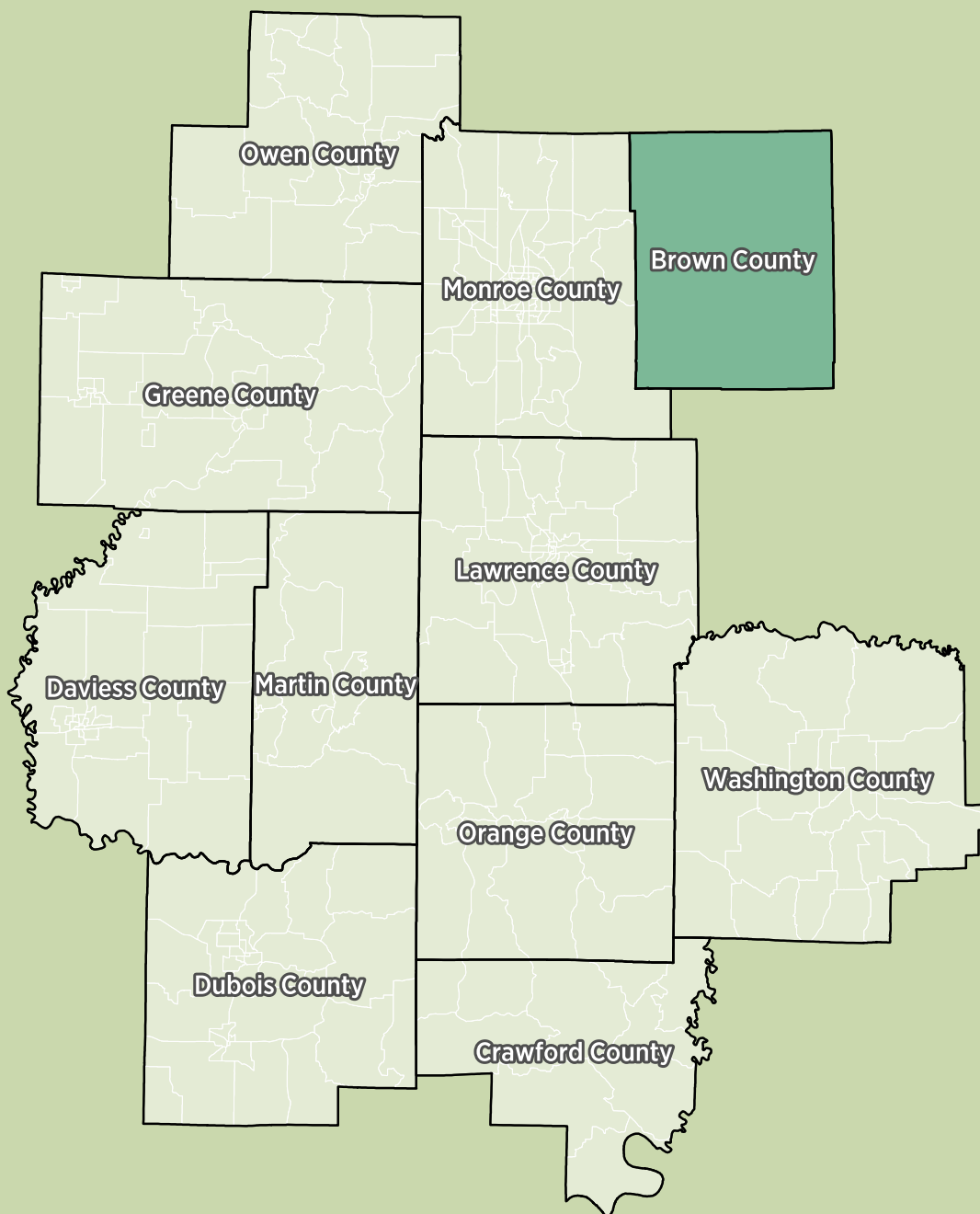


ADDENDUM 2.A

BROWN COUNTY

This section provides an updated overview of the issues and opportunities related to housing within Brown County as of 2021. It builds upon the findings of the previous study and takes into account changes and developments that have occurred in the housing market since the last study was conducted in 2019.

To access details from the 2019 Regional Profile Section visit regionallopportunityinc.org/housing.



Population Characteristics

Historic Trends. Brown County has experienced strong population growth since 1960, shown in Figure A.1.

- The county has added 8,451 residents with an average annual growth rate of 1.33% from 1960-2000;
- Since the 1980s, growth rates have steadily declined, reaching a 60 year low in the last decade at 0.15% annual growth.

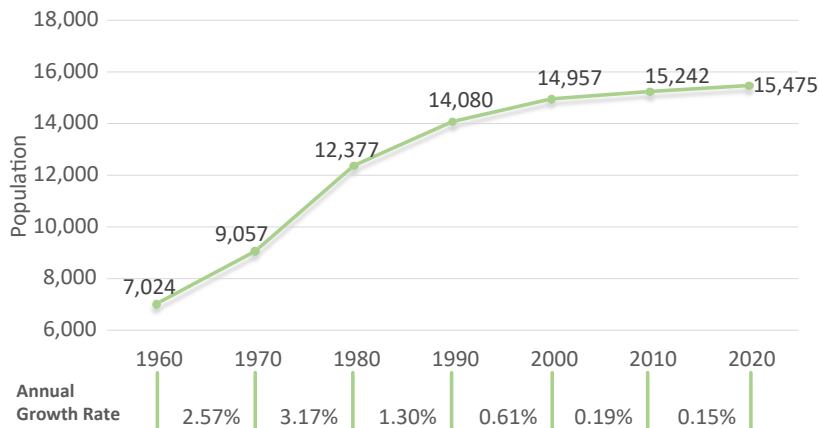
Predicted vs Actual. Overall, Brown County saw an in-migration of residents with 839 more residents than predicted.

