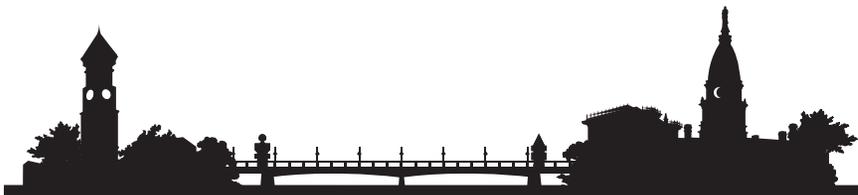
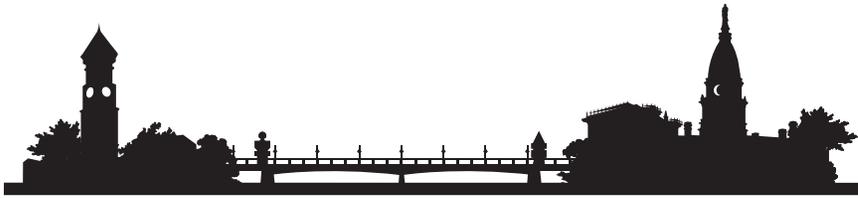


# TIPPECANOE COUNTY INDIANA HOUSING ANALYSIS AND STRATEGY

Final Report

May, 2019





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*“Greater Lafayette has had unprecedented growth over the last decade. With an abundance of employment opportunities and changing living preferences and demographics, our city and the region needs to position itself to attract and meet the needs of a new generation of workers and families. This housing study lays the ground work and strategy for the future. In partnership with, and gratitude for, the Builders Association of Greater Lafayette and the Lafayette Regional Association of Realtors as well as our governmental partners West Lafayette and Tippecanoe County, we can address the demands for new and innovative housing choices that will further our goals for economic development and quality of life.”*

*– Tony Roswarski, Mayor, City of Lafayette*

## ABOUT THE PLAN

Prepared by Greenstreet Ltd.  
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**greenstreet**  
development • brokerage • consulting

The purpose of this regional housing analysis and strategy is to understand the current and future housing needs for all residents of Tippecanoe County. This includes ensuring the right housing options are available for the future workforce, while also utilizing finite land available for development in a fiscally sustainable manner.



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**Section 1: Trends Analysis**

**Section 2: Housing Gap Analysis**

**Section 3: Affordability Sensitivity Analysis**

**Section 4: Development Efficiency Analysis**

**Section 5: Tippecanoe Housing Strategy**

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# TRENDS ANALYSIS

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NATIONAL AND LOCAL HOUSING TRENDS

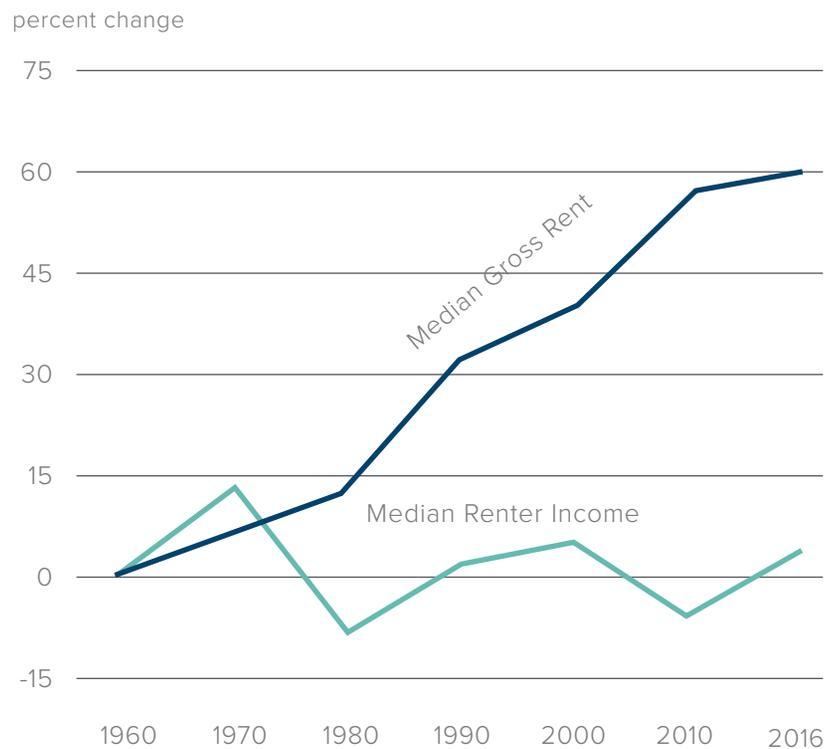
DEMOGRAPHICS

PEER COUNTIES

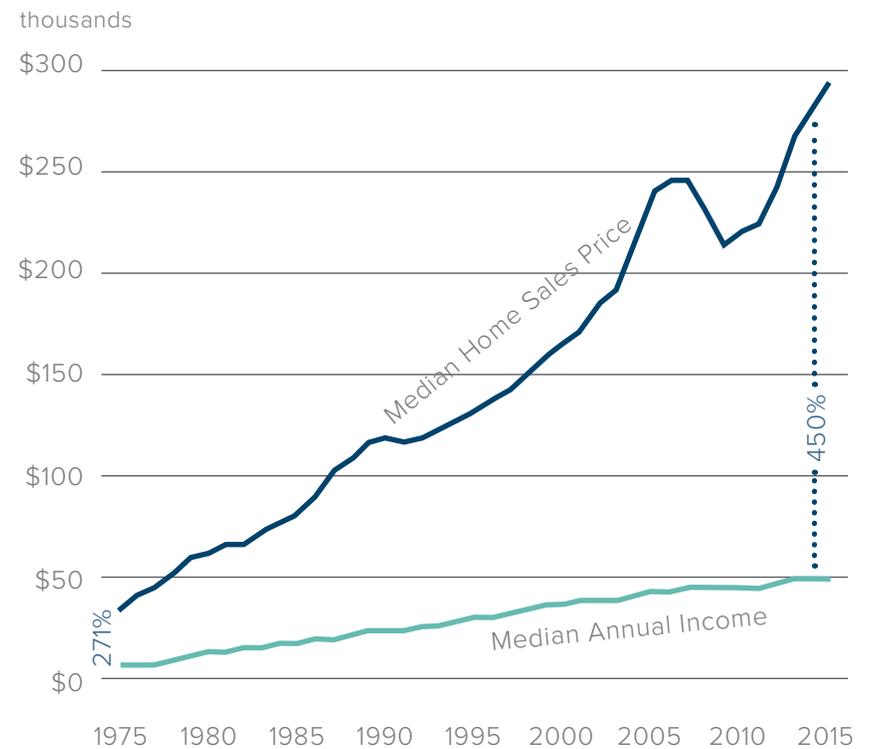
# NATIONAL HOUSING PRICES AND INCOMES

In the past few decades, housing has become more and more unaffordable.

## RISING RENT HAS OUTPACED RENTERS' INCOMES SINCE 1960.



## HOUSING PRICES ARE ALSO OUTPACING GROWTH IN WAGES.

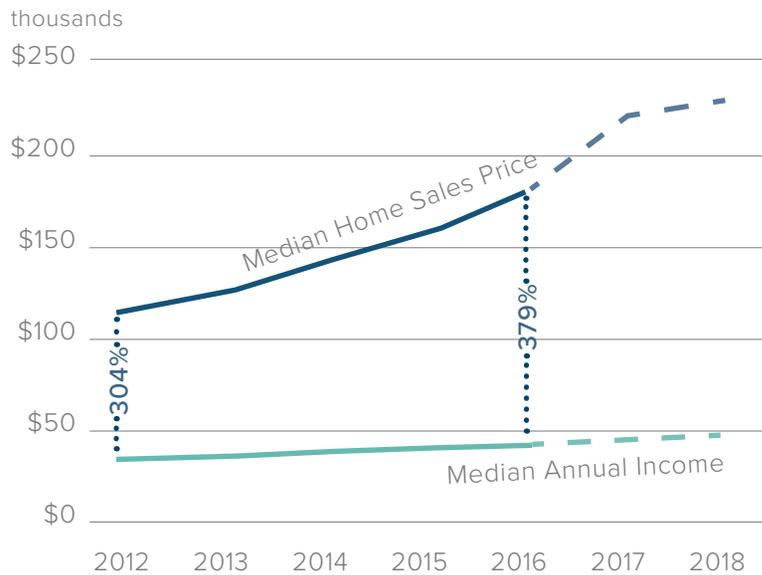


Source: "The State of the Nation's Housing 2018", Harvard University; Zillow Research; U.S. Census;

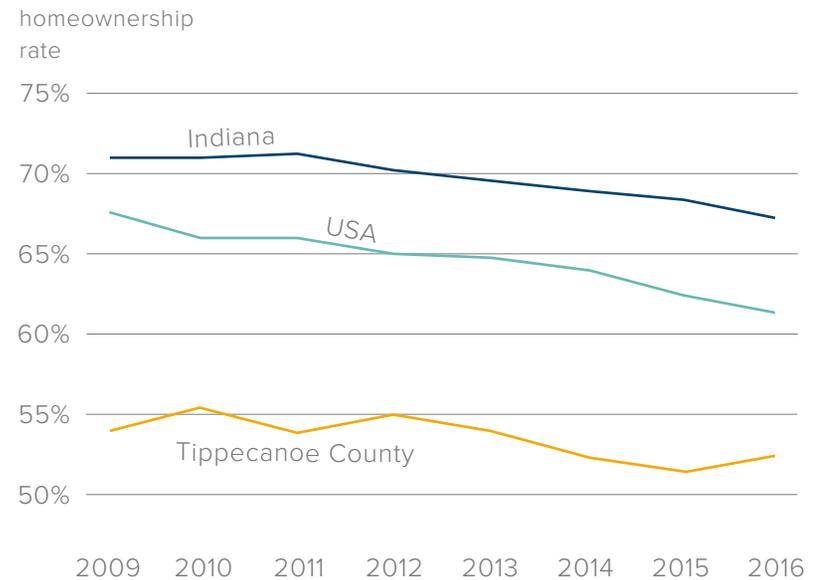
# LOCAL HOUSING TRENDS

Local housing prices remain high, but homeownership has recently rebounded.

Tippecanoe County housing prices are **outpacing wage growth**, matching national trends.



Although homeownership rates have been declining, Tippecanoe County's has **recently rebounded**.



Source: Census, 2016; Realtor.com 2018

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# NATIONAL HOUSING SUPPLY TRENDS

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Housing supply has been constrained by four major factors, contributing to higher prices.



## One: Access to Skilled Workers

Wages are low, and the number of job openings nationally is at the highest level in a decade at nearly 200,000 at the end of 2017.



## Two: Cost of Building Materials

The price of raw and manufactured goods used as inputs for residential construction increased four percent in 2017, according to the Bureau of Labor Statistics. However, the growth over longer time periods has been more moderate.



## Three: Lack of Developed Land

In 98 metro areas, the number of vacant lots ready for construction fell from 1.26 million in 2008 to 802,000 in 2017, according to Metrostudy.



## Four: Local Regulations Constrain Housing Density and Type

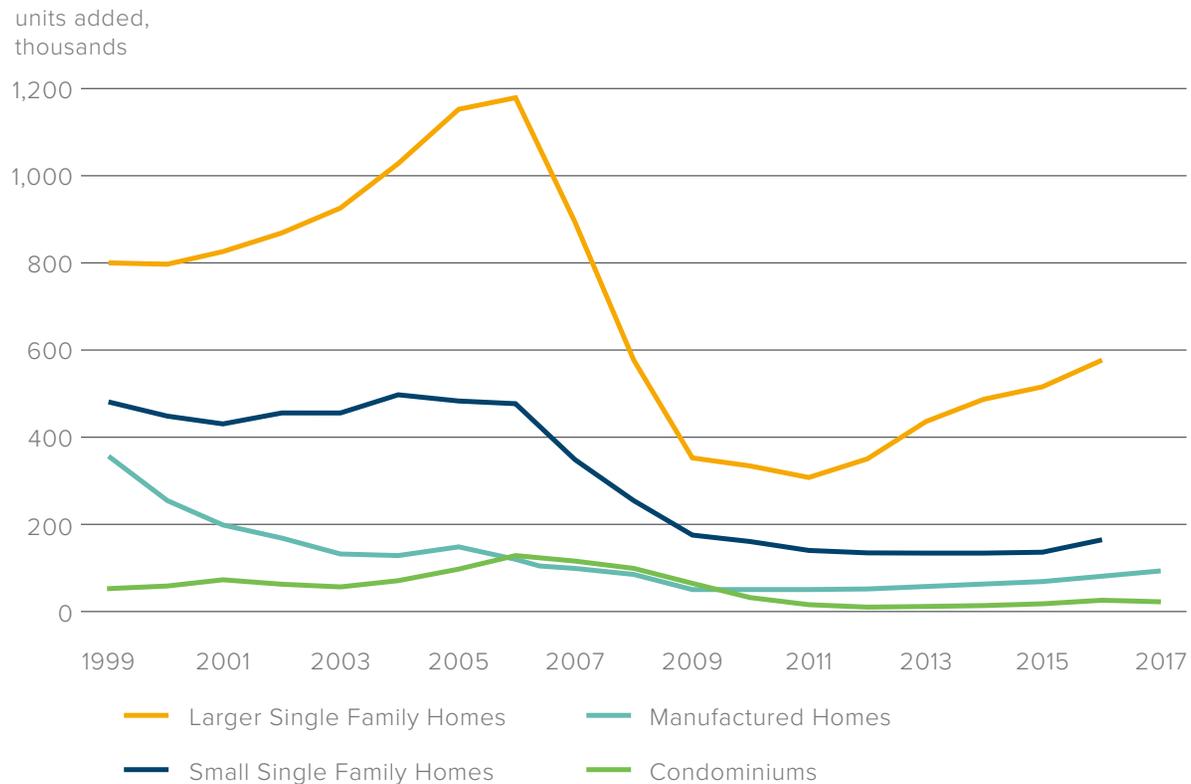
According to a 2015 Duncan Associates survey of 271 communities, the average impact fee for building a single family home was \$11,900, with an average of \$31,800 in California.

Source: "The State of the Nation's Housing". Joint Center for Housing Studies of Harvard University, 2018.

# NATIONAL HOUSING TYPES AND PRICES

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

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



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

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

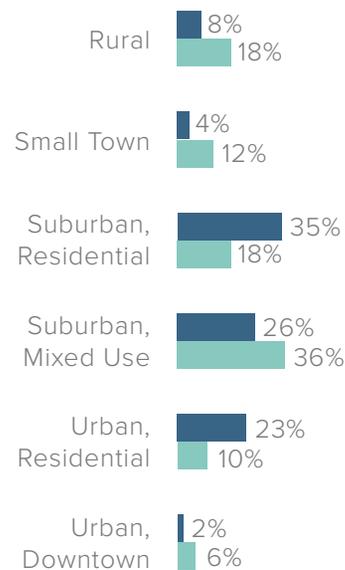
# CENTRAL INDIANA HOUSING LOCATION

Availability of homes in the right location is limited in Marion and Hamilton Counties.

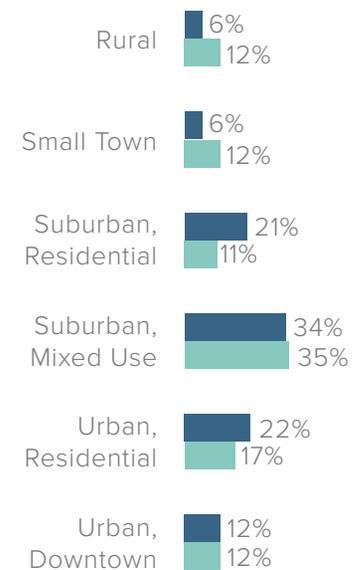
In surveys from 2012 and 2018, purely residential neighborhoods were found to be significantly overbuilt.

HAMILTON AND MARION COUNTY RESIDENTS SHOW A MISMATCH BETWEEN CURRENT AND PREFERRED LIVING SETTINGS.

MARION AND HAMILTON COUNTIES, IN, 2012



MARION AND HAMILTON COUNTIES, IN, 2018



Actual Preferred

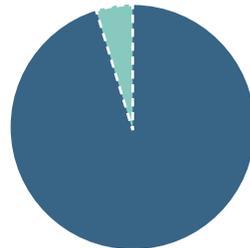
Source: MIBOR/MPO Consumer Preference Survey, 2012, 2018

## PRESSURES ON MUNICIPAL BUDGETS

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

Property tax reform in 2008 created tax caps on the local tax rate. These “circuit breaker” credits amounted to \$1.7 million in 2016 for the City of Lafayette.

That’s a  
**5.4% loss**  
of the tax levy.



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

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

More tax revenue per acre can increase the  
**tax base.**



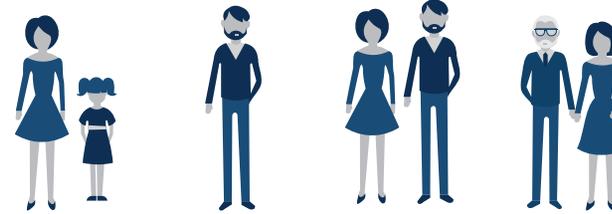
Source: *The Fiscal Health of Indiana’s Larger Municipalities: City of Lafayette Municipal Profile*. Indiana Fiscal Policy Institute. 2016

## CHANGE IN HOUSEHOLD MAKEUP

Housing construction has not kept up with changing households.



HOUSEHOLD OF THE PAST



HOUSEHOLDS OF TODAY



**3** out of 4 Households were married in 1950.

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



**43%** of Households were married w/ kids in 1950.

That number is down to just **20% today.**

Younger generations are delaying marriage. Since 1960, the average age of first-time brides increased by over six years, from 20 to 26.5 in 2011. Additionally, more young people are forgoing marriage all together, up from just nine percent in 1960 to 20 percent in 2012.

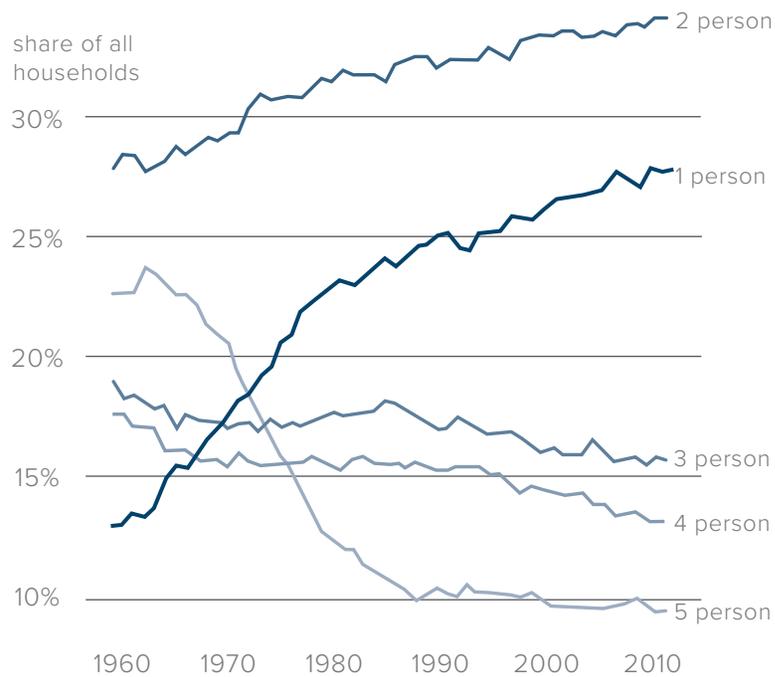
Younger generations are waiting longer to start families. Over the last 45 years, the median age of first-time mothers has increased by five years. American families have gotten smaller since 1960, resulting in the need for smaller homes.

Source: US Census; New York Times, "Late Marriage and its Consequences," 2013; Time, "Why 25% of Millennials Will Never Get Married," 2014; NPR, "Average Age of First-Time Moms Keeps Climbing in the US," 2016; Bloomberg, "Millennials Still Want Kids, Just Not Right Now," 2016

# CHANGE IN HOUSEHOLD SIZE

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

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



One-Person Households

**44%**  
growth by 2030

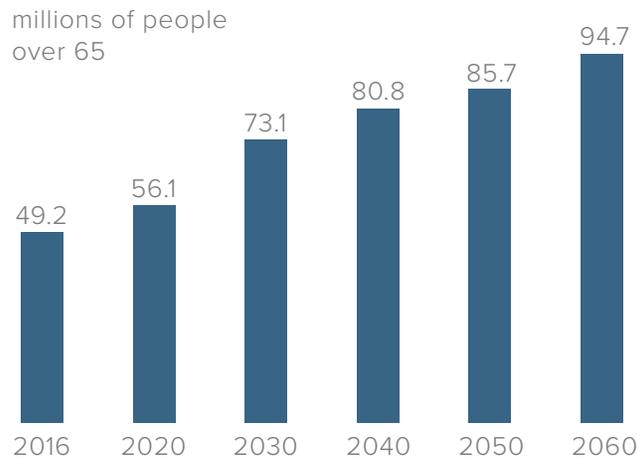
The proportion of Americans who live alone has grown considerably since the 1920s when only five percent of people lived alone. In 2017, one-person households made up 28 percent of all households nationwide. In Tippecanoe County, one-person households made up 30 percent of all households.

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

# AGING AMERICANS

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

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



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

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

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

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

## Population Change:

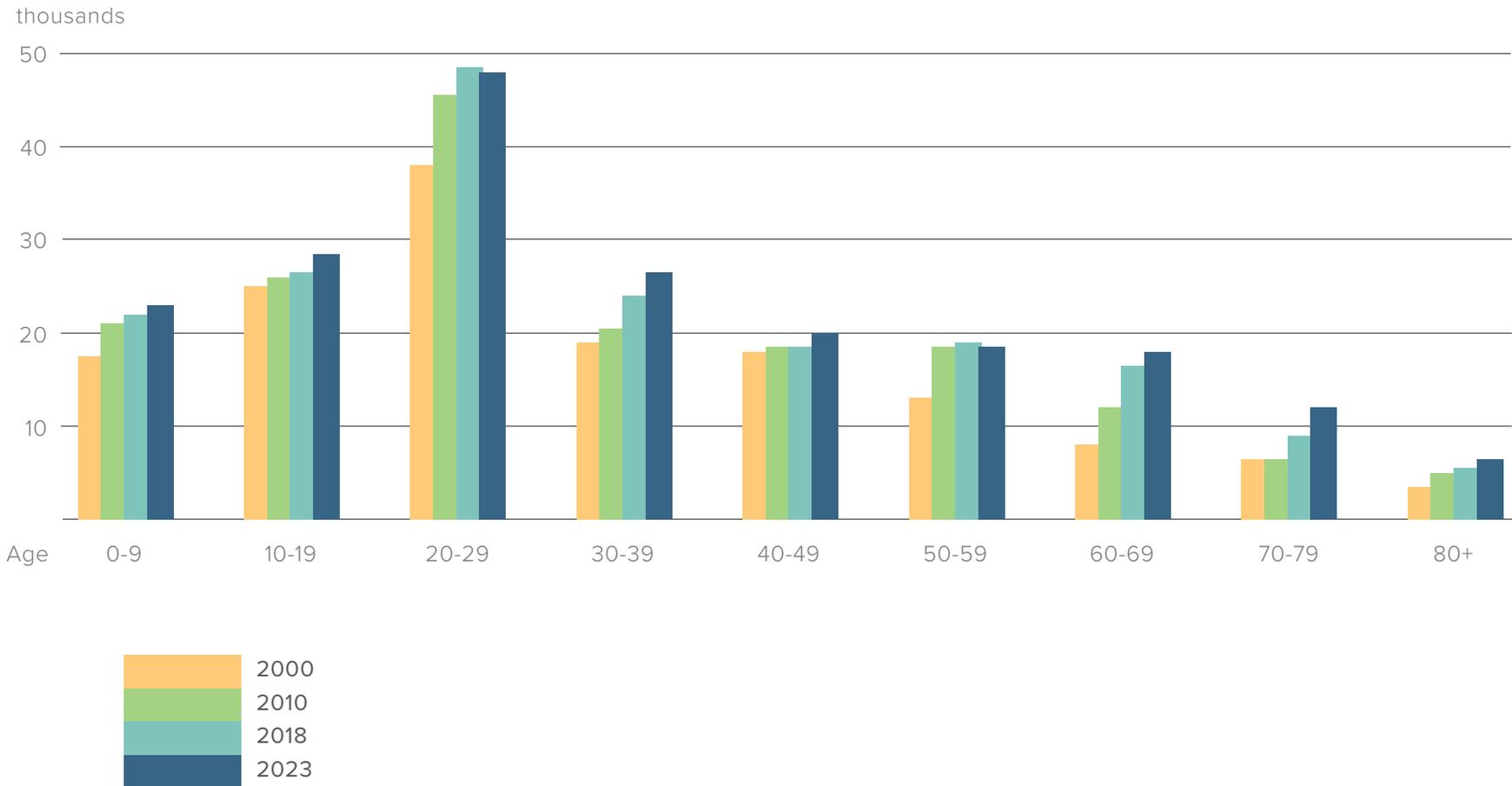
NET MIGRATION: ↑ In-Migration – Out-Migration ↓

NATURAL INCREASE: ↑ Births – Deaths ↓

# LOCAL HOUSEHOLD CHANGE BY AGE

Different life stages will drive demand for diverse housing options.

