



REGIONAL

# Housing Study

2024

# Regional Housing Study Executive Summary

## Overview

# The Regional Housing Study's purpose

The Regional Housing Study is intended to offer a regional perspective to complement local planning and policymaking as communities across the three-county area confront and manage housing challenges and opportunities.

**MACOG's goals for this study as part of supporting the range of actions and strategies needed to address today's and tomorrow's key housing challenges across the 3-county region:**

**Establish a regional platform for housing planning and policymaking**

**Provide resources and technical assistance to help communities navigate local housing issues**

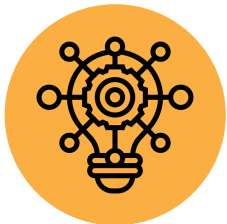
**Convene dialogue and collaboration between leaders, municipalities, and stakeholders**

*This study is funded by Lilly Endowment Inc through a Giving Funds for Tomorrow (GIFT) VIII grant which is being administered by MACOG with support from the South Bend Elkhart Regional Partnership (SBERP).*

## Overview

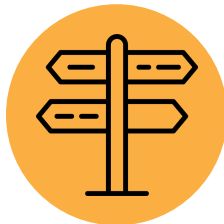
# Table of Contents

This executive summary compiles an overview of the study's methods, analysis results, outcomes, and next steps. Additional information about the study and access to the full set of reports and conclusions is available on the [Regional Housing Study Dashboard](#).



## OVERVIEW

Summary of the study's methodology, format, documentation, and conclusions.



## KEY INDICATORS

Results from the study's analysis, including primary measures of housing need and drivers of housing demand



## KEY FINDINGS

Outcomes from the study process, including introductions to the strategy toolkit and implementation plan.





Regional Housing Study  
Executive Summary

# Overview

## Methodology

# How does this report calculate housing need?

Focus in three steps

## Total demand

Demand for housing in the region is a function of household growth and historic underproduction that has led to an unhealthy housing market. The overall housing demand is calculated from 2024 through 2040:

- + Household growth
- + Vacancy adjustment
- + Overcrowding adjustment
- + Replacement housing
- + Cost burdened households
- = **Housing units needed**

## Production target

Housing that is feasible to build, focusing on supply-side factors like developer capacity, and the availability of funding, subsidies, and incentives. The final target breaks down the overall **Housing Units Needed** into several categories:

- ❖ Price point associated to local incomes
- ❖ Ownership or rental
- ❖ Market supported or subsidized
- ❖ Structure type
- ❖ Special needs, like senior housing

## Strategies

Strategies aim to achieve the production target with policy recommendations, includes metrics to track progress.

