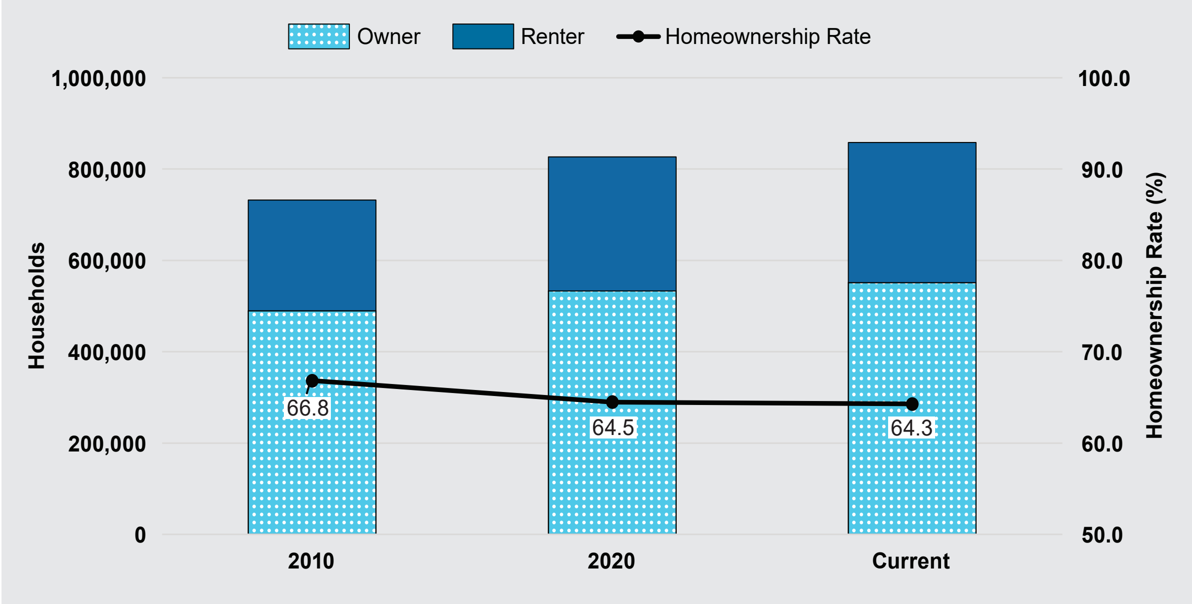
Household Trends and Forecast

Similar to population trends, household growth has slowed since 2020 compared with the period from 2010 to 2020. The number of households increased by an average of 9,425, or 1.2 percent, annually from 2010 to 2020 and moderated to an average increase of 8,975, or 1.1 percent, annually since 2020. The slowdown in household growth since 2020 was more gradual than the slowdown in population growth, partially because more recently formed households tended to have fewer people than households formed during the previous period.

From 2010 to 2020, owner households accounted for 46 percent of household growth, contributing to a decline in the homeownership rate, which fell from 66.8 percent in 2010 to 64.5 percent in 2020 (Figure 7). Owner household growth increased to 59 percent of total household growth since 2020, partially because of the historically low mortgage interest rates in 2020 and 2021 that increased the affordability of homebuying. However, because the owner share of household growth was below the homeownership rate, the homeownership rate is estimated to have declined slightly since 2020 to 64.3 percent.

The forecast increase in the population is expected to support continued household growth during the next 3 years. However, rapid increases in the average rent and average payment for a new mortgage during the past 2 years have reduced housing affordability, which is expected to contribute to slower household formation, an increase in the average household size, and more people doubling up to offset the higher cost of housing during the forecast period. The number of households is expected to increase by an average of 9,075, or 1.0 percent, annually. Owner households are expected to account for a majority of household growth.

Figure 7. Households by Tenure and Homeownership Rate in the Indianapolis HMA



Note: The current date is October 1, 2023.
Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

Home Sales Market

Market Conditions: Tight

Home sales declined during the past 24 months, partially because of rising home mortgage interest rates. The low inventory of homes for sale contributed to rising home sales prices.

