

DRAFT

2024

Elkhart County Housing Needs Assessment

Introduction

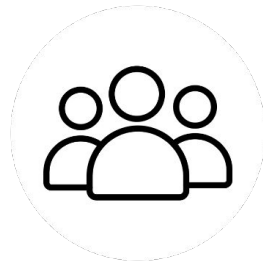
Overview

This report profiles the local community's people and housing stock, establishes an approach to meeting projected demand, and recommends the new housing mix best suited to meet local and expected need through 2034.

The study consists of the following sections:



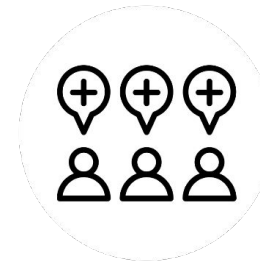
Overview, introducing the purpose of this report and key findings from the analysis.



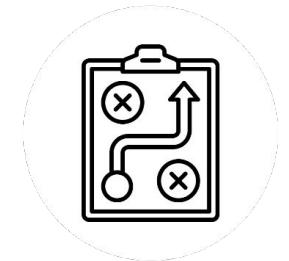
People, profiling characteristics such as income, employment, household structure, and cost burden.



Place, detailing characteristics such as job locations and existing housing.



Demand, including how many units are needed in total and what is the optimal mix of unit types and prices.



Results, summarizing the housing production volume and mix needed to capture growth and close attainability gaps.



This housing needs assessment combines extensive quantitative data analysis with consideration of the community's goals for its future to produce a 10-year housing production target.

Overview

Key findings. A summary of the plan's analysis and conclusions, including current housing demand by income level and a recommended housing production target by cost level, tenure (rent/own), and bedroom count. Subsequent sections of this document will unpack these findings in much greater detail.

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

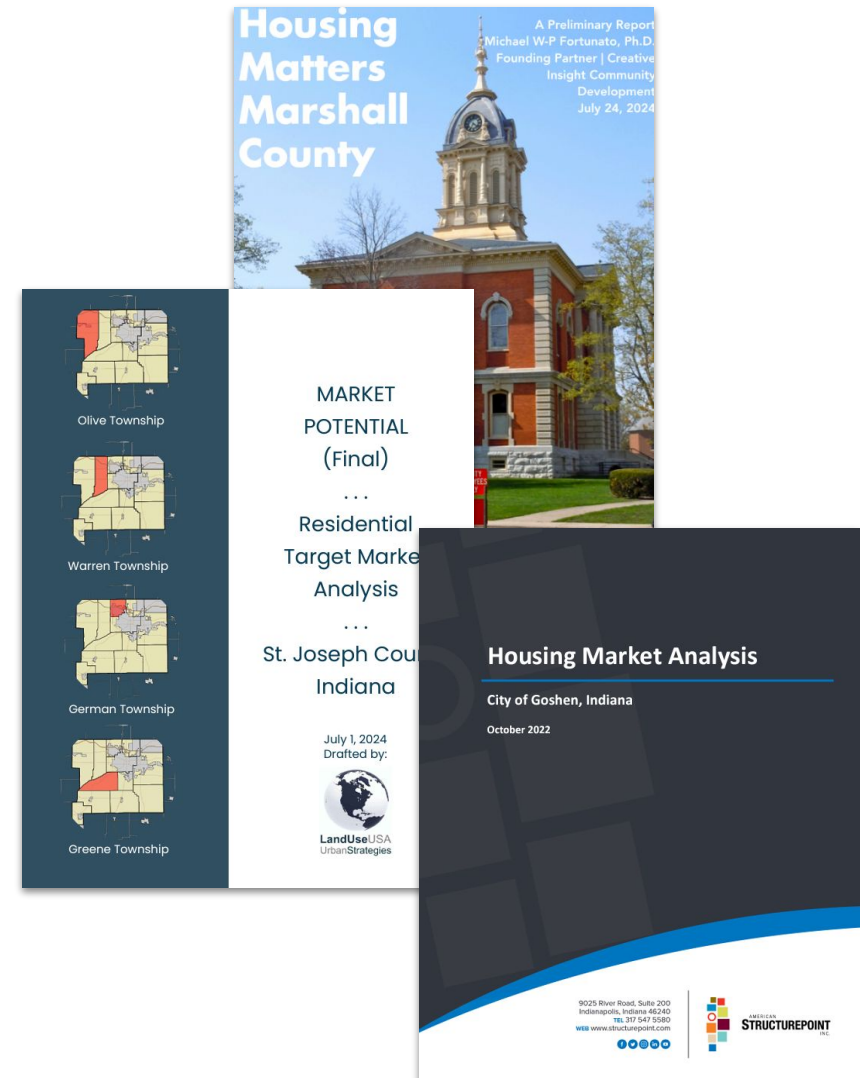
How does this study fits into the discourse?

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

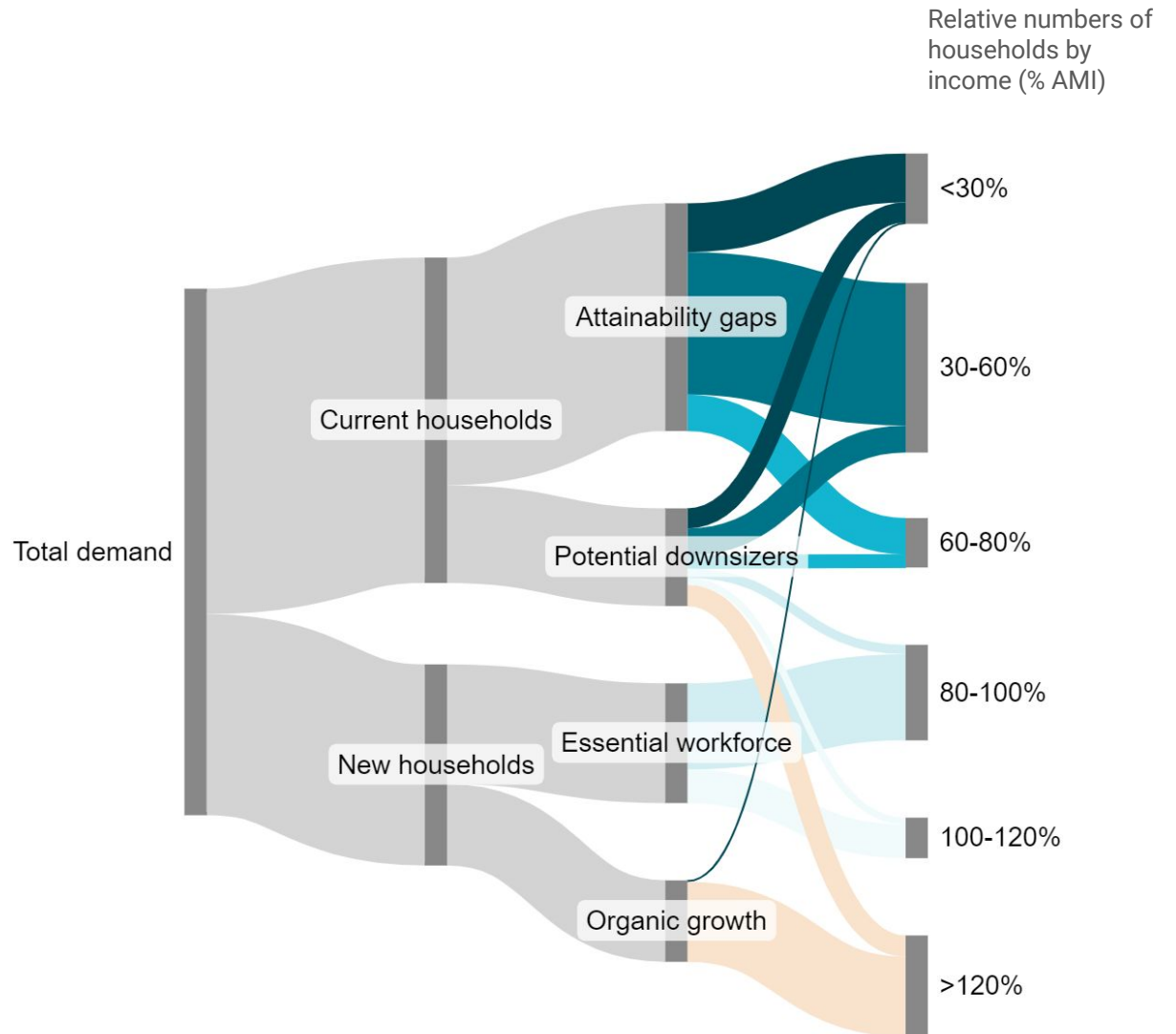


Key findings

Demand summary

Elkhart County’s housing need over the next 10 years is driven by 4 primary areas of demand:

- **Attainability gaps:** The households that are currently paying more than 30% of their income for housing.
- **Potential downsizers:** Households age 65+ who would prefer a smaller, more accessible unit without leaving town.
- **Organic growth:** The households expected to move to Greenfield based on recent growth trends.
- **Essential workforce:** Middle-income employees who work in the County but can’t find adequate or attainable housing to live there too.



AMI	Total demand (units)
<30%	7,151
30-60%	6,203
60-80%	1,697
80-100%	5,989
100-120%	2,463
>120%	5,812
Total	29,316

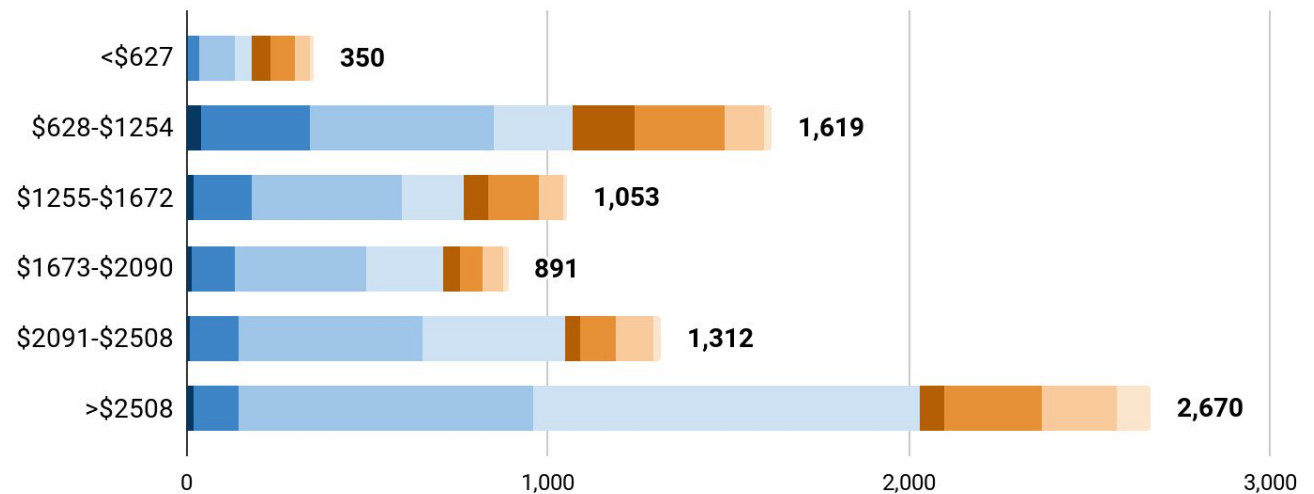
Key findings

10-year production target

Production target by tenure, bedroom count and cost

Monthly cost	Own 0-1	Own 2	Own 3	Own 4	Rent 0-1	Rent 2	Rent 3	Rent 4+	
<\$627	4	29	99	47	52	67	42	11	350
\$628-\$1254	37	303	510	219	170	249	108	23	1,619
\$1255-\$1672	18	164	416	171	67	137	69	12	1,053
\$1673-\$2090	15	120	363	215	46	61	57	13	891
\$2091-\$2508	10	134	510	395	42	96	103	21	1,312
>\$2508	16	126	816	1,070	71	267	210	93	2,670
	101	875	2,714	2,116	448	877	590	172	
			Total own	5,807			Total rent	2,088	7,895

The two colored charts translate Elkhart County’s 10-year production target into a unit mix by cost, bedroom count, and tenure (rent/own). The table below converts monthly cost into approximate purchase price and rent after accounting for other housing costs like utilities and taxes.



Monthly cost	Max price	Max rent
<\$627	\$53,053	\$504
\$628-\$1254	\$124,799	\$1,108
\$1255-\$1672	\$172,629	\$1,510
\$1673-\$2090	\$220,460	\$1,912
\$2091-\$2508	\$268,176	\$2,314



The following section profiles the people of Elkhart County, detailing characteristics such as income, employment, household structure, and cost burden. These indicators combine to describe the local population's housing needs and preferences which inform this report's recommended strategies for new housing production to meet demand and fill gaps in affordability and attainability.

People

Demographic profile. Understanding the demographic composition of a community and changes over time sheds light on likely housing needs today and into the future. Key demographic indicators include racial makeup, household types, and population age trends.

Socioeconomic profile. Analyzing a community's demographic and housing characteristics by income level provides insight into the range of housing types and costs that might best meet local needs and ability to pay. Key household socioeconomic indicators include incomes, cost burden by tenure (rent/own), household size, number of bedrooms, age, number of children, number of earners, and housing structure type - all broken down by income level for comparison between higher- and lower-income households.

Employment patterns. Evaluating the local jobs mix and changes over time suggest what income levels and housing values employers within the area are able to support. Key indicators include employment change over time by sector and the geographic distribution of jobs by sector in and around the area.

Demographic profile

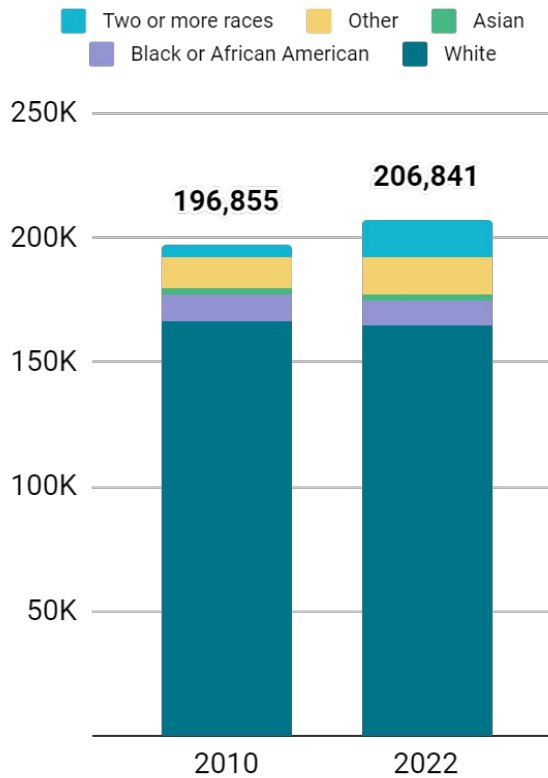
Race and ethnicity

Source: ACS 5-Year, 2010 and 2022

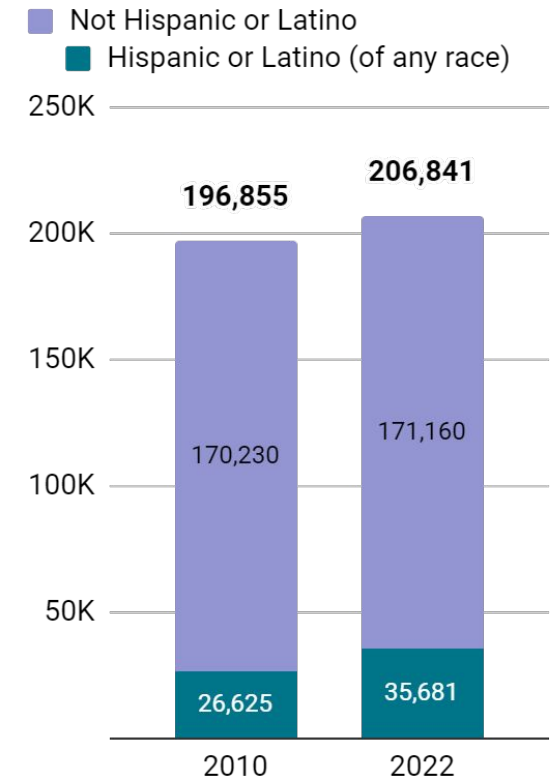
These demographic trends provide insights into how Elkhart County is or is not changing over time and what that means for current and future housing demand:

A community’s racial and ethnic composition may be correlated to need regarding affordability and access to capital needed for homeownership. Also, more diverse communities may need more housing options to reflect more diverse preferences.

Population by race



Population, Hispanic/Latino



Demographic profile

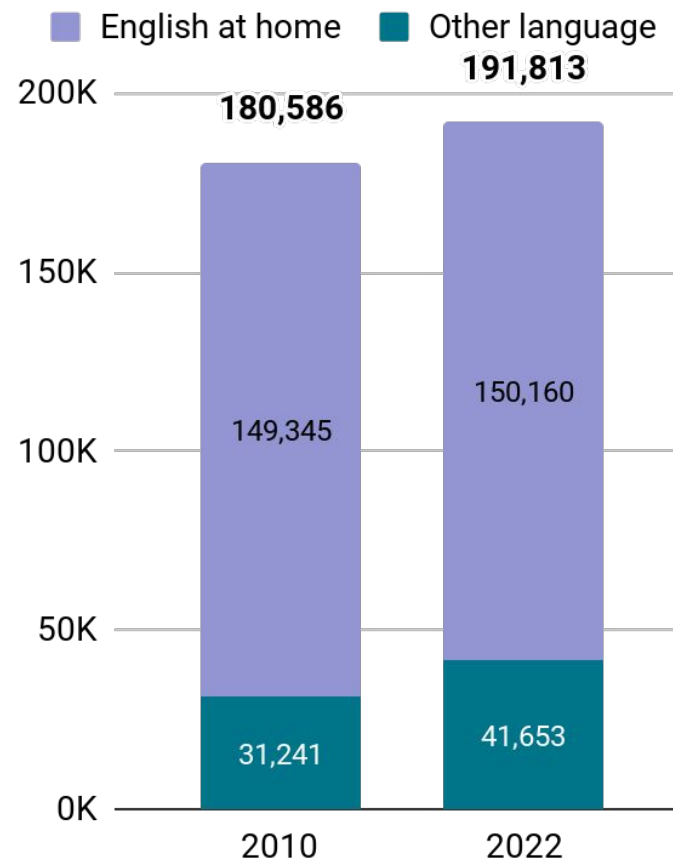
Language spoken at home

Source: ACS 5-Year, 2010 and 2022

These demographic trends provide insights into how Elkhart County is or is not changing over time and what that means for current and future housing demand:

One measure of cultural diversity is the proportion of households speaking a language other than English at home. Elkhart County has seen this population rise since 2010 but the large majority of households are English speakers. That said, it appears most net growth over this timeframe consisted of non-English speakers.