- In-migration occurred among those in their family years, supported by the large difference between predicted and actual population of residents under the age of 15.
- Empty-nesters and young retirees also appear to be attracted to the county. These cohorts likely have the income or net worth to afford some of the higher value housing.
- Those between 20 and 34 are likely finding it harder to afford housing.

Growth is Forecasted to Continue. Based on historic growth rates and current trends, three population projection scenarios were developed for Brown County (see Figure A.3).

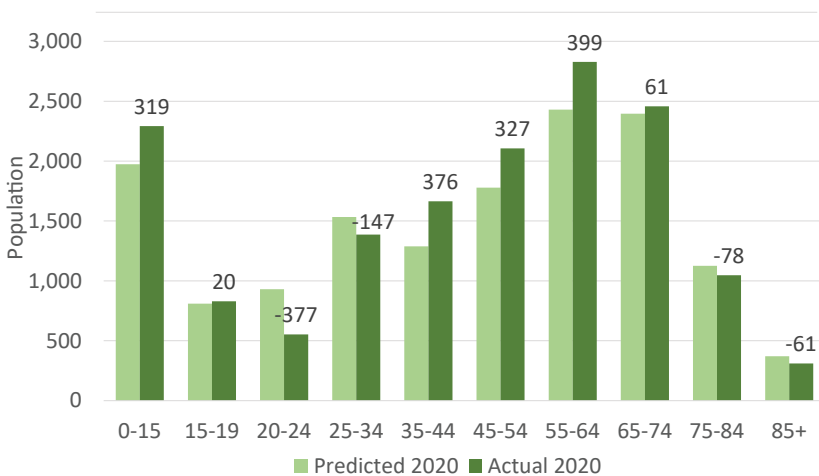
- The rates include natural growth, which assumes no migration into the county, and the growth rates that occurred between 1990 and 2020 (0.32%) and 2010 and 2020 (0.15%).

FIGURE A.1: Historic Population Change



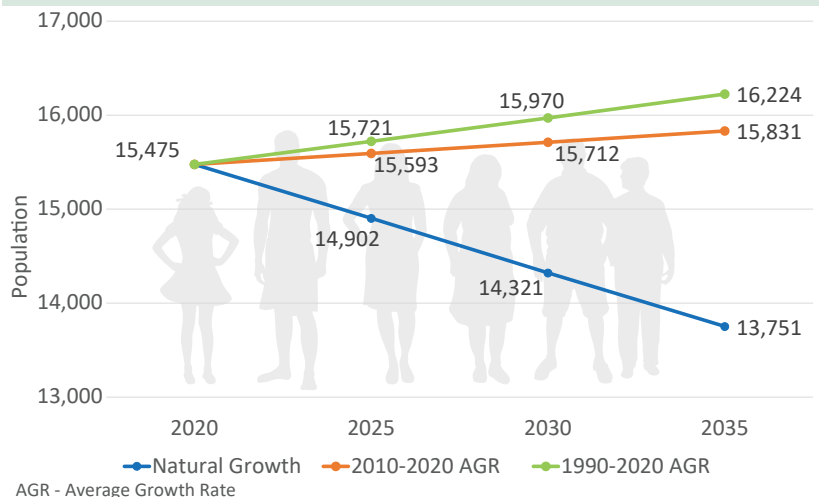
Source: 2020 US Census Bureau; RDG Planning & Design

FIGURE A.2: 2020 Predicted vs Actual Population



Source: 2020 US Census Bureau; RDG Planning & Design

FIGURE A.3: Future Growth Rate Scenarios



Source: 2020 US Census Bureau; RDG Planning & Design

Economic Characteristics

Industry Breakdown. Figure A.4 illustrates the percent of residents employed by industry regardless if they are employed in the county:

- Manufacturing is the largest employer in 2021 (17.8%), switching positions with Educational Services, Health Care, and Social Assistance (16.0%), the largest employer in 2019.
- Retail Trade (12.4%) and Construction (11.6%) are the next largest employers.

Commuting Patterns. Figure A.5 illustrates where employees and residents are living and working.

- Given the proximity to larger job centers, Brown County still has a large number of out-commuters, 3,718 (3,354 in 2019). Residents commute to Bartholomew, Marion, Johnson, Monroe, and Morgan counties. (31.1% of Brown County's labor force)
- Within Brown County, Nashville remains the job center for the county.

Household Income. Figure A.6 provides an overview of the county's estimated household incomes.

- Brown County's median household income remains the highest in the region. This is driven by households outside of Nashville, which has one of the lowest median household incomes in the region.
- The local workforce that lives in Nashville likely struggles to afford housing in one of the most expensive markets in the region.

FIGURE A.4: Employment By Industry

Manufacturing 1,311 17.8%	Educational Services, Health Care, Social Assistance 1,176 16.0%	Retail Trade 914 12.4%	Construction 850 11.6%	Entertainment, Recreation, Arts, Accommodation, Food Services 672 9.1%
Public Administration 541 7.4%	Professional, Scientific, Management, Administration 478 6.5%	Finance, Insurance, Real Estate, Rental & Leasing 438 6.0%	Transportation & Warehousing, Utilities 354 4.8%	Other Services, Except Public Administration 334 4.5%
Wholesale Trade 107 1.5%	Agriculture, Forestry, Fishing, Hunting, Mining 85 1.2%	Information 88 1.2%	Civilian employed population 16 years and over 7,348	

Source: 2021 American Community Survey (5-Year Estimates)