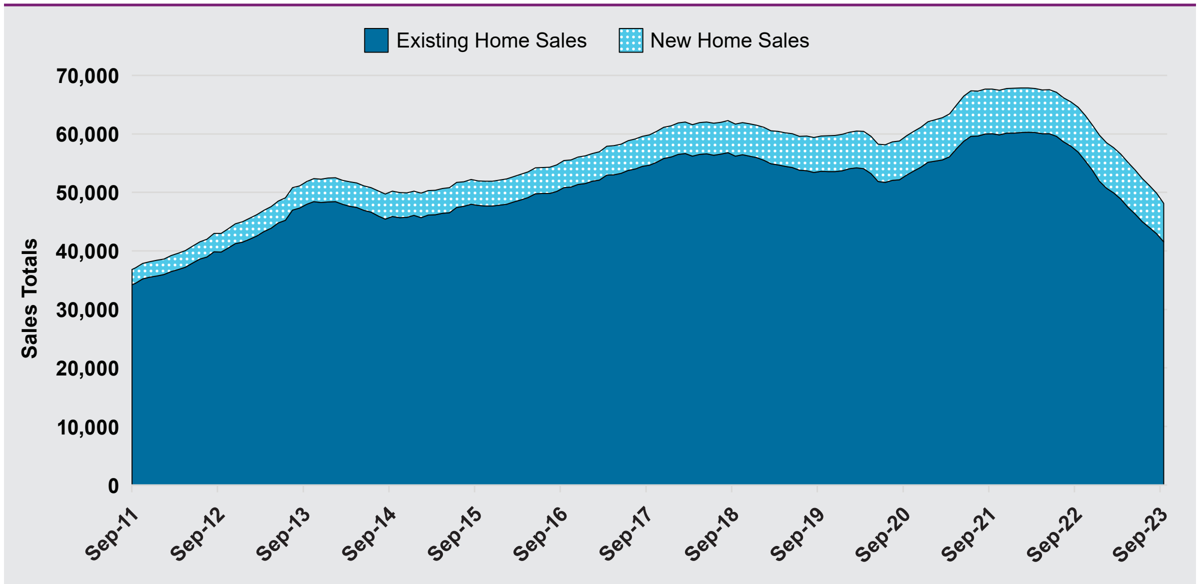
Current Conditions

Home sales market conditions in the HMA are currently tight. The estimated home sales market vacancy rate is 1.5 percent, up from 1.4 percent in 2020, when the inventory of homes for sale was slightly lower. Home price growth has been elevated since 2020. Price gains have moderated during the past 12 months but remain well above the average during the 2010s. Low levels of sales inventory since 2020 have placed upward pressure on prices, contributing to the rapid increase. Home mortgage interest rates were at a historic low in 2021, which made homebuying more affordable and contributed to the highest number of home sales in more than 2 decades. Home mortgage interest rates have increased during the past 24 months and are currently at the highest level in 22 years, contributing to increased average monthly payments on new home loans, reducing affordability of homebuying, and discouraging owners with mortgages at lower rates from selling. Fewer homes are currently listed for sale compared with a year ago (Redfin, a national real estate brokerage), and home sales are down sharply during the most recent 12 months, accelerating from a more modest decline during the previous 12 months.

Home Sales Trends

Following the housing crisis in the late 2000s, home sales were at a post-Great Recession low in 2010 and increased during most years from 2011 through 2021. Rapid economic recovery from the job losses caused by the Great Recession supported a relatively quick increase in home sales from 2011 through 2013, up by an average of 4,875, or 12 percent, annually from a low of 37,800 in 2010 to 52,500 in 2013 (CoreLogic, Inc.; Figure 8). Home sales increased by an average of 1,925, or 3 percent, annually from 2014 through 2021. Home sales peaked at 67,800 in 2021. Home mortgage interest rates averaged 2.95 percent in 2021 (Freddie Mac), contributing to higher sales. Interest rates increased during 2022 and 2023 to reach an average of 4.42 percent during the 12 months ending September 2022 and 6.65 percent during the 12 months ending September 2023. The increase in the interest rate contributed to a 25-percent decline in home sales during the most recent 12 months, accelerating from a 5-percent

Figure 8. 12-Month Sales Totals by Type in the Indianapolis HMA



Source: CoreLogic, Inc.

decline during the previous 12 months. Home sales during the 12 months ending September 2023 were 48,100 (Table 5).

New Home Sales, Existing Home Sales, and the Inventory of Homes for Sale

New home sales increased faster than existing home sales in recent years partially because of the falling inventory of homes for sale. Prospective homebuyers responded to the limited availability of existing homes by purchasing new homes. From 2014 through 2019, existing home sales increased 2 percent annually, whereas new home sales rose 7 percent a year as the inventory of existing homes for sale fell from 5.2 months of supply in 2014 to 2.0 months in 2019. During 2020 and 2021, sales demand strengthened, supported by historically low mortgage interest rates and the rapid expansion of remote work at the onset of the COVID-19 pandemic. New and existing home sales both increased at faster rates, with existing sales up an average of 6 percent annually, and new home sales up 11 percent annually. The inventory of homes for sale declined during the 2-year period to a low of 0.8 month of supply in 2021. In 2022, existing home sales fell 14 percent, the largest year-over-year decline in 15 years, and new home sales increased 3 percent, peaking at 7,850, or 13 percent of total sales. The rising mortgage interest rates deterred both new and existing home sales during the 12 months ending September 2023, with new home sales falling 15 percent and existing home sales down 27 percent from the previous 12-month period. Inventory relative to sales rose from the 2021 low, but the 1.6 months of supply remained below prepandemic levels as of the 12 months ending September 2023.

Home Sale Price Trends

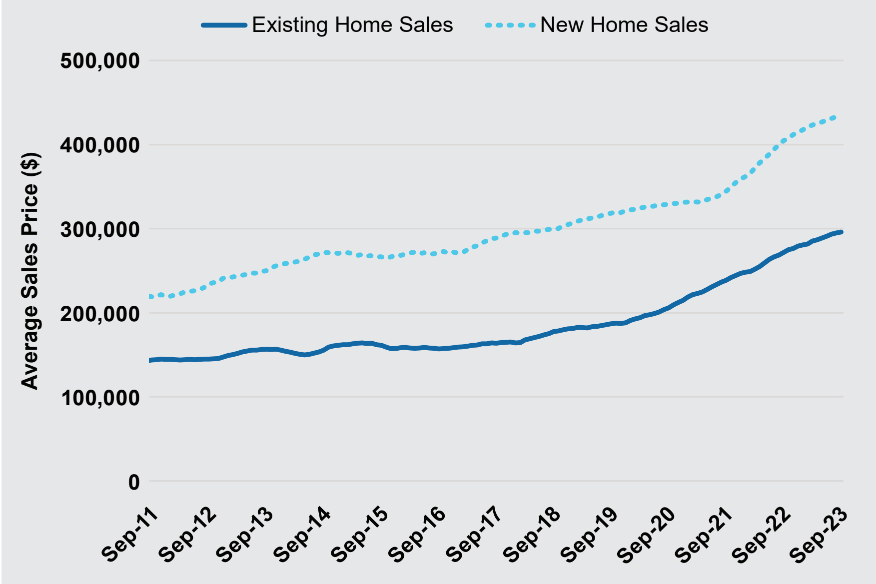
The average home sales price of new and existing homes in the HMA increased steadily in the 2010s. Price growth has accelerated since 2020 because of increased sales demand through 2021 and the ongoing low inventory of homes for sale. The average home sales price was at a post-Great Recession low of $137,400 in 2009 and increased by an average of $6,400, or 4 percent, annually from 2010 through 2019 (Figure 9).