## Methodology

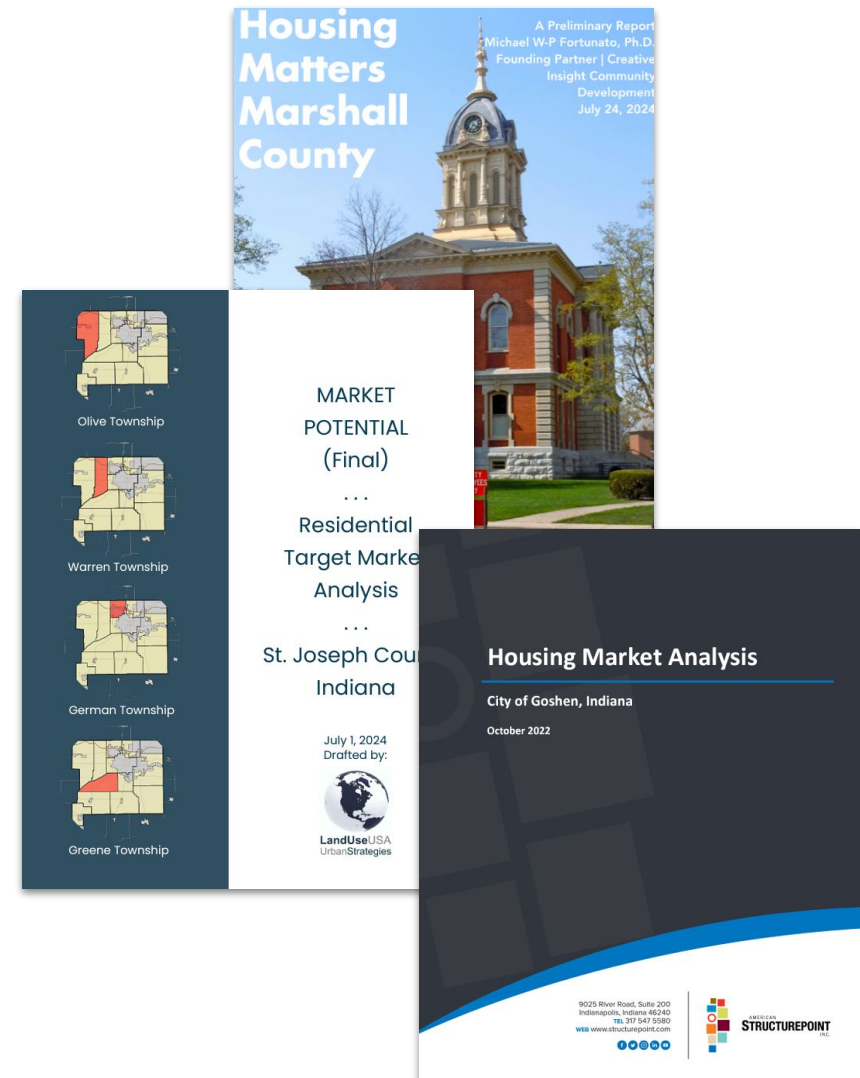
# How does this study fit into the discourse?

This study is complemented by other analyses that look at different aspects of the overall housing system

## Housing study typologies

There are many types of housing studies, each necessary and useful in its own way:

- **Housing needs assessment:** Identifies current and future housing needs in terms of type, cost, and volume. Example: This study
- **Housing market analysis:** Overview of market demand across unit types and price points. [Goshen](#) Housing Market Analysis
- **Target market analysis:** Translates market forces into specific parameters for new development. Example: ZVA downtown studies; [St Joseph study for 4 townships](#)
- **Gap analysis:** Identifies missing links in the housing supply chain. Example: [Housing Matters Marshall County](#)
- **Affordable housing study:** Examines the availability, barriers, and demand for affordable housing.
- **Fair housing study:** Reviews housing practices and policies to ensure compliance with fair housing laws and address issues of discrimination.
- **Comprehensive housing strategy:** A holistic, long-term plan for housing that integrates housing goals with broader community development objectives. Example: This study



## Overview

# Explore the Regional Housing Study

The project's analysis, planning, and engagement process generated several documents and resources designed to help residents, elected officials, planners, developers, and other stakeholders better understand the region's housing opportunities and challenges to make more informed policy decisions, community plans, and housing investments moving forward.

**Regional Study Project Dashboard:** The study's online landing page, including an executive summary and links to much more detailed analyses and documentation.

**Housing 101:** Online glossary of common housing terms, concepts, and perspectives and help users navigate the complex issues and ideas underpinning the housing discourse in this region and beyond.

**Baseline Initiatives Report:** Collection of takeaways from the many comprehensive plans, housing studies, and other reports recently conducted by many of the region's municipalities, counties, and agencies.

**Housing needs assessments:** A series of deep-dives into housing supply, demand, and recommended 10-year production targets for each county plus the region overall:

- Elkhart County HNA [webpage](#) | [document](#)
- Marshall County HNA [webpage](#) | [document](#)
- St. Joseph County HNA [webpage](#) | [document](#)
- Region-wide HNA [webpage](#) | [document](#)

**Strategy toolkit:** Compilation of policy and strategy ideas to help municipalities and other stakeholders promote local and regional housing goals.



Overview

# What is “attainable housing”?

Source: CommunityScale

Housing is considered "attainable" if it costs no more than 30% of a household's monthly income. Households spending beyond this threshold on housing are considered "cost burdened." The higher a community's rate of cost burden, the less generally attainable its local housing supply.

For this analysis, household incomes are measured relative to the "Area Median Income," or "AMI." The table at right summarizes the region's distribution of households by income and the approximate purchase price and rent rates affordable at each level.