AGING RESIDENTS ARE DRIVING THE MAJORITY OF GROWTH AS TIPPECANOE COUNTY'S MEDIAN AGE ALSO RISES.



Source: U.S. Census Bureau, Esri

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# THE IMPORTANCE OF HOUSING DIVERSITY

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

## Municipal Revenues Lost



**10x revenue**

per Acre

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

## Talent Attraction Harder



**Skilled Labor**

#1 Relocation Factor for Businesses

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

## Volatile Housing Cycles



**Stability**

Diversity Provides Protection

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

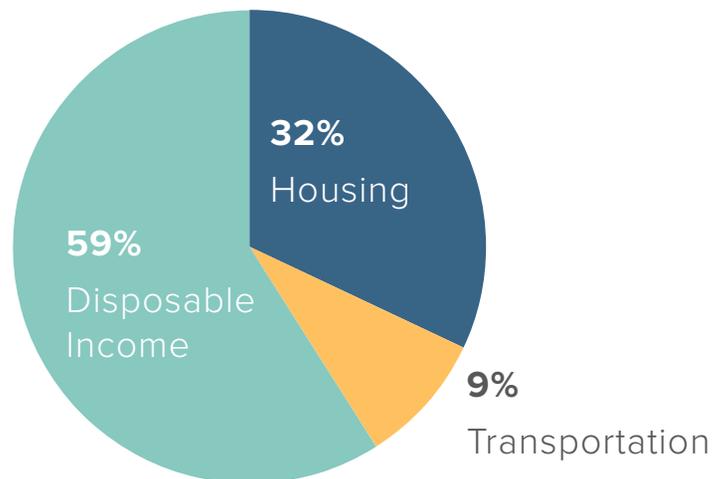
*Source: The Fiscal Implications of Development Patterns: Indianapolis, 2016; Amazing Place: Six Cities Using the New Recipe for Economic Development, 2016; Core Values: Why American Companies are Moving Downtown, 2015*

## HOUSING AND TRANSPORTATION

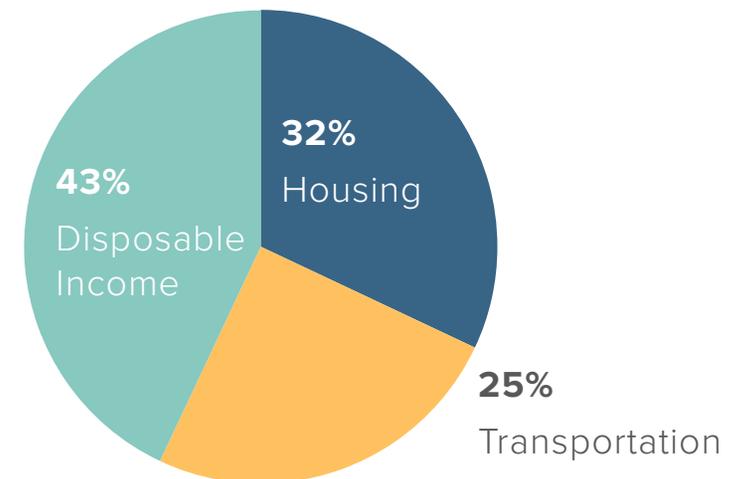
Housing costs are inextricably linked to transportation costs. Since choosing affordability on one is often a trade-off with the other, intelligent housing discussion includes both.

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

LOCATION EFFICIENT NEIGHBORHOODS OFFER SAVINGS ON TRANSPORTATION COSTS.



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



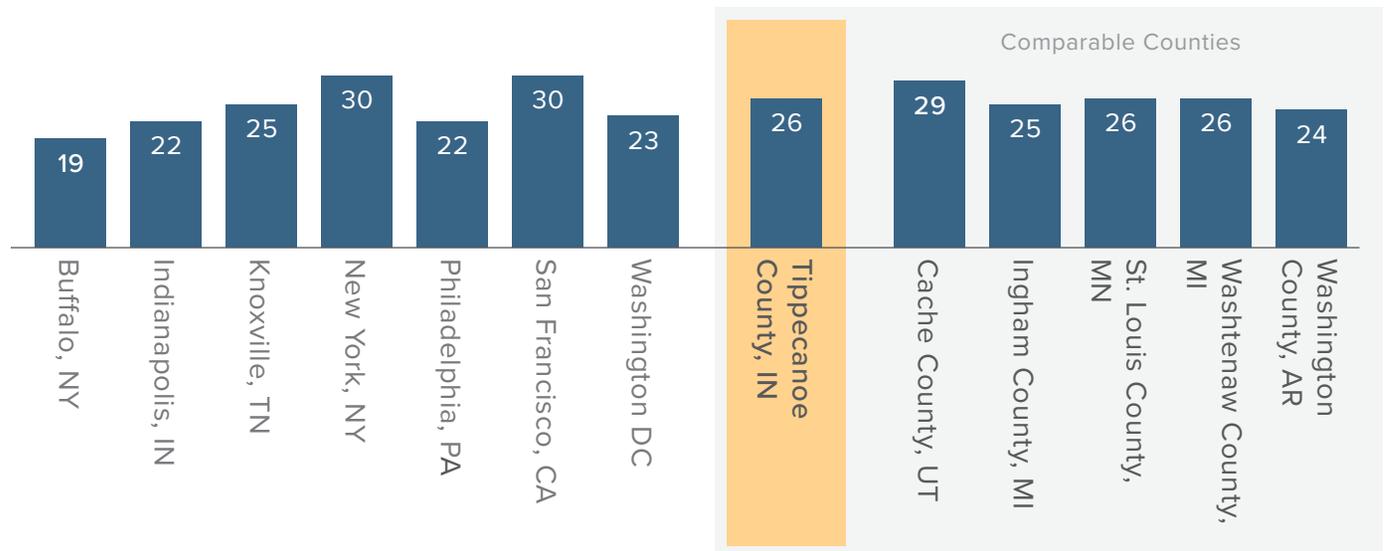
Sources: Barbara J. Lipman, *Something's Gotta Give: Working Families and the Cost of Housing*, Center for Housing Policy, 2005.

# HOUSING AND TRANSPORTATION

Many car-centric cities make “Most Affordable Cities” lists from publications such as Forbes, where Indy was ranked #9 in 2015.

Tippecanoe County looks relatively affordable, at 26 percent of the median income spent on housing.

HOUSING COSTS AS A SHARE OF MEDIAN INCOME



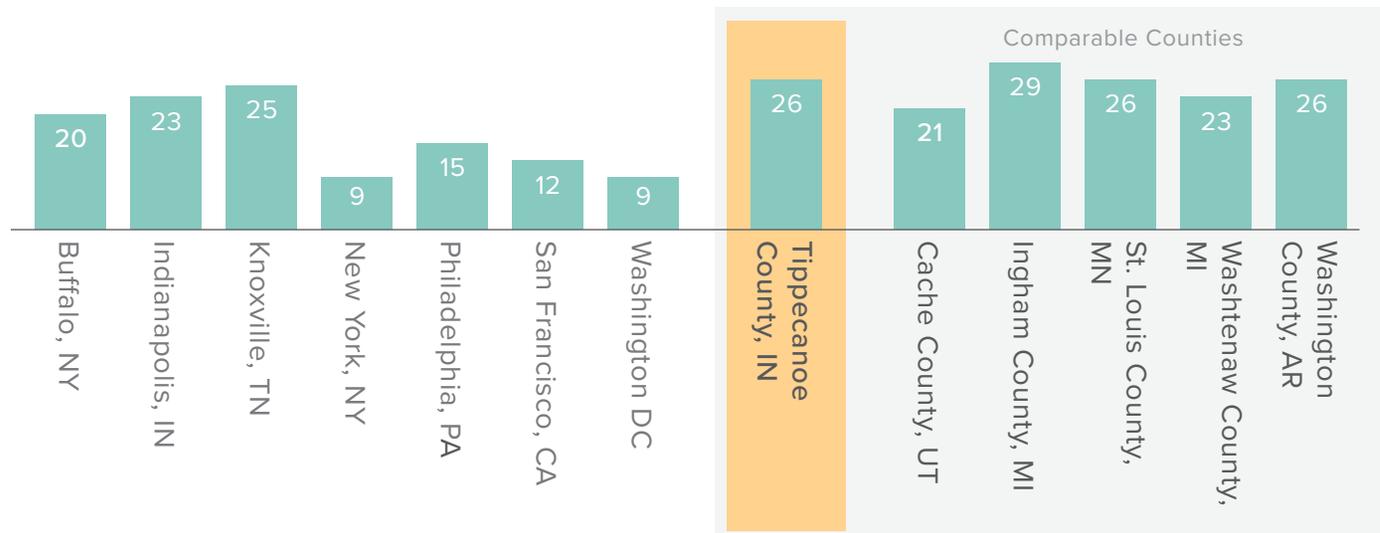
Sources: Center for Neighborhood Technology Housing + Transportation Index

# HOUSING AND TRANSPORTATION

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

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

TRANSPORTATION COSTS AS A SHARE OF MEDIAN INCOME



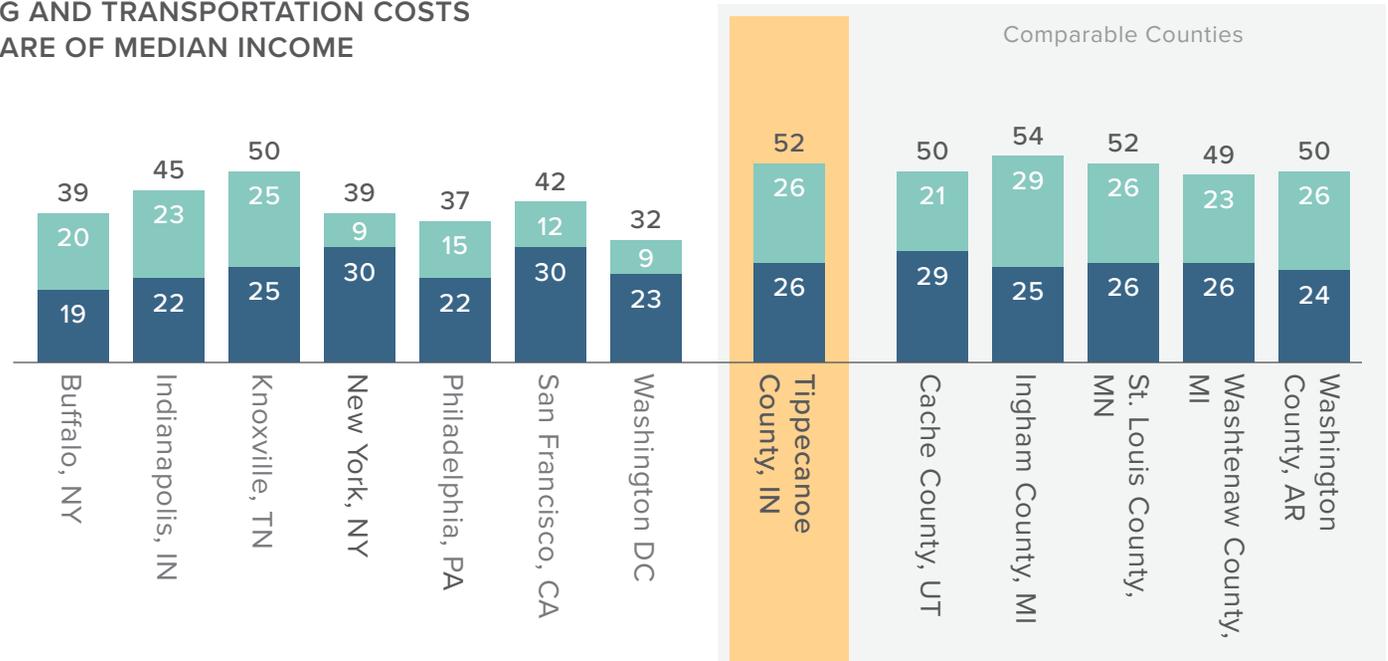
Sources: Center for Neighborhood Technology Housing + Transportation Index

# HOUSING AND TRANSPORTATION

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

At 52 percent, Tippecanoe County's housing and transportation costs are high.

HOUSING AND TRANSPORTATION COSTS AS A SHARE OF MEDIAN INCOME



Sources: Center for Neighborhood Technology Housing + Transportation Index

# HOUSING AND TRANSPORTATION

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



Reducing household transportation costs by just **1%\*** would generate savings of nearly **\$46 million** to Tippecanoe County households **every year**

*\* of annual household income*

## BENEFITS OF REDUCED TRANSPORTATION COSTS



### Housing

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



### Disposable Income

Residents have more disposable income to spend on goods and services



### Health Care

Residents have more income to spend on health care costs



### Road Maintenance

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

Sources: U.S. Census 2017 ACS estimates, Tippecanoe County Assessor, Greenstreet calculations

# WHAT IS WALKABILITY?

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

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

## WALKSCORE DEFINITION:

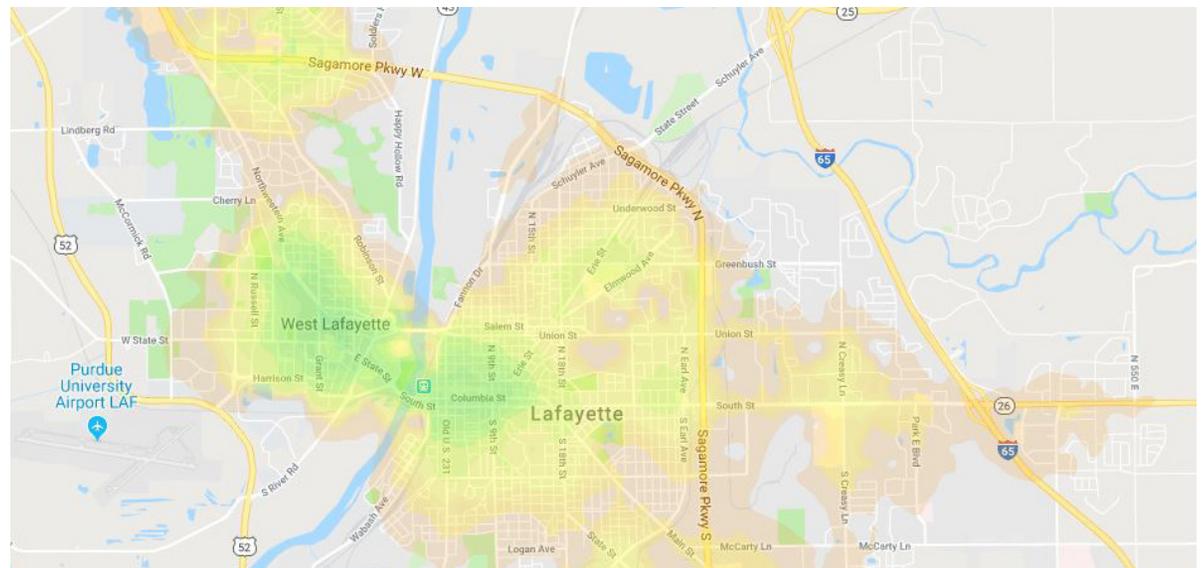
Walkscore is an index of 0-100 that measures the walkability of a given location. Areas with higher walkscores have easy, walkable access to daily services and amenities.



One study showed walkable neighborhoods suffered less than half the decline in value during the Great Recession, compared with less walkable neighborhoods.

source: walk score®

## TIPPECANOE COUNTY WALKSCORE MAP



<https://www.brookings.edu/research/walk-this-waythe-economic-promise-of-walkable-places-in-metropolitan-washington-d-c/>

<https://urbanland.uli.org/sustainability/houston-economic-case-walkability/>

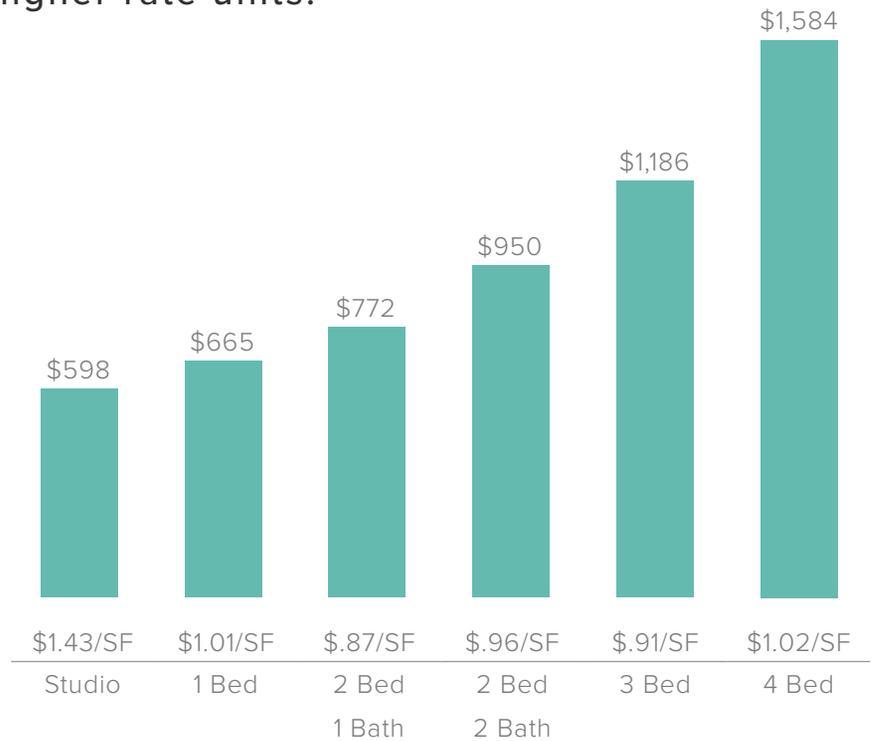
<https://www.ncbi.nlm.nih.gov/pubmed/29699423>

# LAFAYETTE/WEST LAFAYETTE MULTI-FAMILY HOUSING MARKET

Apartment occupancy is at a **ten-year high at 95.9%**. Nearly 2,000 units are planned or under construction.



Most recent construction in West Lafayette and Lafayette have focused on smaller, higher rate units.

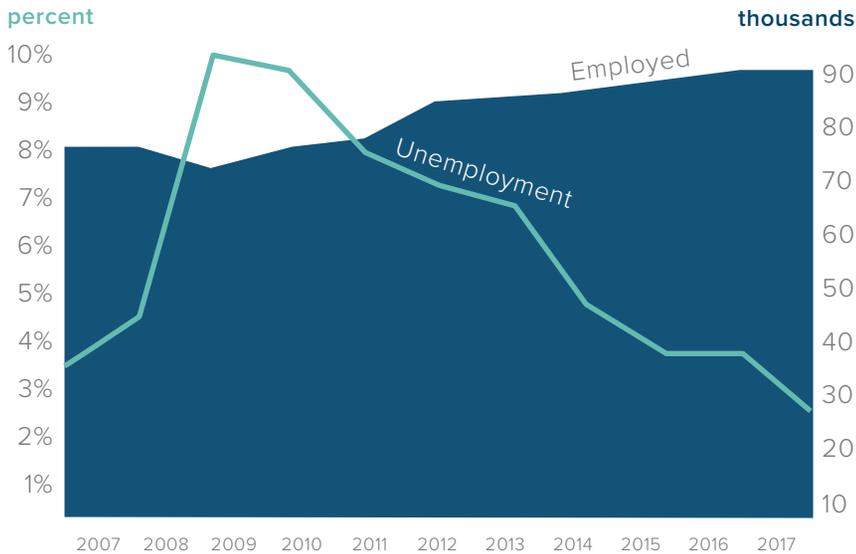


Source: Deylen Realty, Tikijan, 2017

# LABOR FORCE

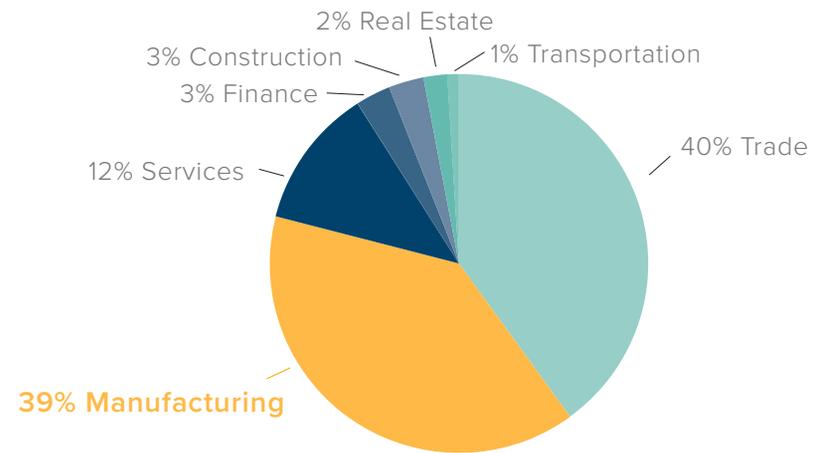
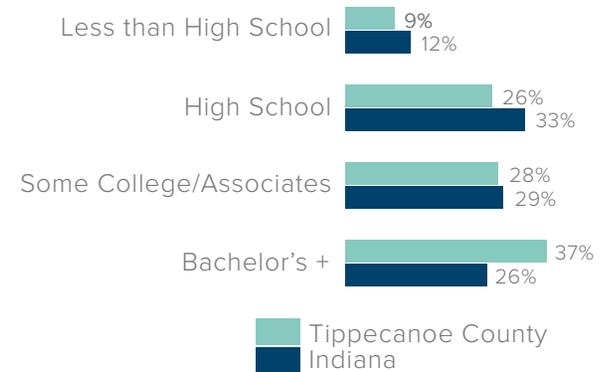
Tippecanoe's educated workforce and strong manufacturing sector support a robust economy.