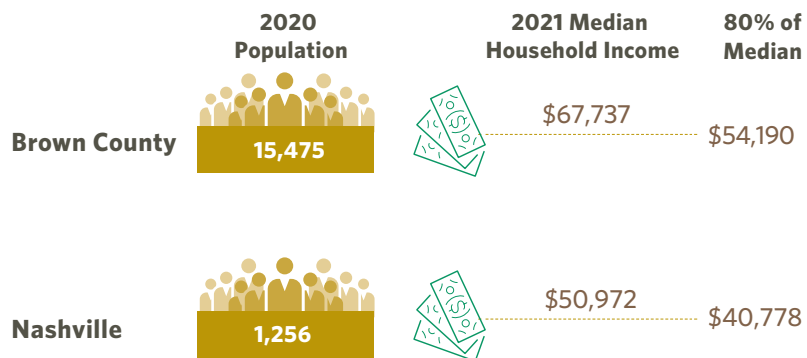
*Number represents the number of people employed within the industry, percentage represents share of all workers within the industry

FIGURE A.5: 2021 Commuting Patterns



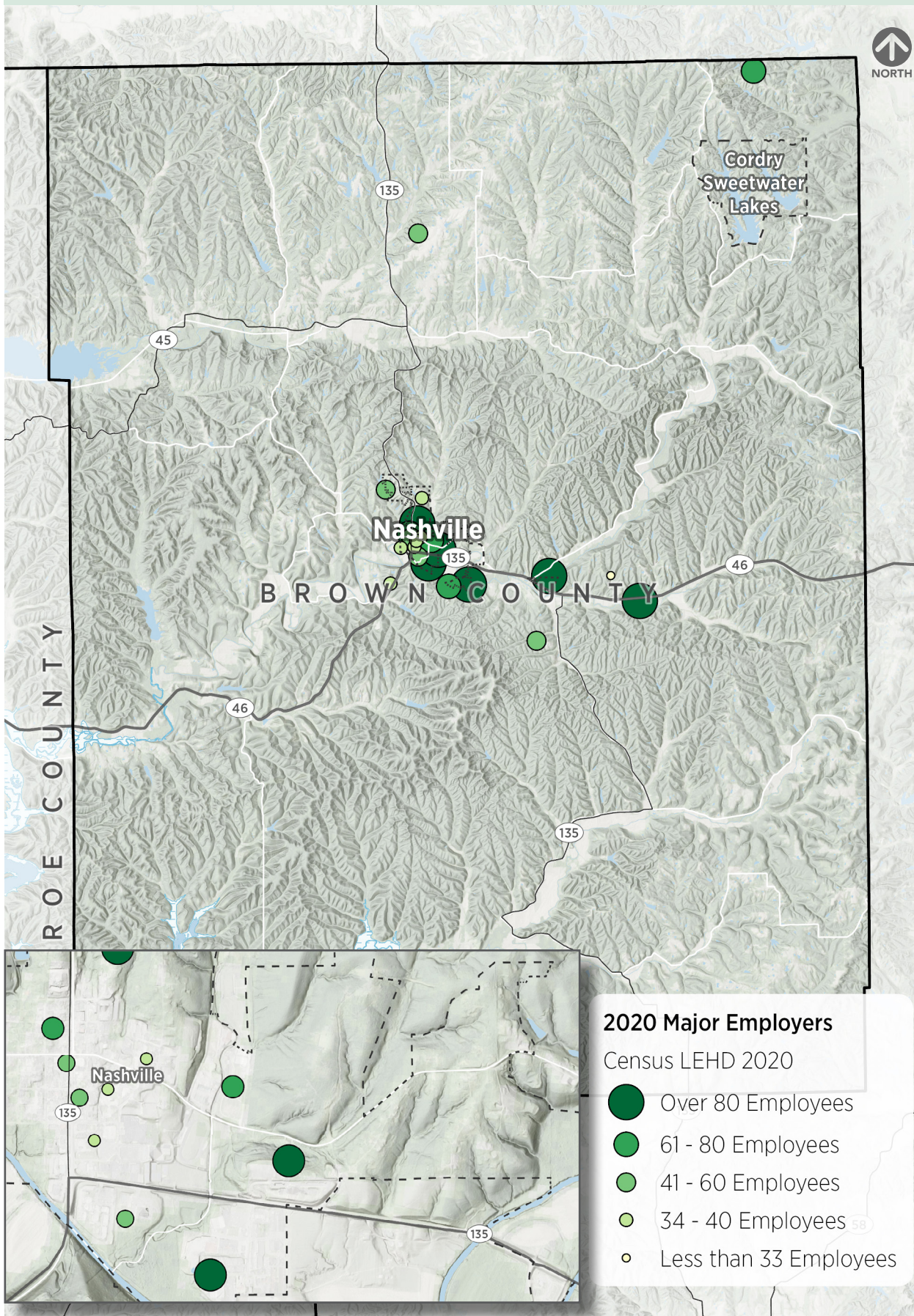
Source: 2021 STATS Indiana

FIGURE A.6: Household Income



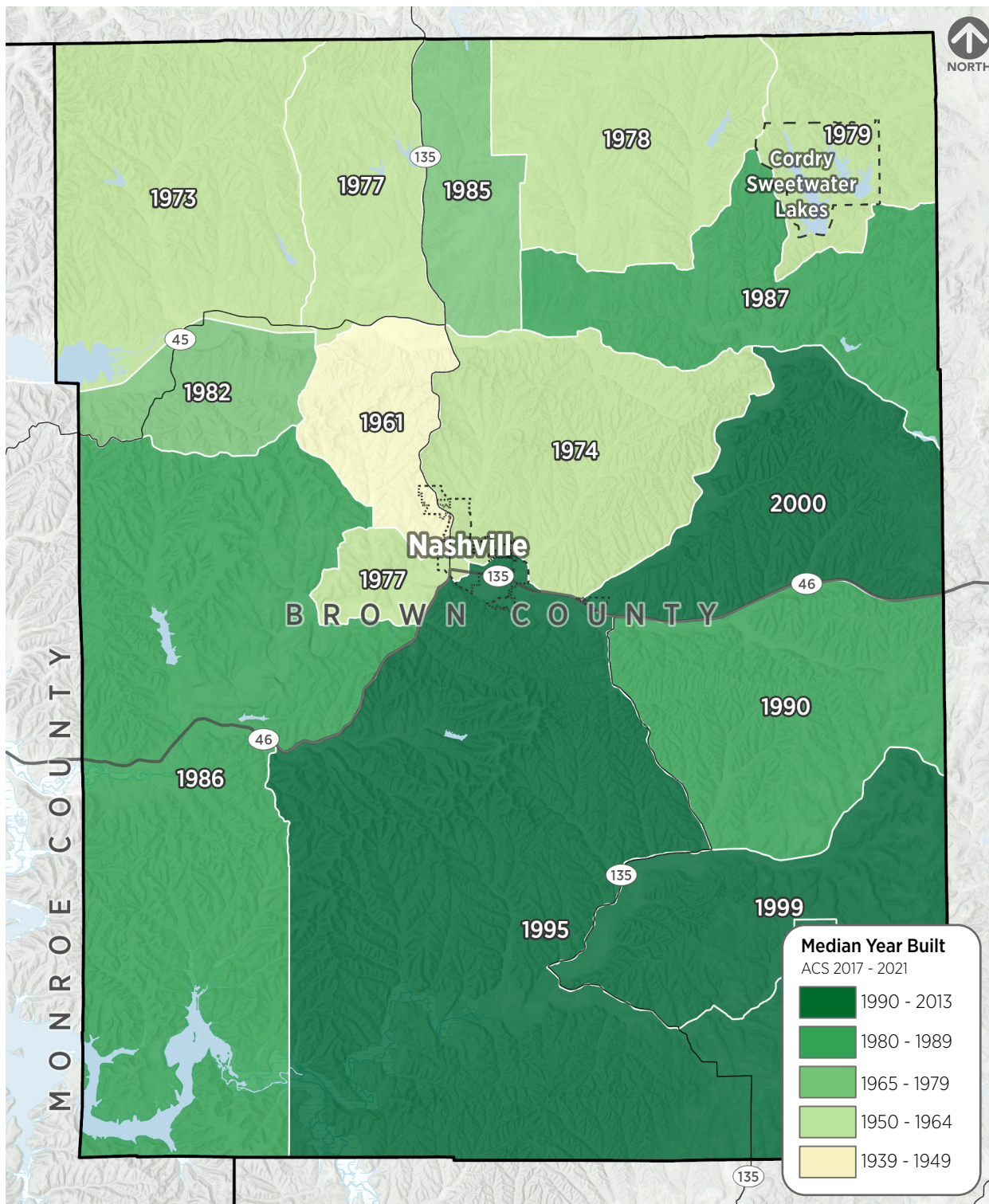
Source: 2021 American Community Survey (5-Year Estimates)

Map A.1: Employers by Size (25 Largest Employers)



Source: 2020 Census Longitudinal Employer-Household Dynamics (LEHD)

Map A.2: Median Year Residential Structure Built



Source: 2021 American Community Survey (5-Year Estimates)

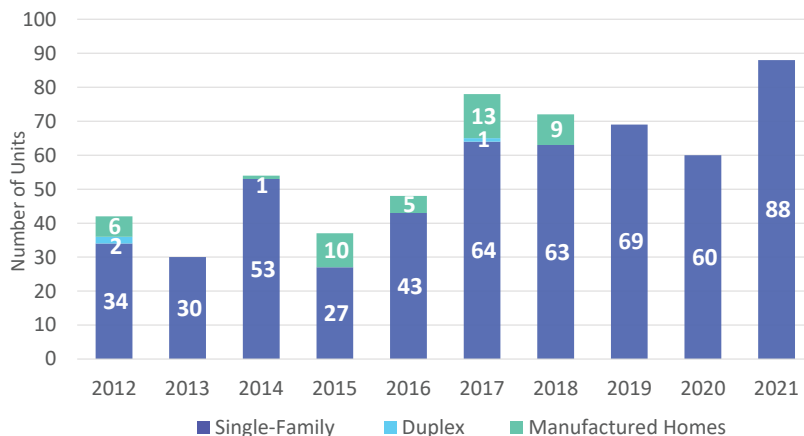
- According the U.S. Census Bureau the county's newest housing is located to the south and east of Brown County State Park.

Housing Characteristics

Housing Age and Building History. Figure A.7 shows the construction activity in Brown County since 2012.

- Between 2012 and 2021, Brown County had 578 new dwelling units constructed at an average rate of nearly 58 units per year.
- The 2019 study estimated a need of 159 units between 2019 and 2025. In the period from 2020 to 2021, Brown County managed to add a total of 148 units.
- Unfortunately, the need for greater housing variety has not been met since the completion of the previous study, as only single-family homes have been built.
- The newest housing stock remains around the edges of Brown County State Park.

FIGURE A.7: Residential Building Permit History



Source: Brown County Building Department

Housing Occupancy. Occupancy status has slightly changed from 2000 to 2020.