Table 5. Home Sales Quick Facts in the Indianapolis HMA

		Indianapolis HMA	Nation
Home Sales Quick Facts	Vacancy Rate	1.5%	NA
	Months of Inventory	1.6	2.4
	Total Home Sales	48,100	5,170,000
	1-Year Change	-25%	-27%
	Total Home Sales Price	$315,100	$400,300
	1-Year Change	10%	0.4%
	Mortgage Delinquency Rate	1.0%	1.0%

NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending September 2023; and months of inventory and mortgage delinquency data are as of September 2023. The current date is October 1, 2023.
Sources: Vacancy rate—estimates by the analyst; home sales and prices, mortgage delinquency rate—CoreLogic, Inc.; months of inventory—Redfin, a national real estate brokerage

Figure 9. 12-Month Average Sales Price by Type of Sale in the Indianapolis HMA



Source: CoreLogic, Inc.

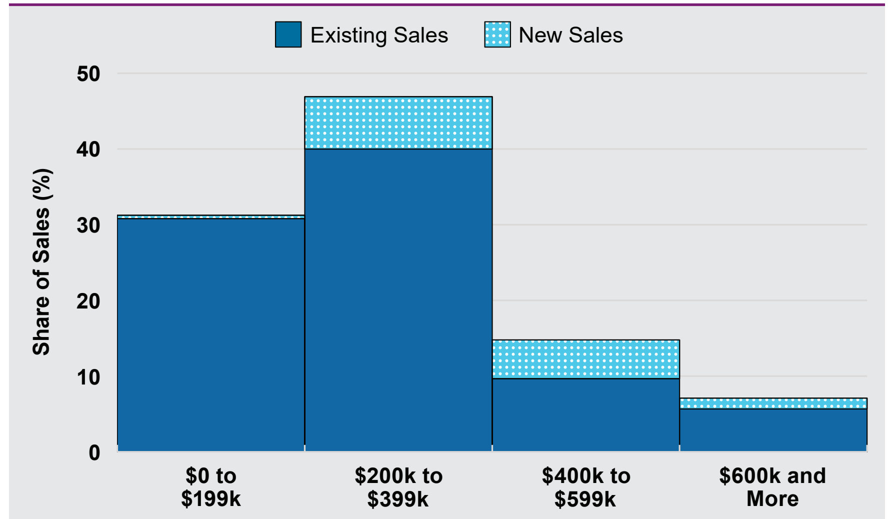
Strengthening demand for homebuying, supported by historically low interest rates, led to an average price increase of $29,050, or 14 percent, annually during 2020 and 2021. Rising interest rates led to fewer home sales and slowed price growth during the most recent 12 months, with gains peaking at 15 percent during the 12 months ending September 2022. Price growth moderated to 10 percent during the 12 months ending September 2023. The average home price was $315,100 during the most recent 12 months, more than double the average price in 2010.

A large majority of home sales were at prices below $400,000 during the 12 months ending September 2023 (CoreLogic, Inc.; Figure 10). The average existing home sales price was $293,400, and 82 percent of existing homes were sold at prices below $400,000. The average new home price was $431,100, and 53 percent of new home sales were at prices below $400,000. Existing home sales prices increased an average of 5 percent annually from 2010 through 2020 and 9 percent annually since 2020. New home sales prices increased at a slightly slower rate, with an average gain of 4 percent annually from 2010 through 2020 and 8 percent annually since 2020.