AMI	% of the region	Max income	Max affordable price	Max affordable rent
<30%	16%	\$25,900	\$48,155	\$460
30-60%	21%	\$51,800	\$114,990	\$1,020
60-80%	12%	\$69,067	\$159,560	\$1,390
80-100%	10%	\$86,333	\$204,120	\$1,770
100-120%	9%	\$103,600	\$248,560	\$2,140
>120%	32%	>\$103,600	>\$248,560	>\$2,140

For more:

**Housing 101  
glossary**



## Overview

# Why is this housing crisis happening now?

Source: CommunityScale

Fundamentally, we haven't been building enough housing for many years.

One goal of this study is to identify the barriers and hurdles that have been limiting housing production in recent years - especially affordable housing production - and provide strategies and an implementation plan to promote more housing development and greater affordability across the region.



### Development costs

Financing and building housing is really expensive right now.



### Infrastructure constraints

Infrastructure (sewer, water) isn't always enough to serve new development - and funding more is complicated.



### Labor shortage

There's a lack of construction labor.



### Popular opinion

There remains resistance to change, disagreement about the nature of the problem, and conflict over next steps.



### Regulatory friction

Regulations often don't reflect today's market conditions and preferences.



### Project complexity

Converting vacant lots in existing neighborhoods is an opportunity... but can be complicated.

For more:

**Regional housing  
perspectives**

## Overview

# How many units do we need?

Source: CommunityScale

The region should plan for 13,440-16,800 more units over the next decade to keep up with factors like growth, aging population, cost burden, and employment.

This general housing production target includes a range of unit sizes, price points, and structure types. The target is broken down in detail at both the regional and county-by-county level as part of the Regional Housing Study.



### Overall growth

The region is projected to continue growing at a moderate pace.



### More 65+ households

As senior populations grow, more aging households will consider downsizing or modifying their home to age in place.



### Housing costs increasingly out of reach

More affordable options are needed to counteract cost burden.



### New employment centers added to the region

Expected job growth could add competition for limited housing supply.

*For more:*

**Production  
target**



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# Key indicators

Key indicators

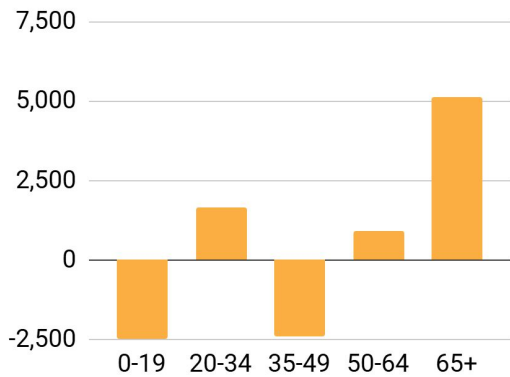
# The region’s population is growing older