Population older than 5, by primary language spoken at home



Demographic profile

Family and non-family households

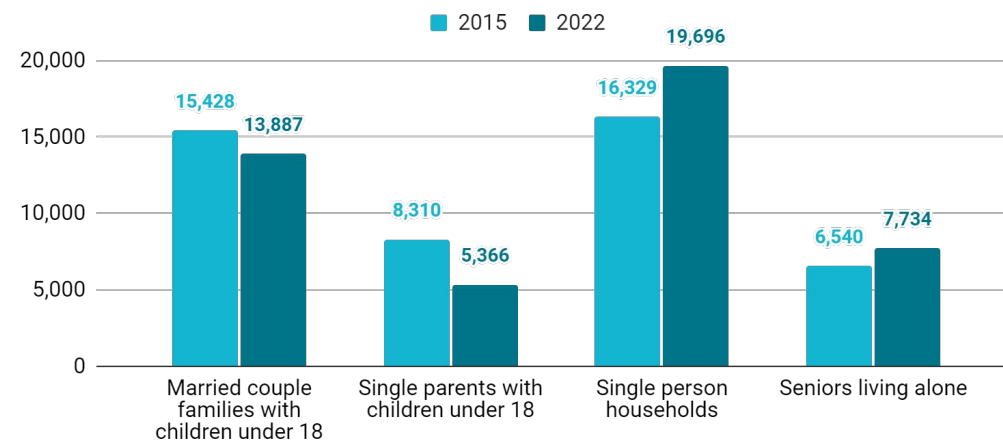
Source: ACS 5-Year, 2015 and 2022

These demographic trends provide insights into how Elkhart County is or is not changing over time and what that means for current and future housing demand:

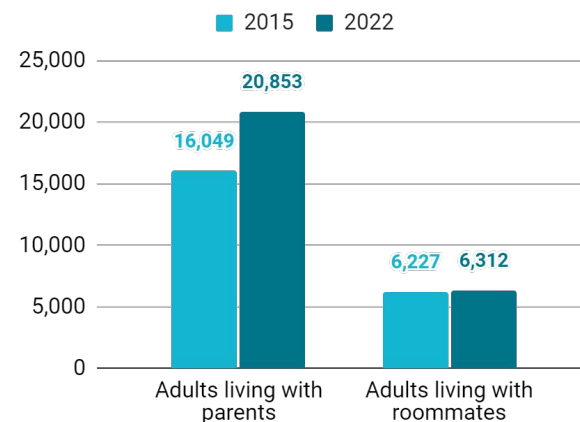
Different family types have different housing needs, such as married couples with children needing extra bedrooms, single parents needing lower costs, and single people needing less space or an option to downsize into.

Non-family households provide additional signals about the housing supply, from adult children living with their parents for lack of affordable local alternatives and roommates sharing larger units in ways that might differ from a conventional parents and their children (for example, preferring more bathrooms).

Households by selected family type



Population by selected non-family type



Demographic profile

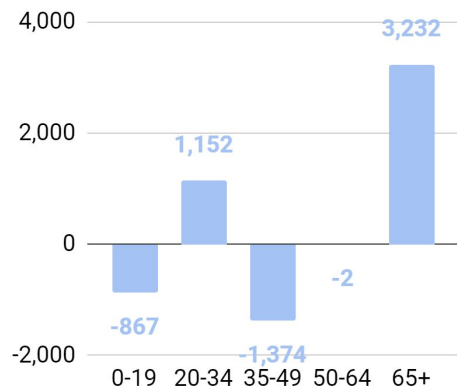
Population age trend and projection

Source: ACS 5-Year, CommunityScale

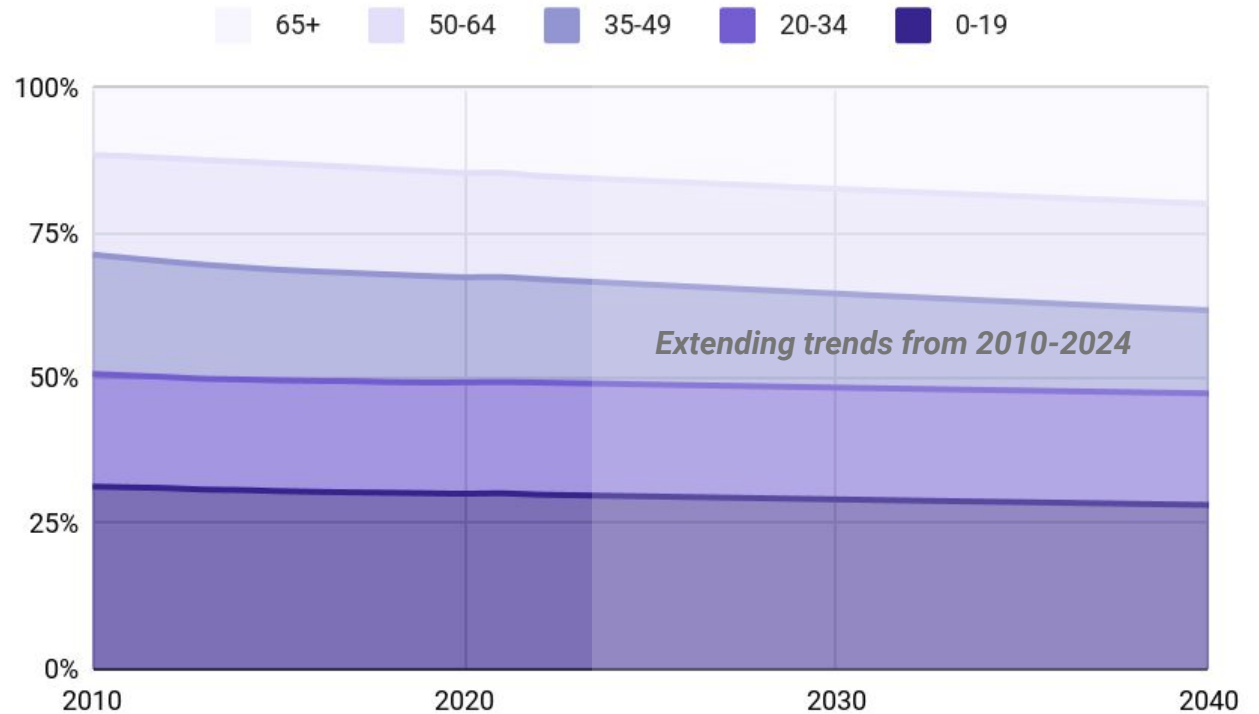
Elkhart County’s population has been aging over the past decade, with the 65+ age group growing faster than other groups and projected to outpace others into the future.

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.

Elkhart County’s median age:
2022: 35.4 years old
2010: 35.1 years old

Demographic profile

Household profiles by income group

Source: ACS 5-Year, CommunityScale

The following analysis examines household characteristics and housing need in terms of household incomes relative to the local Area Median Income (AMI). For example, households within the "60-80%" group earn between 60% and 80% of the HUD-established AMI for the metro area. Each household AMI group has a different need for monthly housing costs.

Household financial characteristics by income

AMI level	Total households	Household income range	Monthly affordable housing costs
<30%	10,226	<\$24,600	<\$600
30-60%	14,146	\$24,600-\$49,200	\$600-\$1,250
60-80%	8,753	\$49,200-\$65,600	\$1,250-\$1,650
80-100%	7,204	\$65,600-\$82,000	\$1,650-\$2,050
100-120%	6,291	\$82,000-\$98,400	\$2,050-\$2,450
>120%	25,325	>\$98,400	>\$2,450

The table at right profiles Elkhart County's population by AMI level to illustrate how many people fall into each group, their income, and the range they can affordably pay for housing.

Monthly cost	Max price	Max rent
<\$627	\$53,053	\$504
\$628-\$1254	\$124,799	\$1,108
\$1255-\$1672	\$172,629	\$1,510
\$1673-\$2090	\$220,460	\$1,912
\$2091-\$2508	\$268,176	\$2,314

Demographic profile

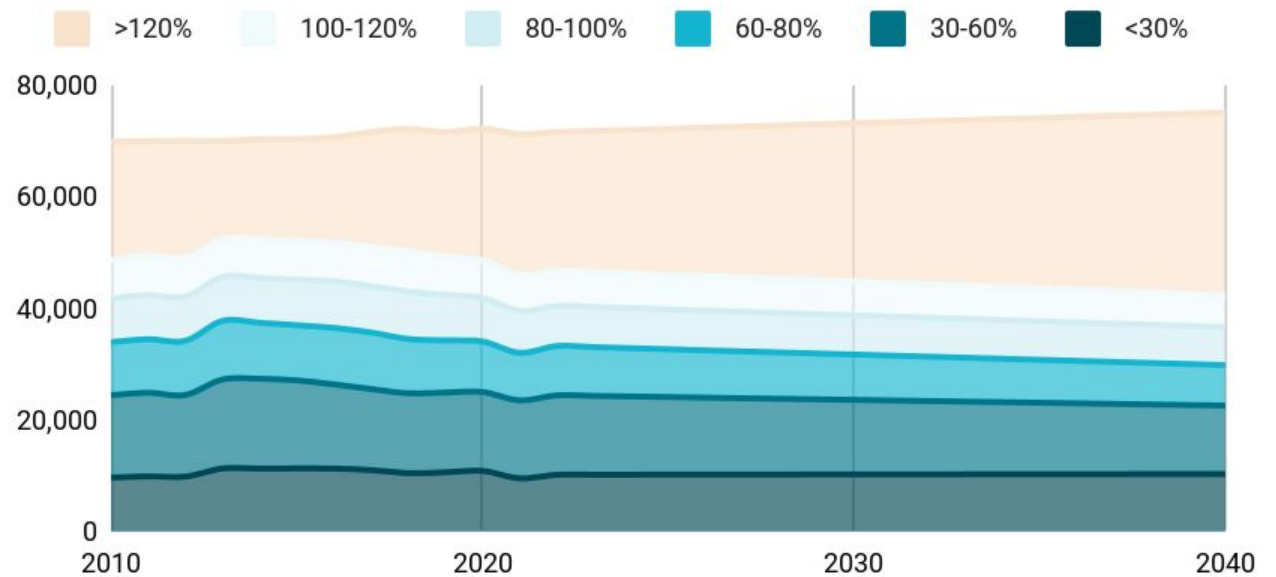
Households by AMI group

Source: ACS 5-Year, CommunityScale

Elkhart County’s household population has grown slowly since 2010. In terms of relative income levels, most of the growth has been concentrated among higher-income households, especially the >120% AMI group.

In the Demand section of this report, these recent growth trends will be compared with future projections to estimate household populations and income distributions to 2034.

Household change by AMI group



AMI group	2010	2022	2034
<30%	16,465	17,090	17,319
30-60%	22,569	21,886	20,799
60-80%	12,404	12,855	12,740
80-100%	10,331	10,701	10,850
100-120%	8,789	9,120	9,572
>120%	29,983	35,815	41,329

Elkhart County’s median income:
2022: \$61,922
2010: \$41,748 (\$54,167 in 2022 dollars)

Socioeconomic profile

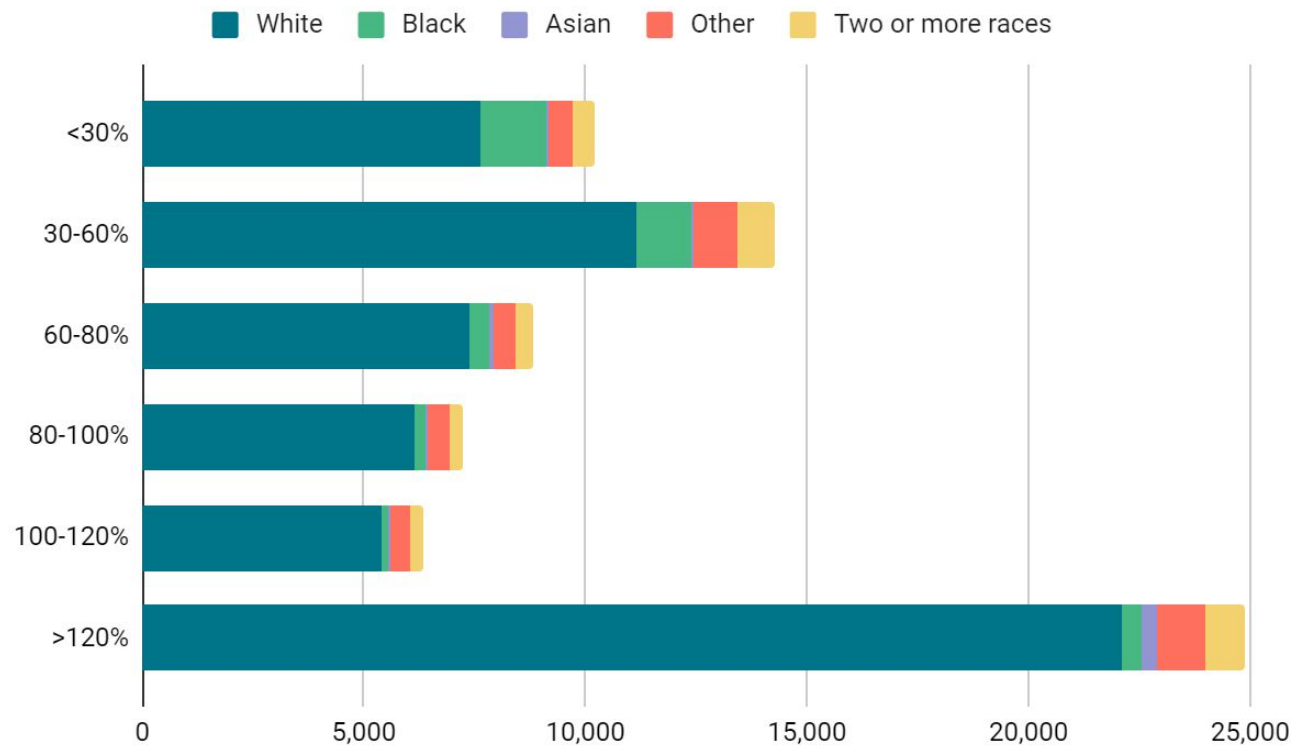
AMI groups, by race of householder

Source: ACS 5-Year, HUD, CPI

These slides break down socioeconomic and demographic indicators by income in terms of AMI level.

Elkhart County's lowest income groups are its most racially diverse, especially the <30% and 30-60% AMI groups. Other income levels are relatively consistent in their proportional ratios of white and non-white households.

Number of households in each AMI group, by race



Socioeconomic profile

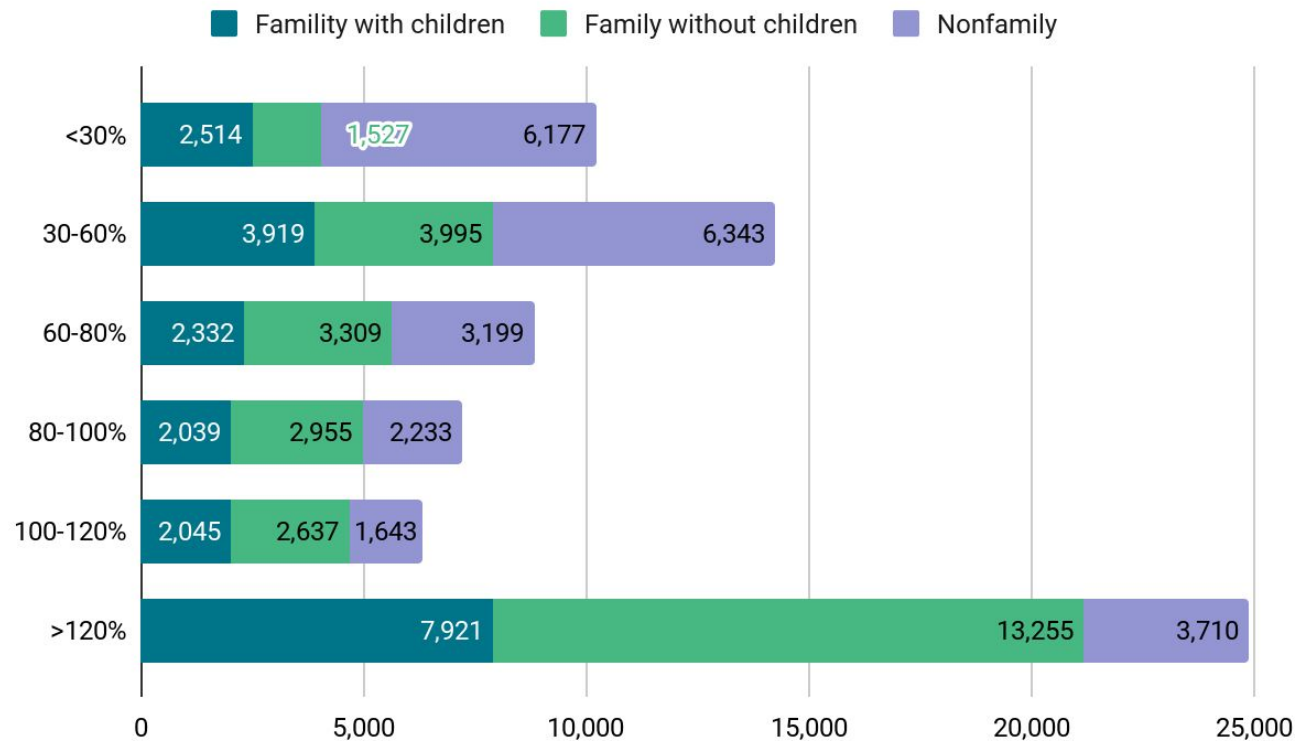
AMI groups, by household type

Source: ACS 5-Year, HUD, CPI

These slides break down socioeconomic and demographic indicators by income in terms of AMI level.

Elkhart County’s families with children are most prevalent in the >120% AMI group. Nonfamily households are predominantly low-income (this group includes one-person households). Families without children (such as couples) are most common at the >120% AMI level.