Housing Affordability: Sales

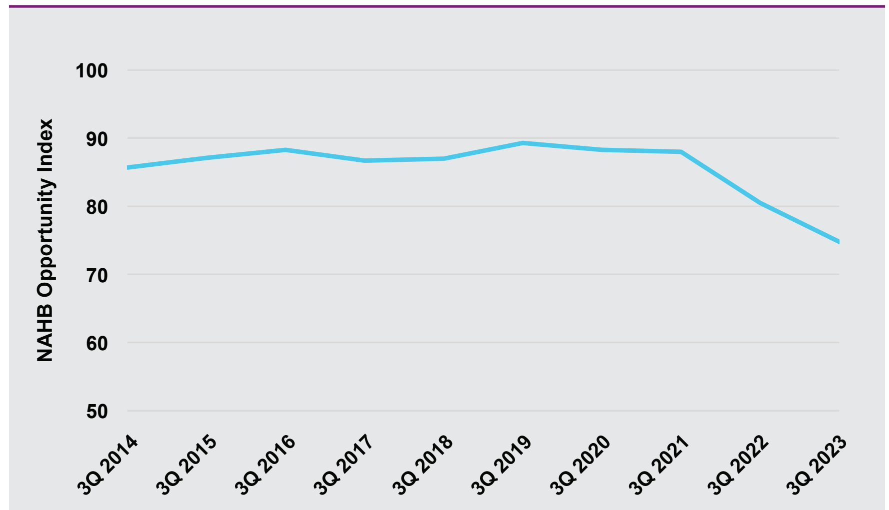
Compared with other metropolitan areas, the Indianapolis HMA is a relatively affordable place to buy a home, but the affordability of homebuying has decreased since 2021. As of the third quarter of 2023, a household earning the median family income in the Indianapolis HMA could afford 74.8 percent of homes sold, down from 80.5 percent a year earlier and 88.0 percent 2 years earlier (NAHB/Wells Fargo Housing Opportunity Index; Figure 11). Affordability relative to the median family income among the four metropolitan areas with the most migrants to the HMA—the Chicago, Louisville/Jefferson County, Elkhart-Goshen, and New York metropolitan areas—ranged from a high of 63.2 percent of homes sold in the Elkhart-Goshen metropolitan area to a low of 12.1 percent of homes in the New York metropolitan area.

Figure 10. Share of Overall Sales by Price Range in the Indianapolis HMA During the 12 Months Ending September 2023



Note: New and existing sales include single-family homes, townhomes, and condominium units.
Source: Zonda

Figure 11. Indianapolis HMA Housing Opportunity Index

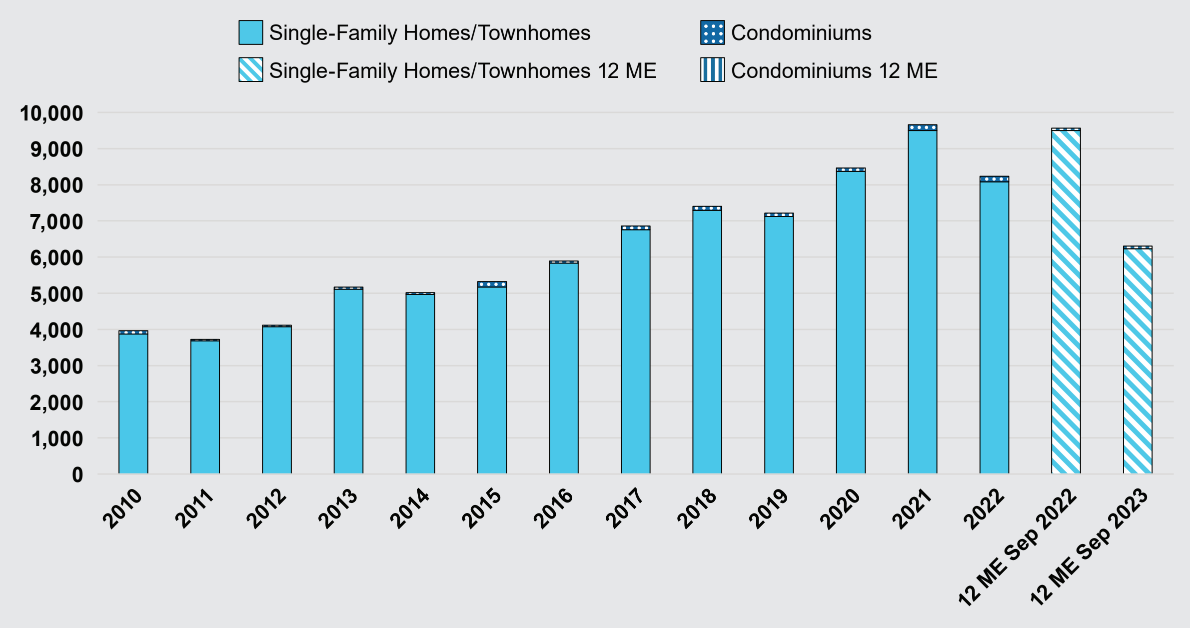


NAHB = National Association of Home Builders. 3Q = third quarter.
Source: NAHB/Wells Fargo

Sales Construction

Construction of for-sale housing, as measured by building permits issued for sales housing, including single-family homes, townhomes, and condominiums, increased from 2012 through 2021 but has been declining since 2022. During 2010 and 2011, when the economy was recovering from the Great Recession, permitting averaged 3,850 annually (Figure 12). Economic growth in the 2010s, followed by historically low mortgage interest rates in 2020 and 2021, contributed to an increase in permitting, rising by an average of 590, or 10 percent, annually from 2012 through 2021. Permitting peaked at 9,650 homes in 2021. Higher mortgage interest rates since 2022 reduced the affordability of homebuying and demand for homes, which contributed to decreased home construction during the most recent 24 months. During the 12 months ending September 2022, permitting of sales units moderated to 9,550 homes and declined further to 6,275 homes during the 12 months ending September 2023.