**THE TIPPECANOE COUNTY UNEMPLOYMENT RATE HAS RETURNED TO A PRE-RECESSION LOW.**



Tippecanoe County has a estimated 74% labor force participation rate which is much higher than Indiana's 65% participation rate.

**TIPPECANOE COUNTY HAS A MORE EDUCATED POPULATION THAN INDIANA.**



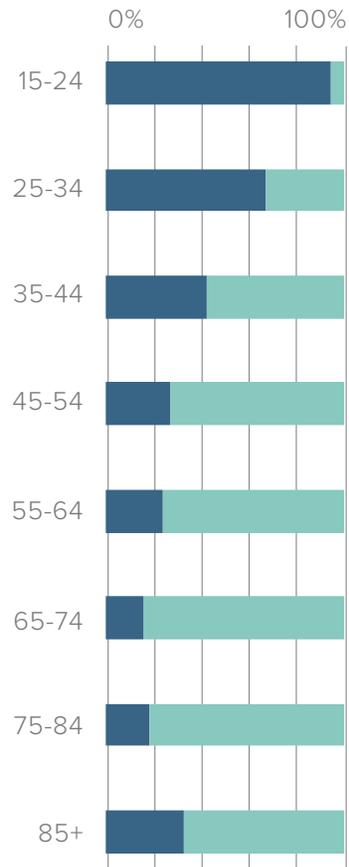
**INDUSTRY MIX BY SALES VOLUME**

Source: Census, 2017; Esri 2018; Student Enrollment 2017; Hoosier by the Numbers 2018; St. Louis Federal Reserve 2018  
 Notes: Educational attainment data for Tippecanoe County includes population ages 25 and over

# OWNER/RENTER BY AGE, 2016

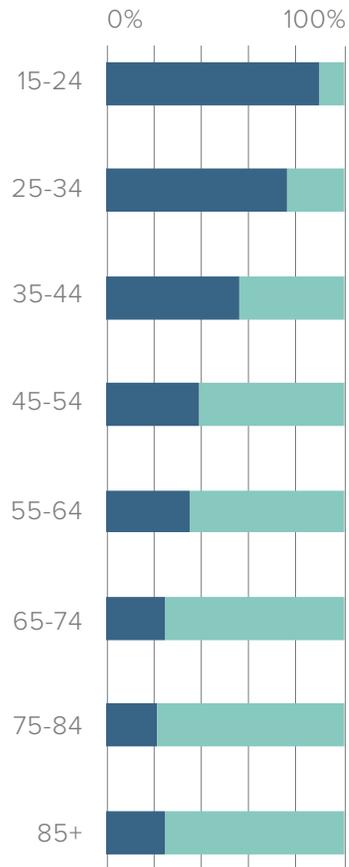
Renting is more common in urban areas for residents under the age of 34 and over 85.

TIPPECANOE COUNTY



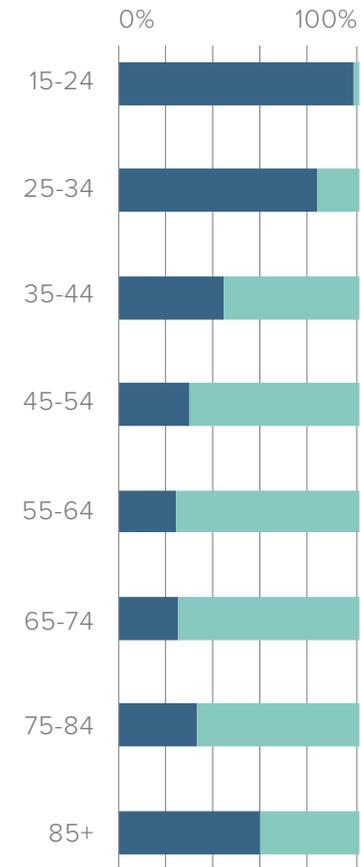
**Total Renters: 47%**  
Margin of Error: Owner - 1.8%; Renter - 2.6%

LAFAYETTE



**Total Renters: 53%**  
Margin of Error: Owner - 3.7%; Renter - 3.7%

WEST LAFAYETTE



**Total Renters: 68%**  
Margin of Error: Owner - 7.5%; Renter - 5.9%

Source: Census, 2016

■ Renter  
■ Owner

# WASHTENAW COUNTY, MICHIGAN



## WALKSCORE Highest Walkscore = 100

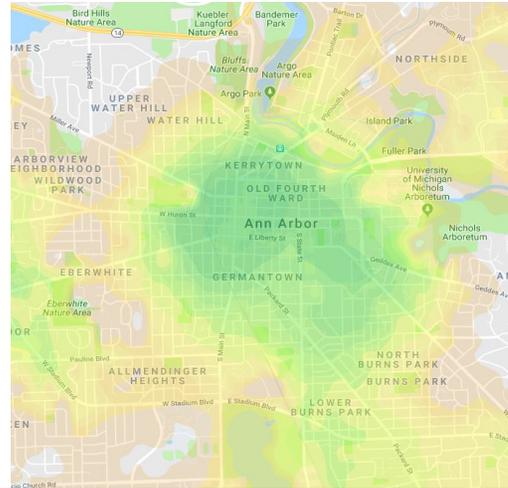
**51**  
Ann Arbor, MI

**35**  
Lafayette, IN

**50**  
W. Lafayette, IN

Walk Score measures walkability by analyzing hundreds of walking routes to nearby amenities.

## WALKSCORE HEAT MAP



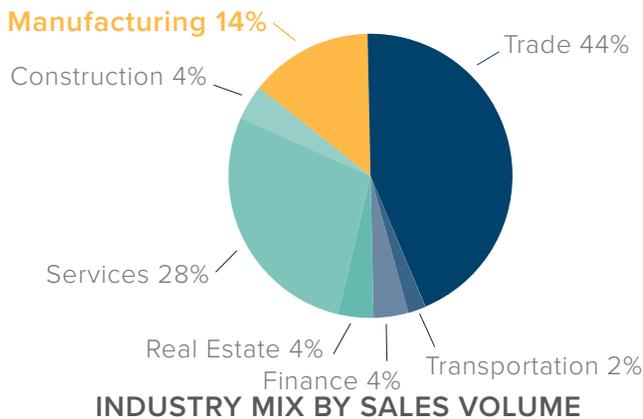
## DEMOGRAPHIC AND ECONOMIC PROFILE

	Washtenaw	Tippecanoe
2010 Population	344,791	172,780
2018 Population	370,067	189,788
Population % Growth Rate	7.3%	9.8%
Average Household Size	2.40	2.44
Median Age	34.4	29.4
Median Household Income	\$66,336	\$48,388
% With Bachelor's Degree+	54.7%	37.0%
Unemployment Rate	5.0%	3.4%
Median Home Value	\$248,889	\$150,079
Median Rent	\$980	\$793
Cost of Living	116.1	86.9

National Baseline = 100

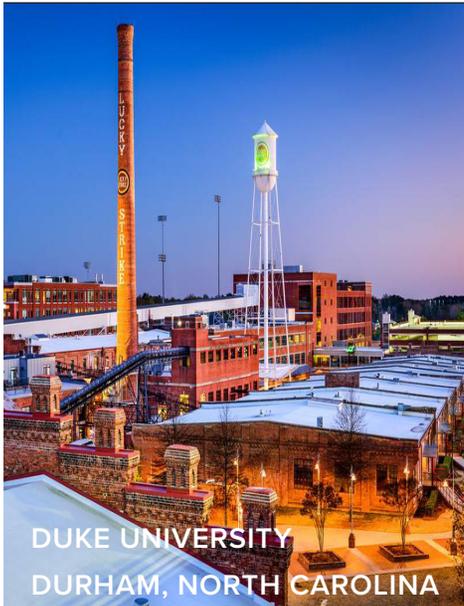
Washtenaw County residents pay 50% percent of their incomes on housing and transportation.

	WASHTENAW	TIPPECANOE
Housing	21%	26%
Transportation	29%	26%
Total	50%	52%



Source: Esri (2018); Census (2016); Bureau of Labor Statistics (2018); Walkscore.com; htaindex.cnt.org

# DURHAM COUNTY, NORTH CAROLINA



## WALKSCORE Highest Walkscore = 100

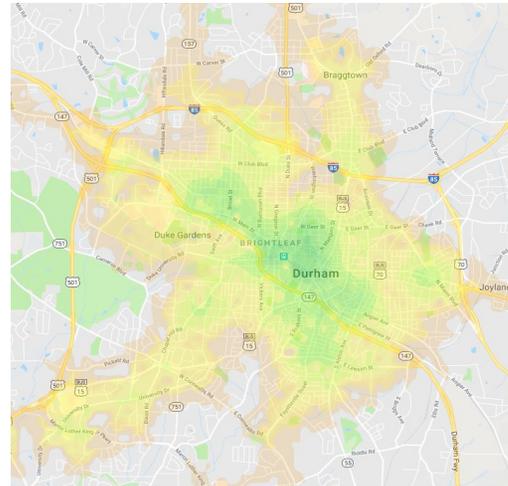
**29**  
Durham, NC

**35**  
Lafayette, IN

**50**  
W. Lafayette, IN

Walk Score measures walkability by analyzing hundreds of walking routes to nearby amenities.

## WALKSCORE HEAT MAP



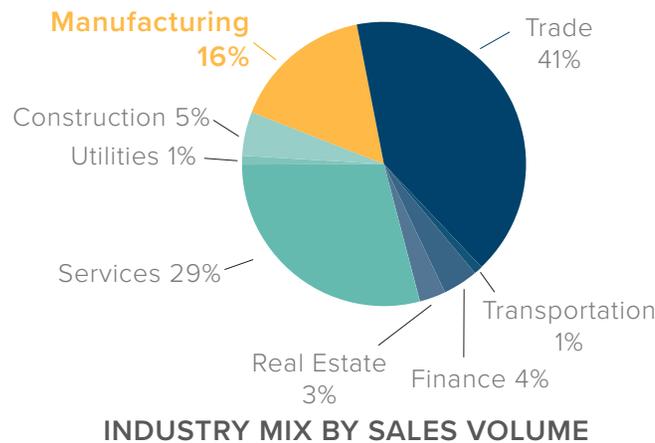
## DEMOGRAPHIC AND ECONOMIC PROFILE

	Durham	Tippecanoe
2010 Population	267,587	172,780
2018 Population	319,911	189,788
Population % Growth Rate	19.6%	9.8%
Average Household Size	2.37	2.44
Median Age	35.1	29.4
Median Household Income	\$56,515	\$48,388
% With Bachelor's Degree+	49.7%	37.0%
Unemployment Rate	4.5%	3.4%
Median Home Value	\$203,177	\$150,079
Median Rent	\$1,021	\$793
Cost of Living	102.4	86.9

National Baseline = 100

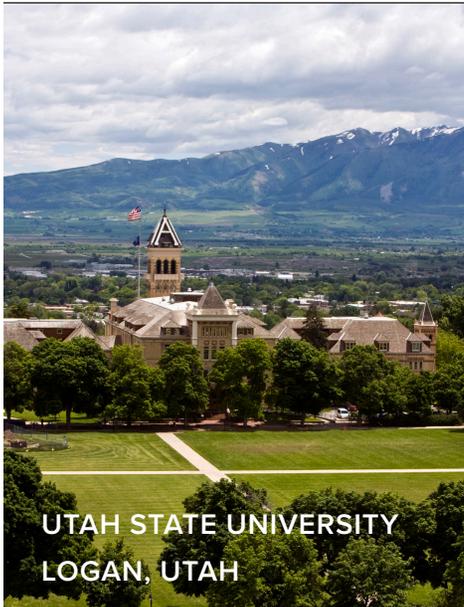
Durham County residents pay 48% percent of their incomes on housing and transportation.

	DURHAM	TIPPECANOE
Housing	26%	26%
Transportation	22%	26%
Total	48%	52%



Source: Esri (2018); Census (2016); Bureau of Labor Statistics (2018); Walkscore.com; htaindex.cnt.org

# CACHE COUNTY, UTAH



## WALKSCORE Highest Walkscore = 100

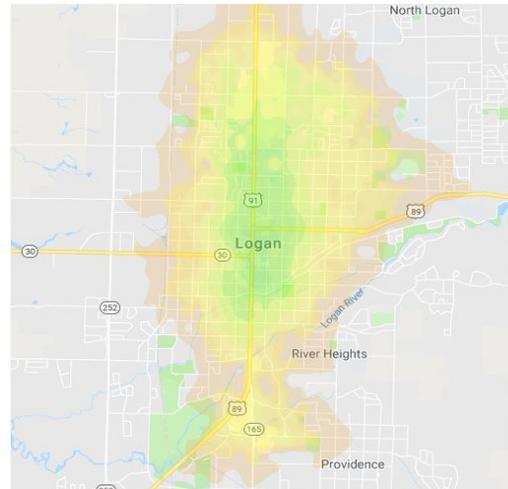
**40**  
Logan, Utah

**35**  
Lafayette, IN

**50**  
W. Lafayette, IN

Walk Score measures walkability by analyzing hundreds of walking routes to nearby amenities.

## WALKSCORE HEAT MAP



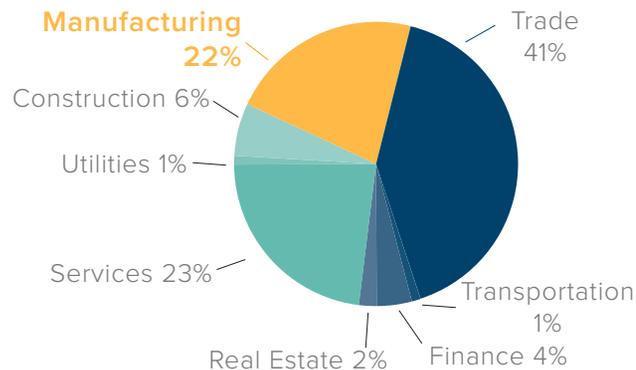
## DEMOGRAPHIC AND ECONOMIC PROFILE

	Cache	Tippecanoe
2010 Population	112,656	172,780
2018 Population	128,285	189,788
Population % Growth Rate	13.9%	9.8%
Average Household Size	3.19	2.44
Median Age	27.1	29.4
Median Household Income	\$54,986	\$48,388
% With Bachelor's Degree+	37.9%	37.0%
Unemployment Rate	4.3%	3.4%
Median Home Value	\$236,242	\$150,079
Median Rent	\$802	\$793
Cost of Living	103.2	86.9

National Baseline = 100

Cache County residents pay 55% percent of their incomes on housing and transportation.

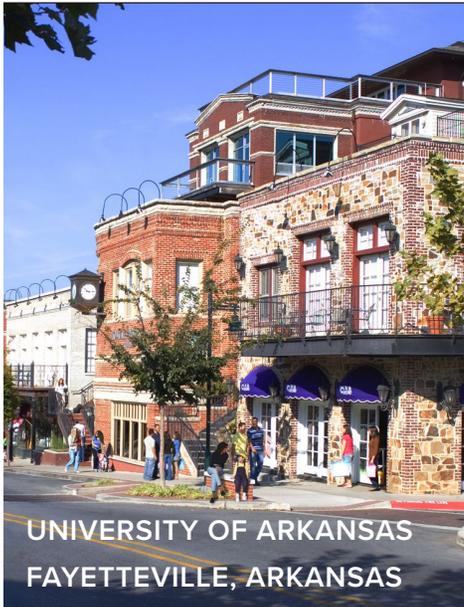
	CACHE	TIPPECANOE
Housing	25%	26%
Transportation	29%	26%
Total	55%	52%



INDUSTRY MIX BY SALES VOLUME

Source: Esri (2018); Census (2016); Bureau of Labor Statistics (2018); Walkscore.com; htaindex.cnt.org

# WASHINGTON COUNTY, ARKANSAS



## WALKSCORE Highest Walkscore = 100

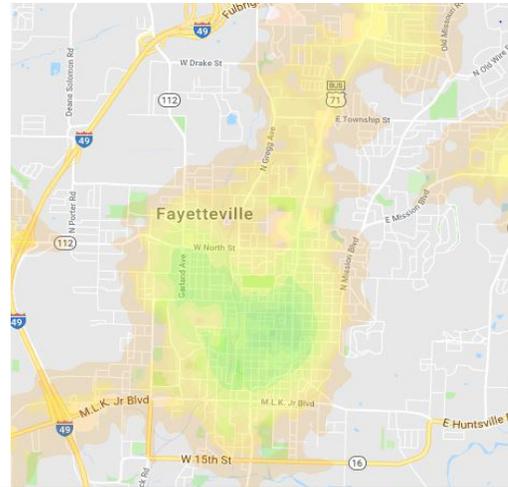
**32**  
Fayetteville, AR

**35**  
Lafayette, IN

**50**  
W. Lafayette, IN

Walk Score measures walkability by analyzing hundreds of walking routes to nearby amenities.

## WALKSCORE HEAT MAP



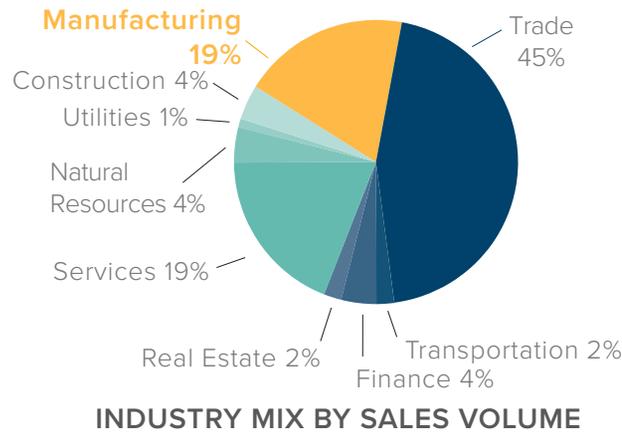
## DEMOGRAPHIC AND ECONOMIC PROFILE

	Washington	Tippecanoe
2010 Population	203,065	172,780
2018 Population	234,229	189,788
Population % Growth Rate	15.3%	9.8%
Average Household Size	2.57	2.44
Median Age	32.1	29.4
Median Household Income	\$45,925	\$48,388
% With Bachelor's Degree+	33.0%	37.0%
Unemployment Rate	3.8%	3.4%
Median Home Value	\$180,345	\$150,079
Median Rent	\$745	\$793
Cost of Living	94.5	86.9

National Baseline = 100

Washington County residents pay 50% percent of their incomes on housing and transportation.

	WASHINGTON	TIPPECANOE
Housing	24%	26%
Transportation	26%	26%
Total	50%	52%



Source: Esri (2018); Census (2016); Bureau of Labor Statistics (2018); Walkscore.com; htaindex.cnt.org

# INGHAM COUNTY, MICHIGAN



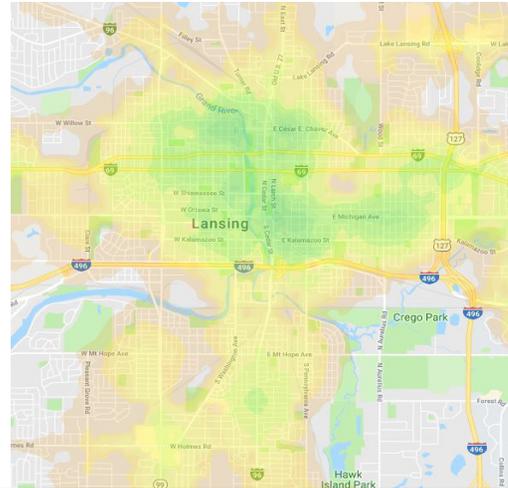
## WALKSCORE

Highest Walkscore = 100

- 45**  
Lansing, MI
- 35**  
Lafayette, IN
- 50**  
W. Lafayette, IN

Walk Score measures walkability by analyzing hundreds of walking routes to nearby amenities.

## WALKSCORE HEAT MAP



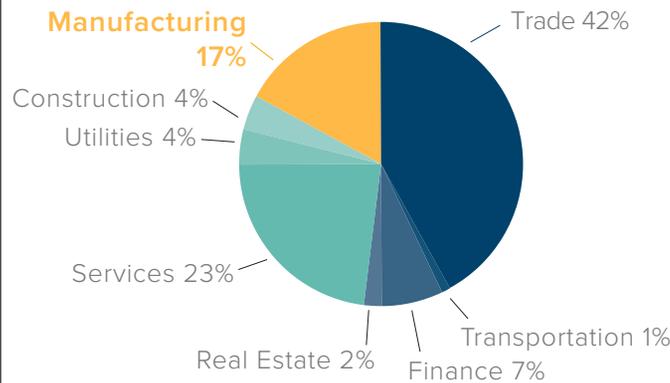
## DEMOGRAPHIC AND ECONOMIC PROFILE

	Ingham	Tippecanoe
2010 Population	280,895	172,780
2018 Population	292,427	189,788
Population % Growth Rate	4.1%	9.8%
Average Household Size	2.35	2.44
Median Age	33.3	29.4
Median Household Income	\$50,149	\$48,388
% With Bachelor's Degree+	39.2%	37%
Unemployment Rate	6.2%	3.4%
Median Home Value	\$148,430	\$150,079
Median Rent	\$854	\$793
Cost of Living	88.7	86.9

National Baseline = 100

Ingham County residents pay 50% percent of their incomes on housing and transportation.

	INGHAM	TIPPECANOE
Housing	26%	26%
Transportation	23%	26%
Total	50%	52%



**INDUSTRY MIX BY SALES VOLUME**

Source: Esri (2018); Census (2016); Bureau of Labor Statistics (2018); Walkscore.com; htaindex.cnt.org

# ST. LOUIS COUNTY, MINNESOTA



UNIVERSITY OF MINNESOTA - DULUTH  
DULUTH, MN

**WALKSCORE**  
Highest Walkscore = 100

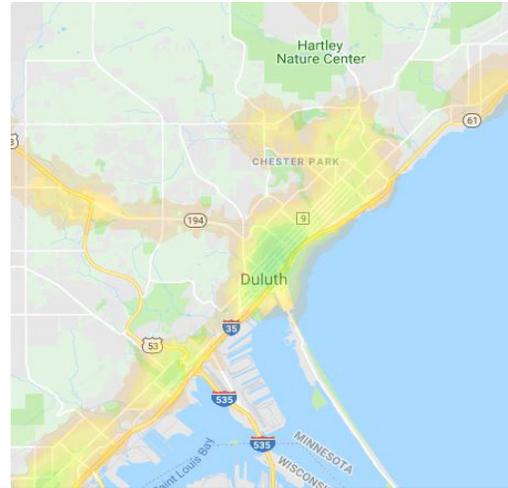
**45**  
Duluth, MN

**35**  
Lafayette, IN

**50**  
W. Lafayette, IN

Walk Score measures walkability by analyzing hundreds of walking routes to nearby amenities.

**WALKSCORE HEAT MAP**



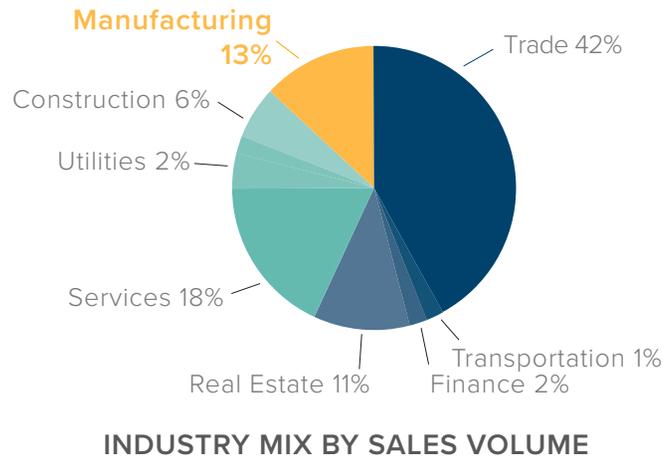
**DEMOGRAPHIC AND ECONOMIC PROFILE**

	St. Louis	Tippecanoe
2010 Population	200,226	172,780
2018 Population	203,365	189,788
Population % Growth Rate	1.6%	9.8%
Average Household Size	2.28	2.44
Median Age	42.3	29.4
Median Household Income	\$50,887	\$48,388
% With Bachelor's Degree+	28.5%	37%
Unemployment Rate	5.0%	3.4%
Median Home Value	\$170,890	\$150,079
Median Rent	\$698	\$793
Cost of Living	90.4	86.9

National Baseline = 100

St. Louis County residents pay 52% percent of their incomes on housing and transportation.