Source: ACS 5-Year, CommunityScale

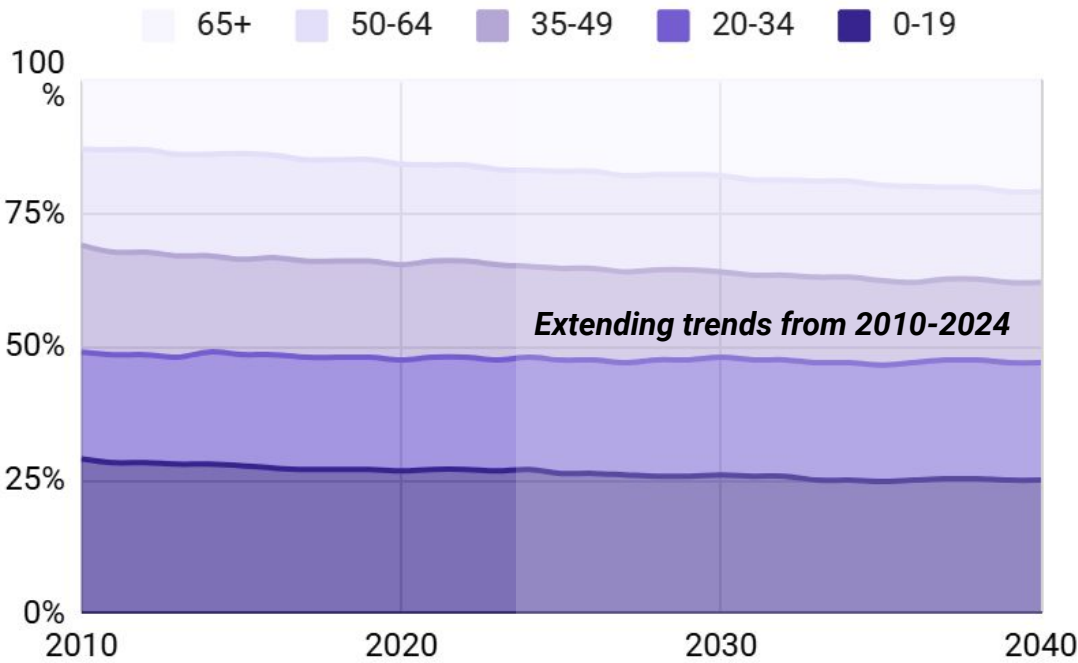
The 65+ age cohort is projected to grow fastest over the next decade, becoming a significantly larger share of the population.

In general, younger households are more likely to prefer family-oriented housing and neighborhoods where as older households may have a broader range of preferences and priorities, including senior options.

Net household change, 2024-34



Population by age cohort



This chart illustrates trends in population by age cohort, both historic and projected. The projection is based on recent trends extended. Depending on economic, policy, and other conditions, the future age distribution may vary over time.



