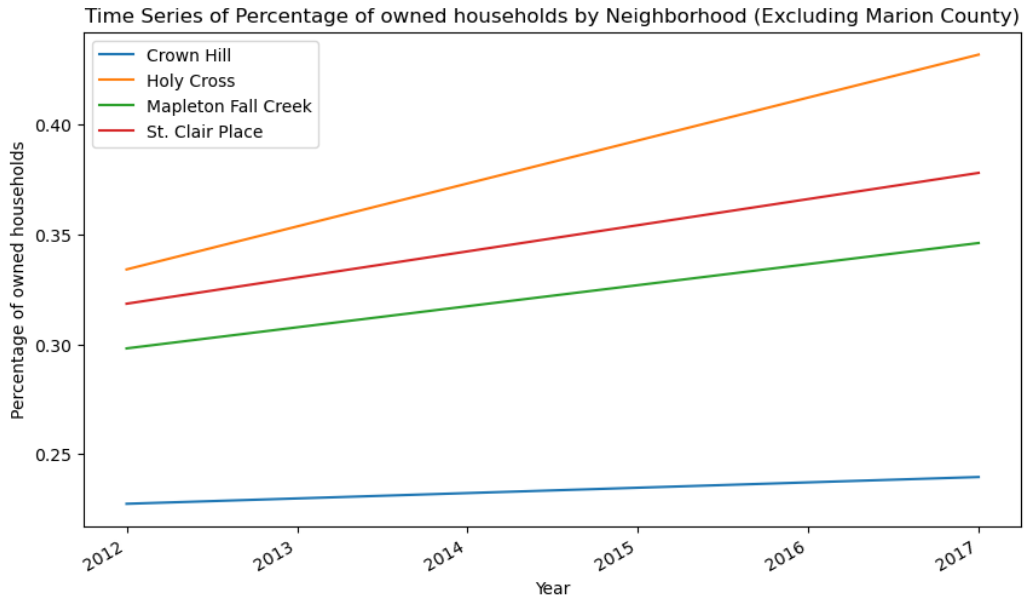
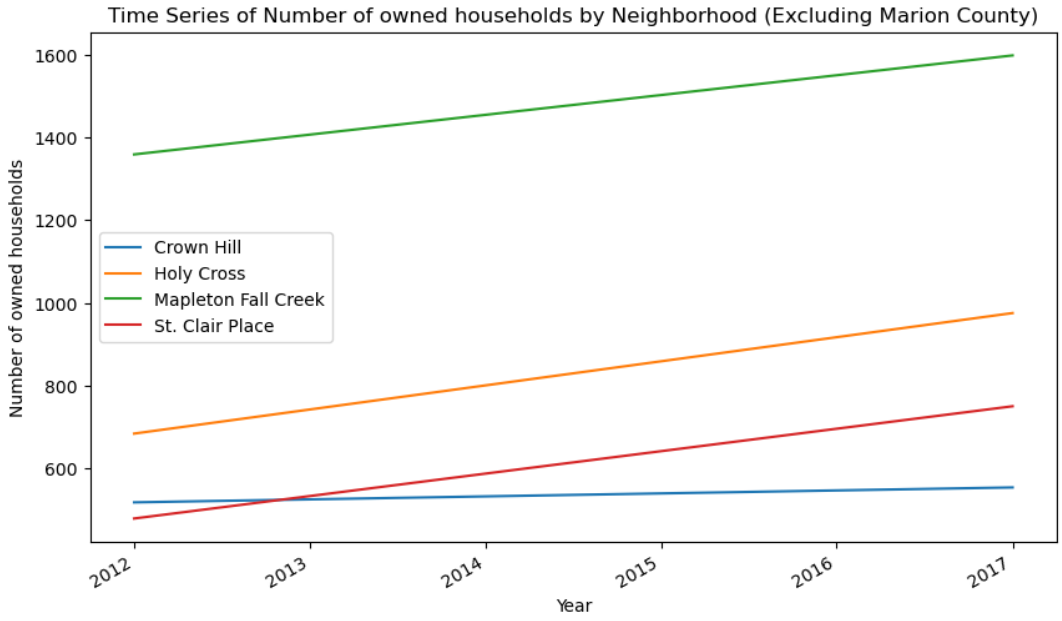
Based on the data, it is possible that increasing building permit issuance in some Indianapolis neighborhoods could have a beneficial impact for its communities.