	ST. LOUIS	TIPPECANOE
Housing	26%	26%
Transportation	26%	26%
Total	52%	52%



Source: Esri (2018); Census (2016); Bureau of Labor Statistics (2018); Walkscore.com; htaindex.cnt.org

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# HOUSING GAP ANALYSIS

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CURRENT HOUSING SUPPLY

FUTURE DEMAND PROJECTIONS

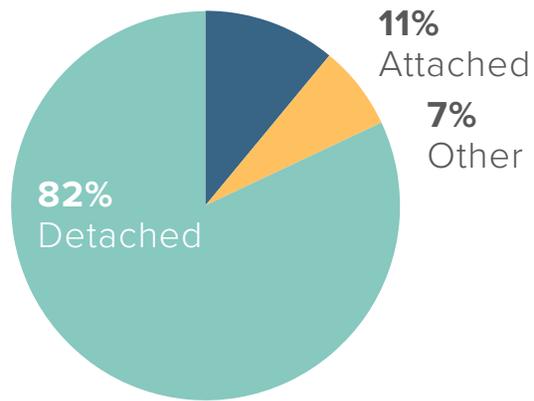
HOUSING GAP

MARKET SEGMENTS

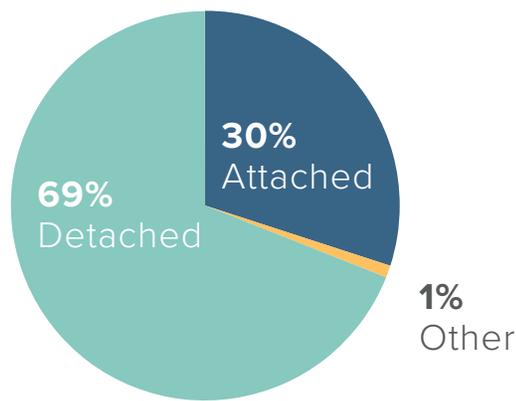
# CURRENT HOUSING FORMAT

Housing format varies between urban and rural areas in Tippecanoe County.

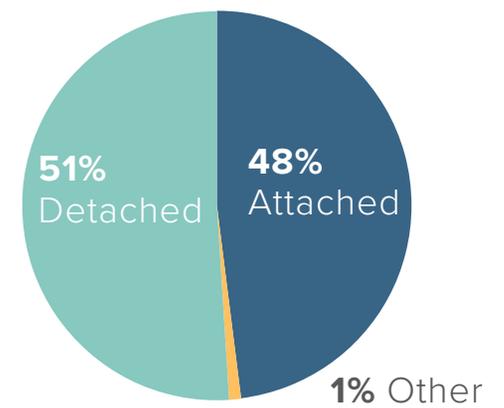
### TIPPECANOE COUNTY HOUSING FORMAT



### LAFAYETTE HOUSING FORMAT



### WEST LAFAYETTE HOUSING FORMAT



### ATTACHED HOMES



### DETACHED HOMES

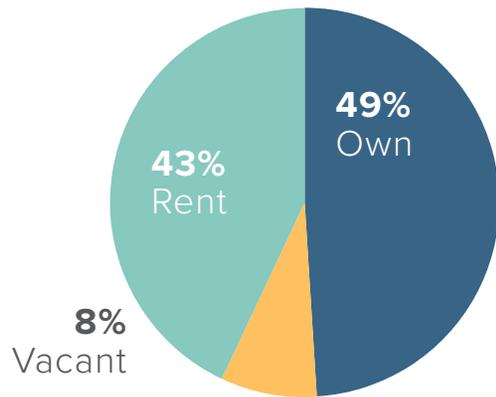


Source: Tippecanoe County Assessor

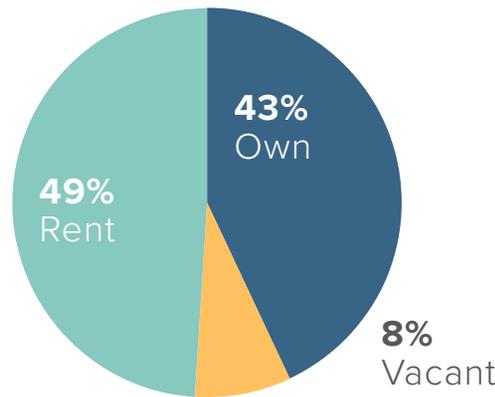
# CURRENT HOUSING TENURE

Housing tenure can vary widely among neighboring municipalities.

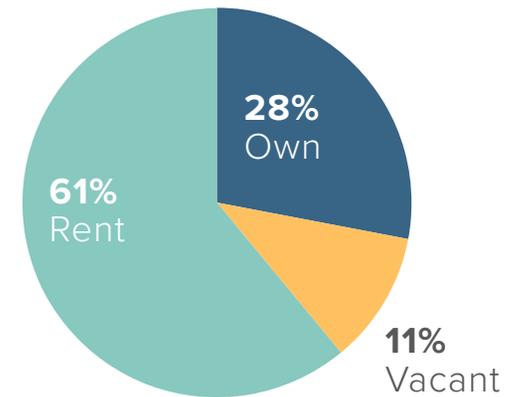
TIPPECANOE COUNTY HOUSING TENURE



LAFAYETTE HOUSING TENURE



WEST LAFAYETTE HOUSING TENURE



## OWNED HOMES



## RENTED HOMES



Sources: Tippecanoe County Assessor, 2016 American Community Survey  
 note: The vacancy varies seasonally with student population.

# TIPPECANOE COUNTY DWELLING UNIT MIX

Tippecanoe County has a higher share of attached housing than Indiana.

## DETACHED

64% (Tippecanoe)  
81% (Indiana)



### SINGLE-FAMILY HOUSES

1-Family Dwellings

**42,410** UNITS

## ATTACHED

36% (Tippecanoe)  
19% (Indiana)



### SINGLE-FAMILY ATTACHED

2- and 3-Family Buildings

**3,009** UNITS



### MULTI-FAMILY

4- or More Family Buildings

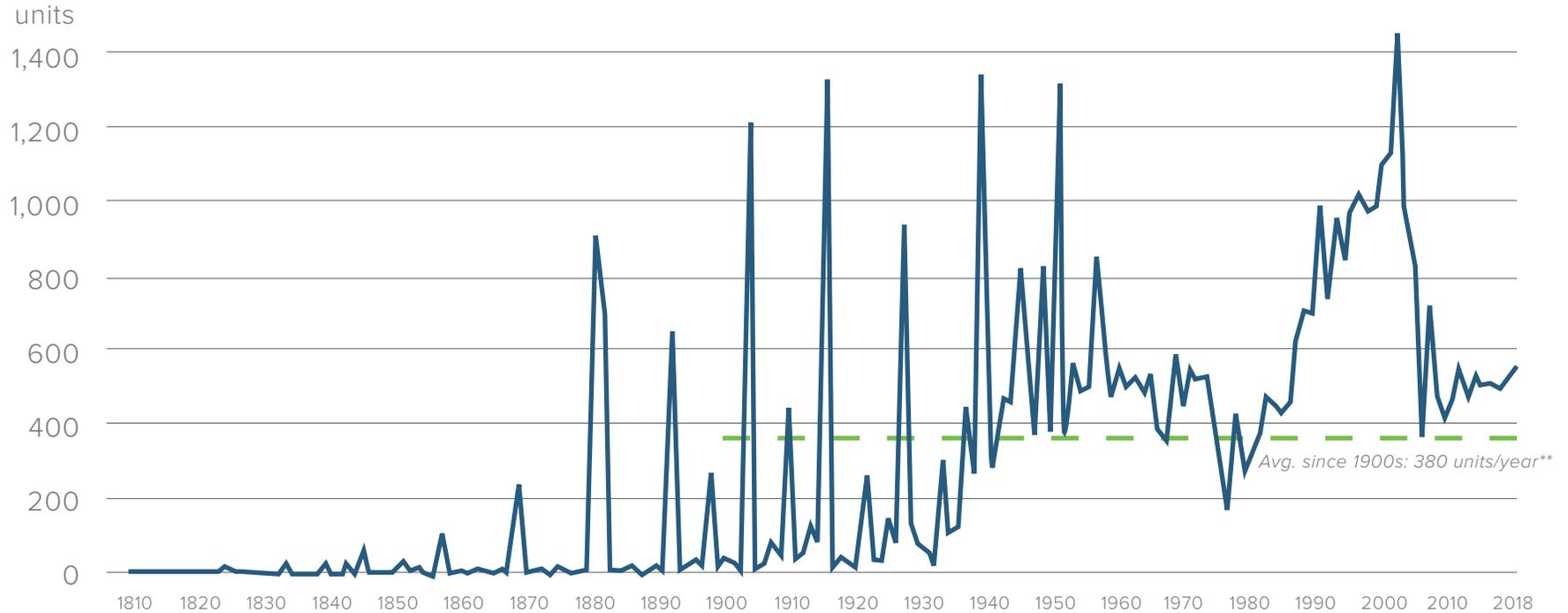
**22,250** UNITS

Source: Tippecanoe County Assessor

# TIPPECANOE COUNTY BUILDING TRENDS

Tippecanoe County's most significant growth occurred post-1945.

HOUSING UNITS BY YEAR BUILT, 1810 - 2018



Tippecanoe County has a residential housing stock with an average year built of 1972. 'Year built' for many buildings before WWII are estimated, however.

*\*This data set includes all housing units in the residential property classification*

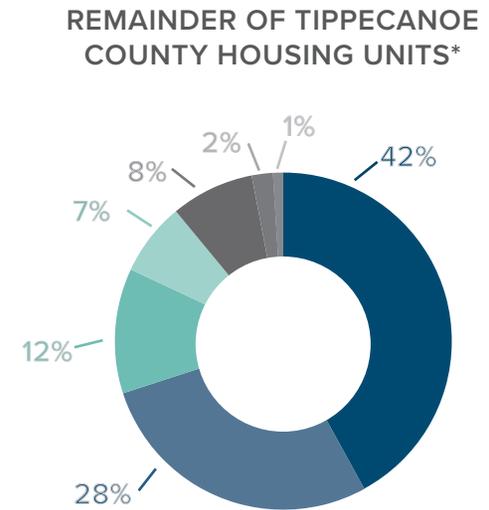
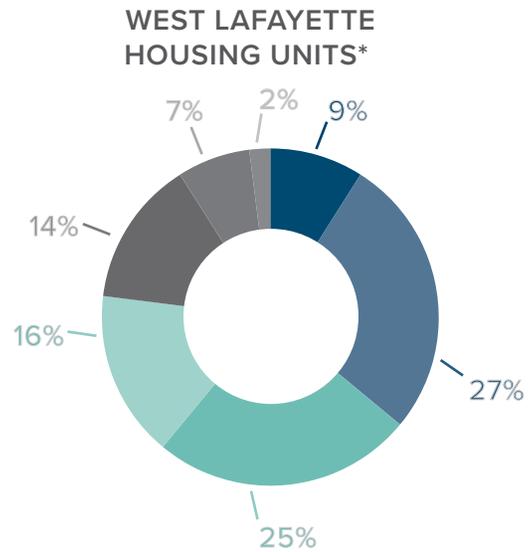
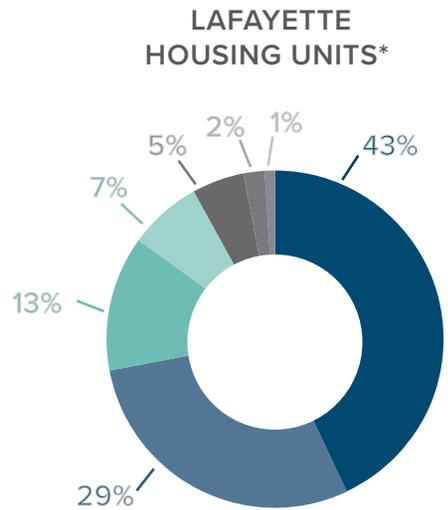
*\*\*Average of housing units between 1900-October 2018*

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

*Source: Tippecanoe County Assessor*

# ASSESSED HOUSING VALUES

Lafayette and rural Tippecanoe County have a similar mix in housing values.



- \$0-100,000
- \$100-150,000
- \$150-200,000
- \$200-250,000
- \$250-350,000
- \$350-500,000
- \$500,000+



Lafayette



West Lafayette

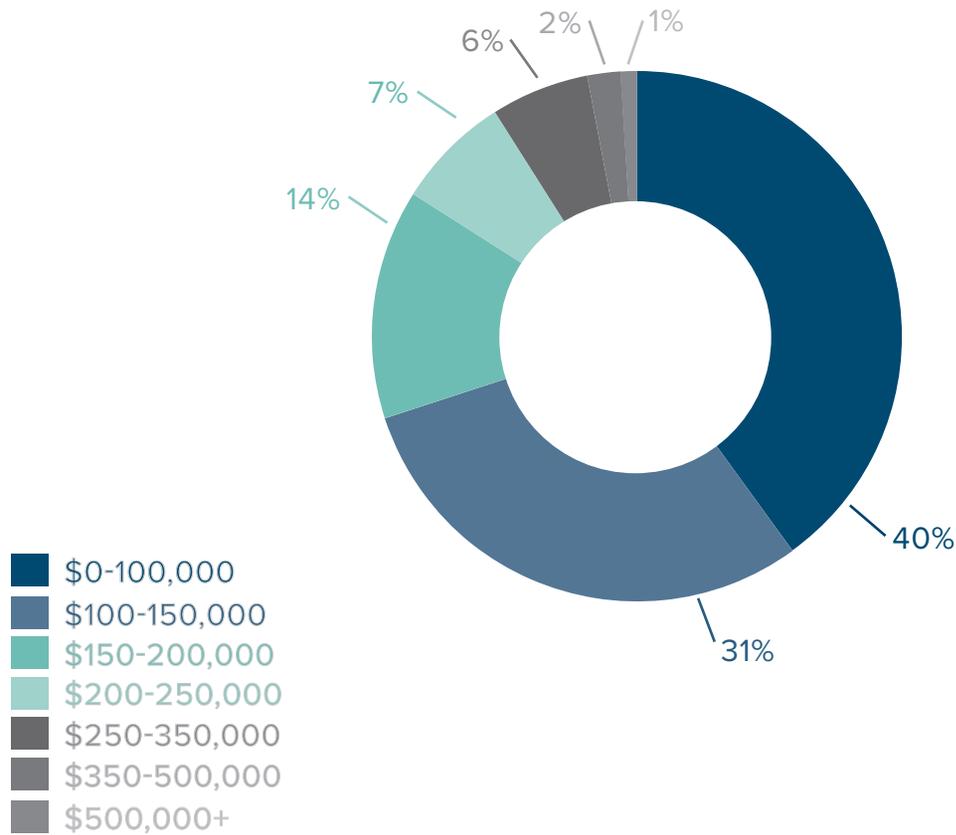
\*This data set includes all single-family, duplex, triplex and condos housing units.

Source: Tippecanoe County Assessor, Zillow (pictures)

# SINGLE-FAMILY HOUSING

Lafayette’s housing consists predominantly of mid-sized, single-family homes valued under \$200,000.

OVER 70% OF SINGLE-FAMILY HOMES ARE VALUED UNDER \$150,000.



## LAFAYETTE SINGLE-FAMILY STATS



**28,516**  
TOTAL UNITS

**1971**  
AVG. YEAR BUILT

**1,733**  
AVG. SQ. FT./UNIT  
Avg.Price/Sq.Ft.- \$78

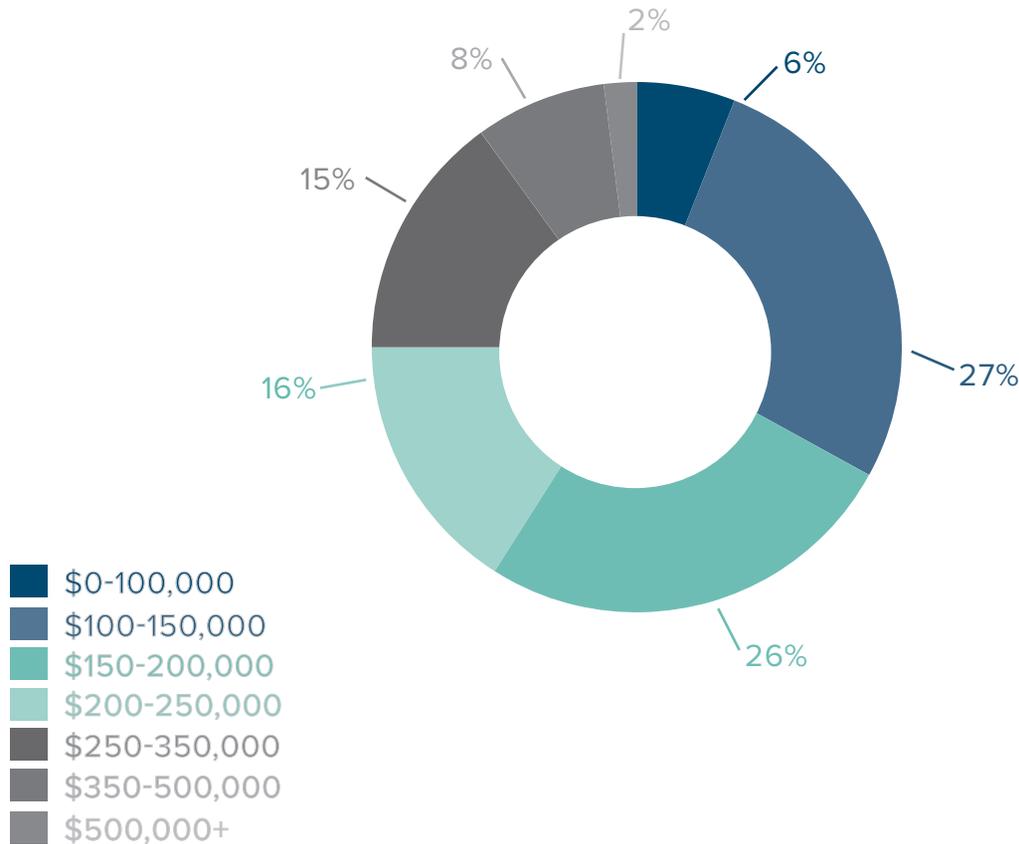
**\$134,648**  
AVG. ASSESSED VALUE  
Land: \$24,974  
Improvement: \$109,689

Source: Tippecanoe County Assessor

# SINGLE-FAMILY HOUSING

West Lafayette's single-family homes are newer, and tend to be larger.

APPROXIMATELY A THIRD OF WEST LAFAYETTE'S HOUSING IS VALUED UNDER \$150,000, BETWEEN \$150-250,000, AND \$250,000+.



## WEST LAFAYETTE SINGLE-FAMILY STATS



**11,303**  
TOTAL UNITS

**1982**  
AVG. YEAR BUILT

**2,265**  
AVG. SQ. FT./UNIT  
Avg.Price/Sq.Ft.- \$93

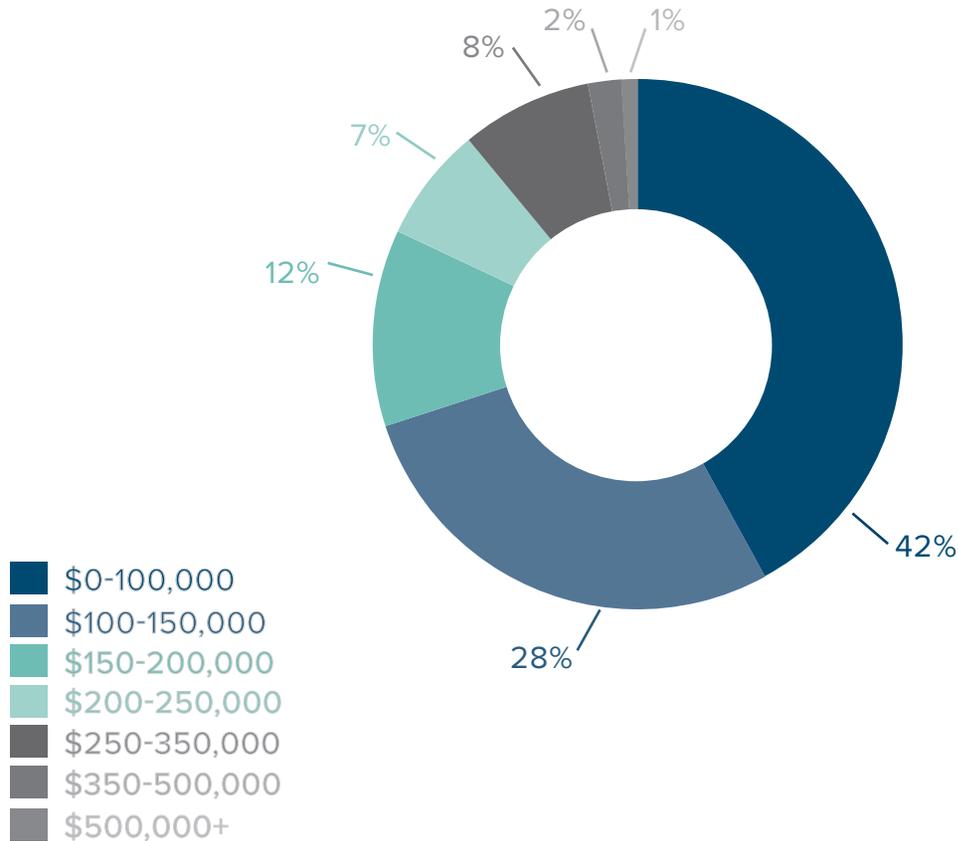
**\$210,125**  
AVG. ASSESSED VALUE  
Land: \$38,801  
Improvement: \$171,264

Source: Tippecanoe County Assessor

# SINGLE-FAMILY HOUSING

Rural areas of Tippecanoe County have significantly lower values.

OUTSIDE OF W. LAFAYETTE AND LAFAYETTE, 70 PERCENT OF THE HOUSING IS VALUED UNDER \$150,000.