Figure 12. Annual Sales Permitting Activity in the Indianapolis HMA



12 ME = 12 months ending.
Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Construction by County

The average number of owner units permitted annually was up in every county in the HMA during the 2020 through 2022 period compared with the 2010 through 2019 period. Much of the construction was concentrated in Hamilton County, with nearly 33 percent of all owner units permitted in the HMA from 2020 through 2022. The county also had the largest increase in population among all counties in the HMA from 2020 to 2022. Among all subdivisions in the HMA, the Osborne Trails subdivision in the Hamilton County suburb of Westfield had the most homes that began construction during the 12 months ending September 2023, with 185 homes. Houses in the subdivision have two or three bedrooms, and the average sales price during the third quarter of 2023 was $411,300. The next largest share of homes permitted were in Marion and Hendricks Counties, each with 14 percent of homes permitted from 2020 to 2022. Hendricks County also had job growth from 2019 to 2021 and had the second largest average annual population increase from 2020 to 2022, supporting demand for new housing in the county. In the Hendricks County suburb of Danville, the Kensington subdivision was the most active subdivision in the county, with 102 homes that began construction during the most recent 12 months. Homes in the subdivision have three to five bedrooms, and the average sales price was $387,400 during the third quarter of 2023.

Forecast

During the 3-year forecast period, demand is expected for an additional 22,850 owner units (Table 6). The 4,125 homes under construction are expected to meet a portion of that demand. To meet demand for additional units, permitting would need to increase above the level from the most recent 12 months but remain below the 2021 peak.

Table 6. Demand for New Sales Units in the Indianapolis HMA During the Forecast Period

Sales Units	
Demand	22,850 Units
Under Construction	4,125 Units

Note: The forecast period is October 1, 2023, to October 1, 2026.
Source: Estimates by the analyst

Rental Market

Market Conditions: Slightly Soft and Easing

Rental housing construction has been elevated since 2021, contributing to easing market conditions during the past 2 years.

Current Conditions and Recent Trends

Rental market conditions are currently slightly soft, easing from tight conditions during the previous 2 years. An elevated number of rental units have entered the market relative to renter household growth, contributing to the recent shift in conditions. The rental market vacancy rate is currently estimated at 11.0 percent, up from 9.4 percent in 2020 (Table 7). Renter household growth slowed since 2020 compared with the 2010 to 2020 period, but rental unit completions increased during 2022 and 2023, contributing to the rise in the rental vacancy rate. The relative affordability of homeownership in 2020 and 2021 enabled many households to shift from renting to owning during those years. The low interest rates for all types of loans, including construction loans for apartments, also contributed to the increase in rental unit construction.

Table 7. Rental and Apartment Market Quick Facts in the Indianapolis HMA

		2020 (%)	Current (%)
Rental Market Quick Facts	**Rental Vacancy Rate**	9.4	11.0
			2022 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached		34
	Multifamily (2–4 Units)		17
	Multifamily (5+ Units)		47
	Other (Including Mobile Homes)		2
		3Q 2023	**YoY Change**
Apartment Market Quick Facts	**Apartment Vacancy Rate**	9.3	2.5
	Average Rent	$1,222	3%
	Studio	$942	1%
	One-Bedroom	$1,081	2%
	Two-Bedroom	$1,281	3%
	Three-Bedroom	$1,546	4%

YoY= year-over-year. 3Q = third quarter.
Notes: The current date is October 1, 2023. Percentages may not add to 100 due to rounding.
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2022 American Community Survey 1-year data; apartment data—CoStar Group