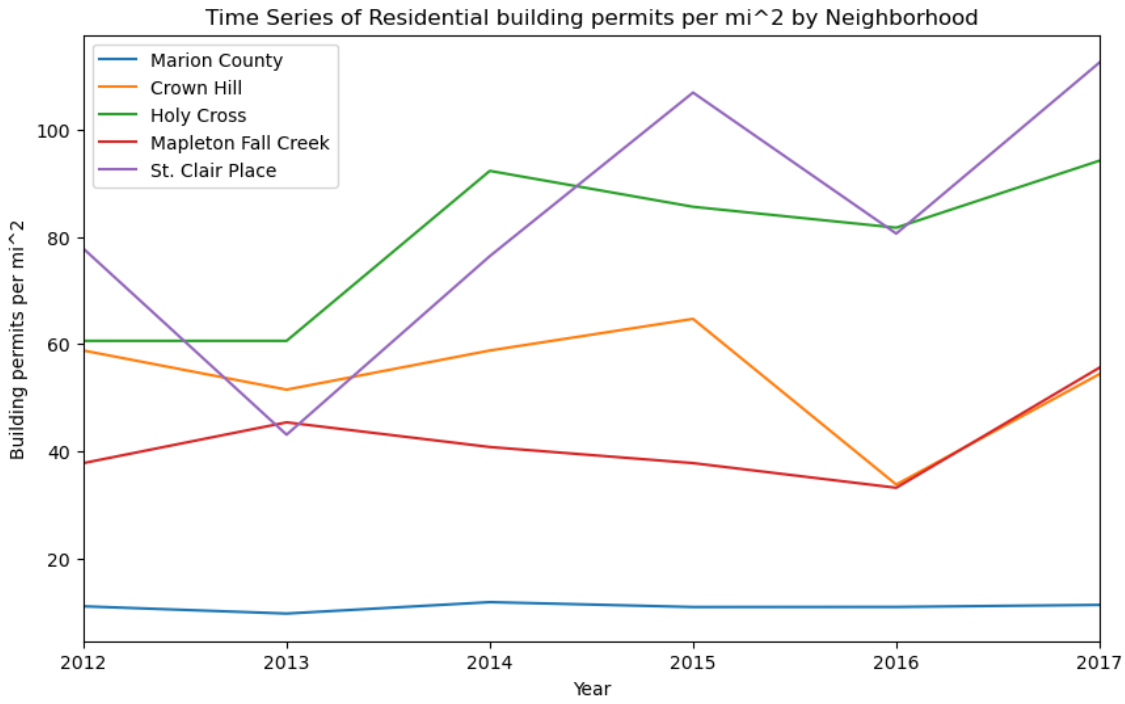
When observing the household ownership trends among some of Indianapolis neighborhoods from 2012 to 2017, it seems that the two neighborhoods from the Eastside area, Holy Cross and St. Clair Place, have had a larger growth (10% and 6%) when compared to two neighborhoods in the Mid-North area, Mapleton Fall Creek and Crown Hill (5% and 1%).



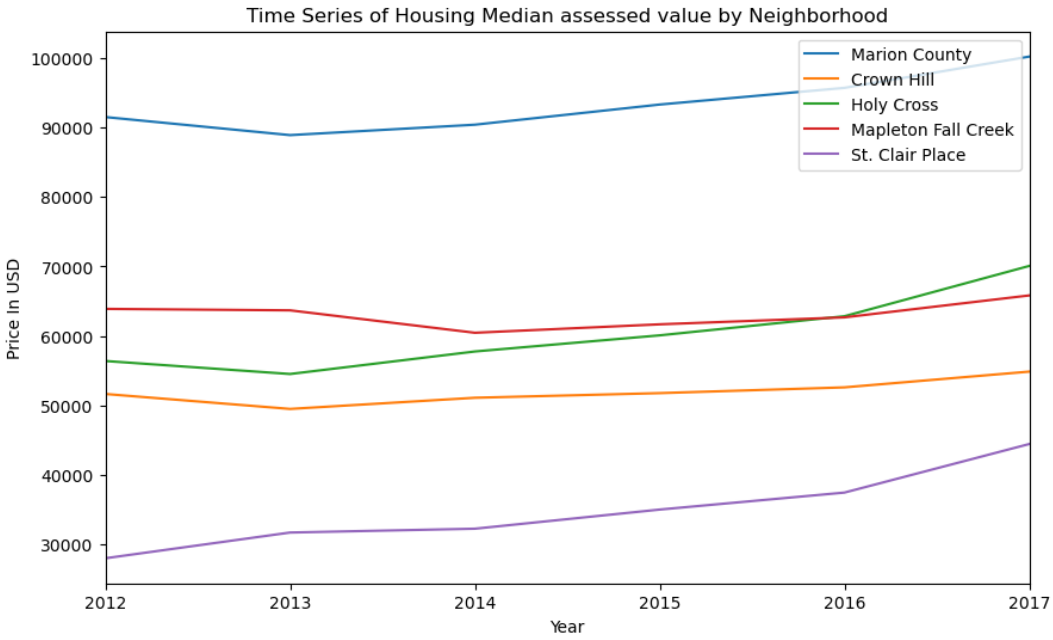
This difference seems real, as the actual numbers of household owners stagnated in Crown Hill (38 increase) and Mapleton Fall Creek had a relatively small growth (239 increase), despite starting with more than double the number of homes to its Eastside counterparts, which both experienced an almost 300 increase during this period.