REMAINDER OF TIPPECANOE SINGLE-FAMILY STATS



**2,599**  
TOTAL UNITS

**1961**  
AVG. YEAR BUILT

**1,783**  
AVG. SQ. FT./UNIT  
Avg.Price/Sq.Ft.- \$76

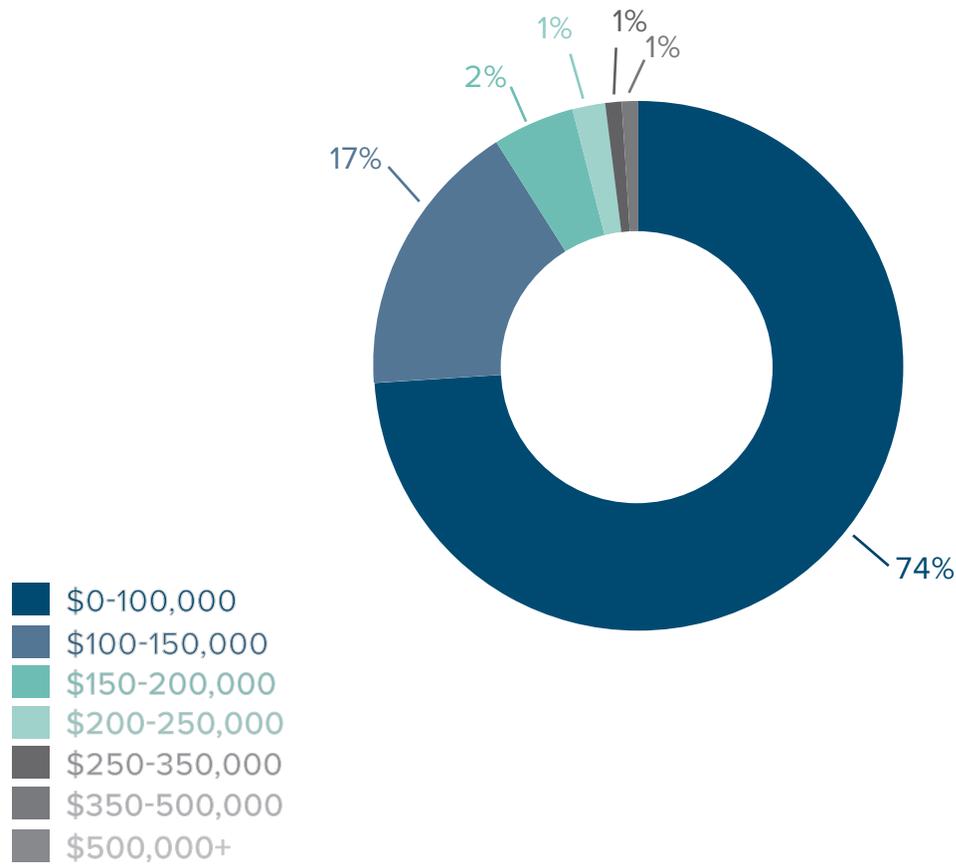
**\$135,608**  
AVG. ASSESSED VALUE  
Land: \$24,367  
Improvement: \$111,224

Source: Tippecanoe County Assessor

# SINGLE-FAMILY ATTACHED HOUSING\*

Lafayette has over 2,000 units of attached single-family housing.

LAFAYETTE DUPLEXES AND TRIPLEXES BY ASSESSED VALUE



LAFAYETTE SINGLE-FAMILY ATTACHED STATS



**2,231\***  
TOTAL UNITS

**1948**  
AVG. YEAR BUILT

**1,978**  
AVG. SQ. FT./UNIT  
Avg.Price/Sq.Ft.- \$43

**\$84,533**  
AVG. ASSESSED VALUE PER UNIT  
Land: \$19,207  
Improvement: \$88,915

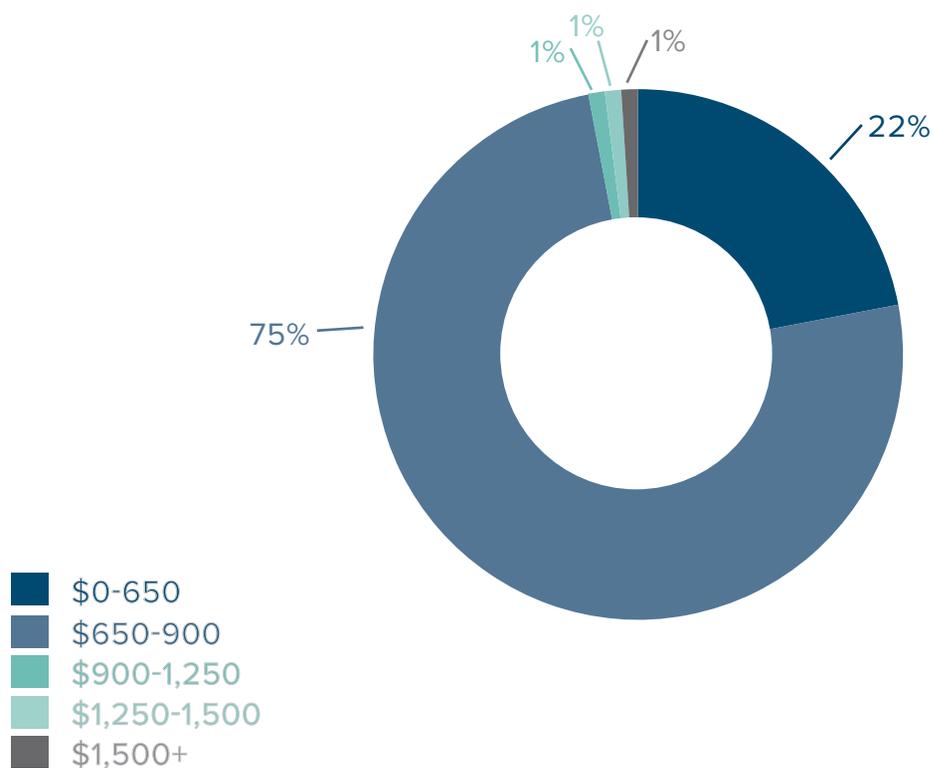
\*Single-family attached includes duplex, triplex, and condos.

Source: Tippecanoe County Assessor

# MULTI-FAMILY HOUSING

Lafayette has an older, but equally as large apartment market as West Lafayette.

AVERAGE RENT IN LAFAYETTE IS \$706 PER UNIT\*\*.



## LAFAYETTE MULTI-FAMILY\* STATS



**11,412\***  
TOTAL UNITS

**1964**  
AVG. YEAR BUILT

**1,135**  
AVG. SQ. FT./UNIT

**\$43,485**  
AVG. ASSESSED VALUE  
PER UNIT  
Avg. Assessed Value  
Per Sq. Ft.: \$52

\*Multi-family units include apartments, condos and townhomes assessed as commercial or residential property with 4+ units.

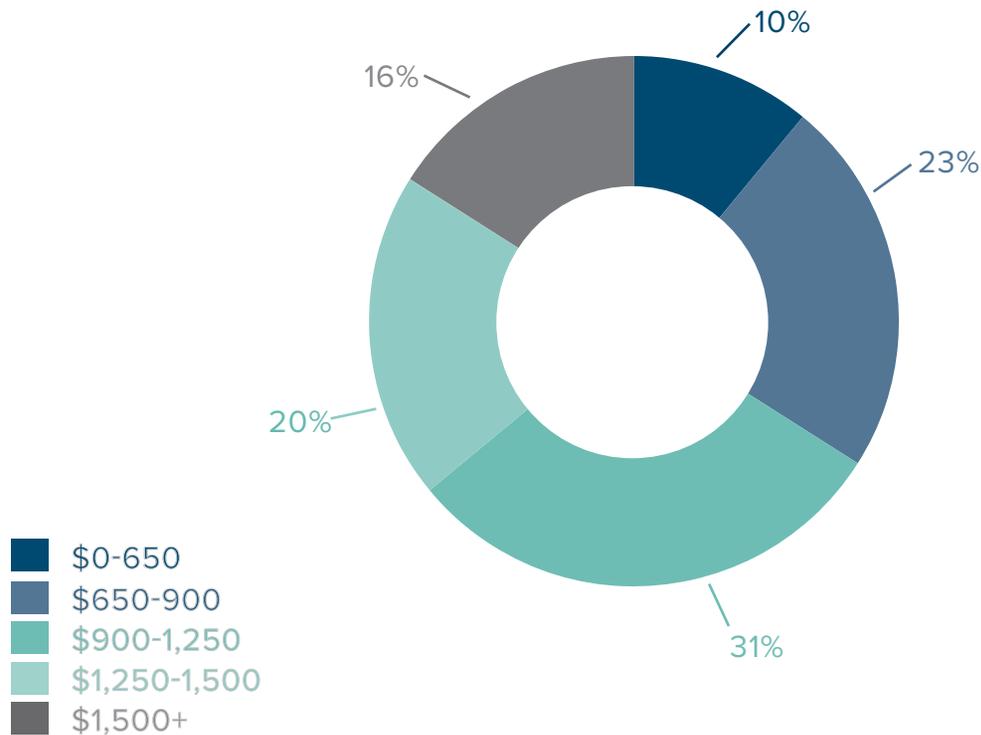
\*\*Average rent per unit data for apartments/townhomes assessed as commercial property with 4+ units.

Source: Tippecanoe County Assessor

# MULTI-FAMILY HOUSING

West Lafayette apartments have a wider range of rents.

AVERAGE RENT IN WEST LAFAYETTE IS \$1,062 PER UNIT\*\*.



WEST LAFAYETTE MULTI-FAMILY STATS



**10,734\***  
TOTAL UNITS

**1985**  
AVG. YEAR BUILT

**1,153**  
AVG. SQ. FT./UNIT

**\$86,925**  
AVG. ASSESSED VALUE PER UNIT  
Avg. Assessed Value Per Sq. Ft.: \$118

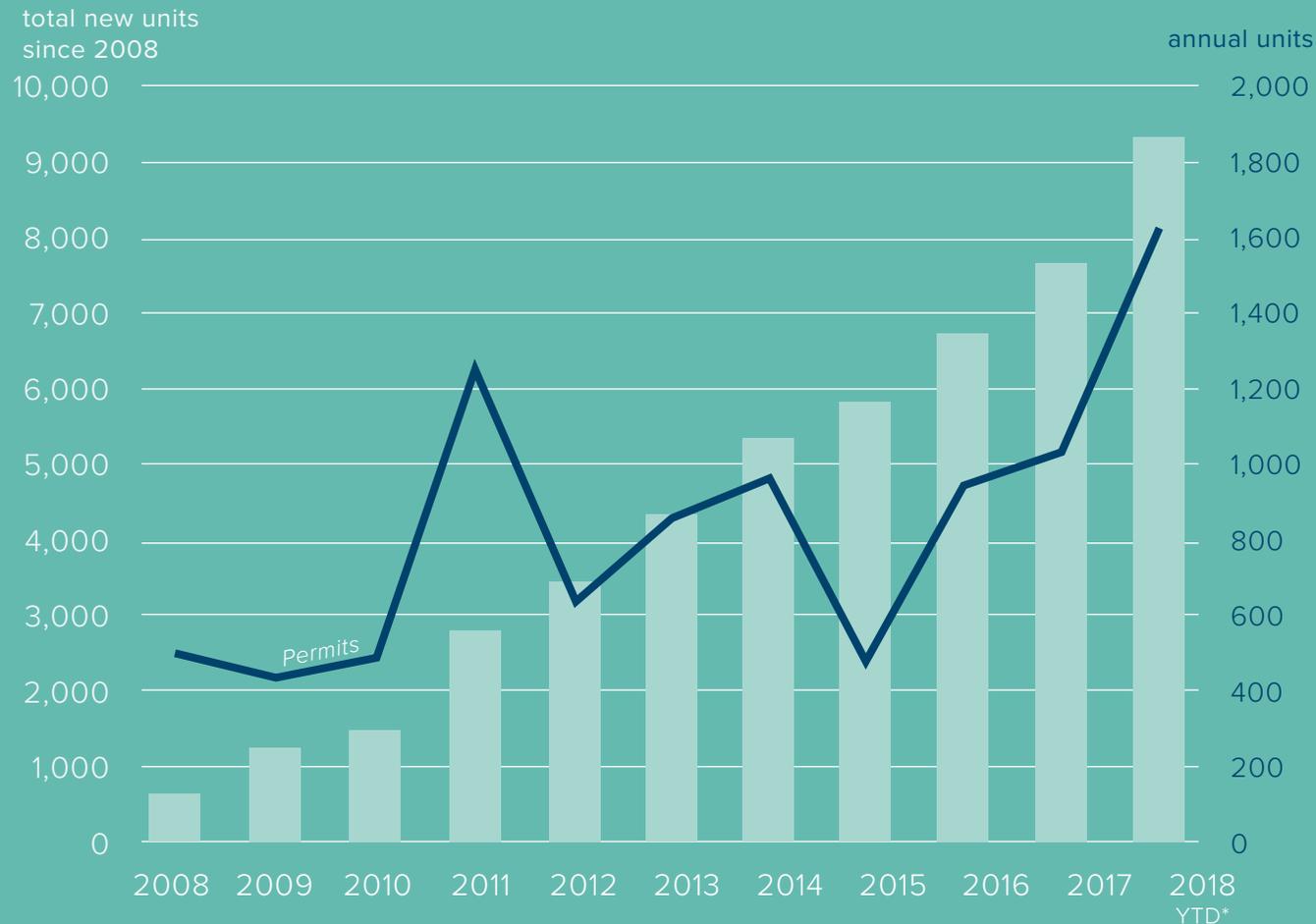
\*Multi-family units include apartments, condos and townhomes assessed as commercial or residential property with 4+ units.

\*\*Average rent per unit data for apartments/townhomes assessed as commercial property with 4+ units.

Source: Tippecanoe County Assessor

# RECENT SUPPLY - BUILDING PERMIT TRENDS

Building permits have significantly picked up since the recession.



### Annual Building Permits

Annual building permits reflect the annual units requested to be built between January 2008 - September 2018.

### Total New Building Permits

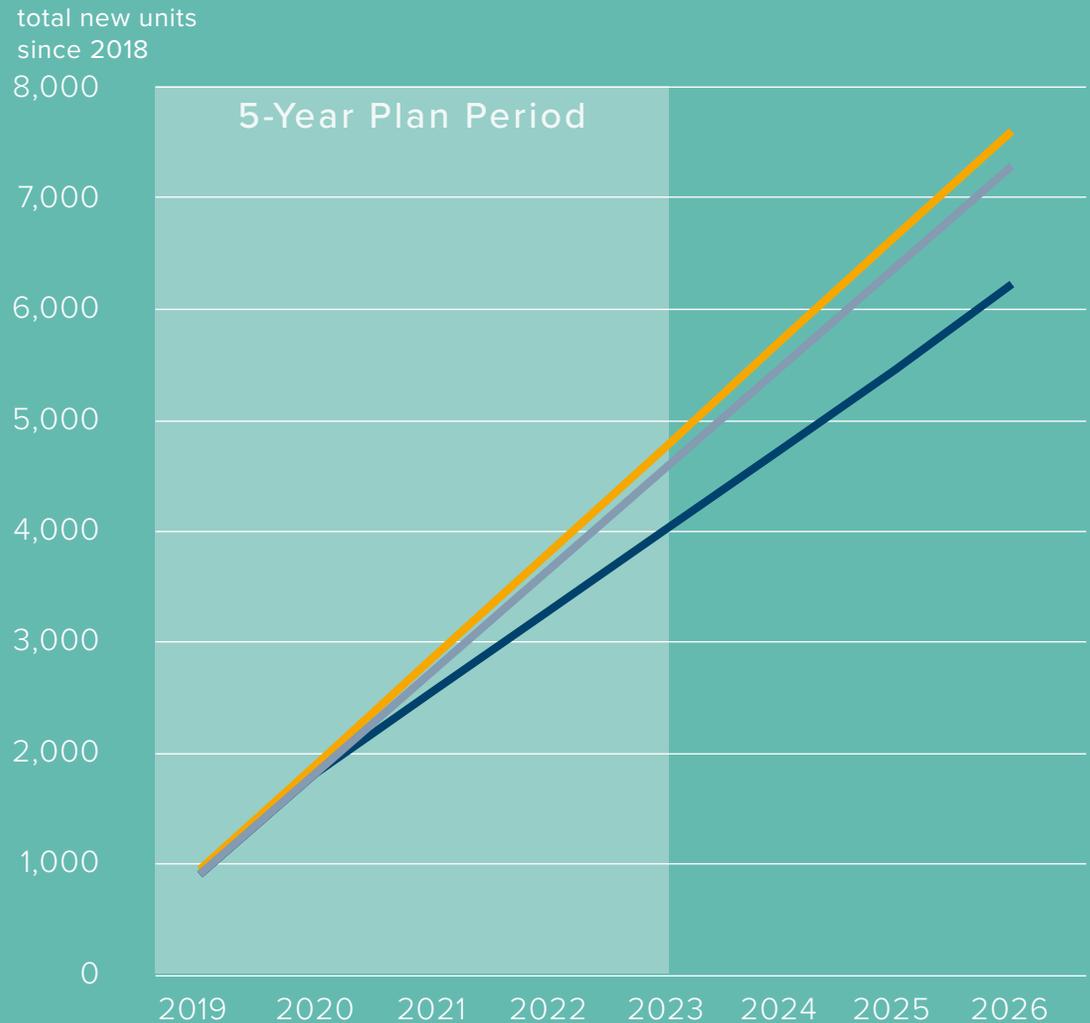
Total building permits reflect the cumulative total units requested to be built between January 2008 - September 2018.

\*Building permit data for 2018 is year-to-date through September 2018.

Source: Tippecanoe County, City of Lafayette, and City of West Lafayette Building Permit Data January 2008 - September 2018

# PROJECTED DEMAND FOR HOUSING UNITS

Through 2023, different sources show a need or projection of 4,000 - 4,700 new units in Tippecanoe County.



### GLC Goal

The Greater Lafayette Commerce has set a goal of increasing the population by 25,000 by 2026. This is converted to ~950 housing units/year.

### Esri Business Analyst

Esri Business Analyst utilizes Census data and a proprietary method to project 2023 household demand, or ~910 housing units/year. For comparison, this was extended to 2026.

### APC

The Tippecanoe County Area Plan Commission has projected population and household growth through 2040, shown through 2026 here at 720-910 housing units/year.

\*\*For the purposes of this housing study, one new household is assumed to demand one new housing unit.

Source: Tippecanoe County, City of Lafayette and City of West Lafayette Building Permit Data 2008 - 2018, Greater Lafayette Population Goal 2026, Area Plan Commission (APC) Projections 2045, Esri, Greenstreet Calculations

# FIVE-YEAR HOUSING GAP

Depending on how fast homes are built, these projections may be met.

	GLC Goal		Esri		APC	
DEMAND*	4,745		4,522		4,002	
LOW SUPPLY TREND UNITS	3,421	short: 1,324	3,421	short: 1,101	3,421	short: 581
HIGH SUPPLY TREND UNITS	5,065	goal met	5,065	exceed: 543	5,065	exceed: 1,063

## LOW SUPPLY TREND

If homes are built at the same rate as the recent recession period 2008-2012, it will underbuilt.

## HIGH SUPPLY TREND

If homes are built at the same rate as the last five years of 2014-2018, the Greater Lafayette Commerce Goal can be met.

*\*For the purposes of this housing study, one new household is assumed to demand one new housing unit.*

*Source: Tippecanoe County, City of Lafayette and City of West Lafayette Building Permit Data 2008 - 2018*

*Greater Lafayette Population Goal 2026, Area Plan Commission (APC) Projections 2045, Esri*

# FIVE-YEAR HOUSING GAP

About 3,000 new homes need to be built over the next five years.

	GLC Goal	Esri	APC
DEMAND*	4,745	4,522	4,002
PIPELINE**	1,421	1,421	1,421
GAP	3,332	3,101	2,672

To stay on track for the Greater Lafayette Commerce Population goal, Tippecanoe County needs to finish the current 1,421 units approved or under construction in the pipeline, and build another 3,332 housing units over the next five years.

\*For the purposes of this housing study, one new household is assumed to demand one new housing unit.

\*\*\*The pipeline represents the number of units currently under construction according to building permit data.

Source: Tippecanoe County, City of Lafayette and City of West Lafayette Building Permit Data 2008 - 2018

Greater Lafayette Commerce, Area Plan Commission (APC) Projections 2045, Esri

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## HOUSING GAP - TENURE

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The overall homeownership is expected to increase over the next five years.

	DEMAND	PIPELINE	GAP
TOTAL TIPPECANOE COUNTY FIVE-YEAR DEMAND (GLC GOAL)	4,745	1,421	3,324
OWNER-OCCUPIED: 56%	2,657	<i>unknown</i>	1,861
RENTER-OCCUPIED: 44%	2,088	<i>unknown</i>	1,462

Source: Tippecanoe County, City of Lafayette and City of West Lafayette Building Permit Data 2008 - 2018, Greater Lafayette Commerce, Esri, Greenstreet Calculations

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## HOUSING GAP - FORMAT

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Detached housing will stay dominant, but can be affected more easily.

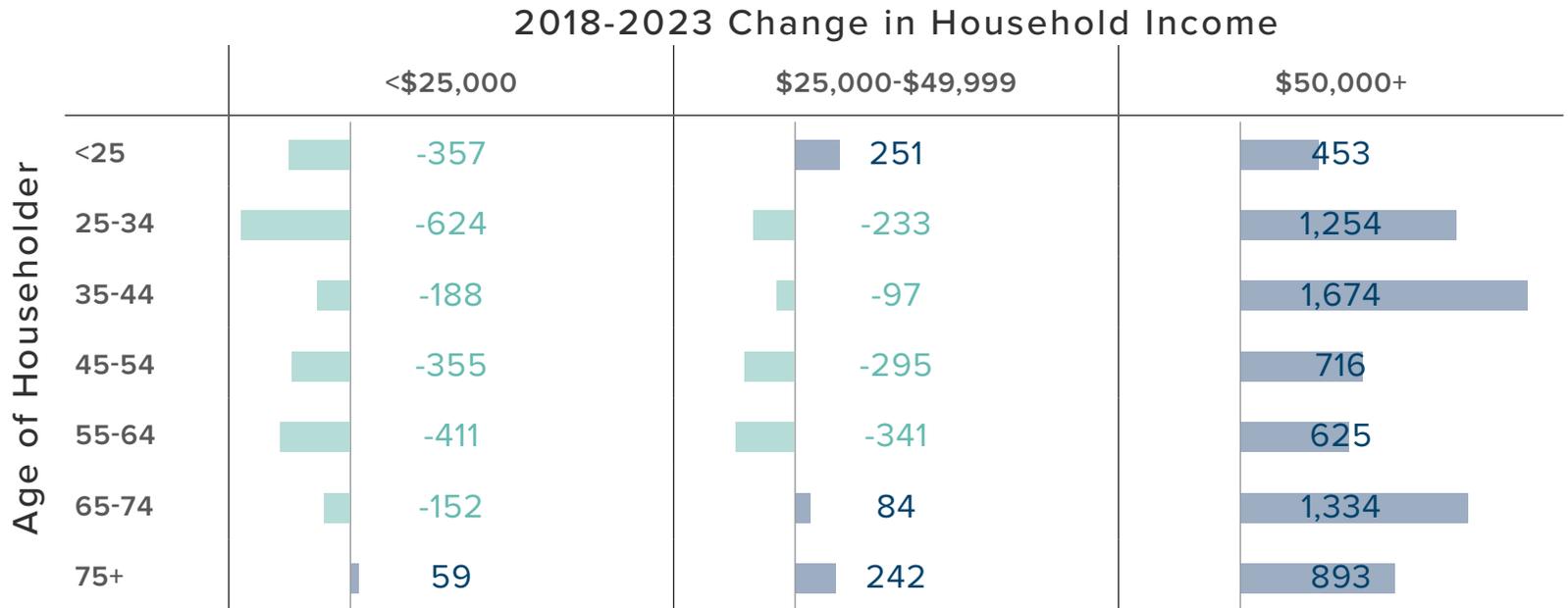
	DEMAND	PIPELINE	GAP
<b>TOTAL TIPPECANOE COUNTY FIVE-YEAR DEMAND</b> <i>(GLC GOAL)</i>	4,745	1,421	3,324
<b>DETACHED HOUSING: 64%</b> <i>(CURRENT MIX)</i>	3,037	<i>unknown</i>	2,127
<b>ATTACHED HOUSING: 36%</b> <i>(CURRENT MIX)</i>	1,708	<i>unknown</i>	1,197

Source: Tippecanoe County, City of Lafayette and City of West Lafayette Building Permit Data 2008 - 2018, Greater Lafayette Commerce, Esri, Greenstreet Calculations

## FIVE YEAR GROWTH - AGE BY INCOME

Incomes are rising, with most growth occurring in households making more than \$50,000.