Number of households in each AMI group, by household type



Socioeconomic profile

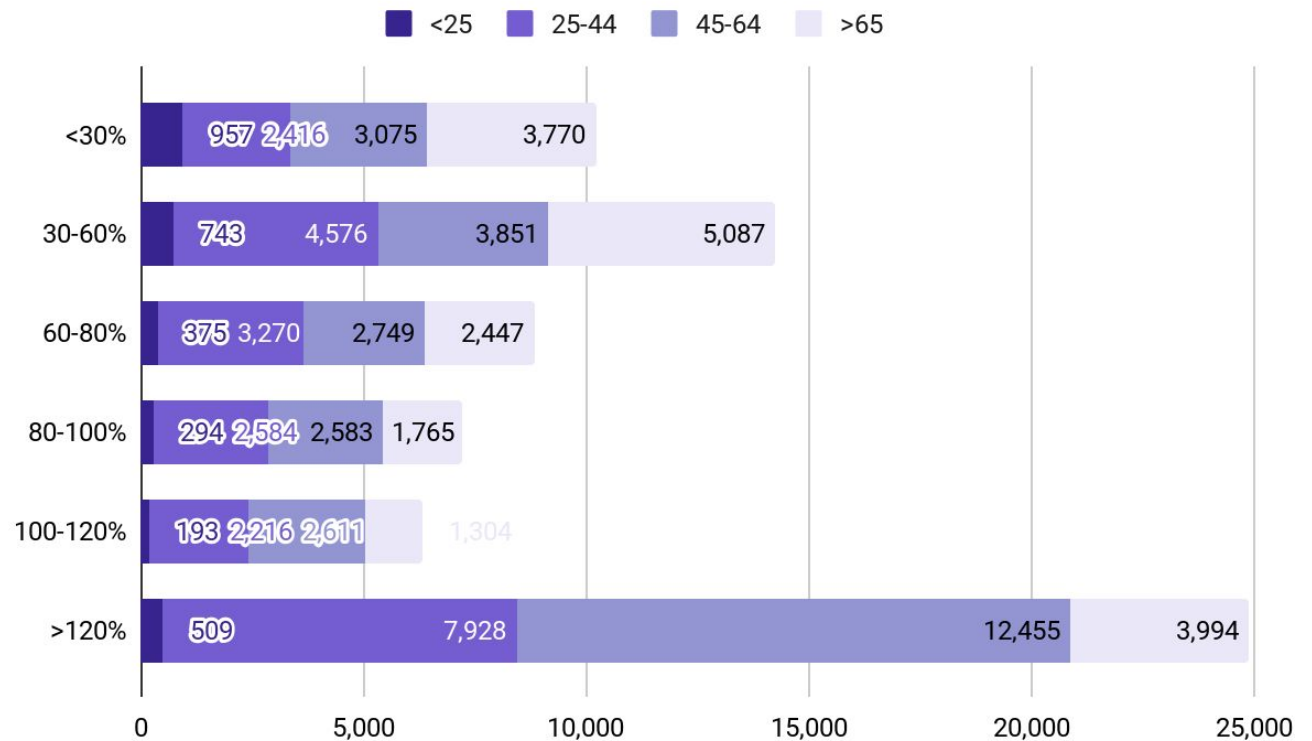
AMI groups, by age of householder

Source: ACS 5-Year, HUD, CPI

These slides break down socioeconomic and demographic indicators by income in terms of AMI level.

Most households in the >65 age group have incomes below 60% AMI. Households between 25-64 are most prevalent in the >120% AMI but also particularly numerous in the 30-60% and <30% AMI groups. The small group of youngest households (<25 years) are somewhat more concentrated at lower income levels.

Number of households in each AMI group, by age of householder



Socioeconomic profile

AMI groups, by cost burden

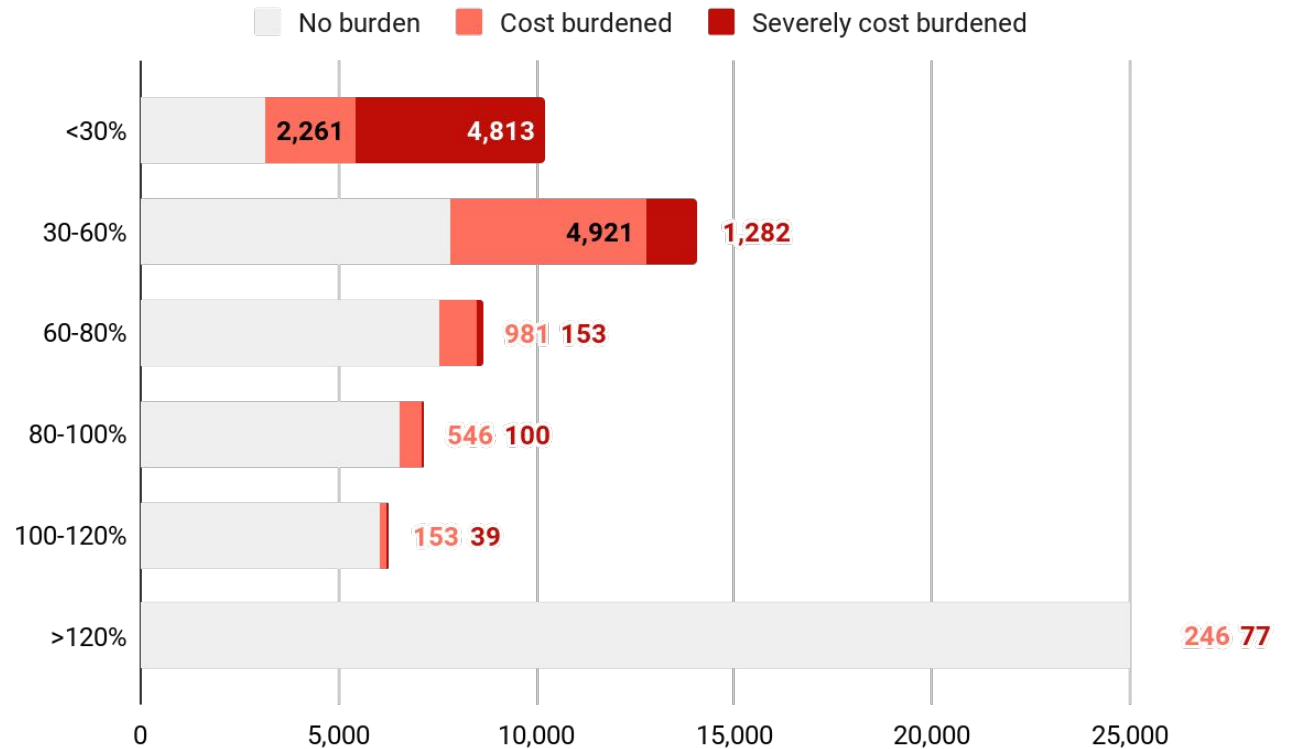
Source: ACS 5-Year, HUD, CPI

These slides break down socioeconomic and demographic indicators by income in terms of AMI level.

In Elkhart County, most low-income households are cost burdened. Most households earning >80% AMI are not cost burdened.

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.

Number of households in each AMI group, by cost burden



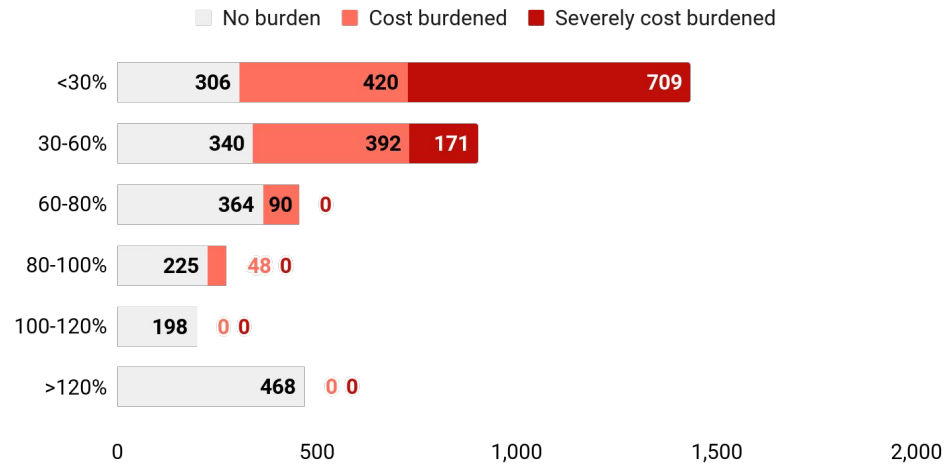
Socioeconomic profile

Cost burdened households by tenure and AMI group

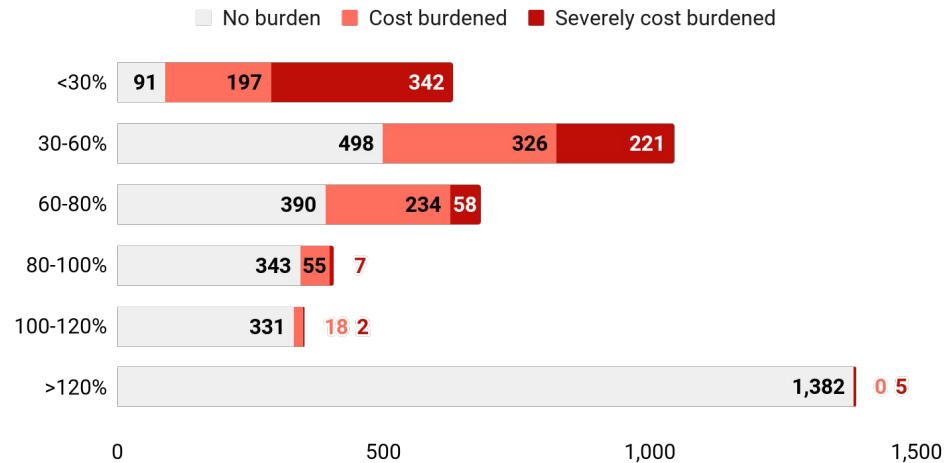
Source: ACS 5-Year, tables B25074, B25095, 2022

Many of Elkhart County’s residents are experiencing cost burden, especially lower-income households. More than half of both renters and homeowners with incomes up to 60% AMI spend over 30% of their income on housing costs.

Cost-burdened renters, by AMI group



Cost-burdened homeowners, by AMI group



Tenure	Share of housing stock
Renter-occupied	32.4%
Owner-occupied	67.6%

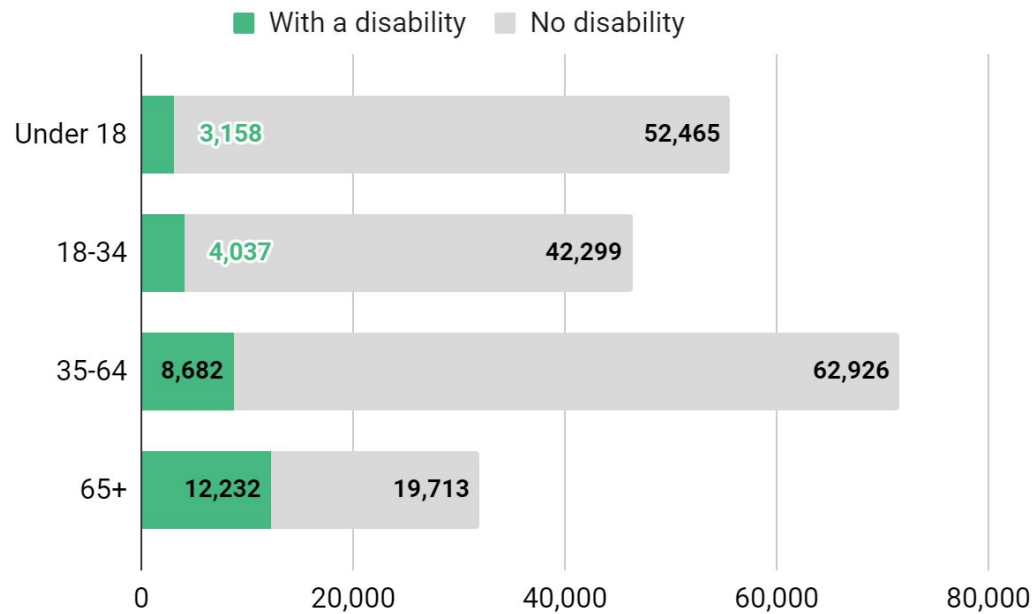
Socioeconomic profile

People with disabilities

Source: ACS, 2022

Elkhart County’s resident population includes many people with disabilities that may restrict their housing choices. People with disabilities are most common in the 65+ age group but they are represented across all age groups at some level.

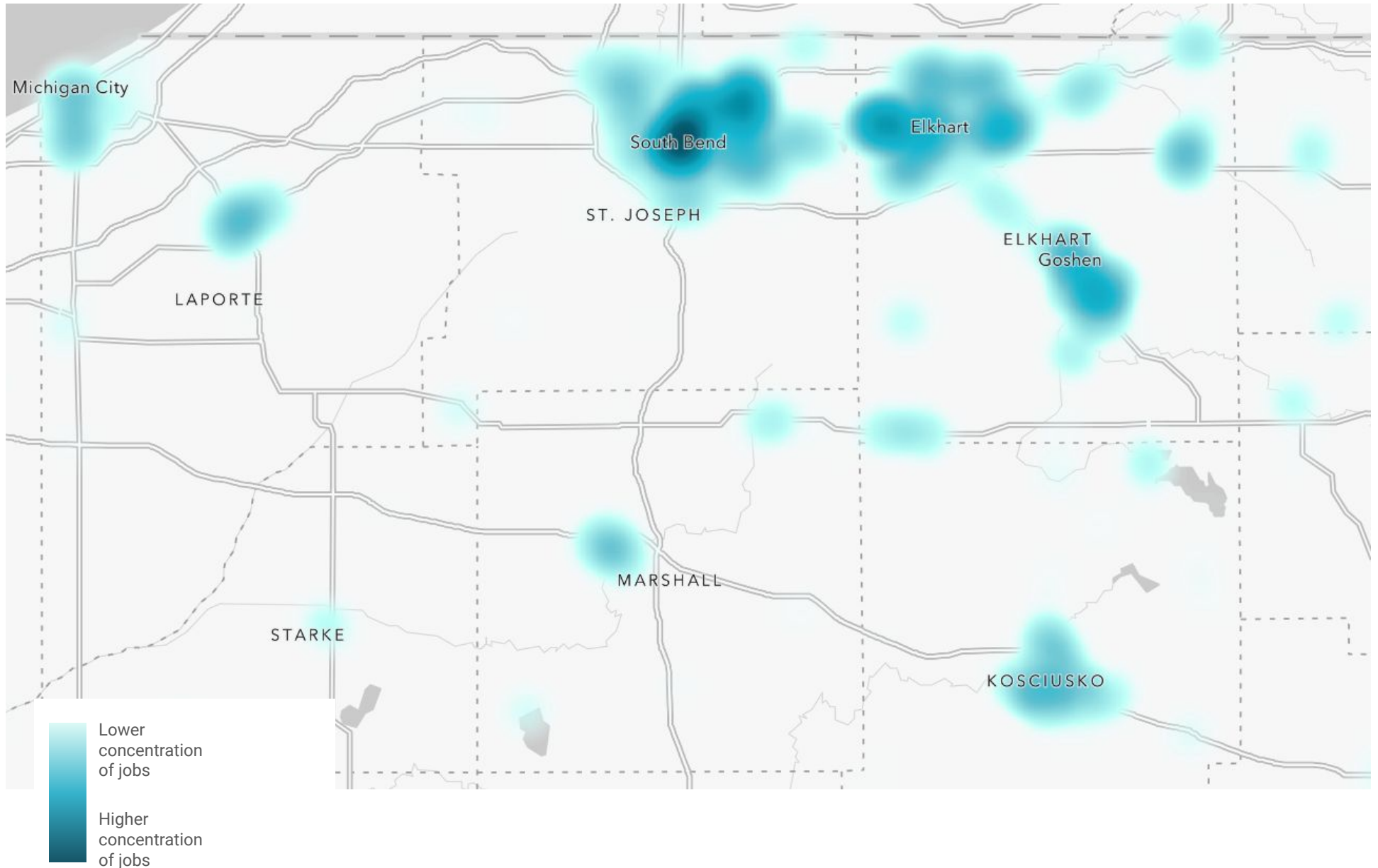
Population with selected disabilities, by age cohort



Employment patterns

Job clusters in and around Elkhart County

Source: US Census, Longitudinal Employer-Household Dynamics dataset, 2021



Employment patterns

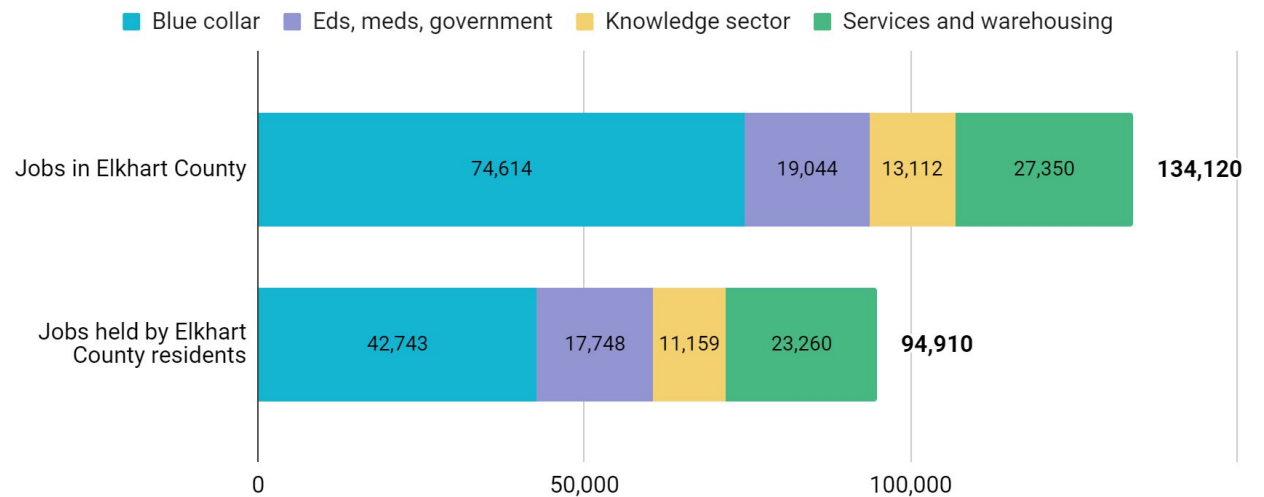
Jobs located in the county compared to jobs held by residents, by sector

Source: US Census, Longitudinal Employer-Household Dynamics dataset, 2021

Elkhart County contains more jobs than workers across all major employment sectors.

Employees of different sectors can represent different housing preferences, attainability thresholds, and job access considerations. “Jobs in the community” refers to the places of work located within its boundaries. “Jobs held by community residents” refers to the jobs local residents hold regardless of their place of work jurisdiction.

Jobs in Elkhart County and jobs held by Elkhart County residents, 2021



Examples of jobs by sector:

- **Blue collar:** Jobs in construction, manufacturing, and natural resources
- **Eds, meds, and government:** Teachers, nurses, police officers
- **Knowledge sector:** Software engineer, financial manager
- **Services and warehousing:** Warehouse workers, retail salespeople



The following section profiles Elkhart County's housing stock and affordability, detailing characteristics such as structure type, bedroom count, and development timeframe as well as household costs and market pricing for local rental and ownership units.

Place

Current housing mix. A community's housing stock varies in terms of several variables that are important to gauging how well local residents' needs are being met, including the unit's structure type and number of bedrooms. Organizing units by year of construction helps identify the relative pace of development over the years. Tabulating subsidized units within the community indicates how many of the lowest income households are likely to find units they can afford.