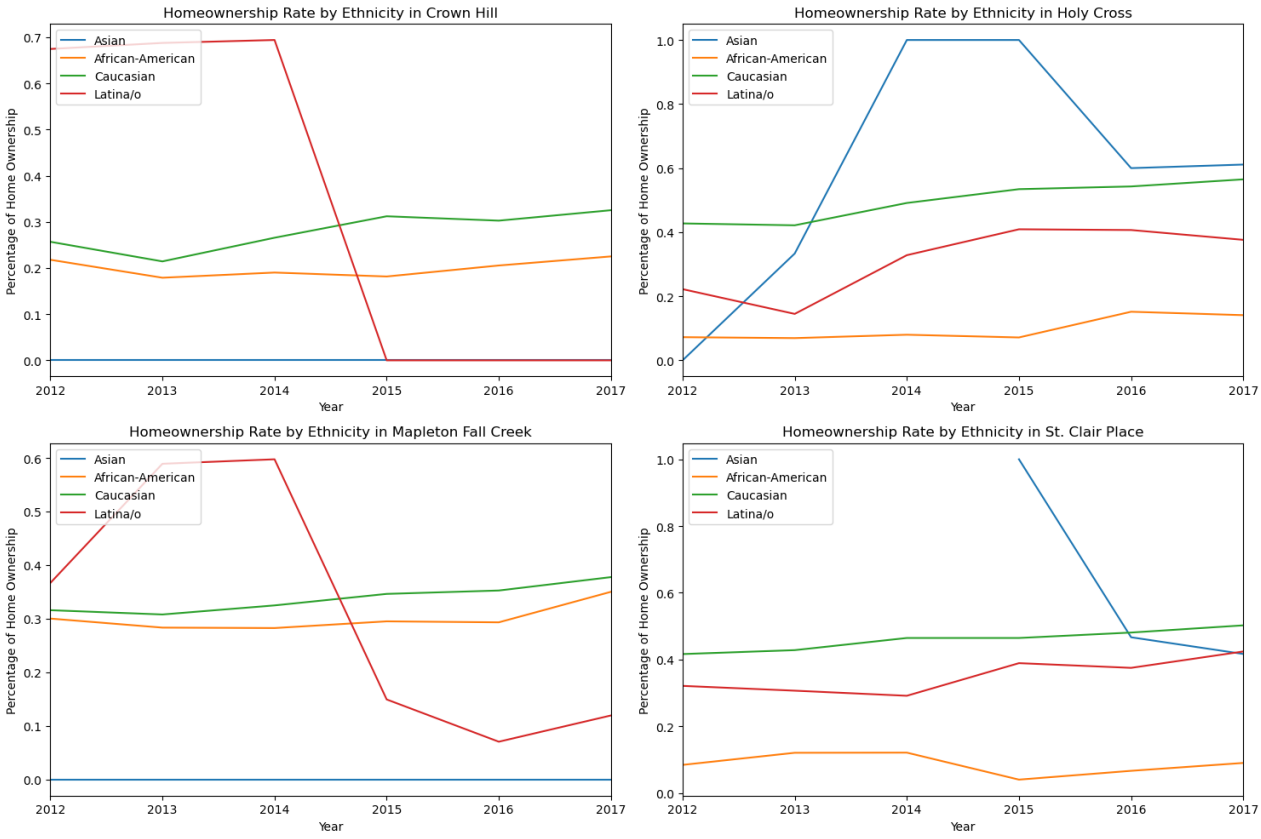
One of the possible variables that could be explaining this difference in trends between these two pairs of neighborhoods could be the unique and prolonged increase of residential building permits issued in these Eastside neighborhoods starting in 2013. More residential building permits result in more households and can allow a locality to meet the housing demands of the population.