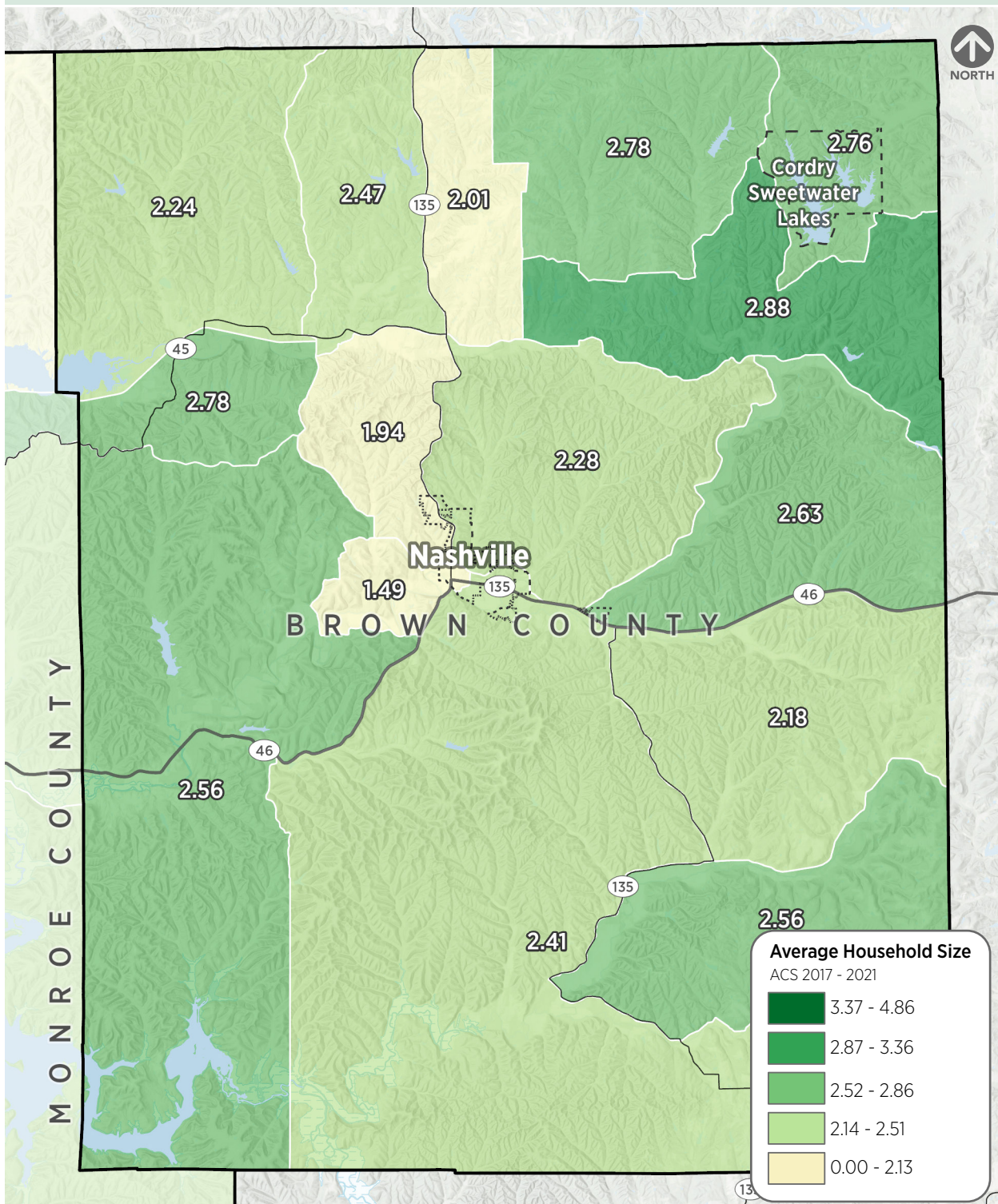
- The high rate of owner occupancy illustrates the limited number of available rental units for the county’s service and retail employees.
- The current vacancy rate of 22.3% is a reflection of seasonally occupied units, not units that are available to residents living or moving to the county. When considering only those for sale or rent, the vacancy rate is nearly 2%.

FIGURE A.8: Occupancy Status

Occupancy	2000		2020		Change 2000-2020
	Number	% of Occupied Units	Number	% of Occupied Units	
Owner-Occupied	5,012	85.00%	5,450	83.10%	438
Renter-Occupied	885	15.00%	1,107	16.90%	222
Total Vacant	1,266		1,879		613
Vacancy rate	17.70%		22.30%		
Total Units	7,163		8,436		