People in place. Mapping key socioeconomic characteristics can reveal potential geographic disparities within the community, such as neighborhoods with particularly high concentrations of cost burden.

Cost of housing. Housing prices can change much more rapidly than housing stock or the resident population. Tracking prices over time can indicate trends of higher or lower overall housing affordability and, as an extension, the degree of economic vulnerability households at lower income levels are likely to experience.

Current housing mix

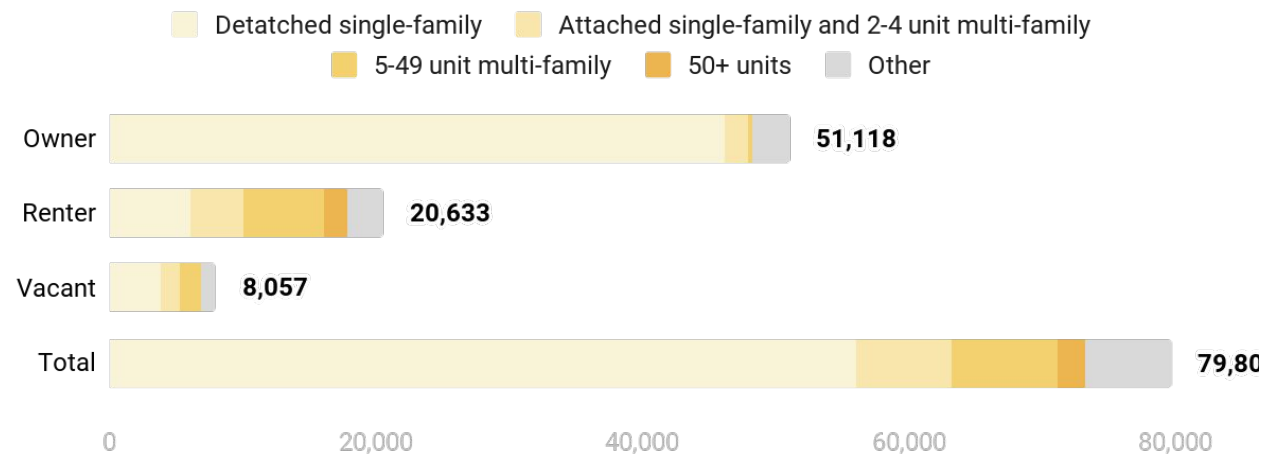
Existing units by structure type

Source: ACS 5-year, 2022

This graph inventories the local housing stock in terms of each unit's structure type, a characteristic defined as the number of units in the building that contains a given unit.

Households may have different structure type preferences depending on characteristics such as household size, income, employment, presence of children, age of individuals, and lifestyle choices. Understanding the housing stock in corresponding terms helps assess how well existing units align with existing households' ideals.

Existing units by structure type



In most places, ownership units are predominantly single family detached. Rental units are typically more diverse, including small- and large-scale multifamily developments. While these trends might reflect market preferences to some degree, other non-market factors also influence what types of units are actually built, such as zoning ordinances, regulatory constraints, and community choices.



Current housing mix

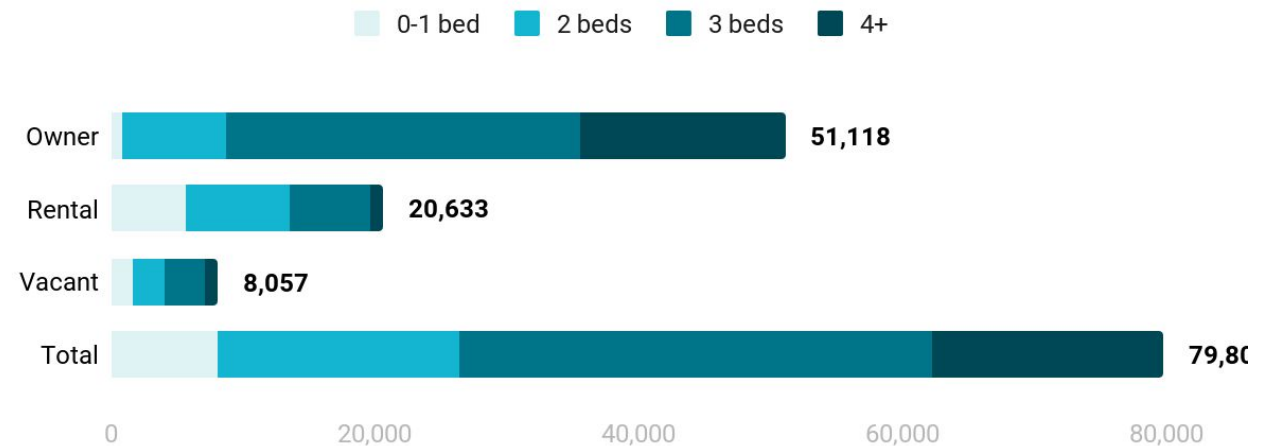
Existing units by bedroom count

Source: ACS 5-year, 2022

This graph inventories the local housing stock in terms of bedroom count by unit by tenure. The majority of Elkhart County’s housing units are two bedroom or larger, especially among ownership units.

Household size and the presence of children are primary drivers for bedroom count with, as expected, larger families desiring more bedrooms than smaller households. However, other factors such as income and the incremental cost of extra bedrooms also influence these preferences. In most places, ownership units are generally offer more bedrooms than rental units. As above with structure type, this is not exclusively a result of the market reflecting household preferences.

Existing units by number of bedrooms



Few single family houses contain less than three bedrooms so, if they dominate the local ownership supply, there will not many small ownership units available. Conversely, most rental units contain fewer than three bedrooms so households interested in renting a larger unit may have limited options to choose from. This misalignment is at least somewhat driven by the fact that it is less capital efficient to build small houses and large apartments even if there may be some demand for them.

Current housing mix

Age of existing housing

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

The figure at right tabulates the age of local housing units in terms of when they were built. Elkhart County 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	Share	Cumulative share
2020 or later	1,365	1.7%	1.7%
2010 to 2019	4,730	6%	8%
2000 to 2009	9,280	11%	19%
1990 to 1999	12,932	16%	35%
1980 to 1989	9,130	11%	46%
1970 to 1979	11,460	14%	60%
1960 to 1969	8,222	10%	71%
1950 to 1959	7,883	10%	80%
1940 to 1949	3,747	5%	85%
1939 or earlier	12,200	15%	100%

Current housing mix

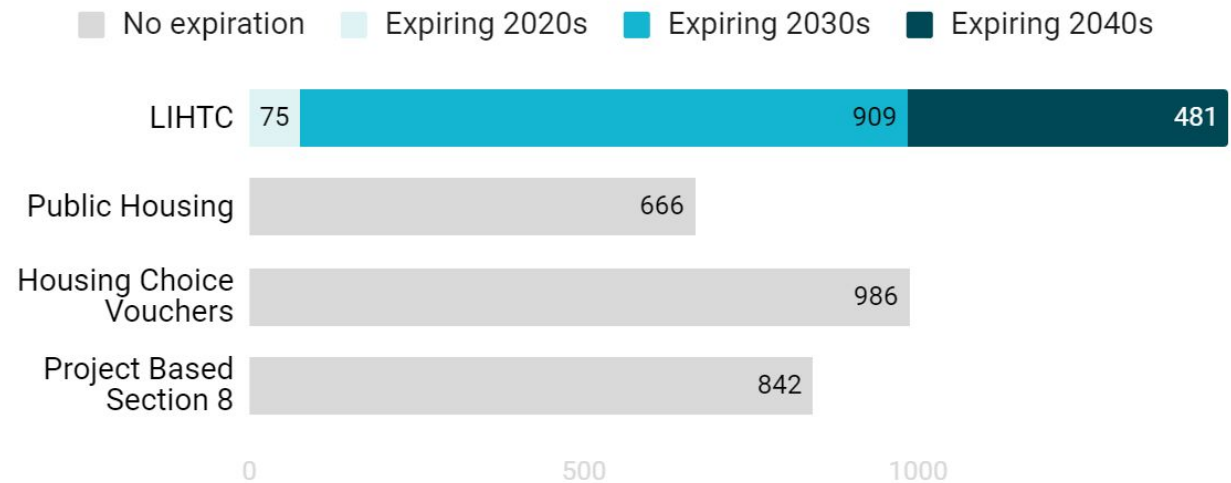
Committed affordable housing units

Source: HUD, Elkhart County Housing Authority

The local housing stock includes a mix of committed affordable housing supported by federal programs such as Low Income Housing Tax Credits (LIHTC) and Housing Choice Vouchers. For households with particularly low incomes, these units can represent one of the only housing options available to them.

While most of these programs are funded indefinitely, LIHTC units are only required to remain cost-restricted for up to 30 years. After that "expiration" date, the units may convert to market-rate costs, effectively ending their affordability for these low income households.

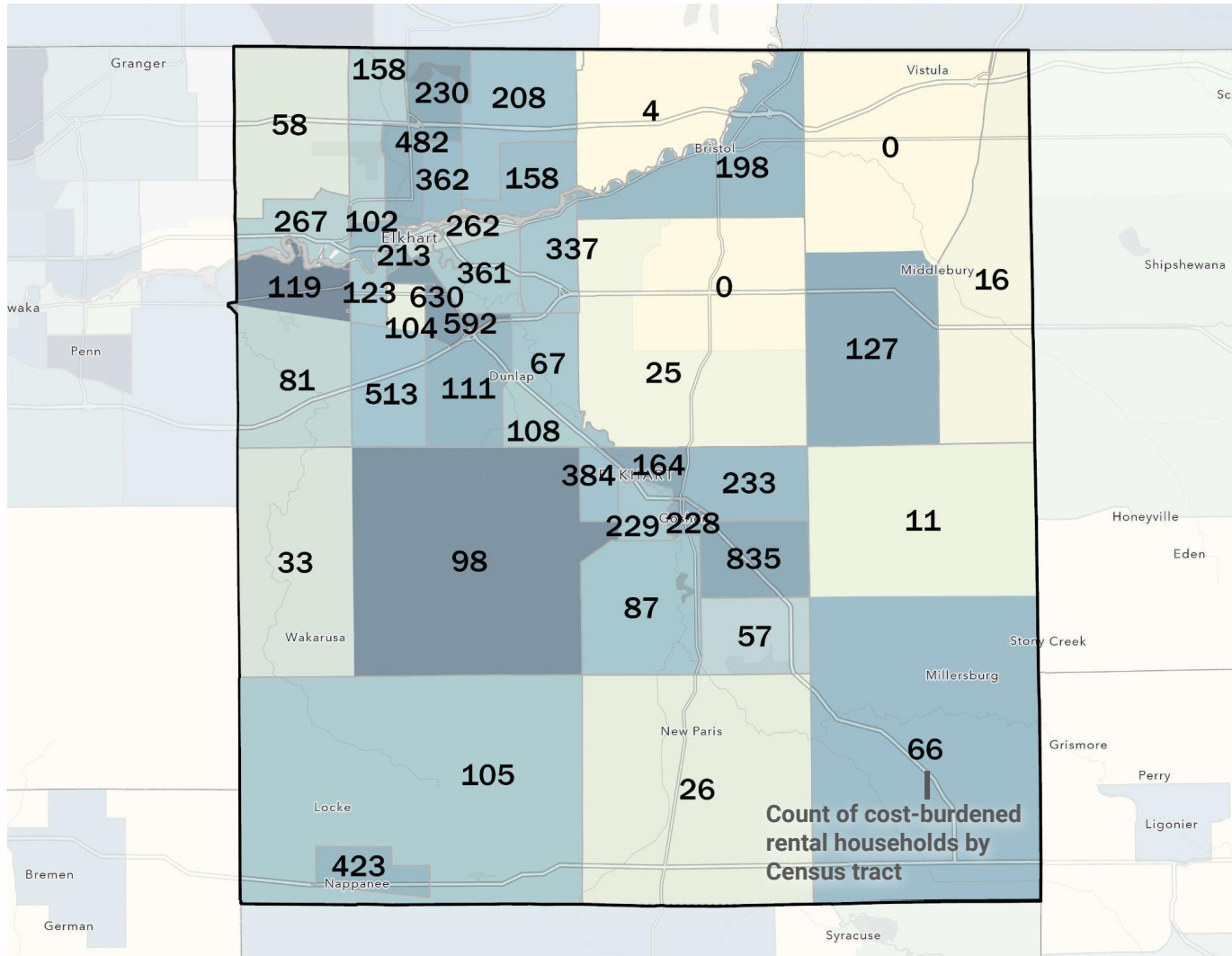
HUD-subsidized affordable units by program and expiration date