## Key indicators

# Cost burden is prevalent across the region

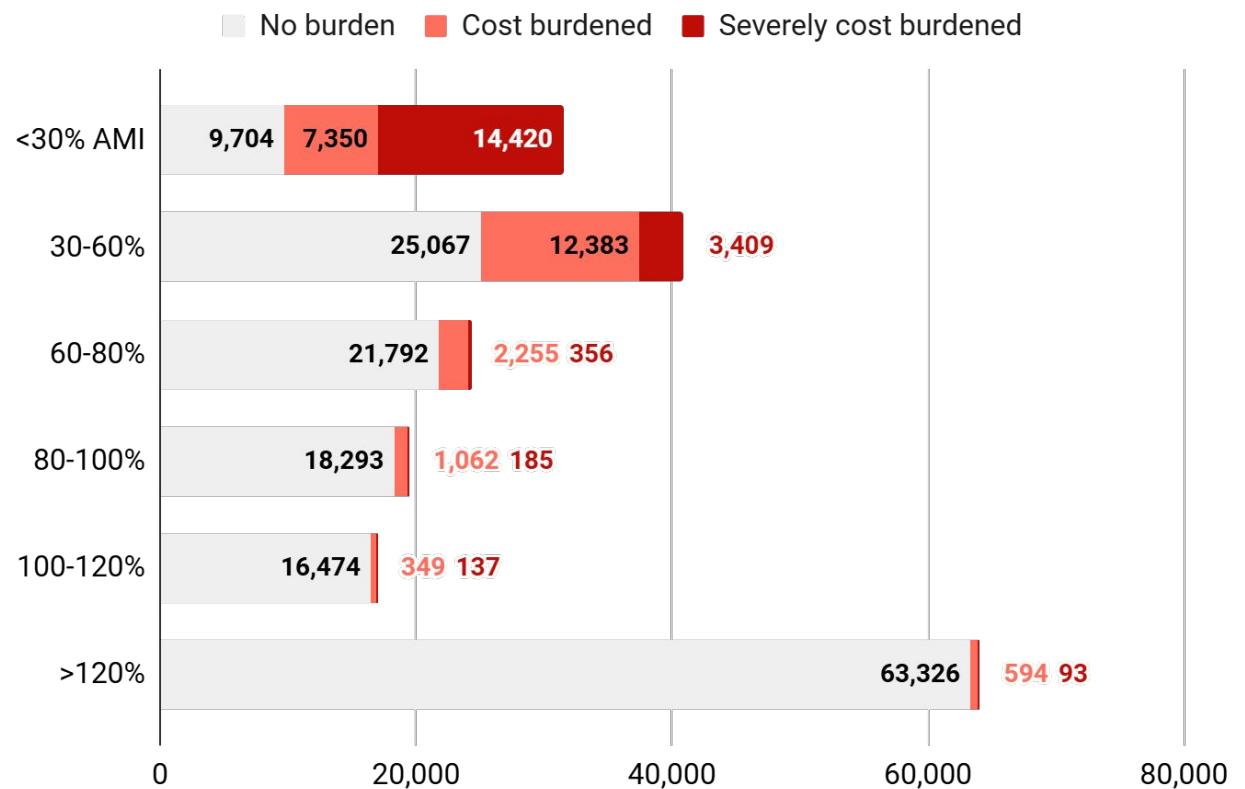
Source: ACS 5-Year, HUD, CPI

This indicates a shortage of affordable housing options, especially for low-income households.

Lower-income households are much more likely cost-burdened (homeowners and renters alike)

Households are cost burdened when paying more than 30% of their income on housing costs. They are considered severely cost burdened when these costs exceed 50% of their income. For renters, this includes lease rent and utilities. For homeowners, this includes mortgage costs, property taxes, insurance, utilities, and any condo fees. Most of the region's low-income households are cost burdened. Most households earning >80% AMI are not cost burdened.

Number of households in each AMI group, by cost burden



## Key indicators

# The affordability gap is widening

Sources: FRED Federal Bank of St. Louis; CommunityScale

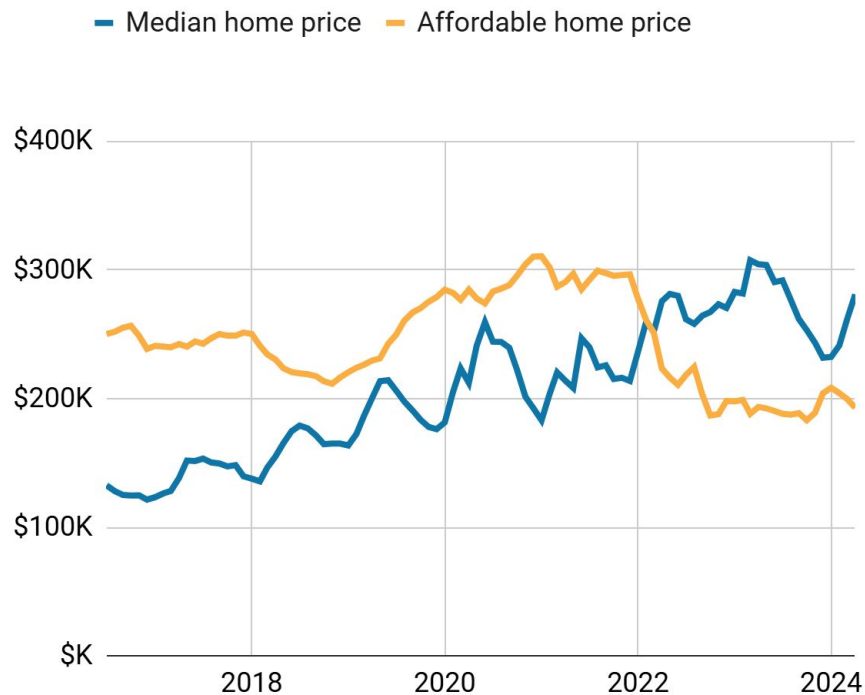
As home prices and interest rates rise, homeownership is increasingly out of reach in the region.

This chart compares the region's median listing price with the home value affordable to a household earning the median household income. A wider gap means higher barrier to entry for first-time homebuyers and increased risk that an existing resident might be priced out of the community if they choose or need to move to a different house.

The calculations behind this chart include consideration of mortgage interest rates, typical down payments, and added monthly costs such as private mortgage insurance, property tax, home insurance, condo fees, and utilities.

## Median home price and mortgage value affordable to a household with median income

Affordability is based on the region's estimated median income. Actual affordability levels for specific properties vary based on variation in the above variables as well as possible additional costs for some units such as condominium fees.