Source: US Census Bureau

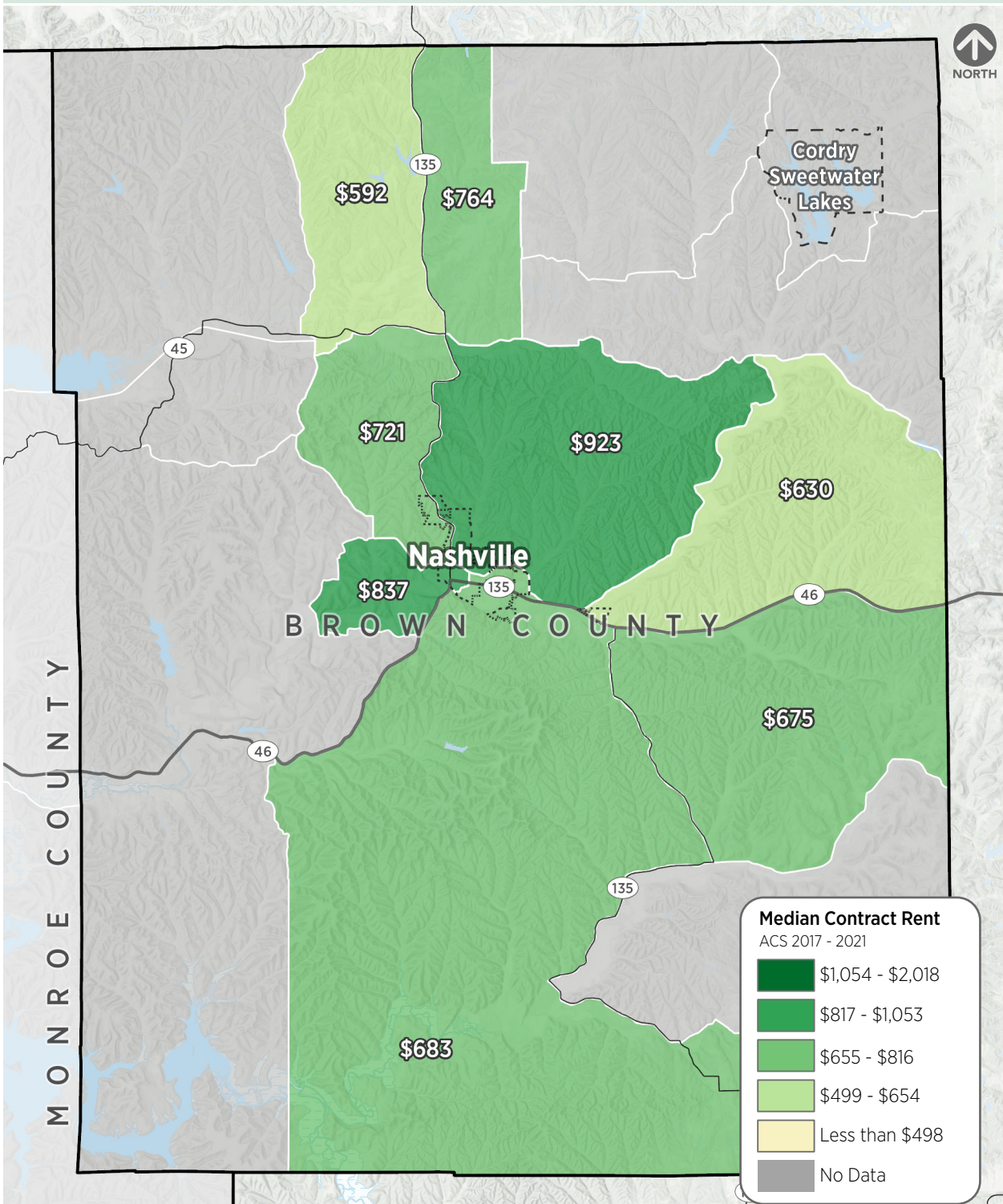
Map A.3: People Per Household



Source: 2021 American Community Survey (5-Year Estimates)

- Areas with the smallest household sizes also have the highest home values, likely indicating older households with no children are those that have the net worth to own homes in the area.
- Household size impacts the number of units needed to house a population. The larger the household size, the fewer units needed and vice versa. The smaller the household size, the more units needed to support the same population.

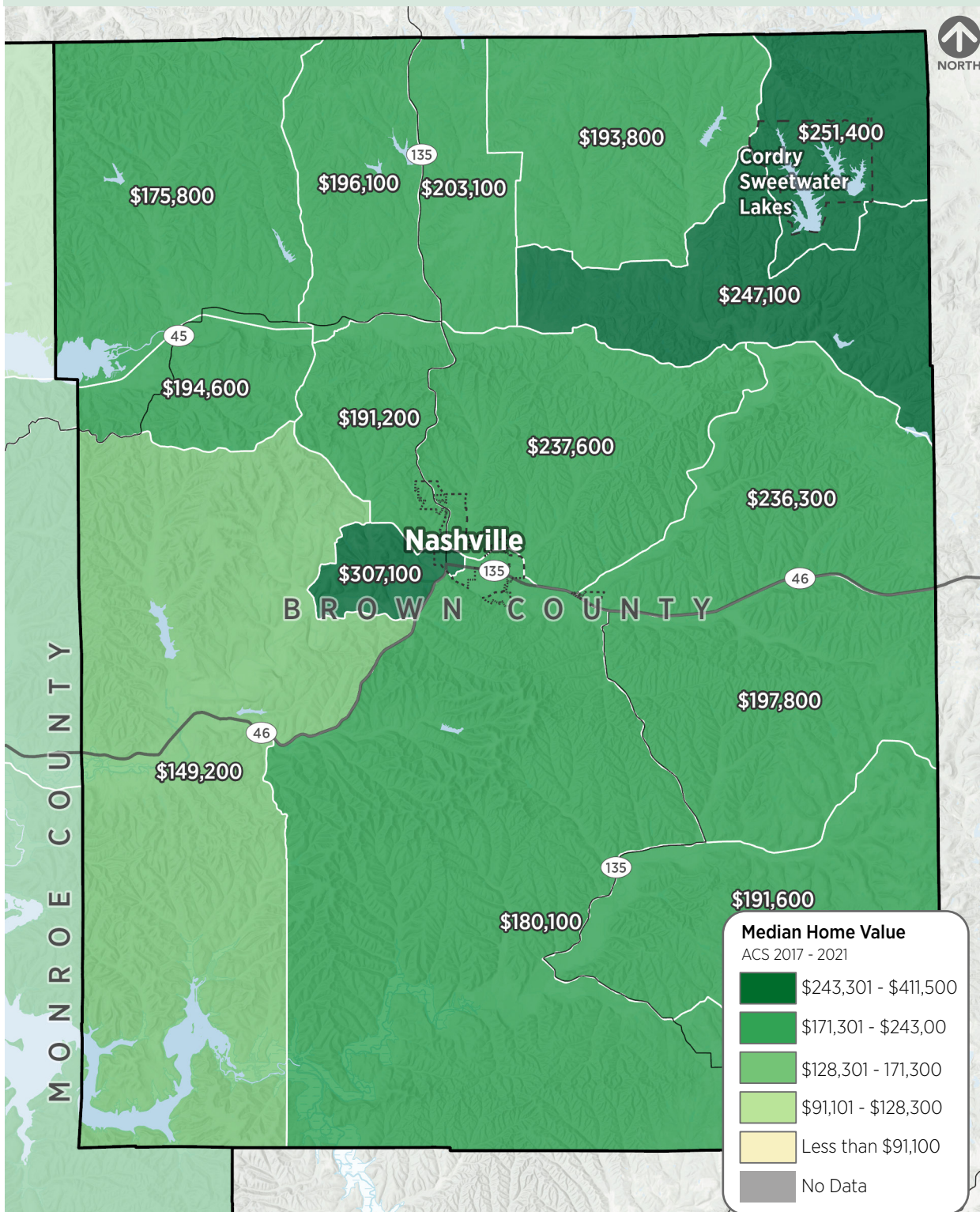
Map A.4: Median Contract Rent by Census Tract



* No Data results from a small sample size that may result in loss of confidentiality.
 Source: 2021 American Community Survey (5-Year Estimates)

- Contract rent is defined by the Census as monthly rent not including furnishings, utilities, or services.
- With a limited number of rentals available for full time occupancy, the market is competitive and can drive up prices.
- The areas with the highest rent are to the northeast and southwest of Nashville, as well as with the town itself.