People in place

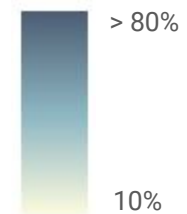
Cost-burdened renters, by Census tract

Source: ACS 5-Year, 2022



Count of cost-burdened rental households by Census tract

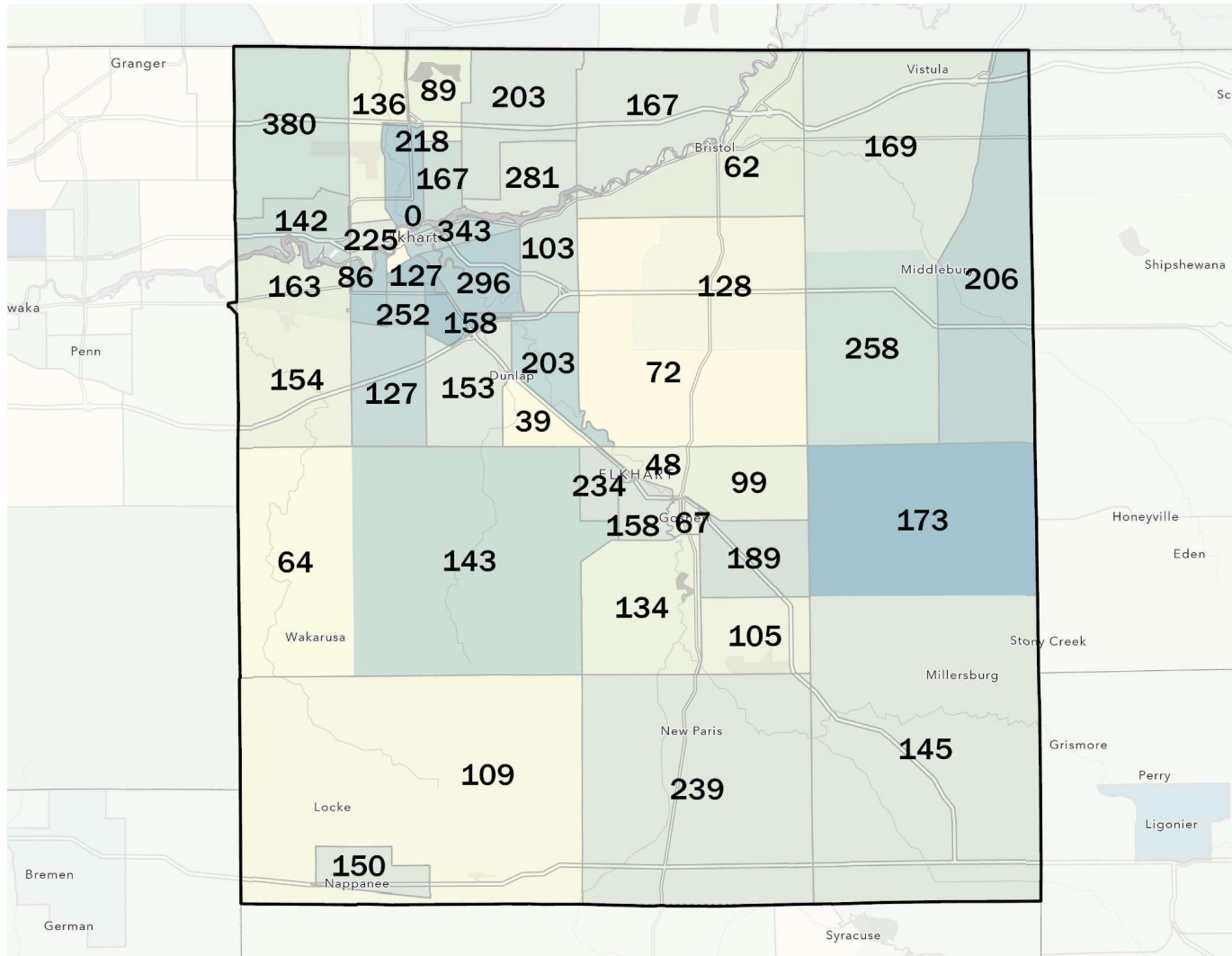
Share of renters cost-burdened



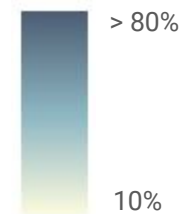
People in place

Cost-burdened homeowners, by Census tract

Source: ACS 5-Year, 2022



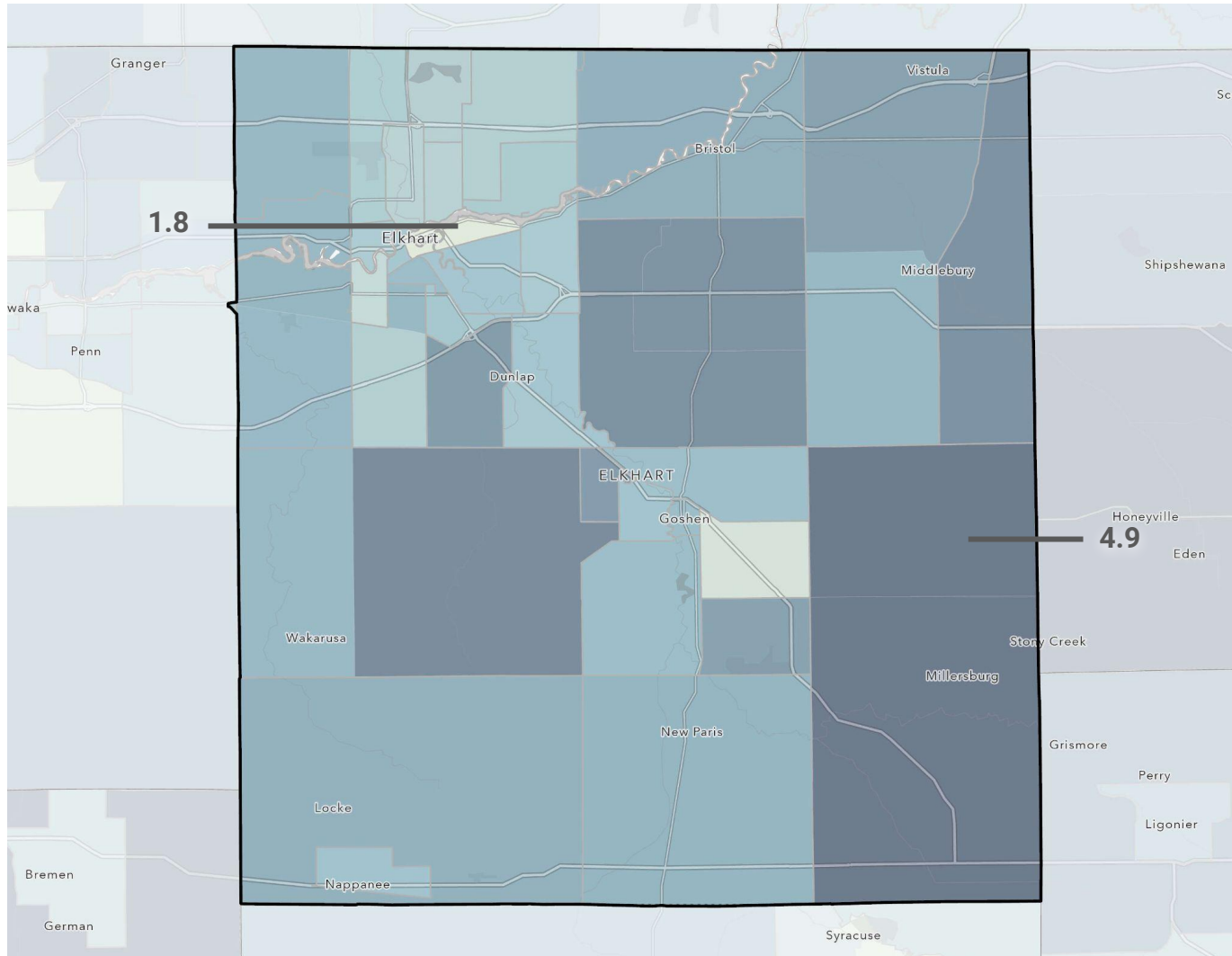
Share of homeowners cost-burdened



People in place

Household size, by Census tract

Source: ACS 5-Year, 2022



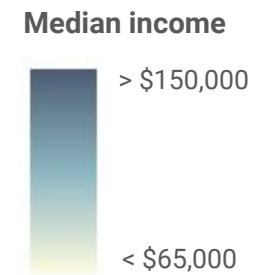
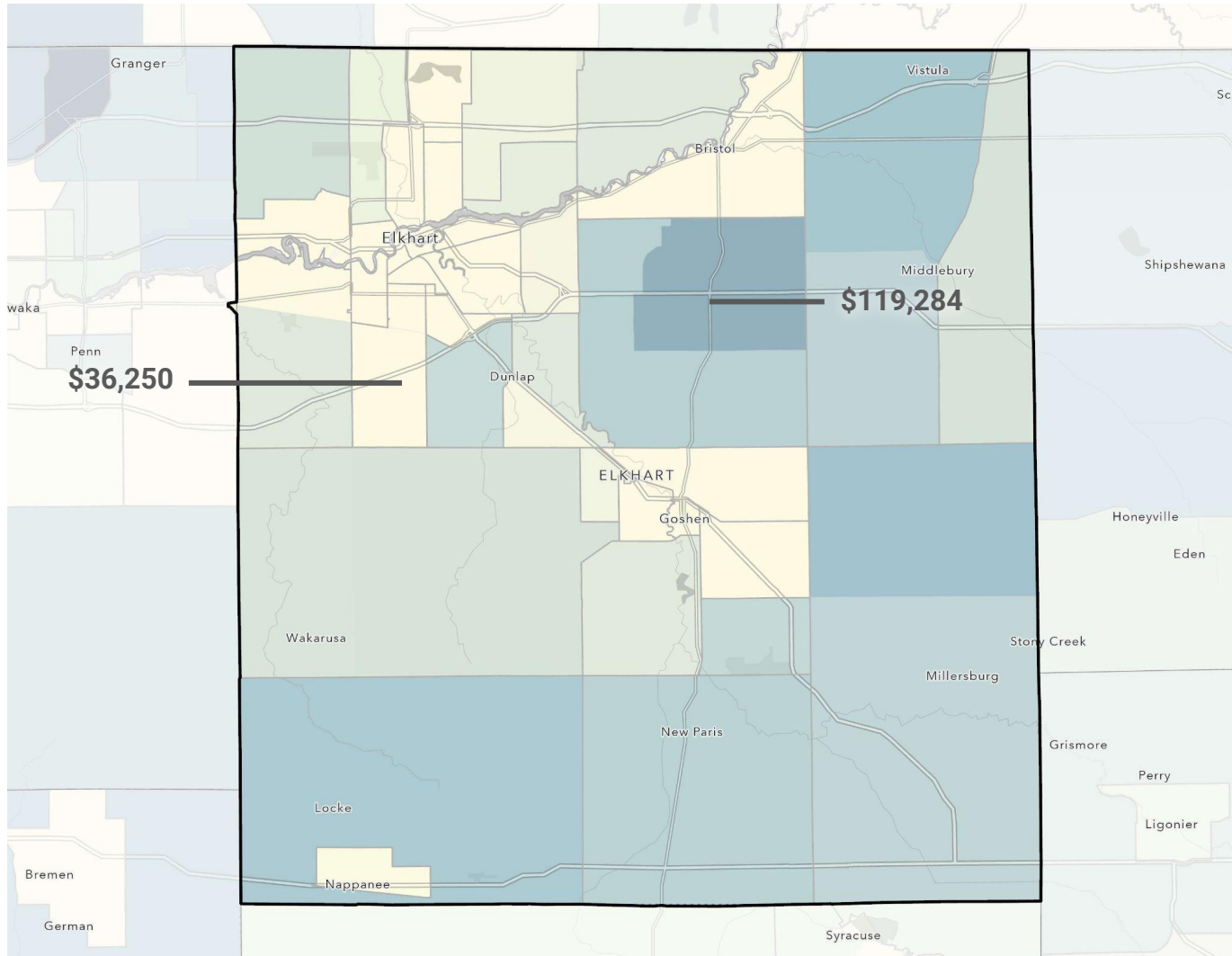
Average household size



People in place

Median household income, by Census tract

Source: ACS 5-Year, 2022



Socioeconomic profile

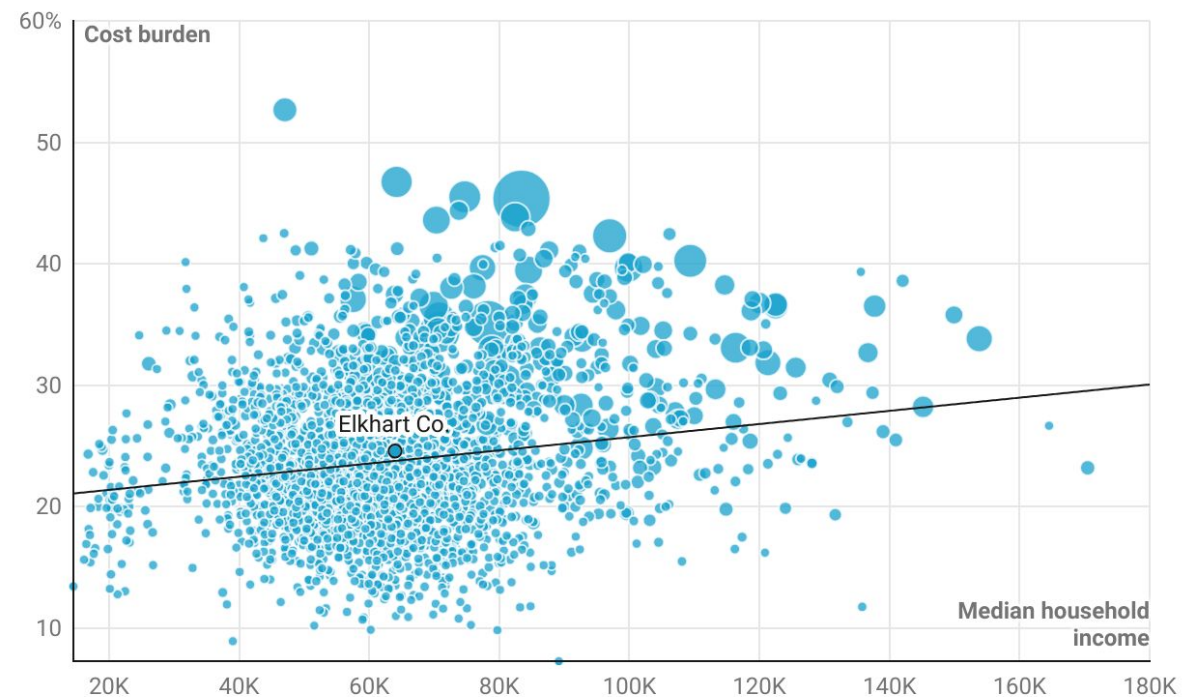
Cost burden in national context

Source: ACS 5-Year, 2022; CommunityScale

The chart at right compares average level of cost burden in US cities and counties scales with household income. The higher the median income, the higher the prevalence of cost burdened households. Dot sizes indicate relative population size.

Elkhart County closely reflects this trend, exhibiting a relationship between rates of cost burden and median household income that is consistent with the national average.

Relationship between median income and cost burden nationally, by county



Housing costs and affordability (Ownership)

The following pages examine housing costs, prices, and other measures of affordability. Combined with the indicators described in the report's People section, this data directly relates to the scope and scale of attainability problems such as cost burden and other misalignments between demand and supply.

How to estimate what's affordable? Variables and assumptions informing the affordability metrics featured on the following pages include:

30-year loan term: 90% of mortgages in the US are 30 year term loans.

Mortgage rates: Mortgage interest rates are a primary driver of affordability: lower rates amplify a household's buying power while higher rates can dramatically reduce it. In April 2024 the typical rate was 6.99%.

Down payment: While a 20% down payment is often considered standard, most households pay less. In Indiana, the average down payment is 12.2% of the purchase price.

PMI: Private mortgage insurance (PMI) is required by virtually all lenders when the down payment is less than 20% of the purchase price. Rates range widely due to a variety of factors but 0.5% approximates a typical rate.

Property tax: Property tax obligations reduce the amount of household income available for mortgage payments. The typical property tax rate in Elkhart County is around .87%.

Homeowners insurance: Banks require homeowner insurance as part of the financing process.

Utilities: Homeowner costs include the basic utilities required to keep the property heated and operational.

Condo fees: Homeowners in condominium communities typically contribute a monthly fee plus periodic assessments to support the maintenance and management of common areas and the overall premises outside their unit.

Translating sale price to monthly cost. Even setting aside factors such as interest rates and down payments, changes in home sales prices - especially dramatic increases - can significantly limit households' ability to access the housing options they may need or prefer. First-time homebuyers are especially impacted by rising prices because they lack access to equity in the form of a prior home that they might otherwise be able to sell into the same market and derive extra value from. Here is how example sale prices translate into typical monthly costs based on current mortgage rates, down payments, property taxes, utility costs, and related factors:

\$200,000 home costs \$1,600/month
\$400,000 home costs \$3,100/month
\$600,000 home costs \$4,550/month
\$800,000 home costs \$6,050/month

Cost of housing

Homeownership costs

Source: Zillow ZHVI 2024, Census ACS 2022 5-Year

Home type	Home price	Monthly cost
Single family	\$244,406	\$1,945
Condo	\$202,291	\$1,632

The top chart tracks the [typical market value](#) for single family homes and condos over the past several years.

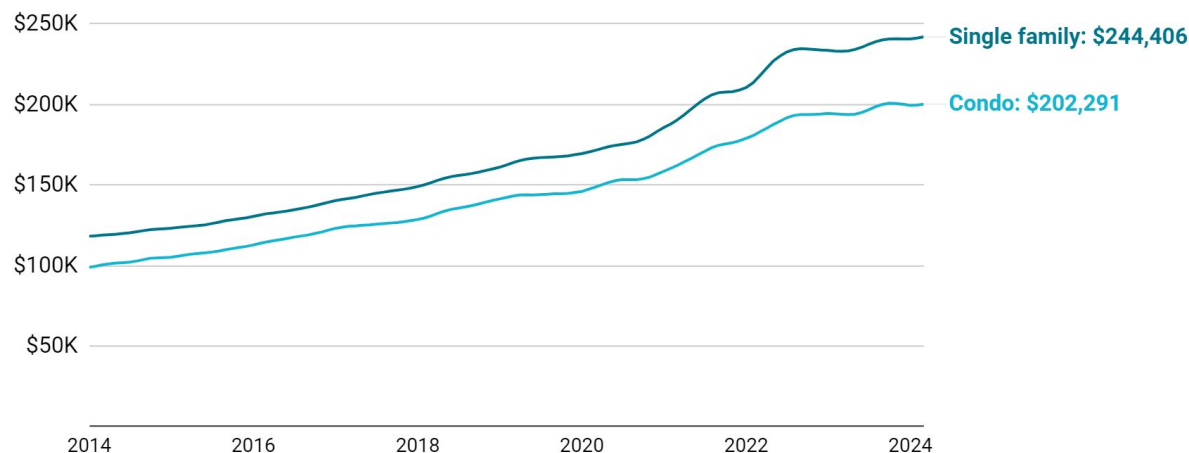
The adjacent table translates these values into monthly costs (mortgage + tax and other costs).

The bottom chart summarizes the distribution of costs across all ownership units in the area, most of which last transacted years ago.

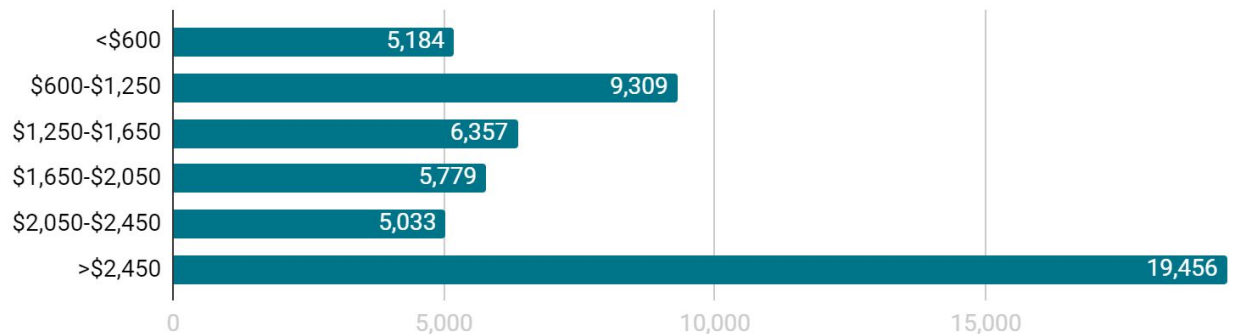
These charts reveal the difference between how much most homeowners currently pay per month (bottom) and it would cost per month to own a home purchased on today's market (top).

About 40% of Elkhart County homeowners pay below \$1,650/mo compared to the \$1,632 and \$1,945 required to afford a condo and single family on today's market.

Typical market value



Owner households by current monthly housing costs



Cost of housing

Can a household with a median income afford a median home price?

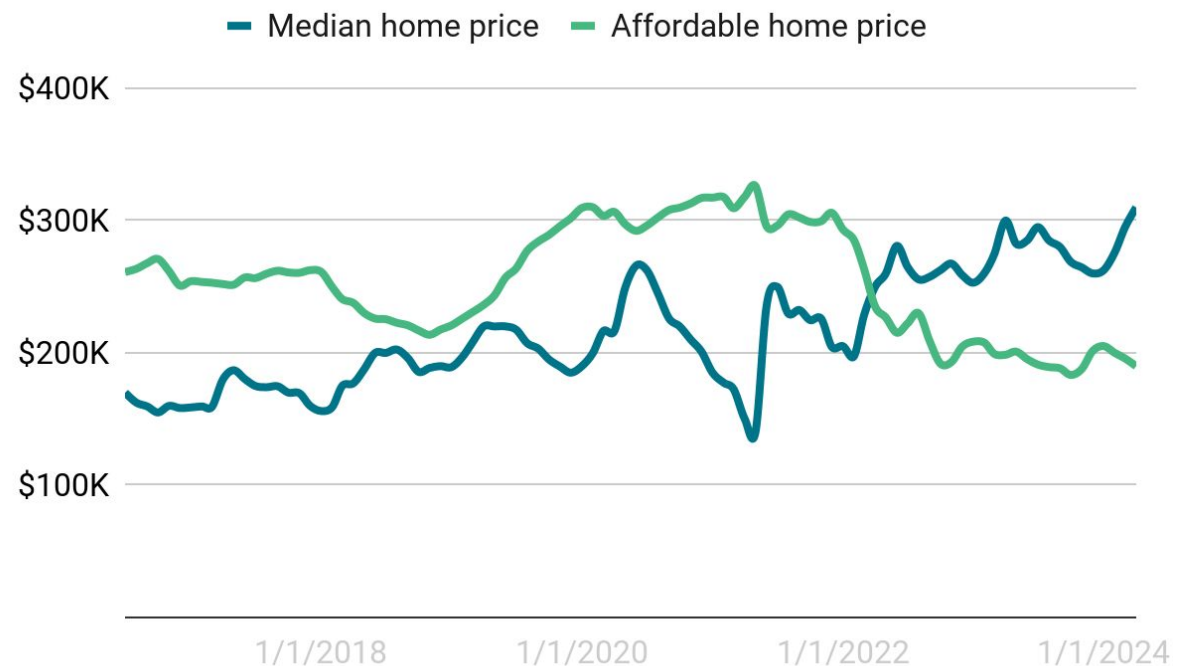
Sources: FRED Federal Bank of St. Louis; CommunityScale

This chart compares the median listing price in Elkhart County 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, and utilities.

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

Affordability is based on the county'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.