## Key indicators

# What can essential workers afford?

Sources: Indiana Department of Workforce Development.

As housing costs rise, the middle-income workforce finds it harder to afford to live in the community where they work.

Displacement of essential workers like teachers, firefighters, police, nurses and other essential workers can impact the local economy by making it harder to fill these critical positions.

**Occupation and # earners in household**

Teacher + Firefighter



Nurse (NP)



Paramedic

**Median salary****\$108k**120% AMI  
(\$48k + \$60k)**\$86k**

100% AMI

**\$58k**

70% AMI

**Max. affordable home price****\$249k**

\$32k short of median price

**\$204k**

\$77k short of median price

**\$137k**

\$144k short of median price

**Affordable monthly rent****\$2,140**

Enough for average 3+ BR

**\$1,770**

Enough for average 3+ BR

**\$1,190**

Just enough for average 1BR, not 2BR

Current housing mix

# Housing production has slowed in recent years

Source: Census ACS 2022 1-Year; Census Building Permit Survey 2020-23

The region grew steady for many decades but construction has tapered off since 2010.

The region saw relatively consistent housing production for most of the 20th century but the pace has slowed considerably in the past two decades. This table chronicles the community's development history, indicating decades with relatively more or less construction activity. 2020 or later is approximate as new housing units are completed.

Age of existing units

Year built	Units built	Share	Cumulative share
2020s	4,165	2%	2%
2010s	11,449	5%	7%
2000s	21,416	10%	17%
1990s	29,633	13%	30%
1980s	23,024	10%	41%
1970s	28,639	13%	54%
1960s	22,628	10%	64%
1950s	27,891	13%	76%
1940s	15,192	7%	83%
Before 1940	37,119	17%	100%



## Key indicators

# Many households feel stuck in their current home, unable to “move on up” or downsize

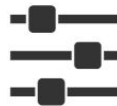
People across ages and income levels are struggling to find housing that’s “right-sized” for their life stage.

These factors can effectively “lock” people into their current housing situation whether it matches their evolving needs and preferences or not. Impacts include stalling potential first-time homebuyers, constraining growing families who need more space, and limiting options for potential downsizing seniors.



### Rising interest rates

Interest rates have gone up, making moving expensive and first-time buying harder.



### Not enough choices

There’s not enough of the kinds of housing people want, especially those affordable to middle incomes, and not too big.



### Overall shortage

There’s not enough housing in general, escalating competition and limiting mobility.