Map A.5: Median Home Value by Census Tract



Source: 2021 American Community Survey (5-Year Estimates)

- Median home values are the highest in those locations that are attractive to Columbus area workers and retirement/second home-buyers living around the lakes in the northeast corner of the county.

Costs and Incomes. Brown County has one of the highest house values and rents in the region but also has one of the highest household incomes.

- Over the past four years, household incomes have grown by 14% and median home values have grown by 17%.
- Based on Census estimates, contract rent has remained fairly steady but these estimates likely do not reflect the inflation that has occurred in the last 24 months.
 - » The proportion of rental households that are cost burdened (spending more than 30% on housing) has increased.
- Home values in Brown County are heavily impacted by the vacation and second home market. Additionally, the county is an attractive retirement destination for households that purchase housing based on their net worth, not their monthly income. For much of the workforce, being able to purchase housing is challenging due to the competition this market creates.

FIGURE A.9: Brown County Housing Affordability

Median Household Income	Median Contract Rent	% Paying More Than 30% in Gross Rent*	% Paying More Than 30% for Owner Costs**	Median House Value	Value / Income Ratio
\$67,737	\$660	62%	18%	\$205,200	3.03

* Gross rent includes utilities. **Owner costs include mortgage, mortgage interests, property taxes, and maintenance.
 Source: 2021 American Community Survey (5-Year Estimates)

Figure A.10 compares the number of households in an income range with the number of units that would be affordable to those households.

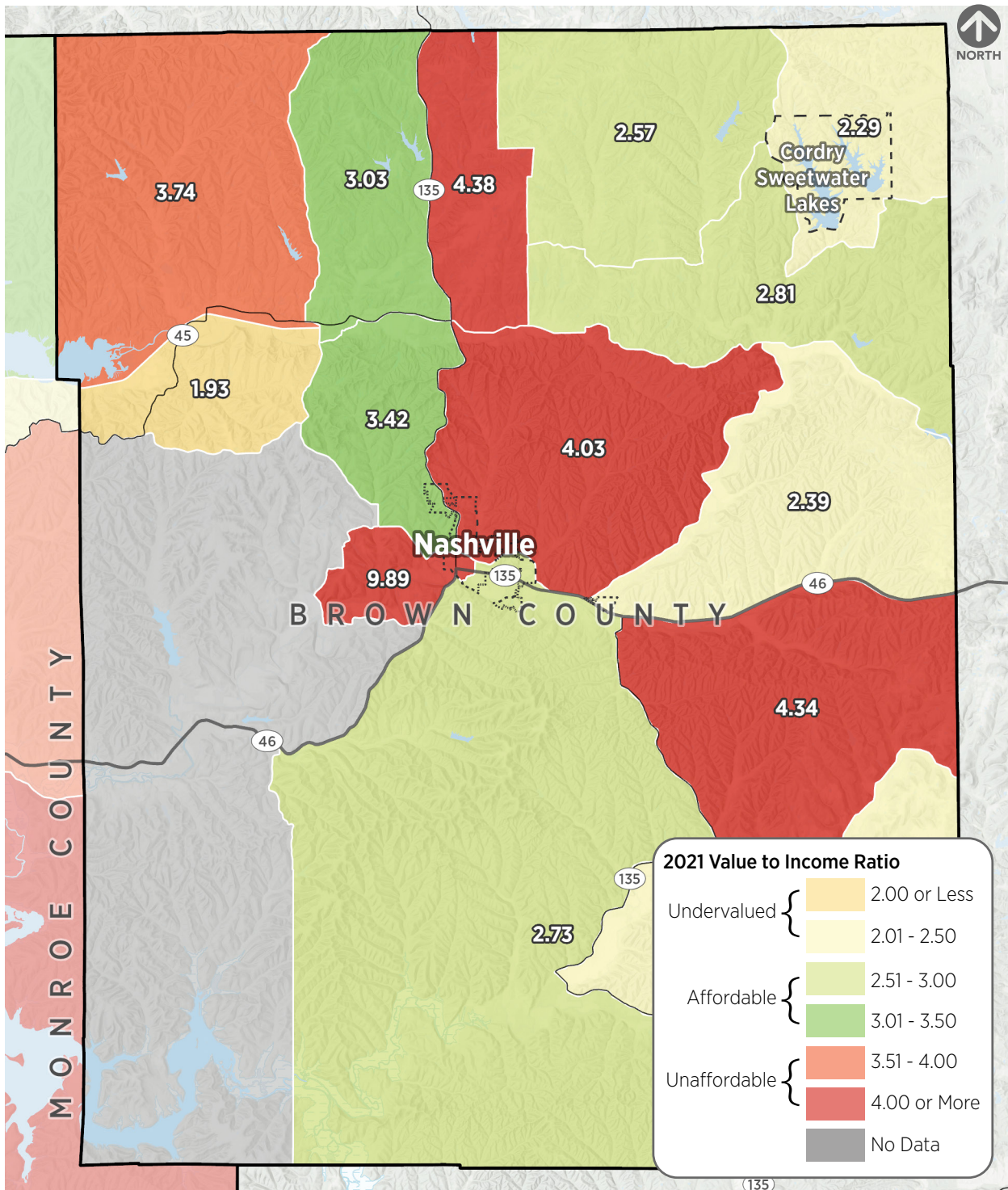
- Brown County continues to have a shortage of housing for those making less \$50,000 a year.
- In the 2019 study, the Census estimates would have indicated that for households making between \$100,000 and \$150,000, there was an adequate supply of housing. However, more current estimates indicate that these households grew faster than the number of units made. These numbers are estimates with a margin of error. However, it does support the idea that higher income households are competing with lowering income households for the same housing units.