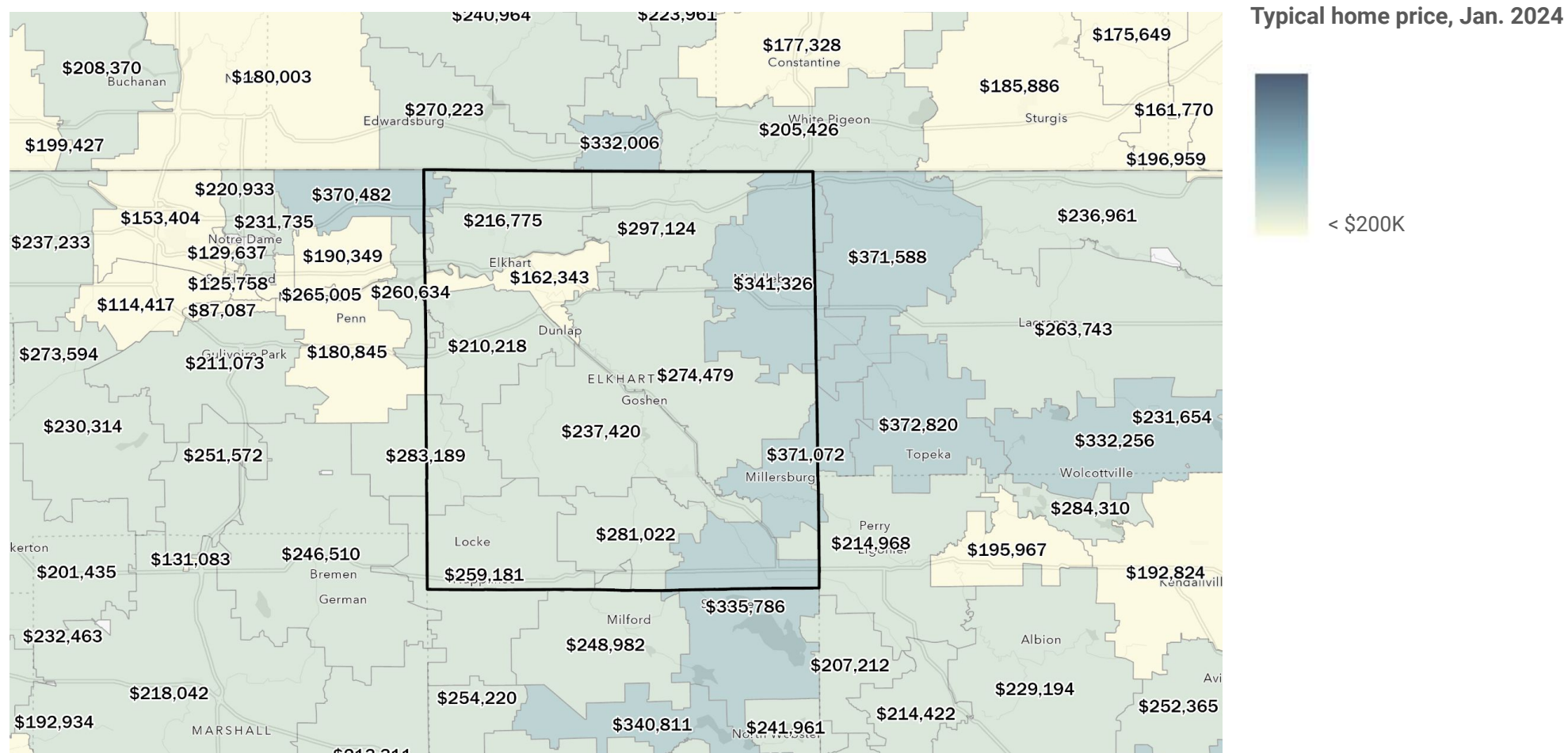


Cost of housing

Typical home prices by zip code

Source: Zillow ZHVI 2024

This map illustrates typical home prices in April 2024 by zip code across Elkhart County and surrounding areas. "Typical home price" is defined by Zillow as "the typical value for homes in the 35th to 65th percentile range."

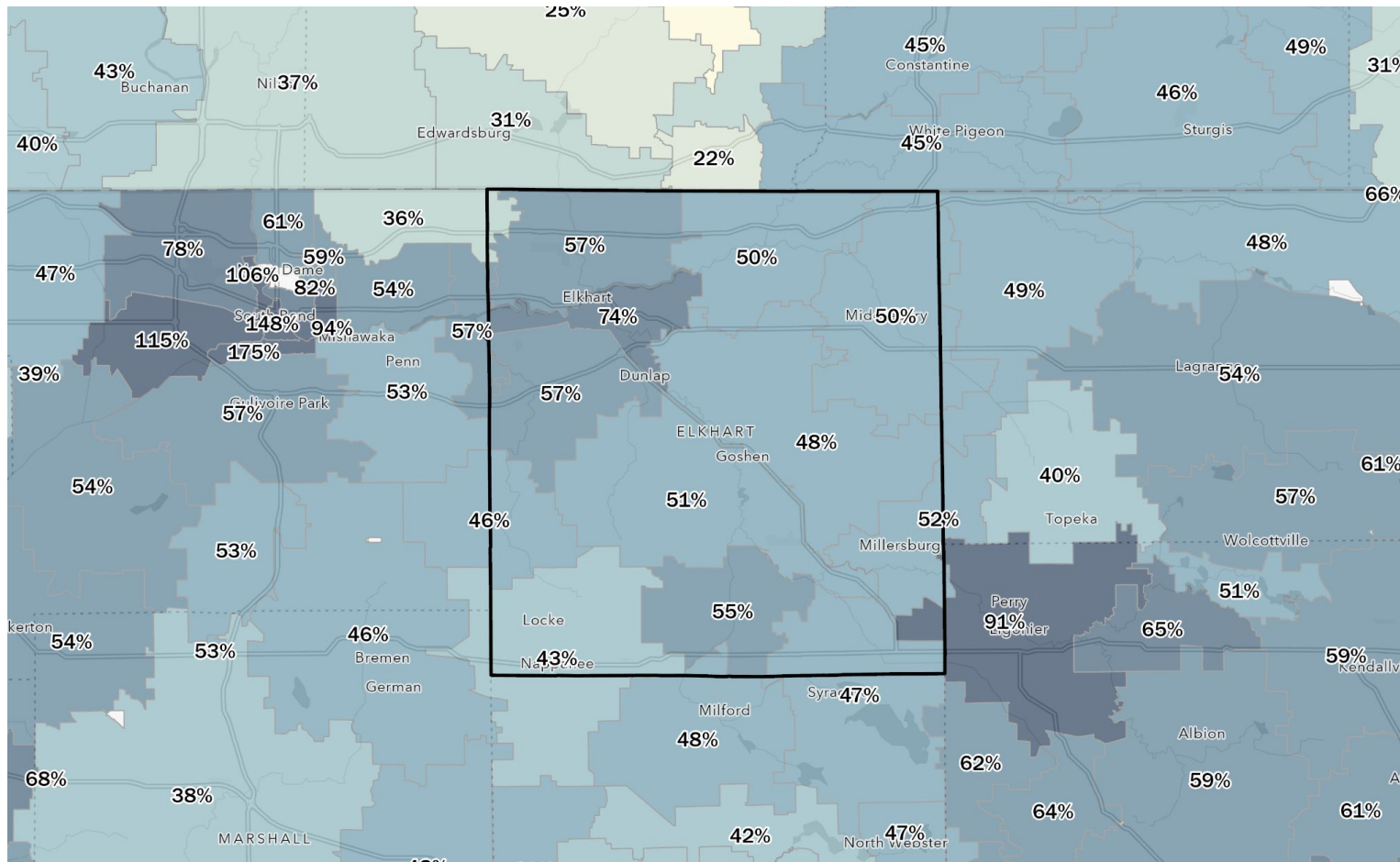


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Cost of housing

Typical home prices by zip code - Change since 2014

Source: Zillow ZHVI 2024



Cost of housing

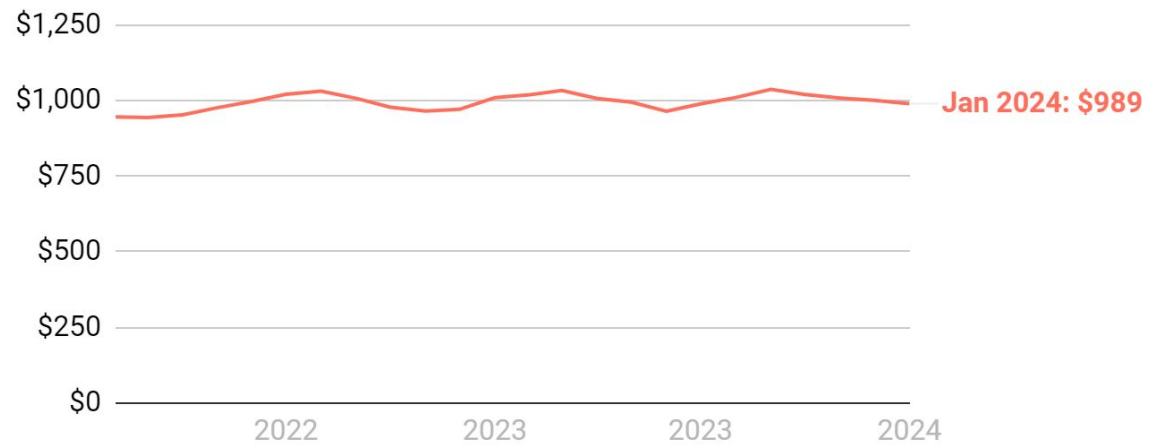
Renter costs

Source: Zillow ZHVI 2024, Census ACS 2022 5-Year

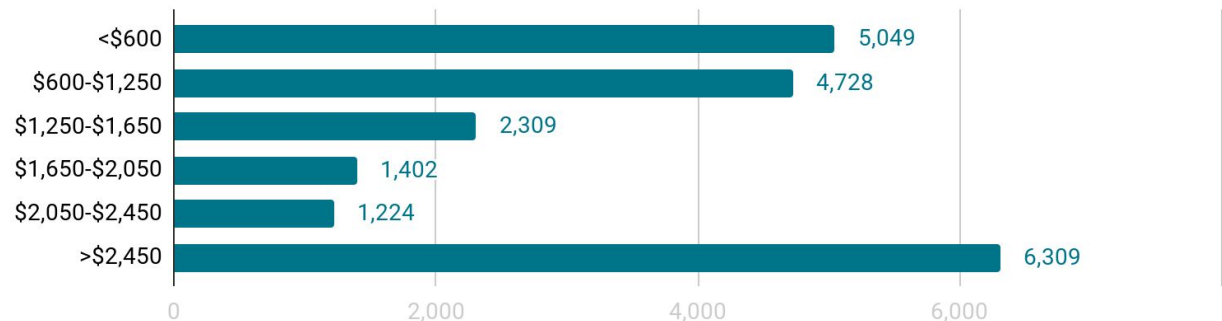
The average asking rent should be understood as the typical cost to a household signing a new lease under current conditions. In reality, because this is a single average value, actual asking rents may vary depending on characteristics such as size, location, and property features but they will collectively track along this trendline.

The costs indicated in the bottom chart include newly occupied units along with units that have been occupied for longer (and where rent may have been set at a much lower rate than today's asking price).

Average rents by month



Renter households by current monthly housing costs

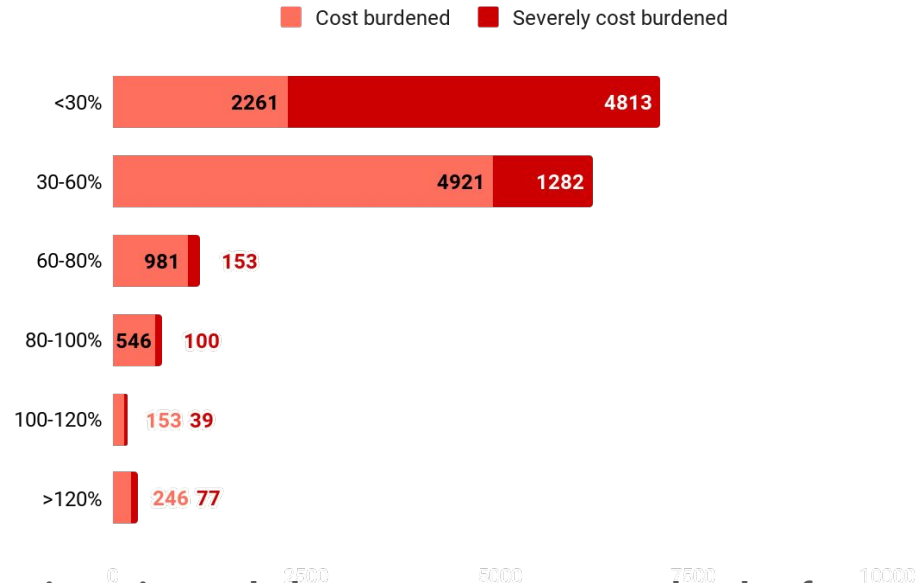


Cost of housing

Gap analysis

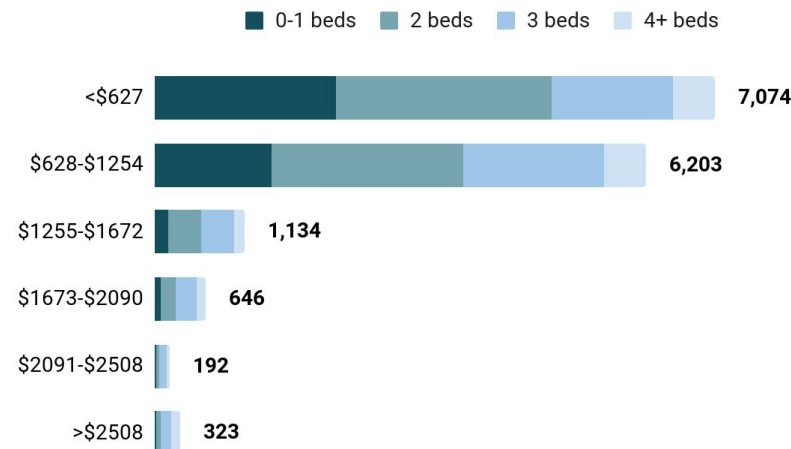
Source: US Census ACS 5-year 2022, CommunityScale

Current cost burdened residents by income



By definition, the housing needs of cost burdened households are not being met affordably by the current supply because they must pay more than 30% of their income to afford to live where they do. This can be referred to as the local housing “gap” or “shortage:” the units needed to counteract cost burden by providing a mix of units that matches the households ability to pay.

Housing mix needed to counteract current levels of cost burden



The top chart at right recalls Elkhart County’s total cost burdened households by income level in terms of AMI. The bottom chart indicates the mix of units that would meet this group’s bedroom count preferences and ability to pay. These units would, in other words, be “attainable” housing options for these presently cost burdened households.

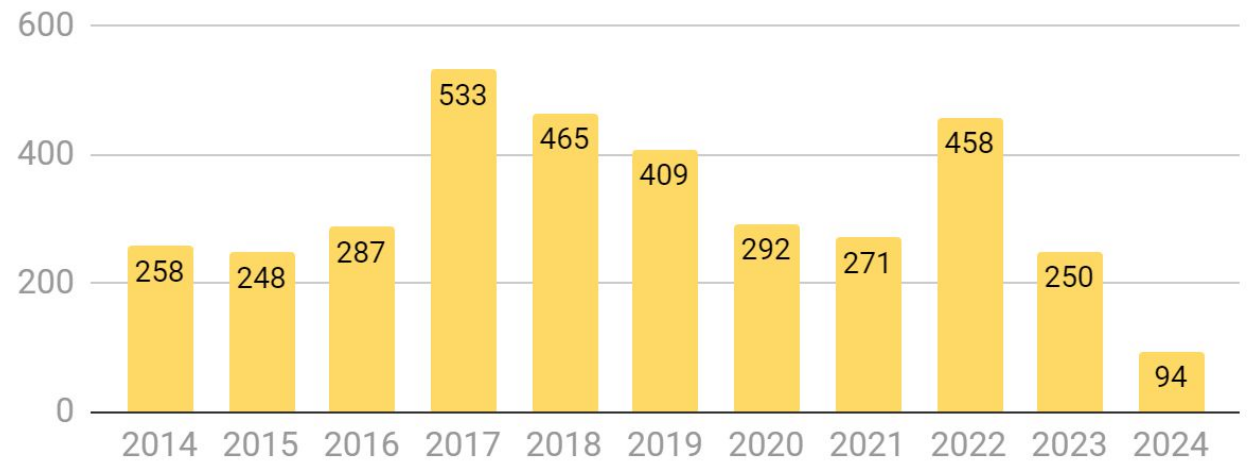
Cost of housing

Development trajectory

Source: Census Building Permit Survey

Building permitting history is a proxy for construction activity over time. Elkhart County has seen relatively consistent permitting activity over the past decade, typically between 250-500 units per year with a couple outliers.

New construction housing building permits issued by year





In order to calibrate future housing production to best meet the community's needs, two factors must be established: how many units are needed in total and what is the right mix of unit types and prices. The following section addresses each of these factors to inform recommendations that effectively meet local need and reflect the community's values and priorities.

Demand

How many units are needed? The magnitude of housing production to plan for is informed by a combination of factors, including projected household growth, existing vacancy rates, and the condition of existing housing stock. While the future might transpire differently than we expect today for reasons that cannot be anticipated now, estimating change based on these growth and market trends is an industry-standard approach to inform short- and long-term planning with reasonable confidence in the meantime.

What types of units are needed? Different segments of the market have different housing preferences which should be reflected in the future development unit mix. Parameters include unit type, size, design, amenities, and location.

How many units are needed? Sources of demand

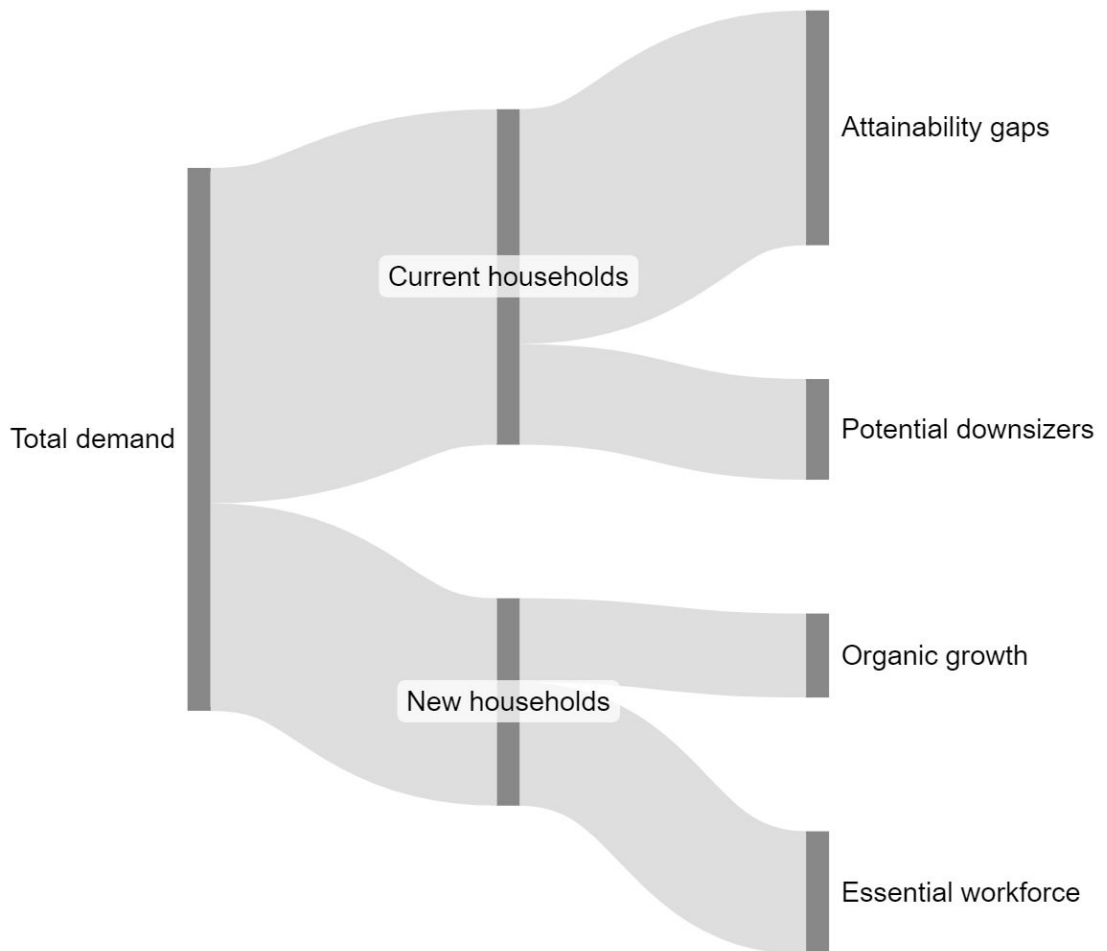
Source: Census ACS, CommunityScale

Based on the analyses contained within the People and Place sections of this report, Elkhart County’s housing demand is driven by a number of factors that include both unmet demand among existing residents and new growth among projected and potential future residents.