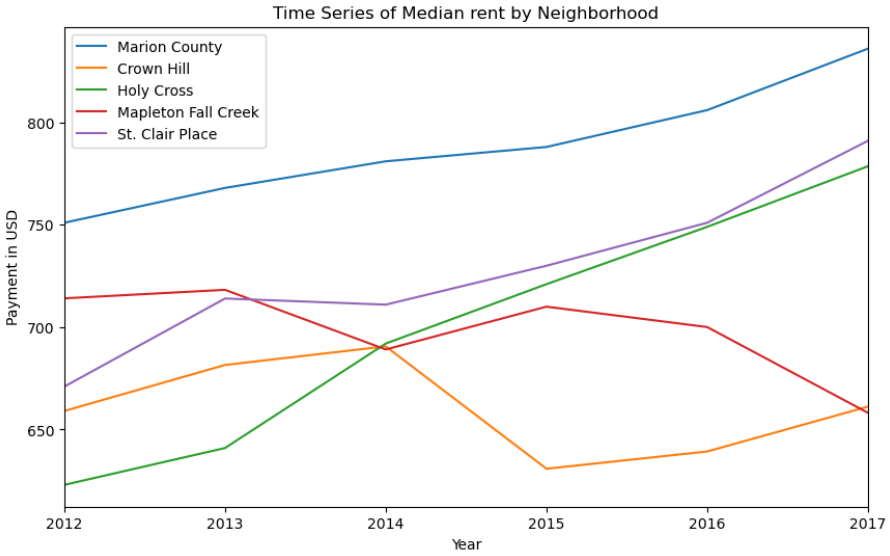
This permit expansion could also be affecting the local median assessed property values, as the Eastside neighborhoods had a noticeably greater growth during this time period.

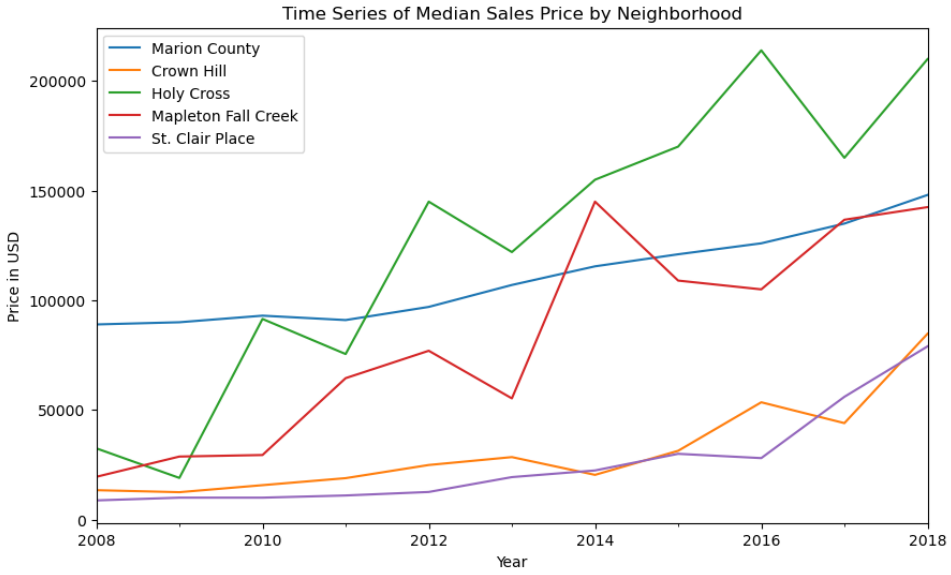


These two Eastside neighborhoods could also be benefiting minorities, as these two localities seem to be experiencing a higher Non-Caucasian homeownership rate during this period.



The increase in building permits could also be beneficial to current homeowners, as the median rent and sales prices of households in these two neighborhoods is greater than the other two.





As a nuance, expanding residential building permits in this locality should be cautious, as intensifying the issuance of these permits also has risks. It could induce an excess supply of real estate in neighborhoods, leading to insurmountable household prices that stagnate sales, followed by an economic downturn due to massive losses from investments.

This was a cursory analysis, as it used only five cases with a few observations (between 1 – 11 for each). For future research, I propose nurturing this data by making a larger database with more variables (median income, number of registered businesses) and cases (neighborhoods) that could allow performing thorough econometric (cointegration tests, difference in difference estimation, fixed effects panel models) and machine learning (K-Nearest Neighbors algorithm) techniques to arrive to robust findings.