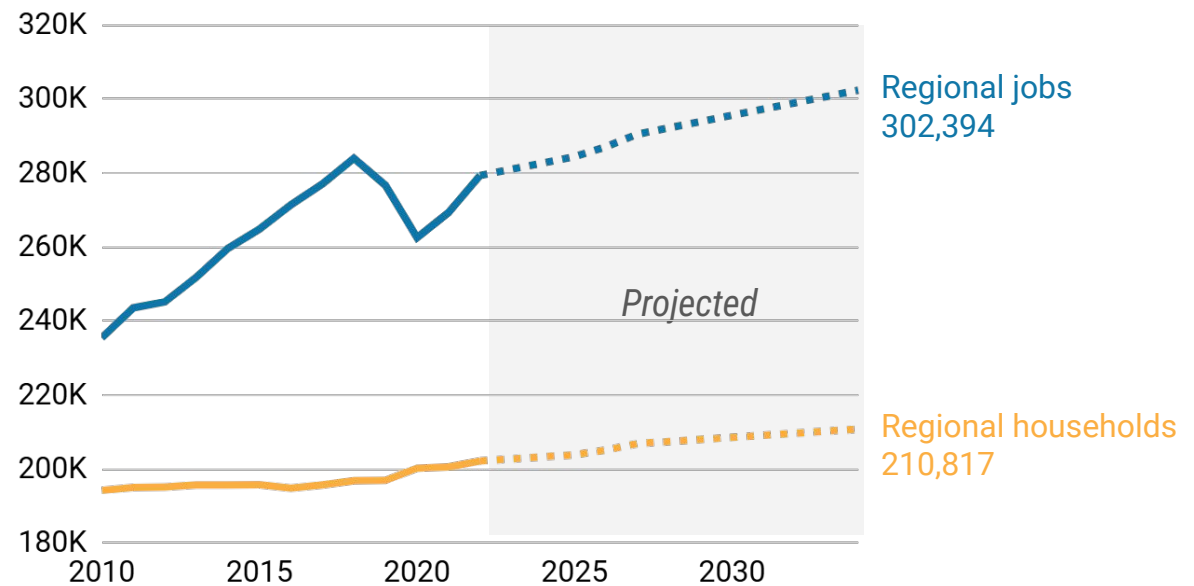
## Key indicators

# New job centers could add even more demand for middle-income housing.

Employment and housing are closely related and need to be in relative balance to promote sustainable economic development.

The three-county region includes major employment centers from higher education to manufacturing and more. Most people who work in the region also live here but many also commute from surrounding communities. The large new job centers planned for St. Joseph County could add pressure to the local housing market, especially if housing is not produced at a rate that balances new demand produced by the added jobs.

Regional jobs and regional households, existing and projected



## Key indicators

# These days, people in the region want housing that fits their lifestyle and values.

Household structures and housing preferences have changed significantly since much of the region's housing supply was built.

Today, households are smaller, less likely to have one or more children, and more likely to include non-family or multi generational cohabitants. Future development should be designed to reflect the current diversity of household structures and wider range of housing needs and preferences.



### **Roommate-ready**

Space for multiple generations or roommates.



### **Down-sized**

Smaller units for smaller households



### **Downtown living**

Lively and vibrant neighborhoods, access to amenities and services



### **Alternative transportation**

Parking-optional, to live car-free or car-lite



### **Connected**

Walkability and transit access



### **Green building**

Efficient, low-impact design and systems.



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# Key findings

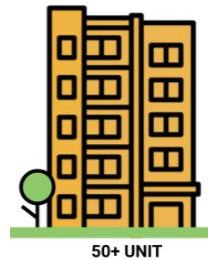


## Key findings

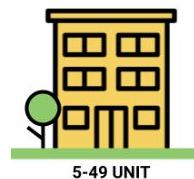
# The region needs more diverse housing types, not just single-family homes.

Given current housing preferences, future housing should trend toward multifamily options to better balance supply and demand.

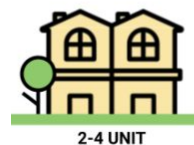
Housing typologies such as townhomes, small apartments, and large multifamily developments could be located on infill lots within urban neighborhoods and as anchor investments to help revitalize downtowns.



**More 50+ units:** Needs to remain an outsized share of production to help supply catch up with demand.



**More 5-49 units:** Needs to remain an outsized share of production to help supply catch up with demand.



**More 2-4 units:** Very few built recently, production should increase substantially to help supply catch up with demand.



**Fewer detached single family:** Does not need to be the primary component of future production; larger share should be attainable to middle-income workforce.

## Key findings

**The Strategies Toolkit includes a range of policy ideas and resources to promote more housing production across the region.**

Intended audiences include municipalities, counties, and other housing stakeholders and decision makers.

The strategies contained in the toolkit combine ideas already in place in parts of the region with best practices drawn from similar places across the country. Each can be tailored to suit a given community's unique context, from urban districts to suburban corridors to rural towns.