FIGURE A.10: Housing Affordability Analysis

Income Range	# HHs* in Each Range	Affordable Range for Owner Units	# of Owner Units	Affordable Range for Renter Units	# of Renter Units	Total Affordable Units	Balance
\$0-24,999	1,118	>\$60,000	298	\$0-499	211	509	-609
\$25,000-49,999	1,355	\$60,000-124,999	679	\$500-999	611	1,290	-65
\$50,000-74,999	883	\$125,000-199,999	1,632	\$1,000-1,499	48	1,680	797
\$75-99,999	981	\$200,000-249,999	967	\$1,500-1,999	16	983	2
\$100-149,999	1,246	\$250,000-399,999	1,017	\$2,000-2,999	0	1,017	-229
\$150,000+	721	\$400,000+	825	\$3000+	0	825	104

* HH = Households
 Source: 2021 American Community Survey (5-Year Estimates)

Map A.6: Value to Income Ratio



No Data results from a small sample size that may result in loss of confidentiality.
 Source: 2021 American Community Survey (5-Year Estimates)

- It was previously noted that areas with smaller household sizes also had some of the highest home values. This trend is exemplified by areas like Nashville’s western side, where the value-to-income ratio is exceptionally high and the household sizes are smaller. These areas are primarily populated by older households with lower incomes but higher net worth (1.49).

Home Sales. The demand for housing has steadily increased over the past 10 years.

- Since 2018, median sale price of a home has increased by \$90,000.
- Due to the increase in demand for housing, the number of days on market has declined significantly. On a national level this has resulted in bidding wars and sharply increasing prices.
- It should be noted that these prices reflect the homes that have sold in a given year and do not reflect all of the homes in a market which include recently sold and homes that have been owned by the same owners for years or decades.

FIGURE A.10: Home Sales, Brown County

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	% Change
Listings	339	331	349	373	425	415	406	404	334	397	351	4%
Median Days on Market	93	81	76	86	67	57	37	29	22	7	12	-87%
Median List Price	166K	175K	192K	208K	225K	229K	265K	277K	270K	310K	350K	111%
Median Sale Price	136K	134K	147K	161K	190K	194K	220K	244K	258K	300K	310K	128%

Source: 2022 MLS

Housing Demand Analysis. Figure A.12 illustrates a demand of over 660 units by 2035.

- Brown County should continue to grow at a historic rate of 0.32% annually.
- The model reflects the vacancy rate that is occurring in the for sale and rent market.
- The demand for over 660 units reflects what is needed to support population growth and not the construction of additional second and vacation homes. Units constructed for seasonal or as second homes would be in addition to the 661 units needed to support population growth.
- This is significantly above what was projected in 2019 (159 units) due to:
 - » A larger base population than was estimated in 2019 and a higher annual growth rate (0.32% vs. 0.24%)
 - » A lower vacancy rate, that removes the seasonally vacant units is used to better reflect the available units and the need to increase the number of these units

FIGURE A.12: Housing Demand Summary

	2020	2023-2030	2030-2035	Total
Population at End of Period	15,475	15,970	16,224	
Household Population at End of Period	15,310	15,799	16,050	
Average People Per Household	2.43	2.43	2.43	
Household Demand at End of Period	6,300	6,502	6,605	
Projected Vacancy Rate	1.7%	4.5%	6.3%	
Unit Needs at End of Period	6,411	6,810	7,048	
Replacement Need (total lost units)		40	25	65
Cumulative Need During Period		398	262	661
Average Annual Construction		50	52	51

Source: 2021 American Community Survey (5-Year Estimates); RDG Planning & Design

Housing Development Program. Figure A.13 distributes the forecasted demand by price point based on the 2020 distribution of household incomes in Brown County. The following assumptions create the program:

- Over the next several years, greater variety will be needed in the market. Many of the county’s workforce cannot afford to own a home in the county. Therefore, rental options need to be expanded. Between now and 2030, 50% of new units should be in rental configurations.
- Due to the cost of land, materials, and labor, the production of housing priced below \$250,000 will be challenging to impossible. The over 220 units in these price ranges will be generated in four different ways:
 - » Production of ownership options that are not the traditional single-family detached, but duplexes, townhomes, or other medium and higher density configurations that reduce per unit costs.
 - » Funding assistance that will offset lot development costs and smaller square footage homes.
 - » Rehabilitation of existing housing units.
 - » Construction of higher priced units that allow existing households to make the next step up.

FIGURE A.13: Housing Development Program

Total Owner-Occupied	2023-2030	2030-2035	Total
Affordable Low: <\$125k	52	41	93
Affordable Moderate: \$125-\$200k	34	27	61
Moderate Market: \$200-\$250k	38	30	67
Market: \$250-350k	48	38	86
High Market: Over \$350k	28	22	50
	199	157	357

Total Renter-Occupied	2023-2030	2030-2035	Total
Low: Less than \$500	51	27	78
Affordable: \$500-\$1,000	62	33	95
Market: \$1,000-\$1,500	41	21	62
High Market: \$1,500+	45	24	69
	199	105	304

Total Need	2023-2030	2030-2035	Total
	398	262	661

Source: RDG Planning & Design