The barbell generations, Millennials and Baby Boomers, show the most growth over the next five years.



Source: Esri, Greenstreet calculations  
note: incomes expressed in 2018 dollars.

## FIVE YEAR GROWTH - HOUSING SEGMENTS

These population segments will make up much of the county's five-year growth.

Families of three+ related people represent about a 30 percent share, with one- and two-person households making up about 60 percent.

	FAMILIES WITH CHILDREN 	WORKERS AND GRAD. STUDENTS 	EMPTY NESTERS/ RETIREES 	OTHER 
SHARE OF NEW HOUSEHOLDS	30%	25%	35%	10%
EST. HOUSEHOLDS	~1,420	~1,190	~1,660	~480
HOUSEHOLD SIZE	3+	1, 2	1, 2	mixed
INCOMES	low-high	moderate-high	moderate-high	mixed
AGE GROUPS	all	<44	55+	mixed
TENURE	own, rent	rent, own	own, rent	all

Source: Greenstreet calculations, Esri

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# AFFORDABILITY ANALYSIS

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## AFFORDABILITY ANALYSIS

# AFFORDABILITY SENSITIVITY ANALYSIS

Local incomes are compared against local housing values.

THE FOLLOWING LOCAL WAGES ILLUSTRATE A RANGE OF HOUSEHOLD INCOMES.

\$15,000

*Cashier, Retail Clerk*

\$25,000

*Nursing Assistant, Pharmacy Aid, Server*

\$35,000

*Customer Service Rep, Custodian\**

\$50,000

*Maintenance Supervisor\*, Accountant\**

\$75,000

*Deputy Police Chief\*, Building Commissioner\**

\$100,000

*City Engineer\*, Therapist, Nurse*

\$150,000

*Lawyer, Pharmacist, Chief Executive*

\$200,000

*Veterinarian, Dentist*

*\* indicates city employee*

HOUSEHOLD INCOME IS USED TO DETERMINE BUYING POWER, COMPARED AGAINST THE HOUSING STOCK OF TIPPECANOE COUNTY

HOUSEHOLDS BUYING POWER

Affordable Home Value

compared to:

ALL HOUSING STOCK

Assessed Value

RECENT SALES

Final Sales Price

NEW CONSTRUCTION

Assessed Value

## AFFORDABILITY MODEL ASSUMPTIONS

30% household income used for total annual housing costs, including:

30-year mortgage resulting from 10% down payment;

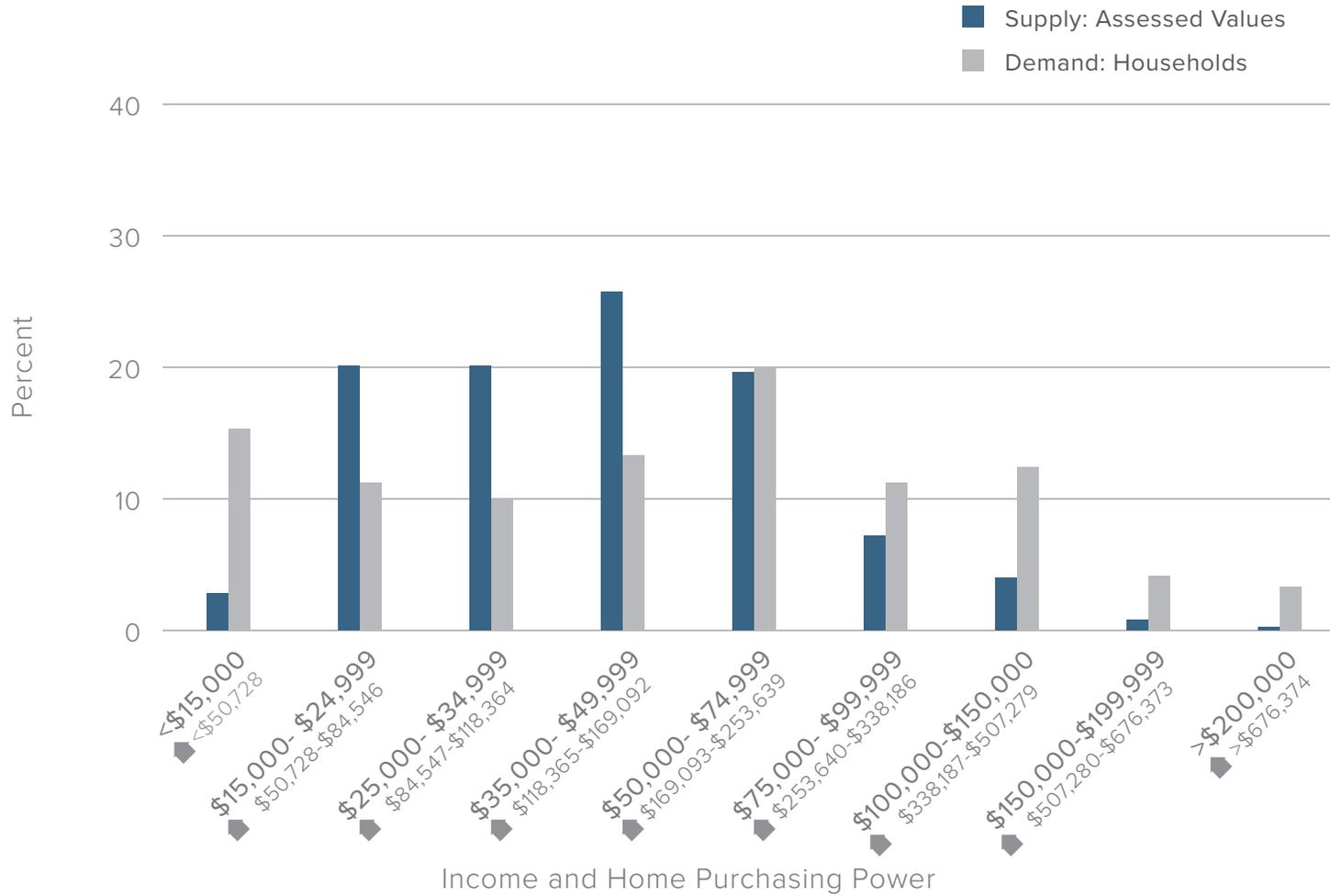
2019 market rates for mortgage interest, mortgage insurance, residential property tax;

Average annual utility cost from most recent Residential Energy Consumption Survey (2015)

Sources: Bureau of Labor Statistics, 2019 Lafayette salary ordinance, 2015 Residential Energy Consumption Survey, Federal Reserve Bank

# TIPPECANOE CO. ASSESSED VALUES

Assessed values are shown against estimated home affordability.



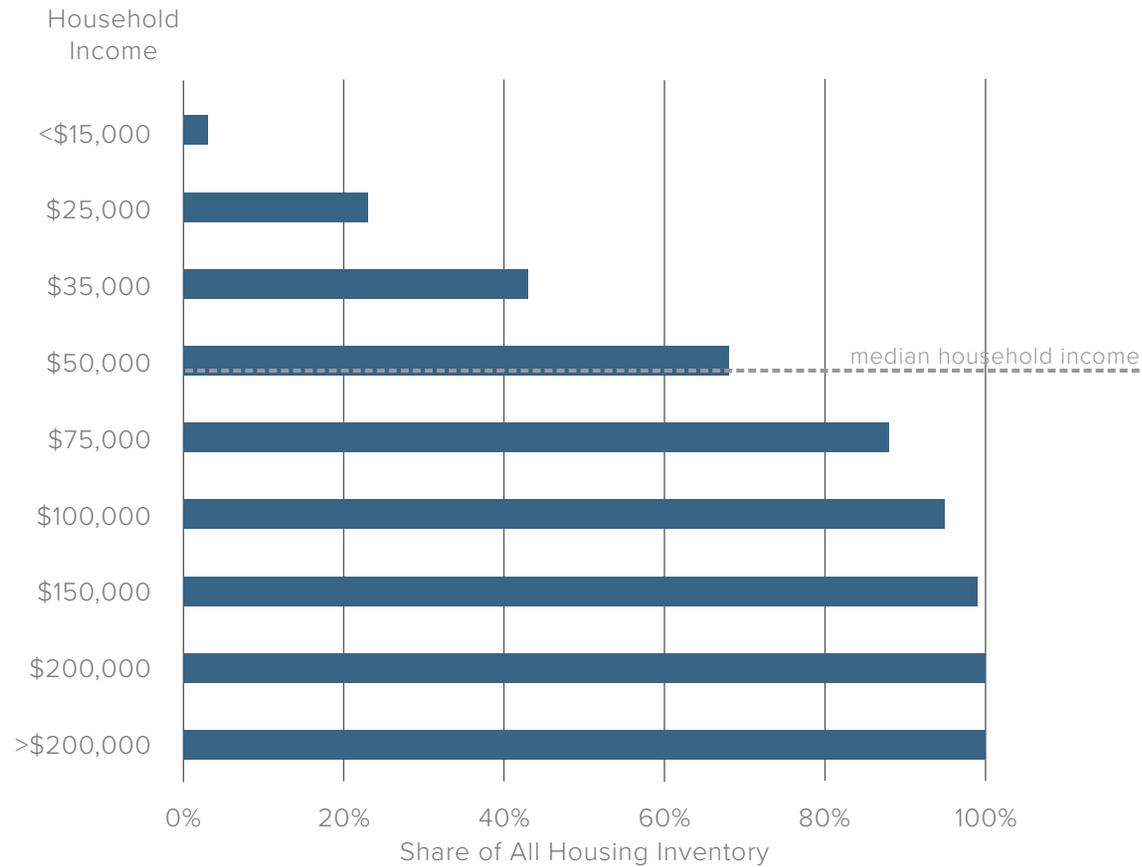
Sources: U.S. Census 2017 ACS estimates, Tippecanoe County Assessor, Greenstreet calculations

Notes: This data set includes all owner-occupied housing units in the residential property classification

# AFFORDABILITY OF CURRENT HOUSING

Most households making the median or higher could afford most homes.

AFFORDABILITY BY THE ASSESSED VALUES OF ALL OWNER-OCCUPIED HOMES IS SHOWN BY INCOME CATEGORY.

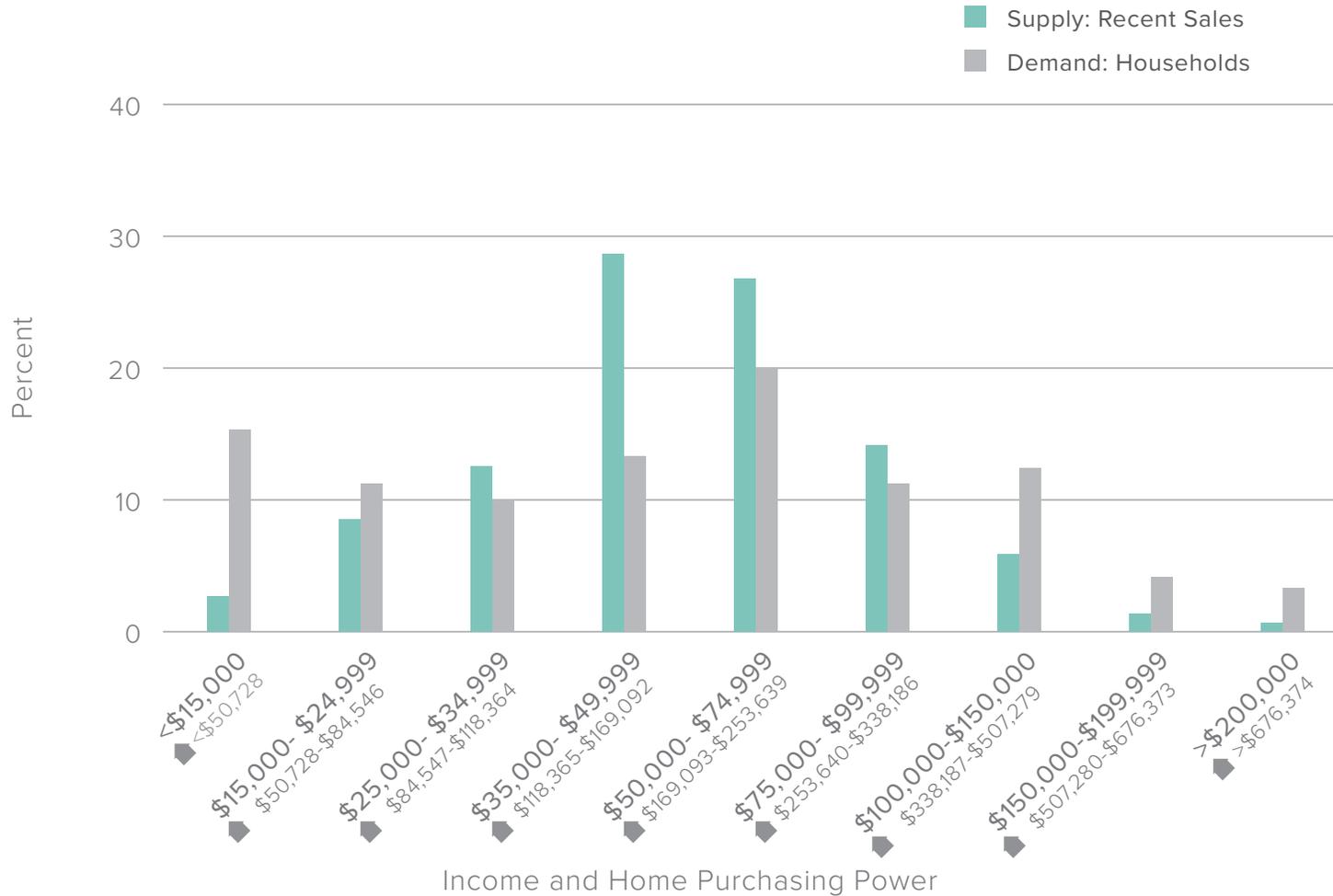


Sources: U.S. Census 2017 ACS estimates, Tippecanoe County Assessor, Greenstreet calculations

Notes: This data set includes all owner-occupied housing units in the residential property classification

# TIPPECANOE CO. RECENT SALES

Recent home sales are shown against estimated home affordability.



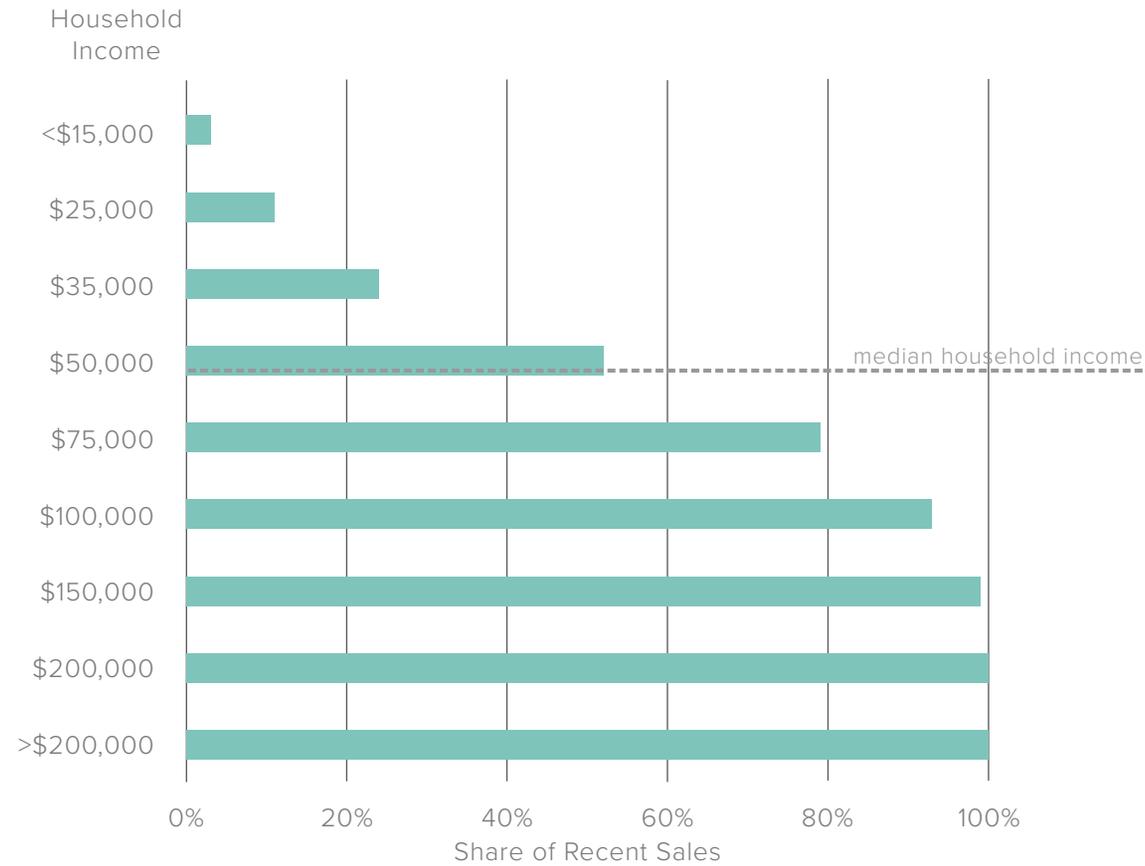
Sources: U.S. Census 2017 ACS estimates, Lafayette Regional Association of Realtors, Greenstreet calculations

Notes: This data set includes residential sales occurring December 2017 through November 2018

# AFFORDABILITY OF RECENT SALES

Recently sold homes are reasonably affordable to most income levels.

AFFORDABILITY BY THE RECENT SALES TRANSACTIONS OF HOMES SOLD WITHIN THE PAST YEAR IS SHOWN BY INCOME CATEGORY.

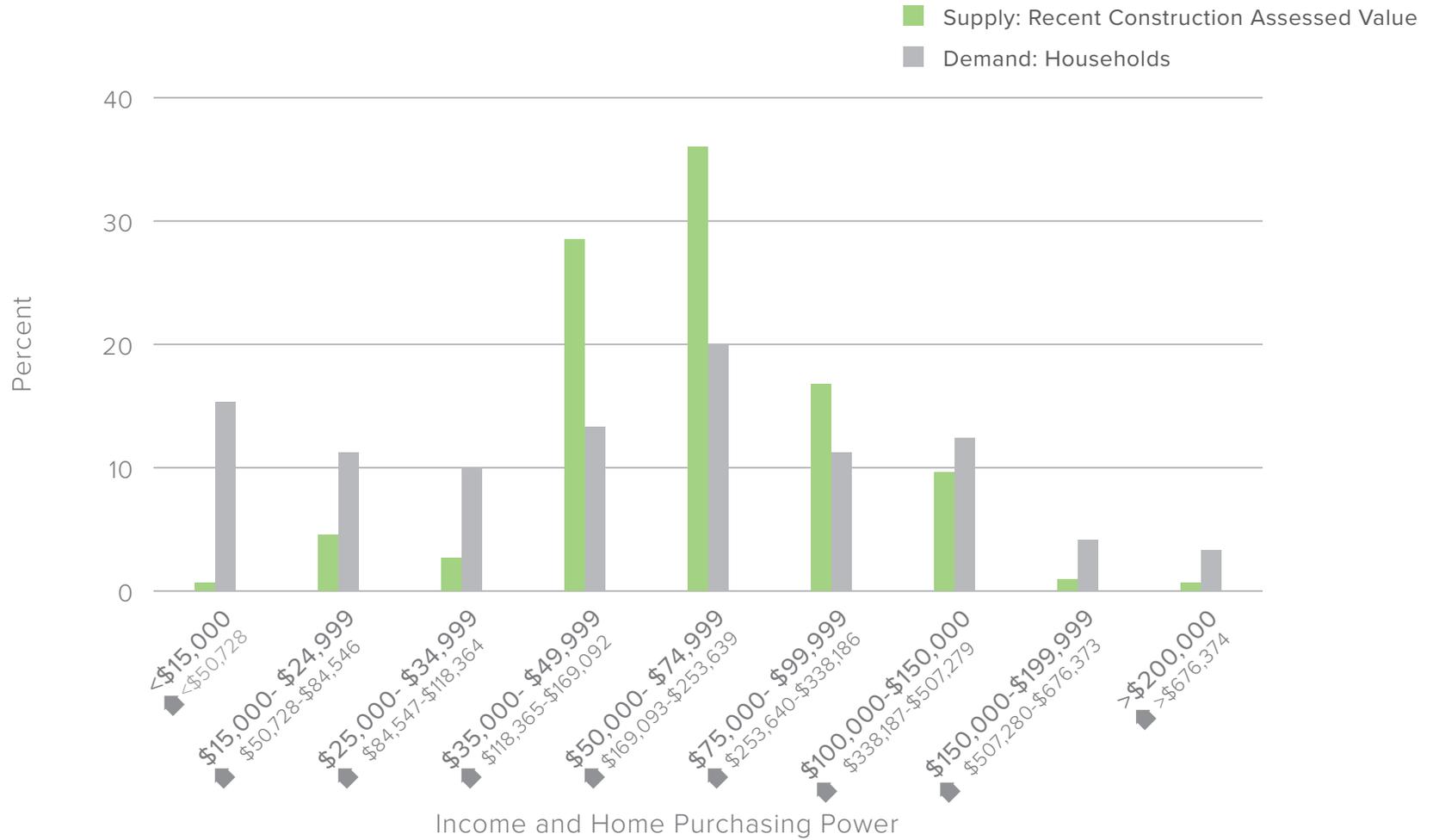


Sources: U.S. Census 2017 ACS estimates, Lafayette Regional Association of Realtors, Greenstreet calculations

Notes: This data set includes residential sales occurring December 2017 through November 2018

# TIPPECANOE CO. RECENT CONSTRUCTION

Recent construction is assessed mostly between \$120k-\$500k.