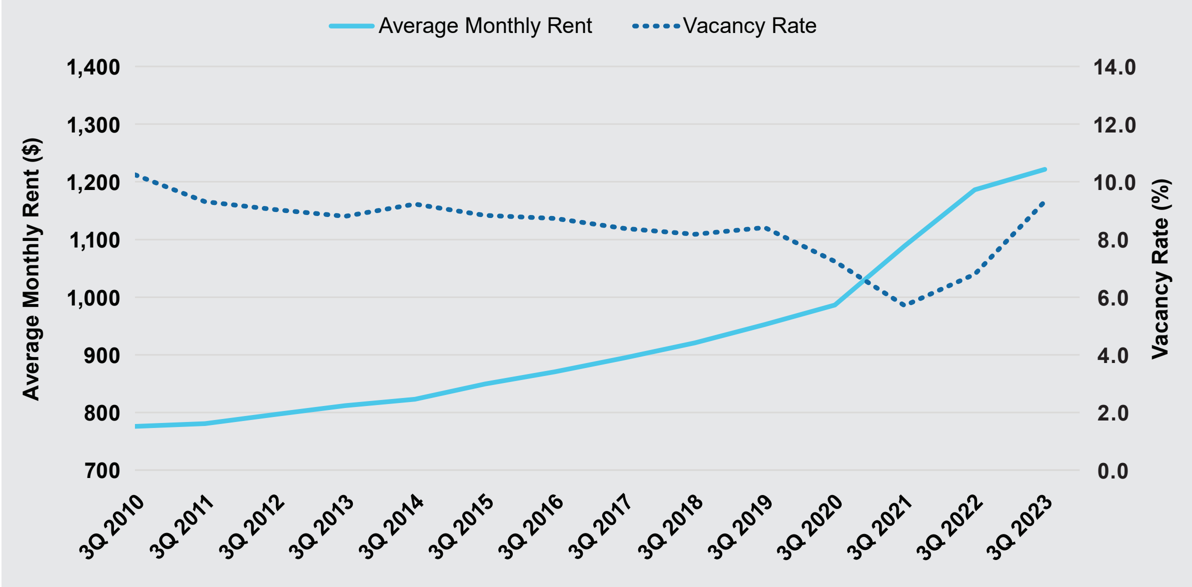
Single-Family Rental Market

Single-family homes, including attached and detached units, account for 34 percent of all rental units in the HMA, a slightly larger share than the 31 percent of rental units nationally (2022 ACS 1-year data). The single-family rental vacancy rate has been steadily declining during the past 10 years. The average rent declined from a year ago, representing a shift from above-average increases during the previous 2 years. In September 2013, the vacancy rate for single-family rental homes was 4.8 percent; the rate declined steadily each year to 3.3 percent in September 2022 and 3.2 percent in September 2023 (CoreLogic, Inc.). The average rent per square foot was $1.13 in September 2023, down less than 1 percent from a year ago, reflecting a shift from a 16-percent average annual increase during the previous 2 years and a 2-percent average annual increase from September 2013 through September 2020. Among different sized homes during the past year, rent growth was strongest, at 8 percent, and the vacancy rate was lowest, at 2.1 percent, for four-bedroom single-family homes. The average rent declined 4 percent, and the vacancy rate was highest, at 8.7 percent, for one-bedroom homes.

Apartment Market

The apartment market is slightly soft, easing from tighter conditions during the past two years. The average apartment rent was $1,222 during the third quarter of 2023, up 3 percent from a year ago and slowing from gains averaging 10 percent annually during the previous 2 years (CoStar Group; Figure 13). Rent growth during the past year was similar to the 3-percent average annual gain from the third quarter of 2015 to the third quarter of 2020. The apartment vacancy rate, including units in lease up, was 9.3 percent during the third quarter of 2023, rising from 6.8 percent as of the third quarter of 2022 and 5.7 percent during the third quarter of 2021, which was the lowest rate since at least 2010. The current vacancy rate is above the rates from the third quarters of 2015 to 2019, which ranged from 8.2 to 8.8 percent. An increase in the number of apartment units delivered contributed to the easing conditions during the past 24 months, and total absorption was negative during the period. Deliveries increased to 4,525 units during the 12 months ending September 2023, up from 1,475 a year earlier and from an average of 2,475 annually during the two previous 12-month periods. Absorption was just 30 units during the most recent 12 months, and the HMA had negative absorption of 350 units during the 12 months ending September 2022. Those totals were well below the average of 4,425 units absorbed annually during the 24 months ending September 2021. The rapid rent growth prior to September 2021 reduced affordability, resulting in slower renter household formation during the past 24 months.