The following slides describe each demand driver in more detail.

Demand origin

Demand driver



How many units are needed?**Attainability gaps**

Source: Census ACS, CommunityScale

The gap analysis considers the housing mix needed to counteract Elkhart County's current levels of cost burden.

Adding units at these price points and bedroom counts would help take pressure off existing 15,572 households currently experiencing cost burden.

Housing mix needed to counteract current levels of cost burden

	0-1 beds	2 beds	3 beds	4+ beds	Total
<\$627	2,296	2,723	1,532	522	7,074
\$628-\$1254	1,477	2,426	1,774	526	6,203
\$1255-\$1672	187	400	415	133	1,134
\$1673-\$2090	91	174	278	102	646
\$2091-\$2508	19	54	83	36	192
>\$2508	19	61	128	115	323
Total	4,089	5,838	4,211	1,434	15,572

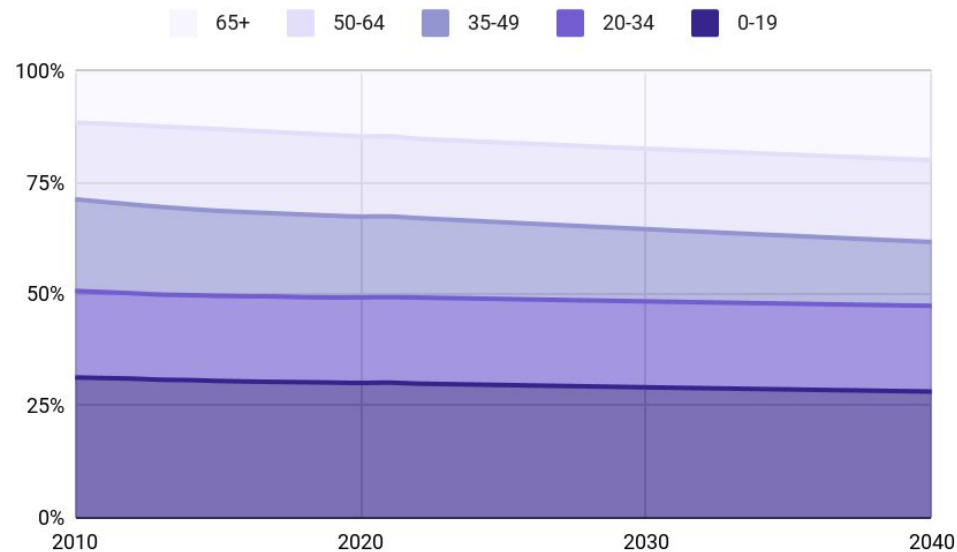
How many units are needed?

Downsizing seniors

Source: Census ACS, CommunityScale

Elkhart County’s seniors currently comprises a modest portion of the total population but this share is expected to grow over the next 10 years. Most of these seniors live in relatively large units of 3 or more bedrooms.

Given changing housing preferences and needs as people age, it is likely a portion of these senior households will explore downsizing options such as a smaller, accessible unit with fewer bedrooms located in a walkable location. If 3% of these households sought new units to downsize into each year, the county would need to add 5,361 units appropriate for seniors over the next 10 years.



65+ households of 1-2 people in 3+ bedroom units	17,869
Potential annual downsizing rate	3%
10 year downsizers (and units needed to accommodate them)	5,361

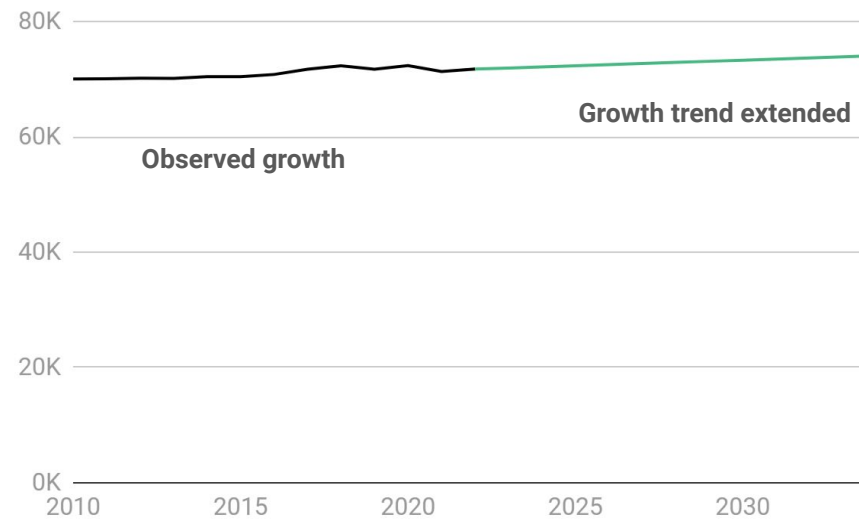
How many units are needed?

Projected household growth

Source: Census ACS, CommunityScale

Recent trends suggests Elkhart County should expect to grow by 1,936 new households over the next 10 years. This trajectory provides the baseline driver for the housing production target on the following pages.

Household growth projection to 2034



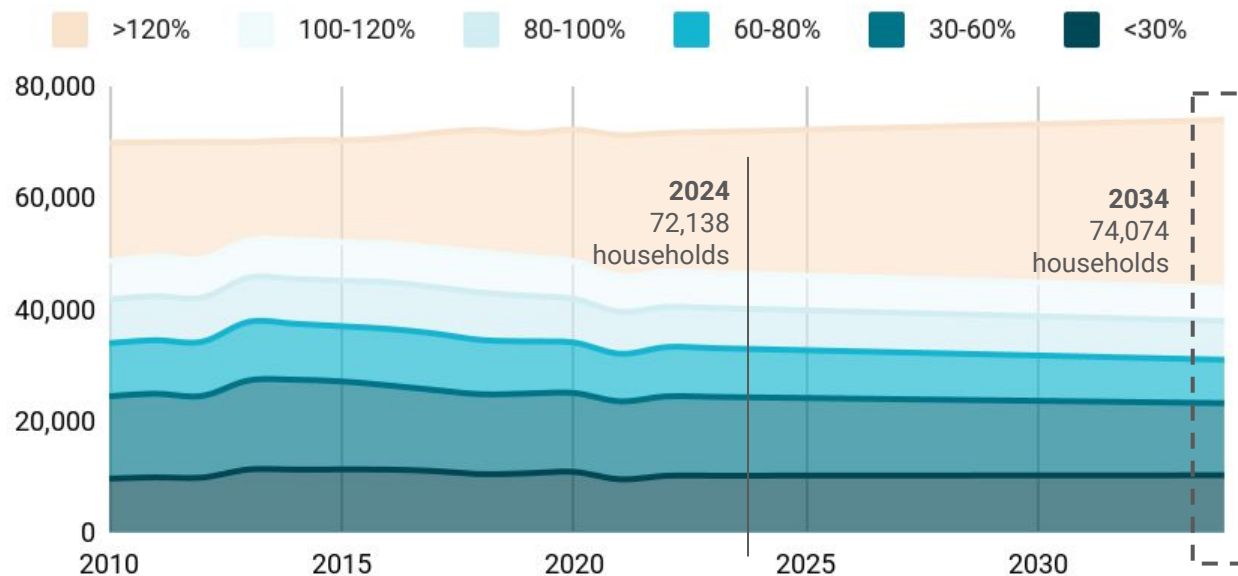
Year	Households	Net new since 2024
2010	70,035	-
2015	70,439	-
2020	72,363	-
2024	72,138	-
2029	73,107	969
2034	74,074	1,936

How many units are needed?

Projected household income distribution

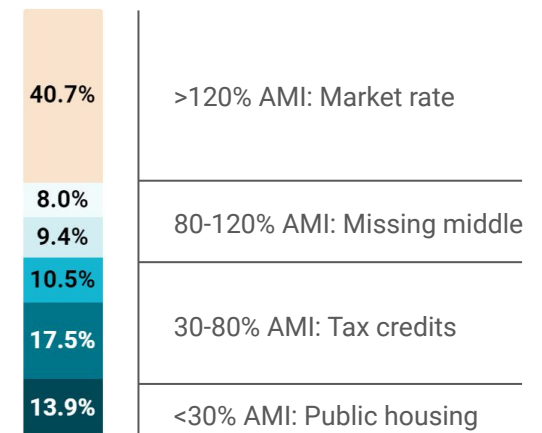
Source: CommunityScale

Projected growth by household income



Projected household growth income mix

2034



Income (AMI)	2024 households		2034 households	
<30%	10,233	14.2%	10,310	13.9%
30-60%	14,036	19.5%	12,938	17.5%
60-80%	8,665	12.0%	7,791	10.5%
80-100%	7,181	10.0%	6,952	9.4%
100-120%	6,258	8.7%	5,924	8.0%
>120%	25,765	35.7%	30,159	40.7%
Total	72,138		74,074	

The distribution above summarizes the income mix expected from new household growth over the next decade based on recent trends. However, available housing supply and subsidy programs may not ultimately accommodate growth with this income mix.

How many units are needed?

Target projection into unit count: Housing projected growth

Source: ACS 5-Year, 2022; CommunityScale

To meet the trends extended growth projection, Elkhart County would need to add 2,335 housing units over the next decade. This

production target combines demand driven by net household growth as well as other factors detailed at right which also contribute to maintaining a suitable housing supply over time.

The community could also choose to exceed this production target and add more units than its recent growth trends suggest are required. For example, supplemental units could be targeted to specific underserved income segments whose needs might not be fully met by the target above.

Household growth: 1,936

Forecasted from 2024 to 2034

Overcrowding adjustment: 0

Local rate of 2.5% is below than the national average of 3.4%

Replacement housing: 399

0.05% of the housing stock is replaced annually

Vacancy adjustment: 0

Local rate of 11.2% is above the healthy market minimum of 5%

Substandard adjustment: 0

Local rate of 0.2% is below the national average of 0.4%

Total units needed: 2,335

To keep up with growth and maintain a healthy housing stock

Regardless of growth prospects, every local market should maintain sustainable vacancy rates and offer hospitable housing stock to best serve community residents. Some supplementary housing production is often necessary to keep each of these indicators in a healthy range:

Organic household growth: Overall forecast over future planning horizon.

Overcrowding adjustment: Overcrowding is measured by >1 occupant/room. Often related to vacancy rate, the degree to which supply limitations drive households to occupy under-sized units.

Replacement housing: 0.05% of the housing stock is replaced annually, which includes uninhabitable or obsolete units requiring replacement.

Vacancy adjustment: Vacancy is the “slack” in the housing market (too low and prices can spike, too high and neighborhoods can suffer blight)

Substandard adjustment: Substandard housing is measured by incomplete plumbing or kitchen. It is the portion of units that are functionally inadequate.

How many units are needed?

Workforce housing

Sources: StatsIndiana 2022

As a regional employment hub, Elkhart County contains more jobs than housing units. About 77.5% of the people working in Elkhart County live in the County as well. While many of the workers who commute into the city simply choose to live somewhere else, a portion of these workers may prefer to live in the County if the right housing options were available. Increasing the rate of local workforce living in Elkhart County by 5 percentage points by 2034 would require providing 7,944 additional households.

“Workforce housing” is typically considered affordable to 80-120% AMI, a segment of the population vulnerable to displacement if they cannot find adequate and affordable housing, including police, firefighters, teachers, skilled nurses, and municipal employees.

Workforce housing target

Jobs in Elkhart County	158,882
Jobs held by Elkhart County residents	131,586
Work in Elkhart County, live elsewhere	35,795
Live in Elkhart County, work elsewhere	8,499
Live and work in Elkhart County	123,087
Portion of local workforce that also lives locally	77.5%
Desired portion by 2034 (5% points increase)	82.5%
Additional workforce households by 2034	7,944

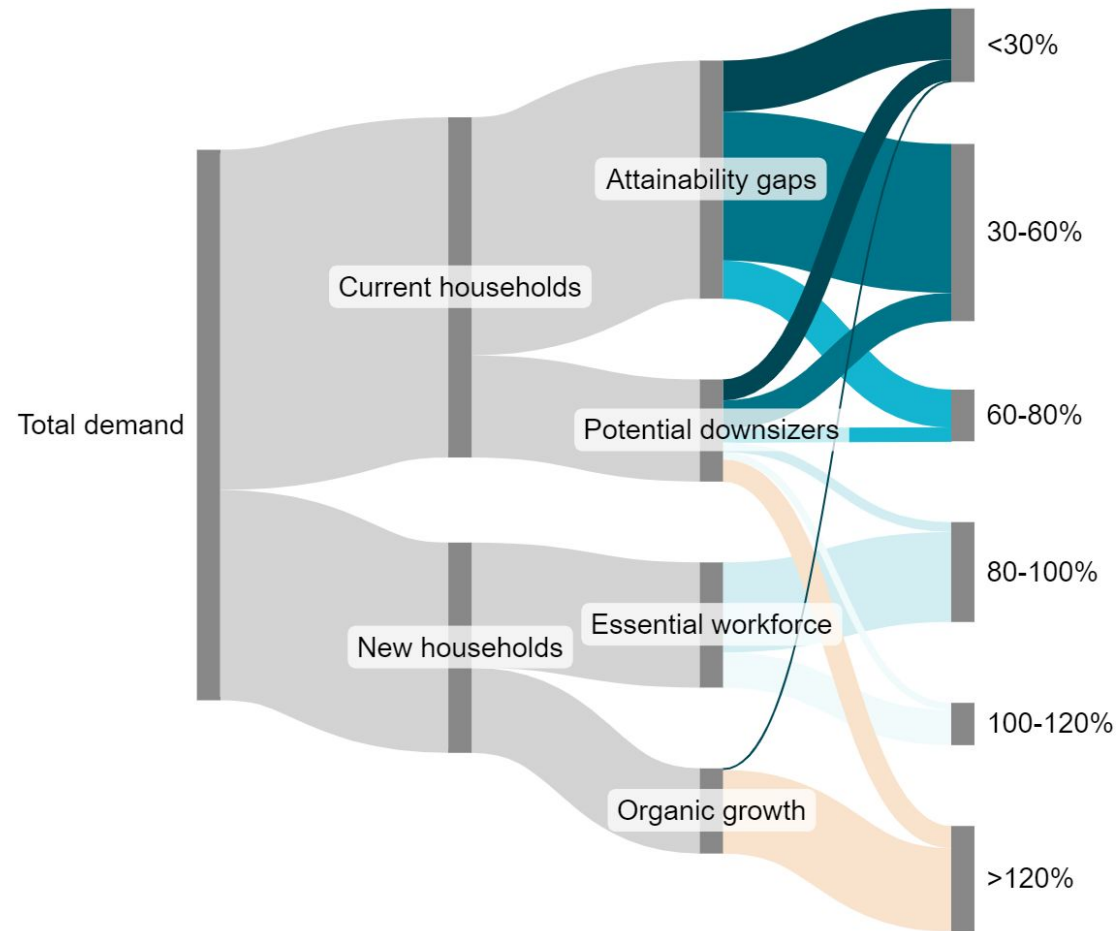
How many units are needed?

Total demand by income

Sources: Census ACS 2022 5-Year; CommunityScale

The table below and chart at right illustrates how Elkhart County's 10-year housing demand translates into household income levels.

While this distribution reflects expected demand over the next 10 years, it does not necessarily coincide with the housing production target in the following Results section. Housing for each income level requires a different set of policies, programs, and subsidies to build. In many cases, there simply is not enough capacity to meet the full demand right away.



AMI	Total demand (units)
<30%	7,151
30-60%	6,203
60-80%	1,697
80-100%	5,989
100-120%	2,463
>120%	5,812
Total	29,316

What types of units are needed?

Meeting demand: Today's general housing preferences

Sources: CommunityScale

This and the following slides summarize current trends and housing preferences that should be considered when programming and designing housing to best meet demand.

Household structures have changed significantly since much of Elkhart County'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.

Smaller units: Fewer bedrooms for smaller households.

Parking optional: Enabling a car-free or car-lite lifestyle.

Roommate-ready: Accommodating non-family households.

Green building: Efficient, low-impact design and systems.

Multigenerational: Space for adult children or elderly parents.

What types of units are needed?

Meeting demand: Workforce housing

Sources: CommunityScale

“Workforce housing” is typically oriented to middle-income households that often consist of singles, couples, or young families. Jobs typically attributed to this group include public safety officers, educators, municipal employees, skilled nurses, and other occupations that often require some level of higher education and pay wages equating to 80-120% AMI.

Moderate cost for families: Workforce families can afford units that cost \$1,700 - 2,500 per month.

Lower cost for singles: One-person workforce households cannot afford as much as dual-earner families.

Not too many bedrooms: Workforce-oriented housing should include mostly 0-2 bedroom units.

Well-maintained: Workforce can afford rent/mortgage but large capital costs can be destabilizing.

Near job centers: Households can save money by living close to work and commuting without a car.

What types of units are needed?

Meeting demand: Senior housing

Sources: CommunityScale

Many people 65 and older explore transitions to housing units that allow them to age-in-place, offering accessible design, enabling lower-cost living, and supporting an active, community-oriented lifestyle.

While some seniors are attracted to purpose-built, age-restricted housing developments, others prefer housing in more conventional settings that is designed or retrofit to accommodate aging people.

Universal design: Accommodating to people with limited mobility.

Low maintenance: Less space and less work to keep up.

Energy efficiency: Lower utility costs affordable on fixed income.

Accessible: Single-level with ADA-compliant doors, baths, etc.

Social: Designed and located to promote an active community life.

What types of units are needed?