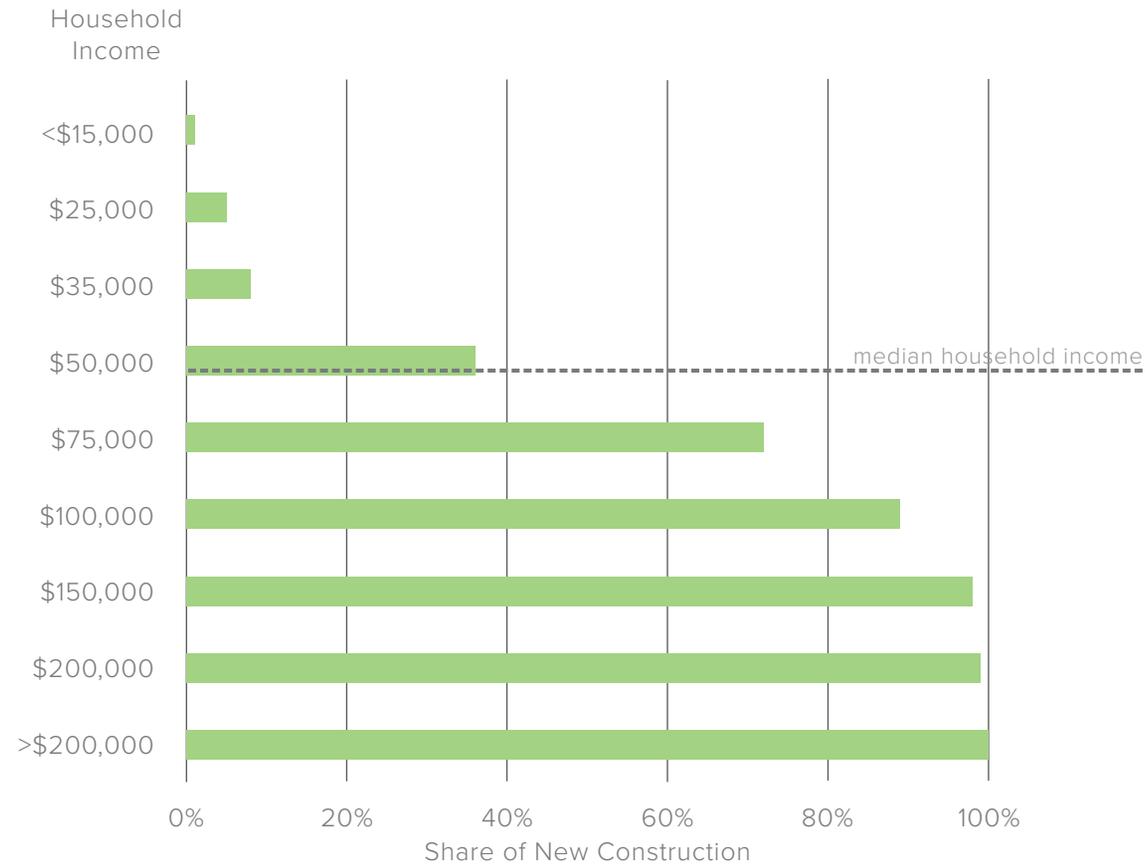
Sources: U.S. Census 2017 ACS estimates, Tippecanoe County Assessor, Greenstreet calculations

Notes: This data set includes owner-occupied housing units constructed since 2017 in the residential property classification

# AFFORDABILITY OF RECENT CONSTRUCTION

New homes tend to be priced closer to the top of the market.

AFFORDABILITY BY THE ASSESSED VALUES OF HOMES CONSTRUCTED SINCE 2017 IS SHOWN BY INCOME CATEGORY.



Sources: U.S. Census 2017 ACS estimates, Tippecanoe County Assessor, Greenstreet calculations

Notes: This data set includes owner-occupied housing units constructed since 2017 in the residential property classification

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# THE IMPORTANCE OF HOUSING DIVERSITY

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

## Municipal Revenues Lost



**10x revenue**

per Acre

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

## Talent Attraction Harder



**Skilled Labor**

#1 Relocation Factor for Businesses

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

## Volatile Housing Cycles



**Stability**

Diversity Provides Protection

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

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

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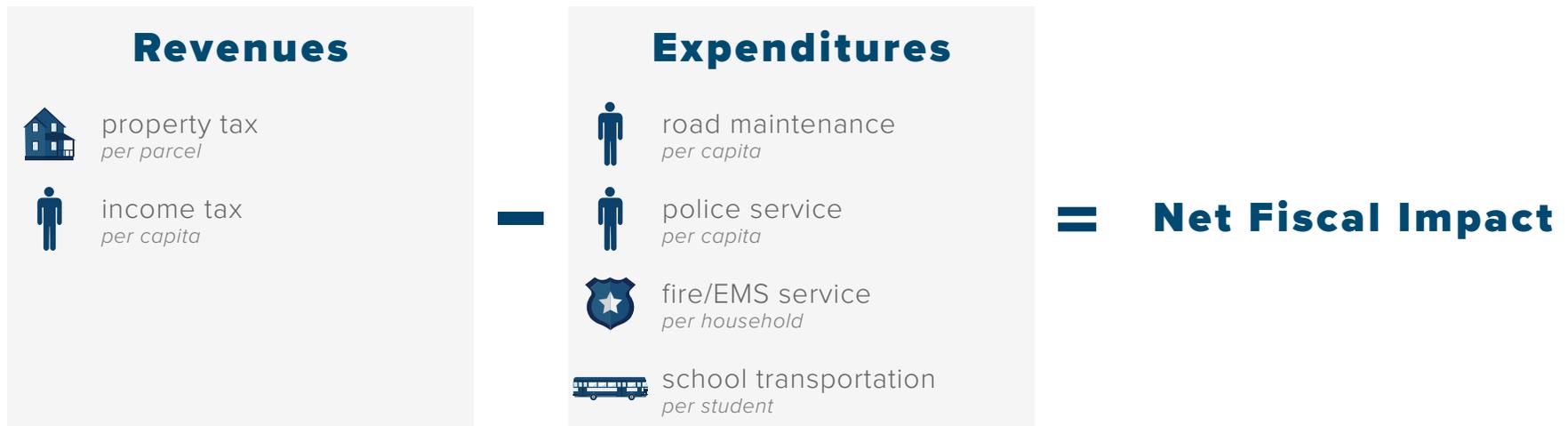
# DEVELOPMENT EFFICIENCY ANALYSIS

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DEVELOPMENT EFFICIENCY ANALYSIS

# DEVELOPMENT EFFICIENCY MODEL

This model describes the variable effect of development styles on municipal budgets.



Sources: adapted from Smart Growth America, *Fiscal Implications of Development Patterns - Indianapolis, IN, 2015*, Greenstreet calculations, Lincoln Institute of Land Policy - *Visualizing Density*

DISCLAIMER: This estimate is illustrative of the fiscal effects of different development patterns, based on assumptions from secondary sources and case studies. It does not forecast a net fiscal impact specific to Tippecanoe County, which is beyond the scope of this assignment.

# LAFAYETTE DEVELOPMENT SCENARIOS

On 440 acres, a wide range of population can be supported, depending on density.

	Low Density Sub-Urban	Medium Density Sub-Urban	Compact Development
TOTAL UNITS	880	2,640	8,800
SINGLE-FAMILY DETACHED	572	1,716	1,320
SINGLE-FAMILY ATTACHED	44	132	2,200
MULTI-FAMILY UNITS (FOR-RENT)	132	396	2,640
MULTI-FAMILY UNITS (FOR-SALE)	132	396	2,640
TOTAL GROSS ACRES	440	440	440
NET RESIDENTIAL DENSITY (UNITS/ACRE)	2	6	20
POPULATION	2,073	6,219	20,425
COMMERCIAL SQUARE FEET	450,000	450,000	450,000

Low Density Sub-Urban



Longmont, Colorado  
2.6 units per acre

Medium Density Sub-Urban



Shaker Heights, Ohio  
3.9 units per acre

Compact Development



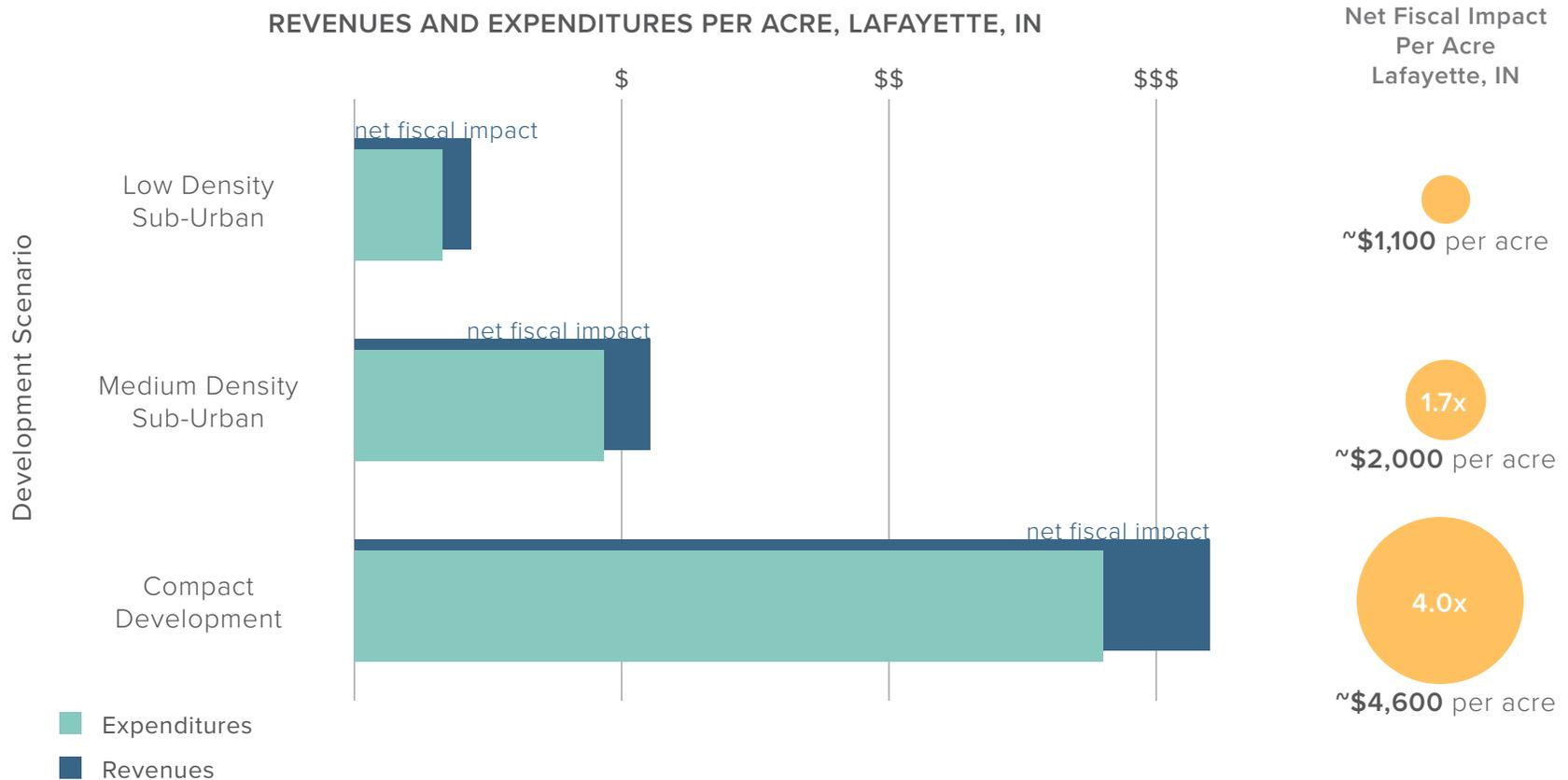
Boulder, Colorado  
19.7 units per acre

Sources: *Fiscal Implications of Development Patterns - Indianapolis, IN, 2015*, *Greenstreet calculations*, *Lincoln Institute of Land Policy - Visualizing Density*

DISCLAIMER: This estimate is illustrative of the fiscal effects of different development patterns, based on assumptions from secondary sources and case studies. It does not forecast a net fiscal impact specific to Tippecanoe County, which is beyond the scope of this assignment.

# NET FISCAL IMPACT AND DEVELOPMENT PATTERNS

Compact development can generate 4x more revenue per acre than low density.



Sources: *Fiscal Implications of Development Patterns: Indianapolis, 2015*; *City of Lafayette, Tippecanoe County, Greenstreet calculations*

DISCLAIMER: This estimate is illustrative of the fiscal effects of different development patterns, based on assumptions from secondary sources and case studies. It does not forecast a net fiscal impact specific to Tippecanoe County, which is beyond the scope of this assignment.

# LAFAYETTE DEVELOPMENT POTENTIAL

Building with a compact style could leave room for 10x as many housing units.

## BUILD-OUT OPTIONS FOR LAFAYETTE'S UNDEVELOPED RESIDENTIAL LAND UNDER LOW AND HIGH DENSITY SCENARIOS.



Sources: Fiscal Implications of Development Patterns: Indianapolis, 2015; City of Lafayette, Tippecanoe County, Greenstreet calculations

DISCLAIMER: This estimate is illustrative of the fiscal effects of different development patterns, based on assumptions from secondary sources and case studies. It does not forecast a net fiscal impact specific to Tippecanoe County, which is beyond the scope of this assignment.

# WEST LAFAYETTE DEVELOPMENT SCENARIOS

On 460 acres, a wide range of population can be supported, depending on density.

	Low Density Sub-Urban	Medium Density Sub-Urban	Compact Development
TOTAL UNITS	920	2,760	9,200
SINGLE-FAMILY DETACHED	598	1,794	1,380
SINGLE-FAMILY ATTACHED	46	138	2,300
MULTI-FAMILY UNITS (FOR-RENT)	138	414	2,760
MULTI-FAMILY UNITS (FOR-SALE)	138	414	2,760
TOTAL GROSS ACRES	460	460	460
NET RESIDENTIAL DENSITY (UNITS/ACRE)	2	6	20
POPULATION	2,343	7,030	22,853
COMMERCIAL SQUARE FEET	450,000	450,000	450,000

Low Density Sub-Urban



Longmont, Colorado  
2.6 units per acre

Medium Density Sub-Urban



Shaker Heights, Ohio  
3.9 units per acre

Compact Development



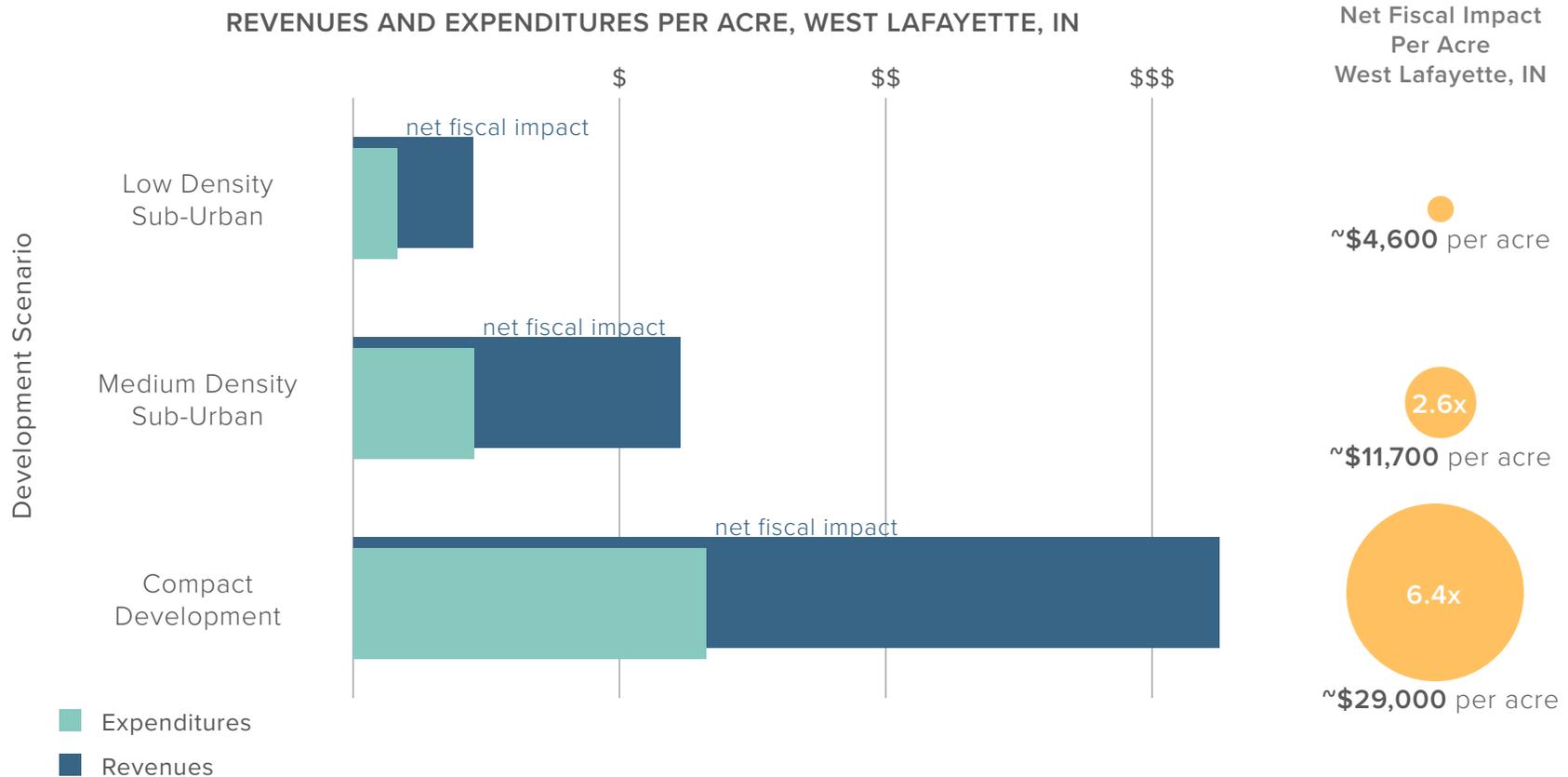
Boulder, Colorado  
19.7 units per acre

Sources: *Fiscal Implications of Development Patterns - Indianapolis, IN, 2015*, *Greenstreet calculations*, *Lincoln Institute of Land Policy - Visualizing Density*

DISCLAIMER: This estimate is illustrative of the fiscal effects of different development patterns, based on assumptions from secondary sources and case studies. It does not forecast a net fiscal impact specific to Tippecanoe County, which is beyond the scope of this assignment.

# NET FISCAL IMPACT AND DEVELOPMENT PATTERNS

Compact development can generate 6.4x more revenue per acre than low density.



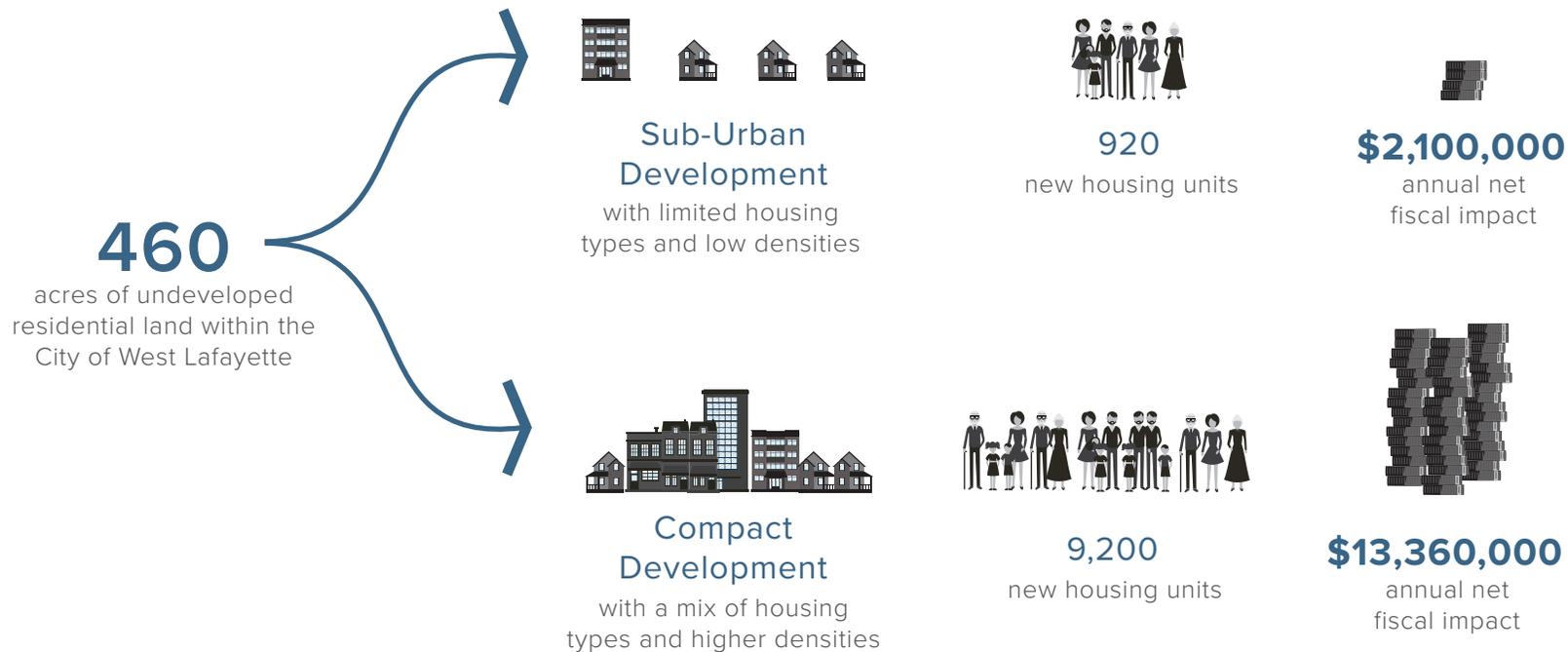
Sources: Fiscal Implications of Development Patterns: Indianapolis, 2015; City of West Lafayette, Tippecanoe County, Greenstreet calculations

DISCLAIMER: This estimate is illustrative of the fiscal effects of different development patterns, based on assumptions from secondary sources and case studies. It does not forecast a net fiscal impact specific to Tippecanoe County, which is beyond the scope of this assignment.

# WEST LAFAYETTE DEVELOPMENT POTENTIAL

Building with a compact style could leave room for 10x as many housing units.

## BUILD-OUT OPTIONS FOR WEST LAFAYETTE'S UNDEVELOPED RESIDENTIAL LAND UNDER LOW AND HIGH DENSITY SCENARIOS.



Sources: Fiscal Implications of Development Patterns: Indianapolis, 2015; City of West Lafayette, Tippecanoe County, Greenstreet calculations

DISCLAIMER: This estimate is illustrative of the fiscal effects of different development patterns, based on assumptions from secondary sources and case studies. It does not forecast a net fiscal impact specific to Tippecanoe County, which is beyond the scope of this assignment.

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# HOUSING STRATEGY

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## HOUSING RECOMMENDATIONS

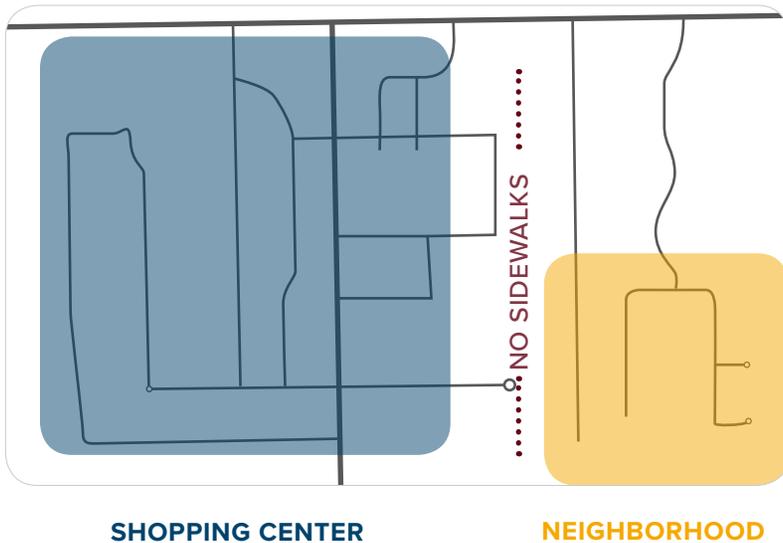
RECOMMENDATION #1

# CREATE A CLEAR VISION FOR HOUSING AND NEIGHBORHOODS

Identify and describe housing and neighborhood types that community leaders agree are both needed and desirable.

## Example: Disconnected Streets

Residents have no sidewalk access to the 40-store shopping center a quarter of a mile away.



### STRATEGY 1.A

Adopt a policy statement, “To attract and promote economic development through diverse housing and neighborhood options to meet the needs of current and future residents of Tippecanoe County.”

### STRATEGY 1.B

Explore financial and/or regulatory incentives to encourage more inclusive communities of mixed housing types and prices.

### STRATEGY 1.C

Work with existing or new lenders, developers, and builders to increase the production of new and compact housing types.

### STRATEGY 1.D

Integrate walkability to connect new housing developments with commercial and recreational services.