Figure 13. Apartment Rents and Vacancy Rates in the Indianapolis HMA

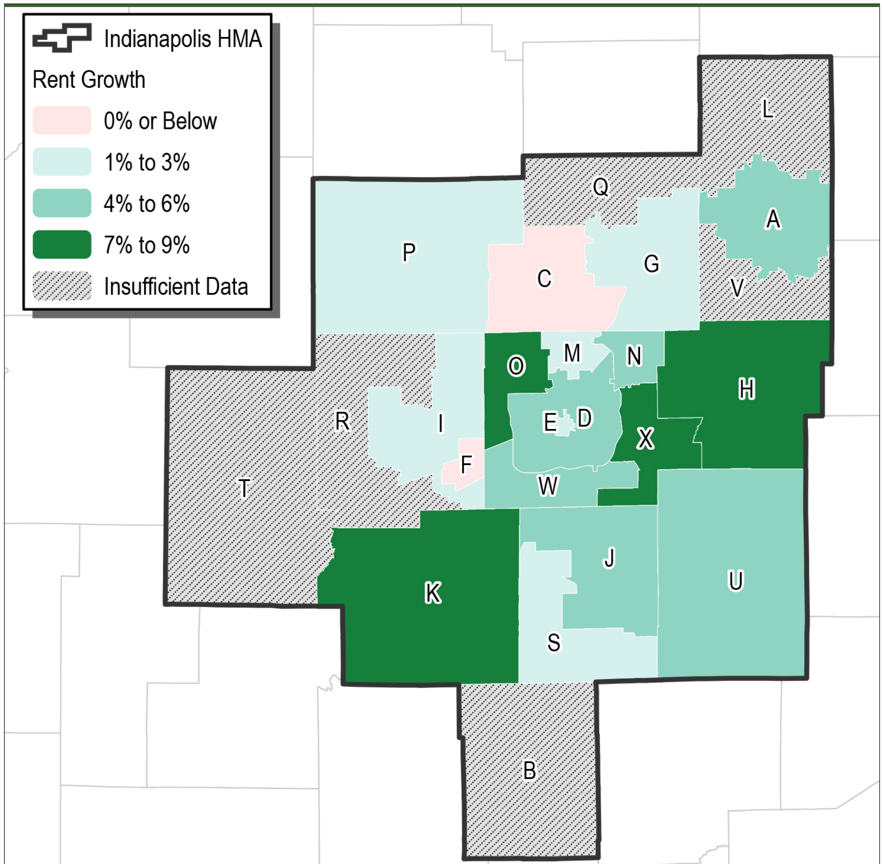


3Q = third quarter.
Source: CoStar Group

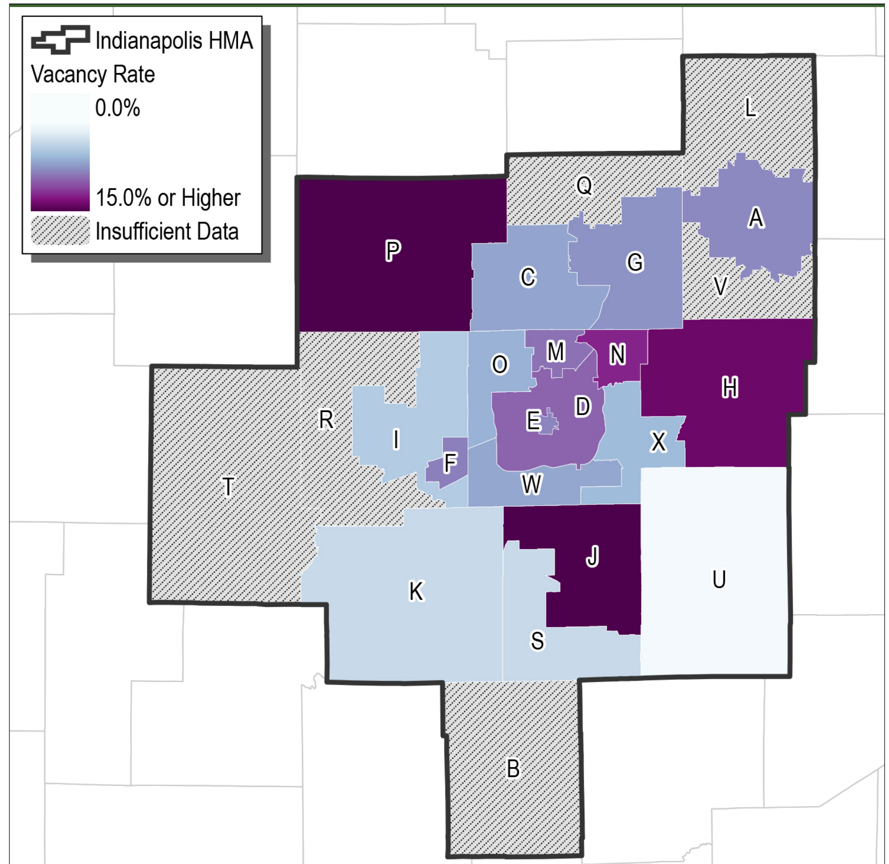
Market Conditions by Geography

Among the 18 CoStar-defined market areas in the HMA with at least 500 apartment units, apartment market conditions were mixed as of the third quarter of 2023. The average rent increased in 16 of the areas, with the fastest gain in the Northwest Marion County market area, up 9 percent to $1,105, whereas the average rent declined less than 1 percent in the Downtown Plainfield and Carmel/Zionsville/Westfield market areas, where the average rents were $1,407 and $1,572 (Map 3a). The vacancy rate, including units in lease up, ranged from a low of 1.8 percent in the Shelby County market area to more than 15 percent in the Johnson County and Outlying Boone County market areas (Map 3b). The high vacancy rates in the Johnson County and Outlying Boone County market areas are partially due to more than 1,000 units being delivered in each area, and less than one-half of the units delivered have been absorbed during the past 12 months.

Map 3a. Year-over-Year Rent Growth by Market Area as of the Third Quarter of 2023 in the Indianapolis HMA



Map 3b. Vacancy Rate by Market Area as of the Third Quarter of 2023 in the Indianapolis HMA



	Market Area	Rent Growth	Vacancy Rate		Market Area	Rent Growth	Vacancy Rate
A	Anderson	2.6%	8.8%	M	North Washington Township	1.7%	9.7%
B	Brown County	Insufficient Data	Insufficient Data	N	Northeast Marion County	4.3%	12.6%
C	Carmel/Zionsville/Westfield	-0.3%	7.6%	O	Northwest Marion County	8.6%	7.0%
D	Central Marion County	3.2%	10.3%	P	Outlying Boone County	1.0%	21.6%
E	Downtown Indianapolis	0.6%	8.9%	Q	Outlying Hamilton County	Insufficient Data	Insufficient Data
F	Downtown Plainfield	-0.1%	9.1%	R	Outlying Hendricks County	Insufficient Data	Insufficient Data
G	Fishers/Noblesville	1.9%	8.4%	S	Outlying Johnson County	0.7%	4.5%
H	Hancock County	6.1%	14.0%	T	Putnam County	Insufficient Data	Insufficient Data
I	Inner Hendricks County	1.5%	5.5%	U	Shelby County	2.8%	1.8%
J	Johnson County	3.0%	15.9%	V	South Madison County	Insufficient Data	Insufficient Data
K	Morgan County	6.8%	4.5%	W	South Marion County	2.8%	7.5%
L	North Madison County	Insufficient Data	Insufficient Data	X	Southeast Indianapolis	6.5%	6.5%