Meeting demand: Downtown living

Sources: CommunityScale

Recent years have seen growing demand for housing in walkable, downtown or compact neighborhood environments. This can include both dense urban places as well as small town downtowns. Increasingly, the most desirable and competitive housing markets are those with access to the qualities and amenities of a downtown environment within walking distance.

Walkability: More daily needs and wants accessible on foot.

Transit: Close to bus lines and train connections.

Amenities: Near restaurants, shops, and cultural destinations.

Services: Access to health and community services without a car.

Activity: Located in a lively and vibrant neighborhood.

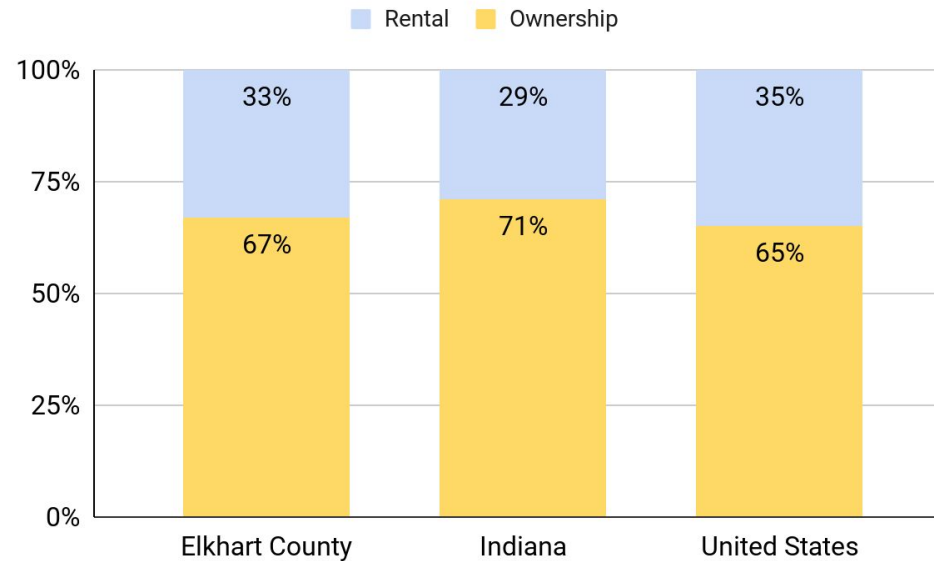
What types of units are needed?

Meeting demand: Homeownership

Sources: Census ACS 2022 5-Year; CommunityScale

Elkhart County has a lower rate of homeownership than the rest of the state but higher than the national average. While it is important to maintain a significant rental housing supply to provide options for people not interested in or ready to buy, a majority of people prefer homeownership for at least certain periods of their lives, such as starting and raising a family.

The Elkhart County community has expressed interest in stronger pathways to homeownership, especially among middle-income households. Adding more ownership units will contribute to this goal, along with other support such as financial assistance to overcome high down payment and financing costs.



What types of units are needed?

Meeting demand: Structure type

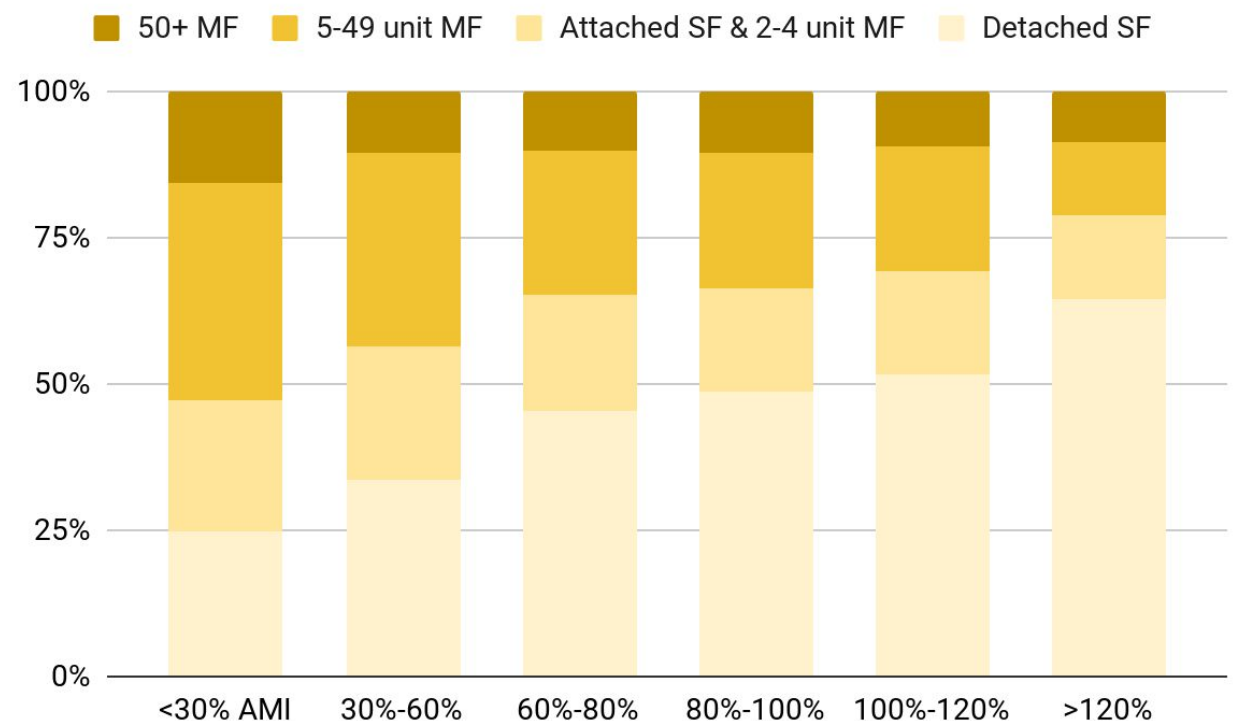
Sources: Census ACS 2022 5-Year; CommunityScale

Given the variety of housing structure types available, it is important to consider how demand is distributed across the primary categories. The chart at right provides this breakdown by income to illustrate the variation in structure type demand from low-income to high-income households.

In general, lower-income households are more likely looking for multifamily and attached single family options whereas higher-income households are more likely looking for detached single family.

Importantly, however, there is significant demand for all structure types at all income levels, suggesting a full range of options are needed across price points.

Housing demand by structure type and income level



Denser housing types such as large multifamily developments are most suitable in and near downtowns and near employment centers. Smaller multifamily and attached single-family are suitable in most locations, such as in and around downtowns and as infill development within neighborhoods.



This section translates the People, Place, and Demand sections into a recommended housing production mix optimized to respond to local need and meet projected new demand in line with the community's values and priorities for the future.

Results

Housing production target. Based on the housing needs assessment analysis and the community's stated housing policy goals and priorities, the housing production target summarizes the new housing units the community should plan for, organized by cost, bedroom count, and tenure (rent/own).

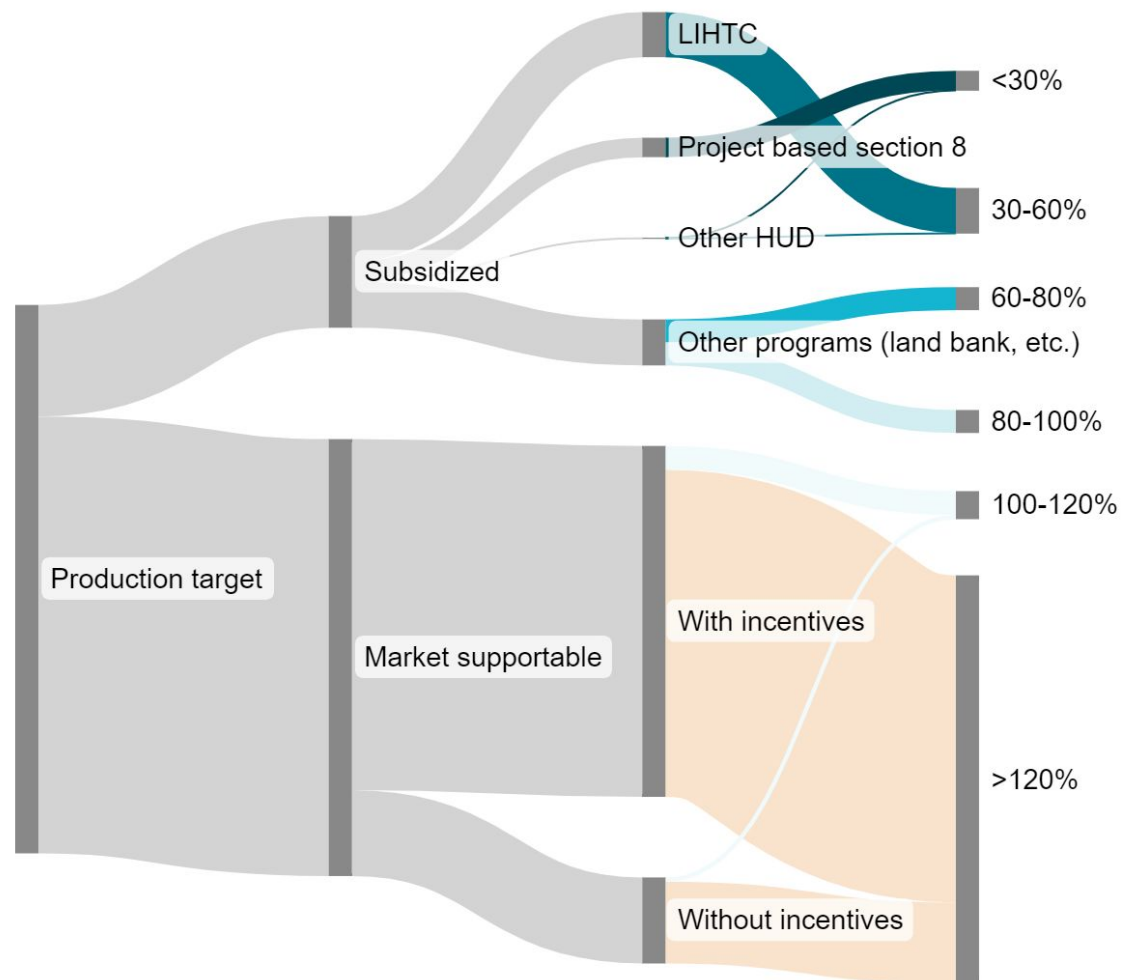
Housing production target

Development capacity and funding availability

Sources: Census ACS 2022 5-Year; CommunityScale

Though informed by the demand analysis, Elkhart County’s housing production target calculation is constrained by factors of development feasibility. For example, regardless of need or demand, the production rate of subsidized units is limited by annual federal, state, and local funding availability. And the market-supportable housing production rate is limited by the realistic annual capacity of local and regional developers. Mixed-income housing represents a blend of these factors and so is similarly governed in its production rate.

The chart at right illustrates how Elkhart County’s production target subdivides by subsidy and market pathways based on these constraints which tend to limit low income housing much more than market-rate.



Housing production target

10-year housing production target by income and financing model

Sources: Census ACS 2022 5-Year; CommunityScale

Regardless of overall need or demand, only a limited number of units can realistically be built each year. The housing production target detailed at right combines the demand analysis with estimates of the practical limits of applicable subsidy programs (i.e. how many units each program typically supports each year) and development industry capacity (i.e. how many units developers have collectively proven able to produce each year) for quantities that are ambitious but also achievable.

In spite of these practical constraints, accelerated housing production is possible with strong leadership, political will, increased resources, and community support. This production target should be considered a goal that is meant to be exceeded.

AMI	Subsidized				Market-supported		Total
	LIHTC	Project based section 8	Other HUD	Local programs	With incentives	Without incentives	
<30%	0	84	3	0	0	0	87
30-60%	685	0	3	0	0	0	688
60-80%	0	0	0	250	0	0	250
80-100%	0	0	0	250	0	0	250
100-120%	0	0	0	0	1,675	296	1,970
>120%	0	0	0	0	3,720	930	4,650
	685	84	5	500	5,395	1,226	7,895

The table above references several programs and development models, including:

- **LIHTC:** Low-Income Housing Tax Credit, a major source of funding for affordable housing, typically targeting the 60% AMI level and often a component of mixed-income developments.
- **Project-based Section 8:** A HUD program issuing vouchers to developers that underwrite part of the cost of units provided to low income households.
- **Other HUD:** A group of other HUD programs serving specific groups such as seniors and people with disabilities.
- **Local programs:** A representation of the local and regional programs either in place or proposed, such as land banks which fill the often under-resourced middle-income tiers.
- **Market-supported:** Development that does not rely on subsidy, though often public-sector support is still needed to achieve meaningful scale, such as through incentives like public-private partnerships (ex. publicly granted land or infrastructure) and inclusionary zoning (i.e. granting extra density, fee waivers, and other allowances in exchange for a portion of affordable units).

Housing production target

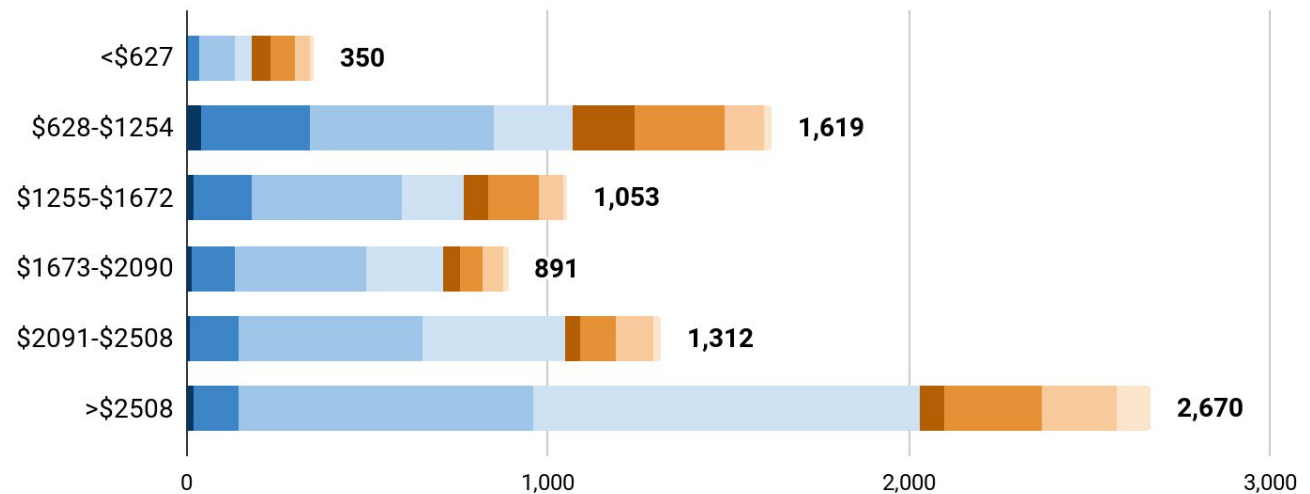
10-year housing production target by cost, bedroom count, and tenure

Sources: Census ACS 2022 5-Year; CommunityScale

Production target by tenure, bedroom count and cost

Monthly cost	Own 0-1	Own 2	Own 3	Own 4	Rent 0-1	Rent 2	Rent 3	Rent 4+	
<\$627	4	29	99	47	52	67	42	11	350
\$628-\$1254	37	303	510	219	170	249	108	23	1,619
\$1255-\$1672	18	164	416	171	67	137	69	12	1,053
\$1673-\$2090	15	120	363	215	46	61	57	13	891
\$2091-\$2508	10	134	510	395	42	96	103	21	1,312
>\$2508	16	126	816	1,070	71	267	210	93	2,670
	101	875	2,714	2,116	448	877	590	172	
			Total own	5,807			Total rent	2,088	7,895

The two colored charts translate Elkhart County’s 10-year production target into a unit mix by cost, bedroom count, and tenure (rent/own). The table below converts monthly cost into approximate purchase price and rent after accounting for other housing costs like utilities and taxes.



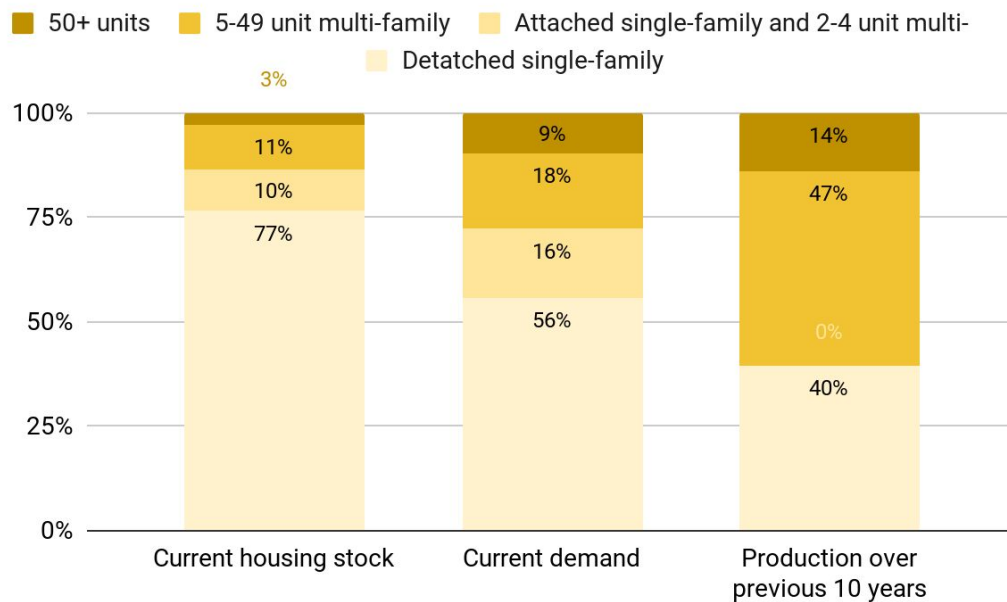
Monthly cost	Max price	Max rent
<\$627	\$53,053	\$504
\$628-\$1254	\$124,799	\$1,108
\$1255-\$1672	\$172,629	\$1,510
\$1673-\$2090	\$220,460	\$1,912
\$2091-\$2508	\$268,176	\$2,314

Housing production target

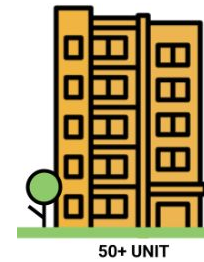
Calibrating housing production by structure type

Sources: Census ACS 2022 5-Year; CommunityScale

Comparing supply, demand, and recent development by type



The chart above illustrates the difference between the current housing stock and current household demand in terms of housing structure types. Differences between the two indicate misalignments between supply and demand that new production should be calibrated to address. Production over the previous 10 years is included in the current housing stock count but also reveals the degree to which recent development patterns might or might not be trending toward closing gaps between supply and demand.



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



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



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



Detached single family: Significantly more supply than demand, does not need to be the primary component of future production.