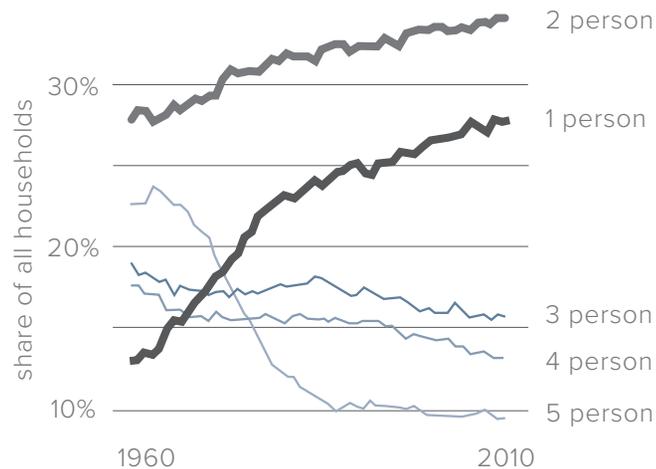
RECOMMENDATION #2

## PROMOTE DIVERSE HOUSING SUPPLY TO MEET NEW HOUSEHOLD GROWTH

Encourage new housing options that are currently in short supply.

### Background: Shifting Demographics

The number of 1- and 2-person households has grown steadily over the past decade



Nearly two-thirds of Tippecanoe County households contain 2 or fewer occupants, and this number will continue to grow

Over 2,000 small housing units will be needed to accommodate these future households over the next 5 years.

### STRATEGY 2.A

Continue to collect, measure, and compare demographic (demand) and building permit (supply) data year-to-year to compare to the 2019 housing study.

### STRATEGY 2.B

Conduct a local housing preference survey similar to the National Association of REALTORS (NAR) and MIBOR Realtor Associations (MIBOR)/Builders Association of Greater Indianapolis (BAGI) model to discern current misalignment of home and neighborhood amenities.

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

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RECOMMENDATION #3

## SUPPORT COMMERCIAL CENTERS WITH WALKABLE, MIXED-USE DEVELOPMENTS

Employers need an accessible workforce, and retailers need rooftops nearby. Surveys show that walkability to these commercial nodes is currently under-supplied.

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### Transportation Options

Currently, the local transit provider, CityBus, has the highest fare recovery ratio in the state, with 27 percent of its operating costs covered by collected fares. This is due to an efficient transportation agency, but also an efficient development pattern with enough density to support such a service. Bloomington and Indianapolis are the next highest performing Indiana cities, at 23 and 18 percent recovery respectively.

Continuing to support closely linked transportation and land use patterns will ensure a more sustainable future for Tippecanoe County and the municipalities. Further, the Metropolitan Transportation Plan for 2045 recommends:

“Provide more sustainable transportation options, such as CityBus, bicycle facilities, sidewalks and trails. This includes retrofitting roads in several urban growth areas with curb, gutter and sidewalk to keep pace with development.”

### STRATEGY 3.A

Concentrate commuting trips along current/expanded bus lines and extend bus lines to key employment centers.

### STRATEGY 3.B

Where possible, keep walking/biking/busing to work, school, and services an option for new workforce housing.

*Source: Area Plan Commission of Tippecanoe County*

## CASE STUDY

# NICKEL PLATE DISTRICT

**CITY:** Fishers, IN

**LEAD ORGANIZATION:** City of Fishers

**IMPLEMENTING PARTNER:** Private Sector

**TIMELINE:** 2013 - on-going

“LOCATING OUR COMPANY WHERE OUR EMPLOYEES WANT TO LIVE, WORK AND PLAY IS AN IMPORTANT FACTOR IN OUR TALENT STRATEGY,”

-- FIRST INTERNET FOUNDER AND CEO DAVID BECKER

## CHALLENGE

The City of Fishers understood that to remain competitive in Indiana, they needed to create a place that would function as a “downtown.” This place needed to provide residents and visitors with a “sense of place” and an area to gather.

## SOLUTION

The City created a series of public-private partnerships to accelerate the development and redevelopment of publicly-owned land in master planned Nickel Plate District. The industrial-inspired campus bound by Nickel Plate Road, North Street, Maple Street, and South Street leveraged City-owned land and city leases to help jumpstart development in the planned compact core. For catalytic projects, the City provided development incentives including assistance covering the cost of structured parking, waiving development fees, and transferring City-owned property to the private sector to facilitate the types of development the City desired.

## OUTCOMES

Since the start of the first project in 2013, hundreds of millions of dollars invested to create new public spaces, multi-family residential, attached single-family, structured parking, office, start-up space, retail, and a new hotel.



Source: IBJ, *Browning Plans \$157M Mixed-Use Development in Downtown Fishers*, December 4, 2018; IBJ, *How Fishers created a downtown almost overnight*, January 4, 2019  
photo credit: Visit Hamilton County; City of Fishers, Indy Star

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RECOMMENDATION #4

## ENGAGE EMPLOYERS TO CONNECT HOUSING WITH ECONOMIC GROWTH

Businesses can play an important role in supporting a strong workforce, including one with multiple transportation options.

---

### Benefits of Employer-Assisted Housing (EAH) Programs

#### IMPROVING THE BOTTOM LINE FOR EMPLOYERS

Turnover costs currently are estimated at 30 percent to 50 percent of the annual salary of entry-level employees.

#### ENHANCING THE QUALITY OF LIFE FOR EMPLOYEES

If affordable homes are not available close to work, employees will be spending more time and money on transportation. An EAH program can enhance an employee's quality of life by expanding housing options and reducing time and resources spent on transportation.

#### IMPROVING COMMUNITIES

Investing in housing surrounding a company's facilities can revitalize and stabilize neighborhoods. In addition, increasing the number of stable, engaged homeowners and renters in the area will strengthen the community and open opportunities for further economic development.

#### STRATEGY 4.A

Build a partnership/roundtable with employers, city planners, Purdue University, and housing professionals to understand detailed workforce needs, so specific housing products can be built to match.

#### STRATEGY 4.B

Explore employer-supported bus-fare subsidies, to strengthen bus ridership, along with CityBus liaisons deployed on site to help employees with trip planning.

#### STRATEGY 4.C

Explore Employer-Assisted Housing programs with local employers and a non-profit housing organization.

*Source: Homes for Working Families*

## CASE STUDY

# TIERED IMPACT FEES, SPRAWL PREVENTION

**City:** Albuquerque, NM

**Lead Organization:** City of Albuquerque

**Implementing Partner:** Private Sector

**Funding Sources:** Regulatory Changes

**Timeline:** 2005 - ongoing

### CHALLENGE

The City of Albuquerque was struggling on how to incentivize a larger share of building to occur in the centrally located areas and limit sprawl development. Without taking action, sprawl would raise the cost of public services, increase traffic, and contribute more pollution to the environment.

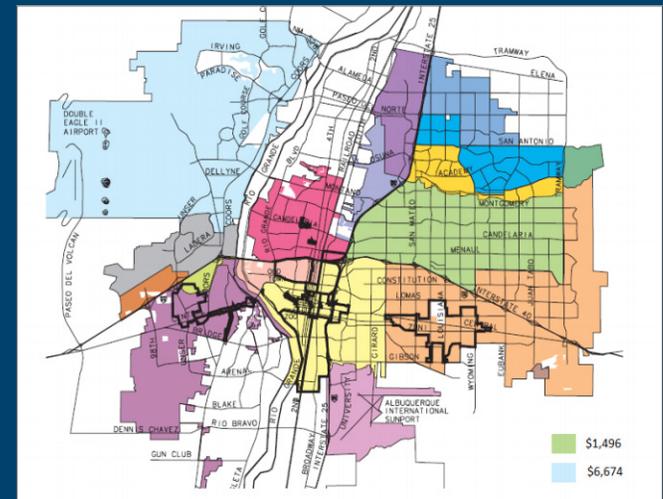
### SOLUTION

A zone-based impact fee program was implemented to incentivize more compact development, use existing infrastructure more efficiently, and encourage infill and redevelopment. Different impact fee ranges were applied to each to each zone (see sidebar on right.) Fees are based on the homes characteristics: drainage fee (lot size), transportation/recreation/safety (sq.ft.), and the location of the development (in the three zones).

### OUTCOMES

Results of the program included evidence of guiding the geographic distribution of permits across Albuquerque to more development within the core zone. An overall cost savings from more efficient use of existing infrastructure and mitigation of urban sprawl. The City was able to validate the importance of infrastructure cost differentials in fee programs and show that a regional approach is more effective to avoid spillover to adjacent communities.

Source: City of Albuquerque



### FEE STRUCTURE

Core Zone: \$1,370 (max rate)

Interior Zone: \$5,537 (max rate)

Fringe Zone: \$9,480 (max rate)

RECOMMENDATION #5

# ENSURE INFRASTRUCTURE EXPANSIONS ARE EFFICIENT AND SUSTAINABLE.

Continue the judicious pattern of service expansion to avoid overextending municipal budgets and provide a financially sustainable future for generations to come.

## Background: Fiscal Impacts

Compact, smart growth development styles have been shown to have up to 10x the municipal revenues per acre nationally compared to conventional suburban development styles.

### COMPACT DEVELOPMENT FISCAL IMPACT (LAFAYETTE)



- Expenditures
- Revenues

## STRATEGY 5.A

Explore the use and development of an impact analysis model to understand how new developments will impact municipal services and revenues over the long run.

## STRATEGY 5.B

Consider flexible, mixed land use patterns to ease absorption of complete live/work/play communities.

## STRATEGY 5.C

Implement variable impact fees to guide growth where services, employment, and infrastructure are available.

Source: *The Fiscal Implications of Development Patterns: Indianapolis, 2016; Greenstreet analysis*

## CASE STUDY

# ANCHORING REVITALIZATION

**City:** Indianapolis, IN

**Lead Organization:** Indy Chamber

**Implementing Partner:** INHP

**Funding Sources:** Lilly Endowment, Anchor Institutions

**Timeline:** 2017 - ongoing

### CHALLENGE

Anchor institutions face growing challenges with employee attraction and retention at all levels of employment. Some of those challenges are internal to the organization - benefits, pay, career opportunities, while others are external - including neighborhood safety and conditions off-campus. A group of Indianapolis anchors acknowledged those challenges and worked with the Indy Chamber and INHP to develop a solution that would start to address both aspects of this complex challenge.

### SOLUTION

Since having a safe and desirable neighborhood outside their front doors is becoming increasingly important for talent attraction and retention, this program allows anchors to find a shared value solution for themselves, and also the community around them. The Anchoring Revitalization program incentivizes employees to live close to where they work. The proximity has a positive effect on retention and employee satisfaction, but also has a stabilizing effect on the neighborhood and its residents.

### OUTCOMES

Over \$1 million was committed by INHP and the participating anchors in the pilot round. During that round, 14 institutions participated and closed on 18 home purchases or repairs. Based on the first round's success and growing interest, the program has been expanded for another round of funding. One unanticipated outcome was the high number of employees who enrolled in one of INHP's many homebuyer education and financial literacy classes. These individuals and families are now on the road to homeownership and are likely candidates for additional funding rounds of the program.

### DOWNPAYMENT ASSISTANCE

With the intention of attracting employees to live close to where they work, the program offers down payment assistance to employees who were buying a home within a prescribed geography. These forgivable loans, which varied from \$10,000 to \$24,000, were made available at closing, and forgiven over a five-year period as long as the employee continued to occupy the residence and remain employed with the anchor. Within the first year, over 700 employees expressed interest in the program and 18 completed the process and closed on homes.

### HOME OWNER REPAIR ASSISTANCE

Home Owner Repair Assistance: In order to help retain employees already living nearby, the program offered home owner repair assistance. These were given as reimbursement for eligible exterior repairs, ranging from \$5,000 to \$12,000, also forgiven over a five-year period as long as the employee continued to occupy the residence and remain employed with the anchor. This program helped 13 employees in their first year.

RECOMMENDATION #6

## KEEP THE HOUSING DISCUSSION INFORMED AND FAIR.

Housing discussions can be contentious and emotional. Keep relevant information accessible to raise the level of discussion for a more informed policymaking process.

### Example: Housing Summit



MIBOR REALTOR Association partnered with the Builders Association of Greater Indianapolis to hold a broad housing conversation, reviewing the results of two regional housing studies.

“These important studies demonstrate the impact of demographics, infrastructure, and community funding on housing,” said Steve Lains, CEO of BAGI. “REALTORS®, builders, developers, and community leaders must recognize changes in the decades-old thoughts on zoning and work together to adapt products, ordinances and regulations.”

Source: MIBOR REALTOR Association

### STRATEGY 6.A

Ensure impact model from 5.A addresses important fiscal impact concerns, keeping results transparent and an informed input into approvals process.

### STRATEGY 6.B

Utilize results from 2.A’s ongoing demographic (demand) and housing (supply) trends, as well as a local consumer preference survey 2.B to housing professionals and the public on the same page.

### STRATEGY 6.C

Hold an annual forum for the public to voice their housing concerns, and for public entities to share information on upcoming housing, infrastructure, or other quality of life investments.

### STRATEGY 6.D

Hold a professionally focused housing summit regularly throughout the year to revisit key housing metrics, and bring together local experts, stakeholders, and an outside speaker to cover new and pressing topics.



# TIPPECANOE COUNTY INDIANA HOUSING ANALYSIS AND STRATEGY



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# TIPPECANOE COUNTY INDIANA HOUSING ANALYSIS AND STRATEGY

## APPENDIX



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## MULTI-FAMILY REGULATION COSTS

Regulation accounts for an estimated 32 percent of multi-family (2+ units) development costs.

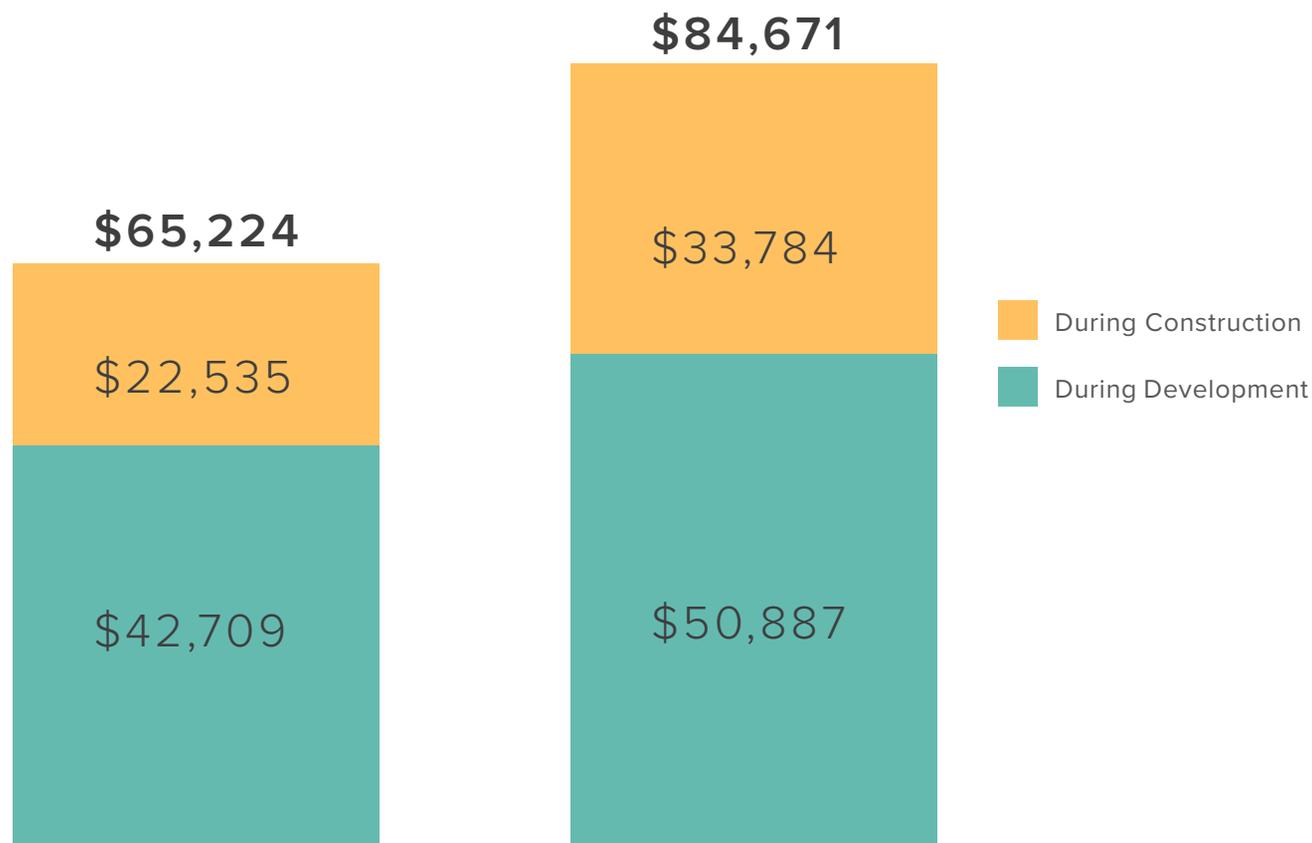
<b>National Multi-family Regulation Costs</b>	<b>Average Share of Total Costs</b>
Cost of applying for zoning approval	4.0%
Interest costs on refundable fees charged when site work begins	.2%
Other (non-refundable) fees charged when site work begins	4.2%
Development requirements that go beyond the ordinary	5.9%
Land dedicated to the government or otherwise left unbuilt	2.1%
Fees charged when building construction is authorized	3.9%
Cost of complying with affordability mandates (e.g. inclusionary zoning)	1.7%
Cost increases from changes to building codes over the past 10 years	7.0%
Cost of complying with OSHA requirements	2.3%
Pure cost of delay	.7%
<b>TOTAL ESTIMATED REGULATION AS A SHARE OF DEVELOPMENT</b>	<b>32.1%</b>

Source: NAHB-NMHC "Regulation: Over 30 Percent of Multifamily Development" 2018

# SINGLE-FAMILY REGULATION COSTS

Regulations account for an estimated 24 percent of the final price of a new single-family home.

AVERAGE COST OF REGULATION IN THE PRICE OF A NEW SINGLE-FAMILY HOME



Source: National Association of Home Builders "Government Regulation in the Price of a New Home" 2016

## LOCATION COST MULTIPLIERS

Tippecanoe County has a relatively low construction cost at 91% of Marion County's costs.

County	Multiplier	County	Multiplier	County	Multiplier
Adams	95%	Dekalb	95%	Henry	90%
Allen	95%	Delaware	88%	Howard	88%
Bartholomew	92%	Dubois	89%	Huntington	95%
Benton	91%	Elkhart	92%	Jackson	92%
Blackford	88%	Fayette	89%	Jasper	95%
<b>Boone</b>	<b>100%</b>	Floyd	90%	Jay	88%
Brown	95%	Fountain	91%	Jefferson	92%
Carroll	89%	Franklin	91%	Jennings	92%
Cass	88%	Fulton	88%	Johnson	100%
Clark	90%	Gibson	100%	Knox	89%
Clay	93%	Grant	88%	Kosciusko	92%
Clinton	100%	Greene	94%	LaGrange	94%
Crawford	90%	Hamilton	100%	Lake	104%
Daviess	89%	Hancock	100%	LaPorte	102%
Dearborn	91%	Harrison	90%	Lawrence	94%
Decatur	92%	Hendricks	100%	Madison	100%

Notes: Counties are compared against Marion County building cost (100%).

Source: Department of Local Government Finance 2018

## LOCATION COST MULTIPLIERS BY COUNTY

County	Multiplier	County	Multiplier	County	Multiplier
Marion	100%	Posey	100%	Union	89%
Marshall	92%	Pulaski	90%	Vanderburgh	100%
Martin	88%	Putnam	100%	Vermillion	92%
Miami	88%	Randolph	88%	Vigo	93%
Monroe	94%	Ripley	91%	Wabash	88%
Montgomery	91%	Rush	100%	Warren	91%
Morgan	100%	Scott	90%	Warrick	99%
Newton	94%	Shelby	99%	Washington	90%
Noble	95%	Spencer	96%	Wayne	88%
Ohio	91%	St. Joseph	92%	Wells	95%
Orange	94%	Starke	96%	White	91%
Owen	94%	Steuben	95%	Whitley	95%
Parke	93%	Sullivan	93%		
Perry	89%	Switzerland	91%		
Pike	91%	Tippecanoe	91%		
Porter	104%	Tipton	100%		

Notes: Counties are compared against Marion County building cost (100%).

Source: Department of Local Government Finance: Real Property Assessment Guidelines "Residential and Agricultural Cost Schedules" 2017

# POPULATION GROWTH

Tippecanoe County, Lafayette, and West Lafayette have outpaced the national population growth rate since 2000.

## Tippecanoe County



## Lafayette



## United States



## West Lafayette

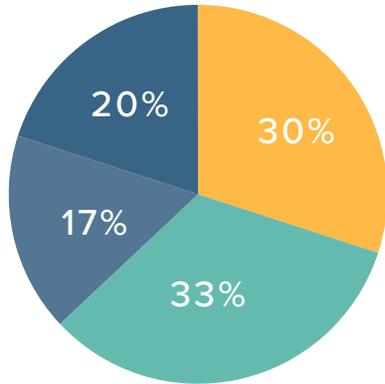


Source: Esri 2018/2023; Census 2000/2010

# HOUSEHOLD SIZE, 2016

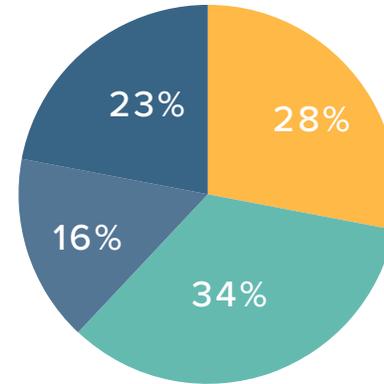
One-person households represent **36** percent of all households in Lafayette.

TIPPECANOE COUNTY



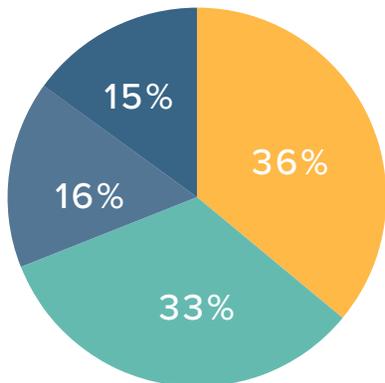
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UNITED STATES



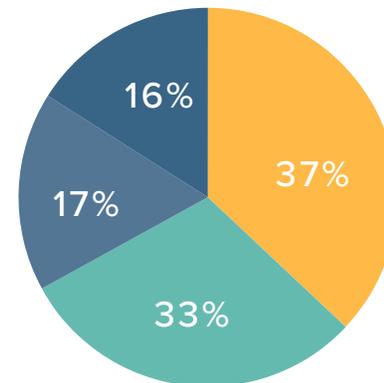
Margin of Error: 0.2%

LAFAYETTE



Margin of Error: 1.8%

WEST LAFAYETTE

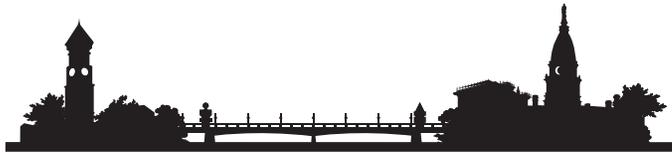


Margin of Error: 4.8%



Source: Census, 2016

# TIPPECANOE COUNTY INDIANA HOUSING ANALYSIS AND STRATEGY



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