Source: CoStar Group

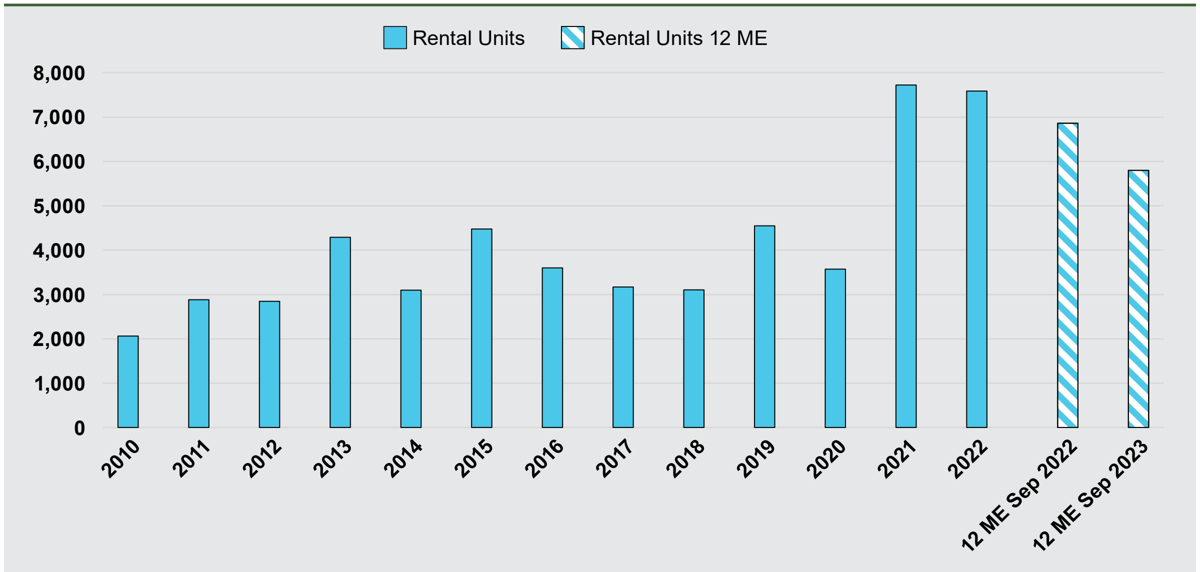
Source: CoStar Group

The Downtown Indianapolis market area was most affected by the onset of the COVID-19 pandemic in 2020. The increase in telework, especially by workers who previously worked from a downtown office, and temporary closures of businesses in the leisure and hospitality sector reduced the demand for units in the area. During the third quarter of 2020, the vacancy rate was 16.9 percent, which was the highest rate among all market areas. The average rent declined 2 percent from a year earlier in the Downtown Indianapolis area, the only market area with a year-over-year decline in rent as measured in that quarter. As of the third quarter of 2023, conditions in the Downtown Indianapolis market area were relatively similar to the HMA overall, with a vacancy rate of 8.9 percent and year-over-year rent growth of 1 percent. The reopening of businesses in the leisure and hospitality sector and many companies reducing the number of days per week employees are permitted to telework have contributed to the recovery of the Downtown Indianapolis market area.

Rental Construction

Rental unit construction, as measured by the number of rental units permitted, was relatively subdued during the economic recovery in the early 2010s. Rental construction increased to a higher level during the economic expansion in the mid- to late 2010s and peaked in 2021, supported by low interest rates on construction loans and a relatively tight apartment market. From 2010 through 2012, rental unit construction averaged 2,600 units annually, increasing to an average of 3,725 annually from 2013 through 2020 and peaking at 7,725 units in 2021 (Figure 14). In response to easing apartment market conditions and the rising cost of construction loans, permitting moderated to 6,850 during the 12 months ending September 2022 and slowed further to 5,800 during the most recent 12 months.

Figure 14. Annual Rental Permitting Activity in the Indianapolis HMA



12 ME = 12 months ending.
Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Recently Completed Projects

Rental properties completed during the past year, along with differences in job and population growth in counties in the HMA, have contributed to the variation in conditions in market areas. The Outlying Boone County market area had one of the highest vacancy rates in the HMA as of the third quarter of 2023. The E, a 408-unit apartment property in that market area, opened in August 2023, contributing to the rising vacancy rate. Average rents for one-, two-, and three-bedroom units are $1,593, $1,775, and $2,200, respectively. Despite soft market conditions in 2020, construction in the Downtown Indianapolis market area has continued during the past 3 years. An example of a recently completed apartment property in the market area is Industry Indianapolis, a 230-unit property that opened in June 2023. Average rents for studio, one-bedroom, and two-bedroom units are $1,471, $1,960, and $3,209, respectively.

Forecast

During the 3-year forecast period, demand for 11,350 new rental units is expected (Table 8). The average annual forecast demand is relatively similar to the average number of units permitted each year from 2013 through 2020. Permitting at elevated levels since 2021 has resulted in a relatively high number of units currently under construction and expected to be complete during the next 3 years. The elevated number of units under construction are expected to contribute to further easing of rental market conditions in the next year. The 13,000 units under construction exceed estimated demand during the forecast period; therefore, no additional rental unit completions will be needed in the next 3 years.

Table 8. Demand for New Rental Units in the Indianapolis HMA During the Forecast Period

Rental Units	
Demand	11,350 Units
Under Construction	13,000 Units

Note: The forecast period is October 1, 2023, to October 1, 2026.
Source: 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.
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.
Existing Home Sales	Includes resales, short sales, and REO sales, where resales are home closings that have no ties to either new home closings (builders) or foreclosures and were previously constructed and sold to an unaffiliated third party.
Forecast Period	October 1, 2023–October 1, 2026—Estimates by the analyst.
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.**

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.**
2.	**Urbanized areas are defined using the U.S. Census Bureau 2020 Census Urban and Rural Classification and the Urban Area Criteria.**
3.	**The census tracts referenced in this report are from the 2020 Census.**

C. Additional Notes

1.	**The NAHB Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.**
2.	**This analysis has been prepared for the assistance and guidance of 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.**
3.	**The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. 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 expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.**

D. Photo/Map Credits

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