**Administrative capacity**



**Centralized database**



**Financing tools**



**Infill development**



**Infrastructure investment**



**Regional coordination**



**Regulatory improvement**



**Zoning reform**

*For more:*

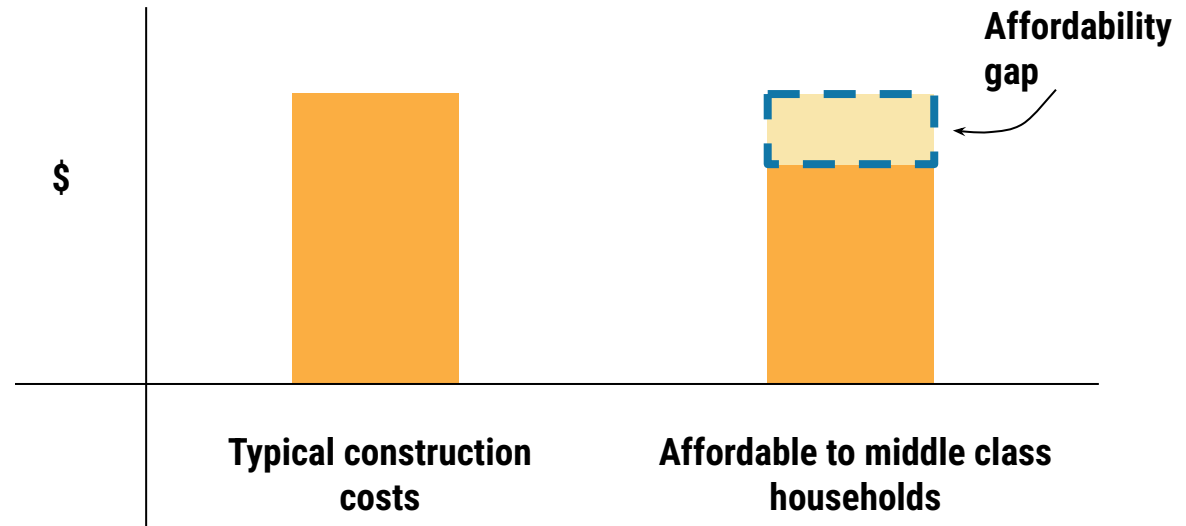
**Strategies  
toolkit**

### Key findings

## Financial support like homeownership grants and loan assistance should focus on helping middle-income households afford to buy.

There are few existing resources to help close the financing gap for middle-income housing.

Lower-income housing is already supported by major programs like Federal Low-Income Housing Tax Credits (LIHTC) - and it can be extremely difficult to finance without these federal funds. Middle-income housing requires less support to close the financing gap, making it more suitable for local initiatives interested in spreading limited funds across more units.



For more:

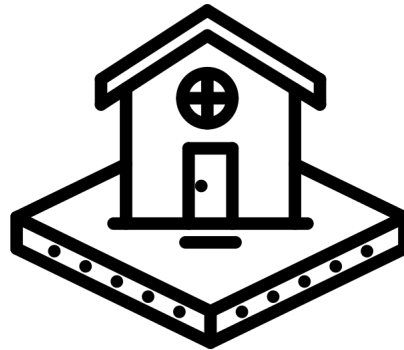
**Strategies  
toolkit**

## Key findings

# The Regional Housing Collaborative will help expand affordable housing and revitalize neighborhoods at a regional scale.

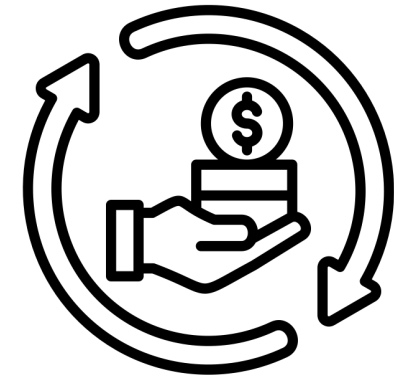
The model combines a land bank and a housing investment fund to convert vacant, abandoned, and derelict properties into infill middle-income housing.

Led by the Community Foundations of Elkhart, Marshall, and St. Joseph Counties, the Collaborative plans to acquire properties, finance their redevelopment, and connect them with income-qualified homeowners across the region.



## Land bank

Converting vacant, abandoned, and derelict properties into affordable housing.



## Investment fund

Financing affordable housing development with revolving funds.

*For more:*

**Strategies  
toolkit**



## Key findings

# The Regional Housing Study Implementation Plan charts a course for future housing leadership and production.

The Implementation Plan focuses on how MACOG and its partners can continue to support affordable housing production by convening dialogue, building capacity, and informing local policy.

The plan defines each action item in terms of what is involved and key next milestones to work toward in the near term.



**Land bank and investment fund**



**Housing database**



**NIRDA housing initiatives**



**Technical assistance**



**Housing as Community Foundation priority**



**Regional housing dialogue**



**Administrative capacity**

*For more:*

**Strategies  
toolkit**